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 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.

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

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

CANADIAN FINANCE COMPANY
U.K. HIRE PURC
U.S. FINANCE COMPANY

1964 1965 1966
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

180 DAY
90 DAY
30 DAY
CALL

FAVOR HIRE PURCHASE
FAVOR EURO-DOLLAR

LOCAL AUTHORITY DEPOSIT
EURO-DOLLAR DEPOSIT

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)

INTERBANK LOAN RATE

IN TERMS OF DM

EURO-DOLLAR

DIFERENTIAL

FAVOR FRANKFURT

FAVOR EURO-DOLLAR

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

IN TERMS OF SWISS FRANCS

EURO-DOLLAR

SWISS DEPOSIT RATE

DIFERENTIAL

FAVOR ZURICH

FAVOR EURO-DOLLAR

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

DISCOUNT

PREMIUM

3-MONTH COVERED RATE DIFFERENTIALS (NET INCENTIVES)

PRIME FINANCE PAPER

FAVOR CANADA

FAVOR U.S.

FAVOR CANADA

FAVOR U.S.

1963 1964 1965 1966
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

FORWARD RATE

PREFERENCE

DISCOUNT

RATE DIFFERENTIAL WITH FORWARD EXCHANGE COVER (NET INCENTIVE)

IN FAVOR OF LONDON

IN FAVOR OF NEW YORK

1963 1964 1965 1966
Chart 4
SHORT-TERM INTEREST RATES *

* 1-month Treasury bill rates for all countries except for U.S. - average of bank prime and discount.
Switzerland (Swiss deposit rate) and Germany (Interbank loan rate).

- Euro-dollar deposit rate for U.S. dollar deposits in London.
Chart 2
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.
**Latest Figures Plotted in H.13 Chart Series, 1966**

(all figures per cent per annum)

### Chart 1

**Upper Panel**

- **Euro-$ Deposit**: 5.88
- **U.S. certif. of deposit**: 5.54

**Lower Panel**

- **Finance co. paper: U.S.**: 5.50
- **Canada**: 6.12
- **Hire-purchase paper, U.K.**: 6.10

### Chart 2

**Euro-$ deposits:**

- **Call**: 5.62
- **90-day**: 5.94
- **7-day**: 5.75
- **180-day**: 6.25
- **30-day**: 6.06

- **Hire-purchase paper** (June 17): 6.10
- **Local-authority deposit** (June 17): 5.79

### Chart 3

**Upper Panel**

- **Interbank loan (mid-point)**: 6.71
- **Euro-$ deposit (average)**: 6.70

**Lower Panel**

- **Zurich 3-mo. deposit**: 4.19

### Chart 4

**Price of gold** (Friday, June 17)

- 35.150

### Chart 5

**Treasury bills**

- **U.K.**: 5.61
- **U.S.**: 4.54

**Spread favor U.K.**: +1.07

**Forward pound**: -0.59

**Net incentive (U.K. +)**: +0.48

### Chart 6

**Treasury bills**

- **U.S.**: 4.54
- **U.K.**: 5.61
- **Canada**: 4.87

**Interbank loan rate (German)** (June 16-23): 6.71

**Euro-$ deposit (London)**: 5.94

**Zurich 3-mo. deposit** (Date: June 15)

**Japan composit rate** (Date: April 30)

- 4.19
- 7.530

### Chart 7

**U.S. Gov't.** (Wed., June 29)

- 4.73

**U.K. War Loan** (Thurs. June 23)

- 6.95

**German Fed.** (Fri., June 24)

- 8.52

**Swiss Confed.** (Fri., June 24)

- 3.95

**Canadian Gov't.** (Wed. June 29)

- 5.71

**Netherlands Gov't perpetual 3%** (Friday, June 10)

- 6.01

**Euro-$ bonds** (Fri., July 1)

- 6.58

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

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Federal Reserve Bank of St. Louis