

FEDERAL RESERVE BANK OF NEW YORK

Fiscal Agent of the United States

Circular No. 10,010
March 5, 1986

OFFERING OF TWO SERIES OF TREASURY BILLS

\$6,800,000,000 of 91-Day Bills, To Be Issued March 13, 1986, Due June 12, 1986
\$6,800,000,000 of 182-Day Bills, To Be Issued March 13, 1986, Due September 11, 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 \$13,600 million, to be issued March 13, 1986. This offering will result in a paydown for the Treasury of about \$1,275 million, as the maturing bills are outstanding in the amount of \$14,866 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, March 10, 1986. The two series offered are as follows:

91-day bills (to maturity date) for approximately \$6,800 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 \$16,161 million, the additional and original bills to be freely interchangeable.

182-day bills for approximately \$6,800 million, to be dated March 13, 1986, and to mature September 11, 1986 (CUSIP No. 912794 LC6).

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 March 13, 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 \$1,427 million as agents for foreign and international monetary authorities, and \$3,586 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, March 10, 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 MARCH 6, 1986)

RANGE OF ACCEPTED COMPETITIVE BIDS:	13-week bills			:	26-week bills		
	maturing June 5, 1986			:	maturing September 4, 1986		
	Discount	Investment		:	Discount	Investment	
	Rate	Rate 1/	Price	:	Rate	Rate 1/	Price
Low	6.92% <u>a/</u>	7.14%	98.251	:	6.86%	7.20%	96.532
High	6.92%	7.14%	98.251	:	6.88%	7.23%	96.522
Average	6.92%	7.14%	98.251	:	6.87%	7.22%	96.527

a/ Excepting 1 tender of \$10,000,000.

Tenders at the high discount rate for the 13-week bills were allotted 59%.
Tenders at the high discount rate for the 26-week bills were allotted 5%.

TENDERS RECEIVED AND ACCEPTED
(In Thousands)

<u>Location</u>	<u>Received</u>	<u>Accepted</u>	:	<u>Received</u>	<u>Accepted</u>
Boston	\$ 41,840	\$ 41,840	:	\$ 46,295	\$ 46,295
New York	28,325,485	5,974,615	:	19,954,000	5,983,405
Philadelphia	22,200	22,200	:	18,490	18,490
Cleveland	70,570	44,800	:	35,800	35,800
Richmond	45,470	45,470	:	87,960	47,010
Atlanta	59,055	58,055	:	59,515	39,265
Chicago	1,282,850	81,850	:	1,394,525	77,025
St. Louis	91,685	55,185	:	82,945	50,195
Minneapolis	40,275	14,675	:	43,115	18,115
Kansas City	63,875	60,775	:	49,075	49,075
Dallas	51,340	41,340	:	34,030	28,030
San Francisco	1,339,085	83,260	:	864,410	71,210
Treasury	<u>333,300</u>	<u>333,300</u>	:	<u>347,685</u>	<u>347,685</u>
TOTALS	\$31,767,030	\$6,857,365	:	\$23,017,845	\$6,811,600
<u>Type</u>			:		
Competitive	\$28,695,665	\$3,786,000	:	\$19,399,735	\$3,193,490
Noncompetitive	<u>1,149,665</u>	<u>1,149,665</u>	:	<u>983,810</u>	<u>983,810</u>
Subtotal, Public	\$29,845,330	\$4,935,665	:	\$20,383,545	\$4,177,300
Federal Reserve	1,748,900	1,748,900	:	1,650,000	1,650,000
Foreign Official			:		
Institutions	<u>172,800</u>	<u>172,800</u>	:	<u>984,300</u>	<u>984,300</u>
TOTALS	\$31,767,030	\$6,857,365	:	\$23,017,845	\$6,811,600

1/ Equivalent coupon-issue yield.