

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

Circular No. 10135
January 9, 1987

Offering of \$9,750,000,000 of 364-Day Treasury Bills

Dated January 22, 1987

Due January 21, 1988

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

The 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 \$9,750 million of 364-day Treasury bills to be dated January 22, 1987, and to mature January 21, 1988 (CUSIP No. 912794 NX8). This issue will provide about \$550 million of new cash for the Treasury, as the maturing 52-week bill is outstanding in the amount of \$9,189 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, Thursday, January 15, 1987.**

The bills will be issued on a discount basis under competitive and noncompetitive 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.

This offering represents the first 52-week bill for which book-entry accounts to be maintained by the Department of the Treasury will be held in the TREASURY DIRECT Book-entry Securities System.

The bills will be issued for cash and in exchange for Treasury bills maturing January 22, 1987. In addition to the maturing 52-week bills, there are \$15,234 million of maturing 13-week and 26-weeks bills and \$4,010 million of maturing 79-day cash management bills. The disposition of these two latter amounts will be announced next week. Federal Reserve Banks currently hold \$2,226 million as agents for foreign and international monetary authorities, and \$6,405 million for their own account. These amounts represent the combined holdings of such accounts for the four 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 \$180 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 5176-3.

This Bank will receive tenders at the time indicated in the above notice at the Securities Department of its Head Office and at its Buffalo Branch. 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 may not be submitted by telephone. Settlement must be made in cash or other immediately available funds or in maturing Treasury securities. Treasury Tax and Loan Note Option Depositories may make payment for Treasury bills by credit to their Treasury Tax and Loan Note Accounts.

A document containing the standard terms and conditions of Treasury bill offerings may be obtained from the Circulars Division of this Bank. 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 DECEMBER 26, 1986)**

RANGE OF ACCEPTED COMPETITIVE BIDS:

	<u>Discount Rate</u>	<u>Investment Rate (Equivalent Coupon-Issue Yield)</u>	<u>Price</u>
Low -	5.57%	5.90%	94.384
High -	5.61%	5.94%	94.343
Average -	5.60%	5.93%	94.353

Tenders at the high discount rate were allotted 76%.

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

<u>Location</u>	<u>Received</u>	<u>Accepted</u>
Boston	\$ 13,680	\$ 13,680
New York	25,420,310	8,742,710
Philadelphia	10,790	10,790
Cleveland	21,655	20,455
Richmond	24,840	24,840
Atlanta	12,560	12,560
Chicago	1,677,220	368,020
St. Louis	12,140	10,140
Minneapolis	20,825	20,825
Kansas City	23,450	23,210
Dallas	3,455	3,455
San Francisco	1,212,590	450,590
Treasury	53,635	53,635
TOTALS	\$28,507,150	\$9,754,910
 <u>Type</u>		
Competitive	\$25,714,955	\$6,962,715
Noncompetitive	273,505	273,505
Subtotal, Public	<u>\$25,988,460</u>	<u>\$7,236,220</u>
Federal Reserve	2,100,000	2,100,000
Foreign Official Institutions	<u>418,690</u>	<u>418,690</u>
TOTALS	\$28,507,150	\$9,754,910