US Treasury Bond Market Analysis Update

Auction demand, holder composition and the evidence on dollar confidence

Edgard Jacques Asia-Pacific

August 2026

Contents

1 Executive reading

The comparable ten-year Treasury note auction evidence does **not** support a simple "buyers have disappeared" narrative. Annual weighted bid-to-cover stayed within a relatively tight 2.31–2.55 range from 2016 through 2025; the 2026 year-to-date figure of 2.42 sits below 2023's high but above the 2017 and 2019 annual readings. At the same time, annual public offering in this maturity bucket rose from USD118 billion in 2017 to USD209 billion in 2025. The more defensible reading is that the market is digesting larger supply at materially higher yields. A holding change, an auction channel or a higher yield does not independently prove declining confidence in the US dollar.

Metric	2017	2021	2023	2025	2026 YTD
10-year offering, USD bn	118	193	182	209	168
Weighted bid-to-cover	2.31	2.48	2.55	2.46	2.42
Weighted high yield, %	1.91	1.02	3.44	3.89	3.88

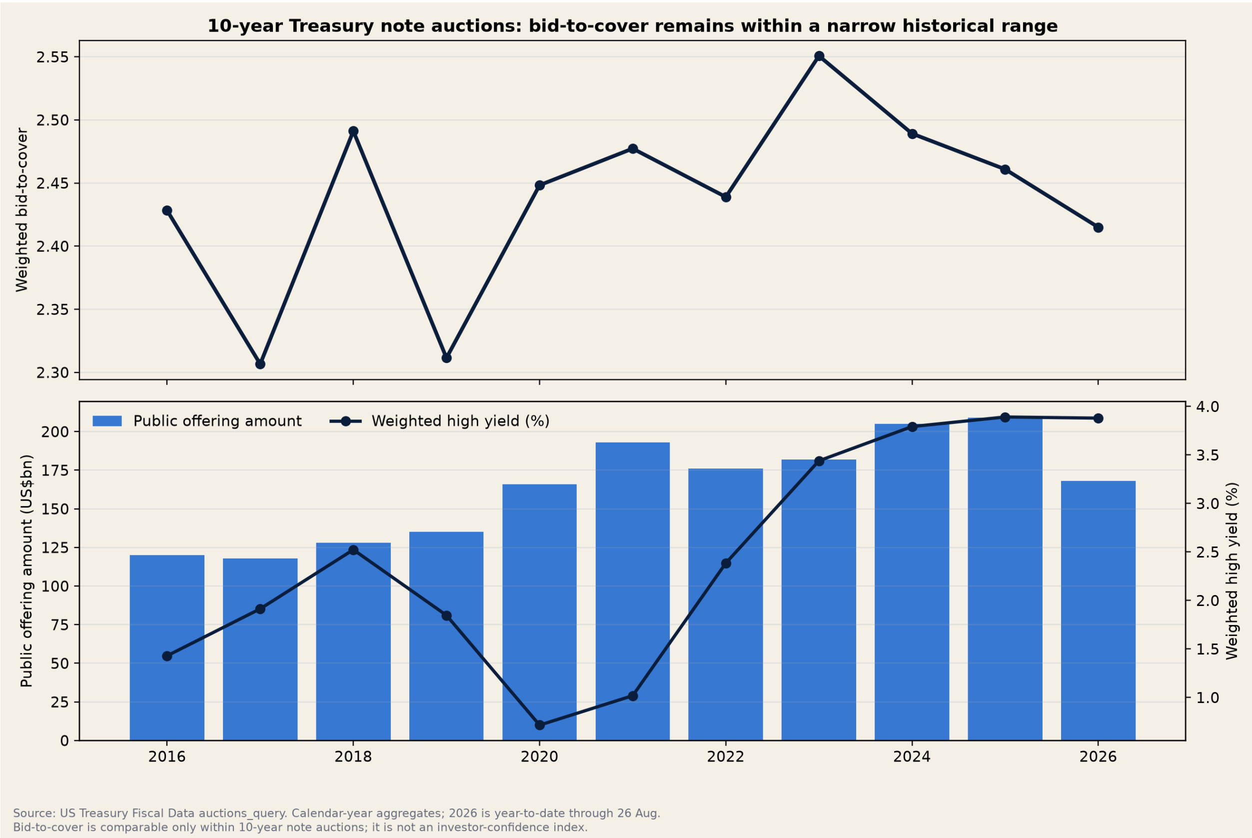

图 1 Comparable 10-year note auction demand. Source: US Treasury Fiscal Data.

2 Auction demand and issuance

The EJ series confines the demand comparison to 10-year notes rather than mixing bills, notes, bonds, TIPS and floating-rate notes into one ratio. Bid-to-cover compares public tenders with public accepted bids; it is meaningful only within a consistent maturity bucket and does not reveal the ultimate buyer.

2026 is an incomplete year. The observation comprises the completed 10-year note auctions through 26 August and should not be read as a full-year result. Higher auction yields also reflect the broader repricing of rates and term compensation, not demand alone.

> **Key reading:** rising supply and higher yields are visible; a clean linear collapse in comparable auction demand is not.

3 Reported holders and sector participation

Japan's reported Treasury holdings have not moved in a persistent ten-year retreat: USD1.091 trillion at December 2016, USD1.301 trillion at December 2021 and USD1.186 trillion at December 2025; the June 2026 TIC release reported USD1.117 trillion. China, mainland declined over the period, while the United Kingdom and aggregate reported foreign holdings rose.

These are custody and residence measures. Treasury International Capital data cautions that offshore custody can prevent precise country-level accounting of ultimate beneficial ownership. They should not be treated as national demand ledgers.

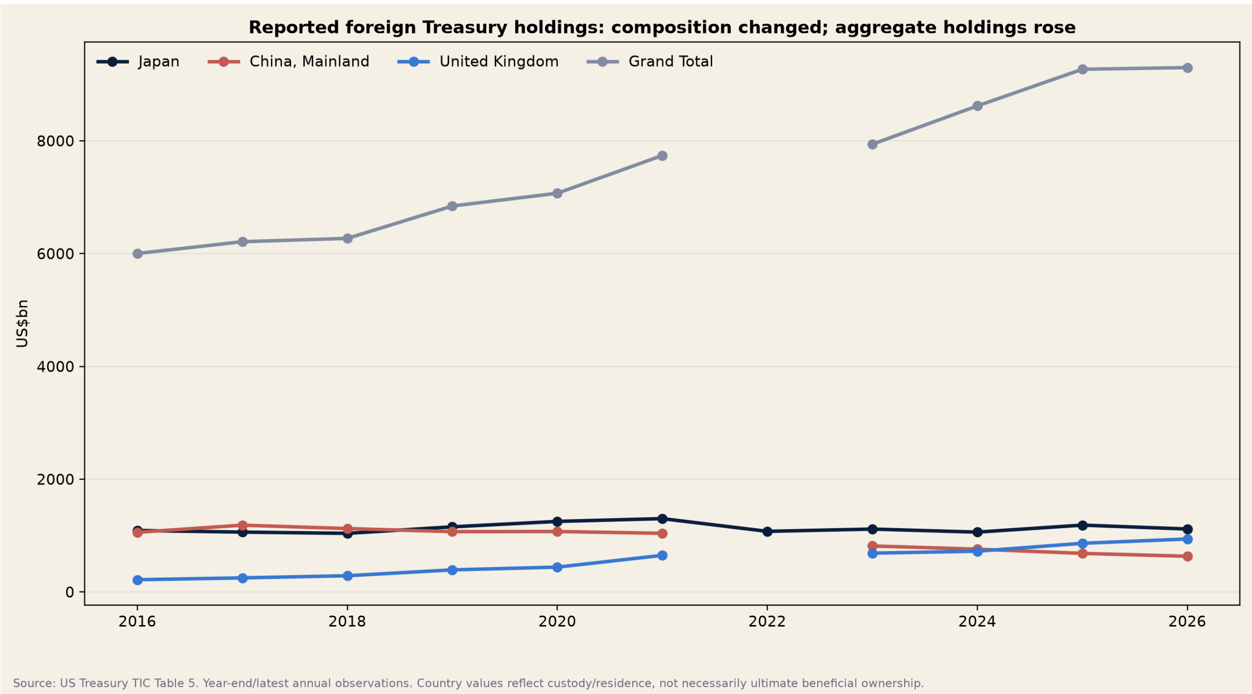

图 2 Reported foreign Treasury holder composition. Source: US Treasury TIC; custody/ residence caveat applies.

4 Domestic participation and dollar-confidence claims

Federal Reserve Financial Accounts data do not show a uniform disappearance of domestic reported sectors. The household-and-nonprofit residual sector, US-chartered depositories and mutual funds all increased their reported Treasury positions over the observation window. The household/nonprofit series is not a pure retail-consumer measure; it can include trusts and other residual holders.

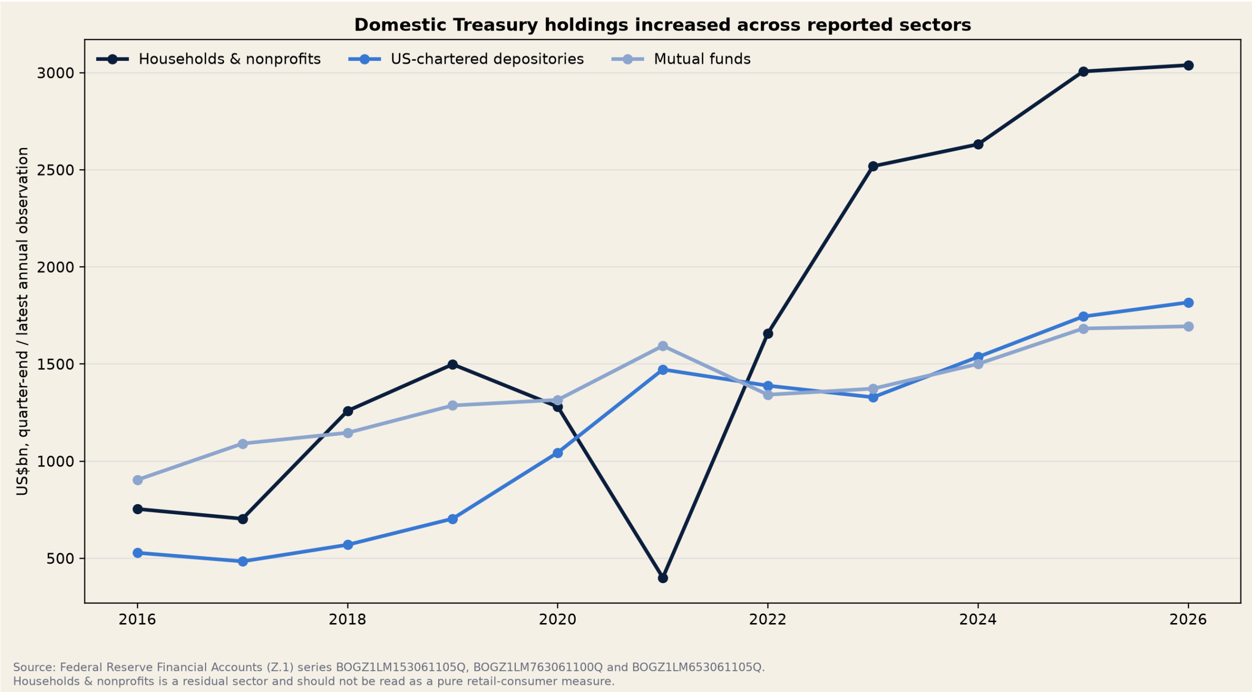

图 3 Domestic reported Treasury holder sectors. Source: Federal Reserve Financial Accounts.

The appropriate monitoring question is whether several conditions deteriorate together: auction bid-to-cover and tails relative to when-issued yields, issuance size, yield and term-premium conditions, foreign-official and Japan TIC holdings, and sectoral ownership. No individual TIC table or auction result is a sufficient verdict on the dollar.

EJ perspective: focus on the market's capacity to clear increasing issuance at a price, rather than a binary buyer/no-buyer headline.

5 Research limits and sources

This publication does not identify the final beneficial owner of each auction award. Direct and indirect auction bidders are channels, not national or household registries. TIC country positions may reflect custodial location; Federal Reserve sector positions are market-value holdings. The report makes no causal claim that a holding change proves confidence or lack of confidence in the US dollar.

1. US Treasury Fiscal Data, **Treasury Securities Auctions Data**.
2. US Treasury TIC, **Major Foreign Holders of Treasury Securities**.
3. Federal Reserve, **Financial Accounts of the United States**.

4. US Treasury, **Daily Treasury Par Yield Curve Rates**.

Research and analysis only; not personalised financial, investment, legal or tax advice. Reference date: 26 August 2026.
请从这里开始撰写正文。