

TREASURY



NEWS

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

EMBARGOED UNTIL 12:00 NOON
January 21, 1997

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202/219-3350

TREASURY TO AUCTION \$7,000 MILLION OF
10-YEAR INFLATION-INDEXED NOTES

The Treasury will auction \$7,000 million of 10-year inflation-indexed notes to raise cash.

Amounts bid by Federal Reserve Banks for foreign and international monetary authorities 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.

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.

Because the issue date and the dated date are different in this offering, Treasury wishes to clarify the formula which is applicable to the price and accrued interest for the inflation-indexed note. Therefore:

$$\text{Index Ratio}_{\text{Date}} = \frac{\text{Ref CPI}_{\text{Date}}}{\text{Ref CPI}_{\text{Dated Date}}}$$

Where Date = Valuation date

Bidders should understand that the settlement amount for these securities in this auction may be greater than the par amount.

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

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**HIGHLIGHTS OF TREASURY OFFERING TO THE PUBLIC OF
10-YEAR INFLATION-INDEXED NOTES TO BE ISSUED FEBRUARY 6, 1997**

January 21, 1997

Offering Amount \$7,000 million

STRIPS Information:

Description of Offering:

Term and type of security . 10-year inflation-indexed notes

Series A-2007

CUSIP number 912827 2M 3

Auction date January 29, 1997

Issue date February 6, 1997

Dated date January 15, 1997

Maturity date January 15, 2007

Interest Rate Determined based on the highest accepted bid

Real yield Determined at auction

Interest payment dates . . July 15 and January 15

Minimum bid amount \$1,000

Multiples \$1,000

Accrued interest payable by investor . . . Determined at auction

Premium or discount Determined at auction

Due dates and CUSIP numbers for additional TINTs:

	912833
July 15, 1997	SA 9
January 15, 1998	SB 7
July 15, 1998	SC 5
January 15, 1999	SD 3
July 15, 1999	SE 1
January 15, 2000	SF 8
July 15, 2000	SG 6
January 15, 2001	SH 4
July 15, 2001	SJ 0
January 15, 2002	SK 7
July 15, 2002	SL 5
January 15, 2003	SM 3
July 15, 2003	SN 1
January 15, 2004	SP 6
July 15, 2004	SQ 4
January 15, 2005	SR 2
July 15, 2005	SS 0
January 15, 2006	ST 8
July 15, 2006	SU 5
January 15, 2007	SV 3

STRIPS Information:

Minimum amount required . . Determined at auction

Corpus CUSIP number 912820 BV 8

Submission of Bids:

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

Competitive bids:

- (1) Must be expressed as a real yield with three decimals, e.g., 3.123%.
- (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: Full payment with tender or by charge to a funds account at a Federal Reserve Bank on issue date.

Indexing Information:

CPI Base Reference Period 1982-1984

Ref CPI 01/15/1997 158.43548

Ref CPI 02/06/1997 158.60000

Index Ratio 02/06/1997 1.00104