No. 36
IYYA AL 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NOT FOR PUBLICATION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
Chart 1

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

Wednesday figures

Per cent per annum

EURO-DOLLAR DEPOSIT

U.S. CERTIFICATE OF DEPOSIT

EURO-DOLLAR OVER U.S. CERTIFICATE OF DEPOSIT

CALL EURO-DOLLAR DEPOSIT RATE VS. U.S. FEDERAL FUNDS RATE

CALL EURO-DOLLAR DEPOSITS

FEDERAL FUNDS

EURO-DOLLAR OVER FEDERAL FUNDS


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Federal Reserve Bank of St. Louis
Chart 2A

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

Friday figures

Per cent per annum

1965 1966 1967 1968
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

<table>
<thead>
<tr>
<th>Year</th>
<th>Euro-Dollar Deposit</th>
<th>Hire Purchase</th>
<th>Differential</th>
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</thead>
<tbody>
<tr>
<td>1965</td>
<td></td>
<td></td>
<td></td>
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<td>1966</td>
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<td>1967</td>
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<td>1968</td>
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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

DIFERENTIAL

FAVOR FRANKFURT

FAVOR EURO-DOLLAR

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

IN TERMS OF SWISS FRANCS

EURO-DOLLAR

SWISS DEPOSIT RATE

DIFERENTIAL

FAVOR ZURICH

FAVOR EURO-DOLLAR

II PRICE OF GOLD IN LONDON

U.S. dollar equivalent per fine ounce

35.0

35.1

35.2

35.3

35.4

35.5

36.0

37.0

38.0

39.0

40.0

41.0

42.0

43.0

45.0

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Federal Reserve Bank of St. Louis
INTEREST ARBITRAGE, UNITED STATES / CANADA

Friday figures

3-MONTH TREASURY BILL RATES

CAN. FIN. CO. PAPER

UNITED STATES

CANADA

BILL RATE DIFFERENTIAL AND FORWARD CANADIAN DOLLAR

SPREAD IN FAVOR OF CANADA

FORWARD RATE

DISCOUNT

3-MONTH COVERED RATE DIFFERENTIALS (NET INCENTIVES)

TREASURY BILLS

PRIME FINANCE PAPER

FAVOR CANADA

FAVOR U.S.

FAVOR CANADA

FAVOR U.S.
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)

1965 1966 1967 1968
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; and Germany (Interbank Loan Rate).

3-month rate for U.S. dollar deposits in London.
LONG-TERM BOND YIELDS
Weekly figures

PERCENT PER ANNUM

NETHERLANDS
CANADA
U.S.
SWITZERLAND

U.S. EURO-DOLLAR BONDS
U.S. CORP. Aaa BONDS


Average of yields for four foreign government dollar bonds quoted on 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

1.2
0.8
0.4

SWISS FRANC

GERMAN MARK

U.K. STERLING

BELGIAN FRANC

DUTCH GUILDER

FRENCH FRANC

CANADIAN DOLLAR

ITALIAN LIRA

JAPANESE YEN

- Devolution 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

<table>
<thead>
<tr>
<th>Currency</th>
<th>Premium*</th>
<th>Discount-</th>
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<tbody>
<tr>
<td>German Mark</td>
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<tr>
<td>Swiss Franc</td>
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<tr>
<td>Pound Sterling</td>
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<td>Dutch Guilder</td>
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<tr>
<td>French Franc</td>
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<tr>
<td>Canadian Dollar</td>
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AGAINST POUND STERLING—LONDON
Friday figures

<table>
<thead>
<tr>
<th>Currency</th>
<th>Premium+</th>
<th>Discount-</th>
</tr>
</thead>
<tbody>
<tr>
<td>German Mark</td>
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<td></td>
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<tr>
<td>Swiss Franc</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Dollar</td>
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</tbody>
</table>
Chart 10

INDUSTRIAL STOCK INDICES

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

1958 = 100

1965 1966 1967 1968
II. Latest Figures Plotted in H.13 Chart Series, 1968
(all figures per cent per annum)

Chart 1
Upper Panels (Wednesday, Aug. 28)
- Euro-$ deposit 6.00
- U.S. certif. of deposit 5.85

Lower Panels (Wednesday, Aug. 28)
- Call Euro-$ deposit 5.91
- Federal Funds 5.95

Chart 2
Upper Panel - Euro-$ deposits:
- Call 6.00
- 30-day 6.31
- 180-day 6.31

Middle Panel
- Hire-purchase paper Aug. 23 5.40
- Euro-$ deposit Aug. 23 6.06

Chart 3
I. Upper panel (Period: Aug. 24-31)
- Interbank Loan (mid-point) 3.62
- Euro-$ deposits (average) 3.48

II. Price of gold (Friday, Aug. 30)
- 39.68

*July 23 3.75
July 31 3.75
Aug. 7 3.75
Chart 7

U.S. Gov't. (Wed., Aug. 28) 5.10
U.K. War Loan (Thurs., Aug. 29) 7.55
German Fed. (Fri., Aug. 30) 6.24
Swiss Confed. (Fri., Aug. 30) n.a.
Canadian Gov't. (Wed., Aug. 28) 6.45
Netherlands Gov't. (Fri., Aug. 23) 6.53
Euro-$ bonds (Fri., Aug. 30) 7.60
U.S. Euro-bonds (July 31) 7.29
U.S. Corporate Aaa (July 31) 6.24

Chart 8

(Friday, Aug. 30)
Swiss francs +1.72 Dutch Glds. -0.20
German marks +0.72 Can. $ +0.76
U.K. £ Sterling -0.69 It. Lire +0.39
Belgian francs -0.40 Jap. Yens +0.14
French francs -0.74

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

Chart 9

Against U.S. dollars:
Swiss francs +2.11 Dutch Glds. +1.38
German marks +2.58 Fr. Francs -4.18
£ Sterling -2.60 Can. $ -1.02

Against pound sterling:
Swiss francs +3.92 Ger. marks +5.60
U.S. dollars +2.23

Chart 10

U.S. (Aug. 30) 218.7
Japan (Aug. 30) 293.8
U.K. (Fri., Aug. 30) 281.2
Switzerland (Fri., Aug. 30) 335.2
Germany (n.a.)
Canada (Aug. 22) 208.6