

October 25, 1967.

H. 13
No. 322

CAPITAL MARKET DEVELOPMENTS ABROAD

- I. Ten Charts on Financial Markets Abroad
- II. Latest Figures Plotted in H.13 Chart Series, 1967

*Capital
Market*

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
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- Chart 4 - Interest Arbitrage: New York/Canada
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Europe and British Commonwealth Section.

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

	Commercial Banks	Mutual Savings Banks	Savings & Loan Associations
Regular Passbook Savings Accounts	4	5	4-3/4 ^{1/}
Deposit claims with a specific maturity			
Less than \$100,000	5) No provision)	5-1/4 ^{2/}
\$100 000 and above	5-1/2		

^{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.

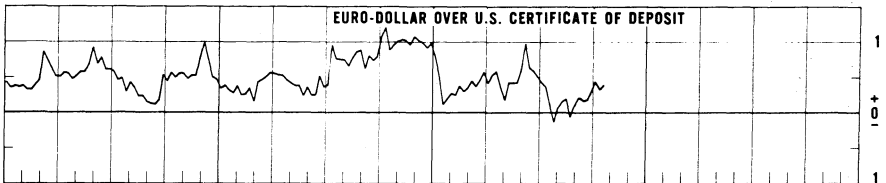
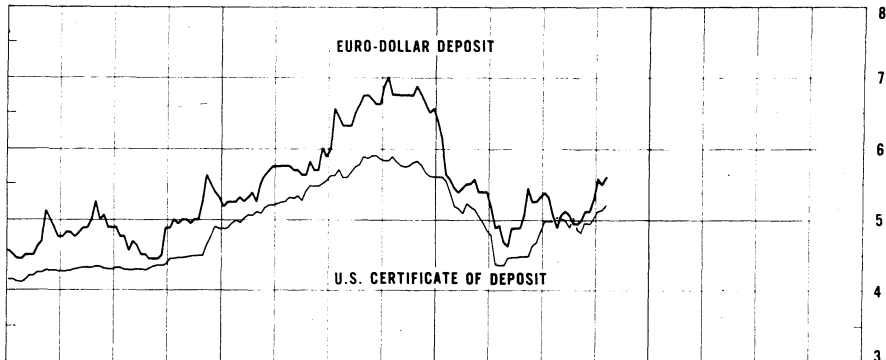
^{2/} \$1,000 minimum denominations, 6-month minimum maturity. No association can pay more than 0.50 per cent premium over regular accounts. In certain Western States, particularly California, associations can offer 5 per cent on regular account and 5-1/4 per cent on deposit with 3 years minimum maturity in minimum denominations of \$1,000.

Chart 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

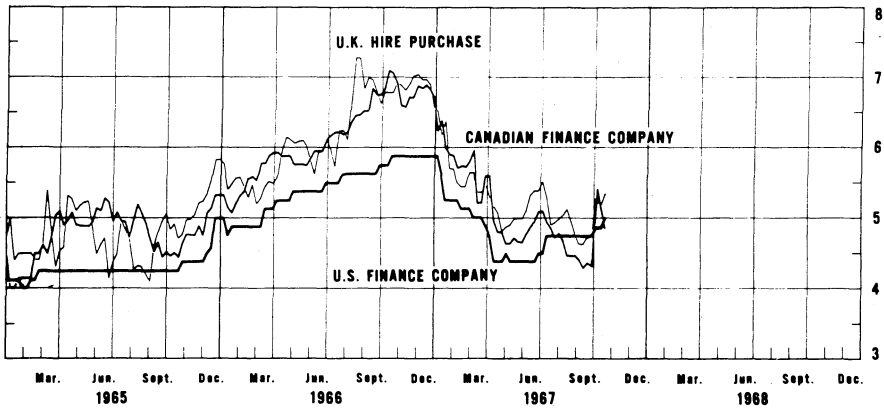


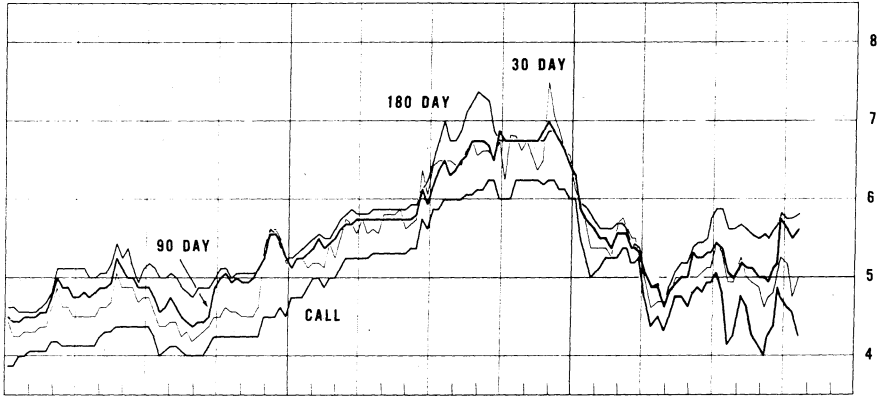
Chart 2

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

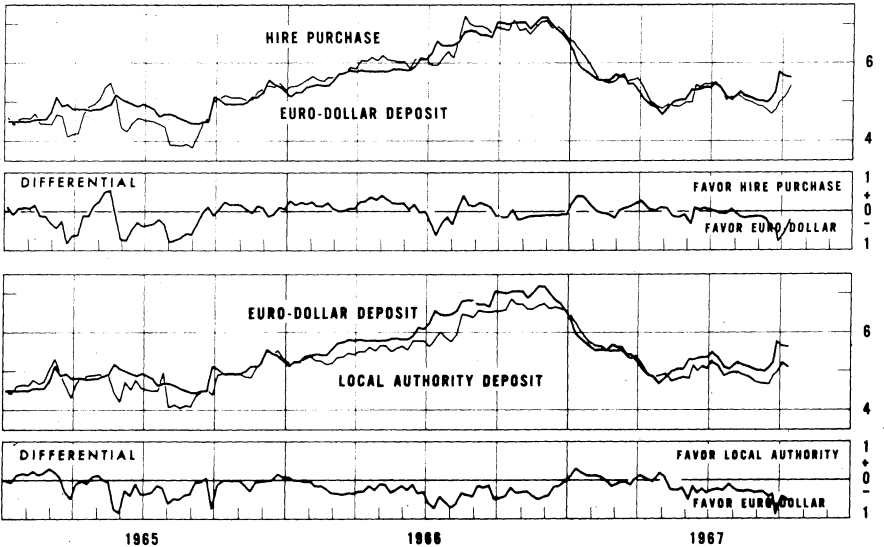
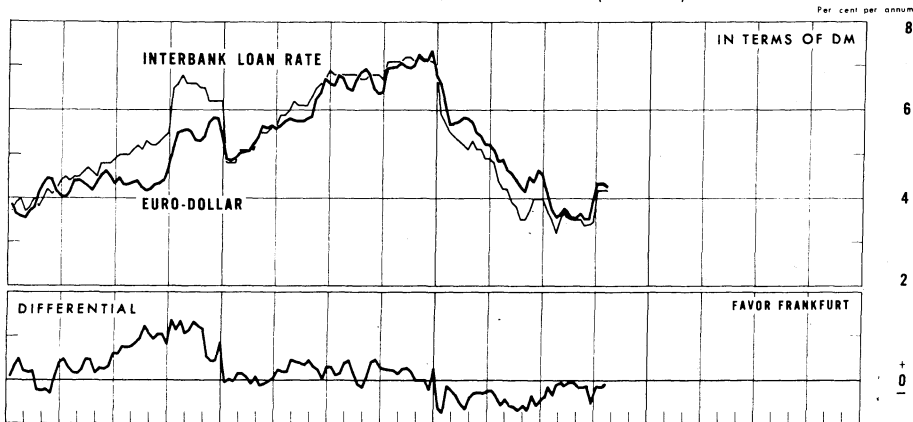
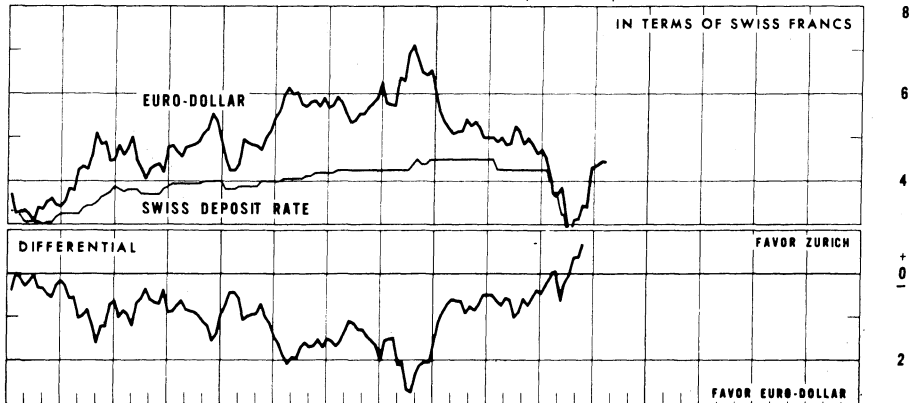


Chart 3

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

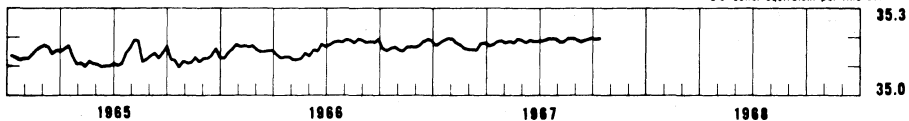
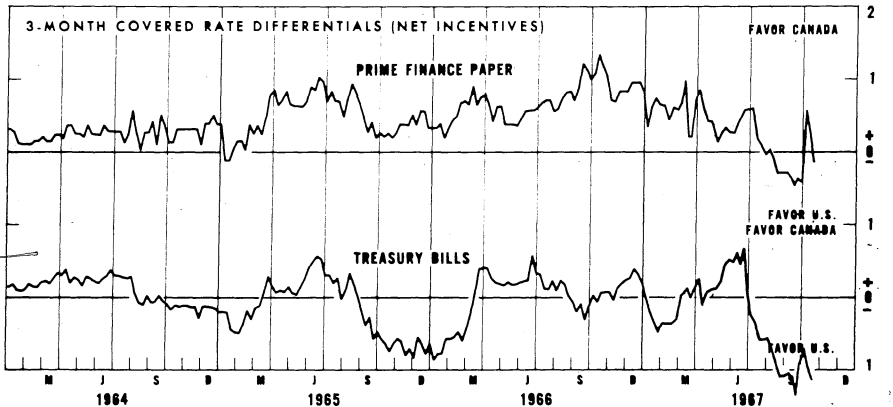
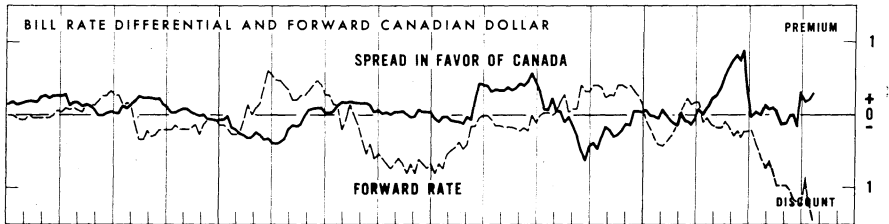
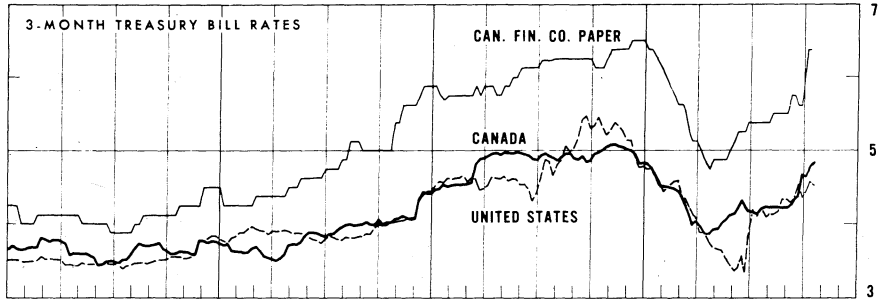


Chart 4

INTEREST ARBITRAGE, UNITED STATES/CANADA

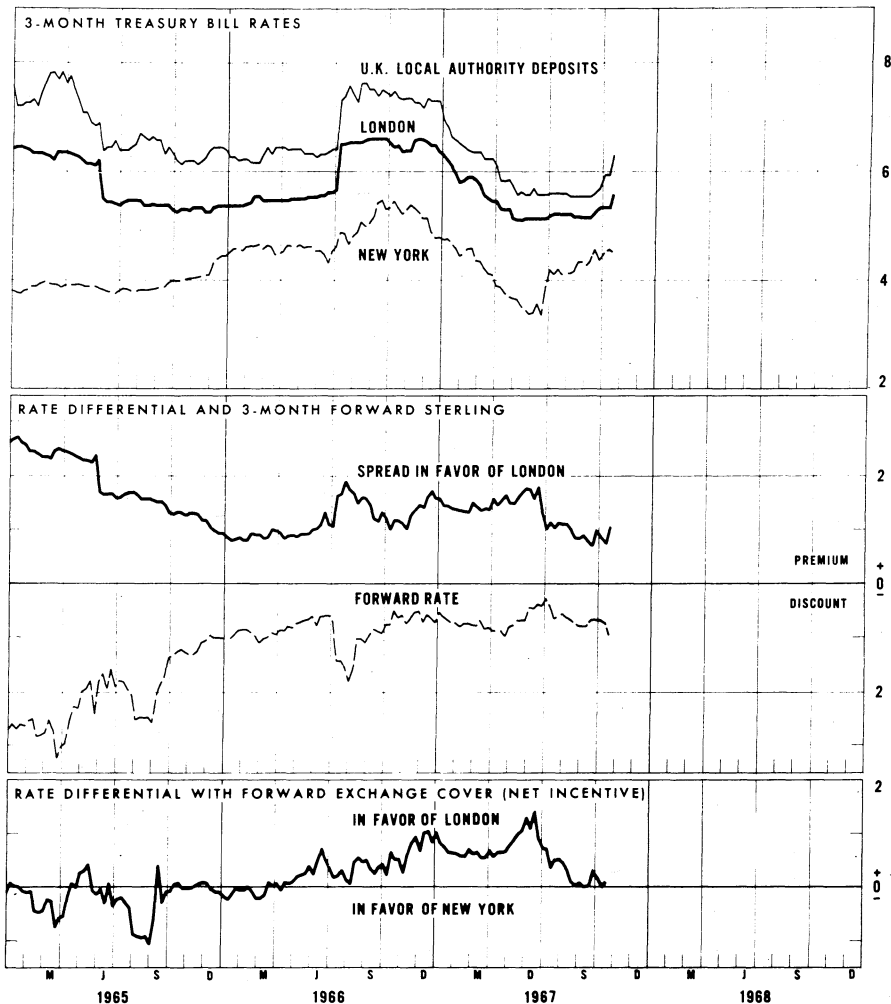
Friday figures

Per cent per annum



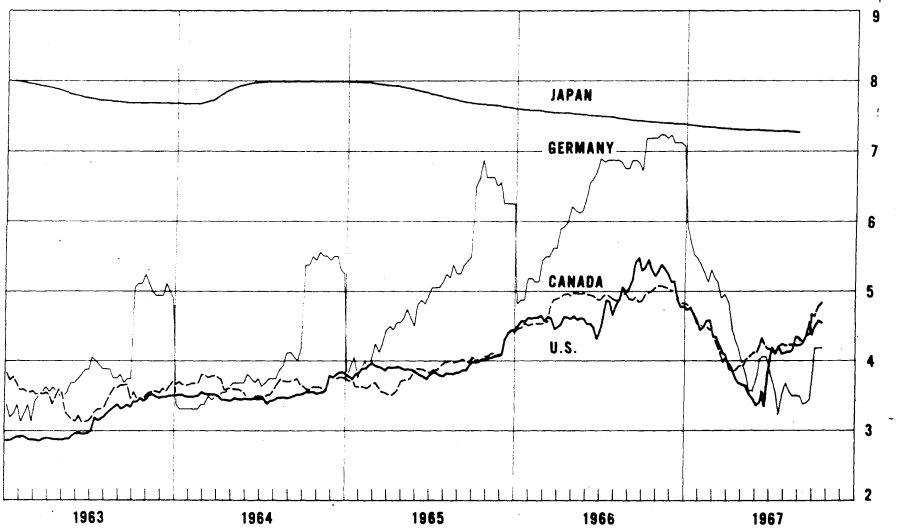
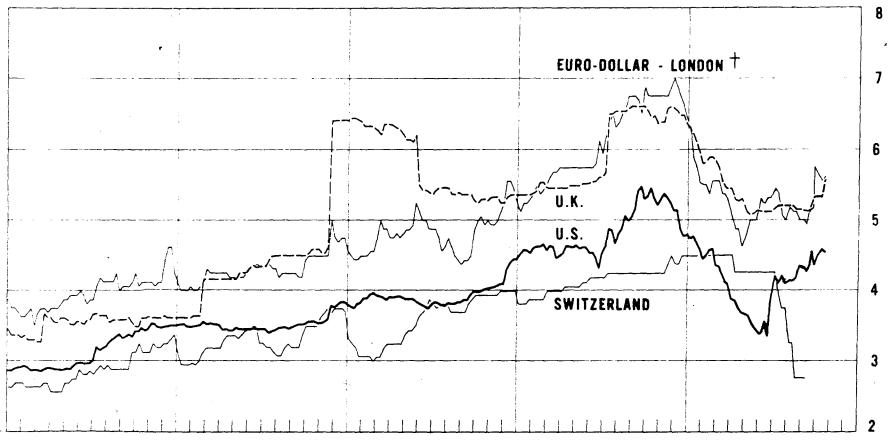
INTEREST ARBITRAGE, NEW YORK/LONDON

Per cent per annum



SHORT-TERM INTEREST RATES*

Per cent per annum



* 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)

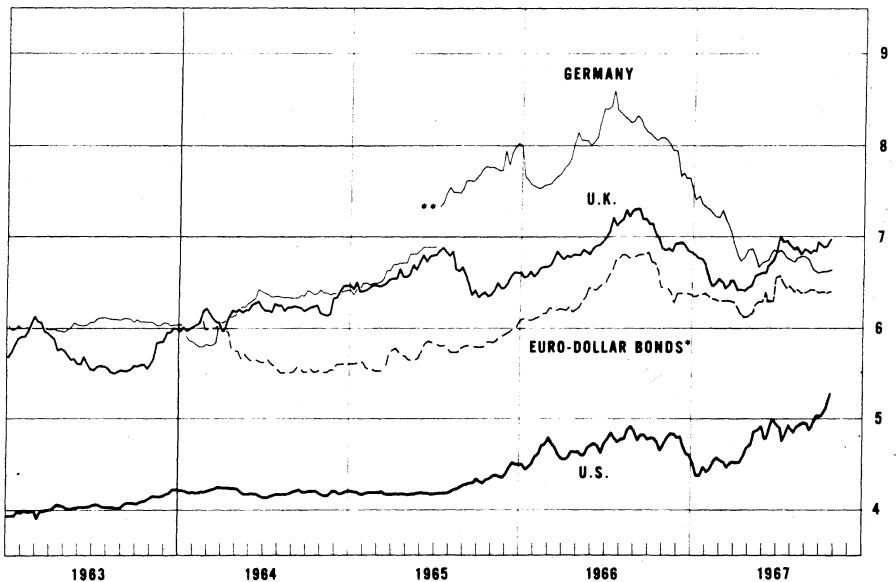
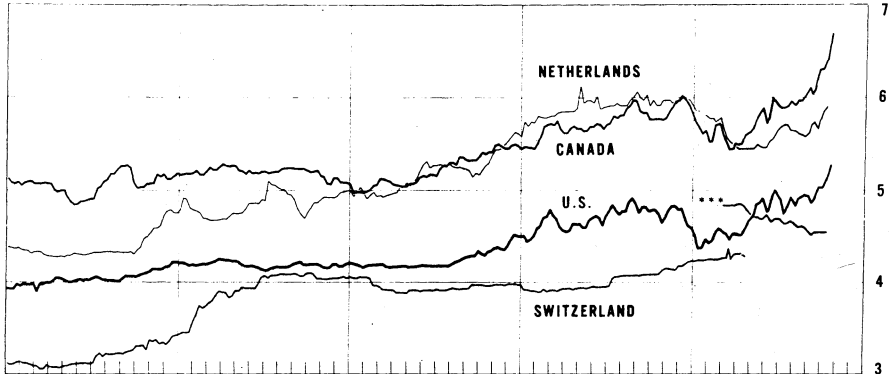
† 3-month rate for U.S. dollar deposits in London.

Chart 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

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

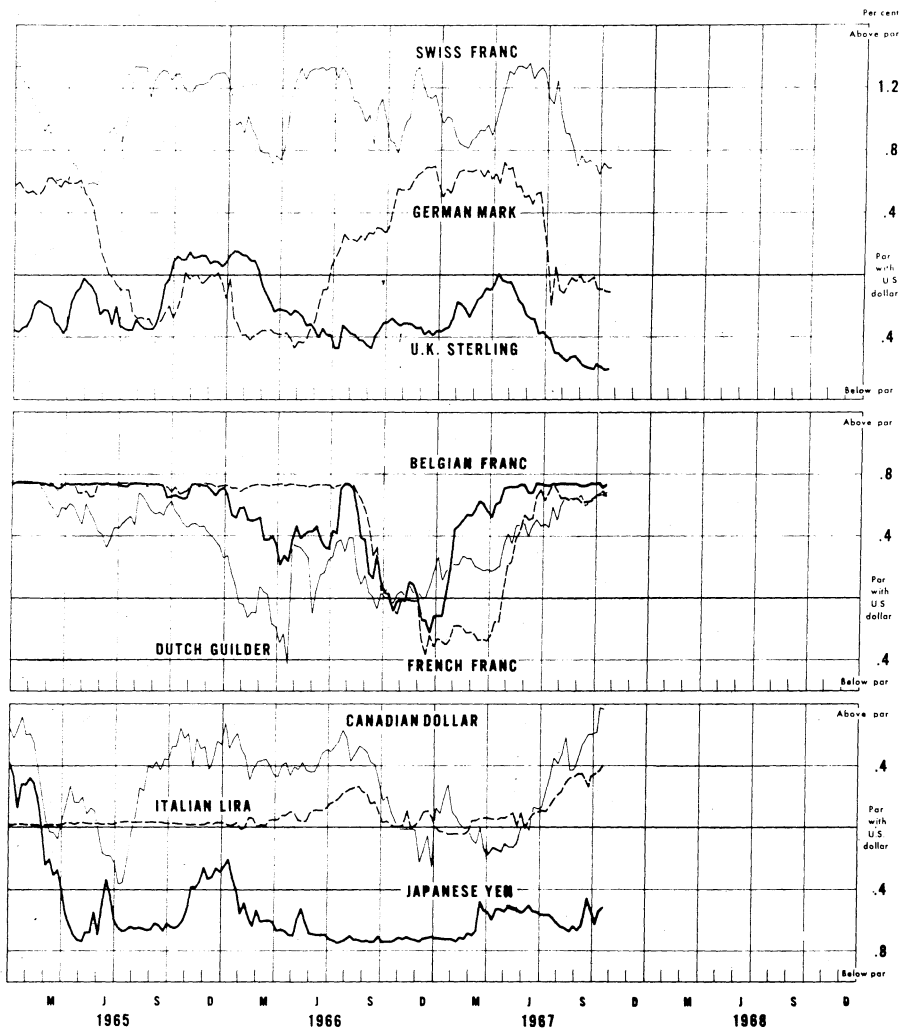
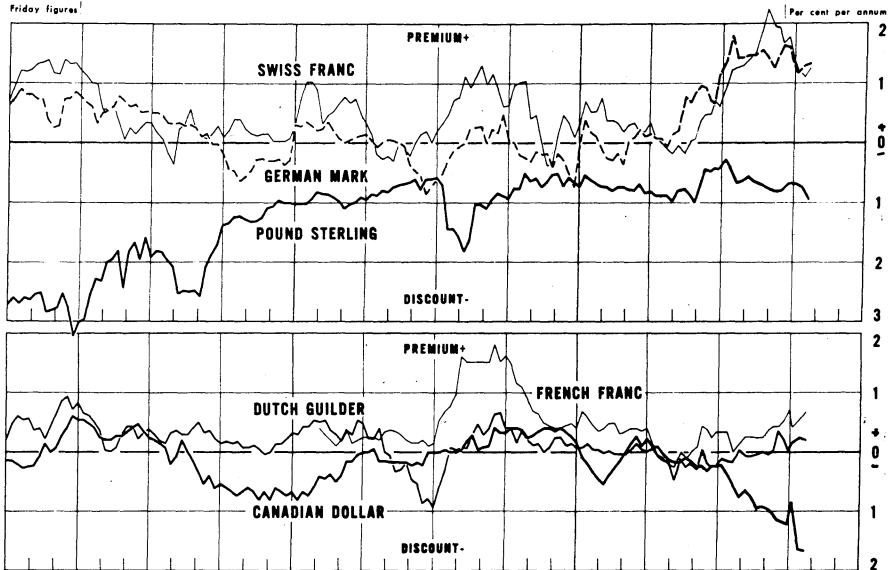


Chart 9

3-MONTH FORWARD EXCHANGE RATES

AGAINST U.S. DOLLARS—NEW YORK

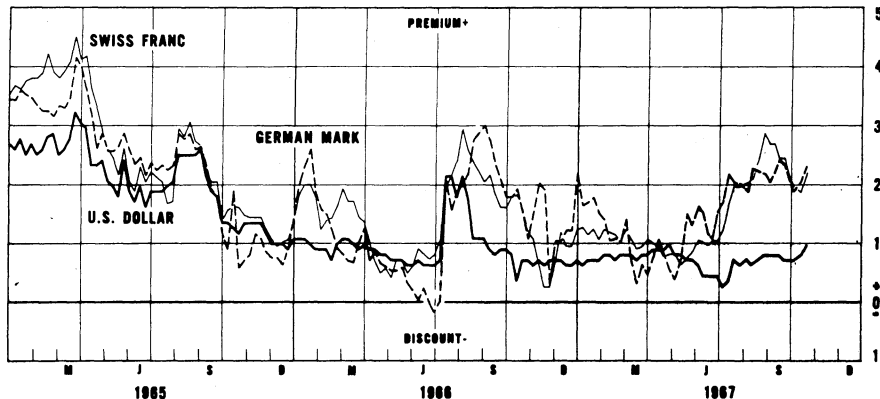
Friday figures



AGAINST POUND STERLING—LONDON

Friday figures

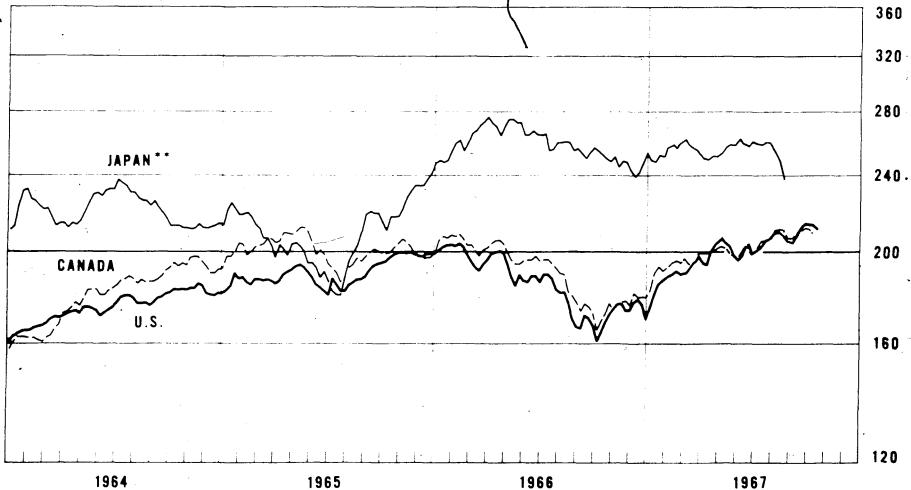
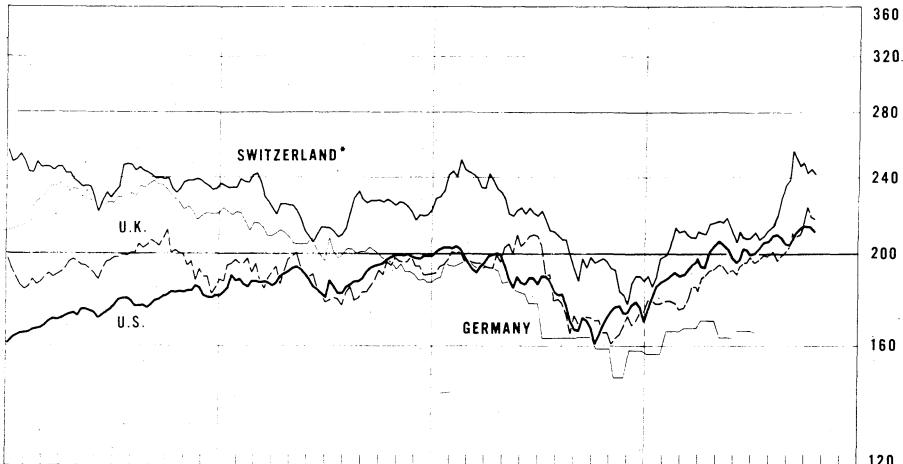
Per cent per annum



12
Chart 10

INDUSTRIAL STOCK INDICES

1958=100
Ratio scale



* 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)

<u>Chart 1</u>	
<u>Upper Panel</u>	(Wednesday, <u>Oct. 18</u>)
Euro-\$ deposit	<u>5.62</u>
U.S. certif. of deposit	<u>5.22</u>
<u>Lower Panel</u>	
(Friday, <u>Oct. 20</u>)	
Finance co. paper: U.S.	<u>5.00</u>
Canada	<u>4.87</u>
Hire-purchase paper, U.K.	<u>5.35</u>

<u>Chart 5</u>	
(Friday, <u>Oct. 20</u>)	
Treasury bills: U.K.	<u>5.58</u>
U.S.	<u>4.53</u>
Spread favor U.K.	<u>+1.05</u>
Forward pound	<u>- .96</u>
Net incentive (U.K. +)	<u>+ .09</u>

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

<u>Chart 6</u>	
(Friday, <u>Oct. 20</u>)	
Treasury bills: U.S.	<u>4.53</u>
U.K.	<u>5.58</u>
Canada	<u>4.84</u>
Interbank loan rate (German) (Oct. 16-23)	<u>4.18</u>
Euro-\$ deposit (London)	<u>5.62</u>
Zurich 3-month deposit (Date: <u>Sept. 15</u>)	<u>2.75</u>
Japan composite rate (Date: <u>July 31</u>)	<u>7.29</u>
Aug. 31	<u>7.28</u>

<u>Chart 3</u>	
(Period: <u>Oct. 16-23</u>)	
Interbank loan (mid-point)	<u>4.18</u>
Euro-\$ deposit (average)	<u>4.27</u>
<u>Lower Panel</u>	
(Date: <u>Sept. 15</u>)	
Zurich 3-month deposit	<u>2.75</u>
<u>Price of gold</u>	<u>35.198</u>
(Friday, <u>Oct. 13</u>)	

<u>Chart 7</u>	
U.S. Gov't. (Wed., <u>Oct. 18</u>)	<u>5.28</u>
U.K. War Loan (Thurs., <u>Oct. 19</u>)	<u>6.98</u>
German Fed. (Fri., <u>Oct. 20</u>)	<u>6.64</u>
Swiss Confed. (Fri., <u>Oct. 13</u>)	<u>4.55</u>
Canadian Gov't. (Wed., <u>Oct. 18</u>)	<u>6.69</u>
Netherlands Gov't. perpetual 3% (Friday, <u>Oct. 13</u>)	<u>5.90</u>
Euro-\$ bonds (Fri., <u>Oct. 20</u>)	<u>6.40</u>

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

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