

H. 13
No. 262

August 24, 1966.

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

- 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 Bond Yields
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

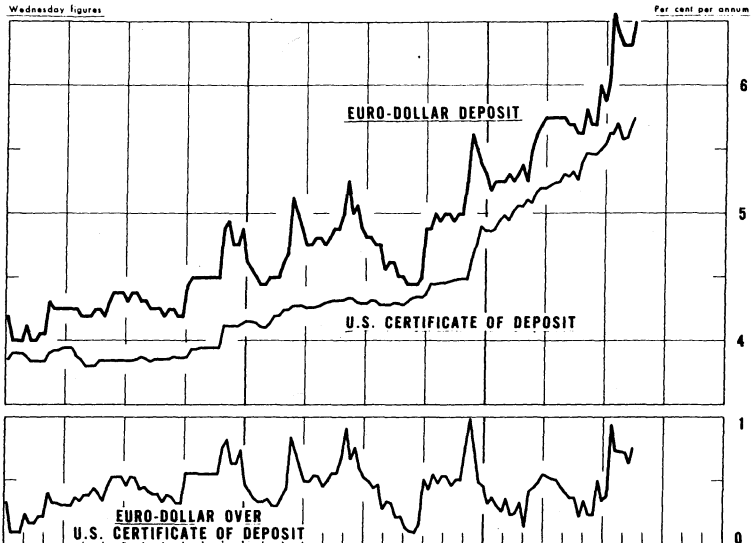
Europe and British Commonwealth Section.

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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

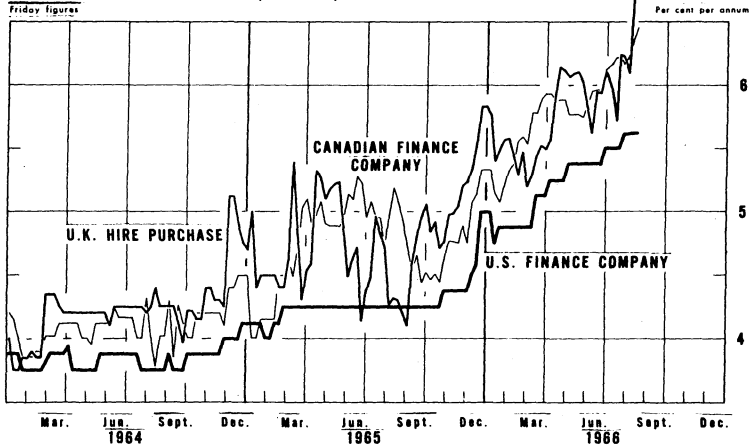
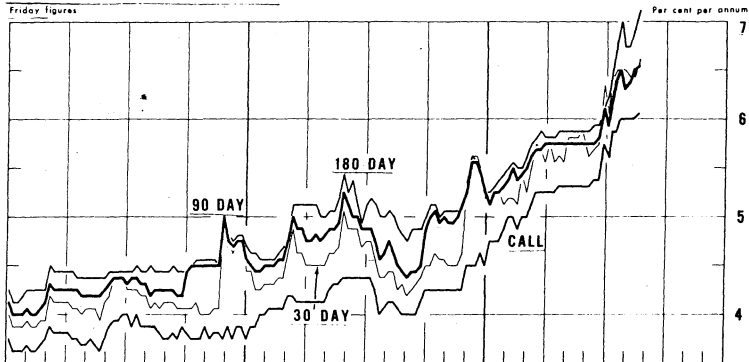


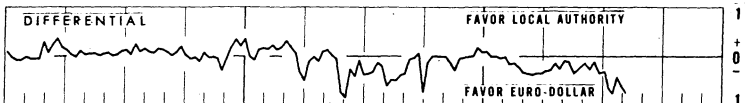
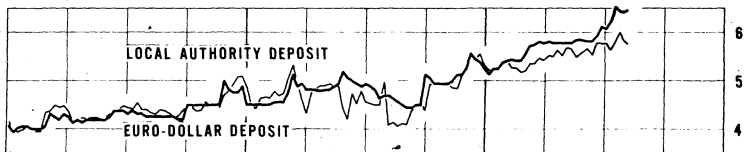
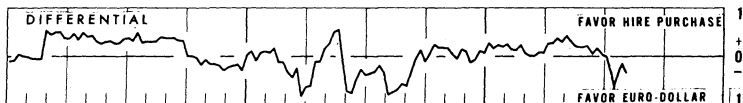
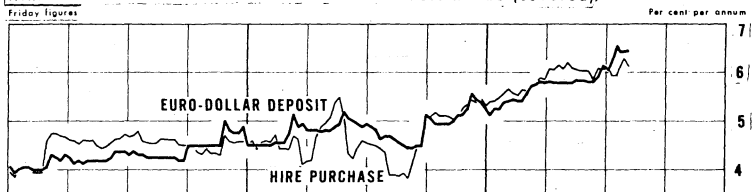
Chart 2

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

EURO-DOLLAR DEPOSIT RATES



HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered).



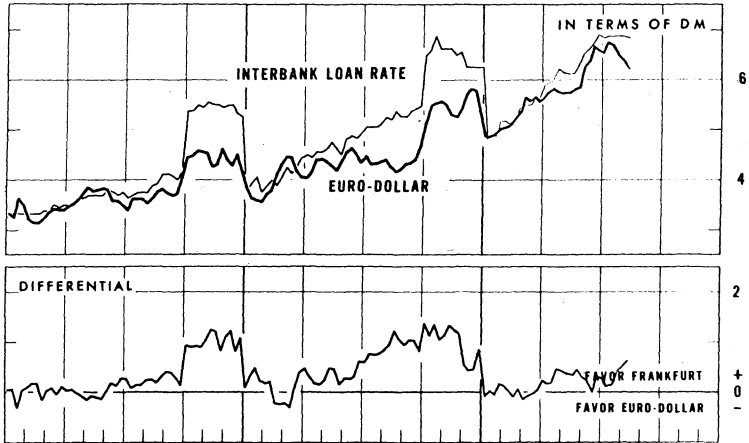
1964

1965

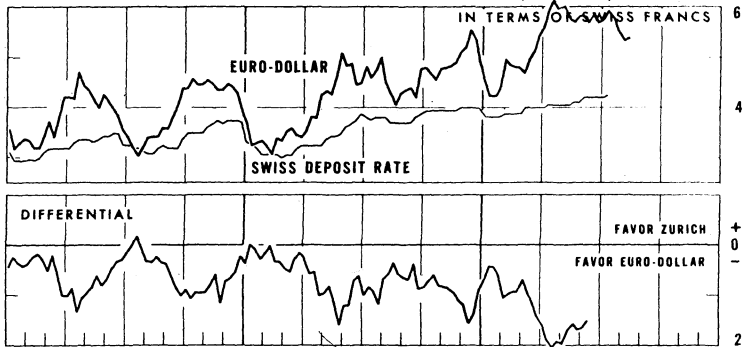
1966

Chart 3

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

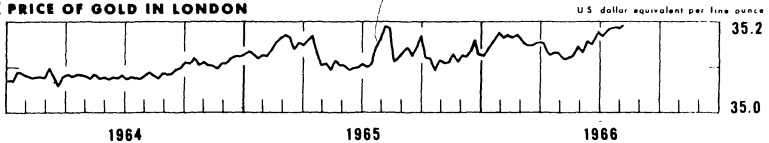


Chart 4

INTEREST ARBITRAGE, UNITED STATES/CANADA

Friday figures

Per cent per annum

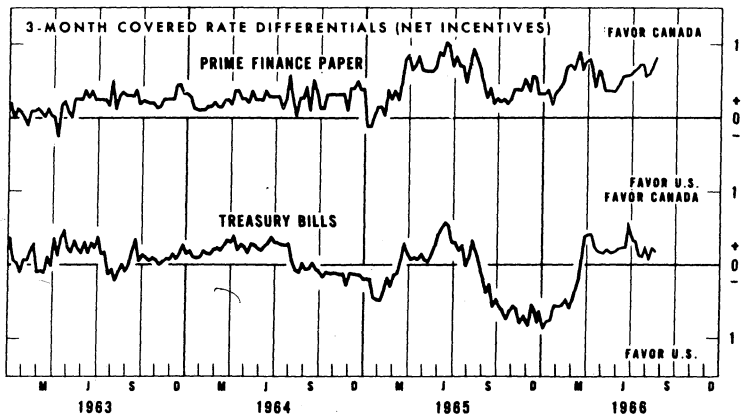
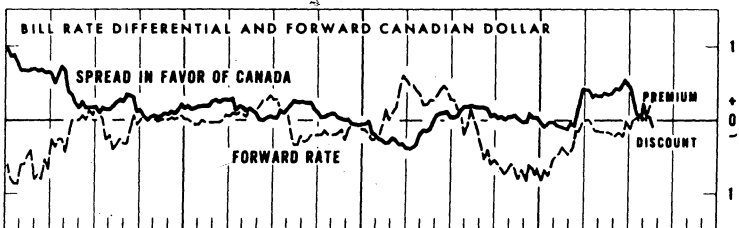
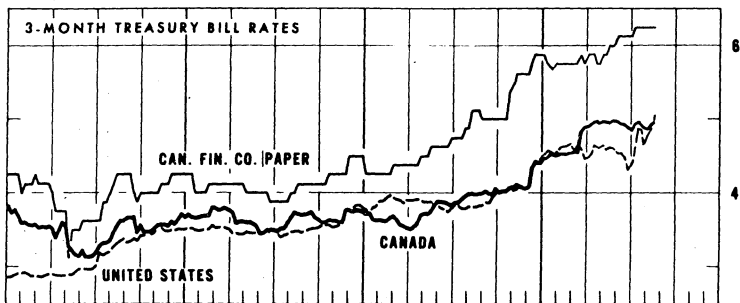


Chart 3

INTEREST ARBITRAGE, NEW YORK/LONDON

Friday figures

Per cent per annum

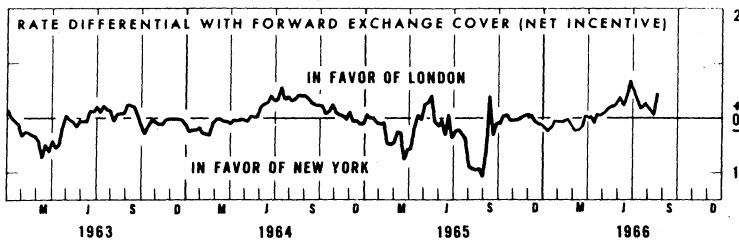
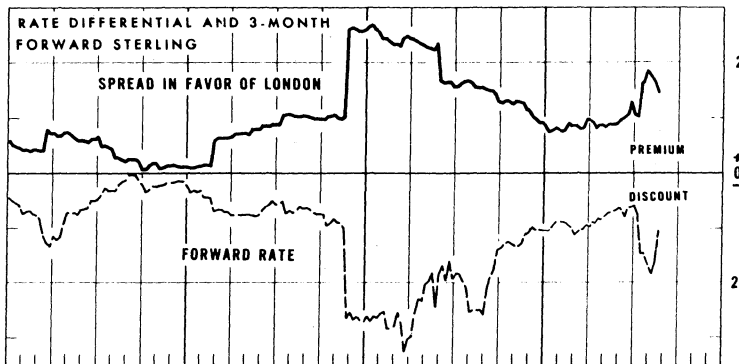
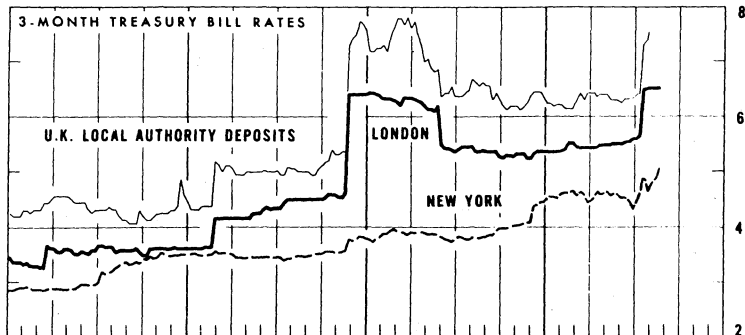
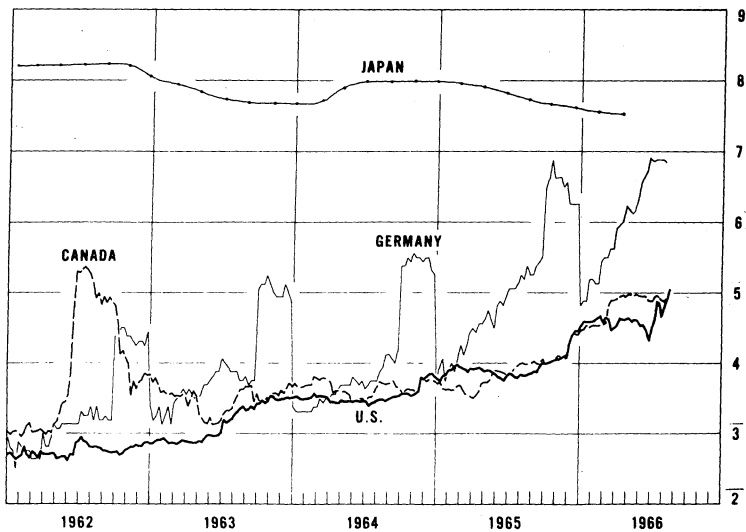
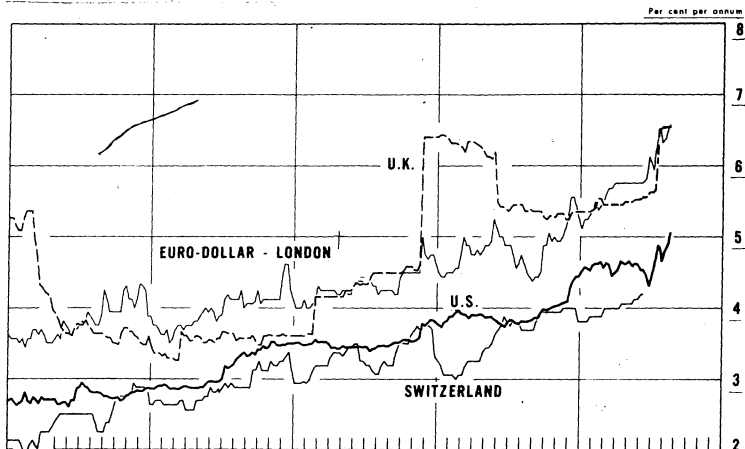


Chart 6
SHORT-TERM INTEREST RATES*



* 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).

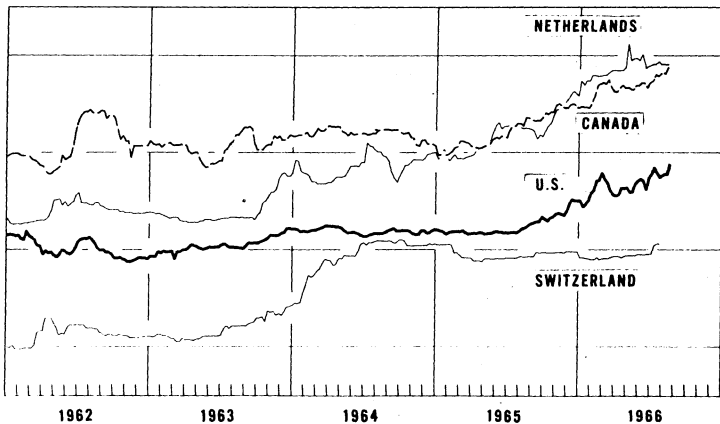
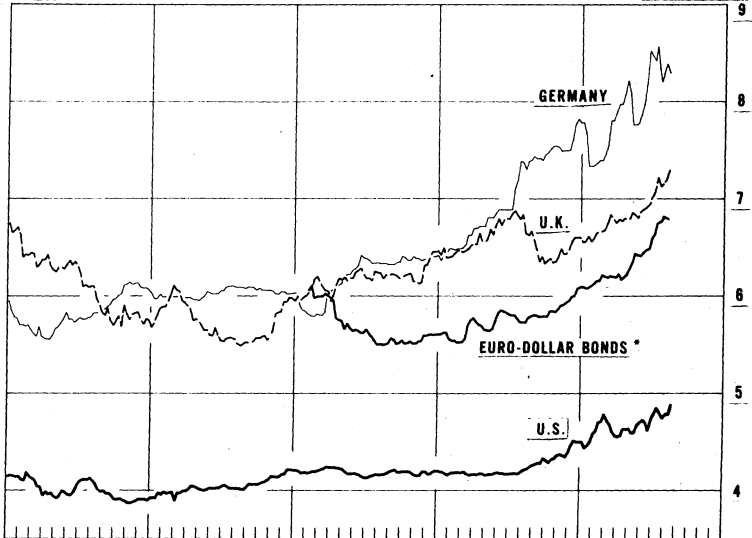
† 3 month rate for U.S. dollar deposits in London.

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

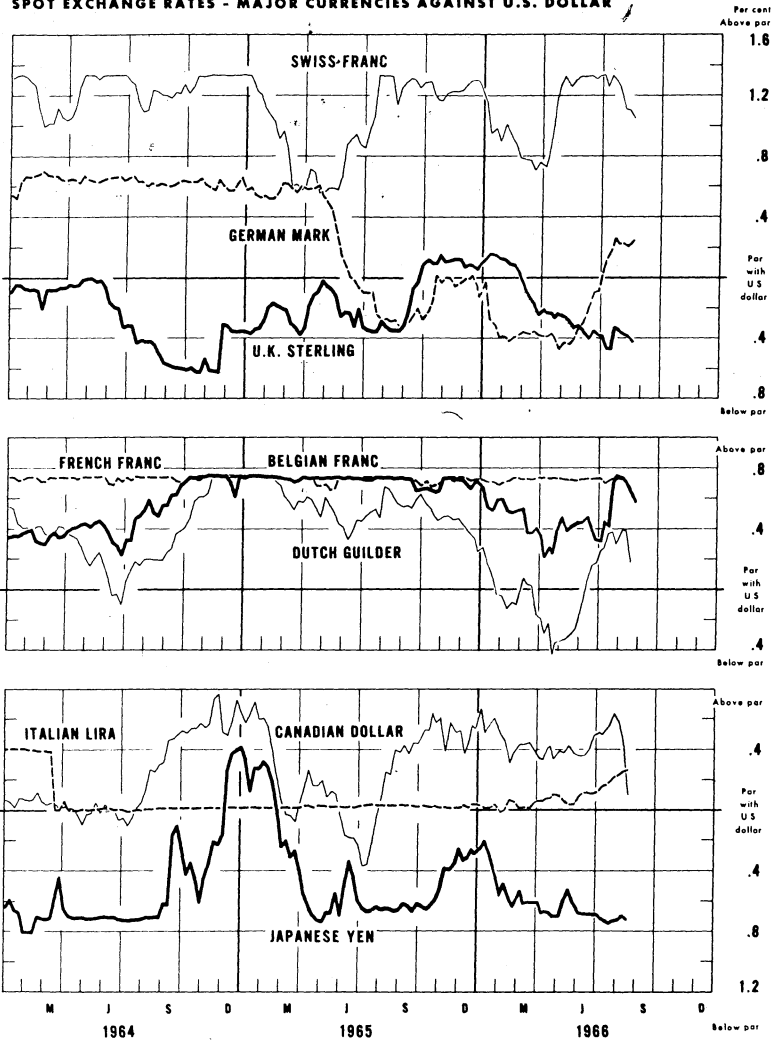
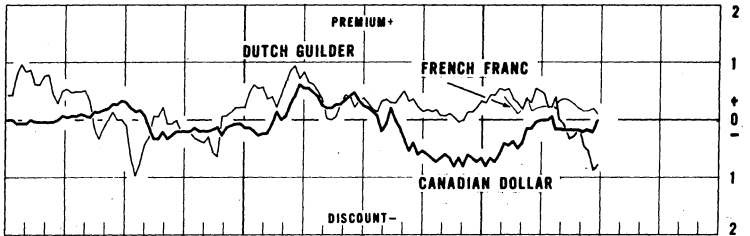
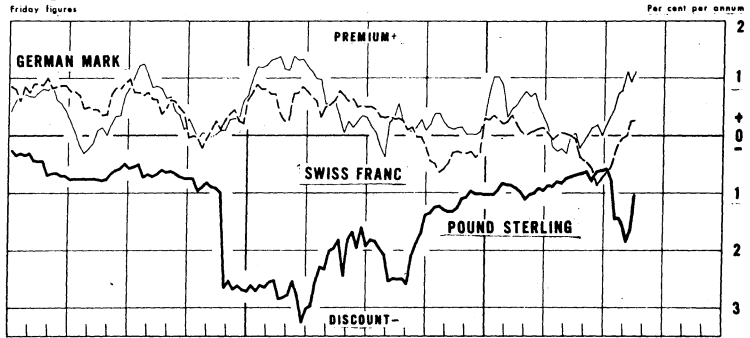


Chart 9

3-MONTH FORWARD EXCHANGE RATES

AGAINST U.S. DOLLARS—NEW YORK

Friday figures



AGAINST POUND STERLING—LONDON

Friday figures

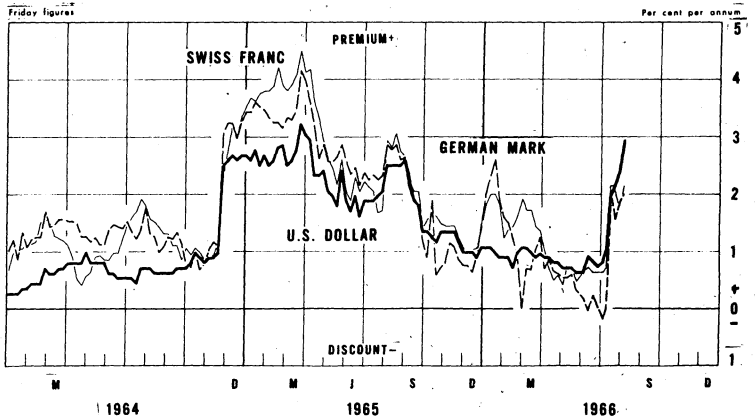
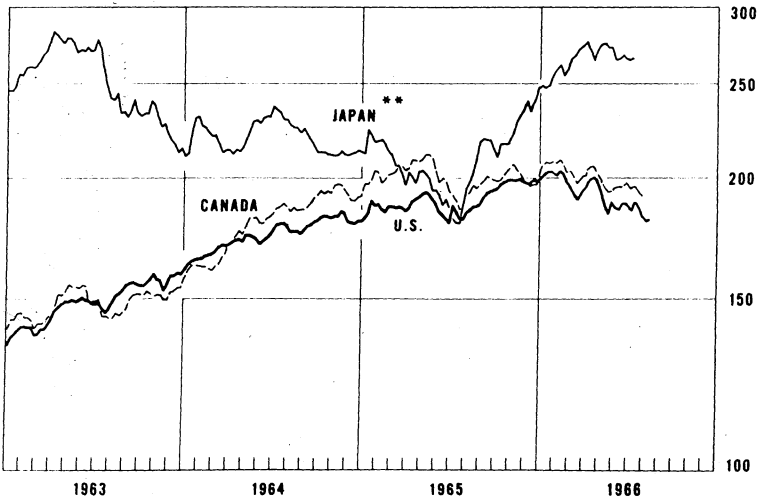
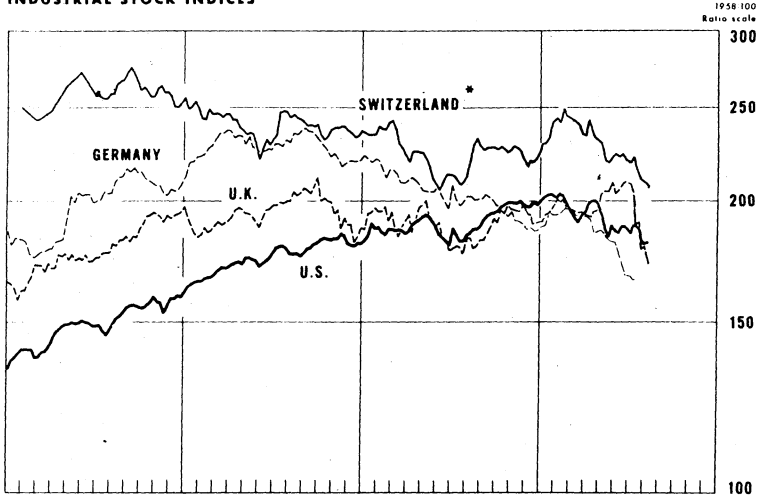


Chart 10

INDUSTRIAL STOCK INDICES



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

Chart 1
(Wednesday, August 17)

| | |
|---------------------------|---------------------|
| Upper Panel | |
| Euro-\$ Deposit | <u>6.50</u> |
| U.S. certif. of deposit | <u>5.74</u> |
| Lower Panel | (Friday, August 19) |
| Finance co. paper: U.S. | <u>5.63</u> |
| Canada | <u>6.46</u> |
| Hire-purchase paper, U.K. | <u>7.28</u> |

Chart 2
(Friday, August 19)

| | | | |
|---------------------------------------|-------------|---------|-------------|
| Euro-\$ deposits: | | | |
| Call | <u>6.06</u> | 90-day | <u>6.56</u> |
| 7-day | <u>6.19</u> | 180-day | <u>7.12</u> |
| 30-day | <u>6.62</u> | | |
| Hire-purchase paper (August 5) | <u>6.13</u> | | |
| Local-authority deposit (August 5) | <u>5.75</u> | | |

Chart 3
(Period: August 8-15)

| | |
|----------------------------|-----------------|
| Upper Panel | |
| Interbank loan (mid-point) | <u>6.84</u> |
| Euro-\$ deposit (average) | <u>6.21</u> |
| Lower Panel | (Date: July 15) |
| Zurich 3-mo. deposit | <u>4.25</u> |
| Price of gold | <u>35.191</u> |
| (Friday, August 5) | |

Chart 4
(Friday, August 19)

| | |
|--------------------------|--------------|
| Treasury bills: Canada | <u>4.96</u> |
| U.S. | <u>5.06</u> |
| Spread favor Canada | <u>-0.10</u> |
| Forward Canadian \$ | <u>+0.28</u> |
| Net incentive (Canada +) | <u>+0.18</u> |
| Canadian finance paper | <u>6.25</u> |

Chart 5
(Friday, August 19)

| | |
|------------------------|--------------|
| Treasury bills: U.K. | <u>6.53</u> |
| U.S. | <u>5.06</u> |
| Spread favor U.K. | <u>1.47</u> |
| Forward pound | <u>-1.03</u> |
| Net incentive (U.K. +) | <u>+0.44</u> |

Chart 6
(Friday, August 19)

| | |
|---|-------------|
| Treasury bills: U.S. | <u>5.06</u> |
| U.K. | <u>6.53</u> |
| Canada | <u>4.96</u> |
| Interbank loan rate (German) (August 8-15) | <u>6.84</u> |
| Euro-\$ deposit (London) | <u>6.56</u> |
| Zurich 3-mo. deposit (Date: July 15) | <u>4.25</u> |
| Japan composite rate (Date: April 30) | <u>7.53</u> |

Chart 7

| | |
|---|-------------|
| U.S. Gov't. (Wed., August 17) | <u>4.88</u> |
| U.K. War Loan (Thurs., Aug. 11) | <u>7.29</u> |
| German Fed. (Fri., August 12) | <u>8.29</u> |
| Swiss Confed. (Fri., Aug. 12) | <u>4.07</u> |
| Canadian Gov't. (Wed., Aug. 10) | <u>5.88</u> |
| Netherlands Gov't perpetual 3% (Friday, August 12) | <u>5.91</u> |
| Euro-\$ bonds (Fri., August 12) | <u>6.79</u> |

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