

TREASURY



NEWS

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TREASURY ANNOUNCES MARKET BORROWING ESTIMATES

The Treasury Department on Monday announced that its net market borrowing for the January-March 1995 quarter is estimated to be \$93.7 billion, with a \$20 billion cash balance on March 31. The Treasury also announced that a paydown of \$5 billion to \$10 billion of marketable securities is estimated for the April-June 1995 quarter, with a \$35 billion cash balance at the end of June.

Market borrowing in the January-March quarter in part reflects paydowns of about \$10-1/4 billion of nonmarketable Treasury securities, the settlement of December 2- and 5year notes and payment of December 31 interest totaling about \$10 billion on January 3, and the shift of payments totaling about \$7 billion from Saturday, April 1, to Friday, March 31. In the quarterly announcement of its borrowing needs on October 31, 1994, the Treasury estimated net market borrowing during the January-March 1995 quarter to be in a range of \$65 billion to \$70 billion, assuming a \$20 billion cash balance on March 31. The increase in the current borrowing estimate, compared with the prior estimate, is attributable to lower receipts and higher outlays.

Actual net market borrowing in the quarter ended December 31, 1994, was \$61.2 billion, while the end-of-quarter cash balance was \$26.6 billion. On October 31, the Treasury had estimated net market borrowing for the October-December quarter to be \$59.6 billion, with a \$30 billion cash balance on December 31. The lower-than-expected end-of-December cash balance reflected a reduction in receipts, while actual market borrowing was little changed from the October 31 estimate.

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