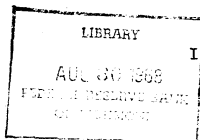


H. 13

No. 364

August 27, 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NOT FOR PUBLICATION

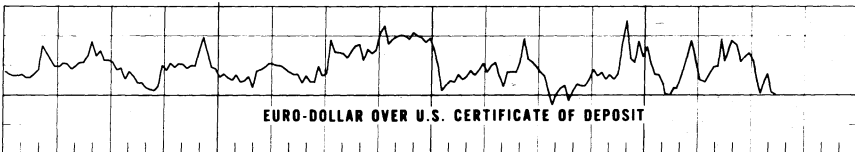
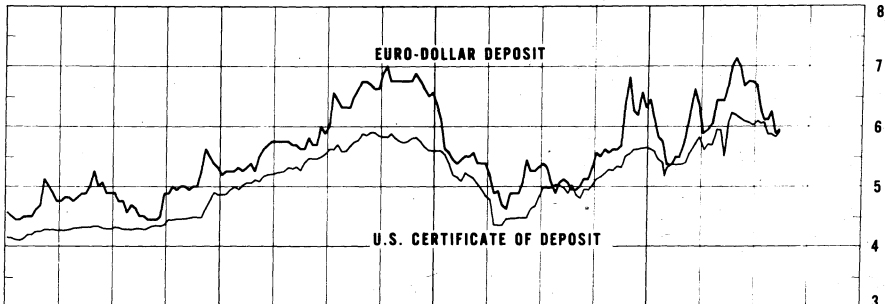
DECONTROLLED AFTER SIX MONTHS

Chart 1

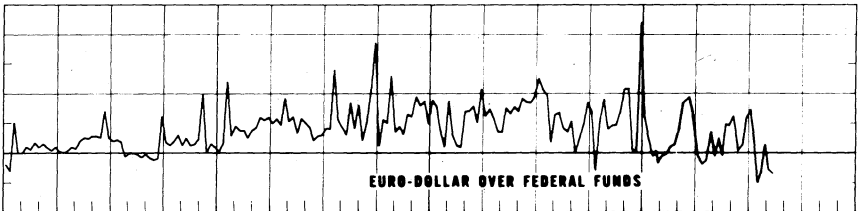
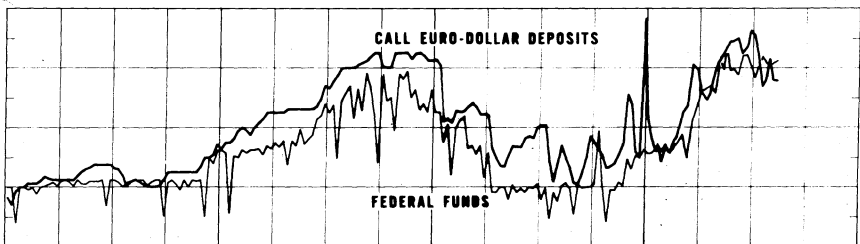
NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS 3-MONTH DOLLAR DEPOSIT RATES

Wednesday figures

Per cent per annum



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.
1965 1966 1967 1968

3

Chart 2A

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

Friday figures

Per cent per annum

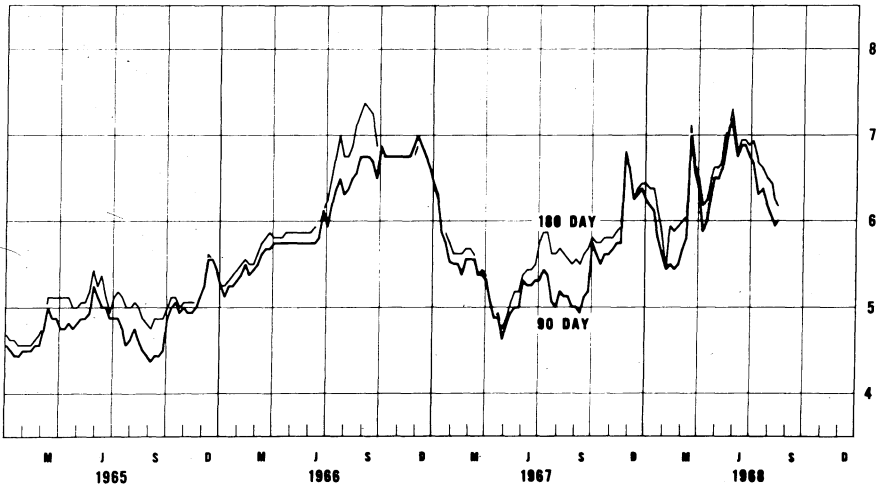
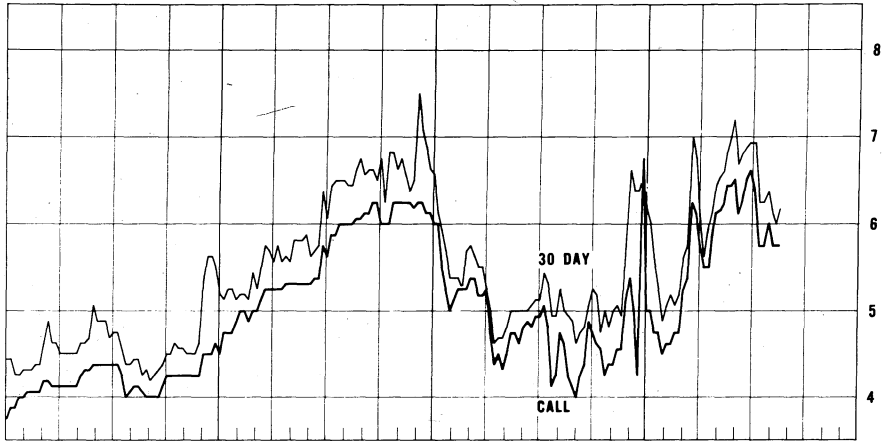


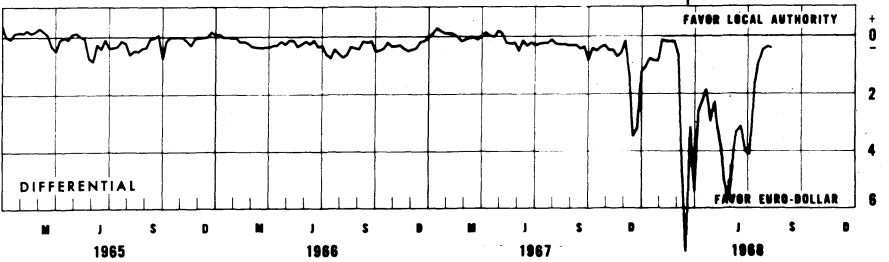
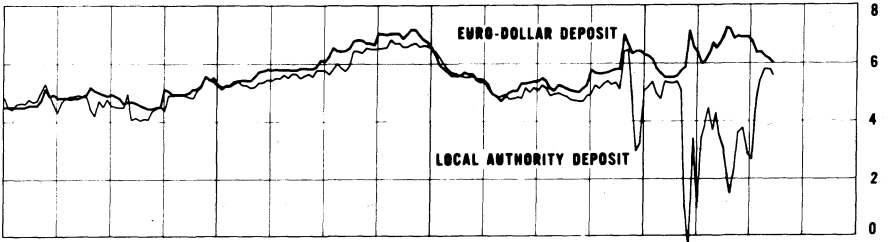
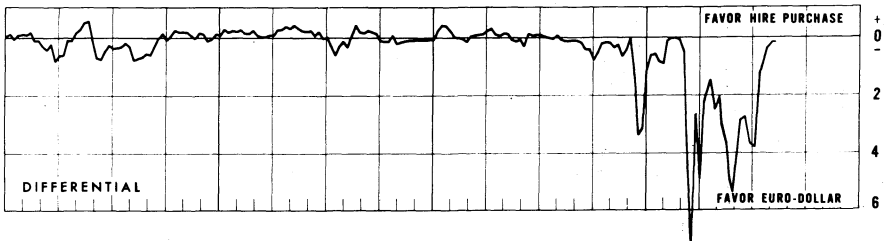
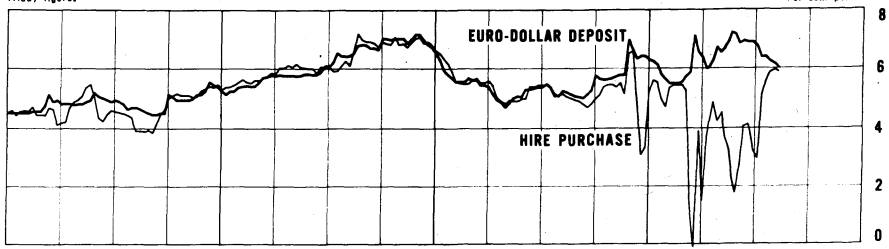
Chart 28

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



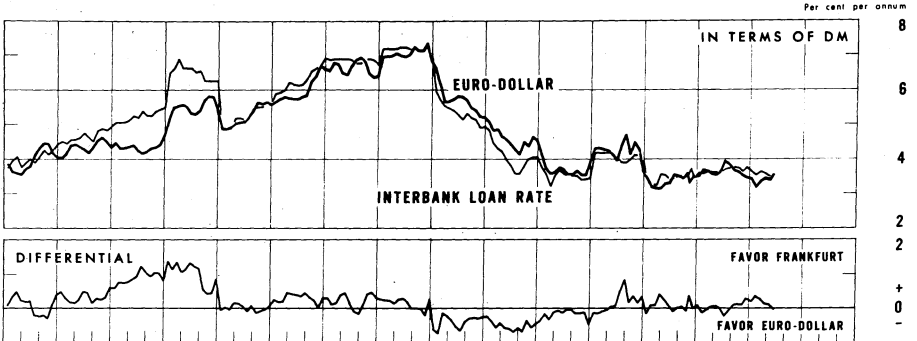
M J S D M J S D M J S D M J S D
 1965 1966 1967 1980

5

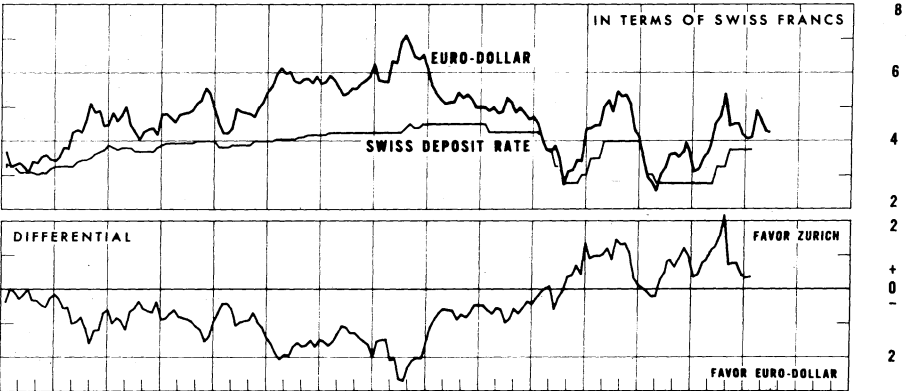
Chart 3

I INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON

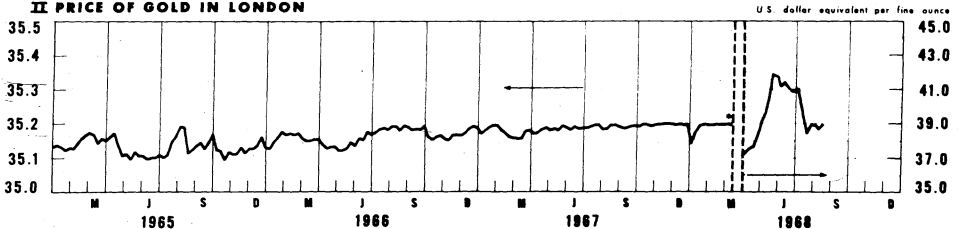
FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE (COVERED)



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

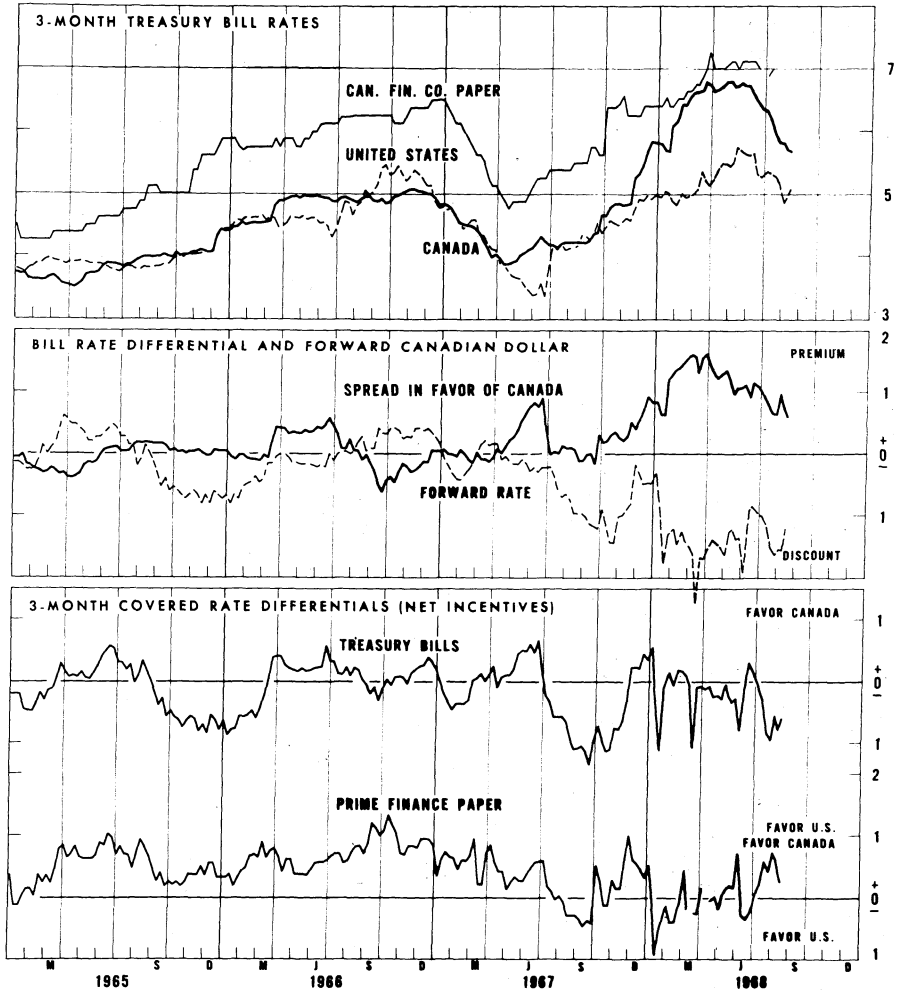


Chart SA

INTEREST ARBITRAGE, NEW YORK/LONDON

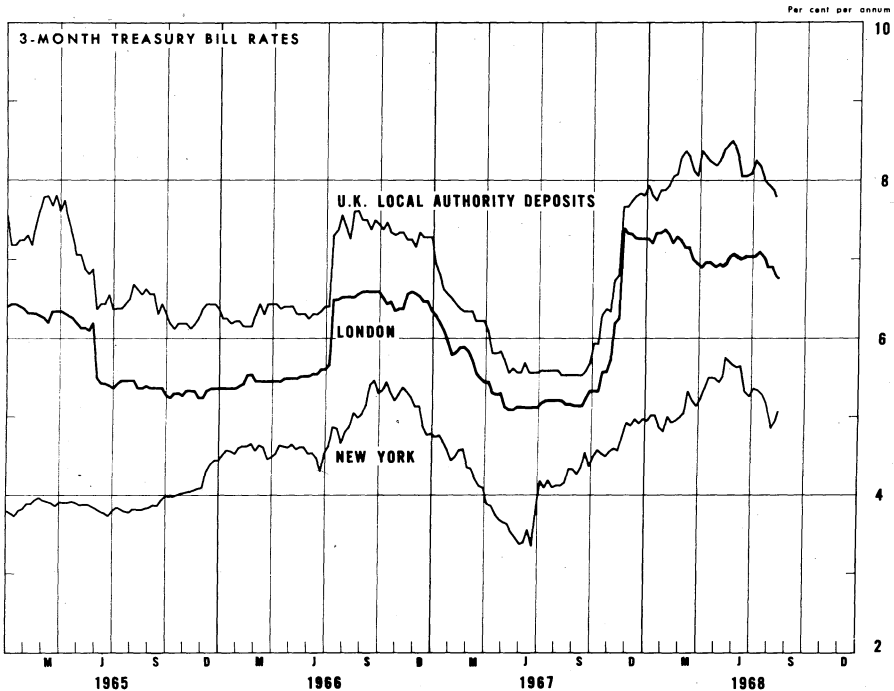
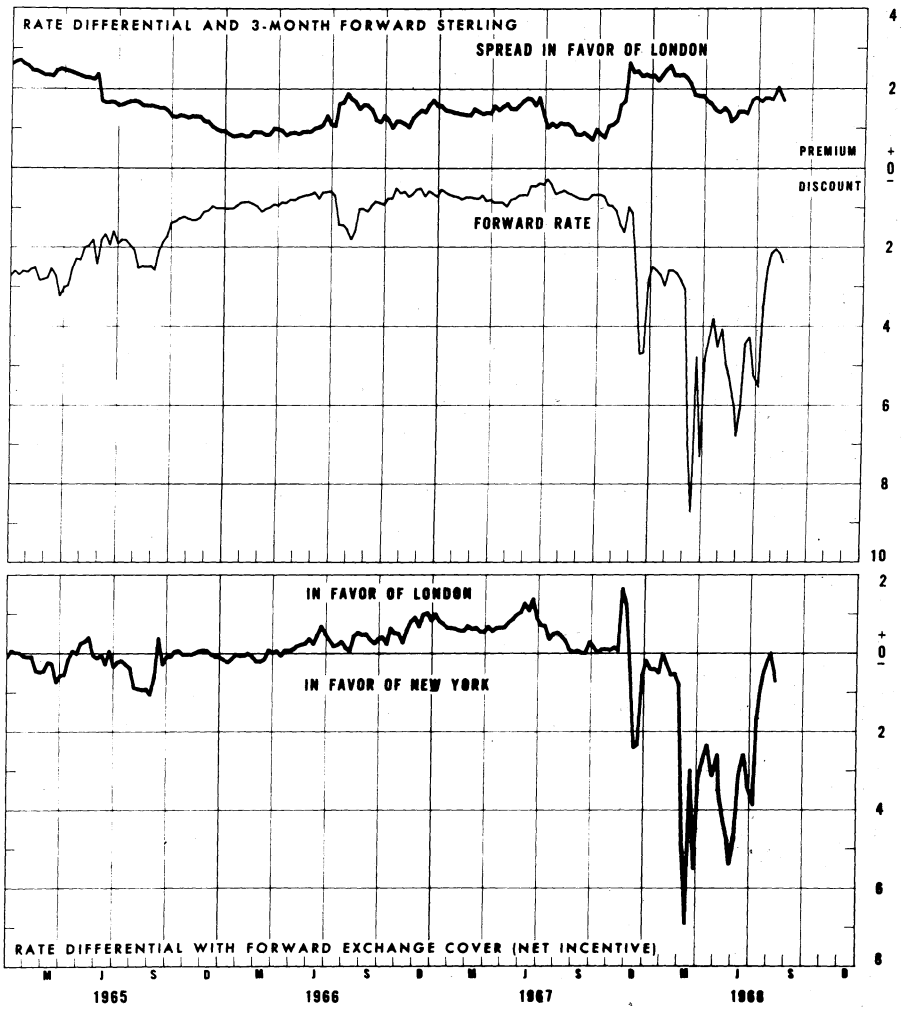


Chart 58
INTEREST ARBITRAGE, NEW YORK/LONDON

Per cent per annum

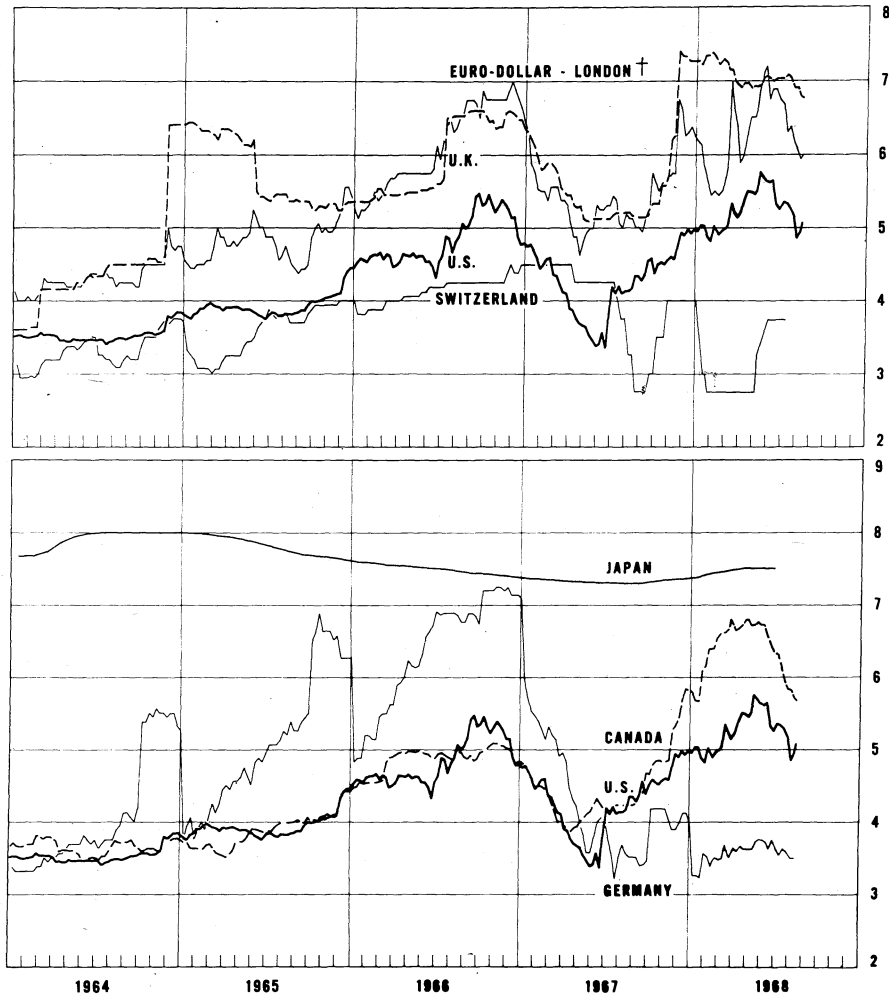


9

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)

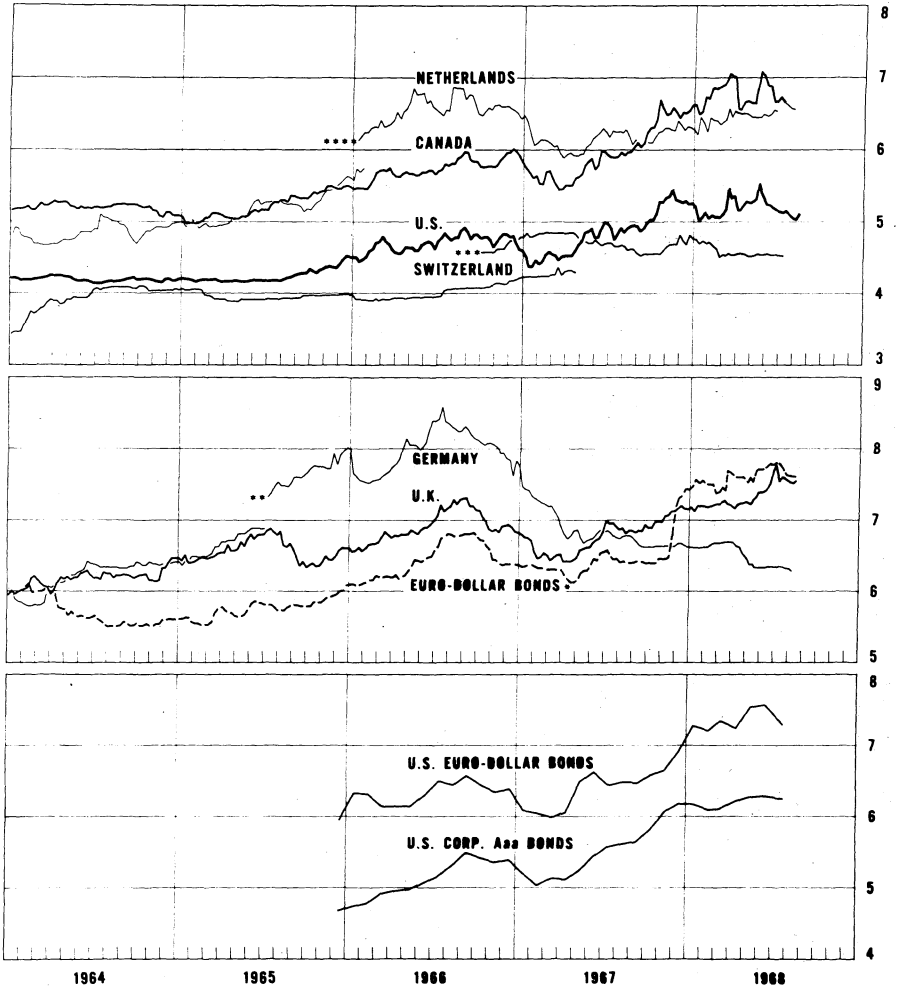
† 3-month rate for U.S. dollar deposits in London

Chart 7

LONG-TERM BOND YIELDS

Weekly figures

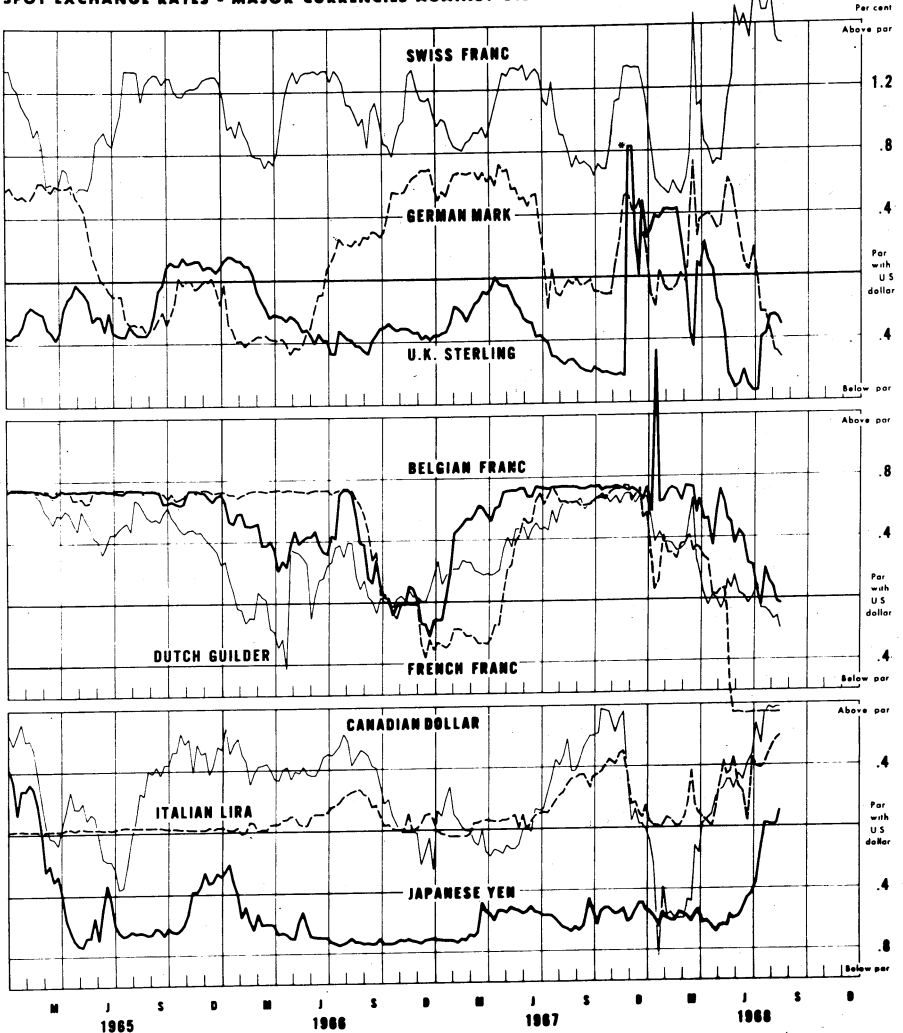
Per cent per annum



- 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.

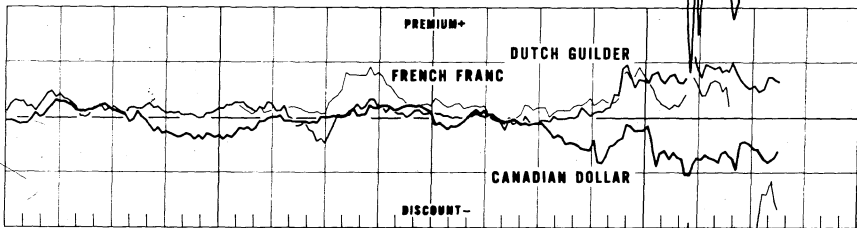
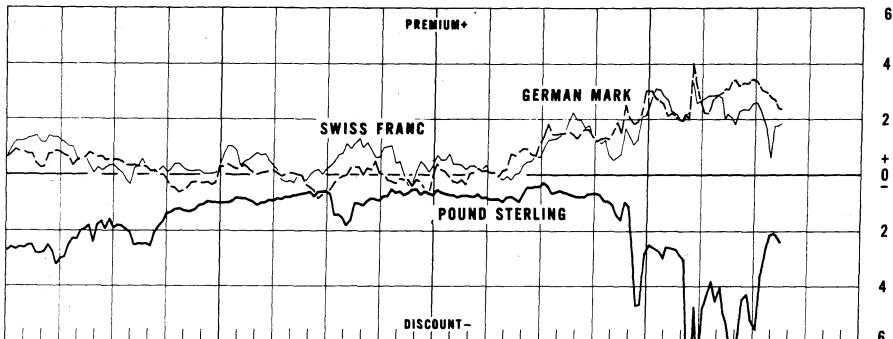
12

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

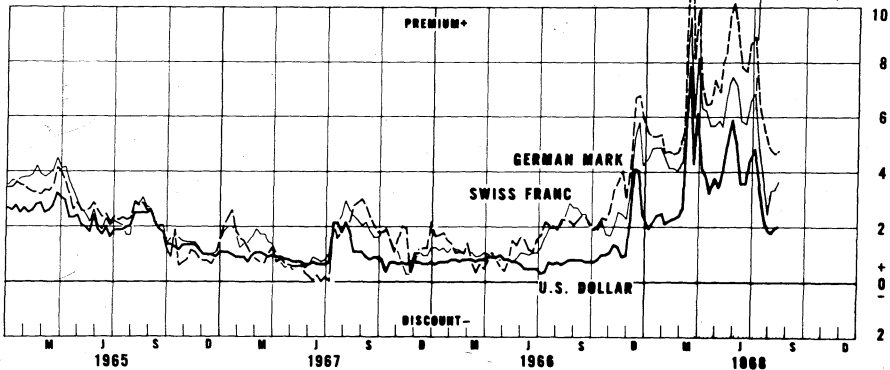
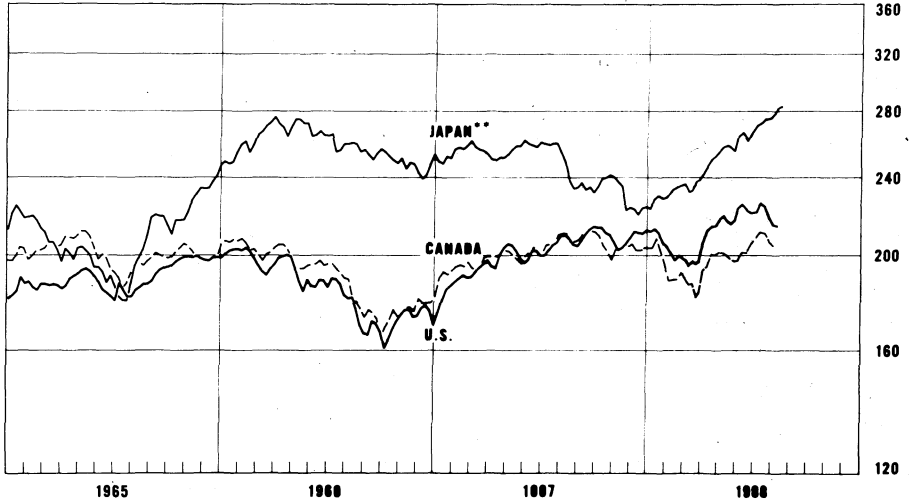
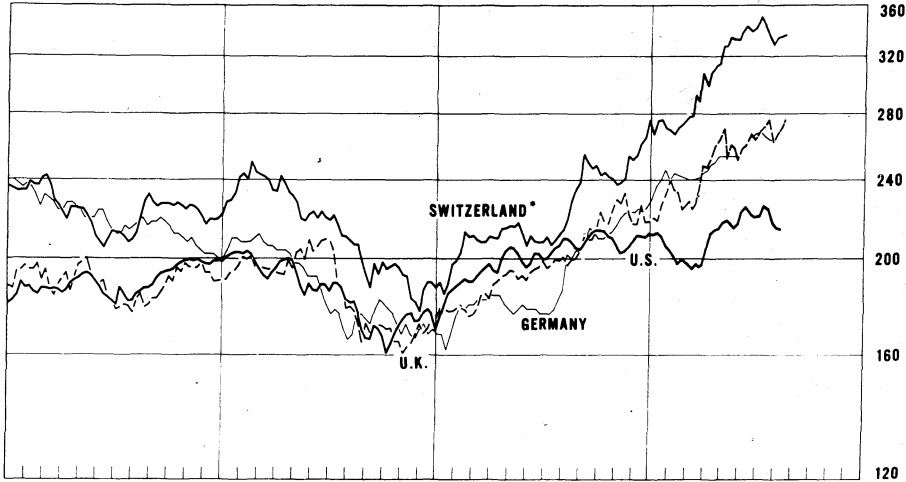


Chart 10

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

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

<u>Chart 1</u>		<u>Chart 4</u>	
<u>Upper Panels</u> (Wednesday, <u>Aug. 14</u>)		(Friday, <u>Aug. 16</u>)	
Euro-\$ deposit	<u>5.94</u>	Treasury bills: Canada	<u>5.67</u>
U.S. certif. of deposit	<u>5.93</u>	U.S.	<u>5.07</u>
<u>Lower Panels</u> (Wednesday, <u>Aug. 14</u>)		Spread favor Canada	<u>+0.60</u>
Call Euro-\$ deposit	<u>5.78</u>	Forward Canadian dollar	<u>-1.19</u>
Federal Funds	<u>6.12</u>	Net incentive (Canada +)	<u>-0.59</u>
		Canadian Finance paper	<u>n.a.</u>
<u>Chart 2</u>		<u>Chart 5</u>	
(Friday, <u>Aug. 16</u>)		(Friday, <u>Aug. 16</u>)	
<u>Upper Panel - Euro-\$ deposits:</u>		Treasury bills: U.K.	<u>6.75</u>
Call <u>5.75</u>	90-day <u>6.00</u>	U.S.	<u>5.07</u>
30-day <u>6.18</u>	180-day <u>6.18</u>	Spread favor U.K.	<u>+1.68</u>
<u>Middle Panel</u>		U.K. local authority deposit	<u>n.a.</u>
Hire-purchase paper (Aug. 9) <u>5.84</u>			
Euro-\$ deposit (Aug. 9) <u>6.00</u>		<u>Chart 6</u>	
		(Friday, <u>Aug. 16</u>)	
<u>Lower Panel</u>		Treasury bills: U.S.	<u>5.07</u>
Local-authority deposit (Aug. 9) <u>5.59</u>		U.K.	<u>6.75</u>
Euro-\$ deposit (Aug. 9) <u>6.00</u>		Canada	<u>5.67</u>
		Interbank loan rate (German)	
<u>Chart 3</u>		(<u>Aug. 8-15</u>)	<u>3.50</u>
I. <u>Upper panel</u> (Period: <u>Aug. 8-15</u>)		Euro-\$ deposit (London)	<u>6.00</u>
Interbank Loan (mid-point) <u>3.50</u>		Zurich 3-month deposit	
Euro-\$ deposits (average) <u>3.54</u>		(Date: <u>June 15</u>)	<u>3.75</u>
<u>Lower Panel</u> (date <u>June 15</u>)		Japan Composite rate	
Zurich 3-month deposit	<u>3.75</u>	(Date: <u>June 30</u>)	<u>7.52</u>
Euro-\$ rate (covered)	<u>4.23</u>		
II. <u>Price of gold</u>	<u>38.95</u>		
(Friday, <u>Aug. 16</u>)			

Chart 7

U.S. Gov't. (Wed., Aug. 14)	5.12
U.K. War Loan (Thurs., Aug 15)	7.55
German Fed. (Fri., Aug. 9)	6.27
Swiss Confed. (Fri., _____)	n.a.
Canadian Gov't. (Wed., _____)	n.a.
Netherlands Gov't.	
(Friday, Aug. 9)	n.a.
Euro-\$ bonds (Fri., Aug. 16)	7.60
U.S. Euro-bonds (July 31)	7.29
U.S. Corporate Aaa (July 31)	6.24

Chart 8

(Friday, Aug. 16)

Swiss francs	+1.48	Dutch Glds.	-0.20
German marks	-0.53	Can. \$	+0.78
U.K. £ Ster.	-0.32	It. Lire	+0.59
Belgian francs	-0.03	Jap. Yens	+0.10
French francs	-0.74		

Chart 9

(Friday, Aug. 16)

<u>Against U.S. dollars:</u>			
Swiss francs	+1.88	Dutch Glds.	+1.30
German marks	+2.37	Fr. Francs	-3.36
£ Sterling	-2.42	Can. \$	-1.19
<u>Against pound sterling:</u>			
Swiss francs	+3.64	Ger. marks	+4.78
U.S. dollars	+2.05		

Chart 10

U.S. (Aug. 16)	n.a.
Japan (Aug. 16)	283.6
U.K. (Fri., Aug. 16)	276.5
Switzerland (Fri., Aug. 16)	336.6
Germany (Aug. 2)	n.a.
Canada (Aug. 8)	n.a.

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