

## U.S. DEPARTMENT OF THE TREASURY

## Press Center



## Quarterly Refunding Statement of Acting Assistant Secretary for Financial Markets Daleep Singh

5/4/2016

**WASHINGTON** – The U.S. Department of the Treasury is offering \$62 billion of Treasury securities to refund approximately \$60.1 billion of privately-held Treasury notes maturing on May 15, 2016. This will raise new cash of approximately \$1.9 billion. The securities are:

- A 3-year note in the amount of \$24 billion, maturing May 15, 2019
- A 10-year note in the amount of \$23 billion, maturing May 15, 2026;
- A 30-year bond in the amount of \$15 billion, maturing May 15, 2046.

The 3-year note will be auctioned on a yield basis at 1:00 p.m. ET on Tuesday, May 10, 2016. The 10-year note will be auctioned on a yield basis at 1:00 p.m. ET on Wednesday, May 11, 2016. The 30-year bond will be auctioned on a yield basis at 1:00 p.m. ET on Thursday, May 12, 2016. All of these auctions will settle on Monday, May 16, 2016.

The balance of Treasury financing requirements will be met with the weekly bill auctions, cash management bills, the monthly note and bond auctions, the May 10-year TIPS reopening auction, the June 30-year TIPS reopening auction, the July 10-year TIPS auction, and the regular monthly 2-year Floating Rate Note (FRN) auctions.

### Projected Financing Needs

In February 2016, Treasury reiterated its intent to increase the supply of Treasury bills. Given current projected financing needs over the next few years, Treasury expects that the supply of bills will increase to a prudent level with the existing auction schedule. As such, Treasury announces that it is maintaining nominal coupon auction sizes at current levels over this quarter. Consistent with the reduction in TIPS issuance announced last quarter, Treasury will also maintain the \$2 billion reduction in monthly TIPS issuance over the next 3 quarters.

### Update on the January Request for Information (RFI) on the Evolution of the Treasury Market Structure

On January 19, 2016, Treasury issued a "Notice Seeking Public Comment on the Evolution of the Treasury Market Structure." The RFI is a continuation of the actions identified as next steps in the "Joint Staff Report: The U.S. Treasury Market on October 15, 2014" published on July 13, 2015. Treasury staff developed this RFI in consultation with the staffs of the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, the U.S. Securities and Exchange Commission, and the U.S. Commodity Futures Trading Commission. The comment period for the RFI closed on April 22, 2016.

Treasury appreciates the comments that market participants and other interested parties have submitted on the RFI. Initial analysis of the responses has found that there is broad agreement that the official sector should have more access to information on Treasury cash market transactions. Treasury will work closely with the relevant agencies and authorities to establish a comprehensive plan for collecting this data and will announce next steps at a later date.

### Test Buyback Operation

Treasury believes that it is prudent to periodically test the existing information technology infrastructure to ensure that all auction functionality remains operational. On April 8, Treasury conducted a successful small-value test buyback of \$25 million of Treasury securities. These small-scale buyback operations should not be viewed by market participants as a precursor or signal of any pending policy changes regarding Treasury's use of buybacks.

Please send comments and suggestions on these subjects or others related to debt management to [debt.management@treasury.gov](mailto:debt.management@treasury.gov). The next quarterly refunding announcement will take place on August 3, 2016.

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