



# ECU-EMS Information & Central Bank Interest Rates

1 □ 1998      Monthly

## Bilateral fluctuations of the ERM currencies

Graph 1 on page 5 shows the trends in the bilateral fluctuation of ERM currencies between 3 November 1997 and 31 December 1997 calculated on a daily basis.

This graph shows that during the whole period under consideration, there was relative stability in the ERM. The IEP was the strongest currency in the ERM grid for the fifteenth month in succession. The graph also shows that from 12 December onwards the IEP eased against the DEM and the other ERM currencies resulting in the width of the band within which all ERM currencies moved to decrease significantly from 7.66% on 28 November to 5.85% on 31 December. The graph shows that from 3 November to 5 December the ATS followed very narrowly by the NLG, BEF and the DEM was in a relatively weak position against the other ERM currencies. During the period 10 to 29 December, the BEF moved to the bottom of the ERM grid, while during the last two days of December the NLG followed very narrowly by the ATS and the BEF was the weakest currency in the ERM grid.

By the end of December, all ERM currencies but the IEP moved within a band of 0.77%, which is narrower than at the end of the previous month (1.07%, if the IEP is excluded).

## Central bank interest rates

Some central banks continued to adjust their key rates as 1997 came to an end.

Rates were still going down in Spain, where in conjunction with the tendering procedure of 15 December the ten-day repo rate was cut by 25 basis points to 4.75%. The previous reduction had been in October. The rate has thus been cut by 150 basis points since the start of 1997 and by 425 points since the start of 1996. Inflation in Spain was running at 2.0% at the end of November and was expected to reach the end of the year below the target of 2.2% that the government had set for 1997 as a whole.

In Italy, too, the central bank reduced its reference rates, cutting the discount rate and the lombard rate by 75 basis points to 5.50% and 7.0% respectively. The previous time the rates had been cut was in June, when they had both been reduced by 50 basis points. The Bank of Italy justified its move on the basis of a very good performance on inflation, with prices rising in November by only 1.6% in annual terms.

In Sweden, however, the central bank raised its repo rate by 25 basis points on 17 December. The rate is now 4.35%. The previous change had been in December 1996, when the bank cut the rate to 4.10%. According to Sweden's central bank, the decision was prompted by monetary policy assumptions that inflation would go up if the rate were left unchanged.

In the other countries the reference rates stayed at the same levels as at the end of November.

In Germany the money supply measured by the M3 aggregate increased in November at a rate of 4.7%, compared with 5.1% in October. These figures are thus within the Bundesbank's target range for growth for the entire year (3.5-6.5%). The bank's aim for the money supply in 1998 is to achieve seasonally-adjusted growth of M3 between 3% and 6%.



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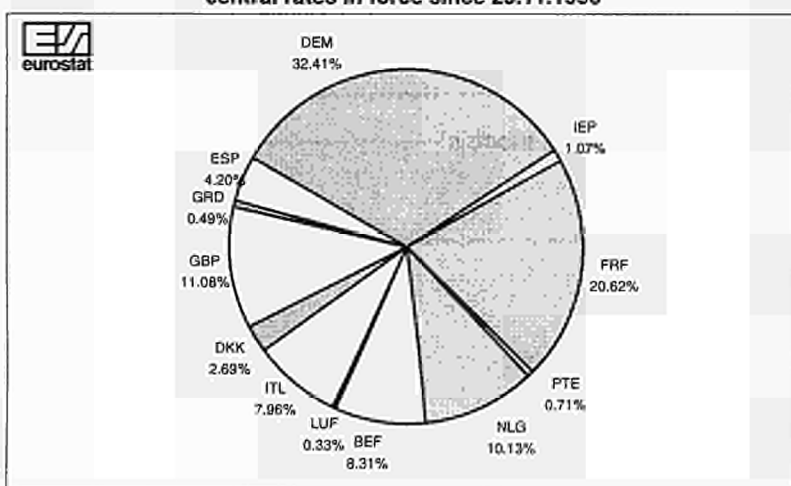
**TABLE I**
**Central rates and intervention limit rates, in force since 25th November 1996, for the currencies of countries participating in the EMS exchange rate mechanism.**

	1 ECU =		100 BEF = 100 LUF =	100 DKK =	100 DEM =	100 ESP =	100 FRF =	1 IEP =	1000 ITL =	100 NLG =	100 ATS =	100 PTE =	100 FIM =
BEF LUF	39.7191	+ = -	- - -	627.880 540.723 465.665	2395.20 2062.55 1776.20	28.1525 24.2447 20.8795	714.030 614.977 529.660	57.7445 49.7289 42.8260	24.1920 20.8337 17.9417	2125.60 1830.54 1576.45	340.420 293.163 252.470	23.3645 20.1214 17.3285	787.830 678.468 584.290
DKK	7.34555	+ = -	21.4747 18.4938 15.9266	- - -	442.968 381.443 328.461	5.20640 4.48376 3.86140	132.066 113.732 97.9430	10.6792 9.19676 7.92014	4.47400 3.85294 3.31810	393.105 338.537 291.544	62.9561 54.2170 46.6910	4.32100 3.72119 3.20460	145.699 125.474 108.057
DEM	1.92573	+ = -	5.63000 4.84837 4.17500	30.4450 26.2162 22.5750	- - -	1.36500 1.17548 1.01230	34.6250 29.8164 25.6750	2.80000 2.41105 2.07600	1.17290 1.01010 0.869900	(103.058)* 88.7526 (76.4326)*	16.5050 14.2136 12.2410	1.13280 0.975561 0.840100	38.1970 32.8948 28.3280
ESP	163.826	+ = -	478.944 412.461 355.206	2589.80 2230.27 1920.70	9878.50 8507.18 7326.00	- - -	2945.40 2536.54 2184.40	238.175 205.113 176.641	99.7800 85.9311 74.0000	8767.30 7550.30 6502.20	1404.10 1209.18 1041.30	96.3670 82.9927 71.4690	3249.50 2798.41 2410.00
FRF	6.45863	+ = -	18.8800 16.2608 14.0050	102.100 87.9257 75.7200	389.480 335.386 288.810	4.57780 3.94237 3.39510	- - -	9.38950 8.08631 6.96400	3.93379 3.38773 2.91750	345.650 297.661 256.350	55.3545 47.6706 41.0533	3.79920 3.27188 2.81770	128.107 110.324 95.0096
IEP	0.798709	+ = -	2.33503 2.01090 1.73176	12.6261 10.8734 9.36403	48.1696 41.4757 35.7143	0.566120 0.487537 0.419859	14.3599 12.3666 10.6500	- - -	0.486472 0.418944 0.360789	42.7439 36.8105 31.7007	6.84544 5.89521 5.07688	0.469841 0.404620 0.348453	15.8424 13.6433 11.7494
ITL	1906.48	+ = -	5573.60 4799.91 4133.60	30138.0 25954.2 22351.0	114956 99000.4 85259.0	1351.30 1163.72 1002.20	34276.0 29518.3 25421.0	2771.70 2386.95 2055.61	- - -	102027 87864.7 75668.0	16339.0 14071.5 12118.8	1121.50 965.805 831.700	37816.0 32565.8 28045.0
NLG	2.16979	+ = -	6.34340 5.46286 4.70454	34.3002 29.5389 25.4385	(130.834)* 112.673 (97.0325)*	1.53793 1.32445 1.14060	39.0091 33.5953 28.9381	3.15450 2.71662 2.33952	1.32156 1.13811 0.980132	- - -	18.5963 16.0149 13.7918	1.27637 1.09920 0.946611	43.0378 37.0636 31.9187
ATS	13.5485	+ = -	39.6089 34.1107 29.3757	214.174 184.444 158.841	816.927 703.550 605.877	9.60338 8.27008 7.12200	243.586 209.773 180.654	19.6971 16.9629 14.6082	8.25219 7.10655 6.12032	725.065 624.417 537.740	- - -	7.97000 6.86356 5.91086	268.735 231.431 199.305
PTE	197.398	+ = -	577.090 496.984 428.000	3120.50 2687.31 2314.30	11903.3 10250.5 8827.70	139.920 120.493 103.770	3549.00 3056.35 2632.10	286.983 247.145 212.838	120.240 103.541 89.1700	10564.0 9097.55 7834.70	1691.80 1456.97 1254.70	- - -	3915.40 3371.88 2903.80
FIM	5.85424	+ = -	17.1148 14.7391 12.6931	92.5438 79.6976 68.6347	353.008 304.000 261.801	4.14938 3.57345 3.07740	105.253 90.6422 78.0597	8.51107 7.32960 6.31217	3.56570 3.07071 2.64438	313.295 269.806 232.353	50.1744 43.2094 37.2114	3.44376 2.96570 2.55402	- - -
GRD	295.269 (notional)												
GBP	0.793103 (notional)												

Table prepared by the EMI following notification by the central banks concerned.

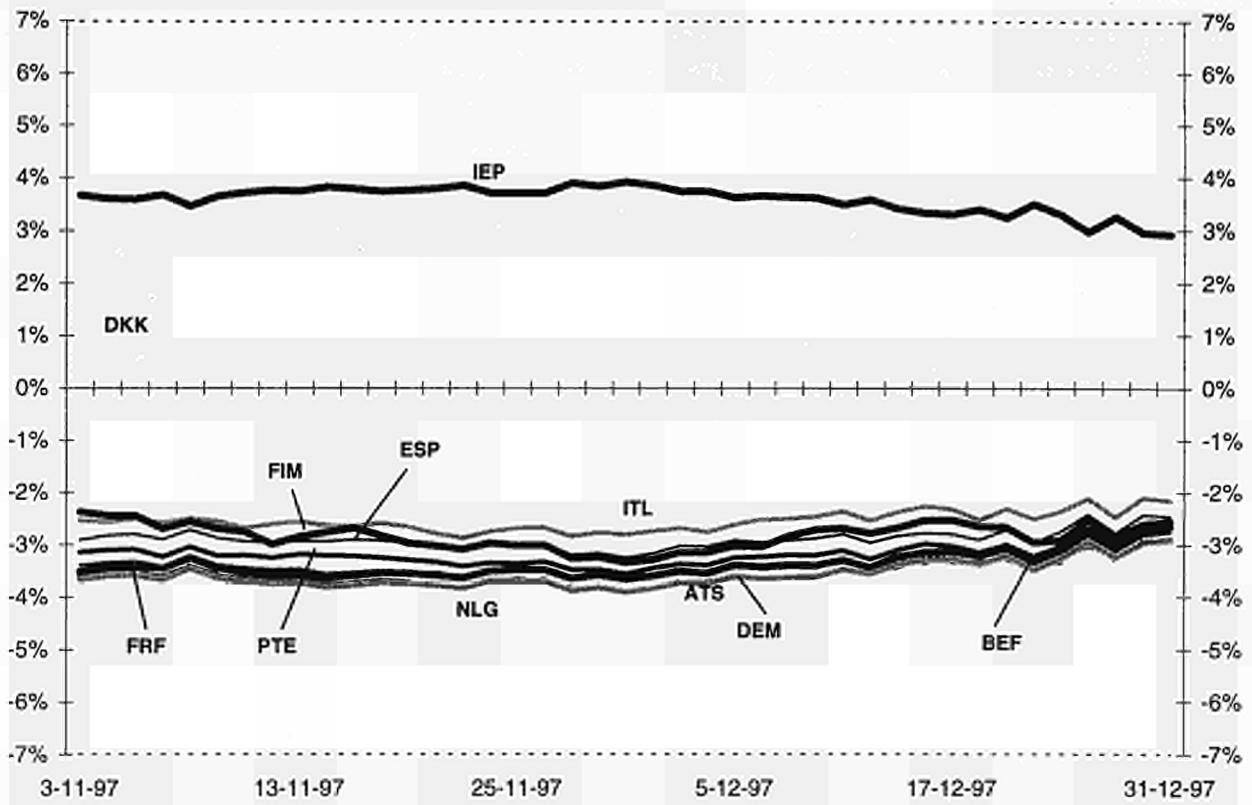
\* These buying and selling rates are not operational. Reflecting a bilateral agreement between the German and Dutch monetary authorities, the following rates continue to apply:

 selling rate HFL 100 in Frankfurt: DM 90.7700; buying rate HFL 100 in Frankfurt: DM 86.7800;  
 selling rate DM 100 in Amsterdam: HFL 115.2350; buying rate DM 100 in Amsterdam: HFL 110.1675.

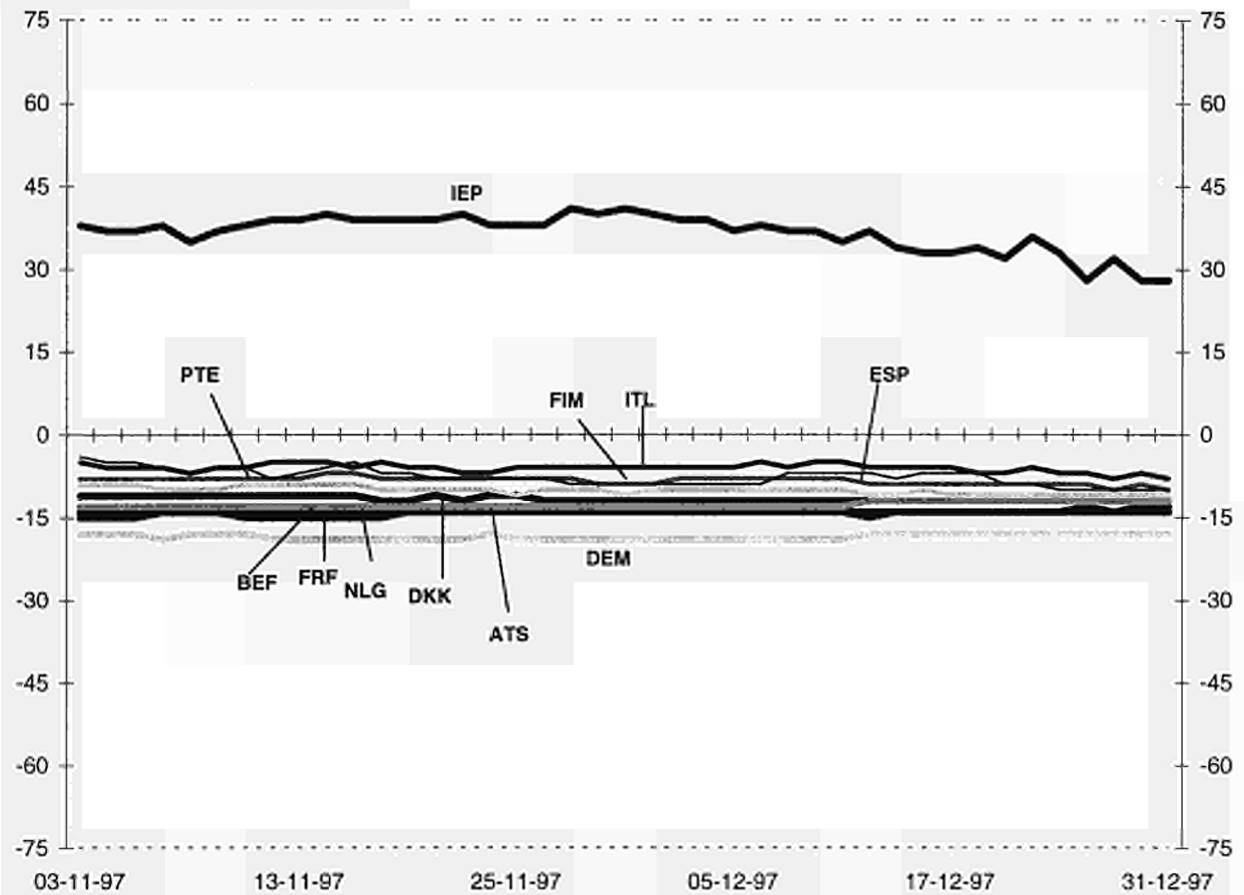
**Weights of component currencies in the ECU, calculated on the basis of central rates in force since 25.11.1996**

**Composition of the ECU basket**

Since 21/09/1989
0.6242 DEM
1.332 FRF
0.2198 NLG
3.301 BEF
0.13 LUF
151.8 ITL
0.1976 DKK
0.008552 IEP
0.08784 GBP
1.44 GRD
6.885 ESP
1.393 PTE
<b>= 1 ECU</b>

**Graph 1: Bilateral fluctuations of the ERM currencies**




**Graph 2: Divergence indicator**



**TABLE II**
**Ecu exchange rates**

	BEF/LUF	DKK	DEM	GRD	ESP	FRF	IEP	ITL	NLG	ATS
<b>Yearly averages</b>										
1986	43.7979	7.93565	2.12819	137.425	137.456	6.79976	0.733526	1461.88	2.40090	14.9643
1987	43.0410	7.88472	2.07153	156.268	142.165	6.92910	0.775448	1494.91	2.33418	14.5710
1988	43.4285	7.95152	2.07440	167.576	137.601	7.03644	0.775672	1537.33	2.33479	14.5861
1989	43.3806	8.04929	2.07015	178.840	130.406	7.02387	0.776818	1510.47	2.33526	14.5695
1990	42.4257	7.85652	2.05209	201.412	129.411	6.91412	0.767768	1521.98	2.31212	14.4399
1991	42.2233	7.90859	2.05076	225.216	128.469	6.97332	0.767809	1533.24	2.31098	14.4309
1992	41.5932	7.80925	2.02031	247.026	132.526	6.84839	0.760718	1595.51	2.27482	14.2169
1993	40.4713	7.59359	1.93639	268.568	149.124	6.63368	0.799952	1841.23	2.17521	13.6238
1994	39.6565	7.54328	1.92452	288.026	158.918	6.58261	0.793618	1915.06	2.15827	13.5395
1995	38.5519	7.32804	1.87375	302.989	163.000	6.52506	0.815525	2130.14	2.09891	13.1824
1996	39.2986	7.35934	1.90954	305.546	160.748	6.49300	0.793448	1958.96	2.13973	13.4345
1997										
<b>Monthly averages</b>										
12/96	39.9852	7.42533	1.94008	306.810	163.358	6.55398	0.753196	1910.75	2.17691	13.6517
01/97	40.1916	7.43573	1.94959	305.515	163.687	6.57973	0.744611	1904.88	2.18931	13.7169
02/97	40.2865	7.44647	1.95240	305.971	165.370	6.59149	0.734539	1929.35	2.19305	13.7399
03/97	40.2446	7.44074	1.95065	306.940	165.472	6.58039	0.735243	1948.10	2.19515	13.7286
04/97	40.4130	7.46133	1.95870	309.698	165.347	6.59734	0.738064	1939.02	2.20278	13.7860
05/97	40.3978	7.45370	1.95723	312.134	165.229	6.60037	0.759171	1933.46	2.20127	13.7760
06/97	40.5117	7.47550	1.96313	311.129	165.867	6.62612	0.754412	1926.49	2.20878	13.8156
07/97	40.8486	7.53646	1.97881	310.426	166.903	6.67586	0.738280	1926.48	2.22805	13.9233
08/97	40.7705	7.52189	1.97449	309.469	166.818	6.65493	0.738566	1928.72	2.22395	13.8939
09/97	40.6206	7.49247	1.96784	310.321	166.035	6.61488	0.743120	1920.34	2.21629	13.8486
10/97	40.5894	7.49217	1.96767	309.904	166.076	6.60102	0.762570	1927.77	2.21689	13.8489
11/97	40.7101	7.51239	1.97368	309.754	166.681	6.60894	0.758037	1933.78	2.22450	13.8913
12/97	40.7642	7.52606	1.97583	310.863	167.119	6.61400	0.763225	1937.16	2.22661	13.9023
<b>Daily rates:</b>										
<b>12-97</b>										
01/12	40.8275	7.53383	1.97935	310.422	167.321	6.62387	0.756937	1938.40	2.23057	13.9302
02/12	40.8326	7.53411	1.97934	310.415	167.297	6.62405	0.758072	1938.44	2.23051	13.9297
03/12	40.8161	7.53201	1.97852	310.374	167.163	6.62229	0.759571	1938.57	2.22955	13.9234
04/12	40.8046	7.53083	1.97786	310.207	167.103	6.62227	0.759148	1939.35	2.22889	13.9187
05/12	40.7551	7.52167	1.97560	310.031	166.934	6.61258	0.760349	1936.80	2.22623	13.9028
08/12	40.7751	7.52728	1.97667	309.907	167.005	6.61538	0.760077	1934.96	2.22743	13.9075
09/12	40.7555	7.52312	1.97564	310.314	166.899	6.61124	0.760088	1934.25	2.22628	13.9029
10/12	40.7436	7.52265	1.97513	310.513	166.808	6.61072	0.760094	1933.13	2.22555	13.8985
11/12	40.7430	7.52230	1.97497	310.464	166.892	6.61250	0.762212	1933.63	2.22549	13.8964
12/12	40.7203	7.51768	1.97357	310.564	166.893	6.61147	0.760127	1934.02	2.22401	13.8865
15/12	40.6760	7.51019	1.97116	310.652	166.793	6.60239	0.762203	1932.22	2.22139	13.8681
16/12	40.6825	7.51326	1.97150	310.849	166.856	6.60277	0.763621	1931.89	2.22190	13.8707
17/12	40.6939	7.51525	1.97203	310.756	166.977	6.60511	0.764209	1933.90	2.22245	13.8740
18/12	40.7383	7.52340	1.97438	310.984	167.193	6.61204	0.763527	1938.20	2.22531	13.8906
19/12	40.7697	7.52949	1.97582	311.095	167.256	6.61617	0.766638	1938.55	2.22671	13.9003
22/12	40.7969	7.53417	1.97716	311.308	167.359	6.61827	0.762869	1938.50	2.22802	13.9111
23/12	40.7825	7.53105	1.97644	311.605	167.278	6.61416	0.766050	1939.15	2.22718	13.9057
24/12	40.7780	7.52964	1.97624	311.659	167.257	6.61273	0.771251	1940.37	2.22720	13.9036
29/12	40.8085	7.53614	1.97787	311.955	167.493	6.61832	0.767123	1943.36	2.22876	13.9168
30/12	40.7806	7.53119	1.97684	312.003	167.326	6.61349	0.771594	1940.65	2.22792	13.9096
31/12	40.7675	7.52797	1.97632	312.039	167.388	6.61214	0.771961	1942.03	2.22742	13.9020

<b>PTE</b>	<b>FIM</b>	<b>SEK</b>	<b>GBP</b>	<b>ISK</b>	<b>NOK</b>	<b>CHF</b>	<b>USD</b>	<b>YEN</b>	
<b>Yearly averages</b>									
147.088	4.97974	6.99567	0.671543	40.3813	7.27750	1.76086	0.98417	164.997	<b>1986</b>
162.616	5.06517	7.31001	0.704571	44.5548	7.76498	1.71780	1.15444	166.598	<b>1987</b>
170.059	4.94362	7.24192	0.664434	50.7794	7.70054	1.72822	1.18248	151.459	<b>1988</b>
173.413	4.72301	7.09939	0.673302	62.8909	7.60381	1.80010	1.10175	151.938	<b>1989</b>
181.109	4.85496	7.52051	0.713851	74.0013	7.94851	1.76218	1.27343	183.660	<b>1990</b>
178.614	5.00211	7.47926	0.701012	73.0052	8.01701	1.77245	1.23916	166.493	<b>1991</b>
174.714	5.80703	7.53295	0.737650	74.6584	8.04177	1.81776	1.29810	164.223	<b>1992</b>
188.370	6.69628	9.12151	0.779988	79.2528	8.30954	1.73019	1.17100	130.147	<b>1993</b>
196.896	6.19077	9.16307	0.775902	83.1063	8.37420	1.62128	1.18952	121.322	<b>1994</b>
196.105	5.70855	9.33192	0.828789	84.6853	8.28575	1.54574	1.30801	123.012	<b>1995</b>
195.761	5.82817	8.51472	0.813798	84.6558	8.19659	1.56790	1.26975	138.084	<b>1996</b>
<b>Monthly averages</b>									
195.689	5.79696	8.53149	0.751642	83.8167	8.08792	1.65914	1.25025	142.369	<b>12/96</b>
194.906	5.80111	8.57942	0.732336	82.9998	7.84290	1.69061	1.21621	143.256	<b>01/97</b>
196.137	5.80357	8.63090	0.717022	82.0945	7.73421	1.69440	1.16576	143.305	<b>02/97</b>
196.038	5.82909	8.80670	0.716049	81.7817	7.83178	1.68433	1.14976	140.932	<b>03/97</b>
196.523	5.87300	8.79398	0.702754	81.4965	7.98969	1.67348	1.14501	143.749	<b>04/97</b>
197.210	5.90352	8.81908	0.703563	80.9024	8.12416	1.64348	1.14934	136.296	<b>05/97</b>
198.277	5.88253	8.80839	0.691261	80.0568	8.20433	1.63934	1.13663	129.899	<b>06/97</b>
199.781	5.86507	8.62871	0.660966	78.5153	8.22132	1.63583	1.10491	127.200	<b>07/97</b>
200.090	5.90347	8.56511	0.669228	77.8627	8.17797	1.62310	1.07273	126.456	<b>08/97</b>
199.897	5.89069	8.47261	0.687447	78.9789	8.04902	1.61936	1.09992	132.788	<b>09/97</b>
200.441	5.89698	8.47984	0.686745	80.1144	7.92649	1.62592	1.12032	135.511	<b>10/97</b>
201.461	5.94900	8.61943	0.674938	80.9838	8.04275	1.60288	1.13937	142.621	<b>11/97</b>
201.944	5.97119	8.65764	0.669259	79.7481	8.06389	1.59858	1.11158	143.935	<b>12/97</b>
<b>Daily rates:</b>									
<b>12-97</b>									
202.235	5.98462	8.70805	0.663131	79.7890	8.07860	1.59589	1.11406	143.513	<b>01/12</b>
202.146	5.98550	8.68663	0.663021	79.8886	8.05534	1.59386	1.11732	143.487	<b>02/12</b>
202.120	5.98081	8.65533	0.664394	79.8894	8.00290	1.59701	1.11718	143.770	<b>03/12</b>
202.083	5.97823	8.67603	0.665182	79.9516	8.00353	1.59836	1.11617	144.388	<b>04/12</b>
201.808	5.97140	8.68339	0.670495	79.8714	8.00832	1.59654	1.11490	144.379	<b>05/12</b>
201.793	5.97315	8.63508	0.668928	79.7859	7.98080	1.60224	1.10614	144.517	<b>08/12</b>
201.673	5.95951	8.63052	0.671225	79.3128	7.99756	1.60890	1.10464	143.746	<b>09/12</b>
201.657	5.95075	8.63017	0.672370	79.5369	8.01851	1.60005	1.10807	142.530	<b>10/12</b>
201.716	5.95710	8.63277	0.671870	79.5316	8.04089	1.59852	1.11047	143.550	<b>11/12</b>
201.738	5.95302	8.66595	0.673906	79.8258	8.08092	1.59585	1.11754	145.280	<b>12/12</b>
201.516	5.95082	8.62189	0.678973	79.7909	8.10743	1.59337	1.11114	145.526	<b>15/12</b>
201.474	5.94822	8.60546	0.678254	79.7336	8.07954	1.59213	1.10603	145.056	<b>16/12</b>
201.662	5.95097	8.61592	0.676490	79.8289	8.06670	1.60127	1.11743	142.047	<b>17/12</b>
201.944	5.95930	8.61335	0.670986	79.7740	8.06031	1.60071	1.11276	142.456	<b>18/12</b>
202.105	5.97391	8.65026	0.667992	79.7568	8.09823	1.59870	1.11408	143.226	<b>19/12</b>
202.165	5.97985	8.65312	0.666056	79.6966	8.09337	1.59493	1.10952	144.858	<b>22/12</b>
202.136	5.98770	8.66465	0.667380	79.8026	8.10035	1.59616	1.11192	144.483	<b>23/12</b>
202.171	5.98366	8.65528	0.667214	79.9791	8.12049	1.59691	1.11438	144.569	<b>24/12</b>
202.324	5.98976	8.67659	0.663622	79.7486	8.11999	1.59920	1.11210	144.628	<b>29/12</b>
202.229	5.98954	8.71763	0.666193	79.5149	8.11421	1.60398	1.10315	142.946	<b>30/12</b>
202.137	5.98726	8.73234	0.666755	79.7021	8.11376	1.60553	1.10421	143.680	<b>31/12</b>

**TABLE III**  
**Harmonised consumer price indices in ECU**  
**(new contracts)**

1996=100

	EUR 15	ERM	ECU	B	DK	D	EL	E	F	IRL	I	L
1995	96.7¢	99.8	98.5¢	100.2	98.6	100.7	93.5	95.3	97.5	:	88.5	100.8
1996	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1996 05	100.2	100.2	100.1	100.1	99.8	99.9	101.5	100.8	100.7	99.2	100.9	99.9
06	100.3¢	99.9¢	100.1¢	99.8	99.8	99.9	101.9	99.6	100.3	100.1¢	101.6	99.7
07	100.1¢	100.1¢	100.1¢	99.7	99.8	100.3	100.2	99.7	100.3	99.8¢	101.1	99.8
08	100.1	100.2	100.1	100.2	100.2	100.7	99.5	100.0	99.8	99.9	100.9	100.4
09	100.5¢	100.1¢	100.3¢	100.0	100.6	100.0	101.9	100.5	99.9	101.4¢	101.9	100.0
10	101.0¢	99.9¢	100.5¢	99.8	100.6	99.5	103.4	100.1	100.3	102.1¢	102.6	99.5
11	101.1	99.6	100.5	99.4	100.1	99.0	102.6	99.7	99.7	104.2	102.2	99.4
12	101.6¢	100.1¢	100.7¢	99.1	99.8	98.7	103.0	99.5	99.6	106.6¢	103.5	98.9
1997 01	102.0	100.2	101.0	99.0	99.9	98.8	102.7	99.5	99.4	106.8	104.0	98.5
02	102.1	99.9	101.2	98.7	100.0	99.0	102.1	98.4	99.5	108.9	102.8	98.5
03	102.1	99.9	101.3	98.4	100.4	99.0	104.2	98.4	99.8	108.9	102.0	98.5
04	102.4	99.7	101.4	98.1	100.4	98.5	104.2	98.5	99.5	108.6	102.6	98.1
05	102.7	100.0	101.7	98.8	101.1	98.9	103.8	98.6	99.6	105.6	103.1	98.2
06	102.9	99.9	101.8	98.5	101.0	98.8	104.6	98.3	99.2	106.6	103.6	98.1
07	103.3	99.4	102.0	97.9	99.6	98.3	102.6	97.8	98.3	108.7	103.6	97.4
08	103.4	99.7	102.2	97.9	99.9	98.6	103.2	98.4	98.9	108.3	103.4	97.8
09	103.5	100.2	102.2	98.4	100.7	98.7	104.7	99.3	99.7	108.2	104.0	98.5
10	103.5	100.2	102.3	98.6	100.6	98.6	105.3	99.3	99.8	105.6	104.0	98.7
11	103.7p	100.0p	102.4p	98.4	100.4	98.2	105.8	99.0	99.9	106.6	104.0	98.6

p=provisional

n.a. = not available

r=revised

¢=estimated



**TABLE III**  
**Harmonised consumer price indices in ECU**  
**(new contracts)**

1996=100

NL	A	P	FIN	S	UK	IS	N	CH *	US *	JP *	
100.5	100.2	97.0	101.0	90.7	95.7	97.8	98.2	100.6	94.3	112.7	1995
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	1996
100.3	99.7	99.8	98.5	100.9	99.0	100.8	99.7	100.0	101.6	104.5	1996 05
99.5	99.9	99.5	99.9	101.8	100.3	100.6	100.0	99.5	101.2	101.3	06
99.3	100.1	100.0	100.1	100.8	99.1	99.9	100.3	99.8	100.0	99.4	07
99.7	100.3	100.9	101.3	99.8	98.4	100.0	99.7	101.6	99.2	99.6	08
100.3	99.8	101.0	101.3	101.4	100.6	100.4	100.5	100.4	100.6	99.3	09
100.0	99.4	101.2	101.6	102.9	103.1	101.1	101.5	99.3	101.8	98.1	10
99.5	99.3	101.0	100.4	100.8	106.6	100.9	101.9	96.4	100.5	96.5	11
98.8	99.1	100.7	100.7	100.0	109.2	101.5	102.3	94.6	102.7	97.2	12
98.4	98.5	101.5	100.4	99.6	111.7	102.8	106.6	93.2	105.9	96.5	1997 01
98.4	98.8	101.0	100.6	99.0	114.4	104.0	108.4	93.1	110.9	96.3	02
99.0	99.0	101.2	100.6	97.6	114.8	104.4	107.4	93.6	112.6	97.9	03
98.8	98.5	101.0	100.1	98.4	117.4	105.7	105.0	94.3	113.2	98.0	04
99.0	98.6	101.3	99.9	98.3	117.6	106.2	103.5	95.7	112.8	103.7	05
98.2	98.3	100.5	100.4	98.4	119.9	107.4	102.7	96.1	114.1	108.7	06
97.6	97.5	99.8	100.5	100.2	125.1	109.7	102.0	96.1	117.6	110.6	07
98.0	97.8	100.1	100.2	101.1	124.1	110.9	102.4	97.1	121.3	111.4	08
99.4	98.1	100.1	100.6	103.5	121.2	109.8	104.5	97.3	118.7	106.8	09
99.6	98.2	99.7	100.7	103.5	121.4	108.7	106.4	97.0	116.7	104.9	10
99.4	98.2p	99.7	99.7	101.6	123.7	107.4	105.0	98.2	114.8	99.0	11

p=provisional

n.a. = not available

r=revised

\* Important: This data refers to the non-harmonised consumer price indices expressed in ECU, base year 1996=100



**TABLE IV**  
**Consumer price indices in ECU**  
**(existing contracts)**

1985=100

	EUR 15	ERM	ECU	B	DK	D	EL	E	F	IRL
1991	124.7	123.4	122.2	121.9	125.8	120.4	122.9	145.5	117.1	113.0
1992	128.2	128.1	126.8	126.7	130.1	127.1	129.9	149.6	122.1	117.6
1993	128.2	132.5	131.0	133.8	135.5	137.3	136.7	139.3	128.7	113.6
1994	131.1	135.6	134.6	139.8	139.1	142.0	141.3	136.4	131.8	117.0
1995	132.8	140.7	138.0	146.0	146.2	148.5	146.8	139.3	135.4	116.8
1996	138.0	142.6	141.1	146.1	148.6	147.9	158.0	146.2	138.8	122.1
1996 05	138.1	142.8	141.1	145.4	148.4	147.7	160.3	147.4	139.7	121.1
06	138.4	142.4	141.1	145.2	148.3	147.7	161.6	145.6	139.2	122.0
07	138.3	142.8	141.3	146.2	148.3	148.4	157.9	145.7	139.3	122.5
08	138.1	143.0	141.3	147.1	148.9	148.9	156.8	146.3	138.4	121.9
09	138.9	142.8	141.6	146.3	149.5	148.1	161.6	146.9	138.6	123.1
10	139.5	142.5	141.8	145.7	149.5	147.2	164.2	146.3	139.1	124.7
11	139.7	141.9	141.8	145.3	148.9	146.5	162.2	145.7	138.3	127.2
12	140.3	142.0	142.1	144.8	148.6	146.1	162.4	145.4	138.1	129.5
1997 01	141.0	142.1	142.6	145.1	148.7	146.2	161.8	145.5	137.9	130.3
02	141.2	141.8	143.0	144.6	148.6	146.6	160.6	144.0	137.9	133.0
03	141.2	141.6	143.0	144.1	148.8	146.5	164.7	143.9	138.3	133.0
04	141.6	141.4	143.2	143.4	148.8	145.9	165.1	144.2	137.9	132.6
05	142.0	141.9	143.6	143.7	150.0	146.6	164.2	144.4	138.1	129.2
06	142.4	141.7	143.7	143.5	149.9	146.4	165.8	143.8	137.6	130.4
07	143.0	141.2	144.1	143.5	148.3	146.0	161.9	143.3	136.3	133.1
08	143.3	141.7	144.5	144.1	149.2	146.4	162.7	143.9	137.1	132.8
09	143.4	142.3	144.7	144.0	150.2	146.5	166.0	145.3	138.2	132.6
10	143.4p	142.3p	144.7p	144.1	150.3	146.4	167.6	145.3	138.5	129.5
11	143.7p	142.1p	144.9p	144.0	150.1	146.0	167.7	145.0	138.5	130.8

p=provisional

n.a. = not available

r=revised

**TABLE IV**  
**Consumer price indices in ECU**  
**(existing contracts)**

1985=100										
I	L	NL	A	P	FIN	S	UK	IS	N	
132.1	119.6	117.7	124.7	137.9	124.8	128.8	118.5	n.a.	113.7	1991
133.9	125.2	123.3	131.7	153.8	110.9	131.0	117.2	117.2	116.0	1992
121.0	133.3	132.3	142.4	152.1	98.0	113.2	112.2	115.0	114.8	1993
120.9	139.0	137.1	147.5	152.8	107.2	115.1	115.6	111.2	115.5	1994
114.3	145.8	143.7	154.9	159.7	117.3	116.0	111.9	110.9	119.6	1995
129.3	145.0	143.9	154.8	165.1	115.5	127.5	116.9	113.5	122.4	1996
130.2	144.9	143.8	153.6	165.0	113.8	128.7	115.6	114.4	122.0	1996 05
131.3	144.5	142.8	154.3	164.3	115.4	129.8	117.1	114.0	122.4	06
130.7	144.7	143.3	155.9	165.2	115.7	128.5	115.9	113.3	122.7	07
130.4	145.4	143.9	157.5	166.6	117.1	127.0	115.0	113.6	122.1	08
131.7	144.9	144.6	155.6	166.7	117.1	128.8	117.5	114.3	123.2	09
132.6	144.4	144.1	154.3	167.3	117.4	130.6	120.5	114.9	124.2	10
132.2	144.5	143.4	153.8	166.9	115.9	127.9	124.6	114.6	124.8	11
133.7	143.6	142.5	153.0	166.5	116.2	126.7	127.8	115.2	125.3	12
134.6	142.6	142.1	152.4	167.7	116.0	125.8	131.1	116.7	130.2	1997 01
133.1	142.7	142.1	152.7	167.0	116.2	124.9	134.5	118.1	n.a.	02
131.8	142.7	142.8	153.2	167.2	116.1	122.9	135.0	118.4	n.a.	03
132.6	142.2	142.3	152.4	167.2	115.8	123.9	138.3	n.a.	n.a.	04
133.3	142.4	142.8	152.3	167.8	115.4	123.6	138.7	n.a.	n.a.	05
134.0	142.0	141.7	152.2	166.3	116.0	123.9	141.7	n.a.	n.a.	06
133.9	141.2	141.2	152.2	165.1	116.4	126.4	148.2	n.a.	n.a.	07
133.9	141.7	141.7	153.5	165.7	115.8	127.4	147.3	n.a.	n.a.	08
134.7	142.7	143.5	152.6	165.7	116.3	130.0	144.1	n.a.	n.a.	09
134.3	143.4	143.5p	152.4	165.2	116.5	129.8	144.5	n.a.	n.a.	10
134.6	143.3	143.2p	152.0	165.1	115.3	127.5	147.1	n.a.	n.a.	11

p=provisional

n.a. = not available

r=revised

**TABLE V**
**ECU bond issues (Mio ECU) \***

	TOTAL EURO	European Union				Non-European Union				Domestic**	EURO + DOMESTIC
		Total	Business sector	Governments	Institutions	Total	Business sector	Governments	Organisations		
1991	27 163	19 266	6 581	7 900	4 785	7 897	3 932	3 790	175	3 134	30 297
1992	19 242	11 675	4 870	2 475	4 330	7 567	3 902	2 850	815	4 151	23 393
1993	6 870	5 020	1 565	250	3 205	1 850	250	1 600	0	6 508	13 378
1994	6 485	5 010	1 825	1 300	1 885	1 475	1 075	400	0	7 311	13 796
1995	5 596	5 046	956	3 075	1 015	550	550	0	0	6 784	12 380
1996	3 180	3 180	2 215	115	850	0	0	0	0	8 216	11 396
1997	7 425	6 425	3 775	1 000	1 650	1 000	600	400	0	10 205	17 630
1996 III	1 330	1 330	1 030	0	300	0	0	0	0	1 905	3 235
IV	375	375	265	60	50	0	0	0	0	1 991	2 366
1997 I	3 295	3 295	1 745	0	1 550	0	0	0	0	2 574	5 869
II	1 820	1 670	670	1 000	0	150	150	0	0	2 160	3 985
III	810	810	710	0	100	0	0	0	0	3 451	4 261
IV	1 500	650	650	0	0	850	450	400	0	2 020	3 520
1997 9	200	200	100	0	100	0	0	0	0	365	565
10	1 150	300	300	0	0	850	450	400	0	1 303	2 453
11	200	200	200	0	0	0	0	0	0	313	513
12	150	150	150	0	0	0	0	0	0	404	554

(\*) Recording based on the payment date

(\*\*) Only domestic issues which can be assimilated with Eurobonds

**TABLE VI**
**Last month's ECU bond issues**

Issue Payment Date	Borrower & country	Amount Issued (Mio Ecu)	Issue Price	Coupon	Term (years)	Maturity	Yield %	Lead Manager	Listing	Notice
04.12.1997 11.12.1997	France OAT	404	99.53	5.50	9+5m	25.04.2007	5.56	Auct	PA	-
01.12.1997 15.01.1998	Crédit Local de France	100	101.850	5.375	6	15.01.2004	5.01	BIL/CCB	LU	-
11.12.1997 23.01.1998	DSL Finance (DE)	100	101.700	5.125	5	23.12.2002	4.73	Paribas	LU	-

**TABLE VII**
**Outstanding amount of ECU bonds (in millions of ECU)**

	Issuers	Residual maturity in years						Total
		< 1	1-3	3-5	5-7	7-10	> 10	
31/12/97	GOV	15 491	23 349	14 568	6 592	11 594	4 000	75 593
	SUPRA	2 220	5 150	5 850	2 000	700	100	16 020
	Others	4 877	6 649	6 652	3 698	2 360	225	24 461
	<b>Total</b>	<b>22 588</b>	<b>35 148</b>	<b>27 070</b>	<b>12 290</b>	<b>14 654</b>	<b>4 325</b>	<b>116 074</b>
30/11/97	GOV	15 344	23 189	14 568	6 592	11 190	4 000	74 882
	SUPRA	2 990	5 200	5 850	2 000	700	100	16 840
	Others	4 507	6 549	6 572	4 023	2 515	225	24 391
	<b>Total</b>	<b>22 841</b>	<b>34 938</b>	<b>26 990</b>	<b>12 615</b>	<b>14 405</b>	<b>4 325</b>	<b>116 113</b>
31/10/97	GOV	13 558	24 489	14 255	6 592	11 112	4 000	74 006
	SUPRA	2 665	4 575	6 950	2 000	700	100	16 990
	Others	4 188	6 868	6 572	3 783	2 470	225	24 106
	<b>Total</b>	<b>20 411</b>	<b>35 933</b>	<b>27 777</b>	<b>12 375</b>	<b>14 282</b>	<b>4 325</b>	<b>115 102</b>
31/12/96	GOV	9 254	30 681	13 927	6 929	9 992	4 750	75 533
	SUPRA	3 512	4 950	6 620	1 500	700	600	17 882
	Others	5 437	8 864	6 474	1 632	2 436	625	25 468
	<b>Total</b>	<b>18 203</b>	<b>44 495</b>	<b>27 021</b>	<b>10 061</b>	<b>13 128</b>	<b>5 975</b>	<b>118 883</b>
31/12/95	GOV	12 526	25 589	19 483	10 746	7 468	4 750	80 562
	SUPRA	3 047	5 732	5 150	4 900	700	600	20 129
	Others	6 963	9 954	6 099	4 337	1 438	1 325	30 116
	<b>Total</b>	<b>22 536</b>	<b>41 275</b>	<b>30 732</b>	<b>19 983</b>	<b>9 606</b>	<b>6 675</b>	<b>130 807</b>
31/12/94	GOV	11 288	20 359	21 093	10 021	10 235	5 750	78 746
	SUPRA	2 610	6 359	4 900	5 170	2 200	600	21 839
	Others	9 315	12 235	7 654	5 134	2 177	1 325	37 840
	<b>Total</b>	<b>23 213</b>	<b>38 953</b>	<b>33 647</b>	<b>20 325</b>	<b>14 612</b>	<b>7 675</b>	<b>138 425</b>

GOV = Central governments

SUPRA = Supranational institutions

**TABLE VIII**
**Total secondary market turnover and % of market taken by ECU securities**

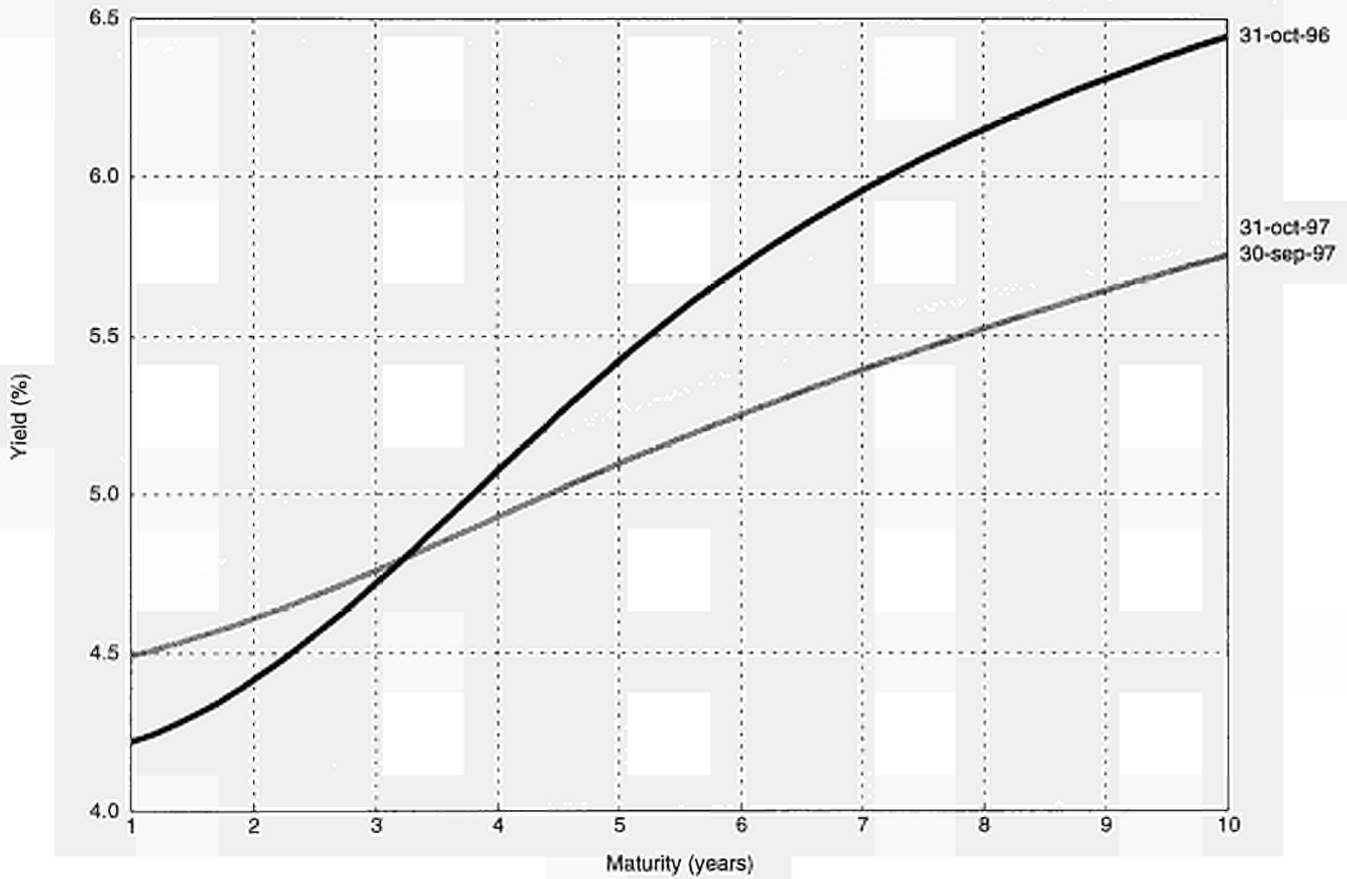
	Turnover in millions of USD			% of market held by ECU securities by instrument					Short- & med. term notes
	All currencies	of which ECU	USD	Eurobonds straights	Others straights	Convertibles	Floating rate notes	Certificates of deposit	
1991	7 543 435	1 299 480	2 024 440	25.69	11.71	1.26	2.49	4.52	19.30
1992	12 817 697	1 795 023	2 471 247	23.15	8.66	2.76	3.94	6.47	20.83
1993	21 147 243	1 396 407	3 381 535	11.14	3.76	1.78	1.96	6.70	17.22
1994	26 885 805	1 760 679	4 726 177	11.16	3.72	1.20	0.69	0.34	23.65
1995	32 410 622	2 281 559	5 718 454	8.45	4.52	0.77	1.48	0.37	26.95
1996	44 633 301	2 040 722	8 311 709	5.67	3.38	0.92	1.18	0.00	16.98
1996 10	4 358 228	188 569	856 512	5.13	3.47	0.59	0.98	0.00	14.06
11	3 791 050	167 963	725 669	4.56	3.82	0.44	1.18	0.00	12.50
12	3 608 927	137 257	686 296	4.64	3.39	0.13	1.05	0.00	9.54
1997 1	3 949 284	174 392	818 577	4.45	4.19	0.31	0.99	0.00	10.00
2	3 825 231	150 546	886 764	4.37	3.81	0.49	0.80	0.00	7.54
3	4 062 392	135 394	974 487	2.56	3.57	0.52	0.82	0.00	6.26
4	3 899 815	154 051	898 121	4.81	3.96	0.56	1.07	0.00	5.48
5	3 559 238	127 621	943 729	3.34	3.96	0.68	0.57	0.00	5.03
6	4 313 629	144 345	1 074 070	3.28	3.48	0.21	0.61	0.00	5.74
7	4 498 891	136 725	1 164 972	3.01	3.08	0.97	0.41	0.00	5.54
8	3 861 874	105 739	1 068 133	2.94	2.79	0.13	0.44	0.00	4.66
9	4 417 712	108 832	1 069 910	2.03	2.50	0.14	0.74	0.00	4.84
10	4 859 602	126 777	1 281 583	1.94	2.75	0.40	0.71	0.00	5.16
11	4 256 071	105 222	1 092 279	2.38	2.46	0.11	0.78	0.00	4.77

**TABLE IX**  
Interest rates and yields of ECU investments (%)

	EMI *	Deposits (maturity in months)				Yield on ECU bonds (maturity in years)									
		1	3	6	12	1	2	3	4	5	6	7	8	9	10
1992	10.29	10.43	10.41	10.27	10.01										
1993	8.21	8.27	7.99	7.65	7.11	7.28	6.87	6.74	6.78	6.91	7.04	7.14	7.20	7.22	7.19
1994	5.92	5.95	5.98	6.05	6.21	6.35	6.77	7.01	7.13	7.24	7.39	7.55	7.66	7.69	7.56
1995	5.88	5.85	5.90	5.98	6.15	6.23	6.66	6.99	7.25	7.46	7.63	7.76	7.85	7.88	7.86
1996	4.35	4.34	4.31	4.32	4.39	4.45	4.79	5.17	5.55	5.90	6.18	6.40	6.57	6.72	6.85
1996 7	4.25	4.33	4.34	4.37	4.53	4.59	5.02	5.42	5.78	6.10	6.38	6.62	6.80	6.92	6.99
8	4.25	4.28	4.29	4.32	4.44	4.56	4.90	5.28	5.67	6.02	6.30	6.51	6.68	6.81	6.92
9	4.25	4.14	4.15	4.17	4.28	4.38	4.66	5.03	5.42	5.78	6.07	6.30	6.47	6.61	6.72
10	4.00	4.06	4.06	4.07	4.12	4.20	4.36	4.66	5.03	5.39	5.69	5.93	6.12	6.27	6.39
11	4.00	4.07	4.07	4.09	4.15	4.23	4.41	4.70	5.03	5.36	5.63	5.86	6.04	6.19	6.32
12	4.00	4.11	4.06	4.07	4.09	4.13	4.27	4.54	4.87	5.20	5.49	5.72	5.91	6.07	6.22
1997 1	4.00	4.01	3.99	3.98	3.98	4.02	4.13	4.39	4.71	5.05	5.35	5.60	5.81	5.98	6.14
2	3.75	4.04	4.03	4.02	4.02	4.02	4.13	4.35	4.62	4.91	5.18	5.41	5.62	5.78	5.90
3	3.75	4.12	4.13	4.16	4.21	4.26	4.45	4.69	4.97	5.25	5.50	5.72	5.91	6.07	6.20
4	4.00	4.05	4.07	4.11	4.19	4.23	4.46	4.74	5.05	5.35	5.62	5.85	6.04	6.19	6.30
5	4.00	4.01	4.05	4.09	4.16	4.18	4.35	4.60	4.88	5.17	5.43	5.66	5.85	6.01	6.14
6	4.00	4.02	4.05	4.09	4.15	4.19	4.31	4.54	4.82	5.11	5.37	5.59	5.79	5.96	6.11
7	4.00	4.09	4.11	4.15	4.21	4.24	4.33	4.50	4.73	4.97	5.19	5.39	5.57	5.74	5.90
8	4.00	4.20	4.25	4.32	4.39	4.47	4.62	4.80	4.99	5.18	5.36	5.52	5.69	5.85	6.00
9	4.00	4.16	4.22	4.32	4.41	4.49	4.62	4.79	4.97	5.15	5.31	5.46	5.61	5.74	5.88
10	4.00	4.27	4.37	4.46	4.59	4.65	4.82	4.98	5.13	5.27	5.39	5.51	5.61	5.70	5.80
11	4.25	4.38	4.49	4.56	4.66	4.70	4.84	4.98	5.13	5.26	5.39	5.50	5.60	5.69	5.78
12	4.25	4.27	4.35	4.44	4.52	4.57	4.68	4.82	4.96	5.09	5.18	5.26	5.34	5.43	5.56
<b>Daily rates</b>															
1.12.97	.	4.38	4.44	4.51	4.61	4.65	4.76	4.91	5.05	5.18	5.28	5.37	5.45	5.55	5.68
2.12.97	.	4.37	4.43	4.50	4.61	4.64	4.74	4.89	5.04	5.18	5.28	5.35	5.43	5.52	5.66
3.12.97	.	4.35	4.41	4.50	4.59	4.67	4.79	4.93	5.06	5.18	5.27	5.35	5.43	5.52	5.64
4.12.97	.	4.34	4.42	4.50	4.59	4.66	4.77	4.91	5.05	5.18	5.27	5.34	5.41	5.51	5.65
5.12.97	.	4.16	4.38	4.50	4.59	4.65	4.78	4.93	5.07	5.20	5.29	5.36	5.43	5.53	5.67
8.12.97	.	4.31	4.41	4.50	4.59	4.64	4.76	4.90	5.04	5.17	5.25	5.32	5.39	5.49	5.64
9.12.97	.	4.31	4.39	4.49	4.58	4.65	4.77	4.91	5.05	5.17	5.26	5.33	5.40	5.51	5.68
10.12.97	.	4.13	4.35	4.48	4.56	4.66	4.77	4.91	5.05	5.17	5.26	5.33	5.40	5.49	5.64
11.12.97	.	4.31	4.38	4.48	4.56	4.61	4.72	4.85	5.00	5.12	5.21	5.27	5.34	5.45	5.61
12.12.97	.	4.29	4.38	4.46	4.54	4.59	4.67	4.80	4.94	5.06	5.15	5.21	5.28	5.37	5.51
15.12.97	.	4.28	4.36	4.45	4.53	4.57	4.65	4.78	4.91	5.03	5.12	5.20	5.27	5.37	5.50
16.12.97	.	4.28	4.35	4.44	4.52	4.56	4.66	4.78	4.92	5.04	5.13	5.20	5.28	5.38	5.52
17.12.97	.	4.28	4.36	4.45	4.53	4.55	4.69	4.83	4.95	5.07	5.16	5.24	5.32	5.41	5.53
18.12.97	.	4.27	4.34	4.41	4.50	4.54	4.65	4.78	4.91	5.03	5.13	5.20	5.28	5.38	5.50
19.12.97	.	4.25	4.32	4.38	4.47	4.48	4.61	4.74	4.88	4.99	5.09	5.17	5.25	5.34	5.47
22.12.97	.	4.25	4.31	4.38	4.48	4.45	4.56	4.70	4.85	4.98	5.08	5.16	5.23	5.31	5.43
23.12.97	.	4.24	4.30	4.37	4.46	4.43	4.54	4.67	4.80	4.93	5.04	5.14	5.23	5.32	5.39
24.12.97	.	4.25	4.31	4.37	4.46	-	-	-	-	-	-	-	-	-	-
29.12.97	.	4.24	4.29	4.36	4.43	4.48	4.55	4.68	4.82	4.96	5.07	5.16	5.25	5.34	5.46
30.12.97	.	4.14	4.23	4.32	4.39	4.49	4.61	4.75	4.90	5.04	5.15	5.25	5.34	5.44	5.55
31.12.97	.	4.17	4.25	4.33	4.40	4.50	4.62	4.75	4.90	5.03	5.14	5.24	5.34	5.44	5.55

\* Operation rates of the EMI: see explanatory notes

**Graph 3: ECU yield curve**



**Graph 4: Evolution of ECU yields over the last 18 months**



**TABLE X**
**Central bank interest rates**

	B				DK			D				EL			E	
	DR	AUCT	AR	CR	DR	REPO	CD	DR	LR	REPO	3D TB	DR	LR	OR	REPO	AR
<b>Rates at the end of:</b>																
12/96	2.50	3.00	4.25	3.00	3.25	3.50	3.50	2.50	4.50	3.00	3.10	16.50	21.00	25.00	6.25	6.35
01/97	2.50	3.00	4.25	3.00	3.25	3.50	3.50	2.50	4.50	3.00	3.10	16.50	21.00	25.00	6.00	6.10
02/97	2.50	3.00	4.25	3.00	3.25	3.50	3.50	2.50	4.50	3.00	3.10	15.50	20.00	25.00	6.00	6.10
03/97	2.50	3.00	4.25	3.00	3.25	3.50	3.50	2.50	4.50	3.00	3.10	15.50	20.00	25.00	5.75	5.75
04/97	2.50	3.00	4.25	3.00	3.25	3.50	3.50	2.50	4.50	3.00	3.10	15.50	20.00	25.00	5.50	5.60
05/97	2.50	3.00	4.25	3.00	3.25	3.50	3.50	2.50	4.50	3.00	3.10	14.50	19.00	24.00	5.25	5.30
06/97	2.50	3.00	4.25	3.00	3.25	3.50	3.50	2.50	4.50	3.00	3.10	14.50	19.00	24.00	5.25	5.30
07/97	2.50	3.00	4.25	3.00	3.25	3.50	3.50	2.50	4.50	3.00	3.10	14.50	19.00	24.00	5.25	5.30
08/97	2.50	3.00	4.25	3.00	3.25	3.50	3.50	2.50	4.50	3.00	3.10	14.50	19.00	24.00	5.25	5.30
09/97	2.50	3.00	4.25	3.00	3.25	3.50	3.50	2.50	4.50	3.00	3.10	14.50	19.00	24.00	5.25	5.30
10/97	2.75	3.30	4.55	3.30	3.50	3.75	3.75	2.50	4.50	3.30	3.10	14.50	19.00	24.00*	5.00	5.05
11/97	2.75	3.30	4.55	3.30	3.50	3.75	3.75	2.50	4.50	3.30	3.10	14.50	19.00	24.00*	5.00	5.05
12/97	2.75	3.30	4.55	3.30	3.50	3.75	3.75	2.50	4.50	3.30	3.10	14.50	19.00	24.00*	4.75	4.80
<b>Recent actual changes</b>																
03.11.97																
04.11.97																
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15.12.97															4.75	4.80
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23.12.97																
24.12.97																
25.12.97																
26.12.97																
29.12.97																
30.12.97																
31.12.97																

Please see explanatory notes at the end of the publication for the key to the various rates. Data series with the same abbreviation are not necessarily internationally comparable.

\* The rate of 24% is subject to a surcharge of 0.4% daily as from October 31, 1997 onwards.



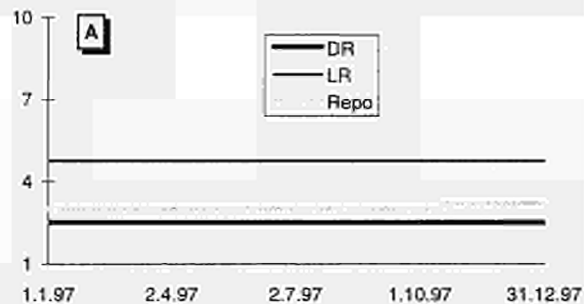
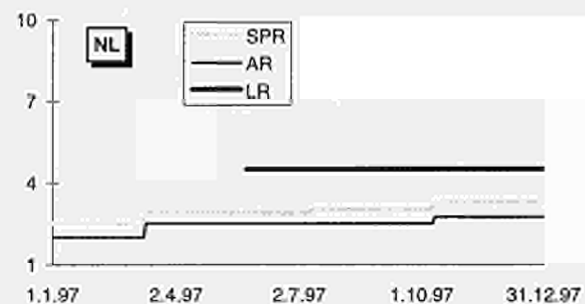
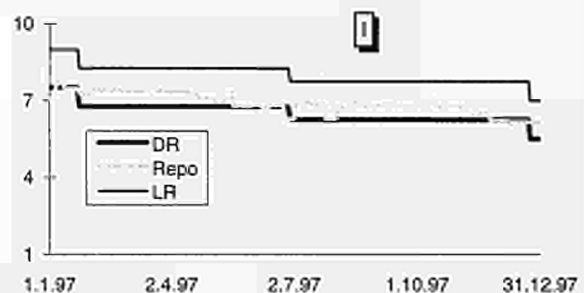
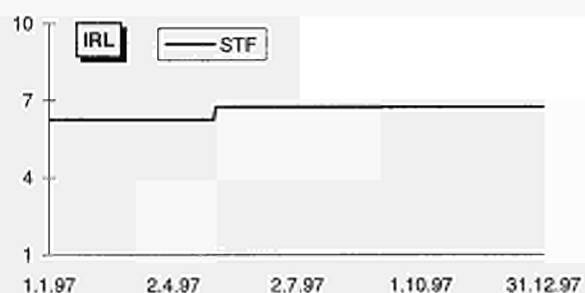
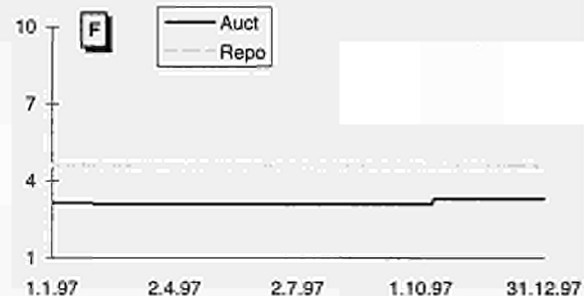
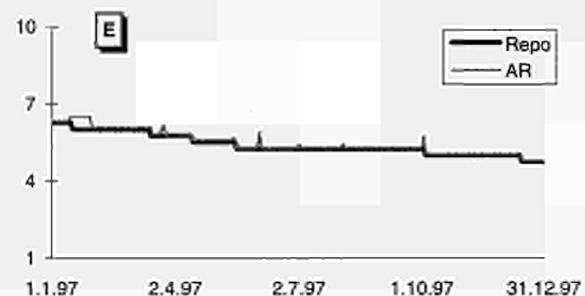
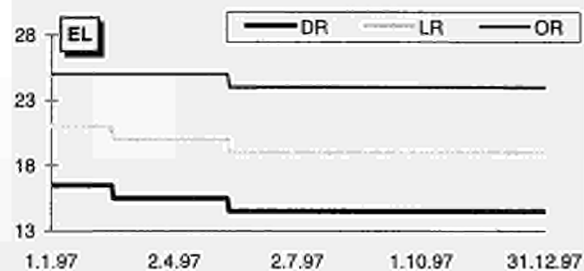
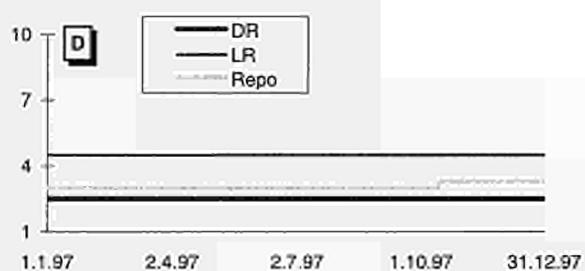
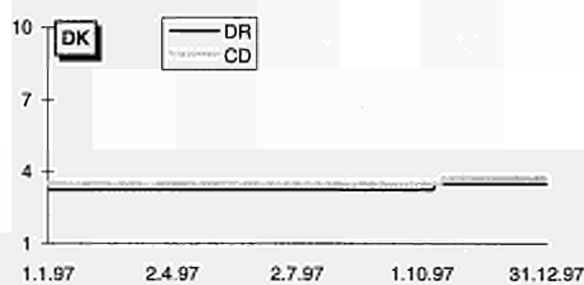
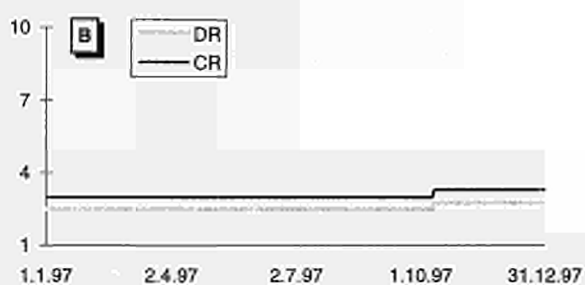
**TABLE X**
**Central bank interest rates**

F		IRL	I				NL			A			P					
AUCT	REPO	STF	DR	LR	REPO	R-REPO	AR	SPR	LR	DR	LR	REPO	PR R	SFR	DR R	DRO	PRO	
<b>Rates at the end of:</b>																		
3.15	4.60	6.25	7.50	9.00	7.05	-	2.00	2.50	-	2.50	4.75	3.00	6.700	8.30	6.20	6.200	6.704	12/96
3.10	4.60	6.25	6.75	8.25	7.21	-	2.00	2.50	-	2.50	4.75	3.00	6.500	8.30	6.20	6.200	6.500	01/97
3.10	4.60	6.25	6.75	8.25	7.35	-	2.00	2.70	-	2.50	4.75	3.00	6.500	8.30	6.20	6.200	6.500	02/97
3.10	4.60	6.25	6.75	8.25	7.34	-	2.50	2.90	-	2.50	4.75	3.00	6.520	8.30	6.20	6.200	6.500	03/97
3.10	4.60	6.25	6.75	8.25	7.09	-	2.50	2.90	-	2.50	4.75	3.00	6.300	7.80	5.80	5.800	6.300	04/97
3.10	4.60	6.75	6.75	8.25	6.77	-	2.50	2.90	4.50	2.50	4.75	3.00	6.000	7.70	5.70	5.700	6.000	05/97
3.10	4.60	6.75	6.25	7.75	6.26	-	2.50	2.90	4.50	2.50	4.75	3.00	6.000	7.70	5.70	5.700	6.000	06/97
3.10	4.60	6.75	6.25	7.75	6.27	-	2.50	3.00	4.50	2.50	4.75	3.00	5.703	7.40	5.40	5.400	5.702	07/97
3.10	4.60	6.75	6.25	7.75	6.71	-	2.50	3.00	4.50	2.50	4.75	3.00	5.501	7.20	5.20	5.200	5.500	08/97
3.10	4.60	6.75	6.25	7.75	6.61	-	2.50	3.00	4.50	2.50	4.75	3.00	5.501	7.20	5.20	5.200	5.500	09/97
3.30	4.60	6.75	6.25	7.75	6.79	-	2.75	3.30	4.50	2.50	4.75	3.20	5.502	7.20	5.20	5.200	5.500	10/97
3.30	4.60	6.75	6.25	7.75	6.21	-	2.75	3.30	4.50	2.50	4.75	3.20	5.300	6.90	4.90	4.900	5.300	11/97
3.30	4.60	6.75	5.50	7.00	6.16	6.29	2.75	3.30	4.50	2.50	4.75	3.20	5.308	6.90	4.90	4.900	5.327	12/97
<b>Recent actual changes</b>																		
					6.77								5.550					03.11.97
					6.51													04.11.97
																		05.11.97
																		06.11.97
																		07.11.97
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																		11.11.97
																		12.11.97
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																		17.11.97
													5.300	6.90	4.90			18.11.97
																4.900		19.11.97
																		20.11.97
																		21.11.97
					6.21													24.11.97
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																		18.12.97
																		19.12.97
																		22.12.97
			5.50	7.00													5.304	23.12.97
																		24.12.97
																		25.12.97
													5.308					26.12.97
						6.29												29.12.97
																	5.300	30.12.97
																	5.327	31.12.97

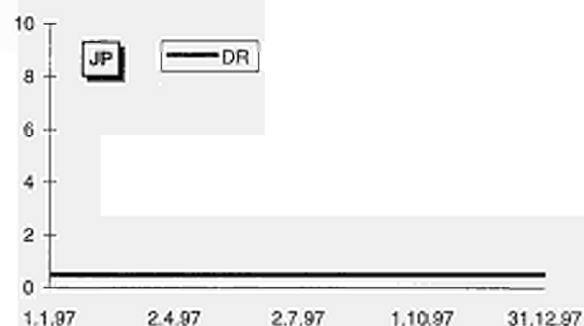
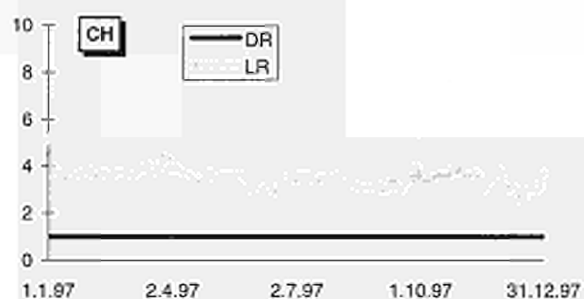
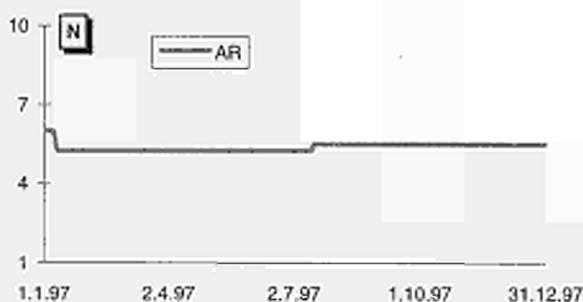
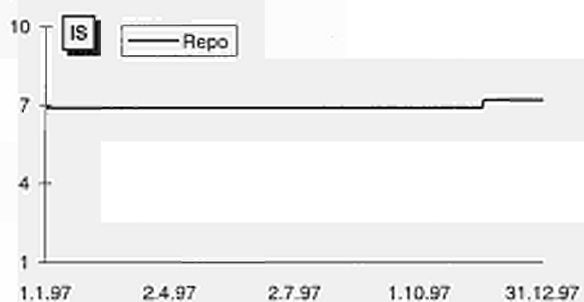
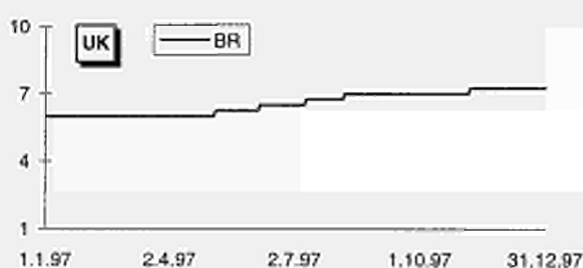
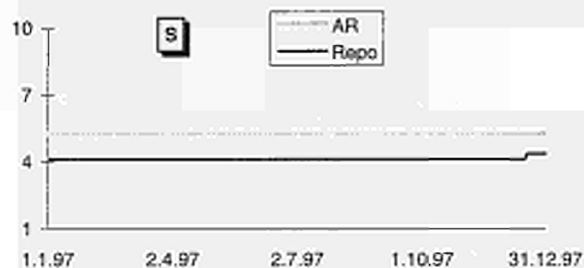
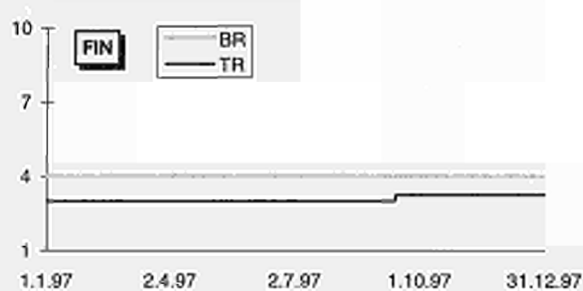
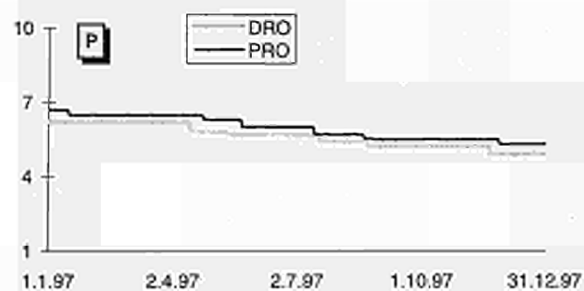
**TABLE X**
**Central bank interest rates**

	FIN			S				UK	IS			N	CH		US		JP
	BR	TR	AR	DR	AR	REPO	IBR	BR	DR	REPO	CD	AR	DR	LR	DR	FED	DR
<b>Rates at the end of:</b>																	
12/96	4.00	3.00	5.00	3.50	5.25	4.10	6.05	6.00	6.00	6.90	5.70	6.00	1.00	5.250	5.00	5.25	0.50
01/97	4.00	3.00	5.00	2.50	5.25	4.10	5.26	6.00	6.50	6.90	6.60	5.25	1.00	3.875	5.00	5.25	0.50
02/97	4.00	3.00	5.00	2.50	5.25	4.10	5.47	6.00	6.50	6.90	6.60	5.25	1.00	3.750	5.00	5.25	0.50
03/97	4.00	3.00	5.00	2.50	5.25	4.10	5.58	6.00	6.50	6.90	6.60	5.25	1.00	4.375	5.00	5.50	0.50
04/97	4.00	3.00	5.00	2.50	5.25	4.10	6.04	6.00	6.50	6.90	6.60	5.25	1.00	3.750	5.00	5.50	0.50
05/97	4.00	3.00	5.00	2.50	5.25	4.10	6.04	6.25	6.50	6.90	6.60	5.25	1.00	2.875	5.00	5.50	0.50
06/97	4.00	3.00	5.00	2.50	5.25	4.10	6.04	6.50	6.50	6.90	6.60	5.25	1.00	3.875	5.00	5.50	0.50
07/97	4.00	3.00	5.00	2.50	5.25	4.10	5.58	6.75	6.50	6.90	6.60	5.50	1.00	3.625	5.00	5.50	0.50
08/97	4.00	3.00	5.00	2.50	5.25	4.10	5.58	7.00	6.50	6.90	6.60	5.50	1.00	3.375	5.00	5.50	0.50
09/97	4.00	3.25	5.25	2.50	5.25	4.10	5.88	7.00	6.50	6.90	6.60	5.50	1.00	3.875	5.00	5.50	0.50
10/97	4.00	3.25	5.25	2.50	5.25	4.10	6.09	7.00	6.50	6.90	6.60	5.50	1.00	3.875	5.00	5.50	0.50
11/97	4.00	3.25	5.25	2.50	5.25	4.10	6.09	7.25	6.80	7.20	6.90	5.50	1.00	3.750	5.00	5.50	0.50
12/97	4.00	3.25	5.25	2.50	5.25	4.35	6.35	7.25	6.80	7.20	6.90	5.50	1.00	3.750	5.00	5.50	0.50
<b>Recent actual changes</b>																	
03.11.97														3.625			
04.11.97																	
05.11.97																	
06.11.97								7.25									
07.11.97																	
10.11.97														3.750			
11.11.97																	
12.11.97																	
13.11.97														3.625			
14.11.97														3.375			
17.11.97														3.250			
18.11.97									6.80	7.20	6.90			3.000			
19.11.97														3.125			
20.11.97														3.375			
21.11.97														3.500			
24.11.97																	
25.11.97																	
26.11.97														3.750			
27.11.97														3.875			
28.11.97														3.750			
01.12.97														3.375			
02.12.97														3.250			
03.12.97														3.125			
04.12.97														3.000			
05.12.97																	
08.12.97														3.125			
09.12.97																	
10.12.97							6.35										
11.12.97														3.000			
12.12.97														2.875			
15.12.97														2.625			
16.12.97														2.375			
17.12.97							4.35							2.750			
18.12.97														3.000			
19.12.97																	
22.12.97																	
23.12.97																	
24.12.97																	
25.12.97																	
26.12.97																	
29.12.97														3.125			
30.12.97														3.625			
31.12.97														3.750			

### Evolution of central bank interest rates over the last 12 months



### Evolution of central bank interest rates over the last 12 months



## EXPLANATORY NOTES

### Exchange rate grid (Table I)

The intervention limit rates fixed in the official grid do not correspond exactly to + or - 15 % of the central rates, since for each currency pair (whose exchange rates are inversely proportional to one another) the lower limit of one corresponds to the upper limit of the other.

### Bilateral fluctuations of the ERM currency (Graph 1 on page 5)

The daily market exchange rates of all currencies are compared with the relevant bilateral central rates and the differentials between the two calculated.

The graph is divided symmetrically by a horizontal axis along which the points would be plotted if all currencies were at their bilateral central rate and there were therefore no fluctuations.

The curves are drawn by linking the daily points showing the relative positions of each currency. These should be compared in pairs. To find the differential between two currencies, subtract the (positive or negative) values along the y-axis corresponding to each currency.

The graph is drawn with the curve of the stronger currency above that of the weaker. It shows therefore the relative position of each currency vis-à-vis the other currencies.

When two curves intersect or merge over a period of time there is no differential between the two currencies and their market exchange rate equals their bilateral central rate.

The maximum spread recorded between two currencies is signified by the band, symmetrical with the horizontal axis. The fluctuations of the other currencies in relation to either of the two currencies in question are shown within the maximum spread.

### The divergence indicator (Graph 2 on page 5)

The divergence indicator (DI) measures the degree of movement of a specific EMS currency against its maximum divergence spread. In effect, the DI is a mechanism which detects the EMS currencies that deviate upwards or downwards from the Community average as represented by the ECU.

For a given currency the divergence indicator is obtained:

- (i) first by calculating the appreciation or depreciation of the market rate of the ECU in terms of that currency against its ECU-related central rate;
- (ii) and then by comparing the result obtained with the maximum divergence spread (MDS), which is the intervention limit, corrected by the weight of each

currency in the basket in such a way that an increase in the weight of a currency reduces its maximum divergence spread.

In order to permit a comparison of movements in the divergence indicators for each of the EMS currencies, the MDS is expressed as an index number ranging between +/- 100. At an absolute index number of 75, a currency reaches its divergence threshold. When a currency crosses its "threshold of divergence", this results in a presumption that the authorities concerned will correct this situation by taking adequate measures.

### ECU exchange rates (Table II)

The exchange rates for the ECU against the national currencies of the member states of the Community, the USD and yen are shown as annual averages, monthly averages (for the current year), and daily rates (for the latest available month).

### Harmonised consumer price indices in ECU (Table III)

For each country the index of harmonised consumer prices in ECUs is calculated by multiplying the national harmonised consumer price index (HICP) by the average movement of the national currency in relation to the ECU during the month. It measures the change in the purchasing power of one ECU in the country concerned.

Three composite indices are calculated, the first covering all the member states of the Community (EUR15), the second covering 12 member states whose currencies participate in the European Monetary System exchange rate mechanism (ERM), and the third covering the 12 member countries whose currencies go to make up the ECU. (Although the peseta has been participating in the exchange rate mechanism since 19/06/89 and has been included in the calculation of the ECU since 21/09/89, it is only taken into account in the indices relating to the ERM which are included in this bulletin for data after 30/09/89).

These three indices are calculated as weighted arithmetic means (chain indices). The weightings are defined as follows: for the EUR 15 and ERM indices, the relative share of each member state in the final consumption of households for the group of countries in question (EUR15 or ERM), at current prices and exchange rates (annual weighting). For the ECU index, the relative share of each member state's currency in the calculation of the ECU (monthly weighting).

The base year is 1996. These indices should be used for indexing new contracts in ECU.

The Harmonised Consumer Price Indices (HICPs) in national currencies are primarily designed to facilitate international comparisons of consumer price inflation across the European Union. The focus lies on comparability among the indices of the different Member States as well as the relative movements.

In contrast to the interim indices, the HICPs in national currencies are harmonised not only on coverage but also in several methodological aspects. The HICPs in national currencies provide the best statistical basis for international comparisons of consumer price inflation and very considerable progress has been made in harmonising methodologies.

The HICPs in national currencies are compiled using a version of the international classification COICOP (Classification of individual consumption by purpose) which has been specially adapted for the HICPs and is known as COICOP/HICP.

### **Non harmonised consumer price indices in ECUs (Table IV)**

For each country the non harmonised index of consumer prices in ECUs is calculated by multiplying the national non harmonised consumer price index by the average movement of the national currency in relation to the ECU during the month. It measures the change in the purchasing power of one ECU in the country concerned.

Three composite indices are calculated, the first covering all the member states of the Community (EUR 15), the second covering 12 member states whose currencies participate in the European Monetary System exchange rate mechanism (ERM), and the third covering the 12 member countries whose currencies go to make up the ECU. (Although the peseta has been participating in the exchange rate mechanism since 19/06/89 and has been included in the calculation of the ECU since 21/09/89, it is only taken into account in the indices relating to the ERM which are included in this bulletin for data after 30/09/89).

These three indices are calculated as weighted arithmetic means (chain indices). The weightings are defined as follows: for the EUR 15 and ERM indices, the relative share of each member state in the final consumption of households for the group of countries in question (EUR 15 or ERM), expressed in ECUs at current prices and exchange rates (annual weighting). For the ECU index, the relative share of each member state's currency in the calculation of the ECU (monthly weighting).

The base year is 1985. These indices should be used for indexing existing contracts in ECU; for new contracts the new harmonised CPI in ECU should be used instead. The non harmonised price indices in ECU will be published until December 1998.

### **ECU bond issues (Tables V & VI)**

In table V, issues are recorded as at the payment date. This bulletin covers ECU issues in the Eurobond market, which includes international and foreign issues and domestic issues which can be assimilated with Eurobond issues. More specifically, the domestic issues should be free of withholding tax in the hands of non-residents and subject to similar clearing and settlement procedures. This includes ECU issues offering the option of conversion into other currencies. Main source: International Financing Review.

Table V shows, under the headings:

- Business sector and Governments: national issuers, both private and public.
- Institutions: the European Investment Bank and the Commission of the European Communities (EEC, ECSC, Euratom).
- Organisations: the specialist institutions of the United Nations, the World Bank, the Council of Europe, etc... .

Table VI shows detailed information on the latest known issues, irrespective of the payment date.

### **Outstanding amount of ECU bonds (Table VII)**

This table shows the bonds in ECUs outstanding at the end of the last three months and at the end of the last three years. These statistics are taken from a particularly comprehensive database and measure the volume of ECU bonds in circulation. The overall figure is broken down in two ways - by residual maturity and by type of issuer.

### **Total of the secondary market turnover and % of market taken by ECU securities (Table VIII)**

This table shows the volume of transactions on securities conducted by the international clearing houses Cedel and Euroclear. The market shares of the various types of instrument are calculated. These statistics do not cover all transactions throughout the world, since internal movements are not included. They do, however, give a realistic idea of market developments.

### **Interest rates and yields on ECU investments (Table IX)**

The interest rates for 1, 3, 6 and 12 months deposits are calculated on the basis of the London market rates LIBID as follows:

- until October 1993: source: Financial Times, Friday rate.
- from November 1993: source: Bank of England, British Banker's Association, daily rates.

The yields of ECU bonds at 1 - 10 years are those provided by Eurostat's yield curve. These are redemption yields. Eurostat's yield curve, which portrays the interest rate structure of maturities ranging from 1 to 10 years, is based on highest quality issues with a triple-A rating of at least

ECU 500 million outstanding, with a very high liquidity (bid-offer spread less than 50 basis points). The curve is calculated daily by fitting a third order polynomial function by regression to the price/yield values of bonds provided by ISMA (International Securities Market Association, London). These values reflect the mean of bid and offer prices communicated by a comprehensive range of financial institutions. The monthly figures included in the table are the arithmetic average of daily figures and the yearly figures are the arithmetic average of daily figures.

### Operation rates of the EMI (Table IX)

The interest rate for transactions of the EMI (European Monetary Institute) in ECUs is the weighted average of the most representative rates on the domestic money market of the countries whose currencies make up the ECU basket. It is based on the weighting of the currencies in the ECU basket as derived from the ECU central rates in force. The rate thus calculated for a given month applies to EMI transactions for the following month. In table VII, this rate relates to the month upon which the calculations are based and not to the (following) month during which it is used by the EMI.

### ECU yield curve

These graphs show the trend in yields on ECU bonds. Graph 3 shows the ECU yield for bonds due at the end of the last month, at the end of the preceding month and one year previously. Graph 4 shows the development in yields for maturities of 3 and 10 years over the last 12 months. The difference between these two curves reflects the gradient of the rates curve.

### Central Bank Interest Rates in the EEA countries, in the US, Japan and Switzerland (Table X)

#### BELGIUM

##### Official intervention rates:

**Discount rate (DR):** rate at which credit institutions can discount commercial paper at the BNB within the ceilings fixed individually according to balance sheet items.

**1-week credit granted by tender (AUCT):** rate at which the BNB grants cash by tender to credit institutions. The duration of these loans is generally 1 week but can be longer under particular circumstances.

**Advances to meet daily deficits (AR):** rate at which credit institutions receive money from the BNB within quotas which vary between credit institutions according to balance sheet items and to turnover in the secondary market for government debt-securities.

**Central Bank rate (CR):** rate at which Primary dealers<sup>1</sup> receive overnight money, up to a fixed maximum which is the same for each Primary dealer, from the BNB. This rate will be the next rate applied to the 1-week credit granted by tender.

#### DENMARK

##### Intervention rates:

**Discount rate (DR):** indicative rate which is not attached to any facility with the Danmarks Nationalbank. Within quotas based on the size of the individual bank, deposits on banks' current account with the Danmarks Nationalbank are remunerated by the folio rate. This rate has been equal to the discount rate since the introduction of the present liquidity instruments in April 1992.

**Certificates of deposit (CD):** rate on 14-day certificates of deposit issued on the last banking day of each week by the Nationalbank.

**Repurchase agreements (REPO):** rate at which the banks have access to enter into 14-day repurchase agreements in government paper with the Nationalbank. These transactions take place on the penultimate banking day of each week, affecting bank liquidity the following day. The interest rate on repos has equalled the rate on CDs since April 1992.

#### GERMANY

##### Intervention rates:

**Discount rate (DR):** rate at which the Bundesbank discounts eligible trade bills within the limits of the rediscount quotas.

**Lombard rate (LR):** rate at which the Bundesbank grants loans to banks against certain securities. These loans have a maturity of up to 90 days and are granted against collateral of government and public sector securities.

**Rate on repurchase agreements (REPO):** rate applied to the Bundesbank's repurchase facility. The Bundesbank buys bonds eligible as collateral for Lombard loans and short-term Treasury discount paper from those banks subject to minimum reserve requirements. These transactions are usually offered by fixed-rate tender or by variable-rate tender for a period of 14, 28 or 35 days.

##### Other rate:

**3-day Treasury bills (3D TB):** rate on bills that can be bought or sold by a specific list of banks. This establishes a floor for the cost of short-term money in addition to the fixed amount provided by the discount window.

#### GREECE

##### Intervention rates:

**Rediscount rate (DR):** rate at which the Bank of Greece rediscounts commercial bills. This facility is subject to overall quotas which are allocated among credit institutions according to criteria relating to the size of certain balance sheet items.

<sup>1</sup> Primary dealers are market makers for government linear bonds (OLO) and Treasury certificates.

**Lombard rate (LR):** rate at which the Bank of Greece grants liquidity to banks against collateral of government paper. As for the discount window, this facility is subject to overall quotas which are allocated among credit institutions according to criteria relating to the size of certain balance sheet items.

**Rate on overdrafts on banks' current accounts with the Bank of Greece (OR):** rate at which credit institutions can cover unexpected liquidity shortages by overdrawing their current accounts with the Bank of Greece.

## SPAIN

### Intervention rates:

**Short-term credit to banks (REPO):** marginal auction rate of 10-day repo purchases of Banco de España certificates. The Bank of Spain purchases the certificates (with a resale agreement at the maturity of the operation) from banks and savings banks according to the requirements accepted in the auction.

**Rate on overnight loans granted by the Banco de España (AR):** this rate is considered as being an unofficial intervention rate, but is often used by the Banco de España as an instrument of its monetary policy. It is the rate at which the Banco de España intervenes in the money market. Market makers are asked to make bids in terms of amounts and rates, and the Bank of Spain decides at which point operations should be closed.

The rate published here is the average weighted rate resulting from the intervention.

## FRANCE

### Intervention rates:

**Auction (AUCTION):** twice a week, the Central Bank invites tenders (against collateral) in order to assess credit institutions' demand for Central Bank money. After a centralisation of the requests, the Central Bank will only allocate a proportion of them. The rate is, in practice, known in advance and is intended as a floor for money market rates.

**Sales with repurchase agreements (REPO):** rate at which banks get liquidity from the Central Bank against Treasury bills or commercial paper. This emergency facility carries a penalty rate that is designed as a ceiling for market rates.

## IRELAND

### Intervention rate:

**Short-term facility rate (STF):** rate at which the Central Bank grants short-term credits to banks for a period of between 1 day and 1 week.

## ITALY

### Intervention rates:

**Discount rate (DR):** rate at which the Banca d'Italia discounts commercial bills.

**Fixed-maturity advances rate (LR):** rate charged by the Banca d'Italia for advances with a maximum maturity of 32 days against eligible securities for special short-term needs.

### Other rate:

**Repurchase agreements (Repo) and Reverse Repurchase Agreements (R-Repo):** marginal auction rate. The Bank of Italy intervenes when it perceives the need to add or drain liquidity. The choice between repos (Repo) and reverse repos (R-Repo) depends on the structural (debtor or creditor) position of the banking system vis-à-vis the central bank. Foreign currency repos are also conducted, in addition to the securities repos.

## NETHERLANDS

### Intervention rates:

**Discount rate (DR):** rate at which the Central Bank discounts Treasury paper and approved bills of exchange with a remaining maturity not exceeding 3 months. From 1 January 1994, the Central Bank no longer accepts paper for discounting and thus this rate no longer exists. Data until 12/93 are available on request from Eurostat.

**Rate on special advances (SPR):** rate charged by the Central Bank to financial institutions for short-term advances.

**Marginal advance rate (LR):** rate which allows banks to raise overnight credit from the central bank. Under normal conditions, this rate will set an upper limit to money market rates.

**Official advance rate (AR):** rate at which advances on current account against collateral are mainly granted, within a certain limit, to registered credit institutions and a number of public and semi-public financial institutions. This rate establishes a floor for money market rates.

**Rate on discount of promissory notes (PRNT):** rate serving as a benchmark for commercial rates. From 1 January 1994, the discount rate on promissory notes is maintained as an interest rate, given its use as a reference rate for legal purposes, but it will no longer be published. It is equal to the prevailing rate on advances plus 0.5 percentage points. Data until 12/93 are available on request from Eurostat.

## AUSTRIA

### Intervention rates

**Discount rate (DR):** rate at which the Central Bank rediscounts bills of exchange. To qualify for discounting, the paper presented must fulfil certain eligibility requirements. Refinancing ceilings for individual banks are determined on the basis of specified balance sheet items.

**Lombard rate (LR):** rate at which the Central Bank grants loans to banks against collateral. Since this rate is a penalty rate, it is higher than both the discount and the Gomex rate.



**Interest rates for open-market transactions (tendering procedure):** Since 1988 it has been possible for short-term, temporary and - since October 1995 - regular extra liquidity to be made available to financial institutions on demand via open-market transactions outside normal refinancing arrangements. Funds are distributed on the basis of a tendering procedure.

## PORTUGAL

### Intervention rates:

**Regular rate for liquidity provision (PR R):** rate at which the Banco de Portugal supplies liquidity to the money market. The regular operations take place on the first working day of each regular maintenance period (1 week) and mature in the first working day of the subsequent period. When the regular rate for liquidity provision is suspended, the Banco de Portugal can also conduct operations at a variable rate, which take place on the first working day of the regular maintenance period. These data are not given here but are available from Eurostat.

**Standing facility rate (SFR):** the standing facility refers to liquidity provision operations which mature on the next working day following the day on which transaction takes place, and which take place at the pre-announced rate. The institutions' access to this facility is limited by way of a quota, established on the beginning of each month as a percentage of the total amount of the facility (currently 100 billions of escudos).

**Regular liquidity draining rate (DR R):** rate at which the Banco de Portugal withdraws liquidity from the money market by selling Treasury bills with repurchase agreement or Central Banks monetary certificates. The regular operations take place on the first working day of each regular maintenance period (1 week) and mature in the first working day of the subsequent period.

### Other rates:

**Occasional operations of liquidity draining (DR O):** the Banco de Portugal also conducts occasional operations of liquidity draining with a view to stabilising the money market.

**Occasional operations of liquidity provision (PR O):** the Banco de Portugal also conducts occasional operations of liquidity provision with a view to stabilising the money market.

## FINLAND

**Base rate (BR):** the base rate is an administered interest rate set by the Parliamentary Supervisory Board. Its importance has diminished along with the developments of markets in Finland. Nonetheless, it is still of importance since a fairly large proportion of deposits and outstanding loans are tied to it, and these rates are adjusted whenever there is a change in the base rate.

**Tender rate (TR):** rate determined by tenders held by the Central Bank in which banks are asked to make bids or offers for money market instruments with a maturity of 1 month. The tender rate is a weighted average of accepted bids or offers.

### Other rates:

**Liquidity credit rate (AR):** rate charged to banks by the Bank of Finland for loans with a maturity of 1 day, 7 days, 14 days, 21 days and 28 days. The rate is the sum of the tender rate and the interest rate margin for credit liquidity. The liquidity credit has replaced the overnight facility.

## SWEDEN

### Intervention rates:

**Lending rate (AR):** rate at which the Riksbank supplies cash to banks. Each bank has a borrowing facility equivalent to 4% of its capital base; terms for any borrowing in excess of this amount are determined at the discretion of the Riksbank.

### Other rates:

**Repo rate (Repo):** rate applied to the Riksbank's operations on repurchase agreement. These transactions are usually offered on Tuesdays for a period of 14 days. The repo rate fluctuates in a band between the lending and the deposit rates.

**Discount rate (DR):** from the second quarter of 1992, the discount rate should be regarded solely as a reference rate. It is determined at the beginning of each quarter solely on the basis of interest rates in the preceding quarter. It is computed as a weighted average of the daily market rates for 6-month Treasury discount notes and 5-year government bonds in the preceding quarter less two and a half percentage points, rounded to the nearest whole or half point.

**Rate for industrial bonds (IBR):** this is an administratively determined interest rate. It is the rate at which industrial bonds with an interest period of 2.5 years are adjusted.

The structure of Swedish central bank rates was changed from 1.6.94. Data on the marginal rate for the period 9.92 to 5.94 are available from Eurostat.

## UNITED KINGDOM

Until 1981, the Bank of England used an official continuously posted rate to signal its interest rate intentions. This was called the Minimum Lending Rate and was the rate at which the Bank of England lent to the discount houses. Since then its intentions have been signalled on most days by the rate at which it purchases bills in bands 1 and 2 (ie up to one month in maturity); otherwise it has tended to announce interest rate changes by posting a Minimum Lending Rate, applying now for one day only.

These operations are used by the Bank of England to signal changes in the key rate in the UK financial market, the commercial banks' **base rate (BR)**. This is a good indicator of the broad level of short-term interest rates.

## ICELAND

**Discount rate (DR):** Rate on loans within quota. Banks are able to obtain short-term credits within this quota.

**Repurchase agreements (Repo) rates:** rates on 10 day repos, when the Central Bank purchases Treasury bills with a repurchase condition.

**Certificates of deposit (CD) rate:** a fixed rate on 45 day CDs issued by the Central Bank.

## NORWAY

**Intervention rate:**

**Overnight lending rate (AR):** rate at which commercial and saving banks can borrow from the Norges Bank on a day to day basis. The ceiling on loans available for each half-month is set in percent of the banks' capital base, excluding subordinated loan capital.

## SWITZERLAND

**Lombard rate (LR):** rate at which the Central Bank grants loans to banks against collateral. This rate is a penalty rate against banks which have underestimated their liquidity needs. It is calculated on the basis of the market rates of the two previous days plus 2 points.

**Discount rate (DR):** rate at which the Central Bank discounts bills of exchange, cheques, Treasury bills issued by the Confederation and bills issued by the Cantons and Communes. The maturity of discounted paper may not exceed 6 months.

## UNITED STATES

**Discount rate (DR):** rate at which the Federal Reserve Banks discount eligible paper for, and make advances to, depository institutions.

**Fed Funds rate (FED):** Rate of interest charged on federal funds loaned by and to commercial banks. Owing to the large scale of fed funds borrowings, the rate is regarded by the Federal Reserve as an important determinant of bank liquidity, and is considered as a key rate for implementing monetary policy.

## JAPAN

**Discount rate (DR):** rate at which the Bank of Japan discounts commercial bills.



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