Computing the Index Rate

The index rate that equals the simple-interest money market yield on an actual/360 basis is computed as follows:

$$r = \frac{D}{1 - \frac{\Delta T}{360} D}$$

where D is the discount rate (or auction high rate), and ΔT represents the number of days from (and including) the issue date of the 13-week bill to (but excluding) the maturity date of the 13-week bill. In the table above the corresponding index rate for the 7/23/2012 auction is $r = \frac{0.095\%}{1 - \frac{91}{360} \times 0.095\%} = 0.095022819\%$.