

H. 13
No. 370

October 2, 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NOT FOR PUBLICATION

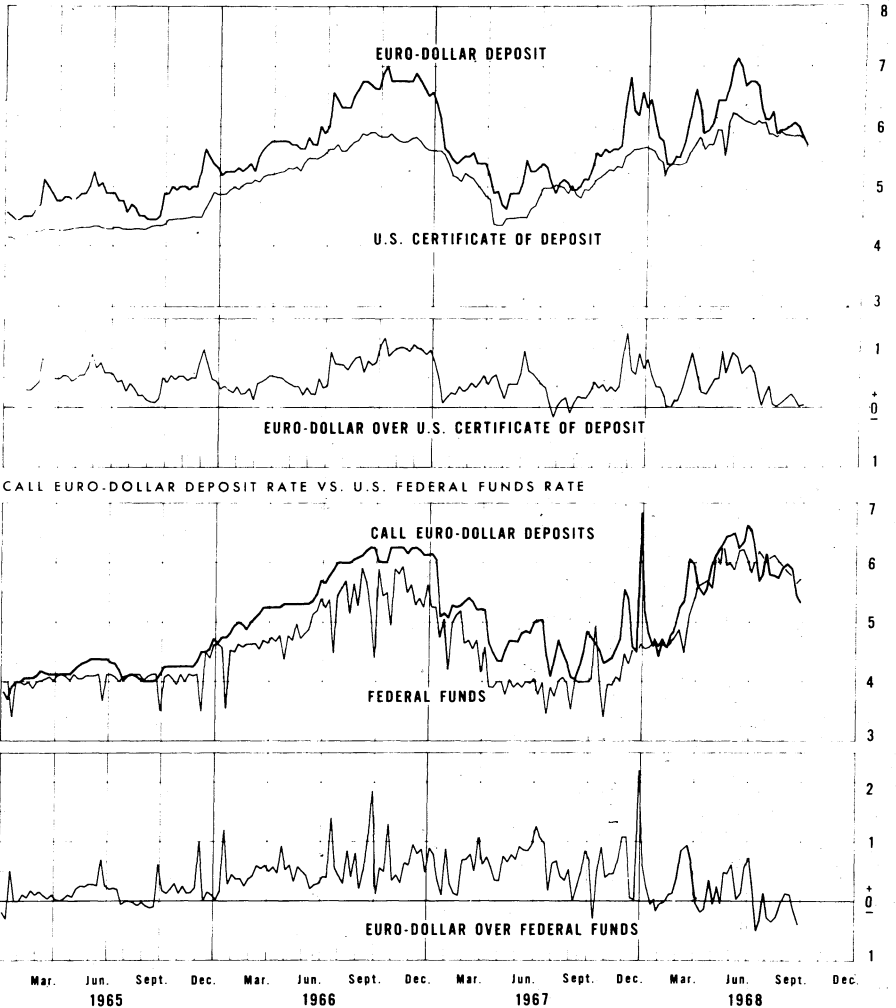
DECONTROLLED AFTER SIX MONTHS

Chart 1

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

Wednesday figures

Percent per annum



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Chart 2A

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

EURO-DOLLAR DEPOSIT RATES

Fridays figures

Per cent per annum

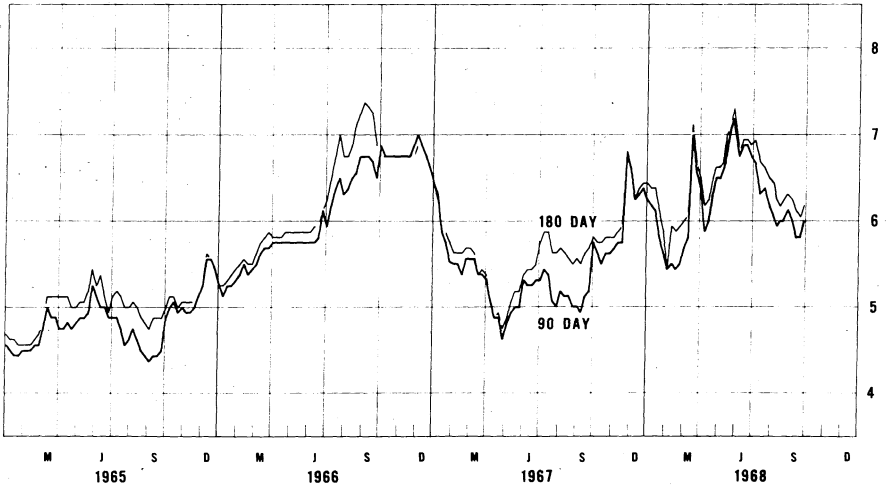
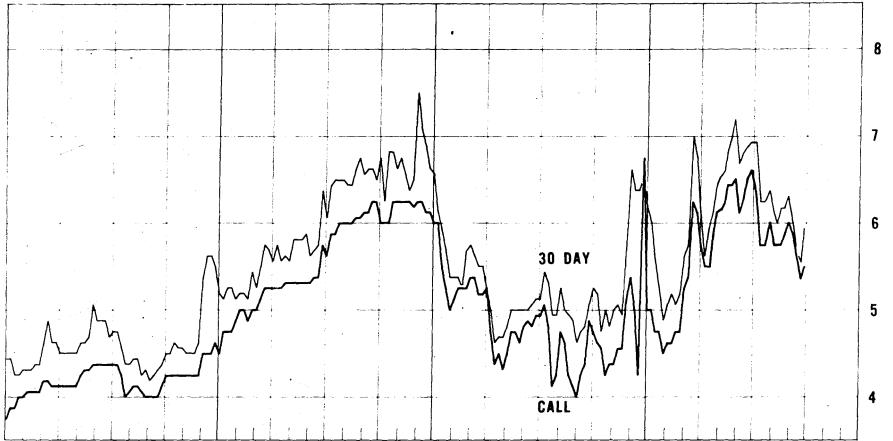


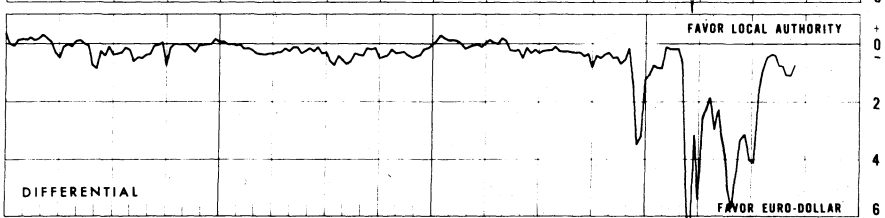
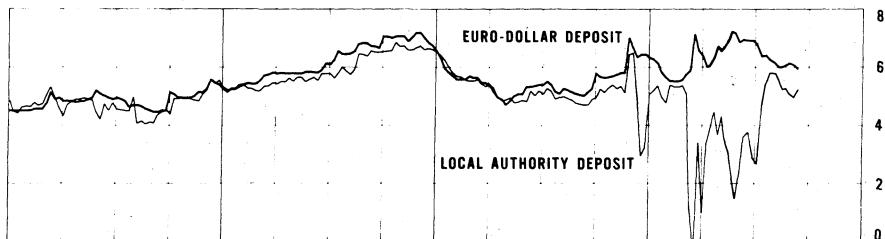
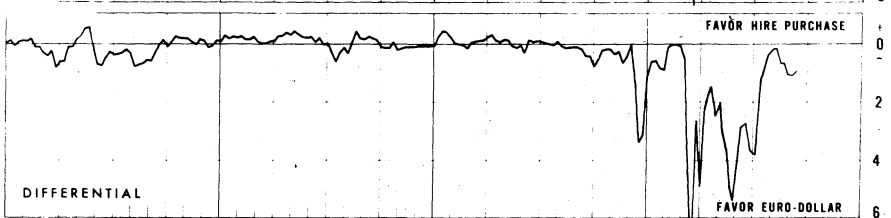
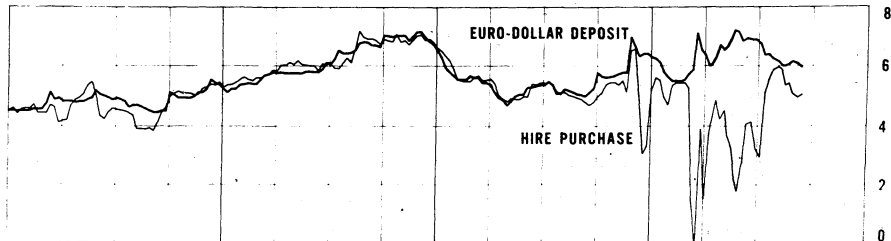
Chart 28

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

HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

Friday figures

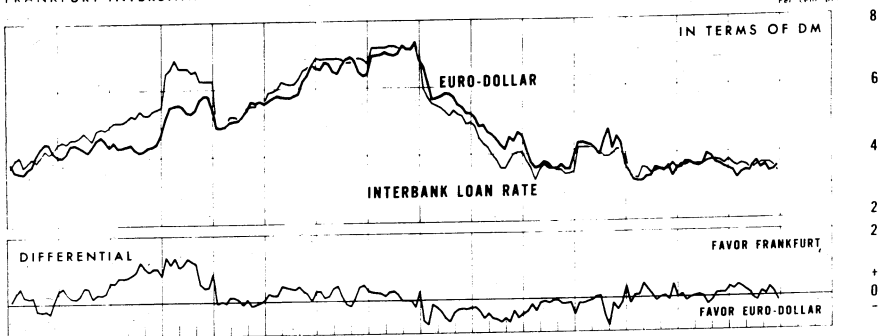
Per cent per annum



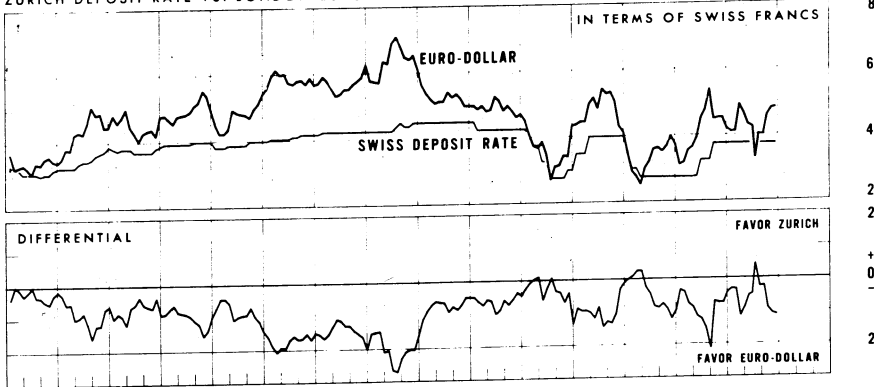
M J S D M J S D M J S D M J S D
 1965 1966 1967 1968

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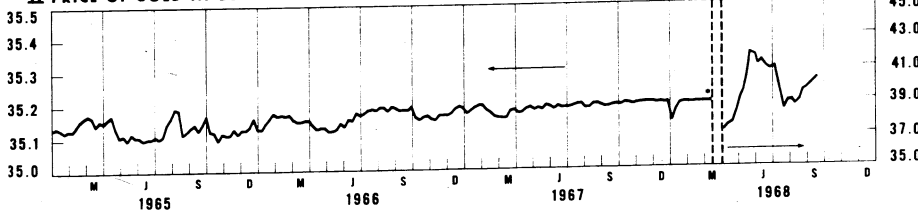
I INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON
FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE (COVERED)



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

Text: 1965-1968

Per cent per annum

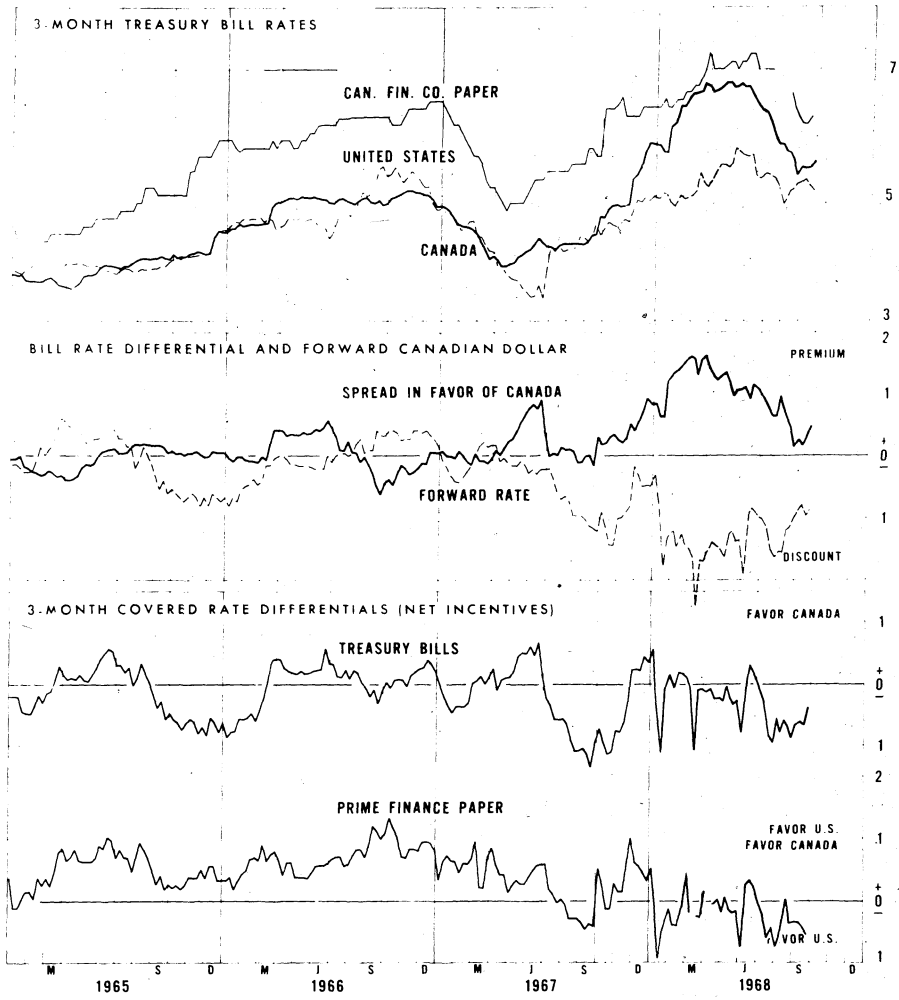


Chart 5A

INTEREST ARBITRAGE, NEW YORK/LONDON

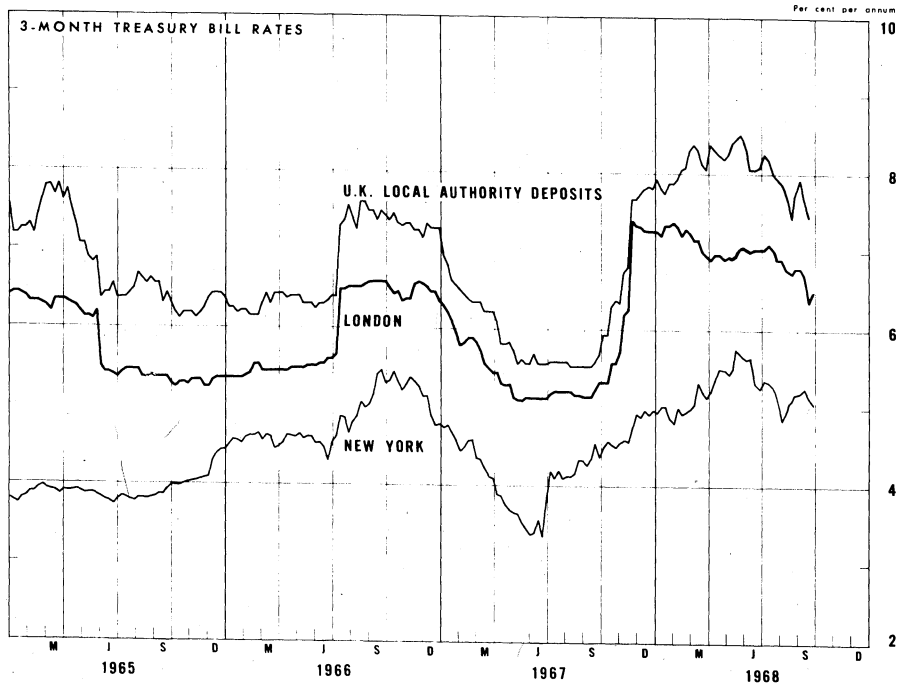
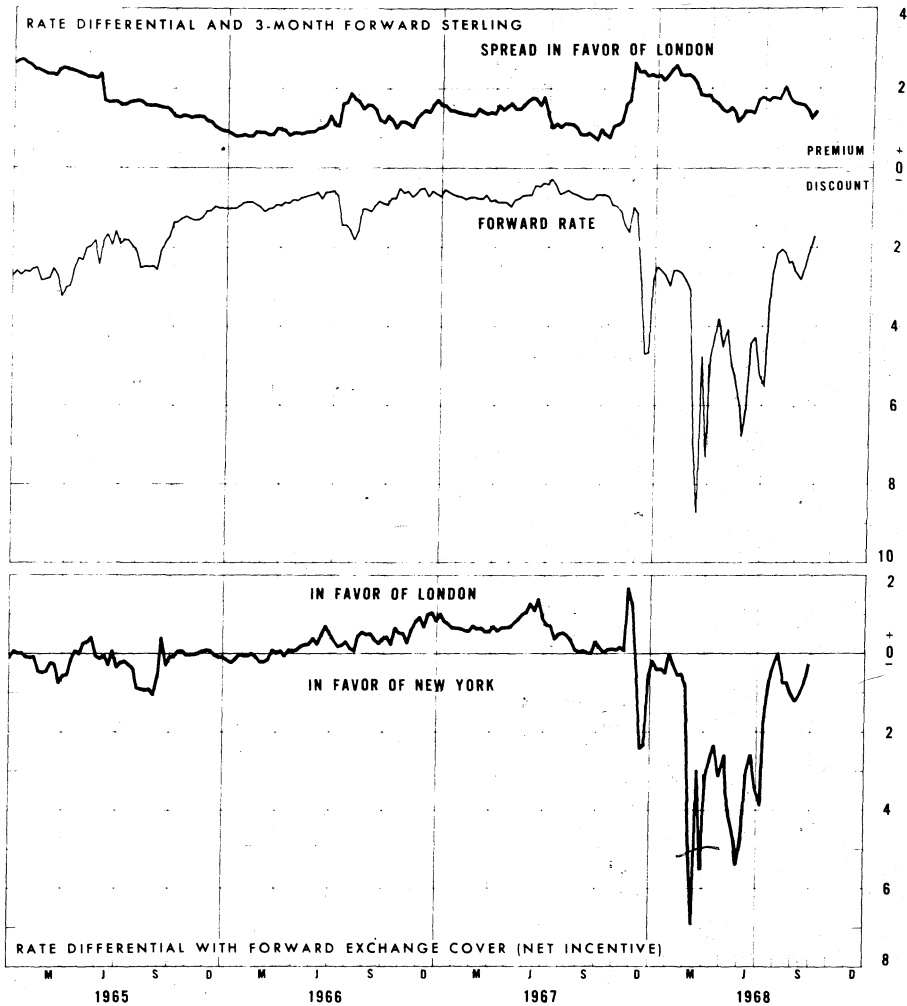


Chart 58

INTEREST ARBITRAGE, NEW YORK/LONDON

Per cent per annum

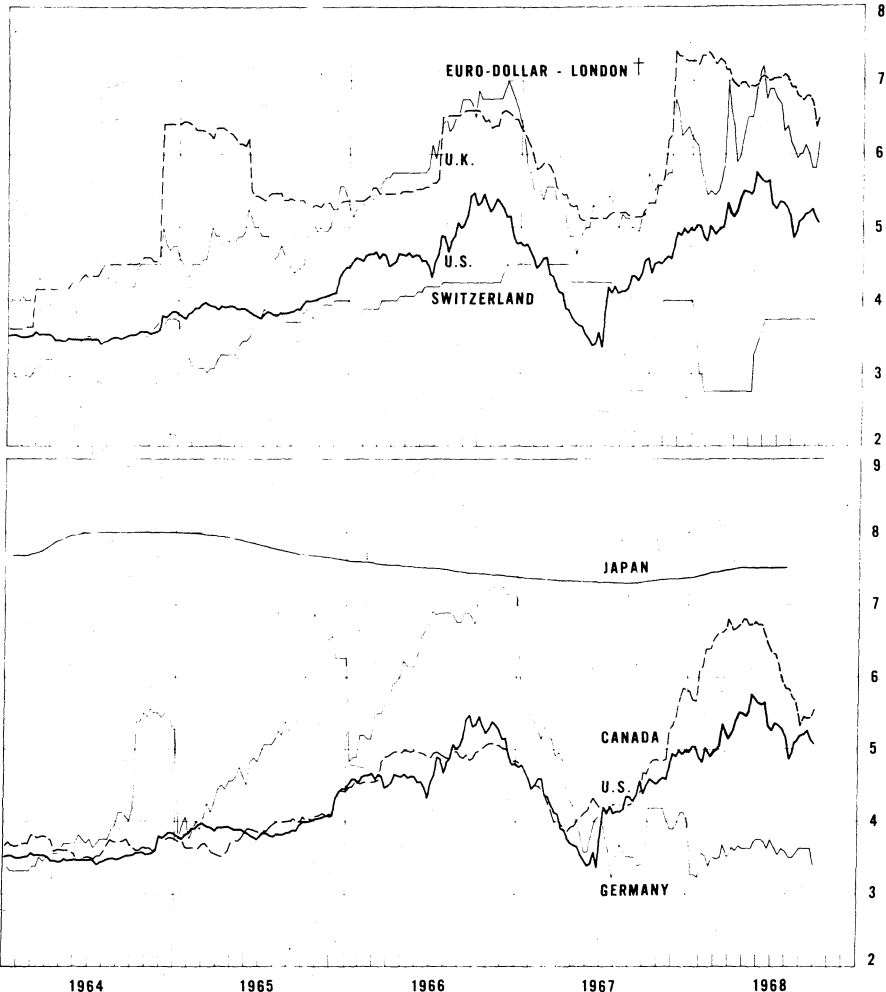


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Chart 9

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 Inter-bank Loan Rate.

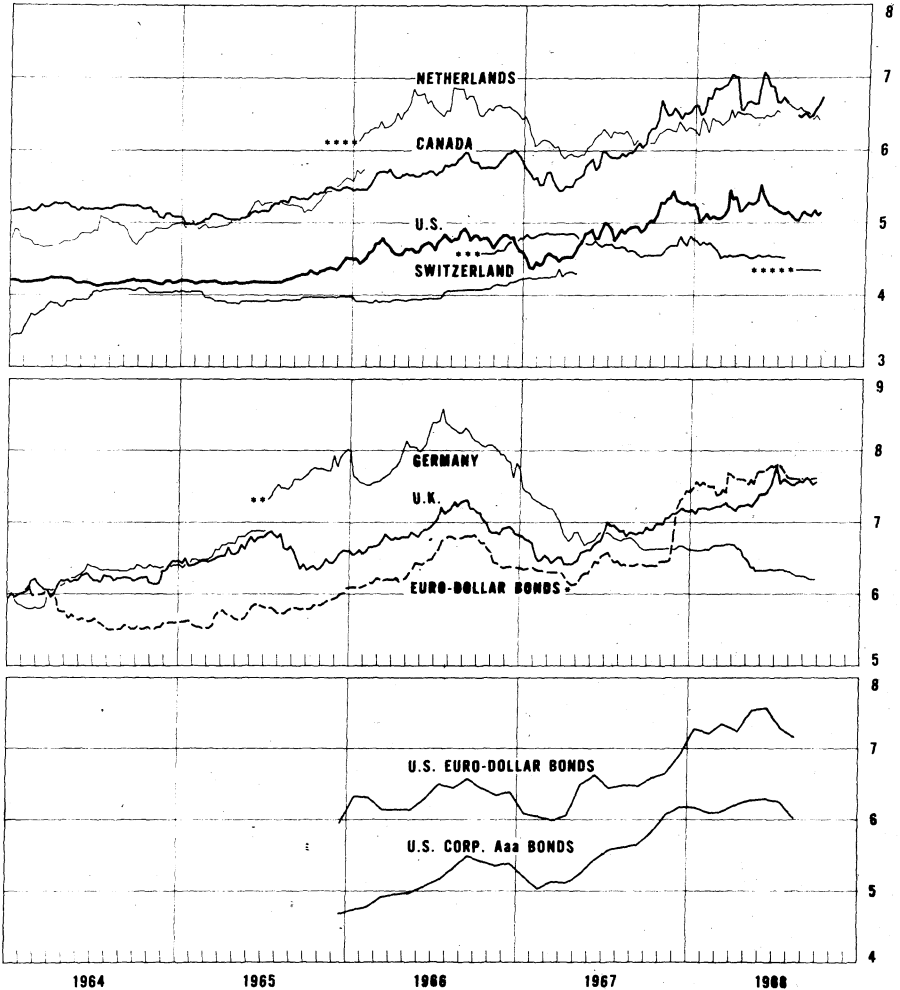
† 3-month rate for U.S. dollar deposits in London.

Chart 7

LONG-TERM BOND YIELDS

Weekly figures

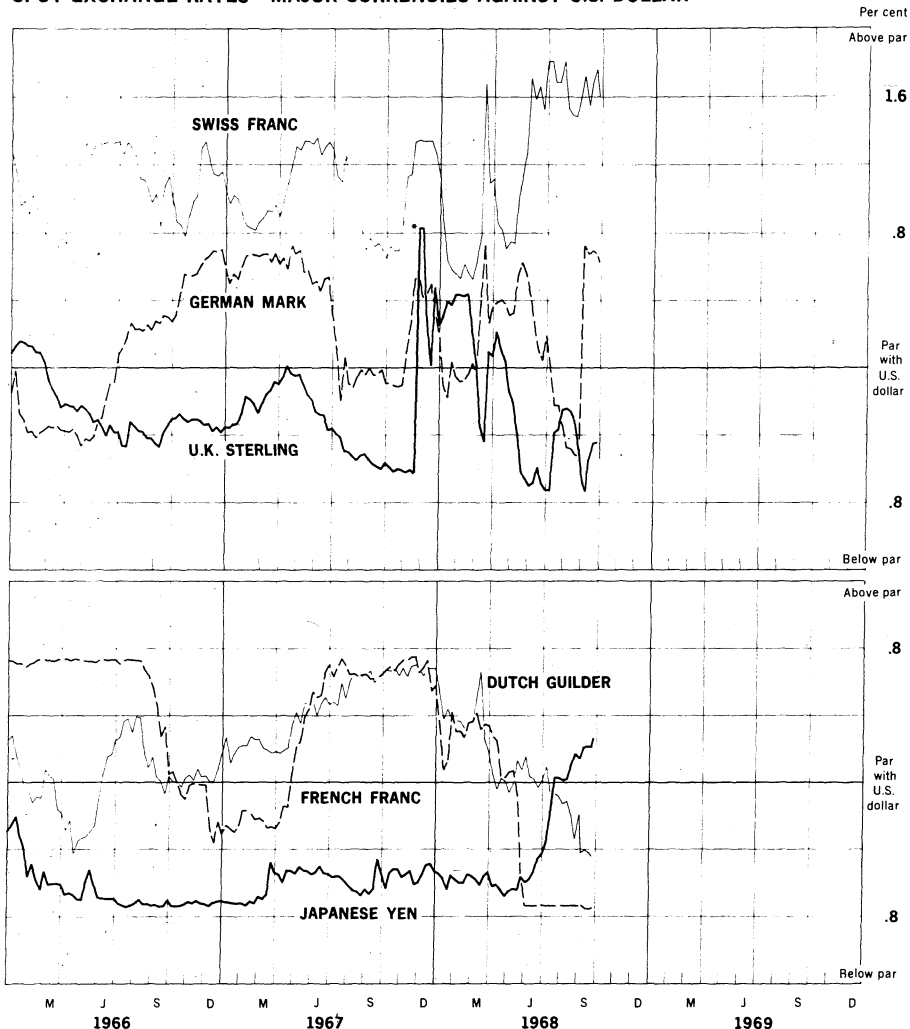
Per cent per annum



- 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
- New series for Switzerland starts 8.2.68

Chart 8A

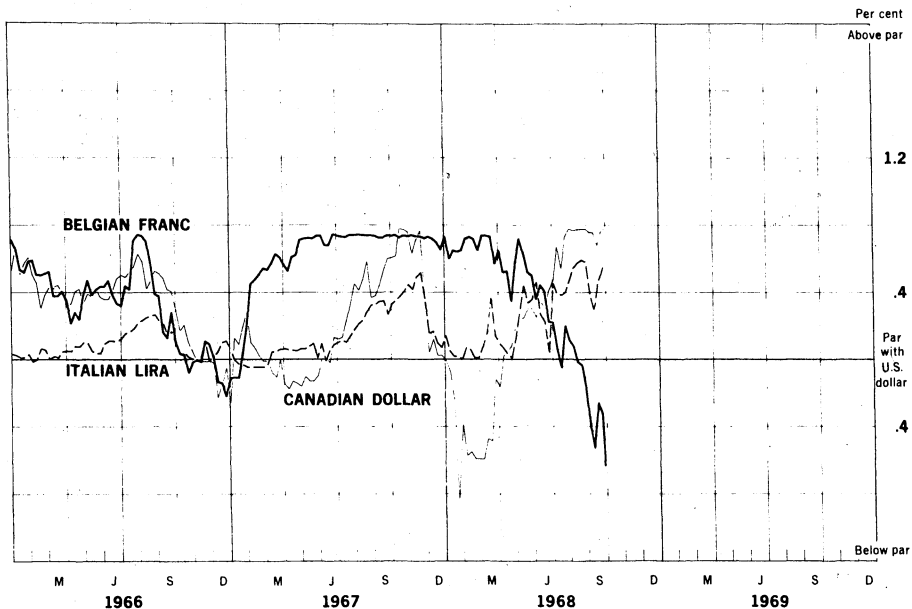
SPOT EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.S. DOLLAR



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

Chart 8B

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



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Chart 9A

3-MONTH FORWARD EXCHANGE RATES

AGAINST U.S. DOLLARS—NEW YORK

Friday figures

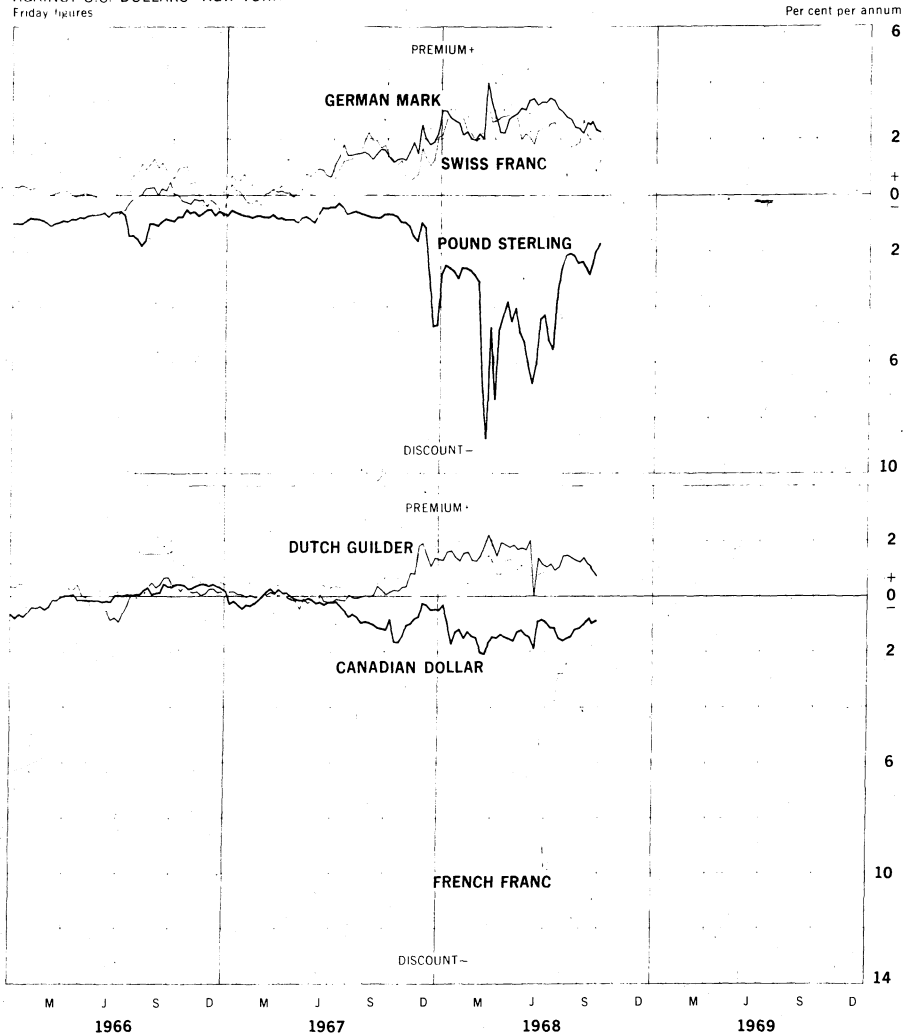


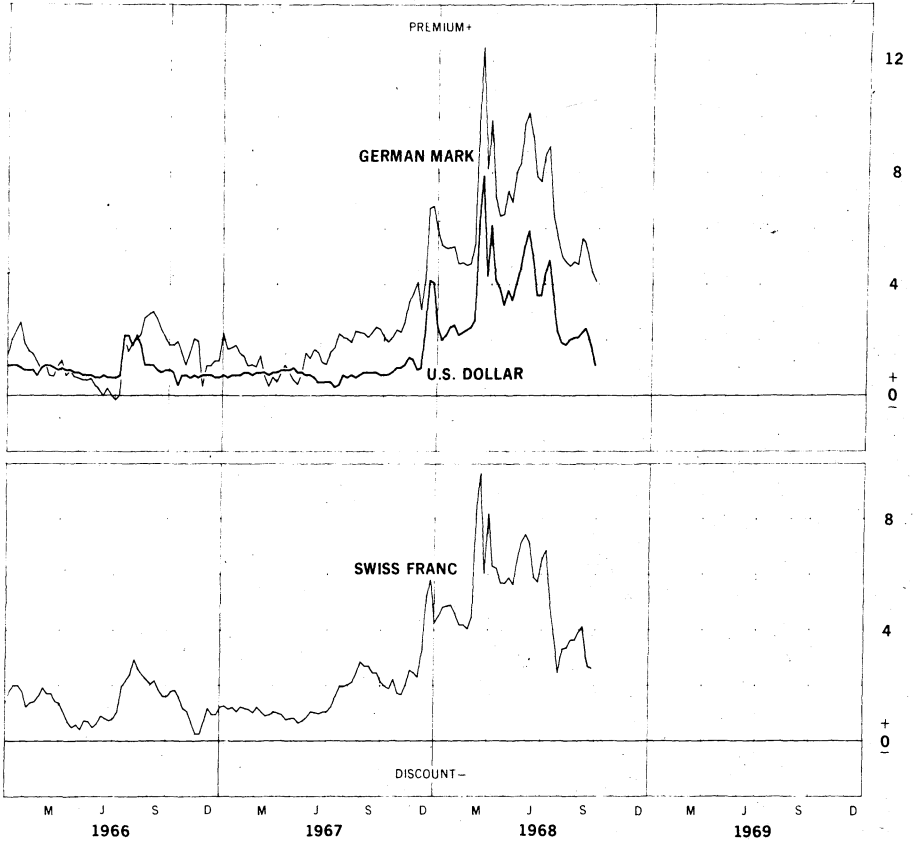
Chart 9B

3-MONTH FORWARD EXCHANGE RATE

AGAINST POUND STERLING—LONDON

Friday figures

Per cent per annum

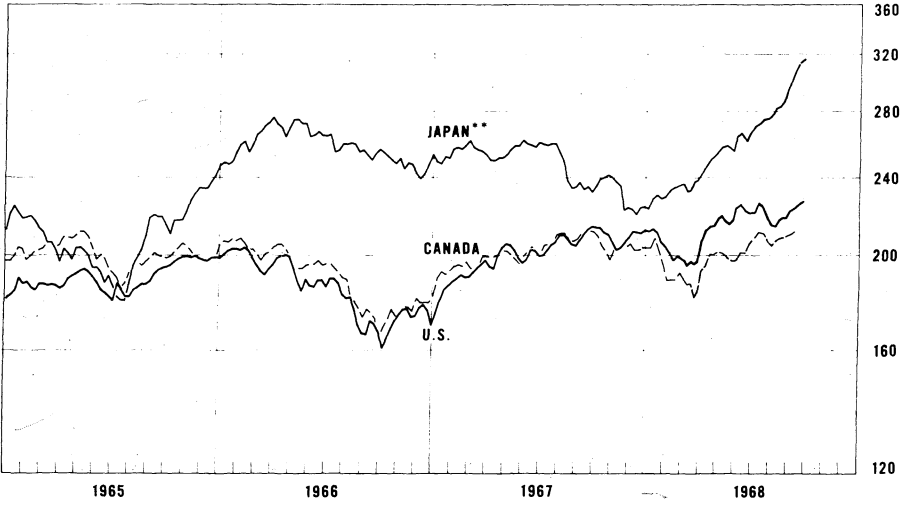
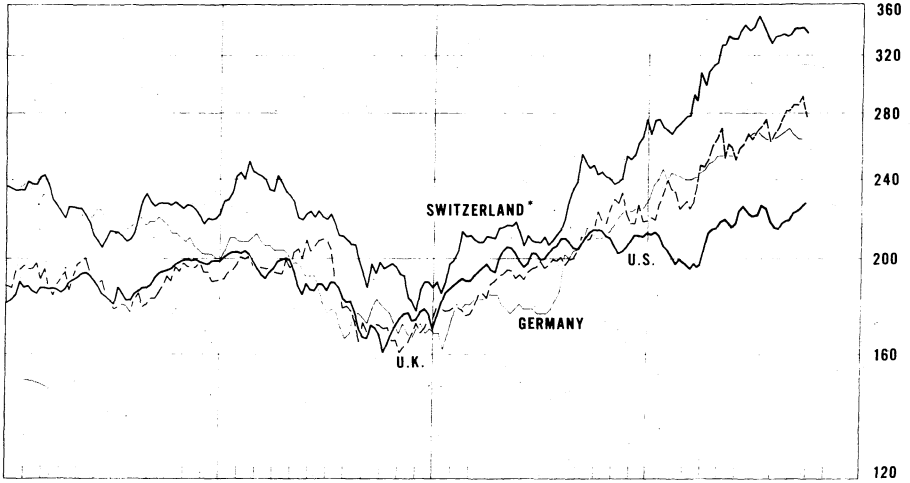


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Chart 10

INDUSTRIAL STOCK INDICES

1958=100
Ratio scale



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

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

Chart 1

<u>Upper Panels</u> (Wednesday, <u>Sept. 25</u>)	
Euro-\$ deposit	<u>5.69</u>
U.S. certif. of deposit	<u>5.65</u>
<u>Lower Panels</u> (Wednesday, <u>Sept. 25</u>)	
Call Euro-\$ deposit	<u>5.32</u>
Federal Funds	<u>5.72</u>

Chart 2A

<u>Euro-\$ deposits</u> (Friday, <u>Sept. 27</u>)	
<u>Upper Panel</u> Call	<u>5.50</u>
30-day	<u>5.94</u>
<u>Lower Panel</u> 90-day	<u>6.00</u>
180-day	<u>6.19</u>

Chart 2B

Hire-Purchase (<u>Sept. 13</u>)	<u>5.04</u>
Local Authority (<u>Sept. 13</u>)	<u>5.23</u>
Euro-\$ deposit (<u>Sept. 13</u>)	<u>5.94</u>

Chart 3

I. <u>Upper Panel</u> (Period: <u>Sept. 24-30</u>)	
Interbank Loan (mid-point)	<u>3.38</u>
Euro-\$ deposits (average)	<u>3.52</u>
<u>Lower Panel</u> (date: <u>Sept. 30</u>)	
Zurich 3-mo. deposit	<u>3.75</u>
Euro-\$ rate (covered) (<u>Sept. 30</u>)	<u>4.81</u>
II. Price of Gold (London)	<u>40.39</u>
(average-week ended <u>Sept. 27</u>)	

Chart 4

(Friday, <u>Sept. 27</u>)	
Treasury bills: Canada	<u>5.54</u>
U.S.	<u>5.06</u>
Spread (favor Canada +)	<u>+0.48</u>
Forward Canadian dollar	<u>-0.86</u>
Net incentive (Canada +)	<u>-0.38</u>
Canadian Finance paper (Sept. 20)	<u>6.25</u>

Chart 5A

(Friday, <u>Sept. 27</u>)	
U.K. Local Authority deposit (Sept. 20)	<u>7.44</u>
Treasury bills: U.K.	<u>6.49</u>
U.S.	<u>5.06</u>

Chart 5B

Spread (favor U.K. +)	<u>+1.43</u>
Forward rate	<u>-1.71</u>
Net incentive (U.K. +)	<u>-0.28</u>

Chart 6

<u>Upper Panel</u> (Friday, <u>Sept. 27</u>)	
Treasury Bills U.S.	<u>5.06</u>
U.K.	<u>6.49</u>
Canada	<u>5.54</u>
Euro-\$ deposit (London)	<u>6.19</u>

Lower Panel

German Interbank loan rate (<u>Sept. 27</u>)	<u>3.38</u>
Zurich 3-month deposit (<u>Sept. 25</u>)	<u>3.75</u>
Japan Composite Rate (<u>July 31</u>)	<u>7.52</u>
U.S. Treasury bills (<u>Sept. 27</u>)	<u>5.06</u>

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II. b

Chart 7

Upper Panel

U.S. Gov't. (Wed., <u>Sept. 25</u>)	<u>5.13</u>
Netherlands Govt. (Fri., <u>Sept. 20</u>)	<u>6.41</u>
Canadian Gov't. (Wed., <u>Sept. 25</u>)	<u>6.74</u>
Swiss Gov't. Composite (Wed., <u>Sept. 25</u>)	<u>4.34</u>

Middle Panel

German Fed., (Fri., <u>Sept. 27</u>)	<u>6.20</u>
U.K. War Loan (Thus., <u>Sept. 26</u>)	<u>7.55</u>
Euro-\$ bonds (Fri., <u>Sept. 27</u>)	<u>7.61</u>

Lower Panel

U.S. Euro-bonds (<u>Aug. 31</u>)	<u>7.16</u>
U.S. Corporate Aaa (<u>Aug. 31</u>)	<u>6.02</u>

Chart 8A
(Friday, Sept. 27)

Upper Panel

Swiss francs	<u>+1.60</u>
German marks	<u>+0.63</u>
U.K. £ sterling	<u>-0.45</u>

Lower Panel

French francs	<u>-0.75</u>
Dutch guilders	<u>-0.45</u>
Japanese yens	<u>+0.27</u>

Chart 8B
(Friday, Sept. 27)

Belgian francs	<u>-0.64</u>
Canadian dollars	<u>+0.78</u>
Italian lira	<u>+0.55</u>

Chart 9A

(Friday, Sept. 27)

Against U.S. dollars

Upper Panel

Swiss francs	<u>+1.27</u>
German marks	<u>+2.27</u>
£ sterling	<u>-1.71</u>

Lower Panel

French franc	<u>-1.58</u>
Dutch guilder	<u>+0.72</u>
Canadian dollar	<u>-0.86</u>

Chart 9B

(Friday, Sept. 27)

Against pound sterling

Upper Panel

German mark	<u>+4.10</u>
U.S. dollar	<u>+1.06</u>

Lower panel

Swiss franc	<u>+2.61</u>
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Chart 10

(index; 1958 = 100)

Upper Panel

U.K. (<u>Sept. 27</u>)	<u>277.6</u>
Germany (<u>Sept. 23</u>)	<u>264.4</u>
Switzerland (<u>Sept. 27</u>)	<u>336.7</u>

Lower Panel

U.S. (<u>Sept. 27</u>)	<u>227.0</u>
Canada (<u>Sept. 12</u>)	<u>211.2</u>
Japan (<u>Sept. 27</u>)	<u>316.8</u>