

FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

[Circular No. 4884]
May 5, 1960

OFFERING OF TWO SERIES OF TREASURY BILLS

\$1,200,000,000 of 91-Day Bills, Additional Amount, Series Dated Feb. 11, 1960, Due August 11, 1960

(To Be Issued May 12, 1960)

\$400,000,000 of 182-Day Bills, Dated May 12, 1960, Due November 10, 1960

To All Incorporated Banks and Trust Companies, and Others
Concerned, in the Second Federal Reserve District:

Following is the text of a notice issued by the Treasury Department, released for publication in morning newspapers, Thursday, May 5, 1960:

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of \$1,600,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing May 12, 1960, in the amount of \$1,605,523,000, as follows:

91-day bills (to maturity date) to be issued May 12, 1960, in the amount of \$1,200,000,000, or thereabouts, representing an additional amount of bills dated February 11, 1960, and to mature August 11, 1960, originally issued in the amount of \$395,967,000, the additional and original bills to be freely interchangeable.

182-day bills, for \$400,000,000, or thereabouts, to be dated May 12, 1960, and to mature November 10, 1960.

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amount will be payable without interest. They will be issued in bearer form only, and in denominations of \$1,000, \$5,000, \$10,000, \$100,000, \$500,000 and \$1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, one-thirty o'clock p.m., Eastern Daylight Saving time, Monday, May 9, 1960. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e.g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof.

This Bank will receive tenders for both series up to 1:30 p.m., Eastern Daylight Saving time, Monday, May 9, 1960, at the Securities Department of its Head Office and at its Buffalo Branch. Tender forms for the respective series are enclosed. Please use the appropriate forms to submit tenders and return them in an envelope marked "Tender for Treasury Bills." Tenders may be submitted by telegraph, subject to written confirmation; they may not be submitted by telephone. *Payment for the Treasury bills cannot be made by credit through the Treasury Tax and Loan Account. Settlement must be made in cash or other immediately available funds or in maturing Treasury bills.*

Results of the last offering of Treasury bills (91-day bills to be issued May 5, 1960, representing an additional amount of bills dated February 4, 1960, and maturing August 4, 1960; and 182-day bills dated May 5, 1960, maturing November 3, 1960) are shown on the reverse side of this circular.

ALFRED HAYES,
President.

RESULTS OF LAST OFFERING OF TREASURY BILLS (TWO SERIES ISSUED MAY 5, 1960)

Range of Accepted Competitive Bids

	91-Day Treasury Bills Maturing August 4, 1960		182-Day Treasury Bills Maturing November 3, 1960	
	<u>Price</u>	<u>Approx. equiv. annual rate</u>	<u>Price</u>	<u>Approx. equiv. annual rate</u>
High	99.265 ^a	2.908%	98.326 ^b	3.311%
Low	99.191	3.200%	98.294	3.375%
Average	99.241	3.003% ¹	98.307	3.349% ¹

^a Excepting one tender of \$100,000.

^b Excepting one tender of \$1,324,000.

¹ Average rate on a coupon issue equivalent yield basis is 3.07% for the 91-day bills and 3.45% for the 182-day bills. Interest rates on bills are quoted on the basis of bank discount, with their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed on the basis of interest on the investment, with the number of days remaining in a semiannual interest payment period related to the actual number of days in the period, and with semiannual compounding if more than one coupon period is involved.

(82 percent of the amount of 91-day bills bid for at the low price was accepted.)

(The entire amount of 182-day bills bid for at the low price was accepted.)

Total Tenders Applied for and Accepted (By Federal Reserve Districts)

District	91-Day Treasury Bills Maturing August 4, 1960		182-Day Treasury Bills Maturing November 3, 1960	
	<u>Applied for</u>	<u>Accepted</u>	<u>Applied for</u>	<u>Accepted</u>
Boston	\$ 20,402,000	\$ 10,402,000	\$ 3,229,000	\$ 3,229,000
New York	1,219,890,000	669,090,000	594,694,000	278,194,000
Philadelphia	28,060,000	28,060,000	7,119,000	2,119,000
Cleveland	25,046,000	24,746,000	16,265,000	16,265,000
Richmond	11,740,000	11,740,000	1,078,000	1,078,000
Atlanta	16,553,000	16,553,000	5,119,000	5,119,000
Chicago	182,357,000	134,357,000	83,340,000	37,840,000
St. Louis	17,589,000	17,589,000	6,484,000	6,484,000
Minneapolis	10,665,000	10,665,000	2,696,000	2,496,000
Kansas City	20,957,000	20,957,000	6,852,000	6,802,000
Dallas	11,668,000	11,668,000	2,688,000	2,688,000
San Francisco	44,263,000	44,263,000	37,793,000	37,793,000
Total	\$1,609,190,000	\$1,000,090,000 ^c	\$767,357,000	\$400,107,000 ^d

^c Includes \$200,638,000 noncompetitive tenders accepted at the average price of 99.241.

^d Includes \$43,566,000 noncompetitive tenders accepted at the average price of 98.307.