

APPENDIX

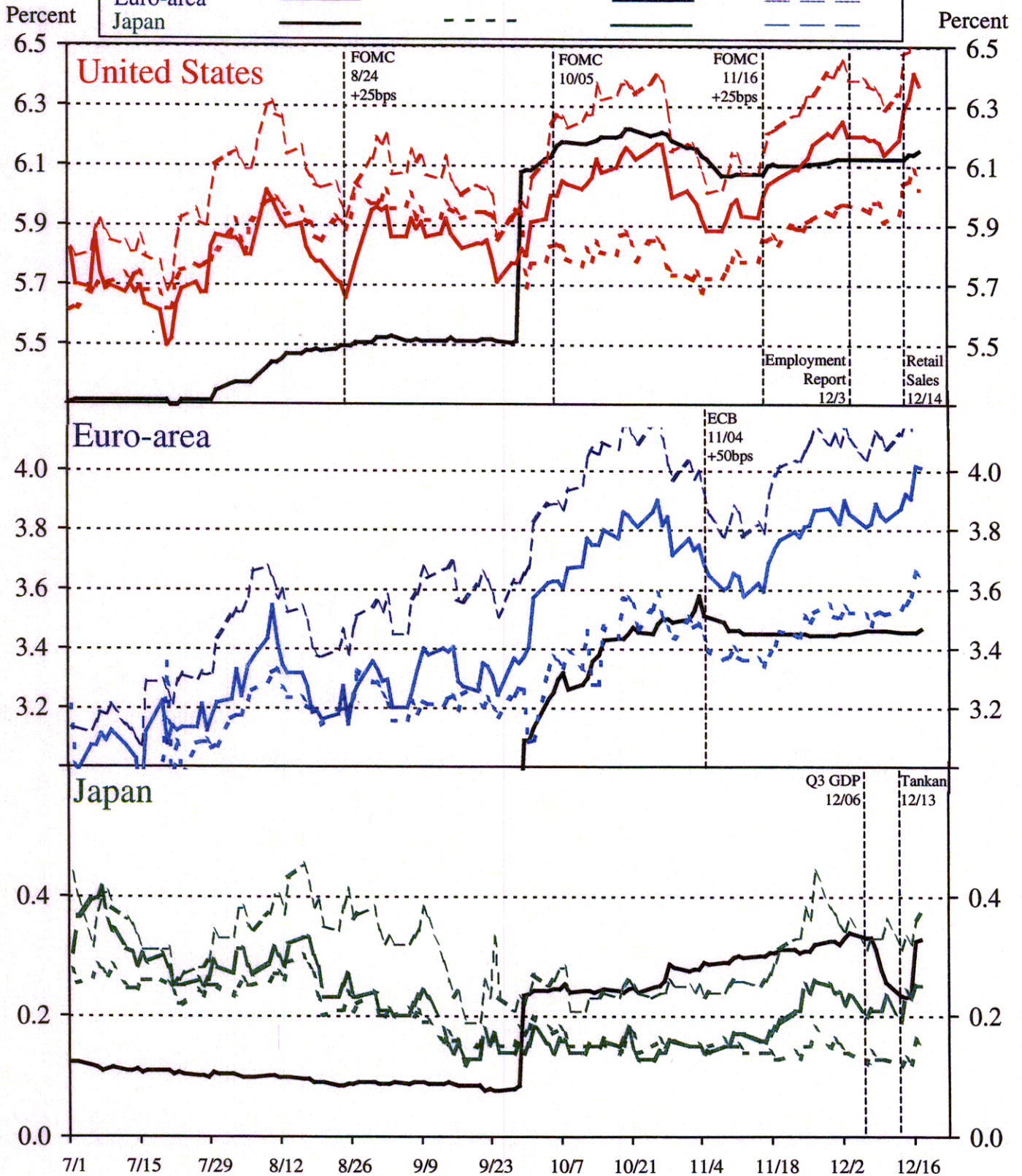
Material used by Mr. Fisher in his presentation

3-Month Deposit Rates

July 1, 1999 - December 17, 1999

Current Euro-Deposit Rate and Rates Implied by Traded Forward Rate Agreements

	LIBOR Fixing	3-Mo. Forward	6-Mo. Forward	9-Mo. Forward
United States	— (solid)	- - - (dashed)	— (solid)	- - - (dashed)
Euro-area	— (solid)	- - - (dashed)	— (solid)	- - - (dashed)
Japan	— (solid)	- - - (dashed)	— (solid)	- - - (dashed)



STANDBY FINANCING FACILITY

AUCTION RESULTS

**Three strips of five options on overnight repurchase agreements
Dec 23rd Strip; Dec 30th Strip; and Jan 6th Strip**

Auctions	Auction amounts (billions)	Total props. (billions)	Bid-to-cover ratio	Awards/ stop out (basis pts.)	High bid (basis pts.)	Low bid (basis pts.)
<u>Dec 23rd</u>						
1 st	\$11.95	\$ 47.75	4.0-to-1	1.5	10.0	0.5
2 nd	12.00	55.90	4.7-to-1	2.5	10.0	0.5
3 rd	20.00	77.35	3.9-to-1	11.0	40.0	0.5
4 th	30.00	44.00	1.5-to-1	1.0	20.0	0.5
5 th	14.90	49.25	3.3-to-1	1.0	30.0	0.5
6 th	10.00	27.45	2.7-to-1	1.5	15.0	0.5
7 th	15.00	20.20	1.3-to-1	0.5	10.0	0.5
<u>Dec 30th</u>						
1 st	\$18.05	\$115.65	6.4-to-1	10.0	51.5	0.5
2 nd	25.00	146.90	5.9-to-1	15.0	51.5	1.0
3 rd	50.00	135.75	2.7-to-1	16.0	51.0	1.0
4 th	49.95	85.75	1.7-to-1	8.0	50.0	1.0
5 th	30.00	82.95	2.8-to-1	8.0	50.0	1.0
6 th	25.00	51.10	2.0-to-1	4.0	50.0	0.5
7 th	24.95	52.95	2.1-to-1	2.0	30.0	0.5
<u>Jan 6th</u>						
1 st	\$12.00	\$ 66.50	5.5-to-1	3.0	15.0	0.5
2 nd	12.00	86.00	7.2-to-1	5.0	15.0	0.5
3 rd	25.00	107.50	4.3-to-1	11.5	40.0	0.5
4 th	40.00	65.85	1.6-to-1	2.5	30.0	0.5
5 th	20.00	64.00	3.2-to-1	2.5	50.0	0.5
6 th	20.00	36.05	1.8-to-1	2.5	20.0	0.5
7 th	15.00	43.70	2.9-to-1	4.0	20.0	0.5

Total issuance:

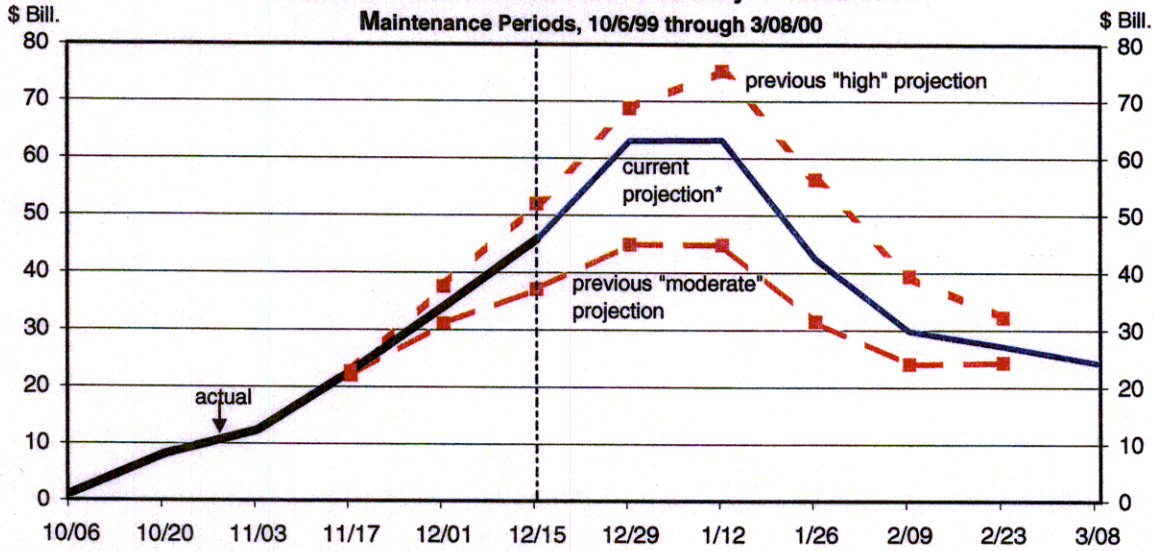
Dec 23rd Strip: \$ 113.85 billion

Dec 30th Strip: 222.95 billion

Jan 6th Strip: 144.00 billion

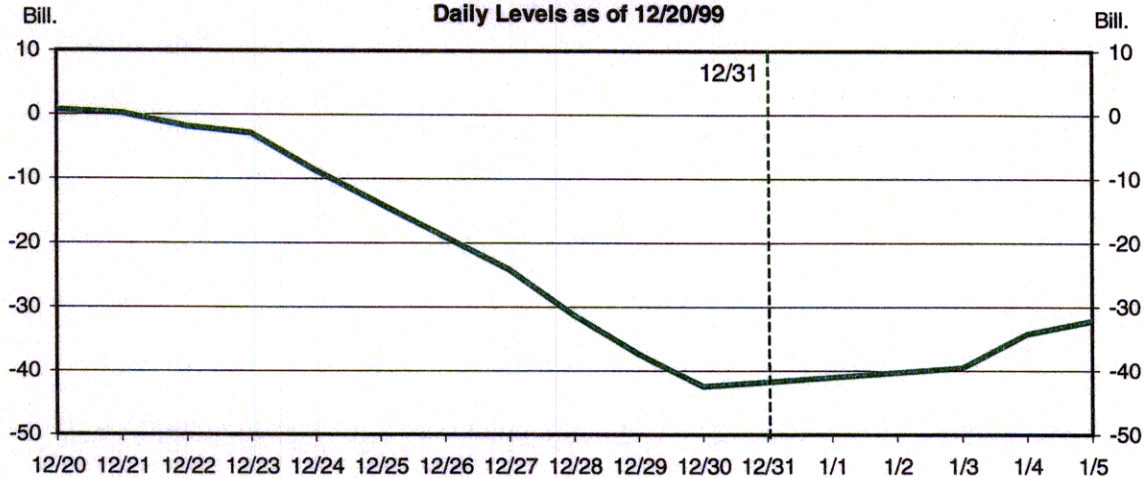
Auctions held: (1st) Oct. 20; (2nd) Oct. 27; (3rd) Nov. 3; (4th) Nov. 10, (5th) Nov. 17; (6th) Nov. 23; (7th) Dec. 1

Cumulative Reserve Drain from Currency in Circulation**



**Currency in Circulation is all currency held outside the Fed and the Treasury by the public and banks both domestic and foreign.
 * Actual data through 12/20

New York Staff Free Reserves Estimates
 Daily Levels as of 12/20/99

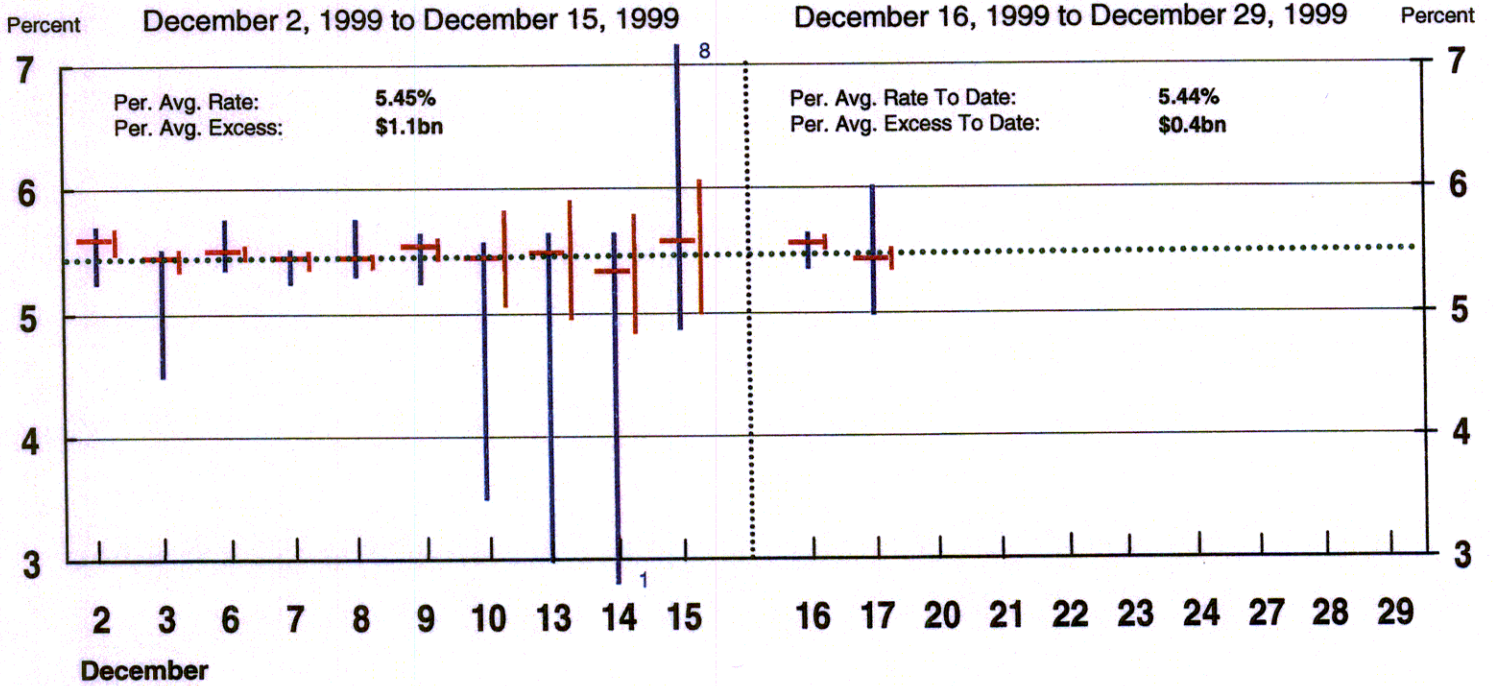
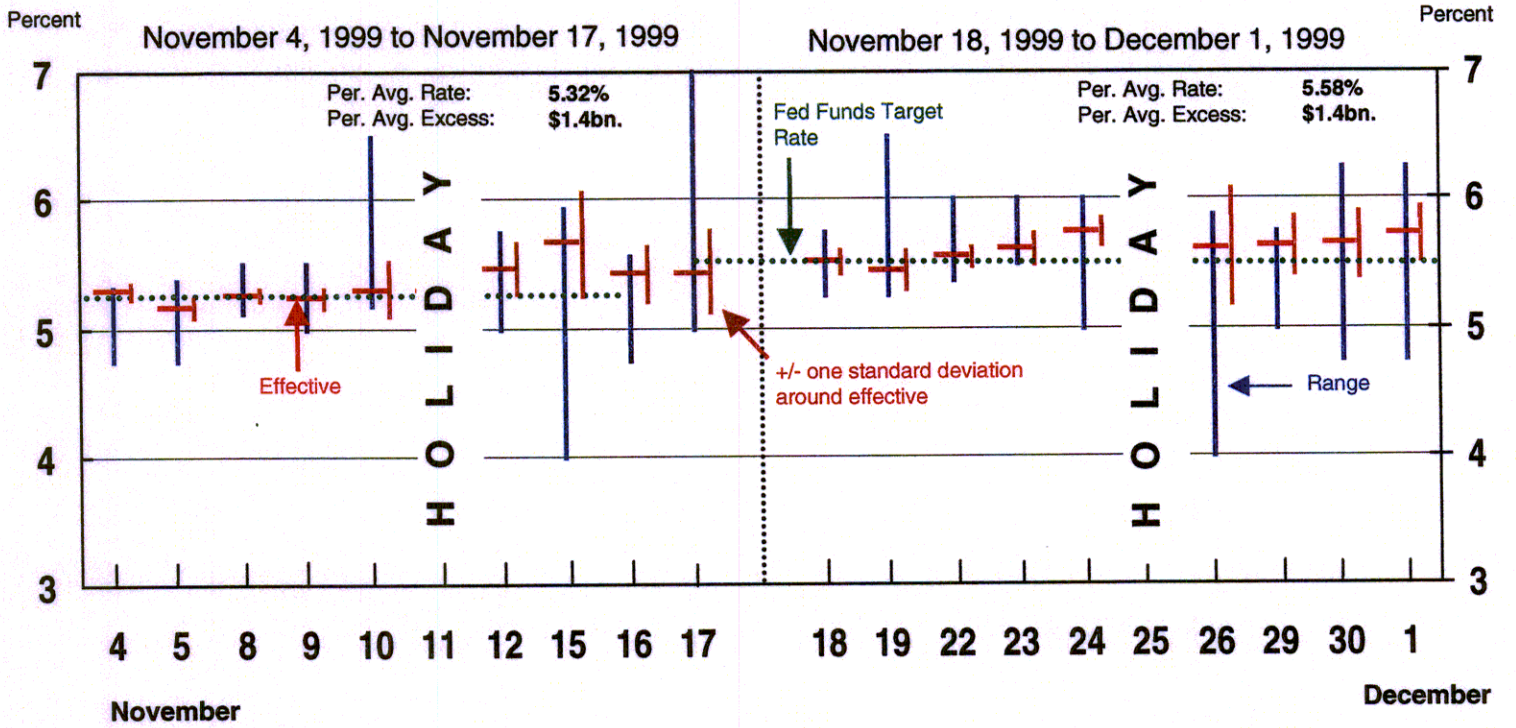


Turn-of-the-year Repo Rates
 (percent)

	Implied from Term Rates**		Rates from Brokers' Screens		Forward Repo Rates from Desk Forward RPs	
	Oct 8	Dec 17	Dec 20		5-day RP 12/30-1/3 Dec 15	3-day RP 12/31-1/2 Dec 17
			(bid)	(offer)	(high - low)	(high - low)
Treasury	7.00 - 7.59	6.02 - 6.21	6.10	5.65		
Agency	10.32 - 11.98	6.55 - 6.90	6.50	6.00		
MBS	11.64 - 13.73	6.67 - 7.05			6.27 - 4.50	6.38 - 5.25

** Term rates for October 8 are from a Desk long term RP and from market quotes, assuming only partial probability of a November 16 tightening. For December 17, term rates are 2- and 3-week rates gathered from a survey of 6 primary dealers. The low end of the range of rates assumes that firmness in financing rates is equal on 12/31 and 1/3, and no pressure emerges on surrounding days. The high end assumes firmness is isolated to 12/31.

DAILY FEDERAL FUNDS TRADING RANGE, EFFECTIVE RATE & +/-ONE STANDARD DEVIATION



APPENDIX 2

Alternative Drafts for Press Release

1. Symmetry:

The Federal Open Market Committee made no change today in its target for the federal funds rate.

Based on the available evidence, however, the Committee remains concerned with the possibility that over time increases in demand will continue to exceed the growth in potential supply, even after taking account of the remarkable rise in productivity growth. Such trends could foster inflationary imbalances that would undermine the economy's exemplary performance.

Nonetheless, in light of market uncertainties associated with the century date change, the Committee decided to adopt a symmetric directive in order to indicate that the focus of policy in the intermeeting period must be assuring a smooth transition to the Year 2000. At its next meeting the Committee will assess available information on the likely balance of supply and demand, conditions in financial markets, and the possible need for adjustment in the stance of policy to contain inflationary pressures.

[Separately, the Committee indicated that it plans in January to make a public announcement about future adjustments to its disclosure policy and the so-called "bias" adjustment.]

2. Asymmetry:

The Federal Open Market Committee made no change today in its target for the federal funds rate.

Based on the available evidence, however, the Committee remains concerned with the possibility that over time increases in demand will continue to exceed the growth in potential supply, even after taking account of the remarkable rise in productivity growth. Such trends could foster inflationary imbalances that would undermine the economy's exemplary performance. While these concerns prompted the Committee to adopt an asymmetric directive today, it agreed that market uncertainties associated with the century date change require that the focus of policy in the intermeeting period must be to assure a smooth transition to the Year 2000.

[Separately, the Committee indicated that it plans in January to make a public announcement about future adjustments to its disclosure policy and the so-called "bias" adjustment.]