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NOT FOR PUBLICATION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
LONDON: YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS

HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

<table>
<thead>
<tr>
<th>Year</th>
<th>Euro-Dollar Deposit</th>
<th>Hire Purchase</th>
<th>Differential</th>
<th>Favor Euro-Dollar</th>
<th>Favor Local Authority</th>
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<tr>
<td>1965</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

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

35.5 35.4 35.3 35.2 35.1 35.0

1965 1966 1967 1968

MARKET CLOSED: March 15, April 1, 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
PREMIUM
DISCOUNT

3 MONTH COVERED RATE DIFFERENTIALS (NET INCENTIVES)

TREASURY BILLS

PRIME FINANCE PAPER

FAVOR U.S.
FAVOR CANADA
FAVOR CANADA
FAVOR U.S.
INTEREST ARBITRAGE, NEW YORK/LONDON

RATE DIFFERENTIAL AND 3-MONTH FORWARD STERLING

SPREAD IN FAVOR OF LONDON

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 8.
SHORT-TERM INTEREST RATES*

13-month treasury bill rates for all countries except Japan. Average rate on bank loans and discounts.
Switzerland: 3-month deposit rate and Germany: Inter-bank loan rate.
†3-month rate for US dollar deposits in London.
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


* 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

Per cent
Above par

1.6

Par with
U.S. dollar

.8

Below par

.U.K. STERLING

.8

Above par

Par with
U.S. dollar

.8

Below par

FRENCH FRANC

.8

JAPANESE YEN

.8

SWISS FRANC

.8

GERMAN MARK

1966

1967

1968

1969


*Devaluation of the pound sterling from $2.80 to $2.40.
SPOT EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.S. DOLLAR

- BELGIAN FRANC
- ITALIAN LIRA
- CANADIAN DOLLAR
3-MONTH FORWARD EXCHANGE RATE
AGAINST POUND STERLING—LONDON
Friday figures

- GERMAN MARK
- U.S. DOLLAR
- SWISS FRANC

Per cent per annum


Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis
Chart 10

INDUSTRIAL STOCK INDICES

- 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)

Chart 1
Upper Panels (Wednesday, Sept. 25)
- Euro-$ deposit 5.69
- U.S. certif. of deposit 5.65

Lower Panels (Wednesday, Sept. 25)
- Call Euro-$ deposit 5.32
- Federal Funds 5.72

Chart 2A
Euro-$ deposits (Friday, Sept. 27)
Upper Panel
- Call 5.50
- 30-day 5.94

Lower Panel
- 90-day 6.00
- 180-day 6.19

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. 24-30)
- Interbank Loan (mid-point) 3.38
- Euro-$ deposits (average) 3.52

Lower Panel (date: Sept. 30)
- Zurich 3-mo. deposit 3.75

II. Price of Gold (London) 40.39
(average-week ended Sept. 27)

Chart 4
(Friday, Sept. 27)
- Treasury bills: Canada 5.54
  U.S. 5.06
- Spread (favor Canada +) 0.48
- Forward Canadian dollar -0.86
- Net incentive (Canada +) -0.38
- Canadian Finance paper (Sept. 20) 6.25

Chart 5A
(U.K. Local Authority deposit (Sept. 20) 7.44
(U.K. Treasury bills: 6.49
  U.S. 5.06

Chart 5B
- Spread (favor U.K. +) 1.43
- Forward rate 1.71
- Net incentive (U.K. +) 0.28

Chart 6
(U.K. Upper Panel (Friday, Sept. 27)
- Treasury Bills U.S. 5.06
  U.K. 6.49
  Canada 5.54

Lower Panel
- Euro-$ deposit (London) 6.19

German Interbank loan rate (Sept. 27) 3.38
Zurich 3-month deposit (Sept. 25) 3.75
Japan Composite Rate (July 31) 7.52
U.S. Treasury bills (Sept. 27) 5.06
For descriptions and sources of data, see Special Supplement No. 343-S dated March 27, 1968.