



# ECU-EMS Information & Central Bank Interest Rates

6 □ 1997

Monthly

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## Bilateral fluctuations of ERM currencies

Graph 1 on page 4 shows the trends in the bilateral fluctuation of ERM currencies between 1 April 1997 and 30 May 1997 calculated on a daily basis.

This graph shows that during the whole period under consideration, there were no serious tensions in the bilateral fluctuation of all but one ERM currency. Specifically, the IEP, in spite of the reversal of its upward trend at the end of April, continued to be the strongest currency in the ERM grid for the eighth month in succession. As the IEP lost ground against the DEM and the other ERM currencies, the width of the band within which all ERM currencies moved decreased from 7.57% on 30 April 1997 to 6.97% on 30 May 1997. The graph also shows that during the whole period considered, the ITL and the FRF were the weakest currencies in the ERM grid.

By the end of May, all ERM currencies but the IEP moved within a band of 1.99% which is narrower than at the end of the previous month (2.57%, if the IEP is excluded ).

## Central bank interest rates

In May the official interest rates were cut in Greece, Spain and Portugal but raised in Ireland and the United Kingdom.

The Bank of Greece cut 100 base points off the discount rate (to 14.50%), the Lombard rate (19.0%) and the deficit coverage rate (24.0%). The last time rates had been cut was in February, when the Bank of Greece had taken 100 base points off the first two rates, bringing the discount rate to 15.5% and the Lombard rate to 20.0%. Inflation in Greece continued to ease, with a year-on-year figure of 5.7% at the end of April compared with 8.5% a year earlier. This was the lowest inflation rate recorded in Greece since October 1972.

In Spain, in conjunction with the tendering operation of 16 May, 25 base points were shaved off the ten-day repo rate, bringing it down to 5.25%. The previous reduction had been on 15 April. The rate has come down by 100 base points since the start of the year and by 375 points from its position at the beginning of 1996. Inflation at the end of April was running at an annual rate of 1.6%, compared with 3.4% a year earlier.

In Portugal the official rates were cut on Monday 12 May, the first day of the period for constituting banks' statutory reserves. The repo rate was down by 30 base points to 6.0%, while the rate for liquidity-absorption operations was reduced

by 10 base points to 5.7%. The emergency lending rate was also cut by 10 base points and now stands at 7.7%.

While the reference rates were reduced in Greece, Spain and Portugal, the opposite occurred in the United Kingdom, where the base rate edged up 25 base points to 6.25%. The last time the rate was raised in the United Kingdom was in October 1996.

In Ireland, too, there was a rise in rates, with the short-term facilities (STF) rate increasing at the start of the month by 50 base points to 6.75%. It was the first time since March 1995 that the central bank had been prompted to raise the cost of borrowing. Prior to this decision, the Irish punt had dipped sharply against the German mark and the pound sterling. The growth of borrowing in the private sector reached 18.6% in March compared with 15.8% in February.

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

In the Netherlands the central bank introduced a new official rate: the 24-hour repo rate. This new rate will serve as a ceiling rate similar to the Lombard rate in Germany.

## Real effective exchange rates

The European Commission, Directorate-General for Economic and Financial Affairs (DG II-D-4), provides a periodic assessment of the price and cost competitiveness of the European Union (EUR 15), the group of countries participating in the ERM, the 15 EU countries individually, as well as 5 other industrial countries. Five real effective exchange rates (each based on a different deflator ) have been calculated in order to provide a comprehensive assessment of a country's price and cost competitiveness.

These deflators are:

- a) the Consumer Price Index,
- b) the GDP deflator,
- c) the price deflator of exports of goods and services
- d) Unit Labour costs in Economy as a whole and
- e) Unit Labour costs in Manufacturing.

1987, the year of the Louvre Accord, is taken as the base period for the various indicators of price and cost competitiveness. This is because the Accord marks the beginning of a period of exchange rate stability. However it

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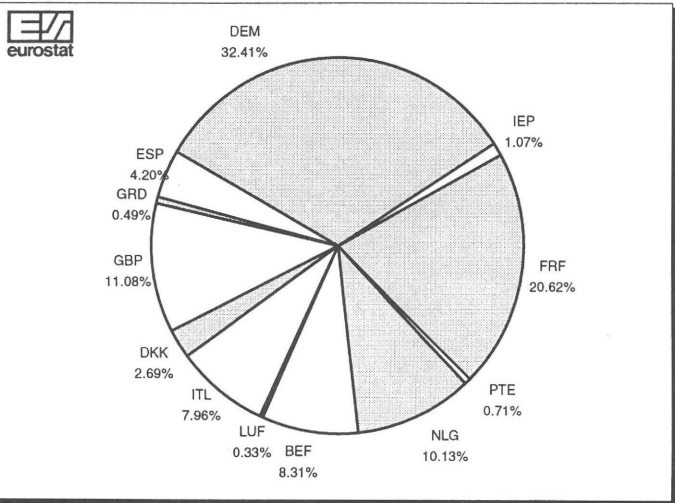
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TABLE I

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)	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											
GBP	0.793103 (notional)	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;											

WEIGHTS OF COMPONENT CURRENCIES IN THE ECU,  
CALCULATED ON THE BASIS OF CENTRAL RATES IN FORCE  
SINCE 25.11.1996

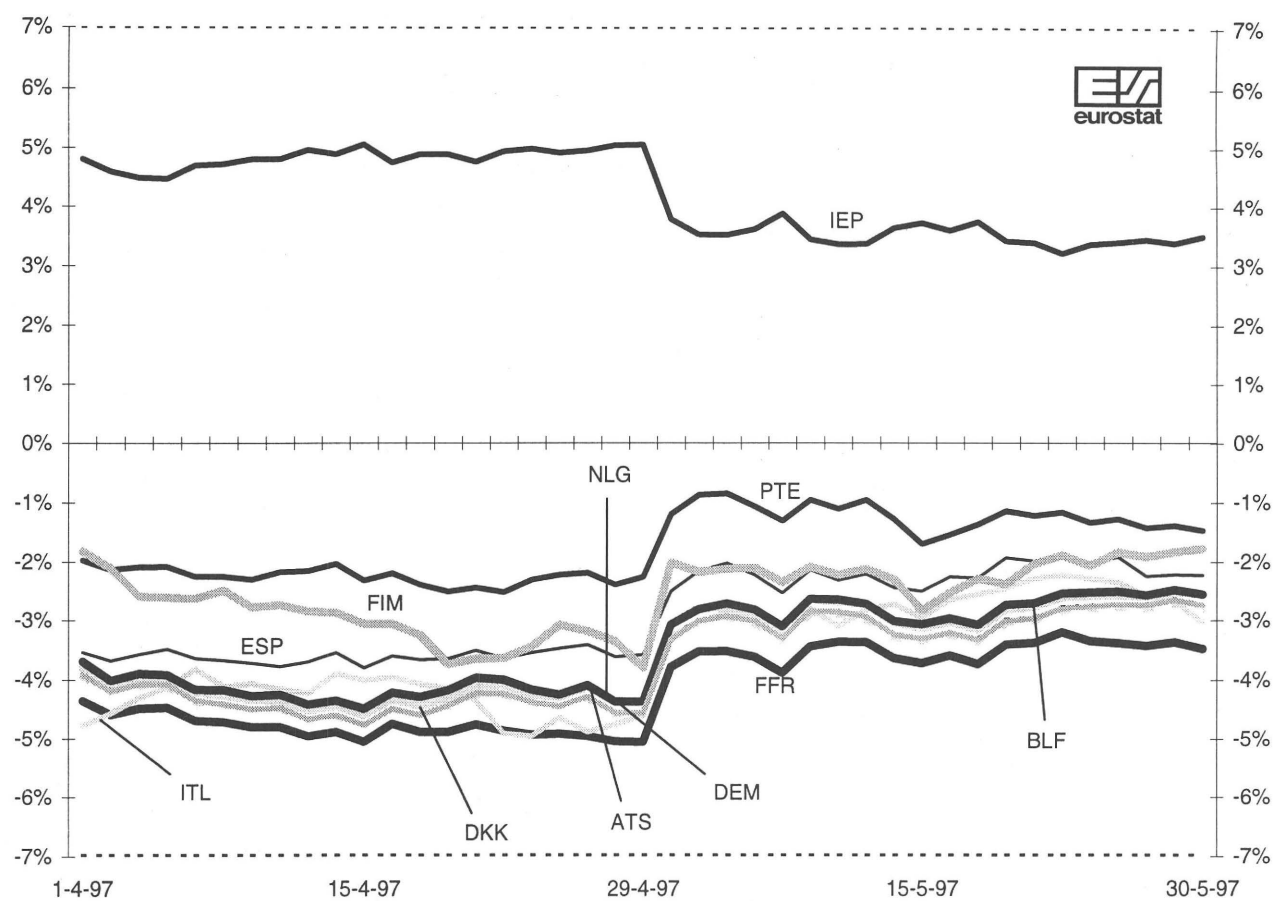


COMPOSITION OF THE ECU BASKET

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
= 1 ECU



GRAPH 1: BILATERAL FLUCTUATIONS OF THE ERM CURRENCIES



GRAPH 2: DIVERGENCE INDICATOR

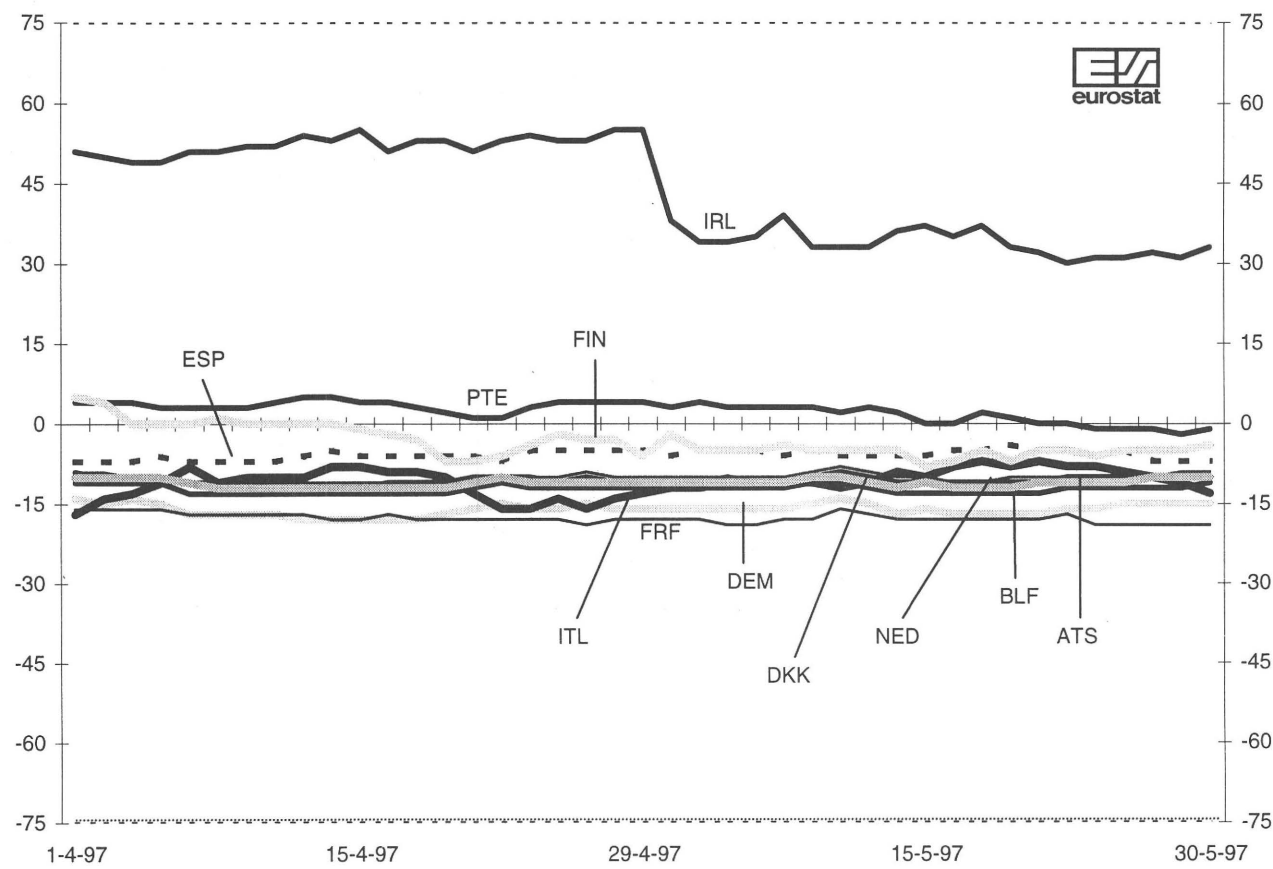


TABLE II

## ECU EXCHANGE RATES


 eurostat	BEF/LUF	DKK	DEM	GRD	ESP	FRF	IEP	ITL	NLG	ATS
Yearly averages										
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
Monthly averages										
96/05	39.2952	7.37931	1.91165	303.239	159.558	6.46945	0.797219	1942.36	2.13730	13.4513
96/06	39.3649	7.37905	1.91356	302.636	161.414	6.48599	0.791060	1932.36	2.14355	13.4668
96/07	39.3623	7.36763	1.91083	302.052	161.392	6.47101	0.792324	1939.80	2.14448	13.4475
96/08	39.1954	7.35381	1.90229	303.998	161.319	6.49518	0.796395	1946.30	2.13381	13.3864
96/09	39.3520	7.36091	1.91115	303.798	161.095	6.50787	0.788059	1929.22	2.14253	13.4475
96/10	39.6079	7.37211	1.92291	301.784	161.865	6.50223	0.782308	1918.52	2.15714	13.5283
96/11	39.7803	7.41390	1.93039	304.419	162.498	6.53269	0.767118	1932.35	2.16519	13.5839
96/12	39.9852	7.42533	1.94008	306.810	163.358	6.55398	0.753196	1910.75	2.17691	13.6517
97/01	40.1916	7.43573	1.94959	305.515	163.687	6.57973	0.744611	1904.88	2.18931	13.7169
97/02	40.2865	7.44647	1.95240	305.971	165.370	6.59149	0.734539	1929.35	2.19305	13.7399
97/03	40.2446	7.44074	1.95065	306.940	165.472	6.58039	0.735243	1948.10	2.19515	13.7286
97/04	40.4130	7.46133	1.95870	309.698	165.347	6.59734	0.738064	1939.02	2.20278	13.7860
97/05	40.3978	7.45370	1.95723	312.134	165.229	6.60037	0.759171	1933.46	2.20127	13.7760
Daily rates: 05-97										
02/05	40.3834	7.45011	1.95700	311.353	165.086	6.59857	0.758542	1938.87	2.20149	13.7742
05/05	40.4147	7.46030	1.95855	311.216	165.137	6.60889	0.759803	1938.24	2.20285	13.7852
06/05	40.4668	7.47157	1.96091	311.355	165.517	6.61740	0.759227	1939.80	2.20588	13.8016
07/05	40.4494	7.46205	1.95989	311.324	165.470	6.61229	0.754325	1939.52	2.20474	13.7950
09/05	40.3298	7.43999	1.95426	311.084	165.101	6.59483	0.759441	1934.62	2.19809	13.7546
12/05	40.3013	7.43611	1.95253	312.071	165.228	6.58294	0.759400	1938.64	2.19620	13.7427
13/05	40.3598	7.44525	1.95546	311.897	165.177	6.58855	0.759885	1934.53	2.19948	13.7636
14/05	40.4416	7.45925	1.95940	312.558	165.382	6.59865	0.756711	1930.38	2.20357	13.7912
15/05	40.4011	7.45541	1.95746	312.716	165.206	6.59330	0.754673	1931.77	2.20101	13.7770
16/05	40.4360	7.46067	1.95912	312.145	165.099	6.59691	0.757200	1929.33	2.20293	13.7893
20/05	40.4446	7.46269	1.95946	311.655	164.964	6.60007	0.755150	1925.65	2.20314	13.7918
21/05	40.4372	7.46006	1.95909	311.693	164.906	6.59844	0.760341	1929.48	2.20227	13.7896
22/05	40.4180	7.45564	1.95799	312.196	164.968	6.59547	0.760423	1925.93	2.20131	13.7814
23/05	40.3901	7.45134	1.95672	312.366	165.003	6.59121	0.762833	1926.95	2.20000	13.7729
26/05	40.3813	7.44979	1.95616	312.733	165.207	6.60100	0.761521	1928.13	2.19968	13.7683
27/05	40.3749	7.45082	1.95598	313.245	165.070	6.60462	0.761385	1929.65	2.19966	13.7673
28/05	40.3761	7.45030	1.95585	313.098	165.586	6.60610	0.760870	1934.02	2.20077	13.7657
29/05	40.3795	7.45190	1.95591	313.337	165.713	6.60897	0.762211	1937.60	2.20092	13.7672
30/05	40.3723	7.44707	1.95559	312.499	165.534	6.60872	0.760314	1942.56	2.20011	13.7646

TABLE II

ECU EXCHANGE RATES




PTE	FIM	SEK	GBP	ISK	NOK	CHF	USD	YEN	
Yearly averages									
147.088	4.97974	6.99567	0.671543	40.3813	7.27750	1.76086	0.98417	164.997	1986
162.616	5.06517	7.31001	0.704571	44.5548	7.76498	1.71780	1.15444	166.598	1987
170.059	4.94362	7.24192	0.664434	50.7794	7.70054	1.72822	1.18248	151.459	1988
173.413	4.72301	7.09939	0.673302	62.8909	7.60381	1.80010	1.10175	151.938	1989
181.109	4.85496	7.52051	0.713851	74.0013	7.94851	1.76218	1.27343	183.660	1990
178.614	5.00211	7.47926	0.701012	73.0052	8.01701	1.77245	1.23916	166.493	1991
174.714	5.80703	7.53295	0.737650	74.6584	8.04177	1.81776	1.29810	164.223	1992
188.370	6.69628	9.12151	0.779988	79.2528	8.30954	1.73019	1.17100	130.147	1993
196.896	6.19077	9.16307	0.775902	83.1063	8.37420	1.62128	1.18952	121.322	1994
196.105	5.70855	9.33192	0.828789	84.6853	8.28575	1.54574	1.30801	123.012	1995
195.761	5.82817	8.51472	0.813798	84.6558	8.19659	1.56790	1.26975	138.084	1996
Monthly averages									
196.450	5.93167	8.47882	0.822658	83.9541	8.20054	1.56415	1.24668	132.567	96/05
197.066	5.85009	8.37071	0.812532	84.1862	8.18508	1.57450	1.25292	136.393	96/06
196.501	5.82689	8.43833	0.817683	84.8056	8.19491	1.56644	1.27064	138.793	96/07
195.336	5.74750	8.49551	0.827934	85.0551	8.22904	1.54317	1.28325	138.418	96/08
195.200	5.75969	8.42542	0.813841	84.7580	8.19539	1.56306	1.26907	139.428	96/09
194.313	5.75156	8.30499	0.793727	84.3810	8.15901	1.58325	1.25841	141.397	96/10
195.164	5.81198	8.46235	0.768046	84.5893	8.11739	1.62727	1.27690	143.347	96/11
195.689	5.79696	8.53149	0.751642	83.8167	8.08792	1.65914	1.25025	142.369	96/12
194.906	5.80111	8.57942	0.732336	82.9998	7.84290	1.69061	1.21621	143.256	97/01
196.137	5.80357	8.63090	0.717022	82.0945	7.73421	1.69440	1.16576	143.305	97/02
196.038	5.82909	8.80670	0.716049	81.7817	7.83178	1.68433	1.14976	140.932	97/03
196.523	5.87300	8.79398	0.702754	81.4965	7.98969	1.67348	1.14501	143.749	97/04
197.210	5.90352	8.81908	0.703563	80.9024	8.12416	1.64348	1.14934	136.296	97/05
Daily rates: 05-97									
196.369	5.90129	8.88656	0.703491	81.1243	8.03922	1.66857	1.13508	143.781	02/05
196.637	5.90796	8.94352	0.699312	81.0389	8.08463	1.66780	1.13309	143.268	05/05
197.145	5.90890	8.92372	0.693250	80.9959	8.08372	1.66810	1.13360	142.664	06/05
196.947	5.90304	8.81920	0.696254	81.2124	8.10527	1.66154	1.14046	142.489	07/05
196.587	5.89785	8.82867	0.709259	81.1364	8.11824	1.65135	1.14957	140.270	09/05
196.706	5.90025	8.82905	0.712680	81.0751	8.14093	1.64790	1.15262	136.965	12/05
196.547	5.89859	8.84759	0.708218	81.0014	8.12716	1.65050	1.14993	137.130	13/05
196.973	5.90266	8.78626	0.701326	80.8946	8.10094	1.66083	1.14793	136.259	14/05
197.483	5.92437	8.76119	0.705226	80.9874	8.13233	1.65171	1.15812	133.937	15/05
197.537	5.91736	8.76998	0.702604	80.9008	8.14426	1.64637	1.15276	132.821	16/05
196.985	5.89685	8.73822	0.702912	80.6525	8.12123	1.62425	1.15432	131.396	20/05
197.140	5.92092	8.73048	0.702625	80.7989	8.15940	1.63234	1.16074	131.918	21/05
197.267	5.89894	8.74393	0.705368	80.8475	8.11655	1.63117	1.15645	133.882	22/05
197.382	5.89708	8.78382	0.707514	80.8610	8.16061	1.62970	1.15516	133.744	23/05
197.723	5.90738	8.82025	0.705993	80.8147	8.14226	1.62289	1.15797	134.521	26/05
197.648	5.89524	8.79876	0.705418	80.7613	8.14753	1.63169	1.15159	134.126	27/05
197.908	5.89884	8.82951	0.703258	80.6833	8.13732	1.63045	1.14983	133.104	28/05
198.039	5.89992	8.86367	0.701450	80.7533	8.14371	1.62610	1.14919	133.524	29/05
197.972	5.88952	8.85812	0.701546	80.6067	8.15375	1.62294	1.14906	133.831	30/05

TABLE III  
CONSUMER PRICE INDICES IN NATIONAL CURRENCY  
1985=100

 eurostat	EUR 15	ERM	B	DK	D	EL	E	F	IRL	I	L	NL
1991	129.7	121.6	114.6	124.1	110.9	265.9	145.0	120.2	121.3	140.0	112.4	108.3
1992	135.1	126.4	117.3	126.7	115.3	308.1	153.5	123.0	125.1	147.3	115.9	111.7
1993	139.7	130.5	120.6	128.3	119.5	352.6	160.6	125.6	126.9	153.8	120.1	114.6
1994	144.0	134.0	123.4	130.8	122.7	391.1	168.1	127.8	129.8	160.0	122.7	117.8
1995	148.5	137.1	125.3	133.6	125.0	427.4	176.0	129.9	133.2	168.3	125.1	120.1
1996	152.2p	139.9p	127.8	136.4	126.8	463.7	182.3	132.6	135.4	174.8	126.8	122.6
1996 01	150.3p	138.4p	126.9	134.3	125.7	444.7	179.6	131.2	:	172.3p	125.9	121.1
02	150.8p	139.0p	127.2	135.0	126.4	443.3	180.1	131.7	134.4	172.8p	126.0	121.5
03	151.4p	139.5p	127.3	135.8	126.5	458.4	180.7	132.5	:	173.3p	126.3	122.5
04	152.0p	139.7p	127.5	136.1	126.6	464.2	181.8	132.8	:	174.2p	126.6	122.6
05	152.3p	140.0p	127.3	136.6	126.8	467.2	182.4	133.0	135.0	174.9p	126.7	122.4
06	152.4p	139.9p	127.3	136.5	126.9	469.9	182.2	132.9	:	175.3p	126.7	121.9
07	152.3p	140.2p	128.1	136.3	127.4	458.2	182.4	132.6	:	175.0p	126.8	122.4
08	152.4p	140.2p	128.4	136.5	127.2	458.0	183.0	132.3	135.7	175.2p	126.9	122.3
09	152.9p	140.4p	128.1	137.2	127.1	471.7	183.5	132.8	:	175.7p	127.0	123.4
10	153.0p	140.5p	128.5	137.4	127.1	476.1	183.6	133.1	:	175.8p	127.4	123.8
11	153.0p	140.5p	128.7	137.7	127.0	474.5	183.6	133.0	136.4	176.3p	128.0	123.7
12	153.3p	140.7p	128.9	137.6	127.4	478.7	184.2	133.2	:	176.5p	127.8	123.6p
1997 01	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
02	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
03	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
04	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Annual rate of increase (%)


 eurostat	EUR 15	ERM	B	DK	D	EL	E	F	IRL	I	L	NL
1991	5.1	4.4	3.2	2.4	3.6	19.5	6.0	3.2	3.1	6.3	3.1	3.9
1992	4.2	3.9	2.4	2.1	4.0	15.9	5.9	2.4	3.1	5.2	3.2	3.2
1993	3.4	3.2	2.8	1.3	3.6	14.5	4.6	2.1	1.4	4.5	3.6	2.6
1994	3.1	2.7	2.4	2.0	2.7	10.9	4.7	1.7	2.3	4.0	2.2	2.8
1995	3.1	2.3	1.5	2.1	1.8	9.3	4.7	1.8	2.6	5.2	1.9	1.9
1996	2.5p	2.0p	2.1	2.1	1.5	8.5	3.6	2.0	1.7	3.9	1.4	2.1
1996 01	2.8p	2.0p	2.0	1.7	1.5	8.4	3.9	2.0	:	5.4p	1.1	1.9
02	2.7p	2.0p	1.9	1.8	1.6	8.5	3.7	2.0	2.0	4.9p	1.0	1.8
03	2.7p	2.2p	2.0	2.1	1.7	9.1	3.4	2.3	:	4.5p	1.2	2.1
04	2.7p	2.1p	2.0	2.0	1.5	9.2	3.5	2.4	:	4.6p	1.5	2.0
05	2.7p	2.2p	1.9	1.9	1.7	9.1	3.8	2.4	1.4	4.4p	1.4	2.0
06	2.5p	2.1p	1.8	2.0	1.4	8.8	3.6	2.3	:	3.9p	1.2	1.8
07	2.5p	2.2p	1.9	2.3	1.6	8.6	3.7	2.3	:	3.6p	1.3	2.2
08	2.3p	1.9p	1.9	2.4	1.4	8.5	3.7	1.6	1.4	3.3p	1.4	1.9
09	2.3p	1.9p	2.0	2.3	1.4	8.5	3.5	1.6	:	3.4p	1.3	2.0
10	2.4p	2.0p	2.5	2.4	1.5	8.3	3.5	1.8	:	3.1p	1.5	2.4
11	2.2p	1.9p	2.4	2.4	1.4	7.7	3.2	1.6	1.9	2.8p	1.9	2.3
12	2.2p	2.0p	2.5	2.3	1.4	7.5	3.2	1.7	:	2.7p	1.8	2.5p
1997 01	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
02	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
03	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
04	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

p=provisional  
n.a. = not available


TABLE III

## CONSUMER PRICE INDICES IN NATIONAL CURRENCY

1985=100

A	P	FIN	S	UK	IS	N	CH	USA	JAP	CAN	
115.1	189.6	132.8	147.8	141.1	267.5	140.0	119.8	126.6	110.4	131.4	1991
119.7	206.7	136.7	151.1	146.4	278.1	143.3	124.6	130.5	112.3	133.4	1992
124.0	220.0	139.7	158.2	148.7	289.5	146.5	128.7	134.3	113.8	135.8	1993
127.7	231.5	141.2	161.6	152.4	294.0	148.6	129.8	137.8	114.6	136.1	1994
130.5	241.1	142.6	165.7	157.6	298.8	152.2	132.2	141.7	114.4	139.0	1995
133.0	248.6	143.5	166.5	161.4	305.6	154.1	133.2	145.9	114.7	141.2	1996
131.2	243.4	142.6	166.2	158.8	302.1	152.2	132.8	143.6	114.2	139.7	1996 01
131.8	245.1	143.1	166.4	159.5	302.6	152.3	133.1	144.0	114.0	140.0	02
132.4	246.1	143.3	167.2	160.1	303.1	153.0	133.3	144.8	114.2	140.5	03
132.3	248.3	143.5	167.5	161.3	303.6	153.5	133.4	145.3	115.0	140.9	04
132.1	249.5	143.8	167.3	161.6	305.5	153.7	132.9	145.6	115.2	141.3	05
132.8	249.2	143.8	166.7	161.7	305.2	153.9	133.2	145.7	114.8	141.2	06
134.0	249.7	143.7	166.3	161.1	305.5	154.5	133.0	146.0	114.7	141.2	07
134.8	250.4	143.4	165.5	161.8	307.4	154.4	133.3	146.3	114.4	141.3	08
133.7	250.4	143.7	166.5	162.6	308.1	155.1	133.4	146.7	114.9	141.5	09
133.4	250.2	143.9	166.4	162.6	308.3	155.7	133.6	147.2	115.1	141.8	10
133.5	250.6	143.5	166.0	162.7	308.4	155.7	133.3	147.5	114.8r	142.5	11
133.5p	250.8	143.5	165.8	163.2	307.1	155.6	133.4	147.5	114.5p	142.5	12
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1997 01
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	02
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	03
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	04

## Annual rate of increase (%)

A	P	FIN	S	UK	IS	N	CH	USA	JAP	CAN	
3.3	10.9	4.3	9.6	5.9	6.8	3.4	5.8	4.2	3.3	5.6	1991
4.0	9.0	2.9	2.6	3.7	4.0	2.3	4.0	3.0	1.7	1.5	1992
3.6	6.4	2.2	4.7	1.6	4.1	2.3	3.3	3.0	1.3	1.8	1993
3.0	5.2	1.1	2.3	2.5	1.6	1.4	0.9	2.6	0.7	0.2	1994
2.2	4.1	1.0	2.9	3.4	1.7	2.5	1.8	2.8	-0.1	2.2	1995
1.9	3.1	0.6	0.7	2.4	2.3	1.3	0.8	2.9	0.2	1.6	1996
1.7	2.5	0.5	2.0	2.9	1.6	1.2	1.5	2.7	-0.4	1.6	1996 01
1.6	2.5	0.5	1.7	2.7	1.7	0.9	0.8	2.7	-0.2	1.3	02
1.8	2.4	0.6	1.7	2.7	2.0	0.7	0.9	2.8	0.1	1.4	03
1.6	2.9	0.7	1.3	2.4	2.3	1.0	0.9	2.9	0.4	1.4	04
1.5	3.5	0.8	1.0	2.2	2.8	1.0	0.7	2.9	0.3	1.5	05
1.6	3.6	0.4	0.8	2.1	2.6	0.9	0.7	2.8	0.0	1.4	06
1.9	3.9	0.5	0.6	2.2	2.4	1.3	0.7	3.0	0.6	1.2	07
1.8	3.6	0.4	0.3	2.1	2.6	1.5	0.6	2.9	0.2	1.4	08
2.0	3.4	0.5	0.2	2.1	2.5	1.3	0.6	3.0	-0.1	1.5	09
2.1	3.0	0.7	-0.1	2.7	2.1	1.7	0.8	3.0	0.6	1.8	10
2.3	3.0	0.7	-0.3	2.7	2.5	1.8	0.7	3.3	0.5r	2.0	11
2.3p	3.3	0.8	-0.2	2.5	2.1	1.8	0.8	3.3	0.2p	2.2	12
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1997 01
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	02
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	03
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	04


p=provisional

n.a. = not available


r=revised



TABLE IV  
CONSUMER PRICE INDICES IN ECU  
1985=100

 eurostat	EUR 15	ERM	ECU	B	DK	D	EL	E	F	IRL	I	L
1991	124.7	123.4	122.2	121.9	125.8	120.4	122.9	145.5	117.1	113.0	132.1	119.6
1992	128.2	128.1	126.8	126.7	130.1	127.1	129.9	149.6	122.1	117.6	133.9	125.2
1993	128.2	132.5	131.0	133.8	135.5	137.3	136.7	139.3	128.7	113.6	121.0	133.3
1994	131.1	135.6	134.6	139.8	139.1	142.0	141.3	136.4	131.8	117.0	120.9	139.0
1995	132.8	140.7	138.0	146.0	146.2	148.5	146.8	139.3	135.4	116.8	114.3	145.8
1996	138.0p	142.6p	141.1p	146.1	148.6	147.9	158.0	146.2	138.8	122.1	129.2	145.0
1996 01	135.1p	142.3p	139.5p	146.9	147.5	148.3	149.0	145.6	137.9	117.8	121.8p	145.7
02	135.7p	142.6p	140.0p	147.1	148.2	149.0	147.8	145.9	137.8	118.0	123.4p	145.7
03	136.5p	143.0p	140.5p	146.9	148.9	148.7	154.1	146.2	138.9	118.0	125.2p	145.7
04	137.4p	143.1p	140.9p	146.4	148.6	148.1	157.9	147.7	139.7	119.6	127.4p	145.5
05	138.1p	142.8p	141.1p	145.4	148.4	147.7	160.3	147.4	139.7	121.1	130.2p	144.9
06	138.4p	142.4p	141.1p	145.2	148.3	147.7	161.6	145.6	139.2	122.0	131.2p	144.5
07	138.2p	142.8p	141.3p	146.2	148.3	148.4	157.9	145.7	139.3	122.5	130.5p	144.7
08	138.1p	143.0p	141.3p	147.1	148.9	148.9	156.8	146.3	138.4	121.9	130.2p	145.4
09	138.9p	142.8p	141.6p	146.3	149.5	148.1	161.6	146.9	138.6	123.1	131.7p	144.9
10	139.5p	142.5p	141.8p	145.7	149.5	147.2	164.2	146.3	139.1	124.7	132.6p	144.4
11	139.6p	141.9p	141.8p	145.3	148.9	146.5	162.2	145.7	138.3	127.2	132.0p	144.5
12	140.3p	142.0p	142.1p	144.8	148.6	146.1	162.4	145.4	138.1	129.5	133.6p	143.6
1997 01	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
02	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
03	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
04	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Annual rate of increase (%)


 eurostat	EUR 15	ERM	ECU	B	DK	D	EL	E	F	IRL	I	L
1991	5.0	4.0	4.4	3.7	1.7	3.7	6.9	6.7	2.3	3.1	5.5	3.6
1992	2.9	3.8	3.8	4.0	3.4	5.6	5.8	2.9	4.2	4.1	1.4	4.7
1993	0.0	3.4	3.3	5.7	4.2	8.1	5.3	-6.9	5.4	-3.4	-9.5	6.5
1994	2.3	2.3	2.8	4.5	2.7	3.4	3.4	-1.9	2.4	3.1	0.0	4.3
1995	1.2	3.8	2.5	4.4	5.1	4.6	3.9	2.1	2.7	-0.2	-5.4	4.9
1996	4.0p	1.4p	2.2p	0.1	1.7	-0.4	7.6	5.0	2.5	4.6	13.1	-0.5
1996 01	2.4p	3.4p	2.4p	2.9	4.3	2.2	3.2	7.4	3.7	-0.4	3.0p	2.1
02	2.7p	2.9p	2.4p	2.1	4.0	1.6	3.3	7.0	3.2	0.8	5.4p	1.2
03	4.4p	2.2p	2.4p	0.3	3.5	-0.5	6.3	9.8	3.6	3.1	16.1p	-0.5
04	5.0p	1.5p	2.3p	-0.6	1.3	-1.2	7.7	8.6	3.1	3.4	21.4p	-1.1
05	4.6p	1.5p	2.3p	-0.7	0.6	-1.1	8.5	5.9	4.2	3.8	17.3p	-1.2
06	4.5p	0.9p	2.1p	-1.0	0.6	-1.2	8.3	3.9	3.3	4.7	17.4p	-1.5
07	4.4p	1.0p	2.2p	-0.6	1.0	-0.7	9.0	3.4	2.8	4.9	15.6p	-1.2
08	3.3p	1.3p	2.0p	0.7	1.7	0.4	8.0	3.4	1.4	3.5	11.2p	0.2
09	3.5p	1.2p	2.0p	0.4	1.5	0.0	8.6	4.0	1.5	4.3	11.6p	-0.2
10	4.3p	0.7p	2.2p	-0.5	0.9	-1.3	10.3	3.5	2.3	6.7	14.1p	-1.4
11	4.2p	0.0p	2.1p	-0.8	0.4	-1.5	9.5	2.3	0.6	9.4	12.2p	-1.2
12	4.2p	0.0p	2.1p	-0.9	0.4	-1.8	8.8	1.0	0.5	10.9	11.8p	-1.7
1997 01	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
02	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
03	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
04	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

p=provisional  
n.a. = not available


TABLE IV

## CONSUMER PRICE INDICES IN ECU

1985=100

NL	A	P	FIN	S	UK	IS	N	CH	USA	JAP	CAN	
117.7	124.7	137.9	124.8	128.8	118.5	n.a.	113.7	125.4	77.7	119.9	96.0	1991
123.3	131.7	153.8	110.9	131.0	117.2	n.a.	116.0	127.2	76.4	123.6	88.2	1992
132.3	142.4	152.1	98.0	113.2	112.2	n.a.	114.8	138.1	86.9	158.3	92.9	1993
137.1	147.5	152.8	107.2	115.1	115.6	n.a.	115.5	148.6	87.9	170.4	86.8	1994
143.7	154.9	159.7	117.3	116.0	111.9	n.a.	119.6	158.7	82.1	168.7	80.1	1995
143.9	154.8	165.1	115.5	127.5	116.9	n.a.	122.4	157.7	87.0	149.9	84.3	1996
143.8	154.6	161.5	116.7	124.7	110.7	n.a.	119.6	161.7	84.2	151.0	81.8	1996 01
144.2	155.2	162.2	114.6	122.4	111.9	n.a.	120.2	160.3	84.7	151.1	81.6	02
145.2	155.6	163.2	114.0	126.3	112.3	n.a.	120.9	161.3	85.6	151.9	83.0	03
144.7	154.6	165.1	112.6	128.6	113.8	n.a.	121.7	160.5	87.1	153.1	84.8	04
143.8	153.6	165.0	113.8	128.7	115.6	n.a.	122.0	157.6	88.5	156.8	85.5	05
142.8	154.3	164.3	115.4	129.8	117.1	n.a.	122.4	156.9	88.1	151.8	85.3	06
143.3	155.9	165.2	115.7	128.5	115.9	n.a.	122.7	157.5	87.0	149.0	83.9	07
143.9	157.5	166.6	117.1	127.0	115.0	n.a.	122.1	160.3	86.3	149.2	82.9	08
144.6	155.6	166.7	117.1	128.8	117.5	n.a.	123.2	158.4	87.6	148.7	84.1	09
144.1	154.3	167.3	117.4	130.6	120.5	n.a.	124.2	156.6	88.6	146.9	86.2	10
143.4	153.8	166.9	115.9	127.9	124.6	n.a.	124.8	152.0	87.5	144.5r	86.1	11
142.5p	153.0p	166.5	116.2	126.7	127.8	n.a.	125.3	149.2	89.3	145.2p	86.5	12
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1997 01
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	02
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	03
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	04

## Annual rate of increase (%)

NL	A	P	FIN	S	UK	IS	N	CH	USA	JAP	CAN	
3.9	3.4	12.5	1.3	9.9	7.9	n.a.	2.5	5.3	7.4	14.2	10.9	1991
4.8	5.6	11.5	-11.1	1.8	-1.0	n.a.	2.0	1.5	-1.2	3.4	-7.6	1992
7.3	8.1	-1.0	-11.4	-13.5	-3.9	n.a.	-1.0	8.6	14.0	28.3	5.6	1993
3.6	3.6	0.6	9.4	1.7	3.1	n.a.	0.6	7.7	1.4	8.3	-6.5	1994
4.8	5.0	4.6	9.5	0.8	-3.2	n.a.	3.5	6.9	-6.6	-1.0	-7.5	1995
0.1	-0.1	3.3	-1.5	10.2	4.6	n.a.	2.4	-0.6	6.1	-10.9	5.3	1996
2.8	2.4	2.6	3.0	8.5	-3.9	n.a.	1.5	6.5	-1.3	-9.6	0.9	1996 01
1.9	1.8	2.0	0.1	6.4	-1.9	n.a.	1.5	4.7	0.3	-9.3	0.7	02
0.1	-0.3	1.8	-1.6	12.6	0.7	n.a.	1.1	1.6	5.7	-12.0	7.4	03
-0.6	-1.0	3.1	-3.5	17.2	2.4	n.a.	2.3	-0.1	9.2	-16.7	9.1	04
-0.6	-1.3	3.2	-3.0	14.6	3.4	n.a.	2.4	-0.7	9.0	-15.1	6.9	05
-0.9	-1.0	3.3	-1.8	16.0	4.9	n.a.	2.3	-1.4	9.2	-17.5	8.7	06
-0.3	-0.5	3.8	-1.6	14.8	5.4	n.a.	2.7	-0.1	9.0	-15.0	6.5	07
0.8	0.8	3.6	-2.0	11.0	2.6	n.a.	1.9	1.7	4.5	-10.7	1.7	08
0.5	0.5	4.0	-1.7	9.1	3.8	n.a.	2.0	-1.4	4.6	-7.3	1.6	09
-0.5	-0.7	4.3	-1.2	8.3	8.4	n.a.	2.8	-3.5	8.2	-5.2	6.5	10
-0.7	-0.6	3.9	-2.7	2.6	13.3	n.a.	3.8	-6.4	7.0	-5.5r	6.9	11
-0.9p	-0.9p	4.1	-1.7	0.9	15.5	n.a.	4.3	-7.8	7.8	-6.6p	7.1	12
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1997 01
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	02
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	03
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	04

p=provisional

n.a. = not available

r=revised

TABLE V

ECU BOND ISSUES (Mio ECU) \*

eurostat	TOTAL EURO	European Union				Non-European Union				Domestic**	EURO + DOMESTIC
		Total	Business sector	Govern- ments	Institu- tions	Total	Business sector	Govern- ments	Organi- sations		
1990	15 040	10 525	3 990	5 000	1 535	4 515	3 565	550	400	2 857	17 897
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
1995 IV	565	565	350	0	215	0	0	0	0	720	1 285
1996 I	605	605	605	0	0	0	0	0	0	2 073	2 678
II	870	870	315	55	500	0	0	0	0	2 247	3 117
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
1997 2	1 450	1 450	450	0	1 000	0	0	0	0	738	2 188
3	1 275	1 275	725	0	550	0	0	0	0	426	1 701
4	1 350	1 350	350	1 000	0	0	0	0	0	1 040	2 390
5	120	120	120	0	0	0	0	0	0	566	691

(\*) 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
07.05.1997 21.05.1997	France OAT	566	95.28	5.50	9+11m	25.04.2007	6.15	Auct	PA	FG
12.05.1997 10.06.1997	GECC (US)	150	101.495	5.125	5.00	10.06.2002	4.78	Paribas	LU	-
12.05.1997 27.06.1997	BGL (LU)	100	102.00	5.50	6.00	27.06.2003	5.10	BGL	LU	-
21.05.1997 02.07.1997	Crédit Local de France	125	101.30	5.375	6.00	02.07.2003	5.12	<u>BIL</u> Crédit Communal Belge	LU	-
28.05.1997 03.07.1997	CERINVEST NV (BE)	60	101.65	5.50	5.00	03.12.2002	5.14	<u>Cerabank</u> BIL	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	
31/05/97	GOV	8 808	29 164	14 897	6 292	9 675	4 000	72 835
	SUPRA	2 655	4 550	6 600	2 550	100	600	17 055
	Others	3 682	7 529	6 971	3 289	2 380	225	24 076
	Total	15 145	41 243	28 468	12 131	12 155	4 825	113 967
30/04/97	GOV	9 749	29 564	15 397	6 292	9 109	4 000	74 110
	SUPRA	2 505	4 950	6 600	2 250	400	600	17 305
	Others	3 932	7 494	6 856	3 364	2 380	225	24 251
	Total	16 186	42 008	28 853	11 906	11 889	4 825	115 667
31/03/97	GOV	10 099	25 394	15 272	5 590	9 992	6 074	72 420
	SUPRA	2 800	4 950	6 150	1 000	2 100	600	17 600
	Others	3 832	8 044	6 951	3 106	2 180	425	24 538
	Total	16 731	38 388	28 373	9 696	14 272	7 099	114 559
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
	Total	18 203	44 495	27 021	10 061	13 128	5 975	118 883
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
	Total	22 536	41 275	30 732	19 983	9 606	6 675	130 807
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
	Total	23 213	38 953	33 647	20 325	14 612	7 675	138 425

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					
	All currencies	of which ECU	USD	Eurobonds straight	Others straight	Convertible	Floating rate notes	Certificates of deposit	Short- & med. term notes
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 3	3 801 201	183 988	675 964	6.27	3.33	1.87	0.76	0.00	21.03
4	3 326 466	170 801	594 006	6.77	3.42	1.02	1.21	0.00	21.04
5	3 547 163	174 424	700 521	5.85	3.55	1.59	1.49	0.00	18.04
6	3 528 860	158 378	626 095	6.03	3.24	0.88	1.17	0.00	16.72
7	3 957 155	182 917	743 007	6.32	2.93	0.58	1.85	0.00	18.72
8	3 604 991	145 558	688 607	5.70	2.84	0.36	1.01	0.00	15.32
9	4 002 420	140 360	699 757	5.12	2.82	0.93	0.74	0.00	11.46
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


TABLE IX

OPERATION RATES OF THE EMI (CALCULATION MONTH, APPLICABLE THE FOLLOWING MONTH) AND 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
1995 12	5.25	5.31	5.22	5.16	5.12	5.12	5.43	5.76	6.10	6.39	6.62	6.79	6.92	7.03	7.14
1996 1	5.25	4.83	4.75	4.70	4.68	4.69	4.95	5.29	5.67	6.00	6.25	6.44	6.59	6.74	6.92
2	4.75	4.62	4.57	4.53	4.54	4.54	4.98	5.41	5.81	6.15	6.42	6.65	6.83	7.00	7.16
3	4.50	4.56	4.54	4.54	4.61	4.63	5.17	5.65	6.06	6.40	6.66	6.85	7.01	7.17	7.34
4	4.50	4.38	4.35	4.34	4.41	4.50	4.93	5.37	5.78	6.14	6.41	6.61	6.77	6.91	7.05
5	4.25	4.31	4.24	4.23	4.29	4.37	4.82	5.28	5.71	6.08	6.37	6.59	6.77	6.91	7.04
6	4.25	4.35	4.34	4.35	4.49	4.58	5.03	5.44	5.82	6.15	6.45	6.70	6.89	7.01	7.07
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

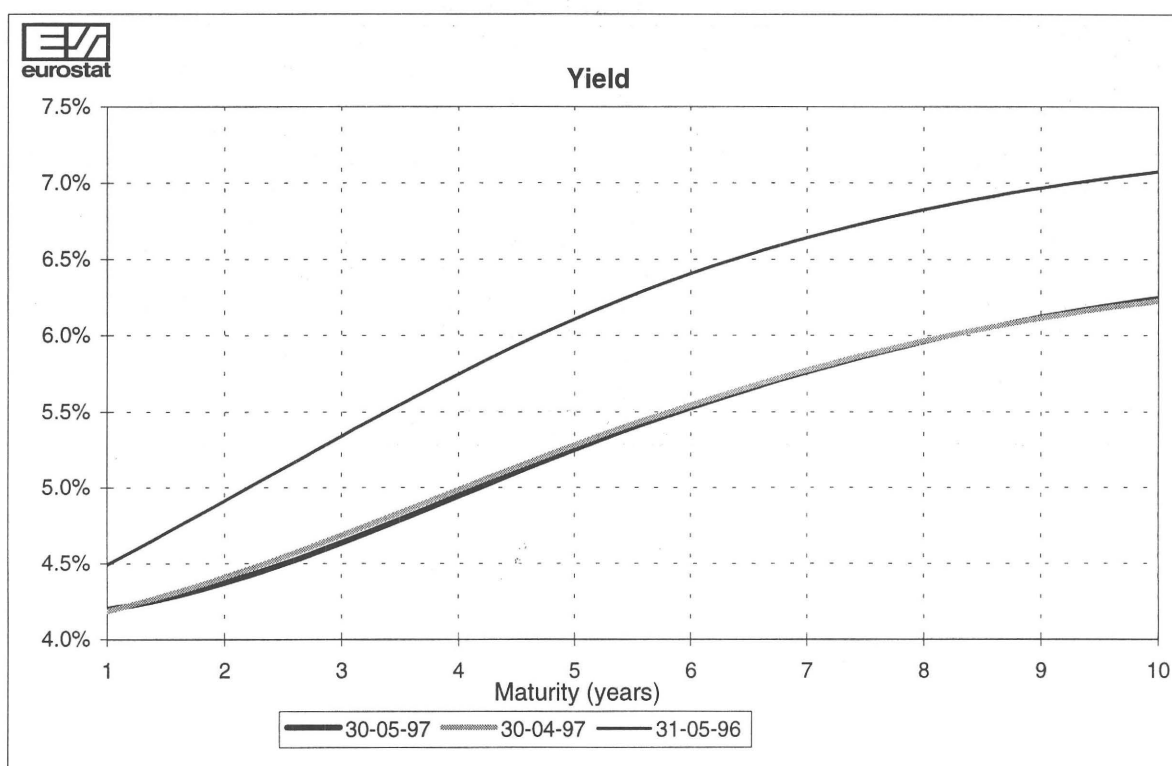
(\*) See explanatory notes

DAILY RATES

		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
1.05.97		4.03	4.06	4.12	4.19	4.20	4.40	4.67	4.96	5.26	5.53	5.76	5.95	6.11	6.22
2.05.97		4.03	4.06	4.11	4.19	4.20	4.39	4.64	4.91	5.18	5.44	5.67	5.87	6.04	6.16
6.05.97		4.03	4.06	4.11	4.19	4.12	4.37	4.63	4.91	5.18	5.45	5.68	5.89	6.04	6.15
7.05.97		4.01	4.06	4.10	4.18	4.11	4.36	4.62	4.90	5.18	5.44	5.67	5.87	6.03	6.14
8.05.97		4.02	4.06	4.11	4.19	4.09	4.36	4.64	4.91	5.18	5.44	5.67	5.87	6.04	6.14
9.05.97		4.03	4.06	4.11	4.19	4.15	4.35	4.60	4.88	5.16	5.41	5.65	5.85	6.01	6.12
12.05.97		4.02	4.06	4.10	4.19	4.15	4.32	4.55	4.82	5.10	5.35	5.58	5.77	5.93	6.06
13.05.97		4.02	4.05	4.09	4.17	4.15	4.28	4.50	4.78	5.07	5.32	5.54	5.73	5.89	6.04
14.05.97		4.01	4.04	4.09	4.16	4.15	4.26	4.49	4.77	5.06	5.32	5.54	5.72	5.88	6.01
15.05.97		4.00	4.04	4.09	4.16	4.15	4.28	4.51	4.79	5.07	5.33	5.55	5.73	5.89	6.01
16.05.97		4.00	4.04	4.07	4.13	4.19	4.31	4.53	4.80	5.08	5.34	5.56	5.76	5.92	6.05
19.05.97		4.00	4.03	4.06	4.13	4.16	4.31	4.53	4.80	5.08	5.34	5.57	5.76	5.92	6.03
20.05.97		4.00	4.03	4.06	4.13	4.19	4.32	4.55	4.83	5.12	5.37	5.59	5.78	5.95	6.08
21.05.97		4.00	4.03	4.06	4.13	4.17	4.32	4.56	4.83	5.10	5.35	5.56	5.75	5.91	6.04
22.05.97		4.00	4.03	4.06	4.13	4.22	4.39	4.64	4.92	5.20	5.46	5.67	5.86	6.03	6.18
23.05.97		4.00	4.03	4.06	4.13	4.22	4.37	4.62	4.91	5.21	5.47	5.69	5.88	6.04	6.19
27.05.97		4.00	4.03	4.06	4.13	4.26	4.42	4.69	5.01	5.32	5.57	5.78	5.96	6.13	6.31
28.05.97		4.00	4.03	4.06	4.13	4.24	4.41	4.68	4.99	5.30	5.57	5.80	5.99	6.16	6.32
29.05.97		4.02	4.06	4.09	4.16	4.22	4.40	4.67	4.99	5.30	5.58	5.81	6.00	6.16	6.30
30.05.97		4.01	4.05	4.09	4.16	4.20	4.37	4.63	4.94	5.25	5.53	5.76	5.96	6.12	6.24



GRAPH 3: ECU YIELD CURVE



GRAPH 4: EVOLUTION OF ECU YIELDS

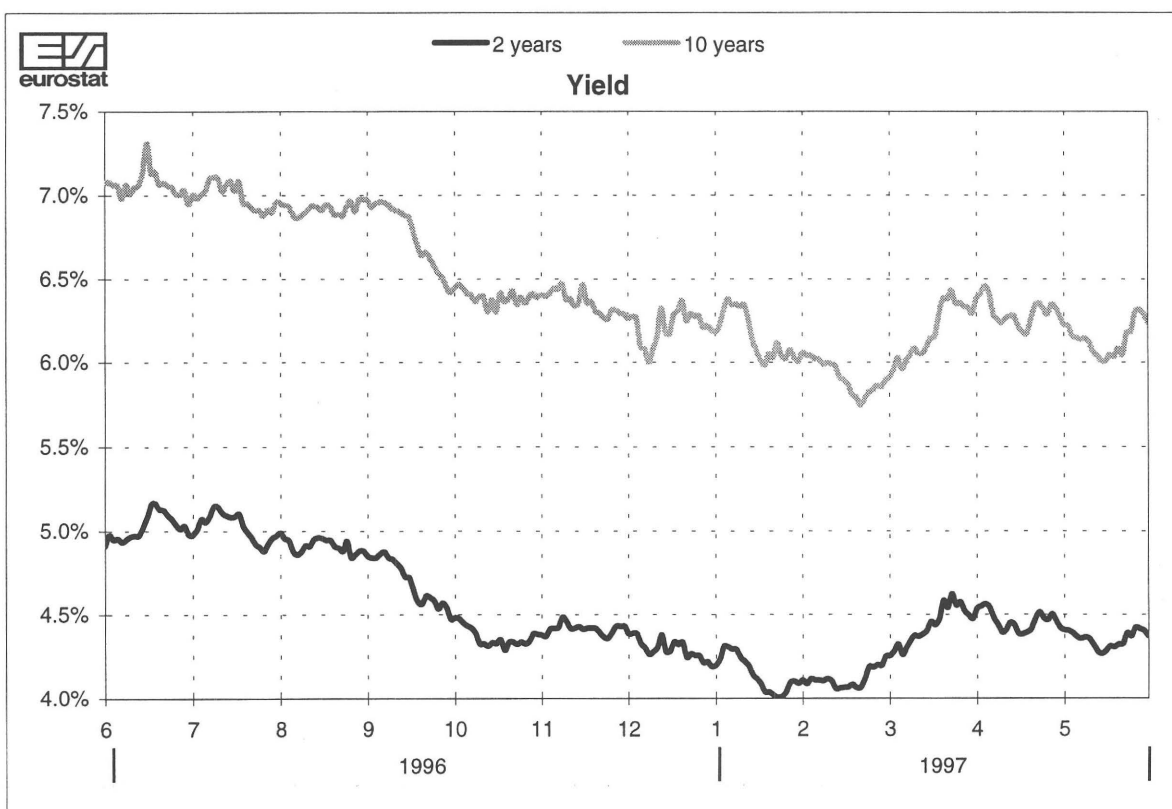




TABLE X  
CENTRAL BANK INTEREST RATES

 eurostat	B				DK			D				EL			E	
	DR	AUCT	AR	CR	DR	REPO	CD	DR	LR	REPO	3D TB	DR	LR	OR	REPO	AR
RATES AT THE END OF:																
05/96	2.50	3.20	4.45	3.20	3.25	3.80	3.80	2.50	4.50	3.30	3.10	17.50	21.00	26.00	7.50	7.60
06/96	2.50	3.20	4.45	3.20	3.25	3.70	3.70	2.50	4.50	3.30	3.10	17.50	21.00	26.00	7.25	7.35
07/96	2.50	3.20	4.45	3.20	3.25	3.70	3.70	2.50	4.50	3.30	3.10	17.50	21.00	26.00	7.25	7.35
08/96	2.50	3.00	4.25	3.00	3.25	3.50	3.50	2.50	4.50	3.00	3.10	17.50	21.00	26.00	7.25	7.35
09/96	2.50	3.00	4.25	3.00	3.25	3.50	3.50	2.50	4.50	3.00	3.10	17.50	21.00	26.00	7.25	7.35
10/96	2.50	3.00	4.25	3.00	3.25	3.50	3.50	2.50	4.50	3.00	3.10	17.50	21.00	26.00	6.75	6.85
11/96	2.50	3.00	4.25	3.00	3.25	3.50	3.50	2.50	4.50	3.00	3.10	17.50	21.00	26.00	6.75	6.85
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
RECENT ACTUAL CHANGES																
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10.04.97																
11.04.97																
14.04.97															5.85	
15.04.97															5.50	5.60
16.04.97																
17.04.97																
18.04.97																
21.04.97																
22.04.97																
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09.05.97																
12.05.97																
13.05.97												14.50	19.00	24.00		
14.05.97															5.65	
15.05.97																
16.05.97															5.25	5.30
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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	
RATES AT THE END OF:																		
3.70	4.90	6.25	9.00	10.50	9.38	-	2.00	2.60	-	2.50	4.75	3.50	7.500	9.00	6.80	6.800	7.500	05/96
3.60	4.90	6.25	9.00	10.50	8.75	-	2.00	2.60	-	2.50	4.75	3.50	7.500	9.00	6.80	6.800	7.500	06/96
3.55	4.90	6.25	8.25	9.75	8.70	-	2.00	2.70	-	2.50	4.75	3.50	7.500	9.00	6.80	6.800	7.500	07/96
3.35	4.75	6.25	8.25	9.75	8.58	-	2.00	2.50	-	2.50	4.75	3.50	7.500	9.00	6.80	6.800	7.500	08/96
3.25	4.75	6.25	8.25	9.75	8.22	-	2.00	2.50	-	2.50	4.75	3.40	7.250	9.00	6.80	6.800	7.250	09/96
3.25	4.75	6.25	7.50	9.00	8.22	8.61	2.00	2.50	-	2.50	4.75	3.40	7.000	9.00	6.80	6.800	7.000	10/96
3.20	4.75	6.25	7.50	9.00	8.01	8.08	2.00	2.50	-	2.50	4.75	3.40	6.900	8.50	6.40	6.400	6.900	11/96
3.15	4.60	6.25	7.50	9.00	7.05	-	2.00	2.50	-	2.50	4.75	3.40	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	3.40	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	3.40	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	3.40	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	3.40	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	3.40	6.000	7.70	5.70	5.700	6.000	05/97
RECENT ACTUAL CHANGES																		
					7.41									7.80	5.80			01.04.97
					7.22											5.800		02.04.97
																		03.04.97
																		04.04.97
																		07.04.97
																		08.04.97
																		09.04.97
																		10.04.97
																		11.04.97
																		14.04.97
																		15.04.97
																		16.04.97
																		17.04.97
																		18.04.97
																		21.04.97
					7.08													22.04.97
																	6.316	23.04.97
																		24.04.97
																		25.04.97
					7.09								6.300					28.04.97
																	6.300	29.04.97
																		30.04.97
	6.75				6.99													01.05.97
																		02.05.97
																		05.05.97
																		06.05.97
																		07.05.97
																		08.05.97
																		09.05.97
													6.000	7.70	5.70			12.05.97
					7.29											5.700		13.05.97
																		14.05.97
																		15.05.97
																		16.05.97
					6.78													19.05.97
																		20.05.97
																		21.05.97
																	6.014	22.05.97
									4.50								6.000	23.05.97
					6.77													26.05.97
																		27.05.97
																		28.05.97
																		29.05.97
																		30.05.97

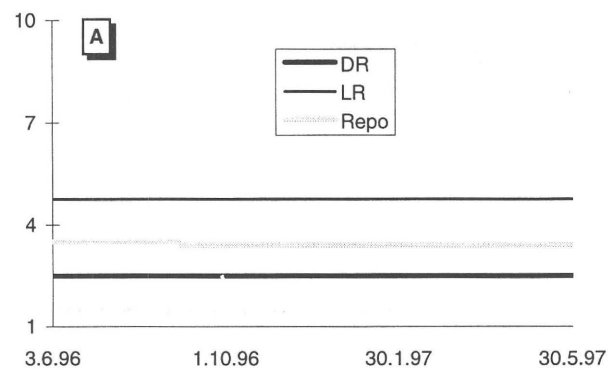
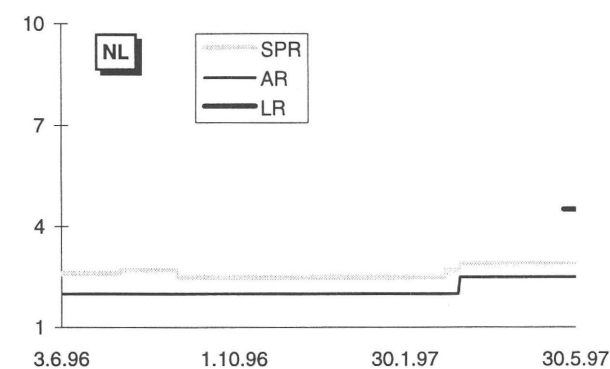
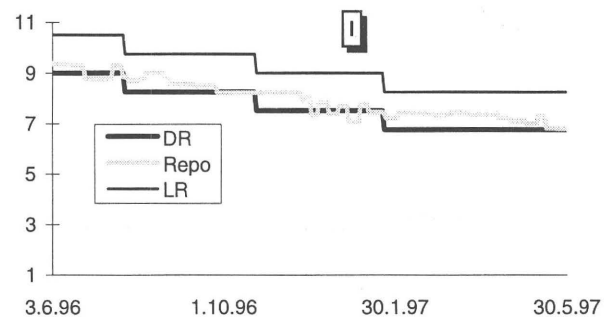
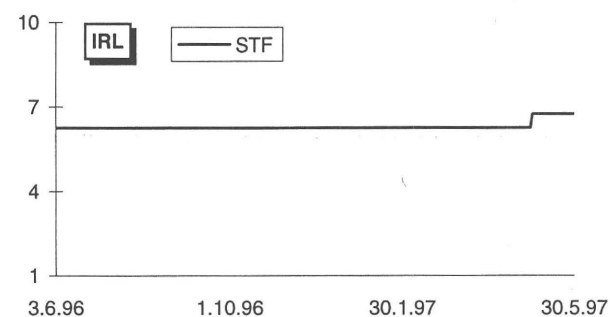
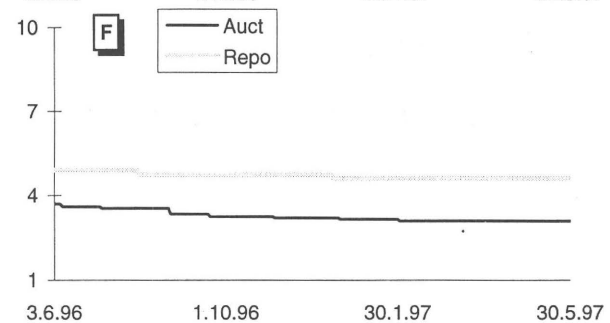
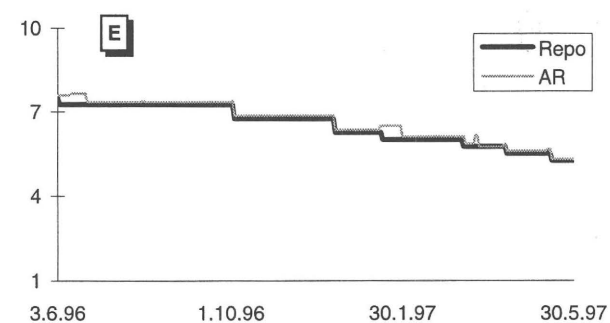
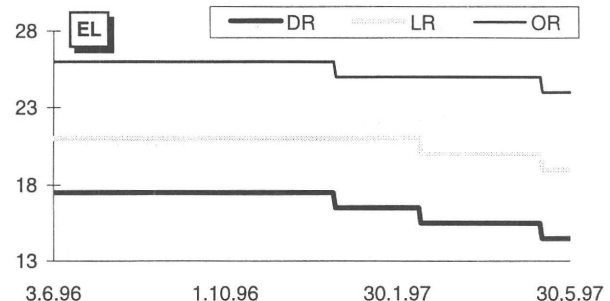
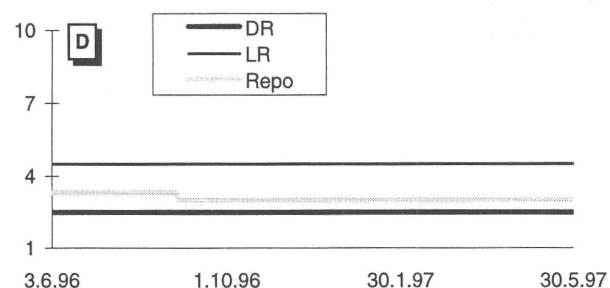
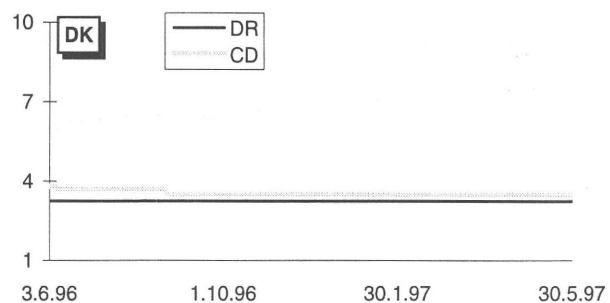
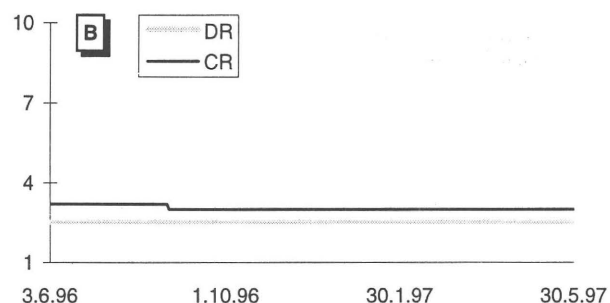
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TABLE X  
CENTRAL BANK INTEREST RATES

	FIN			S				UK	IS			N	CH		US		JAP															
	BR	TR	AR	DR	AR	REPO	IBR	BR	DR	REPO	CD	AR	DR	LR	DR	FED	DR															
RATES AT THE END OF:																																
05/96	4.50	3.75	5.75	5.50	7.50	6.50	7.75	6.00	5.60	6.50	4.40	6.50	1.50	4.875	5.00	5.25	0.50															
06/96	4.50	3.60	5.60	5.50	6.75	6.10	7.25	5.75	5.60	6.50	4.40	6.50	1.50	5.125	5.00	5.25	0.50															
07/96	4.50	3.50	5.50	4.50	6.75	5.55	7.25	5.75	5.60	6.50	4.40	6.50	1.50	4.625	5.00	5.25	0.50															
08/96	4.50	3.25	5.25	4.50	6.25	5.25	7.25	5.75	5.60	6.50	4.40	6.50	1.50	4.000	5.00	5.25	0.50															
09/96	4.00	3.10	5.10	4.50	6.25	5.05	6.95	5.75	5.60	6.90	5.70	6.50	1.00	3.500	5.00	5.25	0.50															
10/96	4.00	3.00	5.00	3.50	5.75	4.60	6.05	6.00	6.00	6.90	5.70	6.50	1.00	3.750	5.00	5.25	0.50															
11/96	4.00	3.00	5.00	3.50	5.75	4.35	6.05	6.00	6.00	6.90	5.70	6.00	1.00	4.000	5.00	5.25	0.50															
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															
RECENT ACTUAL CHANGES																																
01.04.97													3.875																			
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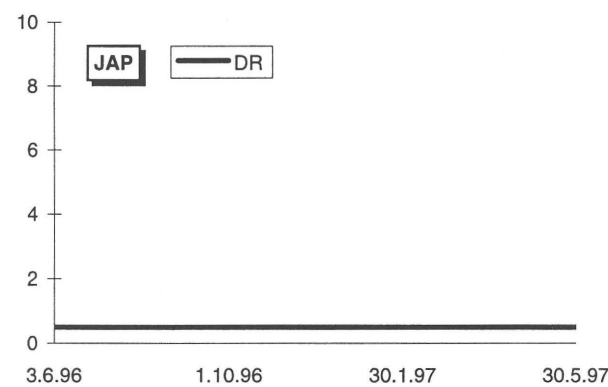
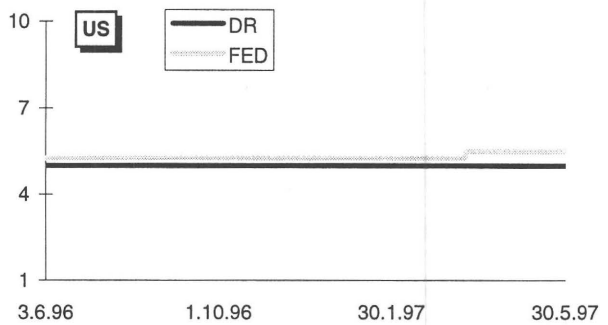
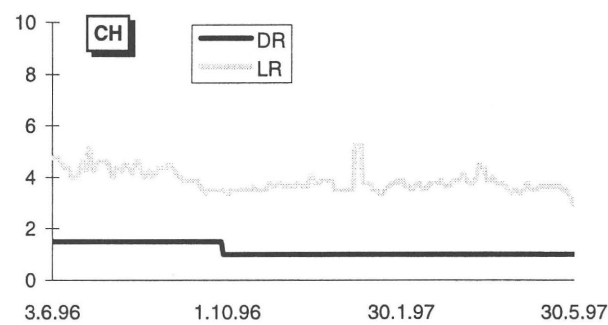
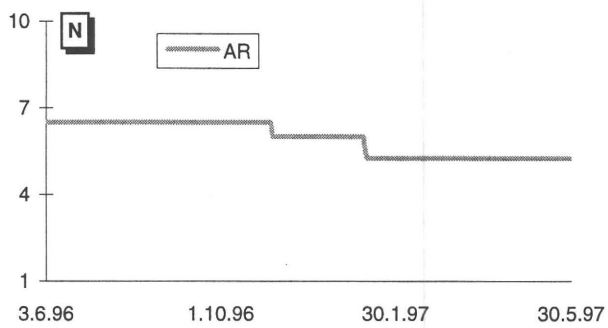
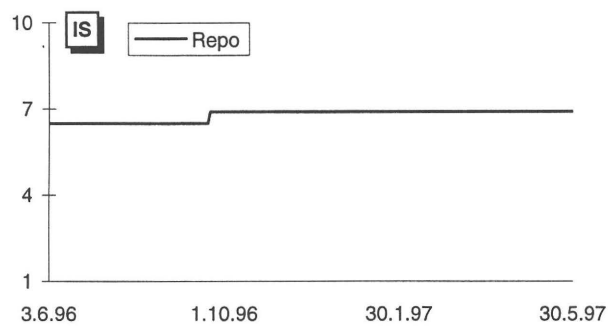
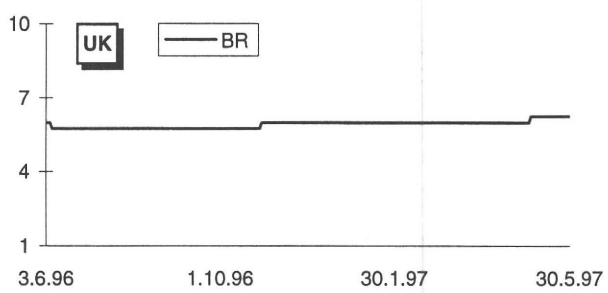
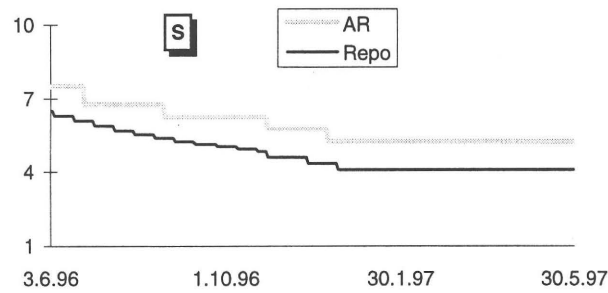
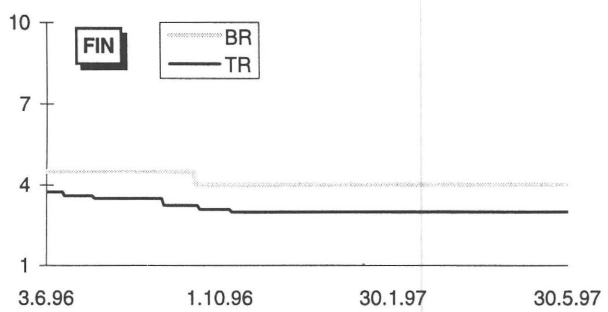
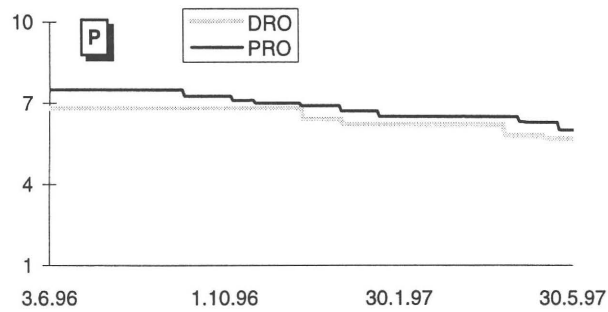
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# EVOLUTION OF CENTRAL BANK INTEREST RATES OVER THE LAST 12 MONTHS





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).

### Consumer price indices in national currency (Table III)

The consumer price indices in the national currency of each country measure changes in the purchasing power of one unit of national currency spent in the country concerned.

Two composite indices are calculated, covering all the member states of the Community (EUR 15) and the 12 member states whose currencies participate in the European Monetary System exchange rate mechanism (ERM). (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 indices are calculated as weighted arithmetic means (chain indices) of the national indices, the weighting for each member state being its relative share in the final consumption of households of the group of countries in question (EUR 15, ERM), expressed in purchasing power standards, at current prices and purchasing power parities.

### Consumer price indices in ECUs (Table IV)

For each country the index of consumer prices in ECUs is calculated by multiplying the national 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).

### 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).
- Organizations: 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 2 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.

**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.

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



## FRANCE

### Intervention rates:

**Auction (AUCT):** 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.

**Gomex rate (REPO):** rate applied to the Central Bank open market operations. Within each bank's refinancing quota, the Central Bank conducts open market transactions in fixed income securities issued by residents or supra-national organisations, denominated in Austrian shillings and listed on the Vienna stock exchange or in cash certificates issued by the central bank.

## 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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does not imply that 1987 exchange rates should be treated as equilibrium rates. Real effective exchange rates are calculated on an annual and quarterly basis.

According to the last quarterly report on the price and cost competitiveness of the European Union and its Member States (First quarter 1997): *"Amongst Union Member States, Ireland (32%) has recorded the largest gains in cost competitiveness, followed by Finland (19%), the Netherlands (13%), Italy (11%) and Sweden (10%). The cost competitiveness of Greece and Portugal, on the other hand, has declined by more than 30%. Both Germany and the UK have recorded a 10% deterioration in cost competitiveness. While the cost competitiveness loss of Germany has been caused by the nominal appreciation of the mark, that of the United Kingdom can be attributed to a rise in relative unit labour costs"*. Those figures are based on unit labour cost in manufacturing.

**Consumer price indices in ECU and real effective exchange rates based on the consumer price index**

Eurostat calculates consumer price indices expressed in ECU on a monthly and annual basis for each member state as well as for 4 other industrial countries. Three composite indices are calculated, the first covering all the member states of the community (EUR 15), the second covering the member states whose currencies participate in the ERM, and the third covering the 12 member states whose currencies make up the ECU. These indices are calculated as weighted arithmetic means, and the weights are defined as the relative shares of each member state in the final consumption of households for the group of countries in EUR 15 or the ERM.

Similarly, as in the case of real exchange rate, changes in the CPI in ECU reflect changes in the nominal exchange rates of each currency against the ECU and changes in the CPI in national currency. A rise in the CPI in ECU is interpreted as a loss in cost competitiveness, and a decline as a gain in cost competitiveness.

By rebasing these indices for the year 1987, it has been found that the CPI expressed in ECU is a good estimator for price and cost competitiveness measured by the real effective exchange rates based on the consumer price index. In particular the correlation between CPI in ECU and the real effective exchange rate based on the CPI deflator of each EUR 15 country vis-à-vis the group of EUR 15 is for Belgium 94%, Denmark 89%, Germany 99%, Greece 98%, Spain 99%, France 99%, Ireland 96%, Italy 98%, Luxembourg 96%, the Netherlands 94%, Austria 99%, Portugal 99%, Finland 99%, Sweden 97% and for the United Kingdom 97%. It is expected that the above high correlations will be continued in the near future given the use of trade shares as basis for weighting in both, ECU basket and the nominal effective exchange rates.

The fact that data on CPI in ECU are timely and published on a monthly basis, provides an attractive alternative for the measurement of the price and cost competitiveness of each EUR 15 member State vis-à-vis the group of EUR 15.

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