

January 3, 1968.

H. 13
No. 331

CAPITAL MARKET DEVELOPMENTS ABROAD

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

*Capital
Market*

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 Rate
- 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

Note: This report includes data for the two-week period ending December 29, 1967.

Europe and British Commonwealth Section.

NOT FOR PUBLICATION

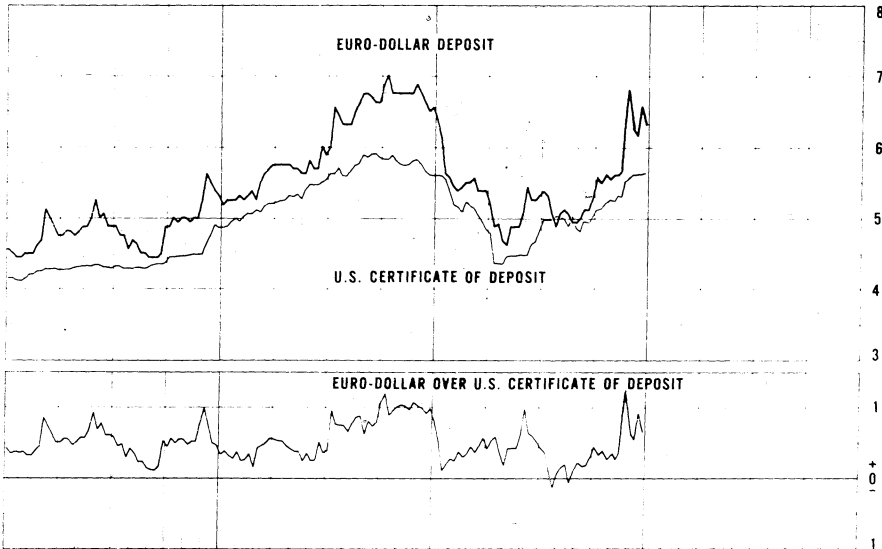
DECONTROLLED AFTER SIX MONTHS

Chart 1

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

Weekly figures

Per cent per annum



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

Friday figures

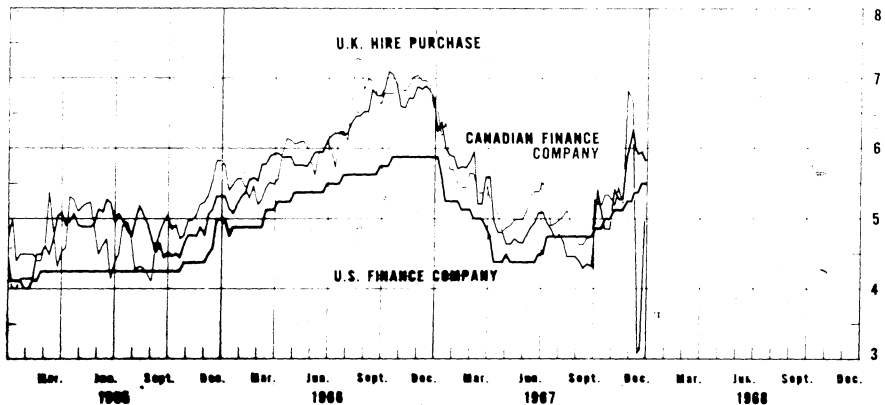


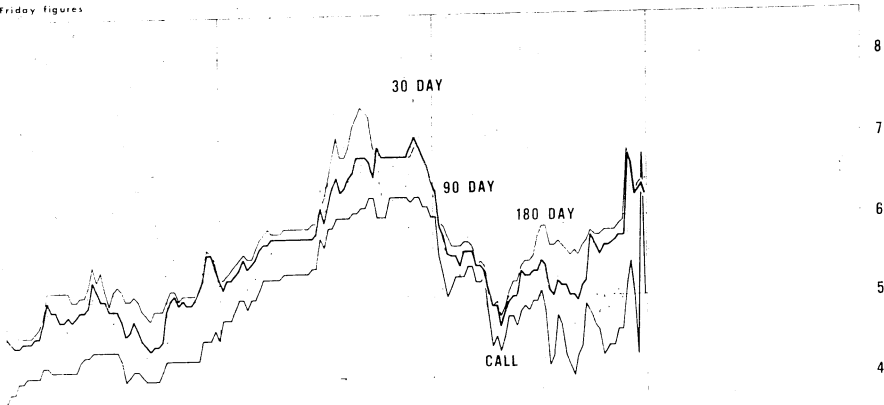
Chart 2

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

EURO-DOLLAR DEPOSIT RATES

Friday figures

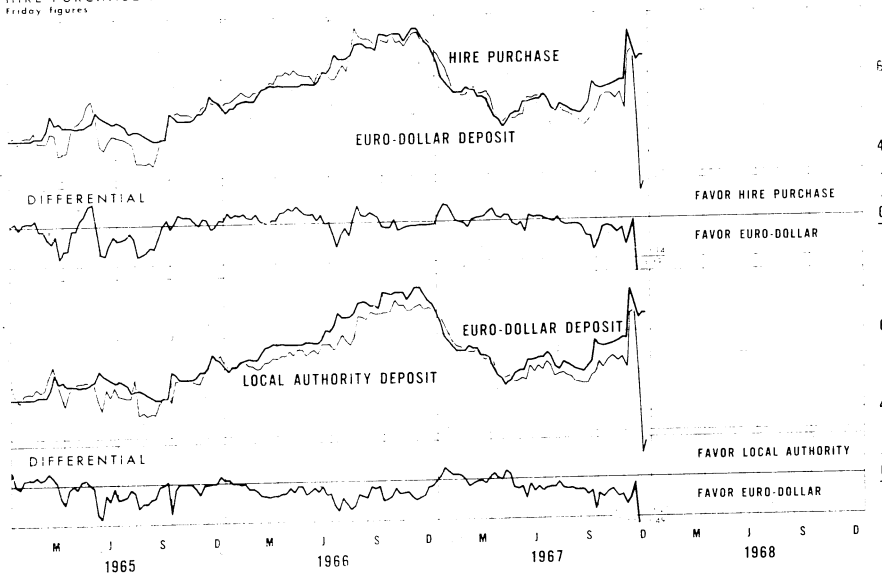
Per cent per annum



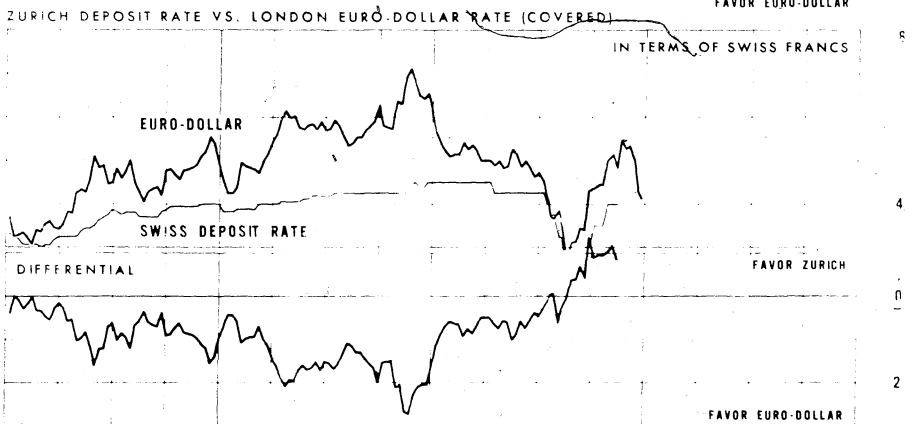
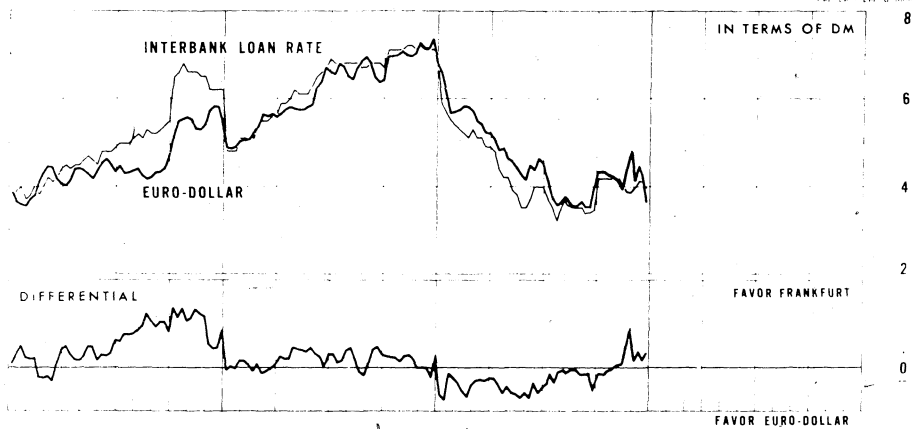
HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

Friday figures

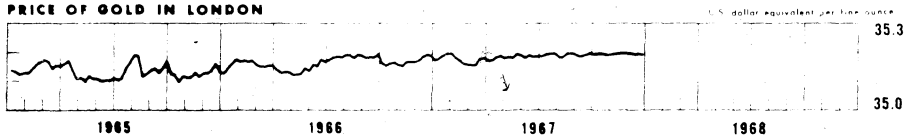
Per cent per annum



I INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON
FRANKFURT INTERBANK LOAN RATE VS LONDON EURO-DOLLAR RATE (COVERED)



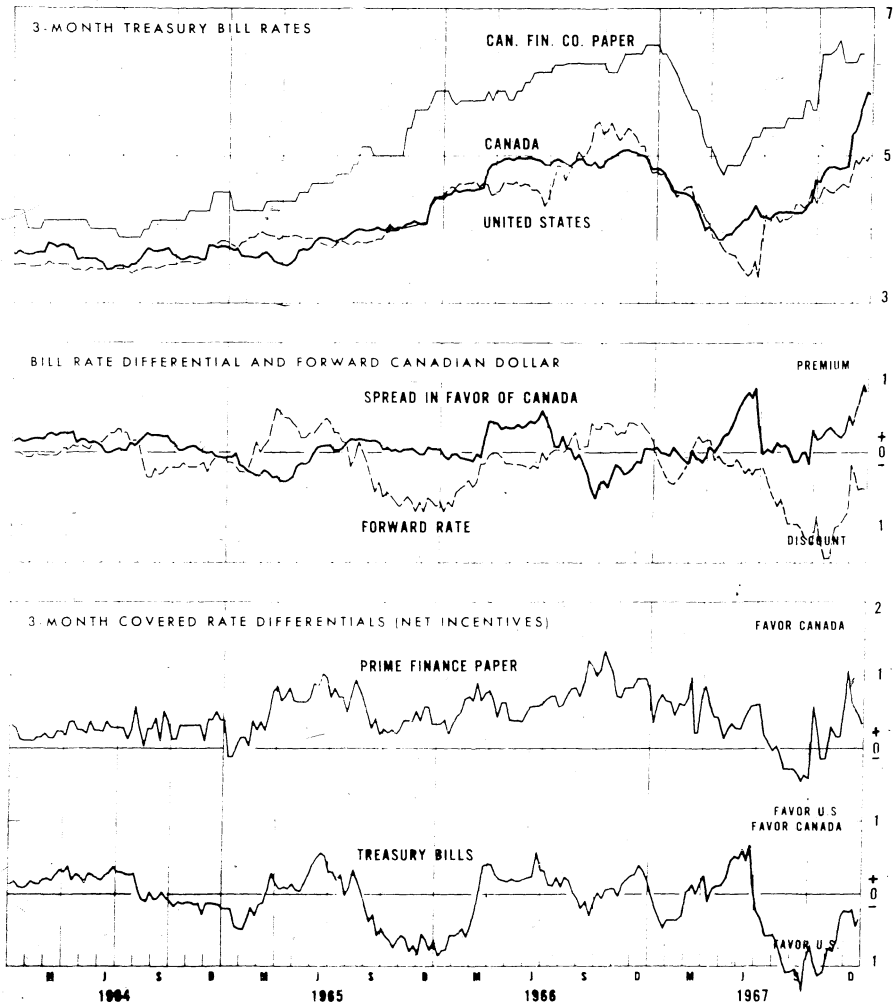
II PRICE OF GOLD IN LONDON



INTEREST ARBITRAGE, UNITED STATES/CANADA

From Figures

Per cent per annum



INTEREST ARBITRAGE, NEW YORK/LONDON

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Per cent per annum

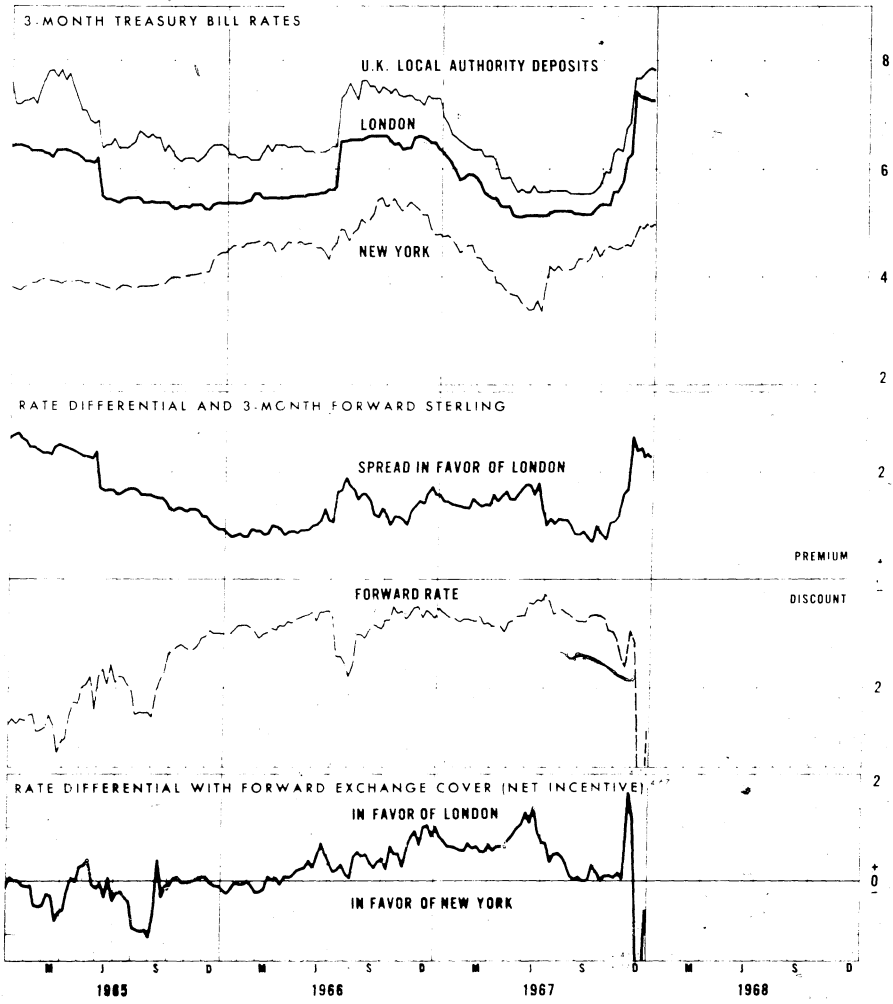
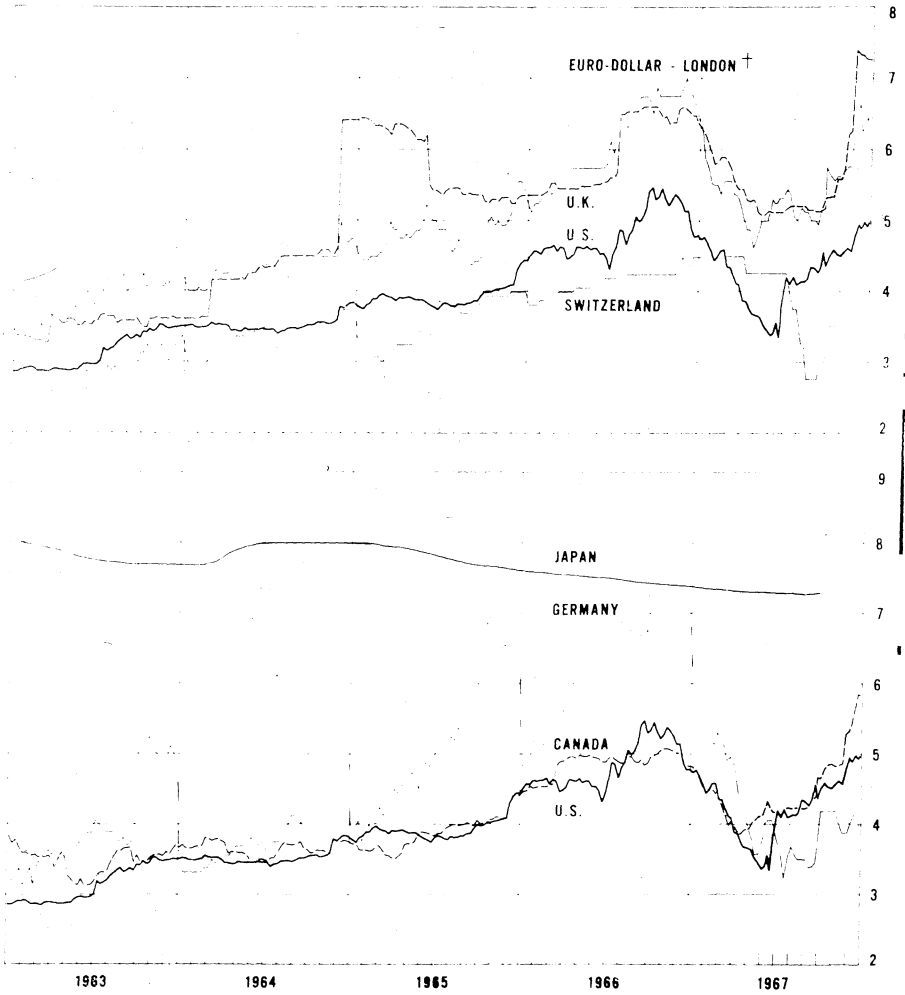


Chart 4

SHORT-TERM INTEREST RATES*

Per cent per annum

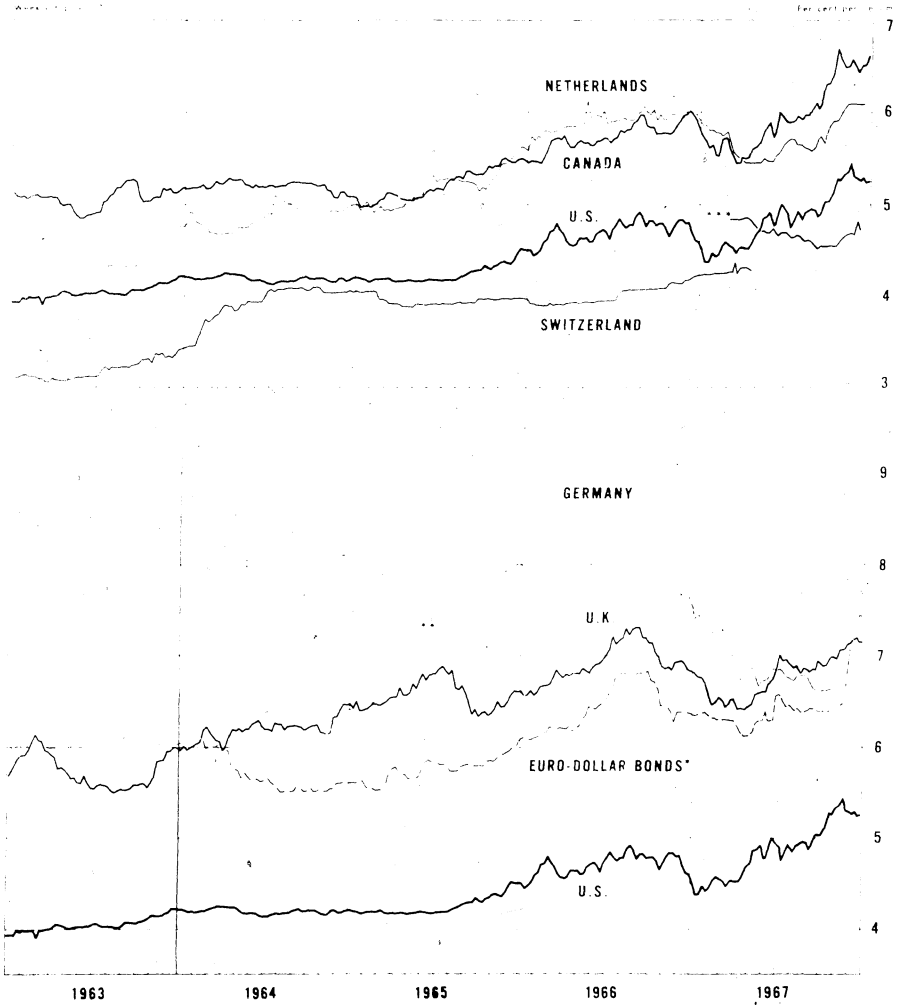


* 3-month treasury bill rates for all countries except Japan (Average rate on bank loans and discounts, Switzerland 3-month deposit rate, and Germany Interbank loan rate)

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

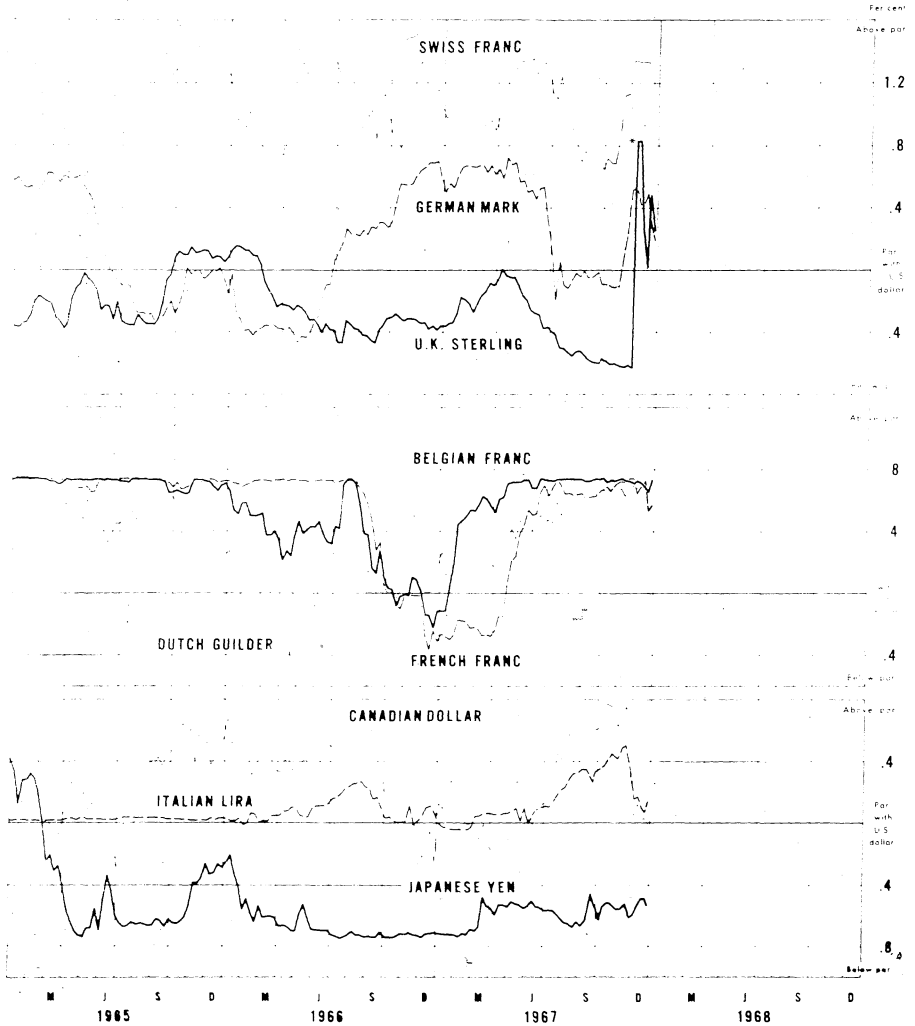
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LONG-TERM BOND YIELDS



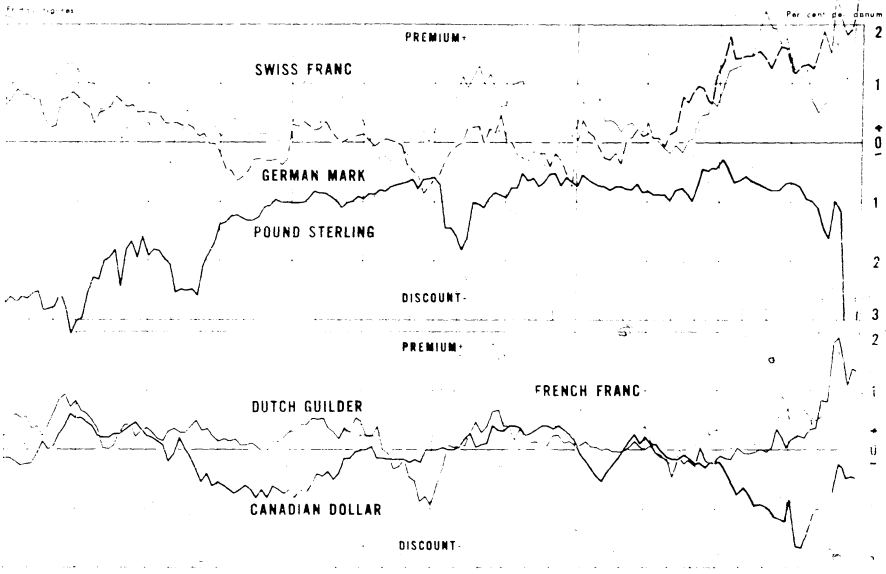
* Average of yields for four foreign government dollar bonds quoted in London.
 ** New series for Germany starts 7/65.
 *** New series for Switzerland starts 1/67.

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

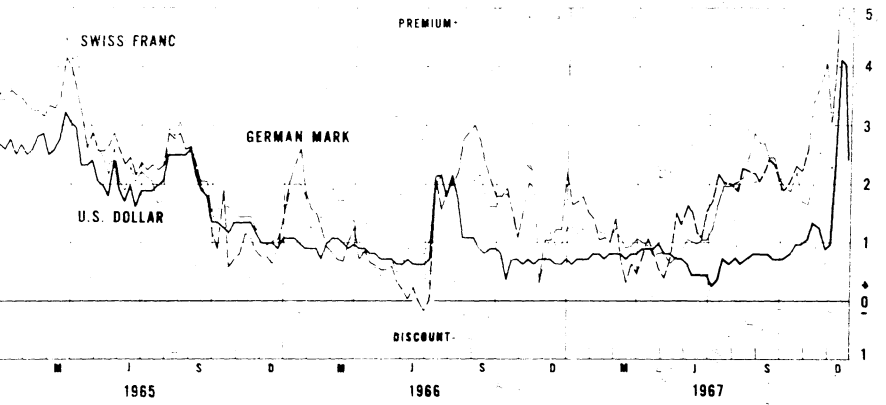


* Exchange rates are in U.S. dollars per 100 units of foreign currency.

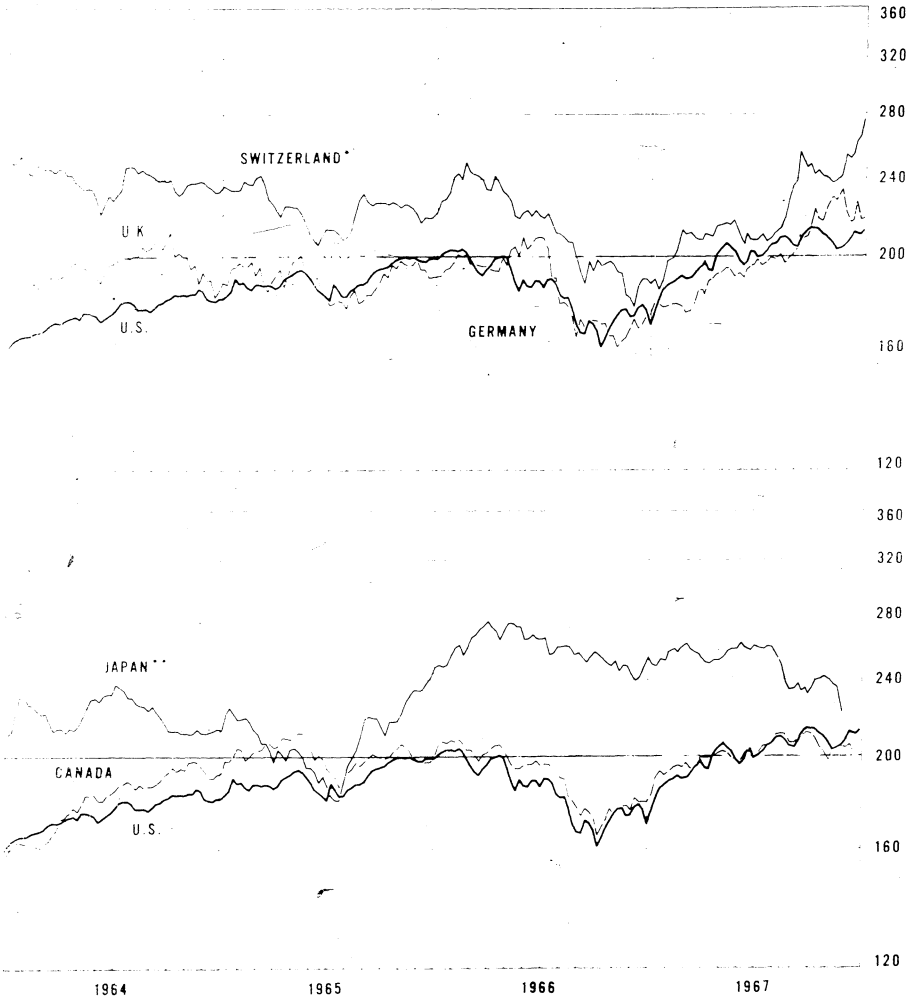
3-MONTH FORWARD EXCHANGE RATES AGAINST U.S. DOLLARS—NEW YORK



AGAINST POUND STERLING—LONDON



INDUSTRIAL STOCK INDICES



* Swiss bank Corporation industrial stock index
 ** Japan bank Corporation industrial and other stocks traded on the Tokyo exchange

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II. Latest Figures Plotted in H. 13 Chart Series, 1967
(all figures per cent per annum)

Chart 1
Upper Panel (Wednesday, Dec. 20)

Euro-\$ deposit 6.56
U.S. certif. of deposit 5.64

Lower Panel (Friday, Dec. 22)

Finance co. paper: U.S. 5.50
Canada 5.95
Hire-purchase paper, U.K. 3.14

Chart 2
(Friday, Dec. 22)

Euro-\$ deposits:
Call 6.75 90-day 6.38
30-day 6.56 180-day 6.44

Hire-purchase paper (Dec. 15) 3.05

Local-authority deposit (Dec. 15) 2.95

Chart 3
Upper Panel (Period: Dec. 16-23)

Interbank loan (mid-point) 4.12

Euro-\$ deposit (average) 4.27

Lower Panel (Date: Nov. 15)

Zurich 3-month deposit 4.00

Price of gold 35.198
(Friday, Dec. 15)

Chart 4
(Friday, Dec. 22)

Treasury bills: Canada 5.84
U.S. 4.92
Spread favor Canada + .92

Forward Canadian \$ - .48

Net incentive (Canada +) - .44

Canadian finance paper (Dec. 15) 6.38

Chart 5
(Friday, Dec. 22)

Treasury bills: U.K. 7.26
U.S. 4.92

Spread favor U.K. +2.34

Forward pound -4.67

Net incentive (U.K. +) -2.33

Chart 6
(Friday, Dec. 22)

Treasury bills: U.S. 4.92
U.K. 7.26
Canada 5.84

Interbank loan rate (German) (Dec. 1-23) 4.12

Euro-\$ deposit (London) 6.44

Zurich 3-month deposit (Date: Nov. 15) 4.00

Japan composite rate (Date: Sept. 29) 7.29

Chart 7

U.S. Gov't. (Wed., Dec. 20) 5.24

U.K. War Loan (Thurs., Dec. 21) 7.15

German Fed. (Fri., Dec. 22) 6.64

Swiss Confed. (Fri., Dec. 7) 4.73

Canadian Gov't. (Wed., Dec. 20) 6.54

Netherlands Gov't. perpetual 3% (Friday, Dec. 8) 6.09

Euro-\$ bonds (Fri., Dec. 22) 7.44

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

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II. Latest Figures Plotted in H.13 Chart Series, 1967
(all figures per cent per annum)

Chart 1
Upper Panel (Wednesday, Dec. 27)

Euro-\$ deposit	<u>6.31</u>
U.S. certif. of deposit	<u>5.65</u>

Lower Panel (Friday, Dec. 29)

Finance co. paper: U.S.	<u>5.50</u>
Canada	<u>5.82</u>
Hire-purchase paper, U.K.	<u>4.98</u>

Chart 5
(Friday, Dec. 29)

Treasury bills: U.K.	<u>7.26</u>
U.S.	<u>4.98</u>
Spread favor U.K.	<u>+2.28</u>
Forward pound	<u>-2.83</u>
Net incentive (U.K. +)	<u>- .55</u>

Chart 2
(Friday, Dec. 29)

Euro-\$ deposits:

Call	<u>5.00</u>	90-day	<u>6.25</u>
30-day	<u>6.18</u>	180-day	<u>6.44</u>
Hire-purchase paper (Dec. 22)	<u>3.30</u>		
Local-authority deposit (Dec. 22)	<u>5.23</u>		

Chart 6
(Friday, Dec. 29)

Treasury bills: U.S.	<u>4.98</u>
U.K.	<u>7.26</u>
Canada	<u>5.82</u>
Interbank loan rate (German) (Dec. 24-31)	<u>3.96</u>
Euro-\$ deposit (London)	<u>6.25</u>
Zurich 3-month deposit (Date: <u>Nov. 15</u>)	<u>4.00</u>
Japan composite rate (Date: <u>Sept. 29</u>)	<u>7.29</u>

Chart 3
Upper Panel (Period: Dec. 24-31)

Interbank loan (mid-point)	<u>3.96</u>
Euro-\$ deposit (average)	<u>3.63</u>

Lower Panel (Date: Nov. 15)

Zurich 3-month deposit	<u>4.00</u>
Price of gold (Friday, <u>Dec. 22</u>)	<u>35.195</u>

Chart 7

U.S. Gov't. (Wed., <u>Dec. 27</u>)	<u>5.25</u>
U.K. War Loan (Thurs., <u>Dec. 28</u>)	<u>7.15</u>
German Fed. (Fri., <u>Dec. 29</u>)	<u>6.62</u>
Swiss Confed. (Fri., <u>Dec. 7</u>)	<u>4.73</u>
Canadian Gov't. (Wed., <u>Dec. 27</u>)	<u>6.62</u>
Netherlands Gov't. perpetual 3% (Friday, <u>Dec. 15</u>)	<u>6.09</u>
Euro-\$ bonds (Fri., <u>Dec. 29</u>)	<u>7.43</u>

Chart 4
(Friday, Dec. 29)

Treasury bills: Canada	<u>5.82</u>
U.S.	<u>4.98</u>
Spread favor Canada	<u>+ .84</u>
Forward Canadian \$	<u>- .49</u>
Net incentive (Canada +)	<u>- .35</u>
Canadian finance paper (Dec. 15)	<u>6.38</u>

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