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: Yields on U.S. Dollar 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

NOTE

Beginning with this issue, the lower part of Chart 1 will show a comparison of the call Euro-dollar deposit rate with the Federal funds rate, replacing the comparison of covered finance paper rates which will be discontinued.
NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS
3-MONTH DOLLAR DEPOSIT RATES

Wednesday figures

EURO-DOLLAR DEPOSIT

U.S. CERTIFICATE OF DEPOSIT

EURO-DOLLAR OVER U.S. CERTIFICATE OF DEPOSIT

CALL EURO-DOLLAR DEPOSIT RATE VS. U.S. FEDERAL FUNDS RATE

CALL EURO-DOLLAR DEPOSITS

FEDERAL FUNDS

EURO-DOLLAR OVER FEDERAL FUNDS

1965 1966 1967 1968
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
I  INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON
FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE (COVERED)

INTERBANK LOAN RATE

EURO-DOLLAR

DIFFERENTIAL

FAVOR FRANKFURT

FAVOR EURO-DOLLAR

II  PRICE OF GOLD IN LONDON

1965  1966  1967  1968

35.3  35.0
INTERS ARBITRAGE, UNITED STATES / CANADA

Friday figures.

3-MONTH TREASURY BILL RATES

CAN. FIN. CO. PAPER

UNITED STATES

CANADA

BILL RATE DIFFERENTIAL AND FORWARD CANADIAN DOLLAR

SPREAD IN FAVOR OF CANADA

FORWARD RATE

PREMIUM

DISCOUNT

3-MONTH COVERED RATE DIFFERENTIALS (NET INCENTIVES)

TREASURY BILLS

PRIME FINANCE PAPER

FAVOR CANADA

FAVOR U.S.

FAVOR U.S.

FAVOR CANADA

1965 1966 1967 1968
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

1965 1966 1967 1968
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

* 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

http://fraser.stlouisfed.org/
LONG-TERM BOND YIELDS

Weekly figures


NETHERLANDS

CANADA

U.S.

SWITZERLAND

GERMANY

U.K.

EURO-DOLLAR BONDS*

**

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

* Devolution of the pound sterling from $2.80 to $2.40

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Federal Reserve Bank of St. Louis
Chart 16

INDUSTRIAL STOCK INDICES

1958:100

Ratio scale

1964 1965 1966

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 Panels (Wednesday, Feb. 14)
- Euro-$ deposit: 5.38
- U.S. certif. of deposit: 5.38

Lower Panels (Wednesday, Feb. 14)
- Call Euro-dollar deposits: 4.57
- Federal Funds: 4.58

Chart 2
( Friday, Feb. 16)
- Euro-$ deposits:
  - Call: 4.75
  - 30-day: 5.06
  - 90-day: 5.44
  - 180-day: 5.88
- Hire-purchase paper (Feb. 9): 5.47
- Local-authority deposit (Feb. 9): 5.32

Chart 3
Upper Panel (Period: Feb. 8-15)
- Interbank loan (mid-point): 3.38
- Euro-$ deposit (average): 3.30

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

Price of gold
(Friday, Feb. 9): 35.195

Chart 4
(Friday, Feb. 16)
- Treasury bills: Canada: 6.40
  U.S.: 4.93
- Spread favor Canada: +1.47
- Forward Canadian$: -1.28
- Net incentive (Canada +): +0.19
- Canadian finance paper: 6.62

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