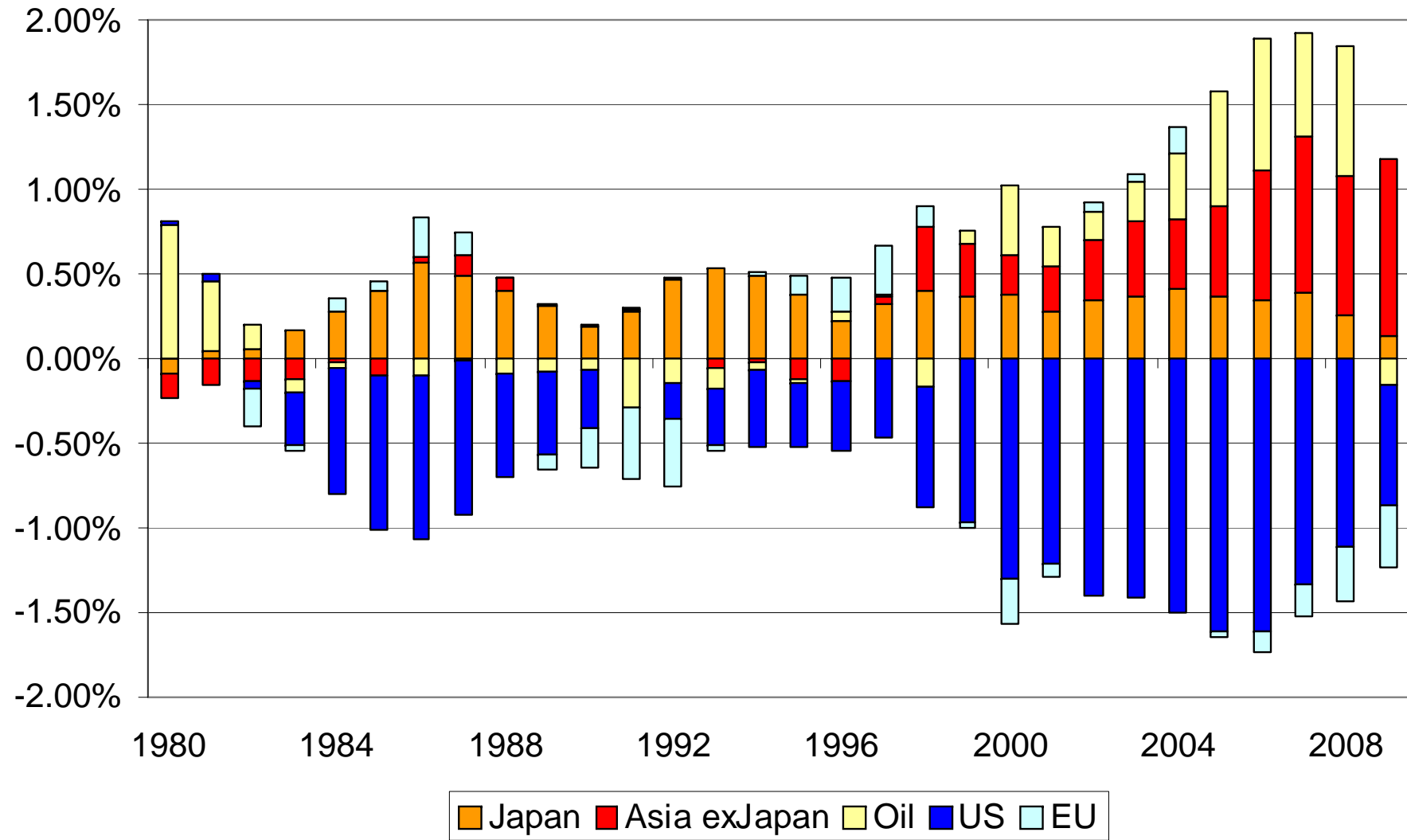


# Reserve management and global imbalances

Brad Setser

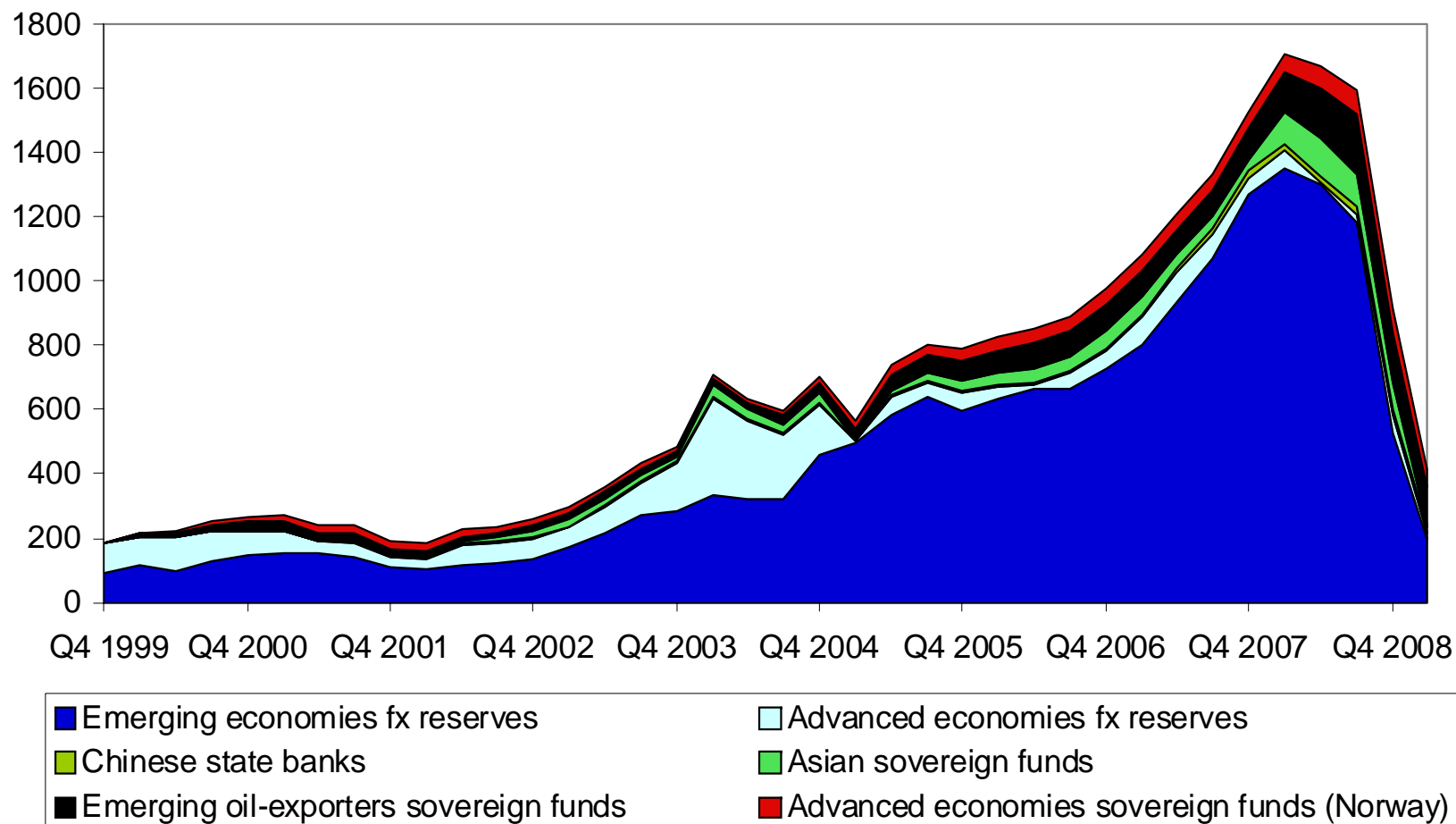
Council on Foreign Relations

## Global current account, % of World GDP (IMF WEO)

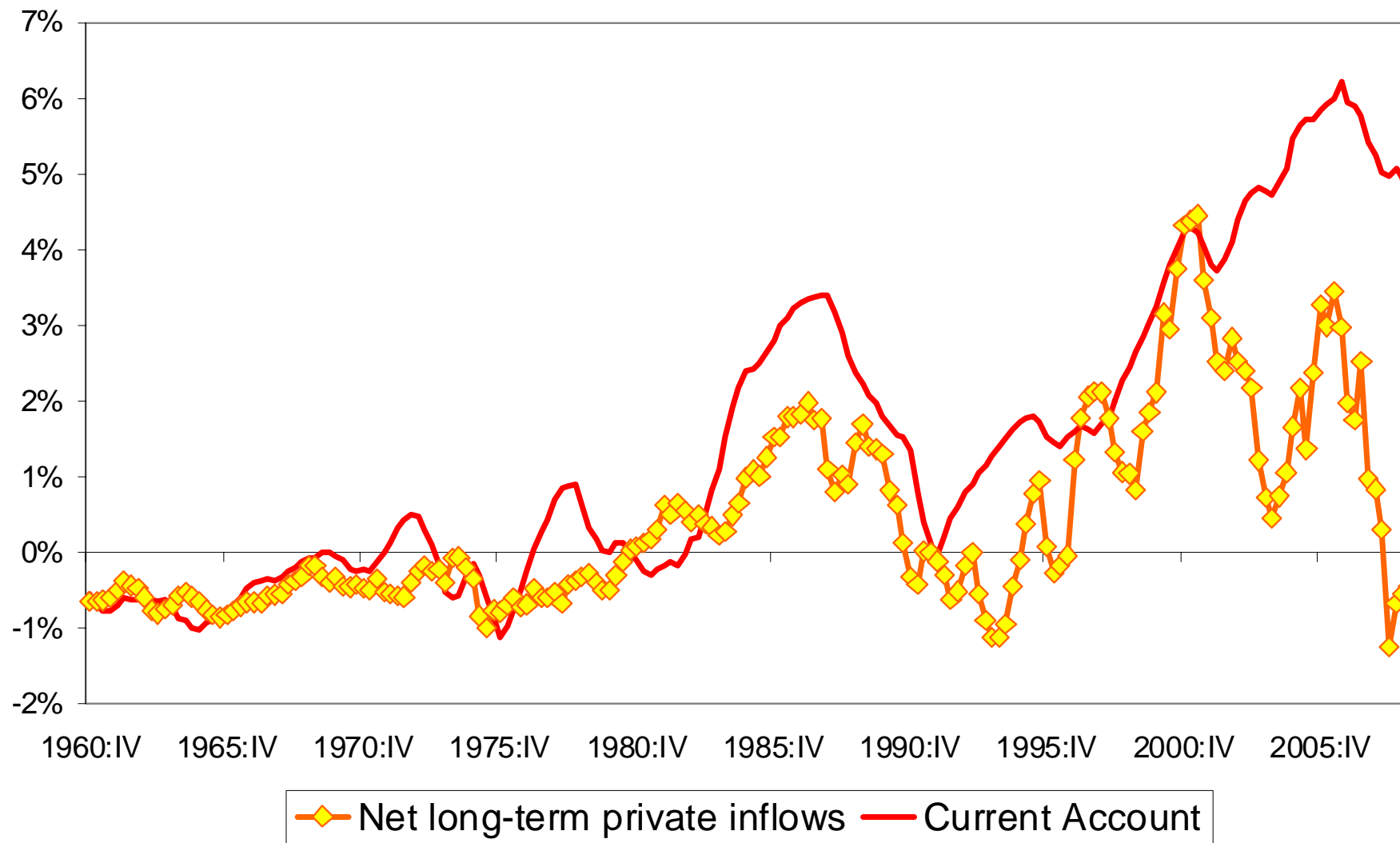


# Official asset growth

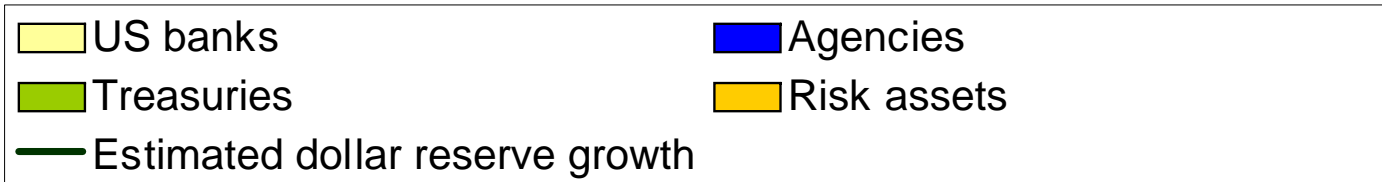
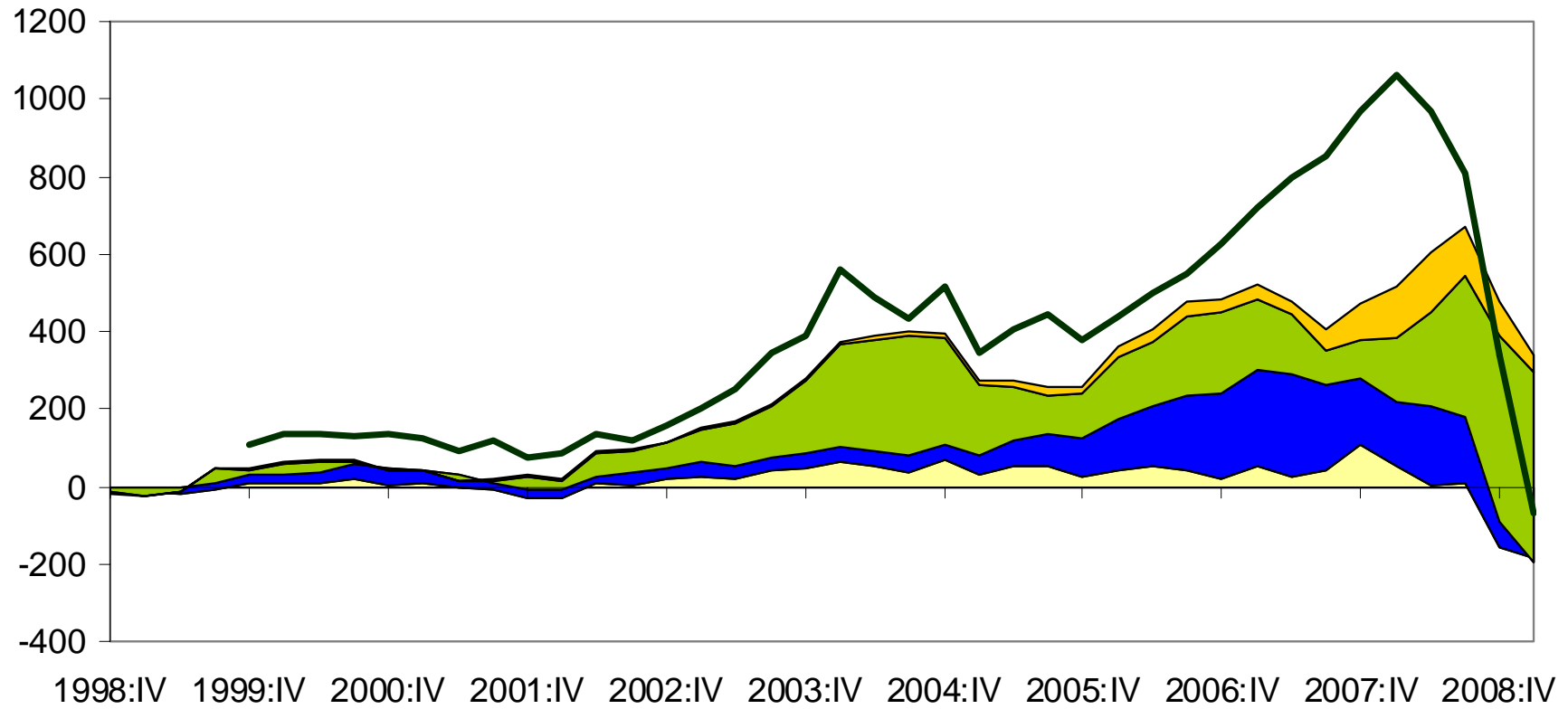
\$ billion, rolling 4q sum



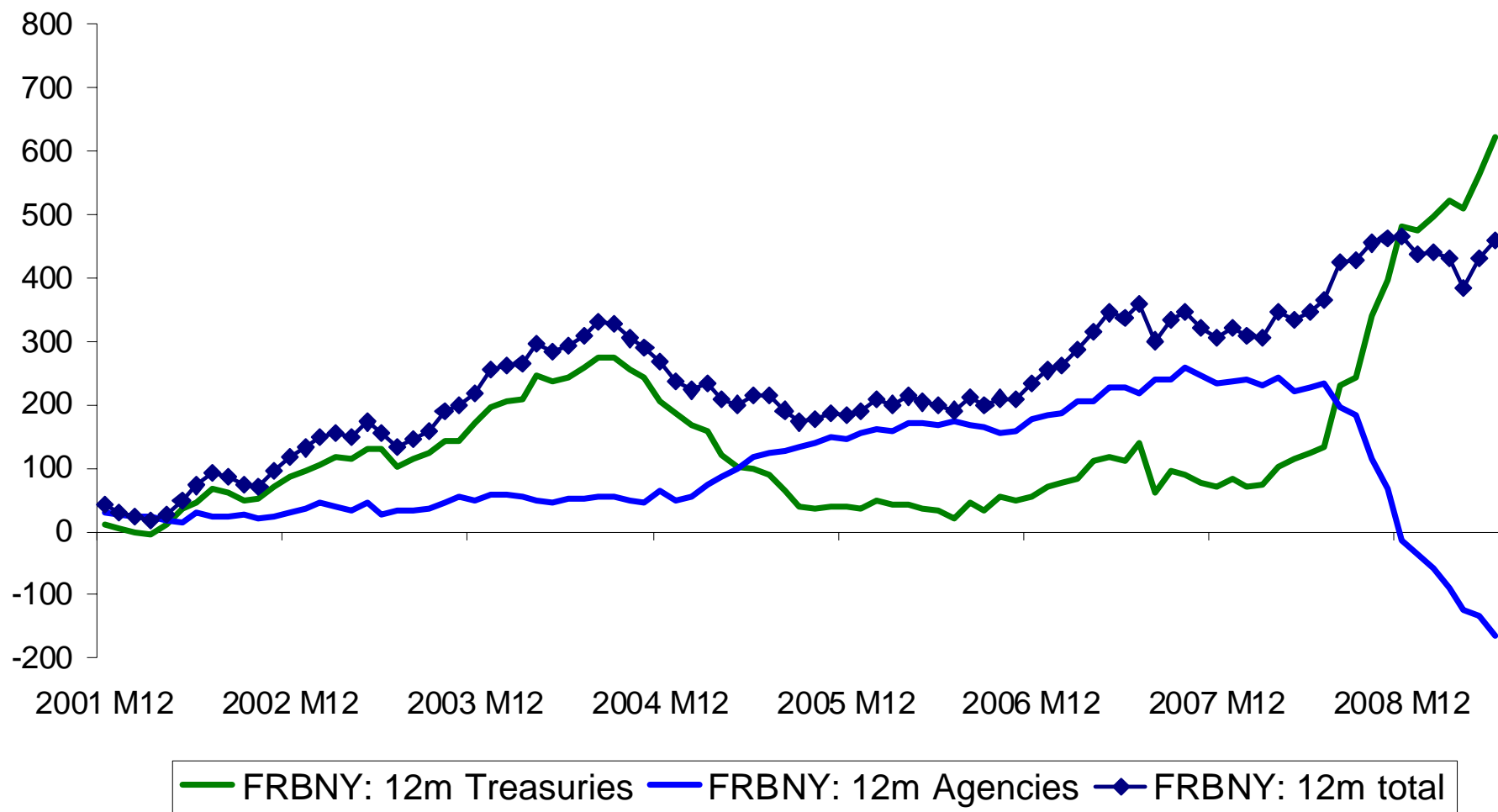
## Long-term private v official flows: rolling 4q sums



## Official inflows (US data) v estimated dollar reserve growth \$ billion, Rolling 4q sums

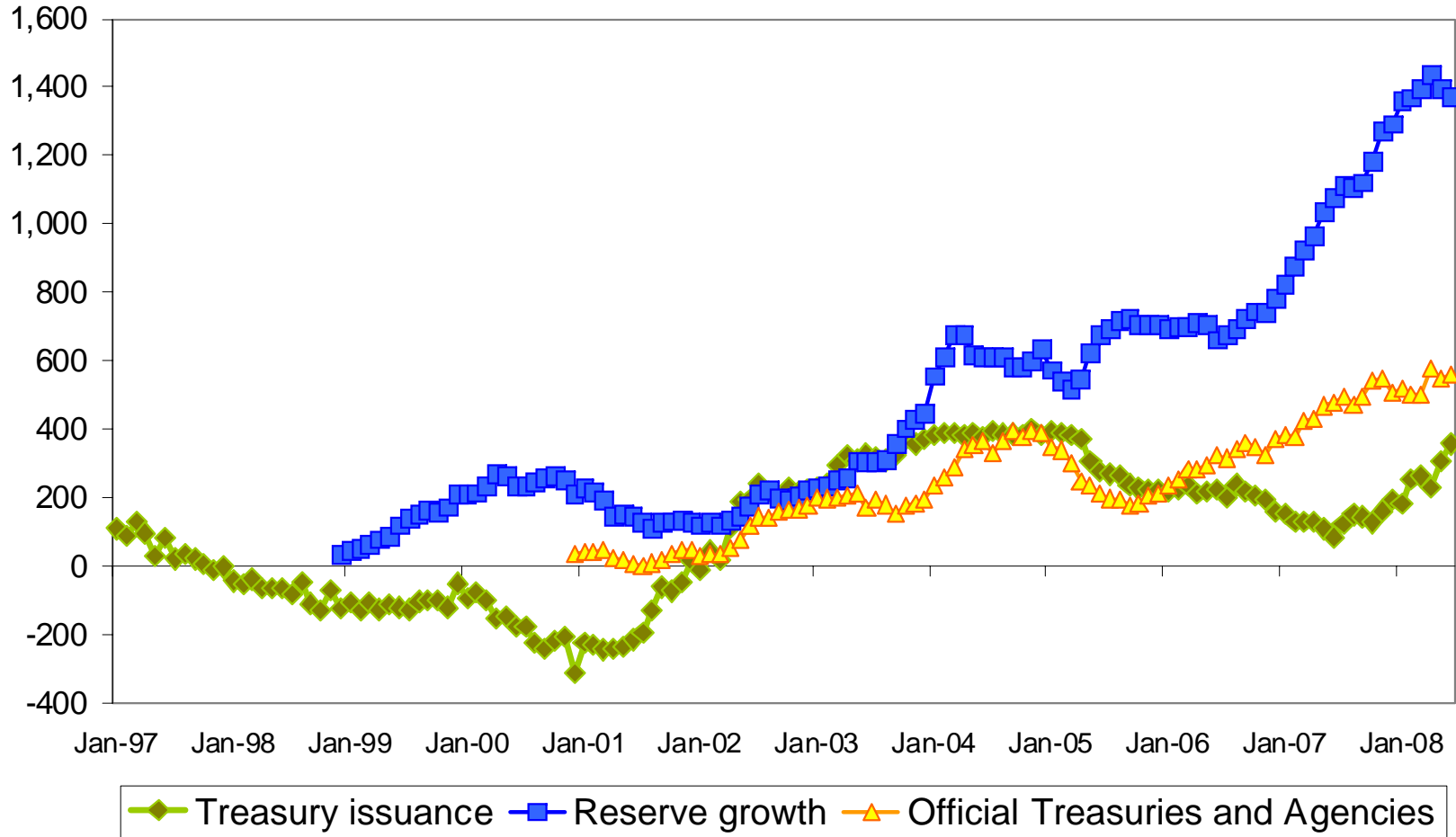


## Official purchases of Treasuries .... 12m change in FRBNY custodial accounts, \$ billion

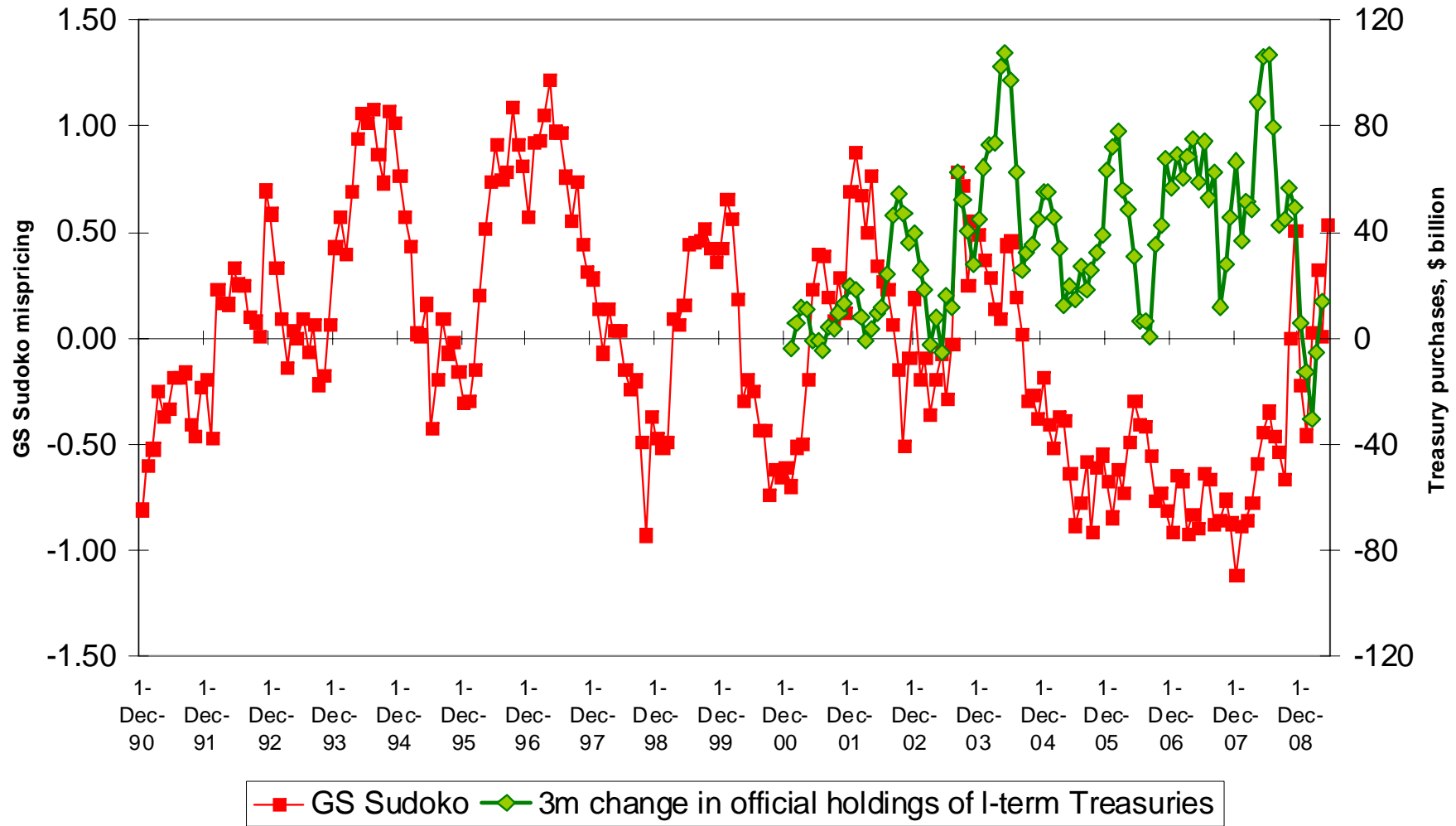


# Reserves v Treasury issuance

## Rolling 12m sums, \$ billion

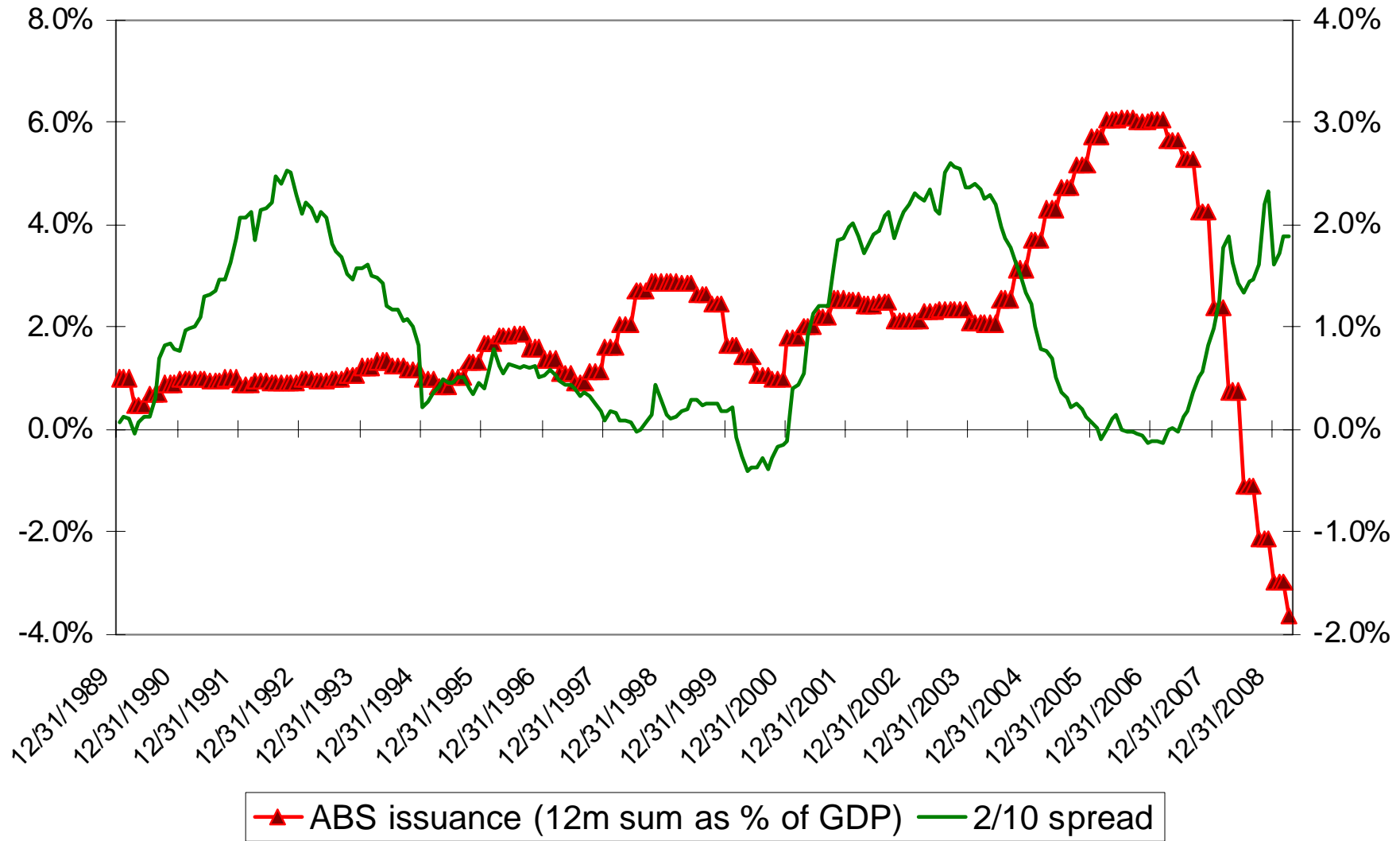


## Official long-term Treasury demand (3m change) v Mispricing of 10y Treasury in Goldman's Sudoku Model



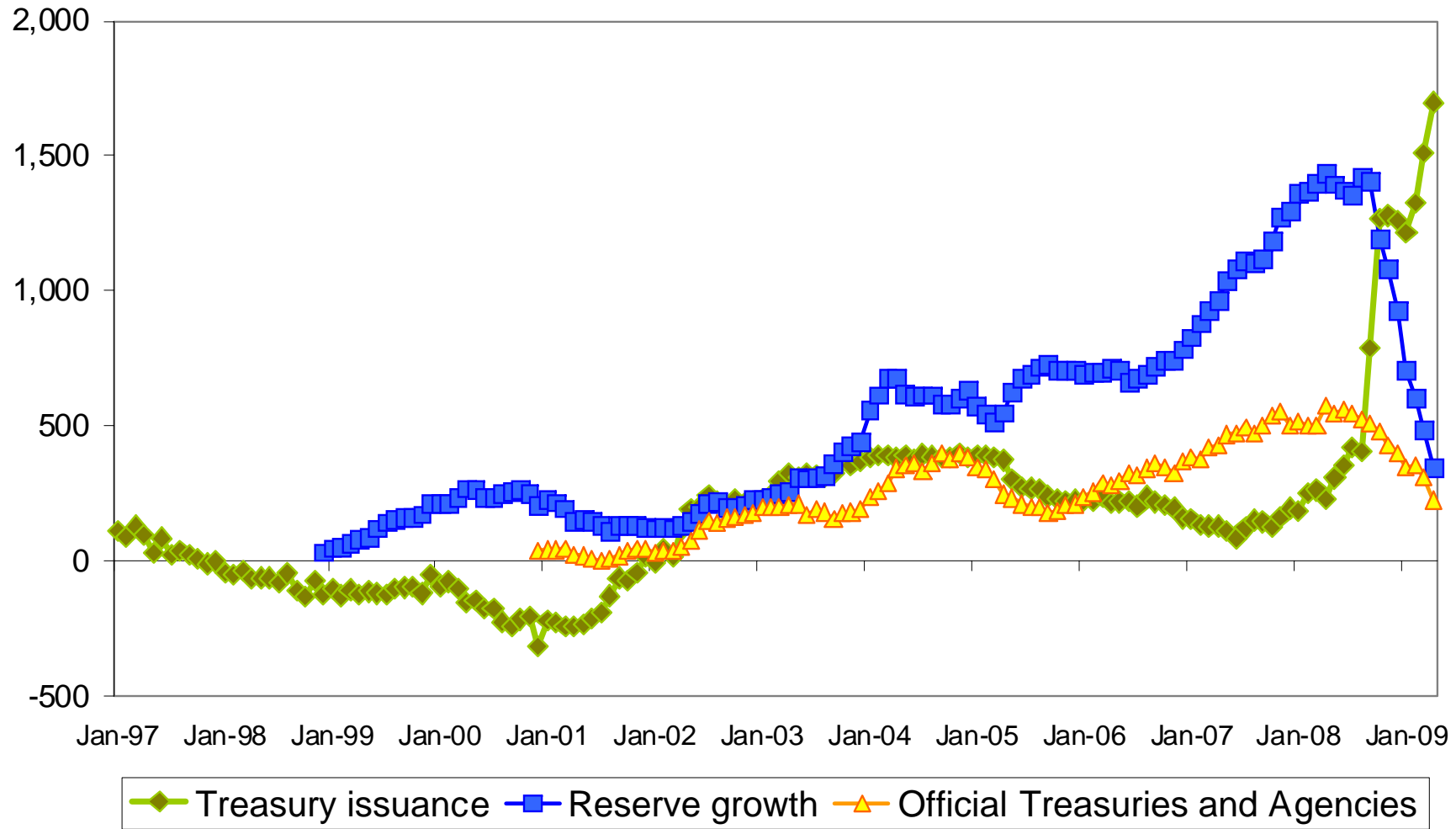


## Flat yield curve spurs demand for ABS?



# Reserves v Treasury issuance

## Rolling 12m sums, \$ billion



### Debt Issuance by Sector Quarterly Annualized % of GDP

15%  
10%  
5%  
0%  
-5%  
-10%

3/52 3/56 3/60 3/64 3/68 3/72 3/76 3/80 3/84 3/88 3/92 3/96 3/00 3/04 3/08

— Federal Issuance — Sum of ABS and net Agency issuance

