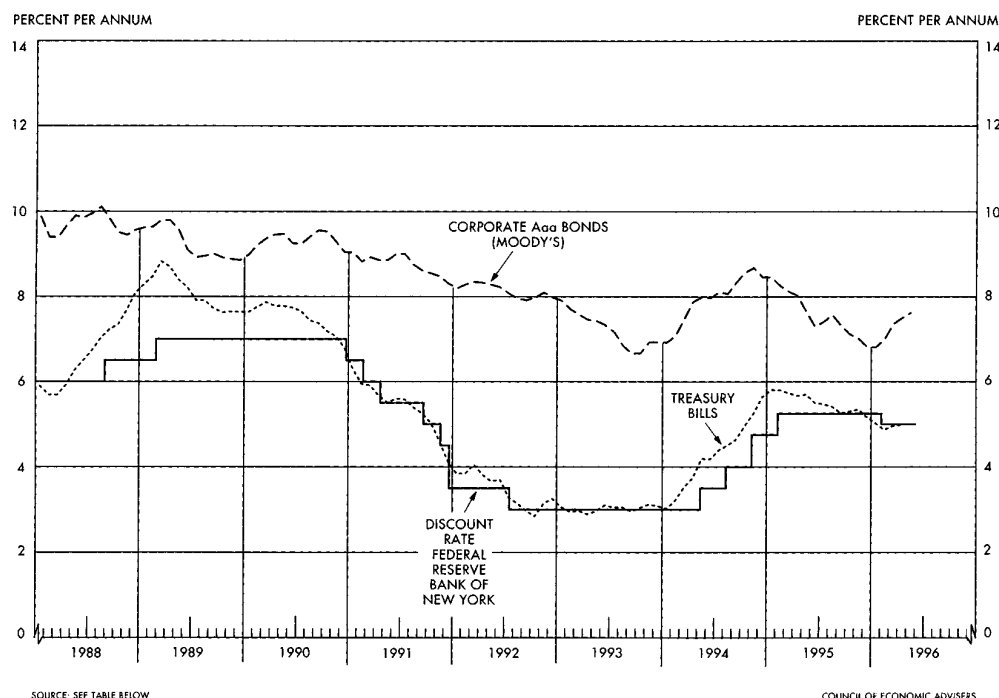


INTEREST RATES AND BOND YIELDS

Interest rates rose in May.



[Percent per annum]

Period	U.S. Treasury security yields			High-grade municipal bonds (Standard & Poor's) ³	Corporate Aaa bonds (Moody's)	Prime commercial paper, 6 months ¹	Discount rate (N.Y. F.R. Bank) ⁴	Prime rate charged by banks ⁴	New-home mortgage yields (FHFB) ⁵
	3-month bills (new issues) ¹	Constant maturities ²							
		3-year	10-year						
1986	5.98	7.06	7.68	7.38	9.02	6.39	6.33	8.33	10.17
1987	5.82	7.68	8.39	7.73	9.38	6.85	5.66	8.21	9.31
1988	6.69	8.26	8.85	7.76	9.71	7.68	6.20	9.32	9.19
1989	8.12	8.55	8.49	7.24	9.26	8.80	6.93	10.87	10.13
1990	7.51	8.26	8.55	7.25	9.32	7.95	6.98	10.01	10.05
1991	5.42	6.82	7.86	6.89	8.77	5.85	5.45	8.46	9.32
1992	3.45	5.30	7.01	6.41	8.14	3.80	3.25	6.25	8.24
1993	3.02	4.44	5.87	5.63	7.22	3.30	3.00	6.00	7.20
1994	4.29	6.27	7.09	6.19	7.97	4.93	3.60	7.15	7.49
1995	5.51	6.25	6.57	5.95	7.59	5.93	5.21	8.83	7.87
1995: May	5.70	6.27	6.63	5.90	7.65	6.07	5.25-5.25	9.00-9.00	7.99
June	5.50	5.80	6.17	5.83	7.30	5.79	5.25-5.25	9.00-9.00	7.73
July	5.47	5.89	6.28	5.98	7.41	5.68	5.25-5.25	9.00-8.75	7.78
Aug	5.41	6.10	6.49	6.07	7.57	5.75	5.25-5.25	8.75-8.75	7.75
Sept	5.26	5.89	6.20	5.88	7.32	5.66	5.25-5.25	8.75-8.75	7.69
Oct	5.30	5.77	6.04	5.77	7.12	5.71	5.25-5.25	8.75-8.75	7.58
Nov	5.35	5.57	5.93	5.61	7.02	5.59	5.25-5.25	8.75-8.75	7.46
Dec	5.16	5.39	5.71	5.42	6.82	5.43	5.25-5.25	8.75-8.50	7.40
1996: Jan	5.02	5.20	5.65	5.42	6.81	5.23	5.25-5.00	8.50-8.50	7.32
Feb	4.87	5.14	5.81	5.45	6.99	4.99	5.00-5.00	8.50-8.25	7.20
Mar	4.96	5.79	6.27	5.82	7.35	5.26	5.00-5.00	8.25-8.25	7.49
Apr	4.99	6.11	6.51	5.93	7.50	5.38	5.00-5.00	8.25-8.25	7.76
May	5.02	6.27	6.74	5.98	7.62	5.42	5.00-5.00	8.25-8.25	
Week ended:									
1996: May 4	5.00	6.24	6.74	6.00	7.65	5.41	5.00-5.00	8.25-8.25	
11	5.02	6.33	6.82	6.14	7.72	5.44	5.00-5.00	8.25-8.25	
18	5.02	6.21	6.68	5.95	7.57	5.40	5.00-5.00	8.25-8.25	
25	5.03	6.20	6.65	5.87	7.53	5.40	5.00-5.00	8.25-8.25	
June 1	5.03	6.34	6.77	5.93	7.61	5.41	5.00-5.00	8.25-8.25	

¹ Bank-discount basis.

² Yields on the more actively traded issues adjusted to constant maturities by the Treasury Department.

³ Weekly data are Wednesday figures.

⁴ Average effective rate for year; opening and closing rate for month and week.

⁵ 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.

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 Corporation.