

DEC 23 1968

H. 13
No. 381

December 18, 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NOT FOR PUBLICATION

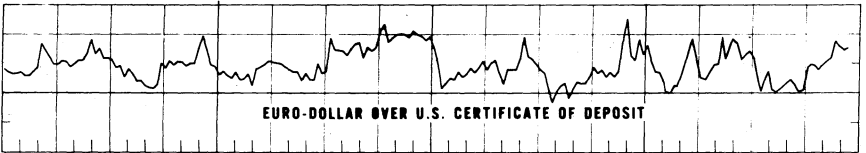
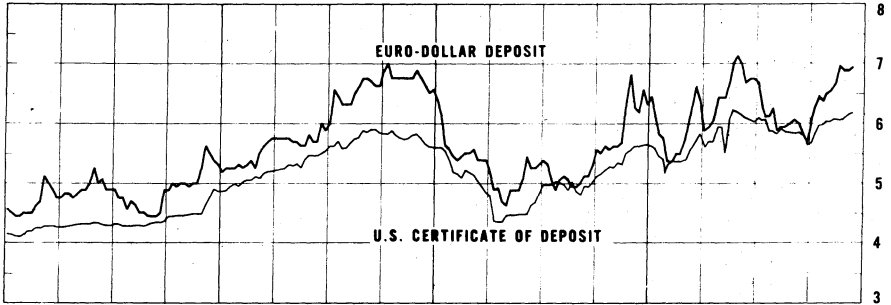
DECONTROLLED AFTER SIX MONTHS

Chart 1

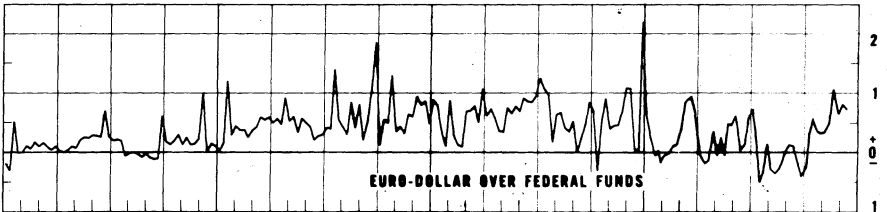
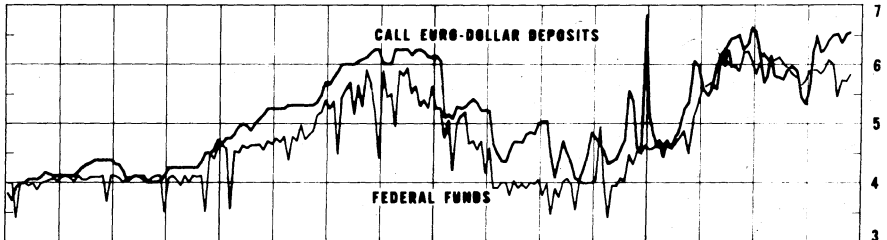
**NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS
3-MONTH DOLLAR DEPOSIT RATES**

Wednesday figures

Per cent per annum



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



Mar. 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

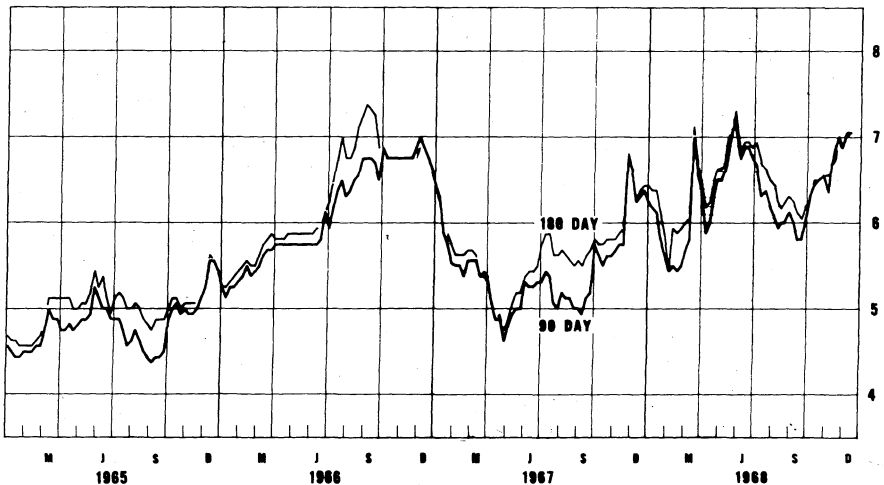
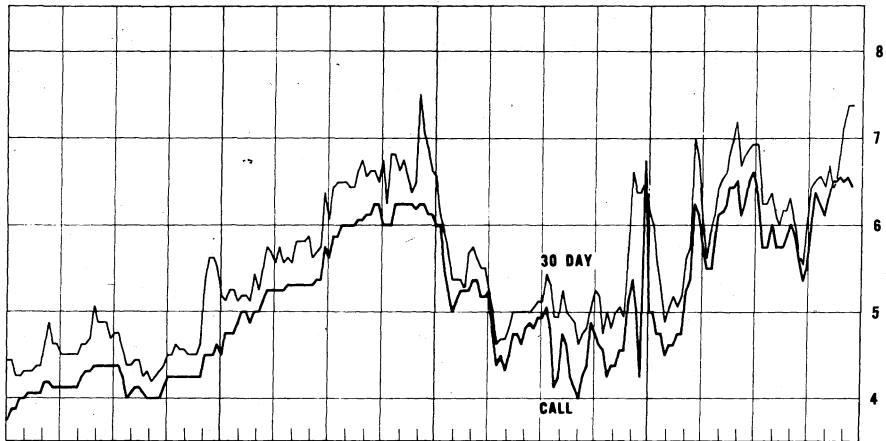
Chart 2A

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

EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum

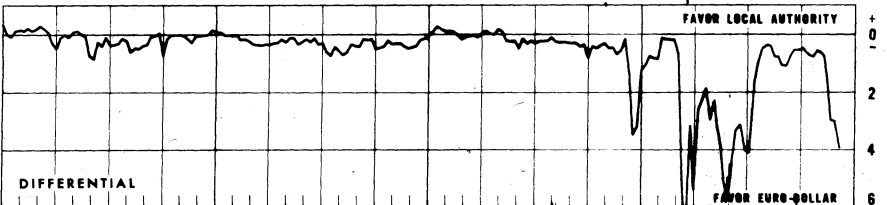
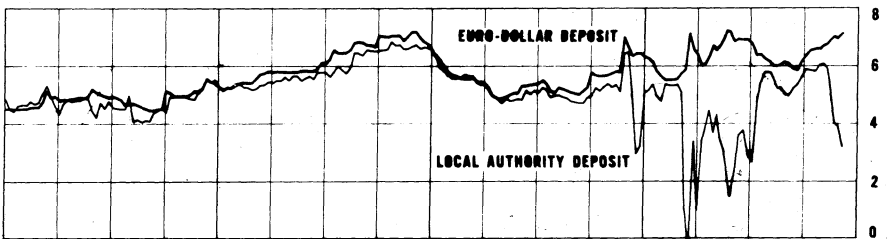
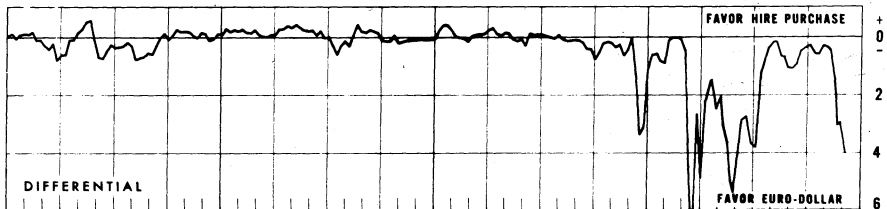
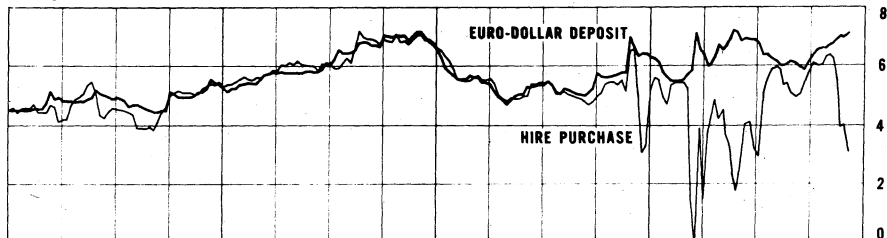


LONDON: YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS

HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

Friday figures

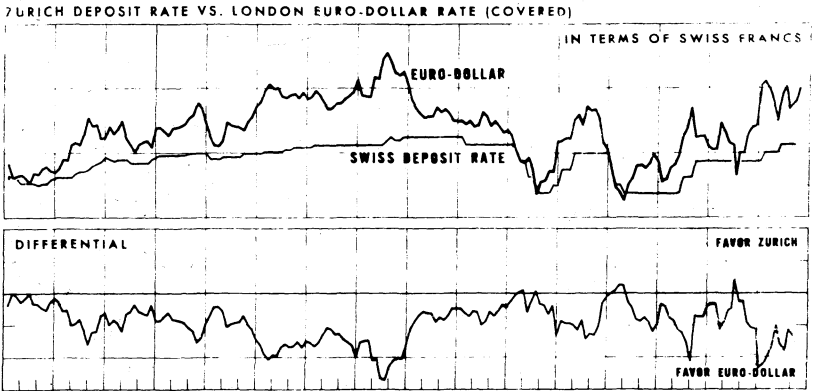
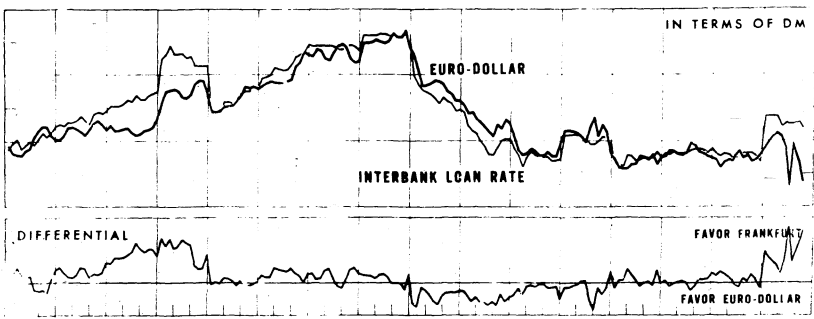
Per cent per annum



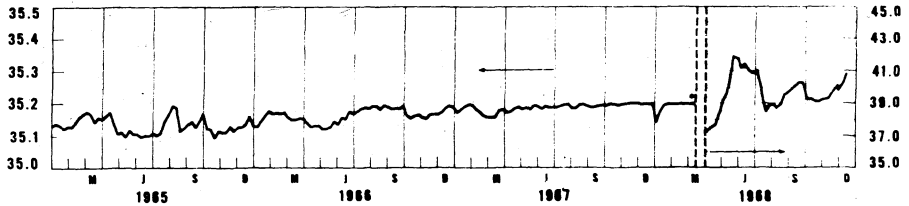
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1965 1966 1967 1968

Chart 3

I INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON
FRANKFURT INTERBANK LOAN 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

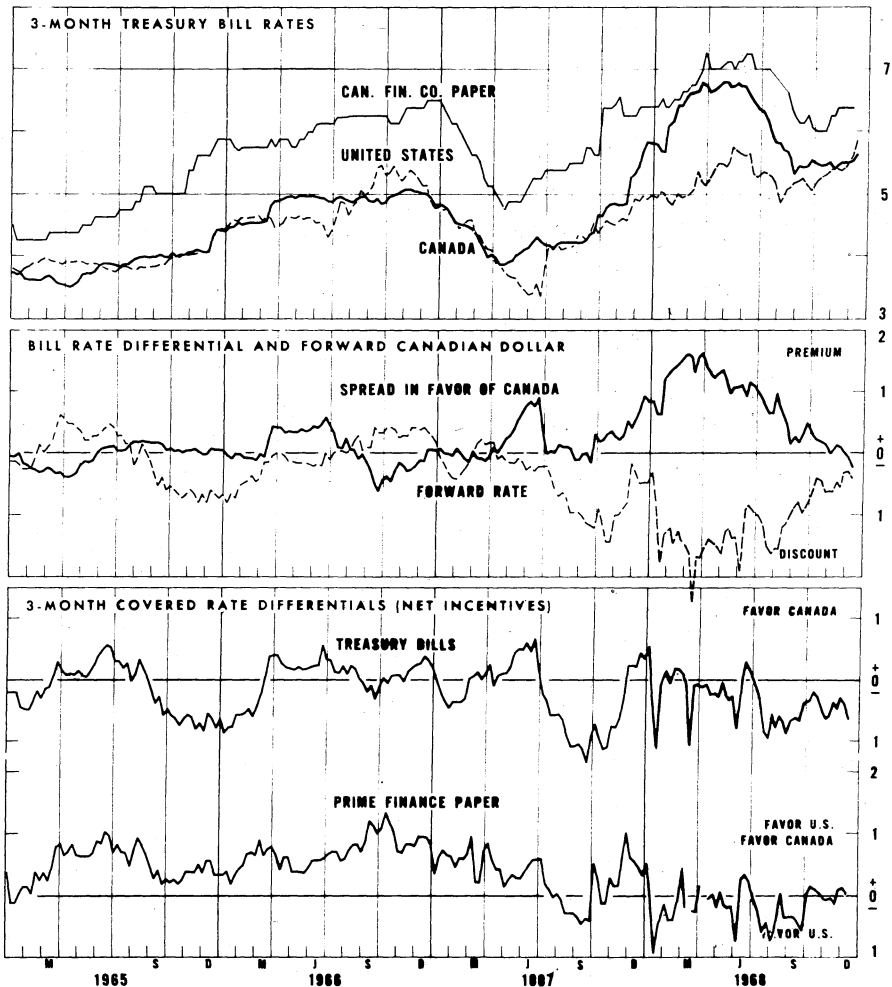


Chart 5A

INTEREST ARBITRAGE, NEW YORK/LONDON

Per cent per annum

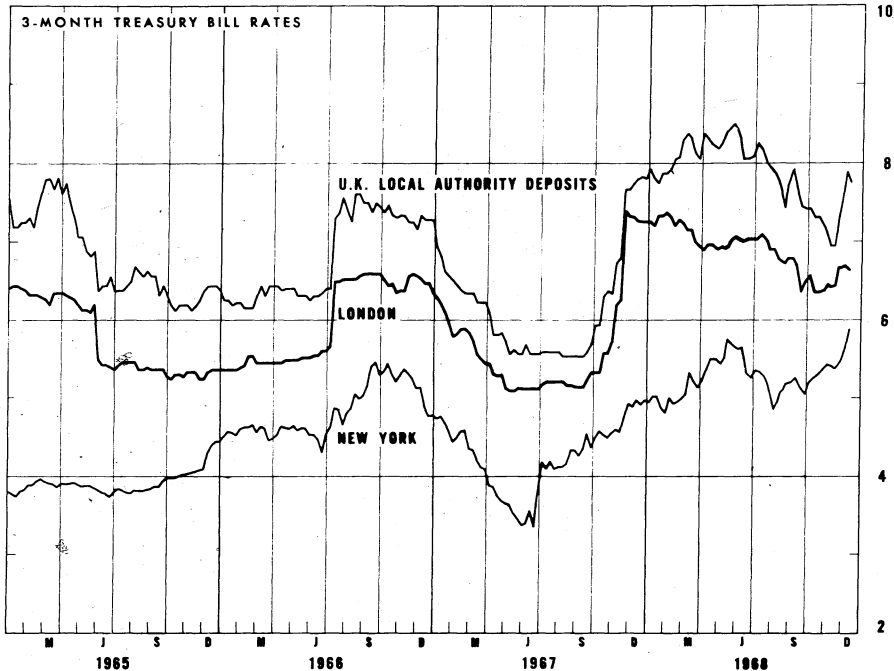
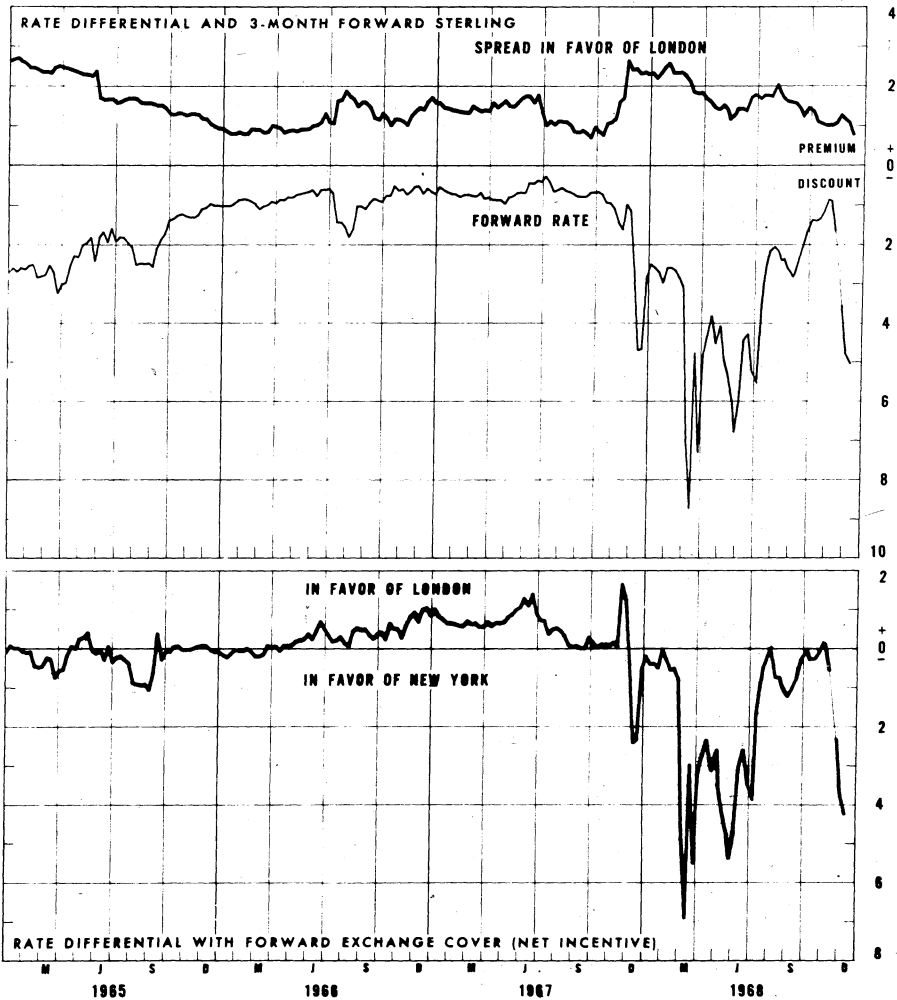


Chart 58

INTEREST ARBITRAGE, NEW YORK/LONDON

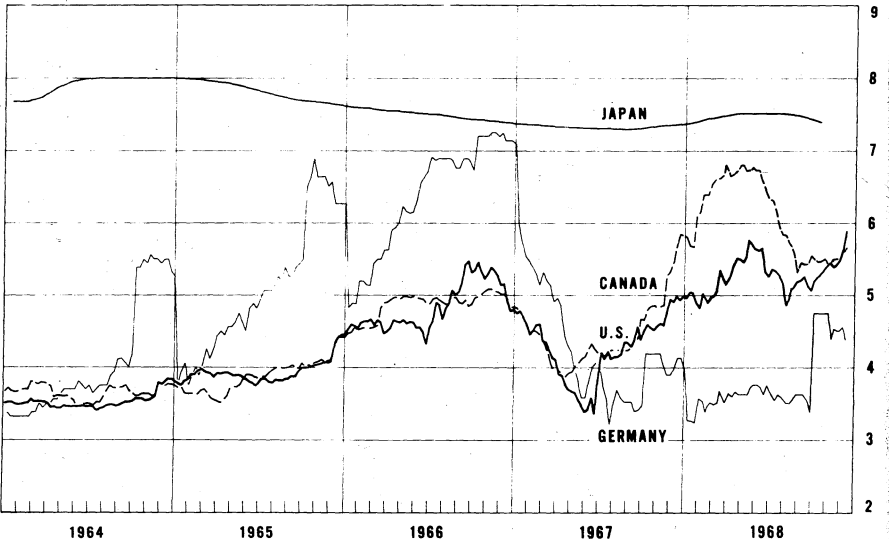
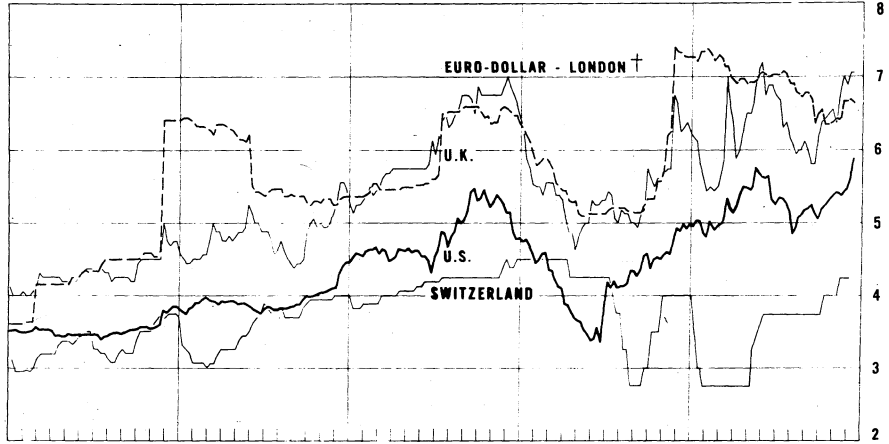
Per cent per annum



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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)

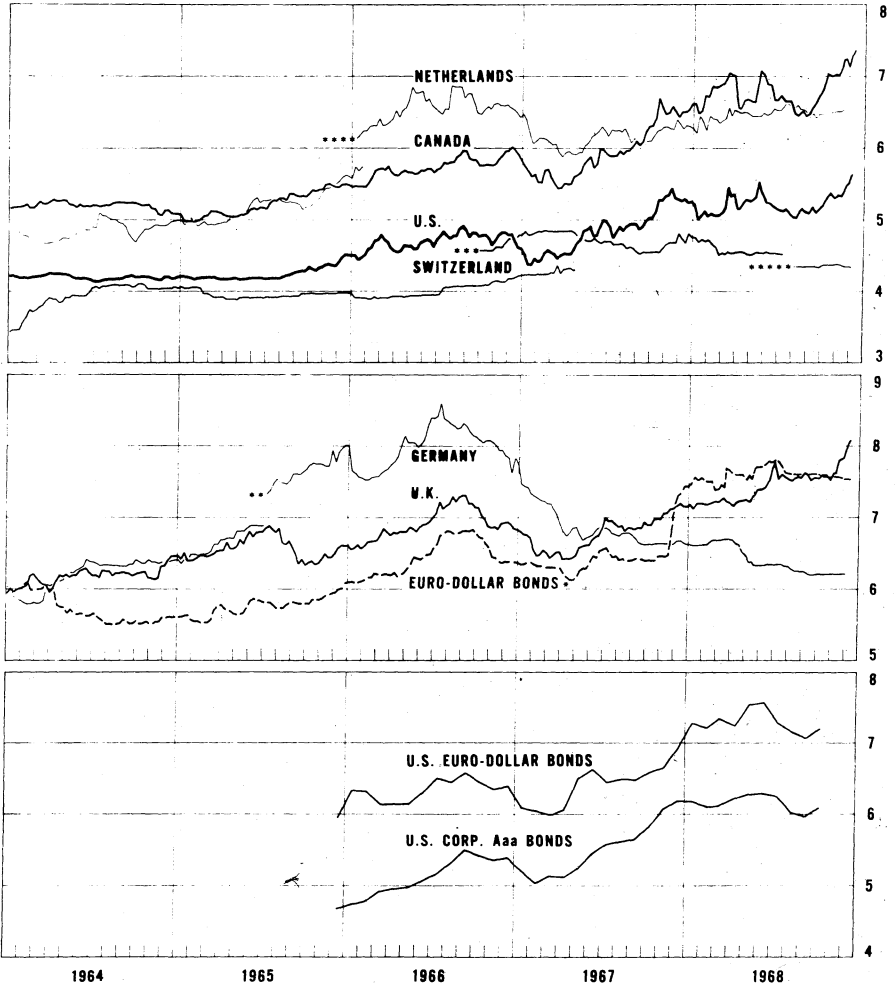
† 3-month rate for U.S. dollar deposits in London

Chart 7

LONG-TERM BOND YIELDS

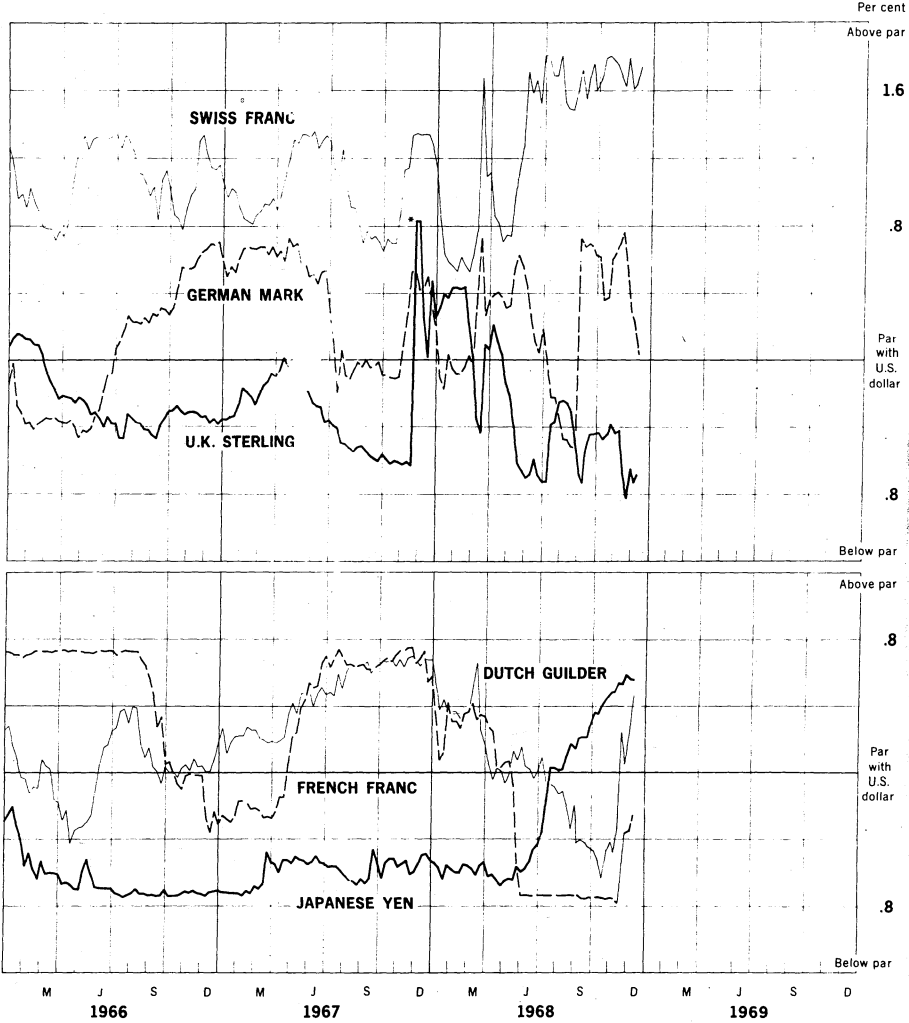
Weekly figures

Per cent per annum



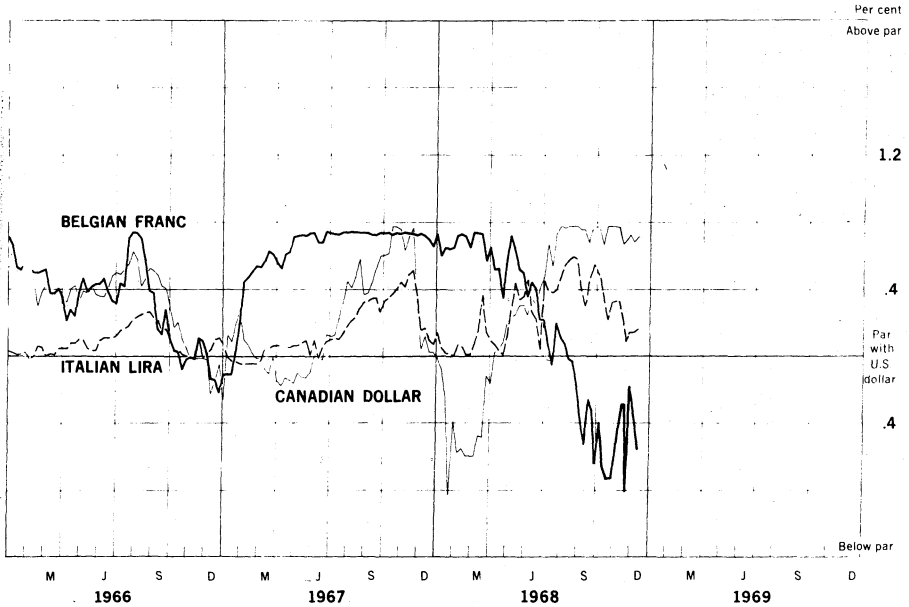
- Average of yields for four foreign government dollar bonds quoted in London
- New series for Germany starts 7.9.65
- New series for Switzerland starts 3.3.67
- New series for Netherlands starts 1.7.66
- New series for Switzerland starts 8.2.68

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



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

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 figure*

Per cent per annum

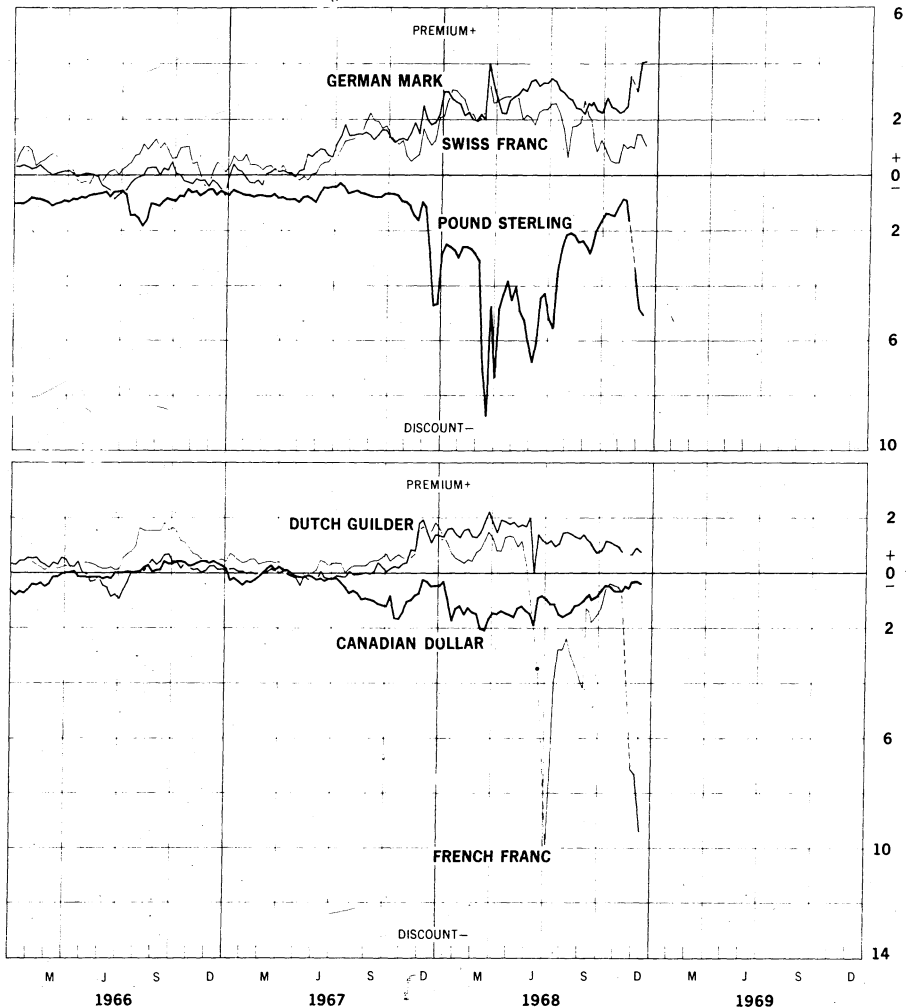


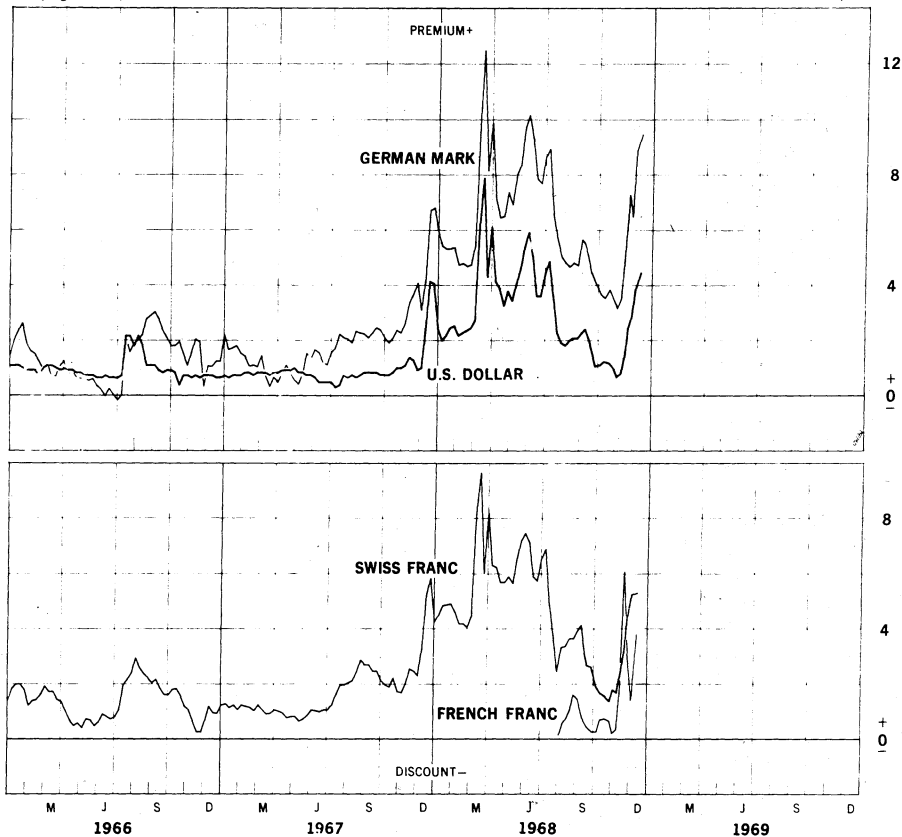
Chart 9B

3-MONTH FORWARD EXCHANGE RATE

AGAINST POUND STERLING—LONDON

Friday figures

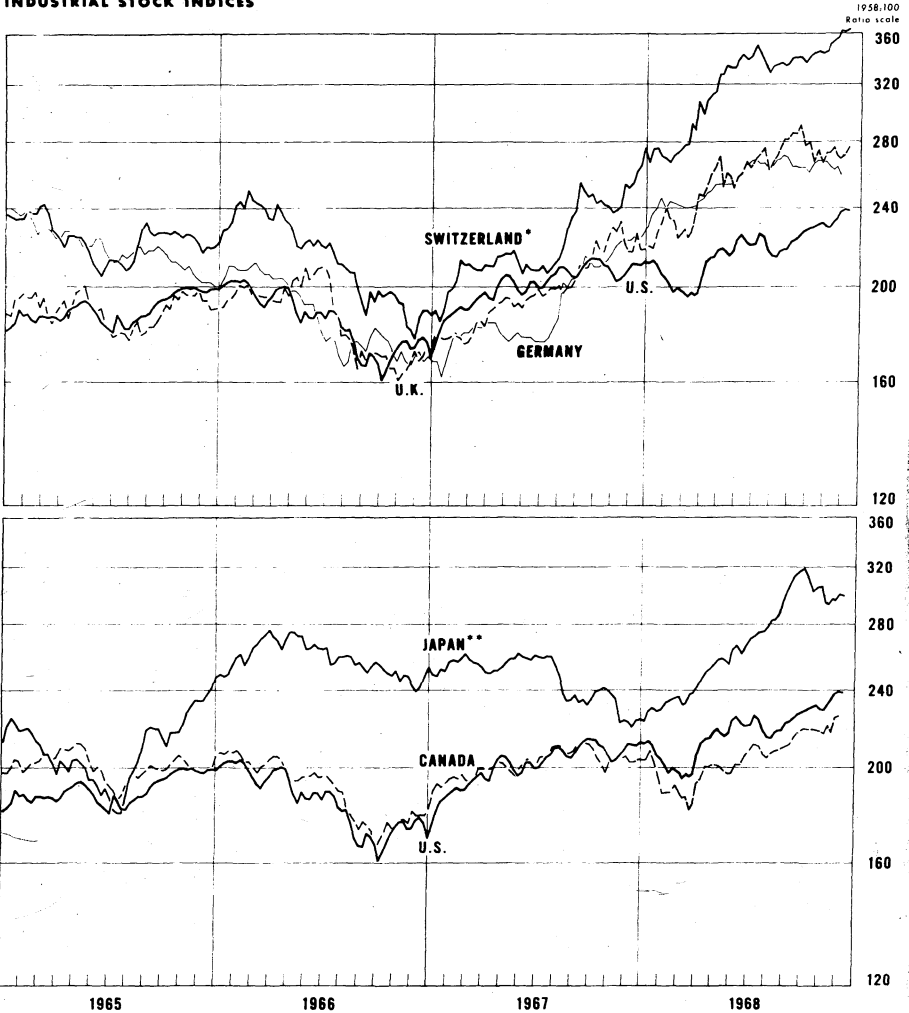
Per cent per annum



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Chart 10

INDUSTRIAL STOCK INDICES



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

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(all figures in per cent per annum)ChartUpper Panels (Wednesday, Dec. 11)Euro-\$ deposit 6.94U.S. certif. of deposit 6.18Lower Panels (Wednesday, Dec. 11)Call Euro-\$ deposit 6.54Federal Funds 5.82Chart 2AEuro-\$ deposits (Friday, Dec. 13)Upper Panel Call 6.4430-day 7.38Lower Panel 90-day 7.06180-day 7.06Chart 2BHire-Purchase (Dec. 6) 3.10Local Authority (Dec. 6) 3.16Euro-\$ deposit (Dec. 6) 7.13Chart 3I. Upper Panel (Period: Dec. 8-15)Interbank Loan (mid-point) 4.38Euro-\$ deposits (average) 2.78Lower Panel (date: Dec. 1-7)Zurich 3-mo. deposit 4.25Euro-\$ rate (covered) (Dec. 15) 5.99II. Price of Gold (London) 40.83(average-week ended Dec. 13)Chart 4(Friday, Dec. 13)Treasury bills: Canada 5.63U.S. 5.86Spread (favor Canada +) -0.23Forward Canadian dollar -0.41Net incentive (Canada +) -0.64Canadian Finance paper (Dec. 6) 6.38Chart 5A(Friday, Dec. 13)U.K. Local Authority deposit 7.75Treasury bills: U.K. 6.63U.S. 5.88Chart 5BSpread (favor U.K. +) +1.77Forward rate -5.06Net incentive (U.K. +) -4.29Chart 6Upper Panel (Friday, Dec. 13)Treasury Bills U.S. 5.88U.K. 6.63Canada 5.63Euro-\$ deposit (London) 7.06Lower PanelGerman Interbank loan rate
(Dec. 8-15) 4.38Zurich 3-month deposit (Dec. 7) 4.25Japan Composite Rate (Oct. 31) 7.40U.S. Treasury bills (Dec. 13) 5.88

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II. b

Chart 7Upper Panel

U.S. Gov't. (Wed., Dec. 11)	<u>5.58</u>
Netherlands Govt. (Fri., Nov. 13)	<u>6.53</u>
Canadian Gov't. (Wed., Dec. 11)	<u>7.35</u>
Swiss Gov't. Composite (Fri., Dec. 11)	<u>4.33</u>

Middle Panel

German Fed., (Fri., Dec. 6)	<u>6.21</u>
U.K. War Loan (Thurs., Dec. 12)	<u>8.08</u>
Euro-\$ bonds (Fri., Dec. 13)	<u>7.53</u>

Lower Panel

U.S. Euro-bonds (Oct. 31)	<u>7.20</u>
U.S. Corporate Aaa (Oct. 31)	<u>6.09</u>

Chart 8A
(Friday, Dec. 13)Upper Panel

Swiss francs	<u>+1.74</u>
German marks	<u>+0.14</u>
U.K. £ sterling	<u>-0.68</u>

Lower Panel

French francs	<u>-0.25</u>
Dutch guilders	<u>+0.47</u>
Japanese yens	<u>+0.56</u>

Chart 8B
(Friday, Dec. 13)

Belgian francs	<u>-0.56</u>
Canadian dollars	<u>+0.71</u>
Italian lira	<u>+0.16</u>

Chart 9A

(Friday, Dec. 13)

Against U.S. dollarsUpper Panel

Swiss francs	<u>+1.07</u>
German marks	<u>+4.09</u>
£ sterling	<u>-5.06</u>

Lower Panel

French franc	<u>-9.40</u>
Dutch guilder	<u>+0.76</u>
Canadian dollar	<u>-0.41</u>

Chart 9B
(Friday, Dec. 13)Against pound sterlingUpper Panel

German mark	<u>+9.45</u>
U.S. dollar	<u>+4.47</u>

Lower panel

Swiss franc	<u>+5.31</u>
French franc	<u>+3.77</u>

Chart 10
(Index; 1958 = 100)Upper Panel

U.K. (Dec. 13)	<u>276.6</u>
Germany (Nov. 29)	<u>259.0</u>
Switzerland (Dec. 13)	<u>363.9</u>

Lower Panel

U.S. (Dec. 13)	<u>238.1</u>
Canada (Dec. 5)	<u>226.0</u>
Japan (Dec. 14)	<u>299.4</u>