

TALKING POINTS
FOR THE
FINANCING PRESS CONFERENCE
January 26, 1983

Today we are announcing the terms of our regular February quarterly refunding. I will also discuss the Treasury's financing requirements for the balance of the current quarter and our estimated cash needs for the April-June quarter.

1. We are offering \$14.5 billion of securities to refund \$5.8 billion of publicly-held coupon securities maturing on February 15 and raise approximately \$8.7 billion of new cash.

The three securities are:

- First, a 3-year note in the amount of \$6.5 billion maturing on February 15, 1986. This note will be auctioned on a yield basis on Tuesday, February 1. The minimum denomination will be \$5,000.
- Second, a 10 year note in the amount of \$4.5 billion maturing on February 15, 1993. This note will be auctioned on a yield basis on Wednesday, February 2. The minimum denomination will be \$1,000.
- Third, a 29-3/4 year bond in the amount of \$3.5 billion maturing on November 15, 2012, and callable on November 15, 2007. This will be a reopening of the 10-3/8 percent bond which was issued in November 1982. This bond will be auctioned on a yield basis on Thursday, February 3. This will be a change from our past practice of auctioning on

a price basis when we reopen securities. This change will conform to market pricing conventions and simplify bidding in the auction. The minimum denomination will be \$1,000.

On each of the three issues, we will accept noncompetitive tenders of up to \$1,000,000.

2. For the current January-March quarter, we estimate a net market borrowing of \$59.5 billion assuming a \$10 billion cash balance at the end of March.
3. Including this refunding, we will have raised \$16.6 billion in marketable borrowing. This was accomplished as follows:
 - \$3.0 billion of new cash from the 20-year bond which settled on January 4,
 - \$4.8 billion of new cash from the 7-year note which settled on January 4,
 - \$3.0 billion of new cash from the 2-year note settling January 31,
 - \$2.2 billion of new cash from the 52-week bill settling January 27,
 - \$3.8 billion of new cash from weekly bills, including the bills announced yesterday,
 - \$8.7 billion of new cash from the February refunding, and
 - a paydown of \$9.0 billion of cash management bills on January 20 and January 27.

The remaining net financing requirement of about \$42.9 billion could be accomplished through sales of regular weekly and monthly bills, a note in early March in the 5-year maturity range, and additions to upcoming 2- and 4-year note maturities. Cash management bills may be required to bridge low points in our cash balances in March and April.

4. Our net market borrowing need in the April-June quarter is currently estimated in the range of \$33 to \$38 billion, assuming a \$20 billion cash balance at the end of June.

TALKING POINTS
FOR THE
FINANCING PRESS CONFERENCE
April 27, 1983

Today we are announcing the terms of our regular May quarterly refunding. I will also discuss the Treasury's financing requirements for the balance of the current quarter and our estimated cash needs for the July-September quarter.

1. We are offering \$15.0 billion of securities to refund \$5.2 billion of publicly-held coupon securities maturing on May 15 and raise approximately \$9.8 billion of new cash.

The three securities are:

--First, a 3-year note in the amount of \$6.5 billion maturing on May 15, 1986. This note will be auctioned on a yield basis on Tuesday, May 3. The minimum denomination will be \$5,000.

--Second, a 10-year note in the amount of \$4.75 billion maturing on May 15, 1993. This note will be auctioned on a yield basis on Wednesday, May 4. The minimum denomination will be \$1,000.

--Third, a 29-1/2 year bond in the amount of \$3.75 billion maturing on November 15, 2012, and callable on November 15, 2007. This will be a reopening of the 10-3/8 percent bond which was issued in November 1982 and reopened in February 1983. This bond will be auctioned on a yield basis on Thursday, May 5. The minimum denomination will be \$1,000.

On each of the three issues, we will accept noncompetitive tenders of up to \$1,000,000.

2. For the current April-June quarter, we estimate a net market borrowing of \$40.5 billion assuming a \$20 billion cash balance at the end of June.

3. Including this refunding, we will have raised \$16.9 billion in marketable borrowing. This was accomplished as follows:

--\$3.2 billion of new cash from the 20-year bond which settled on April 4,

--\$5.1 billion of new cash from the 7-year note which settled on April 4,

--\$3.9 billion of new cash from the 2-year note settling April 30,

--\$2.5 billion of new cash from the 52-week bill which settled April 21,

--\$4.4 billion of new cash from weekly bills, including the bills announced yesterday,

--\$9.8 billion of new cash from the May refunding, and

--a net paydown of \$12.0 billion of cash management bills, including the \$3.0 billion to be paid down April 28.

The remaining net financing requirement of about \$23.6 billion could be accomplished through sales of regular weekly and monthly bills, a note in early June in the 5-year maturity range, and additions to upcoming 2- and 4-year note maturities. Cash management bills may be required to bridge the low point in our cash balance in June.

4. Our net market borrowing need in the July-September quarter is currently estimated in the range of \$55 to \$60 billion, assuming a \$20 billion cash balance at the end of September.
5. I would also like to note that we estimate that the current statutory debt limit of \$1,290 billion will be exceeded on May 31. Thus legislation to increase the debt limit must be enacted prior to the May 26 Congressional recess. The re-funding package announced today will not be affected by the debt limit, but we may need to reduce the size of a regular weekly bill issue in the second half of May to avoid exceeding the debt limit.

TALKING POINTS
FOR THE
FINANCING PRESS CONFERENCE
July 27, 1983

Today we are announcing the terms of our regular August quarterly refunding. I will also discuss the Treasury's financing requirements for the balance of the current quarter and our estimated cash needs for the October-December quarter.

1. We are offering \$15.75 billion of securities to refund \$6.6 billion of publicly-held coupon securities maturing on August 15 and raise approximately \$9.1 billion of new cash.

The three securities are:

--First, a 3-year note in the amount of \$6.5 billion maturing on August 15, 1986. This note will be auctioned on a yield basis on Tuesday, August 2. The minimum denomination will be \$5,000.

--Second, a 10-year note in the amount of \$5.25 billion maturing on August 15, 1993. This note will be auctioned on a yield basis on Wednesday, August 3. The minimum denomination will be \$1,000.

--Third, a 30-year bond in the amount of \$4.0 billion maturing on August 15, 2013, and callable on August 15, 2008. This bond will be auctioned on a yield basis on Thursday, August 4. The minimum denomination will be \$1,000.

On each of the three issues, we will accept noncompetitive tenders of up to \$1,000,000.

2. For the current July-September quarter, we estimate a net market borrowing of \$48.0 billion assuming a \$20 billion cash balance at the end of September.
3. Including this refunding, we will have raised \$24.7 billion in marketable borrowing. This was accomplished as follows:
 - \$3.5 billion of new cash from the 20-year bond which settled on July 5.
 - \$5.0 billion of new cash from the 7-year note which settled on July 5.
 - \$3.8 billion of new cash from the 2-year note settling August 1.
 - \$1.8 billion of new cash from the 52-week bill which settled July 14.
 - \$1.5 billion of new cash from weekly bills, including the bills announced yesterday, and
 - \$9.1 billion of new cash from the August refunding.

The remaining net financing requirement of about \$23.3 billion could be accomplished through sales of regular weekly and monthly bills, a note in early September in the 5-year maturity range, and additions to upcoming 2- and 4-year note maturities. Cash management bills may be required to bridge the low point in our cash balance in September.

4. Our net market borrowing need in the October-December quarter is currently estimated in the range of \$60 to \$65 billion, assuming a \$15 billion cash balance at the end of December.
5. I would also like to note that we estimate that the current statutory debt limit of \$1,389 billion will be exceeded around the beginning of October. We hope that Congress will act in a timely manner to increase the debt limit in September, thus permitting the Treasury to carry out its market financing plans in an orderly manner.

October 1983 Treasury
refunding file
(FSA Advisory Committee folder)

TALKING POINTS
FOR THE
FINANCING PRESS CONFERENCE
October 26, 1983

Today we are announcing the terms of our regular November quarterly refunding. I will also discuss the Treasury's financing requirements for the balance of the current quarter and our estimated cash needs for the January-March quarter.

1. We are offering \$16.0 billion of securities to refund \$5.9 billion of publicly-held coupon securities maturing on November 15 and raise approximately \$10.1 billion of new cash.

The three securities are:

--First, a 3-year note in the amount of \$6.5 billion maturing on November 15, 1986. This note will be auctioned on a yield basis on Tuesday, November 1. The minimum denomination will be \$5,000.

--Second, a 10-year note in the amount of \$5.25 billion maturing on November 15, 1993. This note will be auctioned on a yield basis on Wednesday, November 2. The minimum denomination will be \$1,000.

--Third, a 29-3/4-year bond in the amount of \$4.25 billion. This is a reopening of the 12 percent bond maturing on August 15, 2013, and callable on August 15, 2008. This bond will be auctioned on a yield basis on Thursday, November 3. The minimum denomination will be \$1,000.

on each of the three issues, we will accept noncompetitive tenders of up to \$1,000,000. The size of the 3 and 10 year issues is the same as in the August refunding; the long bond is \$1/4 billion higher than the \$4 billion issue in August.

2. For the current October-December quarter, we estimate a net market borrowing of \$42 billion assuming a \$15 billion cash balance at the end of December. This does not include new cash raised in the January 3 refunding of the 2 and 4 year notes maturing Saturday, December 31.
3. Including this refunding, we will have raised \$21.5 billion in marketable borrowing. This was accomplished as follows:
 - \$3.5 billion of new cash from the 20-year bond which settled on October 5.
 - \$5.0 billion of new cash from the 7-year note which settled on October 5.
 - \$3.5 billion of new cash from the 2-year note settling October 31.
 - \$1.5 billion of new cash from the 52-week bill which settled October 6 and the 52-week bill settling November 3.
 - a net paydown of \$2.1 billion from weekly bills, including the bills announced yesterday, and
 - \$10.1 billion of new cash from the November refunding.The remaining net financing requirement of about \$20.5 billion could be accomplished through sales of regular weekly and monthly bills and a note in early December

in the 5-year maturity range. Cash management bills may be required to bridge the low point in our cash balance in December.

4. Our net market borrowing need in the January-March quarter is currently estimated in the range of \$50 to \$55 billion, assuming a \$10 billion cash balance at the end of March. This does not include new cash raised in the April 2 refunding of the 2- and 4-year notes maturing Saturday, March 31.
5. I would also like to emphasize that we estimate that the current statutory debt limit of \$1,389 billion will be exceeded on November 1. We hope and expect that Congress will increase the debt limit by November 1, thus permitting the Treasury to carry out its market financing plans in an orderly manner. We are pleased to note that the Senate has scheduled a special session this Saturday to consider the debt limit bill.

Congressional action on the debt limit by November 1 is essential to permit the Treasury to conduct the auctions of the refunding issues on November 1, 2 and 3. If action on the debt limit is not assured by the scheduled auction dates, the auctions will be postponed. If the attendant market disruption caused an increase of just one-eighth of one percent in the cost of financing, this would add about \$250 million to outlays for interest on the public debt.

Moreover, if the debt limit is not increased, the Treasury will be required to suspend sales of U.S. Savings Bonds, which are currently being purchased by about 6 million people. The Treasury must also suspend sales of special nonmarketable securities to State and local governments, which are designed to allow them to invest proceeds of tax-exempt bond issues without running afoul of the arbitrage rules.

6. We are also announcing today a clarification of our rules with respect to noncompetitive tenders in all auctions of Treasury securities. Beginning with the securities announced today, we are explicitly prohibiting pre-auction trading in securities awarded to noncompetitive bidders. The purpose of this clarification is to reinforce the existing policy of limiting the size of noncompetitive awards to any one bidder.
7. Next, as indicated in the schedules attached to the charts distributed today, the Treasury is shortening the period between the auction date and the settlement date of note and bond issues, beginning with the November 2 year note. In 1981, the Treasury removed the ban on pre-auction trading, which provided a longer period for distribution of the issues. Thus, the period between auction and settlement may now be reduced without impairing the distribution of the securities.
8. Finally, the fiscal year 1983 budget figures were released earlier today, and copies are available here for your convenience.