DIVISION OF INTERNATIONAL FINANCE

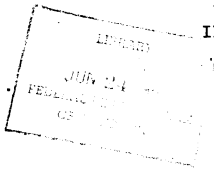
BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Capital Market

H. 13
No. 355

June 19, 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NOT FOR PUBLICATION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

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Chart 1

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NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS

3-MONTH DOLLAR DEPOSIT RATES

Wednesday figures

Per cent per annum

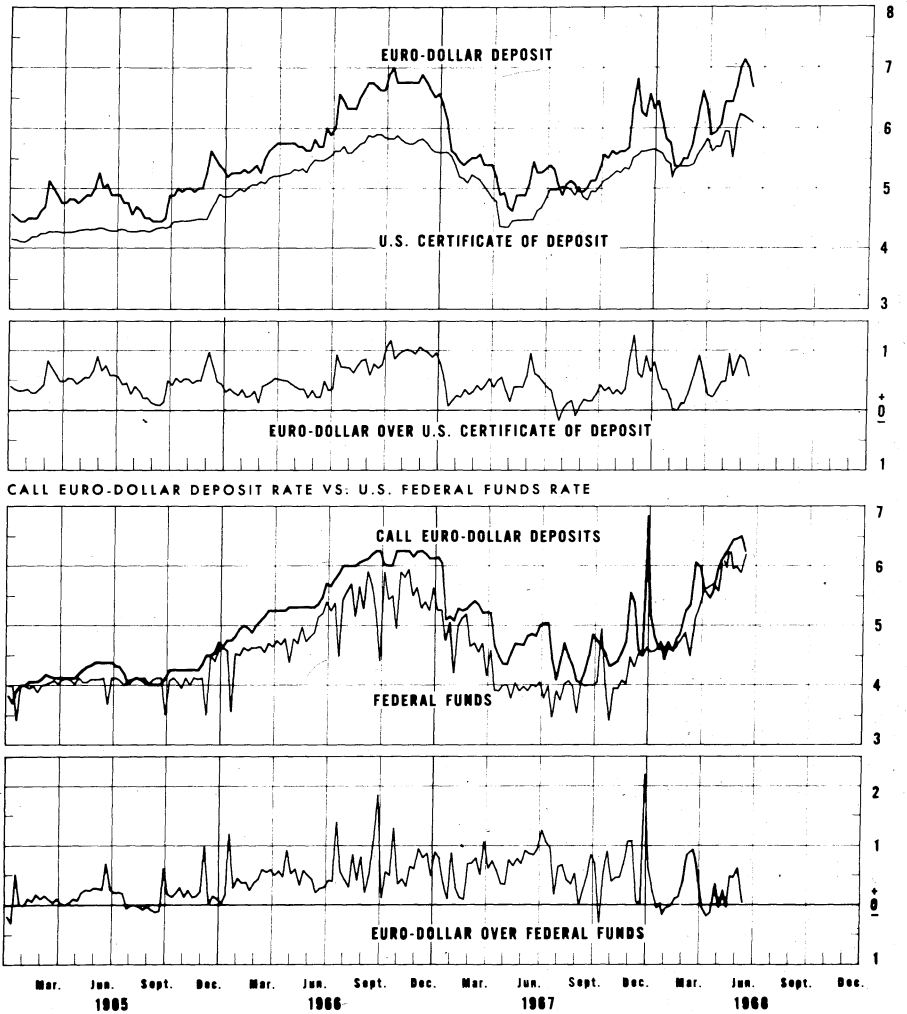

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Chart 2A

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

EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum

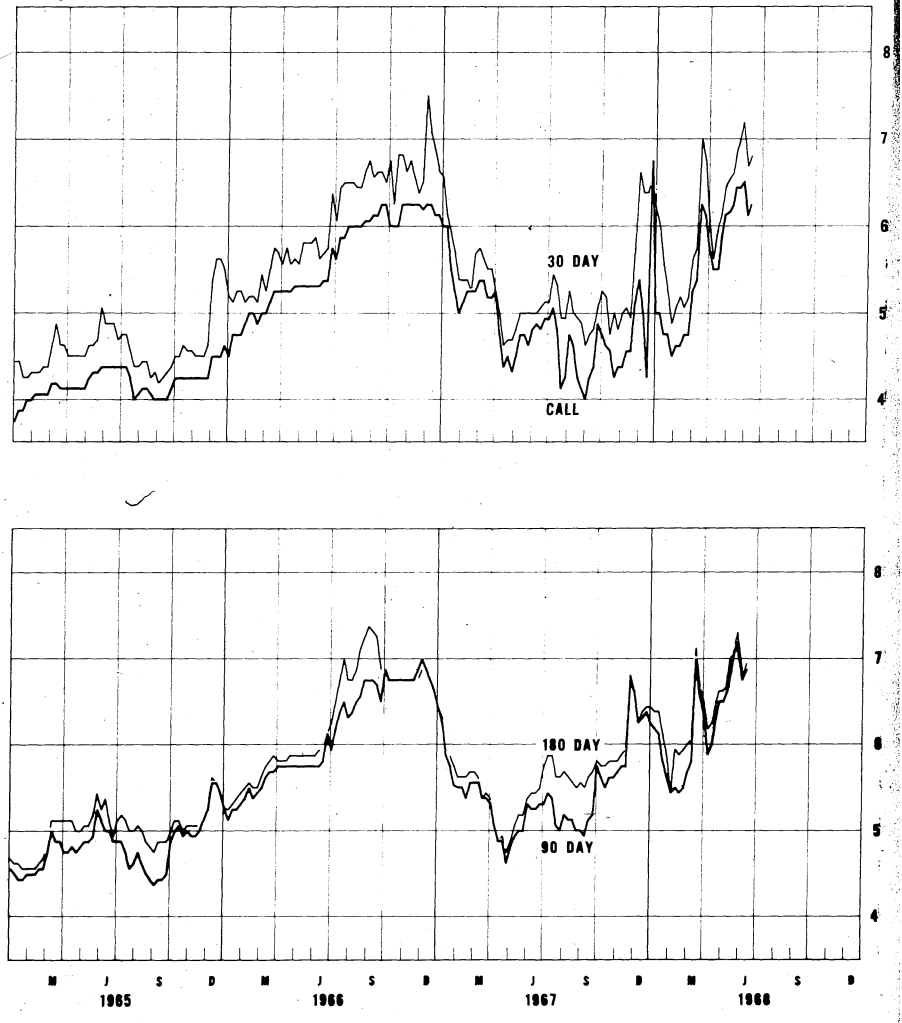

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Chart 28

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

HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

Friday figures

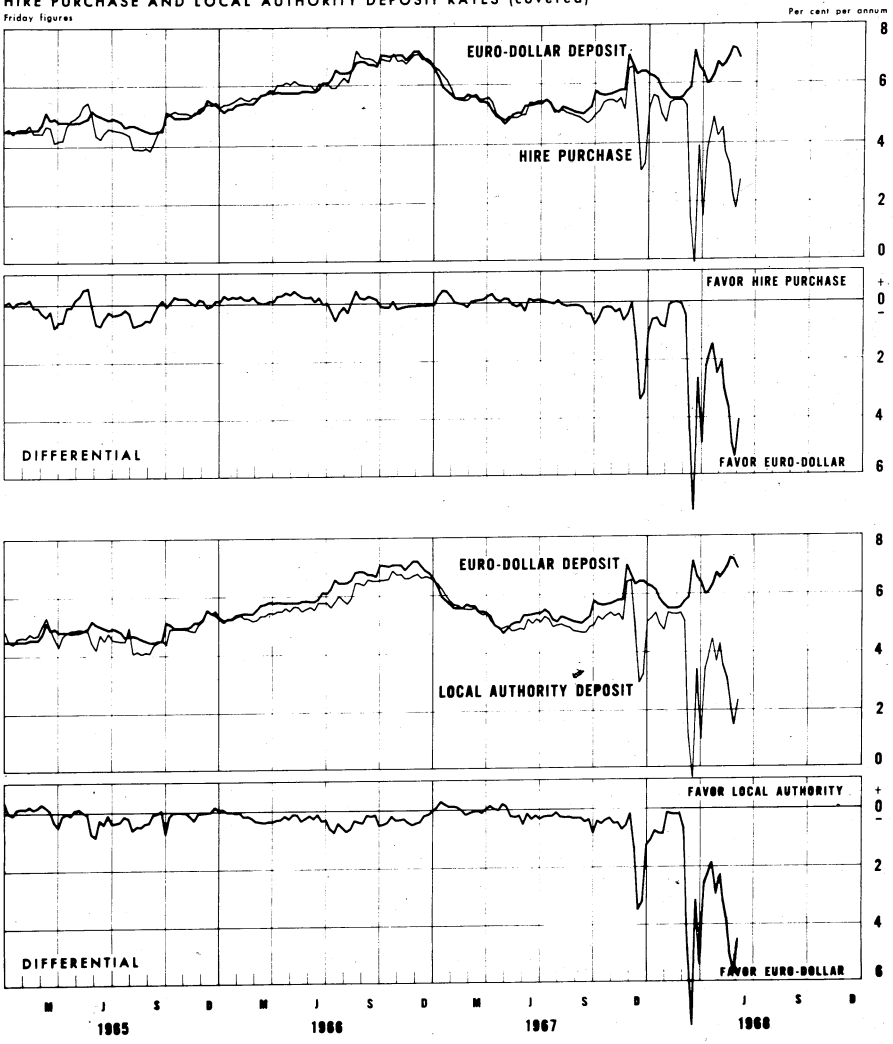

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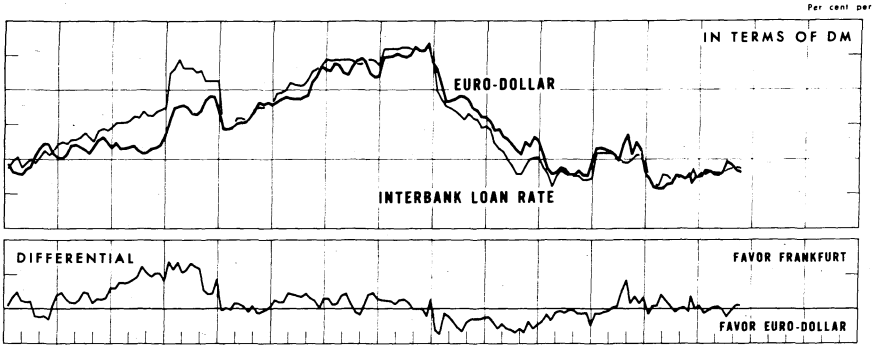
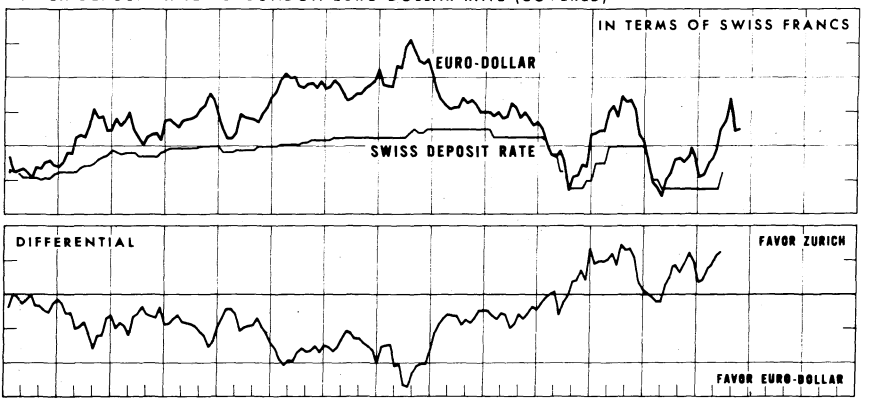
Chart 3

I INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON

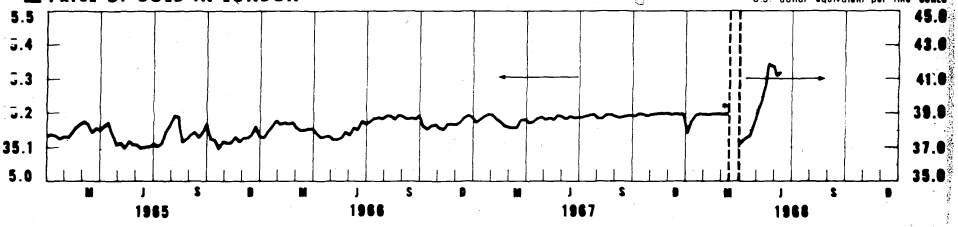
FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE (COVERED)



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



II PRICE OF GOLD IN LONDON



• Market closed March 15-April 1, 1968

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Chart 4

INTERST ARBITRAGE, UNITED STATES /CANADA

Friday figures

Per cent per annum

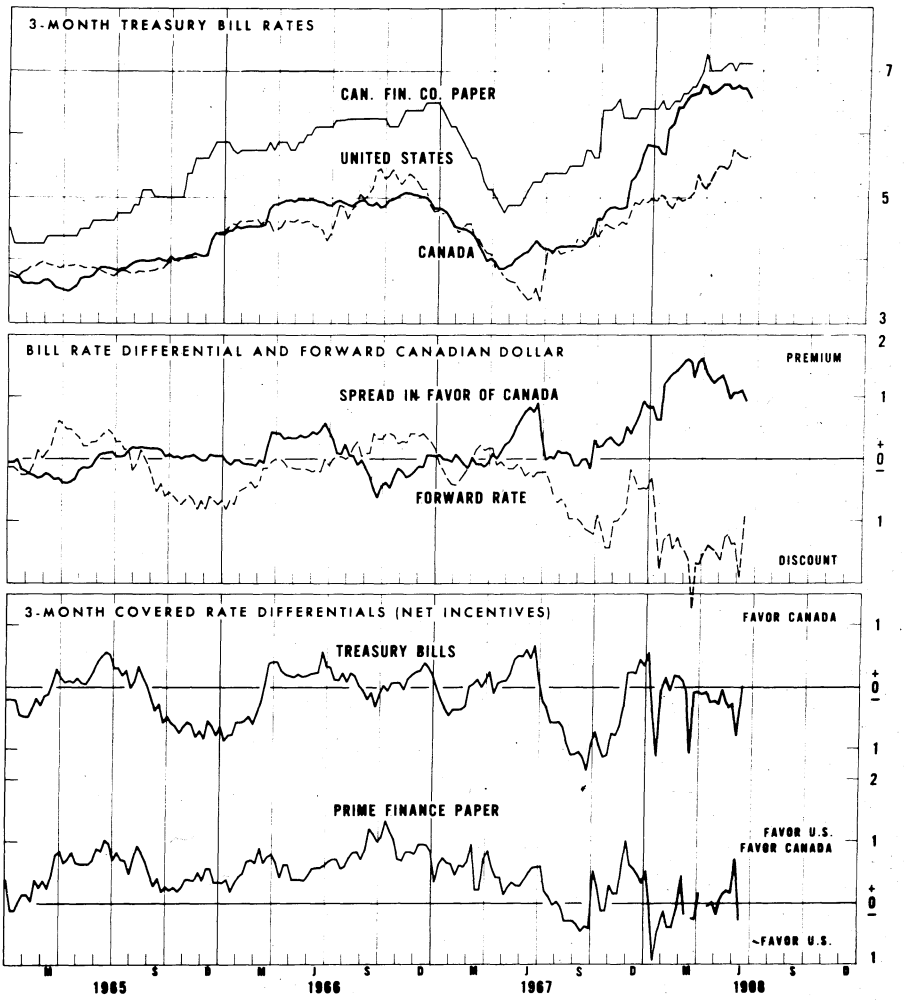

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Chart 5A

INTEREST ARBITRAGE, NEW YORK/LONDON

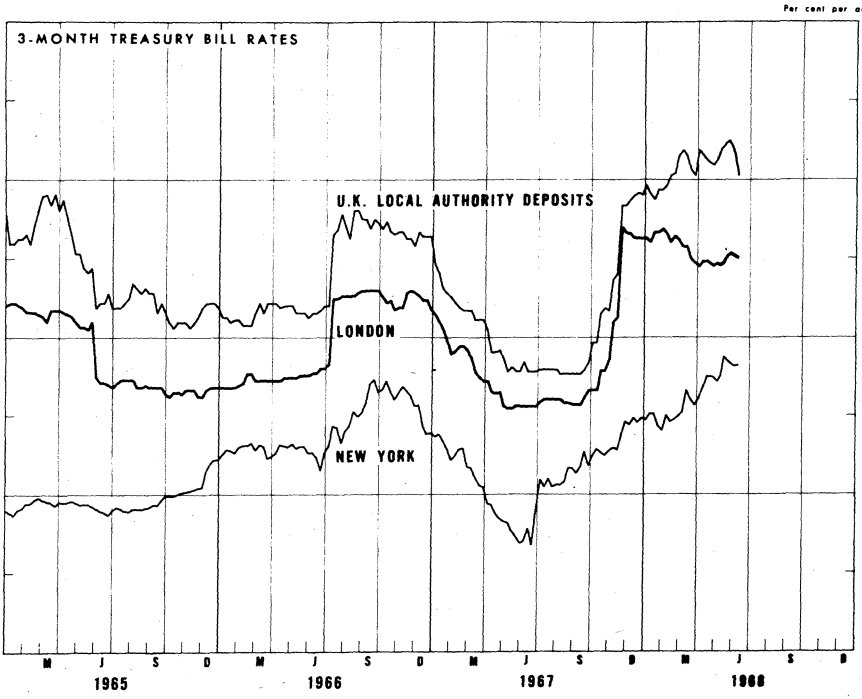

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Chart 5B

INTEREST ARBITRAGE, NEW YORK/LONDON

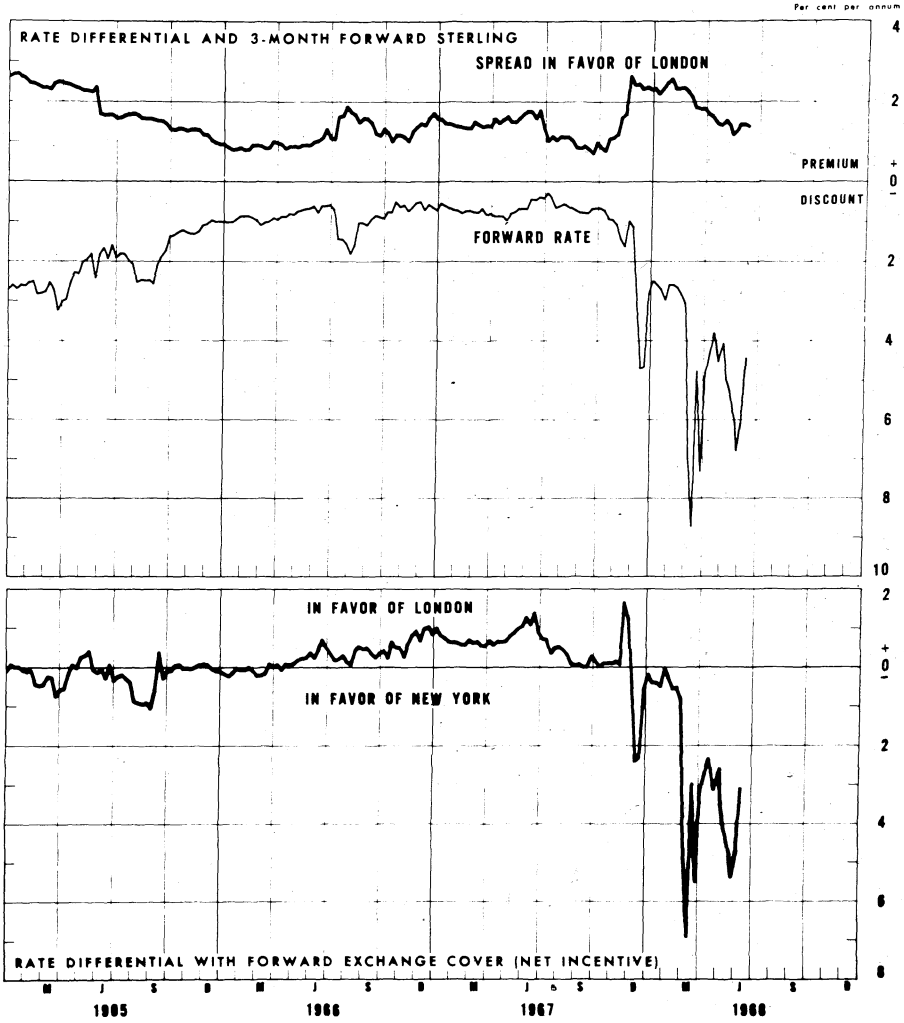

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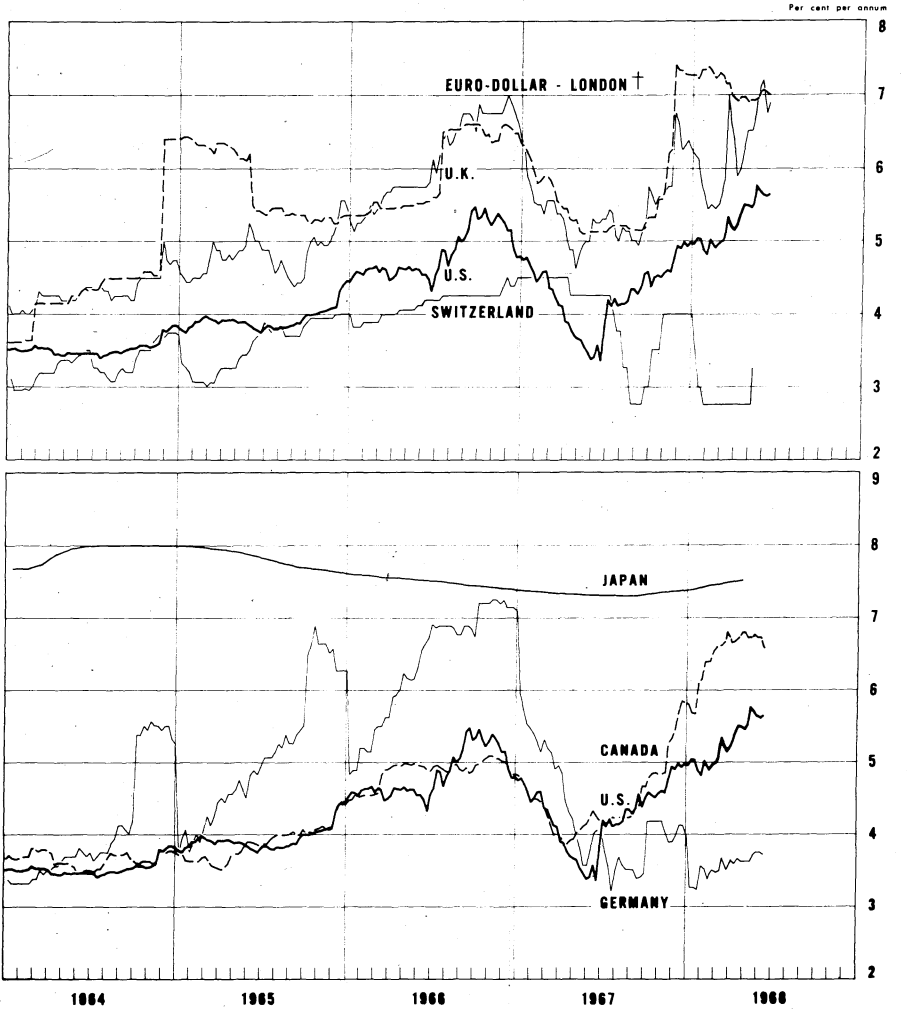
Chart 6

SHORT-TERM INTEREST RATES*



*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

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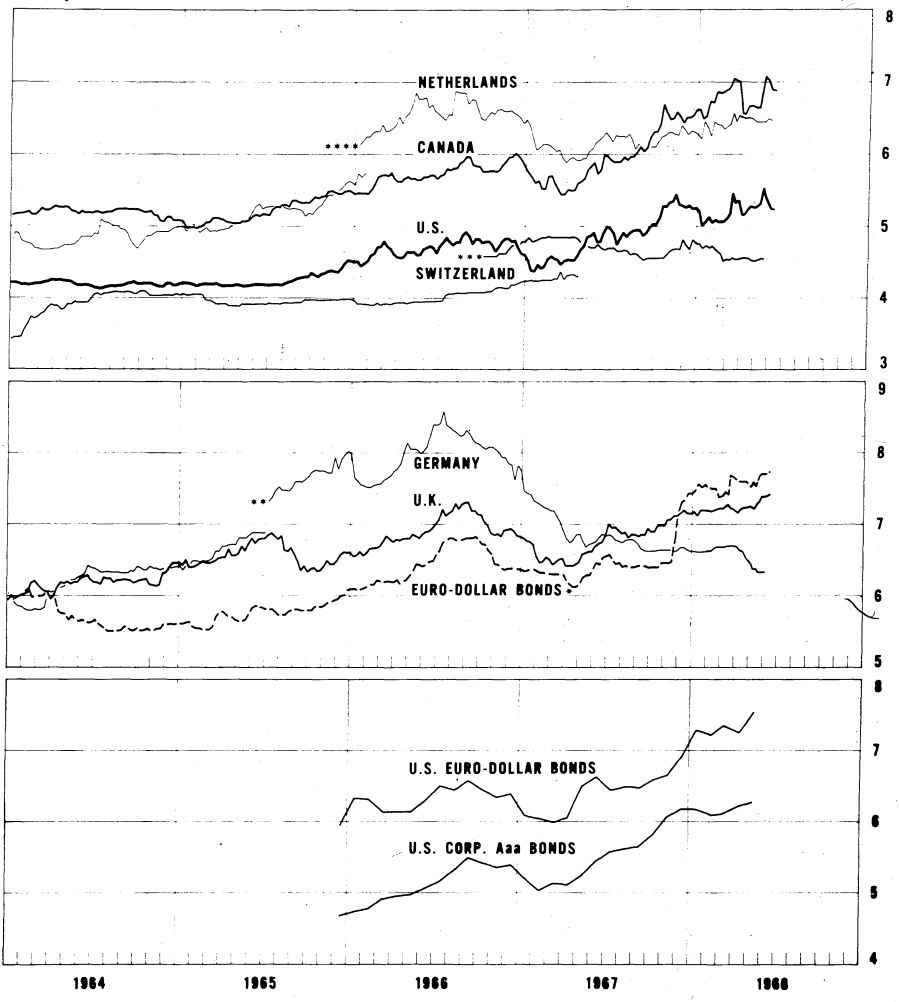
Chart 7

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

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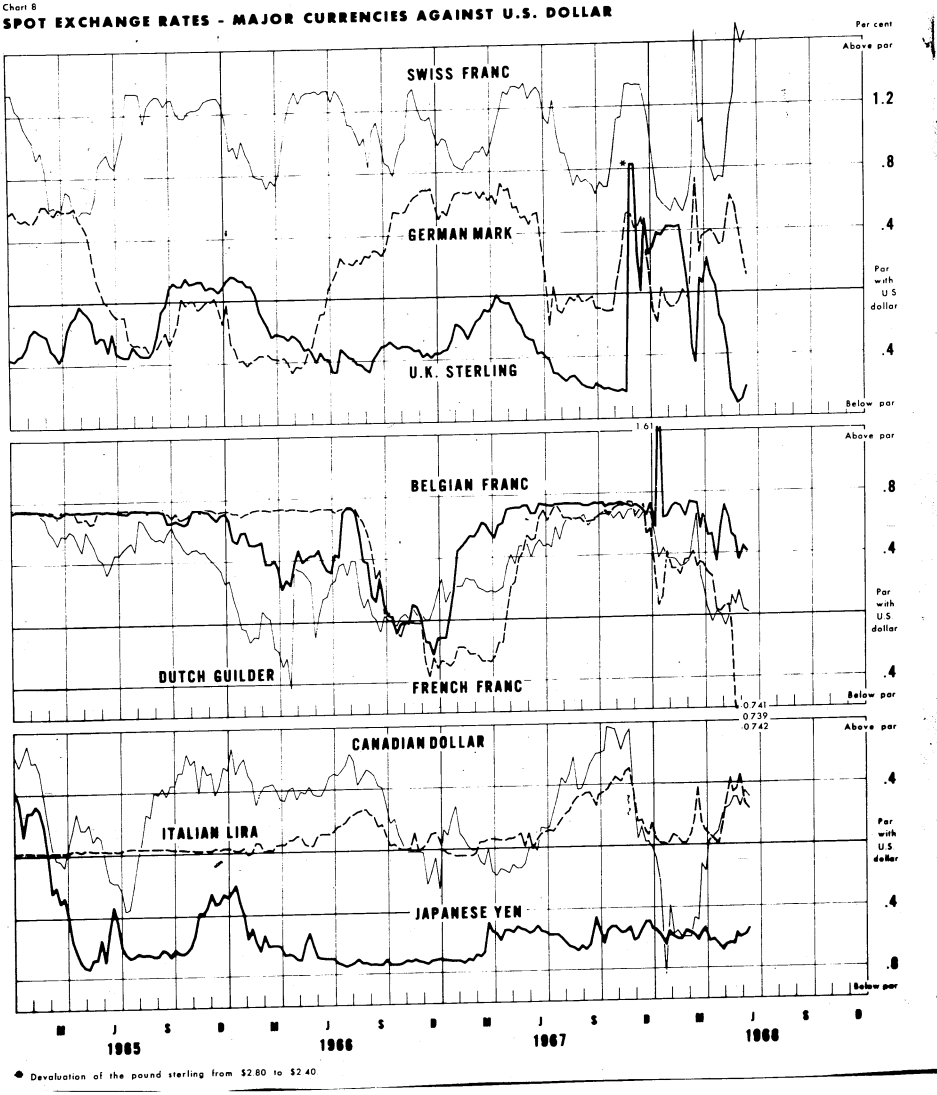
Chart 8

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



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

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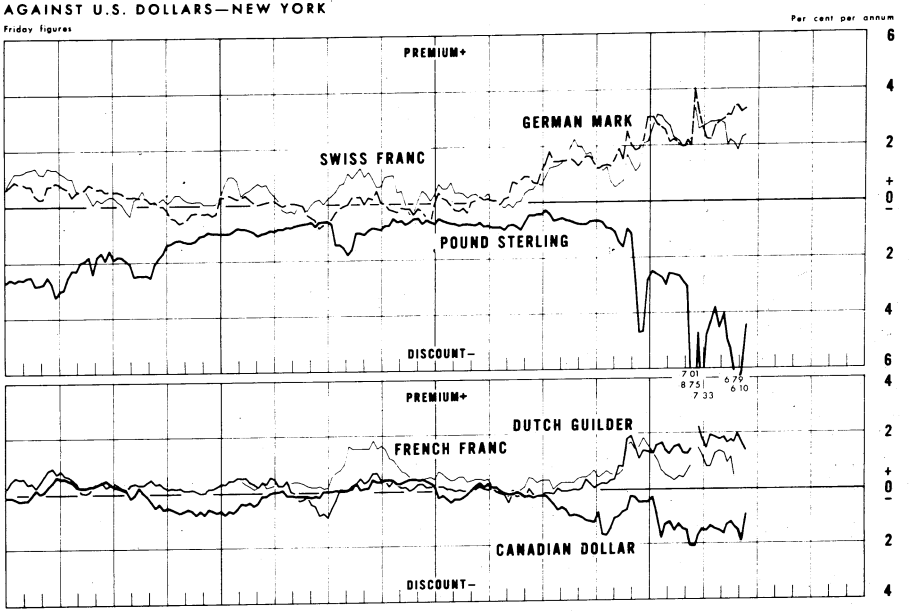
Chart 9

3-MONTH FORWARD EXCHANGE RATES

AGAINST U.S. DOLLARS—NEW YORK

Friday figures



AGAINST POUND STERLING—LONDON

Friday figures

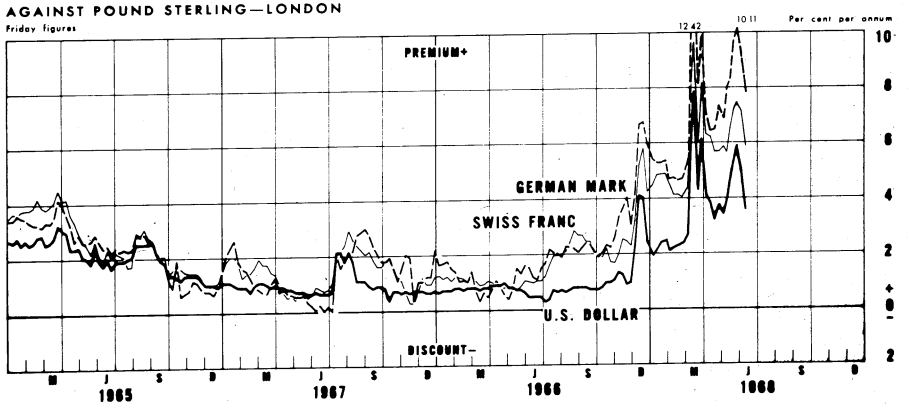


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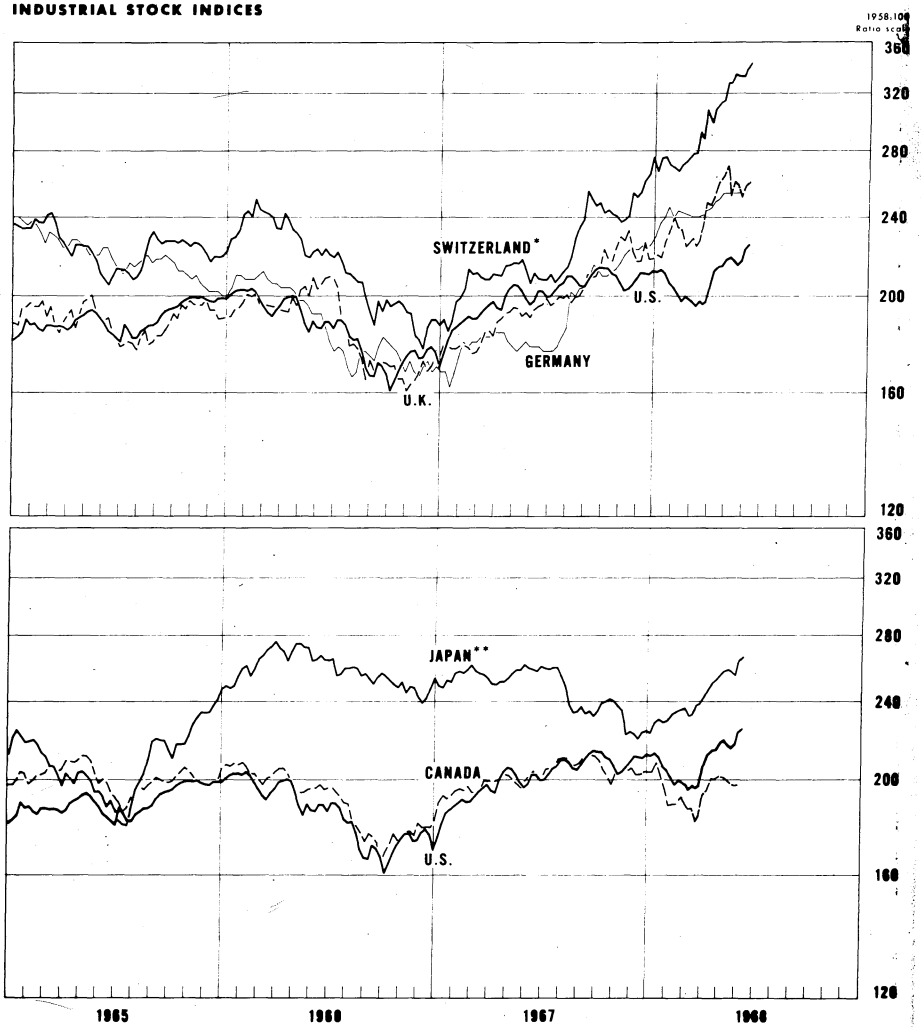
Chart 10

INDUSTRIAL STOCK INDICES



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

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H.13
No. 355

June 19, 1968.

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

Chart 1

Upper Panels (Wednesday, June 12)

Euro-$ deposit	6.68
U.S. certif. of deposit	6.10

Lower Panels (Wednesday, June 12)

Call Euro-$ deposit	6.23
Federal Funds	6.20

Chart 2

(Friday, June 14)

Upper Panel - Euro-$ deposits:

Call	6.25	90-day	6.88
30-day	6.81	180-day	6.94

Middle Panel

Hire-purchase paper	2.74
Euro-$ deposit	6.81

Lower Panel

Local-authority deposit	2.31
Euro-$ deposit	6.81

Chart 3

I. Upper panel (Period: June 8-15)

Interbank Loan (mid-point)	3.72
Euro-$ deposits (average)	3.61

Lower Panel (date May 15)

Zurich 3-month deposit	3.25
Euro-$ rate (covered)	4.51

II. Price of gold (Friday, June 14) 41.41

Chart 4

(Friday, June 14)

Treasury bills: Canada	6.57
U.S.	5.64
Spread favor Canada	+0.93
Forward Canadian dollar	-0.91
Net incentive (Canada +)	+0.02
Canadian Finance paper	7.12

Chart 5

(Friday, June 14)

Treasury bills: U.K.	7.00
U.S.	5.64
Spread favor U.K.	+1.36
U.K. local authority deposit	8.06

Chart 6

(Friday, June 14)

Treasury bills: U.S.	5.64
U.K.	7.00
Canada	6.57
Interbank loan rate (German) (June 8-15)	3.72
Euro-$ deposit (London)	6.88
Zurich 3-month deposit (Date: May 15)	3.25
Japan Composite rate (Date: April 30)	7.52

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Chart 7

U.S. Gov't. (Wed., June 12) 5.22

U.K. War Loan (Thurs., June 13) 7.43

German Fed. (Fri., June 14) N.A.

Swiss Confed. (Fri., May 24) 4.54

Canadian Gov't. (Wed., June 12) 6.88

Netherlands Gov't.
May 31 6.49
(Friday, June 7) 6.46

Euro-$ bonds (Fri., June 14) 7.74

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

U.S. Corporate Aaa (May 31) 6.27

Chart 8

(Friday, June 14)

Swiss francs +1.66 Dutch Glds. +0.02

German marks +0.10 Can. $ +0.30

U.K. £ Ster. -0.60 It. Lire +0.22

Belgian francs +0.44 Jap. Yens -0.54

French francs -0.74

Chart 9

(Friday, June 14)

Against U.S. dollars:

Swiss francs +2.37 Dutch Glds. +1.38

German marks +3.31 Fr. Francs N.A.

£ Sterling -4.45 Can. $ -0.91

Against pound sterling:

Swiss francs +5.88 Ger. marks +7.82

U.S. dollars +3.57

Chart 10

U.S. (June 14)	225.3
Japan (June 14)	266.5
U.K. (Fri., June 14)	260.4
Switzerland (Fri., June 14)	343.1
Germany (May 31)	253.4
Canada (June 6)	197.9

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

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