

Agenda – May 2016 Refunding
Treasury Dealer Meetings – April 28 - April 29, 2016
Dealer _____

To allow more time for discussion, please e-mail your responses prior to 12:00 PM on Monday, April 25, 2016 to Debt.Management@treasury.gov and NY.QTR@ny.frb.org. Even if you are not scheduled to meet with Treasury officials this quarter, your responses are still appreciated.

I. Marketable Borrowing Estimates	Central Estimate	Range that would not surprise you <i>Low/High</i>
April-June 2016		/
Ending Cash Balance		/
July-September 2016		/
Ending Cash Balance		/
FY 2016 Total Net Marketable Borrowing		
FY 2017 Total Net Marketable Borrowing		/
FY 2018 Total Net Marketable Borrowing		/

II. Budget Deficit and Growth Estimates		
FY 2016		/
FY 2017		/
FY 2018		/
Real GDP(4Q/4Q % Chg) CY2016		
Real GDP(4Q/4Q % Chg) CY2017		
Nominal GDP(4Q/4Q % Chg) CY2016		
Nominal GDP(4Q/4Q % Chg) CY2017		

III. Quarterly Note and Bond Issuance Estimates		
3-year note (May/June/July)	/ /	/ / - / /
10-year note (May)		/
10-year note reopening (June/July)	/	/ - /
30-year bond (May)		/
30-year bond reopening (June/July)	/	/
2-year note (May/June/July)	/ /	/ / - / /
5-year note (May/June/July)	/ /	/ / - / /
7-year note (May/June/July)	/ /	/ / - / /
10-year TIPS (July)		
10-year TIPS reopening (May)		
30-year TIPS reopening (June)		
2-year FRN reopening (May/June)		
2-year FRN (July)		

IV. Bill Issuance Estimates		
(May/June/July)	/ /	/ / - / /
Total change in bills outstanding 5/16 - 7/16		/
Total change in bills outstanding FY 2016		/
CMB issuance May '16 – Jul '16 (size/date)	/ /	/ /

Discussion Topics

1. Please discuss your latest economic and fiscal forecasts for FY2016 and FY2017. Do you believe the current financing schedule is well-suited to meet Treasury's financing needs through the end of FY2016? FY2017?
2. Please comment on the potential for alternative repo trading platforms, such as centrally cleared repo or direct repo. What are the pros and cons of such alternative platforms? Please elaborate.
3. Please discuss the liquidity conditions in the Treasury market (on- and off-the-run) and other fixed income markets. Are there any notable trends? Please elaborate.

Part 2:

The Treasury Department’s Office of Debt Management (ODM) would like your perspectives on current Treasury auction sizes. This information would be used to help test ODM’s debt-issuance modeling assumptions, and does not reflect potential policy decisions. We appreciate your participation in a similar survey conducted in November 2015, and the aggregate response can be found online at <http://www.treasury.gov/resource-center/data-chart-center/quarterly-refunding/Pages/dealer-agenda-survey.aspx>.

For each of the 14 securities that Treasury currently issues regularly, we would be interested in your views on the following matters:

- 1) *All else equal, what is the minimum auction size, per auction, needed to maintain benchmark liquidity? Specifically, what is the smallest auction size (weekly for bills, monthly for coupons) necessary to support “on-the-run” issue liquidity in the secondary market?*
- 2) *All else equal, what is the maximum auction size, per auction, that could be issued without causing “significant yield deviations” from current fair value? This fair value could, for example, be as measured by your spline, or other analytical models.*
- 3) *All else equal, what is the maximum change in auction size (+/- X \$billions) that can be implemented between two consecutive new issuances without causing “significant yield deviations”?*

If you have any questions, please contact Dr. Allen Zhang, Senior Financial Modeler, at 202-622-2836. **Please complete and submit the table below to DebtManagement@treasury.gov or Allen.Zhang@treasury.gov by 12:00 Noon ET on Monday April 25, 2016.**

Thank you very much for your continuing collaboration.

Tranche	Minimum Auction Size needed to maintain Benchmark Liquidity (\$bil)	Maximum Auction Size that could be issued without causing significant yield deviations from fair value (\$bil)	Maximum change (+/-) in auction size between new issuances (\$bil)
Bills			
4-week			
13-week			
26-week			
52-week			
Coupons			
2-year			
3-year			
5-year			
7-year			
10-year			
30-year			
TIPS			
5-year			
10-year			
30-year			
FRNs			
2-year			

Additional Comments: