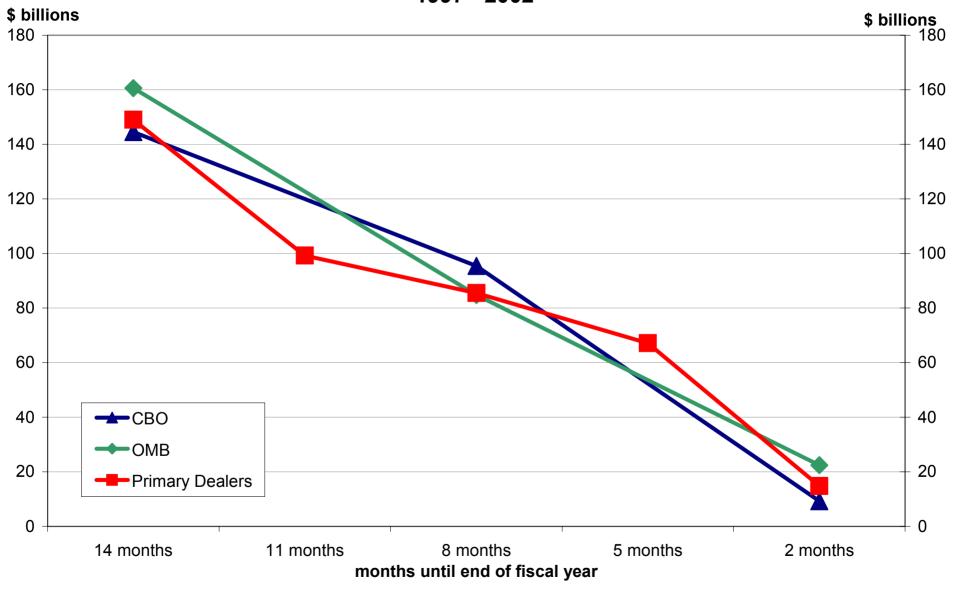
MEASURING

DEBT MANAGEMENT PERFORMANCE

TO ACHIEVE

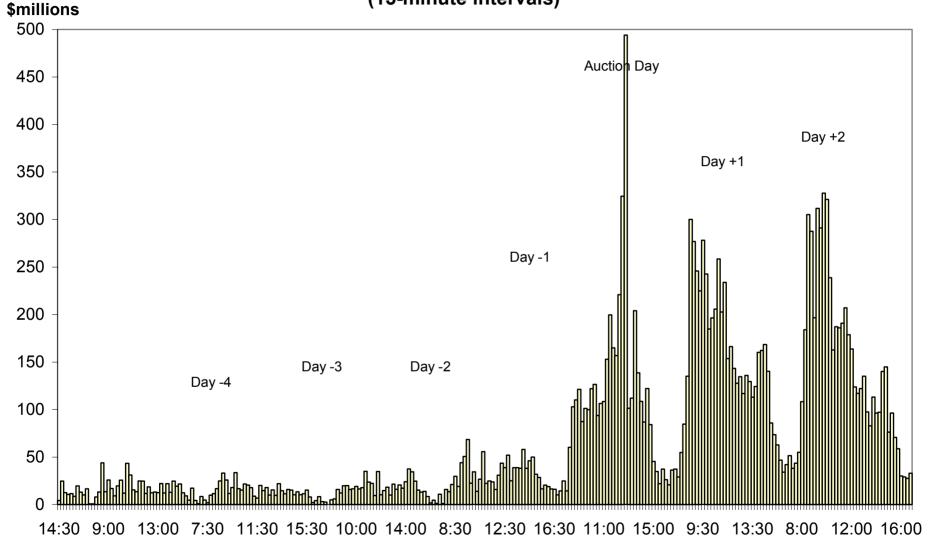
LOWEST COST FINANCING OVER TIME

Average Absolute Federal Budget Forecast Errors 1997 - 2002



Office of Market Finance Department of the Treasury Source: Primary Dealer forecasts provided to Treasury at quarterly dealer interviews OMB – U.S. Budget and Mid-Session Review CBO – Budget Outlook and Update

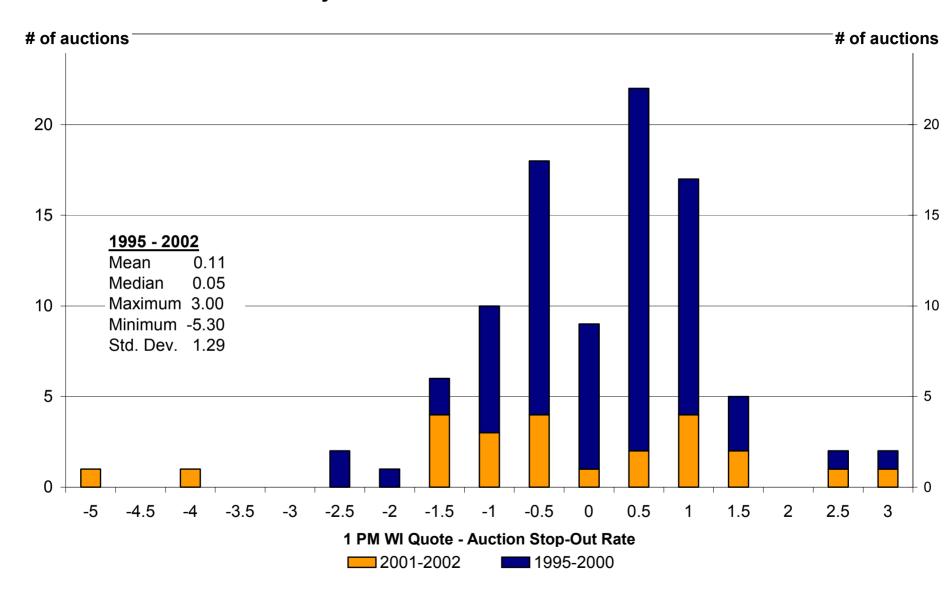
Average Trading Volume for 2-Year Note Around Auction Days Nov. 1998 - Aug. 2000 (15-minute intervals)



Office of Market Finance Department of the Treasury

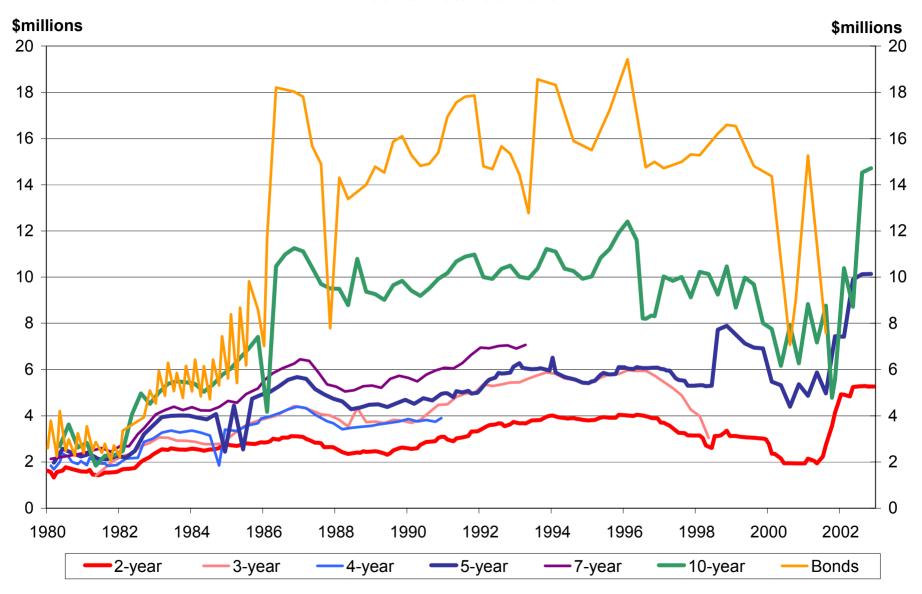
Source: GovPX

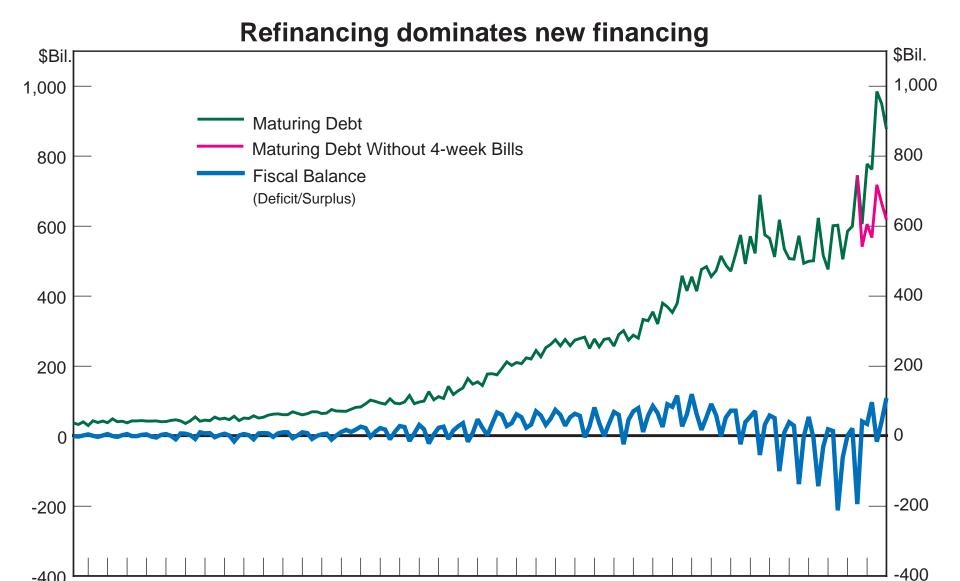
Spreads Between 1 PM When-Issued and Auction Stop Yields 2-year Note Auctions 1995 - 2002



Office of Market Finance Department of the Treasury

Basis Point Risk Taken on by the Market at Auction^{1/} 2002 constant dollars





1961

'67

'64

'70

'73

'76

'79

'82

Quarterly Financial Obligations

'85

'88

'91

'94

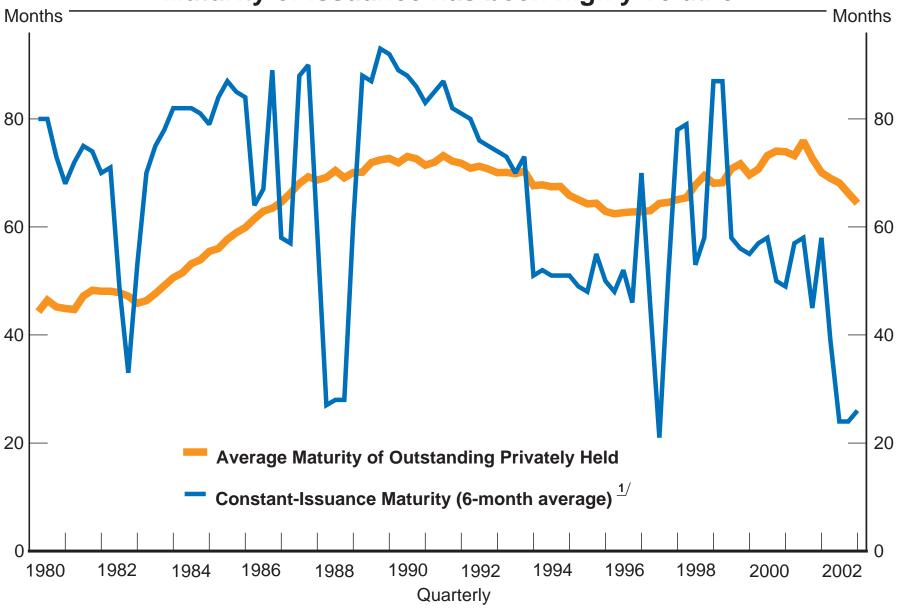
'97

-400

'03

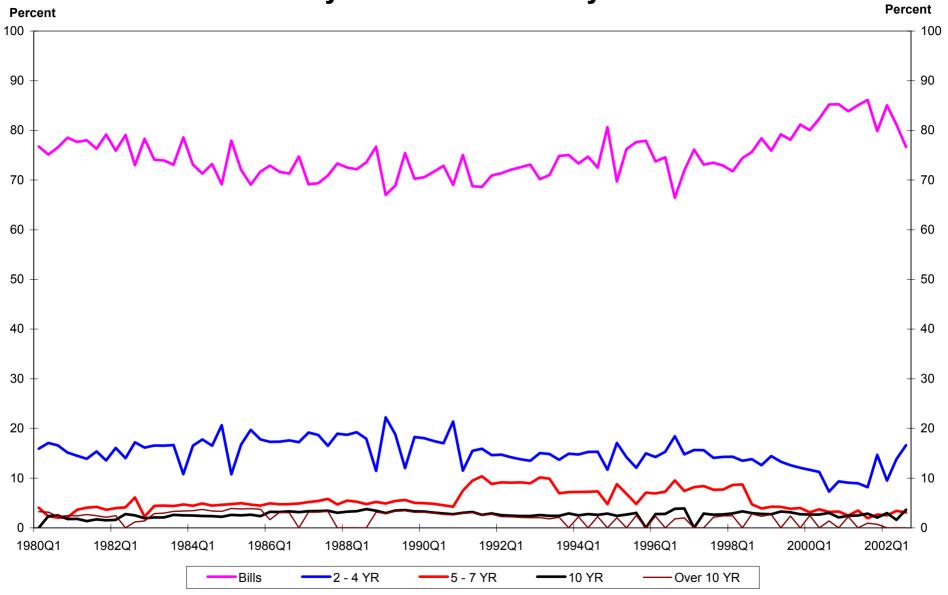
'00

Maturity of issuance has been highly volatile



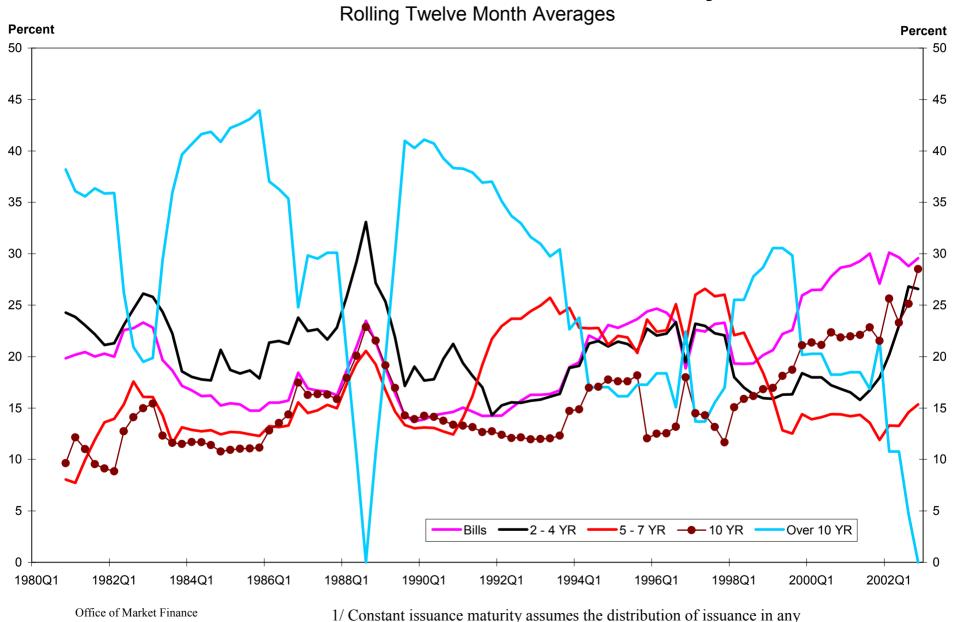
Maturity of Marketable Debt

Quarterly Shares of Treasury Issuance



Office of Market Finance Department of the Treasury

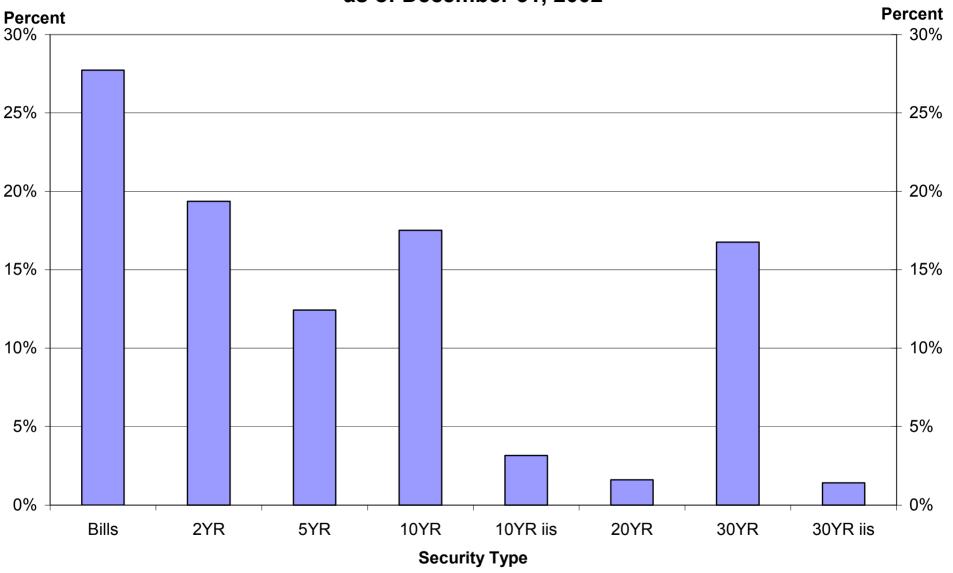
Shares of Constant Issuance Maturity 17



given quarter is held constant going forward.

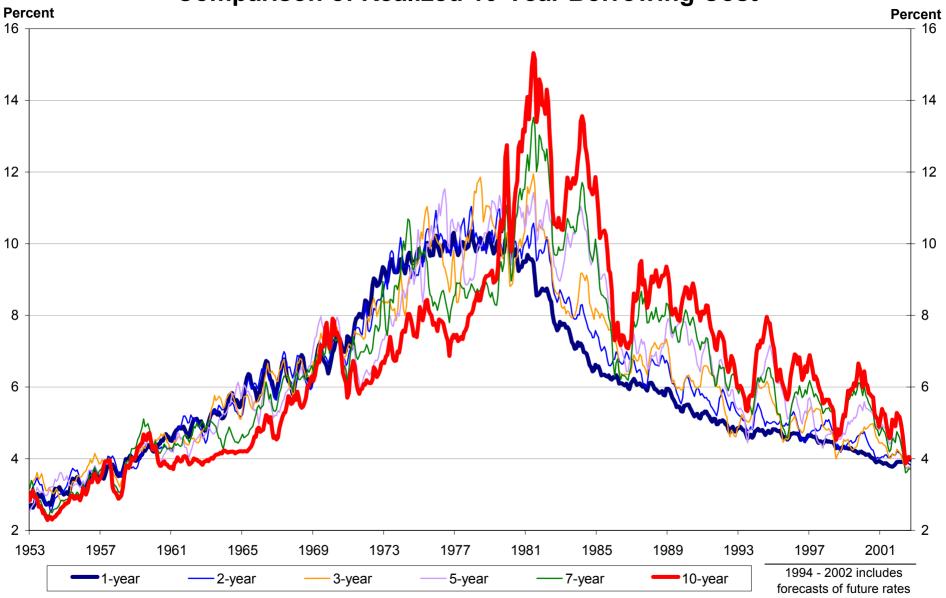
Department of the Treasury

Distribution of Outstanding Debt by Security as of December 31, 2002



Office of Market Finance Department of the Treasury

Comparison of Realized 10-Year Borrowing Cost^{1/}



Office of Market Finance Department of the Treasury 1/ Interest cost for a given term to maturity averaged over a rolling 10-year period, using Treasury constant maturity yields.