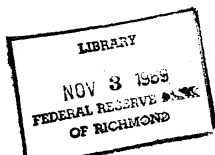


October 29, 1969 No. 426

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

Atley 1.
Ramsey



Capital market

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

WEEKLY SERIES OF CHARTS

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

TABLE OF CONTENTS

PART I. EXCHANGE RATES AND GOLD PRICES

- Chart 1A and 1B - Spot Exchange Rates, Major Currencies against U.S. Dollar
- Chart 2 A & 2B - 3-Month Forward Exchange Rates, Major Currencies against U.S. Dollar
- Chart 3 A & 3B - 3-Month Forward Exchange Rates, Major Currencies against U.K. Pound
- Chart 4 - Gold Price in London

PART II. SHORT-TERM INTEREST RATES

- Chart 5 - Call Money Rates
- Chart 6A & 6B - London: Euro-\$ Deposit Rates
- Chart 7 - New York - London: Yields on U.S. Dollar Funds
- Chart 8 - London: Covered Yields on U.S. Dollar Funds
- Chart 9A and 9B - Interest Arbitrage: United States-United Kingdom
- Chart 10 - Interest Arbitrage: U.S.-Germany and U.S.-Switzerland
- Chart 11 - Interest Arbitrage: United States-Canada
- Chart 12 - Selected Short-term Interest Rates

PART III. LONG-TERM INTEREST RATES AND STOCK INDICES

- Chart 13 - Long-Term Bond Yields
- Chart 14 - Industrial Stock Indices

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.

3

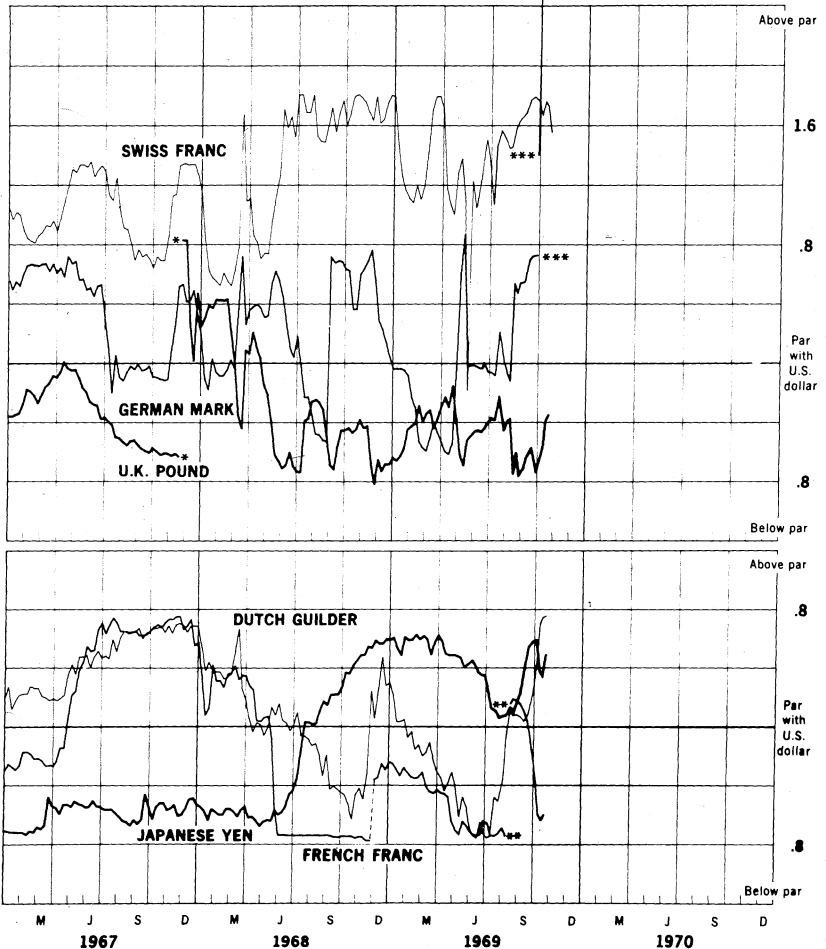
Chart 1A

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

Weekly averages

OCT. 24 7 46

Per cent



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

** Devaluation of the French franc from 4.94 to 5.55 for \$1.00.

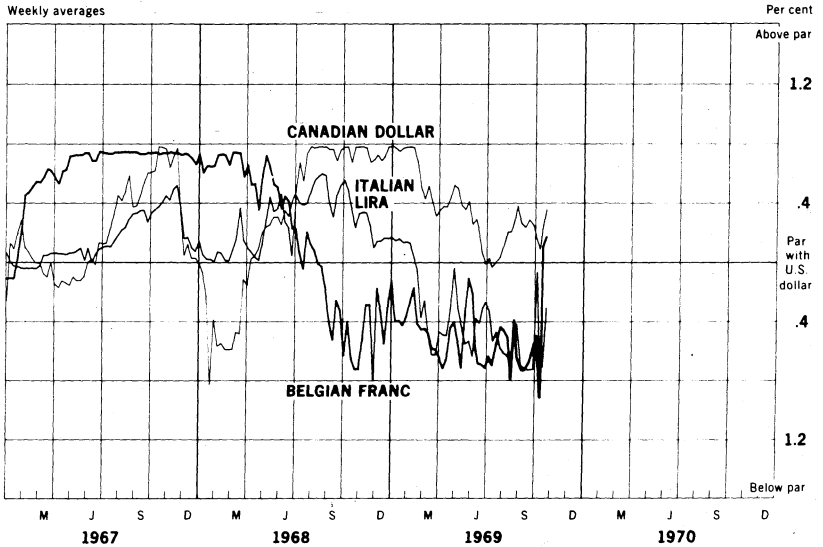
*** DM rate not supported by the Bundesbank

4

Chart 1B

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

Weekly averages



5

Chart 2A

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

Weekly averages

Per cent per annum

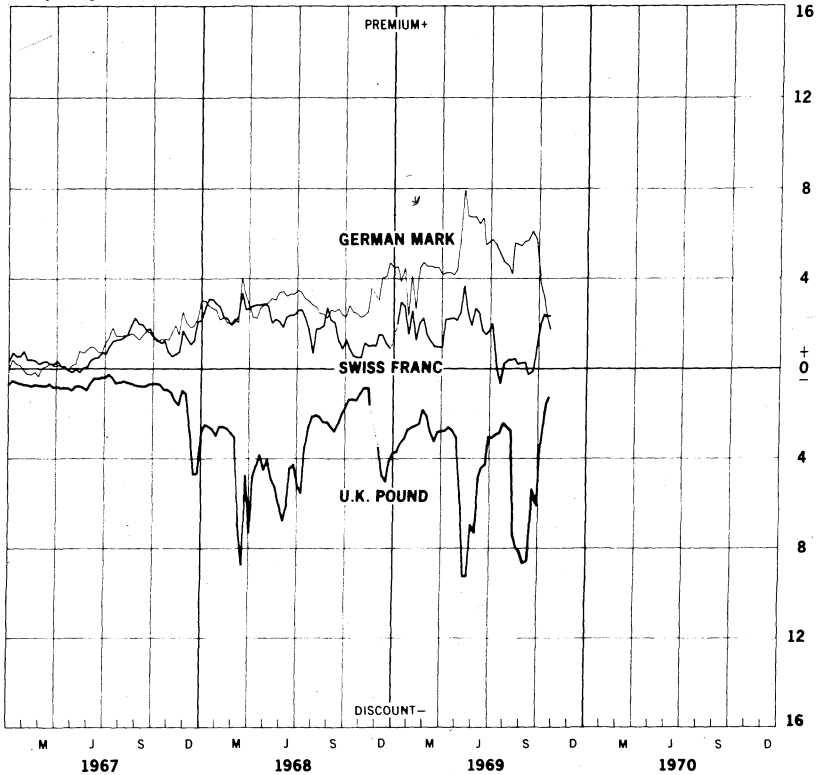
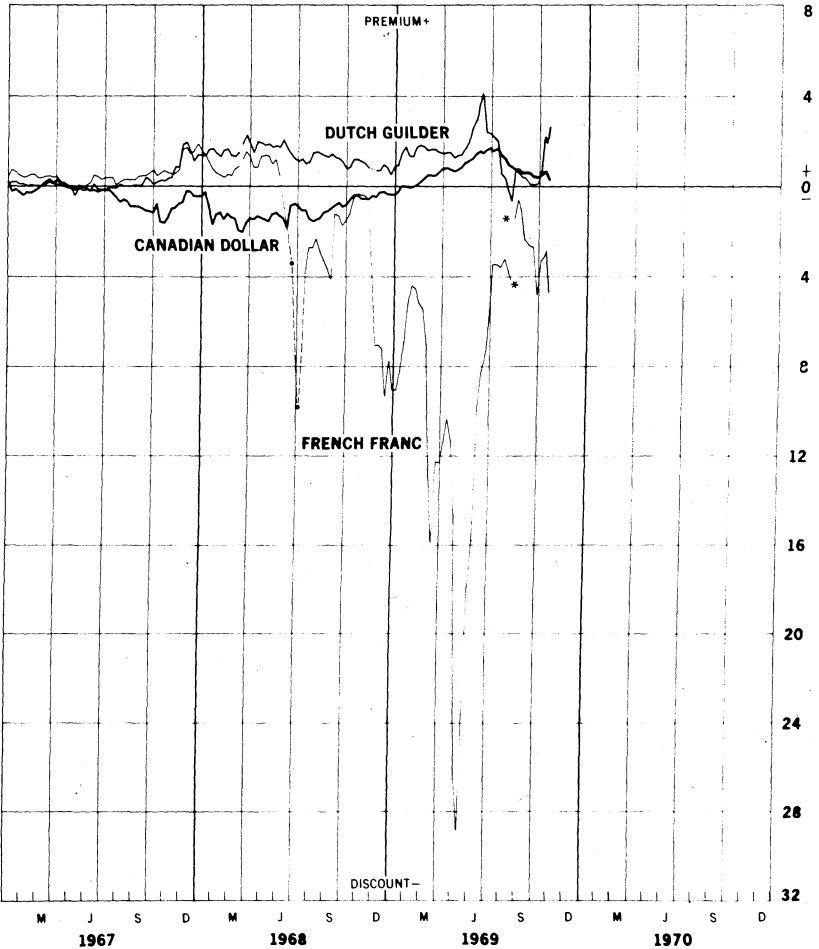


Chart 28

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

Weekly averages

Per cent per annum



* Devaluation of the French franc from 4.94 to 5.55 for \$1.00.

Chart 3A

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

Friday figures

Per cent per annum

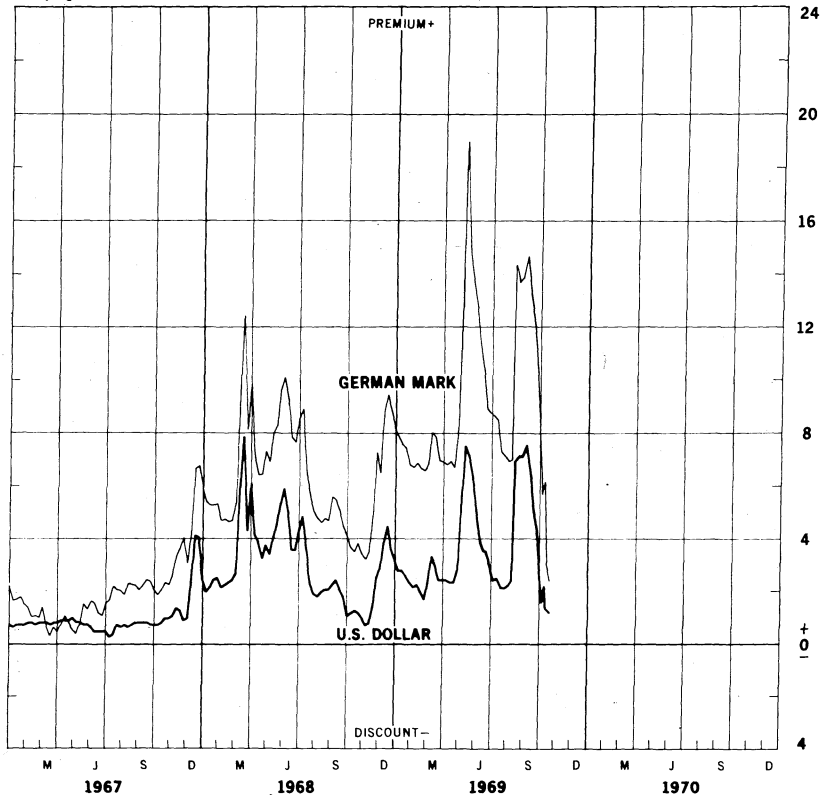
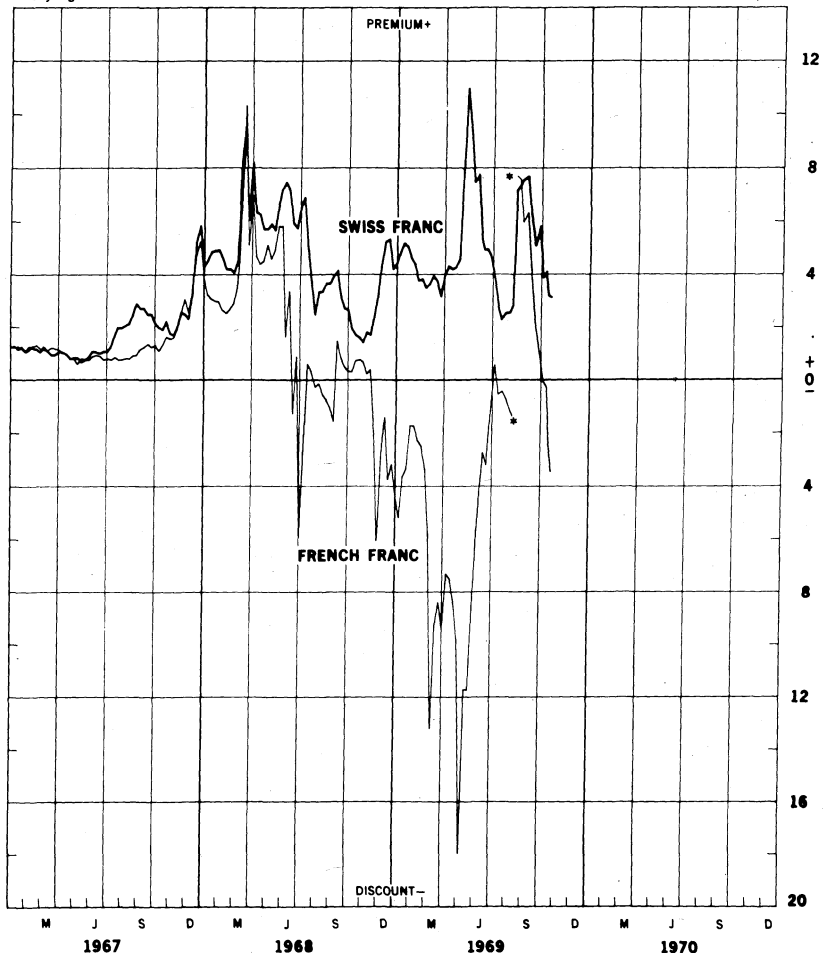


Chart 3B

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

Friday figures

Per cent per annum



* Devaluation of the French franc from 4.94 to 5.55 for \$1.00

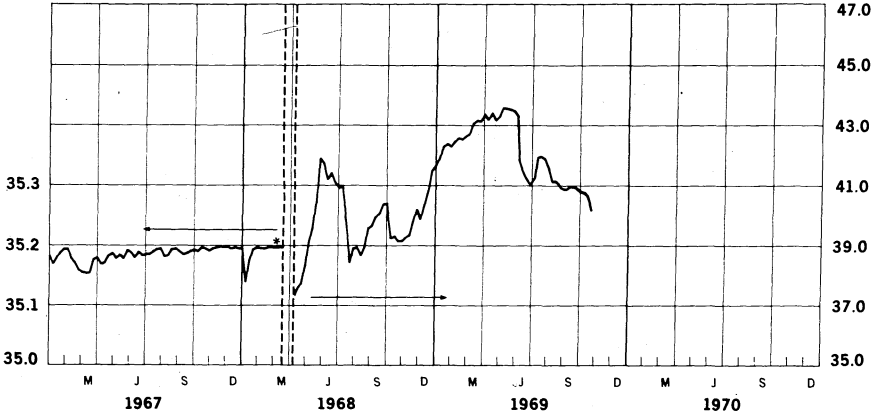
9

Chart 4

GOLD PRICE IN LONDON, 12.5 Kg BARS

Week's average of afternoon fixings

U.S. dollar equivalent per fine ounce



* Market closed March 15-April 1, 1968

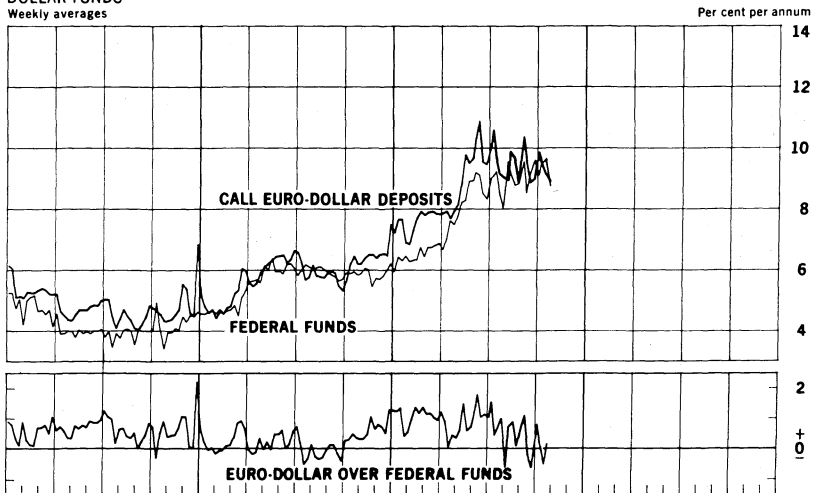
Chart 5

10

CALL MONEY RATES

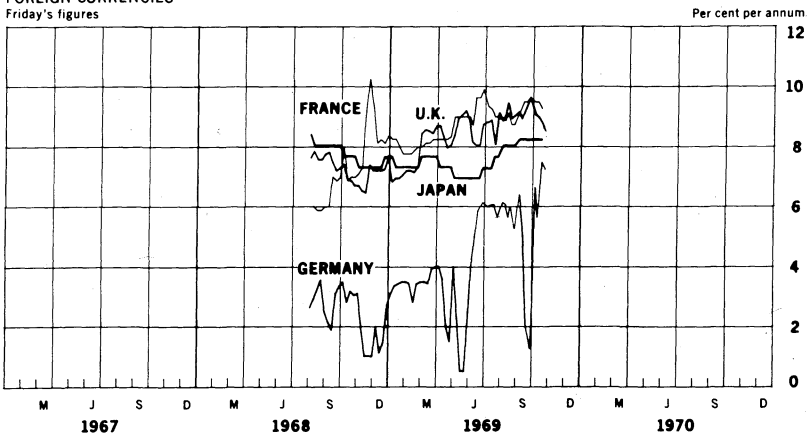
DOLLAR FUNDS

Weekly averages



FOREIGN CURRENCIES*

Friday's figures



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

11
CHART 6A

LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum

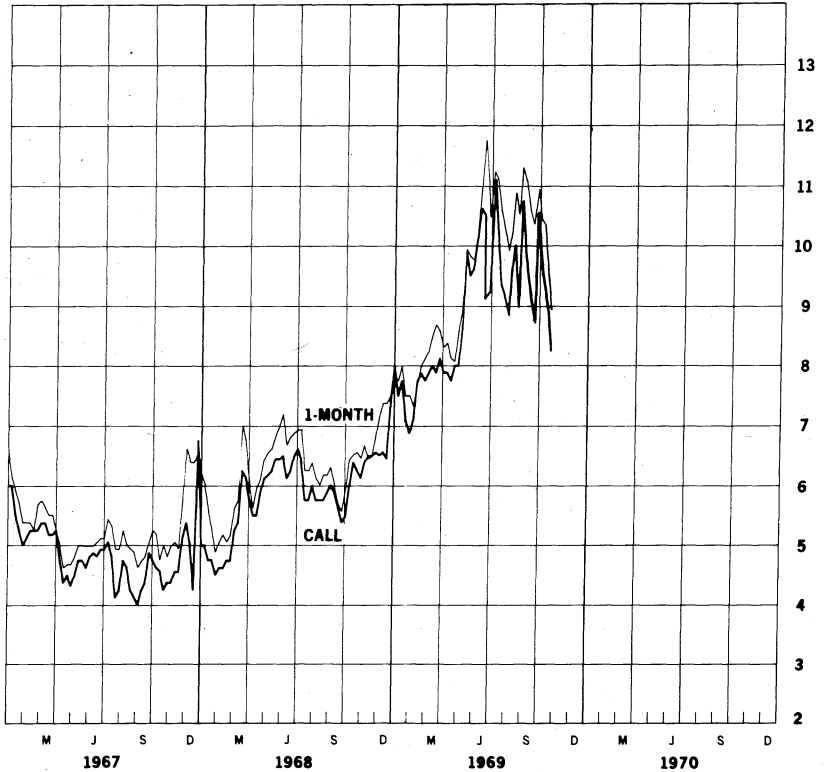
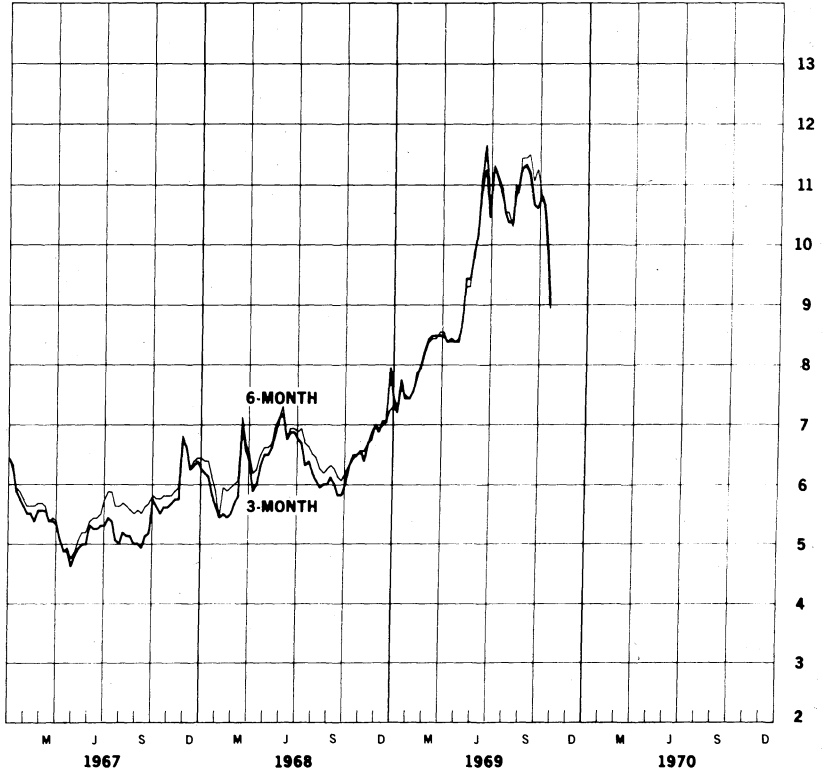


CHART 6B

LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum



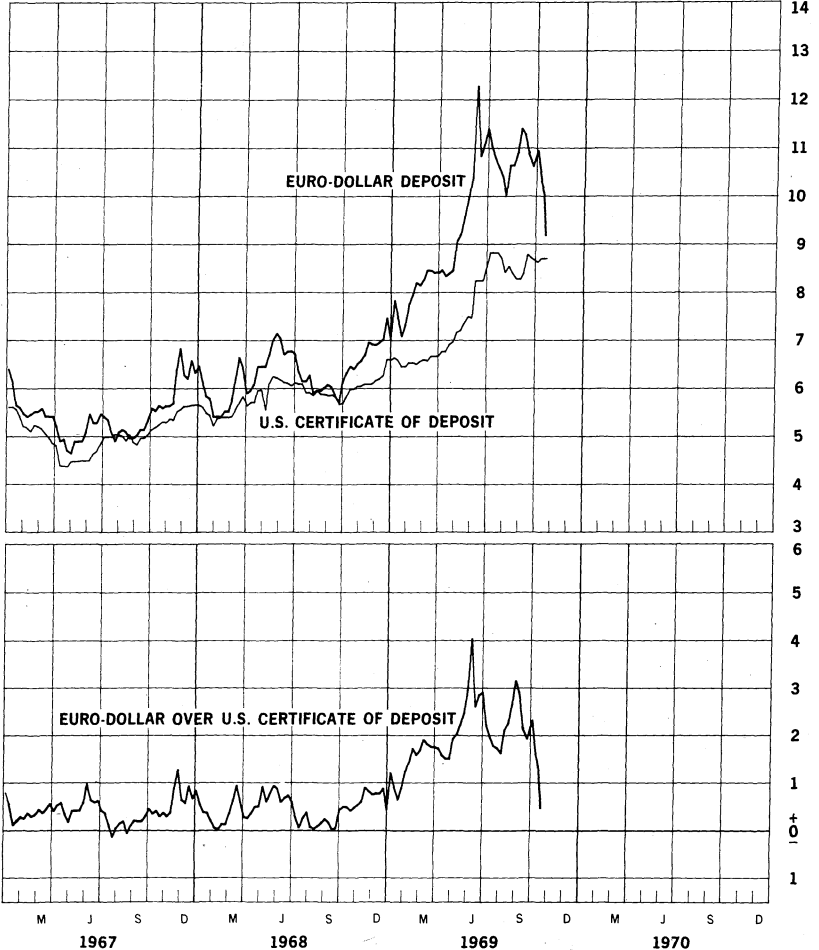
13

Chart 7A

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

3-MONTH DOLLAR DEPOSIT RATES—SECONDARY MARKET
Wednesday figures

Per cent per annum

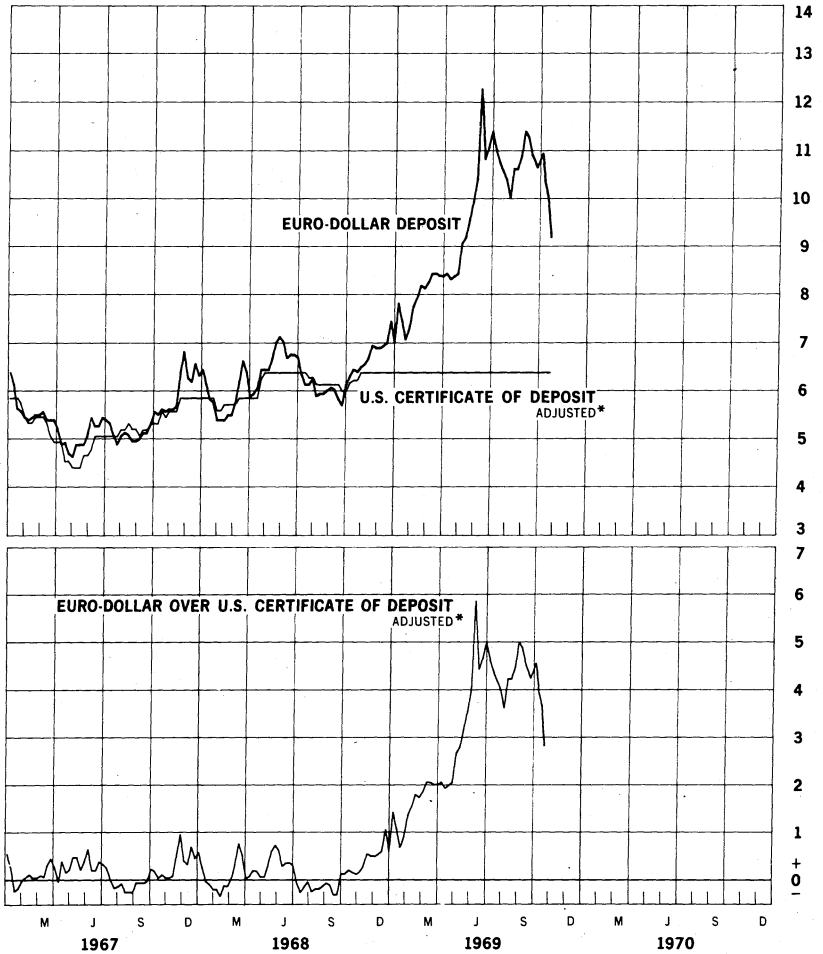


NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS

3-MONTH DOLLAR DEPOSIT RATES—PRIMARY MARKET

Wednesday figures

Per cent per annum



* Adjusted for Reserve Requirement

15

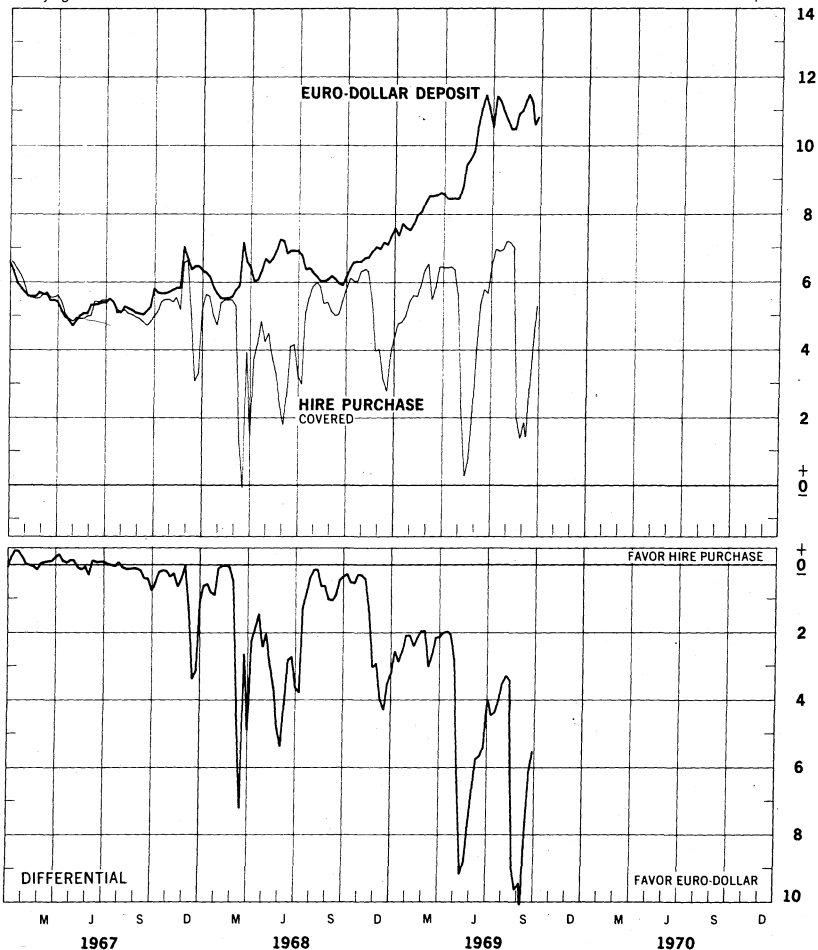
CHART 8A

LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

HIRE PURCHASE AND EURO-DOLLAR RATES

Friday figures

Per cent per annum

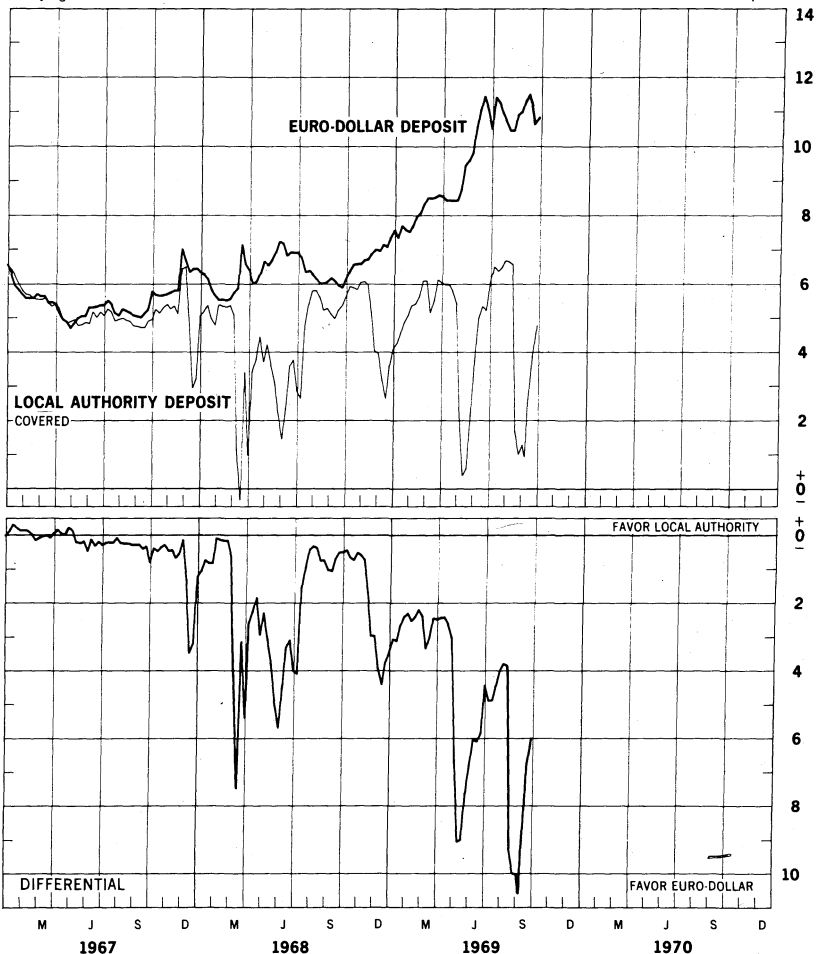


LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

LOCAL AUTHORITY AND EURO-DOLLAR RATES

Friday figures

Per cent per annum

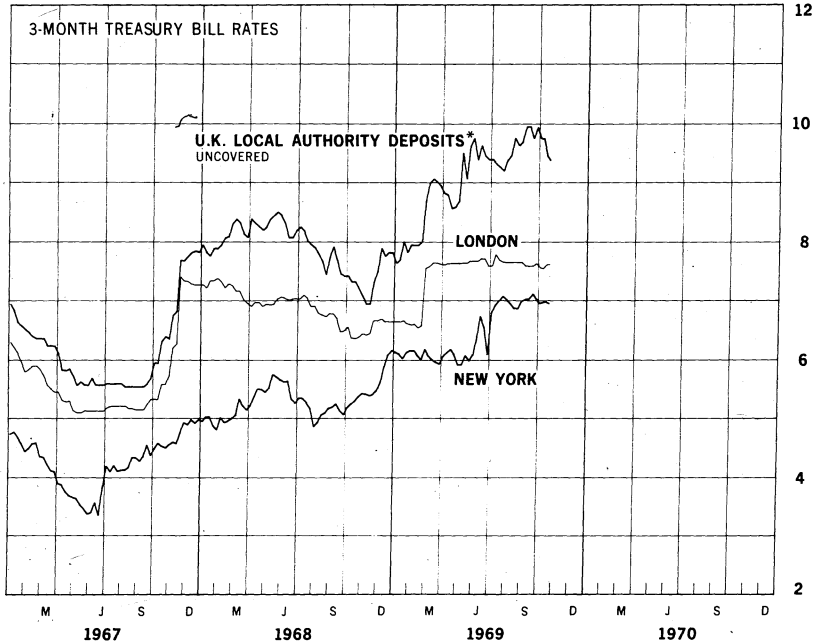


17
Chart 9A

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

Per cent per annum



* Plotted for comparison purposes

Chart 9B

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

Per cent per annum

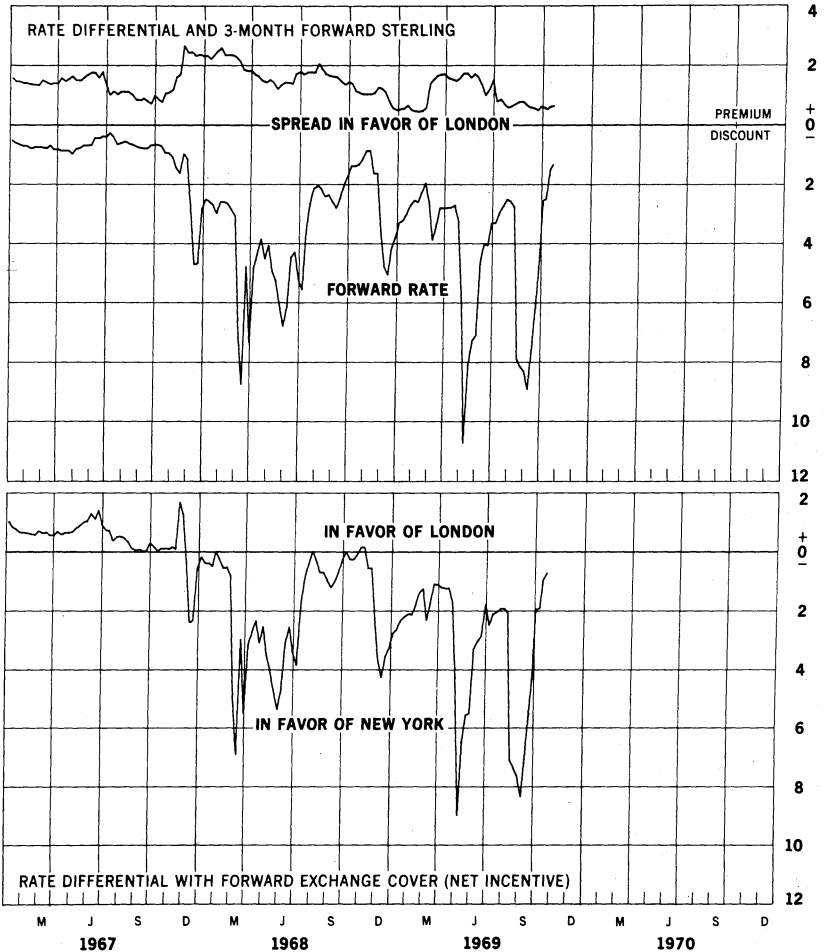


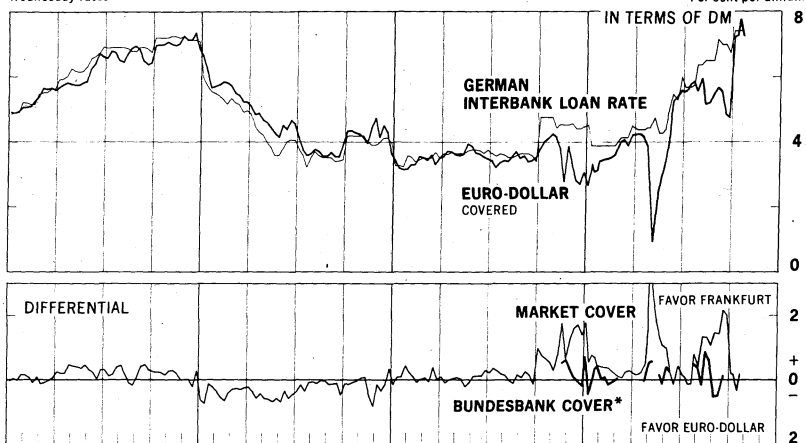
Chart 10

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

FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates

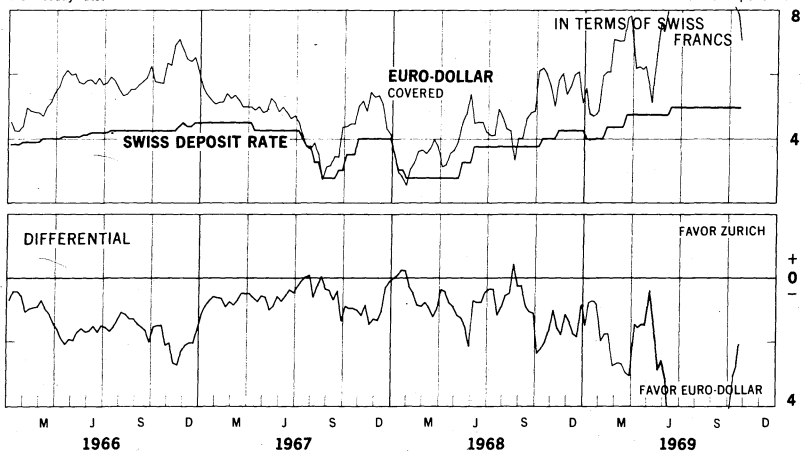
Per cent per annum



ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates

Per cent per annum



* For details see issue No. 398 dated April 16, 1969

Chart 11

3-MONTH INTEREST ARBITRAGE: UNITED STATES - CANADA

Friday figures

Per cent per annum

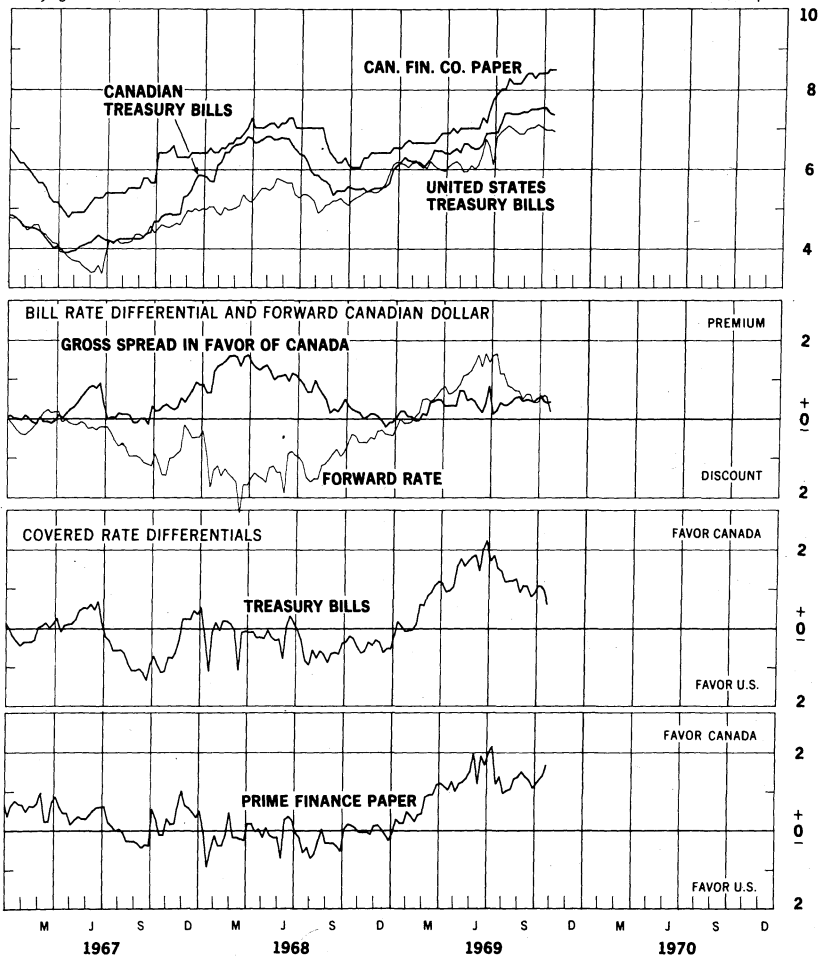
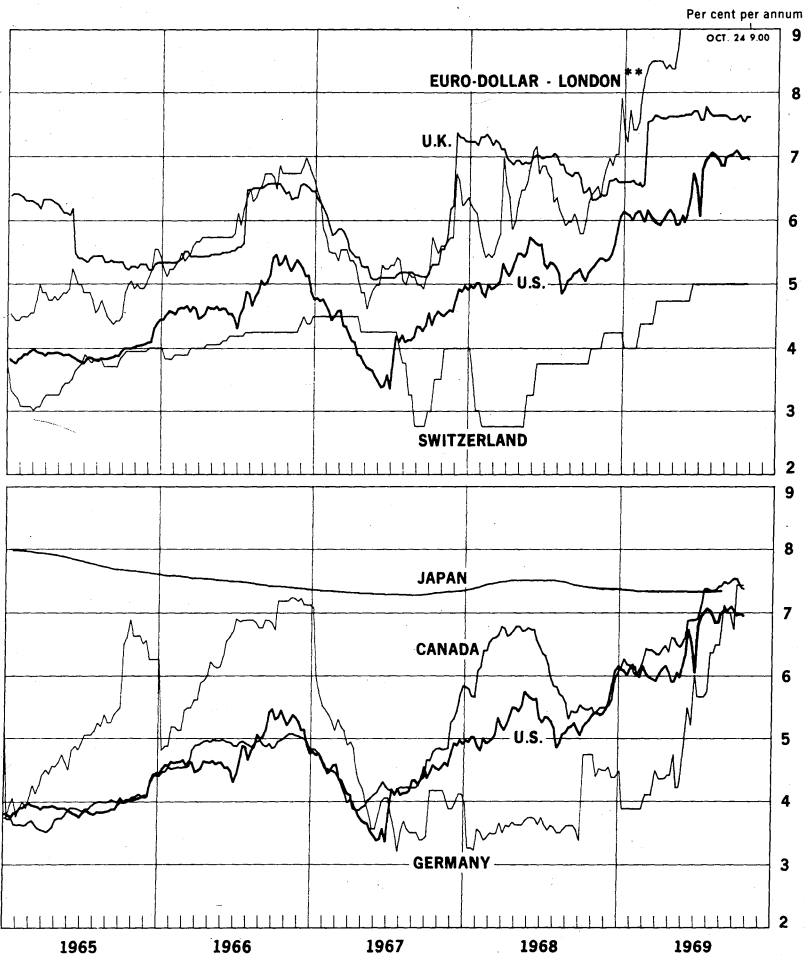


Chart 12

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)

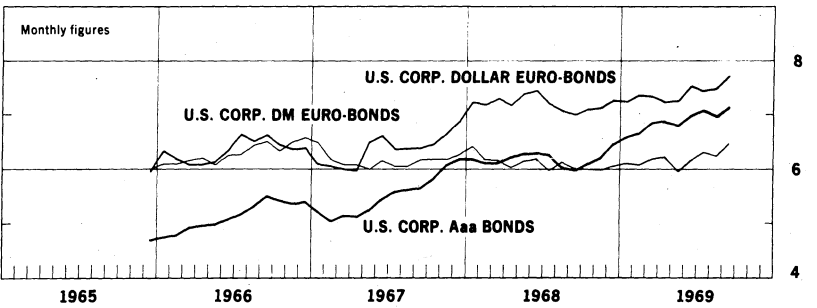
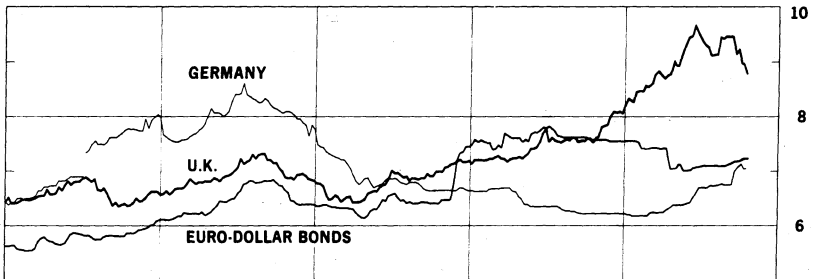
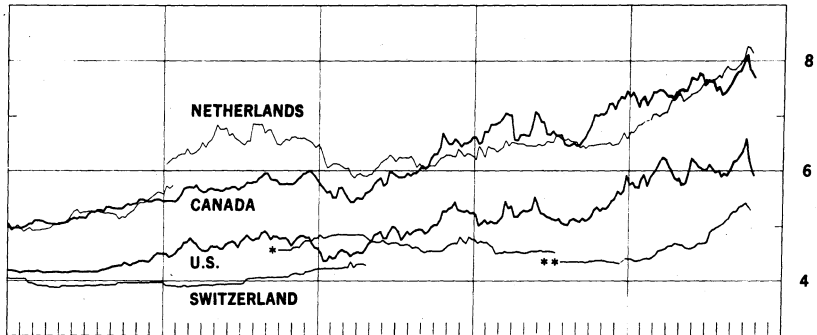
** 3-month rate for U.S. dollar deposits in London.

Chart 13

LONG-TERM BOND YIELDS

Weekly figures

Per cent per annum



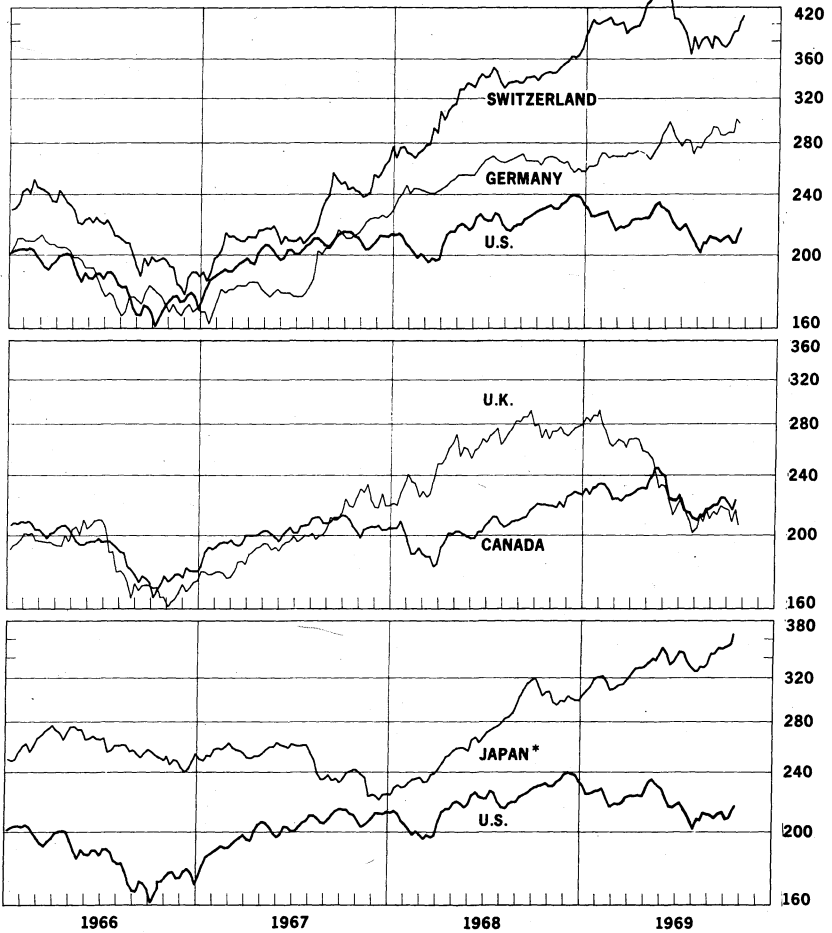
* New series for Switzerland starts 3-3-67.
 ** New series for Switzerland starts 8-2-68.

23

CHART 14

INDUSTRIAL STOCK INDICES

1958=100
Ratio scale



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

IV. LATEST FIGURES PLOTTED ON THE CHARTS

24

Chart	Panel	Series	Date	Rate
1A	Upper	Swiss franc	Oct. 24	+1.55
		German mark	"	+7.46
		U.K. pound	"	-0.35
	Lower	Dutch guilder	"	+0.76
		French franc	"	-0.59
		Japanese yen	"	+0.49
1B		Belgian franc	"	+0.17
		Italian lira	"	-0.31
		Canadian dollar	"	+0.36
2	Upper	German mark	"	+1.75
		Swiss franc	"	+2.33
		U.K. pound	"	-1.28
	Lower	Dutch guilder	"	+2.69
		Canadian dollar	"	+0.27
		French franc	"	-4.69
3	Upper	German mark	"	+2.37
		U.S. dollar	"	+1.16
	Lower	Swiss franc	"	+3.10
		French franc	"	-3.48
4		Gold price, U.S. dollar per ounce	"	40.15
5	Upper	Call Euro-\$ deposits	Oct. 22	8.90
		Federal Funds	"	8.75
	Middle	Differential	"	+0.15
	Lower	Japanese Unconditional Money	Oct. 17	8.25
		German Call Money	Oct. 24	7.25
		U.K. 2-day Local Authority Deposits	"	8.50
		French Day-to-day Money	Oct. 17	9.25

Chart	Panel	Series	Date	Rate
6	Upper	Euro-\$ Call Rate	Oct. 24	8.25
		Euro-\$ 1-month Rate	"	8.94
	Lower	Euro-\$ 3-month Rate	"	9.00
		Euro-\$ 6-month Rate	"	8.94
7	Upper	Euro-\$ 3-month Deposits	Oct. 22	9.19
		U.S. Certificate of Deposits	"	8.70
	Second	Differential	"	+0.49
	Third	Euro-\$ 3-month Deposits	"	9.19
		U.S. Certificate of Deposits (Adj.)	"	6.38
Fourth	Differential	"	+2.81	
8	Upper	Euro-\$ 3-month Deposits	Sept. 26	10.81
		Hire Purchase Deposits (covered)	"	5.29
	Second	Differential	"	-5.52
	Third	Euro-\$ 3-month Deposits	"	10.81
		Local Authority Deposits (covered)	"	4.79
Fourth	Differential	"	-6.02	
9A		U.S. Treasury Bill rate	Oct. 24	6.95
		U.K. Treasury Bill rate	"	7.61
		Local Authority Deposit (uncovered)	"	9.38
9B	Upper	Spread (+ = favor London)	Oct. 24	+0.66
		3-month Forward Pound	"	-1.38
	Lower	Net Incentive (+ = favor London)	"	-0.72
10	Upper	Euro-\$ Deposits (covered)	Oct. 22	7.25
		German Interbank Loan rate	"	7.44
	Second	Differential	"	+0.19
	Third	Euro-\$ Deposits (covered)	"	7.05
		Swiss Deposit rate	"	5.00
Fourth	Differential	"	-2.05	

IV - 3

Chart	Panel	Series	Date	Rate
11	Upper	Canadian Finance Paper	Oct. 24	8.50
		U.S. Treasury Bill rate	"	6.95
		Canadian Treasury Bill rate	"	7.38
		U.S. Prime Finance paper (not plotted)	"	7.94
	Middle	Bill rate differential	"	+0.43
		Forward Canadian dollar	"	+0.19
	Lower	Net incentive on bills	"	+0.62
		Net incentive on Finance Paper	"	+1.68
12	Upper	Euro-\$ Deposits	"	9.00
		U.K. Treasury Bill rate	"	7.61
		U.S. Treasury Bill rate	"	6.95
		Swiss 3-month Deposit rate	"	5.00
	Lower	Japanese Average rate	Aug. 31	7.36
		Canadian Treasury Bill rate	Oct. 24	7.38
		U.S. Treasury Bill rate	"	6.95
		German Interbank Loan rate	"	7.44
13	Upper	Netherlands	Oct. 17	8.15
		Canada	Oct. 22	7.69
		United States	Oct. 24	5.91
		Switzerland	Oct. 17	5.30
	Middle	Germany	"	7.06
		United Kingdom	"	8.77
		Euro-dollar bonds	Oct. 24	7.24
	Lower	U.S. Corp. Dollar Euro-bonds	Sept. 30	7.72
		U.S. Corp. DM Euro-bonds	"	6.47
		U.S. Corp. Aaa bonds	"	7.14

27

IV - 4

Chart	Panel	Series	Date	Rate
14	Upper	Switzerland	Oct. 24	409.8
		Germany	Oct. 17	297.8
		United States	Oct. 24	217.5
		United Kingdom	"	206.4
	Lower	Japan	Oct. 17	364.9
		Canada	"	223.0
United States		Oct. 24	217.5	