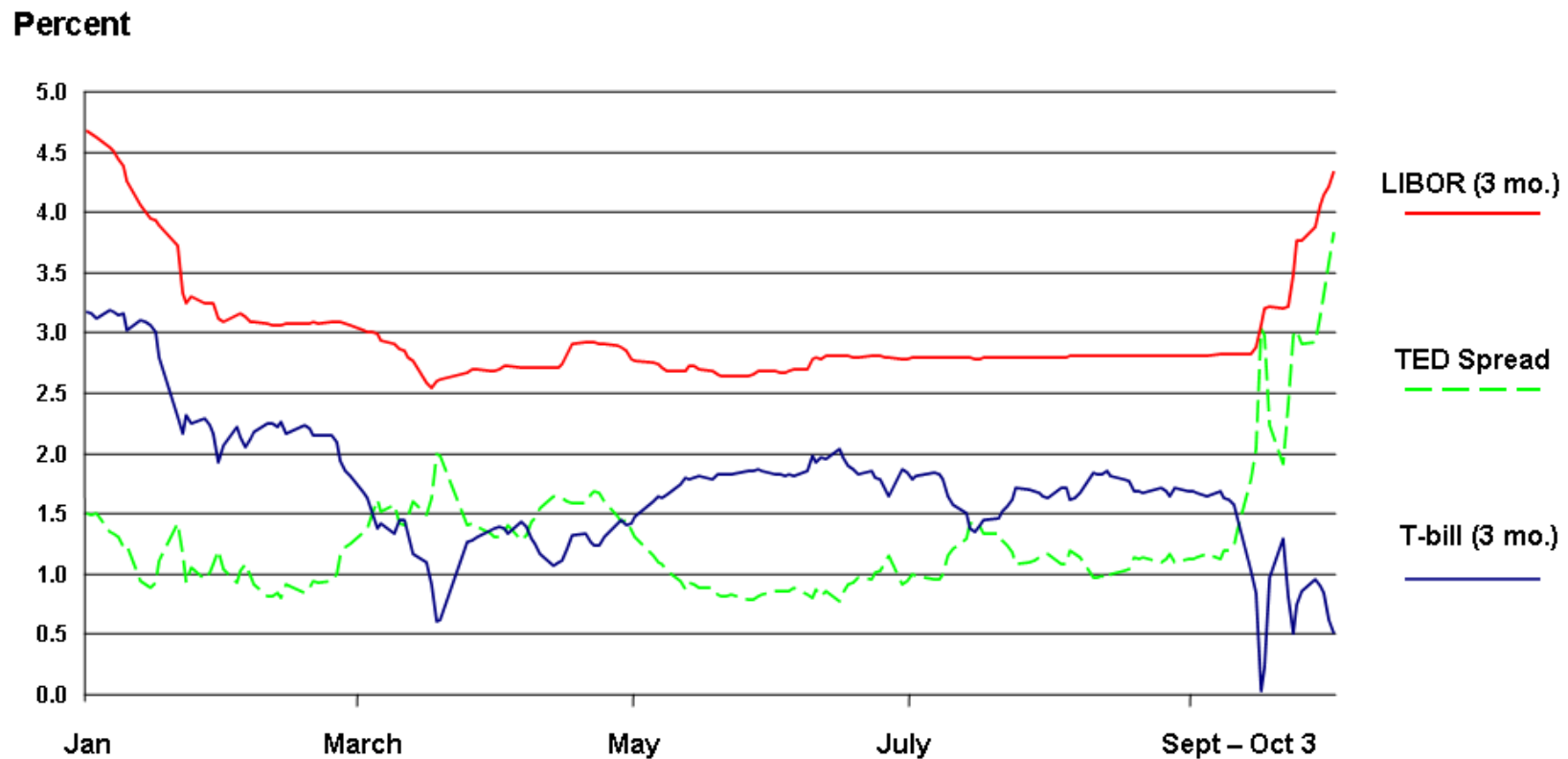


TED Spread

The TED spread is the difference between the three-month T-bill interest rate and three-month Eurodollars contract as represented by the three-month London Interbank Offered Rate (LIBOR), where LIBOR is a daily reference rate in the London interbank market.

TED Spread & Components - 2008

The "TED Spread" is a measure of credit risk for inter-bank lending. It is the difference between: 1) the risk-free three-month U.S. treasury bill rate; and 2) the three-month LIBOR rate, which represents the rate at which banks typically lend to each other. A higher spread indicates banks perceive each other as riskier counterparties.



TED spread during the subprime mortgage crisis (1)



TED spread during the subprime mortgage crisis (2)

