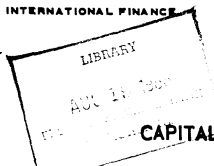


H. 13
No. 363



August 14, 1968.

CAPITAL MARKET DEVELOPMENTS ABROAD

- I. Ten Charts on Financial Markets Abroad
- II. Latest Figures Plotted in H.13 Chart Series, 1968

Capital market

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NOT FOR PUBLICATION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 1

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

Wednesday figures

Per cent per annum

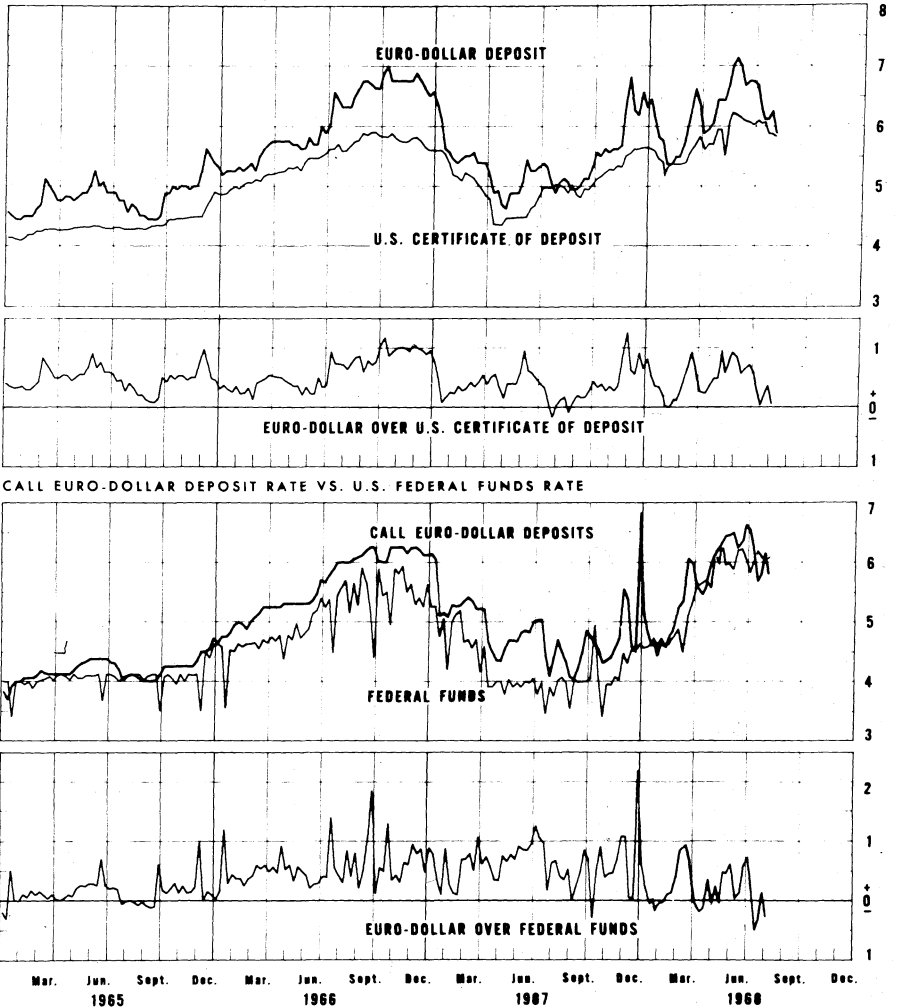


Chart 2A

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

EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum

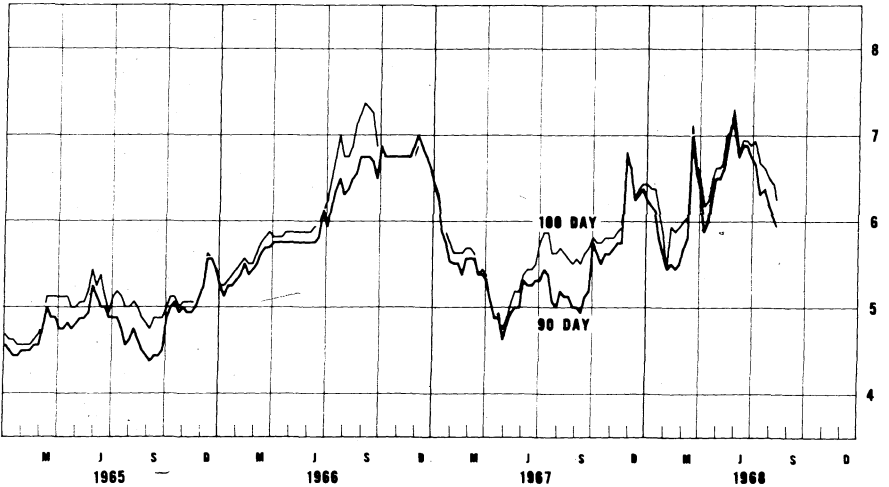
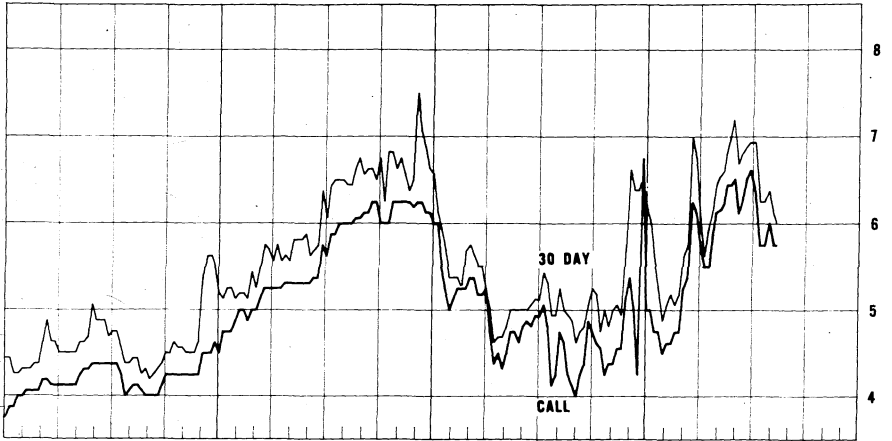
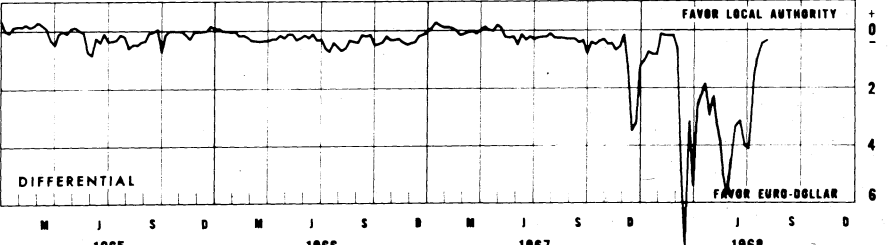
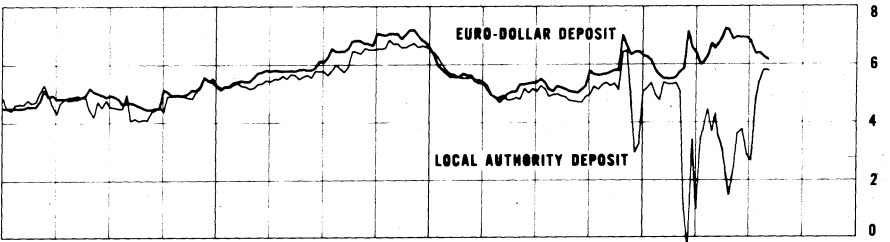
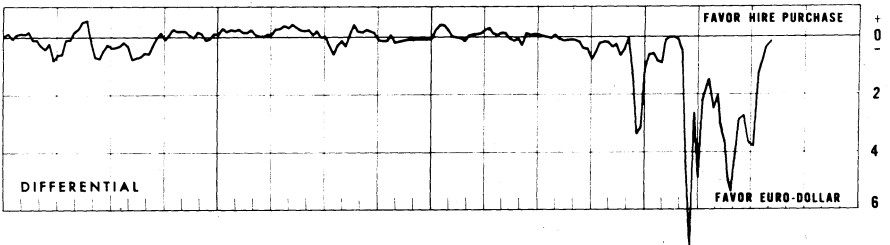
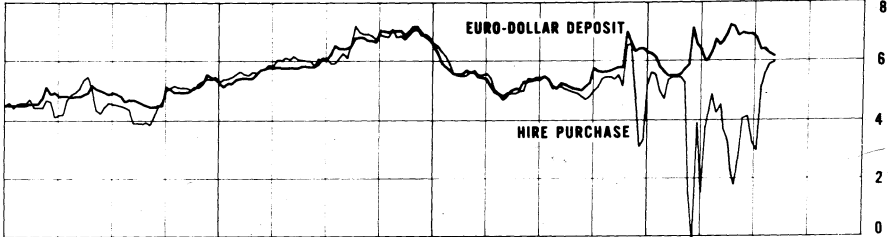


Chart 28

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

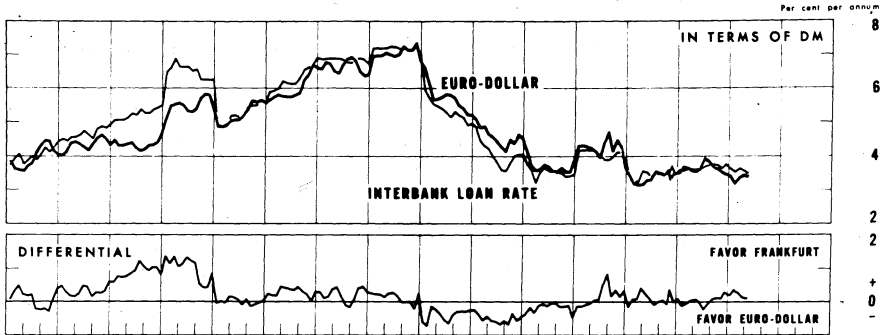


M J S D M J S D M J S D M J S D
1965 1966 1967 1968

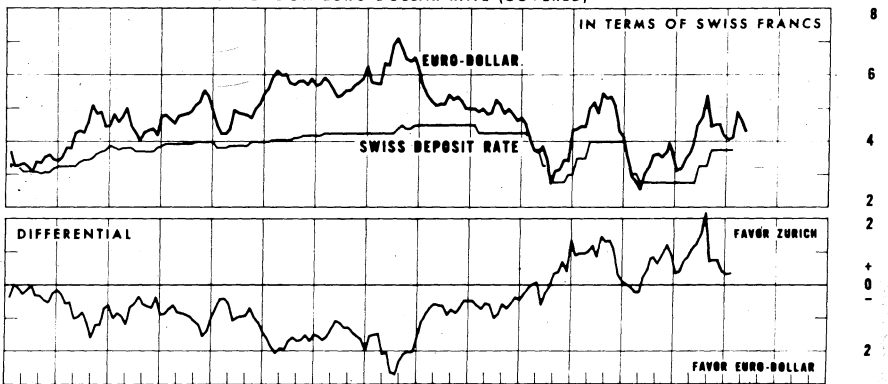
5

Chart 3

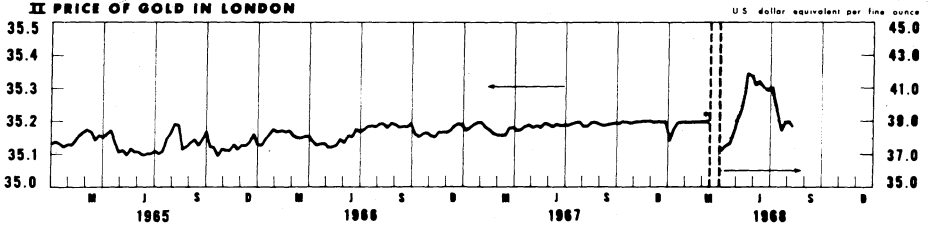
I INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON
FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE (COVERED)



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



II PRICE OF GOLD IN LONDON



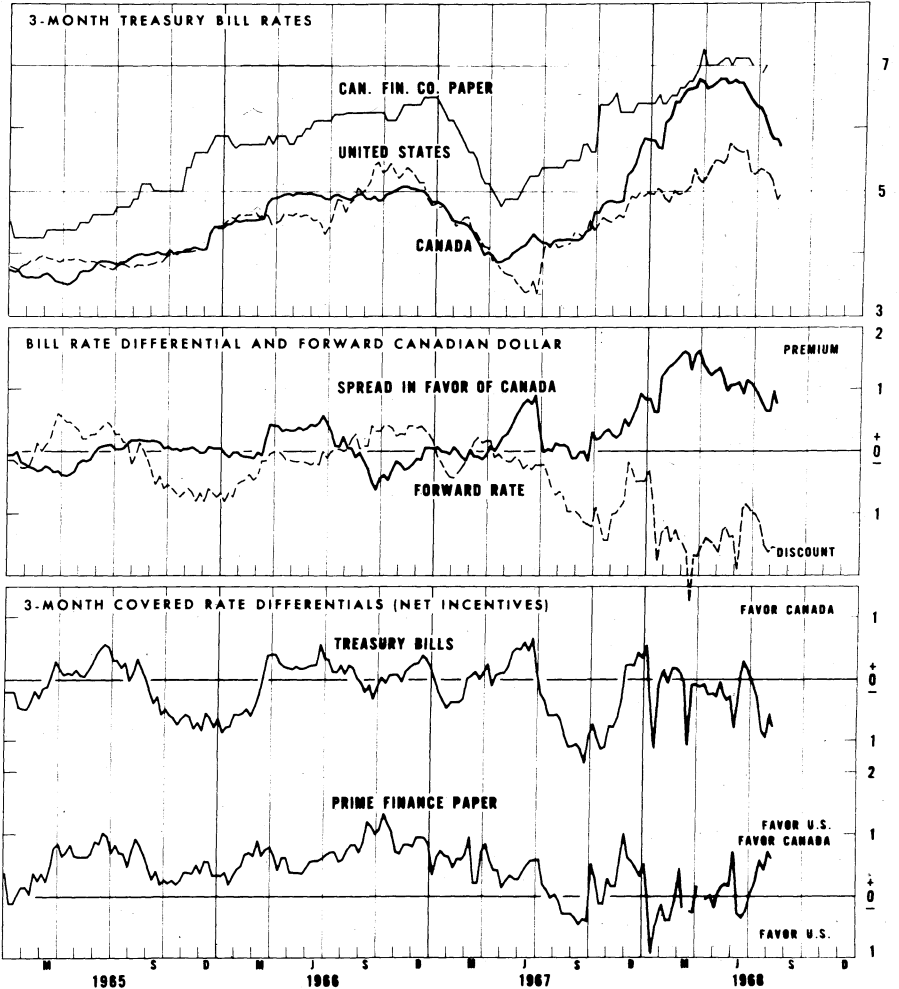
• Market closed March 15, April 1, 1968

Chart 4

INTEREST ARBITRAGE, UNITED STATES / CANADA

Friday figures

Per cent per annum



7
Chart 5A

INTEREST ARBITRAGE, NEW YORK/LONDON

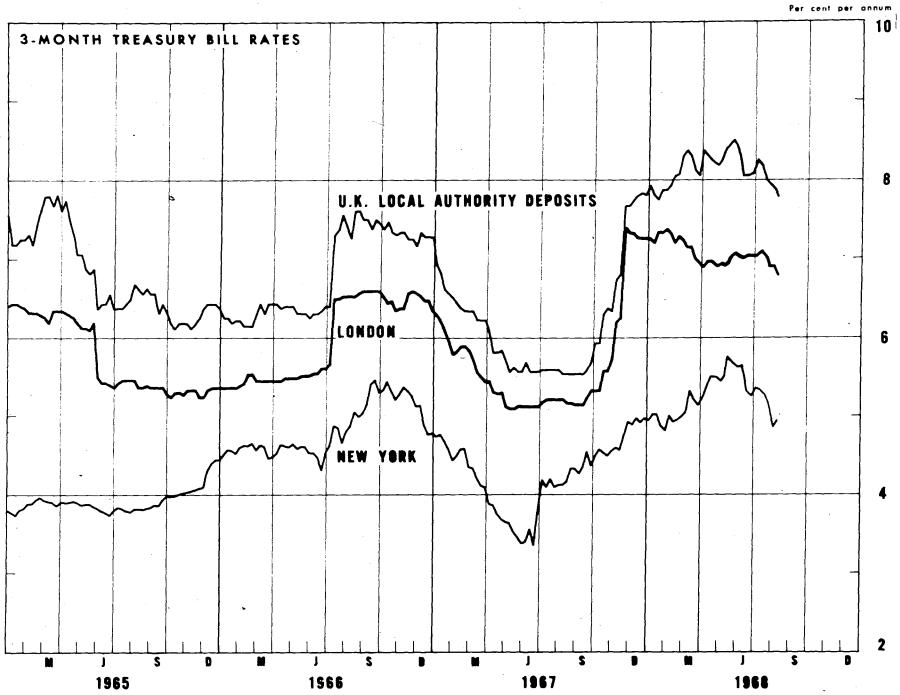
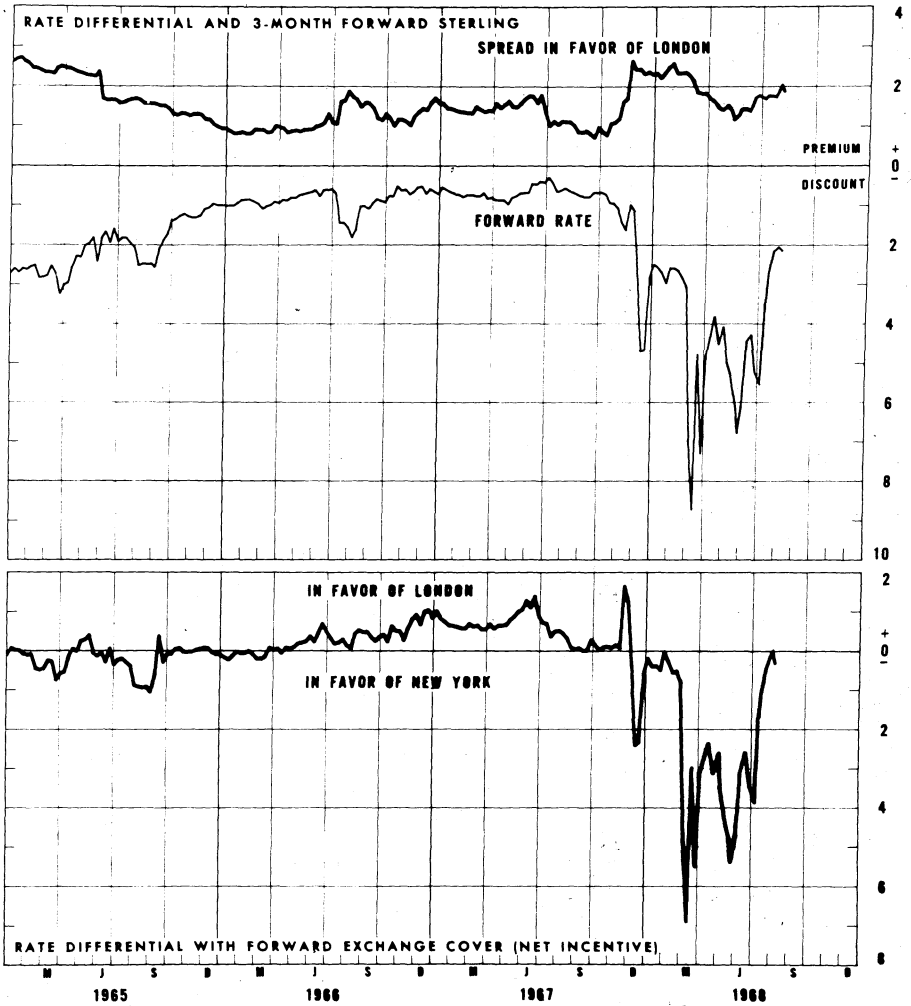


Chart 58

INTEREST ARBITRAGE, NEW YORK/LONDON

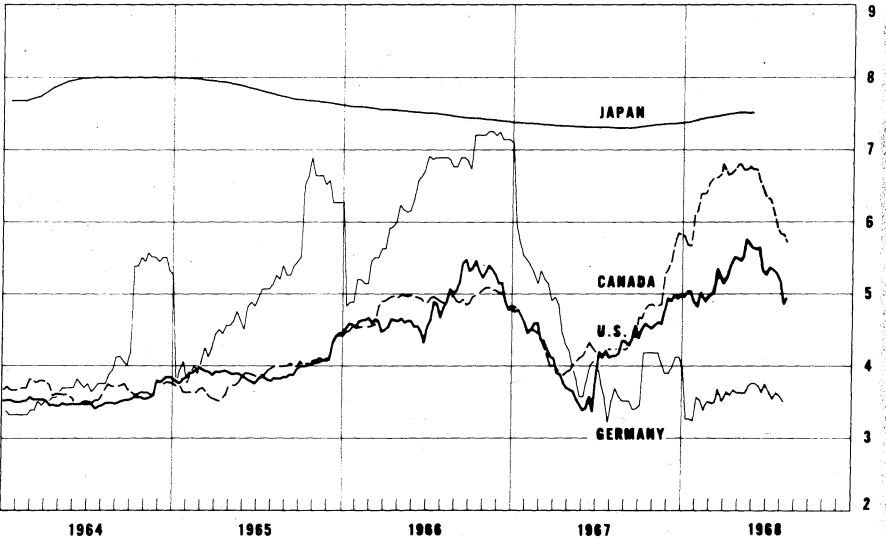
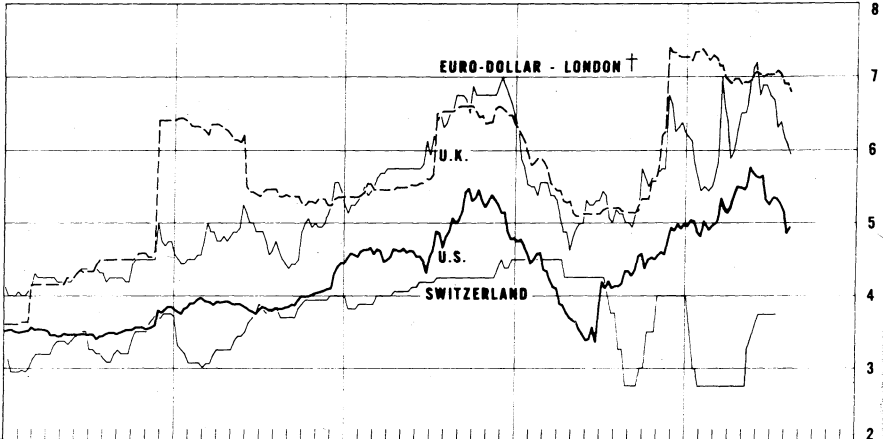
Per cent per annum



9

Chart 6
SHORT-TERM INTEREST RATES*

Per cent per annum



*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)

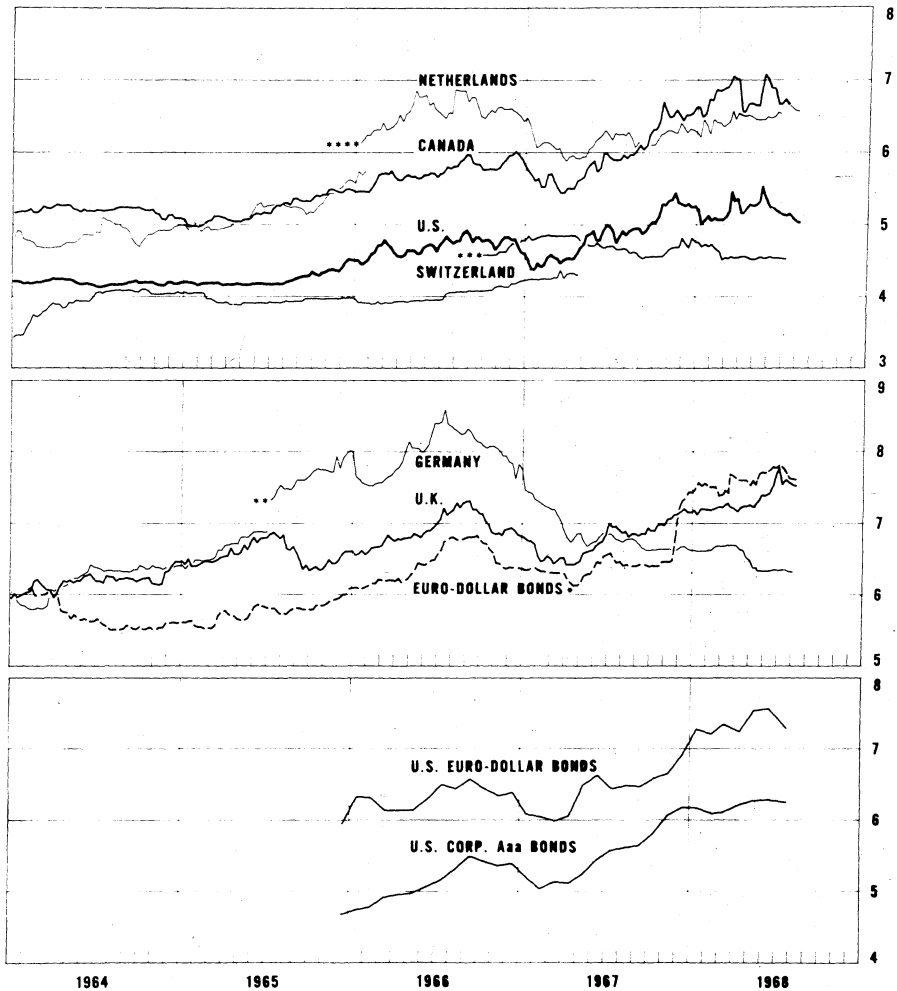
† 3-month rate for U.S. dollar deposits in London

Chart 7

LONG-TERM BOND YIELDS

Weekly figures

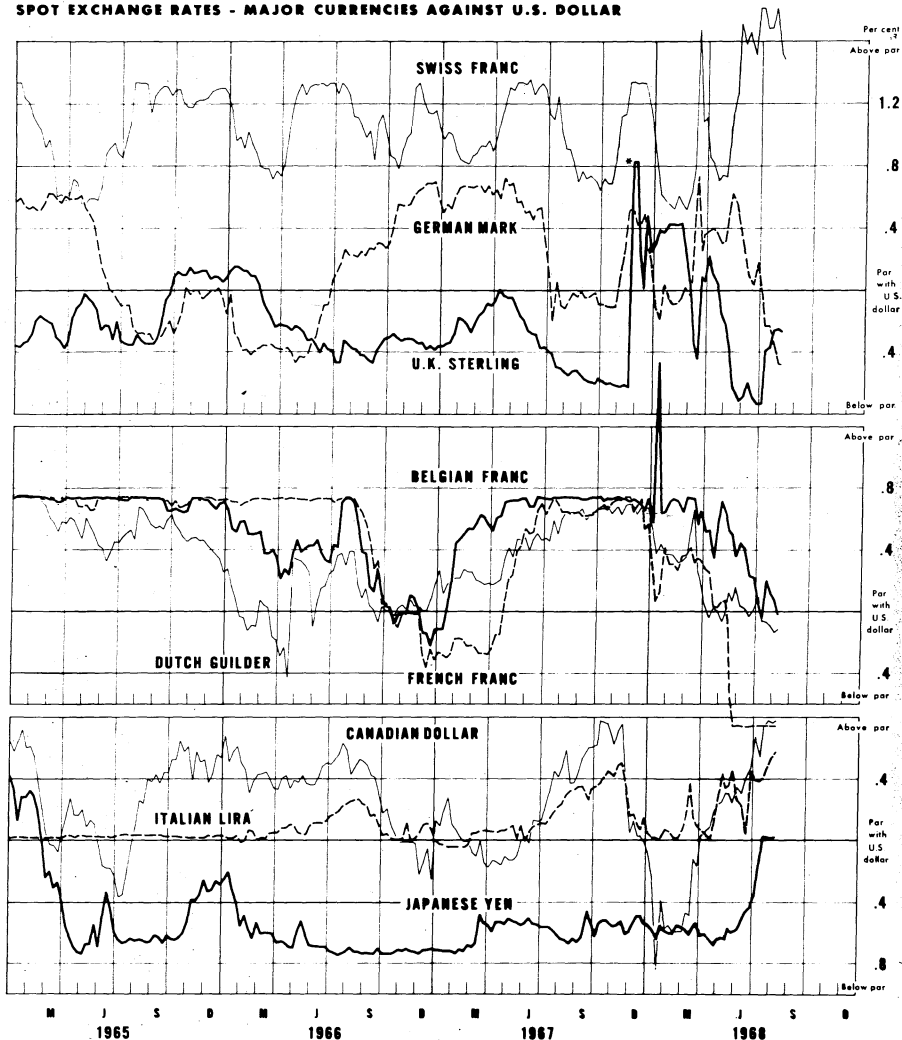
Per cent per annum



• 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

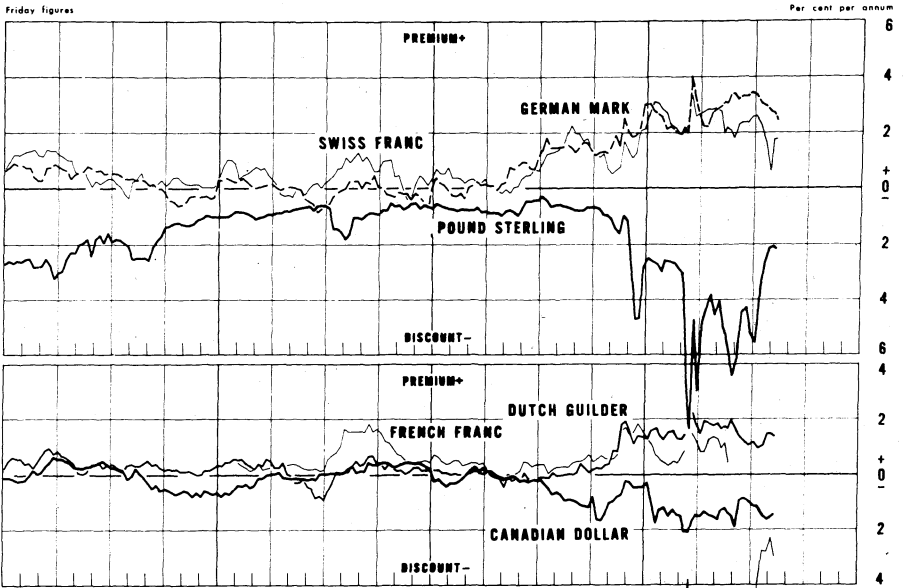


* Devaluation of the pound sterling from \$2.80 to \$2.40

Chart 9

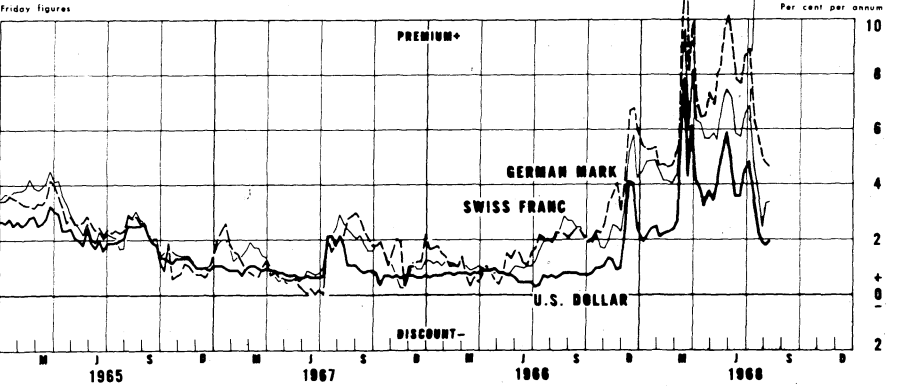
3-MONTH FORWARD EXCHANGE RATES AGAINST U.S. DOLLARS—NEW YORK

Friday figures



AGAINST POUND STERLING—LONDON

Friday figures

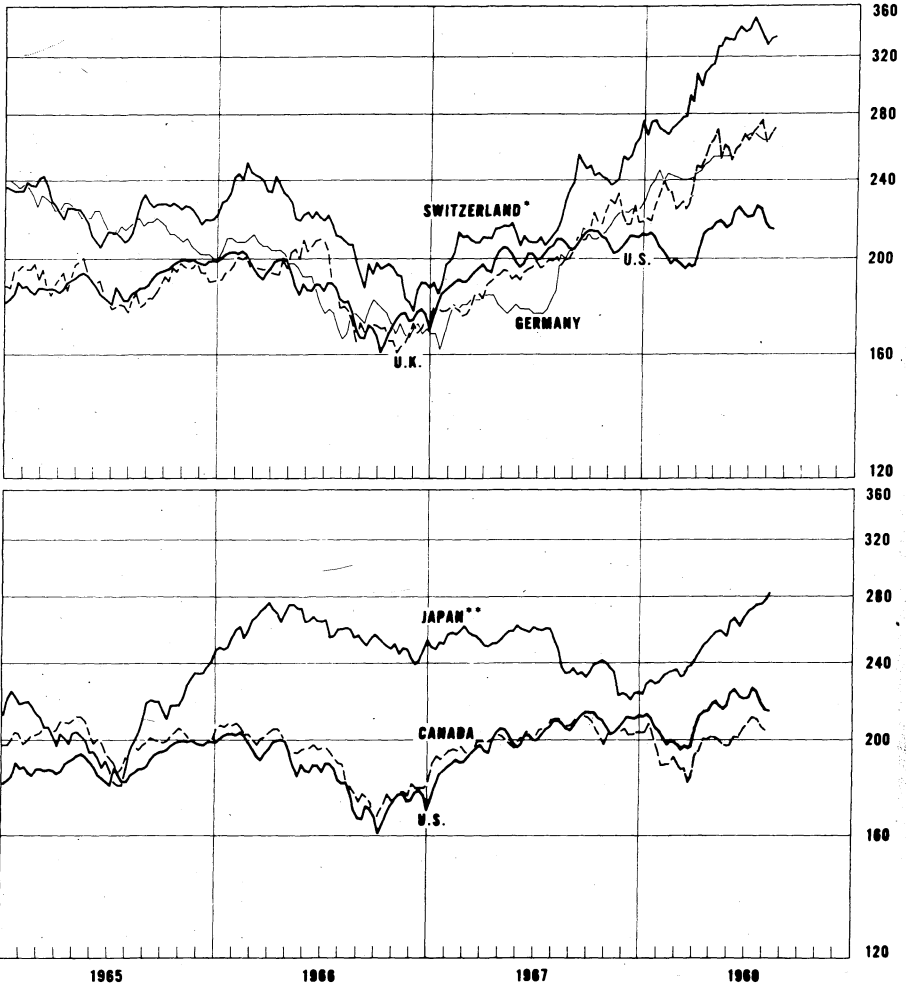


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Chart 10

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

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

Chart 1
Upper Panels (Wednesday, Aug. 7)

Euro-\$ deposit 5.88
U.S. certif. of deposit 5.83

Lower Panels (Wednesday, Aug. 7)

Call Euro-\$ deposit 5.80
Federal Funds 6.08

Chart 2
(Friday, Aug. 9)

Upper Panel - Euro-\$ deposits:

Call 5.75 90-day 5.94
30-day 6.00 180-day 6.25

Middle Panel

Hire-purchase paper Aug. 2 5.97
Euro-\$ deposit Aug. 2 6.13

Lower Panel

Local-authority deposit Aug. 2 5.79
Euro-\$ deposit Aug. 2 6.13

Chart 3

I. Upper panel (Period: Aug. 1-7)

Interbank Loan (mid-point) 3.50
Euro-\$ deposits (average) 3.39

Lower Panel (date June 15)

Zurich 3-month deposit 3.75
Euro-\$ rate (covered) 4.30

II. Price of gold 38.67
(Friday, Aug. 9)

Chart 4
(Friday, Aug. 9)

Treasury bills: Canada 5.71
U.S. 4.94

Spread favor Canada +0.77
Forward Canadian dollar -1.54
Net incentive (Canada +) -0.77
Canadian Finance paper n.a.

Chart 5
(Friday, Aug. 9)

Treasury bills: U.K. 6.78
U.S. 4.94
Spread favor U.K. +1.84
U.K. local authority deposit 7.78

Chart 6
(Friday, Aug. 9)

Treasury bills: U.S. 4.94
U.K. 6.78
Canada 5.71

Interbank loan rate (German)
(Aug. 1-7) 3.50

Euro-\$ deposit (London) 5.94

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., Aug. 7) 5.02
U.K. War Loan (Thurs., Aug. 1) 7.51
German Fed. (Fri., Aug. 2) 6.31
Swiss Confed. (Fri., July 19) n.a.
Canadian Gov't. (Wed.,) n.a.
Netherlands Gov't.

(Friday, Aug. 2) 6.56

Euro-\$ bonds (Fri., Aug. 9) 7.60
U.S. Euro-bonds (July 31) 7.29
U.S. Corporate Aaa (July 31) 6.24

Chart 8

(Friday, Aug. 9)

Swiss francs +1.49 Dutch Glds. -0.12
German marks -0.49 Can. \$ +0.78
U.K. £ Ster. -0.26 It. Lire +0.58
Belgian francs -0.02 Jap. Yens +0.02
French francs -0.74

Chart 9

(Friday, Aug. 9)

Against U.S. dollars:

Swiss francs +1.78 Dutch Glds. +1.39
German marks +2.41 Fr. Francs -2.98
£ Sterling -2.17 Can. \$ -1.44

Against pound sterling:

Swiss francs +3.35 Ger. marks +4.63
U.S. dollars +1.97

Chart 10

U.S. (Aug. 9) 214.4
Japan (Aug. 2) 279.0
(Aug. 9) 282.3
U.K. (Fri., Aug. 9) 271.8
Switzerland (Fri., Aug. 9) 335.6
Germany () n.a.
Canada (Aug. 1) 204.5*

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

*July 18 210.7
25 206.3