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H.14

May 23, 1957

CAPITAL MARKET DEVELOPMENTS

Large public security offerings issued for new capital during the week ending May 17, totaled \$58 million for corporations and \$85 million for State and local governments. The calendar for this week includes corporate issues totaling \$161 million and State and local government issues amounting to \$46 million.

Bond yields - Bond yields increased slightly last week for all categories of outstanding bonds, except those for U. S. Government (new series) and Aaa-rated State and local government obligations, which remained stable.

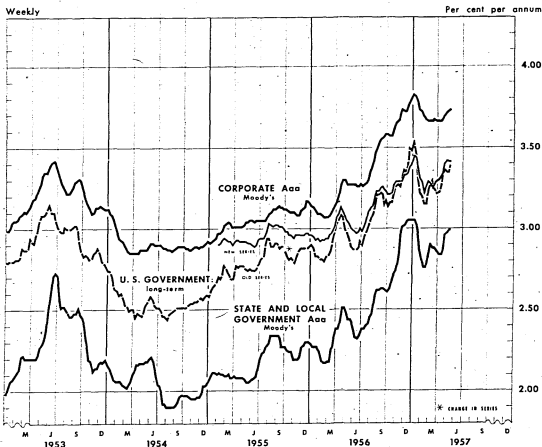
A new Aa-rated 30-year, first mortgage electric utility issue was offered to the public on Tuesday to yield 4.38 per cent -- 12 basis points below that for a comparable offering made last week. To improve the marketability of the issue, the issuer (Public Service Company of Colorado) included a 5-year, no-call provision that was not in the terms of the offering when the issue was registered with SEC. Another utility offering this week, the Interstate Power Company's A-rated issue was offered to investors at a yield of 5.00 per cent -- 30 basis points above that for a similar offering made late last week.

Stock prices - Stock prices, as measured by the SEC index of 265 common stocks, reached a new high for the year last week, closing at 285.6 on May 17. Daily figures through Wednesday of this week indicate little change on balance in prices.

More detailed information concerning recent capital market developments is presented in the attached exhibits.

Business Finance and Capital Markets Section,
Division of Research and Statistics,
Board of Governors of the Federal Reserve System.

HIGH-GRADE BOND YIELDS



Date	Corporate Aaa 1/	U. S. Govt., long-term 2/		State and local govt. Aaa 3/	Spread between U. S. Govt. (old series) and Corporate State and Aaa local Aaa	
		Old series	New series			
(Per cent)						
1953 - High	3.42 (6/19)	3.15 (6/6)	n.a.	2.73 (6/25)	.38	.84
Low	2.99 (1/9)	2.78 (12/26)	n.a.	1.98 (1/8)	.19	.30
1954 - High	3.09 (1/8)	2.74 (1/9)	n.a.	2.21 (6/10)	.43	.61
Low	2.85 (4/23)	2.44 (8/7)	n.a.	1.90 (9/2)	.32	.29
1955 - High	3.17 (12/23)	2.94 (8/5)	3.03 (8/5)	2.34 (9/8)	.34	.70
Low	2.91 (1/7)	2.62 (1/7)	2.89 (6/10)	2.05 (5/26)	.13	.54
1956 - High	3.79 (12/28)	3.49 (12/21)	3.39 (12/28)	3.05 (12/27)	.44	.68
Low	3.07 (3/2)	2.80 (2/17)	2.92 (2/3)	2.17 (2/23)	.13	.32
1957 - High	3.82 (1/4)	3.53 (1/4)	3.45 (1/4)	3.05 (1/10)	.54	.48
Low	3.66 (4/12)	3.15 (2/8)	3.22 (2/8)	2.76 (2/21)	.29	.26
April 19	3.67	3.33	3.34	2.87	.34	.46
April 26	3.69	3.36	3.40	2.96	.33	.40
May 3	3.71	3.35	3.42	2.97	.36	.38
May 10	3.72	3.35	3.41	2.99	.37	.36
May 17	3.73	3.39	3.41	2.99	.34	.40

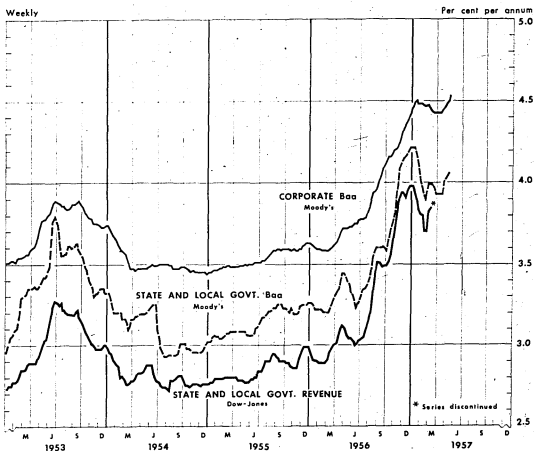
1/ Weekly average of daily figures. Average term of bonds included is 25-26 years.

2/ Weekly averages of daily figures. The old series includes fully taxable, marketable 2 1/2 per cent bonds due or first callable after 12 years through September 1955, and those due or callable in 10-12 years thereafter; the average term to first call of the bonds included declined from 14 years in early 1953 to 11 1/2 years in early 1956. The new series is comprised of the 3 per cent bond of 1955 and the 3 1/4 per cent bond of 1978-83.

3/ Thursday figures. Only general obligation bonds are included; average term is 20 years.

Note.—Highs and lows are for individual series and may be on different dates for different series.

LOWER-GRADE BOND YIELDS



Date	Corporate Baa <u>1/</u>	State and local govt. Baa <u>2/</u>	State and local govt. rev. <u>3/</u>
	(Per cent)		
1953 - High	3.89 (9/18)	3.79 (6/25)	3.27 (6/26)
Low	3.50 (1/2)	2.96 (1/8)	2.71 (1/2)
1954 - High	3.74 (1/8)	3.32 (1/7)	3.00 (1/1)
Low	3.44 (12/31)	2.93 (8/5)	2.72 (8/13)
1955 - High	3.63 (12/30)	3.26 (12/29)	2.99 (12/30)
Low	3.45 (1/14)	3.02 (1/6)	2.76 (1/7)
1956 - High	4.41 (12/28)	4.22 (12/27)	3.98 (12/28)
Low	3.58 (3/9)	3.20 (3/8)	2.89 (2/24)
1957 - High	4.53 (5/17)	4.22 (1/10)	3.98 (1/4)
Low	4.42 (4/12)	3.90 (2/21)	3.70 (2/22)
April 19	4.44	3.93	<u>4/</u>
April 26	4.45	4.00	
May 3	4.48	4.03	
May 10	4.50	4.05	
May 17	4.53	4.06	

1/ Weekly average of daily figures. Average term of bonds included is 26-26 years.

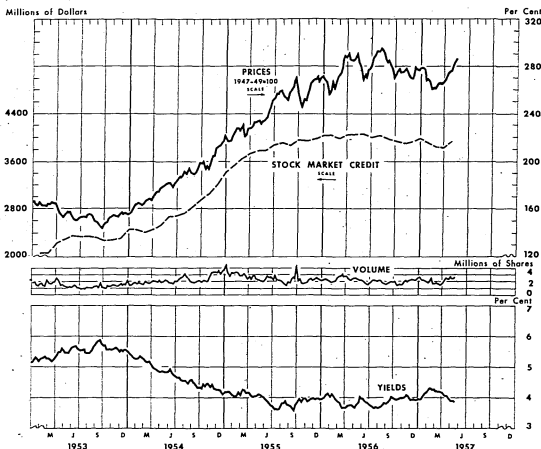
2/ Thursday figures. Only general obligation bonds are included; average term is 20 years.

3/ Friday figures. Average rating of bonds included is between Baa and A; average term is 20 years.

4/ Series discontinued, as of March 15.

Note.--Highs and lows are for individual series and may be on different dates for different series.

STOCK MARKET



Date	Stock price index 1/	Trading volume 2/ (millions of shares)	Common stock yields 3/ (per cent)	Stock market customer credit		
				Total	Customers' debit bal- ances 4/	Bank loans to "others" 5/
(Millions of dollars)						
1953 - High	167.1 (1/2)	2.5	5.88	2,445	1,665	780
Low	144.0 (9/18)	0.9	5.15	2,055	1,314	664
1954 - High	221.4 (12/31)	3.7	5.49	3,436	2,388	1,048
Low	156.5 (1/6)	1.4	4.09	2,405	1,653	746
1955 - High	270.7 (12/30)	4.6	4.23	4,030	2,805	1,241
Low	217.4 (1/14)	1.5	3.59	3,537	2,517	1,018
1956 - High	295.5 (8/3)	3.1	4.13	4,047	2,823	1,267
Low	257.4 (1/20)	1.5	3.65	3,914	2,740	1,155
1957 - High	285.6 (5/17)	2.7	4.28	3,938	2,792	1,163
Low	260.3 (2/8)	1.6	3.89	3,832	2,713	1,117
March	265.1	1.7	4.16	3,832	2,713	1,119
April	273.3	2.3	3.96	3,938	2,792	1,146
May 3	281.3	2.4	3.89	n.a.	n.a.	1,145
May 10	282.2	2.4	3.89	n.a.	n.a.	1,141
May 17	285.6	2.6	3.83	n.a.	n.a.	n.a.

n.a.--Not available.

1/ SEC Index of 265 common stocks, weekly closing prices, 1939=100; converted to 1947-49=100 by Federal Reserve. The conversion factor is 123.91.

2/ Averages of daily trading volume on the New York Stock Exchange.

3/ Moody's 125 Industrial stocks; weekly data based on Friday.

4/ End of month figures for member firms of the New York Stock Exchange which carry margin accounts; excludes balances secured by U. S. Government obligations.

5/ Wednesday figures for weekly reporting member banks. Excludes loans for purchasing or carrying U. S. Government securities at banks in New York and Chicago. Weekly reporting banks account for about 72 per cent of loans to others.

Note.--Highs and lows are for individual series and may be on different dates for different series.

**Corporate and State and local Government
Security Offerings and Placements**

(In millions of dollars)

	New capital					
	Corporate			State and local		
	1957	1956	1955	1957	1956	1955
January	1,063	579	535	685	404	535
February	1,071	704	407	566	696	312
March	1,344	790	1,223	9/500	390	538
April	9/950	816	478	9/750	378	427
May	9/750	1,144	886	9/550	490	350
June		830	687		735	642
July		1,066	597		376	470
August		669	644		199	219
September		836	670		333	406
October		747	1,162 ^{1/}		645	919
November		1,088 ^{2/}	632		311	658
December		1,094	900		426	408
1st quarter	3,479	2,073	2,165	9/1,751	1,490	1,385
2nd quarter		2,789	2,052		1,603	1,418
3rd quarter		2,571	1,911		908	1,124
4th quarter		2,929	2,695		1,382	1,984
1st half		4,862	4,216		3,093	2,803
Three quarters		7,432	6,127		4,001	3,927
Year		10,362	8,821		5,383	5,911
Excluding finance companies ^{3/}						
1st quarter	3,251	1,617	1,727			
2nd quarter		2,519	1,870			
3rd quarter		2,263	1,444			
4th quarter		2,834	2,554			
Year		9,233	7,595			

^{9/} Estimated.

^{1/} Includes \$637.2 million AT&T convertible debenture issue.

^{2/} Includes \$571.5 million AT&T common stock issue.

^{3/} Total new capital issues excluding offerings of sales and consumer finance companies.

Note.--Details may not add to totals due to rounding.

Large Public Security Issues for New Capital
(Other than U. S. Treasury) 1/

Proceeds of Large Issues Offered

(Millions of dollars)

Month	Corporate	State and local government	Other <u>2/</u>
1956 - April	395	157	50
May	623	233	--
June	185	463	20
July	592	164	--
August	217	35	37
September	558	184	--
October	386	383	35
November	701	135	--
December	430	201	--
1957 - January	567	386	100
February	671	306	50
March	788	194	--
April	477	499	125

Large Individual Issues Offered May 1 through 17

Issuer	Type <u>3/</u>	Amount (millions of dollars)	Maturity	Coupon rate or net inter- est cost	Offering yield	Rating
<u>CORPORATE</u>						
Pacific Great Eastern Ry.	S. F. deb.	20.0	1982	4 3/8	4.61	A
Cincinnati Gas & Elec. Co.	1st mtg. bds.	25.0	1987	4 1/8	4.17	Aaa
Central Maine Power Co.	1st & gen. mtg. bds.	18.0	1987	4 7/8	4.70	A
N. Y. State Elec. & Gas. Co.	1st mtg. bds.	25.0	1987	4 5/8	4.53	A
Florida Power & Light Co.	1st mtg. bds.	15.0	1987	4 5/8	4.50	Aa
<u>STATE AND LOCAL GOVERNMENT</u>						
State of Ohio	G.O.	60.0	1958-72	2.94	2.00-2.95	Aaa
New York St. Power Auth.	Rev.	6.8	1961-85	3.78	3.00-3.75	--
Melbourne, Florida	Wtr. & swr. rev.	6.8	1960-96	n.a.	3.50-5.00	--
Cincinnati, Ohio	G.O.	15.1	1958-2007	3.15	2.10-3.20	Aaa
Chicago, Illinois	G.O.	12.5	1958-76	3.36	2.50-3.55	A

Large Individual Issues Offered May 1 through 17 (Cont'd)

Issuer	Type ^{3/}	Amount (millions of dollars)	Maturity	Coupon rate or net inter- est cost	Offering yield	Rating
<u>STATE AND LOCAL GOVERNMENT</u> (Cont'd)						
Shelby Co., Tennessee	G.O.	6.8	1958-82	3.12	2.15-3.20	Aa
Territory of Hawaii	G.O.	14.0	1960-77	3.71	2.85-3.75	A
Tulsa Ind. Sch. Dist. No 1, Oklahoma	G.O.	5.0	1959-72	3.30	2.50-3.30	A
State of North Dakota	G.O.	9.0	1958-69	2.83	2.10-2.90	Aa
State of Massachusetts	G.O.	19.1	1958-2007	3.24	2.10-3.40	Aa
State of Washington	Fuel tax rev.	20.7	1957-76	3.96	2.25-3.85	A
State of Washington	Sales tax rev.	10.0	1958-77	3.71	2.60-3.60	Aa
<u>OTHER</u>						
British Columbia Pwr. Comm.	S. F. deb.	25.0	1987	4 3/8	4.50	A

n.a.--Not available.

1/ Includes corporate and other security offerings of \$15 million and over; State and local government security offerings of \$5 million and over.

2/ Includes foreign government and International Bank for Reconstruction and Development issues.

3/ In the case of State and local government securities, G.O. denotes general obligation; Rev., revenue bonds; G.R., general obligations additionally secured by facilities revenues; L.L., limited liability obligations secured by pledge of designated revenues.

Forthcoming Large Public Security Offerings for New Capital
(Other than U. S. Treasury) 1/

Expected Proceeds from Forthcoming Large Issues

Date of computation	During month following date shown			Subsequent to date shown		
	Corporate	State and local govt.	Other 2/	Corporate	State and local govt.	Other 2/
1956 - Apr. 30	568	173	--	818	832	--
May 31	198	332	--	448	941	--
June 29	437	81	--	567	690	--
July 31	247	--	37	1,096	726	37
Aug. 31	369	131	--	1,202	958	--
Sept. 28	315	359	--	1,009	1,197	--
Oct. 31	683	162	--	990	955	--
Nov. 30	436	48	23	481	979	23
Dec. 31	476	280	100	796	763	100
1957 - Jan. 31	591	153	35	966	648	35
Feb. 28	740	153	--	795	631	--
Mar. 29	461	290	25	486	862	25
Apr. 30	187	179	25	258	396	25

Forthcoming Large Offerings, as of May 17

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
CORPORATE			
Public Service Co. of Colorado	1st mtg. bds.	30.0	May 21
New York Telephone Co.	Ref. mtg. bds.	70.0	May 22
Acme Steel Co.	S.F. deb.	22.0	May 23 ¹
Niagara Mohawk Power Corp.	Pfd. stk.	20.0	May 23
Interstate Power Co.	1st mtg. bds.	18.5	May 23
National Fuel Gas Co.	Deb.	15.0	May 29
Tennessee Gas Transmission Co.	1st mtg. P.L. bds.	50.0	May 29
Boston Edison Co.	1st mtg. bds.	25.0	June 5
*Southern Calif. Edison Co.	Cum. pfd. stk.	30.0	June 5
General Telephone Co. of Calif.	1st mtg. bds.	20.0	June 6
Columbia Gas System, Inc.	Deb.	20.0	June 7
Georgia Power Co.	1st mtg. bds.	15.5	June 7
General Telephone Corp.	Conv. deb.	44.5	June 10 (rights expire)
Metropolitan Edison Co.	1st mtg. bds.	19.0	June 10
International Business Machines Corp.	Common stk.	231.0	June 10 (rights expire)
Consolidated Natural Gas Co.	S.F. deb.	25.0	June 12 ¹
Michigan Wisconsin Pipe Line Co.	1st mtg. bds.	30.0	June 13
*Puget Sound Power & Light Co.	1st mtg. bds.	20.0	June 25

Forthcoming Large Offerings, as of May 17 (Cont'd)

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>STATE AND LOCAL GOVERNMENT</u>			
Boston, Massachusetts	G.O.	5.3	May 21
State of Tennessee	G.O.	10.0	May 22
King Co., Sch. Dist. No. 1, Wash.	G.O.	15.0	May 22
Yonkers, New York	G.O.	6.1	May 22
Washington Sub. Sanitary Dist., Md.	G.O.	9.4	May 23
State of Maryland	G.O.	9.8	May 28
State of Texas	G.O.	12.5	May 28
State of Mississippi	G.O.	10.0	May 29
Tacoma, Washington	Lt. & pwr. rev.	5.0	June 4
Columbus, Ohio	G.O.	5.2	June 4
Los Angeles, California	Elec. rev.	15.0	June 5
State of Louisiana	G.O.	16.0	June 6
*San Antonio, Texas	Water rev.	13.9	June 6
State of Ohio	Highway rev.	32.0	June 12
*Pittsburgh, Pennsylvania	G.O.	5.2	June 12
*San Diego, California	G.O.	5.0	June 13
Jacksonville, Florida	Utilities rev.	30.0	1957
Louisville & Jefferson Cos. Sewer Dist., Kentucky	Rev.	8.0	1957
University System Bldg. Auth., Ga.	Rev.	12.0	1957
Pennsylvania Turnpike Commission	Rev.	62.0	1957
Inter-American Center Auth., Florida	Rev.	20.0	1957
New York State Thruway Authority	G.O.	50.0	1957
Oklahoma Turnpike Authority	Rev.	65.0	1957
<u>OTHER</u>			
None			

*--Included in table for first time.

1/ Includes corporate and other issues of \$15 million and over; State and local government issues of \$5 million and over.

2/ Includes foreign government and International Bank for Reconstruction and Development issues.

Note.--Deletions for reasons other than sale of issue: None.

Yields on New and Outstanding
Electric Power Bonds, Rated Aa and A 1/

Date	Aa-rated offering yields		A-rated offering yields	
	Actual (per cent)	Amount above seasoned yields (basis points)	Actual (per cent)	Amount above seasoned yields (basis points)
1952 - 1956				
High	4.30(12/12/56)	62	4.58(12/6/56)	70
Low	2.93(3/31/54)	- 3	3.00(3/17/54)	-15
1956 - January	None	--	None	--
February	*3.15	3	3.23	- 6
March	3.28	11	3.45	15
April	*3.77	40	3.61	26
May	*3.53	19	3.76	28
June	*3.52	18	*3.75	27
July	3.66	29	*3.82	28
August	*4.07	52	*4.00	43
September	4.13	53	None	--
October 10			4.40	63
31	4.20	48		
November 21	4.30	52		
December 6			4.58	70
12	4.30	47		
1957 - January 8	4.50	62		
16			4.67	70
18	4.43	56		
22			4.56	57
24	4.40	53		
February 5	4.29	45		
19	4.25	46		
27	4.22	43		
March 6			4.41	35
12			4.58	52
20			4.55	49
29			4.45	43
April 3	4.29	50		
10			4.60	59
12			4.50	49
May 10			4.53	52
15			4.53	52
16	4.50	65	4.70	69

*--Single observation, not an average.

1/ Covers only 30-year first mortgage bonds, as reported in Moody's Bond Survey. Except where indicated, the actual yield figure and the amount above seasoned yields are averages of offerings during the indicated period and of the differences between these new offering yields and yields on seasoned issues of similar quality for the same day. Average maturity for the seasoned issues varies from 26 to 28 years.