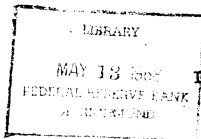


H. 13
No. 349

May 8, 1968.

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

Europe and British Commonwealth Section.

NOT FOR PUBLICATION

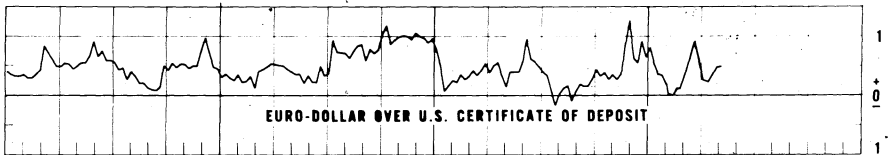
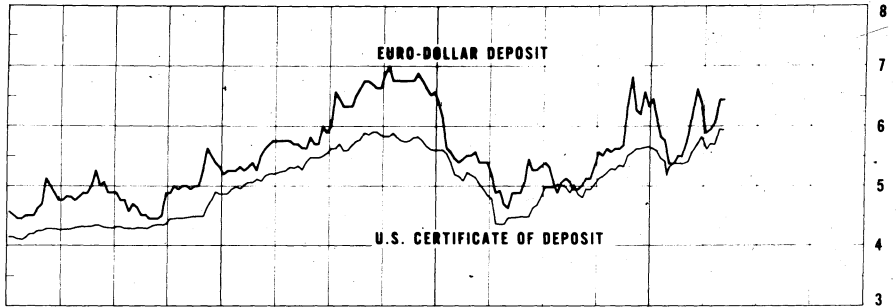
DECONTROLLED AFTER SIX MONTHS

Chart 1

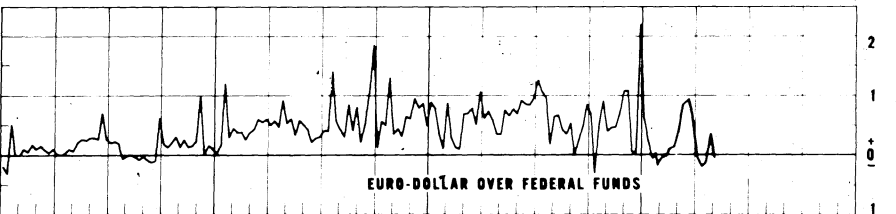
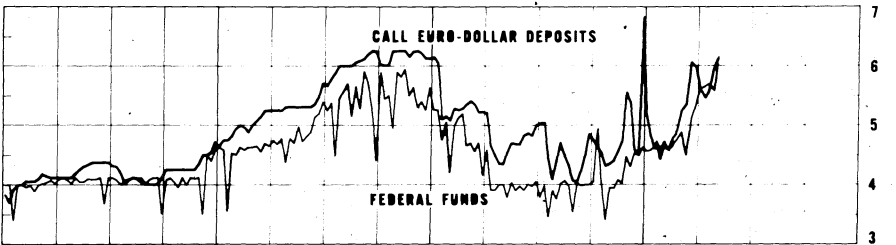
NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS 3-MONTH DOLLAR DEPOSIT RATES

Wednesday figures

Per cent per annum



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



Mar. Jun. Sept. Dec. Mar. Jun. Sept. Dec. Mar. Jun. Sept. Dec. Mar. Jun. Sept. Dec.
 1965 1966 1967 1968

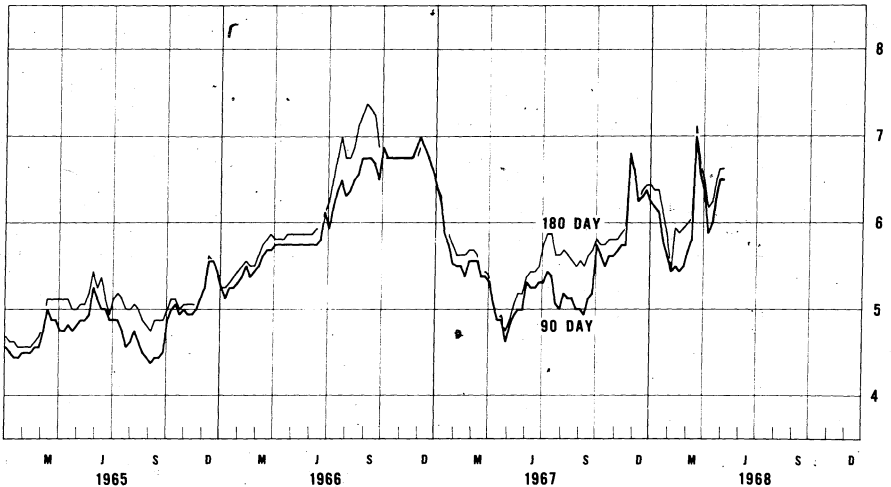
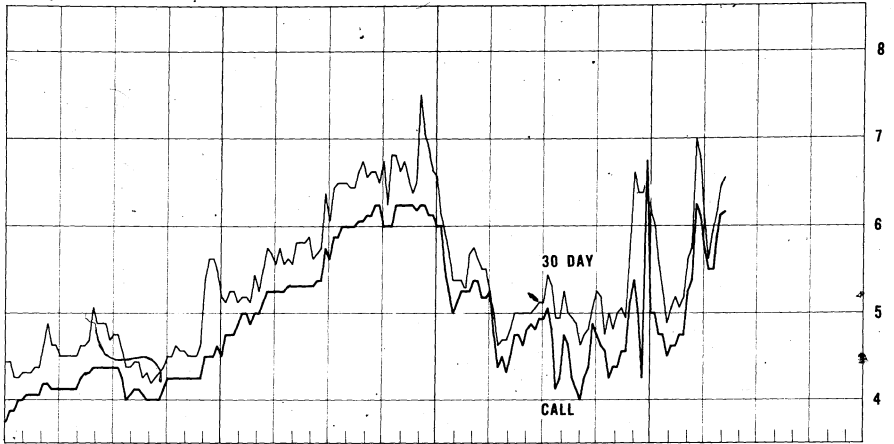
3

Chart 2A

**LONDON: YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS
EURO-DOLLAR DEPOSIT RATES**

Friday figures

Per cent per annum

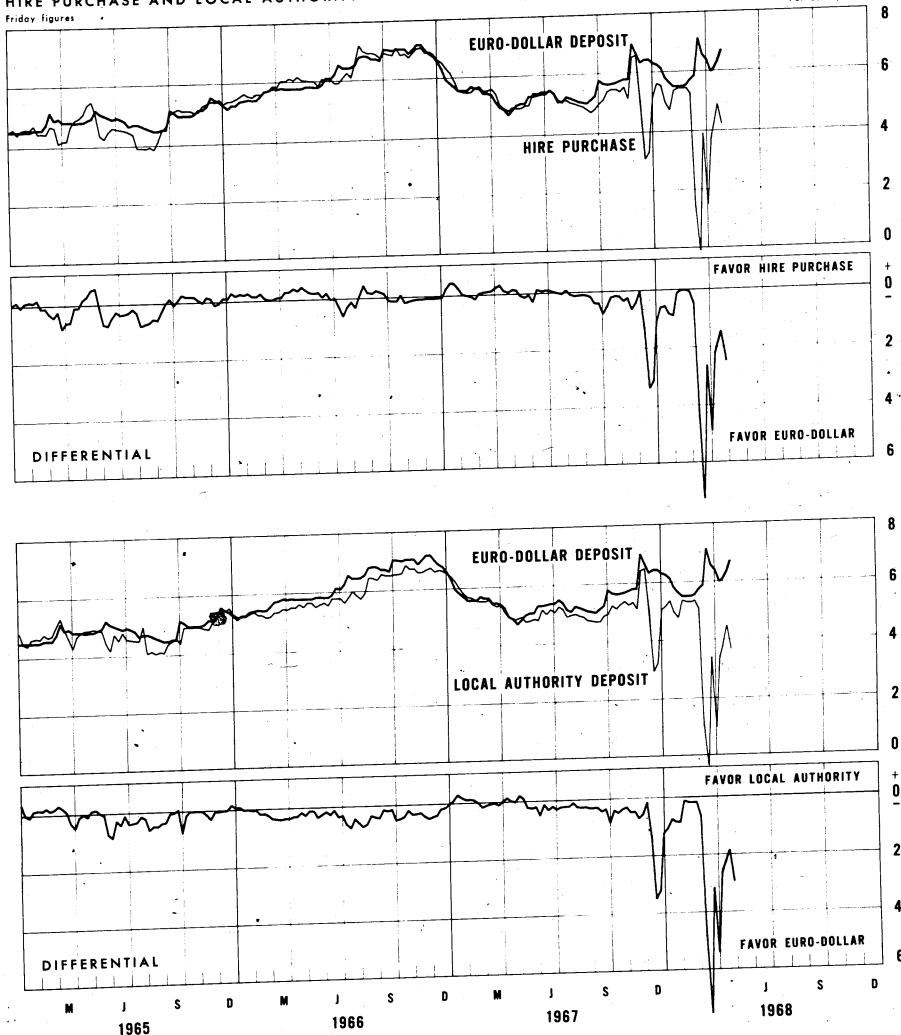


LONDON: YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS

HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

Friday figures

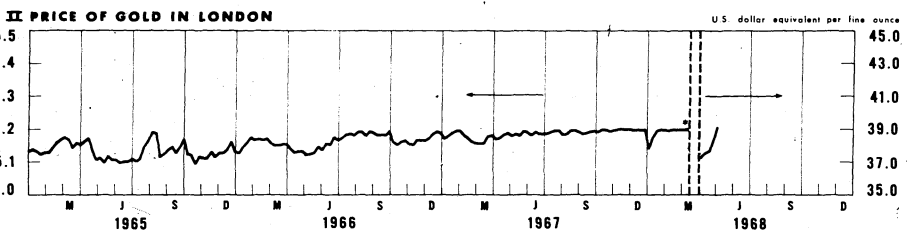
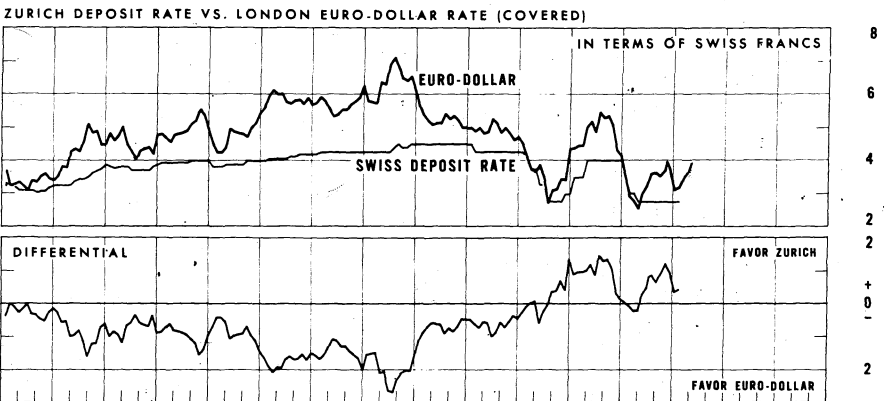
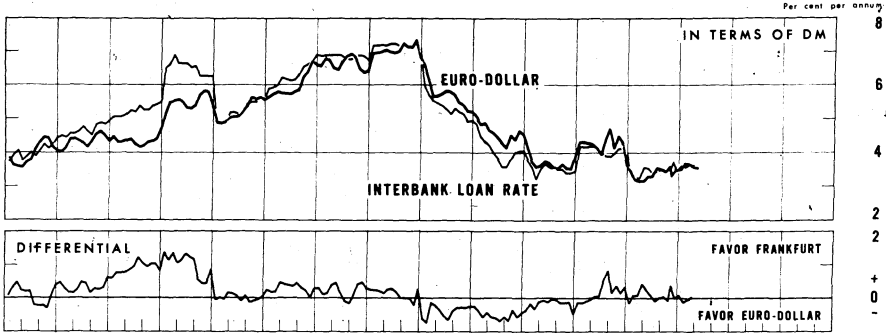
Per cent per annum



5

Chart 3

I INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON
FRANKFURT INTERBANK LOAN RATE VS: LONDON EURO-DOLLAR RATE (COVERED)



• Market closed March 15 April 1, 1968

Chart 4

INTEREST ARBITRAGE, UNITED STATES / CANADA

Friday figures

Per cent per annum

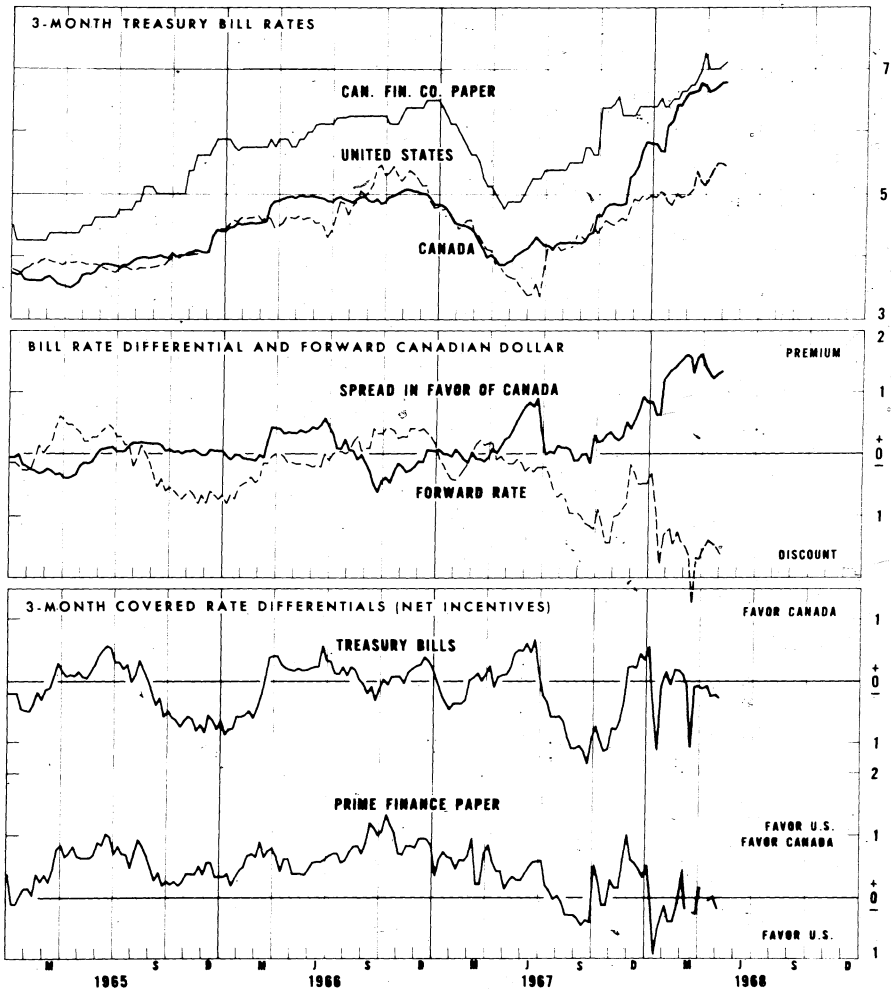
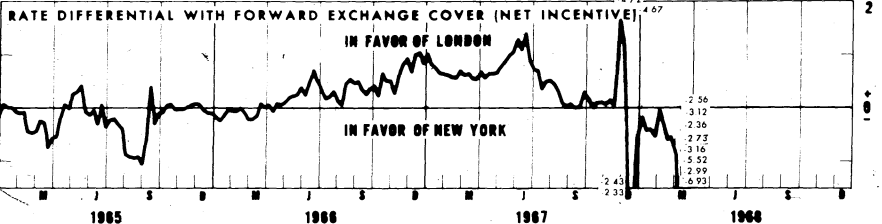
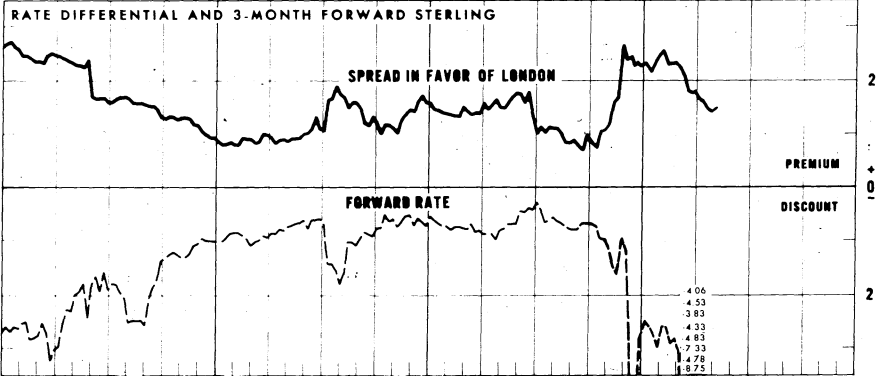
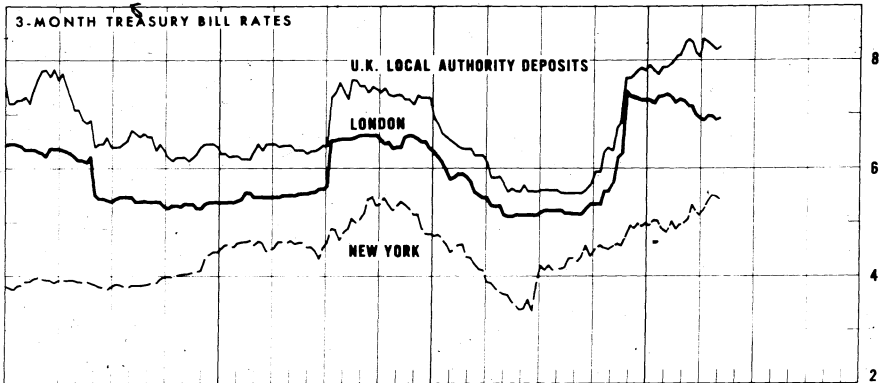


Chart 5

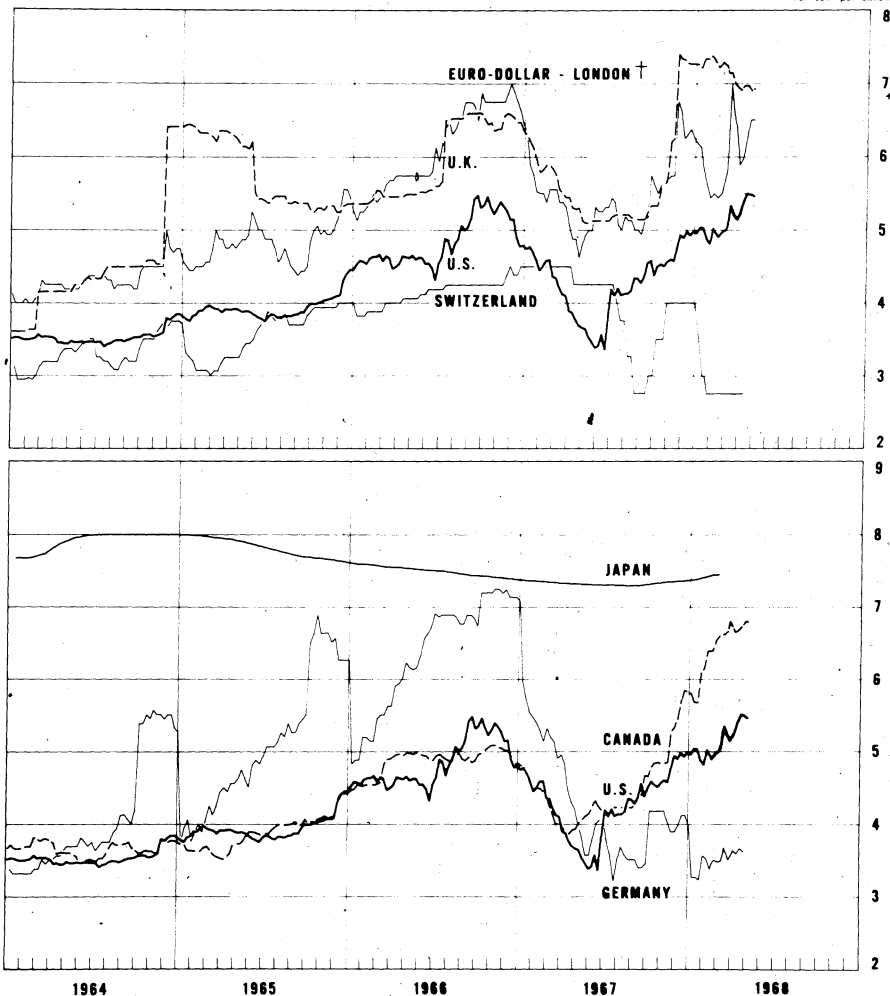
INTEREST ARBITRAGE, NEW YORK/LONDON

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.

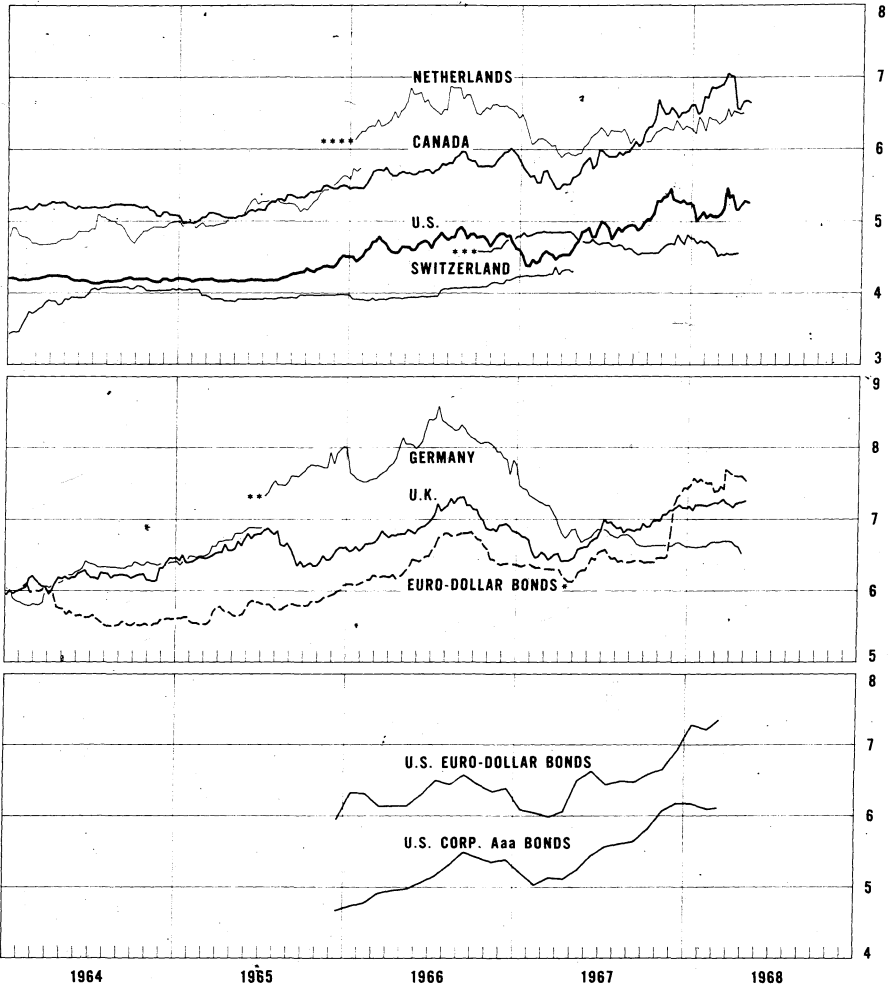
† 3 month rate for U.S. dollar deposits in London.

Chart 7

LONG-TERM BOND YIELDS

Weekly figures

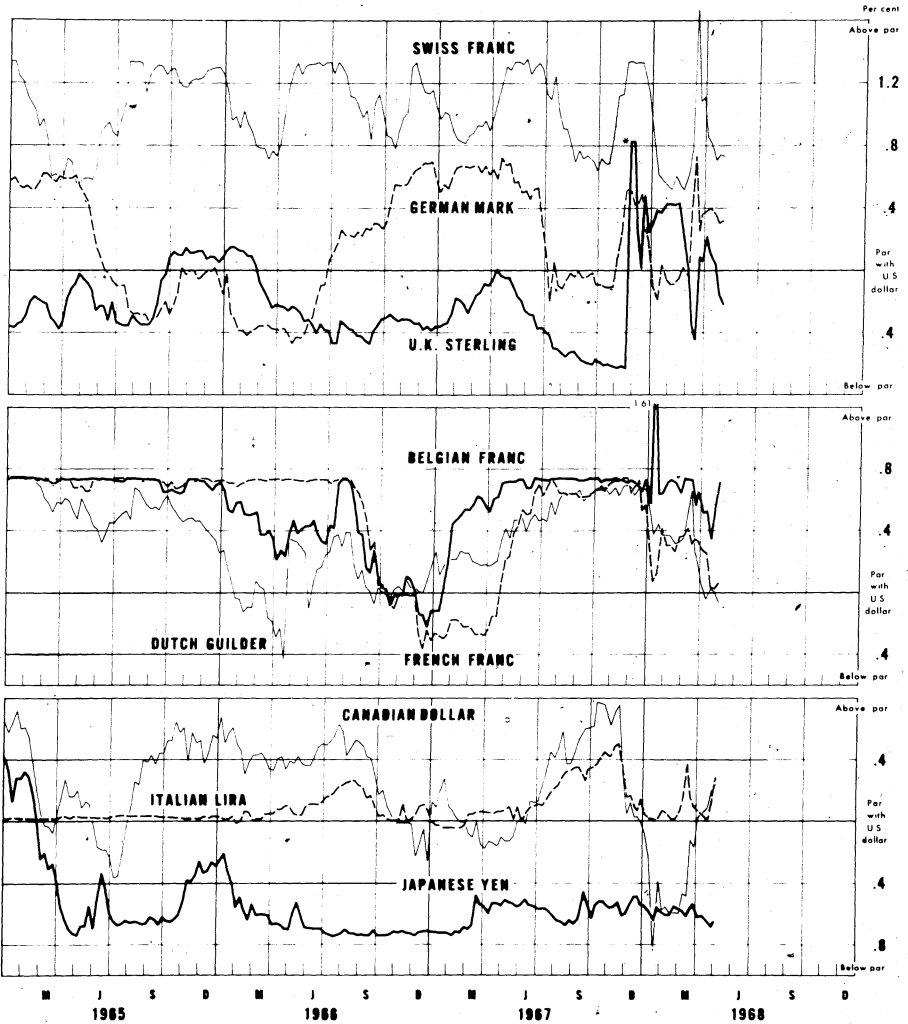
Per cent per annum



* 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
**** New series for Netherlands starts 1.7.66

Chart 8

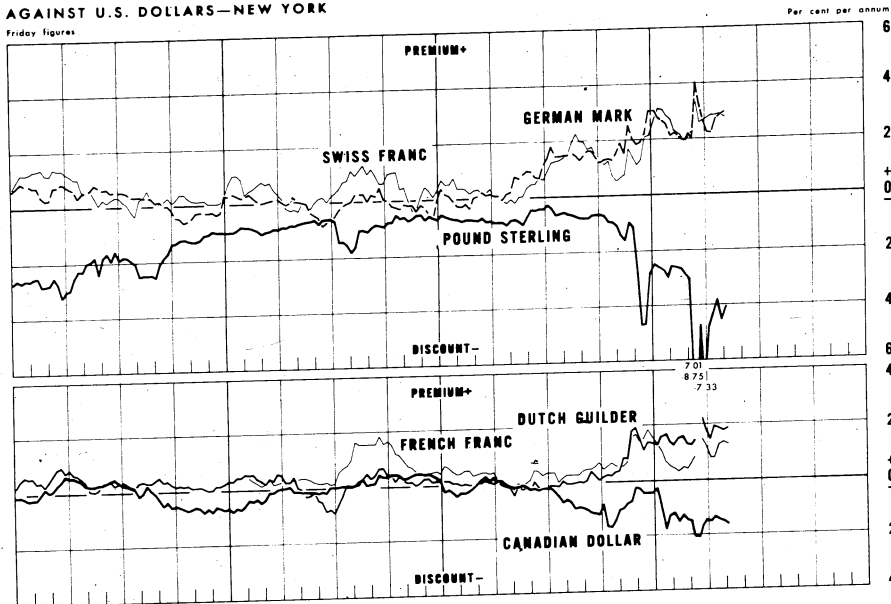
SPOT EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.S. DOLLAR



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

3-MONTH FORWARD EXCHANGE RATES AGAINST U.S. DOLLARS—NEW YORK

Friday figures



AGAINST POUND STERLING—LONDON

Friday figures

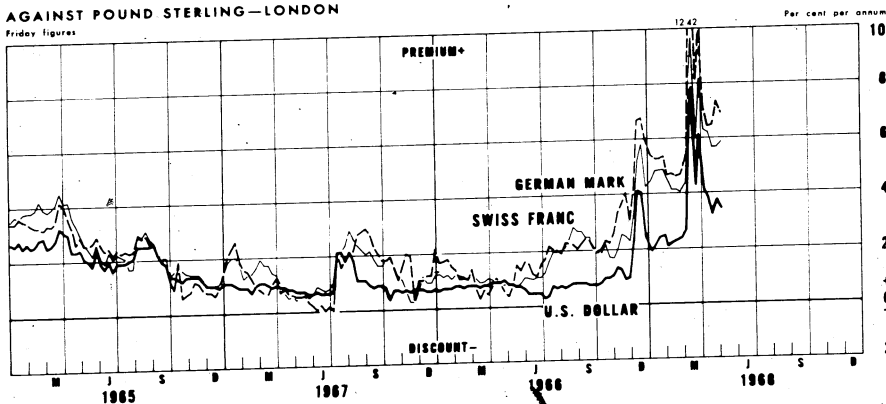
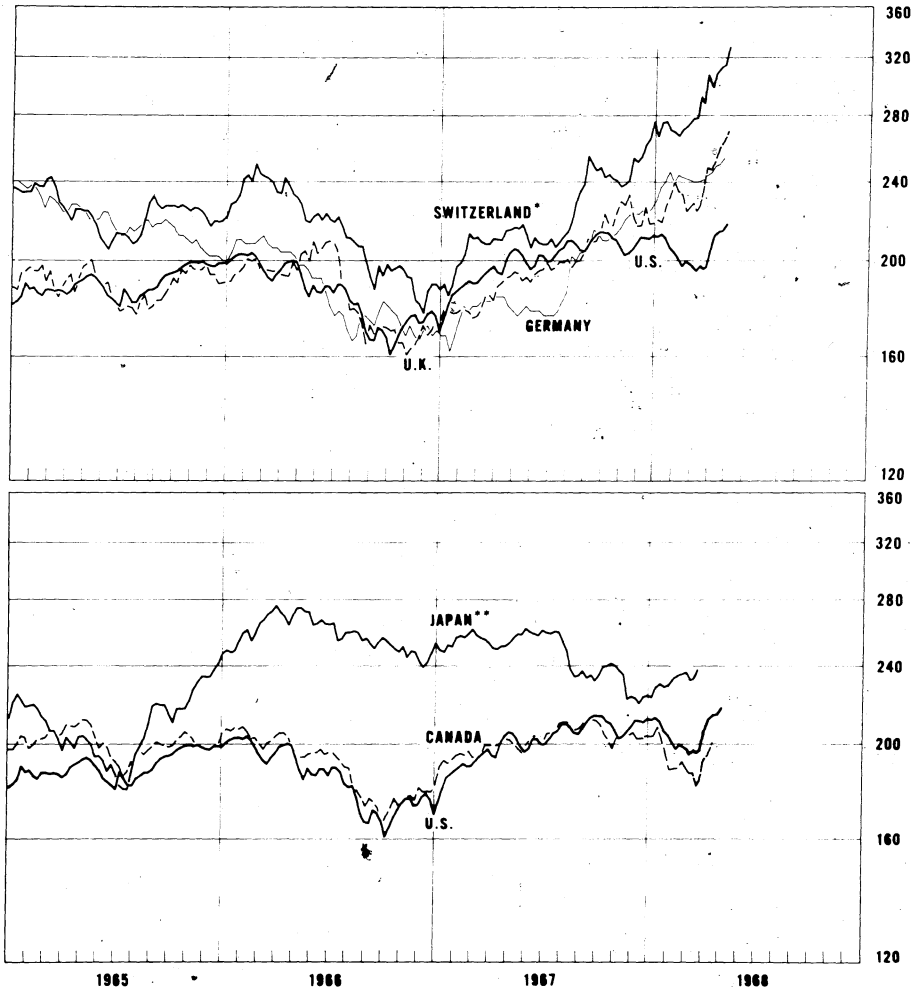


Chart 10

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

H.13
No. 349

May 8, 1968.

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

<u>Chart 1</u>		<u>Chart 4</u>	
<u>Upper Panels</u>	(Wednesday, <u>May 1</u>)	(Friday, <u>May 3</u>)	
Euro-\$ deposit	<u>6.44</u>	Treasury bills: Canada	<u>6.79</u>
U.S. certif. of deposit	<u>5.94</u>	U.S.	<u>5.44</u>
<u>Lower Panels</u>	(Wednesday, <u>May 1</u>)	Spread favor Canada	<u>+1.35</u>
Call Euro-\$ deposit	<u>6.12</u>	Forward Canadian dollar	<u>-1.62</u>
Federal Funds	<u>6.15</u>	Net incentive (Canada +)	<u>-0.27</u>
		Canadian Finance paper	<u>7.12</u>
<u>Chart 2</u>		<u>Chart 5</u>	
(Friday, <u>May 3</u>)		(Friday, <u>May 3</u>)	
<u>Upper Panel - Euro-\$ deposits:</u>			
Call	<u>6.18</u>	90-day	<u>6.50</u>
30-day	<u>6.56</u>	180-day	<u>6.62</u>
<u>Middle Panel</u>			
Hire-purchase paper	<u>4.21</u>	Treasury bills: U.K.	<u>6.94</u>
(April 26)		U.S.	<u>5.44</u>
Euro-\$ deposit	<u>6.66</u>	Spread favor U.K.	<u>+1.50</u>
(April 26)		U.K. local authority deposit	<u>8.25</u>
<u>Lower Panel</u>			
Local-authority deposit	<u>3.71</u>	<u>Chart 6</u>	
(April 26)		(Friday, <u>May 3</u>)	
Euro-\$ deposit	<u>6.66</u>	Treasury bills: U.S.	<u>5.44</u>
(April 26)		U.K.	<u>6.94</u>
		Canada	<u>6.79</u>
<u>Chart 3</u>			
I. <u>Upper panel</u> (Period: <u>April 24-30</u>)			
Interbank Loan (mid-point)	<u>3.62</u>	Interbank loan rate (German)	<u>3.62</u>
		(<u>April 24-30</u>)	
Euro-\$ deposits (average)	<u>3.56</u>	Euro-\$ deposit (London)	<u>6.50</u>
(May 7)		Zurich 3-month deposit	
<u>Lower Panel</u> (date <u>April 15</u>)		(Date: <u>April 15</u>)	<u>2.75*</u>
Zurich 3-month deposit	<u>2.75*</u>	Japan Composite rate	
Euro-\$ rate (covered) (May)	<u>3.92</u>	(Date: <u>Feb. 23</u>)	<u>7.45</u>
II. <u>Price of gold</u>	<u>39.12</u>		
(Friday, <u>May 3</u>)			

*March 23 2.75 April 7 2.75

31 2.75

Chart 7

U.S. Gov't. (Wed., May 1)	<u>5.27</u>
U.K. War Loan (Thurs., May 2)	<u>7.25</u>
German Fed. (Fri., April 26)	<u>6.51</u>
Swiss Confed. (Fri., Apr. 12)	<u>4.54</u>
Canadian Gov't. (Wed., May 1)	<u>6.64</u>
Netherlands Gov't.	
(Friday, April 19)	<u>6.50</u>
Euro-\$ bonds (Fri., May 3)	<u>7.52</u>
U.S. Euro-bonds (March 29)	<u>7.35</u>
U.S. Corporate Aaa (Mar. 29)	<u>6.11</u>

Chart 8

(Friday, May 3)	
Swiss francs +0.73	Dutch Glds. <u>-0.06</u>
German marks +0.32	Can. \$ <u>+0.24</u>
U.K. £ Ster. -0.21	It. Lire <u>+0.28</u>
Belgian francs +0.72	Jap. Yens <u>-0.65</u>
French francs +0.06	

Chart 9

(Friday, May 3)	
Against U.S. dollars:	
Swiss francs +2.74	Dutch Glds. <u>+1.83</u>
German marks +2.91	Fr. Francs <u>+1.28</u>
£ Sterling -4.06	Can. \$ <u>-1.62</u>
Against pound sterling:	
Swiss francs +5.88	Ger. marks <u>+6.91</u>
U.S. dollars +3.40	

Chart 10

U.S. (May 3)	<u>217.9</u>
Japan (March 22)	<u>237.7</u>
U.K. (Fri., May 3)	<u>270.8</u>
Switzerland (Fri., May 3)	<u>328.3</u>
Germany (April 26)	<u>254.0**</u>
Canada (April 19)	<u>201.0</u>

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

**April 5 246.0 e
12 249.0 e
19 251.0 e