

FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

Circular No. 9964
December 4, 1985

OFFERING OF TWO SERIES OF TREASURY BILLS

\$7,600,000,000 of 91-Day Bills, To Be Issued December 12, 1985, Due March 13, 1986

\$7,600,000,000 of 182-Day Bills, To Be Issued December 12, 1985, Due June 12, 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 \$15,200 million, to be issued December 12, 1985. This offering will provide about \$925 million of new cash for the Treasury, as the maturing bills are outstanding in the amount of \$14,268 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 Standard time, Monday, December 9, 1985. The two series offered are as follows:

91-day bills (to maturity date) for approximately \$7,600 million, representing an additional amount of bills dated September 12, 1985, and to mature March 13, 1986 (CUSIP No. 912794 JW5), currently outstanding in the amount of \$7,238 million, the additional and original bills to be freely interchangeable.

182-day bills (to maturity date) for approximately \$7,600 million, representing an additional amount of bills dated June 13, 1985, and to mature June 12, 1986 (CUSIP No. 912794 KK9), currently outstanding in the amount of \$8,533 million, the additional and original bills to be freely interchangeable.

The Treasury will postpone the auctions unless it has assurance of Congressional action on legislation to raise the statutory debt limit before the scheduled auction date of December 9, 1985.

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 December 12, 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 \$1,085 million as agents for foreign and international monetary authorities, and \$3,753 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

This Bank will receive tenders for both series prior to 1:00 p.m., Eastern Standard time, Monday, December 9, 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 DECEMBER 5, 1985)**

RANGE OF ACCEPTED COMPETITIVE BIDS:	<u>13-week bills</u>			:	<u>26-week bills</u>		
	<u>maturing March 6, 1986</u>			:	<u>maturing June 5, 1986</u>		
	<u>Discount</u>	<u>Investment</u>		:	<u>Discount</u>	<u>Investment</u>	
	<u>Rate</u>	<u>Rate 1/</u>	<u>Price</u>	:	<u>Rate</u>	<u>Rate 1/</u>	<u>Price</u>
Low	7.16%	7.39%	98.190	:	7.24%	7.62%	96.340
High	7.20%	7.44%	98.180	:	7.27%	7.65%	96.325
Average	7.19%	7.42%	98.183	:	7.26%	7.64%	96.330

Tenders at the high discount rate for the 13-week bills were allotted 74%.
Tenders at the high discount rate for the 26-week bills were allotted 93%.

**TENDERS RECEIVED AND ACCEPTED
(In Thousands)**

<u>Location</u>	<u>Received</u>	<u>Accepted</u>	:	<u>Received</u>	<u>Accepted</u>
Boston	\$ 45,400	\$ 45,400	:	\$ 33,465	\$ 33,465
New York	15,037,605	6,524,885	:	16,876,115	6,582,595
Philadelphia	19,325	19,325	:	18,440	18,440
Cleveland	47,695	47,695	:	31,180	31,180
Richmond	45,810	45,810	:	43,690	43,690
Atlanta	46,975	46,975	:	46,305	45,535
Chicago	1,555,000	212,000	:	1,503,310	256,710
St. Louis	87,780	47,780	:	90,705	50,705
Minneapolis	11,150	11,150	:	11,875	11,875
Kansas City	60,660	59,925	:	48,905	48,905
Dallas	41,545	41,545	:	33,150	27,800
San Francisco	1,428,580	189,580	:	1,691,670	134,670
Treasury	<u>319,440</u>	<u>319,440</u>	:	<u>320,160</u>	<u>320,160</u>
TOTALS	\$18,746,965	\$7,611,510	:	\$20,748,970	\$7,605,730
<u>Type</u>					
Competitive	\$15,648,555	\$4,513,100	:	\$17,798,110	\$4,654,870
Noncompetitive	<u>1,065,110</u>	<u>1,065,110</u>	:	<u>841,060</u>	<u>841,060</u>
Subtotal, Public	\$16,713,665	\$5,578,210	:	\$18,639,170	\$5,495,930
Federal Reserve	1,775,900	1,775,900	:	1,700,000	1,700,000
Foreign Official Institutions	<u>257,400</u>	<u>257,400</u>	:	<u>409,800</u>	<u>409,800</u>
TOTALS	\$18,746,965	\$7,611,510	:	\$20,748,970	\$7,605,730

1/ Equivalent coupon-issue yield.