

Agenda
August 2004 Refunding
Treasury Dealer Meetings – July 29 & 30, 2004
Dealer _____

To allow more time for discussion, please e-mail your responses prior to 5:00 p.m. on Wednesday, July 28 to debt.management@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
July – September		
Ending Cash Balance		
October – December		
Ending Cash Balance		

II. Budget Deficit Estimates

FY2004		
FY2005		

III. Quarterly Note Issuance

3-year-August		
5-year-August		
5-year-September		
5-year-October		
10-year-August		
10-year reopening-September		
5 ½-yr TIPS-October		
10-year TIPS reopening-October		

IV. Discussion Topics

- What are the assumptions behind your FY2004 and FY2005 estimates? Do you see risks leaning toward higher or lower budget deficits than you have reported here? Do you think the current financing schedule provides enough flexibility to handle uncertain financing needs going forward?
- How would you recommend Treasury balance the need for liquidity with reduced financing if borrowing needs decline?
- This year we plan to move to 6-decimal auction pricing and we have highlighted the possibility that the highest accepted yield in a TIPS auction could be negative or zero. Can your systems handle 6-decimal auction pricing and zero or negative yields? We are considering raising the limit of noncompetitive awards in bill auctions to the same as in coupon auctions (from \$1 million to \$5 million). Do you have views on this change? We are also looking at a function that would automatically fill in zeros to the correct number of decimal points for bids. Would you have objections to this function?