

Moore
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CAPITAL MARKET DEVELOPMENTS

Heavy volume of security issues - The volume of large issues offered publicly for new capital was 142 million dollars during the week ending January 28 and was made up of 56 million dollars of State and local government offerings, 50 million of corporate issues, and a 35 million offering by Montreal, Canada. Only 19 million dollars of large offerings are to be floated this week.

February outlook - Total State and local government security issues are estimated at 850 million dollars for February, not much below the December 1954 volume, the largest month on record. Two expected issues account for almost two-thirds of the estimate-- the 390 million dollar Illinois Turnpike Authority issue and the 140 million Sam Houston Company offering. The former, which was previously scheduled for December offering, will be the largest single issue ever floated. The Sam Houston offering had been listed for January sale.

The February corporate estimate for new capital is 350 million dollars, moderately below both the previous month's volume and that of last February. Only one issue over 15 million dollars is currently scheduled for public offering this month.

Bond yields - Yields increased on outstanding corporate Aaa, U. S. Government long-term, and high-grade municipal bonds during the week ending January 28. Corporate Baa yields did not change. Reflecting in part the Treasury's announcement of an offering of 40-year bonds, long-term government bond yields rose moderately on January 30 and 31 but decreased one basis point on February 1.

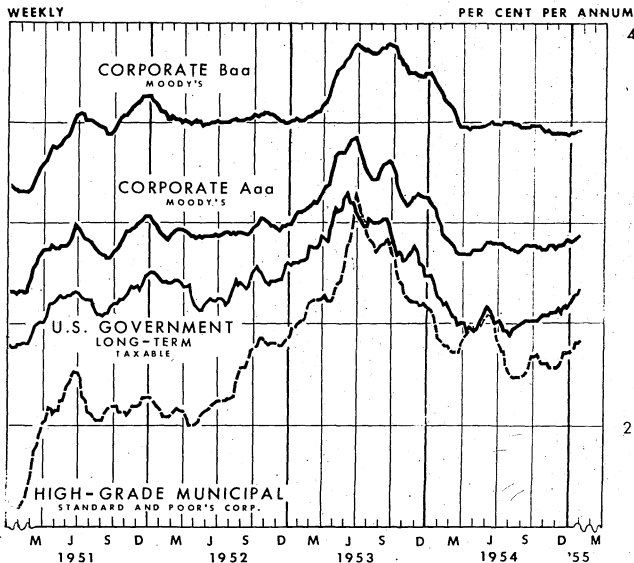
Stock prices - The SEC index of 265 common stocks rose to 221.0, near the all-time high last week. A further increase was indicated by daily indexes on this Monday, but there was a very small decline on Tuesday.

Further details on capital market developments available from exhibits - More detailed information concerning recent capital market developments will be found in the following exhibits which are attached hereto:

- A - Bond Yields
- B - Stock Market
- C - Corporate and State and Local Government Security Offerings and Placements
- D - Large Public Security Issues for New Capital (Other than U. S. Treasury)
- E - Forthcoming Large Public Security Offerings for New Capital (Other than U. S. Treasury)

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BOND YIELDS



Date	Corporate ^{1/}		U. S. Govt. long-term ^{2/}	Spread between Corporate Aaa and U. S. Govt.	High- grade Mun. ^{3/}
	Aaa	Baa			
	(Per cent per annum)				
1952 - High	3.03	3.63	2.79	.37	2.43
Low	2.91	3.48	2.56	.19	2.00
1953 - High	3.42	3.89	3.15	.38	3.11
Low	2.99	3.50	2.74	.19	2.43
1954 - High	3.09	3.74	2.74	.43	2.56
Low	2.85	3.44	2.44	.32	2.23
December 31	2.92	3.44	2.58	.34	2.35
1955 - January 7	2.91	3.45	2.62	.29	2.36
January 14	2.92	3.45	2.64	.28	2.40
January 21	2.93	3.46	2.65	.28	2.40
January 28	2.94	3.46	2.67	.27	2.41

^{1/} Moody's Investors Service; weekly average of daily figures.

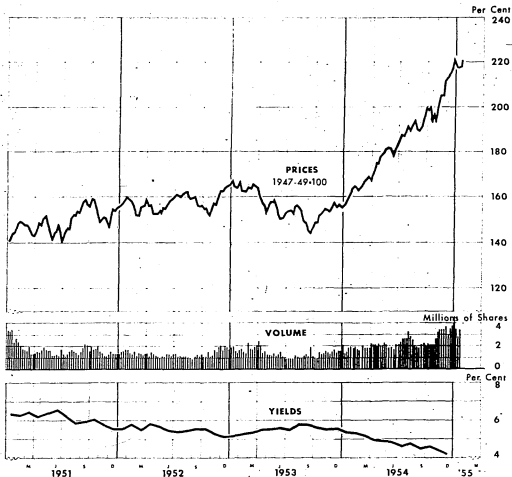
^{2/} Federal Reserve; weekly average of daily figures.

^{3/} Standard and Poor's Corporation; Wednesday figure.

Note.—Highs and lows are for individual series and may be on different dates for different series.

STOCK MARKET

EXHIBIT 6



Date	Stock price index 1/ (1947-49=100)	Trading volume 2/ (millions of shares)	Common stock yields 3/ (per cent per annum)	Customers' debit balances 4/ (millions of dollars)	Bank loans to "others" for purchases of securities 5/ (millions of dollars)
1952 - High	165.3	2.0	5.77	1,328	295
Low	151.7	0.9	5.13	1,241	250
1953 - High	167.1	2.5	5.75	1,665	327
Low	144.0	0.9	5.15	1,314	252
1954 - High	221.4	3.7	5.33	2,388	487
Low	156.5	1.4	4.20	1,653	328
December	216.1	3.5	4.20	2,388	477
1955 - High	221.0	4.6	n.a.	n.a.	483
Low	217.4	2.8	n.a.	n.a.	475
January	218.4	3.6	n.a.	n.a.	480
January 14	217.4	3.5	n.a.	n.a.	483
January 21	217.6	2.8	n.a.	n.a.	475
January 28	221.0	3.4	n.a.	n.a.	481

1/ SEC index of 265 common stocks, weekly closing price, 1939=100; converted to 1947-49=100 by Federal Reserve.

2/ Weekly averages of daily trading volume on New York Stock Exchange.

3/ Moody's 200 common stocks; end of month figures.

4/ End of month figures for member firms of New York Stock Exchange; excludes balances secured by U. S. Government securities.

5/ Wednesday figures for weekly reporting member banks in New York and Chicago; excludes loans for purchase of U. S. Government securities. On March 4, 1953, the last date on which figures for all reporting banks were available, New York and Chicago accounted for 45 per cent of such loans. In the past New York and Chicago loans have fluctuated more than total loans.

n.a.—Not available.

Note.—Highs and lows are for individual series and may be on different dates for different series.

Corporate and State and Local Government
Security Offerings and Placements

(In millions of dollars)

	New capital					
	Corporate			State and local		
	1955	1954	1953	1955	1954	1953
January	e/500	544	623	e/535	396	389
February	e/350	439	623	e/850	411	360
March		660	666		565	426
April		486	779		734	329
May		652	675		748	649
June		859	1,123		853	434
July		898	483		279	519
August		346	325		261	259
September		776	753		649	475
October		895	577		594	453
November		e/300	429		423	408
December		e/750	1,438 ^{1/}		p/862	774
1st quarter		1,643	1,912		1,372	1,176
2nd quarter		1,998	2,578		2,334	1,412
3rd quarter		2,021	1,561 ^{1/}		1,188	1,253
4th quarter		e/1,945	2,444 ^{1/}		p/1,879	1,636
Year		e/7,605	8,495		p/6,773	5,477
	Excluding finance companies ^{2/}					
1st quarter		1,562	1,669			
2nd quarter		1,931	1,991			
3rd quarter		1,941	1,223			
4th quarter		e/1,840	2,344			
Year		e/7,275	7,227			

^{1/} Includes 603 million dollar AT&T debenture issue.^{2/} Total new capital issues excluding offerings of sales and personal finance companies.

e/ Estimated.

p/ Preliminary.

Note.—Details may not add to totals due to rounding.

Large Public Security Issues for New Capital
(Other than U. S. Treasury) 1/

Proceeds of Large Issues Offered

(Millions of dollars)

Month	Corporate	State and local government	Other <u>2/</u>
1954 - January	289	164	119
February	103	213	—
March	160	378	50
April	169	557	—
May	324	557	—
June	350	603	—
July	336	92	—
August	75	86	—
September	335	455	—
October	413	388	—
November	0	268	—
December	94	689	30
1955 - January	141	341	35

Large Individual Issues Offered during January

Issuer	Type <u>3/</u>	Amount (millions of dollars)	Maturity	Coupon rate or net interest cost	Offering yield	Rating
<u>CORPORATE</u>						
Commonwealth Edison	SF Deb.	50.0	2004	3.13	3.13	Aa
Duquesne Light	Common stk.	15.7				
New England Power	1st mtg. bds.	25.0	1985	3.25	3.15	Aa
Marine Midland Corp. of Buffalo	Pfd. stock	20.2				
Consumer Power Co.	1st mtg. bds.	30.0	1990	3.25	3.14	Aa
<u>STATE AND LOCAL GOVERNMENT</u>						
State of California	G.O.	60.0	1957-76 ^{4/}	2.03	0.75-2.20	Aa
Caddo Parish School District, Louisiana	G.O.	5.0	1956-75 ^{5/}	2.27	0.80-2.45	A
Public Housing Auth.	—	118.1	1956-95	2.34	0.75-2.55	—
Los Angeles School Districts, California	G.O.	20.0	1956-80	2.30	0.90-2.50	Aa

Large Individual Issues Offered during January (Cont'd)

Issuer	Type ^{3/}	Amount (millions of dollars)	Maturity	Coupon rate or net inter- est cost	Offering yield	Rating
<u>STATE AND LOCAL GOVERNMENT</u> (Cont'd)						
St. Louis, Missouri	G.O.	11.7	1960-75	1.51	1.25-2.00	Aa
State of Michigan	L.L.	5.0	1956-74	2.09	1.00-2.25	Aa
New York City	G.O.	65.2	1956-80	2.41	1.00-2.80	A
Harris County, Texas	G.O.	16.0	1956-77	2.41	1.00-2.65	A
Philadelphia, Pa.	G.O.	12.0	1957-71	2.30	1.15-2.50	A
Fairfield, Conn.	G.O.	5.0	1956-75	2.05	0.95-2.25	Aa
Southeastern Oakland Co. Water & Power Auth., Mich.	Rev.	5.4	1959-85	2.96	1.60-3.05	A
Los Angeles Dept. of Water & Power	Rev.	18.0	1956-85	2.47	1.00-2.65	Aa
<u>OTHER</u>						
Montreal, Canada	Deb.	35.0	1956-74 2 1/4-3 5/8	2.50-3.65		A

^{1/} Includes corporate and other security offerings of 15 million dollars and over; State and local government security offerings of 5 million and over.

^{2/} Includes foreign government and International Bank for Reconstruction and Development issues.

^{3/} In the case of State and local government securities, G.O. denotes general obligation; Rev., revenue bonds; G.R., general obligations additionally secured by facilities revenues; and, L.L., limited liability obligations secured by pledge of designated revenues.

^{4/} Bonds maturing 1976 not publicly reoffered.

^{5/} Bonds maturing 1974-75 not publicly reoffered.

Forthcoming Large Public Security Offerings for New Capital
(Other than U. S. Treasury) 1/

Expected Proceeds from Forthcoming Large Issues

Date of computation	During month following date shown			Subsequent to date shown		
	Corporate	State and local govt.	Other 2/	Corporate	State and local govt.	Other 2/
1954 - Jan. 29	118	161	—	479	1,660	—
Feb. 26	108	498	50	690	1,916	50
Mar. 31	204	555	—	555	2,789	—
Apr. 30	323	525	27	647	2,322	27
May 28	332	596	—	526	1,971	—
June 30	336	86	—	532	1,524	—
July 30	100	54	—	303	1,553	—
Aug. 31	334	300	—	608	1,876	—
Sept. 30	343	333	—	414	2,158	—
Oct. 29	15	436	—	134	1,957	30
Nov. 30	94	661	30	246	2,682	30
Dec. 31	184	567	—	216	2,144	35
1955 - Jan. 31	16	682	—	422	1,961	—

Forthcoming Large Offerings, as of January 28

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>CORPORATE</u>			
Kansas City Power and Light	1st mtg. bonds	16.0	February 15
General Motors Corp.	Common stock	325.0	March 7
New England Telephone and Telegraph	Common stock	15.8	March
*Pacific Gas and Electric Co.	1st & ref. mtg. bds.	50.0	March
Alabama Power	1st mtg. bonds	15.0	May 31
<u>STATE AND LOCAL GOVERNMENT</u>			
Allegheny County, Pennsylvania	G.O.	7.2	February 1
San Antonio, Texas	G.O.	6.0	February 1
Miami, Florida	L.L.	6.0	February 2
Milwaukee County, Wisconsin	G.O.	15.5	February 7
Long Beach Unified S. D., Cal.	G.O.	16.3	February 8
Florida State Board of Education	L.L.	9.2	February 8
Texas Turnpike Company	Rev.	140.0	February 16
Louisiana State Building Authority	n.a.	9.9	February 17
*Milwaukee, Wisconsin	n.a.	7.8	February 23
Florida State Turnpike Authority	Rev.	74.0	February 28

Forthcoming Large Offerings, as of January 28 (Cont'd)

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>STATE AND LOCAL GOVERNMENT (Cont'd)</u>			
Illinois Turnpike Authority	Rev.	390.0	February
State of Louisiana	n.a.	10.0	March 3
Houston, Texas	n.a.	15.0	March 4
Metropolitan Water Dist. of So. Cal.	G.O.	10.0	March 9
New Jersey Turnpike Authority	n.a.	30.0	Winter
Connecticut Expressway	Rev.	100.0	Winter
Texas Turnpike Authority	Rev.	58.5	Winter
Sam Houston Company	Rev.	150.0	Winter
Los Angeles, California	n.a.	5-10.0	April 6
San Diego County, California	n.a.	8.4	Spring
Inter-American Center Auth., Fla.	Rev.	60.0	Spring
Michigan Turnpike Authority	Rev.	186.0	Spring
State of Louisiana	n.a.	80.0	Spring
Dade County Port Authority, Fla.	Rev.	21.0	1955
Springfield, Illinois	n.a.	9.0	1955
Allegheny County, Pennsylvania Sanitary Authority	Rev.	85.0	1955
California Toll Bridge Authority	Rev.	235.0	1955
Jersey City Sewerage Auth., N. J.	Rev.	16.0	1955
North Carolina Turnpike Authority	n.a.	200.0	1955
<u>OTHER</u>			
None			

1/ Includes corporate and other issues of 15 million dollars and over; State and local government issues of 5 million and over.

2/ Includes foreign government and International Bank for Reconstruction and Development issues.

n.a.--Not available.

*--Included in table for first time.