IN CASE YOU MISSED IT

Via Bloomberg:

US Yields Hit 14-Month High Before $119 Billion of Debt Sales

The Biden-Harris inflationary firestorm continues to weigh on the U.S. economic standing with yields on U.S. 30-year bonds climbing to their **highest level since late 2023**, as government debt remains on an upward trajectory.

Alice Gledhill with Bloomberg wrote in a recent **piece** highlighting the reality that markets continue to worry about the country's economic outlook. Since early December 2024, demand sensitivity has driven up the 10-year bond yield by 50 basis points, adding more pressure to U.S. debt.

WORD ON THE STREET

Alice Gledhill, Via Bloomberg:

- *"The 30-year rate climbed as much as **four basis points to 4.85%, the most since November 2023, before a $58 billion sale of three-year notes on Monday**. The Treasury will also auction 10-year notes on Tuesday and 30-year bonds on Wednesday, each a day earlier than normal due to Thursday's state funeral of former President Jimmy Carter."*

- *"'While we believe bond vigilantism or a buyers' strike is unlikely, we expect the demand for Treasuries to remain sensitive to economic conditions, geopolitics, and risk sentiment,' Societe Generale SA strategists including Adam Kurpiel wrote in a note. That will potentially keep volatility higher throughout the year, they added."*

- *"That sensitivity has already driven up the 10-year yield by **around 50 basis points** since early December to **4.62%.** And Treasuries almost erased their gains for the year, finishing 2024 **up just 0.6%**."*

- *"**The impact of higher yields is now spilling over to other asset classes too**. Morgan Stanley strategists say rates are "the most important variable to watch" in early 2025 for stocks, suggesting going for companies with stronger balance sheets or less leverage that are less sensitive. In currency markets, higher rates have boosted the dollar, **which just posted its strongest yearly advance in nearly a decade**."*

- *"Trump's incoming administration has made clear it will aim to deliver many of its **key legislative policies as quickly as possible**. Speaker Mike Johnson said Sunday that an all-encompassing bill would be ready for Trump to sign "certainly by May" and perhaps the end of April."*

- *"Comments from Fed officials over the weekend, including San Francisco Fed President Mary Daly, reinforced that view, and futures traders anticipate that policymakers **could hold rates steady until as late as June**."*

- *"'A hawkish Fed December meeting and concerns over the US fiscal picture have led to an upward pressure on rates,' said Mohit Kumar, chief economist at Jefferies International."*

- *"Any resurgence of inflation would likely slow the pace of interest-rate cuts by the Federal Reserve. The US central bank has dialed back its expectations for easing in 2025, and **markets now fully price just one reduction this year**."*

THE BOTTOM LINE

Americans are experiencing unprecedented financial strain due to **the Biden-Harris Administration's continued push for subsidies and bailouts**. The Administration has choked economic growth by adding **$8.4 trillion** to the national debt and imposing an additional **$1.7 trillion** in regulatory costs.

Soon, new leadership will occupy the White House that will reignite pro-growth, pro-energy policies, and deregulate businesses to spark economic prosperity once again.