Rescuing the market for government securities when its liquidity fails

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From work with
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Views expressed are not necessarily those of the Federal Reserve Bank of New York or the Federal Reserve System.

COVID induced record foreign gross sales of Treasuries to U.S. deale

Figure: A histogram of monthly gross sales of U.S. Treasury bonds and notes by foreigners to U.S. residents, from January 2000. Data source: U.S. Department of the Treasury, Treasury International Capital System. The March 2020 observation is indicated in red.

Dealer-to-customer bid-o er spreads

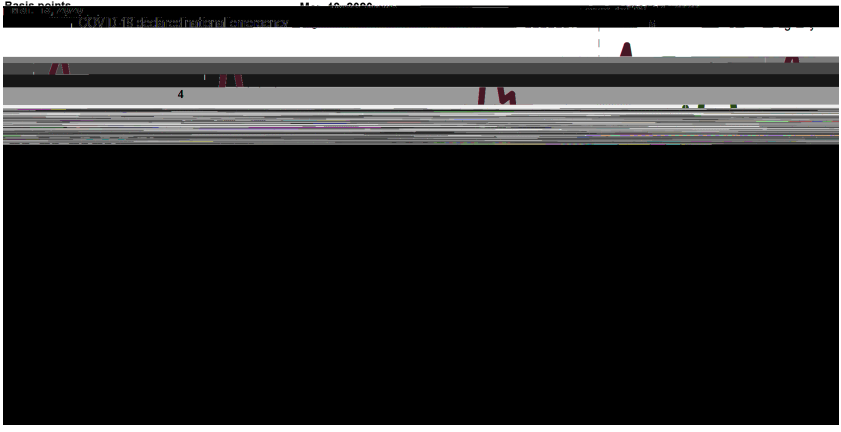

Figure: Source: Congressional General Accounting O ce, August, 2021. The underlying data source is Bloomberg Financial LP. Bloomberg.

Interdealer market depth