I. Ten Charts on Financial Markets Abroad

II. Latest Figures Plotted in H.13 Chart Series, 1968

Europe and British Commonwealth Section.

NOT FOR PUBLICATION

DECONTROLLED AFTER SIX MONTHS
Chart 2a
LONDON: YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS
EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum
London: Yields for U.S. Dollar Investors on 3-Month Funds

Hire Purchase and Local Authority Deposit Rates (covered)

- Euro-Dollar Deposit
- Hire Purchase
- Differential
- Favor Hire Purchase
- Favor Euro-Dollar
- Local Authority Deposit
- Favor Local Authority
- Differential

Years: 1965-1968
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 ZURICH

FAVOR EURO-DOLLAR

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

IN TERMS OF SWISS FRANCS

EURO-DOLLAR

SWISS DEPOSIT RATE

DIFFERENTIAL

FAVOR ZURICH

FAVOR EURO-DOLLAR

II PRICE OF GOLD IN LONDON

U.S. dollar equivalent per fine ounce

35.5
35.4
35.3
35.2
35.1
35.0

1965 1966 1967 1968

Market closed March 15-April 1, 1968
Chart 4

INTEREST ARBITRAGE, UNITED STATES / CANADA

Fridays 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

3-MONTH COVERED RATE DIFFERENTIALS (NET INCENTIVES)

TREASURY BILLS

PRIME FINANCE PAPER

Favor CANADA

Favor U.S.

Favor CANADA

Favor U.S.
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
INTEREST ARBITRAGE, NEW YORK/LONDON

RATE DIFFERENTIAL AND 3-MONTH FORWARD STERLING

SPREAD IN FAVOR OF LONDON

FORWARD RATE

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

Euro-dollar - London
U.K.
U.S.
Switzerland
Japan
Canada
Germany

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).
Chart 8A

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

- SWISS FRANC
- GERMAN MARK
- U.K. STERLING
- DUTCH Guilder
- FRENCH FRANC
- JAPANESE YEN

Devaluation of the pound sterling from $2.80 to $2.40.
Spot exchange rates - major currencies against U.S. dollar

Belgian Franc

Italian Lira

Canadian Dollar

Per cent
Above par

Par with U.S. dollar

Below par

1.2

.4

Chart 9A

3-MONTH FORWARD EXCHANGE RATES
AGAINST U.S. DOLLARS—NEW YORK
Per cent per annum

GERMAN MARK
SWISS FRANC
POUND STERLING
DUTCH GULDERS
CANADIAN DOLLAR
FRENCH FRANC

INDUSTRIAL STOCK INDICES

1958

SWITZERLAND

GERMANY

U.K.

JAPAN

CANADA

1965 1966 1967 1968

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, Dec. 18)
- Euro-$ deposit: 7.00
- U.S. certif. of deposit: 6.25

Lower Panels (Wednesday, Dec. 18)
- Call Euro-$ deposit: 6.46
- Federal Funds: 5.95

Chart 2A

Euro-$ deposits (Friday, Dec. 20)
- Upper Panel Call: 7.38
- 30-day: 7.50
- Lower Panel 90-day: 7.94
- 180-day: 7.25

Chart 2B

Hire-Purchase (Dec. 13): 2.75
Local Authority (Dec. 13): 2.63
Euro-$ deposit (Dec. 13): 7.06

Chart 3

I. Upper Panel (Period: Dec. 16-23)
- Interbank Loan (mid-point): 4.38
- Euro-$ deposits (average): 2.68

Lower Panel (date: Dec. 8-15)
- Zurich 3-mo. deposit: 4.25
- Euro-$ rate (covered) (Dec. 23): 6.09

II. Price of Gold (London)
- (average-week ended Dec. 20): 41.50

Chart 4

(Friday, Dec. 20)
- Treasury bills: Canada: 5.96
- U.S.: 6.08
- Spread (favor Canada +): -0.12
- Forward Canadian dollar: -0.43
- Net incentive (Canada +): -0.55
- Canadian Finance paper (Dec. 13): 6.38

Chart 5A

(Friday, Dec. 20)
- U.K. Local Authority deposit: 7.81
- U.S.: 6.08
- Spread (favor U.K. +): 0.55
- Forward rate: 4.13
- Net incentive (U.K. +): 3.58

Chart 5B

Spread (favor: U.K. +)
Forward rate
Net incentive (U.K. +)

Chart 6

(Upper Panel) (Friday, Dec. 20)
- Treasury Bills: U.S.: 6.08
- U.K.: 6.63
- Canada: 5.96

Euro-$ deposit (London): 7.31

Lower Panel

German Interbank loan rate (Dec. 16-23): 4.38
Zurich 3-month deposit (Dec. 15): 4.25
Japan Composite Rate (Oct. 31): 7.40
U.S. Treasury bills (Dec. 20): 6.08
H. 13
No. 382

Chart 7

Upper Panel
U. S. Gov't. (Wed., Dec. 18) 5.65
Netherlands Gov't. (Fri., Nov. 13) 6.53
Canadian Gov't. (Wed., Dec. 11) 7.35
Swiss Gov't. Composite (Fri., Dec. 13) 4.32

Middle Panel
German Fed., (Fri., Dec. 13) 6.21
U.K. War Loan (Thus., Dec. 19) 8.06
Euro-£ bonds (Fri., Dec. 20) 7.53

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

Chart 8A
(Friday, Dec. 20)

Upper Panel
Swiss francs +1.80
German marks +0.05
U.K. £ sterling -0.68

Lower Panel
French francs -0.30
Dutch guilders +0.27
Japanese yens +0.59

Chart 8B
(Friday, Dec. 20)

Belgian francs -0.30
Canadian dollars +0.78
Italian lira +0.16

Chart 9A
(Friday, Dec. 20)

Against U.S. dollars
Upper Panel
Swiss francs +0.87
German marks +6.68
£ sterling -4.13

Lower Panel
French franc -7.82
Dutch guilder +0.47
Canadian dollar -0.43

Chart 9B
(Friday, Dec. 20)

Against pound sterling
Upper Panel
German mark +8.82
U.S. dollar +3.57
Lower Panel
Swiss franc +4.17
French franc +3.19

Chart 10
(Index; 1958 = 100)

Upper Panel
U.K. (Dec. 20) 278.0
Germany (Dec. 6) 255.6
(Sep. 13) 258.6
Switzerland (Dec. 11) 363.9

Lower Panel
U.S. (Dec. 13) 238.1
Canada (Dec. 5) 226.0
Japan (Dec. 21) 297.7

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