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NOT FOR PUBLICATION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
NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS
3-MONTH DOLLAR DEPOSIT RATES

Wednesday figures

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

1965 1966 1967 1968
LONDON: YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS
EURO-DOLLAR DEPOSIT RATES
Friday figures

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis
Chart 28
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>Hire Purchase</th>
<th>Euro-Dollar Deposit</th>
<th>Local Authority Deposit</th>
<th>Differential</th>
</tr>
</thead>
<tbody>
<tr>
<td>1965</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1966</td>
<td></td>
<td></td>
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<tr>
<td>1967</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>1968</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** Figures are per cent per annum.
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

Differential Favor Euro-Dollar

Zurich Deposit Rate vs. London Euro-Dollar Rate (Covered)

In terms of Swiss Francs

Swiss Deposit Rate

Differential Favor Zurich

Differential Favor Euro-Dollar

Price of Gold in London

U.S. dollar equivalent per fine ounce

- Market closed March 15-April 1, 1966
Chart 4
INTEREST ARBITRAGE, UNITED STATES / CANADA
Friday figures

3-MONTH TREASURY BILL RATES

BILL RATE DIFFERENTIAL AND FORWARD CANADIAN DOLLAR

3-MONTH COVERED RATE DIFFERENTIALS (NET INCENTIVES)
Chart 5A
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

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Federal Reserve Bank of St. Louis
Chart 58
INTEREST ARBITRAGE, NEW YORK/LONDON

RATE DIFFERENTIAL AND 3-MONTH FORWARD STERLING

SPREAD IN FAVOR OF LONDON

FORWARD RATE

IN FAVOR OF LONDON

IN FAVOR OF NEW YORK

RATE DIFFERENTIAL WITH FORWARD EXCHANGE COVER (NET INCENTIVE)

1965 1966 1967 1968
Chart 6
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.
**LONG-TERM BOND YIELDS**

Weekly figures

- **NETHERLANDS**
- **CANADA**
- **U.S.**
- **SWITZERLAND**

- **GERMANY**
- **U.K.**

**EURO DOLLAR BONDS**

- **U.S. EURO-DOLLAR BONDS**
- **U.S. CORP. Aaa BONDS**

*Average of yields for four foreign government dollar bonds quoted in London.*

- **New series for Germany starts 7.7.65**
- **New series for Switzerland starts 3.3.67**
- **New series for Netherlands starts 1.7.66**

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Federal Reserve Bank of St. Louis
SPOT EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.S. DOLLAR

- Swiss Franc
- German Mark
- U.K. Sterling
- Belgian Franc
- French Franc
- Dutch Guilder
- Canadian Dollar
- Italian Lira
- Japanese Yen

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

Source: Federal Reserve Bank of St. Louis
Chart 10

INDUSTRIAL STOCK INDICES


120 160 200 240 280 320 360

SWITZERLAND

GERMANY

U.S.

V.K.

JAPAN

CANADA

U.S.

• 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**

<table>
<thead>
<tr>
<th>Upper Panels (Wednesday, July 3)</th>
<th>Chart 4 (Friday, July 5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Euro-$ deposit</td>
<td>Treasury bills: Canada</td>
</tr>
<tr>
<td></td>
<td>6.31</td>
</tr>
<tr>
<td>U.S. certif. of deposit</td>
<td>U.S.</td>
</tr>
<tr>
<td></td>
<td>5.35</td>
</tr>
<tr>
<td><strong>Lower Panels (Wednesday, July 3)</strong></td>
<td>Spread favor Canada</td>
</tr>
<tr>
<td>Call Euro-$ deposit</td>
<td>+0.96</td>
</tr>
<tr>
<td>Federal Funds</td>
<td>Forward Canadian dollar</td>
</tr>
<tr>
<td></td>
<td>-1.01</td>
</tr>
<tr>
<td></td>
<td>Net incentive (Canada +)</td>
</tr>
<tr>
<td></td>
<td>-0.05</td>
</tr>
<tr>
<td></td>
<td>Canadian Finance paper</td>
</tr>
<tr>
<td></td>
<td>n.a.</td>
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</tbody>
</table>

**Chart 2**

<table>
<thead>
<tr>
<th>Upper Panel - Euro-$ deposits:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Call 6.38 50-day 6.68 180-day 6.94</td>
</tr>
<tr>
<td>Middle Panel (June 28)</td>
</tr>
<tr>
<td>Hire-purchase paper 3.21</td>
</tr>
<tr>
<td>Euro-$ deposit 6.88</td>
</tr>
</tbody>
</table>

**Chart 3**

<table>
<thead>
<tr>
<th>I. Upper panel (Period: July 1-7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interbank Loan (mid-point) 3.62</td>
</tr>
<tr>
<td>Euro-$ deposits (average) 3.41</td>
</tr>
<tr>
<td><strong>Lower Panel (date May 15)</strong></td>
</tr>
<tr>
<td>Zurich 3-month deposit 3.25</td>
</tr>
<tr>
<td>Euro-$ rate (covered) (July 7) 4.09</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>II. Price of gold (Friday, July 5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>40.98</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chart 5 (Friday, July 5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury bills: U.K.</td>
</tr>
<tr>
<td>7.03</td>
</tr>
<tr>
<td>U.S.</td>
</tr>
<tr>
<td>5.35</td>
</tr>
<tr>
<td>Spread favor U.K.</td>
</tr>
<tr>
<td>+1.68</td>
</tr>
<tr>
<td>U.K. local authority deposit 8.25</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chart 6 (Friday, July 5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury bills: U.S.</td>
</tr>
<tr>
<td>5.35</td>
</tr>
<tr>
<td>U.K.</td>
</tr>
<tr>
<td>7.03</td>
</tr>
<tr>
<td>Canada</td>
</tr>
<tr>
<td>6.31</td>
</tr>
<tr>
<td>Interbank loan rate (German) (July 1-7) 3.62</td>
</tr>
<tr>
<td>Euro-$ deposit (London) 6.68</td>
</tr>
<tr>
<td>Zurich 3-month deposit (Date: May 15) 3.25</td>
</tr>
<tr>
<td>Japan Composite rate (Date: April 26) 7.52</td>
</tr>
</tbody>
</table>
Chart 7

U.S. Gov't. (Wed., July 3)  5.12
U.K. War Loan (Thurs., July 4)  7.77
German Fed. (Fri., July 5)  6.33
Swiss Confed. (Fri., June 14)  4.54
Canadian Gov't. (Wed., July 3)  6.73
Netherlands Gov't. (Fri., June 21)  6.55
Euro-$ bonds (Fri., July 5)  7.81
U.S. Euro-bonds (June 30)  7.57
U.S. Corporate Aaa (June 30)  6.28

Chart 8

(Friday, July 5)
Swiss francs +1.80 British Gld. +0.09
German marks -0.02 Can. $ +0.67
U.K. £ Sterling -0.73 It. Lire +0.39
Belgian francs +0.06 Jap. Yen -0.36
French francs -0.74

Chart 9

(Friday, July 5)
Against U.S. dollars:
Swiss francs +2.59 Dutch Gld. +1.16
German marks +3.37 Fr. Francs -9.88
£ Sterling -5.56 Can. $ -1.14

Against pound sterling:
Swiss francs +6.87 Ger. marks +8.92
U.S. dollars +4.83

Chart 10

U.S. (July 5) 221.0
Japan (July 5) 270.4
U.K. (Fri., July 5) 269.8
Switzerland (Fri., July 5) 350.2
Germany (June 30) 267.0
Canada (June 27) 205.7

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

*May 31  4.54
       June 7  4.56