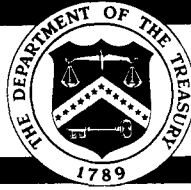


TREASURY



NEWS

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FOR IMMEDIATE RELEASE
August 2, 1995

REMARKS BY DARCY BRADBURY
DEPUTY ASSISTANT SECRETARY (FEDERAL FINANCE)
TREASURY QUARTERLY REFUNDING PRESS CONFERENCE

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 1995 quarter.

1. We are offering \$42.5 billion of notes and bonds to refund \$30.0 billion of privately held notes maturing on August 15 and to raise approximately \$12.5 billion of cash.

The three securities are:

- First, a 3-year note in the amount of \$18.0 billion, maturing on August 15, 1998. This note is scheduled to be auctioned on a yield basis at 1:00 p.m. Eastern time on Tuesday, August 8, 1995. The minimum purchase amount will be \$5,000 and purchases above \$5,000 may be made in multiples of \$1,000.

- Second, a 10-year note in the amount of \$13.0 billion, maturing on August 15, 2005. This note is scheduled to be auctioned on a yield basis at 1:00 p.m. Eastern time on Wednesday, August 9. The minimum purchase amount will be \$1,000.
- Third, a 30-year bond in the amount of \$11.5 billion, maturing on August 15, 2025. This bond will be auctioned on a yield basis at 1:00 p.m. Eastern time on Thursday August 10. The minimum purchase amount will be \$1,000.

2. On April 11, 1995, the Treasury announced that on August 15 it would call the 8 3/8% bond of 1995-2000. This bond, of which approximately \$2.4 billion is privately held, will be repaid from available funds. We estimate that the Treasury is saving about \$150-200 million by exercising the call.

3. We announced on Monday, July 31, 1995, that we estimate a net market borrowing need of \$26.0 billion for the July-September 1995 quarter. The estimate assumes a \$30 billion cash balance at the end of September. Including the notes and bonds in this refunding, we have raised \$29.0 billion of cash from the sale of marketable securities. This was accomplished as follows:

- raised \$2.0 billion from the 2-year note that settled July 31;

- raised \$12.1 billion from the 5-year note that settled July 31;
- raised \$1.4 billion from the 52-week bills;
- raised \$7.8 billion new cash in the regular weekly bills including those announced yesterday, August 1;
- paid down \$6.8 billion in the 7-year note that matured July 15; and
- raised \$12.5 billion of cash from the securities announced for the refunding today.

4. The Treasury will need to pay down \$3.0 billion in market borrowing during the rest of the July-September quarter. This financing can be accomplished through regular sales of 13-, 26-, and 52-week bills and 2-year and 5-year notes in August. We may need to sell cash management bills to cover the low point in the cash balance in early September.

5. We estimate Treasury net market borrowing to be in a range of \$60 to \$65 billion for the October-December 1995 quarter, assuming a \$20 billion cash balance on December 31. The September 2- and 5-year notes will be issued on October 2 and the December 2- and 5-year notes will be issued on January 2.

6. We will accept noncompetitive tenders up to \$5 million for each of the notes and bonds.

7. The 10-year note and the bond 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.

8. Please note that tentative auction calendars for August, September, and October are included in the chart package which was distributed today. This package also includes a table that displays information on foreign ownership of Treasury securities. This information was not included in the chart package that was made available on July 31.

9. The November midquarter refunding press conference will be held on Wednesday, November 1, 1995.