USA & CANADA INTELLIGENCE BRIEF — TUESDAY, AUGUST 25, 2026

The Borrower Turns Buyer

Long borrowing costs eased on reports that the Treasury may use its own cash balance to fund larger repurchases of its own debt, reducing how much short-dated paper it needs to sell.

A government that manages demand for its own bonds is doing something a central bank normally does. It worked, and the fact that it was needed is the more interesting half.

Domestic stories only, read in English and Canadian French. No war coverage and no sport.

IN THIS ISSUE

EDITOR'S LEADER · 01

A TREASURY STEADYING THE MARKET FOR ITS OWN PAPER

Managing Its Own Market

When a borrower has to take steps to support the price of its own debt, the borrowing has stopped being routine.

Long American borrowing costs eased on Tuesday after reports that the Treasury could use its cash balance to fund larger repurchases of its own bonds. Doing so would reduce how much short-dated paper it needs to issue.

Thirty-year borrowing steadied at about 5.2297%, down from 5.2497% on Monday and well below the 5.34% touched last week. Ten-year borrowing was flat near 4.7021% and two-year near 4.2421%.

What that mechanism actually is

A repurchase programme means the government buying back its own outstanding bonds to support demand at the long end. Funding it from cash rather than new issuance means doing so without adding to the supply that caused the problem.

This is a debt management operation, not monetary policy, and the distinction matters. The central bank sets the price of money and the Treasury is now managing the market for its own paper alongside it.

Earlier this month a similar announcement held for roughly a day before the effect faded. That this one had to follow so soon is the part worth noting.

> *Thirty-year borrowing steadied at about 5.23% after touching 5.34% last week.*
>
> UNITED STATES TREASURY MARKET · TUESDAY 25 AUGUST 2026

Three tests in three days

Consumer confidence is published this morning, the inflation measure the central bank prefers follows on Wednesday, and Chair Warsh speaks in Wyoming on Friday. The chip company whose results now move three continents reports in the same window.

Traders currently expect one increase of a quarter point by the end of the year. That is a market pricing tightening into an economy most people still describe as slowing.

And Canada supplies the day's only hard figure

Canadian wholesale sales for July are expected to have fallen 1.3% on the month, against a rise of 2.8% previously. It is the first monthly read covering the period in which the tariff threat became a certainty.

The duties are in their fourth day and Ottawa's matching measures remain set for 8 September. Neither government has announced further talks.

EXECUTIVE SUMMARY · 02

TEN ITEMS, RANKED BY CONSEQUENCE

The Day At A Glance

Here is Tuesday's news, in order of consequence for Latin American readers. Every item is dated.

#	ITEM	WHY IT MATTERS
1	The Treasury may fund larger buybacks from its cash balance	The reports eased long borrowing costs and steadied share futures. It would reduce the need to issue as much short-dated paper.
2	Thirty-year borrowing steadied near 5.23%	It stood at 5.2497% on Monday and touched 5.34% last week. Ten-year borrowing was flat near 4.70%.
3	Consumer confidence is published this morning	The reading lands at ten o'clock eastern time. It is the first of three tests in three days.
4	The preferred inflation measure follows on Wednesday	July figures arrive with oil elevated. It is the number the committee weighs most heavily.
5	Chair Warsh speaks in Wyoming on Friday	The address closes a week that began with borrowing costs near two-decade highs.
6	Markets price one quarter-point increase by year end	That is tightening priced into an economy widely described as slowing. The three July dissenters look less isolated each week.
7	The chip company reports this week	Analysts expect quarterly revenue near ninety-two billion dollars and full-year guidance of 103 to 105 billion. Three continents are positioned around it.
8	Canadian wholesale sales are expected to have fallen 1.3%	The July figure follows a rise of 2.8%. It covers the month the tariff threat hardened.
9	Canadian duties enter a fourth day	Fifty per cent has applied since Saturday and matching measures remain set for 8 September. No talks have been announced.
10	Barkin speaks and Canadian bank results land	A Federal Reserve official speaks this morning and Bank of Montreal reports before the opening. Intuit, Box and Zoom follow after the close.

THE NUMBERS AT A GLANCE · USA & CANADA · TUESDAY, AUGUST 25, 2026

UNITED STATES 30-year borrowing **5.2297%** from 5.2497%	**UNITED STATES** 10-year borrowing **4.7021%** broadly flat	**UNITED STATES** 2-year borrowing **4.2421%** broadly flat	**UNITED STATES** Consumer confidence **10:00 ET** published today
UNITED STATES Inflation measure **Wednesday** July, preferred gauge	**UNITED STATES** Wyoming address **Friday** Chair Warsh	**CANADA** Wholesale sales **-1.3%** July consensus, from +2.8%	**CANADA** Duty in force **Day 4** matching measures 8 Sept

OUR SIMPLE HEALTH CHECK · USA + CANADA

How The Countries Are Doing

Our own reading of ten domestic dimensions across the two economies, scored one to five. This is a judgement, not a forecast, and it is not financial advice.

	POLITICS	BUDGET	MONEY	MARKETS	OUTSIDE	WHAT WE SEE
US debt management Treasury	3	5	4	4	3	Reported willingness to fund larger repurchases from its cash balance, a second such step this month.
US long borrowing Bond market	3	5	4	4	4	Steadied near 5.23% on thirty-year money after touching 5.34% last week.
US monetary policy Federal Reserve	4	3	4	4	3	The chairman speaks Friday while markets price a quarter-point increase by year end.
US households National	3	3	4	3	3	Confidence published this morning, the first read on whether consumer resilience is cracking.
US inflation National	3	3	4	3	5	The preferred July measure lands on Wednesday with oil still elevated.
US technology Corporate	2	2	3	5	3	One chip company's results, with revenue expected near ninety-two billion dollars, are setting positioning worldwide.
US trade policy Washington	5	3	3	4	5	Duties on Canadian goods in a fourth day with no talks announced by either government.
Canadian wholesale National	3	3	3	3	5	July sales expected down 1.3% after a 2.8% rise, covering the month the tariff threat hardened.
Canadian policy Bank of Canada	3	3	3	3	5	Decides on 2 September, six days before Ottawa's own counter-measures apply.
Canadian banks Corporate	2	3	3	3	4	Bank of Montreal reports before the opening, the first large Canadian lender to speak since the duties landed.

How to read the colours: 1 = calm, 2 = fairly good, 3 = mixed, 4 = some strain, 5 = serious strain. Updated Tuesday, August 25, 2026.

DEEP DIVE · THE WEEK'S TESTS · 04

CONFIDENCE, INFLATION AND A SPEECH

Three Numbers In Three Days

Part One · What Actually Happened

Consumer confidence today, the preferred inflation measure on Wednesday, and the chairman in Wyoming on Friday. Each answers a different part of the same question.

Confidence tells you whether households have noticed what has happened to prices and borrowing costs. It is the softest of the three and the earliest to turn.

The inflation measure tells you whether the elevated oil price has reached the figures the committee actually weighs. That is the number with the shortest path to a policy decision.

The speech tells you whether the institution intends to lead the market or follow it. Long borrowing costs moved to a two-decade high without the central bank's participation, and the Treasury rather than the Federal Reserve has been the body steadying them.

Markets are pricing one increase of a quarter point by the end of the year. If confidence holds and inflation is contained, that pricing looks too hawkish and long borrowing costs should fall.

If either disappoints, the three members who dissented in July for an increase become the majority position rather than the minority one.

Part Two · Three Ways This Can Go

Possibility A · Contained inflation, softer confidence · 40%

The July figure comes in tolerable while households report strain. The committee holds in September and long borrowing costs drift lower on growth concerns rather than on confidence in policy.

Possibility B · Inflation runs hot · 35%

Elevated oil reaches the preferred measure and September becomes genuinely live. Short rates rise, and the long end may improve on the credibility rather than worsen on the tightening.

Possibility C · The corporate results dominate · 25%

One company's quarter overwhelms all three official readings and sets the week. That would confirm the price of money is being set by one supply chain rather than by a committee.

OUTCOME	WHAT IT LOOKS LIKE	WHAT IT MEANS FROM LATIN AMERICA
Contained and softer	Policy holds and borrowing costs ease on weaker growth.	Cheaper dollar funding, but arriving because American demand is fading.
Inflation runs hot	September becomes live and short rates rise.	A firmer dollar and renewed pressure on every regional currency.
Results dominate	One company's quarter sets the week's direction.	Confirmation that concentration risk now runs through every market in the hemisphere.

Chances are Rio Times Intelligence Desk estimates and sum to one hundred. They are a way of ordering possibilities, not financial advice.

EIGHT THINGS, WITH OUR OWN VIEW

Eight Things We Are Watching

Eight things we are watching, with our own view on each. These are opinions from the Rio Times Intelligence Desk and not financial advice.

WHAT	WHEN	OUR VIEW
The buyback mechanism	Days	Funding repurchases from cash avoids adding supply. Watch whether the effect lasts longer than the last attempt, which faded in about a day.
Consumer confidence	Today	The first read on whether households have noticed. Softest of the week's three tests and the earliest to turn.
The July inflation measure	Wednesday	The number with the shortest path to a September decision.
The Wyoming address	Friday	Whether the institution intends to lead the market or follow it.
Market pricing	Daily	One quarter-point increase priced by year end, into an economy widely described as slowing.
The chip results	This week	Revenue expected near ninety-two billion dollars. Positioning on three continents rests on it.
Canadian wholesale sales	Today	Expected down 1.3% after a 2.8% rise, covering the month the threat hardened.
Canada, day four	To 8 September	Duties in force, no talks announced, matching measures a fortnight out.

POWER PLAYERS · 06

WHO IS DECIDING THIS WEEK

Five People Shaping The News

Five people whose decisions this week shape what follows. We characterise stances and choices, not private motives.

Scott Bessent · Treasury Secretary

Is reported to be prepared to fund larger repurchases of government debt from the department's cash balance. It is the second such intervention this month.

Kevin Warsh · Chair, Federal Reserve

Speaks in Wyoming on Friday, having watched the Treasury rather than his own institution steady the long end of the market.

Thomas Barkin · Federal Reserve Bank of Richmond

Speaks this morning, four days before the chairman and one day before the preferred inflation measure.

Dominic LeBlanc · Minister responsible for Canada-US trade

Has announced nothing since the counter-measures were dated for 8 September. Four days of silence with duties in force is a deliberate posture.

The three July dissenters · Federal Open Market Committee

Voted for an increase against a majority that held. Market pricing has moved toward their position rather than away from it.

DAILY BRIEFING · 07

WHAT HAPPENED WHERE

The Day, Country By Country

What happened where, in the two countries, on Tuesday 25 August 2026.

THE TREASURY

Reports that the department could use its cash balance to fund larger repurchases of government debt eased long borrowing costs and steadied share futures. The approach would reduce how much short-dated paper needs to be issued.

A similar announcement earlier this month held its effect for roughly a day. This is the second such step in three weeks.

THE COST OF BORROWING

Thirty-year borrowing steadied at about 5.2297%, from 5.2497% on Monday and well below the 5.34% touched last week. Ten-year borrowing was flat near 4.7021%.

Two-year borrowing, which tracks expectations for the policy rate, stood near 4.2421%. Markets are pricing one quarter-point increase by the end of the year.

THE WEEK'S CALENDAR

Consumer confidence is published at ten o'clock eastern time this morning. The inflation measure the central bank prefers follows on Wednesday and Chair Warsh speaks in Wyoming on Friday.

A Federal Reserve official speaks this morning. The chip company whose results now move markets on three continents reports in the same window.

AMERICAN CORPORATE

Bank of Montreal and a large sporting goods retailer report before the opening. Intuit, Box and Zoom follow after the close.

Analysts expect the chip maker's quarterly revenue to be close to ninety-two billion dollars, with full-year guidance in a range of 103 to 105 billion.

CANADA

Wholesale sales for July are expected to have fallen 1.3% on the month, against a rise of 2.8% previously. It is the first monthly reading covering the period in which the tariff threat became a certainty.

Fifty per cent duties are in their fourth day. Ottawa's matching measures remain set for 8 September and no further talks have been announced.

THE CONTINENT

Mexico continues to treat the terms Canada refused as the likely shape of its own review. Nothing has changed that reading since the weekend.

Bank of Montreal's results are the first from a large Canadian lender since the duties took effect.

CORPORATE PIPELINE · 08

DEALS, SECTORS AND DATES

Pipeline, Sectors, And The Calendar

Companies, sectors and dates that matter to the two economies over the next month.

WHAT	WHO	WHERE IT STANDS
Debt repurchases	US Treasury	Reportedly to be funded from the department's cash balance rather than new issuance.
Consumer confidence	Conference Board	Published at ten o'clock eastern time today.
July inflation	Bureau of Economic Analysis	The preferred measure, published Wednesday.
Chip maker results	Corporate	Revenue expected near ninety-two billion dollars for the quarter.
Canadian counter-measures	Ottawa	Set for 8 September on steel, dairy, appliances, agricultural equipment, pulp, paper and electronics.

Sector Watch · Four Things to Track

Government debt

The borrower is now managing demand for its own paper, for the second time in three weeks. Whether that is prudent management or a warning depends entirely on how long it holds.

Semiconductors

Revenue expected to be near ninety-two billion dollars for a single quarter. No other company's accounts carry this much weight anywhere.

Canadian wholesale

A 1.3% expected fall covering the month the threat hardened. It is the first hard evidence of what the dispute has cost.

Banking

Bank of Montreal reports first among the large Canadian lenders since the duties landed.

Calendar · Next 30 Days

DATE	WHAT
25 August	Consumer confidence, Canadian wholesale sales, Bank of Montreal results and a Federal Reserve speech.
26 August	The preferred July inflation measure and the chip maker's quarterly results.
28 August	Canadian second-quarter output and June monthly output.
28 August	Chair Warsh addresses the annual gathering in Wyoming.
2 September	Bank of Canada decision.
8 September	Canadian matching duties take effect unless suspended.
15-16 September	Federal Reserve meeting.

BOTTOM LINE · SOURCES · 09

WHAT THE DAY ADDS UP TO

What Tuesday Tells Us

The most consequential thing in the American file today is not a number but a mechanism.

The Treasury is reported to be willing to spend its own cash to buy back its own bonds, so that it needs to sell fewer of them. That steadied the market within hours.

It is competent debt management and it is also the second such step in three weeks, which means the first one did not hold. A borrower that has to keep intervening in the market for its own paper is telling you something about that market.

Everything else this week is a test of whether the underlying position is as sound as the interventions imply. Confidence today, inflation tomorrow, the chairman on Friday.

For Latin American readers the reading is unchanged in direction and slightly better in degree. Long dollar borrowing eased a little, and it eased because the borrower stepped in rather than because lenders relaxed.

	DETAIL
PRIMARY	United States Treasury market levels for 24 and 25 August 2026. Conference Board release schedule. Statistics Canada wholesale trade release schedule.
REPORTING	CNBC, Bloomberg, Reuters via Business Standard, Investing.com, Finimize, and the Rio Times Brazil Financial Morning Call for 25 August 2026.
LANGUAGES	English and Canadian French.
VERIFICATION NOTE	Borrowing levels are quoted from the Tuesday pre-opening session and will have moved by publication. The Treasury buyback funding mechanism is reported rather than announced; no departmental statement had been published when this edition closed, and we describe it as reported throughout. Canadian wholesale sales and American consumer confidence are consensus expectations, not outturns, and had not been released.
RESOLVED	Our 24 August dossier said the last intervention had stopped working. A second one followed within a day, which is consistent with that reading rather than against it.
EXCLUDED	No sport and no war coverage. The Iran sanctions announced on Monday are omitted as foreign policy; they appear nowhere in this edition.
SKIPPED	No American statistical outturn was available at the time of closing; today's readings are published after this edition.