

**Agenda – February 2019 Refunding
Treasury Dealer Meetings – January 24 – January 25, 2019
Dealer _____**

To allow more time for discussion, please e-mail your responses prior to 12:00 PM on Tuesday, January 22, 2019 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 Estimates #	Central Estimate	Range that would not surprise you
# 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.		<i>Low/High</i>
January-March 2019 Privately-Held Net Marketable Borrowing		/
SOMA Redemptions of Treasury Securities		/
Ending Cash Balance		/
April-June 2019 Privately-Held Net Marketable Borrowing		/
SOMA Redemptions of Treasury Securities		/
Ending Cash Balance		/
FY 2019 Privately-Held Net Marketable Borrowing		/
SOMA Redemptions of Treasury Securities		/
FY 2020 Privately-Held Net Marketable Borrowing		/
SOMA Redemptions of Treasury Securities		/
FY 2021 Privately-Held Net Marketable Borrowing		/
SOMA Redemptions of Treasury Securities		/

II. Budget Deficit and Growth Estimates

FY 2019		/
FY 2020		/
FY 2021		/
Real GDP(4Q/4Q % Chg) CY2019		/
Real GDP(4Q/4Q % Chg) CY2020		/
Nominal GDP(4Q/4Q % Chg) CY2019		/
Nominal GDP(4Q/4Q % Chg) CY2020		/

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 Estimates

52-week bill size (Feb/Mar/Apr)	/ /	/ / - / /
Total change in bills outstanding Feb ‘19 – Apr ‘19		/
Total change in bills outstanding FY 2019		/
CMB issuance Feb ‘19 – Apr ‘19 (size/date)	/ /	/ /

Discussion Topics

1. Please discuss your latest economic and fiscal forecasts for FY2019 and FY2020. Do you believe the current financing schedule is well-suited to meet Treasury's financing needs through the end of FY2019? FY2020? Include your latest views on the timing of the normalization of the SOMA portfolio.
2. In October 2018, the Treasury Borrowing Advisory Committee (TBAC) recommended that Treasury begin to study how SOFR linked issuance could fit into its overall debt strategy. Please comment on the potential growth of SOFR-indexed debt issuance over the next few years, including the outlook for supply and demand for SOFR-indexed products. Should Treasury consider offering a SOFR-indexed product? What are the potential benefits and risks or costs of offering such a product? Discuss any potential idiosyncratic pricing behavior associated with using a SOFR index, as well as any recommendations regarding product structure or term. Would SOFR-indexed issuance broaden and diversify Treasury's investor base or would it reduce demand for and liquidity in Treasury's existing securities? How would a SOFR-indexed floater price relative to the existing T-bill floater and relative to previous SOFR-indexed issuance by other issuers?
3. In the final weeks of 2018, Treasury conducted bill auctions with a 10:00 a.m. competitive close. Please comment on the benefits or drawbacks of conducting Treasury auctions earlier in the morning. Should Treasury consider conducting 10:00 a.m. auctions with greater regularity? If so, are there certain security types/tenors particularly well-suited to an earlier auction close? Please discuss any other considerations that Treasury should be aware of if it decided to conduct regular auctions at an earlier time.
4. In CY 2018, privately-held TIPS issuance totaled \$131 billion. Treasury stated at the November 2018 Quarterly Refunding Statement that it expects to grow TIPS issuance by \$20-\$30 billion in CY 2019 by gradually increasing auction sizes, with a bias towards the 5-year maturity. Treasury also updated the CY 2019 monthly auction schedule to facilitate an additional 5-year security in October. Please provide your recommended TIPS auction sizes for CY 2019, taking into account the auction sizes and overall float of each security in CY 2018, as well as the stated preference for regular and predictable issuance and a bias towards gradual auction size changes over time:

<u>Month</u>	<u>Tenor</u>	<u>Size</u>
January	10-Yr OI	\$13 billion
February	30-Yr OI	
March	10-Yr Reopen	
April	5-Yr OI	
May	10-Yr Reopen	
June	5-Yr Reopen	
July	10-Yr OI	
August	30-Yr Reopen	
September	10-Yr Reopen	
October	5-Yr OI	
November	10-Yr Reopen	
December	5-Yr Reopen	

Total TIPS Issuance CY 2019 = _____