CUTIAL MARKET DEVELOPMENTS ABROAD

I. Ten Charts on Financial Markets Abroad

II. Latest Figures Plotted in H.13 Chart Series, 1968

Europe and British Commonwealth Section.

NOT FOR PUBLICATION

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

Friday figures

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<th>M</th>
<th>J</th>
<th>S</th>
<th>D</th>
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<tbody>
<tr>
<td>1965</td>
<td>1966</td>
<td>1967</td>
<td>1968</td>
</tr>
</tbody>
</table>

Per cent per annum

Chart 2A

30 DAY
CALL

180 DAY
90 DAY
LONDON: YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS
HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

<table>
<thead>
<tr>
<th>Year</th>
<th>Euro-Dollar Deposit</th>
<th>Hire Purchase</th>
<th>Differential</th>
<th>Favor Hire Purchase</th>
<th>Favor Euro-Dollar</th>
</tr>
</thead>
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<td>1965</td>
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Note: The differential is favoring the Euro-Dollar deposit over the Hire Purchase deposit.
I INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON
FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE (COVERED)

IN TERMS OF DM

INTERBANK LOAN RATE

DIFFERENTIAL

FAVOR FRANKFURT

FAVOR EURO-DOLLAR

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

IN TERMS OF SWISS FRANCS

DEPOSIT RATE

DIFFERENTIAL

FAVOR ZURICH

FAVOR EURO-DOLLAR

II PRICE OF GOLD IN LONDON

U.S. dollar equivalent per fine ounce

Market closed March 15-April 1, 1968
INTERS! ARBITRAGE, UNITED STATES / CANADA

Friday figures

3-MONTH TREASURY BILL RATES

<table>
<thead>
<tr>
<th>CAN. FIN. CO. PAPER</th>
<th>UNITED STATES</th>
<th>CANADA</th>
</tr>
</thead>
</table>

BILL RATE DIFFERENTIAL AND FORWARD CANADIAN DOLLAR

SPREAD IN FAVOR OF CANADA

FORWARD RATE

PREMIUM

DISCOUNT

3-MONTH COVERED RATE DIFFERENTIALS (NET INCENTIVES)

<table>
<thead>
<tr>
<th>TREASURY BILLS</th>
<th>PRIME FINANCE PAPER</th>
</tr>
</thead>
</table>

FAVOR CANADA

FAVOR U.S.

FAVOR CANADA

FAVOR U.S.

1965 1966 1967 1968
INTEREST ARBITRAGE, NEW YORK/LONDON

3-MONTH TREASURY BILL RATES

U.K. LOCAL AUTHORITY DEPOSITS

LONDON

NEW YORK

Per cent per annum

1965 1966 1967 1968
INTEREST ARBITRAGE, NEW YORK/LONDON

RATE DIFFERENTIAL AND 3-MONTH FORWARD STERLING SPREAD IN FAVOR OF LONDON

FORWARD RATE

PREMIUM

DISCOUNT

IN FAVOR OF LONDON

IN FAVOR OF NEW YORK

RATE DIFFERENTIAL WITH FORWARD EXCHANGE COVER (NET INCENTIVE)

1965 1966 1967 1968
SHORT-TERM INTEREST RATES

- EURO-DOLLAR - LONDON
- U.K.
- U.S.
- SWITZERLAND
- JAPAN
- CANADA
- GERMANY

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 8

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

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

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http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis
3-MONTH FORWARD EXCHANGE RATES
AGAINST U.S. DOLLARS—NEW YORK
Fri day figures

3-MONTH FORWARD EXCHANGE RATES
AGAINST POUND STERLING—LONDON
Fri day figures
INDUSTRIAL STOCK INDICES

- 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)

May 22, 1968.

Chart 1
Upper Panels (Wednesday, May 15)
Euro-$ deposit
6.68
U.S. certif. of deposit
6.09
Lower Panels (Wednesday, May 15)
Call Euro-$ deposit
6.34
Federal Funds
6.38

Chart 2
Upper Panel - Euro-$ deposits:
Call 6.44  30-day 6.88
30-day 6.81  180-day 7.00

Middle Panel
Hire-purchase paper
3.71
(May 10)
Euro-$ deposit
6.69
(May 10)

Lower Panel
Local-authority deposit
3.59
(May 10)
Euro-$ deposit
6.69
(May 10)

Chart 3
I. Upper panel (Period: May 8 - 15)
Interbank Loan (mid-point) 3.62
Euro-$ deposits (average) 3.62

Lower Panel (date April 15)
Zurich 3-month deposit
2.75

II. Price of gold (Friday, May 17)
40.46

Chart 4
(Chart 4)
(Friday, May 17)
Treasury bills: Canada
6.72
U.S.
5.75
Spread favor Canada +0.97
Forward Canadian dollar -1.21
Net incentive (Canada +) -0.24
Canadian Finance paper
7.00

Chart 5
(Friday, May 17)
Treasury bills: U.K.
6.94
U.S.
5.75
Spread favor U.K.
+1.19
U.K. local authority deposit
8.44

Chart 6
(Friday, May 17)
Treasury bills: U.S.
5.75
U.K.
6.94
Canada
6.72
Interbank loan rate (German)
3.62
Euro-$ deposit (London)
6.88
Zurich 3-month deposit
2.75
Japan Composite rate
7.49
Chart 7

U.S. Gov't. (Wed., May 15 )  5.32
U.K. War Loan (Thurs., May 16 )  7.27
German Fed. (Fri., May 10 & 17)  6.37
Swiss Confed. (Fri., May 3 )  4.51
(Fri., May 10 )  4.53
Canadian Gov't. (Wed., May 15 )  6.82
Netherlands Gov't.
(Friday, May 3 )  6.45
Euro-$ bonds (Fri., May 17 )  7.53
U.S. Euro-bonds (April 30 )  7.25
U.S. Corporate Aaa (April 30 )  6.21

Chart 9

Against U.S. dollars:
Swiss francs +2.17 Dutch Glds. +1.74
German marks +3.02 Fr. Francs +1.14
£ Sterling -5.28 Can. $ -1.21

Against pound sterling:
Swiss francs +6.54 Ger. marks +8.33
U.S. dollars +4.56

Chart 10

U.S. (May 17 )  217.3
Japan (May 17 )  258.1*
U.K. (Fri., May 17 )  260.6
Switzerland (Fri., May 17 )  334.2
Germany (April 26 )  254.0
Canada (May 3 )  202.0
(May 10 )  201.5

For descriptions and sources of data, see Special Supplement No. 343-S dated March 27, 1958.

*March 29  238.5
April  5  242.0
" 12  246.3
" 19  251.2
" 26  252.5
May  3  255.8
" 10  257.8