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
U.S. CERTIFICATE OF DEPOSIT
EURO-DOLLAR 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
Per cent per annum
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

1965 1966 1967
I. INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON

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

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

35.3

1965  1966  1967

35.0

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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

5

BILL RATE DIFFERENTIAL AND FORWARD CANADIAN DOLLAR

PREMIUM

1

DISCOUNT

1

3-MONTH COVERED RATE DIFFERENTIALS (NET INCENTIVES)

PRIME FINANCE PAPER

FAVOR CANADA

FAVOR U.S.

TREASURY BILLS

FAVOR CANADA

FAVOR U.S.

1964  1965  1966  1967
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 *

Per cent per annum

2 3 4 5 6 7 8

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

2 3 4 5 6 7 8 9

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.
LONG-TERM BOND YIELDS

Weeks figures

Per cent per annum

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 9 65
Chart 6
SPOT EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.S. DOLLAR

SWISS FRANC

GERMAN MARK

U.K. STERLING

FRENCH FRANC

BELGIAN FRANC

DUTCH Guilder

CANADIAN DOLLAR

ITALIAN LIRA

JAPANESE YEN

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Federal Reserve Bank of St. Louis
Swiss Bank Corporation industrial stock index

Japanese index of 225 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 26)

Euro-$ deposit
4.68
U.S. certif. of deposit
4.35

Lower Panel

(Friday, April 28)

Finance co. paper: U.S.
4.38
Canada
4.80
Hire-purchase paper, U.K.
4.82

Chart 2

(Friday, April 28)

Euro-$ deposits:

Call
4.32
30-day
4.69
90-day
4.62
180-day
4.75

Hire-purchase paper
April 21
4.90

Local-authority deposit
April 21
4.84

Chart 3

Upper Panel

(Period: April 24-30)

Interbank loan (mid-point)
4.17

Lower Panel

(Date: March 15)

Zurich 3-month deposit
4.50

Price of gold

(Friday, April 21)

35,184

Chart 4

(Friday, April 28)

Treasury bills: Canada
3.91
U.S.
3.68

Spread favor Canada
+0.23

Forward Canadian $
-0.13

Net incentive (Canada +)
+0.10

Canadian finance paper
4.88

Chart 5

(Friday, April 28)

Treasury bills: U.K.
5.30
U.S.
3.68

Spread favor U.K.
+1.62

Forward pound
-0.99

Net incentive (U.K. +)
+0.63

Chart 6

(Friday, April 28)

Treasury bills: U.S.
3.68
U.K.
5.30
Canada
3.91

Interbank loan rate (German)
(April 24-31)
4.17

Euro-$ deposit (London)
4.62

Zurich 3-month deposit
(Date: March 15)
4.50

Japan composit rate
(Date: January 31)
7.35

Chart 7

U.S. Gov't. (Wed., April 26)
4.68

U.K. War Loan (Thurs., Apr. 27)
6.44

German Fed. (Fri., April 28)
6.86

Swiss Confed. (Fri., April 21)
4.29

Canadian Gov't. (Wed., April 26)
5.63

Netherlands Gov't. perpetual 3%
(Friday, April 21)
5.46

Euro-$ bonds (Fri., April 28)
6.13

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