

FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

Circular No. 9982
January 8, 1986

OFFERING OF TWO SERIES OF TREASURY BILLS

\$7,400,000,000 of 91-Day Bills, To Be Issued January 16, 1986, Due April 17, 1986

\$7,400,000,000 of 182-Day Bills, To Be Issued January 16, 1986, Due July 17, 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 \$14,800 million, to be issued January 16, 1986. This offering will provide about \$475 million of new cash for the Treasury, as the maturing bills are outstanding in the amount of \$14,315 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, January 13, 1986. The two series offered are as follows:

91-day bills (to maturity date) for approximately \$7,400 million, representing an additional amount of bills dated April 18, 1985, and to mature April 17, 1986 (CUSIP No. 912794 KB9), currently outstanding in the amount of \$15,400 million, the additional and original bills to be freely interchangeable.

182-day bills for approximately \$7,400 million, to be dated January 16, 1986, and to mature July 17, 1986 (CUSIP No. 912794 KW3).

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 January 16, 1986. 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 \$881 million as agents for foreign and international monetary authorities, and \$3,217 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 Standard time, Monday, January 13, 1986, 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 JANUARY 9, 1986)

RANGE OF ACCEPTED COMPETITIVE BIDS:	13-week bills			:	26-week bills		
	maturing April 10, 1986			:	maturing July 10, 1986		
	Discount Rate	Investment Rate 1/ Price		:	Discount Rate	Investment Rate 1/ Price	
Low	7.02%	7.24%	98.226	:	7.09% ^{a/}	7.45%	96.416
High	7.06%	7.29%	98.215	:	7.11%	7.48%	96.406
Average	7.05%	7.28%	98.218	:	7.11%	7.48%	96.406

^{a/} Excepting 1 tender of \$5,000,000.

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 66%.

TENDERS RECEIVED AND ACCEPTED
(In Thousands)

<u>Location</u>	<u>Received</u>	<u>Accepted</u>	:	<u>Received</u>	<u>Accepted</u>
Boston	\$ 66,020	\$ 62,020	:	\$ 42,570	\$ 38,570
New York	22,660,385	6,165,565	:	18,022,010	6,422,690
Philadelphia	41,565	41,565	:	17,615	17,615
Cleveland	51,535	50,820	:	82,180	32,180
Richmond	96,110	46,110	:	61,505	47,255
Atlanta	65,980	53,180	:	105,230	58,320
Chicago	1,559,425	141,620	:	1,481,215	103,425
St. Louis	87,725	47,725	:	76,750	36,750
Minneapolis	117,020	38,020	:	68,860	18,860
Kansas City	68,675	68,675	:	59,865	58,865
Dallas	47,535	37,535	:	31,205	24,505
San Francisco	1,490,815	280,655	:	1,279,400	179,520
Treasury	369,440	369,440	:	388,680	388,680
TOTALS	\$26,722,230	\$7,402,930	:	\$21,717,085	\$7,427,235
<u>Type</u>			:		
Competitive	\$23,524,250	\$4,204,950	:	\$18,495,465	\$4,205,615
Noncompetitive	1,299,445	1,299,445	:	976,520	976,520
Subtotal, Public	\$24,823,695	\$5,504,395	:	\$19,471,985	\$5,182,135
Federal Reserve	1,718,535	1,718,535	:	1,650,000	1,650,000
Foreign Official Institutions	180,000	180,000	:	595,100	595,100
TOTALS	\$26,722,230	\$7,402,930	:	\$21,717,085	\$7,427,235

^{1/} Equivalent coupon-issue yield.