

August 3, 1966

H. 13

No. 259

**CAPITAL MARKET DEVELOPMENTS ABROAD**

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

I. Ten Charts on Financial Markets Abroad

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- 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

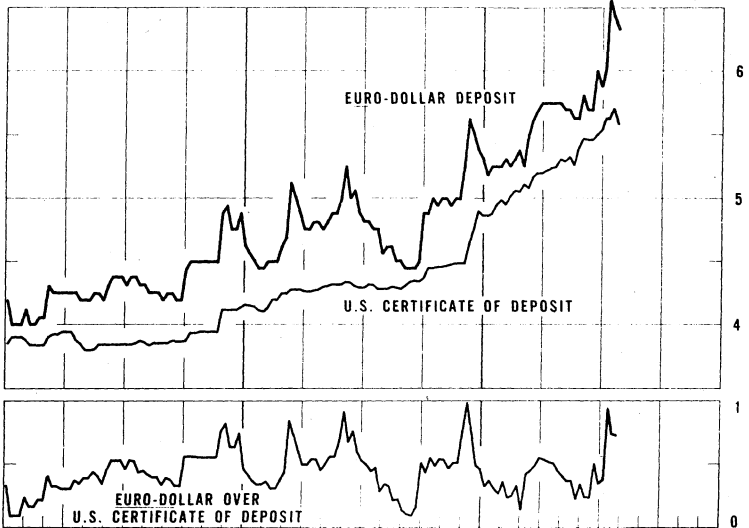
Europe and British Commonwealth Section.

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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

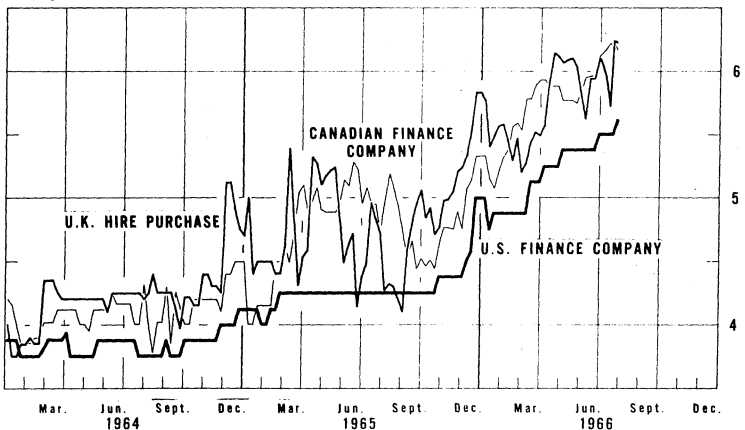


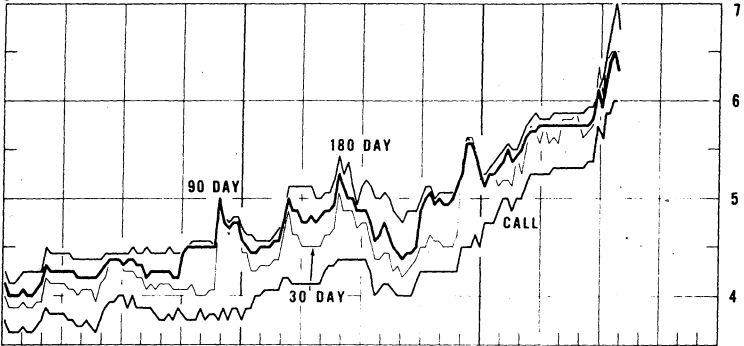
Chart 2

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

**EURO-DOLLAR DEPOSIT RATES**

Friday figures

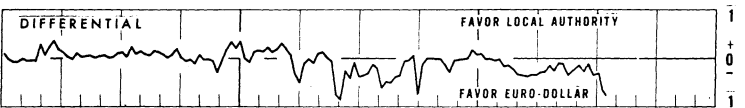
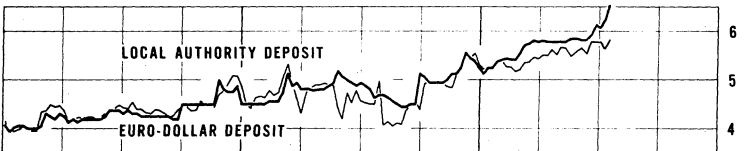
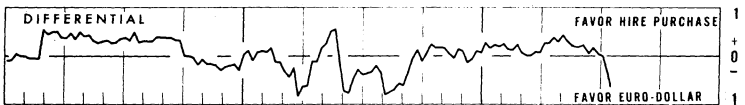
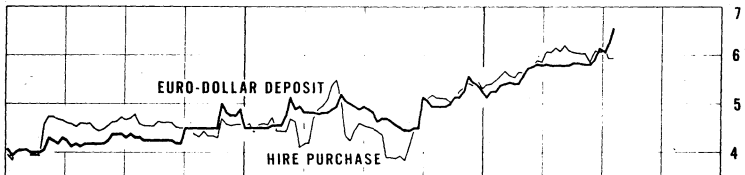
Per cent per annum



**HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)**

Friday figures

Per cent per annum



1964

1965

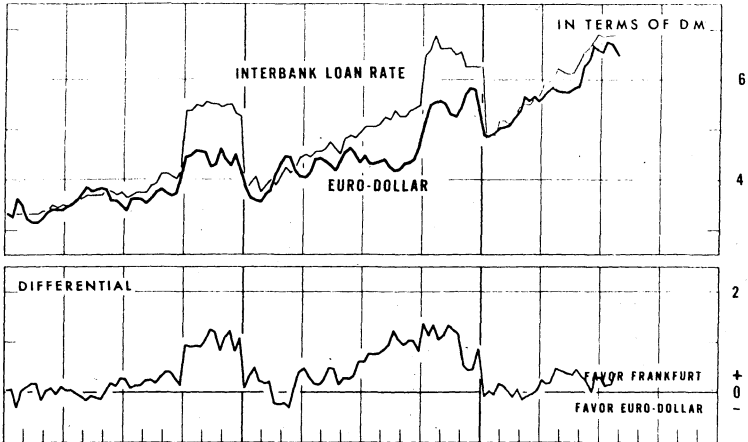
1966

Chart 3

**INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON**

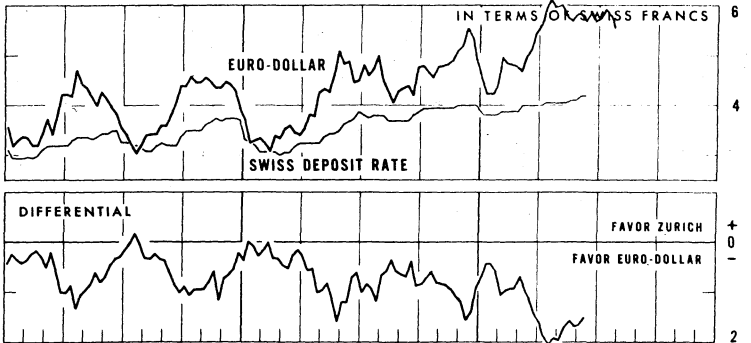
**FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE (COVERED)**

Per cent per annum



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

IN TERMS OF SWISS FRANCS



**II PRICE OF GOLD IN LONDON**

US dollar equivalent per fine ounce

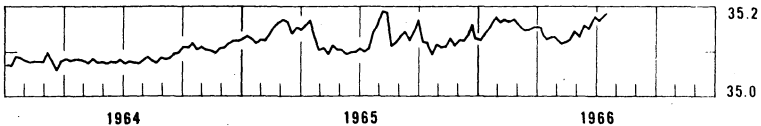


Chart 4

### INTEREST ARBITRAGE, UNITED STATES/CANADA

Friday figures

Per cent per annum

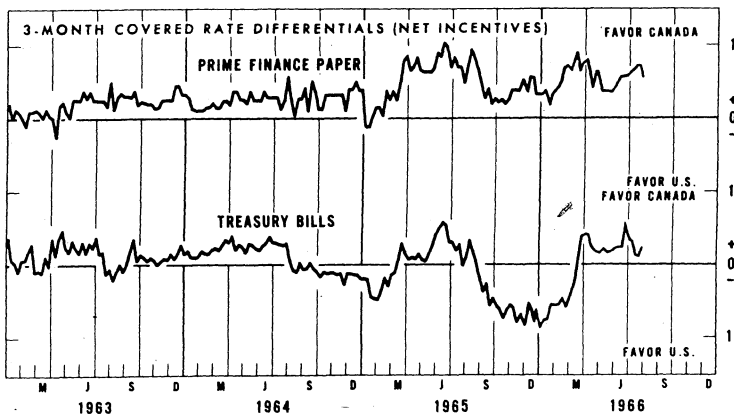
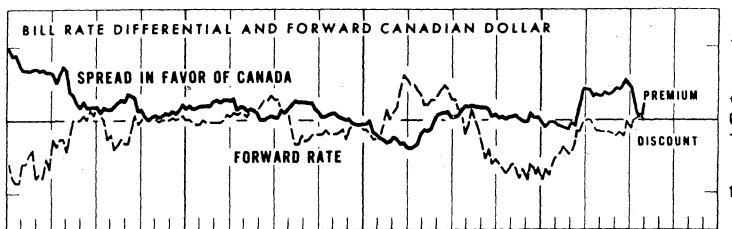
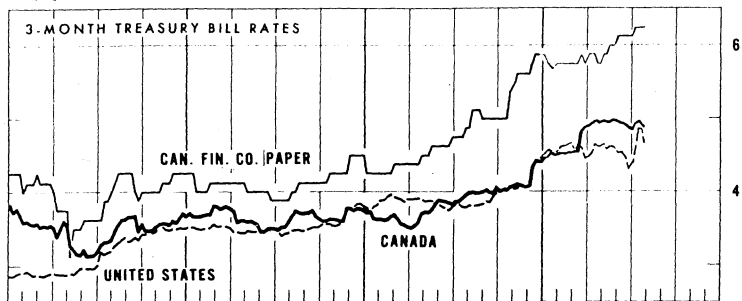


Chart 5

### INTEREST ARBITRAGE, NEW YORK/LONDON

Friday figures

Per cent per annum

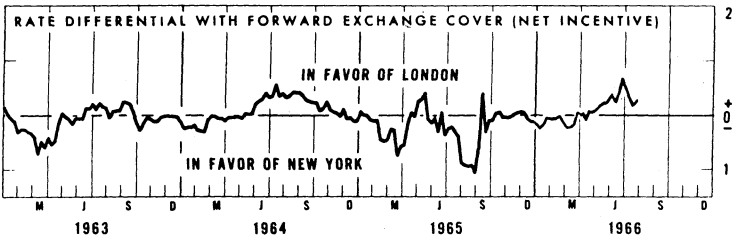
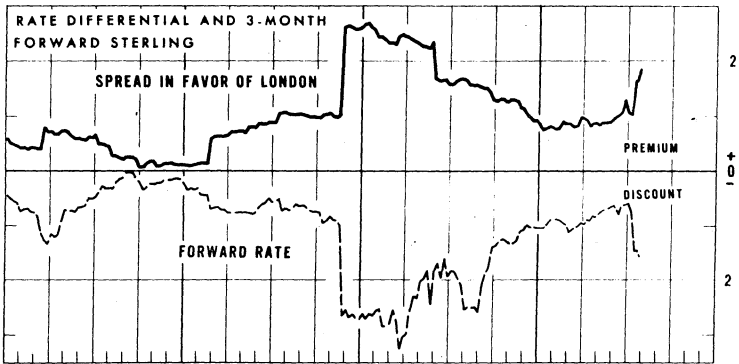
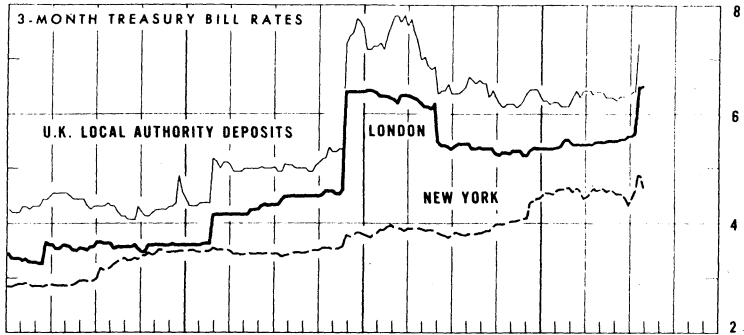
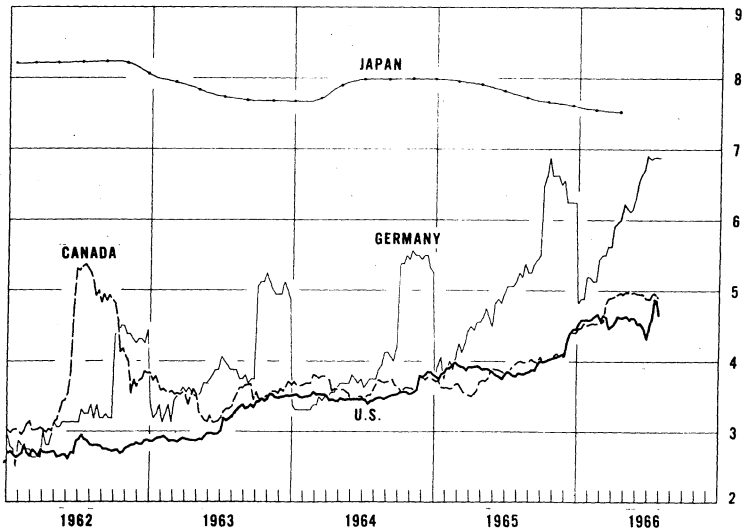
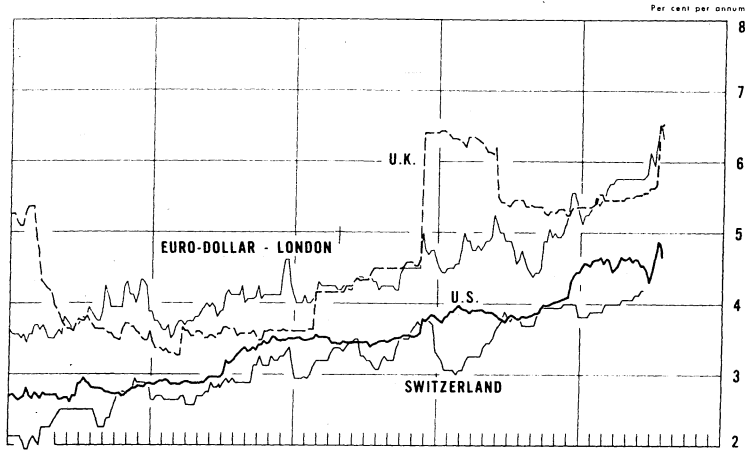


Chart 6  
**SHORT-TERM INTEREST RATES\***



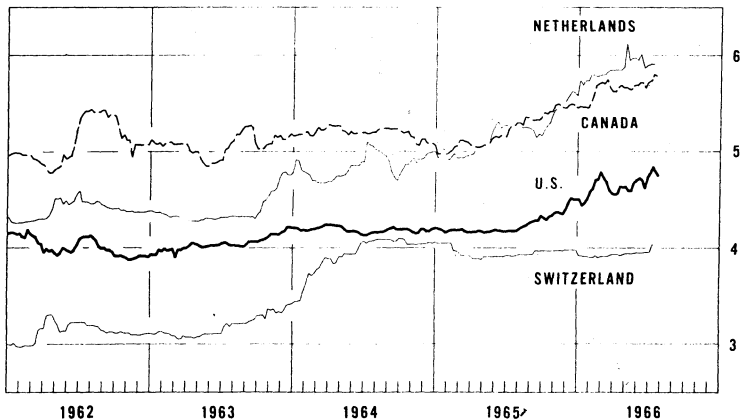
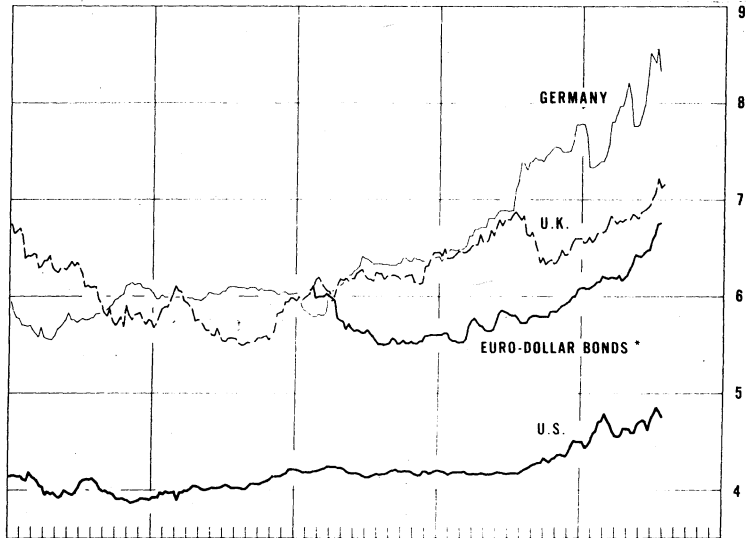
\* 3 month treasury bill rates for all countries except Japan (Average rate on bank loans and discounts)  
 Switzerland (3 month deposit rate) and Germany (Interbank Loan Rate)

† 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**

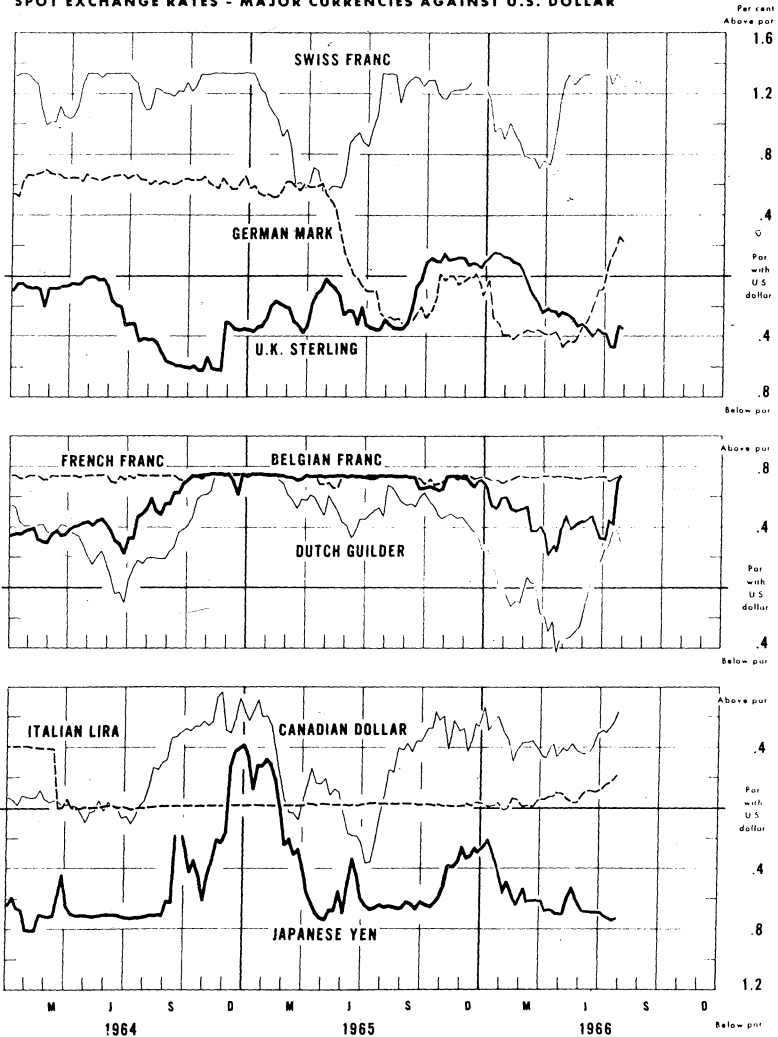
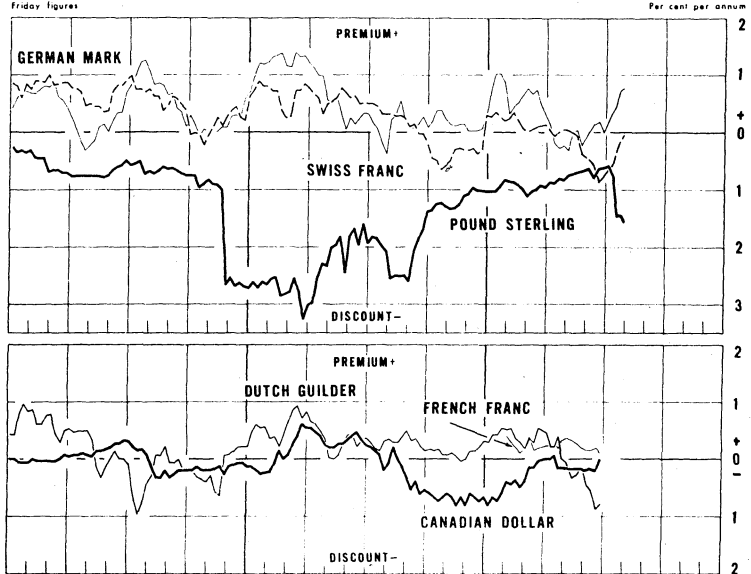


Chart 9  
3-MONTH FORWARD EXCHANGE RATES  
AGAINST U.S. DOLLARS—NEW YORK  
Friday figures



AGAINST POUND STERLING—LONDON  
Friday figures

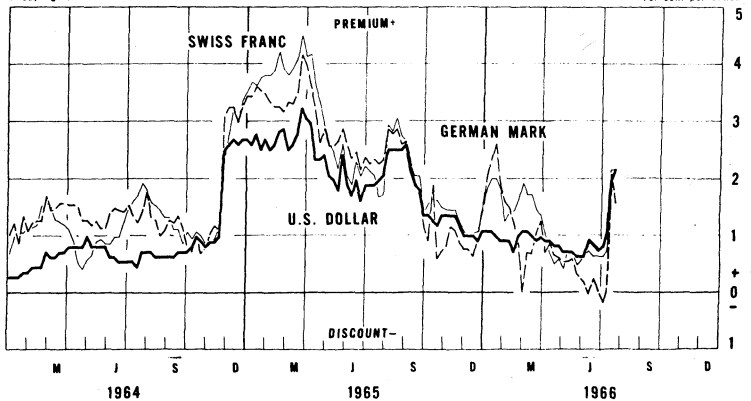
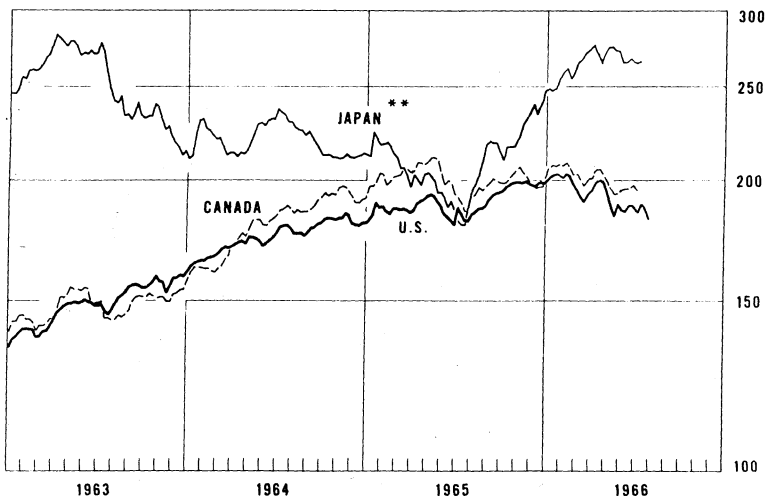
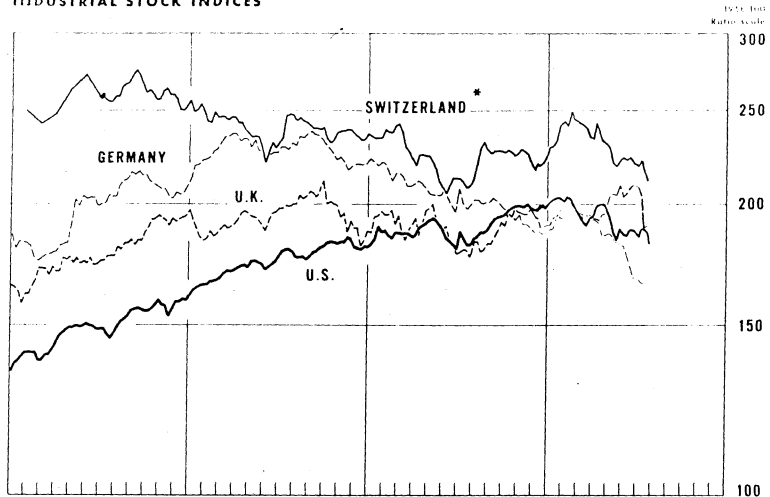


Chart 10

**INDUSTRIAL STOCK INDICES**



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

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No. 259

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

**Chart 1**  
Upper Panel (Wednesday, July 27 )

Euro-\$ Deposit	<u>6.31</u>
U.S. certif. of deposit	<u>5.58</u>

Lower Panel (Friday, July 29 )

Finance co. paper: U.S.	<u>5.62</u>
Canada	<u>6.18</u>
Hire-purchase paper, U.K.	<u>6.23</u>

**Chart 5**  
(Friday, July 20 )

Treasury bills: U.K.	<u>6.53</u>
U.S.	<u>4.66</u>
Spread favor U.K.	<u>+1.87</u>
Forward pound	<u>-1.58</u>
Net incentive (U.K. +)	<u>+0.29</u>

**Chart 2**  
(Friday, July 29 )

Euro-\$ deposits:

Call	<u>6.00</u>	90-day	<u>6.31</u>
7-day	<u>6.12</u>	180-day	<u>6.75</u>
30-day	<u>6.50</u>		
Hire-purchase paper (July 15)	<u>5.94</u>		
Local-authority deposit (July 15)	<u>5.81</u>		

**Chart 6**  
(Friday, July 29 )

Treasury bills: U.S.	<u>4.66</u>
U.K.	<u>6.53</u>
Canada	<u>4.89</u>
Interbank loan rate (German) (July 24-30)	<u>6.88</u>
Euro-\$ deposit (London)	<u>6.31</u>
Zurich 3-mo. deposit (Date: June 15 )	<u>4.19</u>
Japan composit rate (Date: April 30 )	<u>7.53</u>

\* **Upper Panel** (Period: July 24-31 )

**Chart 3**

Interbank loan (mid-point)	<u>6.88</u>
Euro-\$ deposit (average)	<u>6.49</u>

Lower Panel (Date: June 15 )

Zurich 3-mo. deposit	<u>4.19</u>
Price of gold (Friday, July 15 )	<u>35.183</u>

**Chart 7**

U.S. Gov't. (Wed., July-27 )	<u>4.74</u>
U.K. War Loan (Thurs., July 28)	<u>7.16</u>
German Fed. (Fri., July 15 )	<u>8.32</u>
Swiss Confed. (Fri., July 15 )	<u>4.04</u>
Canadian Gov't. (Wed., July 20)	<u>5.78</u>
Netherlands Gov't perpetual 3% (Friday, July 15 )	<u>5.91</u>
Euro-\$ bonds (Fri., July 22 )	<u>6.77</u>

**Chart 4**  
(Friday, July 29 )

Treasury bills: Canada	<u>4.89</u>
U.S.	<u>4.66</u>
Spread favor Canada	<u>+0.23</u>
Forward Canadian \$	<u>0.00</u>
Net incentive (Canada +)	<u>+0.23</u>
Canadian finance paper	<u>6.25</u>

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

*	Interbank	Euro-\$
July 8-15	6.88	6.78
July 16-23	6.88	6.72
July 24-31	6.88	6.49