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 1 - New York, London, Montreal: Yields for U.S. Dollar Investors on 3-month Funds
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

Wednesday figures

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
Friday figures

CANADIAN FINANCE COMPANY
U.S. FINANCE COMPANY
U.K. HIRE PURCHASE
I. LONDON, FRANKFURT, ZURICH: YIELDS ON 3-MONTH BANK FUNDS

FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE (COVERED)

INTERBANK LOAN RATE

EURO-DOLLAR

DIFFERENTIAL

In terms of DM

FAVOR FRANKFURT

FAVOR EURO-DOLLAR

II. ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE (COVERED)

ZURICH DEPOSIT RATE

EURO-DOLLAR

SWISS DEPOSIT RATE

DIFFERENTIAL

FAVOR ZURICH

FAVOR EURO-DOLLAR

In terms of Swiss Francs

III. PRICE OF GOLD IN LONDON

PRICE OF GOLD IN LONDON

U.S. dollar equivalent per fine ounce

1964 1965 1966

35.0 35.2
Chart 6
SHORT-TERM INTEREST RATES *

3-month treasury bill rates for all countries except Japan
and Switzerland (3-month deposit rate)
+ 3-month rate for US dollar deposits in London

* Average rate on bank loans and discounts
Chart 7
LONG-TERM BOND YIELDS
Weekly figures
Per cent per annum

GERMANY
U.K.
U.S.

CANADA
NETHERLANDS
SWITZERLAND

INDUSTRIAL STOCK INDICES

- Switzerland
- Germany
- U.K.
- U.S.
- Japan
- Canada

1963 1964 1965 1966

* 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
3-MONTH FORWARD EXCHANGE RATES
Friday figures
AGAINST U. S. DOLLARS

GERMAN MARK
SWISS FRANC
POUND STERLING

AGAINST POUND STERLING - LONDON

GERMAN MARK
U. S. DOLLAR

AGAINST POUND STERLING - LONDON

DUTCH Guilder
BELGIAN FRANC
FRENCH FRANC

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis
### Chart 1

**Upper panel**
(Wednesday, Jan. 19)

- Euro-$ deposit 5.25
- U.S. certif. of deposit 4.95

**Lower panel**
(Friday, Jan. 21)

- Finance co. paper: U.S. 4.88
- Finance co. paper: Canada 5.07
- Hire-purchase paper, U.K. 5.49

### Chart 2

(Euro-$ deposits:)
- Call 4.75
- 7-day 4.88
- 30-day 3.25
- 90-day 5.25
- 180-day 5.38
- 360-day 4.75

- Hire-purchase paper 5.31

- Local-authority deposit 5.21

### Chart 3

**Upper panel**
(Period: Dec. 24-31)

- Interbank loan (mid point) 6.25
- Euro-$ deposit (average) 5.40

**Lower panel**
(Date: Dec. 16-23)

- Zurich 3-mo. deposit 4.00

- Price of gold 35.125

### Chart 4

(Friday, Jan. 21)

- Treasury bills: Canada 4.54
- Treasury bills: U.S. 4.56
- Spread favor Canada -0.02
- Forward Canadian $ -0.74
- Net incentive (Canada +) -0.76
- Canadian finance paper 5.69

### Chart 5

(Friday, Jan. 21)

- Treasury bills: U.K. 5.36
- Treasury bills: U.S. 4.56
- Spread favor U.K. 0.80
- Forward pound 0.95
- Net incentive (U.K. +) 0.15

### Chart 6

(Friday, Jan. 21)

- Treasury bills: U.S. 4.56
- Treasury bills: Germany 4.00 (Jan. 7)
- U.K. 5.36
- Euro-$ deposit (London) 5.25

- Zurich 3-mo. deposit 4.00

- Japan composite rate 7.660

### Chart 7

- Price of gold (Fri., Jan. 14) 5.69
- Price of gold (Fri., Jan. 17) 5.74

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