

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

At 8359

May 25, 1978

RESULTS OF AUCTION OF 2-YEAR TREASURY NOTES
(Notes of Series P-1980)

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

The following statement was issued by the Treasury
Department on May 23:

The Department of the Treasury has accepted \$2,400 million of
\$5,764 million of tenders received from the public for the 2-year
notes, Series P-1980, auctioned today. The range of accepted com-
petitive bids was as follows:

Lowest yield.....8.00%^{1/}
Highest yield.....8.10%
Average yield.....8.09%

^{1/} Excepting eight tenders totaling \$105,000.

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

Low-yield price.....100.000
High-yield price..... 99.819
Average-yield price.. 99.837

The \$2,400 million of accepted tenders includes \$988 million of
noncompetitive tenders and \$1,352 million of competitive tenders from
private investors, including 35% of the amount of notes bid for at the
high yield. It also includes \$60 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 to the \$2,400 million of tenders accepted in the auction
process, \$177 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 May 31, 1978 and \$470 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.