

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

Circular No. 8281
February 21, 1978

RESULTS OF AUCTION OF 2-YEAR NOTES
AND CORRECTION OF RESULTS OF 3-1/4-YEAR NOTES.

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

The Treasury Department has released the following results of its auction on February 16 of 2-year notes of Series L-1980:

The Department of the Treasury has accepted \$3,238 million of \$5,220 million of tenders received from the public for the 2-year notes, Series L-1980, auctioned today [February 16]. The range of accepted competitive bids was as follows:

Lowest yield.....7.67^{1/2}%
Highest yield.....7.71%
Average yield.....7.70%

^{1/2}/ Excepting five tenders totaling \$15,480,000.

The interest rate on the notes will be 7-5/8%. At the 7-5/8% rate, the above yields result in the following prices:

Low-yield price.....99.918
High-yield price.....99.845
Average-yield price..99.863

The \$3,238 million of accepted tenders includes \$507 million of noncompetitive tenders and \$2,595 million of competitive tenders (including 1% of the amount of notes bid for at the high yield) from private investors. It also includes \$136 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, \$557 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 February 28, 1978 (\$53 million) and from Federal Reserve Banks as agents for foreign and international monetary authorities for new cash (\$504 million).

(Over)

In addition, the Treasury has informed this Bank of an error in the reporting of yield/price equivalents for the 3-1/4-year notes, Series M-1981, auctioned January 31. The results of the auction were announced in our Circular No. 8268, dated February 3, 1978. Following is the corrected price information:

Low-yield price.....	99.935
High-yield price.....	99.792
Average-yield price...	99.849

All other particulars regarding the results of the auction remain the same.

PAUL A. VOLCKER,
President.