I. Ten Charts on Financial Markets Abroad

II. Latest Figures Plotted in H.13 Chart Series, 1966

Note on Chart 6

In this issue of the H.13 series, the three-month German interbank loan rate is introduced in Chart 6 in place of the German Treasury bill rate. From January 1962 until December 31, 1965, the rate was calculated as the mid-point of the highest and lowest rates quoted by Frankfurt banks on business days in the periods ending on the reporting dates: 7th, 15th, 23rd, and final day of the month. Data was supplied by the Deutsche Bundesbank. Beginning on January 7, 1966, however, the figure charted is the average of the mid-points of the highest and lowest rates quoted by selected German banks, reported daily in the Frankfurter Allgemeine Zeitung and calculated for business days in periods ending on the 7th, 15th, 23rd and final day of each month.

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

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

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
INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON
FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE (COVERED)
In terms of DM
INTERBANK LOAN RATE
EURO-DOLLAR
FAVOR FRANKFURT
FAVOR EURO-DOLLAR

ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE (COVERED)
In terms of Swiss francs
EURO-DOLLAR
SWISS DEPOSIT RATE
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

BILL RATE DIFFERENTIAL AND FORWARD CANADIAN DOLLAR

3-MONTH COVERED RATE DIFFERENTIALS (NET INCENTIVES)
INTEREST ARBITRAGE, NEW YORK/LONDON

Friday figures

3-MONTH TREASURY BILL RATES

U.K. LOCAL AUTHORITY DEPOSITS

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

FORWARD RATE

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

Per cent per annum
Chart 6
SHORT-TERM INTEREST RATES*

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


* 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.
Chart 7
LONG-TERM BOND YIELDS
Weekly figures

GERMANY
U.K.
EURO-DOLLAR BONDS*
U.S.

CANADA
NETHERLANDS
SWITZERLAND


*Average of yields for four foreign government dollar bonds quoted in London.
Chart 9
3-MONTH FORWARD EXCHANGE RATES
Friday figures
AGAINST U. S. DOLLARS

PERCENT PER ANNUM

GERMAN MARK

POUND STERLING

SWISS FRANC

DISCOUNT-

1964 1965 1966

 AGAINST POUND STERLING - LONDON

PREMIUM+

GERMAN MARK

U. S. DOLLAR

DISCOUNT-

1964 1965 1966

 AGAINST POUND STERLING - LONDON

PREMIUM+

DUTCH Guilder

BELGIAN FRANC

FRENCH FRANC

DISCOUNT-

1964 1965 1966

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INDUSTRIAL STOCK INDICES

1953:100

Ratio scale

1963 1964 1965 1966

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

Chart 1

Upper panel
(Wednesday, April 20)

Euro-$ deposit 5.75
U.S. certif. of deposit 5.25

Lower panel
(Friday, April 22)

Finance co. paper: U.S. 5.25
Canada 5.88
Hire-purchase paper, U.K. 6.14

Chart 2

(Friday, April 22)

Euro-$ deposits:
Call 5.31  90-day 5.75
7-day 5.50  180-day 5.88
30-day 5.62

Hire-purchase paper 6.05
(April 15)
Local-authority deposit 5.49
(April 15)

Chart 3

Upper panel
(Period: April 8-15)

Interbank loan (mid point) 5.93
Euro-$ deposit (average) 5.75

Lower panel
(Date: March 15)

**Zurich 3-mo. deposit 4.00

Chart 4

(Friday, April 22)

Treasury bills: Canada 4.97
U.S. 4.62
Spread favor Canada +0.35
Forward Canadian $ -0.15
Net incentive (Canada +) +0.20
Canadian finance paper 5.75

Chart 5

(Friday, April 22)

Treasury bills: U.K. 5.49
U.S. 4.62
Spread favor U.K. +0.87
Forward pound -0.80
Net incentive (U.K. +) +0.07

Chart 6

(Friday, April 22)

Treasury bills: U.S. 4.62
U.K. 5.49
Germany 4.00 (Apr. 8)
Canada 4.97
Euro-$ deposit (London) 5.75

**Zurich 3-mo. deposit
(Date: March 15)
Japan composite rate
(Date: February 28)
January 31 7.570
7.580

Chart 7*

U.S. Gov't. (Wed., Apr. 20) 4.64
U.K. War Loan (Thurs., Apr. 21) 6.80
German Fed. (Fri., Apr. 15) 7.98
Swiss Confed. (Fri., Apr. 15) 3.93
Canadian Gov't. (Wed., Apr. 20) 5.69
Netherlands Gov't. perpetual 3%
(Fri., April 15) 5.85

* Euro-$ bonds 6.20
(April 22)
** Feb. 23 3.88
Feb. 28 3.88
Mar. 7 4.00

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

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