Quarterly Refunding Charts

U.S. Department of the Treasury

Office of Debt Management

November 2, 2009

UNITED STATES DEPARTMENT OF THE TREASURY

Summary of Financing for FY 2009 and FY 2010 Outlook

- **FY 2009 deficit was $1,417 billion versus $455 billion for FY 2008**
- **Net marketable borrowing for FY 2009 was $1,786 billion compared to $760 billion (includes $154 billion of SOMA redemptions) in FY 2008**
- **FY 2009 net non-marketable borrowing was -$51 billion versus -$46 billion in FY 2008**

FY 2010 Q1 and Q2 Outlook: Estimated net marketable borrowing

- **$276 billion October-December**
- **$478 billion January-March**
- **These estimates do not include any incremental borrowing needs that would result from a potential increase in issuance under the SFP**
- **Expenditures related to stimulus measures and weakness in receipts continue to drive near-term marketable borrowing needs**

- Net cash raised in FY 2009 was nearly $1 trillion more than FY 2008.

- Large cash outflows on November 15 include Treasury's last callable 30-year bond.

Treasury Marketable Financing

($ billions)	FY 2009 October 1, 2008 - September 30, 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 SFPs)	$6,920.5	$6,417.8	$0.0	$502.7	$4,632.9	$4,101.2	($152.0)	$531.7
Nominal coupons	$1,886.6	$640.7	$0.0	$1,245.9	$814.6	$626.2	($5.5)	$188.5
TIPS	$58.5	$20.8	$0.0	$37.7	$61.9	$21.8	$3.5	$40.1
Total	**$8,865.6**	**$7,079.3**	$0.0	**$1,786.3**	**$5,509.5**	**$4,749.2**	($153.9)	**$760.4**

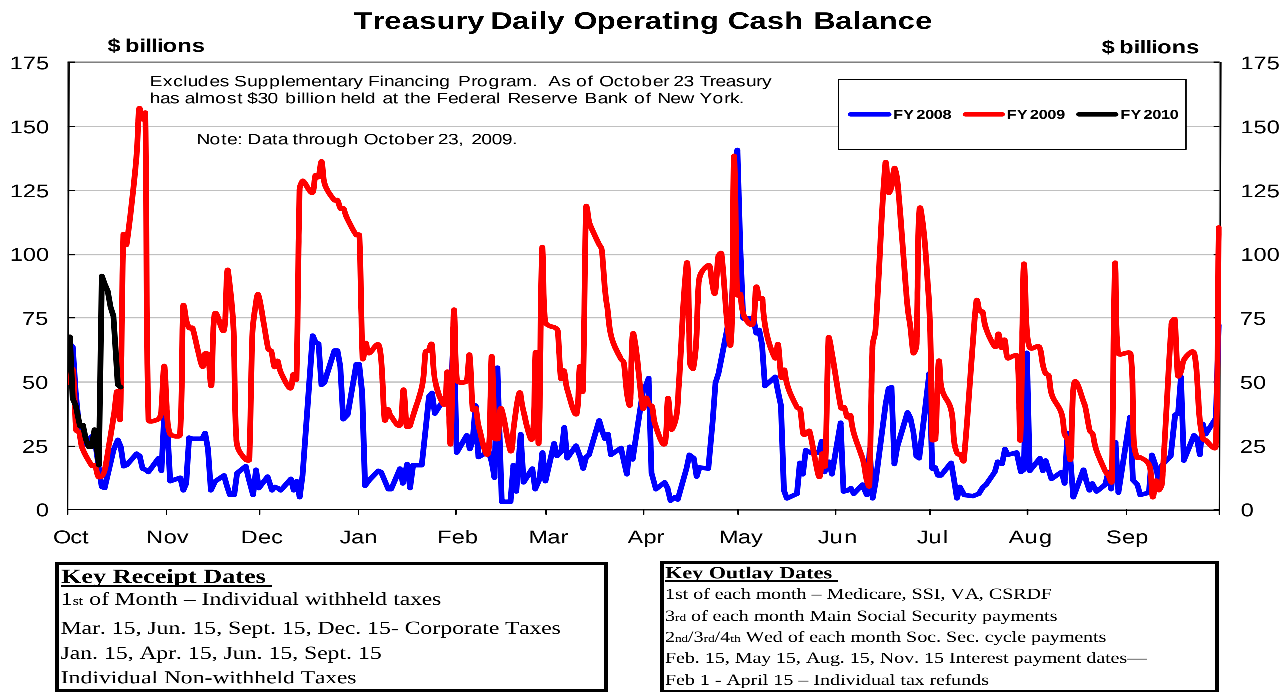
* **Note**: Negative SOMA activity represents redemptions.
Positive SOMA activity represents additional issuance of securities, made possible by redemptions in maturing securities with the same settlement date; these are offsetting transactions and are net cash neutral.

Marketable Treasury Coupon Flows

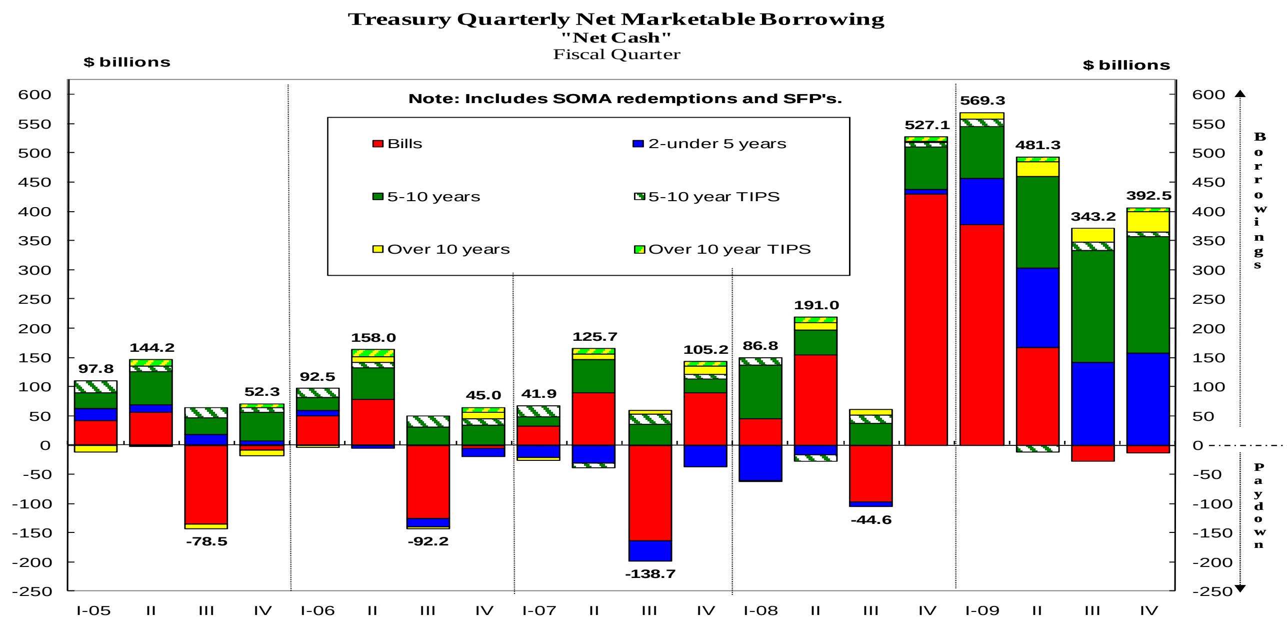
$ Billions

Date	Maturing Coupon Securities (Excluding SOMA holdings)	Coupon Payments	Total Outflows
November 15, 2009	38	21	60
November 30, 2009	21	4	25
December 15, 2009	15	1	16
December 31, 2009	23	4	27
January 15, 2010	26	6	32
January 31, 2010	25	4	29
February 15, 2010	48	27	75
February 28, 2010	26	5	31

- Fiscal and financial market stabilization measures, as well as uncertainty related to receipts, has led to increased volatility in cash balances.



- Net marketable borrowing for the July-September quarter was $393 billion versus $527 billion in the same period in 2008.



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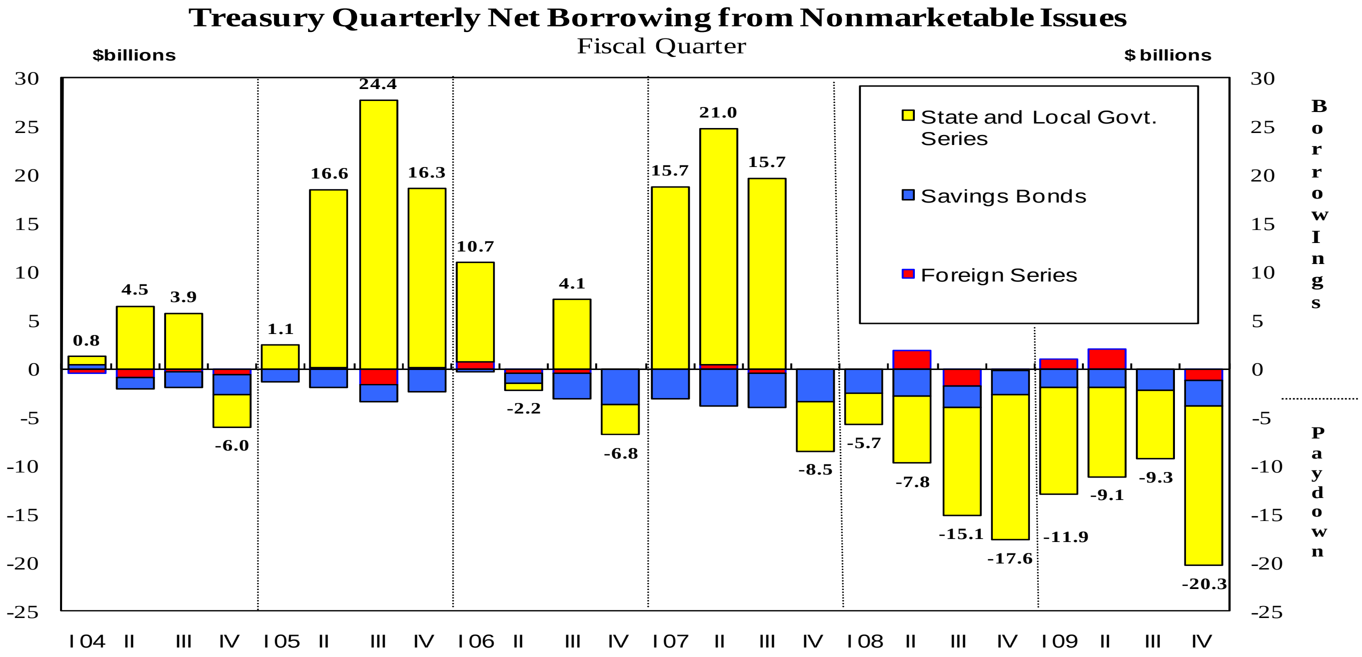
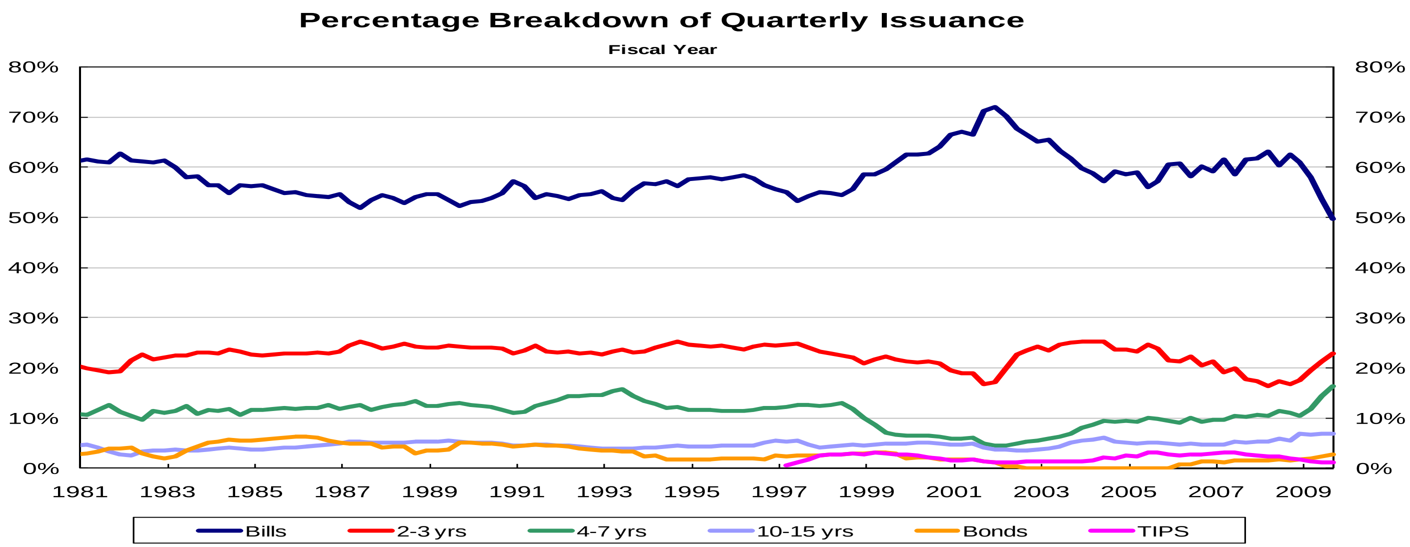
- State and Local Government Series Securities net pay down of $44 billion in FY 2009 was a record, eclipsing the previous record of $36 billion in FY 2008.

- Savings Bonds have experienced net outflows for twenty-three consecutive quarters.



- Treasury continues its gradual transition from bill issuance to coupon issuance.



Note: Data are a 4-quarter rolling average through September 30, 2009. Excludes CMB's.

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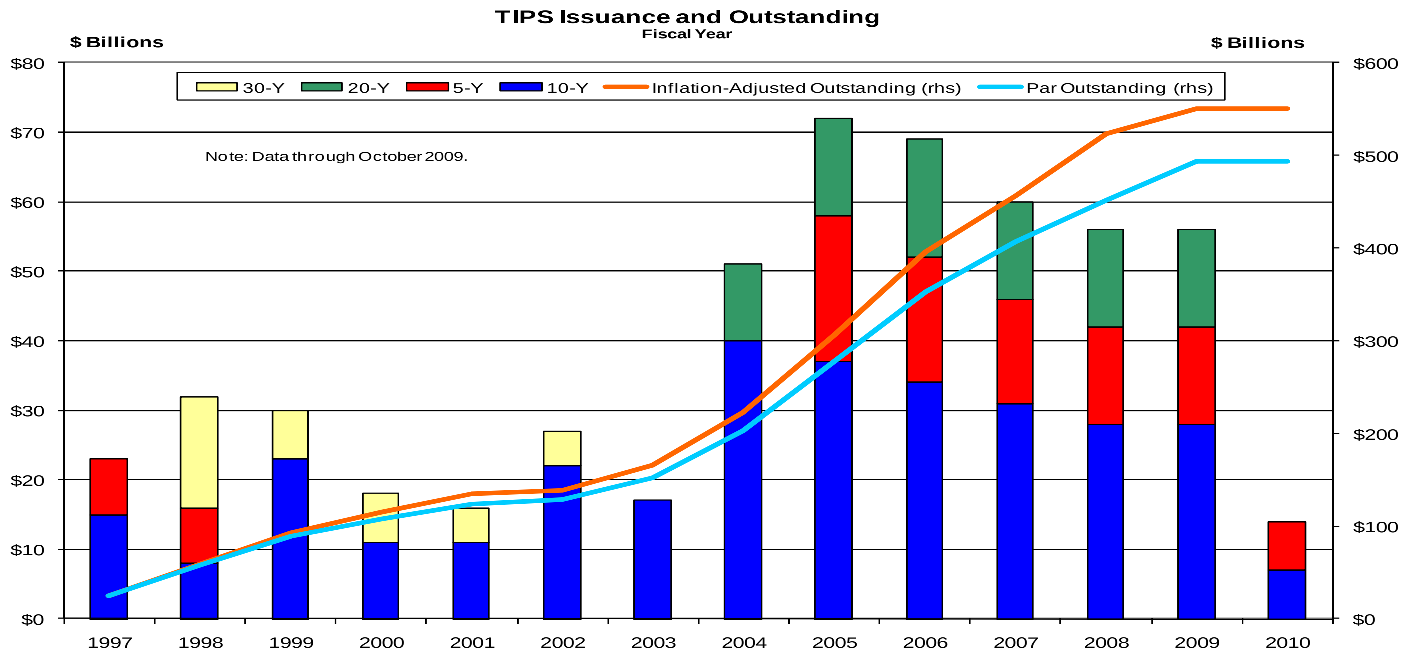
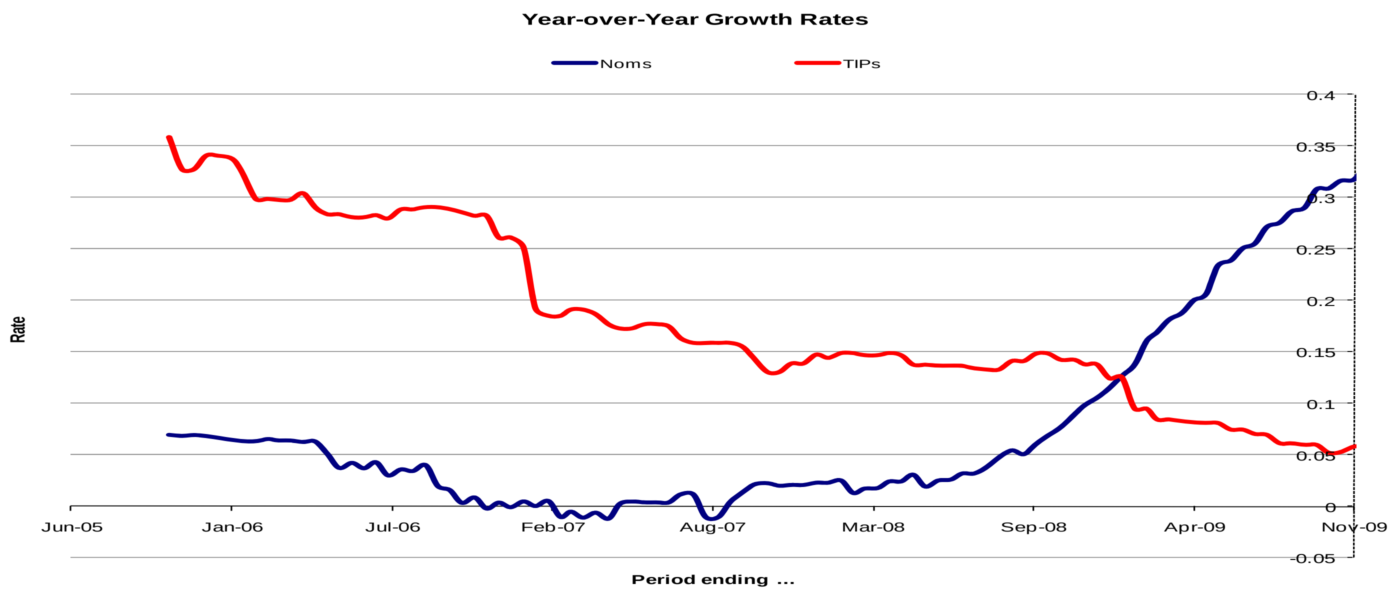
- TIPS issuance will gradually increase in 2010.



- Nominal coupon issuance has increased in response to fiscal needs and longer term deficit forecasts.



Debt Portfolio Considerations

Assumptions used in the next 3 charts:

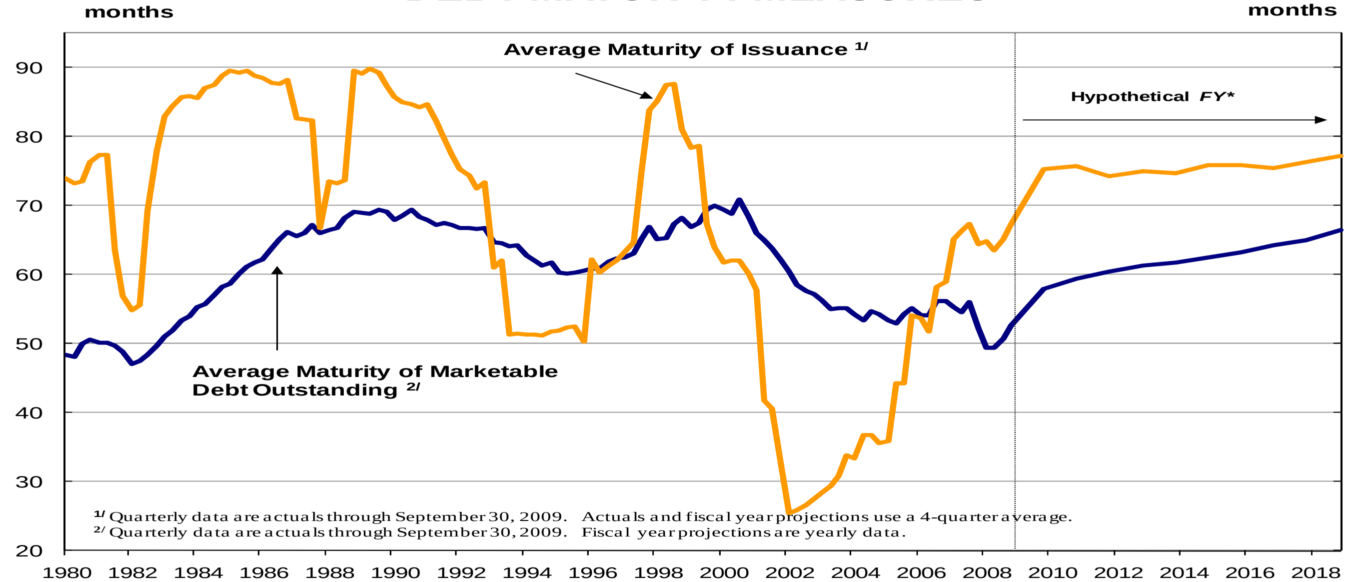
- Future residual financing needs are spread proportionally across auctioned securities and are derived from hypothetical auction sizes, which are based on announced coupon amounts as of October 23, 2009, and assume the outstanding level of weekly bills on September 30, 2009.
- Projections exclude cash management bills.
- Assumes ***no change*** to future issuance patterns.

Using the above assumptions, over the next 10 years:

- Average maturity of total outstanding and average maturity of issuance settle to about 66 and 77 months, respectively.
- The percent of debt with 3 years or less to maturity declines to 53 percent.

- Average maturity of marketable issuance and debt outstanding are projected to rise over the coming years assuming not policy changes and current issuance patterns.

DEBT MATURITY MEASURES



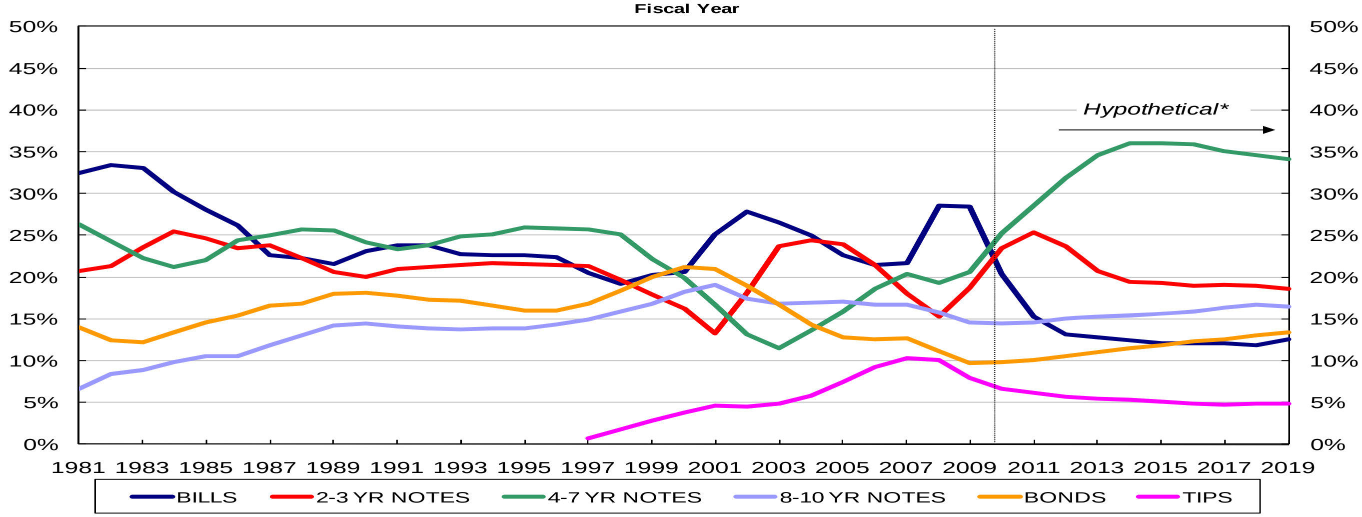
[1] Quarterly data are actuals through September 30, 2009. Actuals and fiscal year projections use a 4-quarter average.
[2] Quarterly data are actuals through September 30, 2009. Fiscal year projections are yearly data.

*Net financing projections for FY 2010-2019 are based on OMB 2010 MSR Budget estimates released August 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 October 23, 2009 and assume the outstanding level of bills on September 30, 2009. All projections exclude CMB issuance and maturing amounts.

- If future financing needs are spread proportionally, current pattern issuance would lead to steadily increasing coupon issuance greater than 5 years in tenor as a share of the portfolio.

Distribution of Marketable Debt Outstanding by Security

Fiscal Year



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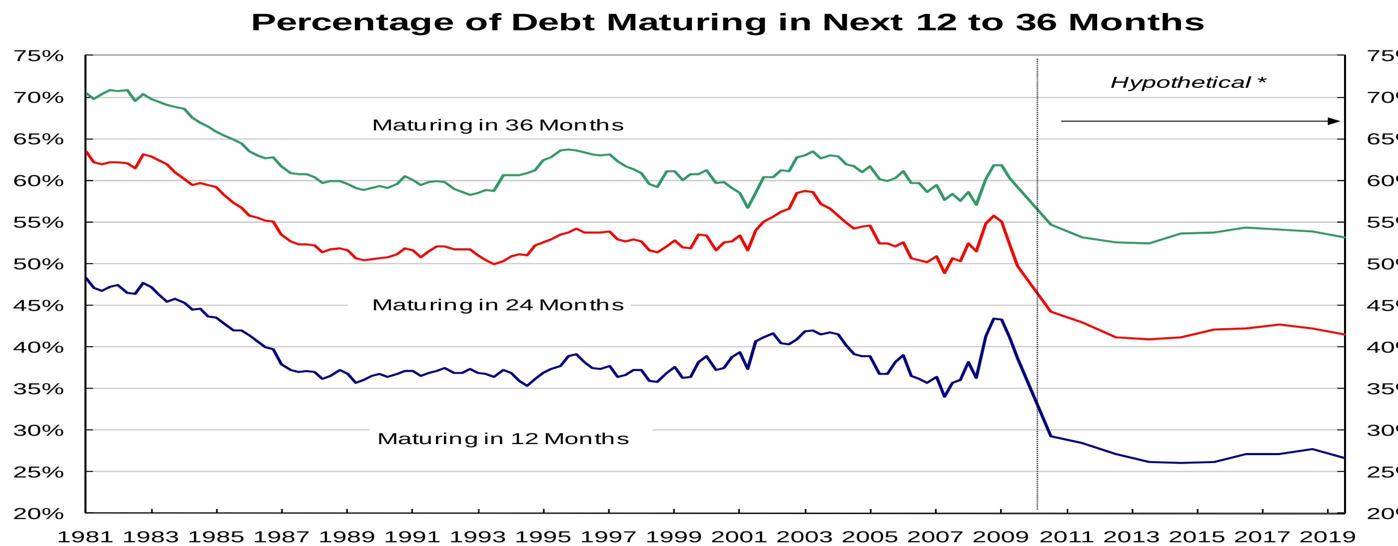
- If future financing needs are spread proportionally, the amount of debt rolling over within the next three years is projected to decline from current levels.



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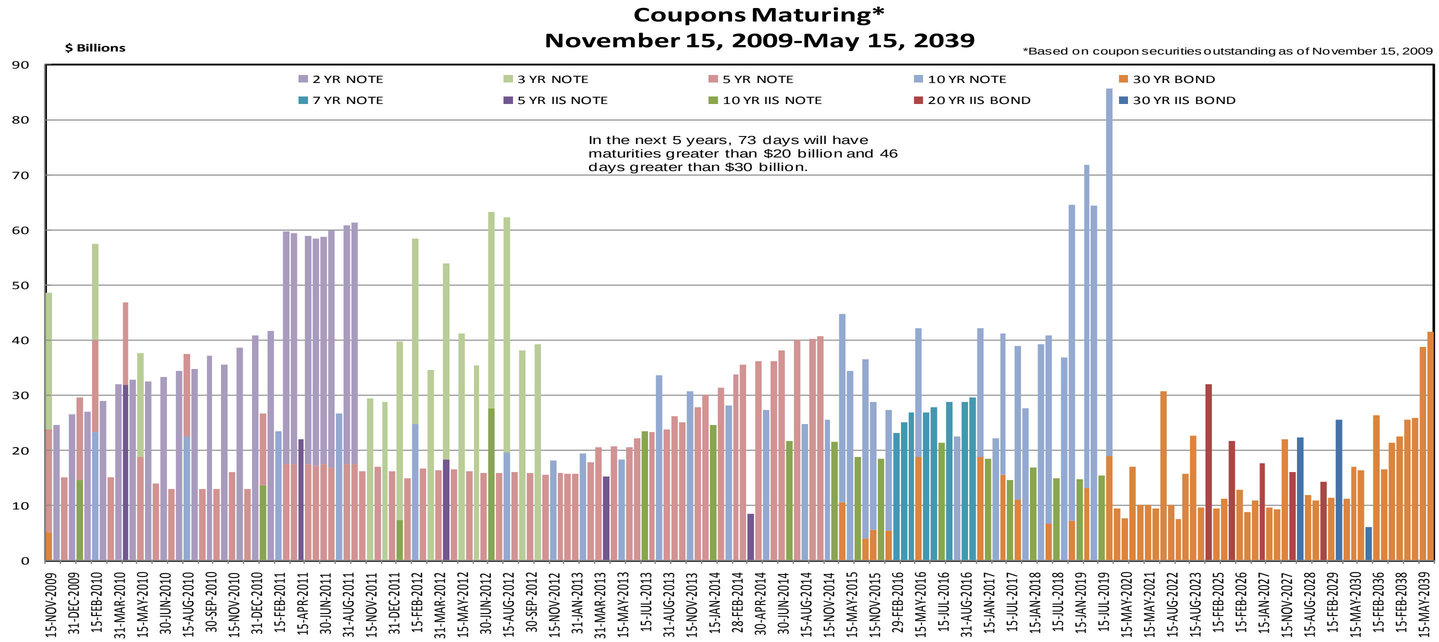
- Maturing 2-year, 3-year and 5-year notes lead to increased near- and medium-term financing needs.



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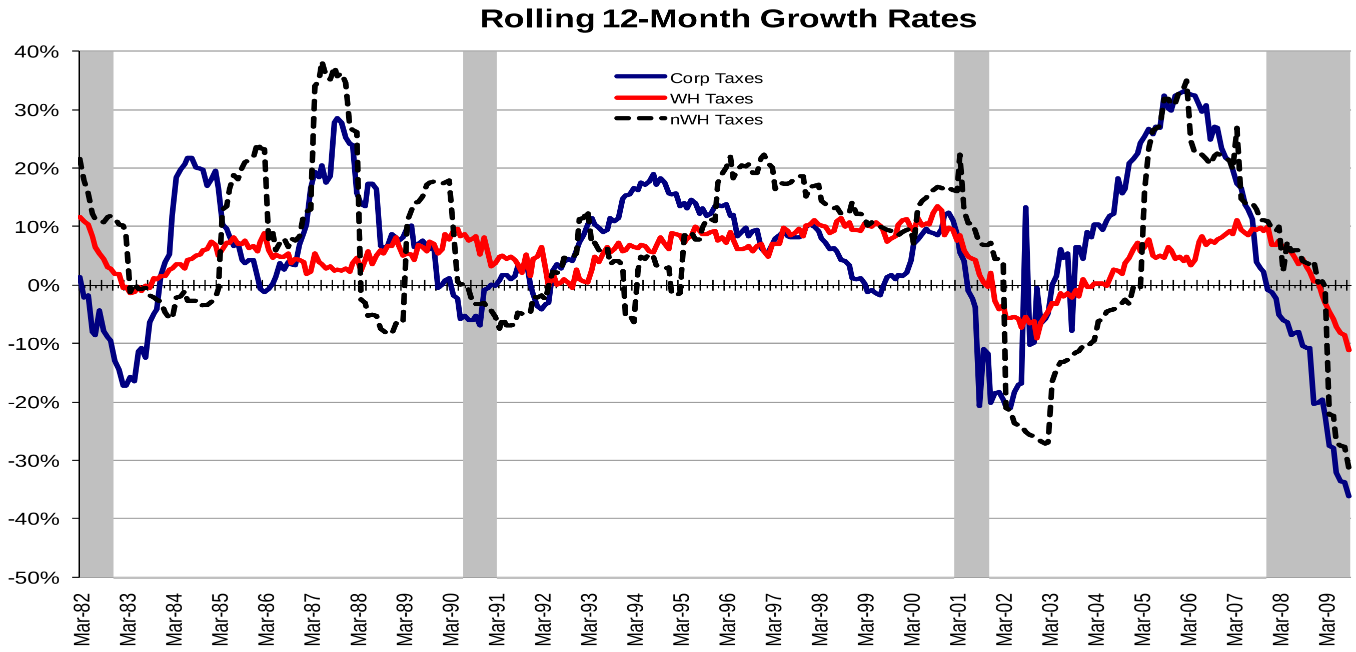
Additional Factors to Consider

- Increasing volatility in receipts, outlays related to fiscal stimulus and financial market stabilization programs could lead to increased near term marketable financing needs.

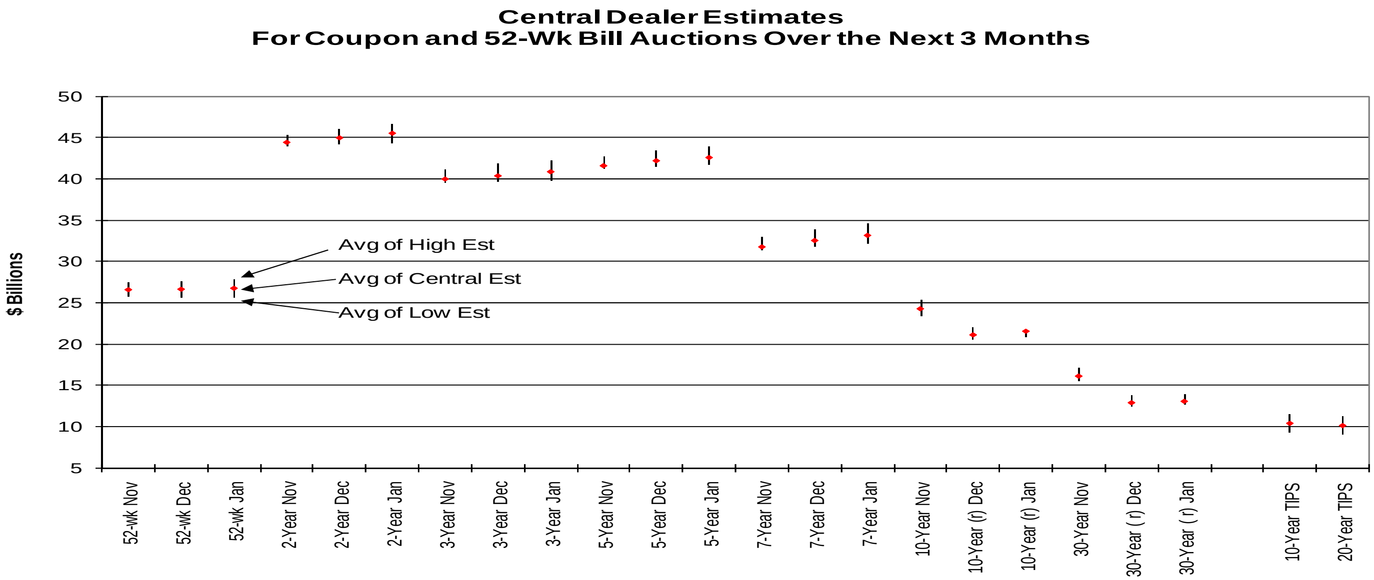
- Corporate tax receipt declines may signal near term declines in other receipt categories.

- Treasury must maintain its flexibility to address potential borrowing scenarios given the wide range of borrowing estimates by primary dealers for FY 2010.

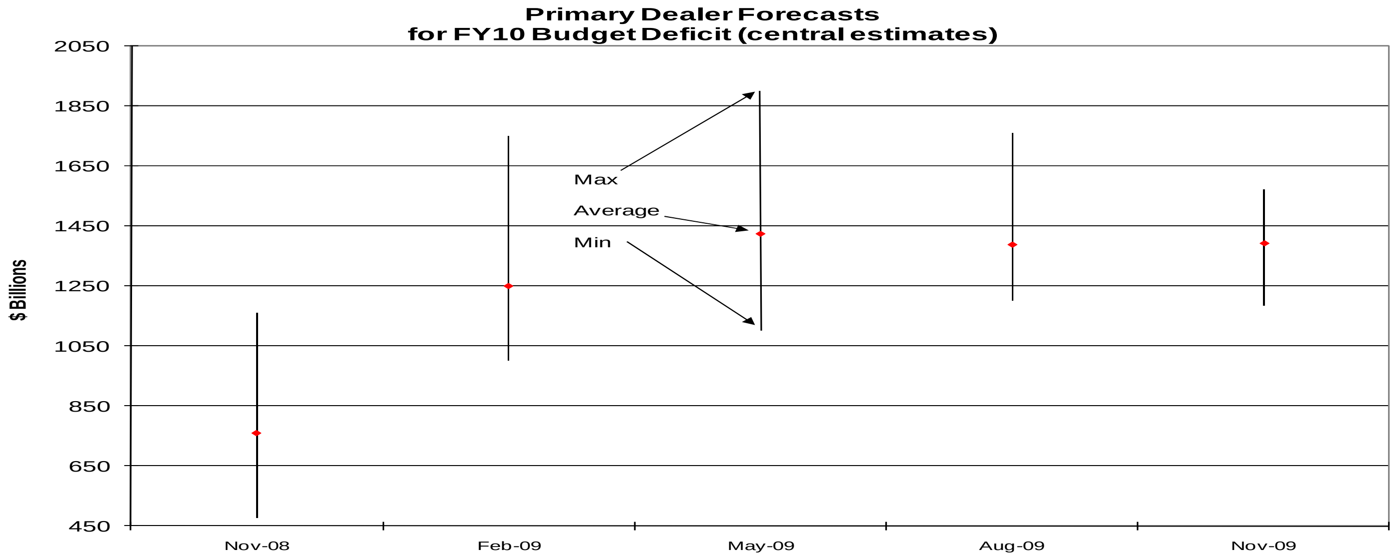
- Withheld taxes, comprising nearly 79% of revenues, continue to decline.



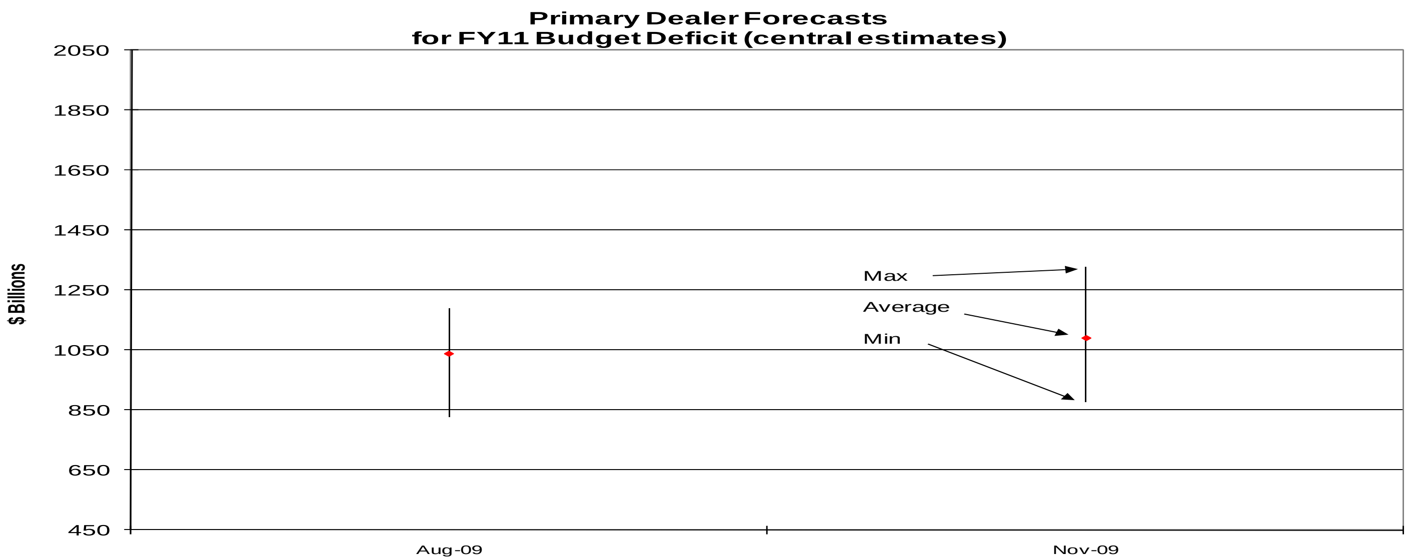
- Primary dealers estimate that marginal and gradual increases in coupon sizes can address additional borrowing needs.



- FY 2010 budget deficit estimates by primary dealers have narrowed since last quarter, but dealers remain uncertain regarding potential legislative initiatives.



- Primary dealer estimates for FY 2010 remain widely dispersed.



- Primary dealers currently estimate a FY 2010 deficit of nearly $1.4 trillion, in line with recent government projections.
- OMB and CBO estimates will be updated in early 2010.

FY 2010 Deficit Estimates

$ billions

	Primary Dealers*	CBO	OMB
Current:	1,393	1,381	1,502
Range based on average absolute forecast error**	1,203-1,583	1,081-1,681	1,219-1,785
Estimates as of:	Oct 09	Aug 09	Aug 09

FY 2010 Marketable Borrowing Range***	1,200-1,750
FY 2011 Marketable Borrowing Range***	725-1,400

* Primary Dealers reflect average estimate. Based on Primary Dealer feedback on October 29, 2009.
** Ranges based on errors from 2005-2009.
*** Based on Primary Dealer feedback on October 29, 2009.