

**FEDERAL RESERVE BANK  
OF NEW YORK**

Fiscal Agent of the United States

Circular No. 10,021  
April 4, 1986

**Offering of \$9,250,000,000 of 364-Day Treasury Bills**

**Dated April 17, 1986**

**Due April 16, 1987**

*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 approximately \$9,250 million of 364-day Treasury bills to be dated April 17, 1986, and to mature April 16, 1987 (CUSIP No. 912794 MF8). This issue will provide about \$900 million of new cash for the Treasury, as the maturing 52-week bill is outstanding in the amount of \$8,362 million. Tenders will be received at the 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, Thursday, April 10, 1986.

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. This 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 April 17, 1986. In addition to the maturing 52-week bills, there are \$14,550 million of maturing bills which were originally issued as 13-week and 26-week bills. The disposition of this latter amount will be announced next week. Federal Reserve Banks currently hold \$1,687 million as agents for foreign and international monetary authorities, and \$5,360 million for their own account. These amounts represent the combined holdings of such accounts for the three issues of maturing bills. 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 rate 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. For purposes of determining such additional amounts, foreign and international monetary authorities are considered to hold \$125 million of the original 52-week issue. Tenders for bills to be maintained on the book-entry records of the Department of the Treasury should be submitted on Form PD 4632-1.

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 their positions in and borrowings on such securities, when submitting

Tenders will be received prior to 1:00 p.m., Eastern Standard time, Thursday, April 10, 1986 at the Securities Department of this Bank's Head Office, at our Buffalo Branch, or at the Bureau of the Public Debt. A tender form is enclosed. Please be sure to use that form to submit the tender and return it 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 previous 52-week bill offering are shown on the reverse side of this circular.

**E. GERALD CORRIGAN, *President*.**

(OVER)

RESULTS OF PREVIOUS 52-WEEK OFFERING OF TREASURY BILLS  
(ISSUED MARCH 20, 1986)

RANGE OF ACCEPTED COMPETITIVE BIDS:

	Discount Rate	Investment Rate (Equivalent Coupon-Issue Yield)	Price
Low -	6.59%	7.03%	93.337
High -	6.63%	7.08%	93.296
Average -	6.61%	7.06%	93.317

Tenders at the high discount rate were allotted 59%.

TENDERS RECEIVED AND ACCEPTED  
(In Thousands)

<u>Location</u>	<u>Received</u>	<u>Accepted</u>
Boston	\$ 19,150	\$ 19,150
New York	19,264,070	7,522,120
Philadelphia	7,200	7,200
Cleveland	15,960	15,960
Richmond	60,960	60,960
Atlanta	32,970	28,870
Chicago	1,550,485	377,835
St. Louis	79,110	53,110
Minneapolis	13,865	13,865
Kansas City	44,720	44,720
Dallas	6,705	6,705
San Francisco	1,278,270	737,850
Treasury	125,595	125,595
<b>TOTALS</b>	<b>\$22,499,060</b>	<b>\$9,013,940</b>

  

<u>Type</u>		
Competitive	\$19,500,275	\$6,015,155
Noncompetitive	548,785	548,785
Subtotal, Public	\$20,049,060	\$6,563,940
Federal Reserve	2,250,000	2,250,000
Foreign Official Institutions	200,000	200,000
<b>TOTALS</b>	<b>\$22,499,060</b>	<b>\$9,013,940</b>

An additional \$200,000 thousand of the bills will be issued to foreign official institutions for new cash.