CAPITAL MARKET DEVELOPMENTS ABROAD

I. Ten Charts on Financial Markets Abroad
II. Latest Figures Plotted in H.13 Chart Series, 1966

I. Ten Charts on Financial Markets Abroad

Chart 2 - London: Yields for U.S. Dollar Investors on 3-month Funds
Chart 3 - London, Frankfurt, Zurich: Yields on 3-month Bank Funds; Price of Gold in London
Chart 4 - Interest Arbitrage, New York/Canada
Chart 5 - Interest Arbitrage, New York/London
Chart 6 - Short-term Interest Rates
Chart 7 - Long-term Bond Yields
Chart 8 - Industrial Stock Indices
Chart 9 - Spot Exchange Rates - Major Currencies Against U.S. Dollar
Chart 10 - 3-month Forward Exchange Rates

Europe and British Commonwealth Section.

OFFICIAL USE ONLY
(Decontrolled after six months)
NEW YORK, LONDON, MONTREAL:
YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS
DOLLAR DEPOSIT RATES: NEW YORK-LONDON

EURO-DOLLAR DEPOSIT
U.S. CERTIFICATE OF DEPOSIT

EURO-DOLLAR OVER
U.S. CERTIFICATE OF DEPOSIT

FINANCE CO. PAPER RATES (covered): QUOTED IN NEW YORK

Canadian Finance Company
U.K. Hire Purchase
U.S. Finance Company

1964 1965 1966
Chart 2

LONDON: YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS
EURO-DOLLAR DEPOSIT RATES
Friday figures

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<th>90 Day</th>
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HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)
Friday figures

Differential

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I. LONDON, FRANKFURT, ZURICH: YIELDS ON 3-MONTH BANK FUNDS

Frankfurt Interbank Loan Rate vs. London Euro-Dollar Rate (Covered)
In terms of DM

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II. PRICE OF GOLD IN LONDON

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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 3
INTEREST ARBITRAGE, NEW YORK/LONDON
Friday figures

3-MONTH TREASURY BILL RATES
U.K. LOCAL AUTHORITY DEPOSITS
LONDON
NEW YORK

RATE DIFFERENTIAL AND 3-MONTH FORWARD STERLING
SPREAD IN FAVOR OF LONDON
PREMIUM
DISCOUNT
FORWARD RATE

RATE DIFFERENTIAL WITH FORWARD EXCHANGE COVER (NET INCENTIVE)
IN FAVOR OF LONDON
IN FAVOR OF NEW YORK

1963 1964 1965 1966
Chart 8

INDUSTRIAL STOCK INDICES

* Swiss Bank Corporation industrial stock index
** Japan: index of 225 industrial and other stocks traded on the Tokyo exchange
Chart 9
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

1964 1965 1966
II. Latest Figures Plotted in H. 13 Chart Series, 1966
(all figures per cent per annum)

January 19, 1966.

Chart 1
Upper panel
(Wednesday, January 12)
Euro-$ deposit 5.25
U.S. certif. of deposit 4.88

Lower panel
(Friday, January 14)
Finance co. paper: U.S. 4.75
Canada 5.14
Hire-purchase paper, U.K. 5.40

Chart 2
(Friday, January 14)
Euro-$ deposits:
Call 4.75
7-day 4.88
90-day 5.25
180-day 5.31
30-day 5.25
Hire-purchase paper 5.31
(December 31)
Local-authority deposit 5.21
(January 7)

Chart 3
Upper panel
(Period: November 24-31)
Interbank loan (mid point) 6.56
Euro-$ deposit (average) 5.41

Lower panel
(Date: December 23)
Zurich 3-mo. deposit 4.00

Price of gold
(Friday, January 7)
35.125

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

Chart 4
(Friday, January 14)
Treasury bills: Canada 4.48
U.S. 4.58
Spread favor Canada -0.10
Forward Canadian $ -0.67
Net incentive (Canada +) -0.77
Canadian finance paper 5.75

Chart 5
(Friday, January 14)
Treasury bills: U.K. 5.36
U.S. 4.58
Spread favor U.K. +0.78
Forward pound -1.03
Net incentive (U.K. +) -0.25

Chart 6
(Friday, January 14)
Treasury bills: U.S. 4.58
Germany 3.88 (Dec. 31)
U.K. 5.36
Canada 4.48
Euro-$ deposit (London) 5.25
Zurich 3-mo. deposit 4.00
(January 14)
Japan composite rate
(Date: December 23)
7.660

Chart 7
U.S. Gov't. (Wed., Jan. 12) 4.44
U.K. War Loan (Thurs., Jan. 13) 6.57
German Fed. (Fri., Jan. 7) 7.78
Swiss Confeder. (Fri., Jan 7) 3.91
Canadian Gov't. (Wed., Jan. 12) 5.46
Netherlands Gov't. perpetual
(Fri., December 31) 5.58