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

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

U.K. HIRE PURCHASE
U.S. FINANCE COMPANY

Chart 1

Wednesday figures

Per cent per annum

1964 1965 1966

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis
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
INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON

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

INTERBANK LOAN RATE

EURO-DOLLAR

Differential

FAVOR FRANKFURT

FAVOR EURO-DOLLAR

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

EURO-DOLLAR

SWISS DEPOSIT RATE

Differential

FAVOR ZURICH

FAVOR EURO-DOLLAR

PRICE OF GOLD IN LONDON

U.S. dollar equivalent per fine ounce

1964 1965 1966

35.0 35.2
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

PREMIUM

DISCOUNT

3-MONTH COVERED RATE DIFFERENTIALS (NET INCENTIVES)

PRIME FINANCE PAPER

FAVOR CANADA

FAVOR U.S.

FAVOR CANADA

TREASURY BILLS

FAVOR U.S.

FAVOR CANADA
Chart 6
SHORT-TERM INTEREST RATES

Per cent per annum


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

* 3-month treasury bill rates for all countries except Japan (average rate on bank loans and discounts).

1. Switzerland (3-month deposit rate) and Germany (interbank loan rate).

Note: Interbank rate for U.S. dollar deposits in London.
Chart 2
LONG-TERM BOND YIELDS
Weekly figures

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 8

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

SWISS FRANC

GERMAN MARK

U.K. STERLING

FRENCH FRANC

BELGIAN FRANC

DUTCH GUILDER

ITALIAN LIRA

CANADIAN DOLLAR

JAPANESE YEN

http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis
3-MONTH FORWARD EXCHANGE RATES
AGAINST U.S. DOLLARS—NEW YORK

Friday figures

GERMAN MARK

PREMIUM+

SWISS FRANC

POUND STERLING

DISCOUNT−

PREMIUM+

DUTCH Guilder

FRENCH FRANC

CANADIAN DOLLAR

DISCOUNT−

AGAINST POUND STERLING—LONDON

Friday figures

SWISS FRANC

PREMIUM+

GERMAN MARK

U.S. DOLLAR

DISCOUNT−

Digits for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis
** INDUSTRIAL STOCK INDICES **

- **SWITZERLAND** *
- **GERMANY**
- **U.K.**
- **U.S.**
- **JAPAN** ** **
- **CANADA**

1963 1964 1965 1966

---

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

Digitized for FRASER  
http://fraser.stlouisfed.org/  
Federal Reserve Bank of St. Louis
II. Latest Figures Plotted in H. 13 Chart Series, 1966
(all figures per cent per annum)

<table>
<thead>
<tr>
<th>Chart 1 (Upper Panel)</th>
<th>Chart 5 (Chart 6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Euro-$ Deposit</td>
<td>Treasury bills: U.K. 6.60 U.S. 5.47</td>
</tr>
<tr>
<td></td>
<td>Spread favor U.K. +0.13</td>
</tr>
<tr>
<td>U.S. cert. of deposit</td>
<td>Forward pound -0.90</td>
</tr>
<tr>
<td>Lower Panel (Friday, Sept. 23)</td>
<td>Net incentive (U.K.+)+0.23</td>
</tr>
<tr>
<td>Finance co. paper: U.S. 5.63 Canada 6.75</td>
<td></td>
</tr>
<tr>
<td>Hire-purchase paper, U.K. 6.79</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chart 2 (Friday, Sept. 23)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Euro-$ deposits:</td>
</tr>
<tr>
<td>Call</td>
</tr>
<tr>
<td>90-day</td>
</tr>
<tr>
<td>7-day</td>
</tr>
<tr>
<td>180-day</td>
</tr>
<tr>
<td>30-day</td>
</tr>
<tr>
<td>Hire-purchase paper</td>
</tr>
<tr>
<td>(Sept. 16)</td>
</tr>
<tr>
<td>Local-authority deposit</td>
</tr>
<tr>
<td>(Sept. 16)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chart 3 (Upper Panel) (Period: Sept. 8-15)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interbank loan rate (mid-point)</td>
</tr>
<tr>
<td>Euro-$ deposit (average)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chart 3 (Lower Panel) (Date: August 15)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zurich 3-mo. deposit</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chart 4 (Friday, Sept. 23)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price of gold</td>
</tr>
<tr>
<td>(Friday, Sept. 16)</td>
</tr>
<tr>
<td>35.183</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chart 4 (Friday, Sept. 23)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury bills: Canada</td>
</tr>
<tr>
<td>U.S.</td>
</tr>
<tr>
<td>Spread favor Canada</td>
</tr>
<tr>
<td>Forward Canadian $</td>
</tr>
<tr>
<td>Net incentive (Canada+)</td>
</tr>
<tr>
<td>Canadian finance paper</td>
</tr>
<tr>
<td>4.84</td>
</tr>
<tr>
<td>5.47</td>
</tr>
<tr>
<td>-0.63</td>
</tr>
<tr>
<td>+0.32</td>
</tr>
<tr>
<td>-0.31</td>
</tr>
<tr>
<td>6.25</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chart 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Gov't. (Wed., Sept. 21) 4.82</td>
</tr>
<tr>
<td>U.K. War Loan (Thurs., Sept. 15) 7.19</td>
</tr>
<tr>
<td>German Fed. (Fri., Sept. 9) 8.25</td>
</tr>
<tr>
<td>Swiss Confed. (Fri., Sept. 16) 4.08</td>
</tr>
<tr>
<td>Canadian Gov't. (Wed., Sept. 16) 5.83</td>
</tr>
<tr>
<td>Netherlands Gov't perpetual 3% (Friday, Sept. 16) 5.97</td>
</tr>
<tr>
<td>Euro-$ bonds (Fri., Sept. 23) 6.83</td>
</tr>
</tbody>
</table>

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