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

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(Decontrolled after six months)
INTERNATIONAL MONEY MARKET YIELDS FOR U.S. DOLLAR INVESTORS

3-MONTH EURO-DOLLAR DEPOSIT VS. CERTIFICATE OF DEPOSIT

Wednesday figures

<table>
<thead>
<tr>
<th>YIELDS A* 1</th>
<th>3-MONTH EURO-DOLLAR DEPOSIT</th>
<th>U.S. CERTIFICATE OF DEPOSIT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EURO-DOLLAR DEPOSIT</td>
<td>U.S. CERTIFICATE OF DEPOSIT</td>
</tr>
<tr>
<td></td>
<td>EURO-DOLLAR OVER</td>
<td>U.S. CERTIFICATE OF DEPOSIT</td>
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</tbody>
</table>

SELECTED INTERNATIONAL MONEY RATES

Friday figures

EURO-DOLLAR DEPOSIT RATES (LONDON)

180-DAY

90-DAY

30-DAY

CALL

COMMERCIAL PAPER—Fully Hedged

U.K. HIRE PURCHASE

CANADIAN FINANCE COMPANY

U.S. FINANCE COMPANY
INTEREST ARBITRAGE, UNITED STATES / CANADA

3-MONTH TREASURY BILL RATES

BILL RATE DIFFERENTIAL AND FORWARD CANADIAN DOLLAR

3-MONTH COVERED RATE DIFFERENTIALS (NET INCENTIVES)
**Chart 4**

**INTEREST ARBITRAGE FOR GERMAN COMMERCIAL BANKS**

Friday figures

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

- Euro-Dollar London
- German Interbank Loan Rate
- German Treasury Bills

**Rate Differential and Forward Deutsche Mark**

- Interbank Loan Rate
- Spread in Favor of Frankfurt
- Forward Rate
- Premium
- Discount

**Rate Differential with Forward Exchange Cover (Net Incentive)**

- Interbank Loan Rate
- Treasury Bills
- In Favor of London Euro-Dollars

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http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis
Chart 7
INDUSTRIAL STOCK INDICES

* Swiss Bank Corporation industrial stock
** Japan index of 225 industrial and other stocks traded on the Tokyo exchange
3-MONTH FORWARD EXCHANGE RATES
AGAINST U.S. DOLLARS
AGAINST POUND STERLING - LONDON

Chart 9
3-MONTH FORWARD EXCHANGE RATES
AGAINST U.S. DOLLARS
III. Latest Figures Plotted In H.13 Chart Series, 1965

Chart 1  Per cent per annum  Chart 5  Per cent per annum

Upper panel

(Wednesday, March 24)

Euro-$ deposit  4.88
U.S. certif. of deposit  4.28

Lower panels

(Friday, March 26)

Euro-dollars: Call  4.12
7-day  4.31
30-day  4.62
90-day  4.88
180-day  5.12
Finance Co. paper: U.S.  4.25
Canada  5.04
Hire-purchase paper, U.K.  4.31

Chart 2

(Friday, March 26)

Treasury bills: Canada  3.54
U.S.  3.86
Spread favor Canada -0.32
Forward Canadian dollar +0.61
Net incentive (Canada +) +0.29

Chart 3

(Friday, March 26)

Treasury bills: U.K.  6.35
U.S.  3.86
Spread favor U.K. +2.49
Forward pound -3.25
Net incentive (U.K. +) -0.76

Chart 5  (Friday, March 26, except as noted)

Treasury bills:

U.S.  3.86
U.K.  6.35
Germany  3.12
Canada  3.54
Swiss 3-month deposits (Date: March 15*)  3.06
Euro-$ deposit (London)  4.88
Japan: composite rate (Date: Nov. 27)  7.990

Chart 6

Bonds:

U.S. govt. (Wed., March 24)  4.16
U.K. war loan (Thurs., March 25)  6.53
German Fed. Railway (Fri., March 26)  6.63
Swiss Confederation (Fri., March 5)  3.94
Canadian govt. (Wed., March 17)  5.10
Netherlands government perpetual (Fri., March 12)  4.93
(Fri., March 19)  4.95

1/ Revision: Feb. 19 3.96
 Additional rates:
  Feb. 23 3.06
  Feb. 28 3.00
  Mar. 7 3.06

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