

Sheet 1.
12/31

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H.14

December 26, 1957

CAPITAL MARKET DEVELOPMENTS

Large public security offerings for new capital during the week ending December 20 totaled \$288 million for corporations (all of it representing the expiration of rights to the Standard Oil of New Jersey common stock) and \$78 million for State and local governments. There are no large corporate issues scheduled for sale this week, and the only large State and local government issue is the \$250 million issue of the Chelan County Public Utility District #1, Washington. It was sold Tuesday to underwriters at a net interest cost of approximately 5.20 per cent. The 55-year issue, which bore a coupon of 5 per cent and is nonrefundable for twenty years, was quickly oversubscribed when offered by underwriters at par. In subsequent trading, the issue was bid at about 104, a yield of about 4.80 per cent.

Bond yields - Bond yields declined sharply further last week and, except for corporate Baa-rated bonds, all yields are within 11 basis points of the year's low.

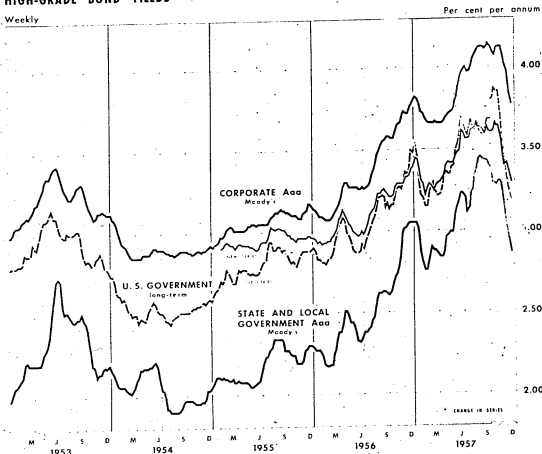
Stock prices - Stock prices as measured by Standard and Poor's index of 500 common stocks declined last week, closing at 39.48 on Friday.

More detailed information concerning recent capital market developments is presented in the attached exhibit.

Business Finance and Capital Markets Section,
Division of Research and Statistics
Board of Governors of the Federal Reserve System.

EXHIBIT A

HIGH-GRADE BOND YIELDS



Date	Corporate Aaa 1/	U. S. Govt., long-term 2/		State and local govt. Aaa 3/	Spread between U. S. Govt. (old series) and Corporate Aaa		State and local Aaa
		Old series	New series		Corporate Aaa	State and local Aaa	
(Per cent)							
1953 - High	3.42 (6/19)	3.15 (6/6)	n.a.	2.73 (6/25)	.38		.30
Low	2.99 (1/9)	2.78 (12/26)	n.a.	1.98 (1/8)	.19		.61
1954 - High	3.09 (1/8)	2.74 (1/9)	n.a.	2.21 (6/10)	.43		.29
Low	2.85 (4/23)	2.44 (8/7)	n.a.	1.90 (9/2)	.32		.70
1955 - High	3.17 (12/23)	2.94 (8/5)	3.03 (8/5)	2.34 (9/8)	.34		.54
Low	2.91 (1/7)	2.62 (1/7)	2.89 (6/10)	2.05 (5/26)	.13		.68
1956 - High	3.79 (12/28)	3.49 (12/21)	3.39 (12/28)	3.05 (12/27)	.44		.32
Low	3.07 (3/2)	2.80 (2/17)	2.92 (2/3)	2.17 (2/23)	.13		.58
1957 - High	4.14 (9/27)	3.87 (10/18)	3.66 (10/18)	3.45 (8/29)	.65		.20
Low	3.66 (4/12)	3.15 (2/8)	3.22 (2/8)	2.76 (2/21)	.20		.27
November 22	4.06	3.50	3.44	3.23	.56		.28
November 29	4.02	3.44	3.40	3.16	.58		.29
December 6	3.97	3.32	3.41	3.03	.65		.31
December 13	3.84	3.25	3.35	2.94	.59		.32
December 20	3.77	3.18	3.29	2.86	.59		

n.a.--Not available.

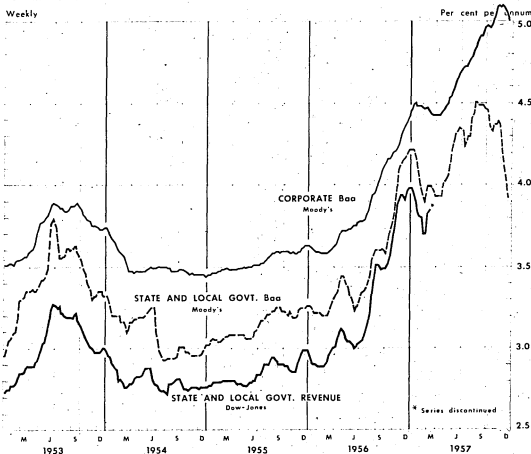
1/ Weekly average of daily figures. Average term of bonds included is 25-26 years.

2/ Weekly averages of daily figures. The old series includes fully taxable, marketable 2 1/2 per cent bonds due or first callable after 12 years through September 1955, and those due or callable in 10-12 years thereafter, including, beginning October 1957, the 4 per cent bond of 1969. The new series is comprised of the 3 per cent bond of 1955 and the 3 1/4 per cent bond of 1978-83.

3/ Thursday figures. Only general obligation bonds are included; average term is 20 years.

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

LOWER - GRADE BOND YIELDS



Date	Corporate Baa ^{1/}	State and local govt. Baa ^{2/}	State and local govt. rev. ^{3/}
	(Per cent)		
1953 - High	3.89 (9/18)	3.79 (6/25)	3.27 (6/26)
Low	3.50 (1/2)	2.96 (1/8)	2.71 (1/2)
1954 - High	3.74 (1/8)	3.32 (1/7)	3.00 (1/1)
Low	3.44 (12/31)	2.93 (8/5)	2.72 (8/13)
1955 - High	3.63 (12/30)	3.26 (12/29)	2.99 (12/30)
Low	3.45 (1/14)	3.02 (1/6)	2.76 (1/7)
1956 - High	4.41 (12/28)	4.22 (12/27)	3.98 (12/28)
Low	3.58 (3/9)	3.20 (3/8)	2.89 (2/24)
1957 - High	5.10 (11/29)	4.51 (8/29)	3.98 (1/4)
Low	4.42 (4/12)	3.90 (2/21)	3.70 (2/22)
November 22	5.09	4.37	^{4/}
November 29	5.10	4.25	
December 6	5.09	4.14	
December 13	5.06	4.03	
December 20	5.00	3.92	

^{1/} Weekly average of daily figures. Average term of bonds included is 25-26 years.

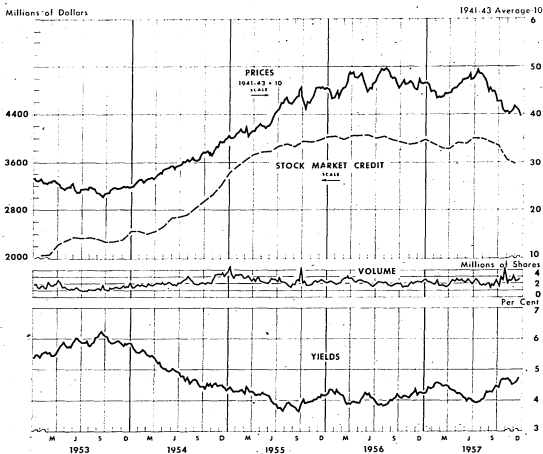
^{2/} Thursday figures. Only general obligation bonds are included; average term is 20 years.

^{3/} Friday figures. Average rating of bonds included is between Baa and A; average term is 20 years.

^{4/} Series discontinued, as of March 15.

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

STOCK MARKET



Date	Stock price index ^{1/}	Trading volume ^{2/} (millions of shares)	Common stock yields ^{3/} (per cent)	Stock market customer credit		
				Total	Customers' debit balances ^{4/}	Bank loans to "others" ^{5/}
(Millions of dollars)						
1953 - High	26.54 (1/2)	2.5	6.25	2,455	1,665	780
Low	22.95 (9/18)	0.9	5.38	2,055	1,314	664
1954 - High	35.98 (12/31)	3.7	5.82	3,436	2,388	1,048
Low	24.93 (1/8)	1.4	4.32	2,405	1,653	746
1955 - High	45.89 (12/9)	4.6	4.42	4,030	2,805	1,241
Low	35.28 (1/14)	1.5	3.64	3,537	2,517	1,018
1956 - High	49.64 (8/3)	3.1	4.35	4,047	2,823	1,267
Low	43.22 (1/20)	1.5	3.82	3,914	2,740	1,155
1957 - High	49.08 (7/12)	4.2	4.72	4,031	2,887	1,163
Low	39.48 (12/20)	1.4	3.91	3,577	2,517	1,054
October	40.43	2.8	4.60	3,643	2,566	1,075
November	40.35	2.5	4.62	3,577	2,517	1,060
December 6	41.31	2.2	4.53	n.a.	n.a.	1,054
December 13	40.73	2.3	4.59	n.a.	n.a.	1,064
December 20	39.48	2.6	4.72	n.a.	n.a.	n.a.

n.a.--Not available.

^{1/} Standard and Poor's composite index of 500 common stocks, weekly closing prices, 1941-43=10. Monthly data are averages of daily figures rather than of Fridays' only. Highs and lows are for Friday's data only.

^{2/} Averages of daily trading volume on the New York Stock Exchange.

^{3/} Standard and Poor's composite stock yield based on Wednesday data converted to weekly closing prices by Federal Reserve.

^{4/} End of month figures for member firms of the New York Stock Exchange which carry margin accounts; excludes balances secured by U.S. Government obligations.

^{5/} Wednesday figures for weekly reporting member banks. Excludes loans for purchasing or carrying U.S. Government securities at banks in New York and Chicago. Weekly reporting banks account for about 70 per cent of loans to others.

For further detail see Bulletin.

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 ^{1/}		
	1957	1956	1955	1957	1956	1955
January	1,063	573	535	742	444	535
February	1,071	712	407	572	686	312
March	1,344	817	1,223	506	390	538
April	924	818	1,178	765	376	427
May	771	1,116	886	546	1,900	350
June	1,189	841	687	395	735	642
July	991	1,063	597	529	1,08	1,70
August	914	654	644	584	206	249
September	973	838	670	430	357	406
October	1,014	745 ^{2/}	1,162 ^{2/}	695	639	919
November	e/900	1,089 ^{2/}	632	621	347	658
December	e/1,000	1,088	900	e/600	100	408
1st quarter	3,479	2,102	2,165	1,820	1,490	1,385
2nd quarter	3,184	2,805	2,052	1,706	1,603	1,416
3rd quarter	2,878	2,556	1,911	1,543	971	1,124
4th quarter	e/2,914	2,922	2,695	e/1,916	1,395	1,984
1st half	6,663	4,907	4,216	3,526	3,093	2,802
Three quarters	9,541	7,463	6,127	5,069	4,064	3,927
Year	e/12,455	10,384	8,821	e/6,985	5,459	5,911
	Excluding finance companies ^{4/}					
1st quarter	3,268	1,647	1,727			
2nd quarter	2,924	2,541	1,870			
3rd quarter	2,560	2,216	1,444			
4th quarter	e/2,764	2,826	2,544			
Year	e/11,516	9,259	7,595			

e/ Estimated.

^{1/} Data through June 1956 are Bond Buyer data classified as new capital by Federal Reserve; later data are from the Investment Bankers Association of America and are somewhat more complete as to coverage than the earlier data, particularly for Federal Government loans.

^{2/} Includes \$637.2 million AT&T convertible debenture issue.

^{3/} Includes \$571.5 million AT&T common stock issue.

^{4/} Total new capital issues excluding offerings of sales and consumer finance companies.

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 2/
1956 - November	701	135	--
December	430	201	--
1957 - January	567	386	100
February	671	306	50
March	788	194	--
April	477	499	125
May	329	248	25
June	877	176	39
July	525	265	25
August	526	357	--
September	537	185	30
October	574	435	75
November	420	386	--

Large Individual Issues Offered December 1 through 20

Issuer	Type 3/	Amount (millions of dollars)	Maturity	Coupon rate or net interest cost	Offering yield	Rating
<u>CORPORATE</u>						
Virginia Elec. & Pwr. Co.	1st&ref.mtg.bds.	20.0	1987	4 1/2	4.47	Aa
Northern Natural Gas Co.	S.F. deb.	25.0	1977	4 5/8	4.63	A
Chesapeake & Potomac Tel. Co. of Maryland	Deb.	30.0	1993	4 1/8	3.98	Aaa
Commonwealth Oil Refining	Conv. sub.deb.	18.5	1972	6	6.00	--
Nat'l. Cylinder Gas Co.	Conv. sub.deb.	17.5	1977	5 1/8	5.33	Ba
Standard Oil Co. of N. J.	Common stk.	288.2				
<u>STATE AND LOCAL GOVERNMENT</u>						
Akron, Ohio	Water rev.	5.0	1959-78	3.36	2.50-3.10	A
Los Angeles Sch. Dists., Calif.	G.O.	15.0	1959-83	3.19	2.35-3.25	Aa
Indianapolis, Ind.	G.O.	5.1	1960-89	2.91	2.25-3.00	Aaa
State of Ohio	G.O.	25.0	1958-77/67	2.65	2.00-2.70	Aaa

Large Individual Issues Offered December 1 through 20 (Cont'd)

Issuer	Type <u>3/</u>	Amount (millions of dollars)	Maturity	Coupon rate or net inter- est cost	Offering yield	Rating
<u>STATE AND LOCAL GOVERNMENT</u> (Continued)						
Greater Baton Rouge Port Comm., Louisiana	Rev.	19.1	1960-77/67	3.36	2.60-3.10	Eaa
Bergen Co., New Jersey	G.O.	7.2	1959-82	2.70	2.10-2.80	Aa
Phoenix, Arizona	Wtr. rev.	16.0	1959-87/68	3.51	2.50-3.50	A
State of Texas	C.O.	12.5	1966-86/67	2.70	2.10-2.70	Aa
Minneapolis and St. Paul Met. Airport Comm., Minn.	G.O.	13.0	1961-88/73	2.79	2.20-2.90	Aa
Atlanta, Georgia	G.O.	15.0	1958-86	2.96	2.00-2.90	Aa
Mobile, Alabama	Wtr. rev.	6.0	1961-91/68	3.93	2.90-4.00	Baa
Richmond, Virginia	C.O.	6.8	1959-78	2.18	2.00-2.50	Aaa
Chicago Bd. of Educ., Ill.	C.O.	25.6	1960-77	3.07	2.50-3.10	A
<u>OTHER</u>						
None						

1/ Includes corporate and other security offerings of \$5 million 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 obligations; Rev., revenue bonds; G.R., general obligations additionally secured by facilities revenues; L.L., limited liability obligations secured by pledge of designated revenues.

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/
1956 - Nov. 30	436	48	23	481	979	23
Dec. 31	476	280	100	796	763	100
1957 - Jan. 31	591	153	35	966	648	35
Feb. 28	740	153	--	795	631	--
Mar. 29	461	290	25	486	862	25
Apr. 30	187	179	25	258	396	25
May 31	525	97	--	525	388	--
June 28	370	172	25	415	498	25
July 31	526	252	--	811	514	--
Aug. 30	578	243	30	845	439	30
Sept. 30	576	370	--	647	587	15
Oct. 31	458	369	30	815	573	45
Nov. 29	383	387	18	1,193	589	63

Forthcoming Large Offerings, as of December 20

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>CORPORATE</u>			
Washington Water Power Company	1st mtg. bds.	20.0	Jan. 10
*Connecticut Lt. & Pwr. Co.	1st mtg. bds.	30.0	Jan. 10
Commerce Oil Refining Corp.	1st mtg. bds.	25.0	Jan.
Commerce Oil Refining Corp.	Sub. deb. & common	20.0	Jan.
*West Virginia Pulp & Paper Co.	Deb.	40.0	Jan.
*Indiana & Michigan Electric Co.	1st mtg. bds.	25.0	Jan.
American Telephone & Telegraph Co.	Conv. deb.	720.0	March 12 (rights expire)
Commercial Credit Co.	Notes	50.0	Winter
Natural Gas Pipeline Co. of America	1st mtg. bds.	40.0	Winter
<u>STATE AND LOCAL GOVERNMENT</u>			
Chelan Co. Pub. Ut. Dist., No.1, Wash	Rev.	250.0	Dec. 24
University of Minnesota	Rev.	5.0	Dec. 30
*Minneapolis-St. Paul Met. Airport Comm., Minn.	G.O.	13.0	Dec. 30

Forthcoming Large Offerings, as of December 20 (Cont'd)

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>STATE AND LOCAL GOVERNMENT (Cont'd)</u>			
Caddo Parish Sch. Dist., La.	G.O.	7.5	Jan. 7
Los Angeles, California	G.O.	25.0	Jan. 7
Dade Co., Florida	G.O.	14.5	Jan. 8
*Des Moines Ind. Sch. Dist., Iowa	G.O.	5.7	Jan. 9
State of New York	G.O.	37.5	Jan. 14
*New York, New York	G.O.	25.5	Jan. 15
State of North Carolina	G.O.	10.0	Jan. 16
Penna. State Highway & Bridge Auth.	Rev.	20.0	Jan. 17
State of California	G.O.	150.0	Jan. 22
*Florida State Board of Education	G.O.	7.9	Jan. 28
Los Angeles, California	Water rev.	9.0	Jan. 29
East Baton Rouge Par. S.D. No.1, La.	G.O.	10.0	Feb. 4
Denver, Colorado	Water rev.	20.0	Feb. 5
*Wichita, Kansas School Dist., No. 1	G.O.	5.0	Feb. 6
New York State Thruway Auth.	Rev.	40.0	Winter
State of Missouri	G.O.	30.0	Winter
Pennsylvania Turnpike Commission	Rev.	62.0	Winter
Inter-American Center Auth., Fla.	Rev.	20.0	Winter
<u>OTHER</u>			
Int'l. Bank for Reconstruction and Development	Bds.	150.0	January
Union of South Africa	Ext. loan bds.	15.0	Winter

*--Included in table for first time.

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

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

Note.--Deletions for reasons other than sale of issue: None.