

Research Quarterly



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November 2001

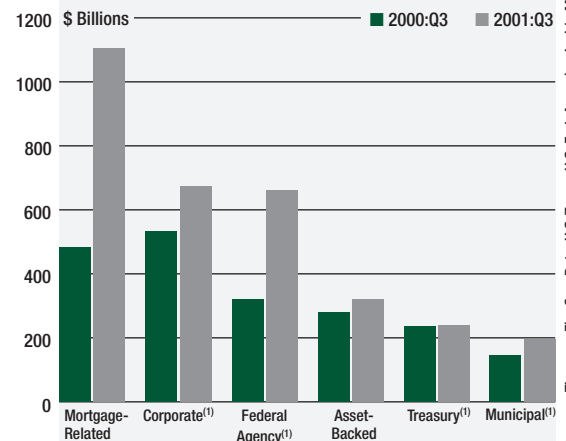
U.S. Bond Issuance on Pace for a Record Year as New Issues Total \$3.2 Trillion Through September

New issue volume in the first three quarters of 2001 totaled \$3.2 trillion, an increase of 59.9 percent over the \$2.0 trillion issued in the same period a year earlier. The U.S. bond markets continue to benefit from the flight to quality that results from investors seeking to diversify their portfolios with safer and relatively more stable fixed-income securities during times of economic uncertainty and volatility in equity markets. On the supply side, issuers have benefited from the low-interest-rate environment that has persisted in 2001. Issuance was higher across all sectors of the bond market for the first nine months of the year, with the strongest increases occurring in the federal agency, mortgage-related, and municipal sectors. New issue activity in the corporate and asset-backed sectors was also up, but activity slowed sharply in the third quarter as seasonal factors and the market disruption due to the tragic events of September 11 delayed a number of deals. Secondary market average daily trading volume was higher in the first three quarters of 2001 across all reported markets, with the exception of the municipal market.

Highlights

- Treasury gross coupon issuance increased slightly, to \$238.6 billion during the first three quarters of 2001. Treasury bills outstanding increased to \$734.9 billion as of September 30, up from \$620.0 billion at the end of June.
- Federal agencies more than doubled their long-term debt issuance to \$660.8 billion during the first nine months of 2001. Short-term federal agency debt outstanding rose to \$749.9 billion as of September 30, up from \$730.5 billion at the end of June.
- Municipal issuance increased 33.9 percent from year-earlier levels to \$236.8 billion in the first three quarters of 2001.
- New issue volume in the corporate bond market totaled \$673.4 billion through September, an increase of 26.1 percent over the same period last year. Beginning with this issue of the *Research Quarterly*, average daily trading volume of corporate bonds by primary dealers will be presented.
- Asset-backed issuance remained strong, totaling \$319.1 billion during the first nine months of this year, up from the \$280.0 billion issued in the same period last year.
- Mortgage-related securities issuance surged to \$1.1 trillion in the first nine months of 2001, up from the year-earlier total of \$481.4 billion.

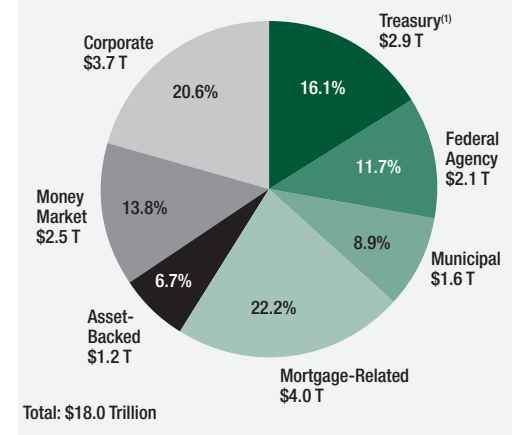
Issuance in the U.S. Bond Markets
2000:Q3 vs. 2001:Q3



⁽¹⁾ Includes long-term issuance only

Sources: Thomson Fin. Sec. Data, U.S. Treas., U.S. Fed. Agencies, Inside MBS & ABS

Outstanding Bond Market Debt
As of September 30, 2001*



⁽¹⁾ Includes marketable public debt
* The Bond Market Association estimates

Sources: Federal Reserve System, U.S. Treasury, GNMA, FNMA, FHLMC

Michael Decker, Vice President
Research and Policy Analysis
Lori A. Trawinski, Director, Research
Marcelo Vieira, Manager, Market Statistics
Tiffany Coln, Research Analyst

Headquarters: 212.440.9400
40 Broad Street, New York, NY 10004-2373
Washington Office: 202.434.8400
1399 New York Avenue, NW, Washington, DC 20005-4711
European Office: 44.20.77 43 93 00
St. Michael's House, 1 George Yard, London EC3V 9DH
www.bondmarkets.com

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Treasury Coupon Issuance Rises Slightly

Gross coupon issuance increased slightly to \$238.6 billion through the third quarter of 2001, up from \$236.4 billion issued in the same period a year earlier. In the third quarter, coupon issuance increased 21.0 percent to \$83.5 billion, up from \$69.0 billion in the second quarter. The rise in new issues coincided with continued weakness in the U.S. economy, lower-than-expected corporate tax receipts and increased economic uncertainty in the wake of the September 11 events. These developments led to further downward revisions in the projected budget surplus for FY 2001. In September, the Congressional Budget Office projected that the surplus would decline to \$121 billion, down from the \$153 billion estimated at the end of August.

Debt Supply Increases as Treasury's Funding Needs Accelerate

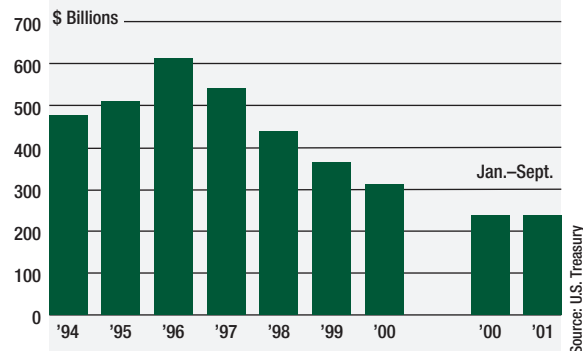
The supply of marketable U.S. Treasury securities, composed of both bills and coupons, increased to \$2.92 trillion as of September 30, 2001, a 2.8 percent increase from the \$2.84 trillion at the end of June. The supply of outstanding bills increased 18.5 percent, to \$734.9 billion as of September 30, up from \$620.0 billion at the end of the second quarter. The increase in bill issuance resulted from the deterioration of the Treasury's cash flow position, which was caused by lower-than-expected federal tax receipts and the need for funds to pay for the tax rebate checks distributed in the third quarter. In July, the Treasury introduced 4-week bills, which will be auctioned weekly to help smooth seasonal fluctuations in Treasury's cash balances and will reduce reliance on cash management bills. Other bills currently issued by Treasury include 13-week and 26-week bills, in addition to cash management bills—which have varying maturities based on Treasury's cash needs.

In contrast, the outstanding level of coupon securities decreased to \$2.18 trillion as of September 30, down slightly from \$2.22 trillion outstanding at the end of June. Gross retirements of coupon securities totaled \$116.2 billion in the third quarter, bringing the year-to-date total to \$372.9 billion for the first three quarters. In addition, Treasury continued buyback operations in July and August, which together totaled \$7.8 billion, bringing the total buybacks through third quarter to \$25.0 billion. Treasury canceled buyback operations in September in order to give the government greater flexibility to meet unexpected spending needs following the terrorist attacks.

Trading Volume Stays Robust

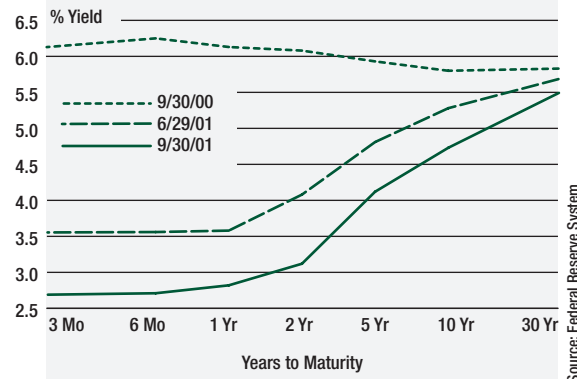
Daily trading volume by primary dealers averaged \$286.1 billion during the first three quarters of the year, up 44.7 percent from the daily average of \$197.7 billion during the same period of 2000. The continued trend of asset reallocation away from stocks to fixed-income securities continues to buoy trading volume in the Treasury market. On a quarter-to-quarter basis, average daily trading volume decreased to \$275.0 billion in the third quarter, down from \$283.6 billion in the second. Contributing to this slight decline was the typical summer slowdown in trading activity, as well as temporary trading volume decreases in the two weeks following the September 11 attacks. Trading volume rebounded by the end of September.

Issuance of U.S. Treasury Securities⁽¹⁾ 1994–2001:Q3

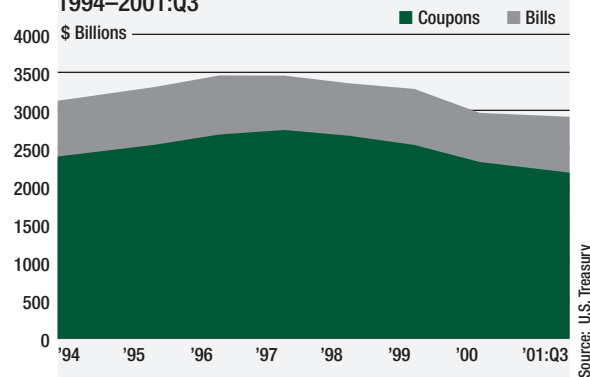


⁽¹⁾ Includes only marketable coupon securities

U.S. Treasuries-Constant Maturity Yield Curves

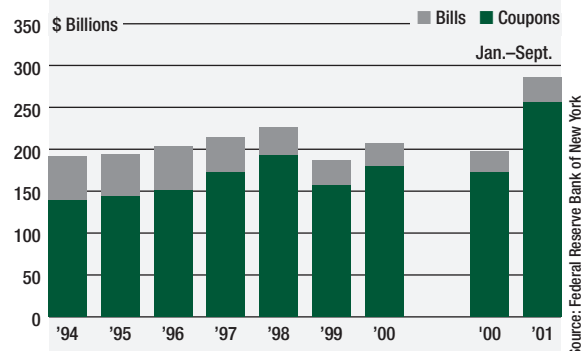


U.S. Treasury Securities Outstanding⁽¹⁾ 1994–2001:Q3



⁽¹⁾ Includes marketable public debt

Average Daily Trading Volume of U.S. Treasury Marketable Securities⁽¹⁾ 1994–2001:Q3



⁽¹⁾ Includes only marketable coupon securities

Long-Term Agency Volume Surges

Long-term federal agency debt issuance remained very strong during the first three quarters of 2001, totaling \$660.8 billion, more than double the \$319.5 billion issued during the same period last year. Long-term issuance by all federal agencies increased through the third quarter over last year's levels. Freddie Mac and Fannie Mae continued to increase their retained mortgage portfolios and together accounted for nearly 60 percent of the new issue volume increase in the federal agency market.

Short-term federal agency debt outstanding increased 2.7 percent, to \$749.9 billion as of the end of September, compared to \$730.5 billion at the end of June. Short-term agency debt outstanding increased across most federal agencies with the exception of the Federal Home Loan Bank System and Sallie Mae. Outstanding short-term debt of the Farm Credit System was unchanged from last quarter.

Average daily trading volume of agency securities by primary dealers totaled \$89.3 billion during the first nine months of the year, a 24.2 percent increase over the \$72.0 billion average daily trading volume in the same period last year.

Long-Term Federal Agency Debt Issuance

\$ Billions	2000	2000:Q3	2001:Q3	YTD-to-YTD % Change
FHLB¹	190.8	148.6	275.6	85.5%
Freddie Mac	95.2 ⁴	65.4 ⁴	168.8	158.1%
Fannie Mae	110.2	75.2	175.0	132.7%
Sallie Mae	16.5	12.9	16.3	26.4%
FCS²	13.1	15.1	22.4	48.3%
TVA³	2.3	2.3	2.7	17.4%
Totals	428.1	319.5	660.8	106.8%

Short-Term Federal Agency Debt Outstanding

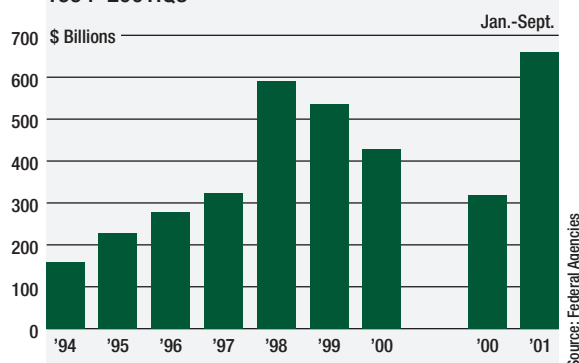
\$ Billions	12/31/00	6/30/01	9/30/01	% Change*
FHLB¹	161.2	175.0	166.0	-5.1%
Freddie Mac	134.4	195.4	220.8	13.0%
Fannie Mae	223.3	288.0	293.8	2.0%
Sallie Mae	30.5	35.2	31.8	-9.7%
FCS²	31.6	34.5	34.5	0.0%
TVA³	2.5	2.4	3.0	25.0%
Totals	583.5	730.5	749.9	2.7%

*Percentage change between 9/30/01 and 6/30/01

¹Federal Home Loan Bank System, ²Farm Credit System, ³Tennessee Valley Authority

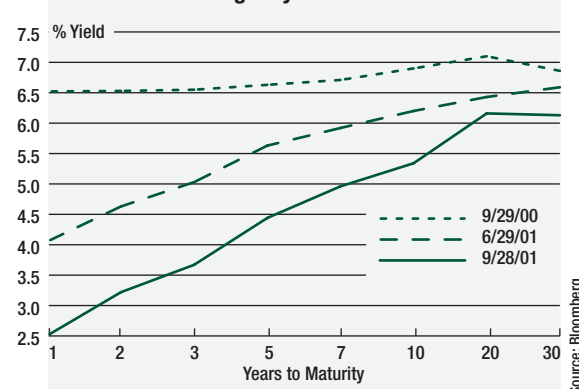
⁴Figures revised: Previous 2000 annual figure was \$75.0 billion and previous 2000:Q3 was \$51.9 billion

Long-Term Federal Agency Debt Issuance⁽¹⁾
1994-2001:Q3

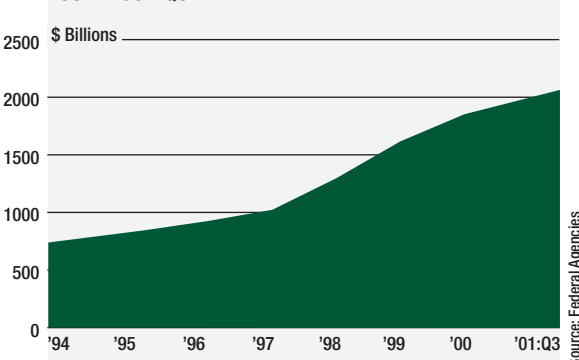


⁽¹⁾ Excludes maturities of one year or less

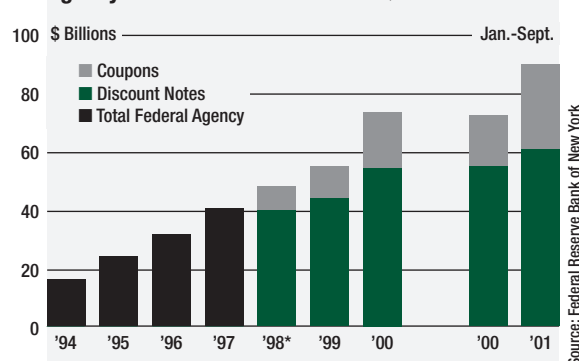
U.S. Government Agency-Yield Curves



Total Federal Agency Debt Outstanding
1994-2001:Q3



Average Daily Trading Volume of Federal Agency Securities⁽¹⁾
1994-2001:Q3



⁽¹⁾Primary dealer activity

*First year in which specified maturity levels were reported

Municipal New Issue Activity Remains Strong

Municipal issuance totaled \$236.8 billion through September, up 33.9 percent over the \$176.9 billion issued during the same period of 2000. Low interest rates continued to attract issuers seeking to refinance higher-coupon debt, as well as issuers seeking new capital. Strong investor demand contributed to the rise in issuance, as municipal bond mutual fund inflows accelerated and retail investors sought the relative stability of municipal securities. The pace of issuance slowed in the third quarter, with new issues totaling \$77.1 billion, down from \$92 billion issued in the second quarter. The usual seasonal slowdown and a drop in new issue activity following the events of September 11 contributed to the third-quarter decrease.

Long-term new issues rose 34.4 percent, to \$194.2 billion through September 2001, up from \$144.5 billion in the first three quarters of 2000. Refunding volume accounted for the majority of the rise in long-term issuance. Short-term issuance increased to \$42.6 billion through September 2001, 31.4 percent above the \$32.4 billion issued in the same period of 2000. Despite sharply falling short-term interest rates, short-term municipal issues have remained attractive to investors because of their low-risk and high-liquidity characteristics.

Refunding Volume Remains Steady

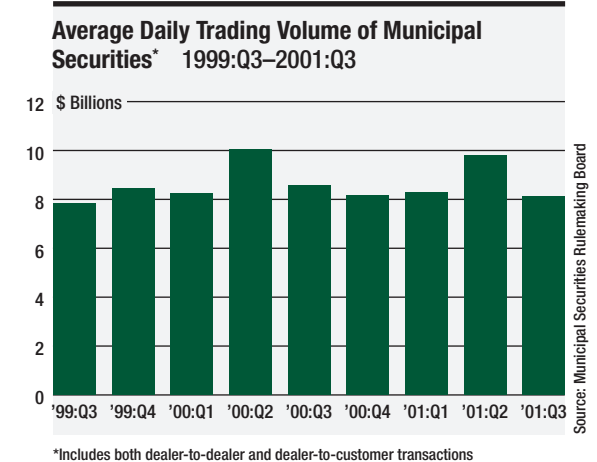
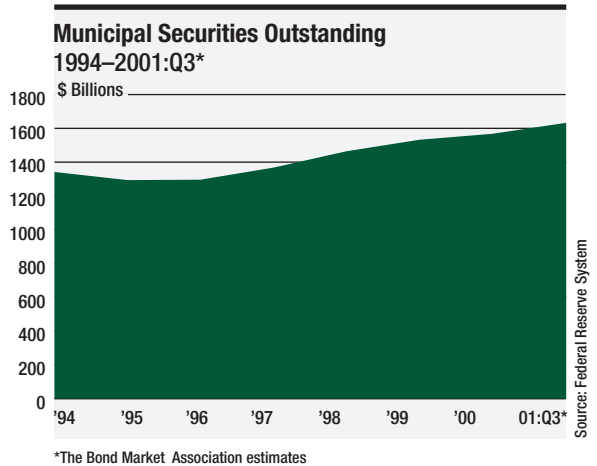
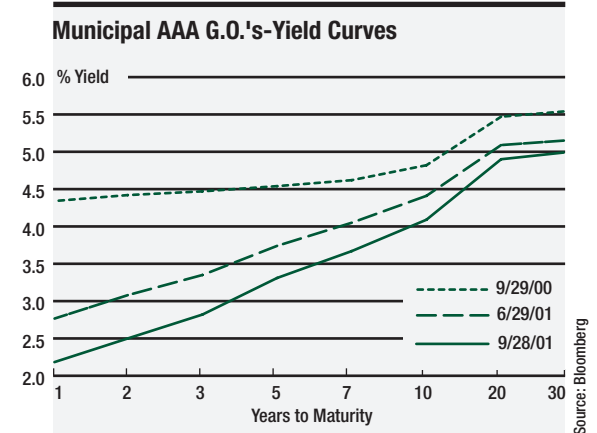
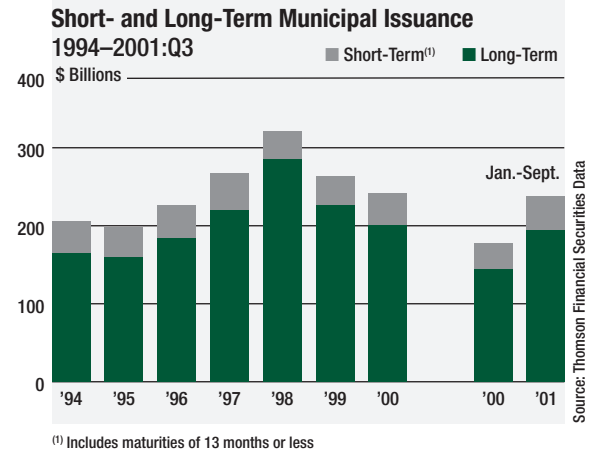
Refunding volume continued its upward surge totaling \$62.9 billion in the first three quarters of this year, up from \$25.8 billion in the same period of 2000. The low interest rate environment allows for refinancing of higher-interest rate debt, which results in substantial cost savings to bond issuers. Issues for education, general government, and water, sewer and gas projects accounted for the majority of refunding volume through the third quarter.

New Capital Issuance Continues to Rise

New capital issuance increased to \$131.3 billion through the third quarter of this year, up 10.6 percent from the \$118.7 billion issued in the comparable period of 2000. New capital issuance was higher across most sectors. Issues for education and general government purposes accounted for one half of the new capital issuance volume. In percentage terms, airport new issues surged to \$7.2 billion, an increase of 188 percent over last year's volume during the same period. New capital issuance for water, sewer and gas projects also increased strongly, totaling \$10.6 billion in the first nine months of this year, up from \$7.4 billion one year earlier. In contrast, new capital issues for industrial development and transportation projects decreased 60 percent to \$1.4 billion, and 21.3 percent to \$8.5 billion, respectively.

Trading Volume Decreases

Average daily trading volume of municipal securities totaled \$8.1 billion for the first three quarters of 2001, down from \$8.6 billion in the same period of 2000. Trading volume in the municipal market fell sharply in the two weeks following the terrorist attacks. However, by the end of September, trading volume had resumed to pre-attack levels.



Corporate Volume Remains Strong

New corporate bond volume increased to \$673.4 billion in the first three quarters of 2001, up 26.1 percent from the \$533.9 billion issued during the same period last year. Issuance has increased in 2001 as a result of the low-interest-rate environment which has encouraged long-term borrowing. Issuance in the investment-grade sector increased 15.6 percent, while high-yield issuance nearly doubled during the first three quarters of 2001 compared to the same period last year. New issues of convertible bonds—including investment-grade and high-yield issues—totaled \$65.5 billion in the first nine months of the year, nearly double the \$33.3 billion issued last year during the same period. Issuance of medium-term notes decreased to \$108.2 billion in the first three quarters, down from the \$139.5 billion issued during the same period last year. Most of the decline in issuance can be attributed to commercial and investment banks. On a quarter-to-quarter basis, corporate bond issuance slowed sharply in the third quarter to \$152.6 billion, down from \$257.2 billion issued in the second. New issue volume was lower across all categories, partly as a result of seasonal factors, but also due to the market slowdown which occurred after September 11.

Investment-Grade Issue Volume Increases

New issue activity in the nonconvertible investment-grade sector totaled \$538.8 billion through the first three quarters of the year, up from \$466.2 billion issued in the same period last year. New issues in the manufacturing sector increased sharply in the first three quarters of 2001, totaling \$85.8 billion, up 51.5 percent from the \$56.6 billion issued during the same period last year. Issuers in the insurance sector increased new issues to \$32.1 billion. Issuance in the telephone communications sector also increased, totaling \$56.6 billion, a 43.4 percent increase over the same period last year. In contrast, both commercial- and investment-bank issuance decreased sharply during the first nine months of the year compared to last year's levels.

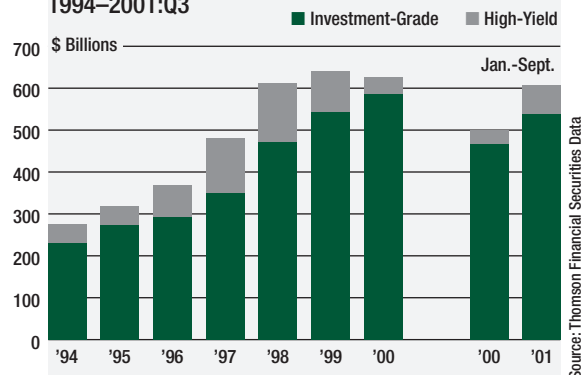
High-Yield Issuance Slows in Third Quarter

Issuance in nonconvertible high-yield bonds nearly doubled to \$69.1 billion in the first three quarters of 2001, up from \$34.4 billion during the same period last year. New issue volume was strong in the first and second quarters, but dropped sharply in the third quarter following the terrorist attacks. Issuance in the high-yield market was also sidelined as credit deterioration and an increasing number of defaults concerned investors. Issuance through September was up across most sectors, with the exception of the telephone communications sector, where new issues declined sharply to \$1.7 billion, a decrease of 70.4 percent from the same period last year. Issuance in the manufacturing sector more than tripled, totaling \$16.4 billion.

Corporate Bond Trading Volume Data Debuts

Beginning in July 2001, the Federal Reserve Bank of New York began collecting data on the average daily trading volume of corporate bonds in their Primary Dealer Reports. The average daily corporate bond trading volume for bonds with maturities of greater than one year was \$16.3 billion during the third quarter. Trading volume fell sharply in the aftermath of September 11, but recovered by the end of the quarter.

Corporate Bond Issuance⁽¹⁾
1994–2001:Q3



⁽¹⁾ Includes all nonconvertible debt, MTNS and Yankee bonds, but excludes all issues with maturities of one year or less, CDs and federal agency debt

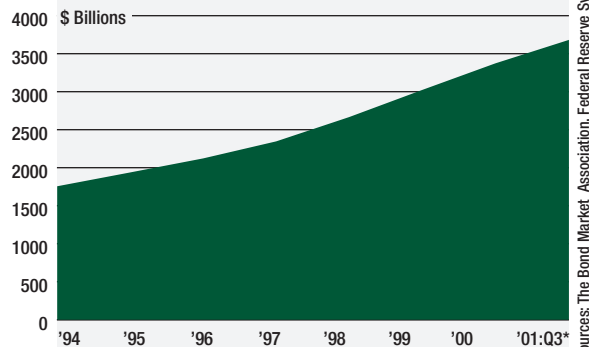
Source: Thomson Financial Securities Data

U.S. Corporates: AA2 Industrial—Yield Curves



Source: Bloomberg

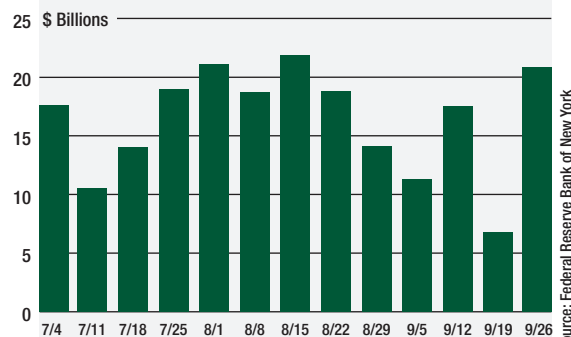
Corporate Debt Outstanding
1994–2001:Q3*



*The Bond Market Association estimates

Sources: The Bond Market Association, Federal Reserve System

Average Daily Trading Volume for
Corporate Bonds⁽¹⁾ 2001:Q3



⁽¹⁾ Primary dealer activity, excludes issues with maturities of one year or less

Source: Federal Reserve Bank of New York

ABS Activity Accelerates

Issuance in the asset-backed securities (ABS) market totaled \$319.1 billion during the first three quarters of 2001, a 14.0 percent increase over the \$280.0 billion issued in the same period last year. New issue activity has been spurred by investor demand for ABS issues, as economic weakness has made the relatively stable ABS market more attractive to investors. New issue volume in the public ABS market increased 26.5 percent, to \$250.4 billion for the first three quarters of the year, up from \$198.0 billion issued during the same period last year. In contrast, private ABS issuance totaled \$68.7 billion in the first three quarters, a 16.1 percent decrease from the \$82.0 billion issued during the first nine months of 2000. The decline in volume was significant during the third quarter when issuance totaled \$15.4 billion, 49.4 percent lower than the \$30.5 billion issued during the second quarter of 2001. Overall, issuance activity across major sectors was positive for the credit card, home equity, auto, and stranded cost sectors, while the manufactured housing, equipment lease, and student loan sectors declined from the same period last year.

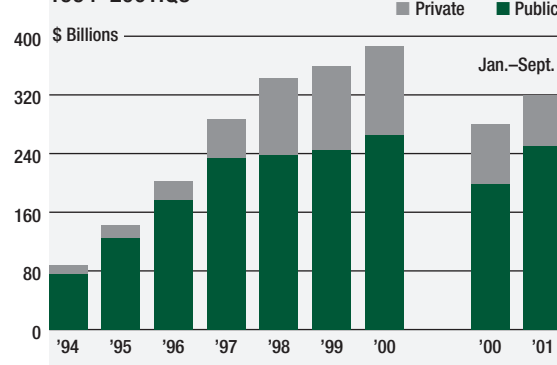
Issuance Increases in Main Sectors

Among the major sectors, the credit card sector had the largest increase, with volume totaling \$65.3 billion during the first nine months of 2001, a 61.3 percent increase over the \$40.5 billion issued during the same period last year. Despite rises in chargeoffs and bankruptcies, the credit card sector has experienced relatively stable spreads, contributing to its attractiveness. Total issuance in the home equity sector increased 39.4 percent, to \$86.1 billion in the first three quarters of 2001, up from the \$61.8 billion issued through the first three quarters of 2000. The low-interest-rate environment this year buoyed home equity loan originations, thus increasing the availability of these assets for securitization. Issuance in the auto loan sector also increased, but to a lesser extent, with new issues totaling \$60.5 billion through September 2001, up 12.4 percent over the \$53.8 billion issued during the same period last year. The modest increase in the auto sector is partly attributable to slower car sales during the third quarter of 2001. New issue volume in the stranded cost sector totaled \$7.2 billion during the first three quarters this year, up from the \$0.9 billion issued last year in the same period. There was no issuance in the stranded cost sector during the third quarter of 2001. The only issue in the sector last year was placed during the second quarter, but this year issuance is up considerably as utilities try to recover losses on unprofitable assets, and prepare for, and adjust to, deregulation.

Equipment Lease, Manufactured Housing, and Student Loan New Issues Continue to Slow

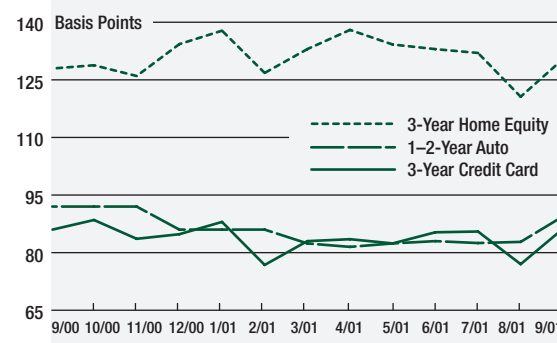
Manufactured housing issuance totaled \$3.9 billion in the first nine months of the year, a sharp decrease from the \$10.0 billion issued in the same period last year. The continuous issuance decline in this sector is partly reflective of the high volume of repossessed units, which, in turn, hurts housing lenders. Total equipment lease issuance decreased 28.2 percent, to \$8.1 billion during the first three quarters of 2001, down from the \$11.3 billion issued in the same period last year. New issue volume in the student loan sector was 24.5 percent lower through the third quarter, totaling \$13.2 billion.

Issuance of Asset-Backed Securities
1994–2001:Q3



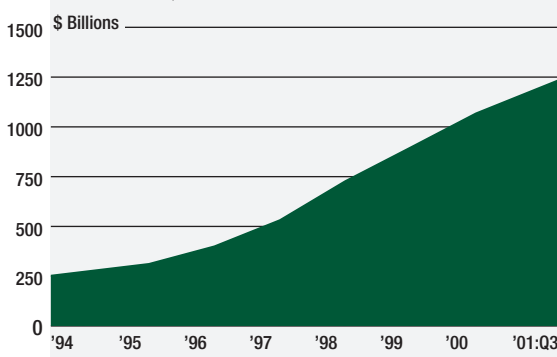
Sources: Thomson Financial Securities Data, Inside MBS & ABS

Asset-Backed Spreads to U.S. Treasury
Sept. 2000–Sept. 2001



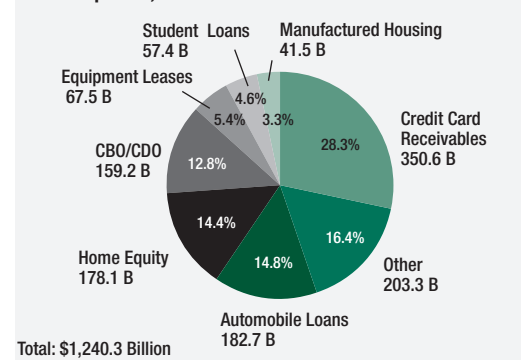
Source: Chase Securities Inc.

Asset-Backed Securities Outstanding
1994-2001:Q3



Sources: The Bond Market Association, Federal Reserve System

ABS Outstanding by Major Types of Credit
As of Sept. 30, 2001



Sources: The Bond Market Association, Federal Reserve System

Mortgage-Related Securities on Pace for Record Level

Issuance of mortgage-related securities, which includes agency and private-label MBS/CMO, increased nearly 130 percent, to \$1,104 billion in the first three quarters of this year, compared to the \$481.4 billion issued during the same period last year. Issuance volume during the first three quarters of 2001 are on pace for a record year. On a quarter-to-quarter basis, issuance increased to \$439.8 billion in the third quarter of 2001 from \$418.8 billion in the second quarter. The Mortgage Bankers Association 30-year fixed-rate mortgage index continued to fall, to a low of 6.85 percent in the third quarter, down from 7.12 percent in the second quarter.

Private-label MBS/CMO issuance totaled \$149.2 billion in the first three quarters of this year, an increase of 84.4 percent from the \$80.9 billion issued last year during the same period. On a quarter-to-quarter basis, issuance is up slightly in the third quarter to \$56.1 billion, from \$55.0 billion issued during the second quarter.

Agency MBS Remains Strong

The low-interest-rate environment rate continues to spur refinancing activity and mortgage originations, thus helping to boost agency MBS issuance to \$761.8 billion for the first nine months of the year, more than double the \$328.7 billion issued during the same period last year. The three federal agencies increased new issuance sharply during the first three quarters of 2001, with Fannie Mae leading the way with \$366.1 billion, up 153.9 percent from the \$144.2 billion of issuance seen during the same period one year ago. Freddie Mac increased issuance \$268.5 billion during the first three quarters of 2001, an increase of 143.6 percent over last year. Issuance of Ginnie Mae MBS totaled \$127.2 billion in the first three quarters, up from \$74.3 billion issued during the same period last year.

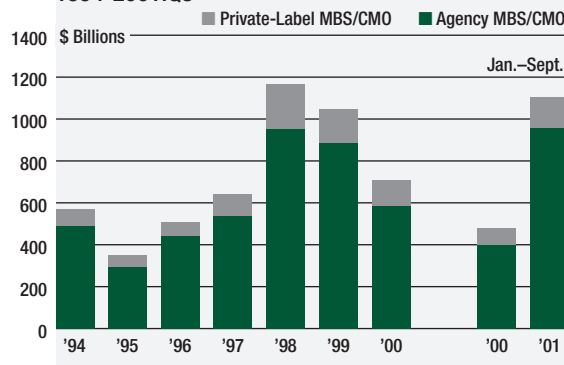
Agency CMO Issuance Increases Sharply

Issuance of agency collateralized mortgage obligations (CMO) increased sharply to \$193.0 billion in the first three quarters of 2001, up 168.8 percent from the \$71.8 billion issued during the same period last year. Freddie Mac's issuance almost tripled to a total of \$122.4 billion in the first nine months of 2001, compared to \$34.3 billion issued during the same period last year. Fannie Mae CMO issuance increased 113.7 percent, to \$48.5 billion during the first three quarters of 2001, compared to the same period last year. Ginnie Mae CMO issuance increased almost 50 percent, to \$22.1 billion during the first three quarters of the year, compared to issuance of \$14.8 billion during the same period last year.

Trading Volume Rises

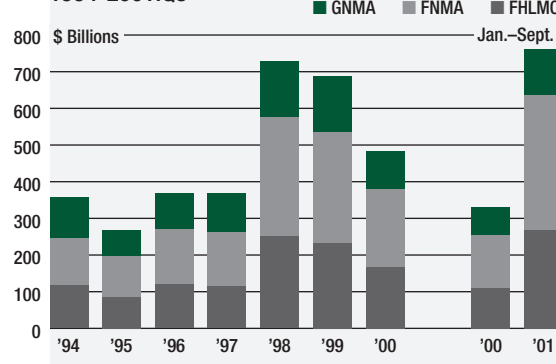
Daily trading volume in the agency mortgage-backed securities market by primary dealers averaged \$103.4 billion in the first nine months of the year, up 56.2 percent from the average daily trading volume of \$66.2 billion during the same period last year. Average daily trading volume dropped from the first to the second quarter, but increased to \$105.8 billion during the third quarter. MBS trading volume rose sharply in the weeks following the terrorist attacks.

Issuance of Mortgage-Related Securities 1994-2001:Q3



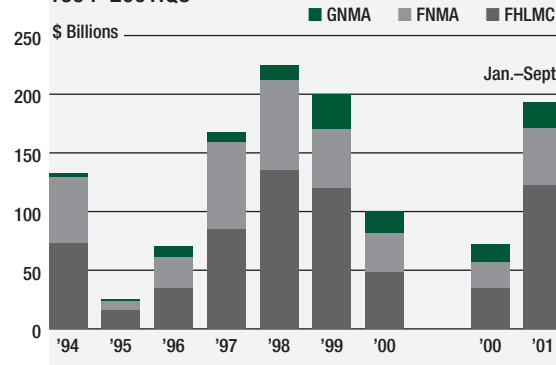
Sources: Fed. Agencies, Thomson Fin. Sec. Data, Inside MBS & ABS

Issuance of Agency Mortgage-Backed Securities 1994-2001:Q3



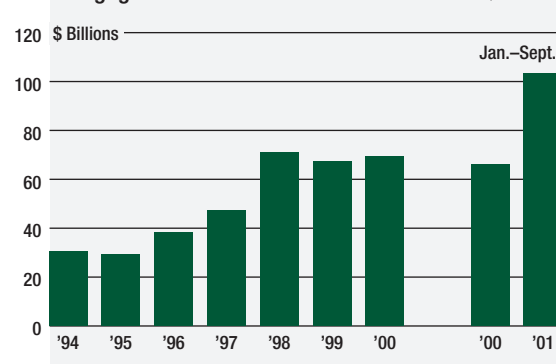
Sources: GNMA, FNMA, FHLMC

Issuance of Agency CMOs 1994-2001:Q3



Sources: GNMA, FNMA, FHLMC

Average Daily Trading Volume of Agency Mortgage-Backed Securities⁽¹⁾ 1994-2001:Q3



Source: Federal Reserve Bank of New York

⁽¹⁾ Primary dealer activity

Outstanding Repo Agreements Continue to Rise

The average daily volume of total outstanding repurchase (repo) and reverse repo agreement contracts totaled \$3.03 trillion for the first three quarters of 2001, an increase of 21.6 percent over the average daily volume of \$2.49 trillion during the same period in 2000. Outstanding repo agreements averaged \$1.74 trillion for the first nine months of 2001, an increase of 23.5 percent from the \$1.41 trillion daily volume during the same period last year. Outstanding reverse repo agreements averaged \$1.28 trillion during the first three quarters of 2001, a gain of 19.2 percent from last year's level of \$1.08 trillion through the third quarter. The data represent financing activities of the primary dealers reporting to the Federal Reserve Bank of New York and include repo and reverse repo agreements involving U.S. government, federal agency, mortgage-related agency, and beginning with the third quarter of 2001, corporate securities.

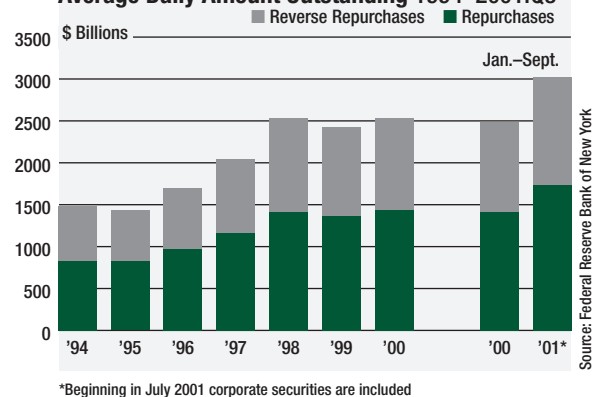
The Government Securities Clearing Corporation (GSCC), a registered clearing corporation that facilitates orderly settlement in the U.S. government securities market, tracks repo trades settled through its system by product type. In excess of \$140.3 trillion in repo trades were submitted by GSCC participants through the third quarter of 2001, with an average daily volume of approximately \$746.7 billion. Repo transactions involving Treasury notes accounted for the largest share of GSCC repo activity, representing \$90.5 trillion, or 64.5 percent of the total volume of transactions so far this year. Repos involving Treasury bonds accounted for an estimated \$12.9 trillion, or 9.2 percent of the total, and Treasury bills accounted for \$11.5 trillion, or 8.2 percent of the activity to date for 2001. Transactions involving federal agency securities continued to increase, accounting for 12.3 percent through September 2001, up from 8.1 percent for the same period last year.

CP Decreases for Third Consecutive Quarter

Outstanding volume of money market instruments, including commercial paper (CP), large time deposits and bankers' acceptances (BAs), totaled an estimated \$2.53 trillion as of September 30, 2001, a 1.3 percent decrease from the \$2.56 trillion outstanding as of June 30. Since the beginning of the year, the volume of CP outstanding has decreased 11.8 percent, and except for the months of April and September, the volume has continuously declined. CP outstanding declined 4.0 percent, to \$1.41 trillion as of the end of September, from \$1.47 trillion as of the end of the second quarter. Outstanding nonfinancial CP decreased 10.4 percent, to \$218.4 billion at the end of third-quarter 2001, from \$243.8 billion at the end of June. Financial CP outstanding also decreased, but to a lesser extent, totaling \$1.19 trillion at the end of third-quarter 2001, a 2.7 percent decrease from the \$1.23 trillion outstanding at the end of the second quarter.

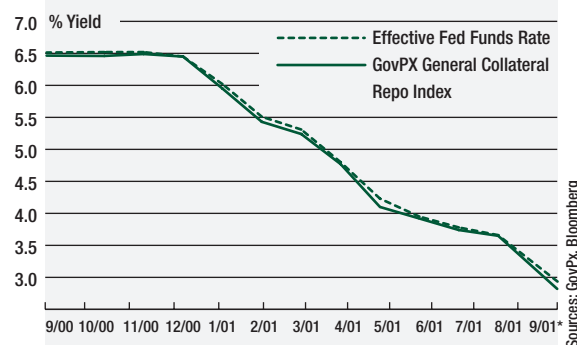
The outstanding level of large time deposits rose to an estimated \$1.11 trillion as of September 30, 2001, a 2.4 percent increase over the \$1.09 trillion outstanding at the end of the second quarter. Bankers' acceptances continued to decline, to an estimated \$6.1 billion in September 2001, down 10.3 percent from the \$6.8 billion outstanding as of June 2001.

Financing by U.S. Government Securities Dealers
Average Daily Amount Outstanding 1994–2001:Q3



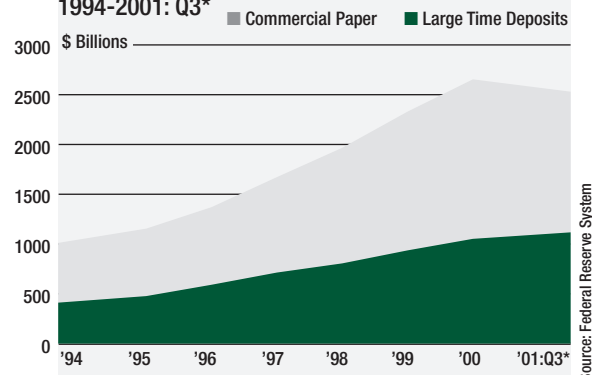
*Beginning in July 2001 corporate securities are included

General Collateral Repo Index vs. Effective Fed Funds Rate Sept. 2000–Sept. 2001



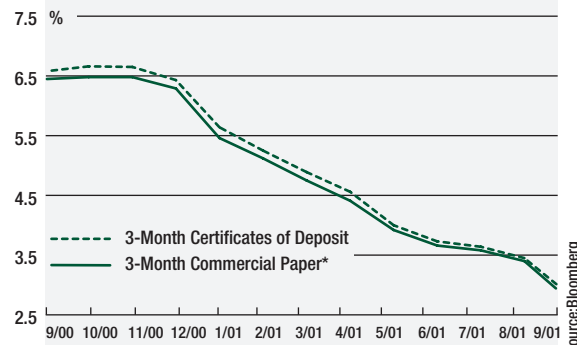
*September 01 includes data from GovPx and Bloomberg's

Outstanding Money Market Instruments 1994-2001: Q3*



*The Bond Market Association estimates

Domestic Money Market Interest Rates Monthly Averages Sept. 2000–Sept. 2001



*Discount basis