

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

[Circular No. 5203]
July 11, 1962

Results of Refunding of \$2 Billion of One-Year Bills

*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 July 15, 1962, and to mature July 15, 1963, which were offered on July 2, were opened at the Federal Reserve Banks on July 10.

The details of this issue are as follows:

Total applied for..	\$3,719,072,000	
Total accepted	\$2,000,393,000	(includes \$221,574,000 entered on a non-competitive basis and accepted in full at the average price shown below)
Range of accepted competitive bids (excepting five tenders totaling \$2,675,000):		
High	96.730	Equivalent rate of discount approx. 3.225% per annum
Low	96.682	Equivalent rate of discount approx. 3.273% per annum
Average	96.698	Equivalent rate of discount approx. 3.257% per annum ¹

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

<u>Federal Reserve District</u>	<u>Total applied for</u>	<u>Total accepted</u>
Boston	\$ 100,927,000	\$ 65,427,000
New York	2,456,472,000	1,198,397,000
Philadelphia	43,605,000	14,305,000
Cleveland	221,738,000	163,238,000
Richmond	22,610,000	16,010,000
Atlanta	42,710,000	35,310,000
Chicago	524,386,000	355,636,000
St. Louis	22,838,000	16,834,000
Minneapolis	31,885,000	5,885,000
Kansas City	49,782,000	34,782,000
Dallas	38,668,000	26,518,000
San Francisco	163,451,000	68,051,000
TOTAL.....	\$3,719,072,000	\$2,000,393,000

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 3.39 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.