

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 5177]
April 11, 1962

Results of Refunding of \$2 Billion of One-Year Bills

*To All Incorporated Banks and Trust Companies, and Others
Concerned, in the Second Federal Reserve District:*

The Treasury Department announced last evening that the tenders for \$2,000,000,000, or thereabouts, of 365-day Treasury bills to be dated April 15, 1962, and to mature April 15, 1963, which were offered on April 3, were opened at the Federal Reserve Banks on April 10.

The details of this issue are as follows:

Total applied for .. \$3,453,408,000
Total accepted \$2,000,446,000 (includes \$159,176,000 entered on a non-competitive basis and accepted in full at the average price shown below)

Range of accepted competitive bids:

| | | |
|---------------|--------|--|
| High | 97.041 | Equivalent rate of discount approx. 2.918% per annum |
| Low | 97.002 | Equivalent rate of discount approx. 2.957% per annum |
| Average | 97.017 | Equivalent rate of discount approx. 2.943% per annum ¹ |

(86 percent of the amount bid for at the low price was accepted.)

| <i>Federal Reserve District</i> | <i>Total applied for</i> | <i>Total accepted</i> |
|---------------------------------|--------------------------|------------------------|
| Boston | \$ 29,614,000 | \$ 18,614,000 |
| New York | 2,450,984,000 | 1,540,322,000 |
| Philadelphia | 46,179,000 | 11,179,000 |
| Cleveland | 158,894,000 | 93,894,000 |
| Richmond | 26,233,000 | 17,733,000 |
| Atlanta | 23,379,000 | 15,379,000 |
| Chicago | 413,778,000 | 169,478,000 |
| Saint Louis | 22,597,000 | 16,497,000 |
| Minneapolis | 30,460,000 | 20,460,000 |
| Kansas City | 39,386,000 | 23,186,000 |
| Dallas | 30,914,000 | 14,714,000 |
| San Francisco | 180,990,000 | 58,990,000 |
| TOTAL..... | \$3,453,408,000 | \$2,000,446,000 |

¹ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide a yield of 3.05 percent. Interest rates on bills are quoted in terms of bank discount, with the return related to the face amount of the bills payable at maturity rather than the amount invested, and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semi-annual compounding if more than one coupon period is involved.

ALFRED HAYES,
President.