

Markets

US Treasuries Soar as Slower Job Growth Boosts Fed Rate-Cut Bets



By [Ye Xie](#), [Michael Mackenzie](#), and [Elizabeth Stanton](#)

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Treasuries rallied, with short-term yields posting their biggest drop in a year, after softer US jobs data prompted traders to boost bets that the Federal Reserve will lower interest rates as soon as next month.

Yields on two-year notes tumbled as much as 25 basis points to 3.71%, setting up the biggest drop since weak employment data released Aug. 2, 2024 teed up a series of Fed rate cuts. Traders fully priced in two rate cuts this year, with an 80% chance of a reduction at the next meeting in September.