Markets

Costliest US Bond Sale Since 2001 Is Investor Warning to Bessent

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Takeaways by Bloomberg AI

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- The US government sold 30-year bonds at a 5.216% interest rate, the highest since 2001, due to investors' demand for greater compensation to finance the nation's growing deficit.
- The high interest rate is a concern for the government ahead of midterm elections, as lofty government financing costs are feeding through to the broader economy.
- Investors are demanding higher yields due to inflation uncertainty, fiscal risks, and the Federal Reserve no longer being a major buyer, which could lead to long-term yields moving higher.