TREASURY NEWS

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TREASURY ANNOUNCES MARKET
BORROWING ESTIMATES

The Treasury Department today announced that its net market borrowing for the July-September 1992 quarter is estimated to be $75 billion, with a $35 billion cash balance on September 30. The Treasury also announced that its net market borrowing for the October-December 1992 quarter is estimated to be in a range of $115 billion to $120 billion, with a $30 billion cash balance at the end of December.

The borrowing estimates include an allowance for Resolution Trust Corporation operations in the October-December quarter, but assume that the current interruption in funding will prevent RTC spending of any significant magnitude for thrift resolutions during the July-September quarter.

Actual market borrowing in the quarter ended June 30, 1992, was $52.8 billion, while the end-of-quarter cash balance was $47.0 billion. On April 27, the Treasury had estimated market borrowing for the April-June quarter to be $42.8 billion, with a $30 billion cash balance on June 30. A reduction in the cash deficit and increases in borrowing in marketable securities and state and local government series securities combined to increase the cash balance by $17.0 billion above the April estimate.

This higher cash balance on June 30 contributed to a cut in the estimate of borrowing needs for the July-September quarter. In the quarterly announcement of its borrowing needs on April 27, 1992, the Treasury had estimated net market borrowing during the July-September quarter to be in a range of $110-115 billion, assuming a $30 billion cash balance on September 30. The market borrowing estimate for the July-September period was reduced by the $17.0 billion increase in the June 30 cash balance and a decline in the cash deficit (in large part reflecting the interruption in RTC funding), compared with the April estimate.

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