

April 27, 1966.

H. 13

No. 245

CAPITAL MARKET DEVELOPMENTS ABROAD

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

Note on Chart 6

In this issue of the H.13 series, the three-month German inter-bank loan rate is introduced in Chart 6 in place of the German Treasury bill rate. From January 1962 until December 31, 1965, the rate was calculated as the mid-point of the highest and lowest rates quoted by Frankfurt banks on business days in the periods ending on the reporting dates: 7th, 15th, 23rd, and final day of the month. Data was supplied by the Deutsche Bundesbank. Beginning on January 7, 1966, however, the figure charted is the average of the mid-points of the highest and lowest rates quoted by selected German banks, reported daily in the Frankfurter Allgemeine Zeitung and calculated for business days in periods ending on the 7th, 15th, 23rd and final day of each month.

I. Ten Charts on Financial Markets Abroad

- Chart 1 - New York, London, Montreal: 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 - Interest Arbitrage: Frankfurt/London, Zurich/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 - Spot Exchange Rates--Major Currencies Against U.S. Dollar
- Chart 9 - 3-month Forward Exchange Rates
- Chart 10 - Industrial Stock Indices

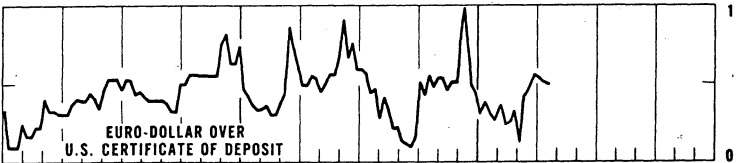
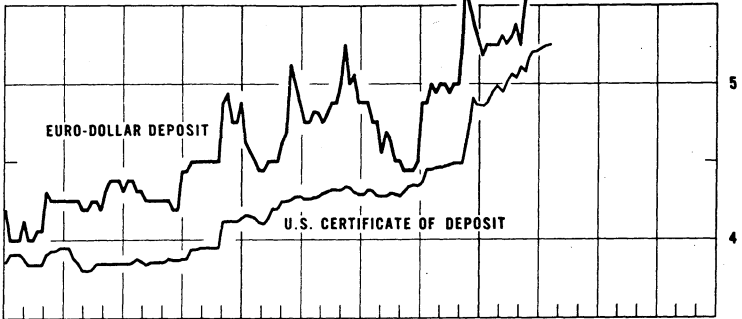
Europe and British Commonwealth Section.

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Chart 1

**NEW YORK, LONDON, MONTREAL:
YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS
DOLLAR DEPOSIT RATES: NEW YORK-LONDON**

Wednesday figures



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

Friday figures

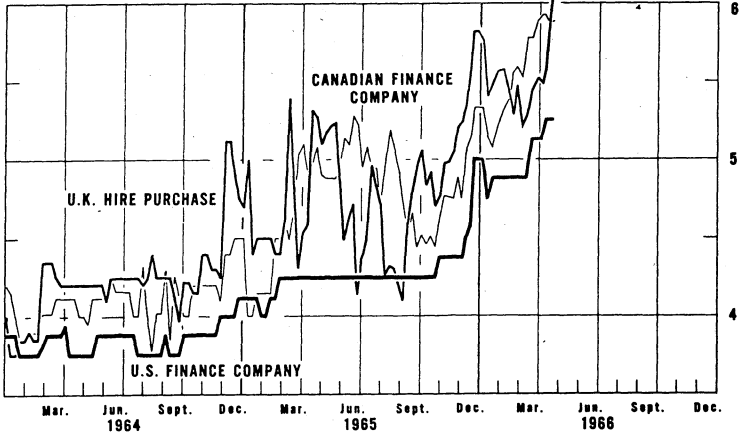
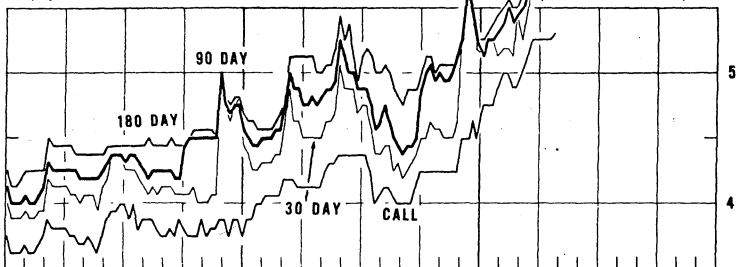


Chart 2

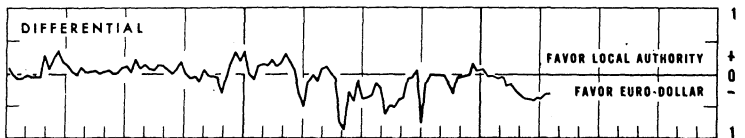
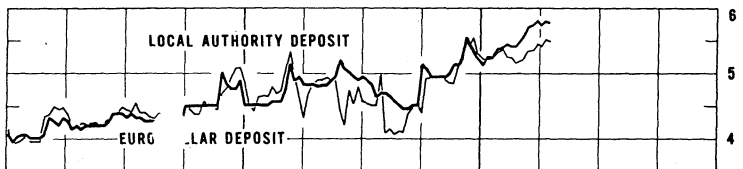
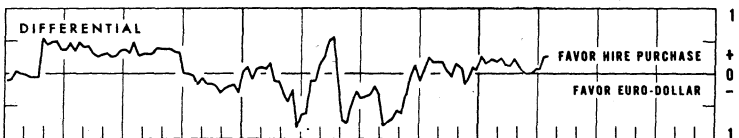
LONDON: YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS EURO-DOLLAR DEPOSIT RATES

Friday figures



HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

Friday figures



1964

1985

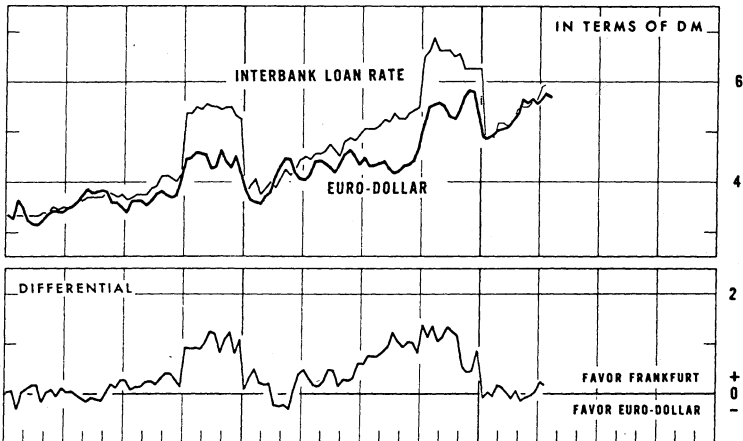
1986

Chart 3

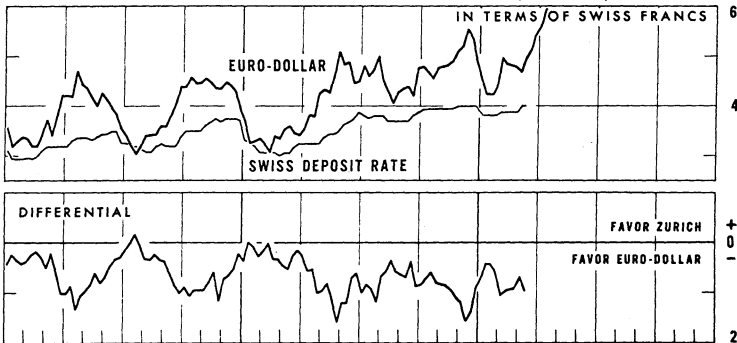
INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON

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

Per cent per annum



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



II PRICE OF GOLD IN LONDON

U.S. dollar equivalent per fine ounce

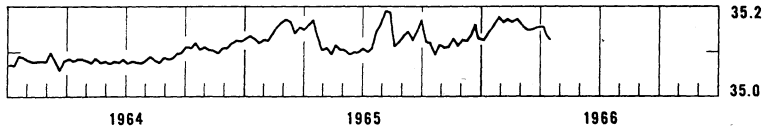


Chart 4

INTEREST ARBITRAGE, UNITED STATES/CANADA

Friday figures

Per cent per annum

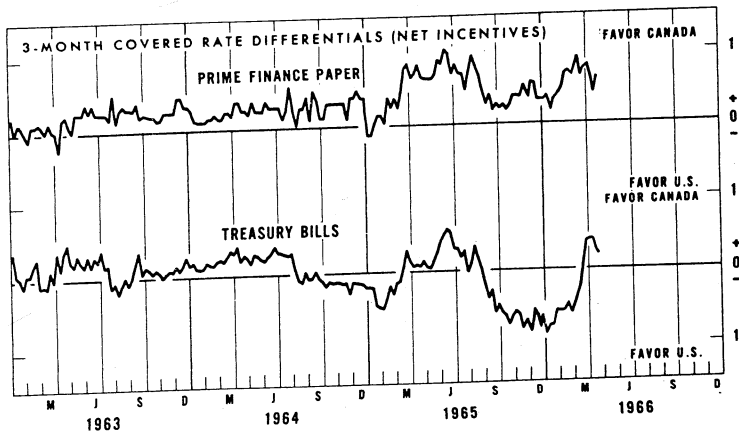
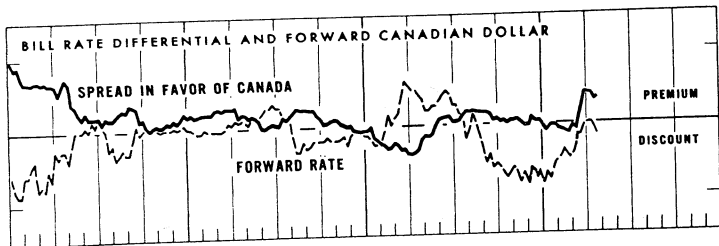
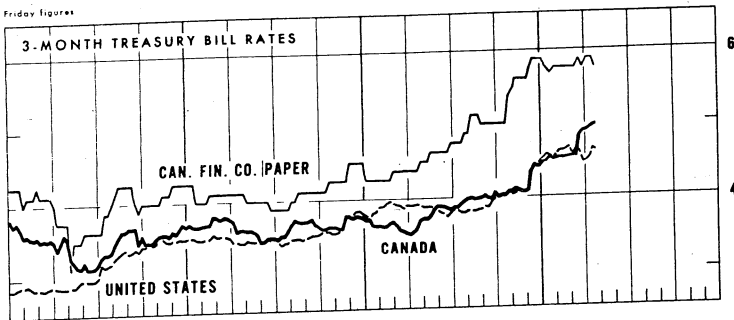


Chart 5
INTEREST ARBITRAGE, NEW YORK/LONDON

Friday figures

Per cent per annum

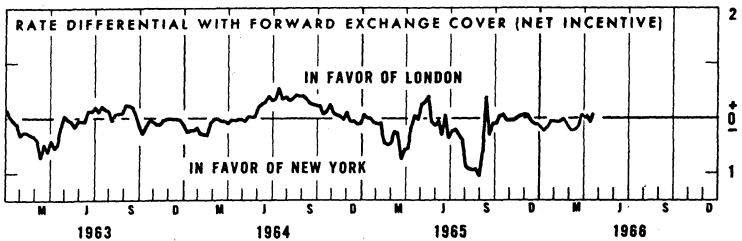
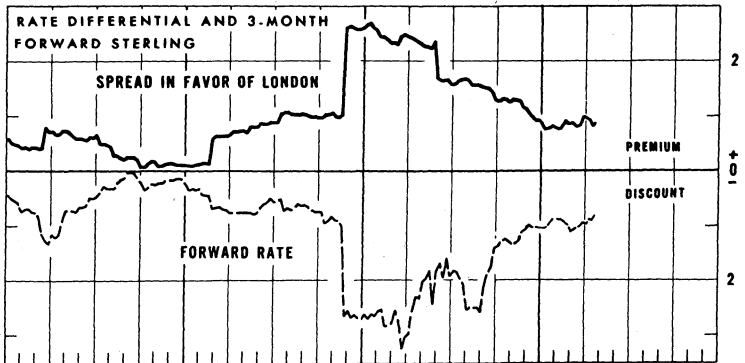
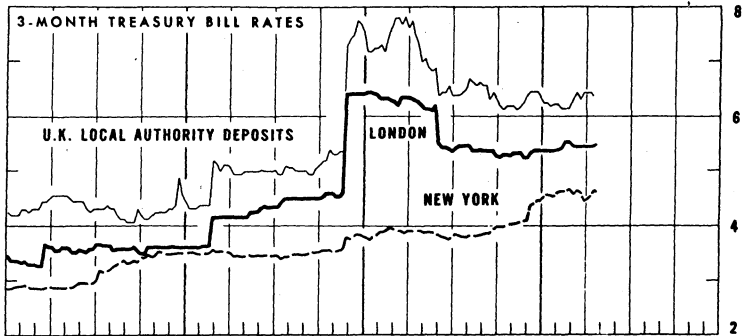
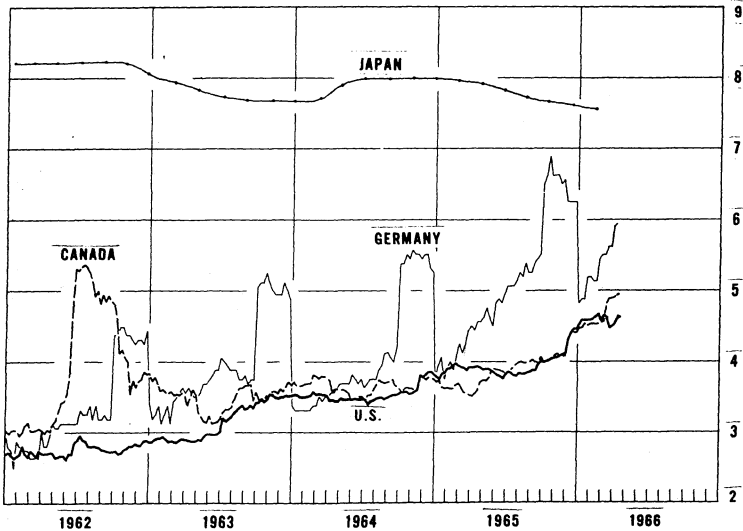
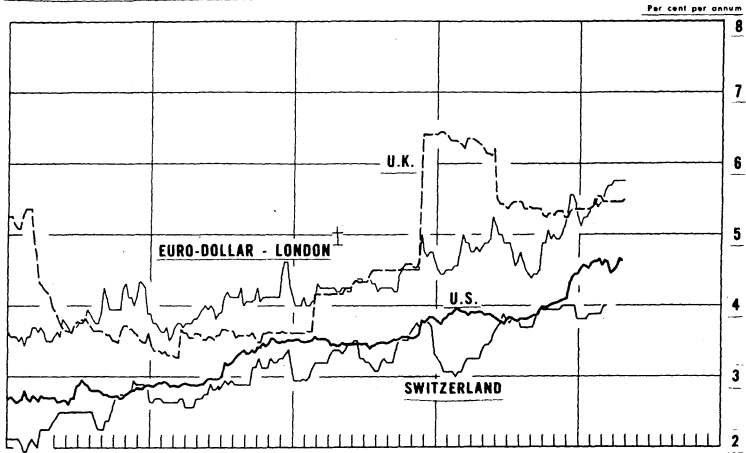


Chart 6

SHORT-TERM INTEREST RATES*



* 3-month treasury bill rates for all countries except Japan and Switzerland (3-month deposit rate)

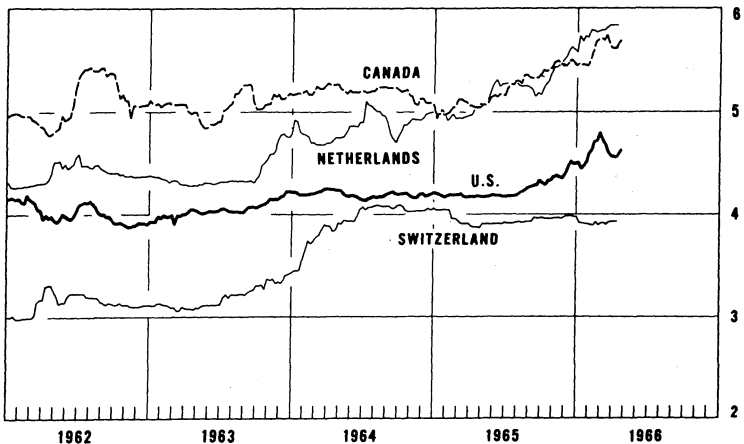
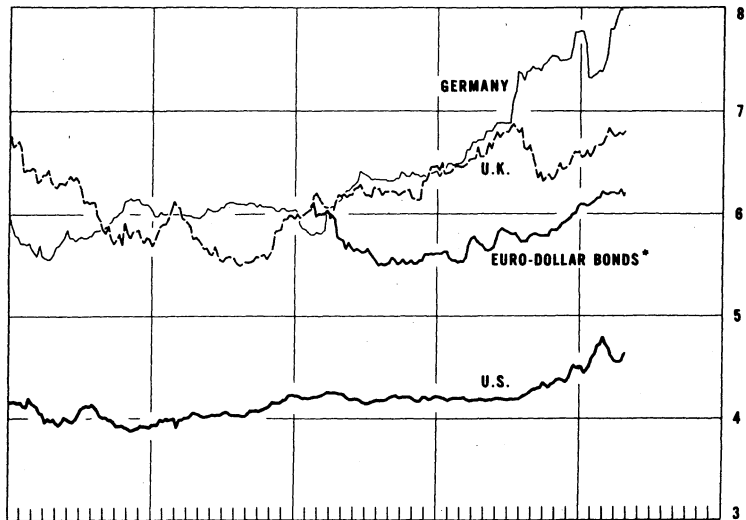
(Average rate on bank loans and discounts)

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

Chart 7
LONG-TERM BOND YIELDS

Weekly figures

Per cent per annum



* Average of yields for four foreign government dollar bonds quoted in London

Chart 8

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

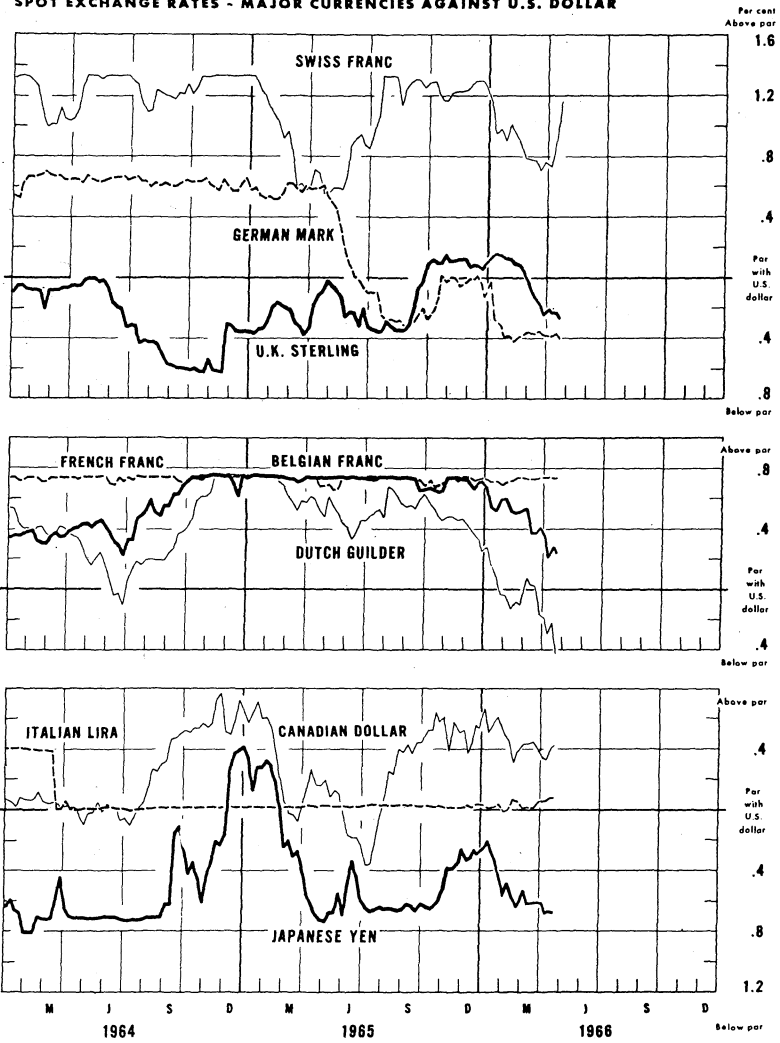


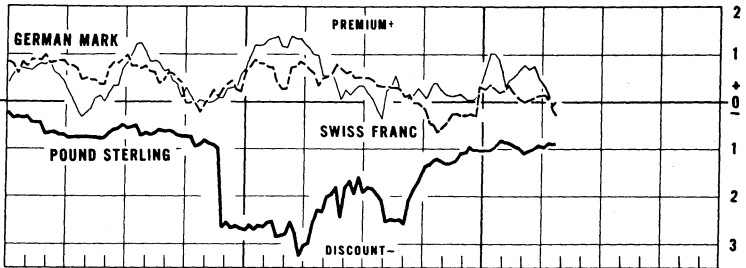
Chart 9

3-MONTH FORWARD EXCHANGE RATES

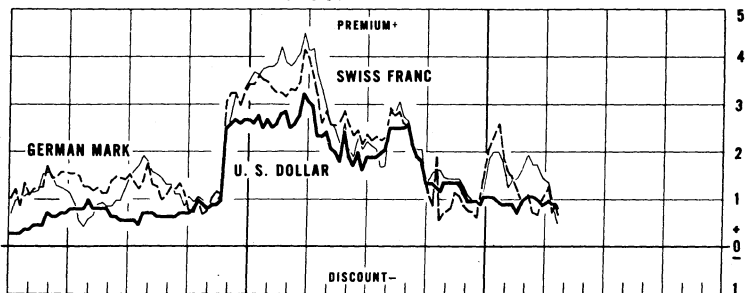
Friday figures

AGAINST U. S. DOLLARS

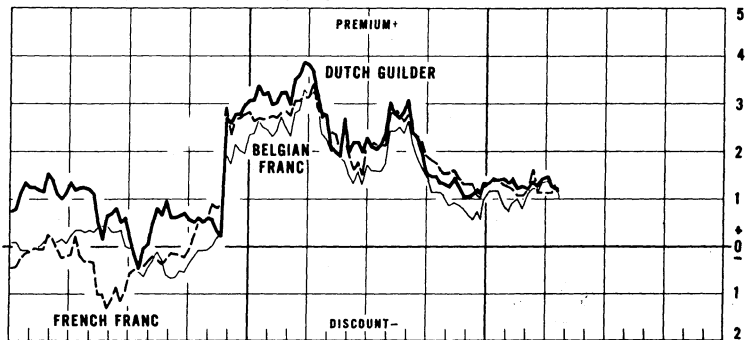
Per cent per annum



AGAINST POUND STERLING - LONDON



AGAINST POUND STERLING - LONDON



M J S D 1964

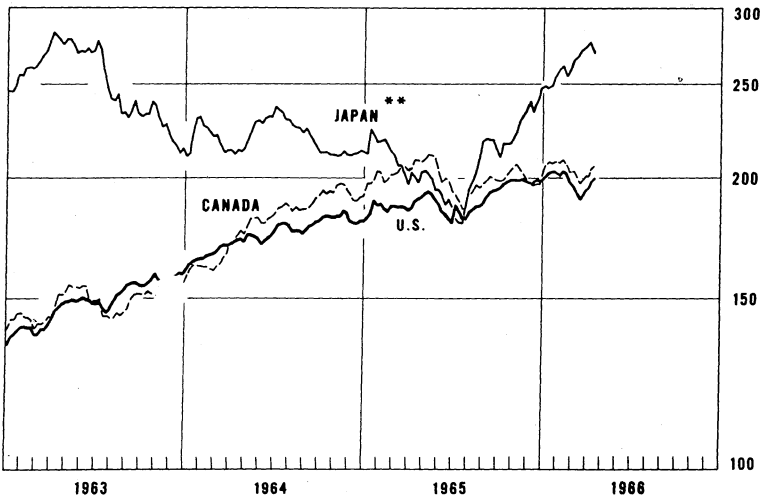
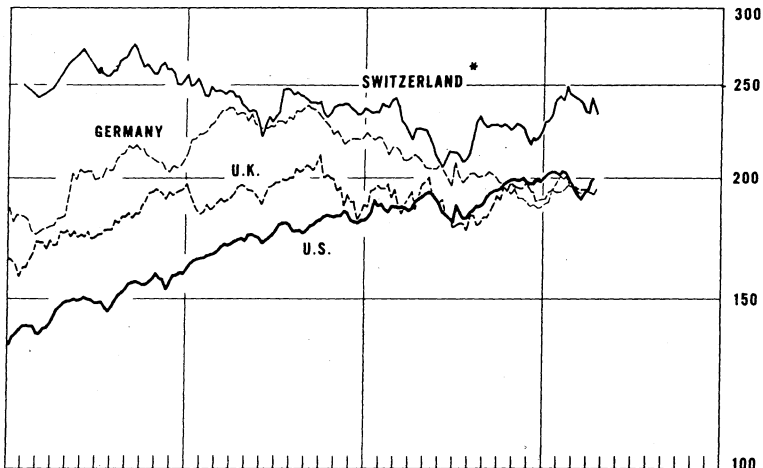
M J S D 1965

M J S D 1966

Chart 10

INDUSTRIAL STOCK INDICES

1958:100
Ratio scale



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

II. Latest Figures Plotted in H. 13 Chart Series, 1966
(all figures per cent per annum)

12.

April 27, 1966.

Chart 1
Upper panel
(Wednesday, April 20)

Euro-\$ deposit 5.75
U.S. certif. of deposit 5.25

Lower panel
(Friday, April 22)

Finance co. paper: U.S. 5.25
Canada 5.88
Hire-purchase paper, U.K. 6.14

Chart 2
(Friday, April 22)

Euro-\$ deposits:
Call 5.31 90-day 5.75
7-day 5.50 180-day 5.88
30-day 5.62

Hire-purchase paper 6.05
(April 15)
Local-authority deposit 5.49
(April 15)

Chart 3
Upper panel
(Period: April 8-15)

Interbank loan (mid point) 5.93
Euro-\$ deposit (average) 5.75

Lower panel
(Date: March 15)

**Zurich 3-mo. deposit 4.00
Price of gold 35.126
(Friday, April 15)

Chart 4
(Friday, April 22)

Treasury bills: Canada 4.97
U.S. 4.62
Spread favor Canada +0.35
Forward Canadian \$ -0.15
Net incentive (Canada +) +0.20
Canadian finance paper 5.75

Chart 5
(Friday, April 22)

Treasury bills: U.K. 5.49
U.S. 4.62
Spread favor U.K. +0.87
Forward pound -0.80
Net incentive (U.K. +) +0.07

Chart 6
(Friday, April 22)

Treasury bills: U.S. 4.62 Germany 4.00 (Apr. 8)
U.K. 5.49 Canada 4.97

Euro-\$ deposit (London) 5.75

**Zurich 3-mo. deposit 4.00
(Date: March 15)
Japan composite rate 7.570
(Date: February 28)
January 31 7.580

Chart 7*

U.S. Gov't. (Wed., Apr. 20) 4.64
U.K. War Loan (Thurs., Apr. 21) 6.80
German Fed. (Fri., Apr. 15) 7.98
Swiss Confed. (Fri., Apr. 15) 3.93
Canadian Gov't. (Wed., Apr. 20) 5.69
Netherlands Gov't. perpetual 3%
(Fri., April 15) 5.85

For description and sources
of data see special annex
to H. 13, Number 239,
March 16, 1966.

* Euro-\$ bonds 6.20
(April 22)
** Feb. 23 3.88
Feb. 28 3.88
Mar. 7 4.00