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NOT FOR PUBLICATION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

EURO-DOLLAR DEPOSIT

U.S. CERTIFICATE OF DEPOSIT

EURO-DOLLAR OVER U.S. CERTIFICATE OF DEPOSIT

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

CALL EURO-DOLLAR DEPOSITS

FEDERAL FUNDS

EURO-DOLLAR OVER FEDERAL FUNDS

1965 1966 1967 1968
LONDON: YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS
HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)
Friday figures

HIRE PURCHASE
FAVOR HIRE PURCHASE
EURO-DOLLAR DEPOSIT
LOCAL AUTHORITY DEPOSIT
FAVOR LOCAL AUTHORITY
DIFFERENTIAL

1965 1966 1967 1968

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Federal Reserve Bank of St. Louis
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

35.5
35.4
35.3
35.2
35.1
35.0

1965 1966 1967 1968

M  I  S  D  M  I  S  D  M  I  S  D

MARKET CLOSED MARCH 15-APRIL 1, 1968.
Chart 4
INTEREST ARBITRAGE, UNITED STATES/CANADA

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
PREMIUM

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

NEW YORK

LONDON

1965 1966 1967 1968

Per cent per annum
Chart 58
INTEREST ARBITRAGE, NEW YORK/LONDON

RATE DIFFERENTIAL AND 3-MONTH FORWARD STERLING

SPREAD IN FAVOR OF LONDON

PREMIUM

DISCOUNT

FORWARD RATE

IN FAVOR OF LONDON

IN FAVOR OF NEW YORK

RATE DIFFERENTIAL WITH FORWARD EXCHANGE COVER (NET INCENTIVE)

1965 1966 1967 1968
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

Per cent per annum


U.S.
U.K.
EURO-DOLLAR - LONDON
SWITZERLAND
JAPAN
CANADA
GERMANY
Chart 7
LONG-TERM BOND YIELDS
Weekly figures

NETHERLANDS

CANADA

U.S.

SWITZERLAND

GERMANY

U.K.

EURO-DOLLAR BONDS

U.S. EURO-DOLLAR BONDS

U.S. CORP. Aaa BONDS


Per cent per annum

Average of yields for four foreign government dollar bonds quoted in London

* New series for Germany starts 7.7.63
** New series for Switzerland starts 3.3.67
*** New series for Netherlands starts 1.7.66
**** New series for Switzerland starts 8.2.68

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Federal Reserve Bank of St. Louis
SPOT EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.S. DOLLAR

*Devaluation of the pound sterling from $2.80 to $2.40.*
Chart 9B

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

Per cent per annum

PREMIUM+

GERMAN MARK

U.S. DOLLAR

SWISS FRANC

FRENCH FRANC

Chart 10
INDUSTRIAL STOCK INDICES

* Swiss Bank Corporation industrial stock index
** Japan index of 225 industrial and other stocks traded on the Tokyo exchange

1965 1966 1967 1968

U.S.
Canada
Japan
Germany
U.K.
Switzerland
II. a. Latest Figures Plotted in H. 13 Series
(all figures in per cent per annum)

Chart 1

Upper Panels (Tuesday, Dec. 31)
- Euro-$ deposit: 7.00
- U.S. certif. of deposit: 6.58

Lower Panels (Tuesday, Dec. 31)
- Call Euro-$ deposit: 7.21
- Federal Funds: 5.95

Chart 2A

Euro-$ deposits (Friday, Jan. 3)

Upper Panel
- Call: 7.50
- 30-day: 7.75

Lower Panel
- 90-day: 7.25
- 180-day: 7.19

Chart 2B

Hire-Purchase: n.a.
Local Authority: n.a.
Euro-$ deposit: n.a.

Chart 3

I. Upper Panel (Period: Jan. 1-7)
- Interbank Loan (mid-point): n.a.
- Euro-$ deposits (average): n.a.

Lower Panel (date: Jan. 1-7)
- Zurich 3-mo. deposit: n.a.
- Euro-$ rate (covered): n.a.

II. Price of Gold (London) 41.91
(average-week ended Jan. 3)

Chart 4

(Friday, Jan. 3)

- Treasury bills: Canada 6.15
- U.S. 6.11
- Spread (favor Canada +): +0.04
- Forward Canadian dollar: -0.24
- Net incentive (Canada +): -0.20
- Canadian Finance paper (Dec. 27) (Jan. 3) 6.50
- U.K. Local Authority deposit: n.a.
- Treasury bills: U.K. 6.63
- U.S. 6.11
- Spread (favor U.K. +): +0.52
- Forward rate: -3.29
- Net incentive (U.K. +): -2.77

Chart 5A

(U.K. Local Authority deposit) n.a.
- Treasury bills: U.K. 6.63
- U.S. 6.11

Chart 5B

- Spread (favor U.K. +): +0.52
- Forward rate: -3.29
- Net incentive (U.K. +): -2.77

Chart 6

(U.S. Treasury bills) Jan. 3 6.11

Upper Panel (Friday, Jan. 3)
- Treasury Bills U.S. 6.11
- U.K. 6.63
- Canada 6.15

Lower Panel
- Euro-$ deposit (London): 7.25

German Interbank loan rate (Jan. 1-7): n.a.
- Zurich 3-month deposit (Dec. 16-23): n.a.
- Japan Composite Rate: n.a.
- U.S. Treasury bills (Jan. 3): 6.11
January 8, 1969

Chart 7

Upper Panel

U.S. Gov't. (Tues., Dec. 31) 5.76
Netherlands Govt. (Fri., ) n.a.
Canadian Gov't. (Wed., Jan. 1) 7.35
Swiss Gov't. Composite (Fri., ) n.a.

Middle Panel

German Fed., (Fri., Jan. 3) n.a.
U.K. War Loan (Thus., Jan. 2) 8.05
Euro-$ bonds (Fri., Jan. 3) 7.54

Lower Panel

U.S. Euro-bonds (Nov. 30) 7.11
U.S. Corporate Aaa (Nov. 30) 6.19
(U.S. Dec. 31) 6.45

Chart 8A

(Friday, Jan. 3)

Upper Panel

Swiss francs +1.47
German marks -0.04
U.K. £ sterling -0.66

Lower Panel

French francs -0.25
Dutch guilders +0.21
Japanese yens +0.60

Chart 8B

(Friday, Jan. 3)

Belgian francs -0.40
Canadian dollars +0.77
Italian lira +0.14

Chart 9A

(Friday, Jan. 3)

Against U.S. dollars

Upper Panel

Swiss francs +2.41
German marks +4.65
£ sterling -3.29

Lower Panel

French franc -9.40
Dutch guilder +1.08
Canadian dollar -0.19

Chart 9B

(Friday, Jan. 3)

Against pound sterling

Upper Panel

German mark +7.86
U.S. dollar +2.77

Lower Panel

Swiss franc +4.83
French franc +5.22

Chart 10

(Index; 1958 = 100)

Upper Panel

U.K. (Jan. 3) 285.1
Germany (Dec. 20) 256.6
Switzerland (Dec. 27) 260.8

Lower Panel

U.S. (Jan. 3) 209.4
Canada n.a.
Japan n.a.

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