

History 1.1
~~*Chapman*~~

July 23, 1969 No. 412

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

LIBRARY
JUL 28 1969
FEDERAL RESERVE BANK
OF RICHMOND

*Capital
Market*

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

WEEKLY SERIES OF CHARTS

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

TABLE OF CONTENTS

PART I. EXCHANGE RATES AND GOLD PRICES

- Chart 1A and 1B - Spot Exchange Rates, Major Currencies against U.S. Dollar
- Chart 2 - 3-Month Forward Exchange Rates, Major Currencies against U.S. Dollar
- Chart 3 - 3-Month Forward Exchange Rates, Major Currencies against U.K. Pound
- Chart 4 - Gold Price in London

PART II. SHORT-TERM INTEREST RATES

- Chart 5 - Call Money Rates
- Chart 6 - London: Euro- $\text{\$}$ Deposit Rates
- Chart 7 - New York - London: Yields on U.S. Dollar Funds
- Chart 8 - London: Covered Yields on U.S. Dollar Funds
- Chart 9A and 9B - Interest Arbitrage: United States-United Kingdom
- Chart 10 - Interest Arbitrage: U.S.-Germany and U.S.-Switzerland
- Chart 11 - Interest Arbitrage: United States-Canada
- Chart 12 - Selected Short-term Interest Rates

PART III. LONG-TERM INTEREST RATES AND STOCK INDICES

- Chart 13 - Long-Term Bond Yields
- Chart 14 - Industrial Stock Indices

PART IV. LATEST FIGURES PLOTTED ON THE CHARTS

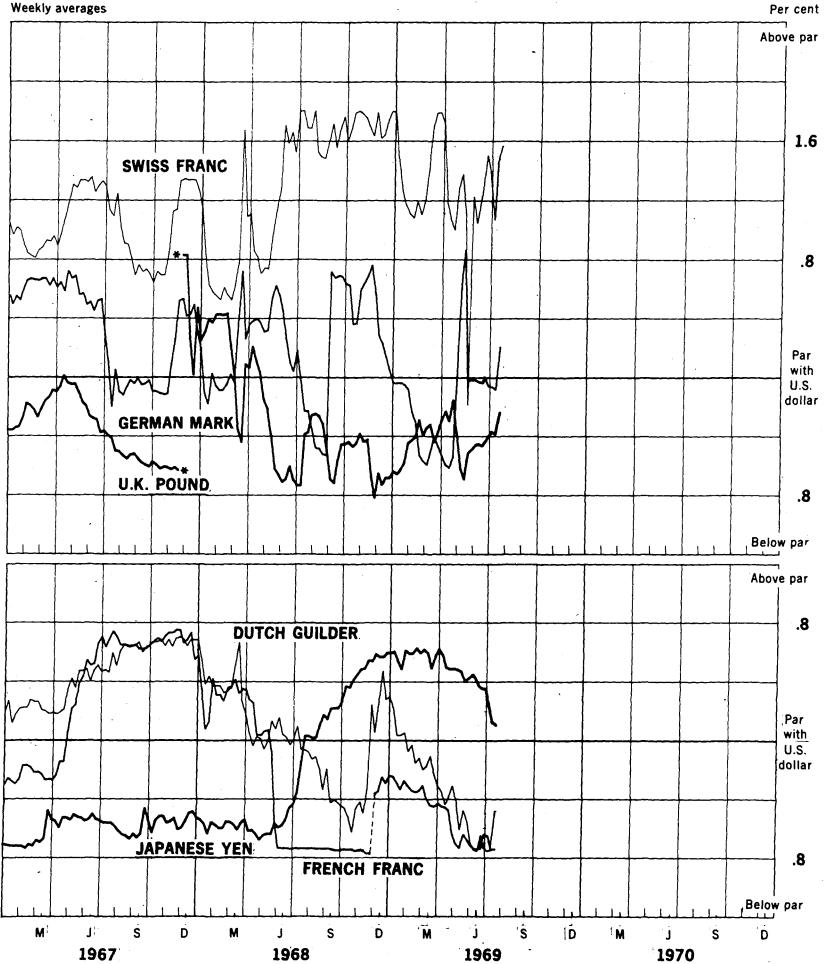
NOTE: This series is a continuation of the CAPITAL MARKETS DEVELOPMENTS ABROAD, which has been published under that title through December 31, 1968. The changes in the format and order of the charts are fully explained in the Supplement to the series, which accompanied issue dated January 1, 1969.

3

Chart 1A.

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

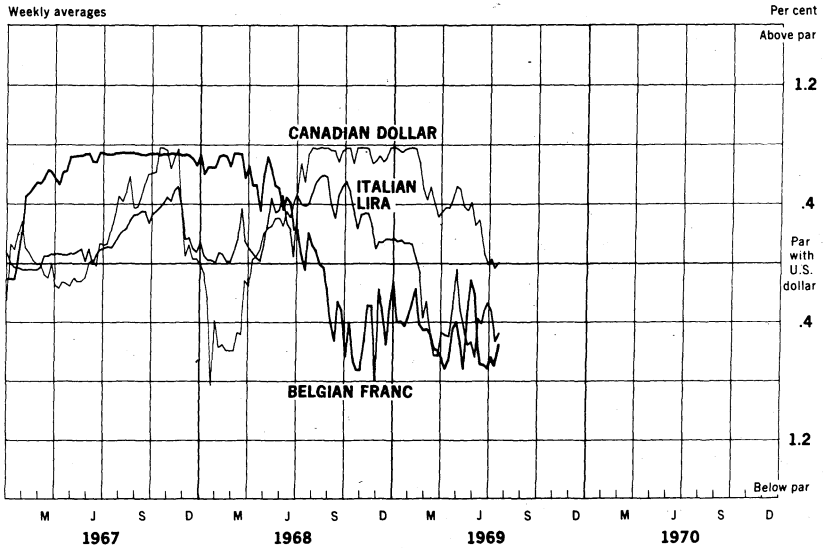
Weekly averages



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

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

Weekly averages



5

Chart 2A

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

Weekly averages

Per cent per annum

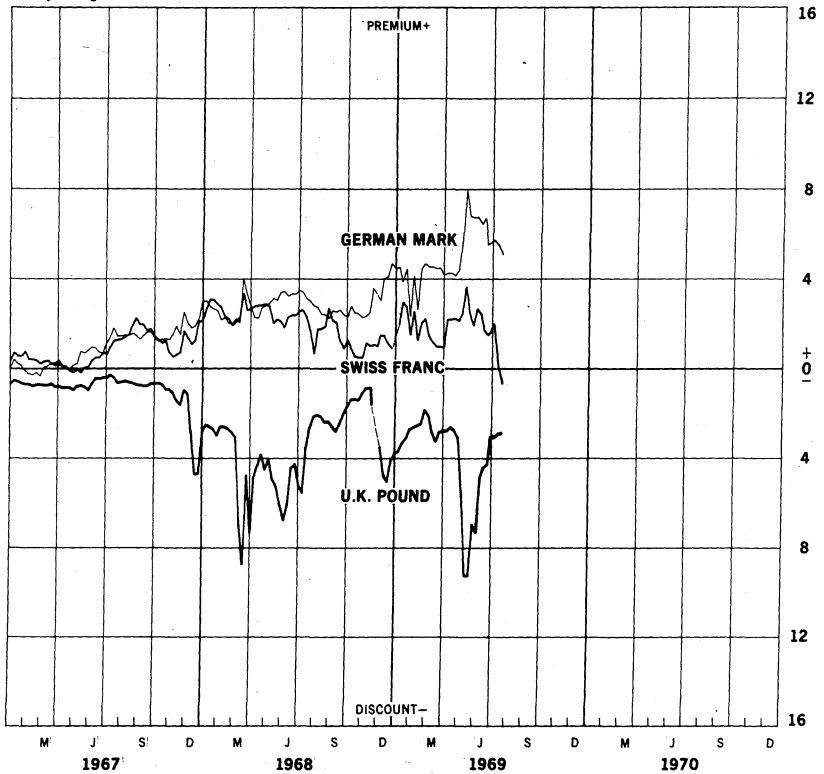


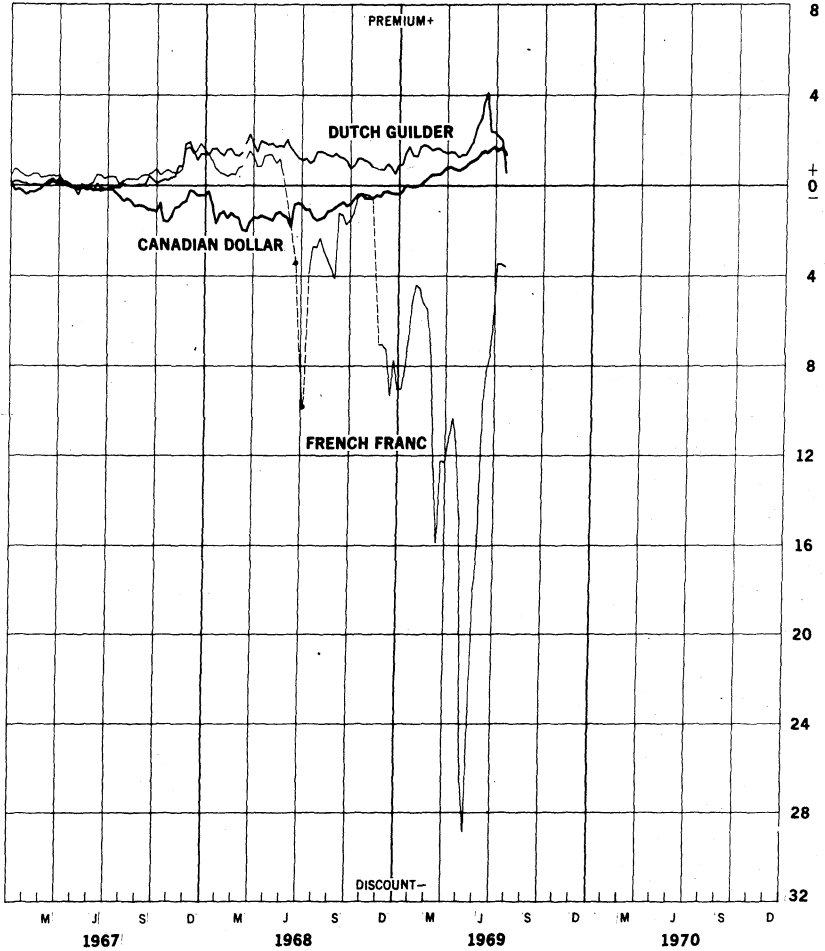
Chart 2B:

6

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

Weekly averages

Per cent per annum

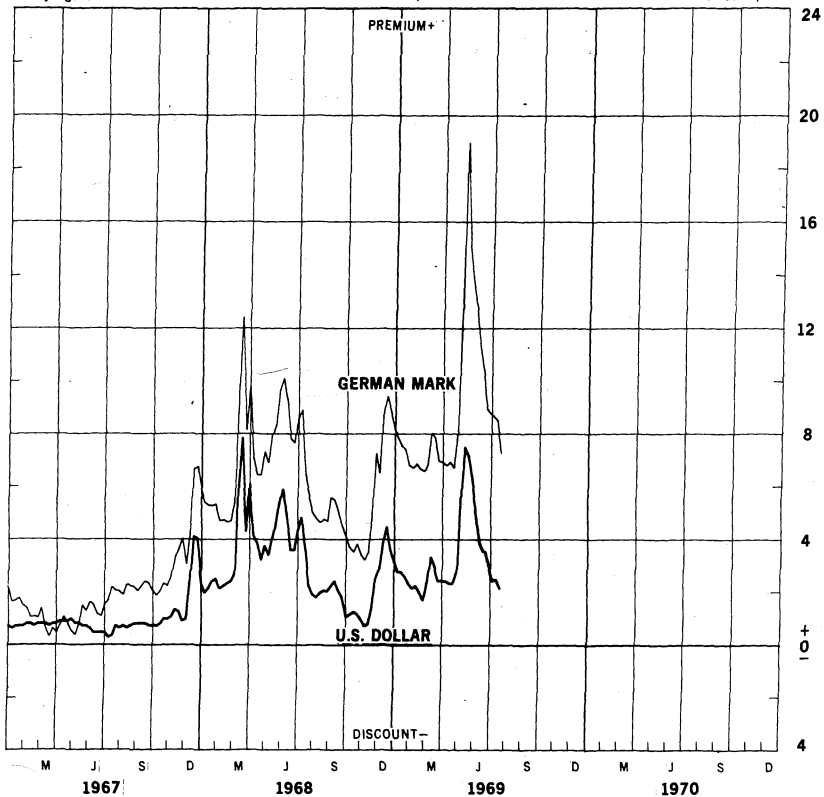


7
Chart 3A.

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

Friday figures

Per cent per annum



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

Friday figures

Per cent per annum

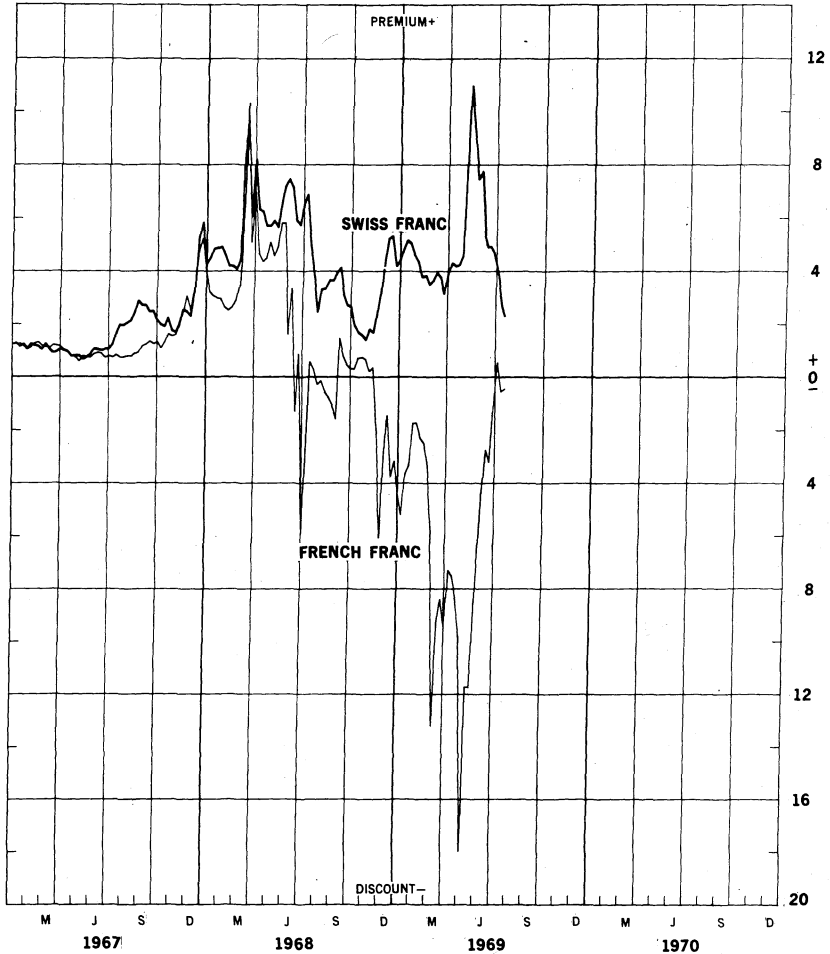
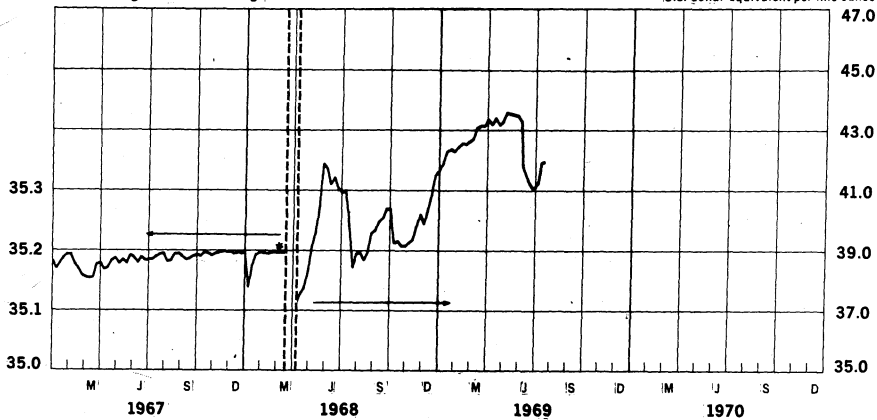


Chart 4

GOLD PRICE IN LONDON, 12.5 Kg BARS

Week's average of afternoon fixings

U.S. dollar equivalent per fine ounce



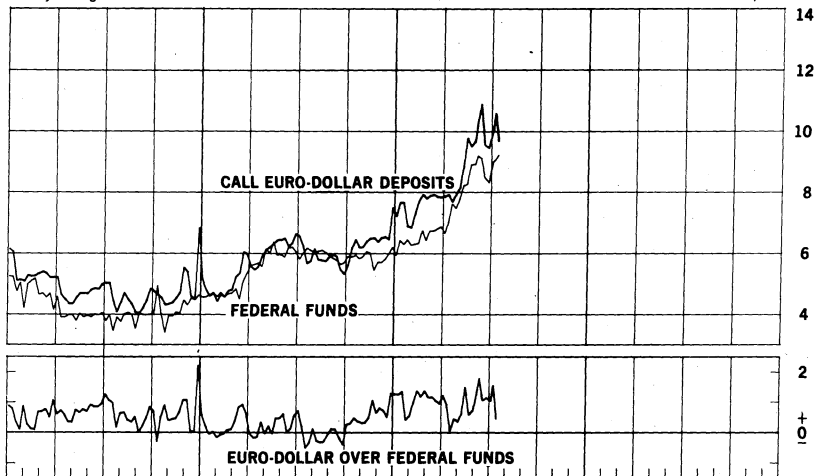
* Market closed March 15-April 1, 1968:

CALL MONEY RATES

DOLLAR FUNDS

Weekly averages

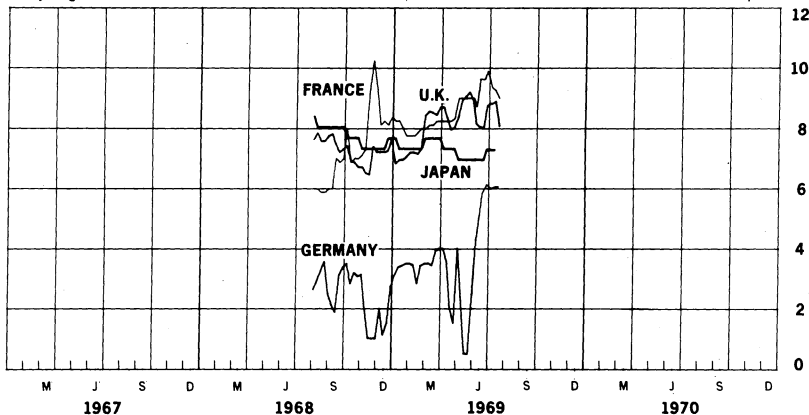
Per cent per annum



FOREIGN CURRENCIES *

Friday's figures

Per cent per annum

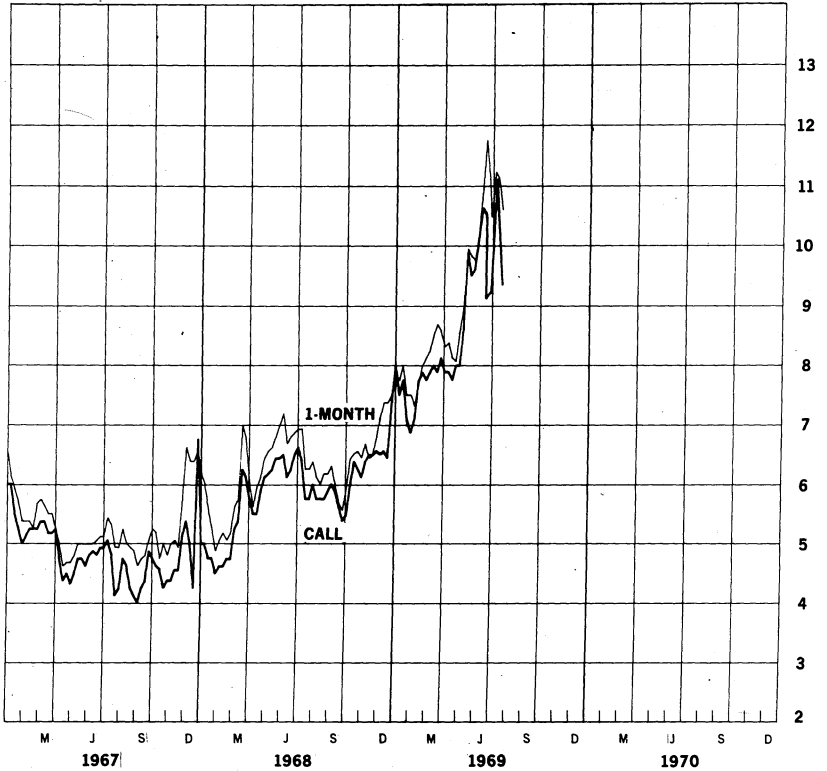


*Germany, Call Money; U.K., 2-day Local Authority Deposits; Japan, Unconditional Money; France, Day-to-day Money.

LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

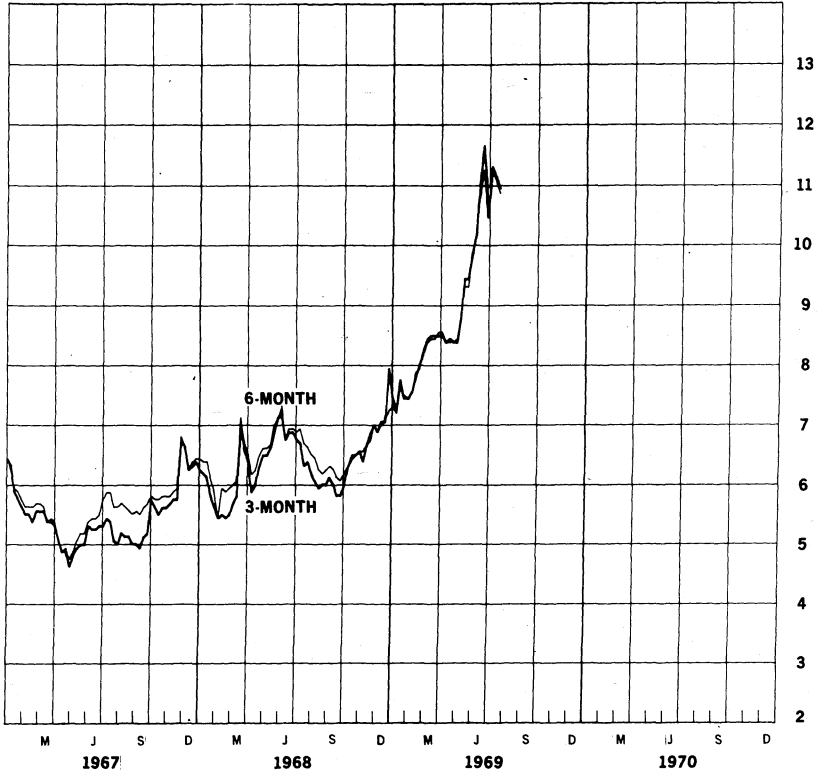
Per cent per annum



LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum



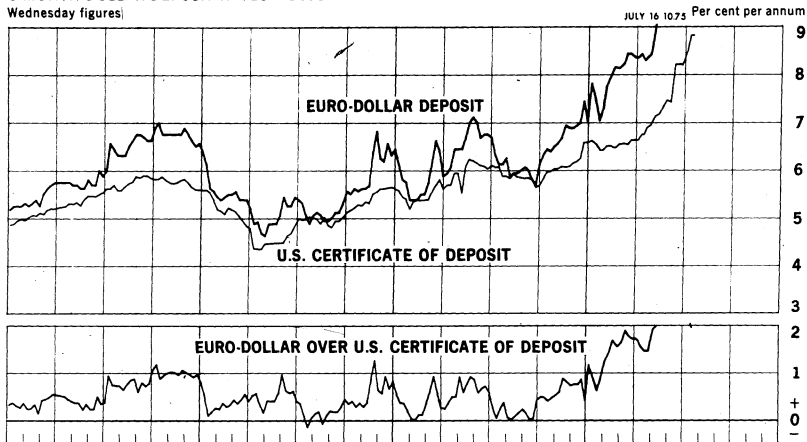
13

Chart 7)

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

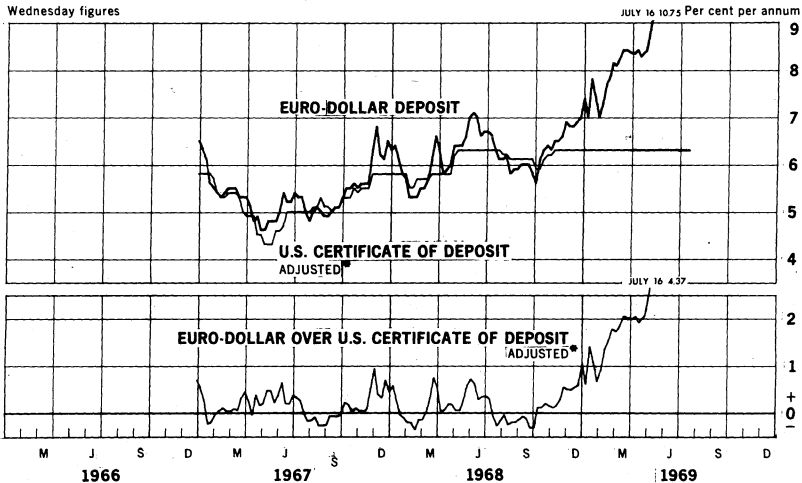
3-MONTH DOLLAR DEPOSIT RATES - SECONDARY MARKET

Wednesday figures



3-MONTH DOLLAR DEPOSIT RATES - PRIMARY MARKET

Wednesday figures



* Adjusted for Reserve Requirement

CHART 8

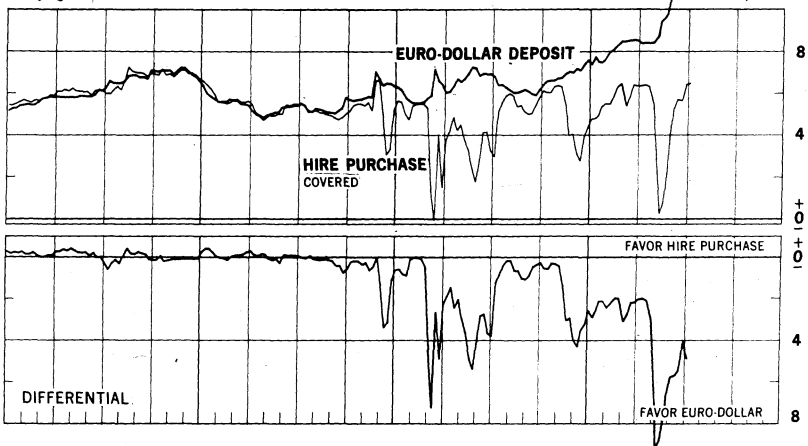
LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

HIRE PURCHASE AND EURO-DOLLAR RATES

Friday figures

JULY 4 11:41

Per cent per annum

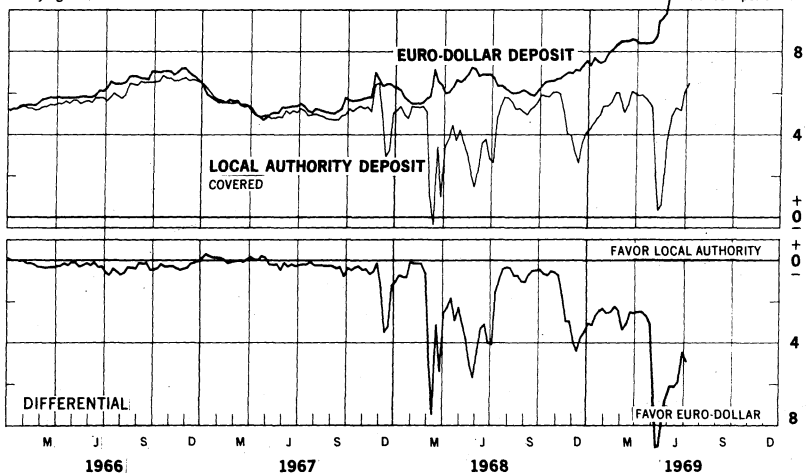


LOCAL AUTHORITY AND EURO-DOLLAR RATES

Friday figures

JULY 4 11:41

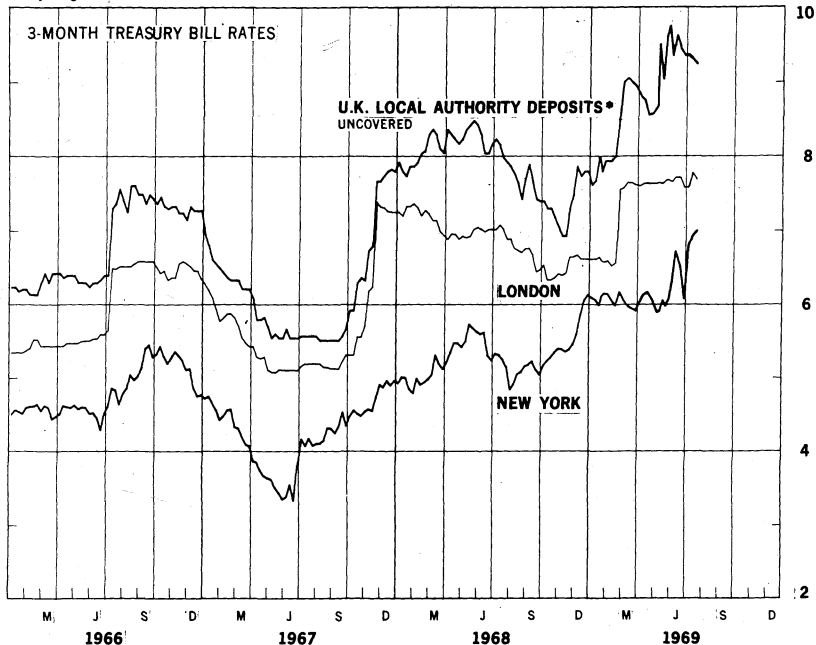
Per cent per annum



INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday's Figures

Per cent per annum

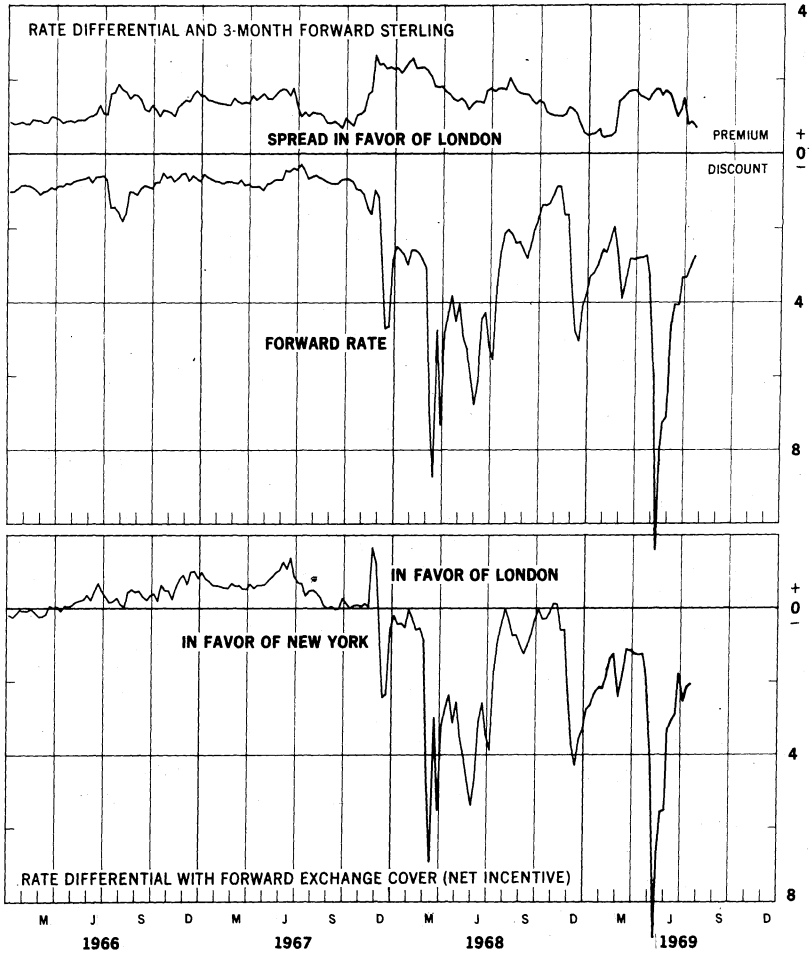


*Plotted for comparison purposes.

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

Per cent per annum



17

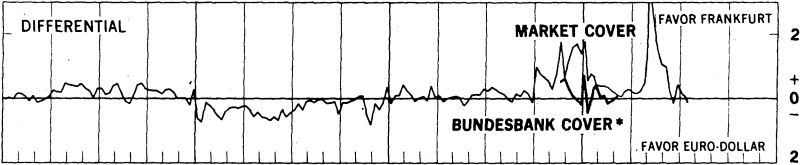
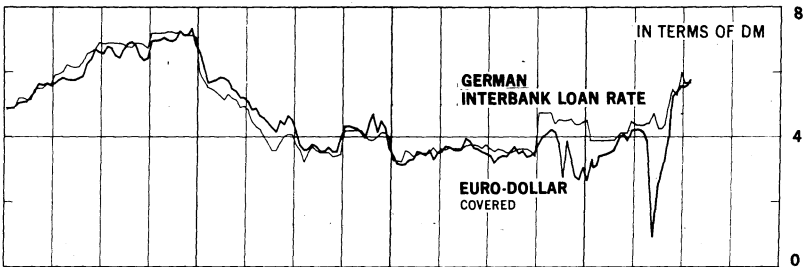
Chart 10

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

FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates

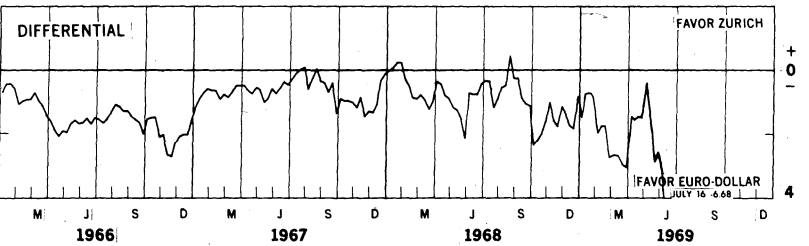
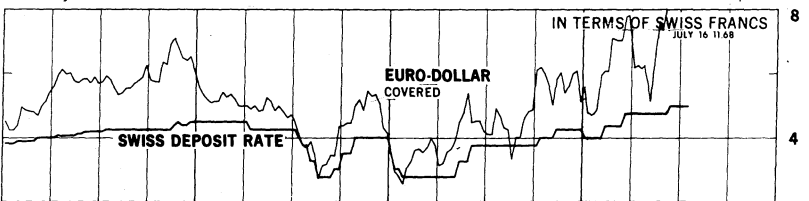
Per cent per annum



ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates

Per cent per annum



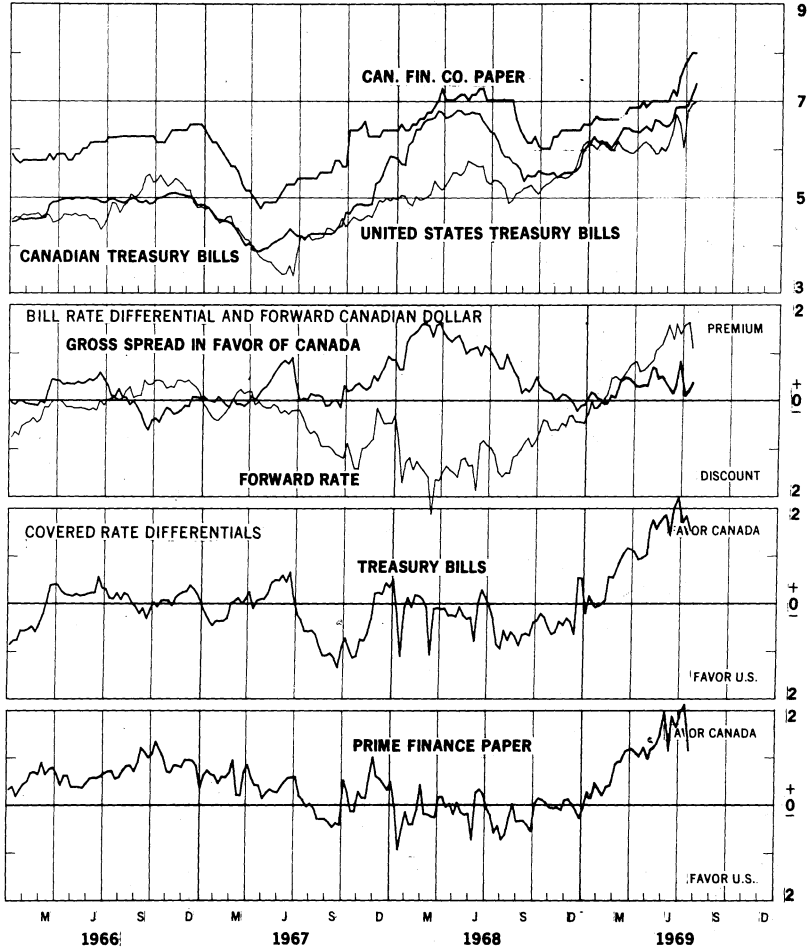
* For details see issue No. 398 dated April 16, 1969

CHART 11

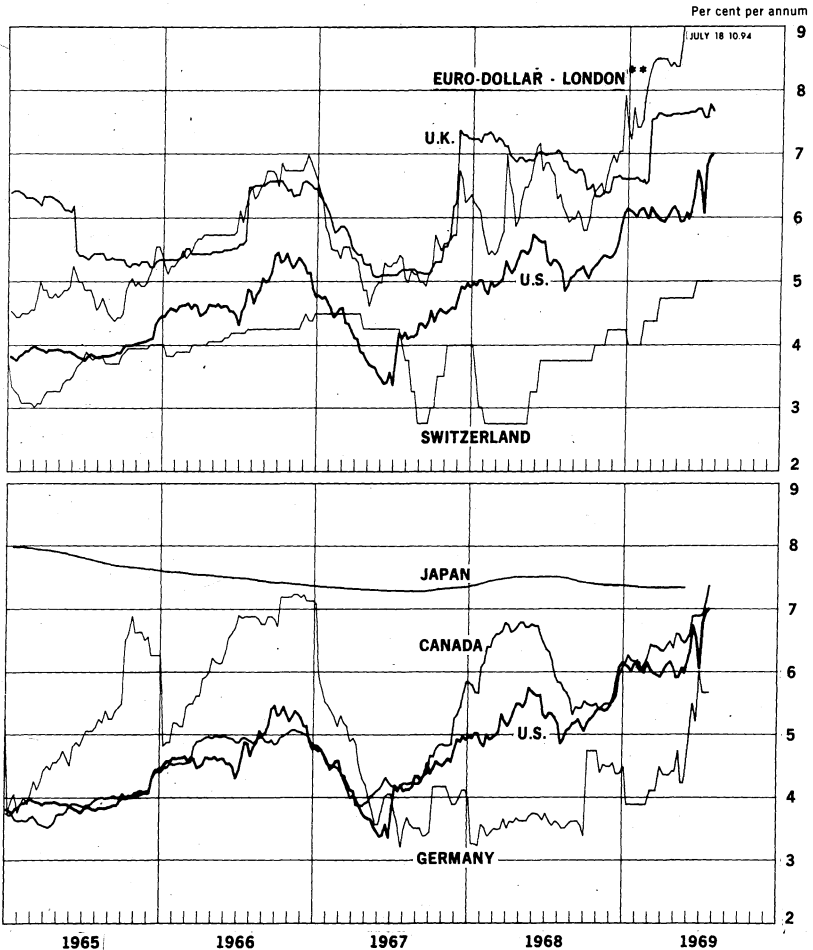
3-MONTH INTEREST ARBITRAGE: UNITED STATES - CANADA

Friday figures.

Per cent per annum



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)

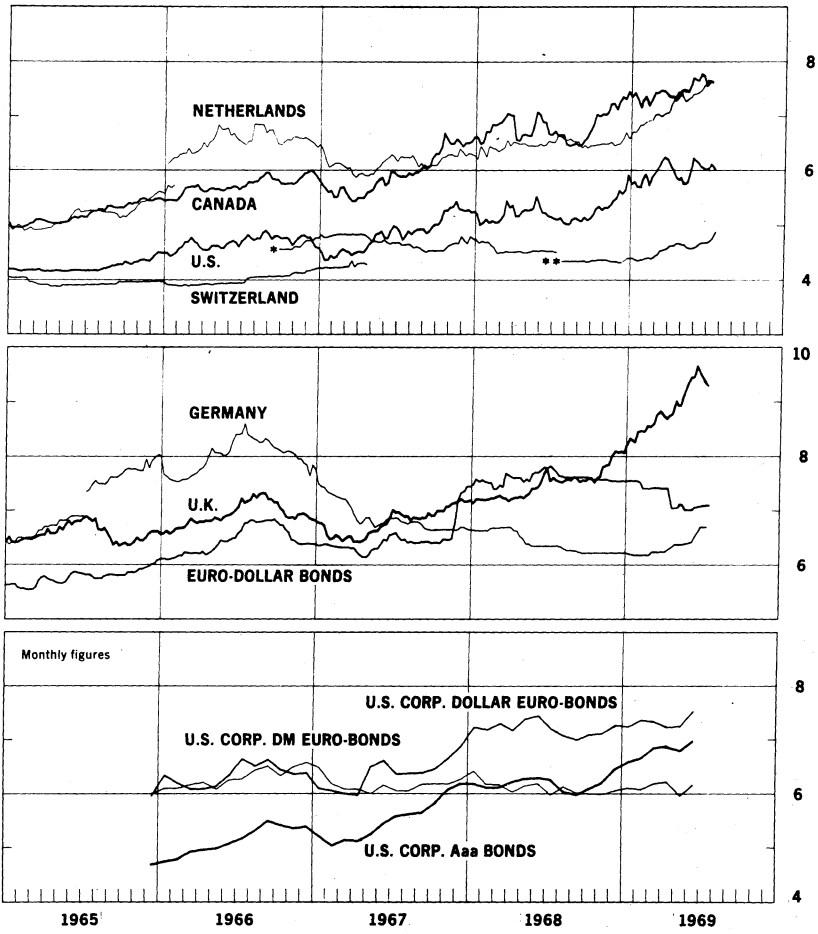
** 3-month rate for U.S. dollar deposits in London.

Chart 13

LONG-TERM BOND YIELDS

Weekly figures

Per cent per annum



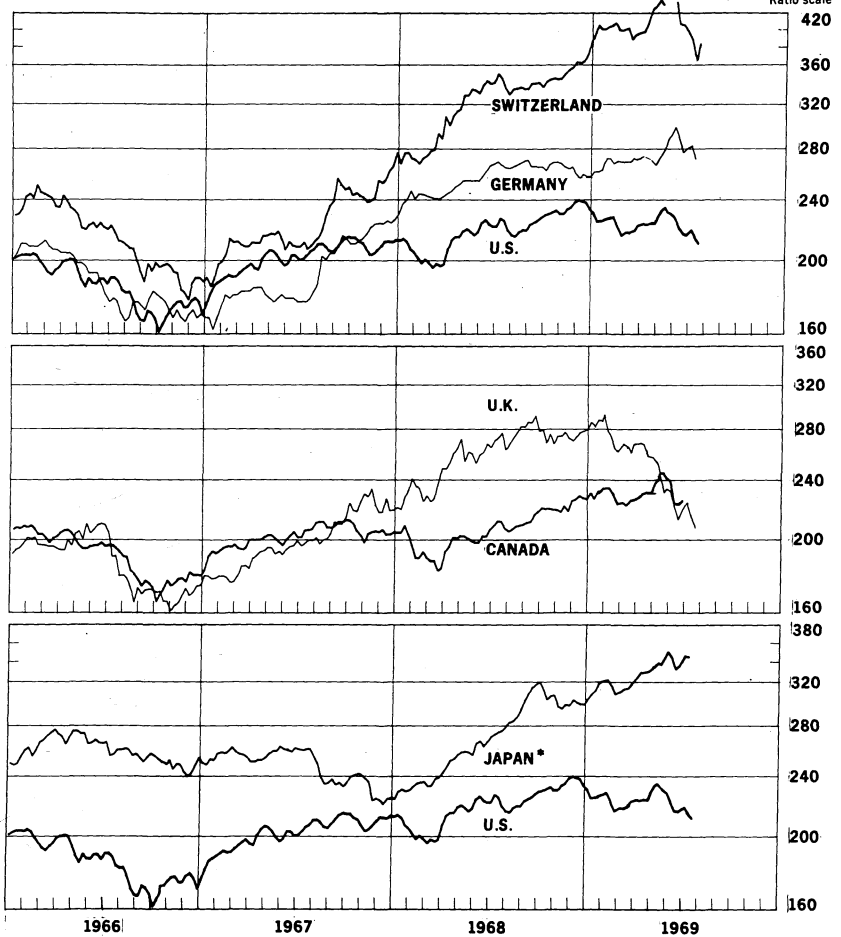
* New series for Switzerland starts 3-3-67.
 ** New series for Switzerland starts 8-2-68.

21

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

22

Chart	Panel	Series	Date	Rate
1A	Upper	Swiss franc	July 18	+1.57
		German mark	"	+0.20
		U.K. pound	"	-0.23
	Lower	Dutch guilder	"	-0.48
		French franc	"	-0.74
		Japanese yen	"	+0.10
1B		Belgian franc	"	-0.55
		Italian lira	"	-0.47
		Canadian dollar	"	+0.01
2	Upper	German mark	"	+5.14
		Swiss franc	"	-0.63
		U.K. pound	"	-2.81
	Lower	Dutch guilder	"	+0.53
		Canadian dollar	"	+1.39
		French franc	"	-3.58
3	Upper	German mark	"	+7.28
		U.S. dollar	"	+2.14
	Lower	Swiss franc	"	+2.31
		French franc	"	-0.44
4		Gold price, U.S. dollar per ounce	"	41.95
5	Upper	Call Euro-\$ deposits	July 16	9.68
		Federal Funds	"	9.23
	Middle	Differential	"	+0.45
	Lower	Japanese Unconditional Money	July 11	7.30
		German Call Money	July 18	6.06
		U.K. 2-day Local Authority Deposits	"	8.06
		French Day-to-day Money	"	9.00

Chart	Panel	Series	Date	Rate
6	Upper	Euro-\$ Call Rate	July 18	9.38
		Euro-\$ 1-month Rate	"	10.62
	Lower	Euro-\$ 3-month Rate	"	10.94
		Euro-\$ 6-month Rate	"	10.88
7	Upper	Euro-\$ 3-month Deposits	July 16	10.75
		U.S. Certificate of Deposits	"	8.81
	Second	Differential	"	+1.94
	Third	Euro-\$ 3-month Deposits	"	10.75
		U.S. Certificate of Deposits (Adj.)	"	6.38
	Fourth	Differential	"	+4.37
8	Upper	Euro-\$ 3-month Deposits	July 4	11.41
		Hire Purchase Deposits (covered)	"	6.50
	Second	Differential	"	-4.91
		Euro-\$ 3-month Deposits	"	11.41
	Third	Local Authority Deposits (covered)	"	6.50
		Differential	"	-4.91
9A		U.S. Treasury Bill rate	July 18	7.00
		U.K. Treasury Bill rate	"	7.68
		Local Authority Deposit (uncovered)	"	9.25
9B	Upper	Spread (+ = favor London)	"	+0.68
		3-month Forward Pound	"	-2.73
	Lower	Net Incentive (+ = favor London)	"	-2.05
10	Upper	Euro-\$ Deposits (covered)	July 16	5.79
		German Interbank Loan rate	"	5.68
	Second	Differential	"	-0.11
	Third	Euro-\$ Deposits (covered)	"	11.68
		Swiss Deposit rate	"	5.00
	Fourth	Differential	"	-6.68

Chart	Panel	Series	Date	Rate
11	Upper	Canadian Finance Paper	July 18	8.00
		U.S. Treasury Bill rate	"	7.00
		Canadian Treasury Bill rate	"	7.39
		U.S. Prime Finance paper (not plotted)	"	7.94
	Middle	Bill rate differential	"	+0.39
		Forward Canadian dollar	"	+1.12
	Lower	Net incentive on bills	"	+1.51
		Net incentive on Finance Paper	"	+1.18
12	Upper	Euro-\$ Deposits	July 18	10.94
		U.K. Treasury Bill rate	"	7.68
		U.S. Treasury Bill rate	"	7.00
		Swiss 3-month Deposit rate	"	5.00
	Lower	Japanese Average rate	May 30	7.36
		Canadian Treasury Bill rate	July 18	7.39
		U.S. Treasury Bill rate	"	7.00
		German Interbank Loan rate	"	5.68
13	Upper	Netherlands	July 4	7.63
		Canada	July 9	7.64
		United States	July 16	6.01
		Switzerland	"	4.89
	Middle	Germany	July 11	6.69
		United Kingdom	July 10	9.30
		Euro-dollar bonds	July 18	7.10
	Lower	U.S. Corp. Dollar Euro-bonds	July 30	7.52
		U.S. Corp. DM Euro-bonds	July 20	6.17
		U.S. Corp. Aaa bonds	June 30	6.98

125
IV - 4

Chart	Panel	Series	Date	Rate
14	Upper	Switzerland	July 18	283.9
		Germany	July 11	271.0
		United States	July 18	211.1
		United Kingdom	"	207.7
	Lower	Japan	July 11	346.3
		Canada	July 4	226.0
		United States	July 18	211.1