In 2022, the U.S. Treasury held substantial auctions for Treasury bills and notes in order to raise funding for government operations and finance the federal deficit. Analysis of the auction data shows that while demand eased somewhat as the Federal Reserve raised interest rates over the course of the year, auction performance remained adequate.

The Treasury issued over $1 trillion in bills via auction in 2022, with the highest monthly volume in November. Average bid-to-cover ratios for bill auctions was a healthy 2.8, indicating strong demand, although this ratio declined from 3.0 in January to 2.5 in September as rates rose.

For Treasury notes, around $485 billion was issued in 2022, concentrated in the May auction. Bid-to-cover ratios averaged 2.4, demonstrating solid demand. However, note ratios also fell over the course of 2022 as the Fed tightened monetary policy. So, while demand softened, note auctions still attracted sufficient interest.

In summary, while demand softened in both bill and note auctions as yields increased, bid-to-cover ratios remained at average levels that still reflected appropriate auction participation and performance. The Treasury was able to issue the supply it required in 2022 through well-functioning auctions that attracted adequate interest from investors. The treasury's ability to raise required funding via seamless auctions illustrates ongoing investor confidence in the liquidity and safety of U.S. securities.