

H. 13
No. 359

July 17, 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: 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NOT FOR PUBLICATION

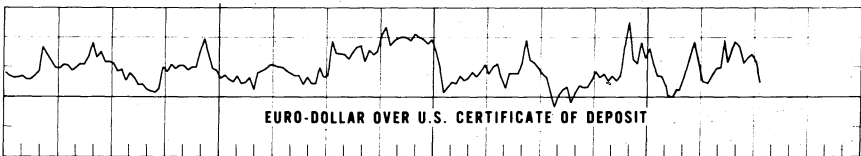
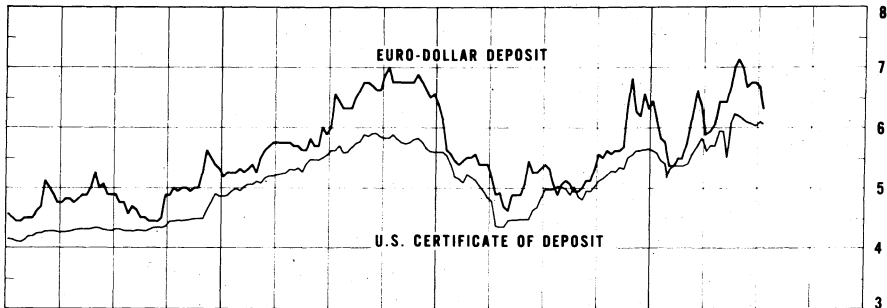
DECONTROLLED AFTER SIX MONTHS

Chart 1

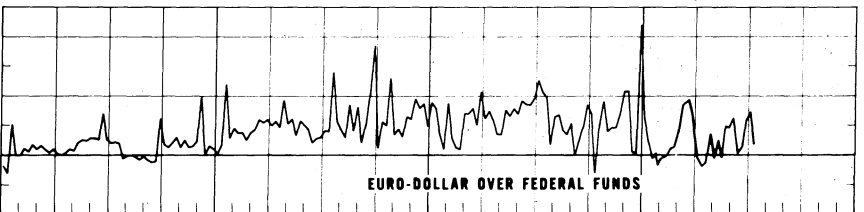
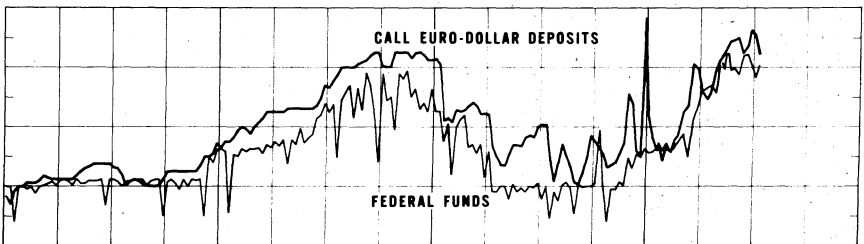
NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS 3-MONTH DOLLAR DEPOSIT RATES

Wednesday figures

Per cent per annum



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



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

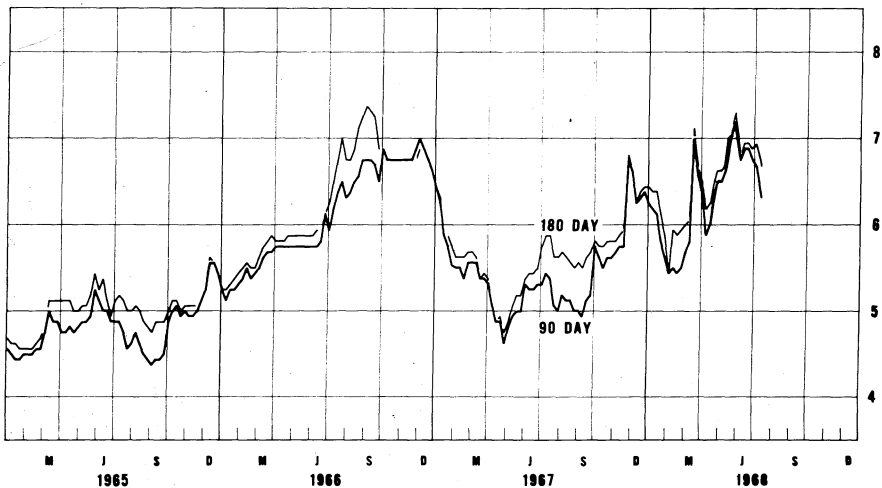
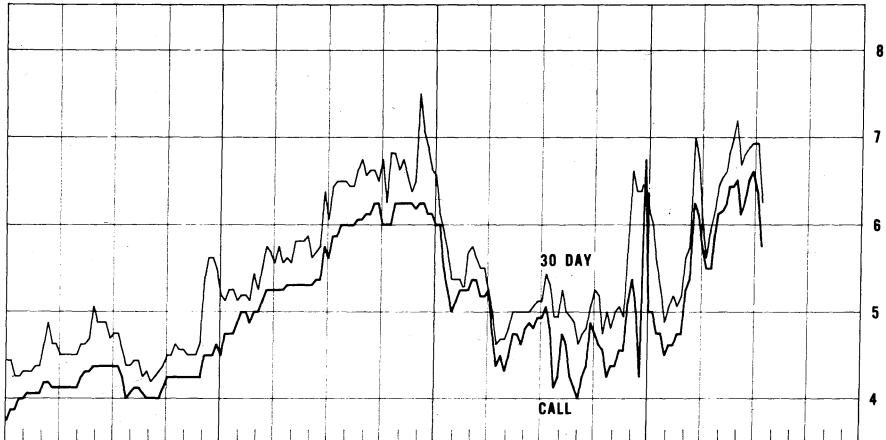


Chart 28

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

HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

Friday figures

Per cent per annum

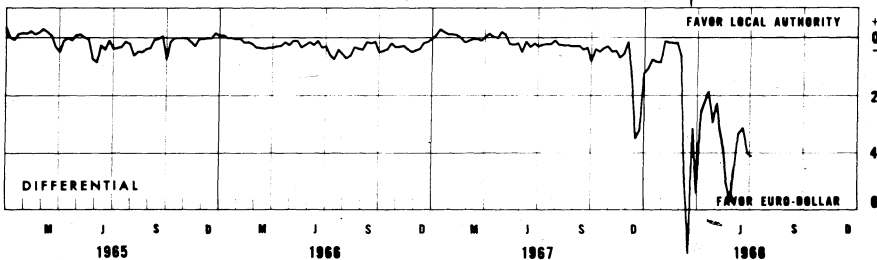
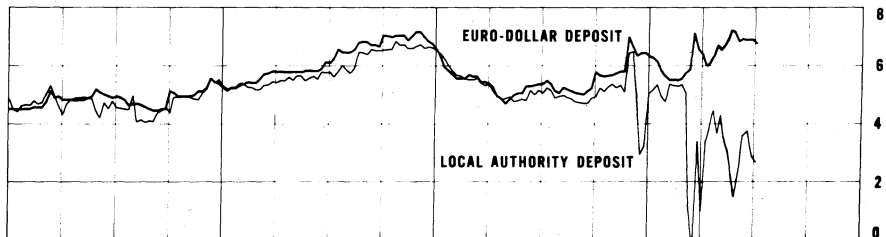
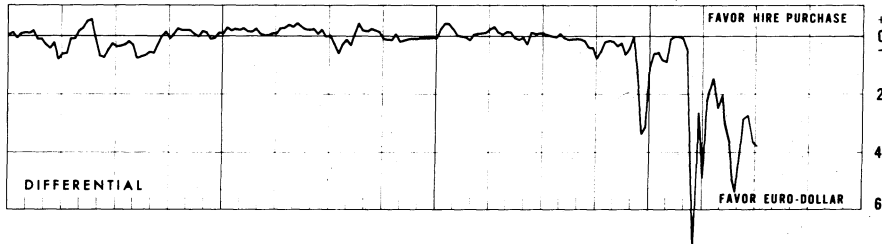
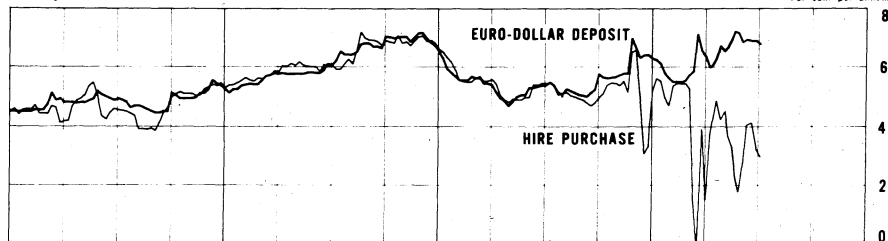
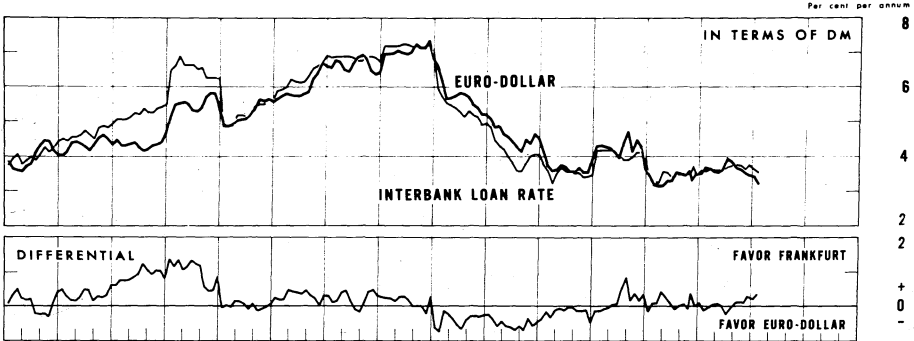


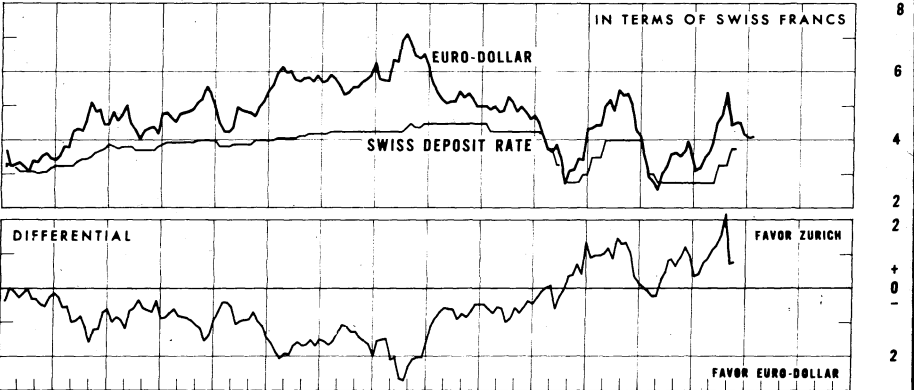
Chart 3

I INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON

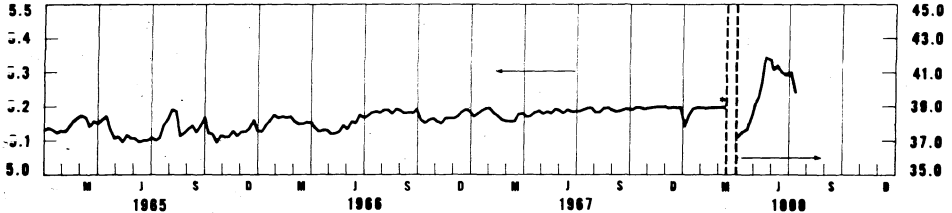
FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE (COVERED)



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

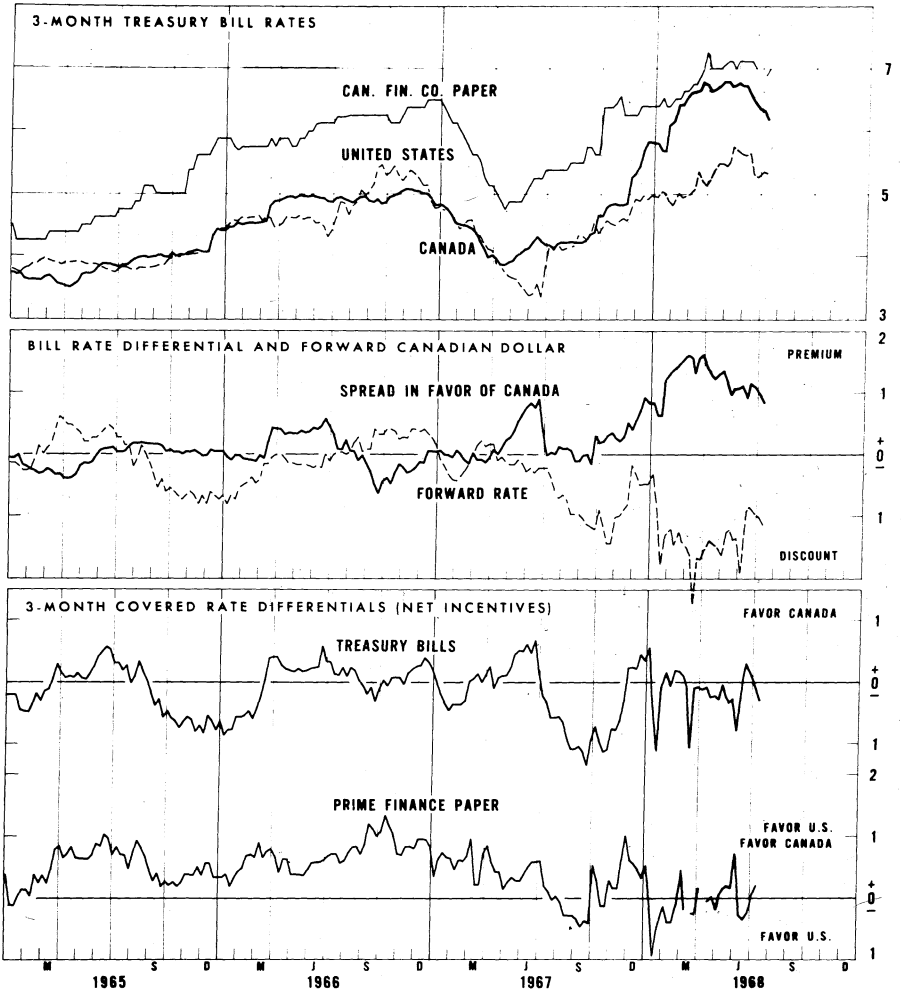


Chart 5A

INTEREST ARBITRAGE, NEW YORK/LONDON

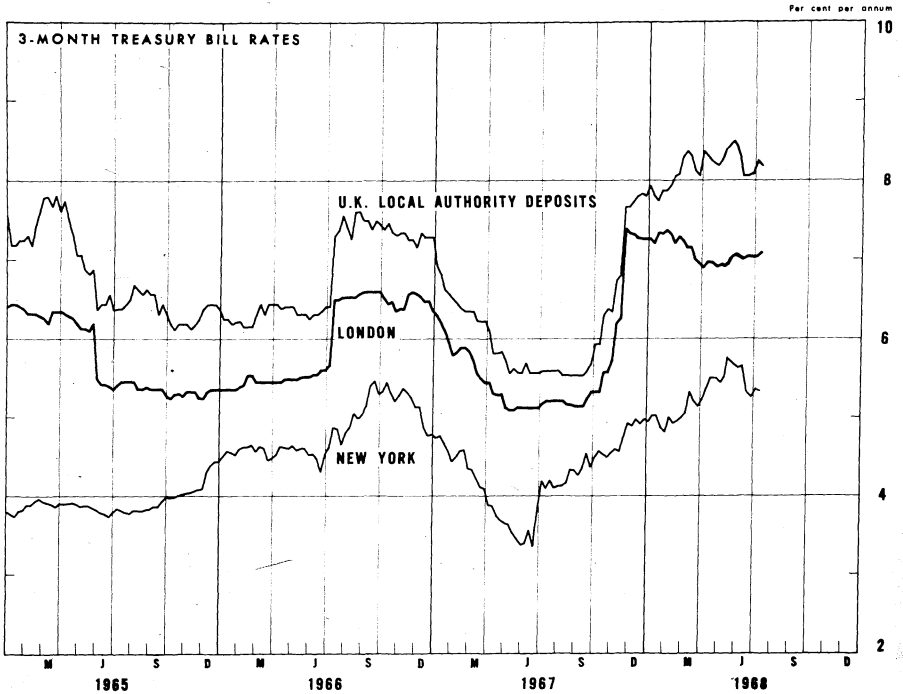
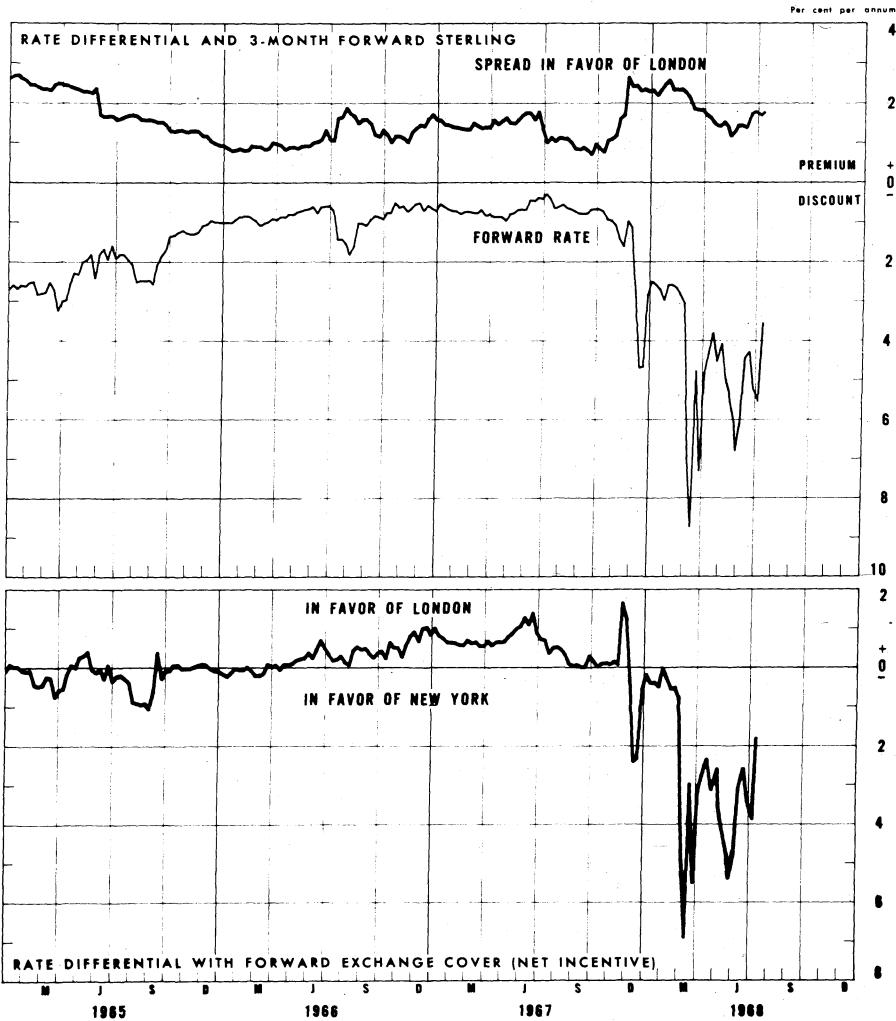


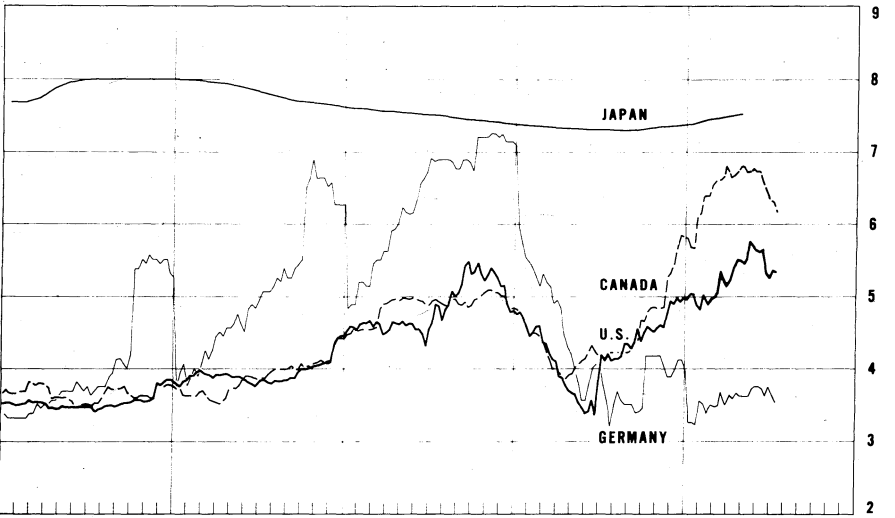
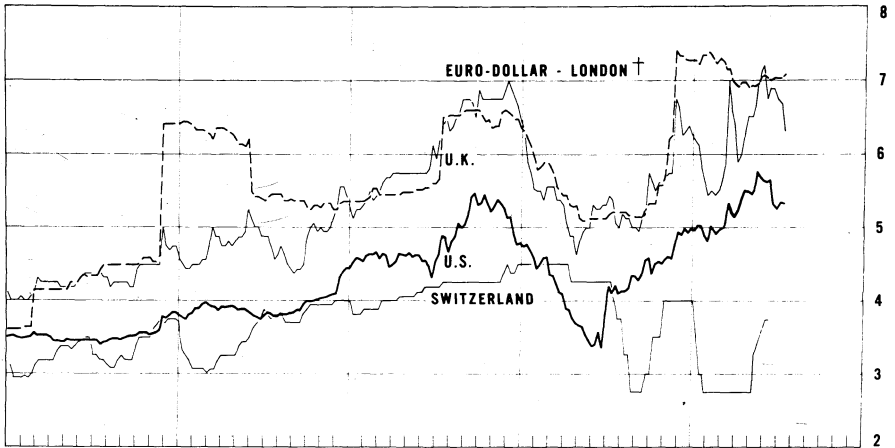
Chart 58

INTEREST ARBITRAGE, NEW YORK/LONDON



SHORT-TERM INTEREST RATES*

Per cent per annum



1964 1965 1966 1967 1968

*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).

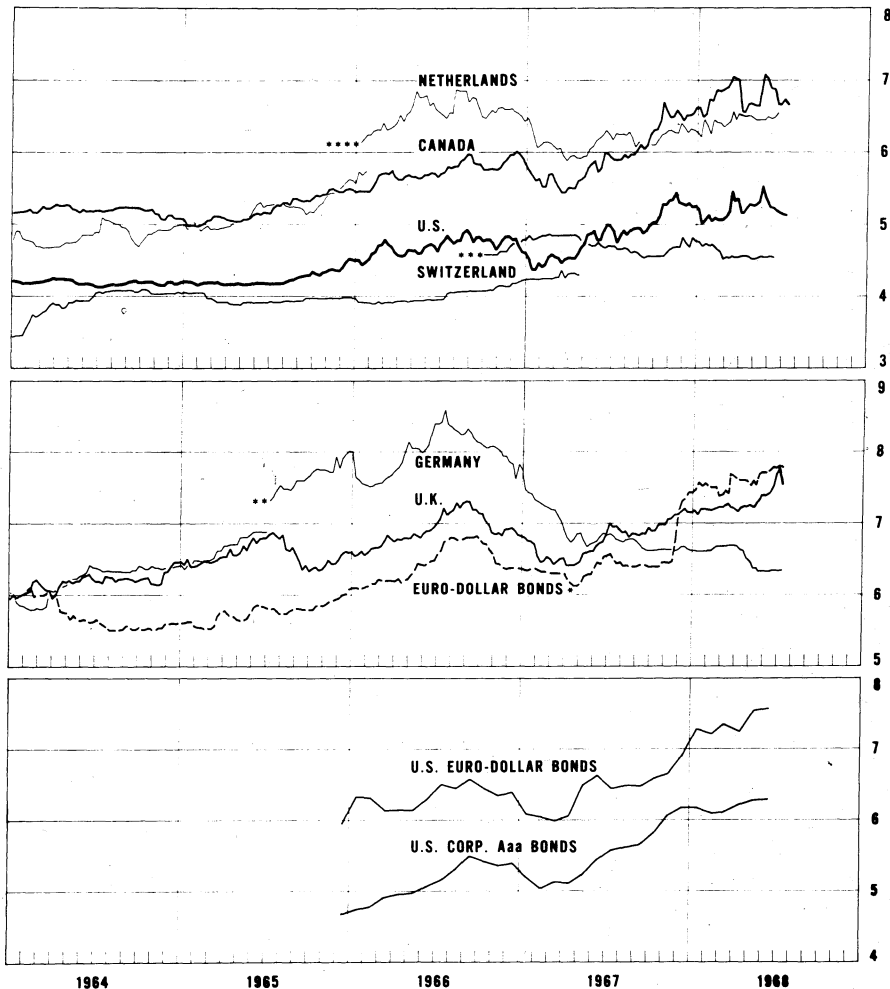
† 3-month rate for U.S. dollar deposits in London.

Chart 7

LONG-TERM BOND YIELDS

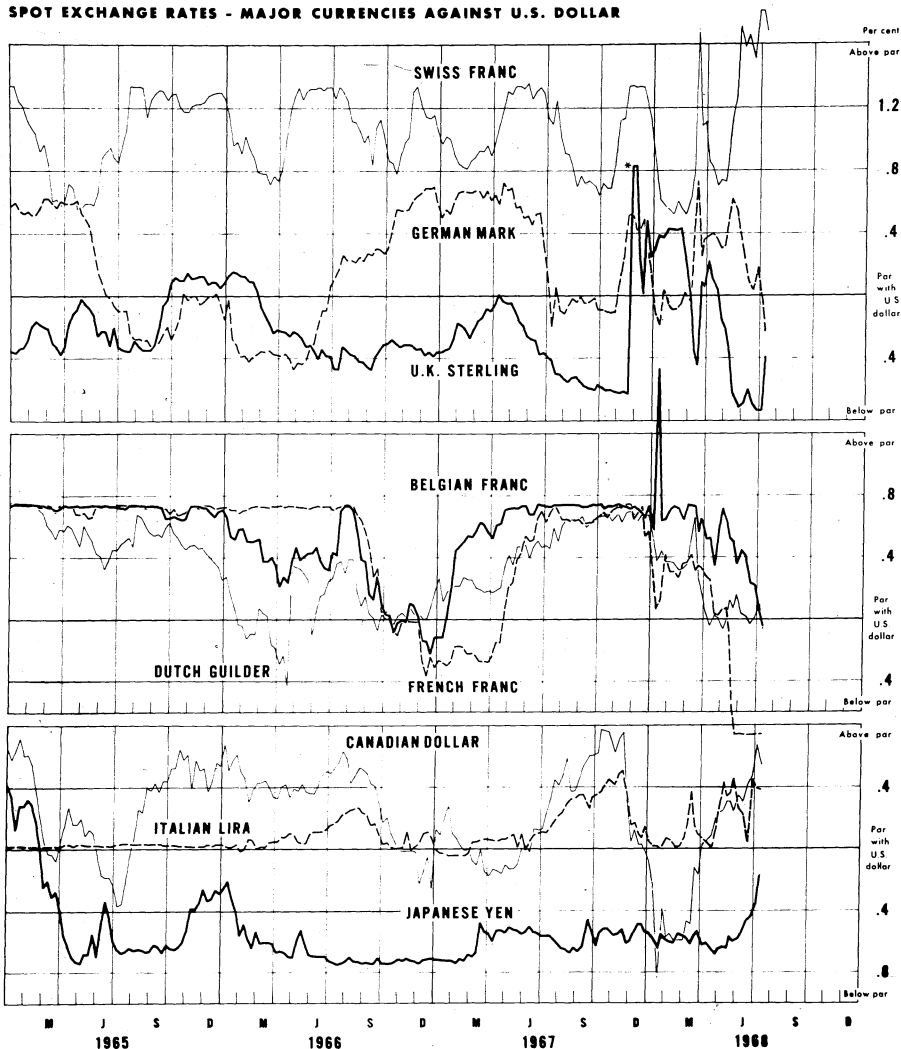
Weekly figures

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



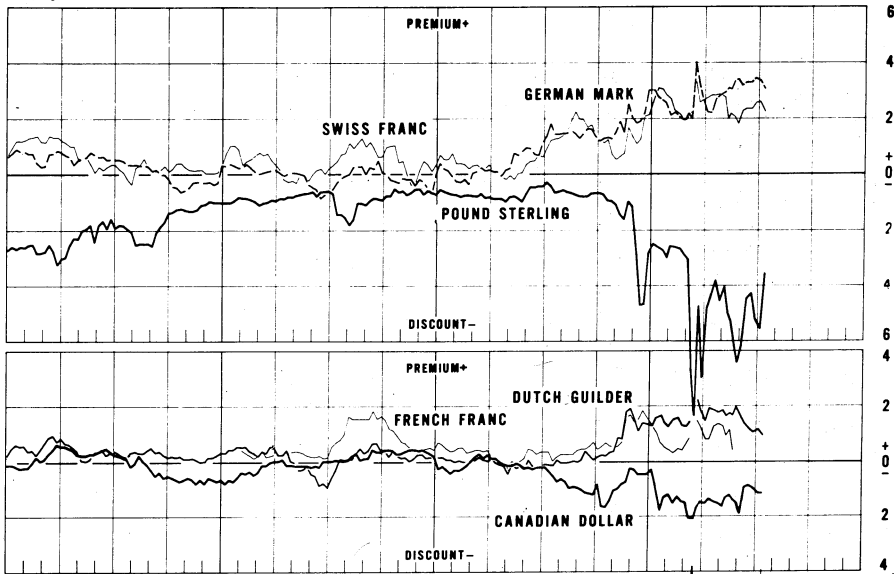
* Devaluation of the pound sterling from \$2.80 to \$2.40.

Chart 9

**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

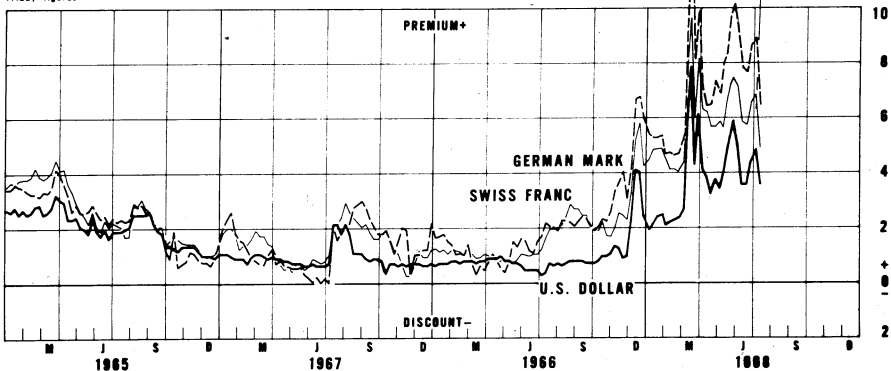
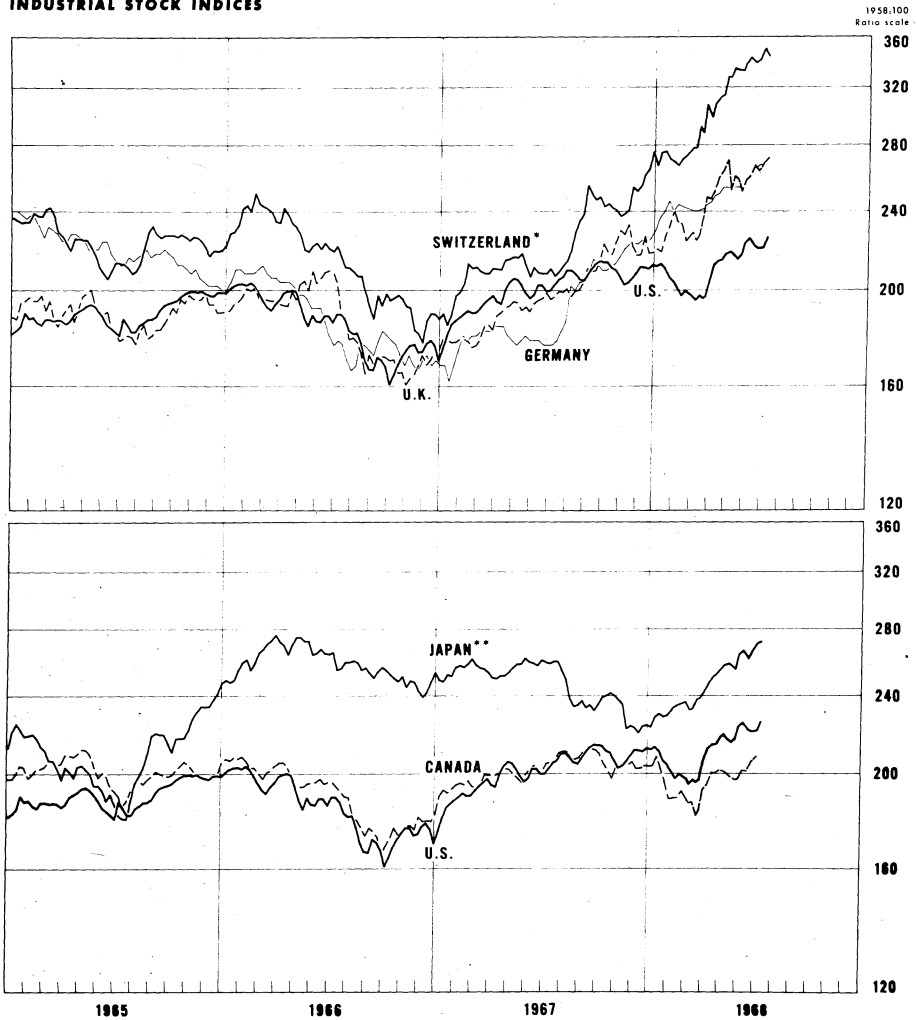


Chart 10

INDUSTRIAL STOCK INDICES



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

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>July 10</u>)	(Friday, <u>July 12</u>)	
Euro- $\text{\$}$ deposit	<u>6.31</u>	Treasury bills: Canada	<u>6.17</u>
U.S. certif. of deposit	<u>6.06</u>	U.S.	<u>5.33</u>
<u>Lower Panels</u>	(Wednesday, <u>July 10</u>)	Spread favor Canada	<u>+0.84</u>
Call Euro- $\text{\$}$ deposit	<u>6.22</u>	Forward Canadian dollar	<u>-1.14</u>
Federal Funds	<u>6.03</u>	Net incentive (Canada +)	<u>-0.30</u>
		Canadian Finance paper	<u>7.00</u>
	<u>Chart 2</u>		<u>Chart 5</u>
	(Friday, <u>July 12</u>)		(Friday, <u>July 12</u>)
<u>Upper Panel - Euro-$\text{\\$}$ deposits:</u>		Treasury bills: U.K.	<u>7.09</u>
Call <u>5.75</u>	90-day <u>6.31</u>	U.S.	<u>5.33</u>
30-day <u>6.25</u>	180-day <u>6.68</u>	Spread favor U.K.	<u>+1.76</u>
<u>Middle Panel</u>	<u>July 5</u>	U.K. local authority deposit	<u>8.18</u>
Hire-purchase paper	<u>2.95</u>		
Euro- $\text{\$}$ deposit	<u>6.75</u>		
<u>Lower Panel</u>	<u>July 5</u>		
Local-authority deposit	<u>2.64</u>		
Euro- $\text{\$}$ deposit	<u>6.75</u>		
		<u>Chart 6</u>	
		(Friday, <u>July 12</u>)	
		Treasury bills: U.S.	<u>5.33</u>
		U.K.	<u>7.09</u>
		Canada	<u>6.17</u>
<u>I. Upper panel</u>	(Period: <u>July 8-15</u>)	Interbank loan rate (German)	
Interbank Loan (mid-point)	<u>3.54</u>	(<u>July 8-15</u>)	<u>3.54</u>
Euro- $\text{\$}$ deposits (average)	<u>3.20</u>	Euro- $\text{\$}$ deposit (London)	<u>6.31</u>
<u>Lower Panel</u>	(date <u>June 15</u>)	Zurich 3-month deposit	
Zurich 3-month deposit	<u>3.75*</u>	(Date: <u>June 15</u>)	<u>3.75*</u>
Euro- $\text{\$}$ rate (covered)	<u>4.11</u>	Japan Composite rate	
<u>II. Price of gold</u>	<u>39.83</u>	(Date: <u>April 26</u>)	<u>7.52</u>
	(Friday, <u>July 12</u>)		
*May 23	3.25		
31	3.25		
June 7	3.75		

Chart 7

U.S. Gov't. (Wed., July 10)	<u>5.11</u>
U.K. War Loan (Thurs., July 11)	<u>7.53</u>
German Fed. (Fri., July 12)	<u>6.34</u>
Swiss Confed. (Fri., June 14)	<u>4.54</u>
Canadian Gov't. (Wed., July 10)	<u>6.65</u>
Netherlands Gov't.	
(Friday, June 21)	<u>6.55</u>
Euro-\$ bonds (Fri., July 12)	<u>7.76</u>
U.S. Euro-bonds (June 30)	<u>7.57</u>
U.S. Corporate Aaa (June 30)	<u>6.28</u>

Chart 8

(Friday, July 12)

Swiss francs	<u>+1.68</u>	Dutch Glds.	<u>-0.07</u>
German marks	<u>-0.23</u>	Can. \$	<u>+0.54</u>
U.K. £ Ster.	<u>-0.39</u>	It. Lire	<u>+0.38</u>
Belgian francs	<u>-0.05</u>	Jap. Yens	<u>-0.17</u>
French francs	<u>-0.74</u>		

Chart 9

(Friday, July 12)

Against U.S. dollars:

Swiss francs	<u>+2.23</u>	Dutch Glds.	<u>+0.94</u>
German marks	<u>+3.07</u>	Fr. Francs	<u>-3.95</u>
£ Sterling	<u>-3.54</u>	Can. \$	<u>-1.14</u>

Against pound sterling:

Swiss francs	<u>+4.90</u>	Ger. marks	<u>+6.47</u>
U.S. dollars	<u>+3.57</u>		

Chart 10

U.S. (<u>July 12</u>)	<u>226.2</u>
Japan (<u>July 12</u>)	<u>272.1</u>
U.K. (Fri., <u>July 12</u>)	<u>272.2</u>
Switzerland (Fri., <u>July 12</u>)	<u>345.0</u>
Germany (<u>July 5</u>)	<u>268.8</u>
Canada (<u>July 5</u>)	<u>208.4</u>

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