

# TREASURY NEWS



OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

EMBARGOED UNTIL 2:30 P.M.  
July 1, 1998

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202/219-3350

TREASURY TO AUCTION \$8,000 MILLION OF  
29-3/4-YEAR 3-5/8% INFLATION-INDEXED BONDS

The Treasury will auction \$8,000 million of 29-3/4-year 3-5/8% inflation-indexed bonds to raise cash.

Amounts bid by Federal Reserve Banks for their own accounts and as agents for foreign and international monetary authorities will be added to the offering.

The auction will be conducted in the single-price auction format. All competitive and noncompetitive awards will be at the highest yield of accepted competitive tenders.

The bonds being offered today are eligible for the STRIPS program.

Tenders will be received at Federal Reserve Banks and Branches and at the Bureau of the Public Debt, Washington, D. C. This offering of Treasury securities is governed by the terms and conditions set forth in the Uniform Offering Circular (31 CFR Part 356, as amended) for the sale and issue by the Treasury to the public of marketable Treasury bills, notes, and bonds.

For original issue discount (OID), IRS regulations permit reopenings of inflation-indexed securities without regard to OID rules, provided that the reopenings occur not more than one year after the original securities were first issued to the public. Therefore, the OID limit does not apply to this auction.

Details about the security are given in the attached offering highlights.

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Attachment

**HIGHLIGHTS OF TREASURY OFFERING TO THE PUBLIC OF  
29-3/4-YEAR INFLATION-INDEXED BONDS TO BE ISSUED JULY 15, 1998**

July 1, 1998

Offering Amount.....\$8,000 million

Description of Offering:

Term and type of security...29-3/4-year inflation-  
indexed bonds (reopening)  
Series.....Bonds of April 2028  
CUSIP number.....912810 FD 5  
Auction date.....July 8, 1998  
Issue date.....July 15, 1998  
Dated date.....April 15, 1998  
Maturity date.....April 15, 2028  
Interest rate.....3-5/8%  
Currently outstanding.....\$8,427 million  
Real yield.....Determined at auction  
Interest payment dates.....October 15 and April 15  
Minimum bid amount.....\$1,000  
Multiples.....\$1,000  
Accrued interest.....\$9.01298 per \$1,000  
(from April 15 to July 15, 1998)  
Adjusted accrued interest  
payable by investor.....\$9.06291 per \$1,000  
Premium or discount.....Determined at auction

STRIPS Information:

Minimum amount required.....\$1,600,000  
Corpus CUSIP number.....912803 BN 2

Submission of Bids:

Noncompetitive bids: Will be accepted in full up to \$5,000,000 at the highest  
accepted yield.

Competitive bids:

- (1) Must be expressed as a real yield with three decimals, e.g., 3.123%.
- (2) Net long position for each bidder must be reported when the sum of the total bid amount, at all yields, and the net long position is \$2 billion or greater.
- (3) Net long position must be determined as of one half-hour prior to the closing time for receipt of competitive tenders.

Maximum Recognized Bid at a Single Yield..... 35% of public offering  
Maximum Award..... 35% of public offering

Receipt of Tenders:

Noncompetitive tenders: Prior to 12:00 noon Eastern Daylight Saving time on  
auction day.

Competitive tenders: Prior to 1:00 p.m. Eastern Daylight Saving time on  
auction day.

Payment Terms: Full payment with tender or by charge to a funds account at a  
Federal Reserve Bank on issue date.

Indexing Information:

CPI Base Reference Period.....1982-1984  
Ref CPI 04/15/1998.....161.74000  
Ref CPI 07/15/1998.....162.63548  
Index Ratio 07/15/1998.....1.00554