CAPITAL MARKET DEVELOPMENTS ABROAD

I. Ten Charts on Financial Markets Abroad

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)
Chart 1

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

Wednesday figures

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

Friday figures

U.K. HIRE PURCHASE

CANADIAN FINANCE COMPANY

U.S. FINANCE COMPANY

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

HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

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**

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

- **EURO-DOLLAR**
- **SWISS DEPOSIT RATE**
- **DIFFERENTIAL**
- **FAVOR ZURICH**

**II. PRICE OF GOLD IN LONDON**

- **U.S. dollar equivalent per fine ounce**
  - 1965: 35.3
  - 1966: 35.0
  - 1967: 35.0
INTEREST ARBITRAGE, UNITED STATES/CANADA

3-MONTH TREASURY BILL RATES

BILL RATE DIFFERENTIAL AND FORWARD CANADIAN DOLLAR

3-MONTH COVERED RATE DIFFERENTIALS (NET INCENTIVES)

Per cent per annum
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

Per cent per annum

1964 1965 1966 1967
**SHORT-TERM INTEREST RATES**

- **Euro-Dollar - London**: Variations in interest rates.
- **U.K.**
- **U.S.**
- **Switzerland**
- **Japan**
- **Germany**
- **Canada**

*3-month treasury bills for all countries except Japan. Average rate on bank loans and discount.*

†3-month rate for U.S. dollar deposits in London.

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http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis
Chart 7
LONG-TERM BOND YIELDS
Weekly figures
Per cent per annum

- Switzerland
- Netherlands
- Canada
- U.S.

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

- Average of yields for four foreign government dollar bonds offered in London
- New series for Germany starts 7/1963
- New series for Switzerland starts 3/1967
II. Latest Figures Plotted in H.13 Chart Series, 1967
(all figures per cent per annum)  

<table>
<thead>
<tr>
<th>Chart 1</th>
<th>Chart 5</th>
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<tbody>
<tr>
<td><strong>Upper Panel</strong></td>
<td><strong>(Wednesday, July 12)</strong></td>
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<tr>
<td>Euro-$ deposit</td>
<td>5.31</td>
</tr>
<tr>
<td>U.S. certif. of deposit</td>
<td>4.97</td>
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<tr>
<td><strong>Lower Panel</strong></td>
<td><strong>(Friday, July 14)</strong></td>
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<tr>
<td>Finance co. paper: U.S.</td>
<td>4.75</td>
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<tr>
<td>Canada</td>
<td>4.94</td>
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<td>Hire-purchase paper, U.K.</td>
<td>5.29</td>
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<thead>
<tr>
<th>Chart 2</th>
<th>Chart 6</th>
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<tr>
<td><strong>(Friday, July 14)</strong></td>
<td><strong>(Friday, July 14)</strong></td>
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<tr>
<td>Euro-$ deposits:</td>
<td></td>
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<tr>
<td>Call</td>
<td>4.81</td>
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<tr>
<td>30-day</td>
<td>5.31</td>
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<tr>
<td>90-day</td>
<td>5.38</td>
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<td>180-day</td>
<td>5.88</td>
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<td></td>
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<tr>
<td>Hire-purchase paper</td>
<td>5.88</td>
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<tr>
<td>(June 30)</td>
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<tr>
<td>Local-authority deposit</td>
<td>5.50</td>
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<td>(June 30)</td>
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<th>Chart 3</th>
<th>Chart 7</th>
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<tr>
<td><strong>Upper Panel</strong></td>
<td><strong>(Period: July 7)</strong></td>
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<tr>
<td>Interbank loan (mid-point)</td>
<td>(July 15)</td>
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<tr>
<td>(July 7)</td>
<td>3.75</td>
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<tr>
<td>(July 15)</td>
<td>3.56</td>
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<tr>
<td>Euro-$ deposit (average)</td>
<td>(July 7)</td>
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<td>(July 15)</td>
<td>5.38</td>
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<tr>
<td><strong>Lower Panel</strong></td>
<td><strong>(Date: June 15)</strong></td>
</tr>
<tr>
<td>Zurich 3-month deposit</td>
<td>4.25</td>
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<tr>
<td>Price of gold</td>
<td>35.186</td>
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<td>(Friday, June 30)</td>
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<th>Chart 4</th>
<th>Chart 7</th>
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<tr>
<td><strong>(Friday, July 14)</strong></td>
<td><strong>(Friday, July 7)</strong></td>
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<tr>
<td>Treasury bills: Canada</td>
<td>4.13</td>
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<td>U.S.</td>
<td>4.10</td>
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<td>Spread favor Canada</td>
<td>+ .03</td>
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<td>Forward Canadian $</td>
<td>- .37</td>
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<td>Net incentive (Canada +)</td>
<td>- .34</td>
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<td>Canadian finance paper</td>
<td>5.38</td>
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For descriptions and sources of data, see special supplement to H.13, Number 239, March 16, 1966.