

Agenda – February 2021 Refunding
Treasury Dealer Calls: January 28 – January 29, 2021

Dealer _____

To allow more time for discussion, please e-mail your responses prior to 12:00 PM on Monday, January 25, 2021 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 Estimates¹	Central Estimate	Range that would not surprise you <i>Low/High</i>
January-March 2021 Privately-Held Net Marketable Borrowing		/
Ending Cash Balance		/
April-June 2021 Privately-Held Net Marketable Borrowing		/
Ending Cash Balance		/
FY 2021 Privately-Held Net Marketable Borrowing		/
FY 2022 Privately-Held Net Marketable Borrowing		/
FY 2023 Privately-Held Net Marketable Borrowing		/

II. Budget Deficit and Growth Estimates

FY 2021		/
FY 2022		/
FY 2023		/
Real GDP (4Q/4Q % Chg) CY 2021		/
Real GDP (4Q/4Q % Chg) CY 2022		/
Nominal GDP (4Q/4Q % Chg) CY 2021		/
Nominal GDP (4Q/4Q % Chg) CY 2022		/

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)		/

¹ Privately-held marketable borrowing excludes rollovers (auction “add-ons”) of Treasury securities held in the Federal Reserve’s 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 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.

IV. Bill Issuance Estimates²

52-week bill size (Feb/Mar/Apr)	/ /	/ / - / /
Total change in bills outstanding Feb '21 - Apr '21		/
Change in <i>privately-held</i> bills outstanding Feb '21 - Apr '21		/
Total change in bills outstanding FY 2021		/
Change in <i>privately-held</i> bills outstanding FY 2021		/
CMB issuance Feb '21 – Apr '21 (size/date)	/ /	/ /

Discussion Topics

1. Please discuss your latest economic, fiscal, monetary policy (including SOMA investment), and Treasury financing forecasts for FY2021 and FY2022.
2. At the November 2020 Treasury Borrowing Advisory Committee meeting, the Committee provided an overview of the supply and demand dynamics in the T-bill market and made recommendations about potential paths to reduce the current bill supply as a share of the overall marketable debt portfolio over time. Over what time frame could Treasury attempt to accomplish this recommendation without adversely affecting short-end market functioning?

In addition, in light of the current uncertainty in borrowing needs and potential debt limit constraints that may impact bill issuance this year, what pace of reduction of bill supply over the next 3-6 months would not create disruptions in short-term markets or result in substantial price adjustment or deviation from fair value?

3. Market participants have noted constraints on dealer intermediation as one important factor contributing to the liquidity challenges in the Treasury market in March and April 2020. Please discuss how your firm managed intermediation during this time frame and how internal factors (such as risk limits, balance sheet allocation, operational constraints, etc.) and/or external factors (such as leverage ratio constraints, risk-based capital requirements, the liquidity coverage ratio, changing margin requirements, changes in haircuts, changes in non-dealer intermediation/the competitive environment, etc.) affected your firm's ability to provide liquidity in the Treasury market. How have these factors evolved in subsequent months? What lessons can be learned from this experience and what actions might you take in the future to facilitate greater intermediation during times of market stress? Please focus your response on your firm's experience and decisions regarding liquidity provision.

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).

² 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).