FEDERAL RESERVE statistical release

These data are released each Monday. The availability of the release will be announced when the information is available, on (202) 452-3206.

H.15 (519)

For immediate release
December 11, 1989

SELECTED INTEREST RATES
Yields in percent per annum

Instruments	1989 DEC 4	1989 DEC 5	1989 DEC 6	1989 DEC 7	1989 DEC 8	This week	Last week	1989 NOV
FEDERAL FUNDS (EFFECTIVE)[1][2][3]	8.53	8.51	8.47	8.48	8.46	8.52	8.51	8.55
COMMERCIAL PAPER[3][4][5]								
1-MONTH	8.51	8.52	8.52	8.56	8.54	8.53	8.42	8.47
3-MONTH	8.24	8.22	8.22	8.27	8.24	8.24	8.25	8.35
6-MONTH	7.86	7.84	7.85	7.91	7.86	7.86	7.90	8.00
FINANCE PAPER PLACED DIRECTLY[3][4][6]								
1-MONTH	8.39	8.40	8.40	8.40	8.40	8.40	8.21	8.33
3-MONTH	8.00	8.00	8.00	8.01	8.00	8.00	7.97	8.07
6-MONTH	7.33	7.33	7.33	7.33	7.33	7.33	7.34	7.45
BANKERS ACCEPTANCES (TOP RATED)[3][4][7]								
3-MONTH	8.05	8.07	8.12	8.17	8.11	8.10	8.12	8.21
6-MONTH	7.69	7.69	7.77	7.82	7.70	7.73	7.77	7.86
CDS (SECONDARY MARKET)[3][8]								
1-MONTH	8.52	8.53	8.54	8.59	8.56	8.55	8.43	8.44
3-MONTH	8.22	8.23	8.23	8.35	8.28	8.26	8.27	8.39
6-MONTH	8.01	8.02	8.01	8.11	8.04	8.04	8.09	8.21
EURODOLLAR DEPOSITS (LONDON)[3][9]								
1-MONTH	8.56	8.56	8.56	8.63	8.69	8.60	8.50	8.45
3-MONTH	8.31	8.31	8.31	8.38	8.44	8.35	8.33	8.42
6-MONTH	8.06	8.06	8.06	8.13	8.19	8.10	8.11	8.22
BANK PRIME LOAN[2][3][10]	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
DISCOUNT WINDOW BORROWING[2][11]	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
U.S. GOVERNMENT SECURITIES								
TREASURY BILLS								
AUCTION AVERAGE[3][4][12]								
3-MONTH	7.55					7.55	7.63	7.65*
6-MONTH	7.30					7.30	7.45	7.46*
1-YEAR								7.17
AUCTION AVERAGE(INVESTMENT)[12]								
3-MONTH	7.80					7.80	7.89	7.91*
6-MONTH	7.69					7.69	7.85	7.86*
SECONDARY MARKET[3][4]								
3-MONTH	7.55	7.56	7.64	7.69	7.61	7.61	7.63	7.69
6-MONTH	7.37	7.29	7.35	7.40	7.33	7.35	7.43	7.49
1-YEAR	7.17	7.17	7.24	7.30	7.22	7.22	7.21	7.25
TREASURY CONSTANT MATURITIES[13]								
1-YEAR	7.68	7.68	7.76	7.82	7.73	7.73	7.73	7.77
2-YEAR	7.72	7.72	7.80	7.85	7.78	7.77	7.76	7.80
3-YEAR	7.73	7.71	7.79	7.84	7.77	7.77	7.76	7.80
5-YEAR	7.70	7.70	7.76	7.80	7.73	7.74	7.77	7.81
7-YEAR	7.79	7.79	7.84	7.88	7.83	7.83	7.83	7.86
10-YEAR	7.82	7.82	7.85	7.88	7.82	7.84	7.85	7.87
30-YEAR	7.88	7.88	7.91	7.93	7.88	7.90	7.91	7.90
COMPOSITE								
OVER 10 YEARS(LONG-TERM)[14]	8.00	8.00	8.03	8.05	8.01	8.02	8.03	8.03
CORPORATE BONDS								
MOODY'S SEASONED								
AAA	8.85	8.85	8.85	8.87	8.86	8.86	8.88	8.89
BAA	9.80	9.81	9.82	9.82	9.81	9.81	9.83	9.81
A-UTILITY[15]						9.29	9.26	9.28
STATE & LOCAL BONDS[16]				7.00		7.00	7.04	7.14
CONVENTIONAL MORTGAGES[17]					9.76	9.76	9.74	9.77

SEE OVERLEAF FOR FOOTNOTES

* Corrected. Treasury bill auction averages for October also were changed, to 7.63 and 7.61 percent for the 3-and 6-month bill rates (discount basis), and to 7.88 and 8.03 percent for the 3- and 6-month bill rates (investment yield). The monthly auction averages changed because the 3- and 6-month Treasury bills auctioned on October 30 were issued on Tuesday, October 31, not Thursday, November 2 as previously recorded.

FOOTNOTES

1. The daily effective federal funds rate is a weighted average of rates on trades through N.Y. brokers.
2. Weekly figures are averages of 7 calendar days ending on Wednesday of the current week; monthly figures include each calendar day in the month.
3. Annualized using a 360-day year or bank interest.
4. Quoted on a discount basis.
5. An average of offering rates on commercial paper placed by several leading dealers for firms whose bond rating is AA or the equivalent.
6. An average of offering rates on paper directly placed by finance companies.
7. Representative closing yields for acceptances of the highest rated money center banks.
8. An average of dealer offering rates on nationally traded certificates of deposit.
9. Bid rates for Eurodollar deposits at 11 a.m. London time.
10. One of several base rates used by banks to price short-term business loans.
11. Rate for the Federal Reserve Bank of New York.
12. Auction date for daily data; weekly and monthly averages computed on an issue-date basis.
13. Yields on actively traded issues adjusted to constant maturities. Source: U.S. Treasury.
14. Unweighted average of rates on all outstanding bonds neither due nor callable in less than 10 years, including one very low yielding "flower" bond.
15. Estimate of the yield on a recently offered, A-rated utility bond with a maturity of 30 years and call protection of 5 years; Friday quotations.
16. Bond Buyer Index, general obligation, 20 years to maturity, mixed quality; Thursday quotations.
17. Contract interest rates on commitments for fixed-rate first mortgages. Source: FHLMC.

Note: Weekly and monthly figures are averages of business days unless otherwise noted.

DESCRIPTION OF THE TREASURY CONSTANT MATURITY SERIES

Yields on Treasury securities at 'constant maturity' are interpolated by the U.S. Treasury from the daily yield curve. This curve, which relates the yield on a security to its time to maturity, is based on the closing market bid yields on actively traded Treasury securities in the over-the-counter market. These market yields are calculated from composites of quotations reported by five leading U.S. Government securities dealers to the Federal Reserve Bank of New York. The constant maturity yield values are read from the yield curve at fixed maturities, currently 1, 2, 3, 5, 7, 10, and 30 years. This method provides a yield for a 10-year maturity, for example, even if no outstanding security has exactly 10 years remaining to maturity.