

Selected Interest & Exchange Rates

Weekly Series of Charts

January 11, 1999

**Prepared by the
FINANCIAL MARKETS
SECTION**

**DIVISION OF
INTERNATIONAL FINANCE**

**BOARD OF GOVERNORS
FEDERAL RESERVE SYSTEM
Washington, D.C. 20551**

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Note: With this issue, a number of changes have been made to the charts. These changes are largely in response to the introduction of the euro and to accompanying changes in the structure of the financial markets in Europe. In addition, some charts were revised to show information on a wider array of countries and interest rates, and three charts that appeared in previous issues (on eurodollar deposit rates, eurodollar and U.S. money market rates, and interest arbitrage) have been deleted. Weighted-average exchange value indexes for currencies other than the U.S. dollar (formerly shown in Chart 1) has also been deleted.

Chart 1

Nominal Currency Exchange Values

Dollar prices of foreign currencies and weighted average value of U.S. dollar
(Averages for week ending Wednesday, ratio scale, March 1973 = 100)

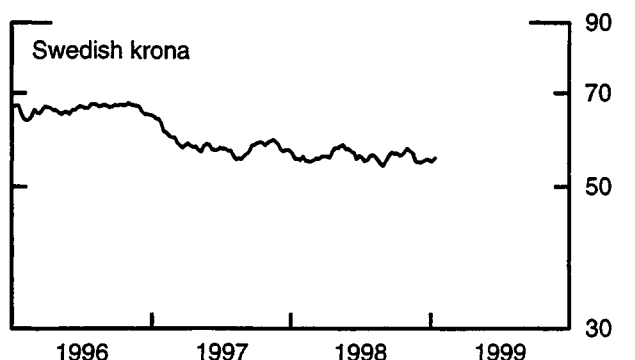
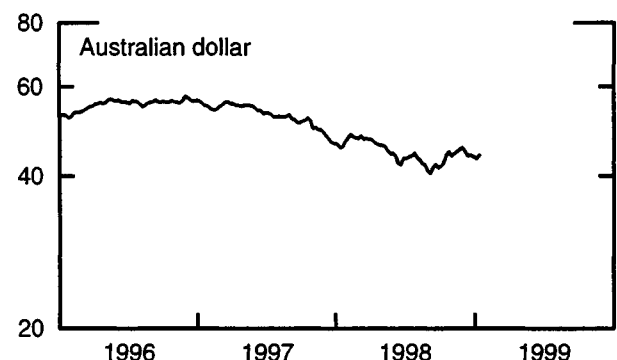
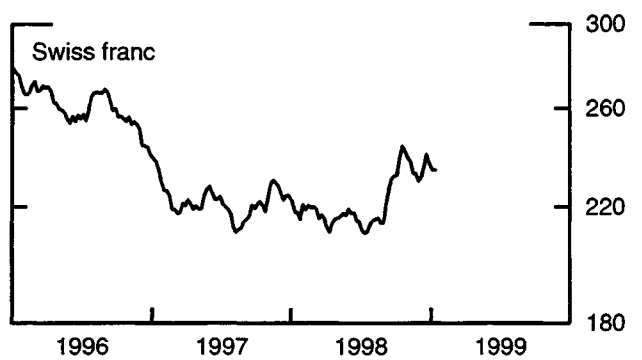
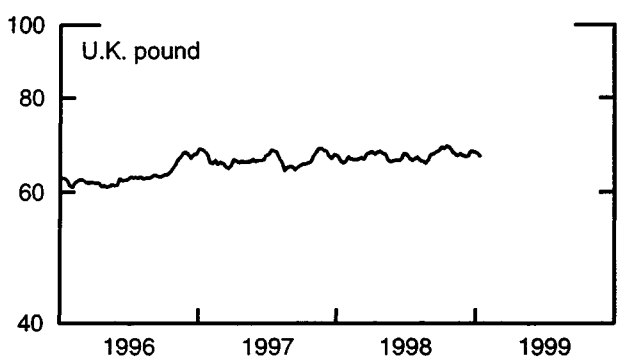
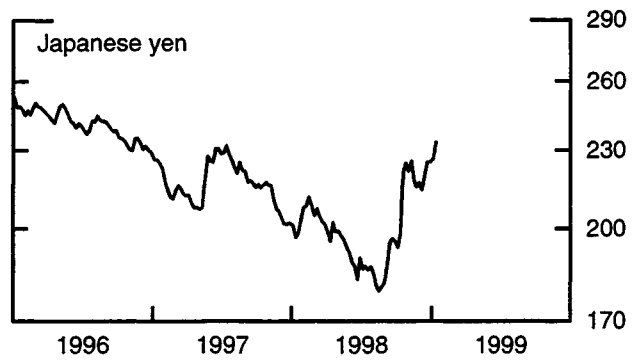
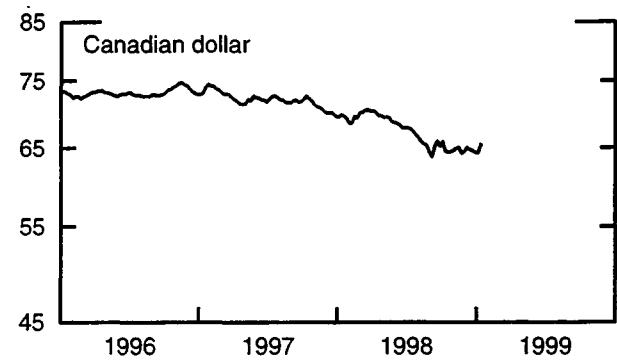
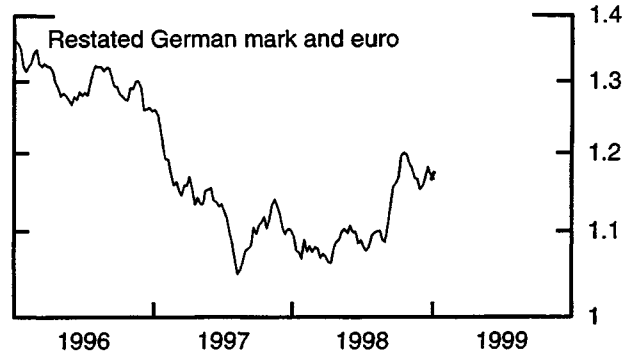
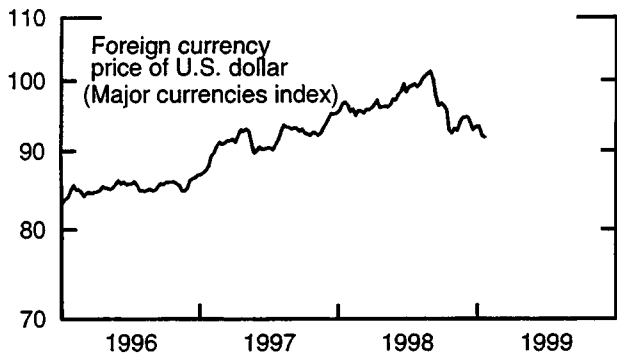


Chart 2

3-Month Forward Exchange Rates

Premium (+) or (-)
(Average for week ending Wednesday, percent per annum)

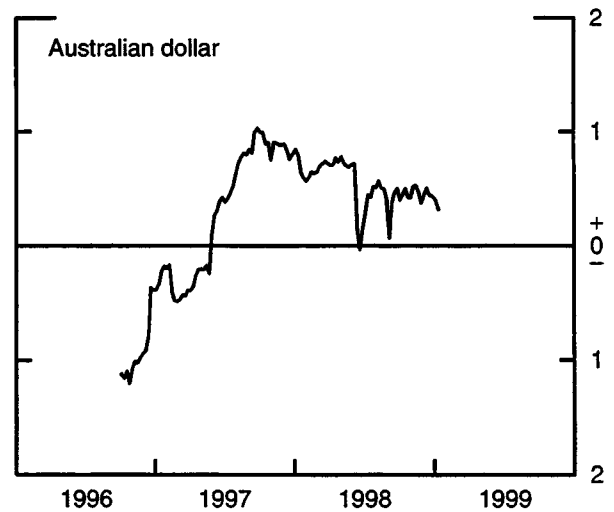
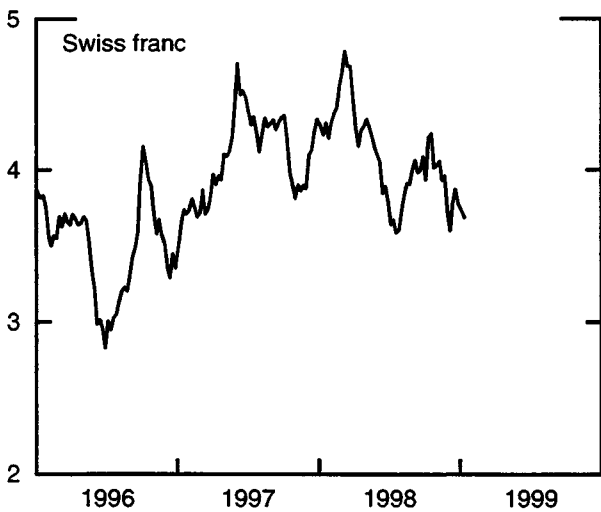
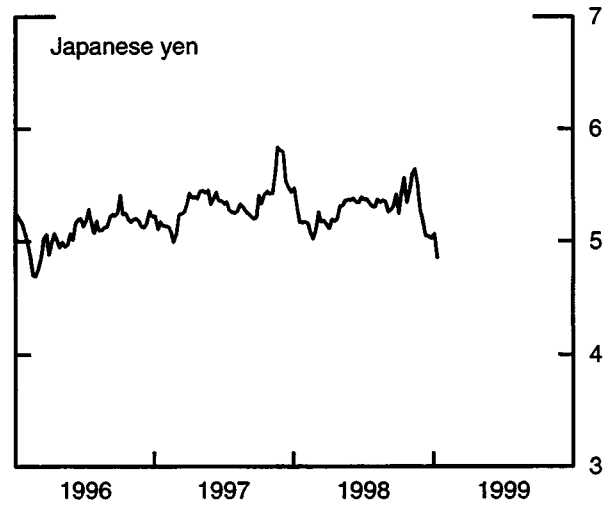
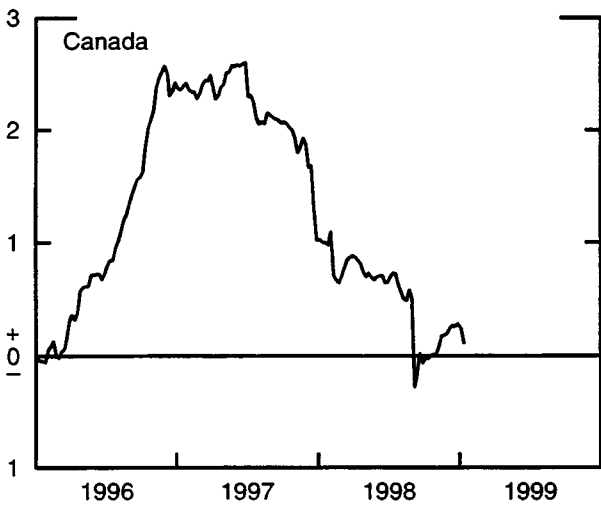
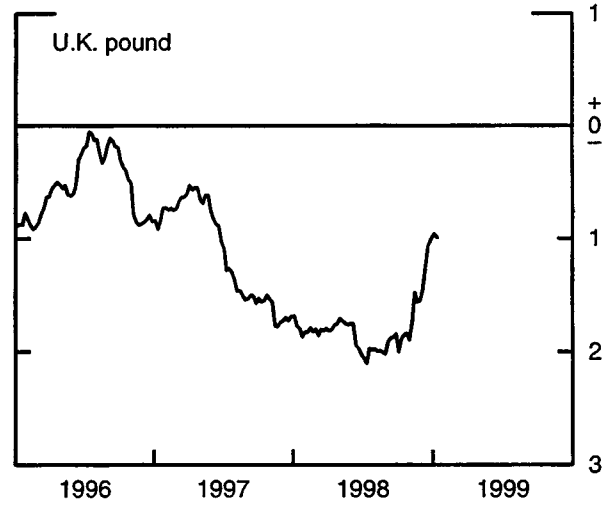


Chart 3

Price of Gold in London (Averages for week ending Wednesday)

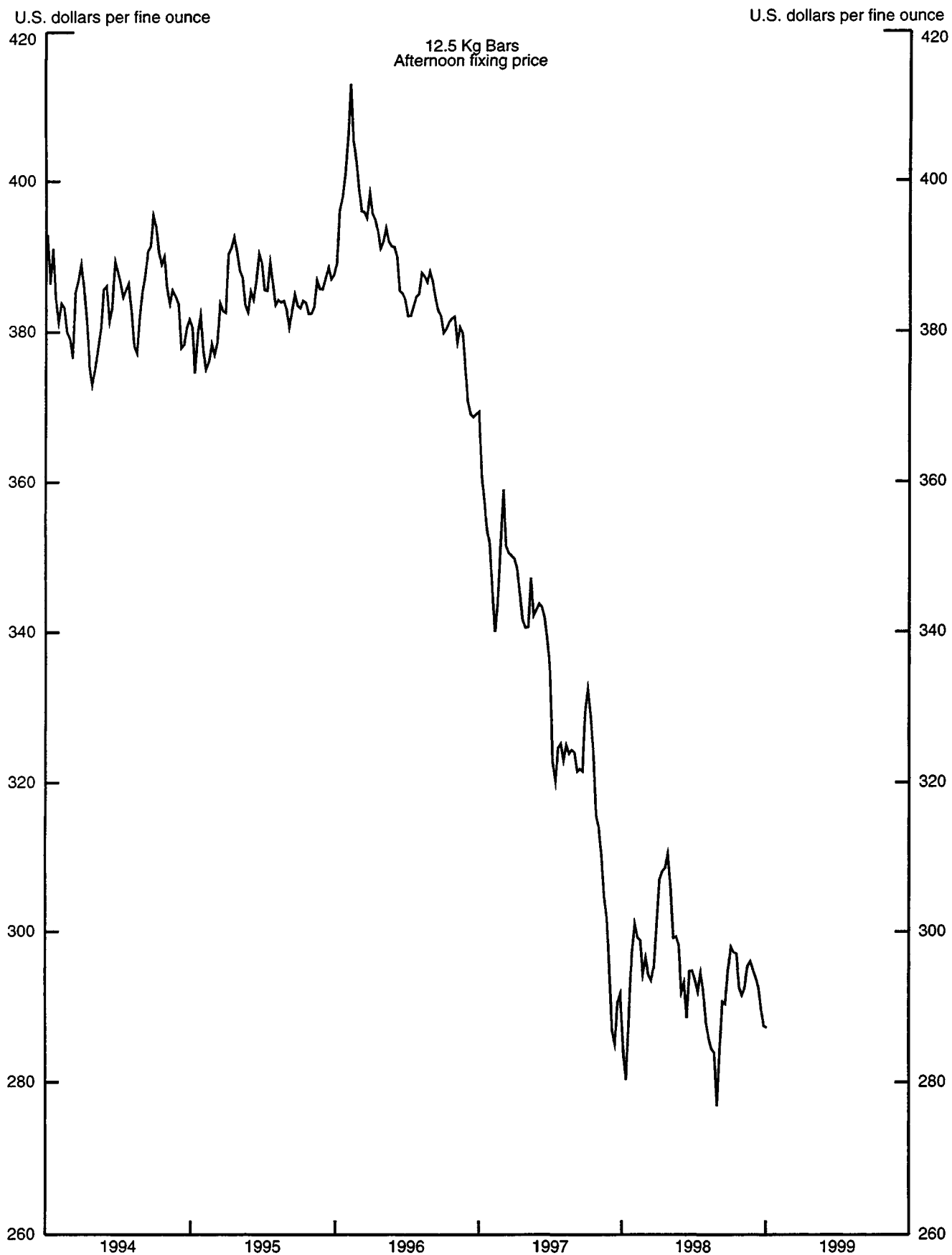
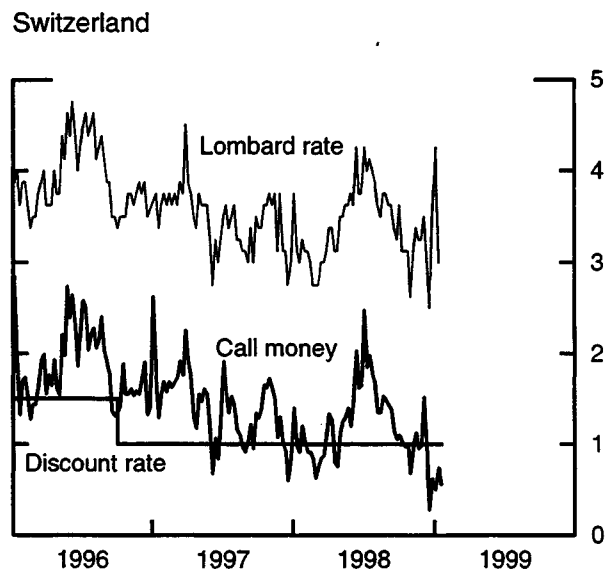
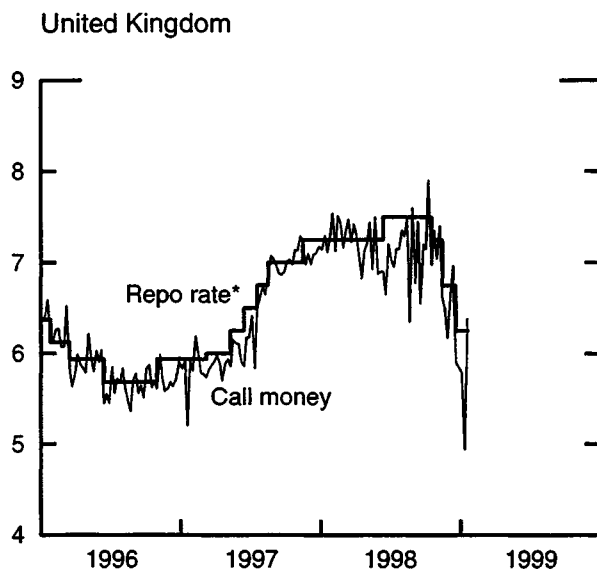
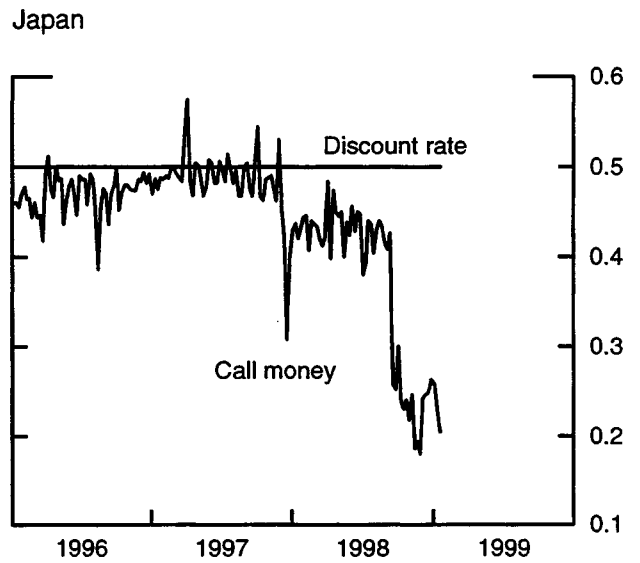
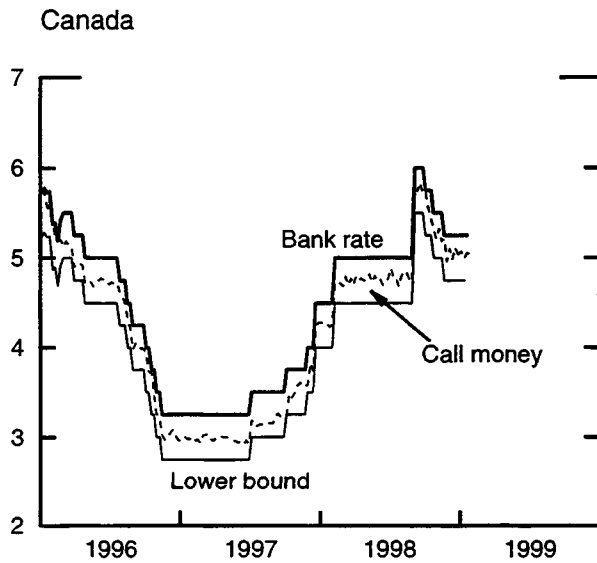
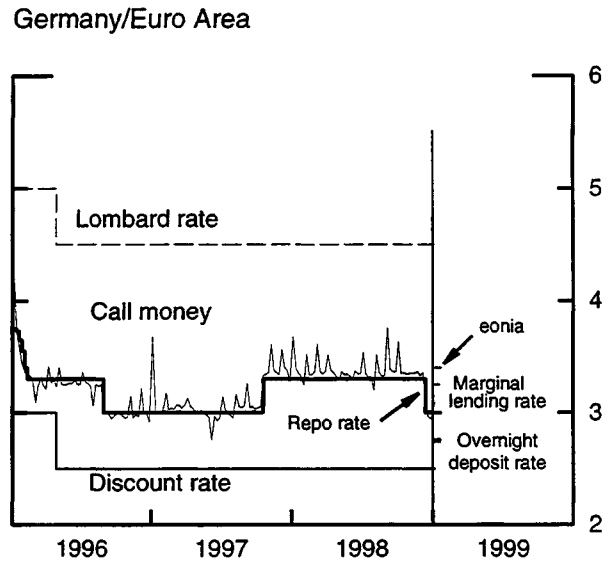
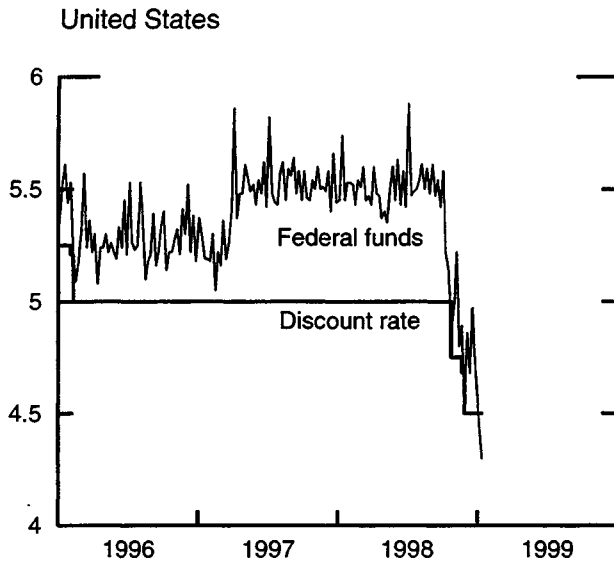


Chart 4

Overnight Funding Rates and Official Interest Rates

(Averages for week ending Wednesday, percent per annum)

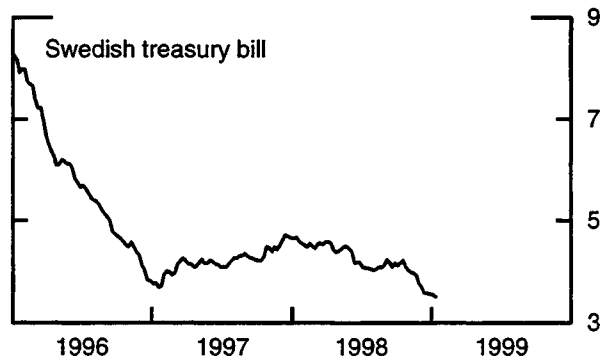
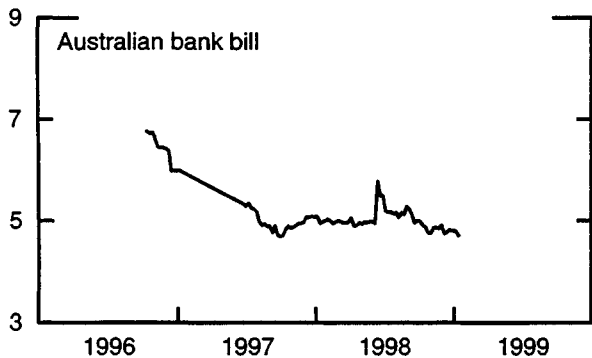
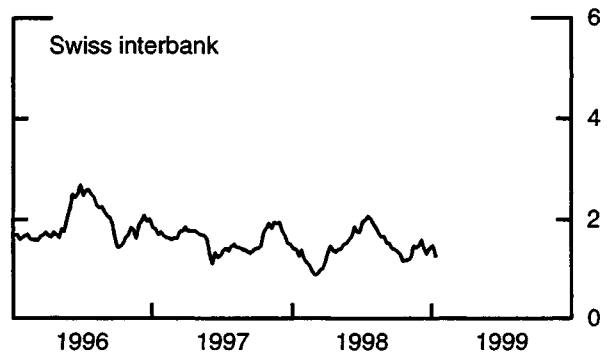
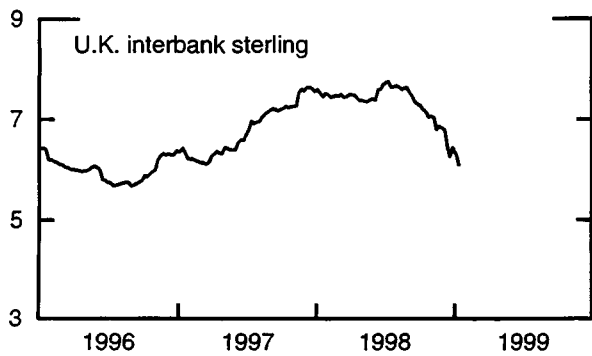
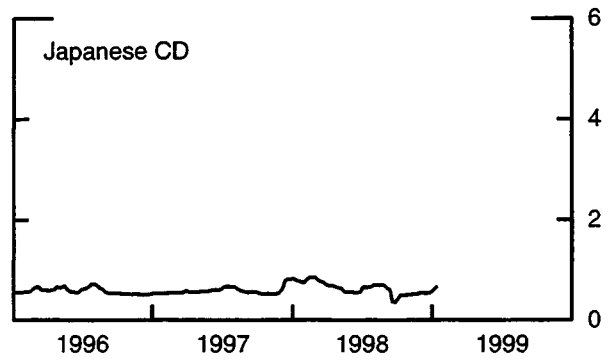
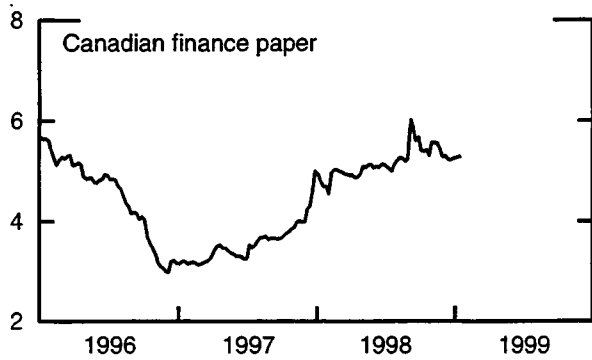
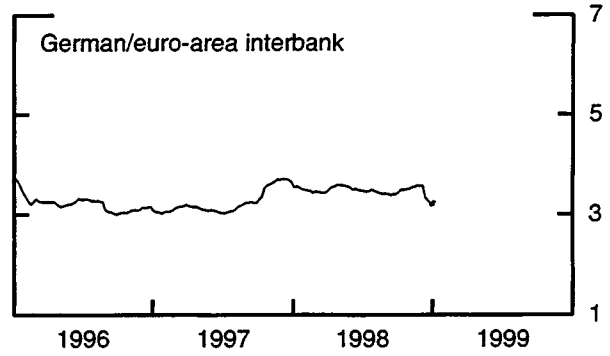
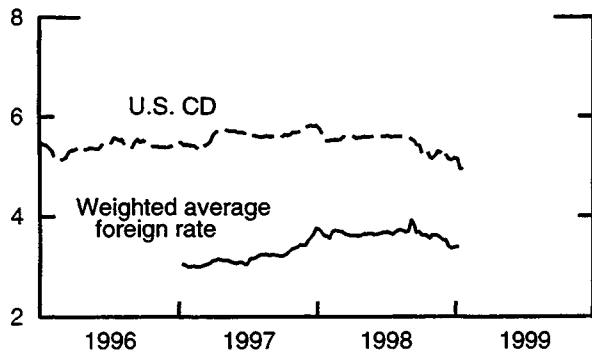


* Money-market dealing rate prior to March 1997.

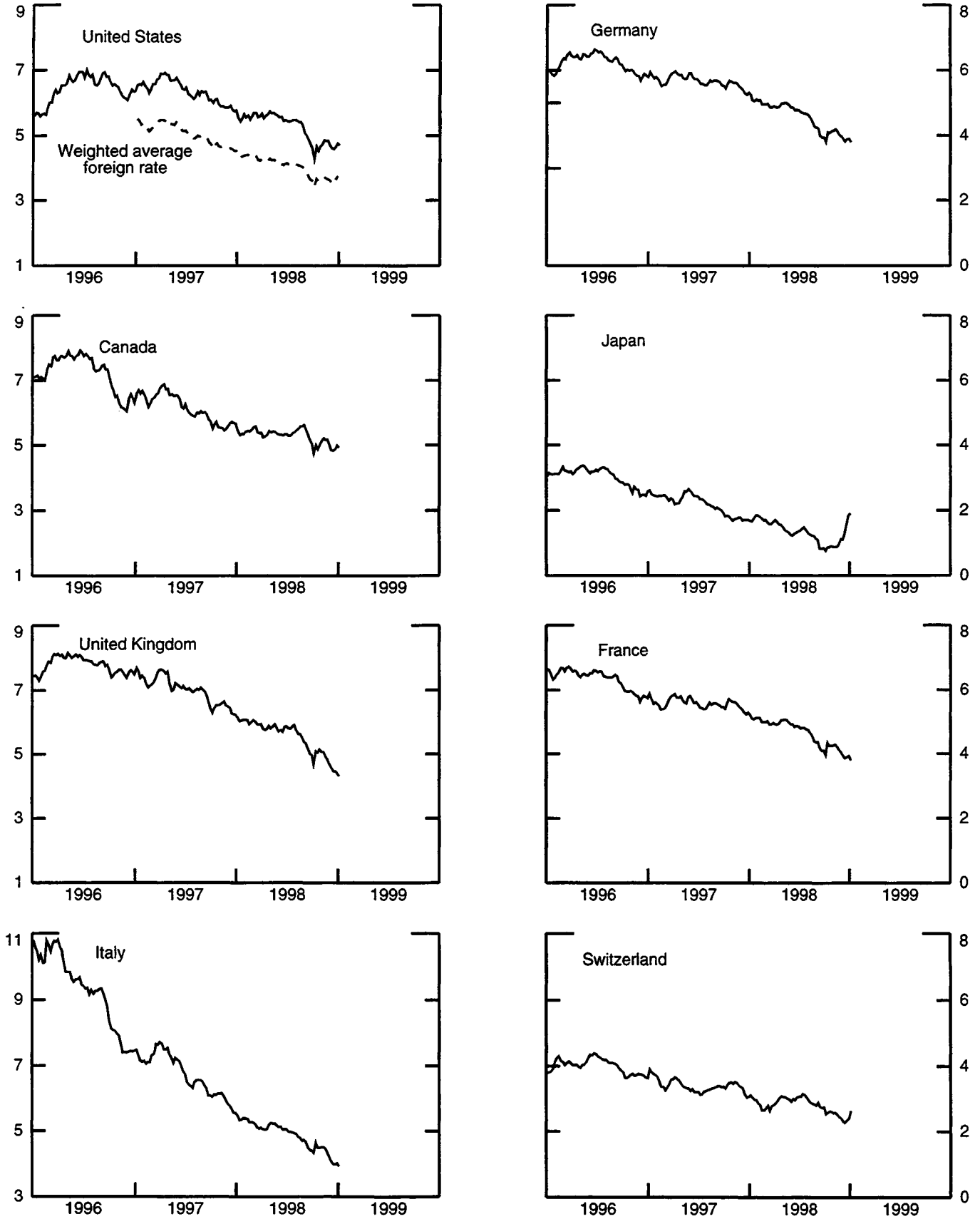
Chart 5

3-Month Interest Rates

(Averages for week ending Wednesday, percent per annum)

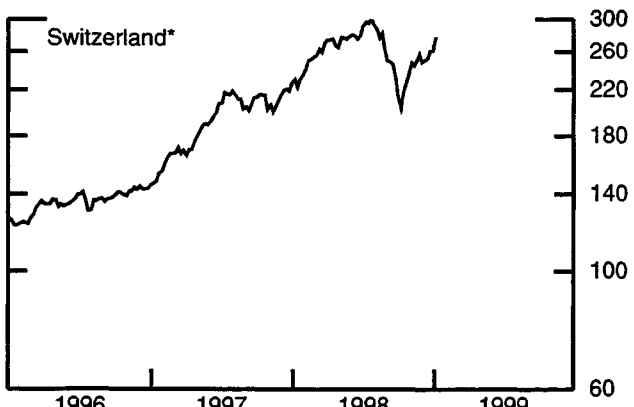
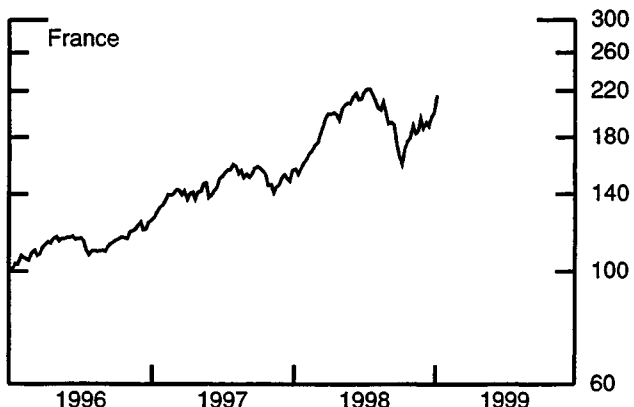
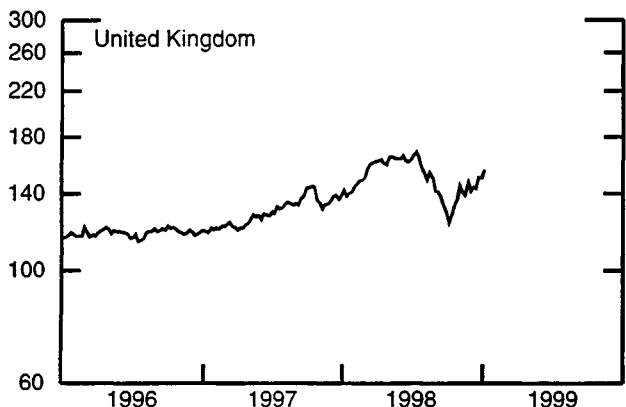
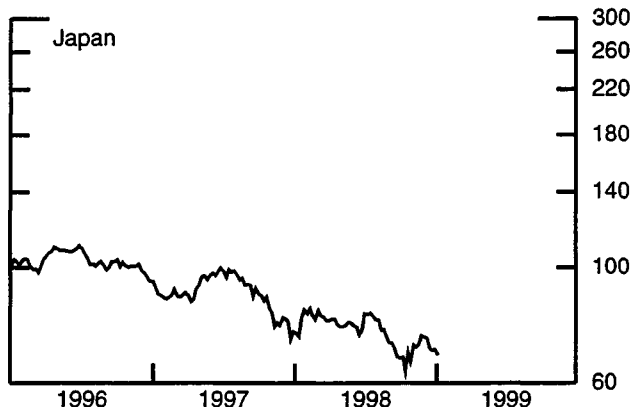
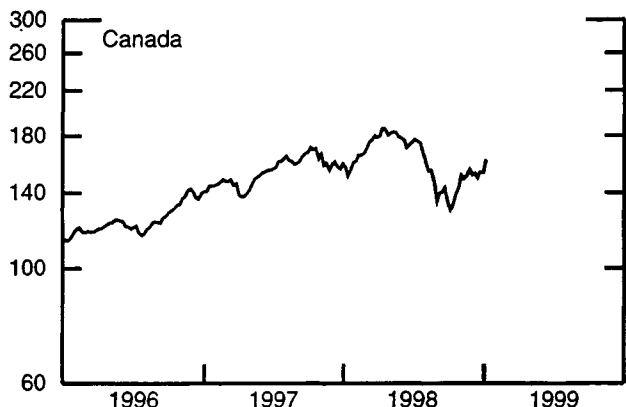
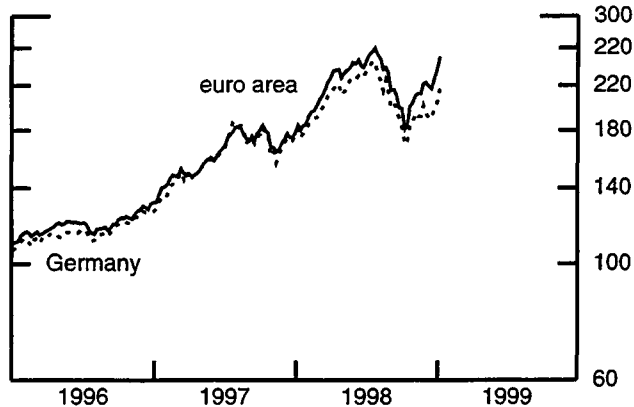
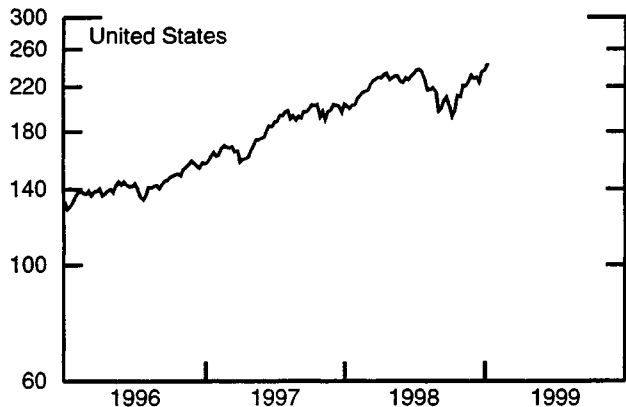


Long-Term Government Bond Yields (Averages for week ending Wednesday, percent per annum)



Stock Indexes

(Averages for week ending Wednesday, ratio scale, December 30, 1994 = 100)



*December 29, 1994 = 100

9-Dec-98 16-Dec-98 23-Dec-98 30-Dec-98 6-Jan-99

Chart 1. Nominal Currency Exchange Values

Noon buying rates (U.S. cents, weekly averages)

Australian dollar	61.8880	62.0580	61.7420	61.0575	62.0175
Canadian dollar	64.991	64.892	64.592	64.462	65.613
Japanese yen	0.83979	0.86012	0.86067	0.86503	0.89059
Restated German mark and euro	116.83	118.11	117.05	116.59	117.36
Swedish krona	12.3700	12.4383	12.4213	12.3420	12.4887
Swiss franc	73.106	74.756	73.657	72.841	72.799
U.K. pound	165.82	168.02	167.79	167.42	165.81

Indexes, March 1973 base rates = 100

Australian dollar	43.80	43.92	43.70	43.21	43.89
Canadian dollar	64.78	64.68	64.38	64.25	65.40
Japanese yen	219.89	225.21	225.35	226.49	233.19
Restated German mark and euro	168.04	169.88	168.35	167.68	168.80
Swedish krona	54.78	55.08	55.01	54.66	55.31
Swiss franc	235.19	240.50	236.97	234.34	234.21
U.K. pound	67.07	67.96	67.87	67.72	67.06

Chart 2. 3-Month Forward Exchange Rates, Premium or Discount

Australian dollar	0.51	0.44	0.44	0.40	0.32
Canadian dollar	0.27	0.26	0.28	0.25	0.12
Euro	ND	ND	ND	ND	1.82
Japanese yen	5.05	5.04	5.03	5.07	4.86
Swiss franc	3.78	3.87	3.78	3.73	3.69
U.K. pound	-1.26	-1.07	-1.01	-0.95	-0.99

Chart 3. Gold Price in London, Afternoon Fixing

U.S. dollars per fine ounce	293.86	292.55	289.51	287.35	287.16
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Chart 4. Overnight Funding Rates and Official Interest Rates

United States					
Federal funds	4.68	4.97	4.69	4.48	4.30
Discount rate	4.50	4.50	4.50	4.50	4.50
Canada					
Bank rate	5.25	5.25	5.25	5.25	5.25
Call money	4.98	5.11	5.04	5.07	4.99
Lower bound	4.75	4.75	4.75	4.75	4.75
Euro area					
Marginal lending rate	ND	ND	ND	ND	3.25
Eonia	ND	ND	ND	ND	3.40
Repo rate	3.00	3.00	3.00	3.00	3.00
Overnight deposit rate	ND	ND	ND	ND	2.75
Japan					
Call money	0.25	0.25	0.26	0.26	0.23
Discount rate	0.50	0.50	0.50	0.50	0.50
Switzerland					
Lombard rate	3.00	2.50	3.50	4.25	3.00
Call money	0.94	0.28	0.61	0.50	0.74
Discount rate	1.00	1.00	1.00	1.00	1.00
United Kingdom					
Call money	6.96	5.90	5.85	5.78	4.94
Repo rate	6.75	6.25	6.25	6.25	6.25

9-Dec-98 16-Dec-98 23-Dec-98 30-Dec-98 6-Jan-99

Chart 5. 3-Month Interest Rates

U.S. 90-day CD's, secondary market	5.14	5.13	5.16	5.15	4.94
Australian bank bill	4.77	4.82	4.80	4.80	4.71
Canadian finance paper	5.23	5.21	5.24	5.26	5.28
Euro-area interbank	ND	ND	ND	ND	3.26
Japanese CD	0.53	0.53	0.54	0.58	0.65
Swedish treasury bill	3.59	3.58	3.57	3.56	3.51
Swiss interbank	1.40	1.30	1.40	1.47	1.26
U.K. interbank sterling	6.46	6.24	6.41	6.31	6.09
Weighted average foreign interest rate	3.39	3.35	3.37	3.38	3.36
(Canada, euro area, Japan, United Kingdom, Switzerland, Australia, and Sweden)					

Chart 6. Long Term Government Bellwether Bond Yields
10-year maturity, where available

Canada	4.85	4.84	4.88	4.99	4.93
France	3.94	3.86	3.89	3.92	3.80
Germany	3.89	3.82	3.88	3.90	3.79
Italy	4.09	3.99	3.99	4.02	3.93
Japan	1.10	1.27	1.53	1.84	1.90
Switzerland	2.31	2.28	2.34	2.41	2.64
United Kingdom	4.59	4.46	4.46	4.40	4.31
United States	4.61	4.58	4.66	4.75	4.70
Weighted average foreign interest rate	3.52	3.52	3.64	3.75	3.72
(Canada, euro area, Japan, United Kingdom, Switzerland, Australia, and Sweden)					

Chart 7. Stock Indexes (Wednesday figures)

Canada	152.04	149.13	153.01	152.60	161.51
France	191.78	188.56	196.46	199.90	215.68
Germany	189.45	190.69	198.64	203.19	216.62
Euro area*	219.04	216.74	225.22	234.17	249.76
Italy	216.76	216.97	227.85	235.10	248.19
Japan	73.17	70.13	69.43	69.72	67.91
Switzerland**	249.91	251.64	260.22	260.62	277.13
United Kingdom	143.96	143.29	150.58	150.42	155.43
United States	229.05	224.31	234.70	236.82	243.49

Indices (in order, rebased to December 30, 1994, **December 29, 1994) are Toronto Composite, SBF250, FAZ Aktien, *Dow Jones EURO stock index, Banca Italiana General, Tokyo SE (Topix), Swiss Performance Index, Financial Times Ordinary, NYSE Composite