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.
Chart 1

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 3

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

SWISS DEPOSIT RATE

DIFFERENTIAL

FAVOR ZURICH

FAVOR EURO-DOLLAR

II PRICE OF GOLD IN LONDON

U.S. dollar equivalent per fine ounce

35.5
35.4
35.3
35.2
35.1
35.0
35.1
35.2
35.3
35.4
35.5

1965
1966
1967
1968

Market closed March 15-April 3, 1968
INTEREST ARBITRAGE, UNITED STATES / CANADA

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 U.S.
FAVOR CANADA
Chart 6
SHORT-TERM INTEREST RATES*

Per cent per annum

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.
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

* Devaluation of the pound sterling from $2.80 to $2.40
Chart 10

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)

Chart 1
Upper Panels (Wednesday, May 29)
- Euro-$ deposit: 7.12
- U.S. certif. of deposit: 6.20

Lower Panels (Wednesday, May 29)
- Call Euro-$ deposit: 6.46
- Federal Funds: 5.98

Chart 2
(Friday, May 31)
Upper Panel - Euro-$ deposits:
- Call: 6.50 (90-day: 7.19)
- 30-day: 7.19 (180-day: 7.31)

Middle Panel
- Hire-purchase paper: 2.35 (May 24)
- Euro-$ deposit: 7.22 (May 24)

Lower Panel
- Local-authority deposit: 2.16 (May 24)
- Euro-$ deposit: 7.22 (May 24)

Chart 3
I. Upper Panel (Period: May 24-31)
- Interbank Loan (mid-point): 3.75
- Euro-$ deposits (average): 3.85

Lower Panel (date April 15)
- Zurich 3-month deposit: 2.75
- Euro-$ rate (covered): 5.38

II. Price of gold
(Friday, May 31): 41.70

Chart 4
(Friday, May 31)
- Treasury bills: Canada: 6.73
- U.S.: 5.65
- Spread favor Canada: +1.08
- Forward Canadian dollar: -1.36
- Net incentive (Canada +): -0.28
- Canadian Finance paper (May 24): 7.12

Chart 5
(Friday, May 31)
- Treasury bills: U.K.: 7.06
- U.S.: 5.65
- Spread favor U.K.: +1.41
- U.K. local authority deposit: 8.44

Chart 6
(Friday, May 31)
- Treasury bills: U.S.: 5.65
- U.K.: 7.06
- Canada: 6.73
- Interbank loan rate (German) (May 24-31): 3.75
- Euro-$ deposit (London): 7.19
- Zurich 3-month deposit (Date: April 15): 2.75
- Japan Composite rate (Date: March 29): 7.49
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Chart 7

U.S. Gov't. (Wed., May 29 ) 5.38
U.K. War Loan (Thurs., May 30 ) 7.40
German Fed. (Fri., May 24 ) 6.33
Swiss Confed. (Fri., May 10 ) 4.53
Canadian Gov't. (Wed., May 29 ) 7.02
Netherlands Gov't. (Friday, May 17, 24) 6.45
Euro-$ bonds (Fri., May 31 ) 7.70
U.S. Euro-bonds (April 30 ) 7.25
U.S. Corporate Aaa (April 30) 6.21

Chart 8

(Friday, May 31)
Swiss francs +1.81 Dutch Glds. +1.99
German marks +3.43 Fr. Francs n.a.
£ Sterling -6.79 Can. $ -1.49
Against pound sterling:
Swiss francs +7.44 Ger. marks +10.11
U.S. dollars +5.89

Chart 9

Against U.S. dollars:
Swiss francs +1.81 Dutch Glds. +1.99
German marks +3.43 Fr. Francs n.a.
£ Sterling -6.79 Can. $ -1.49

Chart 10

U.S. (May 31 ) 217.3
Jepan (May 31 ) 255.3
U.K. (Fri., May 31) 251.7
Switzerland (Fri., May 31) 330.4
Canada (May 24) 198.6

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