

Quarterly Refunding Charts

U.S. Department of the Treasury
Office of Debt Management
April 30, 2007



UNITED STATES
DEPARTMENT OF
THE TREASURY



Financing Near Term Outlook

-
- ◆ **FY 2007 Q3 and Q4 Outlook:**
 - **We estimate a net marketable pay down of \$145 billion this quarter and net marketable borrowing of \$43 billion next quarter**
 - **Strength in tax receipts and higher than expected net SLGS issuance are leading to lower financing needs**
-



Treasury Financing Requirements

\$ Billions

	January - March 2007		April - June 2007
	(Projected)	(Actuals)	(Projected)
Deficit Funding (Def + / Surplus -)	181	178	-140
Means of Financing			
Change in Cash Balance	21	25	-24
Net Non-Marketable Financing	12	21	17
Other*	8	7	12
Net Marketable Financing	141	126	-145
Net Marketable Financing	141	126	-145
Bills		89	
Nominal Notes		27	
TIPS		0	
Bonds		10	
Notes:			
Starting Cash Balance	31	31	6
Ending Cash Balance	10	6	30

* Includes direct loan activity, changes in accrued interest, checks outstanding, minor miscellaneous transactions, discount and inflation accretion on Treasuries.

Note: Totals may not add due to rounding.

- ◆ Net non-marketable financing, driven by state and local government securities issuance, remains well above expectations.

Marketable Treasury Coupon Flows

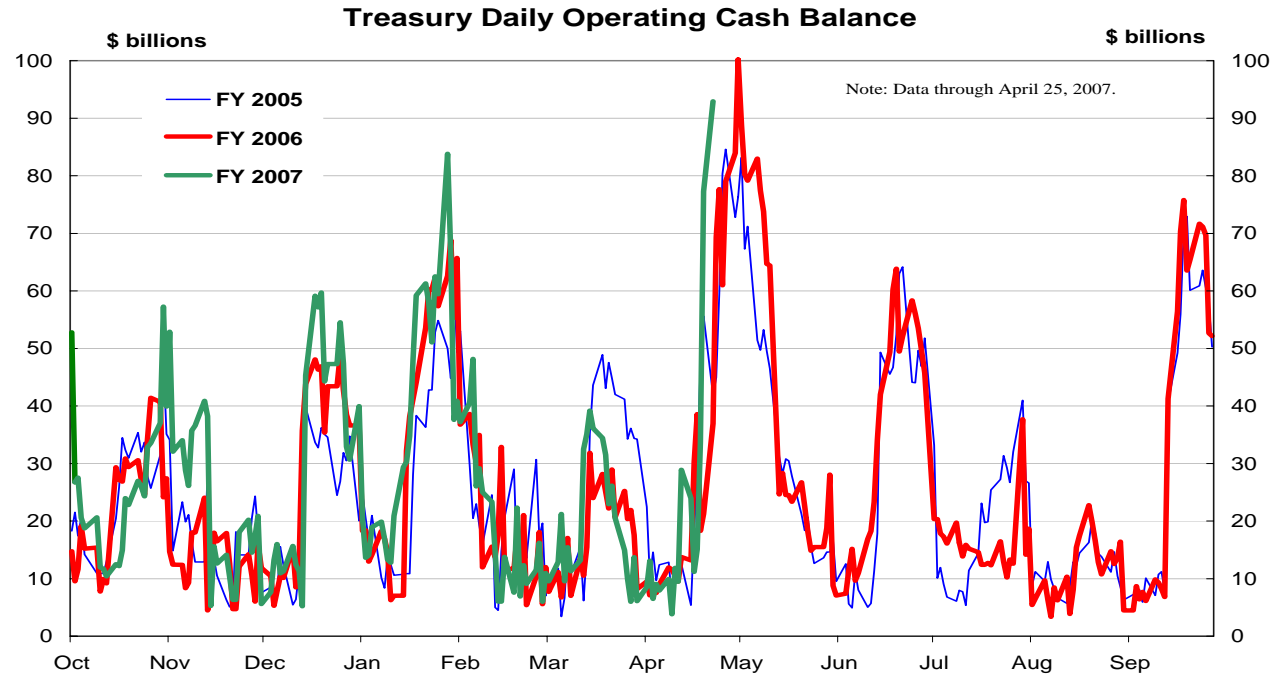
\$ Billions

Date	Maturing Coupon Securities (Excluding SOMA holdings)	Coupon Payments	Total Outflows
May 15, 2007	55	22	76
May 31, 2007	21	3	24
June 15, 2007	0	1	1
June 30, 2007	20	3	23
July 15, 2007	0	9	9
July 31, 2007	18	3	21
August 15, 2007	63	27	90
August 31, 2007	19	4	23

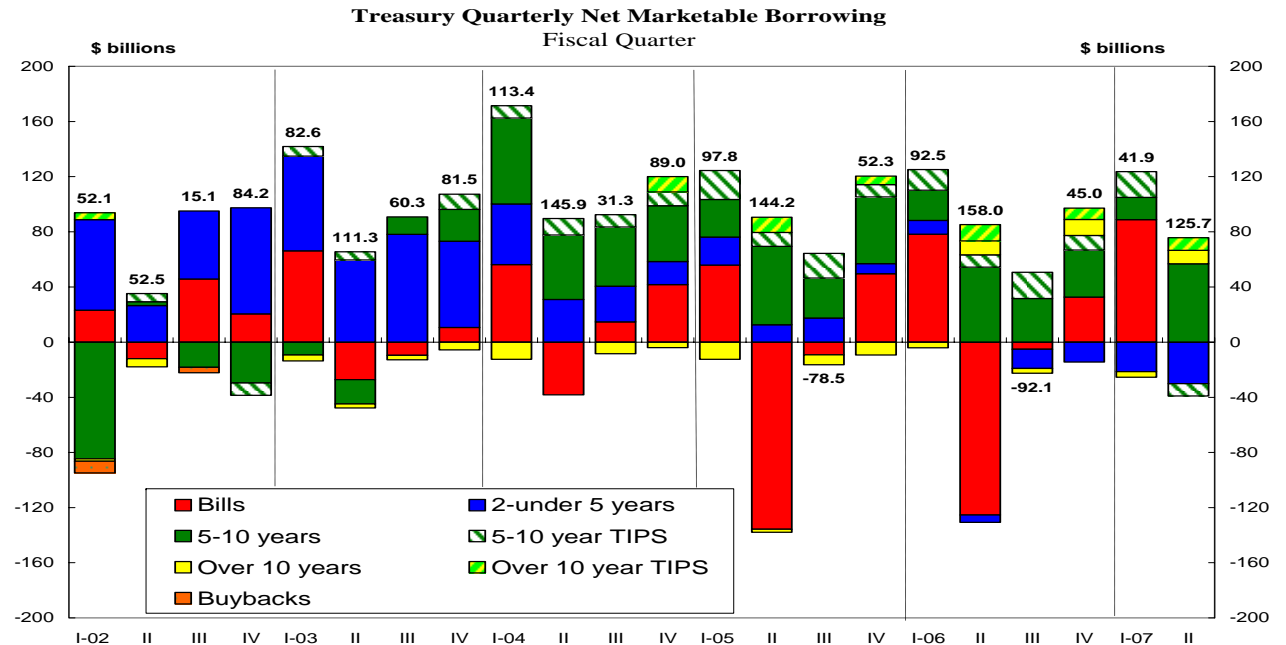
- ◆ Maturing securities and coupon payments result in large outflows on May 15 and August 15.



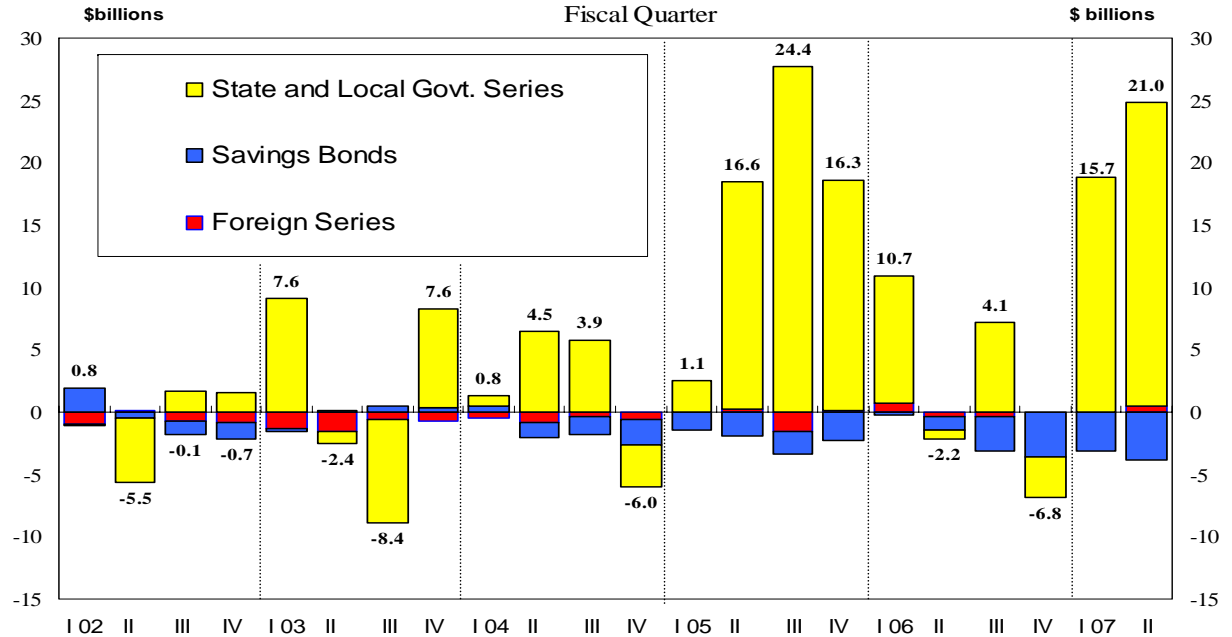
- ◆ Cash balances remain volatile, particularly during the April tax season.
- ◆ April 24, 2007 individual non-withheld income tax receipts set a single day record, surpassing the previous record by 34 percent.



- ◆ Total net marketable borrowing for Q2 FY 2007 was nearly \$126 billion, the lowest Q2 borrowing since FY 2003.

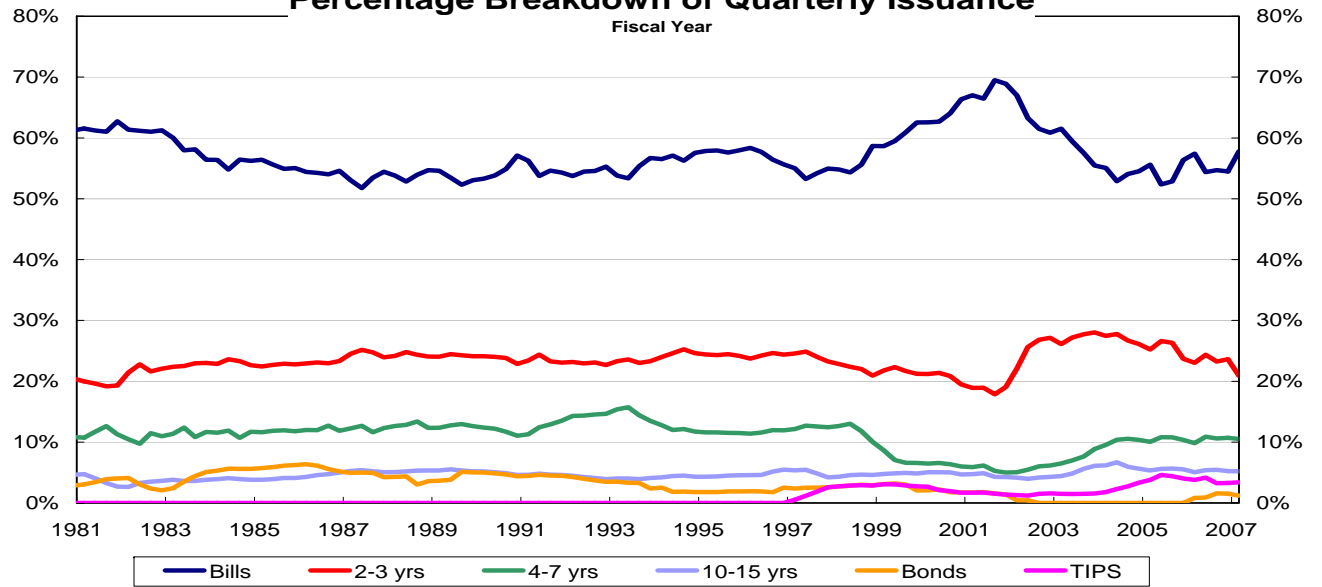


Treasury Quarterly Net Borrowing from Nonmarketable Issues



◆ Net SLGS issuance of \$24 billion in Q2 2007 was the highest since Q3 2005.

Percentage Breakdown of Quarterly Issuance



◆ Shares of bill issuance rose to nearly 58 percent ahead of the April tax season.



Debt Portfolio

Assumptions used in the next 4 charts:

- ◆ Future residual financing needs are spread proportionally across auctioned securities, based on *hypothetical* initial coupon auction sizes in the prior quarter and assuming the outstanding level of bills at September 30, 2006
- ◆ OMB 2008 Budget deficit estimates, except internal Treasury estimate for current fiscal year

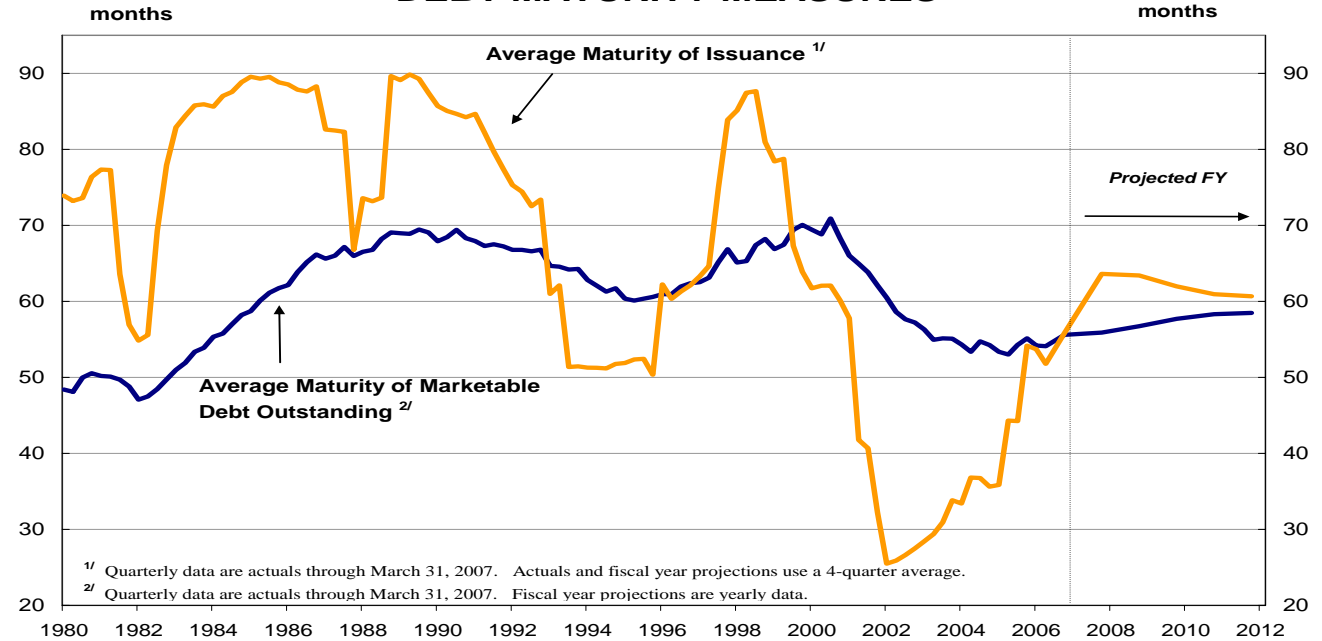
Using the above assumptions, over the next 5 years:

- ◆ Average maturity of total outstanding debt rises to 58 months
- ◆ Average maturity of issuance settles to around 61 months
- ◆ The percent of debt maturing with 3 years or less to maturity declines to 55 percent



DEBT MATURITY MEASURES

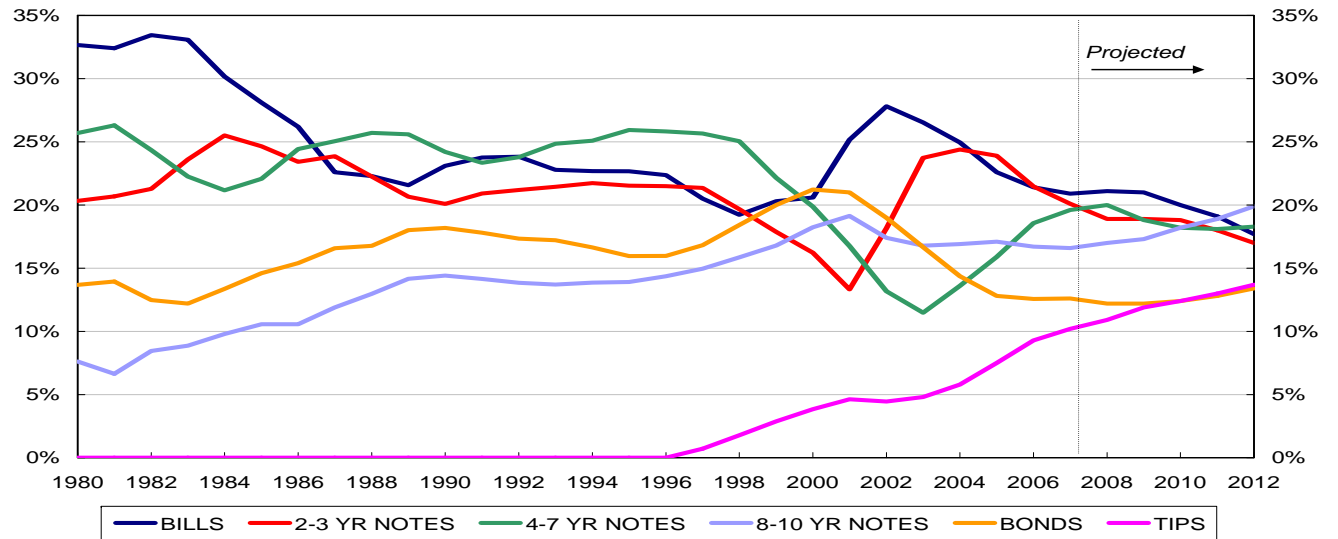
- ◆ Average maturity of issuance temporarily rises following the introduction of quarterly bond issuance and assumed redemption of callable issues.



Net financing projections for FY 2007-2012 are based on OMB 2008 Budget estimates except internal FY 2007 deficit estimate. Future residual financing needs are spread proportionally across auctioned securities, based on hypothetical initial coupon auction sizes in the prior quarter and September 30, 2006 bills outstanding.

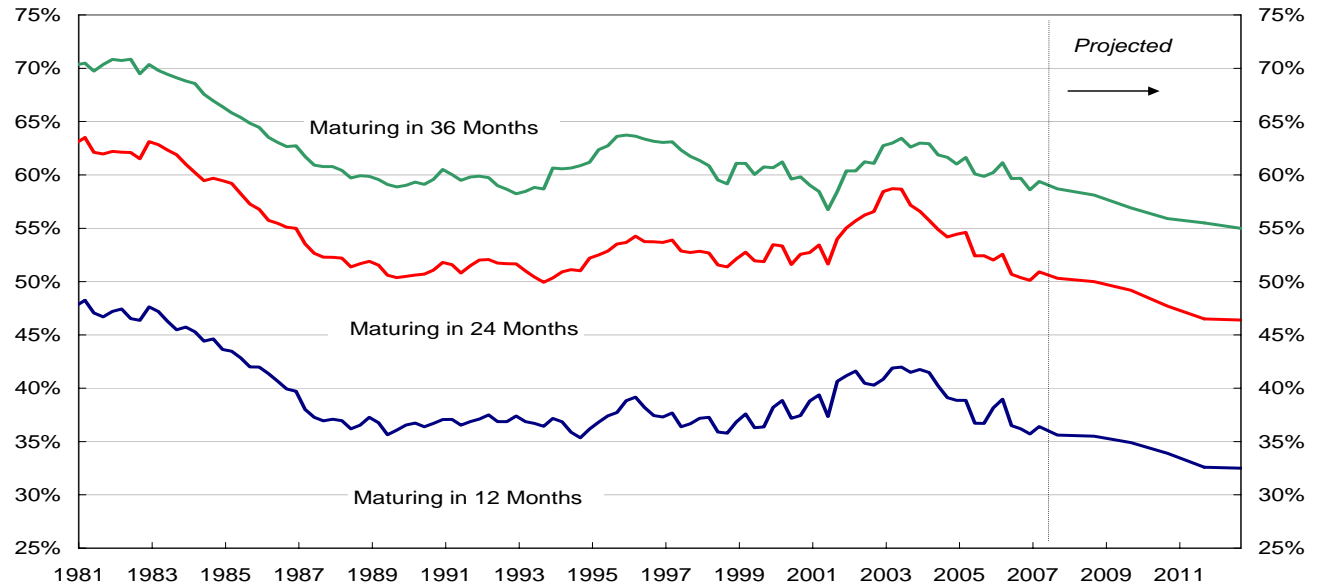
Distribution of Marketable Debt Outstanding by Security

- ◆ If future financing needs are spread proportionally, current issuance patterns would lead to a larger share of longer-dated securities and TIPS.



Net financing projections for FY 2007-2012 are based on OMB 2008 Budget estimates except internal FY 2007 deficit estimate. Future residual financing needs are spread proportionally across auctioned securities, based on hypothetical initial coupon auction sizes in the prior quarter and September 30, 2006 bills outstanding.

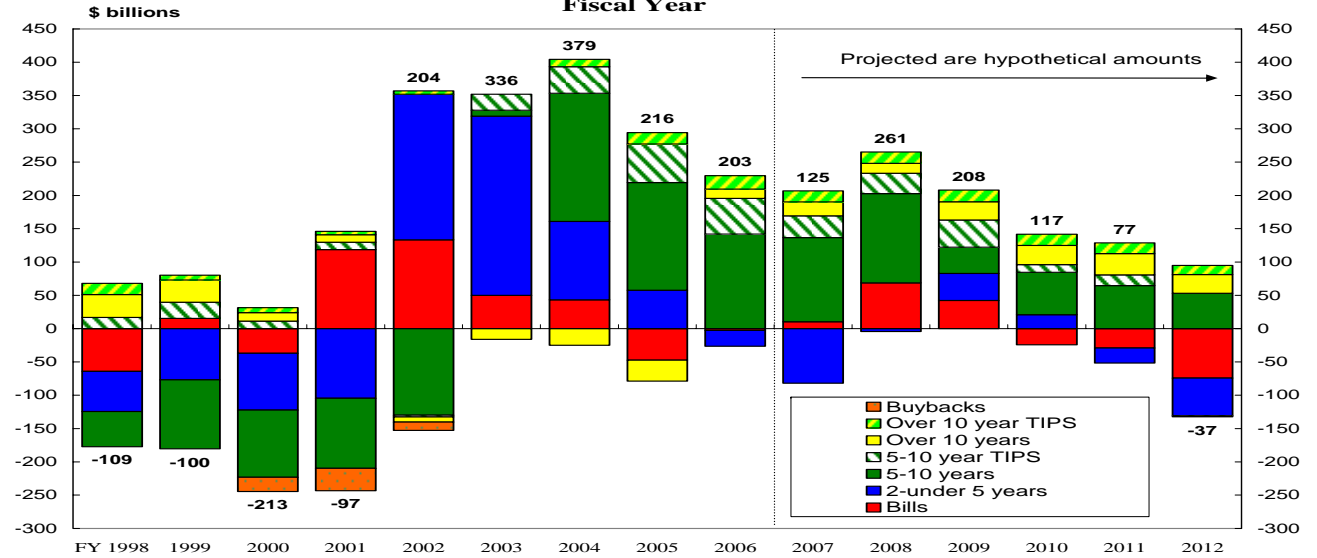
Percentage of Debt Maturing in Next 12 to 36 Months



◆ If future financing needs are spread proportionally, projected short term debt rollover percentages will fall below historical ranges.

Net financing projections for FY 2007-2012 are based on OMB 2008 Budget estimates except internal FY 2007 deficit estimate. Future residual financing needs are spread proportionally across auctioned securities, based on hypothetical initial coupon auction sizes in the prior quarter and September 30, 2006 bills outstanding.

Treasury Annual Net Marketable Borrowing Fiscal Year



◆ Based on OMB fiscal projections, net marketable borrowing will decline from FY 2008-2012.

Net financing projections for FY 2007-2012 are based on OMB 2008 Budget estimates except internal FY 2007 deficit estimate. Future residual financing needs are spread proportionally across auctioned securities, based on hypothetical initial coupon auction sizes in the prior quarter and September 30, 2006 bills outstanding.

Uncertainty

- ◆ OMB estimates declining borrowing needs over the next five years, with a return to surplus in FY 2012
- ◆ Volatility in projected receipts and continued strength in net non-marketable issuance could lead to greater variation in bill and coupon issuance



FY 07 Deficit Estimates

\$ billions

- ◆ Strength in receipts have led to sharply lower deficit estimates.

	Primary Dealers*	CBO	OMB
Current:	184	177	244
Range based on average absolute forecast error	122-246	69-285	142-346
Estimates as of:	Apr 07	Mar 07	Feb 07

Note: Ranges based on errors from 2002-2006.

* Primary Dealers reflect average estimate.

- ◆ Current coupon pattern and issuance amounts will provide approximately \$110 billion of new financing in FY07.

