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
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Chart 8 - Spot Exchange Rates - Major Currencies Against U.S. Dollar
Chart 9 - 3-month Forward Exchange Rates
Chart 10 - Industrial Stock Indices

Europe and British Commonwealth Section.

OFFICIAL USE ONLY
(Decontrolled after six months)
Chart 1

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

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http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis
Chart 2

London: Yields for U.S. Dollar Investors on 3-Month Funds

Euro-Dollar Deposit Rates

Friday figures

<table>
<thead>
<tr>
<th>90 DAY</th>
<th>180 DAY</th>
<th>CALL</th>
</tr>
</thead>
</table>

Hire Purchase and Local Authority Deposit Rates (covered)

Friday figures

Euro-Dollar Deposit

Hire Purchase

Differential

Favor Hire Purchase

Favor Euro-Dollar

Local Authority Deposit

Euro-Dollar Deposit

Differential

Favor Local Authority

Favor Euro-Dollar

1964 1965 1966
Chart 3

**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**
- Favor Frankfurt
- Favor Euro-Dollar

**DIFFERENTIAL**

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

*In terms of Swiss Francs*

**EURO-DOLLAR**
- Favor Zurich
- Favor Euro-Dollar

**SWISS DEPOSIT RATE**

**DIFFERENTIAL**

**II Price of Gold in London**

*U.S. dollar equivalent per fine ounce*

- 1964
- 1965
- 1966
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

PREMIUM

DISCOUNT

3-MONTH COVERED RATE DIFFERENTIALS (NET INCENTIVES)

PRIME FINANCE PAPER

TREASURY BILLS

FAVOR CANADA

FAVOR U.S.

FAVOR CANADA

FAVOR U.S.
INTEREST ARBITRAGE, NEW YORK/LONDON

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

Chart 5

Federal Reserve Bank of St. Louis
SHORT-TERM INTEREST RATES

EURO-DOLLAR - LONDON

U.S.

GERMANY

U.S.

SWITZERLAND

1963 1964 1965 1966

* 3-month treasury bill rates for all countries except Japan and Switzerland (3-month deposit rate)

(Average rate on bank loans and discounts)

3-month rate for U.S. dollar deposits in London
Spot exchange rates - major currencies against U.S. dollar

- Swiss Franc
- German Mark
- U.K. Sterling
- Belgian Franc
- French Franc
- Dutch Guilder
- Canadian Dollar
- Italian Lira
- Japanese Yen

Chart 6

1964 1965 1966

Above par
Below par

Per cent

1.6
1.2
0.8
0.4

Per with U.S. dollar

0.4

0.8

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Federal Reserve Bank of St. Louis
3-MONTH FORWARD EXCHANGE RATES AGAINST U. S. DOLLARS

AGAInst GERMAN MARK

PREMIUM+

POUND STERLING

DISCOUNT

SWISS FRANC

AGAInst SWISS FRANC - GERMAN MARK

U. S. DOLLAR

AGAInst DUTCH GUILDER - BELGIAN FRANC - FRENCH FRANC

PREMIUM+

DUTCH GUILDER

BELGIAN FRANC

FRENCH FRANC

DISCOUNT

1964  1965  1966

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Federal Reserve Bank of St. Louis
Chart 10
INDUSTRIAL STOCK INDICES

![Graph showing industrial stock indices for Switzerland, Germany, U.K., U.S., Japan, and Canada from 1963 to 1966.](http://fraser.stlouisfed.org/)

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

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Federal Reserve Bank of St. Louis
Latest Figures Plotted in H. 13 Chart Series, 1966
(all figures per cent per annum)
February 23, 1966.

Chart 1

Upper panel
(Wednesday, February 16)

Euro-$ deposit 5.31
U.S. certif. of deposit 5.06

Lower panel
(Friday, February 18)

Finance co. paper: U.S. 4.88
Canada 5.56
Hire-purchase paper, U.K. 5.29

Chart 2

(Friday, February 18)

Euro-$ deposits:
Call 4.88 90-day 5.38
7-day 5.00 180-day 5.50
30-day 5.12

Chart 3

(Upper panel
(Period: February 1-7)

Interbank loan (mid point) 5.19
Euro-$ deposit (average) 5.06

Lower panel
(Date: January 15)

Zurich 3-mo. deposit 3.81

Price of gold
(Friday, February 4)
35.166

Chart 4

(Friday, February 18)

Treasury bills: Canada 4.53
U.S. 4.63
Spread favor Canada -0.10
Forward Canadian $ -0.37
Net incentive (Canada +) -0.47
Canadian finance paper 5.75

Chart 5

(Friday, February 18)

Treasury bills: U.K. 5.54
U.S. 4.63
Spread favor U.K. +0.91
Forward pound -0.92
Net incentive (U.K. +) -0.01

Chart 6

(Friday, February 18)

Treasury bills:
U.S. 4.63
U.K. 4.63
Germany 4.00 (Feb. 4)

Euro-$ deposit (London) 5.38

Zurich 3-mo. deposit 3.81

Japan composite rate
(Date: November 30) 7.636

Chart 7

U.S. Gov't. (Wed., Feb. 16) 4.71
U.K. War Loan (Thurs., Feb. 17) 6.67
German Fed. (Fri., Feb. 11) 7.37
Swiss Confed. (Fri., Feb. 11) 3.89
Canadian Gov't. (Wed., Feb. 16) 5.69
Netherlands Gov't. perpetual 3%
(Fri., Feb. 11) 5.79

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