

TALKING POINTS
FOR THE
FINANCING PRESS CONFERENCE
October 30, 1991

Today, we are announcing the terms of Treasury's regular November midquarter refunding. I will also discuss the Treasury's financing requirements for the balance of the current calendar quarter and our estimated cash needs for the January-March 1992 quarter.

1. We are offering \$38.0 billion of notes and bonds to refund \$20.2 billion of privately-held notes maturing on November 15 and to raise approximately \$17.8 billion of cash. The three securities are:

- First, a 3-year note in the amount of \$14.0 billion, maturing on November 15, 1994. This note is scheduled to be auctioned on a yield basis on Tuesday, November 5. The minimum denomination will be \$5,000. Purchases may be made in any higher multiples of \$5,000.
- Second, a 10-year note in the amount of \$12.0 billion, maturing on November 15, 2001. This note is scheduled to be auctioned on a yield basis on Wednesday, November 6. The minimum denomination will be \$1,000.
- Third, a 30-year bond in the amount of \$12.0 billion, maturing November 15, 2021. This bond is scheduled to be auctioned on a yield basis on Thursday, November 7. The minimum denomination will be \$1000.

2. We will accept noncompetitive tenders up to \$5,000,000 for each of the note and bond auctions. This represents an increase in the maximum noncompetitive award from the \$1,000,000 level that has been in place for notes and bonds since November 1976. The \$1,000,000 noncompetitive award in Treasury bill auctions is unchanged.

3. As announced on October 28, 1991, we estimate a net market borrowing need of \$75.8 billion for the October-December quarter including an allowance for Resolution Trust Corporation operations. The estimate assumes a \$30 billion cash balance at the end of December. We may want to have a higher balance, depending upon our assessment of cash needs at the time.

Including this refunding we will have raised \$58.0 billion of the \$75.8 billion in net market borrowing needed this October-December quarter. This net borrowing was accomplished as follows:

- \$4.5 billion of cash from the 7-year note that settled October 15;
- \$3.5 billion of cash from the 2-year notes which settled October 31;
- \$9.1 billion of cash from the 5-year notes which settled October 31;
- \$20.2 billion of cash from the sale of the regular

- weekly bills, including the bills announced yesterday;
- \$2.9 billion of cash in 52-week bills;
 - \$17.8 billion of cash from the refunding issues announced today.

The \$17.8 billion to be raised in the rest of the October-December quarter could be accomplished through sales of regular 13-, 26-, and 52-week bills, and 2-year and 5-year notes at the end of November and December.

4. We estimate Treasury net market borrowing needs to be in the range of \$95 to \$100 billion for the January-March 1992 quarter, assuming a \$20 billion cash balance on March 31. The Treasury's January-March borrowing estimate includes an allowance for Resolution Trust Corporation operations.

5. The 10-year notes and 30-year bonds 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.

6. The February midquarter refunding announcement will be on February 5, 1992.