

March 5, 1969 No. 392

H-13 Division of International Finance Europe and British Commonwealth Section

Capital Market

SELECTED INTEREST & EXCHANGE RATES FOR MAJOR COUNTRIES & THE U.S.

WEEKLY SERIES OF CHARTS

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

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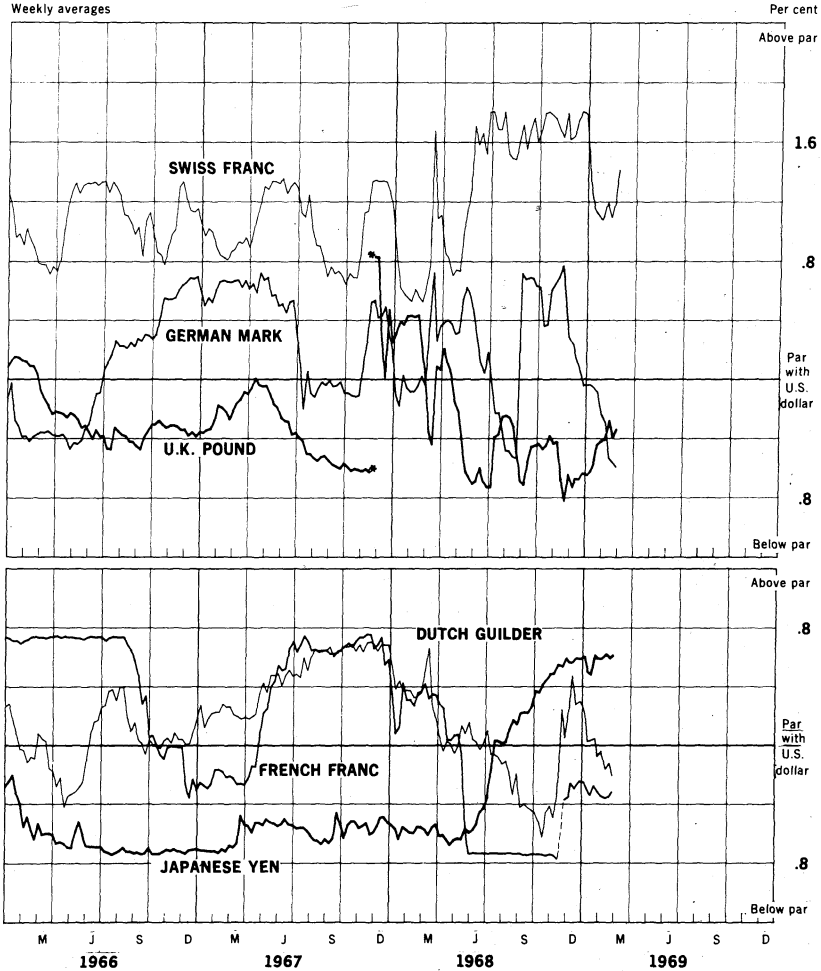
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NOTE: This series is a continuation of the CAPITAL MARKETS DEVELOPMENTS ABROAD, which has been published under that title through December 31, 1968. The changes in the format and order of the charts are fully explained in the Supplement to the series, which accompanied issue dated January 1, 1969.

Chart 1A

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

Weekly averages



Devaluation of the U.K. pound from \$2.80 to \$2.40.

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Chart 1B

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

Weekly averages

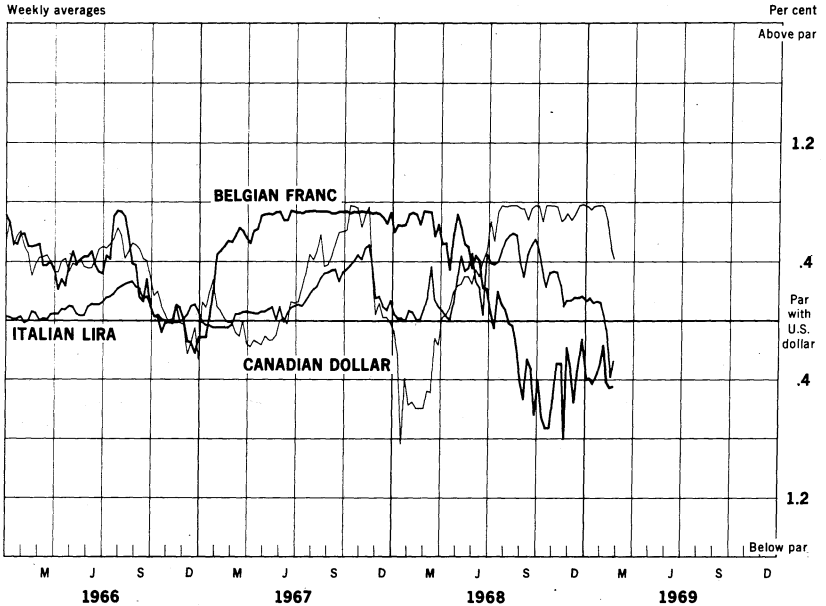
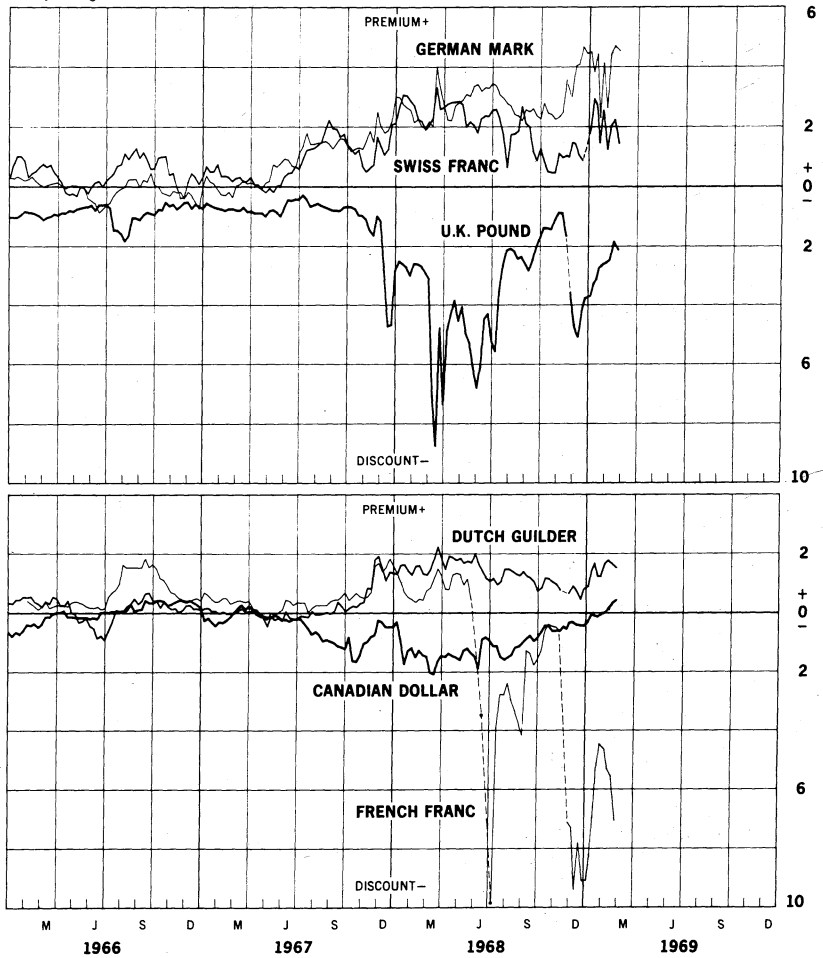


Chart 2

3-MONTH FORWARD EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.S. DOLLAR

Weekly averages

Per cent per annum



6

Chart 3

3-MONTH FORWARD EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.K. POUND

Friday figures

Per cent per annum

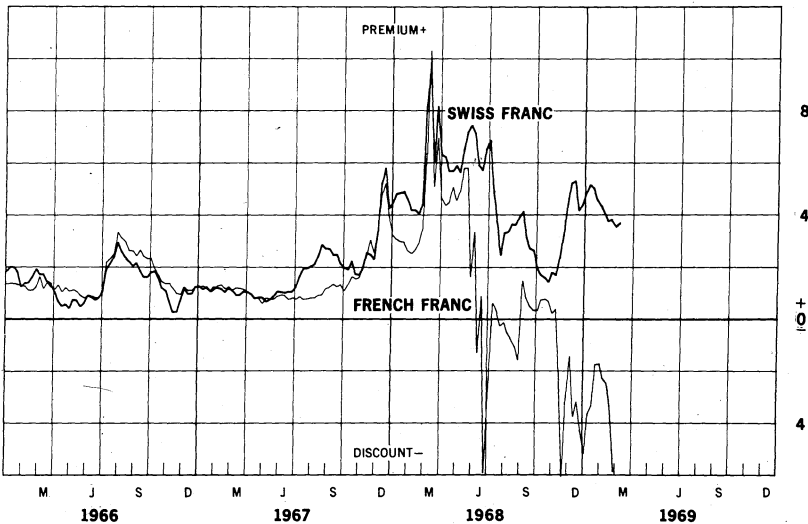
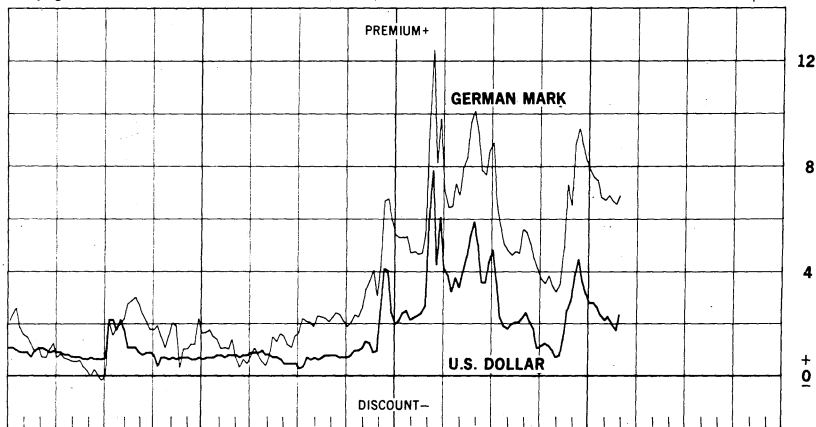
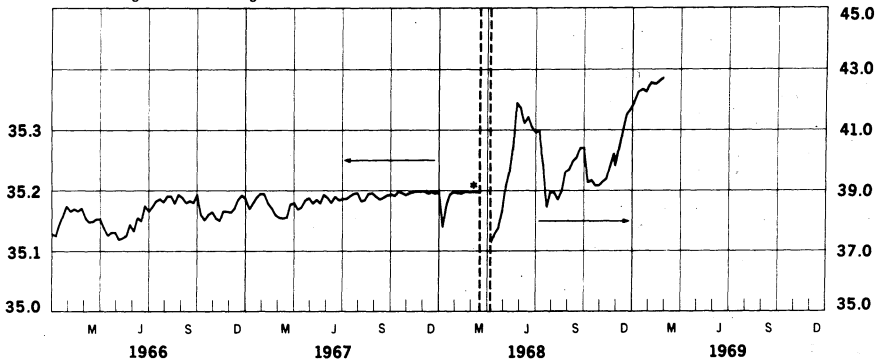


Chart 4

GOLD PRICE IN LONDON, 12.5 Kg BARS

Week's average of afternoon fixings

U.S. dollar equivalent per fine ounce



*Market closed March 15-April 1, 1968

8

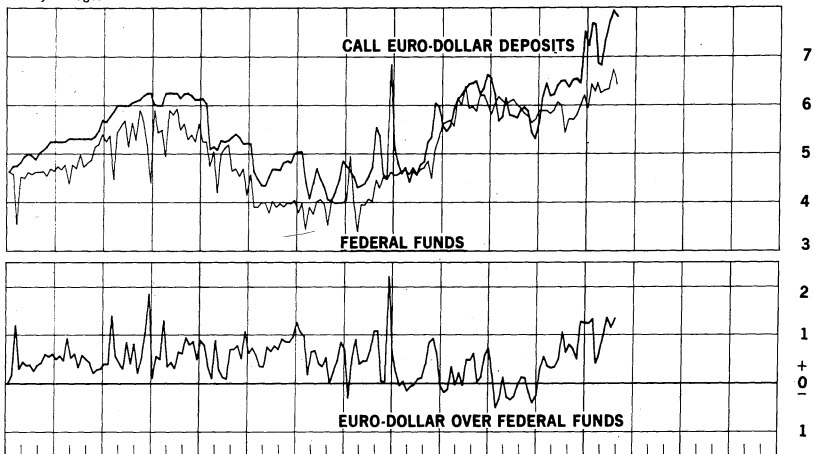
CHART 5

CALL MONEY RATES

DOLLAR FUNDS

Weekly averages

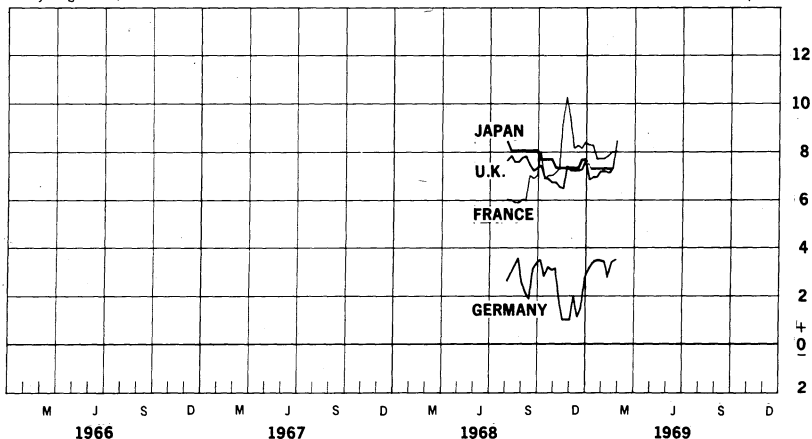
Per cent per annum



FOREIGN CURRENCIES *

Friday's figures

Per cent per annum



* Germany, Call Money; U.K., 2-day Local Authority Deposits; Japan, Unconditional Money; France, Day-to-day Money.

CHART 6

LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum

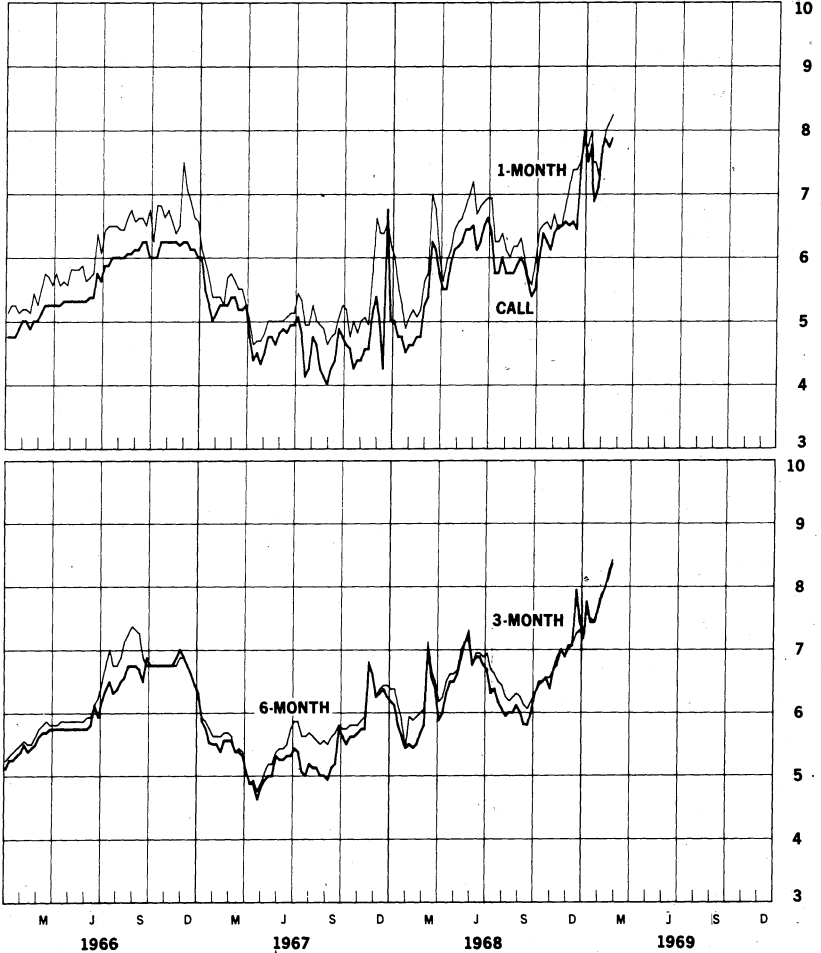
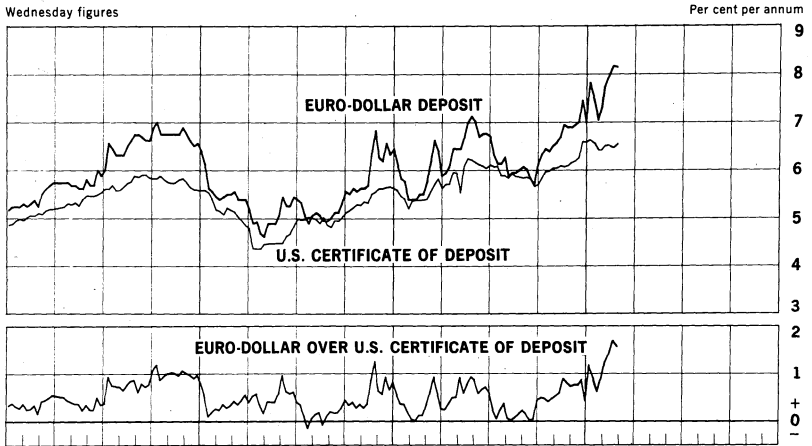


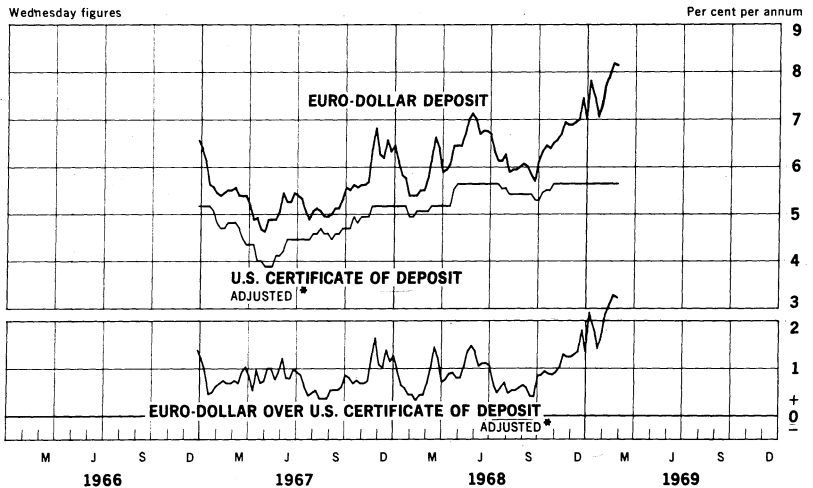
Chart 7

NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS

3-MONTH DOLLAR DEPOSIT RATES - SECONDARY MARKET
Wednesday figures



3-MONTH DOLLAR DEPOSIT RATES - PRIMARY MARKET
Wednesday figures



* Adjusted for Reserve Requirement

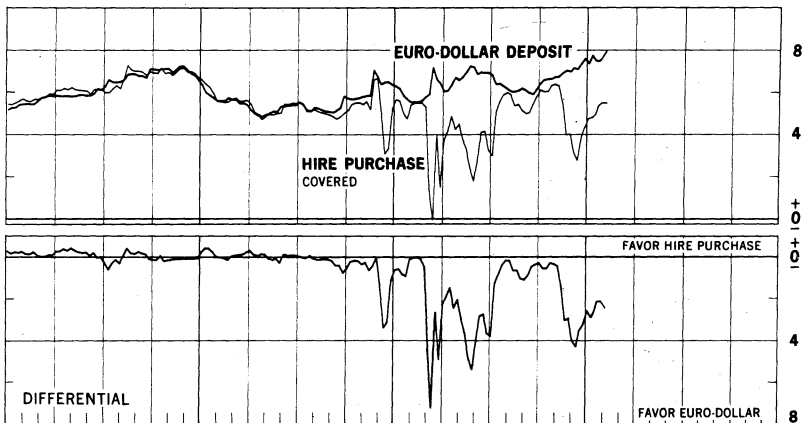
CHART 8

LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

HIRE PURCHASE AND EURO-DOLLAR RATES

Friday figures

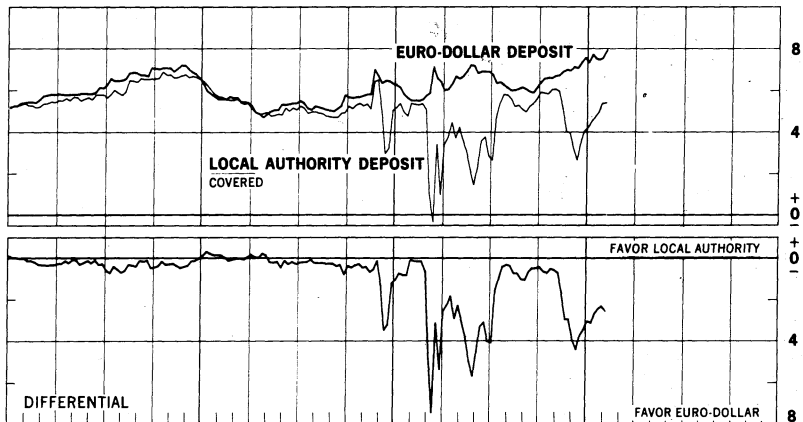
Per cent per annum



LOCAL AUTHORITY AND EURO-DOLLAR RATES

Friday figures

Per cent per annum



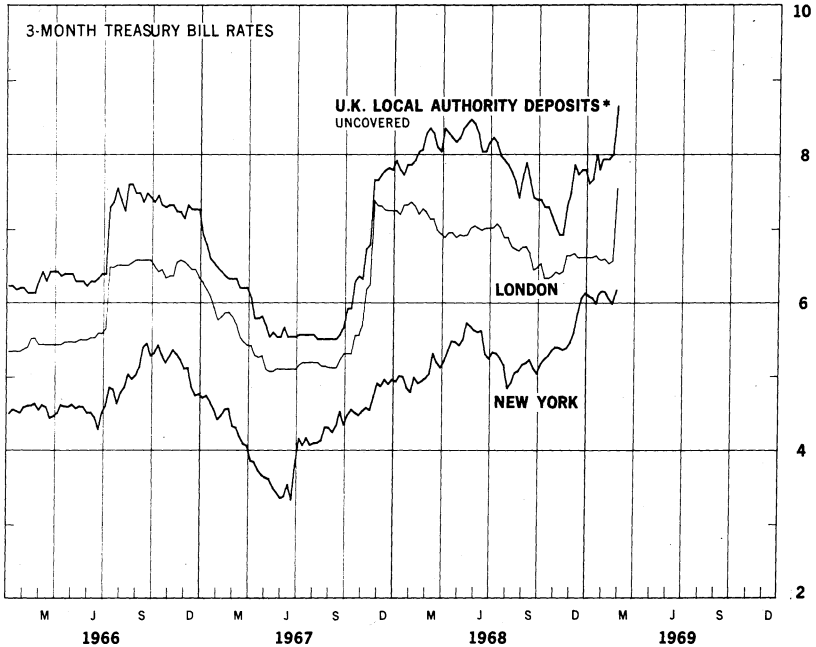
M J S D M J S D M J S D M J S D
1966 1967 1968 1969

12
CHART 9A

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday's Figures

Per cent per annum



*Plotted for comparison purposes.

Chart 9B

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

Per cent per annum

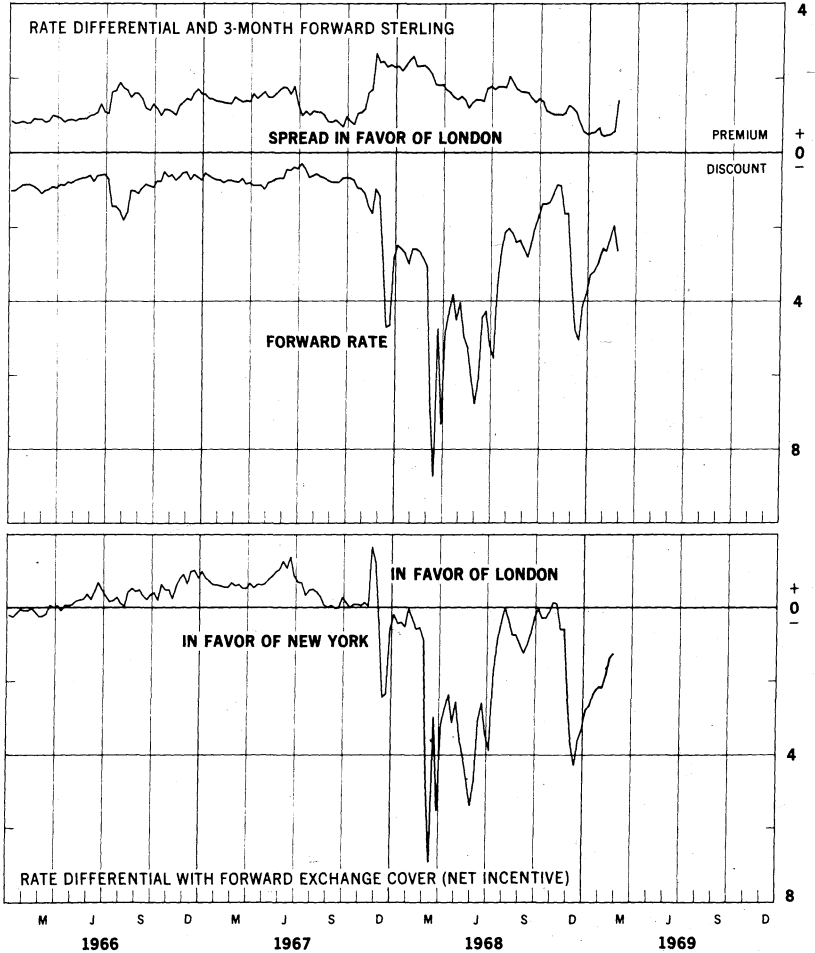
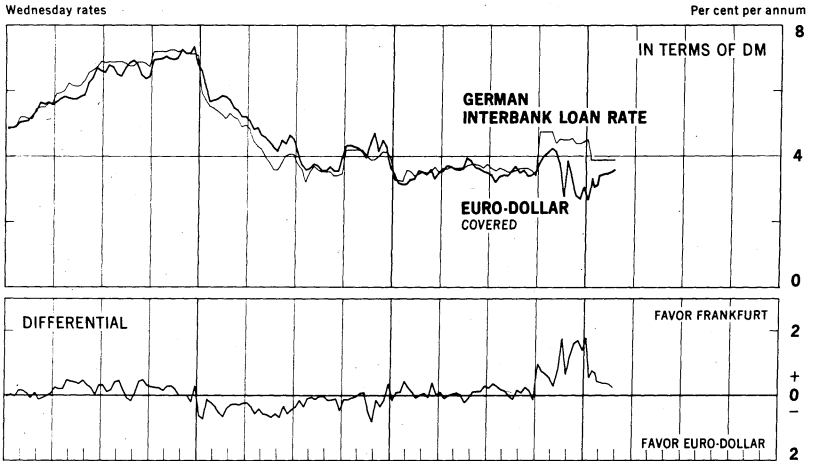


Chart 10

INTEREST ARBITRAGE: U.S. - GERMANY AND U.S. - SWITZERLAND

FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE
Wednesday rates



ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE
Wednesday rates

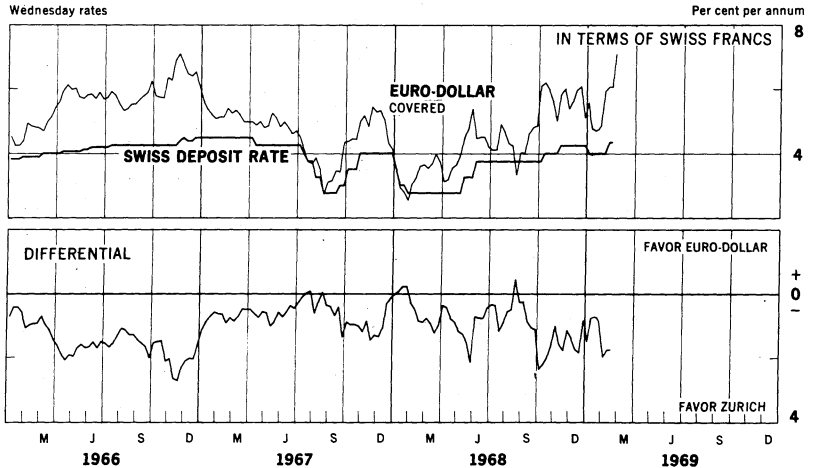
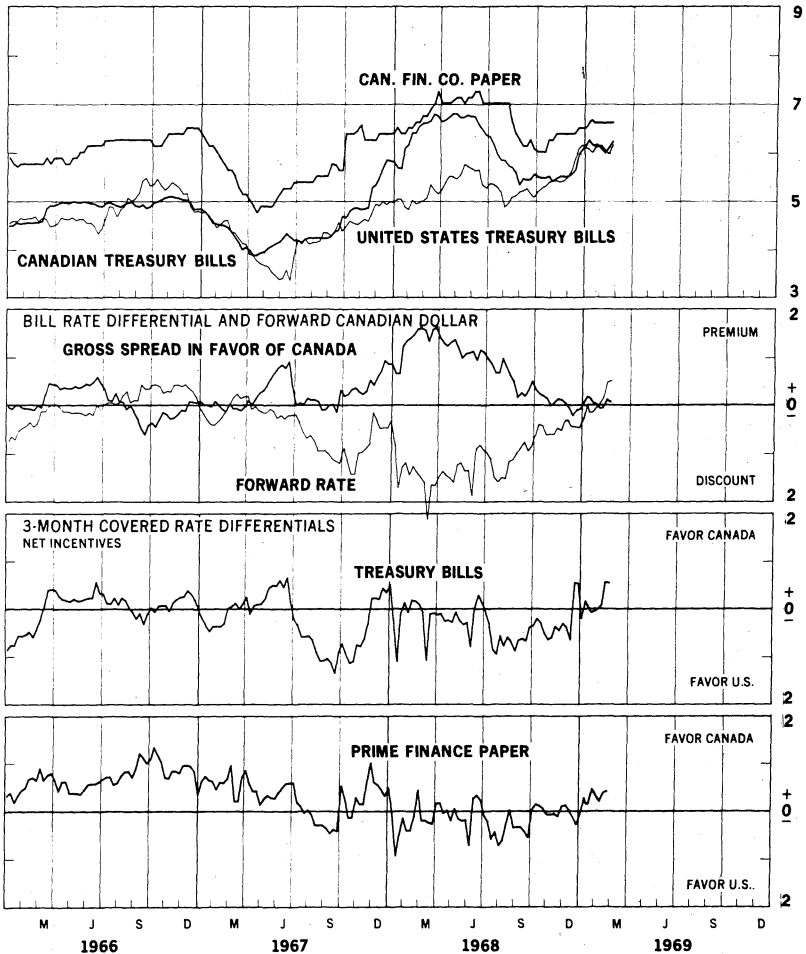


CHART 11

INTEREST ARBITRAGE: UNITED STATES-CANADA

Friday figures

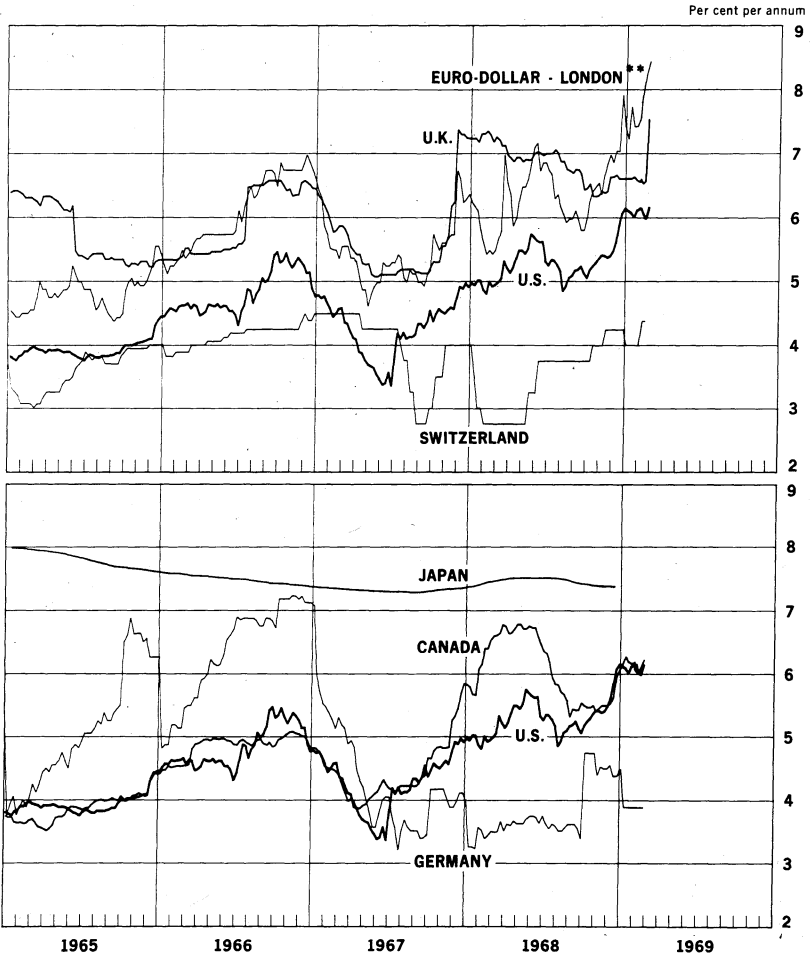
Per cent per annum



16

Chart 12

SELECTED SHORT-TERM INTEREST RATES*

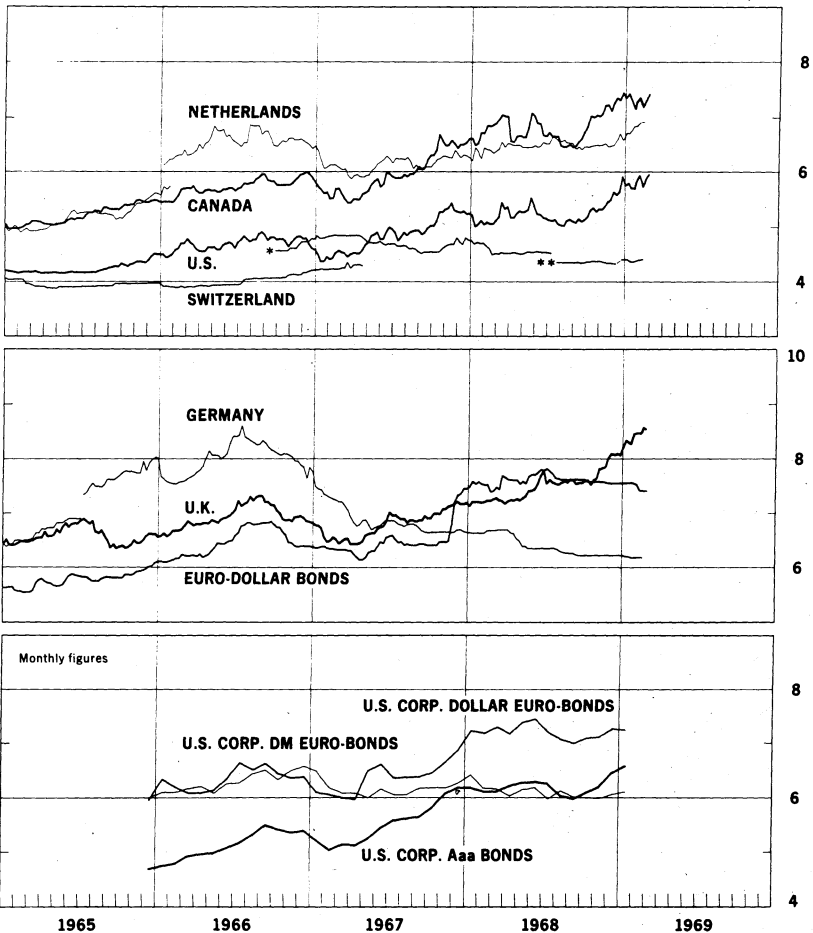


* 3-month treasury bill rates for all countries except Japan (Average rate on bank loans and discounts)
Switzerland (3-month deposit rate) and Germany (Interbank Loan Rate)
** 3-month rate for U.S. dollar deposits in London.

LONG-TERM BOND YIELDS

Weekly figures

Per cent per annum

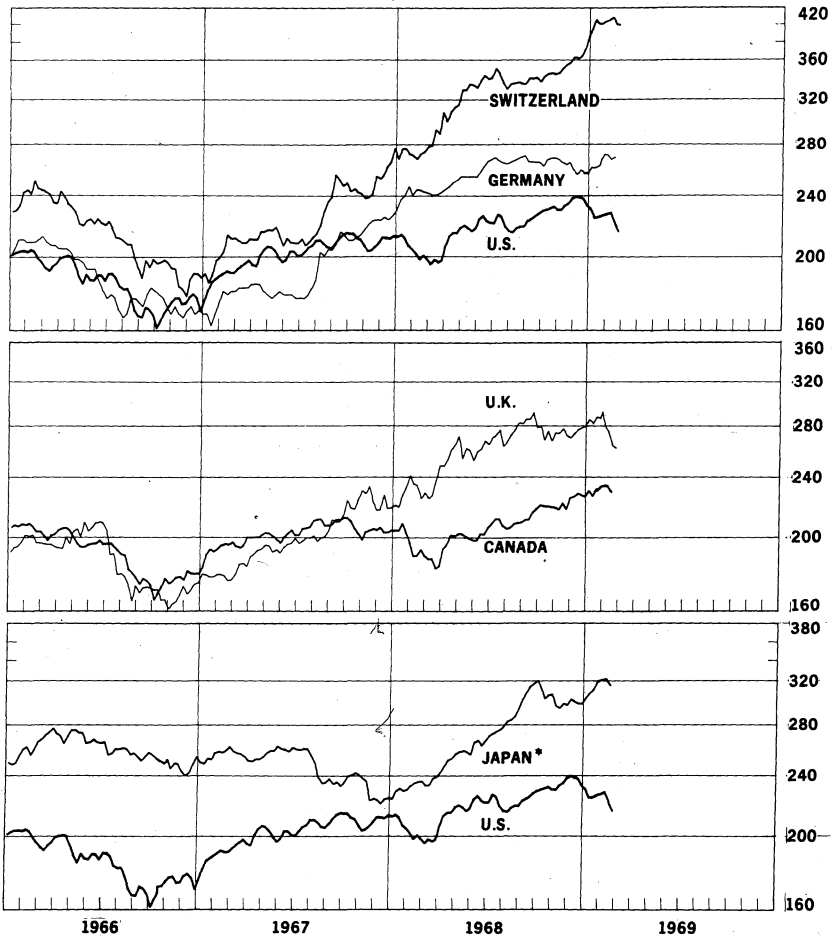


* New series for Switzerland starts 3-3-67.
 ** New series for Switzerland starts 8-2-68.

CHART 14

INDUSTRIAL STOCK INDICES

1958=100
Ratio scale



* Japan index of 225 industrial and other stocks traded on the Tokyo exchange.

IV. LATEST FIGURES PLOTTED ON THE CHARTS

Chart	Panel	Series	Date	Rate
1A	Upper	Swiss franc	Feb. 28	+1.42
		German mark	"	-0.59
		U.K. pound	"	-0.34
	Lower	Dutch guilder	"	-0.20
		French franc	"	-0.31
		Japanese yen	"	+0.61
1B		Belgian franc	"	-0.45
		Italian lira	"	-0.26
		Canadian dollar	"	+0.42
2	Upper	German mark	"	+4.51
		Swiss franc	"	+1.45
		U.K. pound	"	-2.12
	Lower	Dutch guilder	"	+1.53
		Canadian dollar	"	+0.46
		French franc	"	-7.07
3	Upper	German mark	"	+6.86
		U.S. dollar	"	+2.32
	Lower	Swiss franc	"	+3.64
		French franc	"	-5.87
4		Gold price, U.S. dollar per ounce	"	42.71
5	Upper	Call Euro-\$ deposits	Feb. 26	7.80
		Federal Funds	"	6.43
	Middle	Differential	"	+1.37
	Lower	Japanese Unconditional Money	Feb. 21	7.30
		German Call Money	Feb. 28	3.50
		U.K. 2-day Local Authority Deposits	"	8.44
		French Day-to-day Money	"	8.00

IV - 2

Chart	Panel	Series	Date	Rate
6	Upper	Euro-\$ Call Rate	Feb. 28	7.88
		Euro-\$ 1-month Rate	"	8.25
	Lower	Euro-\$ 3-month Rate	"	8.44
		Euro-\$ 6-month Rate	"	8.38
7	Upper	Euro-\$ 3-month Deposits	Feb. 26	8.12
		U.S. Certificate of Deposits	"	6.55
	Second	Differential	"	+1.57
	Third	Euro-\$ 3-month Deposits	"	8.12
		U.S. Certificate of Deposits (Adj.)	"	5.64
	Fourth	Differential	"	+2.48
8	Upper	Euro-\$ 3-month Deposits	Feb. 7	7.97
		Hire Purchase Deposits (covered)	"	5.55
	Second	Differential	"	-2.42
	Third	Euro-\$ 3-month Deposits	"	7.97
		Local Authority Deposits (covered)	"	5.42
	Fourth	Differential	"	-2.55
9A		U.S. Treasury Bill rate	Feb. 28	6.17
		U.K. Treasury Bill rate	"	7.55
		Local Authority Deposit (uncovered)	"	8.69
9B	Upper	Spread (+ = favor London)	"	+1.38
		3-month Forward Pound	"	-2.63
	Lower	Net Incentive (+ = favor London)	"	-1.25
10	Upper	Euro-\$ Deposits (covered)	Feb. 26	3.60
		German Interbank Loan rate	"	3.88
	Second	Differential	"	+0.28
	Third	Euro-\$ Deposits (covered)	"	7.10
		Swiss Deposit rate	"	n. a.
	Fourth	Differential	"	n. a.

IV - 3

Chart	Panel	Series	Date	Rate
11	Upper	Canadian Finance Paper	Feb. 28	6.62
		U.S. Treasury Bill rate	"	6.17
		Canadian Treasury Bill rate	"	6.24
		U.S. Prime Finance paper (not plotted)	"	6.38
	Middle	Bill rate differential	"	+0.07
		Forward Canadian dollar	"	+0.50
	Lower	Net incentive on bills	"	+0.57
		Net incentive on Finance Paper	"	+0.43
12	Upper	Euro-\$ Deposits	"	8.44
		U.K. Treasury Bill rate	"	7.55
		U.S. Treasury Bill rate	"	6.17
		Swiss 3-month Deposit rate	Feb. 21	4.38
	Lower	Japanese Average rate	Dec. 31	7.38
		Canadian Treasury Bill rate	Feb. 28	6.24
		U.S. Treasury Bill rate	"	6.17
		German Interbank Loan rate	"	3.88
13	Upper	Netherlands	Feb. 21	6.93
		Canada	Feb. 26	7.41
		United States	"	5.96
		Switzerland	Feb. 14	4.41
	Middle	Germany	Feb. 21	6.19
		United Kingdom	Feb. 27	8.54
		Euro-dollar bonds	Feb. 28	7.41
	Lower	U.S. Corp. Dollar Euro-bonds	Jan. 31	7.24
		U.S. Corp. DM Euro-bonds	"	6.11
		U.S. Corp. Aaa bonds	"	6.59

IV - 4

Chart	Panel	Series	Date	Rate
14	Upper	Switzerland	Feb. 28	398.2
		Germany	Feb. 21	269.8
		United States	Feb. 28	216.8
		United Kingdom	"	260.7
	Lower	Japan	Feb. 21	315.2
		Canada	"	229.3
United States		Feb. 28	216.8	