MEASURING
DEBT MANAGEMENT PERFORMANCE
TO ACHIEVE
LOWEST COST FINANCING OVER TIME
Average Absolute Federal Budget Forecast Errors
1997 - 2002

Source: Primary Dealer forecasts provided to Treasury at quarterly dealer interviews
OMB – U.S. Budget and Mid-Session Review
CBO – Budget Outlook and Update
Average Trading Volume for 2-Year Note Around Auction Days
(15-minute intervals)

Source: GovPX
Spreads Between 1 PM When-Issued and Auction Stop Yields
2-year Note Auctions 1995 - 2002

1995 - 2002
Mean  0.11
Median 0.05
Maximum 3.00
Minimum -5.30
Std. Dev. 1.29

Office of Market Finance
Department of the Treasury
Basis Point Risk Taken on by the Market at Auction\(^1/\)
2002 constant dollars

\[ \text{(Dollar value of 1 basis point change)} \times \text{(Auction size)} \]
Maturity of issuance has been highly volatile

Average Maturity of Outstanding Privately Held
Constant-Issuance Maturity (6-month average) \(^1\)

\(^1\) Assumes the distribution of issuance in any given quarter is held constant going forward.

Maturity of Marketable Debt

Department of the Treasury
Office of Market Finance

February 3, 2003
Shares of Constant Issuance Maturity

Rolling Twelve Month Averages

1/ Constant issuance maturity assumes the distribution of issuance in any given quarter is held constant going forward.
Distribution of Outstanding Debt by Security
as of December 31, 2002

Security Type

Bills 2YR 5YR 10YR 10YR iis 20YR 30YR 30YR iis

Percent
Comparison of Realized 10-Year Borrowing Cost

1/ Interest cost for a given term to maturity averaged over a rolling 10-year period, using Treasury constant maturity yields.