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EBD/83/121

April 27, 1983

To: Members of the Executive Board

From: The Secretary

Subject: Denmark - Discount Rate

The Secretary has received the following memorandum dated April 26, 1983 from Mr. Lindå:

Danmarks Nationalbank announces Thursday, April 21st 1983:

As from Friday, 22 April 1983, Danmarks Nationalbank reduces its official discount rate by 1 per cent to 7 1/2 per cent. The rediscount rate is likewise reduced by 1 per cent to 7 1/2 per cent. Similarly, the Bank's ordinary lending rate of 9 1/2 per cent is reduced by 1 per cent. The rate charged for first-tranche loans within the borrowing limits will then be 8 1/2 per cent. The rate charged for second-tranche loans is likewise reduced by 1 per cent to 11 1/2 per cent.

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The reduction of the discount rate has been induced by the continuous dampening of domestic prices, and it has also been decisive that there has been a substantial reflow of currency after the EMS realignment 21 March.

Other Distribution:
Department Heads