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 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

Wednesday figures

Chart 1

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

Friday figures

AUG 19 728
LONDON: YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS

EURO-DOLLAR DEPOSIT RATES

HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered).

DIFFERENTIAL

LOCAL AUTHORITY DEPOSIT

1964 1965 1966
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
PREMIUM
DISCOUNT

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

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

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

**Per cent per annum**


- 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
Long-Term Bond Yields

Weekly figures

Per cent per annum

Germany
U.K.
Euro-dollar bonds *
U.S.

Netherlands
Canada
U.S.
Switzerland


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

1964 1965 1966
Chart 10

INDUSTRIAL STOCK INDICES

Swiss Bank Corporation industrial stock index

JAPAN

**

Japanese index of 225 industrial and other stocks traded on the Tokyo exchange
### Chart 1 (Wednesday, August 17)
- Euro-$ Deposit: 6.50
- U.S. certif. of deposit: 5.74

### Lower Panel (Friday, August 19)
- Finance co. paper: U.S. 5.63
- Canada 6.46
- Hire-purchase paper, U.K. 7.28

### Chart 2 (Friday, August 19)
- Euro-$ deposits:
  - Call 6.06
  - 90-day 6.56
  - 7-day 6.19
  - 180-day 7.12
  - 30-day 6.62
- Hire-purchase paper (August 5) 6.13
- Local-authority deposit (August 5) 5.75

### Chart 3 (Period: August 8-15)
- Interbank loan (mid-point) 6.84
- Euro-$ deposit (average) 6.21

### Lower Panel (Date: July 15)
- Zurich 3-mo. deposit 4.25

### Chart 4 (Friday, August 19)
- Price of gold (Friday, August 5) 35.191
- Treasury bills: Canada 4.96
- U.S. 5.06
- Spread favor Canada -0.10
- Forward Canadian $ +0.28
- Net incentive (Canada +) +0.18
- Canadian finance paper 6.25

### Chart 5 (Friday, August 19)
- Treasury bills: U.K. 6.53
- U.S. 5.06
- Spread favor U.K. 1.47
- Forward pound -1.03
- Net incentive (U.K. +) +0.44

### Chart 6 (Friday, August 19)
- Treasury bills: U.S. 5.06
- U.K. 6.53
- Canada 4.96
- Interbank loan rate (German) (August 8-15) 6.84
- Euro-$ deposit (London) 6.56
- Zurich 3-mo. deposit (Date: July 15) 4.25
- Japan composit rate (Date: April 30) 7.53

### Chart 7
- U.S. Gov't. (Wed., August 17) 4.88
- U.K. War Loan (Thurs., Aug. 11) 7.29
- German Fed. (Fri., August 12) 8.29
- Swiss Confed. (Fri., Aug. 12) 4.07
- Canadian Gov't. (Wed., Aug. 10) 5.88
- Netherlands Gov't perpetual 3% (Friday, August 12) 5.91
- Euro-$ bonds (Fri., August 12) 6.79

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