

FEDERAL RESERVE BANK OF NEW YORK  
NEW YORK 45, N.Y.  
RECTOR 2-5700

REC'D IN RECORDS SECTION  
JUN 26 1958

April 9, 1958

Mr. Winfield W. Riefler, Secretary  
Federal Open Market Committee  
Board of Governors of the  
Federal Reserve System  
Washington 25, D. C.

Dear Win:

Enclosed are several copies of a memorandum containing a review of the high-grade bond markets for the month of March. This memorandum is prepared on a monthly basis, but has thus far been circulated only within this Bank. However, officers of other Reserve Banks who have visited with us in connection with the Emergency Training Program have expressed interest in receiving a copy of the review each month.

We shall be glad to make copies of each review available to others in the System, and shall appreciate hearing from you as to whether the Board or staff would wish to receive this memorandum on a regular basis. We are sending a similar letter to the Presidents of the other Reserve Banks.

Sincerely yours,



Robert G. Rouse, Manager  
System Open Market Account

Enclosures

**OFFICE CORRESPONDENCE**

REC'D IN RECORDS SECTION  
JUN 26 1958  
DATE April 7, 1958

TO Mr. Rouse  
FROM D. Hunter, Securities Department

SUBJECT: Review of High Grade Bond Markets  
Month of March 1958

Copies to Messrs. Roosa, Larkin, Marsh and Stone.

Prices and yields for outstanding long-term high grade bonds held within a fairly narrow range during March but some concession had to be made to distribute new and recent offerings of corporate and municipal bonds. The flow of new issues continued heavy. Slightly over \$1.0 billion of new corporate and municipal issues were offered publicly in addition to the \$718 million American Telephone and Telegraph Company convertible debentures offered to stockholders. Also, there was a sizable carryover of unsold balances from earlier offerings. Roughly \$200 million of corporate issues were undistributed at the beginning of March and Blue List offerings of municipal bonds, consisting mainly of recent issues, were in excess of \$400 million. Early in the month upward yield adjustments of as much as 15 to 20 basis points were necessary to distribute new and recent issues. As the month drew to a close, however, new corporate and municipal bond issues were being offered close to late February levels despite some resistance to this level.

The underlying tone of the bond markets remained relatively steady, influenced to some extent by anticipation of and the actual announcement of the following:

<u>Date Announced</u>	<u>Discount Rate</u>	
March 6, P M.	<u>Discount Rate</u>	reduced from 2 3/4 to 2 1/4 per cent at three Federal Reserve Banks.
March 10	<u>Treasury Financing</u>	Press reports that \$3 billion or more new money will be raised by the Treasury in April.
March 18, P.M.	<u>Reserve Requirements</u>	reduced by 1/2 percentage point.

Selected High-Grade Bond Yields

<u>Corporate Bonds:</u>	Mar. 31	Net change since	
	<u>1958</u>	<u>Feb. 28</u>	<u>Dec. 31</u>
Aaa Utilities (Moody's)	3.67%	+ .03	- .13
Aaa Industrial (Moody's)	3.46	+ .02	- .01
Aaa (Composite) (Moody's)	3.64	+ .03	- .04
Aaa 15 year Eq. Tr. Ctf.	3.75	- .05	- .15
<u>U. S. Treasury Bonds</u>			
3 % - 1995	3.17	- .06	- .04
3 1/2% - 1990	3.33	- .04	
3 1/4% - 1978-83	3.22	- .04	- .02
3 7/8% - 1974	3.27	- .04	-
4 % - 1969	3.07	- .05	- .04
<u>Municipal Bonds (Weekly series)</u>			
High-grade 20 yr. (Dow-Jones)	3.04	- .03	+ .06
11 Issues (Bond Buyer)	2.97	+ .01	+ .12
Aaa 20 yr. bonds (Moody's)	2.79	+ .03	- .05
Aaa 10 yr. State Bds. (Moody's)	2.41	- .01	- .19

U. S. Treasury Bonds

Daily price fluctuations in the intermediate and long-term Treasury bond market did not exceed 3/8 of a point during March. There was some softness in this area at the beginning of the month when pressure developed from selling of these issues to raise funds to take up the new Treasury 3's of 1966 at a time when the bond markets were disturbed by congestion in the corporate and municipal sections. Renewed rumors of a cut in the discount rate soon circulated, however, and bond prices advanced on March 5 and 6. The discount rate reduction announcement late on March 6 failed to sustain the firm tone and prices drifted lower over the next few days mainly in response to further selling by professionals and others to raise cash to pay for the balance of their allotments of the new 3's. Press reports that the Treasury would be coming to the market with a \$3 billion cash offering in early April added to the easier tone, but market opinion subsequently tended toward the view that the Treasury's offering would be confined to the 1 to 5 year area.

Long-term bond prices turned upward on March 12 and moved gradually higher over most of the month strengthened by the expectation that no long-term bonds would be offered by the Treasury at this time. Also, the pervasive effect of easy money, reflected in extensive switching operations designed to lengthen maturities, was an influence. There was no marked response in the Treasury bond market to the announcement on March 18 of the reduction in reserve requirements but bond prices continued to edge upward except for a slight easing on the last day of the month in response to reports that the Treasury financing announcement would be made on Wednesday, April 2.

For the month as a whole prices for long-term bonds advanced  $14/32$  to  $17/32$  points, lowering yields by 4 to 6 basis points except for the long callable  $2\ 1/2$ 's on which yields declined 8 to 10 basis points (see Table I). On March 31, prices for most of the longer-term bonds were at or close to the recent high point (January 13).

#### U. S. Government Agencies

The amount of short-term Government agency issues outstanding was reduced \$125 million in March. The F.I.C.B. raised \$58 million new money with short-term issues, but this amount was more than offset by the cash repayment on March 17 of \$183 million F.H.L.B. debentures. In April, \$200 million maturing F.N.M.A. debentures will be repaid without refunding and a \$200 million maturity of F.H.L.B. debentures will be repaid from the proceeds of the sale of \$290 million 5 year notes (\$91 million new money) on April 1, thereby reducing the outstanding short-term Government agency debt by \$400 million in April.

Short-term issues, reflecting the actual and potential shrinkage in the supply, generally ended the month with yields  $1/4$  to  $3/8$  of a percentage point lower (see Table 2), while yields for intermediate maturities declined by 15 to 21 basis points. Long-term agency, as well as International Bank bonds, showed little change on average.

The only new agency issue publicly marketed during March, \$135 million 9-month F.I.C.B. debentures, went well at a 2.00 per cent yield and this was 45 basis points below a similar offering around the middle of February.

The refunding of agency obligations is expected to continue heavy as the following issues, other than those mentioned above, reach maturity between now and July 1.

(In millions of dollars)

	<u>F.H.L.B.</u>	<u>F.L.B.</u>	<u>F.I.C.B.</u>	<u>F.N.M.A.</u>	<u>Banks for Coop.</u>	<u>Total</u>
May	-	209	73	100	63	445
June	191	-	93	802	-	1,086
July 1	-	-	106	-	-	<u>106</u>
						<u>1,637</u>

#### Corporate Bond Market

There was considerable congestion in the market for new corporate debt issues at the beginning of the month. A flood of new issues was imminent and large blocks of recently marketed bonds, estimated to total at least \$200 million were still "on the shelf". In this atmosphere, a new \$30 million Aaa-rated Baltimore Gas and Electric offering was only about three-quarters sold on March 3 despite a 3.94 per cent reoffering yield, the highest for a comparable new Aaa-rated issue since last December. On the same day investors backed away from a single A-rated \$10 million offering at a 4.25 per cent yield which was roughly one-half percentage point above the January lows. On March 3, and 4 two earlier accounts were closed and free market prices dropped the equivalent of 17 basis points. Nevertheless, underwriters continued to bid aggressively for new issues. On March 4, \$40 million Aa-rated Ohio Edison bonds were awarded at of 100.856 for 4 1/4's, almost 3/4 of a point higher than the second best bid for the same coupon. This was reportedly an extremely wide cover for a Aa-rated bond and the resulting 4.15 per cent yield proved unattractive, about three quarters of the issue was still unsold at the end of the offering day.

The market began to firm on March 5, primarily in response to a \$35 million offering of Aa-rated Union Electric bonds which moved rapidly when priced to yield 4.22 per cent, about 7 basis points more than the Ohio Edison's. Later the same day rumors of a cut in the discount rate added to the developing buying wave.

Over the following two weeks new issues moved well but most of the new offerings reaching the market at that time were of Baa quality and investors tended to show preference for the high yields, irrespective of rating. Buying spilled over into earlier issues, although price concessions had to be made in some cases, and the float was whittled down to a fairly small amount.

The Board's announcement late on March 18 of a reduction in reserve requirements gave the market a psychological boost. Prices were marked higher and underwriters became more aggressive in bidding for new issues. Six underwriter groups bid competitively for \$24 million single A-rated Georgia Power Company bonds on March 20, but the resulting reoffering yield of 4.07 per cent, only about 7 basis points above the going rate for Aa-rated issues, proved unattractive. Lagging interest in this issue and the disclosure of plans for large scale financing operations tended to promote a hesitant tone in the market during the latter part of the month. Prices eased temporarily and investors were hesitant to take up high priced new issues. Two new \$20 million issues were 80 to 90 per cent sold at the time of offering, but on March 31 a cool reception was given to \$30 million Wisconsin Electric Power bonds. The 3.98 per cent reoffering yield on the Aa-rated Wisconsin bonds was slightly below earlier levels.

Prices and yields for high grade corporate bonds show little net change on average for the month as a whole. Gains and losses for seasoned and recently offered bonds generally range from fractions to over 2 points (see Tables 3 and 4). Reoffering yields on new issues, while higher during the month, were also little changed at the end of March from late February levels as indicated by the following:

Reoffering Yields on New Corporate Bonds

<u>Date</u>	<u>Public Utilities</u>			
	<u>Aaa</u>	<u>Aa</u>	<u>A</u>	<u>Baa</u>
1957-Peak	4.86%	5.00%	6.00%	6.09%
1958-Jan. Lows	3.65	3.60	3.80	4.25
Feb. 4 - 20	-	3.80	3.90-3.92	-
" 24 - 28	3.77	3.95-4.00	4.15-4.40	-
Mar. 1 - 6	3.94	4.15-4.22	4.25-4.40	-
" 11 - 18	-	4.00	-	-
" 19 - 31	-	3.98-4.05	4.07-4.10	4.92

Four large corporate issues, totaling \$100 million were postponed in March because of market conditions, although one of these (for \$20 million) was subsequently marketed. About half of the amount postponed represented funds to be used to refund outstanding issues originally offered last year at or near peak rates.

Large Corporate Issues Postponed During March 1958

(Amount in millions)

<u>Date Postponed</u>	<u>Date Scheduled</u>	<u>Amount</u>		<u>Issue</u>
		<u>Total</u>	<u>Refund</u>	
Mar. 7	Mar. 12	\$20*	-	General Telephone Co.
" 10	" 10	20	\$20	Merrimack Essex Elec. Co.
" 14	" 18	30	-	Tennessee Gas Trans.
" 25	" 25	<u>30</u>	30	N. J. Bell Telephone Co.
		\$100		

\* Sold on March 26.

An impressive volume was added to the calendar of scheduled offerings in March as indicated by the following table:

Large New Bond Issues Announced During March 1958

(Amount in millions)

<u>Amount</u>		<u>Company</u>	<u>Type of Issue</u>	<u>Date Scheduled</u>
<u>Total</u>	<u>Refunding</u>			
\$150		Texas Co.	Bonds	*
130	\$70	New York Telephone Co.	Bonds	*
125		Alluminum Co. of America	Bonds	April 10
80	40	American Can Co.	*	April 9
60		Douglas Aircraft Co.	Bonds	*
50		Richfield Oil Corp.	Conv. deb.	April 14 (a)
45	35	New England Tel. & Tel. Co.	Bonds	April 14
40		J. E. Seagram & Sons, Inc.	Bonds	April 9
40		Philadelphia Electric Co.	Bonds	April 29
60		Consumers Power Co.	Bonds	*
<u>\$780</u>	<u>\$145</u>			

\* No date set.

(a) Offered to stockholders - rights expire.

Equipment Trust Certificates

New financing in this market totaled \$19 million during March, raising the first quarter volume to \$86 million, almost identical with the corresponding figure for last year. Buying interest in equipment trust certificates was fairly active during March. No difficulty was experienced in moving short maturities, but investors were slow to take up the longer term certificates and the addition of these to the floating supply of unsold balances of recent offerings raised the total to \$21.5 million, slightly above February 28 levels. So far, approximately \$40 million in new issues are scheduled for April, although half of this consists of a single offering of General American Transportation Corp. certificates.

The imbalance of demand between long and short-term series, was reflected by changes in yields in these areas. A new issue of Aaa-rated Norfolk and Western certificates due in 6 months to 15 years was reoffered at 2.00 to 3.60 per cent as compared with 2.25 to 3.60 per cent for a comparable offering in February. Similarly, yields for outstanding Aaa certificates were reduced sharply in the short-term section moving 30 to 60 basis points lower for 1 to 5 year maturities. Intermediate term certificates were marked 10 to 30 basis points lower (6 to 11 year maturities) and maturities out to 15 years were reduced 5 basis points in yield. The new scale for the 1 to 15 year series now forms a fairly steep upward yield curve ranging from 2.25 to 3.75 per cent (bid).

Municipal Market

The overwhelming supply of new municipal bonds marketed in January and February, when a total of approximately \$1.6 billion was offered, tapered off slightly in March, although the total for the month was about \$1/2 billion. According to the Bond Buyer the underwriting machinery was "strained to the limit" around the beginning of the month. Congestion in the new issue supply had left the market with a record volume of bonds in the "Street" and the Blue List total of advertised inventories was at an all time high of \$417 million, almost \$250 million of which



was in syndicate accounts. Commercial banks had been ready buyers of the shorter-term maturities, but investor buying in the longer maturities--although substantial--was insufficient to absorb the supply and long-term bonds made up a good part of the "Street" supply.

Consequently, the market was on the heavy side at the beginning of March. Early in the month price concessions were necessary to move bonds out of the "Street" and it was reported that, in some cases, funds were raised to take down new issues by the liquidation of outstanding long-term dollar quoted municipals, exerting some pressure on prices for these issues.

The market tone improved somewhat in response to the discount rate announcement late on March 6 and the better feeling was aided by a tapering off in new issue financing. Dealers became more willing to sit with unsold balances, particularly as available new issues began to move swiftly into investment portfolios. Institutional investors were reportedly buyers of tax exempts and commercial banks continued to take down short and intermediate maturities. Altogether, this brought about a slow downward drift in market inventories. An offering of \$20 million Aa-rated Mississippi bonds on March 6 initially met with only fair reception, but was bailed out by the discount rate announcement and less than \$1 million remained in the account the next day.

The volume of financing dropped off over the following two weeks and during this time dealers were able to make some headway in distributing recent offerings. By the end of the third calendar week of March the Blue List total had been reduced to \$325 million, almost \$100 million below the beginning of the month levels.

The announcement on March 19 of the second reduction of a 1/2 percentage point in reserve requirements tended to stabilize the market and dealers became increasingly reluctant to make price concessions to more bonds despite indications

of a continued heavy financing schedule. The 30 day visible supply remained persistently heavy, in excess of \$400 million, as reports continued to reach the market of plans for new offerings. Bonds moved out of recent offerings but at the same time underwriters tended to bid over-optimistically for large new issues and distribution of some of these bogged down after initial sales. Notable examples were the Aa-rated \$32 million Ohio Major Thoroughfare Construction bonds (a special tax fund issue) offered on March 20 and \$49.5 million Aaa-rated New York State bonds on March 25. At the end of the month approximately \$13 million of the Ohio's and \$28 million of the New York State bonds were still "in syndicate". The Blue List total of dealers offerings ended the month only moderately below the March 19 level, standing at \$318 million but it was almost \$100 million below February 28.

Note: Details of the more important security issues which were publicly offered or arranged for private placement during March are given in attached Table 5.

PRICES AND YIELDS ON U.S. GOVERNMENT SECURITIES#

		<u>March 31, 1958</u>		<u>Change since February 28, 1958</u>	
		<u>Price*</u>	<u>Yield</u>	<u>Price*</u>	<u>Yield</u>
<u>Treasury Bills (market bid)</u>					
3 months			1.10%		- .17
<u>Certificates of Indebtedness</u>					
4	% 8/ 1/58	100.28	1.38	- . 8	+ .10
3 3/4	12/ 1/58	101.15	1.53	- . 4	- .06
2 1/2	2/14/59	100.22	1.70	- . 2	-
<u>Treasury Notes and Bonds</u>					
2 3/8	T/B 6/15/58	100.11	.65	+ . 2	- .73
2 7/8	T/N 6/15/58	100.13	.83	- . 1	- .50
2 3/4	T/B 6/15/58 P.	100.13	.71	- . 3	- .28
2 1/4	T/B 9/15/56-59 C.	100.10	1.55	+ . 3	- .29
2 3/8	T/B 3/15/57-59 C.	100.15	1.34	+ . 3	- .33
2 1/2	T/B 12/15/58	100.21	1.56	- . 1	- .05
1 7/8	T/N 2/15/59	100. 7	1.62	+ . 4	- .15
2 1/4	T/B 6/15/59-62	99.12	2.41	+ . 8	- .06
2 1/4	T/B 12/15/59-62	99.16	2.36	+ .10	- .07
3 1/2	T/N 5/15/60	103. 5	1.98	+ .11	- .20
2 1/8	T/B 11/15/60	100. 2	2.10	+ .10	- .12
2 3/4	T/B 12/15/60-65 P.	103. 4	1.56	+ . 4	- .08
4	T/N 8/ 1/61	105. 1	2.42	+ . 3	- .06
2 3/4	T/B 9/15/61	101. 6	2.39	+ .10	- .10
2 1/2	T/B 11/15/61	100. 6	2.45	+ . 9	- .08
3 5/8	T/N 2/15/62	104.12	2.43	+ .14	- .14
2 1/2	T/B 6/15/62-67	98.26	2.64	+ 1. 4	- .15
4	T/N 8/15/62	106	2.54	+ . 1	- .03
3 3/4	T/N 11/15/62	105. 8	2.53	+ .12	- .11
2 1/2	T/B 8/15/63	99.27	2.53	+ .11	- .07
2 1/2	T/B 12/15/63-68	97.30	2.73	+ 1.10	- .14
3	T/B 2/15/64	101.26	2.66	+ .20	- .12
2 1/2	T/B 6/15/64-69	97	2.81	+ 1. 1	- .11
2 1/2	T/B 12/15/64-69	96.26	2.82	+ .30	- .10
2 1/2	T/B 3/15/65-70	96.16	2.85	+ 1. 0	- .10
2 1/2	T/B 3/15/66-71	96. 4	2.86	+ .28	- .08
3	T/B 8/15/66	101. 9	2.83		
2 1/2	T/B 6/15/67-72	95.16	2.89	+ .30	- .08
2 1/2	T/B 9/15/67-72	95.16	2.88	+ 1. 0	- .09
2 1/2	T/B 12/15/67-72	95.16	2.88	+ .30	- .08
4	T/B 10/ 1/69	109	3.07	+ .14	- .05
3 7/8	T/B 11/15/74	107.22	3.27	+ .14	- .04
3 1/4	T/B 6/15/78-83	100.16	3.22	+ .24	- .04
3 1/2	T/B 2/15/90	103.10	3.33	+ .22	- .04
3	T/B 2/15/95	96. 6	3.17	+ 1. 7	- .06

\* Figures after decimals represent 32nds of a point.

# Excludes 1 1/2% conversion notes.

P Partially Tax Exempt.

C Next Call Date Sept. 15, 1958.

PRICES AND YIELDS FOR SELECTED\* U.S. GOVERNMENT AGENCY ISSUES  
(Amounts in millions)

Am't	Issue	March 31, 1958			Net change Since 2/28/58		
		Bid#	Ask#	Yield(a)	Bid#	Yield(a)	
<u>Federal Intermediate Credit Bank-debentures</u>							
\$107	3.65%	10/ 1/58	100.30	101	1.61%	+ .1	-.27
132	3	11/ 3/58	100.23	100.27	1.54	+ .4	-.41
130	2.45	12/ 1/58	100.13	100.16	1.67	+ .4	-.31
135	2	1/15/59W.I.	100. 4	100. 7	1.71		
<u>Federal Home Loan Bank-notes</u>							
\$ 86	3.30	7/15/58	100.15	100.17	1.42%	- .3	+ .03
<u>Federal National Mortgage Association</u>							
\$797	3 5/8%	8/23/60ML	102.18	102.26	2.40%	+ .26	-.43
200	3 1/2	2/13/62	102.18	102.24	2.74	+ .24	-.21
150	3 1/4	3/11/63	101.20	101.24	2.87	+ .30	-.18
100	4 3/8	6/10/65	106 5/8	107 1/8	3.25	+ 3/8	-.07
100	3 5/8	3/11/68	101.12	101.20	3.43	+ .10	-.03
<u>Banks for Cooperatives</u>							
\$ 51	5 %	9/ 2/58	101.10	101.14	1.50%	- .4	-.16
78	2.35	10/ 7/58	100. 8	100.11	1.67	+ .4	-.36
<u>Federal Land Bank-bonds</u>							
\$140	4 5/8%	2/ 2/59	102. 6	102.12	1.74%	-	-.17
83	3 3/8	4/ 3/61	101.24	102	2.68	+ .18	-.20
125	4	5/ 1/62	104	104 1/2	2.82	+ 1/2	-.15
60	4 5/8	7/15/69	109	110	3.54	- 1/2	+ .04
83	3 1/2	4/ 1/70	100 1/8	100 1/2	3.45	+ 1/8	-.02
60	3 1/2	5/ 1/71	99 1/2	100 1/2	3.45	+ 1/8	-.01
110	3 7/8	9/15/72	103	104	3.52	-	-

PRICES AND YIELDS FOR SELECTED INTERNATIONAL BANK BONDS  
(Amounts in millions)

Am't	Issue	March 31, 1958			Net change Since 2/28/58		
		Bid	Ask	Yield(a)	Bid	Yield(a)	
\$100	3 1/2%	1/ 1/69	98	99	3.61%	-	-
60	3 1/2	10/15/71	96 1/2	97 1/2	3.74	- 1/4	+ .03
150	3	7/15/72	91 1/2	92 1/2	3.65	- 1/2	+ .02
100	4 1/2	1/ 1/77	104	105	4.11	- 1/2	+ .03
150	4 1/4	1/15/79	100 3/4	101 3/4	4.12	-	-
75	4 3/4	11/ 1/80	106	107	4.26	- 3/4	+ .04
100	3 1/4	10/ 1/81	89 3/4	90 3/4	3.85	+ 3/4	-.05

Source: First Boston Corp. offering sheets.

\* Generally issues maturing in over 6 months.

(a) Based on offering prices.

# Figures after decimals represent 32nds of a point.

PRICES AND YIELDS ON SELECTED SEASONED HIGH GRADE CORPORATE BONDS

Amt. (In mil.)	Industrials			March 31, 1958			Net change Since 2/28/58	
				Bid	Ask	Yield(a)	Price	Yield
\$ 53	Texas Corp.	3	%-65	98 1/2	99 1/2	3.08%	- 1/4	+.04
40	Pittsburgh P. Glass	3	-67	98 1/2	99 1/2	3.06	+ 1/2	-.07
125	Shell Union Oil	2 1/2	-71	90 1/4	91 1/4	3.34	- 1/4	+.01
150	Standard Oil-N.J.	2 3/4	-74	90 1/2	92	3.39	-	+.01
94	Socony Vacuum Oil	2 1/2	-76	87 1/2	88 1/2	3.35	- 1/2	+.08
300	General Electric Co.	3 1/2	-76	98 7/8	99 3/8	3.55	- 3/8	+.03
300	General Motors Corp.	3 1/4	-79	96	96 3/4	3.47	-	+.02
55	Atlantic Refining	3 1/4	-79	97	98	3.38	+1	-.07
100	*Aluminum Co. of Amer.	3	-79	91 1/2	93	3.47	-	-
60	*Borden Co.	2 7/8	-81	90	92	3.38	-	-
100	*Continental Oil	3	-84	90	91 1/2	3.50	-	+.04
	<u>Utilities</u>							
108	*So. Cal. Edison	3	-65	98	98 3/4	3.20	+ 1/4	-.03
65	Phila. Electric	2 3/4	-67	95 1/2	96 1/2	3.17	+ 1/2	-
50	Clev. Elec. Illum.	3	-70	96	97	3.30	+1	-.10
113	*Consumers Power	2 7/8	-75	89 1/2	91	3.57	-1 1/2	+.12
155	Commonwealth Edison	3	-77	91	93	3.51	-2 1/2	+.11
75	Duquesne Light Co.	2 3/4	-77	87	89	3.54	-2	+.16
50	Illinois Bell Tel.	2 3/4	-81	85	87	3.58	-1	+.06
44	Cons. Gas Balt.	2 7/8	-81	87	88 1/2	3.62	-1	+.11
90	N.Y. Telephone Co.	3	-81	88	90	3.64	-1	+.07
75	Southwestern Bell Tel.	2 3/4	-85	82	84	3.68	-4	+.24
200	*Amer. Tel. & Tel.	2 7/8	-87	84 1/2	85 1/2	3.69	- 1/2	+.03
75	South. Bell. Tel.	2 3/4	-85	84	86	3.56	-1	+.06
75	Mich. Bell Tel.	3 1/8	-88	89	91	3.62	-	-
67	*Pac. Tel. & Tel.	3 5/8	-91	95	97	3.78	-2	+.08
	<u>Railroads</u>							
81	Union Pacific	2 1/2	-91	75 1/2	77 1/2	3.68	-3 1/2	+.21
151	Atch. Top. & S.F.-Gen.	4	-95	102 3/4	103 1/2	3.82	-1 1/4	+.07
34	Norfolk & Western	4	-96	105 3/4	-	3.72	+ 1/4	-.01

Source: First Boston Corp. and Salomon Bros. & Hutzler.

\* Rated Aa by Moody's - all other issues listed above are rated Aaa.

(a) Based on offering prices.

Federal Reserve Bank of New York  
Securities Department

NEW SECURITY ISSUES - MARCH 1958  
(Amounts in millions)

le 5

PRIVATE PLACEMENTS

<u>Date</u> <u>Announced</u> <u>-1958-</u>	<u>Amount</u>	<u>Issue</u>	<u>Placed With</u>
Mar. 3	\$10	Kimberly-Clark Corp.-note-1967 (Refunding)	
6	20	Yankee Atomac Electric Co.-1st. mtge. bds.	Life Insurance Cos.
7	15	General Baking Co.-prom. notes	Institutional investors
13	30	Union Bag-Camp Paper Co.-loan	Equitable Life Assur. Society
13	50	Bell Telephone Co. of Canada-bds.	Institutional investors

PUBLIC OFFERINGS

<u>Date</u>	<u>Moody's</u> <u>Rating</u>	<u>Am't</u>	<u>Issue</u> <u>Corporate - Non-convertible Bonds</u>	<u>Call</u> <u>Prov. #</u>	<u>*Awarded</u> <u>@</u>	<u>*Reoffered @</u> <u>Price Yield</u>	<u>Initial</u> <u>Reception</u>
Mar. 3	A	\$10	Iowa Public Service Co.-1st. mtge.	4 1/4%-1988	105	99.02 100	4.25% 1/3 sold.
3	Aaa	30	Baltimore Gas & Electric Co.-1st.& ref.	4 - 93	106.14	100.31 101.134	3.94 3/4 " .
4	Aa	40	Ohio Edison Co.-1st. mtge.	4 1/4 - 88	105.96	100.86 101.706	4.15 Slow; all sold 3/5.
5	Aa	35	Union Electric Co.-1st. mtge.	4 3/8 - 88	107	101.74 102.623	4.22 Well received.
6		5	Virginia & Southwest Rwy. (gtd.)	4 1/4 - 83		98.80 100	4.25 " " .
6	A	30	Columbia Gas System Inc.-deb.	4 3/8 - 83	104	98.82 99.623	4.40 " " .
11	Aa	8	Indianapolis Power & Light Co.-1st. mtge.	4 1/8 - 88	106.30	101.39 102.172	4.00 About 80% sold. .
11	Baa	20	Sylvania Electric Products, Inc.-deb.	4 3/4 - 80	1963	100 100	4.75 Well received.
11	Baa	30	Mississippi River Fuel Corp.-deb.	4 3/4 - 78	1963	100 100 1/2	4.71 85% sold.
12	Baa	16	Chicago, R.I. & Pacific R.R.-1st. mtge.	5 1/2 - 83	107	98.129 100	5.50 All sold.
18	Aa	20	Carolina Power & Lt. Co.-1st. mtge.	4 1/8 - 88	106.3	101.51 102 1/2	4.00 Well received.
19	Baa	25	Texas Eastern Trans. Corp.-1st. mtge.	4 7/8 - 78	1963	99 1/2	4.92 All sold.
20	A	24	Georgia Power Co.-1st. mtge.	4 1/8 - 88	105.1	100.06 100.947	4.07 Slow.
24	Aa	20	Florida Power & Lt. Co.-1st. mtge.	4 1/8 - 88	105.42	100.609 101.295	4.05 80% sold.
26	A	20	General Telephone Co.-1st. mtge.	4 1/8 - 88	1963	99.599 100.429	4.10 90% sold.
30	Aa	30	Wisconsin Electric Pr. Co.-1st. mtge.	4 1/8 - 88	106.66	101.699 102.526	3.98 Slow.

# Current call price or first date issue can be refunded.  
\* Approximate.

NEW SECURITY ISSUES: - (Continued)

<u>Date</u>	<u>Moody's Rating</u>	<u>Am't</u>	<u>Issue</u>	<u>*Awarded @</u>	<u>*Reoffered @</u>		<u>Initial Reception</u>
					<u>Price</u>	<u>Yield</u>	
<u>Corporate-Convertible Debentures</u>							
Mar. 5		\$ 9	Iowa Illinois Gas & Elec. Co.	3 1/4-1963	99.54	100 1/2	3.19%
6		40	Clin Mathieson Chemical Corp.	5 1/2 - 83R		100	5.50
11	Ba	20	Sylvania Electric Products, Inc.	4 1/2 - 83		100	4.50
12E	Aa	718	American Tel. & Tel. Co.	4 1/4 - 73		100	4.25
							Quoted 102-102 1/2.
							Quoted 102 1/4-102 1/2.
							99.7% subscribed for.
<u>Equipment Trust Certificates</u>							
Mar. 12	Aaa	\$4.7	Norfolk & Western Rwy.	3 1/4 1/2 to 15 yrs.	3.51%	2.00 to 3.60	About 1/2 sold.
26	Aa	1.9	Texas Pacific Rwy.	3 1 to 10 yrs.		2.00 to 3.50	
26	Aa	4.8	Chicago, Burlington & Quincy R.R.	3 1/2 1/2 to 15 yrs.		1.75 to 3.65	
27	Aa	7.7	Louisville & Nashville R.R.	3 3/8 1/2 to 15 yrs.	3.55%	2.00 to 3.65	Good.
<u>Stock Issues</u>							
Mar. 3E		\$12	Shell Transport & Trading Co. Ltd.-(818,000 shs.) common		15.40		
5		25	Public Service Electric & Gas Co. (250,000 shs.) 5.05% cum. pfd.		102	4.95	85% sold.
11		13	Cincinnati Gas & Electric Co. (130,000 shs.) 4 3/4% cum. pfd.		100	4.75	Quoted 101-102.
18		20	Tennessee Gas Trans. Co. (200,000 shs.) 5.16% cum. conv. pfd.		100	5.16	About 90% sold.
26E		13	Cincinnati Gas & Electric Co. (450,923 shs.) common		28 1/2		
31		21	General Telephone Co. (500,000 shs.) common		42 7/8		Well received.
<u>U.S. Government Agencies</u>							
Mar. 20		\$135	Federal Intermediate Credit Bank deb. 2% - 1/5/59		100	2.00	(\$58 million new money.)
20		9	" " " " " 3.65-10/1/53(a)		100	27/32 1.95	

\* Approximate.  
 E Rights expired.  
 R Refunding.  
 (a) Outstanding issue-reopened.

NEW SECURITY ISSUES -- (Continued)

<u>Date</u> -1958-	<u>Moody's</u> <u>Rating</u>	<u>Am't</u>	<u>Issue</u>		<u>*Awarded</u> <u>@</u>	<u>*Reoffered @</u> <u>Price Yield</u>	<u>Initial</u> <u>Reception</u>
<u>Municipal Bonds</u>							
Mar. 3	Ba	\$40	Los Angeles Metrop. Transit Auth.--	1961-70 & 83	5.97%#	3.75-5.25&5.75%	Well received.
4	A	20	Seattle, Wash. Water Rev.	1960-88	3.63%	1.75-3.75%	\$3.0 million unsold.
5	A	13	Miami, Fla.	1960-88	3.11%	1.80-3.60(to 1978)	1% bonds of 1979-88 not reoffered-
6	Aa	20	Mississippi-School	1959-73	2.68%	1.10-2.90%	\$3.0 mil. unsold. \$1.0 million unsold after fair start.
11	A	15	Newark, N.J.-Var. purpose G.O.	1959-78	3.09%	1.30-3.35%	About 1/2 sold.
18	Aa	10	Milwaukee, Wisc.-water rev.	1959-86	3.12%	1.25-3.25%	All sold.
19	A	8	West Virginia-Veterans bonus	1959-68	2.38%	1.10-2.60%	\$3 million unsold.
20	Aa	32	Ohio - Major Thoroughfare	1958-72	2.56%	1.00-2.80%	\$15 million unsold.
25	Aa	12	Orlando Utilities Com. Fla.-Rev.	1961-84	3.21%	1.70-3.30%	\$7.9 million unsold.
25	Aaa	49	New York State-Var. purpose G.O.	1959-78	2.41%	.90-2.70%	\$32.0 million unsold.
26	A	7	Louisiana-highway	1963-93	3.34%	2.00-3.50(1992)&3.90% (1% <del>-1993</del> )	\$2.0 million unsold.
27	Aaa	10	Buffalo, N.Y.	G.O. 1959-73		.85-2.60	\$2.5 million unsold.

Federal Reserve Bank of New York,  
Securities Department,  
March 31, 1958.

\* Approximate.  
G.O. General obligations.  
# Negotiated with underwriters.