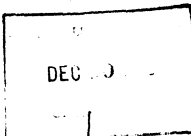


H. 13  
No. 382



December 26, 1968.

CAPITAL MARKET DEVELOPMENTS ABROAD

- 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NOT FOR PUBLICATION

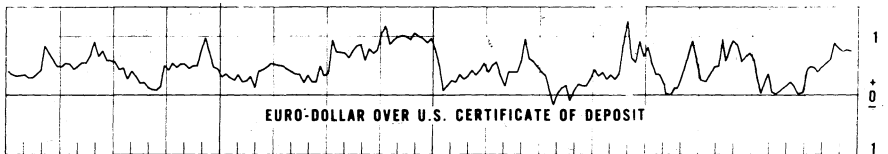
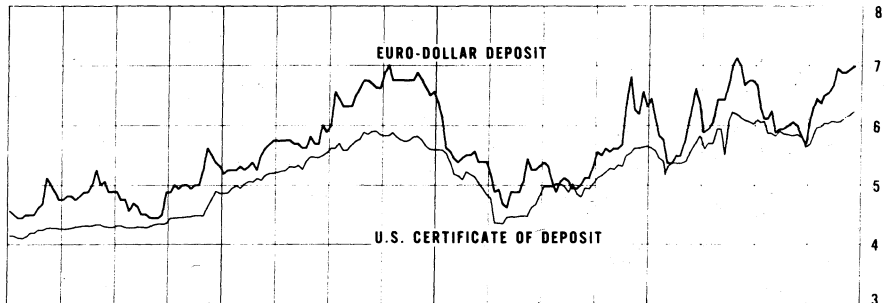
DECONTROLLED AFTER SIX MONTHS

Chart 1

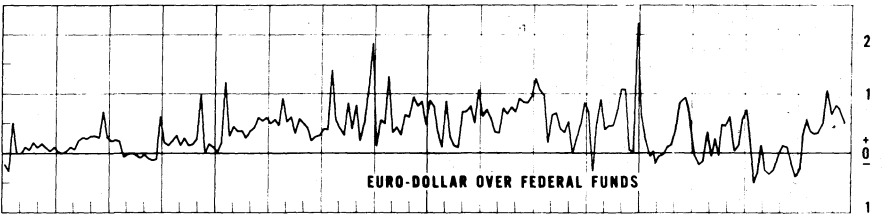
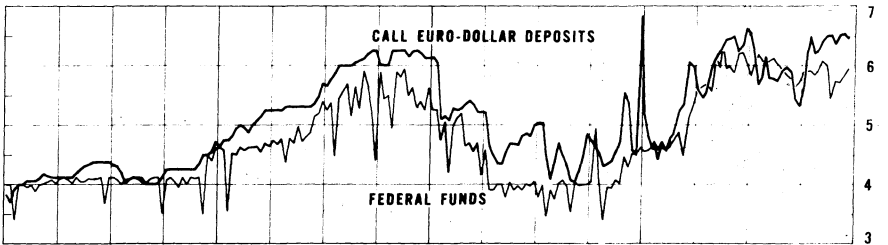
### NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS 3-MONTH DOLLAR DEPOSIT RATES

Wednesday figures

per cent per annum



### CALL EURO-DOLLAR DEPOSIT RATE VS. U.S. FEDERAL FUNDS RATE



Mar. 1965 Jun. 1965 Sept. 1965 Dec. 1965 Mar. 1966 Jun. 1966 Sept. 1966 Dec. 1966 Mar. 1967 Jun. 1967 Sept. 1967 Dec. 1967 Mar. 1968 Jun. 1968 Sept. 1968 Dec. 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

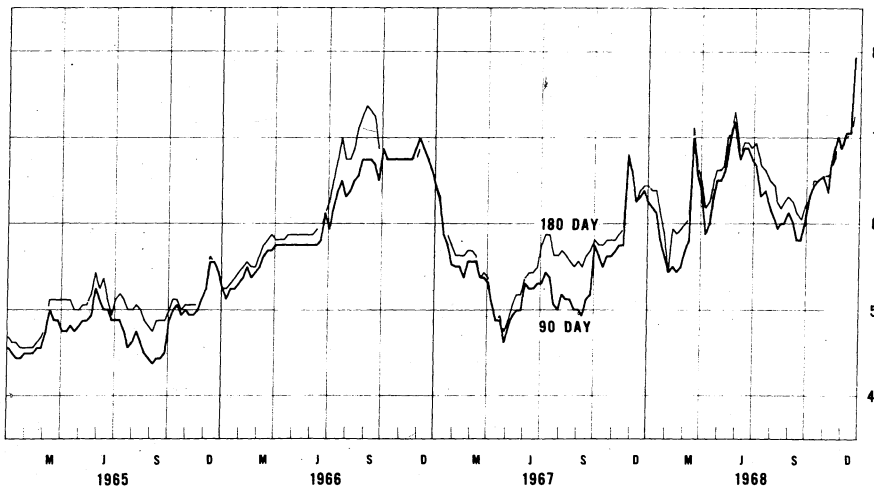
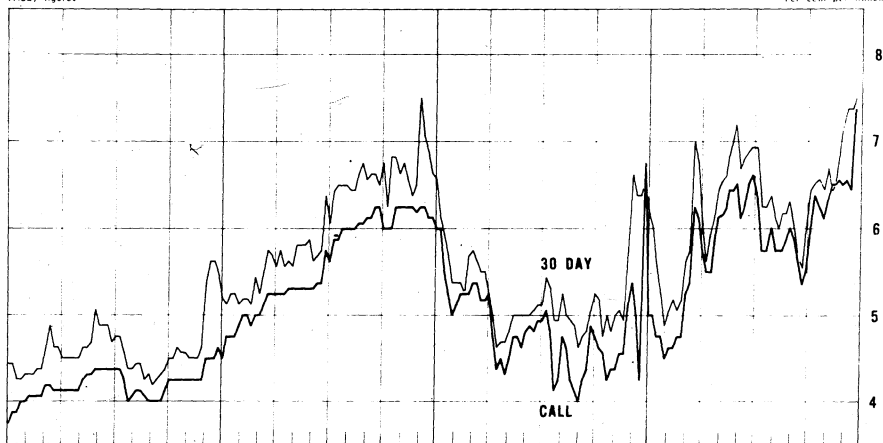


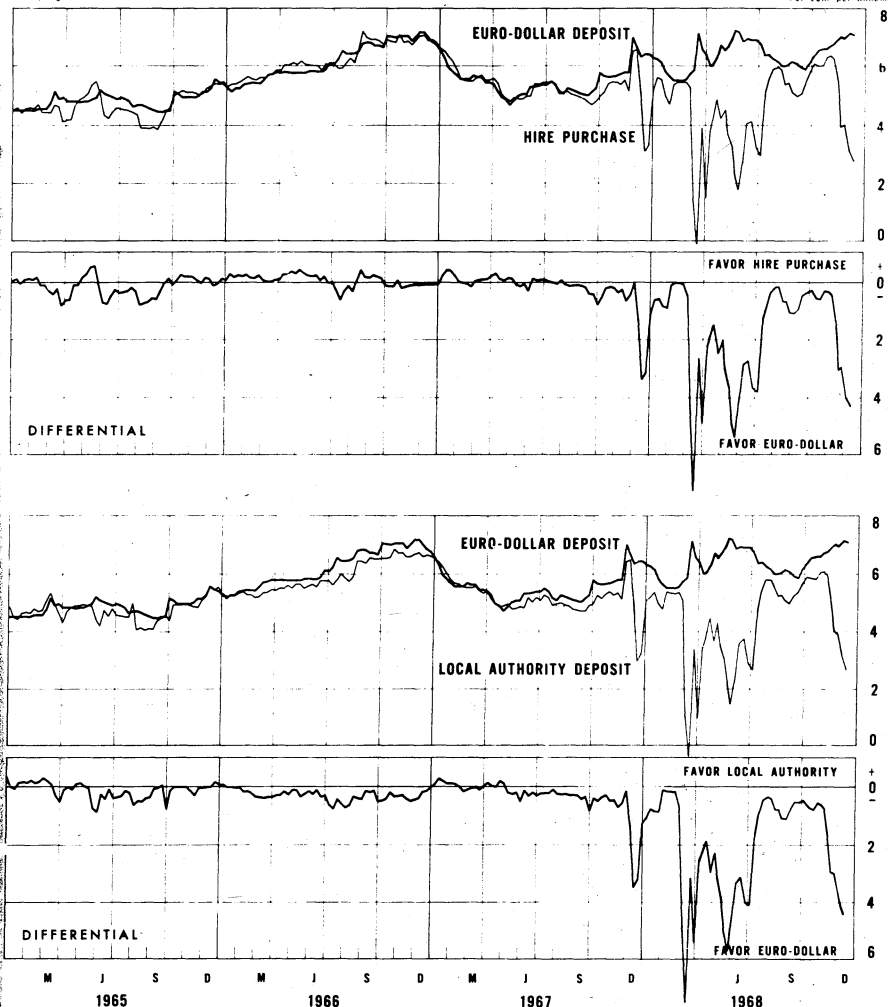
Chart 28

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

## HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

Friday figures

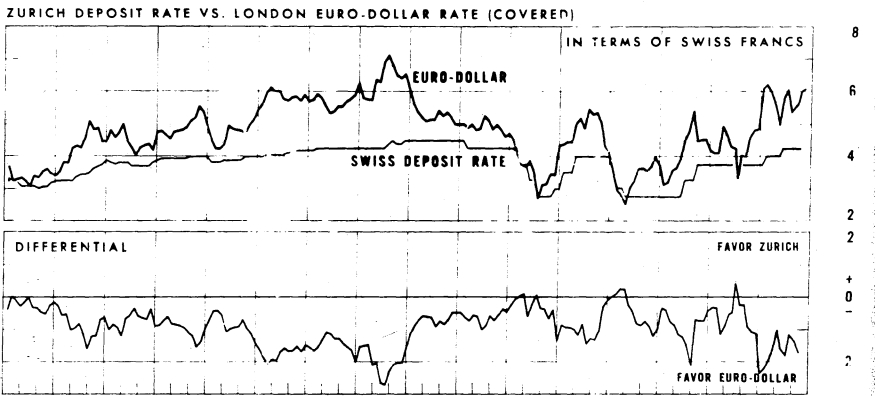
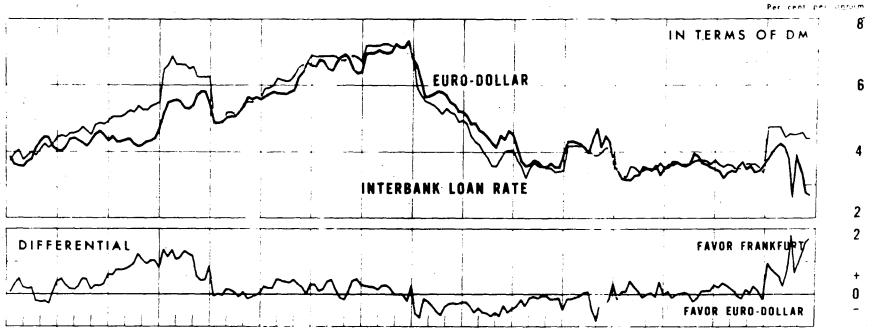
Per cent per annum



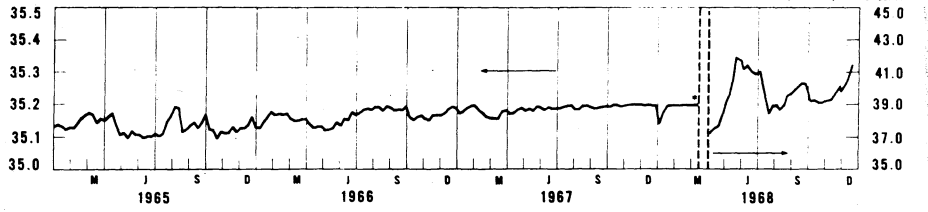
5

Chart 3

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



**II PRICE OF GOLD IN LONDON**



• Market closed March 15-April 1, 1968

Chart 4

### INTEREST ARBITRAGE, UNITED STATES / CANADA

Friday figures

Per cent per year

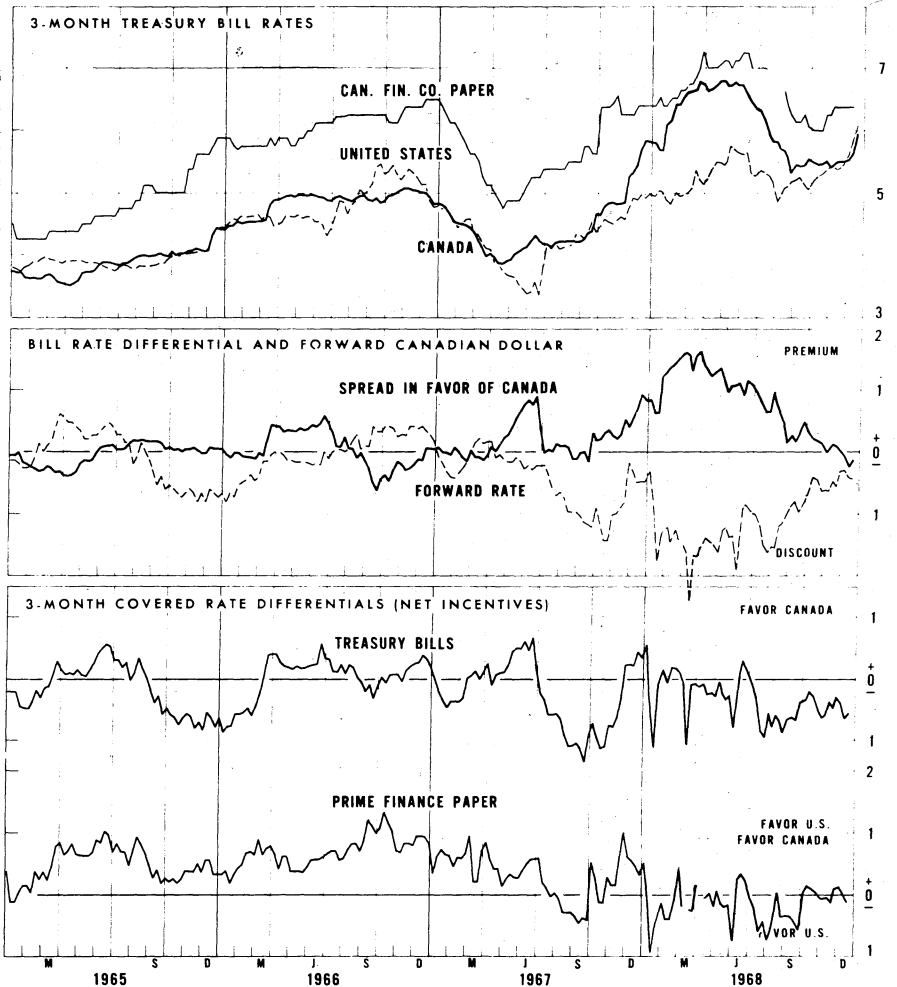
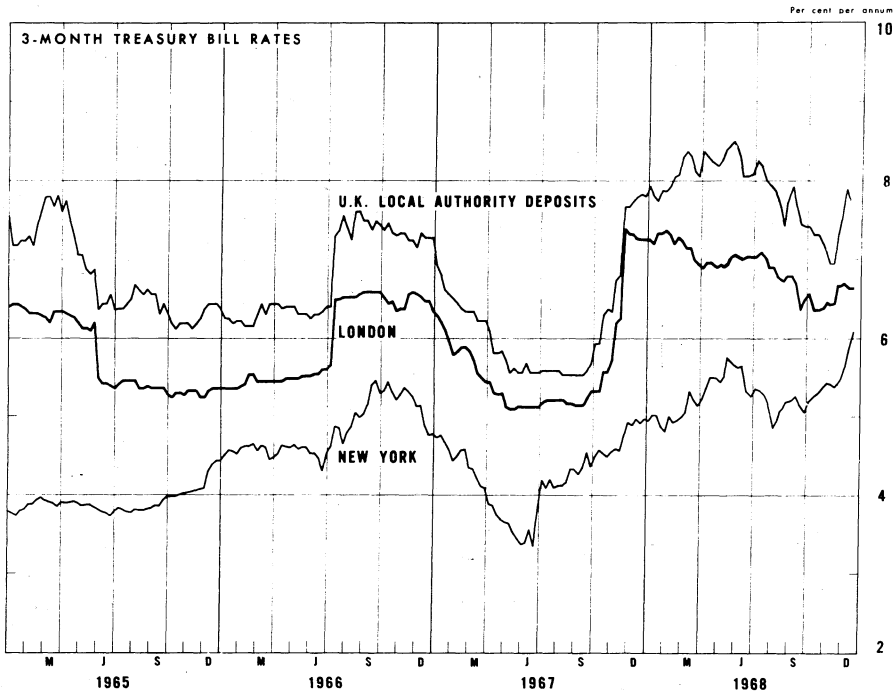


Chart 5A

**INTEREST ARBITRAGE, NEW YORK/LONDON**

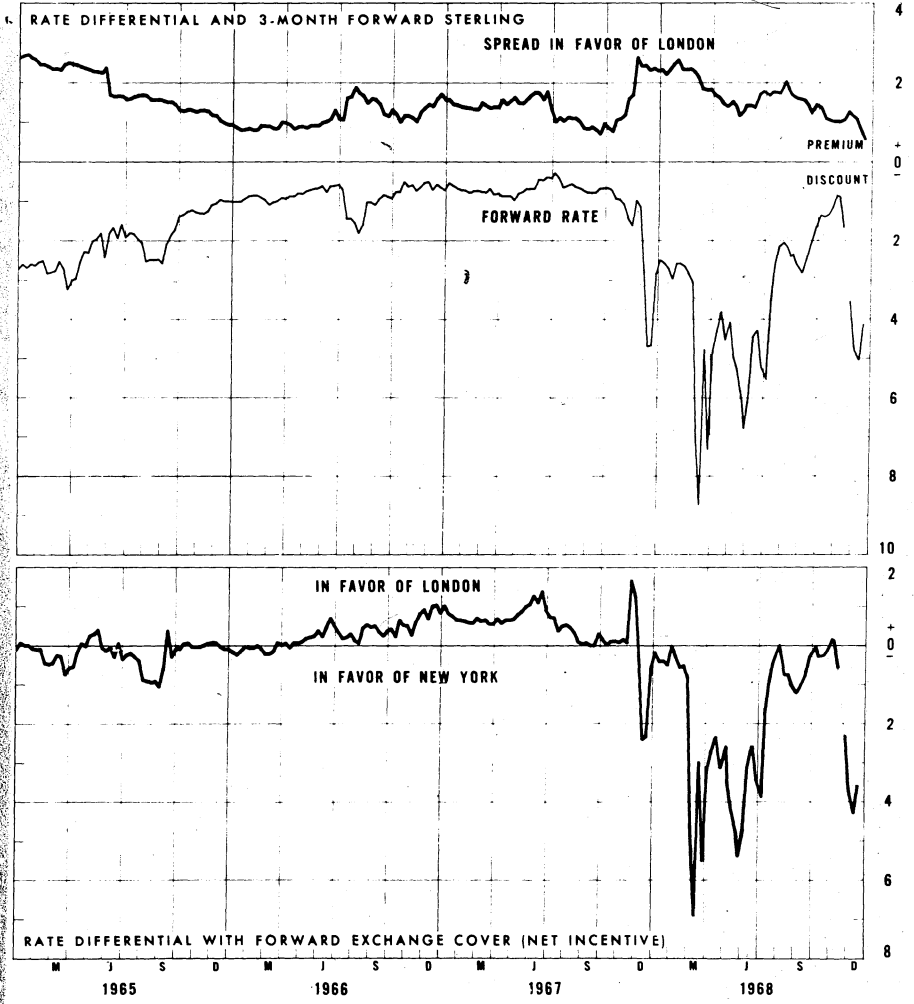


8

Chart 58

# INTEREST ARBITRAGE, NEW YORK/LONDON

Per cent per annum

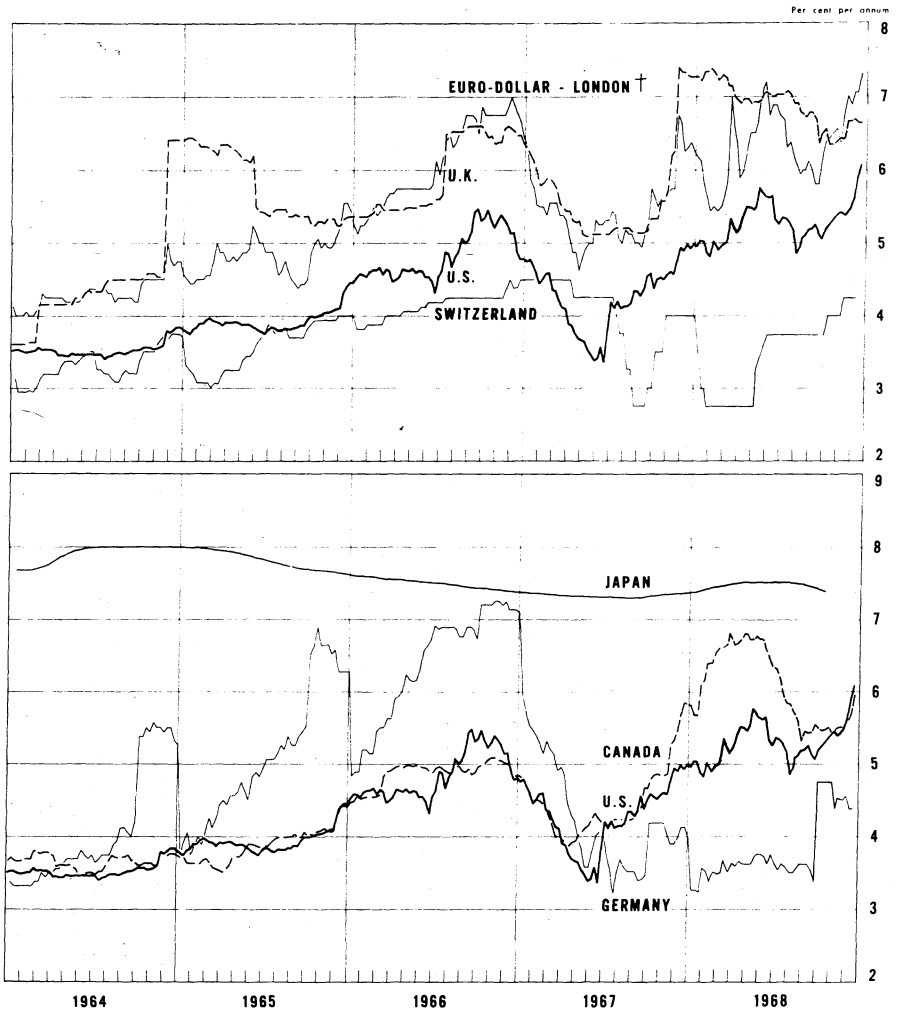




9

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)

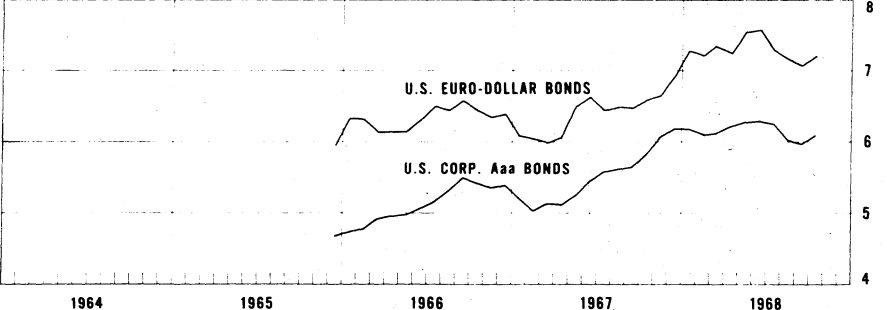
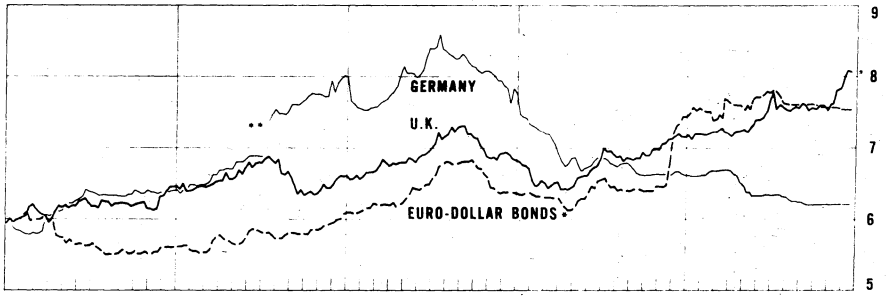
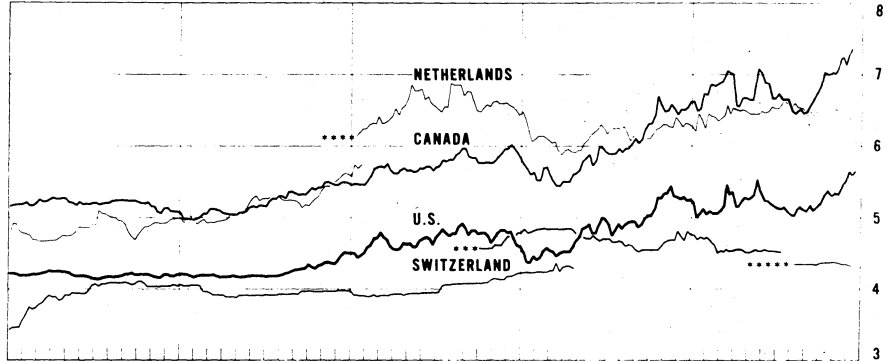
† 3-month rate for U.S. dollar deposits in London

Chart 2

# LONG-TERM BOND YIELDS

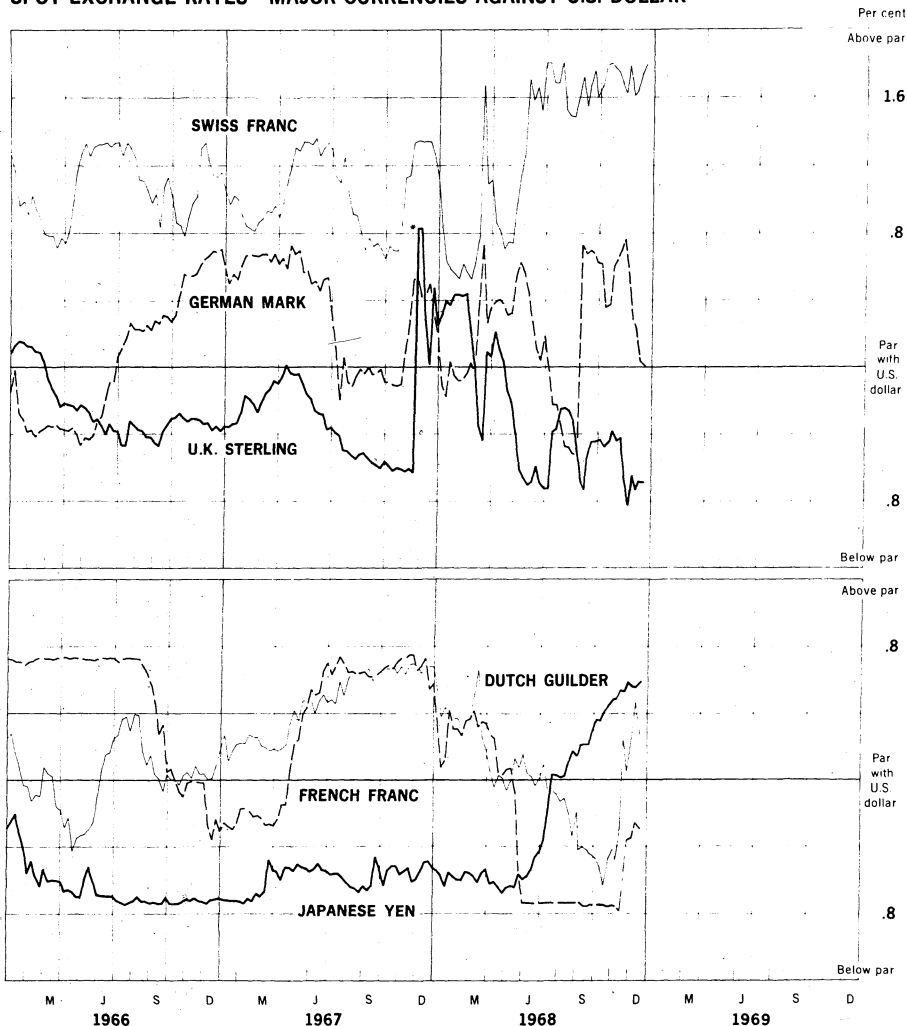
Weekly figures

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 Switzerland starts 1.7.66  
 \*\*\*\*\* New series for Netherlands starts 1.7.66  
 \*\*\*\*\* New series for Switzerland starts 8.2.68

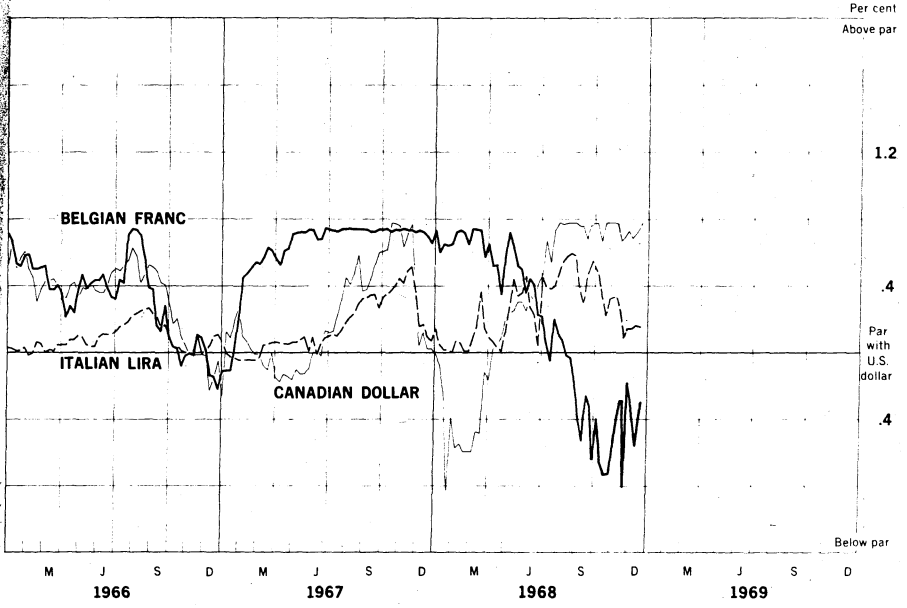
**SPOT EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.S. DOLLAR**



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

Chart 8B

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



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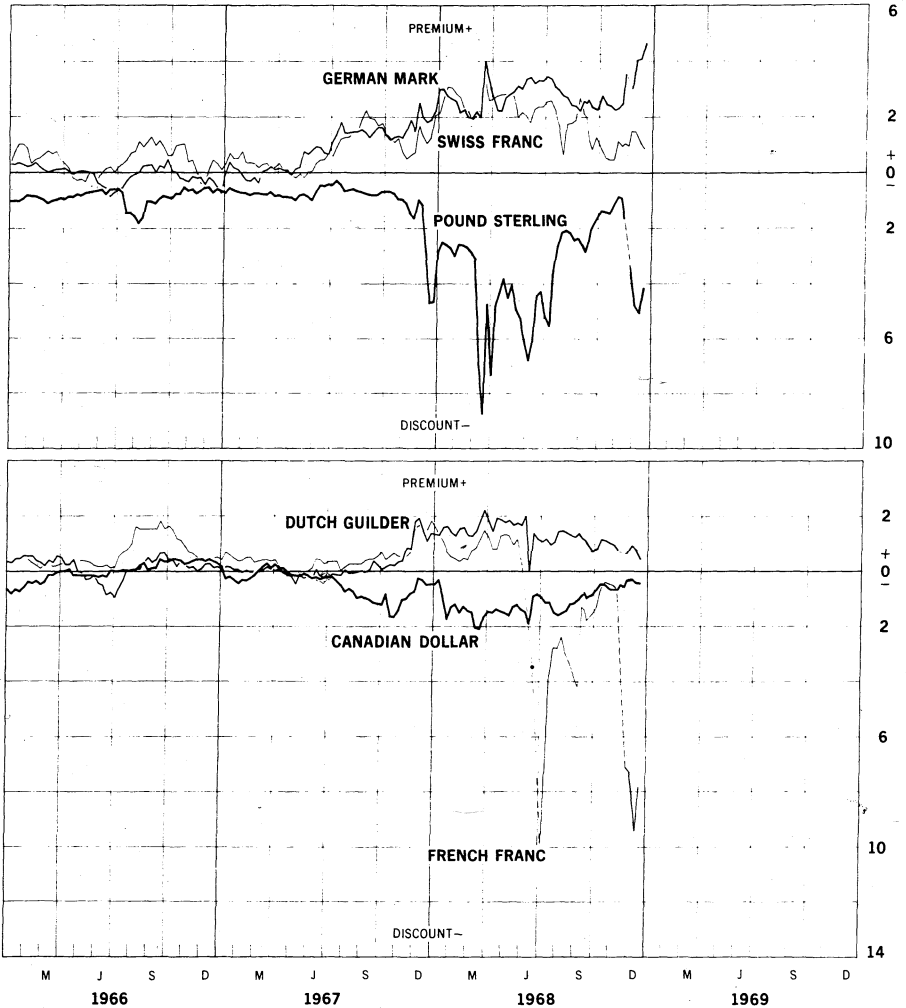
Chart 9A

### 3-MONTH FORWARD EXCHANGE RATES

AGAINST U.S. DOLLARS—NEW YORK

Friday figures

Per cent per annum

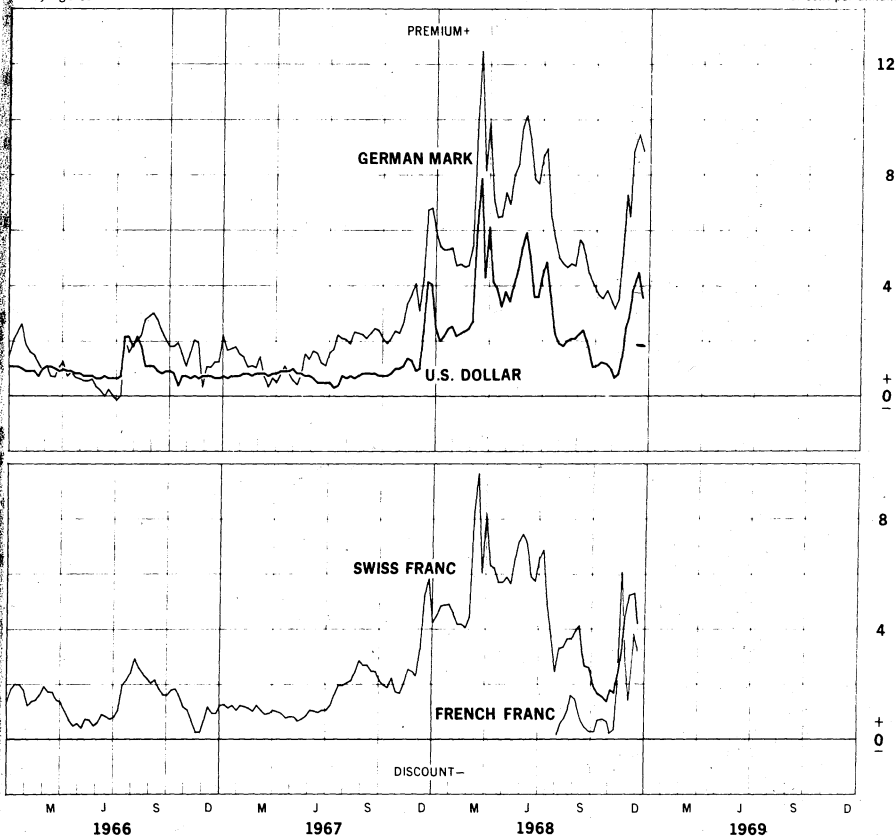


### 3-MONTH FORWARD EXCHANGE RATE

AGAINST POUND STERLING—LONDON

Friday figures

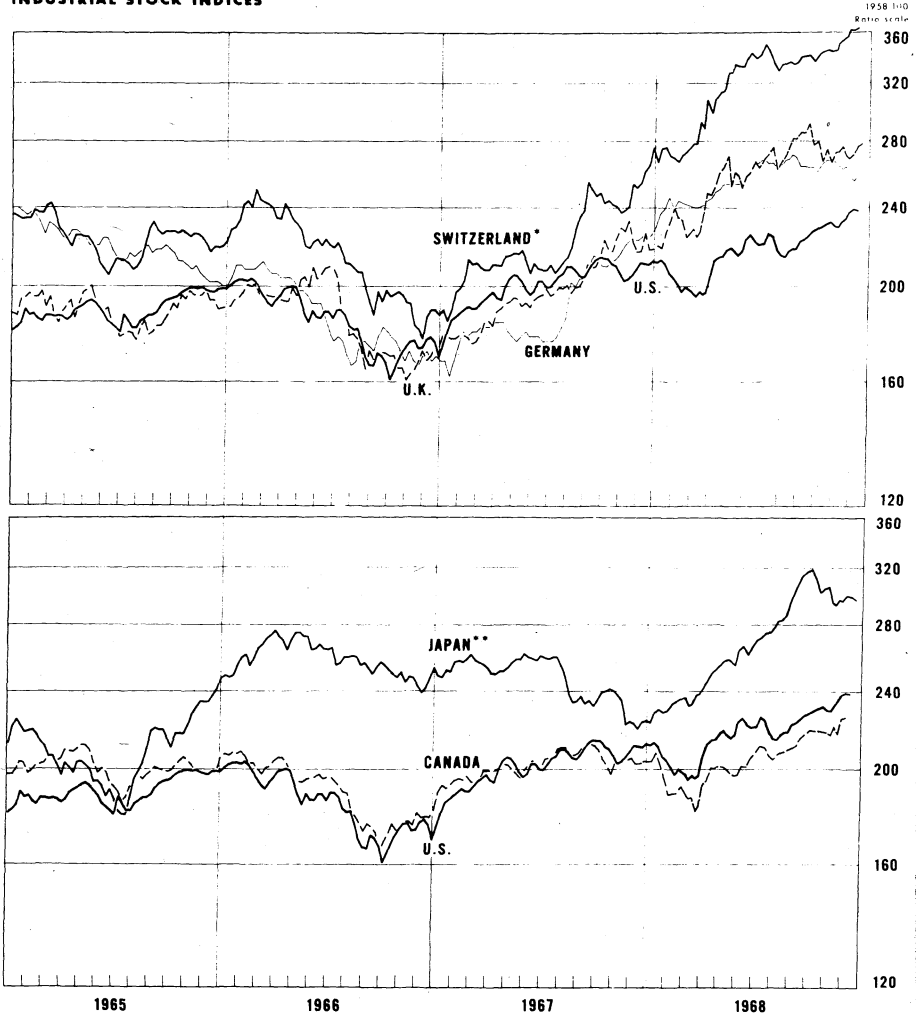
Per cent per annum



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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

December 26, 1968

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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) 41.50  
(average-week ended Dec. 20)

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

Treasury bills: U.K. 6.63

U.S. 6.08

Chart 5B

Spread (favor U.K. +) +0.55

Forward rate -4.13

Net incentive (U.K. +) -3.58

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



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II. b

Chart 7Upper Panel

U.S. Gov't. (Wed., Dec. 18)	<u>5.65</u>
Netherlands Govt. (Fri., Nov. 13)	<u>6.53</u>
Canadian Gov't. (Wed., Dec. 11)	<u>7.35</u>
Swiss Gov't. Composite (Fri., Dec. 13)	<u>4.32</u>

Middle Panel

German Fed., (Fri., Dec. 13)	<u>6.21</u>
U.K. War Loan (Thus., Dec. 19)	<u>8.06</u>
Euro-\$ bonds (Fri., Dec. 20)	<u>7.53</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, Dec. 20)Upper Panel

Swiss francs	<u>+1.80</u>
German marks	<u>+0.05</u>
U.K. £ sterling	<u>-0.68</u>

Lower Panel

French francs	<u>-0.30</u>
Dutch guilders	<u>+0.27</u>
Japanese yens	<u>+0.59</u>

Chart 8B  
(Friday, Dec. 20)

Belgian francs	<u>-0.30</u>
Canadian dollars	<u>+0.78</u>
Italian lira	<u>+0.16</u>

Chart 9A

(Friday, Dec. 20)

Against U.S. dollarsUpper Panel

Swiss francs	<u>+0.87</u>
German marks	<u>+4.68</u>
£ sterling	<u>-4.13</u>

Lower Panel

French franc	<u>-7.82</u>
Dutch guilder	<u>+0.47</u>
Canadian dollar	<u>-0.43</u>

Chart 9B

(Friday, Dec. 20)

Against pound sterlingUpper Panel

German mark	<u>+8.82</u>
U.S. dollar	<u>+3.57</u>

Lower panel

Swiss franc	<u>+4.17</u>
French franc	<u>+3.19</u>

Chart 10

(Index; 1958 = 100)

Upper Panel

U.K. (Dec. 20)	<u>278.0</u>
Germany (Dec. 6)	<u>255.6</u>
Switzerland (Dec. 13)	<u>258.6</u>
Switzerland (Dec. 13)	<u>363.9</u>

Lower Panel

U.S. (Dec. 13)	<u>238.1</u>
Canada (Dec. 5)	<u>226.0</u>
Japan (Dec. 21)	<u>297.7</u>