CAPITAL MARKET DEVELOPMENTS ABROAD

I. Nine Charts on Financial Markets Abroad
II. Latest Figures Plotted in H.13 Chart Series, 1965

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 six months)
Chart 2.
INTEREST ARBITRAGE, UNITED STATES/CANADA
Friday figures.

3-MONTH TREASURY BILL RATES

UNITED STATES

CANADA

RATE DIFFERENTIAL AND FORWARD CANADIAN DOLLAR

SPREAD IN FAVOR OF CANADA

FORWARD RATE

RATE DIFFERENTIAL WITH FORWARD EXCHANGE COVER (NET INCENTIVE)

IN FAVOR OF CANADA

IN FAVOR OF UNITED STATES

Per cent per annum.

1962 1963 1964 1965

* Thursday figures 1962, Friday thereafter.
Chart 4

INTEREST ARBITRAGE FOR GERMAN COMMERCIAL BANKS

Friday Figures

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

GERMAN INTERBANK LOAN RATE

GERMAN TREASURY BILLS

EUR-DOLLAR LONDON

Rate Differential and Forward Deutsche Mark

INTERBANK LOAN RATE

SPREAD IN FAVOR OF FRANKFURT

TREASURY BILLS

PREMIUM

DISCOUNT

Rate Differential with Forward Exchange Cover (Net Incentive)

INTERBANK LOAN RATE

TREASURY BILLS

IN FAVOR OF FRANKFURT

IN FAVOR OF LONDON EURO-DOLLARS

1963 1964 1965
Chart 5
SHORT-TERM INTEREST RATES

- 3-month treasury bill rates for all countries except Japan and Switzerland (3-month deposit rate)
- Average rate on bank loans and discounts
- 3-month rate for U.S. dollar deposits in London

INDUSTRIAL STOCK INDICES

- New series: Swiss Bank Corporation industrial stock.
- Japan: Index of 225 industrial and other stocks traded on the Tokyo exchange.
Chart 6
SPOT EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.S. DOLLAR

- Swiss Franc
- German Mark
- U.K. Sterling

- French Franc
- Belgian Franc
- Dutch Guilder

- Italian Lira
- Canadian Dollar
- Japanese Yen
### II. Latest Figures Plotted In H.13 Chart Series, 1965

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<th>Chart 1</th>
<th>Per cent per annum</th>
<th>Chart 5</th>
<th>Per cent per annum</th>
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<tbody>
<tr>
<td><strong>Upper panel</strong>&lt;br&gt;(Wednesday, Jan. 20)</td>
<td></td>
<td><img src="chart1.png" alt="Image" /></td>
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<tr>
<td>Euro-§ deposit</td>
<td>4.14</td>
<td>Treasury bills:&lt;br&gt;U.S.</td>
<td>3.81</td>
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<td>U.S. certif. of deposit</td>
<td>4.11</td>
<td>U.K.</td>
<td>6.41</td>
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<td><strong>Lower panels</strong>&lt;br&gt;(Friday, Jan. 22)</td>
<td></td>
<td>German</td>
<td>—</td>
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<tr>
<td>Euro-§ deposit (London)</td>
<td>4.14</td>
<td>Canada</td>
<td>3.63</td>
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<tr>
<td><strong>Chart 2</strong>&lt;br&gt;(Friday, Jan. 22)</td>
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<tr>
<td>Treasury bills: U.S.</td>
<td>3.81</td>
<td>Bonds:&lt;br&gt;U.S. govt.&lt;br&gt;(Wed., Jan. 20)</td>
<td>4.18</td>
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<td>U.K.</td>
<td>3.85</td>
<td>U.K. war loan&lt;br&gt;(Thurs., Jan. 14)</td>
<td>6.50</td>
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<tr>
<td>Canada</td>
<td>3.50</td>
<td>German Fed. Railway&lt;br&gt;(Fri., Jan. 22)</td>
<td>6.42</td>
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<td>Finance Co. paper: U.S.</td>
<td>4.12</td>
<td>Swiss Confederation&lt;br&gt;(Fri., Jan. 15)</td>
<td>4.01</td>
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<td>Canada</td>
<td>4.15</td>
<td>Canadian govt.&lt;br&gt;(Wed., Jan. 20)</td>
<td>4.98</td>
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<td>Hire-purchase paper, U.K.</td>
<td>4.50</td>
<td>Netherlands Government&lt;br&gt;Perpetual&lt;br&gt;(Thurs., Jan. 8)</td>
<td>4.93</td>
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<td>4.98</td>
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<td><strong>Chart 3</strong>&lt;br&gt;(Friday, Jan. 22)</td>
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<td>* Germany (Fri., January 15)</td>
<td>2.63</td>
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<tr>
<td>Treasury bills: U.K.</td>
<td>6.41</td>
<td><img src="chart3.png" alt="Image" /></td>
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<tr>
<td>U.S.</td>
<td>3.81</td>
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<tr>
<td>Spread favor U.K.</td>
<td>+2.60</td>
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<td>Forward pound</td>
<td>-2.63</td>
<td>Net incentive (U.K. +)</td>
<td>-0.01</td>
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</table>

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