CREDIT 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NOT FOR PUBLICATION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
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

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

Week-by-week figures

Per cent per annum
Chart 3

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

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

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

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

II PRICE OF GOLD IN LONDON

PRICE OF GOLD IN LONDON

INTERS ABIRTRAGE, 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
PREMIUM

3-MONTH COVERED RATE DIFFERENTIALS (NET INCENTIVES)

TREASURY BILLS
PRIME FINANCE PAPER

FAVOR CANADA
FAVOR U.S.
FAVOR U.S.
Chart 5A
INTEREST ARBITRAGE, NEW YORK/LONDON

3-MONTH TREASURY BILL RATES

U.K. LOCAL AUTHORITY DEPOSITS
LONDON
NEW YORK
Chart 56
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)
Chart 6
SHORT-TERM INTEREST RATES*
Devaluation of the pound sterling from $2.80 to $2.40.

Chart 8A

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

Above par

1.6

0.8

Par with U.S. dollar

Below par

0.8

0.8

Par with U.S. dollar

Below par

0.8


*Devaluation of the pound sterling from $2.80 to $2.40.*
Chart 8B

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

Above par

1.2

Belgian Franc

Below par

1.2

Par with U.S. dollar

Belgian Franc

Italian Lira

Canadian Dollar

Year

1966

1967

1968

1969
3-MONTH FORWARD EXCHANGE RATE
AGAINST POUND STERLING—LONDON
Friday figures

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Chart 10
INDUSTRIAL STOCK INDICES

1958-1968

Ratio scale

SWITZERLAND
GERMANY
U.K.

JAPAN

CANADA
U.S.

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, Oct. 9)
- Euro-$ deposit: 6.31
- U.S. certif. of deposit: 5.82

Lower Panels (Wednesday, Oct. 9)
- Call Euro-$ deposit: 6.20
- Federal Funds: 5.90

**Chart 2A**

Euro-$ deposits (Friday, Oct. 11)
- Upper Panel Call: 6.38
- 30-day: 6.52

Lower Panel
- 90-day: 6.44
- 180-day: 6.50

**Chart 2B**

- Hire-Purchase (Oct. 4): 6.10
- Local Authority (Oct. 4): 5.92
- Euro-$ deposit (Oct. 4): 6.38

**Chart 3**

I. Upper Panel (Period: Oct. 8-15)
- Interbank Loan (mid-point): 4.75
- Euro-$ deposits (average): 4.01

Lower Panel (date: Oct. 15)
- Zurich 3-mo. deposit (Oct. 9): 4.00
- Euro-$ rate (covered) (Oct. 15): 6.20


**Chart 4**

(Friday, Oct. 11)
- Treasury bills: Canada: 5.46
- U.S.: 5.25

- Spread (favor Canada +): +0.21
- Forward Canadian dollar: -0.41
- Net incentive (Canada +): -0.20
- Canadian Finance paper: 6.00

**Chart 5A**

(U.K. Local Authority deposit)
- U.S.: 5.25

**Chart 5B**

- Spread (favor U.K. +): +1.10
- Forward rate: -1.39
- Net incentive (U.K. +): -0.29

**Chart 6**

(Upper Panel (Friday, Oct. 11)
- Treasury Bills
  - U.S.: 5.25
  - U.K.: 6.35
  - Canada: 5.46

- Euro-$ deposit (London): 6.44

(Lower Panel)
- German Interbank loan rate (Oct. 8-15): 4.75
- Zurich 3-month deposit (Oct. 9): 4.00
- Japan Composite Rate (Aug. 30): 7.49
- U.S. Treasury bills (Oct. 11): 5.25
Chart 7

Upper Panel
U.S. Gov't. (Wed., Oct. 9) 5.31
Netherlands Govt. (Fri., Oct. 4) 6.46
Canadian Gov't. (Wed., Oct. 9) 7.03
Swiss Gov't. Composite (Fri., Oct. 11) 4.37

Middle Panel
German Fed. (Fri., Oct. 11) 6.21
U.K. War Loan (Thus., Oct. 3) 7.54
Euro-$ bonds (Fri., Oct. 11) 7.56

Lower Panel
U.S. Euro-bonds (Sept. 30) 7.14
U.S. Corporate Aaa (Sept. 30) 5.97

Chart 8A (Friday, Oct. 11)

Upper Panel
Swiss francs +1.79
German marks +0.36
U.K. £ sterling -0.47

Lower Panel
French francs -0.75
Dutch guilders -0.53
Japanese yens +0.36

Chart 8B (Friday, Oct. 11)

Belgian francs -0.65
Canadian dollars +0.67
Italian lira +0.35

Chart 9A Against U.S. dollars (Friday, Oct. 11)

Upper Panel
Swiss francs +0.51
German marks +2.46
£ sterling -1.39

Lower Panel
French franc -0.60
Dutch guilder +1.16
Canadian dollar -0.45

Chart 9B Against pound sterling (Friday, Oct. 11)

Upper Panel
German mark +3.52
U.S. dollar +1.25

Lower Panel
Swiss franc +1.67

Chart 10 (Index; 1958 = 100)

Upper Panel
U.K. (Friday, Oct. 11) 267.7
Germany (Sept. 30) 261.4
Switzerland (Oct. 11) 344.7

Lower Panel
U.S. (Oct. 11) 229.5
Canada (Oct. 3) 219.8
Japan (Oct. 11) 311.2

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