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

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

I. 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

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

ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE (COVERED) IN TERMS OF SWISS FRANCS

EURO-DOLLAR

SWISS DEPOSIT RATE

DIFFERENTIAL FAVOR ZURICH

DIFFERENTIAL FAVOR EURO-DOLLAR

II. PRICE OF GOLD IN LONDON

PRICE OF GOLD IN LONDON

U.S. dollar equivalent per fine ounce

1965 1966 1967 1968

35.3

35.0
Chart 4

INTEREST ARBITRAGE, UNITED STATES/CANADA

Friday Figures

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

PRICE

PREMIUM

DISCOUNT

3-MONTH COVERED RATE DIFFERENTIALS (NET INCENTIVES)

PRIME FINANCE PAPER

FAVOR CANADA

TREASURY BILLS

FAVOR U.S.

FAVOR U.S.
Long-Term Bond Yields

Netherlands
Canada
Switzerland
Germany
Euro-Dollar Bonds


* Average of yields for four foreign government dollar bonds quoted in London
** New series for Germany starts 7/65
*** New series for Switzerland starts 3/67
Chart 8
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

1965 1966 1967

Above par
Par
Below par
Above par
Par with U.S. dollar
Below par
Above par
Par with U.S. dollar
Below par

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis
Chart 9
3-MONTH FORWARD EXCHANGE RATES
AGAINST U.S. DOLLARS—NEW YORK
Friday figures

Per cent per annum

SWISS FRANC
GERMAN MARK
POUND STERLING

DISCOUNT -

PREMIUM +

FRENCH FRANC
DUTCH GUILDER
CANADIAN DOLLAR

Against Pound Sterling—London
Friday figures

Per cent per annum

SWISS FRANC
GERMAN MARK
U.S. DOLLAR

DISCOUNT -
Chart 10

INDUSTRIAL STOCK INDICES

1964 1965 1966 1967

SWITZERLAND

U.K.

U.S.

GERMANY

JAPAN

CANADA

U.S.

1964 1965 1966 1967

* Swiss Bank Corporation industrial stock index
** Japan 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**
*(Wednesday, August 16)*

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Euro-$ deposit</td>
<td>5.06</td>
</tr>
<tr>
<td>U.S. cert. of deposit</td>
<td>4.88</td>
</tr>
</tbody>
</table>

**Lower Panel** *(Friday, August 18)*

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance co. paper: U.S.</td>
<td>4.75</td>
</tr>
<tr>
<td>Hire-purchase paper, U.K.</td>
<td>5.12</td>
</tr>
</tbody>
</table>

**Chart 2** *(Friday, Aug. 18)*

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Euro-$ deposits:</td>
<td></td>
</tr>
<tr>
<td>Call</td>
<td>4.25</td>
</tr>
<tr>
<td>30-day</td>
<td>4.94</td>
</tr>
<tr>
<td>90-day</td>
<td>5.12</td>
</tr>
<tr>
<td>180-day</td>
<td>5.56</td>
</tr>
<tr>
<td>Hire-purchase paper</td>
<td>11</td>
</tr>
<tr>
<td>Local-authority deposit</td>
<td>11</td>
</tr>
<tr>
<td>Aug. 4</td>
<td>5.75</td>
</tr>
<tr>
<td>Aug. 4</td>
<td>5.59</td>
</tr>
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</table>

**Chart 3** *(Period: August 15)*

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interbank loan (mid-point)</td>
<td>3.56</td>
</tr>
<tr>
<td>Euro-$ deposit (average)</td>
<td>5.16</td>
</tr>
</tbody>
</table>

**Lower Panel** *(Date: July 15)*

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zurich 3-month deposit</td>
<td>4.00</td>
</tr>
<tr>
<td>Price of gold</td>
<td></td>
</tr>
<tr>
<td>Aug. 4</td>
<td>35.182</td>
</tr>
<tr>
<td>(Friday, Aug. 11)</td>
<td>35.184</td>
</tr>
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</table>

**Chart 4** *(Friday, Aug. 18)*

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury bills: Canada</td>
<td>4.23</td>
</tr>
<tr>
<td>U.S.</td>
<td>4.17</td>
</tr>
<tr>
<td>Spread favor Canada</td>
<td>+0.06</td>
</tr>
<tr>
<td>Forward Canadian $</td>
<td>-0.97</td>
</tr>
<tr>
<td>Net incentive (Canada +)</td>
<td>-0.91</td>
</tr>
<tr>
<td>Canadian finance paper</td>
<td>5.50</td>
</tr>
</tbody>
</table>

**Chart 5** *(Friday, Aug. 18)*

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
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</thead>
<tbody>
<tr>
<td>Treasury bills: U.K.</td>
<td>5.16</td>
</tr>
<tr>
<td>U.S.</td>
<td>4.17</td>
</tr>
<tr>
<td>Spread favor U.K.</td>
<td>+0.99</td>
</tr>
<tr>
<td>Forward pound</td>
<td>-0.69</td>
</tr>
<tr>
<td>Net incentive (U.K. +)</td>
<td>+0.30</td>
</tr>
</tbody>
</table>

**Chart 6** *(Friday, Aug. 18)*

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury bills: U.S.</td>
<td>4.17</td>
</tr>
<tr>
<td>U.K.</td>
<td>5.16</td>
</tr>
<tr>
<td>Canada</td>
<td>4.23</td>
</tr>
<tr>
<td>Interbank loan rate (German)</td>
<td></td>
</tr>
<tr>
<td>Aug. 15</td>
<td>3.56</td>
</tr>
<tr>
<td>Euro-$ deposit (London)</td>
<td>5.12</td>
</tr>
<tr>
<td>Zurich 3-month deposit</td>
<td></td>
</tr>
<tr>
<td>(Date: July 15)</td>
<td>4.00</td>
</tr>
<tr>
<td>Japan composite rate</td>
<td></td>
</tr>
<tr>
<td>(Date: May 26)</td>
<td>7.30</td>
</tr>
</tbody>
</table>

**Chart 7** *(Friday, Aug. 18)*

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Gov't. (Wed., Aug. 16)</td>
<td>4.94</td>
</tr>
<tr>
<td>U.K. War Loan (Thurs., Aug. 17)</td>
<td>6.81</td>
</tr>
<tr>
<td>German Fed. (Fri., Aug. 18)</td>
<td>6.79</td>
</tr>
<tr>
<td>Swiss Confed. (Fri., Aug. 4)</td>
<td>4.65</td>
</tr>
<tr>
<td>Canadian Gov't. (Wed., Aug. 9)</td>
<td>5.97</td>
</tr>
<tr>
<td>(Date: May 26)</td>
<td>7.30</td>
</tr>
<tr>
<td>Netherlands Gov't. perpetual 3%</td>
<td>5.65</td>
</tr>
<tr>
<td>(Friday, Aug. 11)</td>
<td>6.33</td>
</tr>
</tbody>
</table>

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