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NOT FOR PUBLICATION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
NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS
3-MONTH DOLLAR DEPOSIT RATES

Wednesday figures

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

1965 1966 1967 1968
Chart 2A
LONDON: YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS
EURO-DOLLAR DEPOSIT RATES
Friday figures

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

EURO-DOLLAR DEPOSIT

HIRE PURCHASE

FAVOR HIRE PURCHASE

DIFFERENTIAL

FAVOR EURO-DOLLAR

1965 1966 1967 1968

EURO-DOLLAR DEPOSIT

LOCAL AUTHORITY DEPOSIT

FAVOR LOCAL AUTHORITY

DIFFERENTIAL

FAVOR EURO-DOLLAR

http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis
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
US dollar equivalent per fine ounce
35.5
35.4
35.3
35.2
35.1
35.0
1965 1966 1967 1968
M L S D M L S D M L S D
Market closed March 15, April 5, 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

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

Forwards in Favor of London

Forwards in Favor of New York

Rate Differential with Forward Exchange Cover (Net Incentive)
Chart 6
SHORT-TERM INTEREST RATES*

![Graph showing short-term interest rates for various countries from 1964 to 1968.](http://fraser.stlouisfed.org/)

*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 US dollar deposits in London.
Chart 7
LONG-TERM BOND YIELDS
Weekly figures

NETHERLANDS

CANADA

U.S.

SWITZERLAND

GERMANY

U.K.

EURO-DOLLAR BONDS

U.S. EURO-DOLLAR BONDS

U.S. CORP. Aaa BONDS


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

* Devaluation of the pound sterling from $2.80 to $2.40
Chart 10

INDUSTRIAL STOCK INDICES

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Switzerland

Germany

U.K.

Japan

Canada

U.S.

1965 1966 1967 1968

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* 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)

Chart 1
(Wednesday, Sept. 4)
Upper Panels
Euro-$ deposit 6.06
U.S. certif. of deposit 5.83
Lower Panels
Call Euro-$ deposit 5.97
Federal Funds 5.84

Chart 2
(Friday, Sept. 6)
Upper Panel - Euro-$ deposits:
Call 5.88 90-day 6.00
30-day 6.00 180-day 6.25
Middle Panel
Hire-purchase paper Aug. 30 5.10
Euro-$ deposit Aug. 30 6.16
Lower Panel
Local-authority deposit Aug. 30 5.10
Euro-$ deposit Aug. 30 6.16

Chart 3
I. Upper panel (Period: Sept. 1-7)
Interbank Loan (mid-point) 3.62
Euro-$ deposits (average) 3.56
Lower Panel (date Aug. 15)
Zurich 3-month deposit 3.75
Euro-$ rate (covered) Sept. 7 4.00
II. Price of gold (Friday, Sept. 6) 39.96

Chart 4
(Friday, Sept. 6)
Treasury bills: Canada 5.44
U.S. 5.20
Spread favor Canada +0.24
Forward Canadian dollar -0.89
Net incentive (Canada +) -0.65
Canadian Finance paper 6.12

Chart 5
(Friday, Sept. 6)
Treasury bills: U.K. 6.78
U.S. 5.20
Spread favor U.K. +1.58
U.K. local authority deposit 7.91

Chart 6
(Friday, Sept. 6)
Treasury bills: U.S. 5.20
U.K. 6.78
Canada 5.44
Interbank loan rate (German)
(Sept. 1-7) 3.62
Euro-$ deposit (London) 6.00
Zurich 3-month deposit
(Date: Aug. 15) 3.75
Japan Composite rate
(Date: July 31) 7.52
**Chart 7**

<table>
<thead>
<tr>
<th>Currency</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Gov't. (Wed., Sept. 4)</td>
<td>5.08</td>
</tr>
<tr>
<td>U.K. War Loan (Thurs., Sept. 5)</td>
<td>7.61</td>
</tr>
<tr>
<td>German Fed. (Fri., Sept. 6)</td>
<td>6.24</td>
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<tr>
<td>Swiss Confed. (Fri.,) n.a.</td>
<td></td>
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<tr>
<td>Canadian Gov't. (Wed., Sept. 4)</td>
<td>6.48</td>
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<tr>
<td>Netherlands Gov't. (Friday, Aug. 30)</td>
<td>6.52</td>
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<tr>
<td>Euro-$ bonds (Fri., Sept. 6)</td>
<td>7.61</td>
</tr>
<tr>
<td>U.S. Euro-bonds (Aug. 31)</td>
<td>7.16</td>
</tr>
<tr>
<td>U.S. Corporate Aaa (Aug. 31)</td>
<td>6.02</td>
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**Chart 8**

<table>
<thead>
<tr>
<th>Currency</th>
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<tbody>
<tr>
<td>Swiss francs</td>
<td>+1.55</td>
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<tr>
<td>Dutch Gld.</td>
<td>-0.43</td>
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<tr>
<td>German marks</td>
<td>+0.68</td>
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<tr>
<td>Can. $</td>
<td>+0.76</td>
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<tr>
<td>U.K. £ Sterling</td>
<td>-0.72</td>
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<tr>
<td>It. Lire</td>
<td>+0.30</td>
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<tr>
<td>Belgian francs</td>
<td>-0.53</td>
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<tr>
<td>Jap. Yens</td>
<td>+0.21</td>
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<tr>
<td>French francs</td>
<td>-0.74</td>
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</table>

**Chart 9**

Against U.S. dollars:

<table>
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<th>Currency</th>
<th>Rate</th>
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<tbody>
<tr>
<td>Swiss francs</td>
<td>+2.00</td>
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<tr>
<td>Dutch Gld.</td>
<td>+1.22</td>
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<tr>
<td>German marks</td>
<td>+2.50</td>
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<tr>
<td>Fr. Francs</td>
<td>-1.29</td>
</tr>
<tr>
<td>£ Sterling</td>
<td>-2.81</td>
</tr>
<tr>
<td>Can. $</td>
<td>-0.89</td>
</tr>
</tbody>
</table>

Against pound sterling:

<table>
<thead>
<tr>
<th>Currency</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swiss francs</td>
<td>+4.12</td>
</tr>
<tr>
<td>Ger. marks</td>
<td>+5.49</td>
</tr>
<tr>
<td>U.S. dollars</td>
<td>+2.41</td>
</tr>
</tbody>
</table>

**Chart 10**

<table>
<thead>
<tr>
<th>Currency</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. (Sept. 6)</td>
<td>222.2</td>
</tr>
<tr>
<td>Japan (Sept. 6)</td>
<td>301.7</td>
</tr>
<tr>
<td>U.K. (Fri., Sept. 6)</td>
<td>285.6</td>
</tr>
<tr>
<td>Switzerland (Fri., Sept. 6)</td>
<td>340.3</td>
</tr>
<tr>
<td>Germany (Aug. 30)</td>
<td>270.4</td>
</tr>
<tr>
<td>Canada (Aug. 29)</td>
<td>209.3</td>
</tr>
</tbody>
</table>

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