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Treasury Yields Edge Up as Markets Await Powell's Remarks

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Investors eye Fed leadership and interest rate direction amid scrutiny from Trump-era officials

U.S. Treasury yields inched higher on Monday as investors looked ahead to Federal Reserve Chair Jerome Powell's speech scheduled for Tuesday in Washington. With monetary policy

still a central concern for markets, Powell's remarks are expected to offer crucial clues about the central bank's direction for the remainder of the year.

The yield on the 10-year U.S. Treasury note, a key benchmark for interest rates, rose slightly as market participants priced in expectations for the Fed's next move. While inflation data has shown signs of easing, the Federal Reserve has held firm on its current interest rate stance, leaving investors and policymakers increasingly divided on the path forward.

President Donald Trump has been vocal in his criticism of Powell for months, repeatedly suggesting that the Fed chair should be removed from his post. Those calls, while politically charged, have resonated with some in the financial community who argue that the Fed has failed to adapt to changing economic conditions.

On Monday, Treasury Secretary Scott Bessent, appointed during the Trump administration, echoed those concerns. Speaking on CNBC's *Squawk Box*, Bessent called for a comprehensive review of the Federal Reserve (Fed), the central bank responsible for managing U.S. monetary policy. "What we need to do is examine the entire Federal Reserve institution and whether they have been successful," Bessent said, comparing the situation to the Federal Aviation Administration (FAA), which would warrant a full review if faced with similar levels of missteps.

Bessent questioned the Fed's reluctance to cut interest rates, pointing to a lack of significant inflation. "We've seen very little, if any, inflation," he noted, adding that the Fed seems unable to shift its long-held approach to monetary policy. "All these Ph. D.s over there, I don't know what they do," he quipped, signaling frustration over what he sees as academic inertia disconnected from real-world economic performance.

Markets are operating in a relatively quiet data environment this week, but several key reports remain on the calendar. Existing home sales data for June is due Wednesday, followed by initial jobless claims and new home sales on Thursday. On Friday, investors will analyze durable goods orders, a barometer of longer-term consumer and business spending.

Despite the Fed's cautious tone, many market participants believe that a rate cut could be warranted before year-end, especially if economic growth continues to soften. However, Powell has so far resisted that pressure, insisting that inflation must be firmly under control before any shift in policy is considered.

With questions mounting about the Fed's independence and effectiveness, Powell's upcoming speech will be closely watched not just for economic signals, but for any response to the growing criticism from policymakers. Whether he doubles down or signals flexibility could shape markets for weeks to come.