

H. 13
No. 350

May 15, 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NOT FOR PUBLICATION

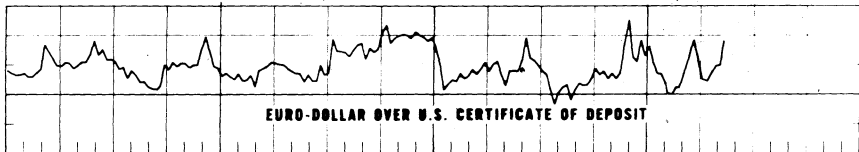
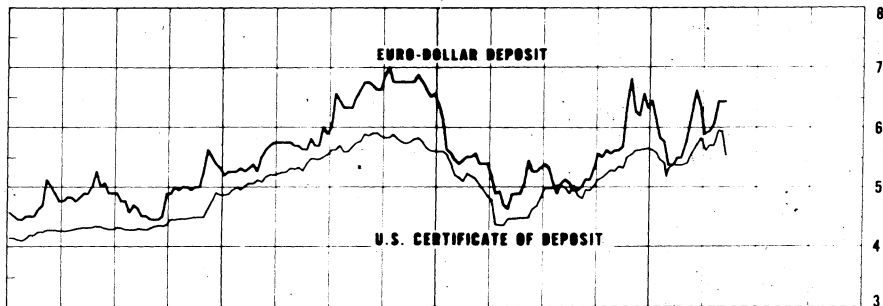
DECONTROLLED AFTER SIX MONTHS

Chart 1

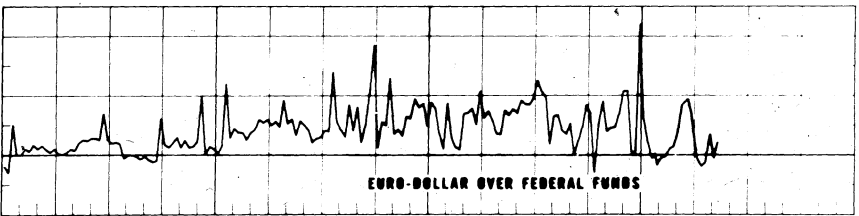
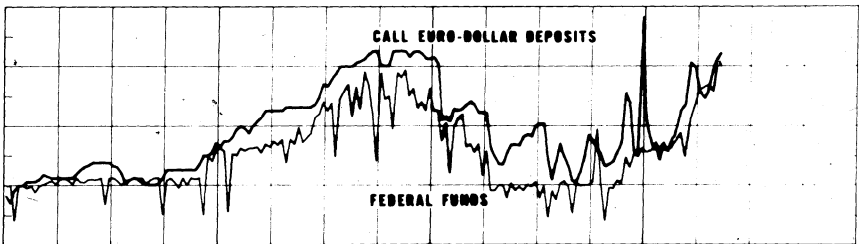
NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS 3-MONTH DOLLAR DEPOSIT RATES

Wednesday figures

Per cent per annum



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



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

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Chart 2A

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

Friday figures

Per cent per annum

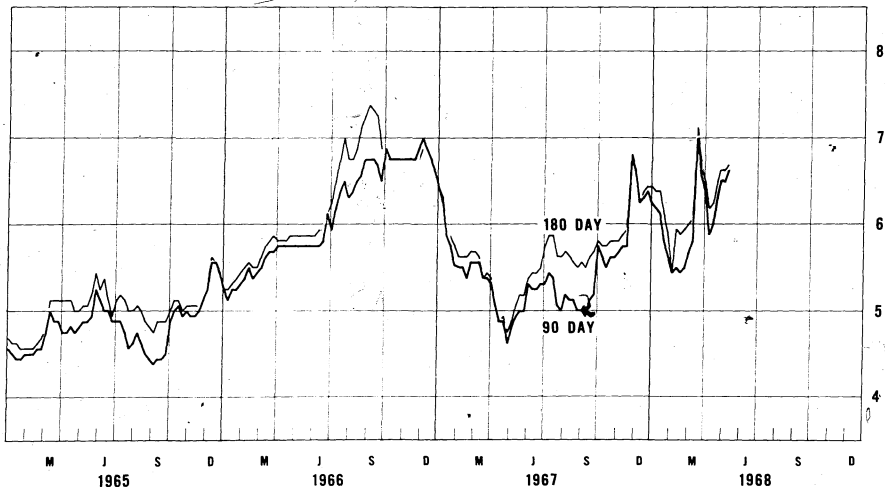
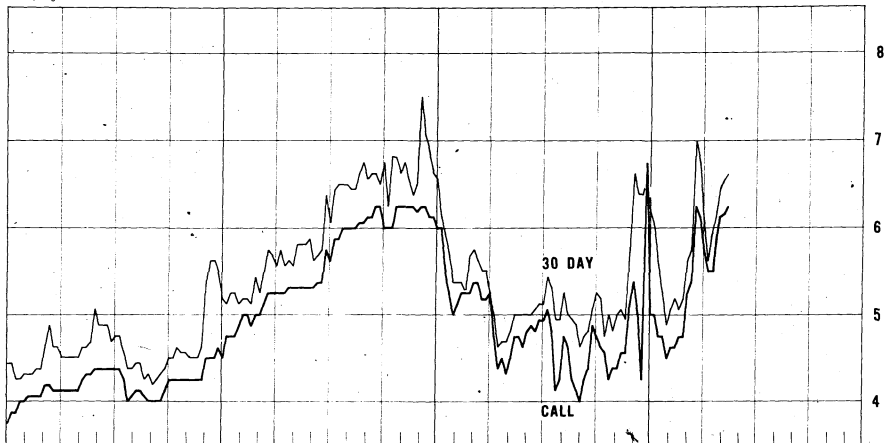


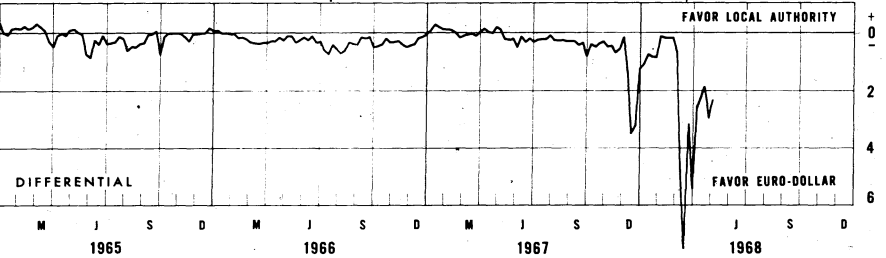
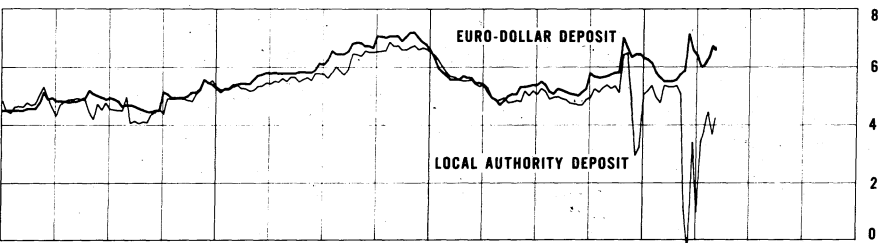
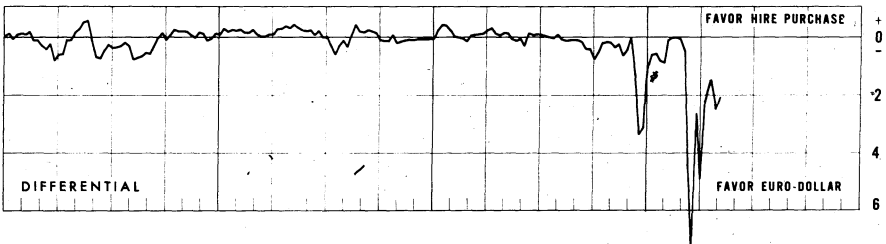
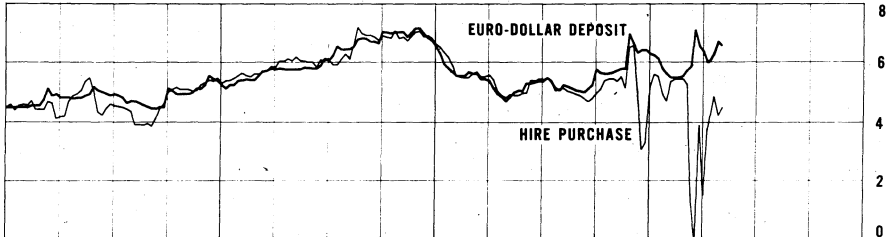
Chart 28

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



M J S D M J S D M J S D M J S D

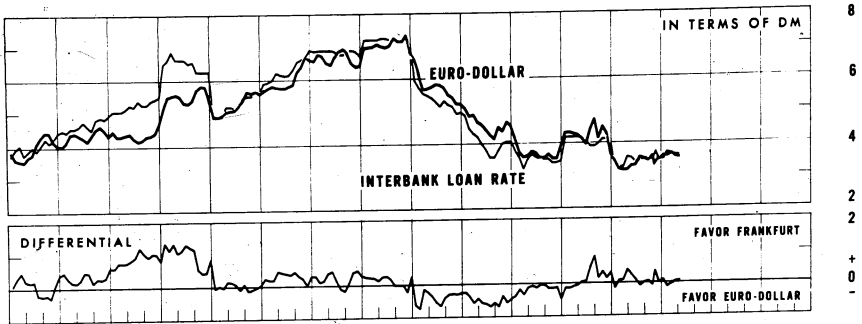
1965 1966 1967 1968

Chart 3

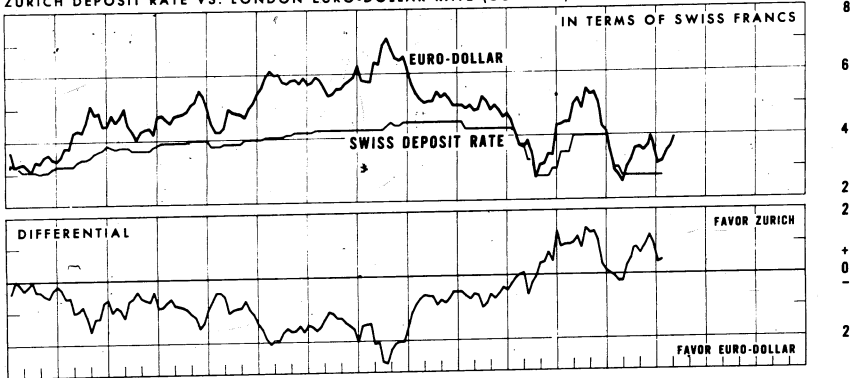
I INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON

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

Per cent per annum

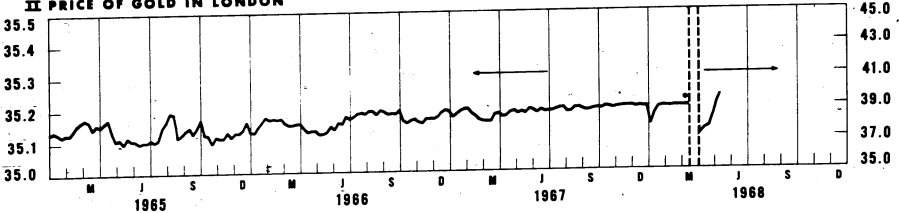


ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE (COVERED)



II PRICE OF GOLD IN LONDON

U.S. dollar equivalent per fine ounce



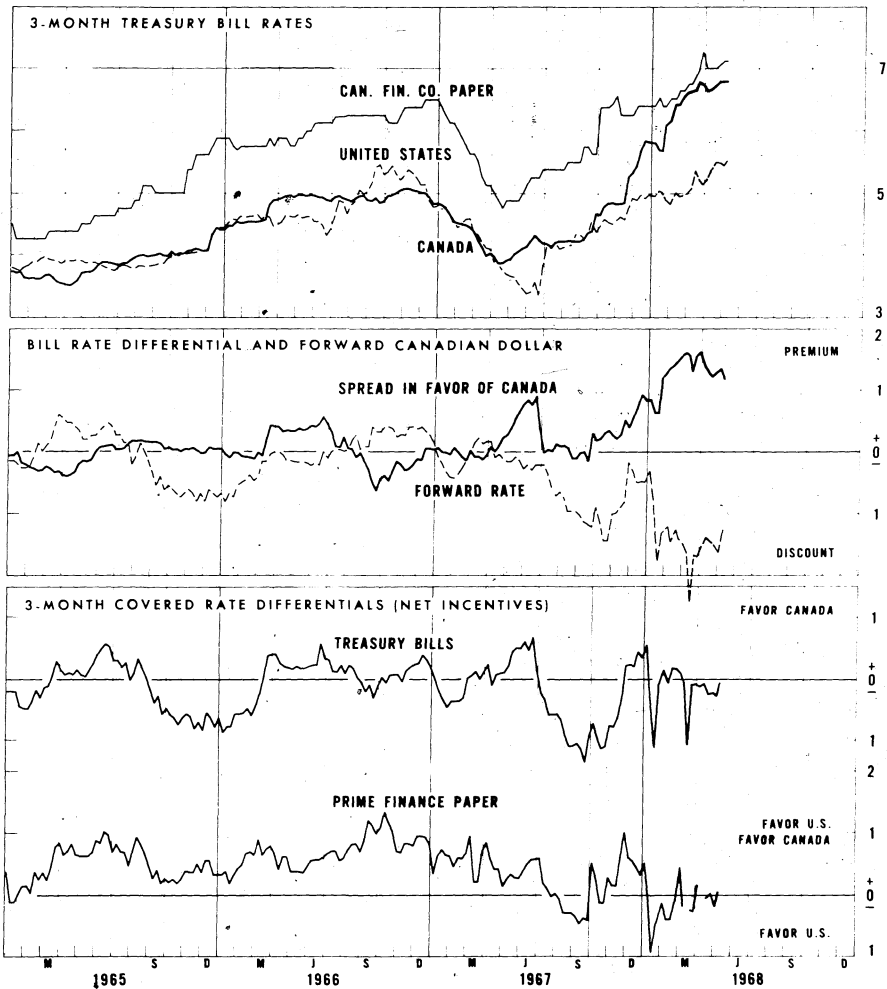
Market closed March 15-April 1, 1968

Chart 4

INTEREST ARBITRAGE, UNITED STATES / CANADA

Friday figures

Per cent per annum



INTEREST ARBITRAGE, NEW YORK/LONDON

Per cent per annum

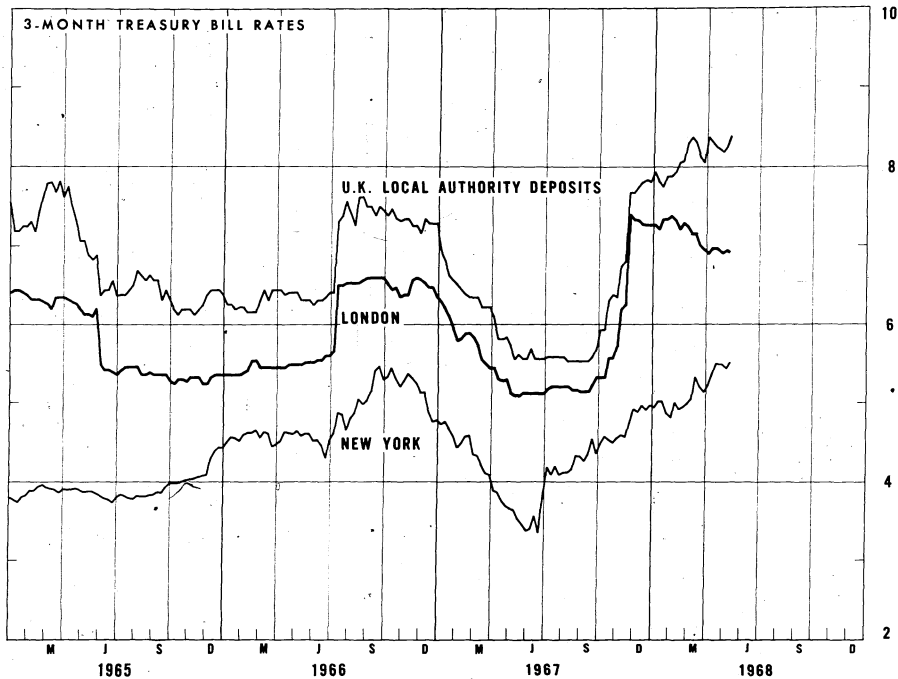
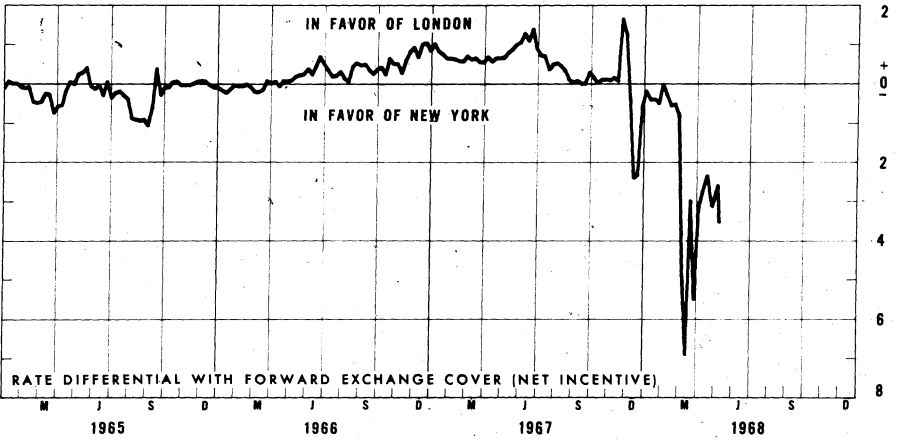
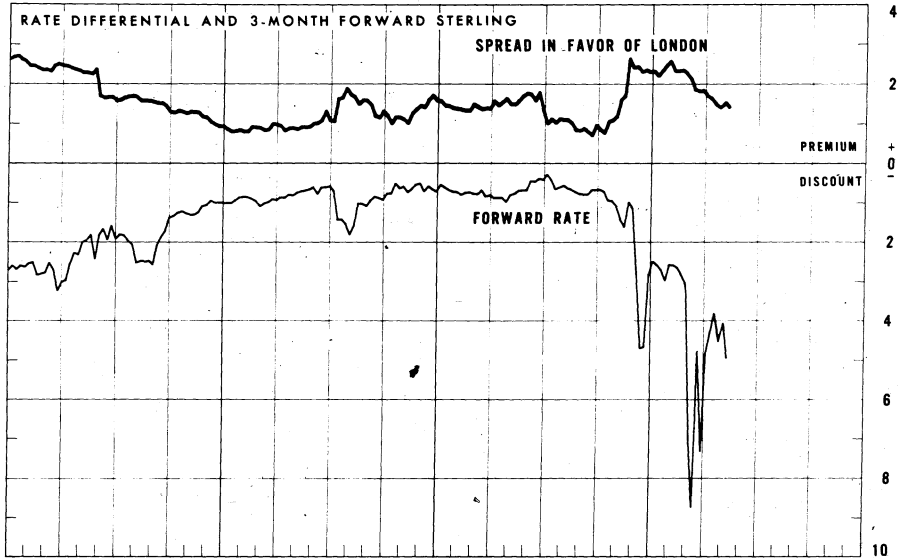


Chart 58

INTEREST ARBITRAGE, NEW YORK/LONDON

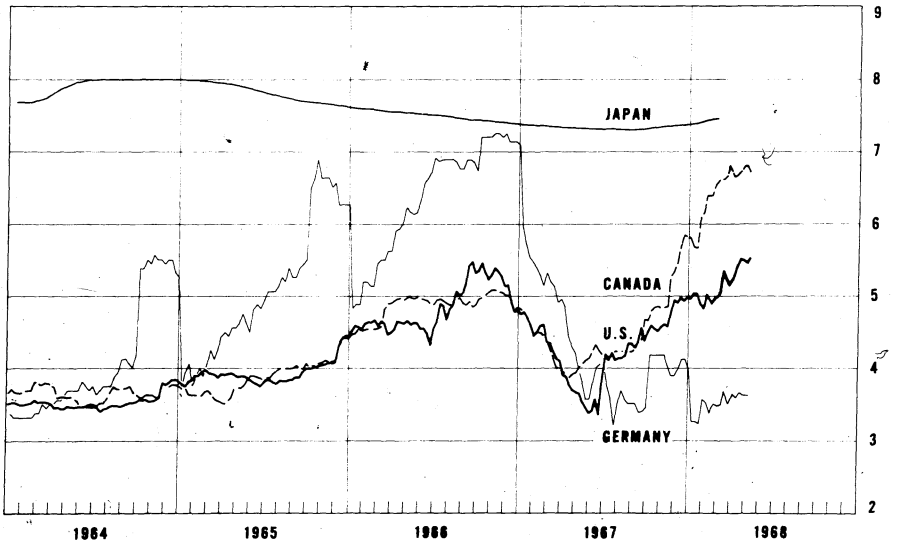
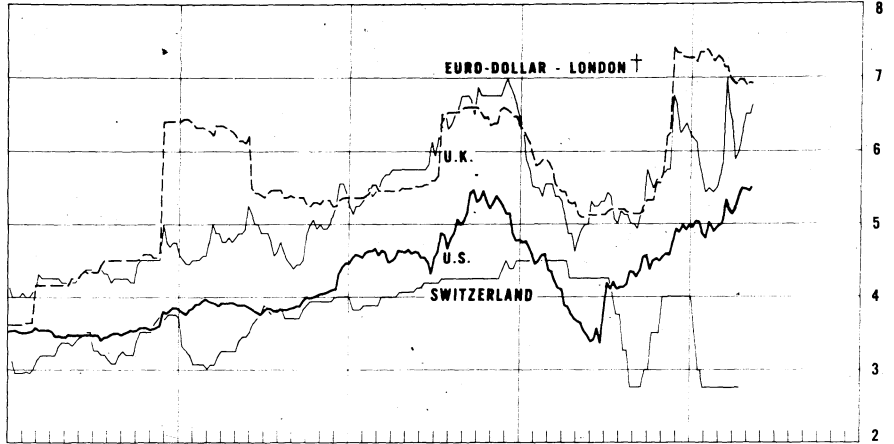
Per cent per annum



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Chart 6
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)

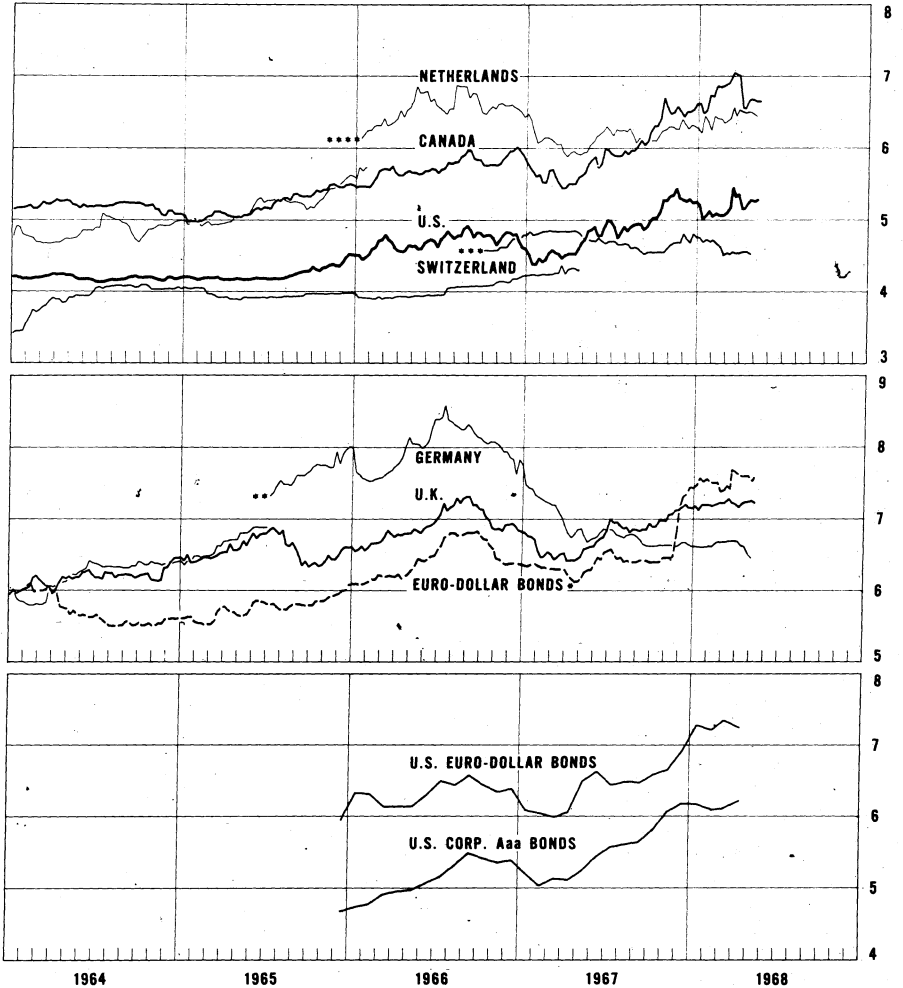
† 3-month rate for U.S. dollar deposits in London

Chart 7

LONG-TERM BOND YIELDS

Weekly figures

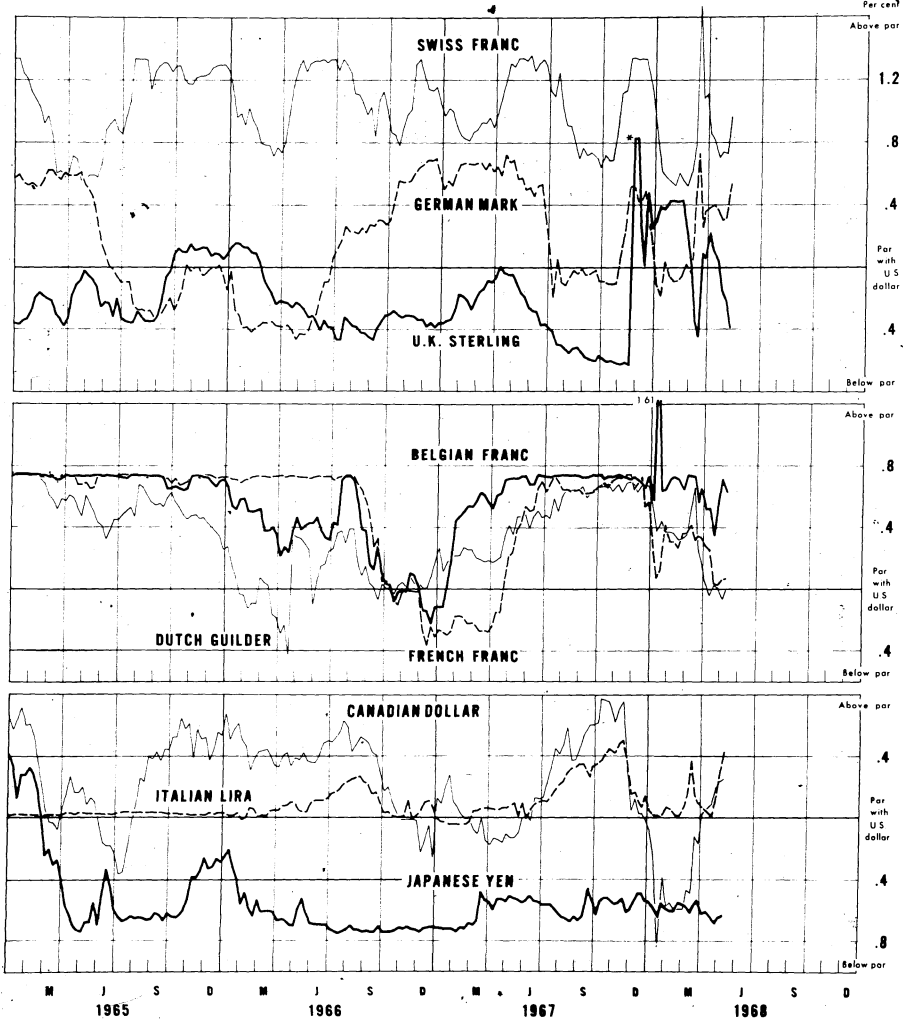
Per cent per annum



- 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

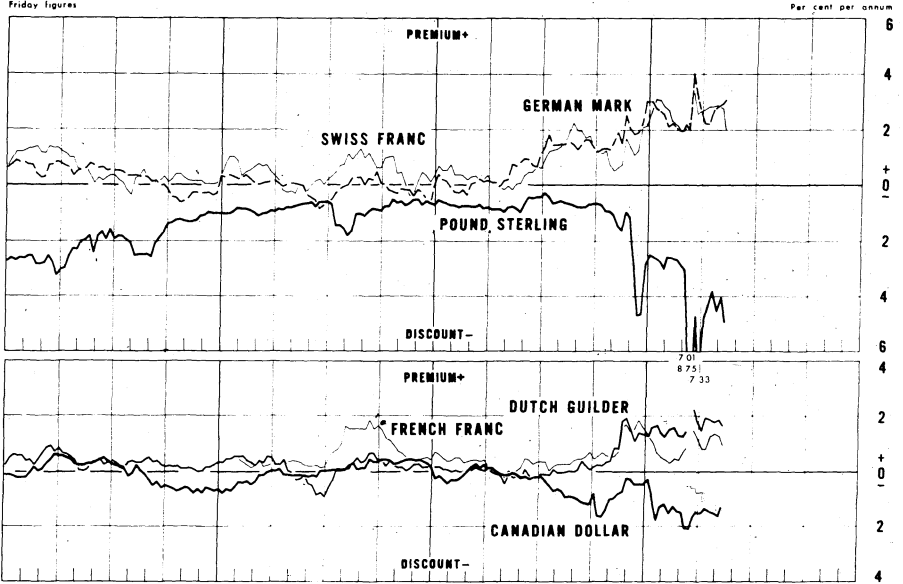
SPOT EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.S. DOLLAR



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

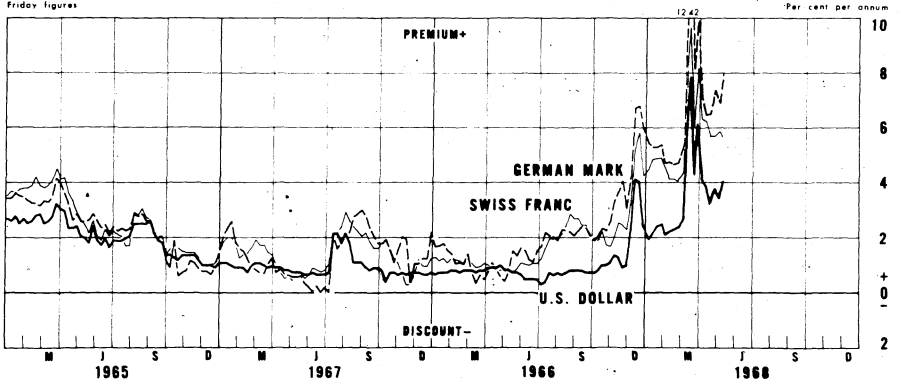
**3-MONTH FORWARD EXCHANGE RATES
AGAINST U.S. DOLLARS—NEW YORK**

Friday figures



AGAINST POUND STERLING—LONDON

Friday figures

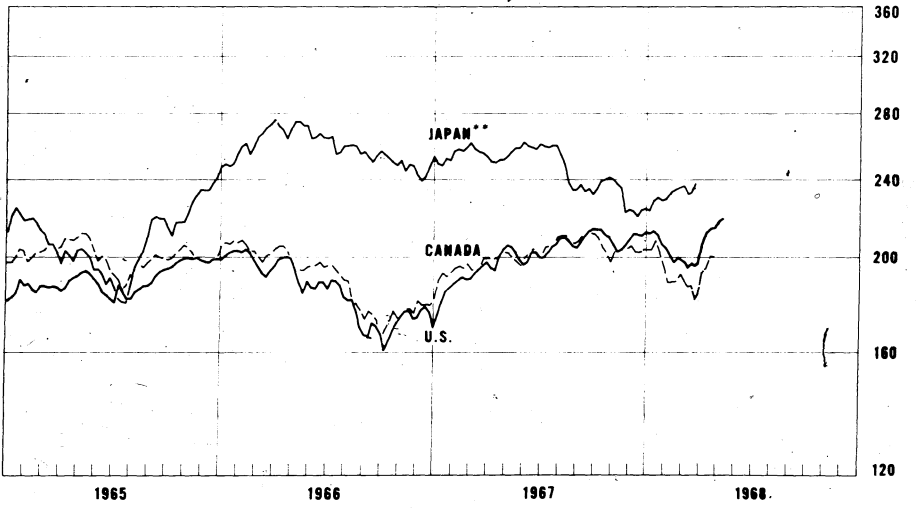
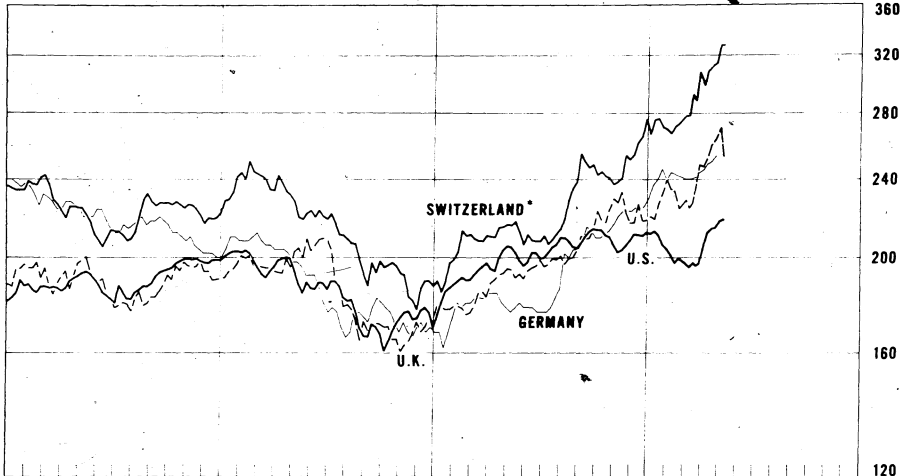


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Chart 10

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

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

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Chart 1
Upper Panels (Wednesday, May 8)

Euro-\$ deposit 6.44

U.S. certif. of deposit 5.53

Lower Panels (Wednesday, May 8)

Call Euro-\$ deposit 6.22

Federal Funds 6.00

Chart 2
(Friday, May 10)

Upper Panel - Euro-\$ deposits:

Call 6.25 90-day 6.62
30-day 6.62 180-day 6.68

Middle Panel

Hire-purchase paper 4.47
(May 3)

Euro-\$ deposit 6.53
(May 3)

Lower Panel

Local-authority deposit 4.22
(May 3)

Euro-\$ deposit 6.53
(May 3)

Chart 3

I. Upper panel (Period: May 1-7)

Interbank Loan (mid-point) 3.62

Euro-\$ deposits (average) 3.56

Lower Panel (date April 15)

Zurich 3-month deposit 2.75

Euro-\$ rate (covered) 3.92
(May 7)

II. Price of gold 39.62
(Friday, May 10)

Chart 4
(Friday, May 10)

Treasury bills: Canada 6.71

U.S. 5.52

Spread favor Canada +1.19

Forward Canadian dollar -1.25

Net incentive (Canada +) -0.06

Canadian Finance paper 7.12

Chart 5
(Friday, May 10)

Treasury bills: U.K. 6.92

U.S. 5.52

Spread favor U.K. +1.40

U.K. local authority deposit 8.38

Chart 6
(Friday, May 10)

Treasury bills: U.S. 5.52

U.K. 6.92

Canada 6.71

Interbank loan rate (German)
(May 1-7) 3.62

Euro-\$ deposit (London) 6.62

Zurich 3-month deposit
(Date: April 15) 2.75

Japan Composite rate
(Date: Feb. 23) 7.45

Chart 7

U. S. Gov't. (Wed., May 8)	<u>5.29</u>
U. K. War Loan (Thurs., May 9)	<u>7.22</u>
German Fed. (Fri., May 3)	<u>6.46</u>
Swiss Confed. (Fri., Apr., 19)	<u>4.53</u>
(Fri., Apr., 26)	<u>4.51</u>
Canadian Gov't. (Wed., May 8)	<u>6.64</u>
Netherlands Gov't. (Friday, April 26)	<u>6.49</u>
(Friday, May 3)	<u>6.45</u>
Euro-\$ bonds (Fri., May 10)	<u>7.57</u>
U. S. Euro-bonds (April 30)	<u>7.25</u>
U. S. Corporate Aaa (April 30)	<u>6.21</u>

Chart 8

(Friday, May 10)	
Swiss francs <u>+0.97</u>	Dutch Glds. <u>-0.01</u>
German marks <u>+0.54</u>	Can. \$ <u>+0.25</u>
U. K. £ Ster. <u>-0.40</u>	It. Lire <u>+0.44</u>
Belgian francs <u>+0.63</u>	Jap. Yens <u>-0.64</u>
French francs <u>+0.07</u>	

Chart 9

(Friday, May 10)

Against U.S. dollars:

Swiss francs <u>+2.00</u>	Dutch Glds. <u>+1.67</u>
German marks <u>+3.10</u>	Fr. Francs <u>+0.94</u>
£ Sterling <u>-4.95</u>	Can. \$ <u>-1.29</u>

Against pound sterling:

Swiss francs <u>+5.64</u>	Ger. marks <u>+7.99</u>
U. S. dollars <u>+4.02</u>	

Chart 10

U. S. (k May 10)	<u>219.2</u>
Japan (March 22)	<u>237.7</u>
U. K. (Fri., May 10)	<u>253.2</u>
Switzerland (Fri., May 10)	<u>328.3</u>
Germany (April 26)	<u>254.0</u>
Canada (April 26)	<u>200.2</u>

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