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, Montreat: 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
Per cent per annum

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
Per cent per annum

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

Per cent per annum

HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

Per cent per annum

1964 1965 1966
I. LONDON, FRANKFURT, ZURICH: YIELDS ON 3-MONTH BANK FUNDS

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

IN TERMS OF DM

INTERBANK LOAN RATE

EURO-DOLLAR

Differential

FAVOR FRANKFURT

FAVOR EURO-DOLLAR

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

IN TERMS OF SWISS FRANCS

EURO-DOLLAR

SWISS DEPOSIT RATE

Differential

FAVOR ZURICH

FAVOR EURO-DOLLAR

II. PRICE OF GOLD IN LONDON

U.S. dollar equivalent per fine ounce

1964 1965 1966

35.2 35.0
INTEREST ARBITRAGE, UNITED STATES/CANADA

3-MONTH TREASURY BILL RATES

CAN. FIN. CO. PAPER
United States
Canada

BILL RATE DIFFERENTIAL AND FORWARD CANADIAN DOLLAR

SPREAD IN FAVOR OF CANADA
FORWARD RATE

3-MONTH COVERED RATE DIFFERENTIALS (NET INCENTIVES)

Prime Finance Paper
Treasury Bills
SHORT-TERM INTEREST RATES *

U.K.
EURO-DOLLAR - LONDON
U.S.
GERMANY
JAPAN
U.S. CANADA
SWITZERLAND


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

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis
Chart 8
INDUSTRIAL STOCK INDICES

1958/100
Ratio scale

1963 1964 1965 1966

GERMANY
U.K.
U.S.
SWITZERLAND *

150
200
250
300

100

1963 1964 1965 1966

JAPAN **
CANADA
U.S.

** Switzerland Corporation industrial stock index
** Japan index of 250 industrial and other stocks traded on the Tokyo exchange
Latest Figures Plotted in H. 13 Chart Series, 1966
(all figures per cent per annum)

February 2, 1966

**Chart 1**

*Upper panel*

(Wednesday, January 26)

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Euro-$ deposit</td>
<td>5.25</td>
</tr>
<tr>
<td>U.S. certif. of deposit</td>
<td>4.99</td>
</tr>
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</table>

*Lower panel*

(Friday, January 28)

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance co. paper: U.S.</td>
<td>4.88</td>
</tr>
<tr>
<td>Canada</td>
<td>5.21</td>
</tr>
<tr>
<td>Hire-purchase paper, U.K.</td>
<td>5.57</td>
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</table>

**Chart 2**

(Friday, January 28)

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
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</thead>
<tbody>
<tr>
<td>Euro-$ deposits:</td>
<td></td>
</tr>
<tr>
<td>Call</td>
<td>4.88</td>
</tr>
<tr>
<td>90-day</td>
<td>5.31</td>
</tr>
<tr>
<td>7-day</td>
<td>5.00</td>
</tr>
<tr>
<td>180-day</td>
<td>5.44</td>
</tr>
<tr>
<td>30-day</td>
<td>5.12</td>
</tr>
<tr>
<td>Hire-purchase paper</td>
<td>5.31</td>
</tr>
<tr>
<td>(December 31)</td>
<td></td>
</tr>
<tr>
<td>Local-authority deposit</td>
<td>5.22</td>
</tr>
<tr>
<td>(January 14)</td>
<td></td>
</tr>
</tbody>
</table>

**Chart 3**

(Period: December 24-31)

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
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</thead>
<tbody>
<tr>
<td>Interbank loan (mid point)</td>
<td>6.25</td>
</tr>
<tr>
<td>Euro-$ deposit (average)</td>
<td>5.40</td>
</tr>
</tbody>
</table>

*Lower panel*

(Date: January 15)

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
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<tbody>
<tr>
<td>Zurich 3-mo. deposit</td>
<td>3.81</td>
</tr>
<tr>
<td>Price of gold</td>
<td>35.144</td>
</tr>
<tr>
<td>(Friday, January 14)</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Date</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 31</td>
<td>4.00</td>
</tr>
<tr>
<td>January 7</td>
<td>3.81</td>
</tr>
</tbody>
</table>