

H. 13
No. 265

September 14, 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

- 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

RECEIVED
RESEARCH

SEP 26 1966

FEDERAL RESERVE BANK
OF RICHMOND

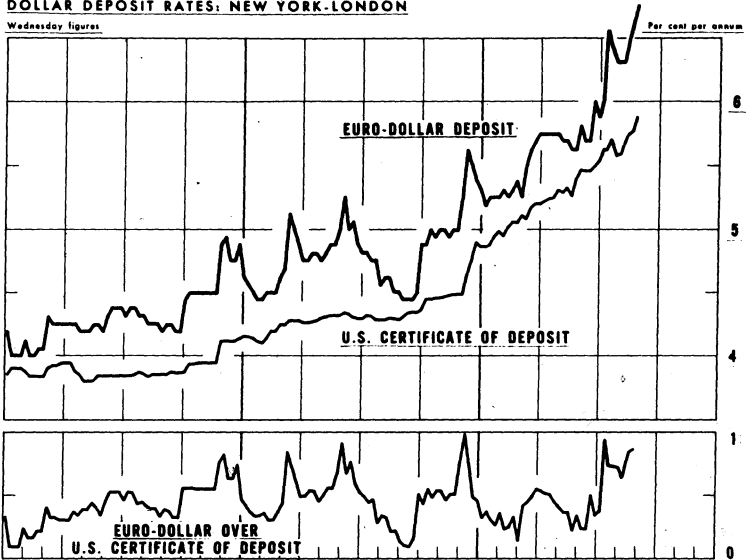
Europe and British Commonwealth Section.

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Chart 1

**NEW YORK, LONDON, MONTREAL:
YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS
DOLLAR DEPOSIT RATES: NEW YORK-LONDON**

Wednesday figures



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

Friday figures

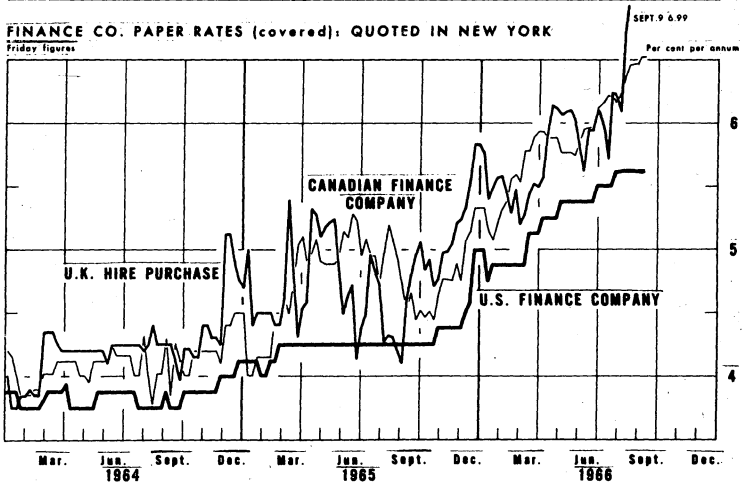
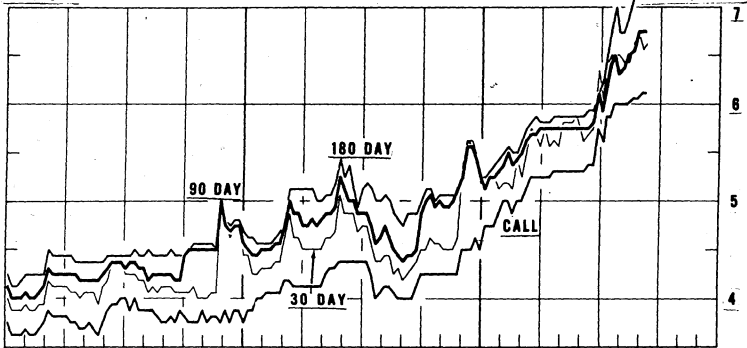


Chart 2.

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

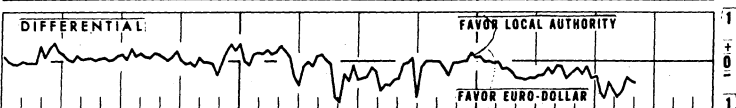
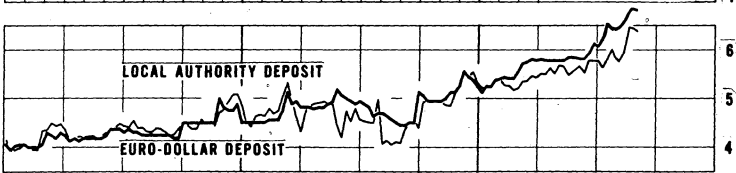
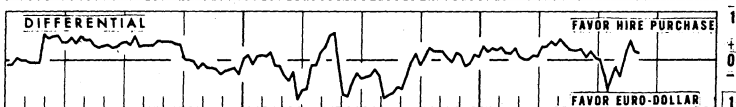
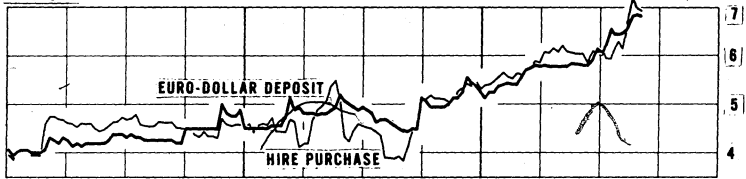
EURO-DOLLAR DEPOSIT RATES

Friday figures



HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

Friday figures



1964

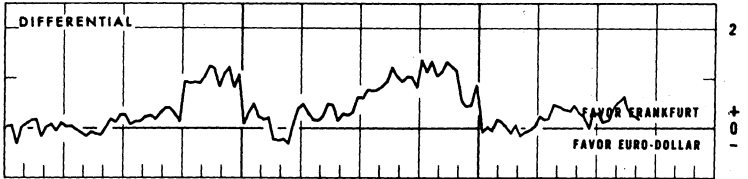
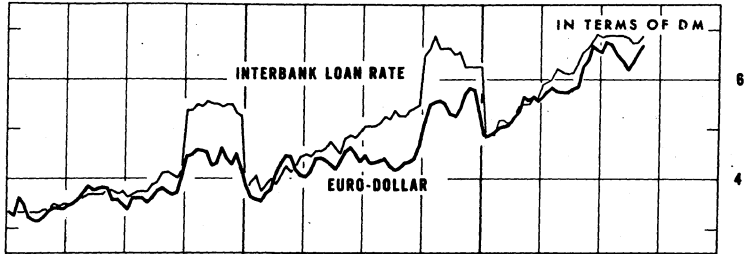
1965

1966

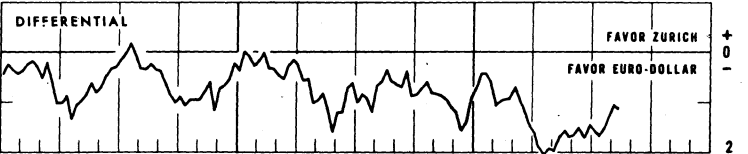
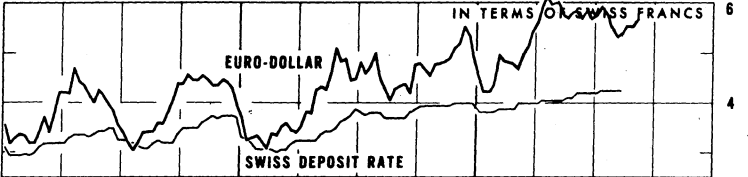
INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON

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

Per cent per annum



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



II PRICE OF GOLD IN LONDON

U.S. dollar equivalent per fine ounce

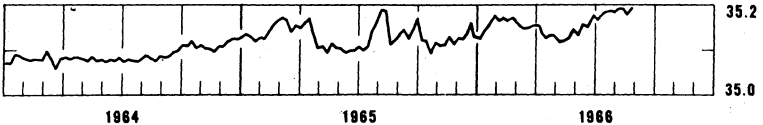


Chart 4

INTEREST ARBITRAGE, UNITED STATES/CANADA

Friday figures

Per cent per annum

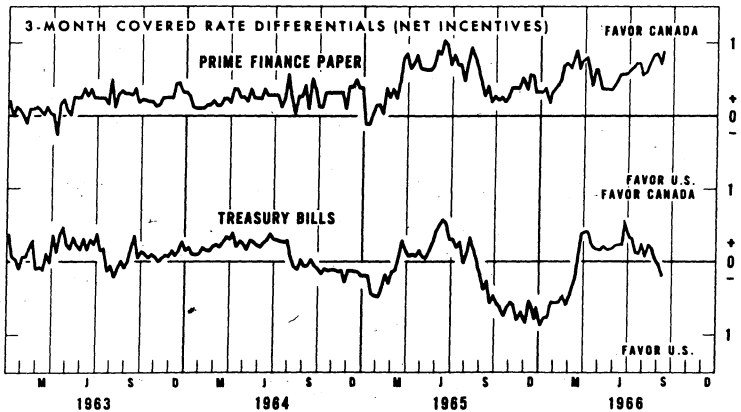
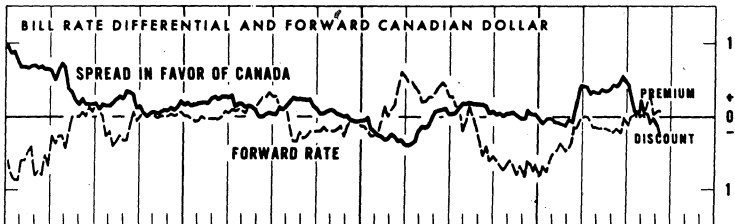
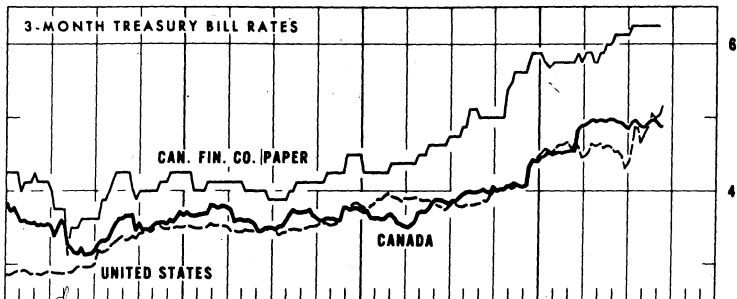


Chart 5

INTEREST ARBITRAGE, NEW YORK/LONDON

Friday figures

Per cent per annum

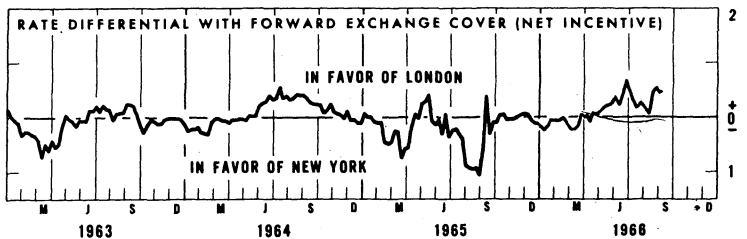
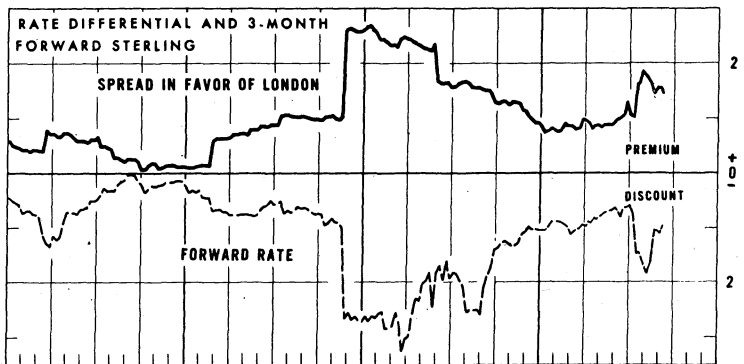
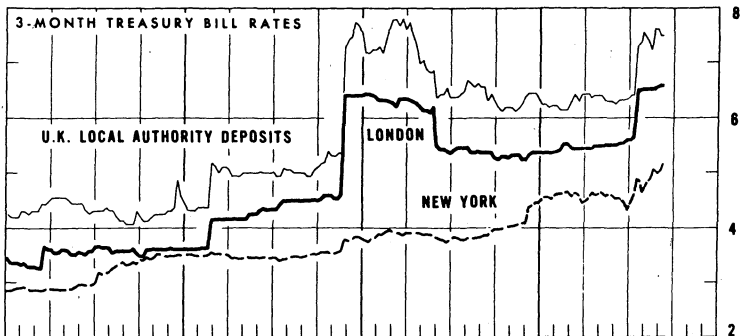
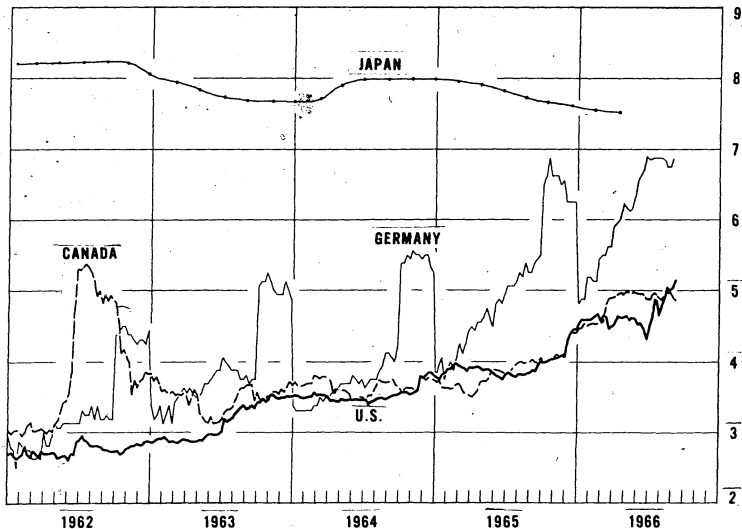
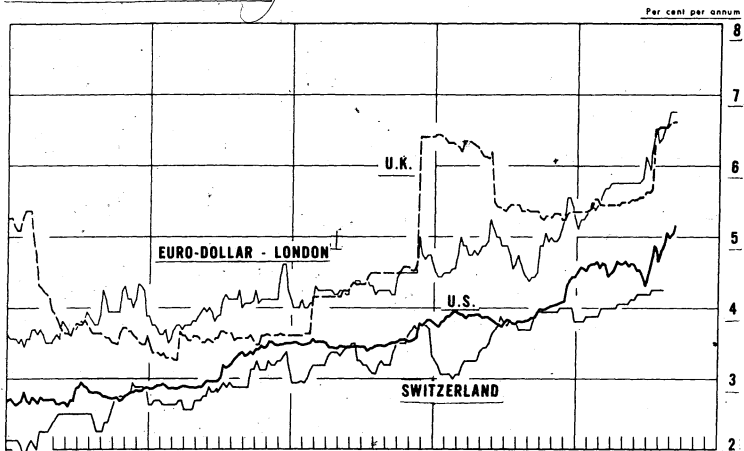


Chart 6

SHORT-TERM INTEREST RATES*



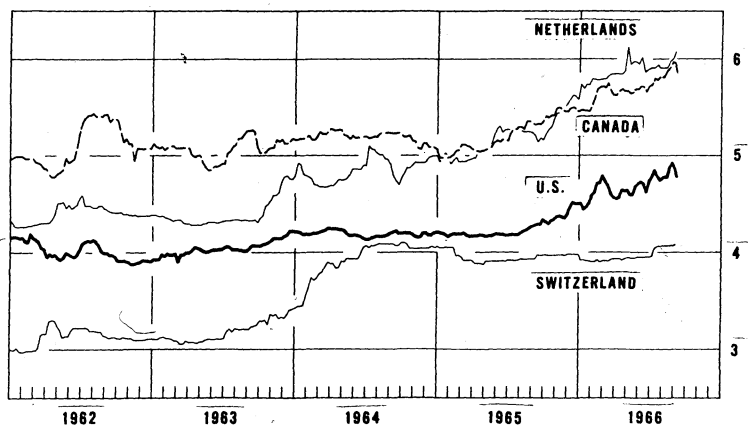
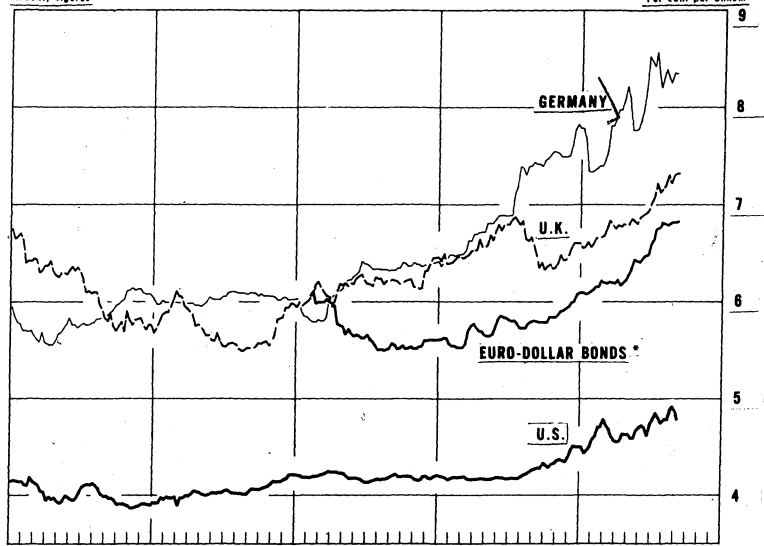
* 3 month treasury bill rates for all countries except Japan (Average rate on bank loans and discounts), Switzerland (3 month deposit rate) and Germany (interbank loan rate)

* Per cent per annum for U.S. dollar deposits in London

Chart 7
LONG-TERM BOND YIELDS

Weekly figures

Per cent per annum



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

Chart B

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

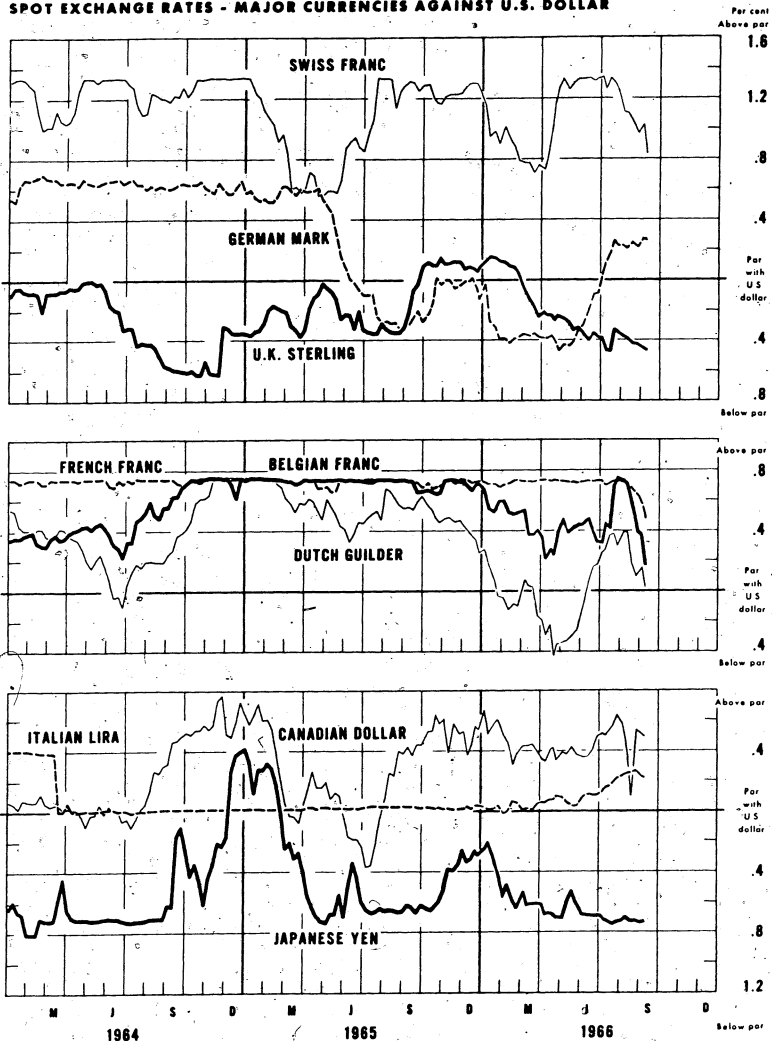


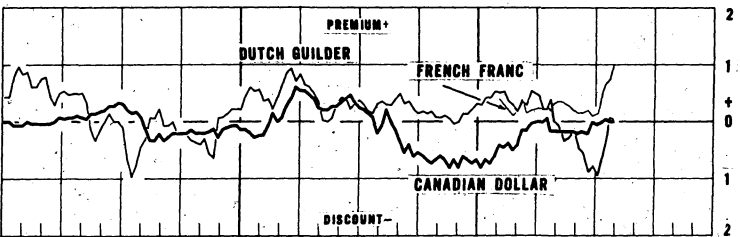
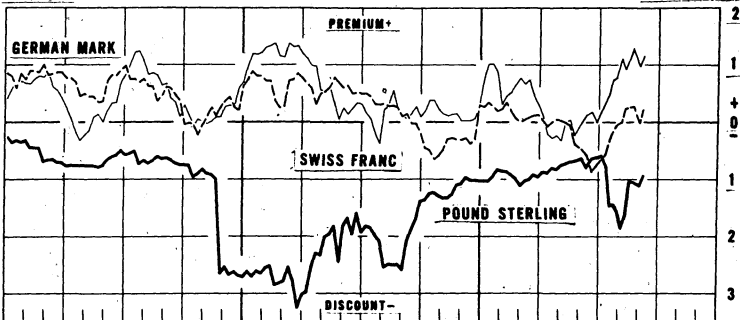
Chart 9

3-MONTH FORWARD EXCHANGE RATES

AGAINST U.S. DOLLARS—NEW YORK

Friday figures

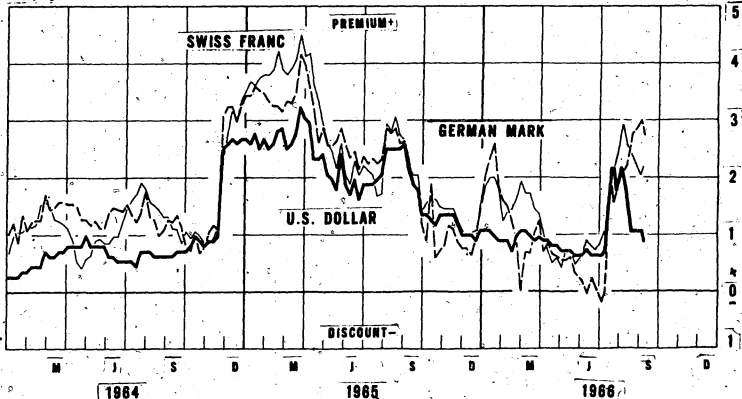
Per cent per annum



AGAINST POUND STERLING—LONDON

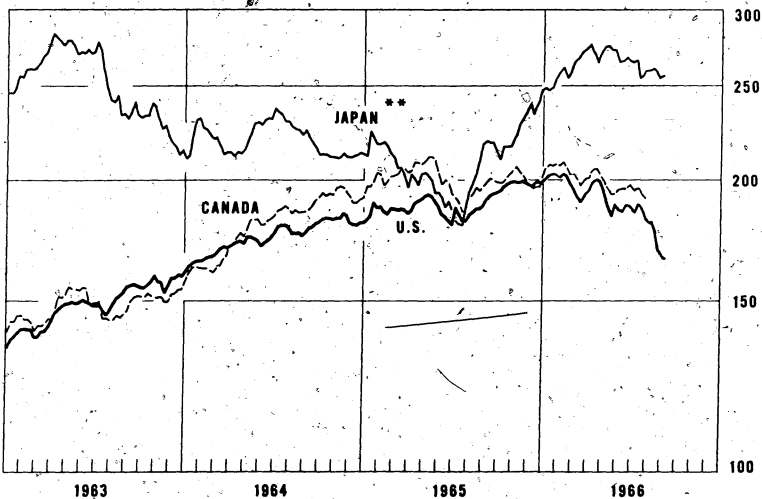
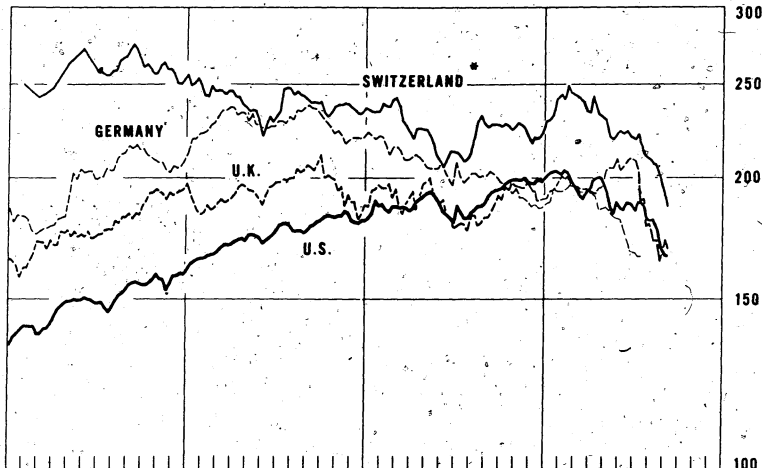
Friday figures

Per cent per annum



INDUSTRIAL STOCK INDICES

1956=100
Ratio scale



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

12.
September 14, 1966

H. 13

No. 265 Latest Figures Plotted in H.13 Chart Series, 1965
(all figures per cent per annum)Chart 1
Upper Panel (Wednesday, August 31)

Euro-\$ Deposit	<u>6.75</u>
U.S. certif. of deposit	<u>5.88</u>
<u>Lower Panel</u> (Friday, Sept. 9)	
Finance co. paper: U.S.	<u>5.63</u>
Canada	<u>6.52</u>
Hire-purchase paper, U.K.	<u>6.99</u>

Chart 2
(Friday, Sept. 9)

Euro-\$ deposits:			
Call	<u>6.12</u>	90-day	<u>6.75</u>
7-day	<u>6.31</u>	180-day	<u>7.31</u>
30-day	<u>6.62</u>		
Hire-purchase paper	<u>6.94</u>		
(September 2)			
Local-authority deposit	<u>6.38</u>		
(September 2)			

Chart 3
Upper Panel (Period: Sept. 1-7)

Interbank loan (mid-point)	<u>6.88</u>
Euro-\$ deposit (average)	<u>6.70</u>
<u>Lower Panel</u> (Date: August 15)	
Zurich 3-mo. deposit	<u>4.25</u>
<u>Price of gold</u>	<u>35.188</u>
(Friday, Sept. 2)	

Chart 4
(Friday, Sept. 9)

Treasury bills: Canada	<u>4.87</u>
U.S.	<u>5.16</u>
Spread favor Canada	<u>-0.29</u>
Forward Canadian \$	<u>+0.09</u>
Net incentive (Canada +)	<u>-0.20</u>
Canadian finance paper	<u>6.25</u>

Chart 5
(Friday, Sept. 9)

Treasury bills: U.K.	<u>6.60</u>
U.S.	<u>5.16</u>
Spread favor U.K.	<u>+1.44</u>
Forward pound	<u>-0.95</u>
Net incentive (U.K. +)	<u>+0.49</u>

Chart 6
(Friday, Sept. 9)

Treasury bills: U.S.	<u>5.16</u>
U.K.	<u>6.60</u>
Canada	<u>4.87</u>
Interbank loan rate (German)	<u>6.88</u>
(Sept. 1-7)	
Euro-\$ deposit (London)	<u>6.75</u>
Zurich 3-mo. deposit	
(Date: Aug 15)	<u>4.25</u>
Japan composite rate	
(Date: June 30)	<u>7.49</u>

Chart 7

U.S. Gov't. (Wed., Sept. 7)	<u>4.76</u>
U.K. War Loan (Thurs., Sept 8)	<u>7.31</u>
German Fed. (Fri., Sept. 2)	<u>8.34</u>
Swiss Confed. (Fri., Sept. 2)	<u>4.08</u>
Canadian Gov't. (Wed., Sept. 7)	<u>5.85</u>
Netherlands Gov't perpetual 3%	
(Friday, Sept. 2)	<u>6.06</u>
Euro-\$ bonds (Fri., Sept. 9)	<u>6.83</u>

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