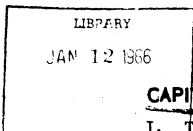


H. 13
No. 229

January 5, 1966

CAPITAL MARKET DEVELOPMENTS ABROAD

- I. Ten Charts on Financial Markets Abroad
- II. Latest Figures Plotted in H. 13 Chart Series, 1966

Several changes are introduced in the charts in the H. 13 Capital Market series with this issue in order to make available certain new technical data. The main changes are:

- Chart 1 - the U.S.-U.K.-Canadian finance company paper rate series are plotted on a larger scale.
- Chart 2 - the full range of Euro-dollar deposit rates (London) are plotted on a larger scale; for the first time, the covered arbitrage calculations between Euro-dollar and U.K. local authority deposits and between Euro-dollar deposits and U.K. hire-purchase paper are presented.
- Chart 3 - in Part I, the covered arbitrage calculations between the Frankfurt interbank loan rate and the London Euro-dollar rate and between the Zurich deposit rate and the London Euro-dollar rate are plotted for the first time; in Part II, the price of gold in London is introduced.

The appended data sheet is new and expanded and presents the figures plotted in Charts 1-7.

An Annex containing a complete description of every series of data plotted in the charts together with their sources will be published soon, supplanting the Annex to H. 13, Number 164, of September 23, 1964.

I. Ten Charts on Financial Markets Abroad

- Chart 1 - New York, London, Montreal: International Money Market Yields for U.S. Dollar Investors on 3-month Funds
- Chart 2 - London: Yields for U.S. Dollar Investors on 3-month Funds
- Chart 3 - London, Frankfurt, Zurich: Yields on 3-month Bank Funds; Price of Gold in London
- Chart 4 - Interest Arbitrage, New York/Canada
- Chart 5 - Interest Arbitrage, New York/London
- Chart 6 - Short-term Interest Rates
- Chart 7 - Long-term Bond Yields
- Chart 8 - Industrial Stock Indices
- Chart 9 - Spot Exchange Rates - Major Currencies Against U.S. Dollar
- Chart 10 - 3-month Forward Exchange Rates

OFFICIAL USE ONLY

(Decontrolled after six months)

Chart 1

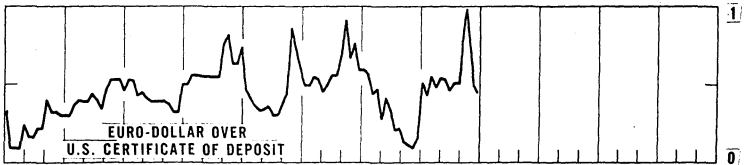
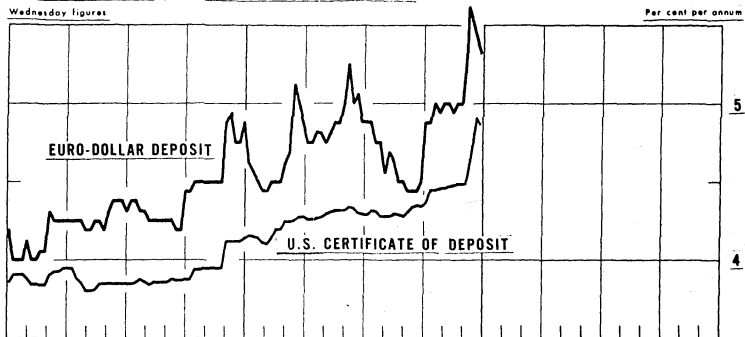
NEW YORK, LONDON, MONTREAL:

YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS

DOLLAR DEPOSIT RATES: NEW YORK-LONDON

Wednesday figures

Per cent per annum



FINANCE CO. PAPER RATES (covered): QUOTED IN NEW YORK

Friday figures

Per cent per annum

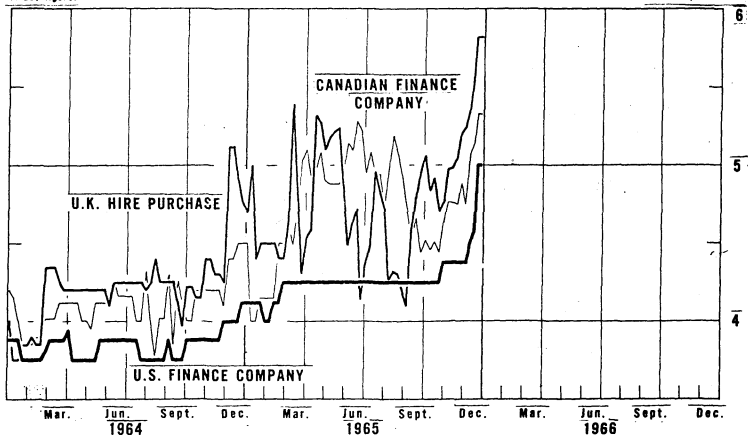
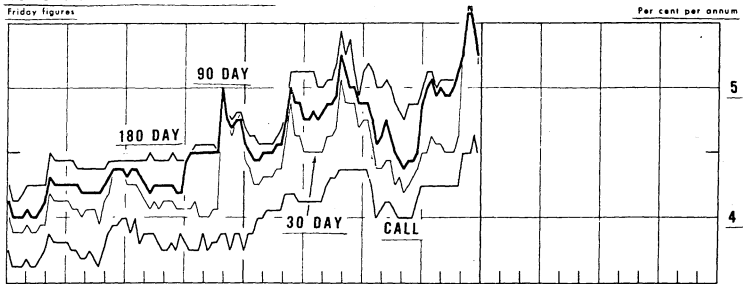


Chart 2

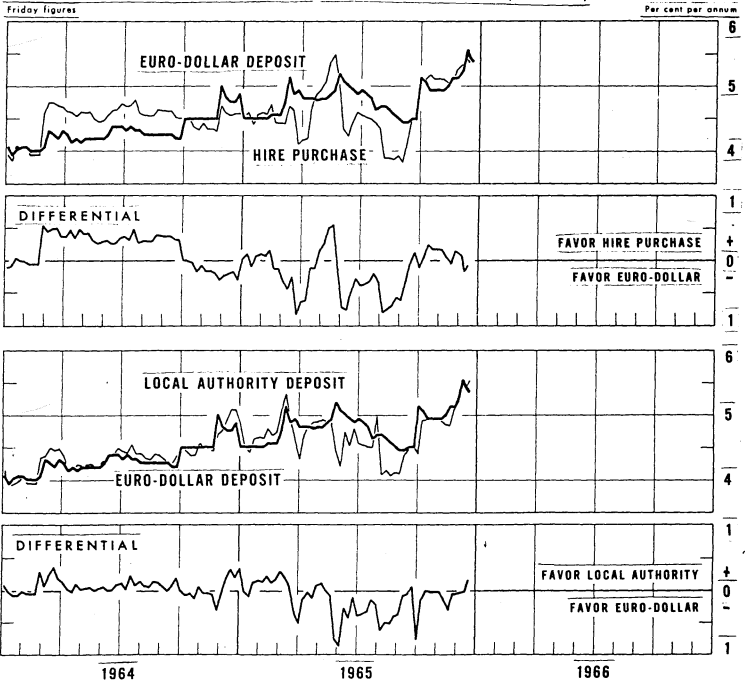
LONDON: YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS EURO-DOLLAR DEPOSIT RATES

Friday figures



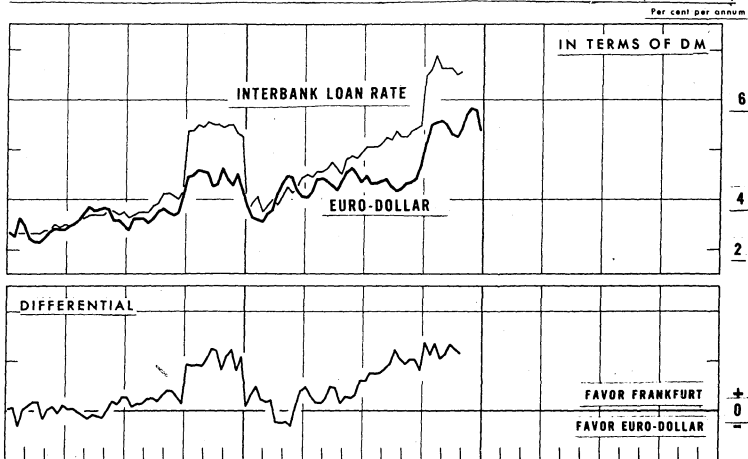
HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

Friday figures



I LONDON, FRANKFURT, ZURICH: YIELDS ON 3-MONTH BANK FUNDS

FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE (COVERED)



ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE (COVERED)

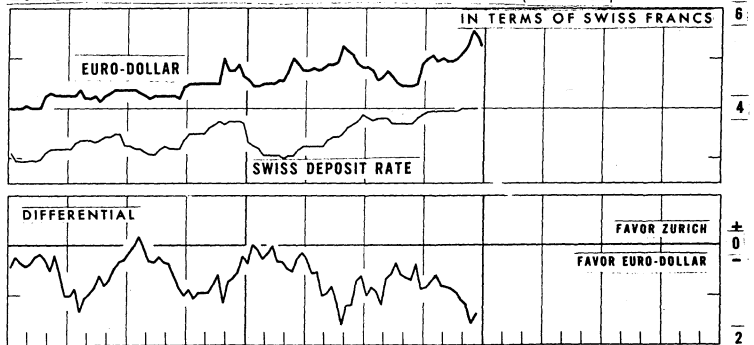
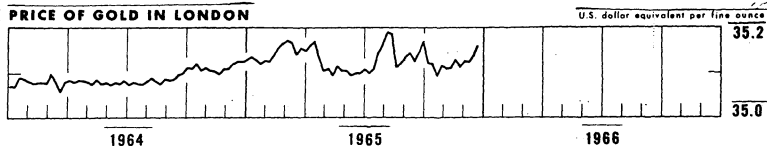
**II PRICE OF GOLD IN LONDON**

Chart 4

INTEREST ARBITRAGE, UNITED STATES/CANADA

Friday figures

Per cent per annum

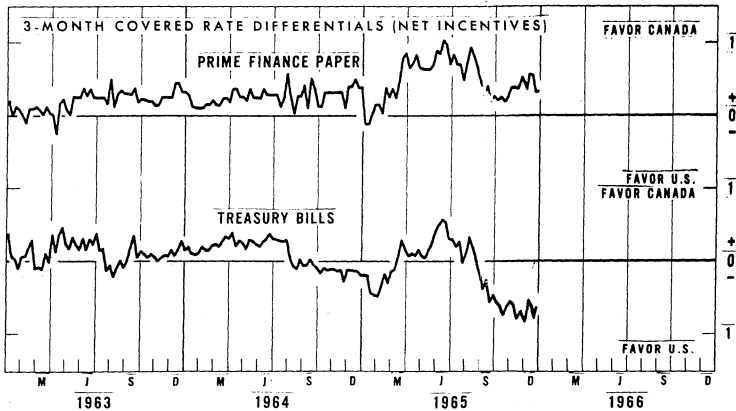
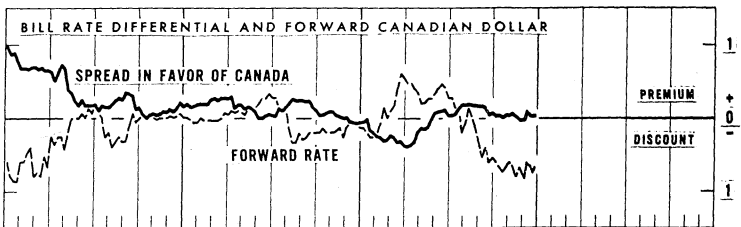
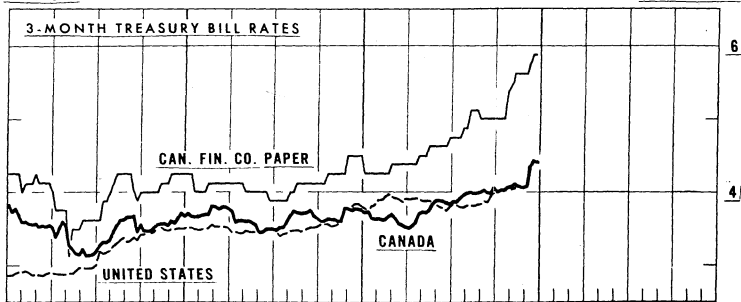


Chart 5

INTEREST ARBITRAGE, NEW YORK/LONDON

Friday figures

Per cent per annum

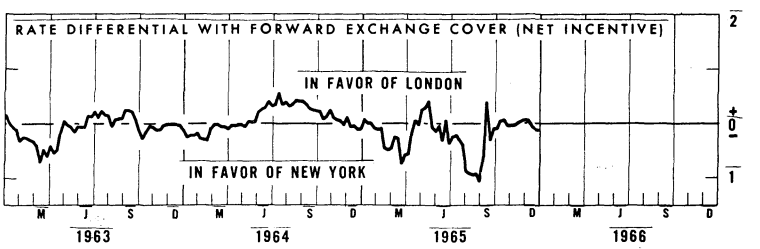
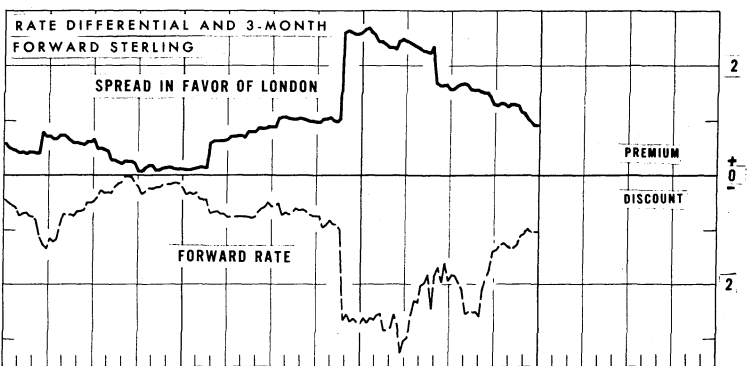
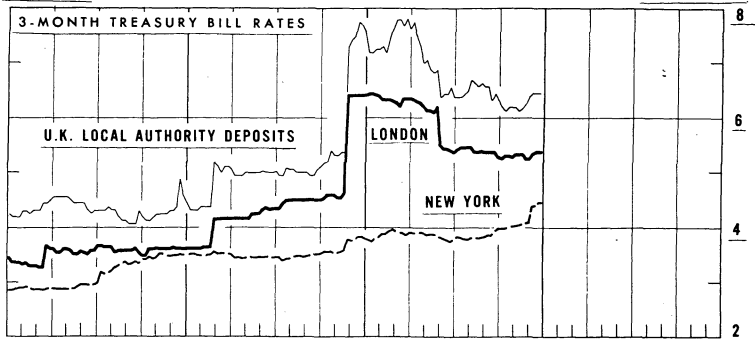
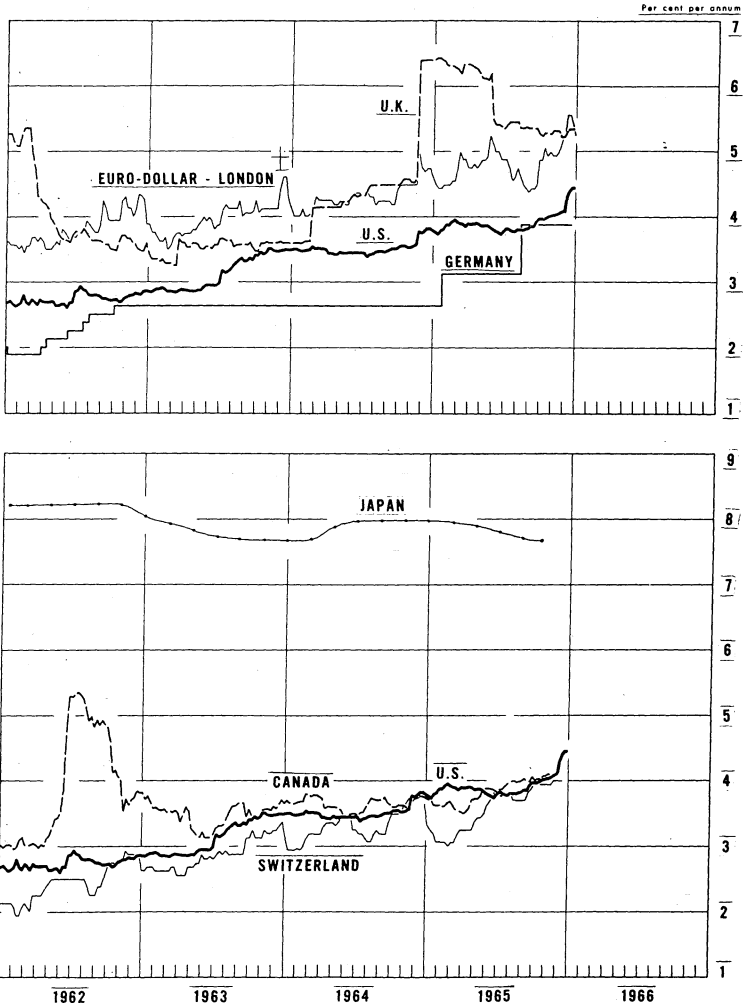


Chart 6

SHORT-TERM INTEREST RATES *



* 3-month treasury bill rates for all countries except Japan and Switzerland (3-month deposit rate) (Average rate on bank loans and discounts)

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

Chart 7

LONG-TERM BOND YIELDS

Weekly figures

Per cent per annum

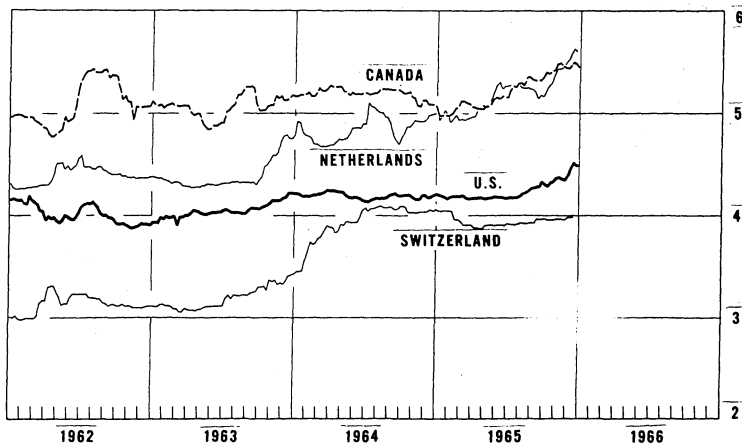
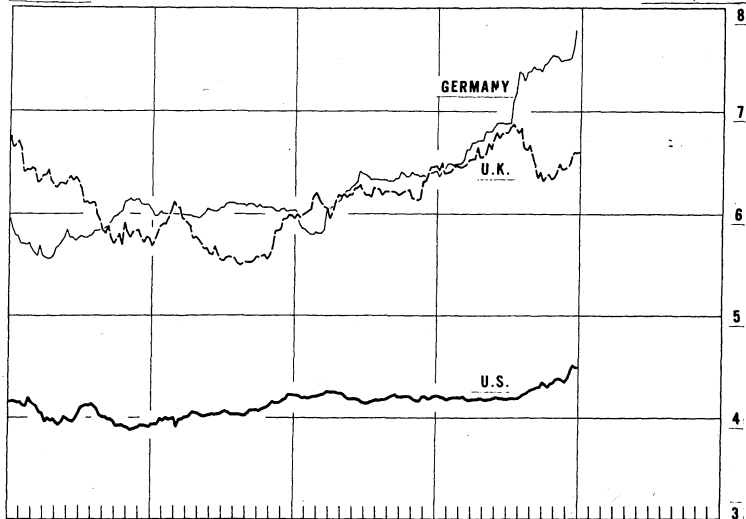
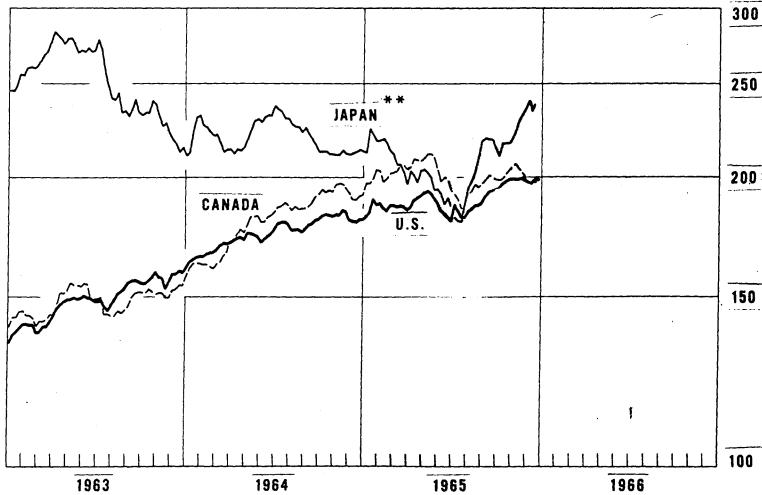
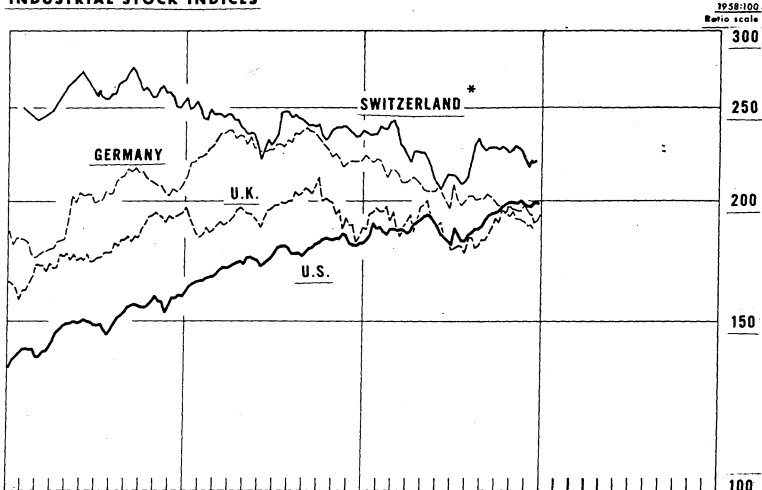


Chart 8

INDUSTRIAL STOCK INDICES



* Swiss Bank Corporation industrial stock index

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

Chart 9

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

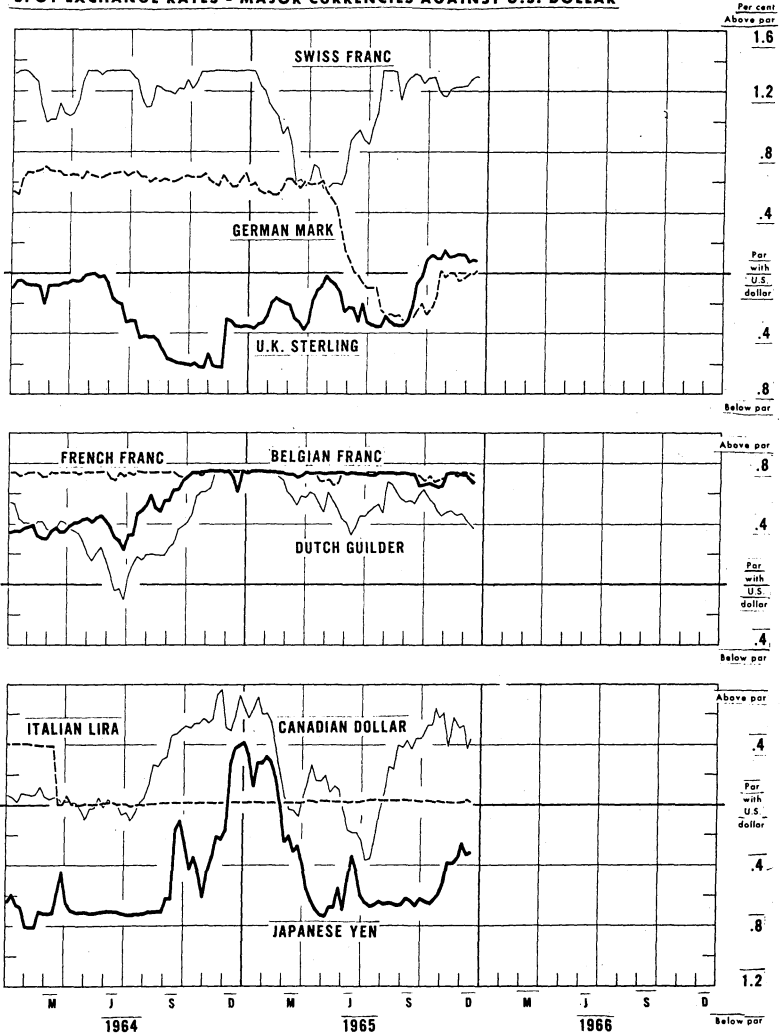
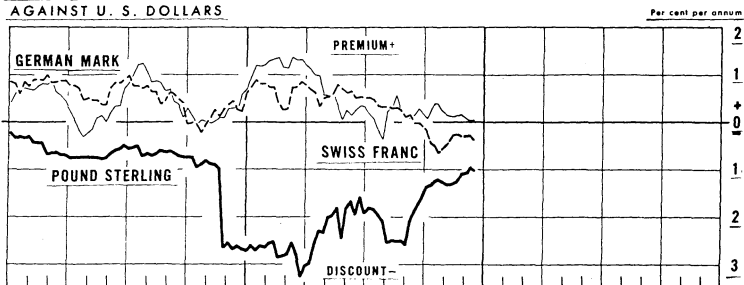


Chart 10

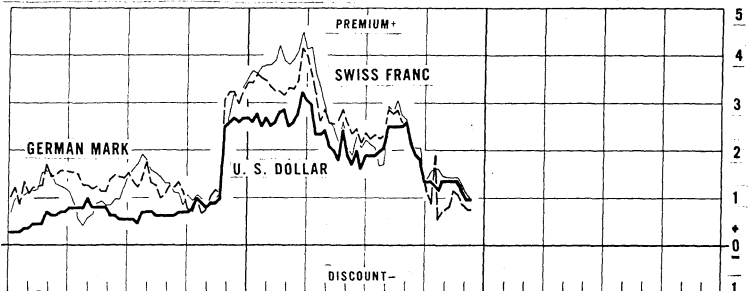
3-MONTH FORWARD EXCHANGE RATES

Friday figures

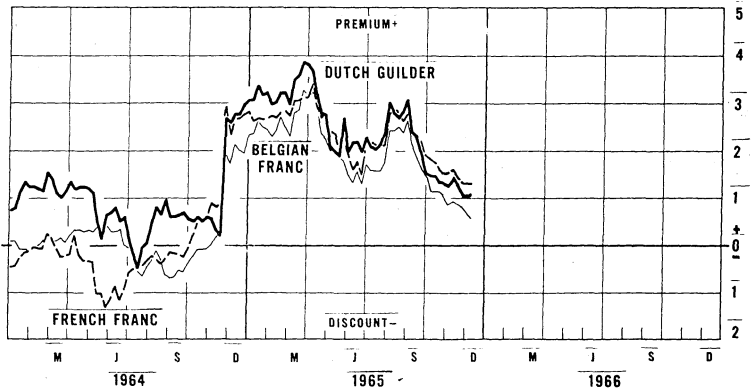
AGAINST U. S. DOLLARS



AGAINST POUND STERLING - LONDON



AGAINST POUND STERLING - LONDON



12

Chart 1

Upper panel
(Wednesday, December 29)

Euro-\$ deposit	<u>5.31</u>
U.S. certif. of deposit	<u>4.86</u>

Lower panel
(Friday, December 31)

Finance co. paper: U.S.	<u>5.00</u>
Canada	<u>5.33</u>
Hire-purchase paper, U.K.	<u>5.83</u>

Chart 2

(Friday, December 31)

Euro-\$ deposits:

Call	<u>4.50</u>	90-day	<u>5.25</u>
7-day	<u>4.62</u>	180-day	<u>5.25</u>
30-day	<u>5.18</u>		

Hire-purchase paper (December 17)	<u>5.37</u>
Local-authority deposit (December 24)	<u>5.54</u>

Chart 3

Upper panel
(Period: November 24-30)

Interbank loan (mid point)	<u>6.56</u>
Euro-\$ deposit (average)	<u>5.41</u>

Lower panel
(Date: December 23)

Zurich 3-mo. deposit	<u>4.00</u>
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Price of gold
(Friday, December 24)

	<u>35.160</u>
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For description and sources of data see special annex to H. 13, Number 164, September 23, 1964.

Chart 4

(Friday, December 31)

Treasury bills: Canada	<u>4.41</u>
U.S.	<u>4.45</u>
Spread favor Canada	<u>+0.04</u>
Forward Canadian \$	<u>-0.67</u>
Net incentive (Canada +)	<u>-0.63</u>
Canadian finance paper (December 24)	<u>5.88</u>

Chart 5

(Friday, December 31)

Treasury bills: U.K.	<u>5.36</u>
U.S.	<u>4.45</u>
Spread favor U.K.	<u>+0.91</u>
Forward pound	<u>-1.03</u>
Net incentive (U.K. +)	<u>-0.12</u>

Chart 6

(Friday, December 31)

Treasury bills:		
U.S.	<u>4.45</u>	Gerr ny <u>3.88</u>
U.K.	<u>5.36</u>	Canada <u>4.41</u>
Euro-\$ deposit (London)	<u>5.25</u>	
Zurich 3-mo. deposit (Date: December 23)	<u>4.00</u>	
Japan composite rate (Date: October 29)	<u>7.660</u>	

Chart 7

U.S. Gov't. (Wed., Dec. 29)	<u>4.50</u>
U.K. War Loan (Thurs., Dec. 30)	<u>6.61</u>
German Fed. (Fri., Dec. 17)	<u>7.78</u>
Swiss Confed. (Fri., Dec. 17)	<u>3.98</u>
Canadian Gov't. (Wed., Dec. 29)	<u>5.45</u>
Netherlands Gov't. perpetual (Fri., Dec. 24)	<u>5.61</u>