

Document 0238

[20238001]

Yields on savings-type certificates of deposit dropped slightly in the week ended yesterday .

[20238002]

The average yield on a six-month CD of \$ 50,000 or less was 7.90 % , compared with 7.94 % a week earlier .

[20238003]

The average one-year savings-type CD was down to 7.99 % from 8.01 % , according to Banxquote Money Markets , a New York information service that tracks CD yields .

[20238004]

" This week was uneventful for the CD market , " said Norberto Mehl , chairman of Banxquote .

[20238005]

" The major banks have n't even reacted to sharp rises in the three-month Treasury bill rates " in the past two weeks .

[20238006]

Banks that adjusted payouts on CDs in the most recent week made only fractional moves , he said .

[20238007]

The CD trend runs counter to the direction of short-term interest rates at the Treasury bill auction Monday .

[20238008]

The average six-month bill was sold with a yield of 8.04 % , up from 7.90 % .

[20238009]

The average three-month issue rose to 8.05 % from 7.77 % .

[20238010]

Typically , banks offer CD yields higher than those on Treasury bills , which are considered the safest short-term investments ; banks need a competitive edge to sell their products .

[20238011]

But when market interest rates move up rapidly , increases in bank CD yields sometimes lag .

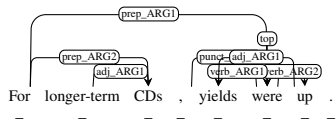
[20238012]

Most yields on short-term jumbo CDs , those with denominations over \$ 90,000 , also moved in the opposite direction of Treasury bill yields .

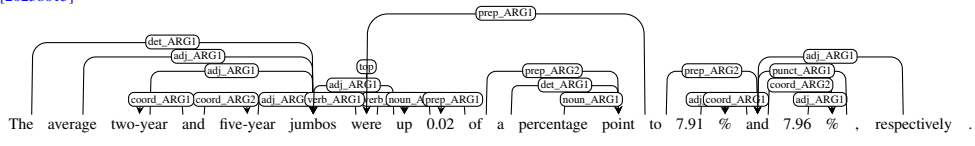
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The average six-month yield on a jumbo CD was at 7.90 % , down from 7.93 % . Banxquote said .

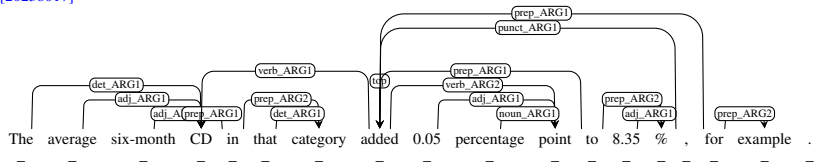
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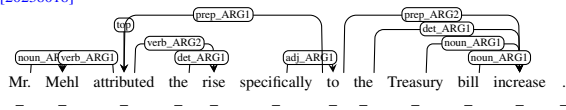
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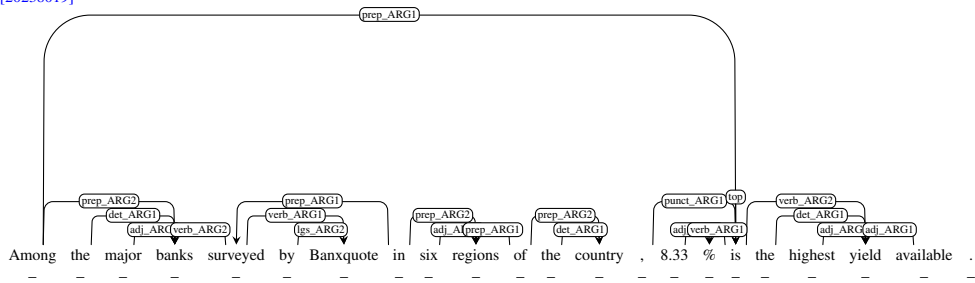
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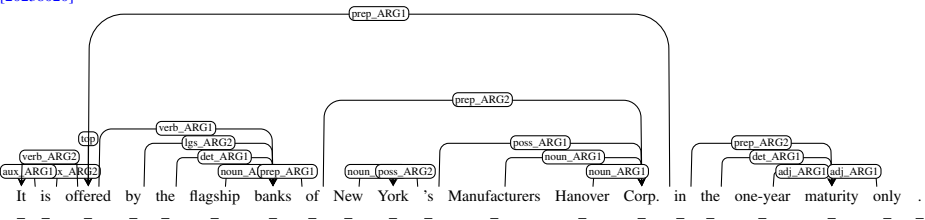
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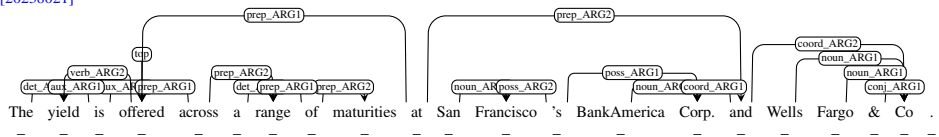
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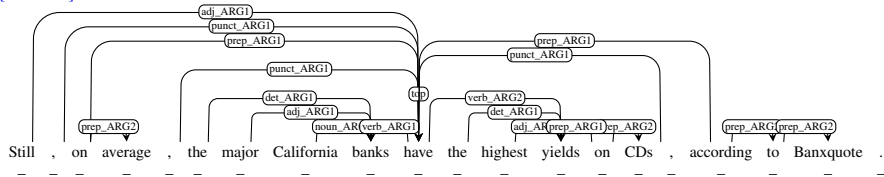
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