

September 9, 1970 No. 471

H-13 Division of International Finance Europe and British Commonwealth Section

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FEDERAL RESERVE BANK
OF RICHMOND

Capital Market

SELECTED INTEREST & EXCHANGE RATES FOR MAJOR COUNTRIES & THE U.S.

WEEKLY SERIES OF CHARTS

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

TABLE OF CONTENTS

PART I. EXCHANGE RATES AND GOLD PRICES

- Chart 1A and B - Spot Exchange Rates, Major Currencies against U.S. Dollar
- Chart 2A and B - 3-Month Forward Exchange Rates, Major Currencies against U.S. Dollar
- Chart 3A and B - 3-Month Forward Exchange Rates, Major Currencies against U.K. Pound
- Chart 4 - Gold Price in London

PART II. SHORT-TERM INTEREST RATES

- Chart 5 - Call Money Rates
- Chart 6A and B - London: Euro-\$ Deposit Rates
- Chart 7A and B - New York - London: Yields on U.S. Dollar Funds
- Chart 8A and B - London: Covered Yields on U.S. Dollar Funds
- Chart 9A and B - Interest Arbitrage: United States-United Kingdom
- Chart 10A and B - Interest Arbitrage: U.S.-Germany and U.S.-Switzerland
- Chart 11 - Interest Arbitrage: United States-Canada
- Chart 12A and B - Selected Short-term Interest Rates

PART III. LONG-TERM INTEREST RATES AND STOCK INDICES

- Chart 13 - Long-Term Bond Yields
- Chart 14 - Industrial Stock Indices

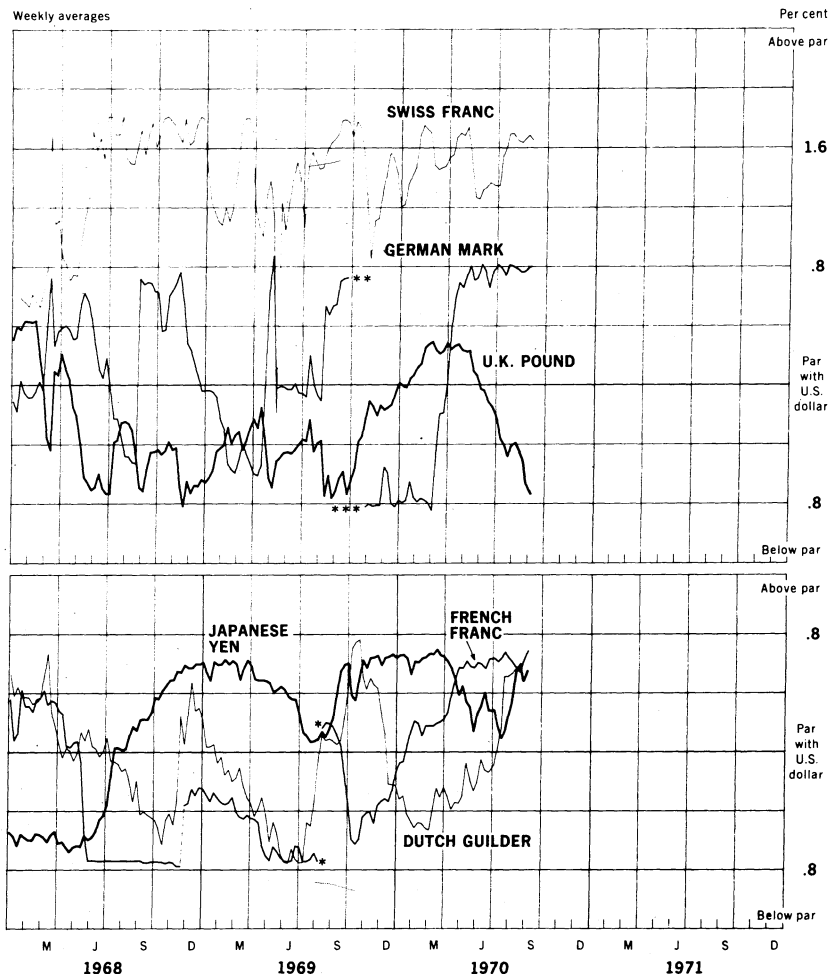
PART IV. LATEST FIGURES PLOTTED ON THE CHARTS

NOTE: This series is a continuation of the CAPITAL MARKETS DEVELOPMENTS ABROAD, which has been published under that title through December 31, 1968. The changes in the format and order of the charts are fully explained in the Supplement to the series, which accompanied issue dated January 1, 1969.

Chart 1A

SPOT EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.S. DOLLAR

Weekly averages



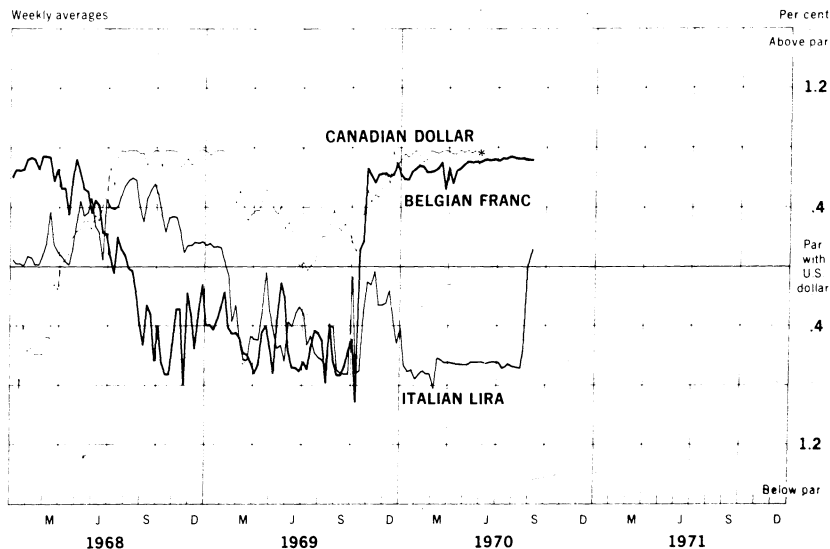
* Devaluation of the French franc from 4.94 to 5.55 for \$1.00.

** DM rate not supported by the Bundesbank.

*** Revaluation of the DM from 25.00 to 27.32 in U.S. cents.

SPOT EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.S. DOLLAR

Weekly averages



* Can. \$ rate not supported by Bank of Canada

Chart 2A

3-MONTH FORWARD EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.S. DOLLAR

Weekly averages

Per cent per annum

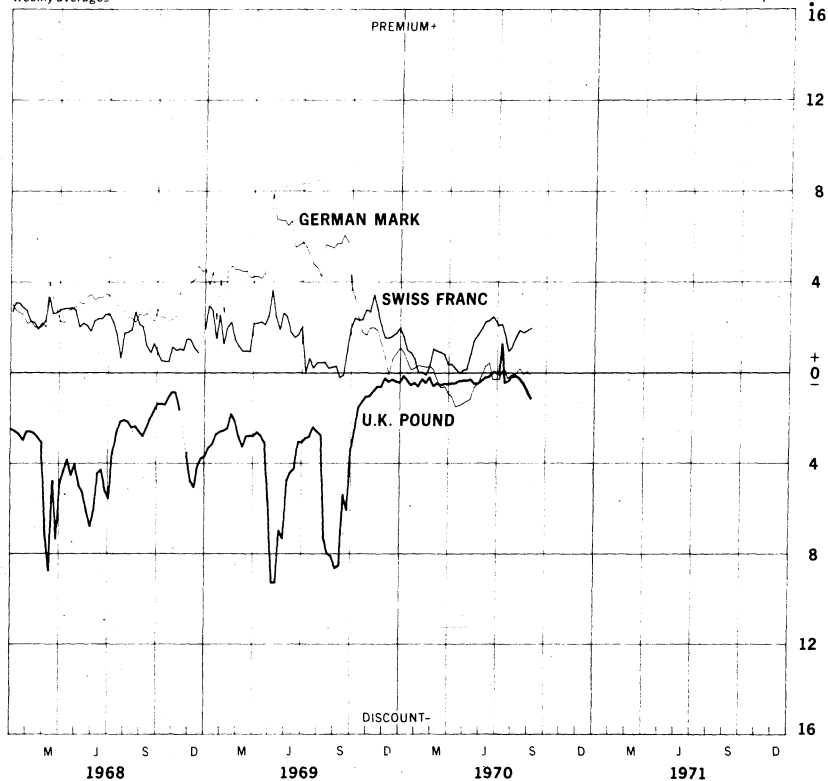
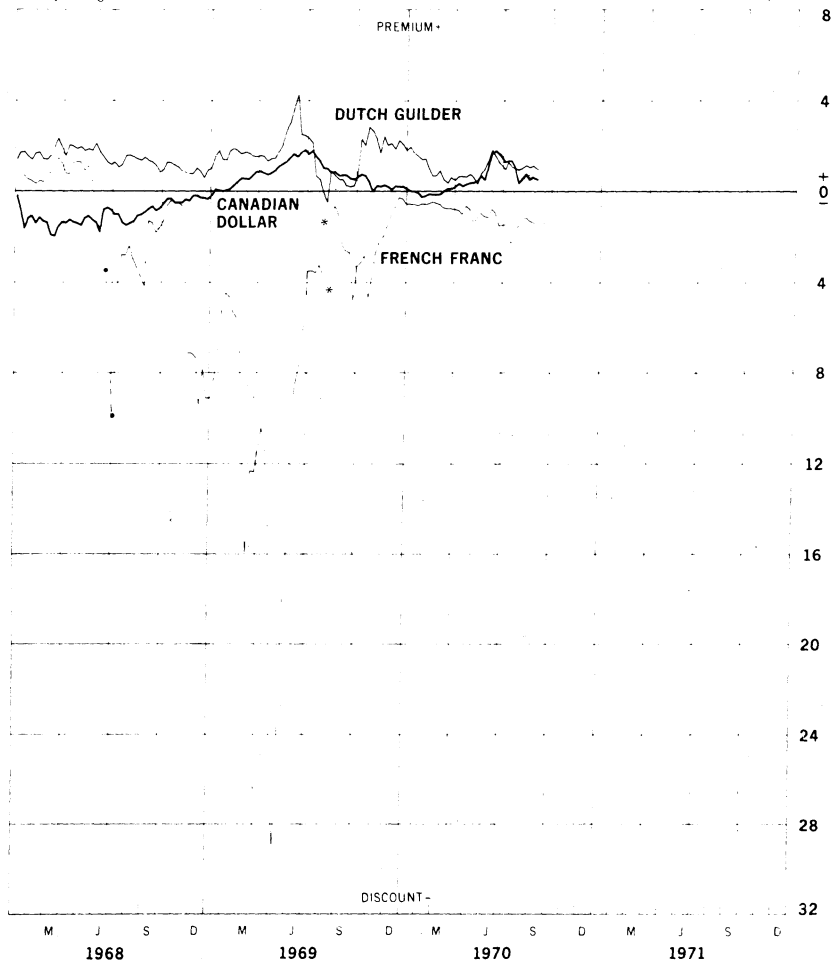


Chart 2B

3-MONTH FORWARD EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.S. DOLLAR

Weekly averages

Per cent per annum



* Devaluation of the French franc from 4.94 to 5.55 for \$1.00

** Can. \$ rate not supported by Bank of Canada

Chart 3A

3-MONTH FORWARD EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.K. POUND

Friday figures

Per cent per annum

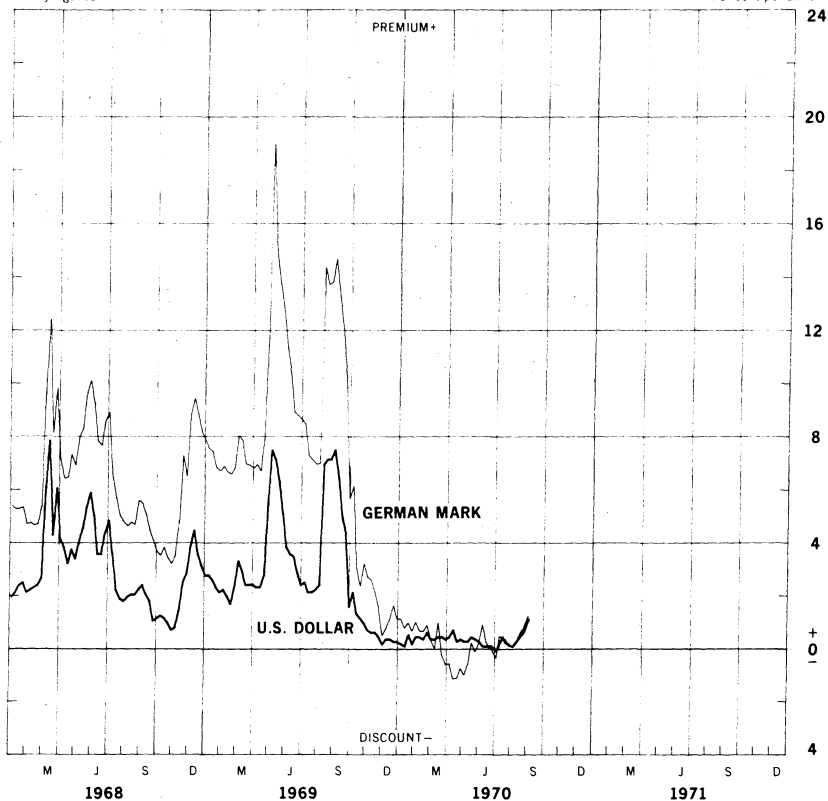
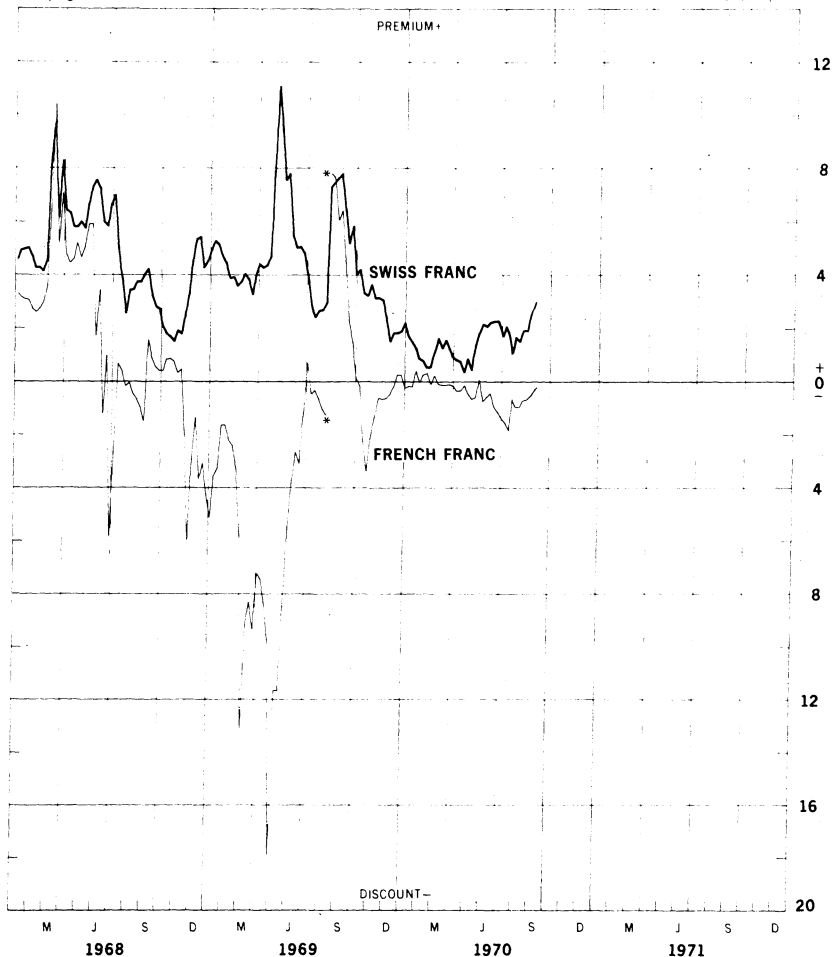


Chart 3B

3-MONTH FORWARD EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.K. POUND

Friday figures

Per cent per annum



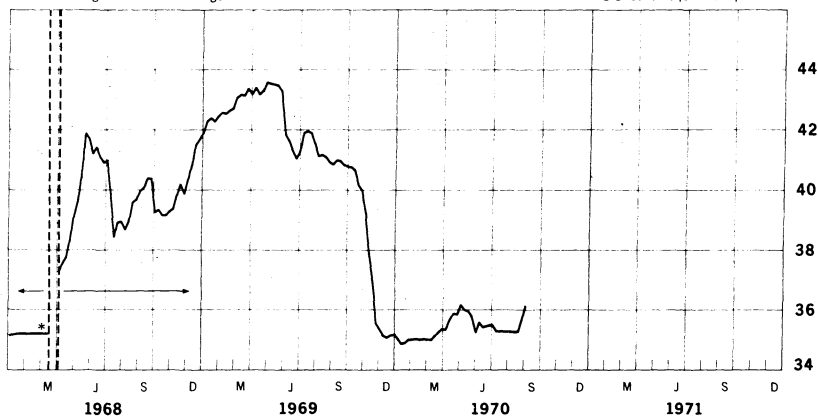
*Devaluation of the French franc from 4.94 to 5.55 for \$1.00

Chart 4

GOLD PRICE IN LONDON, 12.5 Kg BARS

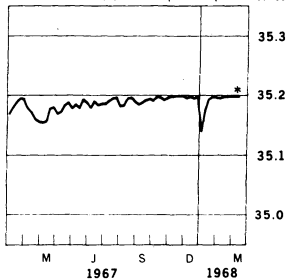
Week's average of afternoon fixings

U.S. dollar equivalent per fine ounce



MARKET SUPPORTED BY GOLD POOL

U.S. dollar equivalent per fine ounce

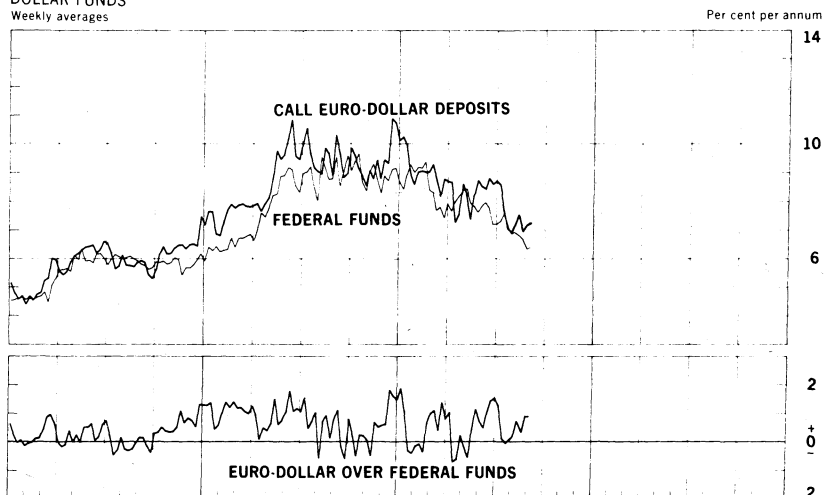


* Market closed March 15-April 1, 1968

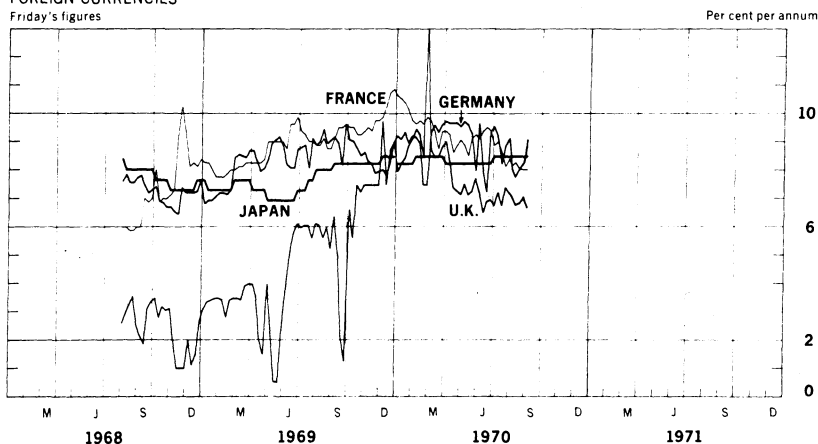
CALL MONEY RATES

DOLLAR FUNDS

Weekly averages

**FOREIGN CURRENCIES***

Friday's figures



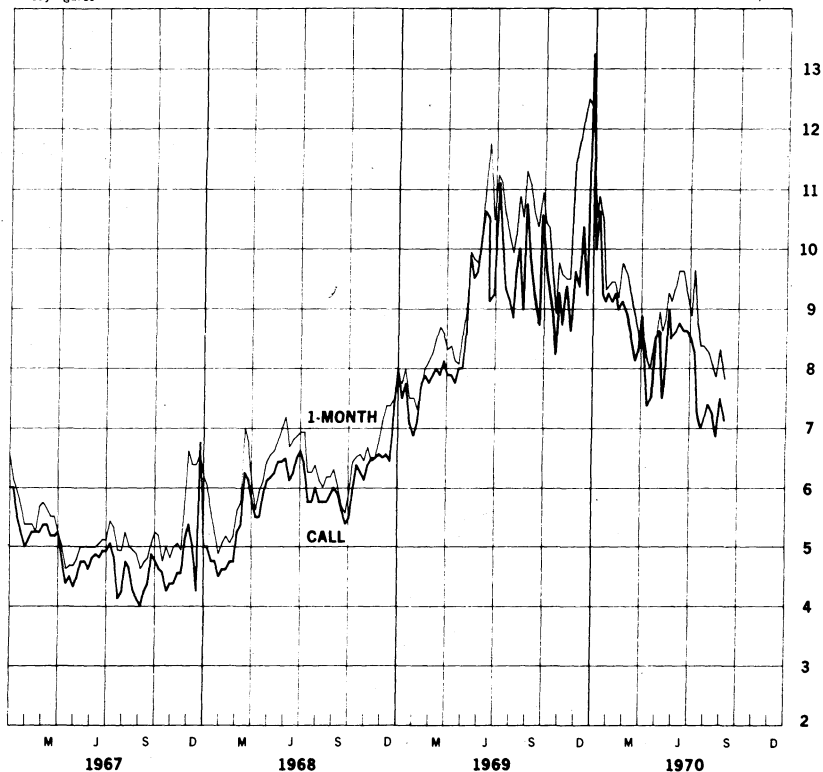
* Germany, Call Money. U.K., 2 day Local Authority Deposits. Japan, Unconditional Money. France, Day-to-day Money

CHART 6A

LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum



LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum

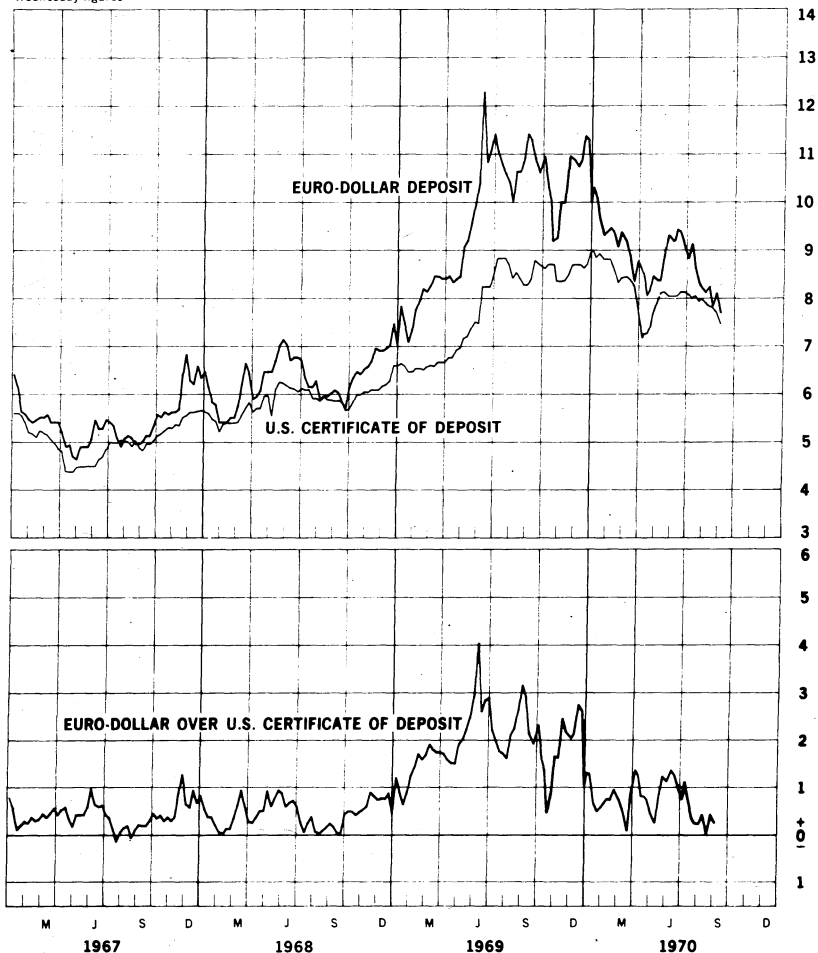


NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS

3-MONTH DOLLAR DEPOSIT RATES—SECONDARY MARKET

Wednesday figures

Per cent per annum

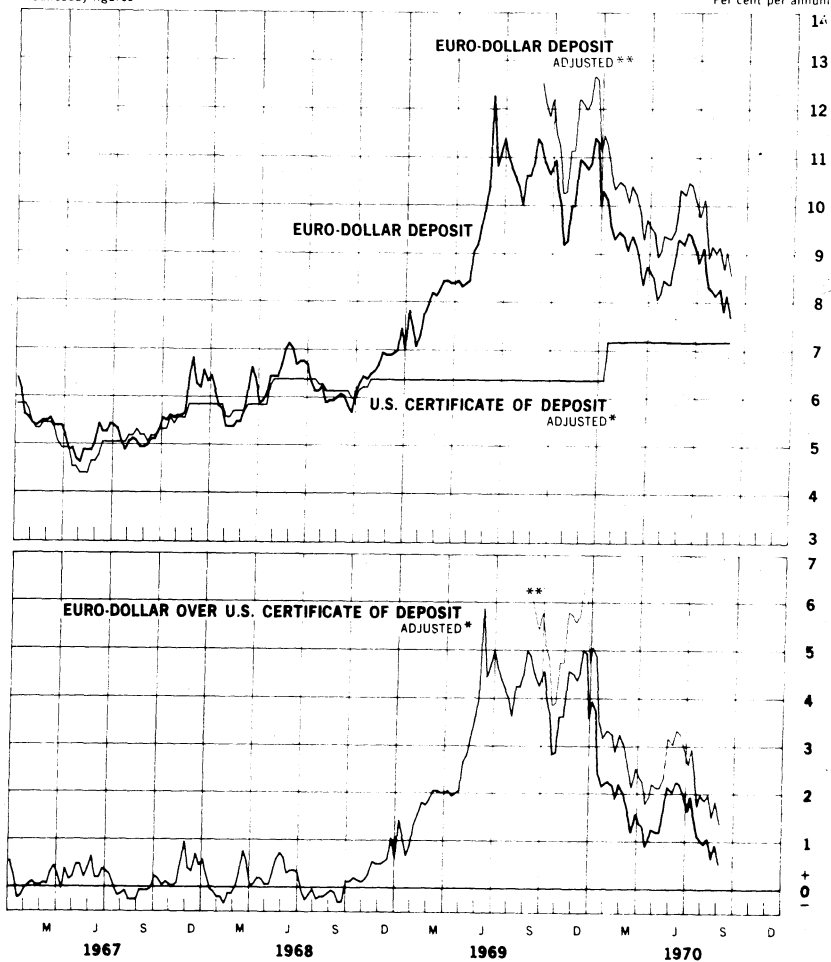


NEW YORK-LONDON: COSTS OF U.S. DOLLAR FUNDS

3-MONTH DOLLAR DEPOSIT RATES—PRIMARY MARKET

Wednesday figures

Per cent per annum



* Adjusted for Reserve Requirement

** Adjusted for 10% Marginal Reserve Requirement

CHART 8A

LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

HIRE PURCHASE AND EURO-DOLLAR RATES

Friday figures

Per cent per annum

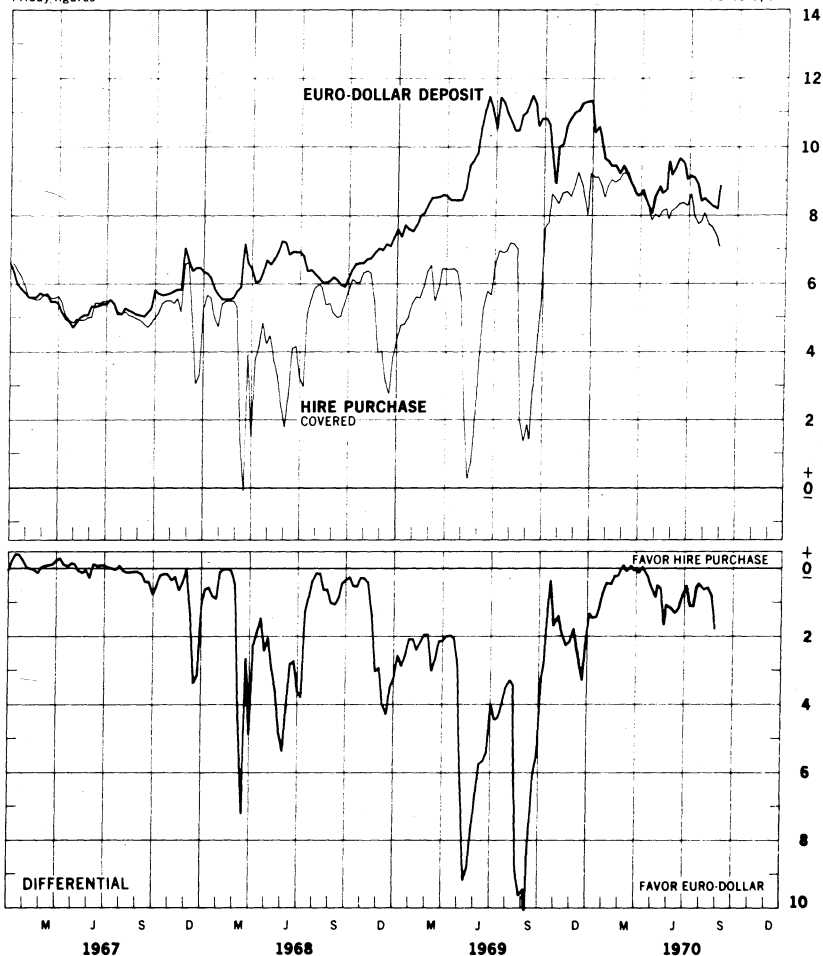


CHART 8B

LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

LOCAL AUTHORITY AND EURO-DOLLAR RATES

Friday figures

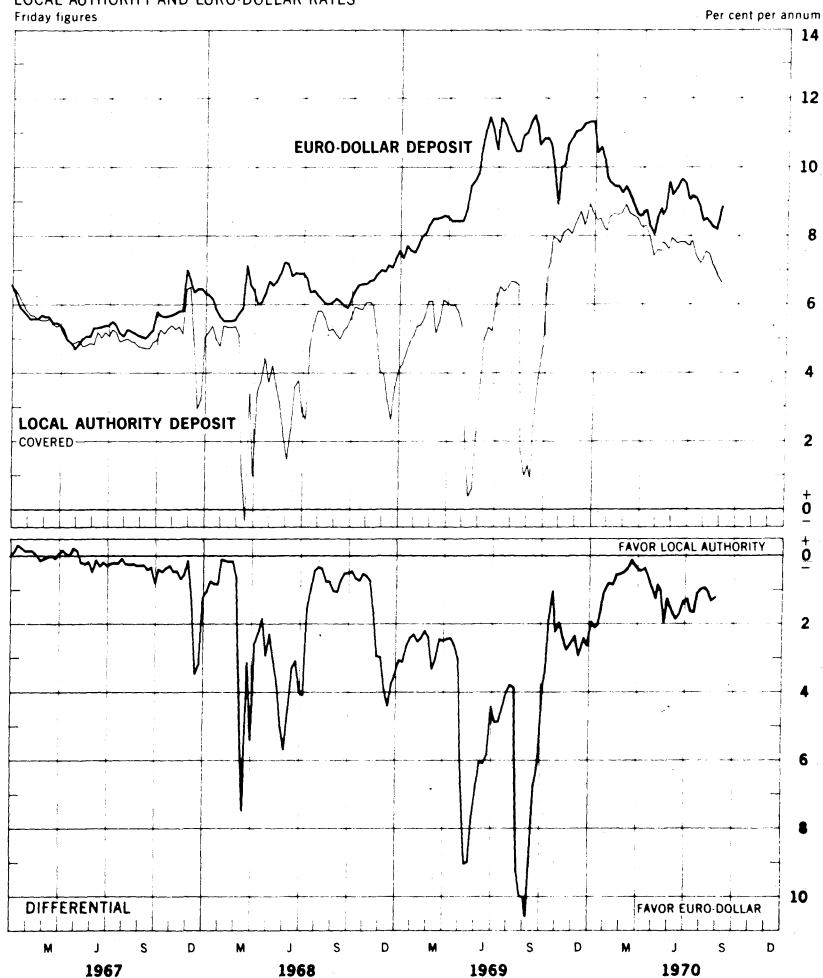
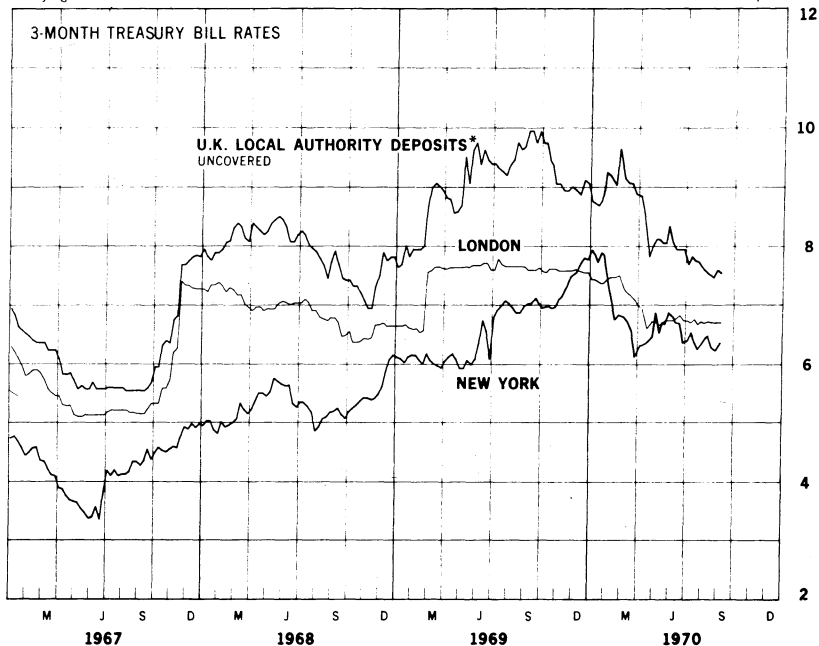


Chart 9A

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

Per cent per annum



* Plotted for comparison purposes

Chart 9B

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

Per cent per annum

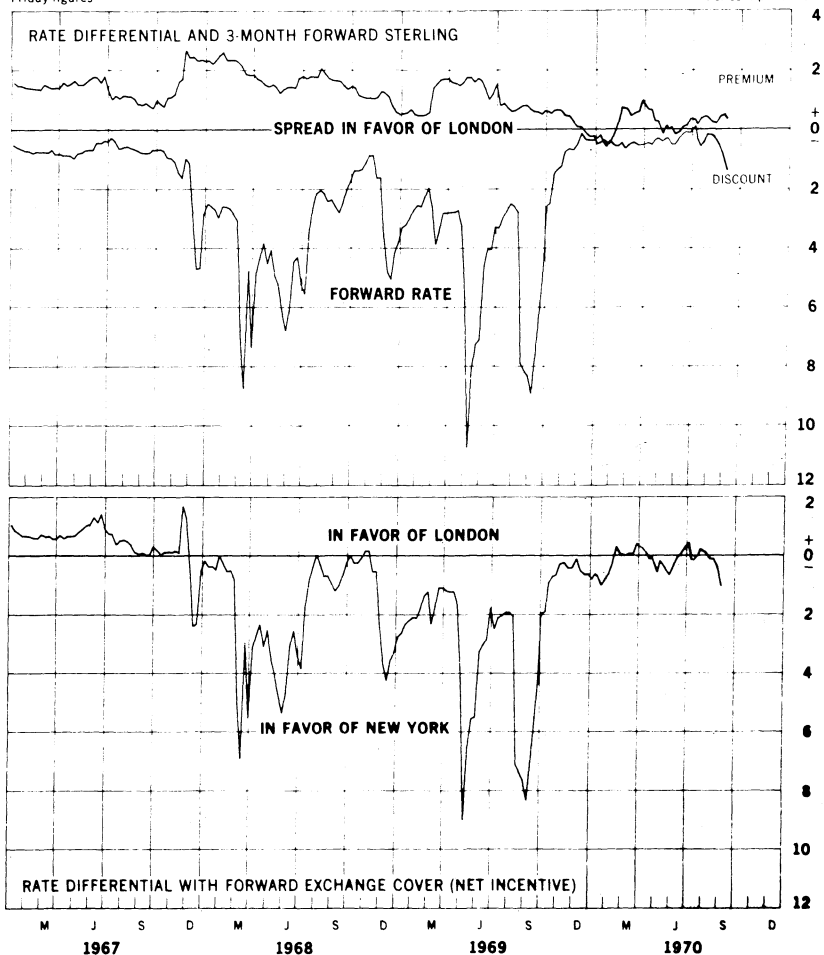
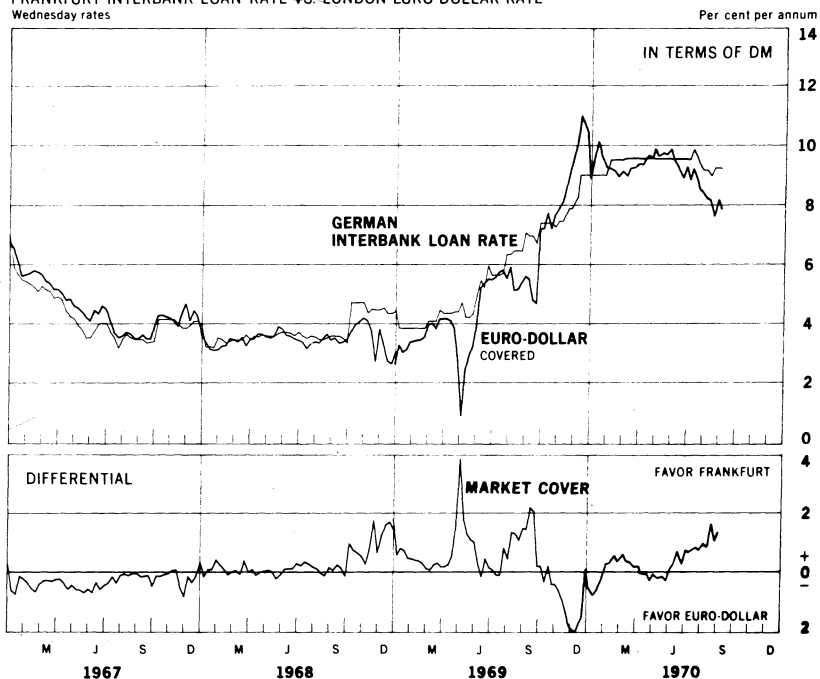


Chart 10A

3-MONTH INTEREST ARBITRAGE: U.S. - GERMANY

FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates



3-MONTH INTEREST ARBITRAGE: U.S. - SWITZERLAND

ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates

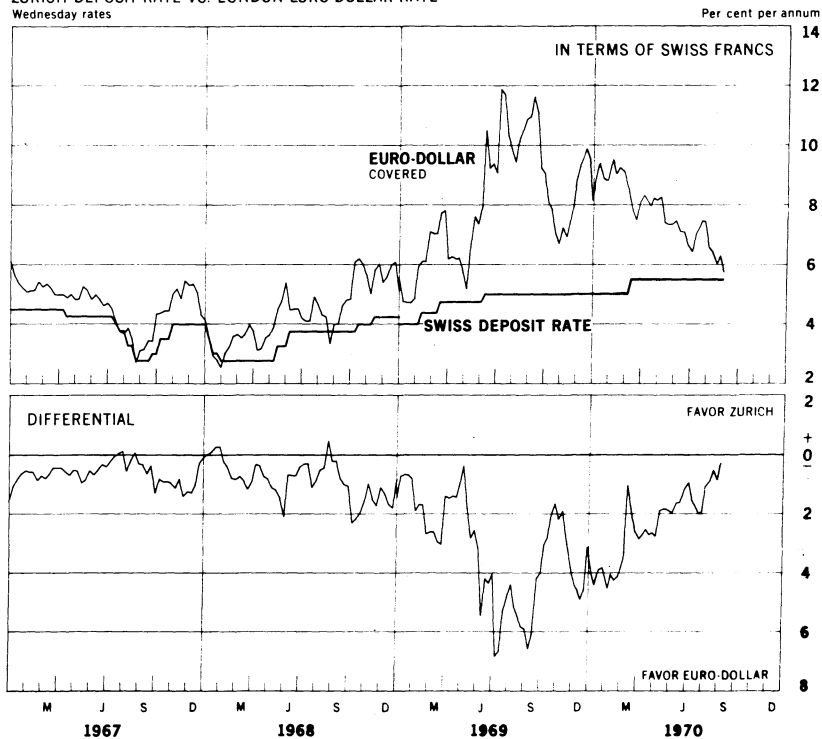


Chart 11

3-MONTH INTEREST ARBITRAGE: UNITED STATES - CANADA

Friday figures

Per cent per annum

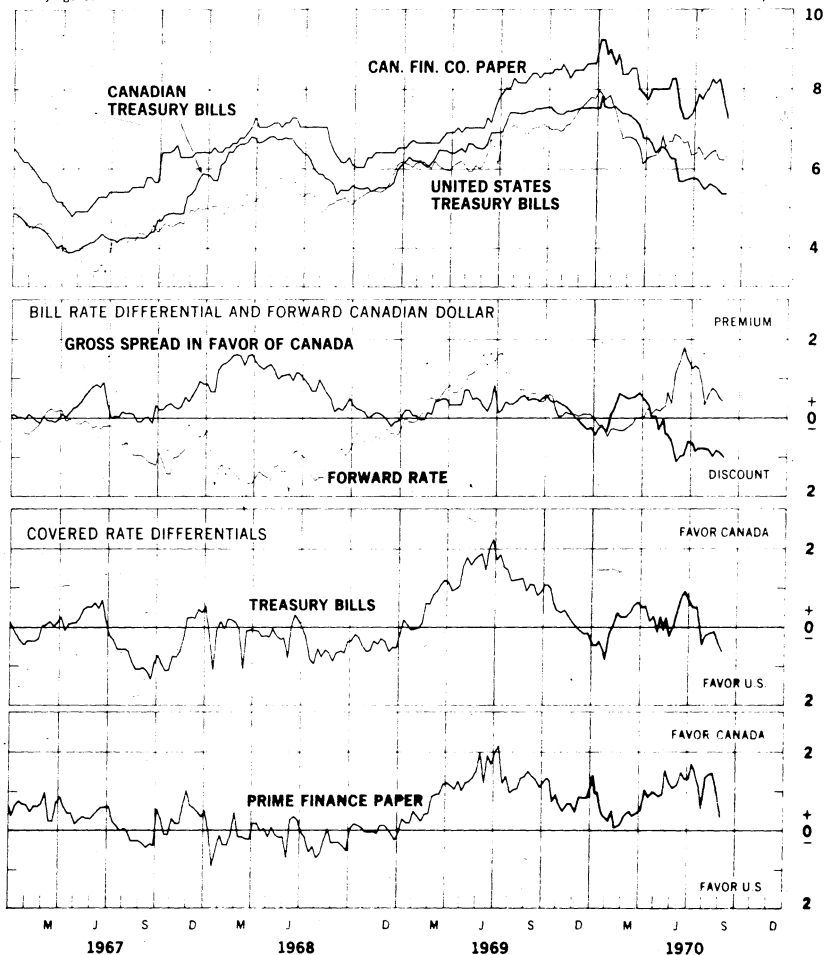
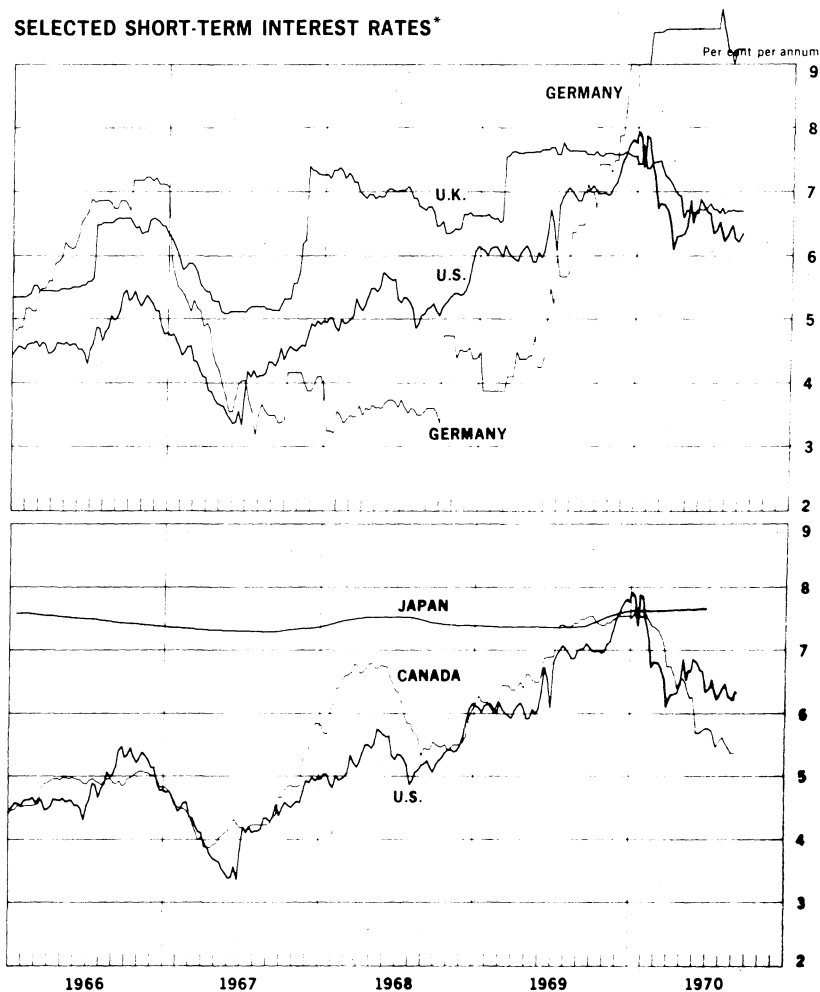


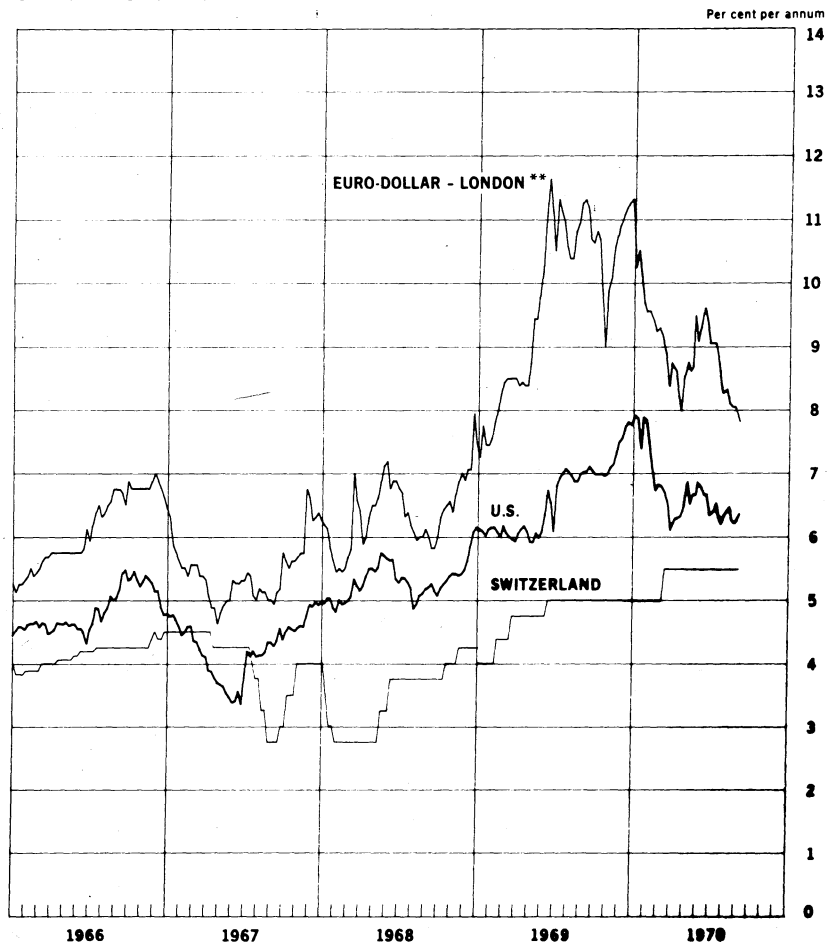
Chart 12A

SELECTED SHORT-TERM INTEREST RATES*



* 3-month treasury bill rates for all countries except Japan (Average rate on bank loans and discounts) and Germany (Interbank Loan Rate)

SELECTED SHORT-TERM INTEREST RATES *



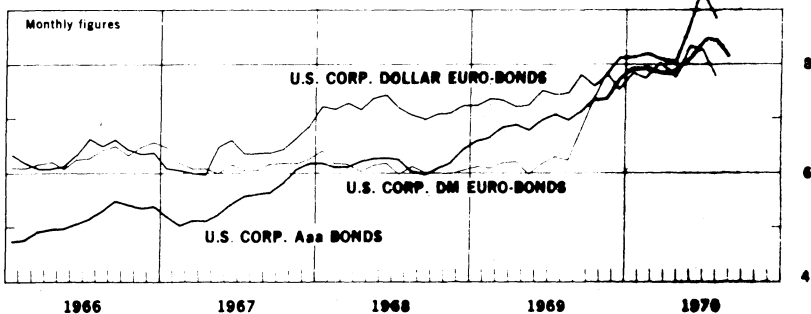
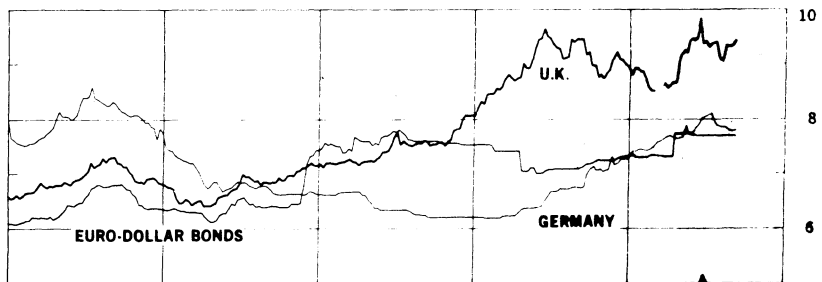
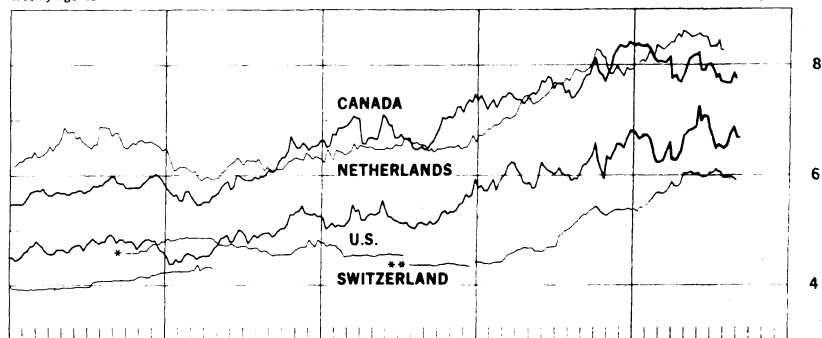
* 3-month treasury bill rate for U.S., Switzerland—3-month deposit rate.

** 3-month rate for U. S. dollar deposits in London.

LONG-TERM BOND YIELDS

Weekly figures

Per cent per annum

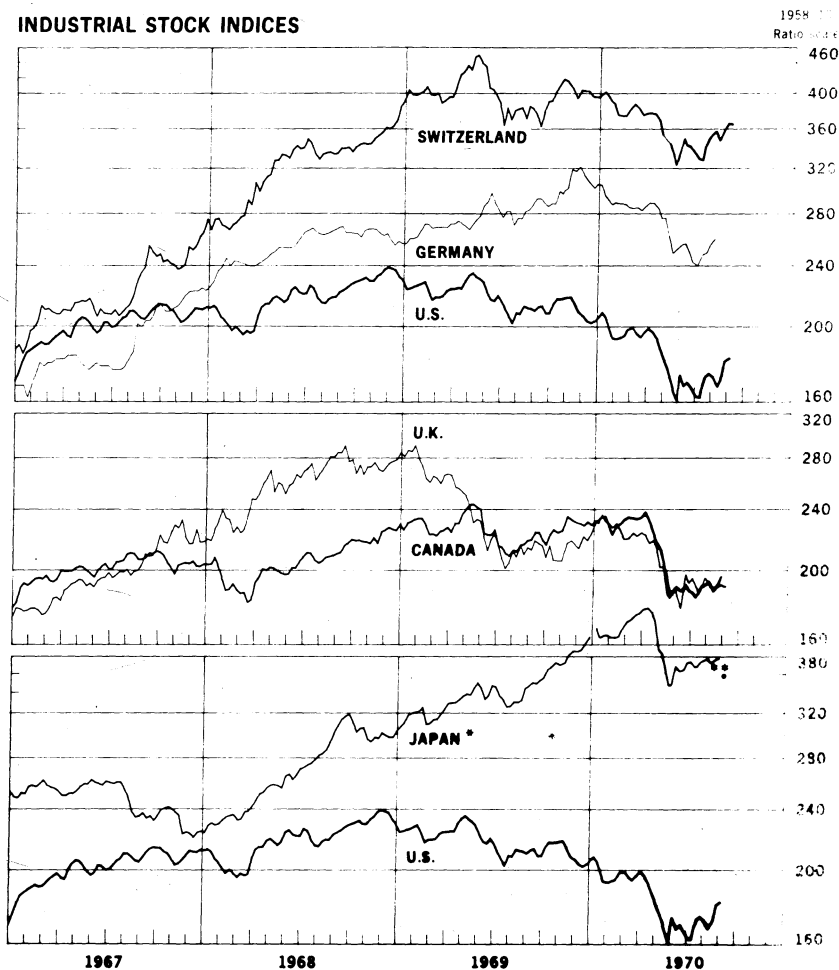


* New series for Switzerland starts 3-3-67.

** New series for Switzerland starts 8-2-68.

CHART 14

INDUSTRIAL STOCK INDICES



* Japan index of 225 industrial and other stocks traded on the Tokyo exchange

** Japan index of all industrial and other stocks traded on the first section of the Tokyo Stock Exchange.

IV. LATEST FIGURES PLOTTED ON THE CHARTS

Chart	Panel	Series	Date	Rate
1A	Upper	Swiss franc	Sept 4	+ 1.647
		German mark	"	+ 0.803
		U.K. pound	"	- 0.734
	Lower	Dutch guilder	"	+ 0.548
		French franc	"	+ 0.682
		Japanese yen	"	+ 0.557
1B		Belgian franc	"	+ 0.714
		Italian lira	"	+ 0.112
		Canadian dollar	--	--
2A		German mark	"	- 0.07
		Swiss franc	"	+ 1.94
		U.K. pound	"	- 1.19
2B		Dutch guilder	"	+ 0.94
		Canadian dollar	"	+ 0.50
		French franc	"	- 1.51
3A		German mark	"	+ 1.27
		U.S. dollar	"	+ 1.16
3B		Swiss franc	"	+ 2.94
		French franc	"	- 0.25
4		Gold price, U.S. dollar per ounce	"	\$36.14
5	Upper	Call Euro-\$ deposits	"	7.34
		Federal Funds	"	6.46
	Middle	Differential	"	+ 0.88
	Lower	Japanese Unconditional Money	"	8.50
		German Call Money	"	9.19
		U.K. 2-day Local Authority Deposits	"	6.69
		French Day-to-day Money	"	8.00

Chart	Panel	Series	Date	Rate
6A		Euro-\$ Call Rate	Sept 4	7.12
		Euro-\$ 1-month Rate	"	7.81
6B		Euro-\$ 3-month Rate	"	7.81
		Euro-\$ 6-month Rate	"	8.25
7A	Upper	Euro-\$ 3-month Deposits	Sept 2	7.69
		U.S. Certificate of Deposits	"	7.45
	Lower	Differential	"	+ 0.24
7B	Upper	Euro-\$ 3-month Deposits	"	7.69
		Euro-\$ 3-month Deposits (Adj.)	"	8.54
		U.S. Certificate of Deposits (Adj.)	"	7.18
	Lower	Differential: on Adj. Euro-\$ Deposits	"	+ 1.36
		on Unadj. Euro-\$ Deposits	"	+ 0.51
8A	Upper	Euro-\$ 3-month Deposits	Aug 28	8.88
		Hire Purchase Deposits (covered)	"	7.09
	Lower	Differential	"	- 1.79
8B	Upper	Euro-\$ 3-month Deposits	"	8.88
		Local Authority Deposits (covered)	"	6.68
	Lower	Differential	"	- 1.20
9A		U.S. Treasury Bill rate	Sept 4	6.37
		U.K. Treasury Bill rate	"	6.69
		Local Authority Deposit (uncovered)	"	7.53
9B	Upper	Spread (+/- favor London)	"	+ 0.32
		3-month Forward Pound	"	- 1.38
	Lower	Net Incentive (+/- favor London)	"	- 1.06

Chart	Panel	Series	Date	Rate
10A	Upper	Euro-\$ Deposits (covered)	Sept 2	7.87
		German Interbank Loan rate	"	9.25
	Lower	Differential	"	+ 1.38
10B	Upper	Euro-\$ Deposits (covered)	"	5.75
		Swiss Deposit rate	"	5.50
	Lower	Differential	"	- 0.25
11	Upper	Canadian Finance Paper	Sept 4	7.25
		U.S. Treasury Bill rate	"	6.37
		Canadian Treasury Bill rate	"	5.37
		U.S. Prime Finance paper (not plotted)	"	7.31
	Second	Bill rate differential	"	- 1.00
		Forward Canadian dollar	"	+ 0.39
	Third	Net incentive on bills	"	- 0.61
	Bottom	Net incentive on Finance Paper	"	+ 0.33
12A	Upper	U.K. Treasury Bill rate	"	6.69
		U.S. Treasury Bill rate	"	6.37
		German Interbank Loan rate	"	9.25
	Lower	Japanese Average rate	July	7.673
		Canadian Treasury Bill rate	Sept 4	5.37
		U.S. Treasury Bill rate	"	6.37
12B		Euro-\$ Deposits	"	7.81
		Swiss 3-month Deposit rate	"	5.50
		U.S. Treasury Bill rate	"	6.37

Chart	Panel	Series	Date	Rate
13	Upper	Netherlands	July 31	8.26
		Canada	Sept 2	7.72
		United States	Sept 4	6.67
		Switzerland	Aug 28	5.90
	Middle	Germany	Sept 4	7.80
		United Kingdom	"	9.45
		Euro-dollar bonds	"	7.70
	Lower	U.S. Corp. Dollar Euro-bonds	July	8.83
		U.S. Corp. DM Euro-bonds	"	7.79
		U.S. Corp. Aaa bonds	Aug	8.14
14	Upper	Switzerland	Sept 4	364.3
		Germany	Aug 7	258.60
		United States	Aug 28 Sept 4	181.13 182.00
	Middle	United Kingdom	Sept 4	190.02
		Canada	Aug 27	196.78
	Lower	Japan *	Sept 5	358.23
		United States	Aug 28 Sept 4	181.13 182.00

* Beginning week ended Sept. 5, 1970, the Japanese index plotted is that of all industrial and other stocks traded on the First Section of the Tokyo Stock Exchange.