

February 14, 1968.

H. 13
No. 337**CAPITAL MARKET DEVELOPMENTS ABROAD**

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

*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 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NOT FOR PUBLICATION

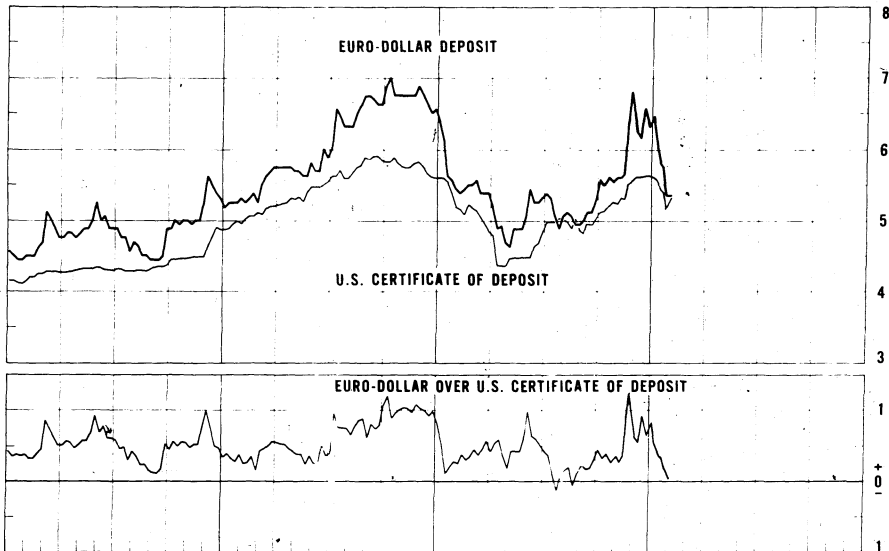
DECONTROLLED AFTER SIX MONTHS

Chart 1

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

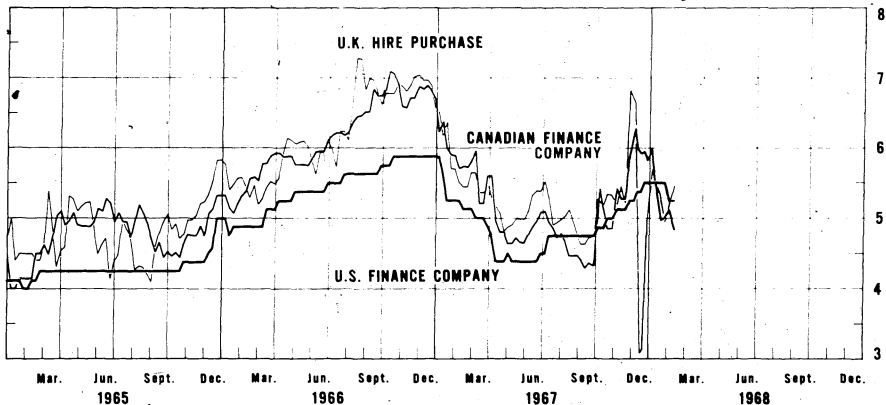
Wednesday figures

Per cent per annum



FINANCE CO. PAPER RATES (covers.) QUOTED IN NEW YORK

Friday figures



3

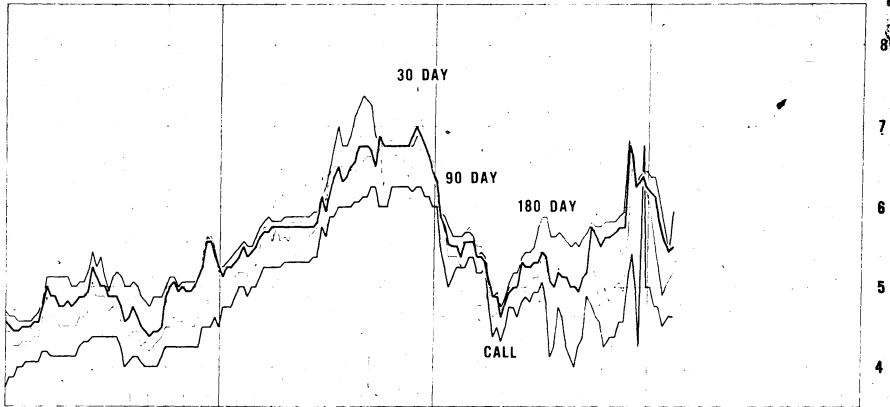
Chart 2

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

EURO-DOLLAR DEPOSIT RATES

Friday figures

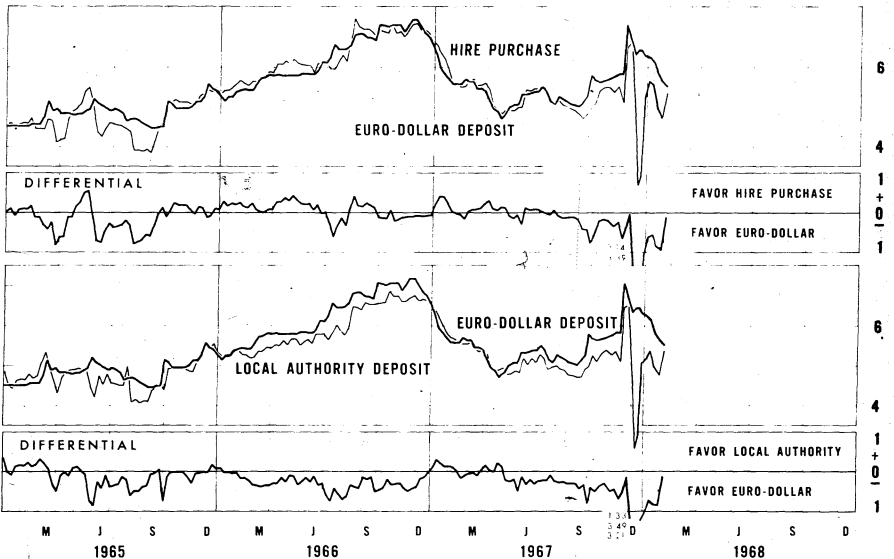
Per cent per annum



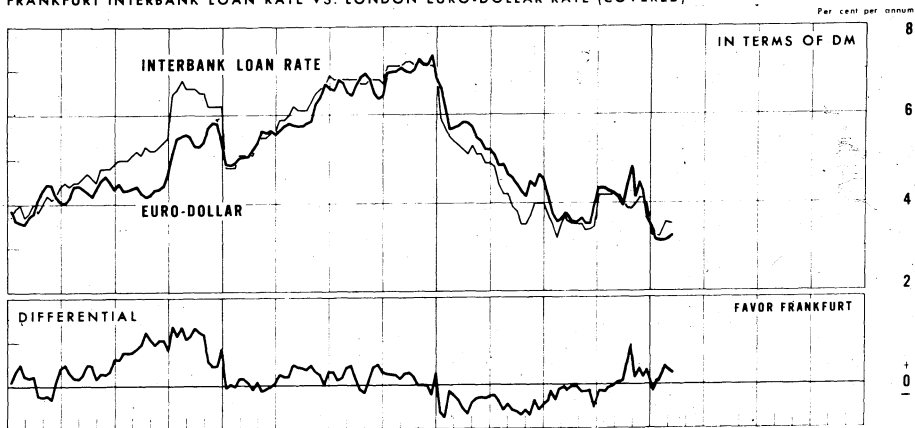
HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

Friday figures

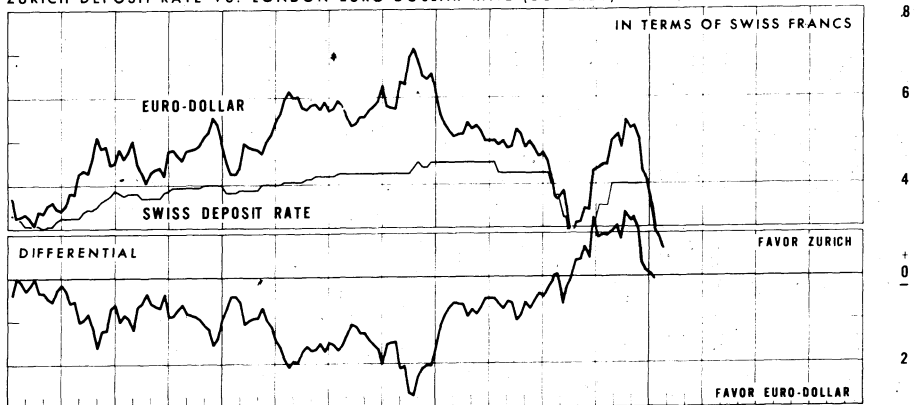
Per cent per annum



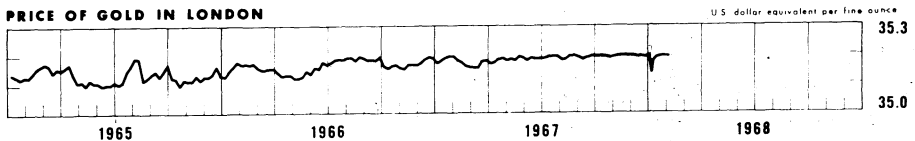
I INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON
FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE (COVERED)



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



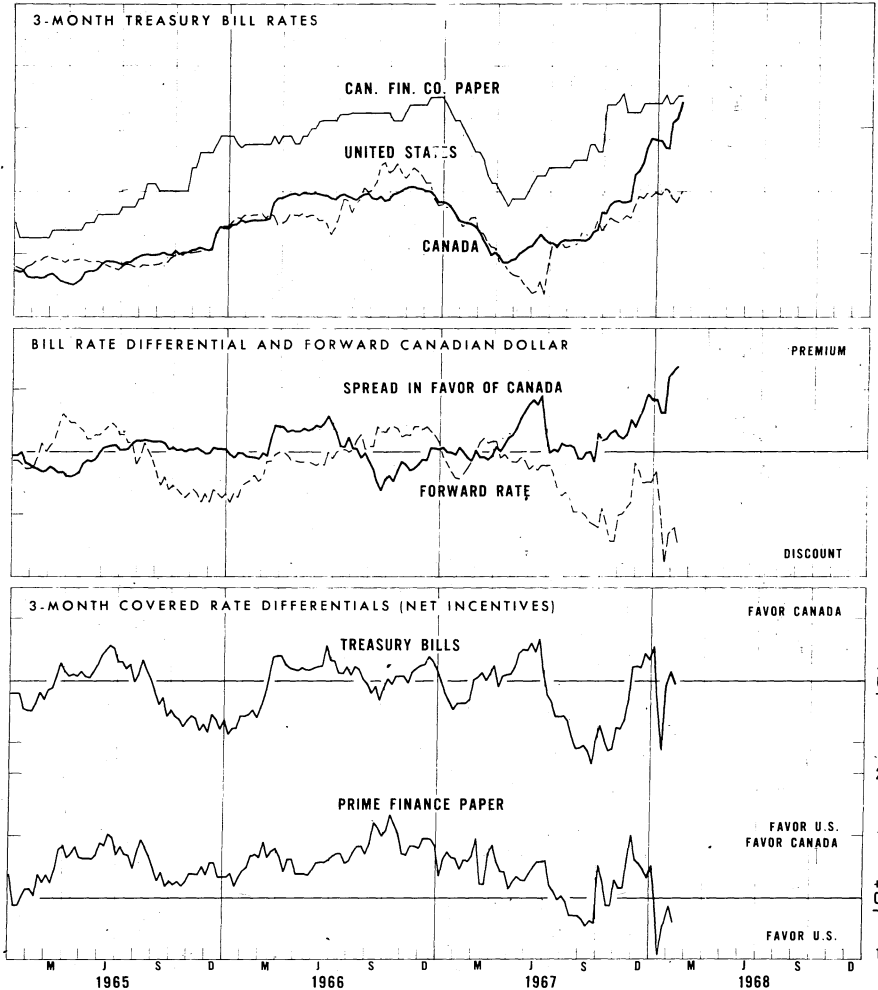
II PRICE OF GOLD IN LONDON



INTEREST ARBITRAGE, UNITED STATES / CANADA

Friday figures

Per cent per annum



INTEREST ARBITRAGE, NEW YORK/LONDON

Per cent per annum

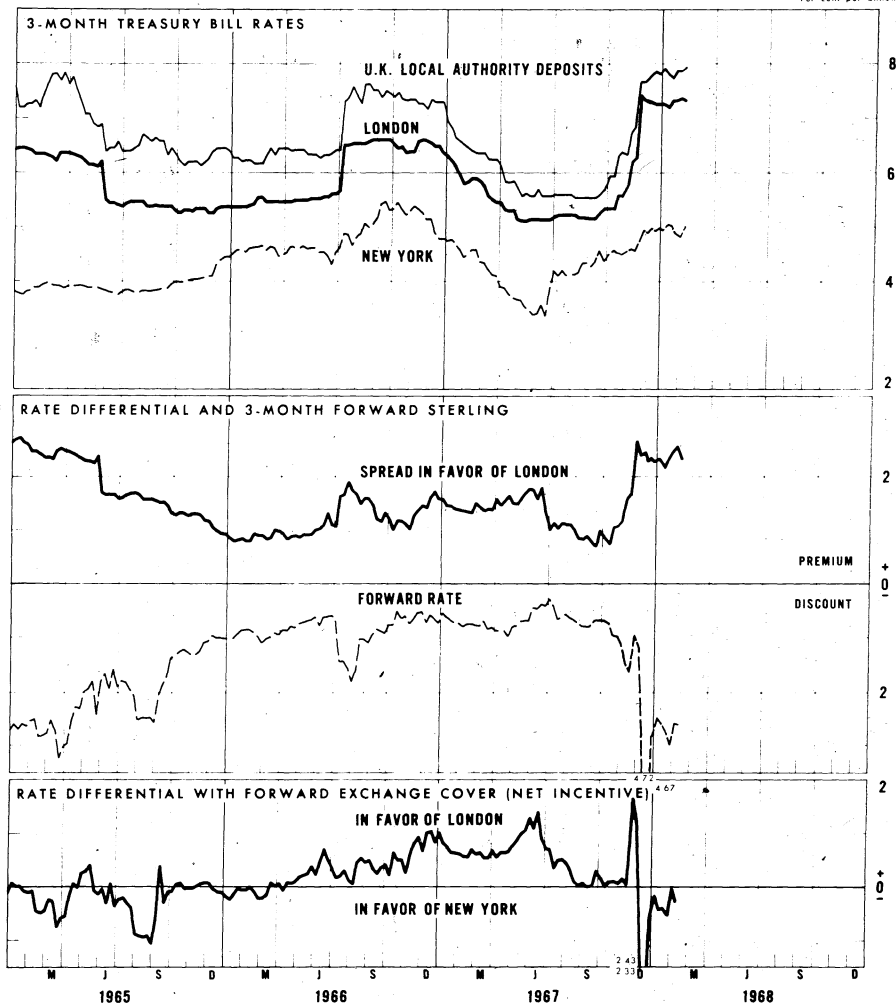
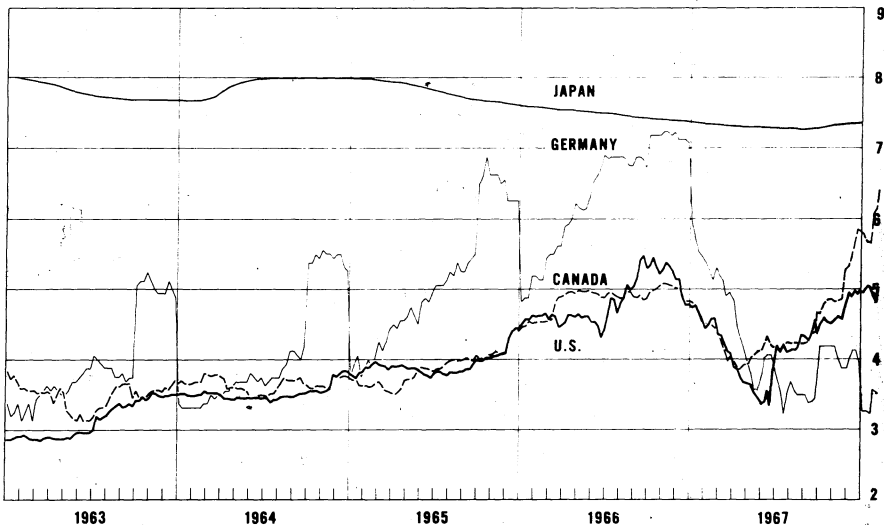
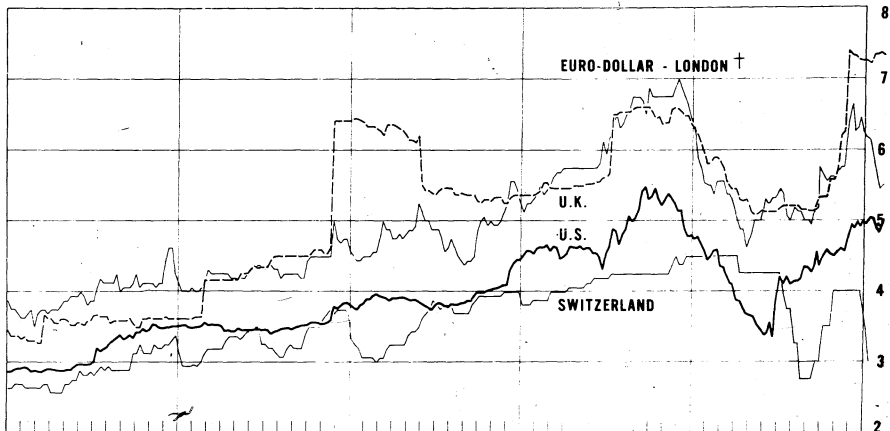


Chart 6

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)

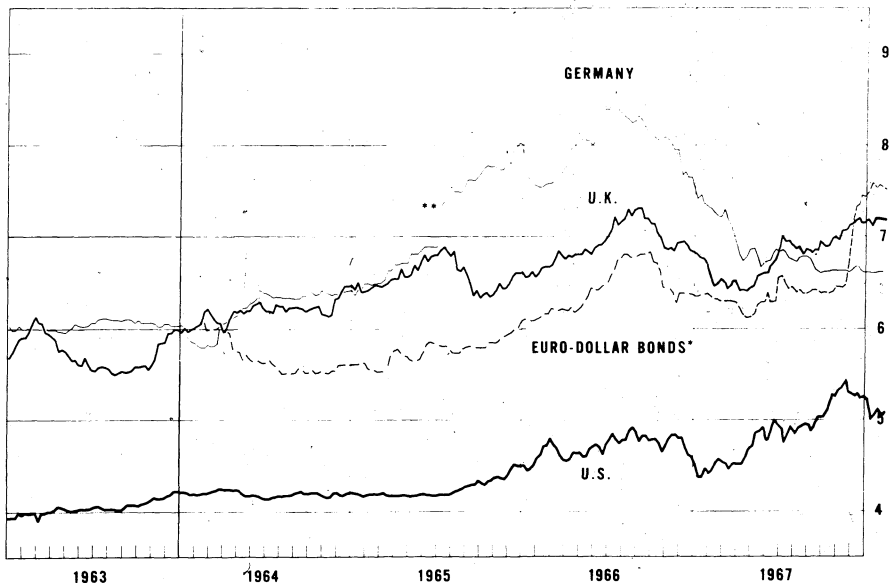
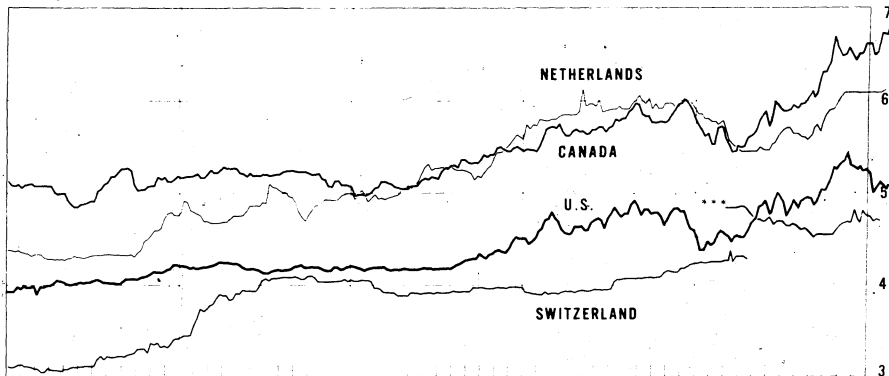
† 3-month rate for U.S. dollar deposits in London

Chart 7

LONG-TERM BOND YIELDS

Weekly figures

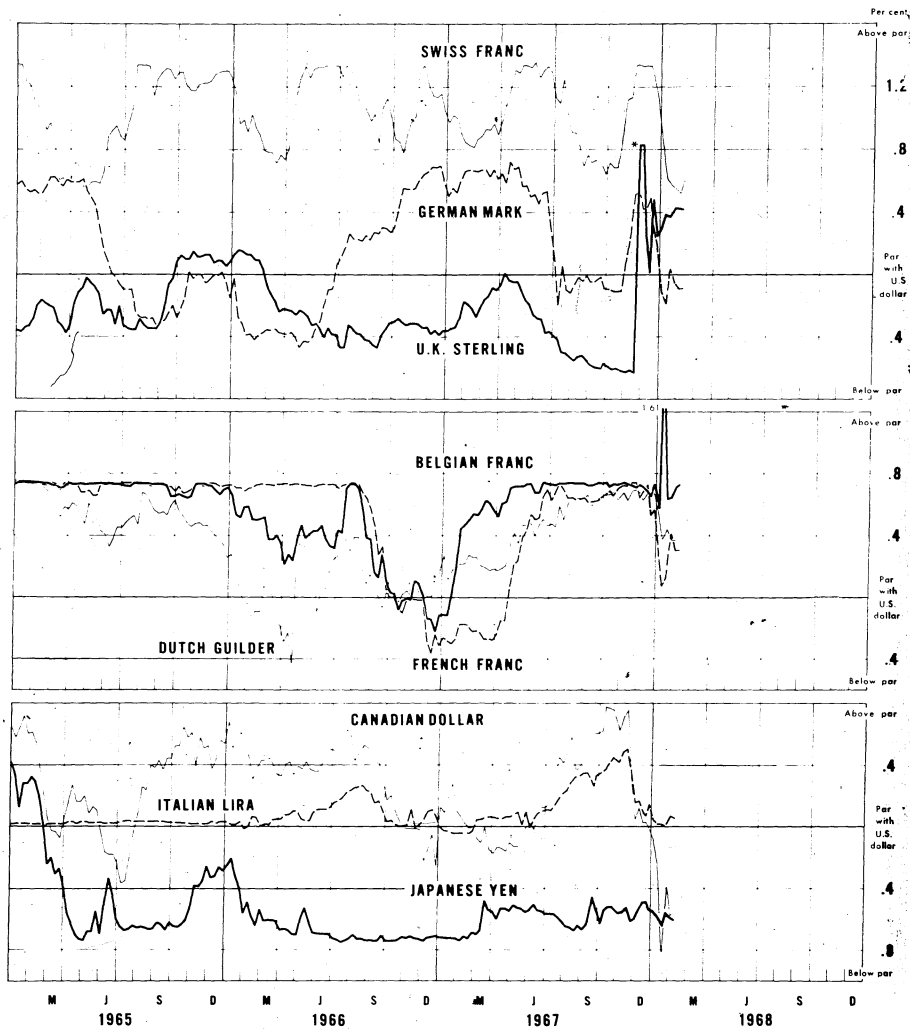
Per cent per annum



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

Chart 8

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

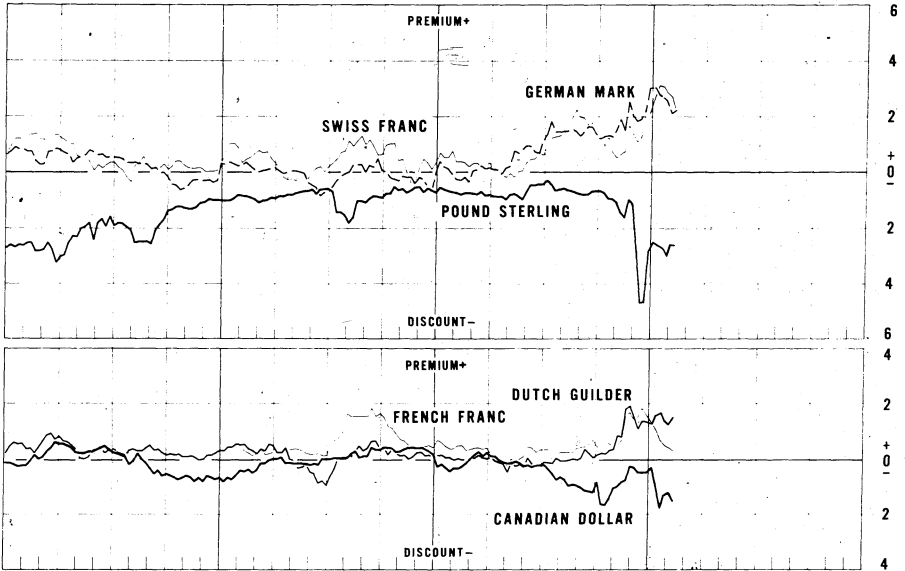


* Devaluation of the pound sterling from \$2.80 to \$2.40

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

Friday figures

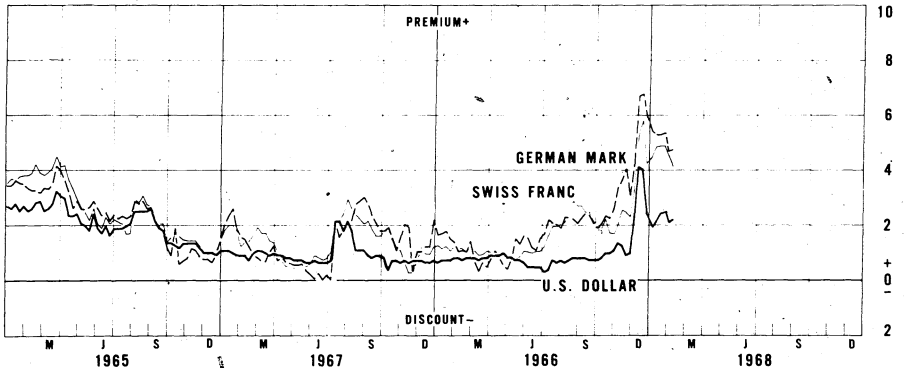
Per cent per annum



AGAINST POUND STERLING—LONDON

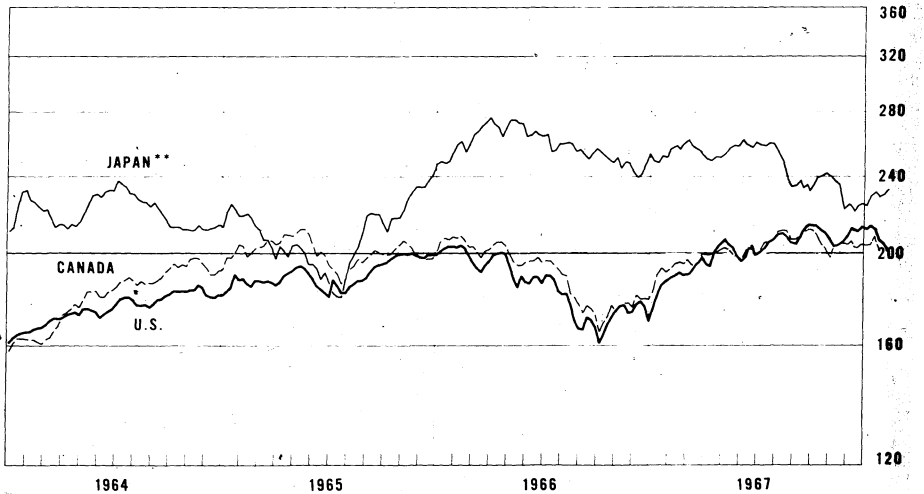
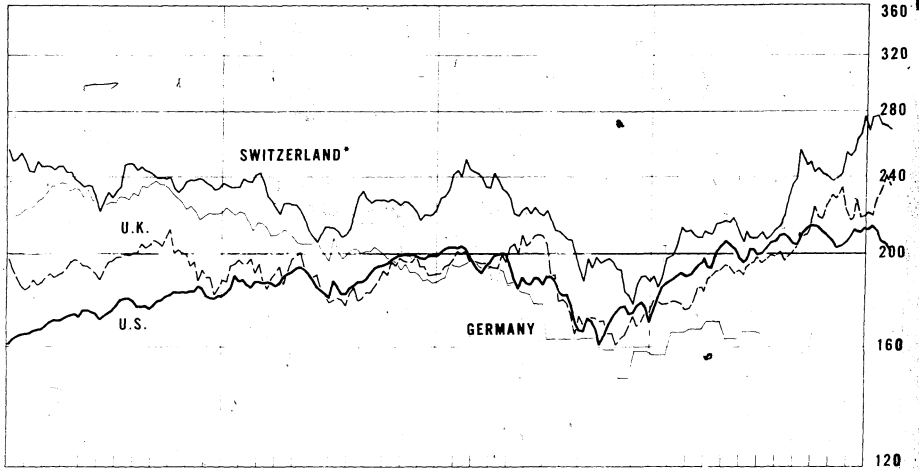
Friday figures

Per cent per annum



INDUSTRIAL STOCK INDICES

1958=100
Ratio scale



* Swiss Bank Corporation industrial stock index
** Japan: index of 725 industrial and other stocks traded on the Tokyo exchange

H.13
No. 337

II. Latest Figures Plotted in H.13 Chart Series, 1968
(all figures per cent per annum)

Chart 1

Upper Panel (Wednesday, Feb. 7)

Euro-\$ deposit	<u>5.38</u>
U.S. certif. of deposit	<u>5.35</u>

Lower Panel (Friday, Feb. 9)

Finance co. paper: U.S.	<u>5.25</u>
Canada	<u>4.85</u>
Hire-purchase paper, U.K.	<u>5.46</u>

Chart 5

(Friday, Feb. 9)

Treasury bills: U.K.	<u>7.32</u>
U.S.	<u>5.01</u>
Spread favor U.K.	<u>+2.31</u>
Forward pound	<u>-2.60</u>
Net incentive (U.K. +)	<u>-.29</u>

Chart 2

(Friday, Feb. 9)

Euro-\$ deposits:	
Call	<u>4.62</u>
30-day	<u>5.18</u>
90-day	<u>5.50</u>
180-day	<u>5.94</u>
Hire-purchase paper	<u>5.38</u>
Local-authority deposit	<u>5.38</u>

Chart 6

(Friday, Feb. 9)

Treasury bills: U.S.	<u>5.01</u>
U.K.	<u>7.32</u>
Canada	<u>6.40</u>
Interbank loan rate (German)	<u>3.51</u>
(Feb. 1-7)	
Euro-\$ deposit (London)	<u>5.50</u>
Zurich 3-month deposit	
(Date: <u>Jan. 15</u>)	<u>3.00*</u>
Japan composite rate	
(Date: <u>Nov. 24, 1967</u>)	<u>7.34</u>
(Date: <u>Dec. 29, 1967</u>)	<u>7.35</u>

Chart 3

Upper Panel (Period: Feb. 1-7)

Interbank loan (mid-point)	<u>3.51</u>
Euro-\$ deposit (average)	<u>3.28</u>
<u>Lower Panel</u> (Date: <u>Jan. 15</u>)	
Zurich 3-month deposit	<u>3.00*</u>
<u>Price of gold</u>	<u>35.196</u>
(Friday, <u>Feb. 2</u>)	

Chart 7

U.S. Gov't. (Wed., <u>Feb. 7</u>)	<u>5.09</u>
U.K. War Loan (Thurs., <u>Feb. 8'</u>)	<u>7.18</u>
German Fed. (Fri., <u>Feb. 2</u>)	<u>6.62</u>
Swiss Confed. (Fri., <u>Jan. 25</u>)	<u>4.70</u>
Canadian Gov't. (Wed., <u>Feb. 7</u>)	<u>6.85</u>
Netherlands Gov't. perpetual 3%	
(Friday, <u>Feb. 2</u>)	<u>6.12</u>
Euro-\$ bonds (Fri., <u>Feb. 9</u>)	<u>7.50</u>

Chart 4

(Friday, Feb. 9)

Treasury bills: Canada	<u>6.40</u>
U.S.	<u>5.01</u>
Spread favor Canada	<u>+1.39</u>
Forward Canadian \$	<u>-1.46</u>
Net incentive (Canada +)	<u>-.07</u>
Canadian finance paper	<u>6.50</u>

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

* Dec. 23, 1967 4.00
Dec. 31, 1967 4.00
Jan. 7, 1968 3.50