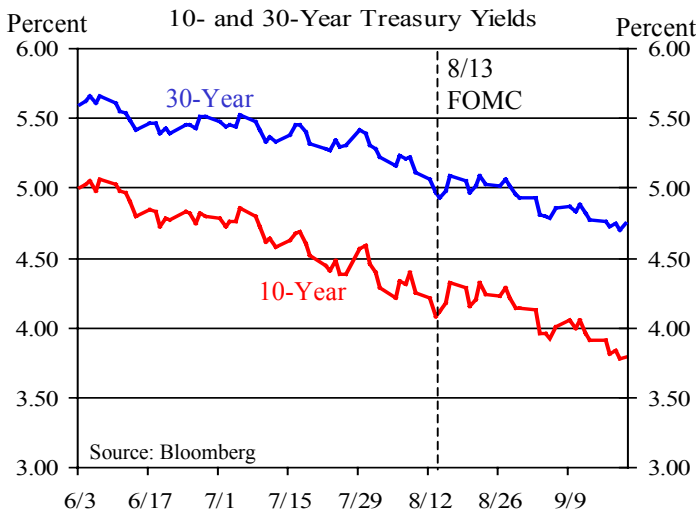
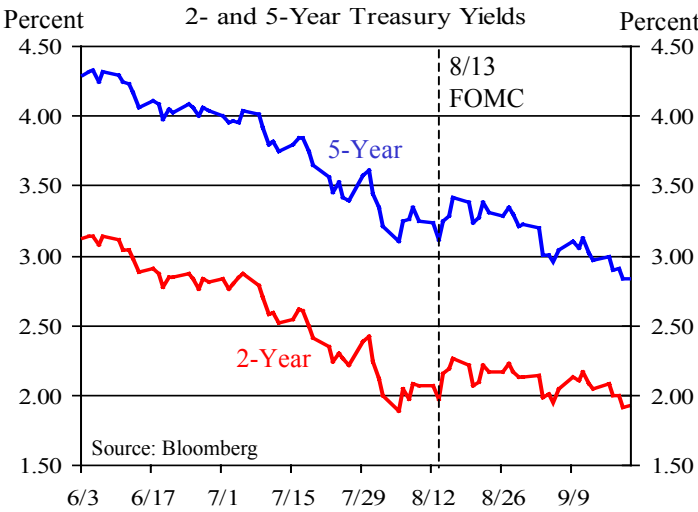
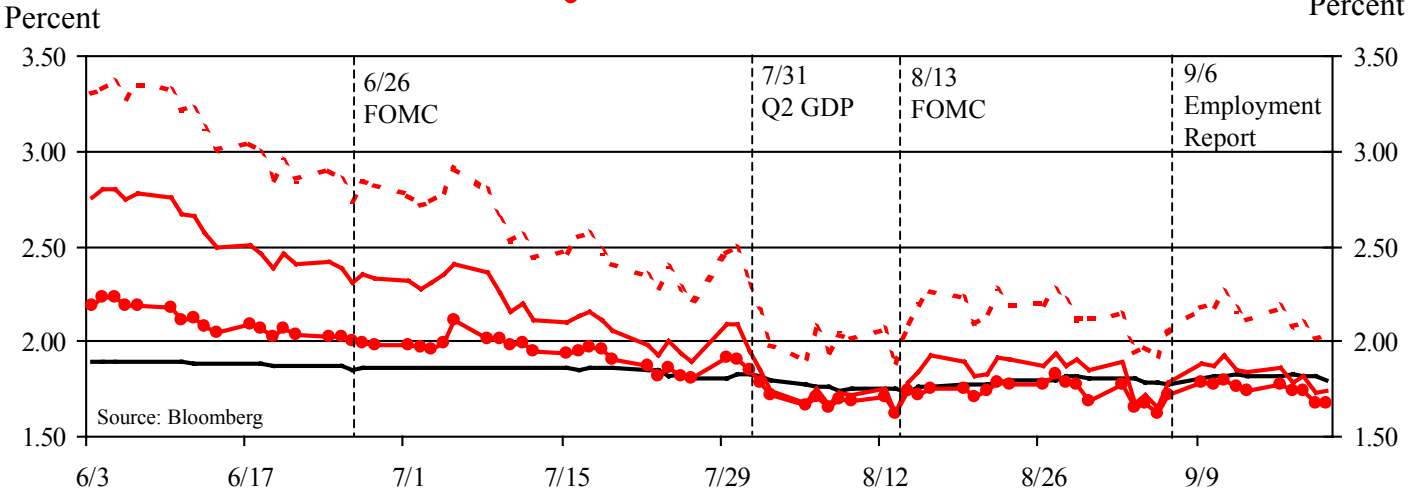


Appendix 1: Materials used by Mr. Kos

September 24, 2002 **U.S. Current Deposit Rates and Rates Implied by Traded Forward Rate Agreements**
 June 3, 2002 - September 20, 2002

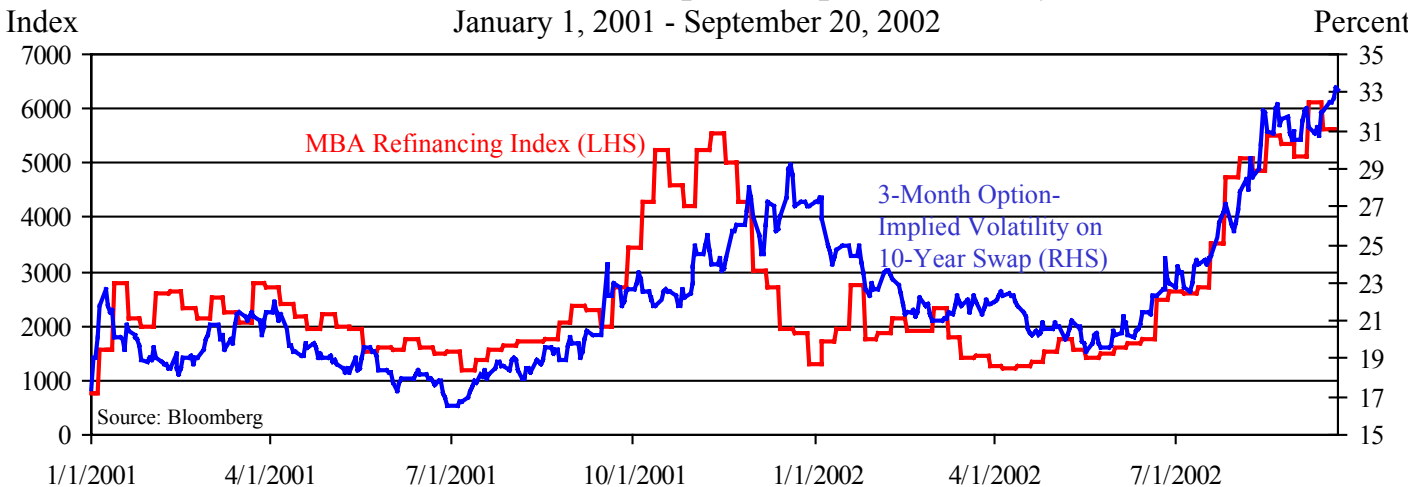
LIBOR Fixing 3M Forward 6M Forward 9M Forward

—●— — — —



Mortgage Bankers Association Refinancing Index and Short-Dated Swaption Implied Volatility

January 1, 2001 - September 20, 2002

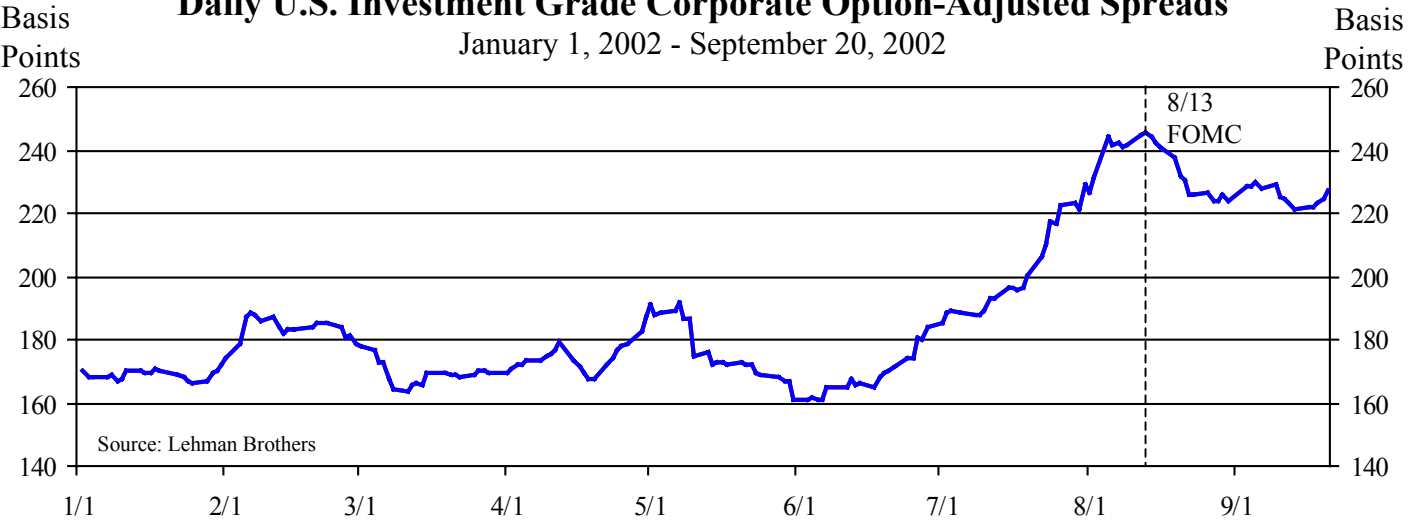


September 24, 2002

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Daily U.S. Investment Grade Corporate Option-Adjusted Spreads

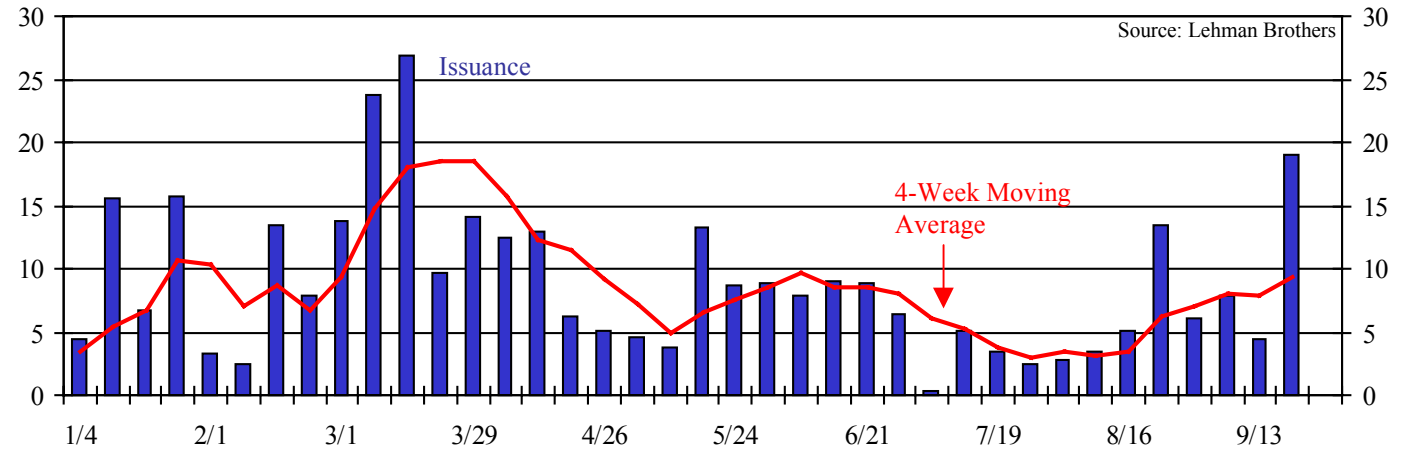
January 1, 2002 - September 20, 2002



U.S. Investment Grade Fixed Rate Non-144a Weekly Issuance

Billions of Dollars

January 4, 2002 - September 20, 2002



Monthly U.S. Investment Grade Corporate Debt Excess Returns

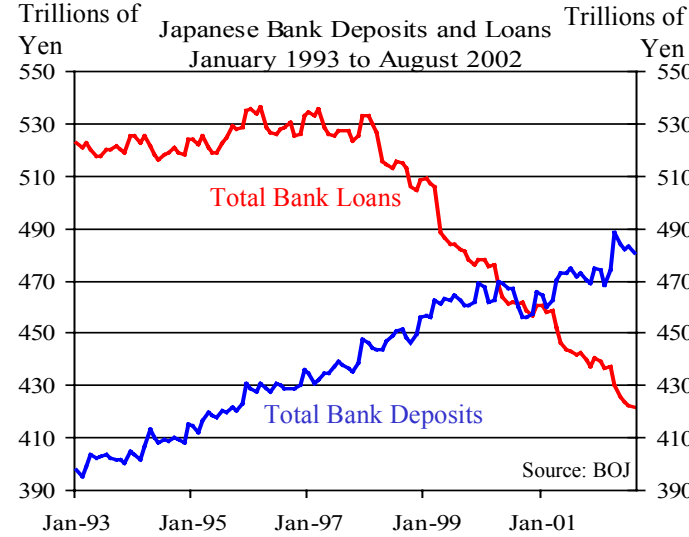
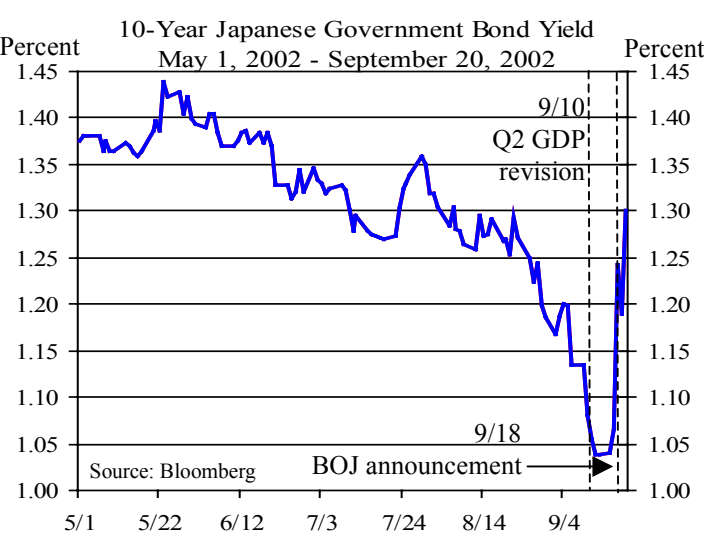
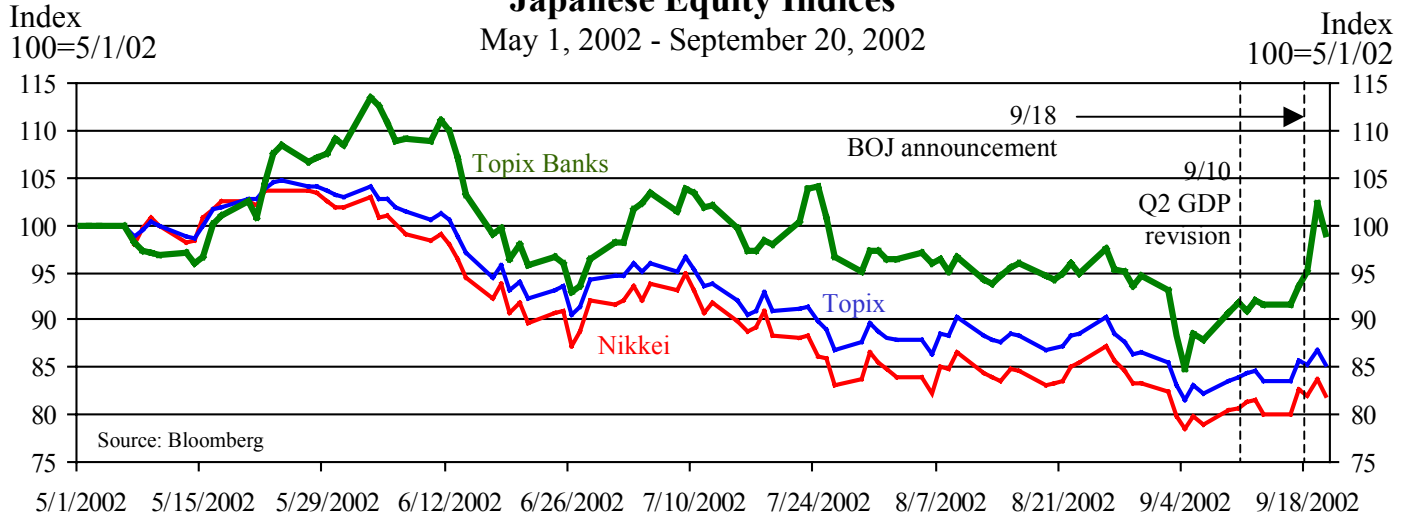
August 31, 1992 - August 30, 2002



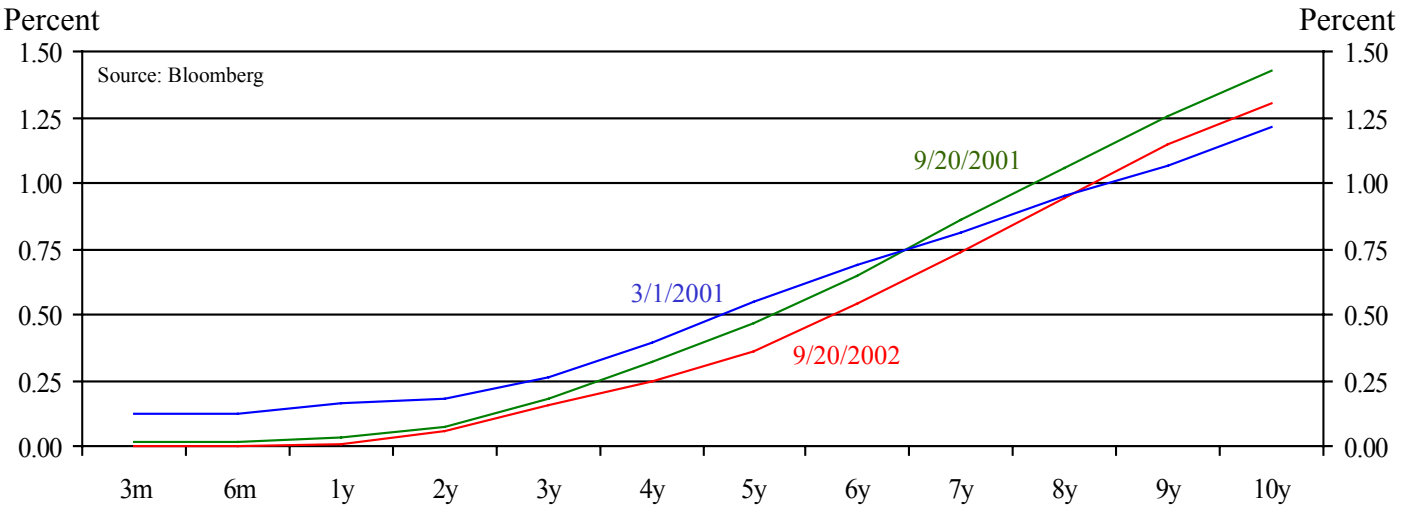
September 24, 2002

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Japanese Equity Indices May 1, 2002 - September 20, 2002



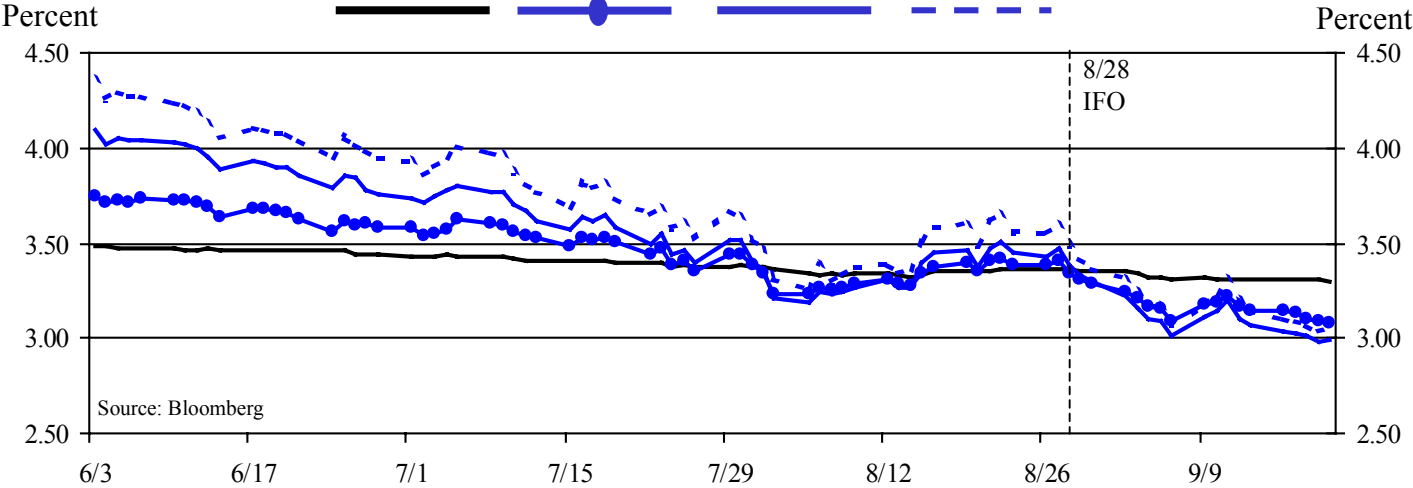
Japanese Government Yield Curves



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

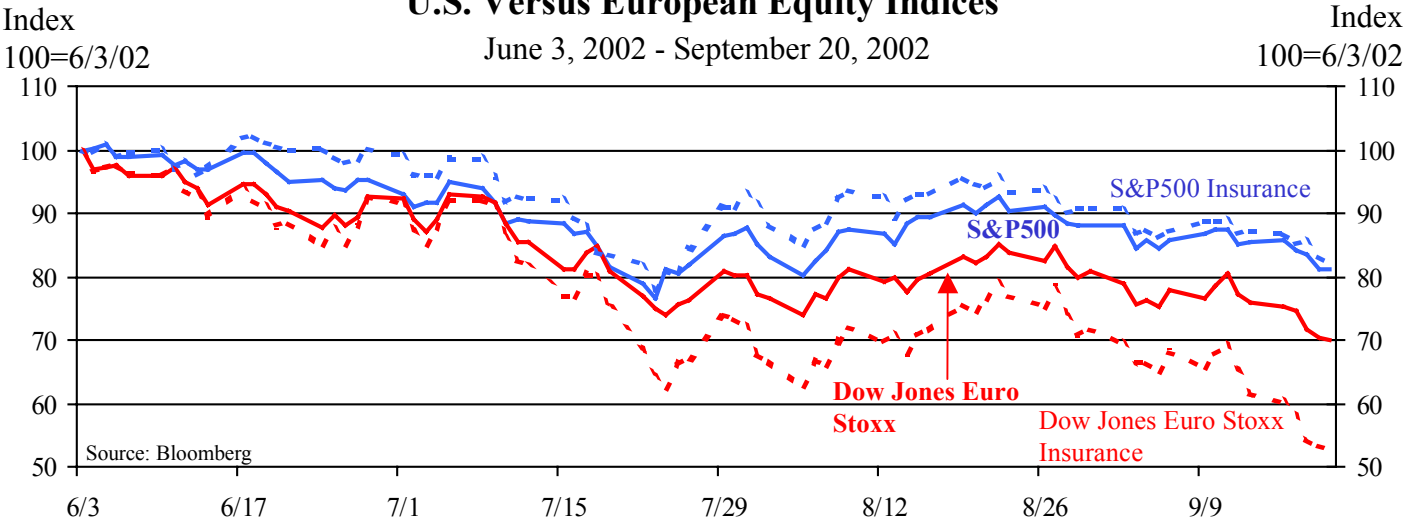
September 24, 2002
June 3, 2002 - September 20, 2002

LIBOR Fixing 3M Forward 6M Forward 9M Forward



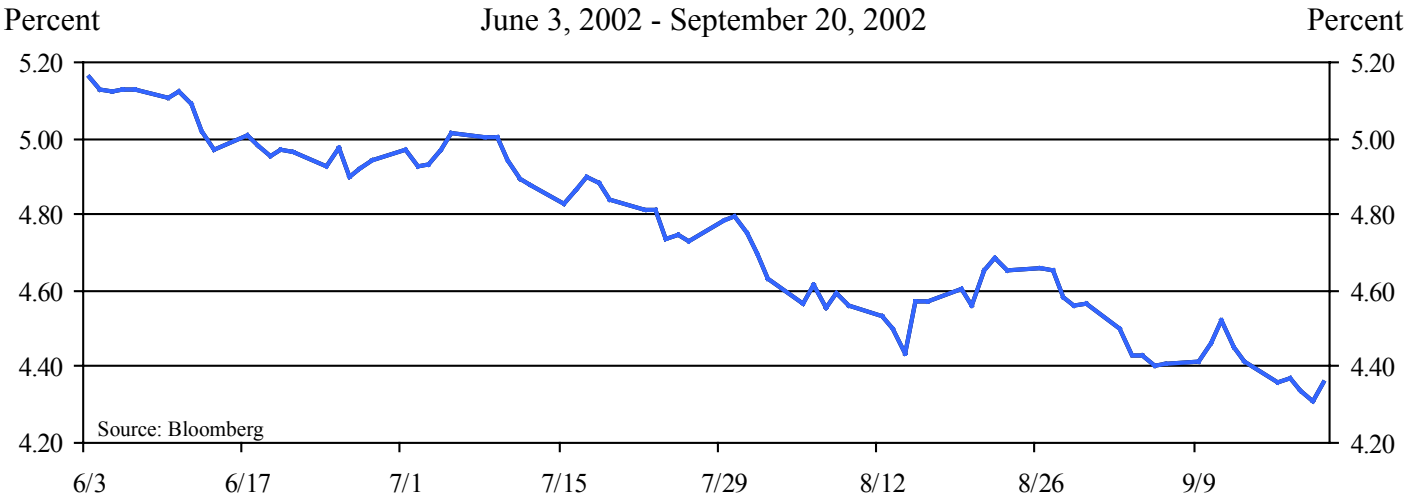
U.S. Versus European Equity Indices

June 3, 2002 - September 20, 2002



10-Year German Government Bund Yield

June 3, 2002 - September 20, 2002

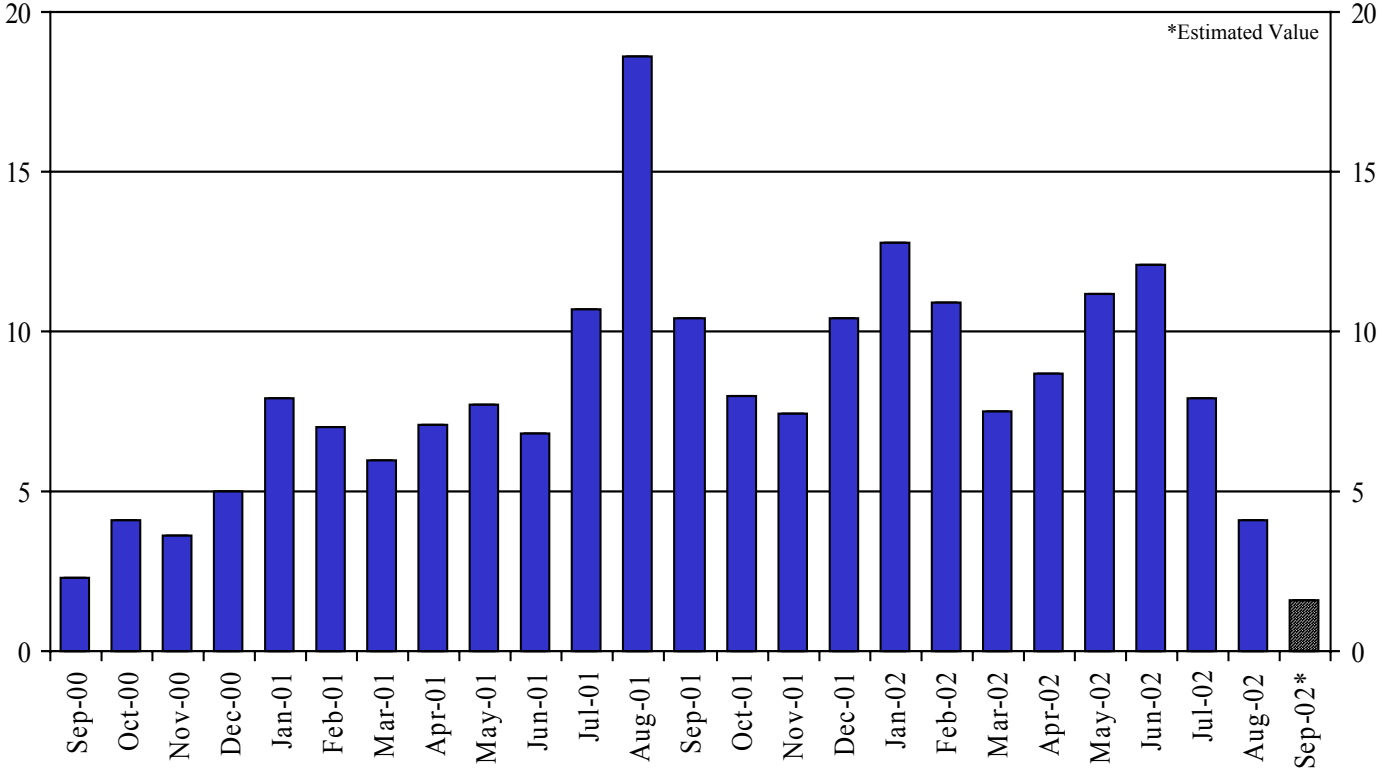


1-Month Annualized Growth Rate

September 2000 - September 2002

Percent

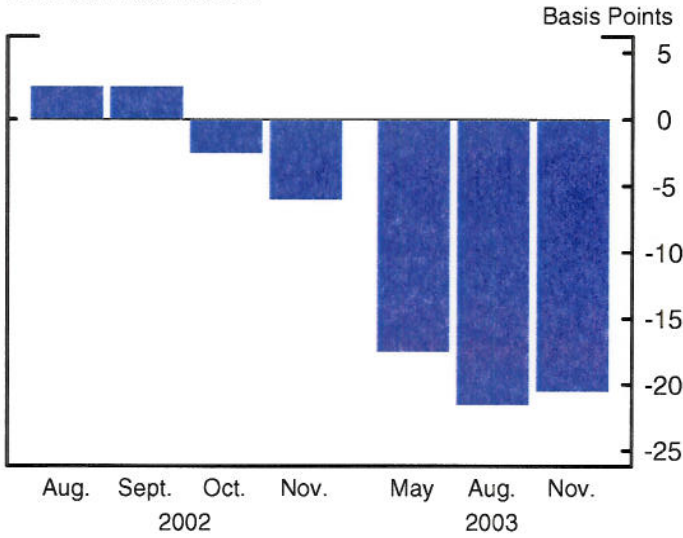
Percent



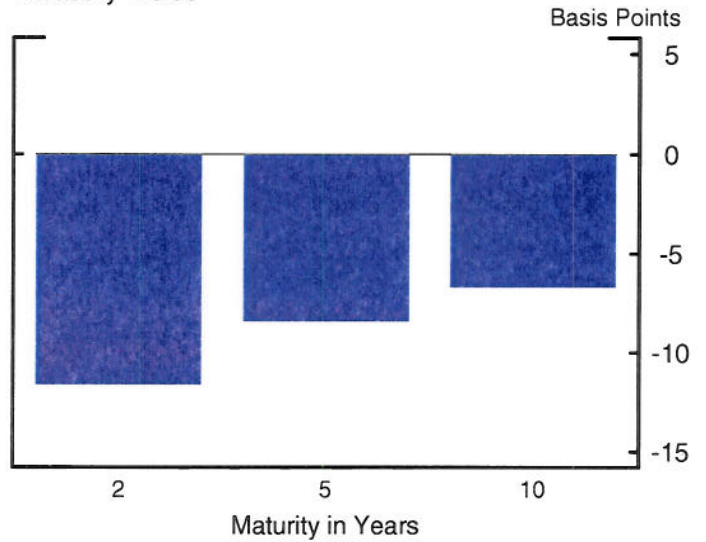
Appendix 2: Materials used by Mr. Reinhart

Market Reaction to August FOMC Announcement¹

Interest Rate Futures

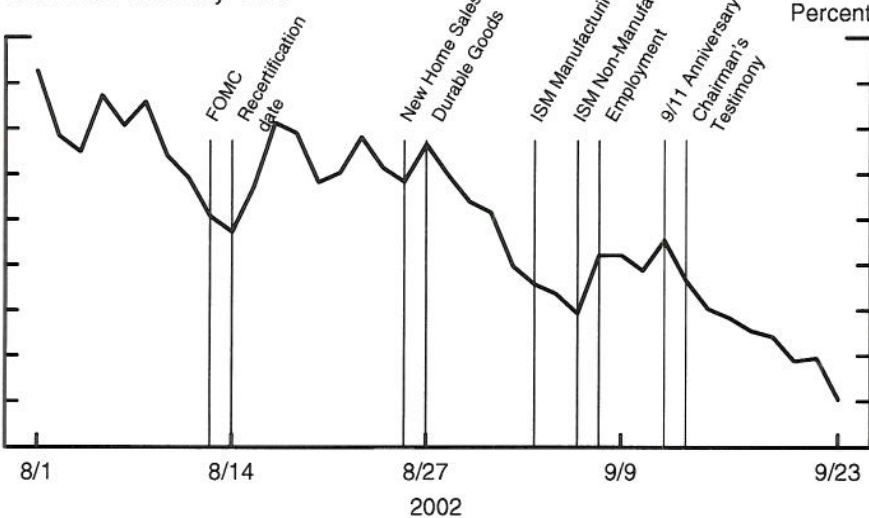


Treasury Yields



1. Change in market quotes in a window bracketing the FOMC announcement (2:00 pm to 2:30 pm).

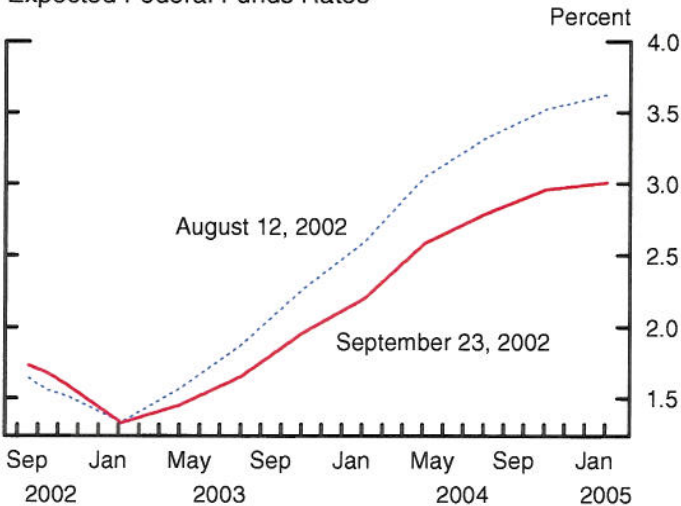
Ten-Year Treasury Yield



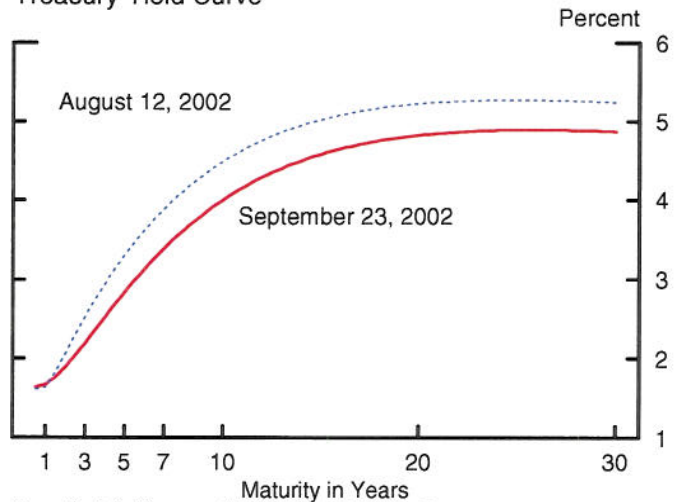
Change Since August 12

	-basis points-
Total	-49
Due to Econ Releases	0

Expected Federal Funds Rates*



Treasury Yield Curve*

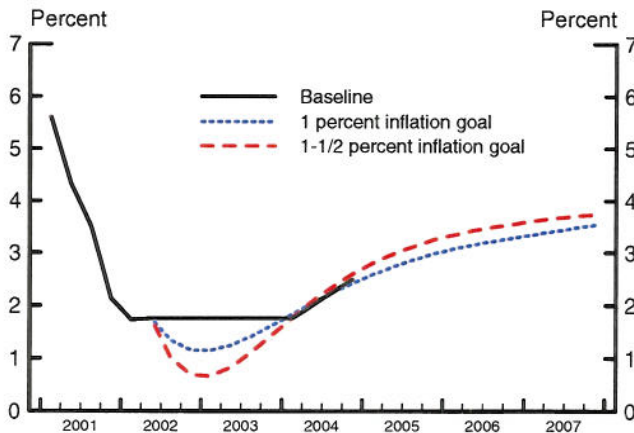


*Estimates from federal funds and eurodollar futures with an allowance for term premia and other adjustments.

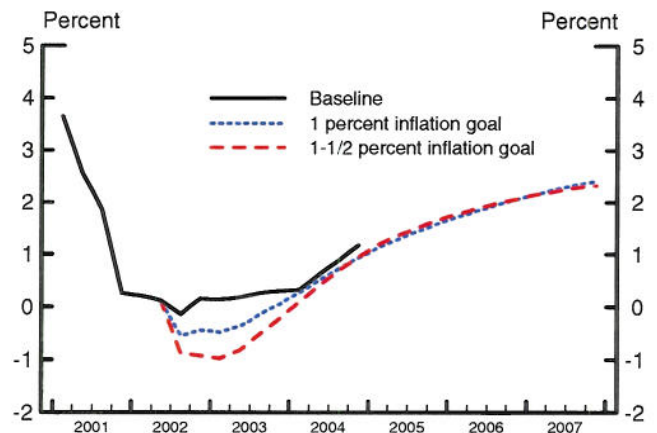
*Smoothed yield curve estimated from off-the-run Treasury coupon securities. Yields shown are those on notional par Treasury securities with semi-annual coupons.

Policymaker Perfect Foresight Strategy for Monetary Policy

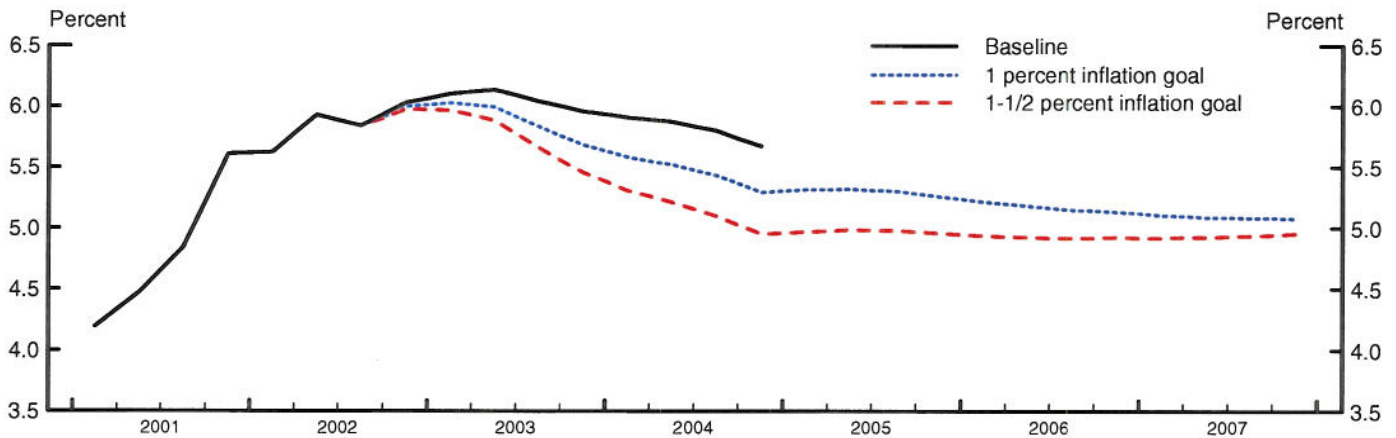
Nominal Federal Funds Rate



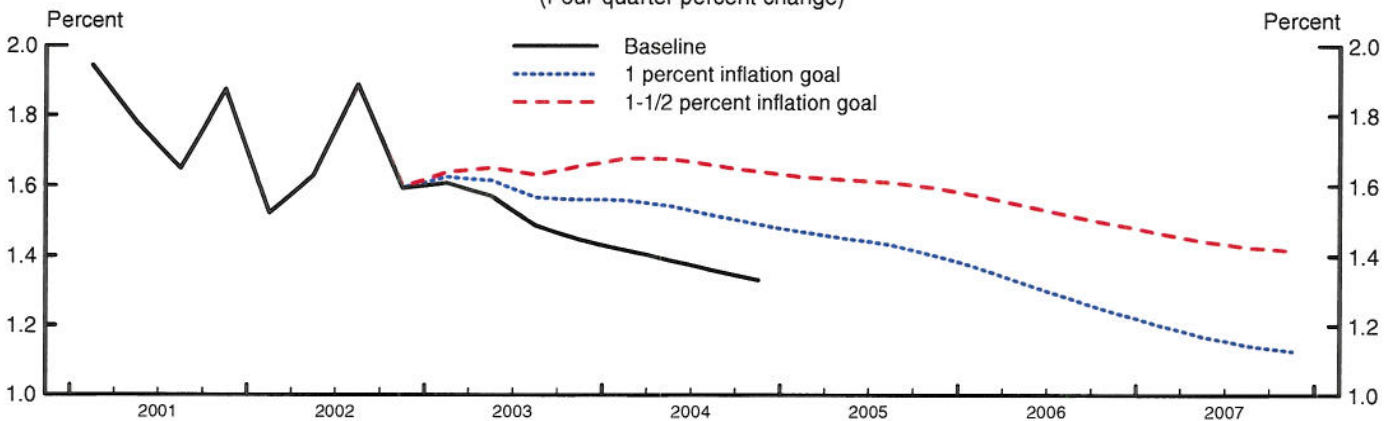
Real Federal Funds Rate¹



Civilian Unemployment Rate

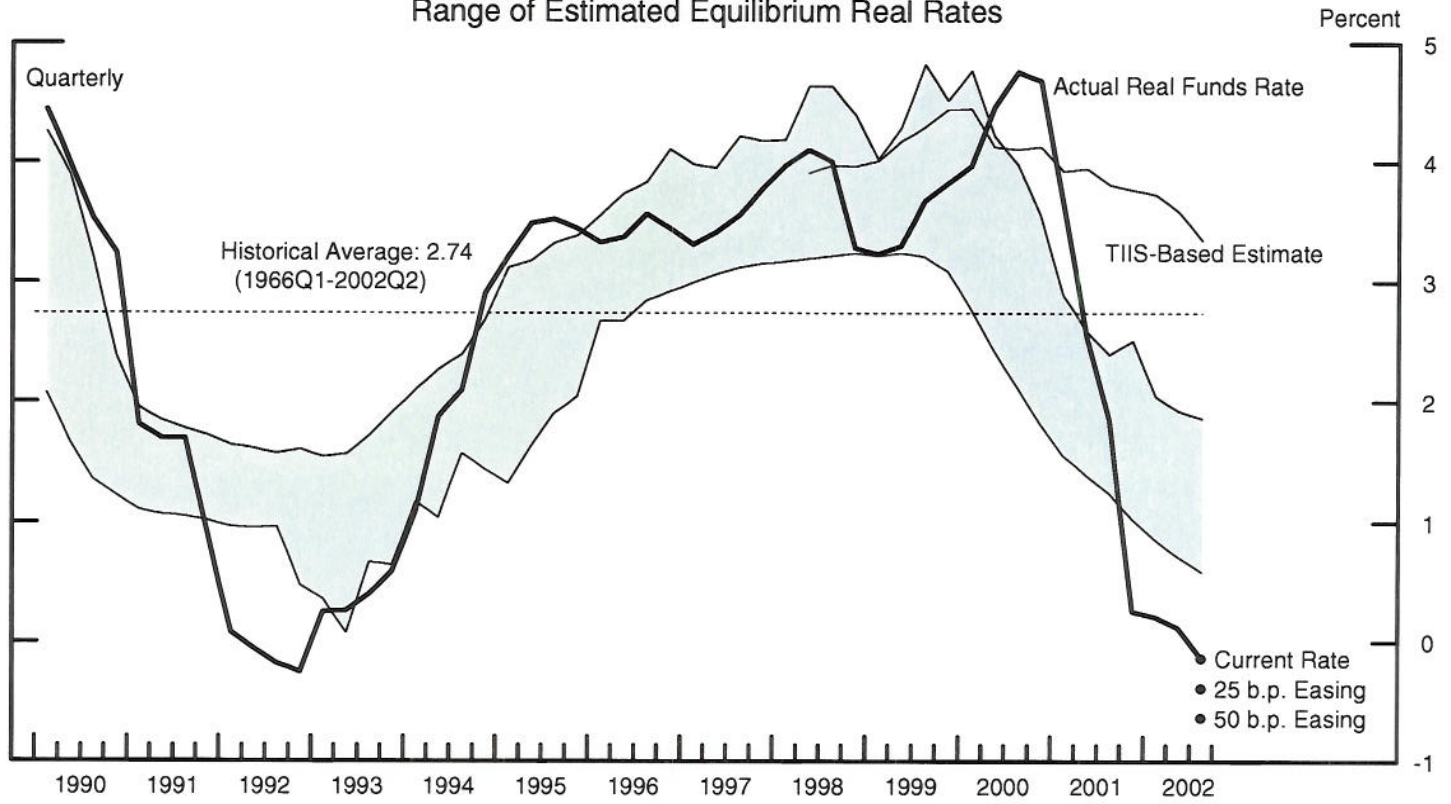


PCE Inflation (ex. food and energy)
(Four-quarter percent change)



1. The real federal funds rate is calculated as the quarterly average nominal funds rate minus the four-quarter lagged core PCE inflation rate as a proxy for inflation expectations.

Actual Real Federal Funds Rate and
Range of Estimated Equilibrium Real Rates



Note: The shaded range represents the maximum and the minimum values each quarter of six estimates of the equilibrium real federal funds rate based on a statistical filter and the FRB/US model. Real federal funds rates employ four-quarter lagged core PCE inflation as a proxy for inflation expectations, with the staff projection used for 2002Q3.