

**Agenda – February 2025 Refunding
Treasury Dealer Meetings: January 30 – January 31, 2025**

Dealer _____

To allow more time for discussion, please submit your responses prior to 12:00 PM on Monday, January 27, 2025. 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 2025 Privately-Held Net Marketable Borrowing		/
Ending Cash Balance		/
Other Means of Financing		/
SOMA Redemptions of Treasury Securities		/
April-June 2025 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		/
FY 2027 Privately-Held Net Marketable Borrowing		/
Ending Cash Balance		/
Other Means of Financing		/
SOMA Redemptions of Treasury Securities		/

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.

II. Economic Estimates

Budget Deficit FY 2025		/
Budget Deficit FY 2026		/
Budget Deficit FY 2027		/
Real GDP (4Q/4Q % Chg) CY 2025		/
Real GDP (4Q/4Q % Chg) CY 2026		/
Real GDP (4Q/4Q % Chg) CY 2027		/
Nominal GDP (4Q/4Q % Chg) CY 2025		/
Nominal GDP (4Q/4Q % Chg) CY 2026		/
Nominal GDP (4Q/4Q % Chg) CY 2027		/
Headline CPI (4Q/4Q % Chg) CY 2025		/
Headline CPI (4Q/4Q % Chg) CY 2026		/
Headline CPI (4Q/4Q % Chg) CY 2027		/
Core CPI (4Q/4Q % Chg) CY 2025		/
Core CPI (4Q/4Q % Chg) CY 2026		/
Core CPI (4Q/4Q % Chg) CY 2027		/
Unemployment rate (4Q Avg) CY 2025		/
Unemployment rate (4Q Avg) CY 2026		/
Unemployment rate (4Q Avg) CY 2027		/

III. Quarterly Note and Bond Issuance Estimates

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 Estimates³

52-week bill size (Feb/Mar/Apr)	/ /	/ / - / /
Total change in bills outstanding Feb'25 - Apr'25		/
Change in <i>privately-held</i> bills outstanding Feb'25 - Apr'25		/

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 2025		/
Change in <i>privately-held</i> bills outstanding FY 2025		/
CMB issuance Feb'25 – Apr'25 (size/date)	/	/ /

Discussion Topics

1. Please discuss your latest economic, fiscal, monetary policy (including changes in SOMA holdings), and Treasury financing forecasts for FY 2025, FY 2026, and FY 2027.
2. Please provide your views regarding potential changes to the size and composition of the Federal Reserve’s SOMA portfolio. When do you expect the Federal Reserve to cease redemptions of Treasury securities from the SOMA portfolio? Do you expect the Federal Reserve to begin purchasing Treasury securities with proceeds from principal payments received on its MBS holdings? If so, when would such purchases begin? When do you expect the Federal Reserve to begin open market operations to grow the size of its balance sheet in order to maintain ample reserve balances? What Treasury security tenors do you expect the Federal Reserve to purchase and why? What if any concerns do you have about money market functioning during such changes to the Federal Reserve balance sheet?
3. Please discuss how foreign demand for Treasury securities has evolved over the last year. What have been the recent drivers of demand for Treasury securities by foreign official sector and foreign private sector entities? How is demand likely to evolve over the next year? Please elaborate.

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.

Public reporting burden for this collection of information is estimated to average two hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information is 1505-0261. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Department of the Treasury (Office of Debt Management, 1500 Pennsylvania Avenue NW, Washington, DC 20220).