



December 2, 2025 (*Door 2*)

## Last Christmas Trump Term

By Ethan Currie



As the holiday season approaches, we carry on (with glee!) through *NBC's 2025 Economic Advent Calendar*. Let's see what's behind *Door #2...* (See [page 2](#) for full schedule of past and upcoming releases in this series).

Today, we jump back—not to last Christmas, but to December 2017—when Trump's first 300-odd days in the Oval Office were in the books. Leading up to inauguration day in 2017, term premiums were on the rise as aggressive trade policy was threatened. Ultimately, those actions proved less severe, in stark contrast to the developments surrounding (and of course, including) this year's 'Liberation Day'. In 2025, a stickier term premium is entirely consistent with an aggressive and *materialized* trade agenda.

In combination with White House policy and rewired geopolitics, it's perhaps no surprise that investors are expecting greater compensation out the curve, considering:

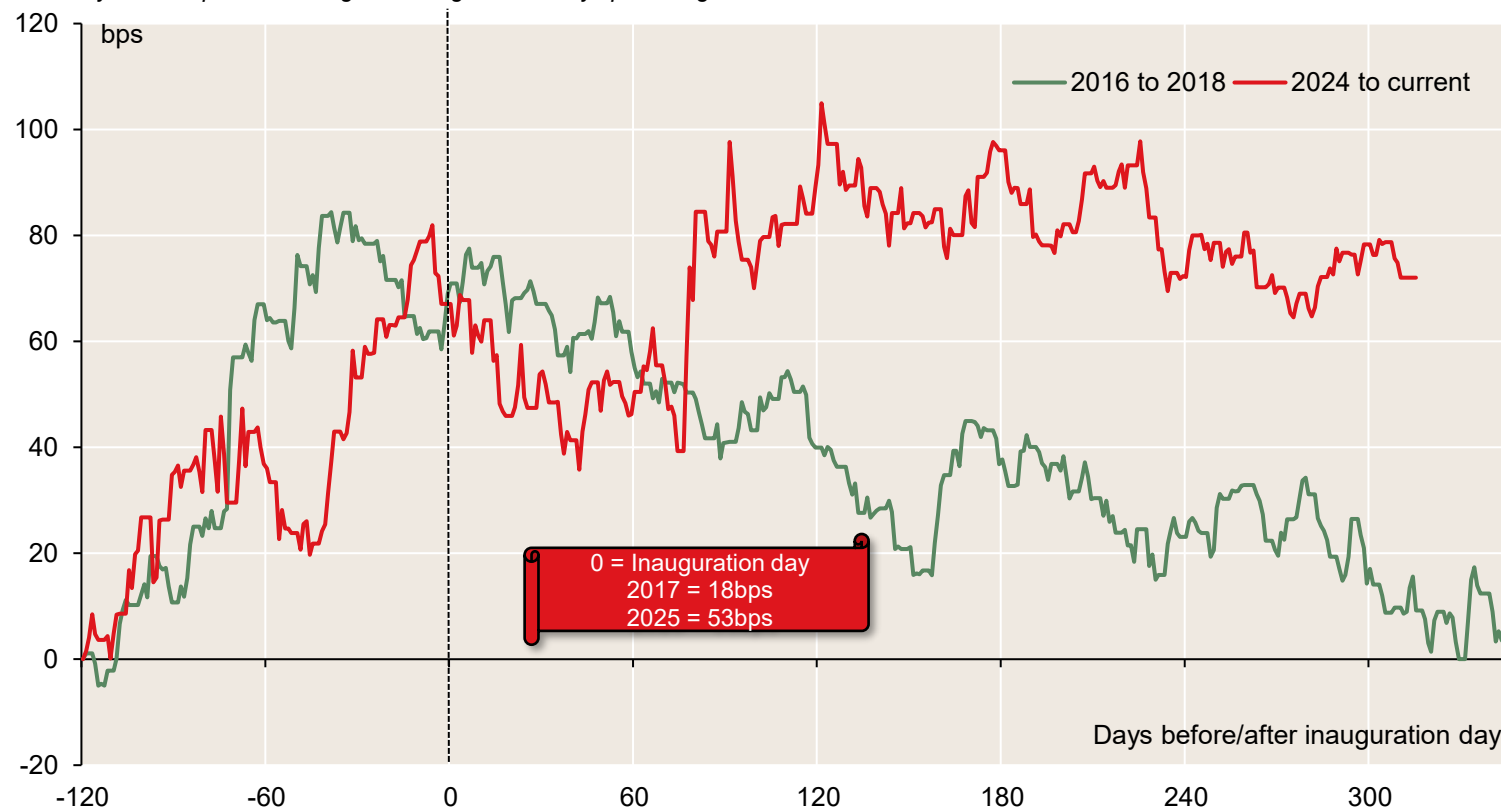
- A U.S. general government debt burden that has risen ~20 percentage points over 8 years

- Said U.S. debt burden that is set to rise further through the 'One Big Beautiful Bill'
- Government-inflicted pressure on the Fed, which will keep uncertainty elevated regardless of if (as we expect) institutional independence persists
- Prior (and expected) policy rate relief
- Risks to stubborn inflation, driven by fiscal stimulus and tariff-related shocks

Looking ahead, we see curve steepness persisting, though relative flattening is possible *if* geopolitical stability improves and uncertainty moderates. Plenty of that hinges on attitudes in the White House—so perhaps you know where to address your holiday wish list.

## No more déjà vu with this Trump-induced term premium

UST 10-year term premium—aligned change to 120 days pre-inauguration



Source: NBC, Bloomberg, Federal Reserve Bank of New York | Note: Aligned change in basis points from 120 days pre-inauguration (20-Jan-2017 vs 20-Jan-2025); Measure used is Adrian, Crump & Moench 10-year treasury term premium



## **NBC's 2025 Economic Advent Calendar**

Door 1: Let it ~~snow~~ cash flow ([link](#) - released December 1<sup>st</sup>)

Door 2: Last ~~Christmas~~ Trump Term (released December 2<sup>nd</sup>)

Door 3: ??? (coming December 3<sup>rd</sup>)

Door 4: ??? (coming December 4<sup>th</sup>)

Door 5: ??? (coming December 5<sup>th</sup>)

Door 6: ??? (coming December 8<sup>th</sup>)

Door 7: ??? (coming December 9<sup>th</sup>)

Door 8: ??? (coming December 10<sup>th</sup>)

Door 9: ??? (coming December 11<sup>th</sup>)

Door 10: ??? (coming December 12<sup>th</sup>)

Door 11: ??? (coming December 15<sup>th</sup>)

Door 12: ??? (coming December 16<sup>th</sup>)

Door 13: ??? (coming December 17<sup>th</sup>)

Door 14: ??? (coming December 18<sup>th</sup>)

Door 15: ??? (coming December 19<sup>th</sup>)



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