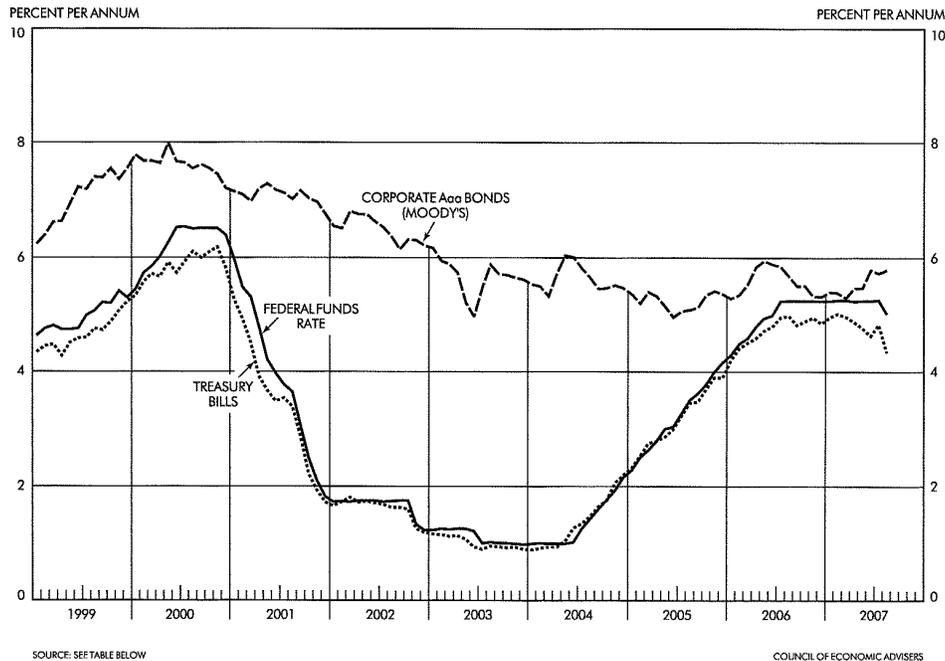


INTEREST RATES AND BOND YIELDS

Overall, interest rates fell in August.



[Percent per annum]

| Period | U.S. Treasury security yields | | | | High-grade municipal bonds (Standard & Poor's) ³ | Corporate Aaa bonds (Moody's) | Discount window (N.Y. F.R. Bank) ^{4,5} | | Prime rate charged by banks ⁵ | Federal funds rate ⁶ | New-home mortgage yields (FHFB) ⁷ |
|--------------|---|----------------------------------|---------|---------|---|-------------------------------|---|---------------|--|---------------------------------|--|
| | 3-month bills (new issues) ¹ | Constant maturities ² | | | | | Primary credit | Discount rate | | | |
| | | 3-year | 10-year | 30-year | | | | | | | |
| 1997 | 5.07 | 6.10 | 6.35 | 6.61 | 5.55 | 7.26 | | 5.00 | 8.44 | 5.46 | 7.71 |
| 1998 | 4.81 | 5.14 | 5.26 | 5.58 | 5.12 | 6.53 | | 4.92 | 8.35 | 5.35 | 7.07 |
| 1999 | 4.66 | 5.49 | 5.65 | 5.87 | 5.43 | 7.04 | | 4.62 | 8.00 | 4.97 | 7.04 |
| 2000 | 5.85 | 6.22 | 6.03 | 5.94 | 5.77 | 7.62 | | 5.73 | 9.23 | 6.24 | 7.52 |
| 2001 | 3.45 | 4.09 | 5.02 | 5.49 | 5.19 | 7.08 | | 3.40 | 6.91 | 3.88 | 7.00 |
| 2002 | 1.62 | 3.10 | 4.61 | * | 5.05 | 6.49 | | 1.17 | 4.67 | 1.67 | 6.43 |
| 2003 | 1.02 | 2.10 | 4.01 | * | 4.73 | 5.67 | 2.12 | * | 4.12 | 1.13 | 5.80 |
| 2004 | 1.38 | 2.78 | 4.27 | * | 4.63 | 5.63 | 2.34 | * | 4.34 | 1.35 | 5.77 |
| 2005 | 3.16 | 3.93 | 4.29 | * | 4.29 | 5.24 | 4.19 | * | 6.19 | 3.22 | 5.94 |
| 2006 | 4.73 | 4.77 | 4.80 | 4.91 | 4.42 | 5.59 | 5.96 | * | 7.96 | 4.97 | 6.63 |
| 2006: Aug | 4.98 | 4.85 | 4.88 | 5.00 | 4.43 | 5.68 | 6.25 | * | 8.25 | 5.25 | 6.87 |
| Sept | 4.82 | 4.69 | 4.72 | 4.85 | 4.30 | 5.51 | 6.25 | * | 8.25 | 5.25 | 6.72 |
| Oct | 4.89 | 4.72 | 4.73 | 4.85 | 4.32 | 5.51 | 6.25 | * | 8.25 | 5.25 | 6.69 |
| Nov | 4.95 | 4.64 | 4.60 | 4.69 | 4.17 | 5.33 | 6.25 | * | 8.25 | 5.25 | 6.55 |
| Dec | 4.85 | 4.58 | 4.56 | 4.68 | 4.17 | 5.32 | 6.25 | * | 8.25 | 5.24 | 6.37 |
| 2007: Jan | 4.96 | 4.79 | 4.76 | 4.85 | 4.29 | 5.40 | 6.25 | * | 8.25 | 5.25 | 6.35 |
| Feb | 5.02 | 4.75 | 4.72 | 4.82 | 4.21 | 5.39 | 6.25 | * | 8.25 | 5.26 | 6.31 |
| Mar | 4.97 | 4.51 | 4.56 | 4.72 | 4.18 | 5.30 | 6.25 | * | 8.25 | 5.26 | 6.22 |
| Apr | 4.88 | 4.60 | 4.69 | 4.87 | 4.32 | 5.47 | 6.25 | * | 8.25 | 5.25 | 6.21 |
| May | 4.77 | 4.69 | 4.75 | 4.90 | 4.37 | 5.47 | 6.25 | * | 8.25 | 5.25 | 6.22 |
| June | 4.63 | 5.00 | 5.10 | 5.20 | 4.64 | 5.79 | 6.25 | * | 8.25 | 5.25 | 6.54 |
| July | 4.84 | 4.82 | 5.00 | 5.11 | 4.64 | 5.73 | 6.25 | * | 8.25 | 5.26 | 6.70 |
| Aug | 4.34 | 4.34 | 4.67 | 4.93 | 4.73 | 5.79 | 5.75 | * | 8.25 | 5.02 | |
| Week ended: | | | | | | | | | | | |
| 2007: Aug 11 | 4.77 | 4.53 | 4.79 | 4.97 | 4.70 | 5.78 | 6.25 | * | 8.25 | 5.25 | |
| 18 | 4.63 | 4.32 | 4.70 | 4.98 | 4.75 | 5.85 | 5.75 | * | 8.25 | 4.79 | |
| 25 | 2.85 | 4.21 | 4.62 | 4.94 | 4.89 | 5.85 | 5.75 | * | 8.25 | 4.91 | |
| Sept 1 | 4.60 | 4.18 | 4.55 | 4.85 | 4.78 | 5.77 | 5.75 | * | 8.25 | 5.11 | |
| 8 | 4.35 | 4.06 | 4.48 | 4.78 | 4.67 | 5.73 | 5.75 | * | 8.25 | 5.03 | |

¹ Bank-discount basis.

² Yields on actively traded issues adjusted to constant maturities.

³ Weekly data are Wednesday figures.

⁴ Discount window borrowing for primary credit and discount rate (adjustment credit). The rate for primary credit replaced the rate for adjustment credit.

⁵ Average effective rate for year; rate in effect at end of month or week.

⁶ Daily effective rate; weighted average of rates on brokered trades.

⁷ Effective rate (in the primary market) on conventional mortgages, reflecting fees and charges as well as contract rate and assumed, on the average, repayment at end of 10 years.

⁸ Discount rate (adjustment credit) series was discontinued after January 8, 2003. Series for 30-year constant maturity was discontinued on February 18, 2002, and reintroduced on February 9, 2006.

Sources: Department of the Treasury, Board of Governors of the Federal Reserve System, Federal Housing Finance Board, Moody's Investors Service, and Standard & Poor's.