CUTAL 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
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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)
Chart I

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

CANADIAN FINANCE COMPANY

U.S. FINANCE COMPANY

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Federal Reserve Bank of St. Louis
Chart 2

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

Friday figures

Per cent per annum

HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

Per cent per annum

1965 1966 1967

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I INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON

- FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE (COVERED) IN TERMS OF DM

- ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE (COVERED) IN TERMS OF SWISS FRANCS

II PRICE OF GOLD IN LONDON
INTEREST ARBITRAGE, UNITED STATES/CANADA

3-MONTH TREASURY BILL RATES

3-MONTH COVERED RATE DIFFERENTIALS (NET INCENTIVES)

- BILL RATE DIFFERENTIAL AND FORWARD CANADIAN DOLLAR

- PREMIUM

- FORWARD RATE

- DISCOUNT

1. SPREAD IN FAVOR OF CANADA

2. FAVOR CANADA

3. FAVOR U.S.
INTEREST ARBITRAGE, NEW YORK/LONDON

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

PREMIUM

FORWARD RATE

DISCOUNT

RATE DIFFERENTIAL WITH FORWARD EXCHANGE COVER (NET INCENTIVE)

IN FAVOR OF LONDON

IN FAVOR OF NEW YORK

1964 1965 1966 1967

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SHORT-TERM INTEREST RATES

Per cent per annum

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

† 3 month rate for U.S. dollar deposits in London
Chart 7
LONG-TERM BOND YIELDS
Weekly figures

Per cent per annum

- NETHERLANDS
- CANADA
- U.S.
- SWITZERLAND

GERMANY

EURO-DOLLAR BONDS*

- U.K.


* Average of yields for four foreign government dollar bonds quoted in London
** New series for Germany starts 7.9.65
Chart 9
3-MONTH FORWARD EXCHANGE RATES AGAINST U.S. DOLLARS—NEW YORK
Friday figures

GERMAN MARK

SWISS FRANC

POUND STERLING

DUTCH Guilder

FRENCH FRANC

CANADIAN DOLLAR

AGA I NST POUND STERLING—LONDON
Friday figures

SWISS FRANC

GERMAN MARK

U.S. DOLLAR

DISCOUNT-

PREMIUM+

1

2

3

4

5

1964

1965

1966

Per cent per annum

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II. Latest Figures Plotted in H.13 Chart Series, 1967
(all figures per cent per annum)

Chart 1
Upper Panel
(Wednesday, March 1)

Euro-$ deposit
U.S. certif. of deposit

Lower Panel
(Friday, March 3)

Finance co. paper: U.S.
Canada

Hire-purchase paper, U.K.

Chart 2
(Friday, March 3)

Euro-$ deposits:
Call 5.38
30-day 5.75
90-day 5.56
180-day 5.69

Hire-purchase paper
(Feb. 26)

Local-authority deposit
(Feb. 24)

Chart 3
Upper Panel
(Period: Feb. 24-28)

Interbank loan (mid-point) 5.31

Euro-$ deposit (average) 5.71

Lower Panel
(Date: Feb. 15)

Zurich 3-month deposit 4.50

Price of gold
(Friday, Feb. 24) 35.159

Chart 4
(Friday, March 3)

Treasury bills: Canada
U.S.

Spread favor Canada
-0.02

Forward Canadian $
0.00

Net incentive (Canada +) .0.02

Canadian finance paper 5.62

Chart 5
(Friday, Mar. 3)

Treasury bills: U.K.
U.S.

Spread favor U.K.
+1.48

Forward pound
-0.79

Net incentive (U.K. +) +0.69

Chart 6
(Friday, Mar. 3)

Treasury bills: U.S.
U.K.
Canada

Interbank loan rate (German) (Feb. 24-28) 5.31

Euro-$ deposit (London) 5.56

Zurich 3-month deposit
(Date: Feb. 15) 4.50

Japan composit rate
(Date: Nov. 30) 7.39

Chart 7

U.S. Gov't. (Wed., Mar. 1) 4.54

U.K. War Loan (Thurs., Mar. 2) 6.50

German Fed. (Fri., Mar. 3) 7.29

Swiss Confed. (Fri., Feb. 17) 4.24

Canadian Gov't. (Wed., Mar. 1) 5.59

Netherlands Gov't. perpetual 3%
(Friday, Feb. 17) 5.74

Euro-$ bonds (Fri., Mar. 3) 6.30

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