**Agenda – November 2017 Refunding**
**Treasury Dealer Meetings – October 26 - October 27, 2017**
**Dealer ___________________**

To allow more time for discussion, please e-mail your responses prior to 12:00 PM on Monday, October 23, 2017 to Debt.Management@treasury.gov and NY.QTR@ny.frb.org. Even if you are not scheduled to meet with Treasury officials this quarter, your responses are still appreciated.

## I. Marketable Borrowing Estimates

| | Central Estimate | Range that would not surprise you |
|---|---|---|
| | | *Low/High* |
| October-December 2017 | | / |
| Ending Cash Balance | | / |
| January-March 2018 | | / |
| Ending Cash Balance | | / |
| FY 2018 Total Net Marketable Borrowing | | |
| FY 2019 Total Net Marketable Borrowing | | / |
| FY 2020 Total Net Marketable Borrowing | | / |

## II. Budget Deficit and Growth Estimates

| | | |
|---|---|---|
| FY 2018 | | / |
| FY 2019 | | / |
| FY 2020 | | / |
| Real GDP(4Q/4Q % Chg) CY2017 | | |
| Real GDP(4Q/4Q % Chg) CY2018 | | |
| Nominal GDP(4Q/4Q % Chg) CY2017 | | |
| Nominal GDP(4Q/4Q % Chg) CY2018 | | |

## III. Quarterly Note and Bond Issuance Estimates

| | | |
|---|---|---|
| 3-year note (Nov/Dec/Jan) | / / | / / - / / |
| 10-year note (Nov) | | / |
| 10-year note 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

| | | |
|---|---|---|
| 52-week bill size (Nov/Dec/Jan) | / / | / / - / / |
| Total change in bills outstanding 11/17 - 1/18 | | / |
| Total change in bills outstanding FY 2018 | | / |
| CMB issuance Nov'17 – Jan '18 (size/date) | / / / / | |

## Discussion Topics

1. Please discuss your latest economic and fiscal forecasts for FY2018 and FY2019. Do you believe the current financing schedule is well-suited to meet Treasury's financing needs though the end of FY2018? FY2019?

2. Globally, many central banks have pursued extraordinary monetary policies in an effort to achieve their mandates. Please comment on the prospects for normalization of monetary policy around the globe. What will be the impact on demand for US Treasury securities and term premiums for various tenors if and when central banks other than the Fed begin normalization of policy? Will these impacts be transitory or structural? What, if anything, should Treasury do with regard to issuance in response to these potential changes? Please elaborate.

3. Technological innovations continue to drive changes in the intermediation of Treasury securities. Please comment on the evolution of business models of various market participants and greater use of technology across the financial industry. How are the dealer-to-dealer space and the dealer-to-client space evolving? How are market participants changing behavior in response to these changes? What are the impacts on liquidity? Looking out over the next 5 to 10 years, comment on how these changes might impact the Treasury auction process and the provision of liquidity in the secondary market.

**Part 2:**

The Treasury Department's Office of Debt Management (ODM) would like your perspectives on current Treasury auction sizes. This information would be used to help test ODM's debt-issuance modeling assumptions, and does not reflect potential policy decisions. We appreciate your participation in a similar survey conducted in May 2017, and the aggregate response can be found online at http://www.treasury.gov/resource-center/data-chart-center/quarterly-refunding/Pages/dealer-agenda-survey.aspx.

For each of the 14 securities that Treasury currently issues regularly and occasional CMBs, we would be interested in your views on the following matters:

1) *All else equal, what is the minimum auction size, per auction, needed to maintain benchmark liquidity? Specifically, what is the smallest auction size (weekly for bills, monthly for coupons) necessary to support "on-the-run" issue liquidity in the secondary market?*
2) *All else equal, what is the maximum auction size, per auction, that could be issued without causing "significant yield deviations" from current fair value? This fair value could, for example, be as measured by your spline, or other analytical models.*
3) *All else equal, what is the maximum change in auction size (+/- X $billions) that can be implemented between two consecutive new issuances without causing "significant yield deviations"?*

If you have any questions, please contact Dave Chung at 202-622-1053. **Please complete and submit the table below to DebtManagement@treasury.gov or Won.Chung@treasury.gov by 12:00 Noon ET on Monday October 23, 2017.**

Thank you very much for your continuing collaboration.

| Tranche | Minimum Auction Size needed to maintain Benchmark Liquidity ($bil) | Maximum Auction Size that could be issued without causing significant yield deviations from fair value ($bil) | Maximum change (+/-) in auction size between new issuances ($bil) |
|---|---|---|---|
| Bills | | | |
| CMB | | | |
| 4-week | | | |
| 13-week | | | |
| 26-week | | | |
| 52-week | | | |
| Coupons | | | |
| 2-year | | | |
| 3-year | | | |
| 5-year | | | |
| 7-year | | | |
| 10-year | | | |
| 30-year | | | |
| TIPS | | | |
| 5-year | | | |
| 10-year | | | |
| 30-year | | | |
| FRNs | | | |
| 2-year | | | |

Additional Comments: