CAPITAL MARKET DEVELOPMENTS ABROAD

I. Nine Charts on Financial Markets Abroad

II. Latest Figures Plotted in H.13 Chart Series, 1964

I. Nine Charts on Financial Markets Abroad

- Chart 1 - International Money Market Yields for U.S. Dollar Investors
- Chart 2 - Interest Arbitrage, United States/Canada
- Chart 3 - Interest Arbitrage, New York/London
- Chart 4 - Interest Arbitrage for German Commercial Banks
- Chart 5 - Short-term Interest Rates
- Chart 6 - Long-term Bond Yields
- Chart 7 - Industrial Stock Indices
- Chart 8 - Spot Exchange Rates - Major Currencies Against U.S. Dollar
- Chart 9 - 3-month Forward Exchange Rates

OFFICIAL USE ONLY
(Decontrolled after 6 months)
Chart 3
INTEREST ARBITRAGE, NEW YORK/LONDON
Friday figures

3-MONTH TREASURY BILL RATES

RATE DIFFERENTIAL AND 3-MONTH FORWARD STERLING

RATE DIFFERENTIAL WITH FORWARD EXCHANGE COVER
Chart
INTEREST ARBITRAGE FOR GERMAN COMMERCIAL BANKS

Friday figures

3-MONTH TREASURY BILLS, INTERBANK LENDING RATE AND EURO-DOLLAR DEPOSIT RATES

GERMAN INTERBANK LOAN RATE
EURO-DOLLAR LONDON
GERMAN TREASURY BILLS

RATE DIFFERENTIAL AND FORWARD DEUTSCHE MARK

SPREAD IN FAVOR OF FRANKFURT:
FOREWARD RATE DISCOUNT (−)
INTERBANK LOAN RATE
TREASURY BILLS

RATE DIFFERENTIAL WITH FORWARD EXCHANGE COVER

NET INCENTIVE: IN FAVOR OF FRANKFURT (+)
INTERBANK LOAN RATE
TREASURY BILLS

1962 1 5 9 D 1963 1 5 9 D 1964 1 5 9 D
Chart 7

INDUSTRIAL STOCK INDICES

1958 = 100

- SWITZERLAND
- GERMANY
- U.K.
- U.S.
- JAPAN
- CANADA

100

1961  1962  1963  1964

New series: Swiss Bank Corporation industrial stock index

Japanese index of 225 industrial and other stocks traded on the Tokyo exchange.
Chart 3

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

<table>
<thead>
<tr>
<th>Currency</th>
<th>1963</th>
<th>1964</th>
<th>1965</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swiss Franc</td>
<td>Above par</td>
<td>Above par</td>
<td>Above par</td>
</tr>
<tr>
<td>German Mark</td>
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<td>Below par</td>
<td>Below par</td>
</tr>
<tr>
<td>U.K. Sterling</td>
<td>Above par</td>
<td>Above par</td>
<td>Above par</td>
</tr>
<tr>
<td>French Franc</td>
<td>Below par</td>
<td>Below par</td>
<td>Below par</td>
</tr>
<tr>
<td>Belgian Franc</td>
<td>Below par</td>
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<tr>
<td>Dutch Guilder</td>
<td>Below par</td>
<td>Below par</td>
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<tr>
<td>Italian Lira</td>
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<tr>
<td>Canadian Dollar</td>
<td>Below par</td>
<td>Below par</td>
<td>Below par</td>
</tr>
<tr>
<td>Japanese Yen</td>
<td>Below par</td>
<td>Below par</td>
<td>Below par</td>
</tr>
</tbody>
</table>

Par cent
Above par
Below par

http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis
Chart 9
3-MONTH FORWARD EXCHANGE RATES
Friday figures
AGAINST U.S. DOLLARS

AGAINST POUND STERLING - LONDON.

AGAINST POUND STERLING - LONDON.
II. Latest Figures Plotted in H.13 Chart Series, 1964

Chart 1

Upper panel

(Wednesday, October 14)

Euro-$ deposit  4.50
U.S. certif. of deposit  3.94

Lower panels

(Friday, October 16)

Treasury bills: U.S.  3.56
U.K.  3.56
Canada  3.49
Finance Co. paper: U.S.  3.88
Canada  4.20
Hire-purchase paper, U.K.  4.15

Chart 2

(Friday, October 16)

Treasury bills: Canada  3.60
U.S.  3.56
Spread favor Canada  +0.04
Forward Canadian dollar  -0.14
Net incentive (Canada +)  -0.10

Chart 3

(Friday, October 16)

Treasury bills: U.K.  4.59
U.S.  3.56
Spread favor U.K.  +2.03
Forward pound  -0.96
Net incentive (U.K. +)  +0.07

Chart 5

(Friday, October 16, except as noted)

Treasury bills:

U.S.  3.56
U.K.  4.59
Germany  2.63
Canada  3.60
Swiss 3-month deposits (Date: Sept. 15)  3.19
Euro-$ deposit (London)  4.50
Japan: composite rate (Date: June 26)  7.979

Chart 6

Bonds:

U.S. govt. (Wed., October 14)  4.20
U.K. war loan (Thurs., October 15)  6.23
German Fed. Railway (Fri., October 16)  6.36
Swiss Confederation (Fri., October 2)  4.10
Canadian govt. (Wed., October 14)  5.20
Netherlands govt. perpetual (Fri., October 9)  4.81

For description and sources of data see special annex to H.13 Number 164, September 23, 1964.