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)
### CEILING RATES APPLICABLE TO DEPOSITARY CLAIMS
Since July 1, 1967 (per cent)

<table>
<thead>
<tr>
<th></th>
<th>Commercial Banks</th>
<th>Mutual Savings Banks</th>
<th>Savings &amp; Loan Associations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Passbook Savings Accounts</td>
<td>4</td>
<td>5</td>
<td>4-3/4 1/2</td>
</tr>
<tr>
<td>Deposit claims with a specific maturity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than $100,000</td>
<td>5</td>
<td></td>
<td>5-1/4 2/</td>
</tr>
<tr>
<td>$100,000 and above</td>
<td>5-1/2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1/ 5 per cent if compete with mutual savings bank offering 5 per cent on passbook accounts. In such cases, may not offer premium on accounts with longer maturities.

2/ $1,000 minimum denominations, 6-month minimum maturity. No association can pay more than 0.50 per cent premium over regular accounts. In certain Western States, particularly California, associations can offer 5 per cent on regular account and 5-1/4 per cent on deposit with 3 years minimum maturity in minimum denominations of $1,000.
Chart 2
LONDON: YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS
EURO-DOLLAR DEPOSIT RATES
Friday figures

HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)
Friday figures

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
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

DIFFERENTIAL

FAVOR FRANKFURT

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

1965  1966  1967  1968

35.0  35.3
Chart 4
INTEREST ARBITRAGE, UNITED STATES/CANADA

3-MONTH TREASURY BILL RATES

CAN. FIN. CO. PAPER

UNITED STATES

BILL RATE DIFFERENTIAL AND FORWARD CANADIAN DOLLAR

SPREAD IN FAVOR OF CANADA

FORWARD RATE

3-MONTH COVERED RATE DIFFERENTIALS (NET INCENTIVES)

PRIME FINANCE PAPER

TREASURY BILLS

Favor Canada

Favor U.S.

Favor Canada

Favor U.S.

Federal Reserve Bank of St. Louis

Digitized for FRASER

http://fraser.stlouisfed.org/
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

DISCOUNT

RATE DIFFERENTIAL WITH FORWARD EXCHANGE COVER (NET INCENTIVE)

IN FAVOR OF LONDON

IN FAVOR OF NEW YORK
**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.
LONG-TERM BOND YIELDS

Weekly figures

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
*** New series for Switzerland starts 3:3:67
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

DISCOUNT-

AGAINST POUND STERLING—LONDON

Friday figures

Per cent per annum

SWISS FRANC

GERMAN MARK

U.S. DOLLAR

DISCOUNT-

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

<table>
<thead>
<tr>
<th>Chart 1</th>
<th>(Wednesday, Oct. 18)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Euro-$ deposit</td>
<td>5.62</td>
</tr>
<tr>
<td>U.S. certif. of deposit</td>
<td>5.22</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Chart 5</th>
<th>(Friday, Oct. 20)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury bills: U.K.</td>
<td>5.58</td>
</tr>
<tr>
<td>U.S.</td>
<td>4.53</td>
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</table>

<table>
<thead>
<tr>
<th>Chart 6</th>
<th>(Friday, Oct. 20)</th>
</tr>
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<tbody>
<tr>
<td>Treasury bills: U.S.</td>
<td>4.53</td>
</tr>
<tr>
<td>U.K.</td>
<td>5.58</td>
</tr>
<tr>
<td>Canada</td>
<td>4.84</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Chart 2</th>
<th>(Friday, Oct. 20)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Euro-$ deposits:</td>
<td></td>
</tr>
<tr>
<td>Call</td>
<td>4.25</td>
</tr>
<tr>
<td>90-day</td>
<td>5.62</td>
</tr>
<tr>
<td>30-day</td>
<td>5.00</td>
</tr>
<tr>
<td>180-day</td>
<td>5.81</td>
</tr>
<tr>
<td>Hire-purchase paper (Oct. 13)</td>
<td>5.41</td>
</tr>
<tr>
<td>Local-authority deposit (Oct. 13)</td>
<td>5.13</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chart 3</th>
<th>(Period: Oct. 16-23)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interbank loan (mid-point)</td>
<td>4.18</td>
</tr>
<tr>
<td>Euro-$ deposit (average)</td>
<td>4.27</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Chart 4</th>
<th>(Friday, Oct. 20)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury bills: Canada</td>
<td>4.84</td>
</tr>
<tr>
<td>U.S.</td>
<td>4.53</td>
</tr>
<tr>
<td>Spread favor Canada</td>
<td>+.31</td>
</tr>
<tr>
<td>Forward Canadian $</td>
<td>-1.44</td>
</tr>
<tr>
<td>Net incentive (Canada +)</td>
<td>-1.13</td>
</tr>
<tr>
<td>Canadian finance paper (Oct. 13)</td>
<td>6.38</td>
</tr>
</tbody>
</table>

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