

**Agenda – February 2024 Refunding
Treasury Dealer Meetings: Jan 25 – Jan 26, 2024**

Dealer _____

To allow more time for discussion, please submit your responses prior to 12:00 PM on Monday, January 22, 2024. Even if you are not scheduled to meet with Treasury officials this quarter, your responses are still appreciated.

Please note in your forecasts the following:

Deficit
+ Other Means of Financing
+ Change in Cash Balance
+ SOMA Redemptions of Treasury Securities
= Privately-Held Net Marketable Borrowing

Note: Other Means of Financing include cash flows associated with federal credit programs, such as those related to student loans and loans to small businesses.

I. Privately-Held Marketable Borrowing Estimates^{1, 2}	Central Estimate	Range that would not surprise you <i>Low/High</i>
January-March 2024 Privately-Held Net Marketable Borrowing		/
Ending Cash Balance		/
Other Means of Financing		/
SOMA Redemptions of Treasury Securities		/
April-June 2024 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		/
FY 2025 Privately-Held Net Marketable Borrowing		/
Ending Cash Balance		/
Other Means of Financing		/
SOMA Redemptions of Treasury Securities		/
FY 2026 Privately-Held Net Marketable Borrowing		/
Ending Cash Balance		/
Other Means of Financing		/
SOMA Redemptions of Treasury Securities		/

II. Economic Estimates

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.

Budget Deficit FY 2024		/
Budget Deficit FY 2025		/
Budget Deficit FY 2026		/
Real GDP (4Q/4Q % Chg) CY 2024		/
Real GDP (4Q/4Q % Chg) CY 2025		/
Real GDP (4Q/4Q % Chg) CY 2026		
Nominal GDP (4Q/4Q % Chg) CY 2024		/
Nominal GDP (4Q/4Q % Chg) CY 2025		/
Nominal GDP (4Q/4Q % Chg) CY 2026		
Headline CPI (4Q/4Q % Chg) CY 2024		/
Headline CPI (4Q/4Q % Chg) CY 2025		/
Headline CPI (4Q/4Q % Chg) CY 2026		
Core CPI (4Q/4Q % Chg) CY 2024		/
Core CPI (4Q/4Q % Chg) CY 2025		/
Core CPI (4Q/4Q % Chg) CY 2026		
Unemployment rate (4Q Avg) CY 2024		/
Unemployment rate (4Q Avg) CY 2025		/
Unemployment rate (4Q Avg) CY 2026		/

III. Quarterly Note and Bond Issuance Estimates³

3-year note (Feb/Mar/Apr)	/ /	/ / - / /
10-year note (Feb)		/
10-year note reopening (Mar/Apr)	/	/ - /
20-year bond (Feb)		/
20-year bond reopening (Mar/Apr)	/	/ - /
30-year bond (Feb)		/
30-year bond reopening (Mar/Apr)	/	/ - /
2-year note (Feb/Mar/Apr)	/ /	/ / - / /
5-year note (Feb/Mar/Apr)	/ /	/ / - / /
7-year note (Feb/Mar/Apr)	/ /	/ / - / /
30-year TIPS (Feb)		/
10-year TIPS reopening (Mar)		/
5-year TIPS (Apr)		/
2-year FRN reopening (Feb/Mar)	/	/ - /
2-year FRN (Apr)		/

IV. Bill Issuance Estimates

52-week bill size (Feb/Mar/Apr)	/ /	/ / - / /
Total change in bills outstanding Feb'24 - Apr'24		/
Change in privately-held bills outstanding Feb'24 - Apr'24		/

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).

Total change in bills outstanding FY 2024		/
Change in <i>privately-held</i> bills outstanding FY 2024		/
CMB issuance Feb '24 – Apr'24 (size/date)	/	/ /

Discussion Topics

1. Please discuss your latest economic, fiscal, monetary policy (including changes in SOMA holdings), and Treasury financing forecasts for FY2024 and FY2025.
2. Please discuss your 2024 outlook for money markets. How will quantitative tightening, the projected supply of money market substitutes, and other factors affect the demand for short-term Treasuries and Treasury repurchase agreements in the coming year?
3. How have recent inflation trends influenced the demand for inflation-linked securities globally? How have changes in international issuance of inflation-linked bonds affected overseas demand for TIPS? Please estimate the market's capacity to absorb possible incremental increases in TIPS issuance during the 2024 calendar year.

Appendix

In order to gather more comprehensive information regarding the factors affecting Treasury's borrowing needs, 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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