

Treasury Announces Marketable Borrowing Estimates

May 3, 2021

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WASHINGTON - The U.S. Department of the Treasury today announced its current estimates of privately-held net marketable borrowing^[1] for the April - June 2021 and July - September 2021 quarters.^[2]

- During the April - June 2021 quarter, Treasury expects to borrow \$463 billion in privately-held net marketable debt, assuming an end-of-June cash balance of \$800 billion. The borrowing estimate is \$368 billion higher than announced in February 2021, primarily due to the government's additional response to the COVID-19 pandemic.
- Treasury is assuming a cash balance of approximately \$450 billion at the expiration of the debt limit suspension on July 31 based on expected outflows under its cash management policies and consistent with its authorities and obligations, including the Bipartisan Budget Act of 2019. The actual cash balance on July 31 may vary from this assumption based on changes to expected outflows in that period.
- During the July - September 2021 quarter, Treasury expects to borrow \$821 billion in privately-held net marketable debt, assuming an end-of-September cash balance of \$750 billion.^[3]

During the January - March 2021 quarter, Treasury borrowed \$401 billion in privately-held net marketable debt and ended the quarter with a cash balance of \$1.122 trillion. In February 2021, Treasury estimated privately-held net marketable borrowing of \$274 billion and assumed an end-of-March cash balance of \$800 billion. The \$126 billion increase in borrowing resulted primarily from the increase in the end-of-March cash balance somewhat offset by lower net expenditures.^[4]

Additional financing details relating to Treasury's Quarterly Refunding will be released at 8:30 a.m. on Wednesday, May 5, 2021.

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

[2] These borrowing estimates are based upon current law and do not include any assumptions for the impact of additional legislation that may be passed.

[3] The end-of-September cash balance assumes enactment of a debt limit suspension or increase.

[4]

Cash Balance Assumptions	January - March Quarter			April - June Quarter		
	Prior	Current	Change	Prior	Current	Change
Opening Balance	\$1,729	\$1,729	\$0	\$800	\$1,122	\$322
Closing Balance	<u>\$800</u>	<u>\$1,122</u>	<u>\$322</u>	<u>\$500</u>	<u>\$800</u>	<u>\$300</u>
Impact on Borrowing	-\$929	-\$607	\$322	-\$300	-\$322	-\$22