

TALKING POINTS
FOR THE
FINANCING PRESS CONFERENCE
August 5, 1992

Today, we are announcing the terms of the regular Treasury August midquarter refunding. I will also discuss Treasury financing requirements for the balance of the current calendar quarter and our estimated cash needs for the October-December 1992 quarter.

1. We are offering \$36.0 billion of notes and bonds to refund \$20.8 billion of privately held notes and bonds maturing on August 15 and to raise approximately \$15.2 billion of cash.

The three securities are:

- First, a 3-year note in the amount of \$15.0 billion, maturing on August 15, 1995. This note is scheduled to be auctioned on a yield basis on Tuesday, August 11, 1992. The minimum purchase amount will be \$5,000. Purchases may be made in any multiples of \$5,000.
- Second, a 10-year note in the amount of \$11.0 billion, maturing August 15, 2002. This note is scheduled to be auctioned on a yield basis on Wednesday, August 12, 1992. The minimum purchase amount will be \$1,000.
- Third, a 30-year bond in the amount of \$10.0 billion maturing on August 15, 2022. This bond is scheduled to be auctioned on a yield basis on Thursday, August 13, 1992. The minimum purchase amount will be \$1,000.

2. We will accept noncompetitive tenders up to \$5,000,000 for each of the note and bond auctions.

3. As announced on Monday, August 3, 1992, we estimate a net market borrowing need of \$75 billion for the July-September quarter. The estimate assumes a \$35 billion cash balance at the end of September. We may want to have a higher balance, depending upon our assessment of cash needs at the time.

Including this refunding, we will have raised \$49.4 billion of the \$75.0 billion in net market borrowing needed this July-September quarter. This net borrowing was accomplished as follows:

- \$3.7 billion of cash from the 7-year note that settled July 15;
- \$3.2 billion of cash from the 2-year note that settled July 31;
- \$11.8 billion of cash from the 5-year note that settled July 31;
- \$4.4 billion of cash in the 52-week bills;
- \$11.1 billion of cash in the sales of the regular weekly bills, including the bills announced yesterday.
and
- \$15.2 billion of cash from the refunding issues announced today.

The \$25.6 billion to be raised in the rest of the July-September quarter could be accomplished through sales of regular 13-, 26-, and 52-week bills, and 2-year and 5-year notes at the end of August and September. Short-dated cash management bills may be necessary in September to cover the low point in the cash balance.

4. We estimate Treasury net market borrowing needs to be in the range of \$115 to \$120 billion for the October-December quarter, assuming a \$30 billion cash balance on December 31. The borrowing estimate for the October-December 1992 quarter includes an allowance for Resolution Trust Corporation operations.

5. The 10-year notes and 30-year bonds being announced today are eligible for conversion to STRIPS (Separate Trading of Registered Interest and Principal of Securities) and, accordingly, may be divided into separate interest and principal components.

6. The November midquarter refunding press conference will be held on Tuesday, November 3, 1992.