I. Ten Charts on Financial Markets Abroad

<table>
<thead>
<tr>
<th>Chart 1</th>
<th>New York, London: Yields on U.S. Dollar Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chart 2</td>
<td>London: Yields for U.S. Dollar Investors on 3-Month Funds</td>
</tr>
<tr>
<td>Chart 3</td>
<td>Interest Arbitrage: Frankfurt/London, Zürich/London</td>
</tr>
<tr>
<td>Chart 4</td>
<td>Interest Arbitrage: New York/Canada</td>
</tr>
<tr>
<td>Chart 5</td>
<td>Interest Arbitrage: New York/London</td>
</tr>
<tr>
<td>Chart 6</td>
<td>Short-Term Interest Rates</td>
</tr>
<tr>
<td>Chart 7</td>
<td>Long-Term Bond Yields</td>
</tr>
<tr>
<td>Chart 8</td>
<td>Spot Exchange Rates--Major Currencies Against U.S. Dollar</td>
</tr>
<tr>
<td>Chart 9</td>
<td>3-Month Forward Exchange Rates</td>
</tr>
<tr>
<td>Chart 10</td>
<td>Industrial Stock Indices</td>
</tr>
</tbody>
</table>

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NOT FOR PUBLICATION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

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

1965 1966 1967 1968
Chart 28

LONDON: YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS
HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

Friday figures

EURO-DOLLAR DEPOSIT

HIRE PURCHASE

FAVOR HIRE PURCHASE

DIFFERENTIAL

FAVOR EURO-DOLLAR

EURO-DOLLAR DEPOSIT

LOCAL AUTHORITY DEPOSIT

FAVOR LOCAL AUTHORITY

DIFFERENTIAL

1965 1966 1967 1968

1965 1966 1967 1968

1965 1966 1967 1968

1965 1966 1967 1968

http://fraser.stlouisfed.org/
Chart 3

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

IN TERMS OF DM

INTERBANK LOAN RATE

Differential

FAVOR FRANKFURT

FAVOR EURO-DOLLAR

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

IN TERMS OF SWISS FRANCS

SWISS DEPOSIT RATE

Differential

FAVOR ZURICH

FAVOR EURO-DOLLAR

II. PRICE OF GOLD IN LONDON

U.S. dollar equivalent per fine ounce

35.0
35.1
35.2
35.3
35.4
35.5
39.0
41.0
43.0
45.0

M 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31
J 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29
S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29
D M

MARKET CLOSED MARCH 13, APRIL 1, 1968

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

3-MONTH COVERED RATE DIFFERENTIALS (NET INCENTIVES)

TREASURY BILLS

PRIME FINANCE PAPER

FAVOR CANADA

FAVOR U.S.

FAVOR U.S.

FAVOR CANADA

Chart 5A
INTEREST ARBITRAGE, NEW YORK/LONDON

3-MONTH TREASURY BILL RATES

U.K. LOCAL AUTHORITY DEPOSITS

LONDON

NEW YORK

Per cent per annum

1965 1966 1967 1968

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis
INTEREST ARBITRAGE, NEW YORK/LONDON

Rate Differential and 3-Month Forward Sterling

Spread in Favor of London

Forward Rate

Premium

Discount

In Favor of London

In Favor of New York

Rate Differential with Forward Exchange Cover (Net Incentive)

1965 1966 1967 1968
Chart 6.
SHORT-TERM INTEREST RATES*

Per cent per annum

EURO-DOLLAR - LONDON †
U.K.
U.S.
SWITZERLAND
JAPAN
CANADA
GERMANY


*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

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 7/9/63
*** New series for Switzerland starts 3/3/67
**** New series for Netherlands starts 1/7/66
***** New series for Switzerland starts 8/2/66
Chart 8A

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

<table>
<thead>
<tr>
<th>Currency</th>
<th>Above par</th>
<th>Below par</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swiss Franc</td>
<td>1.6</td>
<td></td>
</tr>
<tr>
<td>German Mark</td>
<td></td>
<td>0.8</td>
</tr>
<tr>
<td>U.K. Sterling</td>
<td></td>
<td>0.8</td>
</tr>
<tr>
<td>Dutch Guilder</td>
<td>0.8</td>
<td></td>
</tr>
<tr>
<td>French Franc</td>
<td></td>
<td>0.8</td>
</tr>
<tr>
<td>Japanese Yen</td>
<td></td>
<td>0.8</td>
</tr>
</tbody>
</table>

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

Chart 8B

PERCENT

ABOVE PAR

BELGIAN FRANC

ITALIAN LIRA

CANADIAN DOLLAR

PERCENT

BETWEEN PAR

1.2

.4

.4


BETWEEN PAR

BELOW PAR


Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis
Chart 9A

3-MONTH FORWARD EXCHANGE RATES
AGAINST U.S. DOLLARS—NEW YORK
Friday figures

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium+</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>German Mark</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Swiss Franc</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Premium+</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pound Sterling</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discount-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dutch Guilder</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canadian Dollar</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Premium+</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>French Franc</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discount-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Per cent per annum
3-MONTH FORWARD EXCHANGE RATE
AGAINST POUND STERLING—LONDON
Friday figures

PREMIUM+

GERMAN MARK

U.S. DOLLAR

SWISS FRANC

FRENCH FRANC

Chart 10

INDUSTRIAL STOCK INDICES

1965 1966 1967 1968

SWITZERLAND

GERMANY

U.K.

JAPAN

CANADA

U.S.

1958.100

Ratio scale

120
360
320
280
240
200
160
120
80
40
0

* 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, Nov. 27)

Euro-$ deposit 6.88
U.S. certif. of deposit 6.08

Lower Panels (Wednesday, Nov. 27)

Call Euro-$ deposit 6.38
Federal Funds 5.73

Chart 2A

Euro-$ deposits (Friday, Nov. 29)

Upper Panel Call 6.50
30-day 7.12

Lower Panel 90-day 6.88
180-day 6.88

Chart 2B

Hire-Purchase (Nov. 22) 3.95
Local Authority (Nov. 22) 4.02
Euro-$ deposit (Nov. 22) 7.00

Chart 3

I. Upper Panel (Period: Nov. 24-30)

Interbank Loan (mid-point) 4.50
Euro-$ deposits (average) 3.85

Lower Panel (date: Nov. 16-23)

Zurich 3-mo. deposit 4.25
Euro-$ rate (covered) (Nov. 30) 5.39

II. Price of Gold (London) 39.87
(average-week ended Nov. 29)

Chart 4

(Friday, Nov. 29)

Treasury bills: Canada 5.50
U.S. 5.48
Spread (favor Canada +) 0.02
Forward Canadian dollar -0.32
Net incentive (Canada +) -0.30
Canadian Finance paper 6.38

Chart 5A

(Friday, Nov. 29)

U.K. Local Authority deposit 7.50
Treasury bills: U.K. 6.66
U.S. 5.48

Chart 5B

Spread (favor U.K. +) 1.18
Forward rate -3.54
Net incentive (U.K. +) -2.36

Chart 6

Upper Panel (Friday, Nov. 29)

Treasury Bills U.S. 5.48
U.K. 6.66
Canada 5.50

Euro-$ deposit (London) 6.88

Lower Panel

German Interbank loan rate (Nov. 30) 4.50
Zurich 3-month deposit (Nov. 23) 4.25
Japan Composite Rate (Sept. 30) 7.43
U.S. Treasury bills (Nov. 29) 5.48
Chart 7

Upper Panel

U.S. Gov't. (Wed., Nov. 27) 5.50
Netherlands Govt. (Fri., Nov. 15) 6.53
Canadian Gov't. (Wed., Nov. 20) 7.23
Swiss Gov't. Composite (Fri., Nov. 22) 4.34

Middle Panel

German Fed. (Fri., Nov. 22, 29) 6.21
U.K. War Loan (Thus., Nov. 28) 7.84
Euro-$ bonds (Fri., Nov. 29) 7.53

Lower Panel

U.S. Euro-bonds (Oct. 31) 7.20
U.S. Corporate Aaa (Oct. 31) 6.09

Chart 8A

(Friday, Nov. 29)

Upper Panel

Swiss francs +1.61
German marks +0.28
U.K. £ sterling -0.65

Lower Panel

French francs -0.36
Dutch guilders +0.05
Japanese yens +0.58

Chart 8B

(Friday, Nov. 29)

Belgian francs -0.18
Canadian dollars +0.72
Italian lira +0.14

Chart 9A

(Friday, Nov. 29)

Against U.S. dollars

Upper Panel

Swiss francs +1.49
German marks +3.01
£ sterling -3.54

Lower Panel

French franc -7.11
Dutch guilder +0.65
Canadian dollar -0.32

Chart 9B

(Friday, Nov. 29)

Against pound sterling

Upper Panel

German mark +6.51
U.S. dollar +2.86

Lower Panel

Swiss franc +4.41
French franc +3.05

Chart 10

(Index; 1958 = 100)

Upper Panel

U.K. (Nov. 29) 269.3
Germany (Nov. 22) 264.6
Switzerland (Nov. 29) 362.4

Lower Panel

U.S. (Nov. 29) 237.5
Canada (Nov. 21) 217.2
Japan (Nov. 29) 296.6

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