

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

Circular No. 8306
March 29, 1978

RESULTS OF AUCTIONS OF 2-YEAR AND 5-YEAR 1-MONTH TREASURY NOTES

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

The following statements have been issued by the Treasury Department in connection with two recent auctions:

**RESULTS OF AUCTION OF 2-YEAR NOTES
(Notes of Series M-1980)**

The Department of the Treasury has accepted \$3,004 million of \$6,132 million of tenders received from the public for the 2-year notes, Series M-1980, auctioned today [March 22]. The range of accepted competitive bids was as follows:

Lowest yield.....7.50%^{1/}
Highest yield.....7.57%
Average yield.....7.56%

^{1/} Excepting three tenders totaling \$20,000.

The interest rate on the notes will be 7-1/2%. At the 7-1/2% rate, the above yields result in the following prices:

Low-yield price.....100.000
High-yield price..... 99.872
Average-yield price.. 99.891

The \$3,004 million of accepted tenders includes \$682 million of noncompetitive tenders and \$2,147 million of competitive tenders (including 70% of the amount of notes bid for at the high yield) from private investors. It also includes \$175 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, \$972 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 March 31, 1978 (\$312 million) and from Federal Reserve Banks as agents for foreign and international monetary authorities for new cash (\$660 million).

(Over)

Since the coupon rate on these notes will be 7-1/2%, the notes will be considered an additional issue of the 7-1/2% notes of Series C-1980. The Treasury circular governing the notes will be amended, effective March 31, 1978, to provide for the consolidation.

**RESULTS OF AUCTION OF 5-YEAR 1-MONTH NOTES
(Notes of Series C-1983)**

The Department of the Treasury has accepted \$2,505 million of \$5,586 million of tenders received from the public for the 5-year 1-month notes, Series C-1983, auctioned today [March 28]. The range of accepted competitive bids was as follows:

Lowest yield.....7.93%^{1/}
Highest yield.....7.95%
Average yield.....7.94%

^{1/}Excepting four tenders totaling \$162,000.

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

Low-yield price.....99.740
High-yield price.....99.657
Average-yield price..99.698

The \$2,505 million of accepted tenders includes \$378 million of noncompetitive tenders and \$2,127 million of competitive tenders (including 67% of the amount of notes bid for at the high yield) from private investors.

In addition, \$50 million of tenders were accepted at the average price from Federal Reserve Banks as agents for foreign and international monetary authorities for new cash.

PAUL A. VOLCKER,
President.