

**Agenda – November 2024 Refunding  
Treasury Dealer Meetings: October 24 – October 25, 2024**

**Dealer \_\_\_\_\_**

To allow more time for discussion, please submit your responses prior to 12:00 PM on Monday, October 21, 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.

<b>I. Privately-Held Marketable Borrowing Estimates<sup>1, 2</sup></b>	Central Estimate	Range that would not surprise you
		<i>Low/High</i>
October-December 2024 Privately-Held Net Marketable Borrowing		/
Ending Cash Balance		/
Other Means of Financing		/
SOMA Redemptions of Treasury Securities		/
January-March 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		/

<sup>1</sup> 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.

<sup>2</sup> 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 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 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 Estimates<sup>3</sup>

52-week bill size (Nov/Dec/Jan)	/ /	/ / - / /
Total change in bills outstanding Nov'24 - Jan'25		/
Change in <i>privately-held</i> bills outstanding Nov'24 - Jan'25		/

<sup>3</sup> 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 Nov'24 – Jan'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. In September, Treasury conducted its first cash management buybacks, purchasing \$20 billion across four operations in the 1-month to 2-year maturity bucket. Please provide any feedback on these operations.
3. Over the past several years, Treasury has gradually increased TIPS auction sizes. Please comment on the supply of TIPS and current liquidity of the TIPS market. Should Treasury consider increasing TIPS issuance in calendar year 2025? If so, in what tenors (existing or new) and by how much? Should Treasury consider any other changes to the TIPS program (e.g., auction schedule)?

**Part 2:**

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 FY25, FY26, and FY27, and
2. Auction size ranges (\$bn) that would not surprise you across all tenors by the end of FY25, FY26, and FY27.

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

Tenor	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	Size Expectation for FY27 Year-end	Range that would not surprise you: Low/High
<b>Nominals</b>						
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)		/		/		/
<b>TIPS</b>						
5-year TIPS (new)		/		/		/
5-year-TIPS (reop)		/		/		/
10-year TIPS (new)		/		/		/
10-year TIPS (reop)		/		/		/
30-year TIPS (new)		/		/		/
30-year TIPS (reop)		/		/		/
<b>FRNs</b>						
2-year FRN		/		/		/
2-year FRN (reop)		/		/		/
<b>Bills</b>						
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
<b>FY 2018 = Total Net Marketable Borrowing</b>	<b>1,039</b>
FY 2018 + SOMA Redemption	156
<b>FY 2018 = Privately-Held Net Marketable Borrowing</b>	<b>1,195</b>

- 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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