



## **DEPARTMENT OF THE TREASURY OFFICE OF PUBLIC AFFAIRS**

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### **TREASURY ANNOUNCES MARKET FINANCING ESTIMATES**

The Treasury Department announced today that it expects net borrowing of marketable debt to total \$188 billion in the January – March 2006 quarter. The estimated cash balance on March 31 is \$15 billion. On October 31, Treasury announced estimated net market borrowing of \$171 billion this quarter and a March 31 cash balance of \$15 billion. Adjusting for a beginning-of-quarter cash balance that was \$12 billion higher than estimated in October, the current borrowing estimate is \$29 billion higher than previously announced. The increase in anticipated borrowing is primarily the result of higher outlays, including a timing shift from the October – December 2005 quarter, and lower net issues of State and Local Government Series securities. Based on current projections, Treasury continues to believe that the statutory debt limit will be reached in mid-February 2006.

Treasury also announced that it expects a net pay down in marketable debt of \$30 billion in the April – June 2006 quarter. The estimated cash balance on June 30 is \$25 billion.

Treasury borrowed \$93 billion in net marketable debt in the October – December 2005 quarter. The cash balance on December 31 was \$37 billion. On October 31, Treasury announced estimated net market borrowing of \$96 billion and an end-of-quarter cash balance of \$25 billion. Adjusting for the higher-than-estimated cash balance at quarter-end, the net market borrowing need was \$15 billion lower than announced in October. The improvement was primarily the result of lower outlays and unanticipated repayments of outstanding debt to the IMF.

Additional financing details relating to Treasury's Quarterly Refunding will be released at 9:00 A.M. on Wednesday, February 1. The following link provides access to Treasury documents related to this Quarterly Refunding. (<http://www.treas.gov/offices/domestic-finance/debt-management/quarterly-refunding/>)

## TREASURY ANNOUNCES MARKET FINANCING ESTIMATES

Today, the Treasury Department announced net borrowing of marketable debt for the January–March 2006 and April–June 2006 quarters.

Quarter	Estimated Borrowing (\$ billion)	Estimated End-of-Quarter Cash Balance (\$ billion)
<b>Jan-Mar 2006</b>	\$188	\$15
<b>Apr-Jun 2006</b>	(\$30)	\$25

Since 1997, the average absolute forecast error in net borrowing of marketable debt for the current quarter is \$10 billion and the average absolute forecast error for the end-of-quarter cash balance is \$9 billion. Similarly, the average absolute forecast error for the following quarter is \$31 billion and the average absolute forecast error for the end-of-quarter cash balance is \$11 billion.

The following tables reconcile the variation between forecasted and actual net borrowing of marketable debt in the October–December 2005 quarter.

Quarter	Estimated Borrowing (\$ billions)	Actual Borrowing (\$ billions)	Estimated End-of-Quarter Cash Balance (\$ billions)	Actual End-of-Quarter Cash Balance (\$ billions)
<b>Oct-Dec 2005</b>	\$96	\$93	\$25	\$37

Categories	Chg from Nov Estimate
<b>Receipts</b>	\$1
<b>Outlays</b>	\$7
<b>Other</b>	\$8
<b>Larger End-of-Quarter Cash Balance</b>	(\$12)

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