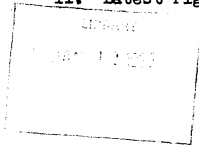


H. 13
No. 177

January 6, 1965

CAPITAL MARKET DEVELOPMENTS ABROAD

- I. Nine Charts on Financial Markets Abroad
- II. Latest Figures Plotted in H.13 Chart Series, 1964



I. Nine Charts on Financial Markets Abroad

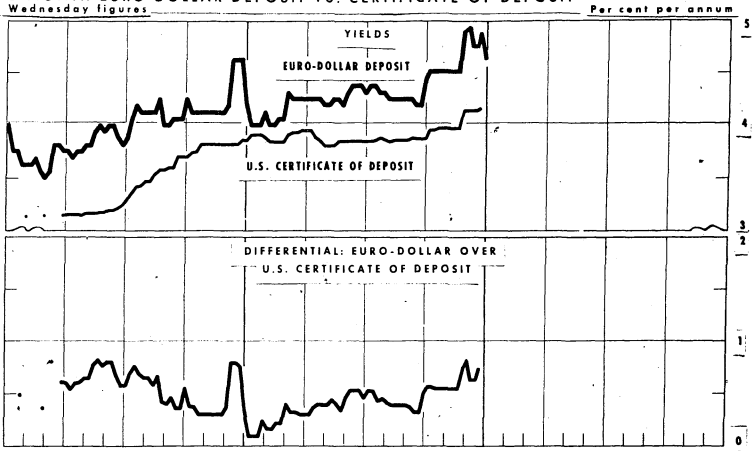
- Chart 1 - International Money Market Yields for
U.S. Dollar Investors
- Chart 2 - Interest Arbitrage, United States/Canada
- Chart 3 - Interest Arbitrage, New York/London
- Chart 4 - Interest Arbitrage for German Commercial
Banks
- Chart 5 - Short-term Interest Rates
- Chart 6 - Long-term Bond Yields
- Chart 7 - Industrial Stock Indices
- Chart 8 - Spot Exchange Rates - Major Currencies
Against U.S. Dollar
- Chart 9 - 3-month Forward Exchange Rates

OFFICIAL USE ONLY
(Decontrolled after six months)

Chart 1

INTERNATIONAL MONEY MARKET YIELDS FOR U.S. DOLLAR INVESTORS

3-MONTH EURO-DOLLAR DEPOSIT VS. CERTIFICATE OF DEPOSIT
Wednesday figures



NEW YORK OFFER RATES ON SELECTED 3-MONTH INVESTMENTS
Friday figures

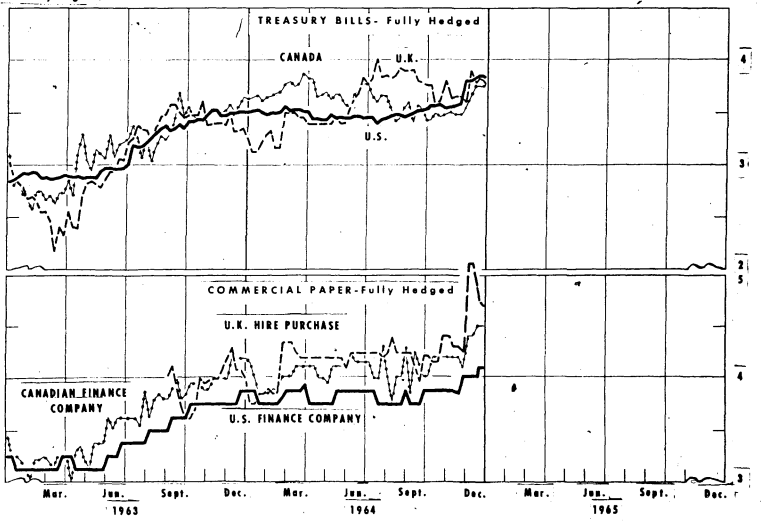
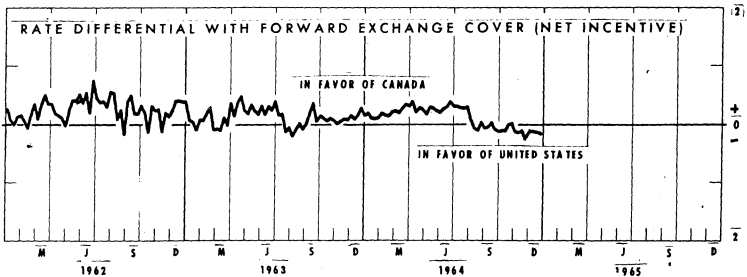
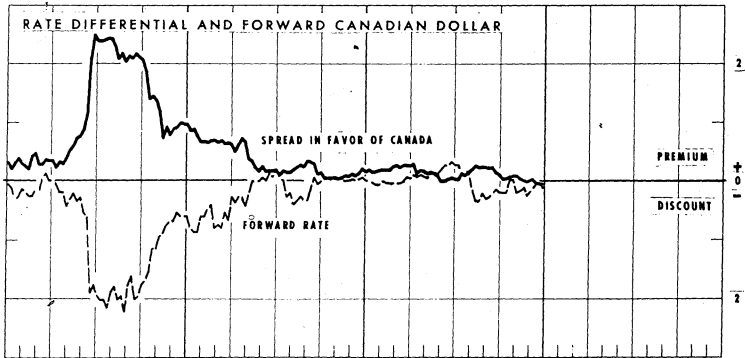
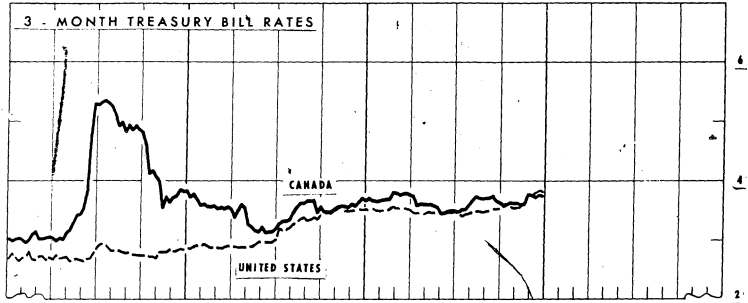


Chart 2

INTEREST ARBITRAGE, UNITED STATES/CANADA

Friday figures*

Per cent per annum



* Thursday figures 1962, Friday thereafter.

Chart 3

INTEREST ARBITRAGE, NEW YORK/LONDON

Friday figures

Per cent per annum

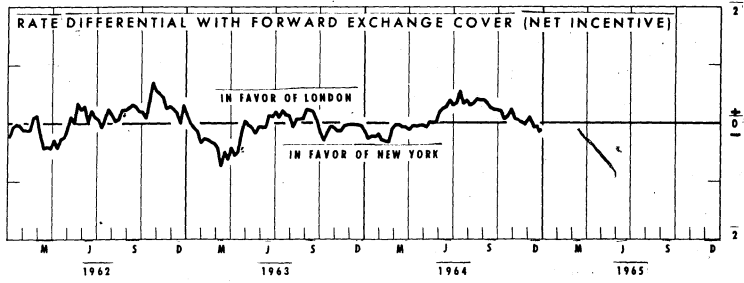
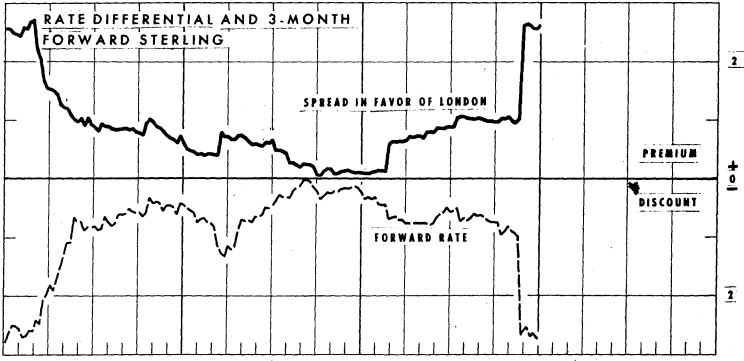
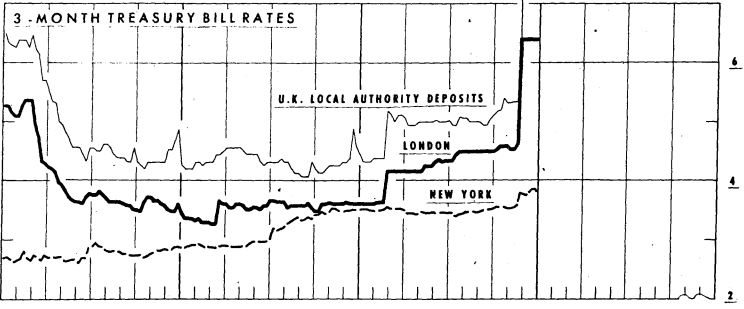


Chart 4

INTEREST ARBITRAGE FOR GERMAN COMMERCIAL BANKS

Friday figures

Per cent per annum

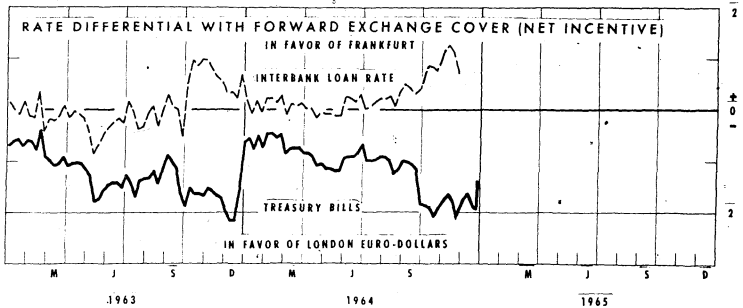
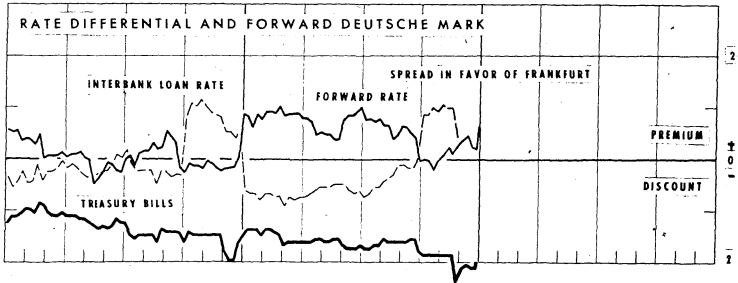
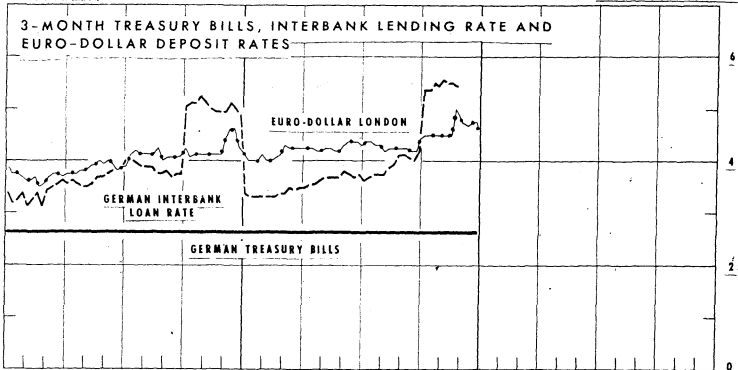
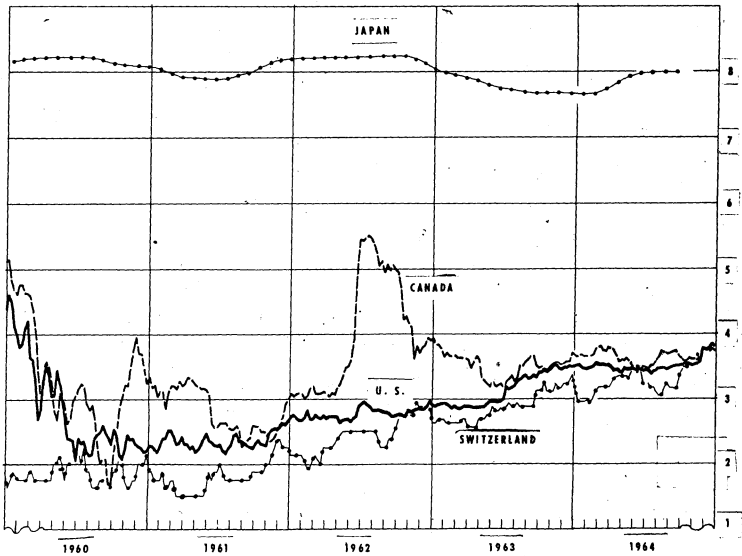
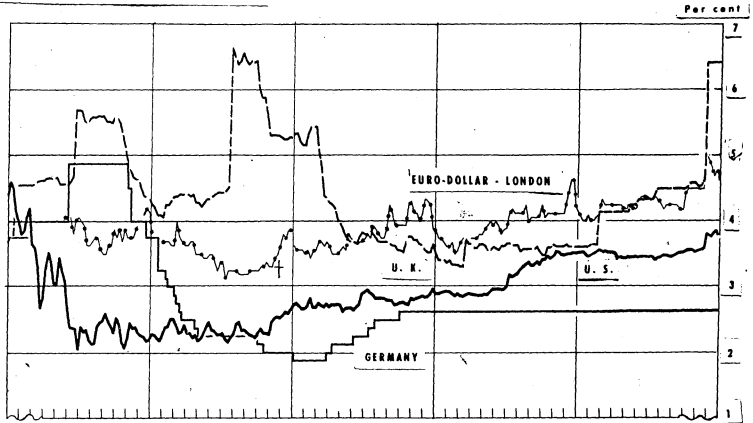


Chart 5
SHORT-TERM INTEREST RATES *



* 3-month treasury bill rates for all countries except Japan (Average rate on bank loans and discounts) and Switzerland (3-month deposit rate)
 † 3-month rate for U. S. dollar deposits in London

Chart 6
LONG-TERM BOND YIELDS

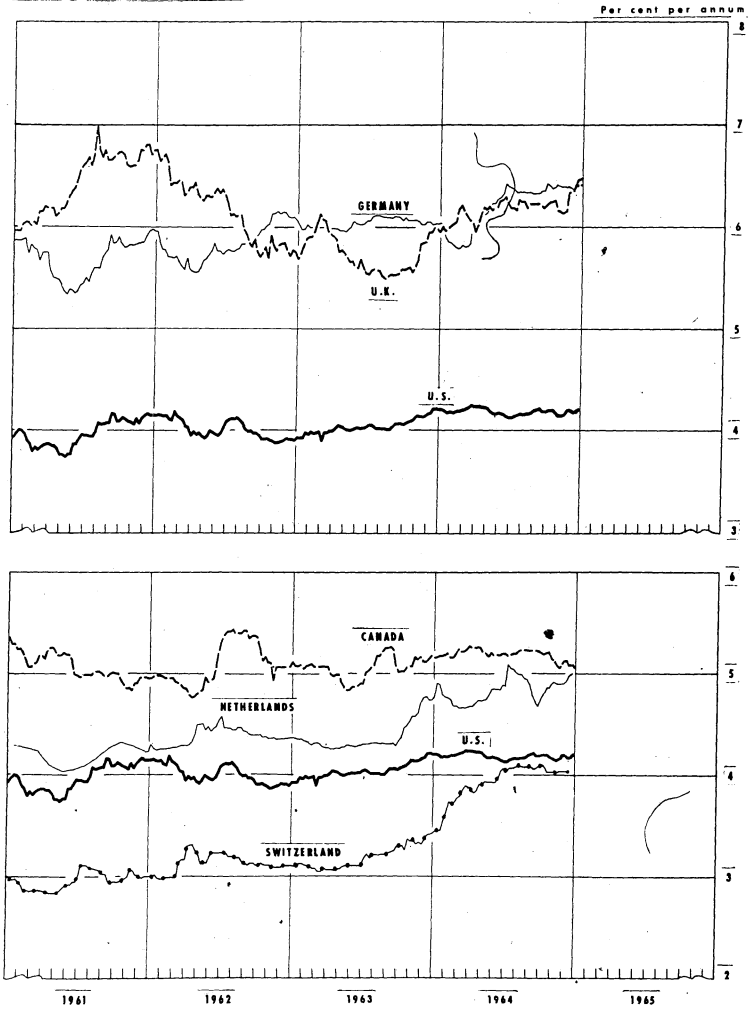
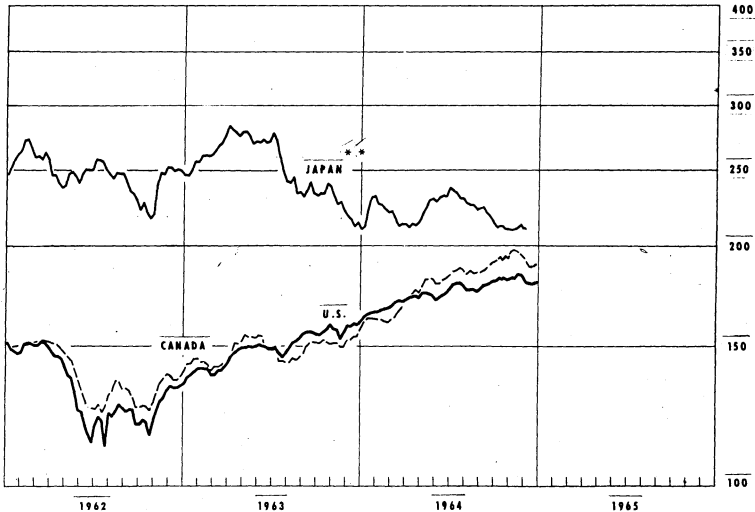
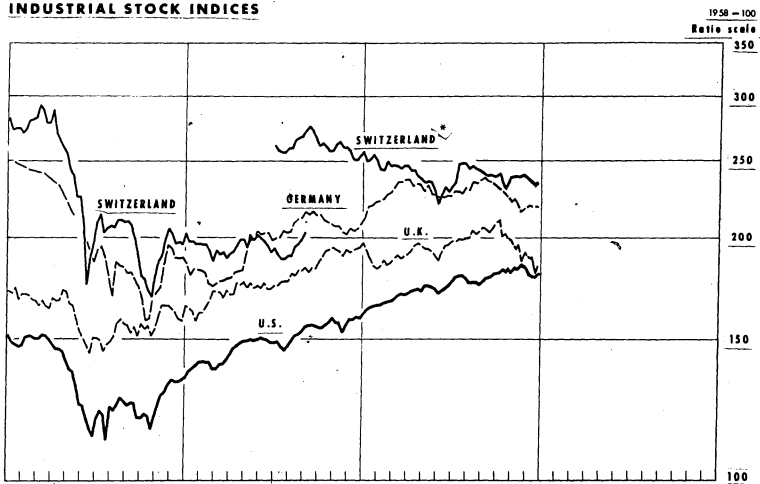


Chart 7

INDUSTRIAL STOCK INDICES



* New series. Swiss Bank Corporation industrial stock.

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

Chart B

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

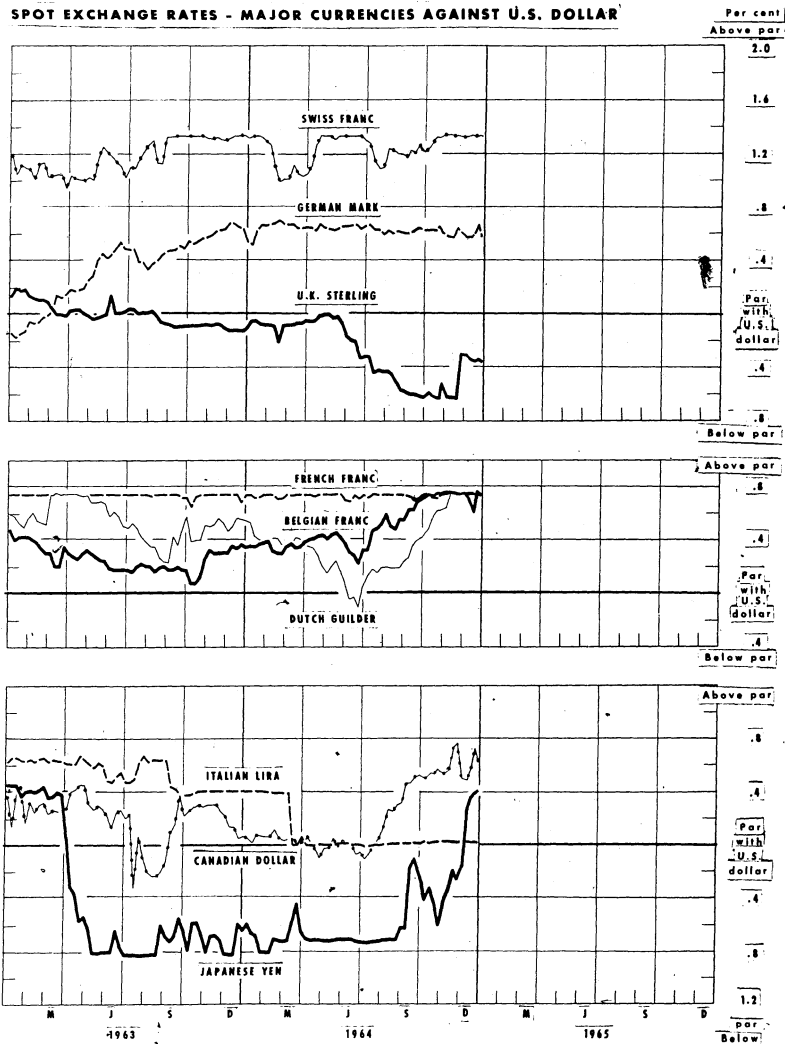


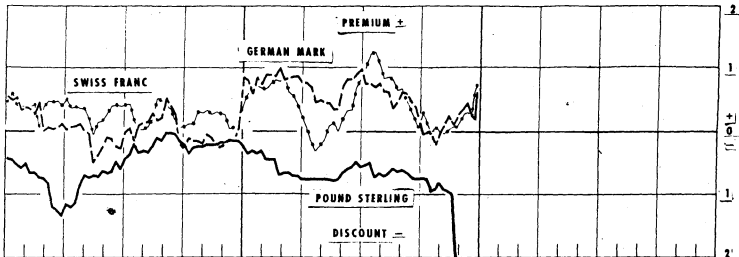
Chart 9

3-MONTH FORWARD EXCHANGE RATES

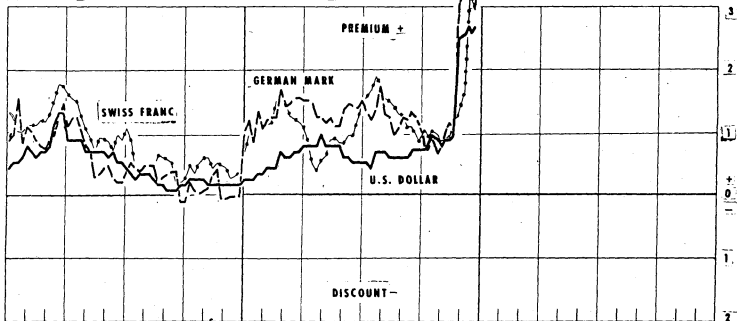
Friday figures

AGAINST U.S. DOLLARS

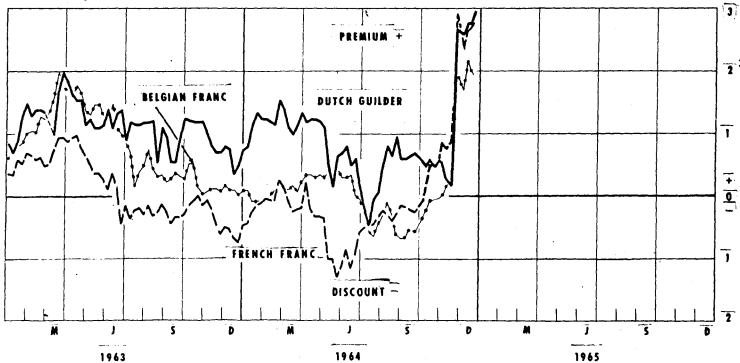
Per cent per annum



AGAINST POUND STERLING - LONDON



AGAINST POUND STERLING - LONDON



II. Latest Figures Plotted In H.13 Chart Series, 1964

<u>Chart 1</u>	<u>Per cent per annum</u>	<u>Chart 5</u>	<u>Per cent per annum</u>
<u>Upper panel</u>		(Thurs., Dec. 24, except as noted)	
(Wednesday, Dec. 23)		Treasury bills:	
Euro-\$ deposit	4.88	U.S.	3.84
U.S. certif. of deposit	4.11	U.K.	6.41
<u>Lower panels</u>		Germany	2.63
Thurs., Dec. 24		Canada	3.76
Treasury bills: U.S.	3.84	Swiss 3-month deposits (Date: Nov. 15)	3.68
U.K.	3.79	Euro-\$ deposit (London)	4.75
Canada	3.74	Japan: composite rate (Date: Sept. 25)	7.986
Finance Co. paper: U.S.	4.12	<u>Chart 6</u>	
Canada	4.50	Bonds:	
Hire-purchase paper, U.K.	4.75	U.S. govt. (Wed., Dec. 23)	4.20
<u>Chart 2</u>		U.K. war loan (Thurs., Dec. 24)	6.46
(Thurs., Dec. 24)		German Fed. Railway (Thurs., Dec. 24)	*
Treasury bills: Canada	3.76	Swiss Confederation (Fri., Dec. 11)	4.04
U.S.	3.84	Canadian govt. (Wed., Dec. 23)	5.08
Spread favor Canada	-0.08	Netherlands Government Perpetual (Fri., Dec. 18)	4.99
Forward Canadian dollar	-0.07	* Not available	
Net incentive (Canada +)	-0.15		
<u>Chart 3</u>			
(Thurs., Dec. 24)			
Treasury bills: U.K.	6.41		
U.S.	3.84		
Spread favor U.K.	+2.57		
Forward pound	-2.69		
Net incentive (U.K. +)	-0.12		

For description and sources of data see special annex to H. 13 Number 164, September 23, 1964.

II. Latest Figures Plotted In H.13 Chart Series, 1964

<u>Chart 1</u>	<u>Per cent per annum</u>
<u>Upper panel</u>	
(Wednesday, Dec. 30)	
Euro-\$ deposit	<u>4.62</u>
U.S. certif. of deposit	<u>4.16</u>

<u>Lower panels</u>	
(Thursday, Dec. 31)	
Treasury bills: U.S.	<u>3.82</u>
U.K.	<u>3.76</u>
Canada	<u>3.75</u>
Finance Co. paper: U.S.	<u>4.12</u>
Canada	<u>4.50</u>
Hire-purchase paper, U.K.	<u>4.70</u>

<u>Chart 2</u>	
(Thursday, Dec. 31)	
Treasury bills: Canada	<u>3.74</u>
U.S.	<u>3.80</u>
Spread favor Canada	<u>-0.06</u>
Forward Canadian dollar	<u>-0.74</u>
Net incentive (Canada +)	<u>-0.20</u>

<u>Chart 3</u>	
(Thursday, Dec. 31)	
Treasury bills: U.K.	<u>6.41</u>
U.S.	<u>3.80</u>
Spread favor U.K.	<u>+2.61</u>
Forward pound	<u>-2.72</u>
Net incentive (U.K. +)	<u>-0.11</u>

<u>Chart 5</u>	<u>Per cent per annum</u>
(Thursday, Dec. 31, except as noted)	
<u>Treasury bills:</u>	
U.S.	<u>3.80</u>
U.K.	<u>6.41</u>
Germany	<u>2.63</u>
Canada	<u>3.74</u>
Swiss 3-month deposits (Date: Nov. 15)	<u>3.68</u>
Euro-\$ deposit (London)	<u>4.62</u>
Japan: composite rate (Date: Sept. 25)	<u>7.986</u>

<u>Chart 6</u>	
<u>Bonds:</u>	
U.S. govt. (Wed., Dec. 30)	<u>4.21</u>
U.K. war loan (Thursday, Dec. 31)	<u>6.47</u>
German Fed. Railway (Wed., Dec. 30)	<u>6.10</u>
Swiss Confederation (Fri., Dec. 11)	<u>4.04</u>
Canadian govt. (Wed., Dec. 30)	<u>5.06</u>
Netherlands Government Perpetual (Thursday, Dec. 24)	<u>5.00</u>

For description and sources of data see special annex to H. 13 Number 164, September 23, 1964.