

TALKING POINTS
FOR THE
FINANCING PRESS CONFERENCE

JANUARY 30, 1991

Today we are announcing the terms of our regular February quarterly 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 April-June 1991 quarter.

1. We are offering \$34.5 billion of notes and bonds to refund \$17.3 billion of privately-held notes maturing on February 15 and to raise approximately \$17.2 billion of cash. The three securities are:

- First, a 3-year note in the amount of \$12.5 billion, maturing on February 15, 1994. This note is scheduled to be auctioned on a yield basis on Tuesday, February 5. The minimum denomination will be \$5,000.
- Second, a 10-year note in the amount of \$11.0 billion, maturing on February 15, 2001. This note is scheduled to be auctioned on a yield basis on Wednesday, February 6. The minimum denomination will be \$1,000.
- Third, a 30-year bond in the amount of \$11.0 billion, maturing February 15, 2021. This bond is scheduled to be auctioned on a yield basis on Thursday, February 7. The minimum denomination will be \$1,000.

2. We will accept noncompetitive tenders up to \$1,000,000 for each of the note and bond auctions.

3. For the current January-March quarter, we estimate a net market borrowing need of \$64 billion, which includes Treasury borrowing to finance Resolution Trust Corporation operations. The estimate assumes a \$20 billion cash balance at the end of March. 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 \$43.7 billion of the \$64 billion in net market borrowing needed this January-March quarter. This net borrowing was accomplished as follows:

- \$3.6 billion of cash from the 7-year note that settled January 15;
- \$12.3 billion of cash from the 2- and 5-year notes which settle tomorrow;
- \$8.4 billion of cash in regular weekly bills, including the bills announced yesterday;
- \$2.2 billion of cash in 52-week bills;
- \$17.2 billion of cash from the refunding issues announced today;

The \$20.3 billion to be raised in the rest of the January-March 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 February. Since March 31 is a Sunday, the 2-year and 5-year notes to be auctioned at the end of March will settle April 1 and do not affect our borrowing for this quarter.

4. We estimate Treasury net market borrowing needs to be in the range of \$30 to \$35 billion for the April-June 1991 quarter, assuming a \$30 billion cash balance on June 30. The Treasury's April-June borrowing estimate includes an allowance for Resolution Trust Corporation activities.

5. The 10-year notes and 30-year bonds announced today will be 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.