

# INTERNATIONAL MONETARY FUND

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The International Monetary Fund has determined the list of the currencies and their new weights in the basket used to calculate the value of the SDR. With effect from January 1, 1986, the list of currencies in the SDR valuation basket will remain the same and the weight of each to be used to calculate the amount of each of these currencies in the basket will be as follows:

<u>Currency</u>	<u>Weight</u> (in percent)
U.S. dollar	42
Deutsche mark	19
Japanese yen	15
French franc	12
Pound sterling	12

The revision of the amount of each currency is undertaken in accordance with the Fund's decision of September 17, 1980 (Press Release No. 80/66) stipulating that the valuation basket of the SDR be revised with effect from January 1, 1986 and on the first day of each subsequent five-year period, unless the Fund's Executive Board decides otherwise. The new amounts of each of the five currencies to be included in the SDR valuation basket will be calculated on December 31, 1985 in accordance with the new weights indicated above. The calculation will be made on the basis of the average exchange rates for these currencies over the three months ending on that date in such a manner as to ensure that the value of the SDR in terms of these currencies will be the same on December 31, 1985 under both the revised valuation and present valuation baskets.

The SDR basket includes the currencies of the five member countries of the Fund with the largest exports of goods and services during the five-year period preceding the revision, which in the present case is the period 1980-84. The weights of the currencies in the basket reflect the relative importance of these currencies in international trade and finance during this period, and are based on the value of the exports of goods and services of the members issuing these currencies and the amounts of their currencies officially held by members of the Fund.

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The previous weights based on 1975-79 data used to determine the amount of each currency in the current SDR basket, which was revised in 1981, were 42 percent for the U.S. dollar, 19 percent for the Deutsche mark, and 13 percent each for the Japanese yen, the French franc, and the Pound sterling.

As a result of the unification of the SDR valuation and interest rate baskets in 1981, the currency amounts in the SDR interest rate basket are identical with those in the SDR valuation basket. The SDR interest rate is determined as a weighted average of interest rates on short-term domestic money market instruments for the five constituent currencies, with weights reflecting the SDR values of the currency amounts in the basket.