

**FEDERAL RESERVE BANK  
OF NEW YORK**  
Fiscal Agent of the United States

[Circular No. 7870]  
May 10, 1976]

**RESULTS OF TREASURY'S MAY REFINANCING**

*To All Banking Institutions, and Others Concerned,  
in the Second Federal Reserve District:*

The following statement was issued May 7 by the Treasury Department:

Through the sale of the three issues offered in the May refinancing the Treasury raised approximately \$3.6 billion of new money and refunded \$5.5 billion of securities maturing May 15, 1976. The following table summarizes the results:

	<u>New Issues</u>				<u>Total</u>	<u>Maturing Securities Held</u>	<u>Net New Money Raised</u>
	<u>6-1/2%</u> <u>2-Year Notes</u> <u>(Series L-1978)</u>	<u>7-7/8%</u> <u>10-Year Notes</u> <u>(Series A-1986)</u>	<u>7-7/8%</u> <u>23-3/4-Year Bonds</u> <u>(Bonds of 1995-2000)</u>	<u>Non- marketable</u> <u>Special</u> <u>Issues</u>			
Public	\$2.0	\$4.7	\$0.8	—	\$7.5	\$4.1	\$3.4
Government accounts and Federal Reserve Banks	0.3	0.5	0.1	\$0.5	1.4	1.4	—
Foreign accounts (for cash)	0.2	—	—	—	0.2	—	0.2
<b>Total</b>	<u>\$2.5</u>	<u>\$5.2</u>	<u>\$0.9</u>	<u>\$0.5</u>	<u>\$9.1</u>	<u>\$5.5</u>	<u>\$3.6</u>

In addition the Treasury has released the following detailed results for each offering:

**RESULTS OF AUCTION OF 2-YEAR TREASURY NOTES**

(Notes of Series L-1978)

The Treasury has accepted \$2.0 billion of the \$4.4 billion of tenders received from the public for the 2-year notes, Series L-1978, auctioned today [May 4]. The range of accepted competitive bids was as follows:

Lowest yield .....	6.59% <sup>a</sup>
Highest yield .....	6.63%
Average yield .....	6.61%

The interest rate on the notes will be 6½%. At the 6½% rate, the above yields result in the following prices:

Low-yield price .....	99.837
High-yield price .....	99.765
Average-yield price .....	99.801

The \$2.0 billion of accepted tenders includes 61% of the amount of notes bid for at the highest yield and \$0.6 billion of noncompetitive tenders accepted at the average yield.

<sup>a</sup> Excepting two tenders totaling \$25,000.

In addition, \$0.5 billion of tenders were accepted at the average-yield price from Government accounts and Federal Reserve Banks for their own account in exchange for notes maturing May 15, 1976, and from Federal Reserve Banks as agents for foreign and international monetary authorities for new cash.

### RESULTS OF OFFERING OF 7-7/8 PERCENT, 10-YEAR TREASURY NOTES

(Notes of Series A-1986)

Preliminary figures indicate that approximately 41,000 subscriptions totalling \$8.9 billion were received from the public for the offering of \$3.5 billion of 7-7/8 percent, 10-year Treasury Notes of Series A-1986.

Due to the substantial response to the offering, the Secretary of the Treasury has exercised his authority to increase the size of the amount of the offering to accommodate all subscriptions accompanied by a 20 percent deposit and a 15 percent allotment on those subscriptions not accompanied by a 20 percent deposit.

Subscriptions for 500,000 or less accompanied by a deposit of 20 percent of the face value of the notes applied for totalled \$3.9 billion and will be allotted in full. Subscriptions not accompanied by the 20 percent deposit totalled \$5 billion and will be allotted 15 percent.

Approximately \$4.7 billion of the notes will be issued to the public. In addition, \$0.5 billion of the notes will be allotted to Government accounts and Federal Reserve Banks for their own account.

### RESULTS OF AUCTION OF 23-3/4-YEAR TREASURY BONDS

(Bonds of 1995-2000)

The Treasury has accepted \$0.8 billion of the \$1.5 billion of tenders received from the public for the 23-3/4-year 7-7/8% bonds auctioned today [May 7]. The range of accepted competitive bids was as follows:

	<i>Price</i>	<i>Approx. yield to first callable date</i>	<i>Approx. yield to maturity</i>
High .....	97.50 <sup>b</sup>	8.13%	8.11%
Low .....	96.36	8.26%	8.22%
Average .....	96.73	8.22%	8.19%

The \$0.8 billion of accepted tenders includes 19% of the amount of bonds bid for at the low price, and \$20 million of noncompetitive tenders accepted at the average price.

In addition, \$0.1 billion of tenders were accepted at the average price for Government accounts and Federal Reserve Banks.

<sup>b</sup>Excepting eight tenders totaling \$1,001,000.

PAUL A. VOLCKER,  
*President.*