

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 5136]
January 10, 1962

Results of Bidding for Treasury's One-Year Bill Offering

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

The Treasury Department announced last evening that the tenders for \$2,000,000,000, or thereabouts, of 365-day Treasury bills to be dated January 15, 1962, and to mature January 15, 1963, which were offered on January 3, were opened at the Federal Reserve Banks on January 9.

The details of this issue are as follows:

Total applied for .. \$3,649,647,000
Total accepted \$2,000,032,000 (includes \$189,199,000 entered on a non-competitive basis and accepted in full at the average price shown below)

Range of accepted competitive bids (excepting 4 tenders totaling \$4,120,000):

High	96.614	Equivalent rate of discount approx.	3.340% per annum
Low	96.572	Equivalent rate of discount approx.	3.381% per annum
Average	96.588	Equivalent rate of discount approx.	3.366% per annum ¹

(49 percent of the amount bid for at the low price was accepted)

<i>Federal Reserve District</i>	<i>Total applied for</i>	<i>Total accepted</i>
Boston	\$ 64,599,000	\$ 33,099,000
New York	2,574,105,000	1,441,350,000
Philadelphia	52,954,000	22,954,000
Cleveland	171,466,000	85,946,000
Richmond	41,146,000	27,046,000
Atlanta	47,078,000	39,828,000
Chicago	322,506,000	127,956,000
St. Louis	24,296,000	15,406,000
Minneapolis	36,980,000	17,930,000
Kansas City	61,946,000	37,946,000
Dallas	37,176,000	22,176,000
San Francisco	215,395,000	128,395,000
TOTAL	\$3,649,647,000	\$2,000,032,000

¹ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide a yield of 3.50 percent. Interest rates on bills are quoted in terms of bank discount, with the return related to the face amount of the bills payable at maturity rather than the amount invested, and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semi-annual compounding if more than one coupon period is involved.

ALFRED HAYES,
President.

**RESULTS OF LAST OFFERING OF TREASURY BILLS (TWO SERIES TO BE ISSUED
JANUARY 11, 1962)**

Range of Accepted Competitive Bids

	<i>91-Day Treasury Bills Maturing April 12, 1962</i>		<i>182-Day Treasury Bills Maturing July 12, 1962</i>	
	<u>Price</u>	<u>Approx. equiv. annual rate</u>	<u>Price</u>	<u>Approx. equiv. annual rate</u>
High	99.296 ^a	2.785%	98.460 ^b	3.046%
Low	99.283	2.836%	98.438	3.090%
Average	99.286	2.823% ¹	98.447	3.073% ¹

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

^b Excepting two tenders totaling \$312,000.

¹ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 2.88 percent for the 91-day bills, and 3.16 percent for the 182-day bills. Interest rates on bills are quoted in terms of bank discount, with the return related to the face amount of the bills payable at maturity rather than the amount invested, and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannual compounding if more than one coupon period is involved.

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

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

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

<u>District</u>	<i>91-Day Treasury Bills Maturing April 12, 1962</i>		<i>182-Day Treasury Bills Maturing July 12, 1962</i>	
	<u>Applied for</u>	<u>Accepted</u>	<u>Applied for</u>	<u>Accepted</u>
Boston	\$ 41,472,000	\$ 36,872,000	\$ 13,278,000	\$ 13,278,000
New York	1,493,437,000	648,657,000	917,483,000	464,683,000
Philadelphia	28,760,000	13,760,000	12,421,000	7,421,000
Cleveland	62,038,000	43,538,000	18,632,000	13,632,000
Richmond	14,747,000	14,747,000	2,198,000	2,198,000
Atlanta	24,368,000	22,128,000	8,999,000	8,799,000
Chicago	237,090,000	175,190,000	102,067,000	46,517,000
St. Louis	36,387,000	30,087,000	8,468,000	6,468,000
Minneapolis	21,870,000	15,570,000	5,650,000	4,150,000
Kansas City	38,236,000	27,236,000	8,380,000	8,280,000
Dallas	24,600,000	22,300,000	4,636,000	4,636,000
San Francisco	84,278,000	50,278,000	30,227,000	19,977,000
Total	\$2,107,283,000	\$1,100,363,000^c	\$1,132,439,000	\$600,039,000^d

^c Includes \$245,336,000 noncompetitive tenders accepted at the average price of 99.286.

^d Includes \$57,962,000 noncompetitive tenders accepted at the average price of 98.447.