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NOT FOR PUBLICATION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 2A
LONDON: YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS
EURO-DOLLAR DEPOSIT RATES
Friday figures

<table>
<thead>
<tr>
<th>Year</th>
<th>1965</th>
<th>1966</th>
<th>1967</th>
<th>1968</th>
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<tbody>
<tr>
<td>30 DAY</td>
<td></td>
<td></td>
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<tr>
<td>90 DAY</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>100 DAY</td>
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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

HIRE PURCHASE

EURO-DOLLAR DEPOSIT

FAVOR HIRE PURCHASE

DIFFERENTIAL

FAVOR EURO-DOLLAR

EURO-DOLLAR DEPOSIT

LOCAL AUTHORITY DEPOSIT

FAVOR LOCAL AUTHORITY

DIFFERENTIAL

FAVOR EURO-DOLLAR

1965 1966 1967 1968
Chart 3

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

IN TERMS OF DM

EURO-DOLLAR
INTERBANK LOAN RATE
DIFFERENTIAL
FAVOR FRANKFURT
FAVOR EURO-DOLLAR

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

IN TERMS OF SWISS FRANCS
EURO-DOLLAR
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

1965
1966
1967
1968
1969

Market closed March 15-April 1, 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 PREMIUM

SPREAD IN FAVOR OF CANADA
FORWARD RATE
DISCOUNT

3-MONTH COVERED RATE DIFFERENTIALS (NET INCENTIVES)

FAVOR CANADA

TREASURY BILLS
PRIME FINANCE PAPER

FAVOR U.S.
FAVOR CANADA
FAVOR U.S.
Chart 5A:
INTEREST ARBITRAGE, NEW YORK/LONDON

3-MONTH TREASURY BILL RATES

U.K. LOCAL AUTHORITY DEPOSITS
LONDON
NEW YORK

Per cent per annum
Chart 58
INTEREST ARBITRAGE, NEW YORK/LONDON

RATE DIFFERENTIAL AND 3-MONTH FORWARD STERLING SPREAD IN FAVOR OF LONDON

PREMIUM

DISCOUNT

FORWARD RATE

IN FAVOR OF LONDON

IN FAVOR OF NEW YORK

RATE DIFFERENTIAL WITH FORWARD EXCHANGE COVER (NET INCENTIVE)
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. Germany: Interbank Loan Rate
† 3 month rate for U.S. dollar deposits in London
LONG-TERM BOND YIELDS

Weekly figures

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<td>NETHERLANDS</td>
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<td>CANADA</td>
<td></td>
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<td>U.S.</td>
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<td>SWITZERLAND</td>
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<td></td>
<td></td>
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<tr>
<td>U.K.</td>
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<tr>
<td>EURO-DOLLAR BONDS</td>
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<td>U.S. EUI</td>
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<tr>
<td>U.S. CORP. Aaa BONDS</td>
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</tr>
</tbody>
</table>

- Average of yields for four foreign government dollar bonds quoted in London.
- New series for Germany starts 7.965.
- New series for Switzerland starts 3.367.
- New series for Netherlands starts 1.7.66.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis
* 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

AGAINST U.S. DOLLARS—NEW YORK

AGAINST POUND STERLING—LONDON
Friday figures
Chart 10
INDUSTRIAL STOCK INDICES

1965 1966 1967 1968

- 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, July 31)
- Euro-$ deposit (July 24) 6.12%
- Euro-$ deposit (July 31) 6.25%
- U.S. certif. of deposit 5.88%

Lower Panels (Wednesday, July 31)
- Call Euro-$ deposit 6.15%
- Federal Funds 6.02%

Chart 2
Upper Panel - Euro-$ deposits:
- Call 5.75%
- 30-day 6.12%
- 180-day 6.44%

Middle Panel
- Hire-purchase paper July 26 5.87%
- Euro-$ deposit July 26 6.25%

Lower Panel
- Local-authority deposit - July 26 5.81%
- Euro-$ deposit July 26 6.25%

Chart 3
I. Upper panel (Period: July 24-31)
- Interbank Loan (mid-point) 3.58%
- Euro-$ deposits (average) 3.42%

II. Price of gold (Friday, Aug. 2)

Chart 4
(Friday, Aug. 2)
- Treasury bills: Canada 5.82%
- U.S. 4.86%
- Spread favor Canada +0.96%
- Forward Canadian dollar -1.52%
- Net incentive (Canada +) -0.56%
- Canadian Finance paper n.a.

Chart 5
(Friday, Aug. 2)
- Treasury bills: U.K. 6.90%
- U.S. 4.86%
- Spread favor U.K. +2.04%
- U.K. local authority deposit n.a.

Chart 6
(Friday, Aug. 2)
- Treasury bills: U.S. 4.86%
- U.K. 6.90%
- Canada 5.82%
- Interbank loan rate (German) (July 24 - 31) 3.58%
- Euro-$ deposit (London) 6.06%
- Zurich 3-month deposit (Date: June 15) 3.75%
- Japan Composite rate (Date: May 31) 7.52%
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<thead>
<tr>
<th>Date</th>
<th>Currency/Instrument</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wed., July 31</td>
<td>U.S. Gov't.</td>
<td>5.03</td>
</tr>
<tr>
<td>Thurs., Aug. 1</td>
<td>U.K. War Loan</td>
<td>7.52</td>
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<tr>
<td>Fri., Aug. 2</td>
<td>German Fed.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Fri., July 19</td>
<td>Swiss Confed.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Wed., July 17</td>
<td>Canadian Gov't.</td>
<td>n.a.</td>
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<tr>
<td>Fri., July 26</td>
<td>Netherlands Gov't.</td>
<td>6.58</td>
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<tr>
<td>Fri., Aug. 2</td>
<td>Euro-$ bonds</td>
<td>7.62</td>
</tr>
<tr>
<td>June 30</td>
<td>U.S. Euro-bonds</td>
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<td>June 30</td>
<td>U.S. Corporate Aaa</td>
<td>6.28</td>
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</table>

**Chart 8**

<table>
<thead>
<tr>
<th>Date</th>
<th>Currency/Instrument</th>
<th>Rate</th>
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</thead>
<tbody>
<tr>
<td>Aug. 2</td>
<td>Swiss francs</td>
<td>+1.52</td>
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<td>Aug. 2</td>
<td>Dutch Glds.</td>
<td>-0.13</td>
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<td>Aug. 2</td>
<td>German marks</td>
<td>+2.70</td>
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<td>Aug. 2</td>
<td>Fr. Francs</td>
<td>-2.39</td>
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<tr>
<td>Aug. 2</td>
<td>£ Sterling</td>
<td>-2.08</td>
</tr>
<tr>
<td>Aug. 2</td>
<td>Can. $</td>
<td>-1.52</td>
</tr>
</tbody>
</table>

**Against U.S. dollars:**

- Swiss francs: +1.75
- Dutch Glds.: +1.47
- German marks: +2.70
- Fr. Francs: -2.39
- £ Sterling: -2.08
- Can. $: -1.52

**Against pound sterling:**

- Swiss francs: +3.31
- Ger. marks: +4.78
- U.S. dollars: +1.79

**Chart 10**

<table>
<thead>
<tr>
<th>Date</th>
<th>Currency/Instrument</th>
<th>Rate</th>
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<tbody>
<tr>
<td>Aug. 2</td>
<td>U.S. (</td>
<td>215.0</td>
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<tr>
<td>Aug. 2</td>
<td>Japan (</td>
<td>n.a.</td>
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<tr>
<td>Aug. 2</td>
<td>U.K. (</td>
<td>267.2</td>
</tr>
<tr>
<td>Aug. 2</td>
<td>Switzerland (</td>
<td>334.4</td>
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<tr>
<td>Aug. 2</td>
<td>Germany (</td>
<td>n.a.</td>
</tr>
<tr>
<td>July 18</td>
<td>Canada (</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

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