

# FEDERAL RESERVE statistical release



These data are released each Monday. The availability of the release is announced on (202) 452-3206.

## H.15 (519) SELECTED INTEREST RATES

For immediate release  
October 18, 2004

Yields in percent per annum

Instruments	2004 Oct 11 *	2004 Oct 12	2004 Oct 13	2004 Oct 14	2004 Oct 15	Week Ending		2004 Sep
						Oct 15	Oct 8	
Federal funds (effective) <sup>1 2 3</sup>	1.71	1.78	1.73	1.77	1.79	1.73	1.82	1.61
Commercial paper <sup>3 4 5</sup>								
Nonfinancial								
1-month		1.74	1.76	1.77	1.78	1.76	1.74	1.67
2-month		1.84	1.83	1.85	1.84	1.84	1.81	1.71
3-month		n.a.	1.96	1.95	1.96	1.96	1.91	1.75
Financial								
1-month		1.79	1.77	1.78	1.78	1.78	1.75	1.69
2-month		1.88	1.86	1.88	1.87	1.87	1.84	1.74
3-month		1.93	1.93	1.99	1.91	1.94	1.91	1.81
CDs (secondary market) <sup>3 6</sup>								
1-month		1.82	1.83	1.83	1.85	1.83	1.80	1.73
3-month		2.01	2.02	2.01	2.02	2.02	2.01	1.86
6-month		2.15	2.16	2.14	2.15	2.15	2.18	2.04
Eurodollar deposits (London) <sup>3 7</sup>								
1-month		1.80	1.80	1.82	1.82	1.81	1.78	1.72
3-month		1.99	1.99	2.00	2.00	2.00	1.98	1.84
6-month		2.13	2.14	2.13	2.13	2.13	2.15	2.02
Bank prime loan <sup>2 3 8</sup>	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.58
Discount window primary credit <sup>2 9</sup>	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.58
U.S. government securities								
Treasury bills (secondary market) <sup>3 4</sup>								
4-week		1.55	1.56	1.57	1.56	1.56	1.53	1.52
3-month		1.69	1.69	1.71	1.72	1.70	1.68	1.65
6-month		1.97	1.95	1.94	1.95	1.95	1.98	1.87
Treasury constant maturities								
Nominal <sup>10</sup>								
1-month		1.59	1.59	1.60	1.59	1.59	1.56	1.55
3-month		1.72	1.72	1.74	1.76	1.74	1.71	1.68
6-month		2.02	2.00	1.99	2.00	2.00	2.03	1.91
1-year		2.20	2.17	2.15	2.18	2.18	2.24	2.12
2-year		2.56	2.53	2.48	2.53	2.53	2.67	2.53
3-year		2.84	2.80	2.76	2.80	2.80	2.95	2.83
5-year		3.35	3.32	3.26	3.31	3.31	3.46	3.36
7-year		3.77	3.74	3.68	3.72	3.73	3.85	3.75
10-year		4.12	4.09	4.03	4.07	4.08	4.20	4.13
20-year <sup>11</sup>		4.88	4.86	4.81	4.84	4.85	4.95	4.89
Inflation Indexed <sup>12</sup>								
5-year		1.04	1.00	0.94	0.97	0.99	1.13	1.10
7-year		1.39	1.36	1.32	1.34	1.35	1.49	1.46
10-year		1.75	1.72	1.68	1.70	1.71	1.85	1.80
20-year		2.14	2.12	2.10	2.10	2.12	2.21	2.16
Inflation-indexed long-term average <sup>13</sup>		2.16	2.15	2.12	2.12	2.14	2.22	2.18
Interest rate swaps <sup>14</sup>								
1-year		2.44	2.46	2.42	2.44	2.44	2.52	2.38
2-year		2.88	2.89	2.83	2.86	2.86	3.00	2.87
3-year		3.23	3.24	3.18	3.21	3.22	3.37	3.25
4-year		3.53	3.53	3.47	3.50	3.51	3.66	3.54
5-year		3.77	3.78	3.70	3.74	3.75	3.89	3.79
7-year		4.15	4.16	4.09	4.11	4.13	4.27	4.17
10-year		4.55	4.55	4.49	4.50	4.52	4.64	4.56
30-year		5.24	5.24	5.20	5.20	5.22	5.31	5.26
Corporate bonds								
Moody's seasoned								
Aaa <sup>15</sup>		5.48	5.47	5.43	5.47	5.46	5.54	5.46
Baa		6.23	6.21	6.16	6.19	6.20	6.30	6.27
State & local bonds <sup>16</sup>				4.48		4.48	4.61	4.56
Conventional mortgages <sup>17</sup>					5.74	5.74	5.82	5.76

See overleaf for footnotes

\* Markets closed  
n.a.-- not available

## FOOTNOTES

1. The daily effective federal funds rate is a weighted average of rates on brokered trades.
2. Weekly figures are averages of 7 calendar days ending on Wednesday of the current week; monthly figures include each calendar day in the month.
3. Annualized using a 360-day year or bank interest.
4. On a discount basis.
5. Interest rates interpolated from data on certain commercial paper trades settled by The Depository Trust Company. The trades represent sales of commercial paper by dealers or direct issuers to investors (that is, the offer side). The 1-, 2-, and 3-month rates are equivalent to the 30-, 60-, and 90-day dates reported on the Board's Commercial Paper Web page ([www.federalreserve.gov/releases/cp](http://www.federalreserve.gov/releases/cp)).
6. An average of dealer offering rates on nationally traded certificates of deposit.
7. Bid rates for Eurodollar deposits collected around 9:30 a.m. Eastern time.
8. Rate posted by a majority of top 25 (by assets in domestic offices) insured U.S.-chartered commercial banks. Prime is one of several base rates used by banks to price short-term business loans.
9. The rate charged for discounts made and advances extended under the Federal Reserve's primary credit discount window program, which became effective January 9, 2003. This rate replaces that for adjustment credit, which was discontinued after January 8, 2003. For further information, see [www.federalreserve.gov/boarddocs/press/bcreg/2002/200210312/default.htm](http://www.federalreserve.gov/boarddocs/press/bcreg/2002/200210312/default.htm). The rate reported is that for the Federal Reserve Bank of New York. Historical series for the rate on adjustment credit as well as the rate on primary credit are available at [www.federalreserve.gov/releases/h15/data.htm](http://www.federalreserve.gov/releases/h15/data.htm).
10. Yields on actively traded non-inflation-indexed issues adjusted to constant maturities. Source: U.S. Treasury.
11. A factor for adjusting the daily nominal 20-year constant maturity in order to estimate a 30-year nominal rate can be found at [www.treas.gov/offices/domestic-finance/debt-management/interest-rate/ltcompositeindex.html](http://www.treas.gov/offices/domestic-finance/debt-management/interest-rate/ltcompositeindex.html).
12. Yields on Treasury inflation protected securities (TIPS) adjusted to constant maturities. Source: U.S. Treasury. Additional information on both nominal and inflation-indexed yields may be found at [www.treas.gov/offices/domestic-finance/debt-management/interest-rate/index.html](http://www.treas.gov/offices/domestic-finance/debt-management/interest-rate/index.html).
13. Based on the unweighted average of the bid yields for all TIPS with remaining terms to maturity of more than 10 years.
14. International Swaps and Derivatives Association (ISDA<sup>®</sup>) mid-market par swap rates. Rates are for a Fixed Rate Payer in return for receiving three month LIBOR, and are based on rates collected at 11:00 a.m. Eastern time by Garban Intercapital plc and published on Reuters Page ISDAFIX<sup>®</sup>1. ISDAFIX is a registered service mark of ISDA. Source: Reuters Limited.
15. Moody's Aaa rates through December 6, 2001 are averages of Aaa utility and Aaa industrial bond rates. As of December 7, 2001, these rates are averages of Aaa industrial bonds only.
16. Bond Buyer Index, general obligation, 20 years to maturity, mixed quality; Thursday quotations.
17. Contract interest rates on commitments for fixed-rate first mortgages. Source: FHLMC.

Note: Weekly and monthly figures on this release, as well as annual figures available on the Board's historical H.15 web site (see below), are averages of business days unless otherwise noted.

Current and historical H.15 data are available on the Federal Reserve Board's web site ([www.federalreserve.gov/](http://www.federalreserve.gov/)). For information about individual copies or subscriptions, contact Publications Services at the Federal Reserve Board (phone 202-452-3244, fax 202-728-5886). For paid electronic access to current and historical data, call STAT-USA at 1-800-782-8872 or 202-482-1986.

## DESCRIPTION OF THE TREASURY NOMINAL AND INFLATION-INDEXED CONSTANT MATURITY SERIES

Yields on Treasury nominal securities at "constant maturity" are interpolated by the U.S. Treasury from the daily yield curve for non-inflation-indexed Treasury securities. This curve, which relates the yield on a security to its time to maturity, is based on the closing market bid yields on actively traded Treasury securities in the over-the-counter market. These market yields are calculated from composites of quotations obtained by the Federal Reserve Bank of New York. The constant maturity yield values are read from the yield curve at fixed maturities, currently 1, 3 and 6 months and 1, 2, 3, 5, 7, 10 and 20 years. This method provides a yield for a 10-year maturity, for example, even if no outstanding security has exactly 10 years remaining to maturity. Similarly, yields on inflation-indexed securities at "constant maturity" are interpolated from the daily yield curve for Treasury inflation protected securities in the over-the-counter market. The inflation-indexed constant maturity yields are read from this yield curve at fixed maturities, currently 5, 7, 10 and 20 years.