



EMBARGOED UNTIL 4:15 P.M.
September 29, 1998

CONTACT: Office of Financing
202/219-3350

TREASURY TO AUCTION \$8,000 MILLION OF
9-1/4-YEAR 3-5/8% INFLATION-INDEXED NOTES

The Treasury will auction \$8,000 million of 9-1/4-year 3-5/8% inflation-indexed notes 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 notes 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
9-1/4-YEAR INFLATION-INDEXED NOTES TO BE ISSUED OCTOBER 15, 1998

September 29, 1998

Offering Amount\$8,000 million

Description of Offering:

Term and type of security9-1/4-year inflation-
indexed notes (reopening)
SeriesA-2008
CUSIP number912827 3T 7
Auction dateOctober 7, 1998
Issue dateOctober 15, 1998
Dated dateJanuary 15, 1998
Maturity dateJanuary 15, 2008
Interest rate3-5/8%
Currently outstanding\$8,485 million
Real yieldDetermined at auction
Interest payment datesJanuary 15 and July 15
Minimum bid amount and Multiples ...\$1,000
Accrued interest\$9.06250 per \$1,000 (from
July 15 to October 15, 1998)
Adjusted accrued interest
payable by investor\$9.15983 per \$1,000
Premium or discountDetermined at auction

STRIPS Information:

Minimum amount required\$1,600,000
Corpus CUSIP number912820 CL 9

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: By charge to a funds account at a Federal Reserve Bank on
issue date, or payment of full par amount with tender. Treasury Direct
customers can use the Pay Direct feature which authorizes a charge to their
account of record at their financial institution on issue date.

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