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 - Interest Arbitrage: Frankfurt/London, Zurich/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 - 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 2
LONDON: YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS
EURO-DOLLAR DEPOSIT RATES
Friday figures

1964 1965 1966

HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)
Friday figures

FAVOR HIRE PURCHASE
FAVOR EURO-DOLLAR

FAVOR LOCAL AUTHORITY
FAVOR EURO-DOLLAR

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis
Chart 3

INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON

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

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
Chart 4
INTEREST ARBITRAGE, UNITED STATES/CANADA
Friday figures

3-MONTH TREASURY BILL RATES

<table>
<thead>
<tr>
<th>1963</th>
<th>1964</th>
<th>1965</th>
<th>1966</th>
</tr>
</thead>
<tbody>
<tr>
<td>M</td>
<td>J</td>
<td>S</td>
<td>D</td>
</tr>
</tbody>
</table>

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.
Chart 5
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 6

SHORT-TERM INTEREST RATES *

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

3 month rate for U.S. dollar deposits in London

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


Per cent per annum

1 2 3 4 5 6 7

1 2 3 4 5 6 7 8 9

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis
Chart 7
LONG-TERM BOND YIELDS
Weekly figures

GERMANY
U.K.
U.S.

CANADA
NETHERLANDS
U.S.
SWITZERLAND


Per cent per annum
SPOT EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.S. DOLLAR

Chart 8

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
Against U. S. Dollars

Against Pound Sterling - London

Against Pound Sterling - London

<table>
<thead>
<tr>
<th>Month</th>
<th>1964</th>
<th>1965</th>
<th>1966</th>
</tr>
</thead>
<tbody>
<tr>
<td>M</td>
<td>J</td>
<td>S</td>
<td>D</td>
</tr>
<tr>
<td>M</td>
<td>J</td>
<td>S</td>
<td>D</td>
</tr>
<tr>
<td>M</td>
<td>J</td>
<td>S</td>
<td>D</td>
</tr>
</tbody>
</table>

**German Mark**
**Premium**

**Pound Sterling**

**Swiss Franc**

**Discount**

**U. S. Dollar**
INDUSTRIAL STOCK INDICES

Chart 10

1958/100
Ratio scale

Swiss Bank Corporation industrial stock index.
JAPAN: Index of 225 industrial and other stocks traded on the Tokyo exchange.

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

-- End of Document --
II. Latest Figures Plotted in H.13 Chart Series, 1966
(all figures per cent per annum)

April 13, 1966

Chart 1
Upper panel
(Wednesday, April 6)
Euro-$ deposit 5.75
U.S. certif. of deposit 5.22

Lower panel
(Friday, April 8)
Finance co. paper: U.S. 5.25
Canada 5.93
Hire-purchase paper, U.K. 5.57

Chart 2
(Friday, April 8)
Euro-$ deposits:
Call 5.25 90-day 5.75
7-day 5.38 180-day 5.87
30-day 5.75

Hire-purchase paper 5.85
(April 1)
Local-authority deposit 5.42
(April 1)

Chart 3
Upper panel
(Period: April 1-7)
Interbank loan (mid point) 5.90
Euro-$ deposit (average) 5.75

Lower panel
(Date: February 15)
Zurich 3-mo. deposit 3.88

Chart 4
(Friday, April 8)
Treasury bills: Canada 4.93
U.S. 4.53
Spread favor Canada +0.40
Forward Canadian $ 0
Net incentive (Canada +) +0.40
Canadian finance paper 5.88

Chart 5
(Friday, April 8)
Treasury bills: U.K. 5.45
U.S. 4.53
Spread favor U.K. +0.92
Forward pound -0.87
Net incentive (U.K. +) +0.05

Chart 6
(Friday, April 8)
Treasury bills:
U.S. 4.53
Germany 4.00 (Mar. 25)
U.K. 5.45
Canada 4.93
Euro-$ deposit (London) 5.75

Zurich 3-mo. deposit 3.88
(June 1)
Japan composite rate
(Date: December 31) 7.607

Chart 7
U.S. Gov't. (Wed., Apr. 6) 4.55
U.K. War Loan (Thurs., Apr. 7) 6.79
German Fed. (Fri., Apr. 1) 7.90
Swiss Confed. (Fri., Apr. 1) 3.93
Canadian Gov't. (Wed., Apr. 6) 5.62
Netherlands Gov't. perpetual 3%
(Fri., April 1) 5.85

For description and sources of data see special annex to H. 13, Number 239.
March 16, 1966