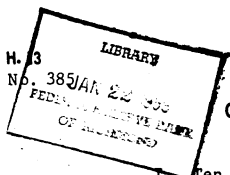


January 15, 1969.



CAPITAL MARKET DEVELOPMENTS ABROAD

*Capital
Market*

- I. Ten Charts on Financial Markets Abroad
- II. Latest Figures Plotted in H.13 Chart Series, 1969

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NOT FOR PUBLICATION

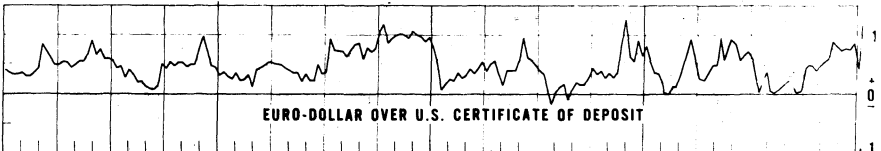
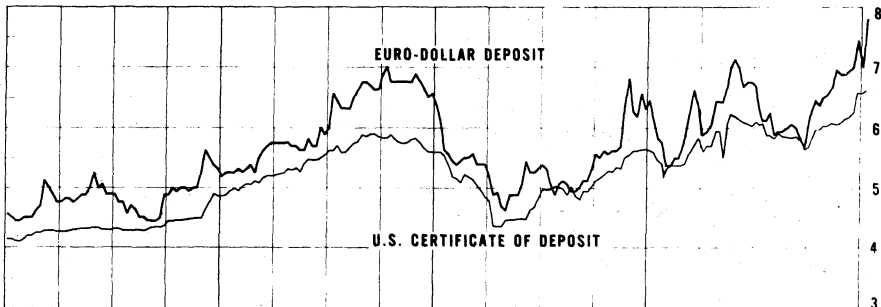
DECONTROLLED AFTER SIX MONTHS

Chart 1

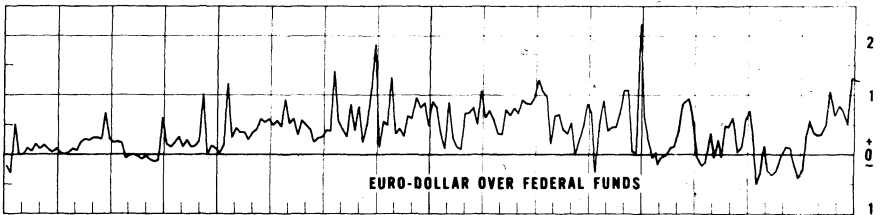
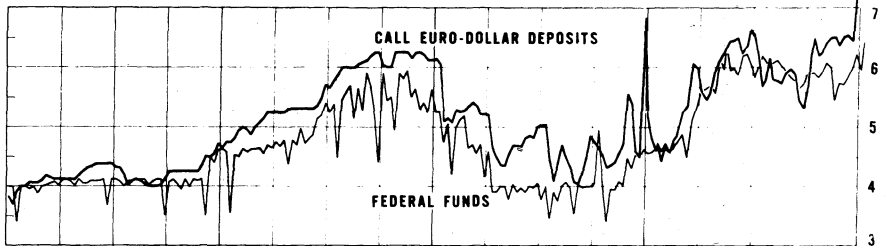
NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS 3-MONTH DOLLAR DEPOSIT RATES

Wednesday figures

Percent per annum



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



Mar. Jun. Sept. Dec. Mar. Jun. Sept. Dec. Mar. Jun. Sept. Dec. Mar. Jun. Sept. Dec.

1965 1966 1967 1968

3

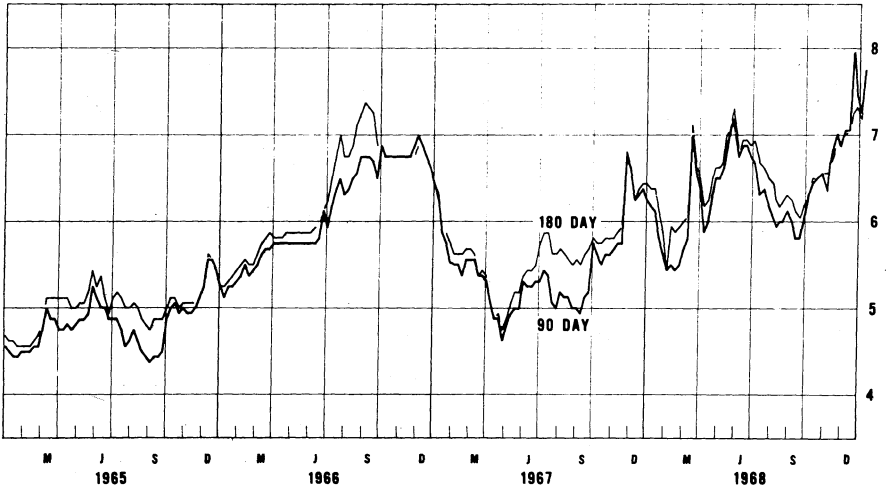
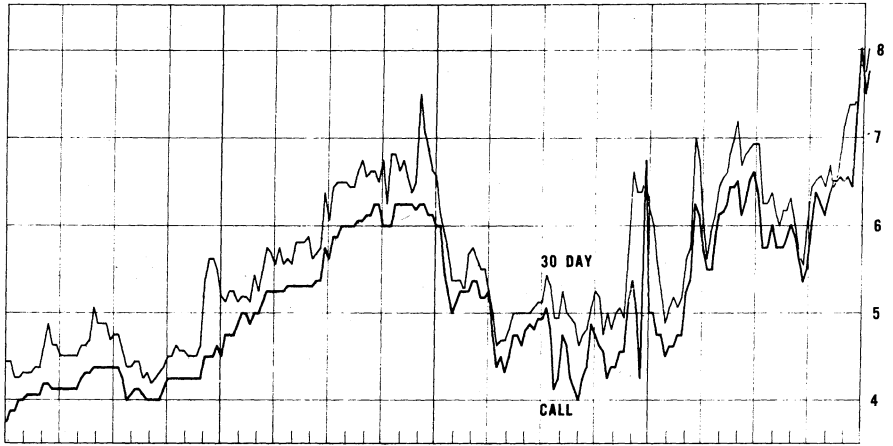
Chart 2A

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

EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum

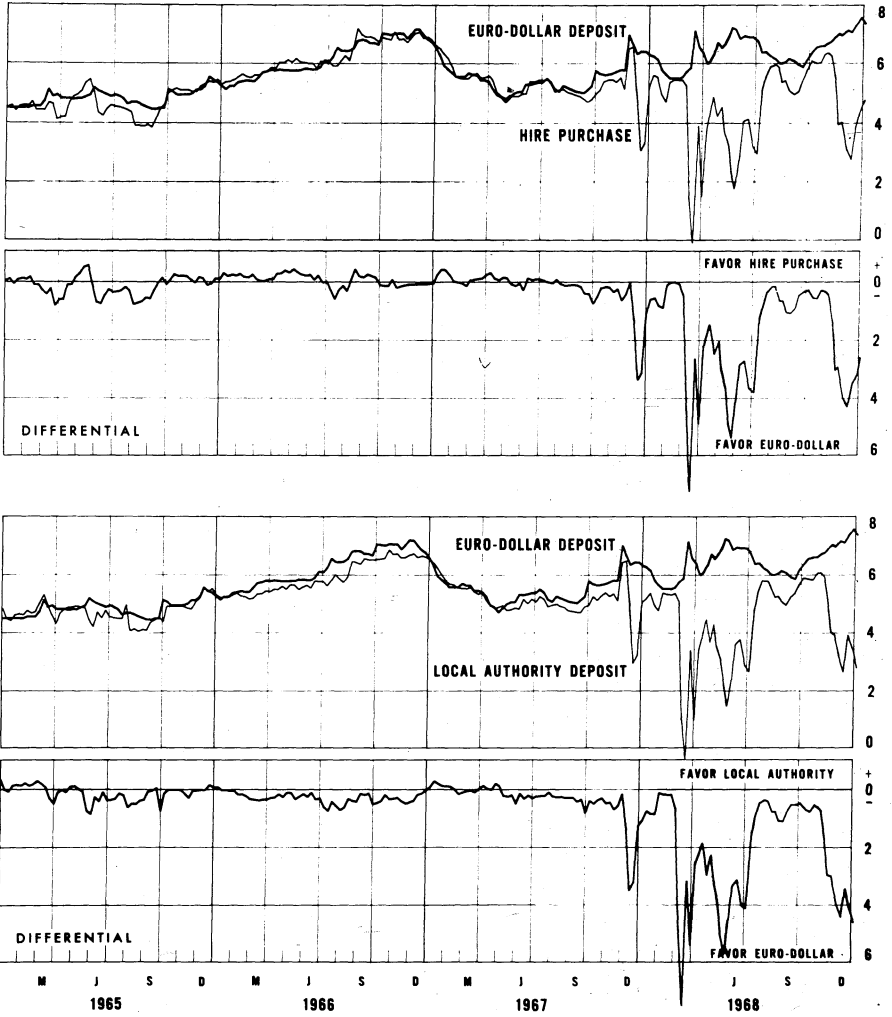


LONDON: YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS

HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

Friday figures

Per cent per annum



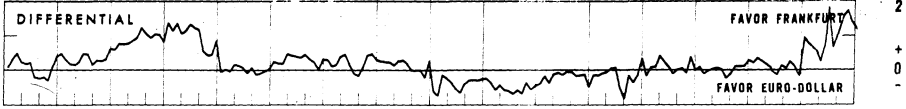
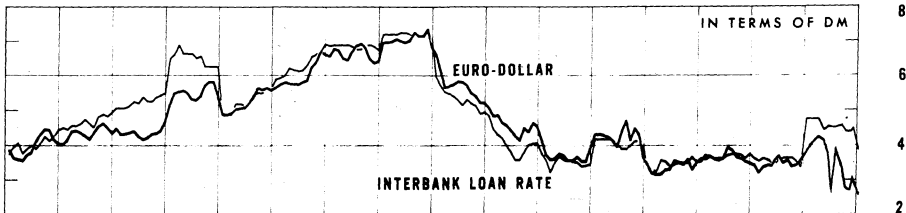
5

Chart J

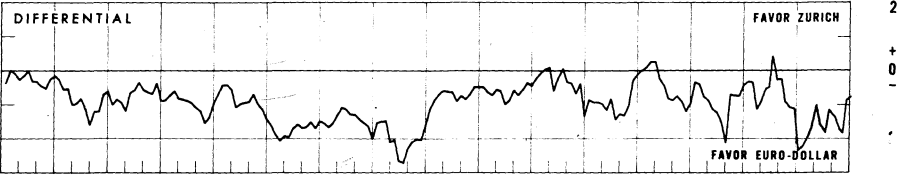
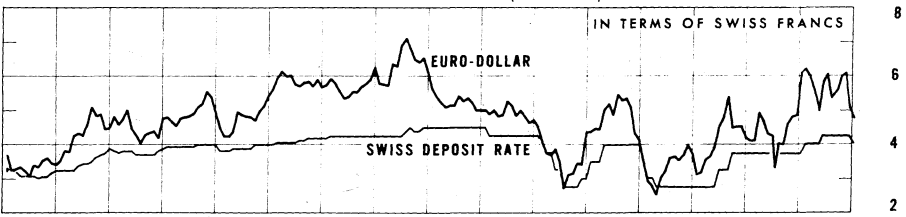
I INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON

FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE (COVERED)

Per cent per annum

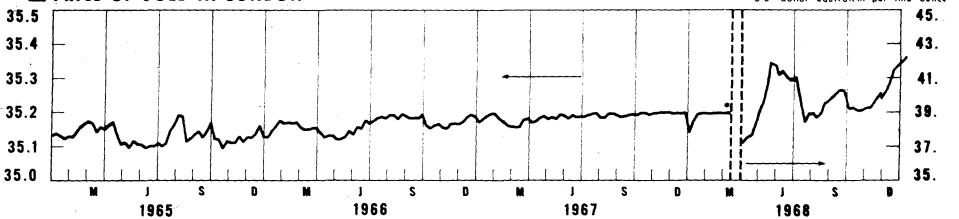


ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE (COVERED)



II PRICE OF GOLD IN LONDON

U.S. dollar equivalent per fine ounce



* Market closed March 15-April 1, 1968

Chart 4

INTEREST ARBITRAGE, UNITED STATES / CANADA

Friday figures

Per cent per annum

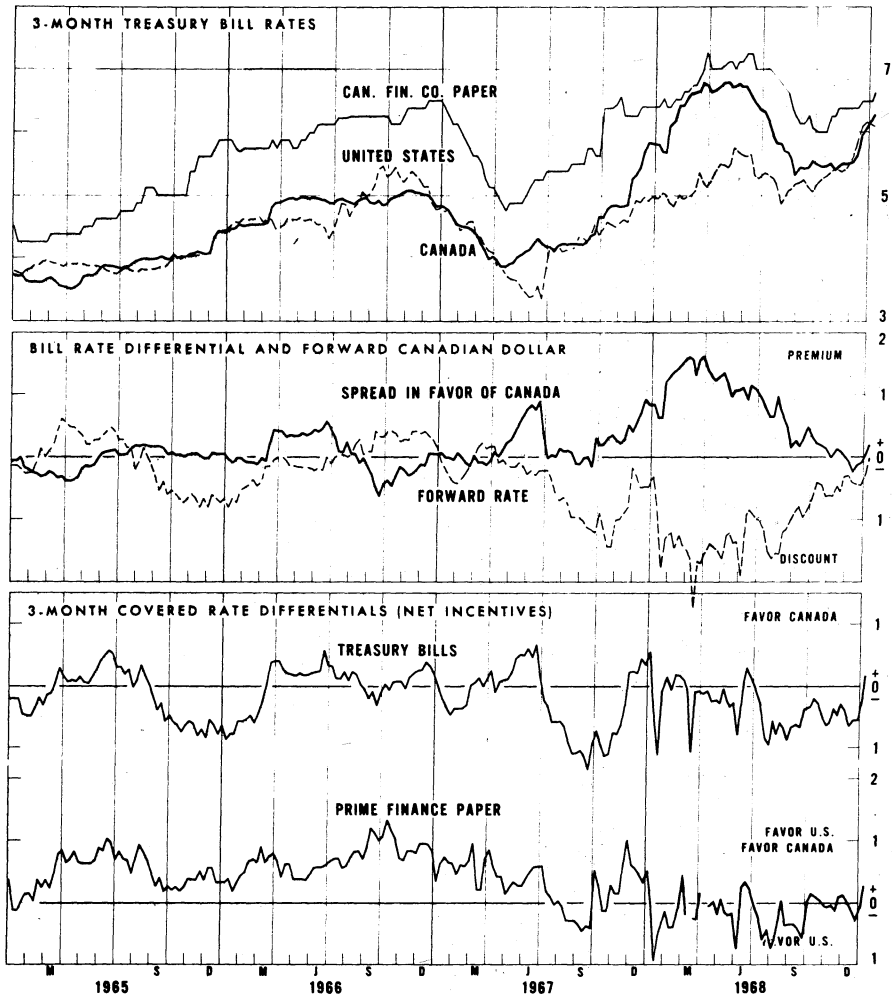


Chart 5A

INTEREST ARBITRAGE, NEW YORK/LONDON

Per cent per annum

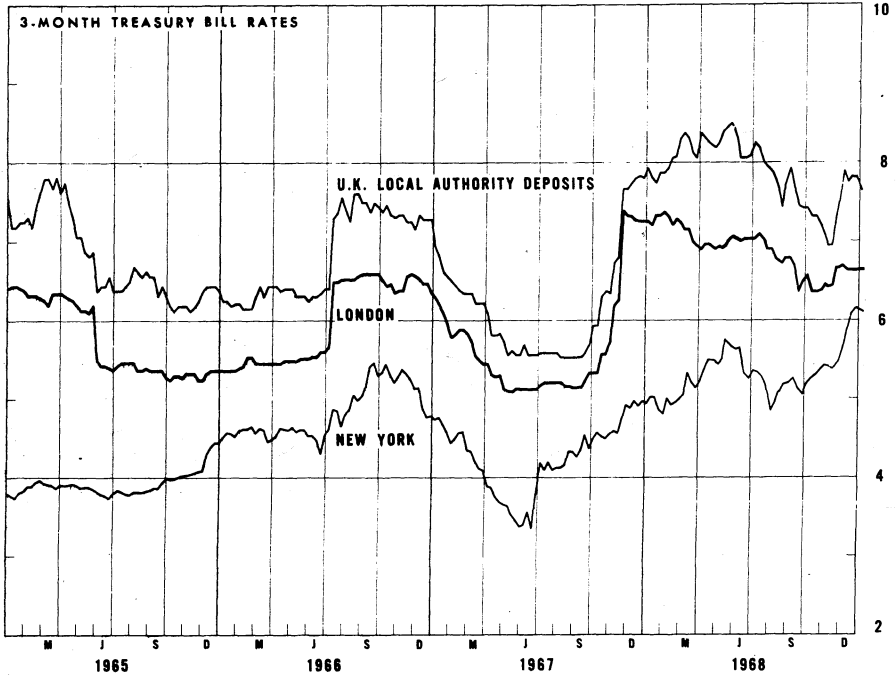
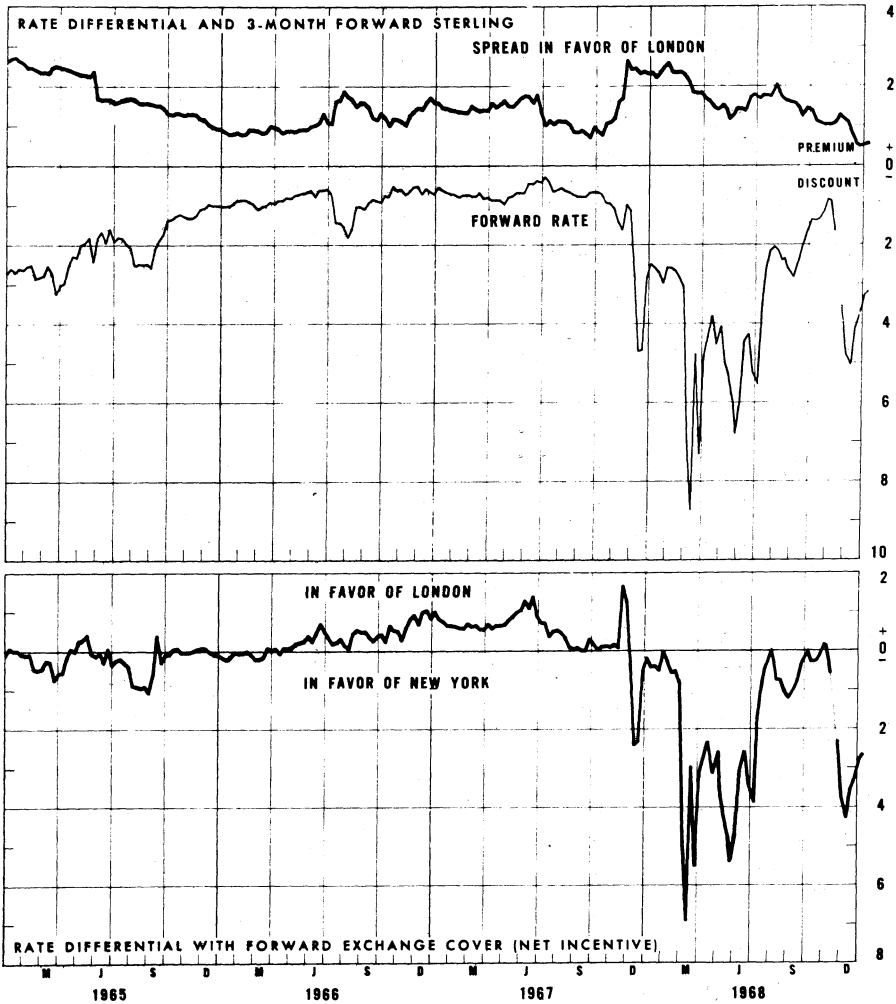


Chart 38

INTEREST ARBITRAGE, NEW YORK/LONDON

Per cent per annum

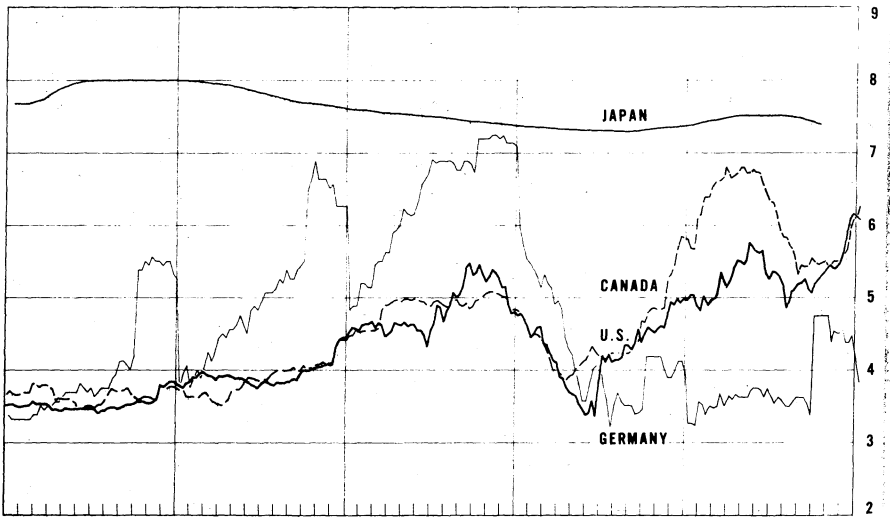
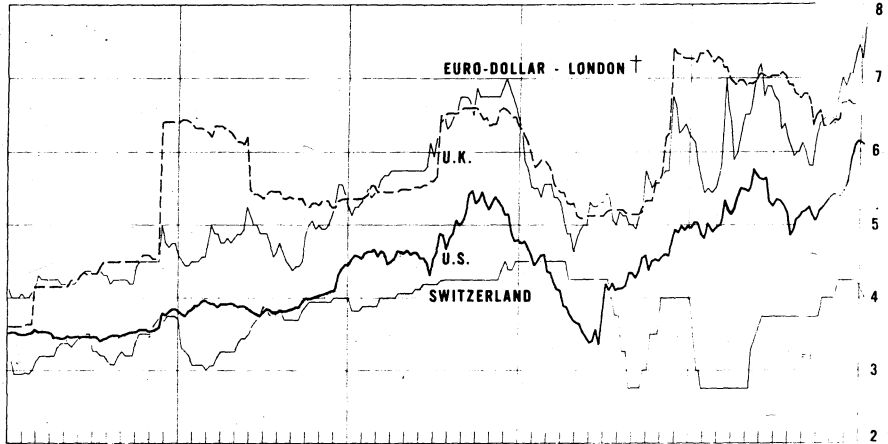


9

Chart 6

SHORT-TERM INTEREST RATES*

Per cent per annum



1964

1965

1966

1967

1968

*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)

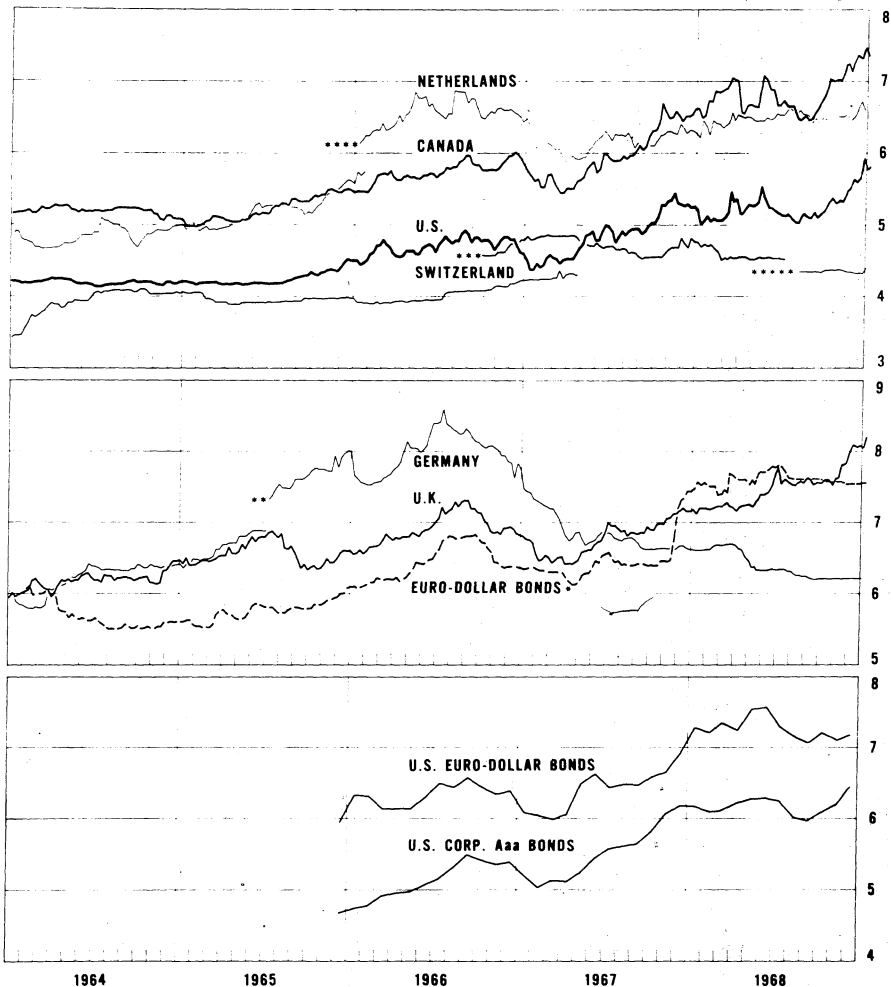
† 3-month rate for US dollar deposits in London

Chart 7

LONG-TERM BOND YIELDS

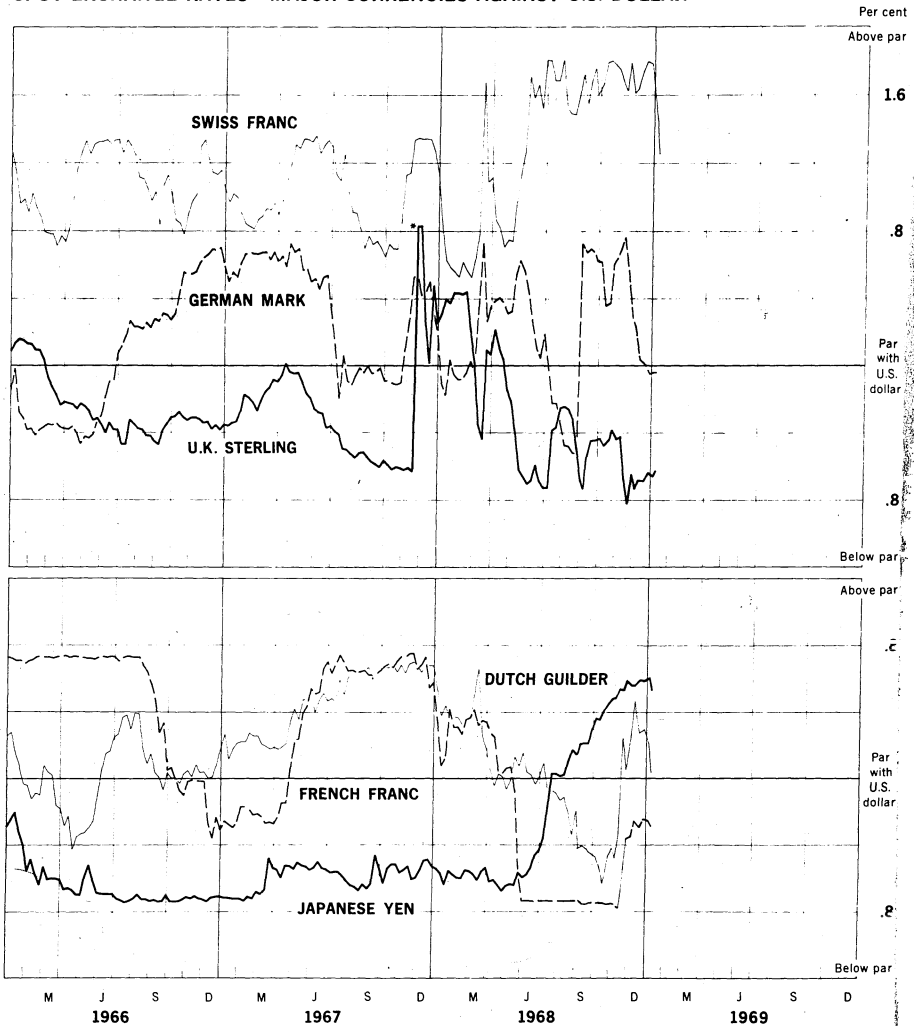
Weekly figures

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 Netherlands starts 1.7.66
- New series for Switzerland starts 8.2.68

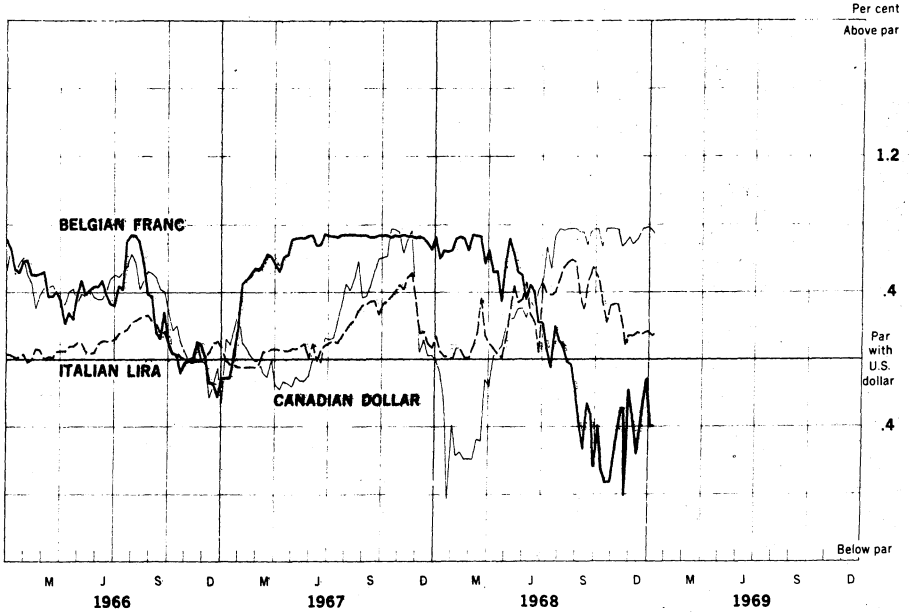
SPOT EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.S. DOLLAR



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

Chart 8B

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



13

Chart 9A

3-MONTH FORWARD EXCHANGE RATES

AGAINST U.S. DOLLARS—NEW YORK

Friday figures

Per cent per annum

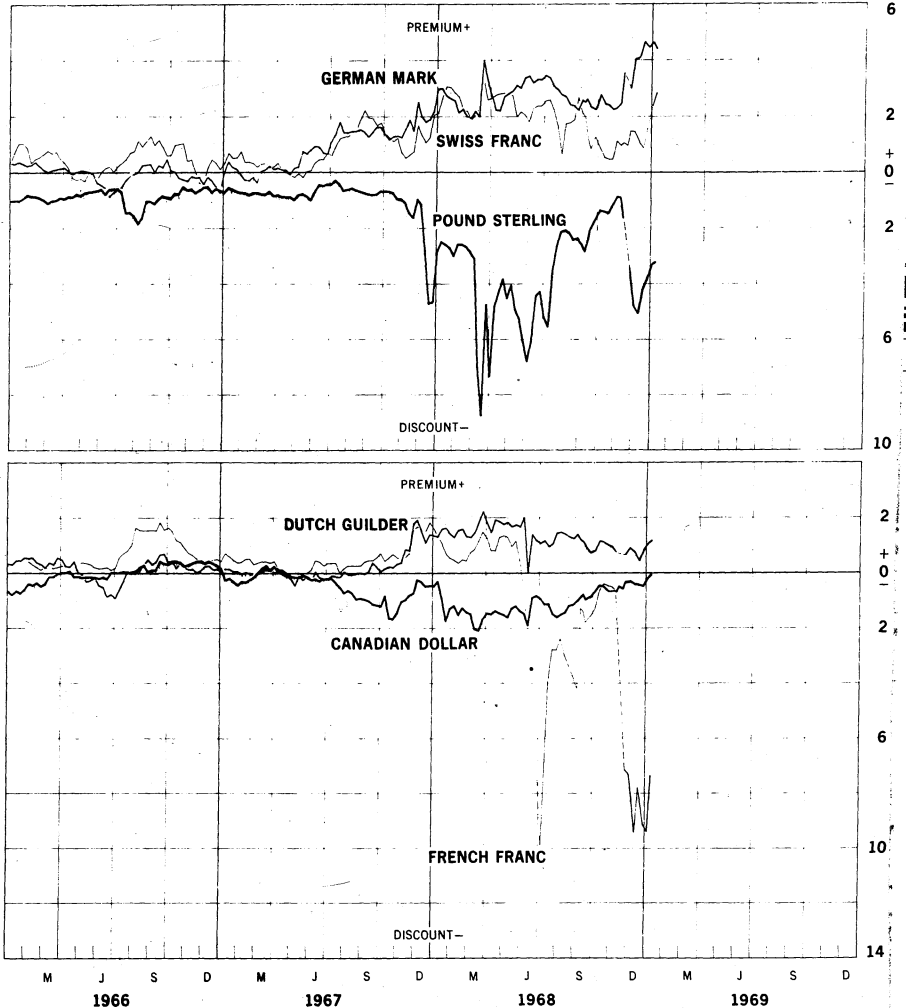


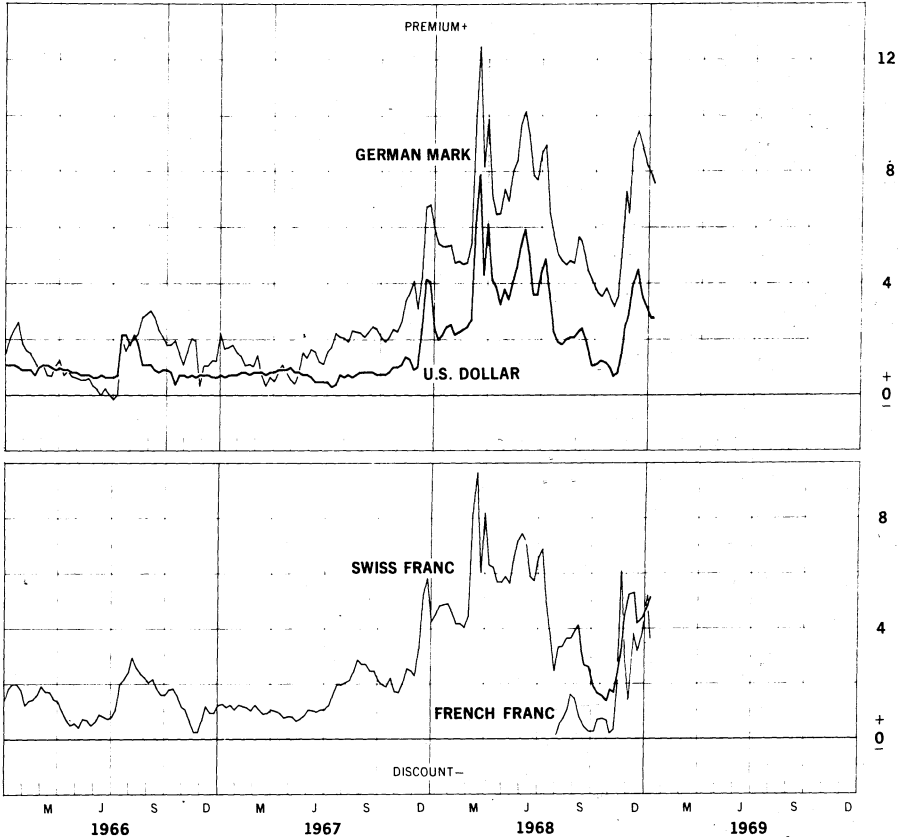
Chart 9B

3-MONTH FORWARD EXCHANGE RATE

AGAINST POUND STERLING—LONDON

Friday figures

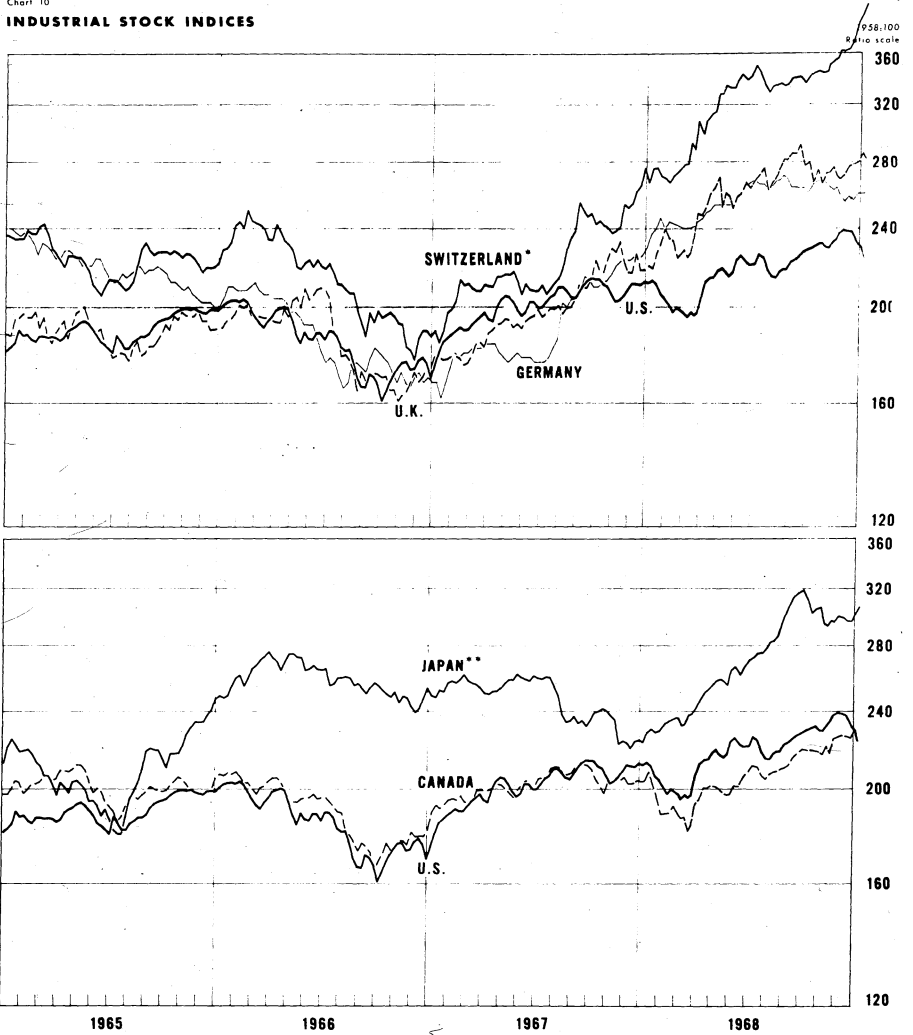
Per cent per annum



15

Chart 10

INDUSTRIAL STOCK INDICES



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

H. 13
No. 385

II. a. Latest Figures Plotted in H. 13 Series
(all figures in per cent per annum)

Chart 1

| | |
|---|-------------|
| <u>Upper Panels</u> (Wednesday, <u>Dec. 8</u>) | |
| Euro-\$ deposit | <u>7.81</u> |
| U.S. certif. of deposit | <u>6.62</u> |
| <u>Lower Panels</u> (Wednesday, <u>Dec. 8</u>) | |
| Call Euro-\$ deposit | <u>7.68</u> |
| Federal Funds | <u>6.43</u> |

Chart 2A

| | |
|---|-------------|
| <u>Euro-\$ deposits</u> (Friday, <u>Jan. 10</u>) | |
| <u>Upper Panel</u> | |
| Call | <u>7.75</u> |
| 30-day | <u>8.00</u> |
| <u>Lower Panel</u> | |
| 90-day | <u>7.75</u> |
| 180-day | <u>7.62</u> |

Chart 2B

| | |
|-----------------------------------|-------------|
| Hire-Purchase (<u>Jan. 3</u>) | <u>4.76</u> |
| Local Authority (<u>Jan. 3</u>) | <u>2.74</u> |
| Euro-\$ deposit (<u>Jan. 3</u>) | <u>7.34</u> |

Chart 3

| | |
|--|--------------|
| I. <u>Upper Panel</u> (Period: <u>Jan. 1-7</u>) | |
| Interbank Loan (mid-point) | <u>3.84</u> |
| Euro-\$ deposits (average) | <u>2.65</u> |
| <u>Lower Panel</u> (date: <u>Jan. 1-7</u>) | |
| Zurich 3-mo. deposit | <u>4.00</u> |
| Euro-\$ rate (covered) (<u>Jan. 7</u>) | <u>4.76</u> |
| II. Price of Gold (London) | <u>42.28</u> |
| (average-week ended <u>Jan.10</u>) | |

Chart 4

| | |
|---------------------------|--------------|
| (Friday, <u>Jan. 10</u>) | |
| Treasury bills: Canada | <u>6.27</u> |
| U.S. | <u>6.08</u> |
| Spread (favor Canada +) | <u>+0.19</u> |
| Forward Canadian dollar | <u>-0.02</u> |
| Net incentive (Canada +) | <u>+0.17</u> |
| Canadian Finance paper | <u>6.62</u> |

Chart 5A

| | |
|------------------------------|-------------|
| (Friday, <u>Jan. 10</u>) | |
| U.K. Local Authority deposit | <u>7.69</u> |
| Treasury bills: U.K. | <u>6.63</u> |
| U.S. | <u>6.08</u> |

Chart 5B

| | |
|------------------------|--------------|
| Spread (favor U.K. +) | <u>+0.55</u> |
| Forward rate | <u>-3.20</u> |
| Net incentive (U.K. +) | <u>-2.65</u> |

Chart 6

| | |
|--|-------------|
| <u>Upper Panel</u> (Friday, <u>Jan. 10</u>) | |
| Treasury Bills U.S. | <u>6.08</u> |
| U.K. | <u>6.63</u> |
| Canada | <u>6.27</u> |
| Euro-\$ deposit (London) | <u>7.75</u> |
| <u>Lower Panel</u> | |
| German Interbank loan rate | |
| (<u>Jan. 1-7</u>) | <u>3.84</u> |
| Zurich 3-month deposit (<u>Jan. 7</u>) | <u>4.00</u> |
| Japan Composite Rate () | <u>n.a.</u> |
| U.S. Treasury bills (<u>Jan. 10</u>) | <u>6.08</u> |

January 15, 1969. 17

H. 13
No. 385

II. b

Chart 7

Upper Panel

| | |
|--|-------------|
| U.S. Gov't. (Wed., Jan. 8) | <u>5.80</u> |
| Netherlands Govt. (Fri., Dec. 20) | <u>6.71</u> |
| (Fri., Dec. 27) | <u>6.59</u> |
| Canadian Gov't. (Wed., Jan. 8) | <u>n.a.</u> |
| Swiss Gov't. Composite (Fri., Jan. 3) | <u>4.41</u> |

Middle Panel

| | |
|--------------------------------|-------------|
| German Fed., (Fri., Jan. 3) | <u>6.21</u> |
| U.K. War Loan (Thus., Jan. 9) | <u>8.21</u> |
| Euro-\$ bonds (Fri., Jan. 10) | <u>7.54</u> |

Lower Panel

| | |
|--------------------------------|-------------|
| U.S. Euro-bonds (Dec. 31) | <u>7.17</u> |
| U.S. Corporate Aaa (Dec. 31) | <u>6.45</u> |

Chart 8A
(Friday, Jan. 10)

Upper Panel

| | |
|-----------------|--------------|
| Swiss francs | <u>+1.25</u> |
| German marks | <u>-0.04</u> |
| U.K. £ sterling | <u>-0.63</u> |

Lower Panel

| | |
|----------------|--------------|
| French francs | <u>-0.29</u> |
| Dutch guilders | <u>+0.03</u> |
| Japanese yens | <u>+0.53</u> |

Chart 8B
(Friday, Jan. 10)

| | |
|------------------|--------------|
| Belgian francs | <u>-0.40</u> |
| Canadian dollars | <u>+0.75</u> |
| Italian lira | <u>+0.16</u> |

Chart 9A

(Friday, Jan. 10)

Against U.S. dollars

Upper Panel

| | |
|--------------|--------------|
| Swiss francs | <u>+2.87</u> |
| German marks | <u>+4.40</u> |
| £ sterling | <u>-3.20</u> |

Lower Panel

| | |
|-----------------|--------------|
| French franc | <u>-7.33</u> |
| Dutch guilder | <u>+1.20</u> |
| Canadian dollar | <u>-0.02</u> |

Chart 9B

(Friday, Jan. 10)

Against pound sterling

Upper Panel

| | |
|-------------|--------------|
| German mark | <u>+7.55</u> |
| U.S. dollar | <u>+2.77</u> |

Lower panel

| | |
|-------------|--------------|
| Swiss franc | <u>+5.15</u> |
|-------------|--------------|

Chart 10

(Index; 1958 = 100)

Upper Panel

| | |
|-------------------------|--------------|
| U.K. (Jan. 10) | <u>281.9</u> |
| Germany (Jan. 3, 10) | <u>260.8</u> |
| Switzerland (Jan. 10) | <u>404.6</u> |

Lower Panel

| | |
|--------------------|--------------|
| U.S. (Jan. 10) | <u>223.9</u> |
| Canada (Dec. 24) | <u>225.7</u> |
| (Jan. 2) | <u>229.9</u> |
| Japan (Jan. 3) | <u>303.1</u> |
| (Jan. 10) | <u>307.3</u> |

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