

H. 13
No. 379

369

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

NOTE: Starting with this issue, the Swiss Long-Term Bond Yield plotted on Chart 7 will be The Swiss Composite Government Bond Yield. This series replaces the 3 per cent Swiss Confederation Bond (1967-74) yields which are no longer available. The new series has been plotted back to August 2, 1968.

Europe and British Commonwealth Section.

NOT FOR PUBLICATION

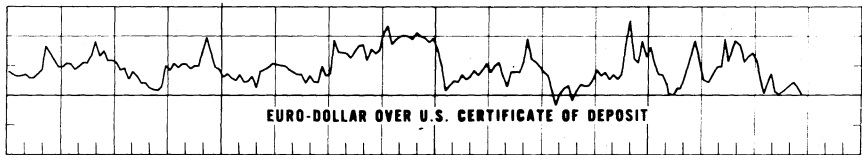
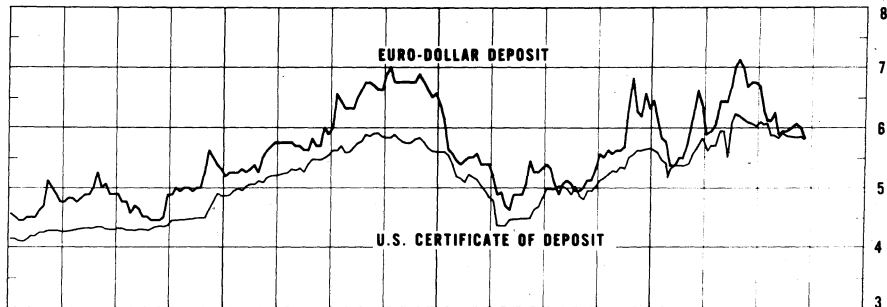
DECONTROLLED AFTER SIX MONTHS

Chart 1

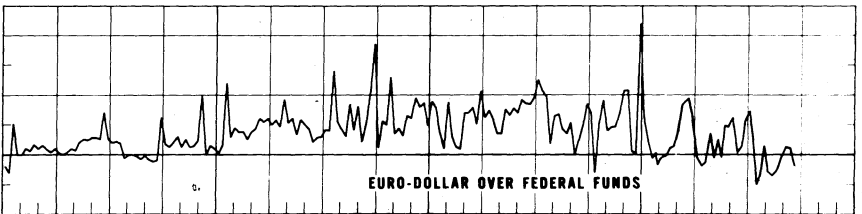
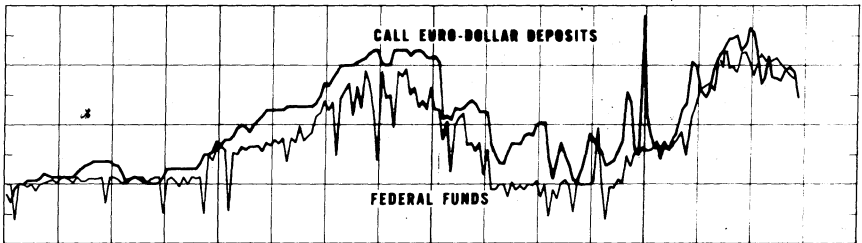
NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS 3-MONTH DOLLAR DEPOSIT RATES

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 1980

3

Chart 2A

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

Friday figures

Per cent per annum

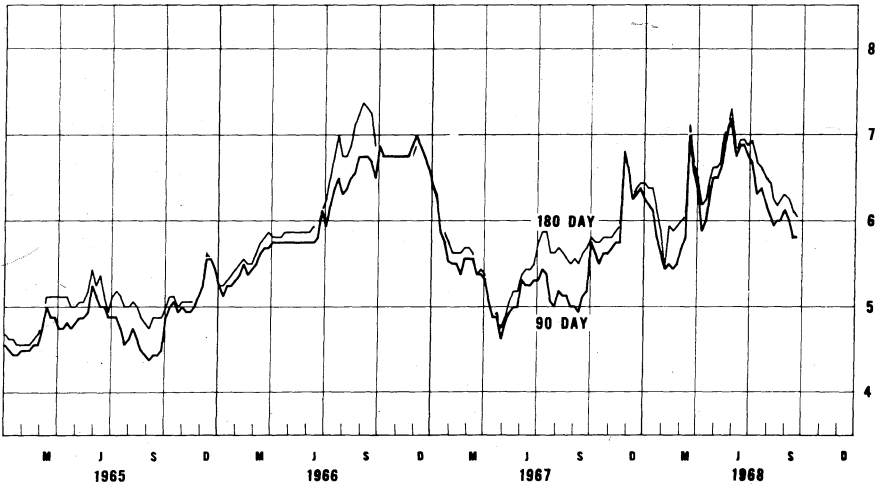
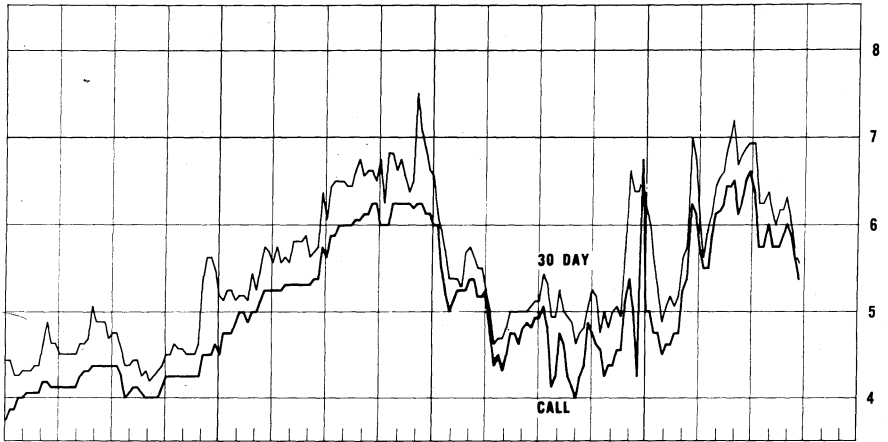


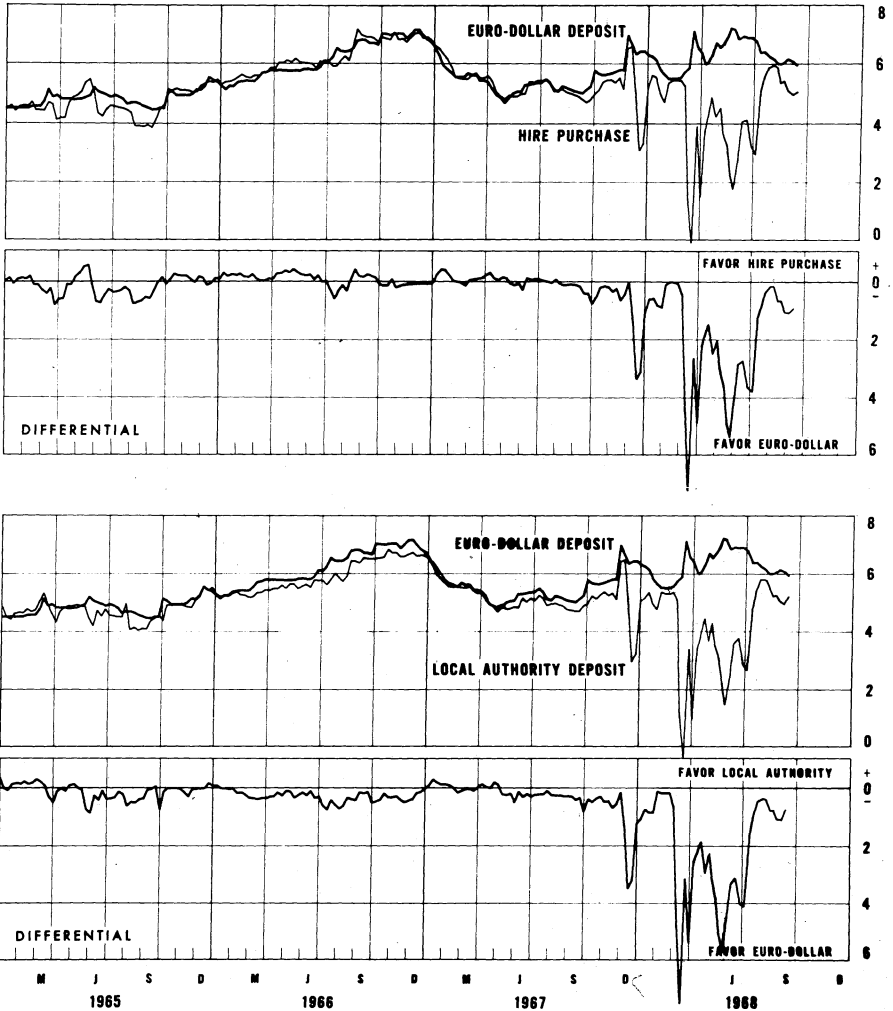
Chart 28

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

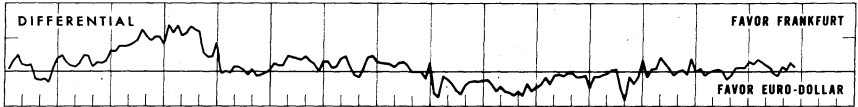
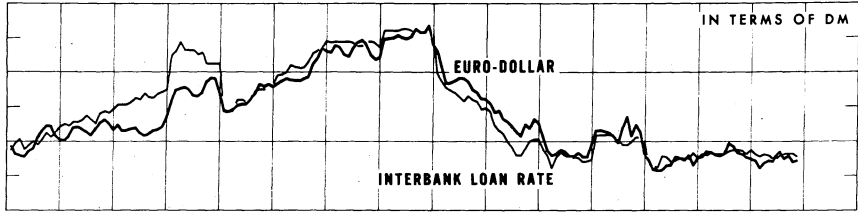


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Chart 3

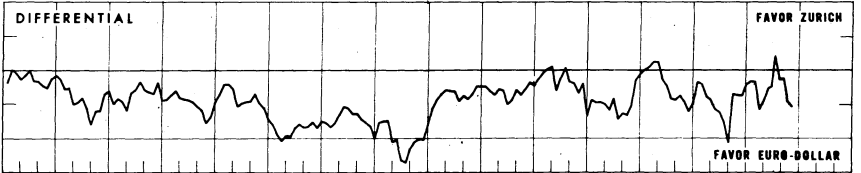
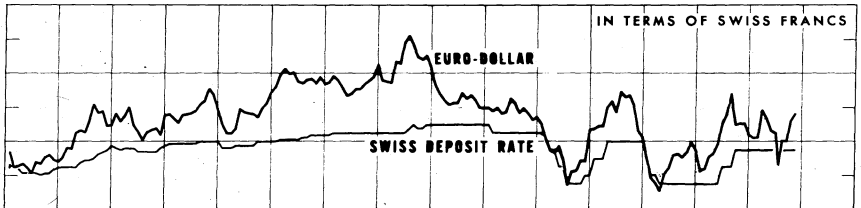
I INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON
FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE (COVERED)

Per cent per annum



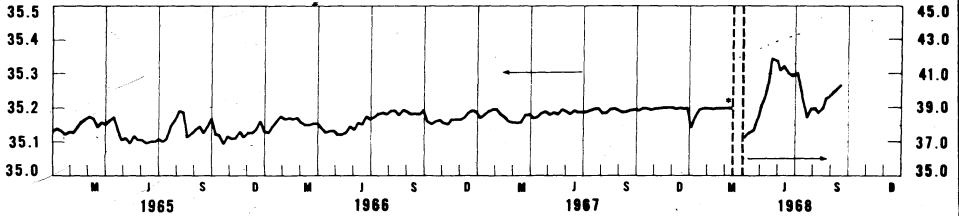
ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE (COVERED)

IN TERMS OF SWISS FRANCS



II PRICE OF GOLD IN LONDON

U.S. dollar equivalent per fine ounce



• Market closed March 15 April 1, 1968

Chart 4

INTEREST ARBITRAGE, UNITED STATES / CANADA

Friday figures

Per cent per annum

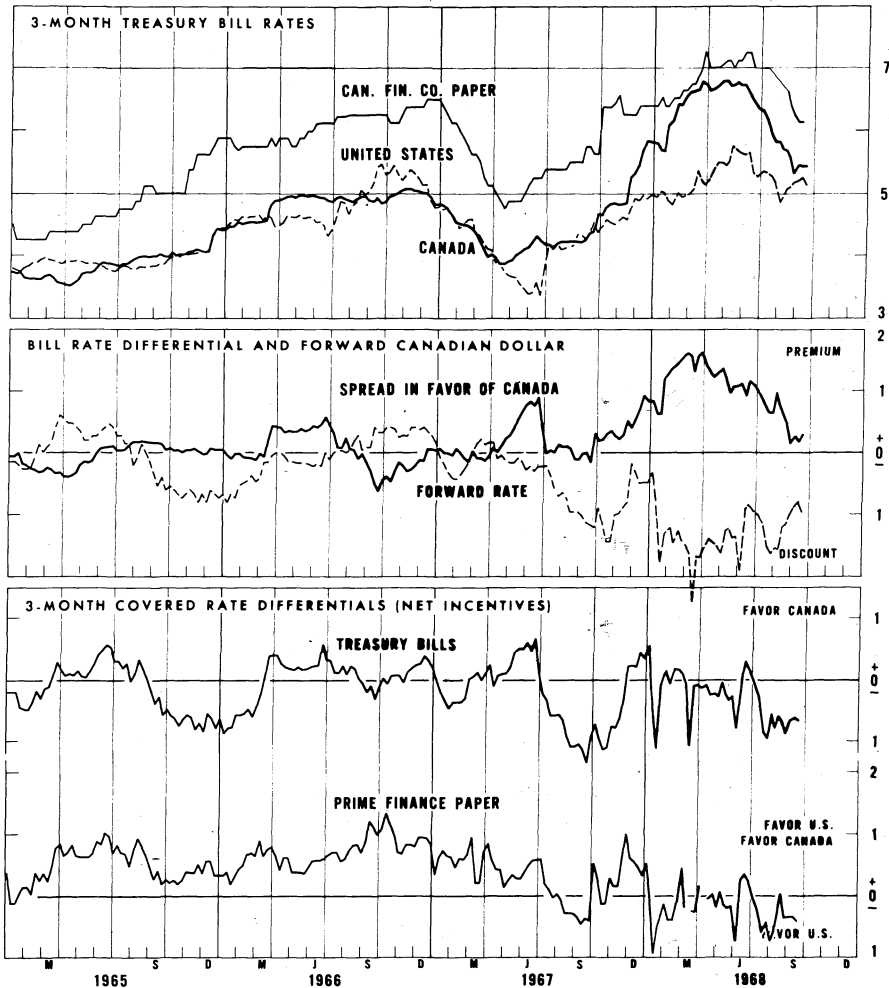
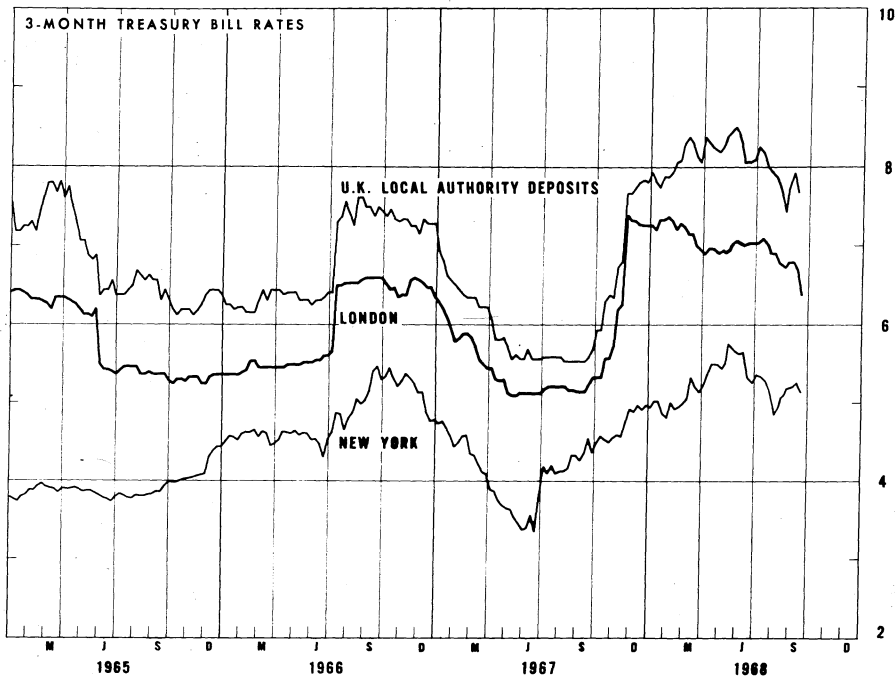


Chart SA

INTEREST ARBITRAGE, NEW YORK/LONDON

Per cent per annum*

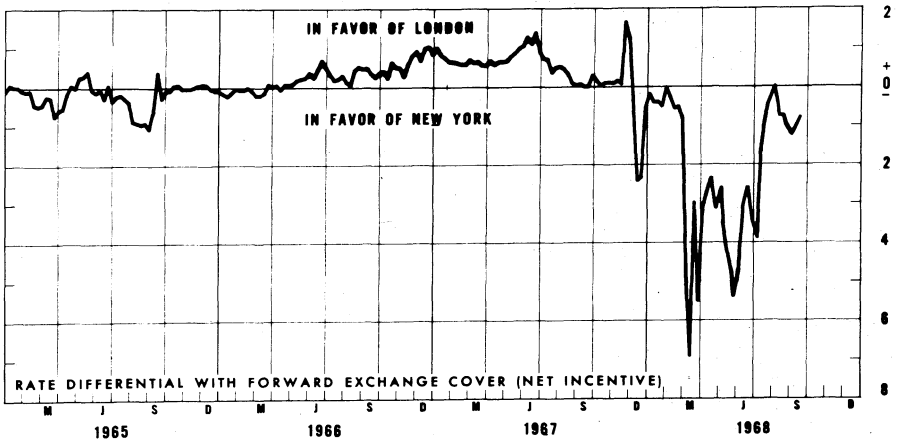
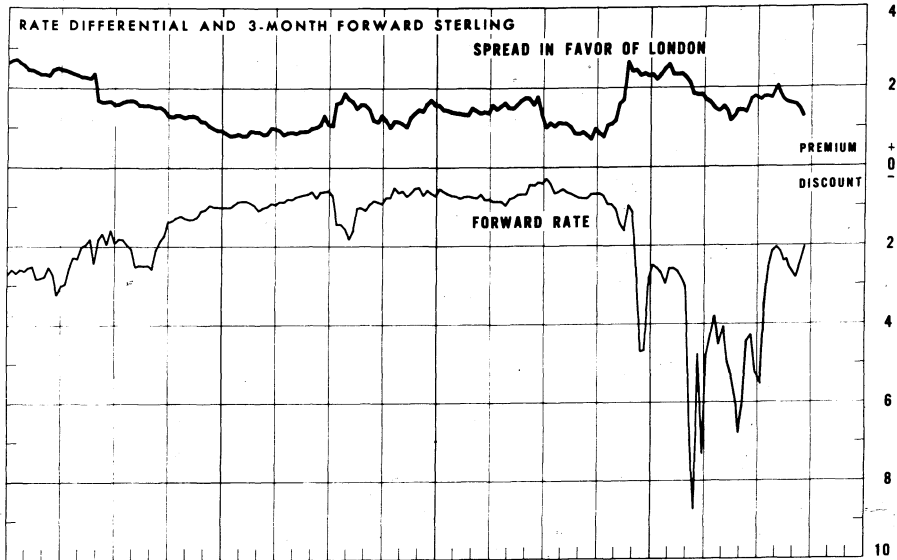


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3
3
3
3
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Chart 58

INTEREST ARBITRAGE, NEW YORK/LONDON

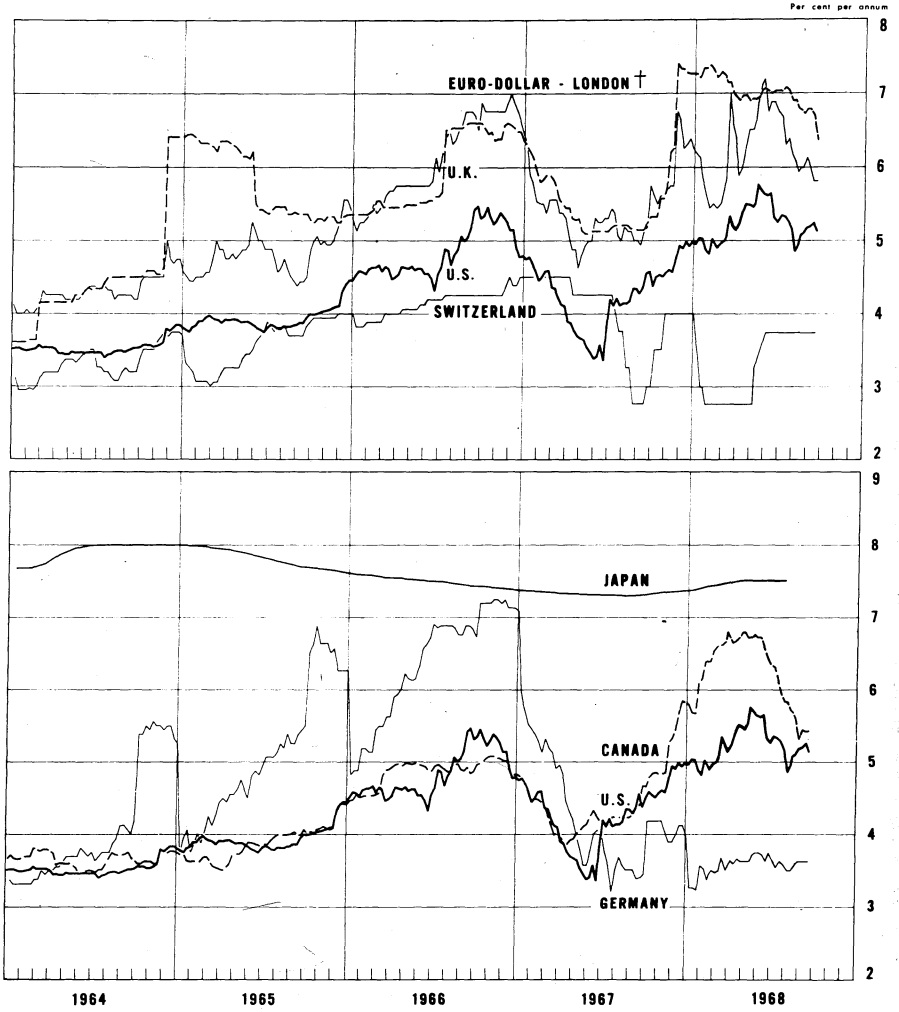
Per cent per annum



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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)

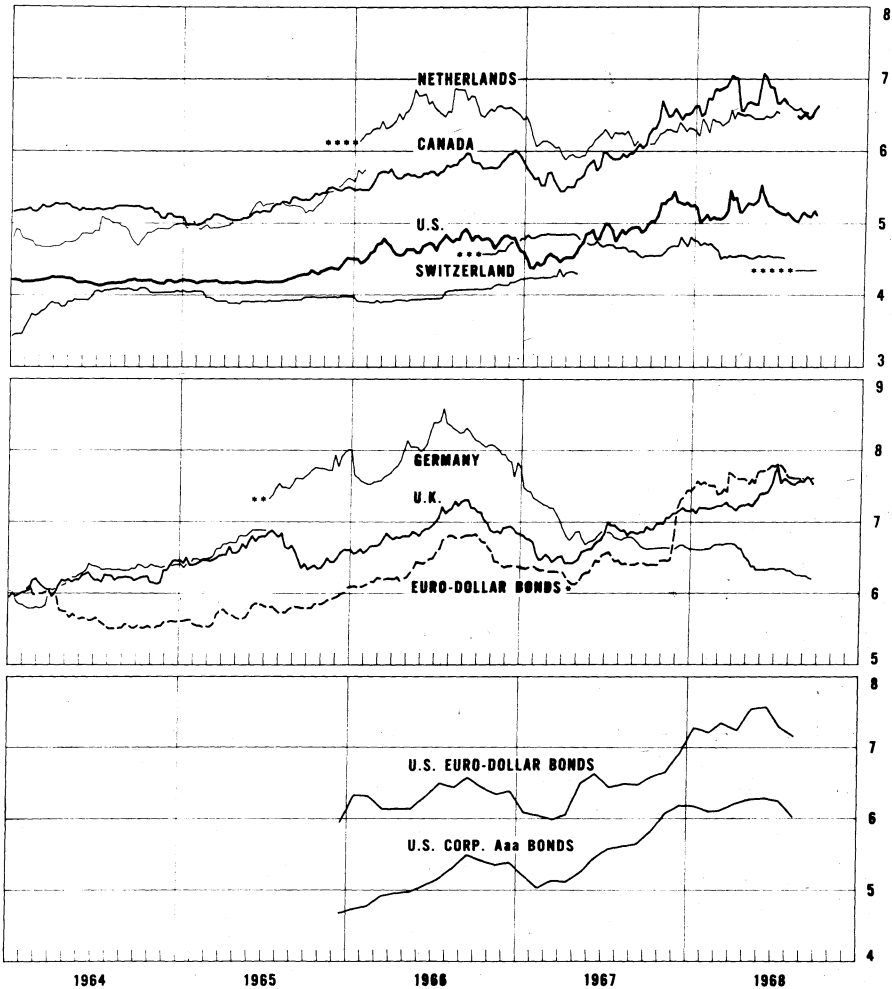
† 3-month rate for U.S. dollar deposits in London

Chart 7

LONG-TERM BOND YIELDS

Weekly figures

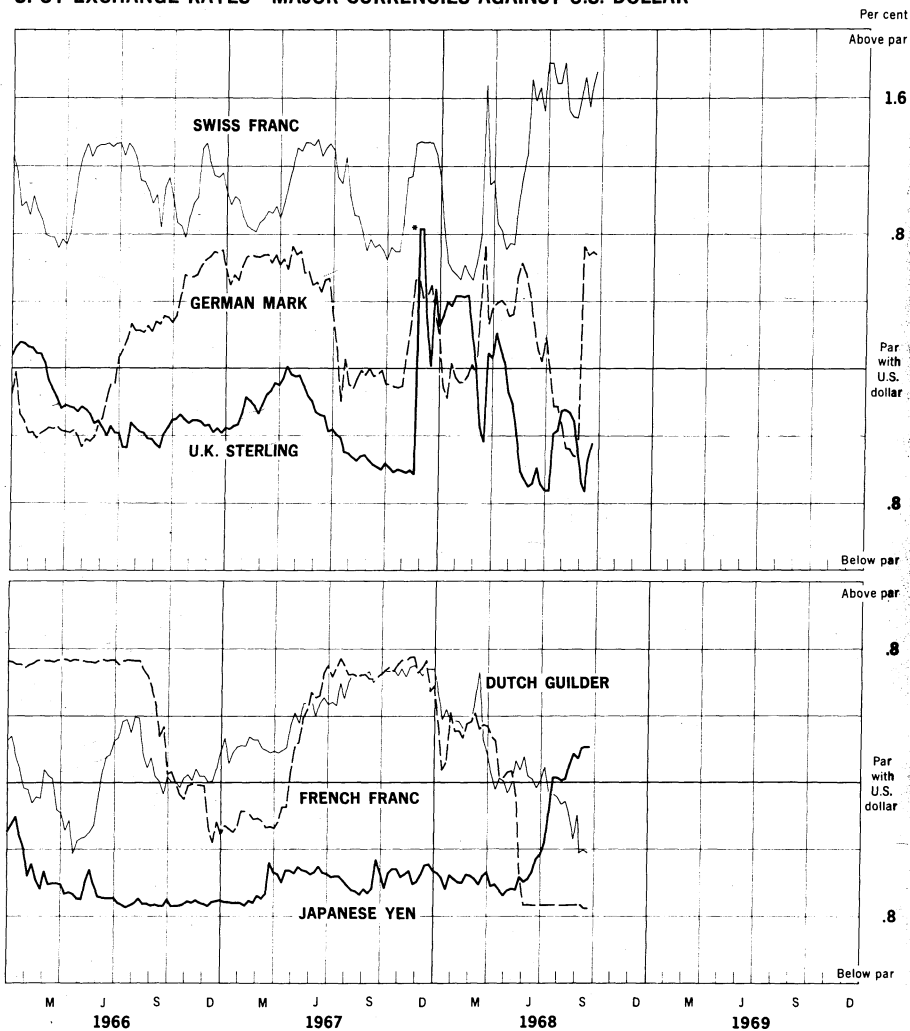
Per cent per annum



- 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
- New series for Switzerland starts 8.2.68

Chart 8A

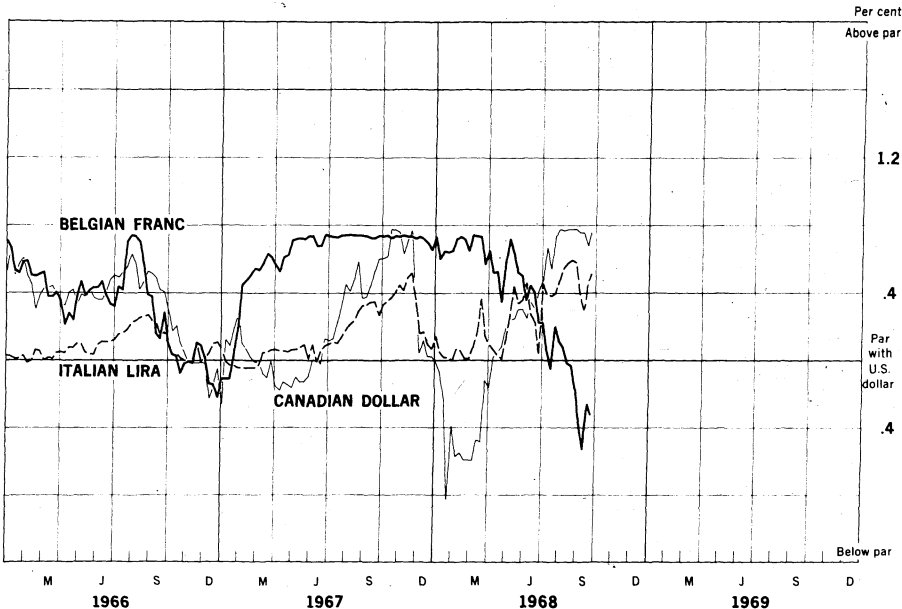
SPOT EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.S. DOLLAR



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

Chart 8B

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



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Chart 9A

3-MONTH FORWARD EXCHANGE RATES

AGAINST U.S. DOLLARS—NEW YORK

Friday figures

Per cent per annum

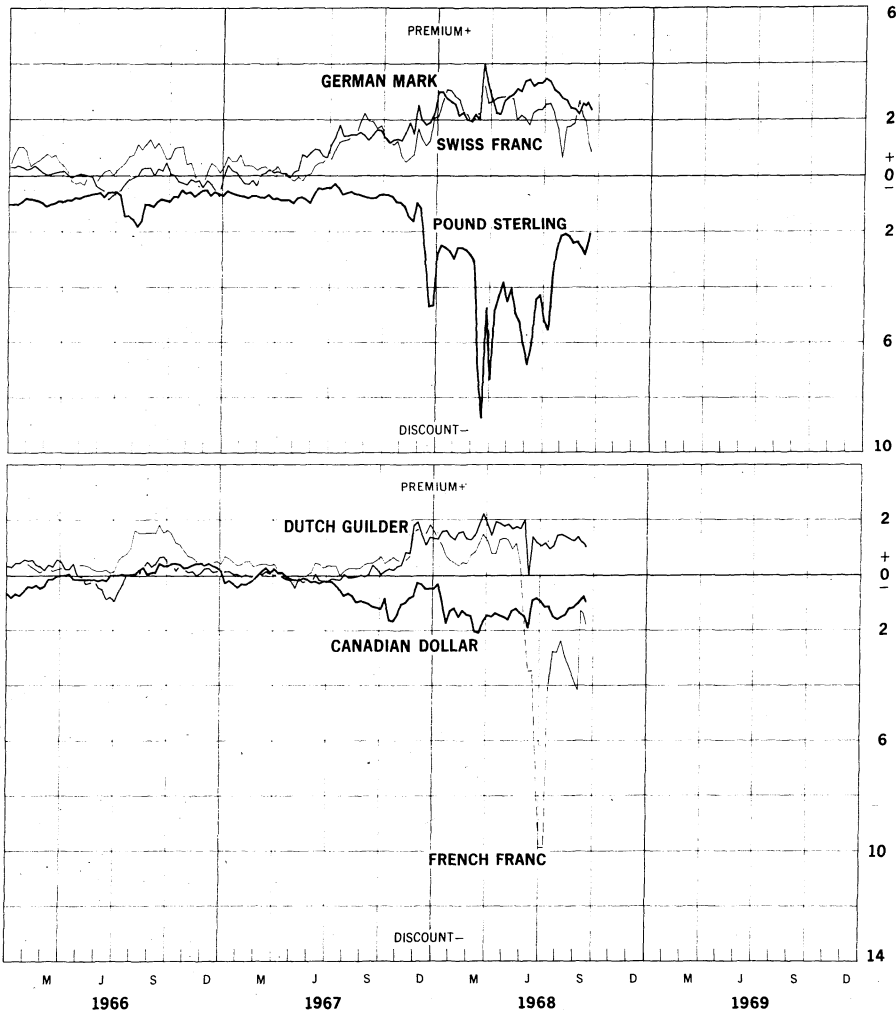


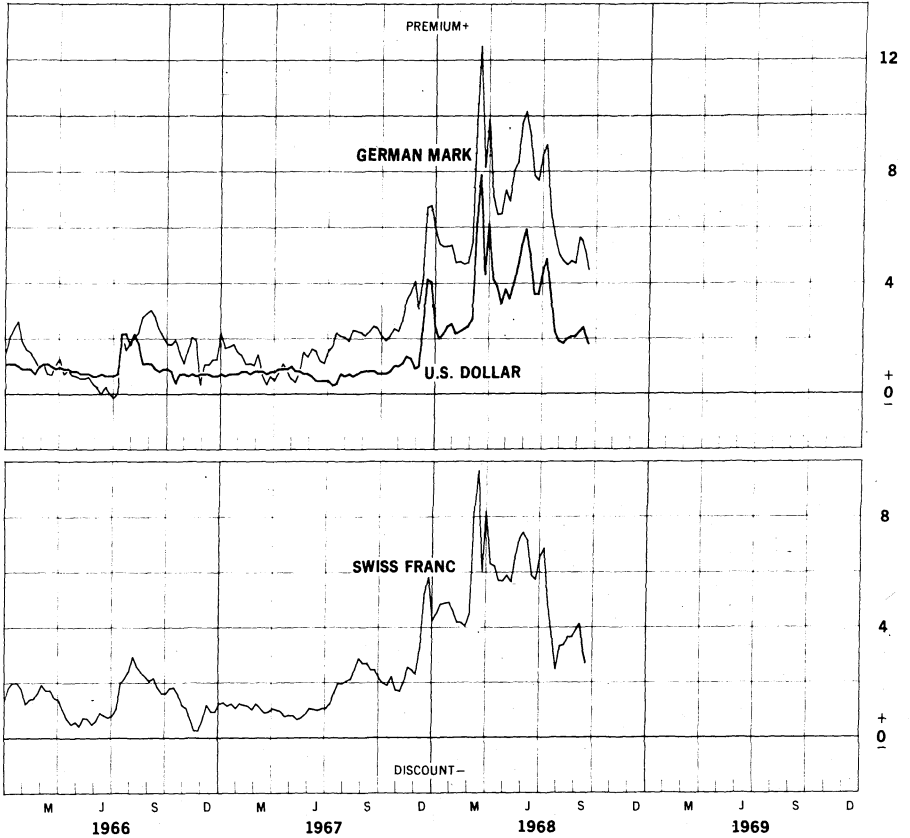
Chart 9B

3-MONTH FORWARD EXCHANGE RATE

AGAINST POUND STERLING — LONDON

Friday figures

Per cent per annum

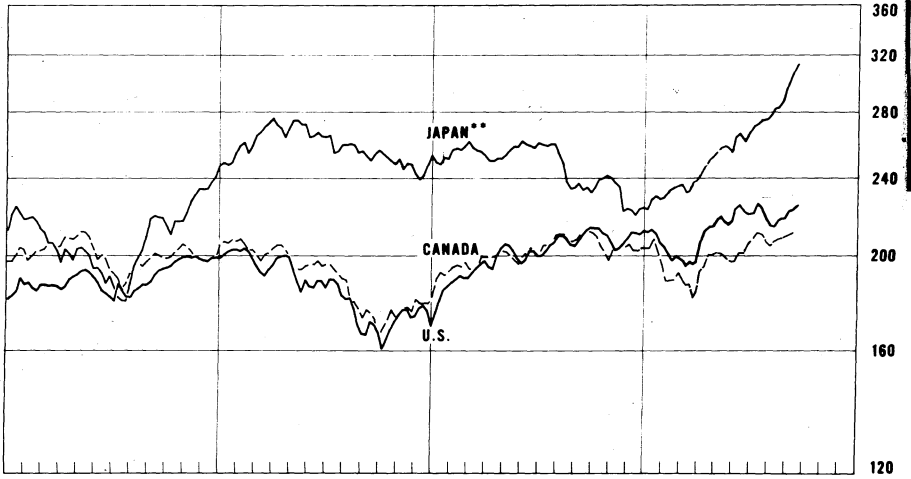
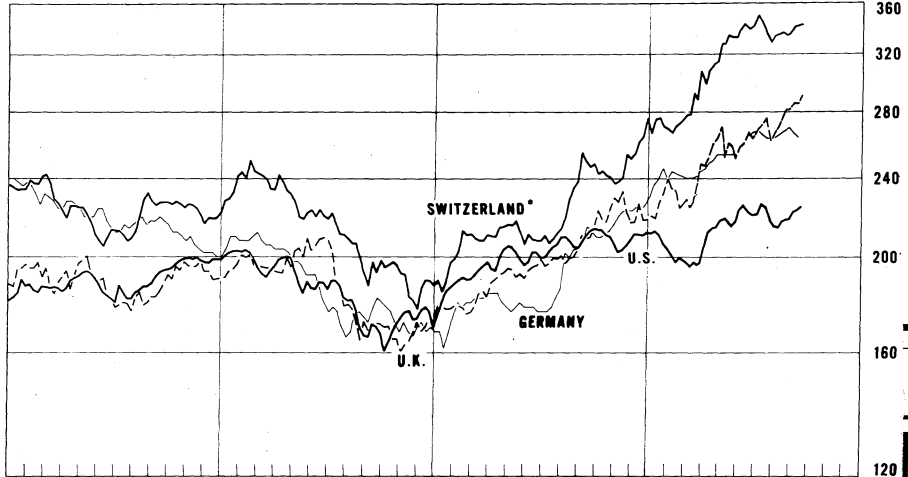


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Chart 10

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.

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

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Chart 1

Upper Panels (Wednesday, Sept. 18)

Euro-\$ deposit 5.81

U.S. certif. of deposit 5.80

Lower Panels (Wednesday, Sept. 18)

Call Euro-\$ deposit 5.46

Federal Funds 5.65

Chart 2A

Euro-\$ deposits (Friday, Sept. 20)

Upper Panel Call 5.38

30-day 5.56

Lower Panel 90-day 5.81

180-day 6.06

Chart 2B

Hire-Purchase (Sept. 13) 5.04

Local Authority (Sept. 13) 5.23

Euro-\$ deposit (Sept. 13) 5.94

Chart 3

I. Upper Panel (Period: Sept. 16-23)

Interbank Loan (mid-point) 3.54

Euro-\$ deposits (average) 3.42

Lower Panel (date: Sept. 23)

Zurich 3-mo. deposit 3.75

Euro-\$ rate (covered) (Sept. 23) 4.81

II. Price of Gold (London) \$40.39

(average-week ended Sept. 20)

Chart 4

(Friday, Sept. 20)

Treasury bills: Canada 5.43

U.S. 5.13

Spread (favor Canada +) +0.30

Forward Canadian dollar -0.97

Net incentive (Canada +) -0.67

Canadian Finance paper (Sept. 13) 6.12

Chart 5A

(Friday, Sept. 20)

U.K. Local Authority deposit 7.68

Treasury bills: U.K. (Sept. 13) 6.37

U.S. 5.13

Chart 5B

Spread (favor U.K. +) +1.24

Forward rate -2.03

Net incentive (U.K. +) -0.79

Chart 6

Upper Panel (Friday, Sept. 20)

Treasury Bills U.S. 5.13

U.K. 6.37

Canada 5.43

Euro-\$ deposit (London) 5.81

Lower Panel

German Interbank loan rate
(Sept. 20) 3.50

Zurich 3-month deposit (Sept. 18) 3.75

Japan Composite Rate (July 31) 7.52

U.S. Treasury bills (Sept. 20) 5.13

H. 13

II. b

September 25, 1968.

Chart 7Upper Panel

| | |
|--|-------------|
| U.S. Gov't. (Wed., Sept. 18) | <u>5.10</u> |
| Netherlands Govt. (Fri., _____) | <u>n.a.</u> |
| Canadian Gov't. (Wed., Sept. 18) | <u>6.62</u> |
| Swiss Gov't. Composite (Fri., Sept. 20) | <u>4.35</u> |

Middle Panel

| | |
|--|-------------|
| German Fed., (Fri., Sept. 20) | <u>6.20</u> |
| U.K. War Loan (Thus., Sept. 19) | <u>7.52</u> |
| Euro- $\text{\$}$ bonds (Fri., Sept. 20) | <u>7.61</u> |

Lower Panel

| | |
|--------------------------------|-------------|
| U.S. Euro-bonds (Aug. 31) | <u>7.16</u> |
| U.S. Corporate Aaa (Aug. 31) | <u>6.02</u> |

Chart 8A
(Friday, Sept. 20)

Upper Panel

| | |
|--------------------------------|--------------|
| Swiss francs | <u>+1.76</u> |
| German marks | <u>+0.68</u> |
| U.K. \pounds sterling | <u>-0.45</u> |

Lower Panel

| | |
|----------------|--------------|
| French francs | <u>-0.76</u> |
| Dutch guilders | <u>-0.43</u> |
| Japanese yens | <u>+0.22</u> |

Chart 8B
(Friday, Sept. 20)

| | |
|------------------|--------------|
| Belgian francs | <u>-0.32</u> |
| Canadian dollars | <u>+0.76</u> |
| Italian lira | <u>+0.52</u> |

Chart 9A

(Friday, Sept. 20)

Against U.S. dollarsUpper Panel

| | |
|---------------------------|--------------|
| Swiss francs | <u>+0.87</u> |
| German marks | <u>+2.36</u> |
| \pounds sterling | <u>-2.03</u> |

Lower Panel

| | |
|-----------------|--------------|
| French franc | <u>-1.79</u> |
| Dutch guilder | <u>+1.02</u> |
| Canadian dollar | <u>-0.97</u> |

Chart 9B

(Friday, Sept. 20)

Against pound sterlingUpper Panel

| | |
|-------------|--------------|
| German mark | <u>+4.48</u> |
| U.S. dollar | <u>+1.79</u> |

Lower panel

| | |
|-------------|--------------|
| Swiss franc | <u>+2.69</u> |
|-------------|--------------|

Chart 10

(Index; 1958 = 100)

Upper Panel

| | |
|--------------------------|--------------|
| U.K. (Fri., Sept. 20) | <u>290.9</u> |
| Germany (Sept. 13) | <u>264.8</u> |
| Switzerland (Sept. 19) | <u>343.4</u> |

Lower Panel

| | |
|--------------------------|--------------|
| U.S. (Sept. 20) | <u>225.0</u> |
| Canada (Sept. 12) | <u>211.2</u> |
| Japan (Fri., Sept. 20) | <u>313.9</u> |

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