



# ECU-EMS Information & Central Bank Interest Rates

1 □ 1997 Monthly

## Bilateral fluctuations of the ERM currencies

Graph 1 on page 4 shows the trends in the bilateral fluctuation of ERM currencies between 1 November 1996 and 31 December 1996 calculated on a daily basis.

This graph shows that during the whole period under consideration, there were no tensions in the bilateral fluctuation of all but one ERM currency. Specifically, the IEP (Irish punt) was the strongest and most volatile currency in the ERM grid for the third month in succession. After a reversal in its upward trend during the brief period 4 - 6 December 1996, the IEP continued to strengthen markedly against the DEM and the other ERM currencies, in line with GBP and the USD. This caused the width of the band within which all ERM currencies moved to increase from 7.87% on 29 November 1996 to 8.15% on 31 December 1996. The graph also shows that the FRF, although it was at a weak position against the other ERM currencies throughout the whole period considered, improved slightly its position against the DEM and the other ERM currencies after 29 November 1996. It is also worth noting that by the end of December, all ERM currencies but the IEP moved within a band of 2.29%, which is narrower than at the end of the previous month (2.71%, if the IEP is excluded) showing the current overall stability of the ERM.

## Consumer price indices in ECU

Owing mainly to the sharp appreciation of GBP, ITL and IEP against the ECU, the indices of the United Kingdom, Italy and Ireland continued to climb, and rose in the 12 months to November by 13.3%, 12.2% and 9.4% respectively. The index of Sweden also continued on an upward trend. In the 12 months to November this index rose by 2.6% owing to the mild appreciation of the SEK against the ECU over the 12 month period.

In the 12 months to November the indices of Greece, Spain and Portugal, rose by 9.5%, 2.3% and 3.9% respectively. These increases in the national CPIs expressed in ECU mostly reflect increases in the corresponding inflation rates. The indices of Denmark and France rose slightly, by 0.4% and 0.6% respectively, reflecting an increase in the inflation rates of the respective countries which were partly offset by a slight depreciation of the DKK and FRF against the ECU, from November 1995 to November 1996.

Because of the larger depreciation of the BEF, DEM, LUF, NLG, ATS and FIM against the ECU relative to the low rate of growth of the respective CPIs in national currency from November 1995 to November 1996, the index of Belgium, Germany, Luxembourg, the Netherlands, Austria and Finland fell by 0.8%, 1.5%, 1.2%, 0.7%, 0.6% and 2.7% respectively.

## The ECU bond market in 1996

There was a slight decrease in the level of gross issues in ECUs between 1995 and 1996, from ECU 15 594 million to 13 396 million (-14%). The number of issues nevertheless rose, up from 53 to 60. Domestic issues accounted for 76% of the total volume in 1996, compared with 65% in 1995. This reflected primarily market support from the French and United Kingdom treasuries, whereas in Italy there was a substantial reduction in issues of ECU treasury bills (CTEs). The ranking of issuers saw France at the top, with 20 issues of fixed-rate and fungible treasury bonds (BTANs and OATs) with a nominal value of ECU 6 216 million, i.e. 46% of the total primary market, followed by Italy and the United Kingdom with ECU 2 000 million each. The largest euro-issue was launched by the EIB. This five-year bond for ECU 500 million was the first to include a clause expressly stipulating that it would be repaid in euros at a rate of 1:1 to the ECU. The most active lead-manager was the Kredietbank, with 19 issues totalling ECU 1 060 million. For all of these issues the Kredietbank offered novel arrangements with a step-up coupon.

The actual size of the bond market, i.e. bonds outstanding, showed a decrease, falling from ECU 130 800 million at the end of December 1995 to ECU 118 900 million a year later (-9%). Redemptions greatly exceeded gross issues, especially during the first quarter when they amounted to ECU 9 500 million.

Like the volume of bonds outstanding, the secondary market in ECU paper was also down. Although the pattern was jittery, the downward trend in the percentage of ECU paper among market transactions recorded by Cedel and Euroclear was quite marked. In 1995 fixed-rate eurobonds in ECUs accounted for 8.4% of the market, but this figure was down to 4.6% in November 1996. This trend reflects the rise in the market volume for all currencies in conjunction with the reduction, in absolute terms, of ECU-denominated bonds. As for euro-commercial paper in ECUs, the amount outstanding



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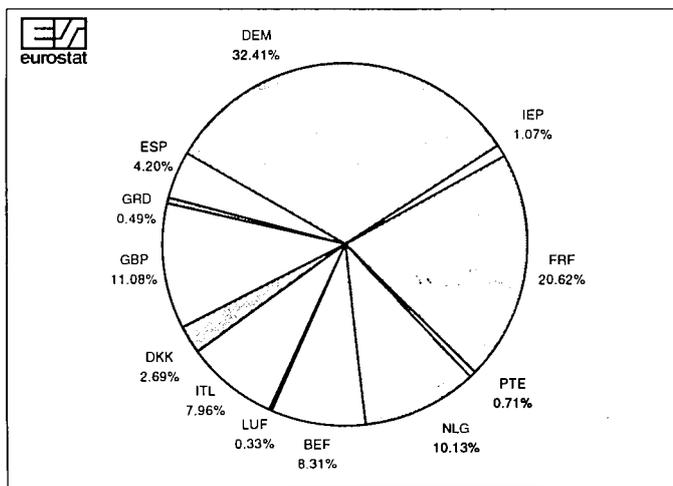
TABLE I

(1)

**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) <sup>(2)</sup> 88.7526 (76.4326) <sup>(2)</sup>	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) <sup>(2)</sup> 112.673 (97.0325) <sup>(2)</sup>	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)	(1) Table prepared by the EMI following notification by the central banks concerned.											
GBP	0.793103 (notional)	(2) 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.											

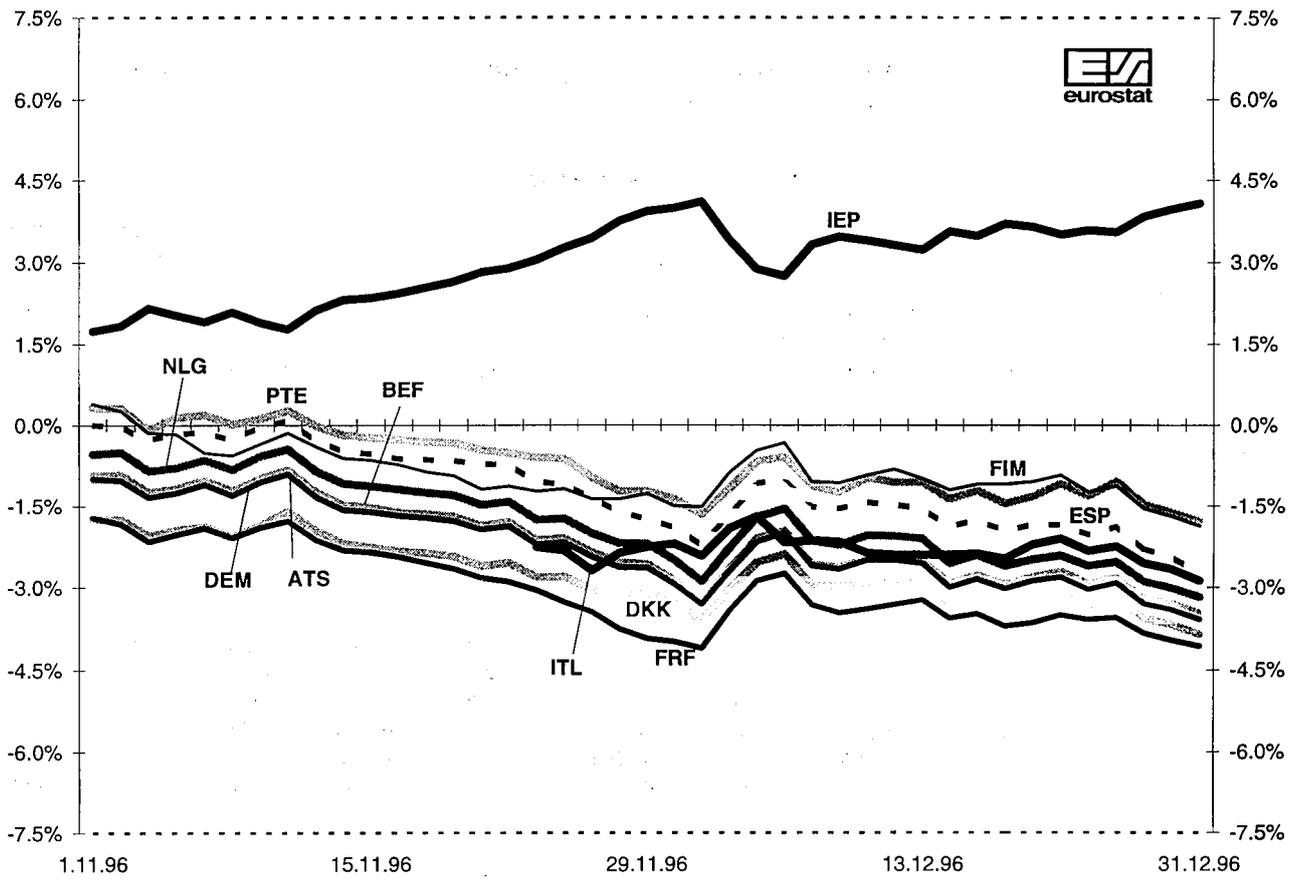
**WEIGHTS OF COMPONENT CURRENCIES IN THE ECU,  
CALCULATED ON THE BASIS OF CENTRAL RATES IN FORCE  
SINCE 25.11.1996**



**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
= 1 ECU

**GRAPH 1: BILATERAL FLUCTUATIONS OF THE ERM CURRENCIES**



**GRAPH 2: DIVERGENCE INDICATOR**

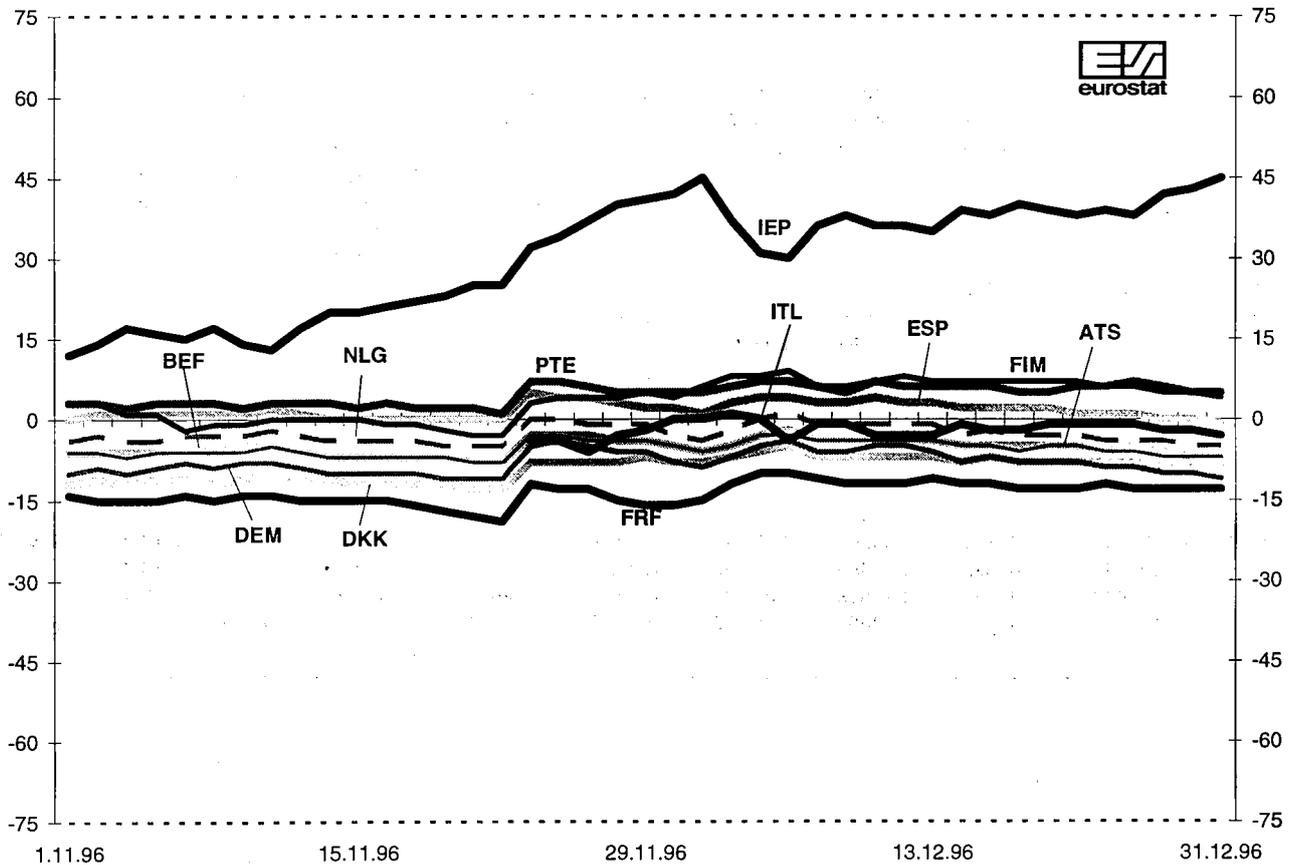


TABLE II

## 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
	<b>Monthly averages</b>									
95/12	38.6335	7.28126	1.87967	310.527	159.880	6.47662	0.819635	2079.58	2.10468	13.2259
96/01	38.7976	7.30159	1.88745	310.628	159.108	6.46514	0.815783	2045.84	2.11373	13.2741
96/02	38.8389	7.30591	1.88865	312.084	159.159	6.49500	0.814528	2026.22	2.11488	13.2825
96/03	38.9145	7.31364	1.89331	309.481	159.387	6.48243	0.814749	2003.15	2.11927	13.3153
96/04	39.1033	7.34389	1.90332	305.900	158.731	6.45729	0.807566	1978.76	2.12844	13.3862
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
	<b>Daily rates:</b>									
	<b>12-96</b>									
02/12	39.9957	7.42997	1.94057	304.821	163.404	6.57968	0.748750	1907.30	2.17730	13.6562
03/12	40.0593	7.43564	1.94314	304.802	163.516	6.57131	0.745773	1906.89	2.18058	13.6729
04/12	39.9680	7.42139	1.93919	304.609	163.227	6.55033	0.754826	1904.45	2.17541	13.6437
05/12	39.8794	7.40955	1.93498	304.666	162.846	6.53732	0.761894	1906.82	2.17045	13.6144
06/12	39.8457	7.40248	1.93306	305.148	162.828	6.53230	0.763529	1917.22	2.16818	13.5997
09/12	39.9473	7.41682	1.93748	305.032	163.033	6.54539	0.755784	1909.21	2.17302	13.6322
10/12	39.9561	7.41739	1.93793	305.403	163.030	6.55290	0.754252	1908.95	2.17395	13.6360
11/12	39.9219	7.41657	1.93618	305.823	162.975	6.55389	0.755456	1914.64	2.17196	13.6248
12/12	39.9170	7.41615	1.93615	306.111	163.053	6.54805	0.756259	1915.33	2.17232	13.6251
13/12	39.9253	7.41870	1.93695	306.200	163.162	6.54159	0.756904	1915.18	2.17306	13.6304
16/12	40.0001	7.42614	1.94084	306.065	163.269	6.54723	0.752135	1910.22	2.17750	13.6571
17/12	39.9884	7.42346	1.94018	306.995	163.297	6.55043	0.753762	1912.32	2.17700	13.6534
18/12	40.0159	7.42603	1.94155	307.596	163.453	6.55824	0.751063	1912.18	2.17904	13.6640
19/12	40.0008	7.42855	1.94076	308.112	163.423	6.56113	0.752306	1908.96	2.17852	13.6577
20/12	39.9872	7.42869	1.94074	308.672	163.553	6.55660	0.753997	1908.25	2.17847	13.6575
23/12	40.0283	7.43397	1.94278	308.905	163.641	6.55390	0.752381	1910.13	2.18021	13.6720
24/12	40.0182	7.42722	1.94266	309.214	163.546	6.55633	0.753362	1910.03	2.18040	13.6673
27/12	40.0693	7.43890	1.94463	309.043	163.811	6.55867	0.748985	1911.35	2.18260	13.6854
30/12	40.0786	7.44241	1.94538	309.475	163.924	6.56246	0.747168	1911.74	2.18345	13.6882
31/12	40.1021	7.44655	1.94653	309.502	164.167	6.56193	0.745342	1913.72	2.18472	13.6965

TABLE II

## ECU EXCHANGE RATES

PTE	FIM	SEK	GBP	ISK	NOK	CHF	USD	YEN	
<b>Yearly averages</b>									
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
<b>Monthly averages</b>									
197.087	5.65231	8.64892	0.847268	85.3226	8.29254	1.51830	1.30430	132.763	95/12
195.831	5.73832	8.69018	0.844058	85.3993	8.28739	1.52352	1.29184	136.444	96/01
196.340	5.86509	8.86460	0.838898	85.3687	8.25045	1.53986	1.28860	136.091	96/02
195.961	5.89839	8.63156	0.839005	84.9858	8.23632	1.53246	1.28134	135.674	96/03
195.426	5.98340	8.49279	0.834013	84.4396	8.21015	1.54195	1.26391	135.515	96/04
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
<b>Daily rates:</b>									
<b>12-96</b>									
195.818	5.81556	8.44240	0.747016	83.9724	8.08404	1.65178	1.25783	143.052	02/12
195.891	5.80135	8.44006	0.744208	83.6641	8.07768	1.64733	1.24186	141.758	03/12
195.733	5.78676	8.43348	0.755974	83.7508	8.08929	1.64196	1.24259	140.823	04/12
195.386	5.78258	8.47230	0.765698	83.7456	8.09139	1.63567	1.24196	140.255	05/12
195.338	5.77761	8.51623	0.767196	84.4429	8.10165	1.63573	1.26204	141.563	06/12
195.669	5.79810	8.51219	0.758864	83.8369	8.09113	1.65029	1.24757	141.225	09/12
195.851	5.79756	8.52575	0.756585	83.8167	8.08478	1.65400	1.24746	141.187	10/12
195.450	5.79347	8.52520	0.757874	83.9344	8.09103	1.65372	1.25481	141.543	11/12
195.620	5.78776	8.54512	0.758593	83.9770	8.11314	1.64908	1.25358	141.779	12/12
195.608	5.79702	8.54878	0.758409	84.2367	8.12728	1.64345	1.25858	142.006	13/12
195.718	5.79495	8.53485	0.752135	83.7866	8.09421	1.65789	1.24757	142.160	16/12
195.671	5.79600	8.55498	0.751726	83.7839	8.09223	1.65790	1.25238	142.708	17/12
195.943	5.78963	8.55719	0.747605	83.7023	8.08634	1.66029	1.25059	142.130	18/12
195.873	5.79232	8.55806	0.748920	83.6585	8.07567	1.66369	1.24808	142.405	19/12
195.533	5.78979	8.52940	0.749872	83.6039	8.07228	1.66684	1.24726	142.525	20/12
195.741	5.80081	8.55610	0.746499	83.7283	8.08198	1.67332	1.25098	142.750	23/12
195.378	5.79900	8.57807	0.746519	83.6157	8.09796	1.67394	1.24930	142.783	24/12
195.736	5.80954	8.58570	0.741996	83.5659	8.08004	1.68518	1.24856	144.121	27/12
195.850	5.81304	8.58591	0.739865	83.6233	8.06568	1.68945	1.24904	144.764	30/12
195.968	5.81640	8.62800	0.737273	83.8880	8.06052	1.69129	1.25299	145.849	31/12

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
1995 11	149.7	137.8	125.7	134.5	125.3	440.7	178.0	130.9	133.9	171.6	125.5	120.9
12	150.0	138.0	125.8	134.4	125.6	445.2	178.4	131.0	:	171.9	125.6	120.5
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	123.7p

## 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
1995 11	3.0	2.2	1.5	1.9	1.7	8.2	4.5	1.9	2.4	5.7	1.3	1.6
12	3.0	2.2	1.5	1.8	1.8	8.1	4.3	2.1	:	5.6	1.3	1.7
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	2.3p

p=provisional

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
130.6	243.2	142.5	167.0	158.3	301.0	152.9	132.4	142.8	114.2	139.6	1995 11
130.5	242.7	142.4	166.5	159.3	300.8	152.9	132.4	142.7	114.3	139.4	12
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	115.1r	141.8	10
133.5p	250.6	143.5	166.0	162.7	308.4	155.7	133.3	147.5	114.3p	142.5	11

## 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	3.9	0.3	2.7	3.1	2.1	2.1	1.9	2.6	-0.7	2.1	1995 11
1.8	3.4	0.3	2.6	3.2	2.0	2.2	1.9	2.5	-0.3	1.7	12
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	0.6r	1.8	10
2.3p	3.0	0.7	-0.3	2.7	2.5	1.8	0.7	3.3	0.1p	2.0	11

n.a. = not available  
r=revisedp=provisional  
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
1995 11	134.0	141.9	138.9	146.5	148.4	148.7	148.1	142.4	137.5	116.3	117.6	146.2
12	134.6	142.0	139.2	146.2	148.0	148.8	149.2	143.9	137.4	116.8	119.5	146.0
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

## 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
1995 11	1.6	3.6	2.5	3.6	5.0	3.8	3.0	3.4	3.5	-1.2	-1.4	3.5
12	2.0	3.7	2.5	3.2	4.8	3.5	2.8	4.9	3.8	-1.0	0.8	3.0
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

p=provisional

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
144.5	154.8	160.7	119.1	124.7	110.0	n.a.	120.3	162.4	81.7	152.9	80.6	1995 11
143.8	154.3	160.0	118.2	125.5	110.6	n.a.	120.0	161.8	82.9	155.4	80.7	12
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	146.9r	86.2	10
143.4p	153.8p	166.9	115.9	127.9	124.6	n.a.	124.8	152.0	87.5	143.9p	86.1	11

## 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
3.8	4.0	3.3	4.8	7.2	-4.7	n.a.	3.3	8.5	-3.6	-10.2	-3.3	1995 11
3.4	3.6	2.8	4.5	8.0	-5.0	n.a.	2.7	8.5	-4.4	-8.5	-3.8	12
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	-5.2r	6.5	10
-0.7p	-0.6p	3.9	-2.7	2.6	13.3	n.a.	3.8	-6.4	7.0	-5.9p	6.9	11

n.a. = not available

p=provisional

r=revised

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		
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 I	2 375	2 075	525	900	650	300	300	0	0	2 939	5 314
II	281	31	31	0	0	250	250	0	0	1 075	1 356
III	2 375	2 375	50	2 175	150	0	0	0	0	2 050	4 425
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
1996 10	165	165	55	60	50	0	0	0	0	1 139	1 304
11	55	55	55	0	0	0	0	0	0	517	572
12	155	155	155	0	0	0	0	0	0	335	490

(\*) 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
03.12.1996 20.01.1997	Kredietbank (BE)	55	101.95	step up struct.	8	20.01.2005	5.65	KB	LU	
05.12.1996 09.01.1997	Bayerische Hypo- & Wechselbank (GE)	200	101.474	5	10	09.01.2001	4.59	Paribas	LU	CSIS
12.12.1996 27.12.1996	France BTAN	145	103.76	6	4+3m	16.03.2001	4.98	Auct	PA	FG
12.12.1996 27.12.1996	France OAT	190	105.39	7	9+4m	25.04.2006	6.21	Auct	PA	FG
17.12.1996 04.02.1997	Crédit Local de France	100	101.55	5.75	7	31.12.2003	5.48	BIL/Crédit Communal de Belgique	LU	CSIS

**TABLE VII**  
**OUTSTANDING AMOUNT OF ECU BONDS (IN MILLIONS OF ECU)**

eurostat	Issuers	Residual maturity in years						Total
		< 1	1-3	3-5	5-7	7-10	> 10	
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
29/11/96	GOV	9 446	30 694	13 782	6 929	9 802	4 750	75 403
	SUPRA	2 934	5 290	7 005	1 595	700	600	18 124
	Others	5 537	7 907	7 411	1 632	2 381	625	25 493
	Total	17 917	43 891	28 198	10 156	12 883	5 975	119 020
31/10/96	GOV	10 155	29 208	15 282	6 929	9 285	4 750	75 609
	SUPRA	2 799	5 340	5 855	2 845	700	600	18 139
	Others	6 158	7 807	7 511	1 582	2 376	625	26 059
	Total	19 112	42 355	28 648	11 356	12 361	5 975	119 807
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
31/12/93	GOV	9 942	22 316	15 040	6 263	9 781	7 048	70 390
	SUPRA	3 125	5 457	5 657	3 480	4 360	1 000	23 079
	Others	10 567	16 094	8 254	4 099	3 428	2 426	44 868
	Total	23 634	43 867	28 951	13 842	17 569	10 474	138 337

GOV = Central governments

SUPRA = Supranational institutions

**TABLE VIII**  
**TOTAL SECONDARY MARKET TURNOVER AND % OF MARKET TAKEN BY ECU SECURITIES**

eurostat	Turnover in millions of USD			% of market held by ECU securities by instrument					
	All currencies	of which ECU	of which USD	Eurobonds straights	Others straights	Convertibles	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
1995 12	2 846 058	150 598	493 047	6.02	4.24	0.88	1.96	0.00	17.04
1996 1	3 412 617	197 548	646 640	5.97	4.04	1.66	1.70	0.00	23.92
2	3 694 223	192 959	668 635	5.72	3.69	1.03	1.04	0.00	21.37
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

**TABLE IX**

**OPERATION RATES OF THE EMI (CALCULATION MONTH, APPLICABLE THE FOLLOWING MONTH) AND INTEREST RATES AND YIELDS OF ECU INVESTMENTS (%)**

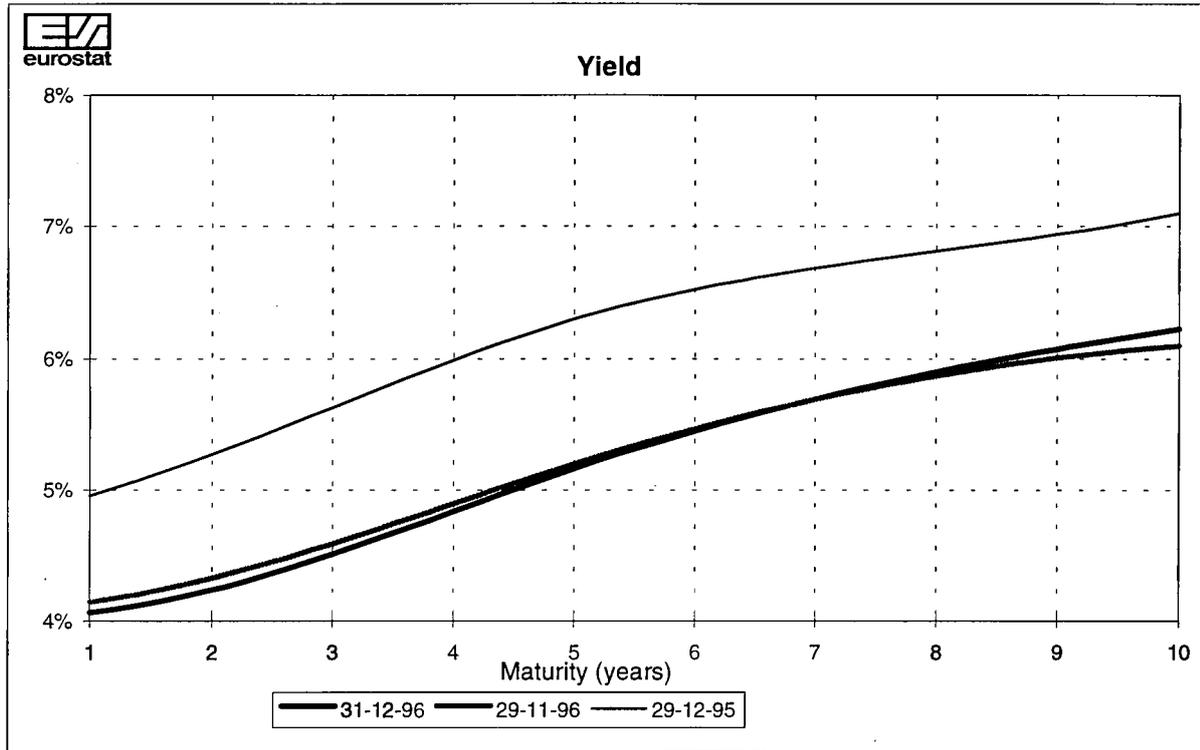
	EMI *	Deposits (maturity in months)				Yield on ECU bonds (maturity in years)									
		1	3	6	12	1	2	3	4	5	6	7	8	9	10
1992	10.29	10.43	10.41	10.27	10.01										
1993	8.21	8.27	7.99	7.65	7.11	7.28	6.87	6.74	6.78	6.91	7.04	7.14	7.20	7.22	7.19
1994	5.92	5.95	5.98	6.05	6.21	6.35	6.77	7.01	7.13	7.24	7.39	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 7	6.00	5.96	5.96	5.99	6.12	6.18	6.60	6.93	7.19	7.41	7.60	7.74	7.82	7.83	7.74
8	5.75	5.73	5.73	5.75	5.83	5.89	6.31	6.66	6.94	7.17	7.36	7.50	7.59	7.64	7.65
9	5.50	5.47	5.47	5.47	5.52	5.59	5.97	6.35	6.69	6.99	7.22	7.39	7.51	7.59	7.63
10	5.50	5.66	5.66	5.66	5.67	5.66	6.05	6.45	6.82	7.13	7.37	7.54	7.66	7.73	7.78
11	5.75	5.43	5.42	5.41	5.40	5.39	5.76	6.13	6.46	6.75	6.99	7.16	7.29	7.37	7.41
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

(\*) See explanatory notes

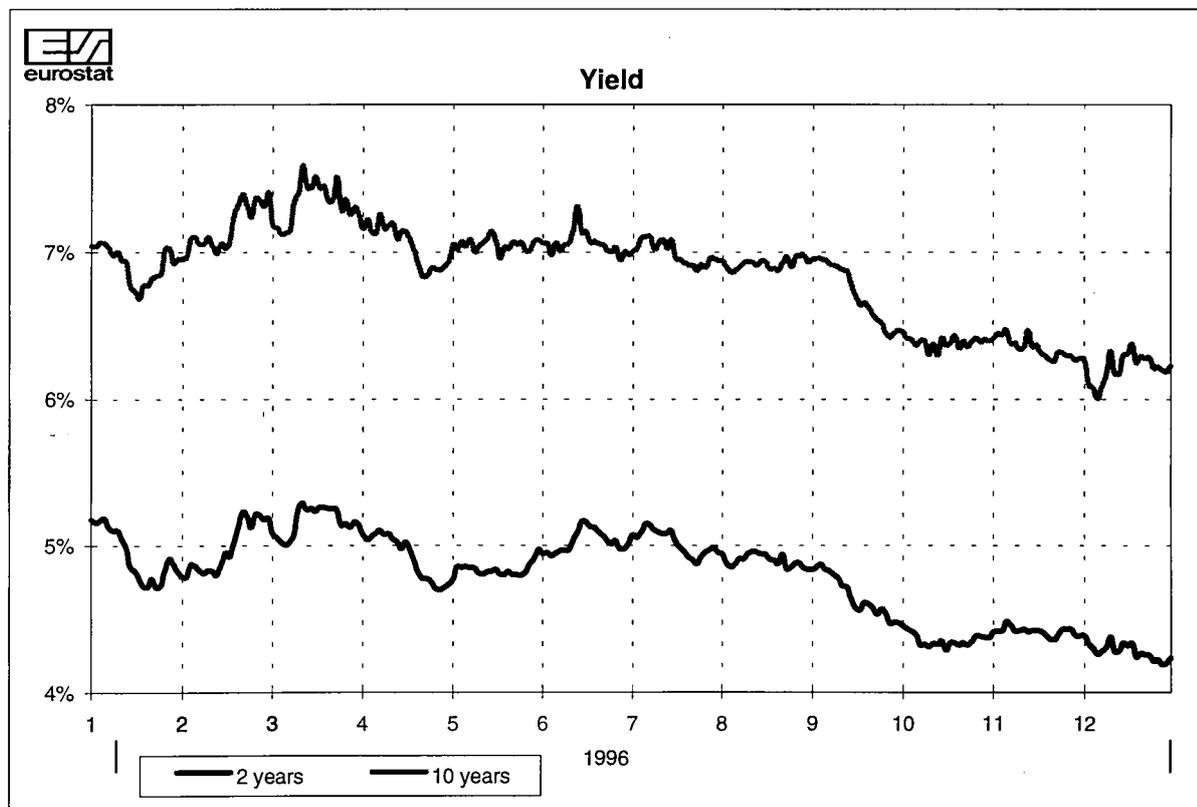
**DAILY RATES**

	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
2.12.96		4.11	4.06	4.09	4.13	4.14	4.30	4.55	4.85	5.15	5.42	5.64	5.83	5.97	6.08
3.12.96		4.10	4.06	4.07	4.10	4.12	4.26	4.50	4.79	5.09	5.36	5.59	5.77	5.91	6.00
4.12.96		4.09	4.06	4.06	4.09	4.14	4.28	4.53	4.83	5.14	5.41	5.63	5.81	5.95	6.08
5.12.96		4.09	4.06	4.06	4.09	4.16	4.31	4.56	4.86	5.17	5.44	5.66	5.85	6.01	6.16
6.12.96		4.13	4.06	4.06	4.13	4.22	4.38	4.65	4.97	5.29	5.56	5.77	5.96	6.14	6.33
9.12.96		4.13	4.06	4.06	4.10	4.15	4.28	4.54	4.88	5.21	5.49	5.71	5.89	6.05	6.18
10.12.96		4.13	4.07	4.07	4.11	4.14	4.28	4.55	4.88	5.21	5.48	5.70	5.88	6.03	6.17
11.12.96		4.13	4.07	4.09	4.13	4.20	4.34	4.61	4.96	5.30	5.57	5.79	5.97	6.13	6.29
12.12.96		4.13	4.07	4.07	4.13	4.17	4.32	4.60	4.95	5.29	5.58	5.80	5.99	6.15	6.31
13.12.96		4.13	4.07	4.07	4.11	4.19	4.33	4.62	4.97	5.32	5.61	5.84	6.03	6.20	6.37
16.12.96		4.12	4.06	4.06	4.09	4.08	4.24	4.53	4.87	5.21	5.50	5.74	5.94	6.10	6.25
17.12.96		4.13	4.06	4.06	4.09	4.14	4.27	4.54	4.88	5.23	5.52	5.76	5.96	6.13	6.29
18.12.96		4.09	4.06	4.06	4.06	4.13	4.25	4.53	4.87	5.22	5.52	5.75	5.95	6.12	6.28
19.12.96		4.09	4.06	4.06	4.06	4.13	4.25	4.52	4.87	5.23	5.53	5.77	5.97	6.13	6.28
20.12.96		4.09	4.06	4.06	4.06	4.08	4.21	4.49	4.83	5.18	5.47	5.71	5.90	6.07	6.21
23.12.96		4.09	4.06	4.06	4.06	4.08	4.22	4.49	4.83	5.18	5.47	5.71	5.91	6.08	6.22
27.12.96		4.13	4.06	4.06	4.08	4.07	4.19	4.46	4.80	5.15	5.45	5.68	5.88	6.05	6.20
30.12.96		4.06	4.06	4.06	4.06	4.05	4.20	4.47	4.80	5.14	5.44	5.68	5.88	6.04	6.18
31.12.96		4.06	4.06	4.06	4.06	4.07	4.24	4.51	4.84	5.16	5.45	5.69	5.90	6.07	6.22

GRAPH 3: ECU YIELD CURVE



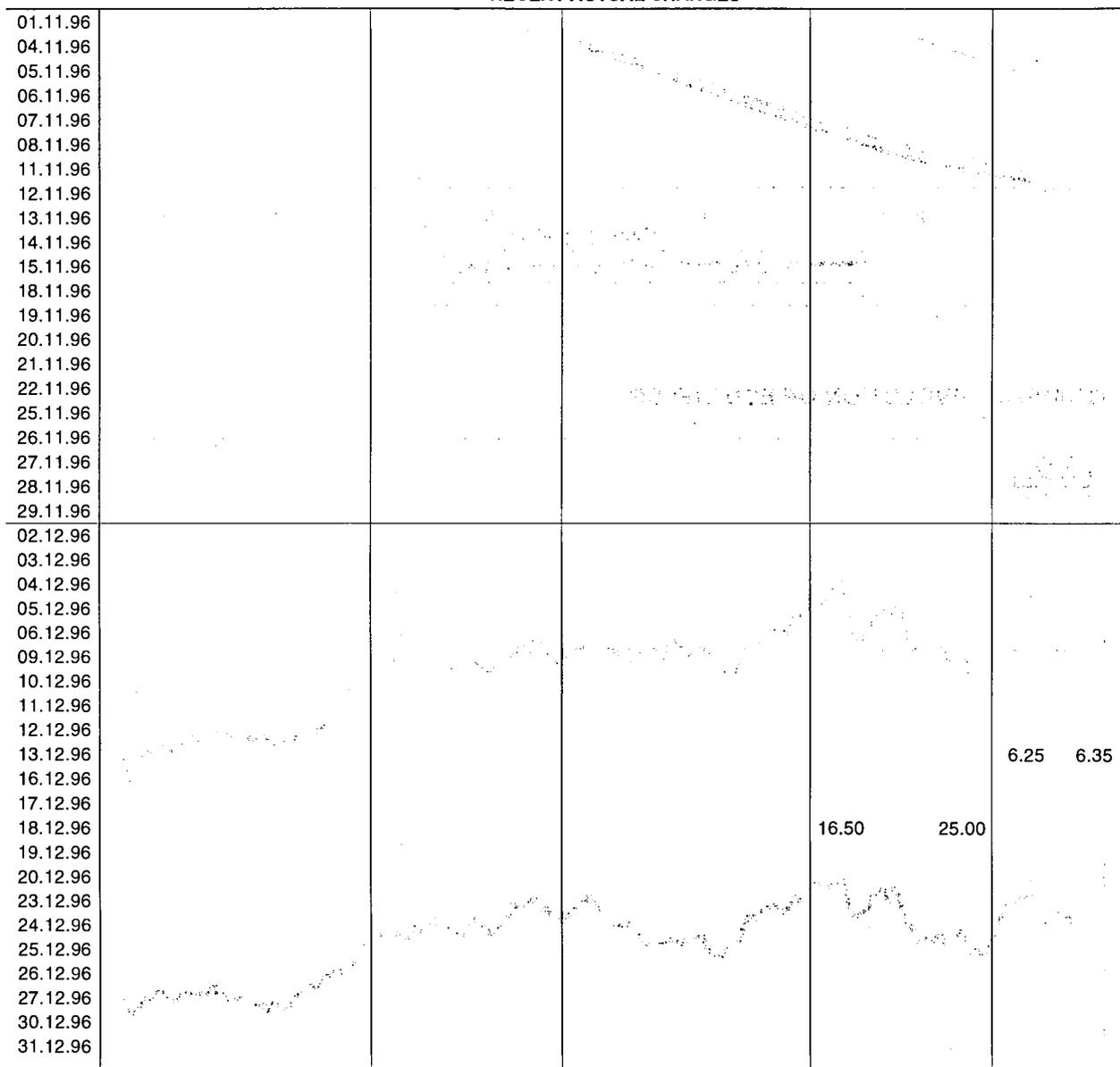
GRAPH 4: EVOLUTION OF ECU YIELDS



**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>																
12/95	3.00	3.75	5.00	3.75	4.25	4.60	4.60	3.00	5.00	3.75	4.50	18.00	21.50	27.00	9.00	9.05
01/96	3.00	3.55	4.65	3.40	4.00	4.35	4.35	3.00	5.00	3.55	4.50	18.00	21.50	27.00	8.75	8.80
02/96	3.00	3.30	4.55	3.30	4.00	4.25	4.25	3.00	5.00	3.30	4.50	18.00	21.50	27.00	8.75	8.80
03/96	3.00	3.30	4.55	3.30	3.75	4.00	4.00	3.00	5.00	3.30	4.50	18.00	21.50	27.00	8.25	8.35
04/96	2.50	3.30	4.55	3.30	3.25	3.80	3.80	2.50	4.50	3.30	3.10	17.50	21.00	26.00	7.75	7.85
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

**RECENT ACTUAL CHANGES**



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.

**TABLE X**  
**CENTRAL BANK INTEREST RATES**

F		IRL	I				NL		A			P					eurostat
AUCT	REPO	STF	DR	LR	REPO	R-REPO	SPR	AR	DR	LR	REPO	PR R	SFR	DR R	DRO	PRO	
<b>RATES AT THE END OF:</b>																	
4.45	5.85	6.50	9.00	10.50	10.50	:	3.40	2.75	3.00	5.25	3.75	8.500	10.50	7.75	7.750	8.501	12/95
4.20	5.60	6.50	9.00	10.50	9.88	:	3.20	2.75	3.00	5.25	3.65	8.250	10.50	7.75	7.750	8.250	01/96
3.90	5.60	6.50	9.00	10.50	10.01	:	3.00	2.75	3.00	5.25	3.50	8.000	10.50	7.75	7.750	8.000	02/96
3.80	5.50	6.50	9.00	10.50	9.98	:	2.90	2.50	3.00	5.25	3.50	7.800	10.25	7.50	7.500	7.900	03/96
3.70	4.90	6.25	9.00	10.50	9.32	:	2.70	2.00	2.50	4.75	3.50	7.500	9.00	6.80	6.800	7.500	04/96
3.70	4.90	6.25	9.00	10.50	9.38	9.29	2.60	2.00	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	9.29	2.60	2.00	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	9.29	2.70	2.00	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	9.29	2.50	2.00	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	9.29	2.50	2.00	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	2.50	2.00	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	2.50	2.00	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	8.08	2.50	2.00	2.50	4.75	3.40	6.700	8.30	6.20	6.200	6.704	12/96

**RECENT ACTUAL CHANGES**

3.20							8.30										7.013	01.11.96	
							8.05										7.000	04.11.96	
							8.03											05.11.96	
							8.08											06.11.96	
																		07.11.96	
																			08.11.96
																			11.11.96
																			12.11.96
																			13.11.96
																			14.11.96
																			15.11.96
													6.900	8.50	6.40			7.009	18.11.96
																		19.11.96	
																		20.11.96	
																		21.11.96	
																		22.11.96	
																		25.11.96	
							7.93											26.11.96	
							8.01											27.11.96	
																		28.11.96	
																		29.11.96	
4.60							7.35											02.12.96	
																		03.12.96	
																		04.12.96	
																		05.12.96	
																		06.12.96	
							7.83												09.12.96
																		10.12.96	
																		11.12.96	
																			12.12.96
																			13.12.96
								7.38											16.12.96
																			17.12.96
												6.700	8.30	6.20			6.901	18.12.96	
																		19.12.96	
																		20.12.96	
																		23.12.96	
							7.67										6.200	24.12.96	
																		25.12.96	
																		26.12.96	
																		27.12.96	
																		30.12.96	
							7.05										6.700	31.12.96	
																	6.704		

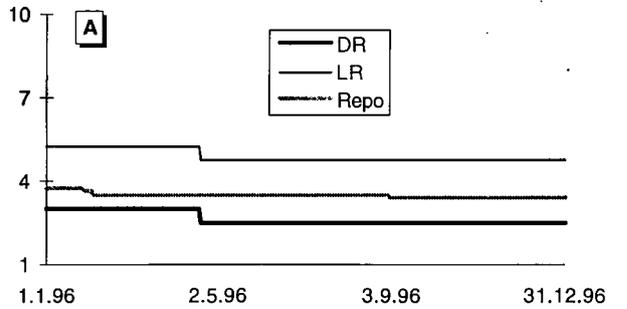
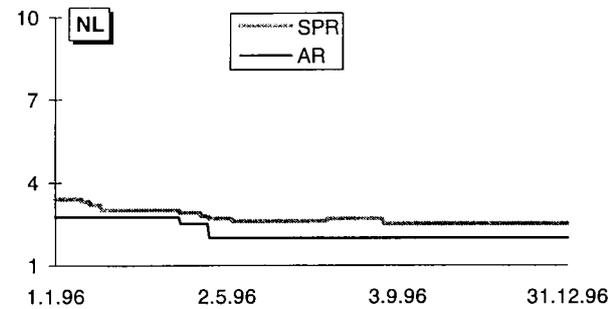
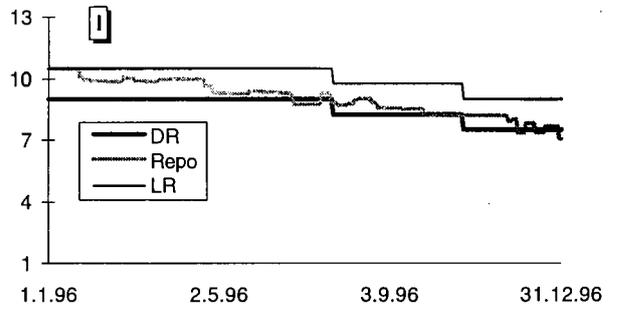
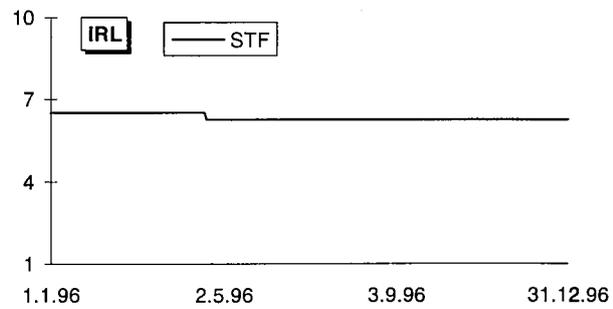
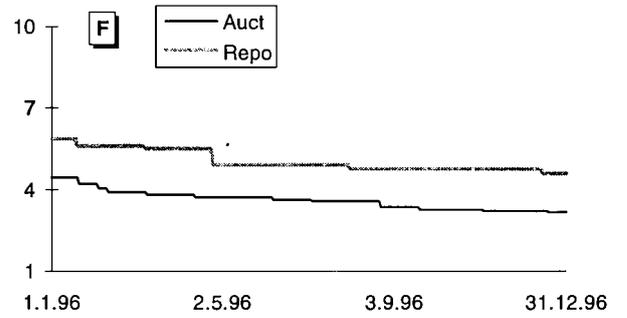
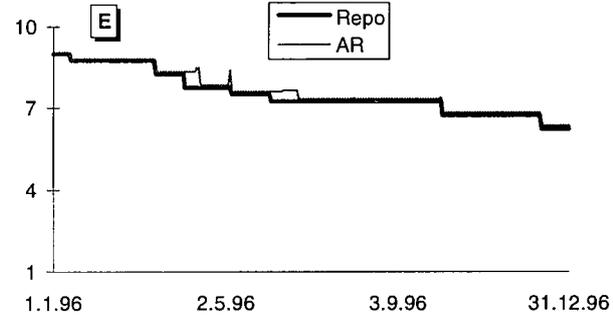
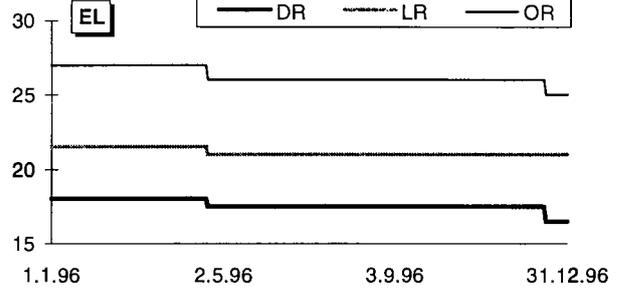
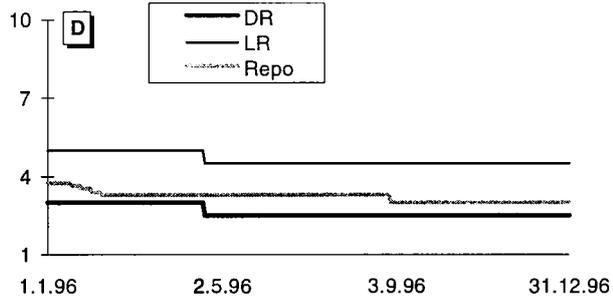
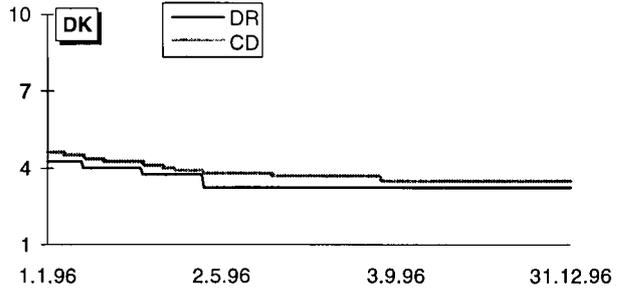
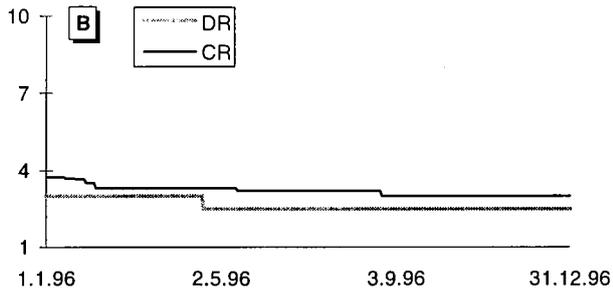
Please see explanatory notes at the end of the publication for the key to the various rates. Data series with the same abbreviation are not necessarily internationally comparable.

**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
<b>RATES AT THE END OF:</b>																	
12/95	4.75	4.25	6.75	7.00	9.50	8.91	9.40	6.50	5.60	6.50	4.40	6.75	1.50	5.375	5.25	5.50	0.50
01/96	4.75	4.25	6.25	6.00	9.50	8.45	8.40	6.25	5.60	6.50	4.40	6.75	1.50	3.875	5.00	5.25	0.50
02/96	4.50	4.25	6.25	6.00	9.00	8.05	8.30	6.25	5.60	6.50	4.40	6.75	1.50	3.500	5.00	5.25	0.50
03/96	4.50	3.75	5.75	6.00	8.25	7.40	7.90	6.00	5.60	6.50	4.40	6.50	1.50	4.125	5.00	5.25	0.50
04/96	4.50	3.75	5.75	5.50	8.25	6.90	7.75	6.00	5.60	6.50	4.40	6.50	1.50	3.750	5.00	5.25	0.50
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
<b>RECENT ACTUAL CHANGES</b>																	
01.11.96														3.625			
04.11.96																	
05.11.96																	
06.11.96												6.00		3.750			
07.11.96																	
08.11.96														3.625			
11.11.96																	
12.11.96																	
13.11.96																	
14.11.96																	
15.11.96																	
18.11.96																	
19.11.96														3.750			
20.11.96																	
21.11.96														3.625			
22.11.96																	
25.11.96																	
26.11.96																	
27.11.96						4.35								3.875			
28.11.96														4.125			
29.11.96														4.000			
02.12.96														3.750			
03.12.96																	
04.12.96																	
05.12.96														3.875			
06.12.96																	
09.12.96																	
10.12.96																	
11.12.96					5.25												
12.12.96																	
13.12.96														3.750			
16.12.96														3.500			
17.12.96																	
18.12.96						4.10											
19.12.96																	
20.12.96																	
23.12.96																	
24.12.96																	
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27.12.96																	
30.12.96																	
31.12.96														5.250			

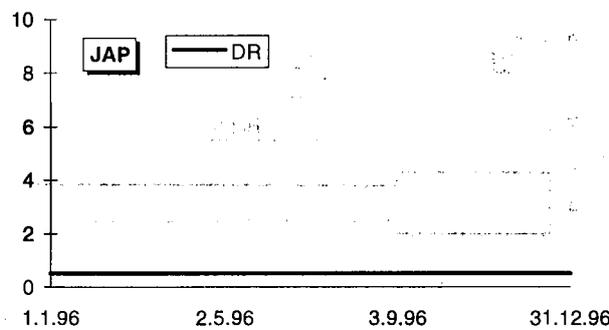
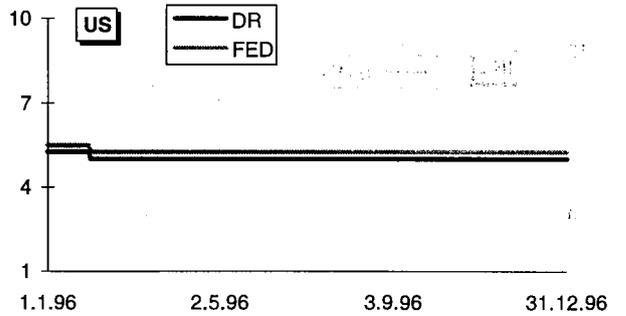
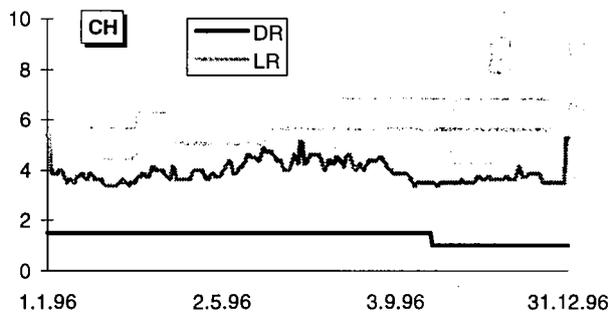
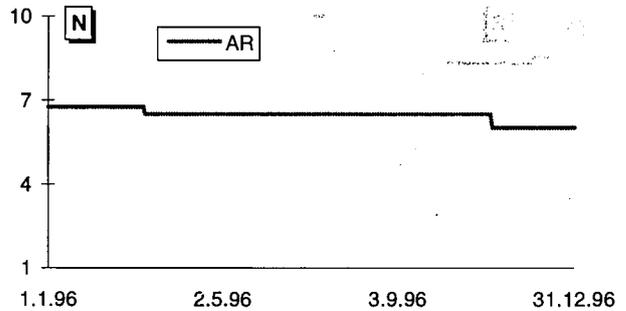
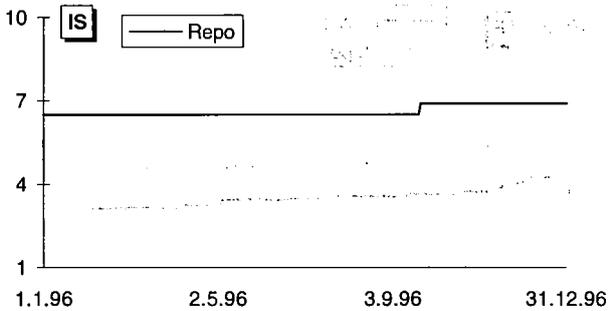
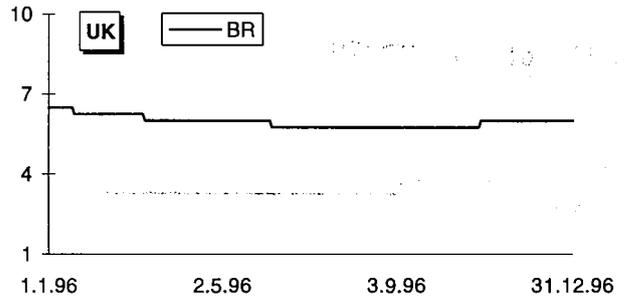
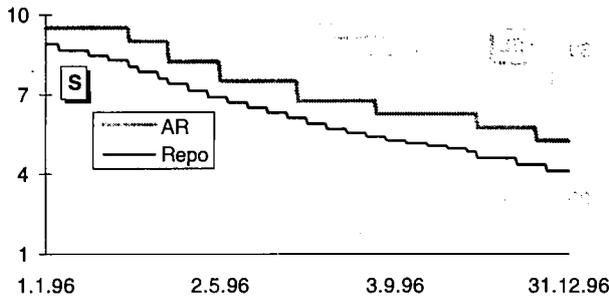
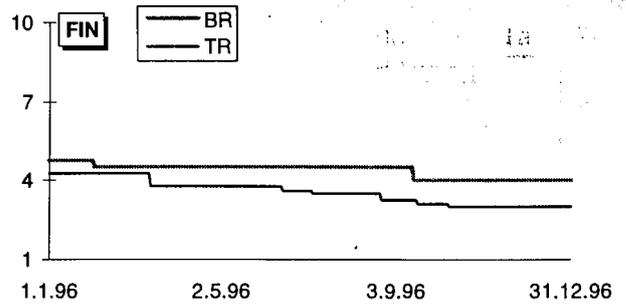
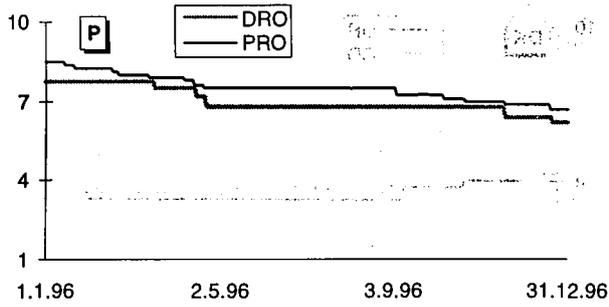
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**EVOLUTION OF CENTRAL BANK INTEREST RATES OVER THE LAST 12 MONTHS**



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## EXPLANATORY NOTES

### Exchange rate grid (Table I)

The intervention limit rates fixed in the official grid do not always 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 (AUCTION):** 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 (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.

**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.

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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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rose during 1996 from ECU 1 500 million to 2 000 million. This nevertheless remained a minor sector, accounting for only 5% of the worldwide non-dollar amount outstanding at the end of 1996.

The ECU banking market also contracted. According to the BIS, the international positions in ECUs of the reporting banks showed the following changes: between June 1995 and June 1996 bank assets dropped from ECU 180 000 million to 145 000 million, while liabilities fell from ECU 175 000 million to 140 000 million. Vis-à-vis the non-banking sector, the banks maintained a net credit position of ECU 26 000 million.

On the spot market the ECU strengthened its position against its component currencies throughout 1996 thanks to greater investor confidence. The ECU discount vis-à-vis the currency basket was running at 3% in January but was down to only 0.4% in December. The ECU also performed well in terms of yield. In line with many other European currencies, the ECU rates fell in absolute terms and moved close to the DEM rates. The 10-year yield gap between the ECU and the mark fell from 80 to 30 basis points between January and December 1996.

## Central bank interest rates

Reference rates continued to fall in some countries at the end of 1996.

The Bank of Spain cut its tender rate by 50 basis points, reducing it from 6.75% to 6.25%. This rate fell from the beginning of the year by 300 basis points to reach an all-time low.

The Bank of France also cut its auction rate, which fell by 5 basis points to 3.15%. The previous rate cut had been in November. As for the repo rate, it was down by 15 basis points to 4.60%. It was the first time since August that it had been lowered.

The Bank of Sweden cut its repo rate 25 times during 1996. It started the year at 8.91% but was reduced by 481 basis points to end the year at 4.10%. There was also a 50 basis point cut in the rates on advances and deposits, which fell to 5.25% and 3.75% respectively. These two rates fix the limits of the range in which the repo rate fluctuates.

There were cuts in the rates in Greece and Portugal as well. In the other countries the reference rates were similar to the levels that prevailed at the end of November.

The Central Council of the Bundesbank thus made no change to its reference rates, with the discount rate and the Lombard rate staying at the same levels they have held since 19 April (2.50% and 4.50% respectively). As for the repo rate, it has been at 3% since August. The money supply as measured by the M3 monetary aggregate increased in November by 8.0% (provisional figure) in year-on-year terms compared with the average for the final quarter of 1995. The aim of the Bundesbank is to see the seasonally-adjusted growth of the M3 aggregate falling between 4% and 7% in relation to the average for the final quarter of 1995.

In December the Bundesbank announced its objectives for monetary growth in 1997 and 1998: while estimating adjusted annual growth of 5% for the two years, the Bank nevertheless set M3 growth for 1997 within the range of 3.5-6.5%.

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(13 January 1997)

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