demand for bills.

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Some analysts expect the Treasury's beefed-up buybacks of long-term government debt, designed to curb rising yields, to be funded via short-term issuance, adding further pressure to increase the total amount sold.

A Treasury official said issuance was "informed by trends in structural demand".

"Investor demand for Treasury bills has increased substantially, with money market funds' assets under management around $8tn, stablecoins a key source of growth as Genius Act rules are finalised, and the Fed buying more than $300bn in bills so far this year," the official said.

Ever since the Joe Biden era, the federal government has struggled to rein in its yawning fiscal deficits. The Congressional Budget Office fiscal watchdog expects the deficit to remain around 6 per cent of GDP for the duration of its 10-year forecast horizon — more than double the US Treasury secretary's 3 per cent goal for the end of Donald Trump's second term.

Bessent has said the US can grow its way out of its mountain of debt.

"In the US, we don't have a revenue problem. We have a spending problem. So we've tried to contain the spending and then with 3 per cent growth, we grow our way out of this," he said earlier this month.

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