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*Capital market*

# SELECTED INTEREST & EXCHANGE RATES FOR MAJOR COUNTRIES & THE U.S.

DESCRIPTION AND SOURCES OF DATA PLOTTED IN  
THE WEEKLY SERIES OF CHARTS

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BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

This Supplement accompanies the first issue in 1969 of the weekly H.13 Series of Charts, henceforth to be published under the title **SELECTED INTEREST AND EXCHANGE RATES FOR MAJOR COUNTRIES AND THE UNITED STATES**. The Supplement supersedes Special Supplement No. 343-S dated March 27, 1968.

The series of charts has been expanded and reorganized so as to give the reader up-to-date information on interest rates in foreign money and capital markets, as well as data relating to selected United States interest rates. The data include some series generated by the Federal Reserve System staffs, but in addition many series are collected from sources explained in detail in this Supplement.

The order and composition of the charts is changed, but no series appearing through the end of 1968 have been discarded and several new series are added. To facilitate cross-reference with the previous series of charts, the following tabulation gives the old and current location of each plotted series.

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CHARTS 1A and 1B

Spot Exchange Rates--Major Currencies Against U.S. Dollar

Belgian franc, Canadian dollar, French franc, German mark, Italian lira, Japanese yen, Netherlands guilder, Swiss franc, and U.K. pound

Quotations used are certified\* noon buying rates in New York in U.S. cents per unit of foreign currency. Rates are expressed as a percentage above or below their par values with the U.S. dollar. Through December 31, 1968 Friday figures plotted. Effective January 1, 1969 weekly average of daily noon rates.

Source: Federal Reserve Bank of New York.

\* Certified rates are rates certified to the Secretary of the Treasury by the Federal Reserve Bank of New York for purposes of converting foreign currency into dollars for customs valuation.

CHART 2

Three-Month Forward Exchange Rates--Major Currencies Against U.S. Dollar  
(all figures in per cent per annum)

Swiss franc

Premium/discount in per cent per annum on the three-month forward Swiss franc vis-à-vis the U.S. dollar calculated on the basis of quotations on the Zürich foreign exchange market. Through December 31, 1968 Friday figures. Effective January 1, 1969, weekly average of daily quotations.

Source: Federal Reserve Bank of New York.

German mark

Premium/discount in per cent per annum on the three-month forward mark vis-à-vis the U.S. dollar calculated on the basis of quotations on the Frankfurt foreign exchange market. Through December 31, 1968 Friday figures. Effective January 1, 1969, weekly average of daily quotations.

Source: Federal Reserve Bank of New York.

U.K. pound sterling

January 2, 1959 through December 27, 1963--Premium/discount in per cent per annum on forward pound, computed on the basis of mid-rates for both spot and forward quotations at noon on Friday in New York.

January 3, 1964 through December 31, 1968--Premium/discount in per cent per annum on forward pound, computed on the basis of mid-rates for both spot and forward quotations at 11 a.m. on Friday in New York.

January 1, 1969 to date--As above except that the rate plotted is the average each week of daily 11 a.m. quotations.

Source: Market data obtained from the Foreign Department, Federal Reserve Bank of New York.

French franc, Dutch guilder and Canadian dollar

Premium/discount in per cent per annum on three-month forward francs, guilders and Canadian dollars vis-à-vis the U.S. dollar calculated on the basis of quotations on the New York foreign exchange market; 2:30 p.m. rates. Through December 31, 1968, Friday figures. Effective January 1, 1969, weekly average of daily quotations.

Source: Federal Reserve Bank of New York.

CHART 3

Three-Month Forward Exchange Rates--Major Currencies Against U.K. Pound

German mark, U.S. dollar, Swiss franc and French franc

Premium/discount in per cent per annum on three-month delivery of each of these currencies vis-à-vis the U.K. pound, calculated on the basis of the mid-rates of the daily range of both spot and forward quotations in the London foreign exchange market.

Source: The Financial Times (London).

CHART 4

Gold Price in London

U.S. dollar equivalent of the price in U.K. pound per fine Troy ounce of gold in 12.5 Kg. bars.

Through March 15, 1968--close of business on Fridays.

April 1, 1968 to date--Weekly average of afternoon fixings.

Source: Bank of England.

CHART 5

Call Money Rates

Call Euro-Dollar Deposits

Weekly averages (Thursday-Wednesday) of brokers' bid rates in London.

Source: Market data obtained from the Foreign Department, Federal Reserve Bank of New York.

Federal Funds

Weekly averages (Thursday-Wednesday) of overnight inter-bank loans in New York City. Rates used are those at which transactions took place.

Source: Money Market Perspectives, Government Finance Section, Board of Governors of the Federal Reserve System.

German Call Money Rate

Friday's rate of German inter-bank call money loans.

Source: Frankfurter Allgemeine Zeitung.

United Kingdom 2-Day Local Authority Deposits

Friday's rates on 2-day uncovered Local Authority Deposits in London.

Source: The Financial Times (London).

French Day-to-Day Money Rate

Friday's market rate of interbank call money loans in Paris.

Source: Le Monde.

Japanese Unconditional Money Rate

Friday's rate on Japanese unconditional money rate in Tokyo.  
Unconditional money loans are repayable at 24-hour notice.

Source: Japan Economic Journal.

CHART 6

London: Euro-Dollar Deposit Rates

The rate of interest paid (bid) on call, 1-month, 3-month and 6-month U.S. dollar-denominated time deposits by banking institutions in London, Friday noon figures.

Source: Market data obtained from Foreign Department, Federal Reserve Bank of New York.

CHART 7

New-York--London: Yields on U.S. Dollar Funds

Euro-Dollar Deposit

The rate of interest paid (bid rate) on three-month, U.S. dollar-denominated time deposits with banking institutions in London, Wednesday figures.

Source: Market data obtained from the Foreign Department, Federal Reserve Bank of New York.

U.S. Certificate of Deposit

The yield calculated from secondary market offering prices for three-month time certificates of deposits of major New York City banks. Wednesday figures.

Source: Market Data obtained from the Market Statistics Department, Federal Reserve Bank of New York.

U.S. Certificate of Deposit (Adjusted)

Offering rates on large denomination negotiable certificates of deposit. 90-179 days maturity, offered by seven New York banks with deposits of \$1 billion or over. Adjusted for reserve requirements on these certificates to be comparable with Euro-dollar deposits (see above).

Source: Banking Section, Board of Governors of the Federal Reserve System.

CHART 8

London: Covered Yields on U.S. Dollar Funds

Hire-Purchase Deposit (covered)

The rate of interest paid on three-month deposits with prime British finance houses covered against exchange risk by purchase of three-month forward U.S. dollars in London. As of close of business Friday.

Source: Bank of England.

Local Authority Deposit (covered)

The rate of interest paid on three-month time deposit with U.K. local authorities covered against exchange risk by purchase of three-month forward U.S. dollars in London. As of close of business Friday.

Source: Bank of England.

Euro-Dollar Deposit

The rate of interest paid (bid rate) on three-month U.S. dollar-denominated time deposits with banking institutions in London, As of close of business Friday.

Source: Bank of England.

CHARTS 9A and 9B

Interest Arbitrage: United States--United Kingdom

U.K. Treasury Bill

January 2, 1959 through June 24, 1960--Average Friday tender rate for 90-day Treasury bills adjusted for a New York quotation basis.

Source: The Economist.

July 1, 1960 to date--Prior 11 a.m. Friday market offer rate in London for 90-day Treasury bills adjusted to a New York quotation basis. (The U.K. Treasury bill, which is quoted in London on a 365-day discount basis, is adjusted to a 360-day discount basis, the quotation basis of the U.S. Treasury bill in New York, by multiplying the London quotations by the ratio  $\frac{360}{365}$ .)

Source: Market data obtained from the Foreign Department, Federal Reserve Bank of New York.

U.S. Treasury Bill

11 a.m. Friday market offer rate in New York for 90-day Treasury bills.

Source: Market data obtained from the Securities Department, Federal Reserve Bank of New York.

U.K. Local Authority Deposits (uncovered)

The rate of interest paid on three-month time deposits made with British local authorities. Friday figures.

Source: The Financial Times (London).

Premium/Discount on the Forward U.K. Pound

See notes to Chart 2.

CHART 10

Interest Arbitrage: United States--Germany and United States--Switzerland

German Interbank Loan Rate

Through December 31, 1968--The rate of interest in the German interbank loan market for three-month funds. The rate charted is the average of the mid-points of daily rate quoted by Frankfurt banks on business days in the periods ending on the reporting dates: 7th, 15th, 23rd and final day of the month.

January 1, 1969 to date--Mid-point of the Wednesday rate quoted by Frankfurt banks for three-month loans.

Source: Frankfurter Allgemeine Zeitung.

Euro-Dollar Rate (covered)

The rate of interest paid (bid rate) on three-month, U.S. dollar-denominated time deposits with banking institutions in London. The rate charted corresponds with time periods or days chartered for German Interbank Loan Rate. The three-month forward DM quotations used to compute the cost of cover are the Frankfurt foreign exchange market rates for the corresponding periods or days as above.

Source: Market data obtained from Foreign Department, Federal Reserve Bank of New York.

Swiss Deposit Rate

Through October 7, 1968--The mid-point of the range of interest paid (bid rates) on three-month deposits by large banks in Zurich on the 7th, 15th, 23rd and last day of each month.

Source: Swiss National Bank, Monthly Bulletin.

October 9, 1968 to date--Mid-point of Wednesday interest paid (bid rate) on three-month deposits by large banks in Zürich.

Source: U.S. Embassy, Bern.

Euro-Dollar Rate (covered)

The rate of interest paid (bid rate) on three-month, U.S. dollar-denominated time deposits with banking institutions in London. The rate charted corresponds with time periods or days chartered for Swiss Deposit Rate. The three-month forward Swiss franc quotations used to compute the cost of cover are the Zurich foreign exchange market quotations for the corresponding periods or days as above.

Source: Market data obtained from the Foreign Department, Federal Reserve Bank of New York.

CHART 11

Interest Arbitrage: United States--Canada

Canadian Treasury Bill

January 2, 1959 through December 27, 1962--Average Thursday tender rate for 90-day Treasury bills adjusted to a New York quotation basis, as described below.

Source: Bank of Canada, Weekly Financial Statistics.

January 4, 1963 to date--11 a.m. Friday market offer rate in Canada for 90-day Treasury bills adjusted to a New York quotation basis. (The Canadian Treasury bill, which is quoted in Canada on a 365-day true yield basis, is adjusted to a 360-day discount basis, which is the quotation basis of the U.S. Treasury bill in New York.)

Source: Market data obtained from the Foreign Department, Federal Reserve Bank of New York.

U.S. Treasury Bill

January 2, 1959 through December 27, 1962--11 a.m. Thursday market offer rate in New York for 90-day Treasury bills.

January 4, 1963 to date--11 a.m. Friday market offer rate in New York for 90-day Treasury bills.

Source: Market data obtained from the Securities Department, Federal Reserve Bank of New York.

Canadian Finance Paper (uncovered)

The yield calculated from offering prices for three-month notes issued by prime Canadian finance companies. Thursday figures.

Source: Equitable Securities Canada, Ltd.

Premium/Discount on the Forward Canadian Dollar

January 2, 1959 through December 27, 1963--Premium/discount in per cent per annum on the three-month forward Canadian dollar, computed on the basis of mid-rates for both spot and forward quotations at noon on Thursday in New York.

January 4, 1963 through December 27, 1963--Premium/discount in per cent per annum on the three-month forward Canadian dollar computed on the basis of mid-rates for both spot and forward quotations at noon on Friday in New York.

January 3, 1964 to date--Premium/discount in per cent per annum on the three-month forward Canadian dollar, computed on the basis of mid-rates for both spot and forward quotations at 11 a.m. on Friday in New York.

Source: Market data obtained from the Foreign Department, Federal Reserve Bank of New York.

Prime Finance Paper (differential)

Differential computed from U.S. and Canadian finance company paper.

CHAPT 12

Selected Short-Term Interest Rates

Euro-Dollar Rate (London)

3-month rate, Friday figures. See notes to Chart 8.

U.S. Treasury Bill Rate

See notes to Chart 9.

U.K. Treasury Bill Rate

See Notes to Chart 9.

Canadian Treasury Bill Rate

See notes to Chart 11.

Japan: Average Rate on Bank Loans and Discounts

A weighted average of agreed interest rates and discounts charged by city banks, local banks, trust banks, and long-term credit banks. Monthly average.

Source: Bank of Japan, Economic Statistics Monthly.

German Three-Month Interbank Loan Rate

See notes to Chart 10.

Switzerland: Three-Month Deposit Rate

See notes to Chart 10.

CHART 13

Long-Term Bond Yields  
(all figures per cent per annum)

U.K.: U.K. Government 3-1/2 Per Cent War Loan (1952)

"Flat" yield calculated from the mean of market bid and offer quotations for Thursday of each week.

Source: September 5, 1958 to December 8, 1961, Financial Times (London).

December 15, 1961 to date, Bank of England.

U.S.: U.S. Government 3-1/2 Per Cent (1990)

Yield to maturity computed on the average of closing bid prices quoted by five Government security dealers in New York City for Wednesday of each week.

Source: Market data obtained from the Securities Department, Federal Reserve Bank of New York.

Canada

December 12, 1957 to December 31, 1964: Government of Canada 3-3/4 per cent (1975-78).

January 1, 1965 to date: Government of Canada 4-1/2 per cent (1983).  
Yield to maturity computed from closing mid-market prices for Wednesday of each week.

Source: Bank of Canada, Weekly Financial Statistics.

Netherlands

January 15, 1960 to November 15, 1961: Weighted average of yields computed from quotations for the 15th of each month for 2-1/2 per cent and 3 per cent government perpetual bonds.

December 15, 1961 to end 1965: Weighted average of yields computed from quotations for Friday of each week.

January 1966 to March 13, 1968: Yield computed from quotations for the 3 per cent Netherlands perpetual bond for Friday of each week.

March 14, 1968 to date: Average yield on three 4.25 to 4.50 per cent State Loans, Friday figures.

Source: The Netherlands Bank.

Germany

January 3, 1958 to July 9, 1965: German Federal Railway, 5-1/2 per cent (1958-83).

Source: International Bank for Reconstruction and Development.

July 9, 1965 to date Federal Government (Public Authority), 6 per cent (1970).

Weekly average of daily yields to maturity computed from an average of daily market quotations.

Source: Frankfurter Allgemeine Zeitung.

Switzerland

Through May 24, 1968 3 Per Cent Swiss Confederation (1967-74).

Yield to maturity calculated from transactions prices (or average of bid offer quotations if no transactions occurred) for Friday of each week.

Source: International Bank for Reconstruction and Development.

Effective August 2, 1968 to date Swiss Government Composite Bond Yield as computed by the Swiss National Bank.

Source: American Embassy in Bern.

U.S. Corporate Dollar Euro-Bonds

Average for the month of yields to maturity on ten most recent outstanding long-term (10-20 years) U.S. dollar-denominated bonds, issued by U.S. corporations in markets outside the United States (mainly European markets).

Source: Morgan Guaranty Trust Co. (N.Y.), World Financial Markets.

U.S. Corporate DM Euro-Bonds

Average of yields on the ten most recent outstanding 10- to 20-years DM denominated Euro-bonds of prime, well-known U.S. corporations.

Source: Morgan Guaranty Trust Co. (N.Y.), World Financial Markets.

U.S. Corporate Bonds

Weekly average of daily figures of Aaa corporate bond yields.

Note: effective from December 23, 1967, this series excludes Aaa railroad bonds.

Source: Moody's Investor Service.

CHART 14

Industrial Stock Indices

(1958 = 100)

U.S.

Weekly average of daily indices of the prices of 425 industrial stocks.

Source: Standard and Poor's, Inc.

Japan

Weekly average of daily indices of the prices of 225 industrial and other stocks traded on the Tokyo exchange.

Source: Japan Journal, Inc., Japan Stock Journal.

U.K.

Industrial Ordinary stock index. Closing Friday figures.

Source: The Financial Times (London).

Switzerland

Index of the prices of 39 industrial stocks. Closing Friday figures.

Source: Swiss Bank Corporation.

Germany

Index of the prices of German industrial stocks calculated for the 7th, 15th, 23rd and final day of each month. Effective March 22, 1968 new German index, based on 1965, will be used. This index is converted to 1958 base.

Source: Deutsche Bundesbank.

Canada

Weekly average of daily indices of the prices of 79 industrial stocks calculated for Friday through Thursday of each week.

Source: Financial Post (Toronto).