Agenda
May 2003 Refunding
Treasury Dealer Meetings – April 25, 2003
Dealer ____________________

To allow more time for discussion on Thursday, please e-mail your responses prior to 4:00 p.m. on Wednesday to Jeff Huther, Dept. of Treasury, at Jeff.Huther@do.treas.gov and Richard Dzina, Federal Reserve Bank of New York, at richard.dzina@ny.frb.org. If you are not scheduled to meet with Treasury officials this quarter, your responses would still be very helpful to us, particularly answers to the discussion questions. Thank you.

I. Borrowing Estimates

	Central Estimate	Range that would not surprise you
April – June		
Ending Cash Balance		
July – September		
Ending Cash Balance		

II. Budget Deficit Estimates

	Central Estimate	Range that would not surprise you
FY2003		
FY2004		

III. Quarterly Note Issuance

	Central Estimate	Range that would not surprise you
3-year		
5-year		
5-year reopening		
10-year		
10-year TIIS		

IV. Discussion Topics

- Are you seeing significant customer interest in the 3-year note? What types of customers are likely to be the largest sources of demand? How much growth potential do you see in this market?

- In the last refunding statement Treasury announced that the May 5-year note would be reopened in June and that, should financing requirements increase, we would consider either moving to monthly 5-year notes or reopened 10-year notes. Given evidence that Treasury faces higher financing needs, should Treasury move to monthly 5-year notes or reopened 10-year notes? What should the timing be for this next move?

- Following 9/11, Treasury postponed and then cancelled a 4-week bill auction. This experience has led us to examine the need for more explicit criteria for our responses to auction disruptions. We would like to begin a discussion with auction participants about the need for laying out our responses ahead of auction disruptions and, if the need exists, what form they would take.

  Under what circumstances should Treasury consider postponing a scheduled auction? What factors should Treasury consider when determining whether to post pone the auction? Are there other auction modifications that Treasury may need to consider when the market is operating in a contingency or extraordinary environment?