

TALKING POINTS FOR THE
FINANCING PRESS CONFERENCE
April 29, 1992

Today, we are announcing the terms of the regular Treasury May midquarter refunding. I will also discuss Treasury financing requirements for the balance of the current calendar quarter and our estimated cash needs for the July-September 1992 quarter.

1. We are offering \$36.0 billion of notes and bonds to refund \$27.5 billion of privately held notes maturing on May 15 and to raise approximately \$8.5 billion of cash. The three securities are:

- First, a 3-year note in the amount of \$15.0 billion, maturing on May 15, 1995. This note is scheduled to be auctioned on a yield basis on Tuesday, May 5, 1992. The minimum purchase amount will be \$5,000. Purchases may be made in any higher multiples of \$5,000.
- Second, a 10-year note in the amount of \$11.0 billion, maturing May 15, 2002. This note is scheduled to be auctioned on a yield basis on Wednesday, May 6, 1992. The minimum purchase amount will be \$1,000.
- Third, a 29 1/2-year bond in the amount of \$10.0 billion, a reopening of the 8 percent bond maturing on November 15, 2021. This bond is scheduled to be

auctioned on a yield basis on Thursday, May 7, 1992.
The minimum purchase amount will be \$1,000.

2

2. We will accept noncompetitive tenders up to \$5,000,000 for each of the note and bond auctions.

3. As announced on Monday, April 27, 1992, we estimate a net market borrowing need of \$42.8 billion for the April-June quarter. The estimate assumes a \$30 billion cash balance at the end of June. 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 \$13.6 billion of the \$42.8 billion in net market borrowing needed this April-June quarter. This net borrowing was accomplished as follows: --

\$4.3 billion of cash from the 7-year note that settled April 15;

-- \$3.8 billion of cash from the 2-year note that settles April 30;

-- \$11.2 billion of cash from the 5-year note that settles April 30;

-- \$5.1 billion of cash in the 52-week bills;

-- \$10.8 billion of cash in the sales of the regular weekly bills, including the bills announced yesterday

- a paydown of \$30.1 billion from the cash management bills which matured in April;
and

- \$8.5 billion of cash from the refunding issues announced today.

3

The \$29.2 billion to be raised in the rest of the April-June 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 May and June. Short-dated cash management bills may be necessary in mid-May and early June to cover the low points in the cash balance.

4. We estimate Treasury net market borrowing needs to be in the range of \$110 to \$115 billion for the July-September 1992 quarter, assuming a \$30 billion cash balance on September 30. The Treasury's estimates for the April-June and the July-September quarters include allowances for Resolution Trust Corporation operations.

5. The Treasury has been approached by the Government of Argentina regarding a direct issue of 30-year zero-coupon bonds in connection with Argentina's recent debt-restructuring agreement with its commercial banks. The Treasury is prepared in directly to Argentina, as debt restructuring by At the same time, the Treasury is encouraging Argentina to explore the various opportunities that may exist to purchase the zeros in the private market. We anticipate that any such direct issuance

by the Treasury would not take place before the final calendar quarter of 1992.

6. The 10-year notes and 29 1/2-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.

7. The August midquarter refunding will be announced on August 5, 1992.