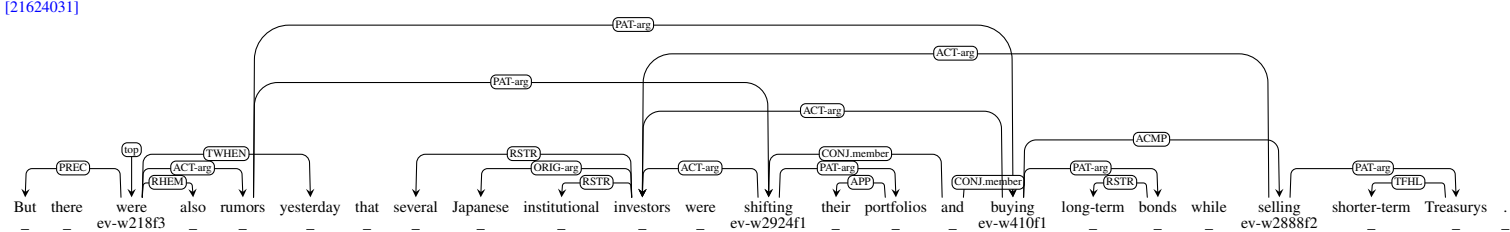
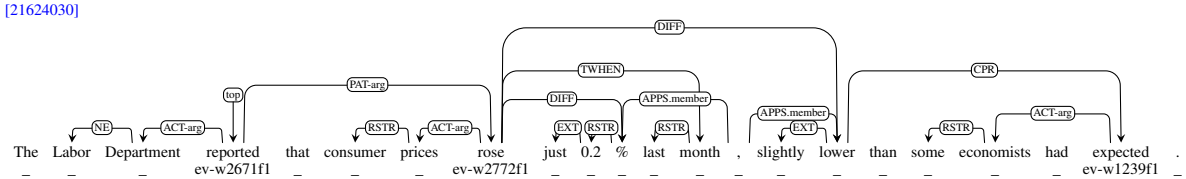
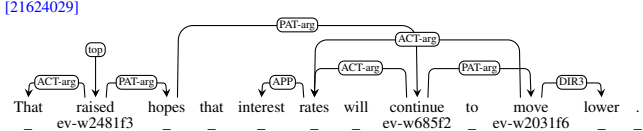
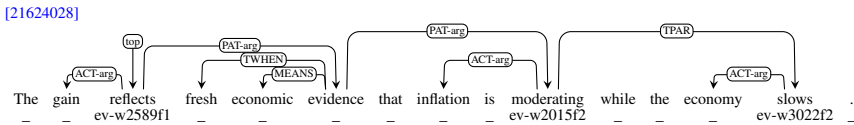
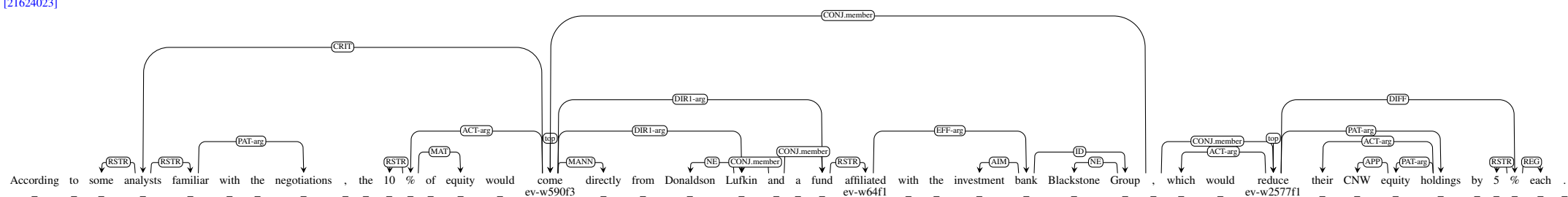
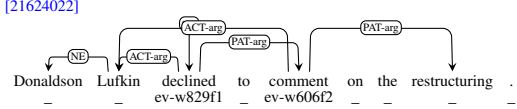
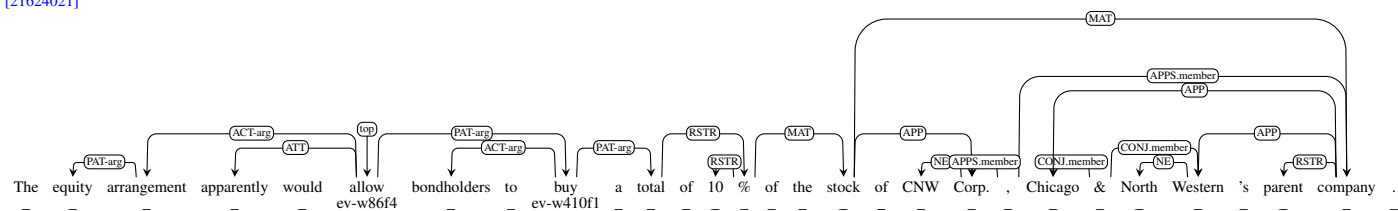
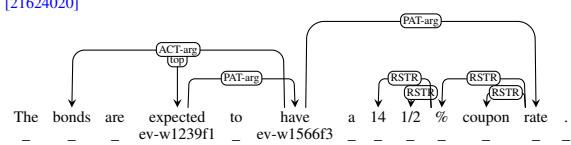
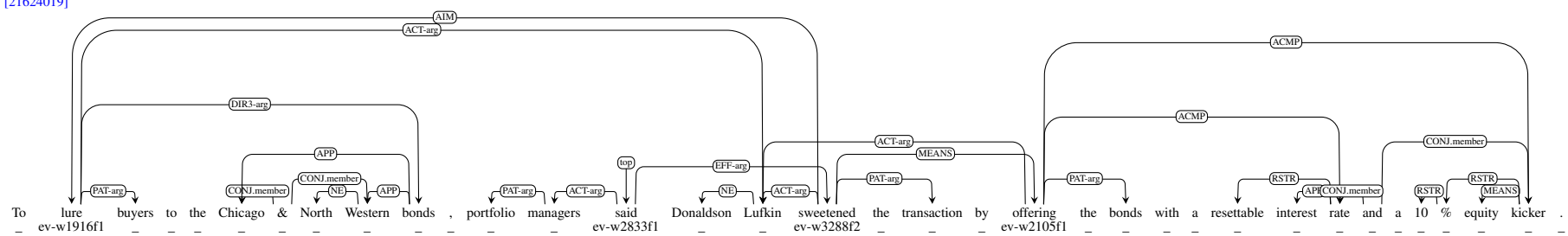
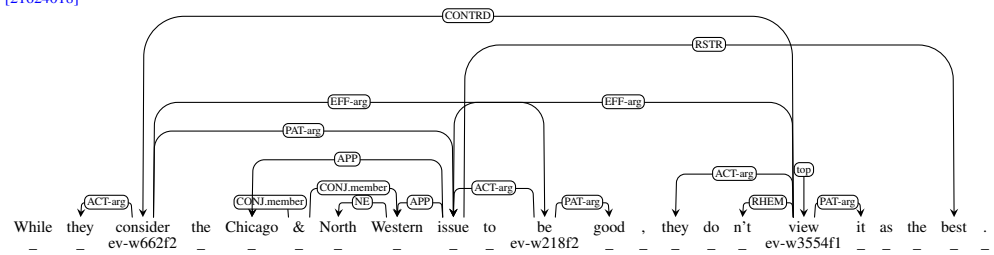
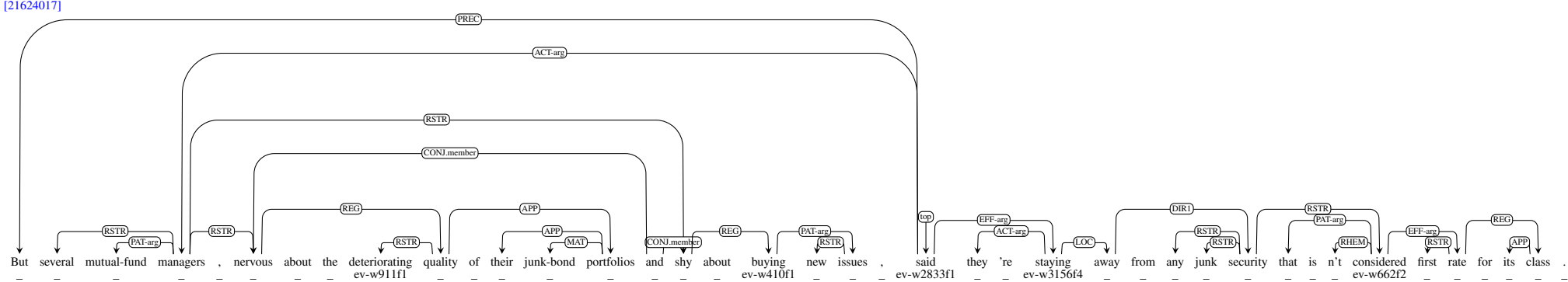
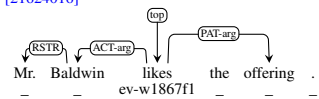
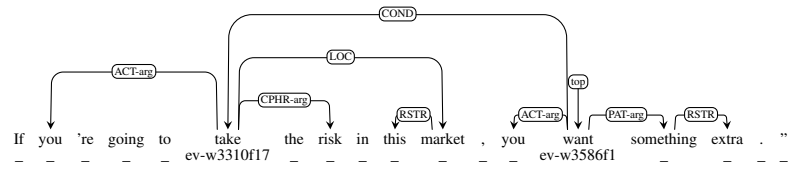


[21624001]





Short-term Treasury securities ended narrowly mixed, with two-year notes posting slight declines while three-year notes were slightly higher.

[21624033]

Yesterday, the Fed executed four-day matched sales, a technical trading operation designed to drain reserves from the banking system.

[21624034]

The move was interpreted by some economists as a sign that the Fed does not want the federal funds rate to move any lower than the 3/4% at which it has been hovering around during the past week.

[21624036]

It is considered an early signal of Fed credit policy changes.

[21624037]

"The fact that they did four-day matched sales means they are not in a mood to ease aggressively.

[21624039]

Treasury Securities

[21624042]

Short-term rates rose yesterday.

[21624043]

The discount rate on three-month Treasury bills rose to 7.56% from 7.51% Wednesday, while the rate on six-month bills rose to 7.57% from 7.53%.

[21624044]

Meanwhile, the Treasury sold \$9.75 billion of 52-week bills yesterday.

[21624045]

The average yield on the bills was 7.35%, down from 7.61% at the previous 52-week bill auction Sept. 21.

[21624046]

Yesterday's yield was the lowest since 7.22% on July 27.

[21624047]

Here are details of the auction:

[21624048]

Rates are determined by the difference between the purchase price and face value.

[21624049]

Thus, higher bidding narrows the investor's return while lower bidding widens it.

[21624050]

The percentage rates are calculated on a 360-day year, while the coupon-equivalent yield is based on a 365-day year.

[21624051]

Corporate Issues

[21624052]

