

Treasury Announces Marketable Borrowing Estimates

August 1, 2022

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 July – September 2022 and October – December 2022 quarters.^[2]

- During the July – September 2022 quarter, Treasury expects to borrow \$444 billion in privately-held net marketable debt, assuming an end-of-September cash balance of \$650 billion.^[3] The borrowing estimate is \$262 billion higher than announced in May 2022, primarily due to changes to projections of fiscal activity and the estimated impact of Federal Reserve System Open Market Account (SOMA) redemptions (\$120 billion).
- During the October – December 2022 quarter, Treasury expects to borrow \$400 billion in privately-held net marketable debt, assuming an end-of-December cash balance of \$700 billion. This includes the impact of an estimated \$139 billion in SOMA redemptions.^[4]

During the April – June 2022 quarter, Treasury borrowed \$7 billion in privately-held net marketable debt and ended the quarter with a cash balance of \$782 billion. In May 2022, Treasury estimated a pay down of \$26 billion and assumed an end-of-June cash balance of \$800 billion. The \$33 billion difference in privately-held net market borrowing resulted primarily from the \$30 billion in net SOMA redemptions.

Additional financing details relating to Treasury's Quarterly Refunding will be released at 8:30 a.m. on Wednesday, August 3, 2022.

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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.

[3]

Cash Balance Assumptions	April - June Quarter			July - September Quarter		
	Prior	Current	Change	Prior	Current	Change
Opening Balance	\$652	\$652	\$0	\$800	\$782	-\$18
<u>Closing Balance</u>	<u>\$800</u>	<u>\$782</u>	<u>-\$18</u>	<u>\$650</u>	<u>\$650</u>	<u>\$0</u>
Impact on Borrowing	\$148	\$131	-\$18	-\$150	-\$132	\$18

[4] An additional \$41 billion of SOMA Treasury holdings dated December 31, 2022, are projected to be redeemed on January 3, 2023, but count against the Federal Reserve’s \$60 billion redemption cap for December.