

H. 13

April 12, 1967.

No. 294

**CAPITAL MARKET DEVELOPMENTS ABROAD**

RECEIVED

Apr 15 1967

- I. Japan  
 II. Nine Charts on Financial Markets Abroad  
 III. Latest Figures Plotted in H. 13 Chart Series

I. Japan: Money and Capital Markets in February-March

1. Introduction. Japan has indicated that it expects to issue \$100 million in bonds in the U. S. during the current fiscal year which ends next March. No Japanese bonds have been issued in the U. S. since November of 1965. Although Japan was eligible to float up to \$100 million in bonds exempt from the Interest Equalization Tax last year, the exemption was not utilized, primarily because of the high interest rates here. Now that rates have declined, it is likely that some issues will take place this year.

Japanese borrowing in the U. S. increased \$100 million in December, but decreased by about the same amount in January. (See Table 1). Long-term borrowing has continued to decline, but short-term borrowing has roughly stabilized in recent months.

Table 1. Japan: Short- and Long-term Borrowing in the U. S.  
(in millions of dollars)

|                                 | <u>Change during year</u> |             |             |             | <u>1965</u> | <u>Change during period</u> |             |             |             |               |               |
|---------------------------------|---------------------------|-------------|-------------|-------------|-------------|-----------------------------|-------------|-------------|-------------|---------------|---------------|
|                                 | <u>1962</u>               | <u>1963</u> | <u>1964</u> | <u>1965</u> |             | <u>1966</u>                 |             |             |             |               | <u>1967</u>   |
|                                 |                           |             |             |             |             | <u>IV</u>                   | <u>I</u>    | <u>II</u>   | <u>III</u>  | <u>IV</u>     | <u>Dec.</u>   |
| Short-term claims <sup>1/</sup> | 212                       | 431         | 482         | - 59        | - 4         | 16                          | - 50        | -246        | 15          | 113p/         | - 84p/        |
| Long-term claims <sup>1/</sup>  | <u>50</u>                 | <u>128</u>  | <u>136</u>  | <u>15</u>   | <u>- 26</u> | <u>- 11</u>                 | <u>- 28</u> | <u>- 32</u> | <u>- 48</u> | <u>- 13p/</u> | <u>- 14p/</u> |
| TOTAL                           | 262                       | 559         | 618         | - 44        | - 30        | 5                           | - 77        | -280        | - 33        | 100p/         | - 98p/        |
| Security flotations             | <u>141</u>                | <u>200</u>  | <u>0</u>    | <u>63</u>   | <u>20</u>   | <u>0</u>                    | <u>0</u>    | <u>0</u>    | <u>0</u>    | <u>0</u>      | <u>0</u>      |
| TOTAL                           | 403                       | 759         | 618         | 19          | - 10        | 5                           | - 77        | -280        | - 33        | 100p/         | - 98p/        |

<sup>1/</sup> U. S. claims on Japan as reported by U. S. banks.

p/ Preliminary.

NOTE: See Tables 8 and 9 for adjustments to the figures on claims that might affect the changes indicated here. Newly reported data added \$150 million to short-term claims in 1963, and \$47 million and \$45 million to long-term claims in 1963 and 1964, respectively.

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International reserves remained above the \$2.0 billion level in the first quarter. Although exports eased and imports rose, short-term capital inflows helped to offset downward pressures on reserves. The yen remained relatively weak in the foreign exchange market, but strengthened moderately between mid-February and mid-March.

On the domestic side, the money market tightened in January and February, but eased in March. Interest rates on bank loans continued to decline through February. Call loan money rates rose briefly in January and February, but on April 1 fell back to earlier levels. Bank credit continued to expand at a faster rate through January. Stock prices rose moderately in January-February, but dipped to lower levels in March.

2. Money market. Money market conditions tightened in January and February. With the revival of business demand for bank loans, some funds previously placed in the call loan market were withdrawn. Treasury operations, involving heavy withdrawals of funds, also contributed to the tightness in January-February. These developments contributed to an increase in call loan rates on January 25 and February 23.

Late in March, however, conditions began to ease as the Bank of Japan increased by ¥80 billion its limit on loans to the large city banks, and supplied increased funds to the private sector through purchases of securities. On April 1, call loan rates fell to the levels prevailing in 1966 and during the first 24 days of January this year.

3. Interest rates. Reflecting the tight money market conditions in January-February, call loan rates increased in both months. On January 25, the rate for over-month-end money (i.e., call money repayable at a day's notice in the following month) rose from 6.570 to 6.753 per cent. Then on February 23 the rates for all three types of call loan money increased to the higher levels indicated in Table 2. These changes were the first ones to take place in the market in 15 months. Later in March, money market conditions eased, and rates fell back on April 1 to the pre-January 25 level.

The average interest rate on bank loans and discounts continued its downward trend, falling to 7.37 per cent in February. The rate has declined steadily for 24 consecutive months, longer than any other period in the past. The margin of decrease, which is now 0.62 percentage points from the previous high of 7.99 per cent, also establishes a record for the largest decline in any past period.

Table 2. Japan: Average Call Loan Money Rates in Tokyo  
(in per cent per annum)

| <u>1967</u> | <u>Overnight</u> <sup>1/</sup> | <u>Unconditional</u> <sup>2/</sup> | <u>Over-Month-End</u> <sup>3/</sup> |
|-------------|--------------------------------|------------------------------------|-------------------------------------|
| January     | 7                              | 5.840                              | 6.570                               |
|             | 14                             | 5.475                              | 6.570                               |
|             | 21                             | 5.475                              | 6.570                               |
|             | 28                             | 5.475                              | 6.753                               |
| February    | 4                              | 5.840                              | 6.753                               |
|             | 10                             | 5.475                              | 6.753                               |
|             | 18                             | 5.475                              | 6.753                               |
|             | 25                             | 5.840                              | 6.935                               |
| March       | 4                              | 6.205                              | 6.935                               |
|             | 11                             | 6.205                              | 6.935                               |
|             | 18                             | 6.205                              | 6.935                               |
|             | 25                             | 6.205                              | 6.935                               |
| April       | 1                              | 5.840                              | 6.570                               |

<sup>1/</sup> For settlement on the following day.

<sup>2/</sup> Repayable at a day's notice.

<sup>3/</sup> Repayable at a day's notice in the following month.

4. Bank loans and discounts. Bank credit continued to expand at a faster pace in January, rising at a seasonally adjusted annual rate of 15.5 per cent. (See Table 3). This contrasts with a low of 13.1 per cent in the second quarter of last year, and rates of 14.0 and 14.3 per cent in the third and fourth quarters, respectively.

Table 3. Japan: Seasonally Adjusted Bank Loans and Discounts Outstanding  
(in billions of yen)

|                                   | <u>1965</u> | <u>1966</u> |           |            |           | <u>1967</u> |
|-----------------------------------|-------------|-------------|-----------|------------|-----------|-------------|
|                                   | <u>IV</u>   | <u>I</u>    | <u>II</u> | <u>III</u> | <u>IV</u> | <u>Jan.</u> |
| Amount outstanding <sup>1/</sup>  | 186.8       | 192.4       | 198.2     | 206.3      | 213.5     | 218.2       |
| Per cent change over year earlier | 13.8        | 13.4        | 13.1      | 14.0       | 14.3      | 15.5        |

<sup>1/</sup> End-of-month, or averages of ends-of-month.

Bank of Japan credit was heavily expansionary in January-February, offsetting large net Government receipts during those months. (See Table 4). Most of the expansion occurred through net purchases of securities by the Bank of Japan.

Table 4. Japan: Changes in Bank of Japan Loans and  
Holdings of Securities  
 (in billions of yen)

| Period      | (1)                                    | (2)   | (3)  |
|-------------|--|---|--|
|             | Loans: Increase (+)<br>or decrease (-) | Net purchases (+) or<br>sales (-) of securities | (1) + (2)<br>Net increase (+)<br>or decrease (-) |
| <u>1965</u> |  |   |  |
| I Quarter   | +216.5                                 | + 1.0   | +217.5   |
| II Quarter  | - 14.4                                 | -109.6  | -124.0   |
| III Quarter | +133.1                                 | - 43.3  | + 89.8   |
| IV Quarter  | -182.0                                 | -311.8  | -129.8   |
| <u>1966</u> |  |   |  |
| I Quarter   | - 3.2                                  | +279.2  | +276.0   |
| II Quarter  | - 29.3                                 | - 0.6   | - 29.9   |
| III Quarter | + 17.1                                 | +171.3  | +188.4   |
| IV Quarter  | +128.7                                 | - 4.2   | +124.5   |
| October     | + 8.5                                  | - 67.4  | - 58.9   |
| November    | - 4.5                                  | -129.7  | -134.2   |
| December    | +124.7                                 | +192.9  | +317.6   |
| <u>1967</u> |  |   |  |
| January     | + 6.8                                  | + 70.9  | + 77.7   |
| February    | - 2.6                                  | +279.8  | +277.2   |

In mid-February the Bank of Japan announced that its self-imposed ceiling on Bank of Japan credit to the 10 large city banks would be increased ¥80 billion on about March 25. This represented the first increase in the credit line since November of 1962. The action was reportedly taken because of an anticipated shortage of funds in the money market in March, and because the Bank of Japan was also pressing for repayment of some of the special loans extended to securities companies in 1965 through the Japan Securities Finance Corporation.

5. Bond market. The volume of new bond issues rose to the second highest level of the year in December, reaching ¥283 billion. Only March (the end of the fiscal year), with total issues of ¥325 billion, was higher. Bank debenture issues were very high in December, reaching ¥175 billion. New issues of public corporation bonds and industrial debentures totaled ¥70 and ¥38 billion, respectively. In January, new issues of bank debentures dropped to ¥158 billion and industrial debentures to ¥32 billion. Data are not yet available on the volume of public corporation bond issues in January.

Bond yields were relatively unchanged in January. The yields on industrial bonds and one-year bank debentures fell slightly to 7.469 and 7.187 per cent, respectively. Yields on local government securities, public corporation bonds, and short-term government securities remained at their 1965-66 levels of 7.354, 7.053 and 5.658 per cent, respectively.

Recent reports indicate that the large city banks have been selling substantial amounts of bonds and debentures since early this year. The sales were prompted mainly by the increased cost and difficulty of procuring funds in the call loan market, and by an expected decline in bond prices in view of the January-February rise in some short-term money rates. Major purchasers of the bonds have been the long-term credit banks, trust companies and small financial institutions.

6. Stock market. Stock prices rose to generally higher levels in February, and on March 1 the Dow Jones average reached a new high for the year of ¥1,506. (See Table 5). This was 7 per cent above the year's low of ¥1,410 reached on January 11. During the rest of March and early April stock prices declined, falling to ¥1,433 on April 10. Although stock prices have generally increased since last December, the high reached on March 1 was still 5 per cent below the three-year high of ¥1,589 reached on April 1, 1966.

Table 5. Japan: Dow Jones Average of 225 Stocks, First Section Tokyo Exchange

|          |    |        |       |    |        |           |        |
|----------|----|--------|-------|----|--------|-----------|--------|
| January  | 30 | ¥1,458 | March | 6  | ¥1,487 | 1966 High | ¥1,589 |
|          |    |        |       | 13 | 1,461  | Low       | ¥1,364 |
| February | 6  | 1,482  |       | 20 | 1,468  |           |        |
|          | 13 | 1,460  |       | 27 | 1,450  | 1967 High | ¥1,506 |
|          | 20 | 1,476  |       |    |        | Low       | ¥1,410 |
|          | 27 | 1,499  | April | 3  | 1,439  |           |        |
|          |    |        |       | 10 | 1,433  |           |        |

7. Foreign trade. Japan's seasonally adjusted balance of trade registered a sharp deterioration in January-February. Exports were down 4 per cent from their December level, and imports were up 5 per cent. As a result, there was an average monthly deficit of \$46 million in January-February.

This compares with surpluses on trade account in 1966 in every month except October and November. As indicated in Table 6, the average monthly surplus during each quarter dwindled steadily throughout 1966. By January-February of this year, exports were up 10 per cent over the same period a year earlier, but imports were up 24 per cent.

Table 6. Japan: Seasonally Adjusted Foreign Trade, Monthly Averages<sup>a/</sup>  
(in millions of dollars)

|         | 1965 |     | 1966 |     |     |     |      |      |      | 1967 |       |
|---------|------|-----|------|-----|-----|-----|------|------|------|------|-------|
|         | III  | IV  | I    | II  | III | IV  | Oct. | Nov. | Dec. | Jan. | Feb.  |
| Exports | 733  | 704 | 783  | 787 | 817 | 868 | 836  | 870  | 898  | 863  | 866b/ |
| Imports | 689  | 687 | 744  | 762 | 810 | 864 | 861  | 873  | 857  | 911  | 910b/ |
| Balance | +44  | +17 | +39  | +25 | +7  | +4  | -25  | -3   | +41  | -48  | -44b/ |

a/ All figures are on a customs basis.

b/ Preliminary.

8. Foreign reserves and capital flows. International reserves fell \$2 million in February, but rose \$27 million in March to a level of \$2,077 million. Although reserves are now higher than last year's low of \$2,019 million, they are still below the peak level of \$2,109 million reached in early 1966.

Recent balance of payments data through February indicate that there has been a mild deterioration. Exports have been slack, but imports have been rising. In February, the balance on current account was only \$35 million in contrast to an average monthly surplus of \$167 million in the fourth quarter last year. However, there has been a reversal in net short-term capital outflows, and in January-February there were moderate net inflows. This helped to offset the deterioration on current account in February, and an overall surplus of \$14 million was registered. (See Table 7).

Table 7. Japan: Balance of Payments on the IMF Basis  
(in millions of dollars)

|                                  | 1965 |      |      |      | 1966 |      |      |      | 1967  |      |       |
|----------------------------------|------|------|------|------|------|------|------|------|-------|------|-------|
|                                  | I    | II   | III  | IV   | I    | II   | III  | IV   | Dec.  | Jan. | Feb.  |
| Exports                          | 604  | 689  | 733  | 752  | 690  | 769  | 833  | 921  | 1,058 | 561  | 790   |
| Imports                          | 542  | 555  | 515  | 532  | 567  | 620  | 603  | 664  | -676  | -665 | -670  |
| Trade Balance                    | 62   | 134  | 217  | 220  | 123  | 149  | 230  | 257  | 382   | -104 | 120   |
| Services Balance                 | - 65 | - 82 | - 69 | - 80 | - 83 | - 76 | - 63 | - 74 | - 80  | - 74 | - 76  |
| Transfers Balance                | - 9  | - 5  | - 4  | - 11 | - 12 | - 9  | - 8  | - 16 | - 29  | - 11 | - 9   |
| Current Account                  | - 11 | 47   | 144  | 130  | 28   | 64   | 159  | 167  | 273   | -189 | 35    |
| Net Long-term                    |      |      |      |      |      |      |      |      |       |      |       |
| Capital                          | - 6  | - 36 | - 55 | - 42 | -106 | - 72 | - 43 | - 52 | -133  | - 69 | - 42  |
| Net Short-term                   |      |      |      |      |      |      |      |      |       |      |       |
| Capital                          | - 3  | 12   | - 17 | - 13 | 4    | - 5  | - 4  | - 15 | - 5   | 25   | 14    |
| Errors and Omissions             | 9    | - 4  | 1    | - 23 | 18   | 2    | - 5  | - 28 | - 57  | 3    | 7     |
| Overall Balance                  | - 10 | 19   | 74   | 53   | 2    | 19   | 78   | 17   | 78    | -230 | 14p/  |
| Gold & Foreign Exchange Reserves | 18   | - 24 | - 4  | 46   | 1    | - 2  | - 20 | 10   | 30    | - 22 | - 2p/ |
| Others                           | - 28 | 43   | 77   | 7    | - 3  | 20   | 98   | 7    | 48    | -208 | 16p/  |

p/ Preliminary.

NOTE: Data may not total due to rounding. Quarterly data are monthly averages. These data are not seasonally adjusted and therefore differ from those in an earlier table on foreign trade.

Japan increased the volume of its short-term borrowing in the U. S. moderately between November and January. According to preliminary data, short-term claims on Japan, as reported by U. S. banks, were \$2,418 million in January, up \$29 million from last year's low in November. (See Table 8). In December there was a sharp rise in claims, but this appears to have been mainly seasonal.

Table 8. Short-term Claims on Japan Reported by U. S. Banks  
(in millions of U. S. dollars)

|      | <u>Jan.</u>         | <u>Feb.</u> | <u>Mar.</u> | <u>Apr.</u> | <u>May</u> | <u>June</u> | <u>July</u> | <u>Aug.</u> | <u>Sept.</u> | <u>Oct.</u> | <u>Nov.</u> | <u>Dec.</u>         |
|------|---------------------|-------------|-------------|-------------|------------|-------------|-------------|-------------|--------------|-------------|-------------|---------------------|
| 1961 | 875                 | 952         | 1,069       | 1,159       | 1,196      | 1,272       | 1,341       | 1,335       | 1,288        | 1,281       | 1,292       | 1,528 <sup>b/</sup> |
| 1962 | 1,601               | 1,685       | 1,778       | 1,775       | 1,762      | 1,758       | 1,765       | 1,767       | 1,711        | 1,710       | 1,662       | 1,740               |
| 1963 | 1,697               | 1,691       | 1,751       | 1,876       | 1,898      | 1,872       | 1,877       | 1,798       | 1,890        | 1,904       | 2,017       | 2,171               |
| 1964 | 2,247               | 2,340       | 2,400       | 2,394       | 2,421      | 2,469       | 2,416       | 2,472       | 2,493        | 2,488       | 2,496       | 2,810 <sup>b/</sup> |
| 1965 | 2,742               | 2,746       | 2,861       | 2,833       | 2,834      | 2,880       | 2,831       | 2,830       | 2,755        | 2,656       | 2,683       | 2,768 <sup>b/</sup> |
| 1966 | 2,698               | 2,699       | 2,783       | 2,782       | 2,759      | 2,733       | 2,588       | 2,536       | 2,487        | 2,400       | 2,389       | 2,502 <sup>a/</sup> |
| 1967 | 2,418 <sup>a/</sup> |             |             |             |            |             |             |             |              |             |             |                     |

<sup>a/</sup> Preliminary.

<sup>b/</sup> Includes newly reported data totaling \$52 million in December 1961, \$157 million in December 1964 and \$17 million in December 1965.

Japan continued to reduce the volume of its long-term borrowing in the U. S. through January. According to preliminary data, long-term claims on Japan reported by U. S. banks fell \$13 million in December and \$14 million in January to a level of \$312 million. (See Table 9). Japan has now reduced its long-term indebtedness by \$171 million since the record high of \$483 million in May of 1965.

Table 9. Long-term Claims on Japan Reported by U. S. Banks  
(in millions of U. S. dollars)

|      | <u>Jan.</u>       | <u>Feb.</u> | <u>Mar.</u> | <u>Apr.</u> | <u>May</u>        | <u>June</u> | <u>July</u> | <u>Aug.</u> | <u>Sept.</u> | <u>Oct.</u> | <u>Nov.</u> | <u>Dec.</u>       |
|------|-------------------|-------------|-------------|-------------|-------------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------------|
| 1961 | 19                | 19          | 18          | 19          | 18                | 19          | 20          | 19          | 25           | 23          | 25          | 24                |
| 1962 | 24                | 25          | 31          | 28          | 29                | 49          | 50          | 54          | 54           | 62          | 69          | 74                |
| 1963 | 74                | 74          | 76          | 83          | 104 <sup>b/</sup> | 111         | 119         | 136         | 143          | 146         | 170         | 249 <sup>b/</sup> |
| 1964 | 280               | 295         | 311         | 319         | 323               | 325         | 329         | 332         | 351          | 352         | 269         | 430 <sup>b/</sup> |
| 1965 | 455               | 454         | 472         | 479         | 483               | 479         | 482         | 475         | 471          | 464         | 462         | 445               |
| 1966 | 438               | 441         | 434         | 430         | 425               | 406         | 403         | 393         | 374          | 355         | 339         | 326 <sup>a/</sup> |
| 1967 | 312 <sup>a/</sup> |             |             |             |                   |             |             |             |              |             |             |                   |

<sup>a/</sup> Preliminary

<sup>b/</sup> Includes newly reported claims totaling \$1 million in May 1963, \$46 million in December 1963 and \$45 million in December 1964.

Last year there was a tendency for some Japanese firms to shift their source of import financing from dollar credits, to yen credits, because of the high level of interest rates in the U. S. This practice has reportedly ceased in recent months as a result of the decline in U. S. interest rates and the preference by the Japanese for the more stable American credits in lieu of an increase in Euro-dollar borrowings.

The Japanese have indicated that they hope to float \$100 million in securities in the U. S. during the current fiscal year which began April 1, 1967. Of this total, \$50 million is to be in government bonds and \$50 million in government-guaranteed bonds. It is anticipated that some of the first issues will be made by the Japan Development Bank, and the Nippon Telegraph and Telephone Public Corporation. The last Japanese bond issue in the U. S. was the \$20 million issue by the Japan Development Bank in November of 1965.

9. Foreign exchange. The yen weakened in the spot market in January as the rate went from ¥362.35 to the dollar on January 7 to ¥362.60 on January 25. It remained at that level through mid-February and then strengthened to earlier levels. (See Table 10). In the three-month forward market, the yen weakened steadily during January and February, strengthening slightly in mid-March. As a result of these developments, the forward premium increased in January, but fell in mid-February, changing to a forward discount 0.06 per cent February 24. It remained at that level through mid-March.

Table 10. Japan: Bank of Tokyo's T. T. Exchange Rate for Customers in Tokyo

|          |    | Yen per U. S. dollar              |                                       |   |
|----------|----|-----------------------------------|---------------------------------------|---|
|          |    | Yen-dollar<br>spot middle<br>rate | Three-month<br>forward middle<br>rate | Forward premium<br>in per cent<br>per annum |
| January  | 16 | 362.55                            | 362.45                                | .11   |
|          | 23 | 362.55                            | 362.45                                | .11   |
|          | 30 | 362.60                            | 362.48                                | .13   |
| February | 6  | 362.60                            | 362.45                                | .17   |
|          | 13 | 362.60                            | 362.45                                | .17   |
|          | 20 | 362.55                            | 362.45                                | .11   |
|          | 27 | 362.40                            | 362.50                                | .11*  |
| March    | 6  | 362.45                            | 362.50                                | .06*  |
|          | 13 | 362.45                            | 362.45                                | --  |
|          | 15 | 362.40                            | 362.45                                | .06*  |

\* Forward discount.

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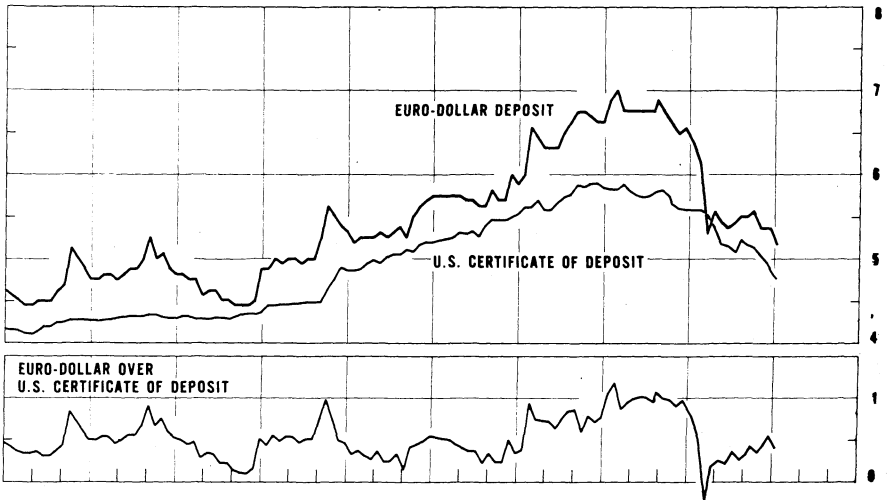


Chart 1

**NEW YORK, LONDON, MONTREAL:  
YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS  
DOLLAR DEPOSIT RATES: NEW YORK-LONDON**

Wednesday figures

Per cent per annum



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

Friday figures

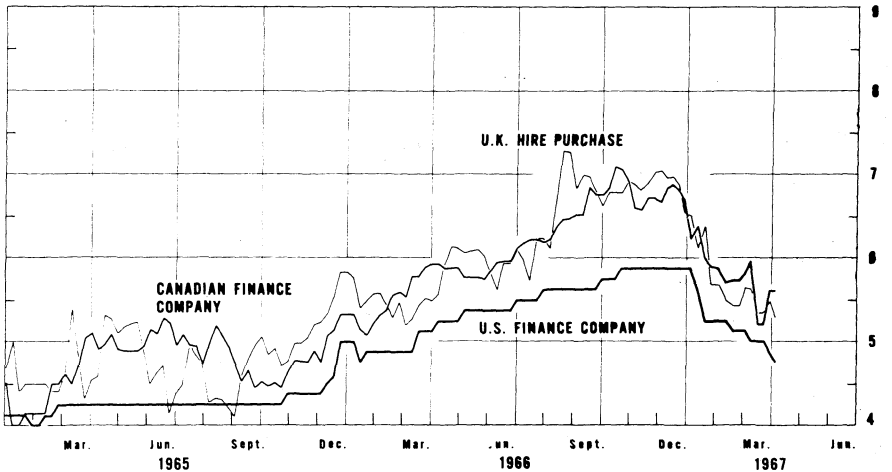


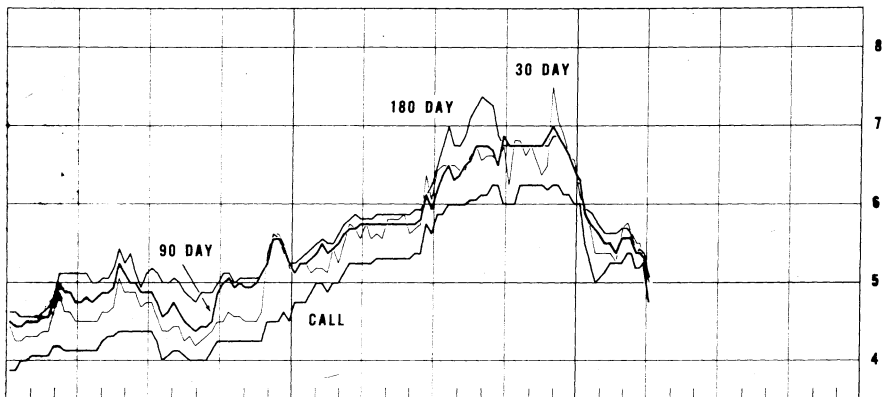
Chart 3

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

## EURO-DOLLAR DEPOSIT RATES

Friday figures

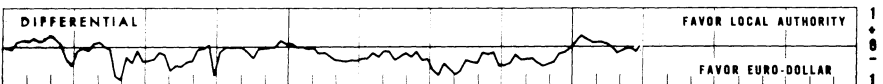
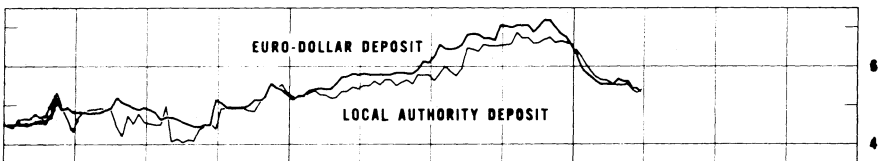
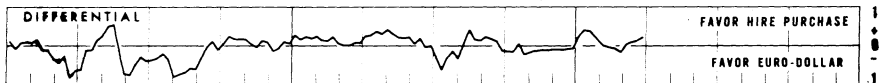
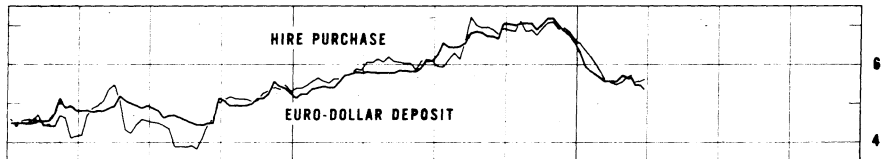
Per cent per annum



## HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

Friday figures

Per cent per annum



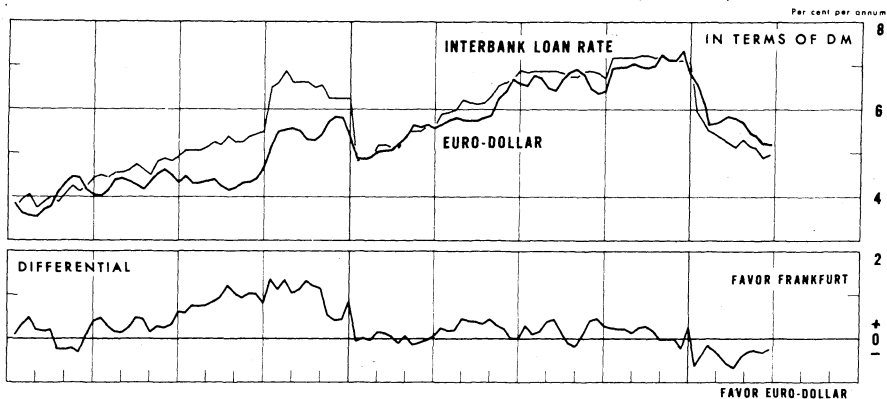
1965

1966

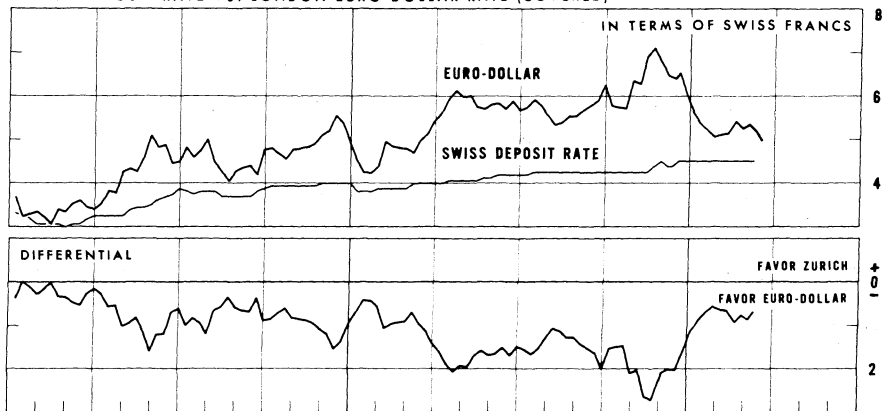
1967

### I INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON

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



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



### II PRICE OF GOLD IN LONDON

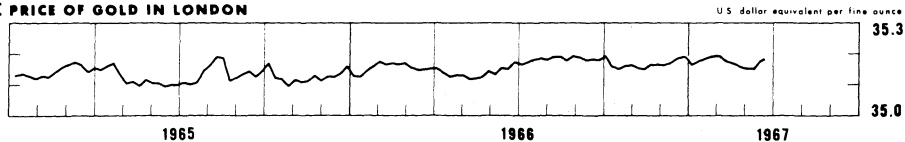


Chart 4

### INTEREST ARBITRAGE, UNITED STATES/CANADA

Friday figures

Per cent per annum

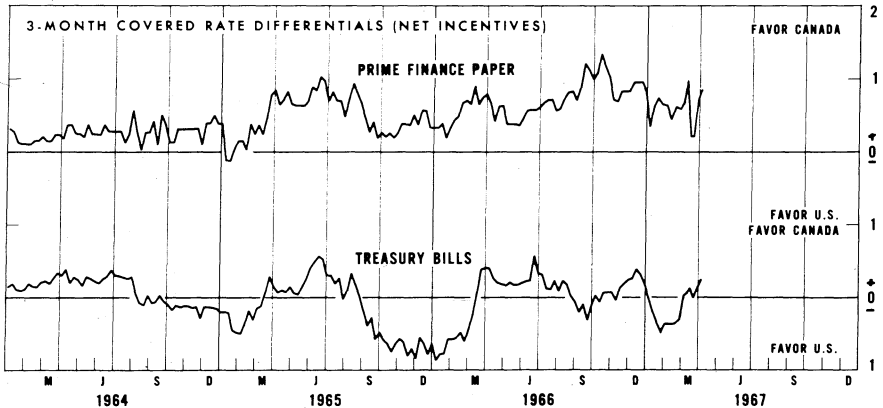
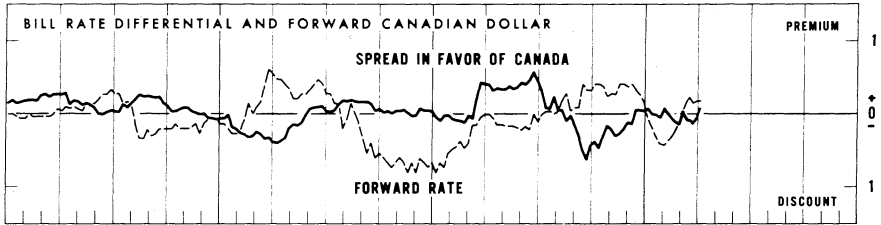
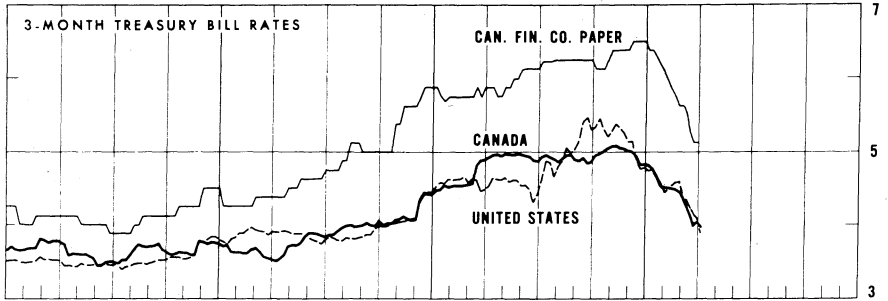
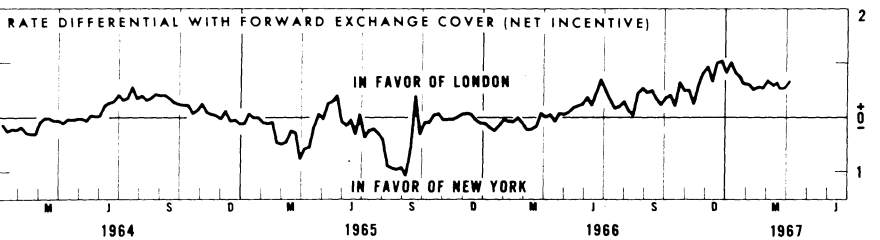
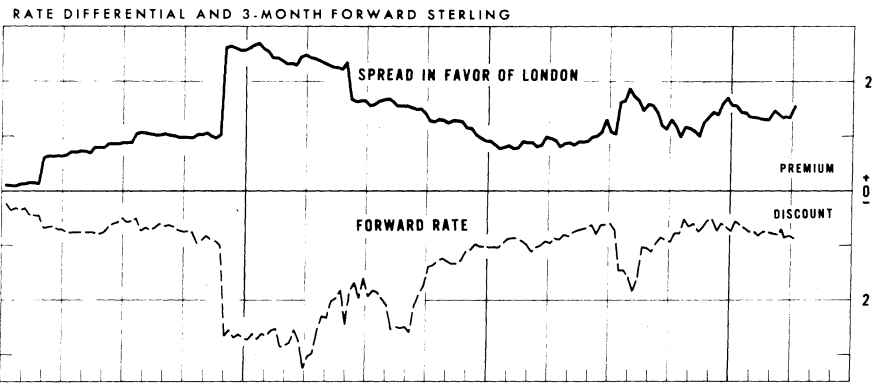
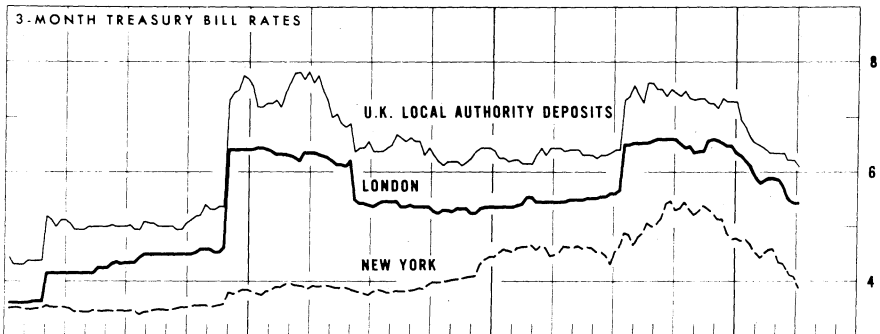


Chart 5

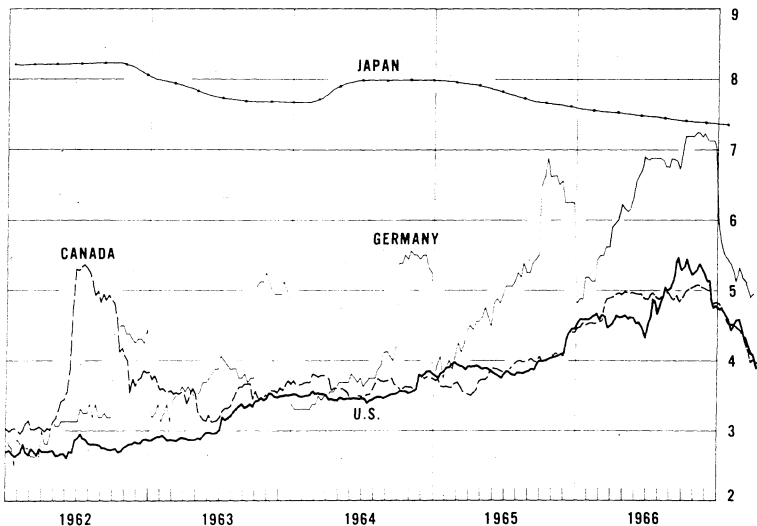
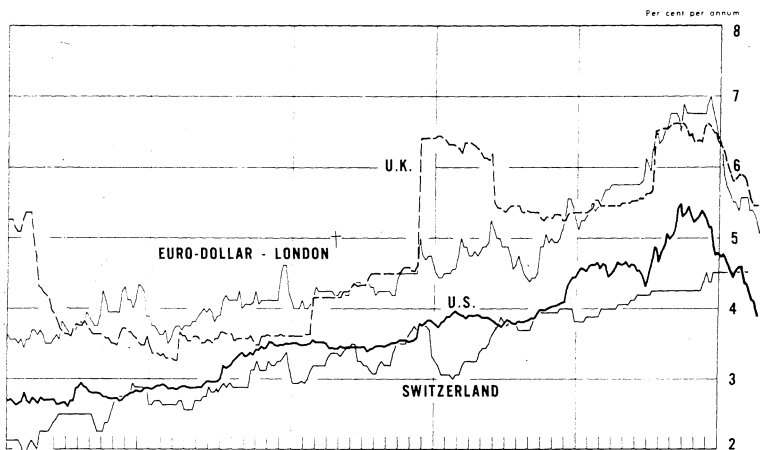
### INTEREST ARBITRAGE, NEW YORK/LONDON

Per cent per annum



14  
Chart 6

### SHORT-TERM INTEREST RATES\*



\* 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

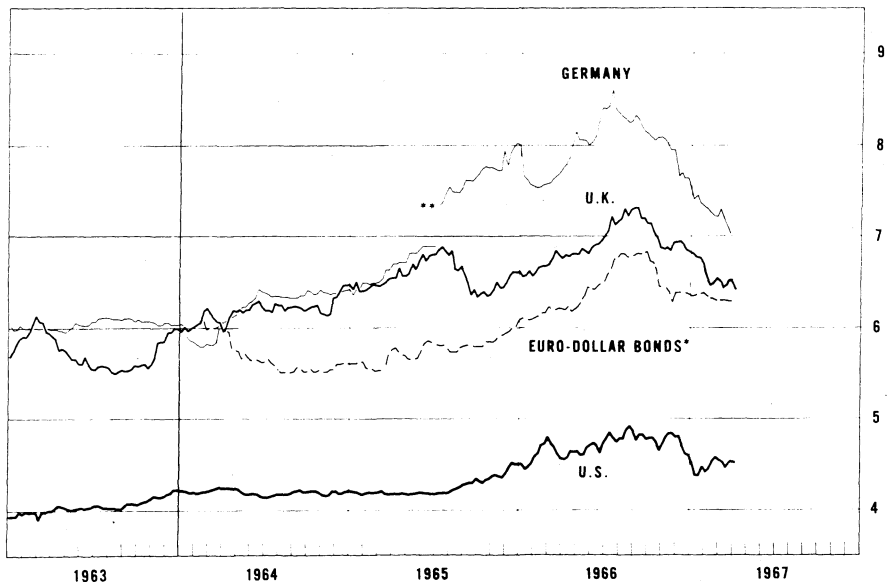
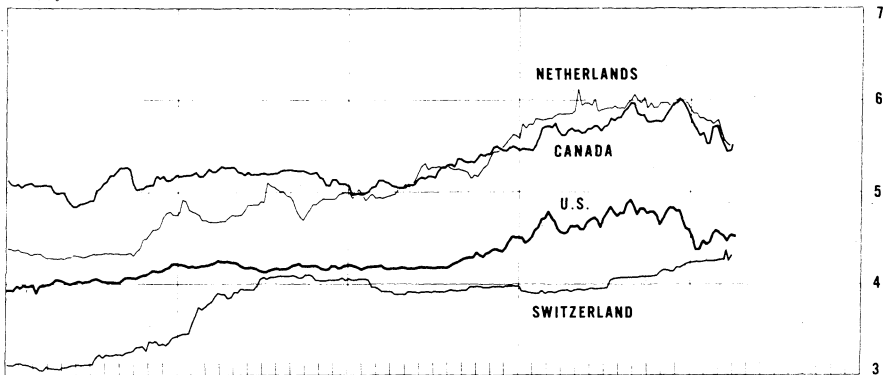
Chart 7

# LONG-TERM BOND YIELDS

Weekly figures

Per cent per annum

15



\* Average of yields for four foreign government dollar bonds quoted in London  
\*\* New series for Germany starts 7/9/65

Chart B

**SPOT EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.S. DOLLAR**

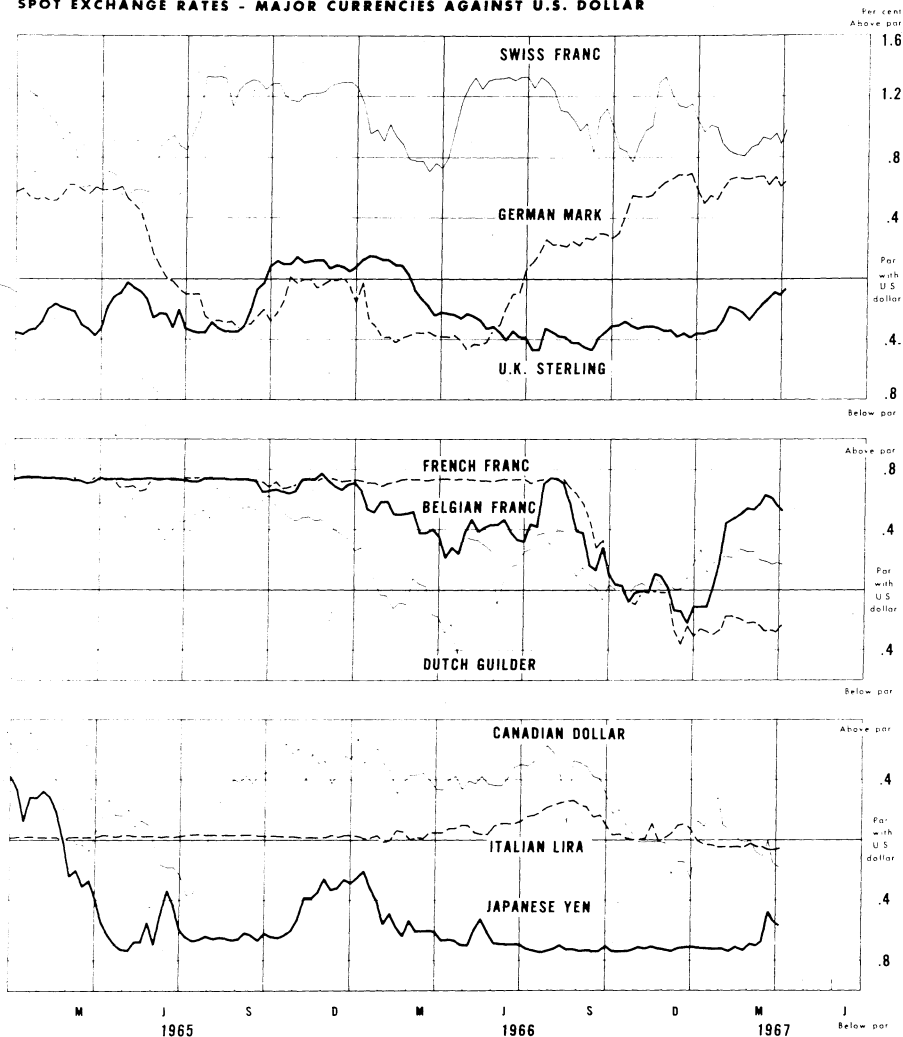
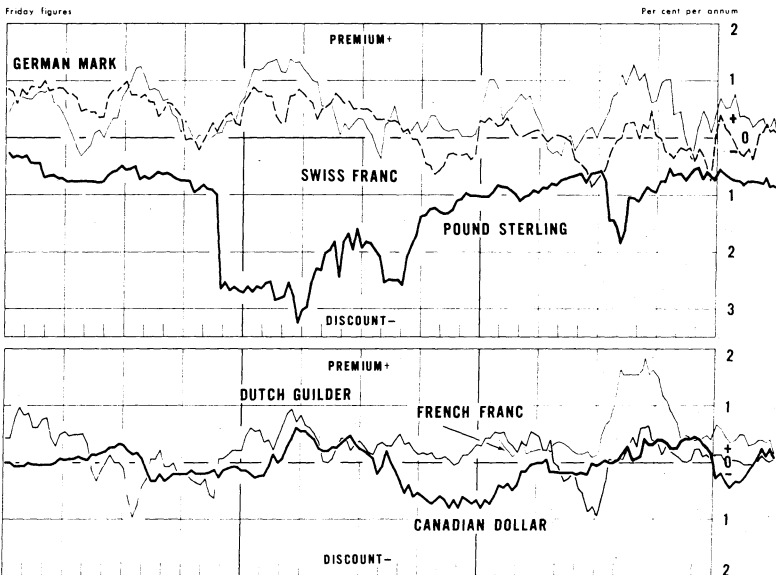
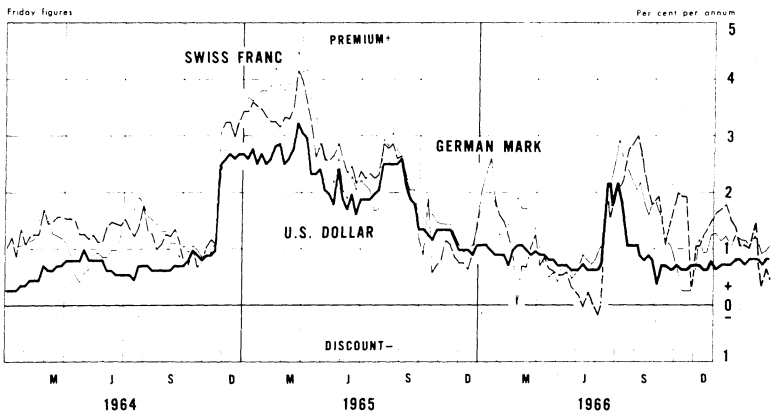




Chart 9  
**3-MONTH FORWARD EXCHANGE RATES**  
AGAINST U.S. DOLLARS—NEW YORK

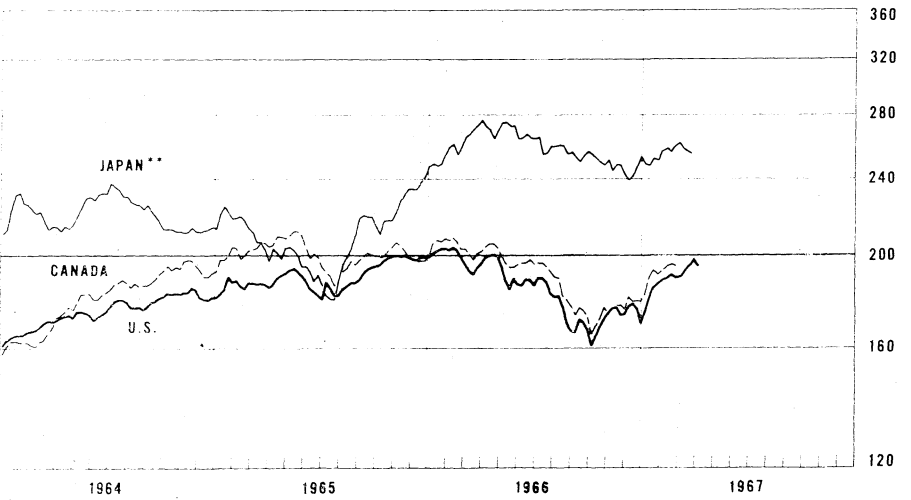
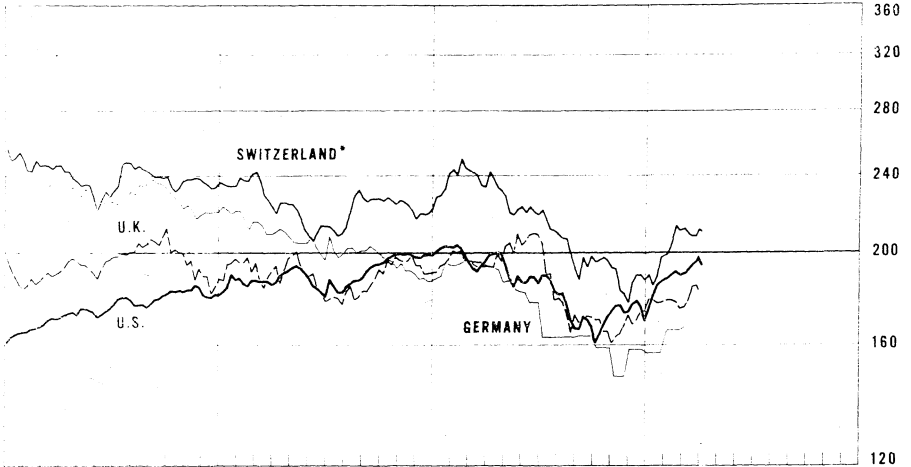


**AGAINST POUND STERLING—LONDON**



# INDUSTRIAL STOCK INDICES

1958=100  
Ratio Scale



\* Swiss Bank Corporation industrial stock index  
\*\* Japan index of 225 industrial and other stocks traded on the Tokyo exchange

H. 13  
No. 294

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

Chart 1  
Upper Panel (Wednesday, April 5 )

|                                |             |
|--------------------------------|-------------|
| Euro-\$ deposit                | <u>5.18</u> |
| U.S. certif. of deposit        | <u>4.78</u> |
| Lower Panel (Friday, April 7 ) |             |
| Finance co. paper: U.S.        | <u>4.75</u> |
| Canada                         | <u>5.60</u> |
| Hire-purchase paper, U.K.      | <u>5.30</u> |

Chart 5  
(Friday, April 7.)

|                        |              |
|------------------------|--------------|
| Treasury bills: U.K.   | <u>5.44</u>  |
| U.S.                   | <u>3.88</u>  |
| Spread favor U.K.      | <u>+1.56</u> |
| Forward pound          | <u>-0.89</u> |
| Net incentive (U.K. +) | <u>+0.67</u> |

Chart 2  
(Friday, April 7 )

Euro-\$ deposits:

|        |             |         |             |
|--------|-------------|---------|-------------|
| Call   | <u>4.75</u> | 90-day  | <u>5.06</u> |
| 30-day | <u>5.00</u> | 180-day | <u>5.06</u> |

|                                    |             |
|------------------------------------|-------------|
| Hire-purchase paper (March 31)     | <u>5.60</u> |
| Local-authority deposit (March 31) | <u>5.41</u> |

Chart 3  
Upper Panel (Period: March 24-31 )

|                            |             |
|----------------------------|-------------|
| Interbank loan (mid-point) | <u>4.95</u> |
|----------------------------|-------------|

|                           |             |
|---------------------------|-------------|
| Euro-\$ deposit (average) | <u>5.20</u> |
|---------------------------|-------------|

Lower Panel (Date: March 15 )

|                        |             |
|------------------------|-------------|
| Zurich 3-month deposit | <u>4.50</u> |
|------------------------|-------------|

|                                   |               |
|-----------------------------------|---------------|
| Price of gold (Friday, March 31 ) | <u>35.180</u> |
|-----------------------------------|---------------|

Chart 4  
(Friday, April 7 )

|                          |              |
|--------------------------|--------------|
| Treasury bills: Canada   | <u>3.96</u>  |
| U.S.                     | <u>3.88</u>  |
| Spread favor Canada      | <u>+0.08</u> |
| Forward Canadian \$      | <u>+0.17</u> |
| Net incentive (Canada +) | <u>+0.25</u> |
| Canadian finance paper   | <u>5.00</u>  |

Chart 6  
(Friday, April 7 )

|  |             |
|--|-------------|
| Treasury bills: U.S.                       | <u>3.88</u> |
| U.K.                                       | <u>5.44</u> |
| Canada                                     | <u>3.96</u> |
| Interbank loan rate (German) (March 24-31) | <u>4.95</u> |
| Euro-\$ deposit (London)                   | <u>5.06</u> |
| Zurich 3-month deposit (Date: March 15 )   | <u>4.50</u> |
| Japan composit rate (Date: January 31 )    | <u>7.35</u> |

Chart 7

|   |             |
|---|-------------|
| U.S. Gov't. (Wed., April 5 )                        | <u>4.52</u> |
| U.K. War Loan (Thurs., April 6)                     | <u>6.41</u> |
| German Fed. (Fri., March 24 )                       | <u>7.03</u> |
| Swiss Confed. (Fri., March 31)                      | <u>4.31</u> |
| Canadian Gov't. (Wed., April 5)                     | <u>5.50</u> |
| Netherlands Gov't. perpetual 3% (Friday, March 24 ) | <u>5.50</u> |
| Euro-\$ bonds (Fri., March 31 )                     | <u>6.29</u> |

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