

Quarterly Refunding Charts

U.S. Department of the Treasury
Office of Debt Management
April 27, 2009



UNITED STATES
DEPARTMENT OF
THE TREASURY



Financing Near Term Outlook

FY 2009 Q3 and Q4 Outlook: Estimated marketable borrowing

- **\$361 billion April-June**
- **\$515 billion July-September**
- **Continued weakness in receipts, increased outlays related to economic recovery programs, and declines in net state and local government series securities have led to greater marketable borrowing needs**



Treasury Marketable Financing

(\$ billions)	Q1-Q2 FY 2009 October 1, 2008 - March 31, 2009				FY 2008 October 1, 2007 - September 30, 2008			
	Issued	Matured	Net SOMA Activity *	Net Cash Raised	Issued	Matured	Net SOMA Activity *	Net Cash Raised
Bills (includes SFP's)	\$3,651.7	\$3,108.0	\$0.0	\$543.8	\$4,632.9	\$4,101.2	(\$152.0)	\$531.7
Nominal coupons	\$806.8	\$309.0	\$2.4	\$497.8	\$814.6	\$626.2	(\$5.5)	\$188.5
TIPS	\$29.9	\$20.8	(\$2.4)	\$9.1	\$61.9	\$21.8	\$3.5	\$40.1
Total	\$4,488.4	\$3,437.8	\$0.0	\$1,050.6	\$5,509.5	\$4,749.2	(\$153.9)	\$760.4

- Net marketable borrowing for the first half of FY 2009 exceeds FY 2008 record levels.

* Note: Negative SOMA activity represents redemptions.

Positive SOMA activity represents additional issuance of securities, made possible by redemptions in maturing securities with the same settlement date; these are offsetting transactions and are net cash neutral.

Marketable Treasury Coupon Flows

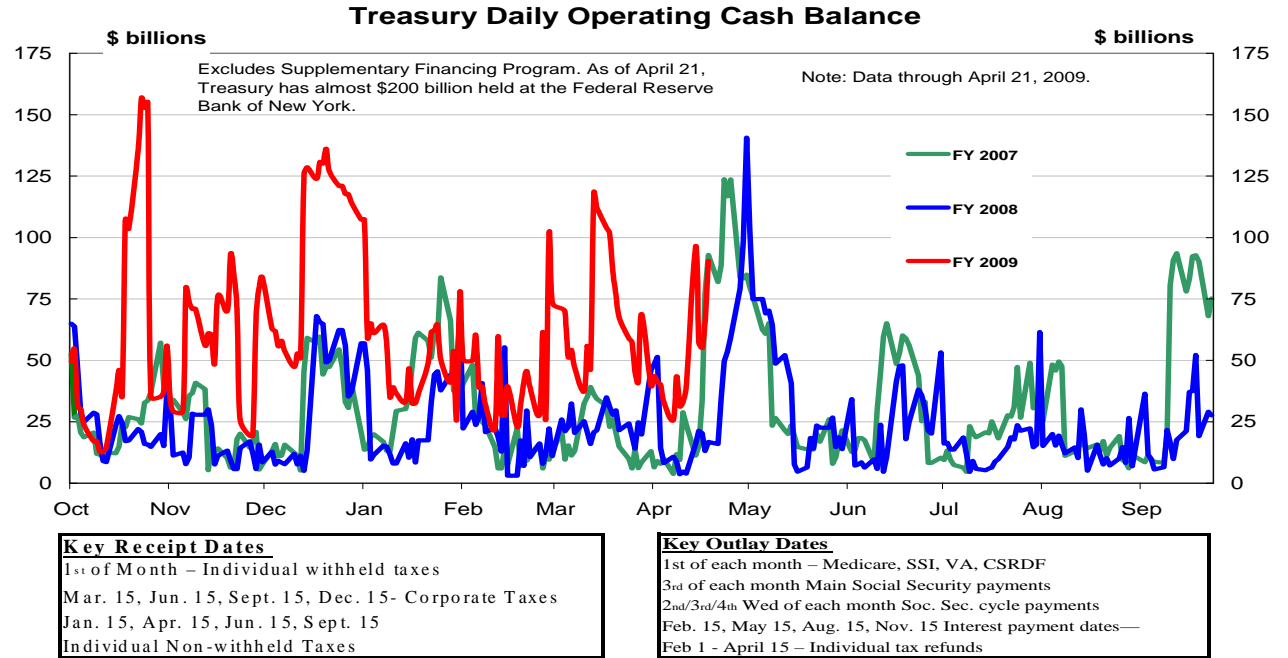
\$ Billions

Date	Maturing Coupon Securities (Excluding SOMA holdings)	Coupon Payments	Total Outflows
May 15, 2009	52	21	73
May 31, 2009	19	4	23
June 15, 2009	14	1	16
June 30, 2009	19	4	23
July 15, 2009	14	6	19
July 31, 2009	19	3	22
August 15, 2009	61	26	87
August 31, 2009	19	4	23

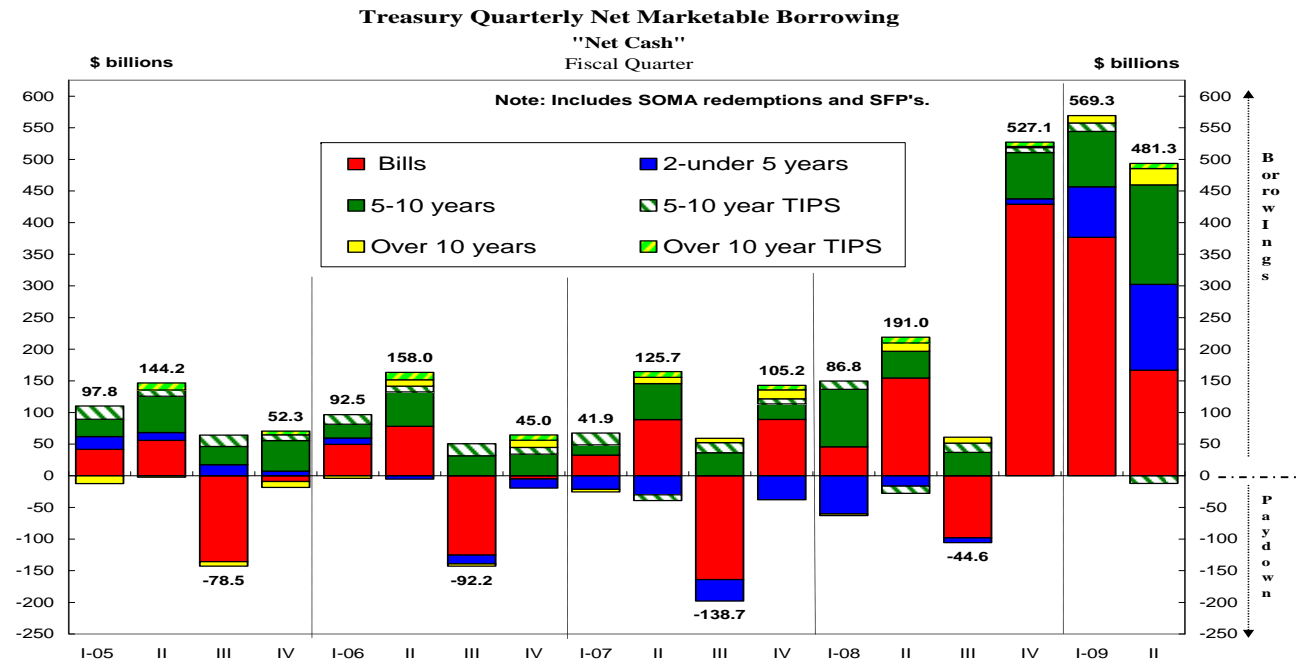
- Cash outflows exceeding \$70 billion on May 15 and August 15 result from interest payments and maturing 3-, 5-, and 10-year notes and called 30-year bonds.



- ◆ Volatility of cash balances continues to pose challenges.

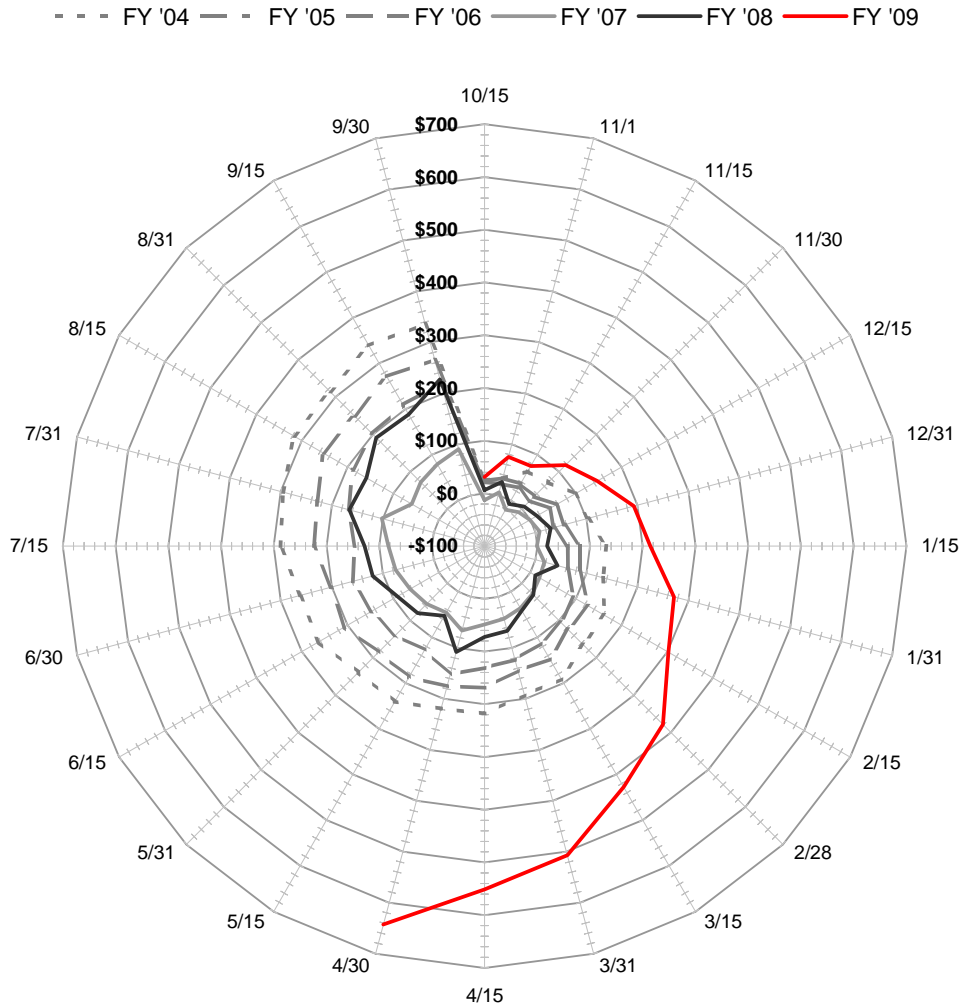


- ◆ Net marketable borrowing through the second quarter of FY 2009 has eclipsed total FY 2008 net marketable borrowing.

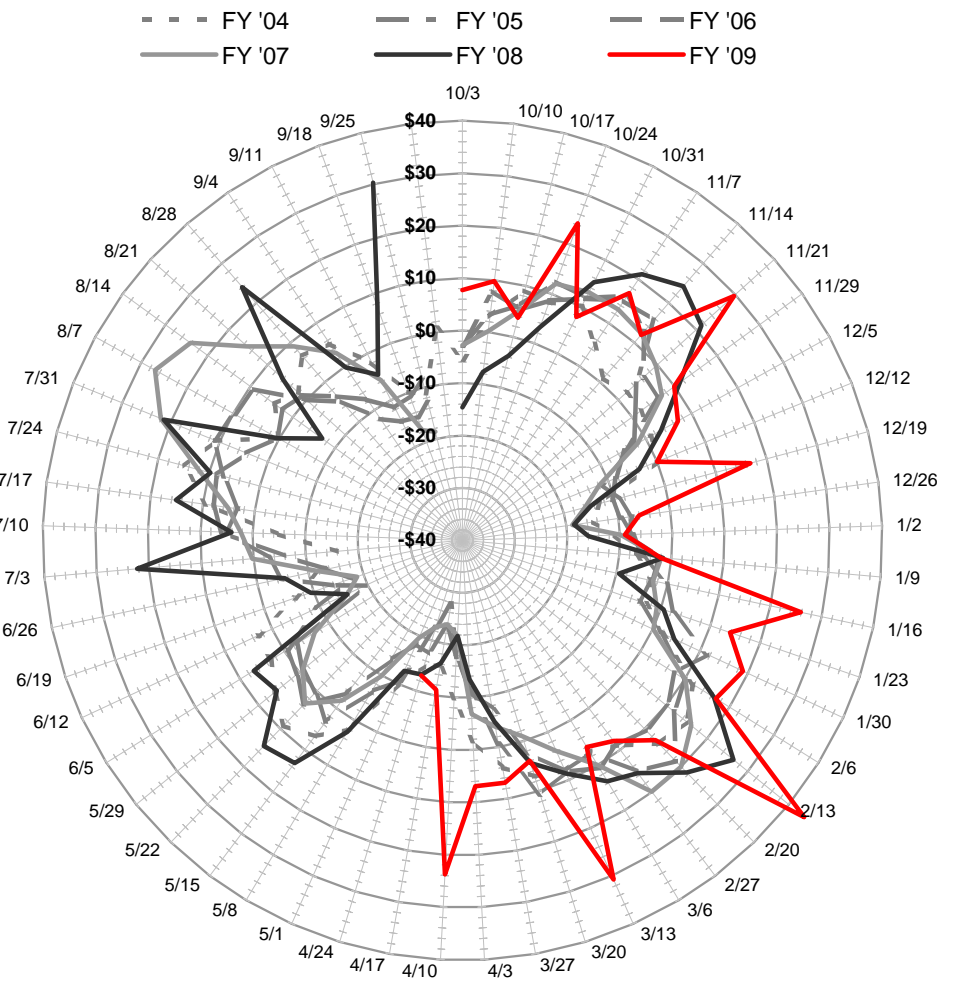


Net borrowing from coupons has increased versus bills

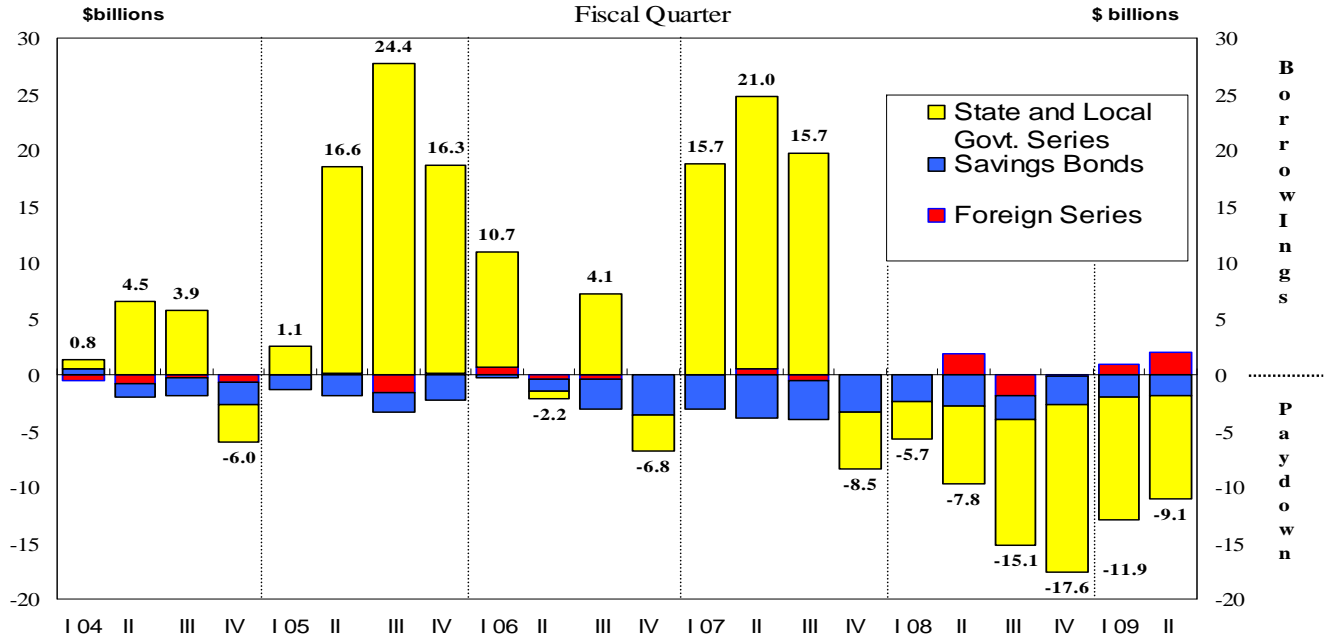
Net Coupons (w/ TIPs) Issued FY 2004-2009



Net Weekly Bills Issued FY 2004-2009

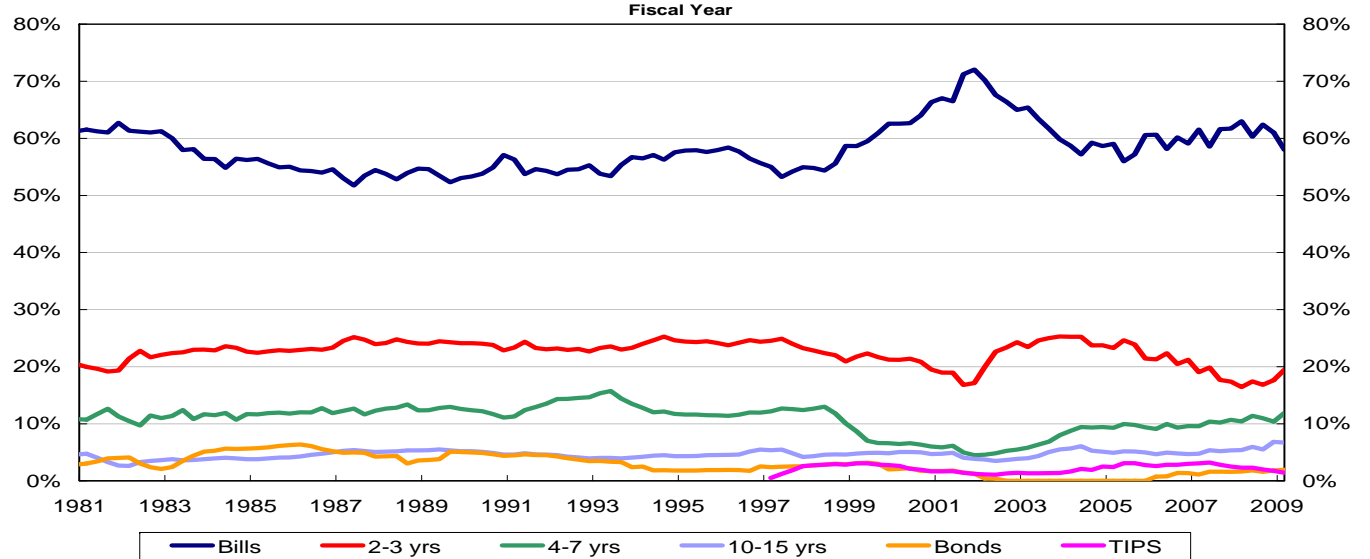


Treasury Quarterly Net Borrowing from Nonmarketable Issues



- ◆ For a seventh consecutive quarter, net nonmarketable issuance was negative, led by continued weakness in net issuance of State and Local Government Series Securities.
- ◆ Savings Bonds have experienced net outflows for twenty-one consecutive quarters.

Percentage Breakdown of Quarterly Issuance

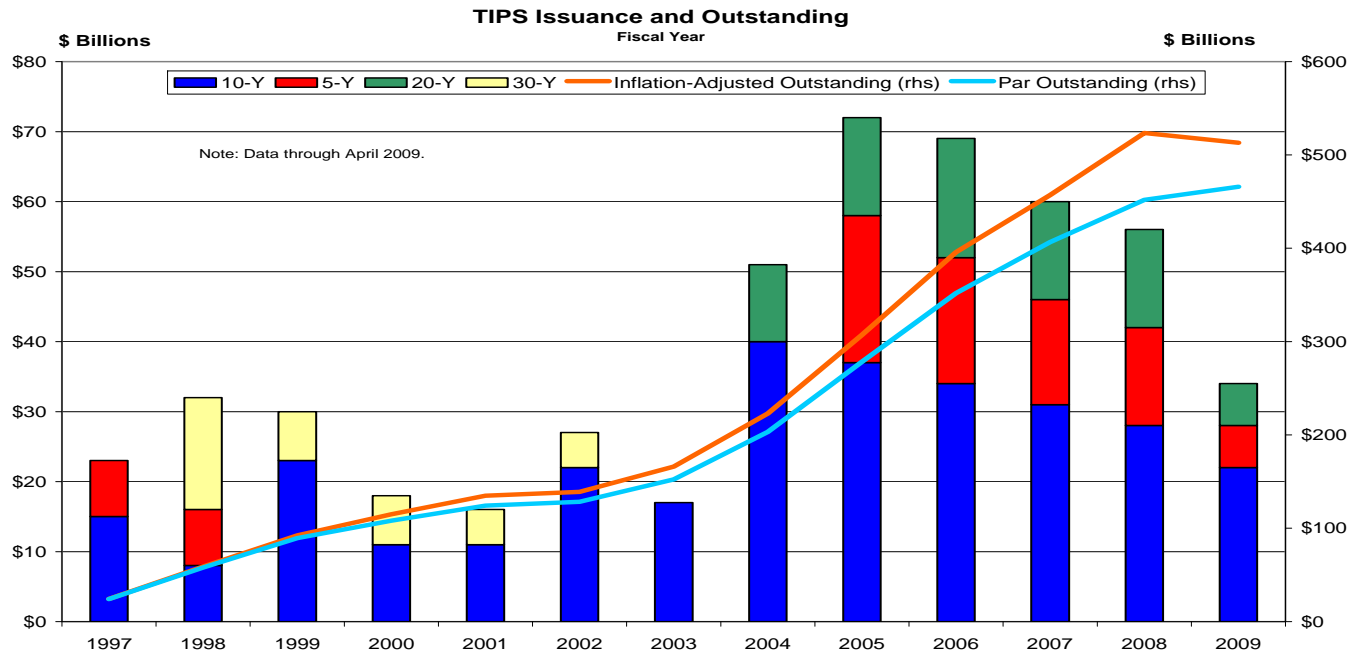


- ◆ Nominal coupon issuance continues to trend higher.

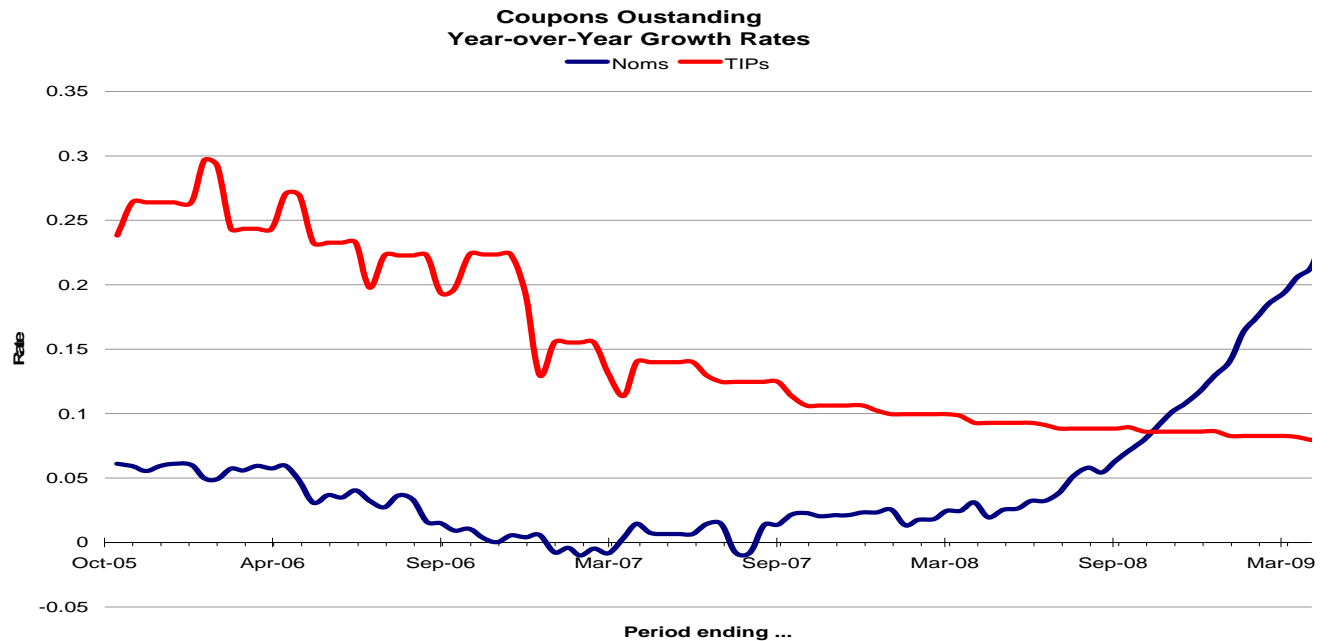
Note: Data are a 4-quarter rolling average through March 31, 2009. Excludes CMB's.



- ◆ The rate of growth in par outstanding TIPS has moderated.



- ◆ Nominal coupon issuance has increased in response to fiscal needs.



Debt Portfolio Considerations

Assumptions used in the next 3 charts:

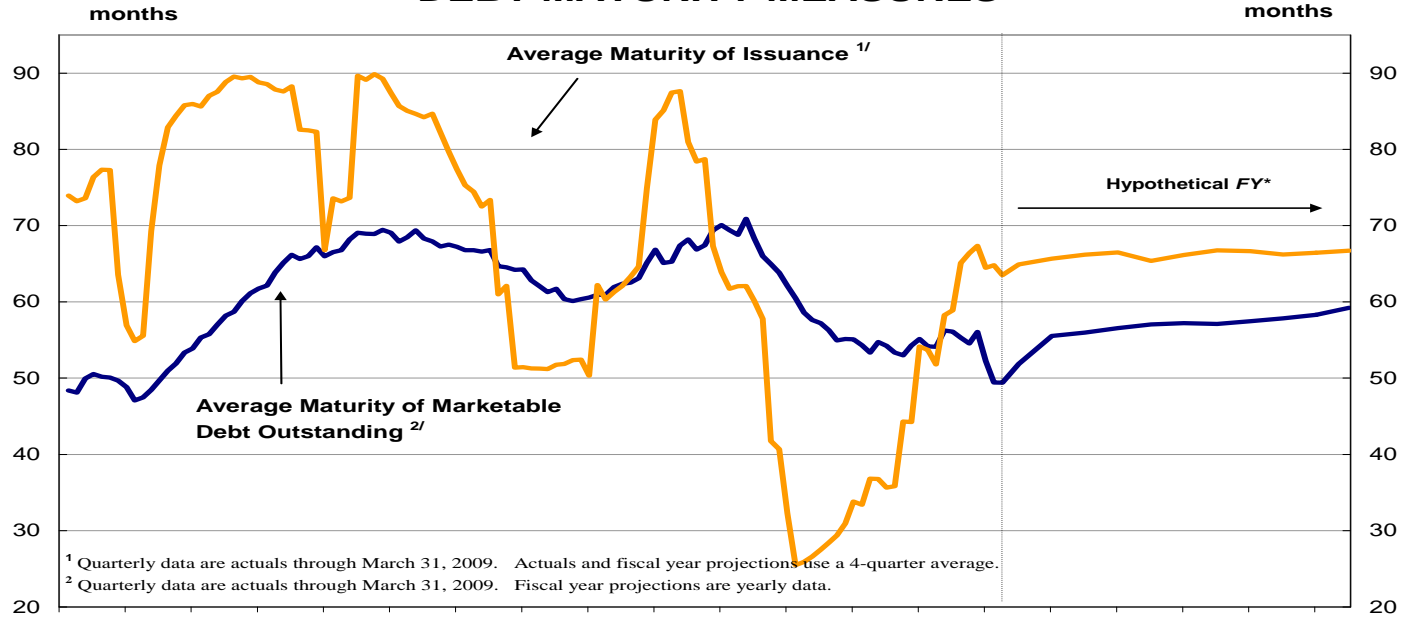
- ◆ Future residual financing needs are spread proportionally across auctioned securities and are derived from ***hypothetical*** initial coupon auction sizes, which are based on announced coupon amounts as of April 17, 2009 and assume the outstanding level of weekly bills on March 31, 2009.
- ◆ Projections exclude cash management bills.

Using the above assumptions, over the next 10 years:

- ◆ Average maturity of total outstanding and average maturity of issuance settle to about 59 and 67 months, respectively.
- ◆ The percent of debt with 3 years or less to maturity stabilizes at 56 percent.



DEBT MATURITY MEASURES

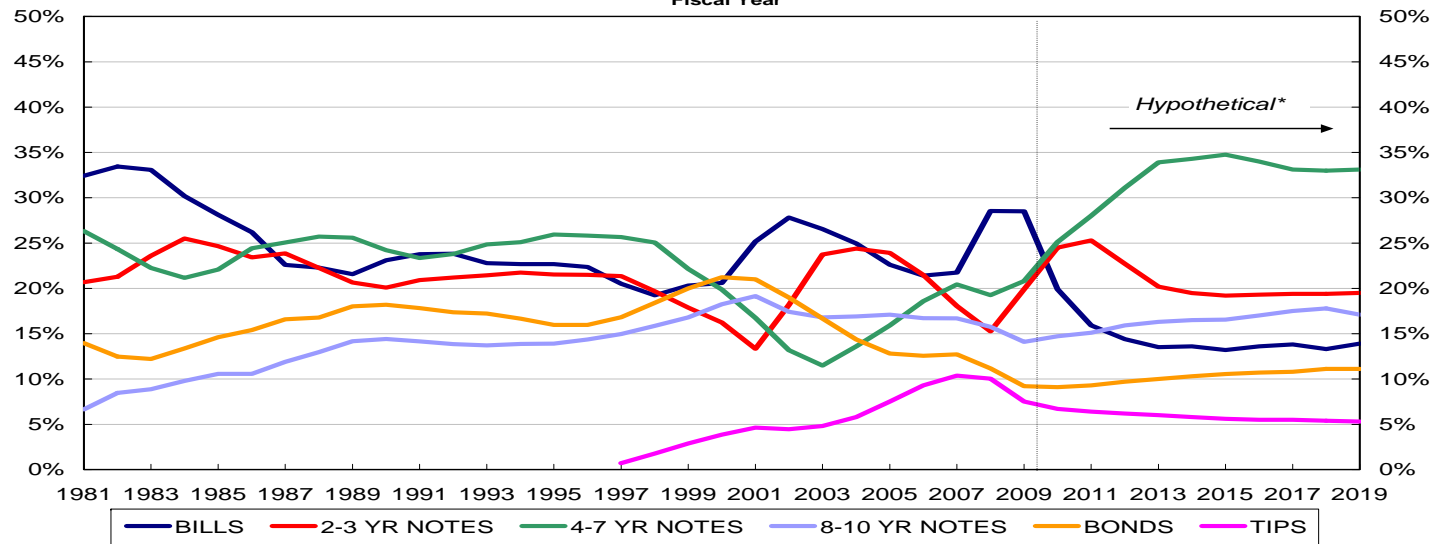


◆ Average maturity of marketable debt outstanding is projected to rise from recent lows.

1980 1982 1984 1986 1988 1990 1992 1994 1996 1998 2000 2002 2004 2006 2008 2010 2012 2014 2016 2018

*Net financing projections for FY 2009-2019 are based on the preliminary OMB 2010 Budget estimates released February 2009. Future residual financing needs are spread proportionally across auctioned securities and are derived from hypothetical auction sizes. Initial sizes are based on announced coupon amounts as of April 17, 2009 and assume the outstanding level of bills on March 31, 2009. All projections exclude CMB issuance and maturing amounts.

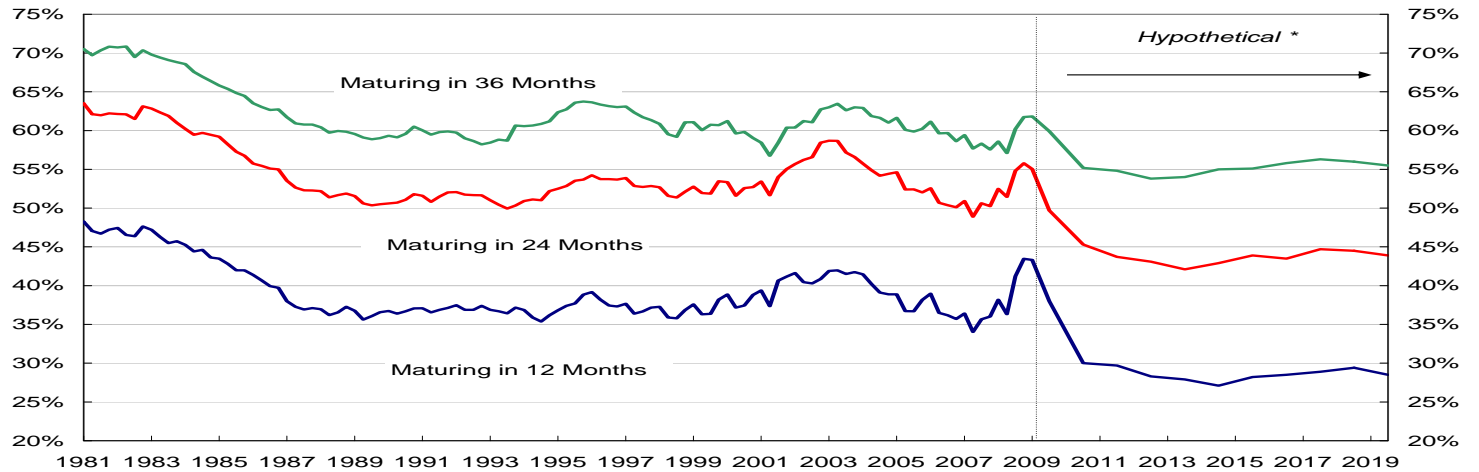
Distribution of Marketable Debt Outstanding by Security



◆ If future financing needs are spread proportionally, current issuance patterns would lead to a steadily increasing share of medium to longer-term debt.

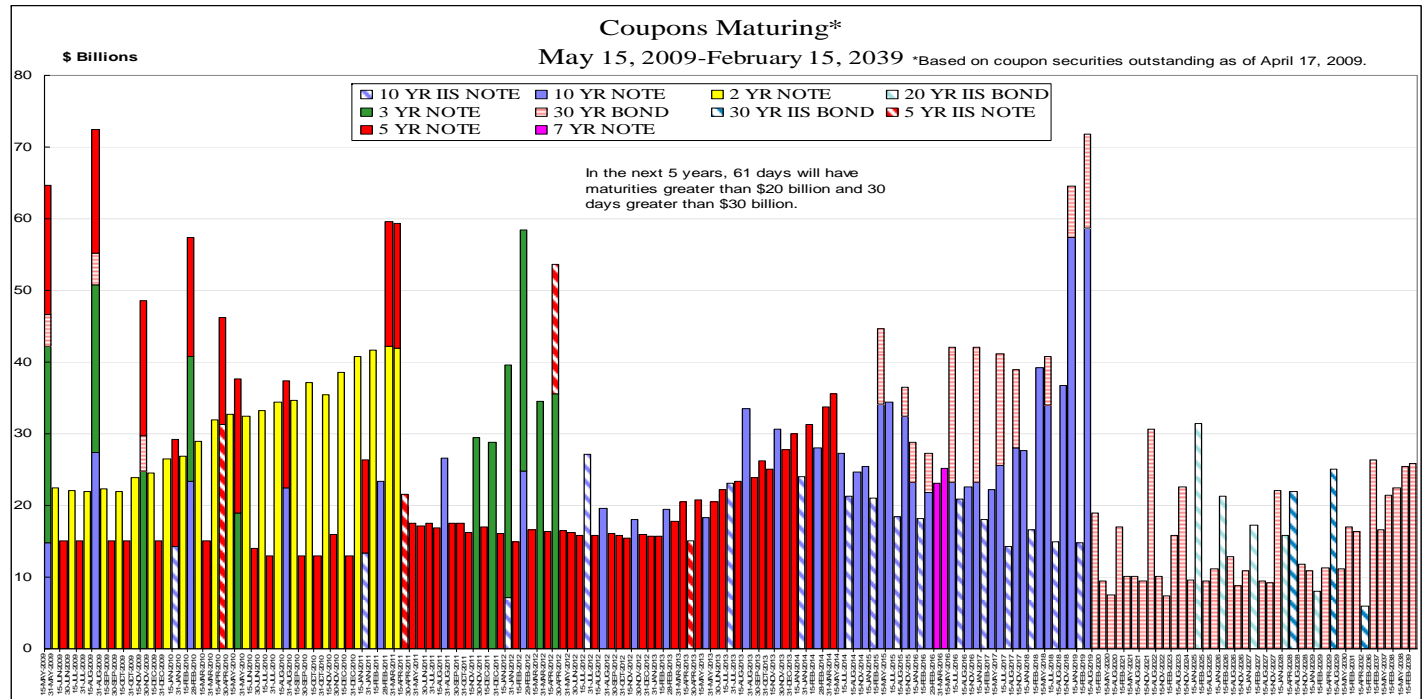
*Net financing projections for FY 2009-2019 are based on the preliminary OMB 2010 Budget estimates released February 2009. Future residual financing needs are spread proportionally across auctioned securities and are derived from hypothetical auction sizes. Initial sizes are based on announced coupon amounts as of April 17, 2009 and assume the outstanding level of bills on March 31, 2009. All projections exclude CMB issuance and maturing amounts.

Percentage of Debt Maturing in Next 12 to 36 Months



*Net financing projections for FY 2009-2019 are based on the preliminary OMB 2010 Budget estimates released February 2009. Future residual financing needs are spread proportionally across auctioned securities and are derived from hypothetical auction sizes. Initial sizes are based on announced coupon amounts as of April 17, 2009 and assume the outstanding level of bills on March 31, 2009. All projections exclude CMB issuance and maturing amounts.

◆ If future financing needs are spread proportionally, short-term debt as a percent of the overall portfolio is projected to fall after leveling off in the first two quarters of FY 2009.



◆ Maturing 2-year, 3-year and 5-year notes lead to increased near- and medium-term financing needs.



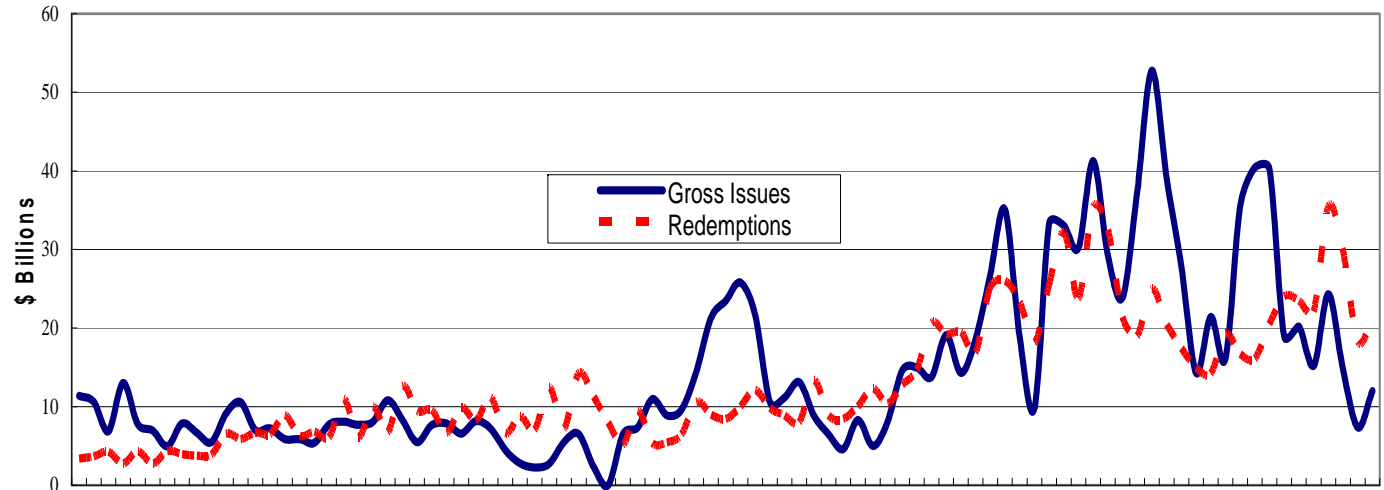
Uncertainty

- ◆ Economic and credit market conditions continue to add uncertainty to borrowing requirements.
- ◆ Volatility in revenues, outlays and reduced non-marketable debt issuance could also lead to increased near-term marketable financing needs.

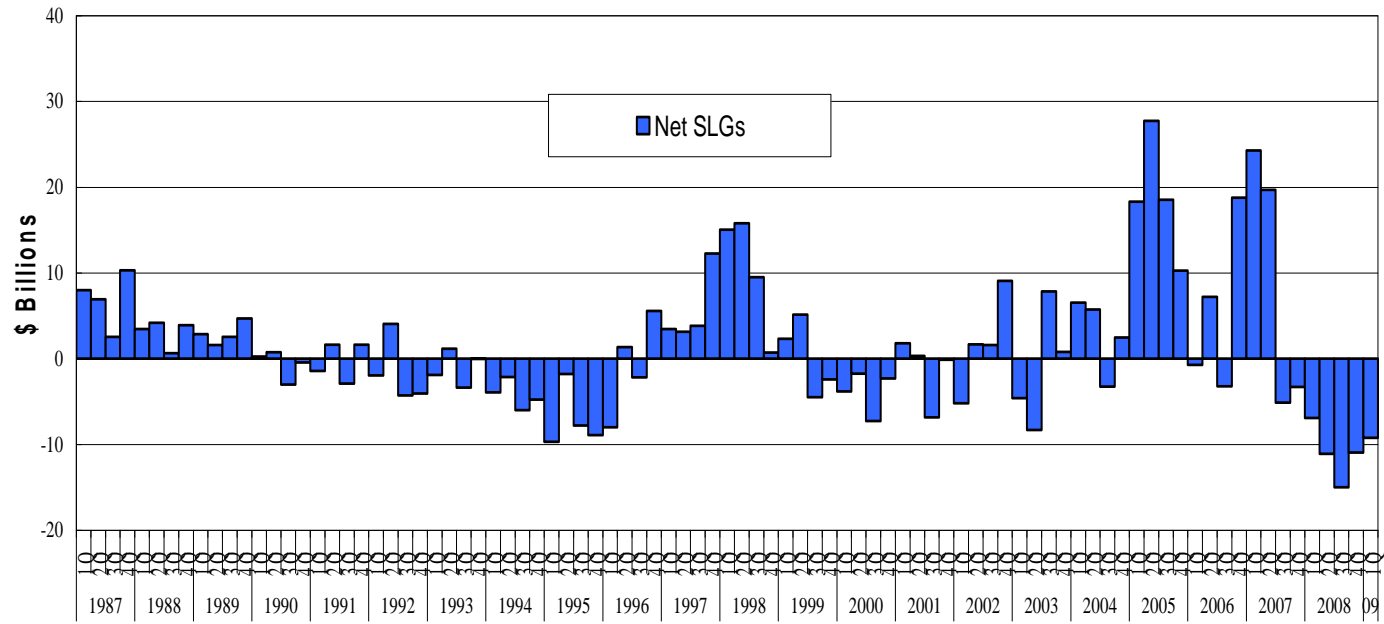


State and Local Governments (SLGS) Calendar year

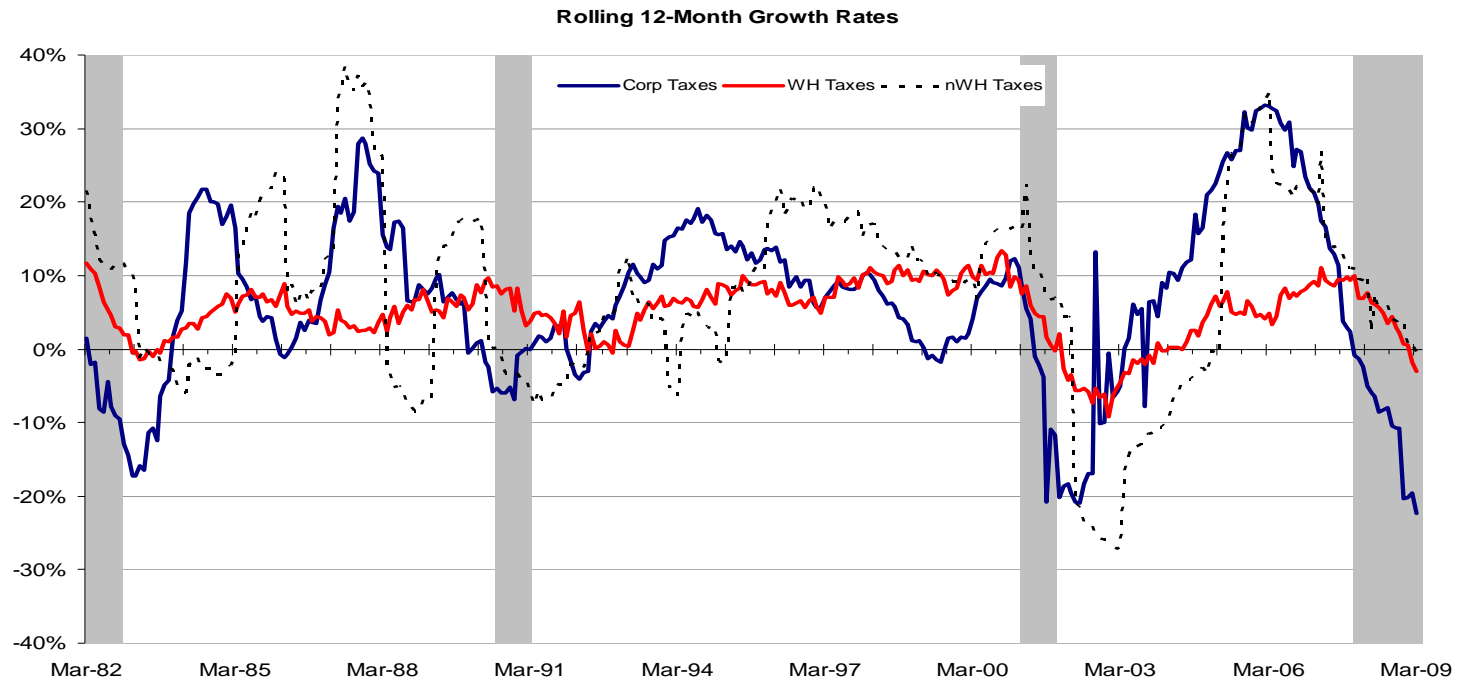
◆ State and Local Government Series (SLGS) issuance remains at subdued levels.



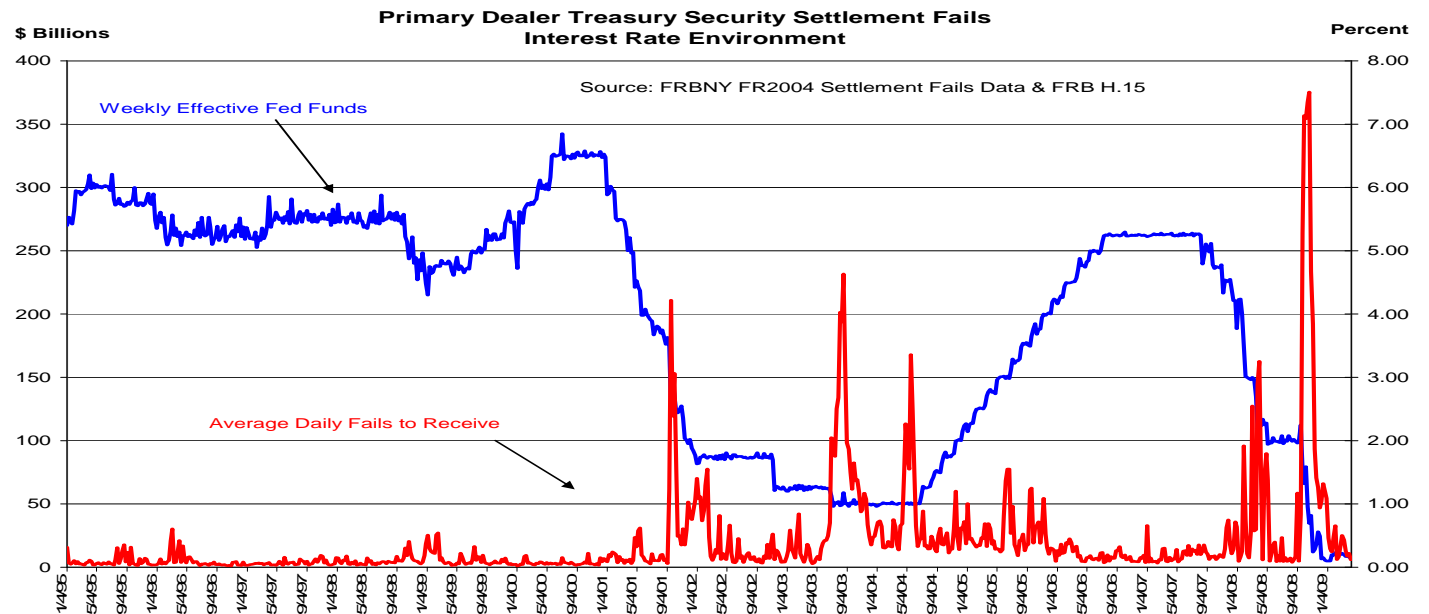
◆ SLGS net pay downs continue unabated, marking the seventh consecutive quarterly net outflow.



- ◆ The decline in corporate tax receipts is similar to that of 2002. Such declines generally precede lower growth in individual tax receipts.



- ◆ Treasury repo market fails are returning to more typical levels.



FY 09 Deficit Estimates

\$ billions

- Primary dealers currently estimate a FY 2009 deficit of over \$1.7 trillion, in line with recent government projections.

	Primary Dealers*	CBO	OMB
Current:	1745	1667	1752
Range based on average absolute forecast error**	1687-1803	1567-1767	1648-1856
Estimates as of:	April 09	March 09	February 09
FY 2009 Marketable Borrowing Range***	1655-2700		
FY 2010 Marketable Borrowing Range***	1040-1900		

* Primary Dealers reflect average estimate. Based on Primary Dealer feedback on April 23, 2009.

** Ranges based on errors from 2004-2008.

*** Based on Primary Dealer feedback on April 23, 2009.

- Fiscal deficit projections remain volatile.

