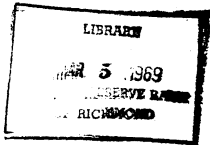


H-13 Division of International Finance Europe and British Commonwealth Section



Capital market

SELECTED INTEREST & EXCHANGE RATES FOR MAJOR COUNTRIES & THE U.S.

WEEKLY SERIES OF CHARTS

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

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PART III. LONG-TERM INTEREST RATES AND STOCK INDICES

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PART IV. LATEST FIGURES PLOTTED ON THE CHARTS

NOTE: This series is a continuation of the CAPITAL MARKETS DEVELOPMENTS ABROAD, which has been published under that title through December 31, 1968. The changes in the format and order of the charts are fully explained in the Supplement to the series, which accompanied issue dated January 1, 1969.

* A revised series of the 3-month forward rate of the French franc against the British pound is printed on reverse.

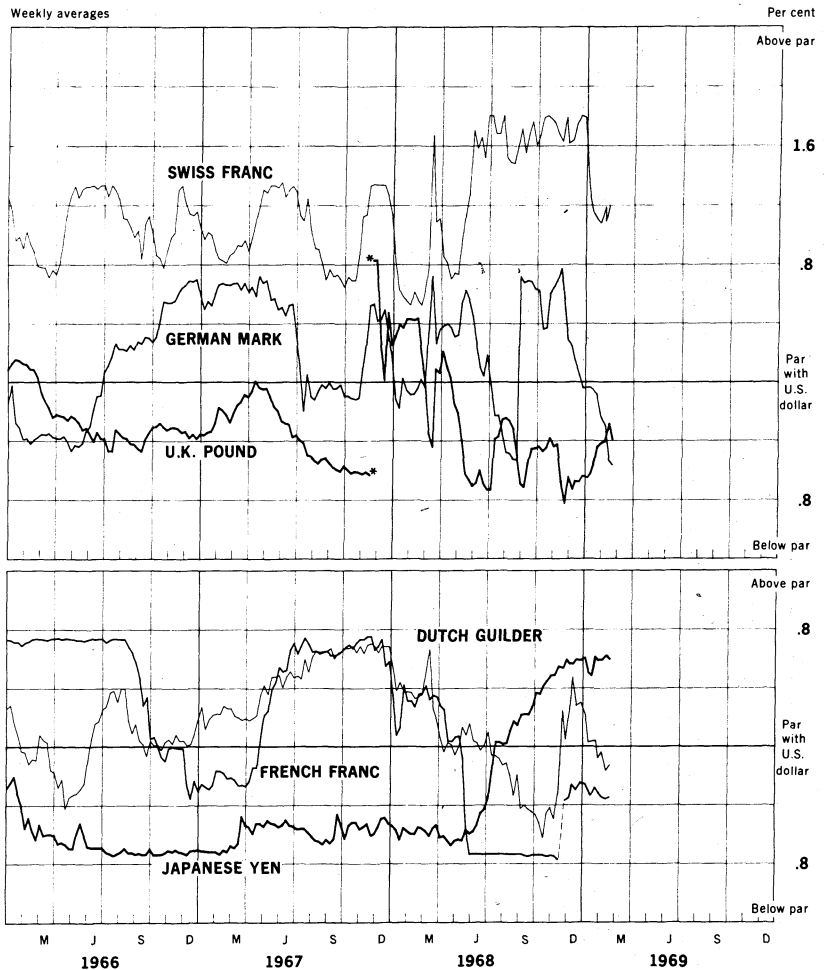
Revised data on the 3-month forward exchange rate of the French franc against the British pound in London plotted on Chart 3, bottom panel:

| | <u>1968</u> | <u>Per Cent</u> <u>Per Annum</u> |
|-------|-------------|-------------------------------------|
| June | 7 | +3.34 |
| | 14 | -1.31 |
| | 21 | +0.87 |
| | 28 | -5.95 |
| July | 5 | -2.76 |
| | 12 | +0.58 |
| | 19 | +0.29 |
| | 26 | -0.29 |
| Aug. | 2 | -0.15 |
| | 9 | -0.58 |
| | 16 | -0.79 |
| | 23 | -1.08 |
| Sept. | 30 | -1.60 |
| | 6 | +1.45 |
| | 13 | +0.79 |
| | 20 | +0.44 |
| Oct. | 27 | +0.29 |
| | 4 | +0.29 |
| | 11 | +0.73 |
| | 18 | +0.76 |
| Nov. | 25 | +0.65 |
| | 1 | +0.21 |
| | 8 | +0.36 |
| | 15 | -2.03 |
| Dec. | 22 | -6.09 |
| | 29 | -3.05 |
| | 6 | -1.45 |
| | 13 | -3.77 |
| | 20 | -3.19 |
| | 27 | -4.35 |
| | <u>1969</u> | |
| Jan. | 3 | -5.22 |
| | 10 | -3.63 |
| | 17 | -3.34 |
| | 24 | -1.74 |
| Feb. | 31 | -1.74 |
| | 7 | -2.32 |
| | 14 | -2.53 |

Chart 1A

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

Weekly averages



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

5

Chart 1B

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

Weekly averages

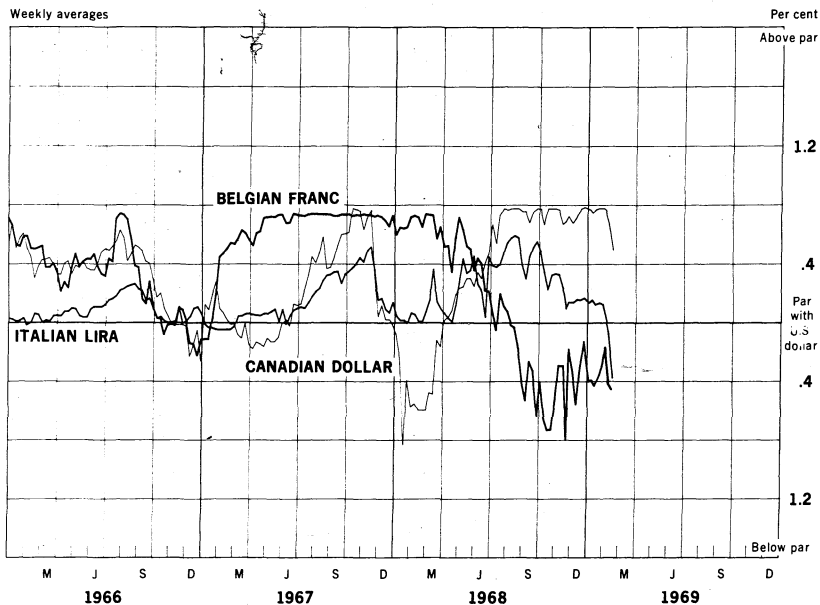


Chart 2

3-MONTH FORWARD EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.S. DOLLAR

Weekly averages

Per cent per annum

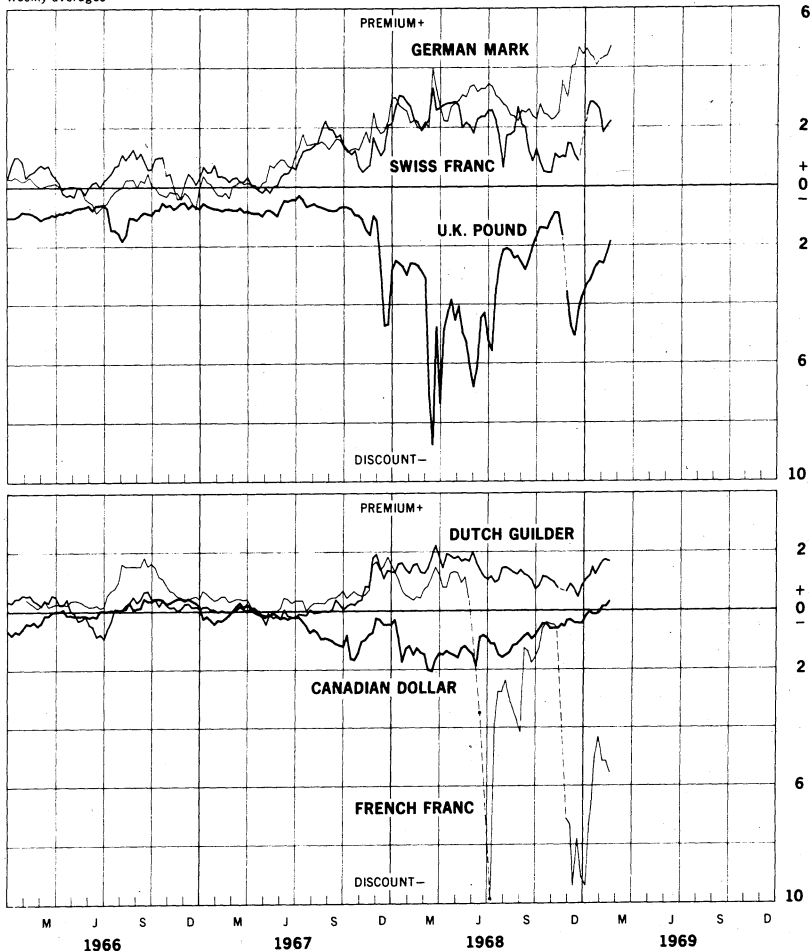
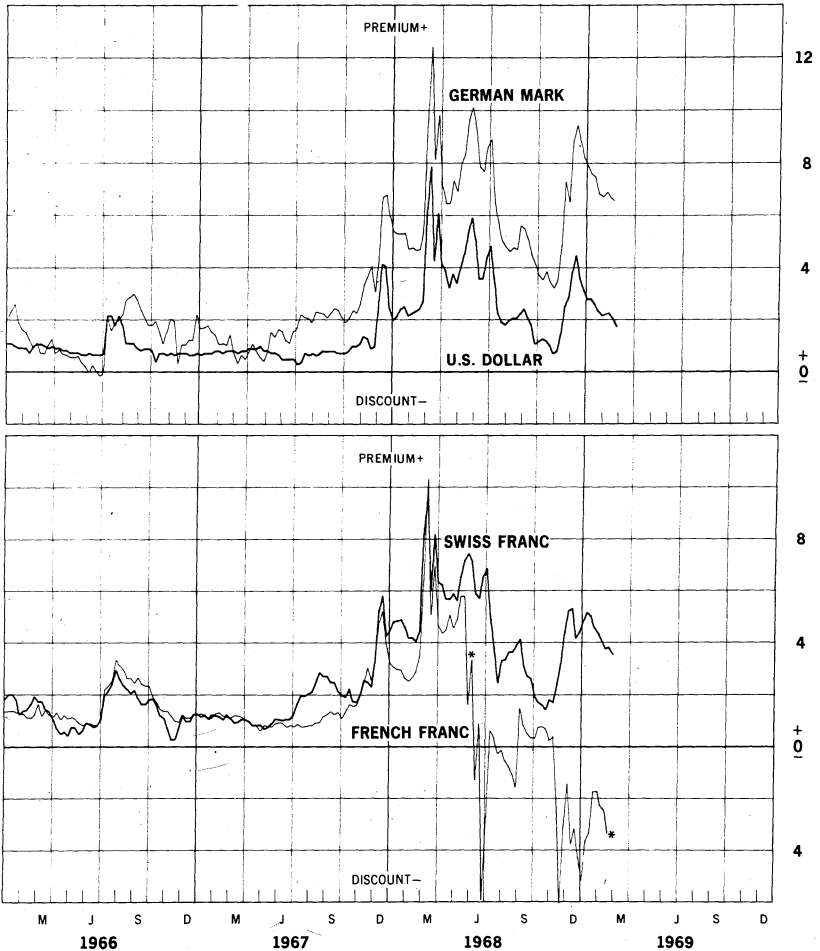


Chart 3

3-MONTH FORWARD EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.K. POUND

Friday figures

Per cent per annum



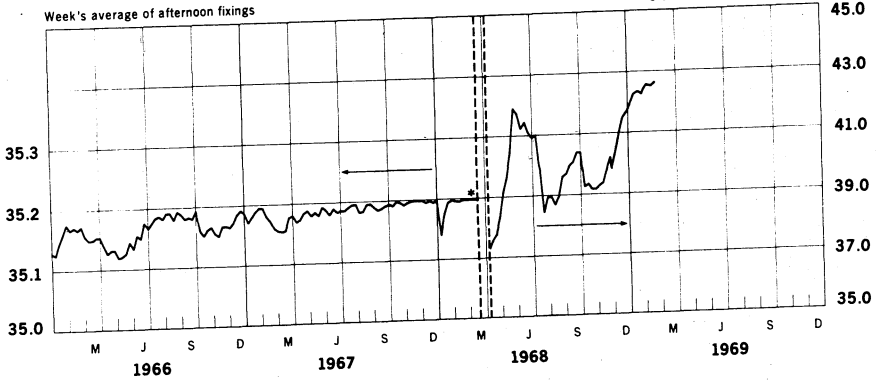
* This segment of the curve has been replotted; see table of contents.

Chart 4

GOLD PRICE IN LONDON, 12.5 Kg BARS

U.S. dollar equivalent per fine ounce

Week's average of afternoon fixings



*Market closed March 15-April 1, 1968

a

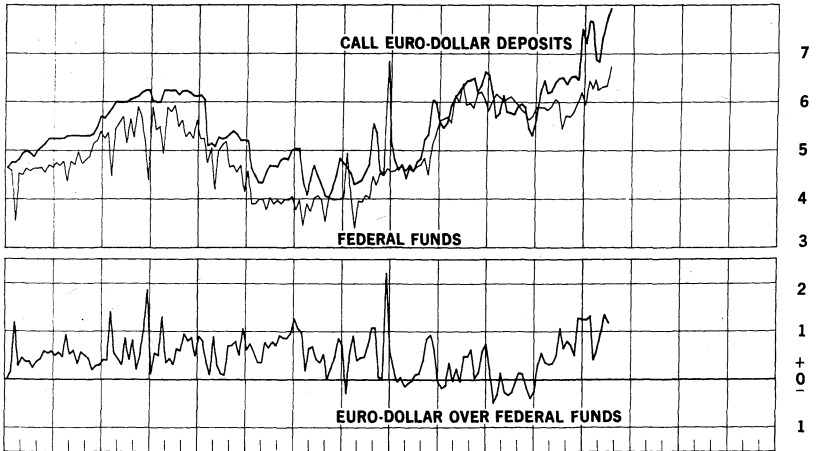
CHART 5

CALL MONEY RATES

DOLLAR FUNDS

Weekly averages

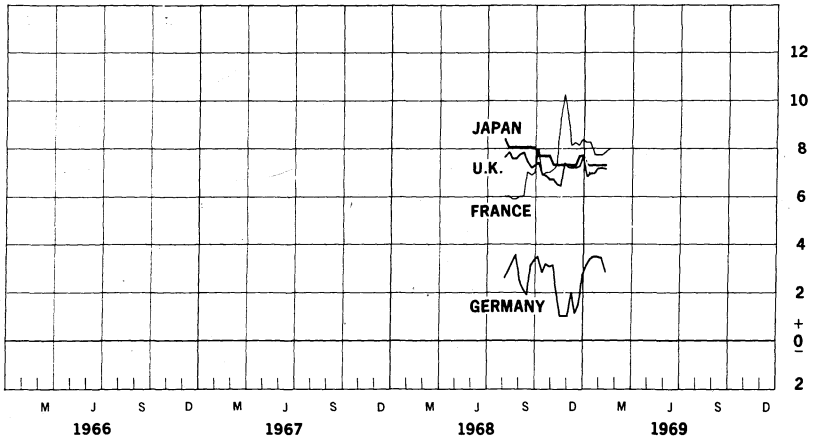
Per cent per annum



FOREIGN CURRENCIES *

Friday's figures

Per cent per annum



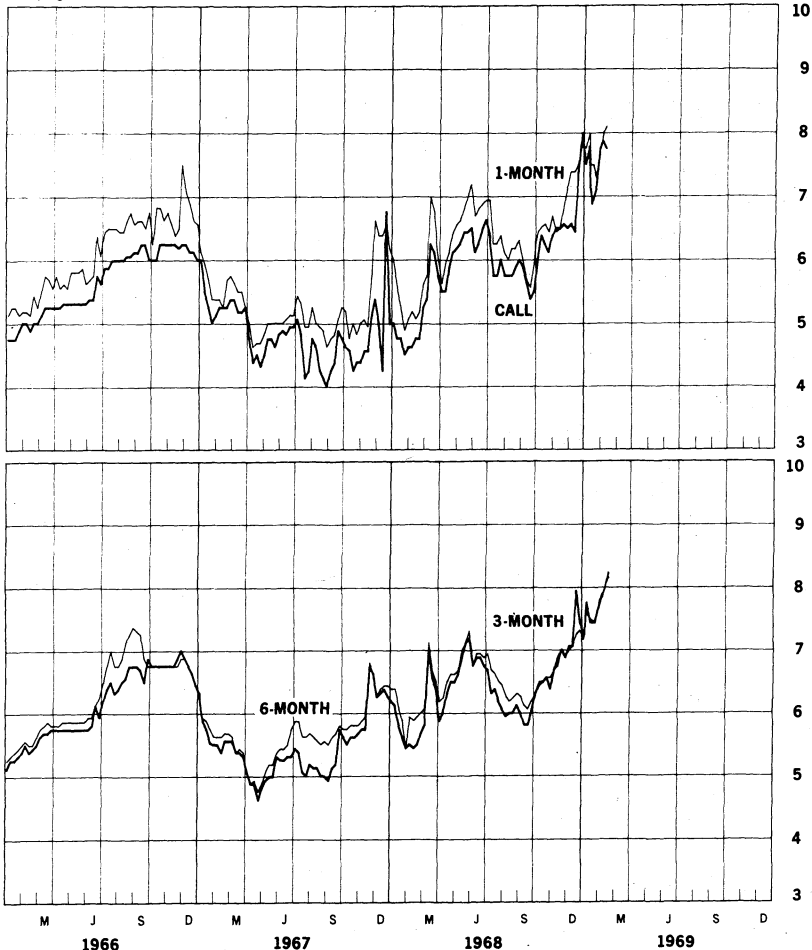
* Germany, Call Money; U.K., 2-day Local Authority Deposits; Japan, Unconditional Money; France, Day-to-day Money.

CHART 6

LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum

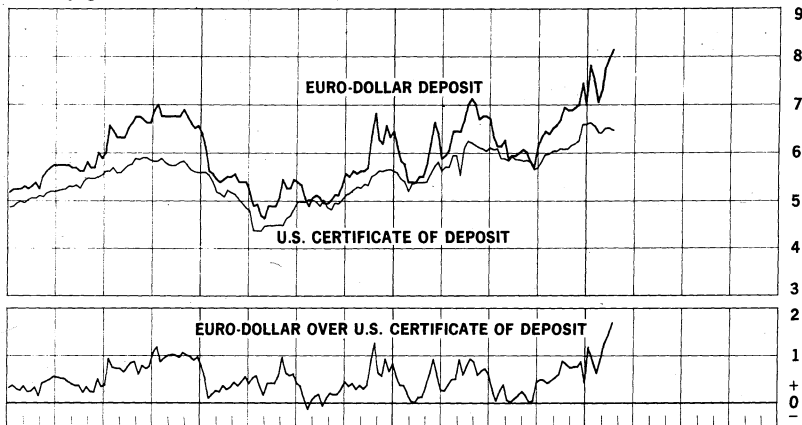


NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS

3-MONTH DOLLAR DEPOSIT RATES — SECONDARY MARKET

Wednesday figures

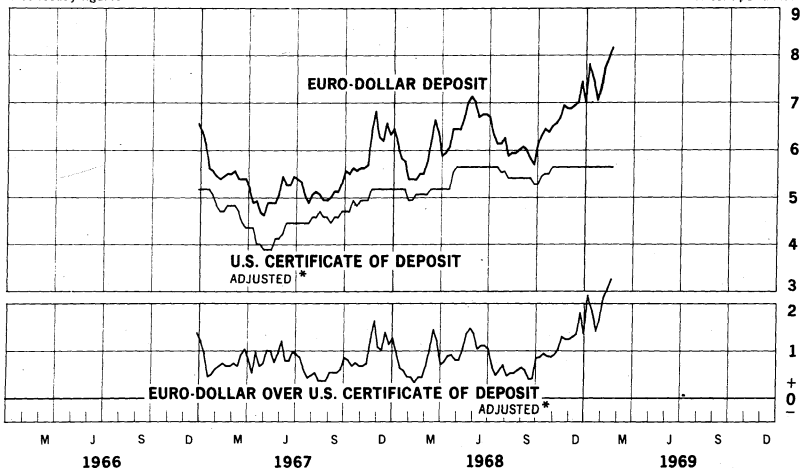
Per cent per annum



3-MONTH DOLLAR DEPOSIT RATES — PRIMARY MARKET

Wednesday figures

Per cent per annum

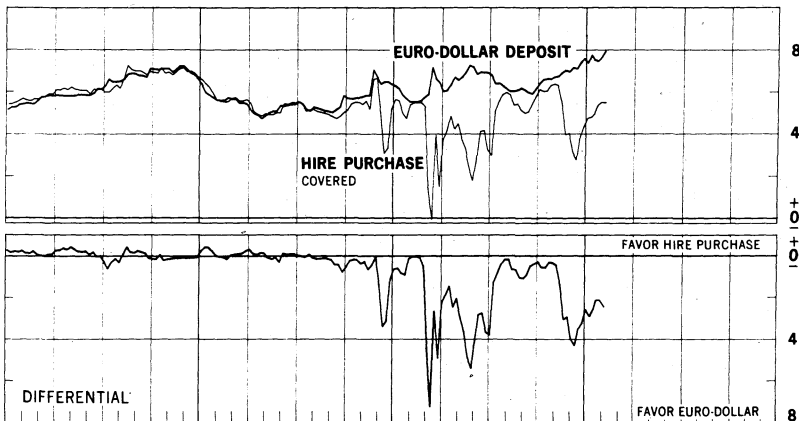


* Adjusted for Reserve Requirement

LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

HIRE PURCHASE AND EURO-DOLLAR RATES
Friday figures

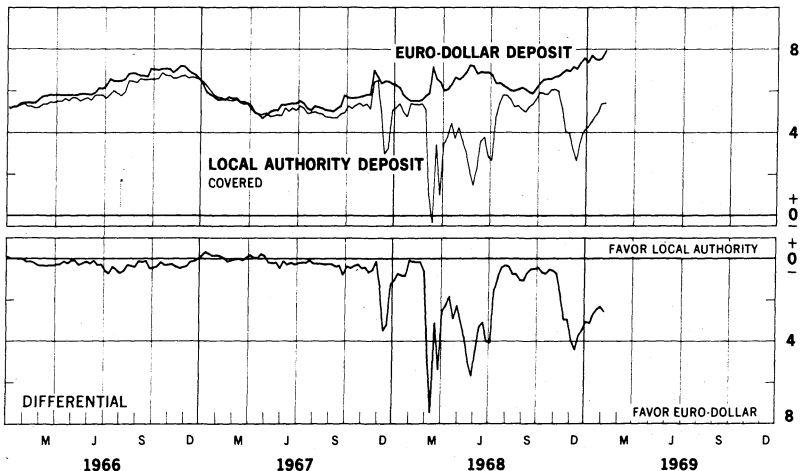
Per cent per annum



LOCAL AUTHORITY AND EURO-DOLLAR RATES

Friday figures

Per cent per annum

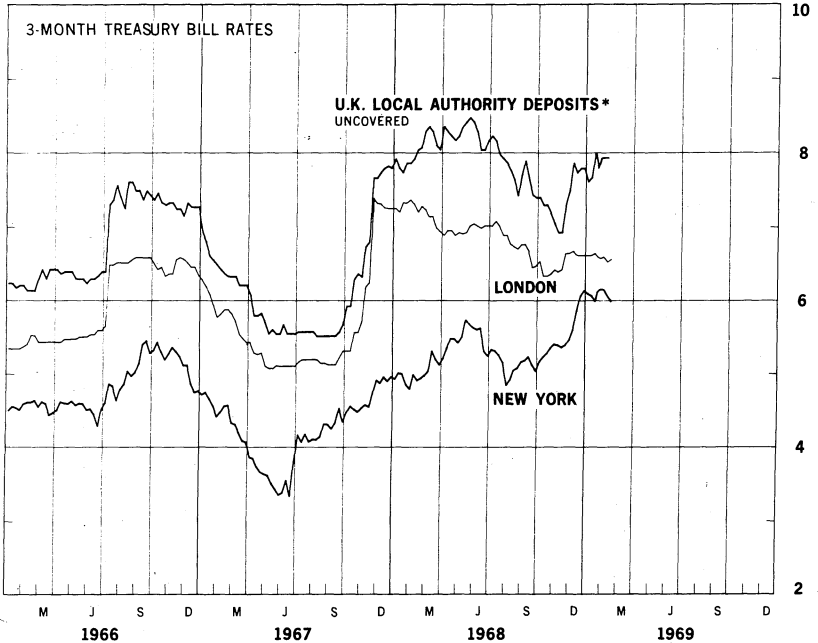


13
CHART 9A

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday's Figures

Per cent per annum

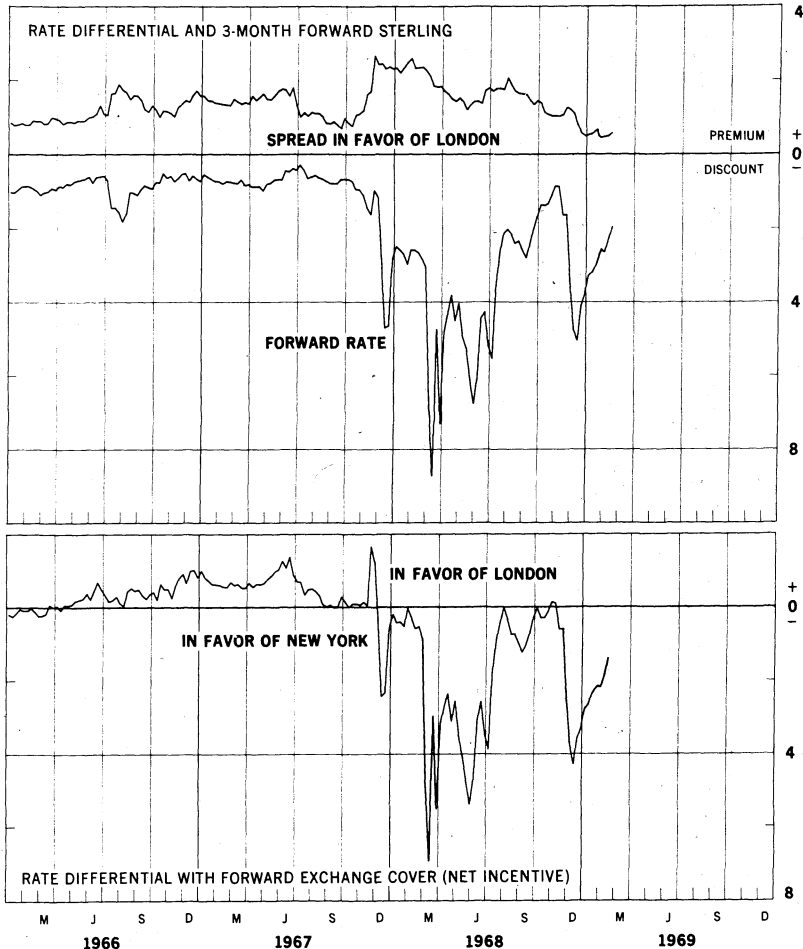


*Plotted for comparison purposes.

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

Per cent per annum



15

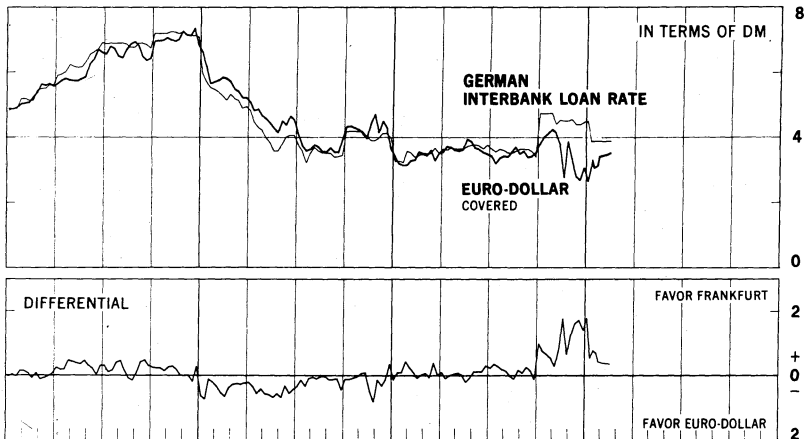
Chart 10

INTEREST ARBITRAGE: U.S. - GERMANY AND U.S. - SWITZERLAND

FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates

Per cent per annum



ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates

Per cent per annum

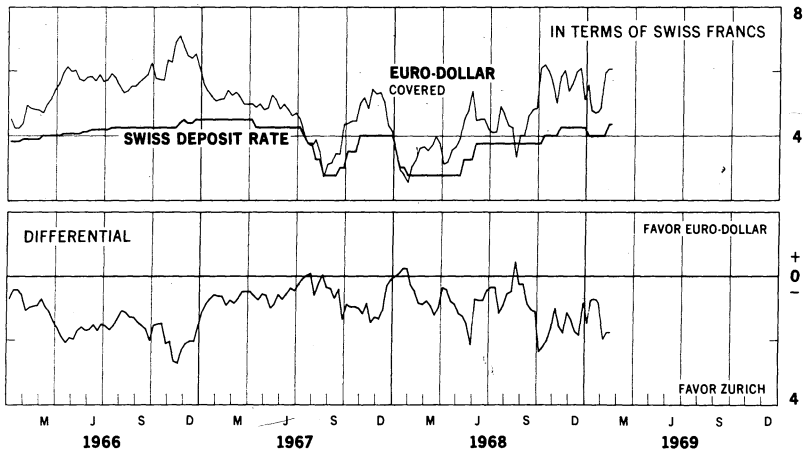


CHART 11

INTEREST ARBITRAGE: UNITED STATES-CANADA

Friday figures

Per cent per annum

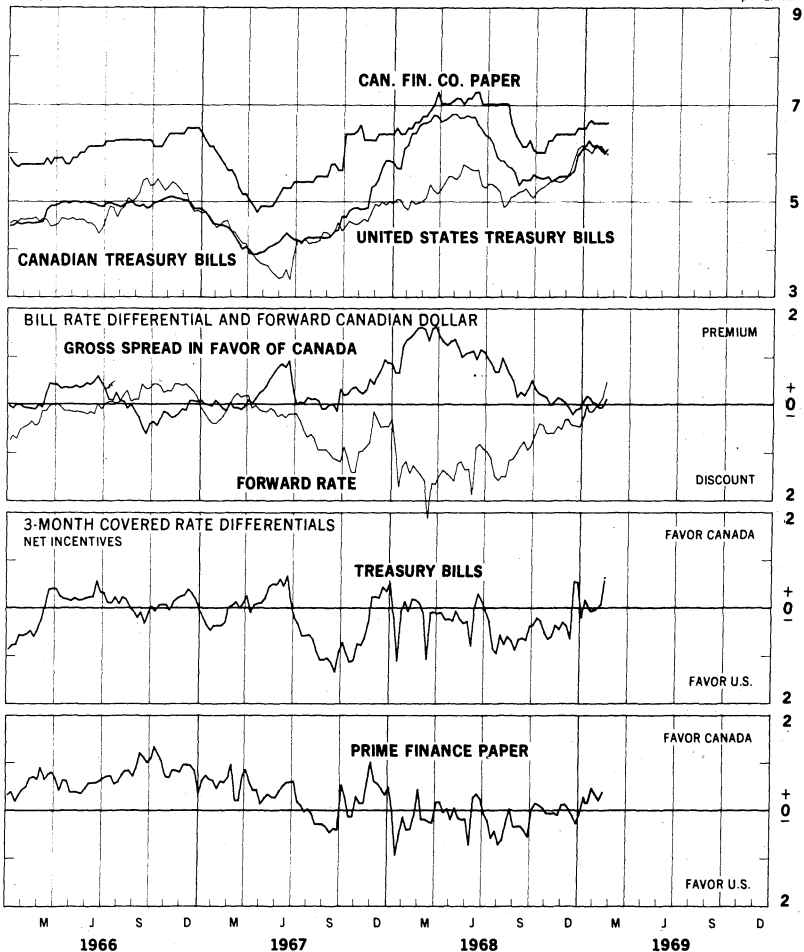
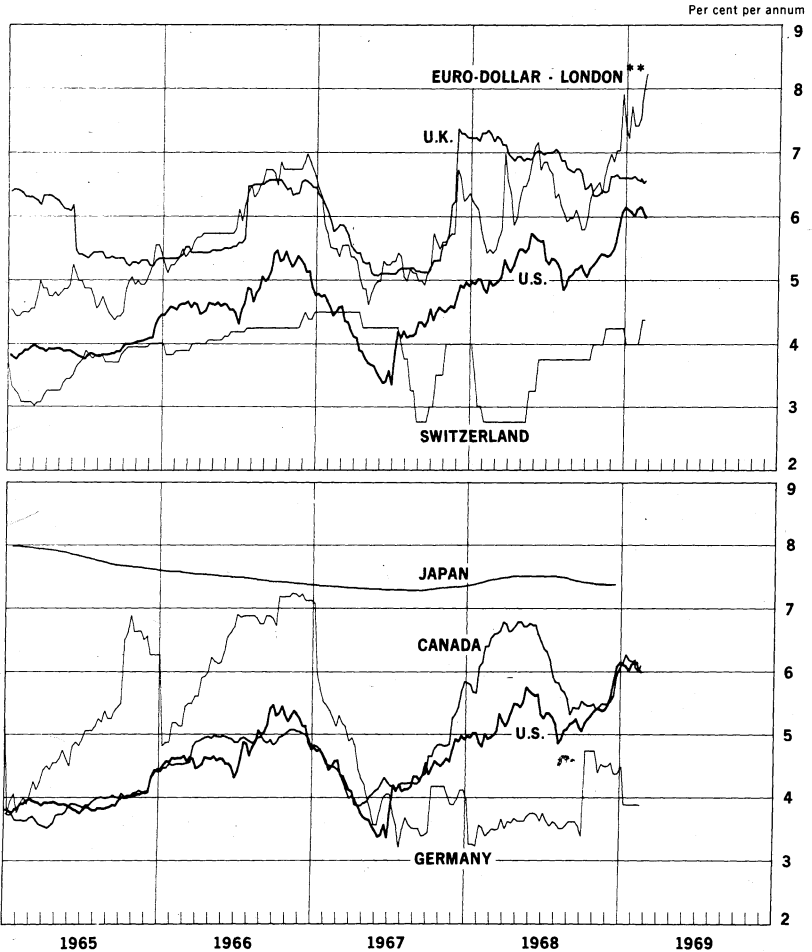


Chart 12

SELECTED 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)

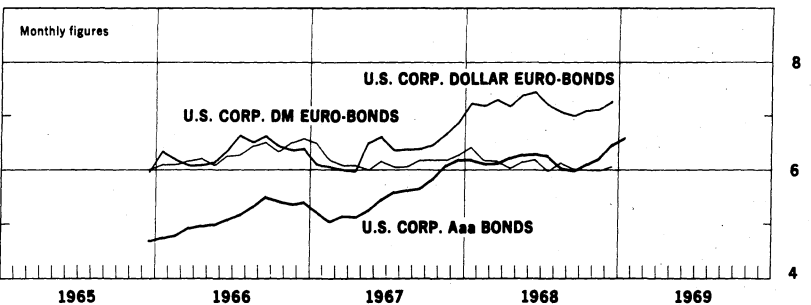
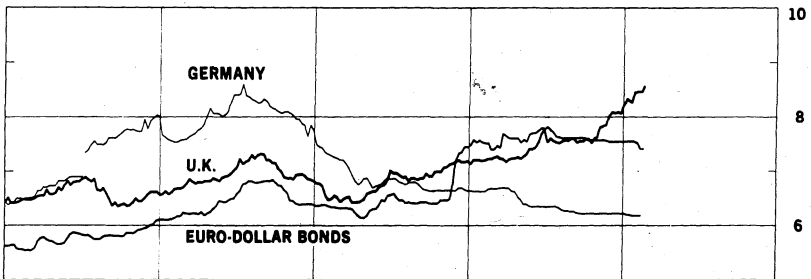
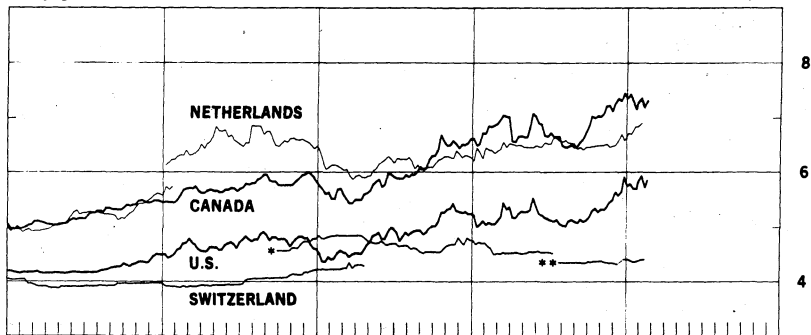
**3-month rate for U.S. dollar deposits in London.

Chart 13

LONG-TERM BOND YIELDS

Weekly figures

Per cent per annum

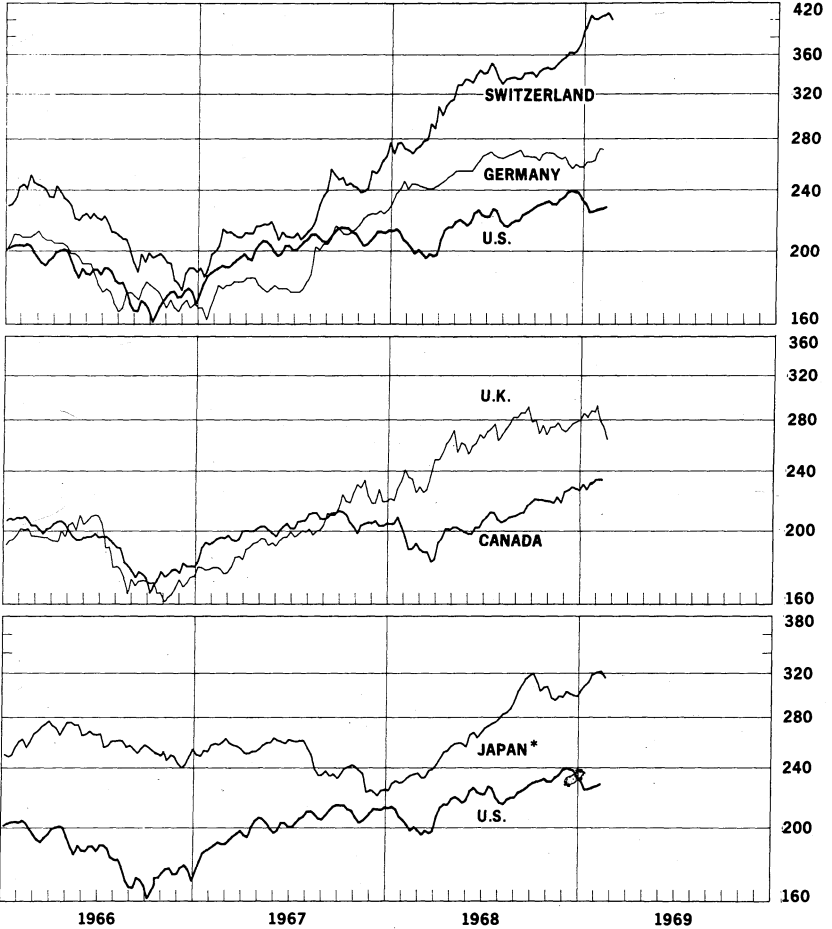


* New series for Switzerland starts 3-3-67.
 ** New series for Switzerland starts 8-2-68.

CHART 14

INDUSTRIAL STOCK INDICES

1958=100
Ratio scale



* Japan index of 225 industrial and other stocks traded on the Tokyo exchange.

H. 13
No. 391

IV. LATEST FIGURES PLOTTED ON THE CHARTS

| Chart | Panel | Series | Date | Rate |
|-------|-------------------------|-------------------------------------|---------|--------|
| 1A | Upper | Swiss franc | Feb. 21 | + 1.19 |
| | | German mark | " | - 0.57 |
| | | U.K. pound | " | - 0.40 |
| | Lower | Dutch guilder | " | - 0.12 |
| | | French franc | " | - 0.35 |
| | | Japanese yen | " | + 0.59 |
| 1B | | Belgian franc | " | - 0.46 |
| | | Italian lira | " | - 0.38 |
| | | Canadian dollar | " | + 0.50 |
| 2 | Upper | German mark | " | + 4.69 |
| | | Swiss franc | " | + 2.21 |
| | | U.K. pound | " | - 1.85 |
| | Lower | Dutch guilder | " | + 1.67 |
| | | Canadian dollar | " | + 0.31 |
| | French franc | " | - 5.55 | |
| 3 | Upper | German mark | " | + 6.58 |
| | | U.S. dollar | " | + 1.70 |
| | Lower | Swiss franc | " | + 3.47 |
| | | French franc | " | - 3.37 |
| 4 | | Gold price, U.S. dollar per ounce | " | 42.63 |
| 5 | Upper | Call Euro-\$ deposits | Feb. 19 | 7.93 |
| | | Federal Funds | " | 6.75 |
| | Middle | Differential | " | + 1.18 |
| | Lower | Japanese Unconditional Money | Feb. 14 | 7.30 |
| | | German Call Money | " | 2.81 |
| | | U.K. 2-day Local Authority Deposits | Feb. 21 | na |
| | French Day-to-day Money | " | na | |

IV - 2

| Chart | Panel | Series | Date | Rate |
|--------|--------------|-------------------------------------|---------|-------|
| 6 | Upper | Euro-\$ Call Rate | Feb. 21 | 7.75 |
| | | Euro-\$ 1-month Rate | " | 8.12 |
| | Lower | Euro-\$ 3-month Rate | " | 8.25 |
| | | Euro-\$ 6-month Rate | " | 8.18 |
| 7 | Upper | Euro-\$ 3-month Deposits | Feb. 19 | 8.18 |
| | | U.S. Certificate of Deposits | " | 6.48 |
| | Second | Differential | " | +1.70 |
| | Third | Euro-\$ 3-month Deposits | " | 8.18 |
| | | U.S. Certificate of Deposits (Adj.) | " | 5.64 |
| | Fourth | Differential | " | +2.54 |
| 8 | Upper | Euro-\$ 3-month Deposits | Feb. 14 | na |
| | | Hire Purchase Deposits (covered) | " | na |
| | Second | Differential | " | na |
| | Third | Euro-\$ 3-month Deposits | " | na |
| | | Local Authority Deposits (covered) | " | na |
| Fourth | Differential | " | na | |
| 9A | | U.S. Treasury Bill rate | Feb. 21 | 5.99 |
| | | U.K. Treasury Bill rate | " | 6.57 |
| | | Local Authority Deposit (uncovered) | " | na |
| 9B | Upper | Spread (+ = favor London) | " | +0.58 |
| | | 3-month Forward Pound | " | -1.96 |
| | Lower | Net Incentive (+ = favor London) | " | -1.38 |
| 10 | Upper | Euro-\$ Deposits (covered) | Feb. 19 | 3.51 |
| | | German Interbank Loan rate | " | 3.88 |
| | Second | Differential | " | +0.37 |
| | Third | Euro-\$ Deposits (covered) | " | 6.10 |
| | | Swiss Deposit rate | " | 4.38 |
| | Fourth | Differential | " | -1.72 |

IV - 3

| Chart | Panel | Series | Date | Rate | |
|--------------------------------|--------|------------------------------|---|-------|------|
| 11 | Upper | Canadian Finance Paper | Feb. 14 | 6.62 | |
| | | | " 21 | 6.62 | |
| | | U.S. Treasury Bill rate | Feb. 21 | 5.99 | |
| | | Canadian Treasury Bill rate | " | 6.11 | |
| | | | U.S. Prime Finance paper (not plotted) | " | 6.38 |
| | Middle | Bill rate differential | " | +0.12 | |
| | | Forward Canadian dollar | " | +0.48 | |
| | Lower | Net incentive on bills | " | +0.60 | |
| Net incentive on Finance Paper | | " | +0.40 | | |
| 12 | Upper | Euro-\$ Deposits | " | 8.25 | |
| | | U.K. Treasury Bill rate | " | 6.57 | |
| | | U.S. Treasury Bill rate | " | 5.99 | |
| | | Swiss 3-month Deposit rate | " | 4.38 | |
| | Lower | Japanese Average rate | Dec. 31 | 7.38 | |
| | | Canadian Treasury Bill rate | Feb. 21 | 6.11 | |
| | | U.S. Treasury Bill rate | " | 5.99 | |
| | | German Interbank Loan rate | " | 3.88 | |
| 13 | Upper | Netherlands | Feb. 14 | na | |
| | | Canada | Feb. 19 | 7.32 | |
| | | United States | " | 5.86 | |
| | | Switzerland | Feb. 14 | 4.41 | |
| | Middle | Germany | " | 6.19 | |
| | | United Kingdom | Feb. 20 | 8.56 | |
| | | Euro-dollar bonds | Feb. 21 | 7.41 | |
| | Lower | U.S. Corp. Dollar Euro-bonds | Jan. 31 | na | |
| | | U.S. Corp. DM Euro-bonds | " | na | |
| U.S. Corp. Aaa bonds | | " | 6.59 | | |

IV - 4

| Chart | Panel | Series | Date | Rate |
|-------|-------|----------------|---------|-------|
| 14 | Upper | Switzerland | Feb. 21 | 398.9 |
| | | Germany | Feb. 14 | na |
| | | United States | Feb. 21 | na |
| | | United Kingdom | " | 263.5 |
| | Lower | Japan | " | 315.2 |
| | | Canada | Feb. 13 | 233.9 |
| | | United States | Feb. 21 | na |