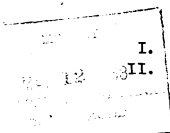


H. 13
No. 340

March 6, 1968.

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: Yields on U.S. Dollar 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NOT FOR PUBLICATION

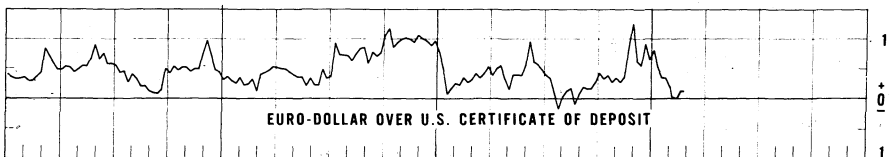
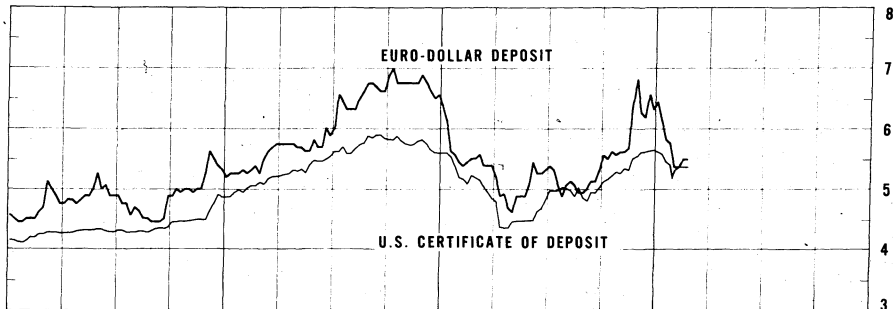
DECONTROLLED AFTER SIX MONTHS

Chart 1

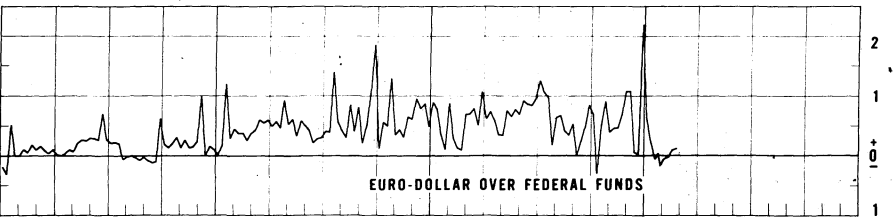
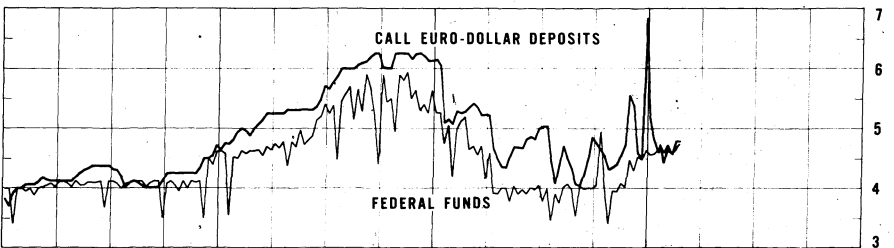
NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS 3-MONTH DOLLAR DEPOSIT RATES

Wednesday figures

Per cent per annum



CALL EURO-DOLLAR DEPOSIT RATE VS. U.S. FEDERAL FUNDS RATE



Mar. Jun. Sept. Dec. 1965 Mar. Jun. Sept. Dec. 1966 Mar. Jun. Sept. Dec. 1967 Mar. Jun. Sept. Dec. 1968

Chart 2

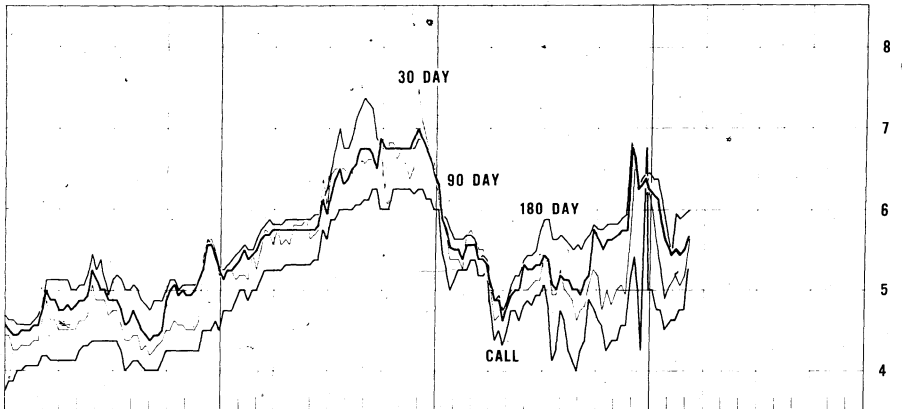
3

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

EURO-DOLLAR DEPOSIT RATES

Friday figures

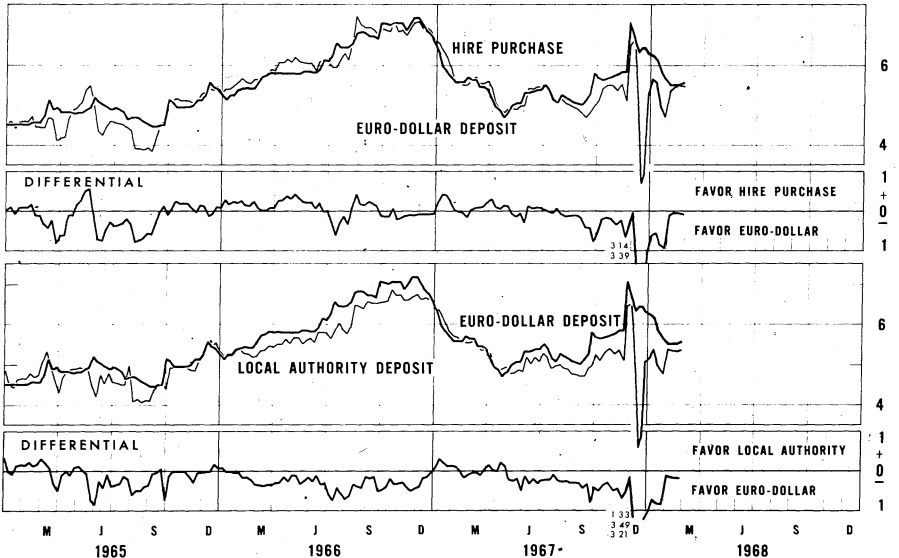
Per cent per annum



HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

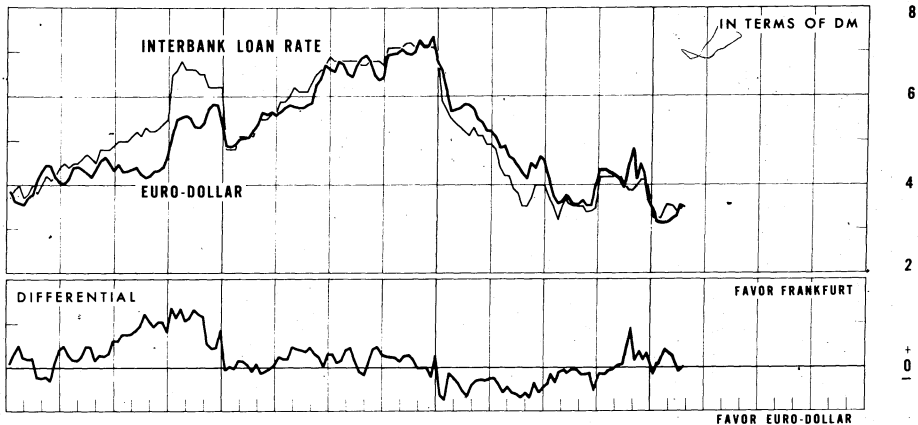
Friday figures

Per cent per annum

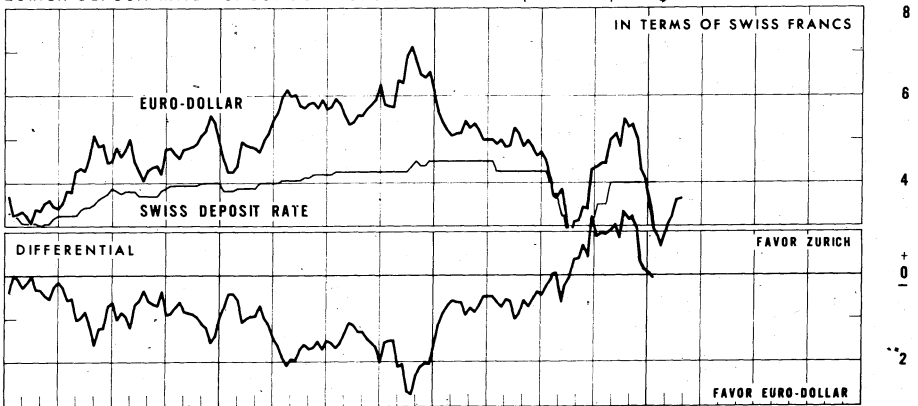


I. INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON

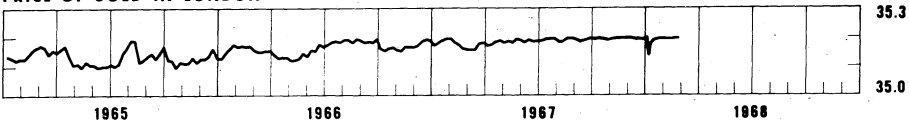
FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE (COVERED)



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



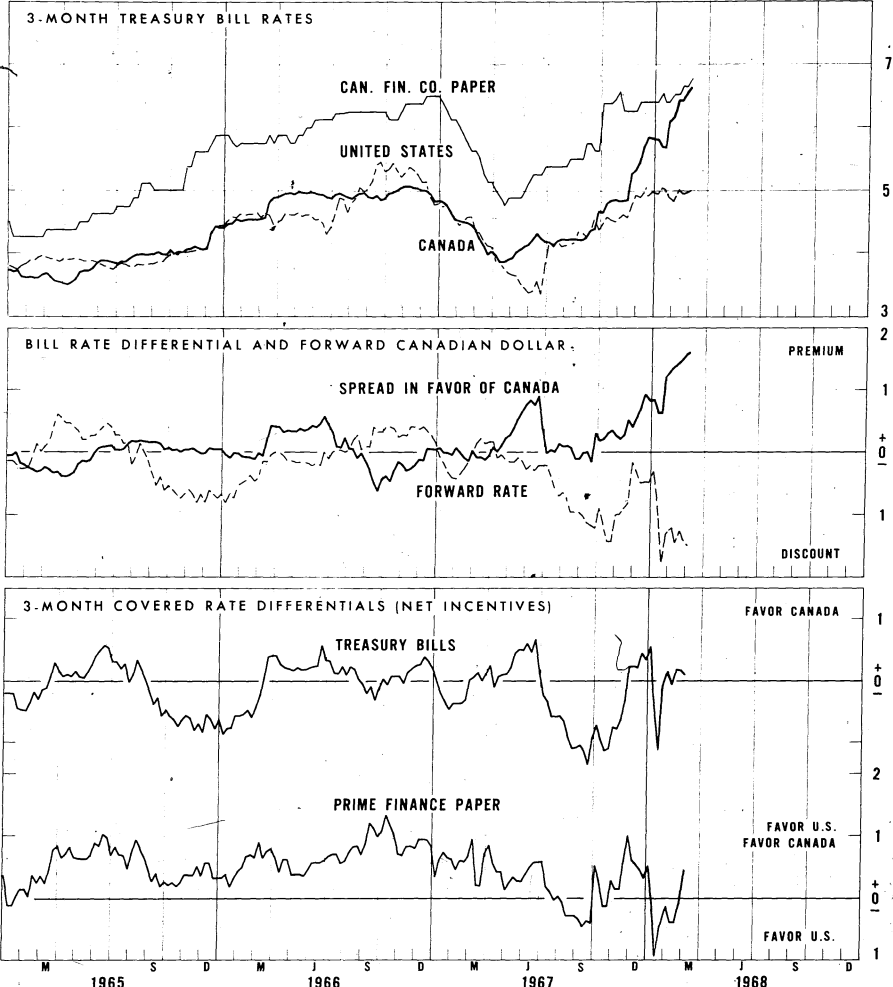
II. PRICE OF GOLD IN LONDON



INTEREST ARBITRAGE, UNITED STATES / CANADA

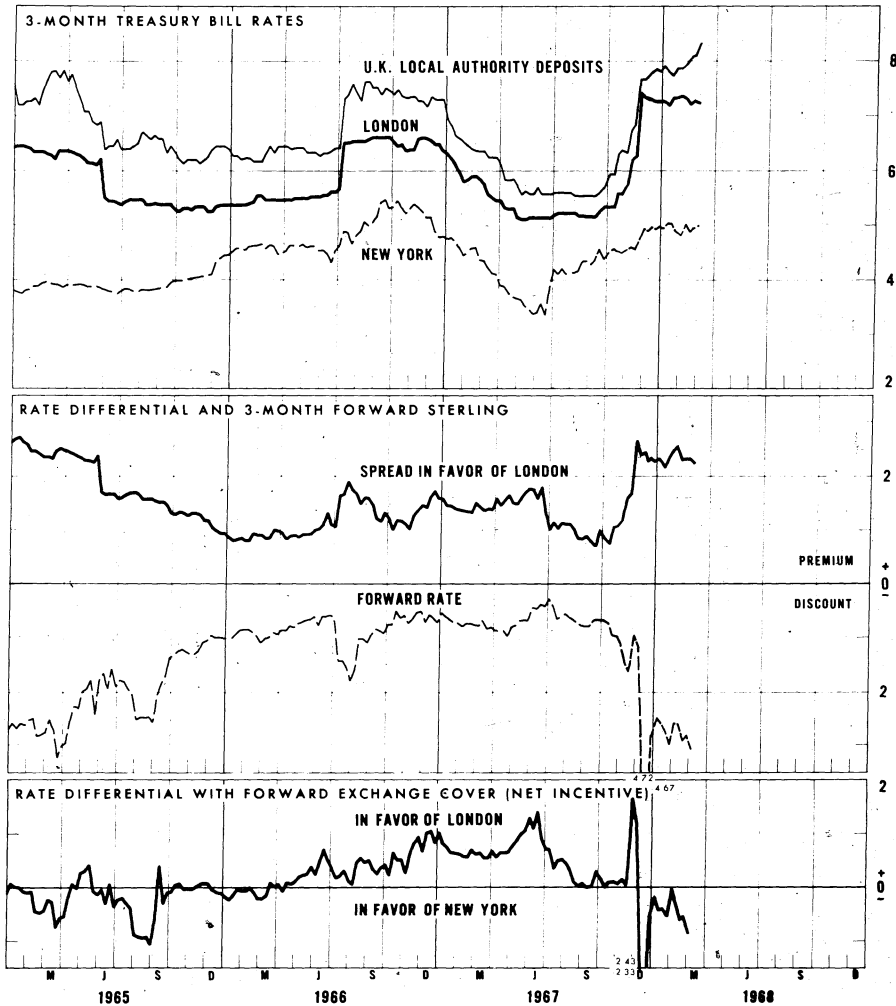
Friday figures

Per cent per annum



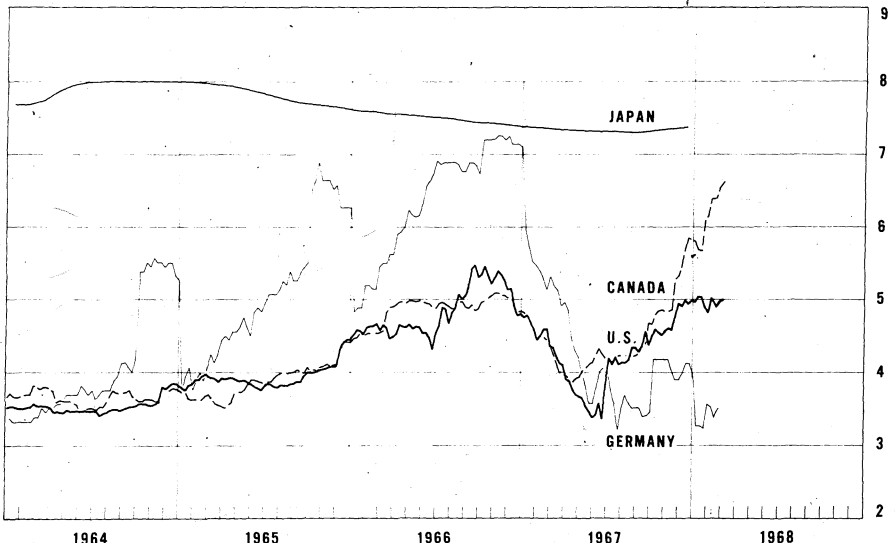
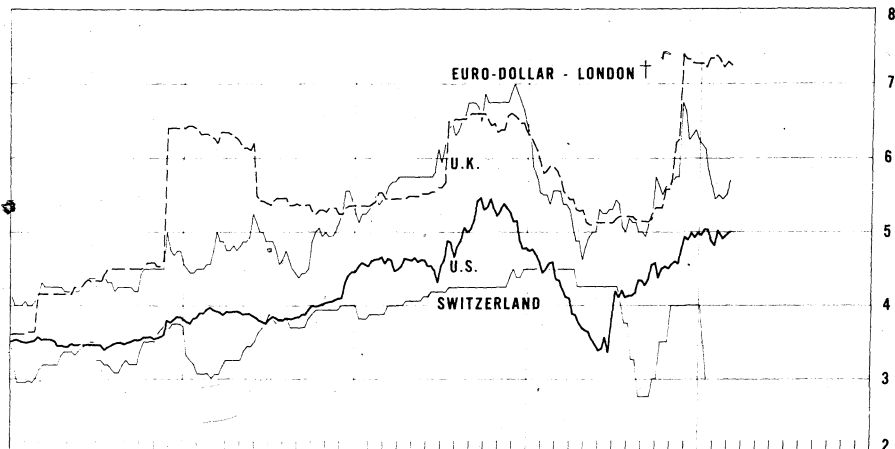
INTEREST ARBITRAGE, NEW YORK/LONDON

Per cent per annum



SHORT-TERM INTEREST RATES*

Per cent per annum



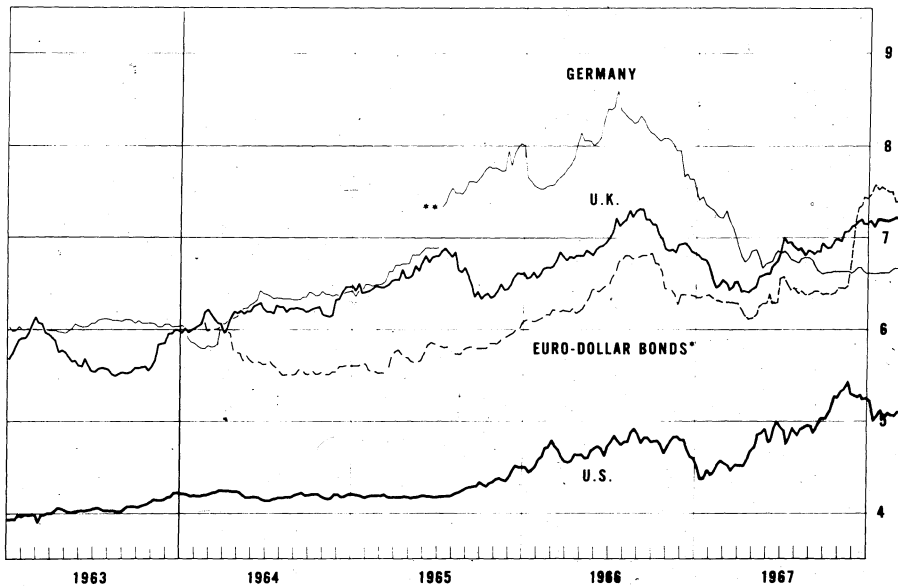
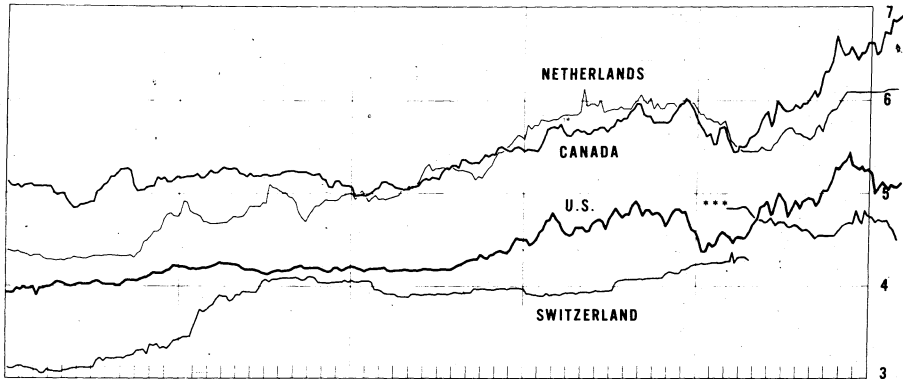
*3-month treasury bill rates for all countries except Japan. Average rate on bank loans and discounts.
 Switzerland: 3-month deposit rate, and Germany: Interbank Loan Rate.

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

LONG-TERM BOND YIELDS

Weekly figures

Per cent per annum



* Average of yields for four foreign government dollar bonds quoted in London

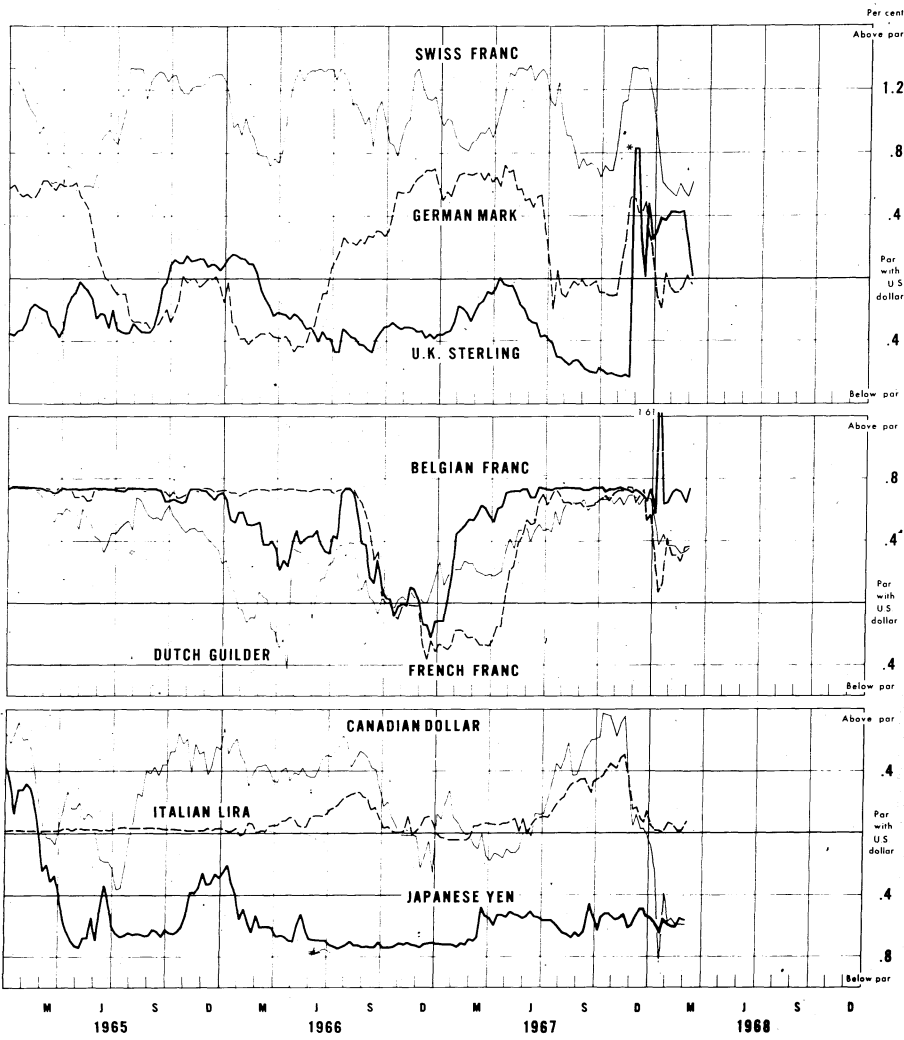
** New series for Germany starts 7.9.65

*** New series for Switzerland starts 3.3.67

9

Chart 8

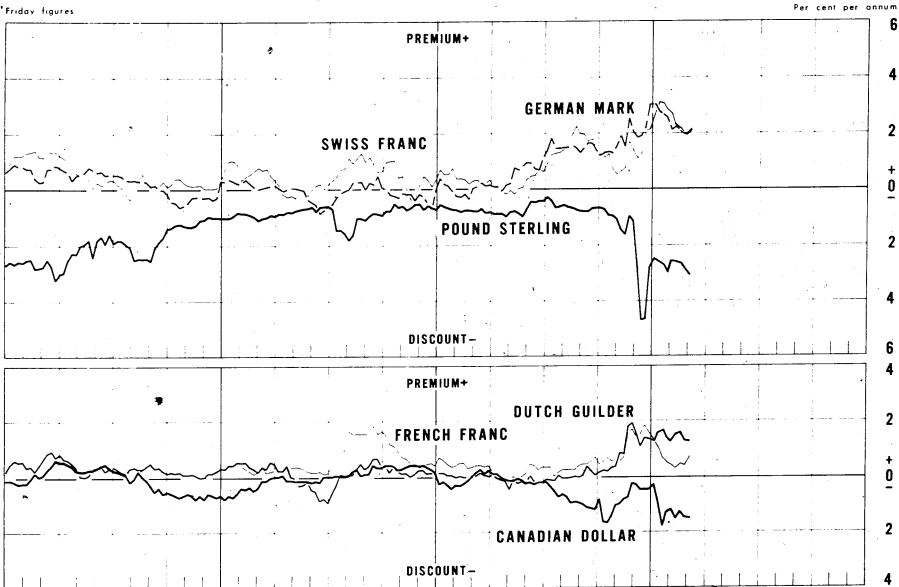
SPOT EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.S. DOLLAR



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

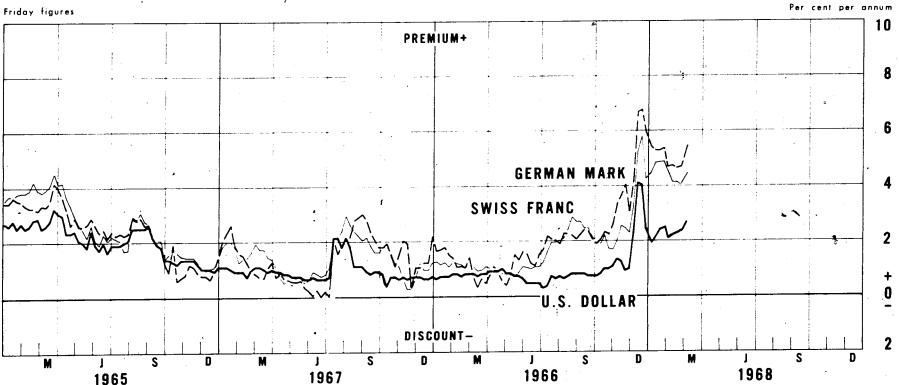
**3-MONTH FORWARD EXCHANGE RATES
AGAINST U.S. DOLLARS—NEW YORK**

*Friday figures

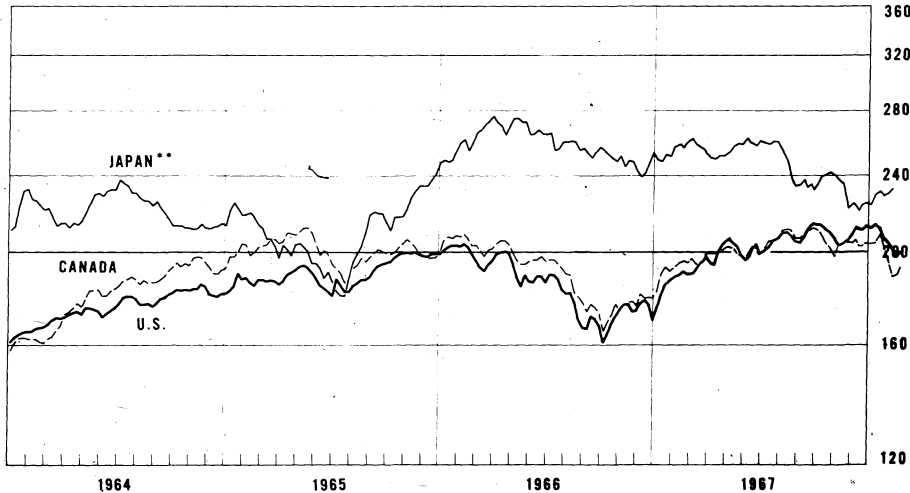
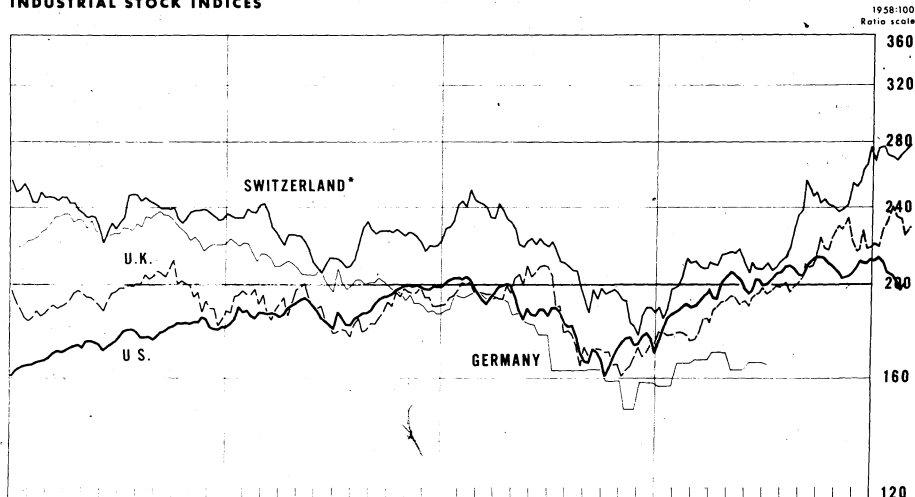


AGAINST POUND STERLING—LONDON

*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)

Chart 1

Upper Panels (Wednesday, Feb. 28)

Euro-\$ deposit	<u>5.50</u>
U.S. certif. of deposit	<u>5.38</u>

Lower Panels (Wednesday, Feb. 28)

Call Euro-\$ deposits	<u>4.84</u>
Federal funds	<u>4.72</u>

Chart 5

(Friday, March 1)

Treasury bills: U.K.	<u>7.24</u>
U.S.	<u>5.00</u>
Spread favor U.K.	<u>+2.24</u>
Forward pound	<u>-3.09</u>
Net incentive (U.K. +)	<u>-0.85</u>

Chart 2

(Friday, March 1)

Euro-\$ deposits:		
Call	<u>5.25</u>	90-day <u>5.68</u>
30-day	<u>5.62</u>	180-day <u>6.00</u>
Hire-purchase paper (Feb. 23)	<u>5.46</u>	
Local-authority deposit (Feb. 23)	<u>5.37</u>	

Chart 6

(Friday, March 1)

Treasury bills: U.S.	<u>5.00</u>
U.K.	<u>7.24</u>
Canada	<u>6.60</u>
Interbank loan rate (German) (Feb. 24-29)	<u>3.50</u>
Euro-\$ deposit (London)	<u>5.68</u>
Zurich 3-month deposit (Date: <u>Jan. 15</u>)	<u>3.00</u>
Japan composite rate (Date: <u>Dec. 29, 1967</u>)	<u>7.35</u>

Chart 3

Upper Panel (Period: Feb. 24-29)

Interbank loan (mid-point)	<u>3.50</u>
Euro-\$ deposit (average)	<u>3.49</u>

Lower Panel (Date: Jan. 15)

Zurich 3-month deposit	<u>3.00</u>
Price of gold (Friday, <u>Feb. 23</u>)	<u>35.198</u>

Chart 4

(Friday, Mar. 1)

Treasury bills: Canada	<u>6.60</u>
U.S.	<u>5.00</u>
Spread favor Canada	<u>+1.60</u>
Forward Canadian \$	<u>-1.50</u>
Net incentive (Canada +)	<u>+0.10</u>
Canadian finance paper (Feb. 23)	<u>6.62</u>
(Mar. 1)	<u>6.75</u>

Chart 7

U.S. Gov't. (Wed., <u>Feb. 28</u>)	<u>5.12</u>
U.K. War Loan (Thurs., <u>Feb. 29</u>)	<u>7.22</u>
German Fed. (Fri., <u>Mar. 1</u>)	<u>6.67</u>
Swiss Confed. (Fri., <u>Feb. 22</u>)	<u>4.50</u>
Canadian Gov't. (Wed., <u>Feb. 28</u>)	<u>6.90</u>
Netherlands Gov't. perpetual 3% (Friday, <u>Feb. 23</u>)	<u>6.12</u>
Euro-\$ bonds (Fri., <u>Mar. 1</u>)	<u>7.40</u>

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