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 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
Chart 4

INTEREST ARBITRAGE FOR GERMAN COMMERCIAL BANKS
Friday figures

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

- 3-Month Treasury Bills
- Interbank Loan Rate
- Euro-Dollar London

RATE DIFFERENTIAL AND FORWARD DEUTSCHE MARK

- Interbank Loan Rate
- Forward Rate
- Spread in Favor of Frankfurt
- 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. (Average rate on bank loans and discounts)
and Switzerland (3-month deposit rate)
† 3-month rate for U.S. dollar deposits in London.
INDUSTRIAL STOCK INDICES

* Swiss Bank Corporation industrial stock.
** Japan, index of 225 industrial and other stocks traded on the Tokyo exchange.
II. Latest Figures Plotted In H.13 Chart Series, 1965

Chart 1

Upper panel

(Wednesday, Sept. 22)

Euro-$ deposit  4.50
U.S. certif. of deposit  4.34

Lower panels

(Friday, Sept. 24)

Euro-dollar deposits: Call  4.12
7-day  4.25
30-day  4.38
90-day  4.50
180-day  4.88

Finance Co. paper: U.S.  4.25
Canada  4.44

Hire-purchase paper, U.K.  4.96

Chart 2

(Friday, Sept. 24)

Treasury bills: Canada  3.98
U.S.  3.94

Spread favor Canada +0.04
Forward Canadian dollar -0.61
Net incentive (Canada +) -0.57

Chart 3

(Friday, Sept. 24)

Treasury bills: U.K.  5.36
U.S.  3.94

Spread favor U.K. +1.42
Forward pound -1.73
Net incentive (U.K. +) -0.31

Chart 5

(Friday, Sept. 24, except as noted)

Treasury bills:
U.S.  3.94
U.K.  5.36
Germany  3.88
Canada  3.98

Swiss 3-month deposits
(Date: Sept. 23)  3.82

Euro-$ deposit (London)  4.50

Japan: composite rate
(Date: July 30)  7.782

Chart 6

Bonds:

U.S. govt.
(Wed., Sept. 22)  4.29

U.K. war loan
(Thurs., Sept. 23)  6.41

German Fed. Railway
(Fri., Sept. 24)  7.39

Swiss Confederation
(Fri., Sept. 24)  3.96

Canadian govt.
(Wed., Sept. 22)  5.32

Netherlands government perpetual
(Fri., Sept. 17)  5.14

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