



EMBARGOED UNTIL 2:30 P.M.
October 21, 1998

CONTACT: Office of Financing
202/219-3350

TREASURY TO AUCTION \$16,000 MILLION OF 2-YEAR NOTES

The Treasury will auction \$16,000 million of 2-year notes to refund \$31,781 million of publicly held securities maturing October 31, 1998, and to pay down about \$15,781 million.

In addition to the public holdings, Federal Reserve Banks hold \$2,463 million of the maturing securities for their own accounts, which may be refunded by issuing an additional amount of the new security.

The maturing securities held by the public include \$5,054 million held by Federal Reserve Banks as agents for foreign and international monetary authorities. Amounts bid for these accounts by Federal Reserve Banks will be added to the offering.

The auction will be conducted in the single-price auction format. All competitive and noncompetitive awards will be at the highest yield of accepted competitive tenders.

The 2-year notes being offered today are eligible for the STRIPS program.

Tenders will be received at Federal Reserve Banks and Branches and at the Bureau of the Public Debt, Washington, D. C. This offering of Treasury securities is governed by the terms and conditions set forth in the Uniform Offering Circular (31 CFR Part 356, as amended) for the sale and issue by the Treasury to the public of marketable Treasury bills, notes, and bonds.

Details about the new security are given in the attached offering highlights.

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Attachment

HIGHLIGHTS OF TREASURY OFFERING TO THE PUBLIC OF
2-YEAR NOTES TO BE ISSUED NOVEMBER 2, 1998

October 21, 1998

Offering Amount..... \$16,000 million

Description of Offering:

Term and type of security..... 2-year notes
Series..... AJ-2000
CUSIP number..... 912827 4T 6
Auction date..... October 28, 1998
Issue date..... November 2, 1998
Dated date..... October 31, 1998
Maturity date..... October 31, 2000
Interest rate..... Determined based on the highest
accepted competitive bid
Yield..... Determined at auction
Interest payment dates..... April 30 and October 31
Minimum bid amount and multiples..... \$1,000
Accrued interest payable by investor..... Determined at auction
Premium or discount..... Determined at auction

STRIPS Information:

Minimum amount required..... Determined at auction
Corpus CUSIP number 912820 DH 7
Due date(s) and CUSIP number(s)
for additional TINT(s)..... Not applicable

Submission of Bids:

Noncompetitive bids: Accepted in full up to \$5,000,000 at the highest
accepted yield.

Competitive bids:

- (1) Must be expressed as a yield with three decimals, e.g., 7.123%.
- (2) Net long position for each bidder must be reported when the sum of the total bid amount, at all yields, and the net long position is \$2 billion or greater.
- (3) Net long position must be determined as of one half-hour prior to the closing time for receipt of competitive tenders.

Maximum Recognized Bid at a Single Yield..... 35% of public offering

Maximum Award..... 35% of public offering

Receipt of Tenders:

Noncompetitive tenders: Prior to 12:00 noon Eastern Standard time on
auction day.

Competitive tenders: Prior to 1:00 p.m. Eastern Standard time on
auction day.

Payment Terms: By charge to a funds account at a Federal Reserve Bank on
issue date, or payment of full par amount with tender. Treasury Direct
customers can use the Pay Direct feature which authorizes a charge to their
account of record at their financial institution on issue date.