



2-year floating rate note (FRN)

Indirect bidder participation rose by more than a half to a record high of 75.5% (42.9% average). In contrast, the indirect bidder participation fell to zero for the first time in the auctions held so far. The bid-to-cover ratio of the auction rose to a six-month high of 4.34, and compares with the prior-year average of 4.15.

2-year floating rate note (FRN) auction statistics

	Size (\$bn)	Primary Dealers	Direct Bidders	Indirect Bidders	Cover Ratio	Stop-out Yield
<i>1yr Avg</i>	\$ 13.7	52.3%	4.8%	42.9%	4.15	0.070
Mar-15	\$13.0	24.5%	0.0%	75.5%	4.34	0.085
Feb-15	\$13.0	49.9%	1.9%	48.2%	4.28	0.084
Jan-15	\$15.0	46.0%	6.9%	47.1%	3.72	0.084
Dec-14	\$13.0	70.1%	5.2%	24.7%	2.90	0.110
Nov-14	\$13.0	42.8%	5.4%	51.8%	4.00	0.068
Oct-14	\$15.0	50.1%	3.3%	46.6%	3.58	0.053
Sep-14	\$13.0	41.0%	4.6%	54.4%	4.45	0.041
Aug-14	\$13.0	50.2%	3.3%	46.5%	4.38	0.055
Jul-14	\$15.0	50.0%	3.3%	46.7%	4.09	0.070
Jun-14	\$13.0	54.8%	5.1%	40.1%	4.43	0.069
May-14	\$13.0	48.9%	9.4%	41.7%	4.69	0.063
Apr-14	\$15.0	50.7%	4.8%	34.4%	4.64	0.069

Source: US Treasury and Deutsche Bank

2-year note

Indirect bidder participation was solid for the third straight month in March; though their takedown of 45.7% was slightly lower in comparison with the five-year highs of +48% in the previous two months, but beat its prior-year average of 34.9% nonetheless. Direct bidder takedown rose past the average to 18.3% from 13.3% in February. Consequently, the combined buy-side participation of 64% was the highest since October 2012, and compares to its trailing-year average of 51.6%. The bid-to-cover ratio of the auction was in line to its average 3.4, and the auction stopped through by 0.1bp on its 1pm WI bid.

2-year note auction statistics

	Size (\$bn)	Primary Dealers	Direct Bidders	Indirect Bidders	Cover Ratio	Stop-out Yield	1PM WI Bid	BP Tail
<i>1yr Avg</i>	\$29.0	48.4%	16.7%	34.9%	3.40			-0.2
Mar-15	\$26.0	36.0%	18.3%	45.7%	3.46	0.598	0.599	-0.1
Feb-15	\$26.0	38.5%	13.3%	48.2%	3.45	0.603	0.604	-0.1
Jan-15	\$26.0	42.6%	8.8%	48.6%	3.74	0.540	0.541	-0.1
Dec-14	\$27.0	49.8%	14.5%	35.7%	3.21	0.703	0.708	-0.5
Nov-14	\$28.0	48.0%	16.2%	35.8%	3.71	0.542	0.550	-0.8
Oct-14	\$29.0	47.2%	16.2%	36.7%	3.11	0.425	0.425	0.0
Sep-14	\$ 29.0	43.0%	16.1%	40.9%	3.56	0.589	0.593	-0.4
Aug-14	\$29.0	48.0%	12.1%	39.8%	3.48	0.530	0.530	0.0
Jul-14	\$29.0	58.7%	14.3%	27.0%	3.22	0.544	0.542	0.2
Jun-14	\$30.0	53.6%	23.3%	23.1%	3.23	0.511	0.513	-0.2
May-14	\$31.0	55.9%	25.2%	18.9%	3.52	0.392	0.391	0.1
Apr-14	\$32.0	57.7%	19.0%	23.4%	3.35	0.447	0.448	-0.1

Source: US Treasury and Deutsche Bank