962-60-974 **Victor W. Goodman*** (goodmanv@indiana.edu), Mathematics Department, Rawles Hall, Indiana University, Bloomington, IN 47405, and **Hassan Allouba** (allouba@indiana.edu), Mathematics Department, Rawles Hall, Indiana University, Bloomington, IN 47405. *Random Field Models of Interest Rates.*

No-arbitrage models of interest term structure feature three components: the short rate process, the family of volatilies, and the market price of risk. These "parameters" are characteristics of bond prices as bonds are traded. The market price of risk is examined in term structures where trading noise is modeled with certain random fields. It is shown that the market price of risk may depend on bond maturity, and the dependence is characterized. (Received September 29, 2000)