- FY 2007 budget deficit was $163 billion
- OMB expects improvement to budget deficits after FY 2008
Growth in tax receipts continued in FY 2007 but at a slightly slower pace versus recent years.
Still, FY 2007 tax receipts were almost 10 percent higher than in FY 2006
FY 2007 outlays were less than 3 percent higher than in FY 2006

Total Outlays
Fiscal Year to Date

<table>
<thead>
<tr>
<th>$ billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
</tr>
<tr>
<td>500</td>
</tr>
<tr>
<td>1000</td>
</tr>
<tr>
<td>1500</td>
</tr>
<tr>
<td>2000</td>
</tr>
<tr>
<td>2500</td>
</tr>
<tr>
<td>3000</td>
</tr>
</tbody>
</table>


FY07 Outlays smallest year-over-year growth rate in recent years

<table>
<thead>
<tr>
<th>Top 5 Expenditure Categories ($ Billions, Y-O-Y % change)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2006</td>
</tr>
<tr>
<td>Social Security Benefits</td>
</tr>
<tr>
<td>Defense</td>
</tr>
<tr>
<td>Medicare</td>
</tr>
<tr>
<td>Net Interest</td>
</tr>
<tr>
<td>Education</td>
</tr>
</tbody>
</table>

Office of Debt Management
Net coupon issuance is at the lowest level since FY 2001
State and Local Government Non-Marketable issuance in 2008 remains uncertain given recent volatility.
Money rates have come down since August, but volatility remains with a potential penalty to growth.

Money Rates
Weekly Averages

- O/N LIBOR ($, avg %)
- 1-mo LIBOR ($, avg %)
- 3-mo LIBOR ($, avg %)
- 6-mo LIBOR ($, avg %)
- Fed Funds (effective, avg %)
Similarly, short term rates have displayed increased volatility across sectors.

![Weekly Average Commercial Paper Rates](chart.png)
Credit concerns this past August created stress across short term markets – including the Treasury Bill market
Treasury’s bill issuance increased in the last quarter of FY 2007
Cash volatility remains a major factor driving bill issuance volatility

Note: Data through October 24, 2007.
Net foreign purchases of US securities declined in August

![Net Foreign Purchases of US Long-Term Securities](Image)
Interestingly, however, 4 of the top 5 holders of Treasury debt have increased their holdings from a year ago.

Top 5 Holders of Treasury Debt

Change in Holdings of Treasury Securities
($ Billions, Y-O-Y % change)

<table>
<thead>
<tr>
<th>Country</th>
<th>Aug. 2006</th>
<th>Aug. 2007</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>623.5</td>
<td>585.6</td>
<td>-6%</td>
</tr>
<tr>
<td>China</td>
<td>386.5</td>
<td>400.2</td>
<td>4%</td>
</tr>
<tr>
<td>UK</td>
<td>54.6</td>
<td>244.0</td>
<td>347%</td>
</tr>
<tr>
<td>Oil Exporters</td>
<td>116.6</td>
<td>123.3</td>
<td>6%</td>
</tr>
<tr>
<td>Brazil</td>
<td>43.1</td>
<td>106.7</td>
<td>148%</td>
</tr>
</tbody>
</table>
The economic outlook impacts future financing and portfolio considerations

- Treasury constantly revisits its assumptions and forecasts when making debt issuance decisions, but overall strategy remains consistent.
- Debt issuance changes are transmitted to the market as transparently as possible.
- During rapid changes to the economy, such changes may become more pronounced.
- Treasury maintains a bias towards the shorter end of the curve.
- The deficit has been cut in half ahead of schedule, and OMB forecasts a balanced budget by 2012.
- We aim to preserve flexibility to address a range of fiscal outcomes.
In light of intermediate and longer-term fiscal trends, as well as recent economic and market conditions, what advice would the Committee give in terms of Treasury’s debt issuance?
Treasury Borrowing Advisory Committee Presentation to the U.S. Treasury
Securitization, Ratings Agencies and the Money Markets

October 30, 2007
What are the Committee’s views regarding recent market dislocations in short term credit markets and their relationship, if any, with increased securitization, rating agency evaluations, and money market financing structures?
The Basic Building Blocks of Securitization

Reference Pool of Assets #1 (Mortgage Loans)

- Loan 1
- Loan 2
- Loan 3
- Loan 4
- Loan 5
- Loan 5000++

ABS 1

- AAA Tranches
- AA Tranches
- A Tranches
- BBB Tranches
- Residual Tranches

Principal and Interest

Portfolio Loss
The Securitization Market Has Grown Explosively

Outstanding US ABS Issuance

US ABS Issuance by Segment

*As of June 30
Source: The Securities Industry and Financial Markets Association
Geographical Breakdown of Issuance

Global Long-Term ABS Issuance (Jan–Oct 2007): $ Billions

- US: $486
- Europe: $489
- Asia: $80


- US: 61%
- Europe: 31%
- Asia: 8%

Source: JPMorgan Chase
ABCP Composition and Impact on Bank Balance Sheets

ABCP Composition*
$1.5 Trillion**

- Consumer Loans: 5%
- CDOs, CLOs: 6%
- Student Loans: 9%
- Residential Mortgages: 9%
- Corporate Loans: 13%
- Auto-Related Loans: 14%
- Trade Receivables: 14%
- Credit Cards: 15%
- Other: 15%

Bank Balance Sheets
$ Trillions

- Commercial and Industrial Loans: $1.6
- Mortgages, Consumer Loans and Other Loans: $4.4
- ABCP: $1.2
- Credit Cards: $7.2

As of July 2007
*Representative sample of multiseller ABCP; accounts for half of ABCP outstanding
**All ABCP outstanding
Source: Fitch, Lehman Brothers and UBS
The Benefits of Securitization

**Investors:**
- Diversification
- Access to a broader array of asset classes
- Customization of cash flows (term, rating, etc.)
- Capital efficiency for regulated institutions
- Wider yield spread versus corporate debt

**Originators:**
- Diversify funding base
- Broader array of investors
- Engineers capacity in the financial system
- A global investor base
Subprime: Who Holds the Risk?

Securitization/liquidity enabled each link in the securitization chain to have less and less of a financial stake in the process as time went by:

- A borrower doesn’t put any equity in the house
- A mortgage broker gets a commission
- An originator/bank securitizes the risk fully and frees up its balance sheet
- An investment bank fully places the mortgage securitization and retains no risk
- An investment bank works with an asset manager to structure and sell a CDO and collects a fee

Liquidity in the system created an insatiable demand from the CDO buyers for ABS product, fuelling the housing boom

Originators responded to the demand from the CDOs with more and more product with lower underwriting standards because the CDOs, bankers/underwriters and rating agencies didn’t insist on it
### An Example: Subprime Mortgage Risk

$ Billions

<table>
<thead>
<tr>
<th></th>
<th>Home Mortgages</th>
<th>Subprime</th>
</tr>
</thead>
<tbody>
<tr>
<td>GSEs</td>
<td>$4,300*</td>
<td>—</td>
</tr>
<tr>
<td>Banks</td>
<td>1,400</td>
<td>$200</td>
</tr>
<tr>
<td>Thrifts</td>
<td>750</td>
<td>50</td>
</tr>
<tr>
<td>Finance Companies</td>
<td>400</td>
<td>50</td>
</tr>
<tr>
<td>Credit Unions</td>
<td>200</td>
<td>—</td>
</tr>
<tr>
<td>REITs</td>
<td>150</td>
<td>50</td>
</tr>
<tr>
<td>Asset-Backed Securities</td>
<td>$1,900*</td>
<td>850</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$9,100</td>
<td>$1,200</td>
</tr>
</tbody>
</table>

*Mortgage insurers have first-loss exposure on approximately $700 billion of GSEs and $100 billion of ABS
Source: Federal Reserve, Lehman Brothers and AB
Expanding the Role of Securitization

Reference Pool of Assets #1 (Mortgage Loans)
- Loan 1
- Loan 2
- Loan 3
- Loan 4
- Loan 5
- Loan 5000++

Principal and Interest

Tranched

Portfolio Loss

Reference Pool of Assets #2 (BBB-Rated ABS)
- BBB ABS 1
- BBB ABS 2
- BBB ABS 3
- BBB ABS 4
- BBB ABS 5

Tranched

Reference Pool of Assets #2 (BBB-Rated ABS)
- BBB ABS 125

Tranched

Absolute Tranches
- AAA Tranches
- AA Tranches
- A Tranches
- BBB Tranches
- Residual Tranches

ABS 1
- AAA Tranches
- AA Tranches
- A Tranches
- BBB Tranches
- Residual Tranches

ABS 2
- AAA Tranches
- AA Tranches
- A Tranches
- BBB Tranches
- Residual Tranches

CDO
- AAA Tranches
- AA Tranches
- A Tranches
- BBB Tranches
- Residual Tranches

SIV/HG CDOs
- AAA Tranches
- AA Tranches
- A Tranches
- BBB Tranches
- Residual Tranches

Mezz CDOs
- AAA Tranches
- AA Tranches
- A Tranches
- BBB Tranches
- Residual Tranches
Role of the Rating Agencies: What Were the Fundamental Problems?

- Optimistic assumptions were made on new untested types of mortgages

- An actuarial approach to evaluating risk with limited historical data led to a flawed model

- Most assumptions were predicated on gradual deflation of the housing bubble
### Moody’s Rating Volatility Analysis


<table>
<thead>
<tr>
<th>Orig. Rating</th>
<th>Aaa</th>
<th>Aa</th>
<th>A</th>
<th>Baa</th>
<th>Ba</th>
<th>B</th>
<th>Caa or below</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aaa</td>
<td>96%</td>
<td>2%</td>
<td>1%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>Aa</td>
<td>10%</td>
<td>76%</td>
<td>8%</td>
<td>3%</td>
<td>1%</td>
<td>0%</td>
<td>2%</td>
</tr>
<tr>
<td>A</td>
<td>2%</td>
<td>8%</td>
<td>76%</td>
<td>6%</td>
<td>4%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Baa</td>
<td>0%</td>
<td>1%</td>
<td>5%</td>
<td>64%</td>
<td>9%</td>
<td>4%</td>
<td>16%</td>
</tr>
<tr>
<td>Ba</td>
<td>0%</td>
<td>2%</td>
<td>1%</td>
<td>6%</td>
<td>64%</td>
<td>6%</td>
<td>21%</td>
</tr>
</tbody>
</table>

Includes 1st Lien, 2nd Lien, HELOC, NIM, HLTV. Withdrawn ratings were added back to matrix at last rating level.

#### Moody’s 2006 Vintage Rating Transitions

<table>
<thead>
<tr>
<th>Orig. Rating</th>
<th>Aaa</th>
<th>Aa</th>
<th>A</th>
<th>Baa</th>
<th>Ba</th>
<th>B</th>
<th>Caa or below</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aaa</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Aa</td>
<td>0%</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>A</td>
<td>0%</td>
<td>0%</td>
<td>44%</td>
<td>28%</td>
<td>18%</td>
<td>10%</td>
<td>0%</td>
</tr>
<tr>
<td>Baa</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>17%</td>
<td>19%</td>
<td>32%</td>
<td>32%</td>
</tr>
<tr>
<td>Ba</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>6%</td>
<td>19%</td>
<td>75%</td>
</tr>
</tbody>
</table>

Includes home equity ABS securitizations

Source: Moody’s and AB
Role of the Rating Agencies: Contributing Factors

- There is an inherent conflict of interest in the ratings business:
  - Agencies get paid per deal (based on deal size)
  - The higher the rating, the more deals that the rating agency will be asked to rate
  - Underwriters get paid per deal, and reward agencies for higher ratings and lower required subordination

- Rating agency models can be gamed: bankers try to outsmart the models

- Bankers will also shop agencies. The “norm” is that both S&P and Moody’s are on all of the tranches, but at certain times bankers will select one over the other. There is a perception that the spurned agency will often change its criteria to regain market share

- Rating agencies cannot keep up with innovation and have increasingly been modelling the performance of new structures based on subjective readings of limited historical data

- Rating agencies take data from bankers/issuers “as is.” They have no independent audit function/requirement to test a sample of the data for authenticity
Role of the Rating Agencies: Who Was Behind the Curve?

The Agencies
- History already shows that ratings within structured finance were in some cases flawed
- Perception is that they built ratings based on weak historical data and derived false comfort from models
- There was probably a desire not to “say no” to issuers or bankers
- Past episodes in the credit markets came and went with little consequence for the ratings agencies

Investors
- In some cases investors placed too much reliance on the agencies and derived a false sense of comfort from their ratings and the highly reputable investment banks marketing securitized deals
- Investors saw assets offering attractive returns for a given rating, and faced with regulatory constraints and other motives, engaged in “rating arbitrage”
- Recently, investors were also caught out because they were suddenly forced to mark to market illiquid securities; they did not realize at some point they may be forced to sell
A Reminder: Securitization Risk Is Different from Traditional Corporate Risk

Securitization Offers Diversification/Yield Enhancement

Reference Pool of Assets
(DJ CDX IG 10-Year)
Average Rating: BBB+

*Implied S&P rating
**Not rated
Potential Threats as Result of Securitization

- Securitization is of tremendous benefit to the financial system because it distributes risk globally to capital that is seeking returns.

- But because the risk is so widely distributed to both regulated and unregulated parties there is little transparency as to where the risks reside.

- While the size of the problem can be deduced in raw numbers from the size of a particular market (Subprime ABS $850 billion), it may be difficult to predict how risk holders will behave in times of distress.

- Information and transparency are lost in each step of the securitization process—from mortgage origination to mortgage securitization to the CDO. Each step is dependent on the other but relies heavily on the statistics provided by the previous holder of the risk.

- At present, money market lenders, asset-backed commercial paper issuers (including SIVs), sponsors and rating agencies are still sorting out the recent market disruption associated with "mark-to-market" and short-term funding needs.
Necessity of Securitization

- Securitization makes the financial system more resilient to shocks by dispersing risk
  - US subprime risk is being borne by German and Chinese banks, hedge funds, insurance companies, etc. This is much preferred to mortgage risk being concentrated in the hands of one industry—the banks (as was the case with the Savings and Loan crisis)
  - Allows all types of capital to find investors as opposed to just regulated bank capital. This helps lower the cost of borrowing for the consumer
  - Increased availability—home ownership has increased to 69% from 64% in the mid 1990s
  - Securitization and ratings help create a common language and framework for investors to trade on

- Securitization enables entrepreneurs to establish originators with much less capital than would otherwise be required. This allows for innovation and competitiveness within the system

- Securitization also allows larger/regulated banks to leverage their lending and servicing expertise without deploying as much capital as they otherwise would. This in theory should free up bank capital to lend in other areas, which in turn should be positive for the economy
What Can Be Done in the Future?

- The root cause of the current debacle is a bubble in lending. Weaknesses in the rating agency model exacerbated the situation but did not cause it.

- Issuers should be forced to prepay in full for ratings, and these ratings should all be publicly disclosed or, when possible, relate payments to the long-term stability of ratings.

- Ratings agencies and underwriters might be persuaded to adopt such measures as a “voluntary code of good practice” in exchange for their almost duopolistic/oligopolistic status.

- Agencies should consider adding a “liquidity score” to their ratings, granting a high score only if there is a listed and well-quoted market.

- Repo counterparts should be encouraged to be more cautious with respect to “pledged” collateral. Regulators should consider mandating capital charges on certain instruments that are commensurate with liquidity scores.

- On the heals of over two million sub-prime owners struggling to keep their homes, “truth in lending” practices should be re-evaluated by policy makers.

- Ultimately, investors must recognize that structured finance events are low frequency but high severity in nature.
Current and future demand for US Treasuries
Current account and budget deficits

Source: US Treasury, CBO, and JPMorgan; Consensus estimate for 2007 and 2008 provided by Consensus Economics Inc.
Strong foreign demand has funded the US deficit...

Source: TIC, Bureau of Economic Analysis, Treasury Department

Source: US Treasury and JPMorgan
...from both private and official sources

Net purchases of US securities by foreign official accounts and private investors, monthly data; $bn

Net purchases of Treasury securities by foreign official accounts and private investors, monthly data; $bn

Source: TIC
Foreign demand for Treasuries has evolved over time

12-month moving average of total net purchases of Treasuries by foreigners; $bn

12-month moving average of total monthly net purchases of US Treasuries by foreigners, and 12-month moving average of monthly net purchases by China, Japan, Caribbean, and UK; $bn

Source: TIC
Japan and China remain the largest holders of Treasuries

Major foreign holders of Treasury securities (%)

<table>
<thead>
<tr>
<th>Country</th>
<th>Share</th>
<th>Year/Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>26.2%</td>
<td>-6.1%</td>
</tr>
<tr>
<td>China</td>
<td>17.9%</td>
<td>3.5%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>10.9%</td>
<td>346.9%</td>
</tr>
<tr>
<td>Oil Exporters</td>
<td>5.5%</td>
<td>-18.4%</td>
</tr>
<tr>
<td>Brazil</td>
<td>4.8%</td>
<td>147.6%</td>
</tr>
<tr>
<td>Caribbean</td>
<td>3.4%</td>
<td>-4.1%</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>2.9%</td>
<td>9.4%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>2.5%</td>
<td>10.8%</td>
</tr>
<tr>
<td>Taiwan</td>
<td>2.3%</td>
<td>-15.7%</td>
</tr>
<tr>
<td>Korea</td>
<td>2.2%</td>
<td>-22.9%</td>
</tr>
<tr>
<td>Germany</td>
<td>2.0%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Singapore</td>
<td>1.6%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Mexico</td>
<td>1.5%</td>
<td>-18.4%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>1.4%</td>
<td>-17.8%</td>
</tr>
<tr>
<td>Turkey</td>
<td>1.2%</td>
<td>-15.0%</td>
</tr>
<tr>
<td>Canada</td>
<td>1.1%</td>
<td>-12.0%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>1.0%</td>
<td>26.9%</td>
</tr>
<tr>
<td>Thailand</td>
<td>0.9%</td>
<td>24.8%</td>
</tr>
<tr>
<td>France</td>
<td>0.8%</td>
<td>-28.8%</td>
</tr>
<tr>
<td>Sweden</td>
<td>0.7%</td>
<td>22.2%</td>
</tr>
<tr>
<td>Russia</td>
<td>0.6%</td>
<td>98.5%</td>
</tr>
<tr>
<td>Poland</td>
<td>0.6%</td>
<td>-3.0%</td>
</tr>
<tr>
<td>Ireland</td>
<td>0.6%</td>
<td>-14.6%</td>
</tr>
<tr>
<td>Italy</td>
<td>0.6%</td>
<td>-10.6%</td>
</tr>
<tr>
<td>Israel</td>
<td>0.5%</td>
<td>87.1%</td>
</tr>
<tr>
<td>Belgium</td>
<td>0.5%</td>
<td>-22.1%</td>
</tr>
<tr>
<td>India</td>
<td>0.5%</td>
<td>-19.3%</td>
</tr>
<tr>
<td>All Other</td>
<td>5.3%</td>
<td>-13.7%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>9.5%</td>
</tr>
</tbody>
</table>

Foreign Official Bonds

<table>
<thead>
<tr>
<th>Country</th>
<th>Share</th>
<th>Year/Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>64.0%</td>
<td>-0.1%</td>
</tr>
<tr>
<td>China</td>
<td>55.9%</td>
<td>-5.4%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>8.1%</td>
<td>0.7%</td>
</tr>
</tbody>
</table>

Source: TIC
Structural factors, not market dynamics, have driven US Treasury demand.

Rolling 12-month correlation between 1-month % change in USD real effective exchange rate and net foreign purchases of UST

Rolling 12-month correlation between 3mon Tbill/10yr Treasury curve and net foreign purchases of UST

Source: JPMorgan and US Treasury
Recent FX reserves accumulation in Asia

Reserve growth continues at rapid rate in emerging Asia...

Source: Respective central banks
...and in oil exporting countries

Middle East aggregate foreign exchange reserves, ex-gold (USD, bln)

Regression of current account surplus of oil exporting countries (USDbln) and annual WTI average price ($/bbl) over last 15 years

Source: IMF
Source: World Economic Outlook
Focus on BRIC - Brazil reserves appreciating most quickly

Source: IMF
Central banks have marginally reduced % of reserves held in USD

Diversification trends:

Central bank reserve diversification

Currency composition of global official FX reserves

Official foreign flows, by asset class ($bln); 2007 full-year estimate based on first 8 months of data

Source: IMF

Source: TIC
Sovereign Wealth Funds: an alternative investment for central banks

<table>
<thead>
<tr>
<th>Country</th>
<th>Sovereign Wealth Funds</th>
<th>Assets under management (approximate, USDblns)</th>
<th>Source</th>
<th>Inception year</th>
</tr>
</thead>
<tbody>
<tr>
<td>UAE</td>
<td>Abu Dhabi Investment Authority</td>
<td>500-1000</td>
<td>Oil</td>
<td>1976</td>
</tr>
<tr>
<td>Norway</td>
<td>Government Pension Fund</td>
<td>more than 300 (as of April 2007)</td>
<td>Oil</td>
<td>1990</td>
</tr>
<tr>
<td>Kuwait</td>
<td>Kuwait Investment Authority</td>
<td>150-250</td>
<td>Oil</td>
<td>1960</td>
</tr>
<tr>
<td>Russia</td>
<td>Oil Stabilization Fund</td>
<td>122 (as of June 2007)</td>
<td>Oil</td>
<td>2004</td>
</tr>
<tr>
<td>China</td>
<td>China Investment Corporation</td>
<td>200</td>
<td>Other</td>
<td>2007</td>
</tr>
<tr>
<td>Singapore</td>
<td>Government of Singapore Investment Corporation</td>
<td>200-330</td>
<td>Other</td>
<td>1981</td>
</tr>
</tbody>
</table>

Sovereign external assets

Saudi Arabia Monetary Agency and govt. institutions 276 Oil 1952

Private foreign UST purchases have remained robust even though asset allocation has shifted
The August TIC report


Net foreign purchases of US Treasuries by month; 2007 vs median purchase during 2001-2006, ($bn)

Source: TIC
August showed a meaningful decline in Asian UST demand...

3-month moving average of monthly net purchases of US Treasuries by Japan; $bn

3-month moving average of monthly net purchases of US Treasuries by China; $bn

Source: TIC
...however, flows from other key regions remained supportive

**3-month moving average of monthly net purchases of US Treasuries through UK; $bn**

**Source: TIC**

![Graph showing the 3-month moving average of monthly net purchases of US Treasuries through UK. The graph indicates a significant increase in August 2007 with a value of $33bn.]

**3-month moving average of monthly net purchases of US Treasuries through Caribbean countries; $bn**

**Source: TIC**

![Graph showing the 3-month moving average of monthly net purchases of US Treasuries through Caribbean countries. The graph indicates a significant increase in August 2007 with a value of $20bn.]

Recent Fed custody data suggest a moderate rebound in net foreign purchases of Treasuries
Key issues for gauging future Treasury demand

- International currency policy and FX reserve accumulation
- Investment of FX reserves
- Foreign private flows
- US economic outlook
- Geopolitical issues
- Pension fund demand
- Entitlement changes