I. Ten Charts on Financial Markets Abroad

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Europe and British Commonwealth Section.

NOT FOR PUBLICATION

DECONTROLLED AFTER SIX MONTHS
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
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

1965 1966 1967 1968

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Federal Reserve Bank of St. Louis
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 DIFFERENTIAL

FAVOR EURO-DOLLAR

PRICE OF GOLD IN LONDON

U.S. dollar equivalent per fine ounce

1965 1966 1967 1968

35.3

35.0
Chart 4

INTEREST 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 CANADA

FAVOR U.S.

1965 1966 1967 1968
Chart 5
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

Per cent per annum

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Federal Reserve Bank of St. Louis
Chart 6
SHORT-TERM INTEREST RATES*

EURO-DOLLAR - LONDON

U.K.

U.S.

SWITZERLAND

JAPAN

CANADA

GERMANY


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

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
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

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

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Federal Reserve Bank of St. Louis
* 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, March 13)
- Euro-$ deposit: 6.18
- U.S. certif. of deposit: 5.56

Lower Panels (Wednesday, March 13)
- Call Euro-$ deposits: 5.35
- Federal funds: 4.50

**Chart 2**
(Friday, March 15)
- Euro-$ deposits:
  - Call: 6.25
  - 30-day: 7.00
  - 90-day: 7.00
  - 180-day: 7.12
- Hire-purchase paper (March 8): 1.39
- Local-authority deposit (March 8): 1.01

**Chart 3**
Upper Panel (Period: March 8-15)
- Interbank loan (mid-point): 3.50
- Euro-$ deposit (average): 3.58

Lower Panel (Date: Feb. 15)
- Zurich 3-month deposit: 2.75

Price of gold (Friday, March 8)
- 35.198

**Chart 4**
(Friday, March 15)
- Treasury bills: Canada 6.65*
- Spread favor Canada: +1.32*
- Forward Canadian $: -2.39*
- Net incentive (Canada +): -1.07*

Canadian finance paper: N.A.

**Chart 5**
(Friday, March 15)
- Treasury bills: U.K. 7.15*
- Spread favor U.K.: +1.82*
- Forward pound: -8.75*
- Net incentive (U.K. +): -6.93*

**Chart 6**
(Friday, March 15)
- Treasury bills: U.S. 5.33*
- Interbank loan rate (German) (March 8-15): 3.50
- Zurich 3-month deposit (Date: Feb. 15): 2.75

Japan composite rate (Date: Dec. 29, 1967): 7.35

**Chart 7**
- U.S. Gov't. (Wed., March 13): 5.45
- U.K. War Loan (Thurs., Mar. 14): 7.27
- German Fed. (Fri., Mar. 15): 6.68
- Swiss Confed. (Fri., Mar. 1): 4.52
- Canadian Gov't. (Wed., Mar. 13): 7.05
- Netherlands Gov't. perpetual 3% (Friday, Mar. 8): 6.12
- Euro-$ bonds (Fri., Mar. 15): 7.42

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

*Thursday figures. Market temporarily suspended on Friday.*