

**Agenda – November 2023 Refunding
Treasury Dealer Meetings: Oct 26 – Oct 27, 2023**

Dealer _____

To allow more time for discussion, please submit your responses prior to 12:00 PM on Monday, October 23, 2023. 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>
October-December 2023 Privately-Held Net Marketable Borrowing		/
Ending Cash Balance		/
Other Means of Financing		/
SOMA Redemptions of Treasury Securities		/
January-March 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

Budget Deficit FY 2024		/
Budget Deficit FY 2025		/
Budget Deficit FY 2026		/
Real GDP (4Q/4Q % Chg) CY 2023		/
Real GDP (4Q/4Q % Chg) CY 2024		/
Nominal GDP (4Q/4Q % Chg) CY 2023		/
Nominal GDP (4Q/4Q % Chg) CY 2024		/

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.

Headline CPI (4Q/4Q % Chg) CY 2023		/
Headline CPI (4Q/4Q % Chg) CY 2024		/
Core CPI (4Q/4Q % Chg) CY 2023		/
Core CPI (4Q/4Q % Chg) CY 2024		/
Unemployment rate (4Q Avg) CY 2023		/
Unemployment rate (4Q Avg) CY 2024		/

III. Quarterly Note and Bond Issuance Estimates

3-year note (Nov/Dec/Jan)	/ /	/ / - / /
10-year note (Nov)		/
10-year note reopening (Dec/Jan)	/	/ - /
20-year bond (Nov)		/
20-year bond reopening (Dec/Jan)	/	/ - /
30-year bond (Nov)		/
30-year bond reopening (Dec/Jan)	/	/ - /
2-year note (Nov/Dec/Jan)	/ /	/ / - / /
5-year note (Nov/Dec/Jan)	/ /	/ / - / /
7-year note (Nov/Dec/Jan)	/ /	/ / - / /
10-year TIPS reopening (Nov)		/
5-year TIPS reopening (Dec)		/
10-year TIPS (Jan)		/
2-year FRN reopening (Nov/Dec)	/	/ - /
2-year FRN (Jan)		/

IV. Bill Issuance Estimates³

52-week bill size (Nov/Dec/Jan)	/ /	/ / - / /
Total change in bills outstanding Nov'23 - Jan'24		/
Change in <i>privately-held</i> bills outstanding Nov'23 - Jan'24		/
Total change in bills outstanding FY 2024		/
Change in <i>privately-held</i> bills outstanding FY 2024		/
CMB issuance Nov '23 – Jan'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. At the last quarterly refunding, Treasury communicated its intention to continue issuing the regular weekly 6-week cash management bill, at least through the end of this calendar year. Based on your outlook for Treasury's borrowing needs, the structural demand for bills, and your view on the appropriate level of bills outstanding in the medium- and long-term, should Treasury consider making the 6-week a benchmark bill tenor? Please explain.

To help inform Treasury's evaluation, what do you expect total bill supply outstanding to be at the end of FY2024, FY2025, and FY2026? How large could current benchmark bill auction sizes become without adversely affecting

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).

auction performance (e.g. large auction stop outs above when-issued rates) or causing significant yield deviations from fair value (e.g. secondary market bill yields trading significantly above historical spreads relative to OIS)?

Anticipated Average Bill Auction Sizes (in \$ billions), if 6-week is not a benchmark

Tenor	FY2024			FY2025			FY2026		
	Size	# of Issues	Supply Outstanding	Size	# of Issues	Supply Outstanding	Size	# of Issues	Supply Outstanding
4-week		4			4			4	
8-week		8			8			8	
13-week		13			13			13	
17-week		17			17			17	
26-week		26			26			26	
52-week		13			13			13	
	Total			Total			Total		

Anticipated Average Bill Auction Sizes (in \$ billions), if 6-week is a benchmark

Tenor	FY2024			FY2025			FY2026		
	Size	# of Issues	Supply Outstanding	Size	# of Issues	Supply Outstanding	Size	# of Issues	Supply Outstanding
4-week		4			4			4	
6-week		6			6			6	
8-week		8			8			8	
13-week		13			13			13	
17-week		17			17			17	
26-week		26			26			26	
52-week		13			13			13	
	Total			Total			Total		

3. Please discuss what factors Treasury should consider when scheduling buyback operations. Are there certain events, days of the week, or times of day that Treasury should avoid conducting operations? Also, when determining when to conduct buyback operations in a specific maturity sector, is it better to conduct the operations in the week(s) before/after an auction in the same sector or would that not matter? Finally, for liquidity support buybacks, Treasury plans to buy back a maximum amount of \$4 billion in each bucket per quarter. For example, are there maturity sectors where it would be more desirable to conduct two operations per quarter with a maximum amount of \$2 billion in each operation versus one operation per quarter with a maximum amount of \$4 billion?

Auction Size Survey:

Given your expectations for borrowing needs over the next three fiscal years (as presented in question 1), Treasury would like your expectations for:

1. Auction sizes (\$bn) in all tenors by the end of FY24, FY25, and FY26, and
2. Auction size ranges (\$bn) that would not surprise you across all tenors by the end of FY24, FY25, and FY26.

Auction size estimates should take into account the amount net of SOMA add-ons of Treasury securities.

Tenor	Size Expectation for FY24 Year-end	Range that would not surprise you: Low/High	Size Expectation for FY25 Year-end	Range that would not surprise you: Low/High	Size Expectation for FY26 Year-end	Range that would not surprise you: Low/High
Nominals						
2-year		/		/		/
3-year		/		/		/
5-year		/		/		/
7-year		/		/		/
10-year (new)		/		/		/
10-year (reop)		/		/		/
20-year (new)		/		/		/
20-year (reop)		/		/		/
30-year (new)		/		/		/
30-year (reop)		/		/		/
TIPS						
5-year TIPS (new)		/		/		/
5-year-TIPS (reop)		/		/		/
10-year TIPS (new)		/		/		/
10-year TIPS (reop)		/		/		/
30-year TIPS (new)		/		/		/
30-year TIPS (reop)		/		/		/
FRNs						
2-year FRN		/		/		/
2-year FRN (reop)		/		/		/
Bills						
1-mo bill		/		/		/
2-mo bill		/		/		/
3-mo bill		/		/		/
4-mo bill		/		/		/
6-mo bill		/		/		/
1-year bill		/		/		/

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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