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)
I INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON
FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE (COVERED)

IN TERMS OF DM

INTERBANK LOAN RATE
EURO-DOLLAR

FAVOR FRANKFURT DIFFERENTIAL

FAVOR EURO-DOLLAR

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

IN TERMS OF SWISS FRANCS

EURO-DOLLAR
SWISS DEPOSIT RATE

FAVOR ZURICH

FAVOR EURO-DOLLAR

II PRICE OF GOLD IN LONDON

U.S. dollar equivalent per fine ounce

1965  1966  1967  1968

35.3  35.0
INTEREST ARBITRAGE, UNITED STATES/CANADA

3-MONTH TREASURY BILL RATES

CAN. FIN. CO. PAPER

CANADA

UNITED STATES

BILL RATE DIFFERENTIAL AND FORWARD CANADIAN DOLLAR PREMIUM

SPREAD IN FAVOR OF CANADA

FORWARD RATE

DISCOUNT

3-MONTH COVERED RATE DIFFERENTIALS (NET INCENTIVES)

PRIME FINANCE PAPER

FAVOR CANADA

TREASURY BILLS

FAVOR U.S.

FAVOR CANADA
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

FORWARD RATE

PREMIUM

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

1965 1966 1967

SWISS FRANC

GERMAN MARK

U.K. STERLING

FRENCH FRANC

BELGIAN FRANC

DUTCH GUILDER

CANADIAN DOLLAR

ITALIAN LIRA

JAPANESE YEN

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis
Chart 10

INDUSTRIAL STOCK INDICES

1964 1965 1966 1967

SWITZERLAND

U.K.

U.S.

GERMANY

JAPAN

CANADA

U.S.

120 160 200 240 280 320 360

1958:100

Ratio scale

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis
II. Latest Figures Plotted in H.13 Chart Series, 1967
(all figures per cent per annum)

<table>
<thead>
<tr>
<th>Chart 1 (Wednesday, Sept. 6)</th>
<th>Chart 2 (Friday, Sept. 8)</th>
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<tbody>
<tr>
<td><strong>Euro-$ deposit</strong></td>
<td><strong>Euro-$ deposit</strong></td>
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<td>5.00</td>
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<td><strong>U.S. certif. of deposit</strong></td>
<td><strong>U.S. certif. of deposit</strong></td>
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<td>(Aug. 30) (Sept. 6) 4.85</td>
<td>(Aug. 30) 4.85</td>
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<td><strong>Lower Panel</strong></td>
<td><strong>Euro-$ deposits</strong></td>
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<tr>
<td>(Friday, Sept. 8)</td>
<td>Call: 4.25</td>
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<tr>
<td></td>
<td>90-day 4.94</td>
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<tr>
<td></td>
<td>30-day 4.62x (Sept. 8)</td>
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<td>4.75 (Sept. 8)</td>
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<td><strong>Finance co. paper</strong></td>
<td><strong>Hire-purchase paper</strong></td>
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<td>U.S. 4.75</td>
<td>U.K. 4.63</td>
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<td>Canada 4.40</td>
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<td><strong>Hire-purchase paper, U.K.</strong></td>
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<th>Chart 3 (Period: Sept. 7)</th>
<th>Chart 4 (Friday, Sept. 8)</th>
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<tr>
<td><strong>Interbank loan (mid-point)</strong></td>
<td><strong>Treasury bills: Canada</strong></td>
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<tr>
<td>3.50</td>
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<td><strong>Euro-$ deposit (average)</strong></td>
<td>4.27</td>
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<td><strong>Lower Panel</strong></td>
<td><strong>Spread favor Canada</strong></td>
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<td>(Date: Aug. 15)</td>
<td>-0.01</td>
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<td><strong>Zurich 3-month deposit</strong></td>
<td><strong>Forward Canadian $</strong></td>
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<td>3.25*</td>
<td>-1.03</td>
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<td><strong>Price of gold</strong></td>
<td><strong>Net incentive (Canada +)</strong></td>
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<td>(Friday, Sept. 1)</td>
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<td>35.190</td>
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<th>Chart 5 (Friday, Sept. 8)</th>
<th>Chart 6 (Friday, Sept. 8)</th>
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<tr>
<td>5.14</td>
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<td><strong>Spread favor U.K.</strong></td>
<td><strong>Interbank loan rate (German)</strong></td>
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<td><strong>Forward pound</strong></td>
<td><strong>Euro-$ deposit (London)</strong></td>
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<td>-0.81</td>
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<td><strong>Net incentive (U.K. +)</strong></td>
<td><strong>Zurich 3-month deposit</strong></td>
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<td>+0.06</td>
<td>(Date: Aug. 15) 3.25</td>
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For descriptions and sources of data, see special supplement to H.13, Number 239, March 16, 1966.

**Revised:

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* July 23 3.75
31 3.75
Aug. 7 3.25