

DEPARTMENT OF THE TREASURY

TREASURY



NEWS

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

EMBARGOED UNTIL 2:30 P.M.
October 1, 1997

CONTACT: Office of Financing
202/219-3350

TREASURY TO AUCTION \$8,000 MILLION OF
4-3/4-YEAR 3-5/8% INFLATION-INDEXED NOTES

The Treasury will auction \$8,000 million of 4-3/4-year 3-5/8% inflation-indexed notes to raise cash.

Amounts bid by Federal Reserve Banks for their own accounts and as agents 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.

The 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.

For original issue discount (OID), IRS regulations permit reopenings of inflation-indexed securities without regard to OID rules, provided that the reopenings occur not more than one year after the original securities were first issued to the public. Therefore, the OID limit does not apply to this auction.

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

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Attachment

For press releases, speeches, public schedules and official biographies, call our 24-hour fax line at (202) 622-2040

HIGHLIGHTS OF TREASURY OFFERING TO THE PUBLIC OF
4-3/4-YEAR INFLATION-INDEXED NOTES TO BE ISSUED OCTOBER 15, 1997

October 1, 1997

Offering Amount.....\$8,000 million

Description of Offering:

Term and type of security...4-3/4-year inflation-
indexed notes (reopening)

Series.....J-2002

CUSIP number.....912827 3A 8

Auction date.....October 8, 1997

Issue date.....October 15, 1997

Dated date.....July 15, 1997

Maturity date.....July 15, 2002

Interest rate.....3-5/8%

Currently outstanding.....\$8,411 million

Real yield.....Determined at auction

Interest payment dates.....January 15 and July 15

Minimum bid amount.....\$1,000

Multiples.....\$1,000

Accrued interest.....\$9.06250 per \$1,000
(from July 15 to
October 15, 1997)

Adjusted accrued interest

payable by investor.....\$9.08969 per \$1,000

Premium or discount.....Determined at auction

STRIPS Information:

Minimum amount required.....\$1,600,000

Corpus CUSIP number.....912820 BZ 9

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 Daylight Saving time on
auction day.

Competitive tenders: Prior to 1:00 p.m. Eastern Daylight Saving 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 07/15/1997..... 160.15484

Ref CPI 10/15/1997..... 160.63548

Index Ratio 10/15/1997..... 1.00300