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)
LONDON: YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS

EURO-DOLLAR DEPOSIT RATES

HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

HIRE PURCHASE
EURO-DOLLAR DEPOSIT

DIFFERENTIAL
FAVOR HIRE PURCHASE
FAVOR EURO-DOLLAR

EURO-DOLLAR DEPOSIT
LOCAL AUTHORITY DEPOSIT

DIFFERENTIAL
FAVOR LOCAL AUTHORITY
FAVOR EURO-DOLLAR

1965 1966 1967
I INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON
FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE (COVERED)

II PRICE OF GOLD IN LONDON

PRICE OF GOLD IN LONDON

U.S. dollar equivalent per fine ounce
INTEREST ARBITRAGE, UNITED STATES/CANADA

3-MONTH TREASURY BILL RATES

Can. Fin. Co. Paper

Canada

United States

BILL RATE DIFFERENTIAL AND FORWARD CANADIAN DOLLAR

SPREAD IN FAVOR OF CANADA

Prime Finance Paper

Favor Canada

Favor U.S.

Favor Canada

TREASURY BILLS

Favor U.S.

1964 1965 1966 1967
Chart 5
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
SHORT-TERM INTEREST RATES

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


Notes:
- A month end indicator for all countries except Japan (Average rate on bank loans and discounts)
- Switzerland (unsecured rate) and Germany (interbank loan rate)
- Averages for U.S. dollar deposits in London
LONG-TERM BOND YIELDS

Weeks figures

NETHERLANDS

CANADA

U.S.

SWITZERLAND

GERMANY

U.K.

EURO-DOLLAR BONDS

Average of yields for four foreign government dollar bonds quoted in London
New series for Germany starts 7/65

Chart 9
3-MONTH FORWARD EXCHANGE RATES
AGAINST U.S. DOLLARS—NEW YORK
Friday figures.

AGAINST POUND STERLING—LONDON
Friday figures.
<table>
<thead>
<tr>
<th>Chart 1 (Wednesday, March 15)</th>
<th>Chart 5 (Friday, March 17)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Euro-$ deposit</td>
<td>Treasury bills: U.K. 5.55</td>
</tr>
<tr>
<td></td>
<td>U.S. 4.21</td>
</tr>
<tr>
<td>U.S. certif. of deposit</td>
<td>Spread favor U.K. +1.34</td>
</tr>
<tr>
<td>Lower Panel (Friday, March 17)</td>
<td>Forward pound -0.70</td>
</tr>
<tr>
<td>Finance co. paper: U.S.</td>
<td>Net incentive (U.K.) +0.64</td>
</tr>
<tr>
<td>Canada</td>
<td></td>
</tr>
<tr>
<td>Hire-purchase paper, U.K.</td>
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<tr>
<th>Chart 2 (Friday, March 17)</th>
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<tbody>
<tr>
<td>Euro-$ deposits:</td>
</tr>
<tr>
<td>Call 5.18 90-day 5.38</td>
</tr>
<tr>
<td>30-day 5.50 180-day 5.38</td>
</tr>
<tr>
<td>Hire-purchase paper 5.70</td>
</tr>
<tr>
<td>Local-authority deposit  3.58</td>
</tr>
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<tr>
<th>Chart 3 (Period: March 8-15)</th>
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<tbody>
<tr>
<td>Interbank loan (mid-point) 5.12</td>
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<tr>
<td>Euro-$ deposit (average)</td>
</tr>
<tr>
<td>Lower Panel (Date: February 15)</td>
</tr>
<tr>
<td>Zurich 3-month deposit 4.50</td>
</tr>
<tr>
<td>Price of gold (Friday, March 10) 35.154</td>
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</tbody>
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<tr>
<th>Chart 4 (Friday, March 17)</th>
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<tr>
<td>Treasury bills: Canada 4.12</td>
</tr>
<tr>
<td>U.S. 4.21</td>
</tr>
<tr>
<td>Spread favor Canada -0.09</td>
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<tr>
<td>Forward Canadian $ +0.22</td>
</tr>
<tr>
<td>Net incentive (Canada +) +0.13</td>
</tr>
<tr>
<td>Canadian finance paper 3.50</td>
</tr>
</tbody>
</table>

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