CAPITAL MARKET DEVELOPMENTS ABROAD

I. Ten Charts on Financial Markets Abroad
II. Latest Figures Plotted in H.13 Chart Series, 1968

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
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Chart 6 - Short-Term Interest Rates
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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NOT FOR PUBLICATION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 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
Chart 3

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

Frankfurt Interbank Loan Rate vs. London Euro-Dollar Rate

In terms of DM

Differential Favor Frankfurt

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

In terms of Swiss Francs

Differential Favor Zurich

II PRICE OF GOLD IN LONDON

US dollar equivalent per fine ounce

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)
FAVOR CANADA
FAVOR U.S.
FAVOR CANADA

1965 1966 1967 1968
Chart 5A
INTEREST ARBITRAGE, NEW YORK/LONDON

3-MONTH TREASURY BILL RATES

U.K. LOCAL AUTHORITY DEPOSITS

LONDON

NEW YORK

Per cent per annum

1965 1966 1967 1968
INTEREST ARBITRAGE, NEW YORK/LONDON

RATE DIFFERENTIAL AND 3-MONTH FORWARD STERLING

SPREAD IN FAVOR OF LONDON

FORWARD RATE

PREMIUM

DISCOUNT

IN FAVOR OF LONDON

IN FAVOR OF NEW YORK

RATE DIFFERENTIAL WITH FORWARD EXCHANGE COVER (NET INCENTIVE)

1965 1966 1967 1968
Chart 6
SHORT-TERM INTEREST RATES*

Per cent per annum

EURO-DOLLAR - LONDON

U.K.

U.S.

SWITZERLAND

JAPAN

CANADA

U.S.

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.
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

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
Chart 8A

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

Above par

1.6

SWISS FRANC

.8

GERMAN MARK

U.K. STERLING

Par with U.S. dollar

Below par

Above par

.8

DUTCH Guilder

FRENCH FRANC

JAPANESE YEN

Par with U.S. dollar

Below par


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

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

Per cent per annum


GERMAN MARK
SWISS FRANC
POUND STERLING
DUTCH GUILDER
CANADIAN DOLLAR
FRENCH FRANC
Chart 9B

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

Per cent per annum
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

Digital for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis
II. a. Latest Figures Plotted in H. 13 Series
(all figures in per cent per annum)

Chart 1
Upper Panels (Wednesday, Jan. 22)
- Euro-$ deposit 7.06
- U.S. certif. of deposit 6.43

Lower Panels (Wednesday, Jan. 22)
- Call Euro-$ deposit 6.88
- Federal Funds 6.46

Chart 2A
Euro-$ deposits (Friday, Jan. 24)
Upper Panel
- Call 6.88
- 30-day 7.50

Lower Panel
- 90-day 7.44
- 180-day 7.44

Chart 2B
Hire-Purchase (Jan. 17) 5.00
Local Authority (Jan. 17) 4.88
Euro-$ deposit (Jan. 17) 7.56

Chart 3
I. Upper Panel (Period: Jan. 16-23)
- Interbank Loan (mid-point) 3.88
- Euro-$ deposits (average) 3.15

Lower Panel (date: Jan. 16-23)
- Zurich 3-mo. deposit 4.00
- Euro-$ rate (covered) (Jan. 23) 4.67

II. Price of Gold (London) 42.27
(average-week ended Jan. 24)

Chart 4
(Friday, Jan. 24)
- Treasury bills: Canada 6.16
- U.S. 6.12
- Spread (favor Canada +) +0.04
- Forward Canadian dollar -0.13
- Net incentive (Canada +) -0.09
- Canadian Finance paper 6.62

Chart 5A
(U.K. Local Authority deposit 7.81
Treasury bills: U.K. 6.60
U.S. 6.12

Chart 5B
- Spread (favor U.K. +) +0.48
- Forward rate -2.70
- Net incentive (U.K. +) -2.22

Chart 6
Upper Panel (Friday, Jan. 24)
- Treasury Bills U.S. 6.12
- U.K. 6.60
- Canada 6.16

Lower Panel
- Euro-$ deposit (London) 7.44

Germany Interbank loan rate (Jan. 23) 3.88
Zurich 3-month deposit (Jan. 23) 4.00
Japan Composite Rate (Nov. 30) 7.38
U.S. Treasury bills (Jan. 24) 6.12
Upper Panel
U.S. Gov't. (Wed., Jan. 22) 5.70
Netherlands Govt. (Fri., Jan. 3) n.a.
Canadian Gov't. (Wed., Jan. 19) 7.31
(Swed., Jan. 22) 7.17
Swiss Gov't. Composite (Fri., Jan. 17) 4.37

Middle Panel
German Fed., (Fri., Jan. 17) 6.20
U.K. War Loan (Thus., Jan. 23) 8.27
Euro-$ bonds (Fri., Jan. 24) 7.54

Lower Panel
U.S. Euro-bonds (Dec. 31) 7.25
U.S. Corporate Aaa (Dec. 31) 6.45

Chart 9A
(Friday, Jan. 24)
Against U.S. dollars
Upper Panel
Swiss francs +2.73
German marks +4.09
£ sterling -2.70
Lower Panel
French franc -5.05
Dutch guilder +1.23
Canadian dollar -0.13

Chart 9B
(Friday, Jan. 24)
Against pound sterling
Upper Panel
German mark +6.80
U.S. dollar +2.32
Lower Panel
Swiss franc +4.58
French franc +1.74

Chart 10
(Index; 1958 = 100)
Upper Panel
U.K. (Jan. 24) 285.9
Germany (Jan. 24) n.a.
Switzerland (Jan. 24) 398.4
Lower Panel
U.S. (Jan. 24) 225.5
Canada (Jan. 16) 230.9
Japan (Jan. 17) 310.9

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