CAPITAL MARKET DEVELOPMENTS ABROAD

I. Ten Charts on Financial Markets Abroad

II. Latest Figures Plotted: 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
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Chart 4 - Interest Arbitrage: New York/Canada
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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

1964 1965 1966
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

DIFFERENTIAL
FAVOR HIRE PURCHASE
FAVOR EURO-DOLLAR

LOCAL AUTHORITY DEPOSIT
EURO-DOLLAR DEPOSIT

DIFFERENTIAL
FAVOR LOCAL AUTHORITY
FAVOR EURO-DOLLAR

1964 1965 1966
Chart 4
INTEREST ARBITRAGE, UNITED STATES/CANADA

Friday figures

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

Favor Canada

Favor U.S.

3-MONTH COVERED RATE DIFFERENTIALS (NET INCENTIVES)

PRIME FINANCE PAPER

TREASURY BILLS

Favor Canada

Favor U.S.
SHORT-TERM INTEREST RATES *

U.K.
EURO-DOLLAR - LONDON
U.S.
SWITZERLAND

JAPAN

CANADA

GERMANY

U.S.


* 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)

\[\text{13-month rate for U.S. dollar deposits in London}\]
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 B
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

Per cent
Above par
1.6
1.2
.8
.4

Per with U.S. dollar
.4
.8

Below par

M J S D M J S D M J S D
1964 1965 1966
3-MONTH FORWARD EXCHANGE RATES
AGAINST U.S. DOLLARS—NEW YORK
Friday figures

<table>
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<tr>
<th>Currency</th>
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AGAINST POUND STERLING—LONDON
Friday figures

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<td>U.S. Dollar</td>
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Federal Reserve Bank of St. Louis
INDUSTRIAL STOCK INDICES

1963 1964 1965 1966

* Swiss Bank Corporation industrial stock index
** Japan: index of 225 industrial and other stocks traded on the Tokyo exchange
Latest Figures Plotted in H.13 Chart Series, 1966
(all figures per cent per annum)

**Chart 1**
Upper Panel (Wednesday, Nov. 23)
- Euro-$ Deposit 6.71
- U.S. certif. of deposit 5.86

Lower Panel (Friday, Nov. 25)
- Finance co. paper: U.S. 5.88 Canada 5.74
- Hire-purchase paper, U.K. 7.58

**Chart 2**
(Friday, Nov. 25)
- Euro-$ deposits:
  - Call 6.18
  - 90-day 6.86
  - 180-day 6.71
  - 30-day 6.29
- Hire-purchase paper 6.92
- Local-authority deposit 6.53

**Chart 3**
Upper Panel (Period: Nov. 8-18)
- Interbank loan (mid-point) 7.23
- Euro-$ deposit (average) 6.91

**Chart 4**
(Friday, Nov. 25)
- Treasury bills: Canada 5.04 U.S. 5.23
- Spread favor Canada 0.21
- Forward Canadian $ 0.41
- Net incentive (Canada +) -0.40
- Canadian finance paper 0.38

**Chart 5**
(Friday, Nov. 25)
- Treasury bills: U.K. 6.60 U.S. 5.25
- Spread favor U.K. 1.55
- Forward pound 0.54
- Net incentive (U.K. +) 0.81

**Chart 6**
(Friday, Nov. 25)
- Treasury bills: U.S. 5.25 U.K. 5.60 Canada 5.04
- Interbank loan rate (German Nov. 8-18) 7.23
- Euro-$ deposit (London) 6.88
- Zurich 3-mo. deposit (Date: Nov. 1) 4.33
- Japan composit rate (Date: Sept. 30) 7.42

**Chart 7**
- U.S. Gov't. (Wed., Nov. 13) 4.83
- U.K. War Loan (Thurs., Nov. 14) 4.92
- German Fed. (Fri., Nov. 15) 8.14
- Swiss Confed. (Fri., Nov. 11) 4.14
- Canadian Gov't. (Wed., Nov. 13) 3.97
- Netherlands Gov't perpetual 3% (Friday, Nov. 15) 3.93
- Euro-$ bonds (Fri., Nov. 25) 5.27

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