

H. 13  
No. 380LIBRARY  
DEC 16 1968

December 11, 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  
 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NOT FOR PUBLICATION

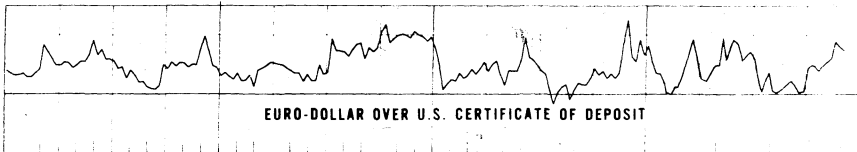
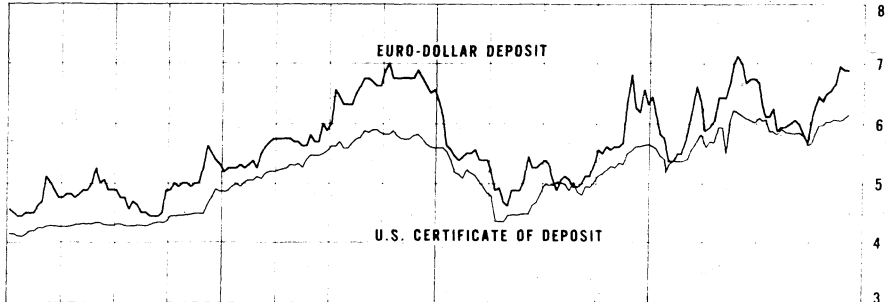
DECONTROLLED AFTER SIX MONTHS

Chart 1

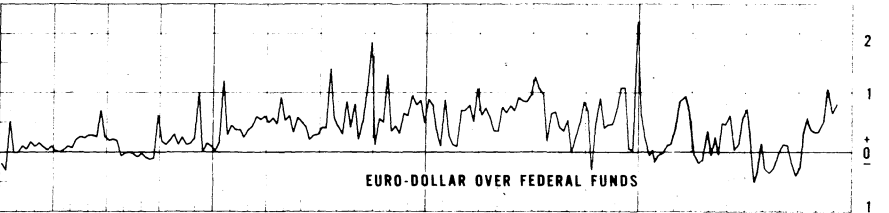
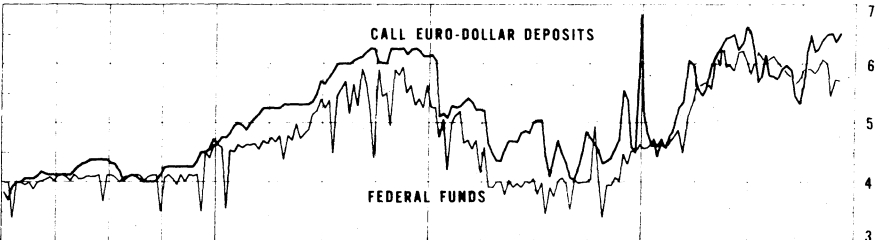
### NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS 3-MONTH DOLLAR DEPOSIT RATES

Wednesday figures

Percent 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**

Friday figures

Per cent per annum

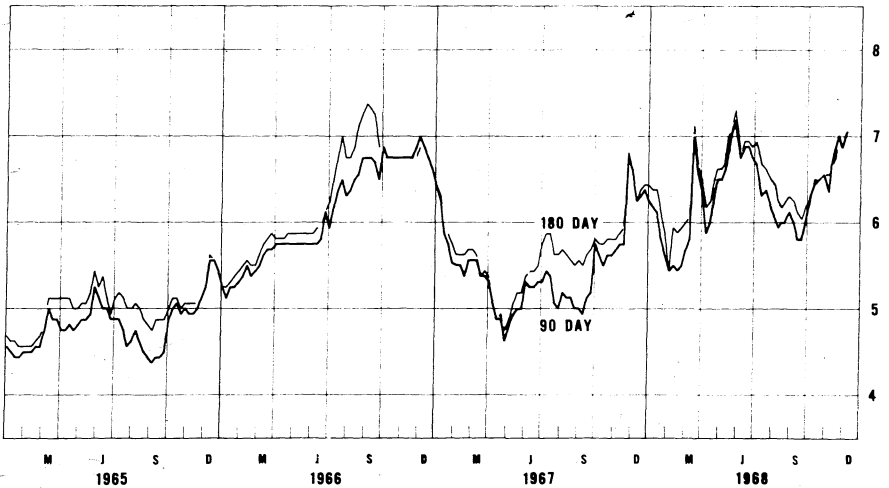
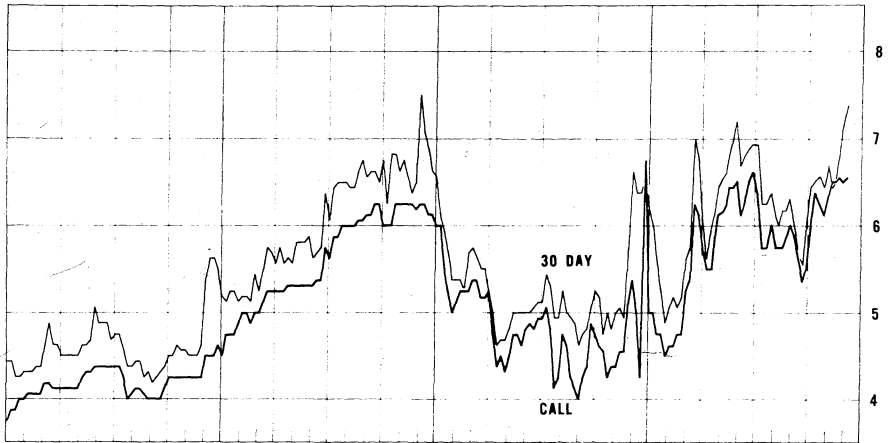


Chart 28

### 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

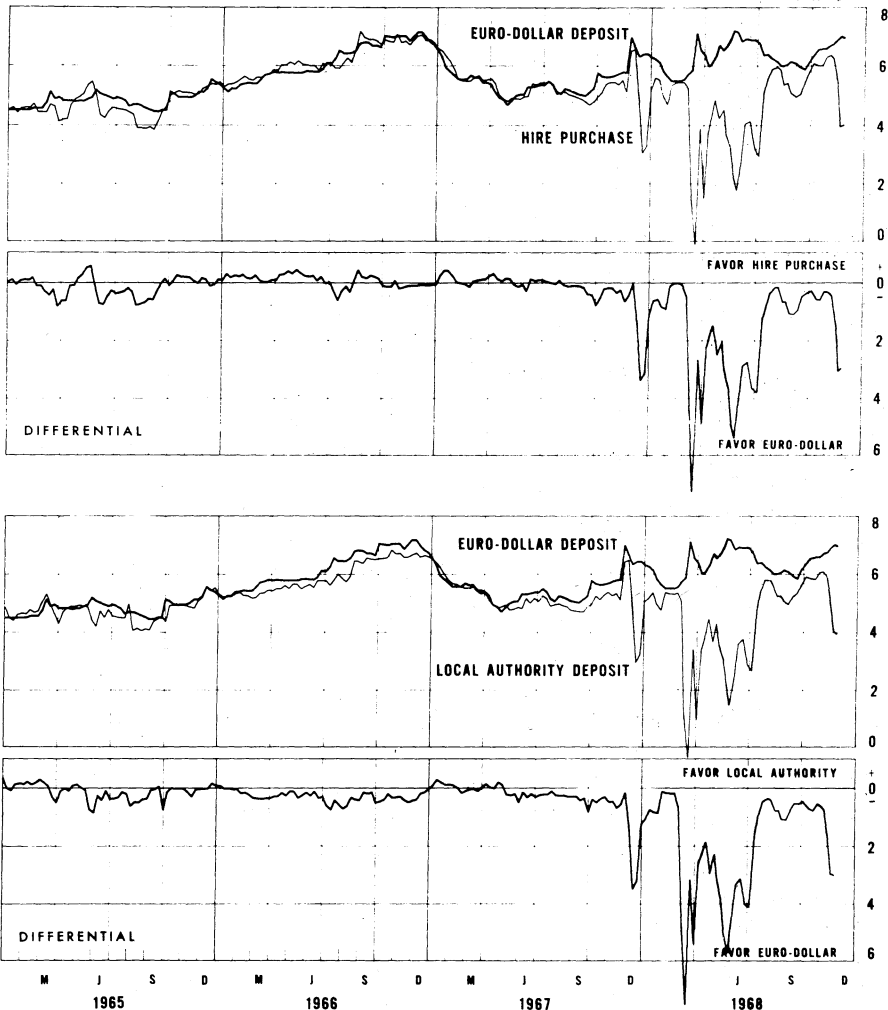
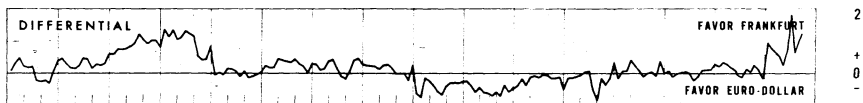
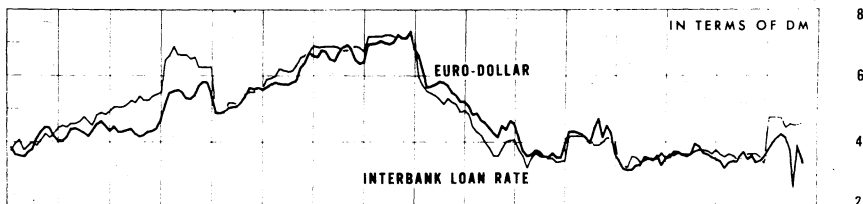


Chart 3

**I INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON**

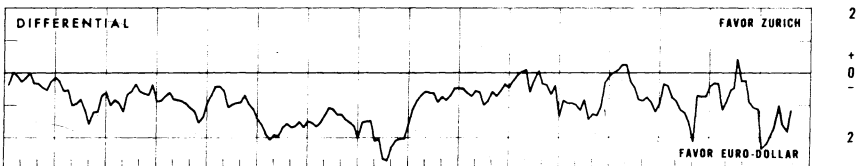
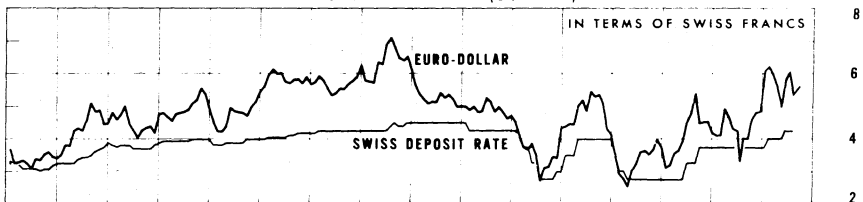
FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE (COVERED)

Per cent per annum



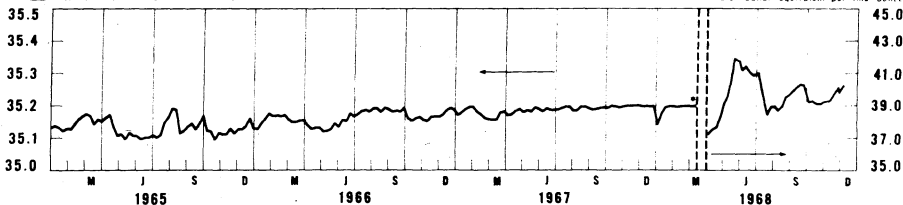
ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE (COVERED)

IN TERMS OF SWISS FRANCS



**II PRICE OF GOLD IN LONDON**

U.S. dollar equivalent per fine ounce



• Market closed March 15-April 1, 1968

Chart 4

### INTEREST ARBITRAGE, UNITED STATES / CANADA

Fridays, figures

Per cent per annum

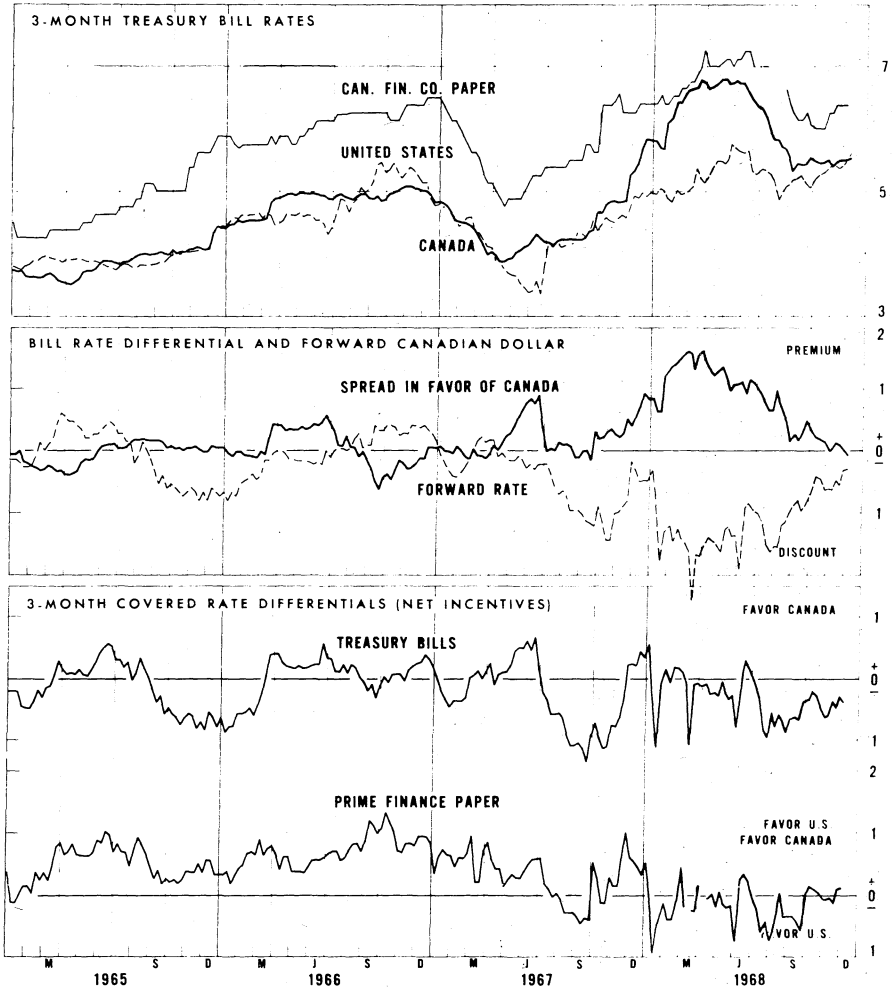
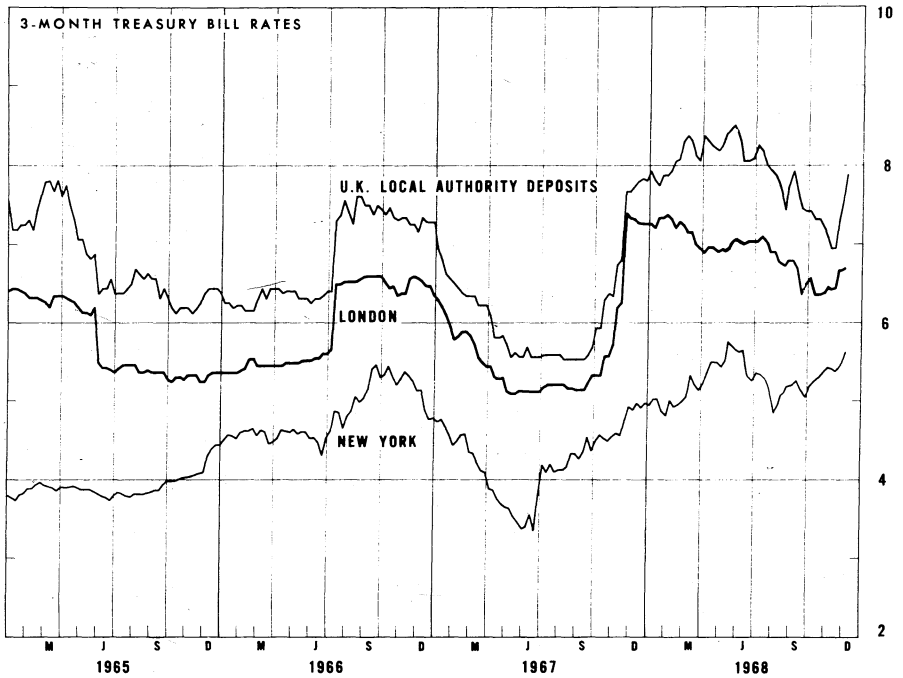


Chart 5A

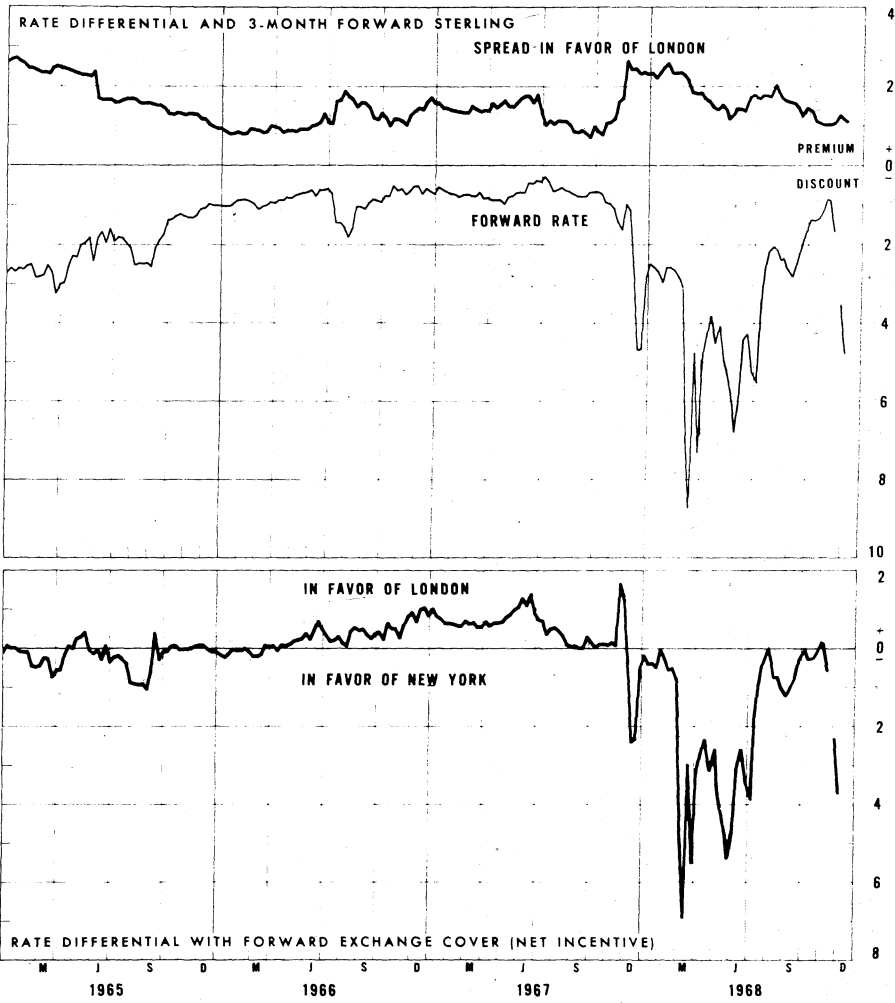
### INTEREST ARBITRAGE, NEW YORK/LONDON

Per cent per annum



# INTEREST ARBITRAGE, NEW YORK/LONDON

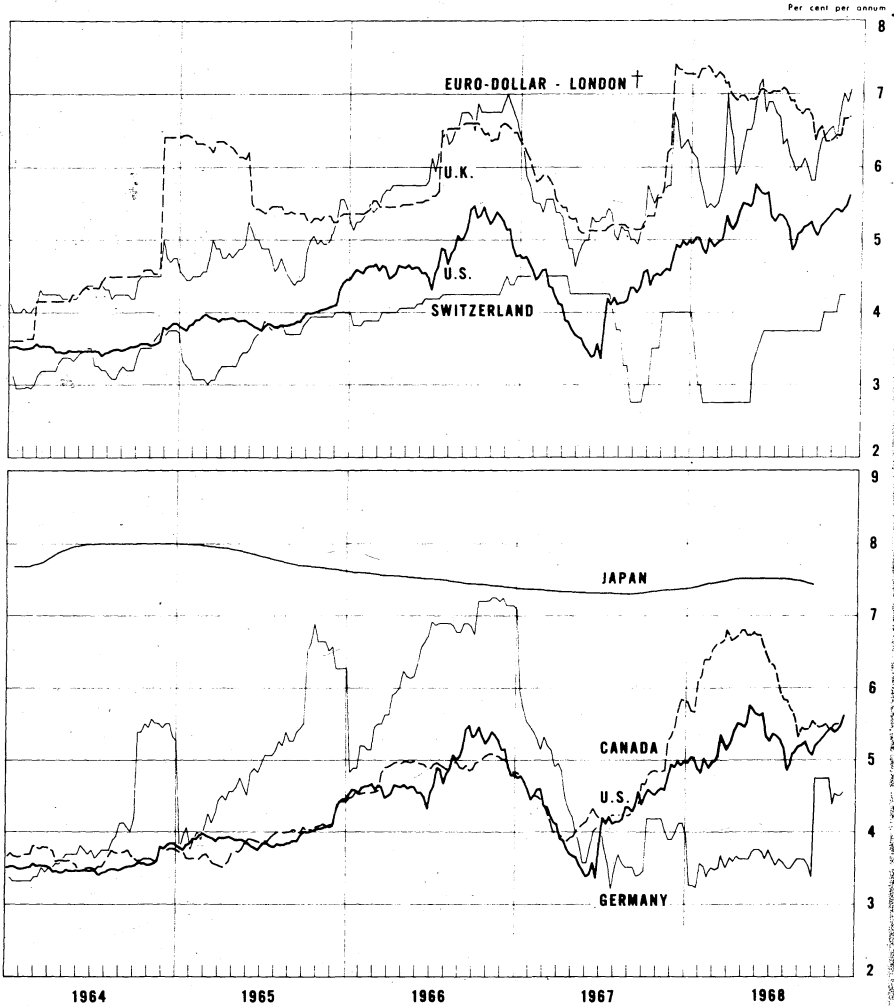
Per cent per annum





9

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)

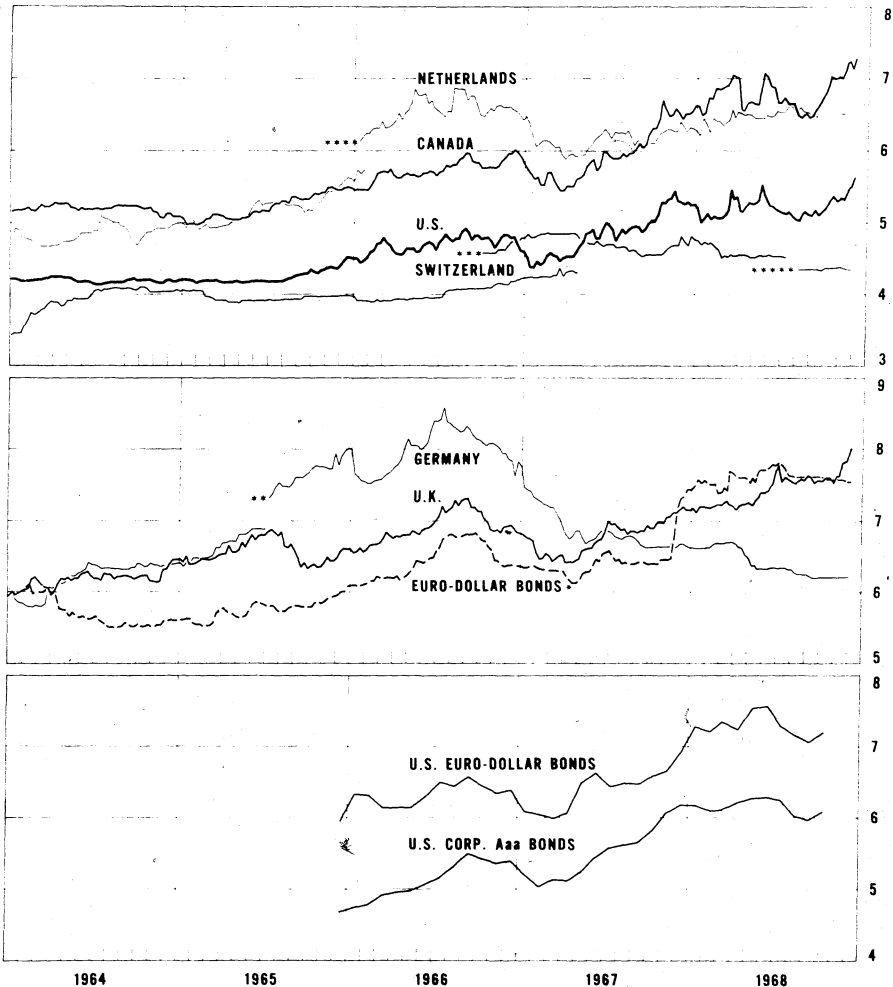
† 3-month rate for U.S. dollar deposits in London

Chart 7

# LONG-TERM BOND YIELDS

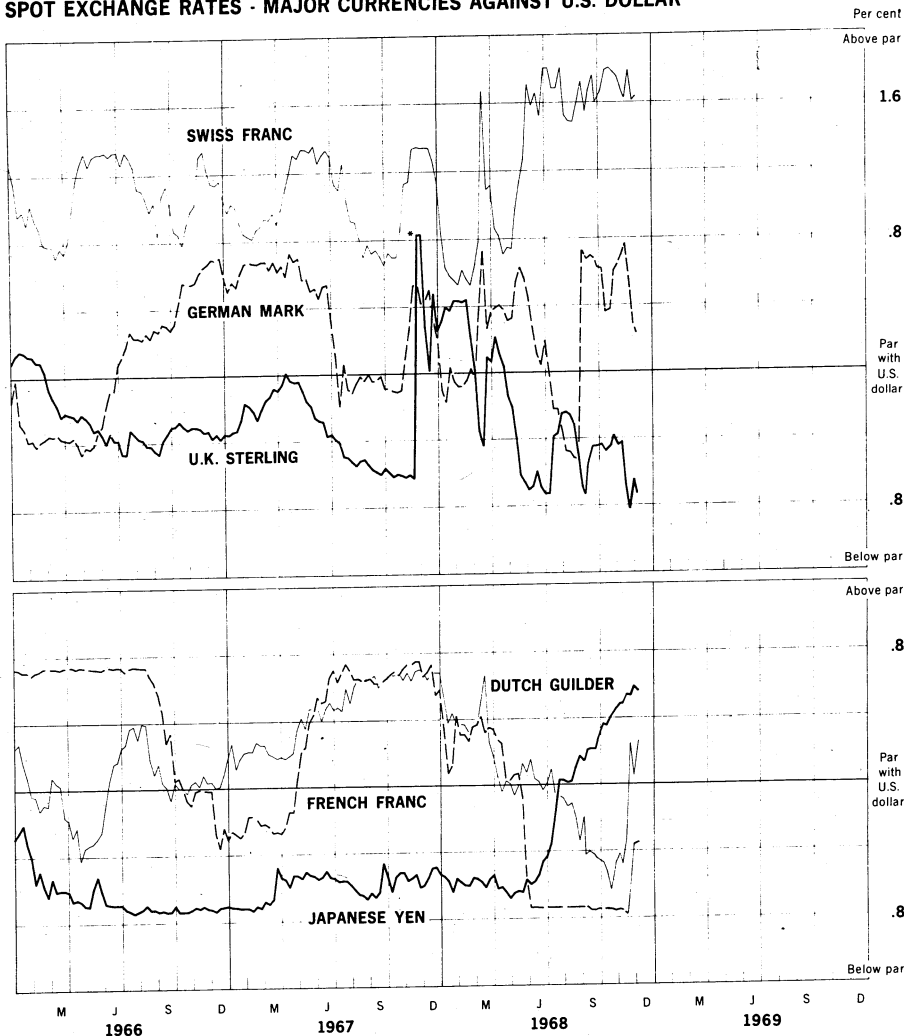
Weekly figures

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

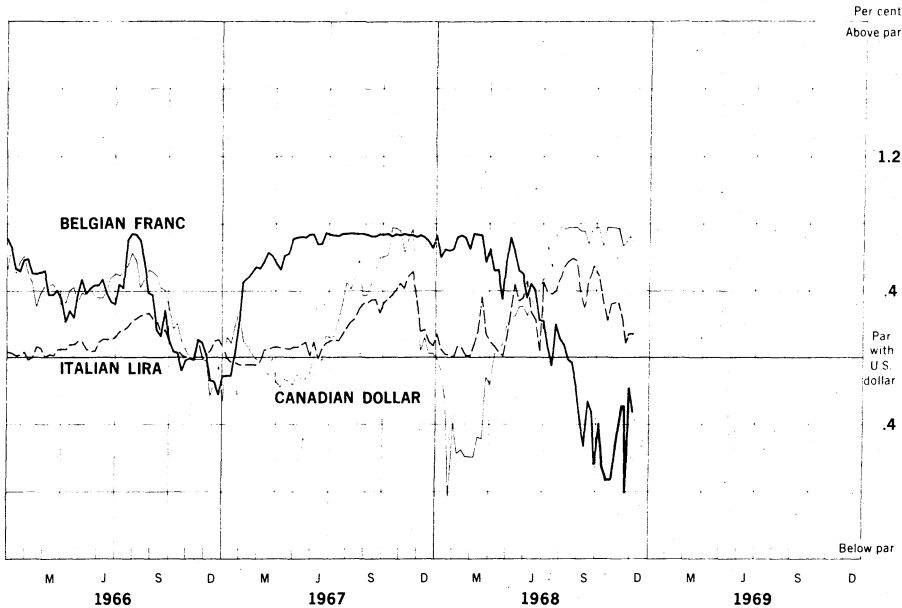
**SPOT EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.S. DOLLAR**



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

Chart 8B

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



13

Chart 9A

### 3-MONTH FORWARD EXCHANGE RATES

AGAINST U.S. DOLLARS—NEW YORK

Friday figures

Per cent per annum

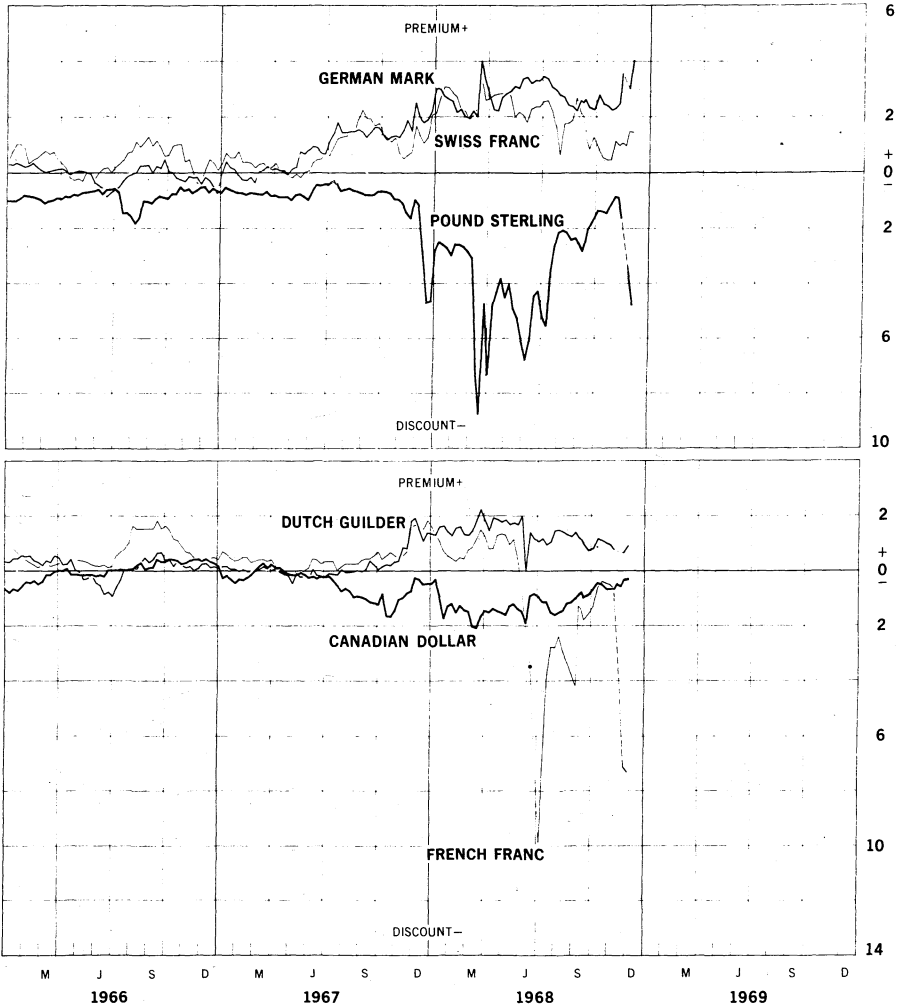


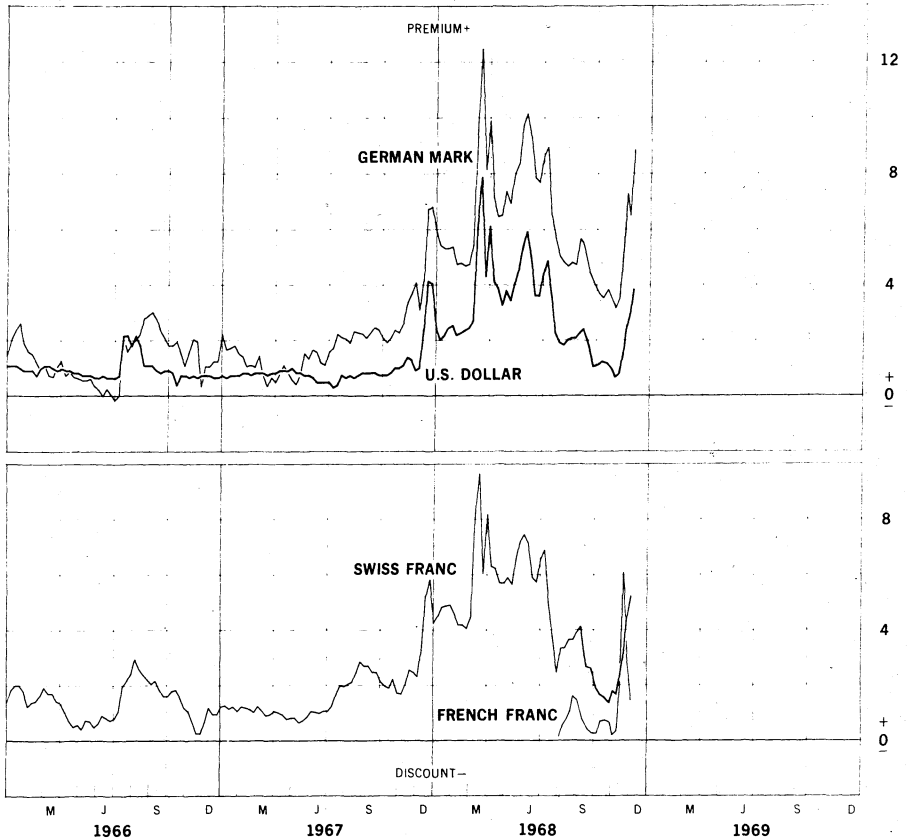
Chart 9B

### 3-MONTH FORWARD EXCHANGE RATE

AGAINST POUND STERLING—LONDON

Friday figures

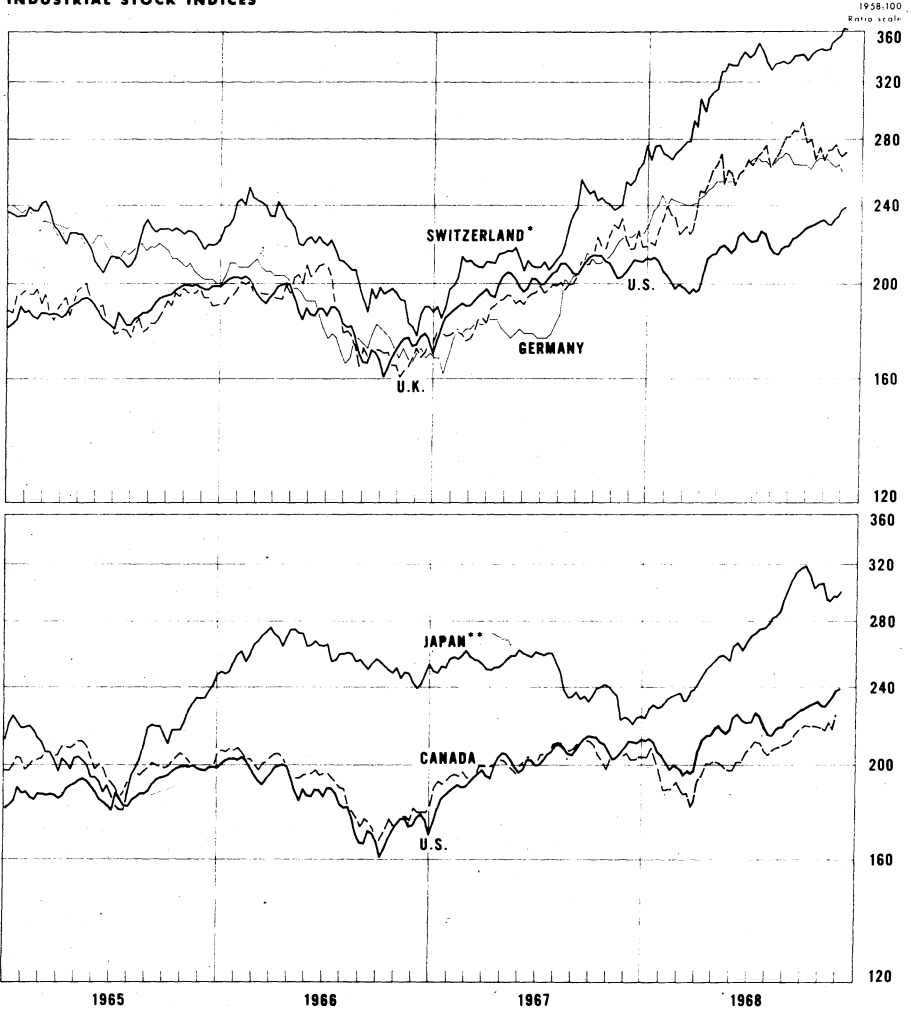
Per cent per annum



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>Dec. 4</u> )	
Euro-\$ deposit	<u>6.88</u>
U.S. certif. of deposit	<u>6.15</u>
<u>Lower Panels</u> (Wednesday, <u>Dec. 4</u> )	
Call Euro-\$ deposit	<u>6.52</u>
Federal Funds	<u>5.71</u>

Chart 2A

<u>Euro-\$ deposits</u> (Friday, <u>Dec. 6</u> )	
<u>Upper Panel</u>	Call <u>6.56</u>
	30-day <u>7.38</u>
<u>Lower Panel</u>	90-day <u>7.06</u>
	180-day <u>7.00</u>

Chart 2B

Hire-Purchase ( <u>Nov. 29</u> )	<u>4.00</u>
Local Authority ( <u>Nov. 29</u> )	<u>3.94</u>
Euro-\$ deposit ( <u>Nov. 29</u> )	<u>6.94</u>

Chart 3

<u>I. Upper Panel</u> (Period: <u>Dec. 1-7</u> )	
Interbank Loan (mid-point)	<u>4.56</u>
Euro-\$ deposits (average)	<u>3.33</u>
<u>Lower Panel</u> (date: <u>Nov. 24-30</u> )	
Zurich 3-mo. deposit	<u>4.25</u>
Euro-\$ rate (covered) ( <u>Dec. 7</u> )	<u>5.62</u>
<u>II. Price of Gold</u> (London) <u>40.36</u>	
(average-week ended <u>Dec. 6</u> )	

Chart 4

(Friday, <u>Dec. 6</u> )	
Treasury bills: Canada	<u>5.54</u>
U.S.	<u>5.62</u>
Spread (favor Canada +)	<u>-0.08</u>
Forward Canadian dollar	<u>-0.30</u>
Net incentive (Canada +)	<u>-0.38</u>
Canadian Finance paper	<u>n.a.</u>

Chart 5A  
(Friday, Dec. 6 )

U.K. Local Authority deposit	<u>7.88</u>
Treasury bills: U.K.	<u>6.69</u>
U.S.	<u>5.62</u>

Chart 5B

Spread (favor U.K. +)	<u>+1.07</u>
Forward rate	<u>-4.80</u>
Net incentive (U.K. +)	<u>-3.73</u>

Chart 6

<u>Upper Panel</u> (Friday, <u>Dec. 6</u> )	
Treasury Bills U.S.	<u>5.62</u>
U.K.	<u>6.69</u>
Canada	<u>5.54</u>
Euro-\$ deposit (London)	<u>7.06</u>
<u>Lower Panel</u>	
German Interbank loan rate ( <u>Dec. 1-7</u> )	<u>4.56</u>
Zurich 3-month deposit ( <u>Nov. 30</u> )	<u>4.25</u>
Japan Composite Rate ( <u>Sept. 30</u> )	<u>7.43</u>
U.S. Treasury bills ( <u>Dec. 6</u> )	<u>5.62</u>



Chart 7

Upper Panel

U.S. Gov't. (Wed., <u>Dec. 4</u> )	<u>5.64</u>
Netherlands Govt. (Fri., <u>Nov. 13</u> )	<u>6.53</u>
Canadian Gov't. (Wed., <u>Nov. 27</u> )	<u>7.12</u>
Swiss Gov't. Composite (Wed., <u>Dec. 4</u> )	<u>7.27</u>
(Fri., <u>Nov. 29</u> )	<u>4.34</u>

Middle Panel

German Fed., (Fri., <u>Dec. 6</u> )	<u>6.21</u>
U.K. War Loan (Thurs., <u>Dec. 5</u> )	<u>8.01</u>
Euro-\$ bonds (Fri., <u>Dec. 6</u> )	<u>7.53</u>

Lower Panel

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

Chart 8A  
(Friday, Dec. 6)

Upper Panel

Swiss francs	<u>+1.64</u>
German marks	<u>+0.23</u>
U.K. £ sterling	<u>-0.73</u>

Lower Panel

French francs	<u>-0.35</u>
Dutch guilders	<u>+0.25</u>
Japanese yens	<u>+0.56</u>

Chart 8B  
(Friday, Dec. 6)

Belgian francs	<u>-0.33</u>
Canadian dollars	<u>+0.68</u>
Italian lira	<u>+0.14</u>

Chart 9A

(Friday, Dec. 6)

Against U.S. dollars

Upper Panel

Swiss francs	<u>+1.44</u>
German marks	<u>+4.02</u>
£ sterling	<u>-4.80</u>

Lower Panel

French franc	<u>-7.31</u>
Dutch guilder	<u>+0.91</u>
Canadian dollar	<u>-0.30</u>

Chart 9B  
(Friday, Dec. 6)

Against pound sterling

Upper Panel

German mark	<u>+8.85</u>
U.S. dollar	<u>+3.84</u>

Lower panel

Swiss franc	<u>+5.23</u>
French franc	<u>+1.45</u>

Chart 10  
(Index; 1958 = 100)

Upper Panel

U.K. ( <u>Dec. 6</u> )	<u>272.8</u>
Germany ( <u>Nov. 29</u> )	<u>259.0</u>
Switzerland ( <u>Dec. 6</u> )	<u>361.0</u>

Lower Panel

U.S. ( <u>Dec. 6</u> )	<u>239.1</u>
Canada ( <u>Nov. 28</u> )	<u>225.0</u>
Japan ( <u>Dec. 7</u> )	<u>301.7</u>

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