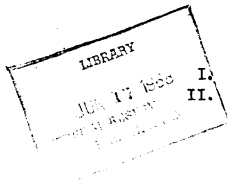


H. 13
No. 354

June 12, 1968.

CAPITAL MARKET DEVELOPMENTS ABROAD



- I. Ten Charts on Financial Markets Abroad
II. Latest Figures Plotted in H.13 Chart Series, 1968

*Capital Market*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NOT FOR PUBLICATION

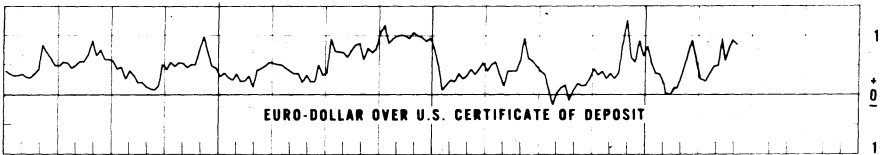
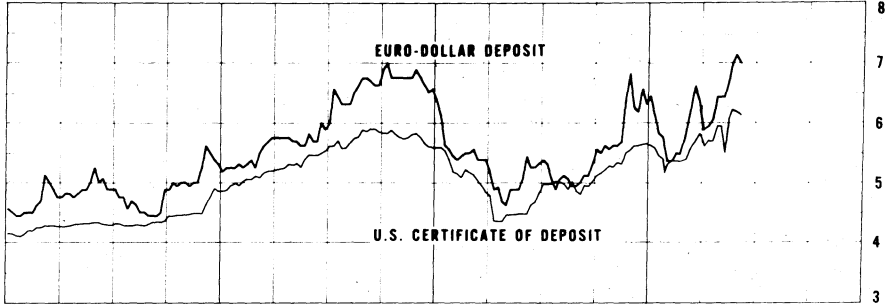
DECONTROLLED AFTER SIX MONTHS

Chart 1

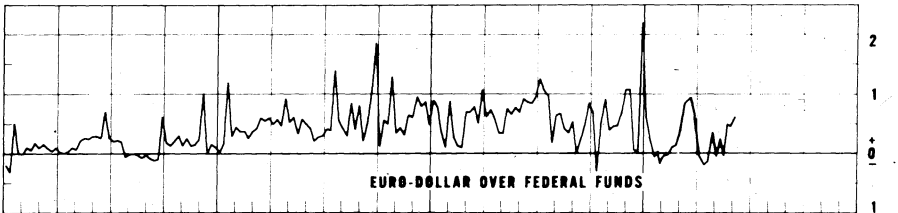
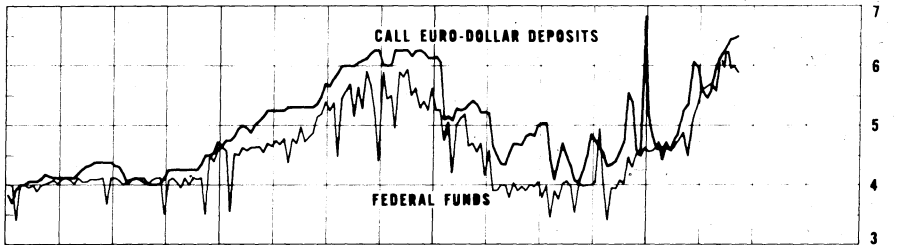
NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS 3-MONTH DOLLAR DEPOSIT RATES

Wednesday figures

Per cent per annum



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



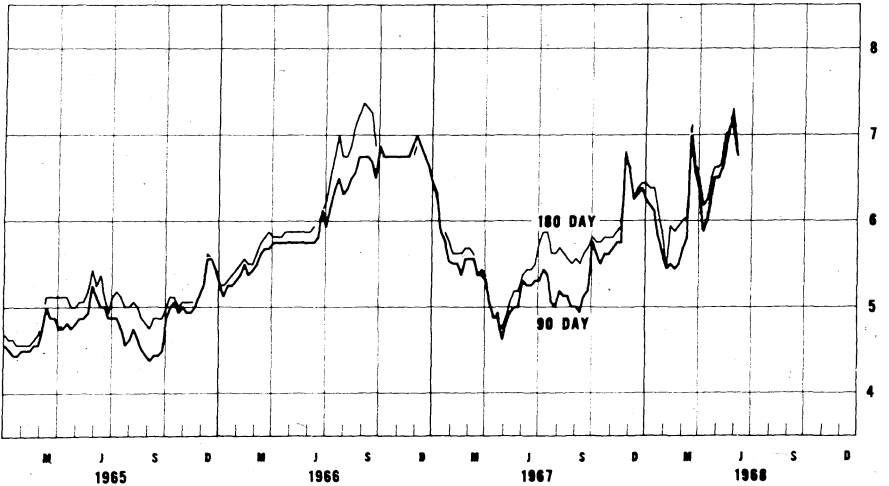
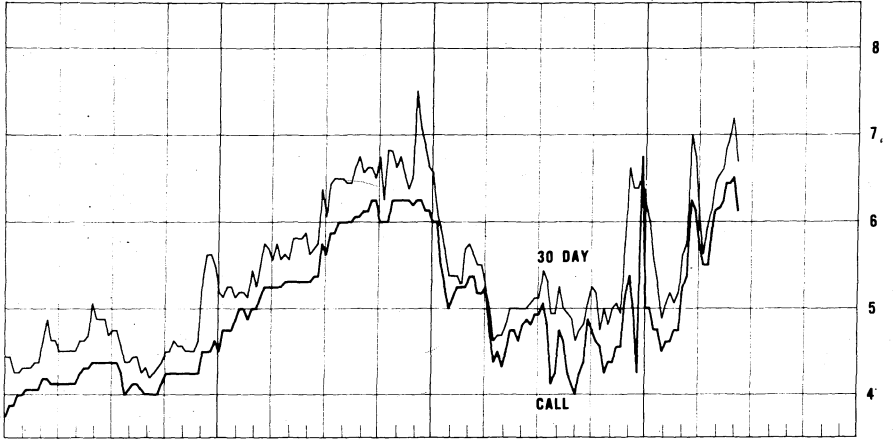
Mar. Jun. Sept. Dec. Mar. Jun. Sept. Dec. Mar. Jun. Sept. Dec. Mar. Jun. Sept. Dec.
1965 1966 1967 1968

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

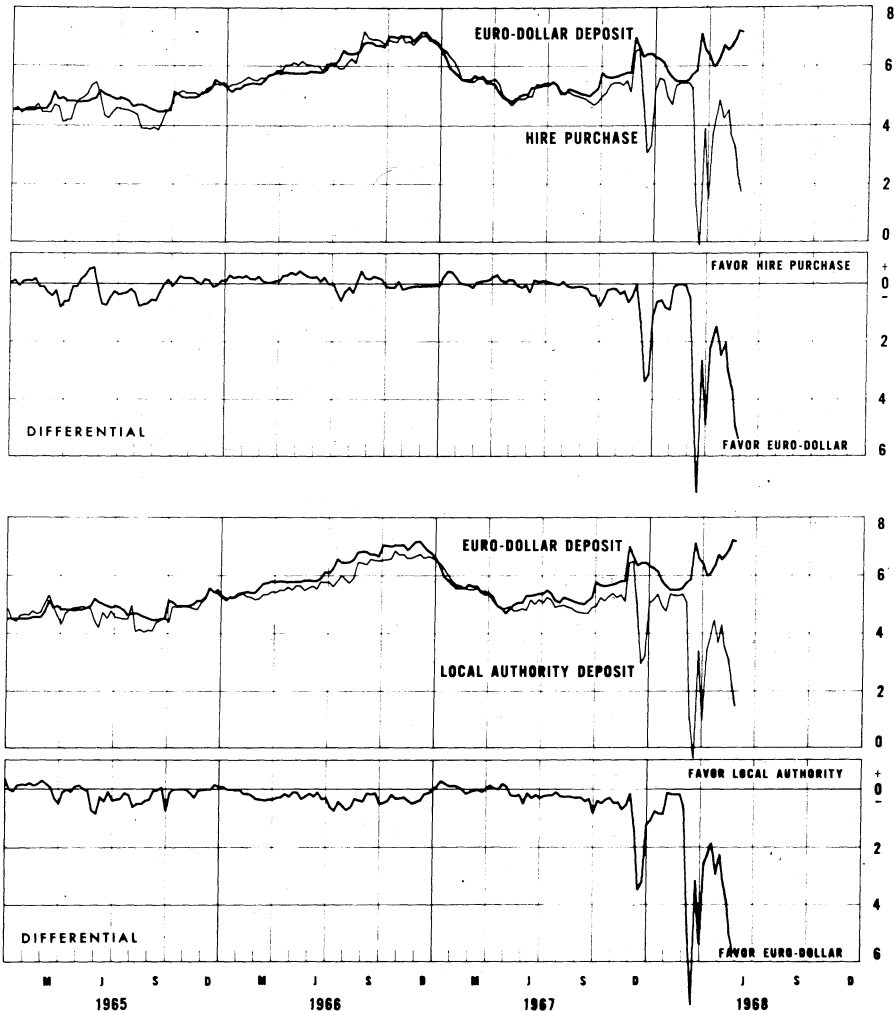
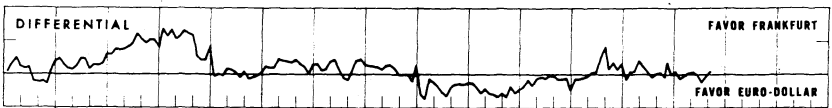
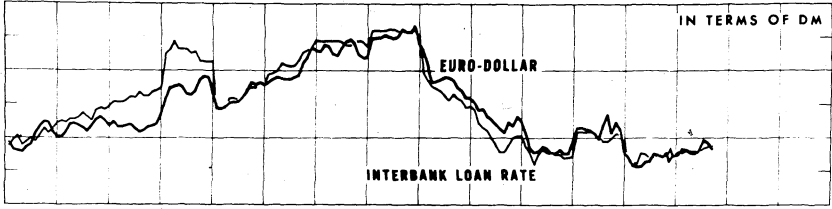


Chart 3

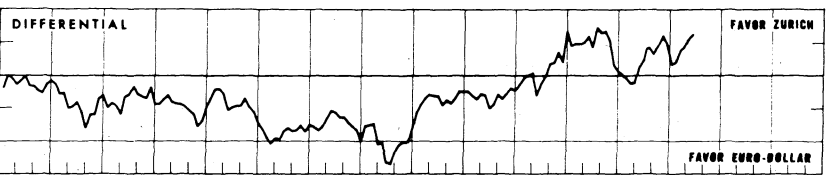
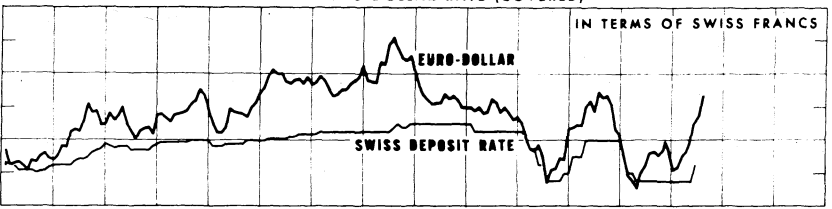
I INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON
FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE (COVERED)

Per cent per annum



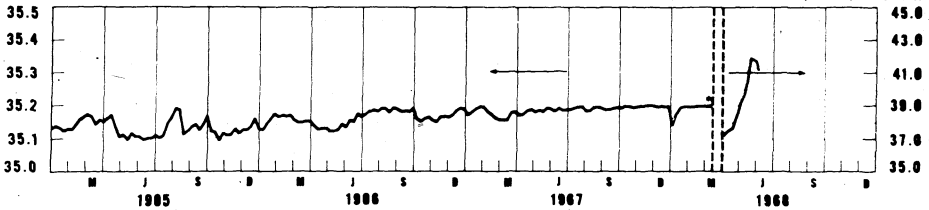
ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE (COVERED)

IN TERMS OF SWISS FRANCS



II PRICE OF GOLD IN LONDON

U.S. dollar equivalent per fine ounce

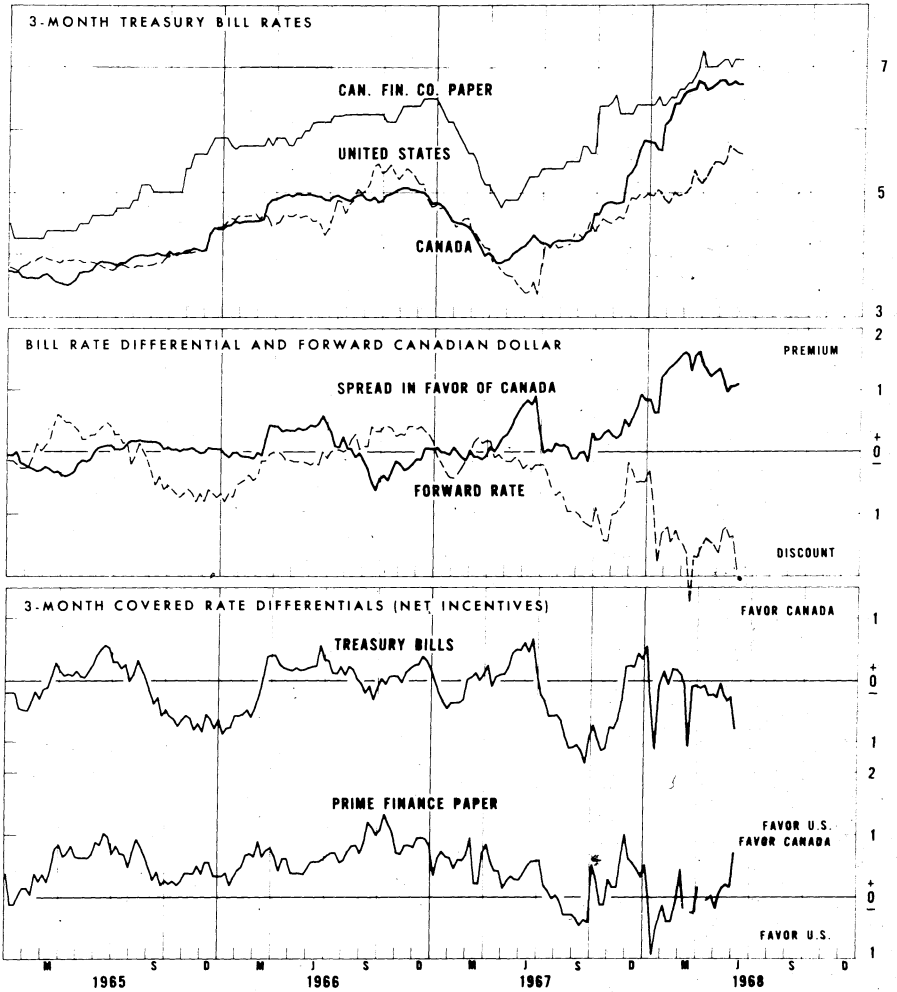


• Market closed March 15-April 1, 1968

INTEREST ARBITRAGE, UNITED STATES / CANADA

Friday Figures

Per cent per annum



7

Chart 5A

INTEREST ARBITRAGE, NEW YORK/LONDON

Per cent per annum

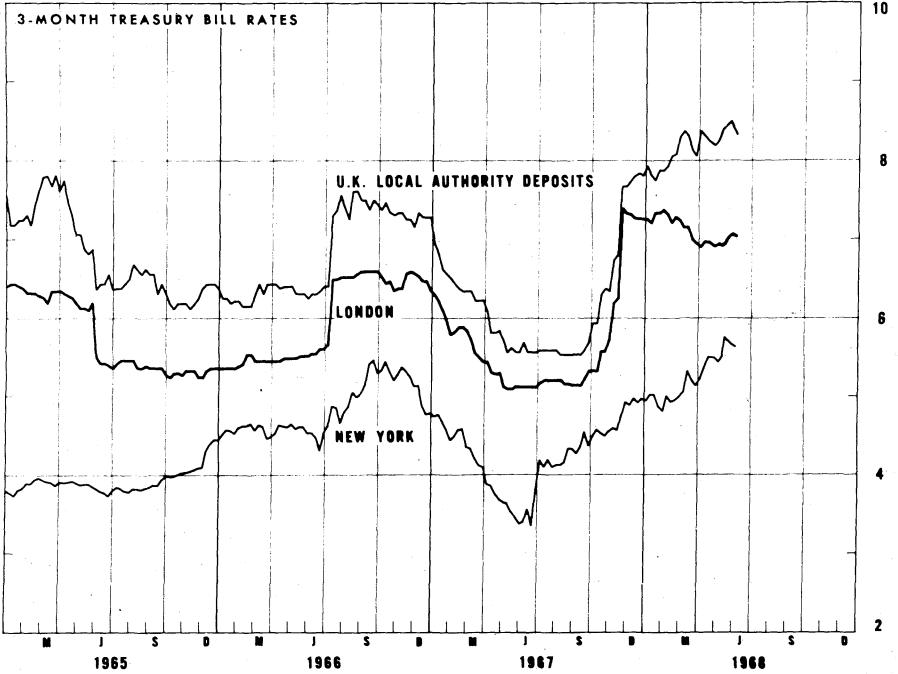
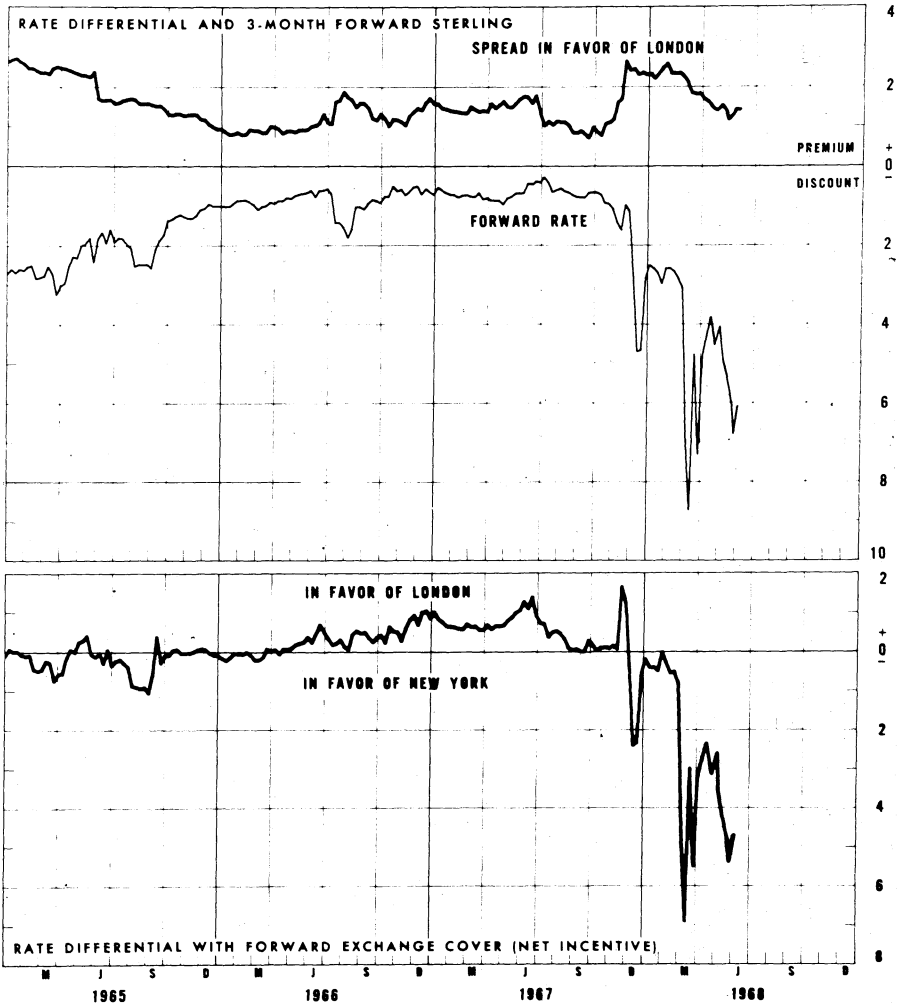


Chart 58

INTEREST ARBITRAGE, NEW YORK/LONDON

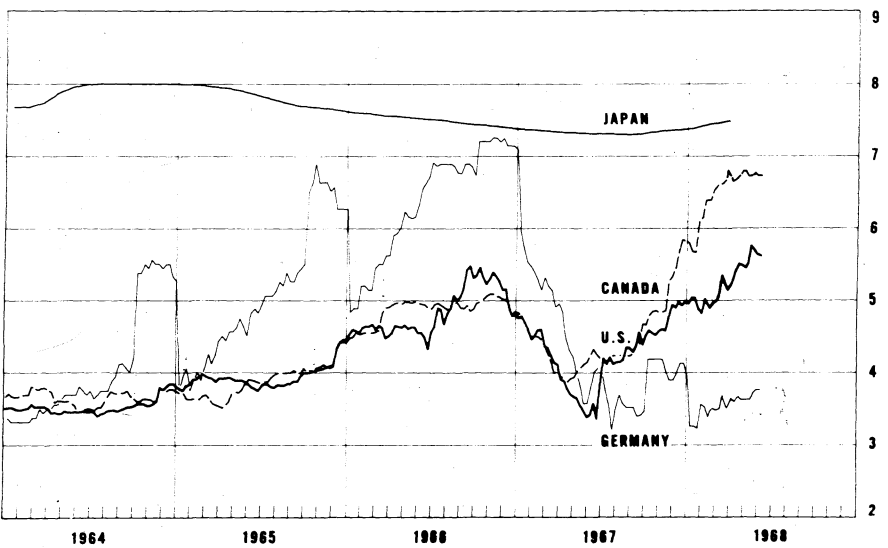
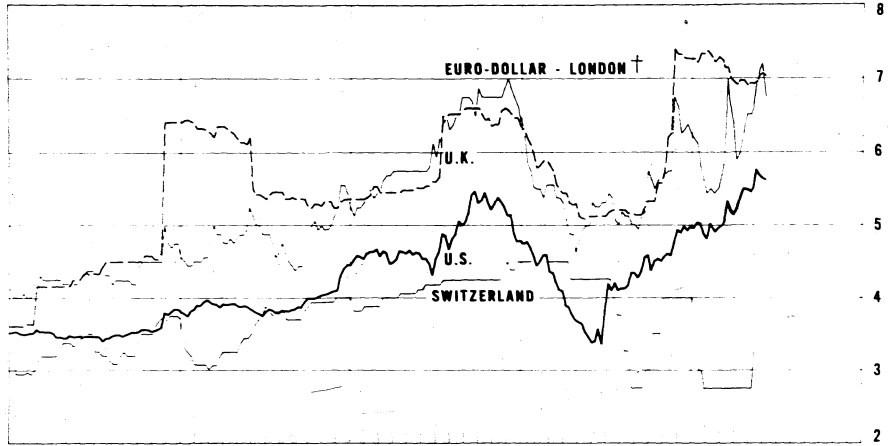
Per cent per annum



9

Chart 6
SHORT-TERM INTEREST RATES*

Per cent per annum



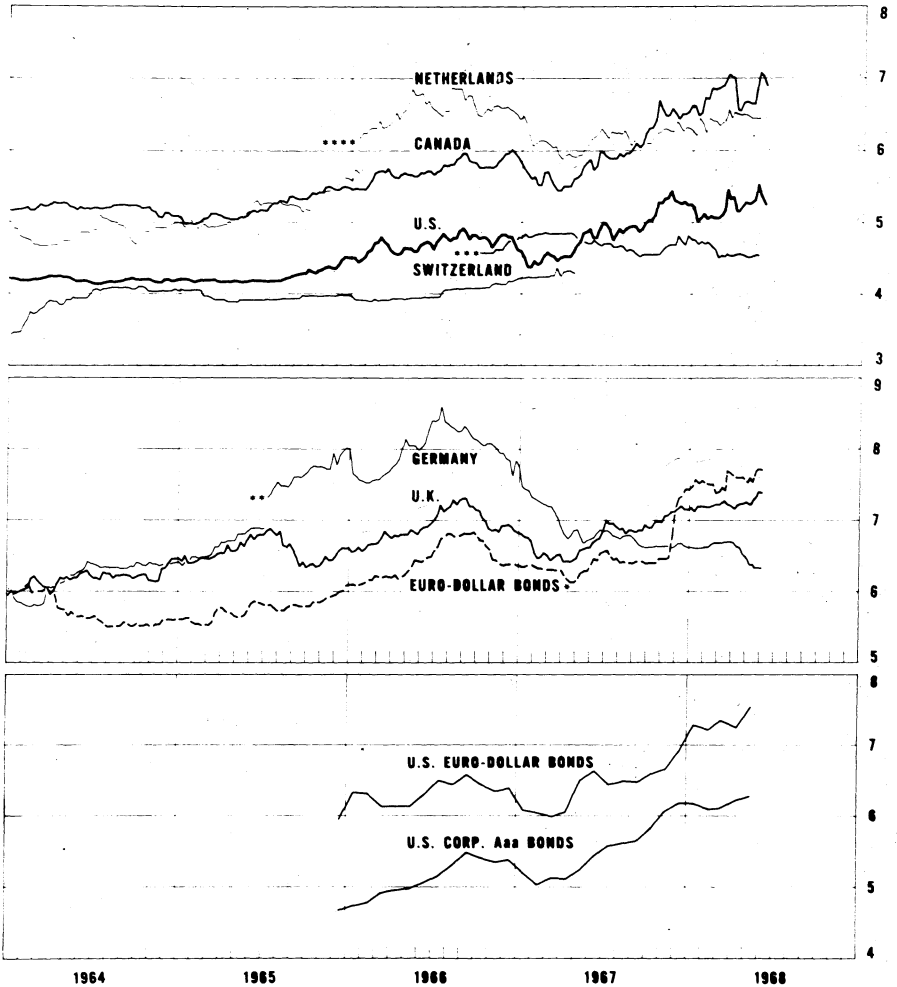
* 3 month treasury bill rates for all countries except Japan. Average rate on bank loans and discounts.
† Switzerland 3 month deposit rate and Germany Interbank Loan Rate.
‡ 3 month rate for US dollar deposits in London

Chart 7

LONG-TERM BOND YIELDS

Weekly figures

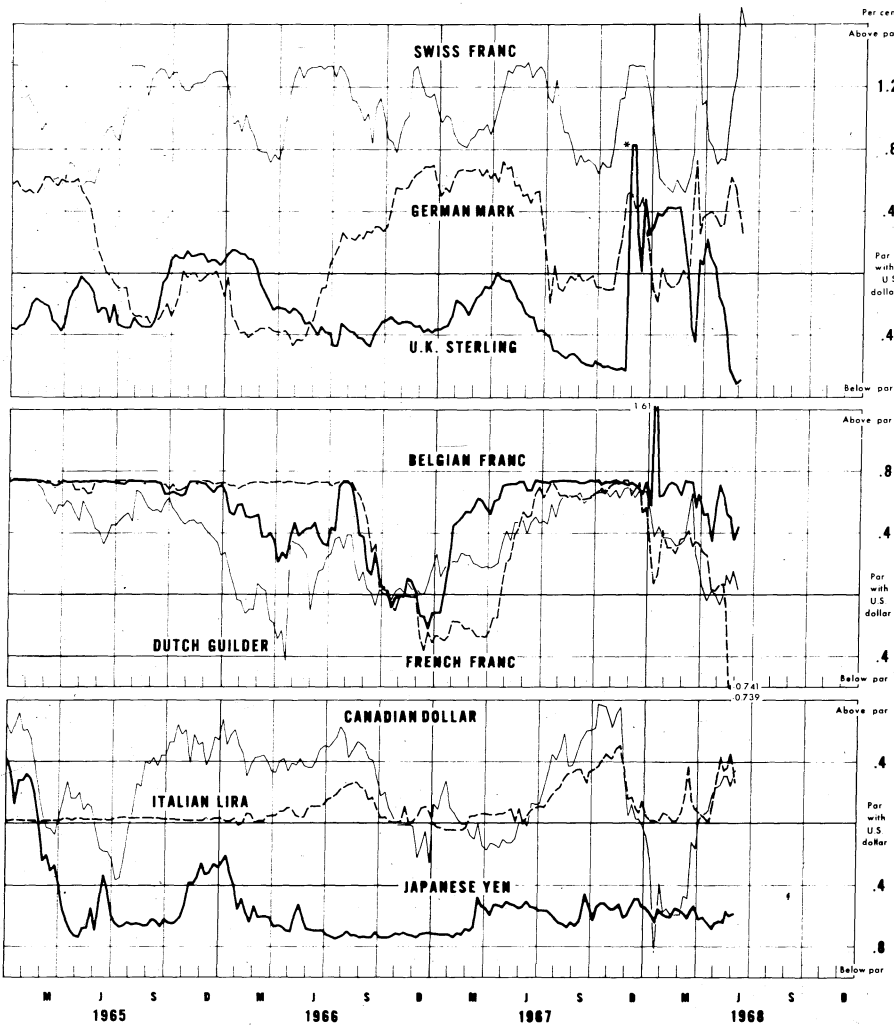
Per cent per annum



- 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

11
Chart 8

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



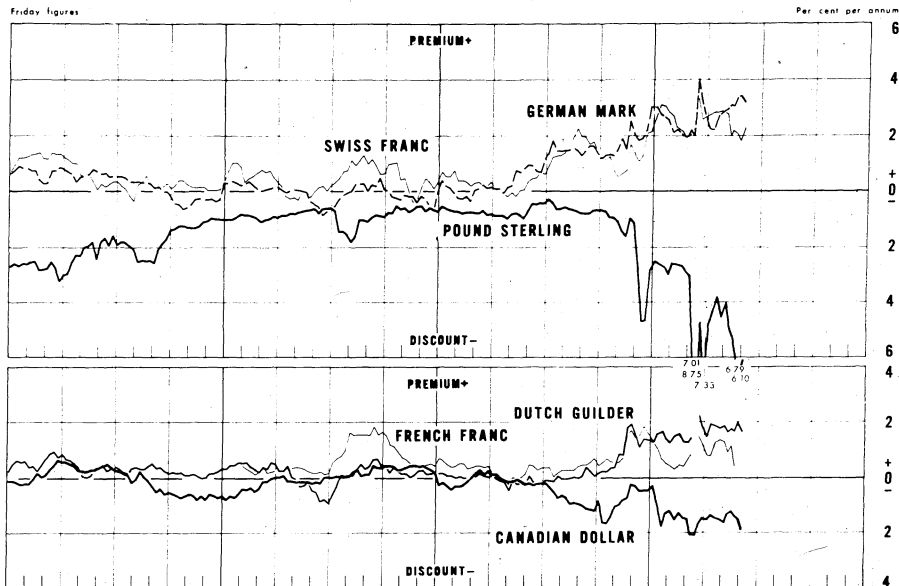
* Devolution of the pound sterling from \$2.80 to \$2.40

Chart 9

3-MONTH FORWARD EXCHANGE RATES

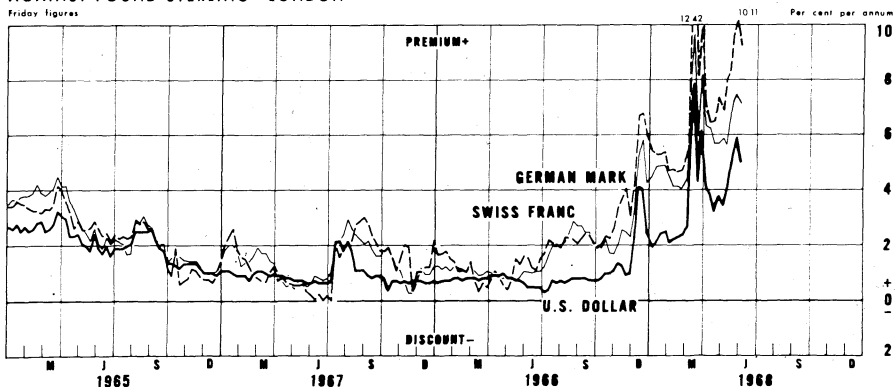
AGAINST U.S. DOLLARS—NEW YORK

Friday figures



AGAINST POUND STERLING—LONDON

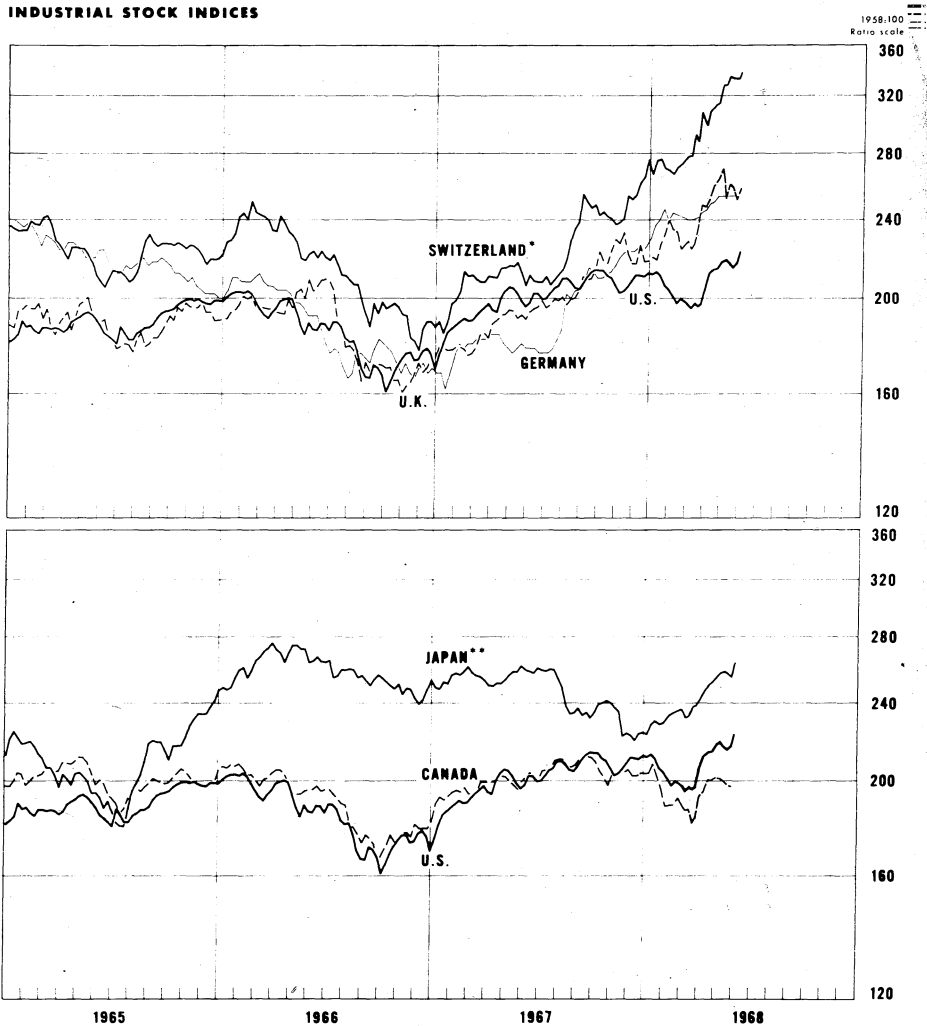
Friday figures



13

Chart 10

INDUSTRIAL STOCK INDICES



* Swiss Bank Corporation industrial stock index
** Japan index of 225 industrial and other stocks traded on the Tokyo exchange

June 12, 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>June 5</u>)		(Friday, <u>June 7</u>)	
Euro-\$ deposit	<u>7.00</u>	Treasury bills: Canada	<u>6.73</u>
U.S. certif. of deposit	<u>6.15</u>	U.S.	<u>5.62</u>
<u>Lower Panels</u> (Wednesday, <u>June 5</u>)		Spread favor Canada	<u>+1.11</u>
Call Euro-\$ deposit	<u>6.50</u>	Forward Canadian dollar	<u>-1.90</u>
Federal Funds	<u>5.88</u>	Net incentive (Canada +)	<u>-0.79</u>
		Canadian Finance paper	<u>7.12</u>
<u>Chart 2</u>		<u>Chart 5</u>	
(Friday, <u>June 7</u>)		(Friday, <u>June 7</u>)	
<u>Upper Panel - Euro-\$ deposits:</u>		Treasury bills: U.K.	<u>7.03</u>
Call <u>6.12</u>	90-day <u>6.75</u>	U.S.	<u>5.62</u>
30-day <u>6.68</u>	180-day <u>6.75</u>	Spread favor U.K.	<u>+1.41</u>
<u>Middle Panel</u>		U.K. local authority deposit	<u>8.31</u>
Hire-purchase paper	<u>1.76</u>		
(May 31)		<u>Chart 6</u>	
Euro-\$ deposit	<u>7.16</u>	(Friday, <u>June 7</u>)	
(May 31)		Treasury bills: U.S.	<u>5.62</u>
<u>Lower Panel</u>		U.K.	<u>7.03</u>
Local-authority deposit	<u>1.45</u>	Canada	<u>6.73</u>
(May 31)			
Euro-\$ deposit	<u>7.16</u>	Interbank loan rate (German)	<u>3.75</u>
(May 31)		(<u>June 1-7</u>)	
<u>Chart 3</u>		Euro-\$ deposit (London)	<u>6.75</u>
I. <u>Upper panel</u> (Period: <u>June 1-7</u>)		Zurich 3-month deposit	
Interbank Loan (mid-point)	<u>3.75</u>	(Date: <u>May 15</u>)	<u>3.25*</u>
Euro-\$ deposits (average)	<u>3.65</u>	Japan Composite rate	
<u>Lower Panel</u> (date <u>May 15</u>)		(Date: <u>March 29</u>)	<u>7.49</u>
Zurich 3-month deposit	<u>3.25*</u>		
Euro-\$ rate (covered)	<u>3.87</u>		
II. <u>Price of gold</u>			
(Friday, <u>June 7</u>)			
*April 23	2.75		
30	2.75		
May 7	2.75		

15

Chart 7

Chart 9

U.S. Gov't. (Wed., June 5) 5.23

(Friday, June 7)

U.K. War Loan (Thurs., June 6) 7.40

Against U.S. dollars:

German Fed. (Fri., June 7) 6.33

Swiss francs +2.28 Dutch Glds. +1.63

Swiss Confed. (Fri., May 17) 4.55

German marks +3.20 Fr. Francs n.a.

Canadian Gov't. (Wed., June 5) 6.89

£ Sterling -6.10 Can. \$ -1.90

Netherlands Gov't.

Against pound sterling:

(Friday, May 24) 6.45

Swiss francs +7.12 Ger. marks +9.26

Euro-\$ bonds (Fri., June 7) 7.70

U.S. dollars +5.00

U.S. Euro-bonds (May 31) 7.54

Chart 10

U.S. Corporate Aaa (May 31) 6.27

U.S. (June 7) 223.4

Chart 8
(Friday, June 7)

Japan (June 7) 264.6

Swiss francs +1.58 Dutch Glds. +0.04

U.K. (Fri., June 7) 258.5

German marks +0.26 Can. \$ +0.35

Switzerland (Fri., June 7) 338.5

U.K. £ Ster. -0.69 It. Lire +0.27

Germany (May 31) 253.4

Belgian francs +0.44 Jap. Yens -0.58

Canada (May 31) 197.7

French francs -0.74

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