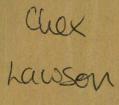
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PART A CHANCELLOR'S PAPERS ON FOREIGN EXCHANGE RESERVES AND INTERVENTION IN

INTERNATIONAL MARKETS

DD:25 years 27/9/95

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jus: 11/5/88 Ends: 3/10/88 (CONTINUED)





Jaguar plc

FROM THE OFFICE OF THE CHAIRMAN AND CHIEF EXECUTIVE

Sir John Egan

Browns Lane Allesley Coventry CV5 9DR England

Telephone: 0203 402121 Telex: 31622

11th May 1988

The Rt Hon Mrs Margaret Thatcher, MP Prime Minister 10 Downing Street LONDON SW1 A2AA

Dear Prime Minister

Thank you very much for inviting me to the dinner in honour of the Japanese Prime Minister; it was a thoroughly enjoyable evening and encouraging because of also the growing self-confidence and obvious sense of purpose of British industrialists. It is becoming clear that the growing Japanese investment in the UK, coupled with a more receptive attitude towards change on the part of British businessmen, could result in our being the first European country to really learn from the Japanese managerial revolution.

You were kind enough to ask how Jaguar was progressing. We are working hard to improve our business, but are currently under enormous threat from the exchange rates, particularly the relationship between sterling and the US dollar. Put simply, at today's rates of approaching \$1.90 to the f, and with current levels of efficiency, we would be trading at little better than break-even. Our hedging policy has given us a further 15 months of acceptable currency rates, at the end of which time we will have to have achieved a 50% increase in productivity in order to maintain satisfactory levels of profitability. Clearly an improvement of this magntitude will require radical changes in our business. Whilst the vast majority of our workforce understand this and are generally sympathetic to our ideas and objectives, their Trades Unions still drag their feet. In our recent campaign to improve productivity at our Browns Lane plant, the first action of the union movement was to ballot their members for a strike mandate on the basis that this would secure a stronger bargaining position. Against the background of a number of high profile disputes in the UK motor industry in the last few months, this action generated a lot of unwelcome publicity for Detailed discussions then followed, and we modified a us. number of our proposals in line with the views expressed by our employees who eventually accepted the position.

> Registered Office Browns Lane Allesley Coventry CV5 9DR



As a general principle, I believe that industrial relations legislation should specify that any ballot on strike action be conducted on a specific proposal, or set of conditions rather than be used as a form of open-ended bargaining counter for the unions before serious negotiations start. A Judge or Court could then order a re-ballot if conditions have materially altered.

I believe Britain's industrial renaissance is still a little fragile and many of the large exporters will need help on exchange rates for some time yet. We are striving to be world class but our system still slows down our ability to change rapidly enough if exchange rates move too quickly.

Yours sincerely

BETOM ~ 2919 30 9

## **10 DOWNING STREET**

We spoke. Updde a the andange rate please!

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C. cc Miss Marz We spoke. Vsorry to humber you with this.

Mpn.

KAMACE

CC HMT .

# 10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

Si John K.

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Add 12 May 1988

I enclose a letter dated ll May from Sir John Egan, Chairman of Jaguar, to the Prime Minister. I should be most grateful if you could let me have a contribution to a draft reply covering the point Sir John raises in his penultimate paragraph concerning industrial relations legislation.

I should be grateful if Moira Wallace (Chancellor's office) could let me have a contribution on Sir John's comments on the exchange rate.

It would be helpful to have these contributions by Thursday 26 May.

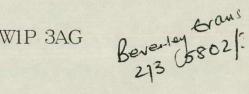
(PAUL GRAY)

Nicholas Wilson, Esq., Department of Employment.

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Paul Gray Esq Private Secretary 10 10 Downing Street 10 SWIA OAA

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27 May 1988

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LONDON

Dear Print

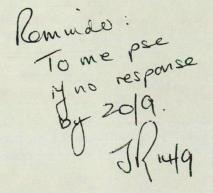
You sent me a copy of your letter of 12 May to Nicholas Wilson covering Sir John Egan's letter to the Prime Minister.

I enclose a contribution on exchange rates for the Prime Minister's reply.

Yaurs,

Mor

MOIRA WALLACE Private Secretary



### CONTRIBUTION TO LETTER FROM PRIME MINISTER TO SIR JOHN EGAN

"You also commented on the problems you faced because of the rise in sterling's exchange rate, particularly against the dollar. I do, of course, recognise your concerns. Since you wrote, we have cut interest rates by a further  $\frac{1}{2}$  per cent, and I set out our policy fully in the House of Commons on 17 May."

CONFIDENTIAL

CC

MR DERETZ 1. 2. CHANCELLOR

FROM: N P WILLIAMS DATE: 24 August 1988

> Economic Secretary Sir G Littler o/r Mr Scholar Mrs Lomax o/r Mr Ilett Mr Gilhooly Miss O'Mara o/r Miss Noble Mr Watts o/r Mrs Ryding Mr Nelson - TSol Mr Hyett Mr O'Connor - I.R

ECU TREASURY BILL PROGRAMME

The Bank have now worked up more detailed proposals for the ecu bill programme in the attached draft information memorandum which takes account of a number of our comments. Applications have been received from 13 UK banks to act as market-makers and, subject to your clearance, the Bank would like to use the attached draft as a basis for talks with a number of European and US banks next week. We may have further detailed comments on the memorandum, but we are broadly content with it as it stands and recommend that the Bank be allowed to proceed subject to making the amendment mentioned in paragraph 2(i) below. The Bank intend to be ready to publish a final memorandum by 16 September, before the informal ECOFIN.

2. The main points you might like to note are:

(i) tax - the Revenue have said that they do not propose to deduct tax at source. Since a commitment on future tax cannot be given the text will need to read "any taxes" rather than "any present or future taxes".

(ii) replacement currency - in the event that the ecu ceases to exist as the unit of account of the EMCF, holders of the bills may opt to receive the equivalent ecu amount of a replacement currency nominated by the Bank as Paying Agent. This means either the US dollar or a component currency of the ecu which is freely usable (ie sterling, the deutschemark or the French franc);

#### CONFIDENTIAL

(iii) method of tender - this section sets out the rules for the first seven tenders, which will be on a bid-price basis, over the period to April 1989. The rules and indeed the whole memorandum could be revised after that in the light of experience;

(iv) market makers - the only unexpected omission from the list so far is Kleinwort Benson who apparently do not want to develop their short-term money market operations. Apart from 13 UK banks, the other market-makers are expected to include approximately 12 EC banks, 7 US securities houses and banks and 3 Swiss banks. There will be no Japanese market-makers, as agreed in response to Sir G Littler's minute to you of 22 August;

(v) secondary market liquidity - market-makers are required to provide active support at the initial series of tenders and to act as market-makers to ensure liquidity in the secondary market. In return, the Bank will only sell bills taken into its portfolio into the secondary market through market-makers and, at least initially, undertake to make a price for any bills that they may offer to the Bank.

3. We think that this kind of market support operation, which is akin to arrangements in the sterling Treasury bill market, is necessary at least in the initial stages of the development of the ecu bill market. The Bank will make below-market prices to discourage indiscriminate selling of the bills. They will be held outside the EEA so that buying in will lead to a reduction in the reserves. We might want to reconsider these support operations after the initial series of tenders, but there is an argument for continuing with them because the bills cannot count as primary liquidity for banks if they are not rediscountable.

4. Are you content with our recommendation that the Bank use this draft of the memorandum amended as proposed in para 2(i) as a basis for further consultation with overseas banks and securities houses?

N P WILLIAMS

CONFIDENTIAL





FROM: MISS M P WALLACE DATE: 26 August 1988

#### MR N P WILLIAMS

cc Economic Secretary Sir G Littler Mr Scholar Mrs Lomax Mr Ilett Mr Gilhooly Miss O'Mara Miss Noble Mr Watts Mrs Ryding Mr Nelson Mr Hyett T.Sol Mr O'Connor IR Mr Peretz

#### ECU TREASURY BILL PROGRAMME

The Chancellor has seen your minute of 24 August, and is content for the Bank to proceed, subject to the amendments you proposed.

MOIRA WALLACE

THE GOVERNOR'S PRIVATE SECRETARY HO-P THE DEPUTY GOVERNOR'S PRIVATE SECRETARY HO-P MR LOEHNIS HO-P MR GEORGE HO-P MR W A ALLEN HO-P MR ALTHAUS HO-G MR A F BUSHELL HO-4 MR CHARKHAM HO-4 MR T A CLARK HO-M MR COLEBY HO-P MR FOOT HO-2 MR GILL HO-3 MR GREEN HO-3 MR J G HILL HO-G MR LATTER HO-2 MR KIRBY HO-3 MR PLENDERLEITH HO-P MS M V LOWTHER HO-G MR PRICE HO-3 MR SMEETON HO-2

MR TOWNEND HO-P MR WARLAND HO-1 MR ARROWSMITH HO-3 MR BAILEY HO-2 MISS C M BALFOUR BB-4 MR BRIAULT/ MR M E F JONES HO-G MR CARTER HO-M MR COLLINS HO-M MR DE HOEST HO-4 MR DORRINGTON HO-4 MR G I EVANS HO-2 MR EXETER HO-2 MISS T A GRAY HO-4 MISS HOPKINSON HO-3 MR ILES HO-3 MR JENKINSON HO-2 MR M R LEWIS HO-3 MR MCCONNACHIE HO-G MR MIDGLEY HO-4

MR C M MILES HO-2 MR MILNE HO-G MR MORTIMER-LEE HO-G MR PAGE HO-2 MR SAGAR HO-3 MR I D SAVILLE HO-2 MRS SERGEANT HO-3 MR SHEPPARD HO-4 MS STONEFROST HO-M MR THORP BB-1 MR URWIN HO-2 MR R G WARE HO-3 MR R P WEBSTER HO-3 MR P A D WRIGHT HO-4 DEALERS GIMLET HO-2 GROUP 9, ID HO-2 GROUP 11, ID HO-2 GROUP 12, BSD HO-2 LORD RICHARDSON PADS

## US FINANCIAL DEVELOPMENTS

The latest weekly summary of developments in monetary policy and the financial markets is attached.

International Division Group 1, HO-3 5 September 1988

R T Thorne (4385)

5. 9.88

- Friday's weaker than expected employment data caused earlier speculation of an imminent further tightening in Fed policy to evaporate, and also caused bill rates to fall by 10 bp and long-term bond rates to fall by 25 bp. However, speculation in some quarters that the Fed's action already this year may have succeeded in slowing the economy sufficiently to avoid accelerating inflation seems to be premature, and the market may have overreacted to the employment data. The dollar showed some weakness following Friday's fall in interest rates.
- Before the data's release, there were reports that the split between regional Fed Presidents and some Fed Governors over the speed of Fed tightening was continuing. There were reported signs that new Fed Governor John LaWare may side with the regional Presidents in the dispute.
- Fed reserves policy remained stable last week, although technical factors have placed some pressure on reserves over the last couple of days.



## (a) No Fed action likely

Last Friday's weaker than expected employment data abruptly changed the market's mood, from fear of further Fed tightening to talk that the Fed's action already this year may have succeeded in slowing the economy sufficiently to avoid accelerating inflation. Such talk is surely premature, based as it is on little more than a single economic release, but analysts had invested the employment data with great significance, not least in the Fed decision-making process. The Fed may indeed regard the moderation in employment growth with some satisfaction.

2 Despite this latest development, it still seems likely that in the coming months pressure will again begin to build for a tightening of policy. Earlier last week there were reports that the split on the FOMC between regional Fed Presidents and some Fed Governors over the speed with which rates should be tightened was continuing. The regional Presidents might be said to have won one round with the unanimous FRB decision last month to raise the discount rate, but the latest data has gone some way to evening the score.

3 The regional Presidents tend to watch economic indicators, and have been alarmed by signs of capacity pressures and of an upturn in wages in recent months. Several of the Governors, notably Johnson, Seger and Angell, are said to pay more attention to the three financial indicators that Johnson made a wide-reportedly speech about in February, but which have since seemed to play only a back-seat role in policy: they are the dollar, commodity prices and the yield curve. With the dollar strong over the last few months and the yield curve having flattened, the financial indicators have not pointed to the need for tightening, and even the commodity price strength this year has been partly attributable to the drought, the effects of which should be discounted, according to Governor Angell.

4 An interview with the newly appointed Fed Governor, John LaWare, last week gave some clues as to where he is likely to stand in the debate. LaWare has been appointed for his banking, rather than economic, expertise, and has been reported not to have particularly forthright views on monetary policy. The broad thrust of his remarks in the interview indicated support for current Fed policy, including possible tightening in future if capacity constraints continue. Although he said that he looks at both economic and financial data before forming views on policy, the tenor of his remarks were reported to suggest that he puts more weight on economic data and so may possibly side with the regional Presidents. When the minutes of the August FOMC meeting (the first he has attended) are released later this month, they may provide further evidence of his position if there was a split vote.

## (b) International policy co-ordination

5 The Japanese decision so far not to follow West Germany's 1/2% point increase in the discount rate has raised press speculation of a policy split between the two countries over the dollar's value. In the absence of any US official comment on the subject, press opinion has been divided over which side the US might take in such a dispute. Some say that the US and Japan have bilaterally agreed to support the dollar, not least because of the forthcoming Presidential election, and that the US is privately annoyed with West Germany that it has tightened policy and hence restrained domestic growth. Others see the US as on West Germany's side in wishing to avoid a counterproductively large dollar rise, with Japan failing to co-operate in the intervention. There seems to be little firm evidence behind either story.

#### MONEY

5 Ml and M2 both rose by a brisk 0.2% in the week ending 22 August, following a slight fall in the week before. Ml rose by a sharp 0.4%, which was nevertheless close to market expectations and followed declines in the two previous weeks.

#### RESERVES AND POLICY IMPLEMENTATION

6 Average adjustment and seasonal borrowing from the Fed's discount window rose by \$53 mn to \$645 mn in the week ending 31 August. Although this was above the previously perceived \$550-600 mn Fed target, Fed policy was seen as having been 2



steady. The high level of borrowing was instead attributed by some to high levels of seasonal discount window borrowing, particularly by agricultural banks, whose loans to farmers are at a seasonal peak just before funds from the harvest enable them to be repayed. The peak is likely to have been exacerbated by the effects of the drought.

7 The current target for the Fed funds rate is seen as being 8-8 1/4%, but the rate has run at the top end of that range in the last couple of days for technical reasons, causing the Fed to add reserves modestly. The normal pressure on reserves over the Labour Day weekend because of high cash withdrawals was supplemented by banks' need to find funds to pay for the Treasury cash management bill auctioned early last week and for substantial social security payments.

## MARKET DEVELOPMENTS (29 August-2 September)

8 On Friday, Treasury bond yields dropped by about 25 bp, the biggest single-day fall since January, in response to the weaker than expected August employment data, which prompted speculation that inflationary pressures might have started to ease. Bill rates fell by 10 bp also, as earlier speculation that the Fed might further tighten evaporated. The most striking element of the employment data was the 0.2% point rise in the unemployment rate, although this series can be volatile. The downward revision to July payroll employment and the weak August average workweek and hourly pay data reinforced the figure's message, but nevertheless some said that the market overreacted to the data.

9 Earlier in the week, long rates had fallen by 10-15 bp in response to the dollar's strength. The dollar had risen particularly strongly against the yen, prompted by the Japanese authorities' failure either to raise the discount rate or to intervene in the foreign exchange market. Although the dollar subsequently showed some weakness against the deutschemark following the fall in interest rates on Friday, the yen's continued weakness limited the dollar's losses against that

## TREASURY AUCTIONS

2

| Monday | 6 September | Auction of \$14.0 bn of three-and six-month bills, |
|--------|-------------|----------------------------------------------------|
|        |             | raising \$300 mn of new cash.                      |

| ECONOMIC IND | ICATORS      |                                                                                                      |
|--------------|--------------|------------------------------------------------------------------------------------------------------|
| Thursday     | 8 September  | Consumer credit; July                                                                                |
| Friday       | 9 September  | Producer price index; August                                                                         |
| Tuesday      | 13 September | Current account; Q2                                                                                  |
| Wednesday    | 14 September | Merchandise trade; July                                                                              |
| Thursday     | 15 September | Industrial production; August<br>Retail sales; August                                                |
| Friday       | 16 September | Business inventories; July<br>Capacity utilisation; August                                           |
| Tuesday      | 20 September | GNP; Q2 (2nd revision)                                                                               |
| Wednesday    | 21 September | Consumer price index; August<br>Personal income and<br>consumption; August<br>Housing starts; August |
| Friday       | 23 September | Durable goods orders; August                                                                         |
|              |              |                                                                                                      |
| OTHER DATES  |              |                                                                                                      |

| Monday  | 5 September  | Labor Day (Public holiday) |
|---------|--------------|----------------------------|
| Tuesday | 20 September | FOMC meeting               |

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| US: MONEY AND BANKING S                                                            | STATISTIC          | s                         |                    |                                     |                                  |                                                         |                                                |                                                    | •                                               |
|------------------------------------------------------------------------------------|--------------------|---------------------------|--------------------|-------------------------------------|----------------------------------|---------------------------------------------------------|------------------------------------------------|----------------------------------------------------|-------------------------------------------------|
| 1 MONETARY AGGREGATES                                                              | Level<br>(\$ bn)   | Change<br>Latest<br>month |                    | el (\$ bn)<br>Previous<br>week/mont |                                  | (ar)<br>weekly average o<br>weeks ended<br>13 weeks ad  | l tar                                          | t و t و t و t و t و t و t و t و t و t و            | range (1988)<br>h \$ bn                         |
| M1 (22. 8.88)<br>M2 (22. 8.88)<br>M3 (22. 8.88)<br>Credit Aggregate (June)         | 3,033.6<br>3,830.8 | + 6.1                     |                    | - 1.9<br>- 0.4<br>- 0.5<br>+58.8    | + 2.0<br>+ 2.1<br>+ 3.3<br>+ 7.9 | + 6.2<br>+ 3.7<br>+ 5.4<br>+ 8.5                        | + 5<br>+ 6<br>+ 6<br>+ 9                       | .2 4-8<br>.4 4-8                                   | 3013.4-3129.3<br>3799.4-3945.6<br>8814.9-9144.4 |
| 2 FINANCIAL STATISTICS                                                             | I                  | Level C<br>(\$ bn)        | hange in<br>Latest | n level ( <b>\$</b><br>week Pre     | bn)<br>vious week                | <pre>% Change (ar) Latest 4 weel Previous 4 weeks</pre> | kly average ov<br>4 weeks ende<br>13 weeks ago | ed                                                 |                                                 |
|                                                                                    | .88)<br>8.88)      | 296.8<br>421.7            | -1.4<br>+1.9       |                                     | -1.8<br>+0.3                     | - 5.4<br>+ 8.0                                          | - 2.2<br>+ 7.2                                 |                                                    |                                                 |
| Money Market<br>Mutual Funds (17.                                                  | 8.88)              | 268.6                     | +3.0               |                                     | +0.8                             | + 4.0                                                   | - 9.5                                          |                                                    |                                                 |
| 3 RESERVES                                                                         |                    |                           | (\$ mn)            | Latest<br>accounting                | GUST<br>level (\$ mn)            |                                                         | LATEST WEEK<br>Level (\$ mn)                   | TO 31 AUGUST<br>Changes in<br>Level Latest<br>Week |                                                 |
| Discount window borrowi                                                            |                    | 3,245                     |                    | period<br>- 94                      |                                  |                                                         | 3,342                                          | + 120                                              |                                                 |
| of which adjustment and<br>seasonal bor<br>extended cre<br>Net free (borrowed) res | rowing<br>edit     | 574<br>2,671<br>415       |                    | - 17<br>- 77<br>+ 216               |                                  |                                                         | 645<br>2,697                                   | + 53<br>+ 67                                       |                                                 |
|                                                                                    |                    |                           |                    |                                     |                                  |                                                         |                                                | Target bases (19<br>M2 2897.5<br>M3 3653.3         | 87 Q4 averages)                                 |
| # Major commercial bar                                                             | nks                |                           |                    |                                     |                                  |                                                         | Credit a                                       | ggregate 8238.2                                    |                                                 |

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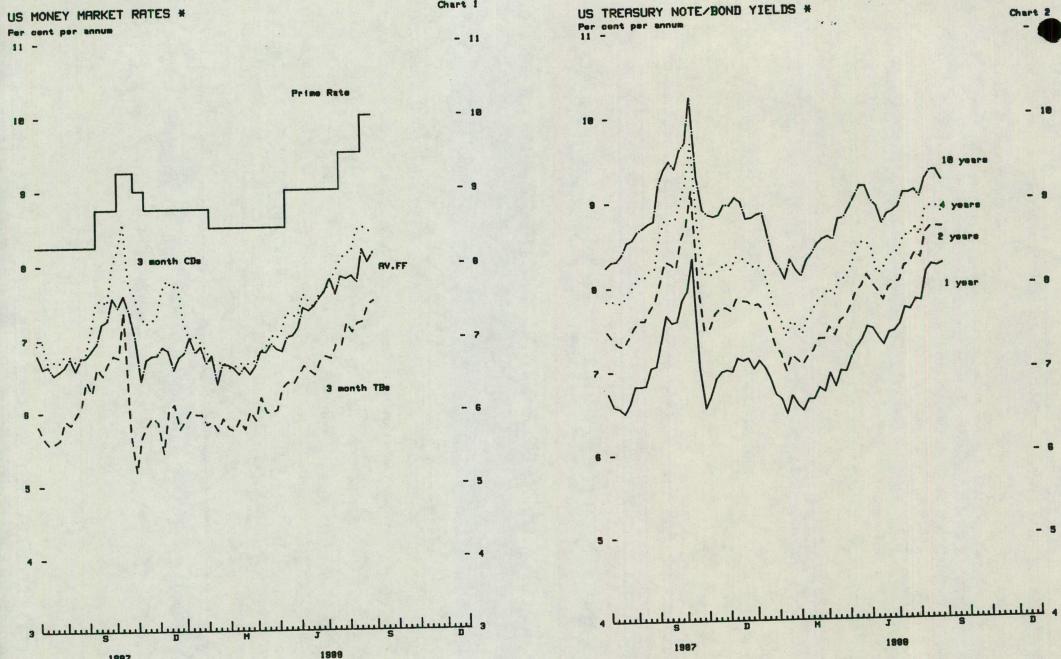


Chart 1

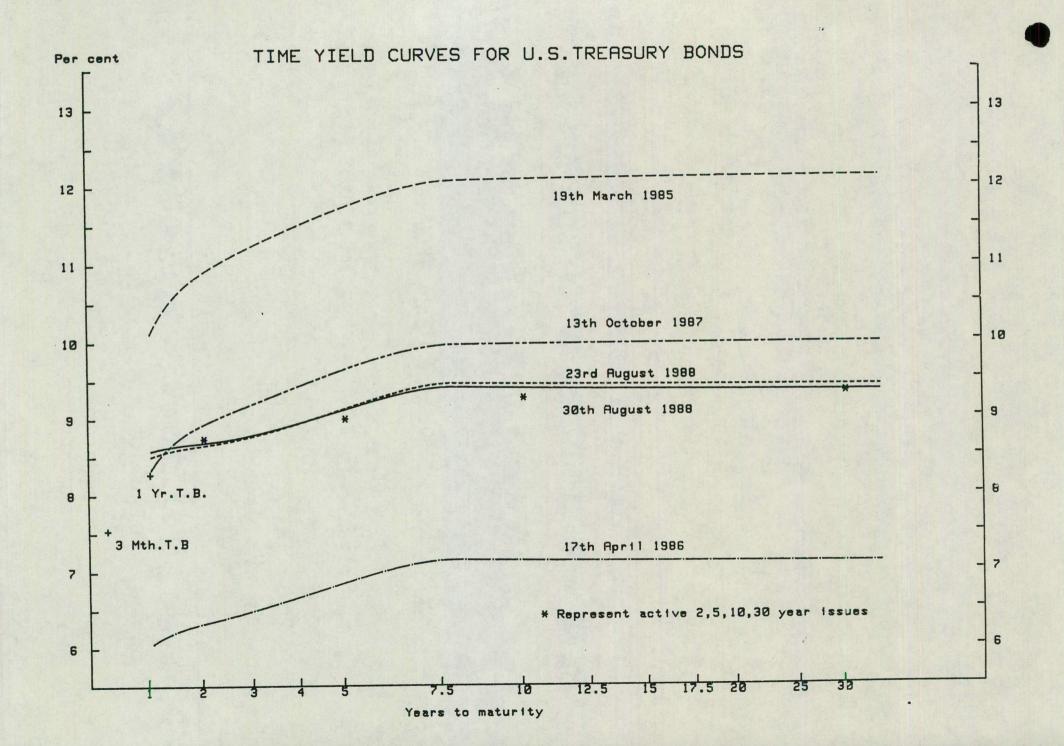
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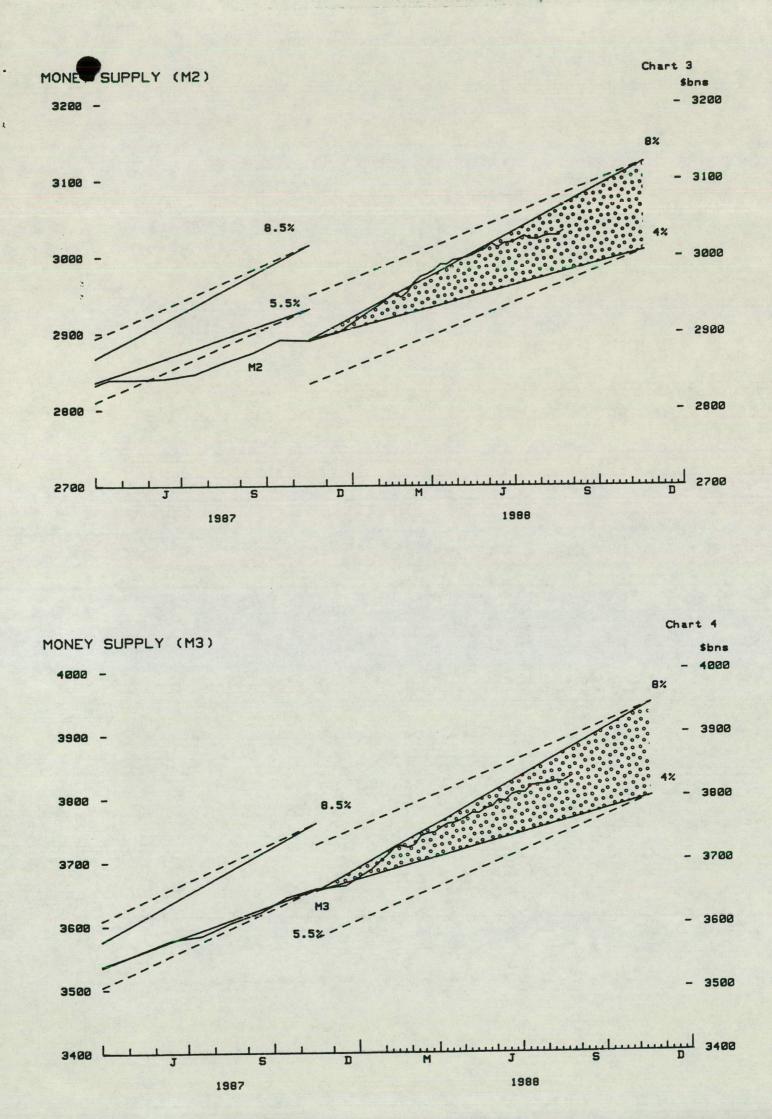
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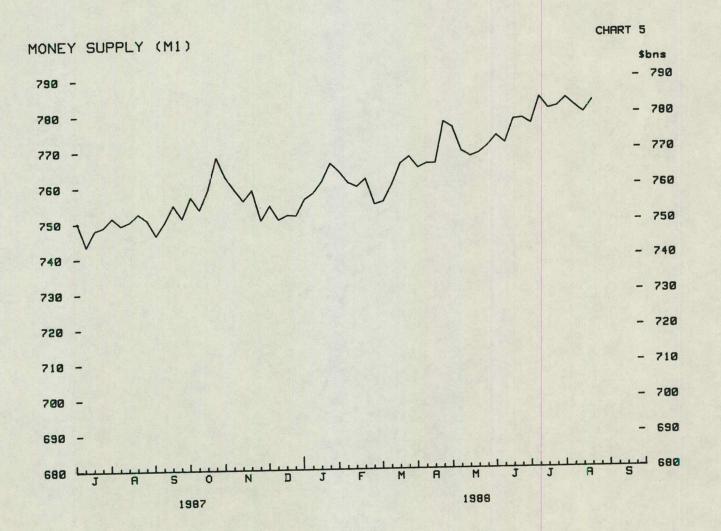
# Hednesday Close

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|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|------------------------------------------------------------|---------------------------------------------------------------------------|
| OREIGN EXC                                                                                                                            | CHANGE MAR                             | RKETS                                                                                         |                                                                       | MG E                                                                                                     | VENING REP                                                                             | Mon                                                                                                | day 5 Septe                                                | ember 1988                                                                |
|                                                                                                                                       |                                        |                                                                                               |                                                                       |                                                                                                          |                                                                                        |                                                                                                    | change<br>urrency                                          | V                                                                         |
| Previous                                                                                                                              |                                        |                                                                                               | То                                                                    | oday                                                                                                     |                                                                                        | since                                                                                              | since                                                      |                                                                           |
| close                                                                                                                                 |                                        |                                                                                               |                                                                       |                                                                                                          |                                                                                        | Plaza                                                                                              | Paris                                                      | October 198                                                               |
| 75.2                                                                                                                                  | ł                                      | ERI                                                                                           | 75.4                                                                  | 75.5                                                                                                     |                                                                                        | -7.9                                                                                               | 9.3                                                        | 2.6                                                                       |
| 1.6735                                                                                                                                | \$                                     | 5/£                                                                                           | 1.6860 3.1228                                                         |                                                                                                          |                                                                                        | 22.6                                                                                               | 10.2                                                       | 1.2                                                                       |
| 3.1197                                                                                                                                |                                        | DM/£<br>ECU/£                                                                                 | 3.1228                                                                | 3.1263                                                                                                   |                                                                                        | -19.9                                                                                              | 12.0                                                       | 4.3                                                                       |
| 99.9                                                                                                                                  |                                        | ERI                                                                                           |                                                                       | 99.5                                                                                                     |                                                                                        | -28.7                                                                                              |                                                            | -0.7                                                                      |
| 1.8642                                                                                                                                |                                        | DM/\$                                                                                         | 1.8522                                                                |                                                                                                          |                                                                                        | 53.1                                                                                               | -1.6                                                       | -3.0                                                                      |
| 136.65                                                                                                                                | Y                                      | 'en/\$                                                                                        | 136.00                                                                | 136                                                                                                      |                                                                                        | 75.4                                                                                               | 12.9                                                       | 5.0                                                                       |
| ept \$14.07                                                                                                                           | Oct \$14                               | .25 Nov                                                                                       | \$14.35 S                                                             | pot Brent                                                                                                | Sept \$13                                                                              | .72 Oct \$13.                                                                                      | 92 Nov \$14                                                | 4.05                                                                      |
| RESERVE                                                                                                                               | TRANSACTI                              | ONS (\$mil                                                                                    | lion)                                                                 |                                                                                                          |                                                                                        |                                                                                                    |                                                            |                                                                           |
| a) +-                                                                                                                                 |                                        |                                                                                               | ++                                                                    |                                                                                                          |                                                                                        | (b)                                                                                                |                                                            | ++                                                                        |
| 1                                                                                                                                     | 1                                      |                                                                                               | Total                                                                 |                                                                                                          |                                                                                        | (5)                                                                                                |                                                            | Estimated  *                                                              |
|                                                                                                                                       | Today                                  | month<br>so far                                                                               | since  <br>  1 Apr 88                                                 |                                                                                                          |                                                                                        |                                                                                                    |                                                            | end-month <br> position                                                   |
| +-                                                                                                                                    | +                                      | -324                                                                                          | ++                                                                    | all house and                                                                                            | Market in                                                                              | tervention                                                                                         |                                                            | ++                                                                        |
| +-                                                                                                                                    |                                        |                                                                                               | -802                                                                  |                                                                                                          |                                                                                        | transactions                                                                                       |                                                            | +                                                                         |
| +-                                                                                                                                    |                                        |                                                                                               | ++                                                                    |                                                                                                          |                                                                                        |                                                                                                    |                                                            | ++                                                                        |
| 1+-                                                                                                                                   | 18                                     |                                                                                               | 2482                                                                  |                                                                                                          | TOT                                                                                    | AL                                                                                                 |                                                            | -417                                                                      |
|                                                                                                                                       |                                        |                                                                                               |                                                                       |                                                                                                          | Net bo                                                                                 | rrowing                                                                                            |                                                            | -14                                                                       |
|                                                                                                                                       |                                        |                                                                                               |                                                                       |                                                                                                          |                                                                                        |                                                                                                    |                                                            |                                                                           |
|                                                                                                                                       |                                        | I transact                                                                                    | ions                                                                  |                                                                                                          | Valuation                                                                              | changes                                                                                            |                                                            | 1 01                                                                      |
|                                                                                                                                       | nd forward<br>one date b               |                                                                                               | ions                                                                  | то                                                                                                       |                                                                                        | changes<br>IN RESERVES                                                                             |                                                            | -431                                                                      |
| on a do                                                                                                                               | one date b                             | basis.                                                                                        |                                                                       |                                                                                                          |                                                                                        | and the second second                                                                              |                                                            | ++                                                                        |
| on a do                                                                                                                               | ne date b<br>ransactio                 | oasis.<br>ons only o                                                                          | ions<br>n a value<br>ed figures.                                      |                                                                                                          | TAL CHANGE                                                                             | IN RESERVES                                                                                        |                                                            | +<br>  -431  <br>++                                                       |
| on a do<br>b) Spot t<br>date ba                                                                                                       | one date b<br>cransactic<br>isis, as i | pasis.<br>ons only or<br>n publishe                                                           | n a value                                                             |                                                                                                          | TAL CHANGE                                                                             | IN RESERVES                                                                                        |                                                            | ++<br>  -431  <br>+=====+                                                 |
| on a do<br>(b) Spot t<br>date ba                                                                                                      | one date b<br>cransactic<br>isis, as i | pasis.<br>ons only or<br>n publishe                                                           | n a value<br>ed figures.                                              |                                                                                                          | TAL CHANGE                                                                             | IN RESERVES<br>* On conven<br>no furthe                                                            |                                                            | ++<br>  -431  <br>+=====+<br>umption of<br>htervention.                   |
| on a do<br>(b) Spot t<br>date ba<br>THER COUNT                                                                                        | one date b<br>cransactic<br>isis, as i | pasis.<br>ons only or<br>n publishe                                                           | n a value<br>ed figures.                                              | illion equ                                                                                               | TAL CHANGE                                                                             | IN RESERVES<br>* On conven<br>no furthe                                                            | r market ir                                                | ++<br>  -431  <br>+=====+<br>umption of<br>htervention.                   |
| on a do<br>(b) Spot t<br>date ba                                                                                                      | one date b<br>cransactic<br>isis, as i | pasis.<br>ons only or<br>n publishe                                                           | n a value<br>ed figures.                                              | ill <b>ion equ</b><br>Germany                                                                            | TAL CHANGE<br>ivalent)<br>-5\$                                                         | IN RESERVES<br>* On conven<br>no furthe                                                            | r market ir<br><br>Italy                                   | ++<br>  -431  <br>+=====+<br>umption of<br>htervention.                   |
| on a do<br>(b) Spot t<br>date ba<br>THER COUNT<br>elgium -<br>enmark -                                                                | one date b<br>cransactic<br>isis, as i | pasis.<br>ons only or<br>n publishe                                                           | n a value<br>ed figures.                                              | i <b>llion equ</b><br>Germany<br>Holland                                                                 | TAL CHANGE<br>ivalent)<br>-5\$                                                         | IN RESERVES<br>* On conven<br>no furthe                                                            | r market ir<br><br>Italy<br>Japan                          | ++<br>  -431  <br>+=====+<br>umption of<br>htervention.                   |
| on a do<br>b) Spot t<br>date ba<br>HER COUNT<br>elgium -<br>enmark -<br>ance -<br>cance -                                             | TRIES MARK                             | pasis.<br>ons only or<br>n publishe<br>CET INTERVI<br>CET INTERVI<br>DE Day" in<br>le - lines | n a value<br>ed figures.<br>ENTION (\$mi<br>the US, ma<br>.Sterling f | illion equ<br>Germany<br>Holland<br>Ireland<br><b>irkets clo</b>                                         | TAL CHANGE<br>ivalent)<br>-5\$<br>-60\$<br>-<br>sed.Very l<br>inst DM in               | IN RESERVES<br>* On conven<br>no furthe<br>ittle activit<br>thin trading                           | r market ir<br>Italy<br>Japan<br>US<br><b>y at all t</b> o | ++<br>  -431  <br>+=====+<br>umption of<br>htervention.                   |
| on a do<br>(b) Spot t<br>date ba<br>THER COUNT<br>elgium -<br>enmark -<br>ance -<br>ance -                                            | TRIES MARK                             | pasis.<br>ons only or<br>n publishe<br>CET INTERVI<br>CET INTERVI<br>DE Day" in<br>le - lines | n a value<br>ed figures.<br>ENTION (\$mi                              | illion equ<br>Germany<br>Holland<br>Ireland<br><b>irkets clo</b>                                         | TAL CHANGE<br>ivalent)<br>-5\$<br>-60\$<br>-<br>sed.Very l<br>inst DM in               | IN RESERVES<br>* On conven<br>no furthe<br>ittle activit<br>thin trading                           | r market ir<br>Italy<br>Japan<br>US<br><b>y at all t</b> o | -13\$                                                                     |
| on a do<br>(b) Spot t<br>date ba<br>THER COUNT<br>elgium -<br>enmark -<br>ance -<br>ance -                                            | TRIES MARK                             | pasis.<br>ons only or<br>n publishe<br>CET INTERVI<br>CET INTERVI<br>DE Day" in<br>le - lines | n a value<br>ed figures.<br>ENTION (\$mi<br>the US, ma<br>.Sterling f | illion equ<br>Germany<br>Holland<br>Ireland<br><b>irkets clo</b>                                         | TAL CHANGE<br>ivalent)<br>-5\$<br>-60\$<br>-<br>sed.Very l<br>inst DM in               | IN RESERVES<br>* On conven<br>no furthe<br>ittle activit<br>thin trading                           | r market ir<br>Italy<br>Japan<br>US<br><b>y at all t</b> o | -13\$                                                                     |
| on a do<br>(b) Spot t<br>date ba<br>THER COUNT<br>elgium -<br>enmark -<br>ance -<br>ance -                                            | TRIES MARK                             | pasis.<br>ons only or<br>n publishe<br>CET INTERVI<br>CET INTERVI<br>DE Day" in<br>le - lines | n a value<br>ed figures.<br>ENTION (\$mi<br>the US, ma<br>.Sterling f | illion equ<br>Germany<br>Holland<br>Ireland<br><b>irkets clo</b>                                         | TAL CHANGE<br>ivalent)<br>-5\$<br>-60\$<br>-<br>sed.Very l<br>inst DM in               | IN RESERVES<br>* On conven<br>no furthe<br>ittle activit<br>thin trading                           | r market ir<br>Italy<br>Japan<br>US<br><b>y at all t</b> o | -13\$                                                                     |
| on a do<br>(b) Spot t<br>date ba<br>THER COUNT<br>elgium -<br>enmark -<br>ance -<br>ance -                                            | TRIES MARK                             | pasis.<br>ons only or<br>n publishe<br>CET INTERVI<br>CET INTERVI<br>DE Day" in<br>le - lines | n a value<br>ed figures.<br>ENTION (\$mi<br>the US, ma<br>.Sterling f | illion equ<br>Germany<br>Holland<br>Ireland<br><b>irkets clo</b>                                         | TAL CHANGE<br>ivalent)<br>-5\$<br>-60\$<br>-<br>sed.Very l<br>inst DM in               | IN RESERVES<br>* On conven<br>no furthe<br>ittle activit<br>thin trading                           | r market ir<br>Italy<br>Japan<br>US<br><b>y at all t</b> o | -13\$                                                                     |
| on a do<br>(b) Spot t<br>date ba<br>HER COUNT<br>elgium -<br>enmark -<br>ance -<br>ARKET COMP<br>rencies o<br>ates at 4:              | TRIES MARK                             | pasis.<br>ons only or<br>n publishe<br>CET INTERVI<br>CET INTERVI<br>DE Day" in<br>le - lines | n a value<br>ed figures.<br>ENTION (\$mi<br>the US, ma<br>.Sterling f | illion equ<br>Germany<br>Holland<br>Ireland<br><b>irkets clo</b>                                         | TAL CHANGE<br>ivalent)<br>-5\$<br>-60\$<br>-<br>sed.Very L<br>inst DM in<br>Yen/\$135. | IN RESERVES<br>* On conven<br>no furthe<br>ittle activit<br>thin trading                           | r market ir<br>Italy<br>Japan<br>US<br><b>y at all t</b> o | -13\$                                                                     |
| on a do<br>(b) Spot t<br>date ba<br>(HER COUNT<br>elgium -<br>enmark -<br>ance -<br>cance -<br>(RKET COMP<br>rencies of<br>ates at 4: | TRIES MARK                             | pasis.<br>ons only or<br>n publishe<br>CET INTERVI<br>CET INTERVI<br>DE Day" in<br>le - lines | n a value<br>ed figures.<br>ENTION (\$mi<br>the US, ma<br>.Sterling f | dllion equ<br>Germany<br>Holland<br>Ireland<br>Ireland                                                   | TAL CHANGE<br>ivalent)<br>-5\$<br>-60\$<br>-<br>sed.Very l<br>inst DM in<br>Yen/\$135. | IN RESERVES<br>* On conven<br>no furthe<br>ittle activit<br>thin trading<br>98.                    | r market ir<br>Italy<br>Japan<br>US<br><b>y at all t</b> o | -431  <br>++<br>umption of<br>ntervention.<br>-13\$<br>-<br>oday with all |
| on a do<br>(b) Spot t<br>date ba<br>THER COUNT<br>elgium -<br>enmark -<br>ance -<br>ance -                                            | INT Labo<br>Son the sid                | pasis.<br>ons only or<br>n publishe<br>CET INTERVI<br>CET INTERVI<br>DE Day" in<br>le - lines | n a value<br>ed figures.<br>ENTION (\$mi<br>the US, ma<br>.Sterling f | Germany<br>Holland<br>Ireland<br>Ireland<br>irmed aga<br>1/\$1.8555                                      | TAL CHANGE<br>ivalent)<br>-5\$<br>-60\$<br>-<br>sed.Very L<br>inst DM in<br>Yen/\$135. | IN RESERVES<br>* On conven<br>no furthe<br>ittle activit<br>thin trading<br>98.<br>Today           | r market ir<br>Italy<br>Japan<br>US<br><b>y at all t</b> o | -431  <br>-431  <br>-13\$<br>-<br>oday with all<br>Change                 |
| on a do<br>(b) Spot t<br>date ba<br>THER COUNT<br>elgium -<br>enmark -<br>ance -<br>ance -<br>ARKET COMP<br>rencies of<br>ates at 4:  | Index                                  | easis.<br>ens only or<br>n publishe<br>CET INTERVI<br>DE – Lines<br>1.6857 DI                 | n a value<br>ed figures.<br>ENTION (\$mi<br>the US, ma<br>.Sterling f | Germany<br>Holland<br>Ireland<br>Ireland<br>Mrkets clo<br>Tirmed aga<br>M/\$1.8555<br>Previous<br>7.8068 | TAL CHANGE<br>ivalent)<br>-5\$<br>-60\$<br>-<br>sed.Very L<br>inst DM in<br>Yen/\$135. | IN RESERVES<br>* On conven<br>no furthe<br>ittle activit<br>thin trading<br>98.<br>Today<br>7.8082 | r market ir<br>Italy<br>Japan<br>US<br><b>y at all t</b> o | -431  <br>-431  <br>-13\$<br>-<br>oday with all<br>Change<br>-0.0014      |

SECRET



2

#### SECRET

| MONEY MARKETS                                                                           |                                          |                                                                     |                                                                | th September 1988                         |
|-----------------------------------------------------------------------------------------|------------------------------------------|---------------------------------------------------------------------|----------------------------------------------------------------|-------------------------------------------|
| INTEREST RATES                                                                          | £ Inte                                   | rbank                                                               | Eurode                                                         | ollar                                     |
| Then do the second                                                                      | Today                                    | Change                                                              | Today                                                          | Change                                    |
| 7 days                                                                                  | 11                                       | -3/8                                                                | 8 1/16                                                         | -1/16                                     |
| 1 mth                                                                                   | 11 13/16                                 | -5/32                                                               | 8 1/4                                                          | -1/16                                     |
| 3 mth                                                                                   | 12 5/16                                  | -3/16                                                               | 8 3/8                                                          | -1/16                                     |
| 12 mth                                                                                  | 12 1/4                                   | -1/8                                                                | 8 15/16                                                        | 0                                         |
| BILLS                                                                                   |                                          | Tod                                                                 | av                                                             | Change                                    |
| 3 Mont                                                                                  | th Treasury Bills                        | +                                                                   |                                                                | -+                                        |
| BANK MONEY MARKET OPI                                                                   |                                          | +                                                                   |                                                                | -+                                        |
| +-                                                                                      |                                          | Rates                                                               |                                                                |                                           |
| Band 1 (O-14 days)  <br>+-                                                              | 340                                      | Due 15/9<br>1015/16 - 11/2                                          | 11 1/2-1,<br>+                                                 |                                           |
| Band 2 (15-31 days) <br>+-                                                              |                                          | <br>+                                                               | 11 19/32                                                       |                                           |
| Band 3 (32-63 days) <br>+-                                                              |                                          |                                                                     | 11 3/4-2                                                       |                                           |
| Band 4 (64-91 days) <br>+-                                                              |                                          | <br>                                                                | 11 13/16                                                       | -3/4                                      |
| TOTAL BILLS  <br>+=                                                                     | 340                                      | ļ                                                                   |                                                                |                                           |
| Repurchase  <br>+·                                                                      |                                          | ļ                                                                   |                                                                |                                           |
| Lending  <br>+-                                                                         |                                          | <br>+                                                               |                                                                |                                           |
| TOTAL OPERATIONS  <br>+:                                                                | 340                                      | against surplus<br>+                                                | £ 350 m<br>========                                            |                                           |
| US RATES                                                                                |                                          | 3 month CDs                                                         | 10 yr Tsy Bond                                                 | 20 yr Tsy Bond                            |
|                                                                                         | Today/Change                             | 8.30 0.00                                                           | 9.02 -0.23                                                     | 9.07 -0.2                                 |
| STOCK MARKET                                                                            |                                          | FT Ind-Ord                                                          | FTSE                                                           | Gilt index                                |
|                                                                                         | Today/Change                             | 1421.8 16.7                                                         | 1764.5 17.6                                                    | 86.73 0.2                                 |
| MARKET COMMENT<br>GILTS opened better I<br>steady and US bonds<br>around the higher lev | sharply firmer.The<br>vels and prices co | e market gained a fu<br>insolidates around t<br>irorising calm, and | rther 1/16 but set<br>he opening.The upw<br>this afternoon des | tlers emerged<br>ard revision<br>pite the |
| to July retail sales<br>closure of US market:                                           | Hus culton with so                       |                                                                     |                                                                |                                           |

EQUITIES opened better following Wall Street's strong improvement on Friday and firmer sterling.Turnover remains low.

Peter Smith

NAME: Peter Smith TEL NO: 270 4613

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| GILT-EDGED MARKET                                                                                                                               |                                                                                                                                                                                              | Monday 5th 9                                                                                                               | September 198                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| Transactions basis, cash values (fm);                                                                                                           | sales + purchases -                                                                                                                                                                          |                                                                                                                            |                                                   |
| ISSUE DEPARTMENT: MARKET TRANSACTIONS                                                                                                           |                                                                                                                                                                                              | Today                                                                                                                      | September                                         |
|                                                                                                                                                 | Gross sales shorts                                                                                                                                                                           | 1                                                                                                                          | 1                                                 |
|                                                                                                                                                 | Gross sales mediums                                                                                                                                                                          | 22.9                                                                                                                       | 90.8                                              |
| Gross sa                                                                                                                                        | ales longs and undated                                                                                                                                                                       | 1 27.5                                                                                                                     | 123.0                                             |
| Gro                                                                                                                                             | oss sales index-linked                                                                                                                                                                       | 1 5.6                                                                                                                      | 28.7                                              |
|                                                                                                                                                 | Part paid calls                                                                                                                                                                              | 1                                                                                                                          |                                                   |
| Buying in non-r                                                                                                                                 | next maturities shorts                                                                                                                                                                       |                                                                                                                            | 1                                                 |
| Buying in non-ne                                                                                                                                | ext maturities mediums                                                                                                                                                                       | -18.9                                                                                                                      | -80.9                                             |
| Buying in non-                                                                                                                                  | -next maturities longs                                                                                                                                                                       | -33.8                                                                                                                      | -210.4                                            |
| Buying in non-next ma                                                                                                                           | aturities index-linked                                                                                                                                                                       | -5.1                                                                                                                       | -29.7                                             |
| CRNE                                                                                                                                            | ): Market transactions                                                                                                                                                                       | 1                                                                                                                          | I                                                 |
|                                                                                                                                                 | TOTAL 'GROSS' SALES                                                                                                                                                                          | -1.8                                                                                                                       |                                                   |
| Buying                                                                                                                                          | in of next maturities                                                                                                                                                                        | !                                                                                                                          | -0.7                                              |
|                                                                                                                                                 | Redemptions                                                                                                                                                                                  | -0.2                                                                                                                       | 1                                                 |
| TOTAL TRA                                                                                                                                       | ANSACTIONS WITH MARKET                                                                                                                                                                       | -2.0                                                                                                                       |                                                   |
|                                                                                                                                                 |                                                                                                                                                                                              |                                                                                                                            |                                                   |
|                                                                                                                                                 | Future c                                                                                                                                                                                     | alls                                                                                                                       | 369                                               |
| Sales required to meet *                                                                                                                        | target of £                                                                                                                                                                                  |                                                                                                                            | 1                                                 |
|                                                                                                                                                 |                                                                                                                                                                                              |                                                                                                                            |                                                   |
| PRICES/YIELDS OF GILT-EDGED STOCKS                                                                                                              | Yesterday's close                                                                                                                                                                            |                                                                                                                            | ge from<br>ay's close                             |
|                                                                                                                                                 | Par yield (per cent)                                                                                                                                                                         | Price (£/32)                                                                                                               |                                                   |
| Shorts                                                                                                                                          | 110.5:6                                                                                                                                                                                      |                                                                                                                            | -0.06                                             |
| Mediums                                                                                                                                         | 10.234                                                                                                                                                                                       | į 11                                                                                                                       | -0.06                                             |
| Longs                                                                                                                                           | 9.726                                                                                                                                                                                        | 1 16                                                                                                                       | -0.05                                             |
|                                                                                                                                                 | Price (£/32)                                                                                                                                                                                 | Yield (                                                                                                                    | per cent)                                         |
| REPRESENTATIVE STOCKS                                                                                                                           |                                                                                                                                                                                              |                                                                                                                            |                                                   |
| REPRESENTATIVE STOCKS                                                                                                                           |                                                                                                                                                                                              | e Today                                                                                                                    | Change                                            |
|                                                                                                                                                 | Today Chang                                                                                                                                                                                  | e Today<br>12   10.50                                                                                                      | +                                                 |
| 8% Treasury 1992                                                                                                                                | Today Chang<br>+                                                                                                                                                                             | 12   10.50                                                                                                                 | -0.13                                             |
|                                                                                                                                                 | Today Chang<br>+                                                                                                                                                                             | +                                                                                                                          | -0.13<br>  -0.10                                  |
| 8% Treasury 1992<br>8 3/4 Treasury 1997 'C'                                                                                                     | Today Chang<br>                                                                                                                                                                              | 12   10.50<br>17   10.12                                                                                                   | -0.13<br>  -0.10<br>  -0.08                       |
| 8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992                                                     | Today         Chang                     92         20                       92         1                       92         1                       113         28                             | 12     10.50       17     10.12       22     9.91                                                                          | -0.13<br>-0.10<br>-0.08                           |
| 8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07                                                                         | Today         Chang           1         92         20           1         92         1           1         92         1           1         113         28           82         10         1 | 12     10.50       17     10.12       22     9.91       4     8.59                                                         | -0.13<br>-0.10<br>-0.08<br>-0.05<br>0.01          |
| 8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016                         | Today     Chang       92     20         92     1         1     92     1         1     113     28         82     10         96     27                                                         | 12       10.50         17       10.12         22       9.91         4       8.59         3       3.91                      | -0.13<br>-0.10<br>-0.08<br>-0.05<br>0.01          |
| <pre>8% Treasury 1992 8 3/4 Treasury 1997 'C' 11 3/4% Treasury 2003/07 3% Treasury 1992 2 1/2% Index-Linked 2016 2% Index-Linked 1994</pre>     | Today     Chang       1     92     20         1     92     1         1     113     28         1     82     10         1     96     27         1     93     2                                 | 12       10.50         17       10.12         22       9.91         4       8.59         3       3.91         2       3.55 | -0.13<br>-0.10<br>-0.08<br>-0.05<br>0.01          |
| 8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016<br>2% Index-Linked 1994 | Today     Chang       1     92     20       1     92     1       1     92     1       1     113     28       1     82     10       1     96     27       1     93     2       1     0pen     | 12       10.50         17       10.12         22       9.91         4       8.59         3       3.91         2       3.55 | -0.13<br>  -0.10<br>  -0.05<br>  -0.01<br>  -0.01 |

NAME: TEL NO:

Peter Smith 270 4613

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| ING EVENING REPORT           NG EVENING REPORT           ready 6 September 1998           Syturrency           Since since 16 methods           Syturrency           Since 16 methods           Syturrency           Since 16 methods           Since 16 methods <th <="" colspan="2" th=""><th></th><th></th><th></th><th></th><th></th><th></th><th>/</th><th></th><th></th></th>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th>/</th> <th></th> <th></th> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                         |                                                                             |                                                      |                                                          | /                                                 |  |  |
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--------------------------|-----------------------------------------------------------------------------|------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------|--|--|
| CODE LGM         EXCHANGE MARKETS         Tuesday 6 September 1988<br>Schange<br>9/currency<br>energy           Previous<br>clase         Today         since<br>8.30s         since<br>8.30s         since<br>9.10ps                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                         | SECRET                                                                      | 15                                                   |                                                          | NP                                                |  |  |
| Krange<br>since since since is ince is<br>common to trace<br>since since since is ince is<br>pervised in the second se |                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | MG EV                                                                   | ENING REPORT                                                                |                                                      |                                                          | 1                                                 |  |  |
| Previous         Today         since                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | OREIGN E                                                                                   | XCHANGE MA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | ARKETS                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                         |                                                                             | 2                                                    | change                                                   | tember 1988                                       |  |  |
| 73.5       fERI       75.7       75.9       -7.4       9.8       3.1         1.6447       5/2       1.702       23.9       11.4       2.3         3.1623       DV/Z       3.1372       3.1382       -19.6       12.4       4.7         1.5092       EGU/J       1.5144       1.5162       -23.9       11.4       2.3         99.5       SERI       -       99.1       -29.0       -4.7       -1.1         13557       DV/S       1.8535       1.844       34.0       -0.9       -2.4         135.00       Yon/S       135.05       Spot Brent Sept \$13.65       Oct \$13.87       Nov \$14.02         K RESERVE TRANSCTIONS (Smillion)         apt sin 1 Apr 88         Today innih since         -279       3309         Harket intervention       -310         -23 - 340       2459         Tota       -48       -41       -650         Tota       -431         -25       -299       3309         Tota       -431         -25       -21         Tota       -431                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           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                     |                                                                             | since                                                | since                                                    |                                                   |  |  |
| 1.647       5.72       1.602       23.9       11.4       2.3         3.1263       DM/f       3.1374       3.1385       -19.6       12.4       4.7         1.5092       EEU/f       1.5144       1.5162       -19.6       12.4       4.7         99.5       SERI       -       99.1       -29.0       -4.7       -1.1         1.8537       DM/fs       1.3535       1.845       76.1       13.4       5         ept \$13.72       Oct \$13.92       Not \$14.05       Spot Brent Sept \$13.65       Oct \$13.87       Not \$14.02         K RESERVE TRANSACTIONS (\$million)       a)                                                                                                                                                                                                                                                                                                                                                                                                                                                   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                     |                                                                             | Plaza                                                | Paris                                                    | October 1967                                      |  |  |
| 3.1263<br>1.5092       DN/4<br>EU/4       1.5144<br>1.5162       -19.6       12.4       4.7         99.5<br>1.557       ERI<br>VM/5       1.8535       1.844<br>1.8537       54.7       -1.1<br>1.8557         99.5<br>1.85.00       Total<br>So.00       185.60       1.844<br>1.8557       54.7       -4.7       -1.1<br>1.34.0         99.5<br>1.85.00       Total<br>So.00       Total<br>So.00       18.64<br>1.455       54.65       10.4.7       -1.1<br>1.34.5         ept \$13.72       Oct \$13.92       Nov \$14.05       Spot Brent Sept \$13.65       Oct \$13.87       Nov \$14.02         K RESERVE TRANSACTIONS (Smillion)                                                                                                                                                                                                                                                                                                                                                                                             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| 1.5022       ECU/A       1.5144       1.5162         99.5       SERI                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   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| 1.8537       DP/3       1.844       54.0       -0.9       -2.4         135.00       Yen/s       135.60       135.45       76.1       13.87       Nov \$14.02         K RESERVE TRANSACTIONS (\$million)         (b)         Estimated *         (b)         Total         (b)         Total         (b)         Estimated *         (b)         Colspan="2">Estimated *         (b)         Colspan="2">Estimated *         Total         Total         Colspan="2">Estimated *         Total         Colspan="2">Estimated *         Total         Colspan="2">Estimated *         Total         Colspan="2">Total         Total         Colspan="2">Total         Total         Total         Total         Colspan="2">Total         Colspan="2" <td colsp<="" td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td>                                                                                                                                                                         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| 136.00     Yen/s     135.00     135.45     76.1     13.4     5.5       ppt \$13.72     Oct \$13.92     Nov \$14.05     Spot Brent Sept \$13.65     Oct \$13.87     Nov \$14.02       X RESERVE TRANSACTIONS (\$million)     *     (b)     *     *     *       a)     *     Today     This     Total     *     *     *       a)     *     *     Total     *     *     *     *       a)     *     *     *     *     *     *     *     *       a)     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     *     * <td>99.5</td> <td></td> <td>\$ERI</td> <td>-</td> <td>99.1</td> <td></td> <td></td> <td></td> <td></td>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 99.5                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | \$ERI                                                                                                           | - 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| ept \$13.72       Oct \$13.92       Nov \$14.05       Spot Brent Sept \$13.65       Oct \$13.87       Nov \$14.02         C RESERVE TRANSACTIONS (\$million)       *       This       Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            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| C RESERVE TRANSACTIONS (Smillion)         a)       Image: Content of the state of                                     |                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                         | Sept \$13.65                                                                |                                                      |                                                          |                                                   |  |  |
| a)       (b)       Estimated<br>end-month<br>position         a)       (b)       Estimated<br>end-month<br>position         (c)       (c)       (c)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                         |                                                                             |                                                      |                                                          |                                                   |  |  |
| Today       This       Total       Estimated         Today       so far       1 Apr 88         anoth       so far       1 Apr 88         25       -299       3309       Market intervention       -310         1       -48       -41       -850       Off-market transactions       -121         1       -23       -340       2459       TOTAL       -431         1       -431       -431       -431       -431       -431         1       -445       TOTAL       -445       -445       -445         1       -445       TOTAL CHANGE IN RESERVES       0       -445       -445         (b) Spot transactions only on a value       * On conventional assumption of no further market intervention.       -445       -445       -445         (c) Spot transactions only on a value       * On conventional assumption of no further market intervention.       -710M, -865       -800         (c) Spot transactions only on a value       Germany -25                                                                                   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                                                                           | lion)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                         |                                                                             |                                                      |                                        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| so far       1 Apr 88         25       -299       3309         -48       -41       -850         -23       -340       2459         -23       -340       2459         TOTAL       -431         -23       -340       2459         Total       -431         Net borrowing       -141         -48       -41         -23       -340       2459         Total       -431         Net borrowing       -141         -431       -431         Net borrowing       -141         -455       Valuation changes         0       -445         -30 Spot transactions only on a value       * On conventional assumption of no further market intervention.         (b) Spot transactions only on a value       * On conventional assumption of no further market intervention.         (chatebrack       Germany -25       Italy -1710M, -865         enmark -       Holland -505       Japan -         -ance -7005       Ireland +225       US -         CHRKET COMMENT A bearish mood continued for the dollar as market continued to digest last friday were than expected employment figures. The National Association of Purchasing Management's onthy ris in interest nates was unlikely.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | This                                                                                                            | Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                         |                                                                             | (0)                                                  |                                                          | Estimated  *                                      |  |  |
| 25       -299       3309       Market intervention       -310         -48       -41       -850       Off-market transactions       -121         -23       -340       2459       TOTAL       -431         -23       -340       2459       TOTAL       -431         Net borrowing       1       -141       1         1       -23       -340       2459       TOTAL       -431         Net borrowing       1       -141       1       -431       1         1       -23       -340       2459       TOTAL       -431         Net borrowing       1       -141       1       -431       1         1       -23       -340       2459       TOTAL       -431         1       -23       -340       2459       0       1       -141         1       -23       -340       2459       0       1       -141         1       -24       1       -455       1       -445       1       -445         1       -340       Germany       -25       Italy       -1710M, -865       1       1         1       -1045       Germany       -25                 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| -48       -41       -850       Off-market transactions       -121         -23       -340       2459       TOTAL       -341         Net borrowing       1       -431       -431         Not borrowing       1       -141       1         Net borrowing       1       -141       1         Not adone date basis.       Valuation changes       0         TOTAL CHANGE IN RESERVES       1       -445         tate basis, as in published figures.       * On conventional assumption of no further market intervention.         regume -104s       Germany -25       Italy -171DM, -865         nmark -       Holland -50S       Japan -         ance -700s       Ireland +22S       US -         Intervention contributed for the dollar as market continued to digest last Friday         ref than expected employment figures. The National Association of Purchasing Management's         mithy report on the US economy for August showed a slowdown reinforcing the view that an         rity rise in interest rates was unlikely.         ere than expected employment figures. The National Association of Purchasing Management's         moth in steriling coupled with a chartist's view that in the medium teme stereling would rise         tere than expected employment figures. The National Association of Purchasing Management's                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                            | <br>+                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                 | ++                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                         |                                                                             |                                                      |                                                          | ++                                                |  |  |
| -48       -41       -850       Off-market transactions       -121         1       -23       -340       2459       TOTAL       1         Net borrowing       1       -431       1       -431         Not borrowing       1       -431       1       -431         Net borrowing       1       -431       1       -431         Net borrowing       1       -445       1       -445         1       -445       1       -445       1         1       -445       1       -445       1         1       -445       1       -445       1         1       -445       1       -445       1         1       -445       1       -445       1         1       -445       1       -445       1         1       -445       1       -445       1         1       -445       1       -445       1         1       -445       1       -445       1         1       -441       1       1       -445         1       -441       1       1       -445         1       -104       1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 1 A.S.                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           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                     | Market interv                                                               | vention                                              |                                                          |                                                   |  |  |
| -23       -340       2459         Net borrowing       -431         Net borrowing       -14         Image: Solution of the series of the s                                                                                                                   |                                                                                            | -48                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | -41                                                                                                             | -850                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                         | f-market trai                                                               | nsactions                                            |                                                          |                                                   |  |  |
| i                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                            | and the second s |                                                                                                                 | See the second se |                                                                         | TOTAL                                                                       |                                                      |                                                          |                                                   |  |  |
| b) Spot and forward transactions<br>on a done date basis.       Valuation changes<br>TOTAL CHANGE IN RESERVES       0         b) Spot transactions only on a value<br>date basis, as in published figures.       * On conventional assumption of<br>no further market intervention.         b) Spot transactions only on a value<br>date basis, as in published figures.       * On conventional assumption of<br>no further market intervention.         constraints       Germany -25       Italy -171DM, -865         constraints       Germany -25       Japan -         ance -7005       Ireland +225       US         constraints       Ireland +225       US         constraints       Sociation of Purchasing Management's<br>inthly report on the US economy for August showed a slowdown reinforcing the view that an<br>irty rise in interest rates was unlikely.         ending rose on technical factors this morning with dealers finding themselves long in DM and<br>ioort in sterling. Coupled with a chartist's view that in the medium term sterling would rise<br>the pound was, at one point, up 1 pfennig before falling back 1/2 pfennig up on the day.         ites at 5:12p.m. \$1.7043 DM3.1385 DM/\$1.8415 Yen/\$135.20.         MK KONG       Previous       Today         change       -0.0003         ing Seng Index       2508.19       2502.09       -0.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | -                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                         | Nat bonno                                                                   | ing                                                  |                                                          |                                                   |  |  |
| on a done date basis.       TOTAL CHANGE IN RESERVES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 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borrow                                                                  | wing                                                 |                                                          | ++                                                |  |  |
| total change in RESERVES       1       -445   + + + + + + + + + + + + + + + + + +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      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                     | Valuation cha                                                               | anges                                                |                                                          |                                                   |  |  |
| (b) Spot transactions only on a value<br>date basis, as in published figures.       * On conventional assumption of<br>no further market intervention.         (FHER COUNTRIES MARKET INTERVENTION (Smillion equivalent)       (Smillion equivalent)         (edgium -104\$       Germany -2\$       Italy -171DM, -86\$         (engark -       Holland -50\$       Japan -         (engark -       Holland +22\$       US -         (engark -       Inteland +22\$       US -         (engark -       Holland -50\$       Japan -         (engark -       Holland -50\$       Japan -         (engark -       Holland +22\$       US -         (engark -       Holland +22\$       US -         (engark -       Inteland +22\$       US -         (engark -       Somody for August showed a slowdown reinforcing the view that an antry rise in interest rates was unlikely.         (erting rose on technical factors this morning with dealers finding themselves long in DM and nort in sterling. Coupled with a chartist's view that in the medium term sterling would rise the pound was, at one point,                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | on a c                                                                                     | done date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 00313.                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | тот                                                                     | AL CHANGE IN                                                                | RESERVES                                             |                                                          |                                                   |  |  |
| Penmark     Holland     -50\$     Japan       Pance     -700\$     Ireland     +22\$     US       ARKET COMMENT A bearish mood continued for the dollar as market continued to digest last friday wer than expected employment figures. The National Association of Purchasing Management's nothly report on the US economy for August showed a slowdown reinforcing the view that an early rise in interest rates was unlikely.       terling rose on technical factors this morning with dealers finding themselves long in DM and not in sterling. Coupled with a chartist's view that in the medium term sterling would rise the pound was, at one point, up 1 pfennig before falling back 1/2 pfennig up on the day.       Attes at 5:12p.m. \$1.7043 DM3.1385 DM/\$1.8415 Yen/\$135.20.       DNG KONG     Previous     Today       Change       ong Kong dollar     7.8082     7.8085     -0.0003       ang Seng Index     2508.19     2502.09     -6.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | llion equi                                                              |                                                                             |                                                      |                                                          |                                                   |  |  |
| Pance-700\$Ireland+22\$US-RKKET COMMENT A bearish mood continued for the dollar as market continued to digest last Friday<br>wer than expected employment figures. The National Association of Purchasing Management's<br>onthly report on the US economy for August showed a slowdown reinforcing the view that an<br>arly rise in interest rates was unlikely.<br>terling rose on technical factors this morning with dealers finding themselves long in DM and<br>onor tin sterling.Coupled with a chartist's view that in the medium term sterling would rise<br>be pound was, at one point, up 1 pfennig before falling back 1/2 pfennig up on the day.Attes at 5:12p.m. \$1.7043 DM3.1385 DM/\$1.8415 Yen/\$135.20.MMCMCDNG KONGPreviousTodayChange<br>ong Kong dollar7.80827.8085cong Kong Index2508.192502.09cong Seng Index2508.192502.09                                                                                                                                                                                                                                                                                                                                                          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                                                | -171DM, -86\$                                     |  |  |
| ARKET COMMENT A bearish mood continued for the dollar as market continued to digest last Friday<br>wer than expected employment figures. The National Association of Purchasing Management's<br>onthly report on the US economy for August showed a slowdown reinforcing the view that an<br>orly rise in interest rates was unlikely.<br>erling rose on technical factors this morning with dealers finding themselves long in DM and<br>hort in sterling.Coupled with a chartist's view that in the medium term sterling would rise<br>he pound was, at one point, up 1 pfennig before falling back 1/2 pfennig up on the day.ONG KONGPreviousTodayChangeONG KONGPreviousTodayChangeong Kong dollar7.80827.8085-0.0003ang Seng Index2508.192502.09-6.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | enmark                                                                                     | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Holland                                                                 | -50\$                                                                       |                                                      | Japan                                                    | -                                                 |  |  |
| ARKET COMMENT A bearish mood continued for the dollar as market continued to digest last Friday<br>wer than expected employment figures. 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | ance                                                                                       | -700\$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Ireland                                                                 | +22\$                                                                       |                                                      | US                                                       |                                                   |  |  |
| The National Association of Purchasing Management's<br>sonthly report on the US economy for August showed a slowdown reinforcing the view that an<br>urly rise in interest rates was unlikely.<br>Serling rose on technical factors this morning with dealers finding themselves long in DM and<br>hort in sterling.Coupled with a chartist's view that in the medium term sterling would rise<br>he pound was, at one point, up 1 pfennig before falling back 1/2 pfennig up on the day.Inter at 5:12p.m. \$1.7043 DM3.1385 DM/\$1.8415 Yen/\$135.20.Medical<br>MedicalONG KONGPreviousTodayChangeong Kong dollar7.80827.8085-0.0003ong Seng Index2508.192502.09-6.1                                                                                                                                                                                                                                                                                                                                                                  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                                                                                                                                                            |                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                         |                                                                             |                                                      |                                                          |                                                   |  |  |
| Dong Kong dollar     7.8082     7.8085     -0.0003       ang Seng Index     2508.19     2502.09     -6.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | ver than<br>onthly re-<br>arly rise<br>terling in<br>nort in so<br>ne pound                | expected<br>eport on t<br>e in inter<br>rose on te<br>sterling.C<br>was, at c                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | employment<br>the US econo-<br>cest rates we<br>connical fac<br>coupled with<br>one point,up                    | figures. T<br>omy for Aug<br>was unlikel<br>ctors this<br>h a chartis<br>p 1 pfennig                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | he Nationa<br>ust showed<br>y.<br>morning wi<br>t's view t<br>before fa | l Association<br>a slowdown<br>th dealers f<br>hat in the m<br>lling back 1 | n of Purch<br>reinforcir<br>inding the<br>edium term | nasing Manay<br>ng the view<br>emselves lo<br>n sterling | gement's<br>that an<br>ng in DM and<br>would rise |  |  |
| ang Seng Index 2508.19 2502.09 -6.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | ONG KONG                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Previous                                                                |                                                                             | Today                                                |                                                          | Change                                            |  |  |
| ang Seng Index 2508.19 2502.09 -6.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    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                                                                                                                                                            |                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 7.8082                                                                  |                                                                             | 7.8085                                               |                                                          | -0.0003                                           |  |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 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                                                                                                                                                            |                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                         |                                                                             |                                                      |                                                          | -6.1                                              |  |  |
| month interpank rate 0 2/0% 0 (/10 down 3/10%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   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                     |                                                                             |                                                      |                                                          |                                                   |  |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | month 11                                                                                   | nterbank r                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | ate                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 0 3/0%                                                                  | 0 /                                                                         | /10                                                  |                                                          | 40wii 5/10%                                       |  |  |

TT a

TEL NO: 270-5556

SECRET



#### SECRET

| MONEY MARKETS        |                    |                     | Tuesday 6          | th September 1988  |
|----------------------|--------------------|---------------------|--------------------|--------------------|
| INTEREST RATES       | £ Inte             | rbank               | Eurodo             | llar               |
|                      | Today              | Change              | Today              | Change             |
| 7 days               | 10 11/16           | -5/16               | 8 1/16             | 0                  |
| +<br>1 mth           | 11 11/16           | -1/8                | 8 1/4              | 0                  |
| 3 mth                | 12 1/8             | -3/16               | 8 3/8              | 0                  |
| 12 mth               | 12 1/16            | -3/16               | 8 13/16            | -1/8               |
| BILLS                |                    | Tod                 | ау                 | Change             |
| 3 Mon                | th Treasury Bills  | 11 1/2              | - 11 1/4           | -3/8               |
| BANK MONEY MARKET OF | TRATIONS           | +                   |                    |                    |
| BANK HONET HARKET OF | Purchases £ m      | Rates               | Discount Rate on E | licible Bank Bills |
| Hand 1 (0-14 days)   |                    | +                   | 11 1/4-1/8         |                    |
| Band 2 (15-31 days)  |                    | +                   | 11 15/32-          |                    |
| Band 3 (32-63 days)  |                    | +                   | 11 11/16-2         |                    |
| Band 4 (64-91 days)  |                    | ÷                   | 11 23/32-          | 11/16              |
| TOTAL BILLS          | 0                  | +<br>l              | +                  |                    |
| Repurchase           |                    | The way with        |                    |                    |
| Lending              |                    | †<br>1              |                    |                    |
| TOTAL OPERATIONS     | 0                  |                     | £ m<br>=======     |                    |
|                      |                    |                     |                    |                    |
| US RATES             |                    | 3 month CDs         | 10 yr Tsy Bond     | 20 yr Tsy Bond     |
|                      | Today/Change       | 8.30 0.00           | 9.02 0.00          | 9.07 0.00          |
| STOCK MARKET         |                    | FT Ind-Ord          | FTSE<br>+          | Gilt index         |
|                      | Today/Change       | 1426.8 5.0          | 1768.0 3.5         | 86.79 0.06         |
| MARKET COMMENT       |                    |                     |                    |                    |
| GILTS opened better  | on stronger sterli | ng.Shorts and mediu | ms were 1/4 firmer | and longs 3/8      |

and all sectors had gained a further 1/8 by midday. The afternoon saw little retail interest and some foreign selling at the higher levels. The market sold off to close with shorts only 1/8 better, mediums 1/8 to 1/4 and longs 1/16.

INDEXED LINKED were up to a 1/4 better at one stage, but closed unchanged to 1/8 easier.

EQUITIES staged a technical rally this morning but closed off the best as Wall Street lost most of its opening gains.

Peter Smith

NAME: Peter Smith TEL NO: 270 4613

SECRET

| GILT-EDGED MARKET                                                                                                                                                                                                                  |                             |                                                                                                                             |                                                                        |                                      | Tuesday 6th                                                                                                                      | September 198                                                                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| Transactions basis, cash values                                                                                                                                                                                                    | (£m); s                     | sales + purch                                                                                                               | ases                                                                   | -                                    |                                                                                                                                  |                                                                                                                                              |
| ISSUE DEPARTMENT: MARKET TRANSAC                                                                                                                                                                                                   | TIONS                       |                                                                                                                             |                                                                        |                                      | Today                                                                                                                            | September                                                                                                                                    |
|                                                                                                                                                                                                                                    |                             | Gross sale                                                                                                                  | s sho                                                                  | orts                                 |                                                                                                                                  | +                                                                                                                                            |
|                                                                                                                                                                                                                                    |                             | Gross sales                                                                                                                 | medi                                                                   | iums                                 | 16.9                                                                                                                             | 107.7                                                                                                                                        |
| Gre                                                                                                                                                                                                                                | oss sal                     | es longs and                                                                                                                | unda                                                                   | ted                                  | 29.2                                                                                                                             | 152.2                                                                                                                                        |
|                                                                                                                                                                                                                                    | Gros                        | s sales inde                                                                                                                | x-lin                                                                  | nked                                 | 11.9                                                                                                                             | 40.6                                                                                                                                         |
|                                                                                                                                                                                                                                    |                             | Part pa                                                                                                                     | id ca                                                                  | alls                                 |                                                                                                                                  |                                                                                                                                              |
| Buying in                                                                                                                                                                                                                          | non-ne                      | ext maturitie                                                                                                               | s sho                                                                  | orts                                 |                                                                                                                                  |                                                                                                                                              |
| Buying in r                                                                                                                                                                                                                        | non-nex                     | t maturities                                                                                                                | medi                                                                   | ums                                  | -29.2                                                                                                                            | -110.1                                                                                                                                       |
| Buying ir                                                                                                                                                                                                                          | n non-r                     | next maturiti                                                                                                               | es lo                                                                  | ongs                                 | -56.2                                                                                                                            | -266.6                                                                                                                                       |
| Buying in non-ne                                                                                                                                                                                                                   | ext mat                     | urities inde                                                                                                                | x-lin                                                                  | nked                                 | -11.0                                                                                                                            | -40.7                                                                                                                                        |
|                                                                                                                                                                                                                                    | CRND:                       | Market tran                                                                                                                 | sacti                                                                  | ons                                  | -11.2                                                                                                                            | -11.2                                                                                                                                        |
|                                                                                                                                                                                                                                    |                             | TOTAL 'GROS                                                                                                                 | s' sa                                                                  |                                      | -49.6                                                                                                                            | -128.1                                                                                                                                       |
| Bu                                                                                                                                                                                                                                 | uying i                     | in of next ma                                                                                                               | turit                                                                  | be-D-BA TANK                         |                                                                                                                                  | -0.7                                                                                                                                         |
|                                                                                                                                                                                                                                    |                             | Red                                                                                                                         | empti                                                                  | ions                                 | -0.2                                                                                                                             | -11.2                                                                                                                                        |
| тот/                                                                                                                                                                                                                               | AL TRAN                     | SACTIONS WIT                                                                                                                | H MAR                                                                  |                                      | -49.8                                                                                                                            |                                                                                                                                              |
|                                                                                                                                                                                                                                    |                             |                                                                                                                             |                                                                        |                                      |                                                                                                                                  | +                                                                                                                                            |
|                                                                                                                                                                                                                                    |                             |                                                                                                                             | Fu                                                                     | uture calls                          |                                                                                                                                  | 369                                                                                                                                          |
|                                                                                                                                                                                                                                    |                             |                                                                                                                             |                                                                        |                                      |                                                                                                                                  |                                                                                                                                              |
| Sales required to meet *                                                                                                                                                                                                           |                             | target of                                                                                                                   | £                                                                      | n                                    | 1                                                                                                                                |                                                                                                                                              |
| Sales required to meet *                                                                                                                                                                                                           |                             | target of                                                                                                                   |                                                                        | n<br>                                | n<br>                                                                                                                            | <br>+====================================                                                                                                    |
|                                                                                                                                                                                                                                    | ĸs                          |                                                                                                                             | ==                                                                     |                                      | Change                                                                                                                           | e from<br>y's close                                                                                                                          |
|                                                                                                                                                                                                                                    | ĸs                          | Yesterday's                                                                                                                 | ==<br>close                                                            |                                      | Chang<br>yesterda                                                                                                                | y's close                                                                                                                                    |
| PRICES/YIELDS OF GILT-EDGED STOC                                                                                                                                                                                                   | ĸs                          | Yesterday's<br>Par yield (pe                                                                                                | close<br>r cer                                                         |                                      | Chang<br>yesterda                                                                                                                | y's close<br>Yield (%)                                                                                                                       |
| PRICES/YIELDS OF GILT-EDGED STOC                                                                                                                                                                                                   | <b>KS</b><br>F<br>orts      | Yesterday's<br>Par yield (pe                                                                                                | close<br>r cer                                                         |                                      | Chang<br>yesterda<br>Price (£/32)                                                                                                | y's close<br>Yield (%)                                                                                                                       |
| PRICES/YIELDS OF GILT-EDGED STOCK<br>Sho<br>Med                                                                                                                                                                                    | <b>KS</b>                   | Yesterday's<br>Par yield (pe                                                                                                | close<br>r cer<br>+<br>) i<br>+                                        |                                      | Chang<br>yesterda<br>Price (£/32)<br>2                                                                                           | y's close<br>Yield (%)<br>                                                                                                                   |
| PRICES/YIELDS OF GILT-EDGED STOCK<br>Sho<br>Med                                                                                                                                                                                    | <b>KS</b><br>Forts<br>diums | Yesterday's<br>Par yield (pe<br>110.43(<br>10.164<br>9.65                                                                   | close<br>r cer<br>+<br>) i<br>+<br>2 i<br>+                            | nt)                                  | Chang<br>yesterda<br>Price (£/32)<br>2<br>5<br>4                                                                                 | y's close<br>Yield (%)<br>  -0.02<br>  -0.03<br>  -0.01                                                                                      |
| PRICES/YIELDS OF GILT-EDGED STOCK<br>Sha<br>Mea<br>Lor                                                                                                                                                                             | <b>KS</b><br>Forts<br>diums | Yesterday's<br>Par yield (pe<br>110.430<br>10.164<br>9.65<br>Pric                                                           | ==<br>close<br>r cer<br>+<br>) i<br>+<br>2  <br>+<br>2  <br>+<br>e (£) |                                      | Chang<br>yesterda<br>Price (£/32)<br>2<br>5<br>4<br>Yield (p                                                                     | y's close<br>Yield (%)<br>-0.02<br>-0.03<br>-0.01<br>-0.01                                                                                   |
| PRICES/YIELDS OF GILT-EDGED STOCK<br>Sha<br>Mea<br>Lor                                                                                                                                                                             | <b>KS</b><br>Forts<br>diums | Yesterday's<br>Par yield (pe<br>110.430<br>10.164<br>9.65<br>Pric                                                           | ==<br>close<br>r cer<br>+<br>) i<br>+<br>2  <br>+<br>2  <br>+<br>e (£) |                                      | Chang<br>yesterda<br>Price (£/32)<br>2<br>5<br>4<br>4<br>Yield (p<br>Today                                                       | y's close<br>Yield (%)<br>-0.02<br>-0.03<br>-0.01<br>er cent)<br>Change                                                                      |
| PRICES/YIELDS OF GILT-EDGED STOCK                                                                                                                                                                                                  | <b>KS</b><br>Forts<br>diums | Yesterday's<br>Par yield (pe<br>10.43(<br>10.164<br>9.65<br>Pric<br>Today                                                   | ==<br>close<br>r cer<br>+<br>) i<br>+<br>2  <br>+<br>2  <br>+<br>e (£) |                                      | Chang<br>yesterda<br>Price (£/32)<br>2<br>5<br>4<br>Yield (p<br>Today<br>10.45                                                   | y's close<br>Yield (%)<br>-0.02<br>-0.03<br>-0.01<br>er cent)<br>Change<br>-0.05                                                             |
| PRICES/YIELDS OF GILT-EDGED STOCK<br>Sha<br>Med<br>Lor<br>REPRESENTATIVE STOCKS                                                                                                                                                    | <b>KS</b><br>Forts<br>diums | Yesterday's<br>Par yield (pe<br>110.430<br>10.164<br>9.65<br>Pric<br>Today                                                  | ==<br>close<br>r cer<br>+<br>) i<br>+<br>2  <br>+<br>e (£,             | 2<br>nt)<br>/32)<br>Change           | Chang<br>yesterda<br>Price (£/32)<br>2<br>5<br>4<br>Yield (p<br>Today<br>10.45<br>10.09                                          | y's close<br>Yield (%)<br>-0.02<br>-0.03<br>-0.01<br>er cent)<br>Change<br>-0.05<br>-0.03                                                    |
| PRICES/YIELDS OF GILT-EDGED STOCK<br>Med<br>Lor<br>REPRESENTATIVE STOCKS<br>3% Treasury 1992<br>3 3/4 Treasury 1997 'C'                                                                                                            | <b>KS</b><br>Forts<br>diums | Yesterday's<br>Par yield (pe<br>110.430<br>10.164<br>9.65<br>Pric<br>Today<br>92<br>92                                      | e (£)                                                                  | 2<br>nt)<br>/32)<br>Change<br>6<br>5 | Chang<br>yesterda<br>Price (£/32)<br>2<br>5<br>4<br>Yield (p<br>Today<br>10.45<br>10.09<br>9.90                                  | y's close<br>Yield (%)<br>-0.02<br>-0.03<br>-0.01<br>er cent)<br>Change<br>-0.05<br>-0.03<br>-0.03                                           |
| PRICES/YIELDS OF GILT-EDGED STOCH<br>Sha<br>Mea<br>Lor<br>REPRESENTATIVE STOCKS<br>3% Treasury 1992<br>3 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07                                                                         | <b>KS</b><br>Forts<br>diums | Yesterday's<br>Par yield (pe<br>10.430<br>10.164<br>9.65<br>Pric<br>Today<br>92<br>192<br>192<br>113 3                      | ==<br>close<br>r cer<br>+<br>2  <br>+<br>e (£)<br>e (£)                | /32)<br>Change<br>6<br>5<br>2<br>0   | Chang<br>yesterda<br>Price (£/32)<br>2<br>5<br>4<br>Yield (p<br>Today<br>10.45<br>10.09<br>9.90<br>8.60                          | y's close<br>Yield (%)<br>-0.02<br>-0.03<br>-0.01<br>er cent)<br>Change<br>-0.05<br>-0.03<br>-0.01<br>-0.01<br>0.01                          |
| PRICES/YIELDS OF GILT-EDGED STOCH<br>Sha<br>Med<br>Lor<br>REPRESENTATIVE STOCKS<br>3% Treasury 1992<br>3 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992                                                     | <b>KS</b><br>Forts<br>diums | Yesterday's<br>Par yield (pe<br>110.430<br>10.164<br>9.65<br>Pric<br>Today<br>192<br>2<br>192<br>1113<br>3<br>182<br>1      | e (£,                                                                  | 2<br>(732)<br>Change<br>6<br>5<br>2  | Chang<br>yesterda<br>Price (£/32)<br>2<br>5<br>4<br>Yield (p<br>Today<br>10.45<br>10.09<br>9.90<br>8.60                          | y's close<br>Yield (%)<br>-0.02<br>-0.03<br>-0.01<br>er cent)<br>Change<br>-0.05<br>-0.03<br>-0.01<br>-0.01<br>0.01                          |
| PRICES/YIELDS OF GILT-EDGED STOCH<br>Sho<br>Med<br>Lor<br>REPRESENTATIVE STOCKS<br>3% Treasury 1992<br>3 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016                         | <b>KS</b><br>Forts<br>diums | Yesterday's<br>Par yield (pe<br>110.430<br>10.164<br>9.65<br>Pric<br>Today<br>92<br>92<br>192<br>113<br>182<br>1<br>96<br>2 | e (£)                                                                  | /32)<br>Change<br>6<br>5<br>2<br>0   | Chang<br>yesterda<br>Price (£/32)<br>2<br>5<br>4<br>Yield (p<br>Today<br>10.45<br>10.09<br>9.90<br>8.60<br>3.91                  | y's close<br>Yield (%)<br>-0.02<br>-0.03<br>-0.01<br>er cent)<br>Change<br>-0.05<br>-0.03<br>-0.01<br>0.01<br>0.01<br>0.01                   |
| PRICES/YIELDS OF GILT-EDGED STOCH<br>Sho<br>Med<br>Lor<br>REPRESENTATIVE STOCKS<br>3% Treasury 1992<br>3 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016<br>2% Index-Linked 1994 | <b>KS</b><br>Forts<br>diums | Yesterday's<br>Par yield (pe<br>110.430<br>10.164<br>9.65<br>Pric<br>Today<br>92<br>92<br>192<br>113<br>182<br>1<br>96<br>2 | <pre>close r cer+ 2  + 2  + e (£,+ 0  + 7  + 7  + </pre>               | change<br>6<br>5<br>2<br>0<br>0      | Chang<br>yesterda<br>Price (£/32)<br>2<br>5<br>4<br>Yield (p<br>Today<br>10.45<br>10.09<br>9.90<br>8.60<br>3.91                  | y's close<br>Yield (%)<br>-0.02<br>-0.03<br>-0.01<br>er cent)<br>Change<br>-0.05<br>-0.03<br>-0.01<br>0.01<br>0.01<br>0.01                   |
| PRICES/YIELDS OF GILT-EDGED STOCH<br>Sho<br>Med<br>Lor<br>REPRESENTATIVE STOCKS<br>3% Treasury 1992<br>3 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016<br>2% Index-Linked 1994 | <b>KS</b><br>Forts<br>diums | Yesterday's<br>Par yield (pe<br>110.430<br>10.164<br>9.65<br>Pric<br>Today<br>92<br>92<br>192<br>113<br>182<br>1<br>96<br>2 | <pre>close r cer+ 2  + 2  + e (£,+ 0  + 7  + 7  + </pre>               | <pre>/32) Change</pre>               | Chang<br>yesterda<br>Price (£/32)<br>2<br>5<br>4<br>Yield (p<br>Today<br>10.45<br>10.09<br>9.90<br>8.60<br>3.91                  | y's close<br>Yield (%)<br>-0.02<br>-0.03<br>-0.01<br>er cent)<br>Change<br>-0.05<br>-0.03<br>-0.01<br>0.01<br>0.01<br>0.00<br>0.02           |
| PRICES/YIELDS OF GILT-EDGED STOCK<br>Sha<br>Mea                                                                                                                                                                                    | <b>KS</b><br>Forts<br>diums | Yesterday's<br>Par yield (pe<br>110.430<br>10.164<br>9.65<br>Pric<br>Today<br>92<br>92<br>192<br>113<br>182<br>1<br>96<br>2 | <pre>close r cer+ 2  + 2  + e (£,+ 0  + 7  + 7  + </pre>               | <pre>/32) Change</pre>               | Chang<br>yesterda<br>Price (£/32)<br>2<br>5<br>4<br>Yield (p<br>Today<br>10.45<br>10.09<br>9.90<br>8.60<br>3.91<br>3.57<br>Close | y's close<br>Yield (%)<br>-0.02<br>-0.03<br>-0.01<br>er cent)<br>Change<br>-0.05<br>-0.03<br>-0.01<br>0.01<br>0.01<br>0.00<br>0.02<br>Volume |

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#### UNCLASSIFIED



Treasury Chambers, Parliament Street, SWIP 3AG 01-270 3000

6 September 1988

Ken Smith Esq Institute of Economic Affairs 2 Lord North Street WESTMINSTER SW1P 3LB

Dear Mr Smith

"THE STATE OF THE MARKET"

You asked me a few days ago for a reference for the Chancellor's quotation from the official Chinese newspaper, in the conclusion of his lecture on "The State of the Market".

The Anglicised version of the name of the newspaper is Renmin <u>Ribao</u>. The Chancellor spotted the quotation in the IMF Press Summary for 12 July 1988, but we do not know for certain whether the quotation featured in that day's issue of the paper, or perhaps a few days earlier, and to check it would be difficult. Are you content for the footnote to say, <u>"Renmin Ribao</u>, July 1988"?

Yours sincerely, Andrew Hudson

A P HUDSON

| FOR EXCHANGE MARKETS                                                                                                                                                                                                                                               |                                                                                                                                                                                                                  |                                                                                                                                                            |                                                                                                                      | MG EVENING REPORT<br>Wednesday 7<br>%change<br>\$/currency                                                                                                                                                                        |                                                                |                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Previous<br>close                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                  |                                                                                                                                                            | To<br>opening<br>8.30am                                                                                              | day<br>close<br>4.00pm                                                                                                                                                                                                            | since<br>Plaza                                                 | since<br>Paris                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 75.9                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                  | ERI                                                                                                                                                        | 76.0                                                                                                                 | 75.9                                                                                                                                                                                                                              | -7.4                                                           | 9.8                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 1.7020                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                  | /£<br>M/£                                                                                                                                                  | 1.7087 3.1449                                                                                                        | 1.703 3.1429                                                                                                                                                                                                                      | 23.9                                                           | 11.4                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 1.5162                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                  | CU/£                                                                                                                                                       |                                                                                                                      | 1.5171                                                                                                                                                                                                                            | -17.5                                                          | 12.0                                                                                                                                         | 7.7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 99.1                                                                                                                                                                                                                                                               | \$                                                                                                                                                                                                               | ERI                                                                                                                                                        |                                                                                                                      | 99                                                                                                                                                                                                                                | -29.1                                                          | -4.8                                                                                                                                         | -1.2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 1.8440                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                  | M/\$                                                                                                                                                       | 1.8405                                                                                                               |                                                                                                                                                                                                                                   |                                                                | -1.0                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 135.45                                                                                                                                                                                                                                                             | Y                                                                                                                                                                                                                | en/\$                                                                                                                                                      | 134.30                                                                                                               | 133.87                                                                                                                                                                                                                            | 78.2                                                           | 14.7                                                                                                                                         | 6.7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Sept \$13.65                                                                                                                                                                                                                                                       | Oct \$13                                                                                                                                                                                                         | .87 Nov \$                                                                                                                                                 | \$14.02 S                                                                                                            | pot Brent S                                                                                                                                                                                                                       | Sept \$13.17 Oct \$13.4                                        | 2 Nov \$13                                                                                                                                   | . 52                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| IK RESERVE T                                                                                                                                                                                                                                                       | RANSACTI                                                                                                                                                                                                         | ONS (\$mill                                                                                                                                                | lion)                                                                                                                |                                                                                                                                                                                                                                   |                                                                |                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| (a) +                                                                                                                                                                                                                                                              | +                                                                                                                                                                                                                |                                                                                                                                                            | Total                                                                                                                |                                                                                                                                                                                                                                   | (b)                                                            | )                                                                                                                                            | ++<br> Estimated  *                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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| 1                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                  |                                                                                                                                                            | 1 Apr 88                                                                                                             |                                                                                                                                                                                                                                   |                                                                |                                                                                                                                              | position                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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|                                                                                                                                                                                                                                                                    | -23                                                                                                                                                                                                              |                                                                                                                                                            | 2436                                                                                                                 |                                                                                                                                                                                                                                   | TOTAL                                                          |                                                                                                                                              | -456                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| a) Spot and                                                                                                                                                                                                                                                        | forward                                                                                                                                                                                                          | transacti                                                                                                                                                  | ions                                                                                                                 |                                                                                                                                                                                                                                   | aluation changes                                               |                                                                                                                                              | ++                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| a) Spot and<br>on a don                                                                                                                                                                                                                                            |                                                                                                                                                                                                                  |                                                                                                                                                            | ions                                                                                                                 |                                                                                                                                                                                                                                   | /aluation changes                                              |                                                                                                                                              | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| on a don                                                                                                                                                                                                                                                           | e date b                                                                                                                                                                                                         | asis.                                                                                                                                                      |                                                                                                                      |                                                                                                                                                                                                                                   | /aluation changes                                              |                                                                                                                                              | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| on a don<br>(b) Spot tr<br>date bas                                                                                                                                                                                                                                | e date b<br>ansactio<br>is, as i<br>                                                                                                                                                                             | asis.<br>ns only or<br>n publishe                                                                                                                          | n a value<br>ed figures.                                                                                             | тота                                                                                                                                                                                                                              | AL CHANGE IN RESERVES<br>* On conver<br>no furthe              |                                                                                                                                              | 0  <br>++<br>  -470  <br>++                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| on a don<br>(b) Spot tr<br>date bas                                                                                                                                                                                                                                | e date b<br>ansactio<br>is, as i<br>                                                                                                                                                                             | asis.<br>ns only or<br>n publishe<br><b>ET INTERVE</b>                                                                                                     | n a value<br>ed figures.                                                                                             | тота                                                                                                                                                                                                                              | AL CHANGE IN RESERVES<br>* On conver<br>no furthe<br>valent)   | er market in                                                                                                                                 | 0  <br>++<br>  -470  <br>+======+                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| on a don<br>(b) Spot tr<br>date bas<br>OTHER COUNTR<br>Belgium -3                                                                                                                                                                                                  | ansactio<br>is, as i<br>                                                                                                                                                                                         | asis.<br>ns only or<br>n publishe<br><b>ET INTERVE</b>                                                                                                     | n a value<br>ed figures.                                                                                             | TOTA<br>Llion equiv<br>Germany -                                                                                                                                                                                                  | AL CHANGE IN RESERVES<br>* On conver-<br>no further<br>valent) | er market in<br>Italy                                                                                                                        | 0  <br>++<br>++<br>umption of<br>ntervention.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| on a don<br>(b) Spot tr<br>date bas<br>OTHER COUNTR<br>Belgium - 3<br>Denmark -                                                                                                                                                                                    | ansactio<br>is, as i<br>                                                                                                                                                                                         | asis.<br>ns only or<br>n publishe<br><b>ET INTERVE</b>                                                                                                     | n a value<br>ed figures.                                                                                             | TOTA<br>Llion equiv<br>Germany -<br>Hoiland -                                                                                                                                                                                     | * On conver<br>no furthe                                       | er market in<br>Italy<br>Japan                                                                                                               | 0  <br>++<br>++<br>umption of<br>ntervention.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| on a don<br>(b) Spot tr<br>date bas<br>OTHER COUNTR<br>Belgium -3                                                                                                                                                                                                  | ansactio<br>is, as i<br>                                                                                                                                                                                         | asis.<br>ns only or<br>n publishe<br><b>ET INTERVE</b>                                                                                                     | n a value<br>ed figures.                                                                                             | TOTA<br>Llion equiv<br>Germany -                                                                                                                                                                                                  | * On conver<br>no furthe                                       | er market in<br>Italy                                                                                                                        | 0  <br>++<br>++<br>umption of<br>ntervention.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| on a don<br>(b) Spot tr<br>date bas<br>OTHER COUNTR<br>Belgium - 3<br>Denmark -<br>France -<br>France -                                                                                                                                                            | e date b<br>ansactio<br>is, as i<br><br>IES MARK<br>O\$,-31DM<br><br>NT<br>t time<br>d overni                                                                                                                    | asis.<br>ns only or<br>n publishe<br>ET INTERVE                                                                                                            | the forex                                                                                                            | TOTA<br>Llion equiv<br>Germany -<br>Hoiland -<br>Ireland -<br>markets ha<br>n as marke                                                                                                                                            | AL CHANGE IN RESERVES<br>* On conver-<br>no further<br>valent) | ar market in<br>Italy<br>Japan<br>US<br>and Lacked                                                                                           | <pre>1 0   ++ 1 -470   ++ umption of ntervention21\$,-205DM any direction. Th k rates by 1/16%.</pre>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| on a don<br>(b) Spot tr<br>date bas<br>THER COUNTR<br>Belgium -30<br>Denmark -<br>rance -<br>rance -<br>rance -<br>ARKET COMME<br>ter a quie<br>lollar ease<br>pening in L<br>he DM1.84<br>waited US<br>terling fir<br>iorning late<br>ross curren                 | e date b<br>ansactio<br>is, as i<br><br>IES MARK<br>0\$,-31DM<br><br>NT<br>t time<br>d overni<br>ondon th<br>resistan<br>PPI figu<br>med ove<br>r eased<br>cies(i.e                                              | asis.<br>ns only or<br>n publishe<br>ET INTERVE<br>dvernight<br>ght again<br>is morning<br>ce level.H<br>res due of<br>rnight on<br>as the of<br>. Y/DM et | the forex<br>the forex<br>the forex<br>the dollar<br>the back<br>dollar cons<br>c.).Oil pr                           | TOTA<br>Llion equiv<br>Germany -<br>Hoiland -<br>Ireland -<br>Ireland -<br>markets ha<br>n as marke<br>ar eased ag<br>ing found<br>day.Market<br>of an eas<br>solidated.U<br>ice eased t                                          | AL CHANGE IN RESERVES<br>* On conver-<br>no further<br>valent) | ar market in<br>Italy<br>Japan<br>US<br>and lacked<br>ese interbar<br>ell as the<br>vels the dol<br>earish for the<br>found a<br>es today as | <pre>1 0   ++ 1 -470   ++ umption of ntervention21\$,-205DM any direction. The rates by 1/16%. Yen)as markets test llar consolidated a the dollar. high at \$1.711 the markets focussed</pre>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| on a don<br>(b) Spot tr<br>date bas<br>THER COUNTR<br>Belgium -3<br>Denmark -<br>rance -<br>rance -<br>ARKET CONNE<br>ter a quie<br>lollar ease<br>opening in L<br>he DM1.84<br>waited US<br>terling fir<br>iorning late<br>ross curren<br>irmed.Gold              | e date b<br>ansactio<br>is, as i<br><br>IES MARK<br>0\$,-31DM<br>0\$,-31DM<br>coverni<br>ondon th<br>resistan<br>PPI figu<br>med ove<br>r eased<br>cies(i.e<br>fixed at                                          | asis.<br>ns only or<br>n publishe<br>ET INTERVE<br>Ght again<br>is morning<br>ce level.<br>res due co<br>rnight on<br>as the co<br>. Y/DM et<br>\$427.25 t | the forex<br>st the Yes<br>the dollar<br>control (\$mi<br>the dollar<br>the back<br>dollar cont<br>c.).Oil pr        | TOTA<br>Llion equiv<br>Germany -<br>Hoiland -<br>Ireland -<br>Ireland -<br>markets ha<br>n as marke<br>ar eased ag<br>ing found<br>day.Market<br>of an eas<br>solidated.U<br>ice eased t<br>con( 1 Sept                           | AL CHANGE IN RESERVES<br>* On conver-<br>no furthe<br>valent)  | ar market in<br>Italy<br>Japan<br>US<br>and lacked<br>ese interbar<br>ell as the<br>vels the dol<br>earish for the<br>found a<br>es today as | <pre>1 0   ++ 1 -470   ++ umption of ntervention21\$,-205DM any direction. The rates by 1/16%. Yen)as markets test llar consolidated a the dollar. high at \$1.711 the markets focussed</pre>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| on a don<br>(b) Spot tr<br>date bas<br>THER COUNTR<br>elgium - 30<br>enmark -<br>rance -<br>rance -<br>ARKET COMME<br>ter a quie<br>ollar ease<br>pening in L<br>he DM1.84<br>waited US<br>terling fir<br>orning late<br>ross curren<br>irmed.Gold<br>ates at 5.5  | e date b<br>ansactio<br>is, as i<br><br>IES MARK<br>0\$,-31DM<br>0\$,-31DM<br>coverni<br>ondon th<br>resistan<br>PPI figu<br>med ove<br>r eased<br>cies(i.e<br>fixed at                                          | asis.<br>ns only or<br>n publishe<br>ET INTERVE<br>Ght again<br>is morning<br>ce level.<br>res due co<br>rnight on<br>as the co<br>. Y/DM et<br>\$427.25 t | the forex<br>st the Yes<br>the dollar<br>control (\$mi<br>the dollar<br>the back<br>dollar cont<br>c.).Oil pr        | TOTA<br>Llion equiv<br>Germany -<br>Hoiland -<br>Ireland -<br>Ireland -<br>markets ha<br>n as marke<br>ar eased ag<br>ing found<br>day.Market<br>of an eas<br>solidated.U<br>ice eased t<br>con( 1 Sept                           | * On conver<br>no furthe<br>/alent)<br>                        | ar market in<br>Italy<br>Japan<br>US<br>and lacked<br>ese interbar<br>ell as the<br>vels the dol<br>earish for the<br>found a<br>es today as | <pre>1 0   ++ 1 -470   ++ umption of ntervention21\$,-205DM any direction. The rates by 1/16%. Yen)as markets test llar consolidated a the dollar. high at \$1.711 the markets focussed</pre>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| on a don<br>(b) Spot tr<br>date bas<br>THER COUNTR<br>Belgium -3<br>Denmark -<br>rance -<br>rance -<br>ARKET CONNE<br>ter a quie<br>lollar ease<br>opening in L<br>he DM1.84<br>waited US<br>terling fir<br>iorning late<br>ross curren<br>irmed.Gold              | e date b<br>ansactio<br>is, as i<br><br>IES MARK<br>0\$,-31DM<br><br>d overni<br>ondon th<br>resistan<br>PPI figu<br>med ove<br>r eased<br>cies(i.e<br>fixed at<br>5PM :                                         | asis.<br>ns only or<br>n publishe<br>ET INTERVE<br>Ght again<br>is morning<br>ce level.<br>res due co<br>rnight on<br>as the co<br>. Y/DM et<br>\$427.25 t | the forex<br>ast the Yen<br>the dollar<br>the back<br>dollar cons<br>c.).0il pr<br>this afterno<br>DM3.1486          | TOTA<br>Llion equiv<br>Germany -<br>Hoiland -<br>Ireland -<br>Ireland -<br>markets ha<br>n as market<br>ar eased ag<br>ing found<br>day.Market<br>of an eas<br>solidated.U<br>ice eased t<br>pon( 1 Sept<br>DM/\$1.844            | * On conver<br>no furthe<br>/alent)<br>                        | ar market in<br>Italy<br>Japan<br>US<br>and lacked<br>ese interbar<br>ell as the<br>vels the dol<br>earish for the<br>found a<br>es today as | <pre>1 0   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1 -470   1</pre> |
| on a don<br>(b) Spot tr<br>date bas<br>THER COUNTR<br>Belgium -30<br>Benmark -<br>rance -<br>rance -<br>ARKET COMME<br>ter a quie<br>ollar ease<br>pening in L<br>he DM1.84<br>waited US<br>terling fir<br>orning late<br>ross curren<br>irmed.Gold<br>ates at 5.5 | e date b<br>ansactio<br>is, as i<br><br>IES MARK<br>O\$,-31DM<br>O\$,-31DM<br>O\$,-31DM<br><br>t time<br>d overni<br>ondon th<br>resistan<br>PPI figu<br>med ove<br>r eased<br>cies(i.e<br>fixed at<br>5PM :<br> | asis.<br>ns only or<br>n publishe<br>ET INTERVE<br>Ght again<br>is morning<br>ce level.<br>res due co<br>rnight on<br>as the co<br>. Y/DM et<br>\$427.25 t | the forex<br>st the forex<br>the forex<br>the dollar<br>the back<br>the back<br>the back<br>this afterno<br>DM3.1486 | TOTA<br>Llion equiv<br>Germany -<br>Hoiland -<br>Ireland -<br>Ireland -<br>markets ha<br>n as marke<br>ar eased ag<br>ing found<br>day.Market<br>of an eas<br>solidated.U<br>ice eased t<br>pon( 1 Sept<br>DM/\$1.844<br>Previous | AL CHANGE IN RESERVES<br>* On conver-<br>no further<br>valent) | ar market in<br>Italy<br>Japan<br>US<br>and lacked<br>ese interbar<br>ell as the<br>vels the dol<br>earish for the<br>found a<br>es today as | <pre>i 0   i -470   i -470   i -470   i -21\$, -205DM any direction. The k rates by 1/16%. Yen)as markets test lar consolidated at the dollar. high at \$1.711 th s markets focused but has since</pre>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

SECRET

|                     |                                                                                                                |                          | Wednesday           | 7th September 198 |
|---------------------|----------------------------------------------------------------------------------------------------------------|--------------------------|---------------------|-------------------|
| NTEREST RATES       |                                                                                                                |                          | Eurodol             | 1                 |
|                     | £ Inte                                                                                                         |                          |                     |                   |
|                     | Today                                                                                                          | Change<br>+              | Today<br>++         | Change            |
| 7 days              | 10 1/2                                                                                                         | -3/16                    | 8  <br>++           | -1/16             |
| 1 mth               | 11 5/8                                                                                                         | -1/16<br>+               | 8 3/16  <br>++      | -1/16             |
| 3 mth               | 12 1/8                                                                                                         | 0                        | 8 5/16  <br>++      | -1/16             |
| 12 mth              | 12 1/8                                                                                                         | 1/16                     | 87/8                | 1/16              |
| ILLS                |                                                                                                                | Toda                     | ау                  | Change            |
| 3 Mor               | nth Treasury Bills                                                                                             | 11 5/8                   | - 11 1/2            | 1/4               |
|                     |                                                                                                                | +                        | +                   |                   |
| ANK MONEY MARKET OF | PERATIONS                                                                                                      |                          |                     |                   |
|                     | Purchases £ m                                                                                                  | Rates                    | Discount Rate on El | igible Bank Bills |
| and 1 (0-14 days)   |                                                                                                                |                          | 11 1/8-10           | 7/8               |
| and 2 (15-31 days)  | í                                                                                                              | +                        | 11 7/16-13          | /32               |
| and 3 (32-63 days)  |                                                                                                                | +···                     | 11 11/16-2          | 1/32              |
| and 4 (64-91 days)  | 97                                                                                                             | 11 11/16                 | 11 23/32-1          | 1/16              |
| TOTAL BILLS         | 97                                                                                                             | +<br>                    | +                   |                   |
| Repurchase          | +======================================                                                                        | +<br>                    |                     |                   |
| Lending             |                                                                                                                | <b>†</b>                 |                     |                   |
| TOTAL OPERATIONS    | 97                                                                                                             | +<br> against shortage : | £ 150 m             |                   |
|                     | +========================                                                                                      | +                        |                     |                   |
|                     |                                                                                                                |                          |                     |                   |
| S RATES             |                                                                                                                | +                        | 10 yr Tsy Bond      | 20 yr Tsy Bond    |
|                     | Today/Change                                                                                                   | 8.25 -0.05               | 9.00 -0.02          | 9.04 -0.03        |
|                     |                                                                                                                | FT Ind-Ord               | FTSE                | Gilt index        |
| TOCK MARKET         | the second design of the second distance of the second second second second second second second second second |                          | 1756.1 -11.9        |                   |

NAME: Peter Smith TEL NO: 270 4613

| GILT-EDGED MARKET              |            |                 |                | Wednesday 7th      | September           |
|--------------------------------|------------|-----------------|----------------|--------------------|---------------------|
| Transactions basis, cash value | s (£m); sa | ales + purchase | es -           |                    |                     |
| ISSUE DEPARTMENT: MARKET TRANS | ACTIONS    |                 |                | Today              | September           |
|                                |            | Gross sales s   | shorts.        |                    |                     |
|                                |            | Gross sales me  | ediums         | 8.8                | 116.                |
|                                | Gross sale | es longs and ur | ndated         | 38.2               | 190.                |
|                                | Gross      | s sales index-  | linked         | 2.8                | 43.                 |
|                                |            | Part paid       | calls .        |                    |                     |
| Buying                         | in non-nex | ct maturities   | shorts .       |                    |                     |
| Buying i                       | n non-next | t maturities me | ediums         | -9.3               | -119.               |
| Buying                         | in non-ne  | ext maturities  | longs          | -39.0              | -305.               |
| Buying in non                  | -next matu | urities index-  | linked         | -8.1               | -48.                |
|                                | CRND:      | Market transac  | ctions         | -4.6               | -15.                |
|                                |            | TOTAL 'GROSS'   | SALES          | -11.2              |                     |
|                                | Buying in  | n of next matu  | rities         |                    | -0.                 |
|                                |            | Redem           | ptions         |                    | -15                 |
| Ţ                              | OTAL TRAN  | SACTIONS WITH   | MARKET         | -11.2              |                     |
|                                |            |                 |                |                    |                     |
|                                |            |                 | Future calls   |                    | 30                  |
| Sales required to meet         | *          | target of       | £              | n                  |                     |
|                                |            |                 |                |                    |                     |
| PRICES/YIELDS OF GILT-EDGED ST |            | Yesterday's cl  | ose            | Change<br>yesterda | e from<br>y's close |
|                                | Pa         | ar yield (per o | cent)          | Price (£/32)       | Yield               |
|                                | Shorts     | 10.396          | <b>†</b>       | -2                 | 0.0                 |
|                                | Mediums    | 110.140         | +              | +<br>  -1          | 0.0                 |
|                                | Longs      | 9.643           | <b>7</b>       | +·<br>             | +<br>               |
|                                |            | +               | +              | +                  | +                   |
| REPRESENTATIVE STOCKS          |            |                 | (£/32)         |                    |                     |
|                                |            | +               | +              | Today              | +                   |
| 8% Treasury 1992               |            | 92 25           | +              | 10.46              | +                   |
| 8 3/4 Treasury 1997 'C'        |            | 92 8            | +              | +                  | +                   |
| 11 3/4% Treasury 2003/07       |            | 113 30          | +              | +                  | +                   |
| 3% Treasury 1992               |            | 82 10           | +              | +                  | +                   |
|                                |            | 96 24           | +              | +                  | +                   |
| 2 1/2% Index-Linked 2016       |            |                 |                | 3.57               | 0.0                 |
| 2% Index-Linked 1994           |            | 92 30           | 0              | +                  | +                   |
|                                |            | 92 30           | ÷              | ÷                  | ÷                   |
| 2% Index-Linked 1994           |            | ÷               | +<br>Open<br>+ | ÷                  | Volume              |

TEL NO:

270 4613

|                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                      |                                                                                                                                                                       |                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                               | 11                                                                                                                                  |                                                                                                                                                                             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ETGN E                                                                                                                                                                                                                                                                                  | CHANGE MAR                                                                                                                                                                                                                                           | KETS                                                                                                                                                                  |                                                                                                               | MG EVENING                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Thur                                                                                                                                                                                                          |                                                                                                                                     | tember 1988                                                                                                                                                                 |
|                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                      |                                                                                                                                                                       |                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                               | hange<br>irrency                                                                                                                    |                                                                                                                                                                             |
| Previous                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                      |                                                                                                                                                                       |                                                                                                               | day .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | since<br>Plaza                                                                                                                                                                                                | since<br>Paris                                                                                                                      | since 16<br>October 1987                                                                                                                                                    |
| close                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                      |                                                                                                                                                                       | opening<br>8.30am                                                                                             | close<br>4.00pm                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | PLaza                                                                                                                                                                                                         | F 01 13                                                                                                                             |                                                                                                                                                                             |
| 75.9                                                                                                                                                                                                                                                                                    | The second s                                                                                                                                       | ERI                                                                                                                                                                   | 75.8                                                                                                          | 75.7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | -7.7<br>23.4                                                                                                                                                                                                  | 9.6<br>11.0                                                                                                                         | 2.9                                                                                                                                                                         |
| 1.7030 3.1429                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                      | /£<br>M/£                                                                                                                                                             | 1.6985                                                                                                        | 3.1358                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | -19.7                                                                                                                                                                                                         | 12.3                                                                                                                                | 4.6                                                                                                                                                                         |
| 1.5171                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                      | cu/£                                                                                                                                                                  | 1.5162                                                                                                        | 1.5159                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                               |                                                                                                                                     |                                                                                                                                                                             |
| 99                                                                                                                                                                                                                                                                                      | the second second second second second                                                                                                                                                                                                               | ERI                                                                                                                                                                   |                                                                                                               | 99.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | -29.0<br>53.6                                                                                                                                                                                                 | -4.7                                                                                                                                |                                                                                                                                                                             |
| 1.8455 133.87                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                      | M/\$<br>en/\$                                                                                                                                                         | 1.8487<br>134.25                                                                                              | 1.8487<br>133.75                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 78.4                                                                                                                                                                                                          | 14.8                                                                                                                                | 6.8                                                                                                                                                                         |
| ept \$13.                                                                                                                                                                                                                                                                               | 17 Oct \$13                                                                                                                                                                                                                                          | .42 Nov \$                                                                                                                                                            | 13.52 S                                                                                                       | pot Brent Sept                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | \$13.15 Oct \$13.4                                                                                                                                                                                            | 2 Nov \$13.                                                                                                                         | 55                                                                                                                                                                          |
|                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                      |                                                                                                                                                                       | ion)                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | The second second                                                                                                                                                                                             |                                                                                                                                     |                                                                                                                                                                             |
| K RESERV                                                                                                                                                                                                                                                                                | E TRANSACTI                                                                                                                                                                                                                                          | ONS (SEILL                                                                                                                                                            | .10 <b>n</b> )                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | (b)                                                                                                                                                                                                           |                                                                                                                                     | ++                                                                                                                                                                          |
| a)                                                                                                                                                                                                                                                                                      | ++                                                                                                                                                                                                                                                   | This                                                                                                                                                                  | Total                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | (5)                                                                                                                                                                                                           |                                                                                                                                     | Estimated  *                                                                                                                                                                |
|                                                                                                                                                                                                                                                                                         | Today                                                                                                                                                                                                                                                | month                                                                                                                                                                 | since<br>1 Apr 88                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                               |                                                                                                                                     | end-month <br> position                                                                                                                                                     |
|                                                                                                                                                                                                                                                                                         | 5                                                                                                                                                                                                                                                    | -320                                                                                                                                                                  | ++                                                                                                            | Mark                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | et intervention                                                                                                                                                                                               |                                                                                                                                     | -311                                                                                                                                                                        |
|                                                                                                                                                                                                                                                                                         | -16                                                                                                                                                                                                                                                  |                                                                                                                                                                       | ++                                                                                                            | Off-ma                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | rket transactions                                                                                                                                                                                             |                                                                                                                                     | i -141 i                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                         | -11                                                                                                                                                                                                                                                  |                                                                                                                                                                       |                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | TOTAL                                                                                                                                                                                                         |                                                                                                                                     | -452                                                                                                                                                                        |
|                                                                                                                                                                                                                                                                                         | ++                                                                                                                                                                                                                                                   |                                                                                                                                                                       | +======+                                                                                                      | N                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | et borrowing                                                                                                                                                                                                  |                                                                                                                                     | -14                                                                                                                                                                         |
|                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                      |                                                                                                                                                                       |                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                               |                                                                                                                                     | ++                                                                                                                                                                          |
|                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                      |                                                                                                                                                                       |                                                                                                               | Valu                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | ation changes                                                                                                                                                                                                 |                                                                                                                                     | 0                                                                                                                                                                           |
| on a                                                                                                                                                                                                                                                                                    | and forward<br>done date b<br>transactio<br>basis, as                                                                                                                                                                                                | ons only o                                                                                                                                                            | n a value                                                                                                     | TOTAL C                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | ation changes<br>HANGE IN RESERVES<br>* On conven                                                                                                                                                             | tional ass                                                                                                                          | ++<br>  -466  <br>++                                                                                                                                                        |
| on a                                                                                                                                                                                                                                                                                    | done date t                                                                                                                                                                                                                                          | ons only o                                                                                                                                                            | n a value                                                                                                     | TOTAL C                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | HANGE IN RESERVES                                                                                                                                                                                             | tional ass<br>r market i                                                                                                            | ++<br>  -466  <br>+======+                                                                                                                                                  |
| on a<br>(b) Spot<br>date                                                                                                                                                                                                                                                                | done date t<br>transactio<br>basis, as                                                                                                                                                                                                               | oasis.<br>ons only of<br>in publish                                                                                                                                   | n a value<br>ed figures.                                                                                      | TOTAL C                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | * On conven<br>no furthe                                                                                                                                                                                      | r market i                                                                                                                          | umption of<br>ntervention.                                                                                                                                                  |
| on a<br>(b) Spot<br>date                                                                                                                                                                                                                                                                | done date t<br>transactio<br>basis, as                                                                                                                                                                                                               | oasis.<br>ons only of<br>in publish                                                                                                                                   | n a value<br>ed figures.                                                                                      | TOTAL C                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | * On conven<br>no furthe                                                                                                                                                                                      | r market i<br><br>Italy                                                                                                             | ++<br>  -466  <br>++                                                                                                                                                        |
| on a<br>(b) Spot<br>date                                                                                                                                                                                                                                                                | done date t<br>transactio<br>basis, as<br>INTRIES MARI<br>-82DM                                                                                                                                                                                      | oasis.<br>ons only of<br>in publish                                                                                                                                   | n a value<br>ed figures.<br><br>ENTION (\$mi                                                                  | TOTAL C<br>Illion equivale<br>Germany -<br>Holland -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | * On conven<br>no furthe                                                                                                                                                                                      | r market i<br>Italy<br>Japan                                                                                                        | umption of<br>ntervention.                                                                                                                                                  |
| on a<br>(b) Spot<br>date<br>OTHER COL<br>Belgium<br>Denmark                                                                                                                                                                                                                             | done date t<br>transactio<br>basis, as<br>INTRIES MARI<br>-82DM                                                                                                                                                                                      | ons only of<br>in publish<br>KET INTERV                                                                                                                               | n a value<br>ed figures.<br><br>ENTION (\$mi                                                                  | TOTAL C<br>illion equivale<br>Germany -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | HANGE IN RESERVES<br>* On conven<br>no furthe<br>ent)                                                                                                                                                         | r market i<br>Italy<br>Japan<br>US                                                                                                  | umption of<br>ntervention.                                                                                                                                                  |
| on a<br>(b) Spot<br>date<br>OTHER COL<br>Belgium<br>Denmark<br>France<br>MARKET CC<br>he forex<br>and some<br>the day a<br>Sterling<br>done today<br>was see                                                                                                                            | done date t<br>transactio<br>basis, as<br>                                                                                                                                                                                                           | 6DM<br>6DM<br>w a dull<br>ering.Toda<br>lose to it<br>the Far E<br>lowing CBI<br>1.695.<br>aced with                                                                  | and lethars<br>and lethars<br>y it trades<br>ast this mo<br>/FT survey<br>Italy and                           | TOTAL C<br>Germany -<br>Holland -<br>Ireland -580<br>Jic day. The c<br>d in a narrow<br>levels.Markets<br>orning falling<br>of distribut<br>France defend                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <pre>change in RESERVES  * On conven  no furthe ent)  dollar firmed over range staggering b s now await US PPI g below the key lo ive trades sterling </pre>                                                  | r market i<br>Italy<br>Japan<br>US<br>Driefly abd<br>figures o<br>evel of \$1.<br>ng eased an<br>y rates.The                        | <pre>+ I -466 I ++ I -466 I ++ umption of ntervention</pre>                                                                                                                 |
| on a<br>(b) Spot<br>date<br>OTHER COL<br>Belgium<br>Denmark<br>France<br>MARKET CC<br>he forex<br>and some<br>the day a<br>Sterling<br>done toda<br>was see<br>EMS tens<br>of the n                                                                                                     | done date t<br>transactio<br>basis, as<br>UNTRIES MARI<br>-82DM<br>-<br>-180\$,-14<br>-<br>-180\$,-14<br>-<br>-<br>-180\$,-14<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-                              | 6DM<br>w a dull<br>ering.Toda<br>lose to it<br>the Far E<br>lowing CBI<br>1.695.<br>aced with<br>and which                                                            | and lethar<br>y it tradec<br>s opening<br>ast this mo<br>/FT survey<br>Italy and<br>closed 1 5,               | TOTAL C<br>Germany -<br>Holland -<br>Ireland -580<br>Jic day. The c<br>d in a narrow<br>levels.Markets<br>orning falling<br>of distribut<br>France defend                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <pre>thange IN RESERVES  * On conven  no furthe ent)  dollar firmed over range staggering b s now await US PPI g below the key lo ive trades sterlin ing their DM parit;</pre>                                | r market i<br>Italy<br>Japan<br>US<br>Driefly abd<br>figures o<br>evel of \$1.<br>ng eased an<br>y rates.The                        | <pre></pre>                                                                                                                                                                 |
| on a<br>(b) Spot<br>date<br>OTHER COU<br>Belgium<br>Denmark<br>France<br>MARKET CC<br>he forex<br>and some<br>the day a<br>Sterling<br>done toda<br>was see<br>EMS tens<br>of the na                                                                                                    | done date t<br>transactio<br>basis, as<br>UNTRIES MARI<br>-82DM<br>-<br>-180\$,-14<br>-<br>-180\$,-14<br>-<br>-<br>-180\$,-14<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-                              | 6DM<br>w a dull<br>ering.Toda<br>lose to it<br>the Far E<br>lowing CBI<br>1.695.<br>aced with<br>and which                                                            | and lethar<br>y it tradec<br>s opening<br>ast this mo<br>/FT survey<br>Italy and<br>closed 1 5,               | TOTAL C<br>Germany -<br>Holland -<br>Ireland -580<br>Jireland -580<br>Jirela | <pre>thange IN RESERVES  * On conven  no furthe ent)  dollar firmed over range staggering b s now await US PPI g below the key lo ive trades sterlin ing their DM parit;</pre>                                | r market i<br>Italy<br>Japan<br>US<br>Driefly abd<br>figures o<br>evel of \$1.<br>ng eased an<br>y rates.The                        | <pre>+ I -466 I ++ I -466 I ++ umption of ntervention</pre>                                                                                                                 |
| on a<br>(b) Spot<br>date<br>OTHER COL<br>Belgium<br>Denmark<br>France<br>MARKET CO<br>he forex<br>and some<br>the day a<br>Sterling<br>done toda<br>was see<br>EMS tens<br>of the ni<br>Rates at<br>                                                                                    | done date t<br>transactio<br>basis, as<br>                                                                                                                                                                                                           | 6DM<br>w a dull<br>ering.Toda<br>lose to it<br>the Far E<br>lowing CBI<br>1.695.<br>aced with<br>and which                                                            | and lethar<br>y it tradec<br>s opening<br>ast this mo<br>/FT survey<br>Italy and<br>closed 1 5,               | TOTAL C<br>Germany -<br>Holland -<br>Ireland -580<br>Jic day. The c<br>d in a narrow<br>levels.Markets<br>orning falling<br>of distribut<br>France defend<br>/8% wide.<br>/\$1.8515 Y/3<br>Previous                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <pre>thange IN RESERVES  * On conven  no furthe ent) dollar firmed over range staggering b s now await US PPI g below the key lo ive trades sterlin ing their DM parit; \$133.90</pre>                        | r market i<br>Italy<br>Japan<br>US<br>Driefly abd<br>figures o<br>evel of \$1.<br>ng eased an<br>y rates.The                        | <pre>umption of<br/>ntervention.<br/>-317DM, -87ECU, -424<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-</pre> |
| on a<br>(b) Spot<br>date<br>OTHER COL<br>Belgium<br>Denmark<br>France<br>MARKET CC<br>he forex<br>and some<br>the day a<br>Sterling<br>done toda<br>was see<br>EMS tens<br>of the na<br>Rates at<br>HONG KON<br>Hong Kon                                                                | done date t<br>transactio<br>basis, as<br>UNTRIES MARI<br>-82DM<br>-<br>-180\$,-14<br>-<br>-180\$,-14<br>-<br>-<br>-180\$,-14<br>-<br>-<br>-<br>-180\$,-14<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | 6DM<br>w a dull<br>ering.Toda<br>lose to it<br>the Far E<br>lowing CBI<br>1.695.<br>aced with<br>and which                                                            | and lethar<br>y it tradec<br>s opening<br>ast this mo<br>/FT survey<br>Italy and<br>closed 1 5,               | TOTAL C<br>Germany -<br>Holland -<br>Ireland -580<br>Jic day. The c<br>d in a narrow<br>levels.Markets<br>orning falling<br>of distribut<br>France defend<br>/%% wide.<br>/\$1.8515 Y/3<br>Previous<br>7.809                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <pre>thange IN RESERVES  * On conven no furthe ent)  dollar firmed over range staggering b s now await US PPI g below the key lo ive trades sterlin ing their DM parit; \$133.90 Today</pre>                  | r market i<br>Italy<br>Japan<br>US<br>Driefly abd<br>figures o<br>evel of \$1.<br>ng eased an<br>y rates.The                        |                                                                                                                                                                             |
| on a<br>(b) Spot<br>date<br>OTHER COL<br>Belgium<br>Denmark<br>France<br>MARKET CC<br>he forex<br>and some<br>the day a<br>Sterling<br>done toda<br>was seen<br>the day a<br>Sterling<br>done toda<br>was seen<br>EMS tens<br>of the na<br>Rates at<br>HONG KON<br>Hong Kon<br>Hang Sen | done date t<br>transactio<br>basis, as<br>                                                                                                                                                                                                           | Assis.<br>Ans only of<br>in publish<br>KET INTERV<br>6DM<br>6DM<br>w a dull<br>ering.Toda<br>lose to it<br>the Far EI<br>1.695.<br>aced with<br>and which<br>1953 DM3 | and lethar<br>y it traded<br>s opening<br>ast this may<br>/FT survey<br>Italy and<br>closed 1 5,<br>3.1388 DM | TOTAL C<br>Germany -<br>Holland -<br>Ireland -580<br>Jic day. The c<br>d in a narrow<br>levels.Markets<br>orning falling<br>of distribut<br>France defend<br>/%% wide.<br>/\$1.8515 Y/3<br>Previous<br>7.809                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <pre>change in RESERVES  * On conven  no furthe ent)  dollar firmed over range staggering b s now await US PPI g below the key lo ive trades sterlin ing their DM parit; \$133.90  Today 7.8075 2508.53</pre> | r market in<br>Italy<br>Japan<br>US<br>US<br>rnight afte<br>oriefly abo<br>figures of<br>avel of \$1.<br>ng eased ar<br>y rates.The | <pre>umption of<br/>ntervention.<br/>-317DM, -87ECU, -424<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-</pre> |

SECRET

| IONEY MARKETS                             |                                         |                                                                     | Thursday                               | 8th September 1988     |  |
|-------------------------------------------|-----------------------------------------|---------------------------------------------------------------------|----------------------------------------|------------------------|--|
| NTEREST RATES                             | £ Inte                                  | erbank                                                              | Eurodollar                             |                        |  |
|                                           | Today                                   | Change                                                              | Today                                  | Change                 |  |
| +<br>7 days                               | 10 5/16                                 | -3/16                                                               | +                                      | 0                      |  |
| 1 mth                                     | 11 7/16                                 | -3/16                                                               | +                                      | 1/16                   |  |
| 3 mth                                     | 12 3/16                                 | 1/16                                                                | 8 3/8                                  | 1/16                   |  |
| +<br>12 mth                               | 12 9/32                                 | 5/32                                                                | 8 7/8                                  | 1 0                    |  |
| ILLS +                                    |                                         | Tod                                                                 | +                                      | Change                 |  |
| 3 Mon                                     | th Treasury Bills                       | +<br>  11 5/8                                                       | - 11 1/2                               | 0                      |  |
|                                           | Aler Parts                              | +                                                                   | ·····                                  | +                      |  |
| ANK MONEY MARKET OF                       | PERATIONS                               |                                                                     |                                        |                        |  |
|                                           | Purchases £ m                           | Rates                                                               | Discount Rate on E                     |                        |  |
| and 1 (0-14 days)                         |                                         |                                                                     |                                        |                        |  |
| and 2 (15-31 days) <br>+                  |                                         | <br>                                                                | 11 3/8-11                              |                        |  |
| land 3 (32-63 days) <br>+                 |                                         |                                                                     | 11 11/16-                              |                        |  |
| and 4 (64-91 days)                        | 113                                     | 11 11/16                                                            | 11 23/32-                              | 45/64                  |  |
| TOTAL BILLS                               | 113                                     |                                                                     |                                        |                        |  |
| Repurchase                                |                                         | <br>-+                                                              |                                        |                        |  |
| Lending                                   |                                         | -+                                                                  |                                        |                        |  |
| TOTAL OPERATIONS                          | 113                                     | against shortage<br>=+                                              | £ 100 m                                |                        |  |
|                                           |                                         |                                                                     |                                        |                        |  |
| IS RATES                                  |                                         | 3 month CDs                                                         | 10 yr Tsy Bond                         | 20 yr Tsy Bond         |  |
|                                           | Today/Change                            | 8.30 0.05                                                           | 9.01 0.01                              | 9.05 0.01              |  |
| TOCK MARKET                               |                                         | FT Ind-Ord                                                          | FTSE                                   | Gilt index             |  |
|                                           | Today/Change                            | 1 1401.3 -20.1                                                      | 1739.8 -16.3                           | 86.67 -0.15            |  |
|                                           |                                         |                                                                     |                                        |                        |  |
| ARKET COMMENT                             |                                         |                                                                     |                                        |                        |  |
| SILTS opened 1/8 eas                      | sier in shorts and                      | mediums and an 1/8<br>nd the lower level o                          | down in longs follo                    | owing the<br>as little |  |
| ctivity and the may                       | rket drifted back of uying at the lowes | especially after the<br>t levels,down 1/2.At                        | e CBI Survey before                    | being                  |  |
| NDEXED LINKED open<br>selling lost ground | ed 1/8 to 1/4 soft<br>rapidly before st | er and on the back o<br>abilizing a bit, clo                        | of professional and<br>osing 5/8 down. | retail                 |  |
| that recent interest                      | t rate rises had fi                     | y sharply following<br>ailed to curb consur<br>rket makers sales pr | ner spending                           |                        |  |
| oottom.                                   |                                         |                                                                     |                                        | eter Snit              |  |

SECRET

| GILT-EDGED MARKET                                                                                                                                                             |                           |                                                                                                                                 |                                                                                             | Thursday 8th                                                                                                                                  | September 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transactions basis, cash values                                                                                                                                               | (£m); s                   | ales + purchases                                                                                                                | s -                                                                                         |                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| ISSUE DEPARTMENT: MARKET TRANSAC                                                                                                                                              | CTIONS                    |                                                                                                                                 |                                                                                             | Today                                                                                                                                         | September                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                               |                           | Gross sales sh                                                                                                                  | norts                                                                                       | 5.6                                                                                                                                           | 5.6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                                                                                                                                                                               |                           | Gross sales med                                                                                                                 | diums                                                                                       | 27.5                                                                                                                                          | 144.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Gr                                                                                                                                                                            | ross sal                  | es Longs and und                                                                                                                | dated                                                                                       | 39.7                                                                                                                                          | 230.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                                                                                                                                                                               | Gros                      | s sales index-l                                                                                                                 | inked                                                                                       | 13.6                                                                                                                                          | 57.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                                                                                                                                                                               |                           | Part paid                                                                                                                       | calls                                                                                       |                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Buying i                                                                                                                                                                      | n non-ne                  | ext maturities sl                                                                                                               | horts                                                                                       | -6.0                                                                                                                                          | -6.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Buying in                                                                                                                                                                     | non-nex                   | t maturities me                                                                                                                 | diums                                                                                       | -48.5                                                                                                                                         | -167.9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Buying                                                                                                                                                                        | in non-r                  | next maturities                                                                                                                 | longs                                                                                       | -38.3                                                                                                                                         | -343.9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Buying in non-                                                                                                                                                                | next mat                  | urities index-l                                                                                                                 | inked                                                                                       | -37.8                                                                                                                                         | -86.6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                                                                                                                                                                               |                           | Market transac                                                                                                                  |                                                                                             |                                                                                                                                               | -15.8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                                                                                                                                                                               |                           | TOTAL 'GROSS'                                                                                                                   | SALES                                                                                       | -44.2                                                                                                                                         | -183.5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                                               | Buying                    | in of next matur                                                                                                                | ities                                                                                       |                                                                                                                                               | -0.7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                                                                                                                                                                               |                           | Redemp                                                                                                                          | tions                                                                                       | -0.3                                                                                                                                          | -15.8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| то                                                                                                                                                                            | TAL TRA                   | NSACTIONS WITH M                                                                                                                | ARKET                                                                                       | -44.5                                                                                                                                         | -185.5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                                               |                           |                                                                                                                                 |                                                                                             |                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                                                                                                                                                                               |                           |                                                                                                                                 | Future calls                                                                                |                                                                                                                                               | 369                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Sales required to meet *                                                                                                                                                      | No. Starte                | tanget of 4                                                                                                                     | man anna a la                                                                               |                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                                                                                                                                                                               |                           | target of f                                                                                                                     |                                                                                             | n                                                                                                                                             | +======================================                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                                                                                                                                                               |                           |                                                                                                                                 |                                                                                             |                                                                                                                                               | +======================================                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| PRICES/YIELDS OF GILT-EDGED STO                                                                                                                                               |                           |                                                                                                                                 |                                                                                             | Chang                                                                                                                                         | e from<br>y's close                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| PRICES/YIELDS OF GILT-EDGED STO                                                                                                                                               | ocks                      | Yesterday's clo                                                                                                                 | ose                                                                                         | Chang<br>yesterda                                                                                                                             | y's close                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                               | ocks                      | Yesterday's clo<br>Par yield (per c                                                                                             | ose                                                                                         | Chang                                                                                                                                         | Yield (%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| s                                                                                                                                                                             | DCKS<br>Shorts            | Yesterday's clo<br>Par yield (per c                                                                                             | ose                                                                                         | Chang<br>yesterda<br>Price (£/32)                                                                                                             | Yield (%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| S                                                                                                                                                                             | DCKS<br>Shorts<br>Mediums | Yesterday's clo<br>Par yield (per c<br>10.11:1<br>10.12:2                                                                       | ose                                                                                         | Chang<br>yesterda<br>Price (£/32)<br>-5                                                                                                       | yield (%<br>1 0.04<br>0.04                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| S                                                                                                                                                                             | DCKS<br>Shorts            | Yesterday's clo<br>Par yield (per c                                                                                             | ent)                                                                                        | Chang<br>yesterda<br>Price (£/32)<br>  -5<br>  -8<br>  -11                                                                                    | Yield (%<br>  0.04<br>  0.04<br>  0.04                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| S                                                                                                                                                                             | DCKS<br>Shorts<br>Mediums | Yesterday's clo<br>Par yield (per c<br>10.1111<br>10.122<br>9.645                                                               | ent)                                                                                        | Chang<br>yesterda<br>Price (£/32)<br>  -5<br>  -5<br>  -8<br>  -11<br>Yield (p                                                                | Yield (%<br>Yield (%<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04         |
| S<br>M<br>L                                                                                                                                                                   | DCKS<br>Shorts<br>Mediums | Yesterday's clo<br>Par yield (per c<br>10.1111<br>10.122<br>9.645                                                               | ent)                                                                                        | Chang<br>yesterda<br>Price (£/32)<br>  -5<br>  -8<br>  -11<br>Yield (g<br>Today                                                               | Yield (%<br>Yield (%<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04         |
| S<br>M<br>L                                                                                                                                                                   | DCKS<br>Shorts<br>Mediums | Yesterday's clo<br>Par yield (per c<br>10.11:1<br>10.12:1<br>9.645<br>Price c                                                   | (£/32)<br>Change                                                                            | Chang<br>yesterda<br>Price (£/32)<br>  -5<br>  -5<br>  -8<br>  -11<br>Yield (p<br>Today<br>  10.52                                            | y's close<br>Yield (%<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| S<br>M<br>L<br>Representative Stocks                                                                                                                                          | DCKS<br>Shorts<br>Mediums | Yesterday's clo<br>Par yield (per of<br>10./11:1<br>10.22<br>9.645<br>Price of<br>Today                                         | (£/32)<br>Change                                                                            | Chang<br>yesterda<br>Price (f/32)<br>-5<br>-8<br>-11<br>Yield (f<br>Today<br>10.52<br>10.13                                                   | Yield (%<br>Yield (%<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04         |
| S<br>M<br>L<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992                                                                                                                      | DCKS<br>Shorts<br>Mediums | Yesterday's clo<br>Par yield (per o<br>10.11:1<br>10.22<br>9.645<br>Price<br>Today<br>92 20                                     | cent)<br>(£/32)<br>Change<br>-5<br>-8                                                       | Chang<br>yesterda<br>Price (f/32)<br>  -5<br>  -8<br>  -11<br>Yield (f<br>Today<br>  10.52<br>  10.13<br>  9.94                               | y's close<br>Yield (%<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| S<br>M<br>L<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'                                                                                           | DCKS<br>Shorts<br>Mediums | Yesterday's clo<br>Par yield (per c<br>10.11:1<br>10.12:1<br>9.645<br>Price<br>Today<br>92 20<br>92                             | change<br>-5<br>-12                                                                         | Chang<br>yesterda<br>Price (£/32)<br>  -5<br>  -8<br>  -11<br>Yield (p<br>Today<br>  10.52<br>  10.13<br>  9.94<br>  8.63                     | y's close<br>Yield (%<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| S<br>M<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07                                                                    | DCKS<br>Shorts<br>Mediums | Yesterday's clo<br>Par yield (per of<br>10.11:1<br>10.22<br>9.645<br>Price<br>Today<br>92 20<br>92<br>1 92<br>113 18            | change<br>-5<br>-7<br>-7<br>-7<br>-7<br>-7<br>-7<br>-7<br>-7<br>-7<br>-7                    | Chang<br>yesterda<br>Price (f/32)<br>-5<br>-8<br>-11<br>Yield (f<br>Today<br>10.52<br>10.13<br>9.94<br>8.63<br>3.96                           | y's close<br>Yield (%<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| S<br>M<br>L<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992                                           | DCKS<br>Shorts<br>Mediums | Yesterday's clo<br>Par yield (per of<br>10.11:1<br>10.12:1<br>9.645<br>Price<br>Today<br>92 20<br>1 92<br>1 113 18<br>82 8      | change<br>-5<br>-75<br>-8<br>-12<br>-22                                                     | Chang<br>yesterda<br>Price (£/32)<br>  -5<br>  -8<br>  -11<br>Yield (p<br>Today<br>  10.52<br>  10.13<br>  9.94<br>  8.63<br>  3.96           | y's close<br>Yield (%<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| S<br>M<br>L<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016               | DCKS<br>Shorts<br>Mediums | Yesterday's clo<br>Par yield (per of<br>10.11:1<br>10.12:1<br>9.645<br>Price<br>Today<br>92 20<br>92<br>1113 18<br>82 8<br>96 2 | change<br>-5<br>-75<br>-8<br>-12<br>-22                                                     | Chang<br>yesterda<br>Price (£/32)<br>  -5<br>  -8<br>  -11<br>Yield (p<br>Today<br>  10.52<br>  10.13<br>  9.94<br>  8.63<br>  3.96           | y's close<br>Yield (%<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.04<br>0.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| S<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016<br>2% Index-Linked 1994 | DCKS<br>Shorts<br>Mediums | Yesterday's clo<br>Par yield (per of<br>10.11:1<br>10.12:1<br>9.645<br>Price<br>Today<br>92 20<br>92<br>1113 18<br>82 8<br>96 2 | change<br>-5<br>-75<br>-8<br>-12<br>-22                                                     | Chang<br>yesterda<br>Price (£/32)<br>  -5<br>  -8<br>  -11<br>Yield (p<br>Today<br>  10.52<br>  10.13<br>  9.94<br>  8.63<br>  3.96           | Yield (%<br>  0.04<br>  0.04<br> |
| S<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016<br>2% Index-Linked 1994 | DCKS<br>Shorts<br>Mediums | Yesterday's clo<br>Par yield (per of<br>10.11:1<br>10.12:1<br>9.645<br>Price<br>Today<br>92 20<br>92<br>1113 18<br>82 8<br>96 2 | <b>bse</b><br>tent)<br>(£/32)<br>Change<br>  -5<br>  -5<br>  -12<br>  -12<br>  -22<br>  -10 | Chang<br>yesterda<br>Price (f/32)<br>-5<br>-5<br>-8<br>-11<br>Yield (f<br>Today<br>10.52<br>10.13<br>19.94<br>8.63<br>13.96<br>13.65<br>Close | Yield (%<br>  0.04<br>  0.04<br> |

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FROM: DATE:

CC

N P WILLIAMS 8 September 1988

1. MISS O'MARA Mon ga

2. ECONOMIC SECRETARY

Chancellor Paymaster General Sir G Littler Mr Lankester Mr Scholar Mr Peretz Mr Gilhooly Mr Ilett Mr Mortimer Miss Noble Mr Watts Mr Devereux Mr Parkinson Mr Nelson

Mrs Dayer T.Sol Mr Milne Bank Mr O'Connor IR

#### ECU TREASURY BILL PROGRAMME

You may like to see for information a revised version of the Bank's information memorandum (copy attached) which takes account of the Chancellor's amendments, and is intended for publication next week.

2. The memorandum now includes a list of market-makers on page 8, comprising 13 UK banks, 7 EC banks, 5 US banks and securities houses and 3 Swiss banks. There are no Japanese market-makers, as agreed by the Chancellor.

3. The Bank wish to print the memorandum tomorrow. The one point that we feel we should draw to your attention is the ordering of market-makers, with UK banks first. The Bank's Gilt-Edged Division think that it would be natural to put UK banks first, that it is an important marketing point and that foreign-owned market-makers would be neither surprised nor offended by the ordering. However, this does, of course, play down the European nature of the programme, especially when we are hoping some European governments may wish to make use of the market in London. This problem could be avoided by putting all market-makers in alphabetical order.

N P WILLIAMS

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|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------|--------|
| OREIGN EXC                                                                                                                                                          | CHANGE MAR                                                                                                           | KETS                                                                                   |                                                                                   | NG EVENI                                                                                                                                       | Fri<br>X                                                                                                                                            | day 9 Septer<br>change<br>urrency                   | mber 1988                                 |        |
| Previous                                                                                                                                                            |                                                                                                                      |                                                                                        |                                                                                   | day                                                                                                                                            | since                                                                                                                                               | since<br>Paris                                      |                                           | 097    |
| close                                                                                                                                                               |                                                                                                                      |                                                                                        | opening<br>8.30am                                                                 | close<br>4.00pm                                                                                                                                | Plaza                                                                                                                                               | Parts                                               | Uctober 1                                 | 901    |
| 75.7                                                                                                                                                                | £                                                                                                                    | ERI                                                                                    | 75.7                                                                              | 75.7                                                                                                                                           | -7.7                                                                                                                                                | 9.6                                                 | 2.9                                       |        |
| 1.6962                                                                                                                                                              |                                                                                                                      | /£<br>M/£                                                                              | 1.6995                                                                            | 1.698                                                                                                                                          | 23.6                                                                                                                                                | 11.1 12.4                                           | 2.0                                       |        |
| 1.5159                                                                                                                                                              |                                                                                                                      | CU/£                                                                                   | 1.5132                                                                            | 1.5127                                                                                                                                         | -17.0                                                                                                                                               | 12.4                                                |                                           |        |
| 99.1                                                                                                                                                                |                                                                                                                      | ERI                                                                                    | -                                                                                 | 99                                                                                                                                             | -29.1                                                                                                                                               |                                                     |                                           |        |
| 1.8487 133.75                                                                                                                                                       |                                                                                                                      | M/\$<br>en/\$                                                                          | 1.8432 132.90                                                                     |                                                                                                                                                | 53.7<br>78.8                                                                                                                                        | -1.2                                                |                                           |        |
| ept \$13.15                                                                                                                                                         | 0ct \$13                                                                                                             | .42 Nov 5                                                                              | 13.55 s                                                                           | pot Brent Sept                                                                                                                                 | \$13.40 Oct \$13.7                                                                                                                                  | 2 Nov \$13.                                         | 82                                        |        |
|                                                                                                                                                                     | TRANCACTI                                                                                                            |                                                                                        |                                                                                   |                                                                                                                                                |                                                                                                                                                     |                                                     |                                           |        |
| a) +-                                                                                                                                                               | +                                                                                                                    | ous (smill                                                                             | ++                                                                                | Standard Park                                                                                                                                  | (b)                                                                                                                                                 |                                                     | ++                                        |        |
|                                                                                                                                                                     | Today                                                                                                                | This                                                                                   | Total  <br>since                                                                  |                                                                                                                                                | (0)                                                                                                                                                 |                                                     | Estimated                                 | *      |
|                                                                                                                                                                     | i i i                                                                                                                | so far                                                                                 | 1 Apr 88                                                                          |                                                                                                                                                |                                                                                                                                                     |                                                     | position                                  |        |
| +-                                                                                                                                                                  |                                                                                                                      | -321                                                                                   | 3307                                                                              |                                                                                                                                                | cet intervention                                                                                                                                    |                                                     | -312                                      |        |
| +-                                                                                                                                                                  | 6                                                                                                                    | -68                                                                                    |                                                                                   | Off-ma                                                                                                                                         | arket transactions                                                                                                                                  | T. Walter                                           | ++                                        |        |
| +-                                                                                                                                                                  | 5                                                                                                                    | -389                                                                                   | 2430                                                                              |                                                                                                                                                | TOTAL                                                                                                                                               |                                                     | -452                                      |        |
| +-                                                                                                                                                                  | +                                                                                                                    |                                                                                        |                                                                                   |                                                                                                                                                |                                                                                                                                                     |                                                     | +========+                                |        |
|                                                                                                                                                                     |                                                                                                                      |                                                                                        |                                                                                   |                                                                                                                                                |                                                                                                                                                     |                                                     |                                           |        |
|                                                                                                                                                                     |                                                                                                                      |                                                                                        |                                                                                   |                                                                                                                                                | let borrowing                                                                                                                                       |                                                     | -14                                       |        |
| a) Spot an<br>on a do                                                                                                                                               | nd forward<br>one date b                                                                                             |                                                                                        | ions                                                                              | Valu                                                                                                                                           | uation changes                                                                                                                                      |                                                     | 0                                         |        |
|                                                                                                                                                                     | one date b                                                                                                           | asis.                                                                                  |                                                                                   | Valu                                                                                                                                           |                                                                                                                                                     |                                                     | ++                                        |        |
| on a do<br>(b) Spot t<br>date ba<br>THER COUNT                                                                                                                      | one date b<br>cransactio<br>sis, as i                                                                                | asis.<br>ns only or<br>n publishe                                                      | n a value<br>ed figures.                                                          | Valu<br>TOTAL (                                                                                                                                | uation changes<br>CHANGE IN RESERVES<br>* On conven<br>no furthe                                                                                    | tional assu<br>r market in                          | D  <br>-466  <br>mption of<br>tervention. |        |
| on a do<br>(b) Spot t<br>date ba<br>THER COUNT                                                                                                                      | one date b<br>cransactio<br>sis, as i                                                                                | asis.<br>ns only or<br>n publishe                                                      | n a value<br>ed figures.                                                          | Valu<br>TOTAL (                                                                                                                                | uation changes<br>CHANGE IN RESERVES<br>* On conven<br>no furthe                                                                                    | tional assu                                         | D  <br>-466  <br>mption of<br>tervention. |        |
| on a do<br>(b) Spot t<br>date ba<br><br>THER COUNT<br>elgium -                                                                                                      | ransactio<br>sis, as i<br>rRIES MARK                                                                                 | asis.<br>ns only or<br>n publishe                                                      | n a value<br>ed figures.                                                          | Valu<br>TOTAL (                                                                                                                                | uation changes<br>CHANGE IN RESERVES<br>* On conven<br>no furthe                                                                                    | tional assu<br>r market in                          | D  <br>-466  <br>mption of<br>tervention. |        |
| on a do<br>(b) Spot t<br>date ba<br><br>THER COUNT<br>elgium -                                                                                                      | ransactio<br>sis, as i<br>RIES MARK                                                                                  | asis.<br>ns only or<br>n publishe                                                      | n a value<br>ed figures.                                                          | Valu<br>TOTAL (<br>Llion equivalo<br>Germany -                                                                                                 | uation changes<br>CHANGE IN RESERVES<br>* On conven<br>no furthe                                                                                    | tional assum<br>r market in<br>                     | D  <br>-466  <br>mption of<br>tervention. |        |
| on a do<br>(b) Spot t<br>date ba<br>THER COUNT<br>elgium -<br>enmark -<br>rance -<br>ARKET CONM<br>arkets ver<br>ffect on t<br>terling tr                           | ransactio<br>sis, as i<br>rRIES MARK<br>24DM<br>14\$<br>HENT<br>y quiet<br>he rates.<br>aded thin                    | asis.<br>ns only or<br>n publishe<br>ET INTERVI<br>today. Th<br>with litt              | n a value<br>ed figures.<br>ENTION (\$mi<br>ne US PPI<br>tle change               | Valu<br>TOTAL (<br>Illion equivale<br>Germany -<br>Holland -45<br>Ireland -                                                                    | uation changes<br>CHANGE IN RESERVES<br>* On conven<br>no furthe<br>ent)<br>55<br>6% was much as end the day.                                       | tional assur<br>r market in<br>Italy<br>Japan<br>US | D  <br>-466  <br>                         | mifice |
| on a do<br>(b) Spot t<br>date ba<br>THER COUNT<br>elgium -<br>enmark -<br>rance -<br>ARKET CONM<br>arkets ver<br>ffect on t<br>terling tr                           | ransactio<br>sis, as i<br>rRIES MARK<br>24DM<br>14\$<br>HENT<br>y quiet<br>he rates.<br>aded thin                    | asis.<br>ns only or<br>n publishe<br>ET INTERVI<br>today. Th<br>with litt              | n a value<br>ed figures.<br>ENTION (\$mi<br>ne US PPI<br>tle change               | Valu<br>TOTAL (<br>Ulion equivalo<br>Germany -<br>Holland -45<br>Ireland -<br>figure of +0.<br>in rates durin                                  | uation changes<br>CHANGE IN RESERVES<br>* On conven<br>no furthe<br>ent)<br>55<br>6% was much as end the day.                                       | tional assur<br>r market in<br>Italy<br>Japan<br>US | D  <br>-466  <br>                         | mifice |
| on a do<br>(b) Spot t<br>date ba<br>THER COUNT<br>elgium -<br>enmark -<br>rance -<br>ARKET CONM<br>arkets ver<br>ffect on t<br>terling tr                           | ransactio<br>sis, as i<br>rRIES MARK<br>24DM<br>14\$<br>HENT<br>y quiet<br>he rates.<br>aded thin                    | asis.<br>ns only or<br>n publishe<br>ET INTERVI<br>today. Th<br>with litt              | n a value<br>ed figures.<br>ENTION (\$mi<br>ne US PPI<br>tle change               | Valu<br>TOTAL (<br>Ulion equivalo<br>Germany -<br>Holland -45<br>Ireland -<br>figure of +0.<br>in rates durin                                  | uation changes<br>CHANGE IN RESERVES<br>* On conven<br>no furthe<br>ent)<br>55<br>6% was much as end the day.                                       | tional assur<br>r market in<br>Italy<br>Japan<br>US | D  <br>-466  <br>                         | mifica |
| on a do<br>(b) Spot t<br>date ba<br>THER COUNT<br>elgium -<br>enmark -<br>rance -<br>ARKET CONM<br>arkets ver<br>ffect on t<br>terling tr<br>ates at 4:             | ransactio<br>sis, as i<br>rRIES MARK<br>24DM<br>14\$<br>HENT<br>y quiet<br>he rates.<br>aded thin<br>50p.m. \$       | asis.<br>ns only or<br>n publishe<br>ET INTERVI<br>today. Th<br>with litt              | n a value<br>ed figures.<br>ENTION (\$mi<br>ne US PPI<br>tle change               | Valu<br>TOTAL (<br>Germany -<br>Holland -45<br>Ireland -<br>figure of +0.<br>in rates durin<br>1/\$1.8485 Yen/                                 | Aation changes<br>CHANGE IN RESERVES<br>* On conven<br>no furthe<br>ent)<br>5\$<br>.6% was much as end the day.<br>/\$133.57.                       | tional assur<br>r market in<br>Italy<br>Japan<br>US | <pre></pre>                               | mifica |
| on a do<br>(b) Spot t<br>date ba<br>THER COUNT<br>elgium -<br>enmark -<br>rance -<br>ARKET CONH<br>arkets ver<br>ffect on t<br>terling tr<br>ates at 4:<br>ONG KONG | ne date b<br>ransactio<br>sis, as i<br>RIES MARK<br>24DM<br>14\$<br>14\$<br>Herates,<br>aded thin<br>50p.m. \$       | asis.<br>ns only or<br>n publishe<br>ET INTERVI<br>today. Th<br>with litt              | n a value<br>ed figures.<br>ENTION (\$mi<br>ne US PPI<br>tle change               | Valu<br>TOTAL (<br>Germany -<br>Holland -45<br>Ireland -<br>figure of +0.<br>in rates durin<br>I/\$1.8485 Yen/<br>Previous                     | Aation changes<br>CHANGE IN RESERVES<br>* On conven<br>no furthe<br>ent)<br>55<br>67 was much as en<br>ng the day.<br>/\$133.57.<br>Today           | tional assur<br>r market in<br>Italy<br>Japan<br>US | -151\$<br>                                | mifica |
| on a do<br>(b) Spot t<br>date ba<br>THER COUNT<br>elgium -<br>enmark -<br>rance -<br>ARKET CONN<br>arkets ver<br>ffect on t<br>terling tr<br>ates at 4:             | ransactio<br>sis, as i<br>RIES MARK<br>24DM<br>14\$<br>14\$<br>ENT<br>y quiet<br>he rates.<br>aded thin<br>50p.m. \$ | asis.<br>ns only or<br>n publishe<br>ET INTERVI<br>today. Th<br>with litt<br>1.6975 Di | n a value<br>ed figures.<br>ENTION (\$mi<br>ne US PPI<br>tle change<br>43.1378 DM | Valu<br>TOTAL (<br>Germany -<br>Holland -45<br>Ireland -<br>figure of +0.<br>in rates durin<br>(\$1.8485 Yen)<br>Previous<br>7.8075<br>2508.53 | Aation changes<br>CHANGE IN RESERVES<br>* On conven<br>no furthe<br>ent)<br>5\$<br>.6% was much as end<br>the day.<br>/\$133.57.<br>Today<br>7.8085 | tional assur<br>r market in<br>Italy<br>Japan<br>US | -151\$<br>                                | mifica |

| MONEY MARKETS                        |                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                     | Friday 9th                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | h September 1988                                                                                                                                                   |
|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| INTEREST RATES                       |                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                    |
|                                      | £ Inte                                                                                                                                                                                                                                                                 | rbank                                                                                                                                                                                                                                                                                               | Eurodol                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                    |
|                                      | Today                                                                                                                                                                                                                                                                  | Change                                                                                                                                                                                                                                                                                              | Today<br>+                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Change                                                                                                                                                             |
| 7 days  <br>+                        | 10 1/4                                                                                                                                                                                                                                                                 | - 1/16                                                                                                                                                                                                                                                                                              | 8 1/16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1/16                                                                                                                                                               |
| 1 mth  <br>+                         | 11 7/16                                                                                                                                                                                                                                                                | <br>+                                                                                                                                                                                                                                                                                               | 8 3/16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | -1/16                                                                                                                                                              |
| 3 mth  <br>+                         | 12 5/32                                                                                                                                                                                                                                                                | 1 - 1/16                                                                                                                                                                                                                                                                                            | 8 5/16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | -1/16                                                                                                                                                              |
| 12 mth                               | 12 5/16                                                                                                                                                                                                                                                                | 1                                                                                                                                                                                                                                                                                                   | 8 13/16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | -1/16                                                                                                                                                              |
| BILLS                                |                                                                                                                                                                                                                                                                        | Toda                                                                                                                                                                                                                                                                                                | ay                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Change                                                                                                                                                             |
| 3 Mon                                | th Treasury Bills                                                                                                                                                                                                                                                      | 11 9/16                                                                                                                                                                                                                                                                                             | - 11 7/16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | -1/16                                                                                                                                                              |
|                                      |                                                                                                                                                                                                                                                                        | +                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | •·                                                                                                                                                                 |
| BANK MONEY MARKET OP                 | ERATIONS                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                    |
|                                      | Purchases £ m                                                                                                                                                                                                                                                          | Rates                                                                                                                                                                                                                                                                                               | Discount Rate on El                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | ligible Bank Bills                                                                                                                                                 |
| Band 1 (0-14 days)                   |                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                     | 10 3/4-1/2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 2                                                                                                                                                                  |
| Band 2 (15-31 days)                  |                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                     | 11 9/32-1,                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | /4                                                                                                                                                                 |
| Band 3 (32-63 days)                  |                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                     | 11 21/32-                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 5/8                                                                                                                                                                |
| Band 4 (64-91 days)                  | 24                                                                                                                                                                                                                                                                     | 11 11/16                                                                                                                                                                                                                                                                                            | 11 23/32-1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 11/16                                                                                                                                                              |
| TOTAL BILLS                          | 24                                                                                                                                                                                                                                                                     | Ì                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                    |
| •                                    |                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                    |
| Repurchase                           |                                                                                                                                                                                                                                                                        | A                                                                                                                                                                                                                                                                                                   | La or Disco                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | unt 11.5500                                                                                                                                                        |
| Repurchase  <br>+<br>Lending         |                                                                                                                                                                                                                                                                        | Average ra                                                                                                                                                                                                                                                                                          | te of Disco                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | unt 11.5500                                                                                                                                                        |
|                                      | 24                                                                                                                                                                                                                                                                     | Average ra                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | unt 11.5500                                                                                                                                                        |
| Lending                              | 24                                                                                                                                                                                                                                                                     | +                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 20 yr Tsy Bond                                                                                                                                                     |
| Lending  <br>TOTAL OPERATIONS  <br>+ | 24<br>Today/Change                                                                                                                                                                                                                                                     | +<br> against shortage =<br>+                                                                                                                                                                                                                                                                       | £ 100 m<br><br>10 yr Tsy Bond                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 20 yr Tsy Bond                                                                                                                                                     |
| Lending  <br>TOTAL OPERATIONS  <br>+ |                                                                                                                                                                                                                                                                        | +<br> against shortage s<br>+<br>                                                                                                                                                                                                                                                                   | £ 100 m<br><br>10 yr Tsy Bond                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 20 yr Tsy Bond                                                                                                                                                     |
| Lending<br>TOTAL OPERATIONS          |                                                                                                                                                                                                                                                                        | against shortage<br>3 month CDs<br>8.25 -0.05<br>FT Ind-Ord                                                                                                                                                                                                                                         | £ 100 m<br><br>10 yr Tsy Bond<br>8.97 - O+04                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 20 yr Tsy Bond<br>  9.02 -0.0 <b>3</b><br>Gilt index                                                                                                               |
| Lending<br>TOTAL OPERATIONS          | Today/Change<br>Today/Change<br>Today/Change<br>sier through the l<br>oreign demand for<br>/8 firmer .The ann<br>us a rumour of a b<br>and close unchang<br>of 1/8 easier but t<br>he sector closed up                                                                 | 3 month CDs<br>3 month CDs<br>4<br>5<br>5<br>5<br>5<br>5<br>5<br>5<br>5<br>5<br>5<br>5<br>5<br>5                                                                                                                                                                                                    | 100 m<br>10 yr Tsy Bond<br>8.97 - 0.04<br>FTSE<br>1738.4 - 44<br>by Mrs Thatcher's construction<br>f US PPI figures knows into equities saw<br>into longer maturit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 20 yr Tsy Bond<br>9.02 -0.0 <b>3</b><br>Gilt index<br>86.66 -0.01<br>00mments on<br>ined in and<br>ocked the US<br>gilts lose                                      |
| Lending<br>TOTAL OPERATIONS          | Today/Change<br>Today/Change<br>Today/Change<br>sier through the l<br>oreign demand for<br>/8 firmer .The ann<br>us a rumour of a b<br>and close unchang<br>ed 1/8 easier but t<br>he sector closed up<br>ply lower on rumou<br>ton Communicatins<br>points but this w | 3 month CDs<br>3 month CDs<br>4<br>1 8.25 - Q. S<br>FT Ind-Ord<br>1 1395.2 - 4-1<br>1 1395.2 - 4-1<br>1 stock and some domes<br>ouncement at 1.30 of<br>ig switch from gilts<br>ed.<br>here was switching<br>to 1/8 firmer.<br>rs, later to be conf<br>to partially finance<br>as recovered by mide | E 100 m<br>10 yr Tsy Bond<br>10 yr Tsy Bond<br>18.97 - 0 0 4<br>FTSE<br>1738.4 - 4<br>1738.4 - 4<br>1738 | 20 yr Tsy Bond<br>9.02 -0.0 <b>3</b><br>Gilt index<br>86.66 -0.61<br>00mments on<br>ined in and<br>ocked the US<br>gilts lose<br>ies from<br>At worst<br>rnoon the |

NAME: Peter Smith TEL NO: 270 4613

| GILT-EDGED MARKET                                                                                                                                                                                                          |                                          |                                                                                                                                         |                                      | Friday 9th Se                                                                                                                                        | eptember 198                                                                                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| Transactions basis, cash value                                                                                                                                                                                             | es (£m); s                               | ales + purchase                                                                                                                         | es -                                 |                                                                                                                                                      |                                                                                                                                       |
| ISSUE DEPARTMENT: MARKET TRANS                                                                                                                                                                                             | SACTIONS                                 |                                                                                                                                         |                                      | Today                                                                                                                                                | September                                                                                                                             |
|                                                                                                                                                                                                                            |                                          | Gross sales s                                                                                                                           | shorts                               | 5.4                                                                                                                                                  | 11.0                                                                                                                                  |
|                                                                                                                                                                                                                            |                                          | Gross sales me                                                                                                                          | ediums                               | 27.4                                                                                                                                                 | 171.4                                                                                                                                 |
|                                                                                                                                                                                                                            | Gross sal                                | es longs and ur                                                                                                                         | ndated                               | 26.0                                                                                                                                                 | 256.1                                                                                                                                 |
|                                                                                                                                                                                                                            | Gros                                     | s sales index-l                                                                                                                         | inked                                | 74.9                                                                                                                                                 | 131.9                                                                                                                                 |
|                                                                                                                                                                                                                            |                                          | Part paid                                                                                                                               | calls                                | 0.1                                                                                                                                                  | 0.1                                                                                                                                   |
| Buying                                                                                                                                                                                                                     | in non-ne                                | xt maturities s                                                                                                                         | shorts                               |                                                                                                                                                      | - 6.0                                                                                                                                 |
| Buying i                                                                                                                                                                                                                   | in non-nex                               | t maturities me                                                                                                                         | ediums                               | -32.7                                                                                                                                                | -200.6                                                                                                                                |
| Buying                                                                                                                                                                                                                     | g in non-n                               | ext maturities                                                                                                                          | Longs                                | -26.9                                                                                                                                                | -370.8                                                                                                                                |
| Buying in nor                                                                                                                                                                                                              | n-next mat                               | urities index-l                                                                                                                         | inked                                |                                                                                                                                                      | -168.6                                                                                                                                |
|                                                                                                                                                                                                                            | CRND:                                    | Market transac                                                                                                                          | tions                                |                                                                                                                                                      | -15.8                                                                                                                                 |
|                                                                                                                                                                                                                            |                                          | TOTAL 'GROSS'                                                                                                                           | SALES                                | -7.8                                                                                                                                                 | -176.8                                                                                                                                |
|                                                                                                                                                                                                                            | Buying in                                | n of next matur                                                                                                                         | ities                                |                                                                                                                                                      | -0.7                                                                                                                                  |
|                                                                                                                                                                                                                            |                                          | Redemp                                                                                                                                  | otions                               |                                                                                                                                                      | -15.8                                                                                                                                 |
| 1                                                                                                                                                                                                                          | TOTAL TRAN                               | SACTIONS WITH M                                                                                                                         | ARKET                                | -7.8                                                                                                                                                 | -193.3                                                                                                                                |
|                                                                                                                                                                                                                            |                                          |                                                                                                                                         |                                      |                                                                                                                                                      |                                                                                                                                       |
|                                                                                                                                                                                                                            |                                          |                                                                                                                                         | Future calls                         |                                                                                                                                                      | 369                                                                                                                                   |
|                                                                                                                                                                                                                            |                                          |                                                                                                                                         |                                      |                                                                                                                                                      |                                                                                                                                       |
|                                                                                                                                                                                                                            | *                                        | target of a                                                                                                                             | £                                    | m                                                                                                                                                    |                                                                                                                                       |
| Sales required to meet PRICES/YIELDS OF GILT-EDGED ST                                                                                                                                                                      | TOCKS                                    | Yesterday's clo                                                                                                                         | ose                                  | Change<br>yesterday                                                                                                                                  | 's close                                                                                                                              |
|                                                                                                                                                                                                                            | TOCKS                                    |                                                                                                                                         | ose                                  | Change                                                                                                                                               | 's close                                                                                                                              |
|                                                                                                                                                                                                                            | TOCKS                                    | Yesterday's clo                                                                                                                         | cent)                                | Change<br>yesterday<br>Price (£/32)                                                                                                                  | Yield (%                                                                                                                              |
|                                                                                                                                                                                                                            | TOCKS<br>P                               | Yesterday's clo<br>ar yield (per o<br>1 10.469<br>1 10.171                                                                              | cent)                                | Change<br>yesterday                                                                                                                                  | Yield (%                                                                                                                              |
|                                                                                                                                                                                                                            | TOCKS<br>P<br>Shorts                     | Yesterday's clo<br>ar yield (per o<br>110.469                                                                                           | cent)                                | Change<br>yesterday<br>Price (£/32)                                                                                                                  | Yield (%                                                                                                                              |
|                                                                                                                                                                                                                            | TOCKS<br>P<br>Shorts<br>Mediums          | Yesterday's clo<br>ar yield (per o<br>1 10.469<br>1 10.171                                                                              | Disc<br>cent)<br>                    | Change<br>yesterday<br>Price (£/32)                                                                                                                  | Yield (%                                                                                                                              |
| PRICES/YIELDS OF GILT-EDGED ST                                                                                                                                                                                             | TOCKS<br>P<br>Shorts<br>Mediums          | Yesterday's clo<br>ar yield (per o<br>10.469<br>10.171<br>9.685                                                                         | Disc<br>cent)<br>                    | Change<br>yesterday<br>Price (£/32)                                                                                                                  | Yield (%                                                                                                                              |
| PRICES/YIELDS OF GILT-EDGED ST                                                                                                                                                                                             | TOCKS<br>P<br>Shorts<br>Mediums          | Yesterday's clo<br>ar yield (per o<br>110.469<br>10.171<br>9.685<br>Price o                                                             | cent)<br>(£/32)<br>Change            | Change<br>yesterda)<br>Price (£/32)<br> <br>  -1<br> <br>Yield (pe                                                                                   | Yield (%<br>0.01<br>Change                                                                                                            |
| PRICES/YIELDS OF GILT-EDGED ST                                                                                                                                                                                             | TOCKS<br>P<br>Shorts<br>Mediums          | Yesterday's clo<br>ar yield (per of<br>10.169<br>10.171<br>9.685<br>Price<br>Today                                                      | cent)<br>(£/32)<br>Change            | Change<br>yesterda)<br>Price (£/32)<br> <br>  -1<br> <br>Yield (pe<br>Today                                                                          | Yield (%<br>0.01<br>cr cent)<br>Change                                                                                                |
| PRICES/YIELDS OF GILT-EDGED ST<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992                                                                                                                                                | TOCKS<br>P<br>Shorts<br>Mediums          | Yesterday's clo<br>ar yield (per o<br>10.469<br>10.171<br>9.685<br>Price<br>Today<br>92 20                                              | cent)<br>(£/32)<br>Change            | Change<br>yesterda)<br>Price (£/32)<br> <br>  -1<br> <br> <br>Yield (pe<br>Today<br>  10.53                                                          | r's close<br>Yield (%<br>0.01<br>er cent)<br>Change<br>0.01<br>0.01                                                                   |
| PRICES/YIELDS OF GILT-EDGED ST<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'                                                                                                                     | TOCKS<br>P<br>Shorts<br>Mediums          | Yesterday's clo<br>ar yield (per of<br>10.469<br>10.171<br>9.685<br>Price<br>Today<br>92 20<br>91 31                                    | cent)<br>(£/32)<br>Change            | Change<br>yesterda)<br>Price (£/32)<br> <br>  -1<br> <br>Yield (pe<br>Today<br>  10.53<br>  10.13                                                    | r's close<br>Yield (%<br>0.01<br>change<br>0.01<br>Change<br>0.01<br>0.01                                                             |
| PRICES/YIELDS OF GILT-EDGED ST<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07                                                                                         | TOCKS<br>P<br>Shorts<br>Mediums          | Yesterday's clo<br>ar yield (per of<br>10.1469<br>10.171<br>9.685<br>Price<br>Today<br>192 20<br>191 31<br>113 17                       | cent)<br>(£/32)<br>Change            | Change<br>yesterda)<br>Price (£/32)<br> <br>  -1<br> <br>Yield (pe<br>Today<br>  10.53<br>  10.13<br>  9.95                                          | r's close<br>Yield (%<br>0.01<br>er cent)<br>Change<br>0.01<br>0.00<br>0.00<br>0.00<br>0.03                                           |
| PRICES/YIELDS OF GILT-EDGED ST<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992                                                                     | TOCKS<br>P<br>Shorts<br>Mediums          | Yesterday's clo<br>ar yield (per of<br>10.469<br>10.171<br>9.685<br>Price<br>Today<br>92 20<br>91 31<br>113 17<br>82 6                  | cent)<br>(£/32)<br>Change<br>        | Change<br>yesterda)<br>Price (£/32)<br> <br>  -1<br> <br>Yield (pe<br>Today<br>  10.53<br>  10.13<br>  9.95<br>  8.66                                | r's close<br>Yield (%<br>0.01<br>change<br>0.01<br>0.01<br>0.01<br>0.01<br>0.03<br>0.03<br>0.03                                       |
| PRICES/YIELDS OF GILT-EDGED ST<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016                                         | TOCKS<br>P<br>Shorts<br>Mediums          | Yesterday's clo<br>ar yield (per of<br>10.469<br>10.171<br>9.685<br>Price<br>Today<br>92 20<br>91 31<br>113 17<br>82 6<br>96 5          | cent)<br>(£/32)<br>Change<br>        | Change<br>yesterda)<br>Price (£/32)<br> <br>  -1<br> <br>Yield (pe<br>Today<br>  10.53<br>  10.13<br>  9.95<br>  8.66<br>  3.96                      | r's close<br>Yield (%<br>0.01<br>change<br>0.01<br>0.01<br>0.01<br>0.01<br>0.03<br>0.03                                               |
| PRICES/YIELDS OF GILT-EDGED ST<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016<br>2% Index-Linked 1994                 | TOCKS<br>P<br>Shorts<br>Mediums          | Yesterday's clo<br>ar yield (per of<br>10.469<br>10.171<br>9.685<br>Price<br>Today<br>92 20<br>91 31<br>113 17<br>82 6<br>96 5          | cent)<br>(£/32)<br>Change<br>        | Change<br>yesterda)<br>Price (£/32)<br> <br>  -1<br> <br>Yield (pe<br>Today<br>  10.53<br>  10.13<br>  9.95<br>  8.66<br>  3.96                      | r's close<br>Yield (%<br>0.01<br>change<br>0.01<br>0.01<br>0.01<br>0.01<br>0.03<br>0.03                                               |
| PRICES/YIELDS OF GILT-EDGED ST<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016<br>2% Index-Linked 1994                 | TOCKS<br>P<br>Shorts<br>Mediums<br>Longs | Yesterday's clo<br>ar yield (per of<br>10.469<br>10.171<br>9.685<br>Price<br>Today<br>92 20<br>91 31<br>113 17<br>82 6<br>96 5          | cent)<br>(£/32)<br>Change<br>(       | Change<br>yesterda)<br>Price (£/32)<br> <br>  -1<br> <br>Yield (pe<br>Today<br>  10.53<br>  10.13<br>  9.95<br>  8.66<br>  3.96<br>  3.67            | r's close<br>Yield (%<br>0.01<br>change<br>0.01<br>0.01<br>0.01<br>0.00<br>0.01<br>0.00<br>0.03<br>0.03<br>0.00                       |
| PRICES/YIELDS OF GILT-EDGED ST<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016<br>2% Index-Linked 1994<br>GILT FUTURES | TOCKS<br>P<br>Shorts<br>Mediums<br>Longs | Yesterday's clo<br>ar yield (per of<br>10.469<br>10.171<br>9.685<br>Price<br>Today<br>92 20<br>91 31<br>113 17<br>82 6<br>96 5<br>92 18 | ose<br>cent)<br>(£/32)<br>Change<br> | Change<br>yesterda)<br>Price (£/32)<br> <br>  -1<br> <br>Yield (pe<br>Today<br>  10.53<br>  10.13<br>  9.95<br>  8.66<br>  3.96<br>  3.67<br>  Close | <pre>'s close<br/>Yield (%<br/>0.01<br/>change<br/>0.01<br/>0.01<br/>0.01<br/>0.01<br/>0.00<br/>0.03<br/>0.03<br/>0.00<br/>0.00</pre> |

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WEEKLY INTEREST/EXCHANGE RATE AND COMMODITY PRICE TABLES

CIRCULATION LIST

DATE: 9th SEPTEMBER 1988

CHANCELLOR'S OFFICE MR. S. BROOKS 88/G MR. J.W. GRICE 89/G MISS R. MCROBBIE 107/G MISS M. O'MARA 108/G MRS C. RYDING 110/G MR. P. MOUNTFIELD 80/1 MR. J. ODLING-SMEE 45/2 MR. N.J. MONCK 46/2 SIR P.E. MIDDLETON 78A/2 MR. H. WALSH 108/3 Ms. V.F. LIFE 109/3 MR. M.C. SCHOLAR 87/2 MR. S. PICKFORD 97/2 MR. P.S. CURWEN 98/2 MR. J. MCLAREN 33/3 SIR J.G. LITTLER 113/2 MR. R. MOLAN 81/1 MR. R.E. DEANE 41/3 MR. T.P. LANKESTER 116/2 SIR T. BURNS 119/2 MR. A.M. DOLPHIN 32/3 MR. M. LYON 34/3 MR. D. OWEN 36/3 Ms. C. TURK 35A/3 MR. P.N. SEDGWICK 39/3 MR. S.W. MATTHEWS 104/3 MR. D. SAVAGE 106/3 MR. H.P. EVANS 107/3 MR. W. HOOD 30A/3 MR. PERETZ 84/G MR. P. ELWOOD 106/3 MR. D. RAMSDEN 106/3 MR. G. YOUNG 112/G

Please inform Bina Doshi (ext: 5374 - room : 31/3) if there are any changes to be made to this list.



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## THREE MONTH INTEREST RATES IN THE SIX MAJOR COUNTRIES

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|     |        |           |        |         |       |       |      |        | -WORLD       | BASKETS      |         | UNCOVE | RED DI | FFERENTIAL |
|-----|--------|-----------|--------|---------|-------|-------|------|--------|--------------|--------------|---------|--------|--------|------------|
|     |        |           |        |         |       |       |      |        | (A)          | (B)          | UK RATE | UK-    |        |            |
|     |        |           |        | WORLD R | ATES  |       |      | - EURO | USA CD       | EURODOL      | INTER   | WORLD  | UK-    | UK-        |
|     |        | CANADA    | FRANCE | GERMANY | ITALY | JAPAN | USA  | DOLLAR | RATE         | RATE         | BANK    | BASKET | USA    | GERMANY    |
| -   |        | 1         | 2      | 3       | 4     | 5     | 6    | 7      | 8            | 9            | 10      | 11     | 12     | 13         |
| 987 | QTR1   | 7.45      | 8.26   | 4.18    | 11.48 | 4.24  | 6.05 | 6.34   | 6.20         | 6.30         | 10.60   | 4.40   | 4.27   |            |
|     | QTR2   | 8.41      | 8.13   | 3.80    | 10.64 | 3.92  | 6.85 | 7.07   | 6.27         | 6.34         | 9.18    | 2.91   | 2.11   | 5.38       |
|     | QTR3   | 8.99      | 7.89   | 3.97    | 12.00 | 4.08  | 6.98 | 7.15   | 6.45         | 6.51         | 9.81    | 3.36   | 2.66   | 5.84       |
|     | QTR4   | 8.88      | 8.47   | 4.13    | 11.76 | 4.54  | 7.76 | 7.96   | 6.84         | 6.91         | 9.20    | 2.36   | 1.23   | 5.07       |
| 988 | QTR1   | 8.55      | 7.94   | 3.41    | 11.11 | 4.36  | 6.74 | 6.91   | 6.18         | 6.24         | 9.01    | 2.83   | 2.10   | 5.60       |
|     | QTR2   | 9.05      | 7.81   | 3.62    | 10.91 | 4.49  | 7.25 | 7.41   | 6.37         | 6.42         | 8.34    | 1.97   | 0.93   | 4.72       |
| 987 | SEP    | 9.32      | 7.88   | 4.03    | 12.56 | 4.15  | 7.43 | 7.56   | 6.69         | 6.73         | 10.12   | 3.44   | 2.56   | 6.09       |
|     | ост    | 9.20      | 8.19   | 4.79    | 12.13 | 4.80  | 8.21 | 8.48   | 7.13         | 7.22         | 9.93    | 2.81   | 1.45   | 5.14       |
|     | NOV    | 8.63      | 8.61   | 3.95    | 11.58 | 4.34  | 7.39 | 7.55   | 6.67         | 6.73         | 8.97    | 2.30   | 1.42   | 5.02       |
|     | DEC    | 8.89      | 8.56   | 3.70    | 11.63 | 4.47  | 7.76 | 7.96   | 6.75         | 6.82         | 8.75    | 2.00   | 0.79   | 5.05       |
| 988 | JAN    | 8.65      | 8.31   | 3.44    | 10.91 | 4.35  | 6.96 | 7.17   | 6.31         | 6.38         | 8.92    | 2.61   | 1.75   | 5.47       |
|     | FEB    | 8.50      | 7.58   | 3.37    | 11.00 | 4.32  | 6.63 | 6.79   | 6.07         | 6.12         | 9.22    | 3.15   | 2.43   | 5.85       |
|     | MAR    | 8.53      | 8.03   |         | 11.44 | 4.40  | 6.65 | 6.79   | 6.20         | 6.25         | 8.83    | 2.64   | 2.04   |            |
|     | APR    | 8.83      | 8.13   | 3.43    | 10.88 | 4.19  | 6.92 | 7.11   | 6.25         | 6.32         | 8.32    | 2.06   | 1.21   | 4.89       |
|     | MAY    | 8.98      | 7.90   | 3.56    | 10.78 | 4.27  | 7.27 | 7.44   | 6.36         | 6.42         | 8.03    | 1.67   | 0.59   |            |
|     | JUN    | 9.34      | 7.39   |         | 11.13 | 4.42  | 7.56 | 7.67   | 6.49         | 6.53         | 8.74    | 2.24   | 1.07   |            |
|     | JUL    | 9.34 9.80 | 7.33   | 4.95    | 11.28 | 4.80  | 7.94 | 8.23   | 6.85<br>7.25 | 6.90<br>7.28 | 10.53   | 3.68   | 2.30   |            |
|     |        |           |        |         |       |       |      |        |              |              |         | -      |        |            |
|     | JUN 20 |           | 7.31   |         | 11.00 | 4.41  | 7.62 | 7.75   | 6.52         | 6.57         | 9.22    | 2.70   | 1.47   |            |
|     | JUN 27 |           | 7.50   |         | 11.25 | 4.52  | 7.65 | 7.75   | 6.65         | 6.68         | 9.58    | 2.93   | 1.83   |            |
|     | JUL 4  | 9.23      | 7.31   | 4.50    | 11.25 | 4.83  | 7.70 | 7.81   | 6.65         | 6.69         | 10.14   | 3.49   | 2.33   |            |
|     | JUL 11 |           | 7.25   | 4.95    | 11.12 | 4.72  | 7.90 | 8.06   | 6.82         | 6.87         | 10.22   | 3.40   | 2.16   |            |
|     | JUL 18 |           | 7.38   |         | 11.25 | 4.88  | 8.05 | 8.31   | 6.98         | 7.07         | 11.03   | 4.05   | 2.72   |            |
|     | JUL 25 |           | 7.38   |         | 11.38 | 4.78  | 8.12 | 8.75   | 6.94         | 6.98         | 10.72   | 3.78   | 1.97   |            |
|     | AUG 1  | 9.49      | 7.38   | 5.35    | 11.38 | 4.75  | 8.15 | 8.25   | 7.01         | 7.04         | 10.81   | 3.80   | 2.56   |            |
|     | AUG 8  | 9.66      | 7.38   |         | 11.25 | 4.83  | 8.20 | 8.37   | 7.00         | 7.01         | 10.91   | 3.91   | 2.54   |            |
|     | AUG 15 |           | 7.69   |         | 11.25 | 4.92  | 8.50 | 8.69   | 7.39         | 7.46         | 11.03   | 3.64   | 2.34   |            |
|     | AUG 22 |           | 7.75   |         | 11.25 | 4.95  | 8.55 | 8.62   | 7.43         | 7.45         | 11.41   | 3.98   | 2.79   |            |
|     | AUG 29 | 10.00     | 7.94   | 5.38    | 11.25 | 4.94  | 8.50 | 8.56   | 7.43         | 7.45         | 12.09   | 4.66   | 3.53   | 6.71       |

| Column 1.  | 90 DAY BANKERS ACCEPTANCES                      |
|------------|-------------------------------------------------|
| Column 2.  | 3 MONTH MONEY MARKET RATE                       |
| Column 3.  | 3 MONTH INTER BANK                              |
| Column 4.  | 3 MONTH INTER BANK                              |
| Column 5.  | 3 MONTH CERTIFICATE OF DEPOSIT                  |
| Column 6.  | 3 MONTH CERTIFICATE OF DEPOSIT IN NEW YORK      |
| Column 11. | USA CD RATE(COLUMN 8) USED FOR WORLD BASKET     |
| Column 12. | 3 MONTH EURODOLLAR RATE (COLUMN 7) USED FOR USA |

QUARTERLY AND MONTHLY FIGURES ARE AVERAGES OF THE WEEKLY DATA THE WEEKLY FIGURES REPRESENT THE CLOSING VALUES FOR THAT DATE



14-2-

#### USA INTEREST RATES

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|      |        |             |              |                |           | 10 YEAR   |
|------|--------|-------------|--------------|----------------|-----------|-----------|
|      |        |             |              | EE MONTII RATE |           | COMMERCIA |
|      |        |             | TREASURY     |                | EURO      | BOND      |
|      |        |             | BILLS        |                | DOLLAR    | MOODY AA  |
|      |        | FED FUNDS   | (RUST)       | CD'S           | ( REU )   | ( REB )   |
|      |        | (OVERNIGHT) | (V2626)      | NEW YORK       | (V2627)   | (V2625)   |
| 1987 | QTR1   | 6.16        | 5.66         | 6.05           | 6.34      | 8.37      |
|      | QTR2   | 6.60        | 5.87         | 6.85           | 7.07      | 9.16      |
|      | QTR3   | 6.82        | 6.08         | 6.98           | 7.15      | 9.72      |
|      | QTR4   | 6.98        | 5.92         | 7.76           | 7.96      | 10.22     |
| 1988 | QTR1   | 6.67        | 5.86         | 6.74           | 6.91      | 9.57      |
|      | QTR2   | 7.09        | 6.40         | 7.25           | 7.41      | 9.81      |
| 1987 | AUG    | 6.75        | 6.05         | 6.81           | 7.02      | 9.66      |
|      | SEP    | 7.12        | 6.47         | 7.43           | 7.56      | 10.14     |
|      | OCT    | 7.36        | 6.24         | 8.21           | 8.48      | 10.55     |
|      | NOV    | 6.81        | 5.74         | 7.39           | 7.55      | 10.05     |
|      | DEC    | 6.82        | 5.82         | 7.76           | 7.96      | 10.11     |
|      |        |             |              |                |           |           |
| 1988 |        | 6.82        | 5.92         | 6.96           | 7.17      | 9.97      |
|      | FEB    | 6.62        | 5.81         | 6.63           | 6.79      | 9.41      |
|      | MAR    | 6.56        | 5.87         | 6.65           | 6.79      | 9.39      |
|      | APR    | 6.75        | 6.04         | 6.92           | 7.11      | 9.65      |
|      | MAY    | 7.04        | 6.48         | 7.27           | 7.44      | 9.89      |
|      | JUN    | 7.50        | 6.65         | 7.56           | 7.67      | 9.87      |
|      | JUL    | 7.69        | 6.91<br>7.26 | 7.94<br>8.38   | 8.11 8.50 | 9.94      |
|      | 100    | 0.05        | 1.20         | 0.50           | 0.50      | 10.07     |
| 1988 | APR 2  | 6.81        | 6.03         | 7.00           | 7.19      | 9.75      |
|      | MAY 2  | 2 6.94      | 6.38         | 7.10           | 7.25      | 9.76      |
|      | MAY 9  | 6.87        | 6.48         | 7.20           | 7.37      | 9.84      |
|      | MAY 10 | 5 7.00      | 6.43         | 7.20           | 7.37      | 9.83      |
|      | MAY 23 |             | 6.48         | 7.35           | 7.50      | 9.97      |
|      | MAY 30 | 7.25        | 6.62         | 7.50           | 7.69      | 10.04     |
|      | JUN 6  | 7.44        | 6.63         | 7.48           | 7.62      | 9.98      |
|      | JUN 13 |             | 6.62         | 7.50           | 7.56      | 9.89      |
|      | JUN 20 |             | 6.57         | 7.62           | 7.75      | 9.86      |
|      | JUN 27 |             | 6.79         | 7.65           | 7.75      | 9.80      |
|      | JUL 4  |             | 6.73         | 7.70           | 7.81      | 9.82      |
|      | JUL 11 |             | 6.91         | 7.90           | 8.06      | 9.88      |
|      | JUL 18 |             | 6.90         | 8.05           | 8.31      | 10.00     |
|      | JUL 25 |             | 7.10         | 8.12           | 8.25      | 10.04     |
|      | AUG 1  | 7.87        | 7.11         | 8.15           | 8.25      | 10.03     |
|      | AUG 8  | 7.75        | 7.10         | 8.20           | 8.37      | 10.02     |
|      | AUG 15 |             | 7.27         | 8.50           | 8.69      | 10.15     |
|      | AUG 22 |             | 7.27         | 8.55           | 8.62      | 10.15     |
|      | AUG 29 |             | 7.55         | 8.50           | 8.56      | 10.10     |
|      | SEPT 5 | 8.09        | 7.42         | 8.42           | 8.37      | 10.12     |

QUARTLERLY AND MONTHLY FIGURES ARE AVERAGES OF THE AVAILABLE WEEKLY DATA



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DOLLAR EXCHANGE RATES WITH FIVE MAJOR OECD COUNTRIES

| EF | FECTIVE |
|----|---------|

|      |        | EFFECTIVE - |        |      |              |        |        |
|------|--------|-------------|--------|------|--------------|--------|--------|
|      |        | EXCHANGE    | FRANCE |      | ITALY        | JAPAN  | CANADA |
| 4007 |        |             |        |      | 470/         | 457 0  | 4 7/   |
| 1987 |        | 104.2       | 6.13   | 1.84 | 1306         | 153.2  | 1.34   |
|      | QTR2   | 101.1       | 6.03   | 1.81 | 1300<br>1331 | 142.6  | 1.32   |
|      | QTR3   |             | 6.13   | 1.84 |              | 150.0  | 1.32   |
|      | QTR4   | 97.0        | 5.75   | 1.71 | 1249         | 135.7  | 1.51   |
| 1988 | QTR1   | 94.2        | 5.67   | 1.68 | 1236         | 128.1  | 1.27   |
|      | QTR2   | 93.5        | 5.78   | 1.71 | 1268         | 125.7  | 1.23   |
| 1987 | AUG    | 103.3       | 6.20   | 1.86 | 1346         | 147.6  | 1.33   |
|      | SEP    | 100.9       | 6.05   | 1.81 | 1309         | 143.1  | 1.32   |
|      | ост    | 100.5       | 6.02   | 1.80 | 1302         | 143.3  | 1.31   |
|      | NOV    | 96.5        | 5.71   | 1.68 | 1239         | 135.4  | 1.32   |
|      | DEC    | 93.9        | 5.54   | 1.64 | 1205         | 128.5  | 1.31   |
| 1988 | JAN    | 93.9        | 5.59   | 1.66 | 1218         | 127.9  | 1.29   |
|      | FEB    | 95.0        | 5.73   | 1.70 | 1249         | 129.2  | 1.27   |
|      | MAR    | 93.6        | 5.69   | 1.68 | 1240         | 127.1  | 1.25   |
|      | APR    | 92.7        | 5.68   | 1.67 | 1241         | 124.9  | 1.24   |
|      | MAY    | 93.0        | 5.73   | 1.69 | 1259         | 124.8  | 1.24   |
|      | JUN    | 94.8        | 5.93   | 1.76 | 1304         | 127.4  | 1.22   |
|      | JUL    | 98.1        | 6.22   | 1.85 | 1366         | 133.1  | 1.21   |
|      | AUG    | 99.5        | 6.39   | 1.89 | 1394         | 133.64 | 1.22   |
| 1988 | APR 4  | 92.7        | 5.66   | 1.67 | 1237         | 125.2  | 1.24   |
|      | APR 11 | 93.4        | 5.72   | 1.69 | 1251         | 126.5  | 1.24   |
|      | APR 18 | 92.1        | 5.63   | 1.66 | 1232         | 124.0  | 1.23   |
|      | APR 25 | 92.7        | 5.70   | 1.68 | 1246         | 124.8  | 1.23   |
|      | MAY 2  | 92.7        | 5.70   | 1.68 | 1248         | 124.7  | 1.23   |
|      | MAY 9  | 92.8        | 5.70   | 1.69 | 1249         | 124.7  | 1.24   |
|      | MAY 16 | 92.7        | 5.73   | 1.69 | 1254         | 124.9  | 1.24   |
|      | MAY 23 | 93.2        | 5.75   | 1.70 | 1263         | 124.5  | 1.24   |
|      | MAY 30 | 93.7        | 5.82   | 1.73 | 1283         | 125.1  | 1.23   |
|      | JUN 6  | 94.0        | 5.80   | 1.72 | 1277         | 126.1  | 1.23   |
|      | JUN 13 | 93.7        | 5.82   | 1.72 | 1282         | 125.1  | 1.22   |
|      | JUN 20 | 94.4        | 5.93   | 1.76 | 1305         | 126.2  | 1.21   |
|      | JUN 27 | 97.0        | 6.14   | 1.82 | 1349         | 130.8  | 1.21   |
|      | JUL 4  | 98.5        | 6.16   | 1.83 | 1358         | 135.5  | 1.22   |
| 1.1  | JUL 11 | 98.1        | 6.21   | 1.85 | 1367         | 133.0  | 1.21   |
|      | JUL 18 | 99.4        | 6.34   | 1.88 | 1392         | 134.6  | 1.21   |
|      | JUL 25 | 97.5        | 6.23   | 1.85 | 1362         | 132.0  | 1.21   |
|      | AUG 1  | 98.7        | 6.32   | 1.86 | 1383         | 132.7  | 1.21   |
|      | AUG 8  | 99.6        | 6.41   | 1.90 | 1403         | 133.8  | 1.21   |
|      | AUG 15 | 99.3        | 6.38   | 1.88 | 1395         | 133.3  | 1.23   |
|      | AUG 22 | 100.4       | 6.51   | 1.92 | 1403         | 134.0  | 1.23   |
|      | AUG 29 | 99.6        | 6.32   | 1.87 | 1386         | 134.4  | 1.24   |
|      | SEPT 5 | 99.9        | 6.28   | 1.84 | 1378         | 133.7  | 1.24   |



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STERLING EXCHANGE RATES WITH FIVE MAJOR OECD COUNTRIES

|      |                                                                                                                | EFFECTIVE - |        |         |       |       |      |
|------|----------------------------------------------------------------------------------------------------------------|-------------|--------|---------|-------|-------|------|
|      |                                                                                                                | EXCHANGE    | FRANCE | GERMANY | ITALY | JAPAN | USA  |
| 1987 | QTR1                                                                                                           |             | 9.45   | 2.84    | 2015  | 236.3 | 1.54 |
|      | QTR2                                                                                                           |             | 9.89   |         | 2132  | 234.2 |      |
|      | QTR3                                                                                                           |             | 9.92   |         | 2152  | 237.9 |      |
|      | QTR4                                                                                                           | 74.7        |        | 2.99    | 2188  | 237.8 |      |
| 1988 | QTR1                                                                                                           | 75.1        | 10.18  | 3.01    | 2217  | 229.8 | 1.80 |
|      | QTR2                                                                                                           | 77.8        | 10.64  | 3.14    | 2335  | 231.7 | 1.84 |
| 1987 | AUG                                                                                                            | 72.4        | 9.89   | 2.96    | 2150  | 235.5 | 1.60 |
|      | SEP                                                                                                            | 73.0        | 9.97   | 2.99    | 2157  | 236.3 | 1.65 |
|      | OCT                                                                                                            | 73.2        | 9.99   | 3.00    | 2162  | 238.4 | 1.66 |
|      | NOV                                                                                                            | 75.0        | 10.12  | 2.98    | 2199  | 240.1 | 1.78 |
|      | DEC                                                                                                            | 75.8        | 10.12  | 2.99    | 2201  | 234.2 | 1.83 |
| 1988 | JAN                                                                                                            | 75.3        | 10.05  | 2.97    | 2189  | 230.2 | 1.81 |
|      | FEB                                                                                                            | 74.3        | 10.08  | 2.98    | 2196  | 227.1 | 1.75 |
|      | MAR                                                                                                            | 75.9        | 10.43  | 3.07    | 2273  | 232.8 | 1.84 |
|      | APR                                                                                                            | 77.8        | 10.65  | 3.13    | 2329  | 234.8 | 1.88 |
|      | MAY                                                                                                            | 78.5        | 10.74  | 3.17    | 2357  | 234.0 | 1.88 |
|      | JUN                                                                                                            | 76.8        | 10.52  | 3.11    | 2314  | 225.7 | 1.77 |
|      | JUL                                                                                                            | 75.8        | 10.55  | 3.13    | 2319  | 226.4 | 1.69 |
|      | AUG                                                                                                            | 76.3        | 10.84  | 3.20    | 2371  | 226.7 | 1.70 |
| 1988 | APR 4                                                                                                          | 76.7        | 10.59  | 3.12    | 2313  | 233.9 | 1.88 |
|      | APR 11                                                                                                         | 78.1        | 10.60  | 3.12    | 2318  | 234.9 | 1.85 |
|      | APR 18                                                                                                         | 78.3        | 10.72  | 3.15    | 2347  | 236.2 | 1.90 |
|      | APR 25                                                                                                         | 78.3        | 10.68  | 3.14    | 2337  | 234.0 | 1.87 |
|      | MAY 2                                                                                                          | 78.7        | 10.70  | 3.15    | 2341  | 234.7 | 1.88 |
|      | MAY 9                                                                                                          | 78.4        | 10.72  | 3.16    | 2349  | 234.5 | 1.88 |
|      | MAY 16                                                                                                         | 77.9        | 10.82  | 3.19    | 2369  | 236.0 | 1.89 |
|      | MAY 23                                                                                                         | 79.0        | 10.75  | 3.18    | 2362  | 232.8 | 1.87 |
|      | MAY 30                                                                                                         | 78.3        | 10.73  | 3.19    | 2364  | 232.0 | 1.86 |
|      | JUN 6                                                                                                          | 78.2        | 10.46  | 3.09    | 2302  | 227.3 | 1.80 |
|      | JUN 13                                                                                                         | 76.2        | 10.58  | 3.13    | 2329  | 227.3 | 1.81 |
|      | JUN 20                                                                                                         | 76.8        | 10.58  | 3.14    | 2329  | 225.3 | 1.78 |
|      | JUN 27                                                                                                         | 76.2        | 10.45  | 3.10    | 2297  | 222.8 | 1.70 |
|      | JUL 4                                                                                                          | 76.2        | 10.37  | 3.08    | 2285  | 228.0 | 1.68 |
|      | JUL 11                                                                                                         | 75.0        | 10.49  | 3.12    | 2311  | 224.8 | 1.69 |
|      | JUL 18                                                                                                         | 75.1        | 10.59  | 3.14    | 2325  | 224.8 | 1.67 |
|      | JUL 25                                                                                                         | 76.8        | 10.75  | 3.19    | 2353  | 228.0 | 1.73 |
|      | AUG 1                                                                                                          | 76.4        | 10.84  | 3.21    | 2371  | 227.5 | 1.71 |
|      | AUG 8                                                                                                          | 76.5        | 10.88  | 3.23    | 2381  | 227.0 | 1.70 |
|      | AUG 15                                                                                                         | 76.5        | 10.93  | 3.22    | 2390  | 228.3 | 1.71 |
|      | AUG 22                                                                                                         | 76.2        | 10.91  | 3.22    | 2381  | 224.8 | 1.68 |
|      | AUG 29                                                                                                         | 75.8        | 10.66  | 3.14    | 2334  | 226.0 | 1.69 |
|      | the second s |             |        |         |       |       |      |

SEPT 5 75.7 10.65 3.13 2332 229.3 1.69

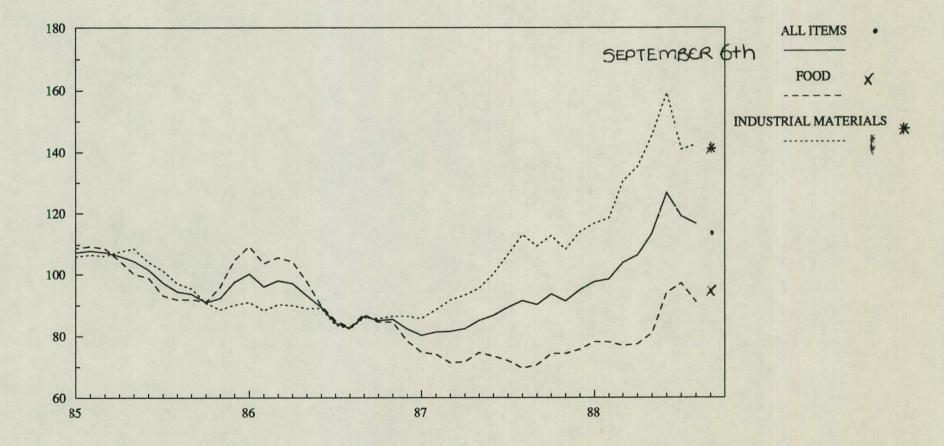
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| •     |                                                                                                                 |       |       | s indices |       |                | SDR ind |        |
|-------|-----------------------------------------------------------------------------------------------------------------|-------|-------|-----------|-------|----------------|---------|--------|
| Annua |                                                                                                                 | SDR   |       | Sterling  | Real* | Food           | Nfa**   | Metals |
| 1980  | The second second                                                                                               | 104.4 | 133.7 | 74.0      | 115.6 | 96.7           | 106.2   | 118.6  |
| 1981  |                                                                                                                 | 99.3  | 115.2 | 73.5      | 105.3 | 93.7           | 100.2   | 106.2  |
| 1982  |                                                                                                                 | 91.8  | 99.9  | 73.4      | 94.3  | 89.3           | 96.0    | 93.8   |
| 1982  |                                                                                                                 |       |       |           |       |                |         |        |
|       |                                                                                                                 | 107.2 | 112.7 | 95.7      | 110.4 | 102.0          | 116.6   | 110.1  |
| 1984  |                                                                                                                 | 110.3 | 111.5 | 107.2     | 113.1 | 112.3          | 111.6   | 106.2  |
| _1985 |                                                                                                                 | 100.0 | 100.0 | 100.0     | 100.0 | 100.0          | 100.0   | 100.0  |
| 1986  |                                                                                                                 | 89.8  | 103.7 | 90.6      | 86.4  | 92.4           | 89.9    | 85.4   |
| 1987  |                                                                                                                 | 87.4  | 111.5 | 87.1      | 82.2  | 73.0           | 103.3   | 100.6  |
| Quart |                                                                                                                 |       |       |           |       |                |         |        |
| 1986  | Q3                                                                                                              | 84.6  | 100.2 | 86.2      | 81.8  | 85.1           | 85.5    | 83.1   |
|       | Q4                                                                                                              | 84.2  | 100.1 | 89.5      | 80.2  | 82.2           | 91.0    | 82.8   |
| 1987  | the second se | 81.0  | 100.8 | 83.5      | 76.5  | 73.2           | 95.2    | 84.3   |
|       | Q2                                                                                                              | 84.9  | 108.2 | 84.4      | 80.0  | 73.2           | 102.6   | 92.1   |
|       | Q3                                                                                                              | 90.2  | 113.4 | 90.0      | 83.8  | 70.7           | 111.9   | 108.0  |
|       | Q4                                                                                                              | 93.4  | 123.7 | 90.3      | 88.4  | 74.7           | 103.3   | 117.9  |
| 1988  | Q1                                                                                                              | 99.8  | 134.6 | 95.9      | 94.6  | 77.6           | 105.5   | 133.4  |
|       | Q2                                                                                                              | 115.5 | 155.7 | 108.8     | 107.6 | 84.0           | 115.1   | 169.1  |
| Month |                                                                                                                 |       |       |           |       |                |         |        |
| July  |                                                                                                                 | 89.3  | 111.5 | 88.9      |       | 71.9           | 100 4   | 104 4  |
|       |                                                                                                                 |       |       |           |       |                | 109.4   | 104.4  |
| Augus |                                                                                                                 | 91.4  | 114.2 | 91.8      |       | 69.6           | 115.0   | 111.7  |
| Septe |                                                                                                                 | 90.1  | 114.5 | 89.3      |       | 70.7           | 111.4   | 107.9  |
| Octob |                                                                                                                 | 93.5  | 119.3 | 92.3      |       | 74.2           | 106.8   | 117.0  |
| Novem |                                                                                                                 | 91.3  | 121.3 | 88.1      |       | 74.2           | 101.4   | 113.3  |
| Decem | ber                                                                                                             | 94.8  | 129.1 | 90.5      |       | 75.6           | 102.1   | 122.4  |
| Janua | ry                                                                                                              | 97.4  | 132.2 | 94.1      |       | 78.1           | 102.7   | 126.6  |
| Febru | ary                                                                                                             | 98.2  | 131.2 | 95.6      |       | 78.0           | 106.5   | 126.7  |
| March |                                                                                                                 | 103.8 | 140.3 |           |       | 76.8           |         | 157.0  |
| April |                                                                                                                 |       | 144.9 |           |       |                | 110.5   |        |
| May   |                                                                                                                 | 113.4 |       |           |       |                | 114.1   |        |
| June  |                                                                                                                 | 126.7 |       | 121.6     |       |                | 120.8   |        |
| July  |                                                                                                                 |       | 152.9 |           |       |                | 117.7   |        |
| Augus |                                                                                                                 | 116.9 |       | 112.5     |       |                | 113.5   |        |
| Weekl | у                                                                                                               |       |       |           |       |                |         |        |
|       |                                                                                                                 |       |       |           |       | Para Anna Anna |         |        |
| July  |                                                                                                                 | 118.3 |       |           |       | 98.5           |         |        |
|       | 26                                                                                                              | 117.3 | 150.9 | 112.9     |       | 92.1           | 115.1   | 161.8  |
| Augus |                                                                                                                 | 113.6 | 145.7 |           |       | 89.9           |         | 153.0  |
|       | 9                                                                                                               | 117.4 | 149.4 |           |       | 92.8           |         |        |
|       | 16                                                                                                              | 117.2 | 149.5 |           |       |                | 115.0   |        |
|       | 23                                                                                                              | 118.4 | 149.8 | 114.4     |       | 90.2           | 111.6   | 171.0  |
|       | 30                                                                                                              | 117.8 | 150.1 |           |       | 90.8           | 111.4   | 168.1  |
| Sept  | 6(prov)                                                                                                         | 116.3 | 148.6 | 111.8     |       | 93.1           | 111.4   | 159.3  |
| Z ch. | on one yr                                                                                                       | +30.8 | +30.5 | +27.2     |       | +33.3          | -0.5    | +51.8  |

\* In relation to prices of manufactured exports. Recent figures are estimated. \*\* Non-food agriculturals.

# ECONOMIST SDR COMMODITY PRICE INDICES 1985 = 100



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| FORETCH C                                                                                                                                                                 | VCHANCE MI                                                                                                      | DVETE                                                                                                               |                                                                 | MG EV                                                                                                                              | VENING REPORT                                                                                                                                                                                                                            | landay 12 0                                                                             |                                                                                                                                                                 |     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| FOREIGN E                                                                                                                                                                 | XCHANGE MAI                                                                                                     | RKETS                                                                                                               |                                                                 |                                                                                                                                    |                                                                                                                                                                                                                                          | londay 12 Sept<br>%Change<br>Currency                                                   | tember1988                                                                                                                                                      |     |
| Previous                                                                                                                                                                  |                                                                                                                 |                                                                                                                     | To<br>opening                                                   | oday<br>close                                                                                                                      | since<br>Plaza                                                                                                                                                                                                                           | since<br>Paris                                                                          | since 16<br>October 1987                                                                                                                                        | 7   |
| CLOSE                                                                                                                                                                     |                                                                                                                 |                                                                                                                     | 8.30am                                                          |                                                                                                                                    | FL020                                                                                                                                                                                                                                    | Fulls                                                                                   | OCLOBET TYO                                                                                                                                                     |     |
| 75.7                                                                                                                                                                      | the second se | ERI                                                                                                                 | 75.6                                                            | 75.7                                                                                                                               | -7.7                                                                                                                                                                                                                                     |                                                                                         |                                                                                                                                                                 |     |
| 1.6980                                                                                                                                                                    |                                                                                                                 | S/£<br>DM/£                                                                                                         | 1.6922 3.1360                                                   | 1.6997<br>3.132                                                                                                                    | 23.7                                                                                                                                                                                                                                     |                                                                                         | 2.1                                                                                                                                                             |     |
| 1.5127                                                                                                                                                                    | E                                                                                                               | CU/£                                                                                                                | 1.5138                                                          | 1.5116                                                                                                                             |                                                                                                                                                                                                                                          |                                                                                         |                                                                                                                                                                 |     |
| 99                                                                                                                                                                        |                                                                                                                 | ERI                                                                                                                 | -                                                               | 98.8                                                                                                                               | -29.2                                                                                                                                                                                                                                    |                                                                                         |                                                                                                                                                                 |     |
| 1.8482                                                                                                                                                                    |                                                                                                                 | 0M/\$<br>(en/\$                                                                                                     | 1.8532<br>133.40                                                | 1.8427 133.42                                                                                                                      | 54.1<br>78.8                                                                                                                                                                                                                             |                                                                                         |                                                                                                                                                                 |     |
| Oct \$13.40                                                                                                                                                               | ) Nov \$13.                                                                                                     | 72 Dec \$1                                                                                                          | 13.82 S                                                         | pot Brent                                                                                                                          | Oct \$12.95 Nov \$13.                                                                                                                                                                                                                    | 05 Dec \$13.1                                                                           | 5                                                                                                                                                               |     |
| UK RESERVE                                                                                                                                                                | IKANSACTI                                                                                                       | ONS (\$mill                                                                                                         | lion)                                                           |                                                                                                                                    |                                                                                                                                                                                                                                          |                                                                                         |                                                                                                                                                                 |     |
| (a) +                                                                                                                                                                     | +                                                                                                               |                                                                                                                     | ++                                                              |                                                                                                                                    | . (                                                                                                                                                                                                                                      | b)                                                                                      | ++                                                                                                                                                              |     |
|                                                                                                                                                                           | Today                                                                                                           | This  <br>month                                                                                                     | Total  <br>since                                                |                                                                                                                                    |                                                                                                                                                                                                                                          |                                                                                         | Estimated  *                                                                                                                                                    |     |
|                                                                                                                                                                           |                                                                                                                 | so far                                                                                                              | 1 Apr 88                                                        |                                                                                                                                    |                                                                                                                                                                                                                                          |                                                                                         | position                                                                                                                                                        |     |
| i                                                                                                                                                                         | 44                                                                                                              | -277                                                                                                                | 3351                                                            |                                                                                                                                    | Market intervention                                                                                                                                                                                                                      |                                                                                         | -268                                                                                                                                                            |     |
| t                                                                                                                                                                         | -48                                                                                                             | -116                                                                                                                | -925                                                            |                                                                                                                                    | f-market transaction                                                                                                                                                                                                                     | S                                                                                       | ++                                                                                                                                                              |     |
| ŧ                                                                                                                                                                         | -4                                                                                                              | -393                                                                                                                | +                                                               |                                                                                                                                    | TOTAL                                                                                                                                                                                                                                    |                                                                                         | ++                                                                                                                                                              |     |
| +                                                                                                                                                                         | +                                                                                                               |                                                                                                                     | -======================================                         | San Barris                                                                                                                         | TOTAL                                                                                                                                                                                                                                    |                                                                                         | +======================================                                                                                                                         |     |
|                                                                                                                                                                           |                                                                                                                 |                                                                                                                     |                                                                 |                                                                                                                                    | Net beneridan                                                                                                                                                                                                                            |                                                                                         |                                                                                                                                                                 |     |
|                                                                                                                                                                           |                                                                                                                 |                                                                                                                     |                                                                 |                                                                                                                                    | Net borrowing                                                                                                                                                                                                                            |                                                                                         | -14                                                                                                                                                             |     |
|                                                                                                                                                                           | nd forward<br>one date b                                                                                        |                                                                                                                     | ons                                                             |                                                                                                                                    | Net borrowing<br>Valuation changes                                                                                                                                                                                                       |                                                                                         | -14                                                                                                                                                             |     |
|                                                                                                                                                                           |                                                                                                                 |                                                                                                                     | ons                                                             |                                                                                                                                    |                                                                                                                                                                                                                                          | S                                                                                       | -14  <br>++<br>  0                                                                                                                                              |     |
| on a d                                                                                                                                                                    | one date b<br>transactio                                                                                        | asis.<br>ns only on                                                                                                 |                                                                 | тот                                                                                                                                | Valuation changes<br>TAL CHANGE IN RESERVE<br>* On conv                                                                                                                                                                                  | S<br>entional assu<br>her market in                                                     | -14  <br>++<br>  0  <br>++<br>  -479  <br>+=====+                                                                                                               |     |
| on a d<br>(b) Spot<br>date b                                                                                                                                              | one date b<br>transactio<br>asis, as i                                                                          | asis.<br>ns only on<br>n publishe                                                                                   | n a value                                                       | тот                                                                                                                                | Valuation changes<br>AL CHANGE IN RESERVE<br>* On conv<br>no furt                                                                                                                                                                        | entional assu                                                                           | -14  <br>++<br>  0  <br>++<br>  -479  <br>+=====+                                                                                                               |     |
| on a d<br>(b) Spot<br>date b<br>OTHER COUN                                                                                                                                | one date b<br>transactio<br>asis, as i                                                                          | asis.<br>ns only on<br>n publishe                                                                                   | a value<br>d figures.                                           | тот                                                                                                                                | Valuation changes<br>AL CHANGE IN RESERVE<br>* On conv<br>no furt                                                                                                                                                                        | entional assu                                                                           | -14  <br>++<br>  0  <br>++<br>  -479  <br>+=====+                                                                                                               |     |
| on a d<br>(b) Spot<br>date b<br>OTHER COUN                                                                                                                                | one date b<br>transactio<br>asis, as i<br>TRIES MARK                                                            | asis.<br>ns only on<br>n publishe                                                                                   | a value<br>d figures.                                           | TOT<br>LLion equi<br>Germany                                                                                                       | Valuation changes<br>AL CHANGE IN RESERVE<br>* On conv<br>no furt<br>valent)                                                                                                                                                             | entional assu<br>her market in<br><br>Italy                                             | -14  <br>++<br>  0  <br>++<br>  -479  <br>+=====+<br>mption of<br>tervention.                                                                                   |     |
| on a d<br>(b) Spot<br>date b<br>OTHER COUN<br>Celgium                                                                                                                     | one date b<br>transactio<br>asis, as i<br>TRIES MARK                                                            | asis.<br>ns only on<br>n publishe                                                                                   | a value<br>d figures.                                           | TOT<br>Llion equi<br>Germany<br>Holland                                                                                            | Valuation changes<br>AL CHANGE IN RESERVE<br>* On conv<br>no furt<br>valent)<br>-9\$<br>-                                                                                                                                                | entional assu<br>her market in<br>Italy<br>Japan                                        | -14  <br>++<br>  0  <br>++<br>  -479  <br>+=====+<br>mption of<br>tervention.                                                                                   |     |
| on a d<br>(b) Spot<br>date b<br>OTHER COUN<br>Celgium                                                                                                                     | one date b<br>transactio<br>asis, as i<br>TRIES MARK                                                            | asis.<br>ns only on<br>n publishe                                                                                   | a value<br>d figures.                                           | TOT<br>LLion equi<br>Germany                                                                                                       | Valuation changes<br>AL CHANGE IN RESERVE<br>* On conv<br>no furt<br>valent)<br>-9\$<br>-                                                                                                                                                | entional assu<br>her market in<br><br>Italy                                             | -14  <br>++<br>  0  <br>++<br>  -479  <br>+=====+<br>mption of<br>tervention.                                                                                   |     |
| on a d<br>(b) Spot<br>date b<br>OTHER COUN<br>Belgium<br>Benmark<br>rance<br>ARKET COH<br>e markets<br>hine off t<br>een in ver<br>terling sp<br>igures, wh               | one date b<br>transactio<br>asis, as i<br>                                                                      | asis.<br>ns only on<br>n publishe<br>ET INTERVE<br>ET INTERVE<br>after rea<br>bands awai<br>er day on<br>uch as exp | quiet day<br>ching a hi<br>ting the<br>the side-l<br>ected, had | TOT<br>Llion equi<br>Germany<br>Holland<br>Ireland<br>. In morn<br>gh of 1.85<br>trade figu<br>ines;this i<br>no effect            | Valuation changes<br>AL CHANGE IN RESERVE<br>* On conv<br>no furt<br>valent)<br>-9\$<br>-<br>+44\$<br>ing trading rumours<br>47\$. But dollar trad<br>res on Wednesday.<br>morning's published                                           | entional assu<br>her market in<br>Italy<br>Japan<br>US<br>of the Bundes<br>ing over the | <pre>  -14  <br/>++<br/>  0  <br/>++<br/>  -479  <br/>++<br/>mption of<br/>tervention.<br/>-189\$,-81DM<br/>-<br/>-<br/>bank took the<br/>past few days h</pre> | nas |
| on a d<br>(b) Spot<br>date b<br>OTHER COUN<br>Belgium<br>Benmark<br>rance<br>ARKET COH<br>e markets<br>hine off t<br>een in ver<br>terling sp<br>igures, wh               | one date b<br>transactio<br>asis, as i<br>                                                                      | asis.<br>ns only on<br>n publishe<br>ET INTERVE<br>ET INTERVE<br>after rea<br>bands awai<br>er day on<br>uch as exp | quiet day<br>ching a hi<br>ting the<br>the side-l<br>ected, had | TOT<br>Llion equi<br>Germany<br>Holland<br>Ireland<br>. In morn<br>gh of 1.85<br>trade figu<br>ines;this i<br>no effect            | Valuation changes<br>AL CHANGE IN RESERVE<br>* On conv<br>no furt<br>valent)<br>-9\$<br>-<br>+44\$<br>ing trading rumours of<br>47\$. But dollar trad<br>res on Wednesday.<br>morning's published for                                    | entional assu<br>her market in<br>Italy<br>Japan<br>US<br>of the Bundes<br>ing over the | <pre>  -14  <br/>++<br/>  0  <br/>++<br/>  -479  <br/>++<br/>mption of<br/>tervention.<br/>-189\$,-81DM<br/>-<br/>-<br/>bank took the<br/>past few days h</pre> | nas |
| on a d<br>(b) Spot<br>date b<br>OTHER COUN<br>Belgium<br>Benmark<br>rance<br>ARKET COH<br>e markets<br>hine off t<br>een in ver<br>terling sp<br>igures, wh               | one date b<br>transactio<br>asis, as i<br>                                                                      | asis.<br>ns only on<br>n publishe<br>ET INTERVE<br>ET INTERVE<br>after rea<br>bands awai<br>er day on<br>uch as exp | quiet day<br>ching a hi<br>ting the<br>the side-l<br>ected, had | TOT<br>Llion equi<br>Germany<br>Holland<br>Ireland<br>. In morn<br>gh of 1.85<br>trade figu<br>ines;this i<br>no effect            | Valuation changes<br>AL CHANGE IN RESERVE<br>* On conv<br>no furt<br>valent)<br>-9\$<br>-<br>+44\$<br>ing trading rumours of<br>47\$. But dollar trad<br>res on Wednesday.<br>morning's published for<br>Yen/\$133.50.                   | entional assu<br>her market in<br>Italy<br>Japan<br>US<br>of the Bundes<br>ing over the | <pre>  -14  <br/>++<br/>  0  <br/>++<br/>  -479  <br/>++<br/>mption of<br/>tervention.<br/>-189\$,-81DM<br/>-<br/>-<br/>bank took the<br/>past few days h</pre> | nas |
| on a d<br>(b) Spot<br>date b<br>THER COUN<br>elgium<br>enmark<br>rance<br>ARKET COM<br>hine off t<br>een in ver<br>terling sp<br>igures, whi<br>ates at 5:                | one date b<br>transactio<br>asis, as i<br>                                                                      | asis.<br>ns only on<br>n publishe<br>ET INTERVE<br>ET INTERVE<br>after rea<br>bands awai<br>er day on<br>uch as exp | quiet day<br>ching a hi<br>ting the<br>the side-l<br>ected, had | TOT<br>Llion equi<br>Germany<br>Holland<br>Ireland<br>. In morn<br>gh of 1.85<br>trade figu<br>ines;this<br>no effect<br>/\$1.8459 | Valuation changes<br>AL CHANGE IN RESERVE<br>* On conv<br>no furt<br>valent)<br>-9\$<br>-<br>+44\$<br>ing trading rumours<br>47\$. But dollar trad<br>res on Wednesday.<br>morning's published for<br>Yen/\$133.50.<br>Today             | entional assu<br>her market in<br>Italy<br>Japan<br>US<br>of the Bundes<br>ing over the | <pre>  -14     0     -479   ++ mption of tervention189\$,-81DM bank took the past few days h l sales </pre>                                                     | nas |
| on a d<br>(b) Spot<br>date b<br>OTHER COUN<br>Relgium<br>Renmark<br>rance<br>ARKET COM<br>e markets<br>hine off t<br>een in ver<br>terling sp<br>igures, wh<br>ates at 5: | one date b<br>transactio<br>asis, as i<br>                                                                      | asis.<br>ns only on<br>n publishe<br>ET INTERVE<br>ET INTERVE<br>after rea<br>bands awai<br>er day on<br>uch as exp | quiet day<br>ching a hi<br>ting the<br>the side-l<br>ected, had | TOT<br>Llion equi<br>Germany<br>Holland<br>Ireland<br>. In morn<br>gh of 1.85<br>trade figu<br>ines;this<br>no effect<br>/\$1.8459 | Valuation changes<br>AL CHANGE IN RESERVE<br>* On conv<br>no furt<br>valent)<br>-9\$<br>-<br>+44\$<br>ing trading rumours of<br>47\$. But dollar trad<br>res on Wednesday.<br>morning's published for<br>Yen/\$133.50.<br>Today<br>7.811 | entional assu<br>her market in<br>Italy<br>Japan<br>US<br>of the Bundes<br>ing over the | <pre>  -14     0     -479     -479   ++ mption of tervention189\$,-81DM bank took the past few days h l sales BUG Change</pre>                                  | nas |

SECRET

MONEY MARKETS Monday 12th September 1988 INTEREST RATES f Interbank Eurodollar Today Change Today Change 7 days 0 10 1/8 -1/8 8 1/16 -0 1 mth 11 3/8 -1/16 8 3/16 3 mth 0 8 5/16 12 1/16 -3/32 12 mth 12 1/4 -1/16 8 3/4 -1/16 BUIS Today Change 11 9/16 -3 Month Treasury Bills 11 5/16 -1/8 BANK MONEY MARKET OPERATIONS Discount Rate on Eligible Bank Bills Purchases £ m Rates Band 1 (0-14 days) 10 5/8-3/8 Band 2 (15-31 days) 11 1/4-3/16 Band 3 (32-63 days) 11 21/32-5/8 Band 4 (64-91 days) 11 23/32-45/64 TOTAL BILLS 0 ----Repurchase |Due 15 September at 9 7/8-10% 564 Lending TOTAL OPERATIONS 550 m 564 |against surplus £ 10 yr Tsy Bond **US RATES** 3 month CDs 20 yr Tsy Bond 8.97 -0.05 | 8.92 -0.05 Today/Change 8.25 0.00 | Gilt index STOCK MARKET FT Ind-Ord FTSE 0.10 1 Today/Change 1401.7 6.5 1744.6 6.2 86.76 MARKET COMMENT GILTS opened little changed: shorts 1/16 easier and longs 1/8, these losses were soon erased. This afternoon saw a modest rally, all be it on low turnover, prices finished below the best as the pound softened late in the day. Conventionals closed 1/8-1/4 firmer throughout.

SECRET

INDEX-LINKED shorts were softer but the longer issues put on 1/4-3/8.

EQUITIES opened firmer and moved in a narrow range thereafter in very quite trading conditions. The provisional retail sales increase for August of 0.5% and the producer price figures were inline with market expectations.

Carl Darget

NAME: Carl Davey TEL NO: 270 4613

| GILT-EDGED MARKET                                                                                                                                                                                                                         |                                                                                                                                 |                                                         | Monday 12th S                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | September 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transactions basis, cash values (fm                                                                                                                                                                                                       | m); sales + purcha                                                                                                              | ses -                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| ISSUE DEPARTMENT: MARKET TRANSACTIO                                                                                                                                                                                                       | DNS                                                                                                                             |                                                         | Today                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | September                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                                                                                                                                                                                                                                           | Gross sales                                                                                                                     | shorts                                                  | ++<br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 11.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                                                                                                                                                                                                                           | Gross sales                                                                                                                     | mediums                                                 | 5.6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 177.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Gross                                                                                                                                                                                                                                     | s sales longs and                                                                                                               | undated                                                 | ++                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 276.2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                                                                                                                                                                                                                                           | Gross sales index                                                                                                               | -linked                                                 | 6.2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 138.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                                                                                                                                                                                                                                           | Part paid                                                                                                                       | d calls                                                 | ++                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 0.3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Buying in no                                                                                                                                                                                                                              | on-next maturities                                                                                                              | shorts                                                  | ++<br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | -6.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Buying in nor                                                                                                                                                                                                                             | n-next maturities i                                                                                                             | mediums                                                 | ++<br>  -6.5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | -207.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Buying in r                                                                                                                                                                                                                               | non-next maturities                                                                                                             | s longs                                                 | ++                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | -391.9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Buying in non-next                                                                                                                                                                                                                        | t maturities index-                                                                                                             | -linked                                                 | ++<br>  -6.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | -174.7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| c                                                                                                                                                                                                                                         | CRND: Market transa                                                                                                             | actions                                                 | ++<br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | -15.8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                                                                                                                                                                                                                                           | TOTAL 'GROSS                                                                                                                    | SALES                                                   | ++<br>  -1.6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | and the second se |
| Buyi                                                                                                                                                                                                                                      | ing in of next matu                                                                                                             | urities                                                 | +========+<br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | -0.7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                                                                                                                                                                                                                           | Reder                                                                                                                           | nptions                                                 | ++<br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | -15.8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| TOTAL                                                                                                                                                                                                                                     | TRANSACTIONS WITH                                                                                                               | MARKET                                                  | -1.6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | -194.9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Sales required to meet *                                                                                                                                                                                                                  | target of                                                                                                                       | £                                                       | m                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                                                                                                                                                                                                                                           | target of                                                                                                                       |                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Sales required to meet * PRICES/YIELDS OF GILT-EDGED STOCKS                                                                                                                                                                               | target of<br>Yesterday's cl                                                                                                     |                                                         | CONTRACT IN FAMILY CONTRACTOR OF A DESCRIPTION OF A DESCRIPANTE A DESCRIPANTE A DESCRIPANTE A DESCRIPTION OF |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                                                                                                                                                                                                                                           |                                                                                                                                 | cent)                                                   | +<br>Change<br>yesterday<br>Price (£/32)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 's close<br>Yield (%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                                                                                                                                                                                                                           | Yesterday's cl<br>Par yield (per                                                                                                | cent)                                                   | +<br>Change<br>yesterday<br>Price (£/32)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 's close<br>Yield (%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| PRICES/YIELDS OF GILT-EDGED STOCKS                                                                                                                                                                                                        | Yesterday's cl<br>Par yield (per<br>t                                                                                           | cent)                                                   | +<br>Change<br>yesterday<br>Price (£/32)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Yield (%<br>-0.04                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| PRICES/YIELDS OF GILT-EDGED STOCKS                                                                                                                                                                                                        | Yesterday's cl<br>Par yield (per<br>t<br>10-470<br>Ims 10.169                                                                   | cent)<br>-+<br>-+<br>-+<br>-+                           | Change<br>yesterday<br>Price (£/32)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | ' <mark>s close</mark><br>Yield (%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| PRICES/YIELDS OF GILT-EDGED STOCKS<br>Short<br>Mediu                                                                                                                                                                                      | Yesterday's cl<br>Par yield (per<br>+                                                                                           | cent)<br>-+<br>-+<br>-+<br>-+                           | Change<br>yesterday<br>Price (£/32)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Yield (%<br>-0.04<br>-0.04<br>-0.02                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| PRICES/YIELDS OF GILT-EDGED STOCKS<br>Short<br>Mediu<br>Longs                                                                                                                                                                             | Yesterday's cl<br>Par yield (per<br>+                                                                                           |                                                         | Change<br>yesterday<br>Price (£/32)<br>5  <br>7  <br>6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Yield (%<br>-0.04<br>-0.04<br>-0.02                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| PRICES/YIELDS OF GILT-EDGED STOCKS<br>Short<br>Mediu<br>Longs                                                                                                                                                                             | Yesterday's cl<br>Par yield (per<br>s 10-470<br>ms 10-169<br>9.689<br>Price                                                     | <pre>cent) -+ -+ -+ -+ (£/32) Change +</pre>            | Change<br>yesterday<br>Price (£/32)<br>5  <br>7  <br>6  <br>Yield (pe<br>Today                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Yield (%<br>-0.04<br>-0.04<br>-0.02<br>-0.02<br>-0.02<br>Change                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| PRICES/YIELDS OF GILT-EDGED STOCKS<br>Short<br>Mediu<br>Longs<br>REPRESENTATIVE STOCKS                                                                                                                                                    | Yesterday's cl<br>Par yield (per<br>10-470<br>10-169<br>1 9.689<br>Price<br>Today                                               | <pre>cent) -+ -+ -+ (f/32) Change</pre>                 | Change<br>yesterday<br>Price (£/32)<br>5  <br>7  <br>6  <br>7  <br>6  <br>7  <br>6  <br>7  <br>1 6  <br>7  <br>1 6  <br>7  <br>1 0.47                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Yield (%<br>-0.04<br>-0.04<br>-0.02<br>r cent)<br>Change<br>-0.06                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| PRICES/YIELDS OF GILT-EDGED STOCKS<br>Short<br>Mediu<br>Longs<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992                                                                                                                                | Yesterday's cl<br>Par yield (per<br>10-470<br>10-169<br>1 9.689<br>Price<br>Today<br>92 25                                      | <pre>cent) + i + i + i (£/32) Change i 5 i 8</pre>      | Change<br>yesterday<br>Price (£/32)<br>5  <br>7  <br>6  <br>Yield (pe<br>Today<br>10.47  <br>10.10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | r's close<br>Yield (%<br>-0.04<br>-0.04<br>-0.02<br>r cent)<br>Change<br>-0.06<br>-0.03                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| PRICES/YIELDS OF GILT-EDGED STOCKS<br>Short<br>Mediu<br>Longs<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'                                                                                                     | Yesterday's cl<br>Par yield (per<br>10-470<br>10.169<br>19.689<br>Price<br>Today<br>92 25<br>192 7                              | <pre>cent) +</pre>                                      | Change<br>yesterday<br>Price (£/32)<br>5  <br>7  <br>6  <br>7  <br>6  <br>Yield (pe<br>Today<br>1 10.47  <br>1 0.10  <br>9.92                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | r's close<br>Yield (%<br>-0.04<br>-0.02<br>-0.02<br>r cent)<br>Change<br>-0.03<br>-0.03                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| PRICES/YIELDS OF GILT-EDGED STOCKS<br>Short<br>Mediu<br>Longs<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07                                                                         | Yesterday's cl<br>Par yield (per<br>10-470<br>10-169<br>10.689<br>Price<br>Today<br>192 25<br>192 7<br>113 23                   | <pre>cent) -+ -+ -+ -+ -+ -+ -+ -+ -+ -+ -+ -+ -+</pre> | Change<br>yesterday<br>Price (£/32)<br>5  <br>7  <br>6  <br>7  <br>6  <br>7  <br>6  <br>7  <br>1 0.10  <br>9.92  <br>8.64                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | r's close<br>Yield (%<br>-0.04<br>-0.04<br>-0.02<br>r cent)<br>Change<br>-0.06<br>-0.03<br>-0.03<br>-0.02                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| PRICES/YIELDS OF GILT-EDGED STOCKS<br>Short<br>Mediu<br>Longs<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992                                                     | Yesterday's cl<br>Par yield (per<br>is 10-470<br>10-169<br>9.689<br>Price<br>Today<br>92 25<br>92 7<br>1113 23<br>82 8          |                                                         | Change<br>yesterday<br>Price (£/32)<br>5  <br>7  <br>6  <br>Yield (pe<br>Today<br>10.47  <br>10.10  <br>9.92  <br>8.64  <br>3.94                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | r's close<br>Yield (%<br>-0.04<br>-0.04<br>-0.02<br>r cent)<br>Change<br>-0.06<br>-0.03<br>-0.02<br>-0.02                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| PRICES/YIELDS OF GILT-EDGED STOCKS<br>Short<br>Mediu<br>Longs<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016                         | Yesterday's cl<br>Par yield (per<br>10-470<br>10.169<br>19.689<br>Price<br>Today<br>192 25<br>192 7<br>1113 23<br>82 8<br>96 14 |                                                         | Change<br>yesterday<br>Price (£/32)<br>5  <br>7  <br>6  <br>Yield (pe<br>Today<br>10.47  <br>10.10  <br>9.92  <br>8.64  <br>3.94                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | r's close<br>Yield (%<br>-0.04<br>-0.04<br>-0.02<br>r cent)<br>Change<br>-0.06<br>-0.03<br>-0.02<br>-0.02                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| PRICES/YIELDS OF GILT-EDGED STOCKS<br>Short<br>Mediu<br>Longs<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016<br>2% Index-Linked 1994 | Yesterday's cl<br>Par yield (per<br>10-470<br>10.169<br>19.689<br>Price<br>Today<br>192 25<br>192 7<br>1113 23<br>82 8<br>96 14 |                                                         | Change<br>yesterday<br>Price (£/32)<br>5  <br>7  <br>6  <br>Yield (pe<br>Today<br>10.47  <br>10.10  <br>9.92  <br>8.64  <br>3.94                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | r's close<br>Yield (%<br>-0.04<br>-0.04<br>-0.02<br>r cent)<br>Change<br>-0.06<br>-0.03<br>-0.02<br>-0.02                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| PRICES/YIELDS OF GILT-EDGED STOCKS<br>Short<br>Mediu<br>Longs<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016<br>2% Index-Linked 1994 | Yesterday's cl<br>Par yield (per<br>10-470<br>10.169<br>19.689<br>Price<br>Today<br>192 25<br>192 7<br>1113 23<br>82 8<br>96 14 | <pre>cent) -+ -+ -+ -+ (£/32) Change</pre>              | Change<br>yesterday<br>Price (£/32)<br>5  <br>7  <br>6  <br>7  <br>6  <br>7  <br>6  <br>7  <br>7  <br>6  <br>7  <br>7  <br>6  <br>7  <br>7  <br>6  <br>7  <br>7  <br>7  <br>6  <br>7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | r's close<br>Yield (%<br>-0.04<br>-0.04<br>-0.02<br>r cent)<br>Change<br>-0.06<br>-0.03<br>-0.03<br>-0.02<br>-0.02<br>-0.02<br>-0.02                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

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NAME: TEL NO:

Carl Davey 270 4613

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THE GOVERNOR'SMR TOWNEND HO-PMR C M MILESPRIVATE SECRETARY HO-PMR WARLAND HO-1MR MILNE HO-GTHE DEPUTY GOVERNOR'SMR ARROWSMITH HO-3MR MORTIMER-LEHPRIVATE SECRETARY HO-PMR BAILEY HO-2MR PAGE HO-2 MR LOEHNIS HO-P MR GEORGE HO-P MR W A ALLEN HO-P MR ALTHAUS HO-G MR A F BUSHELL HO-4 MR CHARKHAM HO-4 MR T A CLARK HO-M MR COLEBY HO-P MR FOOT HO-2 MR GILL HO-3 MR GREEN HO-3 MR J G HILL HO-G MR LATTER HO-2 MR KIRBY HO-3 MR PLENDERLEITH HO-P MS M V LOWTHER HO-G MR PRICE HO-3 MR SMEETON HO-2

MISS C M BALFOUR BB-4 MR SAGAR HO-3 MR BRIAULT/ MR I D SAVILLE HO MR M E F JONES HO-G MRS SERGEANT HO-3 MD CHEDDARD HO-4 MR M E F JONES HO-GMRS SERGEANT HO-3MR CARTER HO-MMR SHEPPARD HO-4MR COLLINS HO-MMS STONEFROST HO-MMR DE HOEST HO-4MR THORP BB-1MR DORRINGTON HO-4MR URWIN HO-2MR G I EVANS HO-2MR R G WARE HO-3MR EXETER HO-2MR R P WEBSTER HO-3MISS T A GRAY HO-4MR P A D WRIGHT HO-4MISS HOPKINSON HO-3DEALERS GIMLET HO-2MR ILES HO-3GROUP 9, ID HO-2MR M R LEWIS HO-3GROUP 11, ID HO-2 MR M R LEWIS HO-3 MR MCCONNACHIE HO-G MR MIDGLEY HO-4

MR C M MILES HO-2 MR MILNE HO-G MR MORTIMER-LEE HO-G MR I D SAVILLE HO-2 GROUP 12, BSD HO-2 LORD RICHARDSON PADS

## US FINANCIAL DEVELOPMENTS

The latest weekly summary of developments in monetary policy and the financial markets is attached.

International Division Group 1, HO-3 13 September 1988

R T Thorne (4385)

## SUMMARY: 5-11 SEPTEMBER

- The G7 meeting in West Berlin is said by officials to be likely simply to reaffirm the existing understandings on policy co-ordination and on exchange rates.
- Assistant Treasury Secretary Mulford confirmed a press report last week that he had made a secret trip to Europe in August to reaffirm the US commitment to the current G7 exchange rate and policy co-ordination agreements following Baker's resignation.
- The New York Fed reported that it bought \$2.93 bn of deutschemarks in the foreign exchange markets in the May-July quarter, intervening many times in late June and July. It also attributed the dollar's rise which provoked the intervention partly to the impression given by the Economic Declaration and officials' comments following the Toronto Summit that the G7 would tolerate a further dollar rise.
- Various Fed members confirmed the market's view that the August employment data have removed the possibility of a further Fed tightening at this stage.
- The latest 'tan book' from the Federal Reserve Districts indicates that demand pressures are starting to slacken in some parts of the economy, but the picture varied considerably between different regions and different industries. It seems likely to bolster the case at the next FOMC meeting against tightening further.
- Japan's largest inter-dealer broker announced plans to broker US Treasury bonds in Tokyo, settling the deals in dollars in New York.
- The Treasury yield curve flattened very slightly last week as oil prices fell and a purchasing managers' survey was weaker than the previous month. The dollar was stable against the deutschemark but fell against the yen as the Bank of Japan said it was ready to defend the yen's value if necessary.

### (a) The US and international co-operation

There have been comments from many sources that the G7 meeting 1 which will precede the IMF-World Bank meetings in West Berlin on 22 September will introduce no new policy initiatives, but will limit itself to a reaffirmation of the existing understandings on policy co-ordination and on exchange rates. One reason for the absence of new initiatives is the difficulty of committing the US to new policies in advance of the Presidential elections. Fed Governor Robert Heller was one of those who said that no major programmes would be presented at the meeting. Although trade imbalances were being slowly corrected, he said, the US had hoped for faster economic growth in other countries. Nevertheless "the figures in Europe are not bad; we can't complain." (West Germany's Q2 GNP figure released last week was better than expected, being 3.4% above a year earlier.)

Meanwhile, the Wall Street Journal reported last week that 2 Assistant Treasury Secretary David Mulford made a secret trip to Europe last month to reaffirm the US commitment to the G7 exchange rate and policy co-ordination agreements following Baker's resignation. Mulford confirmed that the report was basically accurate, but did not confirm all the details. According to the report, Mulford visited the UK, West Germany and France to make the reaffirmation, with the approval of Alan Greenspan, Baker and Treasury Secretary-designate Nicholas Brady, and also contacted Japanese officials with the same message. The visit was just after the US discount rate increase had caused the dollar to rise in the short-term and there had been an upsurge in market speculation that the US and Japan had a bilateral agreement to keep the dollar firm until after the Presidential election. More recently, there have been reports that the dollar's fall against the deutschemark since West Germany's own discount rate rise have helped to ease friction between the US and Europe.

#### (b) New York Fed intervention

3 The Federal Reserve Bank of New York reported that it made \$2.93 bn of dollar sales in the May-July quarter, the largest amount of quarterly dollar sales since the quarter in which the 1985 Plaza agreement was made. The New York Fed's intervention was on 16 different days between 27 June, when the dollar was at DM 1.819, and 31 July, when it finished at DM 1.878, and it consisted entirely of deutschemark purchases. Of the \$2.93 bn, \$1.32 bn was sold on behalf of the Fed and \$1.61 bn on behalf of the Treasury's Exchange Stabiliasation Fund.

4 The report accompanying the figures said that the Economic Declaration issued after the Toronto Summit had left the market with the impression that the G7 would tolerate a further rise in the dollar, as did comments by several officials at the time. (The Declaration's remarks on the dollar were identical to those in the December statement, but the deutschemark had fallen by 8% since that time. Given this feeling, it may be that the US will think that the wording of the public statement to follow this month's meeting should suggest a tougher attitude to dollar strength, even if the existing private understanding on exchange rates is left unchanged. Perhaps wording that describes a dollar rise or fall as equally counterproductive even be suggested.) The continuing buoyancy of the US economy at that time together with a perception that the Fed would tighten if there were signs of further inflationary problems added to the upward pressure on the dollar, and led to the conditions which made intervention necessary, the New York Fed said. The intervention had taken place as part of the G7 agreement.

#### (c) Domestic monetary policy

5 Various Fed Board members effectively confirmed the market's view that the August employment data have removed the possibility of a further Fed tightening at this stage. Governors Johnson, Heller and LaWare all said that economic growth appeared to be moderating, and both Heller and LaWare saw no need for a change in Fed policy at the moment. (A few market commentators had suggested that the Fed might even ease, but there is no sign whatsoever of that.)

## (d) The tan book

The latest Federal Reserve Districts' Commentary on Current 6 Economic Conditions (the "tan book") found that demand pressures are starting to slacken in some parts of the economy, and thus seems likely to bolster the case at the next FOMC meeting against tightening further. However the picture varied considerably across the country, with healthy expansion in business activity in some areas, "stable to mixed" conditions in others and even weakness in the St Louis Fed District. Activity was said to be expanding in numerous manufacturing industries, but the retailing and construction sectors were generally weak. Similarly, information on price pressures was mixed, with the prices of many raw materials and industrial components climbing strongly, but wage rises still rather patchy, affecting retailers much more than The most concrete evidence to support a possible manufacturers. moderation in labour pressures was provided by the Philadelphia Fed, which reported the first pause in employment growth for 16 months.

# (e) US Treasury bond trading in Japan

7 Japan's inter-dealer broker, Japan Securities Clearing Group, announced plans to broker US Treasury bonds in Tokyo. It will concentrate on 10- and 30-year maturities and will aim its business primarily at Japanese clients. Settlement, which will reportedly be through Bank of Tokyo's New York unit, will in principle be in dollars but could be in yen if buyer and seller agree.

### MONEY AND CREDIT

8 M1 and M2 both fell by 0.1% or less in the week ending 29 August, while M3 rose by 0.1%. In addition, the previous week's M3 figure was revised up 0.4%, and the aggregate's four-weekly average is now 6.6% (ar) above its target base, up from 6.4% the week before.

9 Consumer instalment credit rose 5.0% (ar) in July, well below the consensus forecast of about 8%, but June's increase was revised up to 16.4% from 10.2%. The series has risen by 9.4% over the last year.

#### RESERVES

10 Average adjustment and seasonal borrowing from the Fed's discount window fell by \$68 mn to \$577 mn in the week ending 7 September, the second week of the maintenance fortnight, bringing the fortnightly average to \$611 mn, up \$37 mn from the previous fortnight. Analysts continued to believe that the Fed was maintaining a steady credit stance in the wake of the weaker than expected August employment data, but they seem to have slightly increased their estimate of the degree of tightness involved in that steady stance. The consensus discount window borrowing has drifted up from \$550-600 mn to \$600 mn, while the Fed funds target estimate has narrowed from 8-8 1/4% to 8 1/8-1/4%.

11 The Fed had a large net miss in its estimate of reserves availability on Tuesday last week. Until this became known later in the week, some analysts had suspected that the Fed might have eased slightly in response to the employment figures when it added reserves to the market with Fed funds at 8 1/16%. However, the Fed helped to make it clear that its action was purely technical when it drained funds back out of the system again on Wednesday with Fed funds at 7 3/4%.

#### MARKET DEVELOPMENTS (5-9 September)

12 The Treasury yield curve flattened very slightly last week as long bond yields drifted down by about 5 bp, while bill rates ended the week little changed. Although the August producer price index was the week's major economic indicator, it was much as expected and had little market impact. Instead, the weak oil price and a decline in confidence (albeit from a high level) revealed by the National Association of Purchasing Managers survey were the factors most responsible for the strength of the long end of the market.

13 The dollar, meanwhile, attracted little attention last week, but fell by 2 yen because of Bank of Japan Governor Sumita's comments that his institution was ready to take action to defend the yen's value if necessary. This week, the US markets will focus on July's US trade deficit figure, which comes out on Wednesday and for which the consensus market forecast is \$11.5 bn, down from \$12.5 bn in the previous month.

## TREASURY AUCTIONS

Monday 12 September

Auction of \$14.0 bn of three-and six-month bills, raising \$625 mn of new cash.

# ECONOMIC INDICATORS

| Tuesday   | 13 September | Current account; Q2                                                                                                           |
|-----------|--------------|-------------------------------------------------------------------------------------------------------------------------------|
| Wednesday | 14 September | Merchandise trade; July<br>Industrial production; August                                                                      |
| Thursday  | 15 September | Retail sales; August<br>Capacity utilisation; August                                                                          |
| Friday    | 16 September | Business inventories; July                                                                                                    |
| Tuesday   | 20 September | GNP; Q2 (2and revision)                                                                                                       |
| Wednesday | 21 September | Consumer price index; August<br>Personal income and<br>consumption; August<br>Housing starts; August<br>Real earnings; August |
| Friday    | 23 September | Durable goods orders; August                                                                                                  |
| Friday    | 30 September | Leading indicators; August                                                                                                    |

#### OTHER DATES

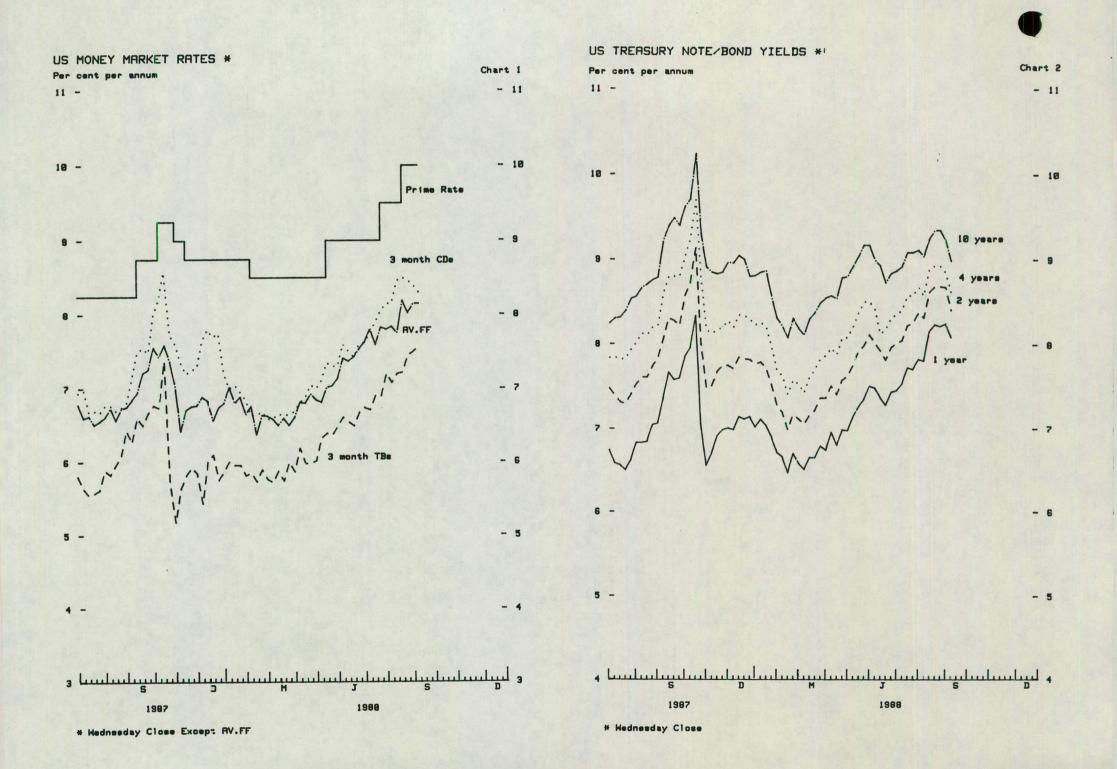
| Tuesday  | 20 September | FOMC meeting           |
|----------|--------------|------------------------|
| Thursday | 22 September | IMF/World Bank meeting |

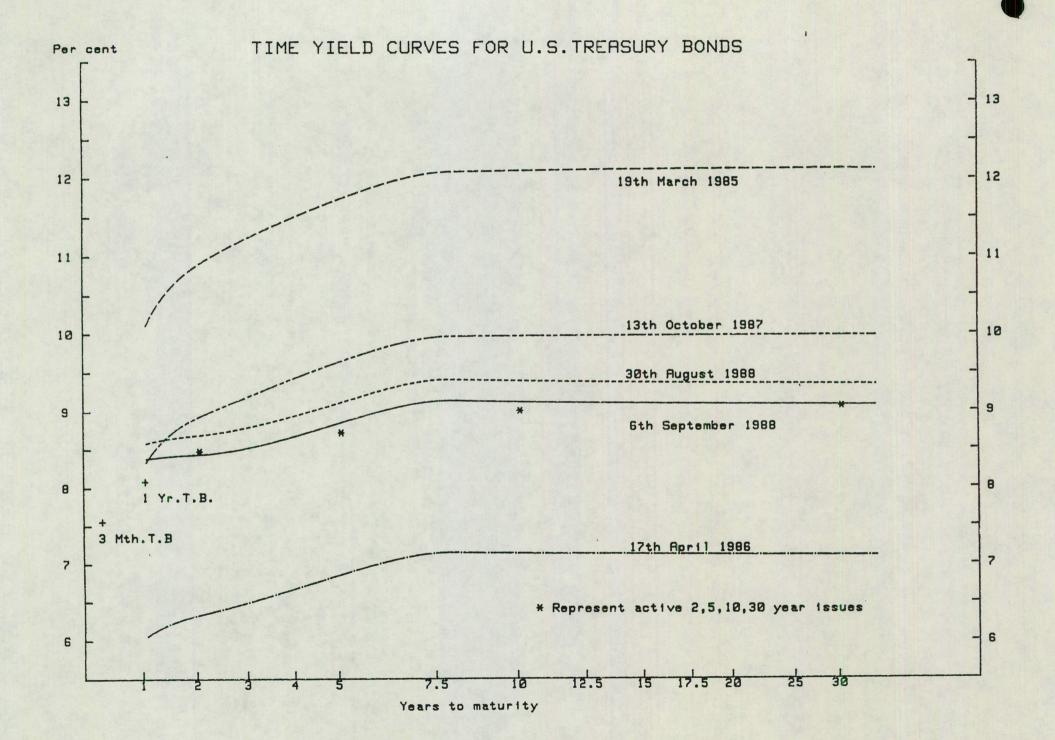
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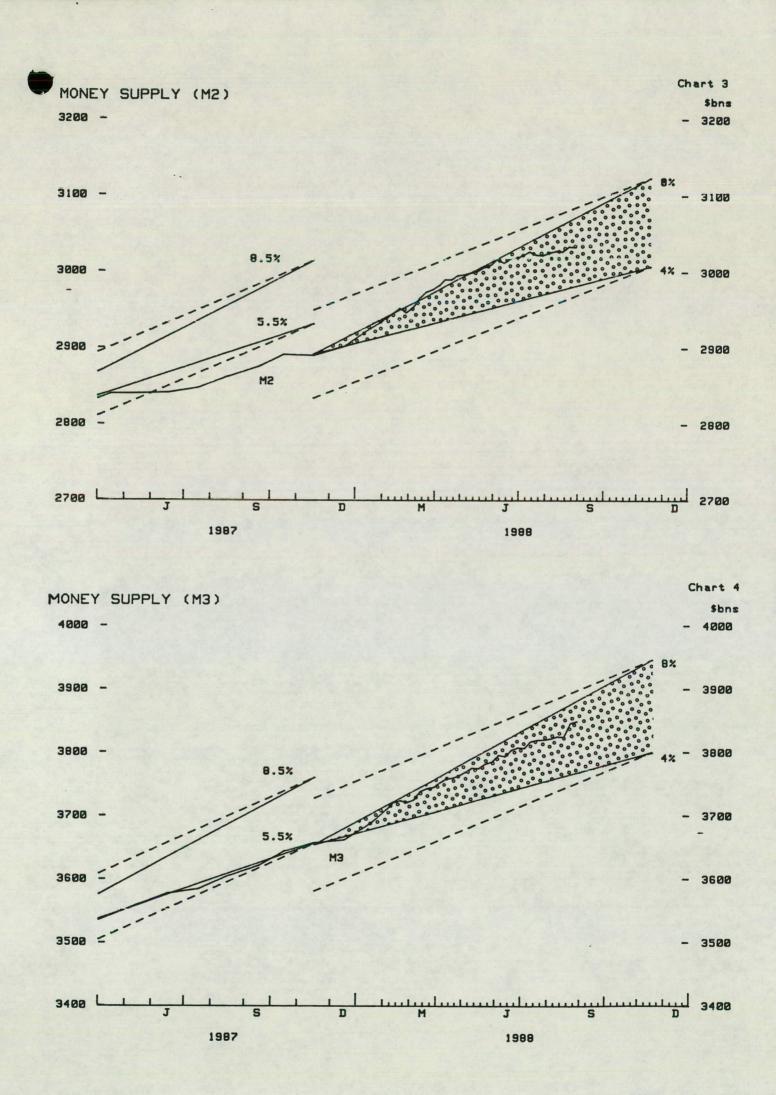
1 US: MONEY AND BANKING STATISTICS target range (1988) Change in level (\$ bn) % change (ar) Level % growth \$ bn Previous Latest 4 weekly average over: (\$ bn) Latest week/ 1 MONETARY AGGREGATES week/month Previous target weeks ended month 4 weeks 13 weeks ago base + 5.1 - 1.5 + 6.7 + 3.4 (29. 8.88)782.6 - 0.9 M1 3013.4-3129.3 + 6.1 4-8 + 2.6 + 3.53.033.6 - 0.5 + 6.3(29. 8.88)M2 3799.4-3945.6 4-8 + 6.6 + 5.8 + 6.1 +21.5 3,849.1 + 2.9 M3 (29. 8.88)8814.9-9144.4 + 9.3 7-11 + 8.5 + 7.9 Credit Aggregate (June) 8,643.2 +54.7 +58.8 Change in level (\$ bn) % Change (ar) Level 2 FINANCIAL STATISTICS Latest 4 weekly average over: Latest week Previous week (\$ bn) 4 weeks ended Previous 13 weeks ago 4 weeks - 6.4 - 2.4 -1.4 296.8 0.0 Business loans# (31. 8.88) +7.9+11.4 +1.9 (31. 8.88) 422.1 +0.3 Commercial Paper Money Market + 9.7 - 5.1 -0.7 (7.9.88) 266.9 -0.2 Mutual Funds LATEST WEEK TO 7 SEPTEMBER TWO WEEK PERIOD TO 7 SEPTEMBER Level (\$ mn) Changes in Level (\$ mn) Change in level (\$ mn) 3 RESERVES Level Latest Latest Week accounting period - 498 2,844 - 152 Discount window borrowing 3,093 of which adjustment and 577 - 68 + 37 seasonal borrowing 611 2,267 - 430 - 189 extended credit 2.482 + 30 438 Net free (borrowed) reserves Target bases (1987 Q4 averages) M2 2897.5 M3 3653.3 Credit aggregate 8238.2

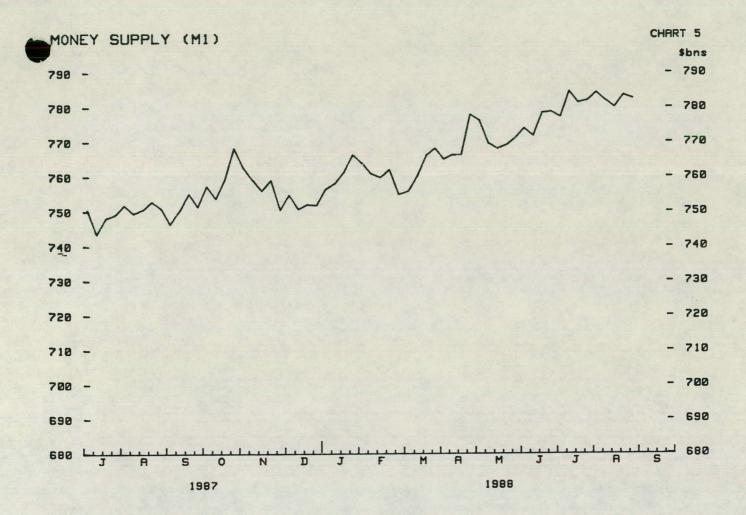
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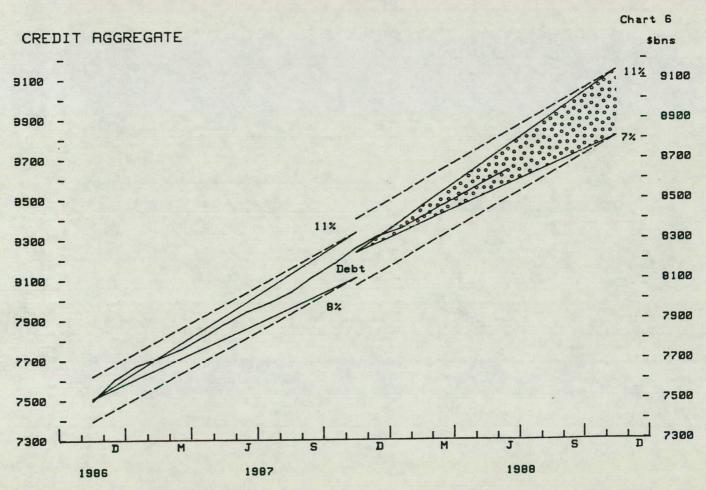
Major commercial banks #











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|                                       |                                         |                                          |                                       | SE                | CRET                |                            | Inp                                 |
|---------------------------------------|-----------------------------------------|------------------------------------------|---------------------------------------|-------------------|---------------------|----------------------------|-------------------------------------|
|                                       |                                         |                                          |                                       |                   |                     |                            |                                     |
| FOREIGN E                             | XCHANGE MA                              | RKETS                                    |                                       | NG EVENII         | Tues<br>Xo          | sday 13 Sept<br>change     | tember 1988                         |
| Previous<br>close                     |                                         |                                          | opening                               |                   | since<br>Plaza      | rrency<br>since<br>Paris   | since 16<br>October 1987            |
| 75.7                                  |                                         | £ERI                                     | 8.30am<br>75.7                        | 4.00pm<br>75.6    | -7.8                | 9.4                        | 2.7                                 |
| 1.6997                                |                                         | \$/£                                     | 1.7000                                | 1.6967            | 23.5                | 11.0                       | 1.9                                 |
| 1.5116                                |                                         | DM/£<br>ECU/£                            | 3.1343<br>1.5135                      | 3.135<br>1.513    | -19.7               | 12.3                       | 4.6                                 |
| 98.8                                  |                                         | SERI                                     | -                                     | 98.9              | -29.2               | -4.9                       |                                     |
| 1.8427<br>133.42                      |                                         | DM/\$<br>Yen/\$                          | 1.8437<br>133.05                      |                   | 53.7<br>79.1        | -1.1<br>15.3               |                                     |
| Oct \$12.95                           | 5 Nov \$13                              | .05 Dec \$1                              | 13.15 s                               | Spot Brent Oct    | \$13.57 Nov \$13.67 | Dec \$13.77                |                                     |
|                                       | TRANSACT                                | IONS (\$mill                             | ion)                                  |                   |                     |                            |                                     |
|                                       |                                         |                                          |                                       |                   | (b)                 |                            | +                                   |
|                                       | Today                                   | This<br>month                            | Total<br>since                        |                   | (6)                 |                            | Estimated   *<br>end-month          |
|                                       | Today                                   |                                          | 1 Apr 88                              |                   |                     |                            | position                            |
|                                       |                                         | -268                                     | 3360                                  | Mark              | et intervention     | Ī                          | -259                                |
|                                       | -45                                     |                                          | -970                                  |                   | rket transactions   | I                          | -198                                |
|                                       | -36                                     | -429                                     | 2390                                  | SNEW UNIVERSITY . | TOTAL               |                            | -457                                |
|                                       |                                         | +4                                       | -=========+                           |                   | let borrowing       | İ                          | +                                   |
|                                       |                                         | d transacti                              | ons                                   | Valu              | ation changes       | +                          | -14                                 |
| on a c                                | ione date l                             | basis.                                   |                                       | TOTAL C           | HANGE IN RESERVES   |                            | -471                                |
|                                       |                                         | ons only on<br>in publishe               |                                       |                   |                     | ional assum<br>market int  |                                     |
| THER COUN                             | TRIES MARI                              | KET INTERVE                              | NTION (Smi                            | illion equivale   | ent)                |                            |                                     |
| Belgium                               | -104DM                                  |                                          |                                       | Germany -         |                     | Italy                      | -54DM                               |
| Denmark                               | -                                       |                                          |                                       | Holland -         |                     | Japan                      | - Andread and a series              |
| rance                                 | -                                       |                                          |                                       | Ireland -         |                     | US                         | -2010                               |
| arter cur<br>markets ar<br>sterling w | rrent acco<br>re holding<br>was again o | ount figure<br>their brea<br>on the side | e came out<br>ith awaitir<br>e-lines. | as expected,      |                     | id no effec                | ranges.The US se<br>t on the rates. |
|                                       |                                         |                                          |                                       |                   | 68                  | lebr                       |                                     |
| IONG KONG                             |                                         |                                          |                                       | Previous          | Today               |                            | Change                              |
| long Kong                             | dollar                                  |                                          |                                       | 7.811             | 7.8105              |                            | 0.0005                              |
| lang Seng                             | Index                                   |                                          |                                       | 2468.94           | 2473.6              |                            | 4.66                                |
| month in                              | nterbank ra                             | ate                                      |                                       | 8 3/8%            | 8 5/16%             |                            | down 1/16%                          |
|                                       |                                         | ing                                      |                                       |                   |                     | ME: I.C.Pol<br>NO: 270-555 |                                     |

SECRET

| MONEY MARKETS                                                                                                                                      |                                                                                                                                                                  |                                                                                                                                                             | Tuesday 1                                                                                                                                                   | 3th September 1988                                                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| INTEREST RATES                                                                                                                                     | £ Inter                                                                                                                                                          | chank                                                                                                                                                       | Eurodo                                                                                                                                                      | llar                                                                                     |
|                                                                                                                                                    | Today                                                                                                                                                            | Change                                                                                                                                                      |                                                                                                                                                             | Change                                                                                   |
| +-<br>7 days                                                                                                                                       | 10 1/4                                                                                                                                                           | 1/8                                                                                                                                                         | 8 1/16                                                                                                                                                      |                                                                                          |
| 1 mth                                                                                                                                              | 11 7/16                                                                                                                                                          | 1/16                                                                                                                                                        | 8 3/16                                                                                                                                                      | 0                                                                                        |
| +-<br>3 mth 1                                                                                                                                      | 12 1/16                                                                                                                                                          | 0                                                                                                                                                           | 8 5/16                                                                                                                                                      | 0                                                                                        |
| +-<br>12 mth                                                                                                                                       | 12 3/16                                                                                                                                                          | -1/16                                                                                                                                                       | 8 3/4                                                                                                                                                       | 0                                                                                        |
| +-<br>BILLS                                                                                                                                        |                                                                                                                                                                  | •                                                                                                                                                           | •                                                                                                                                                           | +                                                                                        |
|                                                                                                                                                    | -                                                                                                                                                                |                                                                                                                                                             | ау                                                                                                                                                          | Change                                                                                   |
| 3 Mont                                                                                                                                             | th Treasury Bills                                                                                                                                                | 11 1/2 -                                                                                                                                                    | - 11 3/8                                                                                                                                                    | 1/16                                                                                     |
| BANK MONEY MARKET OPE                                                                                                                              | ERATIONS                                                                                                                                                         |                                                                                                                                                             |                                                                                                                                                             |                                                                                          |
|                                                                                                                                                    | Sales Em                                                                                                                                                         | Rates                                                                                                                                                       | Discount Rate on E                                                                                                                                          | ligible Bank Bills                                                                       |
| Band 1 (0-14 days)                                                                                                                                 | 70                                                                                                                                                               | due 16/9/88 at 10%                                                                                                                                          |                                                                                                                                                             |                                                                                          |
| +-<br>Band 2 (15-31 days)                                                                                                                          |                                                                                                                                                                  |                                                                                                                                                             | 11 9/32-7,                                                                                                                                                  | /32                                                                                      |
| Band 3 (32-63 days)                                                                                                                                | A STREET OF A STREET OF A STREET                                                                                                                                 |                                                                                                                                                             | 11 5/8-19,                                                                                                                                                  | /32                                                                                      |
| Band 4 (64-91 days)                                                                                                                                |                                                                                                                                                                  |                                                                                                                                                             | 11 11/16-2                                                                                                                                                  | 21/32                                                                                    |
| TOTAL BILLS                                                                                                                                        | 70                                                                                                                                                               |                                                                                                                                                             |                                                                                                                                                             |                                                                                          |
| Repurchase                                                                                                                                         |                                                                                                                                                                  |                                                                                                                                                             |                                                                                                                                                             |                                                                                          |
| Lending                                                                                                                                            |                                                                                                                                                                  |                                                                                                                                                             |                                                                                                                                                             |                                                                                          |
| TOTAL OPERATIONS                                                                                                                                   | .70                                                                                                                                                              | r<br> against surplus =                                                                                                                                     | £ 100 m                                                                                                                                                     |                                                                                          |
|                                                                                                                                                    |                                                                                                                                                                  |                                                                                                                                                             |                                                                                                                                                             |                                                                                          |
| US RATES                                                                                                                                           |                                                                                                                                                                  | 3 month CDs                                                                                                                                                 | 10 yr Tsy Bond                                                                                                                                              | 20 yr Tsy Bond                                                                           |
|                                                                                                                                                    | Today/Change                                                                                                                                                     | +                                                                                                                                                           | 8.95 0.03                                                                                                                                                   | +                                                                                        |
| STOCK MARKET                                                                                                                                       |                                                                                                                                                                  | FT Ind-Ord                                                                                                                                                  | FTSE                                                                                                                                                        | Gilt index                                                                               |
|                                                                                                                                                    | Today/Change                                                                                                                                                     | 1410.1 8.4                                                                                                                                                  | 1756.3 11.7                                                                                                                                                 | 86.80 0.04                                                                               |
|                                                                                                                                                    |                                                                                                                                                                  | +                                                                                                                                                           | +                                                                                                                                                           | +                                                                                        |
|                                                                                                                                                    |                                                                                                                                                                  |                                                                                                                                                             |                                                                                                                                                             |                                                                                          |
| MARKET COMMENT                                                                                                                                     |                                                                                                                                                                  |                                                                                                                                                             |                                                                                                                                                             |                                                                                          |
| MARKET COMMENT<br>GILTS opened 1/8 bett<br>from the Far East att<br>advanced by a further<br>spent with prices ard<br>close 1/8 firmer over        | tracted some surple<br>r 1/8.Sellers appe<br>ound the list.A mo                                                                                                  | us cash from the bu<br>ared at the highest                                                                                                                  | lding societies and<br>levels and a dull                                                                                                                    | the market<br>afternoon was                                                              |
| GILTS opened 1/8 bett<br>from the Far East att<br>advanced by a further<br>spent with prices ard                                                   | tracted some surpl<br>r 1/8.Sellers appe<br>ound the list.A mo<br>rall                                                                                           | us cash from the bu<br>ared at the highest<br>dset rally late in                                                                                            | lding societies and<br>levels and a dull<br>the day brought all                                                                                             | the market<br>afternoon was<br>sectors to                                                |
| GILTS opened 1/8 bett<br>from the Far East att<br>advanced by a further<br>spent with prices ard<br>close 1/8 firmer over<br>INDEXED LINKED contin | tracted some surple<br>r 1/8.Sellers appe-<br>ound the list.A mo-<br>rall<br>nued to benefit fro<br>ly on British Gas'<br>olders in Lasmo al<br>2% of the shares | us cash from the bu<br>ared at the highest<br>dset rally late in<br>om recent investmen<br>attempt to purchas<br>so improved.It is t<br>so far.The market c | lding societies and<br>levels and a dull<br>the day brought all<br>t demand and closed<br>e 14.9% of Lasmo; E<br>hought that British<br>losed reasonably we | the market<br>afternoon was<br>sectors to<br>with gains<br>nterprise Oil<br>Gas has only |

NAME: Peter Smith TEL NO: 270 4613

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| GILT-EDGED MARKET                                                                                                                                               |                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       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| REPRESENTATIVE STOCKS                                                                                                                                           | Shorts<br>Mediums            | 10.424<br>  10.139<br>  9.661                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         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| <b>REPRESENTATIVE STOCKS</b><br>8% Treasury 1992                                                                                                                | Shorts<br>Mediums            | 10.424<br>  10.139<br>  9.661<br>  Price (                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            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| 8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016                                         | Shorts<br>Mediums            | 10.424<br>  10.139<br>  9.661<br><b>Price (</b><br>Today<br>  92 28<br>  92 9<br>  113 26<br>  82 9<br>  96 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        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|
| 8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016<br>2% Index-Linked 1994<br>GILT FUTURES | Shorts<br>Mediums<br>Longs   | 10.424<br>  10.139<br>  9.661<br>  9.661<br>  0.424<br>  9.661<br>  0.424<br>  9.661<br>  0.424<br>  9.661<br>  0.424<br>  0.424<br>  0.139<br>  0.661<br>  0.424<br>  0.139<br>  0.661<br>  0.139<br>  0.139<br>  0.661<br>  0.139<br>  0. | f/32)<br>Change<br>Change<br>3<br>2<br>3<br>1 2<br>1 3<br>1 2<br>1 3<br>1 2<br>1 3<br>1 2<br>1 3<br>1 2<br>1 3<br>1 2<br>1 3<br>1 2<br>1 3<br>1 2<br>1 3<br>1 2<br>1 3<br>1 3<br>1 2<br>1 3<br>1 3<br>1 2<br>1 3<br>1 3<br>1 2<br>1 3<br>1 3<br>1 3<br>1 3<br>1 3<br>1 3<br>1 3<br>1 3 | Price (£/32)<br>3<br>7<br>7<br>2<br>Yield (price)<br>Today<br>10.44<br>10.07<br>9.91<br>8.63<br>3.93<br>3.64<br>Close                                                                                                                                                                          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cent)<br>Change<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0 |
| 8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016<br>2% Index-Linked 1994                 | Shorts<br>Mediums<br>Longs   | 10.424<br>  10.139<br>  9.661<br><b>Price (</b><br>Today<br>  92 28<br>  92 9<br>  113 26<br>  82 9<br>  96 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <pre> # # # # # # # # # # # # # # # # # # #</pre>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Price (£/32)<br>3<br>7<br>7<br>2<br>Yield (P<br>Today<br>1 0.44<br>1 10.07<br>9.91<br>8.63<br>3.93<br>3.64<br>Close<br>95.24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Yield (3<br>-0.02<br>-0.02<br>-0.02<br>er cent)<br>Change<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0.02<br>-0 |

| REIGN EX                                                                                                                                                                                                                            | KCHANGE MAR                                                                                                                                                                                               | IKETS                                                    |                                                                                                                            | MG EVI                                                                                                                                                                             | ENING REPORT                                                                                                                                                                    | X                                                                                                                                                            | nesday 14 s<br>change<br>urrency                                                                              | September 1988                                    |    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------|----|
| Previous<br>close                                                                                                                                                                                                                   |                                                                                                                                                                                                           |                                                          | To<br>opening<br>8.30am                                                                                                    | day<br>close<br>4.00pm                                                                                                                                                             |                                                                                                                                                                                 |                                                                                                                                                              | since<br>Paris                                                                                                |                                                   |    |
| 75.6                                                                                                                                                                                                                                |                                                                                                                                                                                                           | ERI                                                      | 75.5<br>1.6927                                                                                                             | 75.4                                                                                                                                                                               |                                                                                                                                                                                 | -8.0                                                                                                                                                         | 9.1<br>9.7                                                                                                    |                                                   |    |
| 1.6967<br>3.1350<br>1.5130                                                                                                                                                                                                          | D                                                                                                                                                                                                         | /£<br>M/£<br>CU/£                                        | 3.1335<br>1.5126                                                                                                           | 3.1451<br>1.515                                                                                                                                                                    |                                                                                                                                                                                 | -19.4                                                                                                                                                        | 12.7                                                                                                          |                                                   |    |
| 98.9<br>1.8477<br>133.20                                                                                                                                                                                                            | D                                                                                                                                                                                                         | ERI<br>M/\$<br>en/\$                                     | -<br>1.8512<br>133.40                                                                                                      | 99.6<br>1.876<br>134,35                                                                                                                                                            |                                                                                                                                                                                 | -28.7<br>51.4<br>77.6                                                                                                                                        | -4.2<br>-2.6<br>14.3                                                                                          | -4.0                                              |    |
|                                                                                                                                                                                                                                     |                                                                                                                                                                                                           |                                                          |                                                                                                                            |                                                                                                                                                                                    | Oct \$14.15                                                                                                                                                                     |                                                                                                                                                              |                                                                                                               |                                                   |    |
| UK RESERVE                                                                                                                                                                                                                          | E TRANSACTI                                                                                                                                                                                               | ONS (\$mill                                              | lion)                                                                                                                      |                                                                                                                                                                                    |                                                                                                                                                                                 |                                                                                                                                                              |                                                                                                               |                                                   |    |
| (a) +                                                                                                                                                                                                                               | ++                                                                                                                                                                                                        |                                                          | Total I                                                                                                                    |                                                                                                                                                                                    |                                                                                                                                                                                 | (b)                                                                                                                                                          |                                                                                                               | ++<br> Estimated  *                               |    |
|                                                                                                                                                                                                                                     | Today                                                                                                                                                                                                     | This<br>month<br>so far                                  | Total<br>since<br>1 Apr 88                                                                                                 |                                                                                                                                                                                    |                                                                                                                                                                                 |                                                                                                                                                              |                                                                                                               | end-month <br> position                           |    |
| ļ                                                                                                                                                                                                                                   | -11                                                                                                                                                                                                       | -279                                                     | 3349                                                                                                                       |                                                                                                                                                                                    | Market interv                                                                                                                                                                   | vention                                                                                                                                                      |                                                                                                               | -270                                              |    |
| I                                                                                                                                                                                                                                   | -9                                                                                                                                                                                                        | -170                                                     | the second s             |                                                                                                                                                                                    | f-market tra                                                                                                                                                                    | nsactions                                                                                                                                                    |                                                                                                               | -207                                              |    |
| I                                                                                                                                                                                                                                   | -20                                                                                                                                                                                                       | -449                                                     |                                                                                                                            |                                                                                                                                                                                    | TOTAL                                                                                                                                                                           |                                                                                                                                                              |                                                                                                               | -477                                              |    |
| Contraction of the second second                                                                                                                                                                                                    |                                                                                                                                                                                                           |                                                          |                                                                                                                            |                                                                                                                                                                                    |                                                                                                                                                                                 |                                                                                                                                                              |                                                                                                               |                                                   |    |
|                                                                                                                                                                                                                                     | and forward<br>lone date b                                                                                                                                                                                |                                                          | ions                                                                                                                       | ,                                                                                                                                                                                  | Net borrow<br>Valuation cha<br>AL CHANGE IN                                                                                                                                     | anges                                                                                                                                                        |                                                                                                               | -14  <br>                                         |    |
| on a d                                                                                                                                                                                                                              | done date b<br>transactio                                                                                                                                                                                 | asis.<br>ons only or                                     |                                                                                                                            | тотл                                                                                                                                                                               | Valuation cha                                                                                                                                                                   | anges<br>RESERVES<br>On conven                                                                                                                               | itional assu                                                                                                  | ++<br> ` 0  <br>++                                |    |
| on a d<br>(b) Spot<br>date b                                                                                                                                                                                                        | done date b<br>transactio<br>basis, as i                                                                                                                                                                  | asis.<br>ns only or<br>n publishe                        | n a value<br>ed figures.                                                                                                   | тотл                                                                                                                                                                               | Valuation cha<br>AL CHANGE IN<br>*                                                                                                                                              | anges<br>RESERVES<br>On conven                                                                                                                               | tional assu<br>r market in                                                                                    | ++<br>  0  <br>++<br>  -491  <br>++<br>umption of |    |
| on a d<br>(b) Spot<br>date b                                                                                                                                                                                                        | done date b<br>transactio<br>basis, as i<br>NTRIES MARK                                                                                                                                                   | asis.<br>ns only or<br>n publishe                        | n a value<br>ed figures.<br>ENTION (\$mi                                                                                   | тотл                                                                                                                                                                               | Valuation cha<br>AL CHANGE IN<br>*<br>valent)                                                                                                                                   | anges<br>RESERVES<br>On conven                                                                                                                               | tional assurtion<br>r market in<br>Italy                                                                      | umption of<br>ntervention.                        |    |
| on a d<br>(b) Spot<br>date b<br>OTHER COUM                                                                                                                                                                                          | done date b<br>transactio<br>basis, as i<br>NTRIES MARK                                                                                                                                                   | asis.<br>ns only or<br>n publishe                        | n a value<br>ed figures.<br>ENTION (\$mi                                                                                   | TOT/<br>Llion equiv                                                                                                                                                                | Valuation cha<br>AL CHANGE IN<br>*<br>valent)                                                                                                                                   | anges<br>RESERVES<br>On conven                                                                                                                               | r market in                                                                                                   | umption of<br>ntervention.                        |    |
| on a d<br>(b) Spot<br>date b<br>OTHER COUN<br>Belgium                                                                                                                                                                               | done date b<br>transactio<br>basis, as i<br>NTRIES MARK                                                                                                                                                   | asis.<br>ns only or<br>n publishe                        | n a value<br>ed figures.<br>ENTION (\$mi                                                                                   | TOT/<br>TOT/<br>Llion equin<br>Germany                                                                                                                                             | Valuation cha<br>AL CHANGE IN<br>*<br>valent)                                                                                                                                   | anges<br>RESERVES<br>On conven                                                                                                                               | r market in<br>Italy                                                                                          | umption of<br>ntervention.                        |    |
| on a d<br>(b) Spot<br>date b<br>OTHER COUN<br>Belgium<br>Denmark<br>France<br>MARKET COP<br>he main st<br>than \$2bn<br>-\$13.2bn,<br>0.7%.The r<br>for most c<br>Sterling r<br>falling ba                                          | transactio<br>basis, as i<br>NTRIES MARK<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-                                                                   | was the pu<br>the figure<br>state the DM<br>wing trading | h a value<br>ed figures.<br>ENTION (\$mi<br>sublication<br>s expectati<br>stantial im<br>es pushed t<br>sion.<br>on the ba | TOTA<br>TOTA<br>Illion equiv<br>Germany<br>Holland<br>Ireland<br>of the US<br>on.With a<br>provement.<br>he \$ up by<br>ck of the<br>the dollar                                    | Valuation cha<br>AL CHANGE IN<br>*<br>valent)<br>-152\$<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-                          | s for July<br>the June f<br>rts fell t<br>nigs to D                                                                                                          | r market in<br>Italy<br>Japan<br>US<br>. At -\$9.5<br>igure from<br>y 8.9% and<br>11.87 1/2 wi<br>hing a pfei |                                                   | ed |
| on a d<br>(b) Spot<br>date b<br>OTHER COUN<br>Belgium<br>Denmark<br>France<br>MARKET COP<br>he main st<br>than \$2bn<br>-\$13.2bn,<br>0.7%.The r<br>for most c<br>Sterling r<br>falling ba                                          | transactio<br>basis, as i<br>NTRIES MARK<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-                                                                   | was the pu<br>the figure<br>state the DM<br>wing trading | n a value<br>ed figures.<br>ENTION (\$mi<br>sexpectati<br>stantial im<br>es pushed t<br>sion.<br>on the ba<br>ng.Against   | TOTA<br>TOTA<br>Illion equin<br>Germany<br>Holland<br>Ireland<br>Ireland<br>of the US<br>on.With a<br>provement.<br>he \$ up by<br>ck of the<br>the dollar<br>1.8785 Yea           | Valuation cha<br>AL CHANGE IN<br>*<br>valent)<br>-152\$<br>-<br>-<br>trade figure<br>revision in<br>In July impo<br>over 2 pfen<br>strengtheni<br>sterling fe<br>n/\$134.5      | anges<br>RESERVES<br>On conven<br>no furthe<br>s for July<br>the June f<br>rts fell t<br>nigs to DM<br>ng \$ gair<br>ll 1 1/2 c                              | r market in<br>Italy<br>Japan<br>US<br>. At -\$9.5<br>igure from<br>y 8.9% and<br>11.87 1/2 wi<br>hing a pfei |                                                   | ed |
| on a d<br>(b) Spot<br>date b<br>OTHER COUN<br>Belgium<br>Denmark<br>France<br>MARKET COP<br>he main st<br>than \$2bn<br>-\$13.2bn,<br>0.7%.The r<br>for most c<br>Sterling r<br>falling ba                                          | done date b<br>transactio<br>basis, as i<br>                                                                                                                                                              | was the pu<br>the figure<br>state the DM<br>wing trading | n a value<br>ed figures.<br>ENTION (\$mi<br>sexpectati<br>stantial im<br>es pushed t<br>sion.<br>on the ba<br>ng.Against   | TOTA<br>TOTA<br>Illion equiv<br>Germany<br>Holland<br>Ireland<br>of the US<br>on.With a<br>provement.<br>he \$ up by<br>ck of the<br>the dollar                                    | Valuation cha<br>AL CHANGE IN<br>*<br>valent)<br>-152\$<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-                          | anges<br>RESERVES<br>On conven<br>no furthe<br>s for July<br>the June f<br>rts fell t<br>nigs to DM<br>ng \$ gair<br>ll 1 1/2 c                              | r market in<br>Italy<br>Japan<br>US<br>. At -\$9.5<br>igure from<br>y 8.9% and<br>11.87 1/2 wi<br>hing a pfei |                                                   | ed |
| on a d<br>(b) Spot<br>date b<br>OTHER COUN<br>Belgium<br>Denmark<br>France<br>MARKET COP<br>he main st<br>than \$2bn<br>-\$13.2bn,<br>0.7%.The r<br>for most c<br>Sterling ba<br>Rates at 5                                         | transactio<br>basis, as i<br>NTRIES MARK<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-                                                                   | was the pu<br>the figure<br>state the DM<br>wing trading | n a value<br>ed figures.<br>ENTION (\$mi<br>sexpectati<br>stantial im<br>es pushed t<br>sion.<br>on the ba<br>ng.Against   | TOTA<br>TOTA<br>Illion equin<br>Germany<br>Holland<br>Ireland<br>Ireland<br>of the US<br>on.With a<br>provement.<br>he \$ up by<br>ck of the<br>the dollar<br>1.8785 Yea           | Valuation cha<br>AL CHANGE IN<br>*<br>valent)<br>-152\$<br>-<br>-<br>trade figure<br>revision in<br>In July impo<br>over 2 pfen<br>strengtheni<br>sterling fe<br>n/\$134.5      | anges<br>RESERVES<br>On conven<br>no furthe<br>s for July<br>the June f<br>rts fell t<br>nigs to DM<br>ng \$ gair<br>ll 1 1/2 c                              | r market in<br>Italy<br>Japan<br>US<br>. At -\$9.5<br>igure from<br>y 8.9% and<br>11.87 1/2 wi<br>hing a pfei |                                                   | ed |
| on a d<br>(b) Spot<br>date b<br>OTHER COUN<br>Belgium<br>Denmark<br>France<br>MARKET COU<br>he main st<br>he main st<br>than \$2bn<br>-\$13.2bn,<br>0.7%.The r<br>for most c<br>Sterling r<br>falling ba<br>Rates at 5<br>HONG KONG | done date b<br>transactio<br>basis, as i<br>NTRIES MARK<br>-<br>-<br>-<br>-<br>MMENT<br>tory today<br>better tha<br>July's sho<br>release of<br>of the after<br>rose again<br>ack in morn<br>5:10pm. \$1. | was the pu<br>the figure<br>state the DM<br>wing trading | n a value<br>ed figures.<br>ENTION (\$mi<br>sexpectati<br>stantial im<br>es pushed t<br>sion.<br>on the ba<br>ng.Against   | TOTA<br>TOTA<br>Llion equin<br>Germany<br>Holland<br>Ireland<br>Ireland<br>of the US<br>on.With a<br>provement.<br>he\$ up by<br>ck of the<br>the dollar<br>1.8785 Yea<br>Previous | Valuation cha<br>AL CHANGE IN<br>*<br>valent)<br>-152\$<br>-<br>-<br>-<br>trade figure<br>revision in<br>In July impo<br>over 2 pfen<br>strengtheni<br>sterling fe<br>n/\$134.5 | anges<br>RESERVES<br>On conven<br>no furthe<br>s for July<br>the June f<br>rts fell b<br>nigs to DM<br>ng \$ gair<br>ll 1 1/2 c<br>Today<br>7.8105<br>481.57 | r market in<br>Italy<br>Japan<br>US<br>. At -\$9.5<br>igure from<br>y 8.9% and<br>11.87 1/2 wi<br>hing a pfei |                                                   | ed |

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SECRET

14 C



| MONEY MARKETS                              |                                                               |                                                                                                                     | Wednesday                                                         | 14th September 1988             |
|--------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------|
| INTEREST RATES                             | £ Inte                                                        | rhank                                                                                                               | Eurodo                                                            | llar                            |
|                                            | Today                                                         | Change                                                                                                              |                                                                   | Change                          |
| 7 days                                     | 10 5/16                                                       | 1/16                                                                                                                | 8 1/16                                                            |                                 |
| 1 mth                                      | +                                                             | 3/32                                                                                                                | 8 3/16                                                            | 0                               |
| 3 mth                                      | 12 3/32                                                       | 1/32                                                                                                                | 8 1/4                                                             | -1/16                           |
| 12 mth                                     | 12 3/16                                                       |                                                                                                                     | 8 11/16                                                           | -1/16                           |
| BILLS                                      |                                                               | +                                                                                                                   |                                                                   | ·                               |
|                                            |                                                               | Toda                                                                                                                | ау                                                                | Change                          |
| 3 Mor                                      | nth Treasury Bills                                            | 11 1/2 -                                                                                                            | - 11 3/8                                                          | 0                               |
| BANK MONEY MARKET OF                       | PERATIONS                                                     |                                                                                                                     |                                                                   |                                 |
|                                            | £m                                                            | Rates                                                                                                               | Discount Rate on E                                                | ligible Bank Bills              |
| Band 1 (0-14 days)                         | 100                                                           | Due 20/9/88 at 101/2                                                                                                | 10 3/4-1/2                                                        | 2                               |
| Band 2 (15-31 days)                        | <br>                                                          | 10 103/16                                                                                                           | 11 9/32-7,                                                        | /32                             |
| Band 3 (32-63 days)                        | <br>                                                          | ·+                                                                                                                  | 11 5/8-19,                                                        | /32                             |
| Band 4 (64-91 days)                        | /<br>                                                         | 1                                                                                                                   | 11 11/16-2                                                        | 21/32                           |
| TOTAL BILLS                                | 100                                                           | 1                                                                                                                   |                                                                   |                                 |
| Repurchase                                 | /=====================================                        | * <b>+</b><br>                                                                                                      |                                                                   |                                 |
| Lending                                    |                                                               | +                                                                                                                   |                                                                   |                                 |
| TOTAL OPERATIONS                           | 100                                                           | against surplus =                                                                                                   | £ 100 m                                                           |                                 |
|                                            |                                                               |                                                                                                                     |                                                                   |                                 |
|                                            |                                                               | 3 month CDs                                                                                                         | 10 yr Tsy Bond                                                    | 20 yr Tsy Bond                  |
| US RATES                                   | Today/Change                                                  | +                                                                                                                   | +                                                                 | +                               |
| STOCK MARKET                               | roday/change                                                  | FT Ind-Ord                                                                                                          | FTSE                                                              | Gilt index                      |
| STOCK MARKET                               | Today/Change                                                  | +                                                                                                                   | 1765.1 8.8                                                        | +                               |
|                                            | roday/ change                                                 | +                                                                                                                   | +                                                                 | +                               |
| MARKET COMMENT                             |                                                               |                                                                                                                     |                                                                   |                                 |
|                                            | Le softer-by 1/16                                             | in shorts and medium                                                                                                | s and 1/8 in longs-                                               | but quickly                     |
| recouned these loss                        | es. This morning's L                                          | JK statistics were the reduced US trade                                                                             | aken quietly but th                                               | e market                        |
| 1/4 firmer, mediums                        | 1/8 better and long                                           | gs 1/4 harder.                                                                                                      |                                                                   |                                 |
| INDEXED LINKED clos<br>performing well.    | ed with gains of a                                            | 1/4 to 1/8, the shor                                                                                                | ter maturities in p                                               | articular                       |
| raise 303 mn and La<br>industrial producti | smo's intention to<br>on rose by 0.4% in<br>ficit for July of | n news of Standard C<br>sell its 25% holdin<br>July had little eff<br>\$9.53bn and held the<br>t Goodman Fielder ha | g in Enterprise Oil<br>ect.The market adva<br>se gains throughout | News that<br>nced on the<br>the |
|                                            |                                                               |                                                                                                                     | NAME:<br>TEL NO:                                                  | Peter Smith<br>270 4613         |

| Gross sales mediums         57.0         262.           Gross sales longs and undated         3.2.2         3.7.0           Gross sales index-linked         17.7         178.           Part paid calls         0.           Buying in non-next maturities shorts         17.5           Buying in non-next maturities mediums         -50.8           Buying in non-next maturities index-linked         -17.5           Buying in non-next maturities index-linked         -17.5           Buying in non-next maturities index-linked         -17.5           Buying in non-next maturities         -0.1           CRND: Market transactions         3.6.4           Buying in of next maturities         -0.1           CRND: Market transactions         -0.1           Buying in of next maturities         -0.1           TOTAL 'GROSS' SALES         -0.1           CARD         -0.1           Redemptions         -0.1           TOTAL TRANSACTIONS WITH MARKET         -10.2           Sales required to meet         *           target of £                                                                                                                                                                                                                                       | GILT-EDGED MARKET                                                                                                                                                                                                      |                                                                                                                                                                           |                                                    | Wednesday 14t                                                                                                | h September                                                                                                                                                                                             |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Gross sales shorts         4.8         22.           Gross sales mediums         57.0         262.           Gross sales index-linked         17.7         178.           Part paid calls         0.         0.           Buying in non-next maturities shorts         -113.           Buying in non-next maturities index-linked         -77.5         -292.           Buying in non-next maturities index-linked         -17.5         -292.           Buying in non-next maturities index-linked         -17.5         -213.           Buying in non-next maturities index-linked         -17.5         -213.           CRND: Market transactions         3.6         -227.           TOTAL 'GROSS' SALES         0.4         -213.           Buying in of next maturities         -10.5         0.           Redemptions         -0.1         -27.           TOTAL TRANSACTIONS WITH MARKET         -10.5         0.           PRICES/VIELDS OF GILT-EDGED STOCKS         Yesterday's close         Change from yestenday's close           Par yield (per cent)         Price (£/32)         Yield (per cent)           Price (£/32)         Yield (per cent)         Price (£/32)         Yield (per cent)           REPRESENTATIVE STOCKS         Price (£/32)         Yield (per cent) |                                                                                                                                                                                                                        | sales + purchases -                                                                                                                                                       |                                                    |                                                                                                              |                                                                                                                                                                                                         |  |
| Gross sales mediums         57.0         262.           Gross sales longs and undated         32.2         37Q           Gross sales index-linked         17.7         178.           Part paid calls         0.           Buying in non-next maturities shorts         1-13.           Buying in non-next maturities shorts         1-13.           Buying in non-next maturities index-linked         -77.5           Buying in non-next maturities index-linked         -77.5           CRND: Market transactions         3.6           Buying in of next maturities         -10.5           CRND: Market transactions         -0.1           TOTAL 'GROSS' SALES         0.4           OTAL TRANSACTIONS WITH MARKET         -10.5           PRICES/VIELDS OF GILT-EDGED STOCKS         Yesterday's close           Par yield (per cent)         Price (£/32)         Yield (per cent)           Price (£/32)         Yield (per cent)         Price (£/32)         Yield (per cent)           Representative stocks         Price (£/32)         Yield (per cent)         Price (£/32)           Kareasury 1992         93         4         10.40         -0.0           8X Treasury 1992         93         4         10.40         -0.0           8X Treasury 1992                     | ISSUE DEPARTMENT: MARKET TRANSACTIONS                                                                                                                                                                                  |                                                                                                                                                                           |                                                    | +                                                                                                            |                                                                                                                                                                                                         |  |
| Grocs sales longs and undated       3/2       370         Gross sales index-linked       17.7       178         Part paid calls       0         Buying in non-next maturities shorts       -13.         Buying in non-next maturities index-linked       -77.5         Buying in non-next maturities index-linked       -17.5         CRND: Market transactions       3.6         Buying in of next maturities       -10.5         CRND: Market transactions       3.6         Buying in of next maturities       -10.5         CRND: Market transactions       3.6         Buying in of next maturities       -10.5         Buying in of next maturities       -10.5         Buying in of next maturities       -10.5         Buying in of next maturities       -10.2         Buying in of ext maturities       -10.5         Buying in of ext maturities       -10.5         Buying in of ext maturities       -10.5         Buying in on ext maturities       -10.5         Buying in on ext maturities       -10.5         Sales requi                                                       |                                                                                                                                                                                                                        |                                                                                                                                                                           | 1                                                  | +                                                                                                            |                                                                                                                                                                                                         |  |
| Gross sales index-linked       17.7       178.         Part paid calls       0.         Buying in non-next maturities shorts       1-73.         Buying in non-next maturities mediums       -50.8       -292.         Buying in non-next maturities index-linked       17.7       178.         Buying in non-next maturities index-linked       17.5       -282.         Buying in non-next maturities index-linked       17.5       -282.         CRND: Market transactions       3.6       -272.         TOTAL 'GROSS' SALES       0.4       -273.         Buying in of next maturities       -0.1       -27.         TOTAL TRANSACTIONS WITH MARKET       -0.1       -27.         TOTAL TRANSACTIONS WITH MARKET       -0.2       -215.         Sales required to meet       *       target of £                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                        | Gross sales mediums                                                                                                                                                       | 5<br>-                                             | +                                                                                                            |                                                                                                                                                                                                         |  |
| Part paid calls       0         Buying in non-next maturities shorts       1-13.         Buying in non-next maturities mediums       -50.8       -292.         Buying in non-next maturities longs       -46.6       -498.         Buying in non-next maturities index-linked       1-77.5       -215.         CRND: Market transactions       3.6       -27.         TOTAL '6R0SS' SALES       0.4       -213.         Buying in of next maturities       1-0.5       0.         Redemptions       -0.1       -27.         TOTAL '6R0SS' SALES       0.4       -213.         Buying in of next maturities       1-0.5       0.         Redemptions       -0.1       -27.         TOTAL TRANSACTIONS WITH MARKET       -0.1       -27.         Sales required to meet       *       target of £       m         PRICES/YIELDS OF GILT-EDGED STOCKS       Yesterday's close       Change from yesterday's close         Part yield (per cent)       Price (£/32)       Yield (per cent)         Reduums       10.125       2       -0.0         Longs       9.649       7       -0.0         83/4 Treasury 1992       93       4       10.0.40       -0.0         83/4 Treasury 1997 'C'                                                                                                        | es asord                                                                                                                                                                                                               | les longs and undater                                                                                                                                                     | ł                                                  | 3 2.2                                                                                                        |                                                                                                                                                                                                         |  |
| Buying in non-next maturities shorts         -13.           Buying in non-next maturities mediums         -50.8         -292.           Buying in non-next maturities index-linked         -17.5         -213.           Buying in non-next maturities index-linked         -17.5         -213.           CRND: Market transactions         3.6         -27.           TOTAL 'GROSS' SALES         .0.4         -213.           Buying in of next maturities         -10.5         0.           Redemptions         -0.1         -27.           TOTAL 'GROSS' SALES         .0.4         -213.           Buying in of next maturities         -10.5         0.           Redemptions         -0.1         -27.           TOTAL TRANSACTIONS WITH MARKET         -0.1         -27.           TOTAL TRANSACTIONS WITH MARKET         -0.1         -27.           PRICES/YIELDS OF GILT-EDGED STOCKS         Yesterday's close         Price (£/32)         Yield (           Shorts         10.377         1         -0.0         -0.0           Hediums         10.125         2         -0.0         -0.0           Longs         9.649         7         -0.0         -0.0           REPRESENTATIVE STOCKS         Price (£/32)         Yield (per                                            | Gro                                                                                                                                                                                                                    | ss sales index-linked                                                                                                                                                     | l t                                                | 17.7                                                                                                         | 178.3                                                                                                                                                                                                   |  |
| Buying in non-next maturities mediums       -50.8       -292.         Buying in non-next maturities index-linked       -17.5       -215.         CRND: Market transactions       3.6       -27.         TOTAL 'GROSS' SALES       0.4       -213.         Buying in on-next maturities       -10.5       0.         Redemptions       -0.1       -27.         TOTAL 'GROSS' SALES       0.4       -213.         Buying in of next maturities       -10.5       0.         Redemptions       -0.1       -27.         TOTAL 'GROSS' SALES       0.4       -213.         Buying in of next maturities       -10.5       0.         Redemptions       -0.1       -27.         TOTAL 'GROSS' SALES       0.4       -213.         Buying in of next maturities       -10.5       0.         Redemptions       -0.1       -27.         TOTAL 'GROS' SALES       -10.5       0.1         Sales required to meet       *       target of £       *         PRICES/YIELDS OF GILT-EDGED STOCKS       Yesterday's close       Price (£/32)       Yield (per cent)         Price (L/32)       Yield (per cent)       Price (£/32)       Yield (per cent)         Mediums       10.125 <t< td=""><td></td><td>Part paid calls</td><td>5  <br/>-</td><td> <br/>+</td><td>0.3</td></t<>                       |                                                                                                                                                                                                                        | Part paid calls                                                                                                                                                           | 5  <br>-                                           | <br>+                                                                                                        | 0.3                                                                                                                                                                                                     |  |
| Buying in non-next maturities longs       -46.6       -498.         Buying in non-next maturities index-linked       -17.5       -215.         CRND: Market transactions       3.6       -27.         TOTAL 'GROSS' SALES       0.4       -2125         Buying in of next maturities       -10.5       0.         Redemptions       -10.5       0.         Redemptions       -10.1       -27.         TOTAL 'GROSS' SALES       0.4       -2125         Buying in of next maturities       -10.5       0.         Redemptions       -10.1       -27.         TOTAL TRANSACTIONS WITH MARKET       -10.2       -27.5         Sales required to meet       *       target of £       m         PRICES/YIELDS OF GILT-EDGED STOCKS       Yesterday's close       Price (£/32)       Yield (         Par yield (per cent)       Price (£/32)       Yield (       -0.0         Mediums       10.125       2       -0.0         Longs       9.649       7       -0.0         83/4 Treasury 1992       193       4       10.40       -0.0         83/4 Treasury 1997 'C'       92       14       5       10.05       -0.0         13/4% Treasury 1992       82       <                                                                                                                                | Buying in non-n                                                                                                                                                                                                        | ext maturities shorts                                                                                                                                                     | s  <br>                                            |                                                                                                              | -13.2                                                                                                                                                                                                   |  |
| Buying in non-next maturities index-linked       -17.5       -215.         CRND: Market transactions       3.6       -27.         TOTAL 'GROSS' SALES       0.4       -213.         Buying in of next maturities       -10.5       0.         Redemptions       -0.1       -27.         TOTAL 'GROSS' SALES       0.4       -213.         Buying in of next maturities       -10.5       0.         Redemptions       -0.1       -27.         TOTAL TRANSACTIONS WITH MARKET       -10.2       -215.         Sales required to meet       *       target of £       m         PRICES/YIELDS OF GILT-EDGED STOCKS       Yesterday's close       Change from yesterday's close         Par yield (per cent)       Price (£/32)       Yield (per cent)         Shorts       10.377       1       -0.0         Longs       9.649       7       -0.0         Longs       9.649       7       -0.0         83/4 Treasury 1992       93       4       10.40       -0.0         83/4 Treasury 1992       82       12       3       8.61       -0.0         33 Treasury 1992       82       12       3       8.61       -0.0         21/2% Index-Linked 2016                                                                                                                                            | Buying in non-ne                                                                                                                                                                                                       | ext maturities mediums                                                                                                                                                    | s                                                  | -50.8                                                                                                        | -292.0                                                                                                                                                                                                  |  |
| CRND: Market transactions       3.6       -27.         TOTAL 'GROSS' SALES       0.4       -213         Buying in of next maturities       -10.5       0.         Redemptions       -0.1       -27.         TOTAL TRANSACTIONS WITH MARKET       -10.5       0.         Future calls       36         Sales required to meet       *       target of £       m         PRICES/YIELDS OF GILT-EDGED STOCKS       Yesterday's close       Change from yesterday's close         Par yield (per cent)       Price (£/32)       Yield (0.00000000000000000000000000000000000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Buying in non-                                                                                                                                                                                                         | next maturities longs                                                                                                                                                     | s                                                  | -46.6                                                                                                        | -498.9                                                                                                                                                                                                  |  |
| TOTAL 'GROSS' SALES       0.4   -213         Buying in of next maturities       -10.5   0.         Redemptions       -0.1   -27.         TOTAL TRANSACTIONS WITH MARKET       -0.2   -215.         Future calls       -36         Sales required to meet       * target of £         PRICES/YIELDS OF GILT-EDGED STOCKS       Yesterday's close         Par yield (per cent)       Price (£/32)         Yield ums       10.125         Longs       9.649         Today       Change         Today       Change         Karneasury 1992       93       4         83/4 Treasury 1997 'C'       92       14       5         13/4X Treasury 1992       82       12       3         83/4 Treasury 1992       82       12       3       8.61         13/4X Treasury 1992       82       10       3.59       -0.0         14       2       8       3.92       -0.0       0         14       93       10       3.59       -0.0         13/4X Treasury 1992       82       12       3       8.61       -0.0         14       96       28       8       3.92       -0.0       -0.0                                                                                                                                                                                                                       | Buying in non-next ma                                                                                                                                                                                                  | turities index-linked                                                                                                                                                     | t t                                                | -17.5                                                                                                        | -215.9                                                                                                                                                                                                  |  |
| Buying in of next maturities       -10.5       0.         Redemptions       -0.1       -27.         TOTAL TRANSACTIONS WITH MARKET       -0.2       -215.         Future calls                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | CRND                                                                                                                                                                                                                   | : Market transactions                                                                                                                                                     | 5                                                  | 3.6                                                                                                          | -27.9                                                                                                                                                                                                   |  |
| Buying in of next maturities         -10.5         0.           Redemptions         -0.1         -27.           TOTAL TRANSACTIONS WITH MARKET         -0.2         -215.           Sales required to meet         *         target of £         m           PRICES/YIELDS OF GILT-EDGED STOCKS         Yesterday's close         Change from yesterday's close           PRICES/YIELDS OF GILT-EDGED STOCKS         Yesterday's close         Price (£/32)         Yield (           Shorts         10.377         1         -0.0           Mediums         10.125         2         -0.0           Longs         9.649         7         -0.0           Karneasury 1992         93         4         10.40         -0.0           8 3/4 Treasury 2003/07         114         2         8         9.88         -0.0           3% Treasury 1992         82         12         3         8.61         -0.0           21/2% Index-Linked 2016 <td></td> <td>TOTAL 'GROSS' SALES</td> <td></td> <td></td> <td></td>                |                                                                                                                                                                                                                        | TOTAL 'GROSS' SALES                                                                                                                                                       |                                                    |                                                                                                              |                                                                                                                                                                                                         |  |
| TOTAL TRANSACTIONS WITH MARKET                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Buying                                                                                                                                                                                                                 | in of next maturities                                                                                                                                                     |                                                    |                                                                                                              |                                                                                                                                                                                                         |  |
| Future calls         Future calls       36         Future calls       36         Sales required to meet *       target of £       m         PRICES/YIELDS OF GILT-EDGED STOCKS         Par yield (per cent)       Price (£/32)       Yield (         Shorts       10.377       1       1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                        | Redemptions                                                                                                                                                               | 5                                                  | -0.1                                                                                                         | -27.9                                                                                                                                                                                                   |  |
| Future calls       36         Sales required to meet *       target of £       m         PRICES/YIELDS OF GILT-EDGED STOCKS         Yesterday's close       Change from yesterday's close         Price (£/32)       Yield (per cent)       Price (£/32)       Yield (close         Shorts       10.377       1       1       1       1       1       1       1       1       1       1       1       1       1       36         Price (£/32)       Yield (per cent)         Mediums       10.125       1       2       0         Mediums       10.125       Yield (per cent)         Today       Change       Today       Change         Today       Change       Today       Change         Today       Change       Today       Change         Today <th colspa<="" td=""><td>TOTAL TRA</td><td>NSACTIONS WITH MARKET</td><td></td><td></td><td></td></th>                                                                                                                                                                                                                                                                                                                                                                                                                                  | <td>TOTAL TRA</td> <td>NSACTIONS WITH MARKET</td> <td></td> <td></td> <td></td>                                                                                                                                        | TOTAL TRA                                                                                                                                                                 | NSACTIONS WITH MARKET                              |                                                                                                              |                                                                                                                                                                                                         |  |
| Sales required to meet       *       target of       f       m         PRICES/YIELDS OF GILT-EDGED STOCKS       Yesterday's close       Change from yesterday's close         Par yield (per cent)       Price (f/32)       Yield (per cent)         Shorts       10.377       1       1       -0.0         Mediums       10.125       2       -0.0         Longs       9.649       7       -0.0         REPRESENTATIVE STOCKS       Price (f/32)       Yield (per cent)         Treasury 1992       93       4       10.40       -0.0         8 3/4 Treasury 1997 'C'       92       14       5       10.05       -0.0         11 3/4% Treasury 1992       82       12       3       8.61       -0.0         2 1/2% Index-Linked 2016       96       28       8       3.92       -0.0         2 1/2% Index-Linked 1994       93       10       3.59       -0.0         GILT FUTURES       Open       Close       Volume         Long Contract       December       93.20       94.00       141                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                        |                                                                                                                                                                           |                                                    |                                                                                                              |                                                                                                                                                                                                         |  |
| PRICES/YIELDS OF GILT-EDGED STOCKS     Vesterday's close     Change from yesterday's close       Par yield (per cent)     Price (£/32)     Yield (per cent)       Shorts     10.377     1     1     -0.0       Mediums     10.125     2     -0.0       Longs     9.649     7     -0.0       REPRESENTATIVE STOCKS     Price (£/32)     Yield (per cent)       REPRESENTATIVE STOCKS     Price (£/32)     Yield (per cent)       REPRESENTATIVE STOCKS     Price (£/32)     Yield (per cent)       8% Treasury 1992     93     4     10.40       83/4 Treasury 1997 'C'     92     14     5     10.05       11     3/4% Treasury 1997     114     2     8     9.88       2     1/2% Index-Linked 2016     96     28     8     3.92       2     1/2% Index-Linked 1994     93     10     3.59     -0.0       GILT FUTURES     Open     Close     Volume       Long Contract     December     93.20     94.00     141                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                        | Futu                                                                                                                                                                      | ure calls                                          |                                                                                                              | 369                                                                                                                                                                                                     |  |
| PRICES/YIELDS OF GILT-EDGED STOCKS       Yesterday's close       Change from yesterday's close         Par yield (per cent)       ++++++++++++++++++++++++++++++++                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Sales required to meet *                                                                                                                                                                                               |                                                                                                                                                                           |                                                    | n I                                                                                                          |                                                                                                                                                                                                         |  |
| Shorts       10.377       1       -0.0         Mediums       10.125       2       -0.0         Longs       9.649       7       -0.0         REPRESENTATIVE STOCKS       Price (£/32)       Yield (per cent)         Today       Change       Today       Change         8% Treasury 1992       93       4       10.40       -0.0         8 3/4 Treasury 1997 'C'       92       14       5       10.05       -0.0         11 3/4% Treasury 2003/07       1114       2       8       9.88       -0.0         3% Treasury 1992       82       12       3       8.61       -0.0         2 1/2% Index-Linked 2016       96       28       8       3.92       -0.0         2% Index-Linked 1994       93       10       3.59       -0.0         GILT FUTURES       December       93.20       94.00       141                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | PRICES/YIELDS OF GILT-EDGED STOCKS                                                                                                                                                                                     | Manhandaula alana                                                                                                                                                         |                                                    | Change                                                                                                       | trom                                                                                                                                                                                                    |  |
| Mediums       10.125       2       -0.0         Longs       9.649       7       -0.0         REPRESENTATIVE STOCKS       Price (£/32)       Yield (per cent)         Today       Change       Today       Change         8% Treasury 1992       93       4       10.40       -0.0         8 3/4 Treasury 1997 'C'       92       14       5       10.05       -0.0         11 3/4% Treasury 2003/07       1114       2       8       9.88       -0.0         3% Treasury 1992       82       12       3       8.61       -0.0         11 3/4% Treasury 2003/07       1114       2       8       9.88       -0.0         3% Treasury 1992       82       12       3       8.61       -0.0         2 1/2% Index-Linked 2016       96       28       8       3.92       -0.0         2% Index-Linked 1994       93       10       3.59       -0.0         GILT FUTURES       Open       Close       Volume         Long Contract       December       93.20       94.00       1411                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                        |                                                                                                                                                                           |                                                    |                                                                                                              | 's close                                                                                                                                                                                                |  |
| Longs       9.649       7       -0.0         REPRESENTATIVE STOCKS       Price (£/32)       Yield (per cent)         Today       Change       Today       Change         8% Treasury 1992       93       4       10.40       -0.0         8 3/4 Treasury 1997 'C'       92       14       5       10.05       -0.0         11 3/4% Treasury 2003/07       1114       2       8       9.88       -0.0         3% Treasury 1992       82       12       3       8.61       -0.0         3% Treasury 1992       82       12       3       8.61       -0.0         2 1/2% Index-Linked 2016       96       28       8       3.92       -0.0         2% Index-Linked 1994       93       10       3.59       -0.0         GILT FUTURES       Open       Close         Long Contract       December                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                        | Par yield (per cent)                                                                                                                                                      |                                                    | Price (£/32)                                                                                                 | Yield (%                                                                                                                                                                                                |  |
| REPRESENTATIVE STOCKS       Price (£/32)       Yield (per cent)         Today       Change       Today       Change         8% Treasury 1992       93       4       10.40       -0.0         8 3/4 Treasury 1997 'C'       92       14       5       10.05       -0.0         11 3/4% Treasury 2003/07       1114       2       8       9.88       -0.0         3% Treasury 1992       182       12       3       8.61       -0.0         3% Treasury 1992       182       12       3       8.61       -0.0         3% Treasury 1992       182       12       3       8.61       -0.0         2% Index-Linked 2016       196       28       8       3.92       -0.0         2% Index-Linked 1994       193       10       3.59       -0.0         GILT FUTURES       Open       Close       Volume         Long Contract       December       93.20       94.00       1411                                                                                                                                                                                                                                                                                                                                                                                                                     | Shorts                                                                                                                                                                                                                 | Par yield (per cent)<br>++<br>  10.377  <br>++                                                                                                                            | :                                                  | Price (£/32)                                                                                                 | ' <b>s close</b><br>Yield (%<br>-0.01                                                                                                                                                                   |  |
| Today       Change       Today       Change         8% Treasury 1992       93       4       10.40       -0.0         8 3/4 Treasury 1997 'C'       92       14       5       10.05       -0.0         11 3/4% Treasury 2003/07       114       2       8       9.88       -0.0         3% Treasury 1992       82       12       3       8.61       -0.0         2 1/2% Index-Linked 2016       96       28       8       3.92       -0.0         2% Index-Linked 1994       93       10       3.59       -0.0         GILT FUTURES       Open       Close       Volume         Long Contract       December       93.20       94.00       1411                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Shorts<br>Mediums                                                                                                                                                                                                      | Par yield (per cent)<br>++<br>  10.377  <br>++<br>  10.125  <br>++                                                                                                        | :                                                  | Price (£/32)<br>1<br>2                                                                                       | 's close<br>Yield (%<br>-0.01<br>-0.01                                                                                                                                                                  |  |
| 8% Treasury 1992       93       4       10.40       -0.0         8 3/4 Treasury 1997 'C'       92       14       5       10.05       -0.0         11 3/4% Treasury 2003/07       114       2       8       9.88       -0.0         3% Treasury 1992       182       12       3       8.61       -0.0         3% Treasury 1992       182       12       3       8.61       -0.0         3% Treasury 1992       182       12       3       8.61       -0.0         2 1/2% Index-Linked 2016       96       28       8       3.92       -0.0         2% Index-Linked 1994       93       10       3.59       -0.0         GILT FUTURES       Open       Close       Volume         Long Contract       December       93.20       94.00       1411                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Shorts<br>Mediums                                                                                                                                                                                                      | Par yield (per cent)<br>++<br>  10.377  <br>++<br>  10.125  <br>++                                                                                                        |                                                    | Price (£/32)<br>1<br>2                                                                                       | 's close<br>Yield (%<br>-0.01<br>-0.01                                                                                                                                                                  |  |
| 8 3/4 Treasury 1997 'C'       92       14       5       10.05       -0.0         11 3/4% Treasury 2003/07       114       2       8       9.88       -0.0         3% Treasury 1992       82       12       3       8.61       -0.0         2% Index-Linked 2016       96       28       8       3.92       -0.0         2% Index-Linked 1994       93       10       3.59       -0.0         GILT FUTURES       Open       Close       Volume         Long Contract       December       93.20       94.00       141                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Shorts<br>Mediums<br>Longs                                                                                                                                                                                             | Par yield (per cent)<br>++<br>  10.377  <br>++<br>  10.125  <br>++<br>  9.649  <br>++                                                                                     |                                                    | Price (£/32)<br>1<br>2<br>7                                                                                  | Yield (%<br>-0.01<br>-0.02                                                                                                                                                                              |  |
| 11 3/4% Treasury 2003/07       114       2       8       9.88       -0.0         3% Treasury 1992       82       12       3       8.61       -0.0         2 1/2% Index-Linked 2016       96       28       8       3.92       -0.0         2% Index-Linked 1994       93       10       3.59       -0.0         GILT FUTURES       Open       Close       Volume         Long Contract       December       93.20       94.00       141                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Shorts<br>Mediums<br>Longs                                                                                                                                                                                             | Par yield (per cent)<br>1 10.377  <br>1 10.125  <br>1 9.649  <br>++<br>Price (£/32                                                                                        | )                                                  | Price (£/32)<br>1<br>2<br>7<br>Yield (pe                                                                     | 's close<br>Yield (%<br>-0.01<br>-0.01<br>-0.02<br>er cent)                                                                                                                                             |  |
| 3% Treasury 1992       82       12       3       8.61       -0.0         2 1/2% Index-Linked 2016       96       28       8       3.92       -0.0         2% Index-Linked 1994       93       10       3.59       -0.0         GILT FUTURES       Open       Close       Volume         Long Contract       December       93.20       94.00       141                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Shorts<br>Mediums<br>Longs                                                                                                                                                                                             | Par yield (per cent)<br>10.377  <br>10.125  <br>10.125  <br>10.649  <br>Price (£/32<br>Today                                                                              | )<br>Change                                        | Price (£/32)<br>1<br>2<br>7<br><b>Yield (pe</b><br>Today                                                     | 's close<br>Yield (%<br>-0.01<br>-0.01<br>-0.02<br>er cent)<br>Change                                                                                                                                   |  |
| 2 1/2% Index-Linked 2016       96       28       8       3.92       -0.0         2% Index-Linked 1994       93       10       3.59       -0.0         GILT FUTURES       Open Close Volume         Long Contract       December       93.20       94.00       141                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Shorts<br>Mediums<br>Longs<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992                                                                                                                                                | Par yield (per cent)<br>10.377  <br>10.125  <br>19.649  <br>Price (£/32<br>Today<br>93                                                                                    | )<br>Change<br>4                                   | Price (£/32)<br>1<br>2<br>7<br><b>Yield (pe</b><br>Today<br>10.40                                            | 's close<br>Yield (%<br>-0.01<br>-0.02<br>cr cent)<br>Change<br>-0.04                                                                                                                                   |  |
| 2% Index-Linked 1994         93         10         3.59         -0.0           GILT FUTURES         Open         Close         Volume           Long Contract         December         93.20         94.00         141                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Shorts<br>Mediums<br>Longs<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'                                                                                                                     | Par yield (per cent)<br>10.377  <br>10.125  <br>9.649  <br>Price (£/32<br>Today<br>93  <br>92 14                                                                          | )<br>Change<br>4<br>5                              | Price (£/32)<br>1<br>2<br>7<br>Yield (pe<br>Today<br>10.40<br>10.05                                          | r's close<br>Yield (%<br>-0.01<br>-0.02<br>-0.02<br>-0.02<br>-0.04<br>-0.04                                                                                                                             |  |
| GILT FUTURES<br>Long Contract December   93.20   94.00   141                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Shorts<br>Mediums<br>Longs<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07                                                                                         | Par yield (per cent)<br>1 10.377  <br>1 10.125  <br>1 9.649  <br>Price (£/32<br>Today<br>93  <br>92 14  <br>114 2                                                         | )<br>Change<br>4<br>5<br>8                         | Price (£/32)<br>1<br>2<br>7<br>Yield (pe<br>Today<br>10.40<br>10.05<br>9.88                                  | 's close<br>Yield (%<br>-0.01<br>-0.02<br>cr cent)<br>Change<br>-0.04<br>-0.02<br>-0.03                                                                                                                 |  |
| Open Close Volume<br>Long Contract December   93.20   94.00   141                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Shorts<br>Mediums<br>Longs<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992                                                                     | Par yield (per cent)<br>10.377  <br>10.125  <br>9.649  <br>Price (£/32<br>Today<br>93  <br>92 14  <br>114 2  <br>82 12                                                    | )<br>Change<br>4<br>5<br>8<br>3                    | Price (£/32)<br>1<br>2<br>7<br>Yield (period<br>Today<br>10.40<br>10.05<br>9.88<br>8.61                      | r's close<br>Yield (%<br>-0.01<br>-0.02<br>-0.02<br>-0.02<br>Change<br>-0.04<br>-0.02<br>-0.03<br>-0.03                                                                                                 |  |
| Long Contract December   93.20   94.00   141                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Shorts<br>Mediums<br>Longs<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016                                         | Par yield (per cent)<br>10.377  <br>10.125  <br>9.649  <br>Price (£/32)<br>Today<br>93  <br>92 14  <br>114 2  <br>182 12  <br>96 28                                       | )<br>Change<br>4<br>5<br>8<br>3<br>8               | Price (£/32)<br>1<br>2<br>7<br>Yield (period)<br>Today<br>10.40<br>10.05<br>9.88<br>8.61<br>3.92             | r's close<br>Yield (%<br>-0.01<br>-0.02<br>-0.02<br>-0.02<br>-0.04<br>-0.02<br>-0.03<br>-0.02<br>-0.02                                                                                                  |  |
| ++++                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Shorts<br>Mediums<br>Longs<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016<br>2% Index-Linked 1994                 | Par yield (per cent)<br>10.377  <br>10.125  <br>9.649  <br>Price (£/32)<br>Today<br>93  <br>92 14  <br>114 2  <br>182 12  <br>96 28                                       | )<br>Change<br>4<br>5<br>8<br>3<br>8               | Price (£/32)<br>1<br>2<br>7<br>Yield (period)<br>Today<br>10.40<br>10.05<br>9.88<br>8.61<br>3.92             | r's close<br>Yield (%<br>-0.01<br>-0.02<br>-0.02<br>-0.02<br>-0.04<br>-0.02<br>-0.03<br>-0.02<br>-0.02                                                                                                  |  |
| Medium Contract 0   92.30   93.03   12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Shorts<br>Mediums<br>Longs<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016<br>2% Index-Linked 1994                 | Par yield (per cent)<br>10.377  <br>10.125  <br>9.649  <br>Price (£/32)<br>Today<br>93  <br>92 14  <br>114 2  <br>182 12  <br>96 28                                       | )<br>Change<br>4<br>5<br>8<br>3<br>8<br>10         | Price (£/32)<br>1<br>2<br>7<br>Yield (period<br>Today<br>10.40<br>10.05<br>9.88<br>8.61<br>3.92<br>3.59      | r's close<br>Yield (%<br>-0.01<br>-0.02<br>er cent)<br>Change<br>-0.04<br>-0.02<br>-0.03<br>-0.02                                                                                                       |  |
| *******                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Shorts<br>Mediums<br>Longs<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016<br>2% Index-Linked 1994<br>GILT FUTURES | Par yield (per cent)<br>1 10.377  <br>1 10.125  <br>1 9.649  <br>+<br>Price (£/32<br>Today<br>1 93  <br>1 92 14  <br>1 114 2  <br>1 82 12  <br>1 82 12  <br>1 96 28  <br> | )<br>Change<br>4<br>5<br>8<br>3<br>8<br>10<br>0pen | Price (£/32)<br>1<br>2<br>7<br>Yield (pe<br>Today<br>10.40<br>10.05<br>9.88<br>8.61<br>3.92<br>3.59<br>Close | <pre>Yield (%         -0.01         -0.01         -0.02 er cent)         Change         -0.04         -0.02         -0.04         -0.02         -0.03         -0.02         -0.05         Volume </pre> |  |

| FOREIGN EX                                                                                                                                                                                                                        | XCHANGE MAR                                                                                                                                            | RKETS                                                                                                  |                                                                                                                                                                     | NG EVENING                                                                                                                                                                                                                        | Thur<br>Xo                                                                                                                                                                                                                      | sday 15 Se<br>hange<br>irrency                                                           | ptember 1988                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Previous                                                                                                                                                                                                                          |                                                                                                                                                        |                                                                                                        | Tod                                                                                                                                                                 | lay                                                                                                                                                                                                                               | since                                                                                                                                                                                                                           | since                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| close                                                                                                                                                                                                                             |                                                                                                                                                        |                                                                                                        | opening<br>8.30am                                                                                                                                                   | close<br>4.00pm                                                                                                                                                                                                                   | Plaza                                                                                                                                                                                                                           | Paris                                                                                    | October 1987                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 75.4                                                                                                                                                                                                                              | 4                                                                                                                                                      | ERI                                                                                                    | 75.4                                                                                                                                                                | 75.4                                                                                                                                                                                                                              | -8.0                                                                                                                                                                                                                            | 9.1                                                                                      | 2.4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 1.6765                                                                                                                                                                                                                            | \$                                                                                                                                                     | 5/£                                                                                                    | 1.6770                                                                                                                                                              | 1.6777                                                                                                                                                                                                                            | 22.1                                                                                                                                                                                                                            | 9.8                                                                                      | 0.8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 3.1451<br>1.5150                                                                                                                                                                                                                  |                                                                                                                                                        | OM/£<br>CU/£                                                                                           | 3.1444 1.5168                                                                                                                                                       | 3.1482<br>1.5185                                                                                                                                                                                                                  | -19.3                                                                                                                                                                                                                           | 12.8                                                                                     | 5.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 99.6                                                                                                                                                                                                                              | \$                                                                                                                                                     | ERI                                                                                                    | -                                                                                                                                                                   | 99.6                                                                                                                                                                                                                              | -28.7                                                                                                                                                                                                                           | -4.2                                                                                     | -0.6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 1.8760                                                                                                                                                                                                                            |                                                                                                                                                        | M/\$<br>/en/\$                                                                                         | 1.8750 134.15                                                                                                                                                       | 1.8765<br>133.85                                                                                                                                                                                                                  | 51.4<br>78,2                                                                                                                                                                                                                    | -2.7<br>14.7                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Oct \$14.15                                                                                                                                                                                                                       | 5 Nov \$14.                                                                                                                                            | 25 Dec \$1                                                                                             | 4.35 Sp                                                                                                                                                             | ot Brent Oct                                                                                                                                                                                                                      | \$13.80 Nov \$13.95                                                                                                                                                                                                             | Dec \$14.1                                                                               | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                   |                                                                                                                                                        |                                                                                                        |                                                                                                                                                                     | *                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                 |                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                                                                                                                                                                                                                   | E TRANSACTI                                                                                                                                            | IONS (Smill                                                                                            | .10n)                                                                                                                                                               |                                                                                                                                                                                                                                   | (b)                                                                                                                                                                                                                             |                                                                                          | ++                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| (a) +                                                                                                                                                                                                                             |                                                                                                                                                        | This                                                                                                   | Total                                                                                                                                                               |                                                                                                                                                                                                                                   | . (b)                                                                                                                                                                                                                           |                                                                                          | Estimated  *                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                                                                                                                                                                                                                                   | Today                                                                                                                                                  | month  <br>so far                                                                                      | since  <br>1 Apr 88                                                                                                                                                 |                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                 |                                                                                          | end-month <br> position                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                                                                                                                                                                                                                                   | ++<br>  21                                                                                                                                             | -258                                                                                                   | 3370                                                                                                                                                                | Marke                                                                                                                                                                                                                             | et intervention                                                                                                                                                                                                                 |                                                                                          | ++<br>  -249                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                                                                                                                                                                                                                                   | ++                                                                                                                                                     | -187                                                                                                   | +                                                                                                                                                                   | Off-man                                                                                                                                                                                                                           | rket transactions                                                                                                                                                                                                               |                                                                                          | ++<br>  -210                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                                                                                                                                                                                                                                   | 4                                                                                                                                                      |                                                                                                        |                                                                                                                                                                     |                                                                                                                                                                                                                                   | TOTAL                                                                                                                                                                                                                           |                                                                                          | ++<br>  -459                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| -                                                                                                                                                                                                                                 | ++                                                                                                                                                     | +                                                                                                      | -======+                                                                                                                                                            | Ne                                                                                                                                                                                                                                | et borrowing                                                                                                                                                                                                                    |                                                                                          | +=======+                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                                                                                                                                                                                                                   |                                                                                                                                                        |                                                                                                        |                                                                                                                                                                     |                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                 |                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| (a) Spot a                                                                                                                                                                                                                        | and forward                                                                                                                                            | l transacti                                                                                            | ons                                                                                                                                                                 | Valua                                                                                                                                                                                                                             | ation changes                                                                                                                                                                                                                   |                                                                                          | ++                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| on a c<br>(b) Spot                                                                                                                                                                                                                | and forward<br>done date b<br>transactio                                                                                                               | oasis.<br>ons only on                                                                                  | n a value                                                                                                                                                           |                                                                                                                                                                                                                                   | HANGE IN RESERVES                                                                                                                                                                                                               |                                                                                          | 0  <br>++<br>  -473  <br>++                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| on a c<br>(b) Spot<br>date b                                                                                                                                                                                                      | done date b<br>transactio<br>basis, as i                                                                                                               | oasis.<br>ons only on<br>n publishe                                                                    | n a value<br>ed figures.                                                                                                                                            | TOTAL CI                                                                                                                                                                                                                          | HANGE IN RESERVES<br>* On convent<br>no further                                                                                                                                                                                 |                                                                                          | 0  <br>++<br>  -473  <br>++                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| (b) Spot<br>date b                                                                                                                                                                                                                | done date b<br>transactio<br>basis, as i                                                                                                               | oasis.<br>ons only on<br>n publishe                                                                    | n a value<br>ed figures.<br>ENTION (\$mil                                                                                                                           | TOTAL CI                                                                                                                                                                                                                          | HANGE IN RESERVES<br>* On convent<br>no further                                                                                                                                                                                 | market ir                                                                                | 1 0 1<br>++<br>1 -473 1<br>++                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| on a c<br>(b) Spot<br>date b<br>DTHER COUN<br>Belgium                                                                                                                                                                             | done date b<br>transactio<br>basis, as i<br>NTRIES MARK                                                                                                | oasis.<br>ons only on<br>n publishe                                                                    | n a value<br>ed figures.<br>ENTION (\$mil                                                                                                                           | TOTAL CI<br>Lion equivaler<br>Germany -                                                                                                                                                                                           | HANGE IN RESERVES<br>* On convent<br>no further                                                                                                                                                                                 | market ir<br>Italy                                                                       | I 0  <br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| on a c<br>(b) Spot<br>date b<br>DTHER COUN<br>Belgium<br>Denmark                                                                                                                                                                  | done date b<br>transactio<br>basis, as i<br>NTRIES MARK                                                                                                | oasis.<br>ons only on<br>n publishe                                                                    | n a value<br>ed figures.<br>ENTION (\$mil                                                                                                                           | TOTAL CI<br>Lion equivaler<br>Germany –<br>Holland –                                                                                                                                                                              | HANGE IN RESERVES<br>* On convent<br>no further                                                                                                                                                                                 | market ir<br>Italy<br>Japan                                                              | i 0  <br>++<br>1 -473  <br>++<br>imption of<br>otervention.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| on a c<br>(b) Spot<br>date b<br>DTHER COUN<br>Belgium                                                                                                                                                                             | done date b<br>transactio<br>basis, as i<br>NTRIES MARK                                                                                                | oasis.<br>ons only on<br>n publishe                                                                    | n a value<br>ed figures.<br>ENTION (\$mil                                                                                                                           | TOTAL C<br>Lion equivale<br>Germany -<br>Holland -<br>Ireland -                                                                                                                                                                   | HANGE IN RESERVES<br>* On convent<br>no further                                                                                                                                                                                 | market ir<br>Italy<br>Japan                                                              | I 0  <br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| on a c<br>(b) Spot<br>date b<br>OTHER COUN<br>Belgium<br>Denmark<br>France<br>MARKET COM<br>be dollar<br>for July b<br>markets we<br>undertone<br>figures of<br>very narro<br>Sterling r                                          | done date b<br>transactio<br>basis, as i<br>NTRIES MARK<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | rose in N<br>s the clos<br>hin and q<br>ward pull<br>e a little<br>he day.<br>y firm aga<br>xed UK eco | h a value<br>ed figures.<br>ENTION (\$mil<br>e it eased<br>juiet as Ja<br>was limited<br>e worse than<br>hinst the Ma                                               | TOTAL C<br>Lion equivale<br>Germany -<br>Holland -<br>Ireland -<br>Ireland -<br>it night on th<br>off its high<br>pan closed for<br>for fear of<br>expected but<br>ark on the bac                                                 | <pre>hange in Reserves  * On convent  no further nt; he back of better t s on reports of Fec r holiday.The doll further Central Ba t had minimal effec ck of a slightly fi </pre>                                               | Italy<br>Japan<br>US<br>than expect<br>interve<br>ar began<br>ank interve<br>ct on rates | i 0  <br>++<br>1 -473  <br>++<br>imption of<br>otervention.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| on a c<br>(b) Spot<br>date b<br>OTHER COUN<br>Belgium<br>Denmark<br>France<br>MARKET COM<br>he dollar<br>for July b<br>markets we<br>undertone<br>figures of<br>very narro<br>Sterling r<br>shrugging<br>Rates at 6               | done date b<br>transactio<br>basis, as i<br>NTRIES MARK<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | rose in N<br>s the clos<br>hin and q<br>ward pull<br>e a little<br>he day.<br>y firm aga<br>xed UK eco | a value<br>ed figures.<br>ENTION (\$mil<br>NTION (\$mil<br>e w York las<br>e it eased<br>juiet as Ja<br>was limited<br>e worse than<br>tinst the Ma<br>onomic indic | TOTAL Cl<br>Lion equivaled<br>Germany -<br>Holland -<br>Ireland -<br>Ireland -<br>if its high<br>pan closed for<br>for fear of<br>expected but<br>rk on the bac<br>ators.<br>DM/\$1.8767                                          | <pre>hange in Reserves  * On convent  no further ht) he back of better 1 s on reports of Fec r holiday.The doll further Central Be t had minimal effec ck of a slightly fi Y/\$133.87</pre>                                     | Italy<br>Japan<br>US<br>than expect<br>interve<br>ar began<br>ank interve<br>ct on rates | <pre>i 0   ++ i -473   ++ imption of intervention</pre>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| on a c<br>(b) Spot<br>date b<br>OTHER COUN<br>Belgium<br>Denmark<br>France<br>MARKET COM<br>be dollar<br>for July b<br>markets we<br>undertone<br>figures of<br>very narro<br>Sterling r                                          | done date b<br>transactio<br>basis, as i<br>NTRIES MARK<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | rose in N<br>s the clos<br>hin and q<br>ward pull<br>e a little<br>he day.<br>y firm aga<br>xed UK eco | a value<br>ed figures.<br>ENTION (\$mil<br>NTION (\$mil<br>e w York las<br>e it eased<br>juiet as Ja<br>was limited<br>e worse than<br>tinst the Ma<br>onomic indic | TOTAL Cl<br>Lion equivaler<br>Germany -<br>Holland -<br>Ireland -<br>Ireland -<br>ifor fear of<br>for fear of<br>expected but<br>rk on the bac<br>ators.                                                                          | <pre>hange in Reserves  * On convent  no further nt; he back of better t s on reports of Fec r holiday.The doll further Central Ba t had minimal effec ck of a slightly fi </pre>                                               | Italy<br>Japan<br>US<br>than expect<br>interve<br>ar began<br>ank interve<br>ct on rates | <pre>i 0   ++ i -473   ++ imption of otervention</pre>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| on a c<br>(b) Spot<br>date b<br>OTHER COUN<br>Belgium<br>Denmark<br>France<br>MARKET COM<br>he dollar<br>for July b<br>markets we<br>undertone<br>figures of<br>very narro<br>Sterling r<br>shrugging<br>Rates at 6               | done date b<br>transactio<br>basis, as i<br>NTRIES MARK<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | rose in N<br>s the clos<br>hin and q<br>ward pull<br>e a little<br>he day.<br>y firm aga<br>xed UK eco | a value<br>ed figures.<br>ENTION (\$mil<br>NTION (\$mil<br>e it eased<br>juiet as Ja<br>was limited<br>worse than<br>ninst the Ma<br>onomic indic<br>13.1510        | TOTAL Cl<br>Lion equivaled<br>Germany -<br>Holland -<br>Ireland -<br>Ireland -<br>if its high<br>pan closed for<br>for fear of<br>expected but<br>rk on the bac<br>ators.<br>DM/\$1.8767                                          | <pre>hange in Reserves  * On convent  no further ht) he back of better 1 s on reports of Fec r holiday.The doll further Central Be t had minimal effec ck of a slightly fi Y/\$133.87</pre>                                     | Italy<br>Japan<br>US<br>than expect<br>interve<br>ar began<br>ank interve<br>ct on rates | <pre>i 0   i -473   i -474   i</pre> |
| on a c<br>(b) Spot<br>date b<br>OTHER COUN<br>Belgium<br>Denmark<br>France<br>MARKET COM<br>The dollar<br>for July b<br>barkets we<br>undertone<br>figures of<br>very narro<br>Sterling r<br>shrugging<br>Rates at 6<br>HONG KONG | done date b<br>transactio<br>basis, as i<br>NTRIES MARK<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | rose in N<br>s the clos<br>hin and q<br>ward pull<br>e a little<br>he day.<br>y firm aga<br>xed UK eco | a value<br>ed figures.<br>ENTION (\$mil<br>NTION (\$mil<br>e it eased<br>juiet as Ja<br>was limited<br>worse than<br>ninst the Ma<br>onomic indic<br>13.1510        | TOTAL Cl<br>Lion equivaled<br>Germany -<br>Holland -<br>Ireland -<br>Ireland -<br>if night on th<br>off its high<br>pan closed fou<br>for fear of<br>expected but<br>rk on the bac<br>ators.<br>DM/\$1.8767<br>Previous<br>7.8105 | <pre>hange in Reserves  * On convent<br/>no further ht) he back of better to<br/>s on reports of Fec<br/>r holiday.The doll<br/>further Central Ba<br/>t had minimal effect<br/>ck of a slightly fin<br/>Y/\$133.87 Today</pre> | Italy<br>Japan<br>US<br>than expect<br>interve<br>ar began<br>ank interve<br>ct on rates | <pre>i 0   ++ i -473   ++ imption of intervention130\$ agst DM(14 S</pre>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

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| MONEY MARKETS             |                   |                        |                    |                    |
|---------------------------|-------------------|------------------------|--------------------|--------------------|
| HONET MARKETS             |                   |                        | Thursday           | 15th September 198 |
| INTEREST RATES            |                   |                        | Eurodo             |                    |
|                           | £ Inte            |                        |                    |                    |
|                           | Today             | Change<br>+            | +                  | Change             |
| 7 days  <br>+             | 11 1/2            | 1 3/16                 | 8 1/16             | 0                  |
| 1 mth  <br>+              | 11 11/16          | 5/32                   | 8 3/16             | 0                  |
| 3 mth  <br>+              | 12 5/16           | 7/32                   | 8 1/4              | 0                  |
| 12 mth  <br>+             | 12 5/16           | 1/8                    | 8 11/16            | 0                  |
| BILLS                     |                   | Tod                    | ау                 | Change             |
| 3 Mon                     | th Treasury Bills | 1 11 11/16             | - 11 7/16          | 1/16               |
| BANK MONEY MARKET OP      | ERATIONS          | *                      |                    |                    |
| +                         | Purchases £ m     | Rates                  | Discount Rate on E | ligible Bank Bills |
| Band 1 (0-14 days)  <br>+ |                   | <br>+                  | 11 3/4             |                    |
| Band 2 (15-31 days)       |                   |                        | 11 5/8-9/          | 16                 |
| Band 3 (32-63 days)       |                   | 1                      | 11 3/4-11,         | /16                |
| Band 4 (64-91 days)       | 234               | 111 11/16              | 11 3/4-23,         | /32                |
| TOTAL BILLS               | 234               |                        | the Part of        |                    |
| Repurchase                |                   | I                      |                    |                    |
| Lending                   | 85                | I                      |                    |                    |
| TOTAL OPERATIONS          | 319               | +<br> against shortage | £ 400 m            |                    |
| +                         |                   | +                      |                    |                    |
|                           |                   |                        |                    |                    |
| US RATES                  |                   | 3 month CDs            | 10 yr Tsy Bond     | 20 yr Tsy Bond     |
| US RATES                  | Today/Change      | 3 month CDs<br>        | +                  | +                  |
| US RATES<br>STOCK MARKET  | Today/Change      | +                      | +                  | +                  |

INDEX-LINKED met good demand, longs gained 1/4 and shorts 1/2. The latter gaining on forecasts of inflation at or above 7% by early next year. EQUITIES after mixed opening the market eased ahead but slipped back on news of 9% annual increase in average earnings. Since then prices have gradually drifted easier.

C. Daves

Carl Davey 270 4613 NAME: TEL NO:

| GILT-EDGED MARKET                                                                                                                                                                                                                         |                               | Thursday 15th Septembe                                                                                                                 |                                                                 |                                                                                                                                                                                      |                                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Transactions basis, cash values (fm                                                                                                                                                                                                       | n); sales + pu                | rchases                                                                                                                                | 5 -                                                             |                                                                                                                                                                                      |                                                                                                                             |
| ISSUE DEPARTMENT: MARKET TRANSACTIO                                                                                                                                                                                                       | ONS                           |                                                                                                                                        |                                                                 | Today                                                                                                                                                                                | September                                                                                                                   |
|                                                                                                                                                                                                                                           | Gross sa                      | ales si                                                                                                                                | norts                                                           | 12.7                                                                                                                                                                                 | 35                                                                                                                          |
|                                                                                                                                                                                                                                           | Gross sa                      | les med                                                                                                                                | diums                                                           | 31.8                                                                                                                                                                                 | 293                                                                                                                         |
| Gross                                                                                                                                                                                                                                     | s sales longs a               | and und                                                                                                                                | dated                                                           | 14.9                                                                                                                                                                                 | 385                                                                                                                         |
|                                                                                                                                                                                                                                           | Gross sales in                | ndex-l                                                                                                                                 | inked                                                           | 31.5                                                                                                                                                                                 | 209                                                                                                                         |
|                                                                                                                                                                                                                                           | Part                          | paid d                                                                                                                                 | calls                                                           | 1                                                                                                                                                                                    | (                                                                                                                           |
| Buying in no                                                                                                                                                                                                                              | on-next maturi                | ties sl                                                                                                                                | norts                                                           | -7.8                                                                                                                                                                                 | -21                                                                                                                         |
| Buying in nor                                                                                                                                                                                                                             | n-next maturit                | ies med                                                                                                                                | diums                                                           | -17.8                                                                                                                                                                                | -309                                                                                                                        |
| Buying in r                                                                                                                                                                                                                               | non-next matur                | ities                                                                                                                                  | ongs                                                            | -40.0                                                                                                                                                                                | -538                                                                                                                        |
| Buying in non-next                                                                                                                                                                                                                        | maturities in                 | ndex-L                                                                                                                                 | inked                                                           | -31.0                                                                                                                                                                                | -240                                                                                                                        |
| c                                                                                                                                                                                                                                         | CRND: Market ti               | ransact                                                                                                                                | tions                                                           | 0.8                                                                                                                                                                                  | -27                                                                                                                         |
|                                                                                                                                                                                                                                           | TOTAL 'GI                     | ROSS' S                                                                                                                                |                                                                 | -4.9                                                                                                                                                                                 | A 1 - 22507 & 13                                                                                                            |
| Buyi                                                                                                                                                                                                                                      | ing in of next                | matur                                                                                                                                  |                                                                 | -18.0                                                                                                                                                                                |                                                                                                                             |
|                                                                                                                                                                                                                                           |                               | Redempt                                                                                                                                | tions                                                           | -0.2                                                                                                                                                                                 | - 1                                                                                                                         |
| TOTAL                                                                                                                                                                                                                                     | TRANSACTIONS                  | VITH M                                                                                                                                 |                                                                 | -23.1                                                                                                                                                                                |                                                                                                                             |
|                                                                                                                                                                                                                                           |                               |                                                                                                                                        |                                                                 |                                                                                                                                                                                      |                                                                                                                             |
| Sales required to meet *                                                                                                                                                                                                                  | target d                      | of a                                                                                                                                   | Future calls                                                    | m                                                                                                                                                                                    | <br>                                                                                                                        |
|                                                                                                                                                                                                                                           |                               | of a                                                                                                                                   |                                                                 | m                                                                                                                                                                                    | <br> <br>                                                                                                                   |
|                                                                                                                                                                                                                                           |                               |                                                                                                                                        | د<br>                                                           | m                                                                                                                                                                                    | e from                                                                                                                      |
|                                                                                                                                                                                                                                           |                               | 's clo                                                                                                                                 | se                                                              | m<br><br>Chang                                                                                                                                                                       | e from<br>y's close                                                                                                         |
|                                                                                                                                                                                                                                           | Yesterday<br>Par yield (<br>+ | 's clo                                                                                                                                 | 2<br>=======<br>se<br>ent)                                      | m<br>Chang<br>yesterda                                                                                                                                                               | e from<br>y's close<br>Yield                                                                                                |
| PRICES/YIELDS OF GILT-EDGED STOCKS                                                                                                                                                                                                        | Yesterday<br>Par yield (<br>+ | ' <mark>s clo</mark> s<br>(per ce                                                                                                      | se<br>ent)                                                      | m<br>Chang<br>yesterda<br>Price (£/32)<br>                                                                                                                                           | e from<br>y's close<br>Yield                                                                                                |
| PRICES/YIELDS OF GILT-EDGED STOCKS                                                                                                                                                                                                        | Yesterday<br>Par yield (<br>  | s clos<br>(per co                                                                                                                      | se<br>ent)                                                      | m<br>Chang<br>yesterda<br>Price (£/32)<br>6                                                                                                                                          | e from<br>y's close<br>Yield                                                                                                |
| PRICES/YIELDS OF GILT-EDGED STOCKS<br>Short<br>Mediu                                                                                                                                                                                      | Yesterday<br>Par yield (<br>  | 's clos<br>(per co<br>).356<br>).105<br>).626                                                                                          | se<br>ent)                                                      | m<br>Chang<br>yesterda<br>Price (£/32)<br>  -6<br>  -11                                                                                                                              | e from<br>y's close<br>Yield<br>0                                                                                           |
| PRICES/YIELDS OF GILT-EDGED STOCKS<br>Short<br>Mediu<br>Longs                                                                                                                                                                             | Yesterday<br>Par yield (<br>  | 's clos<br>(per co<br>).356<br>).105<br>).626<br>rice (a                                                                               | se<br>ent)<br>(732)                                             | m<br>Chang<br>yesterdar<br>Price (£/32)<br>  -6<br>  -11<br>  -12                                                                                                                    | e from<br>y's close<br>Yield<br>0<br>0<br>0<br>0<br>0<br>0<br>0                                                             |
| PRICES/YIELDS OF GILT-EDGED STOCKS<br>Short<br>Mediu<br>Longs                                                                                                                                                                             | Yesterday<br>Par yield (<br>  | 's clos<br>(per co<br>).356<br>).105<br>).626<br>rice (a                                                                               | e<br>ent)<br>(/32)<br>Change                                    | m<br>Chang<br>yesterda<br>Price (£/32)<br>1 -6<br>1 -11<br>1 -12<br>Yield (p<br>Today                                                                                                | e from<br>y's close<br>Yield<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0 |
| PRICES/YIELDS OF GILT-EDGED STOCKS<br>Short<br>Mediu<br>Longs<br>REPRESENTATIVE STOCKS                                                                                                                                                    | Yesterday<br>Par yield (<br>+ | 's clos<br>(per co<br>).356<br>).105<br>).626<br>rice (1                                                                               | se<br>ent)<br>(/32)<br>Change<br>-8                             | m<br>Chang<br>yesterdar<br>Price (£/32)<br>  -6<br>  -11<br>  -12<br>Yield (pr<br>Today<br>  10.49                                                                                   | e from<br>y's close<br>Yield<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0 |
| PRICES/YIELDS OF GILT-EDGED STOCKS<br>Short<br>Mediu<br>Longs<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992                                                                                                                                | Yesterday<br>Par yield (<br>+ | 's clos<br>(per co<br>).356<br>).105<br>).626<br>rice (1<br>/<br>24                                                                    | se<br>ent)<br>(/32)<br>Change<br>-8<br>-10                      | m<br>Changyesterda<br>Price (£/32)<br>  -6<br>  -11<br>  -12<br>Yield (p<br>Today<br>  10.49<br>  10.11                                                                              | e from<br>y's close<br>Yield<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0 |
| PRICES/YIELDS OF GILT-EDGED STOCKS<br>Short<br>Mediu<br>Longs<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'                                                                                                     | Yesterday<br>Par yield (<br>  | s clos<br>(per co<br>).356<br>).105<br>).626<br>rice (1<br>/<br>24<br>4                                                                | se<br>ent)<br>E/32)<br>Change<br>-8<br>-10<br>-14               | m<br>Chang<br>yesterdar<br>Price (f/32)<br>-6<br>-11<br>-11<br>-12<br>Yield (price)<br>Today<br>10.49<br>10.49<br>10.11<br>9.93<br>8.61                                              | e from<br>y's close<br>Yield<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0                                    |
| PRICES/YIELDS OF GILT-EDGED STOCKS<br>Short<br>Mediu<br>Longs<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07                                                                         | Yesterday<br>Par yield (<br>  | 's clos<br>(per co<br>).356<br>).105<br>).626<br>rice (1<br>/<br>24<br>4<br>20                                                         | se<br>ent)<br>(/32)<br>Change<br>-8<br>-10<br>-14               | m<br>Changy<br>yesterdar<br>Price (f/32)<br>-6<br>-11<br>-12<br>Yield (P<br>Today<br>10.49<br>10.49<br>10.11<br>9.93<br>8.61                                                         | e from<br>y's close<br>Yield<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0 |
| PRICES/YIELDS OF GILT-EDGED STOCKS<br>Short<br>Mediu<br>Longs<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992                                                     | Yesterday<br>Par yield (<br>+ | s clos<br>(per co<br>).356<br>).105<br>).626<br>;<br>;<br>;<br>;<br>;<br>;<br>;<br>;<br>;<br>;<br>;<br>;<br>;<br>;<br>;<br>;<br>;<br>; | se<br>ent)<br>(/32)<br>Change<br>-8<br>-10<br>-14<br>0<br>8     | m<br>Changyesterda<br>Price (£/32)<br>  -6<br>  -11<br>  -12<br>Yield (p<br>Today<br>  10.49<br>  10.11<br>  9.93<br>  8.61<br>  3.90                                                | e from<br>y's close<br>Yield<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0 |
| PRICES/YIELDS OF GILT-EDGED STOCKS<br>Short<br>Mediu<br>Longs<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016                         | Yesterday<br>Par yield (<br>  | s clos<br>(per co<br>).356<br>).105<br>).626<br>rice (1<br>,<br>24<br>4<br>20<br>12<br>4                                               | se<br>ent)<br>(/32)<br>Change<br>-8<br>-10<br>-14<br>0<br>8     | m<br>Changy<br>yesterda<br>Price (£/32)<br>-6<br>-11<br>-12<br>Yield (p<br>Today<br>1 0.49<br>1 0.11<br>9.93<br>8.61<br>3.90                                                         | e from<br>y's close<br>Yield<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0 |
| PRICES/VIELDS OF GILT-EDGED STOCKS<br>Short<br>Mediu<br>Longs<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016<br>2% Index-Linked 1994 | Yesterday<br>Par yield (<br>  | s clos<br>(per co<br>).356<br>).105<br>).626<br>rice (1<br>,<br>24<br>4<br>20<br>12<br>4                                               | se<br>ent)<br>(4/32)<br>Change<br>8<br>10<br>14<br>0<br>8<br>16 | m<br>Changy<br>yesterda<br>Price (£/32)<br>-6<br>-11<br>-12<br>Yield (p<br>Today<br>1 0.49<br>1 0.11<br>9.93<br>8.61<br>3.90                                                         | y's close<br>Yield<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0           |
| PRICES/VIELDS OF GILT-EDGED STOCKS<br>Short<br>Mediu<br>Longs<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016<br>2% Index-Linked 1994 | Yesterday<br>Par yield (<br>  | s clos<br>(per co<br>).356<br>).105<br>).626<br>).626<br>rice (1<br>/<br>24<br>4<br>20<br>12<br>4<br>16                                | se<br>ent)<br>(4/32)<br>Change<br>8<br>10<br>14<br>0<br>8<br>16 | m<br>Changy<br>yesterdar<br>Price (£/32)<br>1 -6<br>1 -11<br>1 -12<br>Yield (price)<br>Yield (price)<br>Today<br>1 10.49<br>1 10.11<br>1 9.93<br>1 8.61<br>1 3.90<br>1 3.49<br>Close | e from<br>y's close<br>Yield<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0 |

TEL NO: 270 4613

WEEKLY INTEREST/EXCHANGE RATE AND COMMODITY PRICE TABLES

CIRCULATION LIST

DATE: 16th SEPTEMBER 1988

CHANCELLOR'S OFFICE

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MR. S. BROOKS 88/G MR. J.W. GRICE 89/G MISS R. MCROBBIE 107/G MISS M. O'MARA 108/G MRS C. RYDING 110/G MR. P. MOUNTFIELD 80/1 MR. J. ODLING-SMEE 45/2 MR. N.J. MONCK 46/2 SIR P.E. MIDDLETON 78A/2 MR. H. WALSH 108/3 Ms. V.F. LIFE 109/3 MR. M.C. SCHOLAR 87/2 MR. S. PICKFORD 97/2 MR. P.S. CURWEN 98/2 MR. J. MCLAREN 33/3 SIR J.G. LITTLER 113/2 MR. R. MOLAN 81/1 MR. R.E. DEANE 41/3 MR. T.P. LANKESTER 116/2 SIR T. BURNS 119/2 MR. A.M. DOLPHIN 32/3 MR. M. LYON 34/3 MR. D. OWEN 36/3 Ms. C. TURK 35A/3 MR. P.N. SEDGWICK 39/3 MR. S.W. MATTHEWS 104/3 MR. D. SAVAGE 106/3 MR. H.P. EVANS 107/3 MR. W. HOOD 30A/3 MR. PERETZ 84/G MR. P. ELWOOD 106/3 MR. D. RAMSDEN 106/3 MR. G. YOUNG 112/G

Please inform Bina Doshi (ext: 5374 - room : 31/3) if there are any changes to be made to this list.



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## THREE MONTH INTEREST RATES IN THE SIX MAJOR COUNTRIES

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|     |               |             |          |                |       |            |          | -WORLD BASKETS- |           |                        |            |        |           |               |
|-----|---------------|-------------|----------|----------------|-------|------------|----------|-----------------|-----------|------------------------|------------|--------|-----------|---------------|
|     |               |             |          |                |       |            |          |                 | USI       |                        |            |        | RED DI    | FFERENTIA     |
|     |               |             |          |                |       |            |          |                 | (A)       | March States of States | UK RATE    |        |           |               |
|     |               |             |          |                |       |            |          |                 |           | EURODOL                |            | WORLD  | UK-       | UK-           |
|     |               | CANADA<br>1 | PRANCE 2 | GERMANY<br>3   | 1TALY | JAPAN<br>5 | USA<br>6 | DOLLAR<br>7     | RATE<br>8 | RATE<br>9              | BANK<br>10 | BASKET | USA<br>12 | GERMANY<br>13 |
|     |               |             |          | and the second |       |            |          |                 |           |                        |            |        |           |               |
| 987 | QTR1          | 7.45        | 8.26     | 4.18           | 11.48 | 4.24       | 6.05     | 6.34            | 6.20      | 6.30                   | 10.60      | 4.40   | 4.27      | 6.42          |
|     | QTR2          | 8.41        | 8.13     | 3.80           | 10.64 | 3.92       | 6.85     | 7.07            | 6.27      | 6.34                   | 9.18       | 2.91   | 2.11      | 5.38          |
|     | QTR3          | 8.99        | 7.89     | 3.97           | 12.00 | 4.08       | 6.98     | 7.15            | 6.45      | 6.51                   | 9.81       | 3.36   | 2.66      | 5.84          |
|     | QTR4          | 8.88        | 8.47     | 4.13           | 11.76 | 4.54       | 7.76     | 7.96            | 6.84      | 6.91                   | 9.20       | 2.36   | 1.23      | 5.07          |
| 988 | QTR1          | 8.55        | 7.94     | 3.41           | 11.11 | 4.36       | 6.74     | 6.91            | 6.18      | 6.24                   | 9.01       | 2.83   | 2.10      | 5.60          |
|     | QTR2          | 9.05        | 7.81     | 3.62           | 10.91 | 4.49       | 7.25     | 7.41            | 6.37      | 6.42                   | 8.34       | 1.97   | 0.93      | 4.72          |
| 987 | SEP           | 9.32        | 7.88     | 4.03           | 12.56 | 4.15       | 7.43     | 7.56            | 6.69      | 6.73                   | 10.12      | 3.44   | 2.56      | 6.09          |
|     | ост           | 9.20        | 8.19     | 4.79           | 12.13 | 4.80       | 8.21     | 8.48            | 7.13      | 7.22                   | 9.93       | 2.81   | 1.45      | 5.14          |
|     | NOV           | 8.63        | 8.61     | 3.95           | 11.58 | 4.34       | 7.39     | 7.55            | 6.67      | 6.73                   | 8.97       | 2.30   | 1.42      | 5.02          |
|     | DEC           | 8.89        | 8.56     | 3.70           | 11.63 | 4.47       | 7.76     | 7.96            | 6.75      | 6.82                   | 8.75       | 2.00   | 0.79      | 5.05          |
| 988 | JAN           | 8.65        | 8.31     | 3.44           | 10.91 | 4.35       | 6.96     | 7.17            | 6.31      | 6.38                   | 8.92       | 2.61   | 1.75      | 5.47          |
|     | FEB           | 8.50        | 7.58     | 3.37           | 11.00 | 4.32       | 6.63     | 6.79            | 6.07      | 6.12                   | 9.22       | 3.15   | 2.43      | 5.85          |
|     | MAR           | 8.53        | 8.03     | 3.42           | 11.44 | 4.40       | 6.65     | 6.79            | 6.20      | 6.25                   | 8.83       | 2.64   | 2.04      | 5.41          |
|     | APR           | 8.83        | 8.13     | 3.43           | 10.88 | 4.19       | 6.92     | 7.11            | 6.25      | 6.32                   | 8.32       | 2.06   | 1.21      | 4.89          |
|     | MAY           | 8.98        | 7.90     | 3.56           | 10.78 | 4.27       | 7.27     | 7.44            | 6.36      | 6.42                   | 8.03       | 1.67   | 0.59      | 4.47          |
|     | JUN           | 9.34        | 7.39     | 3.89           | 11.13 | 4.42       | 7.56     | 7.67            | 6.49      | 6.53                   | 8.74       | 2.24   | 1.07      | 4.85          |
|     | JUL           | 9.34        | 7.33     | 4.95           | 11.28 | 4.80       | 7.94     | 8.23            | 6.85      | 6.90                   | 10.53      | 3.68   | 2.30      | 5.58          |
|     | AUG           | 9.80        | 7.63     | 5.35           | 11.28 | 4.88       | 8.38     | 8.50            | 7.25      | 7.28                   | 11.25      | 4.00   | 2.75      | 5.90          |
| 988 | JUN 27        | 9.24        | 7.50     | 4.38           | 11.25 | 4.52       | 7.65     | 7.75            | 6.65      | 6.68                   | 9.58       | 2.93   | 1.83      | 5.20          |
|     | JUL 4         | 9.23        | 7.31     | 4.50           | 11.25 | 4.83       | 7.70     | 7.81            | 6.65      | 6.69                   | 10.14      | 3.49   | 2.33      | 5.64          |
|     | JUL 11        | 9.35        | 7.25     | 4.95           | 11.12 | 4.72       | 7.90     | 8.06            | 6.82      | 6.87                   | 10.22      | 3.40   | 2.16      | 5.27          |
|     | <b>JUL 18</b> | 9.39        | 7.38     | 5.35           | 11.25 | 4.88       | 8.05     | 8.31            | 6.98      | 7.07                   | 11.03      | 4.05   | 2.72      | 5.68          |
|     | <b>JUL 25</b> | 9.40        | 7.38     | 5.00           | 11.38 | 4.78       | 8.12     | 8.75            | 6.94      | 6.98                   | 10.72      | 3.78   | 1.97      | 5.72          |
|     | AUG 1         | 9.49        | 7.38     | 5.35           | 11.38 | 4.75       | 8.15     | 8.25            | 7.01      | 7.04                   | 10.81      | 3.80   | 2.56      | 5.46          |
|     | AUG 8         | 9.66        | 7.38     | 5.25           | 11.25 | 4.83       | 8.20     | 8.37            | 7.00      | 7.01                   | 10.91      | 3.91   | 2.54      | 5.66          |
|     | AUG 15        | 9.93        | 7.69     | 5.38           | 11.25 | 4.92       | 8.50     | 8.69            | 7.39      | 7.46                   | 11.03      | 3.64   | 2.34      | 5.65          |
|     | AUG 22        | 9.90        | 7.75     | 5.40           | 11.25 | 4.95       | 8.55     | 8.62            | 7.43      | 7.45                   | 11.41      | 3.98   | 2.79      | 6.01          |
|     | AUG 29        | 10.00       | 7.94     | 5.38           | 11.25 | 4.94       | 8.50     | 8.56            | 7.43      | 7.45                   | 12.09      | 4.66   | 3.53      | 6.71          |
|     | SEPT 5        | 10.14       | 8.00     | 5.00           | 11.38 | 5.09       | 8.42     | 8.37            | 7.38      | 7.37                   | 12.34      | 4.96   | 3.97      | 7.34          |
|     | SEPT 12       | 10.32       | 8.10     | 5.00           | 11.63 | 5.01       | 8.24     | 8.37            | 7.35      | 7.40                   | 12.13      | 4.78   | 3.76      | 7.13          |

| Column 1.  | 90 DAY BANKERS ACCEPTANCES                      |
|------------|-------------------------------------------------|
| Column 2.  | 3 MONTH MONEY MARKET RATE                       |
| Column 3.  | 3 MONTH INTER BANK                              |
| Column 4.  | 3 MONTH INTER BANK                              |
| Column 5.  | 3 MONTH CERTIFICATE OF DEPOSIT                  |
| Column 6.  | 3 MONTH CERTIFICATE OF DEPOSIT IN NEW YORK      |
| Column 11. | USA CD RATE (COLUMN 8) USED FOR WORLD BASKET    |
| Column 12. | 3 MONTH EURODOLLAR RATE (COLUMN 7) USED FOR USA |

QUARTERLY AND MONTHLY FIGURES ARE AVERAGES OF THE WEEKLY DATA THE WEEKLY FIGURES REPRESENT THE CLOSING VALUES FOR THAT DATE



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## USA INTEREST RATES

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|      |               |             | THRE     | E MONTH RATE | 5       | 10 YEAR<br>COMMERCIA |
|------|---------------|-------------|----------|--------------|---------|----------------------|
|      |               |             | TREASURY |              | EURO    | BOND                 |
|      |               |             | BILLS    |              | DOLLAR  | MOODY AAA            |
|      |               | FED FUNDS   | (RUST)   | CD'S         | ( REU ) | ( REB )              |
|      |               | (OVERNIGHT) | (¥2626)  | NEW YORK     | (¥2627) | (V2625)              |
| 1987 | QTR1          | 6.16        | 5.66     | 6.05         | 6.34    | 8.37                 |
|      | QTR2          | 6.60        | 5.87     | 6.85         | 7.07    | 9.16                 |
|      | QTR3          | 6.82        | 6.08     | 6.98         | 7.15    | 9.72                 |
|      | QTR4          | 6.98        | 5.92     | 7.76         | 7.96    | 10.22                |
| 1988 | QTR1          | 6.67        | 5.86     | 6.74         | 6.91    | 9.57                 |
|      | QTR2          | 7.09        | 6.40     | 7.25         | 7.41    | 9.81                 |
| 1987 | AUG           | 6.75        | 6.05     | 6.81         | 7.02    | 9.66                 |
|      | SEP           | 7.12        | 6.47     | 7.43         | 7.56    | 10.14                |
|      | OCT           | 7.36        | 6.24     | 8.21         | 8.48    | 10.55                |
|      | NOV           | 6.81        | 5.74     | 7.39         | 7.55    | 10.05                |
|      | DEC           | 6.82        | 5.82     | 7.76         | 7.96    | 10.11                |
| 1988 | JAN           | 6.82        | 5.92     | 6.96         | 7.17    | 9.97                 |
|      | FEB           | 6.62        | 5.81     | 6.63         | 6.79    | 9.41                 |
|      | MAR           | 6.56        | 5.87     | 6.65         | 6.79    | 9.39                 |
|      | APR           | 6.75        | 6.04     | 6.92         | 7.11    | 9.65                 |
|      | MAY           | 7.04        | 6.48     | 7.27         | 7.44    | 9.89                 |
|      | JUN           | 7.50        | 6.65     | 7.56         | 7.67    | 9.87                 |
|      | JUL           | 7.69        | 6.91     | 7.94         | 8.11    | 9.94                 |
|      | AUG           | 8.05        | 7.26     | 8.38         | 8.50    | 10.09                |
| 1988 | MAY 2         | 6.94        | 6.38     | 7.10         | 7.25    | 9.76                 |
|      | MAY 9         | 6.87        | 6.48     | 7.20         | 7.37    | 9.84                 |
|      | MAY 16        | 7.00        | 6.43     | 7.20         | 7.37    | 9.83                 |
|      | MAY 23        | 7.12        | 6.48     | 7.35         | 7.50    | 9.97                 |
|      | MAY 30        | 7.25        | 6.62     | 7.50         | 7.69    | 10.04                |
|      | JUN 6         | 7.44        | 6.63     | 7.48         | 7.62    | 9.98                 |
|      | <b>JUN 13</b> | 7.44        | 6.62     | 7.50         | 7.56    | 9.89                 |
|      | JUN 20        | 7.56        | 6.57     | 7.62         | 7.75    | 9.86                 |
|      | JUN 27        | 7.56        | 6.79     | 7.65         | 7.75    | 9.80                 |
|      | JUL 4         | 7.50        | 6.73     | 7.70         | 7.81    | 9.82                 |
|      | JUL 11        | 7.56        | 6.91     | 7.90         | 8.06    | 9.88                 |
|      | <b>JUL 18</b> | 7.81        | 6.90     | 8.05         | 8.31    | 10.00                |
|      | <b>JUL 25</b> | 7.87        | 7.10     | 8.12         | 8.25    | 10.04                |
|      | AUG 1         | 7.87        | 7.11     | 8.15         | 8.25    | 10.03                |
|      | AUG 8         | 7.75        | 7.10     | 8.20         | 8.37    | 10.02                |
|      | AUG 15        | 8.37        | 7.27     | 8.50         | 8.69    | 10.15                |
|      | AUG 22        | 8.06        | 7.27     | 8.55         | 8.62    | 10.15                |
|      | AUG 29        | 8.19        | 7.55     | 8.50         | 8.56    | 10.10                |
|      | SEPT 5        | 8.09        | 7.42     | 8.42         | 8.37    | 10.08                |
|      | SEPT 12       | 8.00        | 7.44     | 8.24         | 8.37    | 9.93                 |

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QUARTLERLY AND MONTHLY FIGURES ARE AVERAGES OF THE AVAILABLE WEEKLY DATA



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EFFECTIVE ----------CANADA EXCHANGE FRANCE GERMANY ITALY JAPAN ------RATE --------------------------1987 QTR1 104.2 6.13 1.84 1306 153.2 1.34 QTR2 1300 101.1 6.03 1.81 142.6 1.33 QTR3 102.5 6.13 1.84 1331 150.0 1.32 135 7 QTR4 97.0 5.75 1.71 1249 1.31 1988 QTR1 94.2 5.67 1.68 1236 128.1 1.27 QTR2 125.7 1.23 93.5 5.78 1.71 1268 1987 AUG 1.33 147.6 103.3 6.20 1.86 1346 SEP 100.9 6.05 1.81 1309 143.1 1.32 1.80 OCT 100.5 6.02 1302 143.3 1.31 NOV 96.5 5.71 1239 135.4 1.32 1.68 DEC 93.9 5.54 1205 128.5 1.31 1.64 1.29 1988 JAN 93.9 5.59 1218 127.9 1.66 FEB 95.0 5.73 1.70 1249 129.2 1.27 MAR 93.6 5.69 1.68 1240 127.1 1.25 APR 92.7 1.67 1241 124.9 1.24 5.68 MAY 93.0 5.73 1.69 1259 124.8 1.24 94.8 5.93 1.76 1304 127.4 1.22 JUN JUL 98.1 6.22 1.85 1366 133.1 1.21 1.22 AUG 99.5 6.39 1.89 1394 133.64 1988 APR 4 1.67 1237 125.2 1.24 92.7 5.66 APR 11 93.4 5.72 1.69 1251 126.5 1.24 124.0 APR 18 92.1 5.63 1.66 1232 1.23 APR 25 92.7 5.70 1.68 1246 124.8 1.23 MAY 2 5.70 1.68 1248 124.7 1.23 92.7 MAY 9 92.8 5.70 1.69 1249 124.7 1.24 MAY 16 92.7 5.73 1.69 1254 124.9 1.24 MAY 23 93.2 5.75 1.70 1263 124.5 1.24 MAY 30 1.23 93.7 5.82 1.73 1283 125.1 JUN 6 94.0 5.80 1.72 1277 126.1 1.23 1282 125.1 1.22 **JUN 13** 93.7 5.82 1.72 5.93 1305 126.2 1.21 **JUN 20** 94.4 1.76 **JUN 27** 97.0 6.14 1.82 1349 130.8 1.21 JUL 4 6.16 1.83 1358 135.5 1.22 98.5 98.1 **JUL 11** 1367 133.0 1.21 6.21 1.85 99.4 **JUL 18** 1392 134.6 1.21 6.34 1.88 **JUL 25** 97.5 6.23 1.85 1362 132.0 1.21 AUG 1 98.7 6.32 1.86 1383 132.7 1.21 1.90 1403 AUG 8 99.6 6.41 133.8 1.21 **AUG 15** 99.3 6.38 1.88 1395 133.3 1.23 100.4 6.51 1.92 1403 134.0 1.23 AUG 22 AUG 29 99.6 6.32 1.87 1386 134.4 1.24 SEPT 5 99.9 6.28 1.84 1378 133.7 1.24 SEPT 12 98.8 6.28 1.85 1379 133.4 1.24

DOLLAR EXCHANGE RATES WITH FIVE MAJOR OECD COUNTRIES



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STERLING EXCHANGE RATES WITH FIVE MAJOR OECD COUNTRIES

|      |         | EFFECTIVE - |        |         |       |       |      |
|------|---------|-------------|--------|---------|-------|-------|------|
|      |         | EXCHANGE    | FRANCE | GERMANY | ITALY | JAPAN | USA  |
|      |         |             |        |         |       |       |      |
| 1987 | QTR1    | 69.7        | 9.45   | 2.84    | 2015  | 236.3 | 1.54 |
|      | QTR2    | 72.8        | 9.89   | 2.96    | 2132  | 234.2 | 1.64 |
|      | QTR3    | 72.7        | 9.92   | 2.97    | 2152  | 237.9 | 1.62 |
|      | QTR4    | 74.7        | 10.08  | 2.99    | 2188  | 237.8 | 1.76 |
| 1988 | QTR1    | 75.1        | 10.18  | 3.01    | 2217  | 229.8 | 1.80 |
|      | QTR2    | 77.8        | 10.64  | 3.14    | 2335  | 231.7 | 1.84 |
|      |         |             |        |         |       |       |      |
| 1987 | AUG     | 72.4        | 9.89   | 2.96    | 2150  | 235.5 | 1.60 |
|      | SEP     | 73.0        | 9.97   | 2.99    | 2157  | 236.3 | 1.65 |
|      | OCT     | 73.2        | 9.99   | 3.00    | 2162  | 238.4 | 1.66 |
|      | NOV     | 75.0        | 10.12  | 2.98    | 2199  | 240.1 | 1.78 |
|      | DEC     | 75.8        | 10.12  | 2.99    | 2201  | 234.2 | 1.83 |
| 1988 | JAN     | 75.3        | 10.05  | 2.97    | 2189  | 230.2 | 1.81 |
|      | FEB     | 74.3        | 10.08  | 2.98    | 2196  | 227.1 | 1.75 |
|      | MAR     | 75.9        | 10.43  | 3.07    | 2273  | 232.8 | 1.84 |
|      | APR     | 77.8        | 10.65  | 3.13    | 2329  | 234.8 | 1.88 |
|      | MAY     | 78.5        | 10.74  | 3.17    | 2357  | 234.0 | 1.88 |
|      | JUN     | 76.8        | 10.52  | 3.11    | 2314  | 225.7 | 1.77 |
|      | JUL     | 75.8        | 10.55  | 3.13    | 2319  | 226.4 | 1.69 |
|      | AUG     | 76.3        | 10.84  | 3.20    | 2371  | 226.7 | 1.70 |
| 1988 | APR 4   | 76.7        | 10.59  | 3.12    | 2313  | 233.9 | 1.88 |
|      | APR 11  | 78.1        | 10.60  | 3.12    | 2318  | 234.9 | 1.85 |
|      | APR 18  | 78.3        | 10.72  | 3.15    | 2347  | 236.2 | 1.90 |
|      | APR 25  | 78.3        | 10.68  | 3.14    | 2337  | 234.0 | 1.87 |
|      | MAY 2   | 78.7        | 10.70  | 3.15    | 2341  | 234.7 | 1.88 |
|      | MAY 9   | 78.4        | 10.72  | 3.16    | 2349  | 234.5 | 1.88 |
|      | MAY 16  | 77.9        | 10.82  | 3.19    | 2369  | 236.0 | 1.89 |
|      | MAY 23  | 79.0        | 10.75  | 3.18    | 2362  | 232.8 | 1.87 |
|      | MAY 30  | 78.3        | 10.73  | 3.19    | 2364  | 232.0 | 1.86 |
|      | JUN 6   | 78.2        | 10.46  | 3.09    | 2302  | 227.3 | 1.80 |
|      | JUN 13  | 76.2        | 10.58  | 3.13    | 2329  | 227.3 | 1.81 |
|      | JUN 20  | 76.8        | 10.58  | 3.14    | 2329  | 225.3 | 1.78 |
|      | JUN 27  | 76.2        | 10.45  | 3.10    | 2297  | 222.8 | 1.70 |
|      | JUL 4   | 76.2        | 10.37  | 3.08    | 2285  | 228.0 | 1.68 |
|      | JUL 11  | 75.0        | 10.49  | 3.12    | 2311  | 224.8 | 1.69 |
|      | JUL 18  | 75.1        | 10.59  | 3.14    | 2325  | 224.8 | 1.67 |
|      | JUL 25  | 76.8        | 10.75  | 3.19    | 2353  | 228.0 | 1.73 |
|      | AUG 1   | 76.4        | 10.84  | 3.21    | 2371  | 227.5 | 1.71 |
|      | AUG 8   | 76.5        | 10.88  | 3.23    | 2381  | 227.0 | 1.70 |
|      | AUG 15  | 76.5        | 10.93  | 3.22    | 2390  | 228.3 | 1.71 |
|      | AUG 22  | 76.2        | 10.91  | 3.22    | 2381  | 224.8 | 1.68 |
|      | AUG 29  | 75.8        | 10.66  | 3.14    | 2334  | 226.0 | 1.69 |
|      | SEPT 5  | 75.7        | 10.65  | 3.13    | 2332  | 229.3 | 1.69 |
|      | SEPT 12 | 75.7        | 10.65  | 3.13    | 2339  | 226.3 | 1.70 |
|      |         |             |        |         |       |       |      |

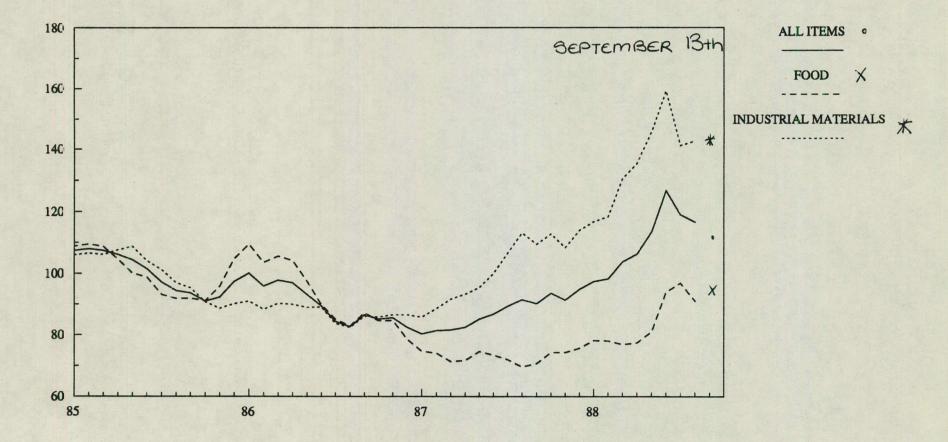
## ECONOMIST COMMODITY PRICE INDICES

1985=100

|              |                       |            | All items      |          |                |   |              | SDR indi | ces    |
|--------------|-----------------------|------------|----------------|----------|----------------|---|--------------|----------|--------|
| Annu         |                       | SDR        |                | Sterling | Real*          |   | Food         | Nfa**    | Metals |
| 1980<br>1981 | 1                     | 104.4 99.3 | 133.7<br>115.2 | 74.0     | 115.6<br>105.3 |   | 96.7<br>93.7 | 106.2    | 118.6  |
| 1981         |                       | 91.8       | 99.9           | 73.4     | 94.3           |   | 89.3         | 96.0     | 93.8   |
| 1983         |                       | 107.2      | 112.7          | 95.7     | 110.4          |   | 02.0         | 116.6    | 110.1  |
| 1984         |                       | 110.3      | 111.5          | 107.2    | 113.1          |   | 12.3         | 111.6    | 106.2  |
| 1985         |                       | 100.0      | 100.0          | 100.0    | 100.0          |   | 00.0         | 100.0    | 100.0  |
| 1986         |                       | 89.8       | 103.7          | 90.6     | 86.4           |   | 92.4         | 89.9     | 85.4   |
| 1987         |                       | 87.4       | 111.5          | 87.1     | 82.2           |   | 73.0         | 103.3    | 100.6  |
| Quar         | terly                 |            |                |          |                |   |              |          |        |
| 1986         | i Q3                  | 84.6       | 100.2          | 86.2     | 81.8           |   | 85.1         | 85.5     | 83.1   |
|              | Q4                    | 84.2       | 100.1          | 89.5     | 80.2           |   | 82.2         | 91.0     | 82.8   |
| 1987         | . 01                  | 81.0       | 100.8          | 83.5     | 76.5           |   | 73.2         | 95.2     | 84.3   |
| 1907         | Q2                    | 84.9       | 108.2          | 84.4     | 80.0           |   | 73.2         | 102.6    | 92.1   |
|              | Q3                    | 90.2       | 113.4          | 90.0     | 83.8           |   | 70.7         | 111.9    | 108.0  |
|              | Q4                    | 93.4       | 123.7          | 90.3     | 88.4           |   | 74.7         | 103.3    | 117.9  |
|              | a sector and          |            |                |          |                |   |              |          |        |
| 1988         |                       | 99.8       | 134.6          | 95.9     | 94.6           |   | 77.6         | 105.5    | 133.4  |
|              | Q2                    | 115.5      | 155.7          | 108.8    | 107.6          |   | 84.0         | 115.1    | 169.1  |
| Mont         | hly                   |            |                |          |                |   |              |          |        |
| July         |                       | 89.3       | 111.5          | 88.9     |                |   | 71.9         | 109.4    | 104.4  |
| Augu         |                       | 91.4       | 114.2          | 91.8     |                |   | 69.6         | 115.0    | 111.7  |
|              | ember                 | 90.1       | 114.5          | 89.3     |                |   | 70.7         | 111.4    | 107.9  |
| Octo         |                       | 93.5       | 119.3          | 92.3     |                |   | 74.2         | 106.8    | 117.0  |
|              | ember                 | 91.3       | 121.3          | 88.1     |                |   | 74.2         | 101.4    | 113.3  |
|              | ember                 | 94.8       | 129.1          | 90.5     |                |   | 75.6         | 102.1    | 122.4  |
|              |                       |            |                |          |                |   |              |          |        |
| Janu         |                       | 97.4       | 132.2          | 94.1     |                |   | 78.1         | 102.7    | 126.6  |
|              | uary                  | 98.2       |                |          |                |   |              | 106.5    |        |
| Marc         |                       | 103.8      | 140.3          | 98.0     |                |   | 76.8         | 107.3    | 157.0  |
| Apri         |                       | 106.4      | 144.9          |          |                |   | 77.3         | 110.5    | 152.8  |
| May          |                       | 113.4      | 153.8          |          |                |   | 80.9         | 114.1    | 168.2  |
| June         |                       | 126.7      | 168.4          |          |                |   |              | 120.8    |        |
| July         |                       | 119.1      | 152.9          |          |                |   |              | 117.7    |        |
| Augu         | ist                   | 116.9      | 148.9          | 112.5    |                |   | 91.0         | 113.5    | 163.1  |
| Week         | A CARLES AND A CARLES |            |                |          |                |   |              |          |        |
|              | 26                    | 117.3      | 150.9          | 112.9    |                |   | 92.1         | 115.1    | 161.8  |
| A1101        | ist 2                 | 113.6      | 145.7          | 109.2    |                |   | 89.9         | 114.8    | 153.0  |
| mage         | 9                     | 117.4      | 149.4          |          |                |   | 92.8         | 114.9    | 160.9  |
|              | 16                    | 117.2      | 149.5          |          |                |   | 91.4         | 115.0    | 162.4  |
|              | 23                    | 118.4      | 149.8          |          |                |   | 90.2         | 111.6    | 171.0  |
|              | 30                    | 117.8      | 150.1          |          |                |   | 90.8         | 111.4    | 168.1  |
|              |                       |            |                |          |                |   |              |          |        |
| Sept         |                       | 116.5      | 148.8          | 112.0    |                |   | 93.1         | 112.1    | 159.2  |
|              | 13(prov)              | 114.5      | 146.8          | 110.9    |                |   | 92.1         | 110.6    | 155.4  |
| X ch         | . on one yr           | +26.6      | +28.9          | +24.7    |                | + | 30.0         | -1.9     | +47.1  |

\* In relation to prices of manufactured exports. Recent figures are estimated. \*\* Non-food agriculturals.

# ECONOMIST SDR COMMODITY PRICE INDICES 1985 = 100



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| FOREIGN EX                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             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| Previous                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               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          |
| 75.4<br>1.6777<br>3.1482<br>1.5185                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     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                                                           | 75.4<br>1.6775<br>3.1403<br>1.5155                                                                                                 | 75.4<br>1.6762<br>3.1446<br>1.5155                                                                                                                                                                                                          | -8.0<br>22.0<br>-19.4                                                                                                                                                                                                                                                        | 9.1<br>9.7<br>12.7                                                                                                              | 2.4<br>0.7<br>4.9                                                                                                                                      | NST                      |
| 99.6<br>1.8765<br>133.85                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               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                                                           | 1.8720<br>133.75                                                                                                                   | 99.6<br>1.876<br>134.2                                                                                                                                                                                                                      | -28.7<br>51.4<br>77.8                                                                                                                                                                                                                                                        | -4.2<br>-2.6<br>14.4                                                                                                            | -0.6<br>-4.0<br>6.5                                                                                                                                    | and                      |
| Oct \$13.80                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            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                                                           | Total<br>since<br>1 Apr 88                                                                                                         |                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                              |                                                                                                                                 | Estimated <br> end-month <br> position  <br>++                                                                                                         | *              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| on a do<br>(b) Spot t<br>date ba<br>other count<br>telgium -<br>telgium -<br>tenmark -<br>rance -<br>ternark -<br>terning pro-<br>terling was<br>orning pro-<br>terling was<br>orning pro-<br>terling was<br>onded the co-<br>tosing rate<br>ates at 6.<br>ong Kong co-                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                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                         | Antion changes<br>CHANGE IN RESERVES<br>* On convent<br>no further<br>ent)<br>M<br>entrated on trading<br>a high of DM1.8775<br>the weekend.Market<br>inst the Deutschemat<br>bened easier on the<br>figure of 5.7% was<br>hough slightly easier<br>Y/\$134.15<br>Today      | r market in<br>Italy<br>Japan<br>US<br>in cross c<br>but not wil<br>talk remai<br>rk.<br>back of fo<br>published                | urrencies (i<br>ling to test<br>ns bullish f<br>recasts in t<br>sterling ros<br>st last nigh<br>MALL<br>Change                                         | the<br>or<br>he<br>e and |
| (b) Spot t<br>date ba<br>THER COUNT<br>Relgium -<br>Penmark -<br>rance -<br>TARKET COU<br>trance -<br>TARKET COU<br>TARKET COU<br>TARKE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | TRIES MARKE<br>TRIES MARKE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | ns only on<br>publishe<br>T INTERVE<br>T INTERVE<br>In traded<br>by pushing<br>ost ground<br>s of mark<br>RPI figur<br>y firmer | h a value<br>ed figures.<br>ENTION (Smill<br>in a narrow<br>j it above I<br>today part<br>cet attentic<br>e.But when<br>from where | Valu<br>TOTAL (<br>Ition equivalo<br>Germany -<br>Holland -<br>Ireland +571<br>market conco<br>w range with a<br>before<br>ticularly aga<br>on today.It of<br>a yearly RPI<br>it began alth<br>DM/\$1.8720<br>Previous<br>7.8105<br>2474.08 | Antion changes<br>CHANGE IN RESERVES<br>* On conven-<br>no further<br>ent)<br>M<br>entrated on trading<br>high of DM1.8775<br>the weekend.Market<br>inst the Deutscheman<br>bende easier on the<br>figure of 5.7% was<br>hough slightly easie<br>Y/\$134.15<br>Today<br>7.81 | r market in<br>Italy<br>Japan<br>US<br>in cross c<br>but not wil<br>talk remai<br>rk.<br>back of fo<br>published<br>er as again | mption of<br>tervention.<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-                                | the<br>or<br>he<br>e and |

SECRET

| NONEY MARKETS                                 |                   |                               | Friday 16                                                             | th September 1988 |
|-----------------------------------------------|-------------------|-------------------------------|-----------------------------------------------------------------------|-------------------|
| INTEREST RATES                                | £ Int             | erbank                        | Eurodo                                                                | llar              |
|                                               | Today             | Change                        | Today                                                                 | Change            |
| +-<br>7 days                                  |                   | -+                            | 8 1/16                                                                | 0                 |
| +.<br>1 mth                                   | 11 5/8            | -+                            | 8 1/4                                                                 | 1/16              |
| +-<br>3 mth                                   | 12 3/16           | -+                            | 8 5/16                                                                | 1/16              |
| +-<br>12 mth                                  | 12 5/16           | 0                             | 8 3/4                                                                 | 1/16              |
| +-                                            |                   |                               | +                                                                     | Change            |
| 3 Mont                                        | th Treasury Bills | +                             |                                                                       | 1/16              |
| J HOIN                                        | in measury bries  | +                             |                                                                       | .,                |
| ANK MONEY MARKET OPI                          | ERATIONS          |                               |                                                                       |                   |
|                                               | Purchases £ m     | Rates                         | Discount Rate on E                                                    | igible Bank Bills |
| and 1 (0-14 days)                             |                   |                               | 11 3/8                                                                |                   |
| and 2 (15-31 days)                            |                   | 1                             | 11 1/2-7/                                                             | 16                |
| and 3 (32-63 days)                            |                   |                               | 11 3/4-11,                                                            | /16               |
| Band 4 (64-91 days)                           | 326               | 11 11/16                      | 11 3/4-23,                                                            | /32               |
| TOTAL BILLS                                   | 326               |                               | and the second second second                                          |                   |
| Repurchase                                    |                   |                               |                                                                       |                   |
| Lending                                       |                   | Average rate of di            | count 11.6348%                                                        |                   |
| TOTAL OPERATIONS                              | 326               | -+<br> against shortage<br>=+ | £300 m                                                                |                   |
|                                               |                   |                               |                                                                       |                   |
| IS RATES                                      |                   | +                             | 10 yr Tsy Bond<br>+                                                   | +                 |
|                                               | Today/Change      | 8.18 0.03                     | ÷                                                                     |                   |
| STOCK MARKET                                  |                   | FT Ind-Ord                    | FTSE                                                                  | Gilt index        |
|                                               | Today/Change      | 1421.3 -0.7                   | 1766.7 -2.6                                                           | 86.70 -0.01       |
| ADVET CONNENT                                 |                   |                               |                                                                       |                   |
| IARKET COMMENT                                |                   |                               |                                                                       | a law hat to d    |
| ILTS opened easier b<br>the nervousness.Altho | ough the market m | oved a little easier          | rries about inflations<br>still, some good to<br>d throughto the anno | vo way            |

SECRET

INDEXED LINKED were bid from the start and gained up to 3/8 at one stage. Sellers appeared at the higher levels but the market was still 1/4 better at the close.

EQUITIES opened easier in anticipation of a sharp increase in the RPI.Prices recovered some of the lost ground prior to the announcement which showed that annual inflation had jumped to 5.7%; the PSBR surplus for August of 1.5bn was largely ignored.The Account closed in moderate trading at just below's Thursday's close

Peter Smith

NAME: Peter Smith TEL NO: 270 4613

| GILT-EDGED MARKET                                                                                                                                                                                                                    |                                           |                                                                                                                                                      |                                                              | Friday 16th                                                                                                                                  | September 19                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| Transactions basis, cash val                                                                                                                                                                                                         | Lues (£m); s                              | ales + purchases                                                                                                                                     | 5 -                                                          |                                                                                                                                              |                                                                                                                              |
| ISSUE DEPARTMENT: MARKET TRA                                                                                                                                                                                                         | ANSACTIONS                                |                                                                                                                                                      |                                                              | Today                                                                                                                                        | September                                                                                                                    |
|                                                                                                                                                                                                                                      | attaun .                                  | Gross sales sh                                                                                                                                       | norts                                                        | 5.1                                                                                                                                          | 40.4                                                                                                                         |
|                                                                                                                                                                                                                                      |                                           | Gross sales med                                                                                                                                      | liums                                                        | 1                                                                                                                                            | 293.8                                                                                                                        |
|                                                                                                                                                                                                                                      | Gross sal                                 | es longs and und                                                                                                                                     | lated                                                        | 14.4                                                                                                                                         | 400.1                                                                                                                        |
|                                                                                                                                                                                                                                      | Gros                                      | s sales index-li                                                                                                                                     | inked                                                        | 17.9                                                                                                                                         | 227.7                                                                                                                        |
|                                                                                                                                                                                                                                      |                                           | Part paid c                                                                                                                                          | alls                                                         | 0.1                                                                                                                                          | 0.4                                                                                                                          |
| Buyir                                                                                                                                                                                                                                | ng in non-ne                              | ext maturities sh                                                                                                                                    | orts                                                         | -5.0                                                                                                                                         | -26.0                                                                                                                        |
| Buying                                                                                                                                                                                                                               | , in non-nex                              | t maturities med                                                                                                                                     | liums                                                        | -10.2                                                                                                                                        | -320.0                                                                                                                       |
| Buyi                                                                                                                                                                                                                                 | ing in non-n                              | ext maturities l                                                                                                                                     | ongs                                                         | -18.6                                                                                                                                        | -557.5                                                                                                                       |
| Buying in r                                                                                                                                                                                                                          | non-next mat                              | urities index-li                                                                                                                                     | nked                                                         | -26.2                                                                                                                                        | -273.1                                                                                                                       |
|                                                                                                                                                                                                                                      | CRND:                                     | Market transact                                                                                                                                      | ions                                                         | -0.1                                                                                                                                         | -27.2                                                                                                                        |
|                                                                                                                                                                                                                                      |                                           | TOTAL 'GROSS' S                                                                                                                                      | ALES                                                         | -22.6                                                                                                                                        | -241.4                                                                                                                       |
|                                                                                                                                                                                                                                      | Buying i                                  | n of next maturi                                                                                                                                     | ties                                                         |                                                                                                                                              | -28.8                                                                                                                        |
|                                                                                                                                                                                                                                      |                                           | Redempt                                                                                                                                              | ions                                                         | -4.7                                                                                                                                         | - 64                                                                                                                         |
|                                                                                                                                                                                                                                      | TOTAL TRAN                                | SACTIONS WITH MA                                                                                                                                     |                                                              | -38.3                                                                                                                                        | -276.6                                                                                                                       |
| Sales required to meet                                                                                                                                                                                                               |                                           |                                                                                                                                                      |                                                              |                                                                                                                                              |                                                                                                                              |
|                                                                                                                                                                                                                                      |                                           | target of £                                                                                                                                          |                                                              |                                                                                                                                              |                                                                                                                              |
|                                                                                                                                                                                                                                      | STOCKS                                    | target of £                                                                                                                                          |                                                              |                                                                                                                                              | e from<br>y's close                                                                                                          |
|                                                                                                                                                                                                                                      | STOCKS                                    |                                                                                                                                                      | e                                                            | Change                                                                                                                                       | y's close                                                                                                                    |
|                                                                                                                                                                                                                                      | STOCKS                                    | Yesterday's clos                                                                                                                                     | e<br>ent)                                                    | Change<br>yesterday                                                                                                                          | y's close<br>Yield (%                                                                                                        |
|                                                                                                                                                                                                                                      | STOCKS<br>P                               | Yesterday's clos<br>ar yield (per ce                                                                                                                 | e<br>ent)                                                    | Chango<br>yesterday<br>Price (£/32)                                                                                                          | y's close<br>Yield (%                                                                                                        |
|                                                                                                                                                                                                                                      | STOCKS<br>P<br>Shorts                     | Yesterday's clos<br>ar yield (per ce<br>10.428                                                                                                       | e<br>ent)                                                    | Chango<br>yesterday<br>Price (£/32)                                                                                                          | y's close<br>Yield (%<br>0.02<br>0.01                                                                                        |
| PRICES/YIELDS OF GILT-EDGED                                                                                                                                                                                                          | STOCKS<br>P<br>Shorts<br>Mediums          | Yesterday's clos<br>ar yield (per ce<br>10.428  <br>10.156                                                                                           | e<br>ent)                                                    | Change<br>yesterday<br>Price (£/32)<br>  -2<br>  -1                                                                                          | y's close<br>Yield (%<br>0.02<br>0.01<br>-0.00                                                                               |
| PRICES/YIELDS OF GILT-EDGED                                                                                                                                                                                                          | STOCKS<br>P<br>Shorts<br>Mediums          | Yesterday's clos<br>ar yield (per ce<br>1 10.428  <br>10.156  <br>9.671                                                                              | e<br>ent)                                                    | Chango<br>yesterday<br>Price (£/32)<br>  -2<br>  -1<br>  1                                                                                   | y's close<br>Yield (%<br>0.02<br>0.01<br>-0.00                                                                               |
| PRICES/YIELDS OF GILT-EDGED                                                                                                                                                                                                          | STOCKS<br>P<br>Shorts<br>Mediums          | Yesterday's clos<br>ar yield (per ce<br>1 10.428  <br>10.156  <br>9.671  <br>•<br>Price (f                                                           | e<br>ent)<br>                                                | Change<br>yesterday<br>Price (£/32)<br>  -2<br>  -1<br>  1<br>Yield (pe<br>Today                                                             | y's close<br>Yield (%<br>0.02<br>0.01<br>-0.00<br>er cent)<br>Change                                                         |
| PRICES/VIELDS OF GILT-EDGED<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992                                                                                                                                                             | STOCKS<br>P<br>Shorts<br>Mediums          | Yesterday's clos<br>ar yield (per ce<br>10.428  <br>10.156  <br>9.671  <br>Price (f<br>Today                                                         | e<br>ent)<br>:/32)<br>Change<br>-2                           | Change<br>yesterday<br>Price (£/32)<br>-2<br>-1<br>-1<br>1<br>1<br>Yield (pe<br>Today<br>10.52                                               | y's close<br>Yield (%<br>0.02<br>0.01<br>-0.00<br>er cent)<br>Change<br>0.03                                                 |
| PRICES/YIELDS OF GILT-EDGED<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'                                                                                                                                  | STOCKS<br>P<br>Shorts<br>Mediums          | Yesterday's clos<br>ar yield (per ce<br>  10.428  <br>  10.156  <br>  9.671  <br>Price (f<br>Today<br>  92 22                                        | e<br>ent)<br>:/32)<br>Change<br>-2                           | Chang<br>yesterday<br>Price (£/32)<br>-2<br>-2<br>-1<br>1<br>1<br>1<br>Yield (per<br>Today<br>10.52<br>10.11                                 | y's close<br>Yield (%<br>0.02<br>0.01<br>-0.00<br>er cent)<br>Change<br>0.03                                                 |
| PRICES/YIELDS OF GILT-EDGED<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07                                                                                                      | STOCKS<br>P<br>Shorts<br>Mediums          | Yesterday's clos<br>ar yield (per ce<br>1 10.428  <br>10.156  <br>9.671  <br>Price (£<br>Today<br>92 22  <br>92 3                                    | e<br>ent)<br>2/32)<br>Change<br>-2<br>-1<br>0                | Chango<br>yesterday<br>Price (£/32)<br>-2<br>-1<br>-1<br>1<br>1<br>Yield (po<br>Today<br>10.52<br>10.11<br>9.93                              | y's close<br>Yield (%<br>0.02<br>0.01<br>-0.00<br>er cent)<br>Change<br>0.03<br>0.00                                         |
| PRICES/YIELDS OF GILT-EDGED<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992                                                                                  | STOCKS<br>P<br>Shorts<br>Mediums          | Yesterday's clos<br>ar yield (per ce<br>10.428  <br>10.156  <br>9.671  <br>Price (f<br>Today<br>92 22  <br>92 3  <br>113 20                          | e<br>ent)<br>:/32)<br>Change<br>-2<br>-1<br>0<br>0           | Change<br>yesterday<br>Price (£/32)<br>-2<br>-1<br>1 -1<br>1<br>Yield (pe<br>Today<br>10.52<br>1 10.11<br>9.93<br>8.62                       | y's close<br>Yield (%<br>0.02<br>0.01<br>-0.00<br>er cent)<br>Change<br>0.03<br>0.00<br>0.00                                 |
| PRICES/YIELDS OF GILT-EDGED<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016                         | STOCKS<br>P<br>Shorts<br>Mediums          | Yesterday's clos<br>ar yield (per ce<br>  10.428  <br>  10.156  <br>  9.671  <br>Price (f<br>Today<br>  92 22  <br>  92 3  <br>  113 20  <br>  82 12 | e<br>ent)<br>:/32)<br>Change<br>-2<br>-1<br>0<br>0           | Change<br>yesterday<br>Price (£/32)<br>-2<br>-2<br>-1<br>1<br>1<br>1<br>Yield (pe<br>Today<br>10.52<br>10.11<br>9.93<br>8.62<br>3.94         | y's close<br>Yield (%<br>0.02<br>0.01<br>-0.00<br>er cent)<br>Change<br>0.03<br>0.00<br>0.00<br>0.01<br>0.04                 |
| PRICES/YIELDS OF GILT-EDGED<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016<br>2% Index-Linked 1994 | STOCKS<br>P<br>Shorts<br>Mediums          | Yesterday's clos<br>ar yield (per ce<br>1 10.428  <br>10.156  <br>9.671  <br>Price (£<br>Today<br>92 22  <br>92 3  <br>113 20  <br>82 12  <br>97 10  | se<br>ent)<br>5/32)<br>Change<br>-2<br>-1<br>0<br>0<br>0     | Change<br>yesterday<br>Price (£/32)<br>-2<br>-1<br>1 -1<br>1<br>1<br>Yield (pe<br>Today<br>10.52<br>10.11<br>9.93<br>8.62<br>3.94            | y's close<br>Yield (%<br>0.02<br>0.01<br>-0.00<br>er cent)<br>Change<br>0.03<br>0.00<br>0.00<br>0.01<br>0.04                 |
| PRICES/YIELDS OF GILT-EDGED                                                                                                                                                                                                          | STOCKS<br>P<br>Shorts<br>Mediums<br>Longs | Yesterday's clos<br>ar yield (per ce<br>1 10.428  <br>10.156  <br>9.671  <br>Price (£<br>Today<br>92 22  <br>92 3  <br>113 20  <br>82 12  <br>97 10  | e<br>ent)<br>(/32)<br>Change<br>-2<br>-1<br>0<br>0<br>6<br>8 | Chang<br>yesterday<br>Price (£/32)<br>-2<br>-2<br>-1<br>1<br>1<br>1<br>Yield (per<br>Today<br>10.52<br>10.11<br>9.93<br>8.62<br>3.94<br>3.58 | y's close<br>Yield (%<br>0.02<br>0.01<br>-0.00<br>er cent)<br>Change<br>0.03<br>0.00<br>0.00<br>0.00<br>0.01<br>0.04<br>0.09 |

NAME: Per TEL NO: 270

Peter Smith 270 4613

| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                         |                                                                                                                                     |                                                                                                                                                   |                                                                                                                                                                                  | E C R E T                                                                                                                                                                       |                                                                     | 1.                                                       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| EIGN EX                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | CHANGE MAR                                                                                                                                                                              |                                                                                                                                     |                                                                                                                                                   |                                                                                                                                                                                  |                                                                                                                                                                                 | nday 19 Sept<br>Xchange                                             | tember 1988                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |         |
| Previous<br>close                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                         |                                                                                                                                     | Tod<br>opening<br>8.30am                                                                                                                          | ay<br>close<br>4.00pm                                                                                                                                                            | since<br>Plaza                                                                                                                                                                  | currency<br>since<br>Paris                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 987     |
| 75.4<br>1.6762<br>3.1446<br>1.5155                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | \$<br>D                                                                                                                                                                                 | ERI<br>/£<br>M/£<br>CU/£                                                                                                            | 75.3<br>1.6775<br>3.1352<br>1.5127                                                                                                                | 75.3<br>1.6767<br>3.1371<br>1.513                                                                                                                                                | -8.2<br>22.0<br>-19.6                                                                                                                                                           | 9.0<br>9.7<br>12.4                                                  |                                                          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| 99.6<br>1.8760<br>134.20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | D                                                                                                                                                                                       | ERI<br>M/\$<br>en/\$                                                                                                                | 1.8690<br>133.77                                                                                                                                  | 99.4<br>1.871<br>133.72                                                                                                                                                          | -28.8<br>51.8<br>78.4                                                                                                                                                           | -4.4<br>-2.4<br>14.8                                                | -3.8                                                     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                                                                                                                    | CHANGE IN RESERVES<br>* On conver<br>no furthe                                                                                                                                  | er market ir<br>Italy<br>Japan<br>US                                | I -428  <br>mption of<br>itervention.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |         |
| on a do<br>(b) Spot f<br>date ba<br>DTHER COUN<br>Belgium<br>Denmark<br>France<br>France<br>MARKET COM<br>Very quiet<br>The dollar<br>the Far Eas<br>a narrow ra<br>Sterling op<br>lost 1/2 p                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | one date b<br>transaction<br>asis, as in<br>TRIES MARK<br>-<br>-<br>-<br>-<br>MENT<br>t day on the<br>drifted lu<br>st this mon<br>ange closin<br>pened the o                           | asis.<br>ns only on<br>n publishe<br>ET INTERVE<br>ET INTERVE<br>nower in Ne<br>rning ahea<br>ng just ab<br>day with m<br>later reg | a value<br>d figures.<br>NTION (\$mil<br>arkets.<br>W York on F<br>d of the G7<br>ove its New<br>parkets a li<br>pained its e                     | TOTAL<br>Lion equival<br>Germany -<br>Holland -<br>Ireland -<br>riday night<br>meeting lat<br>York Friday                                                                        | CHANGE IN RESERVES<br>* On conver-<br>no furthe<br>Lent)<br>on pre weekend bool<br>ter this week.Today<br>y night closes.<br>s of tomorrows UK me<br>es.                        | er market in<br>Italy<br>Japan<br>US<br>k squaring.1<br>in London 1 | I -428  <br>-428   aded in |
| (b) Spot f<br>date ba<br>OTHER COUN<br>Belgium<br>Denmark<br>France<br>ARKET COM<br>Very quiet<br>The dollar<br>the Far Eas<br>Denrow ra<br>Sterling of<br>Ost 1/2 p<br>Rates at 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | one date b<br>transaction<br>asis, as in<br>TRIES MARK<br>-<br>-<br>-<br>-<br>MENT<br>t day on the<br>drifted la<br>st this mon<br>ange closin<br>pened the of<br>fennig but            | asis.<br>ns only on<br>n publishe<br>ET INTERVE<br>ET INTERVE<br>nower in Ne<br>rning ahea<br>ng just ab<br>day with m<br>later reg | a value<br>d figures.<br>NTION (\$mil<br>NTION (\$mil<br>W York on F<br>d of the G7<br>bove its New<br>warkets a li<br>pained its e<br>13.1352 D  | TOTAL<br>Lion equival<br>Germany -<br>Holland -<br>Ireland -<br>Ireland -<br>riday night<br>meeting lat<br>York Friday<br>ttle nervous<br>arlier losse                           | CHANGE IN RESERVES<br>* On conver-<br>no furthe<br>Lent)<br>on pre weekend bool<br>ter this week.Today<br>y night closes.<br>s of tomorrows UK me<br>es.                        | er market in<br>Italy<br>Japan<br>US<br>k squaring.1<br>in London 1 | I -428  <br>-428   aded in |
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qu<br>Change                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             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1



| MONEY MARKETS                                                                                                    |                                                                                                                  |                                                                                           | Monday 19th September 1988                                        |                                |  |
|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------|--------------------------------|--|
| INTEREST RATES                                                                                                   | £ Inte                                                                                                           | rbank                                                                                     | Eurodo                                                            | llar                           |  |
| and the second | Today                                                                                                            | Change                                                                                    | Today                                                             | Change                         |  |
| 7 days                                                                                                           | 10 3/4                                                                                                           | -1/4                                                                                      | 8 1/16                                                            | 0                              |  |
| 1 mth                                                                                                            | 11 5/8                                                                                                           | 0                                                                                         | 8 1/8                                                             | -1/8                           |  |
| 3 mth                                                                                                            | 12 1/4                                                                                                           | 1/16                                                                                      | 8 1/4                                                             | -1/16                          |  |
| 12 mth                                                                                                           | 12 5/16                                                                                                          | 0                                                                                         | 8 3/4                                                             | 0                              |  |
| BILLS                                                                                                            |                                                                                                                  | Toda                                                                                      | у                                                                 | Change                         |  |
| 3 Mor                                                                                                            | nth Treasury Bills                                                                                               |                                                                                           | - 11 1/2                                                          | 0                              |  |
| BANK MONEY MARKET OF                                                                                             | PERATIONS<br>Purchases £ m                                                                                       | Rates                                                                                     | Discount Rate on E                                                | ligible Park Rills             |  |
| Band 1 (0-14 days)                                                                                               | Fulcidses I m<br>+                                                                                               | t                                                                                         | 11 1/8-11                                                         |                                |  |
| Band 2 (15-31 days)                                                                                              | <br>                                                                                                             | +                                                                                         |                                                                   |                                |  |
|                                                                                                                  | and the second | 1                                                                                         | 11 3/8-5/                                                         | 16                             |  |
| and the second | +                                                                                                                |                                                                                           | 11 3/8-5/                                                         |                                |  |
| Band 3 (32-63 days)                                                                                              | <br> <br>                                                                                                        | <br> <br> <br>                                                                            | 11 23/32-                                                         | 11/16                          |  |
|                                                                                                                  |                                                                                                                  | <br> <br> <br> <br> <br>                                                                  |                                                                   | 11/16                          |  |
| Band 3 (32-63 days)<br>Band 4 (64-91 days)<br>- TOTAL BILLS                                                      | 0                                                                                                                | <br> | 11 23/32-<br>11 3/4-23,                                           | 11/16                          |  |
| Band 3 (32-63 days)<br>Band 4 (64-91 days)<br>TOTAL BILLS<br>Repurchase                                          | 0                                                                                                                | <br> <br> <br> <br> <br> <br> <br>Due 22 September at                                     | 11 23/32-<br>11 3/4-23,                                           | 11/16                          |  |
| Band 3 (32-63 days)<br>Band 4 (64-91 days)<br>TOTAL BILLS<br>Repurchase<br>Lending                               | 0                                                                                                                | +<br> <br>+                                                                               | 11 23/32-<br>11 3/4-23,<br>10 1/8-1/4%                            | 11/16                          |  |
| Band 3 (32-63 days)<br>Band 4 (64-91 days)<br>TOTAL BILLS<br>Repurchase                                          | 0                                                                                                                | <br> | 11 23/32-<br>11 3/4-23,<br>10 1/8-1/4%                            | 11/16                          |  |
| Band 3 (32-63 days)<br>Band 4 (64-91 days)<br>TOTAL BILLS<br>Repurchase<br>Lending                               | 0                                                                                                                | +<br> <br> against surplus<br>+                                                           | 11 23/32-<br>11 3/4-23,<br>10 1/8-1/4%                            | 11/16<br>/32                   |  |
| Band 3 (32-63 days)<br>Band 4 (64-91 days)<br>TOTAL BILLS<br>Repurchase<br>Lending<br>TOTAL OPERATIONS           | 0                                                                                                                | against surplus<br>3 month CDs                                                            | 11 23/32-<br>11 3/4-23,<br>10 1/8-1/4%<br>200 m                   | 11/16<br>/32<br>20 yr Tsy Bond |  |
| Band 3 (32-63 days)<br>Band 4 (64-91 days)<br>TOTAL BILLS<br>Repurchase<br>Lending<br>TOTAL OPERATIONS           | 0<br>195<br>195                                                                                                  | against surplus<br>against surplus<br>a month CDs                                         | 11 23/32-<br>11 3/4-23,<br>10 1/8-1/4%<br>200 m<br>10 yr Tsy Bond | 11/16<br>/32<br>20 yr Tsy Bond |  |

#### MARKET COMMENT

GILTS opened easier, down 1/8 throughout, the market drifted off during a very quiet day to close 1/4 down throughout.

INDEX-LINKED opened firmer, shorts up 1/8 and longs 1/2, but fell away with profit taking at the longer end; shorts closed up 1/4 and longs 1/8 better.

EQUITIES were quietly steady until a weak Wall Street, reacting to lower U.S. Bonds, forced prices lower.

Carlin

NAME: Carl Davey TEL NO: 270 4613

| GILT-EDGED MARKET                                                                                                           |                 |                              |                          | Monday 19th S                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | eptember 19   |
|-----------------------------------------------------------------------------------------------------------------------------|-----------------|------------------------------|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| Transactions basis, cash values                                                                                             | (£m); sa        | les + purchases              | 5 -                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |               |
| ISSUE DEPARTMENT: MARKET TRANSA                                                                                             | CTIONS          |                              |                          | Today                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | September     |
|                                                                                                                             | - and           | Gross sales s                | norts                    | 4.9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 45.3          |
|                                                                                                                             |                 | Gross sales med              | diums .                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 293.8         |
| G                                                                                                                           | iross sale      | s Longs and und              | dated                    | 18.7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 418.8         |
|                                                                                                                             | Gross           | sales index-l                | inked                    | 14.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 241.8         |
|                                                                                                                             |                 | Part paid o                  | calls                    | 369.2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 369.6         |
| Buying i                                                                                                                    | t maturities sl | norts                        |                          | -26.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |               |
| Buying in                                                                                                                   | non-next        | maturities med               | diums                    | -11.8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | -331.8        |
| Buying                                                                                                                      | in non-ne       | xt maturities                | Longs                    | -25.8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | -583.3        |
| Buying in non-                                                                                                              | next matu       | rities index-l               | inked                    | -12.3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | -285.4        |
|                                                                                                                             | CRND:           | Market transact              | tions                    | -10.4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | -37.6         |
|                                                                                                                             |                 | TOTAL 'GROSS'                | SALES                    | 346.6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 105.2         |
|                                                                                                                             | Buying in       | of next matur                | ities                    | -0.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | -28.9         |
|                                                                                                                             |                 | Redemp                       | tions                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | -6.4          |
| тс                                                                                                                          | TAL TRANS       | ACTIONS WITH M               | ARKET                    | 346.5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 69.9          |
| PRICES/YIELDS OF GILT-EDGED STO                                                                                             | ocks            |                              |                          | Change                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | from          |
|                                                                                                                             |                 | esterday's clo               |                          | yesterday                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |               |
|                                                                                                                             |                 | r yield (per c               | +                        | Price (£/32)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |               |
|                                                                                                                             | shorts          | 10.478                       | •                        | -2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |               |
|                                                                                                                             | lediums         | 10.162                       | •                        | -8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 0.04          |
|                                                                                                                             | ongs            | 9.679                        | <b>!</b>                 | -9<br>+                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0.03          |
| REPRESENTATIVE STOCKS                                                                                                       |                 | Price (                      | £/32)                    | Yield (p                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | er cent)      |
|                                                                                                                             |                 | Today                        | Change                   | Today                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Change        |
|                                                                                                                             |                 | 92 12                        | -10                      | 10.63                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 0.11          |
| 8% Treasury 1992                                                                                                            |                 | +                            | -9                       | 10.16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 0.05          |
| 8% Treasury 1992<br>8 3/4 Treasury 1997 'C'                                                                                 |                 | 91 26                        |                          | State of the state |               |
|                                                                                                                             |                 | 113 11                       | +                        | 9.97                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 0.04          |
| 8 3/4 Treasury 1997 'C'                                                                                                     |                 | +                            | -9                       | +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |               |
| 8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07                                                                         |                 | 113 11                       | -9<br>  -2               | +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 0.03          |
| 8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992                                                     |                 | 113 11<br>  82 10            | -9<br>  -2<br>  4        | 8.65                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 0.03          |
| 8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016                         |                 | 113 11<br>  82 10<br>  97 14 | -9<br>  -2<br>  4        | 8.65<br>  3.93                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 0.03          |
| 8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016<br>2% Index-Linked 1994 |                 | 113 11<br>  82 10<br>  97 14 | -9<br>  -2<br>  4<br>  8 | 8.65<br>  3.93                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 0.03<br>-0.01 |

NAME: Carl TEL NO: 270

Carl Davey 270 4613

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ON COMFORTABLE WITH STERLING EXCHANGE RATE -WAS CONFORTABLE WITH THE CURRENT EXCHANGE RATE OF STERLING. DURING A PRESS BRIEFING, HE REPLIED TO A QUESTION ABOUT

Chancellor 12/2

GROUP OF SEVEN (GT) COUNTRIES EXCHANGE RATES BY SAYING, "I THINK NOST OF US ARE CONFORTABLE WITH THE RATES THAT THERE ARE AT THE PRESENT TIME."

STERLING, HE SAID, "YES."

20-SEP-1204. MON066 MONJ

LAY

CONTINUED ON NRAT

MONITOR SEE AAAA 1528

LAWSON COMFORTABLE WITH STERLING EXCHANGE RATE -PART 2 NRAT THE POUND WAS TRADING AT 3.1410/45 MARKS AT MIDDAY IN LONDON, UP FROM 3.1345/80 AT THE OPENING AND 3.1365/1400 AT

YESTERDAY'S CLOSE.

THE DOLLAR WAS TRADING QUIETLY TODAY AROUND 1.86 MARKS AND 134 YEN.

"THE DOLLAR/DEUTSCHEMARK RATE IS BANG IN THE LOUVRE RANGE NOW, " LAWSON SAID. "WE ARE BACK IN THE LOUVRE RANGE AND HAVE BEEN FOR SOME TIME.

"AS FAR AS THE DOLLAR/YEN RANGE IS CONCERNED, THE YEN IS NOW HIGHER BUT I THINK THAT IS WHOLLY APPROPRIATE WITH THE JAPANESE. ECONOMY'S PERFORMANCE," HE SAID. 20-SEF-1217. MONOS1 MONJ

CONTINUED FROM - NRAS ₽.

CONTINUED ON - NRBQ

MONITOR SEE AAAA 1528

LAWSON COMFORTABLE WITH STERLING EXCHANCE RATE -PART 3 NREQ HE SAID HE WAS NOT WORRIED ABOUT THE YEN'S STRENGTH. "I THINK, TOO, THE GERMANS FOR THEIR PART AT THE TIME OF THE LOUVRE

WOULD HAVE LIKED TO HAVE SEEN THE YEN A LITTLE BIT HIGHER (AGAINST THE MARK) SO I THINK THERE IS GENERAL SATISFACTION." SPEAKING TO JOURNALISTS BEFORE LEAVING THIS WEEK FOR THE SERIES OF INTERNATIONAL MONETARY MEETINGS IN WEST BERLIN, LAWSON SAID INTERNATIONAL ECONOMIC COOPERATION WAS WORKING VERY WELL: THE RECENT WAVE OF INTEREST NATE INCREASES HAD BEEN WHOLLY APPROPRIATE IN BOTH NATIONAL AND INTERNATIONAL TERMS, HE SAID.

20-SEP-1242. MONII4 MONK CUNTINUED FROM - NRAT

#### CONTINUED ON - NRBR

MONITOR SEE AAAA 1528

LAWSON COMFORTABLE WITH BIERLING EXCHANGE RATE FLART 4 为应为应 "IT HAS NOT IN ANY WAY CAUSED PROBLEMS WITH INTERNATIONAL

CBOPERATION," HE SAID. ASKED ABOUT WEST GERMANY, LAWSON NOTED ITS ECONOMY HAD BEEN PERFORMING BETTER THAN EXPECTED, LARGELY BECAUSE OF THE GROWTH IN THE WORLD ECONOMY.

"BUT I STILL THINK THEY HAVE DONE LESS THAN THEY SHUULD HAVE ON THE SUPPLY SIDE," HE ADDED.

HE SAID BRITISH MO NARROW MONEY SUPPLY MEASURE, WHICH NOSE 1.0 PCT IN AUGUST AND IS CURRENTLY RUNNING AT AN ANNUAL 7.8 PCT INCREASE COMPARED WITH THE ONE TO FIVE PCT TARGET KANGE, DID NOT REFLECT THE RECENT INTEREST RATE TIGHTENING. 20-SEP-1251. MON122 MONK CONTINUED FROM - NRBQ

CUMFORTABLE WITH STEALING EXCHANCE RATE -PARY 5 NRDC ST.HE SAID THE BROAD HONEY REGREGATES HAD BEEN CONSIDERABLY TTER THAN MARKETS HAD BEEN EXPECTING.

I REALLY DON'T THINK IT IS DENSIBLE TO PLACE ANY SIGNIFICANCE ON A SINGLE MONTH'S FIGURES: WE NEED TO SEE A RUN OF FIGURES, " HE ADDED.

LAWSON SAID THE EFFECTS OF BRITAIN'S TIGHTER MONETARY POLICY WILL BE SEEN IN STAGES, WITH THE HOUSING MARKET PROBABLY THE FIRST TO REACT AND THE CURRENT ACCOUNT PROBABLY THE LAST.

HE SAID BRITAIN'S RISING INFLATION RATE WAS LARGELY DUE TO THE SPEED OF THE COUNTRY'S GROWTH BUT HAD BEEN AGGRAVATED BY RISING PAY AWARDS. 20-SEP-1319. MON157 MONL CONTINUED FROM - NRBR

CONTINUED ON - NRDD

MONITOR SEE AAAA 1528

LAWSON COMFORTABLE WITH STERLING EXCHANGE RATE -PART 6-NRDD "THE WAGE CULTURE HAS NOT CHANGED ADEQUATELY AND THAT ADDS TO THE DIFFICULTIES," HE SAID.

LAWSON DOUBTED THE IMF/G7 MEETINGS WOULD BE EVENTFUL, WITH THE U.S. OCCUPIED BY A PRESIDENTIAL ELECTION.

DISCUSSIONS ON AN IMF QUOTA INCREASE WOULD LIKELY BE DEFERRED TO THE SPRING MEETING WHEN THE NEW U.S. ADMINISTRATION IS IN PLACE AND THE PROPOSAL FOR A GENERAL CAPITAL INCREASE FOR THE WORLD BANK HAS PASSED THROUGH CONGRESS, HE SAID.

HE ALSO EXPECTED A REAFFIRMATION OF G7 COOPERATION AND PROGRESS ON BRITAIN'S FLAN TO BRING DEBT RELIEF TO THE WORLD'S POOREST AFRICAN NATIONS. 20-SEF-1319. MON159 MONL

CONTINUED FROM - NRDC 1 ....

ENDS

MONITOR SEE AAAA i528

| REIGN EX                                                                                                                                                   | CHANGE MAR                                                                                  | KETS                                                                                  |                                                                     | NG EVENING                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Tues<br>Xc                                                                                                                                                 | day 20 Sep<br>hange<br>irrency                                                           | tember 1988                                                                                                                                                         |   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| revious<br>close                                                                                                                                           |                                                                                             |                                                                                       | To<br>opening<br>8.30am                                             | day<br>close<br>4.00pm                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | since<br>Plaza                                                                                                                                             | since<br>Paris                                                                           | since 16<br>October 1987                                                                                                                                            |   |
| 75.3<br>1.6767<br>3.1371<br>1.5130                                                                                                                         | \$<br>D                                                                                     | ERI<br>/f<br>M/f<br>CU/f                                                              | 75.3<br>1.6787<br>3.1361<br>1.5130                                  | 75.6<br>1.6865<br>3.1379<br>1.5162                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | -7.8<br>22.7<br>-19.6                                                                                                                                      | 9.4<br>10.4<br>12.4                                                                      | 2.7<br>1.3<br>4.7                                                                                                                                                   |   |
| 99.4<br>1.8710<br>133.72                                                                                                                                   | D<br>Y                                                                                      | ERI<br>M/\$<br>'en/\$                                                                 | 1.8682<br>134.1                                                     | 99.3<br>1.8665<br>134.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | -28.9<br>52.2<br>77.9                                                                                                                                      | -2.1<br>14.5                                                                             | 6.5                                                                                                                                                                 |   |
| ct \$13.15                                                                                                                                                 | 5 Nov \$13.                                                                                 | 35 Dec \$1                                                                            | 3.50 s                                                              | pot Brent Oct \$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 13.35 Nov \$13.55                                                                                                                                          | Dec \$13.7                                                                               |                                                                                                                                                                     |   |
| IK RESERVI                                                                                                                                                 | E TRANSACTI                                                                                 | ONS (Smill                                                                            | ion)                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                            |                                                                                          | ++                                                                                                                                                                  |   |
| a) -                                                                                                                                                       | Today                                                                                       | This<br>month                                                                         | Total<br>since<br>1 Apr 88                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | (b)                                                                                                                                                        |                                                                                          | Estimated  *<br> end-month <br> position                                                                                                                            |   |
|                                                                                                                                                            | 1 77 1                                                                                      | -135                                                                                  | 3493                                                                | Marke                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | t intervention                                                                                                                                             |                                                                                          | -126                                                                                                                                                                |   |
| - Sure                                                                                                                                                     | -89                                                                                         |                                                                                       | -1090                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | ket transactions                                                                                                                                           |                                                                                          | -206                                                                                                                                                                | 1 |
|                                                                                                                                                            | -12                                                                                         |                                                                                       | 2403                                                                | +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | TOTAL                                                                                                                                                      |                                                                                          | -332                                                                                                                                                                |   |
|                                                                                                                                                            |                                                                                             |                                                                                       |                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | t borrowing                                                                                                                                                |                                                                                          | -14  <br>++<br>  0                                                                                                                                                  |   |
|                                                                                                                                                            | and forward<br>done date b                                                                  |                                                                                       | ions                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Ation changes                                                                                                                                              |                                                                                          | ++                                                                                                                                                                  |   |
|                                                                                                                                                            |                                                                                             |                                                                                       |                                                                     | Service and the service of the servi | Salar and and                                                                                                                                              |                                                                                          | +=========+                                                                                                                                                         |   |
| DTHER COU                                                                                                                                                  | NTRIES MAR                                                                                  | KET INTERV                                                                            | ENTION (\$m                                                         | illion equivaler                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                            |                                                                                          | ntervention.                                                                                                                                                        |   |
| Belgium                                                                                                                                                    | NTRIES MAR                                                                                  | KET INTERV                                                                            | ENTION (\$m                                                         | Germany -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                            | Italy                                                                                    | +30 Ffr, +155DM                                                                                                                                                     |   |
| Belgium<br>Denmark<br>France                                                                                                                               | -                                                                                           |                                                                                       |                                                                     | Germany -<br>Holland -<br>Ireland -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | nt)                                                                                                                                                        | Italy<br>Japan<br>US                                                                     | +30 Ffr, +155DM<br>-<br>-                                                                                                                                           |   |
| Belgium<br>Denmark<br>France<br>MARKET CO<br>he dollar<br>about the<br>Sterling<br>focussed<br>ignored.<br>the dolla                                       | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | ower in Li<br>'s health<br>uiet in mo<br>ter than e<br>a lift to<br>away.             | ght tradin<br>affected t<br>prning trad<br>expected M4<br>the pound | Germany -<br>Holland -<br>Ireland -<br>in advance of<br>the yen which east<br>ing until the p                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | the G7 meeting the<br>sed against the do<br>ublication of the<br>the worse than pro-<br>high of 1.6872 ar                                                  | Italy<br>Japan<br>US<br>nis weekend<br>ollar.<br>money figu                              | +30 Ffr, +155DM<br>-<br>-<br>Japanese concerns                                                                                                                      |   |
| Belgium<br>Denmark<br>France<br>MARKET CO<br>he dollar<br>about the<br>Sterling<br>focussed<br>ignored.<br>the dolla<br>Rates at                           | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | ower in Li<br>'s health<br>uiet in mo<br>ter than e<br>a lift to<br>away.             | ght tradin<br>affected t<br>prning trad<br>expected M4<br>the pound | Germany -<br>Holland -<br>Ireland -<br>Ireland -<br>ing in advance of<br>the yen which east<br>ing until the pu<br>figure, while<br>which reached a<br>1/\$1.8650 Yen/\$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | the G7 meeting the<br>sed against the do<br>ublication of the<br>the worse than pro-<br>high of 1.6872 ar                                                  | Italy<br>Japan<br>US<br>nis weekend<br>ollar.<br>money figu                              | +30 Ffr, +155DM<br>-<br>-<br>Japanese concerns<br>res Attention<br>and M3 figures were                                                                              |   |
| Belgium<br>Denmark<br>France<br>MARKET CO<br>he dollar<br>about the<br>Sterling<br>focussed<br>ignored.<br>the dolla<br>Rates at<br>HONG KONG              | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | ower in Li<br>'s health<br>uiet in mo<br>ter than e<br>a lift to<br>away.             | ght tradin<br>affected t<br>prning trad<br>expected M4<br>the pound | Germany -<br>Holland -<br>Ireland -<br>Ireland -<br>ing in advance of<br>the yen which eas<br>ing until the pu<br>figure, while<br>which reached a<br>4/\$1.8650 Yen/\$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | the G7 meeting th<br>sed against the do<br>ublication of the<br>the worse than pro<br>high of 1.6872 ar<br>133.90.<br>Today                                | Italy<br>Japan<br>US<br>nis weekend<br>ollar.<br>money figu                              | +30 Ffr, +155DM<br>-<br>-<br>-<br>Japanese concerns<br>res Attention<br>and M3 figures were<br>round that level as                                                  |   |
| Belgium<br>Denmark<br>France<br>MARKET CO<br>he dollar<br>about the<br>Sterling<br>focussed<br>ignored.<br>the dolla<br>Rates at<br>HONG KONG              | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | ower in Li<br>'s health<br>uiet in mo<br>ter than e<br>a lift to<br>away.             | ght tradin<br>affected t<br>prning trad<br>expected M4<br>the pound | Germany -<br>Holland -<br>Ireland -<br>Ireland -<br>ing in advance of<br>the yen which eas<br>ing until the pu-<br>figure, while<br>which reached a<br>4/\$1.8650 Yen/\$<br>Previous<br>7.8112                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | the G7 meeting th<br>sed against the do<br>ublication of the<br>the worse than pre<br>high of 1.6872 ar<br>133.90.<br>Today<br>7.8113                      | Italy<br>Japan<br>US<br>nis weekend<br>ollar.<br>money figu                              | +30 Ffr, +155DM<br>-<br>-<br>Japanese concerns<br>res Artention<br>and M3 figures were<br>round that level as                                                       |   |
| Belgium<br>Denmark<br>France<br>MARKET CO<br>he dollar<br>about the<br>Sterling<br>focussed<br>ignored.<br>the dolla<br>Rates at<br>HONG KONG<br>Hong Kong | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | ower in li<br>'s health<br>uiet in mo<br>ter than e<br>a lift to<br>away.<br>1.6837 D | ght tradin<br>affected t<br>prning trad<br>expected M4<br>the pound | Germany -<br>Holland -<br>Ireland -<br>Ireland -<br>ing in advance of<br>the yen which easy<br>ing until the pu<br>figure, while<br>which reached a<br>4/\$1.8650 Yen/\$<br>Previous<br>7.8112<br>2447.58                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | the G7 meeting th<br>sed against the do<br>ublication of the<br>the worse than pro-<br>high of 1.6872 ar<br>133.90.<br>Today<br>7.8113<br>2423.23          | Italy<br>Japan<br>US<br>nis weekend<br>ollar.<br>money figu                              | +30 Ffr, +155DM<br>-<br>-<br>Japanese concerns<br>res Attention<br>and M3 figures were<br>round that level as                                                       |   |
| Belgium<br>Denmark<br>France<br>MARKET CO<br>he dollar<br>about the<br>Sterling<br>focussed<br>ignored.<br>the dolla<br>Rates at<br>HONG KONG<br>Hong Kong | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | ower in li<br>'s health<br>uiet in mo<br>ter than e<br>a lift to<br>away.<br>1.6837 D | ght tradin<br>affected t<br>prning trad<br>expected M4<br>the pound | Germany -<br>Holland -<br>Ireland -<br>Ireland -<br>ing in advance of<br>the yen which eas<br>ing until the pu-<br>figure, while<br>which reached a<br>4/\$1.8650 Yen/\$<br>Previous<br>7.8112                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | the G7 meeting th<br>sed against the do<br>ublication of the<br>the worse than pre<br>high of 1.6872 ar<br>133.90.<br>Today<br>7.8113<br>2423.23<br>8 3/8% | Italy<br>Japan<br>US<br>Dis weekend<br>Dilar.<br>money figu<br>edicted MO<br>nd closed a | +30 Ffr, +155DM<br>-<br>-<br>Japanese concerns<br>res Attention<br>and M3 figures were<br>round that level as<br>Change<br>-0.0001<br>-24.35<br>down 1/32%<br>Polin |   |
| Belgium<br>Denmark<br>France<br>MARKET CO<br>he dollar<br>about the<br>Sterling<br>focussed<br>ignored.<br>the dolla<br>Rates at<br>HONG KONG<br>Hong Kong | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | ower in li<br>'s health<br>uiet in mo<br>ter than e<br>a lift to<br>away.<br>1.6837 D | ght tradin<br>affected t<br>prning trad<br>expected M4<br>the pound | Germany -<br>Holland -<br>Ireland -<br>Ireland -<br>ing in advance of<br>the yen which east<br>ing until the pu<br>figure, while<br>which reached a<br>4/\$1.8650 Yen/\$<br>Previous<br>7.8112<br>2447.58<br>8 13/32%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | the G7 meeting th<br>sed against the do<br>ublication of the<br>the worse than pre<br>high of 1.6872 ar<br>133.90.<br>Today<br>7.8113<br>2423.23<br>8 3/8% | Italy<br>Japan<br>US<br>Dis weekend<br>Dilar.<br>money figu<br>edicted MO<br>nd closed a | +30 Ffr, +155DM<br>-<br>-<br>Japanese concerns<br>res Attention<br>and M3 figures were<br>round that level as<br>Change<br>-0.0001<br>-24.35<br>down 1/32%<br>Polin |   |

| MONEY MARKETS                                                                                               |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Tuesday a           | 20th SEptember 1988 |
|-------------------------------------------------------------------------------------------------------------|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| INTEREST RATES                                                                                              |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                     |                     |
|                                                                                                             | £ Inte                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Eurodo              | ollar               |
|                                                                                                             | Today                                  | Change<br>+                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Today<br>+          | Change<br>++        |
| 7 days                                                                                                      | 10 7/8                                 | 1/8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                     | 0                   |
| 1 mth                                                                                                       | 11 11/16                               | 1/16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 8 1/8               | 0                   |
| 3 mth                                                                                                       | 12                                     | -1/4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 8 1/4               | 0                   |
| 12 mth                                                                                                      | 12 1/8                                 | -3/16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 8 3/4               | 0                   |
| BILLS                                                                                                       |                                        | Toda                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | av                  | Change              |
| 3 Mor                                                                                                       | th Treasury Bills                      | +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | - 11 1/2            | ++<br>1 0 1         |
|                                                                                                             |                                        | +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                     | ++                  |
| BANK MONEY MARKET OF                                                                                        | PERATIONS                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                     |                     |
|                                                                                                             | Sales £m                               | Rates                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Discount Rate on E  | ligible Bank Bills  |
| Band 1 (0-14 days)                                                                                          | 90                                     | Due 22/9/88 at 10 /                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 11 1/4-11           |                     |
| Band 2 (15-31 days)                                                                                         |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 11 1/2-7/           | 16                  |
| Band 3 (32-63 days)                                                                                         |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 11 11/16-           | 21/32               |
| Band 4 (64-91 days)                                                                                         |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 11 45/64-           | 21/32               |
| - TOTAL BILLS                                                                                               | 90                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                     | +                   |
| Repurchase                                                                                                  |                                        | and the second s |                     |                     |
| +<br>Lending                                                                                                |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                     |                     |
| TOTAL OPERATIONS                                                                                            | 90                                     | ⊦<br> against surplus                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 100 m               |                     |
| +                                                                                                           |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                     |                     |
|                                                                                                             |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                     |                     |
| US RATES                                                                                                    |                                        | +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 10 yr Tsy Bond      | 20 yr Tsy Bond      |
|                                                                                                             | Today/Change                           | 8.17 0.00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 8.97 0.04           | 9.07 0.06           |
| STOCK MARKET                                                                                                |                                        | FT Ind-Ord                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | FTSE                | Gilt index          |
|                                                                                                             | Today/Change                           | 1430.0 11.4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 1772.1 12.2         | 87.03 0.43          |
|                                                                                                             |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                     |                     |
| MARKET COMMENT                                                                                              |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                     |                     |
| GILTS opened just a<br>list.Some of the 11.<br>strong rally began.A<br>advantage of a short<br>and longs 1. | 30 figures, particulthough most of the | larly M4 bank lendi                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | ng pleased the mar  | ket and a           |
| INDEXED LINKED saw si                                                                                       | horter issues up 1                     | 8 turn of the contu                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | av stocks up 5/8    | d Longe 7 (9        |
|                                                                                                             |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                     |                     |
| EQUITIES remained sto<br>in bank and building                                                               | Lending of 5.8bn w                     | as better than expe                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | cted and prices da  | ined a              |
| little ground.Further<br>Wall Street's early t                                                              | firmness, much of w                    | hich had been lost                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | by 5pm Clyde Petrol | aum'sf121mm         |
| rights issue to finar<br>market.                                                                            | nce the purchase of                    | North Sea oil and                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | gas assets did not  | disturb the         |

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SECRET

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TEL NO: 270 4613

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Peter Smith

| GILT-EDGED WARKET                   |                          | Tuesday 20th      | SEptember 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------------------|--------------------------|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transactions basis, cash values (fm | ); sales + purchases -   |                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| ISSUE DEPARTMENT: MARKET TRANSACTIO | NS                       | Today             | September                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| -                                   | Gross sales shorts       | I                 | 45.3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                                     | Gross sales mediums      | 1 34.3            | 1 328.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Gross                               | sales longs and undated  | 1 26.3            | 445.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                                     | Gross sales index-linked | 7.1               | 248.9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                                     | Part paid calls          | ļ                 | 369.6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Buying in nor                       | n-next maturities shorts | !                 | -26.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Buying in non-                      | -next maturities mediums | -29.1             | -360.9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Buying in no                        | on-next maturities longs | -32.5             | -615.8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Buying in non-next                  | maturities index-linked  | -17.7             | -303.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| CI                                  | RND: Market transactions | 0.6               | -37.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                                     | TOTAL 'GROSS' SALES      | -11.0             | and the second state of th |
| Buyiı                               | ng in of next maturities | 1 2.4             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                     | Redemptions              | I                 | -6.4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| TOTAL                               | FRANSACTIONS WITH MARKET | -8.6              | 61.3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                                     | Future c                 | alls              | +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Males required to meet *            | target of f              | m<br>=====        | +<br> <br>+===========                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| PRICES/YIELDS OF GILT-EDGED STOCKS  | Yesterday's close        | Chang<br>yesterda | e from<br>y's close                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                     | Par yield (per cent)     | Price (£/32)      | Yield (%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                                     | 10.539                   | 1 14              | -0.11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

REPRESENTATIVE STOCKS

8% Treasury 1992
8 3/4 Treasury 1997 'C'
11 3/4% Treasury 2003/07
3% Treasury 1992
2 1/2% Index-Linked 2016
2% Index-Linked 1994
GILT FUTURES

|                 |          | Open  | Close | Volume      |
|-----------------|----------|-------|-------|-------------|
| Long Contract   | December | 93.13 | 94.11 | 20310       |
| Medium Contract | 0        | 92.17 | 93.04 | 462         |
|                 | F        |       | NAME: | Peter Smith |

9.713

Today

93

92

114

82

97

94

Price (£/32)

19

12

16

30 |

2 |

Change

20

25 |

33 |

6 |

16 |

21

Longs

TEL NO:

Peter Smit 270 4613

-0.10 |

-0.22

-0.14 |

-0.12 |

-0.06 |

-0.03

-0.01 |

Change

31 |

Today

10.41 |

10.02 |

9.85 |

8.59

3.90

3.53

Yield (per cent)

20-SEP-0840. MON706 MONF Continued from - Nrlg

LAWSON COMFORTABLE WITH STERLING EXCHANGE RATE NRAS LONDON, SEPT 20, REUTER - CHANCELLOR NIGEL LAWSON SAID HE

DURING A PRESS BRIEFING, HE REPLIED TO A QUESTION ABOUT GROUP OF SEVEN (G7) COUNTRIES' EXCHANGE RATES BY SAYING, "I THINK MOST OF US ARE COMFORTABLE WITH THE RATES THAT THERE ARE AT THE PRESENT TIME."

AT THE PRESENT TIME." ASKED LATER AT THE PRESS BRIEFING IF THAT APPLIED TO STERLING, HE SATD, "YES."

20-SEP-1204, MON066 MONJ

CONTINUED ON - NRAT

FOREX - SEE INFO 0007

LAWSON COMFORTABLE WITH STERLING EXCHANGE RATE -PART 2 NRAT THE POUND WAS TRADING AT 3.1410/45 MARKS AT MIDDAY IN

LONDON, UP FROM 3.1345/80 AT THE OPENING AND 3.1365/1400 AT YESTERDAY'S CLOSE.

THE DOLLAR WAS TRADING QUIETLY TODAY AROUND 1.86 MARKS AND 134 YEN.

"THE DOLLAR/DEUTSCHEMARK RATE IS BANG IN THE LOUVRE RANGE NOW," LAWSON SAID. "WE ARE BACK IN THE LOUVRE RANGE AND HAVE BEEN FOR SOME TIME.

"AS FAR AS THE DULLAR/YEN RANGE IS CONCERNED, THE YEN IS NOW HIGHER BUT I THINK THAT IS WHOLLY APPROPRIATE WITH THE JAPANESE ECONOMY'S PERFORMANCE," HE SAID.

CONTINUED FROM - NRAS

CONTINUED ON - NRBQ

FOREX - SEE INFO 0807

LAWSON COMFORTABLE WITH STERLING EXCHANGE RATE -PART 3 NRBQ HE SAID HE WAS NOT WORRIED ABOUT THE YEN'S STRENGTH. "I THINK, TOO, THE GERMANS FOR THEIR PART AT THE TIME OF THE LOUVRE WOULD HAVE LIKED TO HAVE SEEN THE YEN A LITTLE BIT HIGHER (AGAINST THE MARK) SO I THINK THERE IS GENERAL SATISFACTION."

SERIES OF INTERNATIONAL ECONOMIC COOPERATION WAS WORKING VERY WELL.

THE RECENT WAVE OF INTEREST RATE INCREASES HAD BEEN WHOLLY APPROPRIATE IN BOTH NATIONAL AND INTERNATIONAL TERMS, HE SAID.

20-SEP-1242. MON114 MONK CONTINUED FROM - NRAT

CONTINUED ON - NRBR

LAWSON COMFORTABLE WITH STERLING EXCHANGE RATE -PART 4 NRBR

ASKED ABOUT WEST GERMANY, LAWSON NOTED ITS ECONOMY HAD BEEN PERFORMING BETTER THAN EXPECTED, LARGELY BECAUSE OF THE GROWTH

SIGNIFICANCE ON A SINGLE MONTH'S FIGURES. WE NEED TO SEE A RUN

WILL BE SEEN IN STAGES, WITH THE MOUSING MARKET PROBABLY THE FIRST TO REACT AND THE CURRENT ACCOUNT PROBABLY THE LAST.

20-SEP-1319. MON157 MONL

"THE WAGE CULTURE HAS NOT CHANGED ADEQUATELY AND THAT ADDS TO THE DIFFICULTIES," HE SAID. LAWSON DOUBTED THE IMF/G7 MEETINGS WOULD BE EVENTFUL, WITH

mom/pa.032

SECRET .

FROM: MISS M O'MARA DATE: 21 September 1988

CHANCELLOR OF THE EXCHEQUER

cc: Economic Secretary Sir P Middleton Sir G Littler Mr Peretz Mr Gieve Mr N P Williams OR

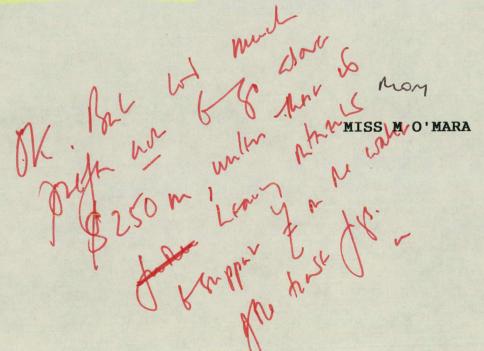
## SEPTEMBER END MONTH RESERVES FIGURE

We need to decide shortly what figure to publish for the underlying reserves change in September. Wednesday 28 is the last dealing day this month.

2. As of today, the reserves would show a true underlying fall of around \$500 million in September. We have, however, to allow for the possibility of some further intervention in support of sterling on publication of the UK trade figures next Tuesday.

3. We see some advantage in publishing a modest underlying fall this month, not least because it will be taken as evidence of the authorities' willingness to support the exchange rate at the beginning of the month. We therefore suggest it would be sensible to plan on the basis that we publish an underlying fall of around \$250 million on 4 October but that we accept the possibility that the figure might be slightly larger, if we need to intervene in the aftermath of the trade figures.

4. Are you content?



5 - 2

|                                                     |                                                                          |                                                                    |                                                        |                                             |               | 1                     | n                                            |                                                                                                 |              |
|-----------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------|---------------------------------------------|---------------|-----------------------|----------------------------------------------|-------------------------------------------------------------------------------------------------|--------------|
|                                                     |                                                                          |                                                                    |                                                        |                                             | SECRET        | /.                    |                                              | M                                                                                               |              |
| FOREIGN EX                                          |                                                                          | DVETC                                                              |                                                        | MG EN                                       | VENING REPORT | Und                   | 15 vobaa                                     | eptember 1988                                                                                   |              |
| FOREIGN EX                                          | CHANGE HA                                                                | RKETS                                                              |                                                        |                                             |               | X.                    | change<br>urrency                            | eptember 1900                                                                                   | -            |
| Previous<br>  close                                 |                                                                          |                                                                    | To<br>opening<br>8.30am                                |                                             |               | since<br>Plaza        | since<br>Paris                               |                                                                                                 |              |
| 75.6<br>1.6787<br>3.1479<br>1.5162                  | :                                                                        | £ERI<br>\$/£<br>DM/£<br>ECU/£                                      | 75.4<br>1.6822<br>3.1410<br>1.5148                     | 75.3<br>1.6755<br>3.1394<br>1.1549          |               | -8.2<br>21.9<br>-19.6 | 9.0<br>9.6<br>12.5                           | 2.3<br>0.7<br>4.8                                                                               |              |
| 99.3<br>1.8665<br>134.10                            | ľ,                                                                       | \$ERI<br>DM/\$<br>Yen/\$                                           | 1.8672<br>134.10                                       | 99.5<br>1.8737<br>134.17                    |               | -28.7<br>51.6<br>77.8 | -4.3<br>-2.5<br>14.4                         | -3.9<br>6.5                                                                                     |              |
| Oct \$13.3                                          | 5 Nov \$13                                                               | 3.55 Dec \$                                                        | \$13.70 \$                                             | Spot Brent                                  | Oct \$13.35   | Nov \$13.5            | 5 Dec \$13.                                  | 70                                                                                              |              |
| UK RESERVE                                          | TRANSACT                                                                 | IONS (\$mill                                                       | lion)                                                  |                                             | ्रेक          |                       |                                              |                                                                                                 |              |
| (a) +                                               | Today                                                                    |                                                                    | Total<br>since<br>1 Apr 88                             |                                             |               | (b)                   |                                              | ++<br> Estimated  *<br> end-month <br> position  <br>++                                         |              |
|                                                     | -1                                                                       | -136                                                               |                                                        |                                             | Market interv | vention               |                                              | -127                                                                                            |              |
|                                                     | 3                                                                        |                                                                    |                                                        | Of                                          | f-market tran | nsactions             |                                              | -206                                                                                            |              |
| 1 1                                                 | 2                                                                        |                                                                    | 2405                                                   |                                             | TOTAL         |                       |                                              | -333                                                                                            |              |
|                                                     |                                                                          |                                                                    |                                                        |                                             | Net borrow    | wing                  |                                              | -14  <br>++                                                                                     |              |
| (a) Spot a<br>on a d                                | nd forward<br>one date b                                                 |                                                                    | ions                                                   |                                             | Valuation cha |                       |                                              | 0  <br>++                                                                                       |              |
| and the start of the                                |                                                                          |                                                                    |                                                        | TOT                                         | TAL CHANGE IN | RESERVES              |                                              | -347                                                                                            |              |
|                                                     |                                                                          | ons only on<br>in publishe                                         |                                                        |                                             | *             |                       | tional assu<br>r market in                   | mption of<br>tervention.                                                                        |              |
| OTHER COUN                                          | TRIES MARK                                                               | ET INTERVE                                                         | NTION (Smi                                             | Llion equi                                  | valent)       |                       |                                              |                                                                                                 |              |
| Belgium                                             | _                                                                        |                                                                    |                                                        | Germany                                     | -3\$          |                       | Italy                                        | +269DM                                                                                          |              |
| Denmark                                             |                                                                          |                                                                    |                                                        | Holland                                     | -             |                       | Japan                                        |                                                                                                 |              |
| France                                              | - annihilat in                                                           |                                                                    |                                                        | Ireland                                     | -             |                       | US                                           | -                                                                                               |              |
| that the<br>fears .The<br>outcome of<br>Sterling sa | <b>US economy</b><br>dollar tra<br>the weeke<br>aw some se<br>t the trad | was slow<br>ded at the<br>end's G7 me<br>elling on p<br>le balance | <b>ing down.T</b><br>e top end<br>eting.<br>rofit taki | <b>he contin</b><br>of recent<br>ng followi | days' ranges  | s and the r           | <b>price als</b><br>narket is<br>noney suppl | afternoon sugges<br>o eased inflati<br>now focussing on<br>y figures.Howeve<br>the market ahead | onary<br>the |
| Rates at 5                                          | :07pm. \$1.                                                              | 6757 DM3.                                                          | 1419 DM/\$                                             | 1.8750 Ye                                   | n/\$134.26.   |                       | 001                                          | jebe.                                                                                           |              |
| HONG KONG                                           |                                                                          |                                                                    |                                                        | Previous                                    | 1             | loday                 |                                              | Change                                                                                          |              |
| Hong Kong d                                         | dollar                                                                   |                                                                    |                                                        | 7.8113                                      | 7             | .8115                 |                                              | -0.0002                                                                                         |              |
| Hang Seng 1                                         | Index                                                                    |                                                                    |                                                        | 2423.23                                     |               | 2432                  |                                              | 8.77                                                                                            |              |
| 3 month int                                         | terbank ra                                                               | te                                                                 |                                                        | 8 3/8%                                      | 8 5/          | 16%                   |                                              | down 1/16%                                                                                      |              |
|                                                     |                                                                          |                                                                    |                                                        |                                             |               |                       | ME: I.C.Po                                   | Lin                                                                                             |              |

TEL NO: 270-5556

SECRET

| INTEREST RATES      |                                      |                    | Wednesda         | y 21st September 19 |  |  |
|---------------------|--------------------------------------|--------------------|------------------|---------------------|--|--|
|                     | £ Intc                               | rbank              | Eurod            | lollar              |  |  |
|                     | Today                                | Change             | Today            | Change              |  |  |
| 7 days              | +                                    | +                  | +<br>  8 1/16    | 0                   |  |  |
| 1 mth               | 11 11/16                             | U                  | 8 3/16           | +1/16               |  |  |
| 3 mth               | 12 1/16                              | +                  | 8 1/4            | 1 0                 |  |  |
| 12 mth              | 12 3/16                              | ++1/16             | 8 3/4            | 1 0                 |  |  |
| BILLS               | +=================================== | +                  | +                | Change              |  |  |
|                     |                                      |                    | ay<br>           | Change<br>+         |  |  |
| 5 MOI               | nth Treasury Bills                   | 11 5/8             | - 11 1/2         |                     |  |  |
| ANK MONEY MARKET O  | PERATIONS                            |                    |                  |                     |  |  |
|                     | Purchases £ m                        | Rates              | Discount Rate on | Eligible Bank Bills |  |  |
| Band 1 (0-14 days)  |                                      | 1                  | 11 3/8-1         | /8                  |  |  |
| Band 2 (15-31 days) | 1                                    | [                  | 1 11 9/16-7/16   |                     |  |  |
| and 3 (32-63 days)  |                                      |                    | 11 23/32-11/16   |                     |  |  |
| and 4 (64-91 days)  |                                      |                    | 11 45/64-11/16   |                     |  |  |
| TOTAL BILLS         | 0                                    | 1                  |                  |                     |  |  |
| Repurchase          |                                      | Due 23 September a | t 10 1/4%        |                     |  |  |
| Lending             |                                      |                    |                  |                     |  |  |
| TOTAL OPERATIONS    | 75                                   | against surplus    | £ 100 m          |                     |  |  |
|                     |                                      |                    |                  |                     |  |  |
| IS RATES            |                                      | 3 month CDs        | 10 yr Tsy Bond   | 20 yr Tsy Bond      |  |  |
|                     | Today/Change                         | +                  | +                | 9.04 -0.03          |  |  |
| TOCK MARKET         | · · · · · ·                          | FT Ind-Ord         | +                | Gilt index          |  |  |
| TOOR IMARET         |                                      | +                  | FTSE             |                     |  |  |
|                     | Today/Change                         | 1443.8 13.8        | 1 1796.8 24.7    | 87.04 0.01          |  |  |

NAME: Carl Davey TEL NO: 270 4613

## SECRET

.

SECRET

|                                                                      |         |                   |        |               | Wednesday 21                     | st Septembe |  |
|----------------------------------------------------------------------|---------|-------------------|--------|---------------|----------------------------------|-------------|--|
| Transactions basis, cash values                                      | (£m); s | ales + purc       | hases  | -             |                                  |             |  |
| ISSUE DEPARTMENT: MARKET TRANSAC                                     | TIONS   |                   |        |               | Today September                  |             |  |
|                                                                      |         | Gross sal         | es sh  | orts          | 4.8                              | 50.         |  |
|                                                                      |         | Gross sale        | s med  | liums         | 21.3                             | 349.        |  |
| Gr                                                                   | oss sal | es longs an       | d und  | lated         | 47.4                             | 492.        |  |
|                                                                      | Gros    | s sales ind       | ex-li  | nked          | 2.8                              | 251.        |  |
|                                                                      |         | Part p            | aid c  | alls          | 0.1                              | 369.        |  |
| Buying in                                                            | non-ne  | xt maturiti       | es sh  | orts          | +<br>                            | -26.0       |  |
| Buying in                                                            | non-nex | t maturitie       | s med  | liums         | -25.0                            | -385.       |  |
| Buying i                                                             | n non-n | ext maturit       | ies l  | ongs          | -52.4                            | -668.       |  |
| Buying in non-n                                                      | ext mat | urities ind       | ex-li  | nked          | -4.1                             | -307.       |  |
|                                                                      | CRND:   | Market tra        | nsact  | ions          | 0.2                              | -36.        |  |
|                                                                      |         | TOTAL 'GRO        | ss' s  |               | -4.9                             |             |  |
| В                                                                    | uying i | n of next m       | aturi  |               | -0.2                             | -26.        |  |
|                                                                      |         | Re                | dempt  | ions          | +<br>                            | -6.         |  |
| тот                                                                  | AL TRAN | SACTIONS WI       | TH MA  |               | -5.1                             |             |  |
| Sales required to meet *                                             |         | target of         |        |               | n -                              |             |  |
| PRICES/YIELDS OF GILT-EDGED STOC                                     |         | Yesterday's close |        |               | Change from<br>yesterday's close |             |  |
|                                                                      | Р       | ar yield (p       | er ce  | nt)           | Price $(f/32)$                   | Yield (     |  |
| Sh                                                                   | orts    |                   | 341    |               | -4                               |             |  |
| Me                                                                   | diums   | 10.               | 074    |               | -2                               |             |  |
| Lo                                                                   | ngs     | 9.                | 589    |               | -4                               | 0.0         |  |
| REPRESENTATIVE STOCKS                                                |         | Pri               |        | (32)          | Yield (p                         | er cent)    |  |
|                                                                      |         |                   |        |               | Today                            |             |  |
| 3% Treasury 1992                                                     |         | +                 | 28     |               | +                                | +           |  |
| 3 3/4 Treasury 1997 'C'                                              |         | +                 | 16     | -3            | +                                | +           |  |
|                                                                      |         | +                 | 8 1    |               |                                  |             |  |
| 11 3/4% Treasury 2003/07                                             |         | 1 82              | 16     |               | +                                |             |  |
| 11 3/4% Treasury 2003/07<br>3% Treasury 1992                         |         | 1 97              | 28 1   | -2            |                                  |             |  |
| 5% Treasury 1992                                                     |         |                   | +      | -2            | +                                |             |  |
| and the supervised of the second second                              |         | +                 | i      |               |                                  | 0.0         |  |
| 3% Treasury 1992<br>2 1/2% Index-Linked 2016                         |         | +                 | ‡      |               | +                                |             |  |
| 5% Treasury 1992<br>2 1/2% Index-Linked 2016<br>2% Index-Linked 1994 |         | +                 |        | Open          | Close                            |             |  |
| 5% Treasury 1992<br>2 1/2% Index-Linked 2016<br>2% Index-Linked 1994 |         | +                 | +<br>+ | Open<br>94.04 | CLose<br>94.06                   | Volume      |  |
| 5% Treasury 1992                                                     |         |                   | +      | -2            | 3.54                             |             |  |

| +                                                                                  |                                                                                                                  |                 |                   |                 | SECREI       | . / /            | r                     | N              |    |  |  |
|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-----------------|-------------------|-----------------|--------------|------------------|-----------------------|----------------|----|--|--|
|                                                                                    |                                                                                                                  |                 |                   | MG E            | ENING REPOR  | 2T               | 1                     | 1              |    |  |  |
| FOREIGN I                                                                          | EXCHANGE MAR                                                                                                     | KETS            |                   | ino Et          |              | Thu              | rsday 22 Se<br>change | eptember 1988  |    |  |  |
| Previous                                                                           |                                                                                                                  |                 | Tor               | day             |              | urrency<br>since | irrency               |                |    |  |  |
| close                                                                              |                                                                                                                  |                 | opening<br>8.30am | close<br>4.00pm |              | since<br>Plaza   | Paris                 | October 198    | 7  |  |  |
| 75.3                                                                               | and the second | ERI<br>/£       | 75.2              | 75.1            |              | -8.4 21.5        | 8.7<br>9.2            | 2.0            |    |  |  |
| 3.1394                                                                             | DM/£ 3.1393 3.<br>ECU/£ 1.5135 1.1                                                                               |                 |                   |                 |              | -19.7            | 12.3                  | 4.6            |    |  |  |
| 99.5                                                                               |                                                                                                                  | ERI             | _                 | 99.7            |              | -28.6            | -4.1                  | -0.5           |    |  |  |
| 1.8737                                                                             | D                                                                                                                | M/\$<br>en/\$   | 1.8770 134.50     | 1.8775          |              | 51.3<br>77.3     | -2.7<br>14.1          | -4.1 6.2       |    |  |  |
| Oct \$13.35 Nov \$13.55 Dec \$13.70 Spot Brent Oct \$13.40 Nov \$13.55 Dec \$13.70 |                                                                                                                  |                 |                   |                 |              |                  |                       |                |    |  |  |
| UK RESERV                                                                          | VE TRANSACTI                                                                                                     | ONS (Smill      | ion)              |                 | *.a          |                  |                       |                |    |  |  |
| (a)                                                                                |                                                                                                                  |                 | +                 |                 |              | (b)              |                       | ++             |    |  |  |
| (4)                                                                                | <br>  Today                                                                                                      | This  <br>month | Total  <br>since  |                 |              | (5)              |                       | Estimated  *   |    |  |  |
|                                                                                    |                                                                                                                  |                 | 1 Apr 88          |                 |              |                  |                       | position       |    |  |  |
|                                                                                    | -9                                                                                                               | -145            | 3483              |                 | Market inte  | ervention        |                       | -136           |    |  |  |
|                                                                                    | -74                                                                                                              |                 | -1161             | 01              | ff-market tr | ansactions       |                       | -205           |    |  |  |
| and the second                                                                     | -83                                                                                                              | -497            | 2322              |                 | TOTAL        | -                |                       | -341           |    |  |  |
|                                                                                    | ++                                                                                                               | 4               | +                 |                 | Net borr     | owing            |                       | -14            |    |  |  |
|                                                                                    | and forward                                                                                                      |                 | ons               |                 | Valuation o  | hanges           |                       | 0              |    |  |  |
| on a                                                                               | done date b                                                                                                      | asis.           |                   | тот             | TAL CHANGE   | IN RESERVES      |                       | -355           |    |  |  |
|                                                                                    |                                                                                                                  |                 |                   |                 |              |                  |                       | +======+       |    |  |  |
|                                                                                    | t transactio<br>basis, as i                                                                                      |                 |                   |                 | *            |                  | tional assu           |                |    |  |  |
|                                                                                    |                                                                                                                  |                 |                   |                 |              | no furthe        | r market in           | tervention.    |    |  |  |
| OTHER COU                                                                          | JNTRIES MARK                                                                                                     | ET INTERVE      | NTION (Smil       | lion equi       | ivalent)     |                  |                       |                |    |  |  |
| Belgium                                                                            | -                                                                                                                |                 |                   | Germany         | -31\$        |                  | Italy                 |                |    |  |  |
| Denmark                                                                            |                                                                                                                  |                 |                   | Holland         | -            |                  | Japan                 | -              |    |  |  |
| France                                                                             | -                                                                                                                |                 |                   | Ireland         | -            |                  | US                    | -50\$ agnst DM |    |  |  |
|                                                                                    |                                                                                                                  |                 |                   |                 |              |                  |                       |                |    |  |  |
| MARKET CO                                                                          | MMENT                                                                                                            |                 |                   |                 |              |                  |                       |                |    |  |  |
|                                                                                    |                                                                                                                  |                 | nges on fea       | irs of pos      | sible Centr  | al Bank int      | ervention a           | nd in advance  | of |  |  |
|                                                                                    | end's G7 mee<br>eased as ma                                                                                      |                 | d nervously       | towards         | next week's  | trade figu       | res.                  |                |    |  |  |
|                                                                                    |                                                                                                                  |                 |                   |                 |              |                  | 1                     |                |    |  |  |
| Rates at                                                                           | 5:50pm. \$1.                                                                                                     | 6680 DM3.       | 1330 DM/\$1       | .8783 Ye        | en/\$134.67. |                  | (Sal                  |                |    |  |  |
|                                                                                    |                                                                                                                  |                 |                   |                 |              |                  | 10 an                 | <u>k.</u>      |    |  |  |
| HONG KONG                                                                          | •                                                                                                                |                 |                   | Previous        |              | Today            |                       | Change         |    |  |  |
| Hong Kong                                                                          | dollar                                                                                                           |                 |                   | 7.8115          |              | 7.8115           |                       | 0              |    |  |  |
| Hang Seng                                                                          | Index                                                                                                            |                 |                   | 2432            |              | 2455.84          |                       | 23.84          |    |  |  |
| 3 month i                                                                          | nterbank ra                                                                                                      | te              |                   | 8 5/16%         | 8            | 1/4%             |                       | down 1/16%     |    |  |  |
|                                                                                    |                                                                                                                  |                 |                   |                 |              | N                | AME: I.C.Po           |                |    |  |  |
|                                                                                    |                                                                                                                  |                 |                   |                 |              | TEL              | NO: 270-55            | 56             |    |  |  |

5.

SECRET

MONEY MARKETS Thursday 22nd September 1988 **INTEREST RATES** £ Interbank Eurodollar Today Change Today Change 7 days 11 1/8 0 8 3/16 1/8 1 mth 0 8 1/8 -1/16 11 11/16 12 3/32 0 3 mth 1/32 8 1/4 8 11/16 12 mth | 12 5/32 -1/16 -1/32 -----BILLS Change Today 3 Month Treasury Bills 11 9/16 -11 7/16 -1/16 BANK MONEY MARKET OPERATIONS Discount Rate on Eligible Bank Bills Purchases £ m Rates Band 1 (0-14 days) 11 1/4-11 Band 2 (15-31 days) 11 9/16-1/2 Band 3 (32-63 days) 11 23/32-11/16 Band 4 (64-91 days) 59 11 23/32-11/16 111 11/16 TOTAL BILLS 59 ==== Repurchase Lending 50 TOTAL OPERATIONS 109 100 m |against shortage £ \_\_\_\_ 3 month CDs 10 yr Tsy Bond 20 yr Tsy Bond **US RATES** 9.02 -0.02 | 8.92 8.15 -0.02 Today/Change -0.01 STOCK MARKET FT Ind-Ord FTSE Gilt index 0.02 | 1440.7 -3.1 1788.7 87.06 Today/Change -8.1 MARKET COMMENT GILTS had a quiet day. The opening was slightly easier on exchange rates; shorts were off 1/8, mediums 1/8 and longs 3/16. Prices recovered during the day, with some switching to longer issues reported. Shorts closed unhanged mediums down 1/16 and longs unchanged.

SECRET

INDEX-LINKED lost 1/8.

EQUITIES were easier and drifted lower with Sterling. CGL slipped back 55p on the triple hurdles facing Minorco- price, the South African connection and the possisble referral to MMC. BP is to sell 20% of one of its fields in the North Sea; the company has delayed the sale of part of its Gold subsiduary on account of the weak Bullion prices.

Carl Darget

NAME: Carl Davey TEL NO: 270 4613

| GILT-EDGED MARKET                     |                |      |                                | Thursday 22nd    | d September   |  |
|---------------------------------------|----------------|------|--------------------------------|------------------|---------------|--|
| Transactions basis, cash values (fm); | sales + purch  | ases |                                | mar sau y LLin   | a ocpremoti   |  |
| ISSUE DEPARTMENT: MARKET TRANSACTIONS | succes · purch |      |                                | Today            | September     |  |
|                                       | Gross sale     | s sh | orts                           | +                | 50.           |  |
|                                       | Gross sales    |      | A CARLES STREET.               | 29.0             | 378.          |  |
| Gross sa                              | les longs and  |      |                                | +                | 568.          |  |
|                                       | ss sales inde  |      |                                | +                | 253.          |  |
| GIO                                   |                |      | State of the                   | +                | 369.          |  |
| Duving in ser a                       | Part pa        |      | No. Section and the section of | +                | +             |  |
| Buying in non-n                       |                |      | A. A. Martin                   | +                | -26.<br>-413. |  |
| Buying in non-ne<br>Buying in non-    |                |      | a final a sub-                 | -116.3           | +             |  |
|                                       |                |      |                                | +                | +             |  |
| Buying in non-next ma                 |                |      |                                | -1.8             | +             |  |
| CRND                                  | : Market tran  |      |                                | 16.9             | +             |  |
|                                       | TOTAL 'GROS    |      |                                | -21.6            | +==========   |  |
| Buying                                | in of next ma  |      | A Martin State State           | ÷                | 4.            |  |
|                                       |                |      | ions .                         | -0.1<br>9.5      | +             |  |
| TOTAL TRA                             | NSACTIONS WIT  | н ма |                                | +=======         |               |  |
| Sales required to meet *              |                |      |                                |                  | e from        |  |
| PRICES/YIELDS OF GILT-EDGED STOCKS    | Yesterday's    | clos | e                              | yesterda         |               |  |
|                                       | Par yield (pe  | r ce |                                | Price (£/32)     |               |  |
| Shorts                                | 10.3           | 40   |                                | 1                | -0.0          |  |
| Mediums                               | 1 10.0         | 69   |                                | -1               | 0.0           |  |
| Longs                                 | 9.5            | 74   |                                | 1                | -0.0          |  |
| REPRESENTATIVE STOCKS                 | Pric           | e (£ | /32)                           | Yield (per cent) |               |  |
|                                       | Today          |      | Change                         | Today            | Change        |  |
| 8% Treasury 1992                      | 1 92           | 30   | 2                              | 10.43            | -0.(          |  |
| 8 3/4 Treasury 1997 'C'               | 1 92           | 12   | -4                             | 10.06            | 0.0           |  |
| 11 3/4% Treasury 2003/07              | 1 114          | 9    | 1                              | 9.85             | -0.(          |  |
| 3% Treasury 1992                      | 82             | 16   | 0                              | 8.59             | 0.0           |  |
| 2 1/2% Index-Linked 2016              | 1 97           | 22   | -6                             | 3.92             | 0.0           |  |
| 2% Index-Linked 1994                  | 1 94           | +    | 0                              | 3.54             | 0.0           |  |
| GILT FUTURES                          | +              | +    |                                |                  |               |  |
|                                       |                |      | Open                           | Close            | Volume        |  |
|                                       |                |      |                                |                  |               |  |
| Long Contract                         | December       | +    | 94.02                          | 94.07            | 1135          |  |

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TEL NO:

270 4613

chex.nh/mw/58

SECRET





FROM: MISSUM P WALLACE DATE: 22 September 1988

MISS O'MARA

cc Economic Secretary Sir P Middleton Sir G Littler Mr Peretz Mr Gieve Mr N P Williams

SEPTEMBER END MONTH RESERVES FIGURES

The Chancellor was grateful for your minute of 21 September.

2. He is content with what you propose, but he would much prefer not to go beyond \$250 million, unless there is any heavy intervention next week.

MOIRA WALLACE

MR A.C.S Allan 12/2

CHIEF NOT UNDULY CONCERNED BY DOLLAR RISE

WEST BERLIN, SEFT 22, REUTER - MICHEL CAMDESSUS, MANAGING UIRECTOR OF THE INTERNATIONAL MONETARY FUND (IMF), SAID A RECENT UPWARD TREND IN THE DOLLAR MIGHT MAKE A REDUCTION OF THE U.S. BALANCE OF FAYMENTS DEFICIT MORE DIFFICULT.

HOWEVER, AT A NEWS CONFERENCE AT THE START OF THIS YEAR'S ANNUAL MEETING OF THE IMF AND WORLD BANK IN WEST BERLIN, HE ADDED: "(THIS SITUATION) DOES NOT AS SUCH JUSTIFY TOO MANY WORRIES." HE ADDED "CENTRAL BANKS ARE NOT TOD UNHAPPY WITH THE

SITUATION AND I SHARE THEIR JUDGEMENT." ACCORDS BY MAJOR NATIONS HAD NOT CREATED FULL, FOREIGN EXCHANGE STABILITY BUT HAD REDUCED VOLATILITY, HE SAID. 22-SEP-1055, MON575 MONM

CONTINUED DN - NREN

REM

REUTER MONITOR

IMF CHIEF NOT UNDULY CONCERNED BY DOLLAR RISE - PART 2 TREN CAMDESSUS SAID INTERNATIONAL TRADE IMBALANCES WERE NOT BEING REDUCED AS RAPIDLY AS WOULD HAVE BEEN DESIRED, BUT NOTED THIS PROCESS WAS PART OF A MEDIUM TERM STRATEGY.

ALL COUNTRIES HAD TO FLAY THEIR PART IN THE PROCEES. THE UNITED STATES SHOULD MAKE USE OF AN OPPORTUNITY TO REDUCE 118 BUDGET DEFICIT, HE SAID.

CAMDESSUS ALSO STRESSED THE INTERDEPENDENCE OF ALL MALOR INDUSTRIAL COUNTRIES AND THE NEED FOR THEM. TO TAKE THE CONCERNS OF OTHERS INTO CONSIDERATION. IN A REFERENCE TO THE SEVEN LEADING INDUSTRIAL DEMOCRACIES, HE SAID: "NO ONE OF THE SEVEN COUNTRIES CAN IGNORE THE OTHERS." 22-SEP-1109. MON595 MONM

CONTINUED FROM - NREM 120

CONTINUED ON - NRED

REUTER MONITOR 1252

IMF CHIEF NOT UNDULY CONCERNED BY DOLLAR RISE -PART 3 NREO CAMDESSUS EXPRESSED SATISFACTION WITH CURRENT ECONOMIC GROWTH IN THE INDUSTRIALISED WORLD, DESPITE SIGNS, MOST RECENTLY FROM THE UNITED STATES, THAT RATES OF EXPANSION MAY BE SLOWER THAN PREVIOUSLY EXPECTED.

HE PREDICTED FOUR PCT GROWTH IN THE INDUSTRIAL COUNTRIES THIS YEAR AND A SLIGHT SLOWDOWN IN 1989. THE MOST RECENT INDICATIONS OF SLOWDOWN WERE NOT SUFFICIENT TO MAKE THE IMP ADJUST ITS FORECASTS.

CURRENT ECONOMIC EXPANSION HAD NOT BEEN ACCOMPANIED BY INFLATIONARY EXPECTATIONS, HE ADDED.

22-SEP-1110. MON597 MONM CONTINUED FROM - NREN E

ENDS

NEWS SEE AAAA-1315 CAMDESSUS MAKES PLEA FOR IMF FUNDS INCREASE

A PAR

NREY WEST BERLIN, SEPT 22, REUTER - INTERNATIONAL MONETARY FUND F) MANAGING DIRECTOR MICHEL CAMDESSUS BEGAN THIS YEAR'S WORLD BANK ANNUAL MEETING WITH A STRONG APPEAL FOR AN INCREASE IN THE RESOURCES OF HIS ORGANISATION.

AT A NEWS CONFERENCE ON THE FIRST OF EIGHT DAYS OF TALKS IN WEST BERLIN, CAMDESSUS ALSO SAID THAT COMMERCIAL BANKS WOULD HAVE TO CONSIDER BRINGING DEBT FORGIVENESS INTO THEIR MENU OF OPTIONS FOR DEALING WITH THE GLOBAL DEBT PROBLEM. NOTING THE IMF HAD TO DECIDE ON A RISE IN IMP. MEMBERS

QUOTAS, THE ALLOCATIONS OF FUNDS THEY MAKE TO THE FUND, BY NEXT APRIL, HE SAID: "YES, WE NEED A SUBSTANTIAL QUOTA INCREASE." 22-SEP-1129. MON628 MONM

CONTINUED ON - NREZ

## NEWS - SEE AAAA 1313

CAMDESSUS MAKES FLEA FOR IMF FUNDS INCREASE -PART 2 ON THE QUESTION OF COMMERCIAL BANKS' FORGIVING DEBTS OF MIDDLE-INCOME COUNTRIES, INCLUDING LATIN AMERICAN DEBTORS, CAMDESSUS BELIEVED MORE BANKS WOULD CONSIDER THE CONCEPT.

"I THINK THIS HAS TO BE CONSIDERED, HAS TO FIND ITS PLACE IN THE MENU." IT WAS UP TO COMMERCIAL BANKS TO CONSIDER HOU THEY COULD BEST MAKE A CONTRIBUTION TO THE FINANCING PACKAGES OF DEBTOR COUNTRIES.

DEBT FORGIVENESS BY GOVERNMENT CREDITORS OWED MONEY BY THE WORLD'S VERY PODREST COUNTRIES WAS AN EASIER MATTER TO DECIDE. HE SAID. IN THESE CASES, CAMDESSUS HAD "NO DOURT THAT DEBT & FORGIVENESS IS IN ORDER". 22-SEP-1129. MON629 MONM CONTINUED FROM - NREY

CONTINUED ON - NREA

NEWS - SEE AAAA 1315

CAMDESSUS MAKES PLEA FOR IMF FUNDS .INCREASE -PART . 3 NREA CAMDESSUS NOTED THE IMF NEELED A 50 PCT RISE IN ITS CURRENT RESOURCES OF AROUND 115 BILLION DLRS JUST TO KEEP PACE WITH GROWTH IN THE WORLD ECONOMY OVER THE LAST FIVE YEARS. .

BUT HE ADDED THAT THE IMF HAD BORROWED MONEY IN THE 1980S AND SAID THESE CREDITS HAD TO BE REDUCED, IF NOT ELIMINATED ALTOGETHER. "IF WE ELIMINATE THE BORROWING ALTOGETHER, THEN WE SHOULD DOUBLE THE QUOTAS," HE SALD.

THE UNITED STATES HAS VOICED OBJECTIONS TO A RISE IN THE QUOTES. CAMDESSUS CONCEDED A BOUBLING OF THE FUND'S RESOURCES Would be "A BIG JUMP". "THEREFORE A POSSIBLE SOLUTION WOULD BE IN THE MIDDLE," HE SAID. 22-SEP-1143. MON656 MONM CONTINUED FROM - NREZ

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NEWS - SEE AAAA 1315

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CAMDESSUS WEIGHS GREATER ROLE FOR SDR NRF WEST BERLIN, SEPT 22, REUTER - INTERNATIONAL MONETARY FUND (IMF) MANAGING DIRECTOR MICHEL CAMDESSUS SAID CONSIDERATION HAD TO BE GIVEN TO INCREASING THE ROLE OF THE FUND'S CURRENCY, THE SPECIAL DRAWING RIGHT (SDR), IN THE WORLD ECONOMY.

HE TOLD A NEWS CONFERENCE AT THE START OF THE ANNUAL IMF/WORLD BANK MEETING: "WE HAVE TO ASK HOW THE SDR COULD OR NOT PLAY A CENTRAL ROLE -- AS THE ECU (EUROPEAN CURRENCY UNIT) PLAYS IN THE EMS (EUROPEAN MONETARY SYSTEM)." HE STRESSED THAT HE WAS NOT MAKING PROFOSALS BUT JUST RAISING QUESTIONS AS SOMEONE WHOSE JOB IT WAS TO PROMOTE FOREIGN EXCHANGE RATE STABILITY.

22-SEP-1158. MON694 MONN

CONTINUED ON - NREN

NEWS - SEE AAAA 1315

CAMDESSUS WEIGHS GREATER ROLE FOR SDR -PART 2 CAMDESSUS SAID IT WOULD BE NAIVE TO BELIEVE THAT THE EXPERIENCE OF THE EMS COULD BE TRANSLATED TO THE GLOBAL ECONOMY, BUT THE QUESTION HAD TO BE RAISED AS TO HOW THE WORLD MONETARY SYSTEM COULD BE BETTER ANCHORED. typ1./pej/ln/if2/7.22.9.3p

Winch Winch RNS Wantts ece, cc PPS d'gaminh? Mr Mr Mr Mr Mr Mr Mr

SIR TERENCE BURNS

FROM: SUSIE SYMES DATE: 23 September 1988

Sir Geoffrey Littler\* Mr Lankester Mr H P Evans o.r\* Mr S Matthews\* Mr Hood \*with book

# PETER KENEN ON MANAGING EXCHANGE RATES

I attach an advance copy of Professor Kenen's book 'Managing Exchange Rates' which will be published in London on 28 September, and in the United States in a few weeks.

Susie Stryes

SUSIE SYMES

WEEKLY INTEREST/EXCHANGE RATE AND COMMODITY PRICE TABLES

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CIRCULATION LIST -----DATE: 23th SEPTEMBER 1988

CHANCELLOR'S OFFICE MR. S. BROOKS 88/G MR. J.W. GRICE 89/G MISS R. MCROBBIE 107/G MISS M. O'MARA 108/G MRS C. RYDING 110/G MR. P. MOUNTFIELD 80/1 MR. J. ODLING-SMEE 45/2 MR. N.J. MONCK 46/2 SIR P.E. MIDDLETON 78A/2 MR. H. WALSH 108/3 Ms. V.F. LIFE 109/3 MR. M.C. SCHOLAR 87/2 MR. S. PICKFORD 97/2 MR. P.S. CURWEN 98/2 MR. J. MCLAREN 33/3 SIR J.G. LITTLER 113/2 MR. R. MOLAN 81/1 MR. R.E. DEANE 41/3 MR. T.P. LANKESTER 116/2 SIR T. BURNS 119/2 MR. A.M. DOLPHIN 32/3 MR. M. LYON 34/3 MR. D. OWEN 36/3 Ms. C. TURK 35A/3 MR. P.N. SEDGWICK 39/3 MR. S.W. MATTHEWS 104/3 MR. D. SAVAGE 106/3 MR. H.P. EVANS 107/3 MR. W. HOOD 30A/3 MR. PERETZ 84/G MR. P. ELWOOD 106/3 MR. D. RAMSDEN 106/3 MR. G. YOUNG 112/G

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Please inform Bina Doshi (ext: 5374 - room : 31/3) if there are any changes to be made to this list.



## THREE MONTH INTEREST RATES IN THE SIX MAJOR COUNTRIES

|     |               |         |        |         |       |       |      |        | -WORLD | BASKETS | -       |         |        |            |
|-----|---------------|---------|--------|---------|-------|-------|------|--------|--------|---------|---------|---------|--------|------------|
|     |               |         |        |         |       |       |      |        | USI    | NG      |         | -UNCOVE | RED DI | FFERENTIAL |
|     |               |         |        |         |       |       |      |        | (A)    | (B)     | UK RATI | E UK-   |        |            |
|     |               |         |        | WORLD R | ATES  |       |      | - EURO | USA CD | EURODOL | INTER   | WORLD   | UK-    | UK-        |
|     |               | CANADA  | FRANCE | GERMANY | ITALY | JAPAN | USA  | DOLLAR | RATE   | RATE    | BANK    | BASKET  | USA    | GERMANY    |
|     | and allow     | 1       | 2      | 3       | 4     | 5     | 6    | 7      | 8      | 9       | 10      | 11      | 12     | 13         |
| 987 | QTR1          | 7.45    | 8.26   | 4.18    | 11.48 | 4.24  | 6.05 | 6.34   | 6.20   | 6.30    | 10.60   | 4.40    | 4.27   | 6.42       |
|     | QTR2          | 8.41    | 8.13   | 3.80    | 10.64 | 3.92  | 6.85 | 7.07   | 6.27   | 6.34    | 9.18    | 2.91    | 2.11   | 5.38       |
|     | QTR3          | 8.99    | 7.89   | 3.97    | 12.00 | 4.08  | 6.98 | 7.15   | 6.45   | 6.51    | 9.81    | 3.36    | 2.66   | 5.84       |
|     | QTR4          | 8.88    | 8.47   | 4.13    | 11.76 | 4.54  | 7.76 | 7.96   | 6.84   | 6.91    | 9.20    | 2.36    | 1.23   | 5.07       |
| 988 | QTR1          | 8.55    | 7.94   | 3.41    | 11.11 | 4.36  | 6.74 | 6.91   | 6.18   | 6.24    | 9.01    | 2.83    | 2.10   | 5.60       |
|     | QTR2          | 9.05    | 7.81   | 3.62    | 10.91 | 4.49  | 7.25 | 7.41   | 6.37   | 6.42    | 8.34    | 1.97    | 0.93   | 4.72       |
| 987 | SEP           | 9.32    | 7.88   | 4.03    | 12.56 | 4.15  | 7.43 | 7.56   | 6.69   | 6.73    | 10.12   | 3.44    | 2.56   | 6.09       |
|     | ост           | 9.20    | 8.19   | 4.79    | 12.13 | 4.80  | 8.21 | 8.48   | 7.13   | 7.22    | 9.93    | 2.81    | 1.45   | 5.14       |
|     | NOV           | 8.63    | 8.61   | 3.95    | 11.58 | 4.34  | 7.39 | 7.55   | 6.67   | 6.73    | 8.97    | 2.30    | 1.42   | 5.02       |
|     | DEC           | 8.89    | 8.56   | 3.70    | 11.63 | 4.47  | 7.76 | 7.96   | 6.75   | 6.82    | 8.75    | 2.00    | 0.79   | 5.05       |
| 988 | JAN           | 8.65    | 8.31   | 3.44    | 10.91 | 4.35  | 6.96 | 7.17   | 6.31   | 6.38    | 8.92    | 2.61    | 1.75   | 5.47       |
|     | FEB           | 8.50    | 7.58   | 3.37    | 11.00 | 4.32  | 6.63 | 6.79   | 6.07   | 6.12    | 9.22    | 3.15    | 2.43   | 5.85       |
|     | MAR           | 8.53    | 8.03   | 3.42    | 11.44 | 4.40  | 6.65 | 6.79   | 6.20   | 6.25    | 8.83    | 2.64    | 2.04   | 5.41       |
|     | APR           | 8.83    | 8.13   | 3.43    | 10.88 | 4.19  | 6.92 | 7.11   | 6.25   | 6.32    | 8.32    | 2.06    | 1.21   | 4.89       |
|     | MAY           | 8.98    | 7.90   | 3.56    | 10.78 | 4.27  | 7.27 | 7.44   | 6.36   | 6.42    | 8.03    | 1.67    | 0.59   | 4.47       |
|     | JUN           | 9.34    | 7.39   | 3.89    | 11.13 | 4.42  | 7.56 | 7.67   | 6.49   | 6.53    | 8.74    | 2.24    | 1.07   | 4.85       |
|     | JUL           | 9.34    | 7.33   | 4.95    | 11.28 | 4.80  | 7.94 | 8.23   | 6.85   | 6.90    | 10.53   | 3.68    | 2.30   | 5.58       |
|     | AUG           | 9.80    | 7.63   | 5.35    | 11.28 | 4.88  | 8.38 | 8.50   | 7.25   | 7.28    | 11.25   | 4.00    | 2.75   | 5.90       |
| 988 | JUL 4         | 9.23    | 7.31   | 4.50    | 11.25 | 4.83  | 7.70 | 7.81   | 6.65   | 6.69    | 10.14   | 3.49    | 2.33   | 5.64       |
|     | JUL 11        | 9.35    | 7.25   | 4.95    | 11.12 | 4.72  | 7.90 | 8.06   | 6.82   | 6.87    | 10.22   | 3.40    | 2.16   | 5.27       |
|     | <b>JUL 18</b> | 9.39    | 7.38   | 5.35    | 11.25 | 4.88  | 8.05 | 8.31   | 6.98   | 7.07    | 11.03   | 4.05    | 2.72   | 5.68       |
|     | <b>JUL 25</b> | 9.40    | 7.38   | 5.00    | 11.38 | 4.78  | 8.12 | 8.75   | 6.94   | 6.98    | 10.72   | 3.78    | 1.97   | 5.72       |
|     | AUG 1         | 9.49    | 7.38   | 5.35    | 11.38 | 4.75  | 8.15 | 8.25   | 7.01   | 7.04    | 10.81   | 3.80    | 2.56   | 5.46       |
|     | AUG 8         | 9.66    | 7.38   | 5.25    | 11.25 | 4.83  | 8.20 | 8.37   | 7.00   | 7.01    | 10.91   | 3.91    | 2.54   | 5.66       |
|     | AUG 15        | 9.93    | 7.69   | 5.38    | 11.25 | 4.92  | 8.50 | 8.69   | 7.39   | 7.46    | 11.03   | 3.64    | 2.34   | 5.65       |
|     | AUG 22        | 9.90    | 7.75   | 5.40    | 11.25 | 4.95  | 8.55 | 8.62   | 7.43   | 7.45    | 11.41   | 3.98    | 2.79   | 6.01       |
|     | AUG 29        | 10.00   | 7.94   | 5.38    | 11.25 | 4.94  | 8.50 | 8.56   | 7.43   | 7.45    | 12.09   | 4.66    | 3.53   | 6.71       |
|     | SEPT 5        | 10.14   | 8.00   | 5.00    | 11.38 | 5.09  | 8.42 | 8.37   | 7.38   | 7.37    | 12.34   | 4.96    | 3.97   | 7.34       |
|     | SEPT 12       | 2 10.32 | 8.10   | 5.00    | 11.63 | 5.01  | 8.24 | 8.37   | 7.35   | 7.40    | 12.13   | 4.78    | 3.76   | 7.13       |
|     | SEPT 19       | 9 10.52 | 8.00   | 4.95    | 11.63 | 5.01  | 8.20 | 8.25   | 7.32   | 7.33    | 12.13   | 4.81    | 3.88   | 7.18       |

| Column 1.  | 90 DAY BANKERS ACCEPTANCES                     |
|------------|------------------------------------------------|
| Column 2.  | 3 MONTH MONEY MARKET RATE                      |
| Column 3.  | 3 MONTH INTER BANK                             |
| Column 4.  | 3 MONTH INTER BANK                             |
| Column 5.  | 3 MONTH CERTIFICATE OF DEPOSIT                 |
| Column 6.  | 3 MONTH CERTIFICATE OF DEPOSIT IN NEW YORK     |
| Column 11. | USA CD RATE(COLUMN 8) USED FOR WORLD BASKET    |
| Column 12. | 3 MONTH EURODOLLAR RATE(COLUMN 7) USED FOR USA |

QUARTERLY AND MONTHLY FIGURES ARE AVERAGES OF THE WEEKLY DATA THE WEEKLY FIGURES REPRESENT THE CLOSING VALUES FOR THAT DATE



### USA INTEREST RATES

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|      |         |             |          |             |         | 10 YEAR    |
|------|---------|-------------|----------|-------------|---------|------------|
|      |         |             | THREE    | MONTH RATES | s       | COMMERCIAL |
|      |         |             | TREASURY |             | EURO    | BOND       |
|      |         |             | BILLS    |             | DOLLAR  | MOODY AAA  |
|      |         | FED FUNDS   | (RUST)   | CD'S        | ( REU ) | ( REB )    |
|      |         | (OVERNIGHT) | (V2626)  | NEW YORK    | (V2627) | (V2625)    |
| 1987 | QTR1    | 6.16        | 5.66     | 6.05        | 6.34    | 8.37       |
|      | QTR2    | 6.60        | 5.87     | 6.85        | 7.07    | 9.16       |
|      | QTR3    | 6.82        | 6.08     | 6.98        | 7.15    | 9.72       |
|      | QTR4    | 6.98        | 5.92     | 7.76        | 7.96    | 10.22      |
| 1988 | QTR1    | 6.67        | 5.86     | 6.74        | 6.91    | 9.57       |
|      | QTR2    | 7.09        | 6.40     | 7.25        | 7.41    | 9.81       |
| 1987 | AUG     | 6.75        | 6.05     | 6.81        | 7.02    | 9.66       |
|      | SEP     | 7.12        | 6.47     | 7.43        | 7.56    | 10.14      |
|      | ост     | 7.36        | 6.24     | 8.21        | 8.48    | 10.55      |
|      | NOV     | 6.81        | 5.74     | 7.39        | 7.55    | 10.05      |
|      | DEC     | 6.82        | 5.82     | 7.76        | 7.96    | 10.11      |
| 1988 | JAN     | 6.82        | 5.92     | 6.96        | 7.17    | 9.97       |
|      | FEB     | 6.62        | 5.81     | 6.63        | 6.79    | 9.41       |
|      | MAR     | 6.56        | 5.87     | 6.65        | 6.79    | 9.39       |
|      | APR     | 6.75        | 6.04     | 6.92        | 7.11    | 9.65       |
|      | MAY     | 7.04        | 6.48     | 7.27        | 7.44    | 9.89       |
|      | JUN     | 7.50        | 6.65     | 7.56        | 7.67    | 9.87       |
|      | JUL     | 7.69        | 6.91     | 7.94        | 8.11    | 9.94       |
|      | AUG     | 8.05        | 7.26     | 8.38        | 8.50    | 10.09      |
| 1988 | MAY 9   | 6.87        | 6.48     | 7.20        | 7.37    | 9.84       |
|      | MAY 16  | 7.00        | 6.43     | 7.20        | 7.37    | 9.83       |
|      | MAY 23  | 7.12        | 6.48     | 7.35        | 7.50    | 9.97       |
|      | MAY 30  | 7.25        | 6.62     | 7.50        | 7.69    | 10.04      |
|      | JUN 6   | 7.44        | 6.63     | 7.48        | 7.62    | 9.98       |
|      | JUN 13  | 7.44        | 6.62     | 7.50        | 7.56    | 9.89       |
|      | JUN 20  |             | 6.57     | 7.62        | 7.75    | 9.86       |
|      | JUN 27  | 7.56        | 6.79     | 7.65        | 7.75    | 9.80       |
|      | JUL 4   | 7.50        | 6.73     | 7.70        | 7.81    | 9.82       |
|      | JUL 11  | 7.56        | 6.91     | 7.90        | 8.06    | 9.88       |
|      | JUL 18  | 7.81        | 6.90     | 8.05        | 8.31    | 10.00      |
|      | JUL 25  | 7.87        | 7.10     | 8.12        | 8.25    | 10.04      |
|      | AUG 1   | 7.87        | 7.11     | 8.15        | 8.25    | 10.03      |
|      | AUG 8   | 7.75        | 7.10     | 8.20        | 8.37    | 10.02      |
|      | AUG 15  | 8.37        | 7.27     | 8.50        | 8.69    | 10.15      |
|      | AUG 22  | 8.06        | 7.27     | 8.55        | 8.62    | 10.15      |
|      | AUG 29  | 8.19        | 7.55     | 8.50        | 8.56    | 10.10      |
|      |         | 8.09        | 7.42     | 8.42        | 8.37    | 10.08      |
|      | SEPT 12 |             | 7.44     | 8.24        | 8.37    | 9.93       |
|      | SEPT 19 |             | 7.37     | 8.20        | 8.25    | 9.79       |



## DOLLAR EXCHANGE RATES WITH FIVE MAJOR OECD COUNTRIES

|           | EFFECTIVE -<br>EXCHANGE | FRANCE | GERMANY | ITALY | JAPAN  | CANADA |
|-----------|-------------------------|--------|---------|-------|--------|--------|
|           | RATE -                  |        |         |       |        |        |
| 1987 QTR1 | 104.2                   | 6.13   | 1.84    | 1306  | 153.2  | 1.34   |
| QTR2      | 101.1                   | 6.03   | 1.81    | 1300  | 142.6  | 1.33   |
| QTR3      | 102.5                   | 6.13   | 1.84    | 1331  | 150.0  | 1.32   |
| QTR4      | 97.0                    | 5.75   | 1.71    | 1249  | 135.7  | 1.31   |
| 1988 QTR1 | 94.2                    | 5.67   | 1.68    | 1236  | 128.1  | 1.27   |
| QTR2      | 93.5                    | 5.78   | 1.71    | 1268  | 125.7  | 1.23   |
| 1987 AUG  | 103.3                   | 6.20   | 1.86    | 1346  | 147.6  | 1.33   |
| SEP       | 100.9                   | 6.05   | 1.81    | 1309  | 143.1  | 1.32   |
| ОСТ       | 100.5                   | 6.02   | 1.80    | 1302  | 143.3  | 1.31   |
| NOV       | 96.5                    | 5.71   | 1.68    | 1239  | 135.4  | 1.32   |
| DEC       | 93.9                    | 5.54   | 1.64    | 1205  | 128.5  | 1.31   |
| 1988 JAN  | 93.9                    | 5.59   | 1.66    | 1218  | 127.9  | 1.29   |
| FEB       | 95.0                    | 5.73   | 1.70    | 1249  | 129.2  | 1.27   |
| MAR       | 93.6                    | 5.69   | 1.68    | 1240  | 127.1  | 1.25   |
| APR       | 92.7                    | 5.68   | 1.67    | 1241  | 124.9  | 1.24   |
| MAY       | 93.0                    | 5.73   | 1.69    | 1259  | 124.8  | 1.24   |
| JUN       | 94.8                    | 5.93   | 1.76    | 1304  | 127.4  | 1.22   |
| JUL       | 98.1                    | 6.22   | 1.85    | 1366  | 133.1  | 1.2    |
| AUG       | 99.5                    | 6.39   | 1.89    | 1394  | 133.64 | 1.22   |
| 988 APR 4 | 92.7                    | 5.66   | 1.67    | 1237  | 125.2  | 1.24   |
| APR 1     | 1 93.4                  | 5.72   | 1.69    | 1251  | 126.5  | 1.24   |
| APR 1     | 8 92.1                  | 5.63   | 1.66    | 1232  | 124.0  | 1.23   |
| APR 2     |                         | 5.70   | 1.68    | 1246  | 124.8  | 1.23   |
| MAY       | 2 92.7                  | 5.70   | 1.68    | 1248  | 124.7  | 1.23   |
| MAY       |                         | 5.70   | 1.69    | 1249  | 124.7  | 1.24   |
| MAY 1     |                         | 5.73   | 1.69    | 1254  | 124.9  | 1.24   |
| MAY 2     |                         | 5.75   | 1.70    | 1263  | 124.5  | 1.24   |
| MAY 3     |                         | 5.82   | 1.73    | 1283  | 125.1  | 1.2    |
| JUN 6     |                         | 5.80   | 1.72    | 1277  | 126.1  | 1.23   |
| JUN 1     |                         | 5.82   | 1.72    | 1282  | 125.1  | 1.22   |
| JUN 2     |                         | 5.93   | 1.76    | 1305  | 126.2  | 1.2    |
| JUN 2     |                         | 6.14   | 1.82    | 1349  | 130.8  | 1.2    |
| JUL 4     |                         | 6.16   | 1.83    | 1358  | 135.5  | 1.22   |
| JUL 1     |                         | 6.21   | 1.85    | 1367  | 133.0  | 1.2    |
| JUL 1     |                         | 6.34   | 1.88    | 1392  | 134.6  | 1.21   |
| JUL 2     |                         |        | 1.85    | 1362  |        | 1.21   |
|           |                         | 6.23   | 1.86    |       | 132.0  |        |
| AUG 1     |                         | 6.32   |         | 1383  | 132.7  | 1.21   |
| AUG 8     |                         | 6.41   | 1.90    | 1403  | 133.8  | 1.21   |
| AUG 1     |                         | 6.38   | 1.88    | 1395  | 133.3  | 1.23   |
| AUG 2     |                         | 6.51   | 1.92    | 1403  | 134.0  | 1.23   |
| AUG 2     |                         | 6.32   | 1.87    | 1386  | 134.4  | 1.24   |
| SEPT      |                         | 6.28   | 1.84    | 1378  | 133.7  | 1.24   |
| SEPT      |                         | 6.28   | 1.85    | 1379  | 133.4  | 1.24   |
| SEPT      | 19 99.5                 | 6.37   | 1.87    | 1395  | 134.1  | 1.22   |



SEPT 19

75.3

10.66

3.14

2340

224.3 1.68

EFFECTIVE -----EXCHANGE FRANCE GERMANY ITALY JAPAN USA RATE -----1987 QTR1 69.7 9.45 2.84 2015 236.3 1.54 QTR2 2132 72.8 9.89 2.96 234.2 1.64 QTR3 72.7 9.92 2.97 2152 237.9 1.62 QTR4 2188 237.8 1.76 74.7 10.08 2.99 1988 QTR1 75.1 10.18 3.01 2217 229.8 1.80 QTR2 77.8 10.64 3.14 2335 231.7 1.84 1987 AUG 72.4 9.89 2.96 2150 235.5 1.60 9.97 SEP 73.0 2.99 2157 236.3 1.65 238.4 OCT 73.2 9.99 3.00 2162 1.66 NOV 75.0 10.12 2.98 2199 240.1 1.78 DEC 75.8 10.12 2.99 2201 234.2 1.83 230.2 1.81 1988 JAN 75.3 10.05 2.97 2189 FEB 74.3 10.08 2.98 2196 227.1 1.75 2273 232.8 MAR 75.9 10.43 3.07 1.84 234.8 1.88 2329 APR 77.8 10.65 3.13 MAY 78.5 10.74 3.17 2357 234.0 1.88 76.8 10.52 2314 225.7 1.77 JUN 3.11 2319 JUL 75.8 10.55 3.13 226.4 1.69 10.84 2371 226.7 1.70 AUG 76.3 3.20 1988 APR 4 76.7 10.59 3.12 2313 233.9 1.88 **APR 11** 78.1 10.60 3.12 2318 234.9 1.85 2347 236.2 1.90 APR 18 78.3 10.72 3.15 APR 25 78.3 10.68 3.14 2337 234.0 1.87 2341 234.7 1.88 MAY 2 78.7 10.70 3.15 MAY 9 2349 78.4 10.72 3.16 234.5 1.88 **MAY 16** 77.9 10.82 3.19 2369 236.0 1.89 MAY 23 79.0 10.75 3.18 2362 232.8 1.87 2364 232.0 MAY 30 78.3 10.73 3.19 1.86 2302 227.3 1.80 JUN 6 78.2 10.46 3.09 2329 227.3 1.81 **JUN 13** 76.2 10.58 3.13 **JUN 20** 76.8 10.58 3.14 2329 225.3 1.78 **JUN 27** 76.2 10.45 3.10 2297 222.8 1.70 2285 228.0 1.68 JUL 4 76.2 10.37 3.08 **JUL 11** 75.0 10.49 3.12 2311 224.8 1.69 2325 224.8 **JUL 18** 75.1 10.59 3.14 1.67 228.0 1.73 **JUL 25** 76.8 10.75 3.19 2353 AUG 1 76.4 10.84 3.21 2371 227.5 1.71 2381 227.0 AUG 8 76.5 10.88 3.23 1.70 2390 228.3 1.71 **AUG 15** 76.5 10.93 3.22 2381 224.8 AUG 22 76.2 10.91 3.22 1.68 AUG 29 75.8 10.66 3.14 2334 226.0 1.69 SEPT 5 75.7 10.65 3.13 2332 229.3 1.69 2339 3.13 226.3 1.70 SEPT 12 75.7 10.65

STERLING EXCHANGE RATES WITH FIVE MAJOR OECD COUNTRIES

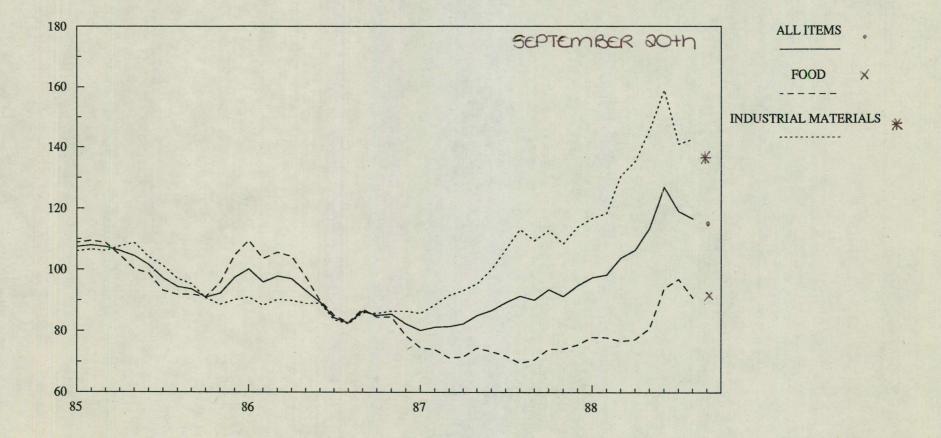
# ECONOMIST COMMODITY PRICE INDICES

1985=100

|        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |       |        | s indices                                                                                                       |       |       | SDR ind | ices   |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|--------|-----------------------------------------------------------------------------------------------------------------|-------|-------|---------|--------|
| Annua  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | SDR   | Dollar | Sterling                                                                                                        | Real* | Food  | Nfa**   | Metals |
| 1980   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 104.4 | 133.7  | 74.0                                                                                                            | 115.6 | 96.7  | 106.2   | 118.6  |
| 1981   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 99.3  | 115.2  | 73.5                                                                                                            | 105.3 | 93.7  | 104.7   | 106.2  |
| 1982   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 91.8  | 99.9   | 73.4                                                                                                            | 94.3  | 89.3  | 96.0    | 93.8   |
| 1982   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 107.2 |        | 95.7                                                                                                            | 110.4 | 102.0 | 116.6   | 110.1  |
| 1985   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |       | 112.7  | the second se |       | 112.3 | 111.6   | 106.2  |
|        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 110.3 | 111.5  | 107.2                                                                                                           | 113.1 | 100.0 | 100.0   | 100.2  |
| 1985   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 100.0 | 100.0  | 100.0                                                                                                           | 100.0 |       |         |        |
| 1986   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 89.8  | 103.7  | 90.6                                                                                                            | 86.4  | 92.4  | 89.9    | 85.4   |
| 1987   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 87.4  | 111.5  | 87.1                                                                                                            | 82.2  | 73.0  | 103.3   | 100.6  |
| Quarte | erly                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |       |        |                                                                                                                 |       |       |         |        |
| 1986 ( | 03                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 84.6  | 100.2  | 86.2                                                                                                            | 81.8  | 85.1  | 85.5    | 83.1   |
|        | 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 84.2  | 100.1  | 89.5                                                                                                            | 80.2  | 82.2  | 91.0    | 82.8   |
|        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |       |        |                                                                                                                 |       |       |         |        |
| 1987 ( | Q1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 81.0  | 100.8  | 83.5                                                                                                            | 76.5  | 73.2  | 95.2    | 84.3   |
| (      | 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 84.9  | 108.2  | 84.4                                                                                                            | 80.0  | 73.2  | 102.6   | 92.1   |
| (      | 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 90.2  | 113.4  | 90.0                                                                                                            | 83.8  | 70.7  | 111.9   | 108.0  |
|        | 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 93.4  | 123.7  | 90.3                                                                                                            | 88.4  | 74.7  | 103.3   | 117.9  |
|        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |       |        |                                                                                                                 |       |       |         |        |
| 1988 ( | and the second sec                                                                                                                                                                                                                                             | 99.8  | 134.6  | 95.9                                                                                                            | 94.6  | 77.6  | 105.5   | 133.4  |
| (      | 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 115.5 | 155.7  | 108.8                                                                                                           | 107.6 | 84.0  | 115.1   | 169.1  |
| Month  | A REAL PROPERTY OF THE REAL PR |       |        |                                                                                                                 |       |       |         |        |
| July   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 89.3  | 111.5  | 88.9                                                                                                            |       | 71.9  | 109.4   | 104.4  |
| August | - A CARLER A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 91.4  | 114.2  | 91.8                                                                                                            |       | 69.6  | 115.0   | 111.7  |
| Septen |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 90.1  | 114.5  | 89.3                                                                                                            |       | 70.7  | 111.4   | 107.9  |
| Octobe |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 93.5  | 119.3  | 92.3                                                                                                            |       | 74.2  | 106.8   | 117.0  |
| Novemb |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 91.3  | 121.3  | 88.1                                                                                                            |       | 74.2  | 101.4   | 113.3  |
| Decemb |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 94.8  | 129.1  | 90.5                                                                                                            |       | 75.6  | 102.1   | 122.4  |
| Decemi |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 54.0  | 123.1  | 50.5                                                                                                            |       |       |         |        |
| Januar | C Y                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 97.4  | 132.2  | 94.1                                                                                                            |       | 78.1  | 102.7   | 126.6  |
| Februa |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 98.2  | 131.2  | 95.6                                                                                                            |       | 78.0  | 106.5   | 126.7  |
| March  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 103.8 | 140.3  | 98.0                                                                                                            |       | 76.8  | 107.3   | 157.0  |
| April  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 106.4 | 144.9  | 99.1                                                                                                            |       | 77.3  | 110.5   | 152.8  |
| May    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 113.4 | 153.8  | 105.7                                                                                                           |       | 80.9  | 114.1   | 168.2  |
| June   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 126.7 | 168.4  | 121.6                                                                                                           |       | 93.9  | 120.8   | 186.4  |
| July   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 119.1 | 152.9  | 115.1                                                                                                           |       | 96.9  | 117.7   | 157.6  |
| August |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 116.9 | 148.9  | 112.5                                                                                                           |       | 91.0  | 113.5   | 163.1  |
|        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |       |        |                                                                                                                 |       |       |         |        |
| Weekly |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |       |        |                                                                                                                 |       |       |         |        |
| August | - 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 113.6 | 145.7  | 109.2                                                                                                           |       | 89.9  | 114.8   | 153.0  |
| nugust | 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 117.4 | 149.4  | 113.5                                                                                                           | •     | 92.8  | 114.9   | 160.9  |
|        | 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 117.4 | 149.4  | 111.5                                                                                                           |       | 91.4  | 115.0   | 162.4  |
|        | 23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 117.2 | 149.5  | 114.4                                                                                                           |       | 90.2  | 111.6   | 171.0  |
|        | 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 117.8 | 149.0  | 114.4                                                                                                           |       | 90.2  | 111.4   | 168.1  |
|        | 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 11/.0 | 120.1  | 113.0                                                                                                           |       | 30.0  | 111.4   |        |
| Sept   | 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 116.5 | 148.8  | 112.0                                                                                                           |       | 93.1  | 112.1   | 159.2  |
|        | 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 114.9 | 147.2  | 111.2                                                                                                           |       | 92.1  | 112.1   | 155.4  |
|        | 20(prov)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 112.0 | 147.9  | 108.6                                                                                                           |       | 89.3  | 110.1   | 152.1  |
|        | Wei supervisio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |       |        |                                                                                                                 |       |       |         |        |
| % ch.  | on one yr                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | +23.5 | +24.0  | +20.8                                                                                                           |       | +25.8 | +1.0    | +36.8  |

\* In relation to prices of manufactured exports. Recent figures are estimated. \*\* Non-food agriculturals.

# ECONOMIST SDR COMMODITY PRICE INDICES 1985 = 100



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| EIGN EX                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | RKETS                                                                                                                          |                                                                                                                                           | MG E                                                                                                                                                            | VENING REPOR                                                                                                                               |                                                                                                                                                      | day 23 Sep                                                                                                             | tember 1988                             | 3 ~~ '                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |         |
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|                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                |                                                                                                                                           |                                                                                                                                                                 |                                                                                                                                            | 7                                                                                                                                                    | change                                                                                                                 |                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |         |
| Previous                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                |                                                                                                                                           | day                                                                                                                                                             |                                                                                                                                            | since                                                                                                                                                | since<br>Paris                                                                                                         |                                         | and the second se                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |         |
| close                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                | opening<br>8.30am                                                                                                                         | close<br>4.00pm                                                                                                                                                 |                                                                                                                                            | Plaza                                                                                                                                                | Paris                                                                                                                  | October                                 | - 1987                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |         |
| 75.1                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | EERI                                                                                                                           | 75.1                                                                                                                                      | 75.2                                                                                                                                                            |                                                                                                                                            | -8.3                                                                                                                                                 | 8.8                                                                                                                    | 2.2                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |         |
| 1.6695                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | \$/£                                                                                                                           | 1.6660                                                                                                                                    | 1.6715                                                                                                                                                          |                                                                                                                                            | 21.7                                                                                                                                                 | 9.4                                                                                                                    | 0.4                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |         |
| 3.1345 1.5131                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | DM/£<br>ECU/£                                                                                                                  | 3.1299 1.5109                                                                                                                             | 3.1332                                                                                                                                                          |                                                                                                                                            | -19.7                                                                                                                                                | 12.2                                                                                                                   | 4.5                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |         |
| 99.7                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | ERI                                                                                                                            |                                                                                                                                           | 99.7                                                                                                                                                            |                                                                                                                                            | -28.6                                                                                                                                                | -4.1                                                                                                                   | -0.5                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |         |
| 1.8775                                                                                                                                                                                                                           | C                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | DM/\$                                                                                                                          | 1.8787                                                                                                                                    | 1.8745                                                                                                                                                          |                                                                                                                                            | 51.5                                                                                                                                                 | -2.6                                                                                                                   | -3.9                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |         |
| 134.55                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | ren/\$                                                                                                                         | 134.65                                                                                                                                    |                                                                                                                                                                 |                                                                                                                                            | 11.4                                                                                                                                                 | 14.2                                                                                                                   |                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |         |
| ct \$13.40                                                                                                                                                                                                                       | Nov \$13.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | .55 Dec \$1                                                                                                                    | 13.70 Sp                                                                                                                                  | ot Brent                                                                                                                                                        | Oct \$13.45                                                                                                                                | Nov \$13.60                                                                                                                                          | Dec \$13.7                                                                                                             | 75                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |         |
| IK RESERVE                                                                                                                                                                                                                       | TRANSACTI                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | CONS (\$mill                                                                                                                   | ion)                                                                                                                                      |                                                                                                                                                                 |                                                                                                                                            |                                                                                                                                                      |                                                                                                                        |                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |         |
| a) +                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                | +                                                                                                                                         |                                                                                                                                                                 |                                                                                                                                            | (b)                                                                                                                                                  |                                                                                                                        | +                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |         |
|                                                                                                                                                                                                                                  | Today                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | This<br>month                                                                                                                  | Total  <br>since                                                                                                                          |                                                                                                                                                                 |                                                                                                                                            |                                                                                                                                                      |                                                                                                                        | Estimated<br> end-month                 | Contraction of the second second second                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |         |
| i                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | so far                                                                                                                         | 1 Apr 88                                                                                                                                  |                                                                                                                                                                 |                                                                                                                                            |                                                                                                                                                      |                                                                                                                        | position                                | i                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |         |
| i                                                                                                                                                                                                                                | 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | -126                                                                                                                           | 3502                                                                                                                                      |                                                                                                                                                                 | Market inte                                                                                                                                | rvention                                                                                                                                             |                                                                                                                        | 1 -117                                  | 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |         |
| +<br>i                                                                                                                                                                                                                           | -5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | a first of the second second second                                                                                            |                                                                                                                                           | 0                                                                                                                                                               | ff-market tr                                                                                                                               | ansactions                                                                                                                                           |                                                                                                                        | -204                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |         |
| i                                                                                                                                                                                                                                | 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | -483                                                                                                                           | 2336                                                                                                                                      |                                                                                                                                                                 | TOTAL                                                                                                                                      |                                                                                                                                                      |                                                                                                                        | +                                       | †                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | **      |
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|                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                |                                                                                                                                           |                                                                                                                                                                 |                                                                                                                                            |                                                                                                                                                      |                                                                                                                        | +                                       | + .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 17      |
| a) Spot a                                                                                                                                                                                                                        | nd forward                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | transacti                                                                                                                      | ons                                                                                                                                       |                                                                                                                                                                 | Valuation c                                                                                                                                | hanges                                                                                                                                               |                                                                                                                        | 0                                       | the state of the second |         |
|                                                                                                                                                                                                                                  | one date b                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | hasis.                                                                                                                         |                                                                                                                                           |                                                                                                                                                                 |                                                                                                                                            |                                                                                                                                                      |                                                                                                                        | +                                       | +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |         |
| on a d                                                                                                                                                                                                                           | lone date b<br>transactio<br>asis, as i                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | ons only or                                                                                                                    | n a value<br>d figures.                                                                                                                   | то                                                                                                                                                              | TAL CHANGE I                                                                                                                               | On conven                                                                                                                                            |                                                                                                                        | I -335                                  | 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |         |
| on a d<br>(b) Spot<br>date b                                                                                                                                                                                                     | transactio<br>basis, as i                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | ons only or<br>in publishe                                                                                                     | d figures.                                                                                                                                |                                                                                                                                                                 | *                                                                                                                                          | On conven                                                                                                                                            |                                                                                                                        | -335                                    | 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |         |
| on a d<br>(b) Spot<br>date b                                                                                                                                                                                                     | transactio<br>basis, as i                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | ons only or<br>in publishe                                                                                                     | ed figures.                                                                                                                               |                                                                                                                                                                 | *<br>ivalent)                                                                                                                              | On conven                                                                                                                                            |                                                                                                                        | I -335                                  | 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |         |
| on a d<br>(b) Spot<br>date b<br>THER COUN                                                                                                                                                                                        | transactio<br>basis, as i                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | ons only or<br>in publishe                                                                                                     | ed figures.                                                                                                                               | lion equ                                                                                                                                                        | *<br>ivalent)<br>-30\$                                                                                                                     | On conven                                                                                                                                            | r market in<br>Italy                                                                                                   | I -335                                  | 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |         |
| on a d<br>(b) Spot<br>date b<br>OTHER COUN<br>Helgium<br>Denmark                                                                                                                                                                 | transactio<br>basis, as i<br>ITRIES MARK<br>-<br>-                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | ons only or<br>in publishe                                                                                                     | ed figures.                                                                                                                               | <b>lion equ</b><br>Germany<br>Holland                                                                                                                           | *<br>ivalent)<br>-30\$<br>-                                                                                                                | On conven                                                                                                                                            | r market ir<br>Italy<br>Japan                                                                                          | umption of<br>tervention                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | -<br>SE |
| on a d<br>(b) Spot<br>date b<br>OTHER COUN<br>Helgium<br>Denmark                                                                                                                                                                 | transactio<br>basis, as i<br>ITRIES MARK<br>-<br>-                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | ons only or<br>in publishe                                                                                                     | ed figures.                                                                                                                               | <b>lion equ</b><br>Germany<br>Holland                                                                                                                           | *<br>ivalent)<br>-30\$                                                                                                                     | On conven                                                                                                                                            | r market ir<br>Italy<br>Japan                                                                                          | I -335                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | SE      |
| on a d<br>(b) Spot<br>date b<br>OTHER COUN<br>Belgium<br>Denmark<br>France                                                                                                                                                       | transactio<br>basis, as i<br>ITRIES MARK<br>-<br>-<br>-100\$<br>IMENT<br>rose in Ne                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | ons only or<br>in publishe<br>CET INTERVE                                                                                      | ed figures.                                                                                                                               | lion equ<br>Germany<br>Holland<br>Ireland                                                                                                                       | *<br>ivalent)<br>-30\$<br>-                                                                                                                | On conven<br>no furthe                                                                                                                               | r market ir<br>Italy<br>Japan<br>US<br>n and a run                                                                     | I -335                                  | h.<br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |         |
| on a d<br>(b) Spot<br>date b<br>OTHER COUN<br>Belgium<br>Denmark<br>France<br>MARKET COM<br>President<br>apan on h<br>67. Much be<br>M1.88 but<br>iterling o                                                                     | transactio<br>basis, as i<br>ITRIES MARK<br>-<br>-<br>-100\$<br>IMENT<br>rose in Ne<br>had had a<br>oliday(Aut<br>tter than<br>conly very<br>pened in L                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | ew York las<br>heart atta<br>cexpected l<br>briefly.<br>condon look                                                            | t night des<br>ck (quickly<br>x).It began<br>S durable g<br>cing distinc                                                                  | Lion equ<br>Germany<br>Holland<br>Ireland<br>pite wel<br>denied)<br>very fi<br>pods ord                                                                         | <pre>* ivalent) -30\$ I seen FedThe dollar rm today und er figures ( but better</pre>                                                      | On conven<br>no furthe<br>interventio<br>traded very<br>erpinned by<br>+6.0%) help<br>than expect                                                    | r market ir<br>Italy<br>Japan<br>US<br>n and a run<br>steady in<br>this weeke<br>ed to push<br>ed UK build             |                                         | h<br>t DM(22<br>the<br>st with<br>s of<br>above                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |         |
| on a d<br>(b) Spot<br>date b<br>THER COUN<br>elgium<br>eenmark<br>rance<br>ARKET COM<br>e dollar<br>resident<br>apan on h<br>7. Much be<br>M1.88 but<br>iterling o                                                               | transactio<br>basis, as i<br>ITRIES MARK<br>-<br>-<br>-100\$<br>IMENT<br>rose in Ne<br>had had a<br>oliday(Aut<br>tter than<br>conly very<br>pened in L                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | ew York las<br>heart atta<br>cexpected l<br>briefly.<br>condon look                                                            | t night des<br>ck (quickly<br>x).It began<br>S durable g<br>cing distinc                                                                  | Lion equ<br>Germany<br>Holland<br>Ireland<br>pite wel<br>denied)<br>very fi<br>pods ord                                                                         | *<br>-30\$<br>-<br>-<br>L seen Fed.<br>.The dollar<br>rm today und<br>er figures (                                                         | On conven<br>no furthe<br>interventio<br>traded very<br>erpinned by<br>+6.0%) help<br>than expect                                                    | r market ir<br>Italy<br>Japan<br>US<br>n and a run<br>steady in<br>this weeke<br>ed to push<br>ed UK build             |                                         | h<br>t DM(22<br>the<br>st with<br>s of<br>above                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |         |
| on a d<br>(b) Spot<br>date b<br>THER COUN<br>relgium<br>renmark<br>rance<br>ARKET COM<br>e dollar<br>resident<br>apan on h<br>7.Much be<br>M1.88 but<br>terling o<br>igures fo                                                   | transactio<br>basis, as i<br>ITRIES MARK<br>-<br>-<br>-100\$<br>MENT<br>rose in Ne<br>had had a<br>oliday (Aut<br>tter than<br>conly very<br>pened in L<br>r August h                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | ew York las<br>heart atta<br>cumn Equinc<br>expected L<br>briefly.<br>ondon look<br>helped to e                                | ed figures.<br>ENTION (\$mil<br>at night des<br>lock (quickly<br>bx).It began<br>JS durable g<br>cing distinc<br>encourage so             | Lion equ<br>Germany<br>Holland<br>Ireland<br>of denied)<br>of very fi<br>oods ord<br>tly soft                                                                   | <pre>* ivalent) -30\$ I seen FedThe dollar rm today und er figures ( but better</pre>                                                      | On conven<br>no furthe<br>interventio<br>traded very<br>erpinned by<br>+6.0%) help<br>than expect<br>US this af                                      | r market ir<br>Italy<br>Japan<br>US<br>n and a run<br>steady in<br>this weeke<br>ed to push<br>ed UK build             |                                         | h<br>t DM(22<br>the<br>st with<br>s of<br>above                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |         |
| on a d<br>(b) Spot<br>date b<br>THER COUN<br>elgium<br>eenmark<br>rance<br>ARKET COM<br>e dollar<br>resident<br>apan on h<br>7.Much be<br>M1.88 but<br>terling o<br>igures fo<br>ates at 5                                       | transactio<br>basis, as i<br>ITRIES MARK<br>-<br>-<br>-100\$<br>MENT<br>rose in Ne<br>had had a<br>oliday (Aut<br>tter than<br>conly very<br>pened in L<br>r August h                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | ew York las<br>heart atta<br>cumn Equinc<br>expected L<br>briefly.<br>ondon look<br>helped to e                                | ed figures.<br>ENTION (\$mil<br>at night des<br>lock (quickly<br>bx).It began<br>JS durable g<br>cing distinc<br>encourage so             | Lion equ<br>Germany<br>Holland<br>Ireland<br>of denied)<br>of very fi<br>oods ord<br>tly soft                                                                   | *<br>ivalent)<br>-30\$<br>-<br>-<br>l seen Fed.<br>.The dollar<br>rm today und<br>er figures (<br>but better<br>g out of the<br>50 Y/\$134 | On conven<br>no furthe<br>interventio<br>traded very<br>erpinned by<br>+6.0%) help<br>than expect<br>US this af                                      | r market ir<br>Italy<br>Japan<br>US<br>n and a run<br>steady in<br>this weeke<br>ed to push<br>ed UK build             |                                         | t DM(22<br>the st with<br>s of<br>above<br>ties                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |         |
| on a d<br>(b) Spot<br>date b<br>THER COUN<br>relgium<br>renmark<br>rance<br>ARKET COM<br>e dollar<br>resident<br>apan on h<br>7.Much be<br>M1.88 but<br>terling o<br>igures fo<br>ates at 5<br>ONG KONG                          | transactio<br>basis, as i<br>ITRIES MARK<br>-<br>-<br>-100\$<br>MENT<br>roae in Ne<br>had had<br>oliday(Aut<br>tter than<br>conly very<br>pened in L<br>or August h<br>.15PM: \$1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | ew York las<br>heart atta<br>cumn Equinc<br>expected L<br>briefly.<br>ondon look<br>helped to e                                | ed figures.<br>ENTION (\$mil<br>at night des<br>lock (quickly<br>bx).It began<br>JS durable g<br>cing distinc<br>encourage so             | Lion equ<br>Germany<br>Holland<br>Ireland<br>pite wel<br>denied)<br>very fi<br>poods ord<br>tly soft<br>the buyin<br>DM/\$1.87                                  | *<br>ivalent)<br>-30\$<br>-<br>-<br>l seen Fed.<br>.The dollar<br>rm today und<br>er figures (<br>but better<br>g out of the<br>50 Y/\$134 | On conven<br>no furthe<br>interventio<br>traded very<br>erpinned by<br>+6.0%) help<br>than expect<br>US this af                                      | r market ir<br>Italy<br>Japan<br>US<br>n and a run<br>steady in<br>this weeke<br>ed to push<br>ed UK build             |                                         | t DM(22<br>the st with<br>s of<br>above<br>ties                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |         |
| on a d<br>(b) Spot<br>date b<br>OTHER COUN<br>Belgium<br>Denmark<br>France<br>MARKET COM<br>Persident<br>apan on h<br>17.Much be<br>M1.88 but<br>iterling o<br>igures fo                                                         | transactio<br>basis, as i<br>ITRIES MARK<br>-<br>-<br>-100\$<br>IMENT<br>rose in Ne<br>had had a<br>boliday(Aut<br>tter than<br>coliday(Aut<br>tter than<br>coliday (Aut<br>tter tter than<br>coliday (Aut<br>tter tter tter tter tter tter tter tte | ew York las<br>heart atta<br>cumn Equinc<br>expected L<br>briefly.<br>ondon look<br>helped to e                                | ad figures.<br>ENTION (\$mil<br>St night des<br>lock (quickly<br>bx).It began<br>US durable g<br>cing distinc<br>encourage so<br>DM3.1341 | Lion equ<br>Germany<br>Holland<br>Ireland<br>overy fi<br>joods ord<br>tly soft<br>me buyin<br>DM/\$1.87                                                         | *<br>ivalent)<br>-30\$<br>-<br>-<br>l seen Fed.<br>.The dollar<br>rm today und<br>er figures (<br>but better<br>g out of the<br>50 Y/\$134 | On conven<br>no furthe<br>interventio<br>traded very<br>erpinned by<br>+6.0%) help<br>than expect<br>US this af<br>45<br>Today                       | r market ir<br>Italy<br>Japan<br>US<br>n and a run<br>steady in<br>this weeke<br>ed to push<br>ed UK build             |                                         | t DM(22<br>the st with<br>s of<br>above<br>ties                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |         |
| on a d<br>(b) Spot<br>date b<br>OTHER COUN<br>relgium<br>renmark<br>rance<br>ARKET COM<br>e dollar<br>resident<br>apan on h<br>7.Much be<br>M1.88 but<br>terling o<br>igures fo<br>ates at 5<br>ONG KONG<br>ong Kong<br>ang Seng | transactio<br>hasis, as i<br>ITRIES MARK<br>-<br>-<br>-100\$<br>MENT<br>road had a<br>holiday(Aut<br>tter than<br>fonly very<br>pened in L<br>tr August h<br>.15PM: \$1<br>dollar<br>Index                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | ew York las<br>cet INTERVE<br>cet INTERVE<br>weart atta<br>umn Equino<br>expected L<br>/ briefly.<br>ondon look<br>helped to e | ed figures.<br>ENTION (\$mil<br>st night des<br>lock (quickly<br>bx).It began<br>JS durable g<br>cing distinc<br>encourage so<br>0M3.1341 | Lion equ<br>Germany<br>Holland<br>Ireland<br>opite wel<br>denied)<br>very fi<br>goods ord<br>tly soft<br>tly soft<br>DM/\$1.87<br>Previous<br>7.8115<br>2455.84 | *<br>ivalent)<br>-30\$<br>-<br>-<br>l seen Fed.<br>.The dollar<br>rm today und<br>er figures (<br>but better<br>g out of the<br>50 Y/\$134 | On conven<br>no furthe<br>interventio<br>traded very<br>erpinned by<br>+6.0%) help<br>than expect<br>US this af<br>.45<br>Today<br>7.8123<br>2454.38 | r market ir<br>Italy<br>Japan<br>US<br>n and a run<br>steady in<br>this weeke<br>ed to push<br>ed UK build<br>ternoon. |                                         | t DM(22<br>the st with<br>s of<br>above<br>ties                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |         |

| HONEY MARKETS                                                                   |                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Friday 23                                                | rd September 1988      |
|---------------------------------------------------------------------------------|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|------------------------|
| INTEREST RATES                                                                  | £ Inte                            | erbank                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Eurodol                                                  | llar                   |
|                                                                                 | Today                             | Change                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Today                                                    | Change                 |
| 7 days                                                                          | 11                                | -1/8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 8 3/16                                                   | 0                      |
| 1 mth                                                                           | 11 9/16                           | -1/8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 8 1/4                                                    | 1/8                    |
| 3 mth                                                                           | 12 1/8                            | 1/32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 8 5/16                                                   | 1/16                   |
| 12 mth                                                                          | 12 3/16                           | 1/32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 8 13/16                                                  | 1/8                    |
| BILLS +-                                                                        |                                   | -+Toda                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | ау                                                       | Change                 |
| 3 Mont                                                                          | th Treasury Bills                 | 11 5/8 -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | - 11 1/2                                                 | 1/16                   |
| BANK MONEY MARKET OP                                                            | E <b>RATIONS</b><br>Purchases £ m | Rates                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Discount Rate on El                                      | igible Bank Bills      |
| +-<br>Band 1 (0-14 days)                                                        |                                   | -+                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 11 1/4-11                                                |                        |
| Band 2 (15-31 days)                                                             |                                   | .+                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 11 9/16-1/                                               | /2                     |
| Band 3 (32-63 days)                                                             |                                   | +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                          |                        |
|                                                                                 |                                   | a second s | 11 23/32-1                                               | 1/16                   |
| +-                                                                              | 424                               | 111 11/16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 11 23/32-1                                               |                        |
| +-<br>Band 4 (64-91 days) <br>+-                                                |                                   | 111 11/16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 11 23/32-1<br>11 23/32-1                                 |                        |
|                                                                                 | 424<br>424                        | <br> 11 11/16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                          |                        |
| Band 4 (64-91 days) <br>+-                                                      |                                   | <br> 11 11/16<br> <br> <br> <br> <br> <br> <br>  Average rate of dis                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 11 23/32-1                                               |                        |
| Band 4 (64-91 days)<br>TOTAL BILLS  <br>Repurchase  <br>+                       | 424                               | +<br>+<br> <br> <br>+<br> Average rate of dis                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 11 23/32-1                                               |                        |
| Band 4 (64-91 days) <br>TOTAL BILLS  <br>Repurchase  <br>Lending                | 424<br>160                        | - +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 11 23/32-1                                               |                        |
| Band 4 (64-91 days)<br>TOTAL BILLS<br>Repurchase<br>Lending<br>TOTAL OPERATIONS | 424<br>160                        | +<br>-+<br> Average rate of dis<br>-+<br> Against shortage d                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 11 23/32-1                                               | 1/16                   |
| Band 4 (64-91 days)<br>TOTAL BILLS<br>Repurchase<br>Lending<br>TOTAL OPERATIONS | 424<br>160                        | +<br>-+<br> Average rate of dis<br>-+<br> Against shortage d                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 11 23/32-1<br>scount 11.6039%<br>550 m<br>10 yr Tsy Bond | 1/16<br>20 yr Tsy Bond |
| Band 4 (64-91 days) <br>TOTAL BILLS  <br>Repurchase  <br>Lending                | 424<br>160<br>584                 | Average rate of dis<br>Average rate of dis<br>against shortage f<br>against shortage f<br>amonth CDs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 11 23/32-1<br>scount 11.6039%<br>550 m<br>10 yr Tsy Bond | 1/16<br>20 yr Tsy Bond |

#### MARKET COMMENT

GILTS had quite a good day, with more switching longer reported.Prices actually opened easier in the exchange rate, with losses of 1/8 through the list, but they soon recovered and continued better for the rest of the day, disregarding the setback in US bonds.Prices closed with shorts up 1/8, mediums 1/4 and longs 3/8.

INDEXED LINKED overcame some hesitation to close 1/4 up.

EQUITIES were dominated by special situations with little net movement ahead of next week's trade figures. CGL dived 65 pence and now stand below Minorco's offer price.Lonrho's good run continued on news of possible management buyout or asset sales as a springboard to hamper an unwelcome takeover bid.

Peter Smith

NAME: Peter Smith TEL NO: 270 4613

| GILT-EDGED MARKET          |                |                      | Friday 23rd  | September 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------|----------------|----------------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transactions basis, cash w | values (£m); s | ales + purchases -   |              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| ISSUE DEPARTMENT: MARKET   | TRANSACTIONS   |                      | Today        | September                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                            | -              | Gross sales shorts   | I            | 50.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                            |                | Gross sales mediums  | 60.8         | 439.2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                            | Gross sal      | es longs and undated | 35.5         | 604.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                            | Gros           | s sales index-linked | 18.1         | 272.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                            |                | Part paid calls      | 0.1          | 369.9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Buy                        | ing in non-ne  | xt maturities shorts |              | -26.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Buyi                       | ng in non-nex  | t maturities mediums | -48.3        | -462.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Bu                         | iying in non-n | ext maturities longs | 63.3         | -847.8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Buying in                  | non-next mat   | urities index-linked | -13.1        | -322.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                            | CRND:          | Market transactions  | I            | -19.9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                            |                | TOTAL 'GROSS' SALES  | -10.2        | and the second sec |
|                            | Buying i       | n of next maturities | I            | 4.5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                            |                | Redemptions          | -0.5         | -7.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                            | TOTAL TRAN     | SACTIONS WITH MARKET | -10.7        | 55.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                            |                | Future ca            | , lle        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Sales required to meet     | *              | target of £          | m            | <br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                            |                |                      |              | · · · · · · · · · · · · · · · · · · ·                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| PRICES/YIELDS OF GILT-EDGE |                | Yesterday's close    | yesterday    | e from<br>'s close                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|                            | P              | ar yield (per cent)  | Price (£/32) | Yield (%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                            | Shorts         | 10.370               | 2            | -0.02                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                            | Mediums        | 10.103               | 3            | -0.02                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                            | Longs          | 9.602                | 1 11         | -0.04                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

8% Treasury 1992 8 3/4 Treasury 1997 'C' 11 3/4% Treasury 2003/07 3% Treasury 1992 2 1/2% Index-Linked 2016 2% Index-Linked 1994 GILT FUTURES

| Today |    | Change | Today | Change |
|-------|----|--------|-------|--------|
| 93    | 2  | 4 [    | 10.39 | -0.04  |
| 92    | 22 | 10     | 10.01 | -0.05  |
| 114   | 21 | 12     | 9.81  | -0.04  |
| 82    | 20 | 4      | 8.56  | -0.03  |
| 98    | [  | 10     | 3.90  | -0.02  |
| 94    | 2  | 2      | 3.54  | 0.00   |

| a sector sector |                 |          | Open  | Close | Volume      |
|-----------------|-----------------|----------|-------|-------|-------------|
|                 | Long Contract   | December | 94.04 | 94.19 | 20113       |
|                 | Medium Contract | December | 93.00 | 93.08 | 232         |
| +               |                 |          |       | NAME: | Peter Smith |

TEL NO:

270 4613

CH/EXCHEQUER COMMISSION 200 RUE DE LA LOI - 4 OCT 1988 L REC. 1049 BRUSSELS OF THE ACTION MR PERETZ EUROPEAN COMMUNITIES TEL: (02) 235 11 11 COPIES PS/EST SEP MIDDLETON Che President SIET BURNS Brussels. 26 September 1988 SIE G LITTLER MP SCHOLAR MR LANKESTER, MR SCHOLAR MISS O'MARA, MR GRICE MR GIEVE, MR WILLIAMS 4501 ME CROPPER Dear Nigel,

Thank you for sending me the details of your UK Ecu Treasury Bills programme, which is of great interest to me.

As you know, the Ecu, being nowhere a domestic currency, has suffered somewhat from the lack of short term debt instruments backed by a government of one of the Community countries around which an efficient money market could develop. Your programme will go a long way towards redressing this situation and is therefore particularly welcome.

If the UK programme is a success, and I have little doubt that it will prove so, it will give the Ecu the opportunity to develop into a fully-fledged intervention and reserve currency.

I share your pleasure at the evidence of the strong Community involvement in the institutions that have undertaken to provide active support at the initial series of tenders and to act as market-makers in the Bills.

I hope that your initial experience with the Ecu Treasury Bills will be satisfactory enough for you to continue them in the future, and for others to follow your example.

Sencerely yours Jacques DELORS

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| FOREIGN EX                                                                                                                                                                                                                                                               | CHANGE MAR                                                                                                                                                                                                                           | RKETS                                                                                                                                                                                                   |                                                                                                                                                      | MGEVENING                                                                                                                                                                                                                                                                                                  | Mono                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | change                                                                                                            | tember 1988                                                   |                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------------------------------------|
| Previous                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                      |                                                                                                                                                                                                         | Tor                                                                                                                                                  | day                                                                                                                                                                                                                                                                                                        | \$/cu<br>since                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | since                                                                                                             | since 16                                                      |                                                                          |
| close                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                      |                                                                                                                                                                                                         | opening                                                                                                                                              | close                                                                                                                                                                                                                                                                                                      | Plaza                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Paris                                                                                                             |                                                               | ,                                                                        |
|                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                      |                                                                                                                                                                                                         | 8.30am                                                                                                                                               | 4.00pm                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                   |                                                               |                                                                          |
| 75.2                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                      | ERI                                                                                                                                                                                                     | 75.0                                                                                                                                                 | 75.2                                                                                                                                                                                                                                                                                                       | -8.3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 8.8                                                                                                               |                                                               |                                                                          |
| 1.6715 3.1332                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                      | /£<br>M/£                                                                                                                                                                                               | 1.6635<br>3.1315                                                                                                                                     | 1.666<br>3.1387                                                                                                                                                                                                                                                                                            | 21.3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 9.0                                                                                                               |                                                               |                                                                          |
| 1.5112                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                      | CU/£                                                                                                                                                                                                    | 1.5124                                                                                                                                               | 1.5146                                                                                                                                                                                                                                                                                                     | -19.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 16.7                                                                                                              | 4.1                                                           |                                                                          |
| 99.7                                                                                                                                                                                                                                                                     | ¢                                                                                                                                                                                                                                    | ERI                                                                                                                                                                                                     |                                                                                                                                                      | 100                                                                                                                                                                                                                                                                                                        | -28.4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | -3.8                                                                                                              | -0.2                                                          |                                                                          |
| 1.8745                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                      | M/\$                                                                                                                                                                                                    | 1.8825                                                                                                                                               | 1.884                                                                                                                                                                                                                                                                                                      | 50.8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | -3.1                                                                                                              | -4.4                                                          |                                                                          |
| 134.45                                                                                                                                                                                                                                                                   | Y                                                                                                                                                                                                                                    | en/\$                                                                                                                                                                                                   | 134.75                                                                                                                                               | 134.7                                                                                                                                                                                                                                                                                                      | 77.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 14.0                                                                                                              | 6.1                                                           |                                                                          |
| Oct \$13.45                                                                                                                                                                                                                                                              | Nov \$13.                                                                                                                                                                                                                            | 60 Dec \$1                                                                                                                                                                                              | 13.75 Sp                                                                                                                                             | oot Brent Oct \$1                                                                                                                                                                                                                                                                                          | 13.25 Nov \$13.42                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Dec \$13.5                                                                                                        | 55                                                            |                                                                          |
| IK RESERVE                                                                                                                                                                                                                                                               | TRANSACTI                                                                                                                                                                                                                            | ONS (Smill                                                                                                                                                                                              | ion                                                                                                                                                  | ÷ 4                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                   |                                                               |                                                                          |
|                                                                                                                                                                                                                                                                          | . TRANSACTI                                                                                                                                                                                                                          | OND (Amiri                                                                                                                                                                                              |                                                                                                                                                      |                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                   |                                                               |                                                                          |
| (a) +<br>                                                                                                                                                                                                                                                                | +                                                                                                                                                                                                                                    | This                                                                                                                                                                                                    | Total                                                                                                                                                |                                                                                                                                                                                                                                                                                                            | . (b)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                   | ++<br> Estimated  *                                           |                                                                          |
| i                                                                                                                                                                                                                                                                        | Today                                                                                                                                                                                                                                | month                                                                                                                                                                                                   | since                                                                                                                                                |                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                   | end-month                                                     |                                                                          |
| 1                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                      |                                                                                                                                                                                                         | 1 Apr 88                                                                                                                                             |                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                   | position                                                      |                                                                          |
| i                                                                                                                                                                                                                                                                        | -11                                                                                                                                                                                                                                  | -137                                                                                                                                                                                                    | 3491                                                                                                                                                 | Market                                                                                                                                                                                                                                                                                                     | intervention                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                   | -128                                                          |                                                                          |
| +                                                                                                                                                                                                                                                                        | 39                                                                                                                                                                                                                                   |                                                                                                                                                                                                         | -1127                                                                                                                                                | Off-mark                                                                                                                                                                                                                                                                                                   | cet transactions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                   | ++                                                            |                                                                          |
| +                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                      |                                                                                                                                                                                                         | ++                                                                                                                                                   |                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                   | ++                                                            |                                                                          |
| 1                                                                                                                                                                                                                                                                        | 28                                                                                                                                                                                                                                   |                                                                                                                                                                                                         | 2364                                                                                                                                                 |                                                                                                                                                                                                                                                                                                            | TOTAL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                   | +========+                                                    |                                                                          |
|                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                      |                                                                                                                                                                                                         |                                                                                                                                                      | Net                                                                                                                                                                                                                                                                                                        | borrowing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                   | -14                                                           |                                                                          |
| a) Spot a                                                                                                                                                                                                                                                                | nd forward                                                                                                                                                                                                                           | transacti                                                                                                                                                                                               | ons                                                                                                                                                  | Valuat                                                                                                                                                                                                                                                                                                     | ion changes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                   | 0                                                             |                                                                          |
|                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                      |                                                                                                                                                                                                         |                                                                                                                                                      |                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                   |                                                               |                                                                          |
| on a de (b) Spot                                                                                                                                                                                                                                                         | one date b<br>transactio                                                                                                                                                                                                             | asis.<br>ns only or                                                                                                                                                                                     |                                                                                                                                                      |                                                                                                                                                                                                                                                                                                            | ANGE IN RESERVES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | ional accu                                                                                                        | ++<br>  -346  <br>++                                          |                                                                          |
| on a de (b) Spot                                                                                                                                                                                                                                                         | one date b<br>transactio                                                                                                                                                                                                             | asis.<br>ns only or                                                                                                                                                                                     | a value<br>ed figures.                                                                                                                               |                                                                                                                                                                                                                                                                                                            | * On convent                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                   | -346                                                          |                                                                          |
| on a d<br>(b) Spot<br>date b                                                                                                                                                                                                                                             | one date b<br>transactio<br>asis, as i                                                                                                                                                                                               | asis.<br>ns only or<br>n publishe                                                                                                                                                                       | d figures.                                                                                                                                           |                                                                                                                                                                                                                                                                                                            | * On convent<br>no further                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                   | -346  <br>+=====+                                             |                                                                          |
| on a d<br>(b) Spot<br>date b                                                                                                                                                                                                                                             | one date b<br>transactio<br>asis, as i                                                                                                                                                                                               | asis.<br>ns only or<br>n publishe                                                                                                                                                                       | ntion (\$mil                                                                                                                                         | TOTAL CH/                                                                                                                                                                                                                                                                                                  | * On convent<br>no further                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                   | -346  <br>+======+<br>umption of<br>ntervention.              | <br>Sagst                                                                |
| on a d<br>(b) Spot<br>date b<br>OTHER COUN                                                                                                                                                                                                                               | one date b<br>transactio<br>asis, as i<br>TRIES MARK                                                                                                                                                                                 | asis.<br>ns only or<br>n publishe<br>ET INTERVE                                                                                                                                                         | nd figures.                                                                                                                                          | TOTAL CH/<br>.lion equivalent                                                                                                                                                                                                                                                                              | * On convent<br>no further                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | market ir                                                                                                         | -346  <br>+=====+<br>umption of<br>htervention.               | <br>Sagst                                                                |
| on a d<br>(b) Spot<br>date b<br>OTHER COUN<br>Belgium<br>Denmark                                                                                                                                                                                                         | one date b<br>transactio<br>asis, as i<br><br>TRIES MARK<br>+35DM                                                                                                                                                                    | asis.<br>ns only or<br>n publishe<br>ET INTERVE                                                                                                                                                         | d figures.                                                                                                                                           | TOTAL CH/<br>Lion equivalent<br>Germany -131\$<br>Holland -20\$                                                                                                                                                                                                                                            | * On convent<br>no further                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Italy<br>Japan                                                                                                    | <pre>  -346   ++ umption of htervention23\$,+46DM,-65 -</pre> | agst                                                                     |
| on a di<br>(b) Spot<br>date b<br>OTHER COUN<br>Delgium<br>Denmark<br>rance<br>ARKET COM<br>Australia<br>he status<br>aw some r<br>ose above<br>ounter any<br>fter rema<br>resent. Hou                                                                                    | one date b<br>transactio<br>asis, as i<br>                                                                                                                                                                                           | asis.<br>ns only or<br>n publishe<br>ET INTERVE<br>DM<br>a very q<br>ning follo<br>mplying G7<br>titutional<br>but then fo<br>preciational<br>but then fo<br>preciation                                 | wing the pu<br>did not ob<br>selling in<br>ell back o<br>and he sa<br>that ther<br>r rose to<br>,Canada -25<br>helped to e                           | TOTAL CH/<br>Lion equivalent<br>Germany -131\$<br>Holland -20\$<br>Ireland -15\$ a<br>g session in M<br>blication of t<br>ject to the cu<br>the Far East,<br>n remarks by Pc<br>id G7 central<br>e was no nee<br>wards DM1.89 w<br>\$ agst DM,Austr<br>ase the upward                                      | <ul> <li>* On convent<br/>no further</li> <li>* On opening i</li> /ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Italy<br>Japan<br>US<br>night the<br>inique text<br>d of a fir<br>n London t<br>man moneta<br>in the<br>ted centr | <pre>i -346   +</pre>                                         | sharpl<br>t for<br>dolla<br>: agai<br>was t<br>er ros<br>ets a<br>ventio |
| on a di<br>(b) Spot<br>date b<br>OTHER COUN<br>Delgium<br>Denmark<br>rance<br>ARKET COM<br>Australia<br>he status<br>aw some r<br>ose above<br>ounter any<br>fter rema<br>resent. Hou                                                                                    | one date b<br>transactio<br>asis, as i<br>                                                                                                                                                                                           | asis.<br>ns only or<br>n publishe<br>ET INTERVE<br>DM<br>a very q<br>ning follo<br>mplying G7<br>titutional<br>but then fo<br>preciational<br>but then fo<br>preciation                                 | wiet tradin<br>wing the pu<br>did not ob<br>selling in<br>ell back o<br>and he sa<br>that ther<br>r rose to<br>,Canada -25<br>helped to e<br>M3.1445 | TOTAL CH/<br>Lion equivalent<br>Germany -131\$<br>Holland -20\$<br>Ireland -15\$ a<br>blication of t<br>ject to the cu<br>the Far East.<br>n remarks by Po<br>id G7 central<br>e was no nee<br>wards DM1.89 w                                                                                              | <ul> <li>* On convent<br/>no further</li> <li>* On opening i</li> /ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Italy<br>Japan<br>US<br>night the<br>inique text<br>d of a fir<br>n London t<br>man moneta<br>in the<br>ted centr | <pre>i -346   +</pre>                                         | sharpl<br>t for<br>dolla<br>: agai<br>was t<br>er ros<br>ets a<br>ventio |
| on a de<br>(b) Spot<br>date be<br>OTHER COUN<br>Belgium<br>Benmark<br>rance<br>ARKET COM<br>Australia<br>he status<br>aw some r<br>ose above<br>ounter any<br>fter rema<br>resent.How<br>figures ab<br>25\$ agst a<br>ates at 6.                                         | one date b<br>transactio<br>asis, as i<br>TRIES MARK<br>+35DM<br>-10\$ agst<br>-30\$<br>MENT After<br>a this mor<br>guo but i<br>modest ins<br>DM1.885<br>y Mark de<br>arks by<br>wever as<br>bove plus<br>£ and -25\$<br>.05PM: \$1 | asis.<br>ns only or<br>n publishe<br>ET INTERVE<br>DM<br>a very q<br>ning follo<br>mplying G7<br>titutional<br>but then fo<br>preciational<br>but then fo<br>preciation                                 | wiet tradin<br>wing the pu<br>did not ob<br>selling in<br>ell back o<br>and he sa<br>that ther<br>r rose to<br>,Canada -25<br>helped to e<br>M3.1445 | TOTAL CH/<br>Lion equivalent<br>Germany -131\$<br>Holland -20\$<br>Ireland -15\$ a<br>g session in M<br>blication of t<br>ject to the cu<br>the Far East,<br>n remarks by Pc<br>id G7 central<br>e was no nee<br>wards DM1.89 w<br>\$ agst DM, Austr<br>ase the upward<br>DM/\$1.8810                      | * On convent<br>no further<br>of further<br>to further<br>to further<br>to further<br>the final G7 community<br>the final G7 community | Italy<br>Japan<br>US<br>night the<br>inique text<br>d of a fir<br>n London t<br>man moneta<br>in the<br>ted centr | <pre>i -346   +</pre>                                         | sharp<br>t for<br>dolla<br>: agai<br>was t<br>er ros<br>ets a<br>ventio  |
| on a de<br>(b) Spot<br>date be<br>OTHER COUN<br>Belgium<br>Benmark<br>France<br>ARKET COM<br>Australia<br>he status<br>aw some r<br>ose above<br>ounter any<br>fter rema<br>resent.How<br>figures ab<br>25\$ agst a<br>ates at 6.<br>ONG KONG                            | one date b<br>transactio<br>asis, as i<br>                                                                                                                                                                                           | asis.<br>ns only or<br>n publishe<br>ET INTERVE<br>DM<br>a very q<br>ning follo<br>mplying G7<br>titutional<br>but then fo<br>preciational<br>but then fo<br>preciation                                 | wiet tradin<br>wing the pu<br>did not ob<br>selling in<br>ell back o<br>and he sa<br>that ther<br>r rose to<br>,Canada -25<br>helped to e<br>M3.1445 | TOTAL CH/<br>Lion equivalent<br>Germany -131\$<br>Holland -20\$<br>Ireland -15\$ a<br>g session in M<br>blication of t<br>ject to the cu<br>the Far East,<br>n remarks by Pc<br>id G7 central<br>e was no nee<br>wards DM1.89 w<br>\$ agst DM,Austr<br>ase the upward<br>DM/\$1.8810<br>Previous<br>7.8123 | <ul> <li>* On convent<br/>no further</li> <li>* On further</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Italy<br>Japan<br>US<br>night the<br>inique text<br>d of a fir<br>n London t<br>man moneta<br>in the<br>ted centr | <pre>i -346   +</pre>                                         | sharp<br>t for<br>dolla<br>: agai<br>was t<br>er ros<br>ets a<br>ventio  |
| on a da<br>(b) Spot<br>date b<br>OTHER COUN<br>Delgium<br>Denmark<br>rance<br>ARKET COM<br>Australia<br>he status<br>aw some r<br>ose above<br>ounter any<br>fter rema<br>resent. How<br>figures at<br>25\$ agst f<br>ates at 6.<br>ONG KONG<br>ong Kong C<br>ang Seng 1 | one date b<br>transactio<br>asis, as i<br>                                                                                                                                                                                           | asis.<br>ns only or<br>n publishe<br>ET INTERVE<br>DM<br>a very q<br>ning follo<br>mplying G7<br>titutional<br>but then f<br>preciation<br>Tietmeyer<br>the dolla<br>Swiss -30\$<br>agst DM)<br>.6717 D | wing the pu<br>did not ob<br>selling in<br>ell back o<br>and he sa<br>that ther<br>r rose to<br>,Canada -25<br>helped to e<br>M3.1445                | TOTAL CH/<br>Lion equivalent<br>Germany -131\$<br>Holland -20\$<br>Ireland -15\$ a<br>blication of t<br>ject to the cu<br>the Far East.<br>n remarks by Po<br>id G7 central<br>e was no nee<br>wards DM1.89 w<br>\$ agst DM,Austr<br>ase the upward<br>DM/\$1.8810<br>Previous<br>7.8123<br>2454.38        | <ul> <li>* On convent<br/>no further</li> <li>* On further</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Italy<br>Japan<br>US<br>night the<br>inique text<br>d of a fir<br>n London t<br>man moneta<br>in the<br>ted centr | <pre>i -346   +</pre>                                         | sharpl<br>t for<br>dolla<br>: agai<br>was t<br>er ros<br>ets a<br>ventio |
| on a da<br>(b) Spot<br>date b<br>OTHER COUN<br>Delgium<br>Denmark<br>rance<br>ARKET COM<br>Australia<br>he status<br>aw some r<br>ose above<br>ounter any<br>fter rema<br>resent. How<br>figures at<br>25\$ agst f<br>ates at 6.<br>ONG KONG<br>ong Kong C<br>ang Seng 1 | one date b<br>transactio<br>asis, as i<br>                                                                                                                                                                                           | asis.<br>ns only or<br>n publishe<br>ET INTERVE<br>DM<br>a very q<br>ning follo<br>mplying G7<br>titutional<br>but then f<br>preciation<br>Tietmeyer<br>the dolla<br>Swiss -30\$<br>agst DM)<br>.6717 D | wiet tradin<br>wing the pu<br>did not ob<br>selling in<br>ell back o<br>and he sa<br>that ther<br>r rose to<br>,Canada -25<br>helped to e<br>M3.1445 | TOTAL CH/<br>Lion equivalent<br>Germany -131\$<br>Holland -20\$<br>Ireland -15\$ a<br>blication of t<br>ject to the cu<br>the Far East.<br>n remarks by Po<br>id G7 central<br>e was no nee<br>wards DM1.89 w<br>\$ agst DM,Austr<br>ase the upward<br>DM/\$1.8810<br>Previous<br>7.8123<br>2454.38        | <ul> <li>* On convent<br/>no further</li> <li>* On further</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Italy<br>Japan<br>US<br>night the<br>inique text<br>d of a fir<br>n London t<br>man moneta<br>in the<br>ted centr | <pre>i -346   +</pre>                                         | sharpl<br>t for<br>dolla<br>: agai<br>was t<br>er ros<br>ets a<br>ventio |

SECRET

| •                                                                                                                                     |                                                                 | SECRE                                                               | ET                                                                |                                       |
|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------|
| MONEY MARKETS                                                                                                                         |                                                                 |                                                                     | Monday 26                                                         | th September 1988                     |
| INTEREST RATES                                                                                                                        |                                                                 |                                                                     |                                                                   |                                       |
| and a second                        | f Inte                                                          |                                                                     | Eurodo                                                            |                                       |
|                                                                                                                                       | Today                                                           | Change                                                              | Today                                                             | Change                                |
| 7 days                                                                                                                                | 10 5/8                                                          | -3/8                                                                | 8 1/4                                                             |                                       |
| 1 mth                                                                                                                                 | 11 1/2                                                          | -1/16                                                               | 8 1/4                                                             | · · · · · · · · · · · · · · · · · · · |
| 3 mth                                                                                                                                 | 12                                                              | -1/8                                                                | 8 5/16                                                            | -1/16                                 |
| 12 mth                                                                                                                                | 12 1/16                                                         | -1/8                                                                | 8 3/4                                                             | ++                                    |
| BILLS                                                                                                                                 |                                                                 | Toda                                                                | ау                                                                | Change                                |
| 3 Mor                                                                                                                                 | nth Treasury Bills                                              | 11 9/16                                                             | - 11 5/16                                                         | -3/16                                 |
| BANK MONEY MARKET OF                                                                                                                  |                                                                 | +                                                                   |                                                                   |                                       |
| BANK HONET HARKET OF                                                                                                                  | Purchases £ m                                                   | Rates                                                               | Discount Rate on E                                                | ligible Bank Bills                    |
| Band 1 (0-14 days)                                                                                                                    |                                                                 | +                                                                   | 11 1/8-10                                                         | +                                     |
| Band 2 (15-31 days)                                                                                                                   |                                                                 | +                                                                   | 11 9/32-7                                                         | +                                     |
| Band 3 (32-63 days)                                                                                                                   |                                                                 | +                                                                   | 11 5/8-19                                                         | +                                     |
| Band 4 (64-91 days)                                                                                                                   |                                                                 | ÷                                                                   | 11 11/16-                                                         | +                                     |
| TOTAL BILLS                                                                                                                           | 0                                                               | ÷                                                                   | +                                                                 | +                                     |
| Repurchase                                                                                                                            | 121                                                             | +<br> Due 30 September a                                            | t 10 7/16-5/8%                                                    |                                       |
| Lending                                                                                                                               |                                                                 | +<br>                                                               |                                                                   |                                       |
| TOTAL OPERATIONS                                                                                                                      | 121                                                             | +<br> against surplus ==                                            | £ 150 m                                                           |                                       |
|                                                                                                                                       |                                                                 | +                                                                   |                                                                   |                                       |
|                                                                                                                                       |                                                                 |                                                                     | 40 T David                                                        | 20 up Tay Band                        |
| US RATES                                                                                                                              |                                                                 | +                                                                   | 10 yr Tsy Bond<br>+                                               | 20 yr Tsy Bond<br>++<br>  9.06 0.01   |
|                                                                                                                                       | Today/Change                                                    | 8.18 0.03                                                           | +                                                                 | ÷÷                                    |
| STOCK MARKET                                                                                                                          |                                                                 | FI Ind-Ord                                                          | FTSE                                                              | Gilt index<br>++                      |
|                                                                                                                                       | Today/Change                                                    | +                                                                   | +                                                                 | 87.43 0.18  <br>++                    |
| MARKET COMMENT<br>GILTS opened unchar<br>improving best in lo<br>the pound still soft<br>and shorts improved,<br>3/16-1/4 firmer, med | ongs. Shorts remain<br>. This afternoon,<br>. too, as money rat | ed subdued with dep<br>however, as the pour<br>es softened. The mai | osit rates stubborn<br>nd improved, the ra<br>rket closed with sh | ly firm and<br>lly continued          |
| INDEX-LINKED closed                                                                                                                   |                                                                 |                                                                     |                                                                   |                                       |
| EQUITIES most sector<br>investors sidelined.                                                                                          | ors have been becal<br>Gold took another                        | med ahead of tomorro<br>tumble following l                          | ows trade figures w<br>ast weeks crude sli                        | ith many<br>de.                       |
|                                                                                                                                       |                                                                 |                                                                     | C                                                                 | in Darge                              |
|                                                                                                                                       |                                                                 |                                                                     |                                                                   |                                       |

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NAME: Carl Davey TEL NO: 270 4613

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| GILT-EDGED MARKET                                                                                                                                                                             |                          |                                                                                                                              |                                                                                                                                                  |                                                                  | Monday 26th                                                                                                            | September 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transactions basis, cash values                                                                                                                                                               | (£m); s                  | ales + purcha                                                                                                                | ses                                                                                                                                              | -                                                                |                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| ISSUE DEPARTMENT: MARKET TRANSAC                                                                                                                                                              | TIONS                    |                                                                                                                              |                                                                                                                                                  |                                                                  | Today                                                                                                                  | September                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                                                                                                                                                                                               |                          | Gross sales                                                                                                                  | s sh                                                                                                                                             | orts                                                             | 3.4                                                                                                                    | 53.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                                                                                                                                                                               |                          | Gross sales                                                                                                                  | med                                                                                                                                              | iums                                                             | 25.6                                                                                                                   | 464.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Gro                                                                                                                                                                                           | oss sal                  | es longs and                                                                                                                 | und                                                                                                                                              | ated                                                             | 35.7                                                                                                                   | 639.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                                                                                                                                                                                               | Gros                     | s sales index                                                                                                                | (-li                                                                                                                                             | nked                                                             | 49.0                                                                                                                   | 321.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                                                                                                                                                                                               |                          | Part pai                                                                                                                     | id c                                                                                                                                             | alls                                                             | +                                                                                                                      | 369.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Buying in                                                                                                                                                                                     | non-ne                   | ext maturities                                                                                                               | s sh                                                                                                                                             | orts                                                             | -3.5                                                                                                                   | -29.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Buying in r                                                                                                                                                                                   | non-nex                  | t maturities                                                                                                                 | med                                                                                                                                              | liums                                                            | -24.7                                                                                                                  | -486.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Buying ir                                                                                                                                                                                     | n non-n                  | ext maturitie                                                                                                                | es l                                                                                                                                             | ongs                                                             | -55.3                                                                                                                  | -903.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Buying in non-ne                                                                                                                                                                              | ext mat                  | urities index                                                                                                                | (-li                                                                                                                                             | nked                                                             | -21.6                                                                                                                  | -343                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                                                                                                                                                                                               | CRND:                    | Market trans                                                                                                                 | act                                                                                                                                              | ions                                                             | -11.5                                                                                                                  | -31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                                                                                                                                                                               |                          | TOTAL 'GROSS                                                                                                                 | 5' S                                                                                                                                             |                                                                  | -2.9                                                                                                                   | A REAL PROPERTY OF A REA |
| Bu                                                                                                                                                                                            | uying i                  | n of next mat                                                                                                                | uri                                                                                                                                              |                                                                  | +======================================                                                                                | 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                                                                                                                                                                               |                          | Rede                                                                                                                         | empt                                                                                                                                             | ions                                                             | +<br>  -0.1                                                                                                            | -7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| тот                                                                                                                                                                                           | AL TRAN                  | SACTIONS WITH                                                                                                                | MA                                                                                                                                               |                                                                  | -3.0                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                               |                          | target of                                                                                                                    | £                                                                                                                                                |                                                                  | m                                                                                                                      | <br>+=========                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| PRICES/YIELDS OF GILT-EDGED STOCH                                                                                                                                                             | ks                       |                                                                                                                              |                                                                                                                                                  |                                                                  | Change                                                                                                                 | e from                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| PRICES/YIELDS OF GILT-EDGED STOC                                                                                                                                                              | ks                       | Yesterday's c                                                                                                                | los                                                                                                                                              | .e                                                               | Chang<br>yesterda                                                                                                      | y's close                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                                                                                                                                                                                               | KS                       | Yesterday's c<br>ar yield (per                                                                                               | ce                                                                                                                                               | eent)                                                            | Chang<br>yesterda<br>Price (£/32)                                                                                      | y's close<br>Yield                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Sho                                                                                                                                                                                           | KS<br>P<br>orts          | Yesterday's c<br>ar yield (per<br>                                                                                           | ce                                                                                                                                               | eent)                                                            | Chang<br>yesterda<br>Price (£/32)                                                                                      | y's close<br>Yield<br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Sho                                                                                                                                                                                           | KS<br>P<br>orts<br>diums | Yesterday's c<br>ar yield (per<br>                                                                                           | ce<br>ce<br>4  <br>50                                                                                                                            | eent)                                                            | Chang<br>yesterda<br>Price (£/32)<br>5<br>6                                                                            | y's close<br>Yield<br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Sha<br>Mea<br>Lor                                                                                                                                                                             | KS<br>P<br>orts          | Yesterday's c<br>ar yield (per<br>1 10.34<br>1 10.06                                                                         | ce<br>ce<br>4  <br>50  <br>57                                                                                                                    | ee<br>ent)                                                       | Chang<br>yesterda<br>Price (£/32)<br>5<br>6<br>1 6                                                                     | y's close<br>Yield<br>  -0.0<br>  -0.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Sho                                                                                                                                                                                           | KS<br>P<br>orts<br>diums | Yesterday's c<br>ar yield (per<br>1 10.34<br>1 10.06<br>9.55<br>•<br>Price                                                   | ce<br>ce<br>4  <br>50  <br>57  <br>ce<br>(£                                                                                                      | e<br>nt)                                                         | Chang<br>yesterda<br>Price (£/32)<br>5<br>6<br>6<br>1 10<br>Yield (p                                                   | y's close<br>Yield<br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Sho<br>Med<br>Lor<br>REPRESENTATIVE STOCKS                                                                                                                                                    | KS<br>P<br>orts<br>diums | Yesterday's c<br>ar yield (per<br>1 10.34<br>1 10.06<br>1 9.55<br>                                                           | clos<br>ce<br>+4  <br>+<br>57  <br>+<br>• (£                                                                                                     | e<br>ent)<br>:/32)<br>Change                                     | Change<br>yesterda<br>Price (£/32)<br>5<br>6<br>1 6<br>10<br>Yield (pu<br>Today                                        | y's close<br>Yield<br>0.0<br>0.0<br>0.0<br>0.0<br>0.0<br>Change                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Sha<br>Mea<br>Lor<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992                                                                                                                                | KS<br>P<br>orts<br>diums | Yesterday's c<br>ar yield (per<br>1 10.34<br>1 10.06<br>9.55<br>Price<br>Today<br>93                                         | clos<br>ce<br>+4  <br>50  <br>++<br>57  <br>++<br>6  <br>++                                                                                      | ee<br>ent)<br>:/ <b>32)</b><br>Change                            | Chang<br>yesterda<br>Price (£/32)<br>5<br>6<br>1 6<br>1 10<br>Yield (pr<br>Today<br>1 10.35                            | y's close<br>Yield<br>-0.0<br>-0.0<br>-0.0<br>-0.0<br>Change<br>-0.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Sho<br>Med<br>Lor<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'                                                                                                     | KS<br>P<br>orts<br>diums | Yesterday's c<br>ar yield (per<br>1 10.34<br>1 10.06<br>9.55<br>Price<br>Today<br>93<br>92 3                                 | clos<br>ce<br>+4  <br>50  <br>57  <br>57  <br>57  <br>57  <br>57  <br>57  <br>57  <br>50  <br>50  <br>50  <br>50  <br>50  <br>50  <br>50  <br>50 | e<br>ent)<br>:/32)<br>Change<br>4<br>8                           | Change<br>yesterda<br>Price (£/32)<br>5<br>6<br>1 6<br>10<br>Yield (P<br>Today<br>10.35<br>9.96                        | y's close<br>Yield<br>-0.0<br>-0.0<br>-0.0<br>er cent)<br>Change<br>-0.0<br>-0.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Sho<br>Mec<br>Lor<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07                                                                         | KS<br>P<br>orts<br>diums | Yesterday's c<br>ar yield (per<br>10.34<br>10.06<br>19.55<br>Price<br>Today<br>193<br>192 3<br>1114 3                        | clos<br>ce<br>44  <br>60  <br>57  <br>57  <br>6  <br>6  <br>50  <br>50  <br>50  <br>50                                                           | e<br>ent)<br>(/32)<br>Change<br>4<br>8<br>9                      | Change<br>yesterda<br>Price (£/32)<br>5<br>6<br>10<br>10<br>Yield (pe<br>Today<br>10.35<br>9.96<br>9.78                | y's close<br>Yield<br>-0.0<br>-0.0<br>-0.0<br>-0.0<br>Change<br>-0.0<br>-0.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Sho<br>Med<br>Lor<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992                                                     | KS<br>P<br>orts<br>diums | Yesterday's c<br>ar yield (per<br>1 10.34<br>1 10.06<br>9.55<br>Price<br>Today<br>93<br>92 3<br>1 92 3<br>1 114 3<br>1 82 2  | clos<br>ce<br>44  <br>50  <br>57  <br>6  <br>6  <br>50  <br>50  <br>50  <br>50  <br>50  <br>50  <br>50  <br>50                                   | e<br>int)<br>(/32)<br>Change<br>4<br>8<br>9<br>0                 | Chang<br>yesterda<br>Price (£/32)<br>5<br>6<br>1 0<br>Yield (p<br>Today<br>1 10.35<br>9.96<br>9.78<br>8.57             | y's close<br>Yield<br>-0.0<br>-0.0<br>-0.0<br>Change<br>-0.0<br>-0.0<br>-0.0<br>-0.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Sho<br>Med<br>Lor<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016                         | KS<br>P<br>orts<br>diums | Yesterday's c<br>ar yield (per<br>1 0.34<br>1 10.06<br>9.55<br>Price<br>Today<br>93<br>93<br>92 3<br>1 114 3<br>1 82 2<br>98 | clos<br>ce<br>44  <br>60  <br>57  <br>57  <br>6  <br>6  <br>50  <br>50  <br>50  <br>50                                                           | e<br>mt)<br>(/32)<br>Change<br>4<br>8<br>9<br>0<br>4             | Change<br>yesterda<br>Price (£/32)<br>5<br>6<br>10<br>10<br>Yield (P<br>Today<br>10.35<br>9.96<br>9.78<br>8.57<br>3.90 | y's close<br>Yield<br>-0.0<br>-0.0<br>-0.0<br>change<br>-0.0<br>-0.0<br>-0.0<br>0.0<br>0.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Sho<br>Med<br>Lor<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016<br>2% Index-Linked 1994 | KS<br>P<br>orts<br>diums | Yesterday's c<br>ar yield (per<br>1 10.34<br>1 10.06<br>9.55<br>Price<br>Today<br>93<br>92 3<br>1 92 3<br>1 114 3<br>1 82 2  | clos<br>ce<br>44  <br>50  <br>57  <br>6  <br>6  <br>50  <br>50  <br>50  <br>50  <br>50  <br>50  <br>50  <br>50                                   | e<br>int)<br>(/32)<br>Change<br>4<br>8<br>9<br>0                 | Chang<br>yesterda<br>Price (£/32)<br>5<br>6<br>1 10<br>Yield (p<br>Today<br>10.35<br>9.96<br>9.78<br>8.57<br>1 3.90    | y's close<br>Yield<br>-0.0<br>-0.0<br>-0.0<br>change<br>-0.0<br>-0.0<br>-0.0<br>0.0<br>0.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Sho<br>Med<br>Lor<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016                         | KS<br>P<br>orts<br>diums | Yesterday's c<br>ar yield (per<br>1 0.34<br>1 10.06<br>9.55<br>Price<br>Today<br>93<br>93<br>92 3<br>1 114 3<br>1 82 2<br>98 | clos<br>ce<br>44  <br>50  <br>57  <br>6  <br>6  <br>50  <br>50  <br>50  <br>50  <br>50  <br>50  <br>50  <br>50                                   | e<br>int)<br>(/32)<br>Change<br>4<br>8<br>9<br>0<br>4<br>4<br>-2 | Change<br>yesterda<br>Price (£/32)<br>5<br>6<br>10<br>10<br>Yield (P<br>Today<br>10.35<br>9.96<br>9.78<br>8.57<br>3.90 | y's close<br>Yield (<br>-0.0<br>-0.0<br>-0.0<br>-0.0<br>Change<br>-0.0<br>-0.0<br>-0.0<br>-0.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

NAME: Ca TEL NO: 27

Carl Davey 270 4613

LAWSON LIFTS LIMITS ON FOREIGN STG BOND ISSUES NRDT WEST BERLIN, SEPT 26, REUTER - THE LIMIT ON INDIVIDUAL OVERSEAS ISSUES IN THE STERLING BOND MARKET HAS BEEN ABOLISHED,

U.K. CHANCELLOR OF THE EXCHEQUER NIGEL LAWSON SAID. IN LONDON A TREASURY SPOKESMAN NOTED THERE WAS ALREADY NO LIMIT FOR FOREIGN CORPORATE BORROWERS IN THE DOMESTIC STERLING MARKET, BUT A LIMIT HAD PREVIOUSLY BEEN IMPOSED FOR FOREIGN SOVEREIGN BORROWERS. ISSUES BY FOREIGN BORROWERS IN THE DOMESTIC STERLING MARKET ARE KNOWN AS BULLDOG BONDS. LAWSON TOLD A FRINGE RECEPTION AT THE INTERNATIONAL

LAWSON TOLD A FRINGE RECEPTION AT THE INTERNATIONAL MONETARY FUND (IMF) MEETING IN WEST BERLIN THAT THE LIMIT, RAISED TO 200 MLN STG LAST YEAR, WOULD HENCEFORTH BE ABOLISHED. AAMM 1454 FRENCH 13-WEEK T-BILL AVERAGE RATE FALLS TO 7.25 PCT FROM 7.32 PCT--TREASURY P

REUTER MONITOR 1400

REUTER MONITOR

LAWSON LIFTS LIMITS ON FOREIGN STG BOND ISSUES -PART 2 NRFJ THE BANK OF ENGLAND LATER SAID THE 200 MLN STG LIMIT WAS BEING ABOLISHED ON ALL FOREIGN SOVEREIGN OR QUASI-SOVEREIGN ISSUES, INCLUDING ANY IN THE EUROSTERLING BOND MARKET.

WITH THE U.K. GOVERNMENT RUNNING A LARGE BUDGET SURPLUS AND THEREFORE NOT ISSUING MANY NEW BONDS, THE MOVE WILL ALLOW OVERSEAS SOVEREIGN BORROWERS TO PROVIDE MORE LIQUIDITY TO THE STERLING BOND MARKET, BANKERS SAID.

THE LIMIT HAD BEEN INTENDED TO KEEP SUCH TOP-QUALITY BORROWERS FROM LURING FUNDS AWAY FROM U.K. CORPORATE BORROWERS, GOVERNMENT OFFICIALS SAID. "THE FEELING IS THAT NOW THE MARKET IS RESILIENT ENOUGH TO ACCOMMODATE ALL OF THIS," ONE NOTED. 26-SEP-1411. MON617 MONJ CONTINUED FROM - NRDT ENDS

1400

With all's

A, B, C, Cii, All Po's

|                                    |            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                    | S I                      | ECRET                 |                             |                                        |
|------------------------------------|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|--------------------------|-----------------------|-----------------------------|----------------------------------------|
| FOREIGN EX                         | KCHANGE MA | RKETS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                    | MG EVEN)                 | %ch                   | ay 27 Sept<br>ange<br>rency | ember 1988                             |
| Previous<br>close                  |            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Tod<br>opening<br>8.30am           | lay<br>close<br>4.00pm   | since<br>Plaza        | since<br>Paris              | since 16<br>October 1987               |
| 75.2<br>1.6660<br>3.1387<br>1.5146 |            | £ERI<br>\$/£<br>DM/£<br>ECU/£                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 75.4<br>1.6740<br>3.1475<br>1.5162 | 1.6777                   | -7.8<br>22.1<br>-19.2 | 9.4<br>9.8<br>13.0          | 0.8                                    |
| 100<br>1.8840<br>134.70            |            | \$ERI<br>DM/\$<br>Yen/\$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | -<br>1.8802<br>134.55              | 99.7<br>1.8802<br>134.47 | -28.6<br>51.1<br>77.4 | -4.1<br>-2.9<br>14.2        |                                        |
| Oct \$13.25                        | 5 Nov \$13 | .42 Dec \$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 13.55 Sp                           | ot Brent Oct             | \$12.70 Nov \$12.82   | Dec \$12.92                 |                                        |
| UK RESERVE                         | E TRANSACT | IONS (Smil)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | lion)                              |                          |                       |                             |                                        |
| (a) +                              | Today      | This<br>  month<br>  so far                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Total<br>since<br>1 Apr 88         |                          | (b)                   |                             | Estimated  *<br>end-month <br>position |
| 1                                  | 108        | and the second se | 3599                               | Mar                      | ket intervention      | ļ                           | -20                                    |

| 100<br>1.8840<br>134.70                                                                            | C<br>Y                                                                                                           | SERI<br>DM/\$<br>Yen/\$                                                                               | 1.8802<br>134.55                                                                                     |                                                                                                                                           | -28.6<br>51.1<br>77.4                                                                                                                                                                            | -4.1<br>-2.9<br>14.2                                                                 | -4.2<br>6.2                                                                     |                                             |
|----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------|
| Oct \$13.2                                                                                         | 5 Nov \$13.                                                                                                      | 42 Dec \$1                                                                                            | 13.55 S                                                                                              | pot Brent Oct \$                                                                                                                          | 12.70 Nov \$12.82                                                                                                                                                                                | Dec \$12.9                                                                           |                                                                                 |                                             |
| UK RESERV                                                                                          | E TRANSACTI                                                                                                      | ONS (Smill                                                                                            | ion)                                                                                                 |                                                                                                                                           |                                                                                                                                                                                                  |                                                                                      |                                                                                 |                                             |
| (a)                                                                                                | I                                                                                                                |                                                                                                       | Total<br>since<br>1 Apr 88                                                                           |                                                                                                                                           | (b)                                                                                                                                                                                              |                                                                                      | ++<br> Estimated <br> end-month <br> position  <br>++                           | *                                           |
|                                                                                                    |                                                                                                                  |                                                                                                       | 3599                                                                                                 | Marke                                                                                                                                     | t intervention                                                                                                                                                                                   |                                                                                      | -20                                                                             |                                             |
|                                                                                                    | 6                                                                                                                | -312                                                                                                  | -1121                                                                                                | Off-mar                                                                                                                                   | ket transactions                                                                                                                                                                                 |                                                                                      | -206                                                                            |                                             |
|                                                                                                    | 114                                                                                                              | -341                                                                                                  |                                                                                                      |                                                                                                                                           | TOTAL                                                                                                                                                                                            |                                                                                      | -226                                                                            |                                             |
|                                                                                                    |                                                                                                                  |                                                                                                       |                                                                                                      | Ne                                                                                                                                        | t borrowing                                                                                                                                                                                      |                                                                                      | -14                                                                             |                                             |
|                                                                                                    | and forward<br>done date b                                                                                       |                                                                                                       | ions                                                                                                 | Valua                                                                                                                                     | tion changes                                                                                                                                                                                     |                                                                                      | 0                                                                               |                                             |
|                                                                                                    | done dute t                                                                                                      |                                                                                                       |                                                                                                      | TOTAL CH                                                                                                                                  | ANGE IN RESERVES                                                                                                                                                                                 |                                                                                      | -240                                                                            |                                             |
| date                                                                                               | transactic<br>basis, as i                                                                                        | n publishe                                                                                            | d figures.                                                                                           |                                                                                                                                           | * On conventi<br>no further                                                                                                                                                                      |                                                                                      |                                                                                 |                                             |
| Belgium                                                                                            | NIKIES MARK                                                                                                      | EI INIEKVI                                                                                            | ENITON (SHI                                                                                          | Germany -                                                                                                                                 |                                                                                                                                                                                                  | Italy                                                                                |                                                                                 |                                             |
| Denmark                                                                                            |                                                                                                                  |                                                                                                       |                                                                                                      | Holland -                                                                                                                                 |                                                                                                                                                                                                  | Japan                                                                                |                                                                                 |                                             |
| France                                                                                             | -                                                                                                                |                                                                                                       |                                                                                                      | Ireland -                                                                                                                                 |                                                                                                                                                                                                  | US                                                                                   | -                                                                               |                                             |
| intervent<br>sterling.<br>Sterling<br>close).In<br>expected<br>statement<br>than expe<br>DM3.16 bu | around DM1<br>ion.Trading<br>closed in M<br>early Lond<br>August trad<br>after the<br>cted C/A de<br>t towards 1 | y was quiet<br>New York La<br>Non trading<br>Ne figures<br>Ir publicat<br>eficit of a<br>the close of | t in the Fa<br>ast night a<br>g today ste<br>were about<br>tion caused<br>£1.31 and a<br>some profit | r East.Today th<br>t DM3.1469 (nea<br>rling continued<br>to <sup>®</sup> published b<br>some concern a<br>T/A deficit of<br>taking caused | sterday afternoon c<br>e dollar was very s<br>rly 1 pfennig up on<br>to firm as optimis<br>ut a rumour that th<br>nd sterling eased a<br>£1.81 serling rose<br>it to close off its<br>Y/\$134.40 | teady with<br>its prev<br>m grew th<br>e Chancel<br>s a result<br>reaching<br>highs. | th the main in<br>nat better the<br>lor would re<br>t.Following<br>highs of \$7 | focus on<br>elease a<br>better<br>1.682 and |

| HONG KONG              | <b>Previous</b> (23.9.88) | Today   | Change    |  |
|------------------------|---------------------------|---------|-----------|--|
| Hong Kong dollar       | 7.8123                    | 7.8118  | 0.0005    |  |
| Hang Seng Index        | 2454.38                   | 2466.27 | 11.89     |  |
| 3 month interbank rate | 8 3/8%                    | 8 7/16% | UP 1/16%  |  |
| Chris Bailey           |                           |         | I.C.Polin |  |

SECRET



|                                                                                                                                                                              |                                                                                                               |                                                                                                                                      | Tuesday 27                                                                                                      | th September 1988                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| MONEY MARKETS<br>Interest rates                                                                                                                                              |                                                                                                               |                                                                                                                                      | Tuesday 21                                                                                                      | th September 1900                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |  |
|                                                                                                                                                                              | f Interbar                                                                                                    |                                                                                                                                      | Eurodol                                                                                                         | odollar                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |  |
|                                                                                                                                                                              | Today                                                                                                         | Change                                                                                                                               | Today                                                                                                           | Change                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |  |
| 7 days                                                                                                                                                                       | 11 1/4                                                                                                        | 5/8                                                                                                                                  | 8 5/16                                                                                                          | 1/16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  |  |
| 1 mth                                                                                                                                                                        | 11 11/16                                                                                                      | 3/16                                                                                                                                 | 8 1/4                                                                                                           | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |  |
| 3 mth                                                                                                                                                                        | 11 15/16                                                                                                      | -1/16                                                                                                                                | 8 3/8                                                                                                           | 1/16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  |  |
| 12 mth                                                                                                                                                                       | 11 13/16                                                                                                      | -1/4                                                                                                                                 | 8 7/8                                                                                                           | 1/8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |  |
| BILLS                                                                                                                                                                        |                                                                                                               | Todi                                                                                                                                 | ау                                                                                                              | Change                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |  |
| 3 Mor                                                                                                                                                                        | hth Treasury Bills                                                                                            | 11 1/2                                                                                                                               | - 11 1/4                                                                                                        | -1/16                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  |  |
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| BANK MONEY MARKET OF                                                                                                                                                         |                                                                                                               |                                                                                                                                      | Discount Data on El                                                                                             | isible Bank Bills                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |  |
| Band 1 (0 1/ days)                                                                                                                                                           | Purchases £ m                                                                                                 | Rates                                                                                                                                | Discount Rate on El                                                                                             | +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |  |
| Band 1 (0-14 days)                                                                                                                                                           |                                                                                                               | <br>+                                                                                                                                | 11 5/8-9/1                                                                                                      | +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |  |
| Band 2 (15-31 days)<br>Band 3 (32-63 days)                                                                                                                                   |                                                                                                               | <br>+'                                                                                                                               | 11 5/8-9/1                                                                                                      | +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |  |
| Band 4 (64-91 days)                                                                                                                                                          |                                                                                                               | <br>+                                                                                                                                | 11 5/8-11/                                                                                                      | +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |  |
| TOTAL BILLS                                                                                                                                                                  |                                                                                                               | !<br>+                                                                                                                               |                                                                                                                 | +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |  |
| Repurchase                                                                                                                                                                   |                                                                                                               | +                                                                                                                                    |                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |  |
| Lending                                                                                                                                                                      |                                                                                                               | +                                                                                                                                    |                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |  |
| TOTAL OPERATIONS                                                                                                                                                             |                                                                                                               | <br>+<br> flat position                                                                                                              | £ m                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |  |
|                                                                                                                                                                              | +==========                                                                                                   |                                                                                                                                      |                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |  |
|                                                                                                                                                                              |                                                                                                               |                                                                                                                                      |                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |  |
| US RATES                                                                                                                                                                     |                                                                                                               | +                                                                                                                                    | 10 yr Tsy Bond                                                                                                  | ++                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |  |
|                                                                                                                                                                              | Today/Change                                                                                                  | +                                                                                                                                    | +                                                                                                               | ++                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |  |
| STOCK MARKET                                                                                                                                                                 |                                                                                                               | +                                                                                                                                    | +                                                                                                               | ++                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |  |
|                                                                                                                                                                              | Today/Change                                                                                                  | 1459.1 12.6<br>+                                                                                                                     | 1808.0 15.3<br>+                                                                                                | 87.76 U.33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  |  |
| STOCK MARKET<br>MARKET COMMENT<br>GILTS opened a littl<br>intention to make a<br>softer and longs 1/3<br>trade figures brough<br>were taken.The after<br>the US and a little | statement on the t<br>8 softer.By mid-mor<br>ht an immediate imp<br>rnoon market advanc<br>from Japan as well | ing on nervousness<br>rade figures.Shorts<br>ning, conventionals<br>rovement, by around<br>ed furtherwith ster<br>as keen interest f | were unchanged, me<br>were 1/8 easier the<br>5/8 in Longs, before<br>ling.Good demand wa<br>rom the building so | Gilt index<br>Gilt index<br>87.76 0.33<br>4<br>5<br>5<br>6<br>6<br>7<br>6<br>7<br>7<br>8<br>7<br>8<br>7<br>8<br>7<br>9<br>9<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/16<br>1/1 |  |  |
| demand concentrated<br>best the market was<br>with gains of 3/4 in<br>INDEXED LINKED open                                                                                    | almost a point bet<br>n shorts , and 5/8                                                                      | ter throughout the<br>in mediums in mediu                                                                                            | list before subsidings and longs.                                                                               | d the rest.At<br>ng to close                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |  |
| EQUITIES started slo<br>trade figures.The co<br>andthe market race                                                                                                           | urrent account defi                                                                                           | cit of 1.313 bn was                                                                                                                  | much better than e                                                                                              | xpected and                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |  |
|                                                                                                                                                                              |                                                                                                               |                                                                                                                                      | NAME :                                                                                                          | Peter Smith Pet                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |  |

| GILT-EDGED MARKET                                                                                                                                                                                       |                                              |                                                                                                               |                                                                                        |                                                                                                                  | Tuesday 27th                                                                                                                 | September-19                                                                                                                           |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|---------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|--|
| Transactions basis, cash va                                                                                                                                                                             | alues (£m); s                                | ales + pur                                                                                                    | chases                                                                                 | 5 -                                                                                                              |                                                                                                                              |                                                                                                                                        |  |
| ISSUE DEPARTMENT: MARKET TI                                                                                                                                                                             | RANSACTIONS                                  |                                                                                                               |                                                                                        |                                                                                                                  | Today September                                                                                                              |                                                                                                                                        |  |
|                                                                                                                                                                                                         |                                              | Gross sa                                                                                                      | les si                                                                                 | norts                                                                                                            | 10.0                                                                                                                         | 63.5                                                                                                                                   |  |
|                                                                                                                                                                                                         |                                              | Gross sal                                                                                                     | es med                                                                                 | diums                                                                                                            | 54.6                                                                                                                         | 519.4                                                                                                                                  |  |
|                                                                                                                                                                                                         | Gross sal                                    | es longs a                                                                                                    | ind und                                                                                | dated                                                                                                            | *************                                                                                                                | 706.0                                                                                                                                  |  |
|                                                                                                                                                                                                         | Gros                                         | s sales in                                                                                                    | dex-l                                                                                  | inked                                                                                                            | +                                                                                                                            | 373.8                                                                                                                                  |  |
|                                                                                                                                                                                                         |                                              | Part                                                                                                          | paid o                                                                                 | calls                                                                                                            | ÷                                                                                                                            | 369.9                                                                                                                                  |  |
| Buy                                                                                                                                                                                                     | ing in non-ne:                               |                                                                                                               |                                                                                        | al and a start of the                                                                                            | -6.4                                                                                                                         | +                                                                                                                                      |  |
|                                                                                                                                                                                                         | ng in non-nex                                |                                                                                                               |                                                                                        |                                                                                                                  | +                                                                                                                            | -544.1                                                                                                                                 |  |
|                                                                                                                                                                                                         | ying in non-ne                               |                                                                                                               |                                                                                        |                                                                                                                  | +                                                                                                                            | -996.0                                                                                                                                 |  |
|                                                                                                                                                                                                         | non-next mat                                 |                                                                                                               |                                                                                        |                                                                                                                  | +                                                                                                                            | -359.2                                                                                                                                 |  |
|                                                                                                                                                                                                         |                                              | Market tr                                                                                                     |                                                                                        | and the second | -1.0                                                                                                                         | ÷                                                                                                                                      |  |
|                                                                                                                                                                                                         |                                              | TOTAL 'GR                                                                                                     |                                                                                        |                                                                                                                  | 10.4                                                                                                                         | +                                                                                                                                      |  |
|                                                                                                                                                                                                         | Buyina i                                     | n of next                                                                                                     |                                                                                        |                                                                                                                  | +===============                                                                                                             |                                                                                                                                        |  |
|                                                                                                                                                                                                         | ,                                            |                                                                                                               | edempt                                                                                 | - 24 - 42 - 1234                                                                                                 | +                                                                                                                            | -7.2                                                                                                                                   |  |
|                                                                                                                                                                                                         | TOTAL TRANS                                  |                                                                                                               |                                                                                        | a state of the second                                                                                            | 8.3                                                                                                                          | ÷                                                                                                                                      |  |
|                                                                                                                                                                                                         |                                              |                                                                                                               |                                                                                        |                                                                                                                  |                                                                                                                              |                                                                                                                                        |  |
| Sales required to meet                                                                                                                                                                                  | *                                            | target o                                                                                                      | of i                                                                                   | Future calls                                                                                                     | n                                                                                                                            |                                                                                                                                        |  |
|                                                                                                                                                                                                         | D STOCKS                                     |                                                                                                               |                                                                                        | د<br>                                                                                                            | n<br>Change                                                                                                                  | e from<br>y's close                                                                                                                    |  |
| Sales required to meet<br>PRICES/YIELDS OF GILT-EDGED                                                                                                                                                   | D STOCKS                                     | Yesterday'                                                                                                    | s clos                                                                                 | se                                                                                                               | n<br>Chang<br>yesterda                                                                                                       | y's close                                                                                                                              |  |
|                                                                                                                                                                                                         | D STOCKS                                     | Yesterday'<br>ar yield (                                                                                      | s clos                                                                                 | se<br>ent)                                                                                                       | n<br>Chango<br>yesterda<br>Price (£/32)                                                                                      | <b>y's close</b><br>Yield (%)                                                                                                          |  |
|                                                                                                                                                                                                         | D STOCKS<br>Pa<br>Shorts                     | Yesterday'<br>ar yield (<br>                                                                                  | s clos<br>per ce                                                                       | se<br>ent)                                                                                                       | Change<br>yesterday<br>Price (£/32)                                                                                          | y's close<br>Yield (%)<br>                                                                                                             |  |
|                                                                                                                                                                                                         | D STOCKS<br>Pa<br>Shorts<br>Mediums          | Yesterday'<br>ar yield (<br>1 10<br>1 10                                                                      | s clos<br>per ce<br>.284                                                               | se<br>ent)                                                                                                       | Chang<br>yesterda<br>Price (£/32)<br>17<br>24                                                                                | y's close<br>Yield (%)<br>  -0.14<br>  -0.12                                                                                           |  |
|                                                                                                                                                                                                         | D STOCKS<br>Pa<br>Shorts                     | Yesterday'<br>ar yield (<br>1 10<br>1 10                                                                      | s clos<br>per ce                                                                       | se<br>ent)                                                                                                       | Change<br>yesterday<br>Price (£/32)                                                                                          | y's close<br>Yield (%)<br>  -0.14<br>  -0.12                                                                                           |  |
|                                                                                                                                                                                                         | D STOCKS<br>Pa<br>Shorts<br>Mediums          | Yesterday'<br>ar yield (<br>1 10<br>1 10<br>1 9                                                               | s clos<br>per ce<br>.284<br>.017                                                       | se<br>ent)                                                                                                       | Chang<br>yesterda<br>Price (£/32)<br>17<br>24                                                                                | y's close<br>Yield (%)<br>  -0.14<br>  -0.12<br>  -0.06                                                                                |  |
| PRICES/YIELDS OF GILT-EDGEN                                                                                                                                                                             | D STOCKS<br>Pa<br>Shorts<br>Mediums          | Yesterday'<br>ar yield (<br>1 10<br>1 10<br>1 9                                                               | s clos<br>per co<br>2.284<br>0.017<br>0.503                                            | se<br>ent)                                                                                                       | Change<br>yesterday<br>Price (£/32)<br>1 17<br>24<br>1 24                                                                    | y's close<br>Yield (%)<br>  -0.14<br>  -0.12<br>  -0.06                                                                                |  |
| PRICES/YIELDS OF GILT-EDGEN                                                                                                                                                                             | D STOCKS<br>Pa<br>Shorts<br>Mediums          | Yesterday'<br>ar yield (<br>1 10<br>1 10<br>1 9<br>+                                                          | s clos<br>per co<br>2.284<br>0.017<br>0.503                                            | se<br>ent)<br>(/32)<br>Change                                                                                    | Price (£/32)<br>Price (£/32)<br>17<br>24<br>19<br>Yield (po<br>Today                                                         | y's close<br>Yield (%)<br>-0.14<br>-0.12<br>-0.06<br>er cent)<br>Change                                                                |  |
| PRICES/YIELDS OF GILT-EDGEN                                                                                                                                                                             | D STOCKS<br>Pa<br>Shorts<br>Mediums          | Yesterday'<br>ar yield (<br>10<br>10<br>10<br>10<br>10<br>10<br>10<br>10<br>10<br>10<br>10<br>10<br>10        | s clos<br>per co<br>.284<br>.017<br>.503                                               | se<br>ent)<br>(/32)<br>Change                                                                                    | Change<br>yesterday<br>Price (£/32)<br>17<br>17<br>24<br>19<br>Yield (pe<br>Today<br>10.12                                   | y's close<br>Yield (%)<br>-0.14<br>-0.12<br>-0.06<br>er cent)<br>Change<br>  -0.23                                                     |  |
| PRICES/YIELDS OF GILT-EDGER<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992                                                                                                                                | D STOCKS<br>Pa<br>Shorts<br>Mediums          | Yesterday'<br>ar yield (<br>1 10<br>1 10<br>1 9<br>Pr<br>Today<br>1 93                                        | s clos<br>per co<br>.284<br>.017<br>.503<br>rice (1<br>.26                             | se<br>ent)<br>(/32)<br>Change<br>20<br>18                                                                        | Chang<br>yesterday<br>Price (£/32)<br>17<br>17<br>24<br>19<br>Yield (pr<br>Today<br>10.12<br>9.86                            | y's close<br>Yield (%)<br>-0.14<br>-0.12<br>-0.06<br>er cent)<br>Change<br>-0.23<br>-0.10                                              |  |
| PRICES/YIELDS OF GILT-EDGER<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'                                                                                                     | D STOCKS<br>Pa<br>Shorts<br>Mediums          | Yesterday'<br>ar yield (<br>1 10<br>1 10<br>1 9<br>Pr<br>Today<br>1 93<br>1 93                                | s clos<br>per ce<br>284<br>0.017<br>503<br>rice (1<br>26<br>16                         | se<br>ent)<br>E/32)<br>Change<br>20<br>18<br>18                                                                  | Change<br>yesterday<br>Price (£/32)<br>17<br>24<br>19<br>Yield (pe<br>Today<br>10.12<br>9.86<br>9.71                         | y's close<br>Yield (%)<br>-0.14<br>-0.12<br>-0.06<br>er cent)<br>Change<br>-0.23<br>-0.10<br>-0.07                                     |  |
| PRICES/YIELDS OF GILT-EDGEN<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07                                                                         | D STOCKS<br>Pa<br>Shorts<br>Mediums          | Yesterday'<br>ar yield (<br>10<br>10<br>10<br>10<br>10<br>10<br>10<br>10<br>10<br>10<br>10<br>10<br>10        | s clos<br>per co<br>284<br>0.017<br>0.503<br>rice (1<br>26<br>16                       | se<br>ent)<br>(/32)<br>Change<br>20<br>18<br>18<br>8                                                             | Change<br>yesterday<br>Price (£/32)<br>17<br>17<br>24<br>19<br>Yield (pe<br>Today<br>10.12<br>9.86<br>9.71<br>18.48          | y's close<br>Yield (%)<br>-0.14<br>-0.12<br>-0.06<br>er cent)<br>Change<br>-0.23<br>-0.10<br>-0.07<br>-0.09                            |  |
| PRICES/YIELDS OF GILT-EDGER<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992                                                     | D STOCKS<br>Pa<br>Shorts<br>Mediums          | Yesterday'<br>ar yield (<br>1 10<br>1 10<br>1 9<br>Pr<br>Today<br>1 93<br>1 93<br>1 115<br>1 82               | s clos<br>per co<br>284<br>0.017<br>2.503<br>rice (1<br>26<br>16<br>16<br>28           | se<br>ent)<br>(/32)<br>Change<br>20<br>18<br>18<br>8                                                             | Chang<br>yesterday<br>Price (£/32)<br>17<br>24<br>19<br>Yield (pr<br>Today<br>10.12<br>9.86<br>9.71<br>8.48<br>3.90          | y's close<br>Yield (%)<br>-0.14<br>-0.12<br>-0.06<br>er cent)<br>Change<br>-0.23<br>-0.10<br>-0.07<br>-0.09                            |  |
| PRICES/YIELDS OF GILT-EDGER<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016                         | D STOCKS<br>Pa<br>Shorts<br>Mediums          | Yesterday'<br>ar yield (<br>1 10<br>1 10<br>1 9<br>Pr<br>Today<br>93<br>1 93<br>1 93<br>1 115<br>1 82<br>1 98 | s clos<br>per ce<br>284<br>0.017<br>5.503<br>rice (1<br>26<br>16<br>16<br>28<br>4      | se<br>ent)<br>(/32)<br>Change<br>20<br>18<br>18<br>8<br>0                                                        | Chang<br>yesterday<br>Price (£/32)<br>177<br>24<br>19<br>Yield (pr<br>Today<br>10.12<br>9.86<br>9.71<br>8.48<br>3.90         | y's close<br>Yield (%)<br>-0.14<br>-0.12<br>-0.06<br>er cent)<br>Change<br>-0.23<br>-0.10<br>-0.07<br>-0.09<br>0.00                    |  |
| PRICES/YIELDS OF GILT-EDGER<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016<br>2% Index-Linked 1994 | D STOCKS<br>Pa<br>Shorts<br>Mediums          | Yesterday'<br>ar yield (<br>1 10<br>1 10<br>1 9<br>Pr<br>Today<br>93<br>1 93<br>1 93<br>1 115<br>1 82<br>1 98 | s clos<br>per ce<br>284<br>0.017<br>5.503<br>rice (1<br>26<br>16<br>16<br>28<br>4      | se<br>ent)<br>(/32)<br>Change<br>20<br>18<br>18<br>8<br>0                                                        | Chang<br>yesterday<br>Price (£/32)<br>177<br>24<br>19<br>Yield (pr<br>Today<br>10.12<br>9.86<br>9.71<br>8.48<br>3.90         | y's close<br>Yield (%)<br>-0.14<br>-0.12<br>-0.06<br>er cent)<br>Change<br>-0.23<br>-0.10<br>-0.07<br>-0.09<br>0.00                    |  |
| PRICES/YIELDS OF GILT-EDGER<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016<br>2% Index-Linked 1994 | D STOCKS<br>Pa<br>Shorts<br>Mediums<br>Longs | Yesterday'<br>ar yield (<br>1 10<br>1 10<br>1 9<br>Pr<br>Today<br>93<br>1 93<br>1 93<br>1 115<br>1 82<br>1 98 | s clos<br>per ce<br>284<br>0.017<br>5.503<br>rice (1<br>26<br>16<br>16<br>28<br>4<br>3 | se<br>ent)<br>(/32)<br>Change<br>20<br>18<br>18<br>18<br>8<br>0<br>3                                             | Change<br>yesterday<br>Price (£/32)<br>17<br>24<br>19<br>Yield (pe<br>Today<br>10.12<br>9.86<br>9.71<br>8.48<br>3.90<br>3.54 | y's close<br>Yield (%)<br>-0.14<br>-0.12<br>-0.06<br>er cent)<br>Change<br>-0.23<br>-0.10<br>-0.07<br>-0.09<br>0.00<br>-0.02<br>Volume |  |

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#### US FINANCIAL DEVELOPMENTS

The latest weekly summary of developments in monetary policy and the financial markets is attached.

International Division Group 1, HO-3 27 September 1988

R T Thorne (4385)

#### MMARY: 19-25 SEPTEMBER

- Last Saturday's G7 meeting resulted in no new policy initiatives, but will have satisfied US participants as they try to keep markets calm in the run-up to the Presidential election. The meeting's communique contained a thinly veiled call for the US to tackle its budget deficit after the election.
- The communique reaffirmed the commitment to exchange rate stability, but omitted a more detailed remark contained in the previous two summit communiques about exchange rate fluctuations. It was apparently felt that the remark had been misunderstood by some in the market after the Toronto summit as implying that the authorities would be content with a dollar rise. Officials emphasised that there was no policy significance in the changed language. Nevertheless the omission still raised a little speculation that there was a weakening in resolve to stabilise the dollar.
- US official reserves rose \$3.90 bn to \$47.78 bn in August, indicating heavy intervention.
- The FOMC is thought to have left policy unchanged at its meeting last week, but retained a predisposition towards tightening rather than easing in future. The minutes of the August meeting show that the Fed took a similar position then, but with one member dissenting on the side of tighter policy. The FOMC appears to be ready to place a little more emphasis on monetary aggregates when setting policy in future, following the suggestion of several members.
- Interest rates rose by about 5 bp last week in quiet trading before the G7 meeting, following a higher than expected durable goods orders figure and amid concern about the market's ability to absorb this week's note auctions.
- Discount window borrowing rose sharply last week as a seasonal increase in Treasury balances at the Fed exerted pressure on reserves. Analysts saw no indication in the figures of a change in Fed policy.



## (a) G7 meeting

1 As expected, the G7 meeting in West Berlin last Saturday resulted in <u>no new policy initiatives</u> and left exchange rate policy unchanged. This outcome will have satisfied the US participants, as their main aim was to keep policy stable to try to retain the current calmness in financial markets in the run-up to the Presidential election. Newly-appointed Treasury Secretary Nicholas Brady apparently kept a low profile at the meeting, letting the more experienced Fed Chairman Greenspan take the lead for the US.

2 The G7 communique said that the meeting participants "re-affirmed their commitments to pursue policies that will maintain exchange rate stability and to continue to co-operate closely on foreign exchange markets". However, the communique omitted the remark made after the last two summits that "either excessive fluctuation of exchange rates, a further decline of the dollar, or a rise in the dollar to an extent that becomes destabilising to the adjustment process, could be counterproductive". The omission apparently did not indicate any change in policy, but when the remark had been repeated at last June's Toronto summit, with its implication that a dollar rise was still regarded as less serious than a dollar fall despite the dollar's firmness already during the year, it had been misinterpreted by some in the market as a sign that the authorities would be content with a dollar rise. To avoid a similar misinterpretation, the statement was left out this time.

3 Nevertheless, the omission, combined with a failure to replace the remark with any similar remark warning against excessive exchange rate fluctuations, apparently raised concern among some officials that the market might see in this some weakening of resolve to stabilise the dollar. The strength of the dollar on Monday may have been partly due to such a perception. However, the obvious alternative to omission, namely a remark expressing equal concern about a dollar rise or fall, might itself have been interpreted by the market as a definite change in Fed policy and provoked a dollar fall, and this possibility may have influenced officials to leave out the statement altogether. One official also said that the communique was vaguely worded to hide differences between countries. Following the meeting, officials from the US and from other countries were at pains to point out that there was <u>no policy significance in the changed language</u> and that their earlier exchange rate stabilisation agreement was unchanged.

4 There is widespread market speculation that the G7's range for the \$/DM rate currently has an upper bound of DM 1.90 and US officials reportedly indicated that such speculation was reasonable. <u>Intervention tactics</u> are said to have been discussed in private talks at the weekend between Greenspan and Bundesbank President Poehl. Both countries were said to be standing by to resist further upward pressure on the dollar and were apparently part of the joint intervention on Monday after the rate rose to DM 1.89 at one point.

5 Apart from its comments on the exchange rate, the G7 communique presented a buoyant picture of the world economy, with economic growth and investment strong, and little evidence of an inflationary threat following the recent tightening by several countries, although "continued vigilance is required" on that score. In a thinly veiled reminder that the US will need to confront its <u>budget deficit</u> problem after the election, the communique said that "where external and budget deficits are still large the strengthening of the fiscal position will be essential". Surplus countries were urged to encourage strong domestic demand.

#### (b) Official reserves

6 US official reserves rose \$3.90 bn to \$47.78 bn in August, following a \$2.85 bn rise in July. The foreign currency component of reserves rose by \$3.96 bn, an almost identical figure to the total rise, and now stands at \$18.02 bn, thus indicating heavy intervention, especially as the dollar's slight appreciation during the month will have tended to reduce the dollar value of those reserves.

2

#### (c) Domestic policy

7 The FOMC is thought to have left its <u>policy stance unchanged</u> at its meeting last week, as economic data showed signs of slower GNP growth in August, and committee members may well wish to hold policy steady for a while while the effects of the tightening earlier this year work their way through the economy. Nevertheless, the Fed is likely to have indicated again a predisposition towards tightening rather than easing in the light of future developments.

8 The minutes of the previous FOMC meeting on 16 August were released last week and as expected show that it voted to maintain steady policy, but with a predisposition towards tightening rather than easing. Cleveland Fed President Lee Hoskins dissented, though, favouring instead an immediate tightening. One reason given for holding policy steady was that the financial markets did not appear to have fully adjusted to the discount rate rise on 9 August, and it was also felt that further tightening might unsettle the markets or push the dollar up to an undesirable level.

9 At the August meeting, several members felt that the <u>monetary</u> <u>aggregates</u> should be given more weight in policy decisions, although the FOMC decided that more time was still needed to assess M2's reliability as an indicator and that economic indicators of inflationary pressures should still be the most important factor in decisions. Accordingly, the policy directive issued to the New York Fed at the end of the meeting moved "the behaviour of the monetary aggregates" above "developments in foreign exchange and domestic financial markets" in the list of factors to be taken account of in setting policy in the inter-meeting period.

#### MONEY

10 M3 rose by a moderate 0.1% and M2 rose even more modestly in the week ending 12 September, following similarly small changes in the week before. M1 fell by 0.1%, despite a consensus market forecast of a 0.2% rise. M2 and M3 thus remain well within their target ranges, having experienced slow growth over the last few months, partly because of the effects of the rise in interest rates over that period.

#### RESERVES

11 Average adjustment and seasonal borrowing from the Fed's discount window rose \$688 mn to \$1,240 mn in the week ending The sharp increase in borrowing seems to have been 21 September. due to technical factors rather than any tightening of policy. Indeed, policy is widely thought to be being held steady at present. Reserves had been drained last week by an increase in Treasury balances at the Fed to an average of \$9 bn over the week, compared with \$5 bn the week before. The Fed aggressively added reserves throughout the week via system repos on almost every day, and by the end of the week no less than \$17 bn in system repos was outstanding. However, a large net miss in their reserve projections on the Friday, when they underestimated Treasury balances, will have added to the reserve pressures. Treasury balances on Wednesday jumped to \$19 bn, causing discount window borrowing of \$5.3 bn and pushing the Fed funds rate up to 20% at one point.

12 Despite the heavy borrowing, the Fed funds rate averaged 8.17% during the week, very close to the perceived Fed target of 8 1/8%. The Fed's discount window borrowing target is seen as being \$600 mn.

### MARKET DEVELOPMENTS (19-23 September)

13 Treasury interest rates rose by about 5bp last week in quiet trading last week as traders waited for the G7 meeting and, a little further in the future, the September employment figures to be released next week. The higher than expected rise in durable goods orders in August and concern about the need for the market to absorb this week's note auctions contributed to the rise. Weakness in gold and other commodity prices partially counterbalanced these factors. The dollar was fairly stable over the week as dealers generally kept square positions, but it briefly tested DM 1.88 and was pushed back by mild Fed intervention.

# TREASURY AUCTIONS

| Monday                        | 26 September         | Auction of \$14.0 bn of three-<br>and six-month bills, raising<br>\$900 mn of new cash. |
|-------------------------------|----------------------|-----------------------------------------------------------------------------------------|
| Auction of \$1<br>comprising: | 5.75 bn, involving a | \$1.725 bn net paydown, and                                                             |
| Tuesday                       | 27 September         | Auction of \$8.75 bn of two-year notes                                                  |
| Wednesday                     | 28 September         | Auction of \$7 bn of four-year notes                                                    |

# ECONOMIC INDICATORS

| Friday    | 30 September | Leading indicators; August<br>Home sales; August                                                 |
|-----------|--------------|--------------------------------------------------------------------------------------------------|
| Monday    | 3 October    | Factory orders; August                                                                           |
| Thursday  | 6 October    | Consumer credit; August                                                                          |
| Friday    | 7 October    | Employment and unemployment;<br>September                                                        |
| Wednesday | 12 October   | Retail sales; September                                                                          |
| Thursday  | 13 October   | Merchandise trade; August<br>Industrial production;<br>September<br>Business inventories; August |
| Friday    | 14 October   | Producer price index; September                                                                  |

## OTHER DATES

Monday 10 October

Columbus Day holiday

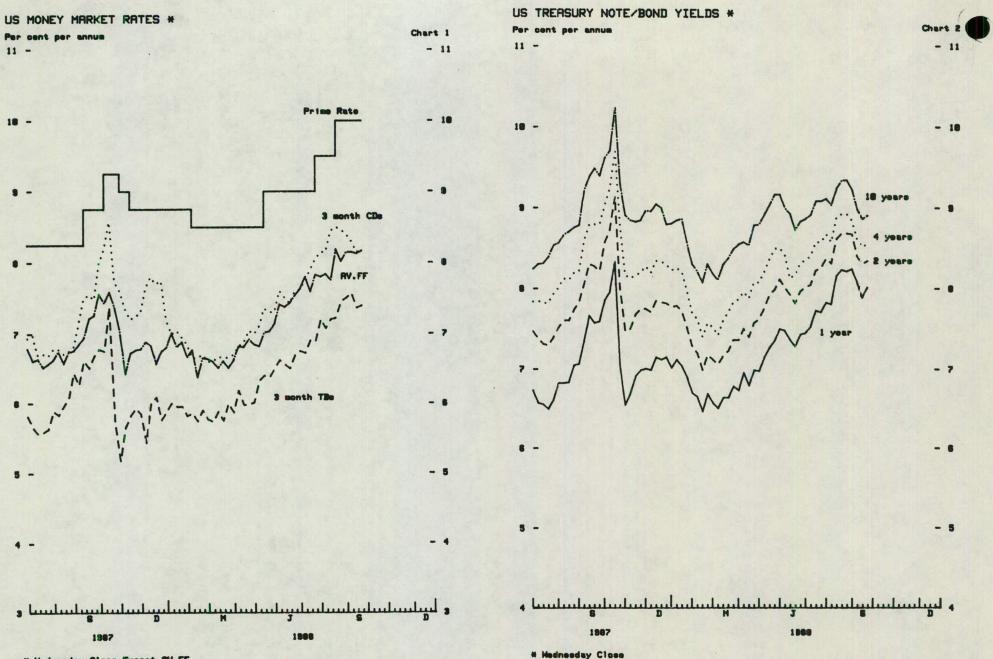
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# US: MONEY AND BANKING STATISTICS

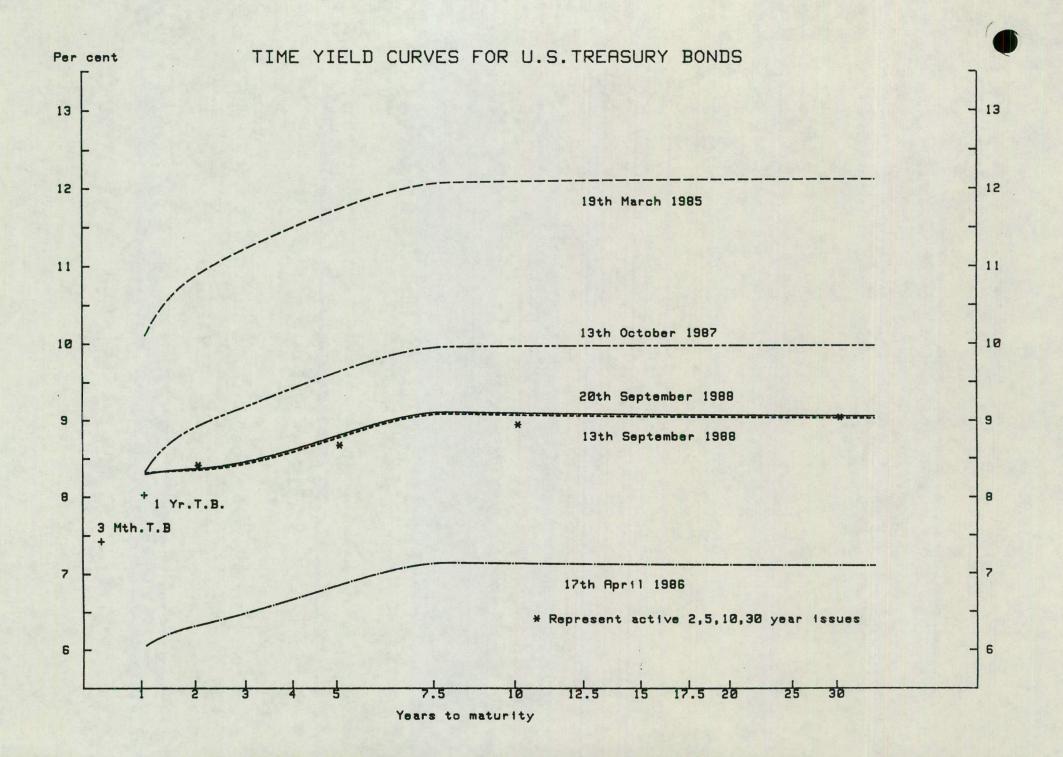
| 1 MONETARY AGGREGATES                                | Level<br>(\$ bn) | Change in<br>Latest w<br>month | Contraction of the second s | ous      | <pre>% change Latest 4 Previous 4 weeks</pre> | (ar)<br>weekly average<br>weeks end<br>13 weeks       | ed tai                                          | rget<br>Se                        | target ran<br>% growth |               |
|------------------------------------------------------|------------------|--------------------------------|-----------------------------------------------------------------------------------------------------------------|----------|-----------------------------------------------|-------------------------------------------------------|-------------------------------------------------|-----------------------------------|------------------------|---------------|
| M1 (12. 9.88)                                        | 782.1            | - 1.0                          | + 0.4                                                                                                           |          | + 1.3                                         | + 6.0                                                 | + 5                                             | 5.0                               |                        |               |
|                                                      | 3,037.1          |                                | + 1.6                                                                                                           |          | + 3.9                                         | + 3.1                                                 | + (                                             |                                   | 4-8                    | 3013.4-3129.3 |
|                                                      | 3,353.4          |                                | - 0.1                                                                                                           |          | + 9.5                                         | + 6.5                                                 | + (                                             |                                   | 4-8                    | 3799.4-3945.6 |
| Credit Aggregate (June) {                            | 8,543.2          | +54.7                          | +58.8                                                                                                           |          | + 7.9                                         | + 8.5                                                 | + 9                                             | 9.3                               | 7-11                   | 8814.9-9144.4 |
| 2 FINANCIAL STATISTICS                               | I                |                                | nge in level<br>atest week                                                                                      |          | )<br>ous week                                 | <pre>% Change (ar) Latest 4 we Previous 4 weeks</pre> | ekly average ov<br>4 weeks ende<br>13 weeks ago | ed                                |                        |               |
| Business loans# (14. 9.8                             | 88               | 296.6                          | -0.4                                                                                                            | +0       | .1                                            | -10.8                                                 | - 3.8                                           |                                   |                        |               |
| Commercial Paper (14. 9                              |                  |                                | -5.3                                                                                                            | -3       |                                               | + 3.1                                                 | + 5.7                                           |                                   |                        |               |
| Money Market                                         |                  |                                |                                                                                                                 |          |                                               |                                                       |                                                 |                                   |                        |               |
| Mutual Funds (21. 9                                  | 9.88)            | 267.2                          | +0.7                                                                                                            | -0       | .3                                            | + 1.5                                                 | 0.0                                             |                                   |                        |               |
|                                                      |                  | TWO WEEK                       | PERIOD TO 2                                                                                                     | L SEPTE  | MBER                                          |                                                       | LATEST WEEK                                     | TO 21 SEPTER                      | MBER                   |               |
| 3 RESERVES                                           |                  | Level (\$                      | mn) Change<br>Latest<br>account<br>period                                                                       |          | el (\$ mn)                                    |                                                       | Level ( <b>\$</b> mn)                           | Changes in<br>Level Lates<br>Week | st                     |               |
| Discount window borrowing<br>of which adjustment and | 9                | 2,971                          | - 122                                                                                                           |          |                                               |                                                       | 2,911                                           | - 120                             |                        |               |
| seasonal borro                                       | owing            | 896                            | + 285                                                                                                           |          |                                               |                                                       | 1,240                                           | + 688                             |                        |               |
| extended cred                                        |                  | 2,075                          | - 407                                                                                                           | 5.4 % N. |                                               |                                                       | 1,671                                           | - 808                             |                        |               |
| Net free (borrowed) rese                             | rves             | (101)                          | - 589                                                                                                           |          |                                               |                                                       |                                                 |                                   |                        |               |
|                                                      |                  |                                |                                                                                                                 |          |                                               |                                                       |                                                 | Target bas<br>M2 20<br>M3 30      | 897.5                  | Q4 averaqes)  |
| # Major commercial banks                             | S                |                                |                                                                                                                 |          |                                               |                                                       | Credit ad                                       | gregate 823                       | 8.2                    |               |

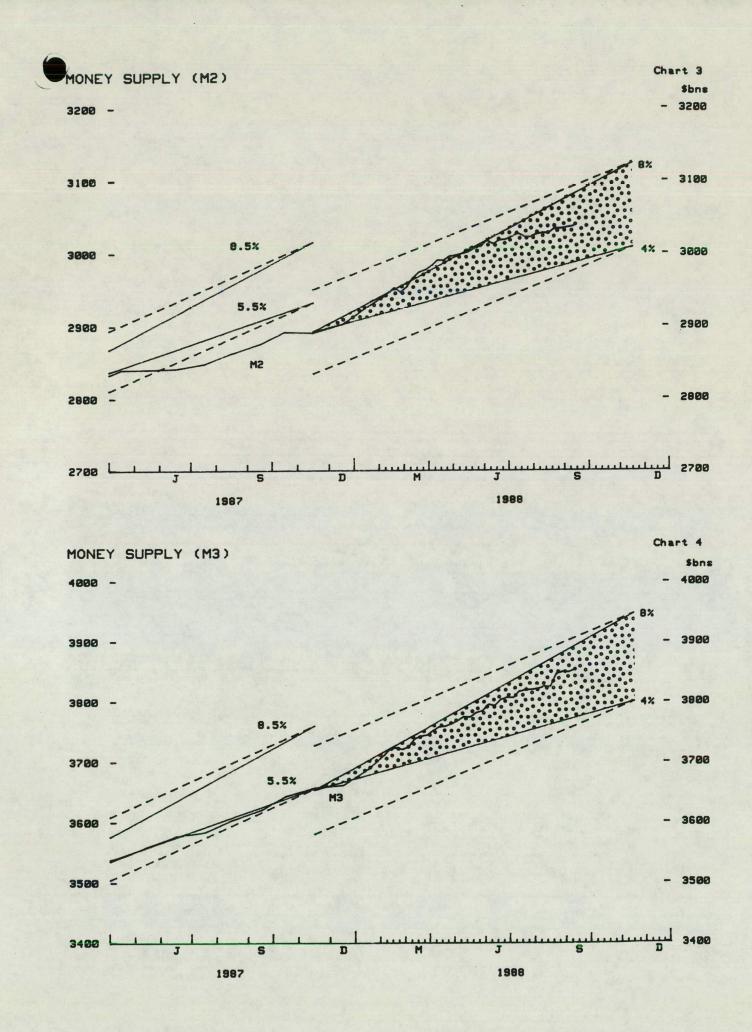
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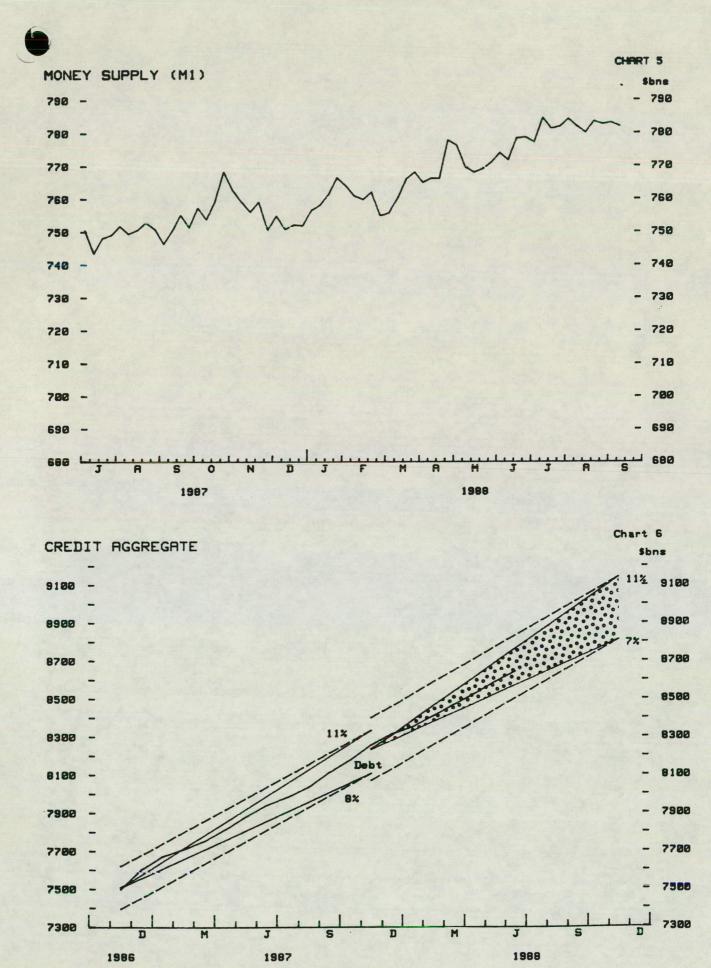
# Hednesday Close Except RV.FF





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And the second second



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MIDLAND'S MCMAHON SEES FALLS IN DOLLAR, POUND NRCS WEST BERLIN, SEPT 28, REUTER - BOTH THE DOLLAR AND THE POUND WILL HAVE TO FALL TO REDUCE THE U.S. AND BRITISH TRADE DEFICITS, MIDLAND BANK PLC CHAIRMAN KIT MCMAHON SAID.

"THE RECENT RISE IN THE DOLLAR SEEMS TO ME TO HAVE BEEN QUITE IRRATIONAL AND WILL HAVE TO BE REVERSED," MCMAHON TOLD REPORTERS. THE POUND, TOO, OVER TIME, WOULD HAVE TO MOVE LOWER AGAINST THE MARK. "IT'S HARD TO IMAGINE HOW WE CAN AVOID A CONSIDERABLE REDUCTION IN THE STERLING EXCHANGE RATE."

MCMAHON SAID IT WAS "EXTREMELY MISGUIDED" OF BRITISH CHANCELLOR OF THE EXCHEQUER NIGEL LAWSON TO SAY THAT FISCAL POLICY HAS NO ROLE TO PLAY IN REGULATING DOMESTIC DEMAND. 28-SEP-0809. MON002 MONE

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CONTINUED ON - NRCT

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REUTER MONITOR 0859

MIDLAND'S MCMAHON SEES FALLS IN DOLLAR, POUND -PART 2 NRCT MCMAHON SAID INFLATION WAS OBVIOUSLY A CONCERN IN BRITAIN. MORE SO THAN IN THE U.S., AND A TIGHTER FISCAL POLICY MIGHT BE NEEDED NEXT YEAR. BUT HE SAID IT WAS REASONABLE FOR LAWSON TO TRY TO WAIT A FEW MONTHS TO SEE IF THE ECONOMY COOLS DOWN IN RESPONSE TO THE RECENT INCREASES IN INTEREST RATES.

MCMAHON SAID HE WAS NOT VERY ENCOURAGED BY THE ECONOMIC PROGRESS THAT ARGENTINA HAS MADE IN THE PAST YEAR, BUT HE DEFENDED THE WORLD BANK FOR MAKING NEW LOANS EVEN THOUGH BUENOS AIRES HAS NO IMF PROGRAMME YET. IT WAS CHURLISH FOR PEOPLE TO CRITICIZE THE WORLD BANK FOR ACTING SWIFTLY AFTER URGING IT FOR SO LONG TO BE MORE ACTIVE IN TACKLING THE DEBT CRISIS, HE SAID. 28-SEP-0841. MONO40 MONE CONTINUED FROM - NRCS

CONTINUED ON - NRCU

REUTER MONITOR 0859

MIDLAND'S MCMAHON SEES FALLS IN DOLLAR, POUND -PART 3 NRCU COMMERCIAL BANKS SHOULD LEND MORE TO DEVELOPING COUNTRIES IF THERE ARE IMAGINATIVE FINANCING MENUS AS IS THE CASE WITH BRAZIL'S CURRENT PACKAGE. BUT IN THE LONGER TERM, BANKS HAD NO ROLE TO PLAY IN PROVIDING DEVELOPMENT FINANCE, MCMAHON SAID.

MIDLAND BANK MIGHT LEND MONEY TO SOVIET AND CHINESE STATE ENTITIES, BUT IN GENERAL IT WAS NO LONGER IN THE BUSINESS OF BALANCE-OF-PAYMENTS LENDING TO SOVEREIGN BORROWERS, HE SAID.

JACQUES DE MANDAT-GRANCEY, A SENIOR MIDLAND OFFICIAL RESPONSIBLE FOR THE BANK'S LATIN AMERICAN PORTFOLIO, SAID THE BANK'S CURRENT EXPOSURE TO THE REGION OF 7.2 BILLION DLRS WOULD BE REDUCED BY 200 MLN STG, OR ABOUT 340 MLN DLRS, BY END-1989. 28-SEP-0846. MON045 MONE CONTINUED FROM - NRCT ENDS

#### REUTER MONITOR

0859

Riss O'Man

lan you oblige, please. The

Japan from 15-22 october, so it

with CER in time will way, of

Committee are still planning to go to

uned be useful to get it to ken

by 14/10, provided you can clear it



COMMITTEE OFFICE HOUSE OF COMMONS LONDON SWIA OAA 01-219 **3225** (Direct Line) 01-219 3000 (Switchboard) CL PS/CEX PS/EST Si G Littler No Odling-Snee N Poets

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anse le a postern becauce TREASURY AND CIVIL SERVICE COMMITTEE of the larty conference (11-14 oct).

1 29/9

28 September 1988

Dear Juglitte

UK ECU Treasury Bill programme

In preparation for the Committee's meeting on 2 November it would greatly help the Committee if they could be sent a note on the background to the reasons for the decision announced on 2 August that a new programme of issues of UK Government ECU Treasury Bills would be launched this autumn.

Y\_s

G Cubie Clerk of the Committee

Miss J C Simpson HM Treasury Parliament Street London SW1P 3AG mom/pa.058

FROM: MISS M O'MARA DATE: 28 September 1988

cc Mr Nelson

MISS WALLACE

### CONTRIBUTION TO LETTER FROM PRIME MINISTER TO SIR JOHN EGAN

You asked us to update the exchange rate reference in the Prime Minister's reply to Sir John Egan, since the Department of Employment had been sitting on their contribution since May!

2. Very fortunately, the rate of sterling against the dollar has <u>fallen</u> since Sir John wrote on 11 May. I attach a draft, although I feel there is now a strong case for allowing Sir John to assume his letter had been lost in the post (unless No.10 have dutifully been sending interim replies). There must otherwise be a risk that he will believe we have deliberately held back our reply until the exchange rate looked more favourable.

mon Ch / This is instating but unavoidable. Paul Gray does want to reply, I have confirmed. Are you happy with the line? youngour [It is interesting to note that it is not just the treasury that hap problems getting replies from D. Employment. 7

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DRAFT PRIVATE SECRETARY LETTER TO

Paul Gray Esq Private Secretary 10 Downing Street London SWIA UAA

AND PAGE BEHIND hinal for me.

You asked us to update the draft contribution on the exchange rate I originally supplied for the Prime Minister's reply to Sir John Egan with my letter of 27 May.

Ι enclose a fresh version. Fortunately, sterling has fallen against the dollar in the interim!

( am comprine this letter to Clive Norris ( Depr ) Employment).

## MOIRA WALLACE

mom/pa.059

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## CONTRIBUTION TO LETTER FROM PRIME MINISTER TO SIR JOHN EGAN

"You also commented on the problem you faced because of the rise in sterling's exchange rate, particularly against the dollar. Since you wrote, sterling has, in fact, fallen against the dollar to its current level of [below \$1.70]. However, I do, of course, recognise your concerns. The defeat of inflation must remain our overriding objective, as I am sure you will agree. But subject to that, we shall continue to aim for exchange rate stability, as we and the other major industrial countries committed ourselves to do last week in Berlin."

|                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                       |                                               |                                                                                                                                              |                                                                                                                                               |                                                                       |                                                                                                                  | FU                       |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|--------------------------|
| FOREIGN E                                                                                                                           | EXCHANGE MAI                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | RKETS                                                 |                                               | MG EVENI                                                                                                                                     | X                                                                                                                                             | nesday 28 S<br>change<br>urrency                                      | eptember 1988                                                                                                    | 1                        |
| Previous                                                                                                                            | 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                       | To<br>opening                                 | day<br>close                                                                                                                                 | since                                                                                                                                         | since<br>Paris                                                        | since 16<br>October 19                                                                                           | 87                       |
|                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                       | 8.30am-                                       |                                                                                                                                              |                                                                                                                                               |                                                                       |                                                                                                                  | alers and                |
| 75.6                                                                                                                                | and the second se | ERI<br>JE                                             | 75.6                                          | 75.8                                                                                                                                         | -7.6<br>22.5                                                                                                                                  | 9.7<br>10.1                                                           | 3.0                                                                                                              |                          |
| 3.1544                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | DM/£                                                  | 3.1537                                        | 3.1638                                                                                                                                       | -18.9                                                                                                                                         | 13.3                                                                  | and the second |                          |
| 1.5221                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | ECU/£                                                 | 1.5223                                        | 1.525                                                                                                                                        |                                                                                                                                               | All and a second                                                      |                                                                                                                  |                          |
| 99.7<br>1.8802                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | SERI<br>DM/\$                                         | 1.8772                                        | 99.7<br>1.8802                                                                                                                               | -28.6<br>51.1                                                                                                                                 | -4.1<br>-2.9                                                          |                                                                                                                  |                          |
| 134.47                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | ren/\$                                                | 134.20                                        | 134.3                                                                                                                                        | 77.6                                                                                                                                          | 14.3                                                                  | 6.4                                                                                                              |                          |
| Oct \$12.7                                                                                                                          | 0 Nov \$12.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | .82 Dec \$1                                           | 2.92 S                                        | oot Brent Oct                                                                                                                                | \$12.80 Nov \$12.95                                                                                                                           | Dec \$13.0                                                            | 7                                                                                                                |                          |
| IF DESEDU                                                                                                                           | E TRANSACT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | ONE (tail)                                            | ion                                           |                                                                                                                                              |                                                                                                                                               |                                                                       |                                                                                                                  |                          |
|                                                                                                                                     | 1 100001012                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                       |                                               |                                                                                                                                              | (b)                                                                                                                                           |                                                                       | ++                                                                                                               |                          |
| (a)                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | This                                                  | Total                                         |                                                                                                                                              | (8)                                                                                                                                           |                                                                       | Estimated  *                                                                                                     |                          |
|                                                                                                                                     | Today                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | so far                                                | since  <br>1 Apr 88                           |                                                                                                                                              |                                                                                                                                               |                                                                       | end-month <br> position                                                                                          |                          |
|                                                                                                                                     | 139                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                       | 3738                                          | Mar                                                                                                                                          | ket intervention                                                                                                                              |                                                                       | 119                                                                                                              |                          |
|                                                                                                                                     | 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                       | +                                             | Off-m                                                                                                                                        | arket transactions                                                                                                                            |                                                                       | -211                                                                                                             |                          |
|                                                                                                                                     | 1 141                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                       | +                                             |                                                                                                                                              | TOTAL                                                                                                                                         |                                                                       | -92                                                                                                              |                          |
|                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                       |                                               |                                                                                                                                              | A REAL PROPERTY.                                                                                                                              |                                                                       | -14                                                                                                              |                          |
|                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                       |                                               |                                                                                                                                              | Net borrowing                                                                                                                                 |                                                                       | ++                                                                                                               |                          |
|                                                                                                                                     | and forward<br>done date h                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                       | ons                                           | Val                                                                                                                                          | uation changes                                                                                                                                |                                                                       | 0                                                                                                                |                          |
|                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                       |                                               | TOTAL                                                                                                                                        | CHANGE IN RESERVES                                                                                                                            |                                                                       | -106                                                                                                             |                          |
|                                                                                                                                     | basis, as i                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | =                                                     |                                               |                                                                                                                                              |                                                                                                                                               | tional assu<br>r market in                                            |                                                                                                                  |                          |
|                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | LEI IMIERVI                                           | INITON (SHI                                   |                                                                                                                                              | enty                                                                                                                                          | Italy                                                                 |                                                                                                                  |                          |
|                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                       |                                               | Germany -                                                                                                                                    |                                                                                                                                               | ILdLY                                                                 |                                                                                                                  |                          |
|                                                                                                                                     | +20Swfr                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                       |                                               |                                                                                                                                              |                                                                                                                                               |                                                                       | Real Providence                                                                                                  |                          |
|                                                                                                                                     | +20Swfr<br>-                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                       |                                               | Holland -                                                                                                                                    |                                                                                                                                               | Japan                                                                 |                                                                                                                  |                          |
| Denmark                                                                                                                             | +20Swfr<br>-<br>-                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                       |                                               | Holland -<br>Ireland -                                                                                                                       |                                                                                                                                               |                                                                       |                                                                                                                  |                          |
| Denmark<br>France<br>MARKET CO<br>he dollar<br>although<br>many Japa                                                                | -<br>-<br>drifted Lo<br>it did stag<br>nese away i                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | ger above<br>from the ma                              | DM1.88 but<br>arkets to s                     | Ireland -<br>ectionless ma<br>did not have<br>ort and squar                                                                                  | rkets.Today the dol<br>sufficient impetus<br>e their 1/2 year bo<br>t morning press co                                                        | Japan<br>US<br>Lar traded<br>to sustain<br>oks,trading                | that level.W<br>was rather t                                                                                     | lith<br>hin.             |
| although<br>many Japa<br>Sterling<br>Looking f<br>DM3.1675                                                                          | -<br>drifted Lo<br>it did stag<br>nese away i<br>rose follo<br>or an excus<br>at best.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | gger above<br>from the ma<br>owing reman<br>se to buy | DM1.88 but<br>arkets to so<br>the sterling,so | Ireland -<br>ectionless ma<br>did not have<br>ort and squar<br>Chancellor a<br>eized on Chan                                                 | sufficient impetus<br>e their 1/2 year bo<br>t morning press co<br>cellors "devaluatio                                                        | Japan<br>US<br>Lar traded<br>to sustain<br>oks,trading<br>nference in | that level.W<br>was rather t<br>West Berlin                                                                      | lith<br>chin.<br>n.Marke |
| ARKET CO<br>The dollar<br>The dollar<br>Though<br>any Japa<br>Sterling<br>Cooking f<br>M3.1675                                      | -<br>drifted lo<br>it did stag<br>nese away i<br>rose follo<br>or an excus                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | gger above<br>from the ma<br>owing reman<br>se to buy | DM1.88 but<br>arkets to so<br>the sterling,so | Ireland -<br>ectionless ma<br>did not have<br>ort and squar<br>Chancellor a                                                                  | sufficient impetus<br>e their 1/2 year bo<br>t morning press co<br>cellors "devaluatio                                                        | Japan<br>US<br>Lar traded<br>to sustain<br>oks,trading<br>nference in | that level.W<br>was rather t<br>West Berlin                                                                      | lith<br>hin.<br>Marke    |
| ARKET CO<br>MARKET CO<br>De dollar<br>Although<br>many Japa<br>Sterling<br>Cooking f<br>M3.1675<br>Rates at                         | -<br>drifted Lo<br>it did stag<br>nese away i<br>rose follo<br>or an excus<br>at best.<br>7.10PM: \$1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | gger above<br>from the ma<br>owing reman<br>se to buy | DM1.88 but<br>arkets to so<br>the sterling,so | Ireland -<br>ectionless ma<br>did not have<br>ort and squar<br>Chancellor a<br>eized on Chan                                                 | sufficient impetus<br>e their 1/2 year bo<br>t morning press co<br>cellors "devaluatio                                                        | Japan<br>US<br>Lar traded<br>to sustain<br>oks,trading<br>nference in | that level.W<br>was rather t<br>West Berlin                                                                      | lith<br>hin.<br>Marke    |
| ARKET CO<br>The dollar<br>blthough<br>any Japa<br>Sterling<br>cooking f<br>M3.1675<br>Rates at                                      | -<br>drifted Lo<br>it did stag<br>nese away i<br>rose follo<br>or an excus<br>at best.<br>7.10PM: \$1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | gger above<br>from the ma<br>owing reman<br>se to buy | DM1.88 but<br>arkets to so<br>the sterling,so | Ireland -<br>ectionless ma<br>did not have<br>ort and squar<br>Chancellor a<br>eized on Chan<br>DM/\$1.8757                                  | sufficient impetus<br>e their 1/2 year bo<br>t morning press co<br>cellors "devaluation<br>Y/\$134.03                                         | Japan<br>US<br>Lar traded<br>to sustain<br>oks,trading<br>nference in | that level. West rather to<br>West Berling<br>and sterling                                                       | lith<br>hin.<br>Marke    |
| ARKET CO<br>ARKET CO<br>be dollar<br>blthough<br>hany Japa<br>Sterling<br>coking f<br>M3.1675<br>tates at<br>HONG KONG              | -<br>-<br>drifted lo<br>it did stag<br>nese away i<br>rose follo<br>or an excus<br>at best.<br>7.10PM: \$1<br>dollar                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | gger above<br>from the ma<br>owing reman<br>se to buy | DM1.88 but<br>arkets to so<br>the sterling,so | Ireland -<br>ectionless ma<br>did not have<br>ort and squar<br>Chancellor a<br>eized on Chan<br>DM/\$1.8757<br>Previous                      | sufficient impetus<br>e their 1/2 year bo<br>t morning press co<br>cellors "devaluatio<br>Y/\$134.03<br>Today                                 | Japan<br>US<br>Lar traded<br>to sustain<br>oks,trading<br>nference in | that level.W<br>was rather to<br>West Berlin<br>and sterling<br>Tom Poly<br>Change                               | lith<br>hin.<br>Marke    |
| ARKET CO<br>he dollar<br>any Japa<br>Sterling<br>cooking f<br>0M3.1675<br>Rates at<br>HONG KONG<br>Hong Kong<br>Hang Seng           | -<br>-<br>drifted lo<br>it did stag<br>nese away i<br>rose follo<br>or an excus<br>at best.<br>7.10PM: \$1<br>dollar                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | gger above<br>from the ma<br>be to buy                | DM1.88 but<br>arkets to so<br>the sterling,so | Ireland -<br>ectionless ma<br>did not have<br>ort and squar<br>Chancellor a<br>eized on Chan<br>DM/\$1.8757<br>Previous<br>7.8118            | sufficient impetus<br>e their 1/2 year bo<br>t morning press co<br>cellors "devaluation<br>Y/\$134.03<br>Today<br>7.8115                      | Japan<br>US<br>Lar traded<br>to sustain<br>oks,trading<br>nference in | that level.k<br>was rather to<br>West Berling<br>Tom Poly<br>Change<br>0.0003                                    | lith<br>chin.<br>n.Marke |
| ARKET CO<br>be dollar<br>ilthough<br>any Japa<br>sterling<br>ooking f<br>M3.1675<br>tates at<br>cong Kong<br>long Kong<br>lang Seng | -<br>-<br>drifted lo<br>it did stag<br>nese away i<br>rose follor<br>or an excus<br>at best.<br>7.10PM: \$7<br>dollar<br>i Index<br>nterbank ra                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | gger above<br>from the ma<br>be to buy                | DM1.88 but<br>arkets to so<br>the sterling,so | Ireland -<br>ectionless ma<br>did not have<br>ort and squar<br>Chancellor a<br>eized on Chan<br>DM/\$1.8757<br>Previous<br>7.8118<br>2466.27 | sufficient impetus<br>e their 1/2 year boo<br>t morning press co<br>cellors "devaluatio<br>Y/\$134.03<br>Today<br>7.8115<br>2449.75<br>8 1/2% | Japan<br>US<br>Lar traded<br>to sustain<br>oks,trading<br>nference in | that level. West Berlin<br>and sterling<br>Tom Poly<br>Change<br>0.0003<br>-16.52<br>UP 1/16%                    | lith<br>chin.<br>n.Marke |

| INTEREST RATES           | f Inte            | erbank                    | Eurodol             | llar              |  |
|--------------------------|-------------------|---------------------------|---------------------|-------------------|--|
|                          | Today             | Change                    | Today               | Change            |  |
| +<br>7 days              | 11 1/2            | 1 1/4                     | 8 3/8               | 1/16              |  |
| 1 mth                    | 11 11/16          | 1 0                       | 8 3/8               | 1/8               |  |
| 3 mth                    | 11 29/32          | -1/32                     | 8 7/16              | 1/16              |  |
| 12 mth                   | 11 3/4            | -1/16                     | 8 15/16             | 1/16              |  |
| PILLS                    |                   | +                         |                     |                   |  |
|                          |                   | Toda                      | ay                  | Change            |  |
| 3 Mon                    | th Treasury Bills | 11 5/8                    | - 11 1/2            | 1/4               |  |
| ANK MONEY MARKET OP      | ERATIONS          |                           |                     |                   |  |
|                          | Purchases £ m     | Rates                     | Discount Rate on El | igible Bank Bills |  |
| +<br>Band 1 (0-14 days)  |                   | .+<br>I                   | 11 5/8-1/2          |                   |  |
| and 2 (15-31 days)       |                   | . <del>.</del>            | 11 9/16-17          |                   |  |
| and 3 (32-63 days)       |                   | .÷<br>                    | 11 39/64-3          |                   |  |
| +<br>Band 4 (64-91 days) |                   | .+                        | 11 39/64-3          | 57/64             |  |
| TOTAL BILLS              | 0                 | .+                        |                     |                   |  |
| Repurchase               | 91                | +<br> Due 30 Sep at 10 7, | /8-11 3/8           |                   |  |
| +<br>Lending             |                   | 1                         |                     |                   |  |
| TOTAL OPERATIONS         | 91 ***            | +<br> against surplus :   | £ 100 m             |                   |  |
|                          |                   | •                         |                     |                   |  |
| US RATES                 |                   | 3 month CDs               | 10 yr Tsy Bond      | 20 yr Tsy Bond    |  |
|                          | Today/Change      | 8.30 0.07                 | 9.05 0.04           | 9.14 0.03         |  |
| STOCK MARKET             |                   | FT Ind-Ord                | FTSE                | Gilt index        |  |
|                          | Today/Change      | 1466.4 7.3                | 1812.5 4.5          | 87.75 -0.01       |  |
|                          |                   | *                         |                     |                   |  |
|                          |                   |                           |                     |                   |  |

INDEXED LINKED were firm late last night and opened better again, but lost much of their strength; shorter dates were 1/8 down and longs 1/8 up.

EQUITIES saw mid morning gains as sterling surged ahead which were shaved by the close on renewed fears at the continuing level of consumer spending.

Peter Smith

NAME: Peter Smith TEL NO: 270 4613

| GILT-EDGED MARKET                                                                                                                                                                                                                    |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                            | Wednesday 281                                                                                                               | th September                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transactions basis, cash v                                                                                                                                                                                                           | alues (£m); s                          | sales + purchases                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | s -                                                        |                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| ISSUE DEPARTMENT: MARKET T                                                                                                                                                                                                           | RANSACTIONS                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                            | Today                                                                                                                       | September                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                                                                                                                                                                                                                      | -                                      | Gross sales si                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | norts                                                      | 4.5                                                                                                                         | 68.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                                                                                                                                                                                                                                      |                                        | Gross sales med                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | diums                                                      | 23.1                                                                                                                        | 542.5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                                                                                                                                                                                                                                      | Gross sal                              | les longs and und                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | dated                                                      | 52.2                                                                                                                        | 758.2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                                                                                                                                                                                                                                      | Gros                                   | ss sales index-l                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | inked                                                      | 22.3                                                                                                                        | 396.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                                                                                                                                                                                                                                      |                                        | Part paid o                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | alls                                                       |                                                                                                                             | 369.9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Buy                                                                                                                                                                                                                                  | ing in non-ne                          | ext maturities sh                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | norts                                                      | -4.9                                                                                                                        | 40.8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Buyi                                                                                                                                                                                                                                 | ng in non-nex                          | ct maturities med                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | liums                                                      | -40.9                                                                                                                       | -585.0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Bu                                                                                                                                                                                                                                   | ying in non-r                          | next maturities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | ongs                                                       | -76.1                                                                                                                       | -1072.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Buying in                                                                                                                                                                                                                            | non-next mat                           | turities index-li                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | inked                                                      | -9.2                                                                                                                        | -368.4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                                                                                                                                                                                                                                      | CRND :                                 | Market transact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | tions                                                      | -0.4                                                                                                                        | -32.8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                                                                                                                                                                                                                                      |                                        | TOTAL 'GROSS'                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                            | -29.4                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                                                                                                                                                                                                                      | Buying i                               | in of next maturi                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                            | -1.5                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                                                                                                                                                                                                                      |                                        | Redempt                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | ions                                                       | -0.2                                                                                                                        | -7.4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                                                                                                                                                                                                                                      | TOTAL TRAN                             | SACTIONS WITH MA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                            | -31.1                                                                                                                       | A CONTRACTOR OF A CONTRACTOR O |
|                                                                                                                                                                                                                                      |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                            |                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                                                                                                                                                                                                                      |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                            |                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                                                                                                                                                                                                                      |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Future calls                                               | Series and series                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Sales required to meet                                                                                                                                                                                                               | *                                      | target of a                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Future calls                                               |                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Sales required to meet<br>PRICES/YIELDS OF GILT-EDGE                                                                                                                                                                                 | D STOCKS                               | target of a                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | se                                                         | Change<br>yesterday                                                                                                         | 's close                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                                                                                                      | D STOCKS                               | target of a<br>Yesterday's close<br>Par yield (per co                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | se<br>ent)                                                 | yesterday<br>Price (£/32)                                                                                                   | Yield (%)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                                                                                                                                                                                                                      | D STOCKS<br>F<br>Shorts                | target of a<br>Yesterday's close<br>Par yield (per co<br>10.096                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | se<br>ent)                                                 | yesterday<br>Price (£/32)<br>-4                                                                                             | <b>Yield (%)</b><br>0.03                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                                                                                                      | D STOCKS<br>F<br>Shorts<br>Mediums     | target of<br>Yesterday's close<br>Par yield (per control of the second | se<br>ent)                                                 | yesterday<br>Price (£/32)<br>-4<br>-3                                                                                       | 's close<br>Yield (%)<br>0.03<br>0.02                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                                                                                                                                                                                                                                      | D STOCKS<br>F<br>Shorts                | target of a<br>Yesterday's close<br>Par yield (per co<br>10.096                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | se<br>ent)                                                 | yesterday<br>Price (£/32)<br>-4                                                                                             | 's close<br>Yield (%)<br>0.03<br>0.02                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                                                                                                                                                                                                                                      | D STOCKS<br>F<br>Shorts<br>Mediums     | target of<br>Yesterday's close<br>Par yield (per co<br>10.096<br>9.934<br>9.934                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | se<br>ent)                                                 | yesterday<br>Price (£/32)<br>-4<br>-3                                                                                       | 's close<br>Yield (%)<br>0.03<br>0.02<br>0.02                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| PRICES/YIELDS OF GILT-EDGE                                                                                                                                                                                                           | D STOCKS<br>F<br>Shorts<br>Mediums     | target of<br>Yesterday's close<br>Par yield (per co<br>10.096<br>9.934<br>9.934                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | se<br>ent)<br>E/32)                                        | yesterday<br>Price (£/32)<br>-4<br>-3<br>-6                                                                                 | 's close<br>Yield (%)<br>0.03<br>0.02<br>0.02<br>er cent)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| PRICES/YIELDS OF GILT-EDGE                                                                                                                                                                                                           | D STOCKS<br>F<br>Shorts<br>Mediums     | target of<br>Yesterday's clos<br>Par yield (per co<br>1 10.096<br>1 9.934<br>1 9.432<br>Price (4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | se<br>ent)<br>E/32)<br>Change                              | yesterday<br>Price (£/32)<br>-4<br>-3<br>-6<br>Yield (pe<br>Today                                                           | 's close<br>Yield (%)<br>0.03<br>0.02<br>0.02<br>er cent)<br>Change                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| PRICES/YIELDS OF GILT-EDGE                                                                                                                                                                                                           | D STOCKS<br>F<br>Shorts<br>Mediums     | target of<br>Yesterday's close<br>Par yield (per co<br>1 10.096<br>9.934<br>9.432<br>Price (4<br>Today                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | se<br>ent)<br>E/32)<br>Change<br>-4                        | yesterday<br>Price (£/32)<br>-4<br>-3<br>-6<br>Yield (pe<br>Today<br>10.17                                                  | 's close<br>Yield (%)<br>0.03<br>0.02<br>0.02<br>er cent)<br>Change<br>0.05                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| PRICES/YIELDS OF GILT-EDGE                                                                                                                                                                                                           | D STOCKS<br>F<br>Shorts<br>Mediums     | target of<br>Yesterday's close<br>Par yield (per co<br>10.096<br>9.934<br>9.934<br>9.432<br>Price (d<br>Today<br>93 22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | se<br>ent)<br>E/32)<br>Change<br>-4<br>-3                  | yesterday<br>Price (£/32)<br>-4<br>-3<br>-6<br>Yield (pe<br>Today<br>10.17<br>9.88                                          | r's close<br>Yield (%)<br>0.03<br>0.02<br>0.02<br>er cent)<br>Change<br>0.05<br>0.02                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| PRICES/YIELDS OF GILT-EDGE<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'                                                                                                                                   | D STOCKS<br>F<br>Shorts<br>Mediums     | target of<br>Yesterday's clos<br>Par yield (per co<br>10.096<br>9.934<br>9.432<br>Price (4<br>Today<br>93 22<br>93 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | se<br>ent)<br>E/32)<br>Change<br>-4<br>-3<br>-6            | yesterday<br>Price (£/32)<br>-4<br>-3<br>-6<br>Yield (pe<br>Today<br>10.17<br>9.88<br>9.73                                  | r's close<br>Yield (%)<br>0.03<br>0.02<br>0.02<br>change<br>0.05<br>0.02<br>0.02                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| PRICES/YIELDS OF GILT-EDGE<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07                                                                                                       | D STOCKS<br>F<br>Shorts<br>Mediums     | target of<br>Yesterday's close<br>Par yield (per co<br>10.096<br>9.934<br>9.934<br>9.934<br>9.432<br>Price (4<br>Today<br>93 22<br>93 13<br>115 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | E/32)<br>Change<br>-4<br>-3<br>-6<br>12                    | yesterday<br>Price (£/32)<br>-4<br>-3<br>-6<br>Yield (pe<br>Today<br>10.17<br>9.88<br>9.73<br>8.35                          | r's close<br>Yield (%)<br>0.03<br>0.02<br>0.02<br>er cent)<br>Change<br>0.05<br>0.02<br>0.02<br>0.02<br>-0.13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| PRICES/YIELDS OF GILT-EDGE<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992                                                                                   | D STOCKS<br>F<br>Shorts<br>Mediums     | target of a<br>Yesterday's close<br>Par yield (per constraints)<br>10.096<br>9.934<br>9.934<br>9.934<br>9.432<br>Price (a<br>Today<br>93 22<br>93 13<br>115 10<br>83 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | se<br>ent)<br>(732)<br>Change<br>-4<br>-3<br>-6<br>12<br>6 | yesterday<br>Price (£/32)<br>-4<br>-3<br>-6<br>Yield (pe<br>Today<br>10.17<br>9.88<br>9.73<br>8.35<br>3.89                  | r's close<br>Yield (%)<br>0.03<br>0.02<br>0.02<br>er cent)<br>Change<br>0.05<br>0.02<br>0.02<br>0.02<br>-0.13<br>-0.01                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| PRICES/YIELDS OF GILT-EDGER<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016                         | D STOCKS<br>F<br>Shorts<br>Mediums     | target of<br>Yesterday's close<br>Par yield (per constraints)<br>10.096<br>9.934<br>9.934<br>9.432<br>Price (A<br>Today<br>93 22<br>93 13<br>115 10<br>83 8<br>98 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | se<br>ent)<br>(732)<br>Change<br>-4<br>-3<br>-6<br>12<br>6 | yesterday<br>Price (£/32)<br>-4<br>-3<br>-6<br>Yield (pe<br>Today<br>10.17<br>9.88<br>9.73<br>8.35<br>3.89                  | r's close<br>Yield (%)<br>0.03<br>0.02<br>0.02<br>er cent)<br>Change<br>0.05<br>0.02<br>0.02<br>0.02<br>-0.13<br>-0.01                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| PRICES/YIELDS OF GILT-EDGER<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016<br>2% Index-Linked 1994 | D STOCKS<br>F<br>Shorts<br>Mediums     | target of<br>Yesterday's close<br>Par yield (per constraints)<br>10.096<br>9.934<br>9.934<br>9.432<br>Price (A<br>Today<br>93 22<br>93 13<br>115 10<br>83 8<br>98 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | se<br>ent)<br>(732)<br>Change<br>-4<br>-3<br>-6<br>12<br>6 | yesterday<br>Price (£/32)<br>-4<br>-3<br>-6<br>Yield (pe<br>Today<br>10.17<br>9.88<br>9.73<br>8.35<br>3.89                  | r's close<br>Yield (%)<br>0.03<br>0.02<br>0.02<br>er cent)<br>Change<br>0.05<br>0.02<br>0.02<br>0.02<br>-0.13<br>-0.01                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| PRICES/YIELDS OF GILT-EDGER<br>REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016<br>2% Index-Linked 1994 | D STOCKS<br>Shorts<br>Mediums<br>Longs | target of<br>Yesterday's close<br>Par yield (per constraints)<br>10.096<br>9.934<br>9.934<br>9.432<br>Price (A<br>Today<br>93 22<br>93 13<br>115 10<br>83 8<br>98 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | E/32)<br>Change<br>-4<br>-3<br>-6<br>12<br>6<br>1          | yesterday<br>Price (£/32)<br>-4<br>-3<br>-6<br>Yield (pe<br>Today<br>10.17<br>9.88<br>9.73<br>8.35<br>3.89<br>3.54<br>Close | r's close<br>Yield (%)<br>0.03<br>0.02<br>0.02<br>er cent)<br>Change<br>0.05<br>0.02<br>0.02<br>0.02<br>0.02<br>0.02<br>0.02<br>0.02<br>0.02<br>0.02<br>0.02<br>0.02<br>0.02<br>0.02<br>0.02<br>0.02<br>0.02<br>0.02<br>0.02                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

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| Previous                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                       |                                                                                               |                                                                                        | day                                                                                                                                                                         | since                                                                                                                                                                                                                                                          | since                                                                                                               |                                                                                                                              |
| close                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                       |                                                                                               | opening<br>8.30am                                                                      | close<br>4.00pm                                                                                                                                                             | Plaza                                                                                                                                                                                                                                                          | Paris                                                                                                               | OCTODER 1987                                                                                                                 |
| 75.8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                       | ERI                                                                                           | 76.0                                                                                   | 75.8                                                                                                                                                                        | -7.6                                                                                                                                                                                                                                                           | 9.7                                                                                                                 | 3.0                                                                                                                          |
| 1.6827                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 1                                                                                                                                     | 5/£                                                                                           | 1.6865                                                                                 | 1.682                                                                                                                                                                       | 22.4                                                                                                                                                                                                                                                           | 10.1                                                                                                                | 1.1                                                                                                                          |
| 3.1638                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                       | DM/£<br>ECU/£                                                                                 | 3.1715<br>1.5253                                                                       | 3.1667<br>1.5258                                                                                                                                                            | -18.9                                                                                                                                                                                                                                                          | 13.4                                                                                                                | 5.7                                                                                                                          |
| 99.7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                       | SERI                                                                                          |                                                                                        | 99.7                                                                                                                                                                        | -28.6                                                                                                                                                                                                                                                          | -4.1                                                                                                                | -0.5                                                                                                                         |
| 1.8802                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | C                                                                                                                                     | DM/\$                                                                                         | 1.8805                                                                                 | 1.8827                                                                                                                                                                      | 50.9                                                                                                                                                                                                                                                           | -3.0                                                                                                                | -4.4                                                                                                                         |
| 134.30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | -                                                                                                                                     | (en/\$                                                                                        | 134.35                                                                                 | 134.27                                                                                                                                                                      | 77.7                                                                                                                                                                                                                                                           | 14.4                                                                                                                | 6.4                                                                                                                          |
| ct \$12.80                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Nov \$12.                                                                                                                             | .95 Dec \$1                                                                                   | 13.07 SI                                                                               | pot Brent                                                                                                                                                                   | Oct \$12.47 Nov \$12                                                                                                                                                                                                                                           | 2.67 Dec \$12.                                                                                                      | 80                                                                                                                           |
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| IK RESERVE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | TRANSACT                                                                                                                              | CONS (\$mill                                                                                  | ion)                                                                                   |                                                                                                                                                                             |                                                                                                                                                                                                                                                                |                                                                                                                     |                                                                                                                              |
| a) +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                       | This                                                                                          | Total                                                                                  |                                                                                                                                                                             |                                                                                                                                                                                                                                                                | (b)                                                                                                                 | ++<br> Estimated  *                                                                                                          |
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| i                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | -2                                                                                                                                    | -312                                                                                          | -1121                                                                                  | Of                                                                                                                                                                          | f-market transactio                                                                                                                                                                                                                                            | ons                                                                                                                 | -219                                                                                                                         |
| †                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 77                                                                                                                                    |                                                                                               | 2696                                                                                   |                                                                                                                                                                             | TOTAL                                                                                                                                                                                                                                                          |                                                                                                                     | -21                                                                                                                          |
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| on a o                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | one date t                                                                                                                            | Jasts.                                                                                        |                                                                                        |                                                                                                                                                                             |                                                                                                                                                                                                                                                                |                                                                                                                     |                                                                                                                              |
| -<br>(b) Spot                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | transactio                                                                                                                            | ons only or                                                                                   | n a value<br>ed figures.                                                               | тот                                                                                                                                                                         |                                                                                                                                                                                                                                                                | VES<br>nventional ass<br>rther market i                                                                             | I -35 I<br>++                                                                                                                |
| (b) Spot<br>date b                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | transactic<br>asis, as i                                                                                                              | ons only or<br>in publishe                                                                    |                                                                                        |                                                                                                                                                                             | * On cor<br>no fui                                                                                                                                                                                                                                             | nventional ass                                                                                                      | I -35 I<br>++                                                                                                                |
| (b) Spot<br>date b                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | transactic<br>asis, as i                                                                                                              | ons only or<br>in publishe                                                                    | ed figures.                                                                            |                                                                                                                                                                             | * On cor<br>no fui<br>valent)                                                                                                                                                                                                                                  | nventional ass                                                                                                      | I -35 I<br>++                                                                                                                |
| (b) Spot<br>date b                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | transactic<br>asis, as i                                                                                                              | ons only or<br>in publishe                                                                    | ed figures.                                                                            | llion equi                                                                                                                                                                  | * On cor<br>no fui<br>valent)                                                                                                                                                                                                                                  | nventional ass<br>ther market i                                                                                     | Umption of intervention.                                                                                                     |
| (b) Spot<br>date b<br>OTHER COUN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | transactic<br>asis, as i                                                                                                              | ons only or<br>in publishe                                                                    | ed figures.                                                                            | llion equi<br>Germany                                                                                                                                                       | * On cor<br>no fui<br>valent)                                                                                                                                                                                                                                  | nventional ass<br>ther market i<br>Italy                                                                            | Umption of intervention.                                                                                                     |
| (b) Spot<br>date b<br>OTHER COUN<br>Celgium<br>Cenmark<br>rance<br>MARKET COM<br>Ce dollar<br>the Far Ea<br>Lingent Pol<br>Uundesbank<br>Jollar con                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | transactic<br>asis, as i<br>TRIES MARM<br>-<br>-<br>-<br>MENT<br>eased in M<br>st followi<br>itburo med<br>had teleg<br>tinued to     | New York Ling reports                                                                         | ast night as<br>that Gorb<br>dollar rebo<br>quotes caus<br>in a narrow                 | llion equi<br>Germany<br>Holland<br>Ireland<br>s markets<br>achev was<br>unded reac<br>sed the do<br>trading r                                                              | * On cor<br>no fur<br>valent)<br>-14\$<br>-                                                                                                                                                                                                                    | Italy<br>Japan<br>US<br>mpetus to push<br>Government an<br>.8845.But report<br>In early mort<br>y close to yes      | <pre>i -35   +</pre>                                                                                                         |
| (b) Spot<br>date b<br>OTHER COUN<br>Celgium<br>Cenmark<br>rance<br>ARKET COM<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Con | transactic<br>asis, as i<br>TRIES MARM<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | New York La<br>sting reports<br>sting the cohoned for<br>ease but ing above \$                | ast night as<br>s that Gorb<br>dollar rebo<br>quotes cau<br>in a narrow<br>1.69 and DM | Llion equi<br>Germany<br>Holland<br>Ireland<br>s markets<br>achev was<br>unded reac<br>sed the do<br>trading r<br>3.17 overn                                                | * On cor<br>no fur<br>valent)<br>-14\$<br>-<br>-<br>-<br>did not have the in<br>"reorganising" the<br>hing a high of DM1<br>Llar to ease again<br>ange closed the day<br>ight, had a quiet day                                                                 | Italy<br>Japan<br>US<br>mpetus to push<br>Government an<br>.8845.But report<br>In early mort<br>y close to yes      | <pre>i -35   +</pre>                                                                                                         |
| (b) Spot<br>date b<br>OTHER COUN<br>Celgium<br>Cenmark<br>rance<br>ARKET COM<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Con | transactic<br>asis, as i<br>TRIES MARM<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | New York Ling reports                                                                         | ast night as<br>s that Gorb<br>dollar rebo<br>quotes cau<br>in a narrow<br>1.69 and DM | Llion equi<br>Germany<br>Holland<br>Ireland<br>s markets<br>achev was<br>unded reac<br>sed the do<br>trading r<br>3.17 overn                                                | * On cor<br>no fur<br>valent)<br>-14\$<br>-<br>-<br>did not have the in<br>"reorganising" the<br>hing a high of DM1<br>Ular to ease again<br>ange closed the day                                                                                               | Italy<br>Japan<br>US<br>mpetus to push<br>Government an<br>.8845.But report<br>In early mort<br>y close to yes      | <pre>i -35   +</pre>                                                                                                         |
| (b) Spot<br>date b<br>OTHER COUN<br>Celgium<br>Cenmark<br>rance<br>ARKET COM<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Control<br>Con | transactic<br>asis, as i<br>TRIES MARM<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | New York La<br>sting reports<br>sting the cohoned for<br>ease but ing above \$                | ast night as<br>s that Gorb<br>dollar rebo<br>quotes cau<br>in a narrow<br>1.69 and DM | Llion equi<br>Germany<br>Holland<br>Ireland<br>s markets<br>achev was<br>unded reac<br>sed the do<br>trading r<br>3.17 overn                                                | * On cor<br>no fur<br>valent)<br>-14\$<br>-<br>-<br>-<br>did not have the in<br>"reorganising" the<br>hing a high of DM1<br>Llar to ease again<br>ange closed the day<br>ight, had a quiet day                                                                 | Italy<br>Japan<br>US<br>mpetus to push<br>Government an<br>.8845.But report<br>In early mort<br>y close to yes      | <pre>i -35   +</pre>                                                                                                         |
| (b) Spot<br>date b<br>oTHER COUN<br>selgium<br>benmark<br>rance<br>MARKET COM<br>e dollar<br>he far Ea<br>orgent Pol<br>undesbank<br>lollar con<br>sterling, a                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | transactic<br>asis, as i<br>TRIES MARM<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | New York La<br>sting reports<br>sting the cohoned for<br>ease but ing above \$                | ast night as<br>s that Gorb<br>dollar rebo<br>quotes cau<br>in a narrow<br>1.69 and DM | Llion equi<br>Germany<br>Holland<br>Ireland<br>s markets<br>achev was<br>unded reac<br>sed the do<br>trading r<br>3.17 overn<br>DM/\$1.881                                  | * On cor<br>no fur<br>valent)<br>-14\$<br>-<br>-<br>-<br>did not have the in<br>"reorganising" the<br>hing a high of DMI<br>ilar to ease again<br>ange closed the day<br>ight, had a quiet day<br>9 Y/\$134.32<br>Today                                        | Italy<br>Japan<br>US<br>mpetus to push<br>Government ar<br>8845.But repo<br>In early morry<br>y close to yes<br>ay. | i -35 i<br>+                                                                                                                 |
| (b) Spot<br>date b<br>OTHER COUN<br>Helgium<br>Henmark<br>rance<br>ARKET COM<br>He doltar<br>he Far Ea<br>Hundesbank<br>Hollar con<br>Sterling, a<br>Hates at 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | transactic<br>asis, as i<br>TRIES MARM<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | New York La<br>sting reports<br>sting the cohoned for<br>ease but ing above \$                | ast night as<br>s that Gorb<br>dollar rebo<br>quotes cau<br>in a narrow<br>1.69 and DM | Llion equi<br>Germany<br>Holland<br>Ireland<br>s markets<br>achev was<br>unded reac<br>sed the do<br>trading r<br>3.17 overn<br>DM/\$1.881<br>Previous                      | * On cor<br>no fur<br>valent)<br>-14\$<br>-<br>-<br>-<br>did not have the in<br>"reorganising" the<br>hing a high of DM1<br>Llar to ease again<br>ange closed the day<br>ight, had a quiet di<br>9 Y/\$134.32<br>Today<br>7.8097                               | Italy<br>Japan<br>US<br>mpetus to push<br>Government ar<br>.8845.But repo<br>.In early morr<br>y close to yes       | i -35 i<br>termination of<br>intervention.<br>+157DM,+42ECU<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| (b) Spot<br>date b<br>other coun<br>elgium<br>enmark<br>rance<br>ARKET COM<br>e dollar<br>the fall<br>ingent Pol<br>bundesbank<br>ollar con<br>terling, a<br>ates at 5<br>NONG KONG<br>long Kong<br>lang Seng                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | transactic<br>asis, as i<br>TRIES MARM<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | New York La<br>ing reports<br>ting reports<br>ting the cohoned for<br>ease but<br>ng above \$ | ast night as<br>s that Gorb<br>dollar rebo<br>quotes cau<br>in a narrow<br>1.69 and DM | Llion equi<br>Germany<br>Holland<br>Ireland<br>Ireland<br>s markets<br>achev was<br>unded reac<br>sed the do<br>trading r<br>3.17 overn<br>DM/\$1.881<br>Previous<br>7.8115 | <pre>* On cor<br/>no fur<br/>valent)<br/>-14\$<br/>-<br/>-<br/>did not have the in<br/>"reorganising" the<br/>hing a high of DM1<br/>tlar to ease again<br/>ange closed the day<br/>ight,had a quiet day<br/>ight,had a quiet day<br/>7.8097<br/>2439.39</pre> | Italy<br>Japan<br>US<br>mpetus to push<br>Government ar<br>.8845.But repo.<br>In early morry<br>y close to yes      | i -35 i<br>                                                                                                                  |

| IONEY MARKETS                                               |                   |                                       | Thursday a                 | 29th September 1988 |
|-------------------------------------------------------------|-------------------|---------------------------------------|----------------------------|---------------------|
| INTEREST RATES                                              | f Int             | erbank                                | Eurodol                    | llar                |
|                                                             | Today             | Change                                | Today                      | Change              |
| 7 days                                                      | 11 3/4            | 1 1/4                                 | 8 1/4                      | -1/8                |
| 1 mth                                                       | 11 11/16          | -+                                    | 8 5/16                     | -1/16               |
| 3 mth                                                       | 11 7/8            | -1/32                                 | 8 5/8                      | 3/16                |
| 12 mth                                                      | 11 11/16          | -1/16                                 | 8 15/16                    | 0                   |
| PILLS +                                                     |                   | Todi                                  | +ay                        | Change              |
| 3 Mon                                                       | th Treasury Bills | 1 11 1/2                              | - 11 1/4                   | -1/4                |
| and 1 (0-14 days)  <br>++++++++++++++++++++++++++++++++++++ |                   |                                       | 11 3/4-1/2<br>  11 5/8-9/1 | 16                  |
| and 3 (32-63 days) <br>+<br>and 4 (64-91 days)              |                   | -+                                    | 11 19/32-1<br>  11 35/64-1 |                     |
| TOTAL BILLS                                                 | 0                 | •                                     | +                          | 11752               |
| Repurchase  <br>+<br>Lending                                | 152               | =+<br> Due 30 Sep at 11 3,<br>-+<br>. | /16-11 1/4%                |                     |
| TOTAL OPERATIONS                                            | 152               | -+<br> against surplus :<br>=+        | £ 150 m                    |                     |
| IS RATES                                                    |                   | 3 month CDs                           | 10 yr Tsy Bond             | 20 yr Tsy Bond      |
|                                                             | Today/Change      | 8.25 -0.05                            | 9.01 -0.04                 | 9.11 -0.03          |
|                                                             |                   |                                       | FTSE                       | Gilt index          |
| TOCK MARKET                                                 |                   | FT Ind-Ord                            | +                          | +                   |

GILTS opened quietly firm, on the strength of sterling, with shorts up 1/8 to 1/4, and mediums and longs the same.For much of the day it traded slightly above this level, but as sterling came back in the afternoon the market eased with it.Shorts finished unchanged , mediums up 1/8 and longs 1/4.

INDEXED LINKED were quiet; shorter maturities gained 1/8 and longs lost a similar amount.

EQUITIES progressed steadily on bid speculation and advanced fugther during the afternoon on Wall Street's firm opening.

Peter Smith

NAME: Peter Smith TEL NO: 270 4613

| GILT-EDGED MARKET                                         | Thursday 29t | h September 1 |
|-----------------------------------------------------------|--------------|---------------|
| Transactions basis, cash values (fm); sales + purchases - |              |               |
| ISSUE DEPARTMENT: MARKET TRANSACTIONS                     | Today        | September     |
| _ Gross sales shorts                                      | I            | 68.0          |
| Gross sales mediums                                       | 28.2         | 570.7         |
| Gross sales longs and undated                             | 14.1         | 772.3         |
| Gross sales index-linked                                  | 4.9          | 401.0         |
| Part paid calls                                           | !            | 369.9         |
| Buying in non-next maturities shorts                      |              | -40.8         |
| Buying in non-next maturities mediums                     | -39.4        | -624.4        |
| Buying in non-next maturities longs                       | -15.1        | -1087.2       |
| Buying in non-next maturities index-linked                | -5.1         | -373.5        |
| CRND: Market transactions                                 | 1            | -32.8         |
| TOTAL 'GROSS' SALES                                       | -12.4        | 23.2          |
| Buying in of next maturities                              | -5.1         | -4.1          |
| Redemptions                                               | -0.2         | -7.6          |
| TOTAL TRANSACTIONS WITH MARKET                            | -17.7        | 11.5          |

Future calls

£

-----

0.01 | -0.01

-0.03 |

.....

Change from yesterday's close PRICES/YIELDS OF GILT-EDGED STOCKS Yesterday's close a . . . Par yield (per cent) Price (£/32) Yield (%) -1 | Shorts 10.123 | Mediums 9.935 | 11 Longs 9.447 | 8 | ---------+ REPRESENTATIVE STOCKS Price (£/32) Yield (per cent)

\* target of

8% Treasury 1992 8 3/4 Treasury 1997 'C' 11 3/4% Treasury 2003/07 3% Treasury 1992 2 1/2% Index-Linked 2016 2% Index-Linked 1994 GILT FUTURES

Sales required to meet

| Today | 1  | Change | Today | Change |  |
|-------|----|--------|-------|--------|--|
| 93    | 24 | 2      | 10.15 | -0.02  |  |
| 93    | 18 | 5      | 9.85  | -0.03  |  |
| 115   | 20 | 10     | 9.70  | -0.03  |  |
| 83    | 10 | 2      | 8.33  | -0.02  |  |
| 98    | 4  | -6     | 3.90  | 0.01   |  |
| 94    |    | -4     | 3.57  | 0.03   |  |

|   |        |          |          | Open  | Close            | Volume                  |
|---|--------|----------|----------|-------|------------------|-------------------------|
|   | Long   | Contract | December | 95.16 | 95.17            | 18069                   |
|   | Medium | Contract | December | 94.01 | 94.07            | 240                     |
| + |        |          |          |       | NAME:<br>Tel No: | Peter Smith<br>270 4613 |

"

. .

|                                                                                                                                                                                            | CHANGE MAR                                                                                                                                             | KETS                                                                        | Constant of                                                                        |                                                                                                                                                                                                          | Ze                                                                                                                                                  | lay 30 Sept<br>change<br>urrency                                         | ember 1988                                                                                                               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Previous                                                                                                                                                                                   |                                                                                                                                                        |                                                                             | Too                                                                                |                                                                                                                                                                                                          | since                                                                                                                                               | since                                                                    | since 16<br>October 1987                                                                                                 |
| close                                                                                                                                                                                      |                                                                                                                                                        |                                                                             | opening<br>8.30am                                                                  | close<br>4.00pm                                                                                                                                                                                          | Plaza                                                                                                                                               | Paris                                                                    | OCTODER 1987                                                                                                             |
| 75.8                                                                                                                                                                                       |                                                                                                                                                        | ERI                                                                         | 75.9                                                                               | 75.9                                                                                                                                                                                                     | -7.4<br>22.7                                                                                                                                        | 9.8<br>10.3                                                              | 3.1                                                                                                                      |
| 3.1667                                                                                                                                                                                     | D                                                                                                                                                      | /£<br>M/£<br>CU/£                                                           | 3.1693                                                                             | 3.1692                                                                                                                                                                                                   | -18.8                                                                                                                                               | 13.5                                                                     | 5.7                                                                                                                      |
| 99.7                                                                                                                                                                                       |                                                                                                                                                        | ERI                                                                         | _                                                                                  | 99.6                                                                                                                                                                                                     | -28.7                                                                                                                                               | -4.2                                                                     | -0.6                                                                                                                     |
| 1.8827 134.27                                                                                                                                                                              | D                                                                                                                                                      | M/\$<br>'en/\$                                                              | 1.8792 134.35                                                                      | 1.8797<br>134.57                                                                                                                                                                                         | 51.1<br>77.3                                                                                                                                        | -2.8<br>14.1                                                             | -4.2<br>6.2                                                                                                              |
| ct \$12.47                                                                                                                                                                                 | Nov \$12.                                                                                                                                              | 67 Dec \$1                                                                  | 12.80 SI                                                                           | oot Brent Oct \$                                                                                                                                                                                         | 11.90 Nov \$12.10                                                                                                                                   | Dec \$12.2                                                               | 15                                                                                                                       |
| K RESERVE                                                                                                                                                                                  | TRANSACTI                                                                                                                                              | ONS (Smill                                                                  | ion)                                                                               |                                                                                                                                                                                                          |                                                                                                                                                     |                                                                          |                                                                                                                          |
| a) +                                                                                                                                                                                       | +                                                                                                                                                      |                                                                             | ++                                                                                 |                                                                                                                                                                                                          | (b)                                                                                                                                                 |                                                                          | ++                                                                                                                       |
|                                                                                                                                                                                            | Today                                                                                                                                                  | This<br>month                                                               | Total<br>since<br>1 Apr 88                                                         |                                                                                                                                                                                                          |                                                                                                                                                     |                                                                          | September <br> end-month <br> position                                                                                   |
| ł                                                                                                                                                                                          | 72                                                                                                                                                     |                                                                             | +                                                                                  | Marke                                                                                                                                                                                                    | t intervention                                                                                                                                      |                                                                          | 1 131                                                                                                                    |
| +                                                                                                                                                                                          | -23                                                                                                                                                    |                                                                             | +                                                                                  | Off-mar                                                                                                                                                                                                  | ket transactions                                                                                                                                    |                                                                          | ++<br>  -274                                                                                                             |
| 1                                                                                                                                                                                          | 49                                                                                                                                                     |                                                                             | 2745                                                                               |                                                                                                                                                                                                          | TOTAL                                                                                                                                               |                                                                          | -143                                                                                                                     |
| +                                                                                                                                                                                          | +                                                                                                                                                      |                                                                             |                                                                                    | Ne                                                                                                                                                                                                       | t borrowing                                                                                                                                         |                                                                          | +======+                                                                                                                 |
|                                                                                                                                                                                            |                                                                                                                                                        |                                                                             |                                                                                    |                                                                                                                                                                                                          |                                                                                                                                                     |                                                                          | ++                                                                                                                       |
| a) Spot a                                                                                                                                                                                  | and forward                                                                                                                                            | transact                                                                    | ions                                                                               | Valua                                                                                                                                                                                                    | tion changes                                                                                                                                        |                                                                          | 0                                                                                                                        |
| on a d                                                                                                                                                                                     | lone date b<br>transactio                                                                                                                              | oasis.<br>ons only or                                                       |                                                                                    |                                                                                                                                                                                                          | ANGE IN RESERVES                                                                                                                                    |                                                                          | 0  <br>+                                                                                                                 |
| on a d<br>(b) Spot<br>date b                                                                                                                                                               | done date b<br>transactic<br>basis, as i                                                                                                               | pasis.<br>ons only or<br>in publishe                                        | n a value<br>ed figures.                                                           | TOTAL CH                                                                                                                                                                                                 | ANGE IN RESERVES                                                                                                                                    |                                                                          | -157                                                                                                                     |
| on a d<br>(b) Spot<br>date b<br>THER COUN                                                                                                                                                  | done date b<br>transactic<br>basis, as i                                                                                                               | pasis.<br>ons only or<br>in publishe                                        | n a value<br>ed figures.                                                           |                                                                                                                                                                                                          | ANGE IN RESERVES                                                                                                                                    | Italy                                                                    | -157                                                                                                                     |
| on a d<br>(b) Spot<br>date b<br>THER COUN<br>elgium                                                                                                                                        | done date b<br>transactic<br>basis, as i                                                                                                               | pasis.<br>ons only or<br>in publishe                                        | n a value<br>ed figures.                                                           | TOTAL CH                                                                                                                                                                                                 | ANGE IN RESERVES                                                                                                                                    | Italy<br>Japan                                                           |                                                                                                                          |
| on a d<br>(b) Spot<br>date b                                                                                                                                                               | done date b<br>transactic<br>basis, as i                                                                                                               | pasis.<br>ons only or<br>in publishe                                        | n a value<br>ed figures.                                                           | TOTAL CH<br>Llion equivalen<br>Germany -<br>Holland -<br>Ireland -                                                                                                                                       | ANGE IN RESERVES                                                                                                                                    | Japan<br>US                                                              | +161DM,+5ECU<br>-                                                                                                        |
| on a d<br>(b) Spot<br>date b<br>THER COUN<br>elgium<br>enmark<br>rance<br>ARKET COM<br>ter a qui<br>he dollar<br>omments b<br>xpansion<br>he dollar<br>terling w<br>EPTEMBER               | transactic<br>basis, as i<br>TRIES MARK<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-                 | e market bo<br>na narrow<br>vernor Seguroto of Of<br>way quite<br>today awa | egan to pic<br>range with<br>er who said<br>PEC who sai<br>sharply.<br>iting the n | TOTAL CH<br>Llion equivalen<br>Germany -<br>Holland -<br>Ireland -<br>US statistics<br>that a sharply<br>d he feared tha<br>ext set of majo<br>d on TUESDAY 4                                            | ANGE IN RESERVES<br>close.<br>having little eff<br>higher dollar co<br>t the Saudis may<br>or UK indicators.<br>OCTOBER are shown                   | Japan<br>US<br>ect.After 1<br>uld put the<br>flood the o                 | ++<br>+<br>+161DM,+5ECU<br><br>                                                                                          |
| on a d<br>(b) Spot<br>date b<br>THER COUN<br>elgium<br>enmark<br>rance<br>ARKET COM<br>ter a qui<br>he dollar<br>omments b<br>xpansion<br>he dollar<br>terling w<br>EPTEMBER               | transactic<br>basis, as i<br>TRIES MARK<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-                 | e market bo<br>na narrow<br>vernor Seguroto of Of<br>way quite<br>today awa | egan to pic<br>range with<br>er who said<br>PEC who sai<br>sharply.<br>iting the n | TOTAL CH<br>Llion equivalen<br>Germany -<br>Holland -<br>Ireland -<br>US statistics<br>that a sharply<br>d he feared tha<br>ext set of majo                                                              | ANGE IN RESERVES<br>close.<br>having little eff<br>higher dollar co<br>t the Saudis may<br>or UK indicators.<br>OCTOBER are shown                   | Japan<br>US<br>ect.After the<br>uld put the<br>flood the o               | +161DM,+5ECU<br>+161DM,+5ECU<br>-<br>-<br>-<br>-<br>-                                                                    |
| on a d<br>(b) Spot<br>date b<br>THER COUN<br>elgium<br>enmark<br>rance<br>ARKET COM<br>ter a qui<br>he dollar<br>ter dollar<br>terling w<br>EPTEMBER<br>ates at S                          | transactic<br>basis, as i<br>TRIES MARK<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-                 | e market bo<br>na narrow<br>vernor Seguroto of Of<br>way quite<br>today awa | egan to pic<br>range with<br>er who said<br>PEC who sai<br>sharply.<br>iting the n | TOTAL CH<br>Llion equivalen<br>Germany -<br>Holland -<br>Ireland -<br>US statistics<br>that a sharply<br>d he feared tha<br>ext set of majo<br>d on TUESDAY 4                                            | ANGE IN RESERVES<br>close.<br>having little eff<br>higher dollar co<br>t the Saudis may<br>or UK indicators.<br>OCTOBER are shown                   | Japan<br>US<br>ect.After the<br>uld put the<br>flood the o               | ++<br>+<br>+161DM,+5ECU<br><br>                                                                                          |
| on a d<br>(b) Spot<br>date b<br>THER COUN<br>elgium<br>enmark<br>rance<br>ARKET COUN<br>ter a qui<br>he dollar<br>omments b<br>xpansion<br>he dollar<br>terling w<br>EPTEMBER<br>ates at S | transactic<br>basis, as i<br>TRIES MARK<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-                 | e market bo<br>na narrow<br>vernor Seguroto of Of<br>way quite<br>today awa | egan to pic<br>range with<br>er who said<br>PEC who sai<br>sharply.<br>iting the n | TOTAL CH<br>Llion equivalen<br>Germany -<br>Holland -<br>Ireland -<br>Ireland -<br>US statistics<br>that a sharply<br>dhe feared tha<br>ext set of majo<br>d on TUESDAY 4<br>\$1.8690 Y/\$13<br>Previous | ANGE IN RESERVES<br>close.<br>having little eff<br>higher dollar co<br>t the Saudis may<br>or UK indicators.<br>OCTOBER are shown<br>52.77          | Japan<br>US<br>ect.After the<br>uld put the<br>flood the o<br>in Box (B) | +161DM,+5ECU<br>+161DM,+5ECU<br>-<br>-<br>-<br>the close two<br>e brakes on US<br>boil market caused<br>-<br>-<br>-<br>- |
| on a d<br>(b) Spot<br>date b<br>THER COUN<br>elgium<br>enmark<br>rance<br>ARKET COM<br>ter a qui<br>he dollar<br>omments b<br>xpansion<br>he dollar<br>terling w<br>EPTEMBER               | done date b<br>transactic<br>basis, as i<br>ATRIES MARK<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | e market bo<br>na narrow<br>vernor Seguroto of Of<br>way quite<br>today awa | egan to pic<br>range with<br>er who said<br>PEC who sai<br>sharply.<br>iting the n | TOTAL CH<br>Llion equivalen<br>Germany -<br>Holland -<br>Ireland -<br>Ireland -<br>US statistics<br>that a sharply<br>dhe feared tha<br>ext set of majo<br>d on TUESDAY 4<br>\$1.8690 Y/\$13<br>Previous | ANGE IN RESERVES<br>close.<br>having little eff<br>higher dollar co<br>t the Saudis may<br>or UK indicators.<br>OCTOBER are shown<br>i2.77<br>Today | Japan<br>US<br>ect.After the<br>uld put the<br>flood the o<br>in Box (B) | +161DM,+5ECU<br>+161DM,+5ECU<br>-<br>-<br>-<br>the close two<br>e brakes on US<br>bil market caused<br>-<br>Change       |

SECRET

|                                                                                             |                                           | SECRI                                    | ET                   |                           |  |
|---------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|----------------------|---------------------------|--|
| NONEY MARKETS                                                                               |                                           |                                          | Friday 30t           | h September 1988          |  |
| INTEREST RATES                                                                              | £ Inter                                   | bank                                     | Eurodol              | lar                       |  |
|                                                                                             | Today                                     | Change                                   | Today                | Change                    |  |
| +<br>7 days                                                                                 | 11 7/8                                    | 1/8                                      | ++<br>  8 1/4        | 0                         |  |
| 1 mth                                                                                       | 11 13/16                                  | 1/8                                      | 8 5/16               | 0                         |  |
| +<br>3 mth                                                                                  | 11 15/16                                  | 1/16                                     | 85/8                 | 0                         |  |
| +<br>12 mth                                                                                 | 11 3/4                                    | 1/16                                     | 8 7/8                | -1/16                     |  |
| +<br>BILLS                                                                                  |                                           | Tod                                      | ++<br>ay             | Change                    |  |
| 3 Mon                                                                                       | th Treasury Bills                         | 11 1/2                                   | - 11 3/8             | 1/8                       |  |
| BANK MONEY MARKET OP                                                                        | ERATIONS                                  |                                          | +                    | +                         |  |
|                                                                                             | Purchases £ m                             | Rates                                    | Discount Rate on El  | igible Bank Bills         |  |
| Band 1 (0-14 days)                                                                          | 263                                       | 11 7/8                                   | 11 7/8-5/8           | 1                         |  |
| Band 2 (15-31 days)                                                                         | 2                                         | 11 13/16                                 | 11 3/4-5/8           | 3                         |  |
| Band 3 (32-63 days)                                                                         |                                           | 11 21/32-5/8                             |                      |                           |  |
| Band 4 (64-91 days)                                                                         |                                           | 1                                        | 11 11/16-9           | 9/16                      |  |
| TOTAL BILLS                                                                                 | 265                                       |                                          |                      | and the second second     |  |
| Repurchase                                                                                  |                                           | İ                                        | Averase rat          | e of Discount             |  |
| Lending                                                                                     | 250                                       | At 12%                                   |                      | e of Discount<br>11.3908% |  |
| TOTAL OPERATIONS                                                                            | 515                                       | against shortage<br>+                    | £ 450 m              |                           |  |
| US RATES                                                                                    |                                           | 3 month CDs                              | 10 yr Tsy Bond       | 20 yr Tsy Bond            |  |
|                                                                                             | Today/Change                              | 8.40 0.15                                | 8.94 -0.07           | 9.05 -0.06                |  |
| STOCK MARKET                                                                                |                                           | FT Ind-Ord                               | FTSE                 | Gilt index                |  |
|                                                                                             | Today/Change                              | 1476.5 -1.1                              | 1826.5 -2.5          | 87.97 0.08                |  |
| MARKET COMMENT                                                                              |                                           |                                          |                      |                           |  |
| GILTS had a quiet da<br>offered,especially i<br>recovered strongly o<br>1/16 in shorts,3/16 | n shorts, following<br>n the late surge i | Bank's invitation<br>n sterling and US t | to 230 Lending but 1 | the market                |  |
| INDEXED LINKED, moder better.                                                               | ately firm through                        | out, enjoyed a late                      | surge and finished   | a 1/4 to 3/8              |  |
| EQUITIES traded in a sterling's improveme                                                   |                                           |                                          | closing levels, igr  | noring                    |  |
|                                                                                             |                                           |                                          | Pe                   | ter Smith                 |  |
|                                                                                             |                                           |                                          |                      |                           |  |

NAME: Peter Smith TEL NO: 270 4613

| GILT-EDGED MARKET                                                                                                                                                                                                           |                                                                                                                |                                                     | Friday 30th S                                                   | eptember 1988                                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------|
| Transactions basis, cash values (fm);                                                                                                                                                                                       | sales + purchase                                                                                               | s -                                                 |                                                                 |                                                                  |
| ISSUE DEPARTMENT: MARKET TRANSACTIONS                                                                                                                                                                                       |                                                                                                                | Today                                               | September.                                                      | October.                                                         |
| Gross s                                                                                                                                                                                                                     | ales shorts                                                                                                    |                                                     | 68.0                                                            |                                                                  |
| Gross sa                                                                                                                                                                                                                    | les mediums                                                                                                    | 18.6                                                | 570.7                                                           | 18.6                                                             |
| Gross sales longs                                                                                                                                                                                                           | and undated                                                                                                    | 121.2                                               | 772.3                                                           | 121.2                                                            |
| Gross sales i                                                                                                                                                                                                               | ndex-linked                                                                                                    | 7.2                                                 | 401.0                                                           | 7.2                                                              |
| Part                                                                                                                                                                                                                        | paid calls                                                                                                     |                                                     | 369.9                                                           |                                                                  |
| Buying in non-next maturi                                                                                                                                                                                                   | ties shorts                                                                                                    |                                                     | -40.8                                                           |                                                                  |
| Buying in non-next maturit                                                                                                                                                                                                  | ies mediums                                                                                                    | -24.0                                               | -624.4                                                          | -24.0                                                            |
| Buying in non-next matur                                                                                                                                                                                                    | ities longs                                                                                                    | -138.9                                              | -1087.2                                                         | -138.9                                                           |
| Buying in non-next maturities i                                                                                                                                                                                             | ndex-linked                                                                                                    | -6.6                                                | -373.5                                                          | -6.6                                                             |
| CRND: Market t                                                                                                                                                                                                              | ransactions                                                                                                    |                                                     | -32.8                                                           |                                                                  |
| TOTAL 'G                                                                                                                                                                                                                    | ROSS' SALES                                                                                                    | -22.5                                               |                                                                 | A LOW MENT I HAVE STREET AND AND AND AND AND AND AND AND AND AND |
| Buying in of next                                                                                                                                                                                                           | the second second second second second second second second second second second second second second second s |                                                     | -4.1                                                            |                                                                  |
|                                                                                                                                                                                                                             | Redemptions                                                                                                    | -0.2                                                |                                                                 |                                                                  |
| TOTAL TRANSACTIONS                                                                                                                                                                                                          |                                                                                                                | -32.8                                               | 11.3                                                            |                                                                  |
| PRICES/YIELDS OF GILT-EDGED STOCKS                                                                                                                                                                                          |                                                                                                                |                                                     | Change                                                          |                                                                  |
|                                                                                                                                                                                                                             | Yesterday's clos                                                                                               |                                                     | yesterda<br>Price (£/32)                                        | y's close                                                        |
| Shorts                                                                                                                                                                                                                      | 110.117                                                                                                        | ency.                                               | +                                                               |                                                                  |
| Mediums                                                                                                                                                                                                                     | 9.898                                                                                                          | Star New                                            | 5                                                               | -0.03                                                            |
| Longs                                                                                                                                                                                                                       | 9.418                                                                                                          |                                                     | 5                                                               | -0.02                                                            |
| Longa                                                                                                                                                                                                                       | ++                                                                                                             |                                                     | ·                                                               |                                                                  |
|                                                                                                                                                                                                                             | Daine (                                                                                                        | £/32)                                               | Yield (p                                                        | er cent)                                                         |
| REPRESENTATIVE STOCKS                                                                                                                                                                                                       |                                                                                                                |                                                     |                                                                 |                                                                  |
|                                                                                                                                                                                                                             | Today<br>++                                                                                                    | Change                                              | Today                                                           | Change                                                           |
| 8% Treasury 1992                                                                                                                                                                                                            | Today<br>  93 26  <br>++                                                                                       | Change<br>2                                         | 10.13                                                           | -0.02                                                            |
| 8% Treasury 1992<br>8 3/4 Treasury 1997 'C'                                                                                                                                                                                 | Today<br>  93 26  <br>  93 24                                                                                  | Change<br>2<br>6                                    | 10.13  <br>9.82                                                 | -0.02<br>-0.03                                                   |
| 8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07                                                                                                                                                     | Today<br>  93 26  <br>  93 24  <br>  115 30                                                                    | Change<br>2<br>6<br>10                              | 10.13  <br>9.82  <br>9.66                                       | -0.02<br>-0.03<br>-0.04                                          |
| 8% Treasury 1992<br>8 3/4 Treasury 1997'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992                                                                                                                                  | Today<br>  93 26  <br>  93 24  <br>  115 30  <br>  83 12                                                       | Change 2<br>6<br>10<br>2                            | 10.13  <br>9.82  <br>9.66  <br>8.32                             | -0.02<br>-0.03<br>-0.04<br>-0.01                                 |
| 8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016                                                                                                     | Today<br>93 26  <br>93 24  <br>115 30  <br>83 12  <br>98 14                                                    | Change<br>2<br>6<br>10<br>2<br>10                   | 10.13  <br>9.82  <br>9.66  <br>8.32  <br>3.88                   | -0.02<br>-0.03<br>-0.04<br>-0.01<br>-0.02                        |
| 8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016<br>2% Index-Linked 1994                                                                             | Today<br>  93 26  <br>  93 24  <br>  115 30  <br>  83 12                                                       | Change 2<br>6<br>10<br>2                            | 10.13  <br>9.82  <br>9.66  <br>8.32  <br>3.88                   | -0.02<br>-0.03<br>-0.04<br>-0.01                                 |
| 8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016<br>2% Index-Linked 1994                                                                             | Today<br>93 26  <br>93 24  <br>115 30  <br>83 12  <br>98 14                                                    | Change<br>2<br>6<br>10<br>2<br>10<br>0              | 10.13<br>9.82<br>9.66<br>8.32<br>3.88<br>3.58                   | -0.02<br>-0.03<br>-0.04<br>-0.01<br>-0.02<br>0.01                |
| 8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016<br>2% Index-Linked 1994                                                                             | Today<br>93 26  <br>93 24  <br>115 30  <br>83 12  <br>98 14                                                    | Change<br>2<br>6<br>10<br>2<br>10                   | 10.13<br>9.82<br>9.66<br>8.32<br>3.88<br>3.58<br>Close          | -0.02<br>-0.03<br>-0.04<br>-0.01<br>-0.02                        |
| REPRESENTATIVE STOCKS<br>8% Treasury 1992<br>8 3/4 Treasury 1997 'C'<br>11 3/4% Treasury 2003/07<br>3% Treasury 1992<br>2 1/2% Index-Linked 2016<br>2% Index-Linked 1994<br>GILT FUTURES<br>Long Contract<br>Short Contract | Today<br>93 26  <br>93 24  <br>1 115 30  <br>1 83 12  <br>98 14  <br>94  <br>+                                 | Change<br>2<br>6<br>10<br>2<br>10<br>0<br>0<br>0pen | 10.13<br>9.82<br>9.66<br>8.32<br>3.88<br>3.58<br>Close<br>95.19 | -0.02<br>-0.03<br>-0.04<br>-0.01<br>-0.02<br>0.01<br>Volume      |

WEEKLY INTEREST/EXCHANGE RATE AND COMMODITY PRICE TABLES

CIRCULATION LIST DATE: 30th SEPTEMBER 1988 CHANCELLOR'S OFFICE MR. S. BROOKS 88/G MR. J.W. GRICE 89/G MISS R. MCROBBIE 107/G MISS M. O'MARA 108/G MRS C. RYDING 110/G MR. P. MOUNTFIELD 80/1 MR. J. ODLING-SMEE 45/2 MR. N.J. MONCK 46/2 SIR P.E. MIDDLETON 78A/2 MR. H. WALSH 108/3 Ms. V.F. LIFE 109/3 MR. M.C. SCHOLAR 87/2 MR. S. PICKFORD 97/2 MR. P.S. CURWEN 98/2 MR. J. MCLAREN 33/3 SIR J.G. LITTLER 113/2

MR. R. MOLAN 81/1 MR. R.E. DEANE 41/3 MR. T.P. LANKESTER 116/2 SIR T. BURNS 119/2 MR. A.M. DOLPHIN 32/3 MR. M. LYON 34/3 MR. D. OWEN 36/3 Ms. C. TURK 35A/3 MR. P.N. SEDGWICK 39/3 MR. S.W. MATTHEWS 104/3 MR. D. SAVAGE 106/3 MR. H.P. EVANS 107/3 MR. W. HOOD 30A/3 MR. PERETZ 84/G MR. P. ELWOOD 106/3 MR. D. RAMSDEN 106/3

MR. G. YOUNG 112/G

Please inform Bina Doshi (ext: 5374 - room : 31/3) if there are any changes to be made to this list.

•

## THREE MONTH INTEREST RATES IN THE SIX MAJOR COUNTRIES

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|     |               |         |      |          |       |      |      |        | -WORLD | BASKETS | -       |         |        |           |
|-----|---------------|---------|------|----------|-------|------|------|--------|--------|---------|---------|---------|--------|-----------|
|     |               |         |      |          |       |      |      |        | USI    |         | 1       | -UNCOVE | RED DI | FFERENTIA |
|     |               |         |      |          |       |      |      |        | (A)    | (B)     | UK RATI | E UK-   |        |           |
|     |               |         |      | -WORLD R | ATES  |      |      | - EURO | USA CD | EURODOL | INTER   | WORLD   | UK-    | UK-       |
|     |               |         |      | GERMANY  |       |      | USA  | DOLLAR | RATE   | RATE    | BANK    | BASKET  | USA    | GERMANY   |
|     |               | 1       | 2    | 3        | 4     | 5    | 6    | 7      | 8      | 9       | 10      | 11      | 12     | 13        |
| 987 | QTR2          | 8.41    | 8.13 | 3.80     | 10.64 | 3.92 | 6.85 | 7.07   | 6.27   | 6.34    | 9.18    | 2.91    | 2.11   | 5.38      |
|     | QTR3          | 8.99    | 7.89 | 3.97     | 12.00 | 4.08 | 6.98 | 7.15   | 6.45   | 6.51    | 9.81    | 3.36    | 2.66   | 5.84      |
|     | QTR4          | 8.88    | 8.47 | 4.13     | 11.76 | 4.54 | 7.76 | 7.96   | 6.84   | 6.91    | 9.20    | 2.36    | 1.23   | 5.07      |
| 988 | QTR1          | 8.55    | 7.94 | 3.41     | 11.11 | 4.36 | 6.74 | 6.91   | 6.18   | 6.24    | 9.01    | 2.83    | 2.10   | 5.60      |
|     | QTR2          | 9.05    | 7.81 | 3.62     | 10.91 | 4.49 | 7.25 | 7.41   | 6.37   | 6.42    | 8.34    | 1.97    | 0.93   | 4.72      |
|     | QTR3          | 9.83    | 7.65 | 5.10     | 11.36 | 4.90 | 8.20 | 8.35   | 7.15   | 7.18    | 11.31   | 4.17    | 2.96   | 6.22      |
| 987 | ост           | 9.20    | 8.19 | 4.79     | 12.13 | 4.80 | 8.21 | 8.48   | 7.13   | 7.22    | 9.93    | 2.81    | 1.45   | 5.14      |
|     | NOV           | 8.63    | 8.61 | 3.95     | 11.58 | 4.34 | 7.39 | 7.55   | 6.67   | 6.73    | 8.97    | 2.30    | 1.42   | 5.02      |
|     | DEC           | 8.89    | 8.56 | 3.70     | 11.63 | 4.47 | 7.76 | 7.96   | 6.75   | 6.82    | 8.75    | 2.00    | 0.79   | 5.05      |
| 988 | JAN           | 8.65    | 8.31 | 3.44     | 10.91 | 4.35 | 6.96 | 7.17   | 6.31   | 6.38    | 8.92    | 2.61    | 1.75   | 5.47      |
|     | FEB           | 8.50    | 7.58 | 3.37     | 11.00 | 4.32 | 6.63 | 6.79   | 6.07   | 6.12    | 9.22    | 3.15    | 2.43   | 5.85      |
|     | MAR           | 8.53    | 8.03 | 3.42     | 11.44 | 4.40 | 6.65 | 6.79   | 6.20   | 6.25    | 8.83    | 2.64    | 2.04   | 5.41      |
|     | APR           | 8.83    | 8.13 | 3.43     | 10.88 | 4.19 | 6.92 | 7.11   | 6.25   | 6.32    | 8.32    | 2.06    | 1.21   |           |
|     | MAY           | 8.98    | 7.90 | 3.56     | 10.78 | 4.27 | 7.27 | 7.44   | 6.36   | 6.42    | 8.03    | 1.67    | 0.59   |           |
|     | JUN           | 9.34    | 7.39 | 3.89     | 11.13 | 4.42 | 7.56 | 7.67   | 6.49   | 6.53    | 8.74    | 2.24    | 1.07   |           |
|     | JUL           | 9.34    | 7.33 | 4.95     | 11.28 | 4.80 | 7.94 | 8.23   | 6.85   | 6.90    | 10.53   | 3.68    | 2.30   |           |
|     | AUG           | 9.80    | 7.63 | 5.35     | 11.28 | 4.88 | 8.38 | 8.50   | 7.25   | 7.28    | 11.25   | 4.00    | 2.75   |           |
|     | SEPT          | 10.35   | 7.98 | 4.99     | 11.54 | 5.02 | 8.28 | 8.33   | 7.34   | 7.35    | 12.16   | 4.82    | 3.83   | 7.17      |
| 988 | JUL 11        | 9.35    | 7.25 | 4.95     | 11.12 | 4.72 | 7.90 |        |        | 6.87    | 10.22   |         | 2.16   |           |
|     | <b>JUL 18</b> | 9.39    | 7.38 | 5.35     | 11.25 | 4.88 | 8.05 |        |        | 7.07    | 11.03   |         | 2.72   |           |
|     | <b>JUL 25</b> | 9.40    | 7.38 | 5.00     | 11.38 | 4.78 | 8.12 |        |        | 6.98    | 10.72   |         | 1.97   |           |
|     | AUG 1         | 9.49    | 7.38 | 5.35     | 11.38 | 4.75 | 8.15 |        |        | 7.04    | 10.81   | 3.80    | 2.56   |           |
|     | AUG 8         | 9.66    | 7.38 | 5.25     | 11.25 | 4.83 | 8.20 |        |        | 7.01    | 10.91   | 3.91    | 2.54   |           |
|     | AUG 15        | 9.93    | 7.69 | 5.38     | 11.25 | 4.92 | 8.50 |        |        | 7.46    | 11.03   |         | 2.34   |           |
|     | AUG 22        | 9.90    |      |          | 11.25 | 4.95 | 8.55 |        |        | 7.45    | 11.41   | 3.98    | 2.79   |           |
|     | AUG 29        | 10.00   |      |          | 11.25 | 4.94 | 8.50 |        |        | 7.45    | 12.09   |         | 3.53   |           |
|     | SEPT 5        |         |      |          | 11.38 | 5.09 | 8.42 |        |        | 7.37    | 12.34   |         | 3.97   |           |
|     | SEPT 12       |         |      |          | 11.63 | 5.01 | 8.24 |        |        | 7.40    | 12.13   |         | 3.76   |           |
|     | SEPT 19       | 9 10.52 |      |          | 11.63 | 5.01 | 8.20 |        |        | 7.33    | 12.13   |         | 3.88   |           |
|     | SEPT 20       | 6 10.41 | 7.81 | 5.00     | 11.50 | 4.95 | 8.25 | 8.31   | 7.29   | 7.31    | 12.03   | 4.74    | 3.72   | 7.03      |

| Column 1.  | 90 DAY BANKERS ACCEPTANCES                     |
|------------|------------------------------------------------|
| Column 2.  | 3 MONTH MONEY MARKET RATE                      |
| Column 3.  | 3 MONTH INTER BANK                             |
| Column 4.  | 3 MONTH INTER BANK                             |
| Column 5.  | 3 MONTH CERTIFICATE OF DEPOSIT                 |
| Column 6.  | 3 MONTH CERTIFICATE OF DEPOSIT IN NEW YORK     |
| Column 11. | USA CD RATE(COLUMN 8) USED FOR WORLD BASKET    |
| Column 12. | 3 MONTH EURODOLLAR RATE(COLUMN 7) USED FOR USA |

QUARTERLY AND MONTHLY FIGURES ARE AVERAGES OF THE WEEKLY DATA THE WEEKLY FIGURES REPRESENT THE CLOSING VALUES FOR THAT DATE



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#### USA INTEREST RATES

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|               | (OVERNIGHT)                                                                                                                                                                                                                                                                                              | (42020)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     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| QTR2          | 6.60                                                                                                                                                                                                                                                                                                     | 5.87                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        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| QTR3          | 6.82                                                                                                                                                                                                                                                                                                     | 6.08                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        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| AUG 22        | 8.06                                                                                                                                                                                                                                                                                                     | 7.27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        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| AUG 29        | 8.19                                                                                                                                                                                                                                                                                                     | 7.55                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        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| SEPT 5        | 8.09                                                                                                                                                                                                                                                                                                     | 7.42                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        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| SEPT 12       | 8.00                                                                                                                                                                                                                                                                                                     | 7.44                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        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| SEPT 19       | 8.06                                                                                                                                                                                                                                                                                                     | 7.37                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        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| SEPT 20       | 8.19                                                                                                                                                                                                                                                                                                     | 7.60                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        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|               | QTR2<br>QTR3<br>QTR4<br>QTR1<br>QTR2<br>QTR3<br>SEP<br>OCT<br>NOV<br>DEC<br>JAN<br>FEB<br>MAR<br>APR<br>MAY<br>JUN<br>JUL<br>AUG<br>SEPT<br>MAY 16<br>MAY 23<br>MAY 30<br>JUN 6<br>JUN 13<br>JUN 20<br>JUN 27<br>JUL 4<br>JUL 11<br>JUL 18<br>JUL 25<br>AUG 15<br>AUG 22<br>AUG 29<br>SEPT 12<br>SEPT 19 | QTR3       6.82         QTR4       6.98         QTR1       6.67         QTR2       7.09         QTR3       7.94         SEP       7.12         OCT       7.36         NOV       6.81         DEC       6.82         JAN       6.82         FEB       6.62         MAR       6.56         APR       6.75         MAY       7.04         JUN       7.50         JUL       7.69         AUG       8.05         SEPT       8.09         MAY       16         MAY       30         JUN       7.25         JUN 6       7.44         JUN 20       7.56         JUL 4       7.50         JUL 13       7.44         JUN 20       7.56         JUL 4       7.50         JUL 11       7.56         JUL 12       7.87         AUG 1       7.87         AUG 1       7.87         AUG 2       8.06         AUG 1       7.87         AUG 2       8.06         AUG 29 <td>(OVERNIGHT)         (V2626)           QTR2         6.60         5.87           QTR3         6.82         6.08           QTR4         6.98         5.92           QTR1         6.67         5.86           QTR2         7.09         6.40           QTR3         7.94         7.21           SEP         7.12         6.47           OCT         7.36         6.24           NOV         6.81         5.74           DEC         6.82         5.82           JAN         6.82         5.92           FEB         6.62         5.81           MAR         6.56         5.87           APR         6.75         6.04           MAY         7.04         6.48           JUN         7.50         6.65           JUL         7.69         6.91           AUG         8.05         7.26           SEPT         8.09         7.46           MAY 16         7.00         6.43           MAY 23         7.12         6.48           JUN 20         7.56         6.57           JUN 20         7.56         6.73           <td< td=""><td>BILLS<br/>(OVERNIGHT)         (RUST)<br/>(V2626)         CD'S<br/>NEW YORK           QTR2         6.60         5.87         6.85           QTR3         6.82         6.08         6.98           QTR4         6.98         5.92         7.76           QTR1         6.67         5.86         6.74           QTR2         7.99         6.40         7.25           QTR3         7.94         7.21         8.20           SEP         7.12         6.47         7.43           OCT         7.36         6.24         8.21           NOV         6.81         5.74         7.39           DEC         6.82         5.82         7.76           JAN         6.82         5.92         6.96           FEB         6.62         5.81         6.63           MAR         6.56         7.56         JUL         7.69           JUN         7.50         6.65         7.56         JUL         7.69           MAY         7.00         6.43         7.20         MAY         7.04           AUG         8.05         7.26         8.38         SEPT         8.09         7.46         8.28           MAY 16<td>BILLS         DOLLAR<br/>(RUST)         DOLLAR<br/>(CD'S         OLLAR<br/>(REU )           QTR2         6.60         5.87         6.85         7.U/<br/>(V2627)           QTR3         6.82         6.08         6.98         7.15           QTR4         6.98         5.92         7.76         7.96           QTR1         6.67         5.86         6.74         6.91           QTR2         7.09         6.40         7.25         7.41           QTR3         7.94         7.21         8.20         8.31           SEP         7.12         6.47         7.43         7.56           OCT         7.36         6.24         8.21         8.48           NOV         6.81         5.74         7.39         7.55           DEC         6.82         5.82         7.76         7.96           JAN         6.82         5.92         6.96         7.17           FEB         6.62         5.81         6.63         6.79           MAR         6.56         5.87         6.65         7.76           JUN         7.59         6.91         7.94         8.11           AUG         8.05         7.26         8.38         &lt;</td></td></td<></td> | (OVERNIGHT)         (V2626)           QTR2         6.60         5.87           QTR3         6.82         6.08           QTR4         6.98         5.92           QTR1         6.67         5.86           QTR2         7.09         6.40           QTR3         7.94         7.21           SEP         7.12         6.47           OCT         7.36         6.24           NOV         6.81         5.74           DEC         6.82         5.82           JAN         6.82         5.92           FEB         6.62         5.81           MAR         6.56         5.87           APR         6.75         6.04           MAY         7.04         6.48           JUN         7.50         6.65           JUL         7.69         6.91           AUG         8.05         7.26           SEPT         8.09         7.46           MAY 16         7.00         6.43           MAY 23         7.12         6.48           JUN 20         7.56         6.57           JUN 20         7.56         6.73 <td< td=""><td>BILLS<br/>(OVERNIGHT)         (RUST)<br/>(V2626)         CD'S<br/>NEW YORK           QTR2         6.60         5.87         6.85           QTR3         6.82         6.08         6.98           QTR4         6.98         5.92         7.76           QTR1         6.67         5.86         6.74           QTR2         7.99         6.40         7.25           QTR3         7.94         7.21         8.20           SEP         7.12         6.47         7.43           OCT         7.36         6.24         8.21           NOV         6.81         5.74         7.39           DEC         6.82         5.82         7.76           JAN         6.82         5.92         6.96           FEB         6.62         5.81         6.63           MAR         6.56         7.56         JUL         7.69           JUN         7.50         6.65         7.56         JUL         7.69           MAY         7.00         6.43         7.20         MAY         7.04           AUG         8.05         7.26         8.38         SEPT         8.09         7.46         8.28           MAY 16<td>BILLS         DOLLAR<br/>(RUST)         DOLLAR<br/>(CD'S         OLLAR<br/>(REU )           QTR2         6.60         5.87         6.85         7.U/<br/>(V2627)           QTR3         6.82         6.08         6.98         7.15           QTR4         6.98         5.92         7.76         7.96           QTR1         6.67         5.86         6.74         6.91           QTR2         7.09         6.40         7.25         7.41           QTR3         7.94         7.21         8.20         8.31           SEP         7.12         6.47         7.43         7.56           OCT         7.36         6.24         8.21         8.48           NOV         6.81         5.74         7.39         7.55           DEC         6.82         5.82         7.76         7.96           JAN         6.82         5.92         6.96         7.17           FEB         6.62         5.81         6.63         6.79           MAR         6.56         5.87         6.65         7.76           JUN         7.59         6.91         7.94         8.11           AUG         8.05         7.26         8.38         &lt;</td></td></td<> | BILLS<br>(OVERNIGHT)         (RUST)<br>(V2626)         CD'S<br>NEW YORK           QTR2         6.60         5.87         6.85           QTR3         6.82         6.08         6.98           QTR4         6.98         5.92         7.76           QTR1         6.67         5.86         6.74           QTR2         7.99         6.40         7.25           QTR3         7.94         7.21         8.20           SEP         7.12         6.47         7.43           OCT         7.36         6.24         8.21           NOV         6.81         5.74         7.39           DEC         6.82         5.82         7.76           JAN         6.82         5.92         6.96           FEB         6.62         5.81         6.63           MAR         6.56         7.56         JUL         7.69           JUN         7.50         6.65         7.56         JUL         7.69           MAY         7.00         6.43         7.20         MAY         7.04           AUG         8.05         7.26         8.38         SEPT         8.09         7.46         8.28           MAY 16 <td>BILLS         DOLLAR<br/>(RUST)         DOLLAR<br/>(CD'S         OLLAR<br/>(REU )           QTR2         6.60         5.87         6.85         7.U/<br/>(V2627)           QTR3         6.82         6.08         6.98         7.15           QTR4         6.98         5.92         7.76         7.96           QTR1         6.67         5.86         6.74         6.91           QTR2         7.09         6.40         7.25         7.41           QTR3         7.94         7.21         8.20         8.31           SEP         7.12         6.47         7.43         7.56           OCT         7.36         6.24         8.21         8.48           NOV         6.81         5.74         7.39         7.55           DEC         6.82         5.82         7.76         7.96           JAN         6.82         5.92         6.96         7.17           FEB         6.62         5.81         6.63         6.79           MAR         6.56         5.87         6.65         7.76           JUN         7.59         6.91         7.94         8.11           AUG         8.05         7.26         8.38         &lt;</td> | BILLS         DOLLAR<br>(RUST)         DOLLAR<br>(CD'S         OLLAR<br>(REU )           QTR2         6.60         5.87         6.85         7.U/<br>(V2627)           QTR3         6.82         6.08         6.98         7.15           QTR4         6.98         5.92         7.76         7.96           QTR1         6.67         5.86         6.74         6.91           QTR2         7.09         6.40         7.25         7.41           QTR3         7.94         7.21         8.20         8.31           SEP         7.12         6.47         7.43         7.56           OCT         7.36         6.24         8.21         8.48           NOV         6.81         5.74         7.39         7.55           DEC         6.82         5.82         7.76         7.96           JAN         6.82         5.92         6.96         7.17           FEB         6.62         5.81         6.63         6.79           MAR         6.56         5.87         6.65         7.76           JUN         7.59         6.91         7.94         8.11           AUG         8.05         7.26         8.38         < |

QUARTLERLY AND MONTHLY FIGURES ARE AVERAGES OF THE AVAILABLE WEEKLY DATA

DOLLAR EXCHANGE RATES WITH FIVE MAJOR OECD COUNTRIES

|                 | EFFECTIVE -  |              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |              |                |        |
|-----------------|--------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|----------------|--------|
|                 | EXCHANGE     | FRANCE       | GERMANY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | ITALY        | JAPAN          | CANADA |
|                 | RATE -       |              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |              |                |        |
| 1987 QTR2       | 101.1        | 6.03         | 1.81                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1300         | 142.6          | 1.33   |
| QTR3            | 102.5        | 6.13         | 1.84                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1331         | 150.0          | 1.32   |
| QTR4            | 97.0         | 5.75         | 1.71                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1249         | 135.7          | 1.31   |
|                 |              |              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |              |                |        |
| 1988 QTR1       | 94.2         | 5.67         | 1.68                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1236         | 128.1          | 1.27   |
| QTR2            | 93.5         | 5.78         | 1.71                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1268         | 125.7          | 1.23   |
| QTR3            | 99.0         | 6.31         | 1.86                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1383         | 133.6          | 1.22   |
|                 |              |              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |              | 417 4          | 4 77   |
| 1987 AUG        | 103.3        | 6.20         | 1.86                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1346         | 147.6          | 1.33   |
| SEP             | 100.9        | 6.05         | 1.81                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1309         | 143.1<br>143.3 | 1.32   |
| ОСТ             | 100.5        | 6.02         | 1.80                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1302         | 135.4          | 1.32   |
| NOV             | 96.5         | 5.71         | 1.68                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1239<br>1205 | 128.5          | 1.32   |
| DEC             | 93.9         | 5.54         | 1.64                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1205         | 120.5          | 1.51   |
| 1988 JAN        | 93.9         | 5.59         | 1.66                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1218         | 127.9          | 1.29   |
| FEB             | 95.0         | 5.73         | 1.70                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1249         | 129.2          | 1.27   |
| MAR             | 93.6         | 5.69         | 1.68                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1240         | 127.1          | 1.25   |
| APR             | 92.7         | 5.68         | 1.67                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1241         | 124.9          | 1.24   |
| MAY             | 93.0         | 5.73         | 1.69                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1259         | 124.8          | 1.24   |
| JUN             | 94.8         | 5.93         | 1.76                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1304         | 127.4          | 1.22   |
| JUL             | 98.1         | 6.22         | 1.85                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1366         | 133.1          | 1.21   |
| AUG             | 99.5         | 6.39         | 1.89                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1394         | 133.6          | 1.22   |
| SEPT            | 99.6         | 6.33         | 1.86                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1389         | 134.0          | 1.23   |
|                 |              |              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |              |                |        |
| 1988 APR 4      | 92.7         | 5.66         | 1.67                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1237         | 125.2          | 1.24   |
| APR 11          | 93.4         | 5.72         | 1.69                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1251         | 126.5          | 1.24   |
| APR 18          | 92.1         | 5.63         | 1.66                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1232         | 124.0          | 1.23   |
| APR 25          | 92.7         | 5.70         | 1.68                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1246         | 124.8          | 1.23   |
| MAY 2           | 92.7         | 5.70         | 1.68                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1248         | 124.7          | 1.23   |
| MAY 9           | 92.8         | 5.70         | 1.69                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1249         | 124.7          | 1.24   |
| MAY 16          | 92.7         | 5.73         | 1.69                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1254         | 124.9          | 1.24   |
| MAY 23          | 93.2         | 5.75         | 1.70                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1263         | 124.5          | 1.24   |
| MAY 30          | 93.7         | 5.82         | 1.73                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1283         | 125.1          | 1.23   |
| JUN 6           | 94.0         | 5.80         | 1.72                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1277         | 126.1          | 1.23   |
| JUN 13          | 93.7         | 5.82         | 1.72                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1282<br>1305 | 125.1<br>126.2 | 1.21   |
| JUN 20          | 94.4         | 5.93         | 1.76                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1349         | 130.8          | 1.21   |
| JUN 27          | 97.0         | 6.14         | 1.82<br>1.83                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 1358         | 135.5          | 1.22   |
| JUL 4           | 98.5         | 6.16<br>6.21 | 1.85                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1367         | 133.0          | 1.21   |
| JUL 11          | 98.1<br>99.4 | 6.34         | 1.88                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1392         | 134.6          | 1.21   |
| JUL 18          | 97.5         | 6.23         | 1.85                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1362         | 132.0          | 1.21   |
| JUL 25          | 98.7         | 6.32         | 1.86                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1383         | 132.7          | 1.21   |
| AUG 1<br>AUG 8  | 99.6         | 6.41         | 1.90                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1403         | 133.8          | 1.21   |
| AUG 8<br>AUG 15 | 99.3         | 6.38         | 1.88                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1395         | 133.3          | 1.23   |
| AUG 22          | 100.4        | 6.51         | 1.92                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1403         | 134.0          | 1.23   |
| AUG 29          | 99.6         | 6.32         | 1.87                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1386         | 134.4          | 1.24   |
| SEPT 5          | 99.9         | 6.28         | 1.84                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1378         | 133.7          | 1.24   |
| SEPT 12         |              | 6.28         | 1.85                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1379         | 133.4          | 1.24   |
| SEPT 19         |              | 6.37         | 1.87                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1395         | 134.1          | 1.22   |
| SEPT 20         |              | 6.41         | 1.88                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1404         | 134.7          | 1.22   |
|                 |              |              | and the second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second sec |              |                |        |



STERLING EXCHANGE RATES WITH FIVE MAJOR OECD COUNTRIES

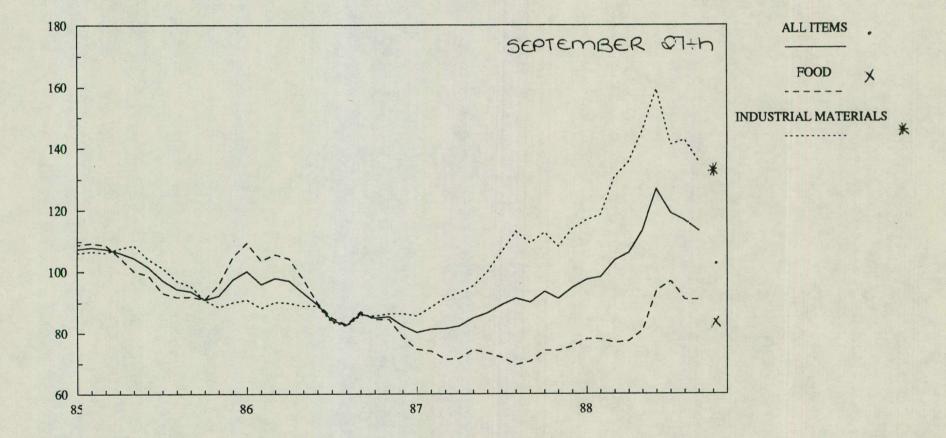
|      |         | EVOLUTION |       | AFAMANY | TTALM | IADAN | -    |
|------|---------|-----------|-------|---------|-------|-------|------|
|      |         | EXCHANGE  |       | GERMANY | ITALY | JAPAN |      |
| 1987 | QTR2    |           |       | 2.96    |       | 234.2 |      |
|      | QTR3    |           | 9.92  |         | 2152  |       |      |
|      | QTR4    |           |       | 2.99    | 2188  | 237.8 |      |
|      |         | 14.1      | 10,00 | L       | -100  |       |      |
| 1988 | QTR1    | 75.1      | 10.18 | 3.01    | 2217  | 229.8 | 1.80 |
|      | QTR2    | 77.8      | 10.64 | 3.14    | 2335  | 231.7 | 1.84 |
|      | QTR3    | 75.8      | 10.68 | 3.16    | 2343  | 226.4 | 1.69 |
| 1987 | AUG     | 72.4      | 9.89  | 2.96    | 2150  | 235.5 | 1.60 |
|      | SEP     | 73.0      | 9.97  |         | 2157  | 236.3 | 1.6  |
|      | OCT     | 73.2      | 9.99  | 3.00    | 2162  | 238.4 |      |
|      | NOV     | 75.0      | 10.12 | 2.98    | 2199  | 240.1 |      |
|      | DEC     | 75.8      | 10.12 | 2.99    | 2201  | 234.2 |      |
|      |         |           |       |         |       |       |      |
| 1988 |         | 75.3      | 10.05 | 2.97    | 2189  | 230.2 | 1.8  |
|      | FEB     | 74.3      | 10.08 | 2.98    | 2196  | 227.1 |      |
|      | MAR     | 75.9      | 10.43 | 3.07    | 2273  | 232.8 |      |
|      | APR     | 77.8      | 10.65 | 3.13    | 2329  | 234.8 |      |
|      | MAY     | 78.5      | 10.74 | 3.17    | 2357  | 234.0 |      |
|      | JUN     | 76.8      | 10.52 | 3.11    | 2314  | 225.7 |      |
|      | JUL     | 75.8      | 10.55 | 3.13    | 2319  | 226.4 |      |
|      | AUG     | 76.3      | 10.84 | 3.20    | 2371  | 226.7 |      |
|      | SEPT    | 75.5      | 10.66 | 3.14    | 2338  | 226.1 | 1.6  |
| 1988 | APR 4   | 76.7      | 10.59 | 3.12    | 2313  | 233.9 | 1.8  |
|      | APR 11  | 78.1      | 10.60 | 3.12    | 2318  | 234.9 | 1.8  |
|      | APR 18  | 78.3      | 10.72 | 3.15    | 2347  | 236.2 | 1.9  |
|      | APR 25  | 78.3      | 10.68 | 3.14    | 2337  | 234.0 | 1.8  |
|      | MAY 2   | 78.7      | 10.70 | 3.15    | 2341  | 234.7 | 1.8  |
|      | MAY 9   | 78.4      | 10.72 | 3.16    | 2349  | 234.5 | 1.8  |
|      | MAY 16  | 77.9      | 10.82 | 3.19    | 2369  | 236.0 | 1.8  |
|      | MAY 23  | 79.0      | 10.75 | 3.18    | 2362  | 232.8 | 1.8  |
|      | MAY 30  | 78.3      | 10.73 | 3.19    | 2364  | 232.0 | 1.8  |
|      | JUN 6   | 78.2      | 10.46 | 3.09    | 2302  | 227.3 | 1.8  |
|      | JUN 13  | 76.2      | 10.58 | 3.13    | 2329  | 227.3 | 1.8  |
|      | JUN 20  | 76.8      | 10.58 | 3.14    | 2329  | 225.3 | 1.7  |
|      | JUN 27  | 76.2      | 10.45 | 3.10    | 2297  | 222.8 | 1.7  |
|      | JUL 4   | 76.2      | 10.37 | 3.08    | 2285  | 228.0 | 1.6  |
|      | JUL 11  | 75.0      | 10.49 | 3.12    | 2311  | 224.8 | 1.6  |
|      | JUL 18  | 75.1      | 10.59 | 3.14    | 2325  | 224.8 | 1.6  |
|      | JUL 25  | 76.8      | 10.75 | 3.19    | 2353  | 228.0 | 1.7  |
|      | AUG 1   | 76.4      | 10.84 | 3.21    | 2371  | 227.5 | 1.7  |
|      | AUG 8   | 76.5      | 10.88 | 3.23    | 2381  | 227.0 | 1.7  |
|      | AUG 15  | 76.5      | 10.93 | 3.22    | 2390  | 228.3 | 1.7  |
|      | AUG 22  | 76.2      | 10.91 | 3.22    | 2381  | 224.8 | 1.6  |
|      | AUG 29  | 75.8      | 10.66 | 3.14    | 2334  | 226.0 | 1.6  |
|      | SEPT 5  | 75.7      | 10.65 | 3.13    | 2332  | 229.3 | 1.6  |
|      | SEPT 12 | 75.7      | 10.65 | 3.13    | 2339  | 226.3 | 1.7  |
|      | SEPT 19 | 75.3      | 10.66 | 3.14    | 2340  | 224.3 | 1.6  |
|      | SEPT 26 | 75.2      | 10.68 | 3.14    | 2341  | 224.5 | 1.6  |

# ECONOMIST COMMODITY PRICE INDICES

|                      |       | All item       | s indices |       |       | SDR ind | ices   |
|----------------------|-------|----------------|-----------|-------|-------|---------|--------|
| Annual               | SDR   | Dollar         | Sterling  | Real* | Food  | Nfa**   | Metals |
|                      |       |                |           |       |       |         |        |
| 1980                 | 104.4 | 133.7          | 74.0      | 115.6 | 96.7  |         | 118.6  |
| 1981                 | 99.3  | 115.2          | 73.5      | 105.3 | 93.7  |         | 106.2  |
| 1982                 | 91.8  | 99.9           | 73.4      | 94.3  | 89.3  | 96.0    | 93.8   |
| 1983                 | 107.2 | 112.7          | 95.7      | 110.4 | 102.0 | 116.6   | 110.1  |
| 1984                 | 110.3 | 111.5          | 107.2     | 113.1 | 112.3 | 111.6   | 106.2  |
| 1985                 | 100.0 | 100.0          | 100.0     | 100.0 | 100.0 | 100.0   | 100.0  |
| 1986                 | 89.8  | 103.7          | 90.6      | 86.4  | 92.4  | 89.9    | 85.4   |
| 1987                 | 87.4  | 111.5          | 87.1      | 82.2  | 73.0  |         | 100.6  |
| Quarterly            |       |                |           |       |       |         |        |
|                      | ~ ~ ~ |                | 86.2      | 01 0  | 85.1  | 85.5    | 83.1   |
| 1986 Q3              | 84.6  | 100.2          |           | 81.8  |       |         | 82.8   |
| Q4                   | 84.2  | 100.1          | 89.5      | 80.2  | 82.2  | 91.0    | 02.0   |
| 1987 Q1              | 81.0  | 100.8          | 83.5      | 76.5  | 73.2  | 95.2    | 84.3   |
| Q2                   | 84.9  | 108.2          | 84.4      | 80.7  | 73.2  | 102.6   | 92.1   |
| Q3                   | 90.2  | 113.4          | 90.0      | 84.6  | 70.7  | 111.9   | 108.0  |
| Q4                   | 93.4  | 123.7          |           | 87.0  | 74.7  | 103.3   | 117.9  |
| 4.                   |       |                |           |       |       |         |        |
| 1988 Q1              | 99.8  | 134.6          | 95.9      | 93.9  | 77.6  |         | 133.4  |
| Q2                   | 115.5 | 155.7          | 108.8     | 109.1 | 84.0  |         | 169.1  |
| Q3(prov)             | 116.4 | 148.8          | 112.4     | 107.4 | 92.9  | 114.0   | 157.9  |
| Monthly              |       |                |           |       |       |         |        |
| August               | 91.4  | 114.2          | 91.8      |       | 69.6  | 115.0   | 111.7  |
|                      | 90.1  | 114.2          |           |       | 70.7  |         | 107.9  |
| September<br>October | 93.5  | 114.5          |           |       | 74.2  |         | 117.0  |
|                      |       |                |           |       | 74.2  |         | 113.3  |
| November             | 91.3  | 121.3          |           |       | 75.6  |         | 122.4  |
| December             | 94.8  | 129.1          | 90.5      |       | /5.0  | 102.1   | 122.4  |
| January              | 97.4  | 132.2          | 94.1      |       | 78.1  | . 102.7 | 126.6  |
| February             | 98.2  | 131.2          | 95.6      |       | 78.0  | 106.5   | 126.7  |
| March                | 103.8 | 140.3          |           |       | 76.8  | 107.3   | 157.0  |
| April                | 106.4 | 144.9          |           |       | 77.3  | 110.5   | 152.8  |
| May                  | 113.4 | 153.8          |           |       | 80.9  | 114.1   | 168.2  |
| June                 | 126.7 | 168.4          |           |       | 93.9  | 120.8   | 186.4  |
| July                 | 119.1 | 152.9          |           |       | 96.9  |         |        |
| August               | 116.9 | 148.9          |           |       | 91.0  |         |        |
| September(prov)      |       | 144.5          |           |       | 90.9  |         | 152.9  |
| Weekly               |       |                |           |       |       |         |        |
|                      |       |                |           |       |       |         |        |
| August 9             | 117.4 |                |           |       | 92.8  |         | 160.9  |
| 16                   | 117.2 | 149.5          |           |       | 91.4  |         | 162.4  |
| 23                   | 118.4 | 149.8          | 114.4     |       | 90.2  |         | 171.0  |
| 30                   | 117.8 | 150.1          | 113.8     |       | 90.8  | 3 111.4 | 168.1  |
| Sept 6               | 116.5 | 148.8          | 112.0     |       | 93.1  | 112.1   | 159.2  |
|                      | 114.9 | 140.0          |           |       | 92.1  |         | 155.4  |
| 13                   |       |                |           |       | 89.3  |         | 152.1  |
| 20<br>27(prov)       | 112.0 | 142.9<br>139.2 |           |       | 89.0  |         | 144.8  |
|                      |       |                |           |       | 100   | 5 +0.8  | +25.5  |
| Z ch. on one yr      | +18.7 | +19.7          | +16.1     |       | +23.6 | +0.8    | 123.3  |

\* In relation to prices of manufactured exports. Recent figures are estimated. \*\* Non-food agriculturals.

# ECONOMIST SDR COMMODITY PRICE INDICES 1985 = 100



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From : D L C Peretz Date : 30 September 1988

ECONOMIC SECRETARY

Chancellor Sir P Middleton Sir T Burns Sir G Littler o/r Mr Lankester Mr Scholar Miss O'Mara Mr Grice Mr Williams Mr Cropper

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ECU TREASURY BILLS : FIRST TENDER

We need to announce the details and size of the ll October ecu bill tender on Tuesday 4 October.

2. The attached letter from Ian Plenderleith sets out the Bank's proposals, with which I agree. The main points are :

announcement at 2.30 on Tuesday 4 October

size of issue : ecu 800m - 1 billion, divided 1 : 2 : 1 between 1 month, 3 month and six month bills

- target highest accepted yield, 10-20 basis points below LIBID.

3. It will be quite convenient to have the announcement on the same day as the September reserves press notice. Commentators will be able to write about the two events together.

4. The key question is about size of tender/target yield. I accept the Bank's general approach : we should not be trying at the first tender, by restricting its size, to get the very keenest terms. Bills would then be likely to be locked away by a handful of central banks, inhibiting the development of a secondary market; and we would find the terms at subsequent tenders began to deteriorate. We want to get a healthy market going that we can continue to tap in future.

5. I also accept the argument that it is better if anything to err a little on the high side in the size of the first tender, since the Bank can always hold bills back for perfectly explicable reasons. 800m - 1 billion may seem a little high against a target initial total size of the programme of 1-2 billion; but subsequent monthly tenders will be smaller than the first one, and partly used to refinance maturing bills.

6. I think the Bank may be being just a little unambitious in their target of 10-20 basis points under LIBID. Although it is a different market, we usually do rather better (up to 50 basis points below LIBID) in sterling Treasury bills. I would certainly wish to discourage them from accepting bids at yields above 15 basis points below LIBID. But the only point to be announced on Tuesday is the size of the tender, and I recommend you give authority for a figure (to be decided at the last minute) in the range ecu 800m - 1 billion.

#### D L C PERETZ

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BANK OF ENGLAND LONDON EC2R 8AH

30 September 1988

IAN PLENDERLEITH ASSISTANT DIRECTOR HEAD OF GILT-EDGED DIVISION 01-601 4491

D L C Peretz Esq HM Treasury Parliament Street London SWIP 3AG

car Danti,

UK GOVERNMENT ECU TREASURY BILLS: AMOUNTS AND MATURITIES FOR THE FIRST TENDER

1 The first tender is to be held on Tuesday 11 October. Under the terms of the Information Memorandum, we have to announce the amounts and maturities of the Bills to be offered at least four business days in advance of the tender date, by publication in the FT and on Reuters and Telerate.

#### Timing

2 This means that the announcement must appear in the FT on Wednesday 5 October at the latest; and since we could not sensibly give such market sensitive details to the FT the previous evening without first having announced them publicly, the effective deadline is Tuesday 4 October. We see no reason to bring the announcement forward before that date, and we therefore propose that the announcement be made at 2.30 pm on Tuesday 4 October.

#### SECRET

3 That is also the day of the monthly reserves announcement; but in terms of presentation in the next day's papers, the two announcements complement each other quite well and there seems no reason deliberately to separate them. It may also be that the DTI will be making an announcement on BP/KIO that day, but we do not see that that necessitates bringing forward the ECU Bill announcement.

# Maturities

We have had several rounds of discussions with the market 4 makers, both en bloc and individually, to get feedback from them on the developing interest they see in the Bills. The picture that emerges so far is that there is evidence of interest in Bills at all three maturities - one, three and six months - but with greater interest in 3-month Bills than for the other two maturities. The reason for this is that the market perceives somewhat greater interest-rate risk in the 6-month Bills than in the 3-month area; and 1-month Bills are felt likely to attract rather less demand than the other maturities from investors who may be reluctant to bid outright in the first tender but come into the market thereafter, because by then the 1-month Bills will be relatively close to maturity.

5 Given this background, we think it sensible to take the opportunity to test the water in all three areas at the outset, and we therefore propose that we should offer Bills at all three maturities. But reflecting the expected pattern of demand indicated above, we would propose a larger offering at three months than at the other two maturities.

#### Amounts

6 The broad consensus that we get from our soundings to date is that the Bills are expected to trade at around LIBID minus 1/18th per cent, but that there will be some investors - eg some central banks - who may be prepared to pay a higher price (take a lower yield) for the advantage of a prime sovereign name. However, there is also a general feeling that many investors may hang back from the initial tender because of the difficulty of deciding at

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what price to bid in the absence of any secondary market indications; such investors are expected instead to look to buy Bills from the market makers in the secondary market once a price level has been established.

Against this background we think that the ideal outcome for 7 HMG in terms of developing broad interest in the programme over a period of time would be a tender result in which the stop-rate (highest accepted yield) was around LIBID minus 10-20 bp. An outcome on these lines would be likely to generate additional demand in the secondary market as the price became established, possibly taking the Bills to a small premium over the initial tender price and thus encouraging continuing demand from a wider range of investors both in the secondary market and at future The alternative strategy of aiming to satisfy only the tenders. smaller pool of investors prepared to bid up at tighter yields would have the disadvantage of confining the Bills to a much narrower range of investors with little secondary market activity, which we think would be counter-productive to our longer run aim of developing the market.

8 If we take the broader market strategy suggested above, we think that, on the indications we have so far, we would need to offer somewhat more than the ECU 500 million indicated at the time of the Chancellor's first announcement. We think that the appropriate amount would be in the range of ECU 800-1,000 million, and we would like to reserve making a final recommendation within that range until Monday of next week, 3 October. In terms of specific maturities, we would propose that half of the total should be offered at three months, with the remainder split equally between the other two maturities. Thus we would propose either 800, split into 200 at 1 month/400 at 3 months/200 at 6 months, or 1,000 split 250/500/250.

9 An offering on these lines would, we think, give us the best chance of achieving our preferred outcome above, and should attract sizeable demand from market makers positioning themselves to supply investors who want the paper but may be hesitant about bidding at the first tender. In suggesting the increased amount, we recognise the downside risk that demand could prove less than

Aspected. In that event we would plan to under-allot at the tender, taking Bills ourselves, so that we would then be in a position to sell into the secondary market to satisfy subsequent demand. Provided we did not have to take paper on an excessive scale, we think that under-allotting in this way would not convey any sense of failure, but on the contrary would be seen to be positively helpful to the development of broader interest in the programme; we would of course take steps to get this message across. At the other extreme, there is always the risk that demand may so exceed expectations that we are able to allot only the highest bids; that, as indicated above, is not our preferred approach, but it is of course an outcome that we could live with with equanimity if it happened.

10 If you are content with these proposals, it would be helpful if you could seek contingent authority for us to announce next Tuesday on the basis suggested above, subject to a final decision on the amounts after the weekend. If you have any questions, please do not hesitate to be in touch.

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DRAFT **A J SHARPLES** FROM: ADVANCE COVY 30 September 1988 DATE: 1. MR ILETT CC PS/Chief Secretary PS/Financial Secretary PS/Paymaster General APS/ECONOMIC SECRETARY 2. Sir Peter Middleton ce Sir P. Middletan pps. Mr Anson Mr Scholar Hus homax Mr Burgner You may like to see this bright even though Mrs Lomax Mr Peretz it has not finally been cleared with the DTI and Miss Noble the Treening Stinter. It is backgrand 6 Monday's Miss Wheldon - T. So. Solw Cloves neeting, and shows that the Financial Services Ast praid RESTRICTIONS ON OVERSEAS INVESTMENT BUSINESSES more safeguards Miss Wheldon - T.Sol le de regne.

You asked for information on the restrictions on overseas investment firms seeking to do business in the UK. (Minute to PS/Chancellor 9 August). This arose from discussions on Barlow Clowes in which questions were raised about the protection available to UK investors against approaches from unregulated overseas companies such as Barlow Clowes International (BCI).

2. This minute explains the current rules under the Financial Services Act (FSA), and highlights changes made from the earlier Prevention of Fraud (Investments) Act (PF(I)A) regime. It does not consider in any detail the position of BCI under that regime or whether rules were broken in this particular case.

## Summary

3. The broad position under the FSA is that overseas firms must seek authorisation to do investment business in the UK. An overseas firm which <u>is</u> authorised is bound by exactly the same rules as a UK firm regarding advertising, cold calling etc. An

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overseas firm which is <u>not</u> authorised can only do business with UK residents through a UK authorised intermediary, with unsolicited clients who approach the firm directly, or with professional and business investors. Under the PF(I)A regime a license was required to deal in securities in the UK, and it was an offence fraudulently to induce an investment, but the scope of the Act was more limited, there was no statutory right to sue intermediaries and no compensation scheme. Overseas firms were required to apply for licences but there was room for argument about what constituted dealing in securities. Inevitably the full story is more complicated. Details are set out below.

# Authorisation

4. The first distinction to draw is between overseas firms which are authorised to do investment business in the UK and those which are not. The basic principle of the FSA is that it is a criminal offence to carry on investment business in the UK unless 'authorised' or 'exempted' (S.3).

5. There are a number of routes to authorisation, the main ones being authorisation by SIB or membership of a SRO. The procedures which an overseas firm must follow in seeking authorisation will depend on its circumstances. A UK <u>subsidiary</u> of an overseas firm must apply as if it were a UK firm. A UK <u>branch</u> of an overseas firm may take a short cut to authorisation if it can provide evidence that it has been authorised by a supervisor in its home country with which the SIB has negotiated a 'lead regulation arrangement'. (Such arrangements have now been concluded on

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securities business with all relevant countries and on banking business with some half dozen major countries). An overseas firm without an office of the UK (known in the Act as an 'overseas person') can also apply for authorisation. Where business of a branch or 'overseas person' is regarded as high risk the SRO may require incorporation in the UK as a condition of authorisation.

6. There is also provision in the FSA for businesses established in other EC member states, where there is investor protection equivalent to our own, to be authorised by their home countries to do business in the UK on a 'services' basis - that is, without having on office here. A firm would require the approval of the SIB to follow this route.

# Rules for businesses which are Authorised

7. A firm - whether UK based or overseas - which is authorised to do investment business in the UK must do so within the terms of the Act and the rules laid down by the body which has given authorisation. In particular it must adhere to conduct of business rules which include detailed rules on advertising and cold calling. No distinction is drawn in the rules between authorised firms which are UK based, overseas firms with UK offices, or overseas persons.

8. Advertisements must also conform to the general requirements of the Misleading Advertisements Regulations and (voluntary) codes set down by the Advertising Standards Authority and the Independent Broadcasting Authority (for TV and Radio adverts).

# Businesses which are not Authorised

9. An overseas firm which is <u>not</u> authorised to do business in the UK can only conduct or solicit investment business with UK residents in certain limited circumstances. (Such firms are governed by the 'overseas persons' regime set out in Part IV of Schedule 1 of the Act).

An unauthorised overseas firm may:

i. deal in investments in the UK (ie buy, sell etc) or arrange deals in investments with or through an authorised or exempt person in the UK, such as an authorised intermediary.

ii. do business which <u>has not been solicited</u> in any way. For example a UK resident may hear about an investment opportunity overseas through foreign newspapers or other sources and may contact the firm directly.

iii. solicit business if it can do so without breaking the law on advertising and cold calling (set out in Sections 56 and 57 of the FSA). There are broadly three ways it can do this. The first is by placing an advertisement which has been approved by an authorised person. SIB rules (rule 7.04) only allow such advertisements to be approved when they are 'image' or 'short form' advertisements within strict definitions, or where they are advertising regulated collective investment schemes or insurance business which has

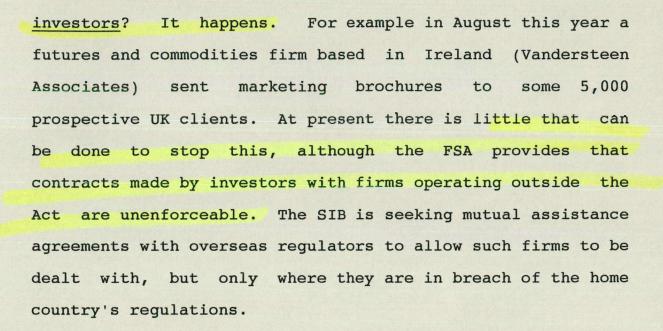
been approved through some other channel. The second exception is for advertising to professional and business <u>clients</u> who are considered to be 'sufficiently expert to understand the risks involved'. The third is for advertising to people who have been clients of the firm while living <u>outside the UK</u> and are now only temporarily resident in the UK. (The latter exceptions are set out in SI 1988 No.316)

# What does this mean in practice?

10. A good way of testing the practical application of these rules is to consider a number of possible cases.

What is there to stop a UK authorised intermediary a. putting clients' money into a dodgy unauthorised overseas firm? The intermediary is bound by the conduct of business rules of the SRO by which it is authorised (probably FIMBRA). These rules must match those laid down by the SIB, which inter alia require the firm to warn investors before placing money with an unauthorised or overseas firm that, by doing so, they will lose the protection of the Act (Rule 2.18). The intermediary is also required to give 'best advice'/to consider the suitability of any investment for the investor concerned. High risk overseas investments could fall foul of both these provisions. A firm which breaks the rules can be sued (under Section 62 of the Act).

b. What happens if an unauthorised overseas firm just ignore all the rules and sends mailings to potential UK



What is there to stop an unauthorised overseas firm c. persuading a UK authorised intermediary to approve an advertisement designed to solicit business? The law allows this, but the SIB rules impose strict limits on what such an advertisement can say. One form allowed is 'image' an advertisement which can only promote public awareness of a firm, describe its services, commend the firm but not the services and offer to supply further information. The second form allowed is a 'short form advertisement' which allows details of the firm's address and phone number and names of investments. (This is primarily intended to cover 'tombstones' recording issues which have already been made). These rules would not allow any material in advertisement designed to promote investments and investors would have to seek further information from an overseas address in response to such an advertisement.

# The PF(I)A Regime

11. The Prevention of Fraud (Investments) Act 1958 made it a criminal offence to deal in securities without a license from the DTI. The Act was in force until the FSA came into operation at the end of April of this year. Licensed dealers were bound by statutory conduct of business rules which included restrictions on advertising and cold calling. Additional provisions in the Act (Sections 13 and 14) made it an offence fraudulently to induce people to invest money, and to distribute circulars which might invite people to do so. Overseas firms wishing to do business in the UK were covered by these provisions. But the whole PF(I)Act system had become inadequate and the enforcement paras and machinery were insufficient.

12. The FSA has strengthened the PF(I)A regime in a number of respects. The procedures for authorisation have been clarified and transferred from the DTI to the SIB, SROs and other bodies. The coverage has been widened through a comprehensive definition of investment business. The conduct of business rules have been greatly extended and clarified. And a variety of other protections for investors have been introduced including a compensation fund.

# Assessment

13. The new regime provided by the FSA and associated rule booksprovides a substantial improvement in investor protection; clarifies what can and cannot be done by unauthorised overseas

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firms; and sets out the responsibilities of intermediaries. It does not eliminate investments by UK residents with unauthorised overseas firms, nor is it designed to. But it does help to ensure that UK residents who do put their money overseas know what they are doing and understand the risks they are taking. It would be surprising if the present rules prove watertight at the first attempt and it would be wise for the DTI to monitor the impact of the rules, and the effectiveness of the overseas persons regime in particular, in conjunction with the SIB.

A J SHARPLES

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From : D L C Peretz Date : 3 October 1988

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**PS/ECONOMIC SECRETARY** 

PPS Sir P Middleton Sir T Burns Sir G Littler o/r Mr Lankester Mr Scholar Miss O'Mara Mr Grice Mr Gieve Mr Williams Mr Cropper

ECU TREASURY BILLS : FIRST TENDER

Following the Economic Secretary's agreement to the proposals in my minute of 30 September, we have now fixed a precise figure for the size of the 11 October tender (to be announced at 2.30 tomorrow) : ecu 900 million.

2. This will be divided 200 million : 500 million : 200 million between 1 month, 3 month and 6 month bills.

3. The amount is in the middle of the range the Bank proposed, and represents some natural caution on their part. They are, I think, fairly confident of achieving a highest accepted bid yield of 15 basis points or more below LIBID.

4. Most press questions are likely to be on points that should be referred to the Bank of England's press office, and I should be grateful if IDT could liaise with them. The size of the issue is larger than the earlier indication of ecu 500 billion. The Bank will be saying that they were able to raise the amount in view of the substantial indications of interest they have had from investors; but that this does not necessarily imply that the programme will eventually settle at anything larger than the ecu l billion-2 billion range. It is natural for the opening auction to be for a larger amount, to meet pent up demand, than subsequent auctions (which will in part be replacing maturing bills). If anyone is concerned that 900 million ecu is an odd amount, we can point out that it is roughly equivalent to \$1 billion.

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D L C PERETZ

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| l price<br>ndicators<br>he deutsc<br>terling r<br>asing bac<br>ates at 5 | fears wit<br>had littl<br>hemark to<br>emained f<br>k in cross<br>:20pm. \$1.                                  | h October<br>e effect.<br>weaken fur<br>irm during<br>rate term | Brent fal<br>But a con<br>ther saw th<br>the day<br>s as the do | Lling to \$<br>mment by Po<br>he dollar e<br>in spite o<br>ollar weake<br>1.8610 Yen<br>Previous | 11.60 at o<br>hl in a Pre<br>ase back to<br>f the weak<br>ned against<br>/133.64    | ne point.<br>ss intervi<br>close 1/2<br>ening in t<br>the deuts<br>Today | US const<br>ew that it<br>pfennig do<br>he oil pri | was un des<br>wn on the d<br>ce although | irable<br>ay. |

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|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|---------------------------------------|
| MONEY MARKETS                                                                                                                                           |                                |                                                                                           | Monday 3rd                                                                                          | d October 1988                        |
| INTEREST RATES                                                                                                                                          |                                |                                                                                           |                                                                                                     |                                       |
|                                                                                                                                                         | £ Int                          | erbank                                                                                    | Eurodol                                                                                             |                                       |
| The second second                                                                                                                                       | Today                          | Change                                                                                    | Today                                                                                               | Change<br>+                           |
| 7 days                                                                                                                                                  | 11 3/4                         | -1/8                                                                                      | 8 3/16                                                                                              | -1/16                                 |
| 1 mth                                                                                                                                                   | 11 13/16                       | 0                                                                                         | 8 3/16                                                                                              | -1/8                                  |
| 3 mth                                                                                                                                                   | 11 15/16                       | 0                                                                                         | 8 1/2                                                                                               | -1/8                                  |
| 12 mth                                                                                                                                                  | 11 11/16                       | -1/16                                                                                     | 8 13/16                                                                                             | -1/16                                 |
| BILLS                                                                                                                                                   |                                | Toda                                                                                      | ау                                                                                                  | Change                                |
| 3 Mor                                                                                                                                                   | th Treasury Bills              | 1 11 1/2                                                                                  | - 11 3/8                                                                                            | 0                                     |
|                                                                                                                                                         | PERATIONS<br>Purchases £ m     | Rates                                                                                     | Discount Rate on El                                                                                 |                                       |
| Band 1 (0-14 days)<br>Band 2 (15-31 days)<br>Band 3 (32-63 days)                                                                                        | Purchases £ m                  | Rates                                                                                     | +                                                                                                   | 8<br>5/8<br>5/8                       |
| BANK MONEY MARKET OF<br>Band 1 (0-14 days)<br>Band 2 (15-31 days)<br>Band 3 (32-63 days)<br>Band 4 (64-91 days)<br>TOTAL BILLS<br>Repurchase<br>Lending | Purchases £ m                  | Rates                                                                                     | 11 7/8-5/8<br>11 11/16-1<br>11 21/32-1<br>11 19/32-5                                                | 8<br>5/8<br>5/8                       |
| Band 1 (O-14 days)<br>Band 2 (15-31 days)<br>Band 3 (32-63 days)<br>Band 4 (64-91 days)<br>TOTAL BILLS<br>Repurchase                                    | Purchases f m                  | <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> | 11 7/8-5/8<br>11 11/16-1<br>11 21/32-1<br>11 19/32-5                                                | 8<br>5/8<br>5/8                       |
| Band 1 (0-14 days)<br>Band 2 (15-31 days)<br>Band 3 (32-63 days)<br>Band 4 (64-91 days)<br>TOTAL BILLS<br>Repurchase<br>Lending                         | Purchases f m<br>0<br>80<br>80 | <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> | 11 7/8-5/8<br>1 11 11/16-<br>11 21/32-<br>1 11 19/32-9<br>3/4-7/8%                                  | 8<br>5/8<br>5/8                       |
| Band 1 (0-14 days)<br>Band 2 (15-31 days)<br>Band 3 (32-63 days)<br>Band 4 (64-91 days)<br>TOTAL BILLS<br>Repurchase<br>Lending<br>TOTAL OPERATIONS     | Purchases f m<br>0<br>80<br>80 | <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> | 11 7/8-5/8<br>1 11 11/16-1<br>11 21/32-1<br>11 19/32-5<br>3/4-7/8%<br>4 100 m<br><br>10 yr Tsy Bond | 8<br>5/8<br>5/16<br>20 yr Tsy Bond    |
| Band 1 (0-14 days)<br>Band 2 (15-31 days)<br>Band 3 (32-63 days)<br>Band 4 (64-91 days)<br>TOTAL BILLS<br>Repurchase<br>Lending<br>TOTAL OPERATIONS     | Purchases f m<br>0<br>80<br>80 | <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> <br> | 11 7/8-5/8<br>1 11 11/16-1<br>11 21/32-1<br>11 19/32-5<br>3/4-7/8%<br>4 100 m<br><br>10 yr Tsy Bond | 8<br>5/8<br>5/16<br>20 yr Tsy Bond    |

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INDEX-LINKED those issues that changed gained 1/8.

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EQUITIES opened the new Account on a weak note but, after a partial recovery fell back further on news that consumer credit rose by 4.8billion in August. At 5pm Wall Street opened down 24 points.

Carl Darzy

NAME: Carl Davey TEL NO: 270 4613

#### SECRET

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| GILT-EDGED MARKET                                         | Monday 3rd 0      | ctober 1988                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------------------------|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transactions basis, cash values (fm); sales + purchases - |                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| ISSUE DEPARTMENT: MARKET TRANSACTIONS                     | Today             | October                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Gross sales shorts                                        | +                 | +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Gross sales mediums                                       | 13.2              | 31.8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Gross sales longs and undated                             | 1 70.9            | 192.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Gross sales index-linked                                  | 1 7.9             | 15.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Part paid calls                                           | +                 | +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Buying in non-next maturities shorts                      | +                 | +<br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Buying in non-next maturities mediums                     | -3.6              | -27.6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Buying in non-next maturilies longs                       | -83.8             | -222.7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Buying in non-next maturities index-linked                | +                 | NOW IT AND THE PARTY OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF A DESCRIPTION OF |
| CRND: Market transactions                                 | -12.4             | -12.4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| TOTAL 'GROSS' SALES                                       | -16.2             | -38.7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Buying in of next maturities                              | -19.8             | -29.9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Redemptions                                               | 1 -0.9            | -0.9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| TOTAL TRANSACTIONS WITH MARKET                            | -36.9             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                                           | +===========      | +==========                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Future call                                               | s                 | +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Sales required to meet * target of f                      | m<br>=            | +<br>+                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| PRICES/YIELDS OF GILT-EDGED STOCKS<br>Yesterday's close   | Chang<br>yesterda | e from                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

Price (£/32)

REPRESENTATIVE STOCKS

8% Treasury 1992 8 3/4 Treasury 1997 'C' 11 3/4% Treasury 2003/07 3% Treasury 1992 2 1/2% Index-Linked 2016 2% Index-Linked 1994

GILT FUTURES

|   | Today |    | Change | Today | Change |
|---|-------|----|--------|-------|--------|
| I | 93    | 25 | -1     | 10.14 | 0.01   |
| I | 93    | 20 | -4     | 9.84  | 0.02   |
| I | 115   | 24 | -6     | 9.68  | 0.02   |
| I | 83    | 12 | 0      | 8.32  | 0.00   |
| I | 98    | 17 | 3      | 3.88  | 0.00   |
| Ī | 94    | 1  | 0      | 3.58  | 0.00   |
| - |       | +. | +      |       | *      |

|        |          |          | Open  | Close   | Volume    |
|--------|----------|----------|-------|---------|-----------|
| Long   | Contract | December | 95.23 | 95.20   | 9995      |
| Medium | Contract | December | 94.04 | 94.01   | 7         |
|        |          |          |       | NAME: C | arl Davey |

TEL NO:

270 4613

Price (f/32) Yield (%)

0.02 |

0.02 |

0.00 |

-2 |

-4 |

-1 |

Yield (per cent)

----

mg.ld/Williams/(2)3.10.mi

K. C.S.

M

FROM: N P WILLIAMS DATE: 3 October 1988

mon 3/10

1. MISS O'MARA 2. ECONOMIC SECRETARY

Chancellor \2/2 Sir G Littler Mr Lankester Mr Scholar Mr Peretz Mr Gieve Mr Nelson

# ECU TREASURY BILLS: FIRST TENDER

You may like to see for information the notice of the first tender of UK Government ECU Treasury Bills which will appear in Wednesday's FT.

CC

2. The arrangements for the tender will be familiar to you from the draft of the Bank's Information Memorandum attached to my minute of 9 September. The notice will include details of the size of the tender on which Mr Peretz minuted you on 30 September.

N P WILLIAMS

# UK GOVERNMENT ECU TREASURY BILLS

For tender on 11 October 1988

1. The Bank of England announces the issue by Her Majesty's Treasury of ECU 
 million nominal of UK Government ECU Treasury Bills, for tender on a bid-yield basis on Tuesday, 11 October 1988.

2. The Bills will be issued in the following maturities:

ECU 
 million for maturity on

ECU 
 million for maturity on

ECU 
 million for maturity on

Bills will be dated 13 October 1988.

3. All tenders must be made on the printed application forms available on request from the Bank of England. Completed application forms must be lodged, by hand, at the Bank of England, Securities Office, Threadneedle Street, London EC2 not later than 10.30 a.m., London time, on Tuesday, 11 October 1988. Payment for Bills allotted will be due on Thursday, 13 October 1988.

4. Each tender at each yield for each maturity must be made on a separate application form for a minimum of ECU 500,000 nominal. Tenders above this minimum must be in multiples of ECU 100,000 nominal.

5. Tenders must be made on a yield basis (calculated on the basis of the actual number of days to maturity and a year of 360 days) rounded to two decimal places. Each application form must state the maturity date of the Bills for which application is made, the yield bid and the amount tendered for.

6. Notification will be despatched on the day of the tender to applicants whose tenders have been accepted in whole or in part. For applicants who have requested credit of Bills in global form to their account with Euro-clear or CEDEL, Bills will be credited in those systems against payment. For applicants who have requested definitive Bills, Bills will be available for collection at the Securities Office of the Bank of England after 1.30 p.m. on Thursday, 13 October provided cleared funds have been credited to the Bank of England's ECU Treasury Bills Account No. 59005516 with Lloyds Bank Plc, International Banking Division, PO Box 19, Hays Lane House, 1 Hays Lane, London SE1 2HA. Definitive Bills will be available in amounts of ECU 100,000, ECU 500,000, ECU 1,000,000, ECU 5,000,000 and ECU 10,000,000 nominal.

7. Her Majesty's Treasury reserve the right to reject any or part of any tender.

8. The arrangements for the tender are set out in more detail in the Information Memorandum on the UK Government ECU Treasury Bill Programme issued by the Bank of England on behalf of Her Majesty's Treasury on 14 September 1988. All tenders will be subject to the provisions of that Information Memorandum, copies of which may be obtained at the Bank of England. UK Government ECU Treasury Bills are issued under the Treasury Bills Act 1877, the National Loans Act 1968 and the Treasury Bills Regulations 1968 as amended.

Bank of England

4 October 1988

11 ·

53.2/james/no3.jr

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FROM: S M A JAMES DATE: 3 October 1988

cc **PS/Chancellor** Sir P Middleton Sir T Burns Sir G Littler Mr Lankester Mr Scholar Miss O Mara Mr Grice Mr Williams Mr Cropper

ECU TREASURY BILLS: FIRST TENDER

The Economic Secretary was grateful for your minute of 30 September. As I mentioned to you over the phone, the Economic Secretary is content for an announcement to be made on 4 October of a tender in the range of ecu 800m - 1 billion (with the final figure to be decided at the last minute).

S M A JAMES Private Secretary

MR PERETZ