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NOT FOR PUBLICATION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
NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS
3-MONTH DOLLAR DEPOSIT RATES

Wednesday figures

| Date     | Rate
<table>
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<tr>
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<tbody>
<tr>
<td>0 Mar. 1965</td>
<td>6.5%</td>
</tr>
<tr>
<td>0 Jun. 1965</td>
<td>6.7%</td>
</tr>
<tr>
<td>0 Sept. 1965</td>
<td>6.9%</td>
</tr>
<tr>
<td>0 Dec. 1965</td>
<td>7.1%</td>
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<tr>
<td>0 Mar. 1966</td>
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<tr>
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<td>0 Jun. 1968</td>
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</tr>
<tr>
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<td>9.3%</td>
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<tr>
<td>0 Dec. 1968</td>
<td>9.5%</td>
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Chart 1

Euro-dollar deposit vs. U.S. federal funds rate

Euro-dollar over U.S. certificate of deposit

Call euro-dollar deposit rate vs. U.S. federal funds rate

Euro-dollar over federal funds

1965 1966 1967 1968
Chart 2A
LONDON: YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS
EURO-DOLLAR DEPOSIT RATES
Friday figures

Per cent per annum

30 DAY
CALL

180 DAY
90 DAY

1965 1966 1967 1968
I INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON
FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE (COVERED)

IN TERMS OF DM

EURO-DOLLAR INTERBANK LOAN RATE

DIFFERENTIAL

FAVOR FRANKFURT

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

5.5
5.4
5.3
5.2
5.1
5.0

35.0
37.0
39.0
41.0
43.0
45.0

1965 1966 1967 1968

Market closed March 15-April 1, 1968
Chart 4
INTEREST ARBITRAGE, UNITED STATES / CANADA
Friday 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
- PREMIUM
- DISCOUNT

3-MONTH COVERED RATE DIFFERENTIALS (NET INCENTIVES)

- TREASURY BILLS
- PRIME FINANCE PAPER
- FAVOR CANADA
- FAVOR U.S.
- FAVOR CANADA
- FAVOR U.S.

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 8A

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

Below par

BELGIAN FRANC
ITALIAN LIRA
CANADIAN DOLLAR


Above par

Per cent

.4

Par with
U.S.
dollar

1.2

Below par

.4
3-MONTH FORWARD EXCHANGE RATES
AGAINST U.S. DOLLARS—NEW YORK
Friday figures

PREMIUM +

GERMAN MARK

SWISS FRANC

POUND STERLING

DISCOUNT -

PREMIUM +

DUTCH GUILDER

CANADIAN DOLLAR

FRENCH FRANC

DISCOUNT -
3-MONTH FORWARD EXCHANGE RATE
AGAINST POUND STERLING—LONDON
Friday figures

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<tr>
<td>Swiss Franc</td>
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</tr>
<tr>
<td>French Franc</td>
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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.
II. a. Latest Figures Plotted in H. 13 Series
(all figures in per cent per annum)

Chart 1

Upper Panels (Tuesday, Dec. 24)
- Euro-$ deposit: 7.44
- U.S. certif. of deposit: 6.58

Lower Panels (Tuesday, Dec. 24)
- Call Euro-$ deposit: 7.50
- Federal Funds: 6.21

Chart 2A

Euro-$ deposits (Friday, Dec. 27)

Upper Panel
- Call: 8.00
- 30-day: 7.81
- 90-day: 7.44
- 180-day: 7.31

Chart 2B

Hire-Purchase (Dec. 20): n.a.
Local Authority (Dec. 20): n.a.
Euro-$ deposit (Dec. 20): n.a.

Chart 3

I. Upper Panel (Period: Dec. 24-31)
- Interbank Loan (mid-point): 4.46
- Euro-$ deposits (average): 2.68

Lower Panel (date: Dec. 8-15)
- Zurich 3-mo. deposit: 4.25
- Euro-$ rate (covered) (Dec. 31): 5.11

II. Price of Gold (London) (average-week ended Dec. 27): 41.68

Chart 4

(Friday, Dec. 27)

- Treasury bills: Canada: 6.06
  U.S.: 6.15
- Spread (favor Canada +): -0.09
- Forward Canadian dollar: -0.45
- Net incentive (Canada +): -0.54
- Canadian Finance paper (Dec. 20): 6.50

Chart 5A

(U.K. Local Authority deposit: 7.81)
  U.S.: 6.15

Chart 5B

- Spread (favor U.K. +): +0.48
- Forward rate: -3.79
- Net incentive (U.K. +): -3.31

Chart 6

(Upper Panel (Friday, Dec. 27)
- Treasury Bills: U.S.: 6.15
  U.K.: 6.63
  Canada: 6.06

Lower Panel
- Euro-$ deposit (London): 7.44

German Interbank loan rate (Dec. 24-31): 4.46
Zurich 3-month deposit (Dec. 8-15): 4.25
Japan Composite Rate (Oct. 31): 7.40
U.S. Treasury bills (Dec. 27): 6.15
January 3, 1969

H. 13
No. 383

Chart 7

Upper Panel

U.S. Gov't. (Tues., Dec. 24) 5.92
Netherlands Govt. (Fri., Dec. 13) 6.59
Canadian Gov't. (Wed., Dec. 18) 7.31
Swiss Gov't. Composite (Fri., Dec. 20) n.a.

Middle Panel

German Fed., (Fri., Dec. 20, 27) 6.21
U.K. War Loan (Thus., Dec. 26) 8.08
Euro-$ bonds (Fri., Dec. 27) 7.53

Lower Panel

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

Chart 8A
(Friday, Dec. 27)

Upper Panel

Swiss francs 1.79
German marks -0.04
U.K. £ sterling -0.64

Lower Panel

French francs -0.24
Dutch guilders +0.30
Japanese yens +0.59

Chart 8B
(Friday, Dec. 27)

Belgian francs -0.13
Canadian dollars +0.78
Italian lira +0.17

Chart 9A
(Friday, Dec. 27)

Against U.S. dollars

Upper Panel
Swiss francs n.a.
German marks +4.45
£ sterling -3.79

Lower Panel
French franc -9.11
Dutch guilder +0.83
Canadian dollar -0.45

Chart 9B
(Thursday, Dec. 26)

Against pound sterling

Upper Panel
German mark +8.60
U.S. dollar +3.40

Lower Panel
Swiss franc +4.41
French franc +3.92

Chart 10
(Index; 1958 = 100)

Upper Panel

U.K. (Dec. 26) 278.9
Germany (Dec. 13) 258.6
Switzerland (Dec. 20) 370.3

Lower Panel

U.S. (Dec. 20) 237.1
(U.S. 27) 232.3
Canada (Dec. 12) 227.9
Japan (Dec. 28) 297.2

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