

Agenda
February 2004 Refunding
Treasury Dealer Meetings – January 30, 2004
Dealer _____

To allow more time for discussion on Friday, please e-mail your responses prior to 4:00 p.m. on Thursday, January 29, to debt.managament@do.treas.gov. 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
January – March		
Ending Cash Balance		
April – June		
Ending Cash Balance		

II. Budget Deficit Estimates

FY2004		
FY2005		

III. Quarterly Note Issuance

3-year – February		
5-year – February		
5-year – March		
5-year – April		
10-year- February		
10-year reopening- March		
10-year TIPS – April		

IV. Discussion Topics

- Please briefly elaborate on the estimates of our financing needs provided above. Do you see any risks to the current issuance calendar? If so, when do you think Treasury will need to make changes?
- Treasury believes that financing at the lowest cost over time requires a broad and deep investor base. To meet this objective, Treasury issues across the nominal yield curve and is expanding the TIPS market. We would like your thoughts on the balance between our current long-term issuance and the expansion of the TIPS market.

Treasury's current nominal issuance, if continued, would ultimately skew our debt portfolio towards 5- and 10-year notes. How has the increased supply of 5-year and 10-year notes affected the primary and secondary markets? What would be the effect of substituting a 20-year TIPS for nominal issuance?

- How would you characterize the current structure of demand for Treasury securities? How has it evolved in recent years? Do you consider recent trends as permanent or temporary? What are the implications, if any, for market liquidity or efficiency?