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January 10, 1990

To: Members of the Executive Board
From: The Secretary
Subject: Denmark - European Monetary System - Exchange Arrangements

The Secretary has received the following memorandum dated January 8, 1990 from Mr. Fogelholm:

Please be informed that, following the decision by the Italian Government to reduce the fluctuation margins of the lira within the exchange rate mechanism of the EMS to ± 2.25 percent, the compulsory intervention limits between the Danish krone and the lira have been fixed as follows:

Lower limit	0.5214 DKr per 100 Lit
Upper limit	0.4985 DKr per 100 Lit

The intervention limits against other currencies participating in the exchange rate mechanism remain unchanged.

As a consequence of the reduction in the fluctuation margins and the change in the compulsory intervention limits, the central rates for all EMS currencies have been changed against the ECU.

For the Danish krone, the new central rate is:

1 ECU = 7.79845 DKr

Other Distribution:
Department Heads

