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
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Chart 5 - Short-term Interest Rates
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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)
INTEREST ARBITRAGE, UNITED STATES/CANADA

**Friday figures**

**3 - MONTH TREASURY BILL RATES**

**BILL RATE DIFFERENTIAL AND FORWARD CANADIAN DOLLAR**

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

Thursday figures 1962, Friday thereafter.

http://fraser.stlouisfed.org/
Chart 3
INTEREST ARBITRAGE, NEW YORK/LONDON
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RATE DIFFERENTIAL AND 3-MONTH FORWARD STERLING

RATE DIFFERENTIAL WITH FORWARD EXCHANGE COVER (NET INCENTIVE)
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3-MONTH TREASURY BILLS, INTERBANK LENDING RATE AND EURO-DOLLAR DEPOSIT RATES

LOAN RATE DIFFERENTIAL AND FORWARD DEUTSCHE MARK

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Chart 5
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(Average rate on bank loans and discounts)
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INDUSTRIAL STOCK INDICES

* Swiss Bank Corporation industrial stock.
** Japan: index of 225 industrial and other stocks traded on the Tokyo exchange.
Chart 8
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- Swiss Franc
- German Mark
- U.K. Sterling
- French Franc
- Belgian Franc
- Dutch Guilder
- Italian Lira
- Canadian Dollar
- Japanese Yen

Per cent
Above par
2.0
1.6
1.2
.8
.4
Below par
.8
.4
.0
Par with U.S.
dollar

1963 1 2 3 4 5 6 7 8 9 10 11 12
1964 1 2 3 4 5 6 7 8 9 10 11 12
1965 1 2 3 4 5 6
Chart 9
3-MONTH FORWARD EXCHANGE RATES
Friday figures
 AGAINST U.S. DOLLARS

AGAINST POUND STERLING - LONDON

AGAINST POUND STERLING - LONDON
Latest Figures Plotted In H.13 Chart Series, 1965

Chart 1

Upper panel

(Wednesday, June 2)

Euro-$ deposit 5.25
U.S. certif. of deposit 4.34

Lower panels

(Friday, June 4)

Euro-$:
Call 4.375
7-day 4.500
30-day 4.880
90-day 5.125
180-day 5.250

Finance Co. paper:
U.S. 4.25
Canada 5.14

Hire-purchase paper, U.K. 4.49

Chart 2

(Friday, June 4)

Treasury bills:
Canada 3.89
U.S. 3.82
Spread favor Canada +0.07
Forward Canadian dollar +0.34
Net incentive (Canada +) +0.41

Chart 3

(Friday, June 4)

Treasury bills:
U.K. 5.49
U.S. 3.82
Spread favor U.K. +1.67
Forward pound -1.82
Net incentive (U.K. +) -0.15

Chart 5

(Friday, June 4, except as noted)

Treasury bills:
U.S. 3.82
U.K. 5.49
Germany 3.12
Canada 3.89

Swiss 3-month deposits*
(Date: May 15) 3.44

Euro-$ deposit (London) 5.12

Japan: composite rate
(Date: Feb. 26) 7.968

Chart 6

Bonds:
U.S. govt.
(Wed., June 2) 4.19
U.K. war loan
(Thurs., June 3) 6.80

German Fed. Railway
(Fri., June 4) 6.89

Swiss Confederation
(Fri., May 21) 3.91

Canadian govt.
(Wed., June 2) 5.16

Netherlands government perpetual
(Fri., May 21) 5.13

* Additional rates:

April 23 3.25
April 30 3.25
May 7 3.38

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