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 14 - 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 PURCHASE
U.S. FINANCE COMPANY


Per cent per annum
Chart 3

INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON

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

INTERBANK LOAN RATE

EURO-DOLLAR

IN TERMS OF DM

DIFFERENTIAL

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

35.2

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

PREMIUM

DISCOUNT

3-MONTH COVERED RATE DIFFERENTIALS (NET INCENTIVES)

PRIME FINANCE PAPER

Favor Canada

TREASURY BILLS

Favor U.S.

Favor Canada

Favor U.S.
Chart 6
SHORT-TERM INTEREST RATES

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


* 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
Chart 7. 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.

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http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis
Chart 9

3-MONTH FORWARD EXCHANGE RATES
AGAINST U.S. DOLLARS—NEW YORK
Friday figures

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AGAINST POUND STERLING—LONDON
Friday figures

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Chart 10

INDUSTRIAL STOCK INDICES

1966 1965 1963 1964

GERMANY

U.K.

U.S.

SWITZERLAND *

1963 1964 1965 1966

JAPAN **

CANADA

U.S.

** Swiss Bank Corporation industrial stock index

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

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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)

Chart 1
Upper Panel (Wednesday, Oct. 5)
Euro-$ Deposit 6.88
U.S. certif. of deposit 5.82

Lower Panel (Friday, Oct. 7)
Finance co. paper: U.S. 6.75
Canada 6.65
Hire-purchase paper, U.K. 6.79

Chart 2
(Friday, Oct. 7)
Euro-$ deposits:
Call 6.00 90-day 6.75
7-day 6.00 180-day 6.75
30-day 6.25

Hire-purchase paper (Sept. 30) 6.93
Local-authority deposit (Sept. 30) 6.55

Chart 3
Upper Panel (Period: Sept. 23)
Interbank loan (mid-point) 6.83
Euro-$ deposit (average) 6.36

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

Price of gold (Friday, Sept. 30) 35.193

Chart 4
(Friday, Oct. 7)
Treasury bills: Canada 4.96
U.S. 5.34
Spread favor Canada -0.38
Forward Canadian $ +0.41
Net incentive (Canada +) +0.03
Canadian finance paper 6.12

Chart 5
(Friday, Oct. 7)
Treasury bills: U.K. 6.52
U.S. 5.34
Spread favor U.K. +1.18
Forward pound -0.77
Net incentive (U.K. +) +0.41

Chart 6
(Friday, Oct. 7)
Treasury bills: U.S. 5.34
U.K. 6.52
Canada 4.96

Interbank loan rate (German) 6.83
Euro-$ deposit (London) 6.75

Zurich 3-mo. deposit (Date: August 15) 4.25
Japan composit rate (Date: June 30) 7.49

Chart 7
U.S. Gov't. (Wed., Oct. 5) 4.79
U.K. War Loan (Thurs., Oct. 6) 7.13
German Fed. (Fri., Oct. 7) 7.92
Swiss Confed. (Fri., Sept. 16) 4.08
Canadian Gov't. (Wed., Oct. 5) 5.76
Netherlands Gov't perpetual 3% (Friday, Sept. 23) 6.03
Euro-$ bonds (Fri., Oct. 7) 6.72

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