CAPITAL MARKET DEVELOPMENTS ABROAD

I. Ten Charts on Financial Markets Abroad
II. Latest Figures Plotted in H.13 Chart Series, 1968

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.

NOT FOR PUBLICATION

DECONTROLLED AFTER SIX MONTHS
NEW YORK, LONDON, MONTREAL:  
YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS 
DOLLAR DEPOSIT RATES: NEW YORK-LONDON 

Wednesday figures

FINANCE CO. PAPER RATES (cover, ) 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

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

Per cent per annum

30 DAY
90 DAY
180 DAY
CALL

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 1968

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Federal Reserve Bank of St. Louis
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

II PRICE OF GOLD IN LONDON

1965 1966 1967 1968

U.S. dollar equivalent per fine ounce
35.3 35.0
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

FORWARD RATE

DISCOUNT

RATE DIFFERENTIAL WITH FORWARD EXCHANGE COVER (NET INCENTIVE)

IN FAVOR OF LONDON

IN FAVOR OF NEW YORK
Chart 6
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)

† 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

Per cent per annum

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http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis
Chart 6

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

SWISS FRANC

GERMAN MARK

U.K. STERLING

BELGIAN FRANC

DUTCH GUILDER

FRENCH FRANC

CANADIAN DOLLAR

ITALIAN LIRA

JAPANESE YEN

1965 1966 1967 1968

* Devolution of the pound sterling from $2.80 to $2.40
Chart 10
INDUSTRIAL STOCK INDICES

* 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, 1968
(all figures per cent per annum)

#### Chart 1
##### Upper Panel (Wednesday, Feb. 7)
- **Euro-$ deposit**: 5.38
- **U.S. certif. of deposit**: 5.35

##### Lower Panel (Friday, Feb. 9)
- **Finance co. paper**: 5.25
  - **U.S.**: 5.25
  - **Canada**: 4.85
- **Hire-purchase paper, U.K.**: 5.46

#### Chart 2
##### (Friday, Feb. 9)
- **Euro-$ deposits**:
  - **Call**: 4.62
  - **90-day**: 5.50
  - **30-day**: 5.18
  - **180-day**: 5.94
- **Hire-purchase paper**: 5.38
- **Local-authority deposit**: 5.38

#### Chart 3
##### Upper Panel (Period: Feb. 1-7)
- **Interbank loan (mid-point)**: 3.51
- **Euro-$ deposit (average)**: 3.28

##### Lower Panel (Date: Jan. 15)
- **Zurich 3-month deposit**: 3.00*

#### Chart 4
##### (Friday, Feb. 9)
- **Treasury bills**: 6.40
  - **Canada**: 6.40
  - **U.S.**: 5.01
- **Spread favor Canada**: +1.39
- **Forward Canadian $**: -1.46
- **Net incentive (Canada +)**: .07
- **Canadian finance paper**: 6.50

#### Chart 5
##### (Friday, Feb. 9)
- **Treasury bills**: 7.32
  - **U.K.**: 7.32
  - **U.S.**: 5.01
- **Spread favor U.K.**: +2.31
- **Forward pound**: -2.60
- **Net incentive (U.K. +)**: .29

#### Chart 6
##### (Friday, Feb. 9)
- **Treasury bills**: 5.01
  - **U.S.**: 5.01
  - **U.K.**: 7.32
  - **Canada**: 6.40
- **Interbank loan rate (German) (Feb. 1-7)**: 3.51
- **Euro-$ deposit (London)**: 5.50
- **Zurich 3-month deposit**: 3.00*
  - (Date: Jan. 15)
- **Japan composite rate**:
  - (Date: Nov. 24, 1967): 7.34
  - (Date: Dec. 29, 1967): 7.35

#### Chart 7
- **U.S. Gov't. (Wed., Feb. 7)**: 5.09
- **U.K. War Loan (Thurs., Feb. 8')**: 7.18
- **German Fed. (Fri., Feb. 2)**: 6.62
- **Swiss Confed. (Fri., Jan. 25)**: 4.70
- **Canadian Gov't. (Wed., Feb. 7)**: 6.85
- **Netherlands Gov't. perpetual 3% (Friday, Feb. 2)**: 6.12
- **Euro-$ bonds (Fri., Feb. 9)**: 7.50

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

* Dec. 23, 1967 4.00
  - Dec. 31, 1967 4.00
  - Jan. 7, 1968 3.50