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 Interest Rates
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

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

Chart 1:

1965 1966 1967

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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

- 30 Day
- 180 Day
- 90 Day
- Call

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
Chart 3

INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON

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

INTERBANK LOAN RATE

IN TERMS OF DM

EURO-DOLLAR

DIFFERENTIAL

FAVOR FRANKFURT

FAVOR EURO-DOLLAR

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

DEPOSIT RATE

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

1965 1966 1967

35.3

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Federal Reserve Bank of St. Louis
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

FORWARD RATE

PREMIUM

DISCOUNT

3-MONTH COVERED RATE DIFFERENTIALS (NET INCENTIVES)

PRIME FINANCE PAPER

FAVOR CANADA

FAVOR U.S.

FAVOR CANADA

TREASURY BILLS

FAVOR U.S.
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
Chart 6: SHORT-TERM INTEREST RATES *

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

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Federal Reserve Bank of St. Louis
LONG-TERM BOND YIELDS

Weekly figures

Netherlands
Canada
U.S.
Switzerland

Germany
U.K.
Euro-dollar bonds
U.S.


* Average of yields for four foreign government dollar bonds quoted in London
** New series for Germany starts 7/65
3-MONTH FORWARD EXCHANGE RATES
AGAINST U.S. DOLLARS—NEW YORK
Friday figures

PREMIUM

GERMAN MARK

SWISS FRANC

POUND STERLING

DISCOUNT

PREMIUM

DUTCH Guilder

FRENCH FRANC

CANADIAN DOLLAR

DISCOUNT

AGAINST POUND STERLING—LONDON
Friday figures

PREMIUM

SWISS FRANC

GERMAN MARK

U.S. DOLLAR

DISCOUNT

1964 1965 1966
Chart I6

INDUSTRIAL STOCK INDICES

1964 1965 1966 1967

SWITZERLAND*

U.K.

U.S.

GERMANY

JAPAN**

CANADA

U.S.

1958 Y00

Swiss Bank Corporation industrial stock index
Japan index of 323 industrial and other stocks traded on the Tokyo exchange
II. Latest Figures Plotted in H.13 Chart Series, 1967
(all figures per cent per annum)

Chart 1
Upper Panel (Wednesday, April 19)
- Euro-$ deposit: 4.92
- U.S. certif. of deposit: 4.85

Lower Panel (Friday, April 21)
- Finance co. paper: U.S. 4.38
- Hire-purchase paper, U.K. 4.07

Chart 2
Euro-$ deposits:
- Call 4.50
- 30-day 4.69
- 90-day 4.88
- 180-day 4.92
- Hire-purchase paper 5.03
- Local-authority deposit 4.96

Chart 3
Upper Panel (Period: April 8-15)
- Interbank loan (mid-point) 4.45
- Euro-$ deposit (average) 4.83

Chart 4
(Friday, April 21)
- Treasury bills: Canada 3.86
- Spread favor Canada +0.11
- Forward Canadian $ -0.04
- Net incentive (Canada +) +0.07
- Canadian finance paper 4.75

Chart 5
(Friday, April 21)
- Treasury bills: U.K. 5.28
- U.S. 3.75
- Spread favor U.K. +1.53
- Forward pound -0.89
- Net incentive (U.K. +) +0.64

Chart 6
(Friday, April 21)
- Treasury bills: U.S. 3.75
- U.K. 3.26
- Canada 3.86
- Interbank loan rate (German) 4.45
- Euro-$ deposit (London) 4.88
- Zurich 3-month deposit
  (Date: March 15) 4.50
- Japan composit rate
  (Date: January 31) 7.35

Chart 7
(Friday, April 21)
- U.S. Gov't. (Wed., April 19) 4.59
- U.K. War Loan (Thurs., April 20) 6.41
- German Fed. (Fri., April 14) 0.74
- Swiss Confed. (Fri., April 14) 4.29
- Canadian Gov't. (Wed., April 19) 5.61
- Netherlands Gov't. perpetual 3%
  (Friday, April 14) 5.46
- Euro-$ bonds (Fri., April 21) 6.12

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