

## Meeting of the Federal Open Market Committee August 21, 2001 Presentation Materials -- Text Version

[Presentation Materials \(164 KB PDF\)](#)

### APPENDIX 1

#### Charts used by Mr. Kos.

##### Page 1

###### Top panel

**Title:** 3-Month Deposit Rates and Rates Implied by Traded Forward Rate Agreements

**Series:** U.S. dollar Libor fixing, 3M forward, and 9M forward rates

**Horizon:** April 2, 2001 through August 17, 2001

**Description:** U.S. forward rates declined steadily over the period shown.

###### Middle panel

**Title:** Continuation of Top Panel

**Series:** Euro Libor fixing, 3M forward, and 9M forward rates

**Horizon:** April 2, 2001 through August 17, 2001

**Description:** Euro forward rates each declined approximately 25 percent over the period shown.

###### Bottom panel

**Title:** Japanese Government Yield Curve

**Series:** The yield curve, including Japanese 3-month, 6-month, and 1-year through 10-year yields

**Horizon:** There are three curves shown for the dates of 5/15/2001, 6/25/2001, and 8/17/2001.

**Description:** From 5/15/2001 to 6/25/2001 the yield curve shifted lower. However, since then on 8/17/2001, the curve has shifted higher above levels as seen on 5/15/2001.

##### Page 2

###### Top panel

**Title:** U.S. Treasury Coupon Yields

**Series:** Target federal funds rate, yields on benchmark 2-year, 10- year, and 30-year U.S. Treasury securities

**Horizon:** April 2, 2001 through August 17, 2001

**Description:** As the target federal funds rate continually decreased over the period shown, the 2-year Treasury declined by roughly 50 basis points, whereas the 10-year and 30-year Treasuries remained relatively stable.

###### Middle panel

**Title:** U.S. Equity Markets

**Series:** Dow Jones Industrial Average, NASDAQ composite index, and S&P 500 index

**Horizon:** April 2, 2001 through August 17, 2001

**Description:** All U.S. equity markets increased over the period shown with the NASDAQ composite index gaining the highest return.

### **Bottom panel**

**Title:** Trade Weighted Dollar

**Series:** U.S. trade weighted dollar index

**Horizon:** April 2, 2001 through August 17, 2001

**Description:** The trade weighted dollar fluctuated over the period shown starting in early April 2001 and finished down roughly 1.5% by mid August 2001.

Sources: Bloomberg

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### **Top panel**

**Title:** European Equities

**Series:** FTSE 100 index, DAX index, CAC 40 index, DJ Euro Stoxx index, Italy MIB 30 index, and Spain IBEX 35 index

**Horizon:** April 2, 2001 through August 17, 2001

**Description:** All European equity indices declined significantly over the period shown.

### **Middle panel**

**Title:** Euro-Dollar Exchange Rate

**Series:** Euro currency performance in dollars per euro

**Horizon:** April 2, 2001 through August 17, 2001

**Description:** The Euro slightly appreciated against the dollar over the period shown.

### **Bottom left panel**

**Title:** U.S. minus Euro Swap Rate Differentials

**Series:** 2-year swap rate differential

**Horizon:** April 2, 2001 through August 17, 2001

**Description:** The 2-year swap rate differential declined by roughly 30 basis points over the period shown.

### **Bottom right panel**

**Title:** U.S. minus Euro Swap Rate Differentials

**Series:** 10-year swap rate differential

**Horizon:** April 2, 2001 through August 17, 2001

**Description:** The 10-year swap rate differential fluctuated but remained level over the period shown until it started to quickly decline in early August 2001.

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### **Top panel**

**Title:** Dollar-Yen Exchange Rate

**Series:** Yen currency performance in yen per dollar

**Horizon:** April 2, 2001 through August 17, 2001

**Description:** The yen significantly appreciated against the dollar with most of the appreciation taking place since early July 2001.

### **Middle panel**

**Title:** Nikkei and Topix Bank Sub-Index

**Series:** Nikkei index and Topix Bank sub-index

**Horizon:** April 2, 2001 through August 17, 2001

**Description:** While both the Nikkei index and the Topix Bank sub-index significantly declined over the period shown, the Nikkei declined more by approximately 5 percent.

### **Bottom panel**

**Title:** Topix Bank Sub-Index

**Series:** Topix Bank sub-index

**Horizon:** January 1, 1998 through August 17, 2001

**Description:** The Topix Bank sub-index declined by approximately 150 points over the period shown.

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### **Top panel**

**Title:** Monthly Growth Rates for Currency Component of M1

**Series:** Seasonally adjusted annual rates for currency component of M1

**Horizon:** January 2001 through August 2001 (NY staff estimate)

**Description:** Money growth rates were high and above 10% in the months of January, July, and August. However, all other months in the period shown averaged approximately 5%.

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