

FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

Circular No. 9905
August 7, 1985

OFFERING OF TWO SERIES OF TREASURY BILLS

\$7,200,000,000 of 91-Day Bills, To Be Issued August 15, 1985, Due November 14, 1985

\$7,200,000,000 of 182-Day Bills, To Be Issued August 15, 1985, Due February 13, 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 August 15, 1985. This offering will provide about \$375 million of new cash for the Treasury, as the maturing bills are outstanding in the amount of \$14,036 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, August 12, 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 May 16, 1985, and to mature November 14, 1985 (CUSIP No. 912794 JF2), currently outstanding in the amount of \$7,039 million, the additional and original bills to be freely interchangeable.

182-day bills for approximately \$7,200 million, to be dated August 15, 1985, and to mature February 13, 1986 (CUSIP No. 912794 JS4).

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 August 15, 1985. 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. Federal Reserve Banks currently hold \$1,454 million as agents for foreign and international monetary authorities, and \$2,889 million for their own account. 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 the new offering, e.g., bills with three months to maturity previously offered as six-month bills. Dealers, who make primary markets in Government securities and report daily to the Federal Reserve Bank of New York

This Bank will receive tenders for both series prior to 1:00 p.m., Eastern Daylight Saving time, Monday, August 12, 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 Depositories 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 AUGUST 8, 1985)

RANGE OF ACCEPTED COMPETITIVE BIDS:	13-week bills			:	26-week bills		
	maturing November 7, 1985			:	maturing February 6, 1986		
	Discount	Investment		:	Discount	Investment	
	Rate	Rate 1/	Price	:	Rate	Rate 1/	Price
Low	7.29%	7.53%	98.157	:	7.51%	7.92%	96.203
High	7.30%	7.54%	98.155	:	7.53%	7.94%	96.193
Average	7.30%	7.54%	98.155	:	7.52%	7.93%	96.198

Tenders at the high discount rate for the 13-week bills were allotted 37%.
Tenders at the high discount rate for the 26-week bills were allotted 7%.

TENDERS RECEIVED AND ACCEPTED
(In Thousands)

<u>Location</u>	<u>Received</u>	<u>Accepted</u>	:	<u>Received</u>	<u>Accepted</u>
Boston	\$ 46,700	\$ 44,700	:	\$ 48,590	\$ 48,590
New York	28,764,510	6,322,040	:	19,579,455	6,050,965
Philadelphia	35,415	35,385	:	23,420	23,420
Cleveland	110,025	57,650	:	125,995	35,995
Richmond	57,745	47,745	:	86,915	52,755
Atlanta	55,180	49,750	:	113,265	103,265
Chicago	1,187,190	107,190	:	1,141,415	190,710
St. Louis	91,960	51,960	:	96,585	56,585
Minneapolis	65,670	15,670	:	47,210	47,210
Kansas City	94,810	64,125	:	68,295	64,295
Dallas	41,630	31,630	:	35,415	25,765
San Francisco	1,584,270	86,270	:	1,537,960	146,540
Treasury	321,780	321,780	:	382,100	382,100
TOTALS	\$32,456,885	\$7,235,895	:	\$23,286,620	\$7,228,195
<u>Type</u>			:		
Competitive	\$29,119,340	\$3,898,350	:	\$20,232,045	\$4,173,620
Noncompetitive	1,219,920	1,219,920	:	1,168,975	1,168,975
Subtotal, Public	\$30,339,260	\$5,118,270	:	\$21,401,020	\$5,342,595
Federal Reserve	1,439,425	1,439,425	:	1,400,000	1,400,000
Foreign Official			:		
Institutions	678,200	678,200	:	485,600	485,600
TOTALS	\$32,456,885	\$7,235,895	:	\$23,286,620	\$7,228,195

1/ Equivalent coupon-issue yield.