

H. 13
No. 336

February 7, 1968.

CAPITAL MARKET DEVELOPMENTS ABROAD

- I. Ten Charts on Financial Markets Abroad
II. Latest Figures Plotted in H.13 Chart Series, 1968

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.

NOT FOR PUBLICATION

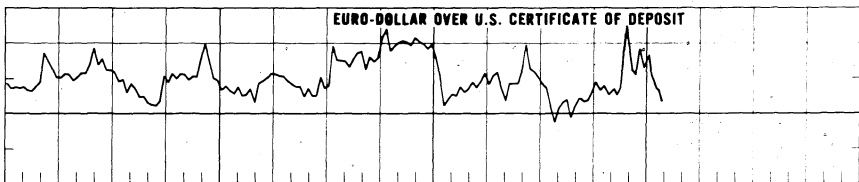
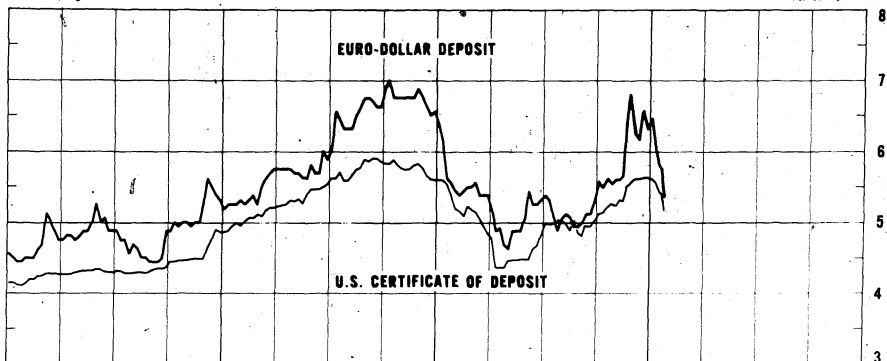
DECONTROLLED AFTER SIX MONTHS

Chart 1

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

Wednesday figures

Per cent per annum



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

Friday figures

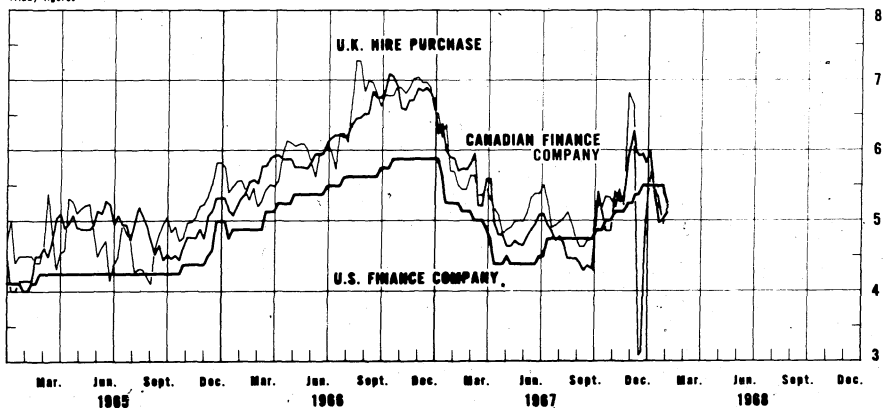
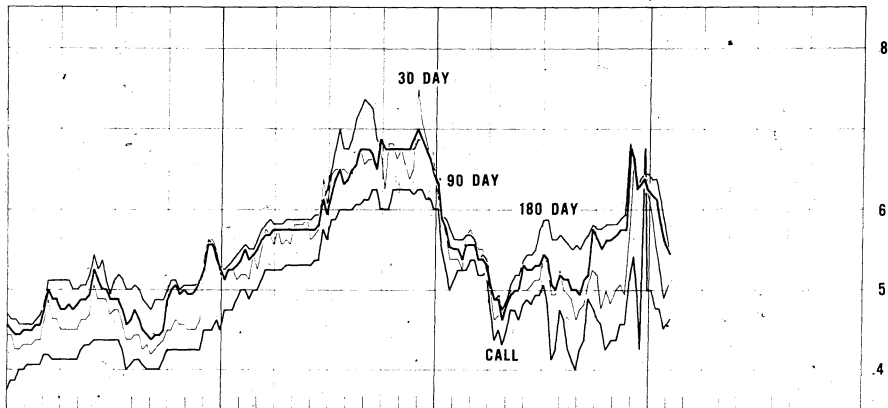


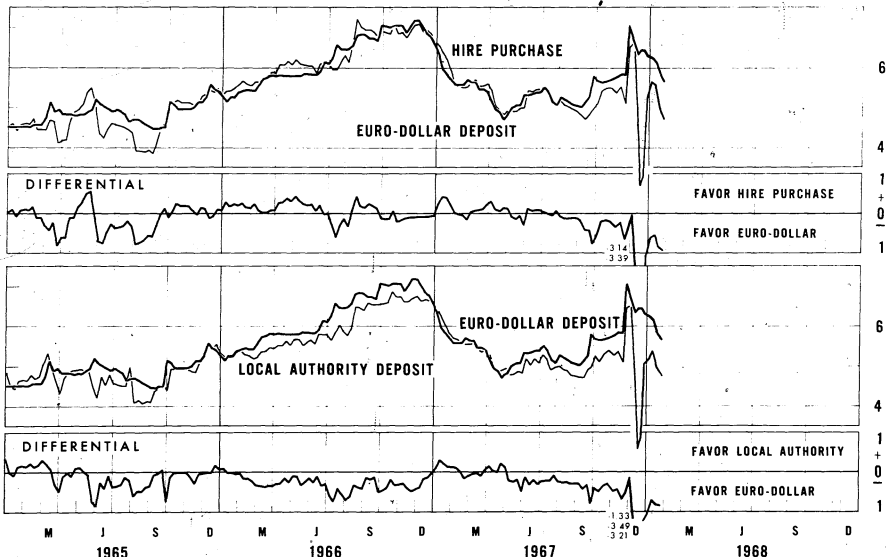
Chart 2
LONDON: YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS
EURO-DOLLAR DEPOSIT RATES
 Friday figures

Per cent per annum

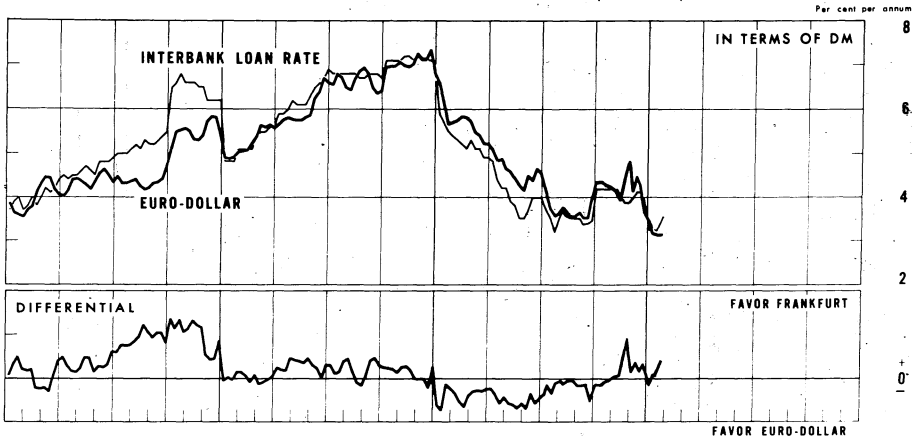


HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)
 Friday figures

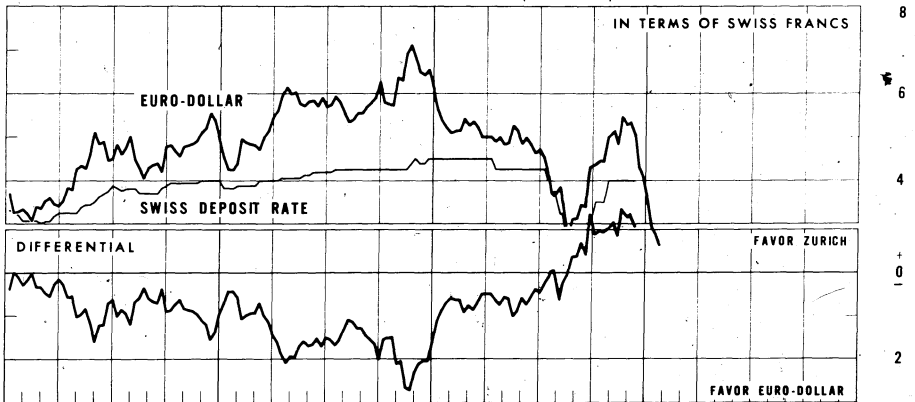
Per cent per annum



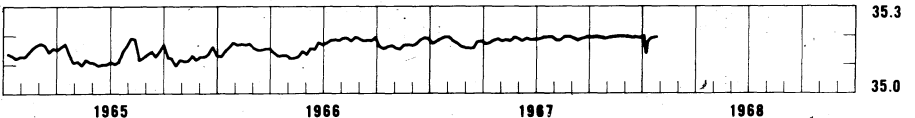
I INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON
FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE (COVERED)



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



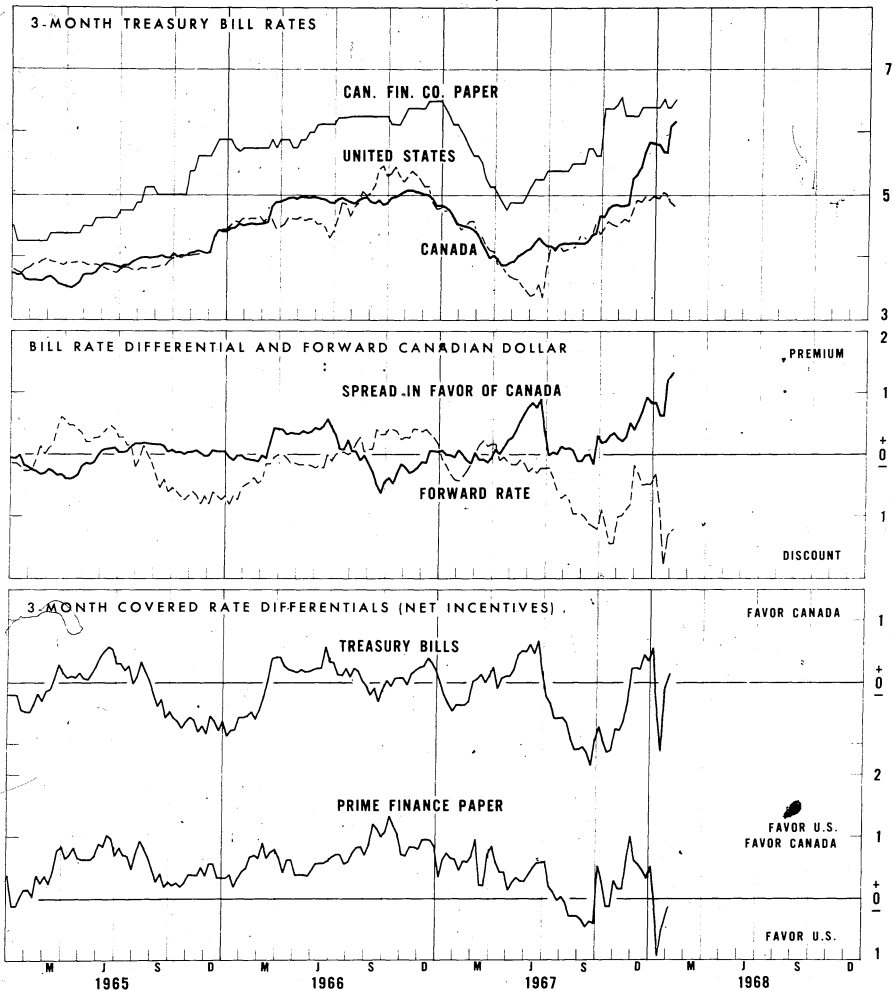
II PRICE OF GOLD IN LONDON



INTEREST ARBITRAGE, UNITED STATES / CANADA

Friday figures

Per cent per annum



INTEREST ARBITRAGE, NEW YORK/LONDON

Per cent per annum

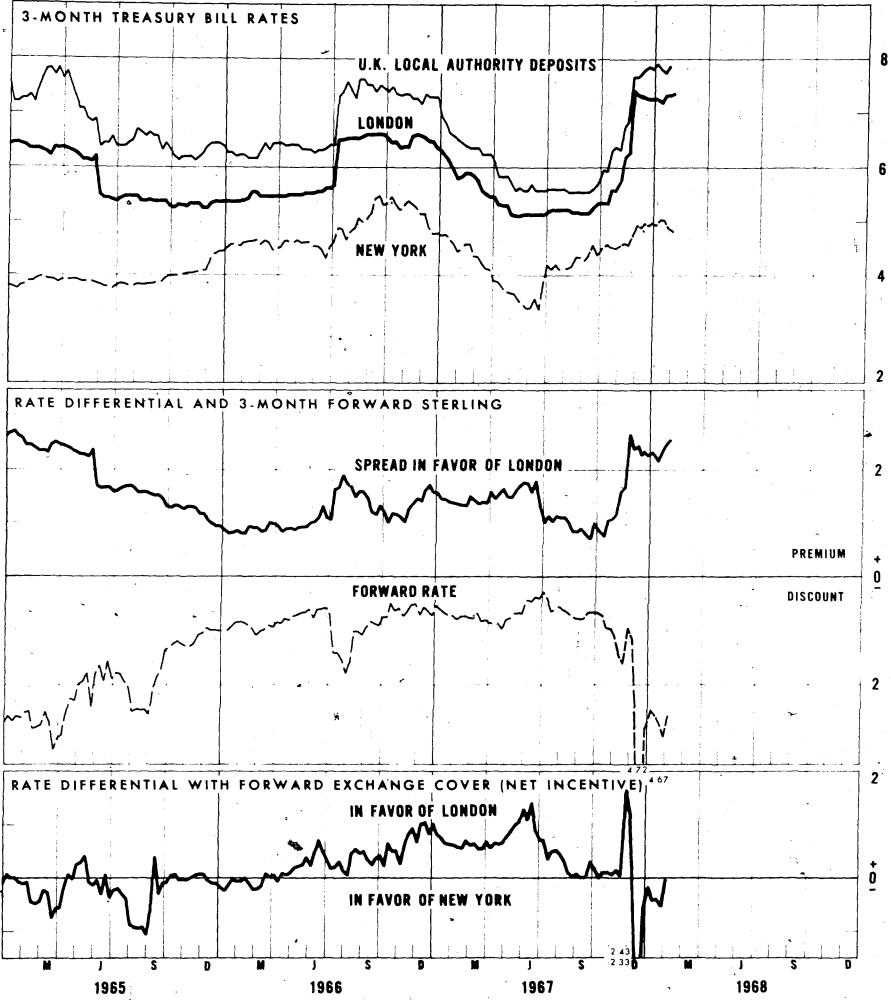
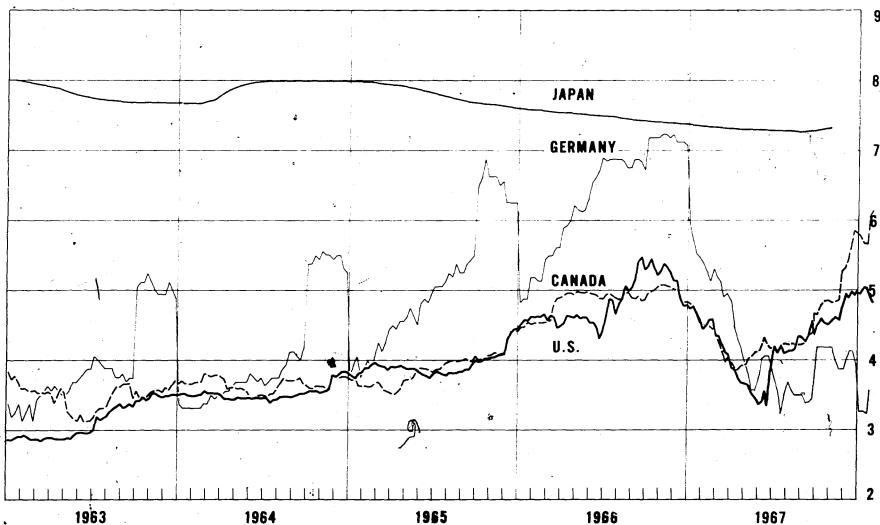
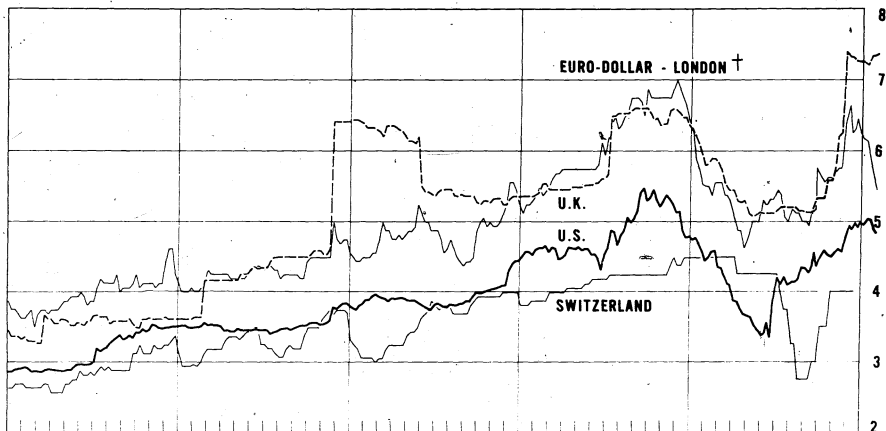


Chart 6

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)

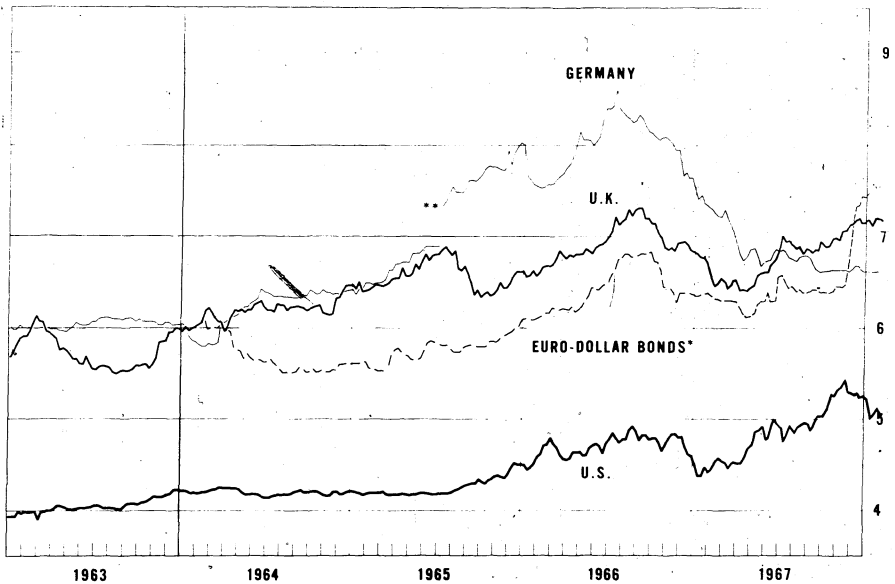
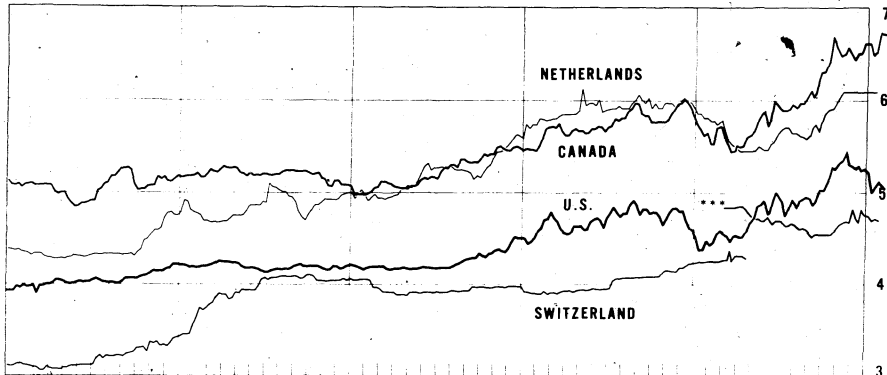
† 3-month rate for U.S. dollar deposits in London.

Chart 7

LONG-TERM BOND YIELDS

Weekly figures

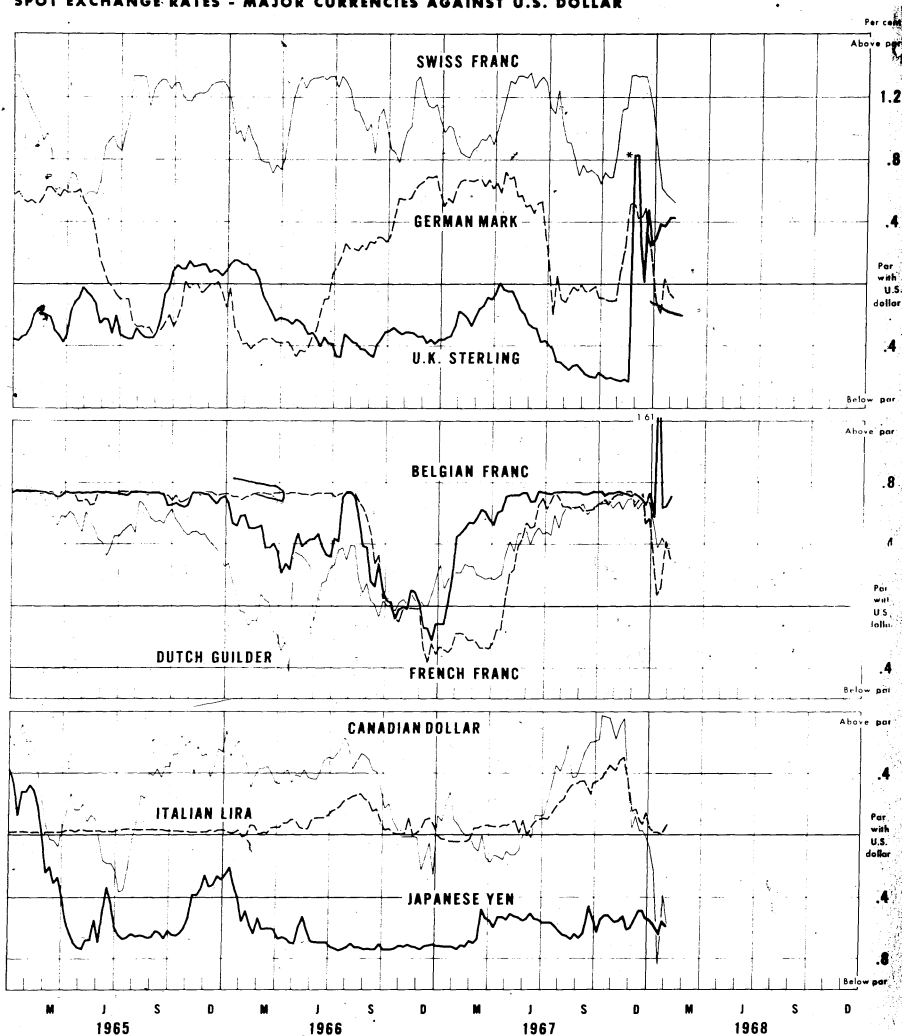
Per cent per annum



- * Average of yields for four foreign government dollar bonds quoted in London
- ** New series for Germany starts 7.965
- *** New series for Switzerland starts 3.367

Chart 8

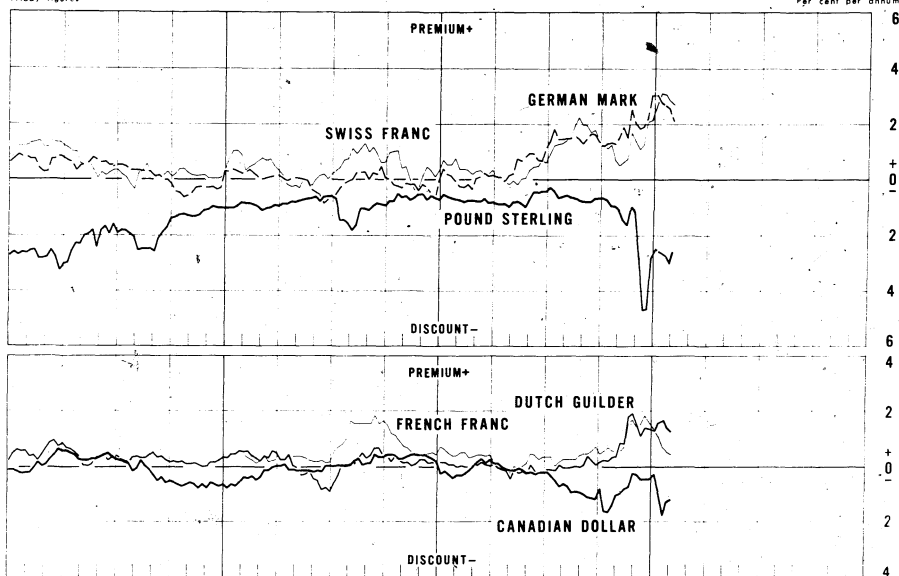
SPOT EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.S. DOLLAR



* Devaluation of the pound sterling from \$2.80 to \$2.40

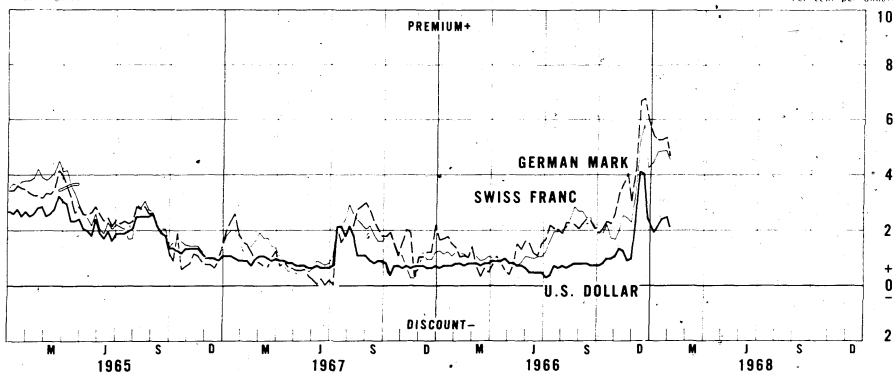
**3-MONTH FORWARD EXCHANGE RATES
AGAINST U.S. DOLLARS—NEW YORK**

Friday figures

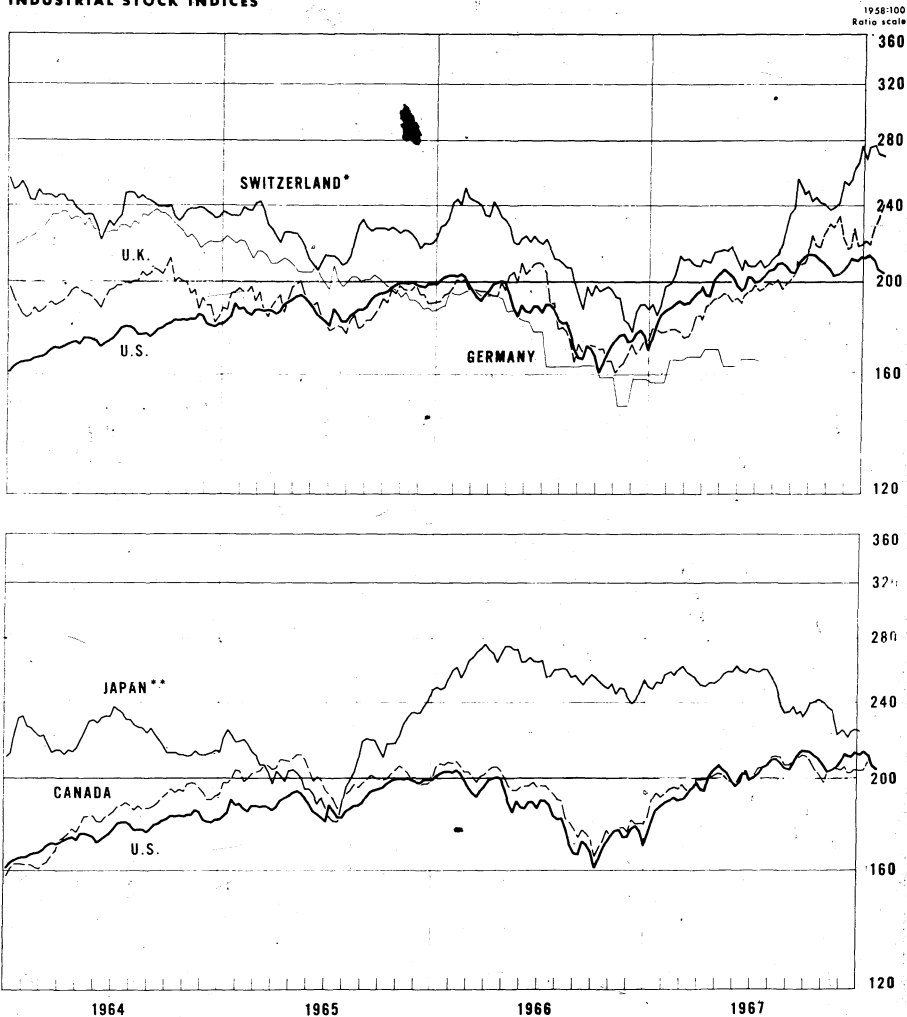


AGAINST POUND STERLING—LONDON

Friday figures



INDUSTRIAL STOCK INDICES



* 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, 1968
(all figures per cent per annum)

<u>Chart 1</u>	
<u>Upper Panel</u>	(Wednesday, <u>Jan. 31</u>)
Euro-\$ deposit	<u>5.38</u>
U.S. certif. of deposit	<u>5.19</u>
<u>Lower Panel</u>	(Friday, <u>Feb. 2</u>)
Finance co. paper: U.S.	<u>5.25</u>
Canada	<u>5.11</u>
Hire-purchase paper, U.K.	<u>5.22</u>

Chart 2
(Friday, Feb. 2)

Euro-\$ deposits:			
Call	<u>4.62</u>	90-day	<u>5.44</u>
30-day	<u>5.06</u>	180-day	<u>5.44</u>
Hire-purchase paper	<u>4.71</u>		
Local-authority deposit	<u>4.77</u>		

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

Interbank loan (mid-point)	<u>3.56</u>
Euro-\$ deposit (average)	<u>3.15</u>
<u>Lower Panel</u>	(Date: <u>Dec. 15, 1967</u>)
Zurich 3-month deposit	<u>4.00</u>
<u>Price of gold</u>	<u>35.198</u>
(Friday, <u>Jan. 26</u>)	

Chart 4
(Friday, Feb. 2)

Treasury bills: Canada	<u>6.15</u>
U.S.	<u>4.81</u>
Spread favor Canada	<u>+1.34</u>
Forward Canadian \$	<u>-1.20</u>
Net incentive (Canada +)	<u>+ .14</u>
Canadian finance paper	<u>6.50</u>

<u>Chart 5</u>	
	(Friday, <u>Feb. 2</u>)
Treasury bills: U.K.	<u>7.38</u>
U.S.	<u>4.81</u>
Spread favor U.K.	<u>+2.57</u>
Forward pound	<u>-2.59</u>
Net incentive (U.K. +)	<u>- .02</u>

Chart 6
(Friday, Feb. 2)

Treasury bills: U.S.	<u>4.81</u>
U.K.	<u>7.38</u>
Canada	<u>6.15</u>
Interbank loan rate (German)	<u>3.56</u>
(Jan. 24-31)	
Euro-\$ deposit (London)	<u>5.44</u>
Zurich 3-month deposit	
(Date: <u>Dec. 15, 1967</u>)	<u>4.00</u>
Japan composite rate	
(Date: <u>Oct. 27, 1967</u>)	<u>7.32</u>

Chart 7

U.S. Gov't. (Wed., <u>Jan. 31</u>)	<u>5.05</u>
U.K. War Loan (Thurs., <u>Feb. 1</u>)	<u>7.19</u>
German Fed. (Fri., <u>Jan. 26</u>)	<u>6.62</u>
Swiss Confed. (Fri., <u>Jan. 19</u>)	<u>4.73</u>
(Fri., <u>Jan. 25</u>)	<u>4.70</u>
Canadian Gov't. (Wed., <u>Jan. 31</u>)	<u>6.71</u>
Netherlands Gov't. perpetual 3%	
(Friday, <u>Jan. 19</u>)	<u>6.09</u>
Euro-\$ bonds (Fri., <u>Feb. 2</u>)	<u>7.52</u>

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