

H. 13
No. 358

July 10, 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

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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
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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NOT FOR PUBLICATION

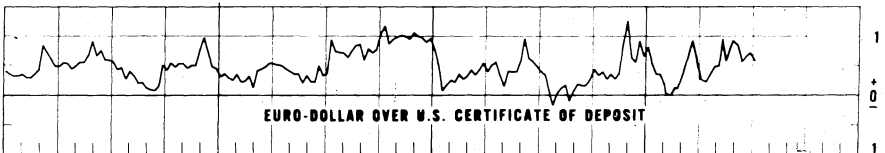
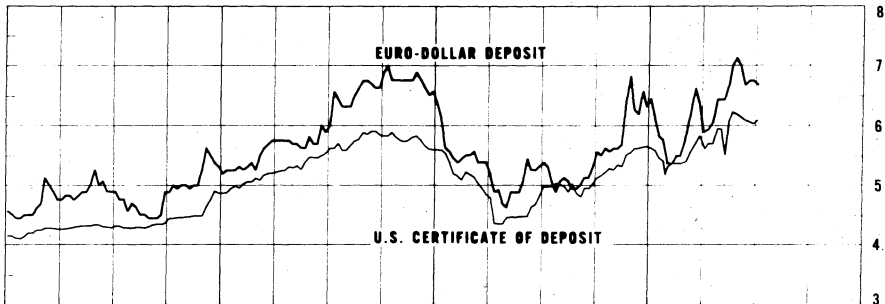
DECONTROLLED AFTER SIX MONTHS

Chart 1

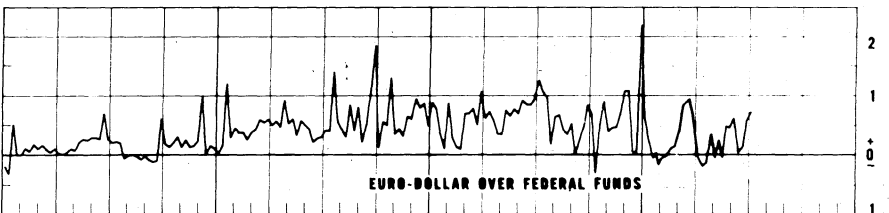
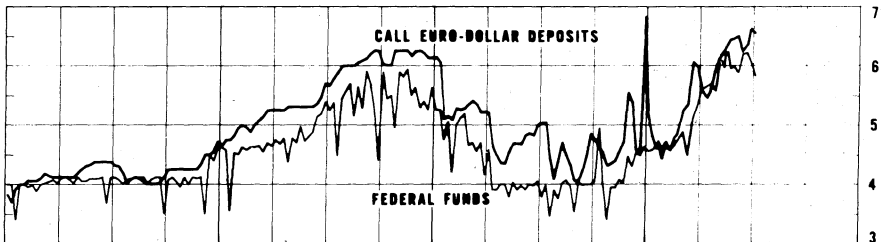
NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS 3-MONTH DOLLAR DEPOSIT RATES

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.
 1985 1986 1987 1988

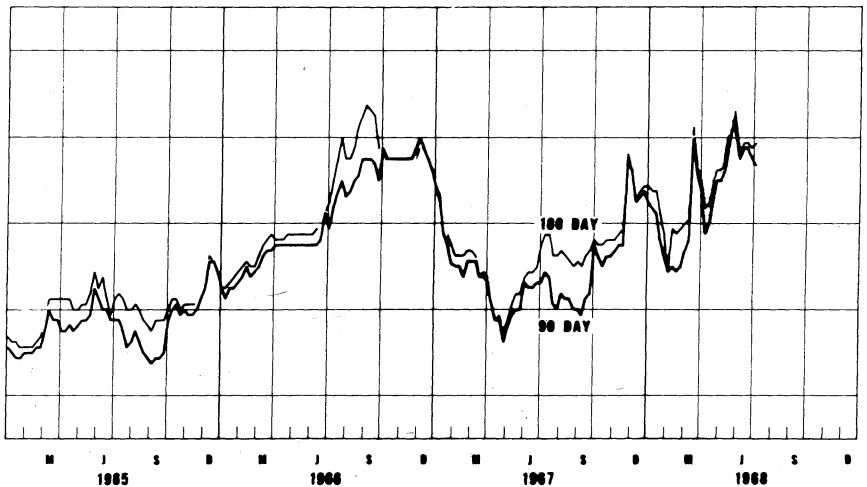
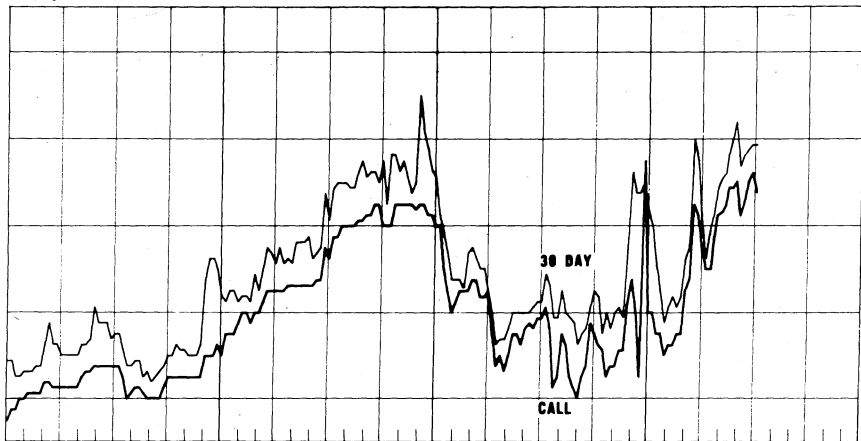
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Chart 2A

**LONDON: YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS
EURO-DOLLAR DEPOSIT RATES**

Friday figures

Per cent per annum

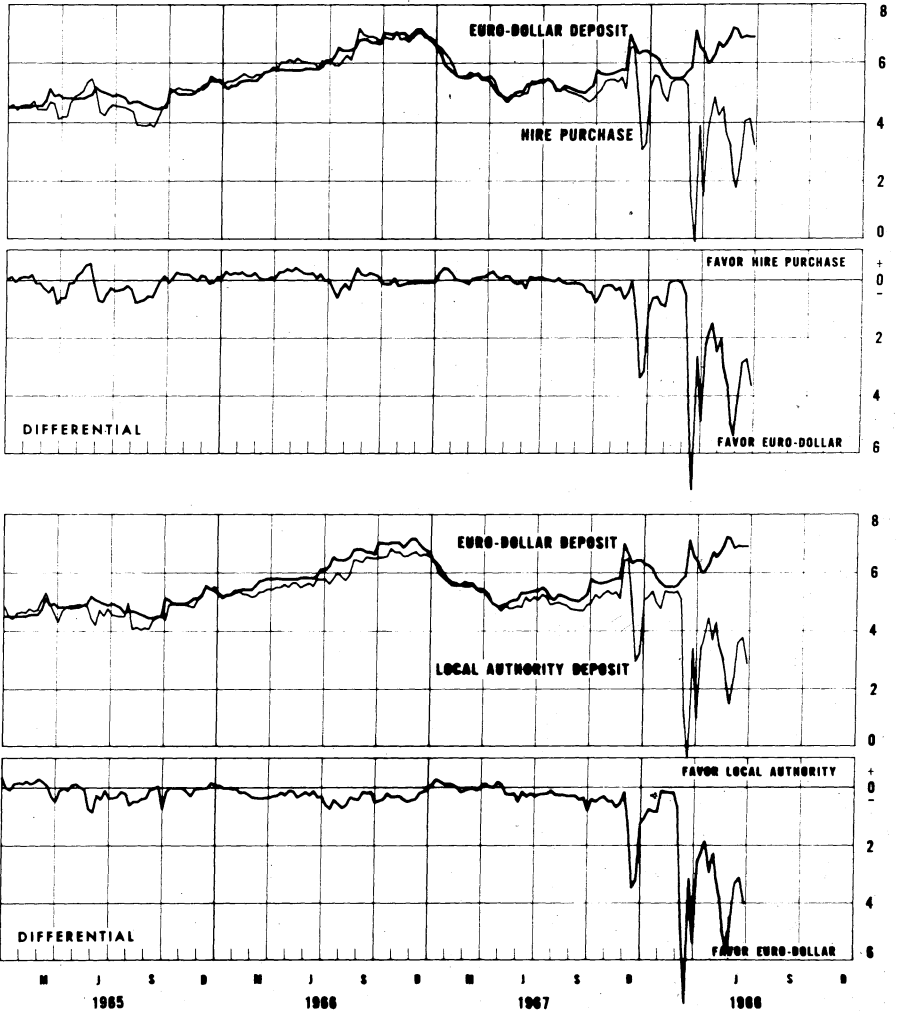


LONDON: YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS

HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

Friday figures

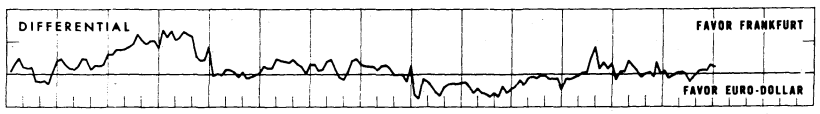
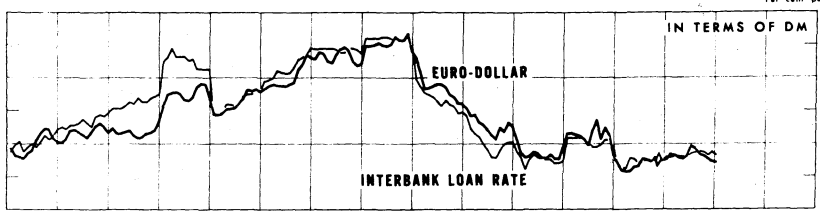
Per cent per annum



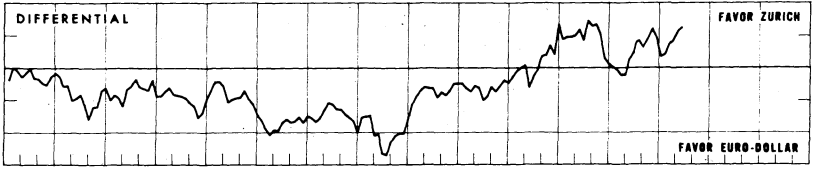
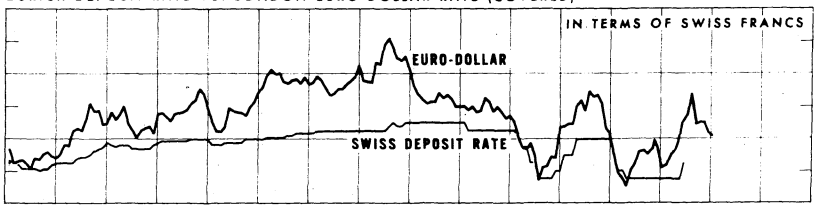
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Chart 3

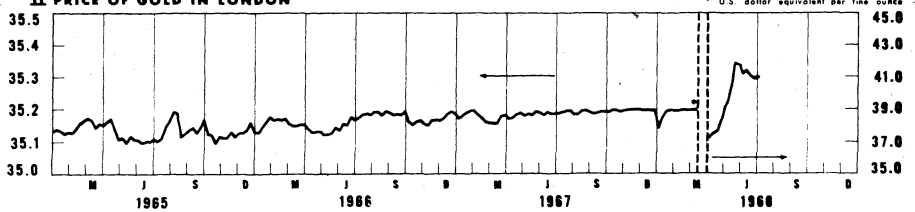
I INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON
FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE (COVERED)



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



II PRICE OF GOLD IN LONDON



• Market closed March 15-April 1, 1968

Chart 4

INTEREST ARBITRAGE, UNITED STATES / CANADA

Friday figures

Per cent per annum

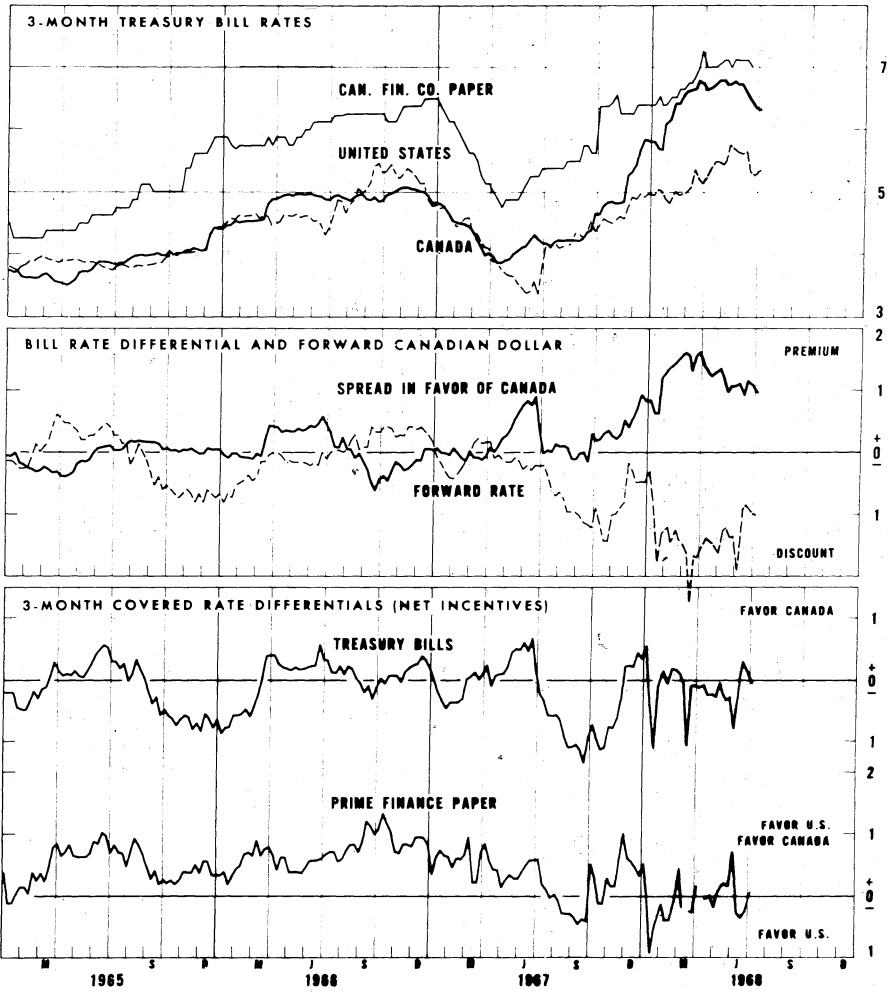
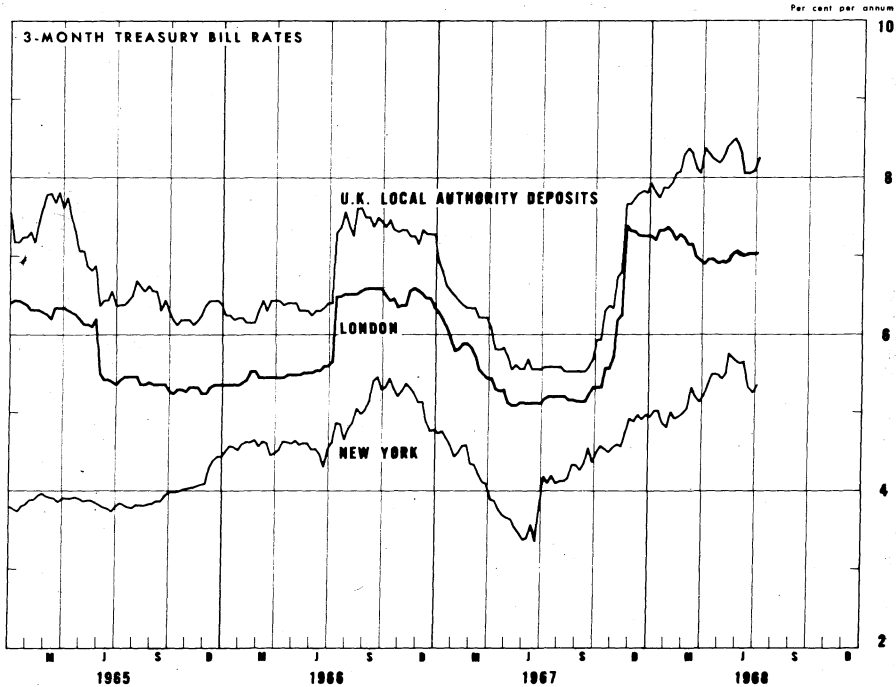
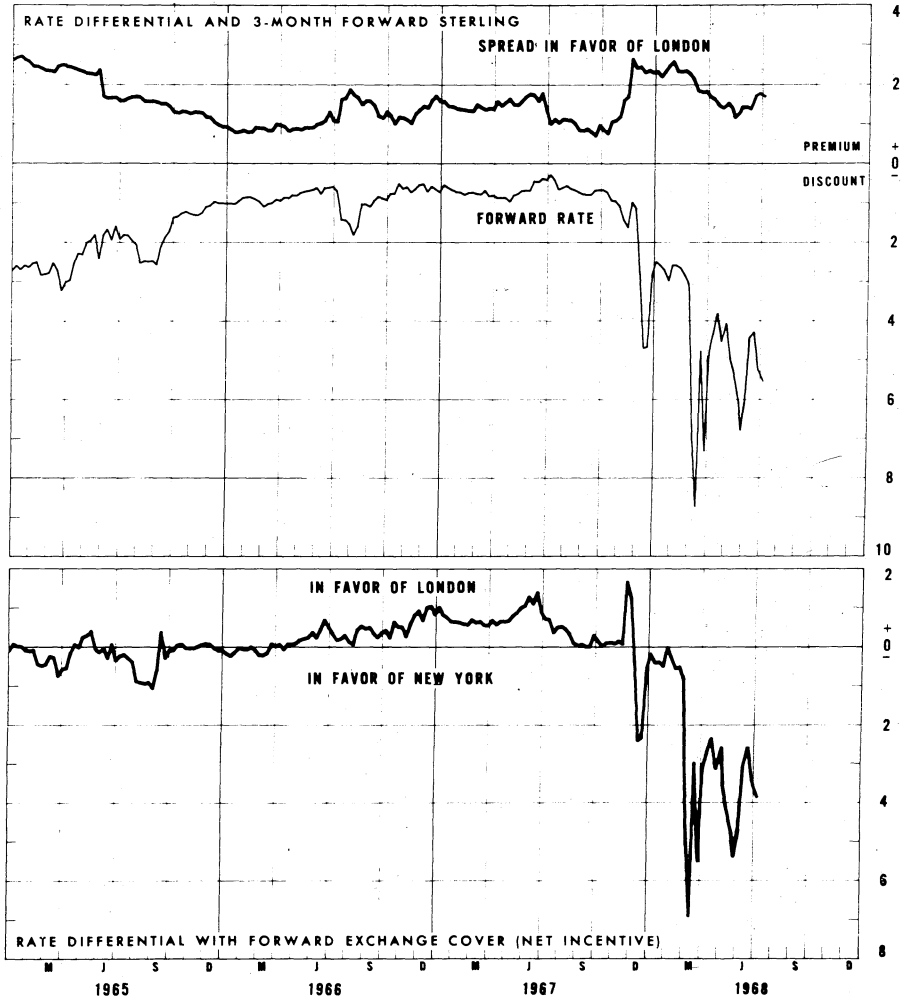


Chart 5A
INTEREST ARBITRAGE, NEW YORK/LONDON



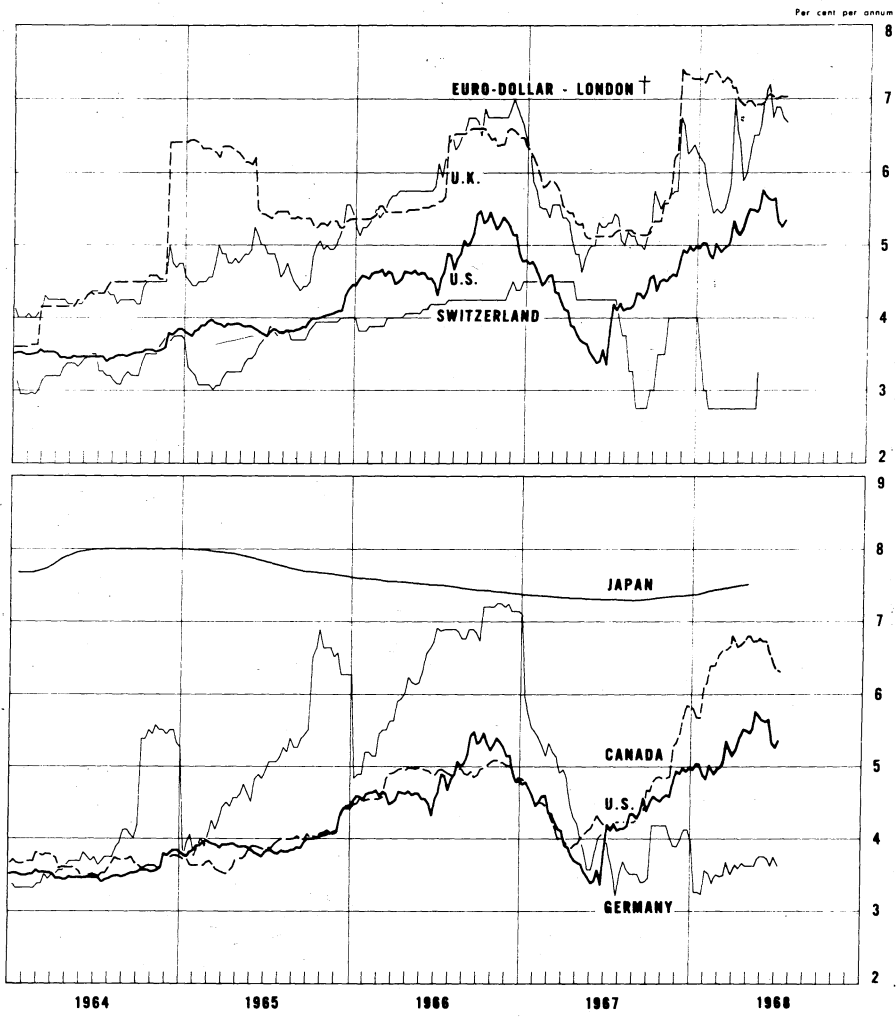
INTEREST ARBITRAGE, NEW YORK/LONDON

Per cent per annum



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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)

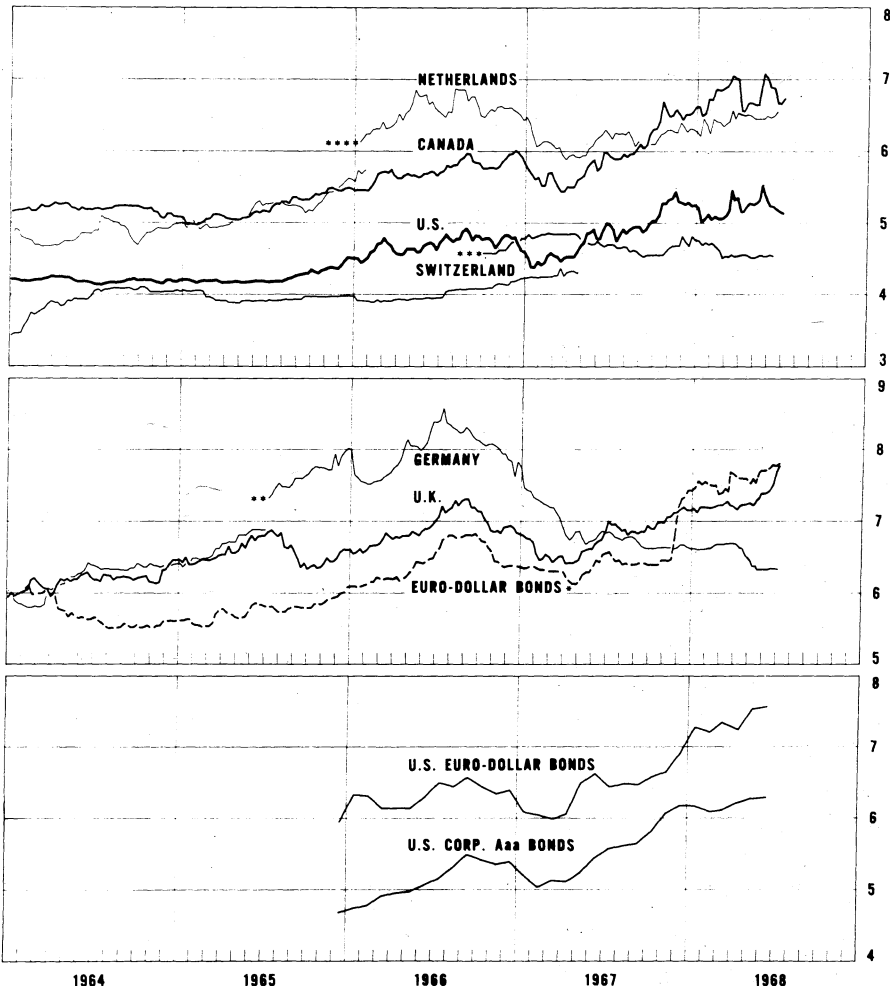
† 3-month rate for U.S. dollar deposits in London.

Chart 7

LONG-TERM BOND YIELDS

Weekly figures

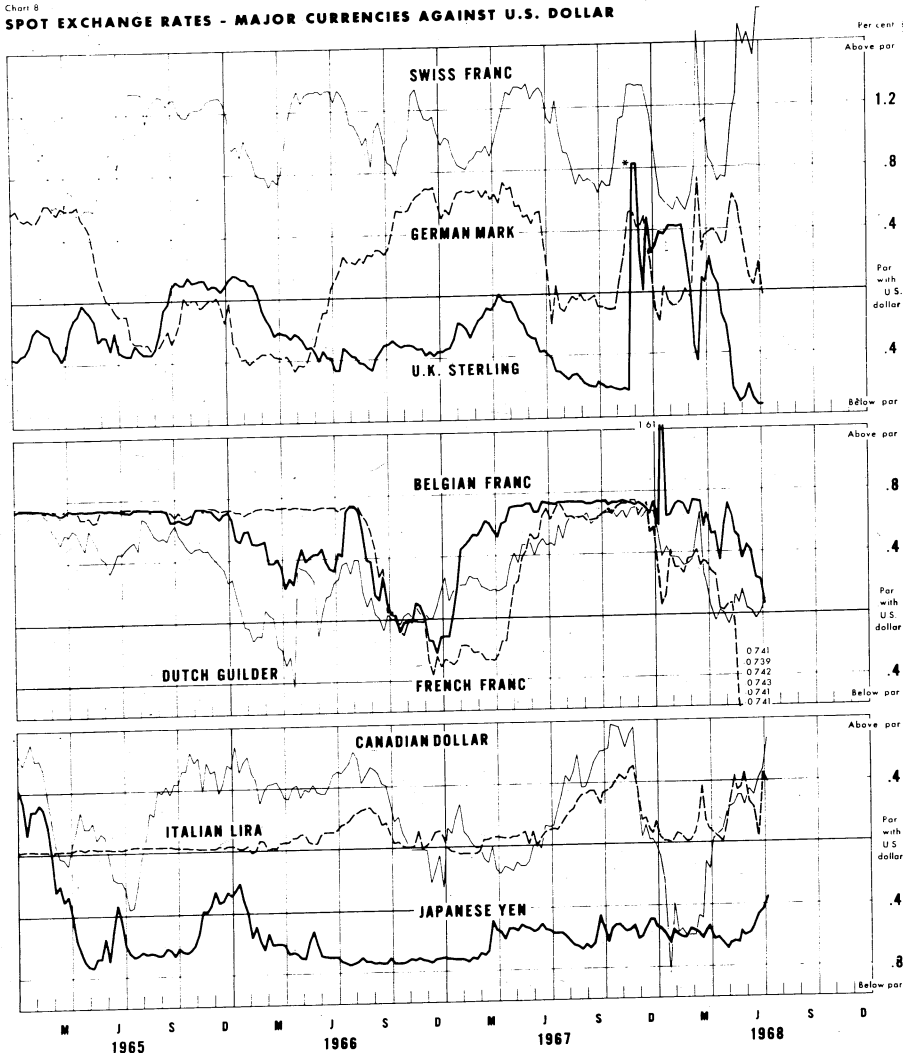
Per cent per annum



- 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

Chart 8

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



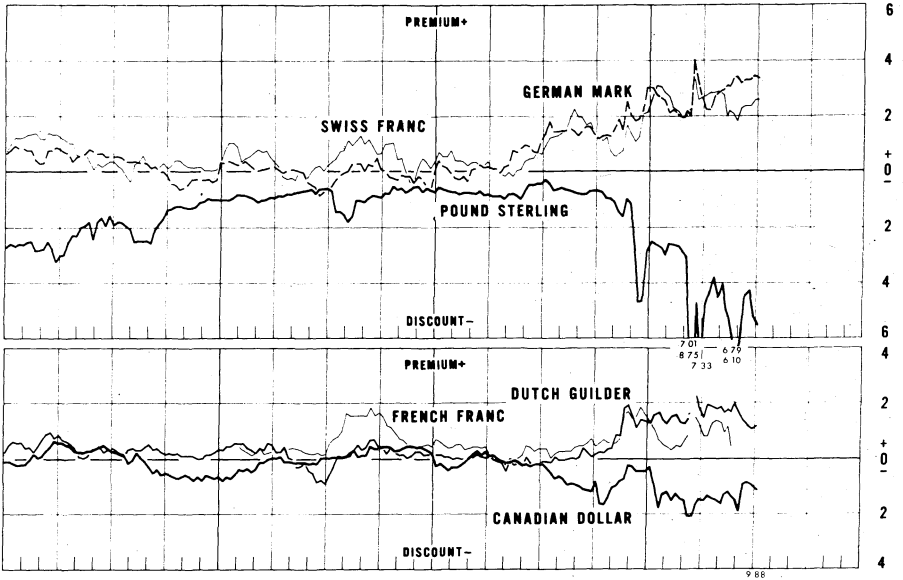
* Devaluation of the pound sterling from \$2.80 to \$2.40

Chart 9

3-MONTH FORWARD EXCHANGE RATES AGAINST U.S. DOLLARS—NEW YORK

Friday figures

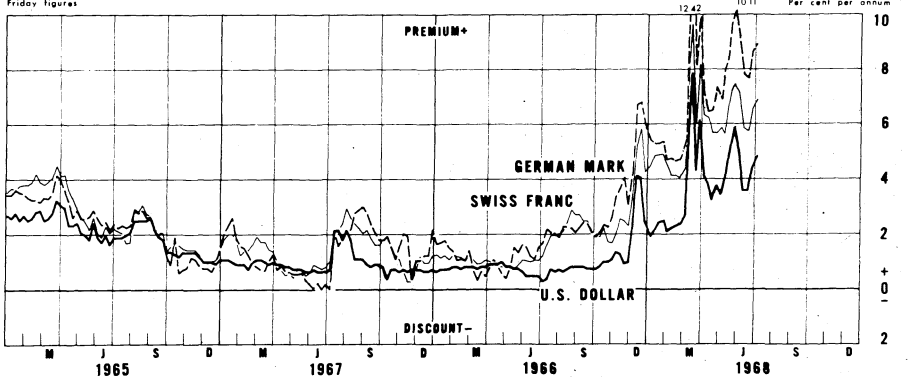
Per cent per annum



AGAINST POUND STERLING—LONDON

Friday figures

Per cent per annum

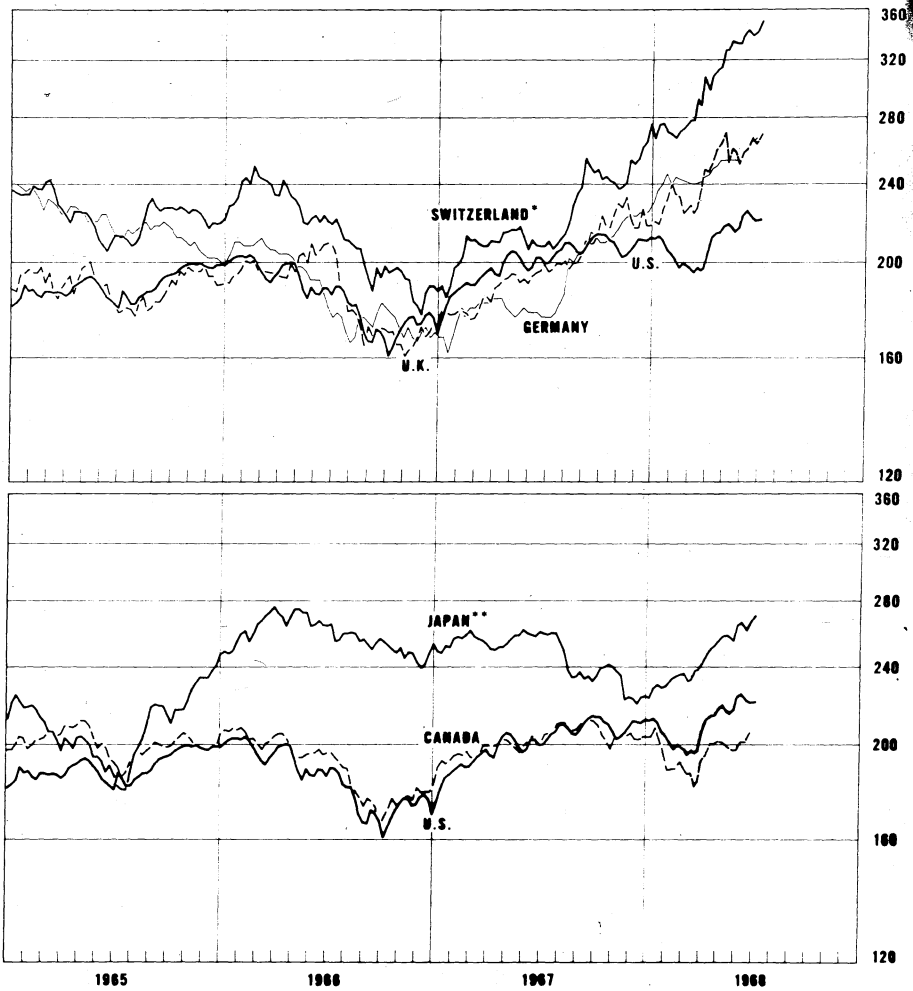


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Chart 10

INDUSTRIAL STOCK INDICES

1958=100
Ratio scale



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

H.13
No. 358

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July 10, 1968.

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

<u>Chart 1</u> (Wednesday, <u>July 3</u>)		<u>Chart 4</u> (Friday, <u>July 5</u>)	
Upper Panels		Treasury bills: Canada	<u>6.31</u>
Euro-\$ deposit	<u>6.68</u>	U.S.	<u>5.35</u>
U.S. certif. of deposit	<u>6.10</u>	Spread favor Canada	<u>+0.96</u>
<u>Lower Panels</u> (Wednesday, <u>July 3</u>)		Forward Canadian dollar	<u>-1.01</u>
Call Euro-\$ deposit	<u>6.55</u>	Net incentive (Canada +)	<u>-0.05</u>
Federal Funds	<u>5.82</u>	Canadian Finance paper	<u>n.a.</u>
	<u>Chart 2</u> (Friday, <u>July 5</u>)	<u>Chart 5</u> (Friday, <u>July 5</u>)	
Upper Panel - Euro-\$ deposits:		Treasury bills: U.K.	<u>7.03</u>
Call <u>6.38</u>	90-day <u>6.68</u>	U.S.	<u>5.35</u>
30-day <u>6.94</u>	180-day <u>6.94</u>	Spread favor U.K.	<u>+1.68</u>
<u>Middle Panel</u> (<u>June 28</u>)		U.K. local authority deposit	<u>8.25</u>
Hire-purchase paper	<u>3.21</u>	<u>Chart 6</u> (Friday, <u>July 5</u>)	
Euro-\$ deposit	<u>6.88</u>	Treasury bills: U.S.	<u>5.35</u>
<u>Lower Panel</u> (<u>June 28</u>)		U.K.	<u>7.03</u>
Local-authority deposit	<u>2.84</u>	Canada	<u>6.31</u>
Euro-\$ deposit	<u>6.88</u>	Interbank loan rate (German) (<u>July 1-7</u>)	<u>3.62</u>
	<u>Chart 3</u> (Period: <u>July 1-7</u>)	Euro-\$ deposit (London)	<u>6.68</u>
I. <u>Upper panel</u> (Period: <u>July 1-7</u>)		Zurich 3-month deposit (Date: <u>May 15</u>)	<u>3.25</u>
Interbank Loan (mid-point)	<u>3.62</u>	Japan Composite rate (Date: <u>April 26</u>)	<u>7.52</u>
Euro-\$ deposits (average)	<u>3.41</u>		
<u>Lower Panel</u> (date <u>May 15</u>)			
Zurich 3-month deposit	<u>3.25</u>		
Euro-\$ rate (covered) (July 7)	<u>4.09</u>		
II. <u>Price of gold</u> <u>40.98</u> (Friday, <u>July 5</u>)			

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.

(Friday, 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 Dutch Glds. +0.09

German marks -0.02 Can. \$ +0.67

U.K. £ Ster. -0.73 It. Lire +0.39

Belgian francs +0.06 Jap. Yens -0.36

French francs -0.74

Chart 9

(Friday, July 5)

Against U.S. dollars:

Swiss francs +2.59 Dutch Glds. +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