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No. FEDERAL RESERVE BANK
OF RICHMOND

January 29, 1969.

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NOT FOR PUBLICATION

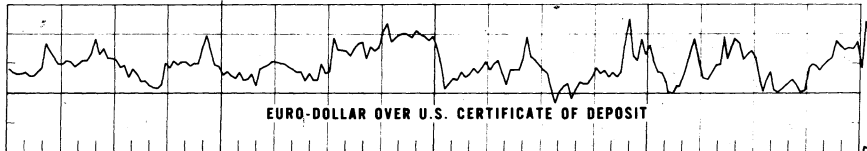
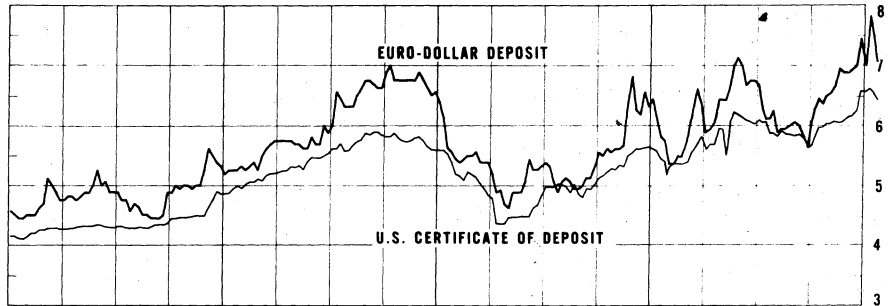
DECONTROLLED AFTER SIX MONTHS

Chart 1

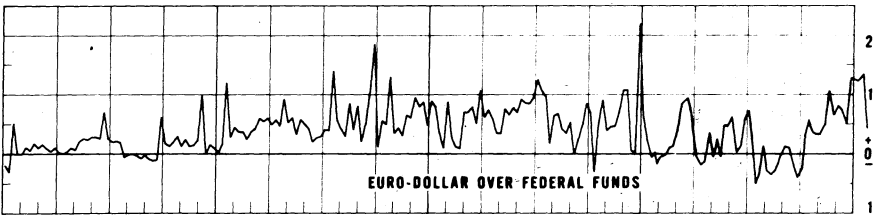
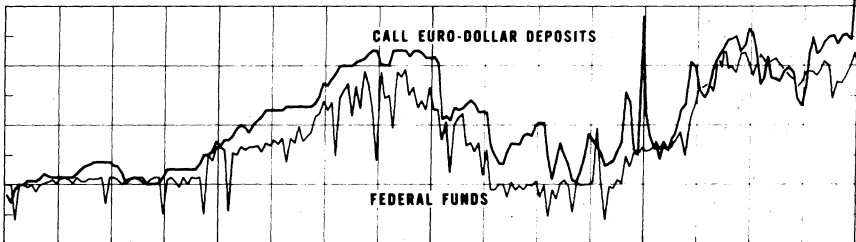
NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS 3-MONTH DOLLAR DEPOSIT RATES

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

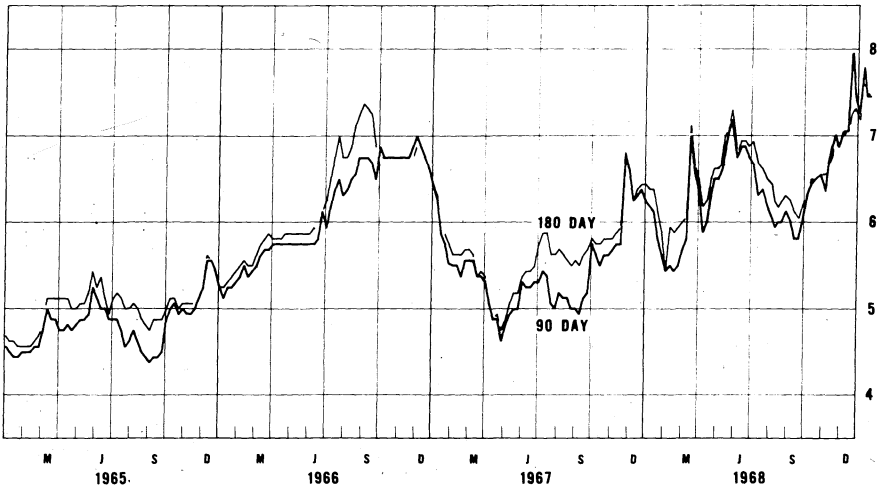
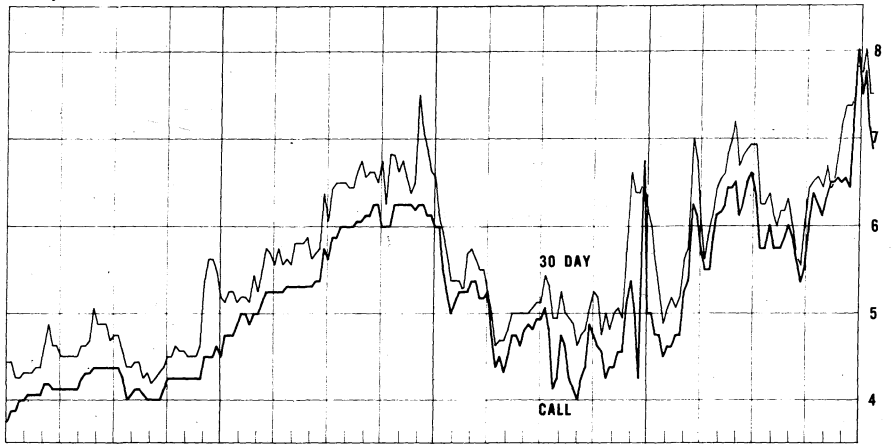


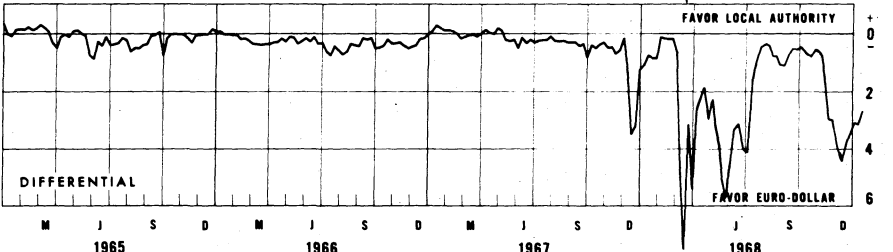
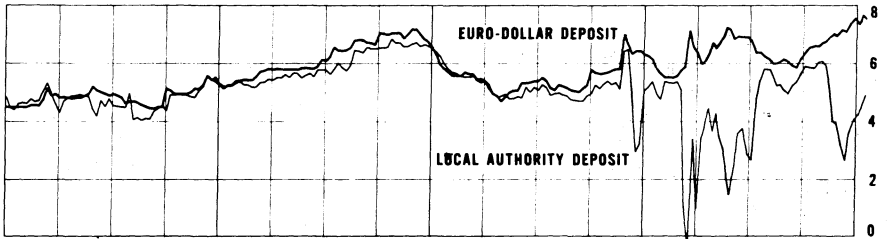
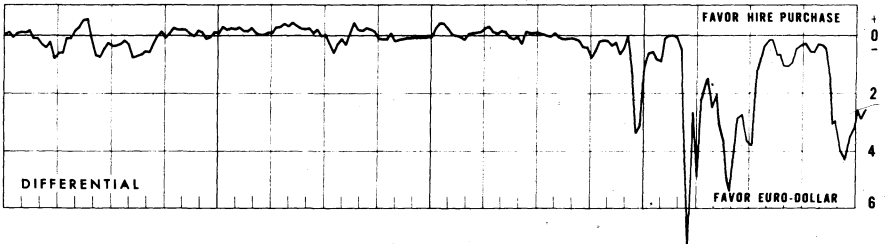
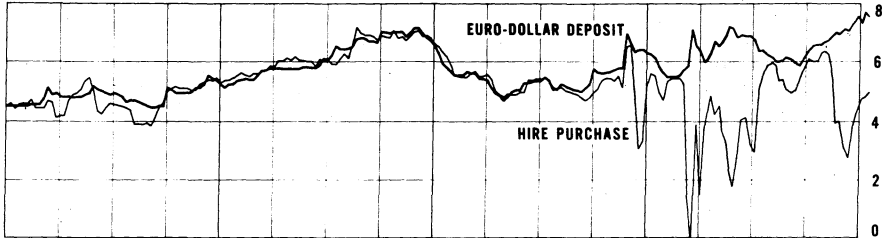
Chart 28

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

HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

Friday figures

Per cent per annum



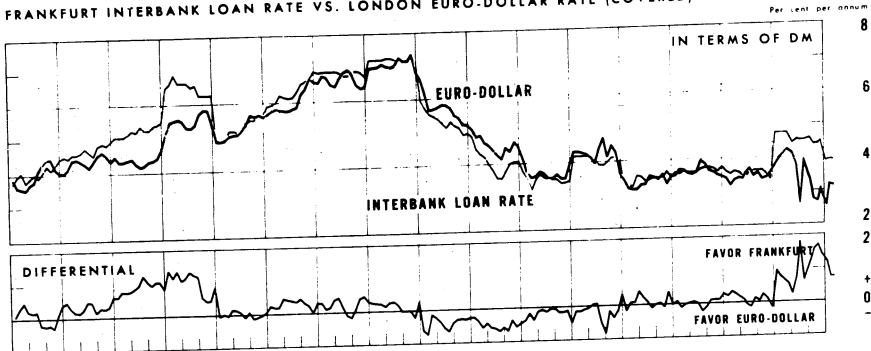
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1965 1966 1967 1968

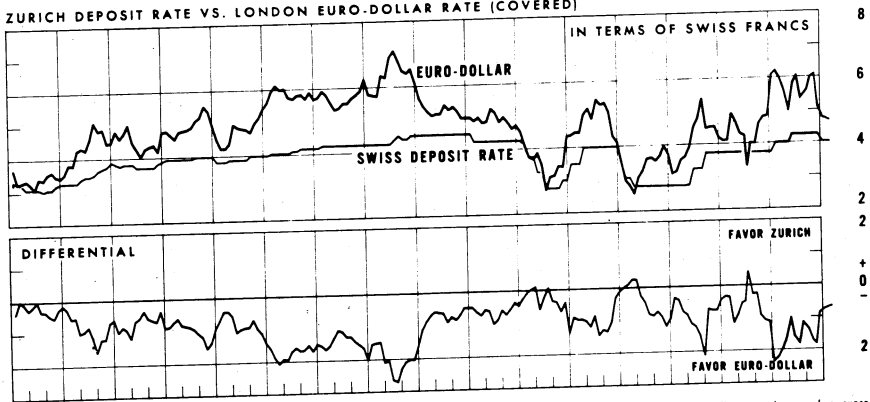
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Chart 3

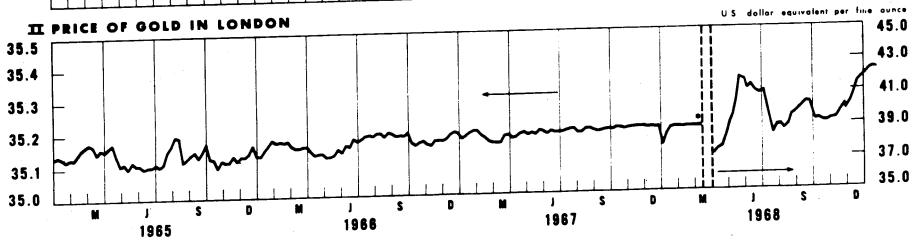
I INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE (COVERED)



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

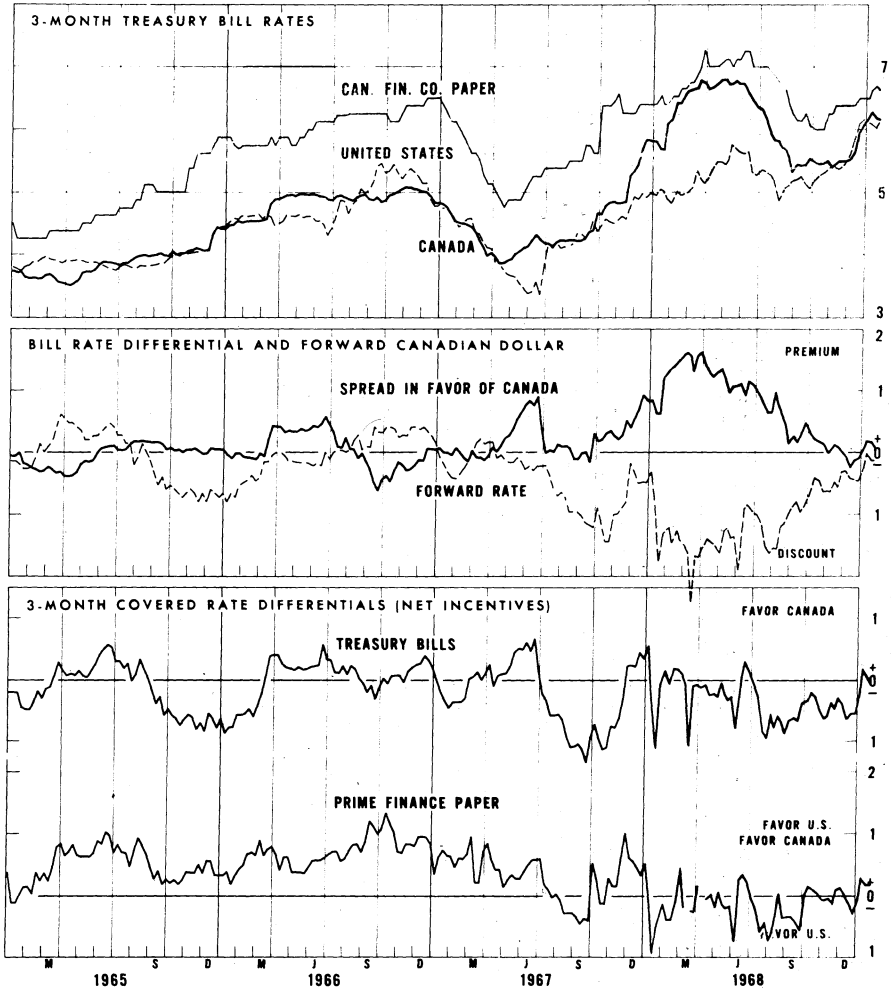
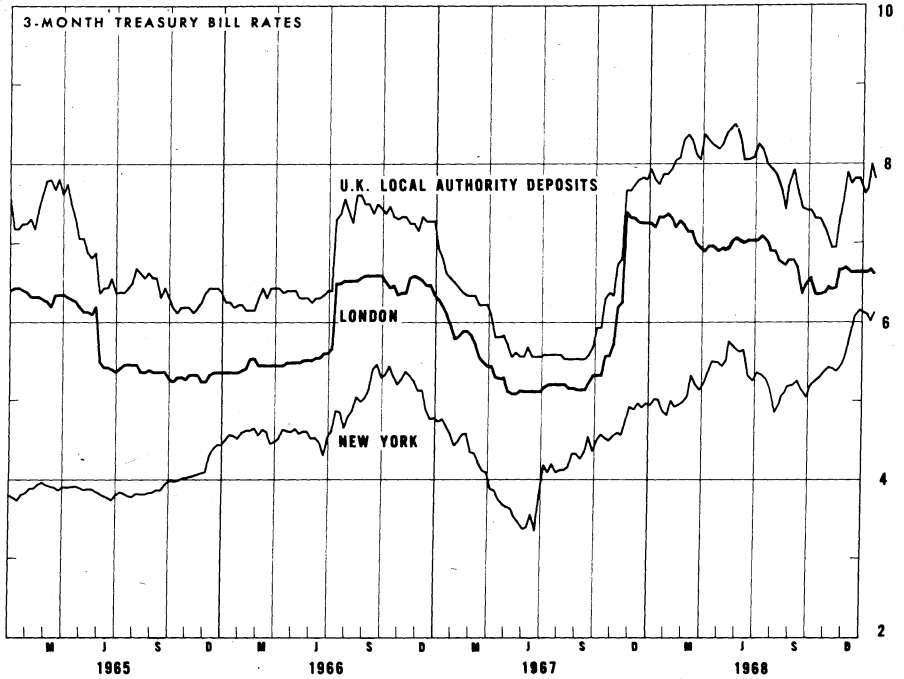


Chart 5A

INTEREST ARBITRAGE, NEW YORK/LONDON

Per cent per annum

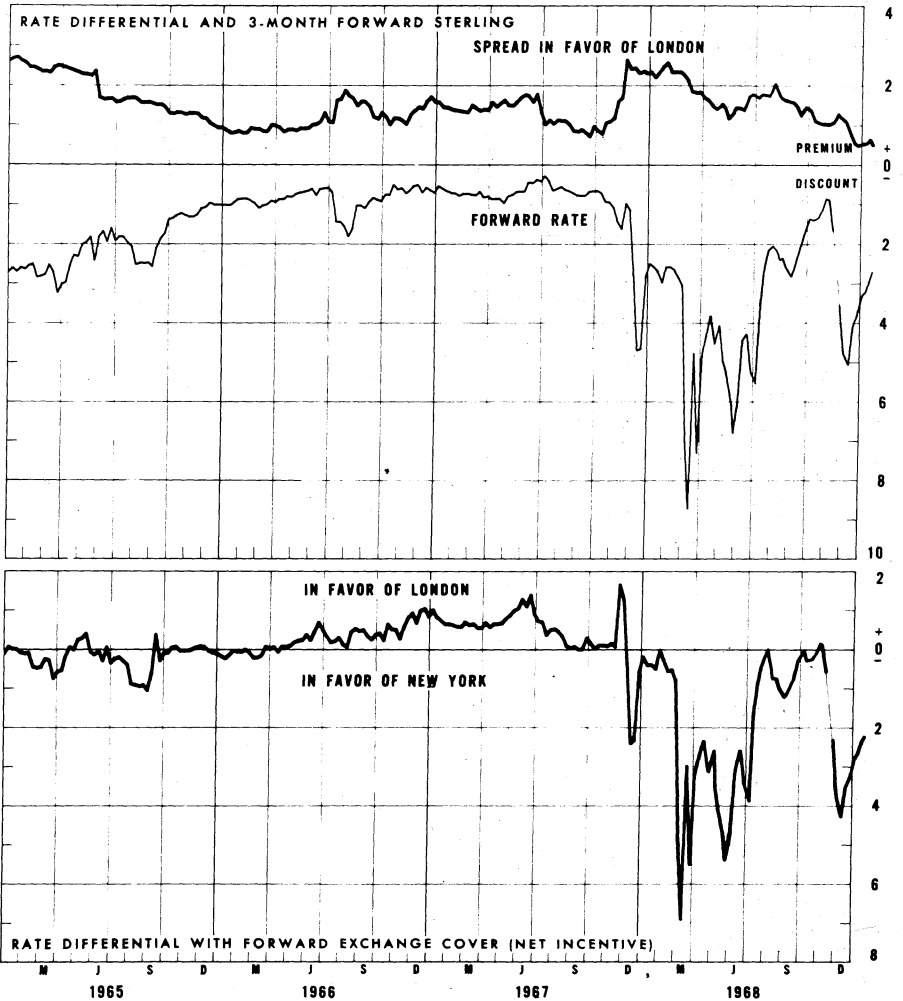


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Chart 58

INTEREST ARBITRAGE, NEW YORK/LONDON

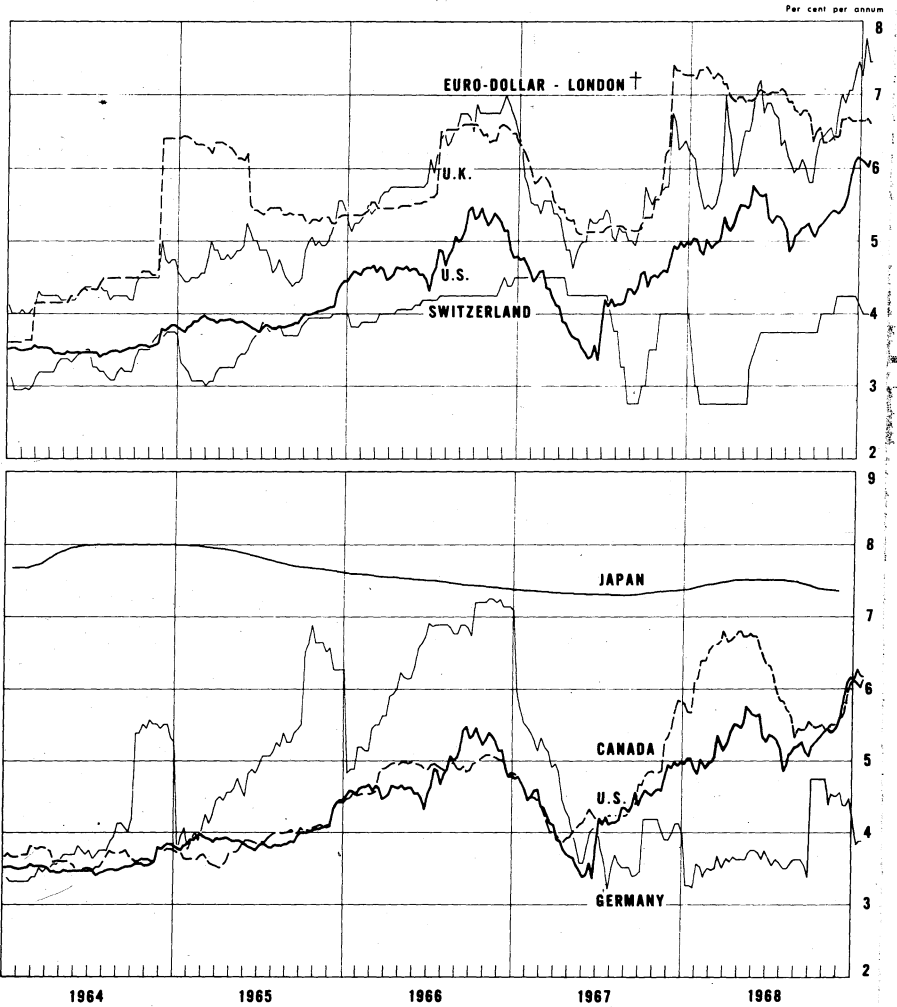
Per cent per annum



9

Chart 6

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)

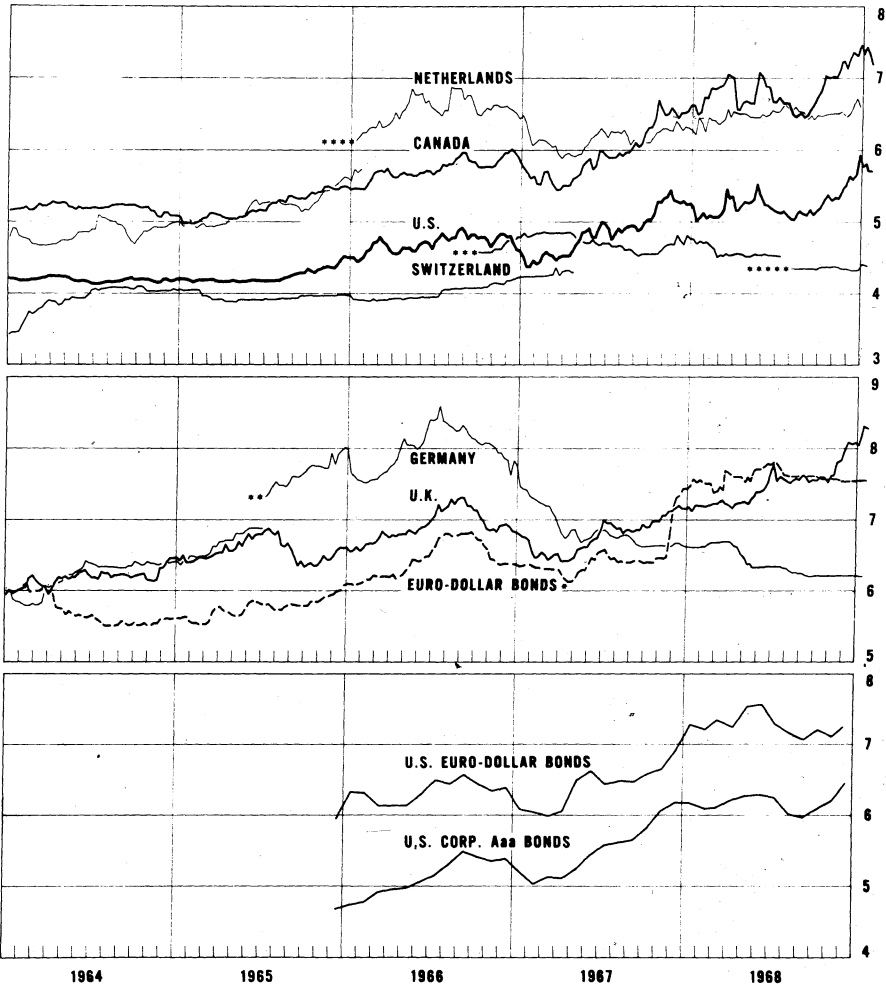
† 3-month rate for U.S. dollar deposits in London.

Chart 7

LONG-TERM BOND YIELDS

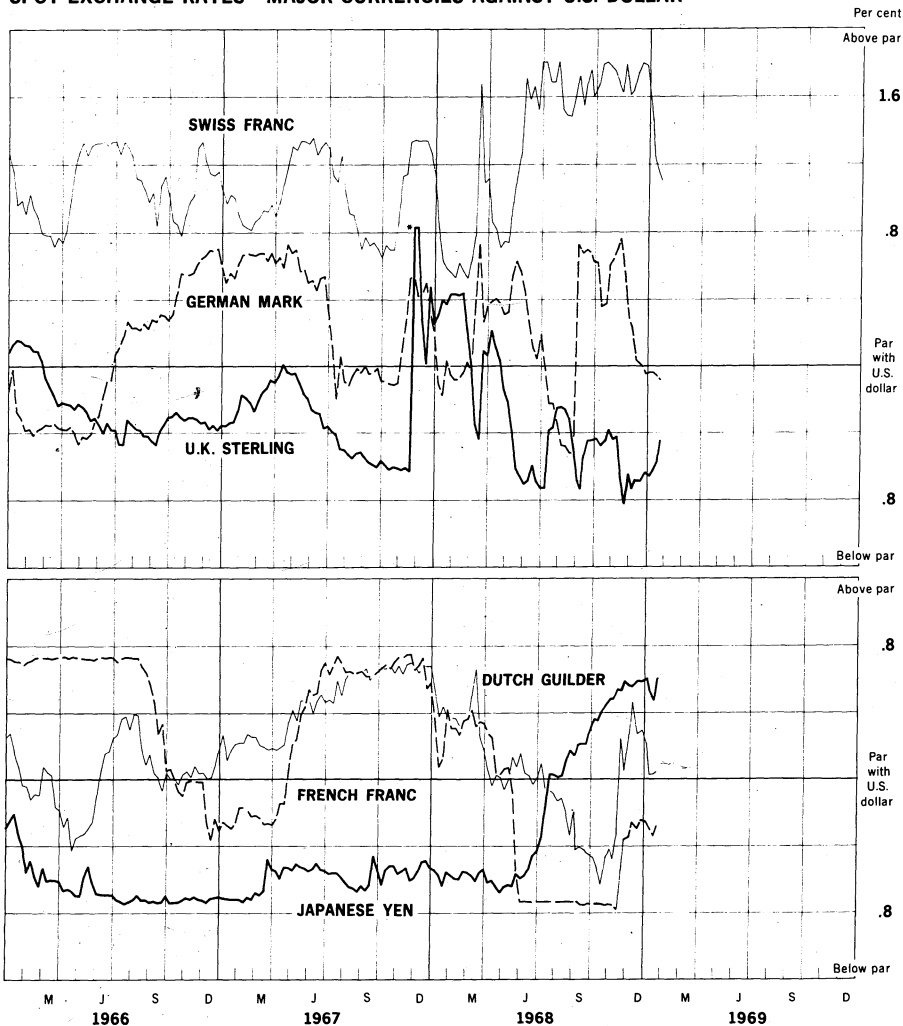
Weekly figures

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
- New series for Switzerland starts 8.2.68

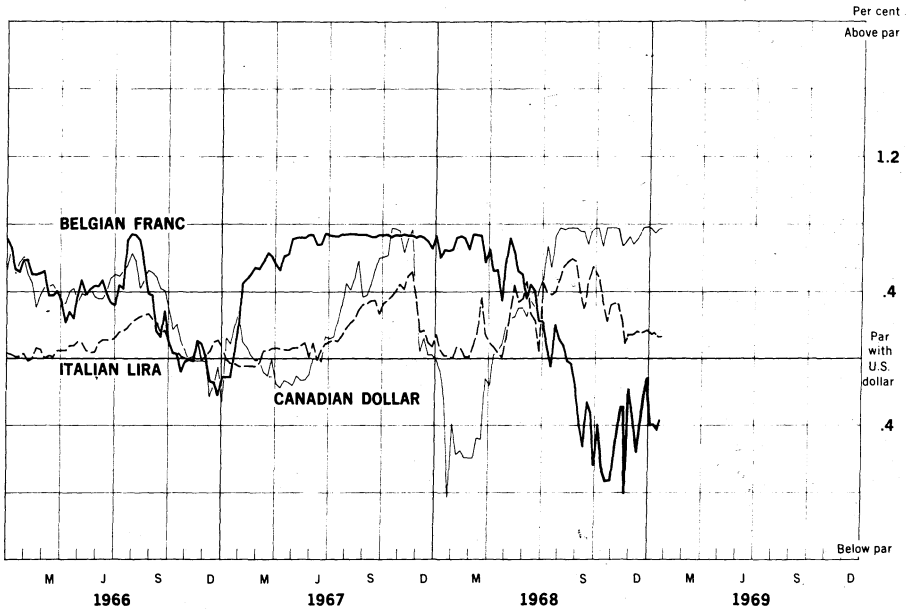
SPOT EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.S. DOLLAR



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

Chart 8B

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



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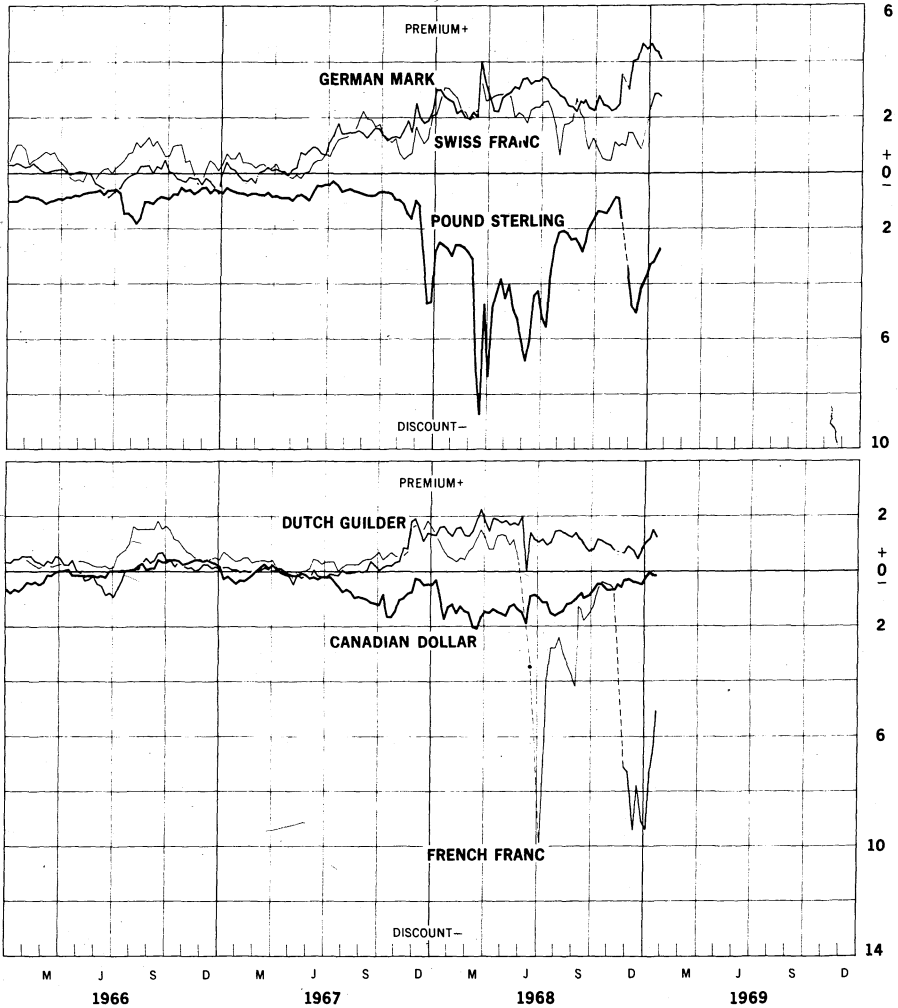
Chart 9A

3-MONTH FORWARD EXCHANGE RATES

AGAINST U.S. DOLLARS—NEW YORK

Friday figures

Per cent per annum



3-MONTH FORWARD EXCHANGE RATE

AGAINST POUND STERLING—LONDON

Friday figures

Per cent per annum

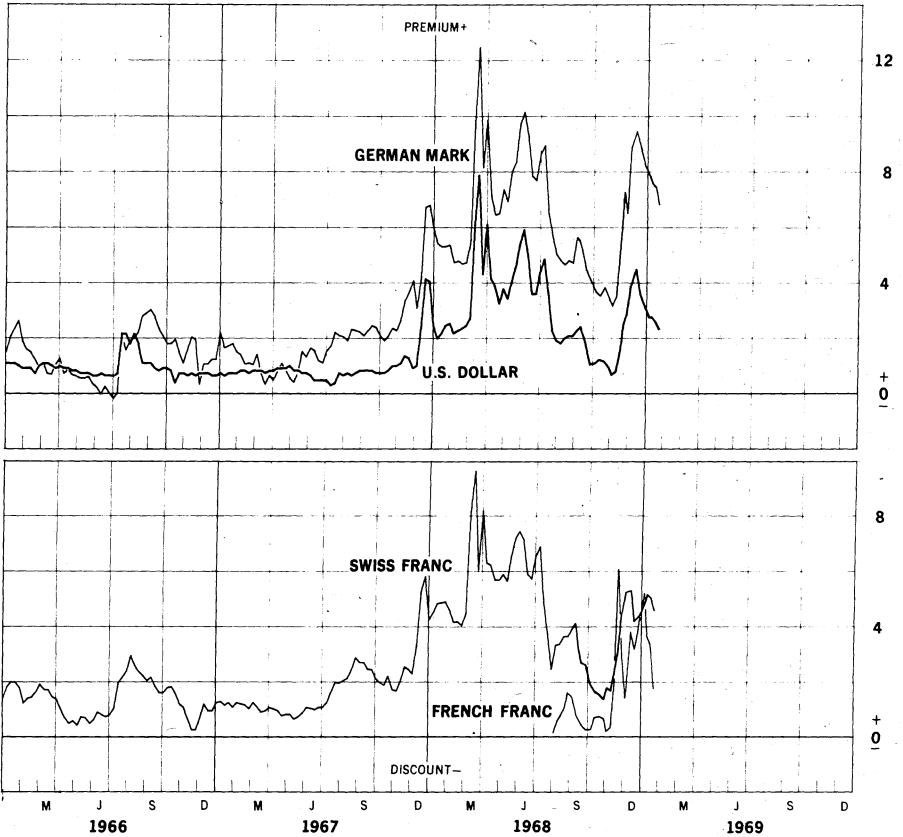
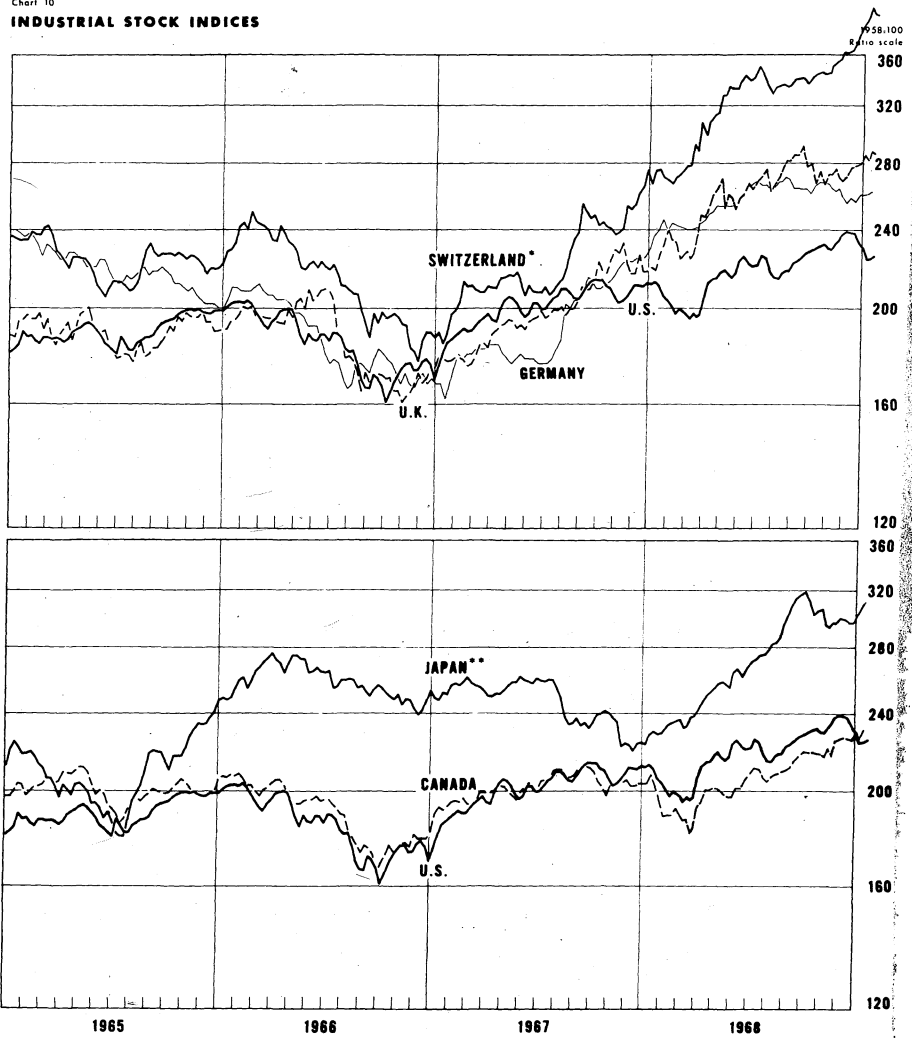


Chart 10

INDUSTRIAL STOCK INDICES



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

H. 13
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(all figures in per cent per annum)

<u>Chart 1</u>	
<u>Upper Panels</u> (Wednesday, <u>Jan. 22</u>)	
Euro-\$ deposit	<u>7.06</u>
U.S. certif. of deposit	<u>6.43</u>
<u>Lower Panels</u> (Wednesday, <u>Jan. 22</u>)	
Call Euro-\$ deposit	<u>6.88</u>
Federal Funds	<u>6.46</u>

<u>Chart 2A</u>	
<u>Euro-\$ deposits</u> (Friday, <u>Jan. 24</u>)	
<u>Upper Panel</u>	Call <u>6.88</u>
	30-day <u>7.50</u>
<u>Lower Panel</u>	90-day <u>7.44</u>
	180-day <u>7.44</u>

<u>Chart 2B</u>	
Hire-Purchase (<u>Jan. 17</u>)	<u>5.00</u>
Local Authority (<u>Jan. 17</u>)	<u>4.88</u>
Euro-\$ deposit (<u>Jan. 17</u>)	<u>7.56</u>

<u>Chart 3</u>	
I. <u>Upper Panel</u> (Period: <u>Jan. 16-23</u>)	
Interbank Loan (mid-point)	<u>3.88</u>
Euro-\$ deposits (average)	<u>3.15</u>
<u>Lower Panel</u> (date: <u>Jan. 16-23</u>)	
Zurich 3-mo. deposit	<u>4.00</u>
Euro-\$ rate (covered) (<u>Jan. 23</u>)	<u>4.67</u>
II. Price of Gold (London)	<u>42.27</u>
(average-week ended <u>Jan. 24</u>)	

<u>Chart 4</u>	
(Friday, <u>Jan. 24</u>)	
Treasury bills: Canada	<u>6.16</u>
U.S.	<u>6.12</u>
Spread (favor Canada +)	<u>+0.04</u>
Forward Canadian dollar	<u>-0.13</u>
Net incentive (Canada +)	<u>-0.09</u>
Canadian Finance paper	<u>6.62</u>

<u>Chart 5A</u>	
(Friday, <u>Jan. 24</u>)	
U.K. Local Authority deposit	<u>7.81</u>
Treasury bills: U.K.	<u>6.60</u>
U.S.	<u>6.12</u>

<u>Chart 5B</u>	
Spread (favor U.K. +)	<u>+0.48</u>
Forward rate	<u>-2.70</u>
Net incentive (U.K. +)	<u>-2.22</u>

<u>Chart 6</u>	
<u>Upper Panel</u> (Friday, <u>Jan. 24</u>)	
Treasury Bills U.S.	<u>6.12</u>
U.K.	<u>6.60</u>
Canada	<u>6.16</u>
Euro-\$ deposit (London)	<u>7.44</u>

<u>Lower Panel</u>	
German Interbank loan rate (<u>Jan. 23</u>)	<u>3.88</u>
Zurich 3-month deposit (<u>Jan. 23</u>)	<u>4.00</u>
Japan Composite Rate (<u>Nov. 30</u>)	<u>7.38</u>
U.S. Treasury bills (<u>Jan. 24</u>)	<u>6.12</u>

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II. b

Chart 7Upper Panel

U.S. Gov't. (Wed., Jan. 22)	<u>5.70</u>
Netherlands Govt. (Fri., Jan. 3)	<u>n.a.</u>
Canadian Gov't. (Wed., Jan. 15)	<u>7.31</u>
Swiss Gov't. Composite (Wed., Jan. 22)	<u>7.17</u>
(Fri., Jan. 17)	<u>4.37</u>

Middle Panel

German Fed., (Fri., Jan. 17)	<u>6.20</u>
U.K. War Loan (Thurs., Jan. 23)	<u>8.27</u>
Euro-\$ bonds (Fri., Jan. 24)	<u>7.54</u>

Lower Panel

U.S. Euro-bonds (Dec. 31)	<u>7.25r</u>
U.S. Corporate Aaa (Dec. 31)	<u>6.45</u>

Chart 8A

(Friday, Jan. 24)

Upper Panel

Swiss francs	<u>+1.10</u>
German marks	<u>-0.09</u>
U.K. f sterling	<u>-0.45</u>

Lower Panel

French francs	<u>-0.28</u>
Dutch guilders	<u>+0.05</u>
Japanese yens	<u>+0.61</u>

Chart 8B

(Friday, Jan. 24)

Belgian francs	<u>-0.36</u>
Canadian dollars	<u>+0.78</u>
Italian lira	<u>+0.13</u>

Chart 9A

(Friday, Jan. 24)

Against U.S. dollarsUpper Panel

Swiss francs	<u>+2.73</u>
German marks	<u>+4.09</u>
f sterling	<u>-2.70</u>

Lower Panel

French franc	<u>-5.05</u>
Dutch guilder	<u>+1.23</u>
Canadian dollar	<u>-0.13</u>

Chart 9B

(Friday, Jan. 24)

Against pound sterlingUpper Panel

German mark	<u>+6.80</u>
U.S. dollar	<u>+2.32</u>

Lower panel

Swiss franc	<u>+4.58</u>
French franc	<u>+1.74</u>

Chart 10

(Index; 1958 = 100)

Upper Panel

U.K. (Jan. 24)	<u>285.9</u>
Germany (Jan. 24)	<u>n.a.</u>
Switzerland (Jan. 24)	<u>398.4</u>

Lower Panel

U.S. (Jan. 24)	<u>225.5</u>
Canada (Jan. 16)	<u>230.9</u>
Japan (Jan. 17)	<u>310.9</u>