DIVISION OF INTERNATIONAL FINANCE

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

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OF ST. LOUIS

H. 13
No. 24

May 25, 1966

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

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Chart 6 - Short-term Bond Yields
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.

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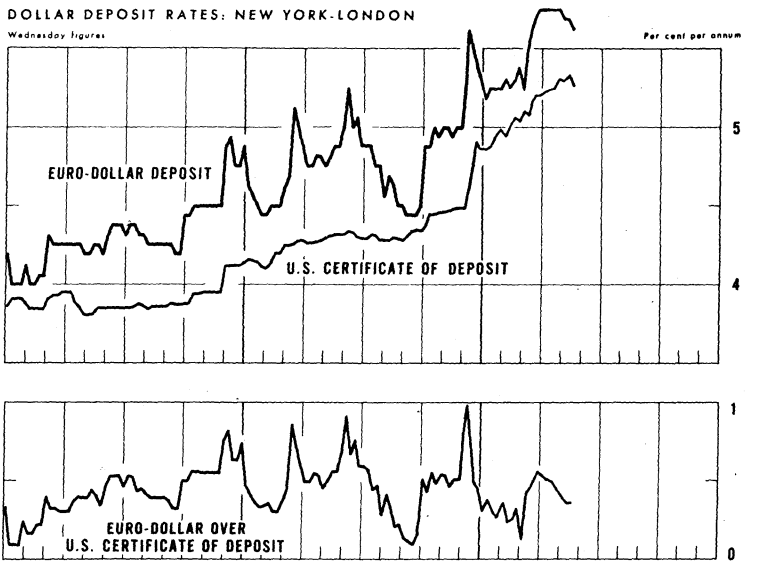
Chart I

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



FINANCE CO. PAPER RATES (covered): QUOTED IN NEW YORK

Friday figures

Per cent per annum

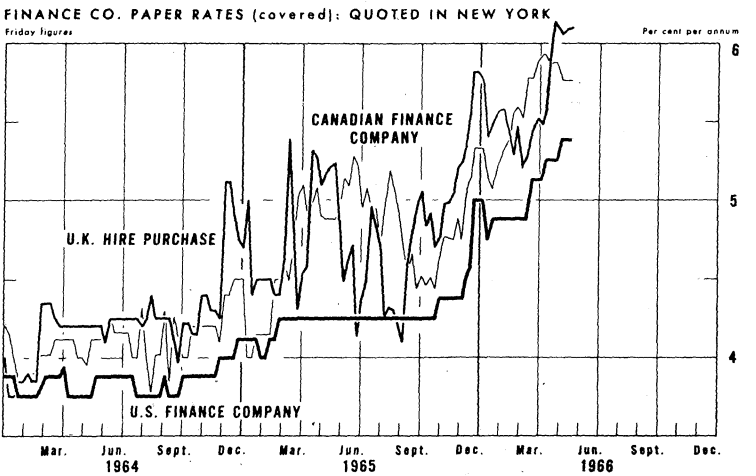


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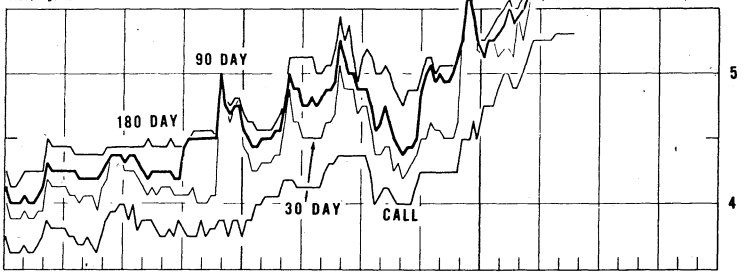
Chart 2

LONDON: YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS

EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum



HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

Friday figures

Per cent per annum

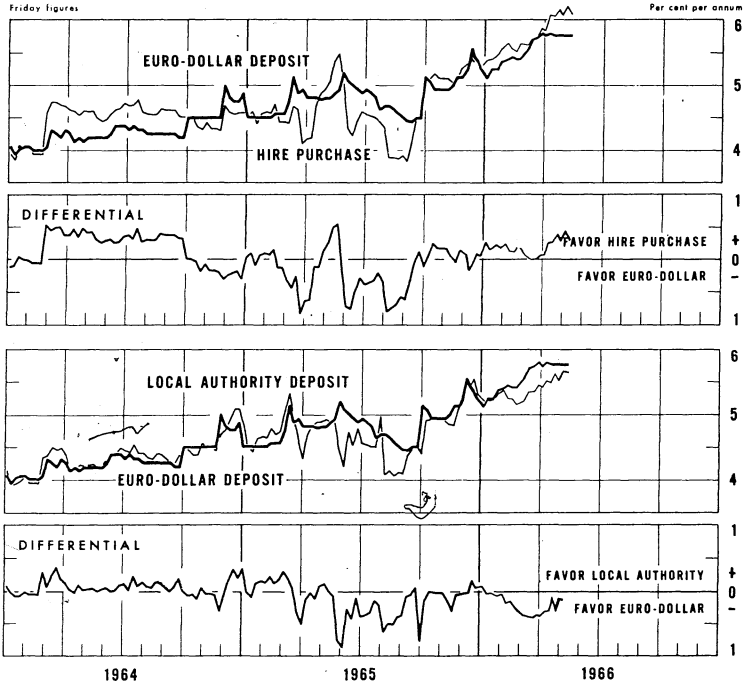


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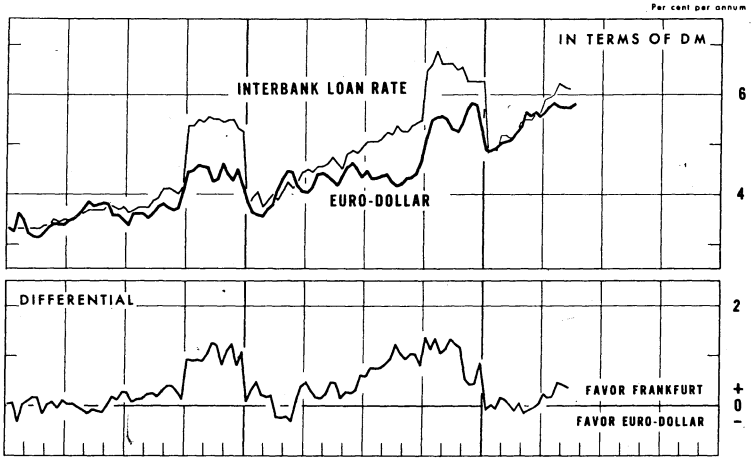
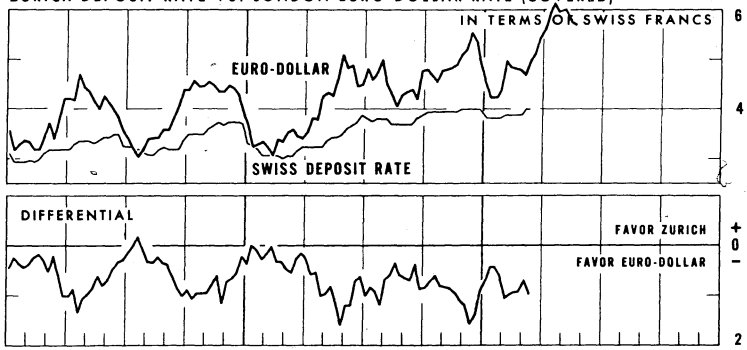
Chart 3

INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON

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



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



II PRICE OF GOLD IN LONDON

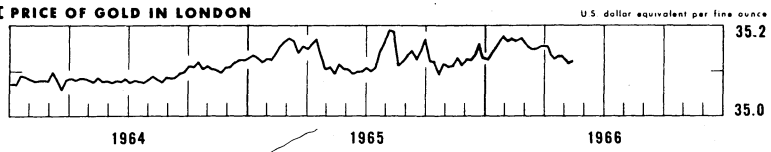


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Chart 4

INTEREST ARBITRAGE, UNITED STATES/CANADA

Friday figures

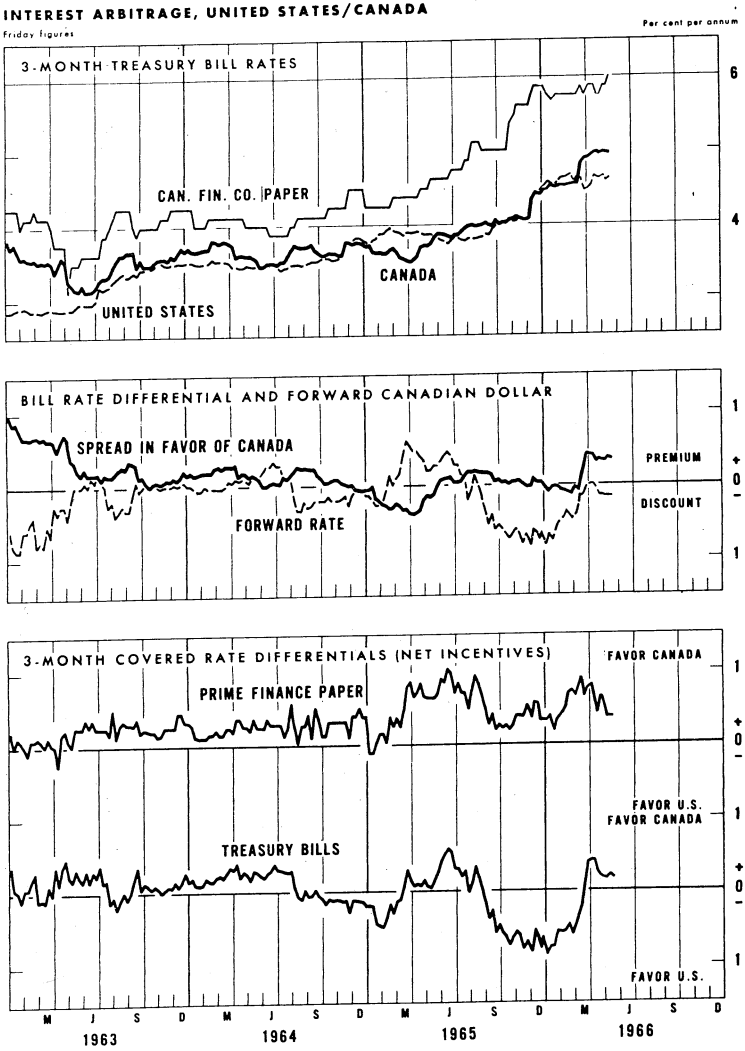

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Chart 5

INTEREST ARBITRAGE, NEW YORK/LONDON

Friday figures

Per cent per annum

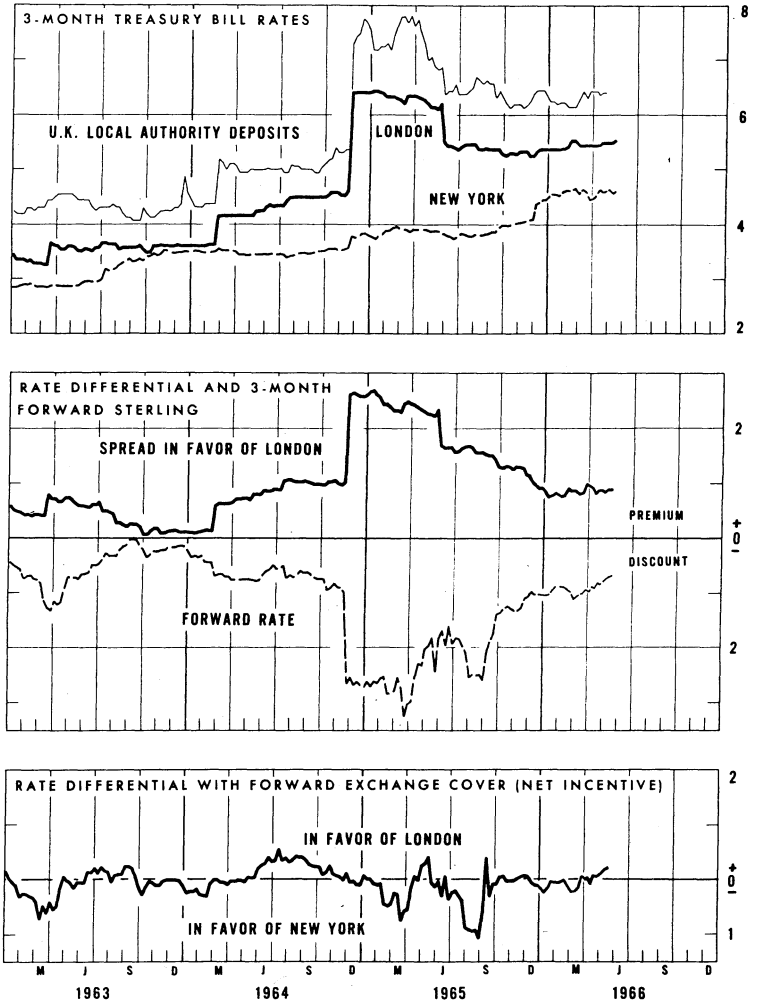

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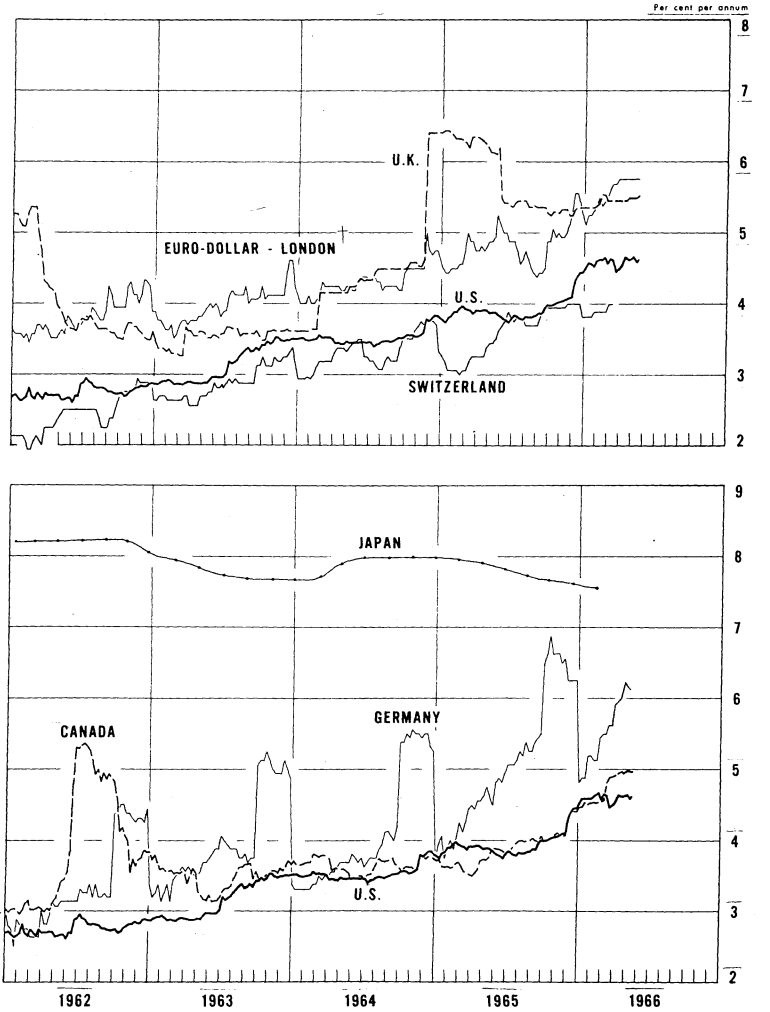
Chart 6

SHORT-TERM INTEREST RATES *



* 3-month treasury bill rates for all countries except Japan (Average rate on bank loans and discounts) Switzerland (3-month deposit rate) and Germany (Interbank Loan Rate)

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

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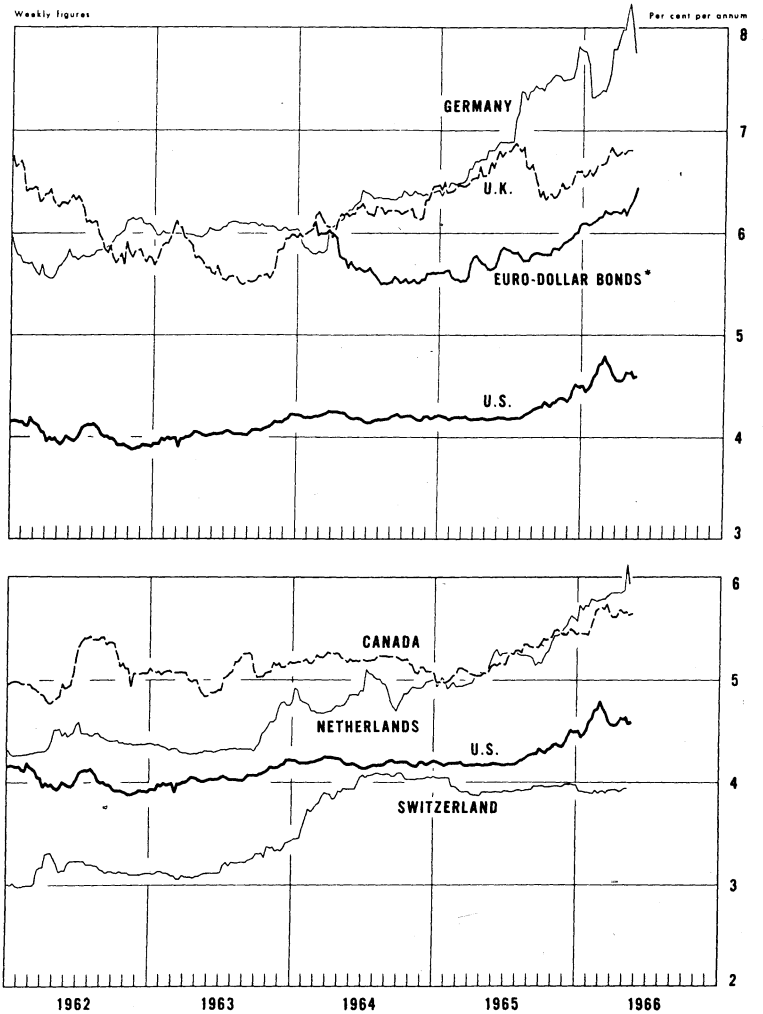
Chart 7

LONG-TERM BOND YIELDS

Weekly figures



*Average of yields for four foreign government dollar bonds quoted in London

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Chart 8

SPOT EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.S. DOLLAR

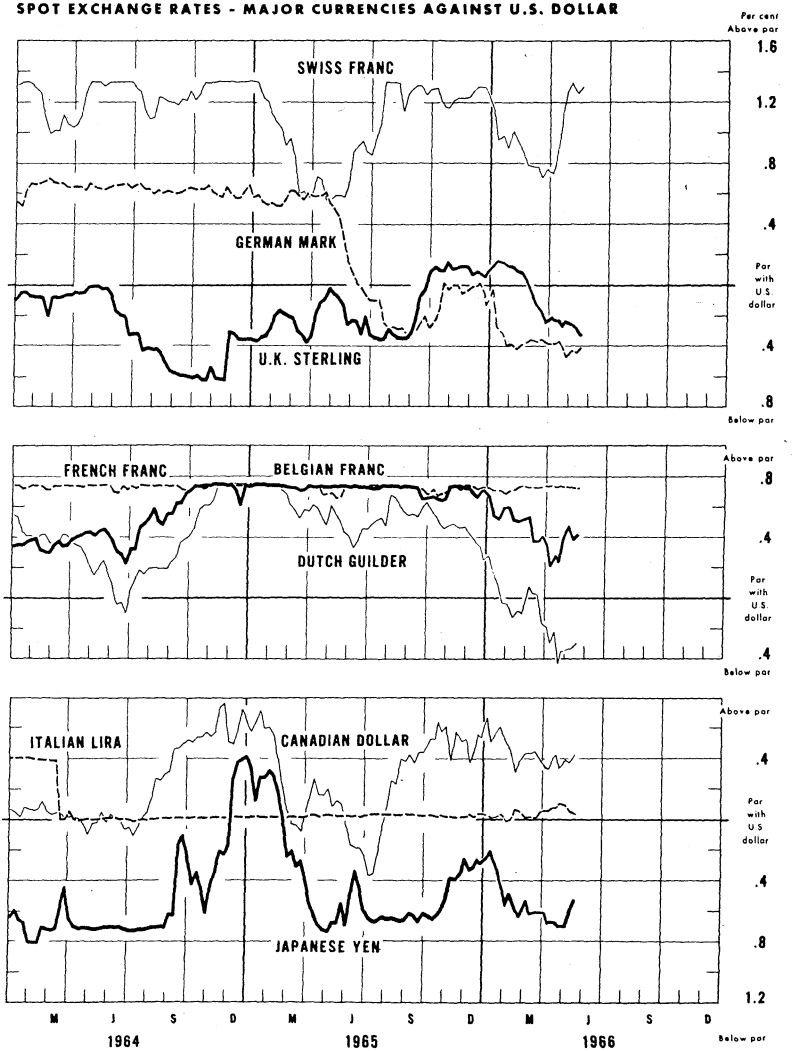

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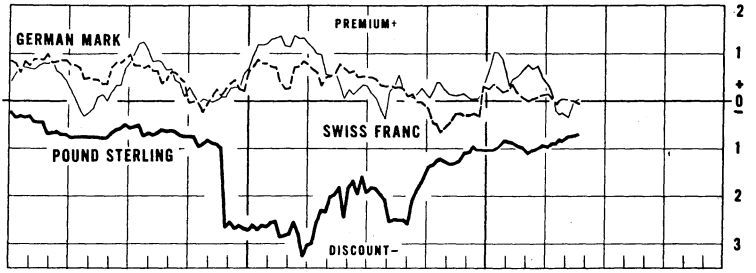
Chart 9

3-MONTH FORWARD EXCHANGE RATES

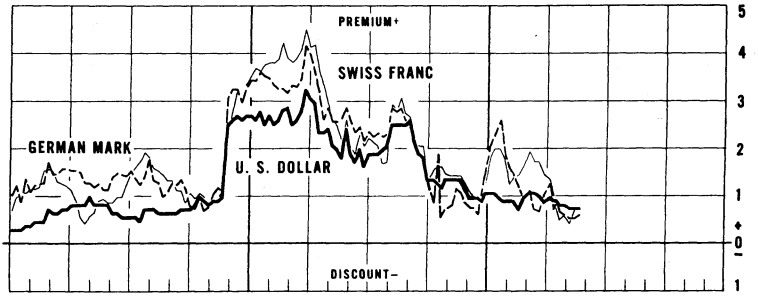
Friday figures

AGAINST U. S. DOLLARS

Per cent per annum



AGAINST POUND STERLING - LONDON



AGAINST POUND STERLING - LONDON

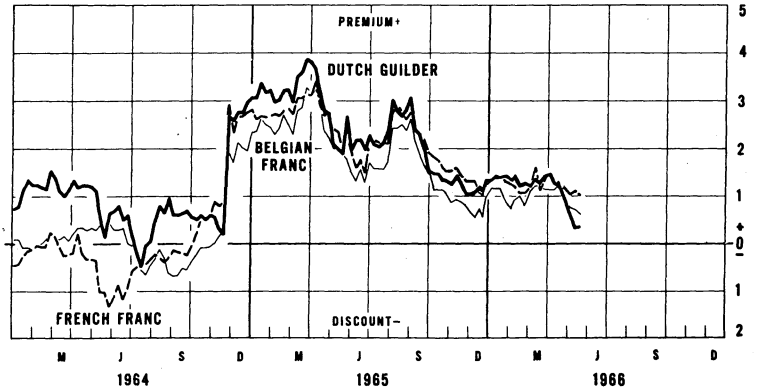


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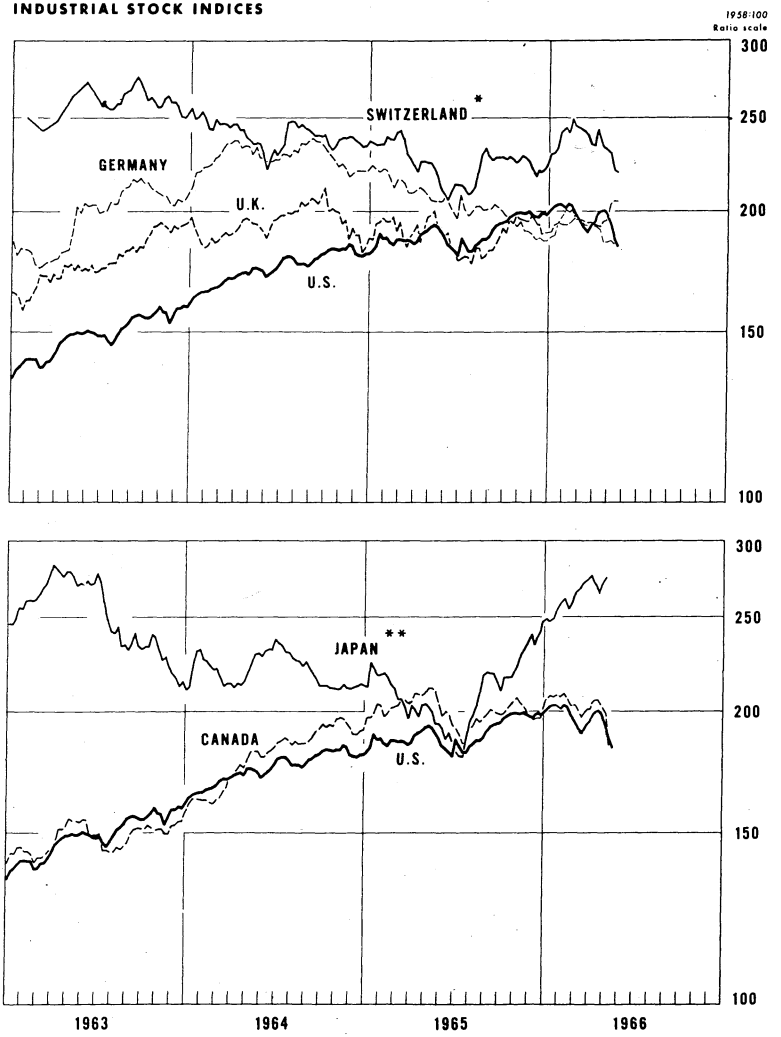
Chart 10

INDUSTRIAL STOCK INDICES



* Swiss Bank Corporation industrial stock index

** Japan: index of 225 industrial and other stocks traded on the Tokyo exchange

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May 25,1966

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

Chart 1

Upper Panel (Wednesday, May 18)

Euro-$ Deposit	5.62
U.S. certif. of deposit	5.26

Lower Panel (Friday, May 20)

Finance co. paper:	U.S.	5.38
	Canada	5.76
Hire-purchase paper, U.K.		6.10

Chart 2
(Friday, May 20)

Euro-$ deposits:

Call	5.31	90-day	5.75
7-day	5.50	180-day	5.88
30-day	5.81		

Hire-purchase paper (May 13)	6.08
Local-authority deposit (May 13)	5.65

Chart 3

Upper Panel (Period: May 8-15)

Interbank loan (mid-point)	6.12
Euro-$ deposit (average)	5.74 (r)

Lower Panel (Date: March 15)

Zurich 3-mo. deposit	4.00
Price of gold (Friday, May 13)	35.121

Chart 4
(Friday, May 20)

Treasury bills:	Canada	4.96
	U.S.	4.62
Spread favor Canada		+0.34
Forward Canadian $		-0.17
Net incentive (Canada +)		+0.17
Canadian finance paper		6.00

Chart 5
(Friday, May 20)

Treasury bills:	U.K.	5.52
	U.S.	4.62
Spread favor U.K.		+0.90
Forward pound		-0.69
Net incentive (U.K. +)		+0.21

Chart 6
(Friday, May 20)

Treasury bills:	U.S.	4.62
	U.K.	5.52
	Canada	4.96
Interbank loan rate (German) (May 15)		6.12
Euro-$ deposit (London)		5.75
Zurich 3-mo. deposit (Date: March 15)		4.00
Japan composit rate (Date: February 28)		7.570

Chart 7

U.S. Gov't. (Wed., May 18)	4.60
U.K. War Loan (Thurs., May 12)	6.86
German Fed. (Fri., May 13)	7.76
Swiss Confed. (Fri., May 13)	3.94
Canadian Gov't. (Wed., May 18)	5.65
Netherlands Gov't perpetual 3% (Friday, May 13)	5.94
Euro-$ bonds (Fri., May 20)	6.44

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

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