

cc: Messrs. Rotberg  
Hittmair  
Uhrig  
Schielke  
Steckhan  
Cherniavsky

: "a very nice  
comment on our  
recent swap  
deal!"

## 'Stroke of genius' deal

EUROBOND dealers lack enthusiasm for gimmicks to make new issues attractive, especially when they are other people's ideas. The gushing response to the World Bank/IBM bond swap deal was all the more astonishing.

"I think it is one of the most ingenious deals I have ever seen. It is a stroke of genius and I am thunderstruck could have such an inspired thought," said one dealer.

It is the latest example of the sophistications that bond managers are prepared to introduce to persuade borrowers to come to the market and also their growing ability to do the type

of business that had been previously regarded as the preserve of the banks.

The arrangement, under which the World Bank raised \$290m in dollars and converted into Swiss franc and D-marks, while IBM was able to take advantage of the strength of the dollar and reduce its Swiss franc and D-mark debt.

It has enabled the World Bank, which prefers to tap the cheaper bond markets in the world and pass on the benefits to its poorer borrowers, to borrow in these European currencies without having to go directly to the market.

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