DIVISION OF INTERNATIONAL FINANCE

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

H. 13
No. 315

September 6, 1967

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.

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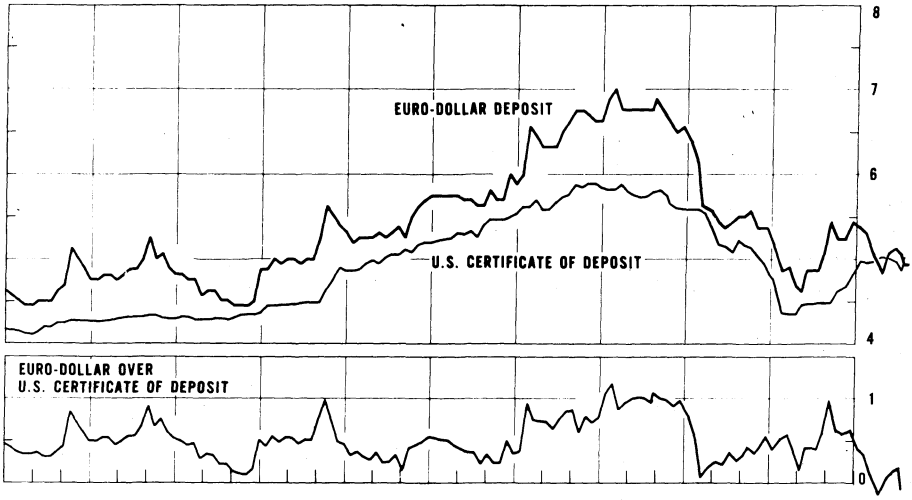
Chart 1

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

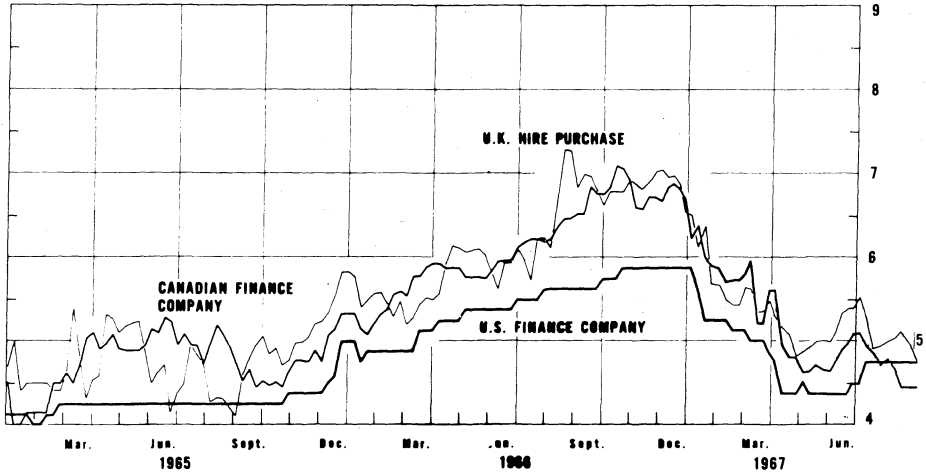


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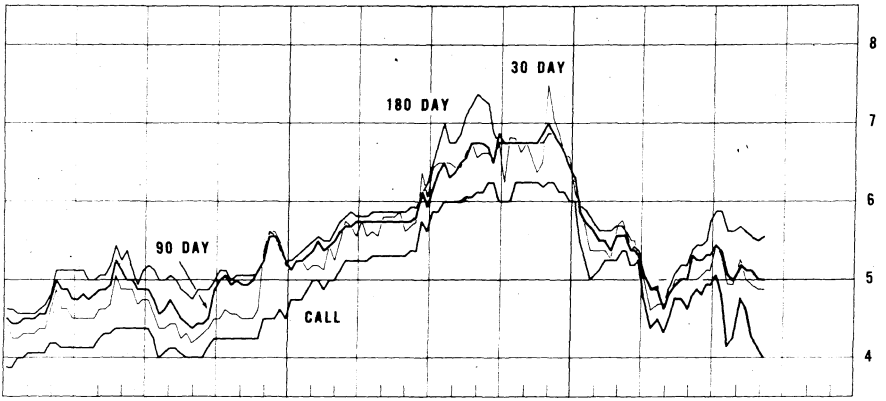
Chart 2

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

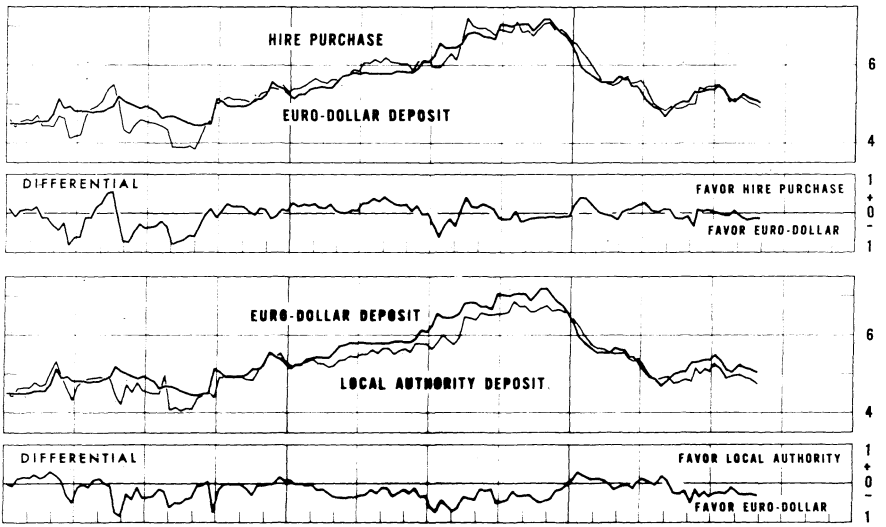


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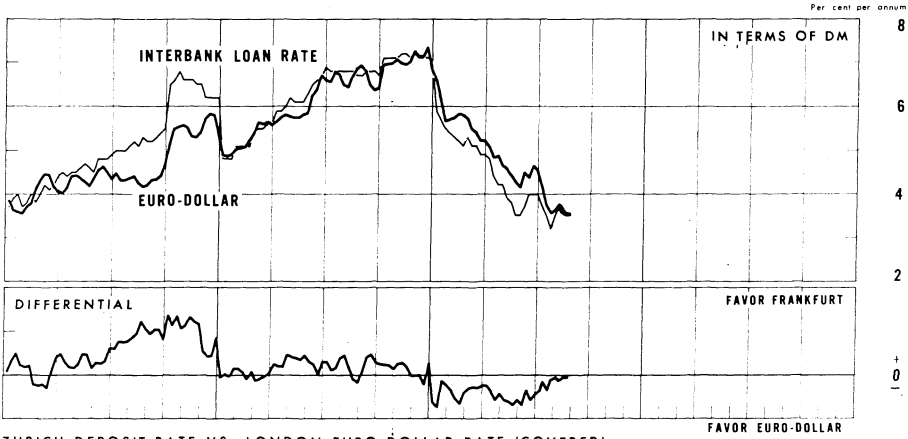
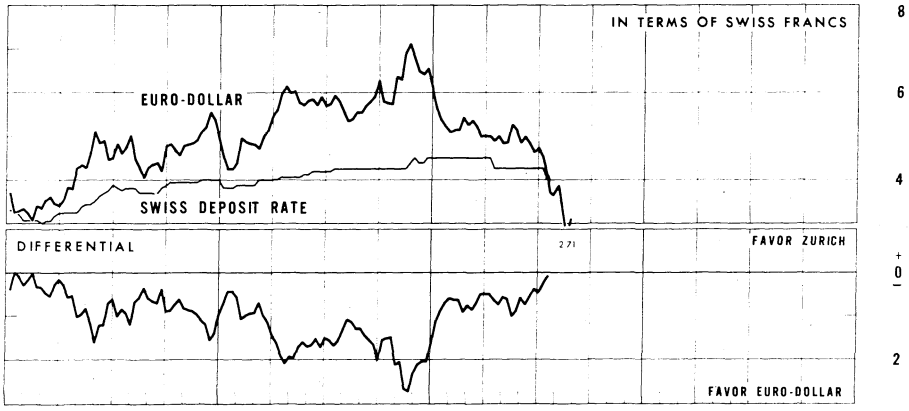
Chart 3

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

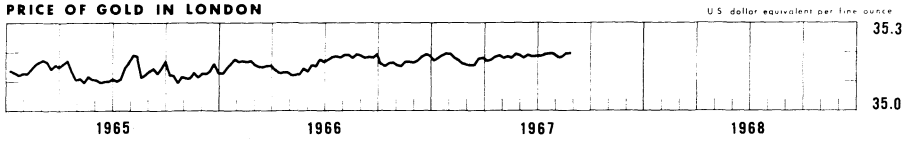


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Chart 4

INTEREST ARBITRAGE, UNITED STATES/CANADA

Friday figures

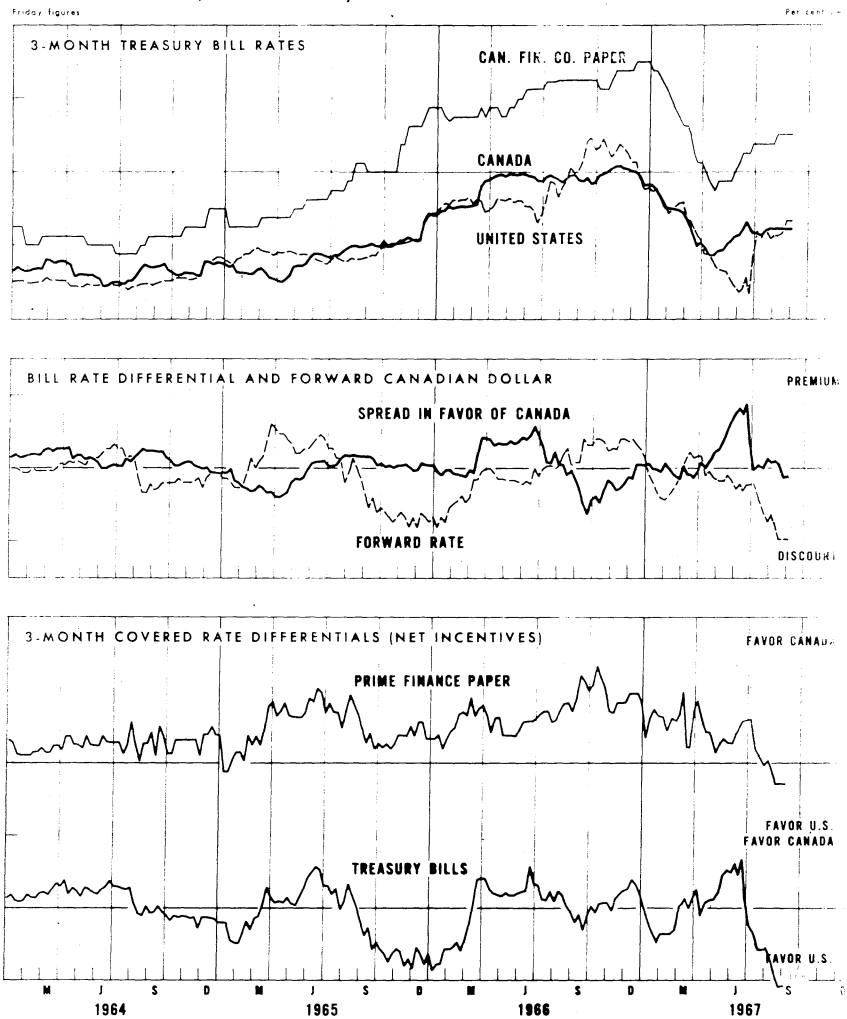

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Chart 5

INTEREST ARBITRAGE, NEW YORK/LONDON

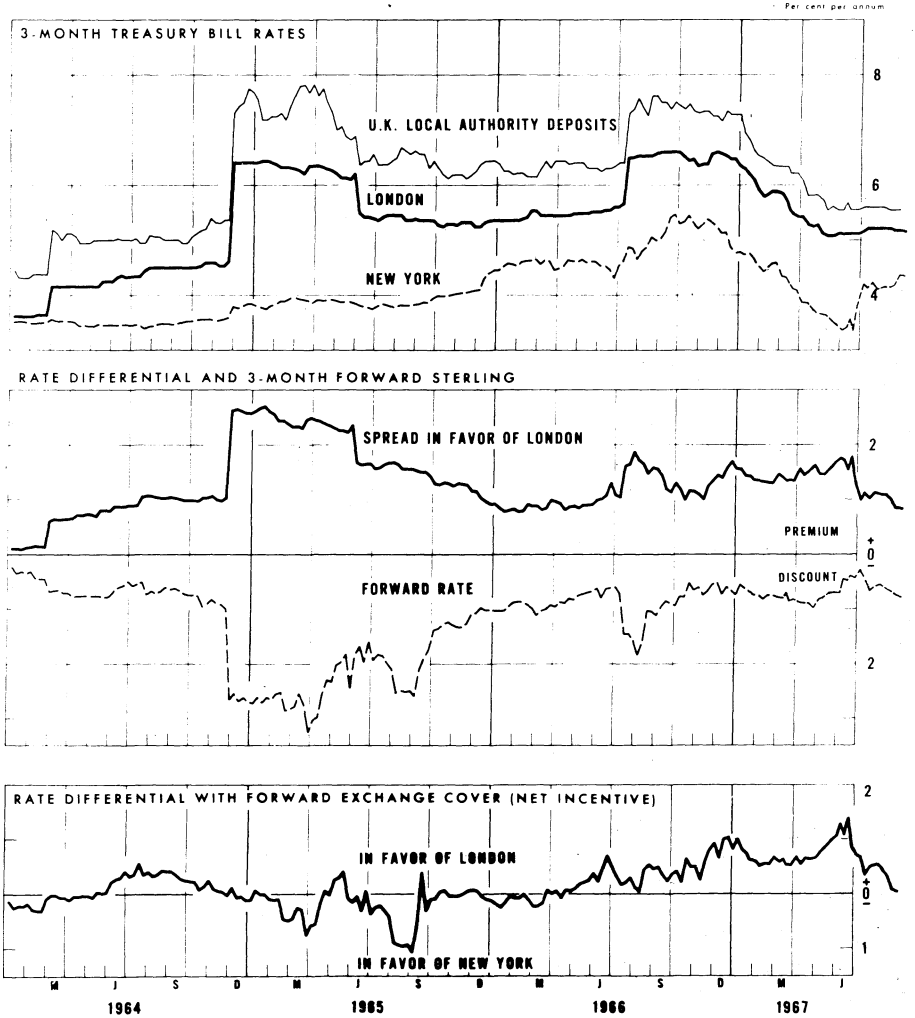

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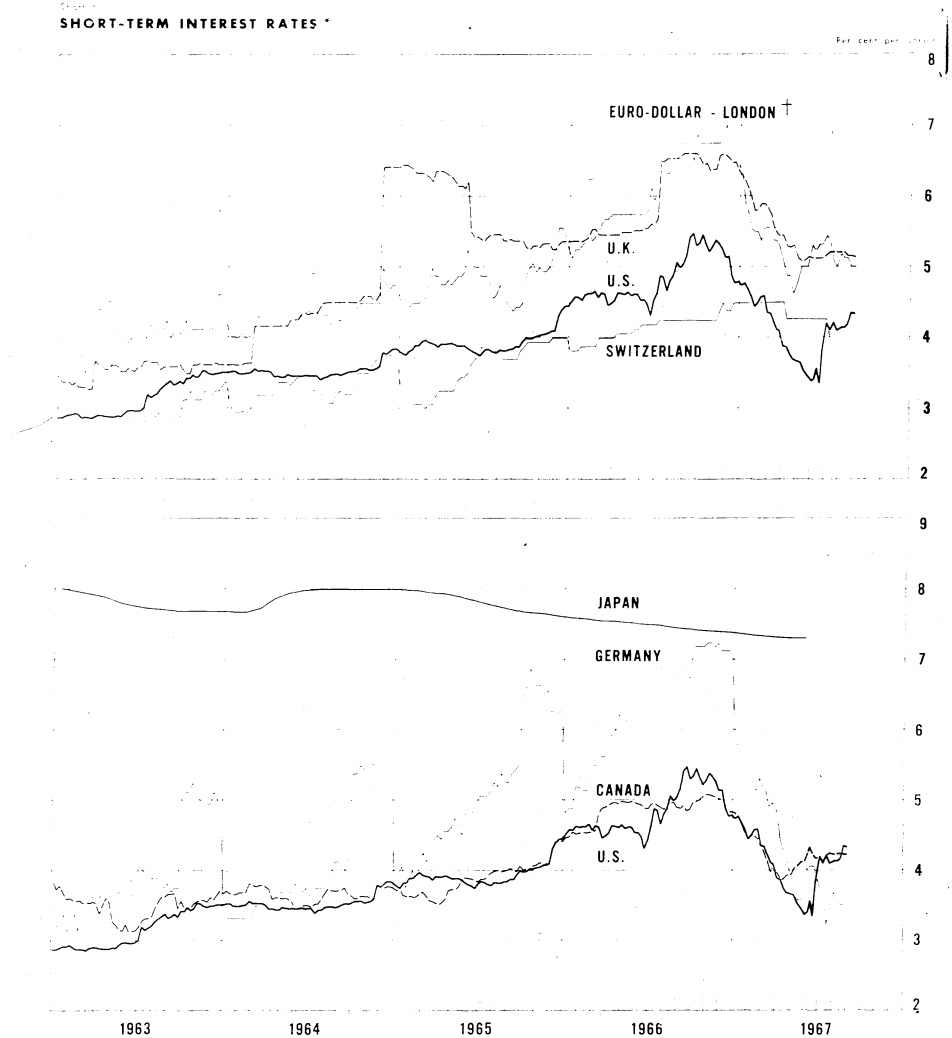
Chart 1

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)

† Euro-dollar rate - deposits in London

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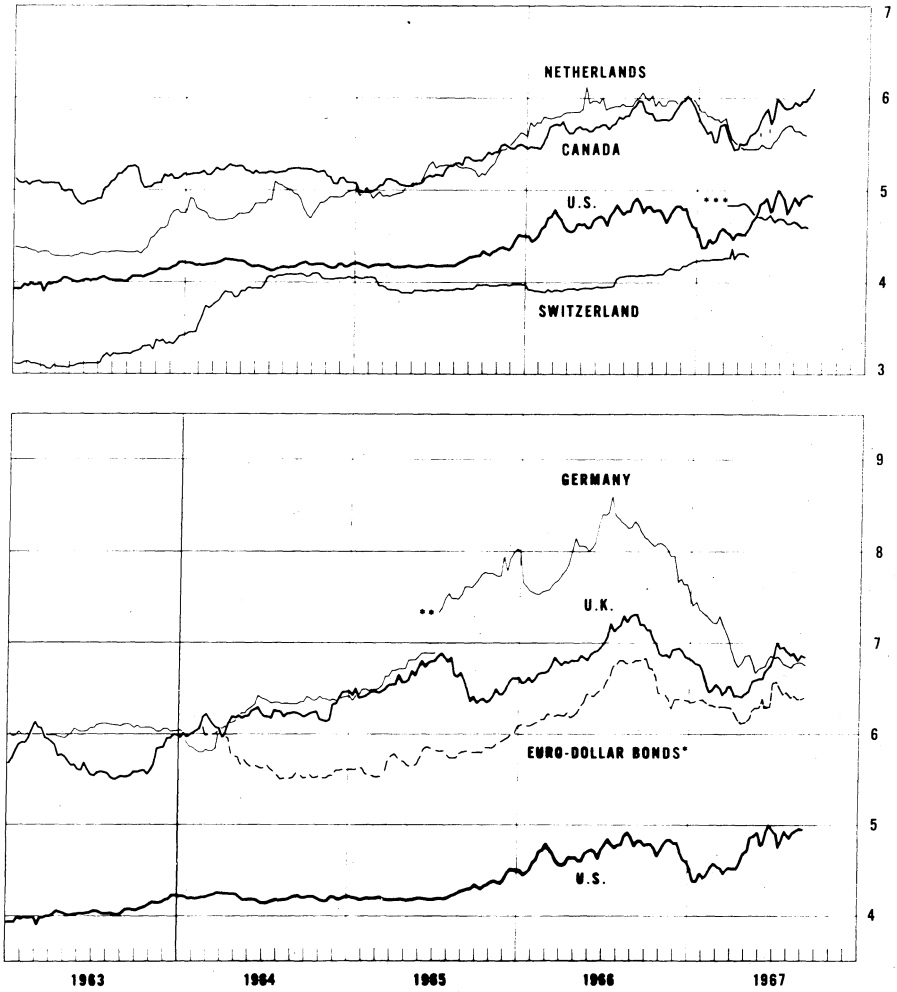
Chart 7

LONG-TERM BOND YIELDS

Weekly figures

Per cent per annum



* Average of yields for four foreign government dollar bonds quoted in London

** New series for Germany starts 7.9.65

*** New series for Switzerland starts 3.3.67

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Chart 8

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

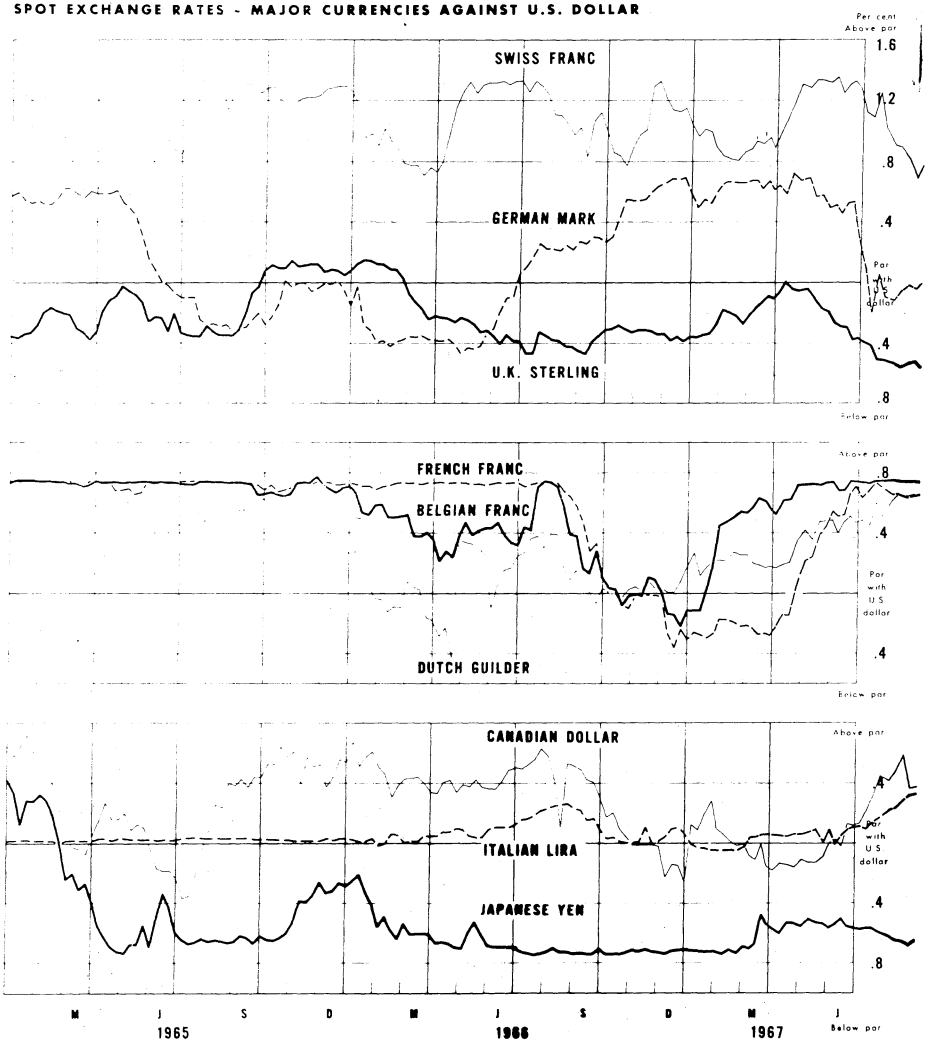

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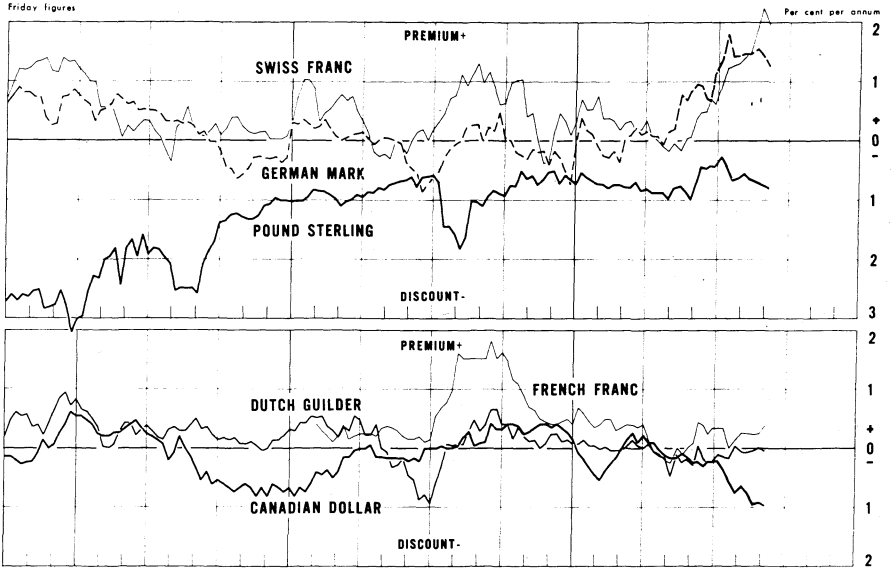
Chart 9

3-MONTH FORWARD EXCHANGE RATES

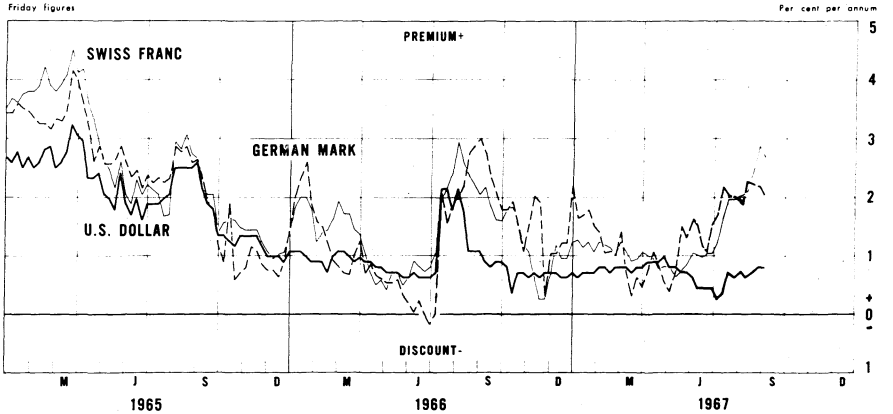
AGAINST U.S. DOLLARS—NEW YORK

Friday figures



AGAINST POUND STERLING—LONDON

Friday figures



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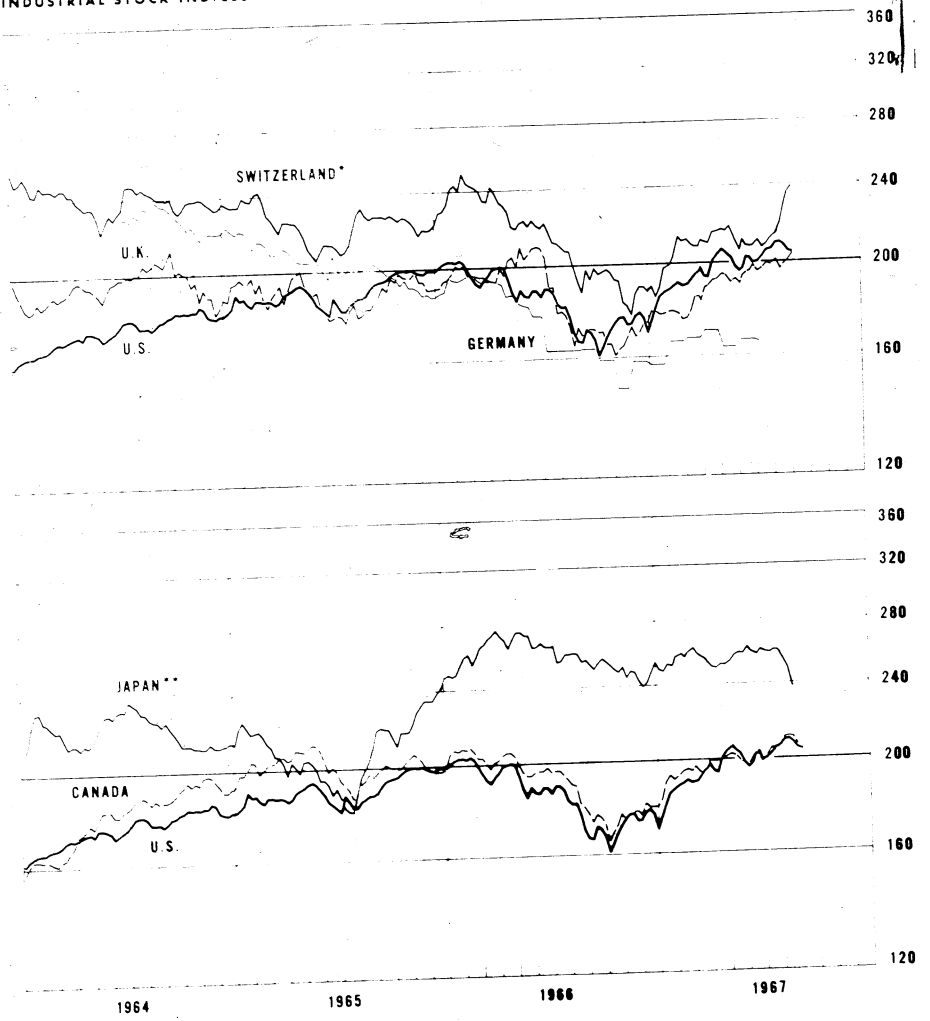
INDUSTRIAL STOCK INDICES



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

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September 6, 1967

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

Chart 1

Upper Panel (Wednesday, Aug. 30)

Euro-$ deposit	4.94
U.S. certif. of deposit (Aug. 23)	5.02

Lower Panel (Friday, Sept. 1)

Finance co. paper:	U.S.	4.75
	Canada	4.46
Hire-purchase paper, U.K.		4.76

Chart 2
(Friday, Sept. 1)

Euro-$ deposits:

Call	4.00	90-day	5.00
30-day	4.88	180-day	5.56

Hire-purchase paper (Aug. 25)	5.69
Local-authority deposit (Aug. 25)	5.50

Chart 3

Upper Panel (Period: Aug. 31)

Interbank loan (mid-point)	3.50
Euro-$ deposit (average)	4.98

Lower Panel (Date: July 15)

Zurich 3-month deposit	4.00
Price of gold (Friday, Aug. 25)	35.196

Chart 4
(Friday, Sept. 1)

Treasury bills:	Canada	4.22
	U.S.	4.33
Spread favor Canada		- .11
Forward Canadian $		- .97
Net incentive (Canada +)		-1.08
Canadian finance paper		5.50

Chart 5
(Friday, Sept. 1)

Treasury bills:	U.K.	5.14
	U.S.	4.33
Spread favor U.K.		+ .81
Forward pound		- .80
Net incentive (U.K. +)		+ .01

Chart 6
(Friday, Sept. 1)

Treasury bills:	U.S.	4.33
	U.K.	5.14
	Canada	4.22
Interbank loan rate (German)		3.50
Euro-$ deposit (London)		5.00
Zurich 3-month deposit (Date: July 15)		4.00
Japan composite rate (Date: June 30)		7.29

Chart 7

U.S. Gov't. (Wed., Aug. 23)	4.95
(Wed., Aug. 30)	4.94
U.K. War Loan (Thurs., Aug. 31)	6.85
German Fed. (Fri., Sept. 1)	6.76
Swiss Confed. (Fri., Aug. 25)	4.60
Canadian Gov't. (Wed., Aug. 30)	6.10
Netherlands Gov't. perpetual 3% (Friday, Aug. 18)	5.61
(Friday, Aug. 25r)	5.58
Euro-$ bonds (Fri., Sept. 1)	6.40

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

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