

**Agenda – November 2020 Refunding**  
**Treasury Dealer Calls: October 29 – October 30, 2020**  
**Dealer \_\_\_\_\_**

To allow more time for discussion, please e-mail your responses prior to 12:00 PM on Monday, October 26, 2020 to [Debt.Management@treasury.gov](mailto:Debt.Management@treasury.gov) and [NY.QTR@ny.frb.org](mailto:NY.QTR@ny.frb.org). Even if you are not scheduled to meet with Treasury officials this quarter, your responses are still appreciated.

<b>I. Privately-Held Marketable Borrowing Estimates<sup>1</sup></b>	Central Estimate	Range that would not surprise you <i>Low/High</i>
October-December 2020 Privately-Held Net Marketable Borrowing		/
Ending Cash Balance		/
January-March 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 2020		/
Real GDP (4Q/4Q % Chg) CY 2021		/
Nominal GDP (4Q/4Q % Chg) CY 2020		/
Nominal GDP (4Q/4Q % Chg) CY 2021		/

**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)		/

<sup>1</sup> 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 Estimates<sup>2</sup>

52-week bill size (Nov/Dec/Jan)	/ /	/ / - / /
Total change in bills outstanding Nov '20 - Jan '21		/
Change in <i>privately held</i> bills outstanding Nov '20 - Jan '21		/
Total change in bills outstanding FY 2021		/
Change in <i>privately-held</i> bills outstanding FY 2021		/
CMB issuance Nov '20 – Jan '21 (size/date)	/ /	/ /

#### Discussion Topics

1. Please discuss your latest economic, fiscal and monetary policy, and Treasury financing forecasts for FY2021 and FY2022.
2. In response to increased borrowing needs, Treasury has increased coupon auction sizes for nominal coupons and FRNs, but has kept TIPS auction sizes unchanged since 2019. Should Treasury consider increasing TIPS auction sizes in the near-term to meet future borrowing needs and, if so, when and at what tenors (5-, 10-, and 30-year)? Please explain your reasoning. What effect, if any, do you expect the Federal Reserve's recent announcement regarding inflation targeting to have on TIPS demand?

	TIPS Auction Size Recommendations (\$ bn)					
	5-Year		10-Year		30-year	
	'20	'21	'20	'21	'20	'21
January - 10-year (new)			\$14	/		
February - 30 -year (new)					\$8	/
March - 10-year (reop)			\$12	/		
April - 5-year (new)	\$17	/				
May - 10-year (reop)			\$12	/		
June - 5-year (reop)	\$15	/				
July - 10-year (new)			\$14	/		
August - 30-year (reop)					\$7	/
September - 10-year (reop)			\$12	/		
October - 5-year (new)	\$17	/				
November - 10-year (reop)				/		
December - 5-year (reop)		/				

3. Please discuss drivers of the recent increase in bank demand for U.S. Treasuries. To what extent has this demand been influenced by increased bank deposits, the level of bank reserves, temporary relief from the Supplementary Leverage Ratio (SLR) provided by bank regulators, or other factors? Where possible, please support your answer with relevant data.

<sup>2</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).

**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 FY21, FY22, and FY23, and
2. Auction size ranges (\$bn) that would not surprise you across all tenors by the end of FY21, FY22, and FY23.

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

Tenor	Size Expectation for FY21 Year-end	Range that would not surprise you: Low/High	Size Expectation for FY22 Year-end	Range that would not surprise you: Low/High	Size Expectation for FY23 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		/		/		/
6-mo bill		/		/		/
1-year bill		/		/		/

Public reporting burden for this collection of information is estimated to average 2 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).