

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

Circular No. 9979  
January 2, 1986

TREASURY AUCTION OF 7-YEAR NOTES AND 20-YEAR 1-MONTH BONDS  
TOTALING \$11,250 MILLION

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

The following statement has been issued by the Treasury Department:

The Department of the Treasury will auction \$6,500 million of 7-year notes and \$4,750 million of 20-year 1-month bonds to raise new cash. Additional amounts of the securities may be issued to Federal Reserve Banks as agents for foreign and international monetary authorities at the average price of accepted competitive tenders.

*The 20-year 1-month bond will become eligible for STRIPS (Separate Trading of Registered Interest and Principal of Securities) on August 18, 1986.*

The 20-year bond will be eligible for conversion to STRIPS. Information about this feature is set forth in the Treasury Department's official offering circular. Questions regarding procedures for requesting securities in STRIPS form should be directed to Daniel Bolwell, Chief, Securities Transfer Division (Tel. No. 212-791-5379).

Printed on the reverse side is a table summarizing the highlights of the offerings. Copies of the official offering circulars will be furnished upon request directed to our Government Bond Division (Tel. No. 212-791-6619). In addition, enclosed are copies of the forms to be used in submitting tenders.

This Bank will receive tenders at the Securities Department of its Head Office and at its Buffalo Branch on the dates and times specified on the reverse side of this circular as the deadlines for receipt of tenders. *All competitive tenders*, whether transmitted by mail or by other means, must reach this Bank or its Branch by that time on the specified dates. However, for investors who wish to submit noncompetitive tenders and who find it more convenient to mail their tenders than to present them in person, the official offering circular for each offering provides that *noncompetitive* tenders will be considered timely received if they are mailed to this Bank or its Branch under a postmark no later than the date preceding the date specified for receipt of tenders.

Bidders submitting noncompetitive tenders should realize that it is possible that the average price may be above par, in which case they would have to pay more than the face value for the securities.

Payment with a tender may be made in cash, by check, in Treasury securities maturing on or before the issue date of the securities being purchased, by a charge to an institution's reserve account at this Bank, or, in the case of Treasury Tax and Loan Note Option Depositories, by credit to a Treasury Tax and Loan Note Account. Payment by check must be in the form of an official bank check, a Federal funds check (a check drawn by a depository institution on its Federal Reserve account), or a personal check, which need not be certified. All checks must be drawn payable to the Federal Reserve Bank of New York; *checks endorsed to this Bank will not be accepted.*

Recorded messages provide information about Treasury offerings and about auction results: at the Head Office — Tel. No. 212-791-7773 (offerings) and Tel. No. 212-791-5823 (results); at the Buffalo Branch — Tel. No. 716-849-5158 (offerings) and Tel. No. 716-849-5046 (results). Additional inquiries regarding this offering may be made by calling, at the Head Office, Tel. No. 212-791-6619, or, at the Buffalo Branch, Tel. No. 716-849-5016.

E. GERALD CORRIGAN,  
*President.*

(Over)

**HIGHLIGHTS OF TREASURY  
OFFERINGS TO THE PUBLIC  
OF 7-YEAR NOTES AND 20-YEAR 1-MONTH BONDS  
TO BE ISSUED JANUARY 15, 1986**

	<u>7-Year Notes</u>	<u>20-Year 1-Month Bonds</u>
<b>Amount Offered:</b>		
To the public .....	\$6,500 million	\$4,750 million
<b>Description of Security:</b>		
Term and type of security .....	7-year notes	20-year 1-month bonds
Series and CUSIP designation .....	Series E-1993 (CUSIP No. 912827 TC6)	Bonds of 2006 (CUSIP No. 912810 DU9)
Issue date .....	January 15, 1986	January 15, 1986
Maturity date .....	January 15, 1993	February 15, 2006
Call date .....	No provision	No provision
Interest rate .....	To be determined, based on the average of accepted bids	To be determined, based on the average of accepted bids
Investment yield .....	To be determined at auction	To be determined at auction
Premium or discount .....	To be determined after auction	To be determined after auction
Interest payment dates .....	July 15 and January 15 (first payment on July 15, 1986)	August 15 and February 15 (first payment on August 15, 1986)
Minimum denomination available ..	\$1,000	\$1,000
<b>Terms of Sale:</b>		
Method of sale .....	Yield auction	Yield auction
Competitive tenders .....	Must be expressed as an annual yield, with two decimals, e.g., 7.10%	Must be expressed as an annual yield, with two decimals, e.g., 7.10%
Noncompetitive tenders .....	Accepted in full at the average price up to \$1,000,000	Accepted in full at the average price up to \$1,000,000
Accrued interest payable by investor ..	None	None
Payment through Treasury Tax and Loan (TT&L) Note Accounts .....	Acceptable for TT&L Note Option Depositories	Acceptable for TT&L Note Option Depositories
Payment by non-institutional investors .....	Full Payment to be submitted with tender	Full Payment to be submitted with tender
Deposit guarantee by designated institutions .....	Acceptable	Acceptable
<b>Key Dates:</b>		
Receipt of tenders .....	Tuesday, January 7, 1986, prior to 1:00 p.m., EST	Wednesday, January 8, 1986, prior to 1:00 p.m., EST
<b>Settlement</b> (final payment due from institutions)		
a) cash or Federal funds .....	Wednesday, January 15, 1986	Wednesday, January 15, 1986
b) readily collectible check .....	Monday, January 13, 1986	Monday, January 13, 1986

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# TREASURY NEWS



Department of the Treasury • Washington, D.C. • Telephone 566-2041

## RESULTS OF AUCTION OF 7-YEAR NOTES

Auction date: January 7, 1986

The Department of the Treasury has accepted \$6,505 million of \$14,112 million of tenders received from the public for the 7-year notes, Series E-1993, auctioned today. The notes will be issued January 15, 1986, and mature January 15, 1993.

The interest rate on the notes will be 8-3/4%. The range of accepted competitive bids, and the corresponding prices at the 8-3/4% interest rate are as follows:

	<u>Yield</u>	<u>Price</u>
Low	8.82%	99.640
High	8.87%	99.384
Average	8.85%	99.486

Tenders at the high yield were allotted 39%.

### TENDERS RECEIVED AND ACCEPTED (In Thousands)

<u>Location</u>	<u>Received</u>	<u>Accepted</u>
Boston	\$ 8,266	\$ 8,266
New York	12,064,972	5,590,452
Philadelphia	5,550	5,550
Cleveland	265,449	265,449
Richmond	32,513	24,463
Atlanta	33,969	33,969
Chicago	923,440	300,380
St. Louis	72,146	54,536
Minneapolis	11,550	11,550
Kansas City	39,621	39,121
Dallas	8,116	8,116
San Francisco	646,033	162,153
Treasury	645	645
<b>Totals</b>	<b>\$14,112,270</b>	<b>\$6,504,650</b>

The \$6,505 million of accepted tenders includes \$434 million of noncompetitive tenders and \$6,071 million of competitive tenders from the public.

RESULTS OF AUCTION OF 20-YEAR 1-MONTH BONDS

Auction date: January 8, 1986

The Department of the Treasury has accepted \$4,750 million of \$12,932 million of tenders received from the public for the 20-year 1-month bonds auctioned today. The bonds will be issued January 15, 1986, and mature February 15, 2006.

The interest rate on the bonds will be 9-3/8%.<sup>1/</sup> The range of accepted competitive bids, and the corresponding prices at the 9-3/8% interest rate are as follows:

	<u>Yield</u>	<u>Price</u>
Low	9.35%	100.190
High	9.45%	99.295
Average	9.43%	99.473

Tenders at the high yield were allotted 94%.

TENDERS RECEIVED AND ACCEPTED (In Thousands)

<u>Location</u>	<u>Received</u>	<u>Accepted</u>
Boston	\$ 1,539	\$ 1,539
New York	11,756,728	4,499,179
Philadelphia	1,085	1,085
Cleveland	30,416	9,816
Richmond	11,761	5,761
Atlanta	12,635	7,635
Chicago	527,193	115,953
St. Louis	77,728	61,728
Minneapolis	7,337	7,337
Kansas City	9,880	9,880
Dallas	285	285
San Francisco	495,038	29,838
Treasury	282	282
Totals	<u>\$12,931,907</u>	<u>\$4,750,318</u>

The \$4,750 million of accepted tenders includes \$299 million of noncompetitive tenders and \$4,451 million of competitive tenders from the public.

<sup>1/</sup> When the bonds become eligible for STRIPS on August 18, 1986, the minimum par amount required will be \$64,000. Larger amounts must be in multiples of that amount.