

TREASURY ANNOUNCES MARKETABLE BORROWING ESTIMATES

October 28, 2019

[Sources and Uses Table](#) 

WASHINGTON -- The U.S. Department of the Treasury today announced its current estimates of privately-held net marketable borrowing^[1] for the October – December 2019 and January – March 2020 quarters:

- During the October – December 2019 quarter, Treasury expects to borrow \$352 billion in privately-held net marketable debt, assuming an end-of-December cash balance of \$410 billion. The borrowing estimate is \$29 billion lower than announced in July 2019. The decrease in privately-held net marketable borrowing is primarily driven by the higher beginning of quarter cash balance^[2], slightly mitigated by changes to projections of fiscal activity.
- During the January – March 2020 quarter, Treasury expects to borrow \$389 billion in privately-held net marketable debt, assuming an end-of-March cash balance of \$400 billion.

During the July – September 2019 quarter, Treasury borrowed \$440 billion in privately-held net marketable debt and ended the quarter with a cash balance of \$382 billion². In July 2019, Treasury estimated privately-held net marketable borrowing of \$433 billion and assumed an end-of-September cash balance of \$350 billion. The increase in borrowing resulted primarily from the higher end-of-quarter cash balance, substantially offset by the impact of the Federal Reserve's decision to conclude its reduction in SOMA holdings of Treasury securities earlier than previously announced, and changes to projections of fiscal activity.

Additional financing details relating to Treasury's Quarterly Refunding will be released at 8:30 a.m. on Wednesday, October 30, 2019.

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[1] Privately-held net marketable borrowing excludes rollovers (auction “add-ons”) of Treasury securities held in the Federal Reserve’s System Open Market Account (SOMA), but includes financing from the private sector required due to SOMA redemptions, when applicable. Secondary market purchases of Treasury securities by SOMA do not directly change net privately-held marketable borrowing but, all else equal, when they mature would increase the amount of cash raised for a given privately-held auction size by increasing the SOMA “add-on” amount.

[2]

Cash Balance Assumptions	<u>July - September Quarter</u>			<u>October - December Quarter</u>		
	Prior	Current	Change	Prior	Current	Change
Opening Balance	\$264	\$264	\$0	\$350	\$382	\$32
Closing Balance	<u>\$350</u>	<u>\$382</u>	<u>\$32</u>	<u>\$410</u>	<u>\$410</u>	<u>\$0</u>
Impact on Borrowing	\$86	\$119	\$32	\$60	\$28	-\$32