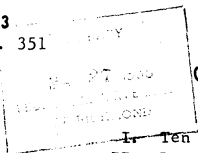


H. 13

No. 351



May 22, 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NOT FOR PUBLICATION

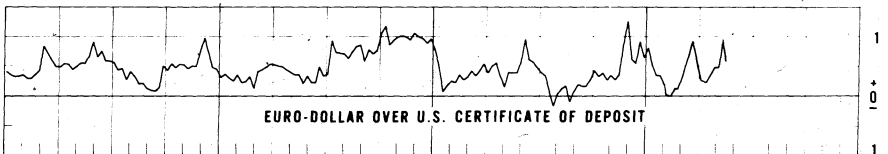
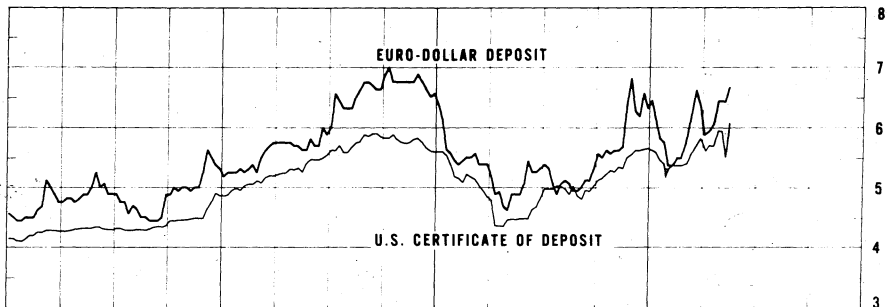
DECONTROLLED AFTER SIX MONTHS

Chart 1

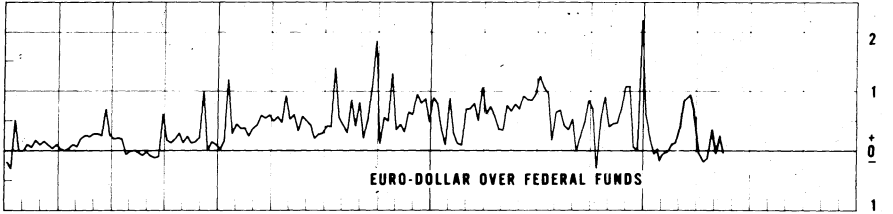
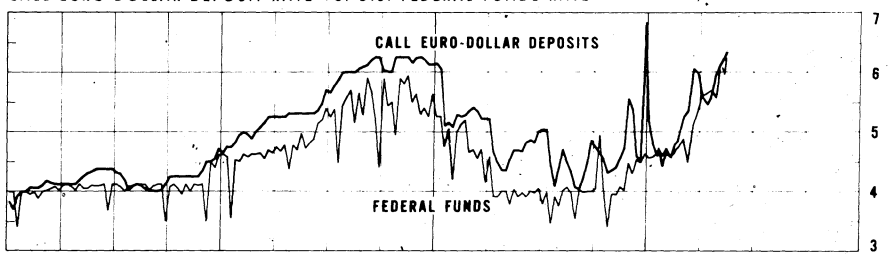
NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS 3-MONTH DOLLAR DEPOSIT RATES

Wednesday figures

Per cent per annum



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



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

3

Chart 2A

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

EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum

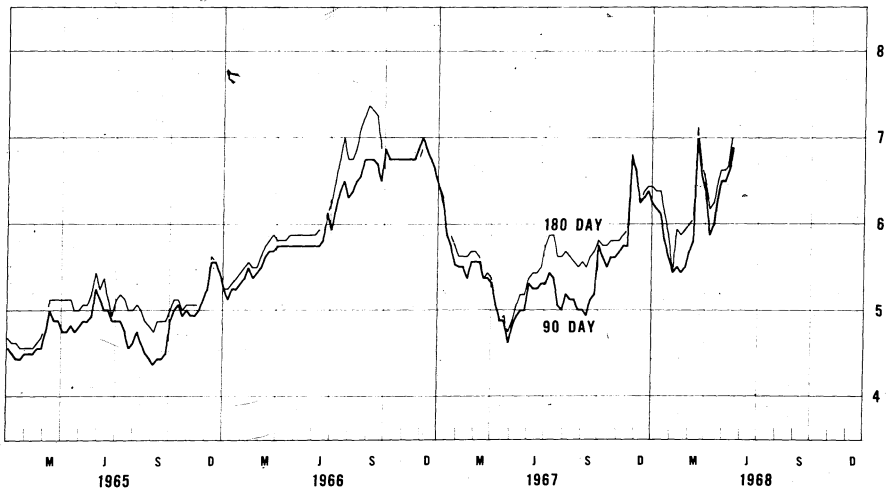
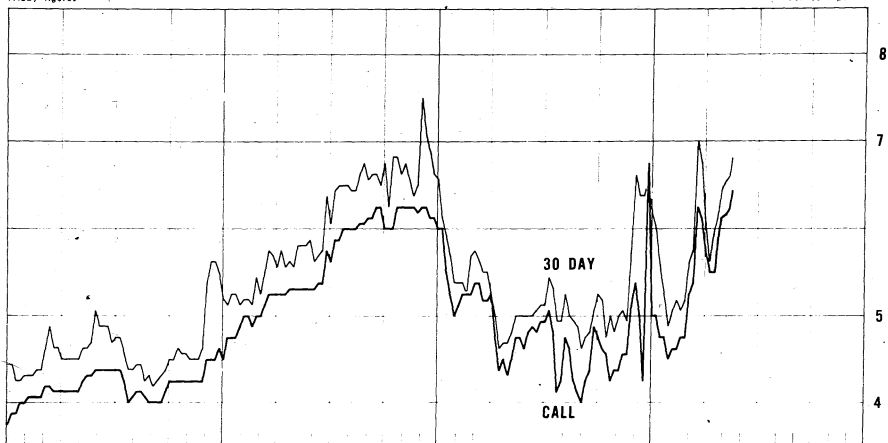
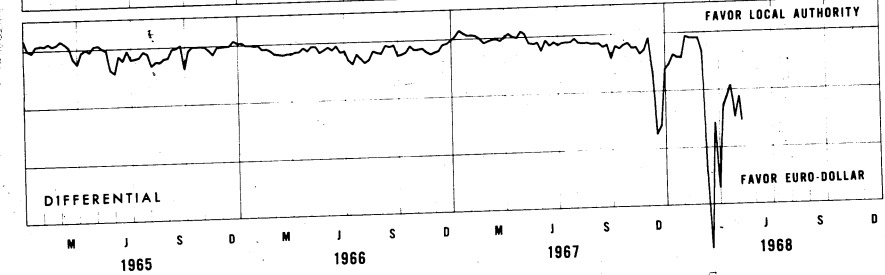
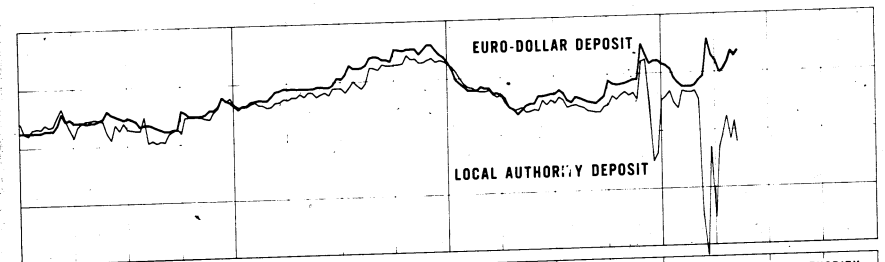
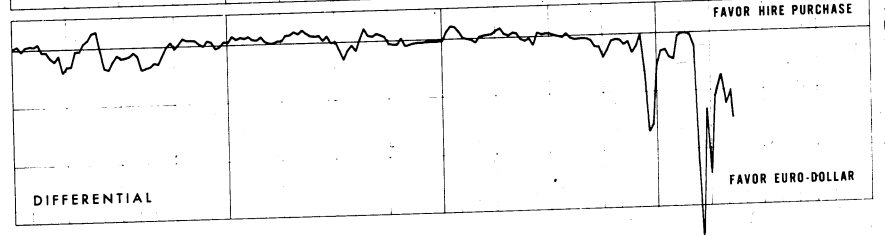
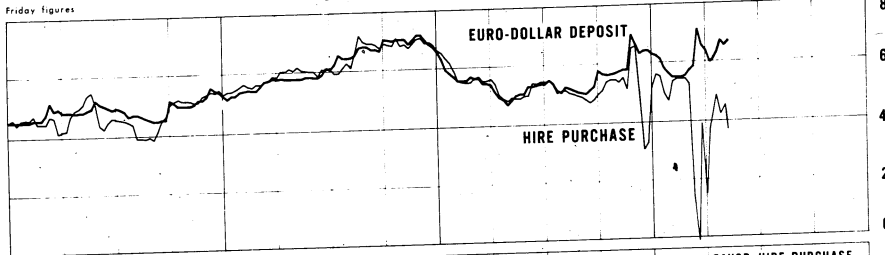


Chart 28

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

HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

Per cent per annum

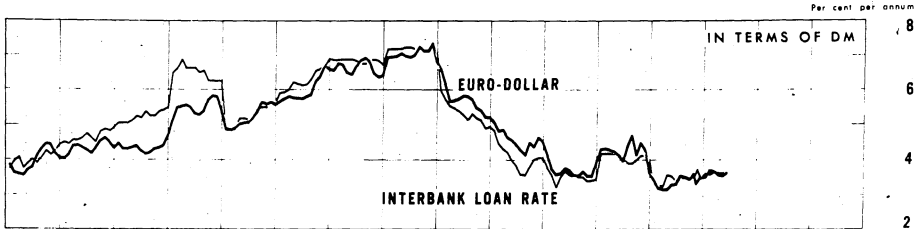


5

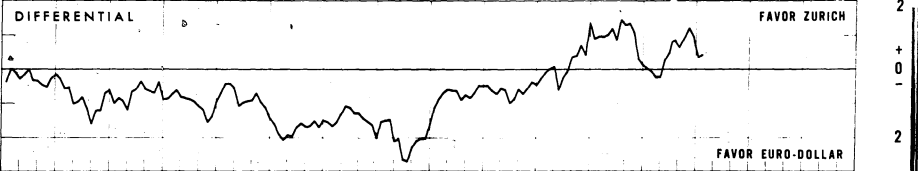
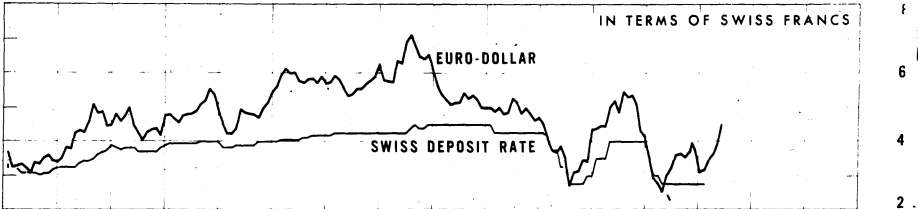
Chart 3

I INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON

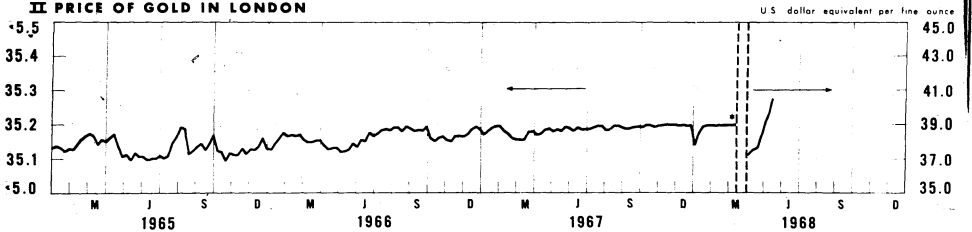
FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE (COVERED)



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



II PRICE OF GOLD IN LONDON



* Market closed March 15-April 1, 1968

INTEREST ARBITRAGE, UNITED STATES / CANADA

Friday figures

Per cent per annum

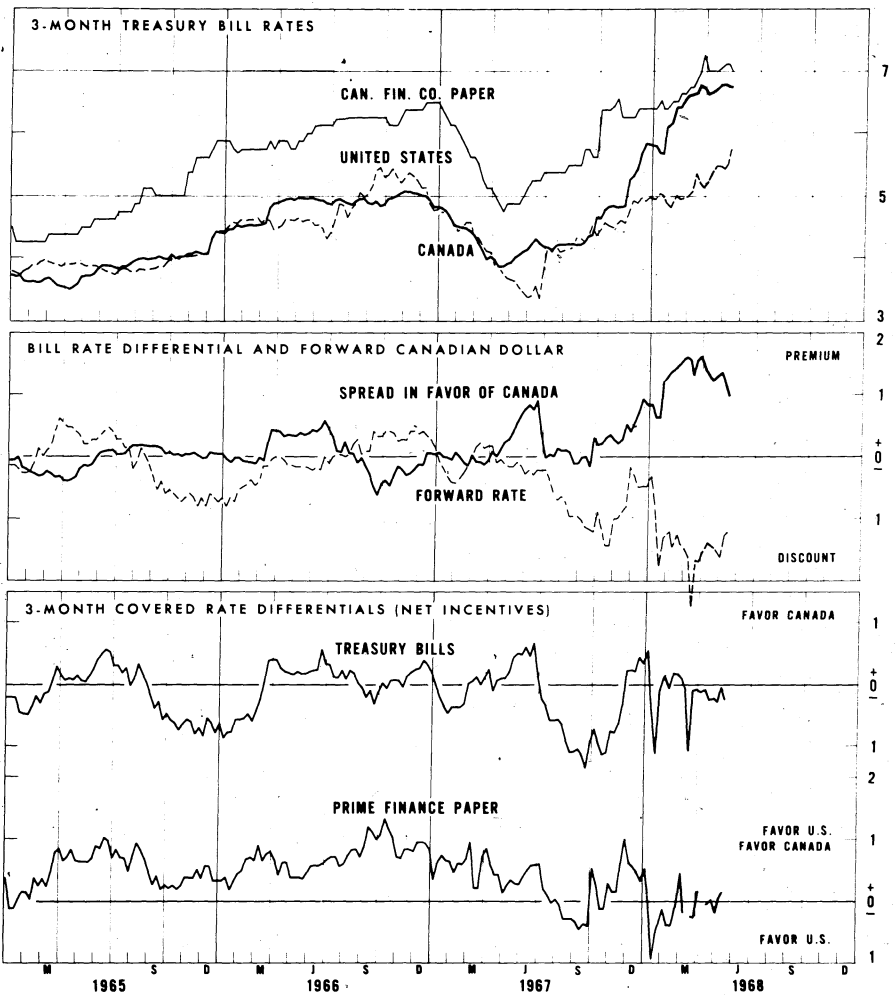
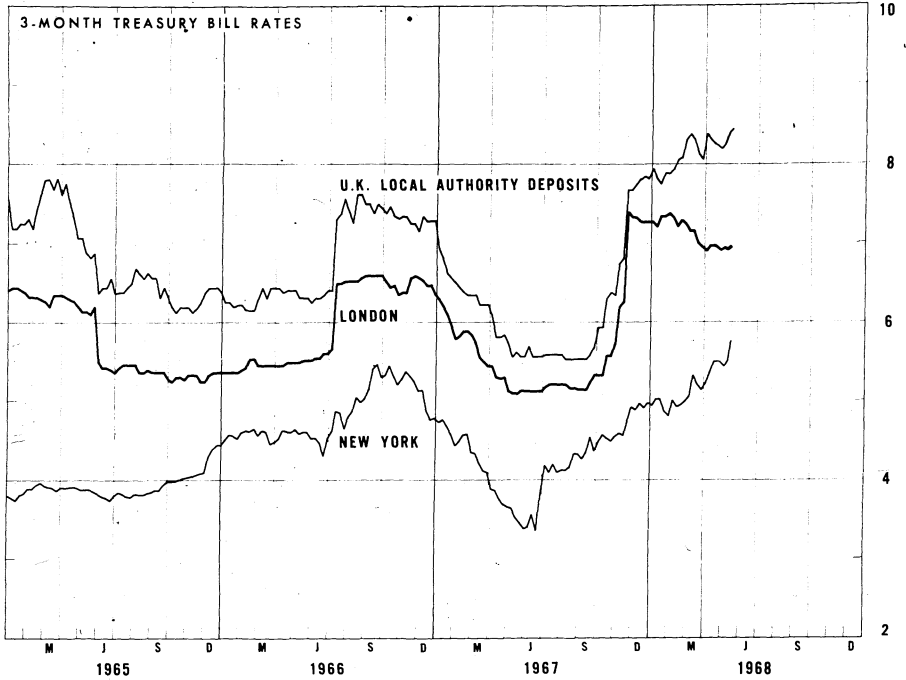


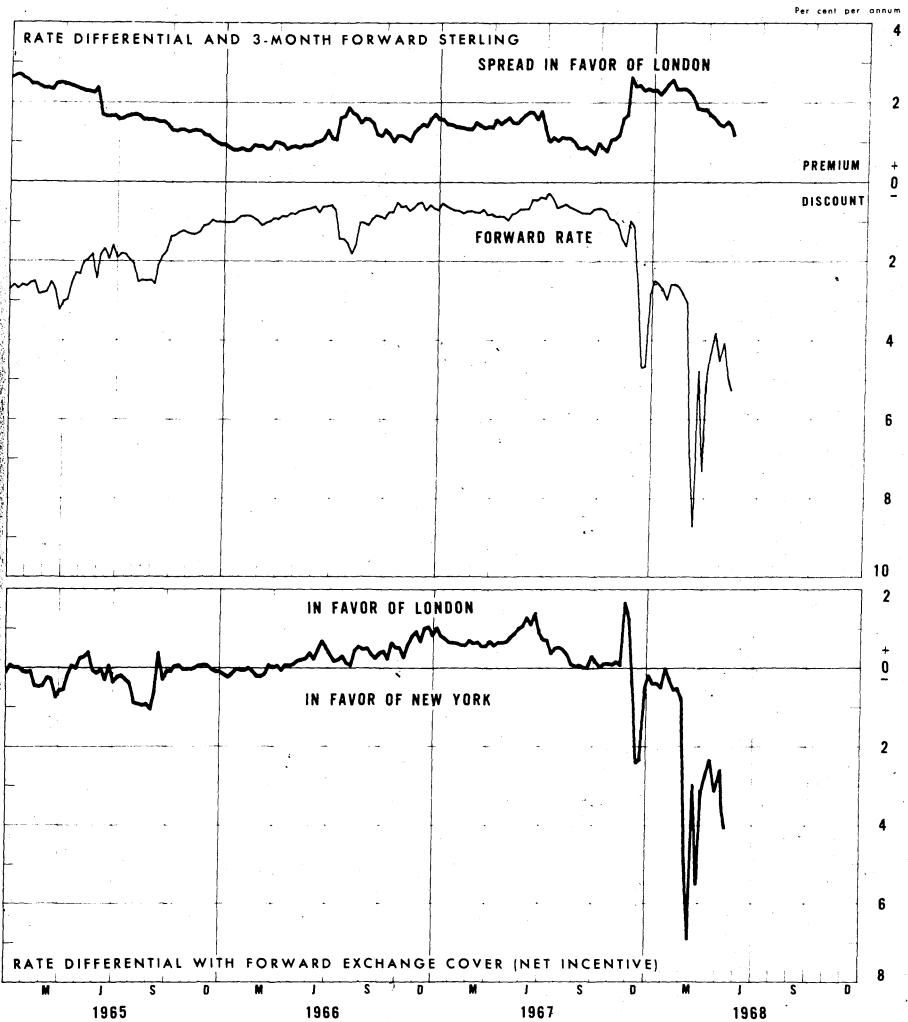
Chart 5A

INTEREST ARBITRAGE, NEW YORK/LONDON

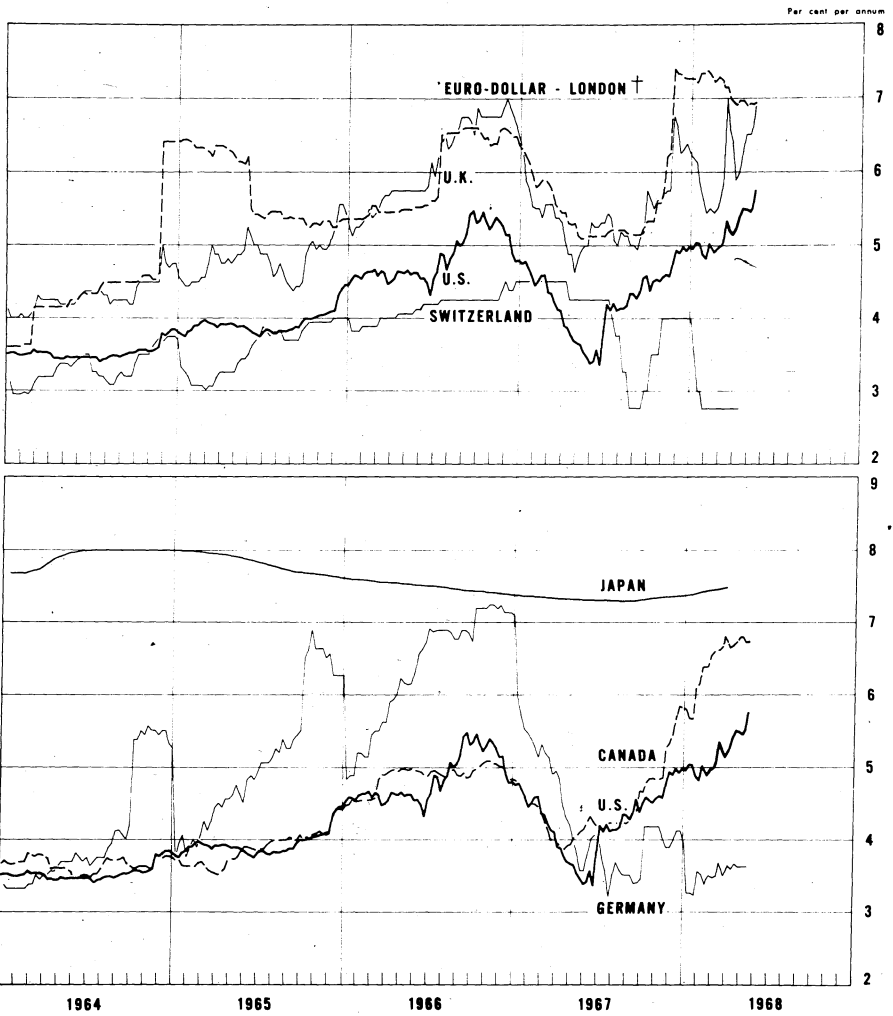
Per cent per annum



INTEREST ARBITRAGE, NEW YORK/LONDON



SHORT-TERM INTEREST RATES*



*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)

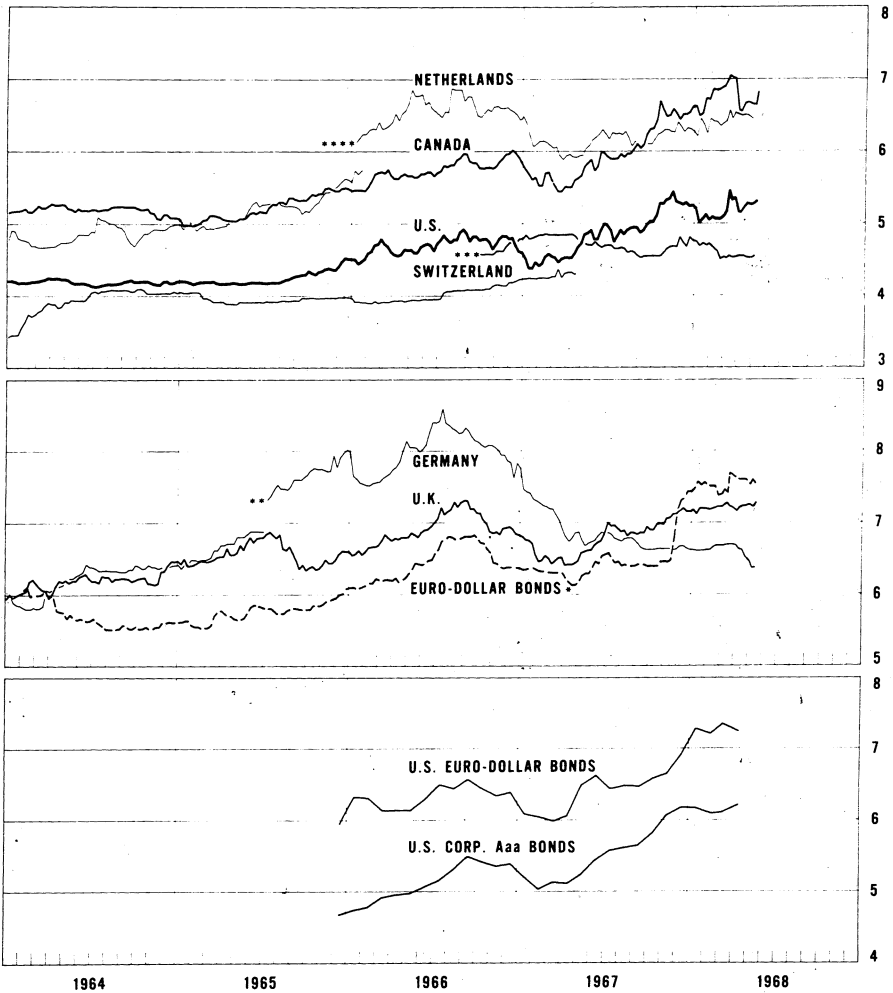
† 3-month rate for U.S. dollar deposits in London

Chart 7

LONG-TERM BOND YIELDS

Weekly figures

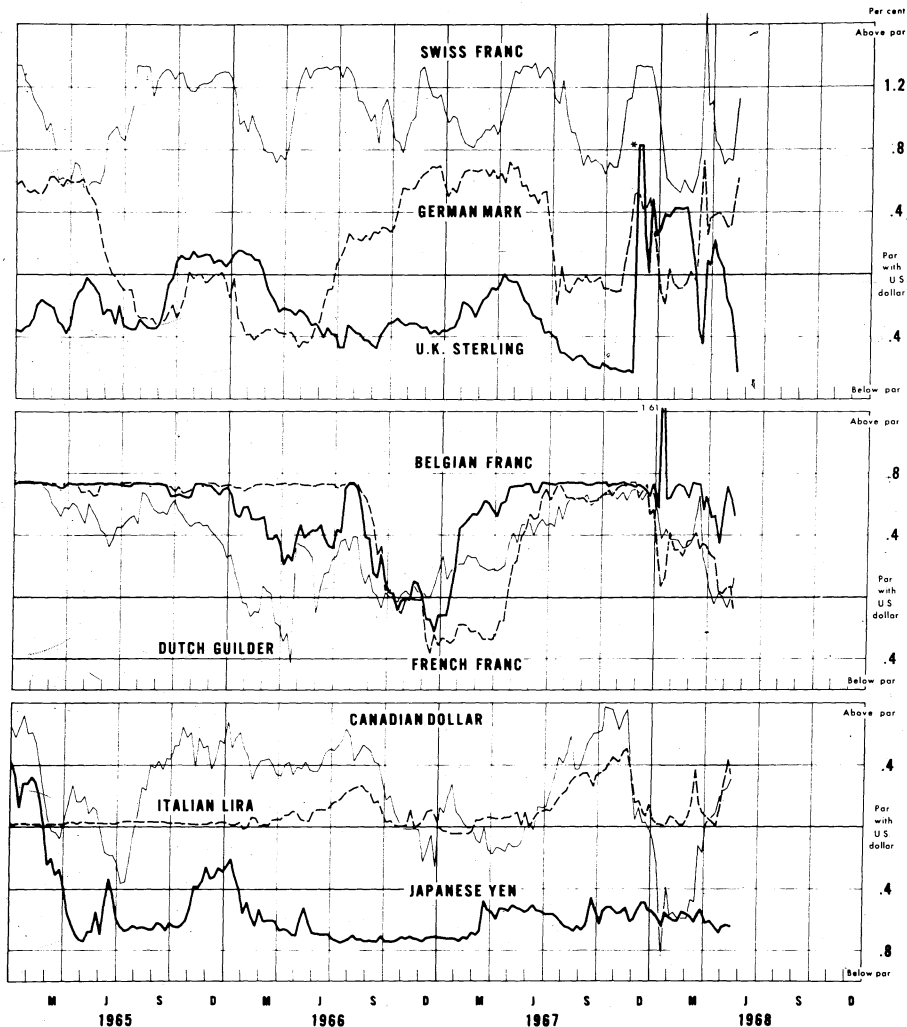
Per cent per annum



- 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
- New series for Netherlands starts 1.7.66

Chart 8

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



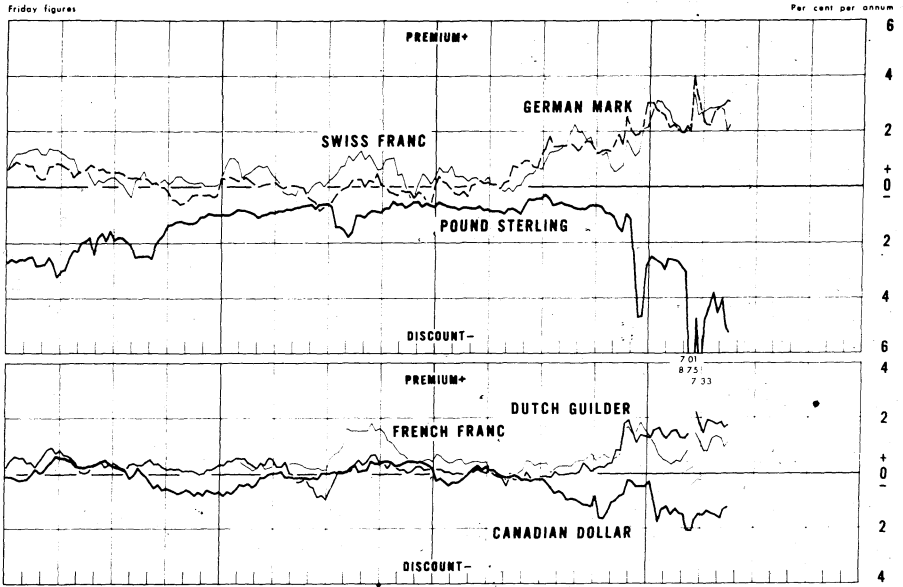
* Devaluation of the pound sterling from \$2.80 to \$2.40

Chart 9

12

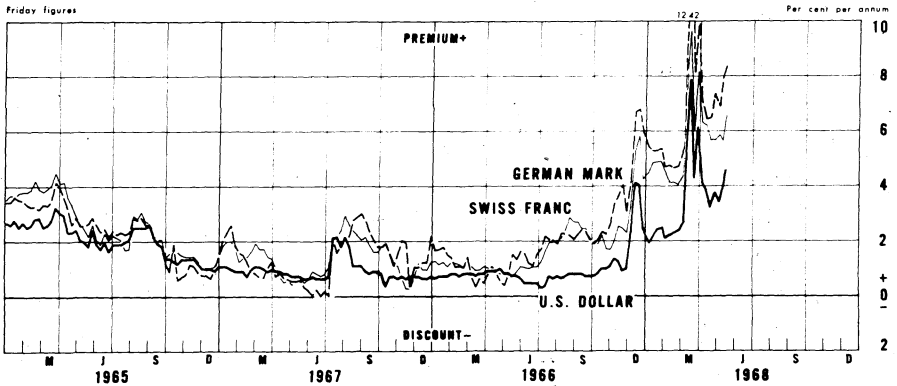
3-MONTH FORWARD EXCHANGE RATES AGAINST U.S. DOLLARS—NEW YORK

Friday figures



AGAINST POUND STERLING—LONDON

Friday figures

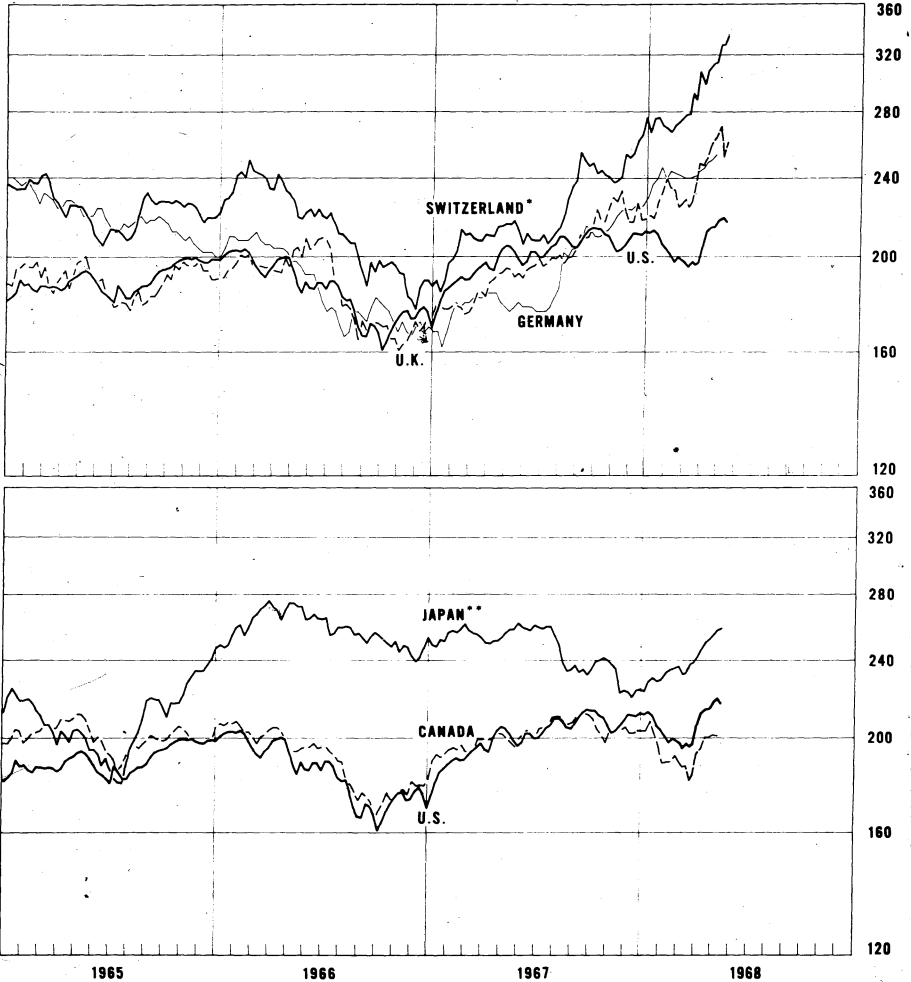


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Chart 10

INDUSTRIAL STOCK INDICES¹

1958:100
Ratio scale



* Swiss Bank Corporation industrial stock index.
** Japan index of 225 industrial and other stocks traded on the Tokyo exchange

H.13
No. 351

14
May 22, 1968.

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

<u>Chart 1</u>		<u>Chart 4</u>	
<u>Upper Panels</u>	(Wednesday, <u>May 15</u>)	(Friday, <u>May 17</u>)	
Euro-\$ deposit	<u>6.68</u>	Treasury bills: Canada	<u>6.72</u>
U.S. certif. of deposit	<u>6.09</u>	U.S.	<u>5.75</u>
<u>Lower Panels</u>	(Wednesday, <u>May 15</u>)	Spread favor Canada	<u>+0.97</u>
Call Euro-\$ deposit	<u>6.34</u>	Forward Canadian dollar	<u>-1.21</u>
Federal Funds	<u>6.38</u>	Net incentive (Canada +)	<u>-0.24</u>
	?	Canadian Finance paper	<u>-7.00</u>
<u>Chart 2</u>		<u>Chart 5</u>	
<u>Upper Panel - Euro-\$ deposits:</u>	(Friday, <u>May 17</u>)	(Friday, <u>May 17</u>)	
Call	<u>6.44</u>	Treasury bills: U.K.	<u>6.94</u>
30-day	<u>6.81</u>	U.S.	<u>5.75</u>
90-day	<u>6.88</u>	Spread favor U.K.	<u>+1.19</u>
180-day	<u>7.00</u>	U.K. local authority deposit	<u>8.44</u>
<u>Middle Panel</u>			
Hire-purchase paper	<u>3.71</u>		
(May 10)			
Euro-\$ deposit	<u>6.69</u>		
(May 10)			
<u>Lower Panel</u>		<u>Chart 6</u>	
Local-authority deposit	<u>3.59</u>	(Friday, <u>May 17</u>)	
(May 10)		Treasury bills: U.S.	<u>5.75</u>
Euro-\$ deposit	<u>6.69</u>	U.K.	<u>6.94</u>
(May 10)		Canada	<u>6.72</u>
<u>Chart 3</u>			
I. <u>Upper panel</u> (Period: <u>May 8 - 15</u>)		Interbank loan rate (German)	<u>3.62</u>
Interbank Loan (mid-point)	<u>3.62</u>	(<u>May 8 - 15</u>)	
Euro-\$ deposits (average)	<u>3.62</u>	Euro-\$ deposit (London)	<u>6.88</u>
<u>Lower Panel</u> (date <u>April 15</u>)		Zurich 3-month deposit	
Zurich 3-month deposit	<u>2.75</u>	(Date: <u>April 15</u>)	<u>2.75</u>
Euro-\$ rate (covered)	<u>4.51</u>	Japan Composite rate	
(May 15)		(Date: <u>March 29</u>)	<u>7.49</u>
II. <u>Price of gold</u>	<u>40.46</u>		
(Friday, <u>May 17</u>)			

Chart 7

U.S. Gov't. (Wed., <u>May 15</u>)	<u>5.32</u>
U.K. War Loan (Thurs., <u>May 16</u>)	<u>7.27</u>
German Fed. (Fri., <u>May 10 & 17</u>)	<u>6.37</u>
Swiss Confed. (Fri., <u>May 3</u>)	<u>4.51</u>
(Fri., <u>May 10</u>)	<u>4.53</u>
Canadian Gov't. (Wed., <u>May 15</u>)	<u>6.82</u>
Netherlands Gov't.	
(Friday, <u>May 3</u>)	<u>6.45</u>
Euro-\$ bonds (Fri., <u>May 17</u>)	<u>7.53</u>
U.S. Euro-bonds (<u>April 30</u>)	<u>7.25</u>
U.S. Corporate Aaa (<u>April 30</u>)	<u>6.21</u>

Chart 8

(Friday, <u>May 17</u>)	
Swiss francs <u>+1.13</u>	Dutch Glds. <u>+0.13</u>
German marks <u>+0.62</u>	Can. \$ <u>+0.30</u>
U.K. £ Ster. <u>-0.62</u>	It. Lire <u>+0.34</u>
Belgian francs <u>+0.52</u>	Jap. Yens <u>-0.65</u>
French francs <u>-0.08</u>	

Chart 9

(Friday, <u>May 17</u>)	
<u>Against U.S. dollars:</u>	
Swiss francs <u>+2.17</u>	Dutch Glds. <u>+1.74</u>
German marks <u>+3.02</u>	Fr. Francs <u>+1.14</u>
£ Sterling <u>-5.28</u>	Can. \$ <u>-1.21</u>
<u>Against pound sterling:</u>	
Swiss francs <u>+6.54</u>	Ger. marks <u>+8.33</u>
U.S. dollars <u>+4.56</u>	

Chart 10

U.S. (<u>May 17</u>)	<u>217.3</u>
Japan (<u>May 17</u>)	<u>258.1*</u>
U.K. (Fri., <u>May 17</u>)	<u>260.6</u>
Switzerland (Fri., <u>May 17</u>)	<u>334.2</u>
Germany (<u>April 26</u>)	<u>254.0</u>
Canada (<u>May 3</u>)	<u>202.0</u>
(<u>May 10</u>)	<u>201.5</u>

For descriptions and sources of data, see Special Supplement No. 343-S dated March 27, 1968.

*March 29	238.5
April 5	242.0
" 12	246.3
" 19	251.2
" 26	252.5
May 3	255.8
" 10	257.8