

Quarterly Refunding Charts

U.S. Department of the Treasury
Office of Debt Management
July 30, 2007



UNITED STATES
DEPARTMENT OF
THE TREASURY



Financing Near Term Outlook

Estimated Net Marketable Borrowing

- **\$73 billion July-September**
- **\$74 billion October-December**



Treasury Financing Requirements

\$ Billions

	April - June 2007 (Projected)	(Actuals)	July - September 2007 (Projected)
Deficit Funding (Def + / Surplus -)	-140	-138	29
Means of Financing			
Change in Cash Balance	-24	-19	-35
Net Non-Marketable Financing	17	16	-4
Other*	12	5	-6
Net Marketable Financing	-145	-139	73
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Bills		-164	
Nominal Notes		3	
TIPS		16	
Bonds		7	
Notes:			
Starting Cash Balance	6	6	25
Ending Cash Balance	30	25	60

* Includes direct loan activity, changes in accrued interest, checks outstanding, minor miscellaneous transactions, discount and inflation accretion on Treasuries.

Note: Totals may not add due to rounding.

Marketable Treasury Coupon Flows

\$ Billions

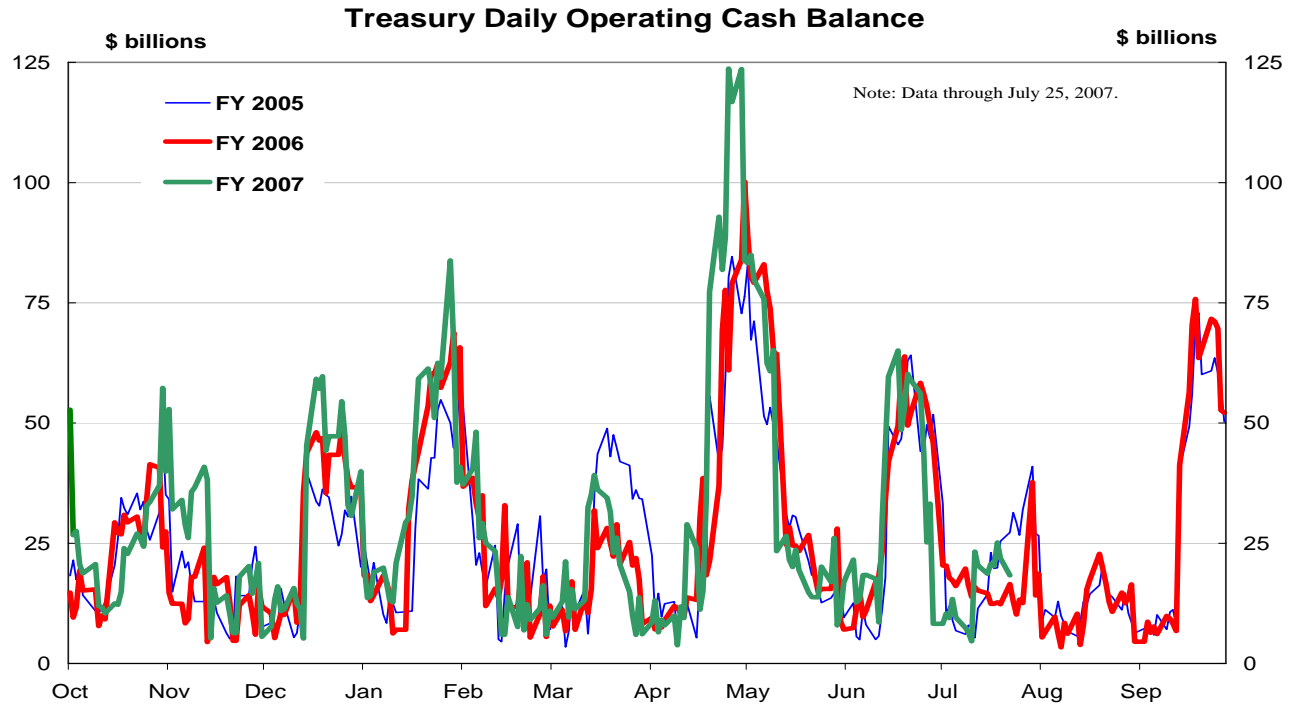
Date	Maturing Coupon Securities (Excluding SOMA holdings)	Coupon Payments	Total Outflows
August 15, 2007	63	27	90
August 31, 2007	19	4	23
September 15, 2007	0	1	1
September 30, 2007	20	3	23
October 15, 2007	0	4	4
October 31, 2007	19	3	22
November 15, 2007	66	21	87
November 30, 2007	19	3	23

- ◆ April-June net marketable borrowing was close to estimates, largely due to a lower cash balance at quarter end.

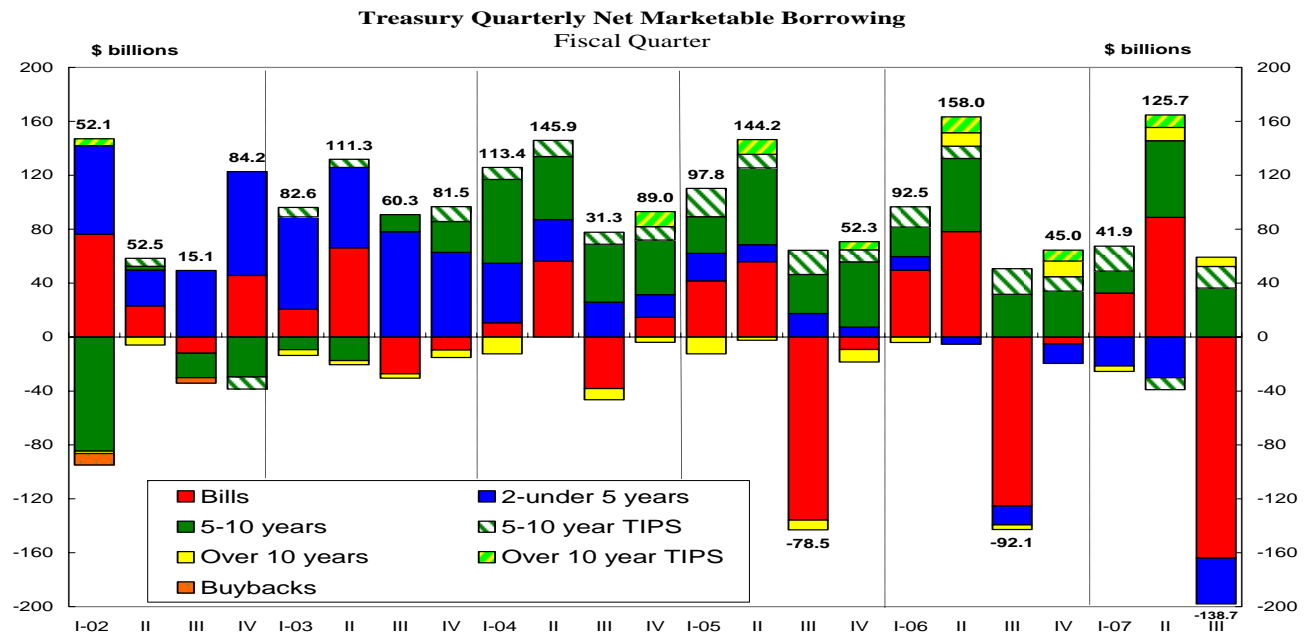
- ◆ Maturing securities and coupon payments result in large outflows on Aug.15 and Nov.15.



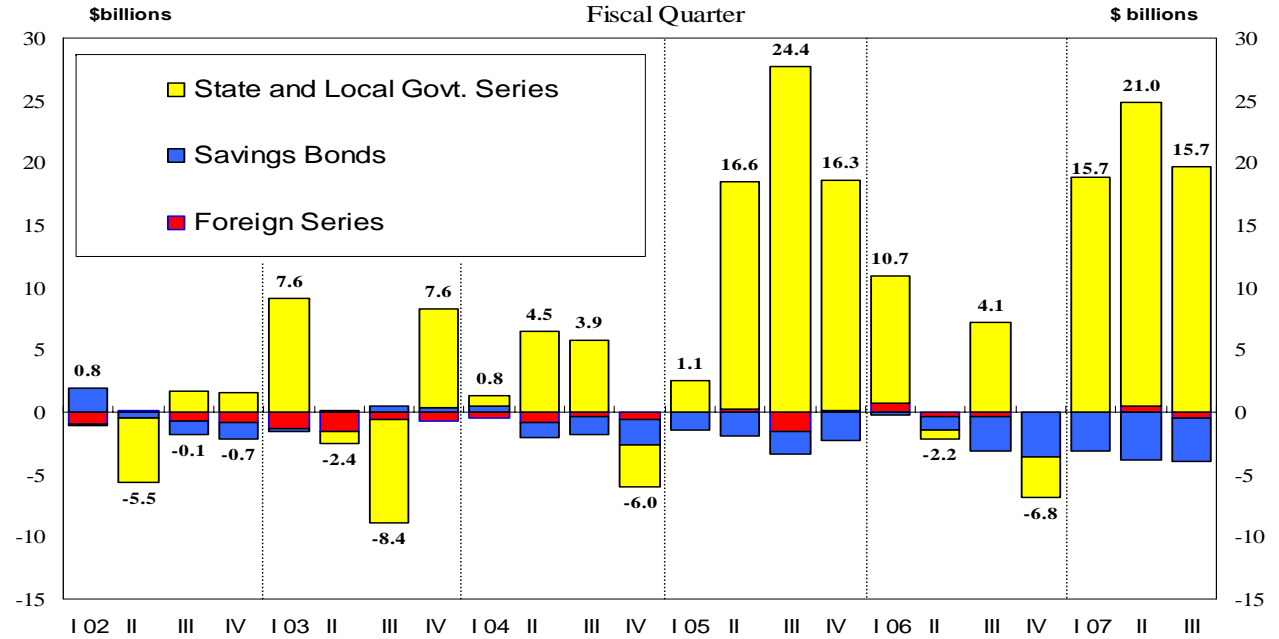
- ◆ April 30, 2007 cash balance reached a record \$124 billion on higher than expected receipts.



- ◆ Total net marketable pay down for Q3 FY 2007 was nearly \$139 billion, the largest pay down since Q2 FY 2001 (not shown).
- ◆ Bills accounted for \$164 billion of the Q3 net reduction.

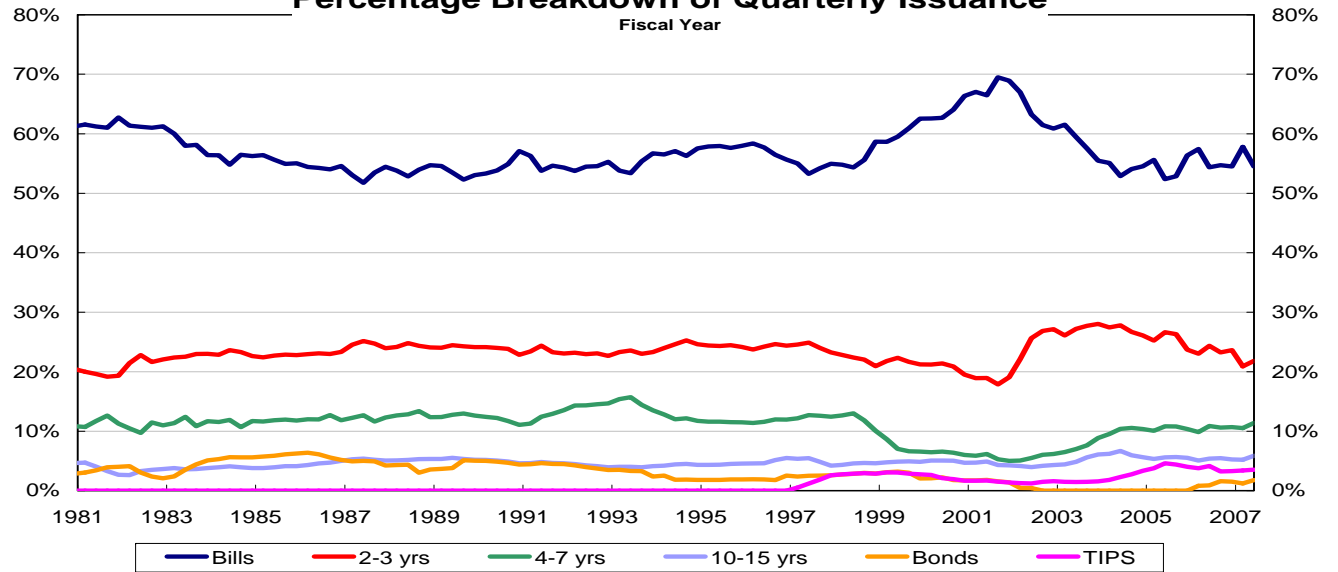


Treasury Quarterly Net Borrowing from Nonmarketable Issues



◆ Q3 net SLGS issuance was once again robust.

Percentage Breakdown of Quarterly Issuance



◆ Despite seasonality in cash balances bill issuance remains stable.

Note: Data through June 30, 2007



Debt Portfolio

Assumptions used in the next 4 charts:

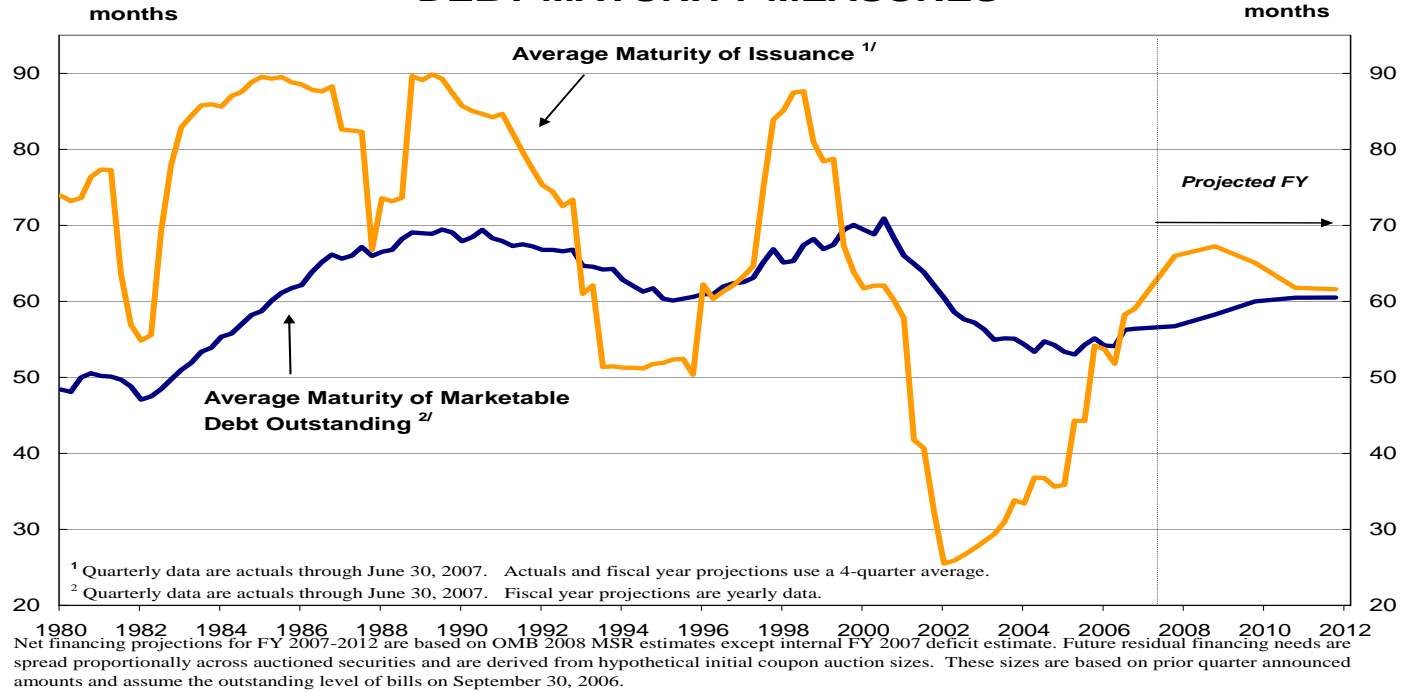
- ◆ Future residual financing needs are spread proportionally across auctioned securities and are derived from ***hypothetical*** initial coupon auction sizes. These sizes are based on prior quarter announced amounts and assume the outstanding level of bills on September 30, 2006.
- ◆ OMB 2008 MSR Budget deficit estimates, except internal Treasury estimate for current fiscal year

Using the above assumptions, over the next 5 years:

- ◆ Average maturity of total outstanding debt rises to 60 months
- ◆ Average maturity of issuance settles to approximately 62 months
- ◆ The percent of debt maturing with 3 years or less to maturity declines to 53 percent

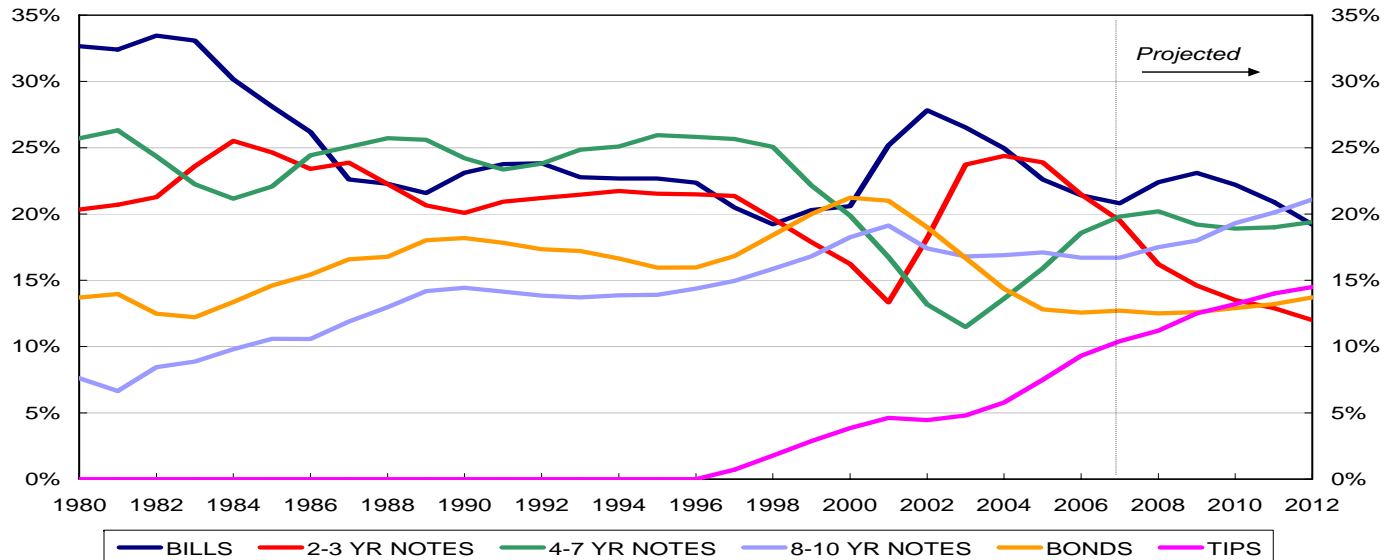


DEBT MATURITY MEASURES



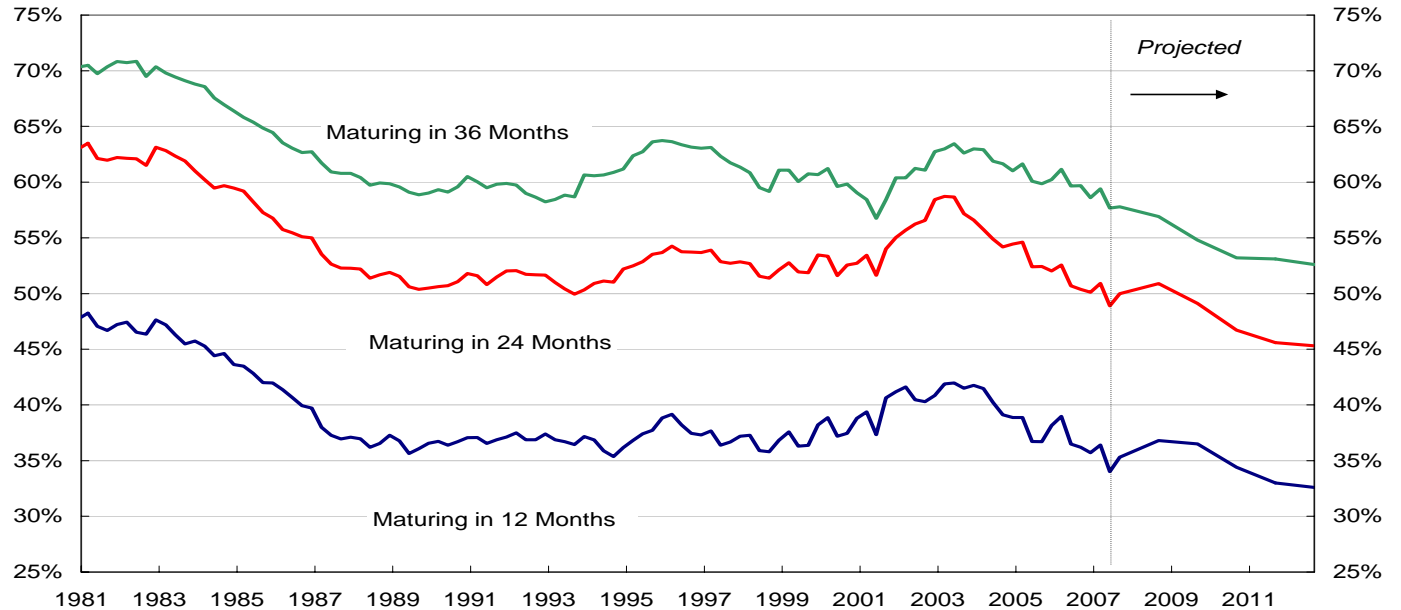
◆ Average maturity of issuance rises following the discontinuation of 3-year note issuance.

Distribution of Marketable Debt Outstanding by Security



◆ If future financing needs are spread proportionally, current issuance patterns would lead to an increased share of longer-term debt.

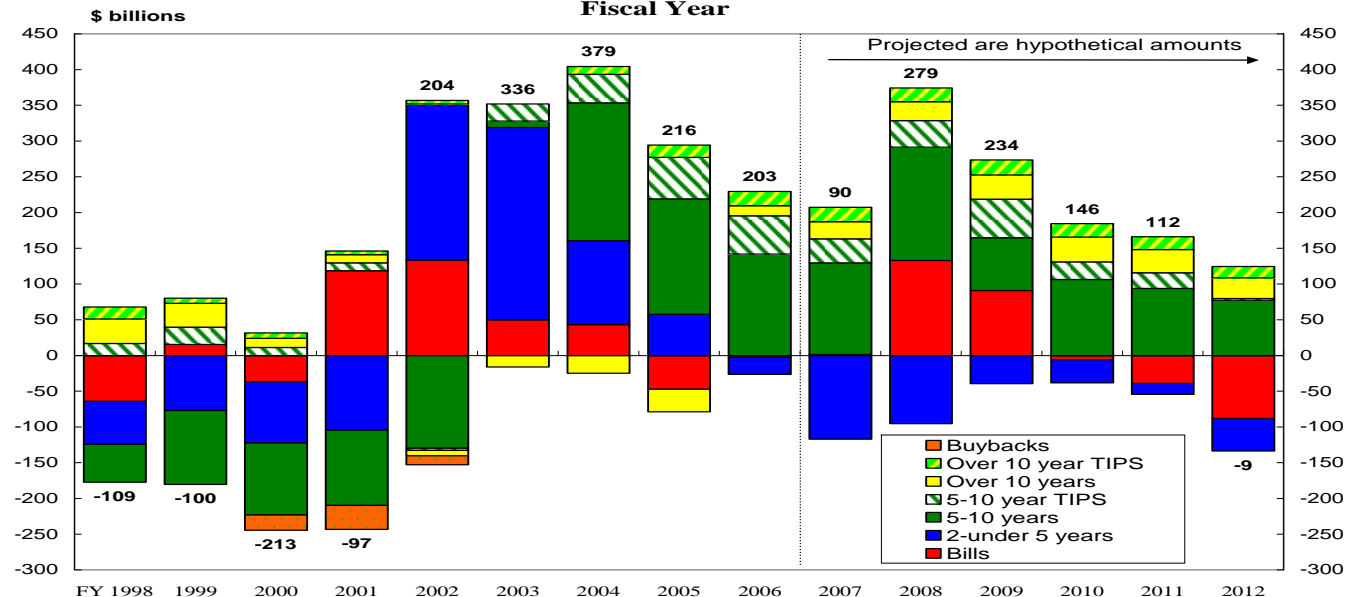
Percentage of Debt Maturing in Next 12 to 36 Months



◆ If future financing needs are spread proportionally, projected short-term debt rollover percentages will continue to decline.

Net financing projections for FY 2007-2012 are based on OMB 2008 MSR estimates except internal FY 2007 deficit estimate. Future residual financing needs are spread proportionally across auctioned securities and are derived from hypothetical initial coupon auction sizes. These sizes are based on prior quarter announced amounts and assume the outstanding level of bills on September 30, 2006.

Treasury Annual Net Marketable Borrowing



◆ Based on OMB fiscal projections, net marketable borrowing will rise in FY 2008, but decline steadily thereafter.

Net financing projections for FY 2007-2012 are based on OMB 2008 MSR estimates except internal FY 2007 deficit estimate. Future residual financing needs are spread proportionally across auctioned securities and are derived from hypothetical initial coupon auction sizes. These sizes are based on prior quarter announced amounts and assume the outstanding level of bills on September 30, 2006.

Uncertainty

- ◆ OMB MSR estimates indicate declining borrowing needs after FY 2008, with a return to surplus in FY 2012
- ◆ Volatility in projected receipts and continued strength in net non-marketable issuance could lead to greater variation in bill and coupon issuance



FY 07 Deficit Estimates

\$ billions

- ◆ Strength in receipts have led to lower deficit estimates.

	Primary Dealers*	CBO	OMB
Current:	161	177	205
Range based on average absolute forecast error	119-203	166-188	168-242
Estimates as of:	July 07	March 07	July 07

Note: Ranges based on errors from 2002-2006.

* Primary Dealers reflect average estimate.

- ◆ Based on OMB projections the implied additional marketable financing need is \$214 billion for FY 2008.

