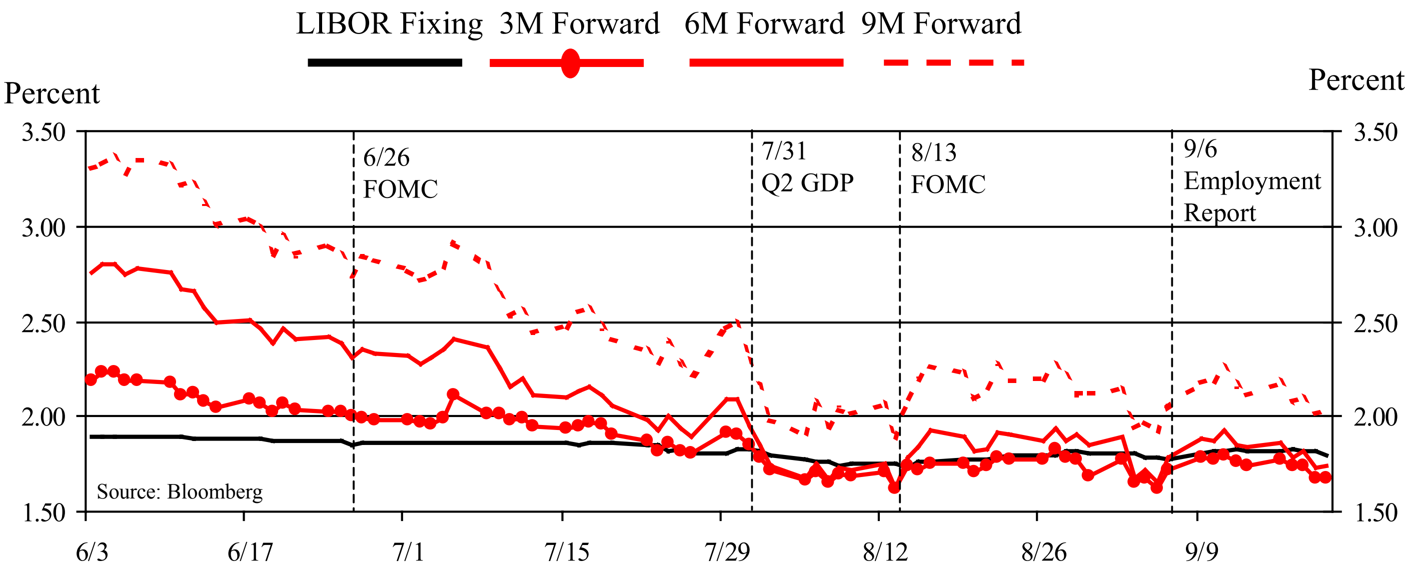
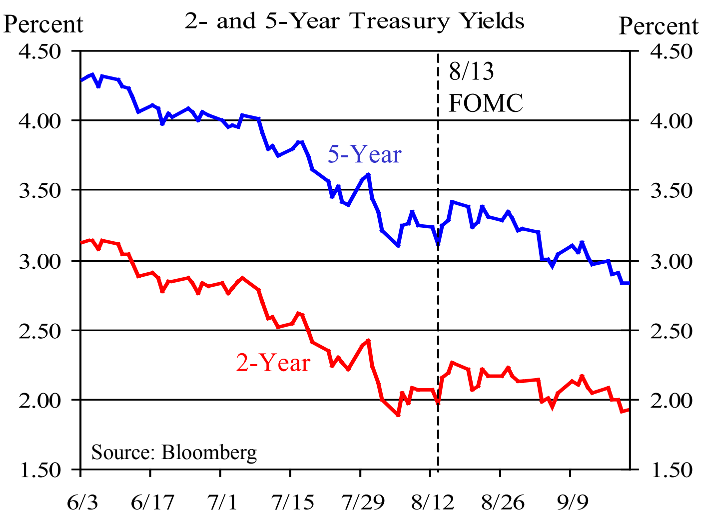
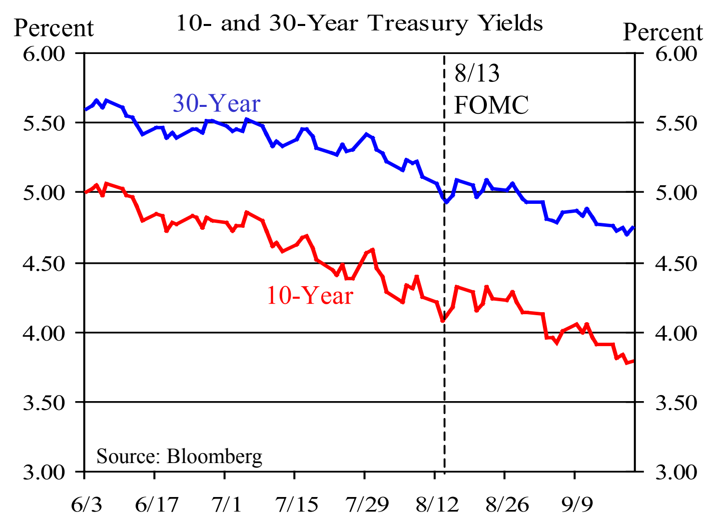
Appendix 1: Materials used by Mr. Kos

U.S. Current Deposit Rates and Rates Implied by Traded Forward Rate Agreements

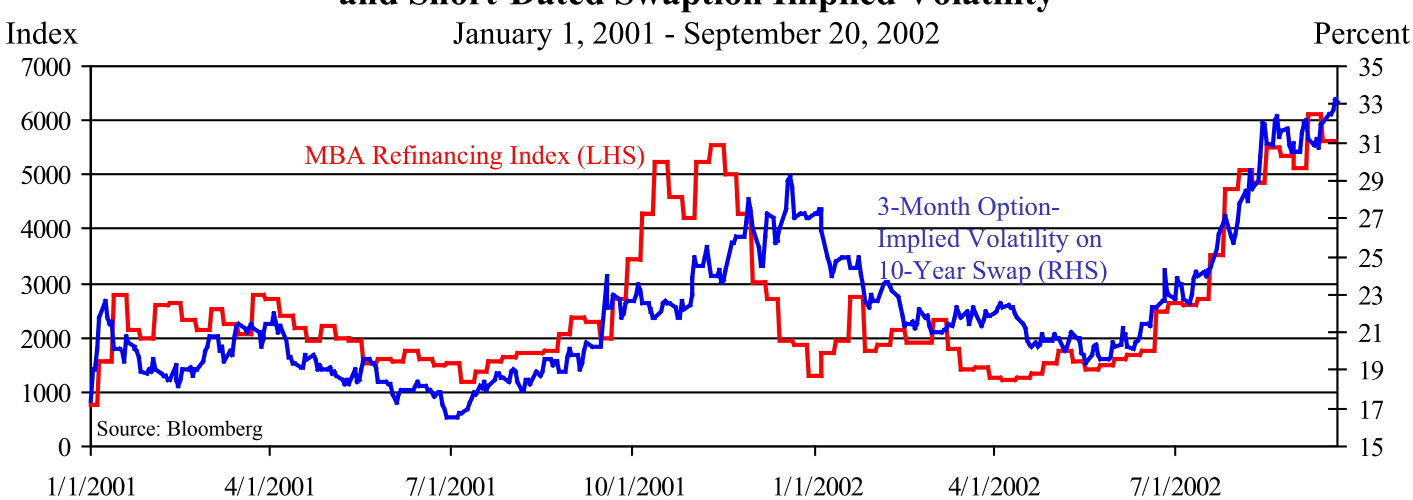
June 3, 2002 - September 20, 2002





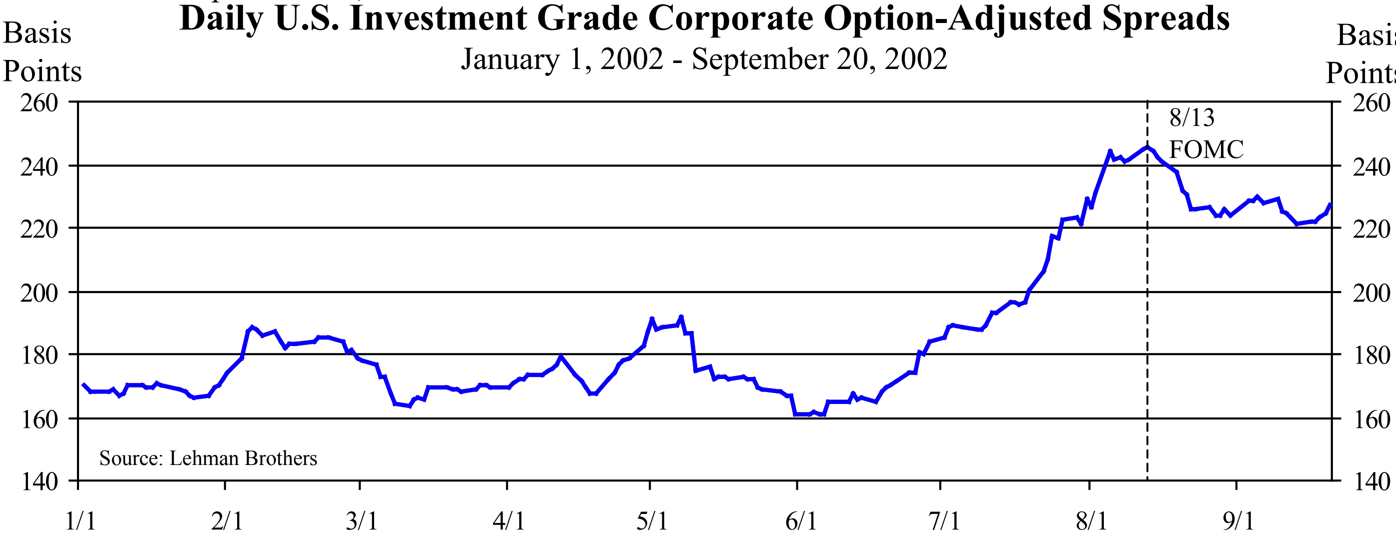


Mortgage Bankers Association Refinancing Index and Short-Dated Swaption Implied Volatility



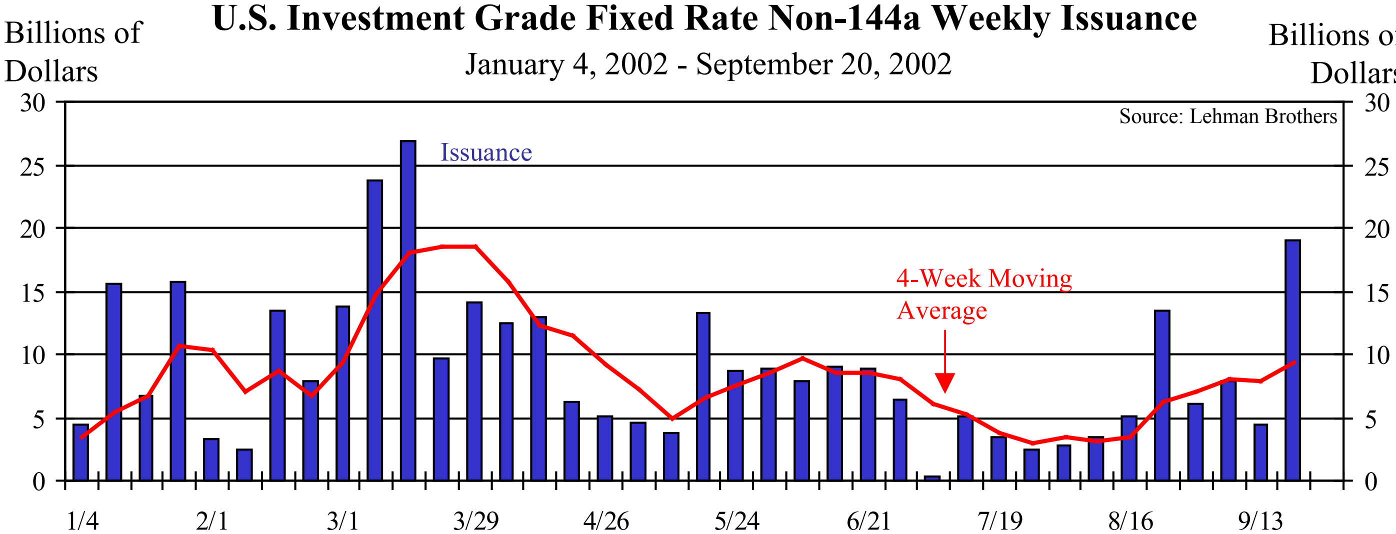
Daily U.S. Investment Grade Corporate Option-Adjusted Spreads

January 1, 2002 - September 20, 2002



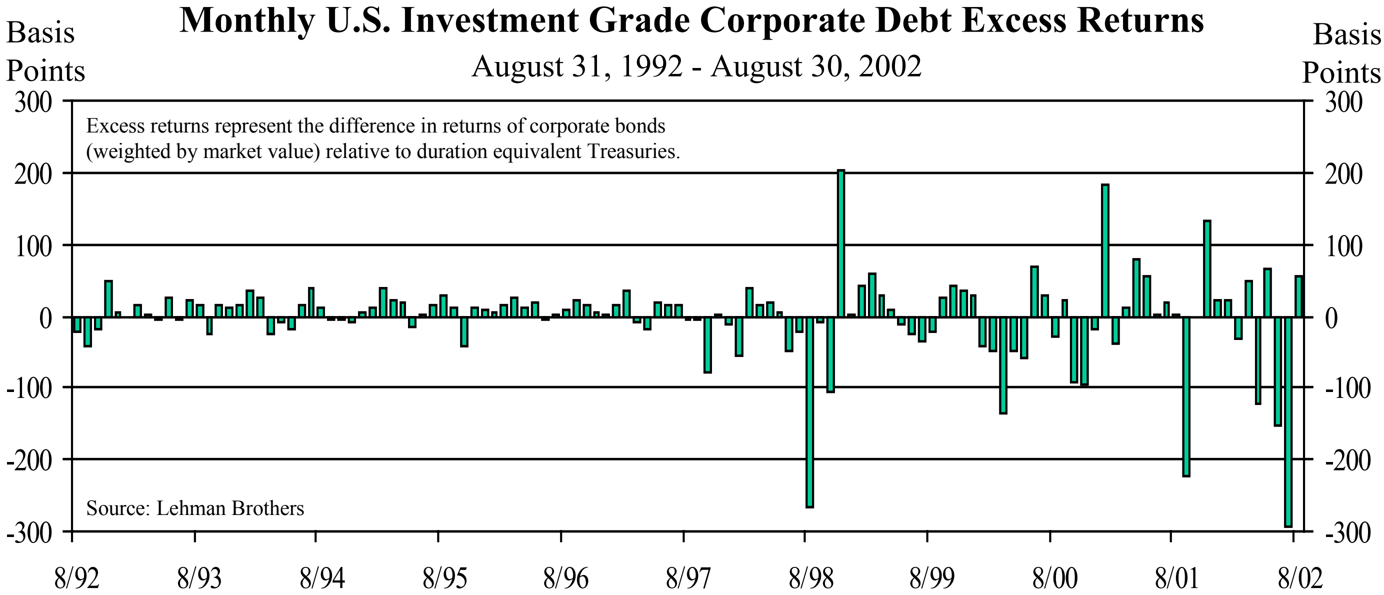
U.S. Investment Grade Fixed Rate Non-144a Weekly Issuance

January 4, 2002 - September 20, 2002



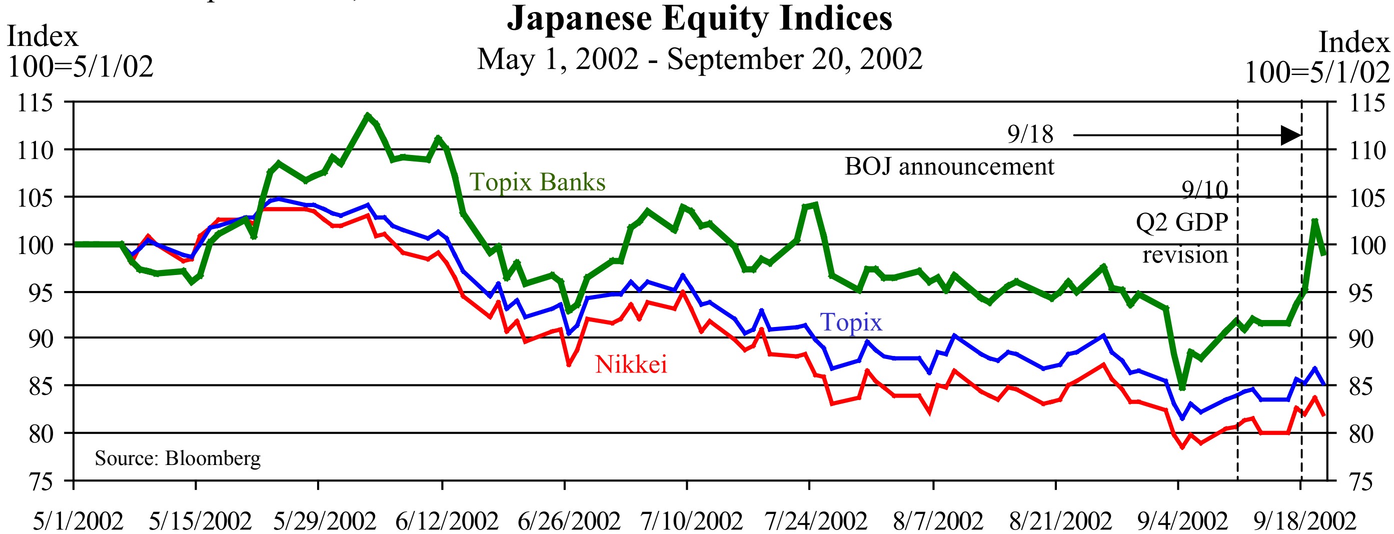
Monthly U.S. Investment Grade Corporate Debt Excess Returns

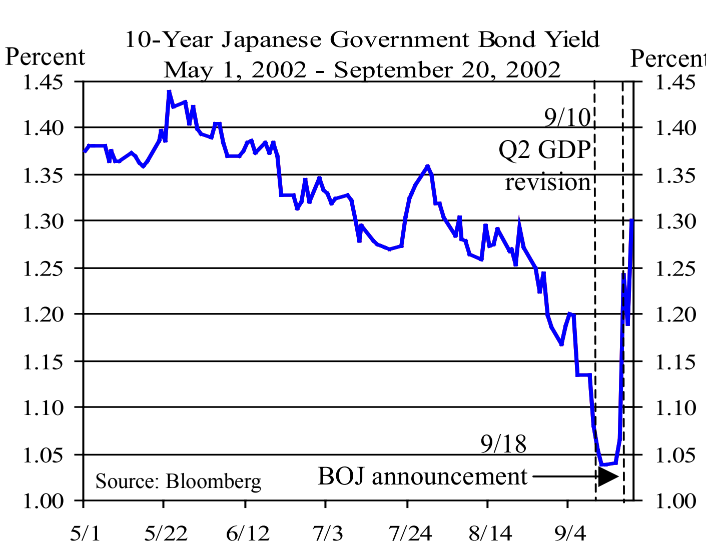
August 31, 1992 - August 30, 2002

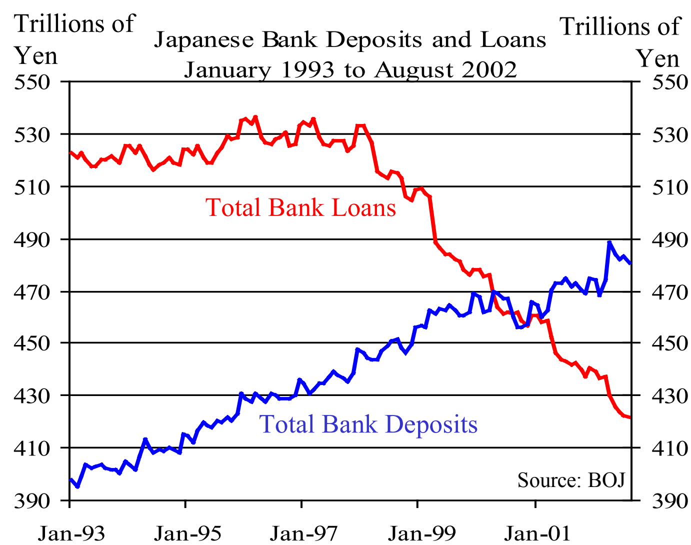


Japanese Equity Indices

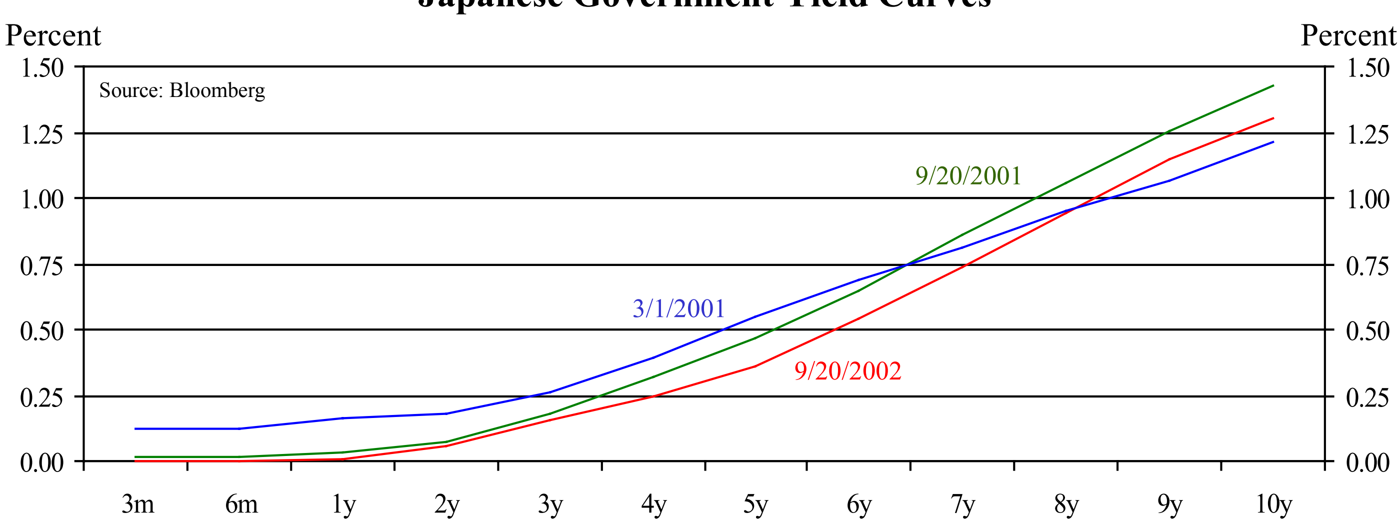
May 1, 2002 - September 20, 2002





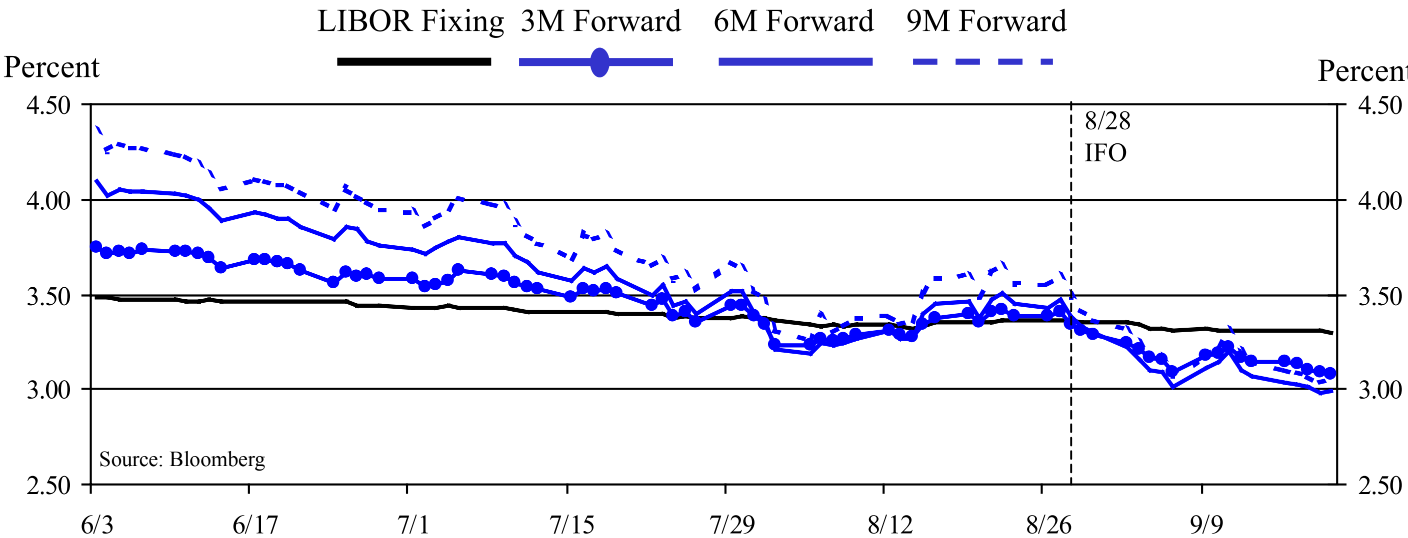


Japanese Government Yield Curves



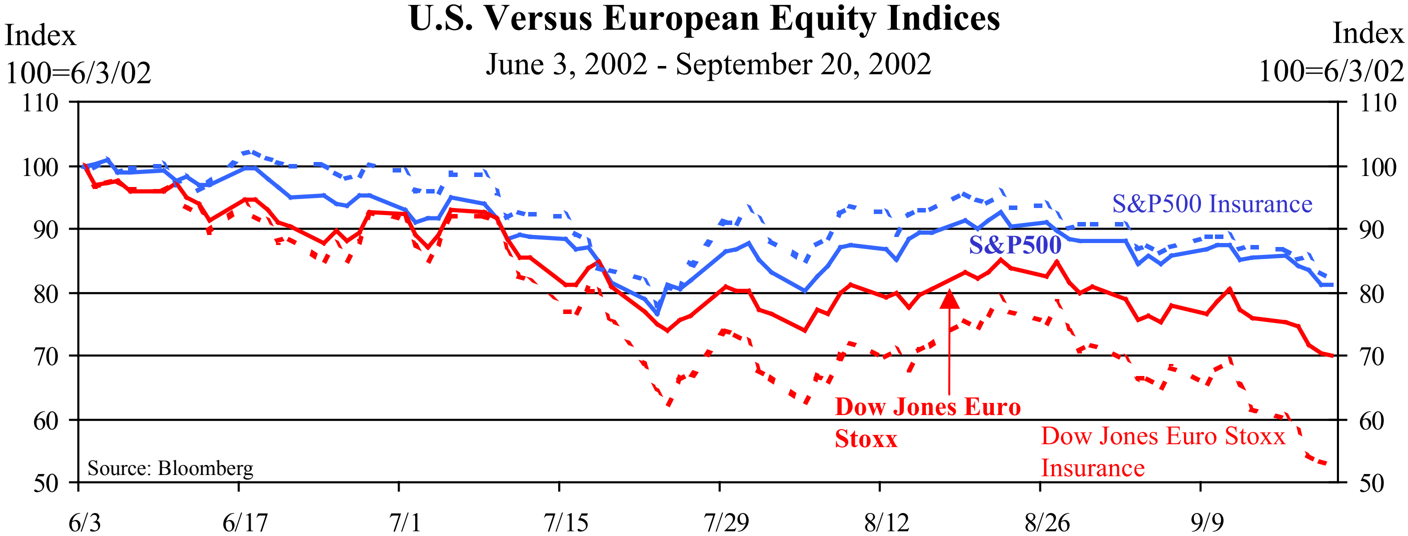
Euro-Area Current Deposit Rates and Rates Implied by Traded Forward Rate Agreements

June 3, 2002 - September 20, 2002



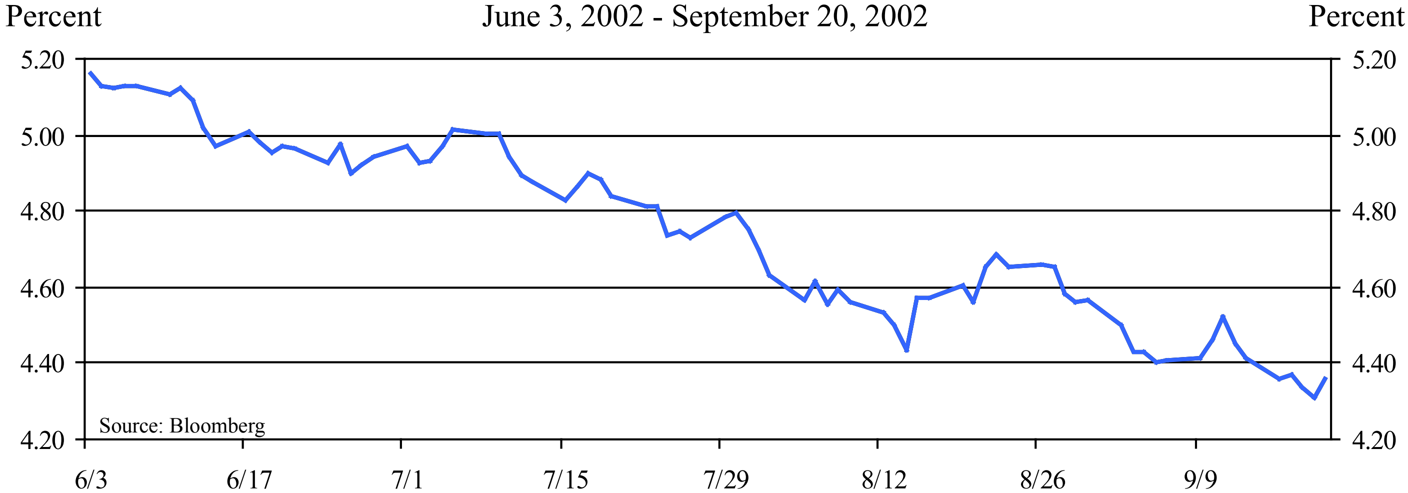
U.S. Versus European Equity Indices

June 3, 2002 - September 20, 2002

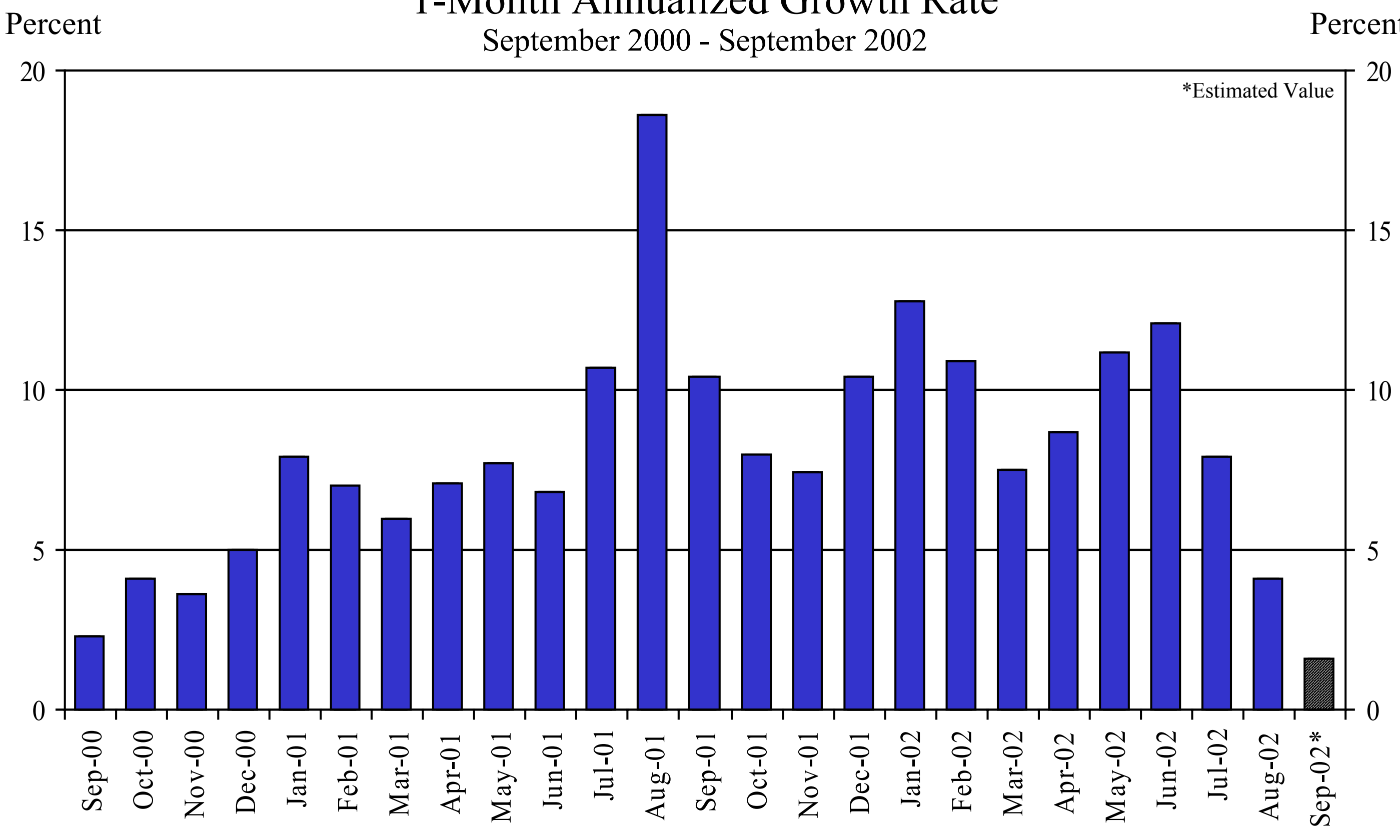


10-Year German Government Bund Yield

June 3, 2002 - September 20, 2002



Currency Component of M1 (s.a.)
1-Month Annualized Growth Rate
September 2000 - September 2002

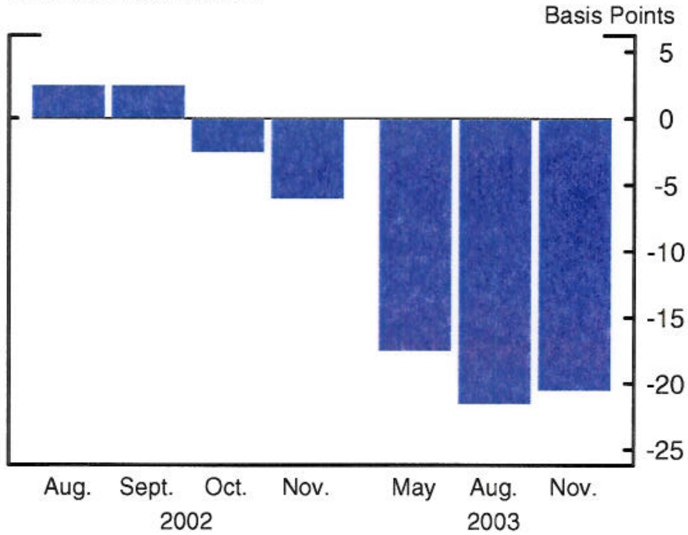


Appendix 2: Materials used by Mr. Reinhart

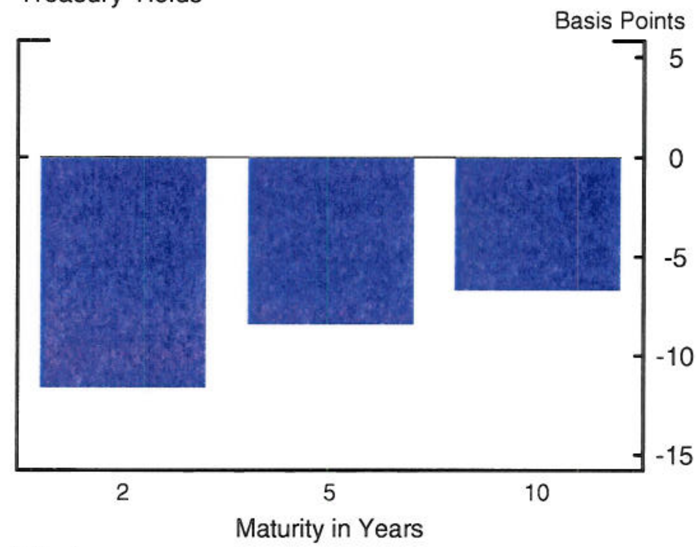
Exhibit 1

Market Reaction to August FOMC Announcement[1]

Interest Rate Futures

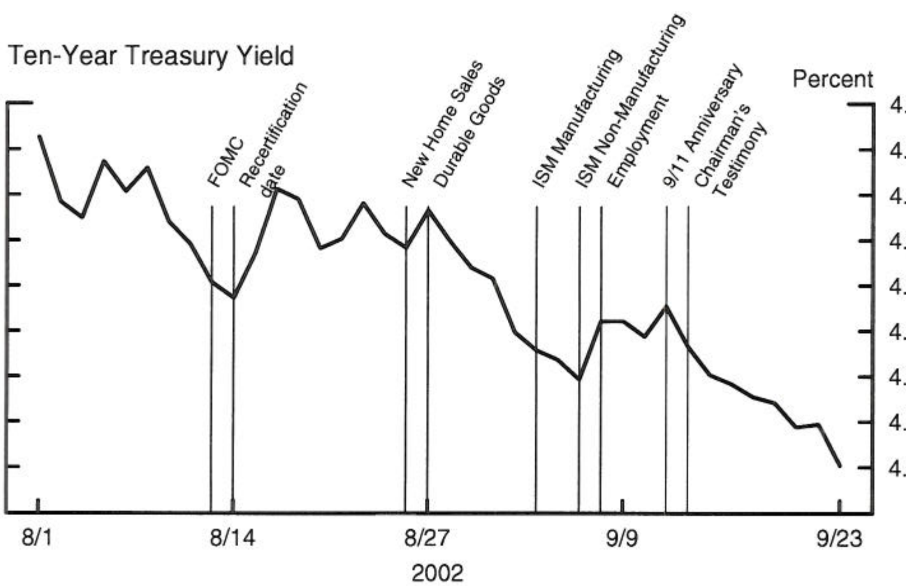


Treasury Yields



1. Change in market quotes in a window bracketing the FOMC announcement (2:00 pm to 2:30 pm).

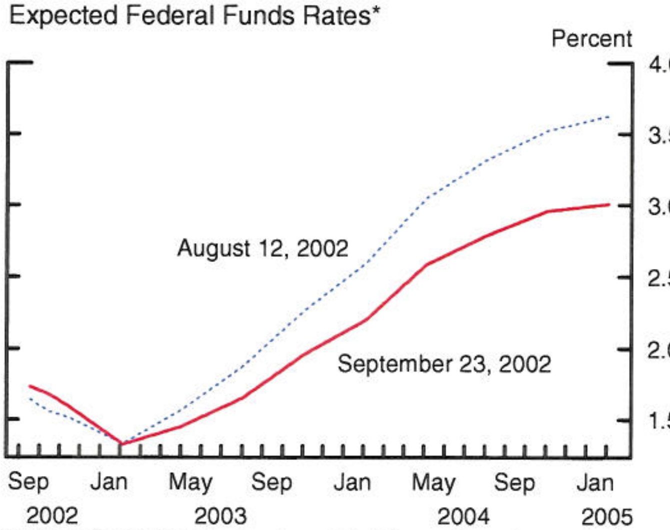
Ten-Year Treasury Yield



Change Since August 12

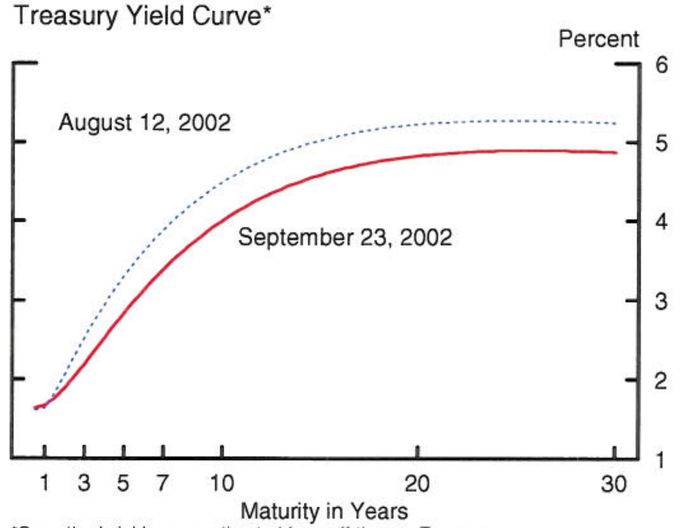
	-basis points-
Total	-49
Due to Econ Releases	0

Expected Federal Funds Rates*



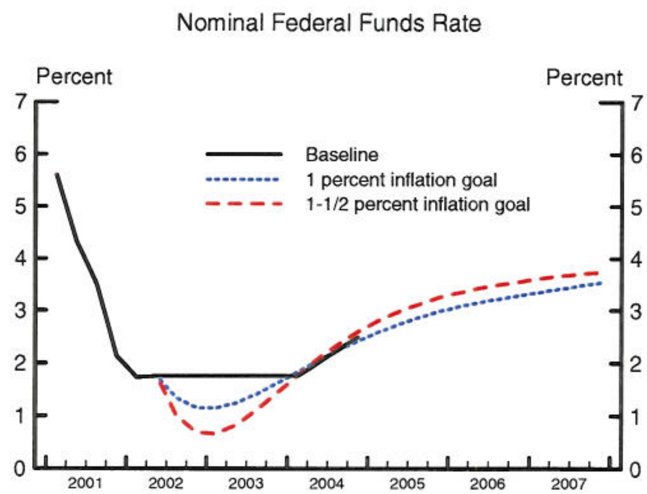
*Estimates from federal funds and eurodollar futures with an allowance for term premia and other adjustments.

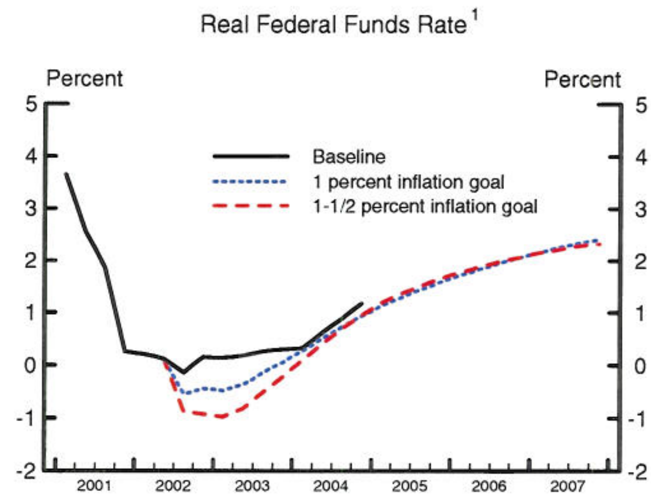
Treasury Yield Curve*

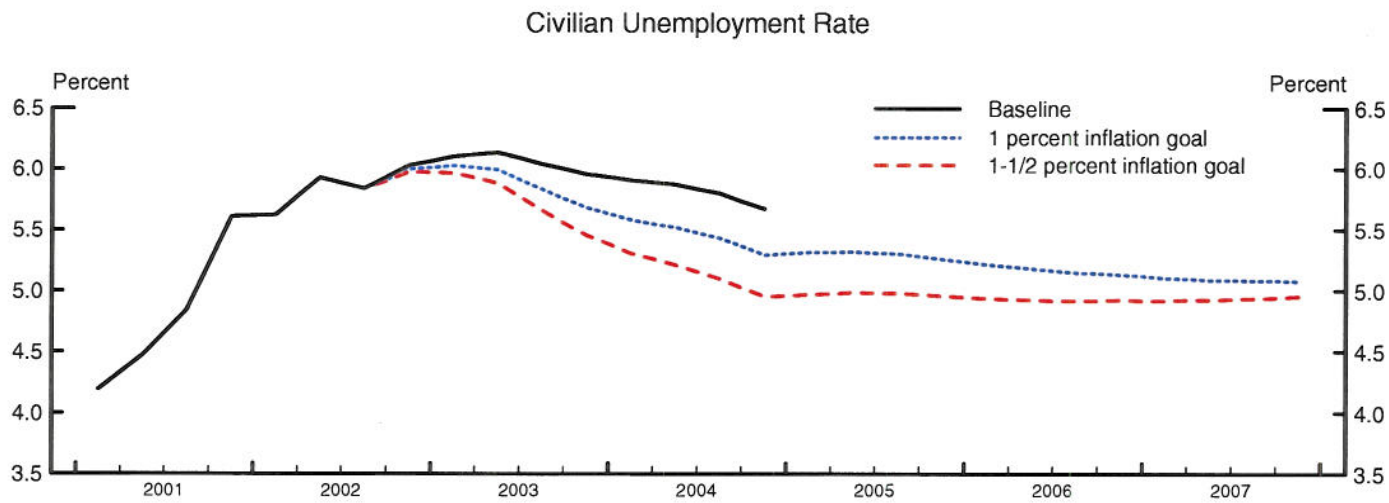


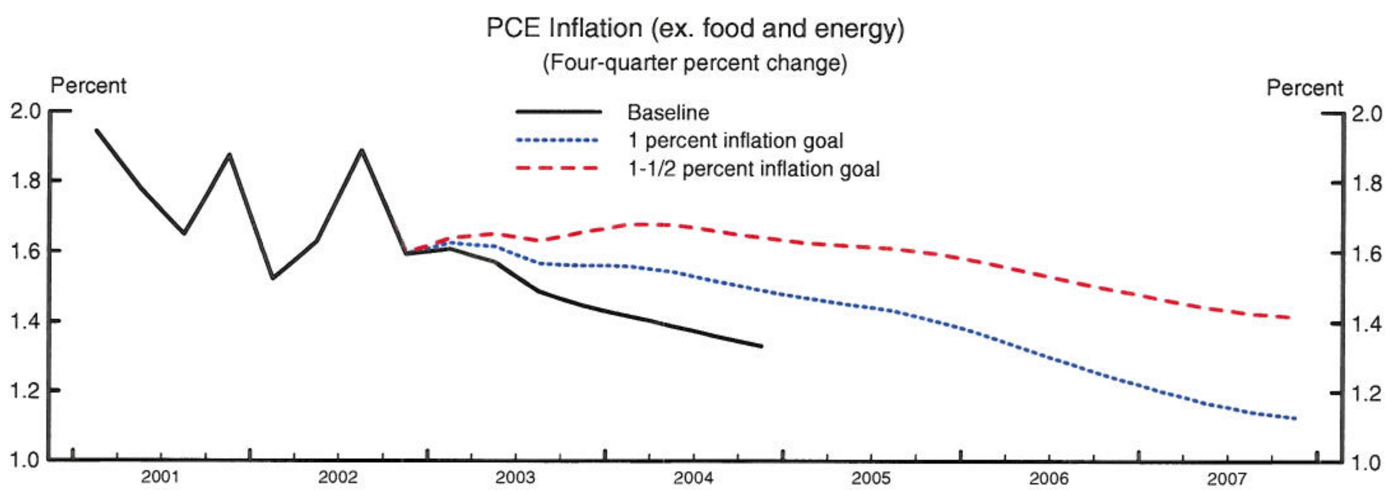
*Smoothed yield curve estimated from off-the-run Treasury coupon securities. Yields shown are those on notional par Treasury securities with semi-annual coupons.

Exhibit 2
(Bluebook Chart 6)
Policymaker Perfect Foresight Strategy for Monetary Policy



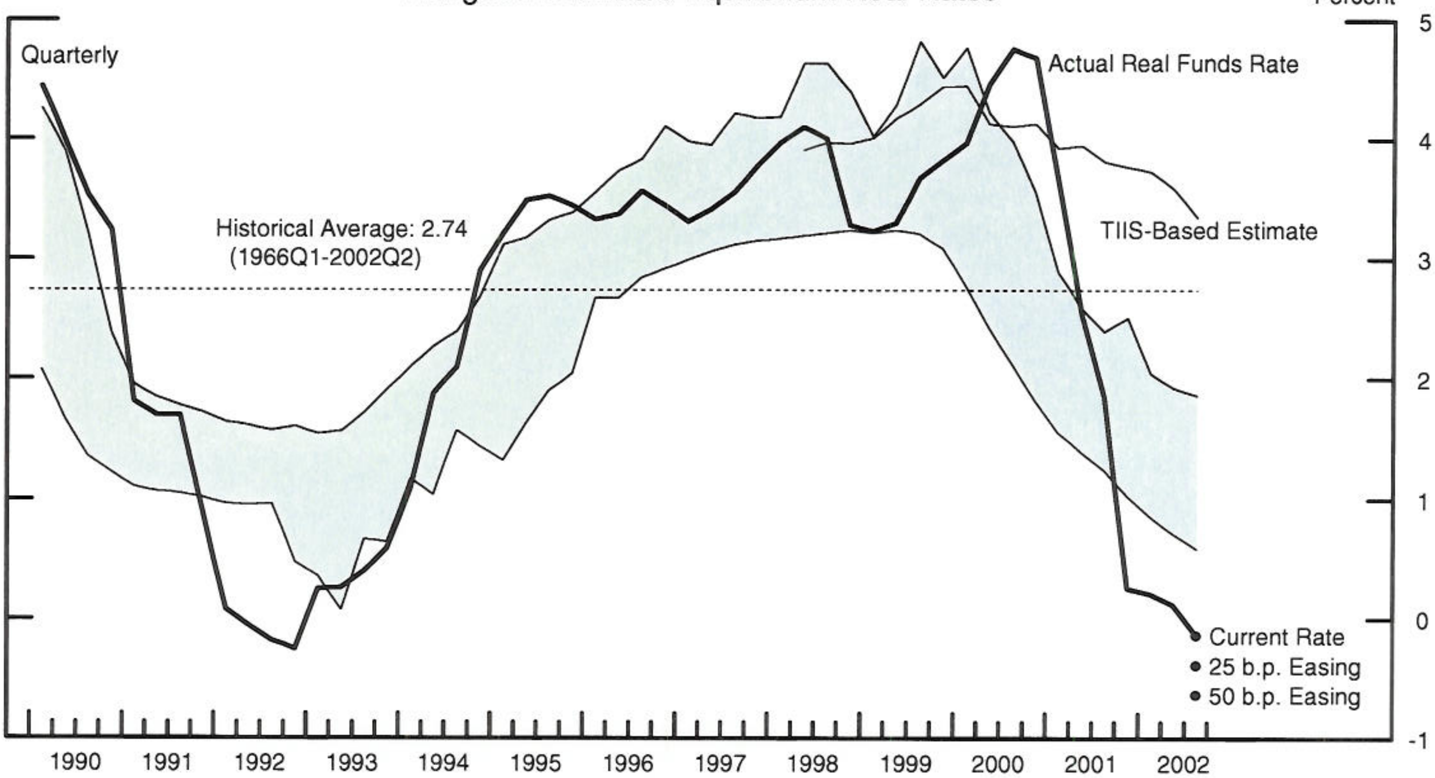






1. The real federal funds rate is calculated as the quarterly average nominal funds rate minus the four-quarter lagged core PCE inflation rate as a proxy for inflation expectations.

Exhibit 3
(Bluebook Chart 5)
Actual Real Federal Funds Rate and Range of Estimated Equilibrium Real Rates



Note: The shaded range represents the maximum and the minimum values each quarter of six estimates of the equilibrium real federal funds rate based on a statistical filter and the FRB/US model. Real federal funds rates employ four-quarter lagged core PCE inflation as a proxy for inflation expectations, with the staff projection used for 2002Q3.