

Treasury Auction Results

11/9/2023

Notes & Bonds	Amt	SOMA	Yield	B/C	Dealer	Direct	Indirect	Next Auction
2-Year	\$50B	\$0B	5.1%	2.64	17.4%	20.3%	62.0%	
1Y Average	\$46B	\$3B	4.5%	2.74	15.8%	20.2%	62.9%	
Difference	\$4B	-\$3B	0.5%	-0.10	1.6%	0.1%	-0.8%	
3-Year	\$49B	\$1B	4.7%	2.67	15.8%	19.1%	64.6%	
1Y Average	\$45B	\$4B	4.3%	2.70	15.4%	19.2%	64.2%	
Difference	\$3B	-\$3B	0.4%	-0.03	0.4%	-0.1%	0.4%	
5-Year	\$52B	\$0B	4.9%	2.36	19.3%	19.1%	61.5%	
1Y Average	\$47B	\$3B	4.1%	2.51	12.5%	18.5%	68.3%	
Difference	\$5B	-\$3B	0.8%	-0.15	6.8%	0.6%	-6.8%	
7-Year	\$38B	\$0B	4.9%	2.70	10.9%	18.4%	70.6%	
1Y Average	\$38B	\$2B	4.0%	2.53	12.2%	18.0%	69.0%	
Difference	\$0B	-\$2B	0.9%	0.17	-1.3%	0.4%	1.6%	
10-Year	\$40B	\$0B	4.5%	2.45	14.7%	15.2%	69.7%	
1Y Average	\$38B	\$3B	3.9%	2.47	14.1%	18.8%	66.4%	
Difference	\$2B	-\$3B	0.6%	-0.01	0.6%	-3.6%	3.3%	
20-Year	\$13B	\$0B	5.2%	2.59	11.9%	15.2%	72.9%	
1Y Average	\$14B	\$1B	4.2%	2.66	9.3%	18.9%	71.3%	
Difference	-\$1B	-\$1B	1.1%	-0.07	2.6%	-3.7%	1.6%	
30-Year	\$24B	\$0B	4.8%	2.24	24.2%	15.2%	60.1%	
1Y Average	\$22B	\$2B	4.0%	2.38	12.5%	18.7%	67.8%	
Difference	\$3B	-\$2B	0.8%	-0.14	11.6%	-3.6%	-7.7%	
TIPS	Amt	SOMA	Yield	B/C	Dealer	Direct	Indirect	Next Auction
5-Year	\$22B	\$0B	2.4%	2.36	9.1%	17.6%	73.2%	
Previous	\$19B	\$0B	1.8%	2.56	3.9%	11.0%	85.1%	
Difference	\$3B	\$0B	0.6%	-0.20	5.3%	6.5%	-11.9%	
10-Year	\$15B	\$0B	2.1%	2.44	6.8%	21.9%	71.3%	
1Y Average	\$16B	\$1B	1.5%	2.43	6.9%	15.9%	76.7%	
Difference	-\$1B	-\$1B	0.6%	0.01	-0.2%	5.9%	-5.4%	
30-Year	\$9B	\$0B	2.0%	2.42	3.9%	19.6%	76.2%	
Previous	\$11B	\$1B	1.6%	2.38	8.0%	16.8%	76.1%	
Difference	-\$2B	-\$1B	0.4%	0.04	-4.2%	2.7%	0.1%	
FRNs	Amt	SOMA	Yield	B/C	Dealer	Direct	Indirect	Next Auction
2-Year	\$26B	\$0B	0.17%	3.23	28.2%	0.1%	71.7%	
1Y Average	\$23B	\$0B	0.18%	3.03	37.2%	0.9%	61.6%	
Difference	\$3B	\$0B	-0.01%	0.20	-9.0%	-0.7%	10.0%	

Source: U.S. Treasury Department, JEC Republican calculations.

Note: Discrepancies due to rounding. See second page for definitions.

Definitions

Notes: These are medium-term obligations issued by the U.S. Treasury. They have maturities ranging from two to ten years. Once they mature, the holder is paid the face value of the note.

Bonds: These are long-term debt instruments with maturities greater than ten years. Like notes, they pay periodic interest (coupon payments) and return the principal at maturity.

TIPS (Treasury Inflation-Protected Securities): These are a type of U.S. Treasury security designed to help investors protect against inflation. The principal of a TIPS increases with inflation and decreases with deflation, as measured by the Consumer Price Index. When a TIPS matures, the holder is paid the adjusted principal or original principal, whichever is greater. 5Y and 10Y TIPS are only issued twice annually.

FRNs (Floating Rate Notes): These are U.S. Treasury securities that have a maturity of two years and pay interest quarterly. The interest rate for FRNs is based on a floating rate, which is tied to the most recent 13-week Treasury bill auction rate, making its interest payments rise and fall with short-term interest rates.

SOMA (System Open Market Account): Managed by the Federal Reserve Bank of New York, the SOMA holds U.S. Treasury, federal agency, and foreign central bank obligations. The Federal Reserve's open market operations, which influence the amount of reserves in the banking system, involve the buying and selling of securities from the SOMA.

Yield: This refers to the return on an investor's capital investment. For treasuries, it's the interest rate that the U.S. government pays to borrow funds for a specified period. In the context of an auction, the yield is effectively the interest rate set through competitive bidding for that specific issue of notes or bonds.

B/C (Bid-to-Cover Ratio): This is a measure used at Treasury auctions to gauge demand. It's calculated by dividing the total dollar amount of bids by the amount of securities offered for sale. Where, a higher B/C ratio indicates stronger demand.

Dealer: Dealers are institutions that are involved in buying and selling securities. Primary dealers, for instance, are banks and securities broker-dealers that trade directly with the Federal Reserve Bank of New York and are obligated to participate significantly in U.S. Treasury auctions.

Direct: Refers to bids placed directly with the U.S. Treasury by institutional and individual investors without going through an intermediary like a bank or broker.

Indirect: Refers to bids placed by institutional investors such as foreign central banks, which typically use an intermediary (like a primary dealer) to submit their bids.

