CAPITAL MARKET DEVELOPMENTS ABROAD

I. Ten Charts on Financial Markets Abroad
II. Latest Figures Plotted in H.13 Chart Series, 1967

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

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

1964 1965 1966

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Federal Reserve Bank of St. Louis
LONDON: YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS

EURO-DOLLAR DEPOSIT RATES

HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

1964 1965 1966
Chart 3

INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON

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

IN TERMS OF

INTERBANK LOAN RATE

EURO-DOLLAR

DIFFERENTIAL

FAVOR FRANKFURT

FAVOR EURO-DOLLAR

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

IN TERMS OF SWISS FRANCS

EURO-DOLLAR

SWISS DEPOSIT RATE

DIFFERENTIAL

FAVOR ZURICH

FAVOR EURO-DOLLAR

II PRICE OF GOLD IN LONDON

U.S. dollar equivalent per fine ounce

35.2

35.0

1964 1965 1966

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Federal Reserve Bank of St. Louis
INTEREST ARBITRAGE, UNITED STATES/CANADA

3-MONTH TREASURY BILL RATES

UNITED STATES

CANADA

PRIME FINANCE PAPER

BILL RATE DIFFERENTIAL AND FORWARD CANADIAN DOLLAR

SPREAD IN FAVOR OF CANADA

FORWARD RATE

1

0

3-MONTH COVERED RATE DIFFERENTIALS (NET INCENTIVES)

PRIME FINANCE PAPER

TREASURY BILLS

FAVOR CANADA

FAVOR U.S.

FAVOR CANADA

FAVOR U.S.
Chart 5
INTEREST ARBITRAGE, NEW YORK/LONDON
Friday figures

3-MONTH TREASURY BILL RATES

U.K. LOCAL AUTHORITY DEPOSITS

LONDON
NEW YORK

RATE DIFFERENTIAL AND 3-MONTH FORWARD STERLING

SPREAD IN FAVOR OF LONDON

FORWARD RATE

RATE DIFFERENTIAL WITH FORWARD EXCHANGE COVER (NET INCENTIVE)

IN FAVOR OF LONDON
IN FAVOR OF NEW YORK
Chart 6
SHORT-TERM INTEREST RATES *


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


* 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

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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Federal Reserve Bank of St. Louis
Chart 10
INDUSTRIAL STOCK INDICES

1963 1964 1965 1966

SWITZERLAND *
GERMANY
U.K.
U.S.

JAPAN **
CANADA
U.S.

* 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, 1967
(all figures per cent per annum)

**Chart 1**  
*Upper Panel* (Wednesday, Jan. 18)
- Euro-$ Deposit: 5.31
- U.S. certif. of deposit: 5.53

*Lower Panel* (Friday, Jan. 20)
- Finance co. paper: U.S. 5.23
- Hire-purchase paper, U.K. 7.37

**Chart 2**  
*Euro-$ deposits:
- Call: 5.75
- 30-day: 5.88

*Hire-purchase paper:
- Jan. 13: 6.35

*Local-authority deposit:
- Jan. 13: 6.23

**Chart 3**  
*Upper Panel* (Period: Jan. 8-15)
- Interbank loan (mid-point): 5.71

*Euro-$ deposit (average): 6.16

**Lower Panel* (Date: Dec. 15)
- Zurich 3-mo. deposit: 4.38

**Pride of gold**  
*Friday, Jan. 13*
- 35.180

**Chart 4**  
*Treasury bills: Canada 4.66
- U.S. 4.68
- Spread favor Canada -0.02
- Forward Canadian $ -0.32
- Net Incentive (Canada +) -0.34
- Canadian finance paper 6.25

**Chart 5**  
*Friday, Jan. 20*
- Treasury bills: U.K. 6.10
- Spread favor U.K. +1.42
- Forward pound -0.69
- Net incentive (U.K. +) +0.73

**Chart 6**  
*Friday, Jan. 20*
- Treasury bills: U.S. 4.68
- U.K. 6.10
- Canada 4.66

- Interbank loan rate (German) (Jan. 8-15) 5.71
- Euro-$ deposit (London) 5.75
- Zurich 3-mo. deposit (Date: Dec. 15) 4.38
- Japan composite rate (Date: Sept. 30) 7.42

**Chart 7**  
*U.S. Gov't. (Wed., Jan. 18)* 4.37
*U.K. War Loan (Thurs., Jan. 19)* 6.75
*German Fed. (Fri., Jan. 13)* 7.43
*Swiss Confed. (Fri., Jan. 13)* 4.24

*Canadian Gov't. (Wed., Jan. 18)* 5.61
*Netherlands Gov't perpetual 3% (Friday, Jan. 13)* 5.85
*Euro-$ bonds (Fri., Jan. 20)* 6.37

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