

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

Circular No. 8018
December 21, 1976

RESULTS OF AUCTION OF 2-YEAR TREASURY NOTES
(Notes of Series U-1978)

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

The following statement was issued December 20 by the
Treasury Department:

The Treasury has accepted \$3,012 million of \$6,594 million
of tenders received from the public for the 2-year notes,
Series U-1978, auctioned today. The range of accepted competi-
tive bids was as follows:

Lowest yield.....5.29%
Highest yield.....5.38%
Average yield.....5.37%

The interest rate on the notes will be 5-1/4%. At the 5-1/4%
rate, the above yields result in the following prices:

Low-yield price.....99.925
High-yield price.....99.757
Average-yield price..99.775

The \$3,012 million of accepted tenders includes \$367 million of
noncompetitive tenders and \$2,445 million of competitive tenders
(including 61% of the amount of notes bid for at the high yield)
from private investors. It also includes \$200 million of tenders at
the average price from Federal Reserve Banks as agents for foreign
and international monetary authorities in exchange for maturing
securities.

In addition, \$362 million of tenders were accepted at the average
price from Government accounts and Federal Reserve Banks for their
own account in exchange for securities maturing December 31, 1976
(\$252 million), and from Federal Reserve Banks as agents for foreign
and international monetary authorities for new cash (\$110 million).

PAUL A. VOLCKER,
President.