

March 4, 1970 No. 444

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

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FEDERAL RESERVE BANK OF ST. LOUIS

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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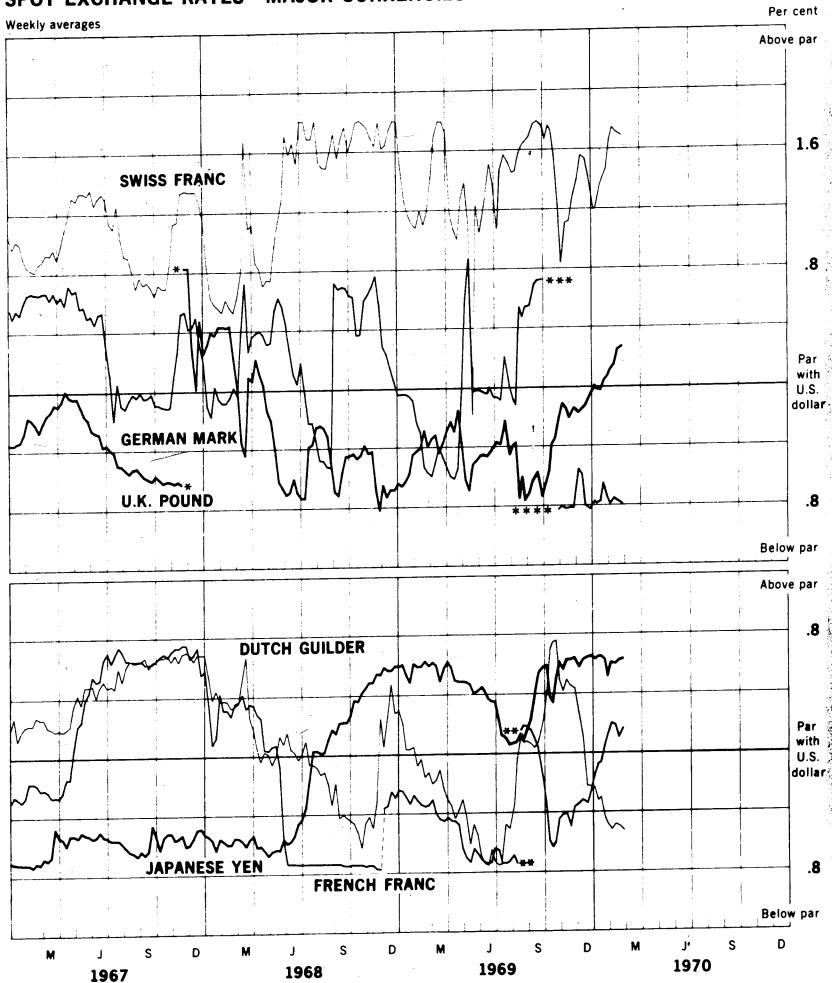
PART IV. LATEST FIGURES PLOTTED ON THE CHARTS

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.

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.
 ** Devaluation of the French franc from 4.94 to 5.55 for \$1.00.
 *** DM rate not supported by the Bundesbank
 **** Revaluation of the DM from 25.00 to 27.32 in U.S. cents.

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

Weekly averages

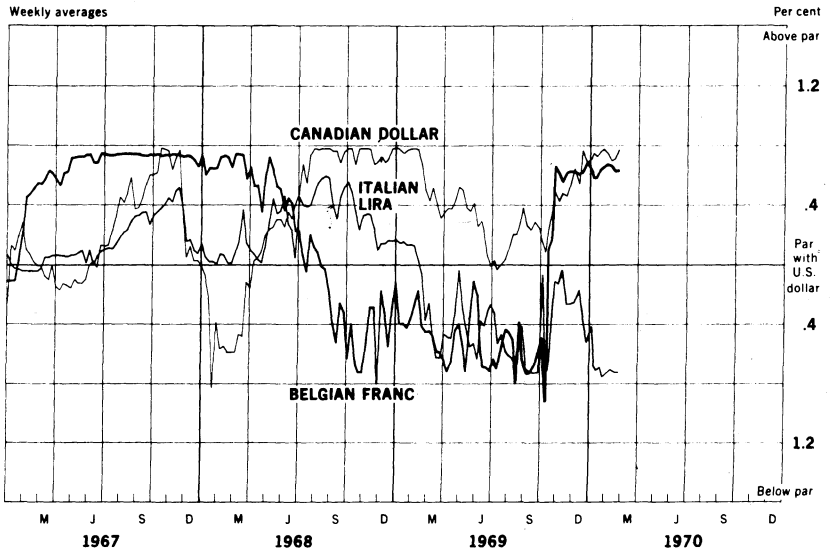


Chart 2A

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

Weekly averages

Per cent per annum

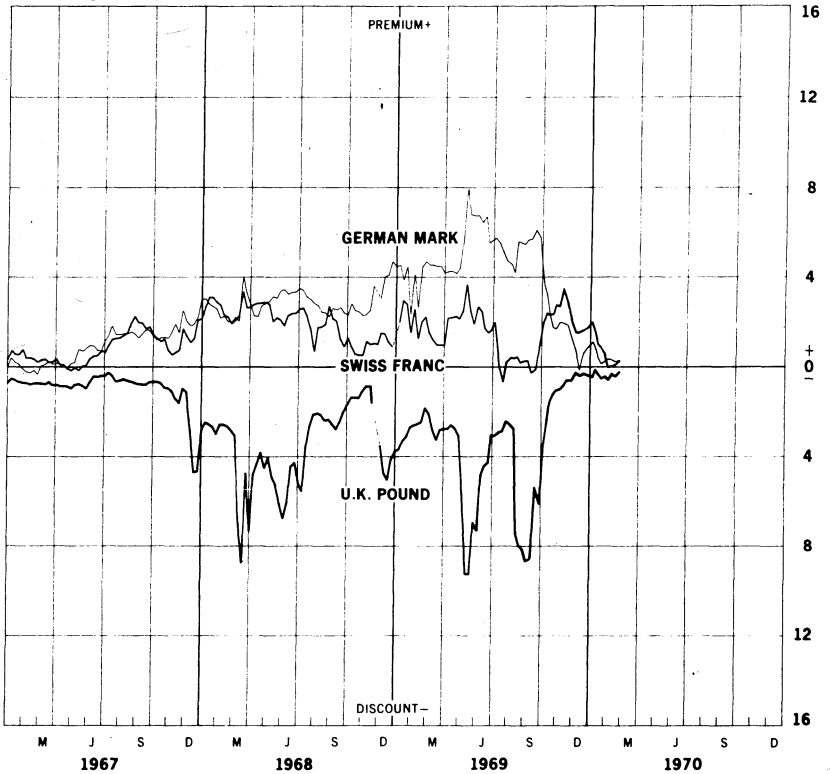
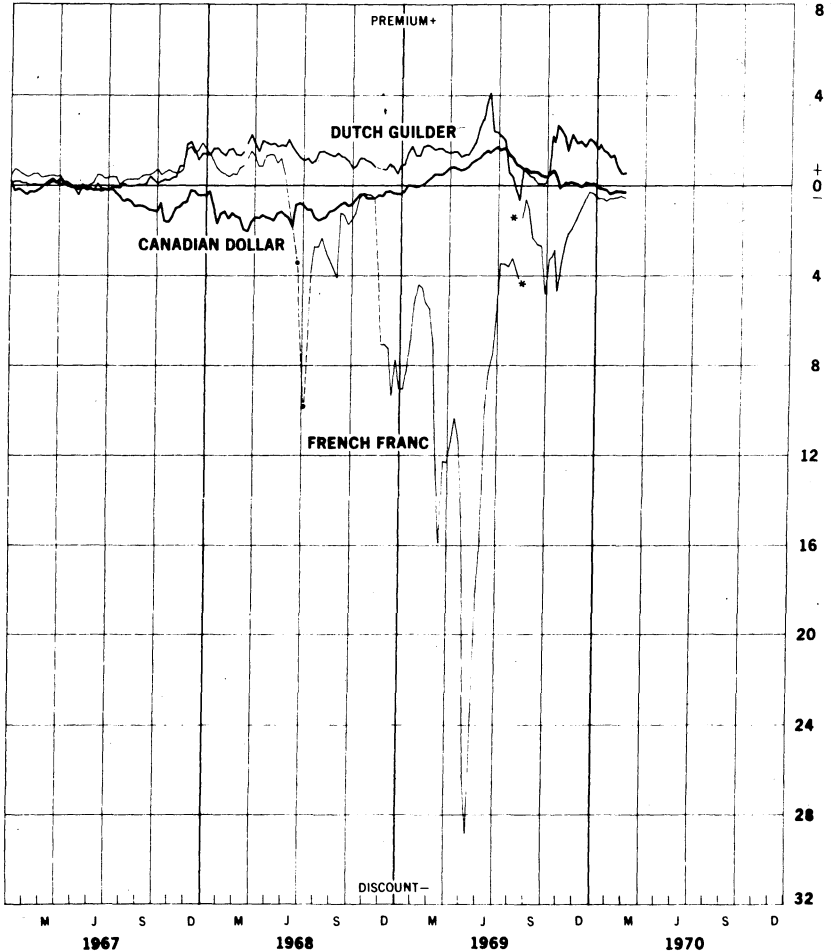


Chart 2B

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

Weekly averages

Per cent per annum



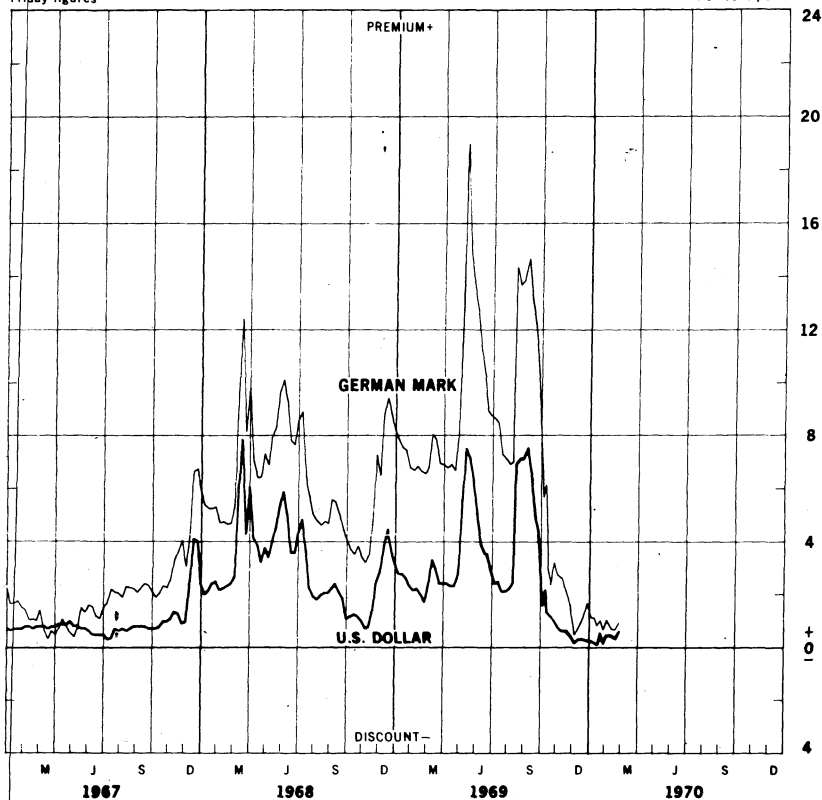
* Devaluation of the French franc from 4.94 to 5.55 for \$1.00.

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Chart 3A

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

Friday figures

Per cent per annum

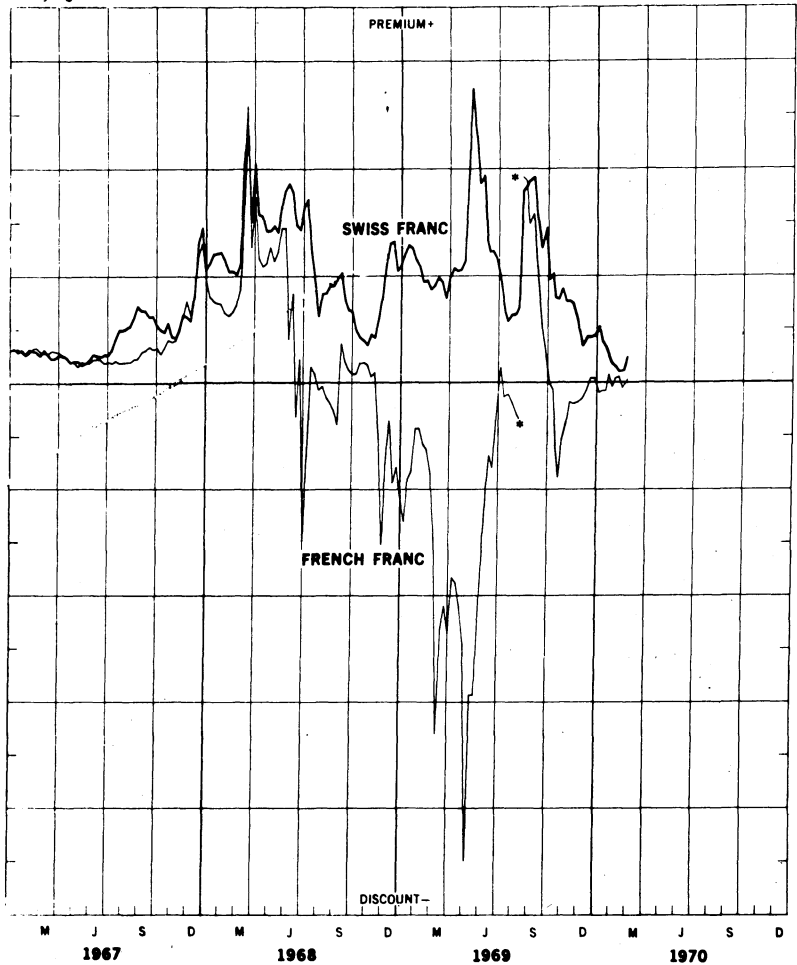


3-MONTH FORWARD EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.K. POUND

Friday figures

Per cent per annum

12
8
4
+
0
-
4
8
12
16
20



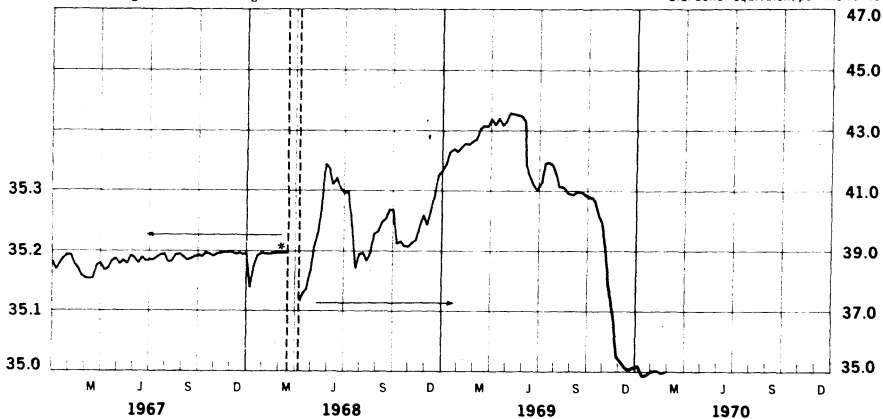
* Devaluation of the French franc from 4.94 to 5.55 for \$1.00

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

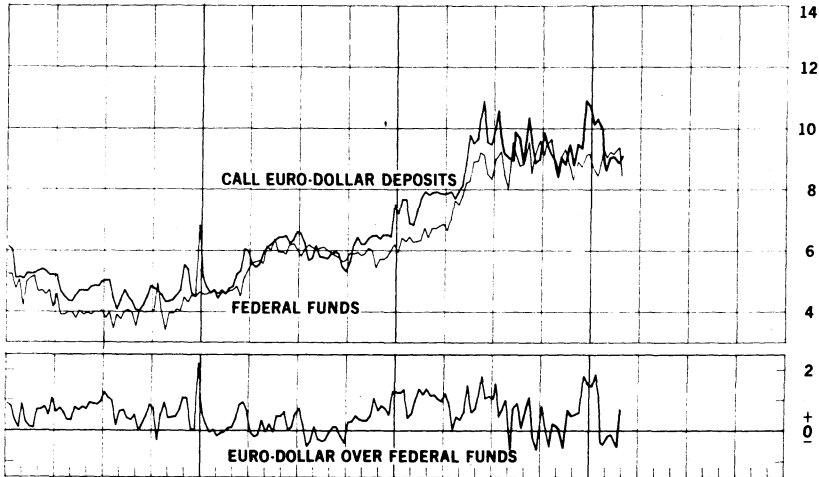
Chart 5

CALL MONEY RATES

DOLLAR FUNDS

Weekly averages

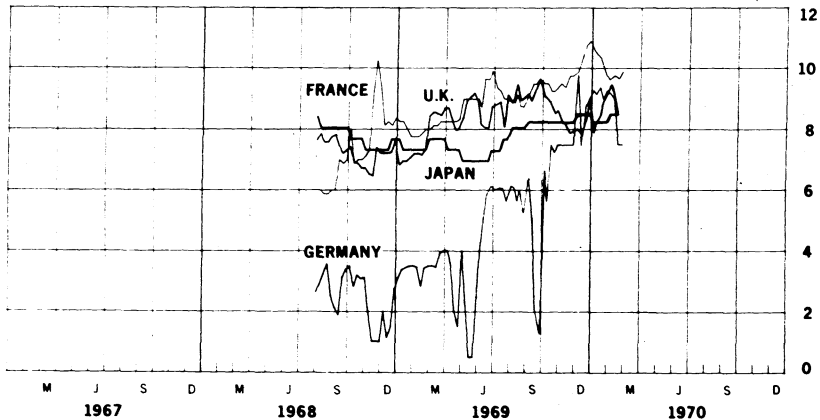
Per cent per annum



FOREIGN CURRENCIES *

Friday figures

Per cent per annum



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

CHART 6A

LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum

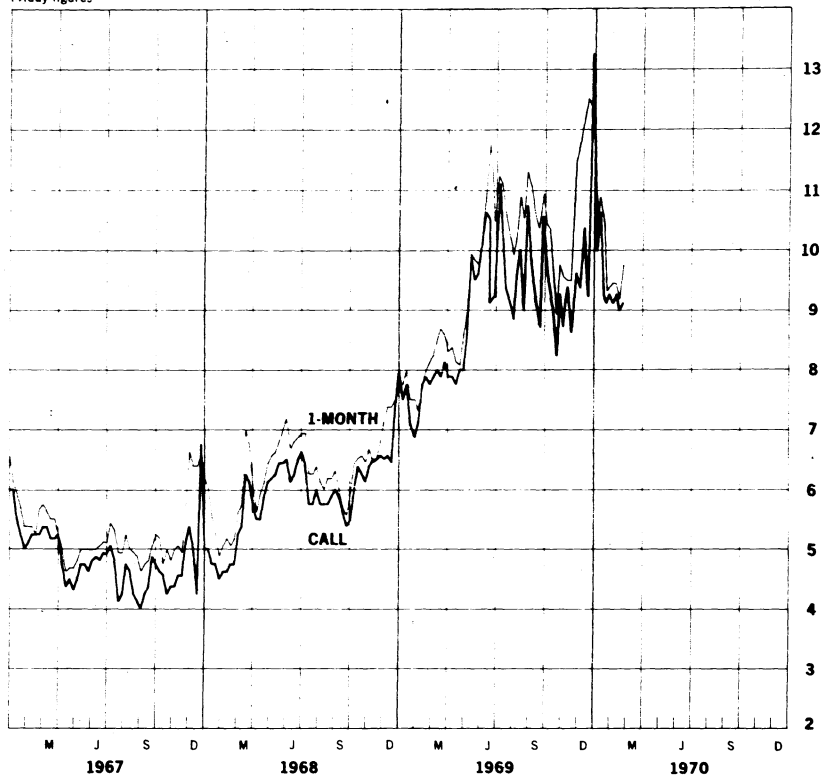


CHART 6B

LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum

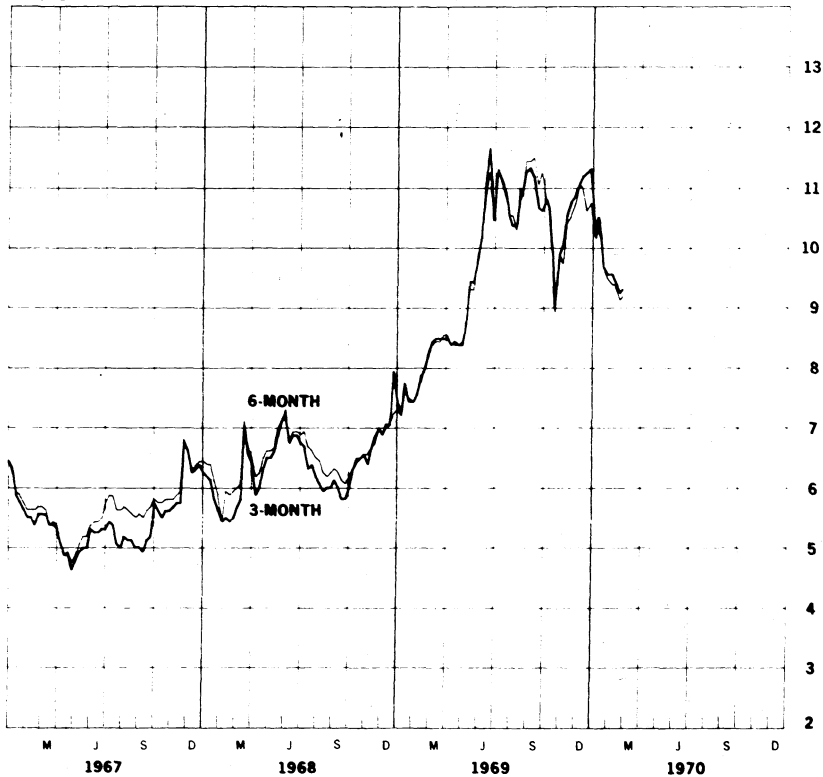


Chart 7A

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

3-MONTH DOLLAR DEPOSIT RATES—SECONDARY MARKET
Wednesday figures

Per cent per annum

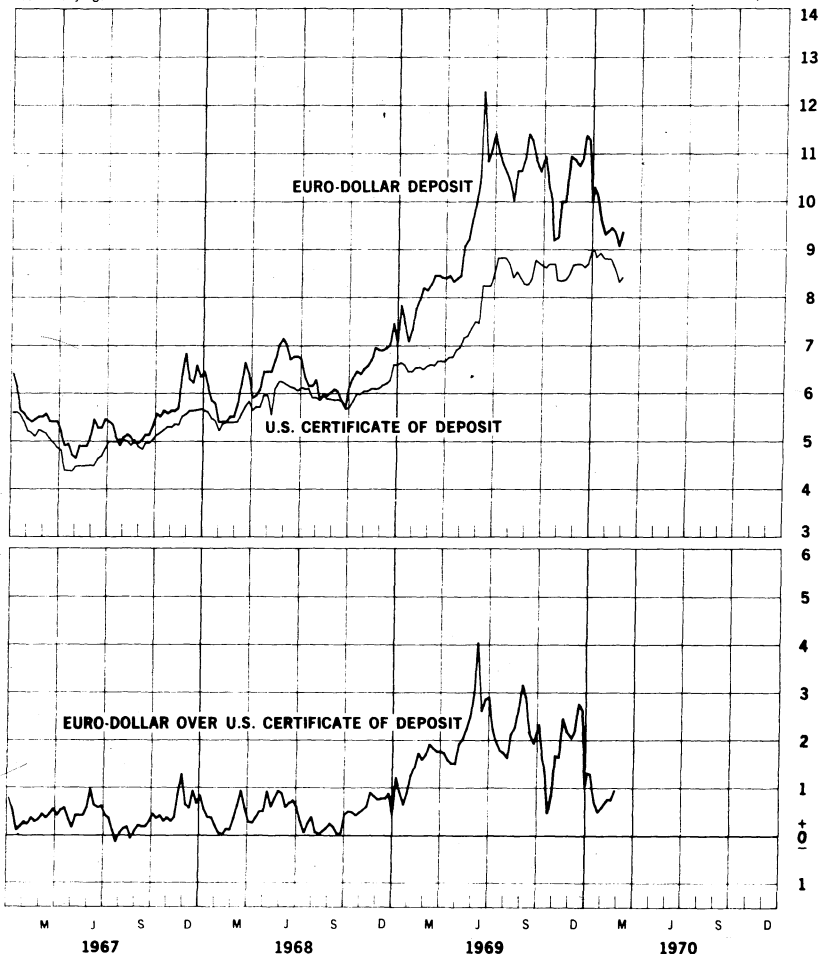


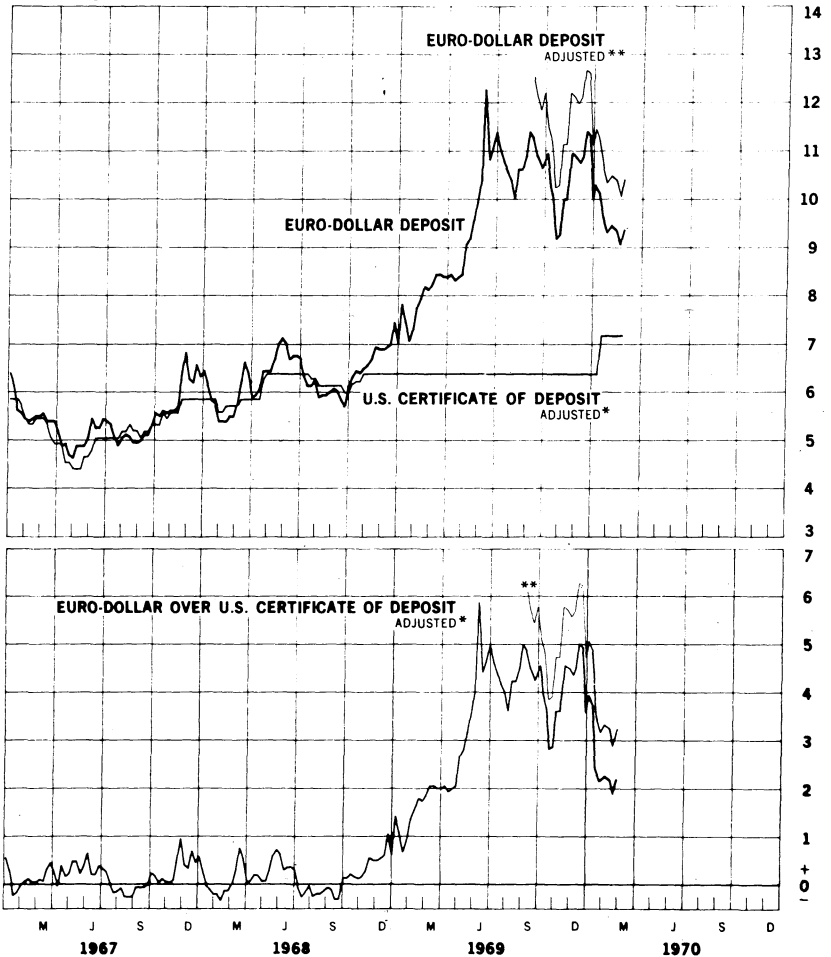
Chart 7B

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

** Adjusted for 10% Marginal Reserve Requirement

CHART 8A

LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

HIRE PURCHASE AND EURO-DOLLAR RATES

Friday figures

Per cent per annum

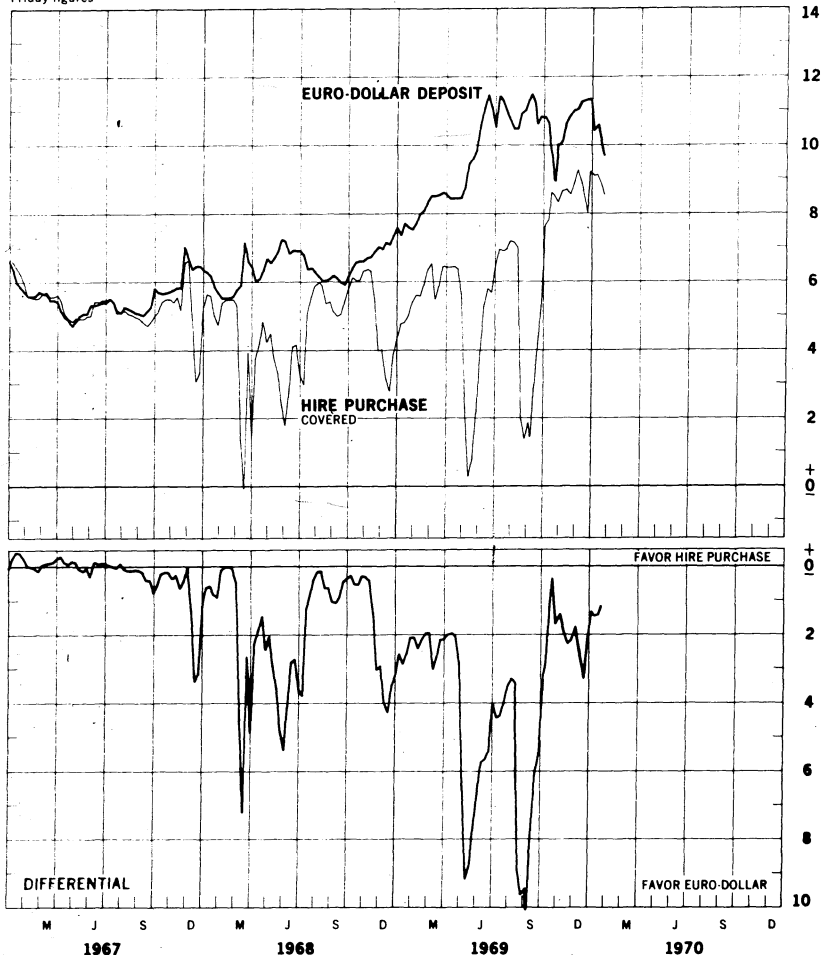


CHART 8B

LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

LOCAL AUTHORITY AND EURO-DOLLAR RATES

Friday figures

Per cent per annum

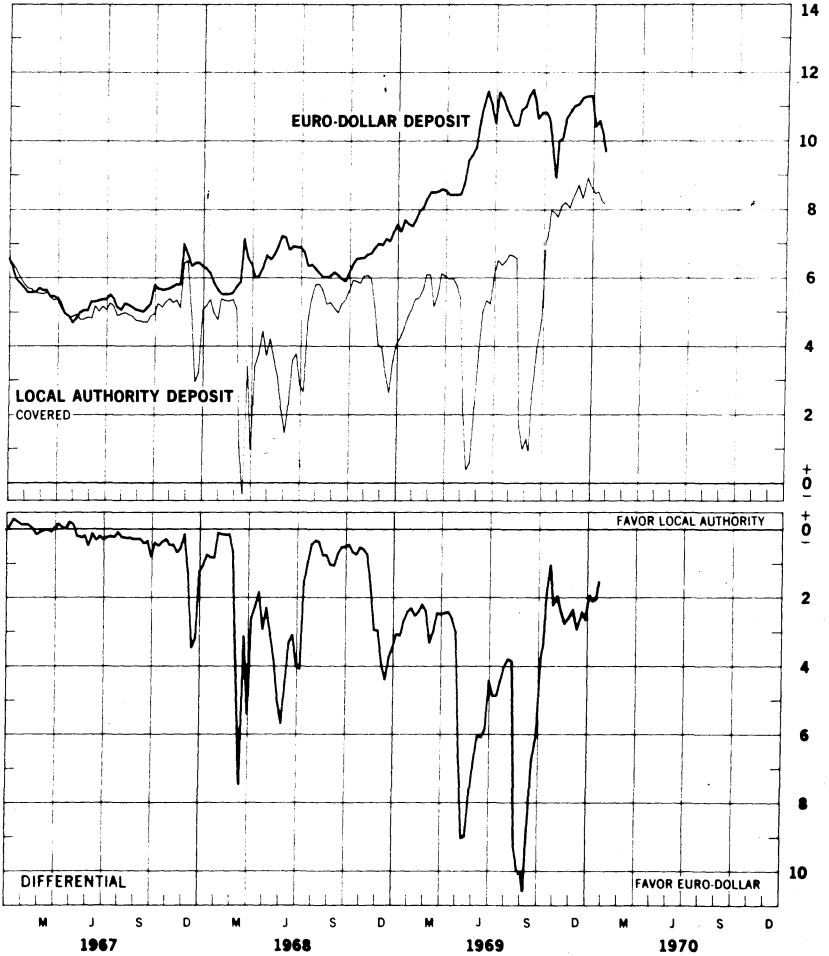
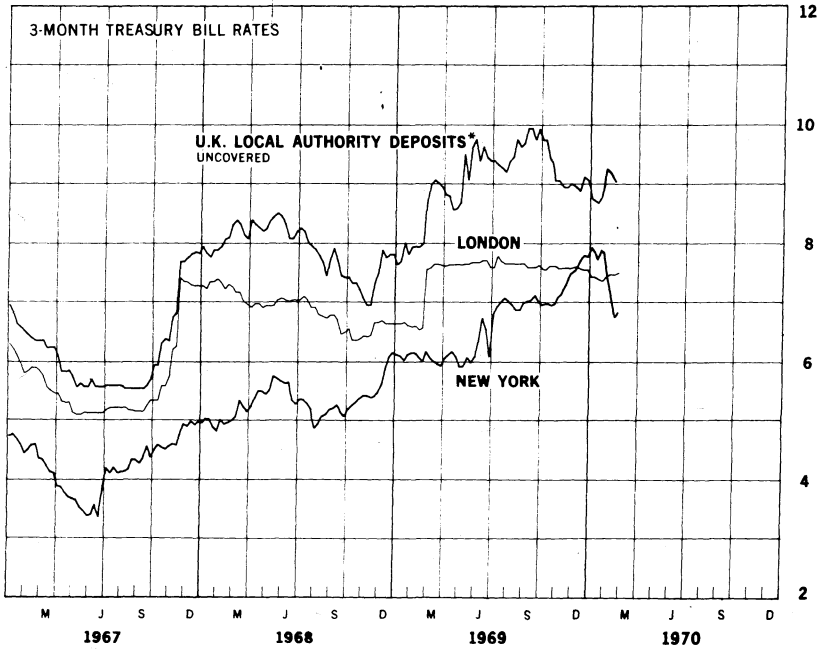


Chart 9A

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

Per cent per annum



* Plotted for comparison purposes

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

Per cent per annum

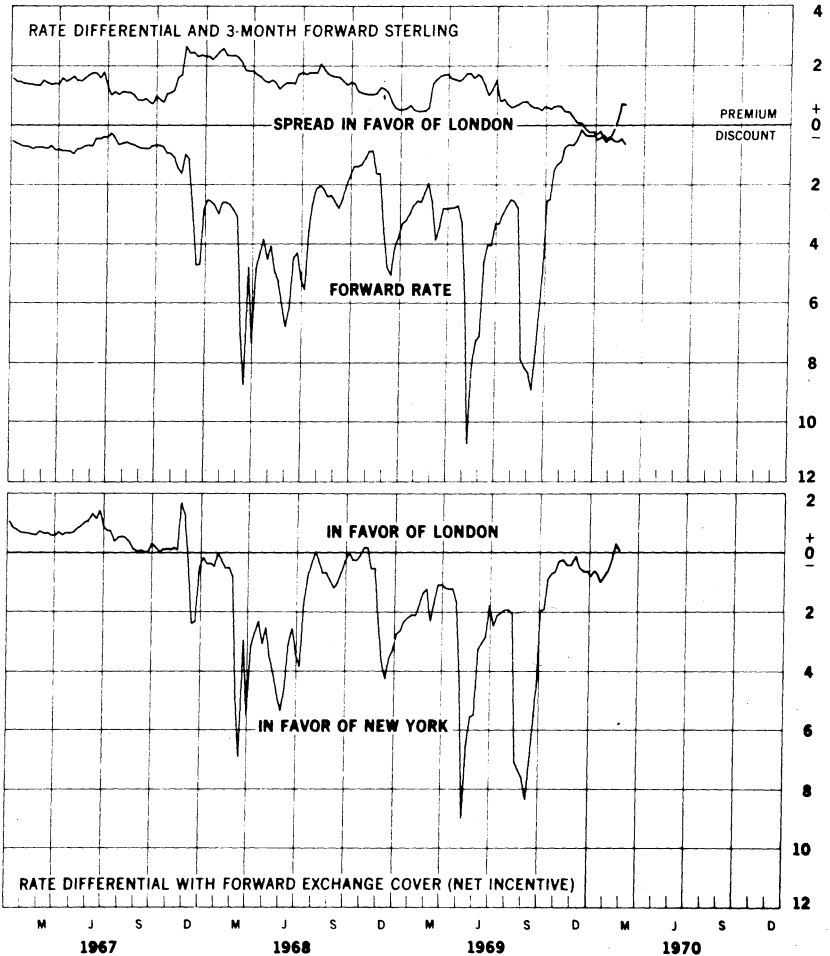


Chart 10A

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

FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates

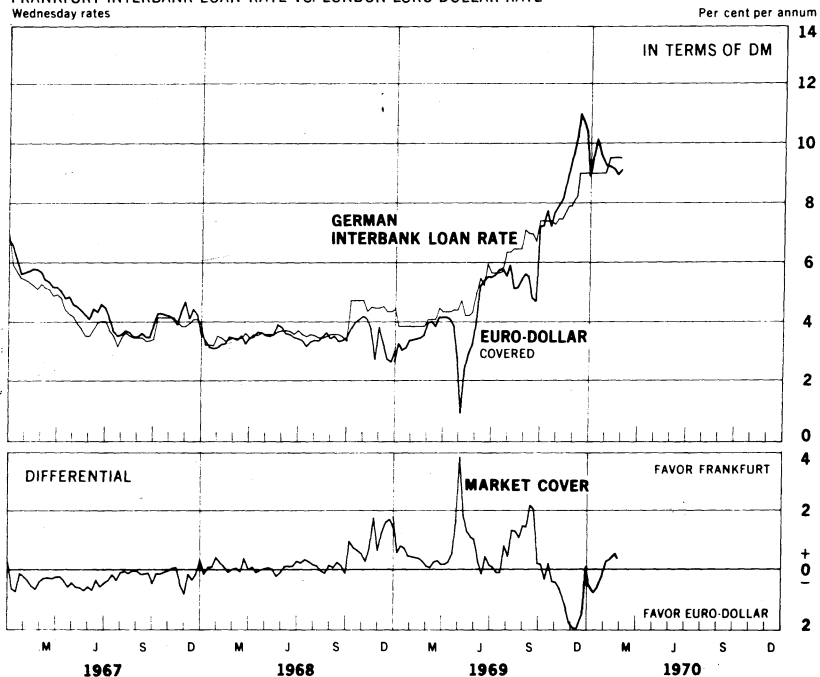


Chart 10B

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

ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates

Per cent per annum

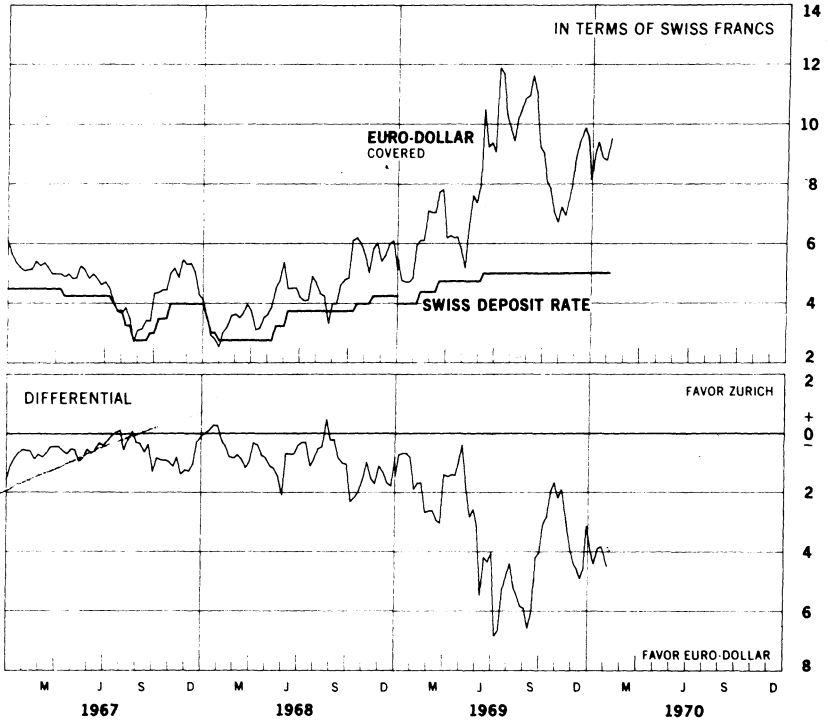


Chart 11

3-MONTH INTEREST ARBITRAGE: UNITED STATES - CANADA

Friday figures

Per cent per annum

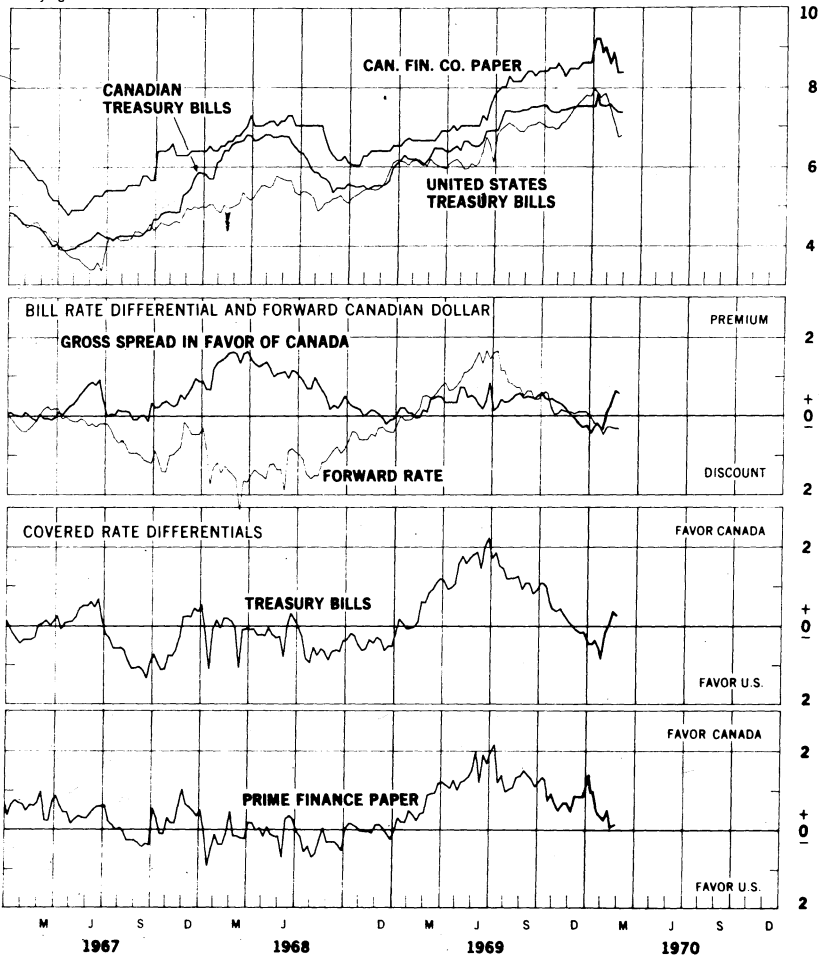
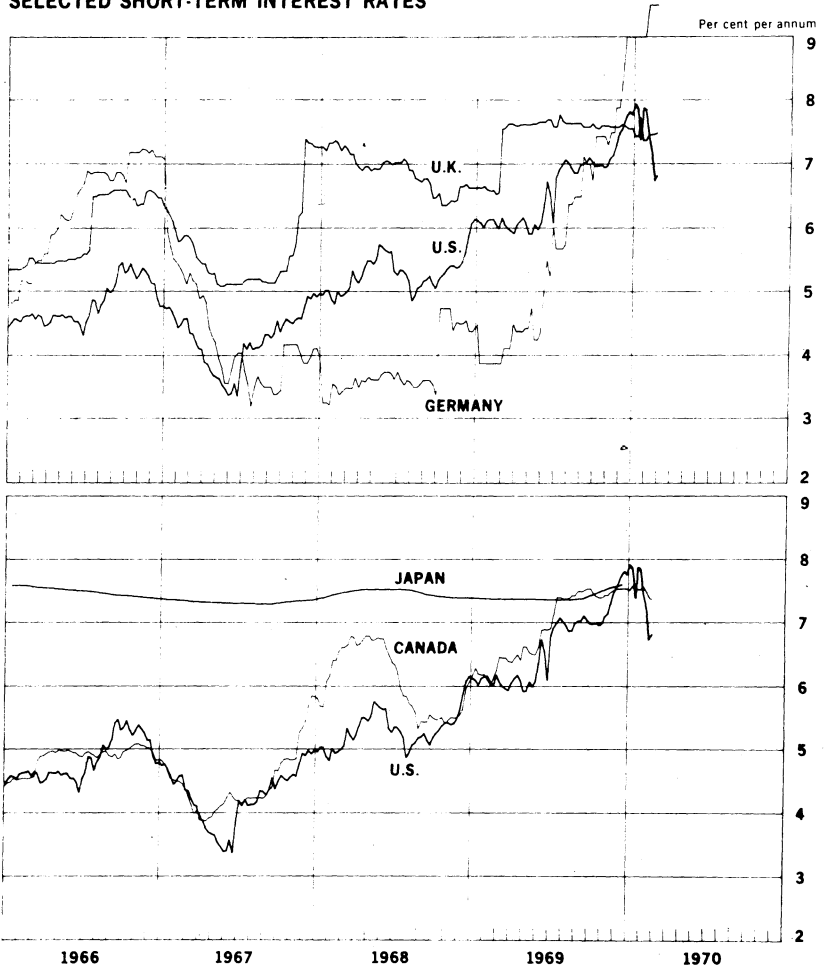


Chart 12A

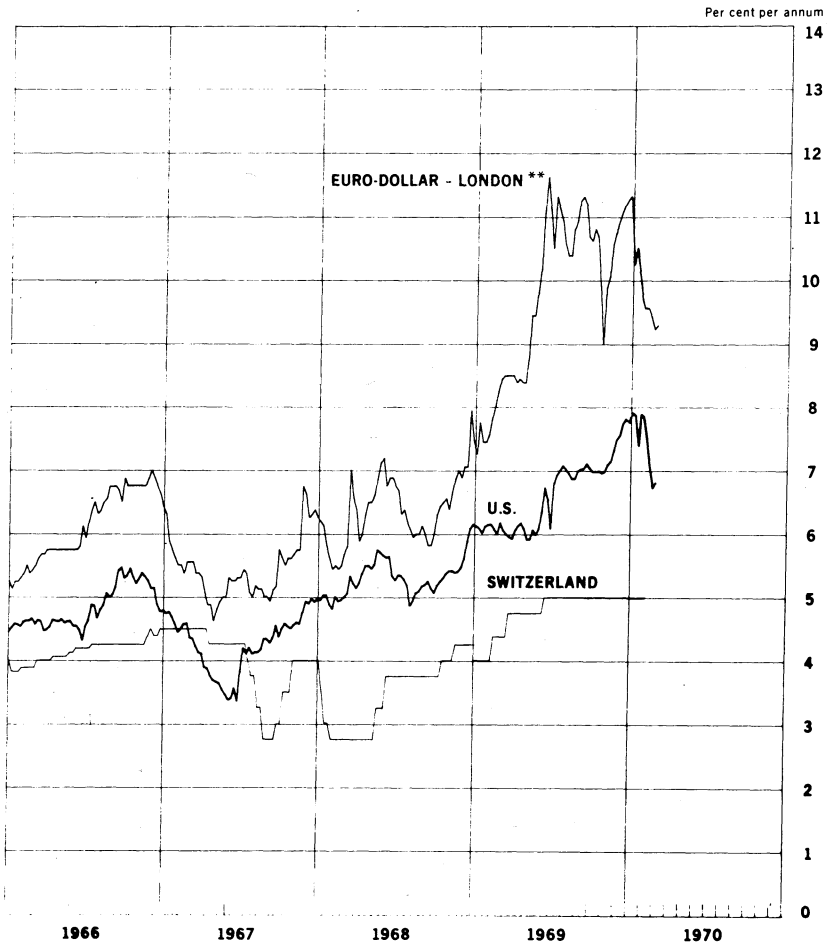
SELECTED SHORT-TERM INTEREST RATES*



* 3-month treasury bill rates for all countries except Japan (Average rate on bank loans and discounts) and Germany (Interbank Loan Rate)

Chart 12B

SELECTED SHORT-TERM INTEREST RATES *



* 3-month treasury bill rate for U.S., Switzerland—3-month deposit rate.

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

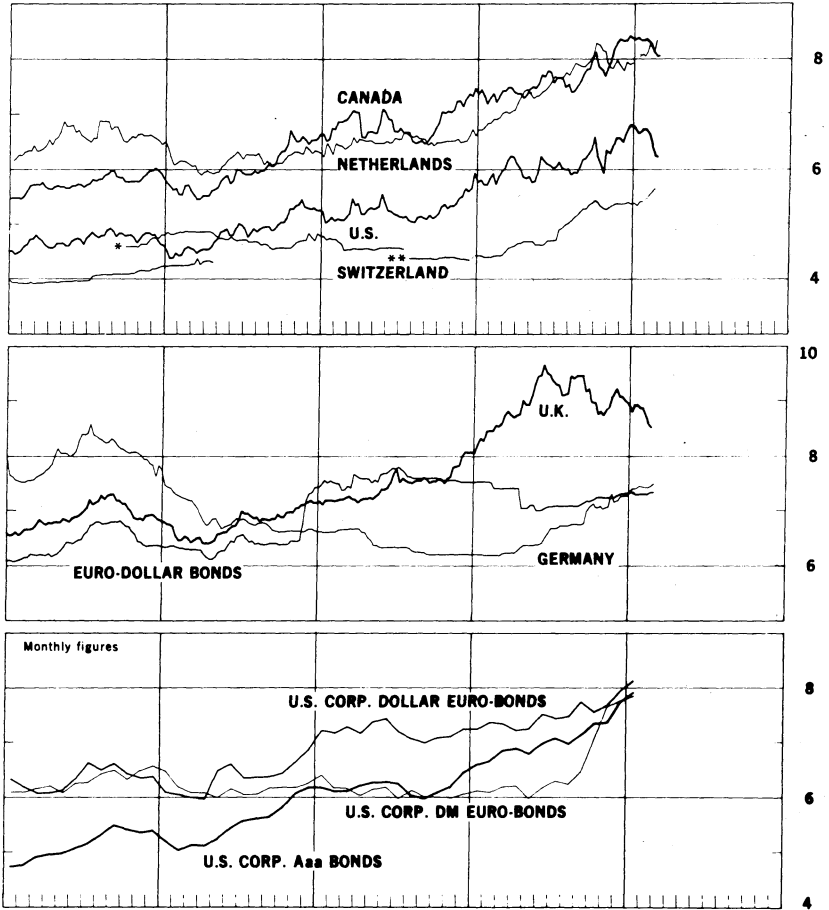
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Chart 13

LONG-TERM BOND YIELDS

Weekly figures

Per cent per annum



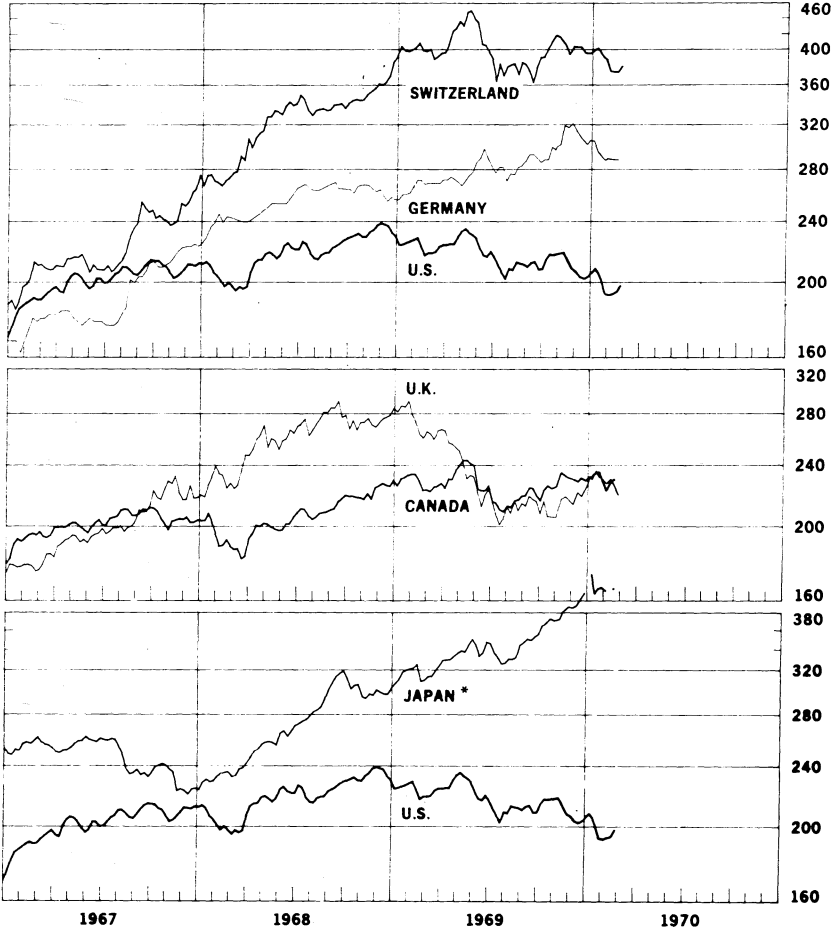
Monthly figures

* 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

IV. LATEST FIGURES PLOTTED ON THE CHARTS

Chart	Panel	Series	Date	Rate
1A	Upper	Swiss franc	Feb. 27	+1.69
		German mark	"	-0.80
		U.K. pound	"	+0.27
	Lower	Dutch guilder	"	-0.52
		French franc	"	+0.17
		Japanese yen	"	+0.64
1B		Belgian franc	"	+0.63
		Italian lira	"	-0.72
		Canadian dollar	"	+0.77
2A		German mark	"	+0.28
		Swiss franc	"	+0.27
		U.K. pound	"	-0.21
2B		Dutch guilder	"	+0.57
		Canadian dollar	"	-0.28
		French franc	"	-0.54
3A		German mark	"	+0.90
		U.S. dollar	"	+0.62
3B		Swiss franc	"	+0.98
		French franc	"	+0.11
4		Gold price, U.S. dollar per ounce	"	35.00
5	Upper	Call Euro-\$ deposits	Feb. 25	9.12
		Federal Funds	"	8.41
	Middle	Differential	"	+0.71
	Lower	Japanese Unconditional Money	Feb. 20	8.50
		German Call Money	Feb. 27	7.50
		U.K. 2-day Local Authority Deposits	Feb. 20	8.50
		French Day-to-day Money	Feb. 27	9.88

Chart	Panel	Series	Date	Rate
6A		Euro-\$ Call Rate	Feb. 27	9.12
		Euro-\$ 1-month Rate	"	9.75
6B		Euro-\$ 3-month Rate	"	9.31
		Euro-\$ 6-month Rate	"	9.19
7A	Upper	Euro-\$ 3-month Deposits	Feb. 25	9.38
		U.S. Certificate of Deposits	"	8.41
	Lower	Differential	"	+0.97
7B	Upper	Euro-\$ 3-month Deposits	"	9.38
		Euro-\$ 3-month Deposits (Adj.)	"	10.42
		U.S. Certificate of Deposits (Adj.)	"	7.18
	Lower	Differential: on Adj. Euro-\$ Deposits	"	+3.24
		on Unadj. Euro-\$ Deposits	"	+2.20
8A	Upper	Euro-\$ 3-month Deposits	Jan. 23	9.69
		Hire Purchase Deposits (covered)	"	8.53
	Lower	Differential	"	-1.16
8B	Upper	Euro-\$ 3-month Deposits	"	9.69
		Local Authority Deposits (covered)	"	8.15
	Lower	Differential	"	-1.54
9A		U.S. Treasury Bill rate	Feb. 27	6.82
		U.K. Treasury Bill rate	"	7.49
		Local Authority Deposit (uncovered)	Feb. 20	9.03
9B	Upper	Spread (+ favor London)	Feb. 27	+0.67
		3-month Forward Pound	"	-0.64
	Lower	Net Income (+ favor London)	"	+0.03

Chart	Panel	Series	Date	Rate
10A	Upper	Euro-\$ Deposits (covered)	Feb. 25	9.15
		German Interbank Loan rate	"	9.50
	Lower	Differential	"	+0.35
10B	Upper	Euro-\$ Deposits (covered)	Feb. 4	9.53
		Swiss Deposit rate	"	5.00
	Lower	Differential	"	-4.53
11	Upper	Canadian Finance Paper	Feb. 27	8.38
		U.S. Treasury Bill rate	"	6.82
		Canadian Treasury Bill rate	"	7.38
		U.S. Prime Finance paper (not plotted)	"	7.93
	Second	Bill rate differential	"	+0.56
		Forward Canadian dollar	"	-0.30
	Third	Net incentive on bills	"	+0.26
	Bottom	Net incentive on Finance Paper	"	+0.15
12A	Upper	U.K. Treasury Bill rate	"	7.49
		U.S. Treasury Bill rate	"	6.82
		German Interbank Loan rate	"	9.50
	Lower	Japanese Average rate	Dec. 26	7.61
		Canadian Treasury Bill rate	Feb. 27	7.38
		U.S. Treasury Bill rate	"	6.82
12B		Euro-\$ Deposits	"	9.31
		Swiss 3-month Deposit rate	Feb. 6	5.00
		U.S. Treasury Bill rate	Feb. 27	6.82

Chart	Panel	Series	Date	Rate
13	Upper	Netherlands	Feb. 20	8.36
		Canada	Feb. 25	8.07
		United States	Feb. 27	6.23
		Switzerland	Feb. 20	5.66
	Middle	Germany	Feb. 27	7.50
		United Kingdom	Feb. 20	8.52
		Euro-dollar bonds	Feb. 27	7.35
	Lower	U.S. Corp. Dollar Euro-bonds	Jan. 30	8.14
		U.S. Corp. DM Euro-bonds	"	7.85
U.S. Corp. Aaa bonds		"	7.91	
14	Upper	Switzerland	Feb. 27	381.0
		Germany	Feb. 23	288.6
		United States	Feb. 27	198.09
	Middle	United Kingdom	"	218.6
		Canada	Feb. 19	229.3
	Lower	Japan	Feb. 20	404.3
		United States	Feb. 27	198.09