# Primary Dealer Discussion Topic:
## 17-Week Cash Management Bill (CMB)

- Most primary dealers suggested that Treasury consider promoting the regular 17-week CMB to benchmark status:
  - Typical arguments in favor included: 1) that a 17-week bill would enable Treasury to moderate the scale of future increases to auction sizes for existing bill benchmarks and 2) that the regular 17-week CMB has attracted robust investor demand to-date, which would be expected to persist.
  - Those opposed generally argued that anticipated bill supply could reasonably be achieved with existing benchmarks over the near- to medium-term.

- How large could existing benchmark bill auction sizes become without resulting in significant yield deviations from fair value? The median primary dealer response was (in $ billions):

*Max Auction Size Without Causing Significant Yield Deviation from Fair Value*

| | **1-Month** | **2-Month** | **3-Month** | **6-Month** | **1-Year** |
|---|---|---|---|---|---|
| Median Primary Dealer Response | 77.5 | 70 | 65 | 60 | 40 |

- The median primary dealer response implies that (in $ billions):

| | **1-Month** | **2-Month** | **3-Month** | **6-Month** | **1-Year** |
|---|---|---|---|---|---|
| Implied Funding Capacity | 310<br>(77.5 x 4) | 560<br>(70 x 8) | 845<br>(65 x 13) | 1,560<br>(60 x 26) | 520<br>(40 x 13) |

| | |
|---|---|
| Max Privately-Held Bill Funding Capacity via Existing Benchmarks | 3,795 |
| Current SOMA Portfolio Holdings | 326 |
| ***Total Implied Bill Funding Capacity via Existing Benchmarks*** | ***4,121*** |

- For context, aggregate bill supply totaled $3,714 billion at the end of FY2021.