

Agenda – August 2022 Refunding
Treasury Dealer Calls: July 28 – July 29, 2022
Dealer _____

To allow more time for discussion, please e-mail your responses prior to 12:00 PM on Monday, July 25, 2022 to Debt.Management@treasury.gov and NY.QTR@ny.frb.org. Even if you are not scheduled to meet with Treasury officials this quarter, your responses are still appreciated.

I. Privately-Held Marketable Borrowing Estimates^{1,2}	Central Estimate	Range that would not surprise you <i>Low/High</i>
		<i>Low/High</i>
July-September 2022 Privately-Held Net Marketable Borrowing		/
Ending Cash Balance		/
Other Means of Financing		
SOMA Redemptions of Treasury Securities		/
October-December 2022 Privately-Held Net Marketable Borrowing		/
Ending Cash Balance		/
Other Means of Financing		
SOMA Redemptions of Treasury Securities		/
FY 2022 Privately-Held Net Marketable Borrowing		/
Ending Cash Balance		/
Other Means of Financing		
SOMA Redemptions of Treasury Securities		/
FY 2023 Privately-Held Net Marketable Borrowing		/
Ending Cash Balance		/
Other Means of Financing		
SOMA Redemptions of Treasury Securities		/
FY 2024 Privately-Held Net Marketable Borrowing		/
Ending Cash Balance		/
Other Means of Financing		
SOMA Redemptions of Treasury Securities		/

II. Budget Deficit and Growth Estimates

FY 2022		/
FY 2023		/
FY 2024		/
Real GDP (4Q/4Q % Chg) CY 2022		/
Real GDP (4Q/4Q % Chg) CY 2023		/
Nominal GDP (4Q/4Q % Chg) CY 2022		/
Nominal GDP (4Q/4Q % Chg) CY 2023		/

III. Quarterly Note and Bond Issuance Estimates

3-year note (Aug/Sep/Oct)	/ /	/ / - / /
10-year note (Aug)		/
10-year note reopening (Sep/Oct)	/	/ - /
20-year bond (Aug)		/
20-year bond reopening (Sep/Oct)	/	/ - /
30-year bond (Aug)		/
30-year bond reopening (Sep/Oct)	/	/ - /

¹ Privately-held marketable borrowing excludes rollovers (auction “add-ons”) of Treasury securities held in the Federal Reserve System Open Market Account (SOMA) but includes financing required due to SOMA redemptions. Secondary market purchases of Treasury securities by SOMA do not directly change net privately-held marketable borrowing but, all else equal, when the securities mature and assuming the Federal Reserve System does not redeem any maturing securities, would increase the amount of cash raised for a given privately-held auction size by increasing the SOMA “add-on” amount.

² See appendix for an example calculation of privately-held net marketable borrowing.

2-year note (Aug/Sep/Oct)	/ /	/ / - / /
5-year note (Aug/Sep/Oct)	/ /	/ / - / /
7-year note (Aug/Sep/Oct)	/ /	/ / - / /
30-year TIPS reopening (Aug)		/
10-year TIPS reopening (Sep)		/
5-year TIPS (Oct)		/
2-year FRN reopening (Aug/Sep)	/	/ - /
2-year FRN (Oct)		/

IV. Bill Issuance Estimates³

52-week bill size (Aug/Sep/Oct)	/ /	/ / - / /
Total change in bills outstanding Aug'22 - Oct'22		/
Change in <i>privately-held</i> bills outstanding Aug '22 - Oct'22		/
Total change in bills outstanding FY 2022		/
Change in <i>privately-held</i> bills outstanding FY 2022		/
CMB issuance Aug '22 – Oct'22 (size/date)	/ /	/ /

Discussion Topics

1. Please discuss your latest economic, fiscal, monetary policy (including changes in SOMA holdings), and Treasury financing forecasts for FY2022 and FY2023.
2. At the May refunding, Treasury noted that additional reductions in nominal coupon auction sizes in future quarters may be necessary depending on developments in projected borrowing needs. Based on your updated estimates for Treasury's borrowing needs, should Treasury consider additional reductions to nominal coupon auction sizes at the August refunding? If so, how should those reductions be made across the nominal coupon curve? Additionally, Treasury bills are currently approximately 15 percent of total marketable debt outstanding, and this share, depending on several factors including the fiscal path, monetary policy, and Treasury's issuance choices, might decline in the coming quarters. How should Treasury factor this into upcoming coupon issuance size decisions?
3. Please discuss your expectations for investor demand for Treasury bills in the near and medium term. How do you expect demand will change, if at all, during the Federal Reserve System's balance sheet reduction and as policy rate expectations evolve? What are your expectations for government money market mutual funds' assets under management and their demand for bills? What about other investors? Are there other factors Treasury should be aware of when considering Treasury bill demand going forward?

³ Privately-held bills exclude SOMA holdings. As such, the difference between “Total change in bills outstanding” and “Change in *privately-held* bills outstanding” should reflect SOMA secondary market purchases/sales (or redemption of maturing securities).

Appendix

In order to gather more comprehensive information regarding the factors affecting Treasury's borrowing needs, beginning this quarter Part I requests estimates of "Other Means of Financing," which is one of several components of the difference between budget deficits and privately-held net marketable borrowing (as shown in the Example below). "Other Means of Financing" includes items where the timing of government cash flows may differ from budget accounting, such as student loans and loans to small business.

Privately-Held Net Marketable Borrowing Definition and Calculation Example

FY 2018 Actual Deficits and Privately-Held Net Marketable Borrowing, in \$ billions

	FY 2018 Actual
FY 2018 Deficit	779
FY 2018 + Change in Cash Balance	225
FY 2018 + Other Means of Financing (e.g. Direct Loans)	35
FY 2018 = Total Net Marketable Borrowing	1,039
FY 2018 + SOMA Redemption	156
FY 2018 = Privately-Held Net Marketable Borrowing	1,195

- Actual deficits are sourced from the Monthly Treasury Statement.
- Actual change in cash balance is sourced from the Daily Treasury Statement. Change in cash balance = cash balance of Sept 28, 2018 - cash balance of Sept 29, 2017
- Other Means of Financing include cash flows associated with federal credit programs, such as those related to student loans and loans to small businesses.
- Privately-Held Net Marketable Borrowing = Total Net Marketable Borrowing + SOMA Redemption
- SOMA redemption is the amount that the Federal Reserve redeems securities that Treasury has to replace with privately-held marketable borrowing. Actual SOMA redemptions amounts is from the Sources and Uses Reconciliation Table.
- Actual Privately-Held Net Marketable Borrowing is from the Sources and Uses Reconciliation Table.

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