

October 23, 1968.

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
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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NOT FOR PUBLICATION

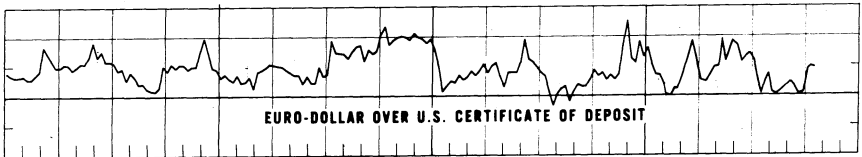
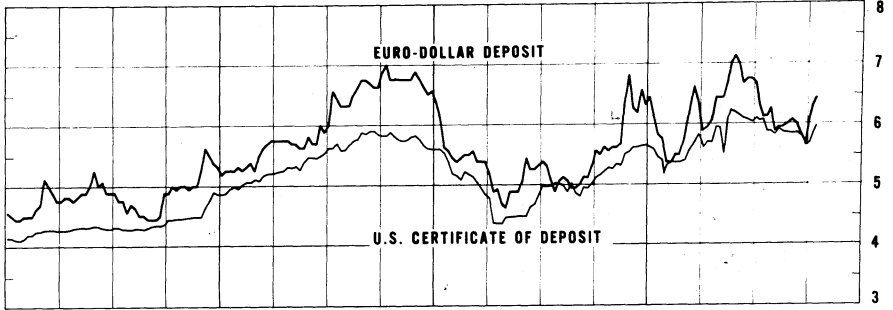
DECONTROLLED AFTER SIX MONTHS

Chart 1

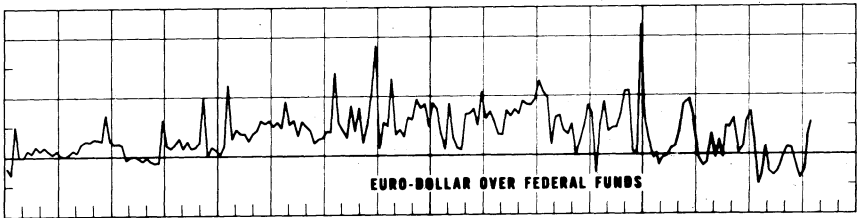
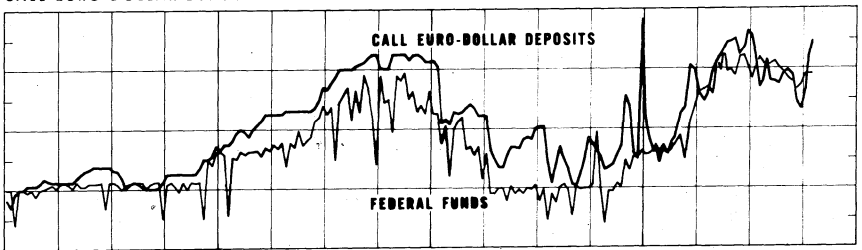
NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS 3-MONTH DOLLAR DEPOSIT RATES

Wednesday figures

Per cent per annum



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 1968

3

Chart 2A
LONDON: YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS
EURO-DOLLAR DEPOSIT RATES

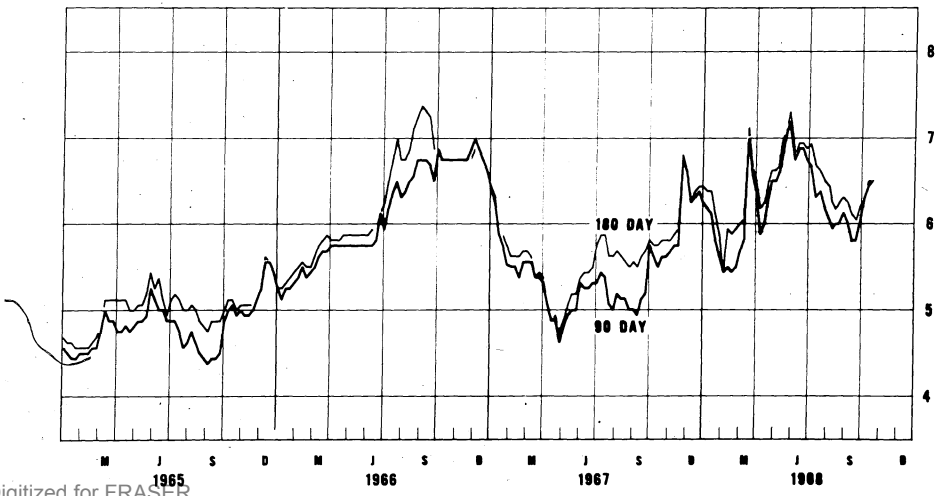
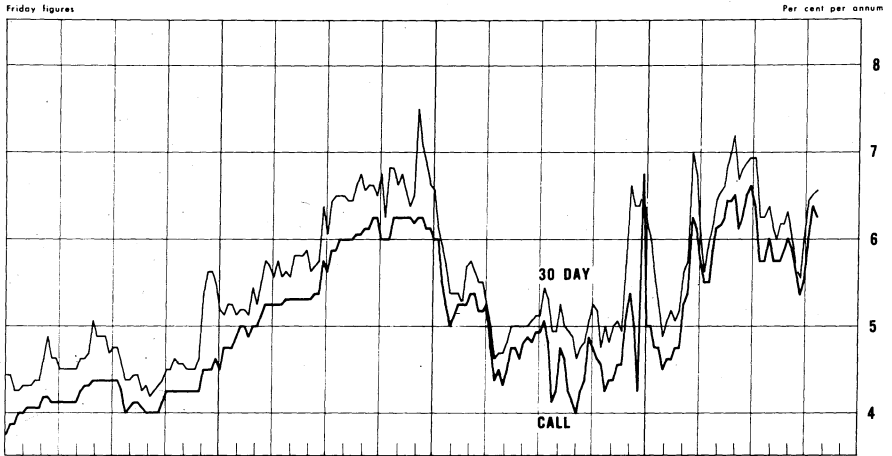


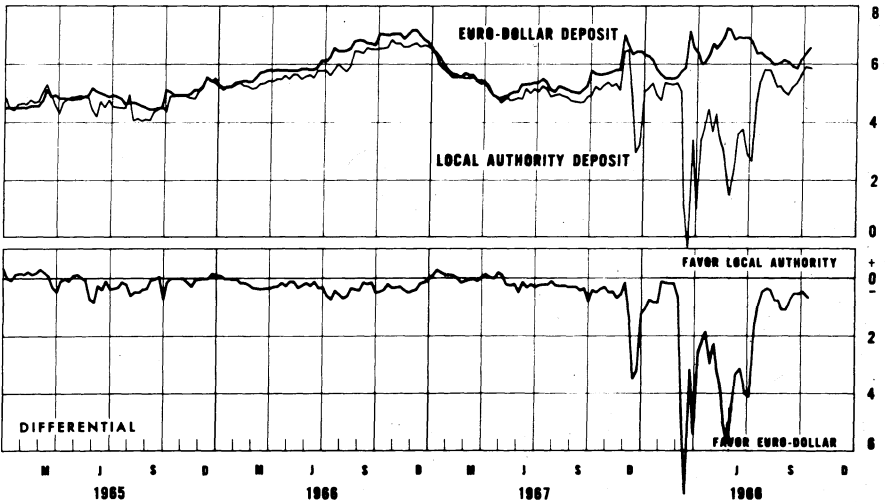
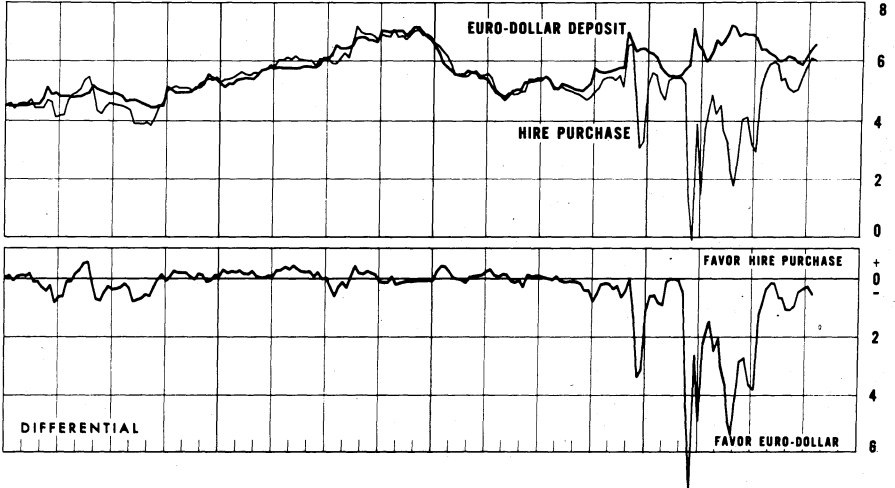
Chart 28

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

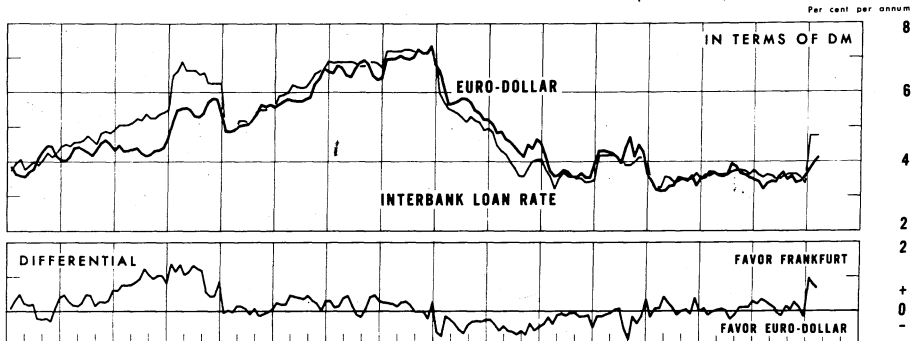
HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

Friday figures

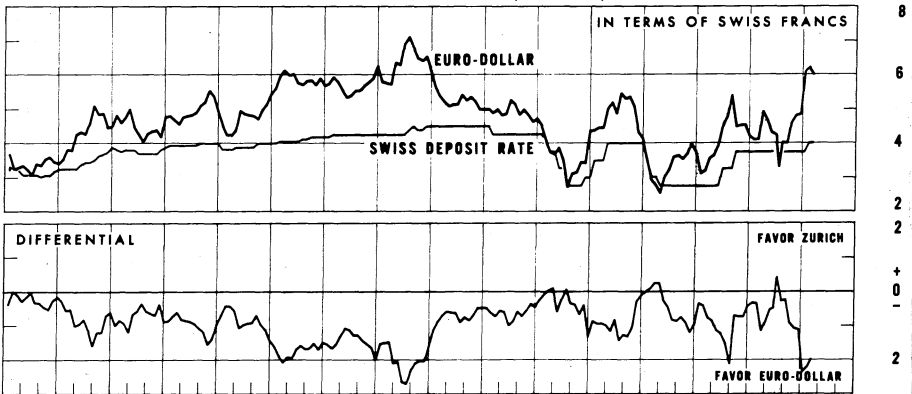
Per cent per annum



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



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



II PRICE OF GOLD IN LONDON

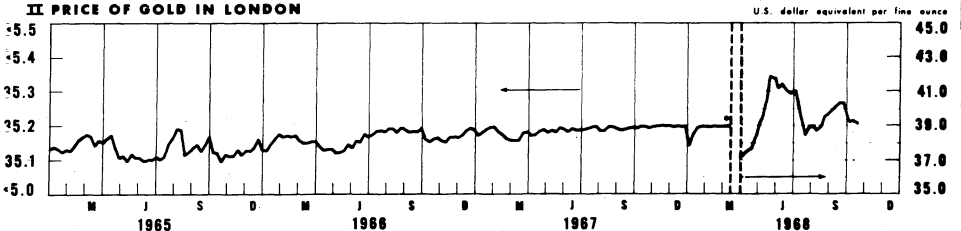


Chart 4

INTEREST ARBITRAGE, UNITED STATES / CANADA

Friday figures

Per cent per annum

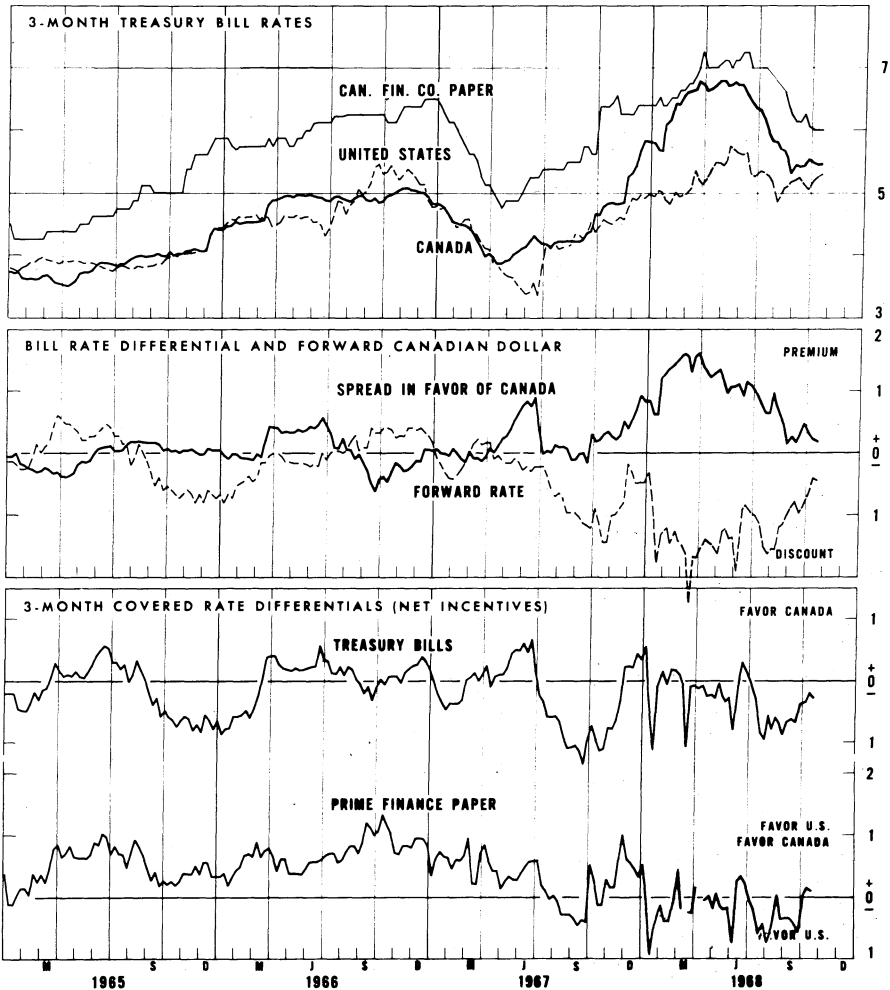


Chart 5A

INTEREST ARBITRAGE, NEW YORK/LONDON

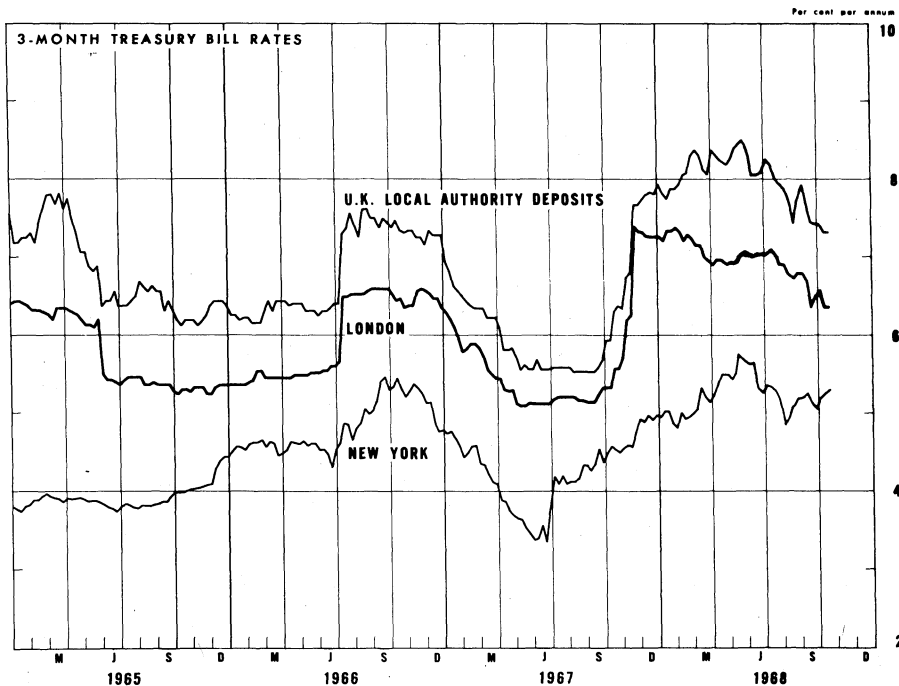
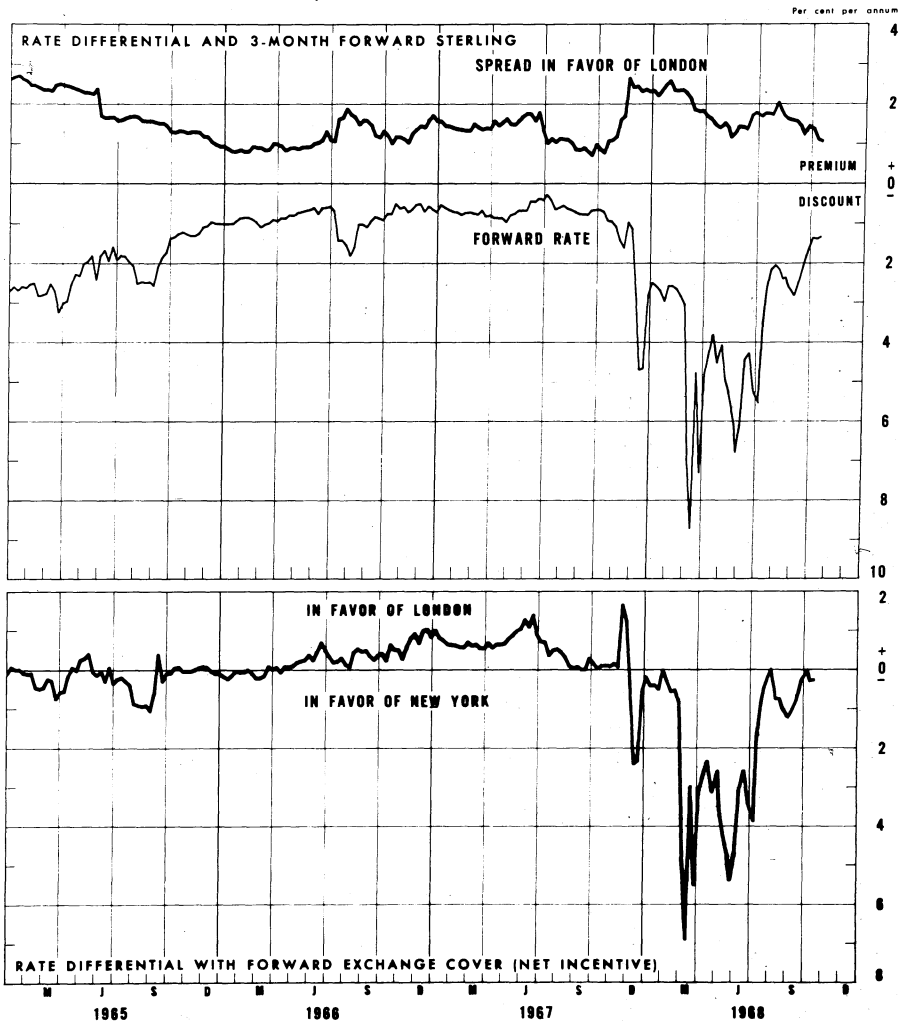


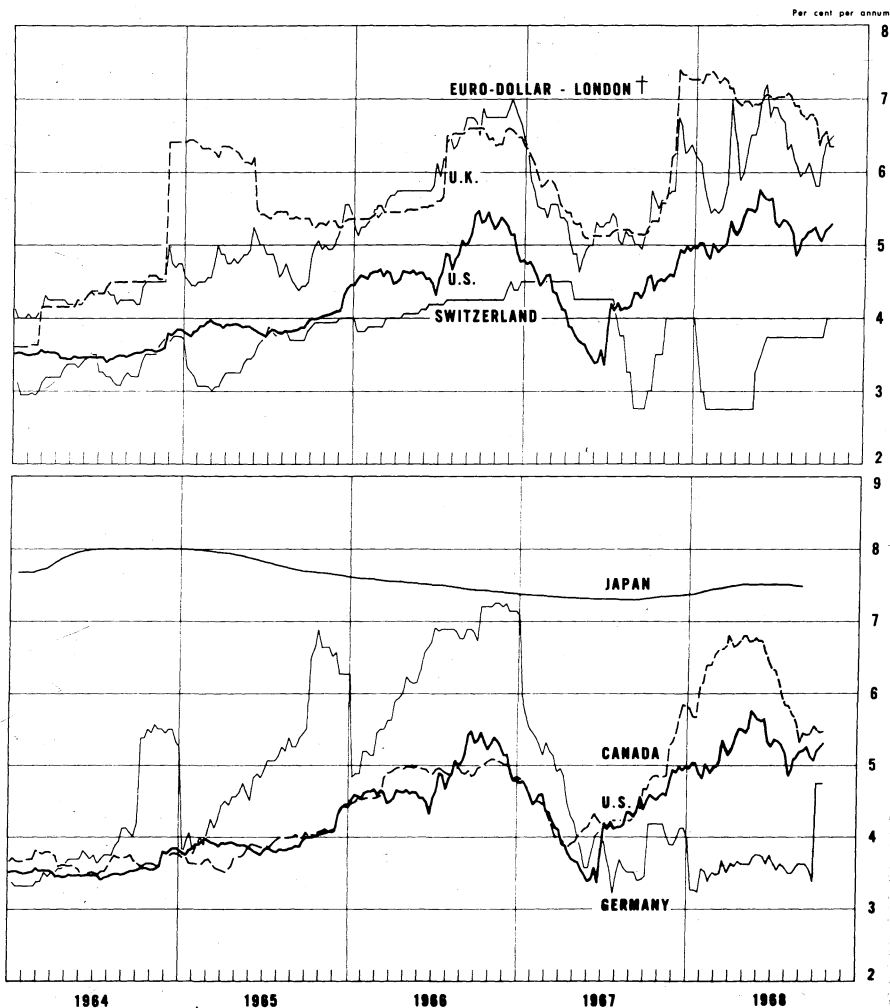
Chart 58

INTEREST ARBITRAGE, NEW YORK/LONDON



a

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)

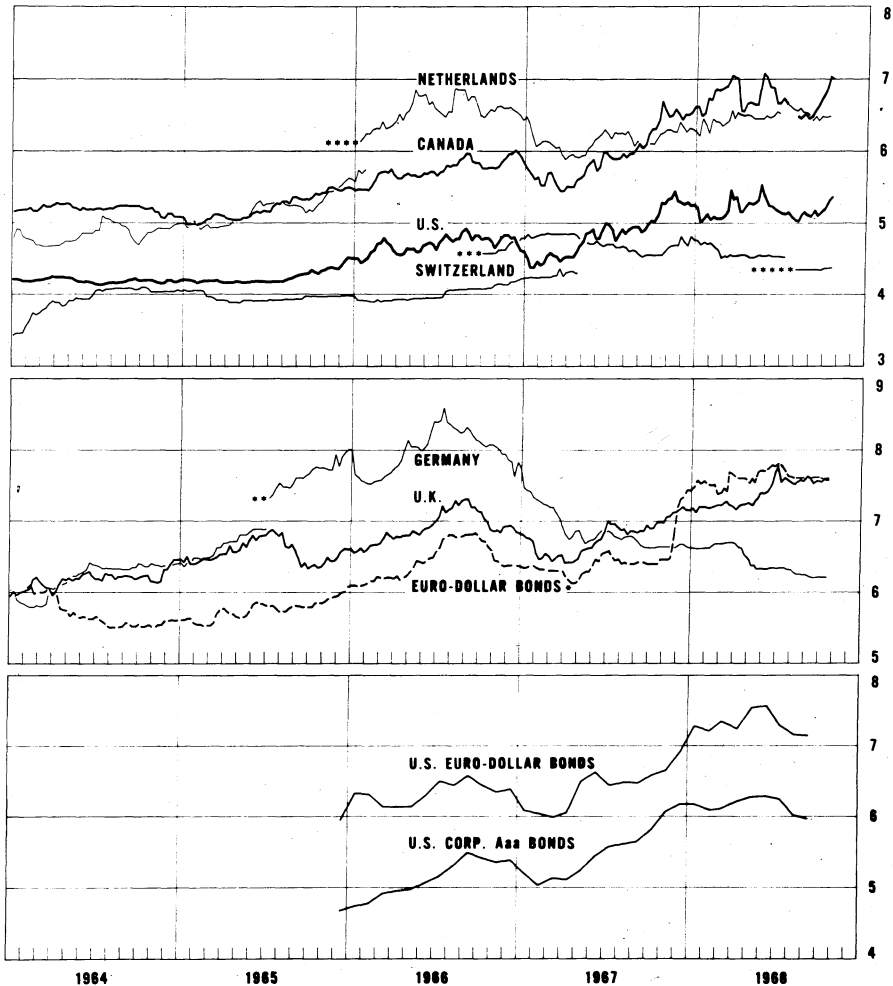
† 3-month rate for U.S. dollar deposits in London.

Chart 7

LONG-TERM BOND YIELDS

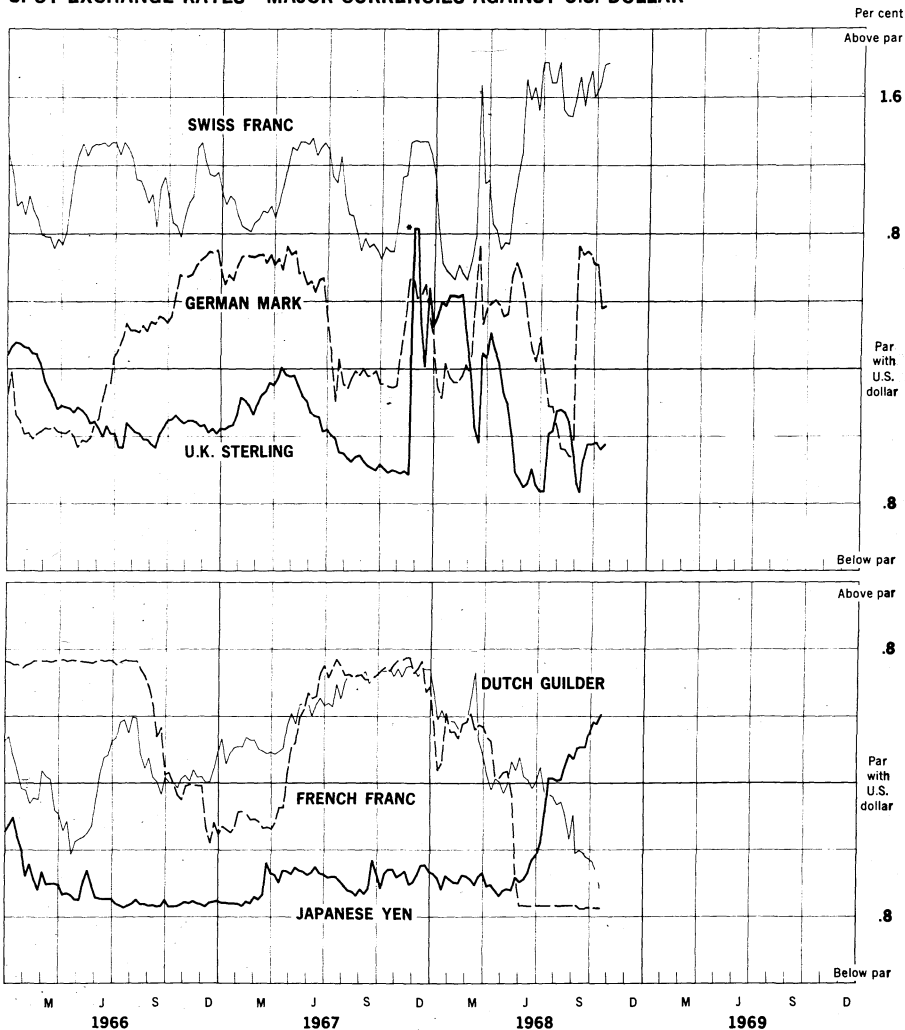
Weekly figures

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

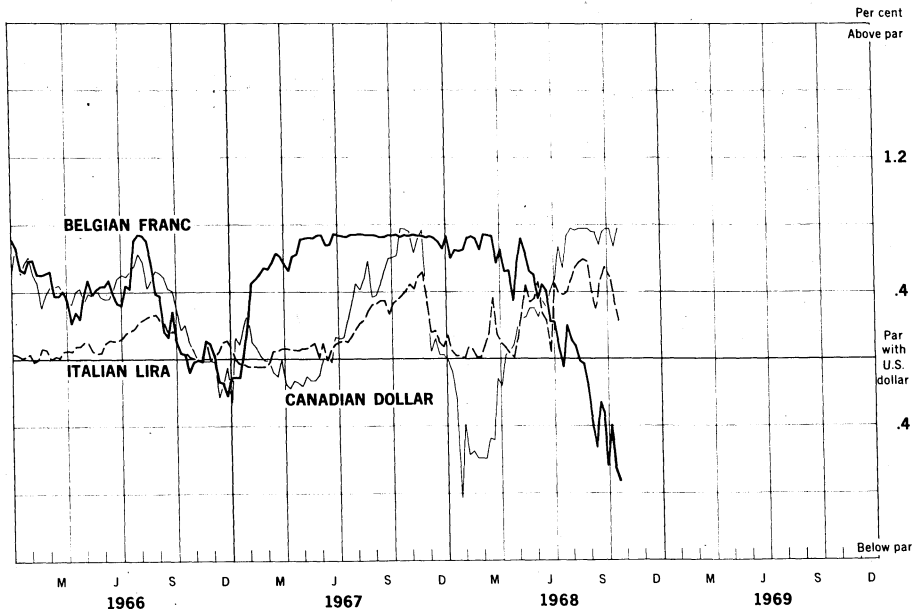
SPOT EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.S. DOLLAR



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

Chart 88

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

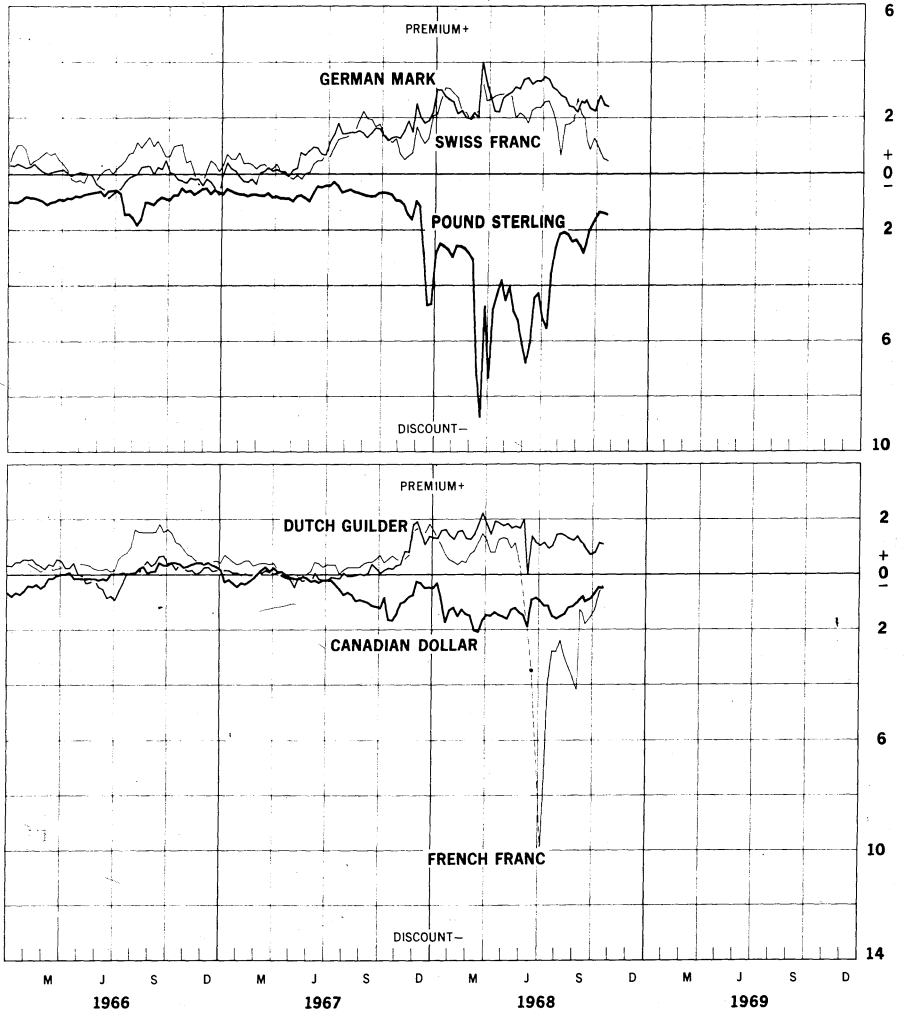
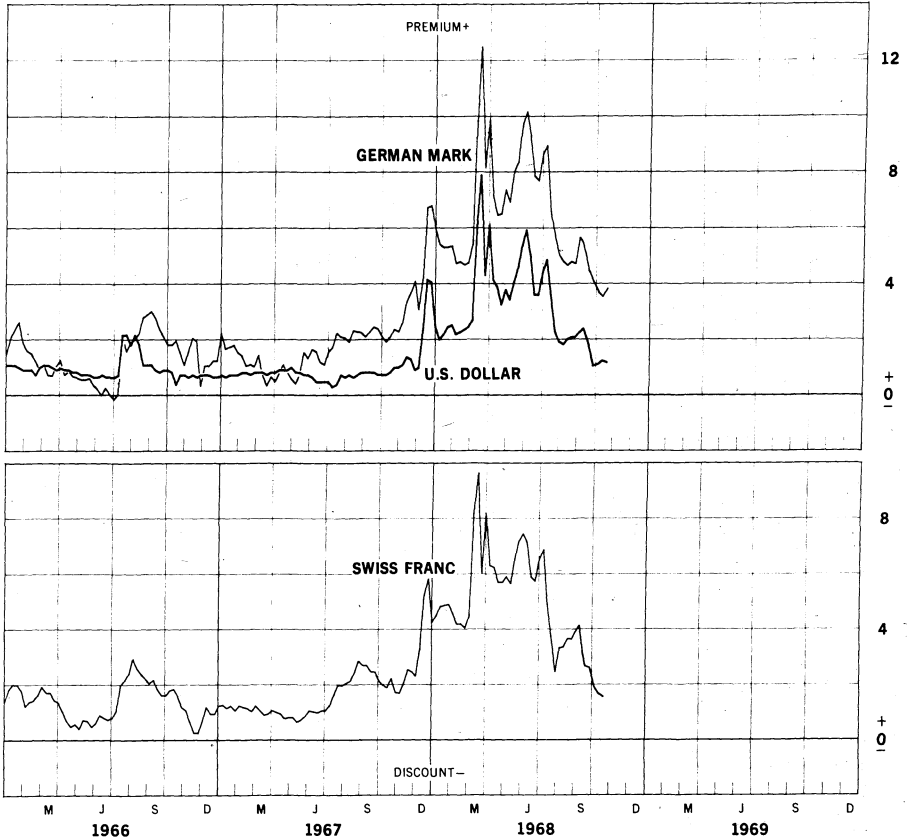


Chart 9B

3-MONTH FORWARD EXCHANGE RATE AGAINST POUND STERLING—LONDON

Friday figures

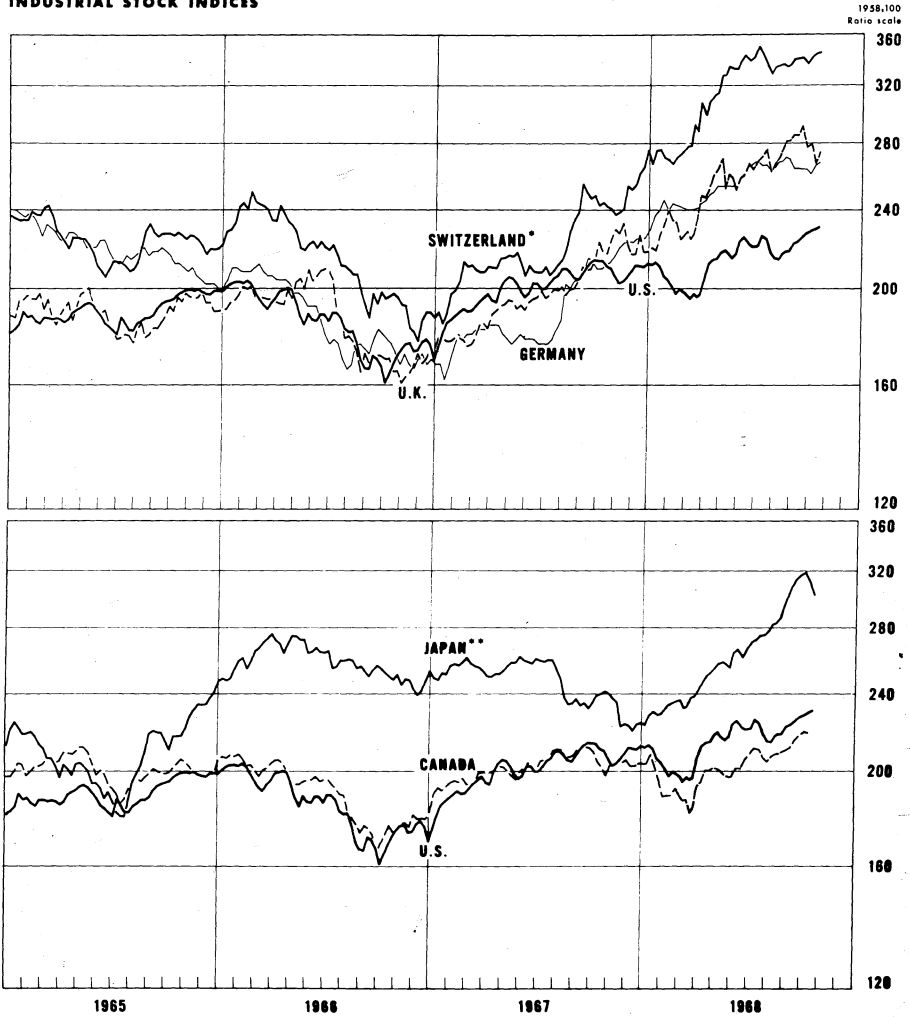
Per cent per annum



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Chart 10

INDUSTRIAL STOCK INDICES



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

October 23, 1968

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H. 13
No. 373

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

Chart 1

<u>Upper Panels</u> (Wednesday, <u>Oct. 16</u>)	
Euro-\$ deposit	<u>6.44</u>
U.S. certif. of deposit	<u>5.97</u>
<u>Lower Panels</u> (Wednesday, <u>Oct. 16</u>)	
Call Euro-\$ deposit	<u>6.45</u>
Federal Funds	<u>5.90</u>

Chart 2A

<u>Euro-\$ deposits</u> (Friday, <u>Oct. 18</u>)	
<u>Upper Panel</u>	Call <u>6.25</u>
	30-day <u>6.56</u>
<u>Lower Panel</u>	90-day <u>6.50</u>
	180-day <u>6.50</u>

Chart 2B

Hire-Purchase (<u>Oct. 11</u>)	<u>6.00</u>
Local Authority (<u>Oct. 11</u>)	<u>5.87</u>
Euro-\$ deposit (<u>Oct. 11</u>)	<u>6.56</u>

Chart 3

I. <u>Upper Panel</u> (Period: <u>Oct. 16-23</u>)	
Interbank Loan (mid-point)	<u>4.75</u>
Euro-\$ deposits (average)	<u>4.11</u>
<u>Lower Panel</u> (date: <u>Oct. 16-23</u>)	
Zurich 3-mo. deposit	<u>4.00</u>
Euro-\$ rate (covered) (<u>Oct. 23</u>)	<u>5.99</u>

II. Price of Gold (London) 39.14
(average-week ended Oct. 18)

Chart 4

(Friday, <u>Oct. 18</u>)	
Treasury bills: Canada	<u>5.47</u>
U.S.	<u>5.30</u>
Spread (favor Canada +)	<u>+0.17</u>
Forward Canadian dollar	<u>-0.45</u>
Net incentive (Canada +)	<u>-0.28</u>
Canadian Finance paper	<u>6.00</u>

Chart 5A

(Friday, <u>Oct. 16</u>)	
U.K. Local Authority deposit	<u>7.31</u>
Treasury bills:	
U.K.	<u>6.35</u>
U.S.	<u>5.30</u>

Chart 5B

Spread (favor U.K. +)	<u>+1.05</u>
Forward rate	<u>-1.38</u>
Net incentive (U.K. +)	<u>-0.28</u>

Chart 6

<u>Upper Panel</u> (Friday, <u>Oct. 18</u>)	
Treasury Bills	U.S. <u>5.30</u>
	U.K. <u>6.35</u>
	Canada <u>5.47</u>
Euro-\$ deposit (London)	<u>6.50</u>

Lower Panel

German Interbank loan rate (<u>Oct. 16-23</u>)	<u>4.75</u>
Zurich 3-month deposit (<u>Oct. 16</u>)	<u>4.00</u>
Japan Composite Rate (<u>Aug. 30</u>)	<u>7.49</u>
U.S. Treasury bills (<u>Oct. 18</u>)	<u>5.30</u>

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October 23, 1968

H. 13
No. 373

II. b

Chart 7

Upper Panel

U.S. Gov't. (Wed., <u>Oct. 16</u>)	<u>5.35</u>
Netherlands Govt. (Fri., <u>Oct. 11</u>)	<u>6.48</u>
Canadian Gov't. (Wed., <u>Oct. 16</u>)	<u>7.00</u>
Swiss Gov't. Composite (Fri., <u>Oct. 18</u>)	<u>4.37</u>

Middle Panel

German Fed., (Fri., <u>Oct. 18</u>)	<u>6.21</u>
U.K. War Loan (Thus., <u>Oct. 17</u>)	<u>7.59</u>
Euro-\$ bonds (Fri., <u>Oct. 18</u>)	<u>7.56</u>

Lower Panel

U.S. Euro-bonds (<u>Sept. 30</u>)	<u>7.14</u>
U.S. Corporate Aaa (<u>Sept. 30</u>)	<u>5.97</u>

Chart 8A
(Friday, Oct. 18)

Upper Panel

Swiss francs	<u>+1.80</u>
German marks	<u>+0.37</u>
U.K. £ sterling	<u>-0.45</u>

Lower Panel

French francs	<u>-0.75</u>
Dutch guilders	<u>-0.63</u>
Japanese yens	<u>+0.41</u>

Chart 8B
(Friday, Oct. 18)

Belgian francs	<u>-0.73</u>
Canadian dollars	<u>+0.78</u>
Italian lira	<u>+0.23</u>

Chart 9A

(Friday, Oct. 18)

Against U.S. dollars

Upper Panel

Swiss francs	<u>+0.47</u>
German marks	<u>+2.41</u>
£ sterling	<u>-1.43</u>

Lower Panel

French franc	<u>-0.40</u>
Dutch guilder	<u>+1.13</u>
Canadian dollar	<u>-0.45</u>

Chart 9B
(Friday, Oct. 18)

Against pound sterling

Upper Panel

German mark	<u>+3.83</u>
U.S. dollar	<u>+1.16</u>

Lower panel

Swiss franc	<u>+1.56</u>
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Chart 10
(Index; 1958 = 100)

Upper Panel

U.K. (<u>Oct. 18</u>)	<u>274.8</u>
Germany (<u>Oct. 7</u>)	<u>266.8</u>
(<u>Oct. 15</u>)	<u>268.4</u>
Switzerland (<u>Oct. 18</u>)	<u>345.7</u>

Lower Panel

U.S. (<u>Oct. 18</u>)	<u>230.5</u>
Canada (<u>Oct. 10</u>)	<u>219.0</u>
Japan (<u>Oct. 18</u>)	<u>302.3</u>

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