DIVISION OF INTERNATIONAL FINANCE

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

H. 13
No. 346

April 17, 1968.

CAPITAL MARKET DEVELOPMENTS ABROAD

I. Ten Charts on Financial Markets Abroad

Europe and British Commonwealth Section.

NOT FOR PUBLICATION

DECONTROLLED AFTER SIX MONTHS

Chart 7

U.S. Gov't.	(Wed., April 10)	5.17
U.K. War Loan	(Thurs., April 11)	7.21
German Fed.	(Thurs., April 11)	6.61
Swiss Confed.	(Fri., April 5)	4.53
Canadian Gov't.	(Wed., April 10)	6.55
Netherlands Gov't.	(Friday, April 5)	6.51
Euro-$ bonds	(Thurs., April 11)	7.59
U.S. Euro-bonds	(March 29)	7.35
U.S. Corporate Aaa	(March 29)	6.11

Chart 8

(Thurs., April 11)

Swiss francs	+0.81	Dutch Glds.	-0.04
German marks	+0.40	Can. $	+0.04
U.K. £ Ster.	+0.11	It. Lire	+0.03
Belgian francs	+0.53	Jap. Yens	-0.61
French francs	+0.25		

Chart 9

(Thurs., April 11)

Against U.S. dollars:

Swiss francs	+2.82	Dutch Glds.	+1.92
German marks	+2.21	Fr. Francs	+0.79
£ Sterling	-4.33	Can. $	-1.38

Against pound sterling:

Swiss francs	+6.21	Ger. marks	+6.43
U.S. dollars	+3.84		

Chart 10

U.S.	(April 12)	212.2
Japan	(March 22)	237.7
U.K.	(Thurs., April 11)	252.2
Switzerland	(Thurs. April 11)	308.0
Germany	(March 29)	244.0
Canada	(April 5)	192.9

For descriptions and sources of data, see Special Supplement No. 343-S dated March 27, 1968.

Chart 1

NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS

3-MONTH DOLLAR DEPOSIT RATES

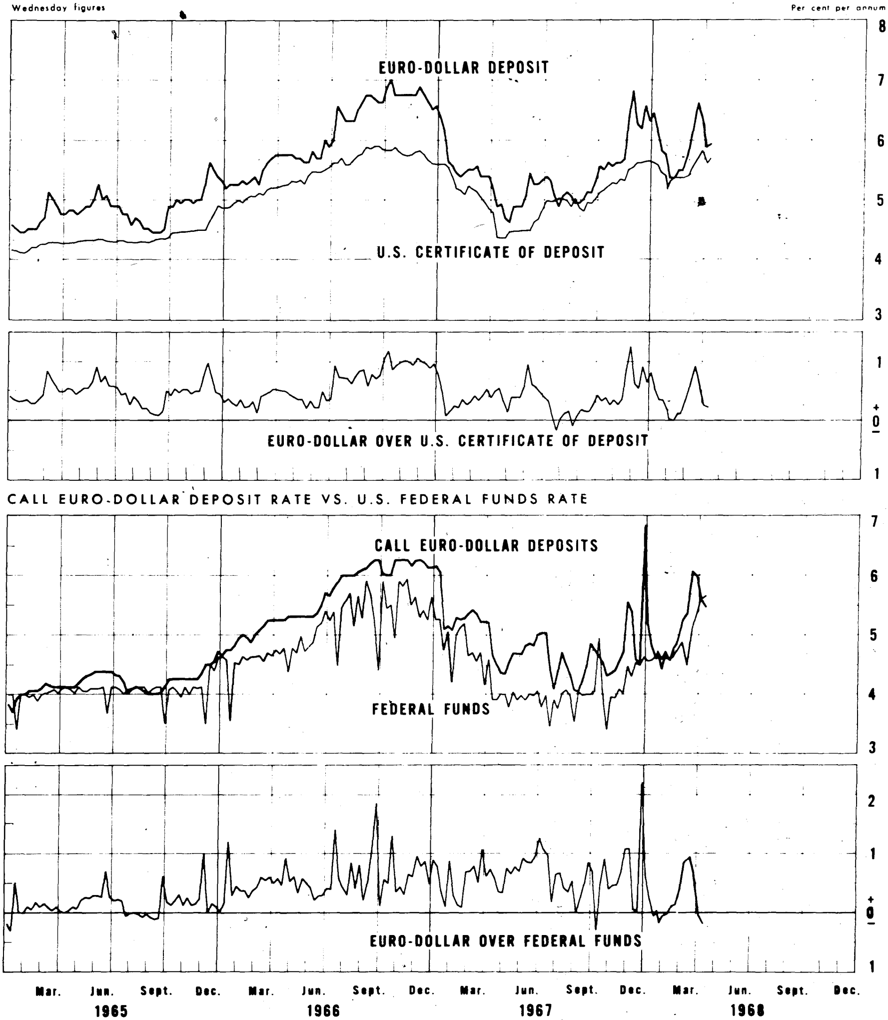


Chart 2

LONDON: YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS

EURO-DOLLAR DEPOSIT RATES

Friday figures

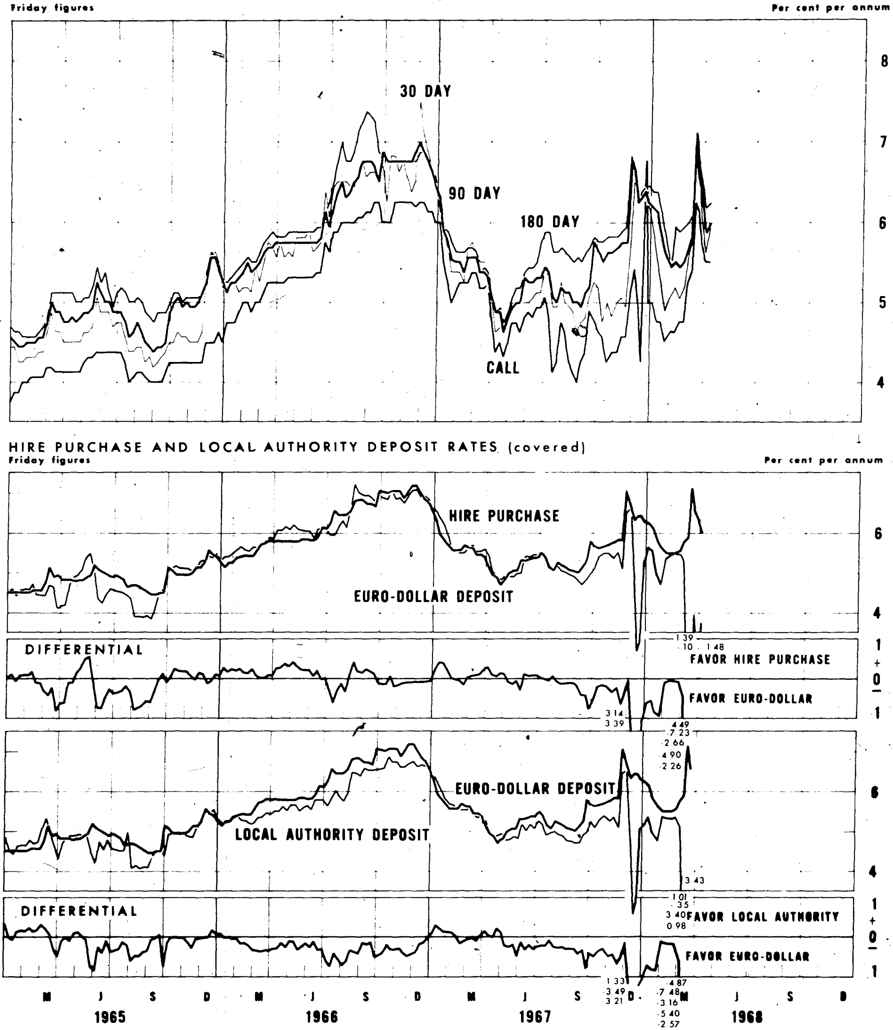
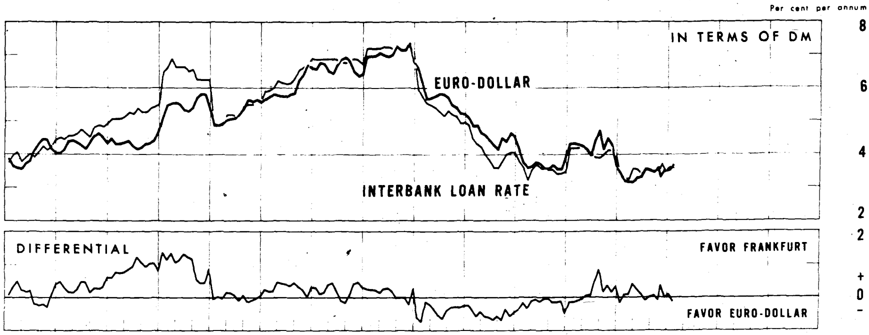


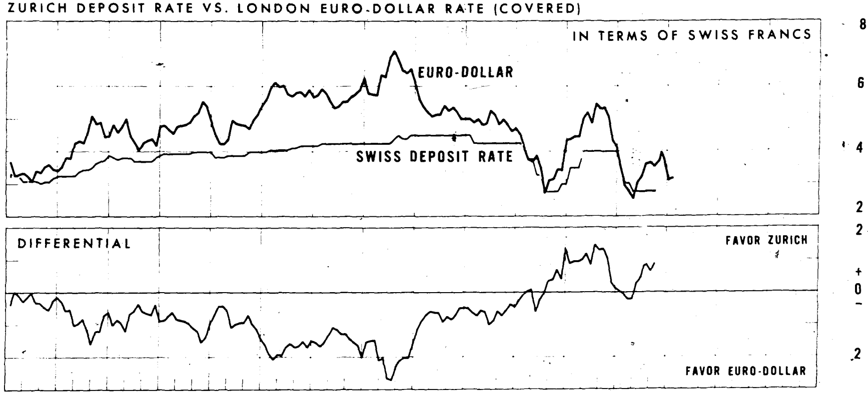
Chart 3

I INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON

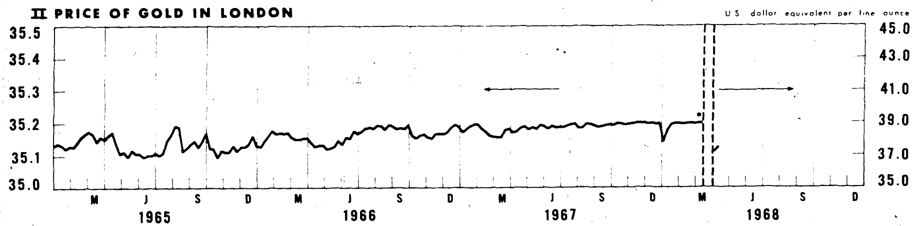
FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE (COVERED)



ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE (COVERED)



II PRICE OF GOLD IN LONDON



* Market closed March 15-April 1, 1968

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Chart 4

INTERST ARBITRAGE, UNITED STATES /CANADA

Friday figures

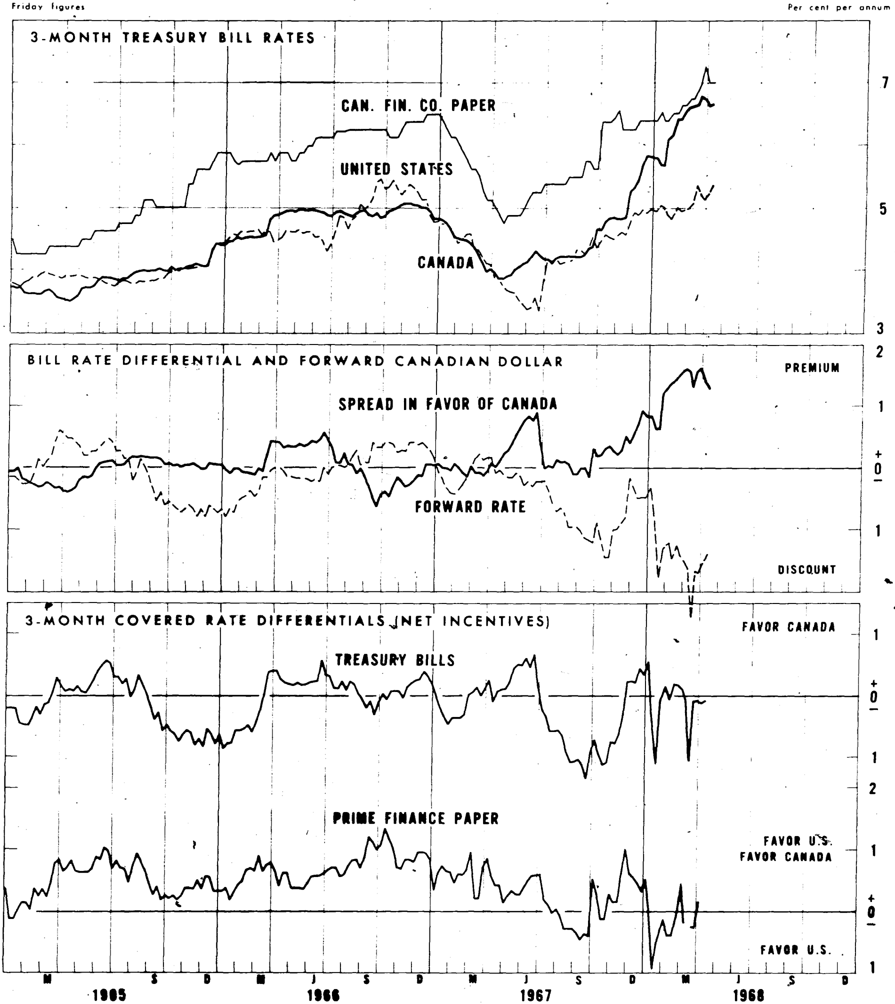

Chart 5

INTEREST ARBITRAGE, NEW YORK/LONDON

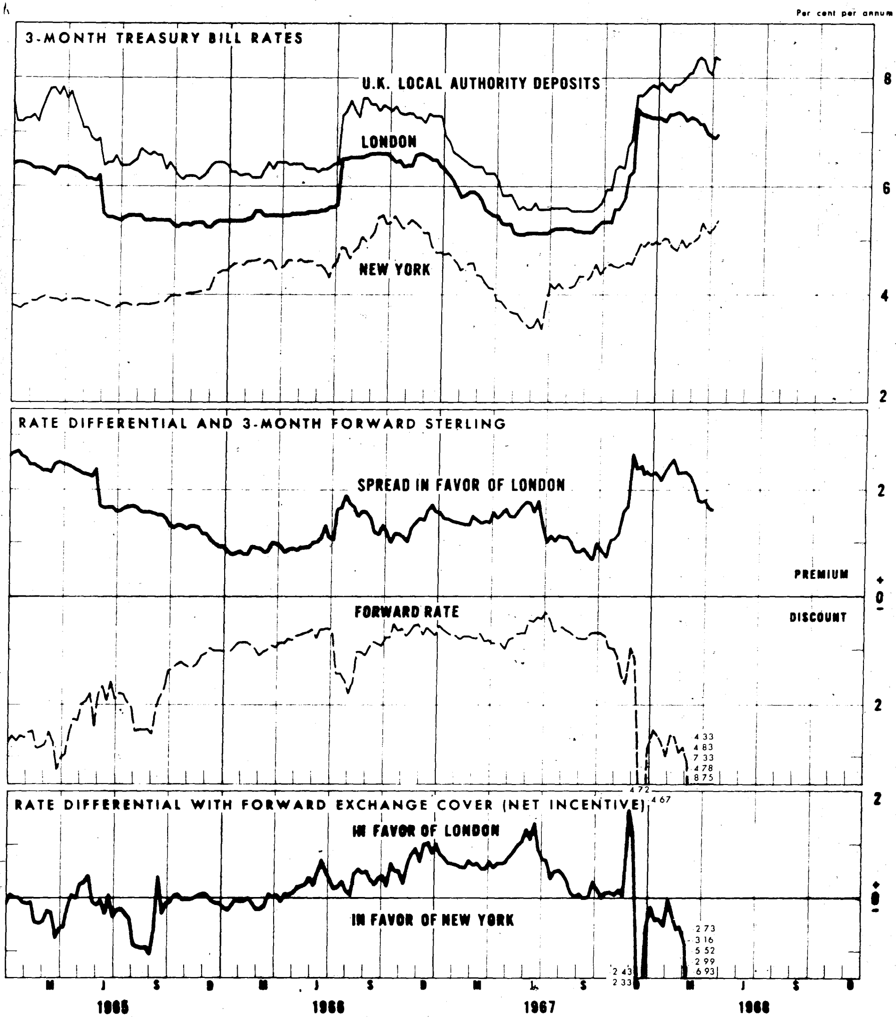

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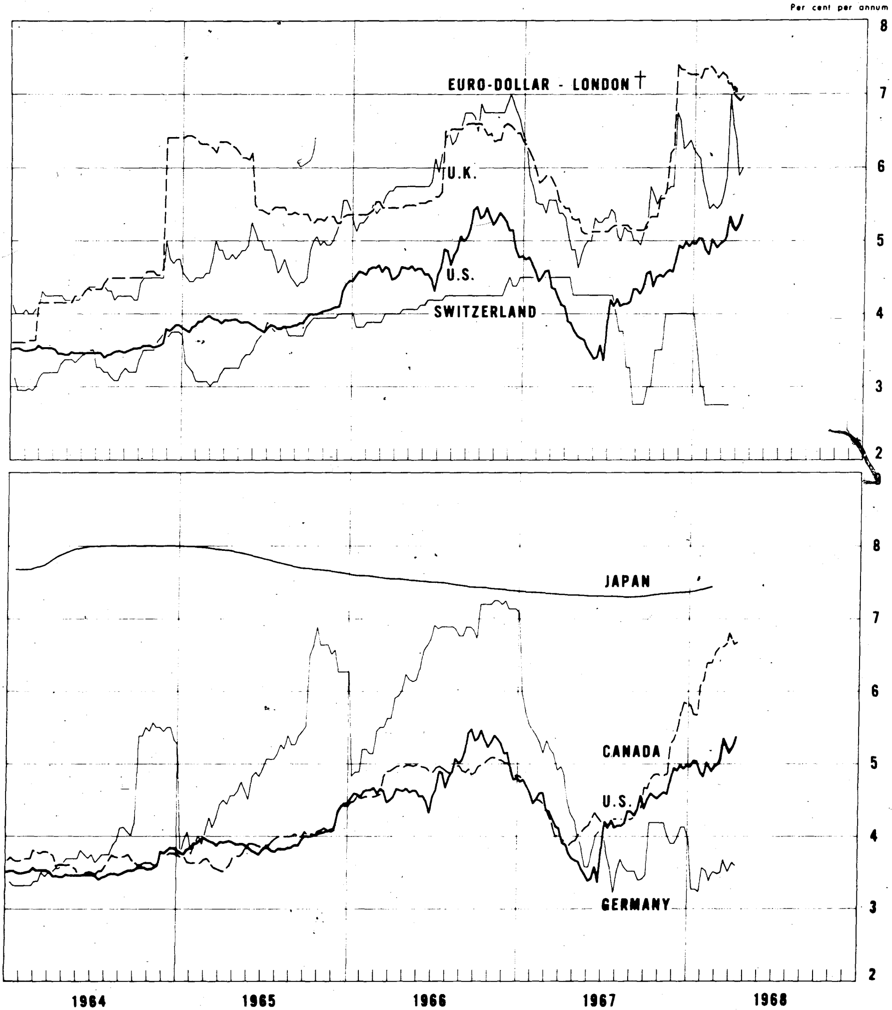
Chart 6

SHORT-TERM INTEREST RATES*



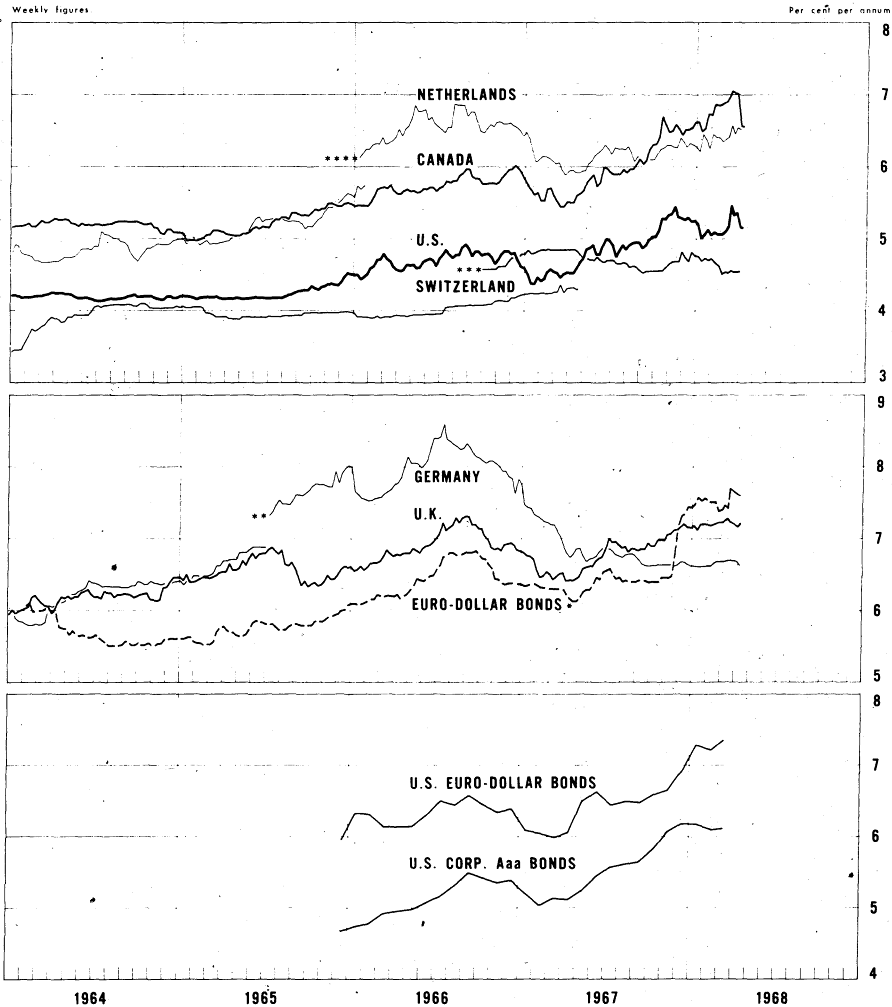
*3-month treasury bill rates for all countries except Japan (Average rate on bank loans and discounts) Switzerland (3-month deposit rate) and Germany (Interbank Loan Rate)

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

Chart 7

LONG-TERM BOND YIELDS

Weekly figures



* 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

**** New series for Netherlands starts 1 7 66

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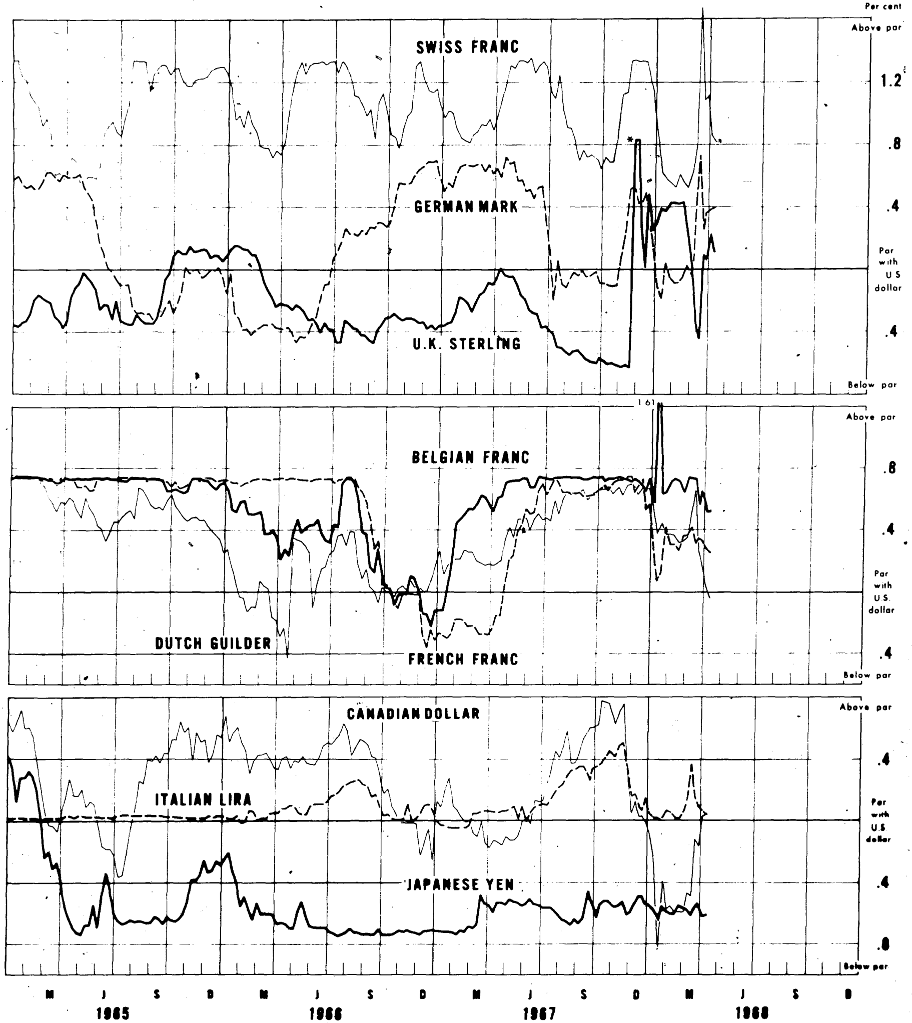
Chart 8

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



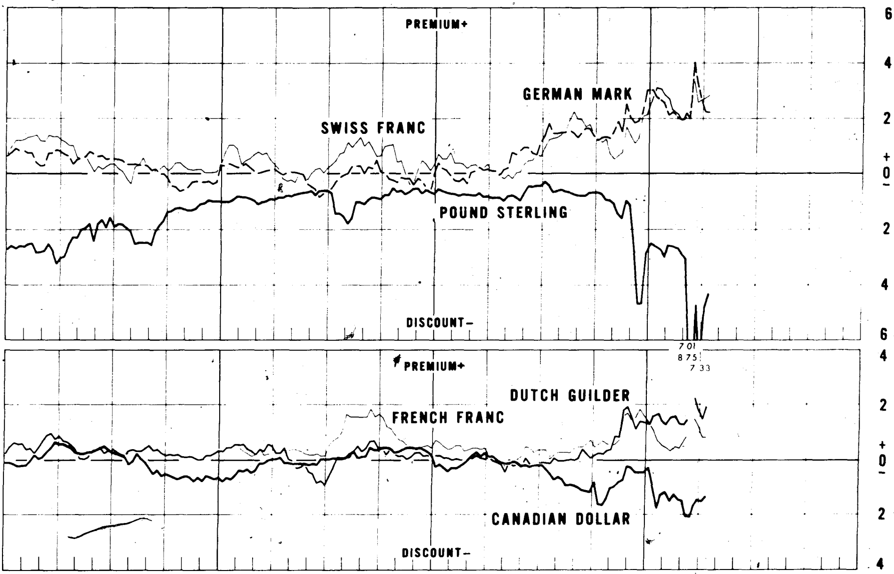
* Devaluation of the pound sterling from $2.80 to $2.40

Chart 9

3-MONTH FORWARD EXCHANGE RATES

AGAINST U.S. DOLLARS—NEW YORK

Friday figures



AGAINST POUND STERLING—LONDON

Friday figures

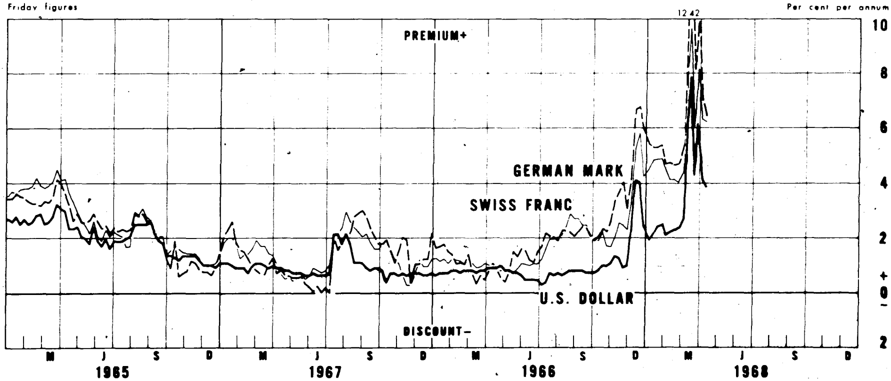


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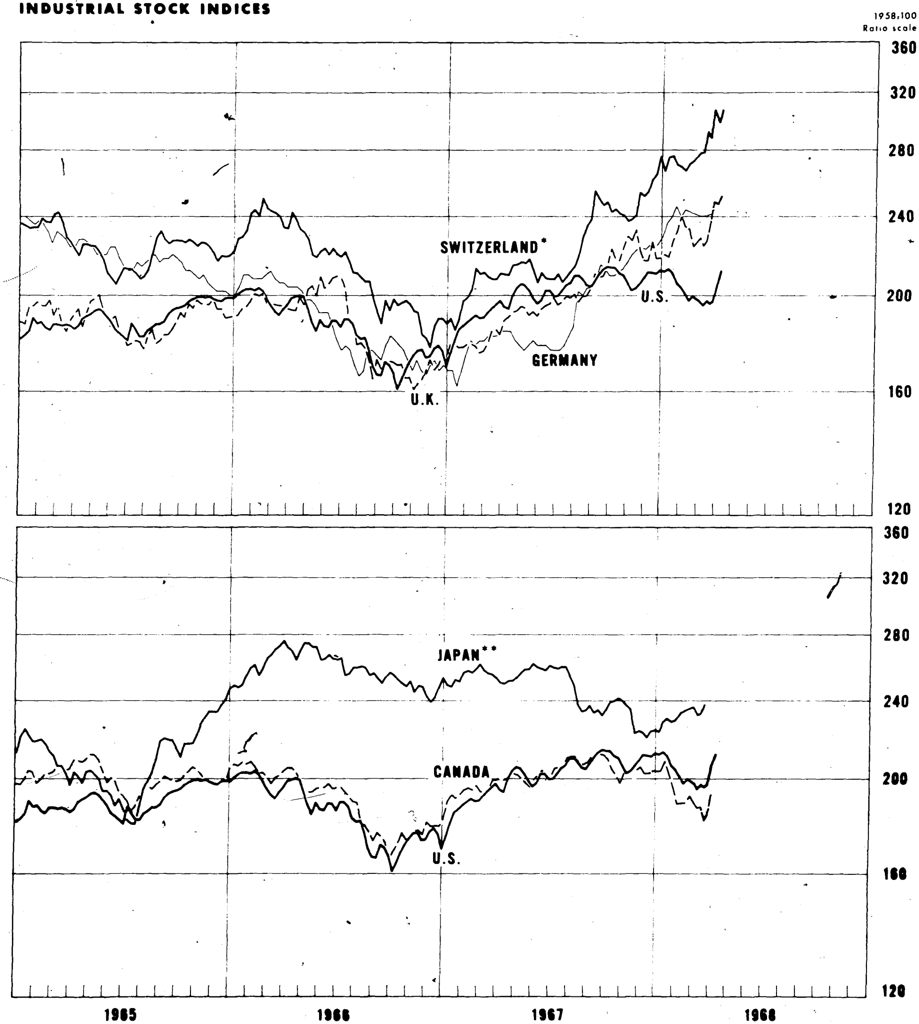
Chart 10

INDUSTRIAL STOCK INDICES



* Swiss Bank Corporation industrial stock index.

** Japan index of 225 industrial and other stocks traded on the Tokyo exchange

H.13
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II. Latest Figures Plotted in H.13 Chart Series, 1968
(all figures per cent per annum)

Chart 1

Upper Panels (Wednesday, April 10)

Euro-$ deposit	5.94
U.S. certif. of deposit	5.70

Lower Panels (Wednesday, April 10)

Call Euro-$ deposit	5.47
Federal Funds	5.66

Chart 2
(Thursday April 11)

Upper Panel - Euro-$ deposits:

Call	5.50	90-day	6.00
30-day	5.94	180-day	6.25

Middle Panel

Hire-purchase paper (April 5)	3.74
Euro-$ deposit (April 5)	6.00

Lower Panel

Local-authority deposit (April 5)	3.43
Euro-$ deposit (April 5)	6.00

Chart 3

I. Upper panel (Period: April 8-15)

Interbank Loan (mid-point)	3.59
Euro-$ deposits (average)	3.70

Lower Panel (date March 15)

Zurich 3-month deposit	2.75
Euro-$ rate (covered) (April 15)	3.18

II. Price of gold (Thursday April 11) 37.56

Chart 4
(Thursday April 11)

Treasury bills: Canada	6.66
U.S.	5.37
Spread favor Canada	+1.29
Forward Canadian dollar	-1.38
Net incentive (Canada +)	-0.09
Canadian Finance paper	7.00*

Chart 5
(Thursday April 11)

Treasury bills: U.K.	6.97
U.S.	5.37
Spread favor U.K.	+1.60
U.K. local authority deposit	8.31

Chart 6
(Thursday April 11)

Treasury bills: U.S.	5.37
U.K.	6.97
Canada	6.66
Interbank loan rate (German) (April 8-15)	3.59
Euro-$ deposit (London)	6.00
Zurich 3-month deposit (Date: March 15)	2.75
Japan Composite rate (Date: Feb. 23)	7.45**

*March 29 7.25
April 5 7.00

**Jan. 26, 1968 7.39