

FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

Circular No. 9892
July 3, 1985

OFFERING OF TWO SERIES OF TREASURY BILLS

\$7,200,000,000 of 91-Day Bills, To Be Issued July 11, 1985, Due October 10, 1985

\$7,200,000,000 of 182-Day Bills, To Be Issued July 11, 1985, Due January 9, 1986

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

Following is the text of a notice issued by the Treasury Department:

The Department of the Treasury, by this public notice, invites tenders for two series of Treasury bills totaling approximately \$14,400 million, to be issued July 11, 1985. This offering will provide about \$425 million of new cash for the Treasury, as the maturing bills are outstanding in the amount of \$13,971 million. Tenders will be received at Federal Reserve Banks and Branches and at the Bureau of the Public Debt, Washington, D.C. 20239, prior to 1:00 p.m., Eastern Daylight Saving time, Monday, July 8, 1985. The two series offered are as follows:

91-day bills (to maturity date) for approximately \$7,200 million, representing an additional amount of bills dated April 11, 1985, and to mature October 10, 1985 (CUSIP No. 912794 JB1), currently outstanding in the amount of \$6,848 million, the additional and original bills to be freely interchangeable.

182-day bills for approximately \$7,200 million, to be dated July 11, 1985, and to mature January 9, 1986 (CUSIP No. 912794 JM7).

The bills will be issued on a discount basis under competitive and non-competitive bidding, and at maturity their par amount will be payable without interest. Both series of bills will be issued entirely in book-entry form in a minimum amount of \$10,000 and in any higher \$5,000 multiple, on the records either of the Federal Reserve Banks and Branches, or of the Department of the Treasury.

The bills will be issued for cash and in exchange for Treasury bills maturing July 11, 1985. In addition to the maturing 13-week and 26-week bills, there are \$8,408 million of maturing 52-week bills. The disposition of this latter amount was announced last week. Tenders from Federal Reserve Banks for their own account and as agents for foreign and international monetary authorities will be accepted at the weighted average bank discount rates of accepted competitive tenders. Additional amounts of the bills may be issued to Federal Reserve Banks, as agents for foreign and international monetary authorities, to the extent that the aggregate amount of tenders for such accounts exceeds the aggregate amount of maturing bills held by them. For purposes of determining such additional amounts, foreign and international monetary authorities are considered to hold \$931 million of the original 13-week and 26-week issues. Federal Reserve Banks currently hold \$1,206 million as agents for foreign and international monetary authorities, and \$5,118 million for their own account. These amounts represent the combined holdings of such accounts for the three issues of maturing bills. Tenders for bills to be maintained on the book-entry records of the Department of the Treasury should be submitted on Form PD 4632-2 (for 26-week series) or Form PD 4632-3 (for 13-week series).

Each tender must state the par amount of bills bid for, which must be a minimum of \$10,000. Tenders over \$10,000 must be in multiples of \$5,000. Competitive tenders must also show the yield desired, expressed on a bank discount rate basis with two decimals, e.g., 7.15%. Fractions may not be used. A single bidder, as defined in Treasury's single bidder guidelines, shall not submit noncompetitive tenders totaling more than \$1,000,000.

Banking institutions and dealers who make primary markets in Government securities and report daily to the Federal Reserve Bank of New York their positions in and borrowings on such securities may submit tenders for account of customers, if the names of the customers and the amount for each customer are furnished. Others are only permitted to submit tenders for their own account. Each tender must state the amount of any net long position in the bills being offered if such position is in excess of \$200 million. This information should reflect positions held as of 12:30 p.m., Eastern time, on the day of the auction. Such positions would include bills acquired through "when issued" trading, and futures and forward transactions as well as holdings of outstanding bills with the same maturity date as

This Bank will receive tenders for both series prior to 1:00 p.m., Eastern Daylight Saving time, Monday, July 8, 1985, at the Securities Department of its Head Office and at its Buffalo Branch. Tender forms for both series are enclosed. Please be sure to use them to submit tenders and return them in the enclosed envelope. Forms for submitting tenders directly to the Treasury are available from the Government Bond Division of this Bank. Tenders not requiring a deposit may be submitted by telegraph, subject to written confirmation; no tenders may be submitted by telephone. Settlement must be made in cash or other immediately available funds or in Treasury securities maturing on or before the issue date. Treasury Tax and Loan Note Option Depositaries may make payment for Treasury bills by credit to their Treasury Tax and Loan Note Accounts.

Results of the last weekly offering are shown on the reverse side of this circular.

E. GERALD CORRIGAN,
President.

(OVER)

RESULTS OF LAST WEEKLY OFFERING OF TREASURY BILLS
(TWO SERIES TO BE ISSUED JULY 5, 1985)

RANGE OF ACCEPTED COMPETITIVE BIDS:	13-week bills			:	26-week bills		
	maturing October 3, 1985			:	maturing January 2, 1986		
	Discount Rate	Investment Rate 1/ Price	Price	:	Discount Rate	Investment Rate 1/ Price	Price
Low	6.98% ^{a/}	7.20%	98.255	:	7.06%	7.42%	96.450
High	7.01%	7.23%	98.248	:	7.09%	7.45%	96.435
Average	7.00%	7.22%	98.250	:	7.08%	7.44%	96.440

^{a/} Excepting 1 tender of \$1,700,000.

Tenders at the high discount rate for the 13-week bills were allotted 42%.
Tenders at the high discount rate for the 26-week bills were allotted 90%.

TENDERS RECEIVED AND ACCEPTED
(In Thousands)

<u>Location</u>	<u>Received</u>	<u>Accepted</u>	:	<u>Received</u>	<u>Accepted</u>
Boston	\$ 56,450	\$ 56,450	:	\$ 38,915	\$ 38,915
New York	15,563,335	6,065,185	:	15,459,270	5,930,050
Philadelphia	31,700	31,700	:	21,710	21,710
Cleveland	56,100	56,100	:	32,900	32,900
Richmond	54,330	44,330	:	56,640	55,590
Atlanta	36,165	35,165	:	33,565	32,565
Chicago	1,018,430	156,430	:	1,061,785	154,640
St. Louis	53,335	33,335	:	44,955	21,455
Minneapolis	13,745	13,745	:	14,380	14,380
Kansas City	48,210	46,710	:	65,725	62,725
Dallas	44,615	34,615	:	35,045	25,045
San Francisco	1,687,255	119,255	:	1,088,955	290,955
Treasury	308,995	308,995	:	323,075	323,075
TOTALS	\$18,972,665	\$7,002,015	:	\$18,276,920	\$7,004,005
<u>Type</u>			:		
Competitive	\$16,052,020	\$4,081,370	:	\$15,121,860	\$3,848,945
Noncompetitive	1,107,575	1,107,575	:	950,820	950,820
Subtotal, Public	\$17,159,595	\$5,188,945	:	\$16,072,680	\$4,799,765
Federal Reserve	1,500,310	1,500,310	:	1,400,000	1,400,000
Foreign Official Institutions	312,760	312,760	:	804,240	804,240
TOTALS	\$18,972,665	\$7,002,015	:	\$18,276,920	\$7,004,005

An additional \$9,040 thousand of 13-week bills and an additional \$19,460 thousand of 26-week bills will be issued to foreign official institutions for new cash.

^{1/} Equivalent coupon-issue yield.