

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

At air. no. 8479  
December 21, 1978

RESULTS OF AUCTION OF 2-YEAR NOTES AND 4-YEAR NOTES

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

The following statements were issued by the Treasury  
Department:

RESULTS OF AUCTION OF 2-YEAR TREASURY NOTES

(Notes of Series W-1980)

The Department of the Treasury has accepted \$2,510 million of  
\$5,315 million of tenders received from the public for the 2-year  
notes, Series W-1980, auctioned today [December 19]. The range  
of accepted competitive bids was as follows:

Lowest yield ..... 9.97%\*  
Highest yield.....10.00%  
Average yield..... 9.99%

\* Excepting six tenders totaling \$2,840,000.

The interest rate on the notes will be 9-7/8%. At the 9-7/8%  
rate, the above yields result in the following prices:

Low-yield price.....99.832  
High-yield price.....99.779  
Average-yield price..99.797

The \$2,510 million of accepted tenders includes \$655 million of  
noncompetitive tenders and \$1,755 million of competitive tenders  
from private investors, including 54% of the amount of notes bid for  
at the high yield. It also includes \$100 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 \$2,510 million of tenders accepted in the auction  
process, \$450 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, 1978, and \$535 million of  
tenders were accepted at the average price from Federal Reserve Banks as  
agents for foreign and international monetary authorities for new cash.

(Over)

## RESULTS OF AUCTION OF 4-YEAR TREASURY NOTES

(Notes of Series L-1982)

The Department of the Treasury has accepted \$2,507 million of \$5,851 million of tenders received from the public for the 4-year notes, Series L-1982, auctioned today [December 20]. The range of accepted competitive bids was as follows:

Lowest yield	.9.43%*
Highest yield.....	9.47%
Average yield.....	9.45%

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\* Excepting four tenders totaling \$154,000.

The interest rate on the notes will be 9-3/8%. At the 9-3/8% rate, the above yields result in the following prices:

Low-yield price.....	99.820
High-yield price.....	99.690
Average-yield price..	99.755

The \$2,507 million of accepted tenders includes \$740 million of non-competitive tenders and \$1,667 million of competitive tenders from private investors, including 11% of the amount of notes bid for at the high yield. It also includes \$100 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 \$2,507 million of tenders accepted in the auction process \$437 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, 1978, and \$200 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.*