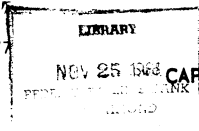


H. 13
No. 377

CAPITAL MARKET DEVELOPMENTS ABROAD

November 20, 1968.

- 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NOT FOR PUBLICATION

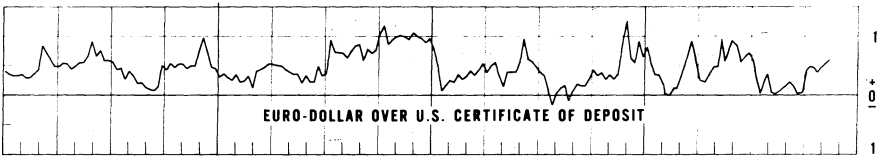
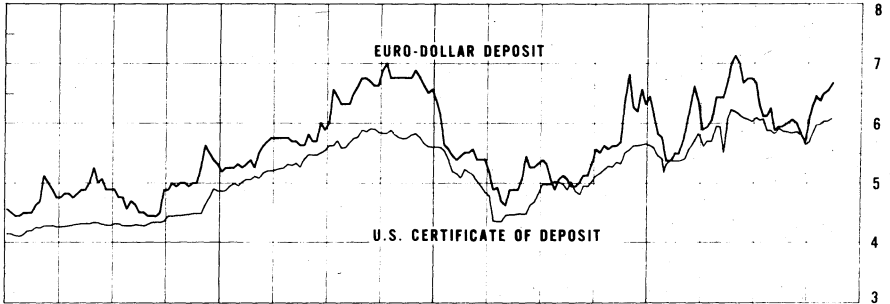
DECONTROLLED AFTER SIX MONTHS

Chart 1

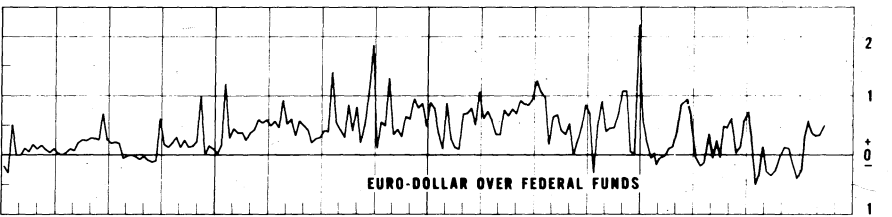
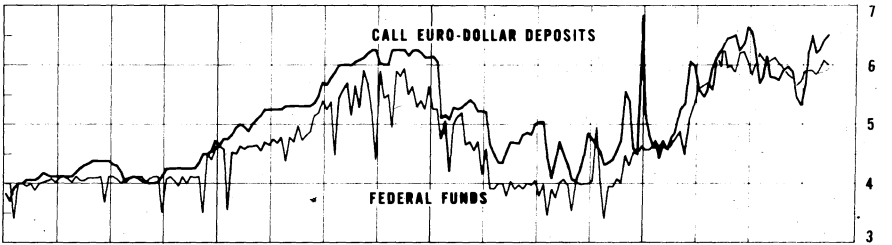
NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS 3-MONTH DOLLAR DEPOSIT RATES

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

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

Friday figures

Per cent per annum

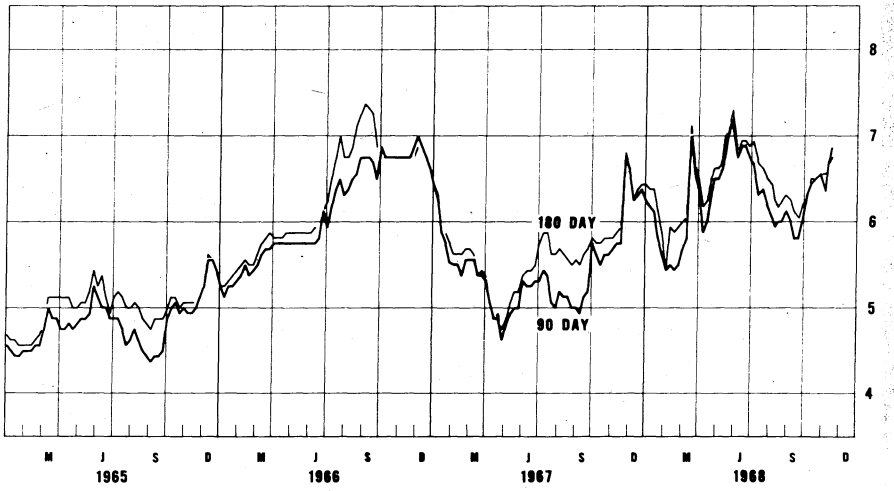
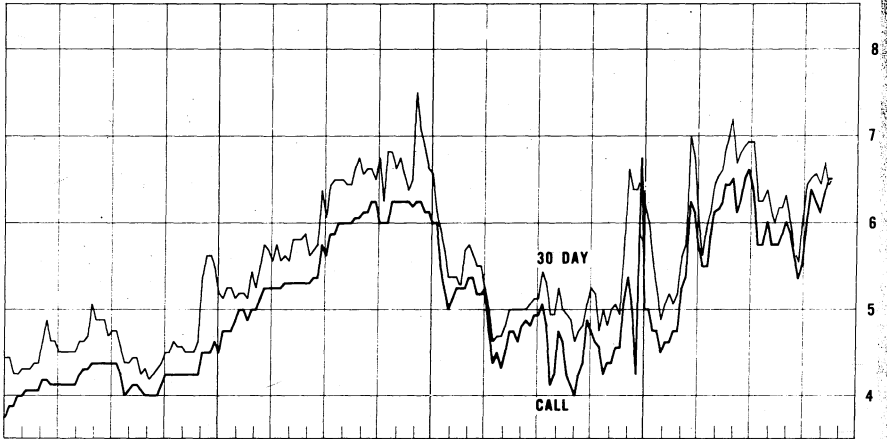


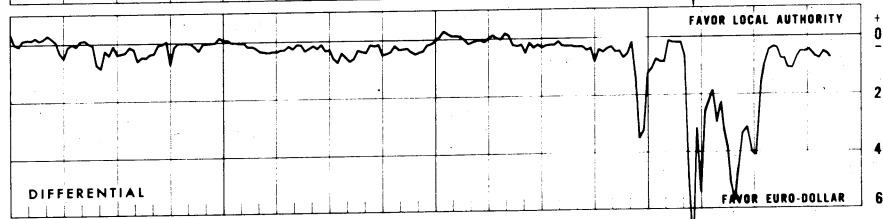
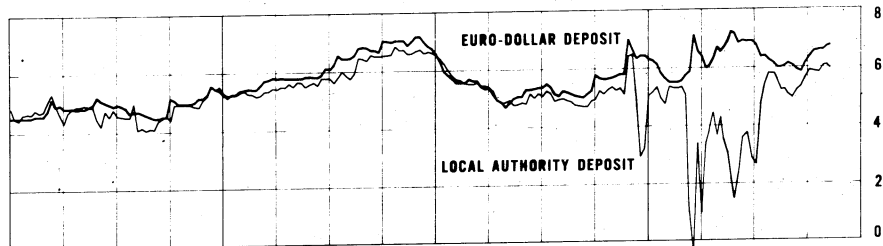
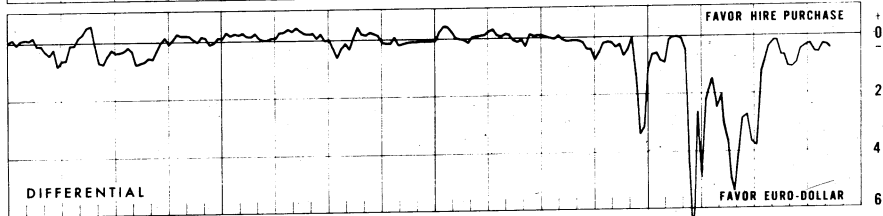
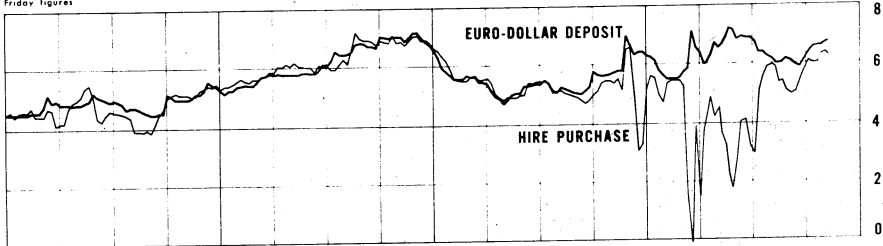
Chart 28

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

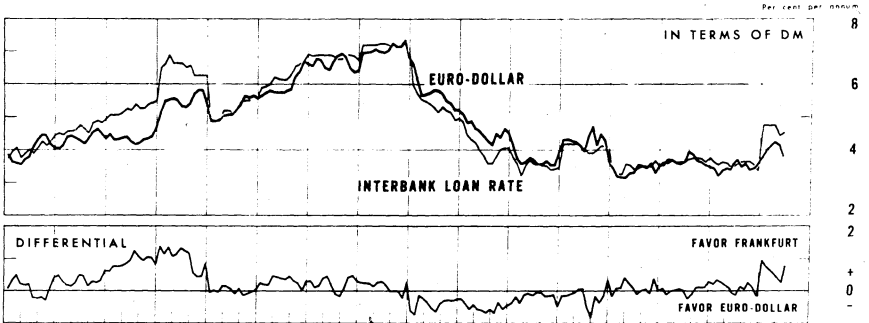


M J S D M J S D M J S D M J S D
1965 1966 1967 1968

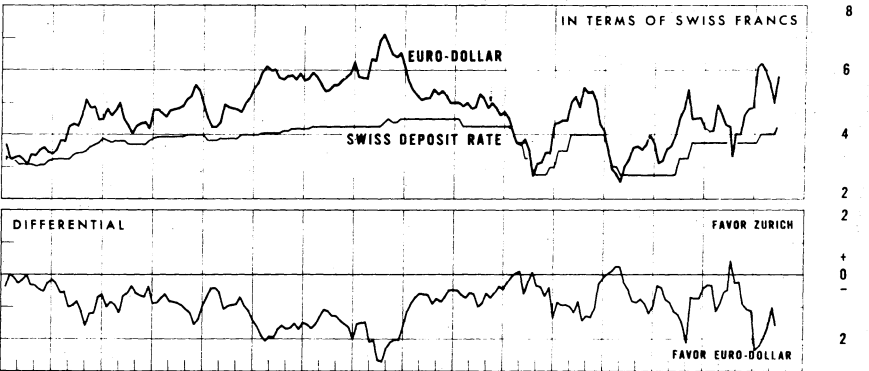
5

Chart 3

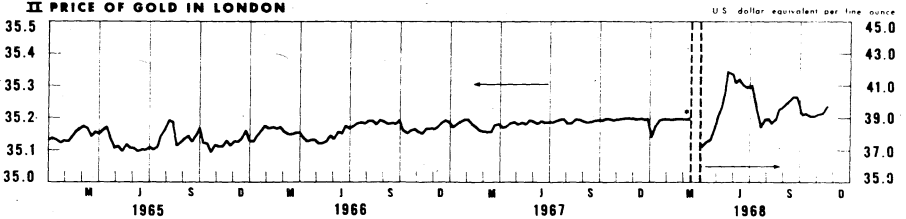
I INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON
FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE (COVERED)



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



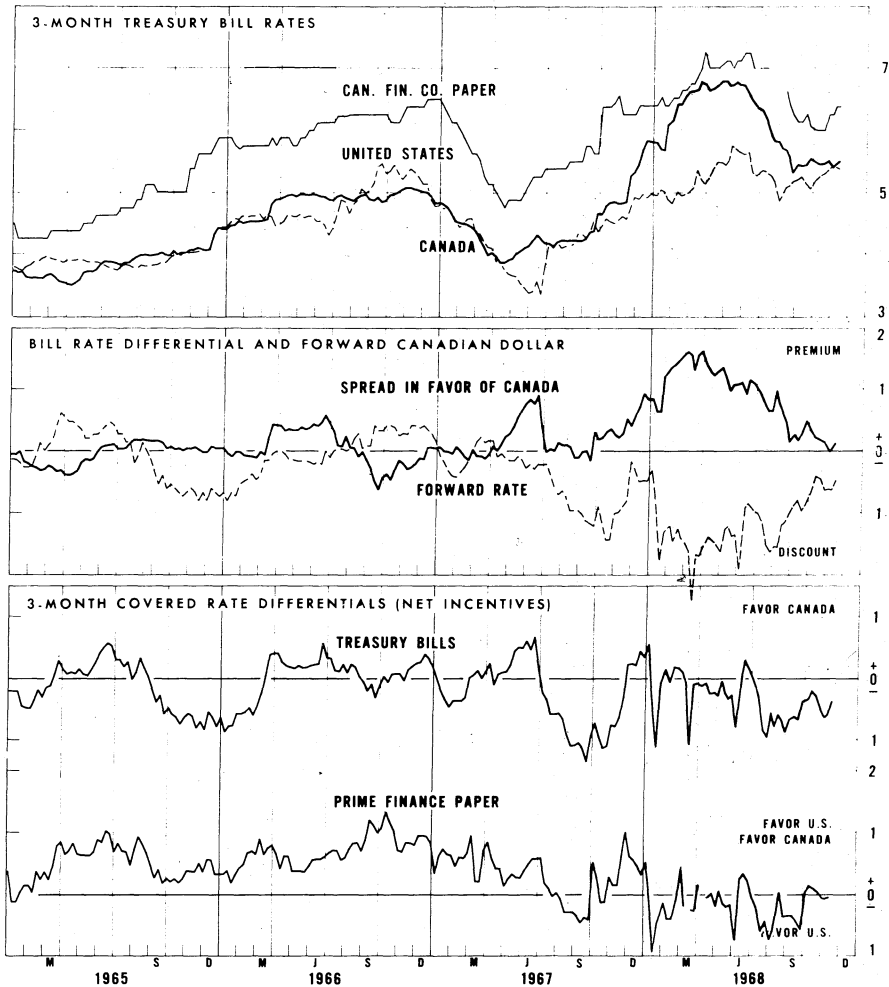
II PRICE OF GOLD IN LONDON



INTEREST ARBITRAGE, UNITED STATES / CANADA

Friday figures

Per cent per annum

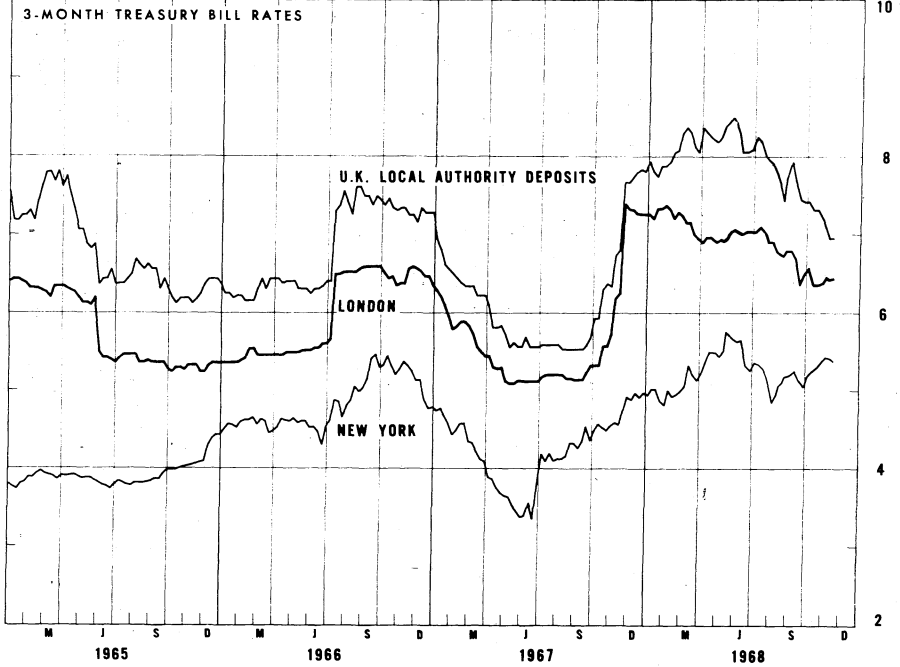


7

Chart 5A

INTEREST ARBITRAGE, NEW YORK/LONDON

Per cent per annum



INTEREST ARBITRAGE, NEW YORK/LONDON

Per cent per annum

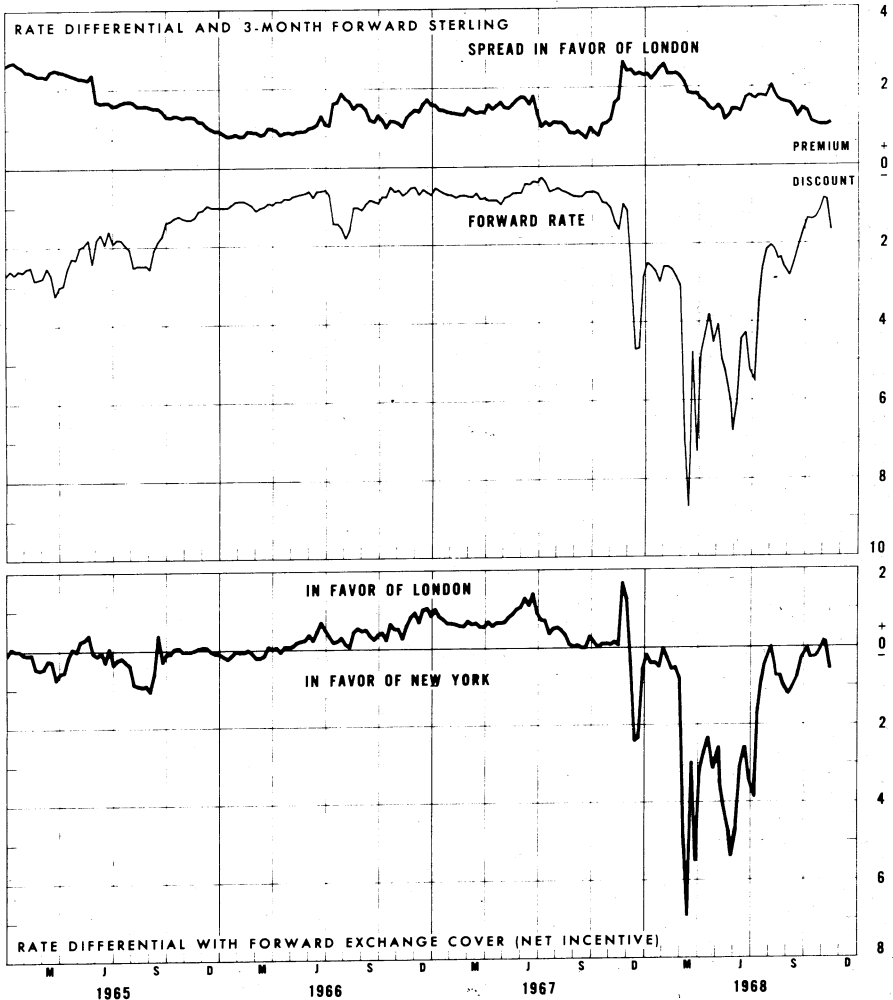
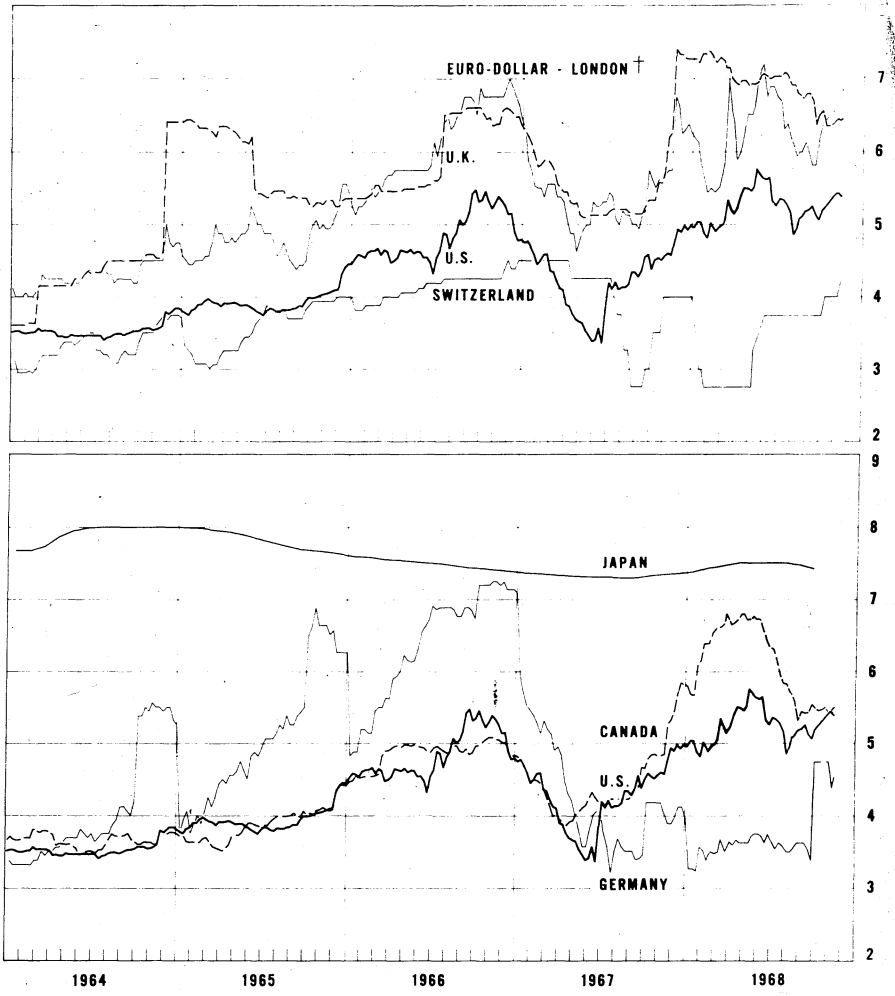


Chart 6

SHORT-TERM INTEREST RATES*

Per cent per annum



*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

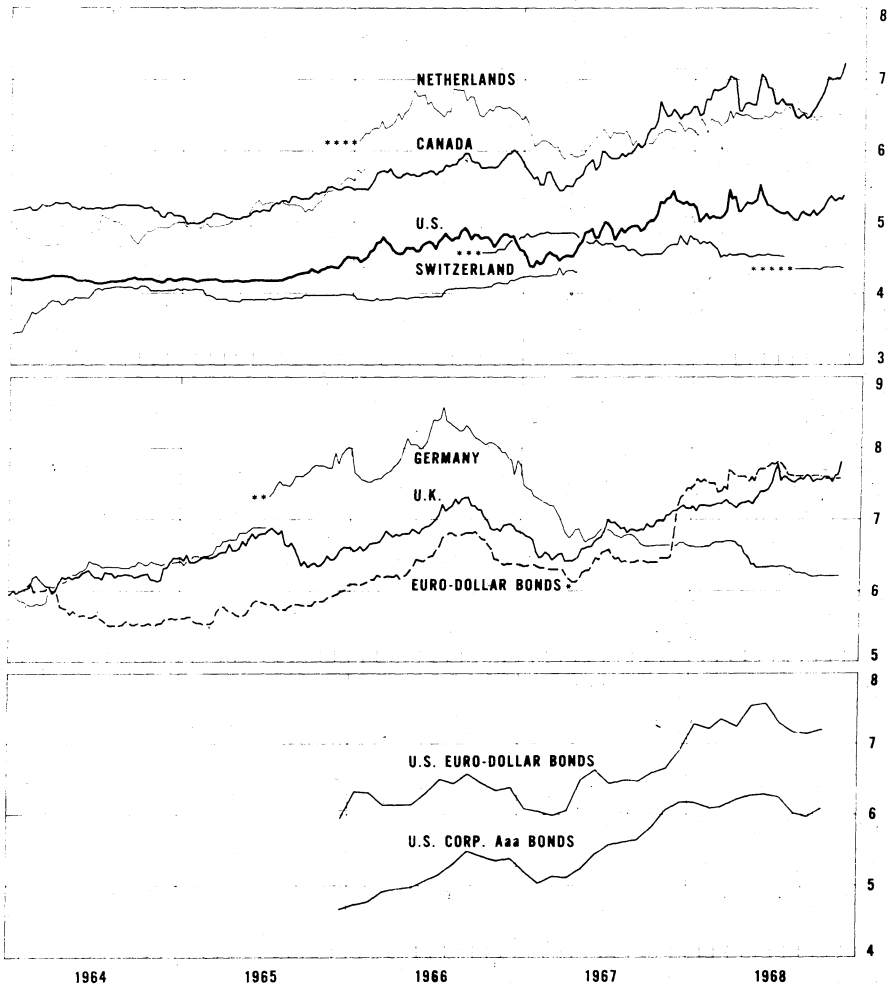
† 3 month rate for US dollar deposits in London

Chart 7

LONG-TERM BOND YIELDS

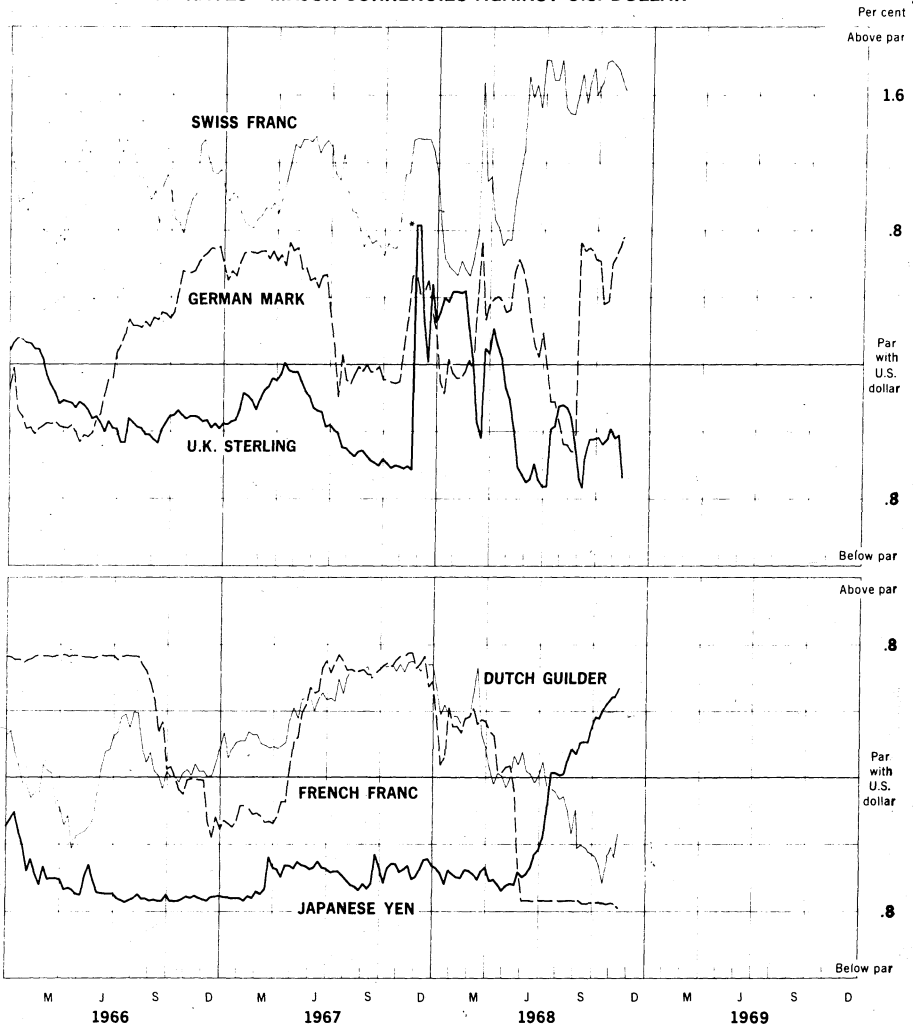
Weekly figures

Per cent per annum



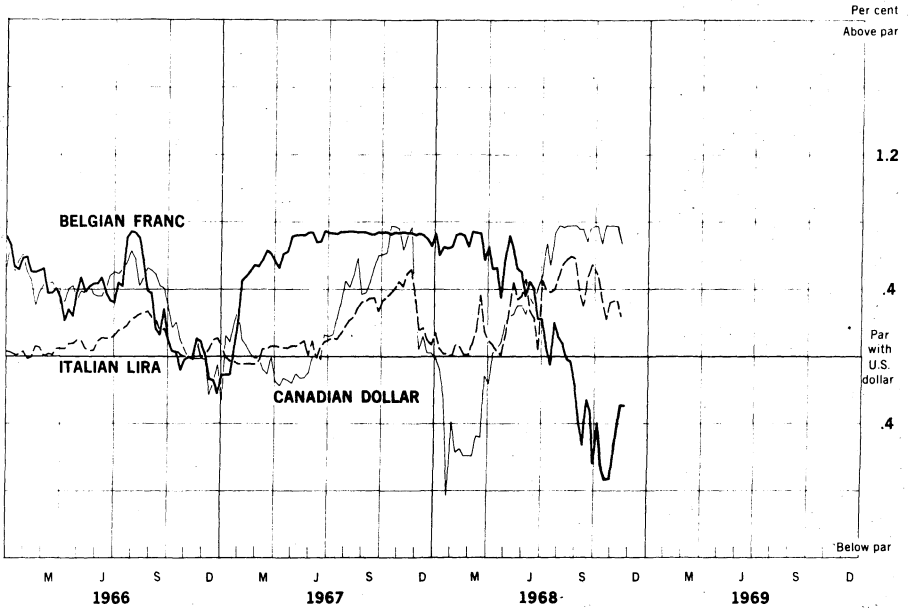
- Average of yields for four foreign government dollar bonds quoted in London
- New series for Germany starts 7.965
- New series for Switzerland starts 3.837
- New series for Netherlands starts 17.66
- New series for Switzerland starts 8.2.66

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



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

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

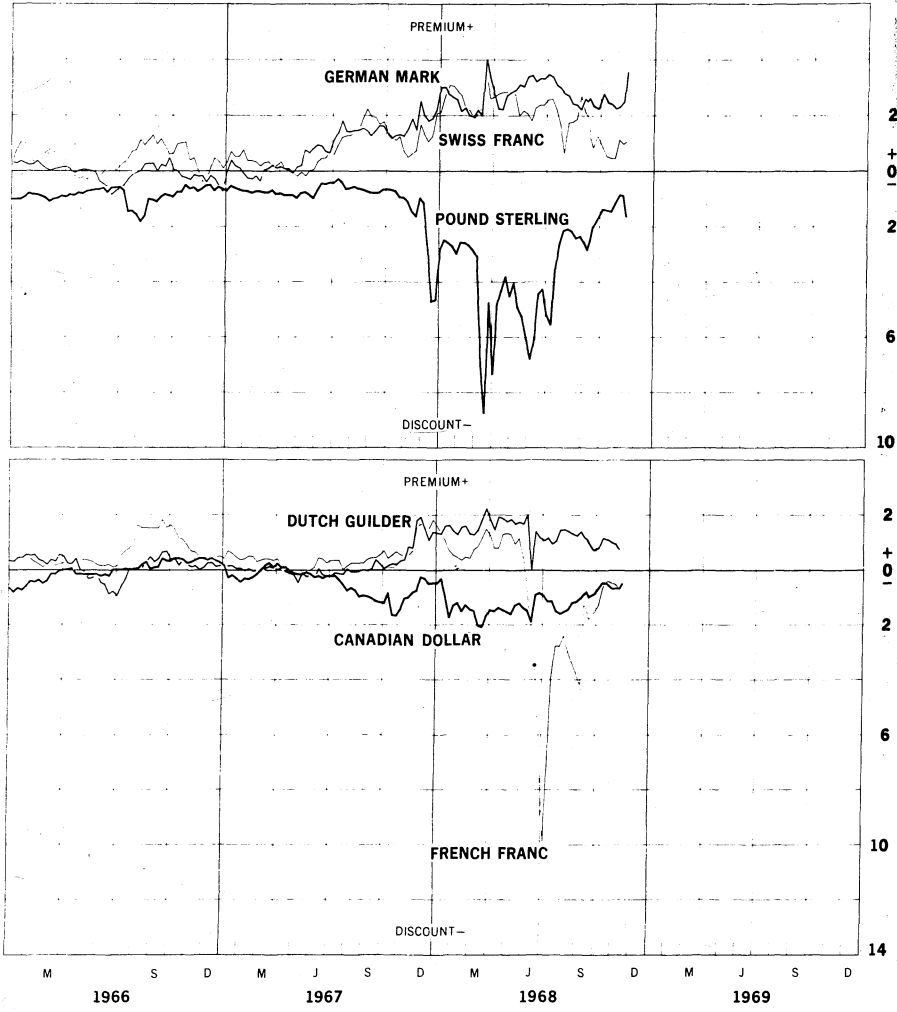


3-MONTH FORWARD EXCHANGE RATES

AGAINST U.S. DOLLARS—NEW YORK

Friday figures

Per cent per annum

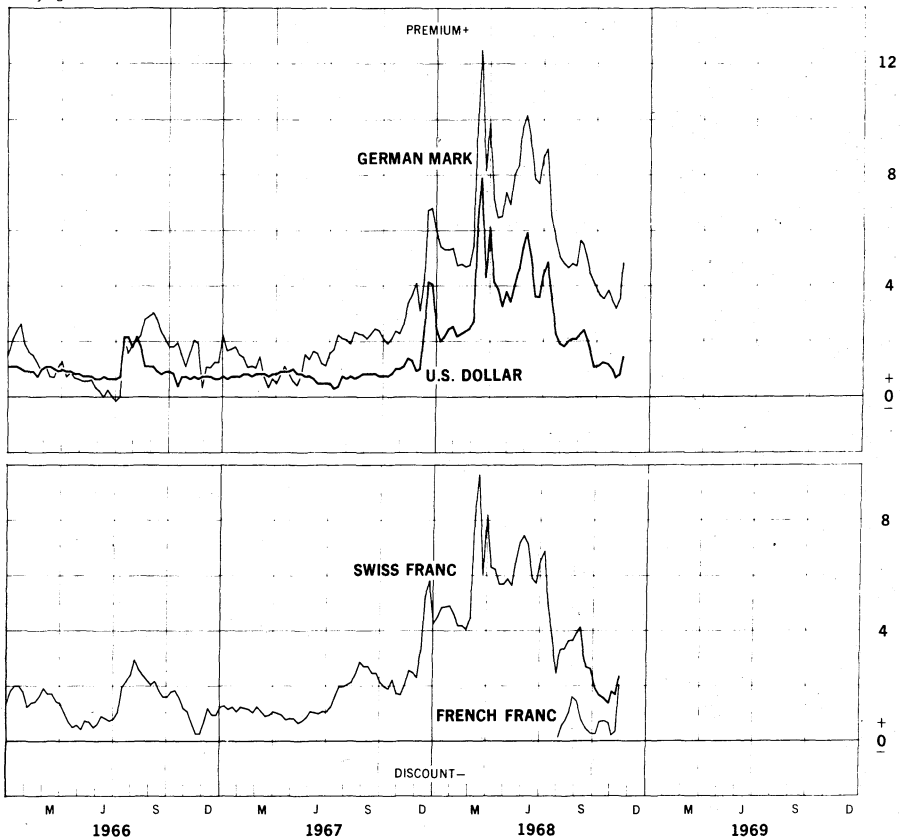


3-MONTH FORWARD EXCHANGE RATE

AGAINST POUND STERLING—LONDON

Friday figures

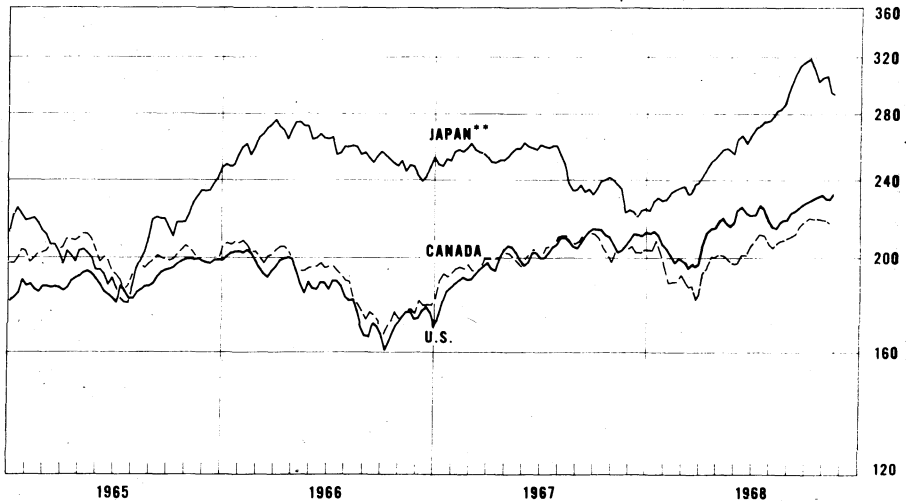
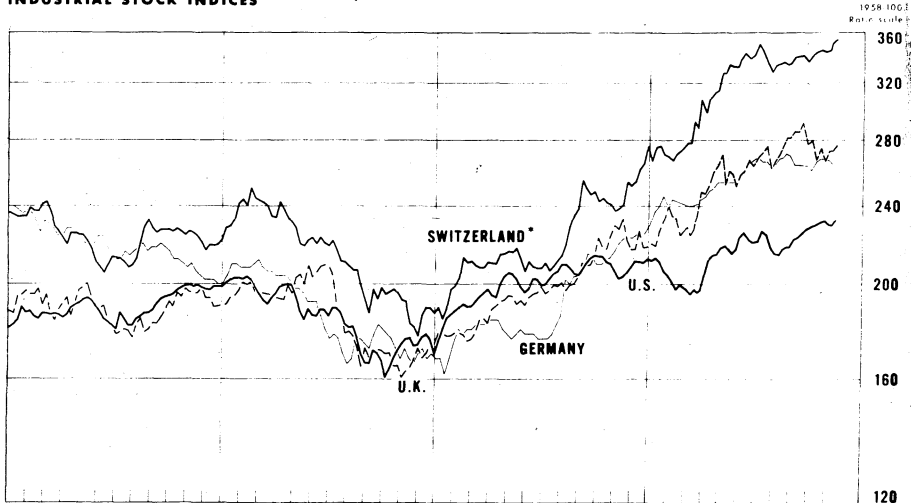
Per cent per annum



15

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

<u>Upper Panels</u> (Wednesday, <u>Nov. 13</u>)	
Euro-\$ deposit	<u>6.68</u>
U.S. certif. of deposit	<u>6.08</u>
<u>Lower Panels</u> (Wednesday, <u>Nov. 13</u>)	
Call Euro-\$ deposit	<u>6.50</u>
Federal Funds	<u>6.00</u>

Chart 2A

<u>Euro-\$ deposits</u> (Friday, <u>Nov. 15</u>)	
<u>Upper Panel</u> Call	<u>6.50</u>
30-day	<u>6.50</u>
<u>Lower Panel</u> 90-day	<u>6.87</u>
180-day	<u>6.75</u>

Chart 2B

Hire-Purchase (<u>Nov. 8</u>)	<u>6.27</u>
Local Authority (<u>Nov. 8</u>)	<u>5.96</u>
Euro-\$ deposit (<u>Nov. 8</u>)	<u>6.72</u>

Chart 3

<u>I. Upper Panel</u> (Period: <u>Nov. 8-15</u>)	
Interbank Loan (mid-point)	<u>4.53</u>
Euro-\$ deposits (average)	<u>3.77</u>
<u>Lower Panel</u> (date: <u>Nov. 1-7</u>)	
Zurich 3-mo. deposit (date: <u>Nov. 8-15</u>)	<u>4.00</u>
Euro-\$ rate (covered) (<u>Nov. 15</u>)	<u>5.83</u>
<u>II. Price of Gold</u> (London)	<u>39.80</u>
(average-week ended <u>Nov. 15</u>)	

Chart 4

(Friday, <u>Nov. 15</u>)	
Treasury bills: Canada	<u>5.50</u>
U.S.	<u>5.38</u>
Spread (favor Canada +)	<u>+0.12</u>
Forward Canadian dollar	<u>-0.48</u>
Net incentive (Canada +)	<u>-0.36</u>
Canadian Finance paper	<u>6.38</u>

Chart 5A

(Friday, <u>Nov. 15</u>)	
U.K. Local Authority deposit	<u>6.94</u>
Treasury bills: U.K.	<u>6.44</u>
U.S.	<u>5.38</u>

Chart 5B

Spread (favor U.K. +)	<u>+1.06</u>
Forward rate	<u>-1.65</u>
Net incentive (U.K. +)	<u>-0.59</u>

Chart 6

<u>Upper Panel</u> (Friday, <u>Nov. 15</u>)	
Treasury Bills U.S.	<u>5.38</u>
U.K.	<u>6.44</u>
Canada	<u>5.50</u>
Euro-\$ deposit (London)	<u>6.87</u>
<u>Lower Panel</u>	
German Interbank loan rate (<u>Nov. 15</u>)	<u>4.53</u>
Zurich 3-month deposit (<u>Nov. 7</u>)	<u>4.00</u>
(<u>Nov. 15</u>)	<u>4.25</u>
Japan Composite Rate (<u>Sept. 30</u>)	<u>7.43</u>
U.S. Treasury bills (<u>Nov. 15</u>)	<u>5.38</u>

Chart 7

Upper Panel

U.S. Gov't. (Wed., Nov. 13)	<u>5.37</u>
Netherlands Govt. (Fri., Nov. 8)	<u>6.50</u>
Canadian Gov't. (Wed., Nov. 6)	<u>7.07</u>
	(Wed., Nov. 13) <u>7.22</u>
Swiss Gov't. Composite	
	(Fri., Nov. 8) <u>4.37</u>
	(Fri., Nov. 15) <u>4.36</u>

Middle Panel

German Fed., (Fri., Nov. 15)	<u>6.21</u>
U.K. War Loan (Thurs., Nov. 14)	<u>7.80</u>
Euro- $\$$ bonds (Fri., Nov. 15)	<u>7.56</u>

Lower Panel

U.S. Euro-bonds (Oct. 31)	<u>7.20</u>
U.S. Corporate Aaa (Oct. 31)	<u>6.09</u>

Chart 8A

(Friday, Nov. 15)

Upper Panel

Swiss francs	<u>+1.63</u>
German marks	<u>+0.76</u>
U.K. \pounds sterling	<u>-0.68</u>

Lower Panel

French francs	<u>-0.78</u>
Dutch guilders	<u>-0.33</u>
Japanese yens	<u>+0.54</u>

Chart 8B

(Friday, Nov. 15)

Belgian francs	<u>-0.29</u>
Canadian dollars	<u>+0.67</u>
Italian lira	<u>+0.24</u>

Chart 9A

(Friday, Nov. 15)

Against U.S. dollars

Upper Panel

Swiss francs	<u>+1.04</u>
German marks	<u>+3.58</u>
\pounds sterling	<u>-1.65</u>

Lower Panel

French franc	<u>n.a.</u>
Dutch guilder	<u>n.a.</u>
Canadian dollar	<u>-0.48</u>

Chart 9B

(Friday, Nov. 15)

Against pound sterling

Upper Panel

German mark	<u>+4.86</u>
U.S. dollar	<u>+1.43</u>

Lower panel

Swiss franc	<u>+2.37</u>
French franc	<u>+2.03</u>

Chart 10

(Index; 1958 = 100)

Upper Panel

U.K. (Nov. 8)	<u>276.9</u>
Germany (Nov. 7)	<u>264.4</u>
Switzerland (Nov. 15)	<u>354.0</u>

Lower Panel

U.S. (Nov. 15)	<u>232.6</u>
Canada (Nov. 7)	<u>217.0</u>
Japan (Nov. 15)	<u>293.8</u>

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