

Agenda – February 2020 Refunding
Treasury Dealer Meetings – January 30 – January 31, 2020
Dealer _____

To allow more time for discussion, please e-mail your responses prior to 12:00 PM on Monday, January 27, 2020 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. Privately-Held Marketable Borrowing Estimates¹	Central Estimate	Range that would not surprise you
		<i>Low/High</i>
January-March 2020 Privately-Held Net Marketable Borrowing		/
Ending Cash Balance		/
April-June 2020 Privately-Held Net Marketable Borrowing		/
Ending Cash Balance		/
FY 2020 Privately-Held Net Marketable Borrowing		/
FY 2021 Privately-Held Net Marketable Borrowing		/
FY 2022 Privately-Held Net Marketable Borrowing		/

II. Budget Deficit and Growth Estimates

FY 2020		/
FY 2021		/
FY 2022		/
Real GDP(4Q/4Q % Chg) CY2020		/
Real GDP(4Q/4Q % Chg) CY2021		/
Nominal GDP(4Q/4Q % Chg) CY2020		/
Nominal GDP(4Q/4Q % Chg) CY2021		/

III. Quarterly Note and Bond Issuance Estimates

3-year note (Feb/Mar/Apr)	/ /	/ / - / /
10-year note (Feb)		/
10-year note reopening (Mar/Apr)	/	/ - /
30-year bond (Feb)		/
30-year bond reopening (Mar/Apr)	/	/
2-year note (Feb/Mar/Apr)	/ /	/ / - / /
5-year note (Feb/Mar/Apr)	/ /	/ / - / /
7-year note (Feb/Mar/Apr)	/ /	/ / - / /
30-year TIPS (Feb)		/
10-year TIPS reopening (Mar)		/
5-year TIPS (Apr)		/
2-year FRN reopening (Feb/Mar)		/
2-year FRN (Apr)		/

IV. Bill Issuance Estimates²

52-week bill size (Feb/Mar/Apr)	/ /	/ / - / /
Total change in bills outstanding Feb '20 – Apr '20		/
Change in <i>privately-held</i> bills outstanding Feb '20 – Apr '20		/
Total change in bills outstanding FY 2020		/
Change in <i>privately-held</i> bills outstanding FY 2020		/
CMB issuance Feb '20 – Apr '20 (size/date)	/ /	/ /

¹ 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 Fed 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.

² 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).

Discussion Topics

1. Please discuss your latest economic and fiscal forecasts for FY2020 and FY2021. Do you believe the current financing schedule is well-suited to meet Treasury’s financing needs through the end of FY2020? FY2021?
2. How have market and liquidity conditions in the Treasury bill market evolved since the commencement of the Federal Reserve’s reserve management purchases in October 2019. What are your current expectations for the time period, amount, and composition of these purchases? What are your longer-term expectations for the composition of purchases based on your expectations for the long-run composition of the balance sheet?

What is the minimum amount of *privately-held* Treasury bill supply per CUSIP (*after* final reopening) that would still maintain benchmark liquidity?

_____ Tuesday maturities _____ Thursday maturities
(4- & 8-week bills) (13- & 26-week bills)*

*Because 52-week bills are issued only once every 4 weeks, please exclude this incremental supply in your evaluation of *privately-held* supply for Thursday maturities.

What is the minimum announced auction size that would still maintain benchmark liquidity?

_____ 4-week _____ 8-week _____ 13-week _____ 26-week _____ 52-week

3. When Treasury first introduces the new 20-year nominal coupon bond, what is the minimum auction size and total issue size (*after* final reopening) that is necessary to ensure benchmark liquidity, assuming it is auctioned monthly and issued quarterly?

_____ / _____ Minimum Auction Size _____ Minimum CUSIP supply
(new issue / reopening) (including new issues and reopenings)

For the new 20-year bond, should Treasury consider an auction format similar to TIPS, where the auction would occur the same week as the TIPS auction, settle at month-end, but have a dated and maturity date of mid-month? What are the pros and cons of this approach? Is there another preferred structure?