

H. 13
No. 313

August 23, 1967.

CAPITAL MARKET DEVELOPMENTS ABROAD

- I. Ten Charts on Financial Markets Abroad
II. Latest Figures Plotted in H.13 Chart Series, 1967

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.

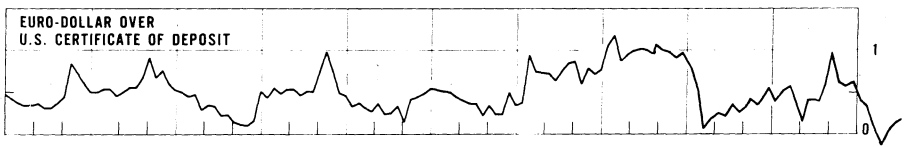
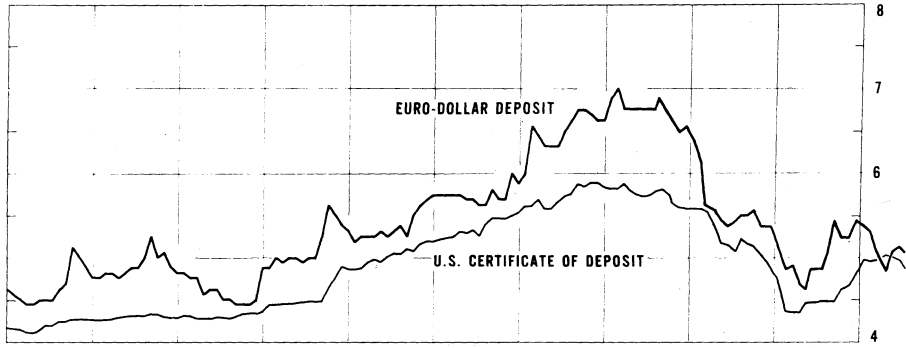
OFFICIAL USE ONLY
(Decontrolled after six months)

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

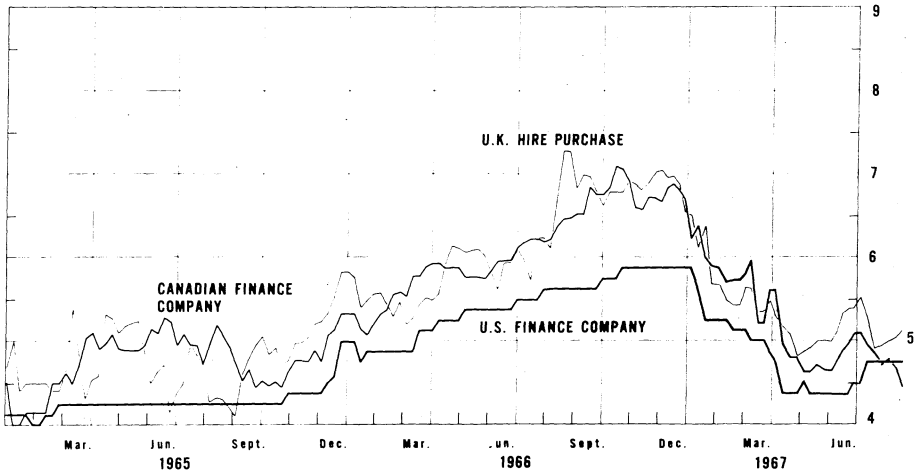
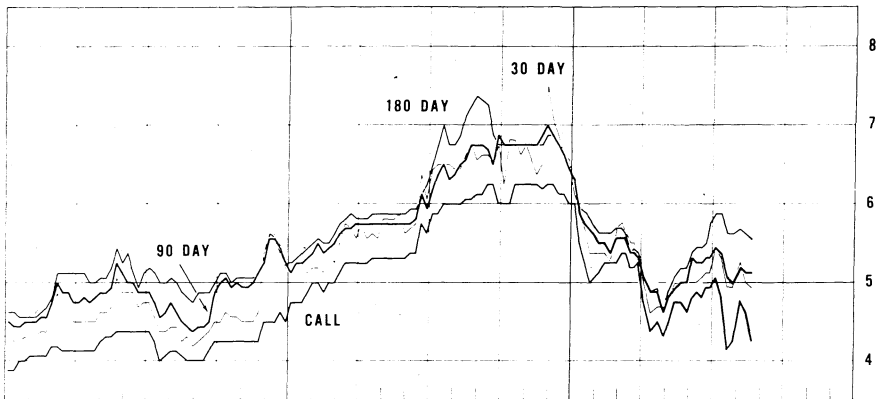


Chart 2

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

Friday figures

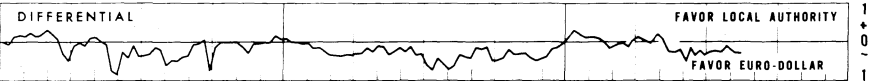
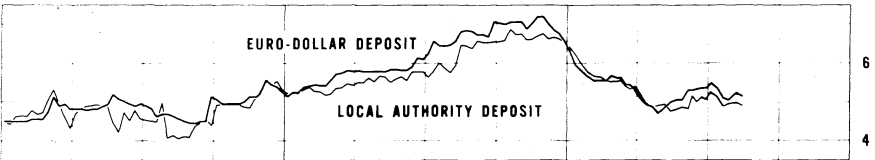
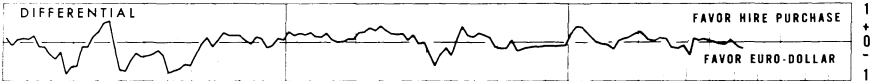
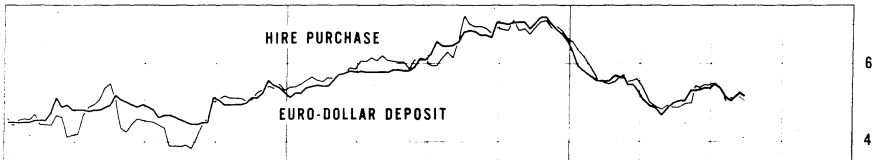
Per cent per annum



HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

Friday figures

Per cent per annum



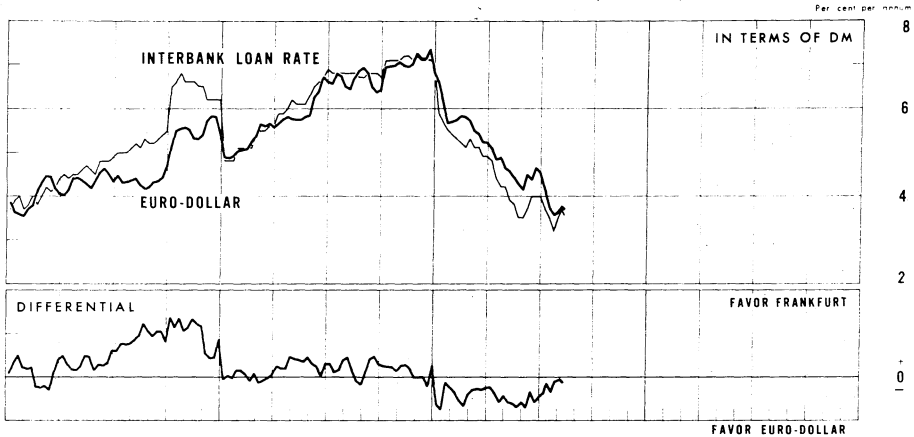
1965

1966

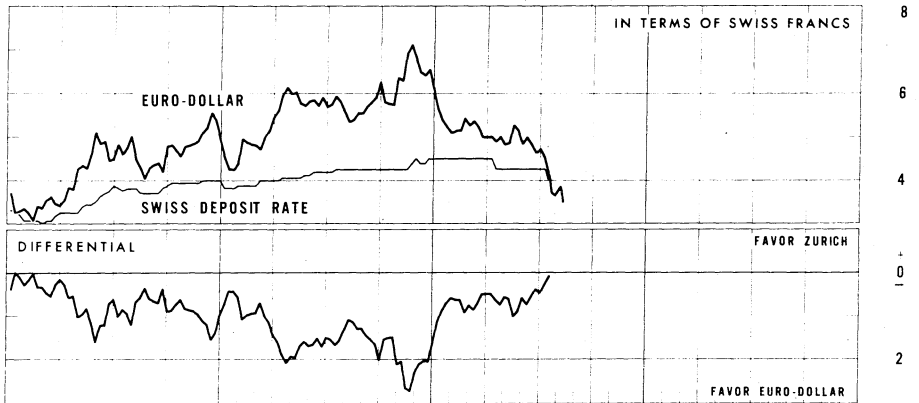
1967

Chart 3

I. 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)



I. PRICE OF GOLD IN LONDON

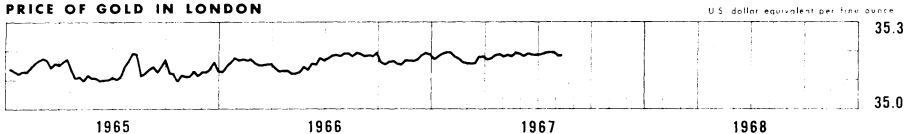


Chart 4

INTEREST ARBITRAGE, UNITED STATES/CANADA

Friday figures

Per cent per annum

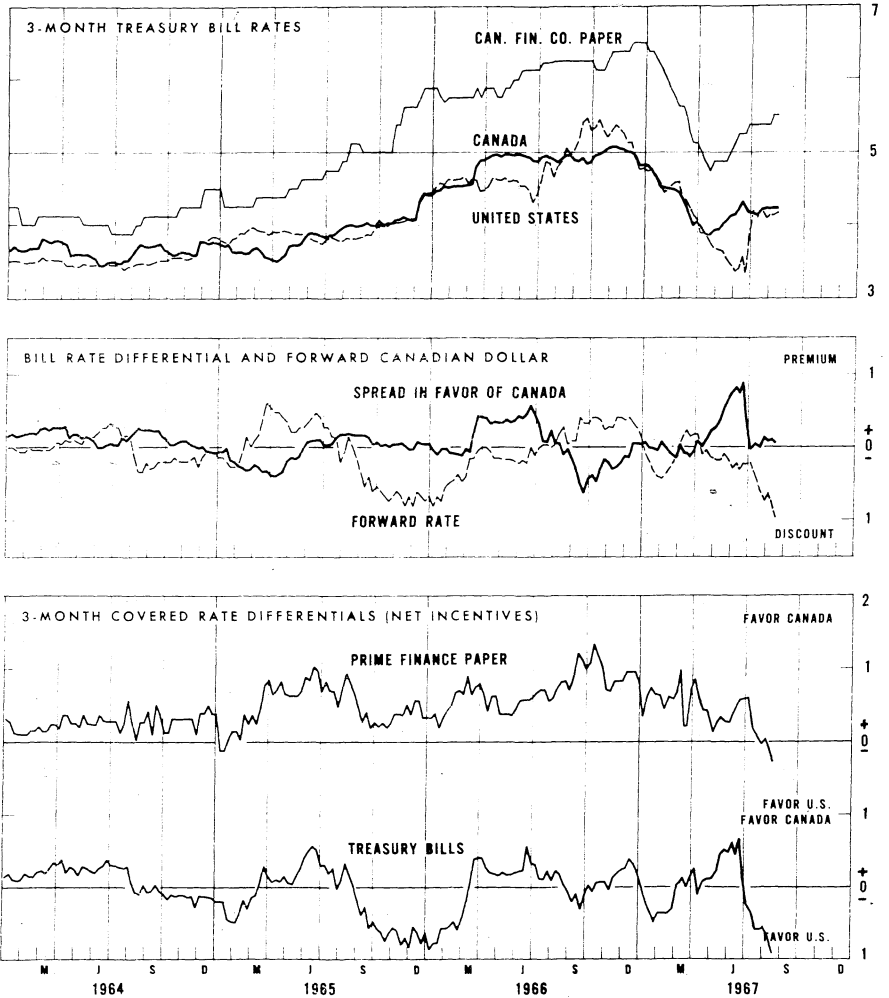
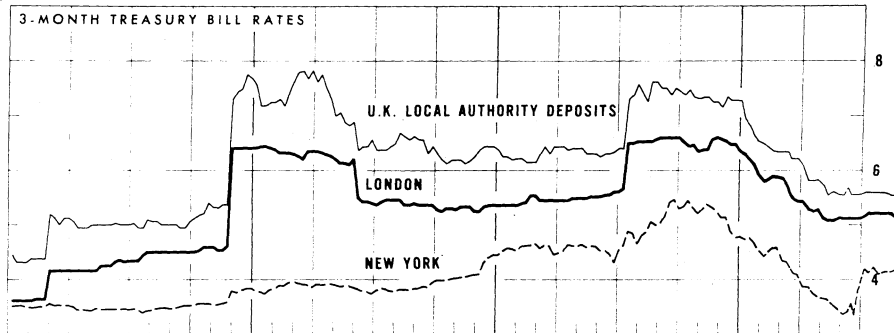


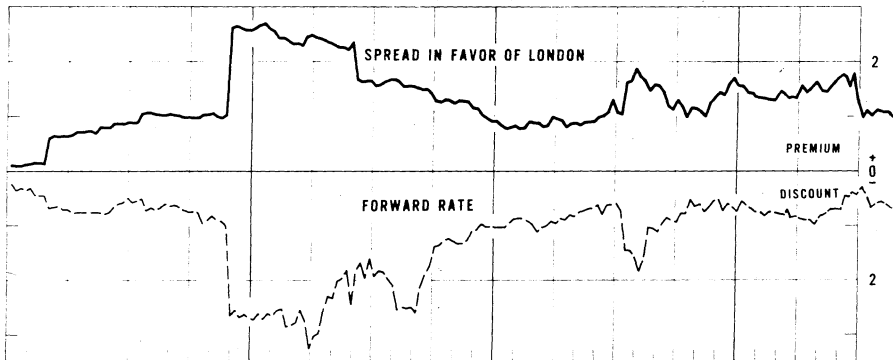
Chart 5

INTEREST ARBITRAGE, NEW YORK/LONDON

Per cent per annum



RATE DIFFERENTIAL AND 3-MONTH FORWARD STERLING



RATE DIFFERENTIAL WITH FORWARD EXCHANGE COVER (NET INCENTIVE)

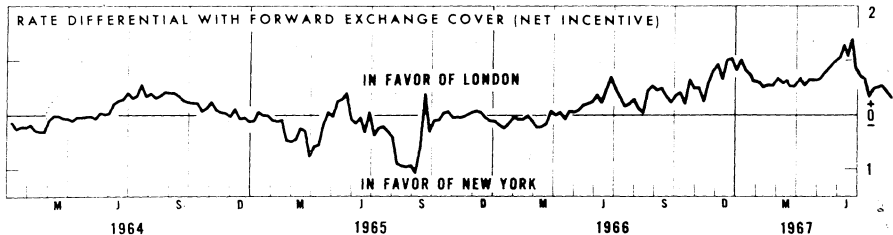
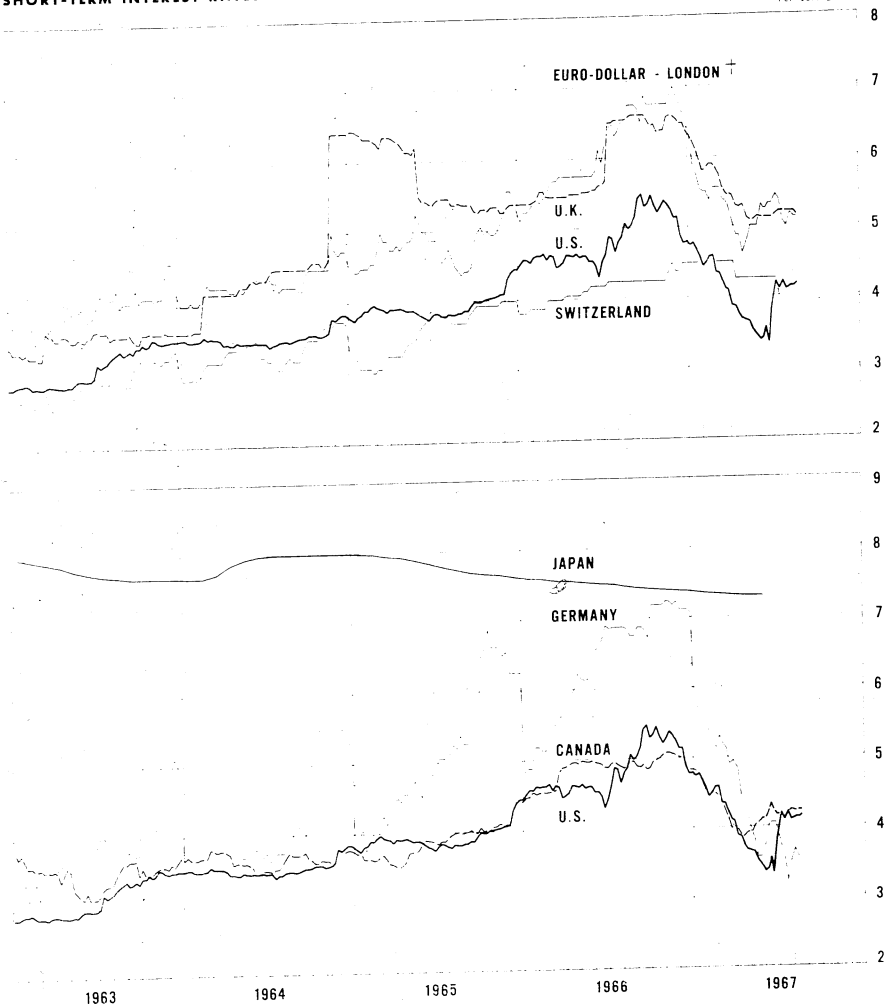


Chart 6
SHORT-TERM INTEREST RATES*

Per cent per ann. †



* Simple average of rates for all countries except Japan. Average rate on four types and discounts.
 † Simple average of month average rate and Germany's interbank loan rate.

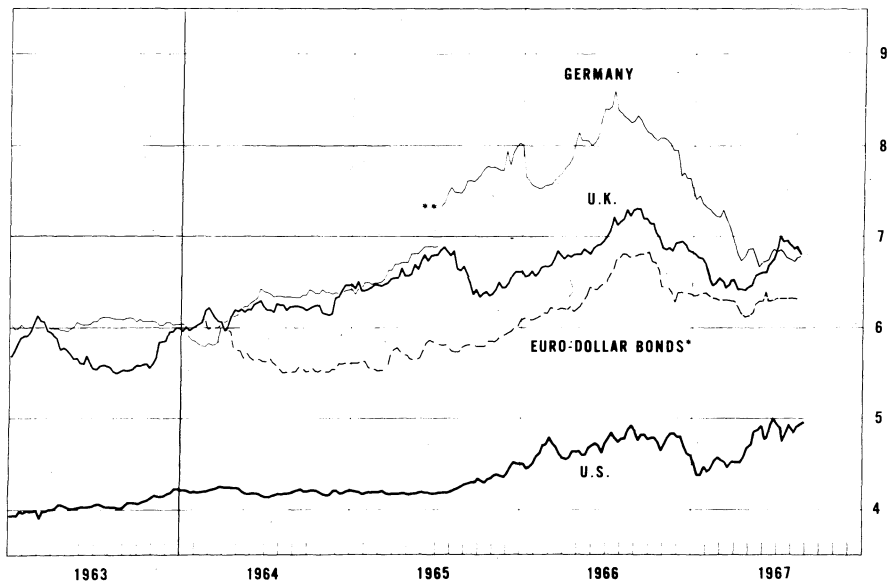
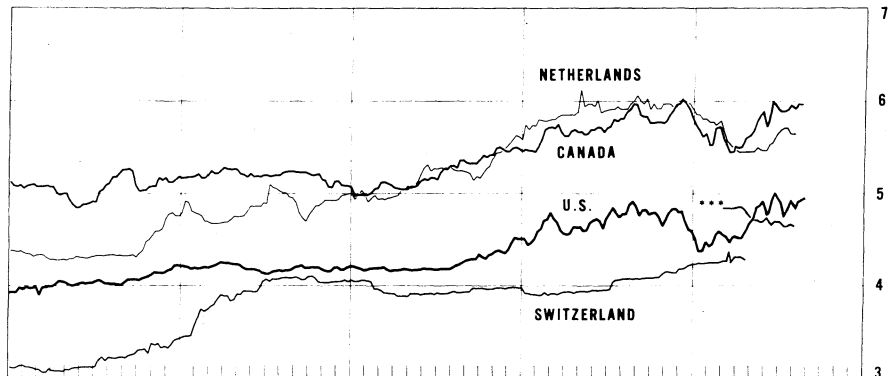
† Simple average for U.S. dollar deposits in London.

Chart 7

LONG-TERM BOND YIELDS

Weekly figures

Per cent per annum



* Average of yields for four foreign government dollar bonds quoted in London
 ** New series for Germany starts 7 9 65
 *** New series for Switzerland starts 3 3 67

Chart 8

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

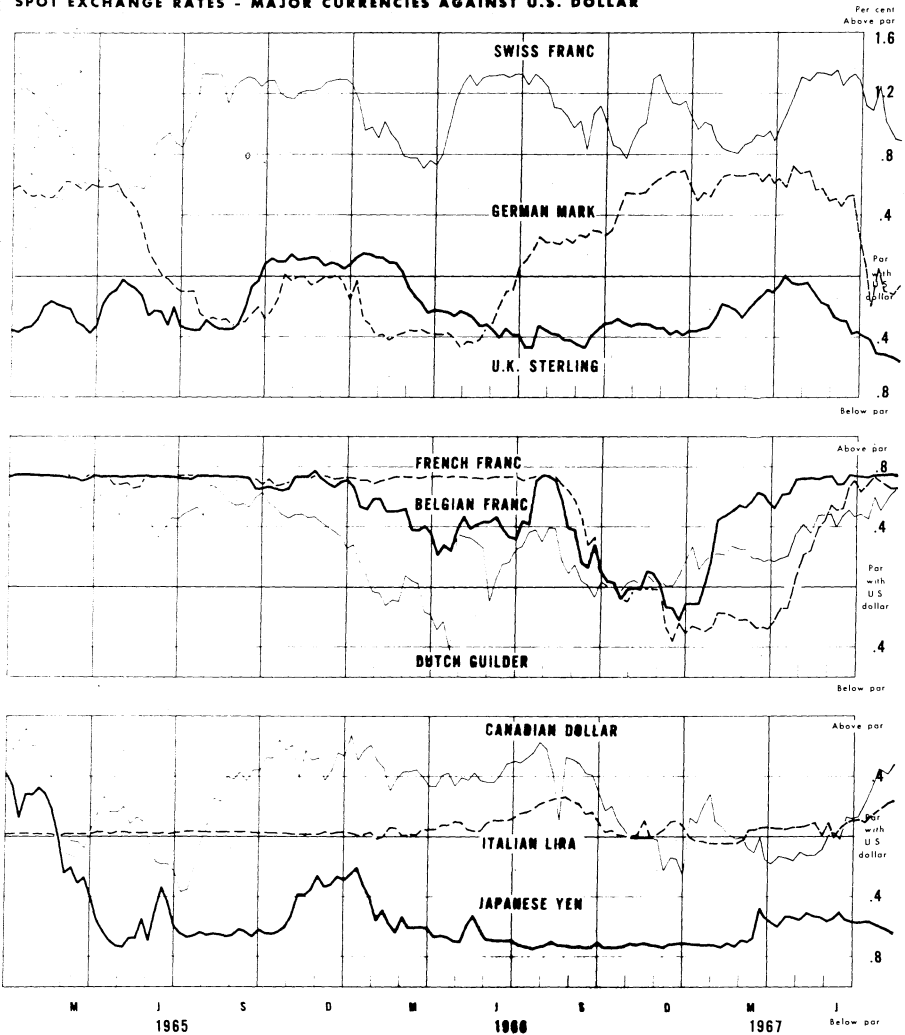
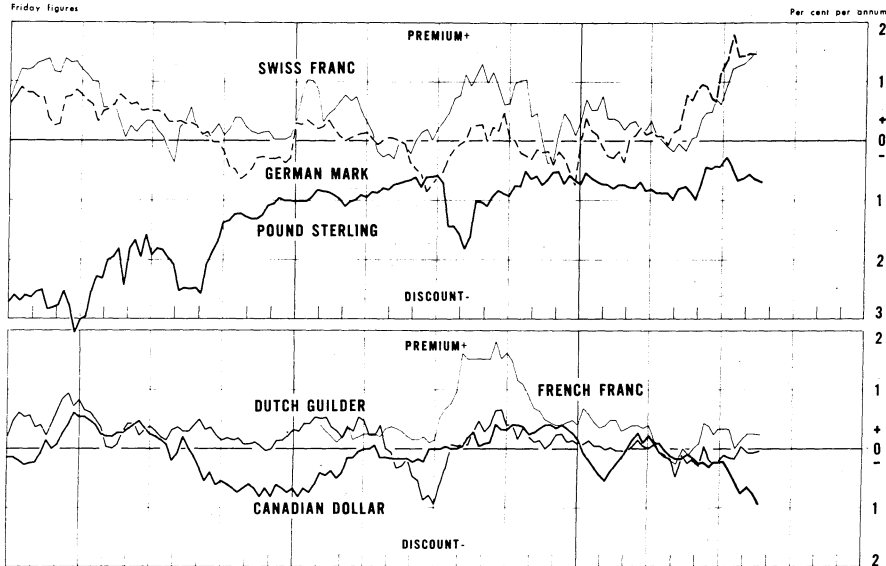


Chart 9

3-MONTH FORWARD EXCHANGE RATES

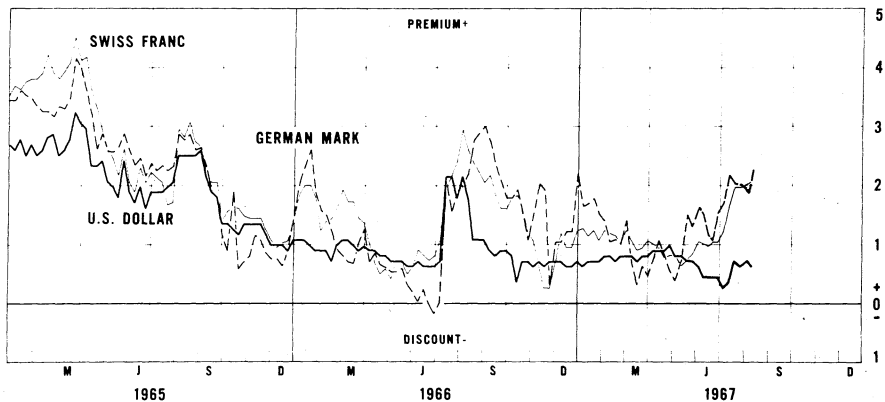
AGAINST U.S. DOLLARS—NEW YORK

Friday figures



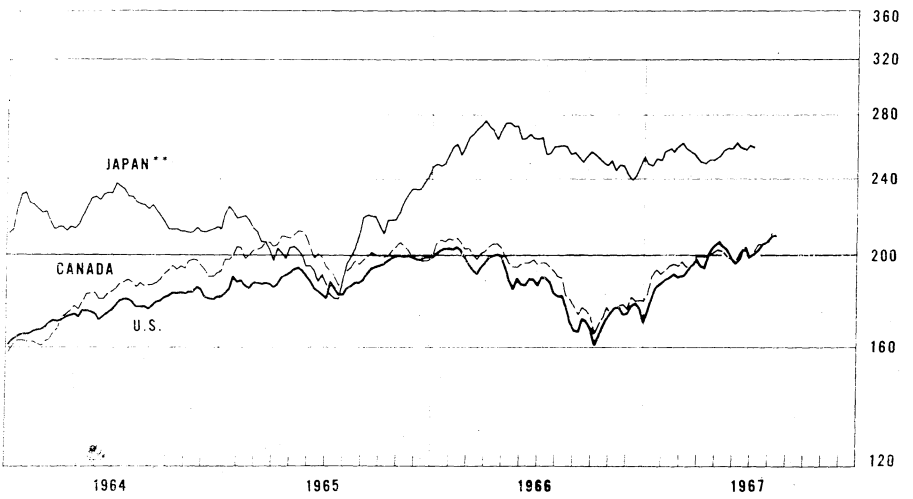
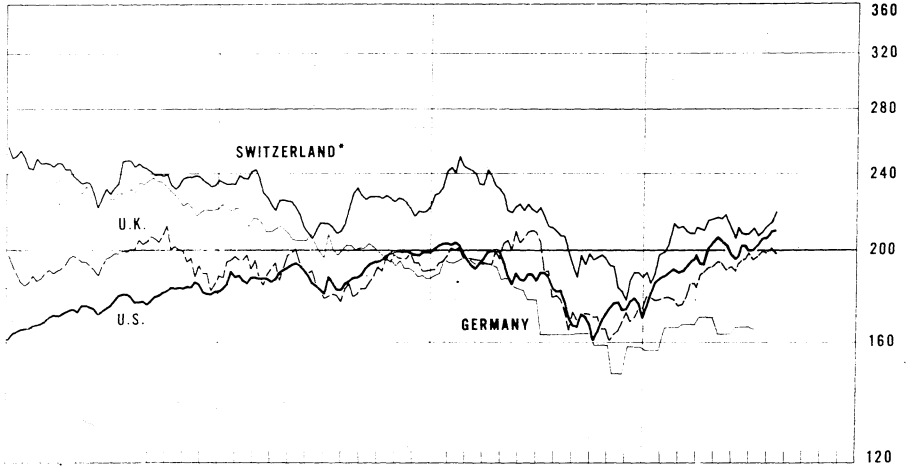
AGAINST POUND STERLING—LONDON

Friday figures



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.

Chart 1
Upper Panel (Wednesday, August 16)

Euro-\$ deposit	5.06
U.S. certif. of deposit	4.88
<u>Lower Panel</u> (Friday, August 18)	
Finance co. paper: U.S.	4.75
Canada	4.46
Hire-purchase paper, U.K.	5.12

Chart 2
 (Friday, Aug. 18)

Euro-\$ deposits:

Call	4.25	90-day	5.12
30-day	4.94	180-day	5.56
		Aug. 4	5.75
Hire-purchase paper	11	Aug. 4	5.69
		Aug. 4	5.59
Local-authority deposit	11	Aug. 4	5.56

Chart 3
Upper Panel (Period: August 15)

Interbank loan (mid-point)	3.56
Euro-\$ deposit (average)	5.16
<u>Lower Panel</u> (Date: July 15)	
Zurich 3-month deposit	4.00
Price of gold Aug. 4	35.182
(Friday, Aug. 11)	35.184

Chart 4
 (Friday, Aug. 18)

Treasury bills: Canada	4.23
U.S.	4.17
Spread favor Canada	+0.06
Forward Canadian \$	-0.97
Net incentive (Canada +)	-0.91
Canadian finance paper	5.50

Chart 5
 (Friday, Aug. 18)

Treasury bills: U.K.	5.16
U.S.	4.17
Spread favor U.K.	+0.99
Forward pound	-0.69
Net incentive (U.K. +)	+0.30

Chart 6
 (Friday, Aug. 18)

Treasury bills: U.S.	4.17
U.K.	5.16
Canada	4.23
Interbank loan rate (German)	Aug. 15 3.56
Euro-\$ deposit (London)	5.12
Zurich 3-month deposit (Date: July 15)	4.00
Japan composite rate (Date: May 26)	7.30

Chart 7

U.S. Gov't. (Wed., Aug. 16)	4.94
U.K. War Loan (Thurs., Aug. 17)	6.81
German Fed. (Fri., Aug. 18)	6.79
Swiss Confed. (Fri., Aug. 4)	4.65
Canadian Gov't. (Wed., Aug. 9)	5.97
	16 5.97
Netherlands Gov't. perpetual 3% (Friday, August 2)	5.65
Euro-\$ bonds (Fri., August 11)	6.33

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