

U.S. Treasury Borrowing



Borrowing modestly larger than expected

	October - December 2002		January - March 2003
	(Projected)	(Actuals)	(Projected)
<u>Net Marketable Issuance*</u>	76	83	110
Bills		21	
Nominal Notes		55	
IIS		7	
<u>Financing</u>	76	83	110
Deficit Funding **	109	118	116
Net Non-Marketable Financing	17	8	-3
Change in Cash Balance	16	28	8
<u>Notes:</u>			
Starting Cash Balance	61	61	33
Ending Cash Balance	45	33	25

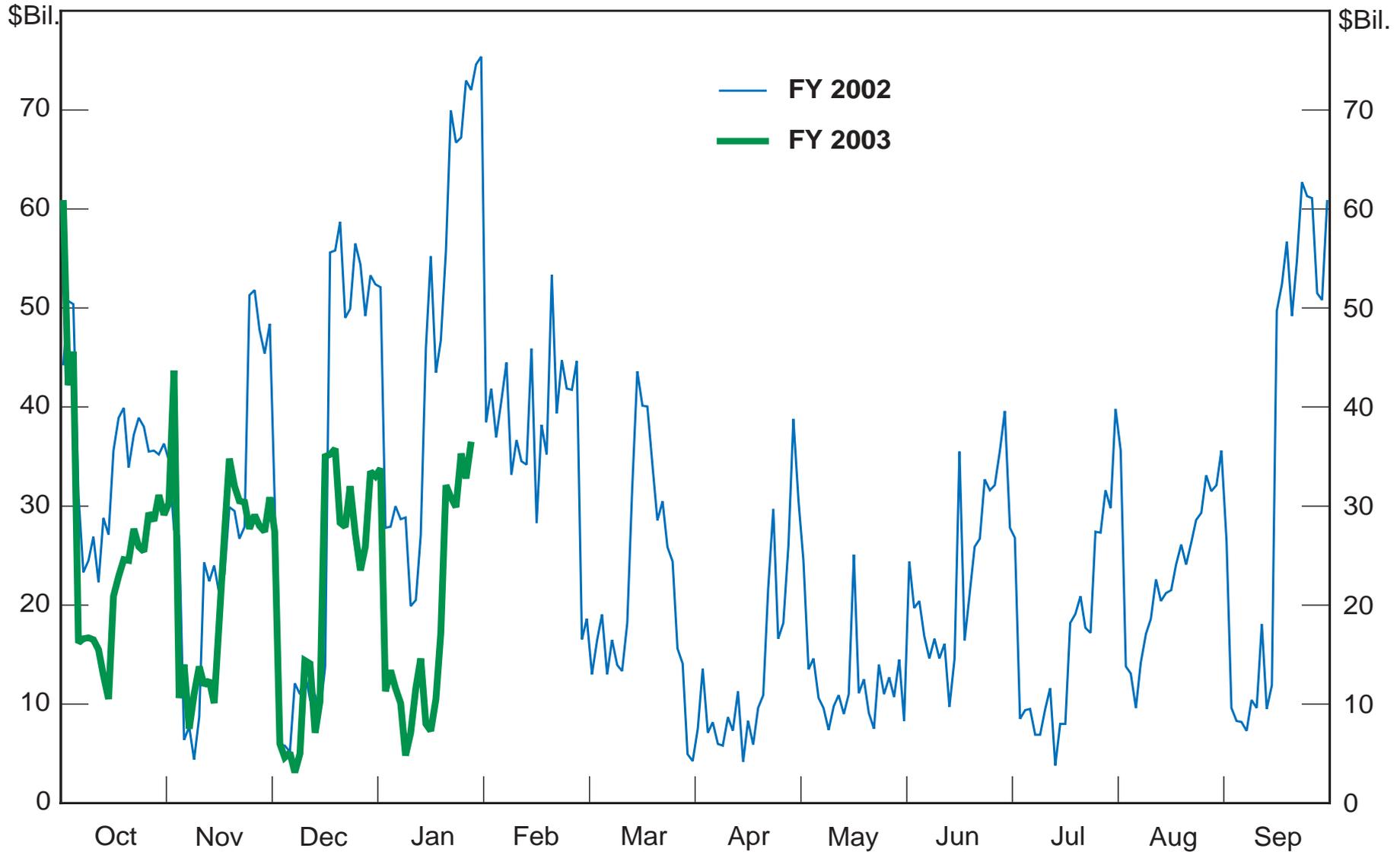
Treasury Financing Requirements \$ Billions

* If unchanged, current coupon issuance pattern would raise \$208 billion in FY03.

** Includes budget results, direct loan activity, changes in accrued interest and checks outstanding and minor miscellaneous transactions.

Note: Dollars in billions; totals may not add due to rounding

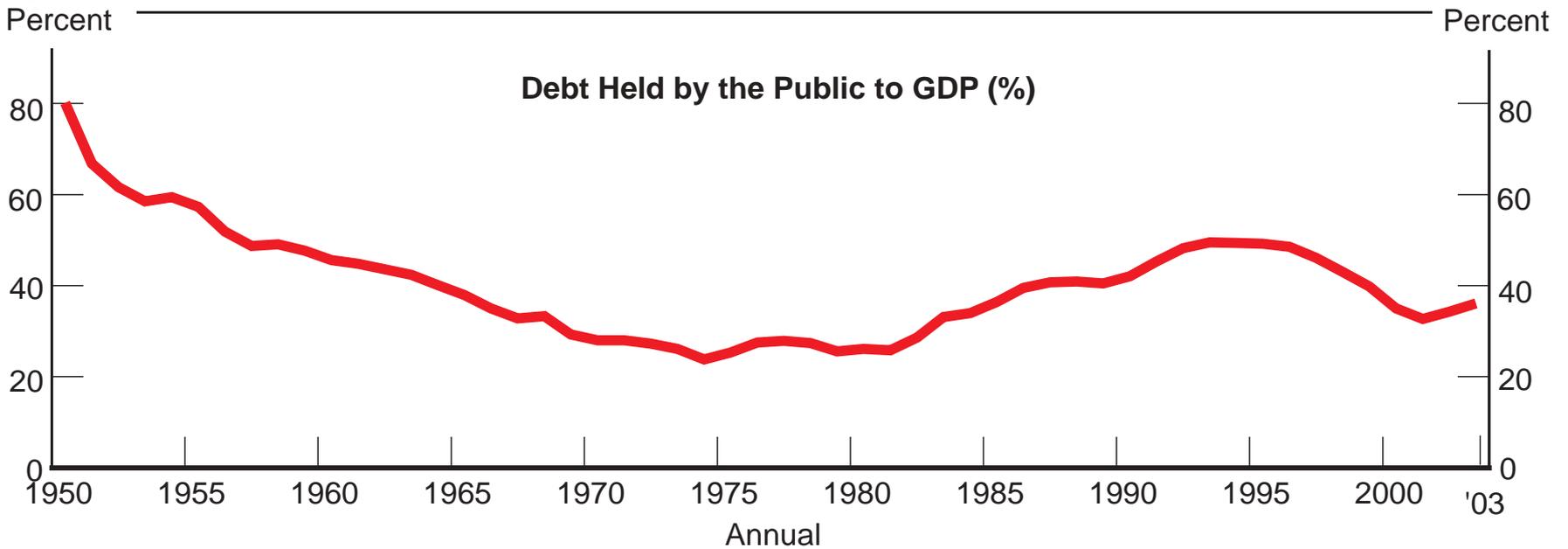
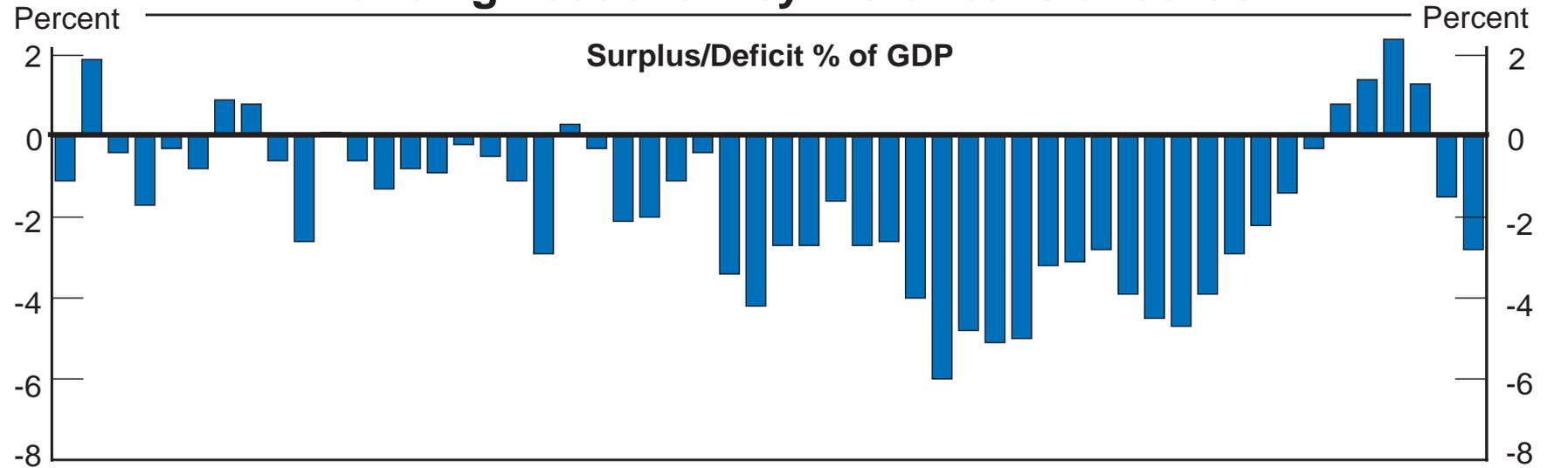
Cash balance volatility declines



Treasury Daily Operating Cash Balance

Source: Daily Treasury Statement, data through January 29.

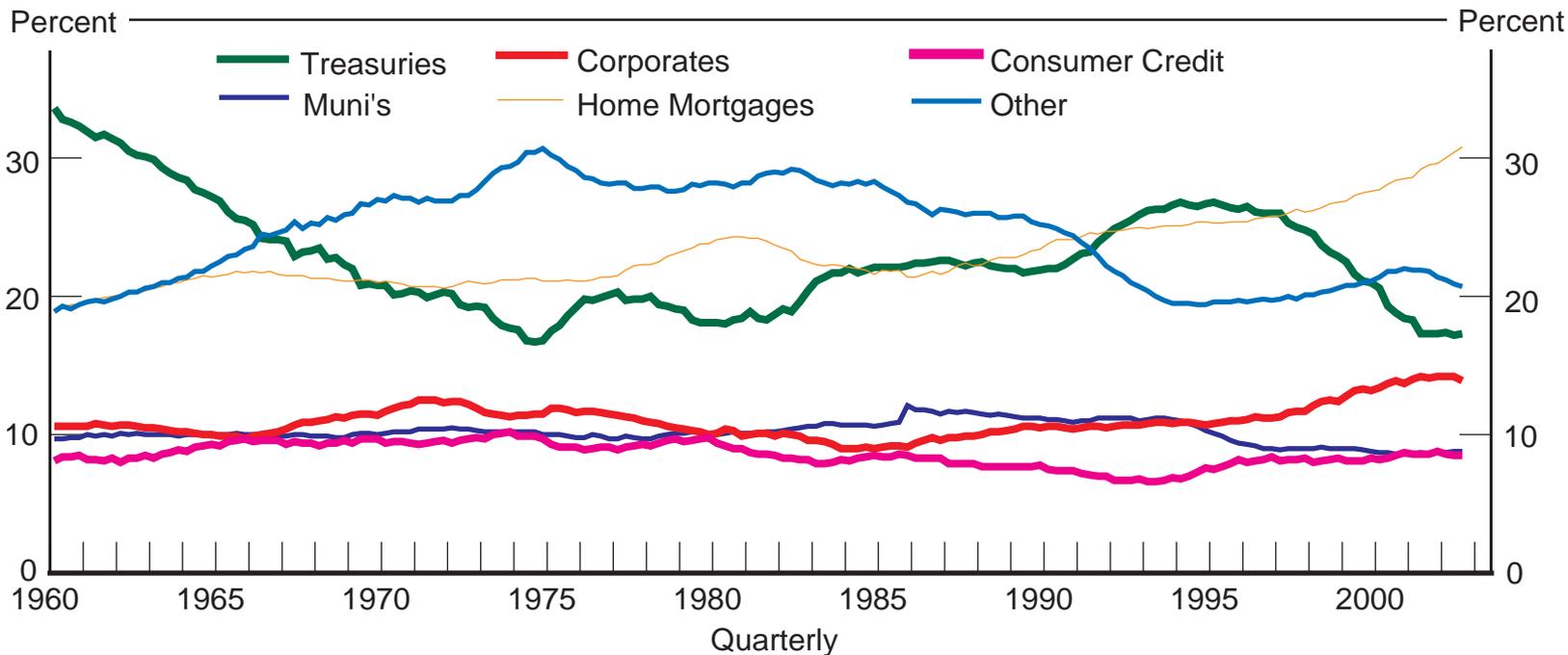
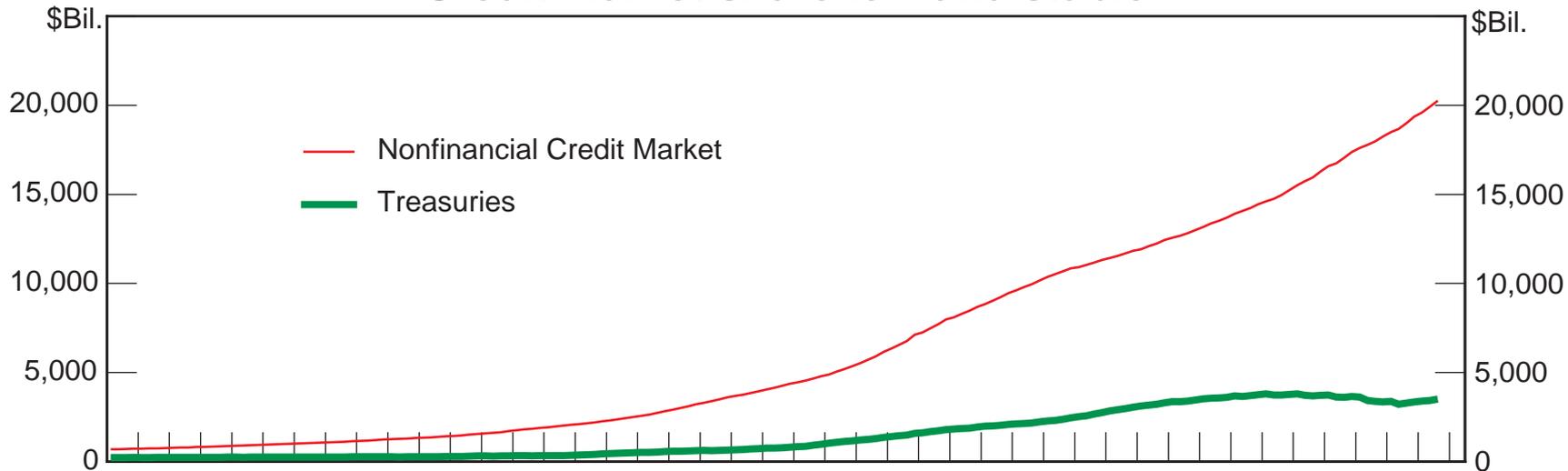
Financing needs low by historical standards



Surplus/Deficit and Debt to GDP

Source: U.S. Government Budget for FY 2004 Budget Historical Tables 1.2 & 7.1.

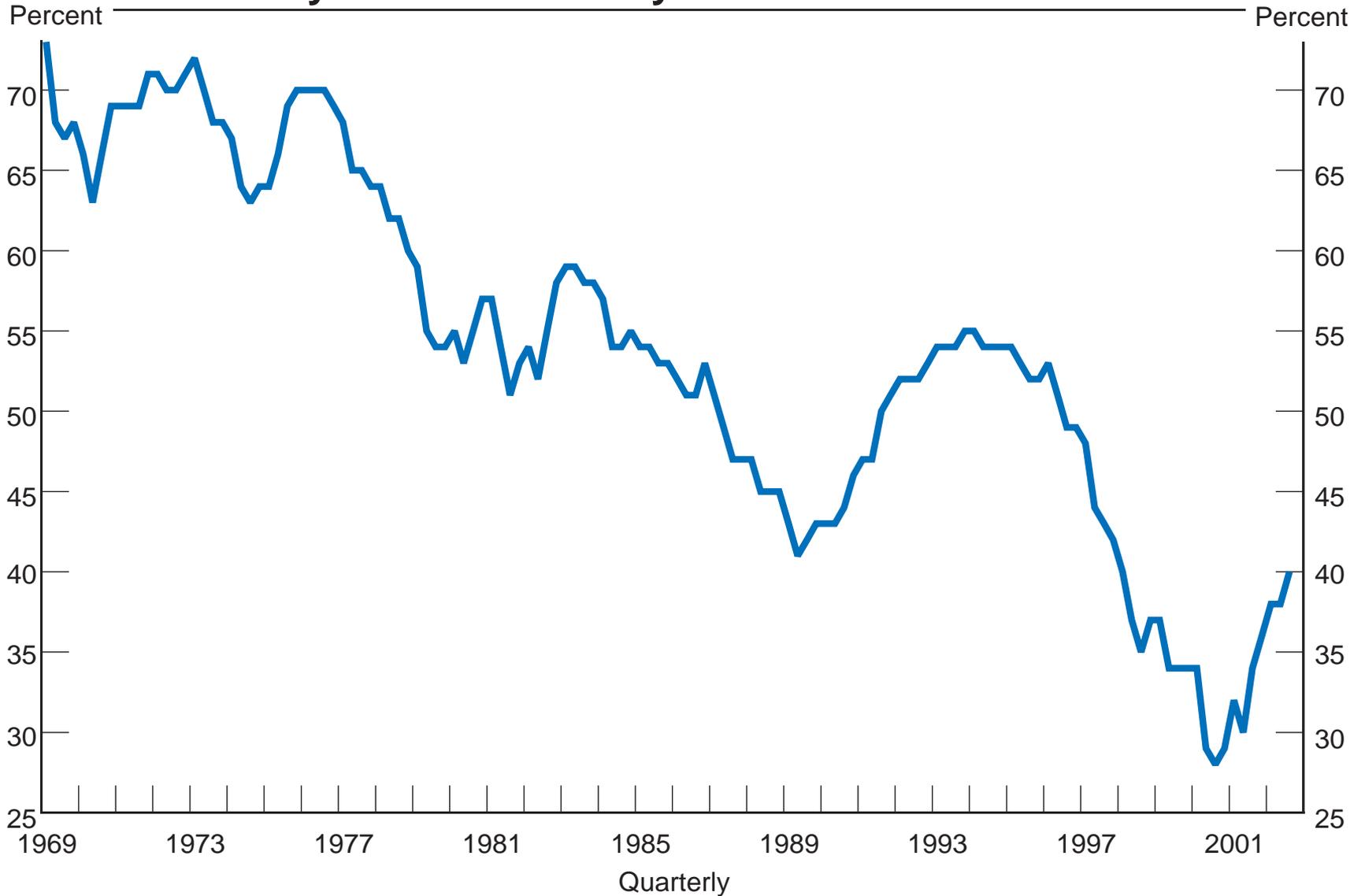
Credit market share low and stable



Domestic Nonfinancial Credit Market and Treasury Debt

Source: U.S. Federal Reserve Board of Governors Flow of Funds.

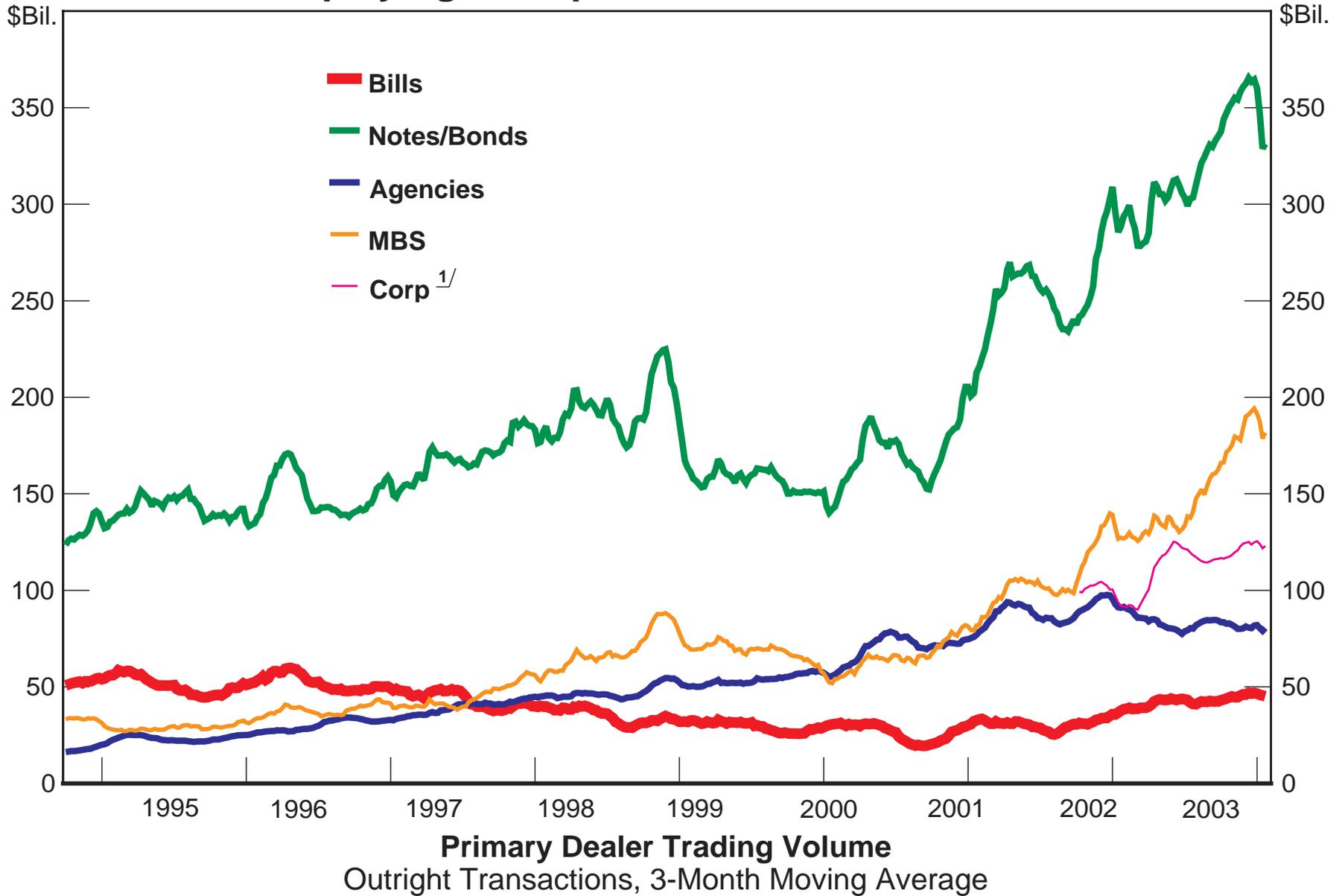
Treasury's share of money markets near historic lows



Treasury Bills as a Percentage of the Money Market ^{1/}

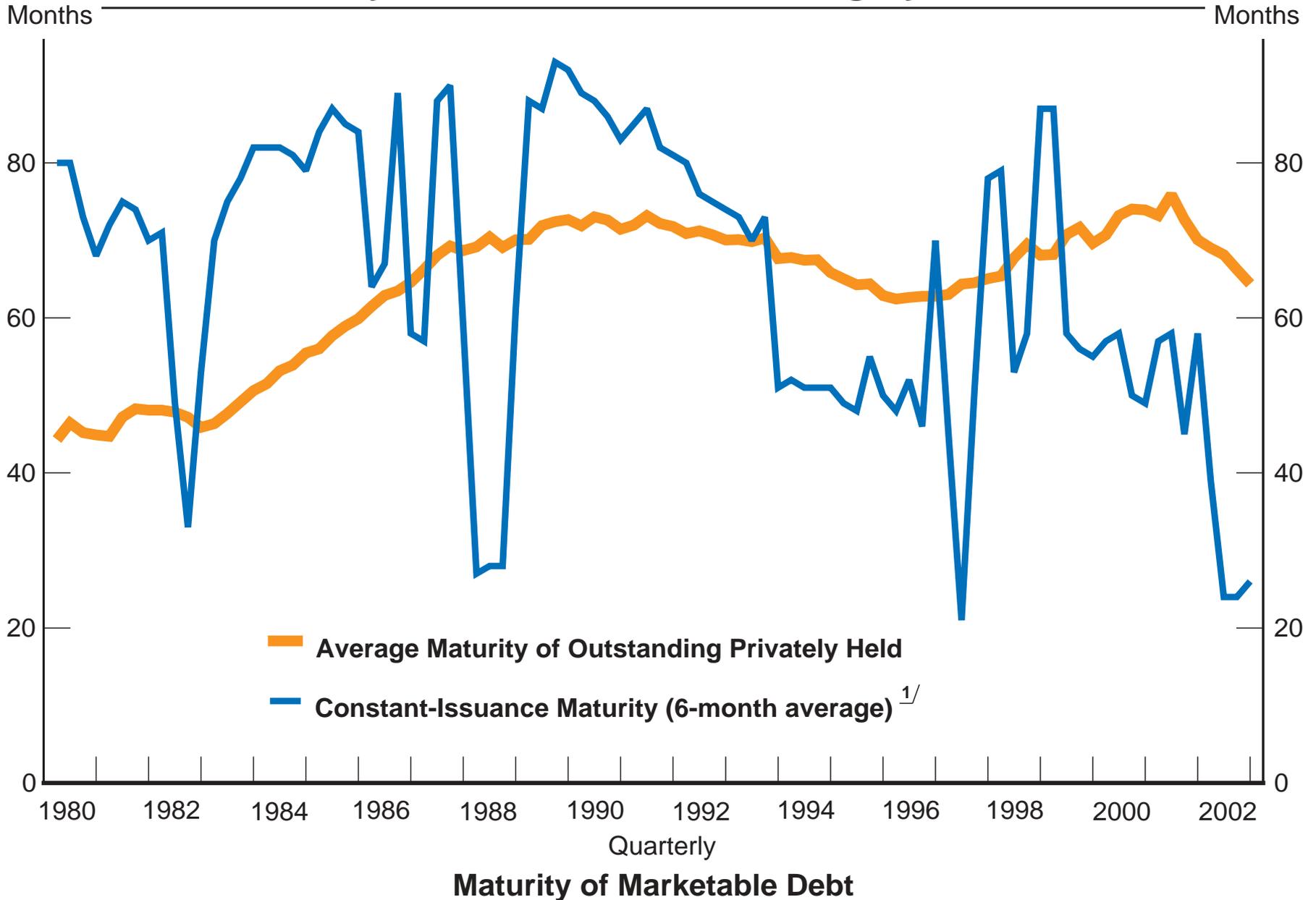
^{1/} Money market = Treasury bills, nonfinancial commercial paper and bankers acceptances.
Source: U.S. Federal Reserve Board of Governors Flow of Funds statistical release Z.1.

Treasuries playing an important financial intermediation role

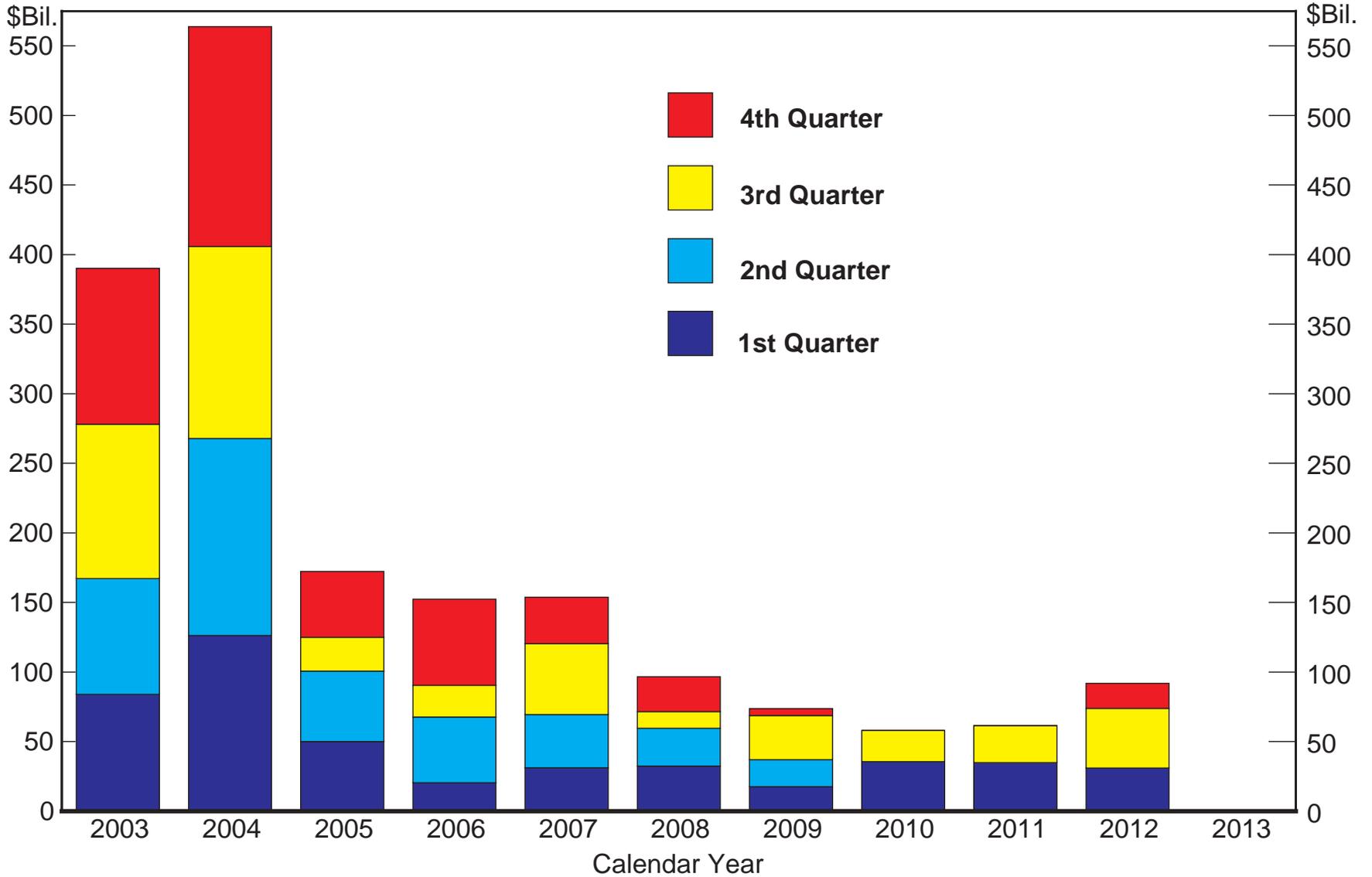


^{1/} Data available beginning September 26, 2001. Source: Federal Reserve Bank of New York.

Maturity of issuance has been highly volatile



Current coupon issuance tilted toward 2-year notes

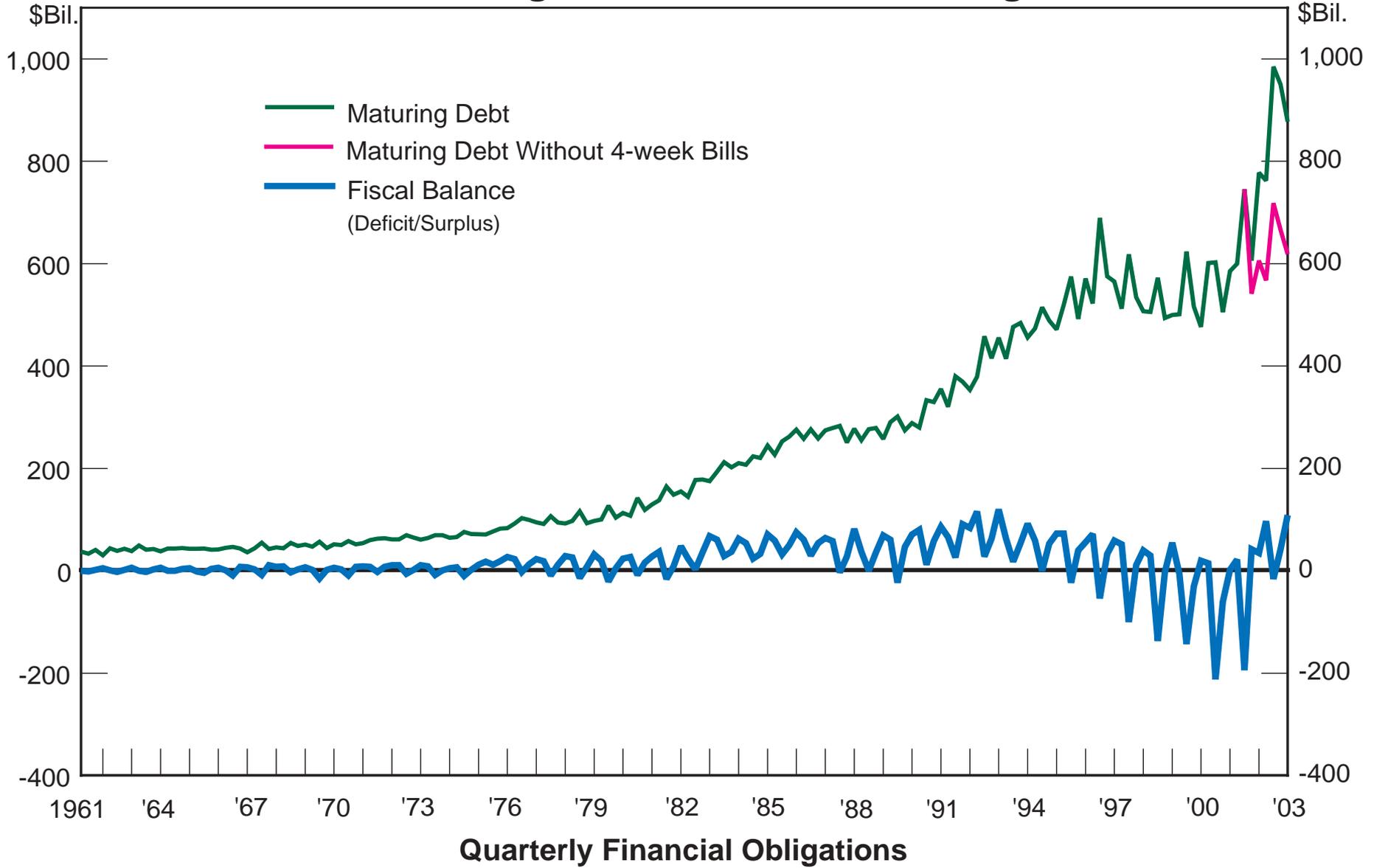


Outstanding Treasury Marketable Coupon Securities ^{1/}

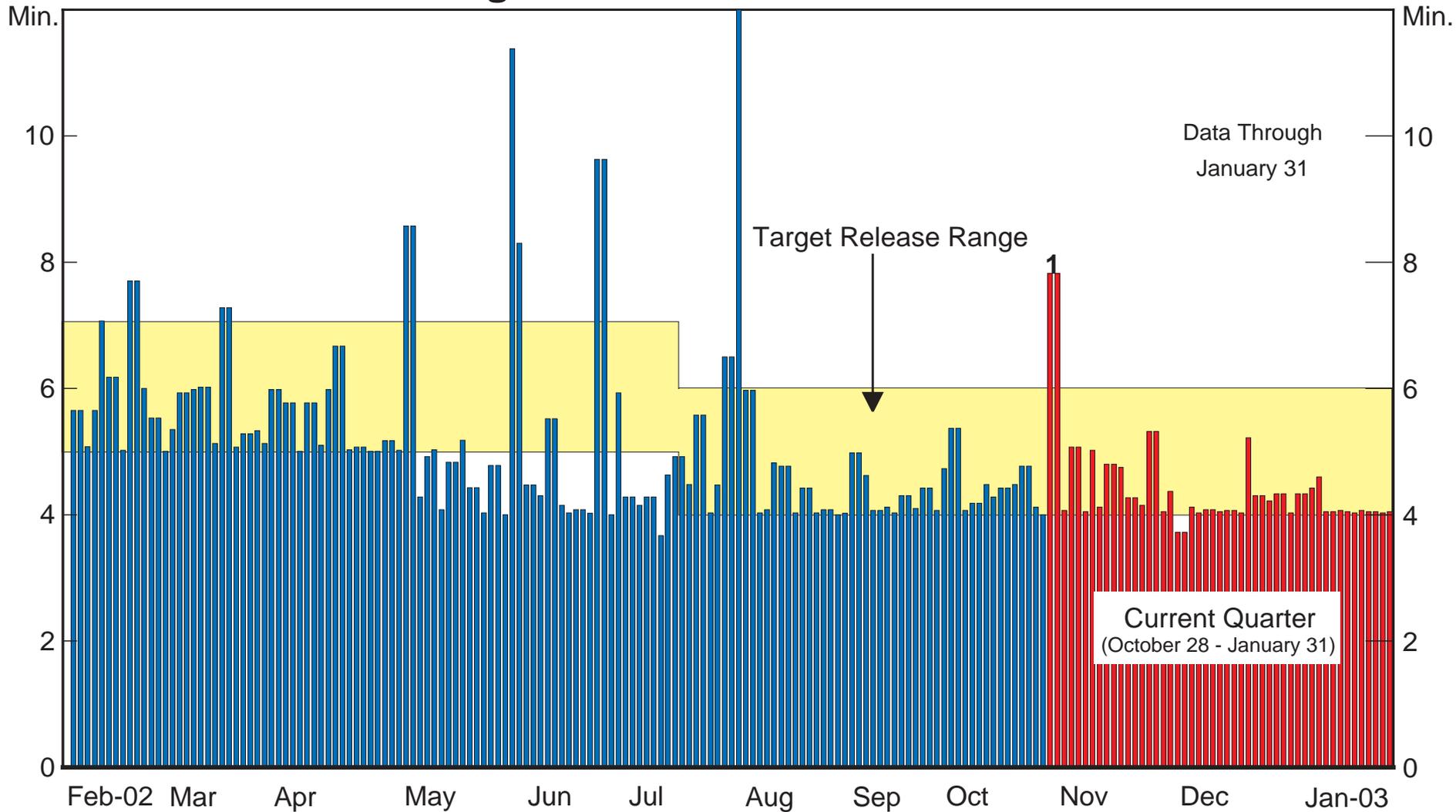
Note: Where applicable, maturities represent first call date.

^{1/} Issued or announced through January 31, 2003.

Refinancing dominates new financing



Decreasing variance of auction release times

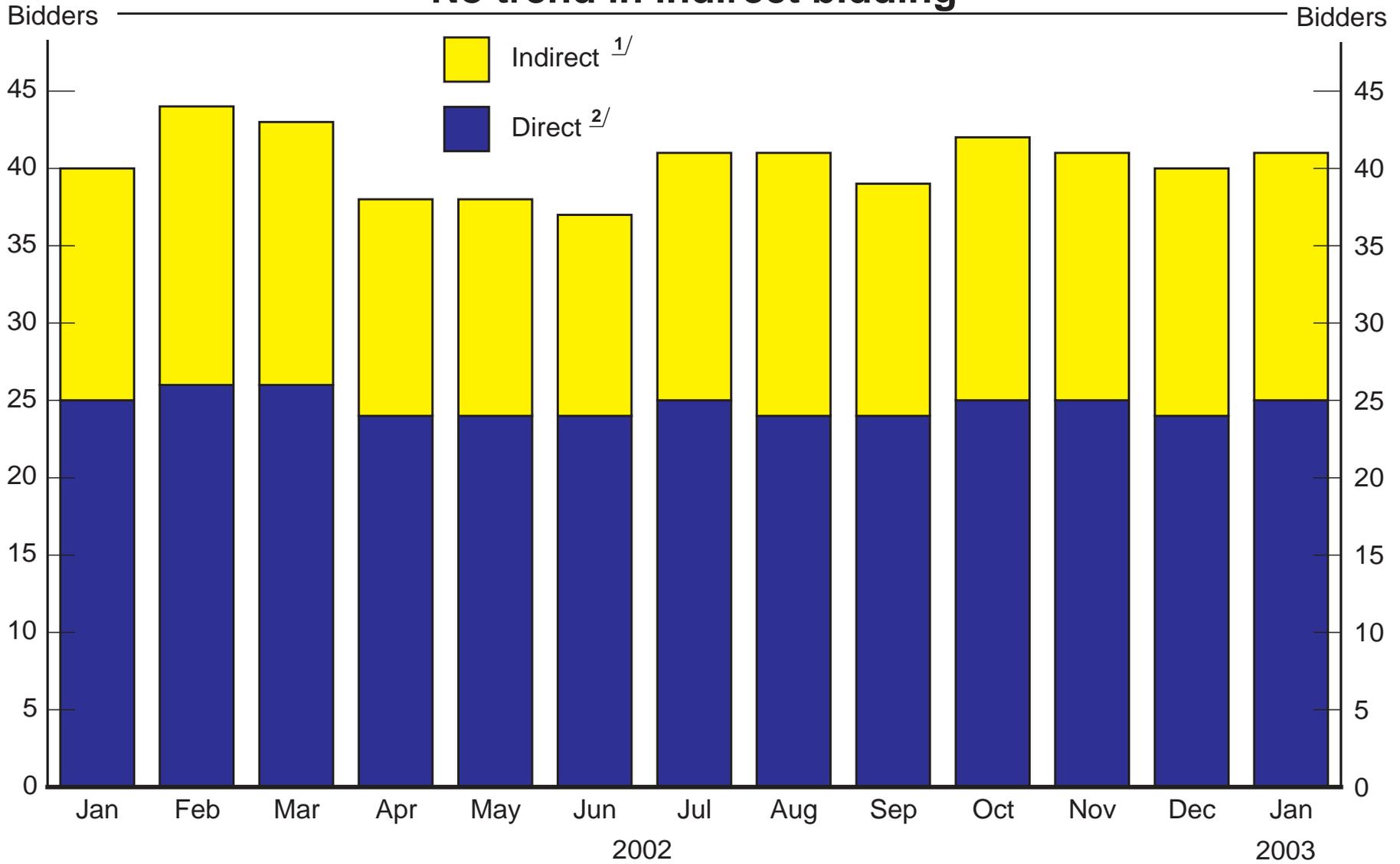


Auction Release Times
Minutes from Closing to Release

Note: Current Quarter Exceptions:

1. 10/28/02, 13- and 26-week bills, release time:1:07:49, the press release was delayed due to an operator error. A submitter sent a timely competitive bid for the 13-week bill auction that was inadvertently rejected. Failure to notice this error resulted in not being able to close and calculate the auction timely.

No trend in indirect bidding

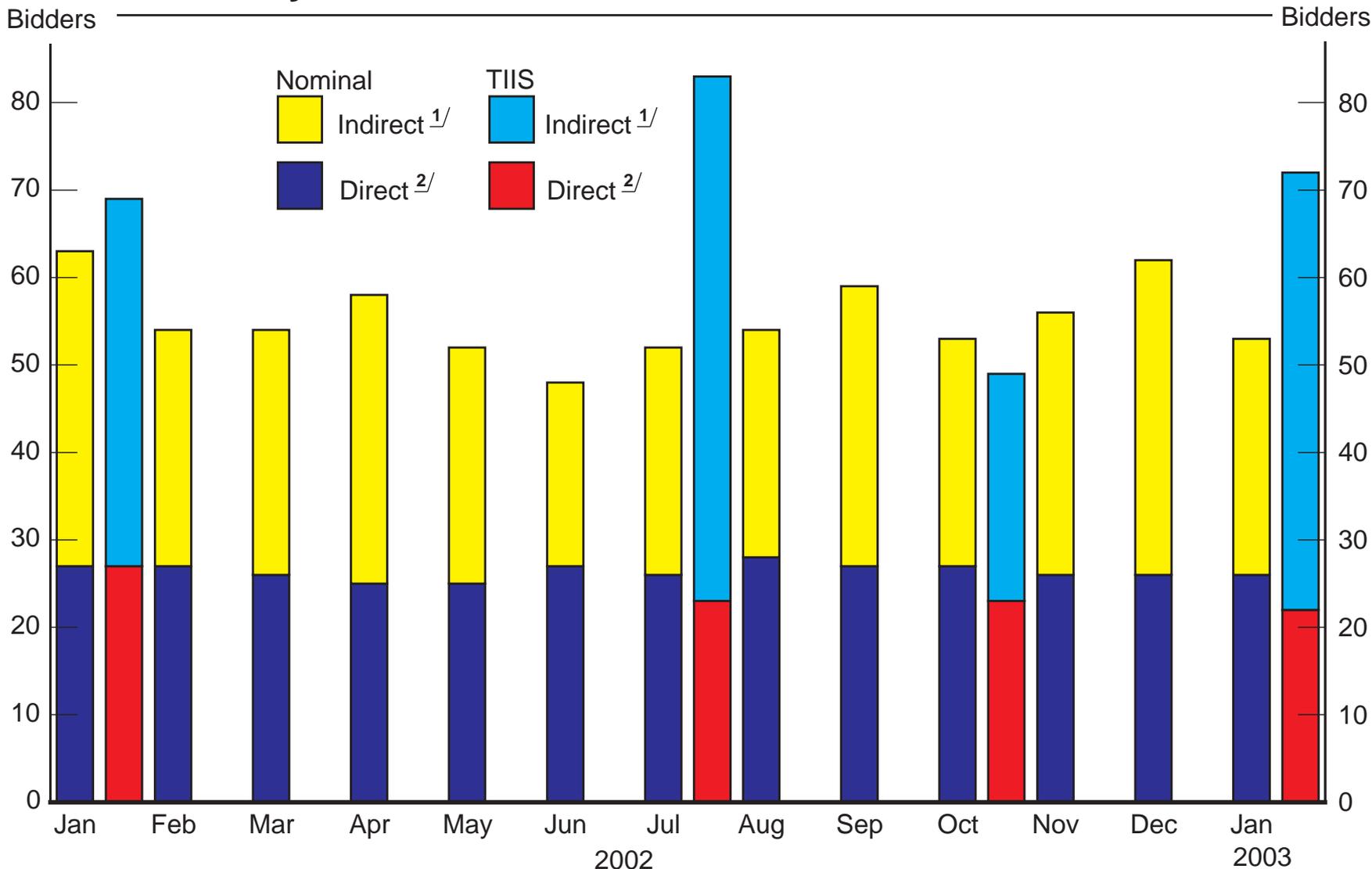


Competitive Bidder Participation in Treasury Bill Auctions Monthly Averages

^{1/} Indirect bidders submit competitive bids through a direct bidder.

^{2/} Direct bidders submit competitive bids for their own account.

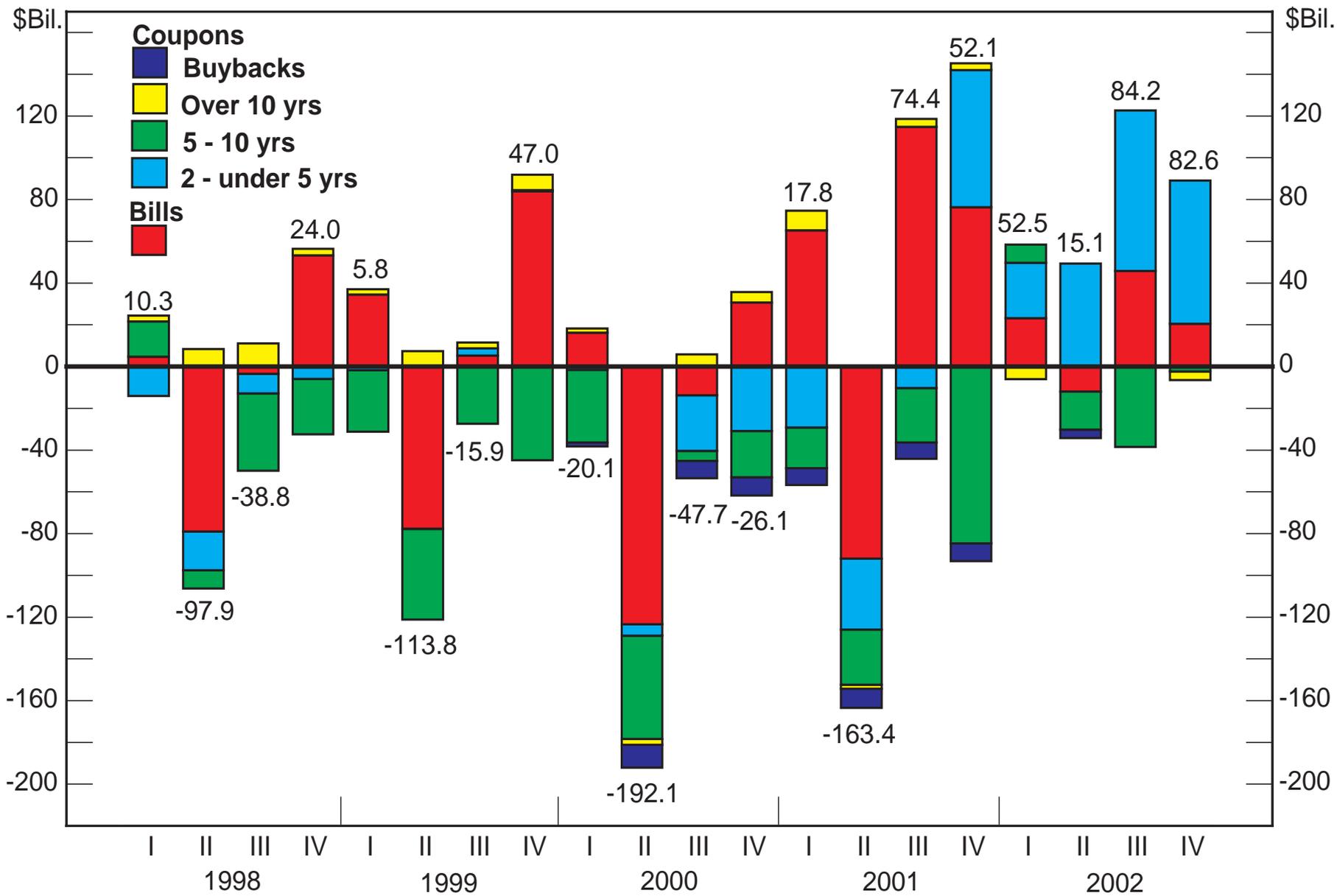
Treasury Inflation Indexed Securities attract more bidders



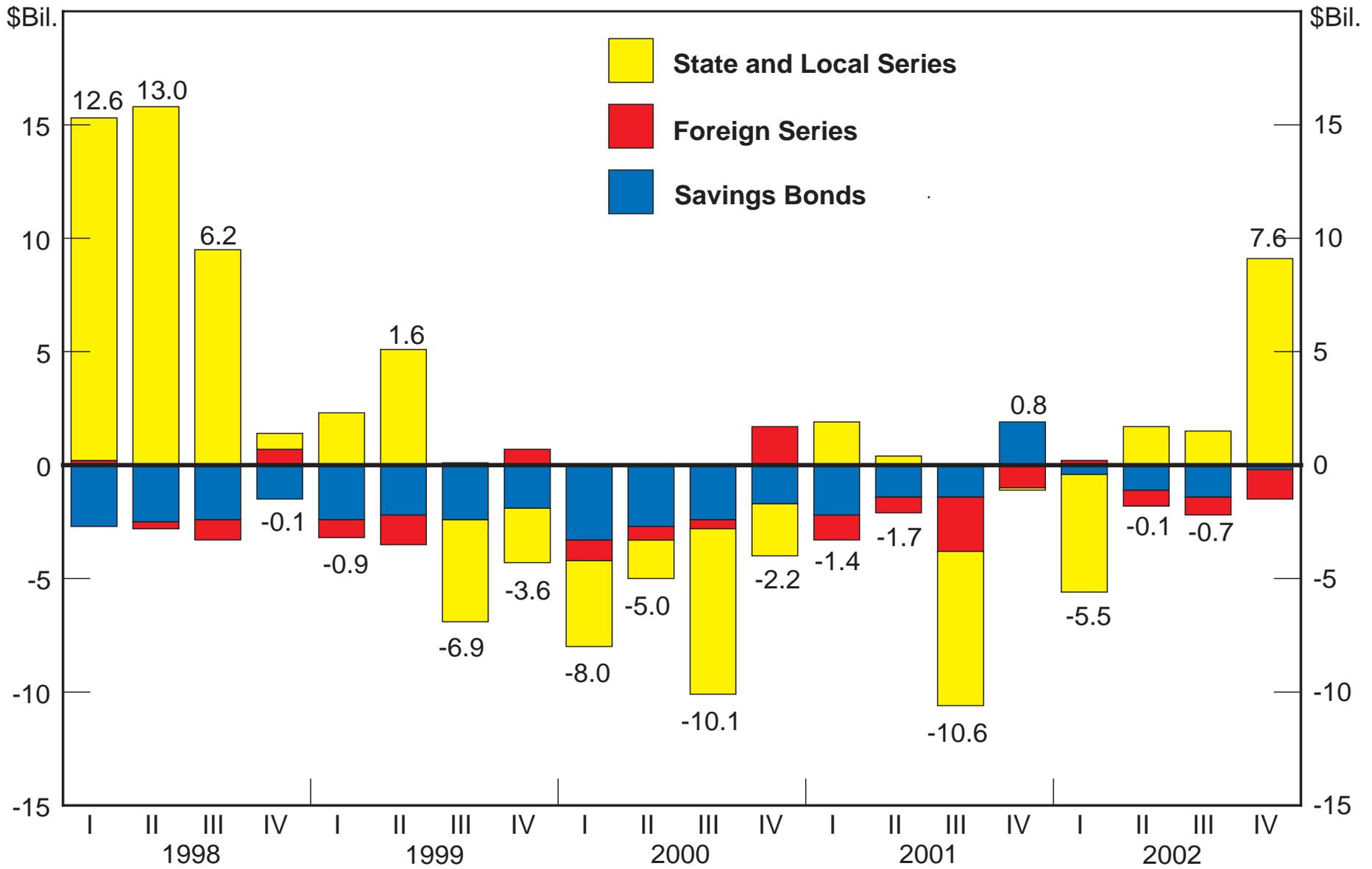
Competitive Bidder Participation in Treasury Note Auctions
Monthly Averages

^{1/} Indirect bidders submit competitive bids through a direct bidder.

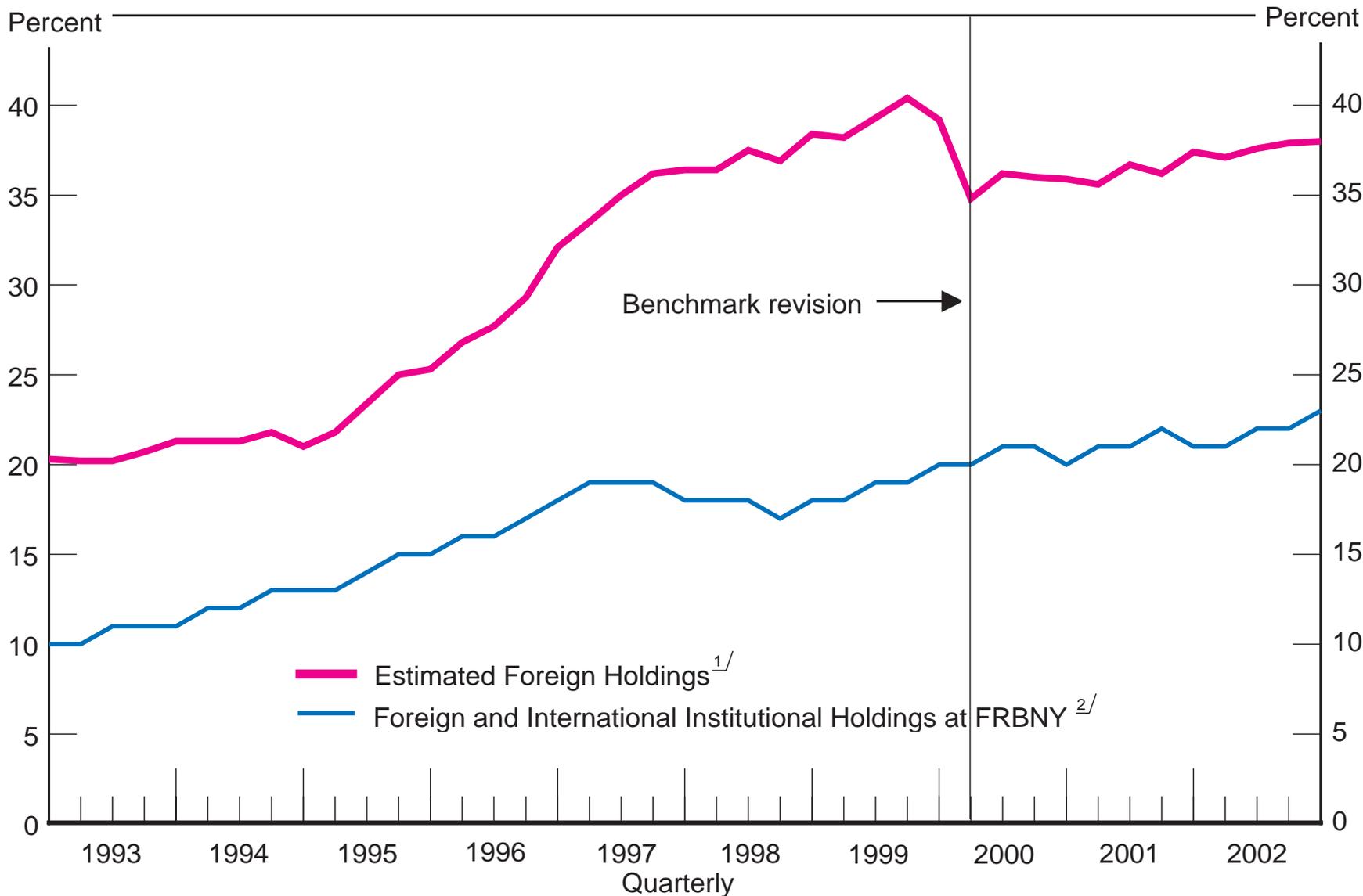
^{2/} Direct bidders submit competitive bids for their own account.



Treasury Quarterly Net Market Borrowing



Treasury Quarterly Net Borrowing from Nonmarketable Issues



Foreign Holdings as a Percent of Total Privately Held Public Debt

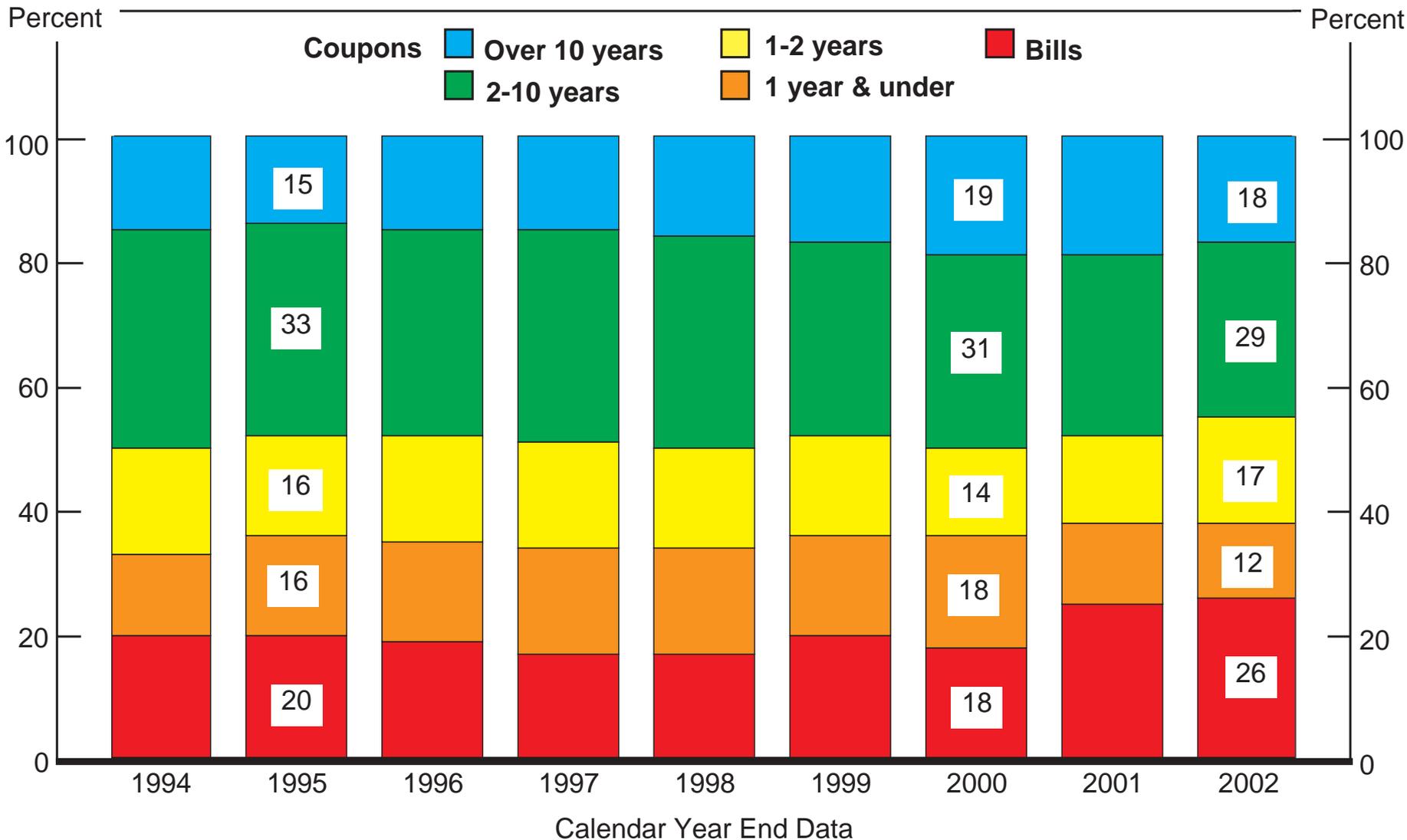
^{1/} Source: Treasury Foreign Portfolio Investment Survey and monthly data collected under the Treasury International Capital reporting system. Data through November 30, 2002. See <http://www.treas.gov/tic/index.html>.

^{2/} Source: Federal Reserve Bank of New York statistical release H4.1.

Country	November 31, 2002			December 31, 2001			December 31, 2000		
	\$ Billions	As a % of Total Foreign	As a % of Total Private	\$ Billions	As a % of Total Foreign	As a % of Total Private	\$ Billions	As a % of Total Foreign	As a % of Total Private
Japan	\$361.9	31.3%	12.0%	\$317.9	30.2%	11.3%	\$ 317.7	30.7%	11.0%
China	96.8	8.4%	3.2%	78.6	7.5%	2.8%	60.3	5.8%	2.1%
United Kingdom	69.5	6.0%	2.3%	45.0	4.3%	1.6%	50.2	4.9%	1.7%
Caribbean Banking Centers	66.9	5.8%	2.2%	45.4	4.3%	1.6%	43.8	4.2%	1.5%
Hong Kong	49.6	4.3%	1.6%	47.7	4.5%	1.7%	38.6	3.7%	1.3%
Oil Exporters	47.3	4.1%	1.6%	48.9	4.6%	1.7%	49.9	4.8%	1.7%
Korea	42.8	3.7%	1.4%	32.8	3.1%	1.2%	29.6	2.9%	1.0%
Germany	40.0	3.5%	1.3%	47.8	4.5%	1.7%	49.0	4.7%	1.7%
Taiwan	34.7	3.0%	1.1%	35.3	3.4%	1.3%	33.4	3.2%	1.2%
Mexico	27.5	2.4%	0.9%	24.8	2.4%	0.9%	27.2	2.6%	0.9%
Belgium-Luxembourg	24.3	2.1%	0.8%	22.4	2.1%	0.8%	29.6	2.9%	1.0%
Switzerland	22.1	1.9%	0.7%	18.7	1.8%	0.7%	16.4	1.6%	0.6%
Italy	18.7	1.6%	0.6%	18.9	1.8%	0.7%	20.8	2.0%	0.7%
Singapore	18.1	1.6%	0.6%	20.0	1.9%	0.7%	27.9	2.7%	1.0%
Thailand	17.5	1.5%	0.6%	15.7	1.5%	0.6%	13.8	1.3%	0.5%
France	16.3	1.4%	0.5%	20.6	2.0%	0.7%	25.1	2.4%	0.9%
Spain	15.7	1.4%	0.5%	15.6	1.5%	0.6%	19.0	1.8%	0.7%
Canada	13.2	1.1%	0.4%	15.4	1.5%	0.5%	14.2	1.4%	0.5%
Other	172.9	15.0%	5.7%	181.6	17.2%	6.4%	167.7	16.2%	5.8%
Estimated Foreign Total	\$1,155.8	100.0%	38.3%	\$1,053.1	100.0%	37.4%	\$1,034.2	100.0%	35.9%

Major Foreign Holders of Treasury Securities

Source: Treasury Foreign Portfolio Investment Survey and monthly data collected under the Treasury International Capital reporting system.



Privately Held Treasury Marketable Debt^{1/}

Percent Distribution By Maturity

^{1/} Privately held marketable debt excludes holdings of the Federal Reserve and non-interest-bearing matured debt.