

# Treasury Presentation to TBAC



# Office of Debt Management



Fiscal Year 2015 Q4 Report

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# Section I: Executive Summary



# Highlights of Treasury's November 2015 Quarterly Refunding Presentations to the Treasury Borrowing Advisory Committee (TBAC)

## Debt Ceiling and Minimum Cash Balance Objectives

- As a result of the debt ceiling, Treasury is currently operating below the \$150 billion minimum daily cash balance that was established in May 2015. Treasury will rapidly increase net marketable borrowing over the coming quarter in order to reach its operating cash balance objectives.
- Net marketable borrowing over the next quarter is forecast at \$344 billion, with an end-of-December cash balance of \$325 billion (page 16).
- Based on the current auction schedule, Treasury is forecast to increase net bill issuance by \$147 billion through the end of December 2015 (page 16).

## Sources of Financing in Fiscal Year 2016

- Demand for Treasury bills is high and is expected to continue to grow through the end of 2016. Treasury believes that it is prudent to increase the level of Treasury bills outstanding over the coming quarters. Increasing bill issuance will help achieve our objective of lowest cost of funding over time and will also enhance market functioning and liquidity.
- If the Federal Reserve continues to reinvest its SOMA portfolio throughout 2016 and coupon sizes remain at current levels, Treasury is projected to be underfunded by \$68 billion (Page 20).
- Adjusting the size of coupon auctions may be necessary, depending on the extent to which Treasury intends to increase the level of Treasury bills outstanding.

## Bid-to-Cover Ratios (BTC)

- Bill auctions in late September and October 2015 were characterized by elevated BTC ratios, due to debt ceiling constraints on the offering amounts and strong investor demand. The 10.7x BTC ratio for the September 29 4-week bill auction was the highest ever.
- BTC ratios for longer-dated coupons have risen in recent months, particularly those with 7- and 30-year maturities (page 36).

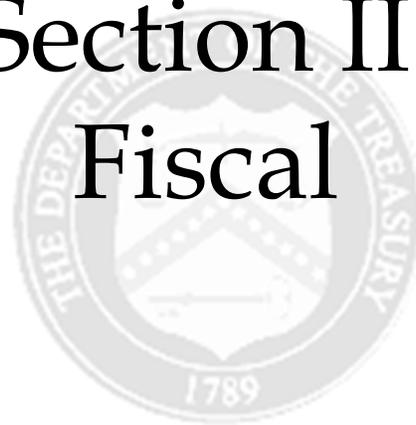
## Investor Class Allotments

- Relative to other auction participants, foreign awards have increased in bills, but have decreased slightly in long coupons. In aggregate, however, foreign awards are broadly within their multi-year range.
  - In nominal terms, foreign bill awards were necessarily smaller as a result of reduced issuance due to debt ceiling constraints (page 44).
- Investment fund awards continue to increase in long coupons (7-, 10- and 30-year) and TIPS, but have declined in bills (page 40).

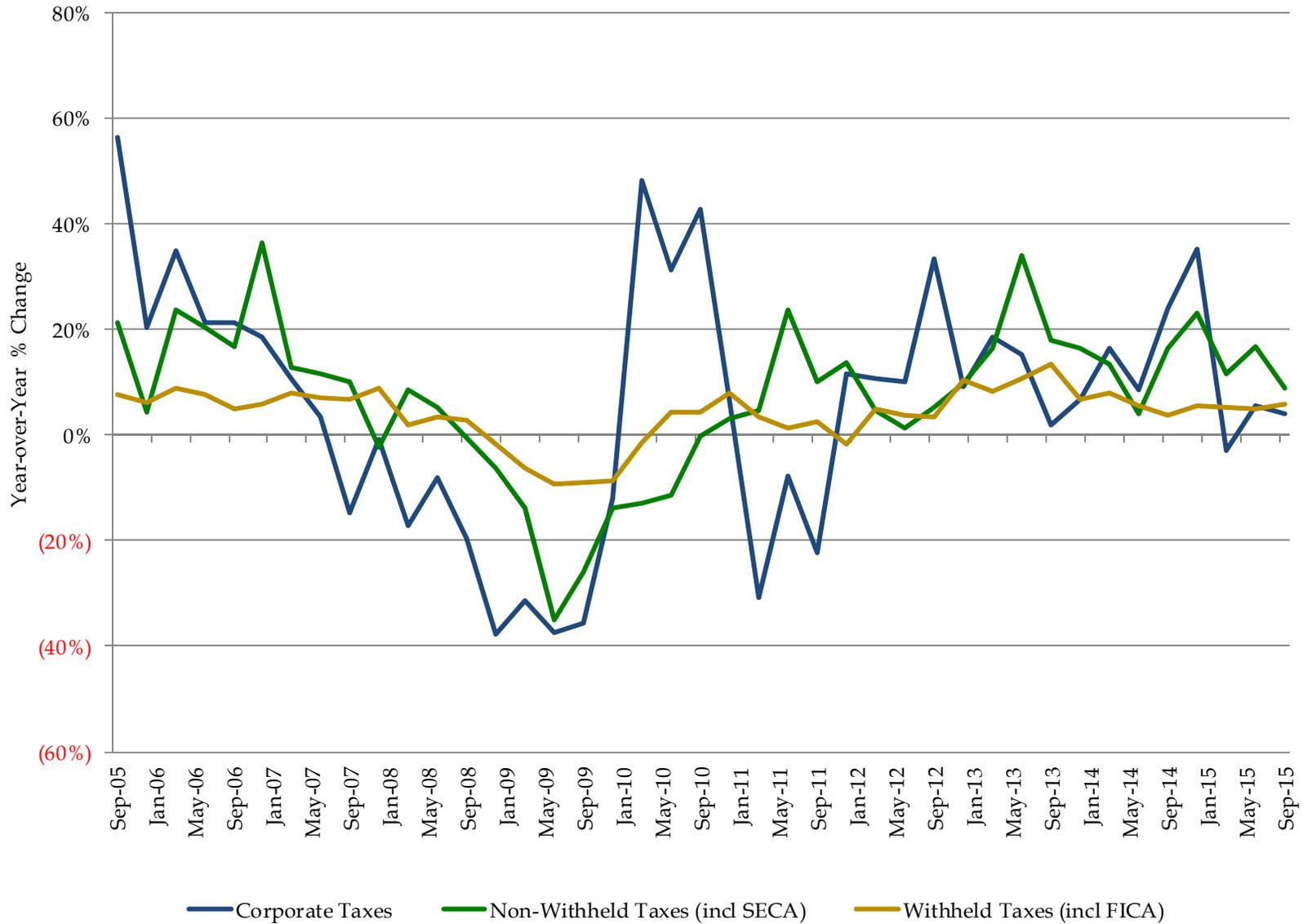
## 2-Month Bill Presentation

- A variety of changes to market structure are expected to lead to an increase in demand for Treasury bills.
- The addition of a 2-month bill could allow Treasury to moderate increases in auctions sizes at other maturity points and could provide for a more effective maturity ladder that potentially reduces the size of future weekly adjustments to bill issuance.
- Treasury seeks feedback from the Committee on the settlement and maturity cycle of a 2-month bill, as well as comments on operational considerations, frequency and size of such a security.

# Section II: Fiscal

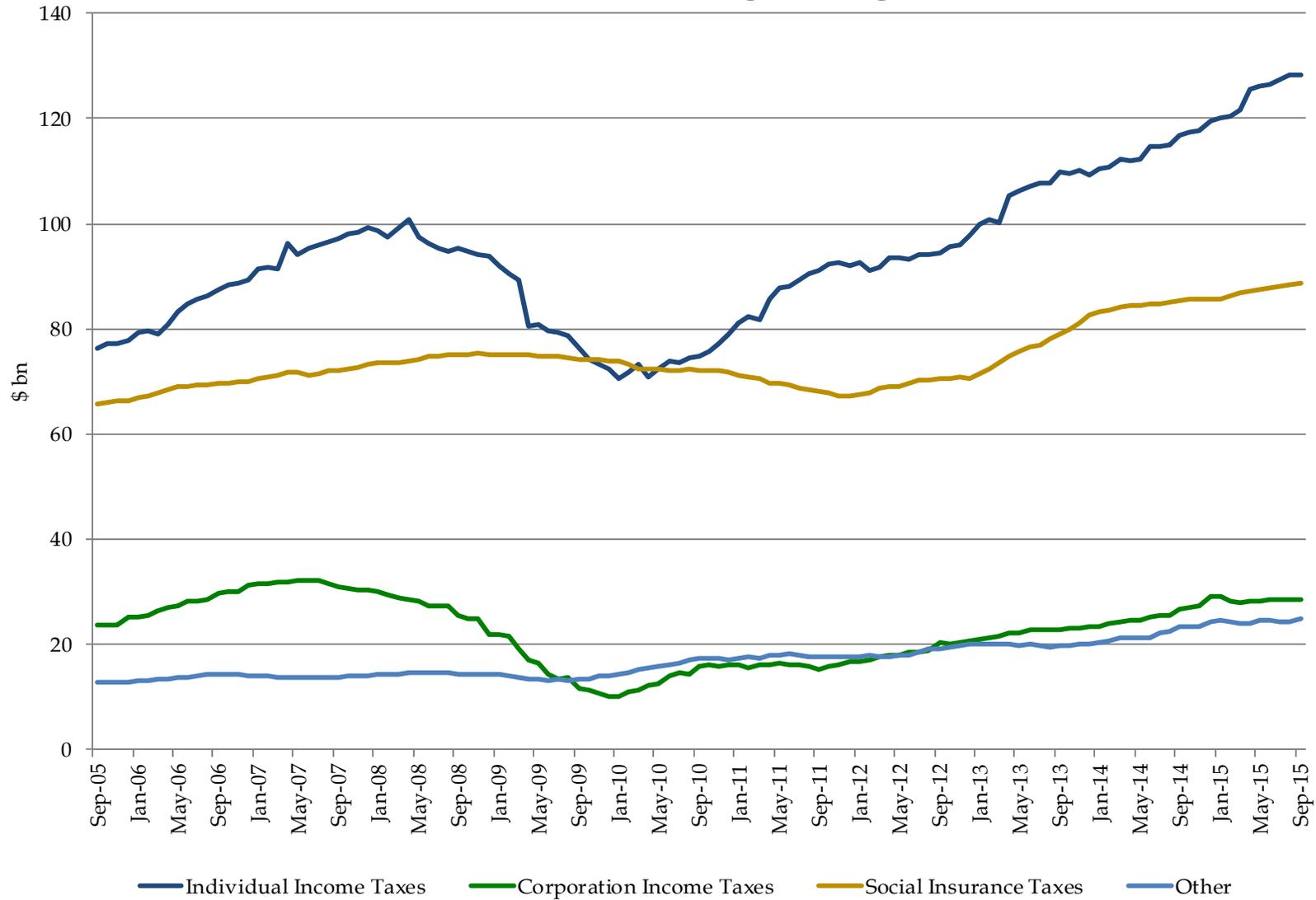


# Quarterly Tax Receipts



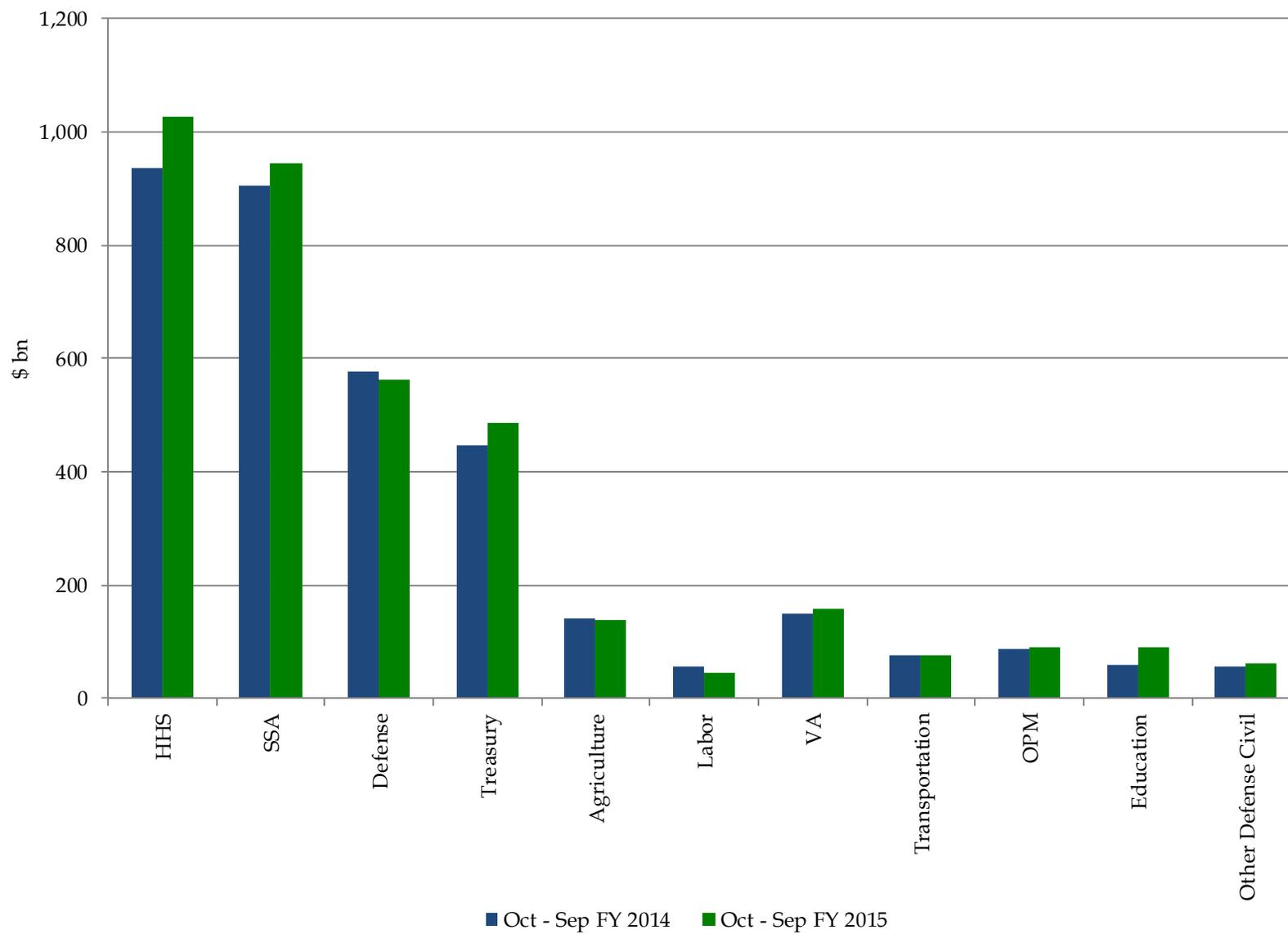
Source: United States Department of the Treasury

## Monthly Receipt Levels (12-Month Moving Average)

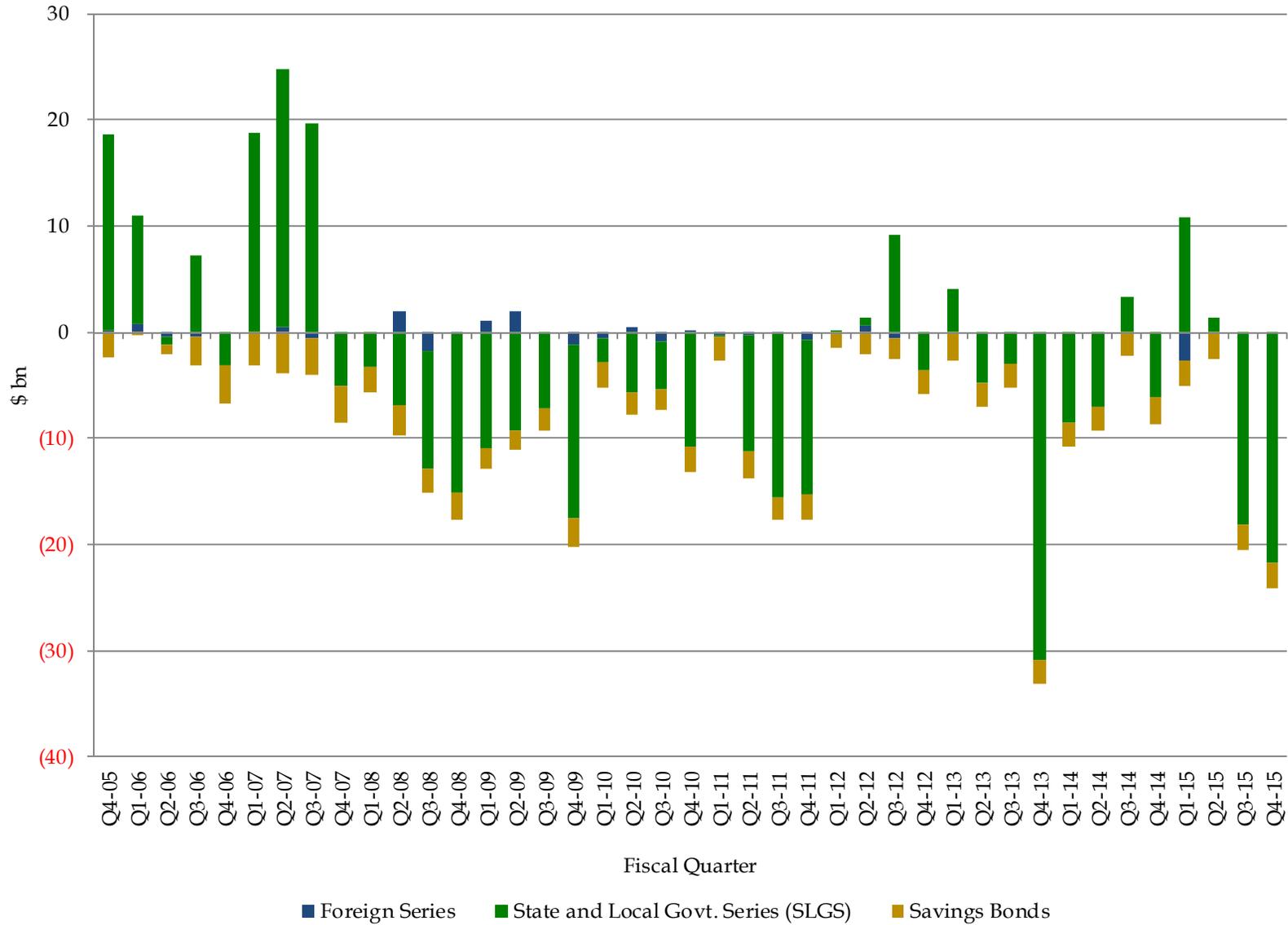


Individual Income Taxes include withheld and non-withheld. Social Insurance Taxes include FICA, SECA, RRTA, UTF deposits, FUTA and RUIA. Other includes excise taxes, estate and gift taxes, customs duties and miscellaneous receipts.  
Source: United States Department of the Treasury

## Eleven Largest Outlays

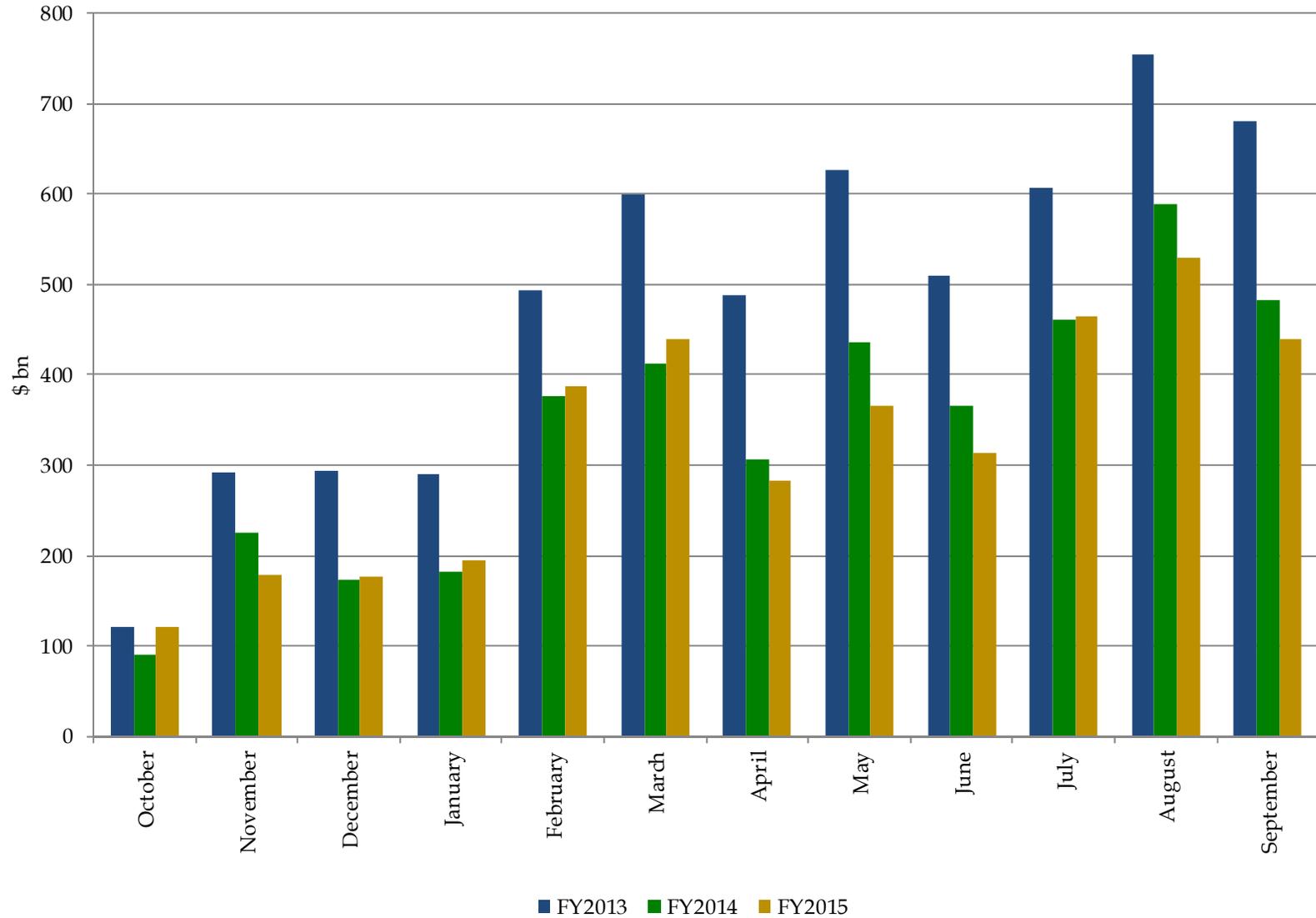


# Treasury Net Nonmarketable Borrowing



Source: United States Department of the Treasury

## Cumulative Budget Deficits by Fiscal Year



## FY 2015-2017 Deficits and Net Marketable Borrowing Estimates

In \$ billions

	Primary Dealers <sup>1</sup>	CBO <sup>2</sup>	OMB MSR <sup>3</sup>	CBO <sup>4</sup>	OMB <sup>5</sup>
FY 2015 Deficit Estimate	466	486	455	486	583
FY 2016 Deficit Estimate	472	455	429	380	474
FY 2017 Deficit Estimate	513	455	436	401	463
FY 2015 Deficit Range	375-595				
FY 2016 Deficit Range	375-575				
FY 2017 Deficit Range	400-696				
FY 2015 Net Marketable Borrowing Estimate	563	586	631	595	726
FY 2016 Net Marketable Borrowing Estimate	553	531	563	469	602
FY 2017 Net Marketable Borrowing Estimate	600	531	567	488	596
FY 2015 Net Marketable Borrowing Range	440-794				
FY 2016 Net Marketable Borrowing Range	410-675				
FY 2017 Net Marketable Borrowing Range	460-775				
Estimates as of:	Oct-15	Aug-15	Jul-15	Mar-15	Feb-15

<sup>1</sup>Based on primary dealer feedback on October 27, 2015. Estimates above are averages.

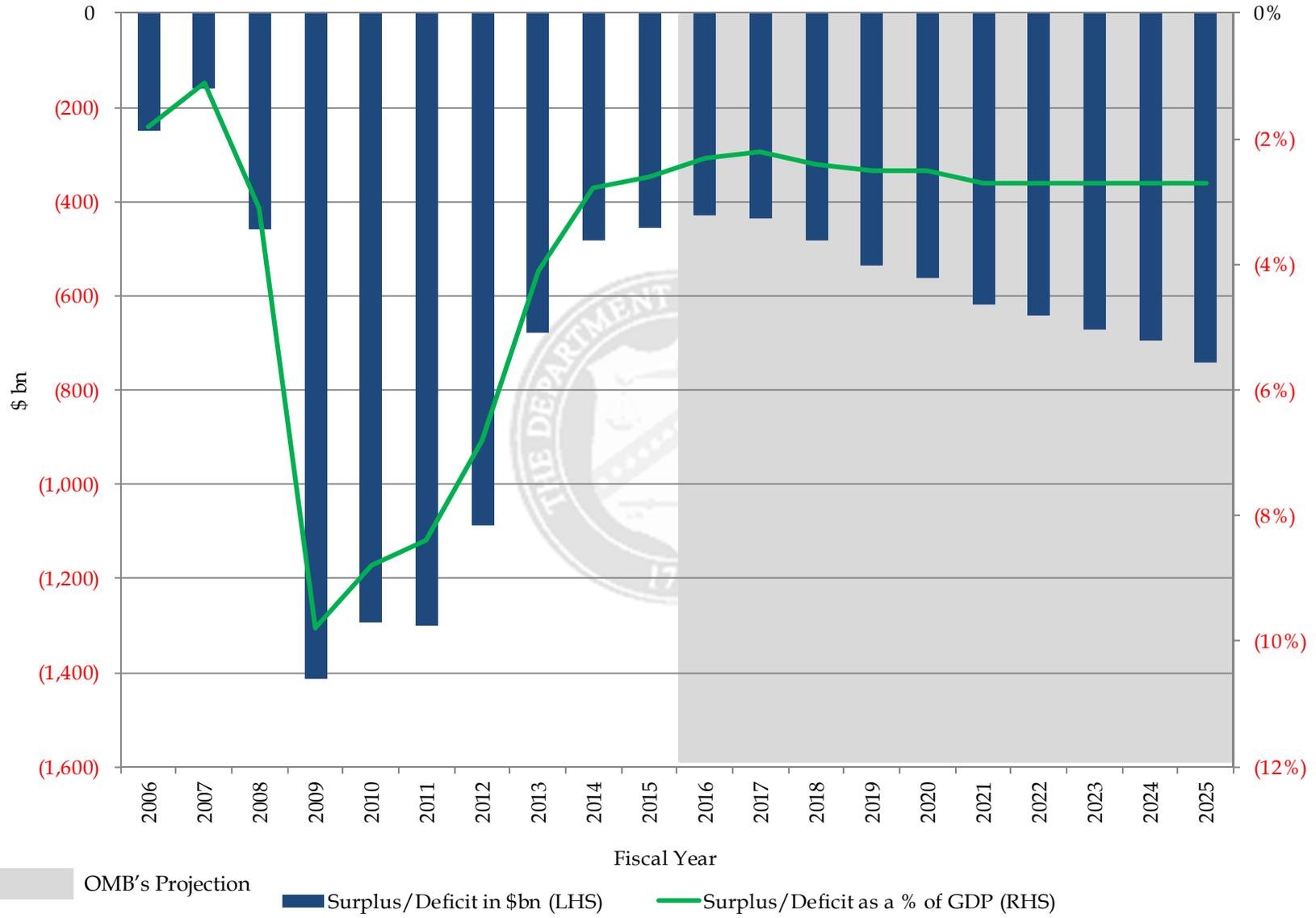
<sup>2</sup>Table 1 and 3 of CBO's "An Update to the Budget and Economic Outlook: 2015 to 2025"

<sup>3</sup>Table S-11 of OMB's "Fiscal Year 2016 Mid-Session Review"

<sup>4</sup>Table 1 and 3 of CBO's "An Analysis of the President's 2016 Budget"

<sup>5</sup>Table S-13 of OMB's "Fiscal Year 2016 Budget of the US Government"

# Budget Surplus/Deficit



Projections are from Table S-1 of OMB's "Fiscal Year 2016 Mid-Session Review"

# Section III: Financing



## Assumptions for Financing Section (pages 15 to 22)

- Portfolio and SOMA holdings as of 9/30/2015.
- SOMA redemptions until and including June 2021. These assumptions are based on Chairman Bernanke's June 2013 press conference.
- Assumes announced issuance sizes and patterns constant for Nominal Coupons, TIPS, and FRNs as of 9/30/2015, while using an average of ~\$1.3 trillion of Bills outstanding.
- The principal on the TIPS securities was accreted to each projection date based on market ZCIS levels as of 9/30/2015.
- No attempt was made to match future financing needs.



## Sources of Financing in Fiscal Year 2015 Q4

July - September 2015	
Net Bill Issuance	(37)
Net Coupon Issuance	170
Subtotal: Net Marketable Borrowing	133
Ending Cash Balance	199
Beginning Cash Balance	254
Subtotal: Change in Cash Balance	(56)
Net Implied Funding for FY 2015 Q4*	188

Security	July - September 2015 Bill Issuance			Fiscal Year-to-Date Bill Issuance		
	Gross	Maturing	Net	Gross	Maturing	Net
4-Week	455	475	(20)	1,844	1,889	(45)
13-Week	302	312	(10)	1,252	1,295	(43)
26-Week	302	326	(24)	1,291	1,285	6
52-Week	67	75	(8)	317	313	4
CMBs	75	50	25	105	80	25
Bill Subtotal	1,201	1,238	(37)	4,809	4,862	(53)

Security	July - September 2015 Coupon Issuance			Fiscal Year-to-Date Coupon Issuance		
	Gross	Maturing	Net	Gross	Maturing	Net
2-Year FRN	41	0	41	164	0	164
2-Year	78	102	(24)	318	417	(99)
3-Year	72	96	(24)	295	406	(111)
5-Year	105	111	(6)	420	492	(72)
7-Year	87	0	87	348	0	348
10-Year	66	32	34	265	127	138
30-Year	42	4	38	169	15	154
5-Year TIPS	16	0	16	50	23	27
10-Year TIPS	28	21	7	82	44	38
30-Year TIPS	0	0	0	23	0	23
Coupon Subtotal	536	366	170	2,134	1,523	611

Total	1,737	1,604	133	6,943	6,385	558
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\*An end-of-September 2015 cash balance of \$199 billion versus a beginning-of-July 2015 cash balance of \$254 billion. By keeping the cash balance constant, Treasury arrives at the net implied funding number.

## Sources of Financing in Fiscal Year 2016 Q1

October - December 2015	
Assuming Constant Coupon Issuance Sizes*	
Treasury Announced Net Marketable Borrowing**	344
Net Coupon Issuance	197
Implied Increase in Bills	147

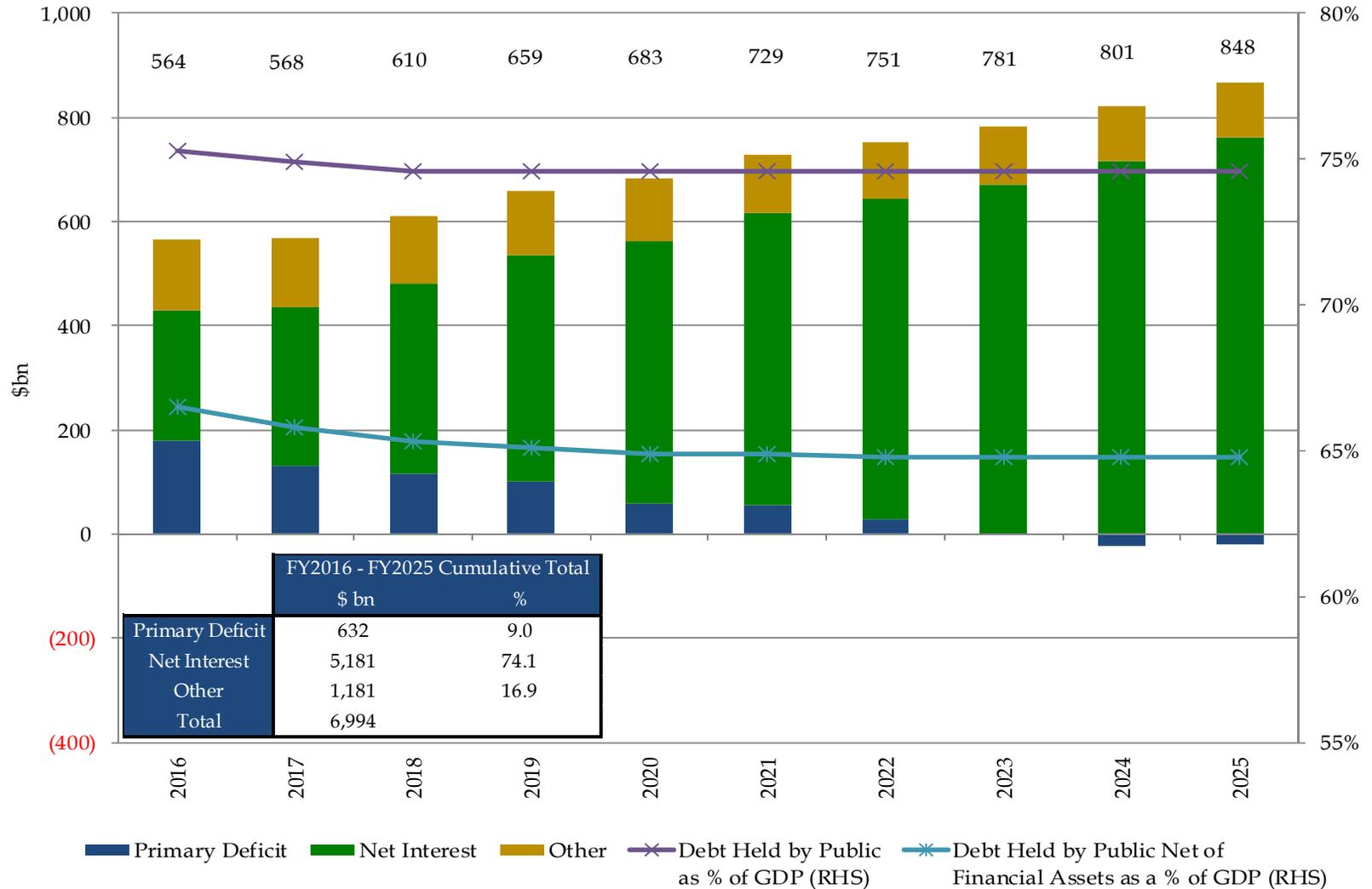
Security	October - December 2015 Coupon Issuance			Fiscal Year-to-Date Coupon Issuance		
	Gross	Maturing	Net	Gross	Maturing	Net
2-Year FRN	41	0	41	41	0	41
2-Year	78	96	(18)	78	96	(18)
3-Year	72	96	(24)	72	96	(24)
5-Year	105	109	(4)	105	109	(4)
7-Year	87	0	87	87	0	87
10-Year	66	23	43	66	23	43
30-Year	42	6	36	42	6	36
5-Year TIPS	16	0	16	16	0	16
10-Year TIPS	13	0	13	13	0	13
30-Year TIPS	7	0	7	7	0	7
Coupon Subtotal	527	330	197	527	330	197
Total	1,664	1,506	158	1,664	1,506	158

\*Keeping announced issuance sizes and patterns constant for Nominal Coupons, TIPS, and FRNs as of 9/30/2015.

\*\*Assumes an end-of-December 2015 cash balance of \$325 billion versus a beginning-of-October 2015 cash balance of \$199 billion.

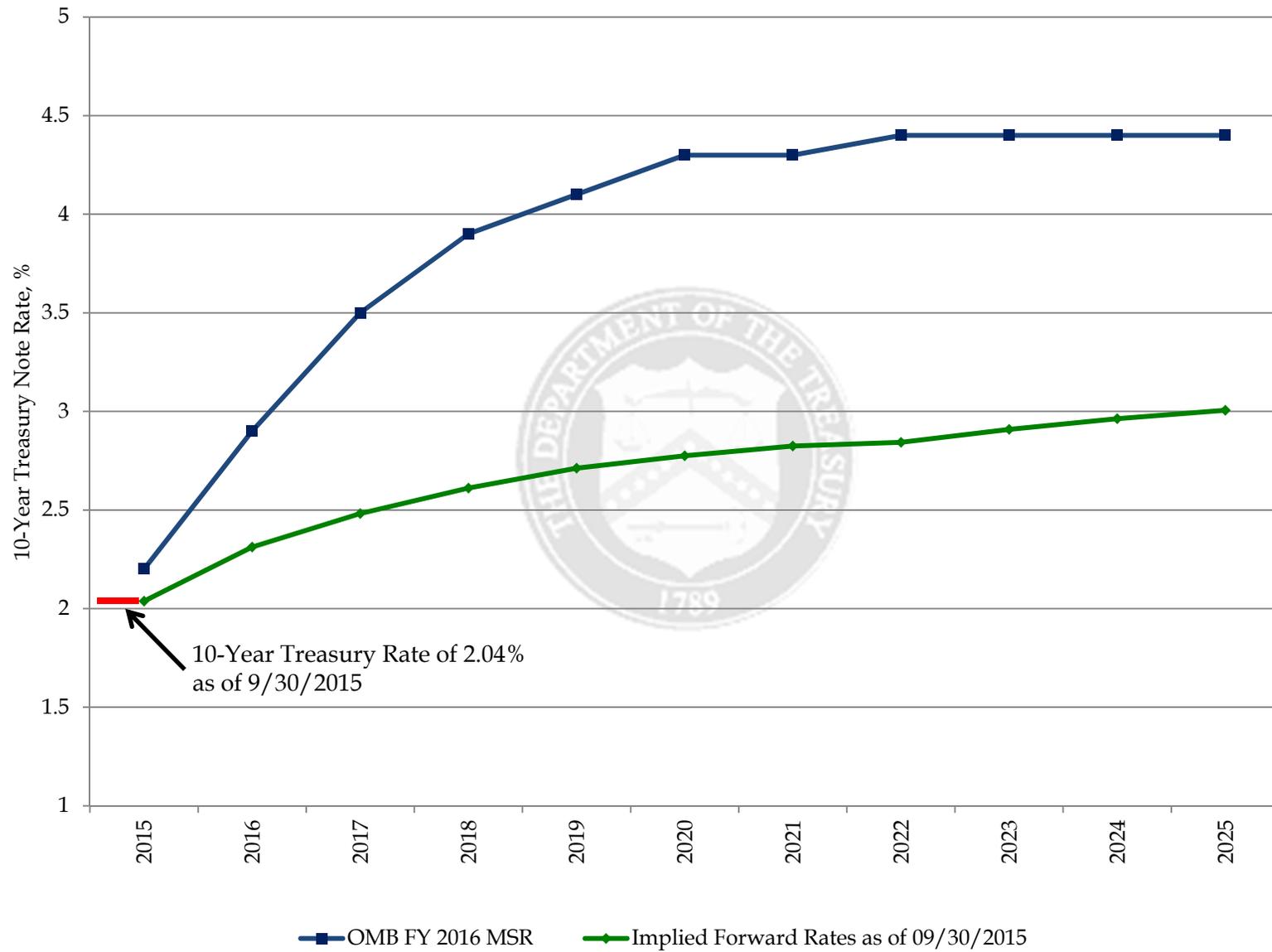
Financing Estimates released by the Treasury can be found here: <http://www.treasury.gov/resource-center/data-chart-center/quarterly-refunding/Pages/Latest.aspx>

## OMB's Projection of Borrowing from the Public



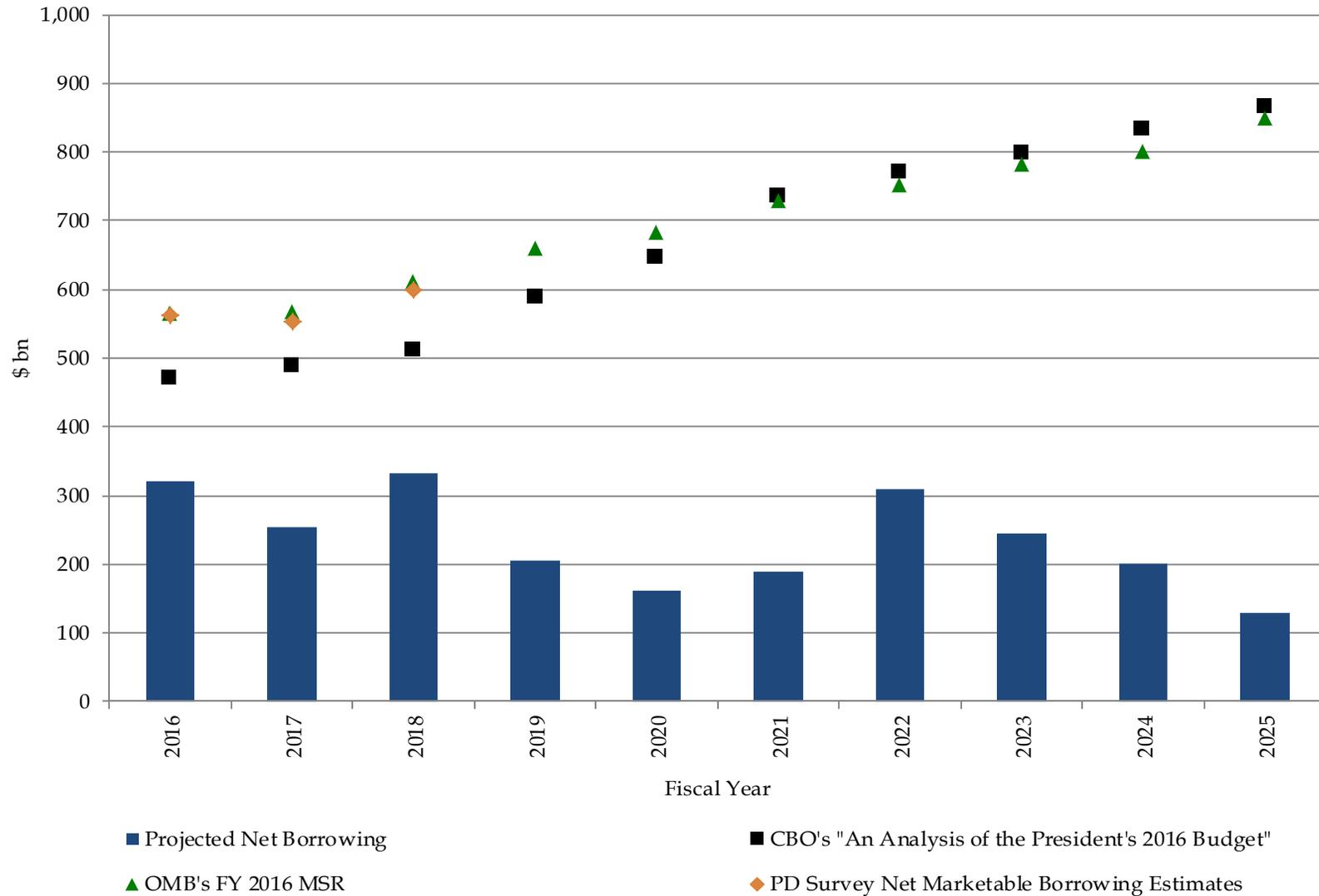
OMB's projections of net borrowing from the public are from Table S-11 of the "Fiscal Year 2016 Mid-Session Review." Data labels at the top represent the change in debt held by the public in \$ billions. "Other" represents borrowing from the public to provide direct and guaranteed loans.

## Interest Rate Assumptions: 10-Year Treasury Note



OMB's economic assumption of the 10-Year Treasury Note rates are from Table 2 of the "Fiscal Year 2016 Mid-Session Review." The forward rates are the implied 10-Year Treasury Note rates on September 30 of that year.

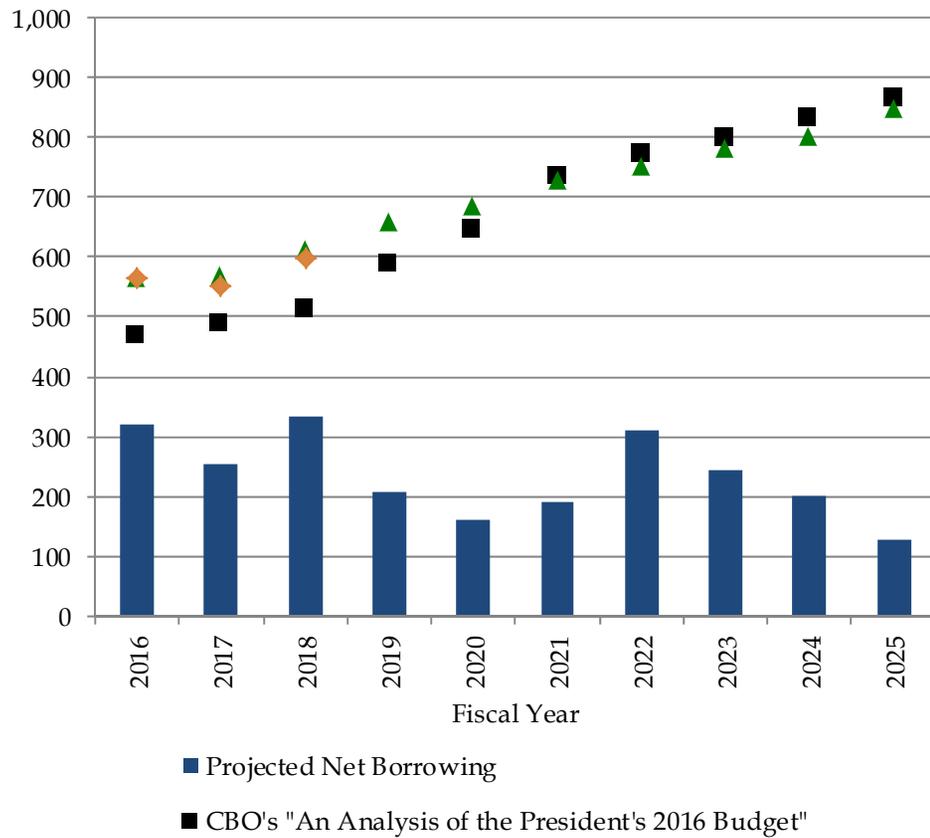
## Projected Net Borrowing Assuming Constant Future Issuance



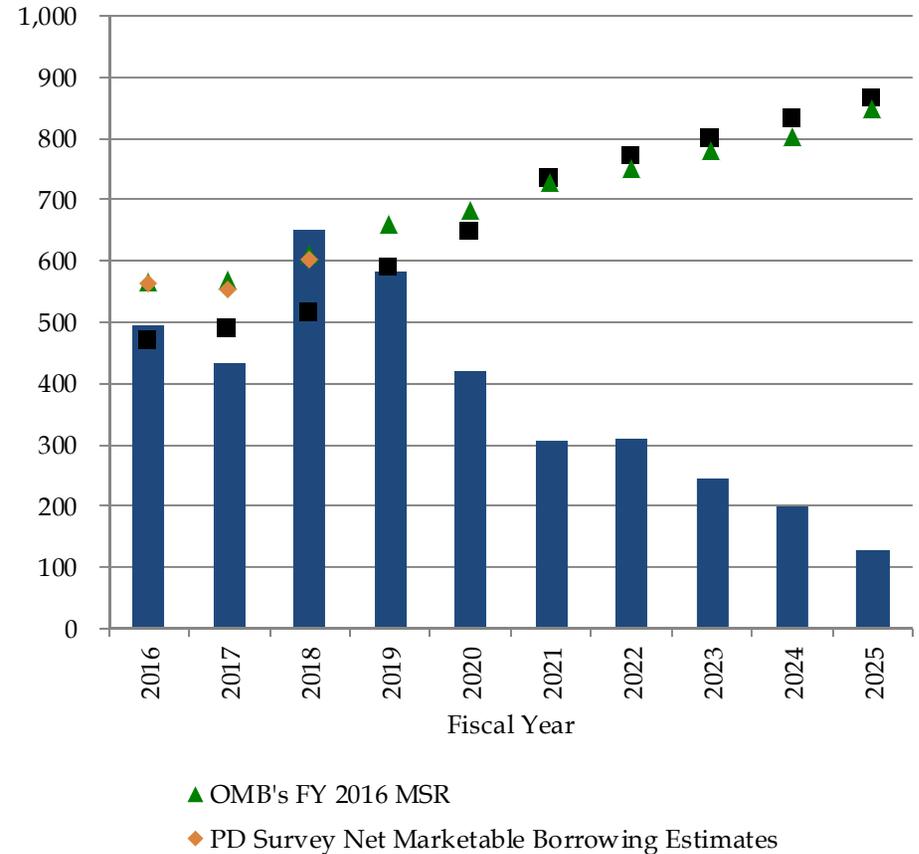
Treasury's primary dealer survey estimates can be found on page 9. OMB's projections of net borrowing from the public are from Table S-11 of the "Fiscal Year 2016 Mid-Session Review." CBO's estimates of the borrowing from the public are from Table 1 and 3 of "An Analysis of the President's 2016 Budget." See table at the end of this section for details.

# Impact of SOMA Actions on Projected Net Borrowing Assuming Future Issuance Remains Constant

## Without Fed Reinvestments (\$ bn)

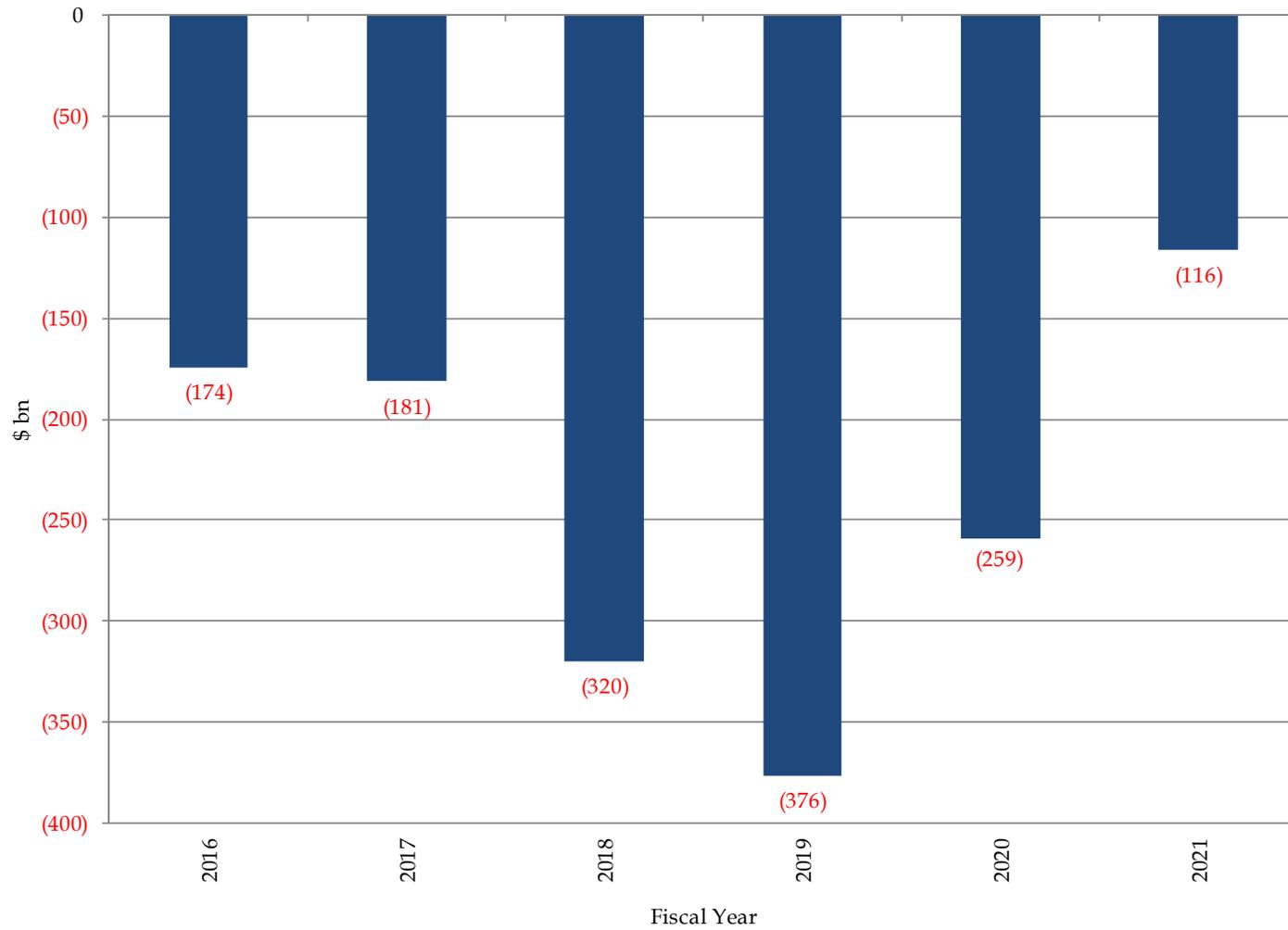


## With Fed Reinvestments (\$ bn)



Treasury's primary dealer survey estimates can be found on page 9. OMB's projections of net borrowing from the public are from Table S-11 of the "Fiscal Year 2016 Mid-Session Review." CBO's estimates of the borrowing from the public are from Table 1 and 3 of "An Analysis of the President's 2016 Budget." See table at the end of this section for details.

## Additional Funding Gap Assuming No SOMA Roll



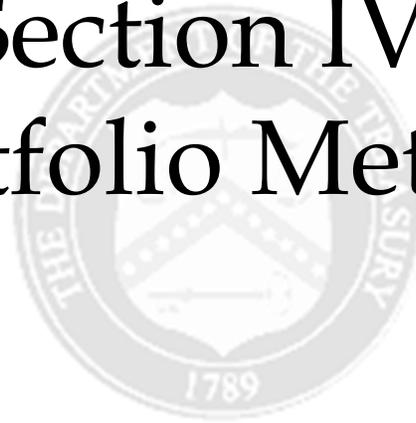
## Historical Net Marketable Borrowing and Projected Net Borrowing Assuming Future Issuance Remains Constant, \$ billions

Fiscal Year	Bills	2/3/5	7/10/30	TIPS	FRN	Historical/Projected Net Borrowing Capacity	OMB's FY 2016 Mid-Session Review	CBO's "An Analysis of the President's 2016 Budget"	Primary Dealer Survey
2011	(311)	576	751	88	0	1,104			
2012	139	148	738	90	0	1,115			
2013	(86)	86	720	111	0	830			
2014	(119)	(92)	669	88	123	669			
2015	(53)	(282)	641	88	164	558			
2016	(59)	(173)	442	70	41	322	564	469	563
2017	0	(73)	256	71	(0)	253	568	488	553
2018	0	28	238	66	0	332	610	512	600
2019	0	35	104	68	0	206	659	588	
2020	0	(0)	119	42	0	161	683	646	
2021	0	15	157	18	0	190	729	735	
2022	0	72	231	7	0	309	751	770	
2023	0	43	195	7	0	245	781	798	
2024	0	2	192	6	(0)	200	801	832	
2025	0	(33)	199	(37)	(0)	129	848	865	

\*OFP's FY 2015 Net Marketable Borrowing Projection

Treasury's primary dealer survey estimates can be found on page 9. OMB's projections of net borrowing from the public are from Table S-11 of the "Fiscal Year 2016 Mid-Session Review." CBO's estimates of the borrowing from the public are from Table 1 and 3 of "An Analysis of the President's 2016 Budget."

# Section IV: Portfolio Metrics

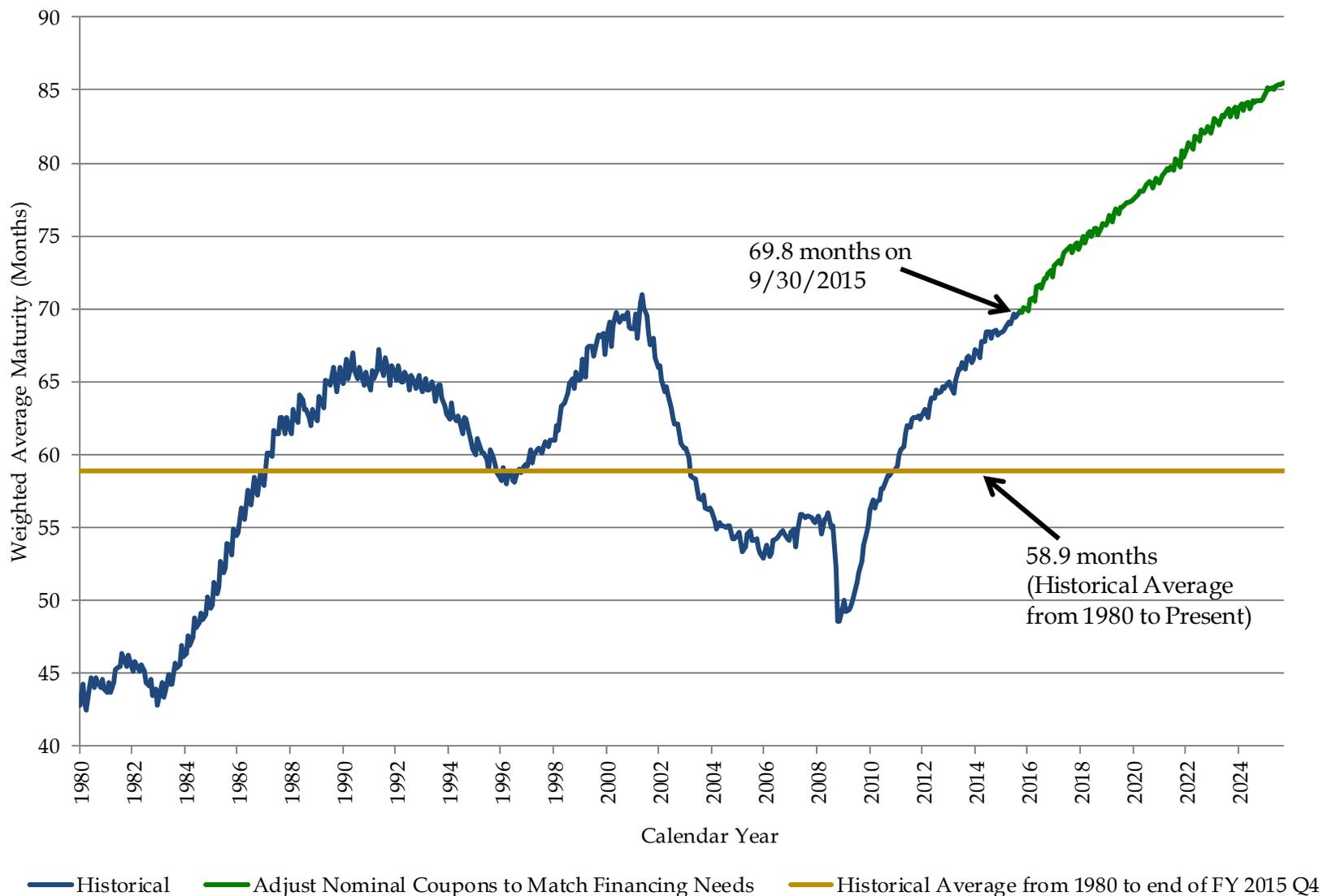


## Assumptions for Portfolio Metrics Section (pages 25 to 30) and Appendix

- Portfolio and SOMA holdings as of 9/30/2015.
- SOMA redemptions until and including June 2021. These assumptions are based on Chairman Bernanke's June 2013 press conference.
- To match OMB's projected borrowing from the public for the next 10 years, Nominal Coupon securities (2-, 3-, 5-, 7-, 10-, and 30-year) were adjusted by the same percentage.
- The principal on the TIPS securities was accreted to each projection date based on market ZCIS levels as of 9/30/2015.
- OMB's estimates of borrowing from the public are Table S-11 of the "Fiscal Year 2016 Mid-Session Review."

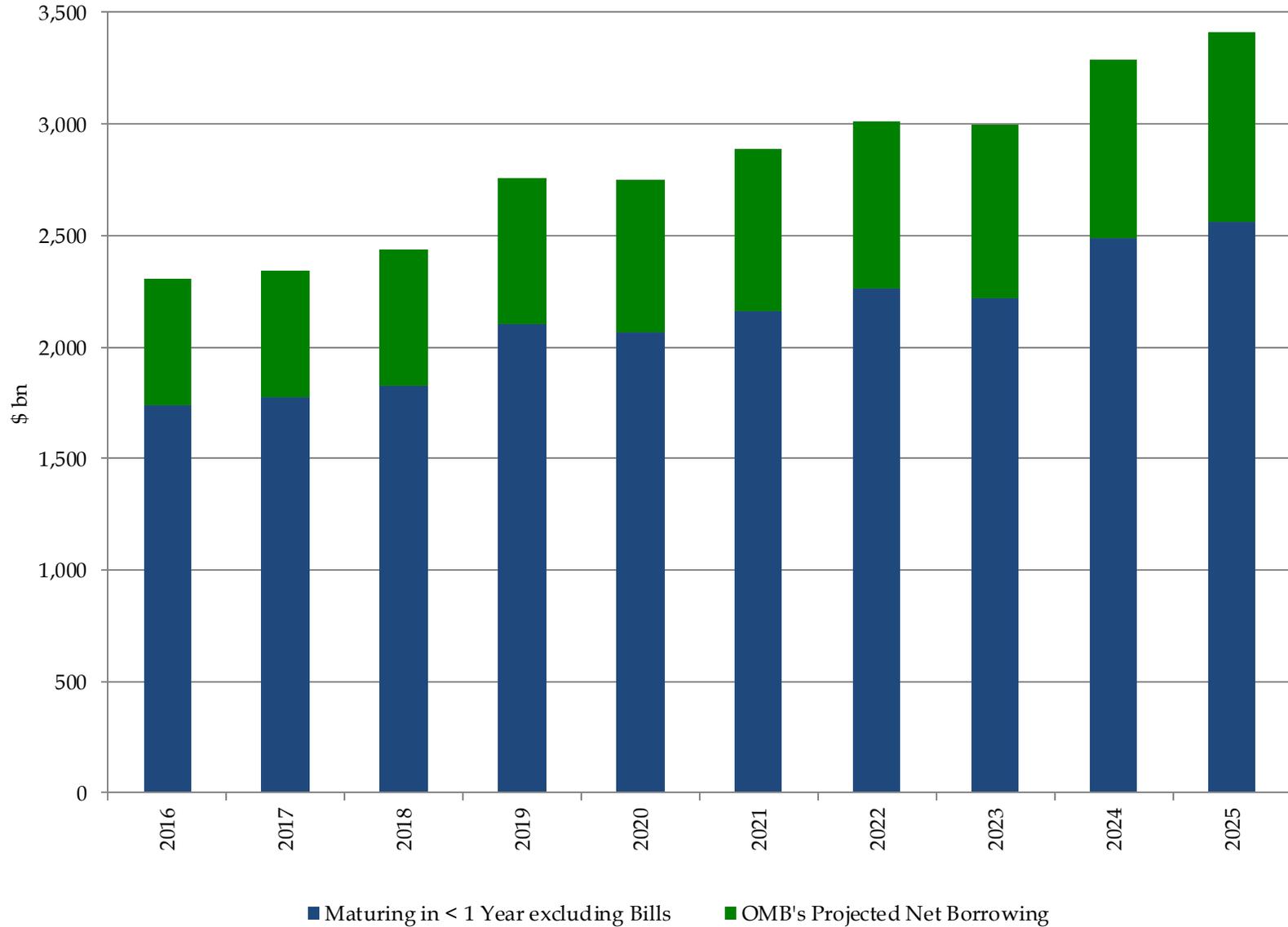


## Weighted Average Maturity of Marketable Debt Outstanding



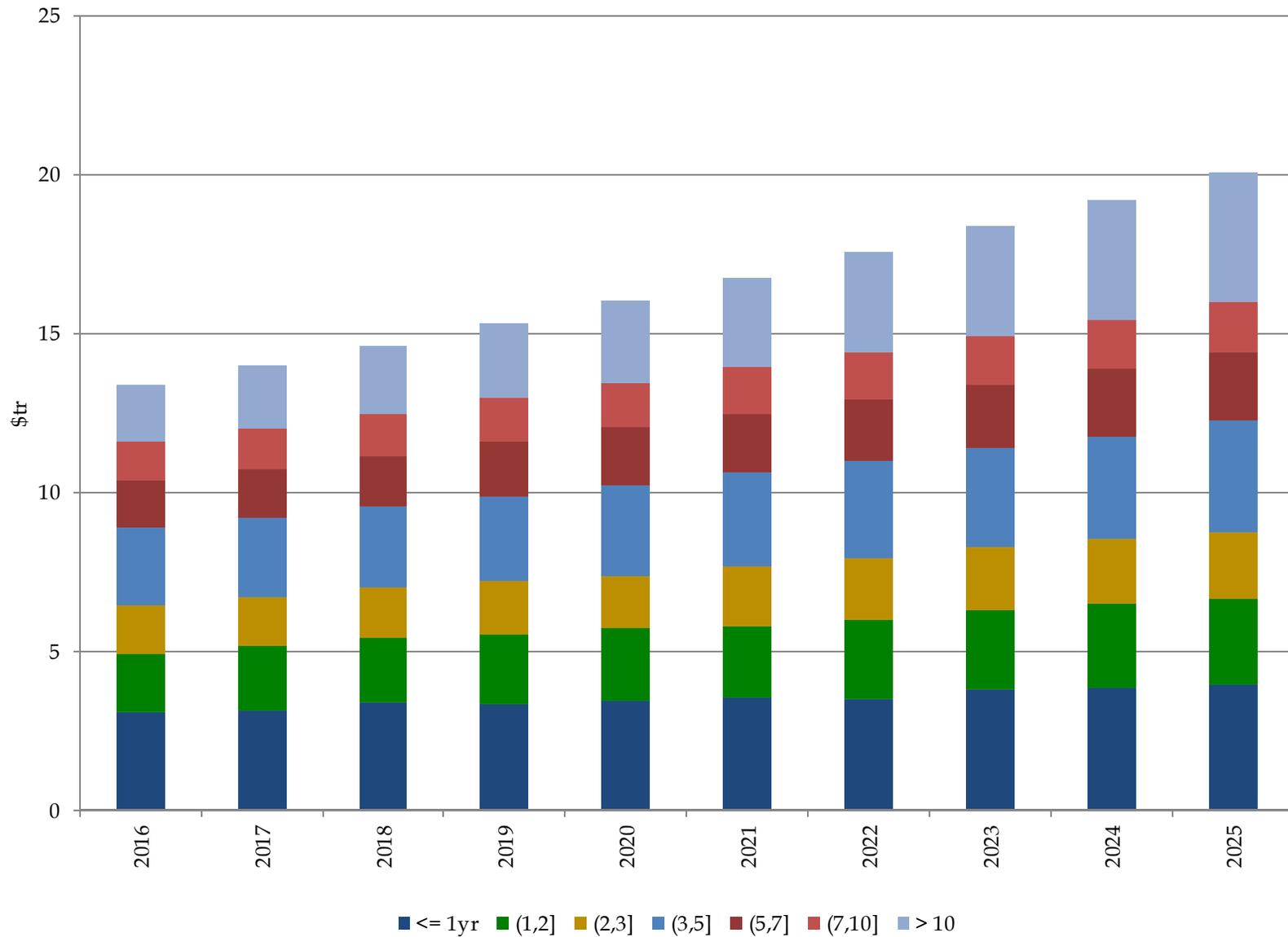
This scenario does not represent any particular course of action that Treasury is expected to follow. Instead, it is intended to demonstrate the basic trajectory of average maturity absent changes to the mix of securities issued by Treasury.

## Projected Gross Borrowing excluding Bills for Fiscal Year



This scenario does not represent any particular course of action that Treasury is expected to follow. Instead, it is intended to demonstrate the basic trajectory of average maturity absent changes to the mix of securities issued by Treasury.

## Projected Maturity Profile from end of Fiscal Year



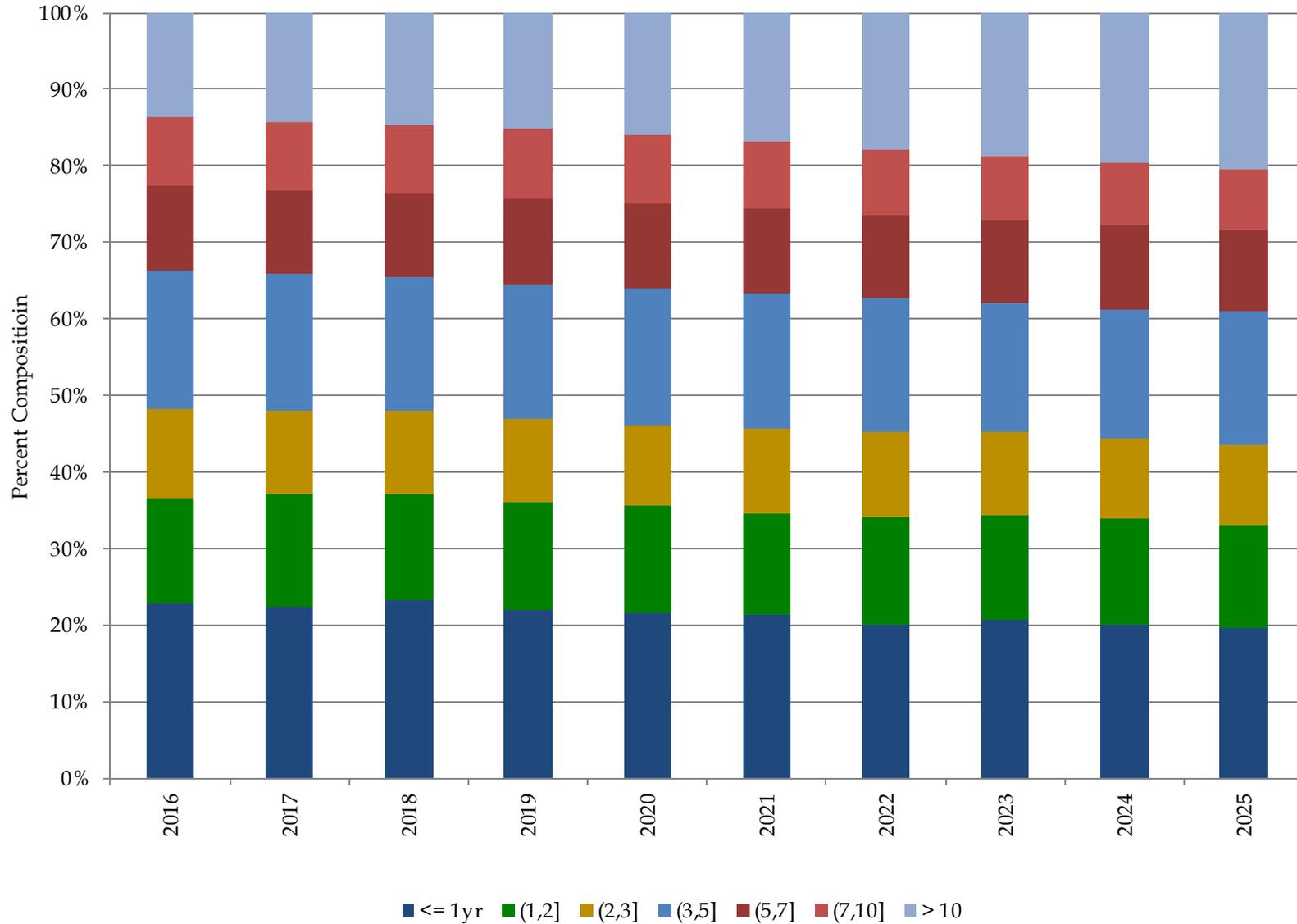
This scenario does not represent any particular course of action that Treasury is expected to follow. Instead, it is intended to demonstrate the basic trajectory of average maturity absent changes to the mix of securities issued by Treasury. See table on following page for details.

## Recent and Projected Maturity Profile, \$ billions

End of Fiscal Year	<= 1yr	(1,2]	(2,3]	(3,5]	(5,7]	(7,10]	> 10	Total	(0,5]
2008	2,152	711	280	653	310	499	617	5,222	3,796
2009	2,702	774	663	962	559	643	695	6,998	5,101
2010	2,563	1,141	895	1,273	907	856	853	8,488	5,872
2011	2,620	1,334	980	1,541	1,070	1,053	1,017	9,616	6,476
2012	2,951	1,373	1,104	1,811	1,214	1,108	1,181	10,742	7,239
2013	2,939	1,523	1,242	1,965	1,454	1,136	1,331	11,590	7,669
2014	2,935	1,739	1,319	2,207	1,440	1,113	1,528	12,281	8,199
2015	3,097	1,775	1,335	2,382	1,478	1,121	1,654	12,841	8,589
2016	3,074	1,822	1,565	2,421	1,509	1,189	1,825	13,405	8,882
2017	3,123	2,067	1,530	2,494	1,514	1,258	2,004	13,990	9,214
2018	3,398	2,030	1,589	2,545	1,586	1,317	2,155	14,620	9,563
2019	3,364	2,157	1,676	2,674	1,714	1,394	2,324	15,302	9,870
2020	3,458	2,261	1,649	2,864	1,803	1,408	2,567	16,011	10,232
2021	3,562	2,217	1,886	2,960	1,848	1,464	2,831	16,767	10,625
2022	3,519	2,484	1,924	3,066	1,926	1,489	3,141	17,549	10,992
2023	3,786	2,518	2,003	3,097	1,982	1,516	3,460	18,363	11,405
2024	3,861	2,651	2,019	3,243	2,113	1,542	3,771	19,200	11,774
2025	3,954	2,701	2,077	3,514	2,147	1,575	4,119	20,087	12,246

This scenario does not represent any particular course of action that Treasury is expected to follow. Instead, it is intended to demonstrate the basic trajectory of average maturity absent changes to the mix of securities issued by Treasury. Portfolio composition by original issuance type and term can be found in the appendix (Page 43).

## Projected Maturity Profile from end of Fiscal Year



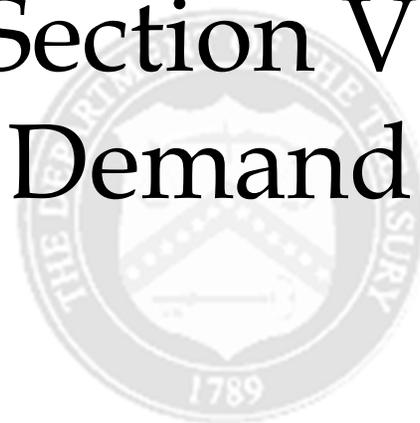
This scenario does not represent any particular course of action that Treasury is expected to follow. Instead, it is intended to demonstrate the basic trajectory of average maturity absent changes to the mix of securities issued by Treasury. See table on following page for details.

## Recent and Projected Maturity Profile, percent

End of Fiscal Year	<= 1yr	(1,2]	(2,3]	(3,5]	(5,7]	(7,10]	> 10	(0,3]	(0,5]
2008	41.2	13.6	5.4	12.5	5.9	9.6	11.8	60.2	72.7
2009	38.6	11.1	9.5	13.7	8.0	9.2	9.9	59.1	72.9
2010	30.2	13.4	10.5	15.0	10.7	10.1	10.0	54.2	69.2
2011	27.2	13.9	10.2	16.0	11.1	10.9	10.6	51.3	67.3
2012	27.5	12.8	10.3	16.9	11.3	10.3	11.0	50.5	67.4
2013	25.4	13.1	10.7	17.0	12.5	9.8	11.5	49.2	66.2
2014	23.9	14.2	10.7	18.0	11.7	9.1	12.4	48.8	66.8
2015	24.1	13.8	10.4	18.5	11.5	8.7	12.9	48.3	66.9
2016	22.9	13.6	11.7	18.1	11.3	8.9	13.6	48.2	66.3
2017	22.3	14.8	10.9	17.8	10.8	9.0	14.3	48.0	65.9
2018	23.2	13.9	10.9	17.4	10.8	9.0	14.7	48.0	65.4
2019	22.0	14.1	10.9	17.5	11.2	9.1	15.2	47.0	64.5
2020	21.6	14.1	10.3	17.9	11.3	8.8	16.0	46.0	63.9
2021	21.2	13.2	11.2	17.7	11.0	8.7	16.9	45.7	63.4
2022	20.1	14.2	11.0	17.5	11.0	8.5	17.9	45.2	62.6
2023	20.6	13.7	10.9	16.9	10.8	8.3	18.8	45.2	62.1
2024	20.1	13.8	10.5	16.9	11.0	8.0	19.6	44.4	61.3
2025	19.7	13.4	10.3	17.5	10.7	7.8	20.5	43.5	61.0

This scenario does not represent any particular course of action that Treasury is expected to follow. Instead, it is intended to demonstrate the basic trajectory of average maturity absent changes to the mix of securities issued by Treasury. Portfolio composition by original issuance type and term can be found in the appendix (Page 43).

# Section V: Demand



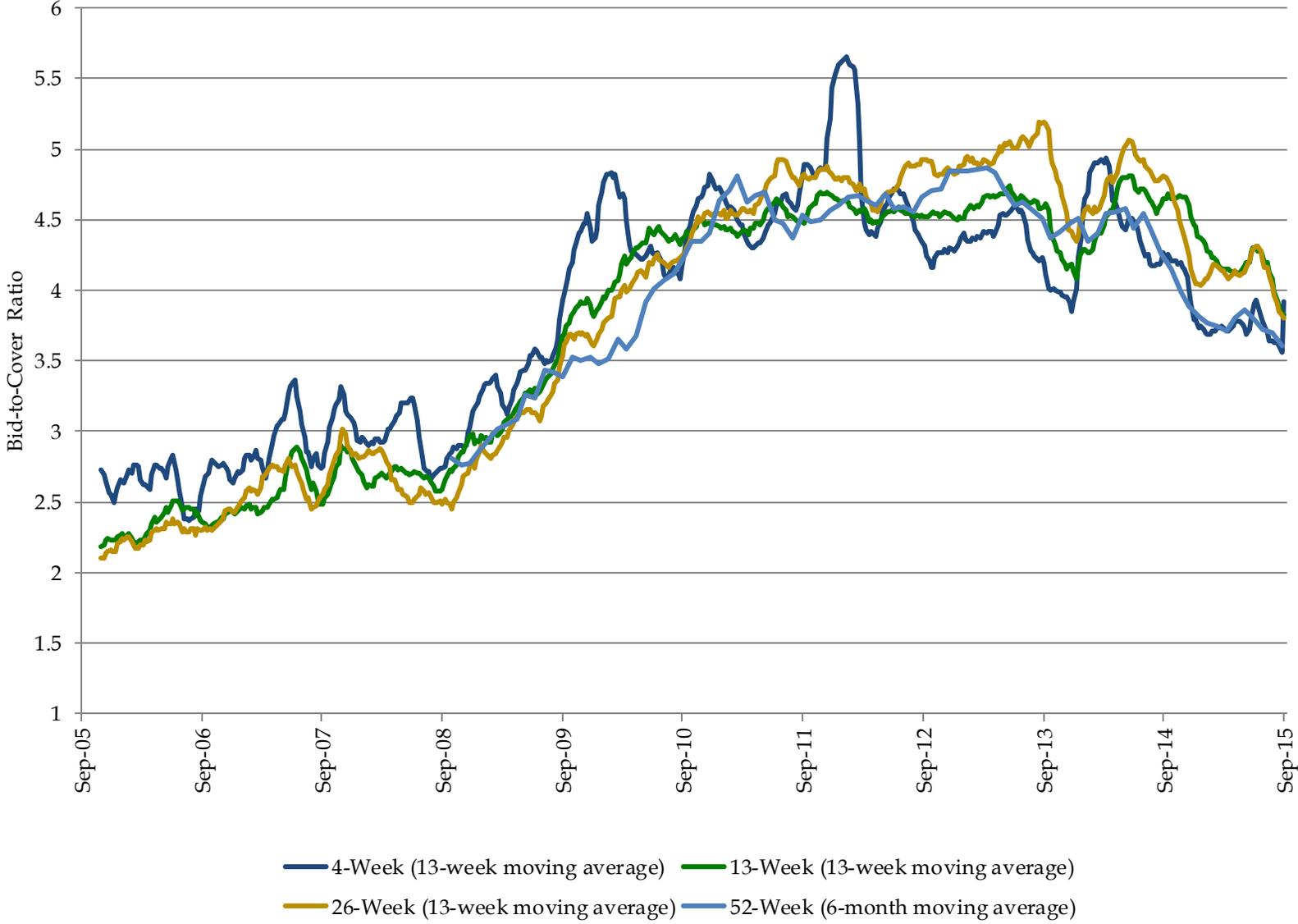
## Summary Statistics for Fiscal Year 2015 Q4 Auctions

Security Type	Term	Stop Out Rate (%)*	Bid-to-Cover Ratio*	Competitive Awards (\$bn)	% Primary Dealer*	% Direct*	% Indirect*	Non-Competitive Awards (\$bn)	SOMA Add Ons (\$bn)	10-Year Equivalent (\$bn)**
Bill	4-Week	0.029	3.8	430.6	72.3	5.1	22.6	3.3	0.0	3.7
Bill	13-Week	0.056	3.8	287.8	67.3	7.5	25.2	4.8	0.0	8.3
Bill	26-Week	0.181	3.8	286.0	53.9	6.0	40.1	4.2	0.0	16.6
Bill	52-Week	0.389	3.5	66.4	62.3	4.1	33.6	0.4	0.0	7.5
Bill	CMBs	0.055	3.4	75.0	70.4	5.8	23.8	0.0	0.0	0.4
Coupon	2-Year	0.684	3.3	77.4	38.0	13.8	48.2	0.4	0.0	17.4
Coupon	3-Year	1.000	3.2	71.7	39.5	10.0	50.5	0.1	0.5	24.2
Coupon	5-Year	1.518	2.5	104.8	33.7	5.9	60.3	0.1	0.0	56.8
Coupon	7-Year	1.921	2.5	87.0	34.1	11.7	54.2	0.0	0.0	64.0
Coupon	10-Year	2.188	2.6	65.9	31.0	10.4	58.7	0.1	0.5	67.2
Coupon	30-Year	2.974	2.3	42.0	35.4	8.6	56.0	0.0	0.3	95.0
TIPS	5-Year	0.305	2.6	16.0	23.1	0.5	76.4	0.0	0.0	8.2
TIPS	10-Year	0.542	2.3	28.0	26.5	4.7	68.8	0.0	0.0	30.7
FRN	2-Year	0.093	3.5	41.0	58.3	1.5	40.3	0.0	0.0	0.0
Total Bills		0.096	3.7	1,145.8	65.8	5.9	28.3	12.7	0.0	36.5
Total Coupons		1.604	2.8	448.6	35.2	10.0	54.8	0.9	1.3	324.6
Total TIPS		0.456	2.4	43.9	25.3	3.2	71.5	0.1	0.0	38.9
Total FRNs		0.093	3.5	41.0	58.3	1.5	40.3	0.0	0.0	0.0

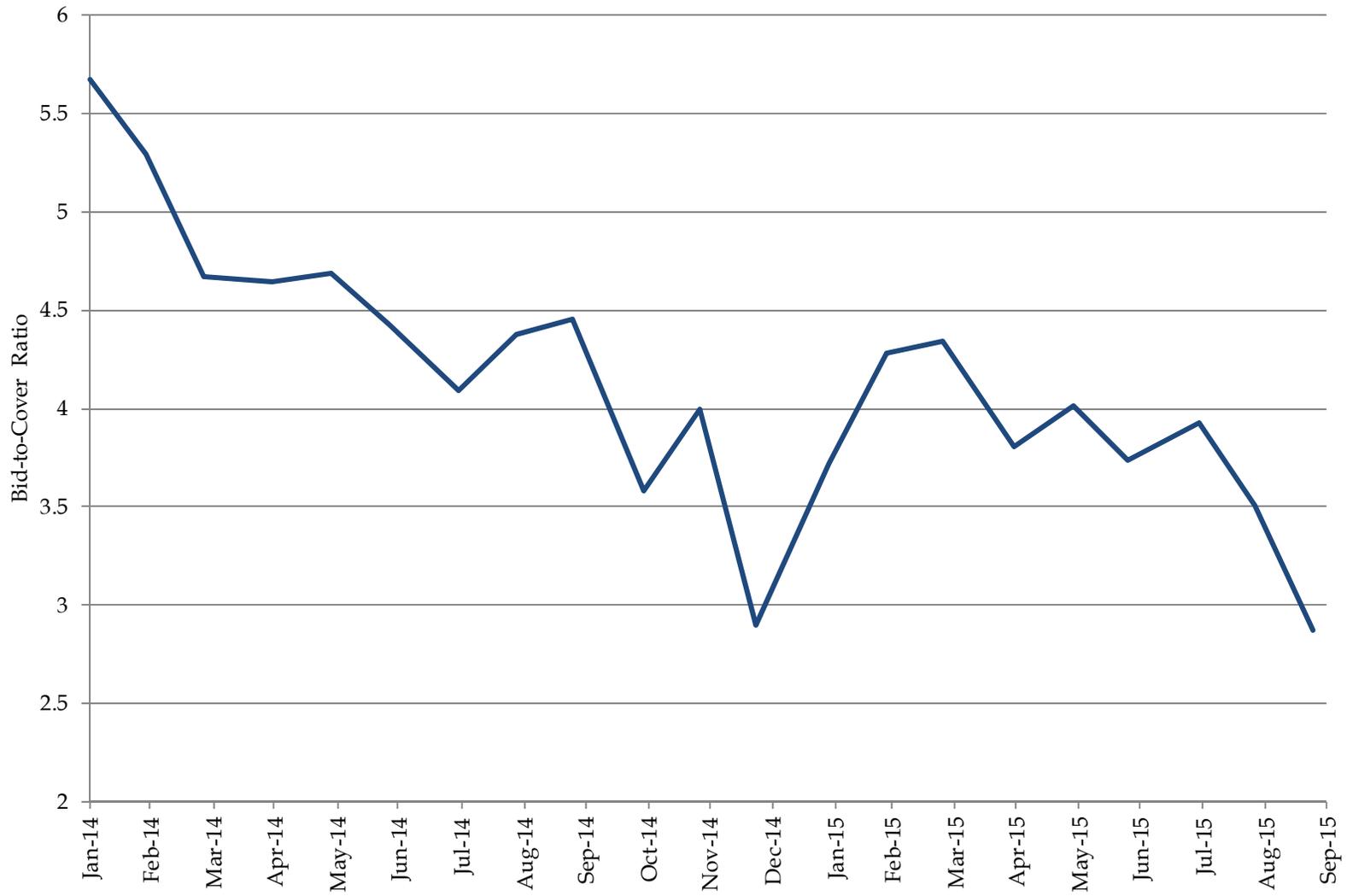
\*Weighted averages of Competitive Awards.

\*\*Approximated using prices at settlement and includes both Competitive and Non-Competitive Awards. For TIPS' 10-year equivalent, a constant auction BEI is used as the inflation assumption.

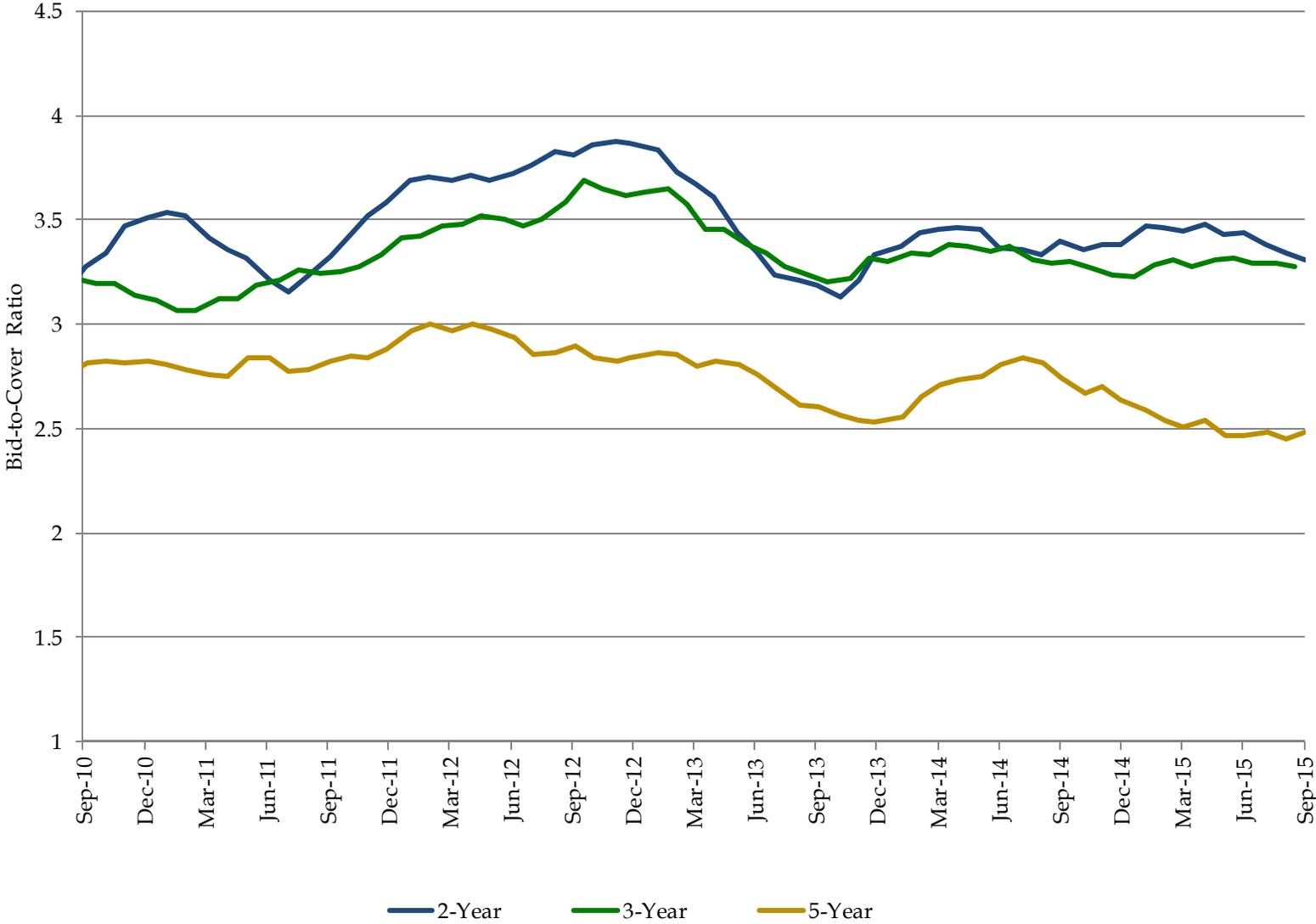
# Bid-to-Cover Ratios for Treasury Bills



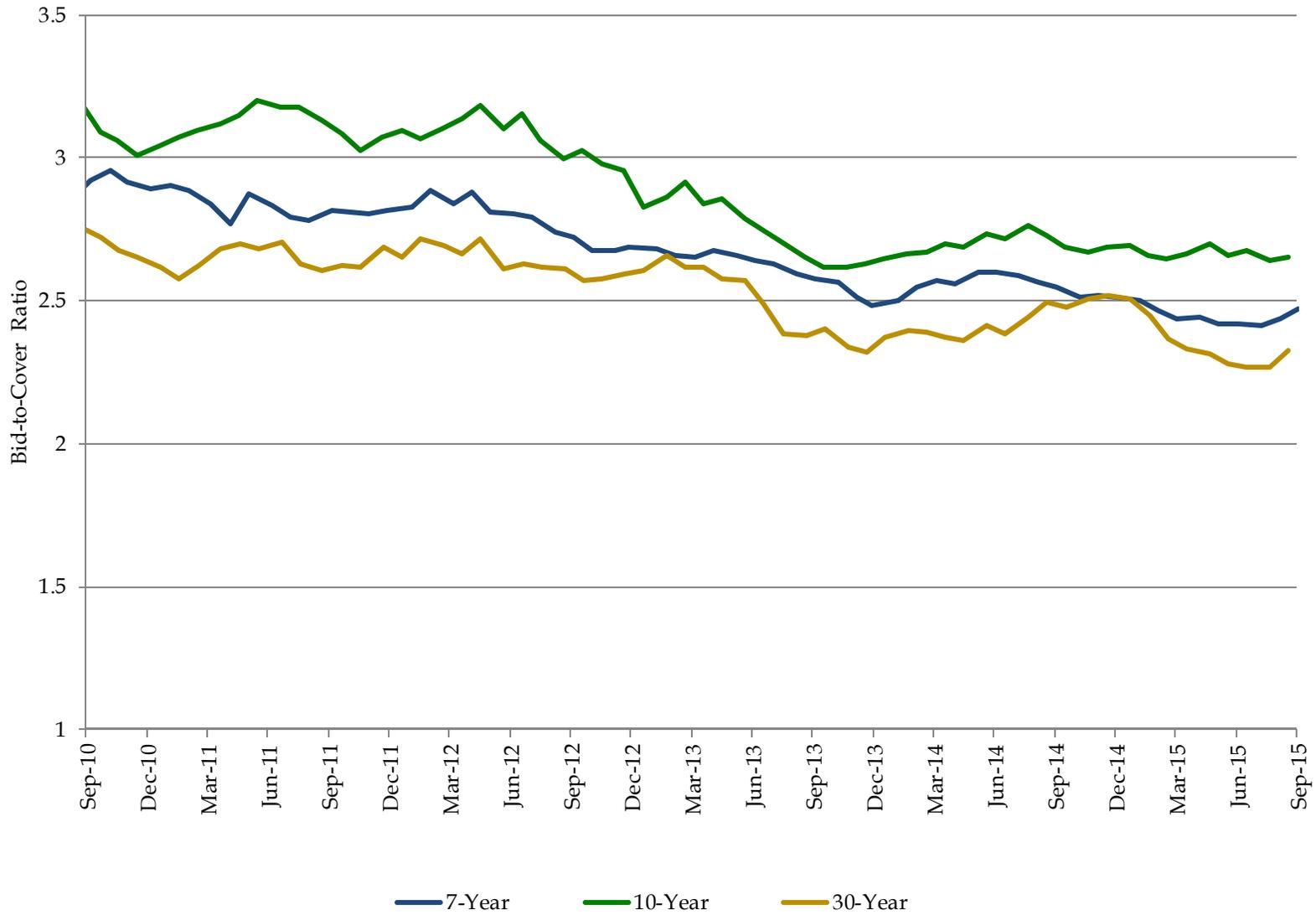
## Bid-to-Cover Ratios for FRNs



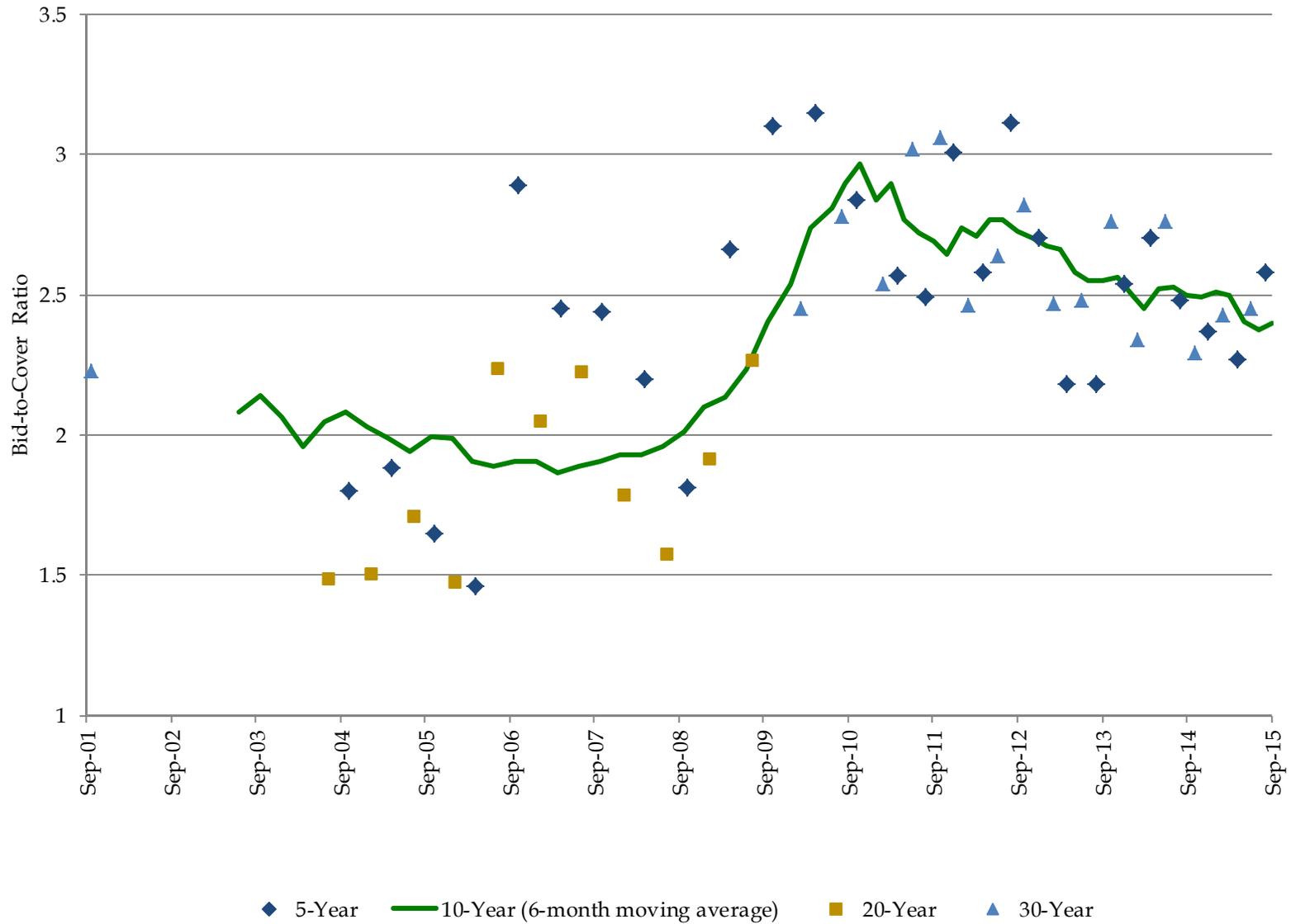
# Bid-to-Cover Ratios for 2-, 3-, and 5-Year Nominal Securities (6-Month Moving Average)



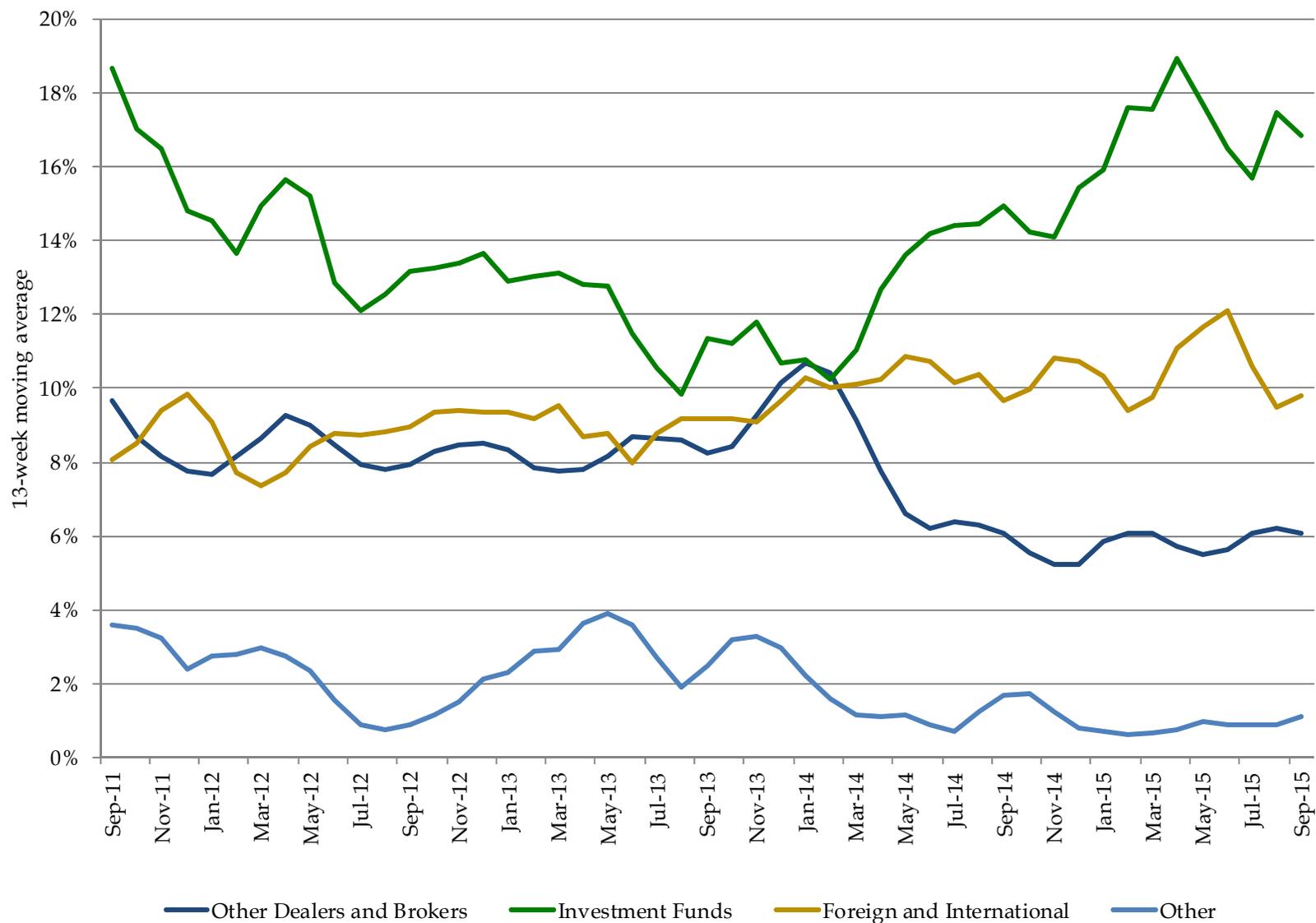
## Bid-to-Cover Ratios for 7-, 10-, and 30-Year Nominal Securities (6-Month Moving Average)



## Bid-to-Cover Ratios for TIPS

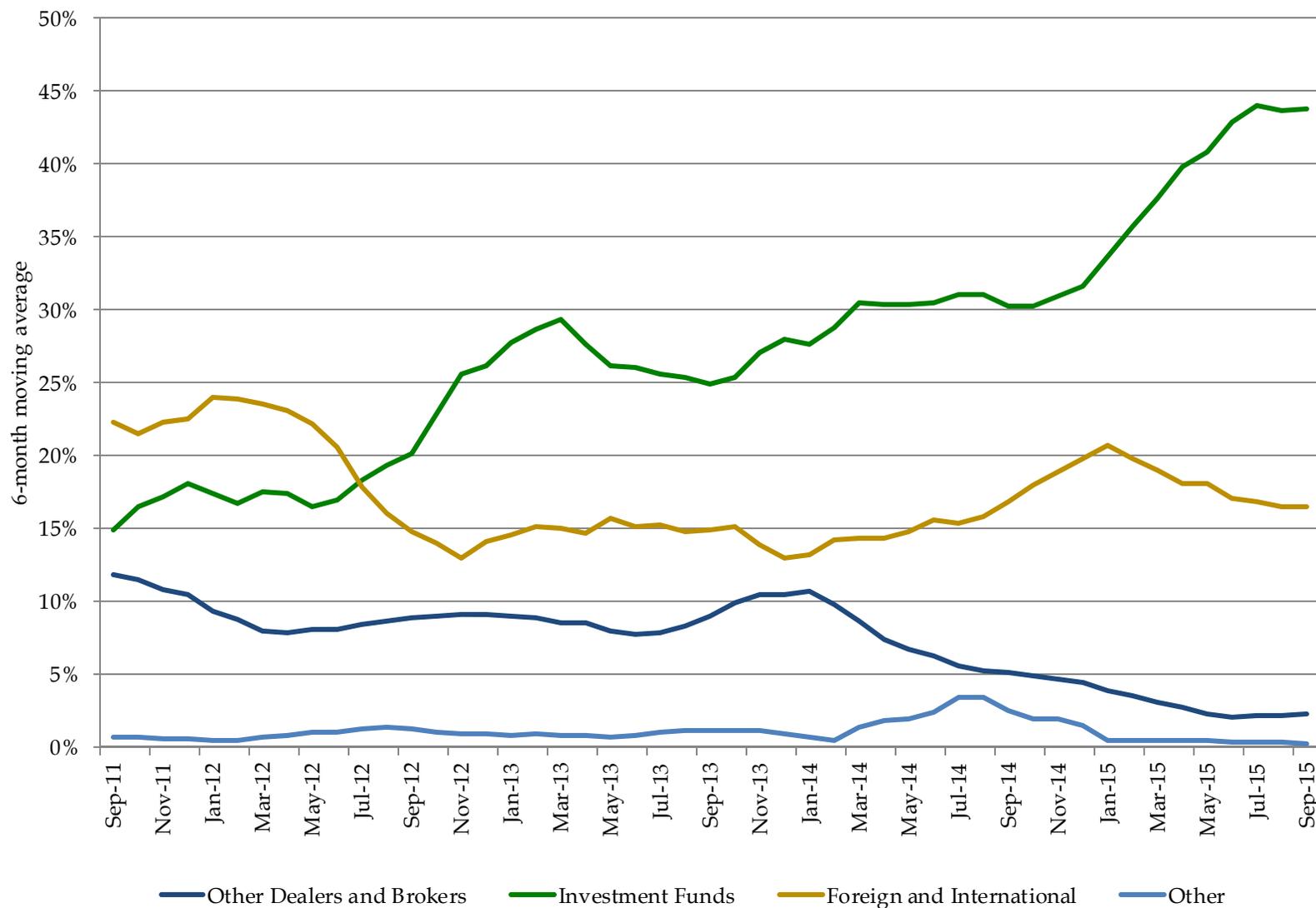


## Percent Awarded in Bill Auctions by Investor Class (13-Week Moving Average)



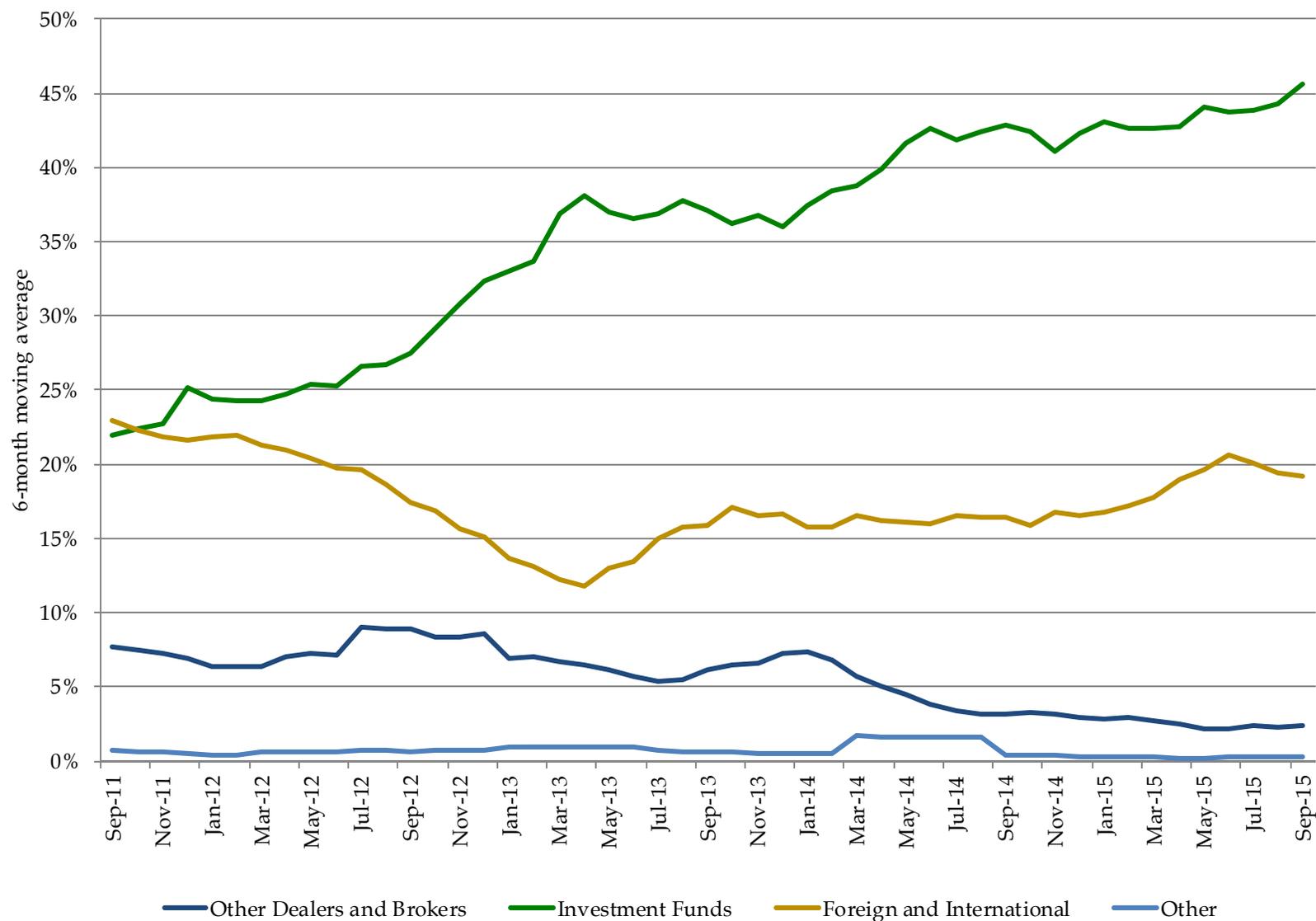
Excludes SOMA add-ons. The "Other" category includes categories that are each less than 2%, which include Depository Institutions, Individuals, Pension and Insurance.

## Percent Awarded in 2-, 3-, and 5-Year Nominal Security Auctions by Investor Class (6-Month Moving Average)



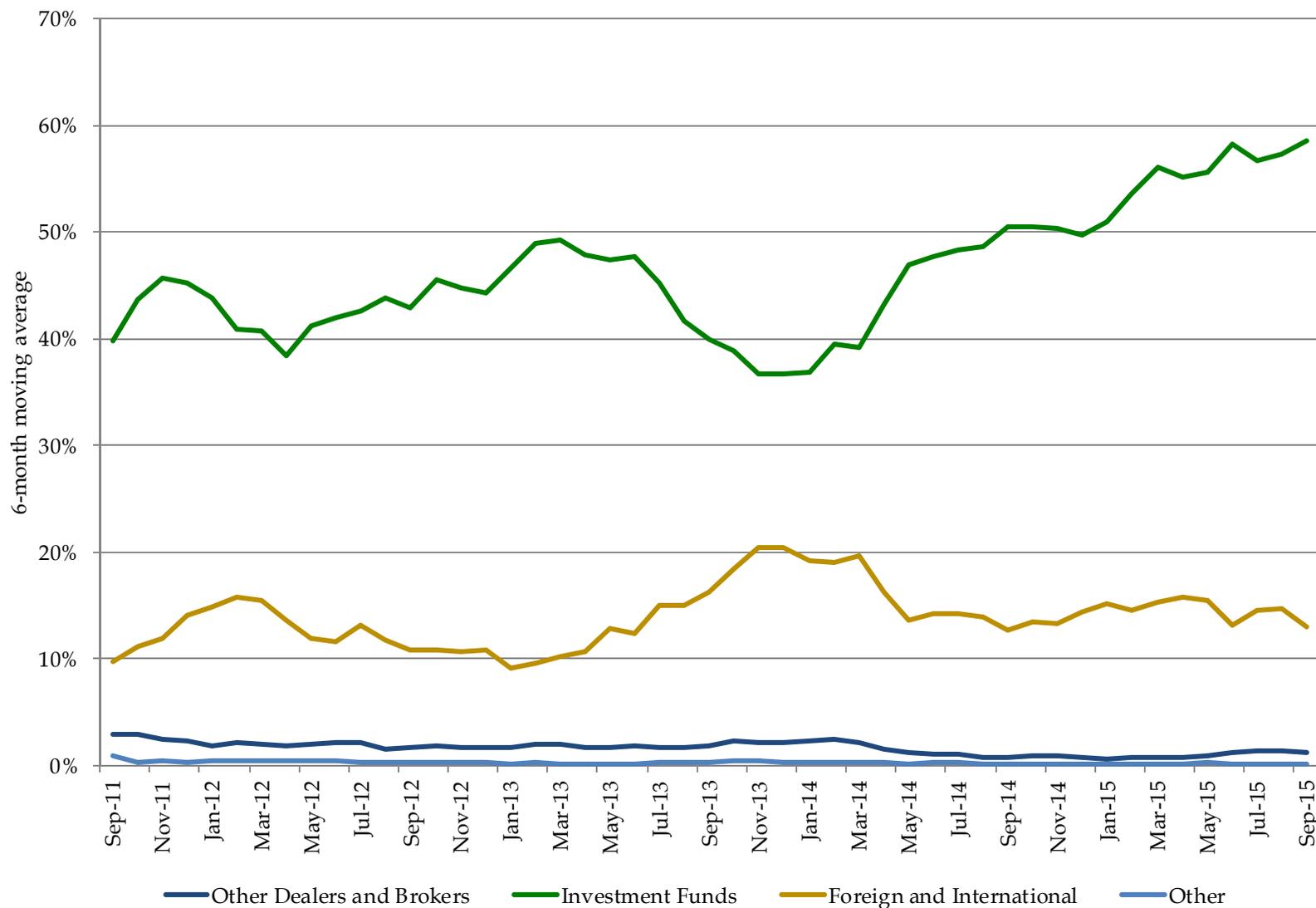
Excludes SOMA add-ons. The "Other" category includes categories that are each less than 2%, which include Depository Institutions, Individuals, Pension and Insurance.

## Percent Awarded in 7-, 10-, 30-Year Nominal Security Auctions by Investor Class (6-Month Moving Average)



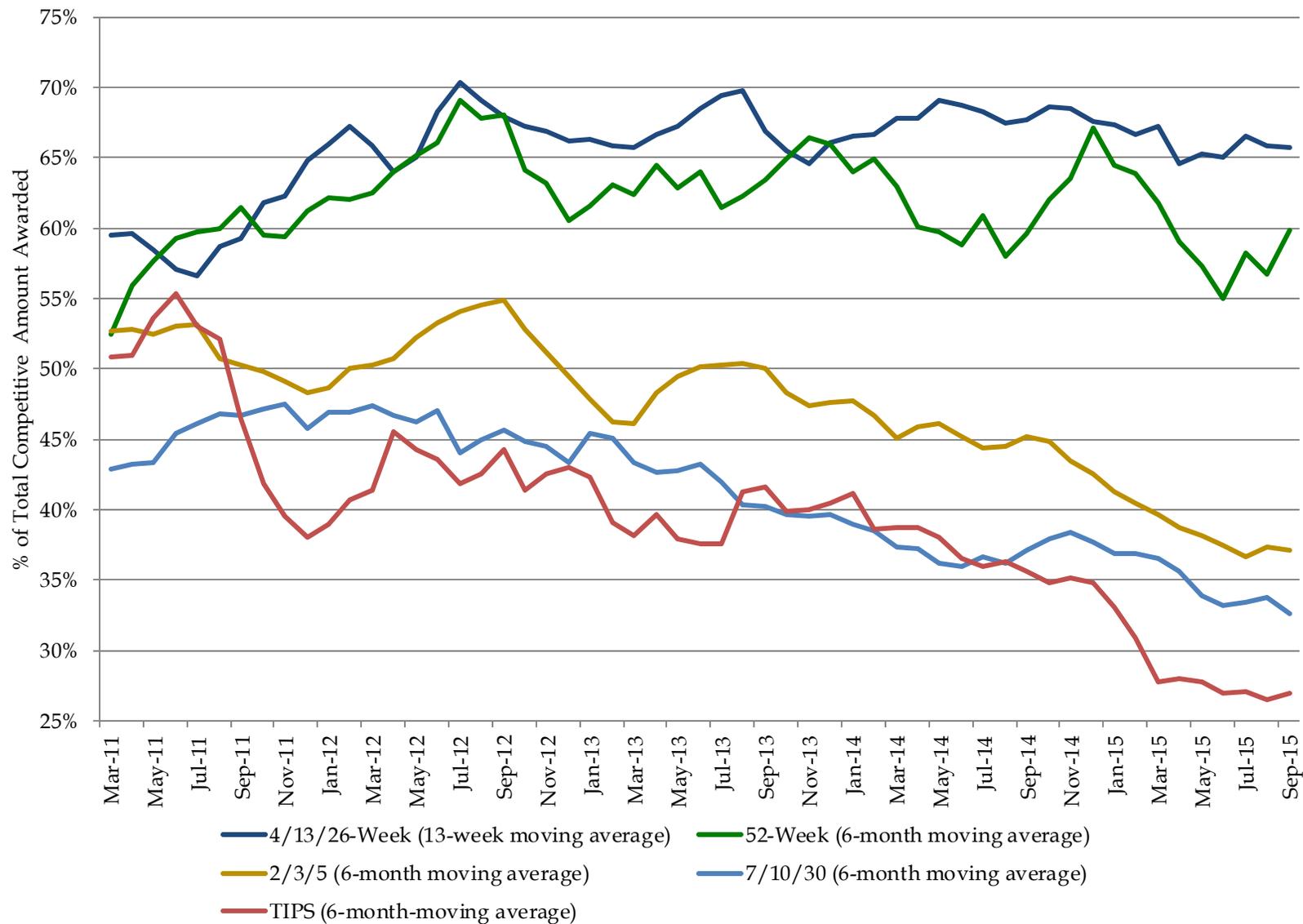
Excludes SOMA add-ons. The "Other" category includes categories that are each less than 2%, which include Depository Institutions, Individuals, Pension and Insurance.

## Percent Awarded in TIPS Auctions by Investor Class (6-Month Moving Average)



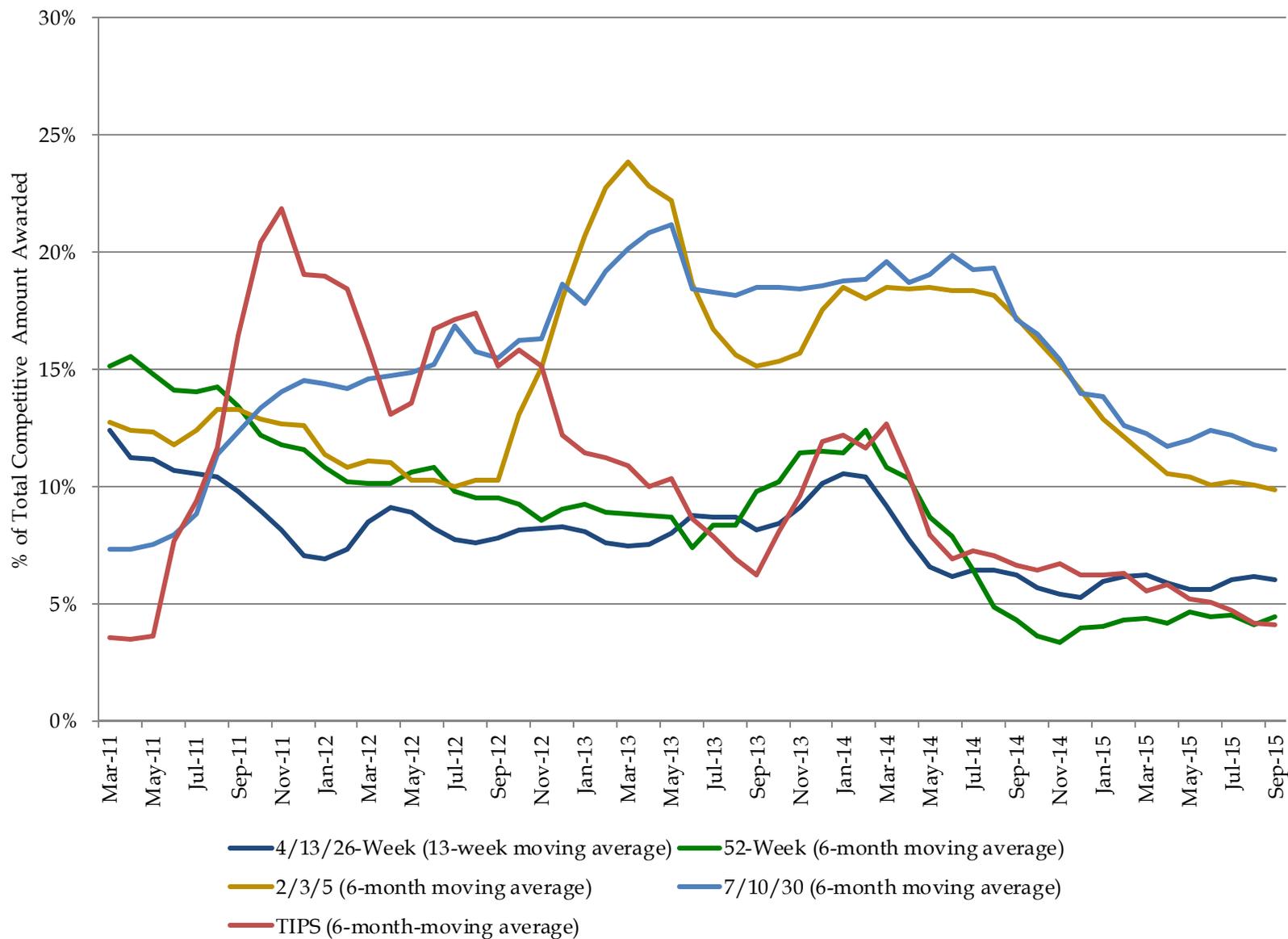
Excludes SOMA add-ons. The "Other" category includes categories that are each less than 2%, which include Depository Institutions, Individuals, Pension and Insurance.

## Primary Dealer Awards at Auction



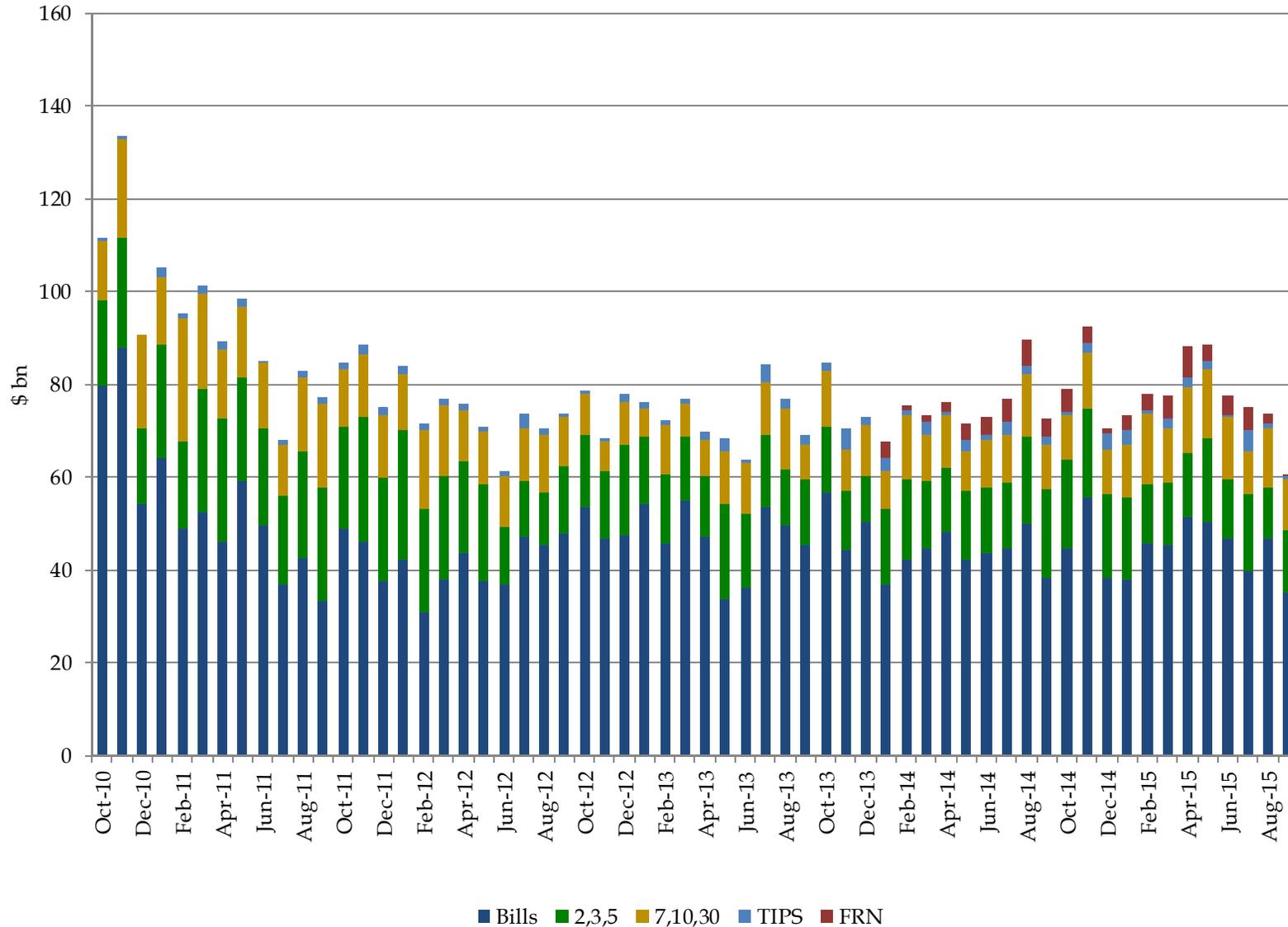
Excludes SOMA add-ons.

## Direct Bidder Awards at Auction



Excludes SOMA add-ons.

## Total Foreign Awards of Treasuries at Auction, \$ billions

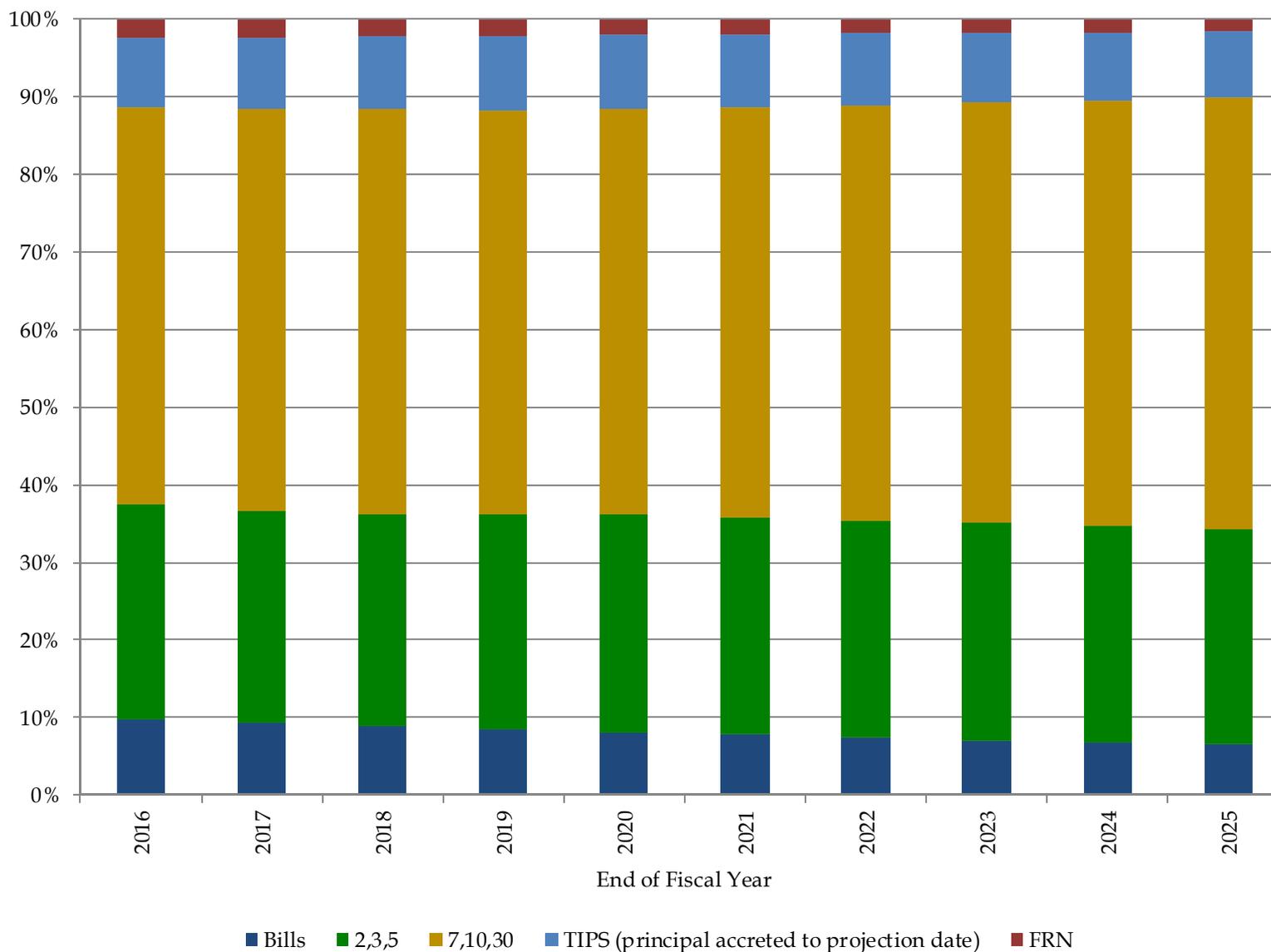


Foreign includes both private sector and official institutions.

# Appendix

The seal of the Department of the Treasury is visible in the background, featuring a shield with a scale of justice, a sword, and a chevron, surrounded by the text "THE DEPARTMENT OF THE TREASURY" and the year "1789".

## Projected Portfolio Composition by Issuance Type



This scenario does not represent any particular course of action that Treasury is expected to follow. Instead, it is intended to demonstrate the basic trajectory of average maturity absent changes to the mix of securities issued by Treasury. See table on following page for details.

## Recent and Projected Portfolio Composition by Issuance Type, Percent

End of Fiscal Year	Bills	2-, 3-, 5-Year Nominal Coupons	7-, 10-, 30-Year Nominal Coupons	Total Nominal Coupons	TIPS (principal accreted to projection date)	FRN
2008	28.5	34.5	26.9	61.4	10.0	0.0
2009	28.5	36.2	27.4	63.6	7.9	0.0
2010	21.1	40.1	31.8	71.9	7.0	0.0
2011	15.4	41.4	35.9	77.3	7.3	0.0
2012	15.0	38.4	39.0	77.4	7.5	0.0
2013	13.2	35.8	43.0	78.7	8.1	0.0
2014	11.5	33.0	46.0	79.0	8.5	1.0
2015	10.6	29.4	49.0	78.3	8.8	2.2
2016	9.7	27.8	51.0	78.9	9.0	2.4
2017	9.3	27.4	51.7	79.1	9.2	2.3
2018	8.9	27.3	52.1	79.4	9.4	2.2
2019	8.5	27.7	52.0	79.8	9.6	2.1
2020	8.1	28.0	52.2	80.2	9.6	2.0
2021	7.7	28.1	52.8	80.9	9.4	2.0
2022	7.4	28.0	53.5	81.5	9.2	1.9
2023	7.1	28.0	54.1	82.1	9.0	1.8
2024	6.8	27.9	54.8	82.7	8.9	1.7
2025	6.5	27.7	55.7	83.4	8.5	1.6

This scenario does not represent any particular course of action that Treasury is expected to follow. Instead, it is intended to demonstrate the basic trajectory of average maturity absent changes to the mix of securities issued by Treasury.

Bills										
Issue	Settle Date	Stop Out Rate (%)*	Bid-to-Cover Ratio*	Competitive Awards (\$bn)	% Primary Dealer*	% Direct*	% Indirect*	Non-Competitive Awards (\$bn)	SOMA Add Ons (\$bn)	10-Year Equivalent (\$bn)*
4-Week	7/9/2015	0.015	3.39	39.7	64.0	6.5	29.5	0.3	0.0	0.3
4-Week	7/16/2015	0.020	2.98	44.7	77.6	6.7	15.7	0.3	0.0	0.4
4-Week	7/23/2015	0.035	3.52	39.7	70.8	6.9	22.2	0.3	0.0	0.3
4-Week	7/30/2015	0.050	3.47	39.3	67.4	7.2	25.4	0.3	0.0	0.3
4-Week	8/6/2015	0.050	3.62	39.7	73.3	2.7	24.0	0.3	0.0	0.3
4-Week	8/13/2015	0.050	3.13	39.7	72.4	5.5	22.1	0.3	0.0	0.3
4-Week	8/20/2015	0.040	3.34	39.7	70.7	3.7	25.6	0.3	0.0	0.3
4-Week	8/27/2015	0.045	3.27	39.0	69.9	3.7	26.3	0.3	0.0	0.3
4-Week	9/3/2015	0.000	3.48	34.7	88.1	3.0	8.9	0.3	0.0	0.3
4-Week	9/10/2015	0.005	3.55	29.7	82.5	2.8	14.7	0.3	0.0	0.3
4-Week	9/17/2015	0.000	4.07	19.8	73.2	2.6	24.2	0.2	0.0	0.2
4-Week	9/24/2015	0.000	9.47	14.7	59.3	10.2	30.5	0.3	0.0	0.1
4-Week	10/1/2015	0.000	10.72	9.8	50.7	6.7	42.7	0.2	0.0	0.1
13-Week	7/9/2015	0.015	3.82	23.5	80.5	9.1	10.4	0.4	0.0	0.7
13-Week	7/16/2015	0.015	4.07	23.4	62.1	12.6	25.3	0.4	0.0	0.7
13-Week	7/23/2015	0.030	3.83	23.6	69.9	7.0	23.0	0.4	0.0	0.7
13-Week	7/30/2015	0.050	3.68	22.7	72.6	9.7	17.7	0.4	0.0	0.7
13-Week	8/6/2015	0.075	4.09	23.5	62.7	2.7	34.7	0.3	0.0	0.7
13-Week	8/13/2015	0.125	3.64	23.5	54.7	4.8	40.5	0.4	0.0	0.7
13-Week	8/20/2015	0.105	3.81	23.5	50.7	11.5	37.9	0.4	0.0	0.7
13-Week	8/27/2015	0.050	3.49	22.9	86.2	8.3	5.4	0.4	0.0	0.7
13-Week	9/3/2015	0.095	3.71	23.5	61.5	7.4	31.2	0.3	0.0	0.7
13-Week	9/10/2015	0.075	3.89	21.6	62.7	8.1	29.2	0.4	0.0	0.6
13-Week	9/17/2015	0.055	3.84	19.5	74.9	5.8	19.2	0.4	0.0	0.6
13-Week	9/24/2015	0.005	3.95	19.5	80.2	6.0	13.8	0.4	0.0	0.6
13-Week	10/1/2015	0.015	3.83	16.8	56.8	3.0	40.3	0.4	0.0	0.5
26-Week	7/9/2015	0.085	4.03	23.4	46.4	11.0	42.7	0.3	0.0	1.3
26-Week	7/16/2015	0.100	3.89	23.5	61.7	4.9	33.5	0.4	0.0	1.4
26-Week	7/23/2015	0.135	3.67	23.3	62.5	2.7	34.8	0.4	0.0	1.4
26-Week	7/30/2015	0.145	3.99	22.7	48.1	4.4	47.5	0.3	0.0	1.4
26-Week	8/6/2015	0.165	3.89	23.2	60.5	7.9	31.6	0.3	0.0	1.4
26-Week	8/13/2015	0.245	3.52	23.0	58.1	3.3	38.6	0.4	0.0	1.4
26-Week	8/20/2015	0.245	3.69	23.2	46.2	4.6	49.2	0.4	0.0	1.3
26-Week	8/27/2015	0.200	3.51	23.0	62.8	5.4	31.8	0.3	0.0	1.3
26-Week	9/3/2015	0.270	3.74	23.5	57.4	6.7	35.9	0.3	0.0	1.3
26-Week	9/10/2015	0.275	3.82	21.4	42.0	5.5	52.5	0.3	0.0	1.2
26-Week	9/17/2015	0.260	3.99	19.5	48.2	2.3	49.5	0.3	0.0	1.1
26-Week	9/24/2015	0.115	3.86	19.4	58.8	14.4	26.8	0.3	0.0	1.1
26-Week	10/1/2015	0.105	3.64	17.0	44.2	5.7	50.0	0.3	0.0	1.0
52-Week	7/23/2015	0.330	3.37	24.8	71.4	4.5	24.1	0.1	0.0	2.8
52-Week	8/20/2015	0.410	3.80	21.9	47.2	1.8	50.9	0.1	0.0	2.4
52-Week	9/17/2015	0.440	3.17	19.8	67.7	5.9	26.4	0.1	0.0	2.2
CMBs	8/12/2015	0.075	3.44	25.0	61.5	6.0	32.5	0.0	0.0	0.1
CMBs	9/1/2015	0.075	3.68	25.0	56.0	7.6	36.4	0.0	0.0	0.1
CMBs	9/10/2015	0.015	3.18	25.0	93.7	3.8	2.5	0.0	0.0	0.2

\*Weighted averages of Competitive Awards.

\*\*Approximated using prices at settlement and includes both Competitive and Non-Competitive Awards.

Nominal Coupons										
Issue	Settle Date	Stop Out Rate (%)*	Bid-to-Cover Ratio*	Competitive Awards (\$bn)	% Primary Dealer*	% Direct*	% Indirect*	Non-Competitive Awards (\$bn)	SOMA Add Ons (\$bn)	10-Year Equivalent (\$bn)*
2-Year	7/31/2015	0.690	3.42	25.7	27.8	17.9	54.4	0.2	0.0	5.9
2-Year	8/31/2015	0.663	3.16	25.8	42.6	10.3	47.1	0.1	0.0	5.7
2-Year	9/30/2015	0.699	3.27	25.9	43.5	13.3	43.2	0.1	0.0	5.8
3-Year	7/15/2015	0.932	3.16	23.9	38.4	13.9	47.7	0.0	0.0	8.0
3-Year	8/17/2015	1.013	3.34	23.8	39.0	8.2	52.8	0.1	0.5	8.3
3-Year	9/15/2015	1.056	3.23	24.0	41.0	8.0	51.0	0.0	0.0	7.9
5-Year	7/31/2015	1.625	2.58	34.9	27.2	5.3	67.5	0.0	0.0	19.1
5-Year	8/31/2015	1.463	2.34	35.0	42.5	7.5	50.1	0.0	0.0	18.8
5-Year	9/30/2015	1.467	2.57	35.0	31.5	5.0	63.5	0.0	0.0	18.9
7-Year	7/31/2015	2.021	2.47	29.0	38.8	12.0	49.1	0.0	0.0	21.5
7-Year	8/31/2015	1.930	2.53	29.0	35.0	14.2	50.8	0.0	0.0	21.1
7-Year	9/30/2015	1.813	2.51	29.0	28.5	8.9	62.6	0.0	0.0	21.4
10-Year	7/15/2015	2.225	2.72	21.0	29.8	12.1	58.1	0.0	0.0	20.9
10-Year	8/17/2015	2.115	2.40	24.0	34.0	5.8	60.1	0.0	0.5	25.3
10-Year	9/15/2015	2.235	2.70	21.0	28.7	13.8	57.5	0.0	0.0	21.0
30-Year	7/15/2015	3.084	2.23	13.0	40.8	8.1	51.1	0.0	0.0	28.7
30-Year	8/17/2015	2.880	2.26	16.0	38.2	9.9	51.9	0.0	0.3	37.4
30-Year	9/15/2015	2.980	2.54	13.0	26.6	7.4	66.0	0.0	0.0	28.8
2-Year FRN	7/31/2015	0.077	3.93	15.0	45.1	1.7	53.3	0.0	0.0	0.0
2-Year FRN	8/28/2015	0.086	3.50	13.0	56.5	0.0	43.5	0.0	0.0	0.0
2-Year FRN	9/25/2015	0.120	2.87	13.0	75.3	2.7	22.0	0.0	0.0	0.0

TIPS										
Issue	Settle Date	Stop Out Rate (%)*	Bid-to-Cover Ratio*	Competitive Awards (\$bn)	% Primary Dealer*	% Direct*	% Indirect*	Non-Competitive Awards (\$bn)	SOMA Add Ons (\$bn)	10-Year Equivalent (\$bn)*
5-Year TIPS	8/31/2015	0.305	2.58	16.0	23.1	0.5	76.4	0.0	0.0	8.2
10-Year TIPS	7/31/2015	0.491	2.31	15.0	27.0	8.1	64.8	0.0	0.0	16.7
10-Year TIPS	9/30/2015	0.600	2.36	13.0	26.0	0.8	73.3	0.0	0.0	14.0

\*Weighted averages of Competitive Awards.

\*\*Approximated using prices at settlement and includes both Competitive and Non-Competitive Awards. For TIPS' 10-Year Equivalent, a constant auction BEI is used as the inflation assumption.