DIVISION OF INTERNATIONAL FINANCE

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

H. 13
No. 362

August 7, 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NOT FOR PUBLICATION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

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

3-MONTH DOLLAR DEPOSIT RATES

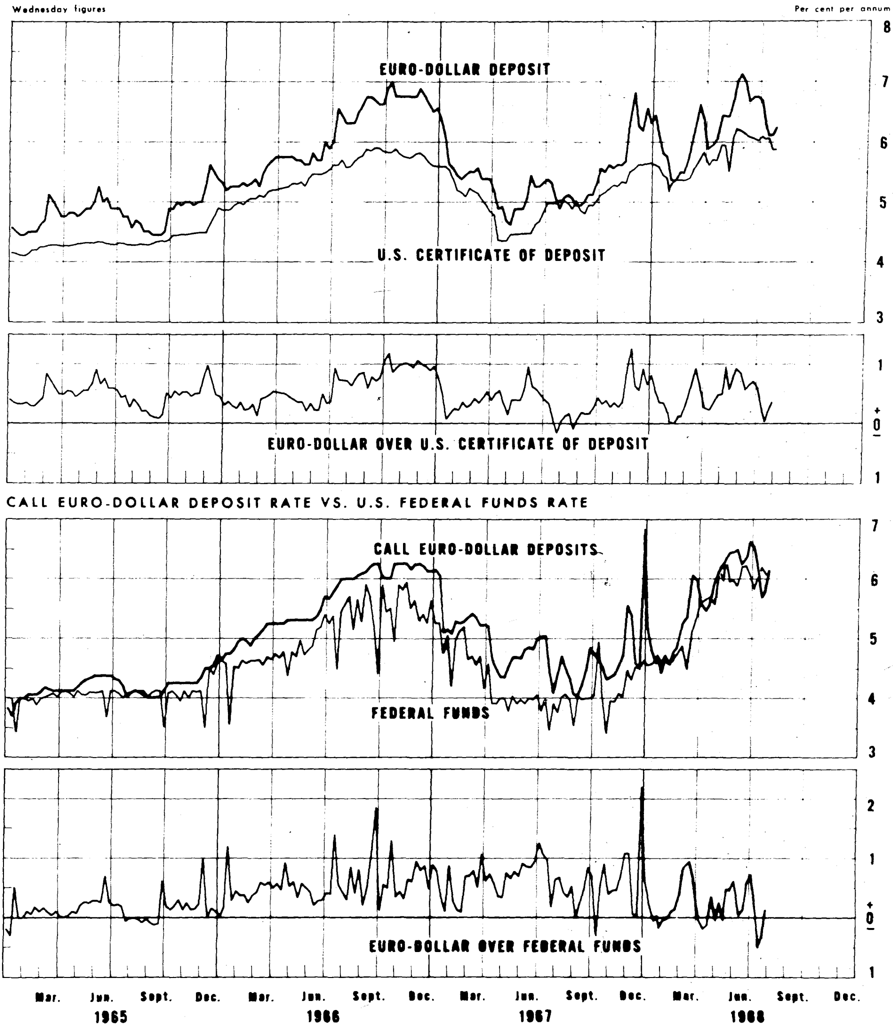

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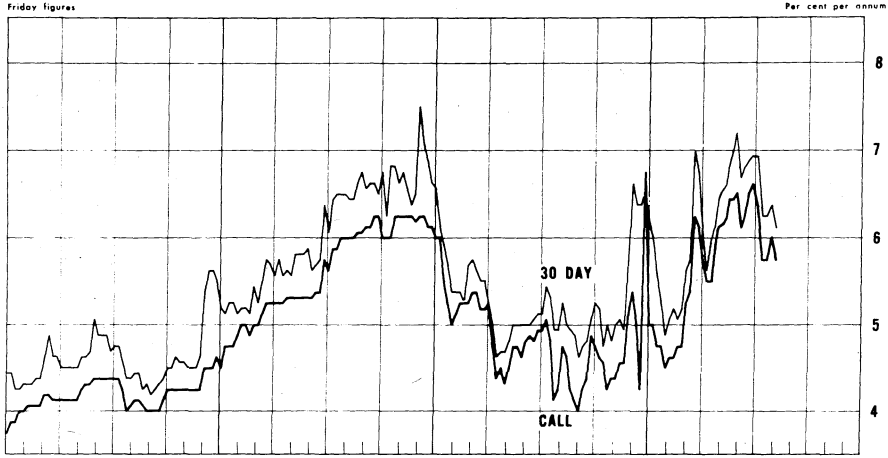
Chart 2A

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

EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum



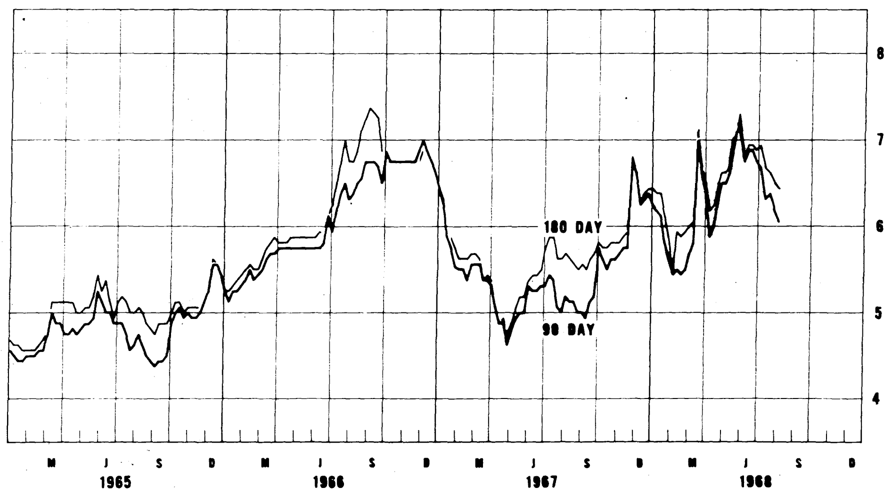


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Chart 2B

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

HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

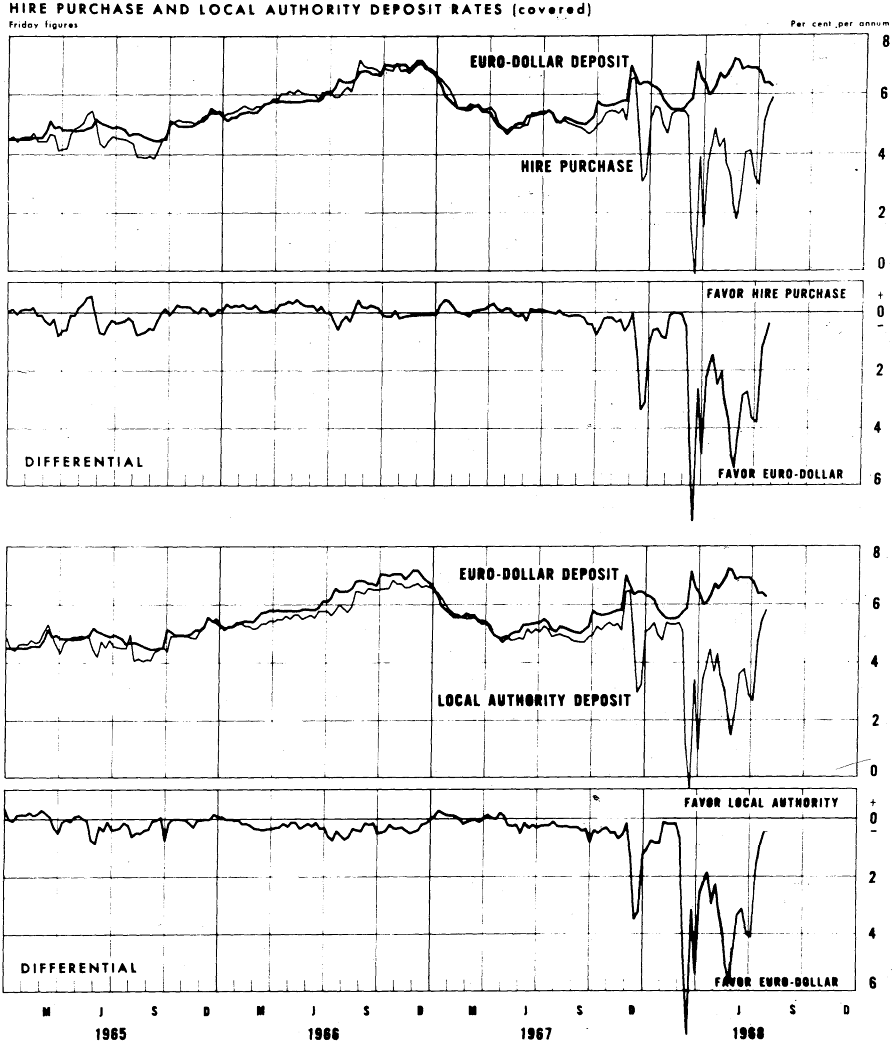

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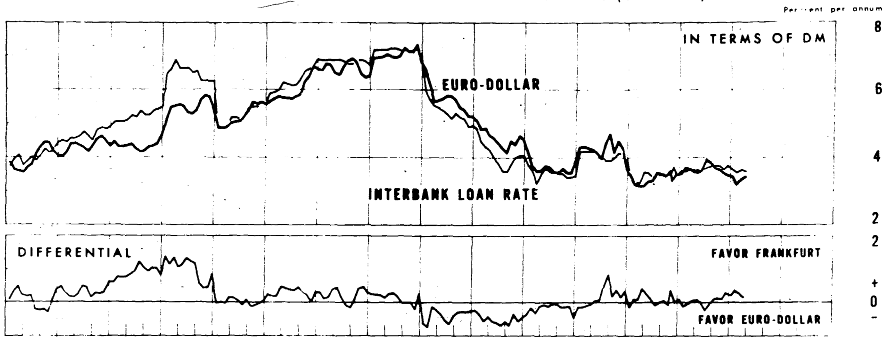
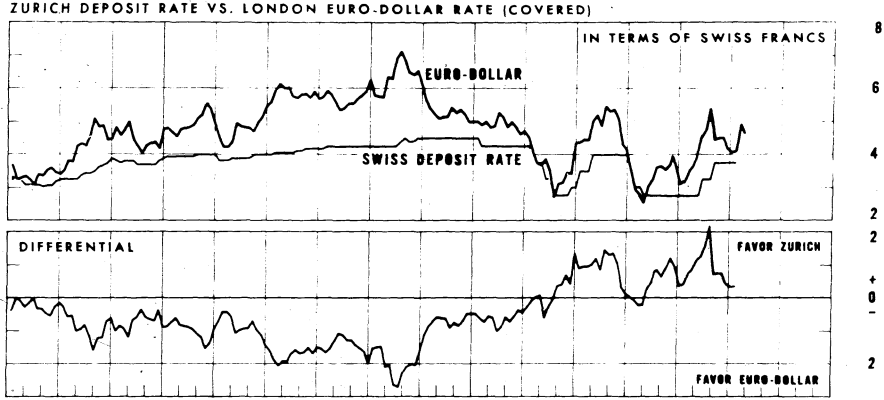
Chart 3

I INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON

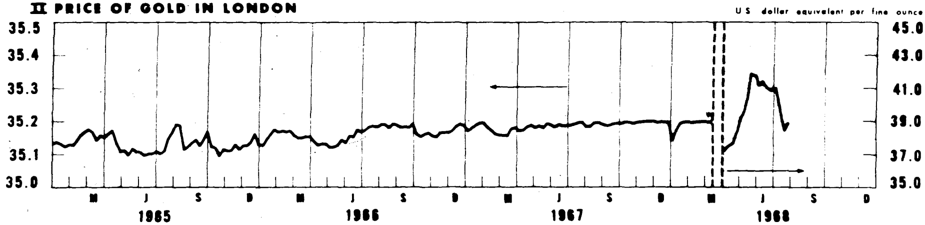
FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE (COVERED)



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

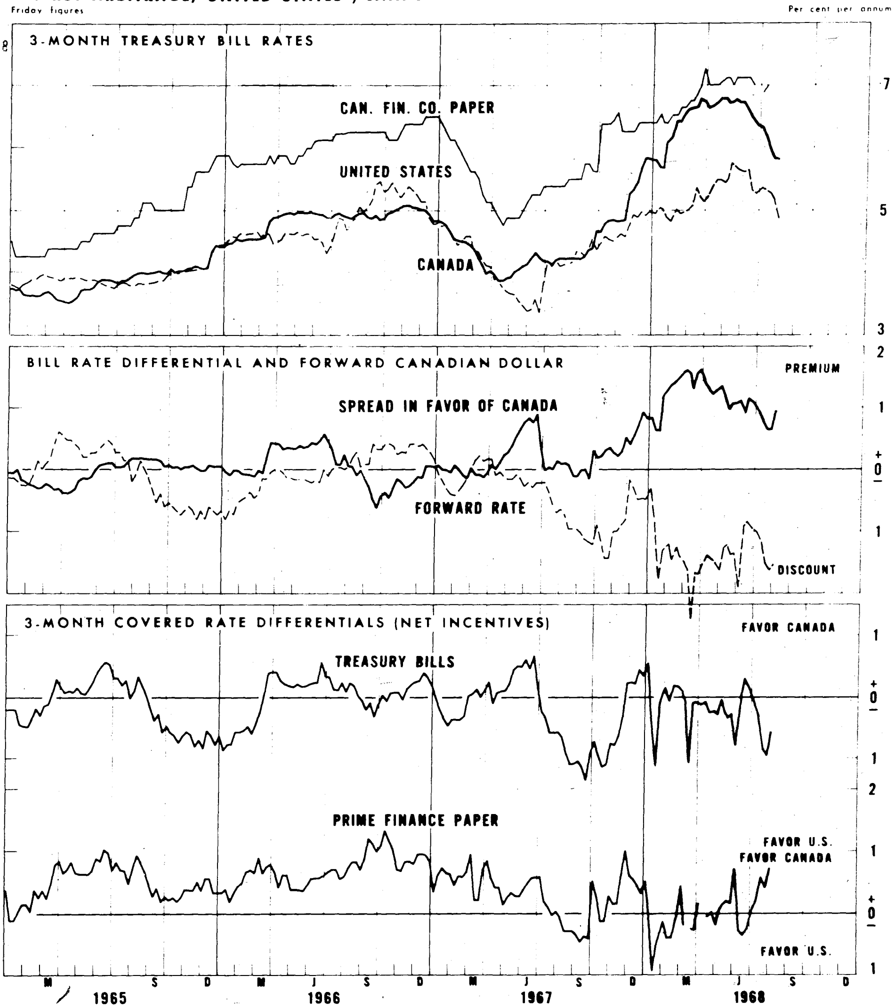

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Chart 5A

INTEREST ARBITRAGE, NEW YORK/LONDON

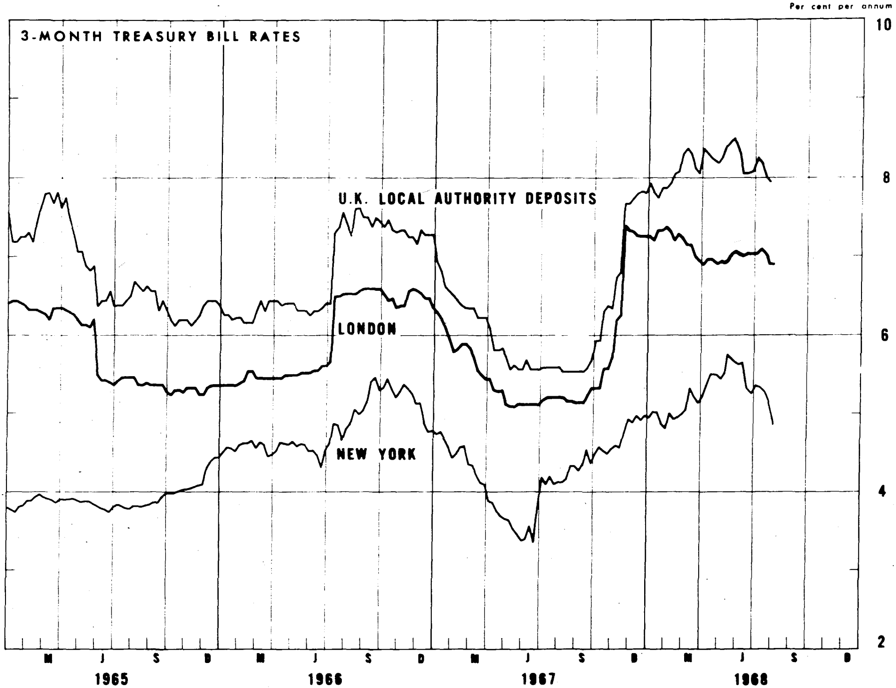

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Chart 5B

INTEREST ARBITRAGE, NEW YORK/LONDON

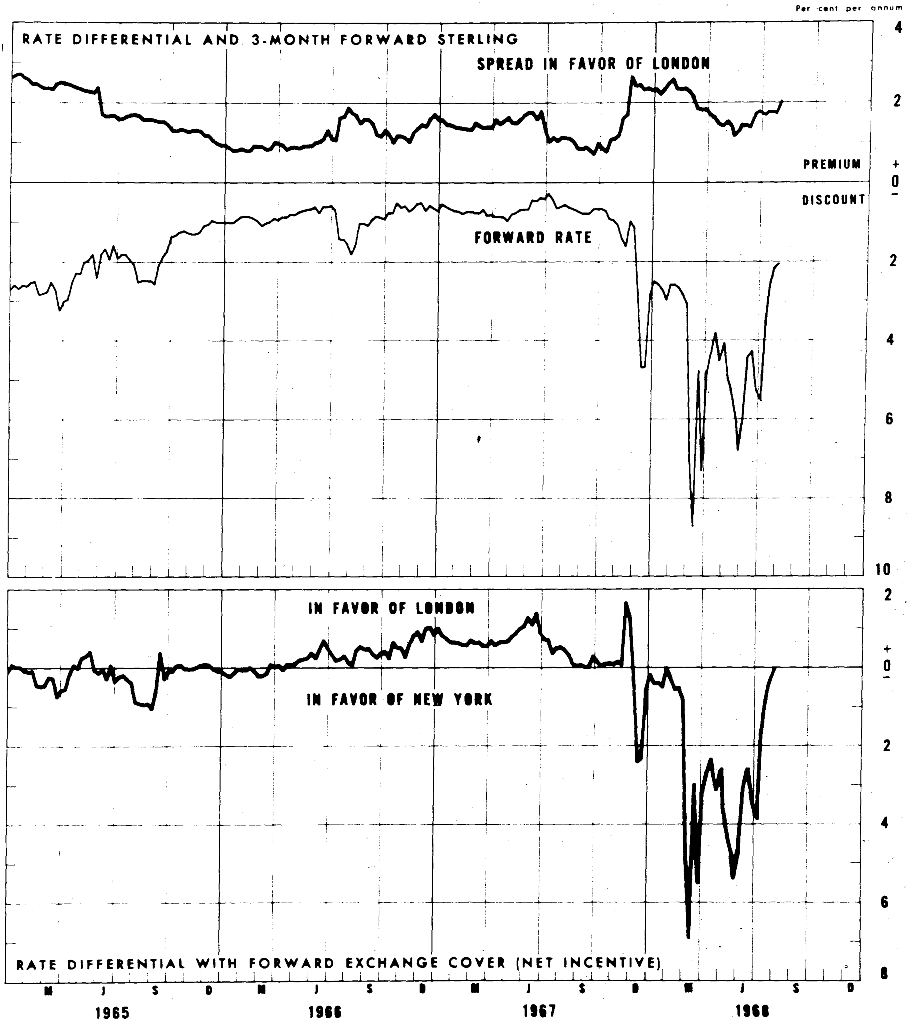

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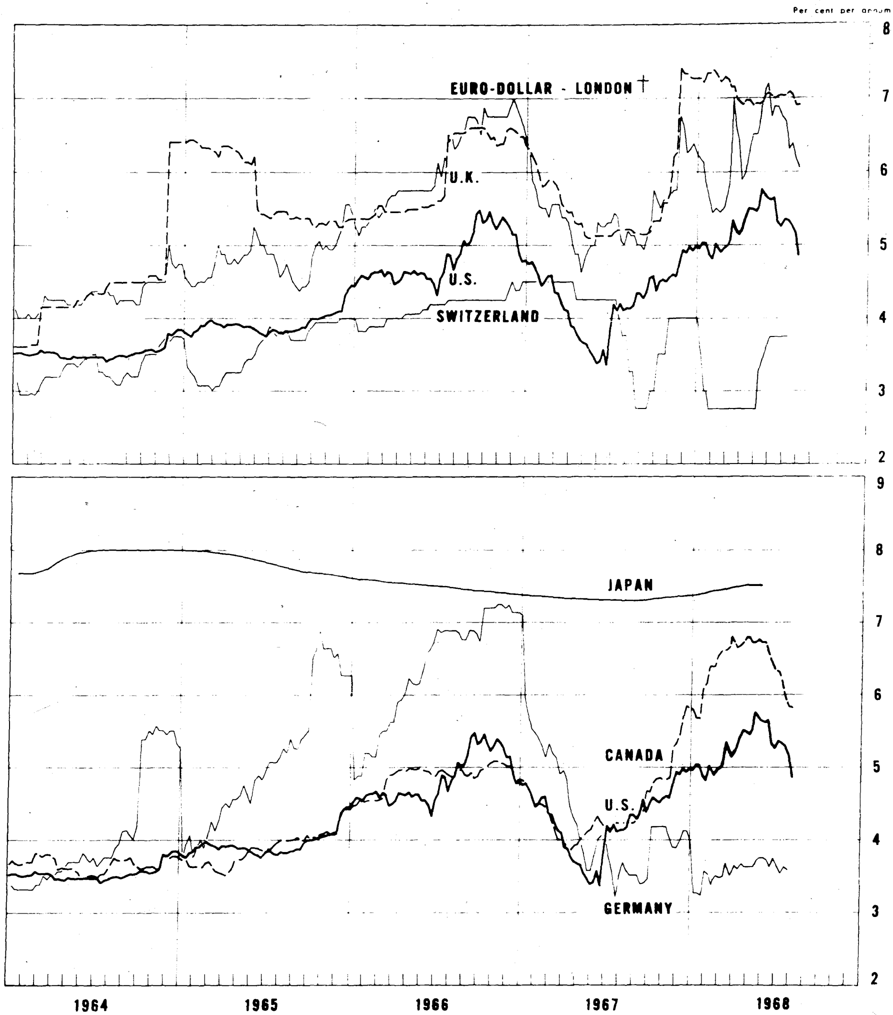
Chart 6

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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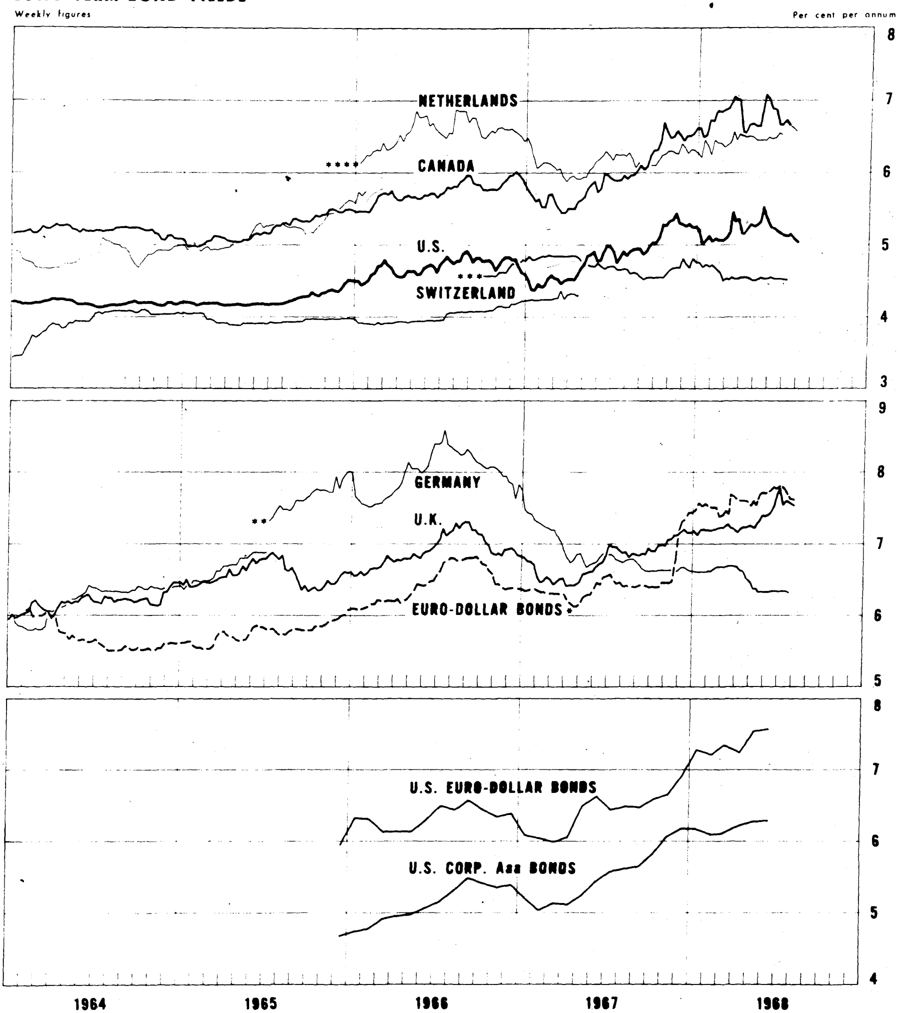
Chart 7

LONG-TERM BOND YIELDS

Weekly figures



* 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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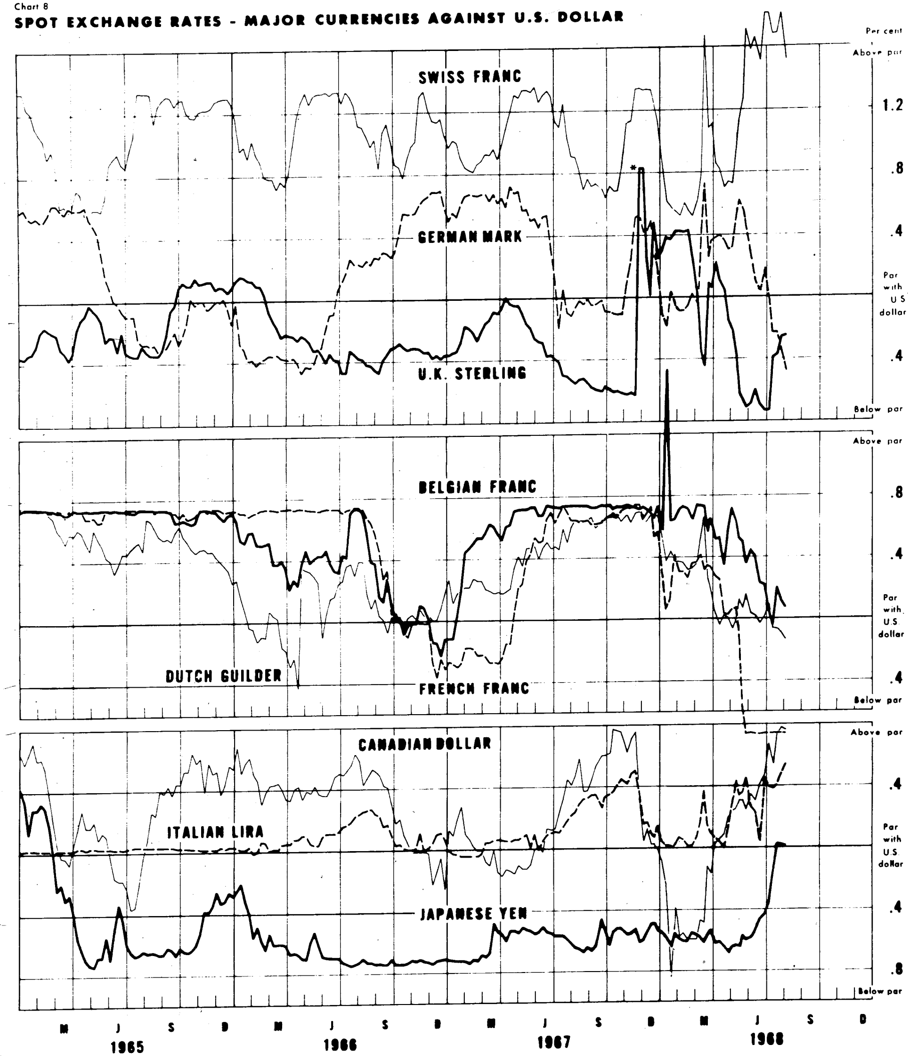
Chart 8

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



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

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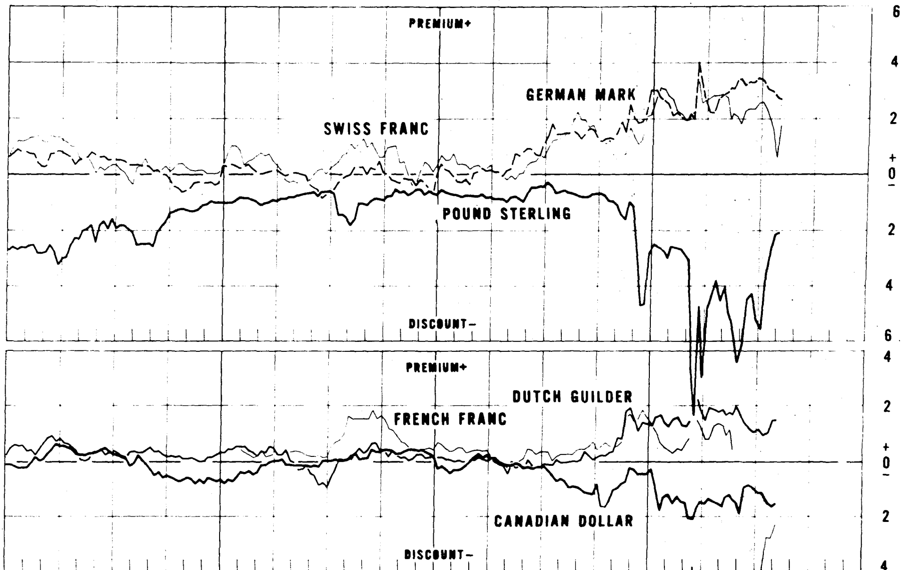
Chart 9

3-MONTH FORWARD EXCHANGE RATES

AGAINST U.S. DOLLARS—NEW YORK

Friday figures

Per cent per annum



AGAINST POUND STERLING—LONDON

Friday figures

Per cent per annum

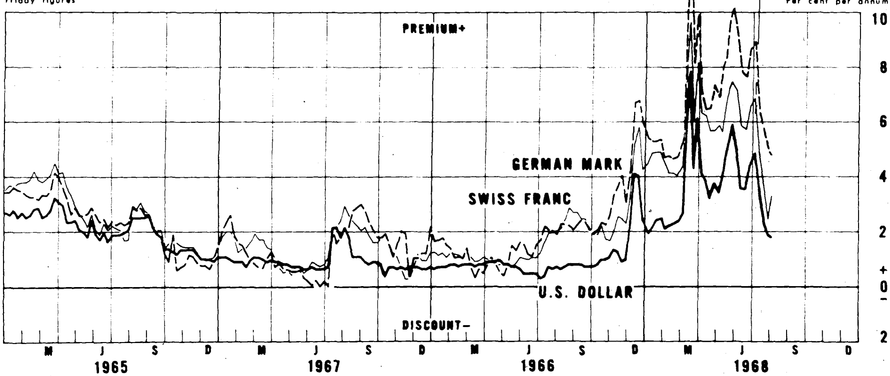


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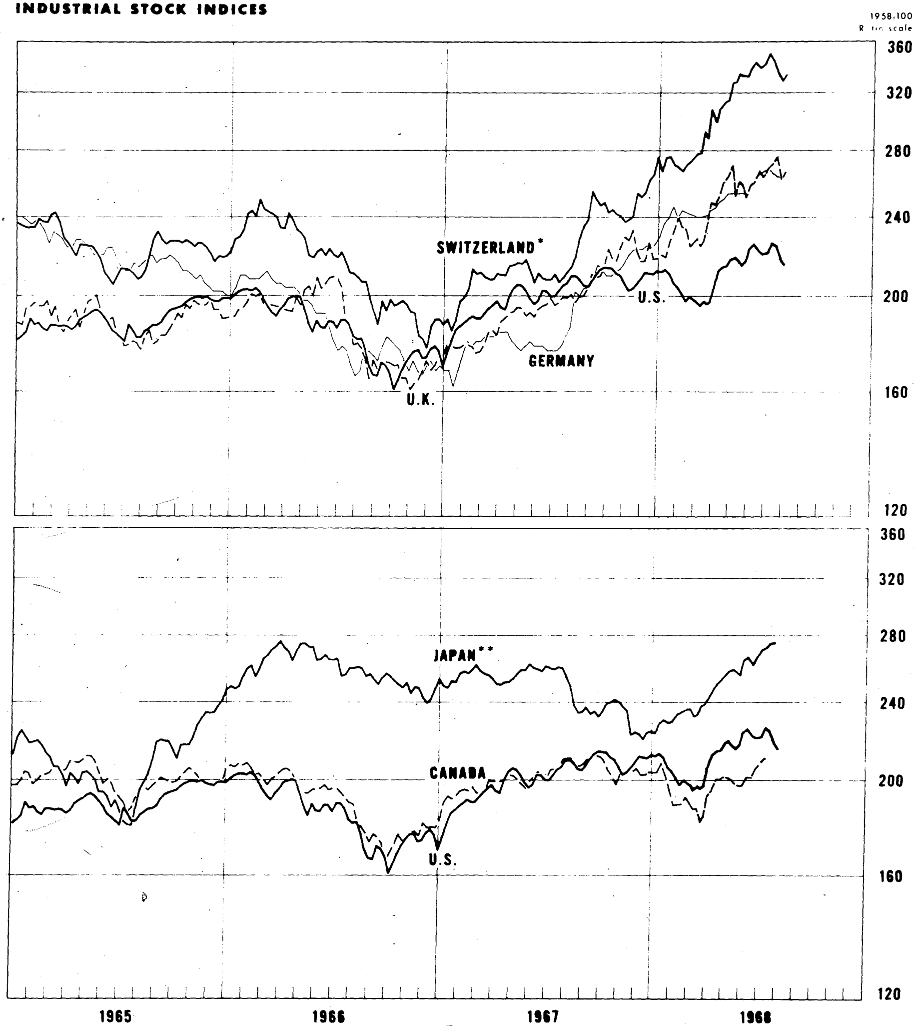
Chart 10

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. 362

August 7, 1968

II.a 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)	6.12r
	(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
(Friday, Aug. 2)

Upper Panel - Euro-$ deposits:

Call	5.75	90-day	6.06
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

Lower Panel (date June 15)

Zurich 3-month deposit	3.75
Euro-$ rate (covered)	4.65

II. **Price of gold** (Friday, Aug. 2) 38.94

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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Chart 7

U.S. Gov't.	(Wed., July 31)	5.03
U.K. War Loan	(Thurs., Aug. 1)	7.52
German Fed.	(Fri., Aug. 2)	n.a.
Swiss Confed.	(Fri., July 19)	n.a.
Canadian Gov't.	(Wed., July 17)	n.a.
Netherlands Gov't.	(Friday, July 26)	6.58
Euro-$ bonds	(Fri., Aug. 2)	7.62
U.S. Euro-bonds	(June 30)	7.57
U.S. Corporate Aaa	(June 30)	6.28

Chart 8

(Friday, Aug. 2)

Swiss francs	+1.52	Dutch Glds.	-0.13
German marks	-0.48	Can. $	+0.77
U.K. £ Ster.	-0.25	It. Lire	+0.55
Belgian francs	+0.08	Jap. Yens	+0.01
French francs	-0.74		

Chart 9

(Friday, Aug. 2)

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

U.S.	(Aug. 2)	215.0
Japan	(Aug. 2)	n.a.
U.K.	(Fri., Aug. 2)	267.2
Switzerland	(Fri., Aug. 2)	334.4
Germany	(Aug. 2)	n.a.
Canada	(July 18)	n.a.

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

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