



FOR IMMEDIATE
RELEASE

January 31, 1996

REMARKS BY DARCY BRADBURY
ASSISTANT SECRETARY FOR FINANCIAL
MARKETS TREASURY QUARTERLY REFUNDING
PRESS CONFERENCE

Good afternoon. Today we are announcing the terms of the regular Treasury February midquarter refunding. I will also discuss Treasury financing requirements for the balance of the current calendar quarter and our estimated cash needs for the April-June quarter.

1. We are offering \$44.5 billion of notes and bonds to refund \$31.3 billion of privately held notes and bonds maturing on February 15 and to raise approximately \$13.2 billion new cash.

The three securities are:

First, a 3-year note in the amount of \$18.5 billion, maturing on February 15, 1999. This note is scheduled to be auctioned on a yield basis at 1:00 p.m. Eastern time on Tuesday, February 6, 1996. The minimum purchase amount will be \$5,000 and purchases above \$5,000 may be made in multiples of \$1,000.

Second, a 10-year note in the amount of \$14.0 billion, maturing on February 15, 2006. This note is scheduled to be auctioned on a yield basis at 1:00 p.m. Eastern time on Wednesday, February 7. The minimum purchase amount will be \$1,000.

Third, a 30-year bond in the amount of \$12.0 billion, maturing on February 15, 2026. This bond is scheduled to be auctioned on a yield basis at 1:00 p.m. Eastern time on Thursday, February 8. The minimum purchase amount will be \$1,000.

2. We are also offering \$8.0 billion of cash management bills to be issued February 15. These bills will mature on February 22, 1996. The cash

management bills are scheduled to be auctioned on a discount basis at 11:30 a.m. Eastern time on Thursday, February 8, 1996. The minimum purchase amount will be \$10,000.

3. Due to the Treasury's need to avoid exceeding the debt limit, none of the securities that I am announcing today will be issued to Federal Reserve Banks as agents for foreign and international monetary authorities. Maturing notes held by Federal Reserve Banks as agents for such accounts may be rolled over on a noncompetitive basis within the public offering amounts of the notes and bonds.

4. As announced on Monday, January 29, 1996, we estimate a net market borrowing need of \$85.3 billion for the January-March quarter. The estimate assumes a \$20 billion cash balance at the end of March. Including the securities in this refunding, we have raised \$26.8 billion of cash from the sale of marketable securities. This was accomplished as follows:

- raised \$0.8 billion from the 2-year notes that settled January 2 and today;
- raised \$15.8 billion from the 5-year notes that settled January 2 and January 31;
- raised \$2.9 billion from the 52-week bills with settlement dates of January 11 and February 8;
- raised \$9.6 billion in cash in the regular weekly bills including those announced yesterday;
- paid down \$7.4 billion in the 7-year note that matured January 15;
- paid down \$8.1 billion in the cash management bills that matured January 25; and
- raised \$13.2 billion from the notes and bonds that I am announcing today.

5. The Treasury will need to raise \$58.5 billion in market borrowing during the rest of the January-March quarter. This financing can be accomplished through regular sales of 13-, 26-, and 52-week bills in February and March and 2-year and 5-year notes in February. Additional cash management bills will be needed to cover the low points in the cash balance in early March. Since the cash management bill being announced today will mature February 22, it will not effect the total borrowing need for the quarter. These estimates do not include cash from the March two and five-year notes to be issued April 1, 1996.

6. We estimate Treasury net market borrowing to be in a range of \$0 to \$5 billion for the April-June 1996 quarter, assuming a \$35 billion cash balance on June 30. These estimates do not include cash from the June two and five-year notes to be issued July 1, 1996.

7. The tentative auction calendars for February, March and April 1996 are included in the chart package which was distributed today.

8. The May midquarter refunding press conference is scheduled to be held on Wednesday, May 1, 1996.

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