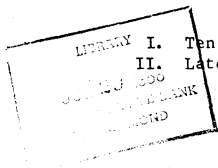


H. 13
No. 360

July 24, 1968.

CAPITAL MARKET DEVELOPMENTS ABROAD



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NOT FOR PUBLICATION

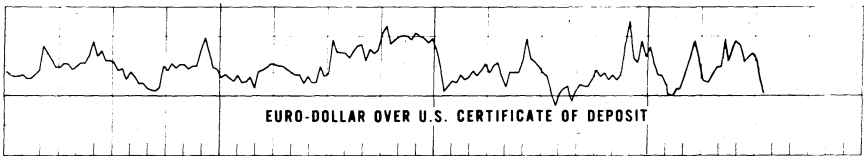
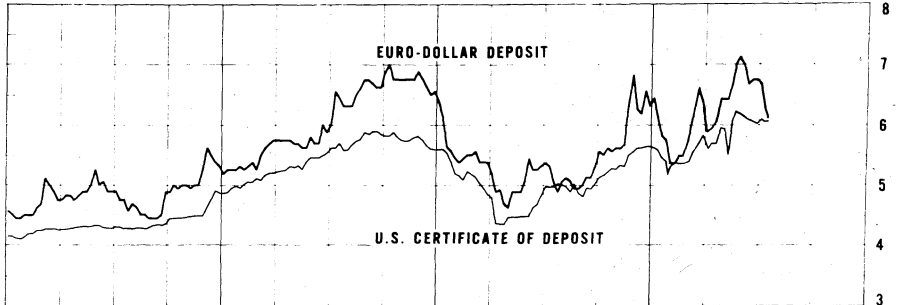
DECONTROLLED AFTER SIX MONTHS

Chart 1

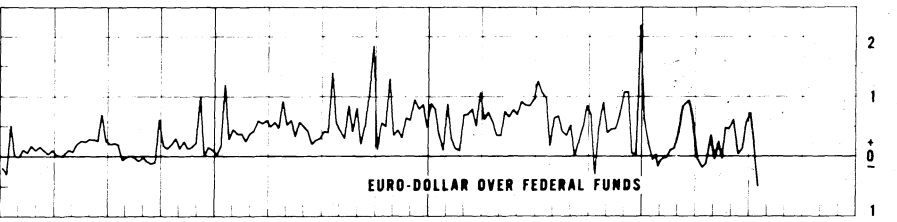
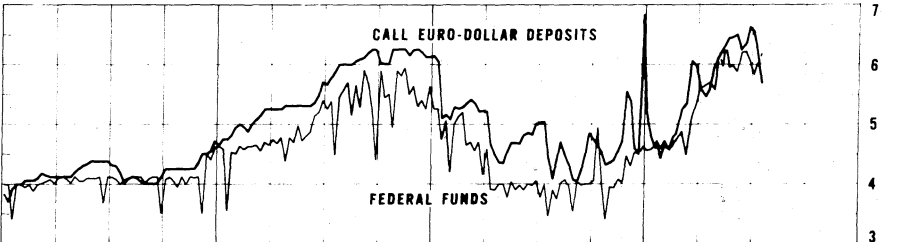
**NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS
3-MONTH DOLLAR DEPOSIT RATES**

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

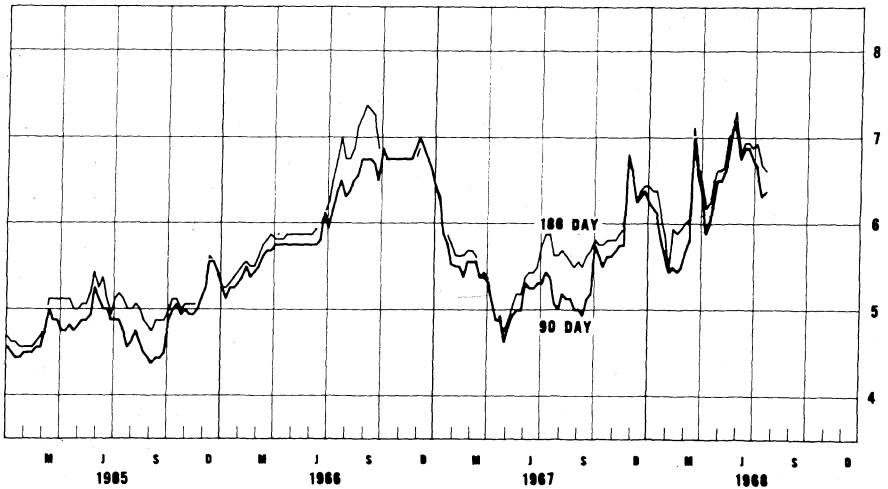
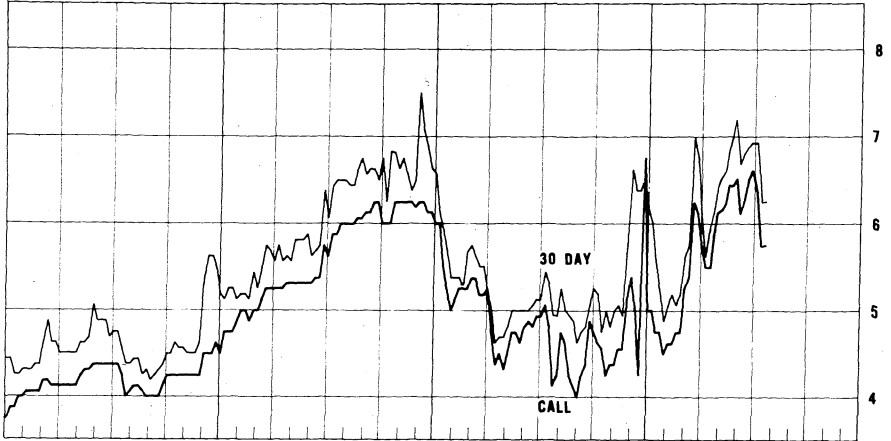
3

Chart 2A

**LONDON: YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS
EURO-DOLLAR DEPOSIT RATES**

Friday figures

Per cent per annum

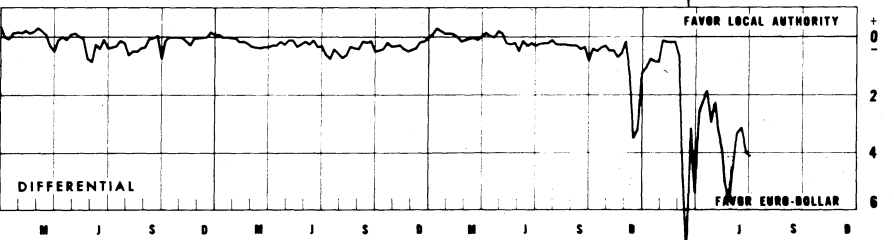
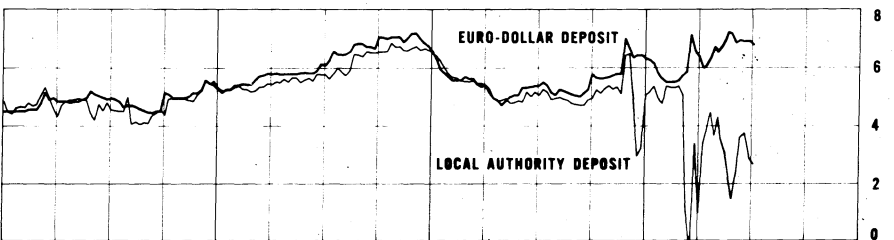
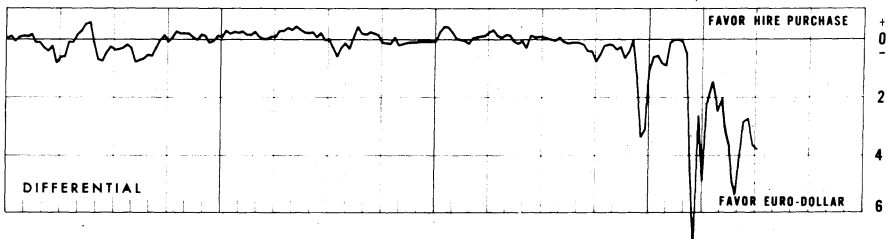
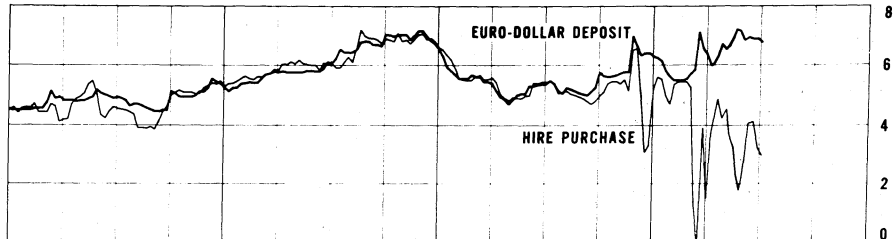


LONDON: YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS

HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

Friday figures

Per cent per annum



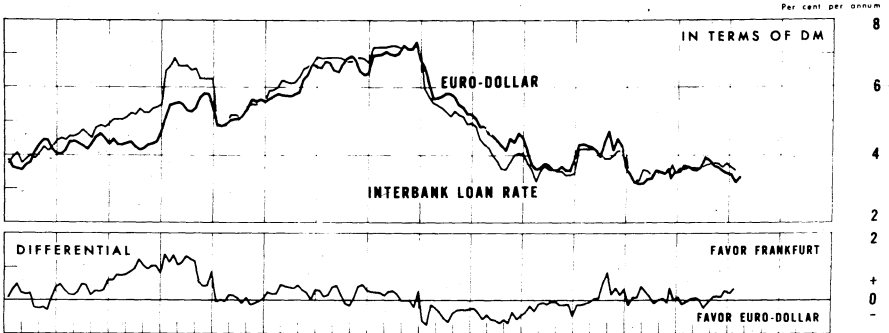
M J S O M J S O M J S O M J S O
1965 1966 1967 1968

5

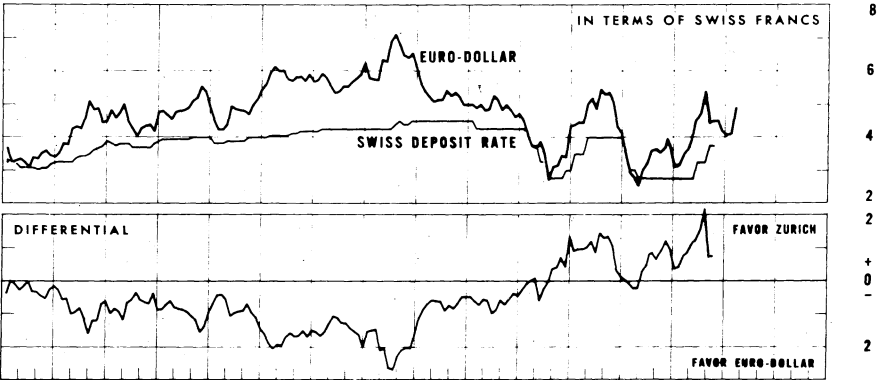
Chart 3

I INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON

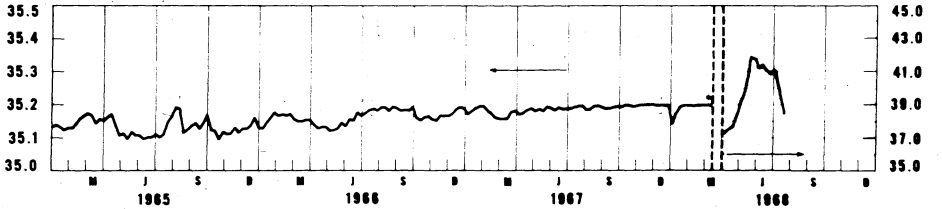
FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE (COVERED)



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



II PRICE OF GOLD IN LONDON



• Market closed March 15 April 1, 1968

Chart 4

INTEREST ARBITRAGE, UNITED STATES / CANADA

Friday figures

Per cent per annum

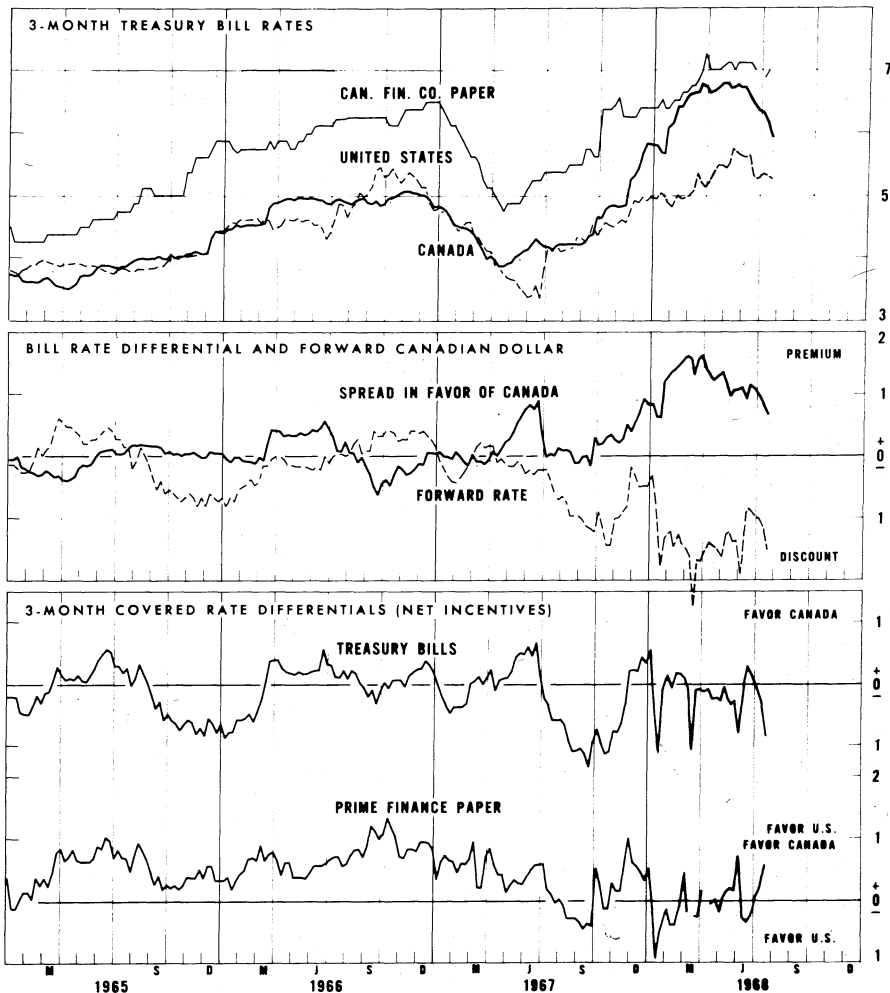
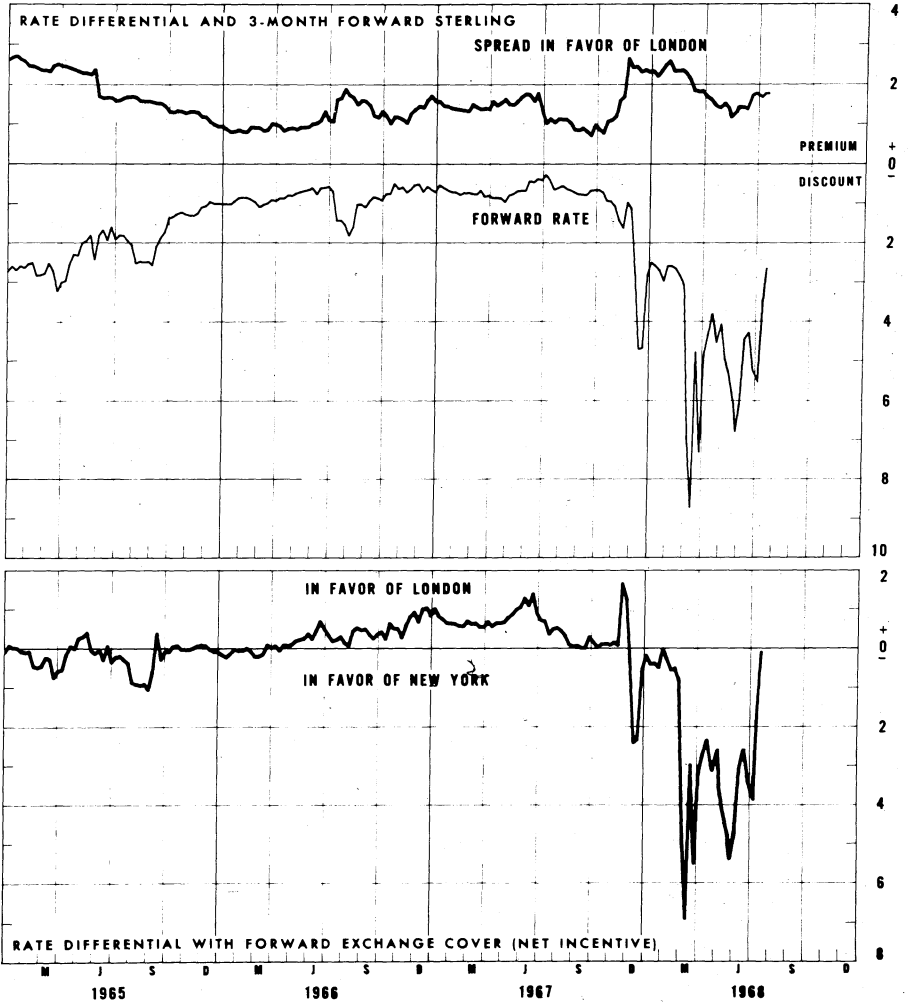


Chart 58

INTEREST ARBITRAGE, NEW YORK/LONDON

Per cent per annum

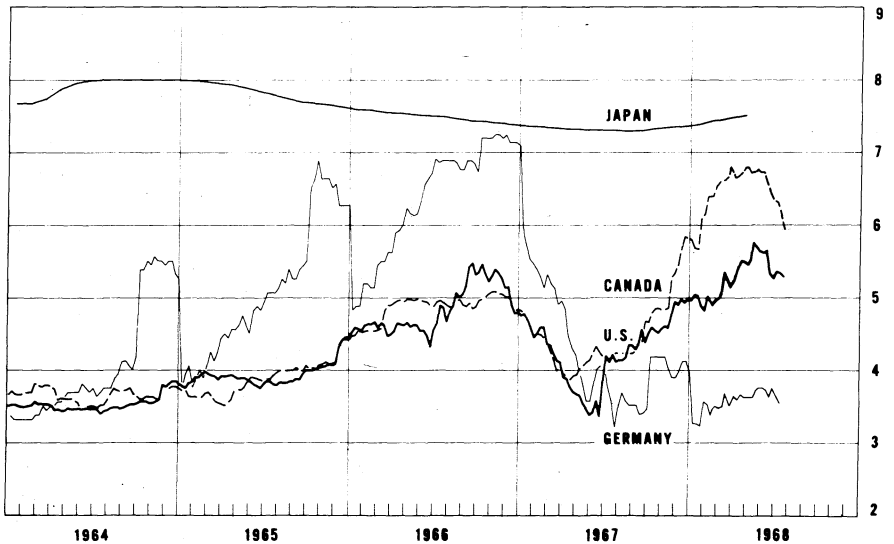
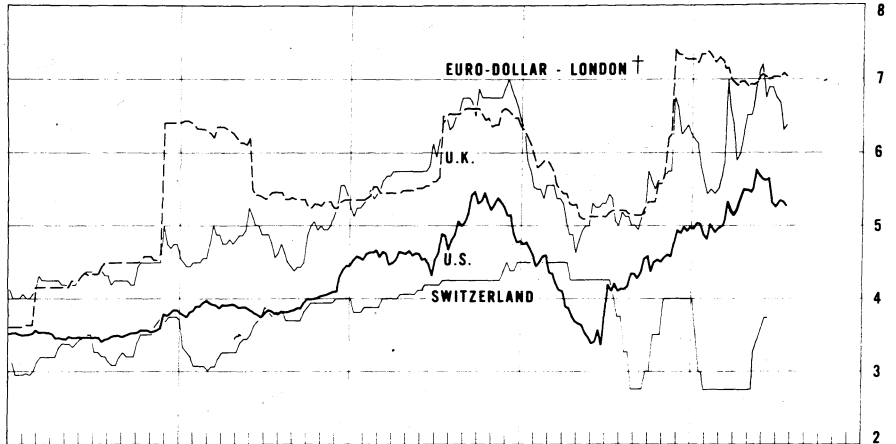


9

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)

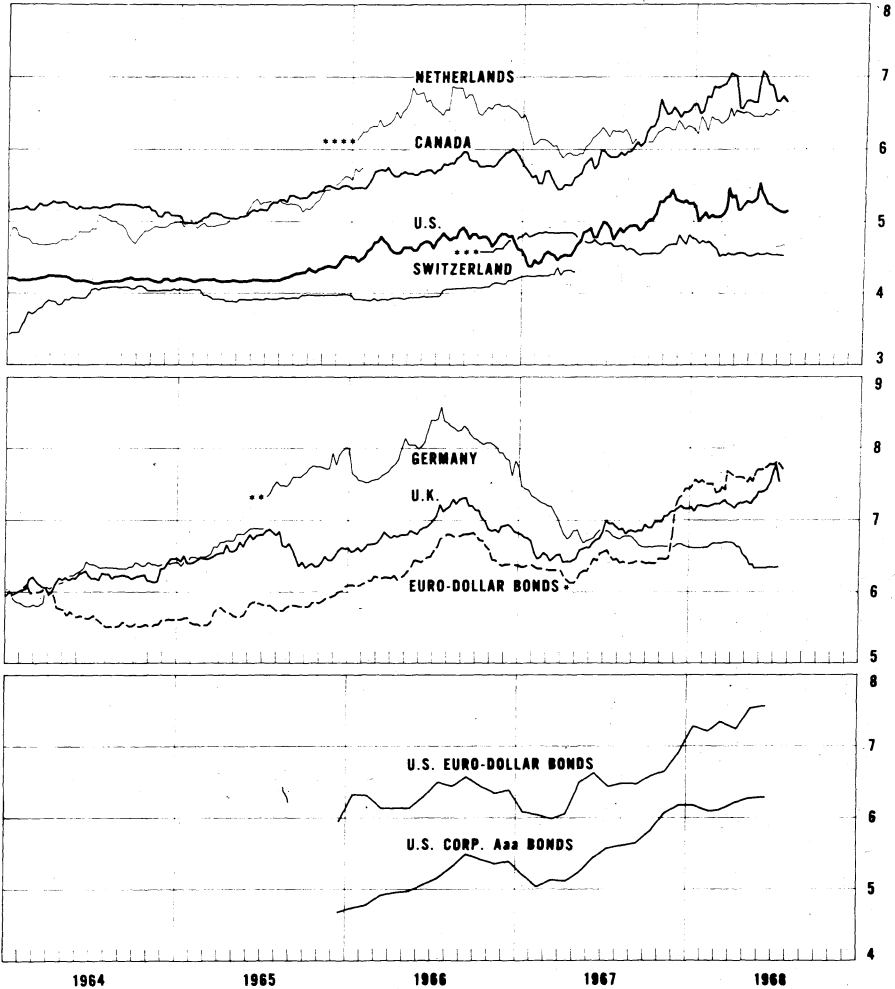
† 3-month rate for U.S. dollar deposits in London

Chart 7

LONG-TERM BOND YIELDS

Weekly figures

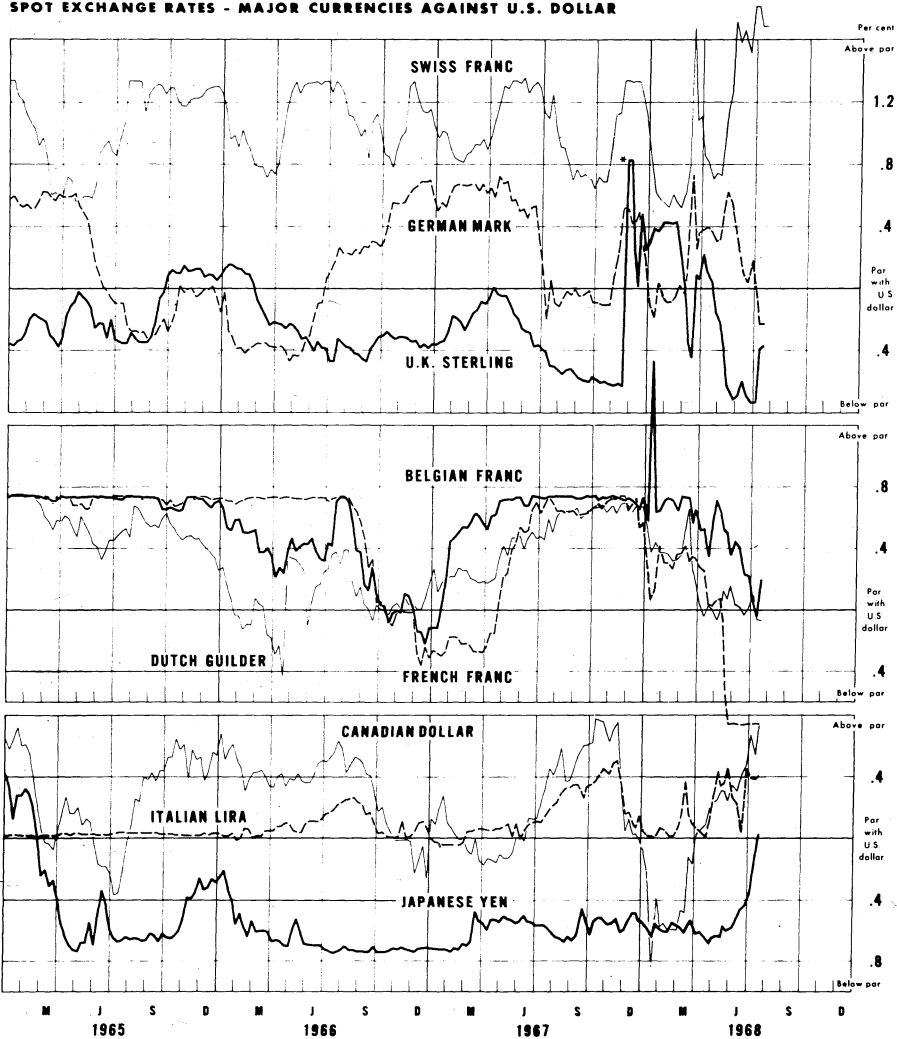
Per cent per annum



- 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
- New series for Netherlands starts 1.7.66

Chart 8

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



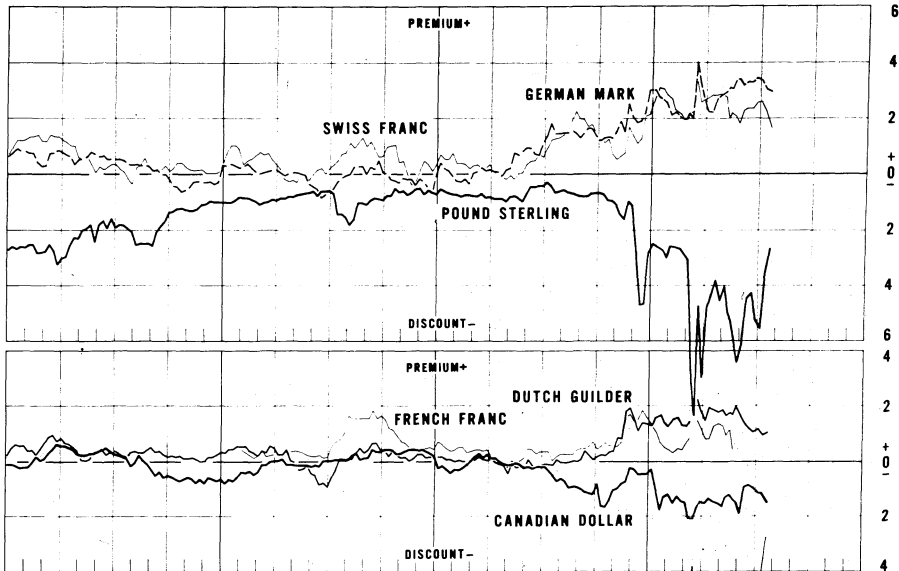
* Devaluation of the pound sterling from \$2.80 to \$2.40

Chart 9

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

Friday figures

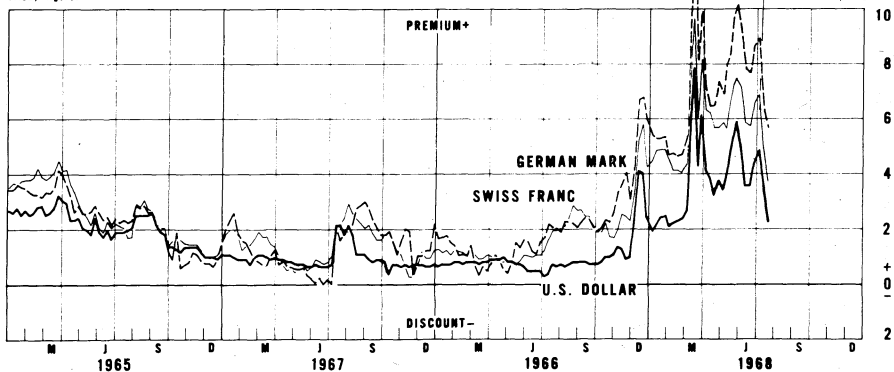
Per cent per annum



AGAINST POUND STERLING—LONDON

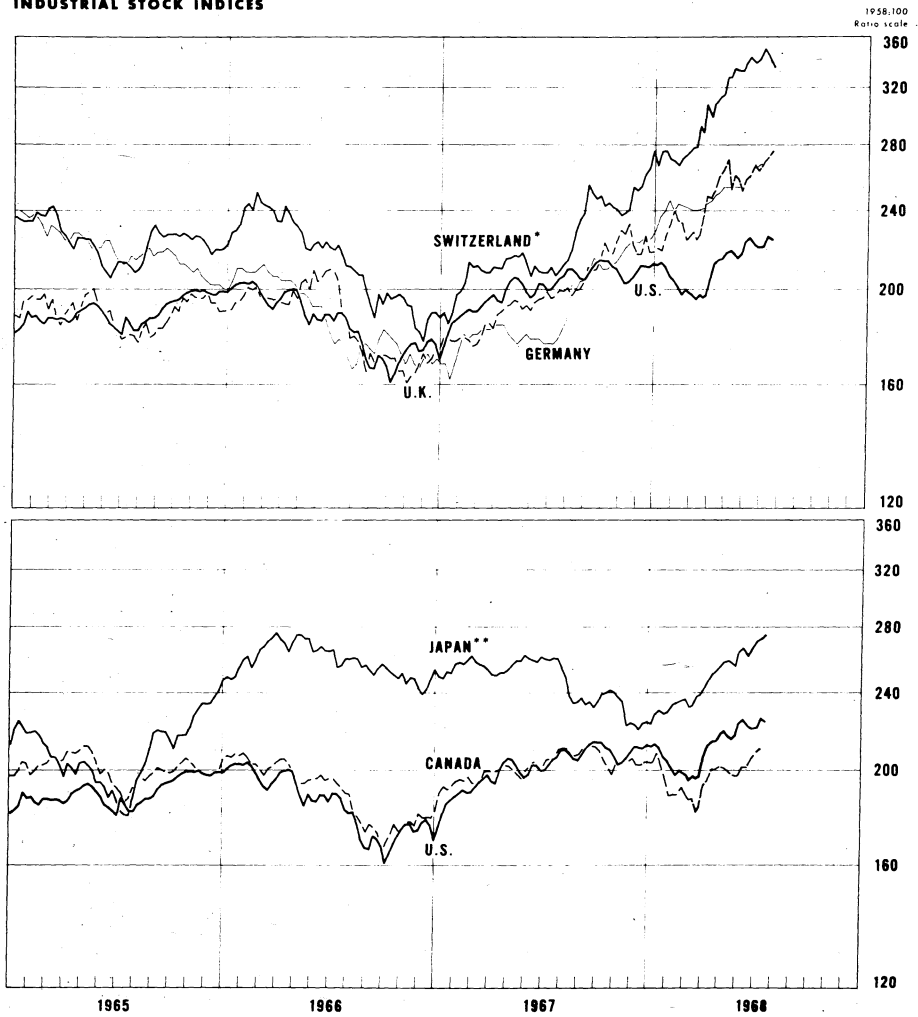
Friday figures

Per cent per annum



13

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>	
(Wednesday, <u>July 17</u>)		(Friday, <u>July 19</u>)	
Upper Panels			
Euro-\$ deposit	<u>6.12</u>	Treasury bills: Canada	<u>5.93</u>
U.S. certif. of deposit	<u>6.08</u>	U.S.	<u>5.27</u>
Lower Panels		Spread favor Canada	<u>+0.66</u>
Call Euro-\$ deposit	<u>5.68</u>	Forward Canadian dollar	<u>-1.51</u>
Federal Funds	<u>6.18</u>	Net incentive (Canada +)	<u>-0.85</u>
		Canadian Finance paper	<u>n.a.</u>
<u>Chart 2</u>		<u>Chart 5</u>	
(Friday, <u>July 19</u>)		(Friday, <u>July 19</u>)	
Upper Panel - Euro-\$ deposits:		Treasury bills: U.K.	<u>7.03</u>
Call <u>5.75</u>	50-day <u>6.38</u>	U.S.	<u>5.27</u>
30-day <u>6.25</u>	180-day <u>6.62</u>	Spread favor U.K.	<u>+1.76</u>
Middle Panel		U.K. local authority deposit	<u>8.00</u>
Hire-purchase paper	<u>n.a.</u>		
Euro-\$ deposit	<u>n.a.</u>	<u>Chart 6</u>	
Lower Panel		(Friday, <u>July 19</u>)	
Local-authority deposit	<u>n.a.</u>	Treasury bills: U.S.	<u>5.27</u>
Euro-\$ deposit	<u>n.a.</u>	U.K.	<u>7.03</u>
		Canada	<u>5.93</u>
<u>Chart 3</u>		Interbank loan rate (German)	
(Period: <u>July 16-23</u>)		(<u>July 16-23</u>)	<u>n.a.</u>
I. Upper panel		Euro-\$ deposit (London)	<u>6.38</u>
Interbank Loan (mid-point)	<u>n.a.</u>	Zurich 3-month deposit	
Euro-\$ deposits (average)	<u>3.36</u>	(Date: <u>June 15</u>)	<u>3.75</u>
Lower Panel (date <u>June 15</u>)		Japan Composite rate	
Zurich 3-month deposit	<u>3.75</u>	(Date: <u>April 26</u>)	<u>7.52</u>
Euro-\$ rate (covered)	<u>4.91</u>		
II. Price of gold	<u>38.43</u>		
(Friday, <u>July 19</u>)			

15
July 24, 1968

H.13
No. 360

- II. b -

Chart 7

U.S. Gov't. (Wed., July 17) 5.14
 U.K. War Loan (Thurs., July 18) n.a.
 German Fed. (Fri., July 19) n.a.
 Swiss Confed. (Fri., July 12) 4.52*
 Canadian Gov't. (Wed., July 17) n.a.
 Netherlands Gov't.

(Friday, June 28) 6.52

Euro-\$ bonds (Fri., July 19) 7.71

U.S. Euro-bonds (June 30) 7.57

U.S. Corporate Aaa (June 30) 6.28

Chart 8

(Friday, July 19)

Swiss francs +1.68 Dutch Glds. -0.07

German marks -0.23 Can. \$ +0.74

U.K. £ Ster. -0.37 It. Lire +0.40

Belgian francs +0.20 Jap. Yens +0.03

French francs -0.74

Chart 9

(Friday, July 19)

Against U.S. dollars:

Swiss francs +1.67 Dutch Glds. +1.05

German marks +2.96 Fr. Francs -2.77

£ Sterling -2.64 Can. \$ -1.51

Against pound sterling:

Swiss francs +3.72 Ger. marks +5.68

U.S. dollars +2.23

Chart 10

U.S. (July 19) 224.5

Japan (July 19) 274.0

U.K. (Fri., July 19) 276.2

Switzerland (Fri., July 19) 335.0

Germany (July 5) 268.8

Canada (July 11) 211.2

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

* June 20 4.54

28 4.54

July 5 4.53