

France

P. 4.

PRIME MINISTER

FRENCH FRANC INTEREST RATES

I told you this morning that 3 months French Franc interest rates were around 23%. In fact, last night 3 months Euro currency rates were 27 - 30% and 7-day rates were 45 - 70%.

But, with exchange control, the domestic market is separate and controlled. There the 3 month rate is around 16% and the overnight rate 18%.

If you are going to make a reference to this in your speech tomorrow, I suggest you refer primarily to the domestic rates of up to 18%, and mention in an aside that in international markets very high interest rates, of up to 100% (the overnight rate earlier this week) are being required by holders of French Francs.

Mus

26 March, 1982

Prime Minister

The French franc

FINANCIAL TIMES EXTRACT

3-month ^{euo-} notice was

27% yesterday.

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MUS

Friday 26 March 1982

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Mar. 25	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Convertible	Japanese Yen
Short term	13 ³ / ₈ -13 ⁷ / ₈	14-14	16-17	4 ¹ / ₂ -5 ¹ / ₂	1 1 ¹ / ₂	9-9 ¹ / ₂	35-75	18-22	9 ¹ / ₂ -11	6 ¹ / ₂ -5 ¹ / ₂
7 days' notice	13 ⁵ / ₈ -13 ⁷ / ₈	14 ¹ / ₂ -14 ³ / ₂	16-17	7 ¹ / ₂ -7 ¹ / ₂	7 ¹ / ₂ -8 ¹ / ₂	9-9 ¹ / ₂	45-70	26-34	14-19	6 ¹ / ₂ -7 ¹ / ₂
Month	13 ⁵ / ₈ -13 ⁷ / ₈	14 ¹ / ₂ -14 ³ / ₂	16 ¹ / ₂ -16 ³ / ₂	7 ¹ / ₂ -7 ¹ / ₂	5 ³ / ₈ -5 ¹ / ₂	9 ¹ / ₂ -9 ¹ / ₂	38-43	27-30	15-18 ¹ / ₂	6 ¹ / ₂ -6 ¹ / ₂
Three months	13 ⁵ / ₈ -13 ⁷ / ₈	15-15 ¹ / ₂	16 ¹ / ₂ -16 ³ / ₂	8 ¹ / ₂ -8 ¹ / ₂	5 ³ / ₈ -5 ¹ / ₂	9 ¹ / ₂ -9 ¹ / ₂	27-30	24 ⁷ / ₈ -25 ³ / ₈	17-18 ¹ / ₂	6 ¹ / ₂ -6 ¹ / ₂
Six months	13 ⁵ / ₈ -13 ⁷ / ₈	15-15 ¹ / ₂	16 ¹ / ₂ -16 ³ / ₂	8 ¹ / ₂ -8 ¹ / ₂	6 ¹ / ₂ -6 ¹ / ₂	9 ¹ / ₂ -9 ¹ / ₂	22-25	23 ¹ / ₂ -24 ¹ / ₂	16 ¹ / ₂ -17 ¹ / ₂	6 ¹ / ₂ -6 ¹ / ₂
One Year	13 ⁵ / ₈ -13 ⁷ / ₈	14 ⁷ / ₈ -15 ¹ / ₂	16 ¹ / ₂ -16 ³ / ₂	8 ¹ / ₂ -9 ¹ / ₂	6 ¹ / ₂ -6 ¹ / ₂	9 ¹ / ₂ -9 ¹ / ₂	20-22	22 ¹ / ₂ -24	16 ¹ / ₂ -17 ¹ / ₂	6 ¹ / ₂ -6 ¹ / ₂

Bfr (financial): short-term 10-11 per cent; seven days' notice 12¹/₂-13 per cent; one month 13¹/₂-13³/₄ per cent; three months 14¹/₂-14³/₄ per cent; six months 14¹/₂-14³/₄ per cent; one year 14¹/₂-14³/₄ per cent.

SDR linked deposits: one month 15¹/₂-16 per cent; three months 14¹/₂-14³/₄ per cent; six months 13¹/₂-13³/₄ per cent; one year 13¹/₂-13³/₄ per cent.

ECU linked deposits: one month 18¹/₂-19¹/₂ per cent; three months 15¹/₂-16 per cent; six months 14¹/₂-14³/₄ per cent; one year 13¹/₂-13³/₄ per cent.

Asian \$ (closing rates in Singapore), one month 14¹/₂-14³/₄ per cent; three months 15-15¹/₂ per cent; six months 15¹/₂-16¹/₂ per cent; one year 16¹/₂-18¹/₂ per cent. Long-term Eurodollar two years 15¹/₂-15³/₄ per cent; three years 15¹/₂-16¹/₂ per cent; four years 15¹/₂-15³/₄ per cent; five years 15¹/₂-15³/₄ per cent.

The following rates were quoted for London dollar certificates of deposit: one month 14.60-14.70 per cent; three months 14.65-14.75 per cent; six months 14.75-14.85 per cent; one year 14.75-14.85 per cent.