

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

At Eric No 8442
October 25, 1978

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

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

The following statement was issued yesterday by the Treasury Department:

The Department of the Treasury has accepted \$3,252 million of \$4,512 million of tenders received from the public for the 2-year notes, Series U-1980, auctioned today. The range of accepted competitive bids was as follows:

Lowest yield	8.90% ¹
Highest yield	8.98%
Average yield	8.94%

¹Excepting six tenders totaling \$390,000.

The interest rate on the notes will be 8 $\frac{1}{8}$ %. At the 8 $\frac{1}{8}$ % rate, the above yields result in the following prices:

Low-yield price	99.955
High-yield price	99.812
Average-yield price	99.883

The \$3,252 million of accepted tenders includes \$526 million of noncompetitive tenders and \$2,526 million of competitive tenders from private investors, including 22% of the amount of notes bid for at the high yield. 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 to the \$3,252 million of tenders accepted in the auction process, \$203 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 October 31, 1978, and \$300 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.