

U.S. DEPARTMENT OF THE TREASURY

Press Center



May 2010 Quarterly Refunding Statement

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WASHINGTON – The U.S. Department of the Treasury is offering \$78 billion of Treasury securities to refund approximately \$30.9 billion of privately held securities maturing on May 15, 2010. This will raise approximately \$47.1 billion. The securities are:

- A 3-year note in the amount of \$38 billion, maturing May 15, 2013;
- A 10-year note in the amount of \$24 billion, maturing May 15, 2020; and
- A 30-year bond in the amount of \$16 billion, maturing May 15, 2040.

The 3-year note will be auctioned on a yield basis at 1:00 p.m. EDT on Tuesday, May 11, 2010. The 10-year note will be auctioned on a yield basis at 1:00 p.m. EDT on Wednesday, May 12, 2010, and the 30-year bond will be auctioned on a yield basis at 1:00 p.m. EDT on Thursday, May 13, 2010. All of these auctions will settle on Monday, May 17, 2010.

The balance of Treasury financing requirements will be met with 4-, 13-, 26- and 52-week bills; monthly 2-year, 3-year, 5-year, and 7-year notes; the June and July 10-year note and 30-year bond reopenings; and the July 10-year TIPS.

Treasury may also issue cash management bills during the quarter.

Treasury Inflation-Indexed Securities (TIPS)

TIPS are an important component of Treasury's debt management strategy. As part of an ongoing effort to improve liquidity in the TIPS program, Treasury has decided to increase the frequency of TIPS auctions. To this end, Treasury will be adding a second reopening to 10-year TIPS offerings. This will result in a total of six 10-year TIPS auctions per year. This change will begin with the July 2010 new-issue 10-year TIPS offering. The security will subsequently be reopened in September and November 2010. Similarly, the January 2011 new-issue 10-year TIPS offering will be reopened in March and May 2011.

Treasury will continue to consider other changes to the TIPS auction calendar. Any changes will be made in close consultation with market participants and will be done in a transparent manner, consistent with our operating framework of being regular and predictable.

Projected Financing Needs

The current mix of security offerings provides Treasury with the flexibility to address a broad range of potential financing requirements. Growth in the economy is leading to an improvement in tax receipts.

Based on current fiscal forecasts, Treasury expects to gradually decrease coupon auction sizes. The magnitude of offering size reductions will depend on the pace and extent of the economic recovery. Treasury will continue to monitor projected financing needs and will make adjustments as necessary.

Investor Class Data

Over the past two years, Treasury has increased the frequency of coupon auctions. In order to provide more timely information about the types of investors participating in these auctions, Treasury will begin publishing coupon investor class data twice a month, rather than the current practice of once a month. Beginning with the May coupon auction cycle, the data will be published 5 business days after the settlement of the mid-month and end-of-month auctions.

The investor class data for Treasury bills will continue to be released once a month, alongside the release of the end-of-month coupon data.

Please send comments and suggestions on these subjects or others related to Treasury debt management to debt.management@treasury.gov.

The next quarterly refunding announcement will take place on Wednesday, August 4, 2010.

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