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NOT FOR PUBLICATION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

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Hire Purchase</th>
<th>Euro-Dollar Deposit</th>
<th>Differential</th>
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</thead>
<tbody>
<tr>
<td>1965</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>1966</td>
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<td>1967</td>
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<tr>
<td>1968</td>
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</table>
Chart J

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

IN TERMS OF DM

DIFFERENTIAL
FAVOR FRANKFURT
FAVOR EURO-DOLLAR

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

IN TERMS OF SWISS FRANCS

DIFFERENTIAL
FAVOR ZURICH
FAVOR EURO-DOLLAR

II PRICE OF GOLD IN LONDON

U.S. dollar equivalent per fine ounce

Market closed March 15-April 1, 1968

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis
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

DISCOUNT

3-MONTH COVERED RATE DIFFERENTIALS (NET INCENTIVES)

TREASURY BILLS

PRIME FINANCE PAPER

FAVOR CANADA

FAVOR U.S.
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)
Chart 6
SHORT-TERM INTEREST RATES*

Per cent per annum

EURO-DOLLAR - LONDON

U.K.

U.S.

SWITZERLAND

JAPAN

CANADA

GERMANY


*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

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http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis
LONG-TERM BOND YIELDS

Weekly figures

Per cent per annum

NETHERLANDS

CANADA

U.S.

SWITZERLAND

GERMANY

U.K.

EURO-DOLLAR BONDS

U.S. EURO-DOLLAR BONDS

U.S. CORP. Aaa BONDS


- 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 Netherlands starts 1/7/66
- New series for Switzerland starts 8/2/68
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
Chart 9A

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

Per cent per annum

PREMIUM+

GERMAN MARK

SWISS FRANC

POUND STERLING

DISCOUNT

DUTCH GUILDER

CANADIAN DOLLAR

FRENCH FRANC

Chart 9B

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

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>German Mark</td>
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<tr>
<td>U.S. Dollar</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Swiss Franc</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>French Franc</td>
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</tbody>
</table>
Chart 10

INDUSTRIAL STOCK INDICES

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. 8)
- Euro-$ deposit: 7.81
- U.S. certif. of deposit: 6.62

Lower Panels (Wednesday, Dec. 8)
- Call Euro-$ deposit: 7.68
- Federal Funds: 6.43

Chart 2A

Euro-$ deposits (Friday, Jan. 10)
- Upper Panel
  - Call: 7.75
  - 30-day: 8.00

- Lower Panel
  - 90-day: 7.75
  - 180-day: 7.62

Chart 2B

Hire-Purchase (Jan. 3)
- 4.76

Local Authority (Jan. 3)
- 2.74

Euro-$ deposit (Jan. 3)
- 7.34

Chart 3

I. Upper Panel (Period: Jan. 1-7)
- Interbank Loan (mid-point): 3.84
- Euro-$ deposits (average): 2.65

II. Price of Gold (London)
- 42.28 (average-week ended Jan. 10)

Chart 4

(Friday, Jan. 10)
- Treasury bills: Canada: 6.27
  - U.S.: 6.08

- Spread (favor Canada +): +0.19
- Forward Canadian dollar: -0.02
- Net incentive (Canada +): +0.17
- Canadian Finance paper: 6.62

Chart 5A

(U.K. Local Authority deposit: 7.69
  - U.S.: 6.08

- Spread (favor U.K. +): +0.55
- Forward rate: -3.20
- Net incentive (U.K. +): -2.65

Chart 5B

German Interbank loan rate (Jan. 1-7): 3.84
- Zurich 3-month deposit (Jan. 7): 4.00
- Japan Composite Rate (Jan. 7): n.a.
- U.S. Treasury bills (Jan. 10): 6.08

Chart 6

Treasury Bills
- U.S.: 6.08
  - U.K.: 6.63
  - Canada: 6.27

Euro-$ deposit (London): 7.75

<table>
<thead>
<tr>
<th>Chart 7</th>
<th>Chart 9A</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Upper Panel</strong></td>
<td><strong>Chart 9A</strong> (Friday, Jan. 10)</td>
</tr>
<tr>
<td>Netherlands Govt. (Fri., Dec. 20)</td>
<td>Swiss francs +2.87</td>
</tr>
<tr>
<td>(Fri., Dec. 27)</td>
<td>German marks +4.40</td>
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<tr>
<td>Canadian Gov't. (Wed., Jan. 8)</td>
<td>£ sterling -3.20</td>
</tr>
<tr>
<td>n.a.</td>
<td><strong>Lower Panel</strong></td>
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<tr>
<td>Swiss Gov't. Composite</td>
<td>French franc -7.33</td>
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<tr>
<td>(Fri., Jan. 3)</td>
<td>Dutch guilder +1.20</td>
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<tr>
<td>4.41</td>
<td>Canadian dollar -0.02</td>
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<td><strong>Middle Panel</strong></td>
<td><strong>Chart 9B</strong> (Friday, Jan. 10)</td>
</tr>
<tr>
<td>German Fed. (Fri., Jan. 3)</td>
<td>Against pound sterling</td>
</tr>
<tr>
<td>6.21</td>
<td><strong>Upper Panel</strong></td>
</tr>
<tr>
<td>U.K. War Loan (Thus., Jan. 9)</td>
<td>German mark +7.55</td>
</tr>
<tr>
<td>8.21</td>
<td>U.S. dollar +2.77</td>
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<tr>
<td>Euro-$ bonds (Fri., Jan. 10)</td>
<td><strong>Lower panel</strong></td>
</tr>
<tr>
<td>7.54</td>
<td>Swiss franc +5.15</td>
</tr>
<tr>
<td><strong>Lower Panel</strong></td>
<td><strong>Chart 10</strong> (Index; 1958 = 100)</td>
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<tr>
<td>U.S. Euro-bonds (Dec. 31)</td>
<td><strong>Upper Panel</strong></td>
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<tr>
<td>7.17</td>
<td>U.K. (Jan. 10) 281.9</td>
</tr>
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<td>U.S. Corporate Aaa (Dec. 31)</td>
<td>Germany (Jan. 3, 10) 260.8</td>
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<tr>
<td>6.45</td>
<td>Switzerland (Jan. 10) 404.6</td>
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<tr>
<td><strong>Chart 8A</strong></td>
<td><strong>Lower Panel</strong></td>
</tr>
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<td>(Friday, Jan. 10)</td>
<td>U.S. (Jan. 10) 223.9</td>
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<tr>
<td><strong>Upper Panel</strong></td>
<td>Canada (Dec. 24) 225.7</td>
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<tr>
<td>Swiss francs</td>
<td>Japan (Jan. 3) 303.1</td>
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<tr>
<td>+1.25</td>
<td>(Jan. 10) 307.3</td>
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<tr>
<td>German marks</td>
<td><strong>Lower Panel</strong></td>
</tr>
<tr>
<td>-0.04</td>
<td>Belgian francs -0.40</td>
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<tr>
<td>U.K. £ sterling</td>
<td>Canadian dollars +0.75</td>
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<tr>
<td>-0.63</td>
<td>Italian lira +0.16</td>
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</table>

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