

Agenda – May 2017 Refunding
Treasury Dealer Meetings – April 27 - April 28, 2017
Dealer _____

To allow more time for discussion, please e-mail your responses prior to 12:00 PM on Monday, April 24, 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 <i>Low/High</i>
April-June 2017		/
Ending Cash Balance		/
July-September 2017		/
Ending Cash Balance		/
FY 2017 Total Net Marketable Borrowing		
FY 2018 Total Net Marketable Borrowing		/
FY 2019 Total Net Marketable Borrowing		/

II. Budget Deficit and Growth Estimates		
FY 2017		/
FY 2018		/
FY 2019		/
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 (May/June/July)	/ /	/ / - / /
10-year note (May)		/
10-year note reopening (June/July)	/	/ - /
30-year bond (May)		/
30-year bond reopening (June/July)	/	/
2-year note (May/June/July)	/ /	/ / - / /
5-year note (May/June/July)	/ /	/ / - / /
7-year note (May/June/July)	/ /	/ / - / /
10-year TIPS (July)		
10-year TIPS reopening (May)		
30-year TIPS reopening (June)		
2-year FRN reopening (May/June)		
2-year FRN (July)		

IV. Bill Issuance Estimates		
52-week bill size (May/June/July)	/ /	/ / - / /
Total change in bills outstanding 5/17 - 7/17		/
Total change in bills outstanding FY 2017		/
CMB issuance May '17 – Jul '17 (size/date)	/ /	/ /

Discussion Topics

1. Please discuss your latest economic and fiscal forecasts for FY2017 and FY2018. Do you believe the current financing schedule is well-suited to meet Treasury's financing needs through the end of FY2017? FY2018?
2. Please comment on Treasury's cash balance policy and whether or not Treasury should consider holding additional liquidity in order to mitigate risks associated with the loss of market access.
3. Please discuss the potential volume of demand for long-duration sovereign products. What factors should Treasury consider when structuring a security with a maturity greater than 30 years (e.g., 40-, 50-, or 100-year)? At what price, relative to the current 30-year bond offering, could Treasury reasonably expect an ultra-long to price?

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 November 2016, 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, 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 April 24, 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			
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: