

April 1, 1970 No. 448

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

Attley 1.
Ramsey

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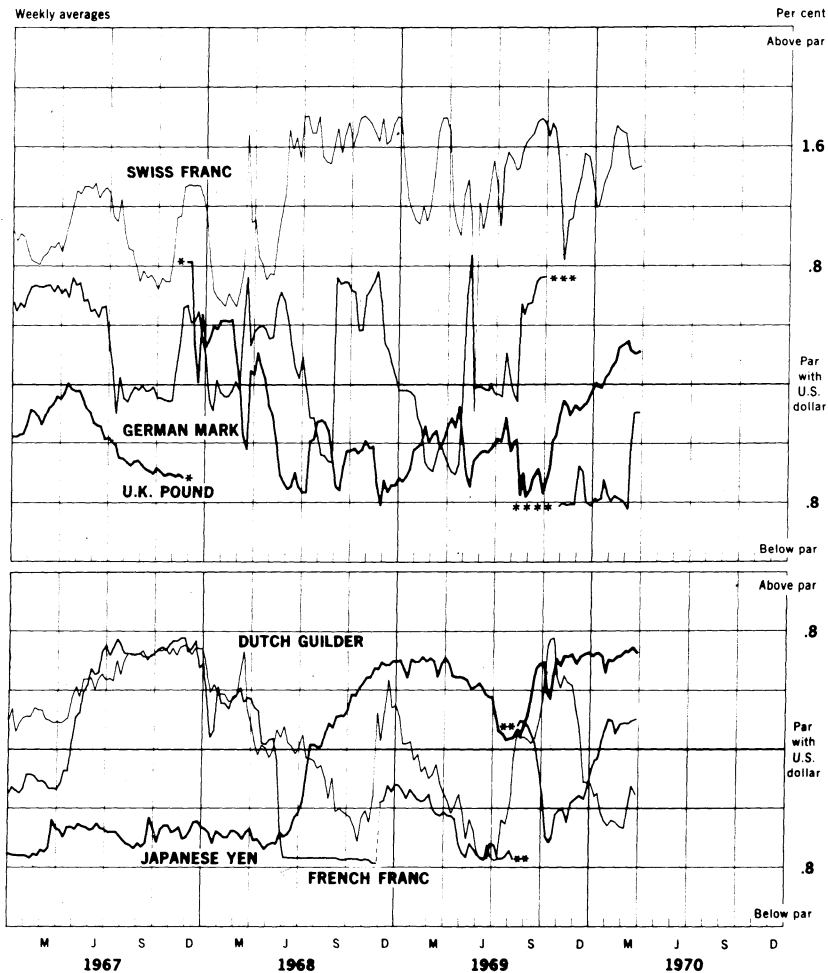
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NOTE: This series is a continuation of the CAPITAL MARKETS DEVELOPMENTS ABROAD, which has been published under that title through December 31, 1968. The changes in the format and order of the charts are fully explained in the Supplement to the series,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

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.

Chart 1B

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

Weekly averages

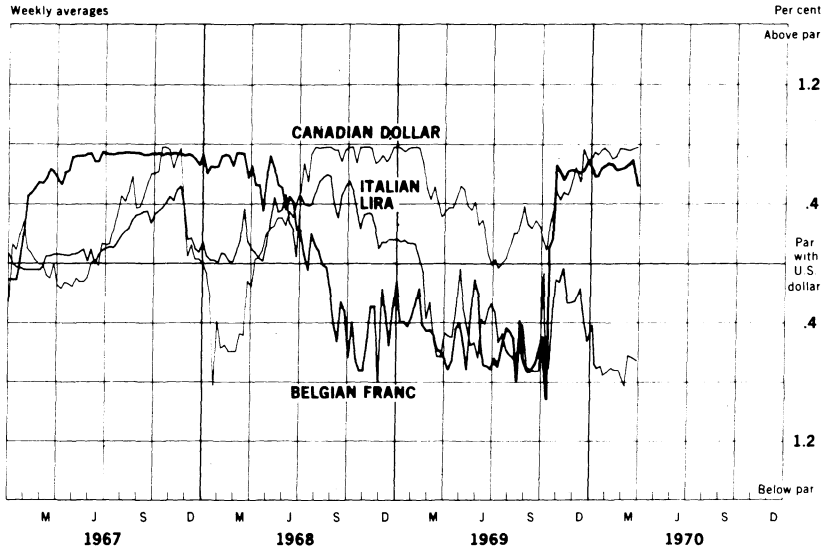


Chart 2A

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

Per cent per annum

Weekly averages

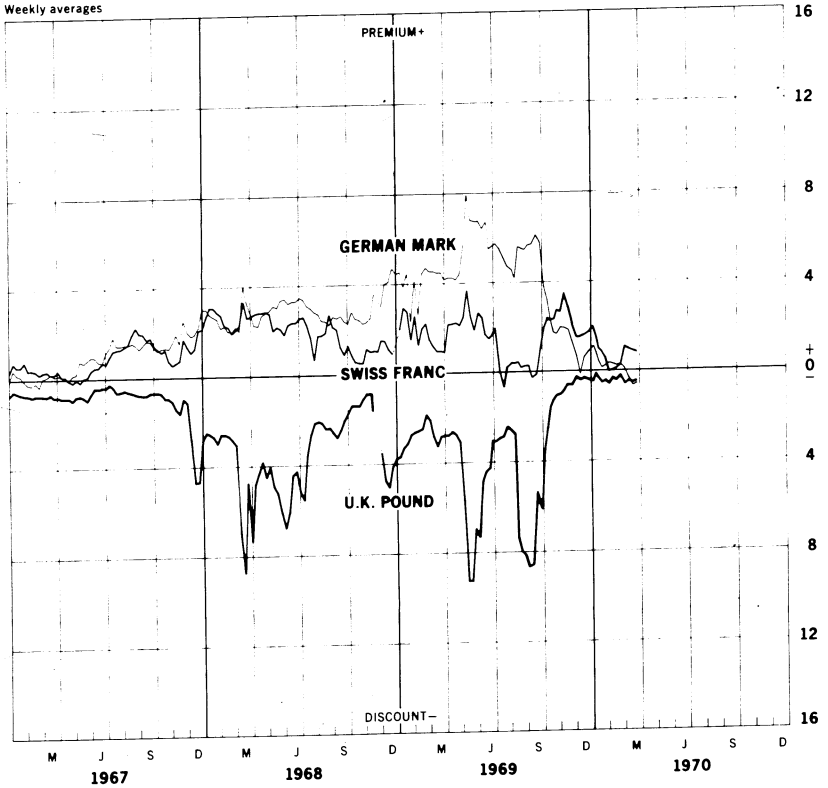
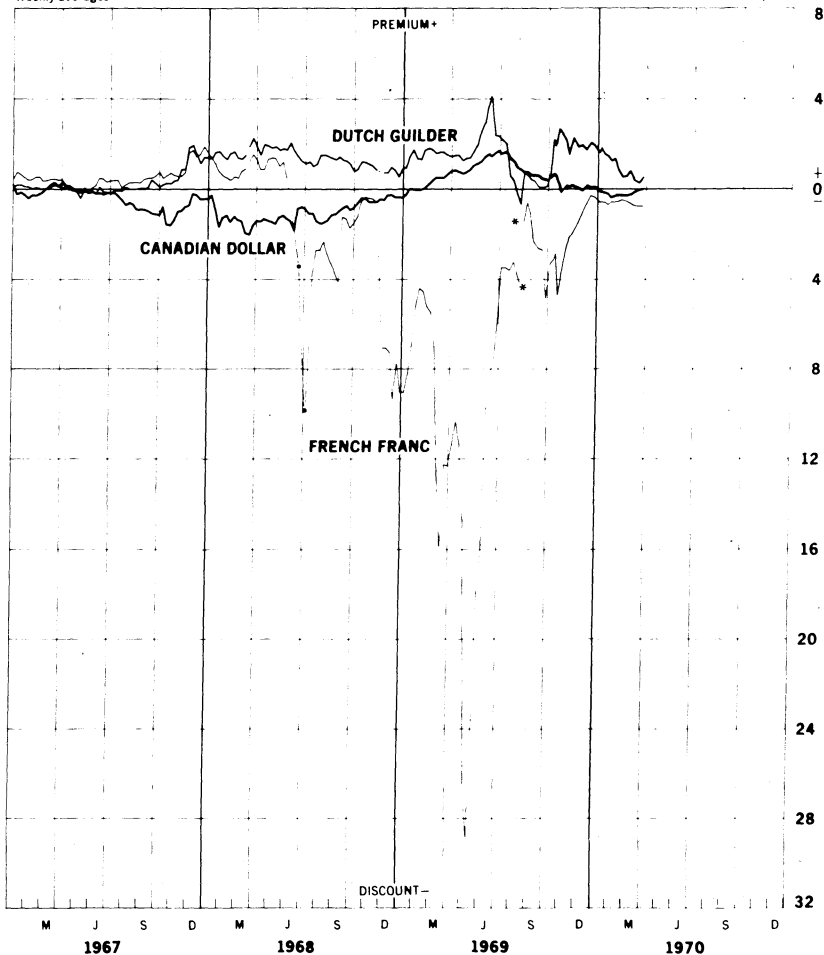


Chart 2B

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

Weekly averages

Per cent per annum

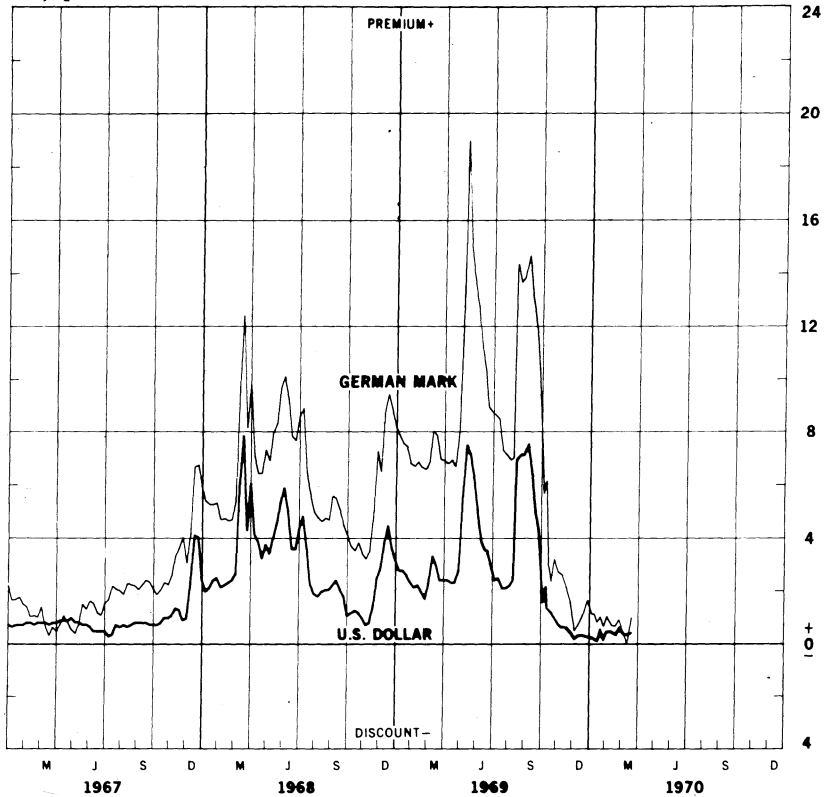


* Devaluation of the French franc from 4.94 to 5.55 for \$1.00.

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

Friday figures

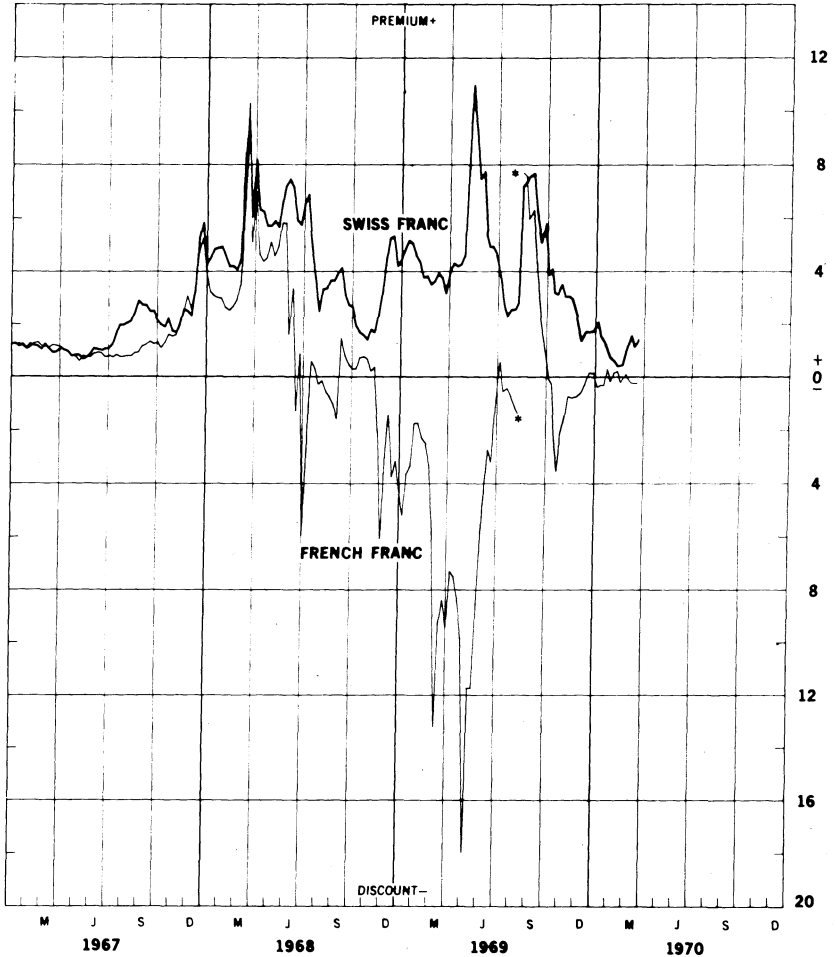
Per cent per annum



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

Friday figures

Per cent per annum



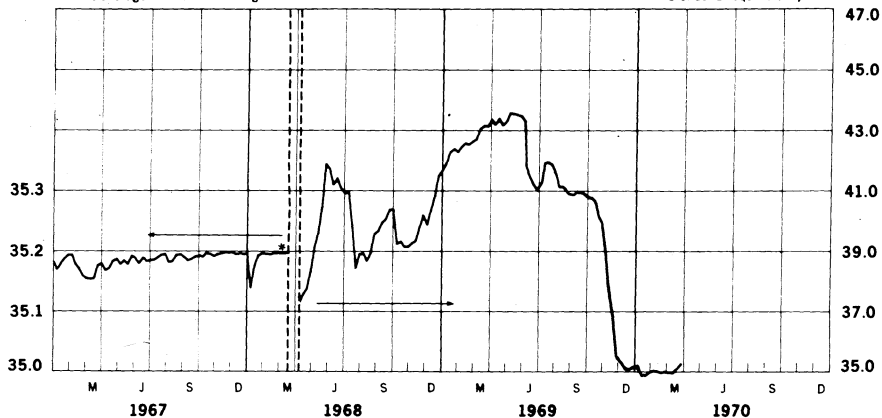
* Devaluation of the French franc from 4.94 to 5.55 for \$1.00

Chart 4

GOLD PRICE IN LONDON, 12.5 Kg BARS

Week's average of afternoon fixings

U.S. dollar equivalent per fine ounce

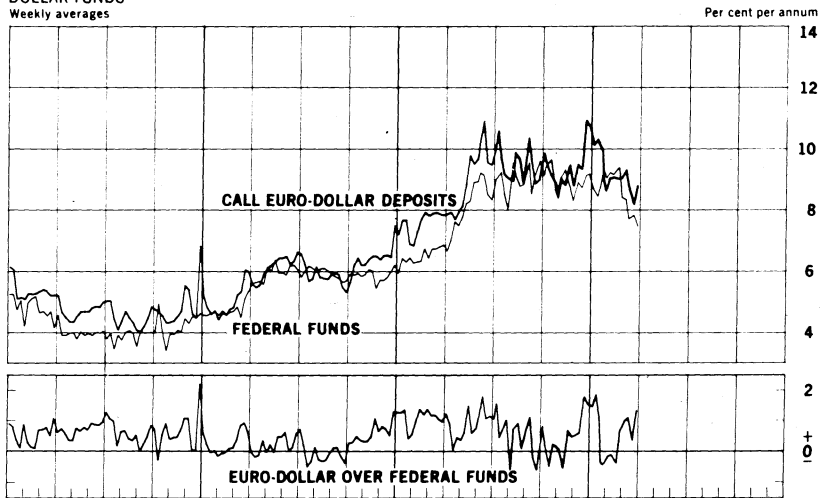


* Market closed March 15-April 1, 1968

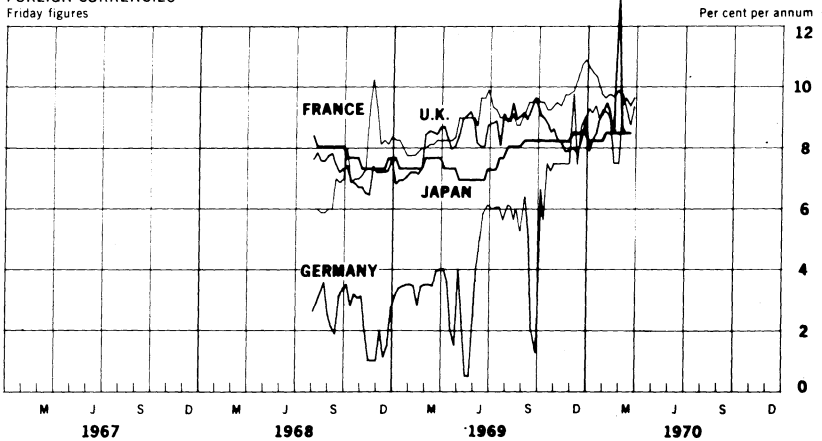
Chart 5

CALL MONEY RATES

DOLLAR FUNDS
Weekly averages



FOREIGN CURRENCIES *
Friday figures



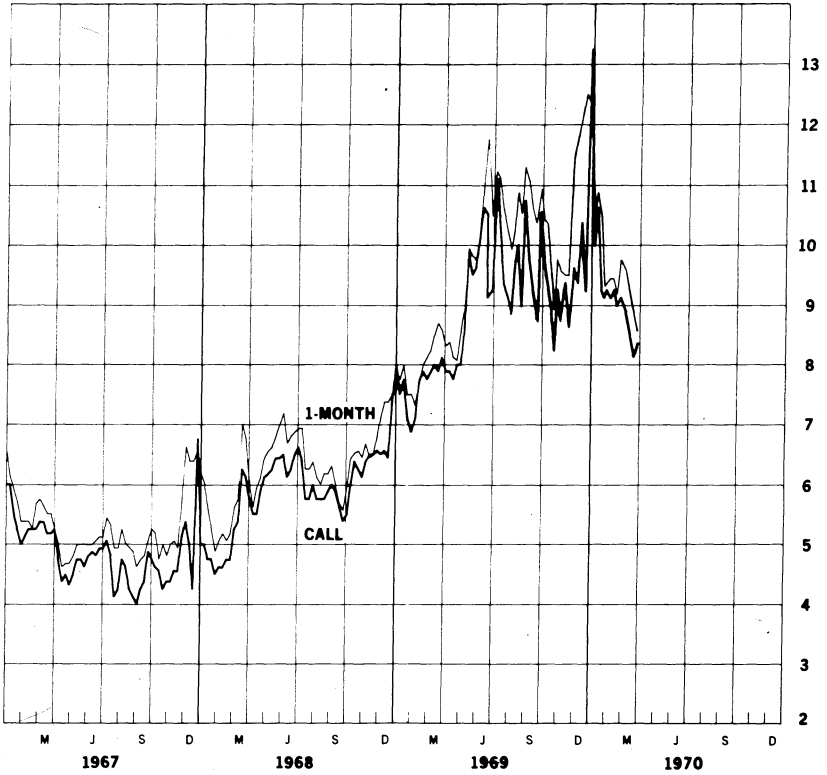
* Germany, Call Money; U.K., 2-day Local Authority Deposits; Japan, Unconditional Money; France, Day-to-day Money.

CHART 6A

LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum



LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum

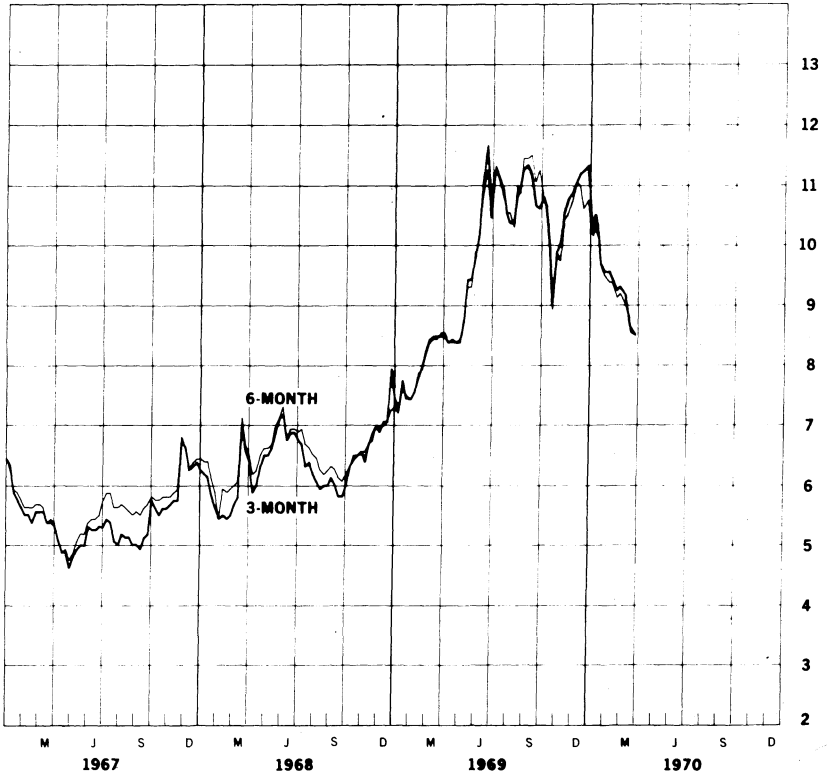


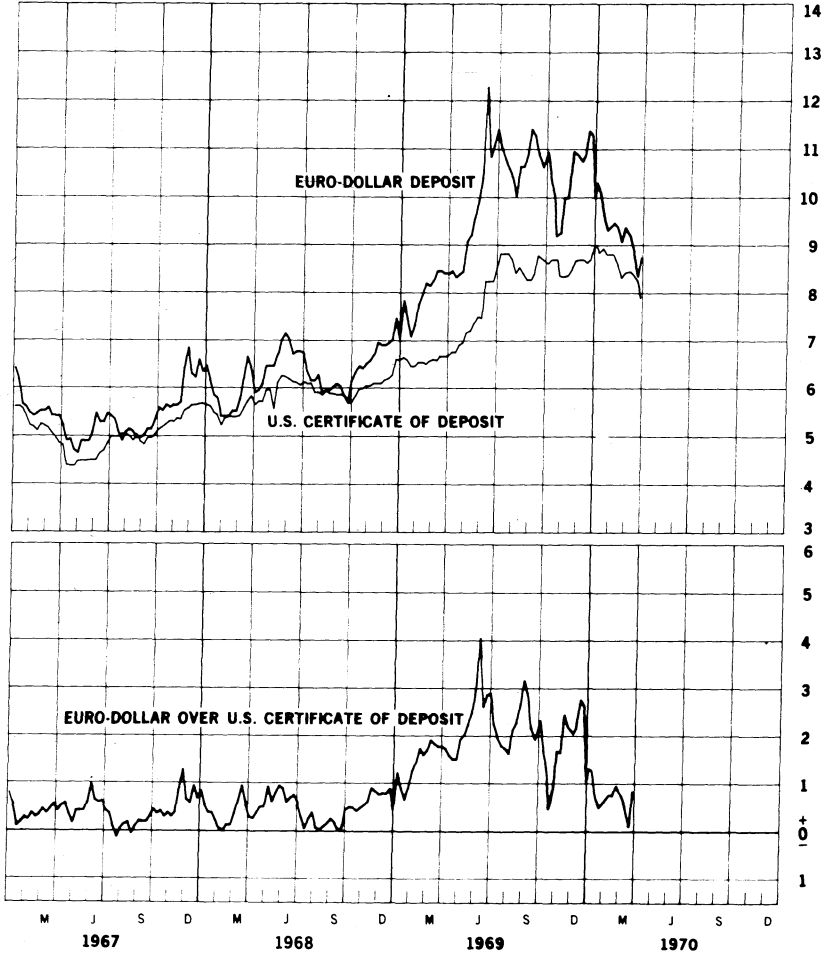
Chart 7A

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

3-MONTH DOLLAR DEPOSIT RATES—SECONDARY MARKET

Wednesday figures

Per cent per annum

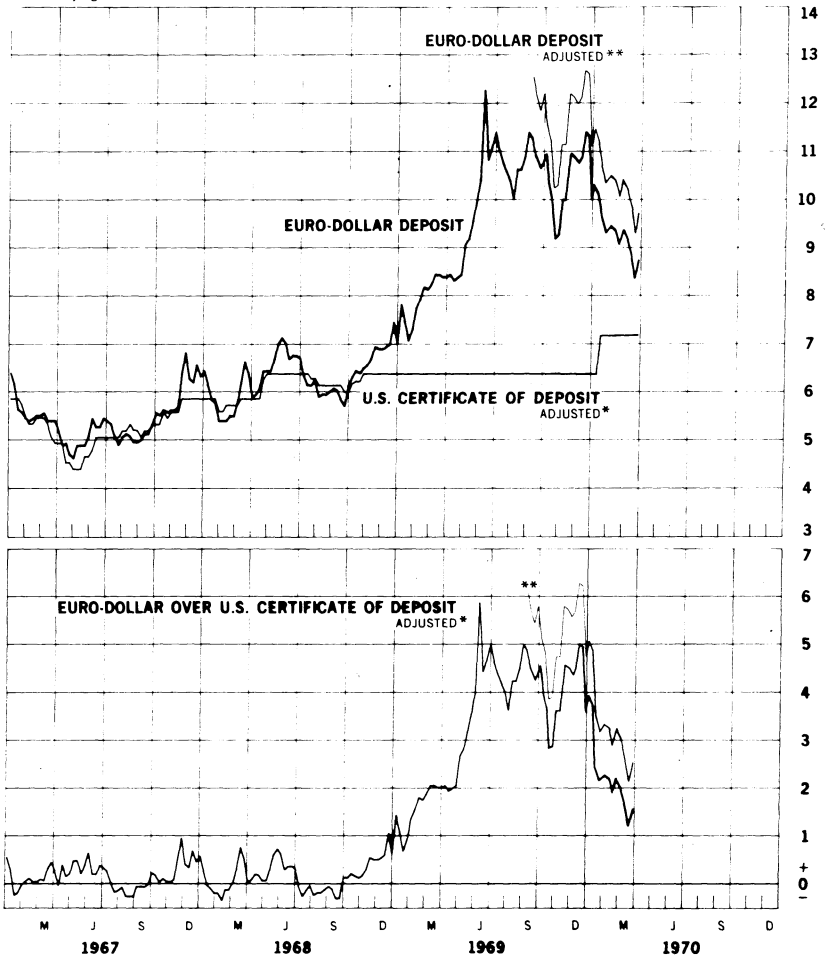


NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS

3-MONTH DOLLAR DEPOSIT RATES—PRIMARY MARKET

Wednesday figures

Per cent per annum



* Adjusted for Reserve Requirement

** Adjusted for 10% Marginal Reserve Requirement

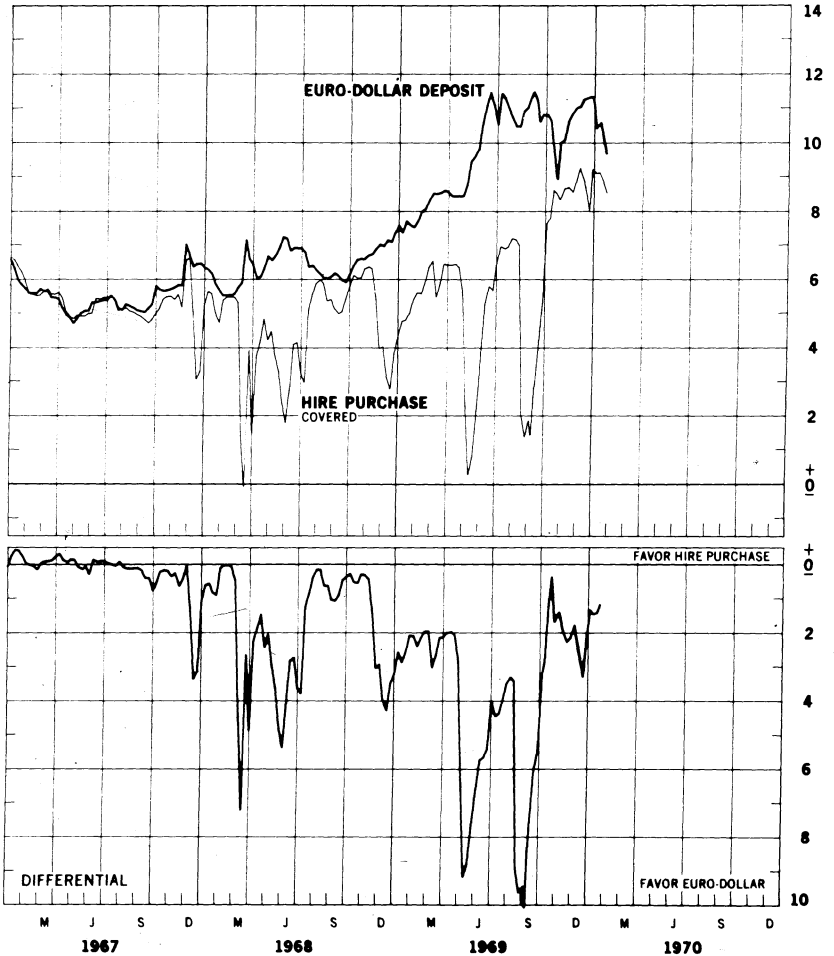
CHART 8A

LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

HIRE PURCHASE AND EURO-DOLLAR RATES

Friday figures

Percent per annum



LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

LOCAL AUTHORITY AND EURO-DOLLAR RATES

Friday figures

Per cent per annum

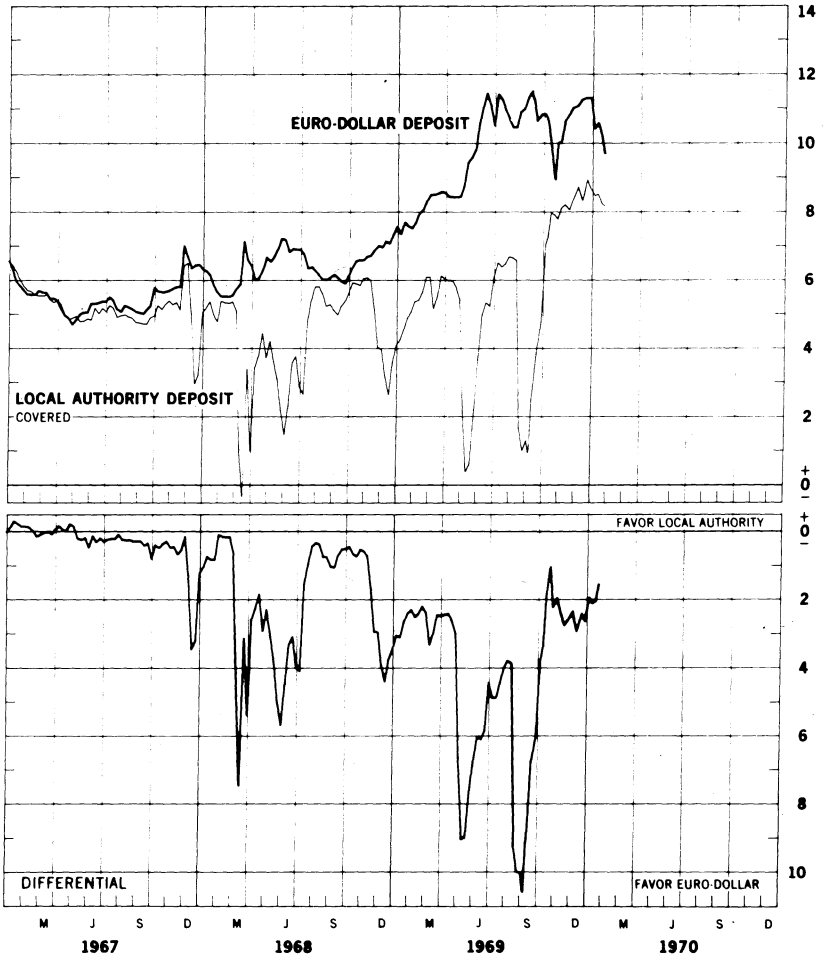
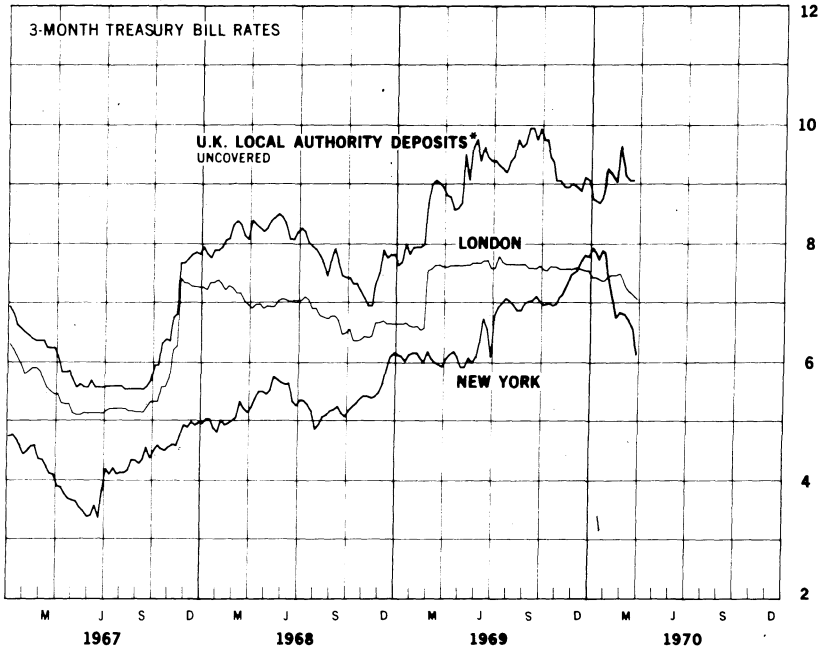


Chart 9A

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

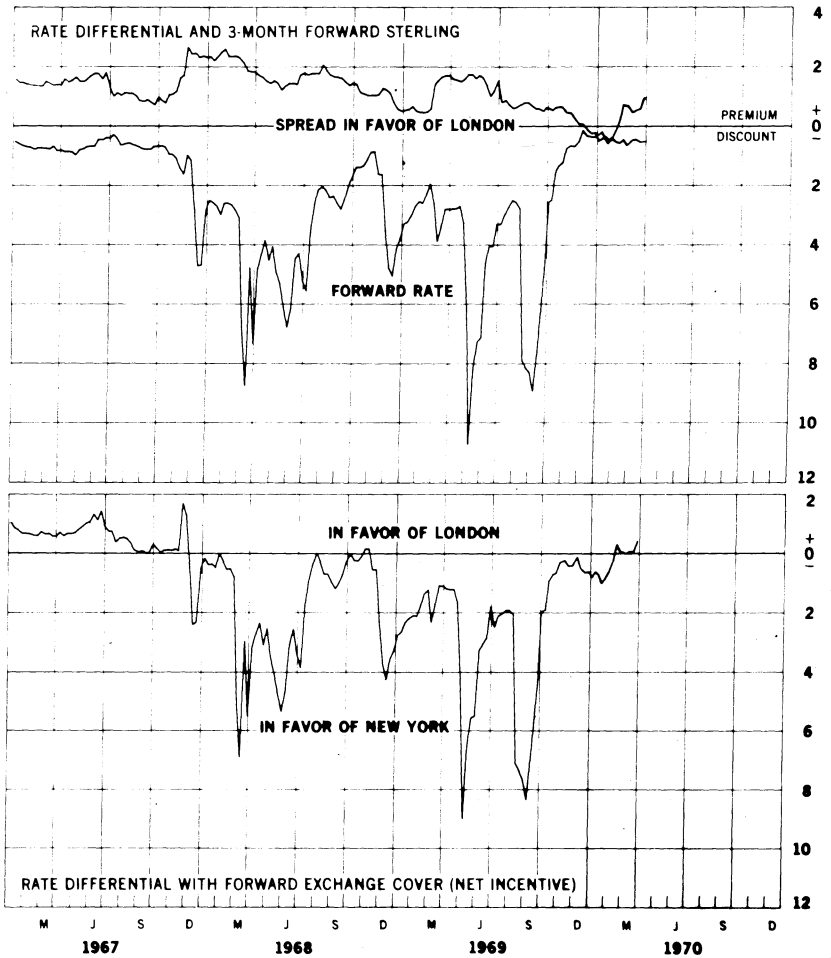
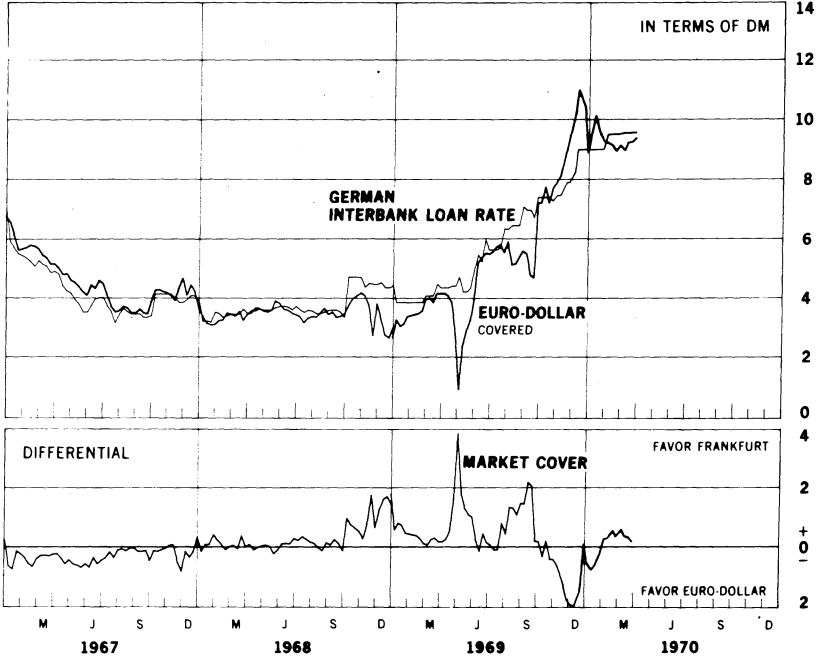


Chart 10A

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

FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE
Wednesday rates

Per cent per annum

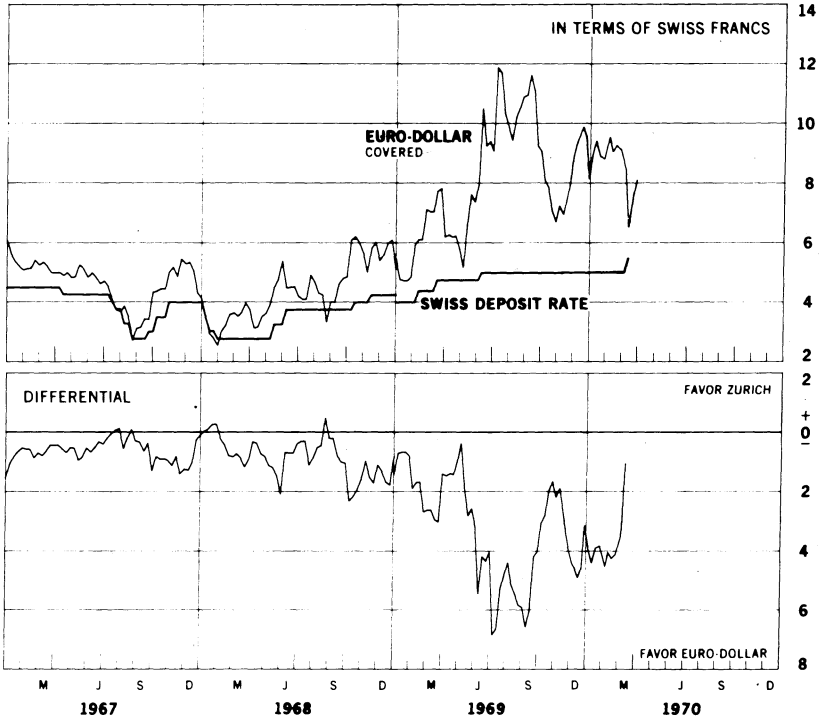


3-MONTH INTEREST ARBITRAGE: U.S. - SWITZERLAND

ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates

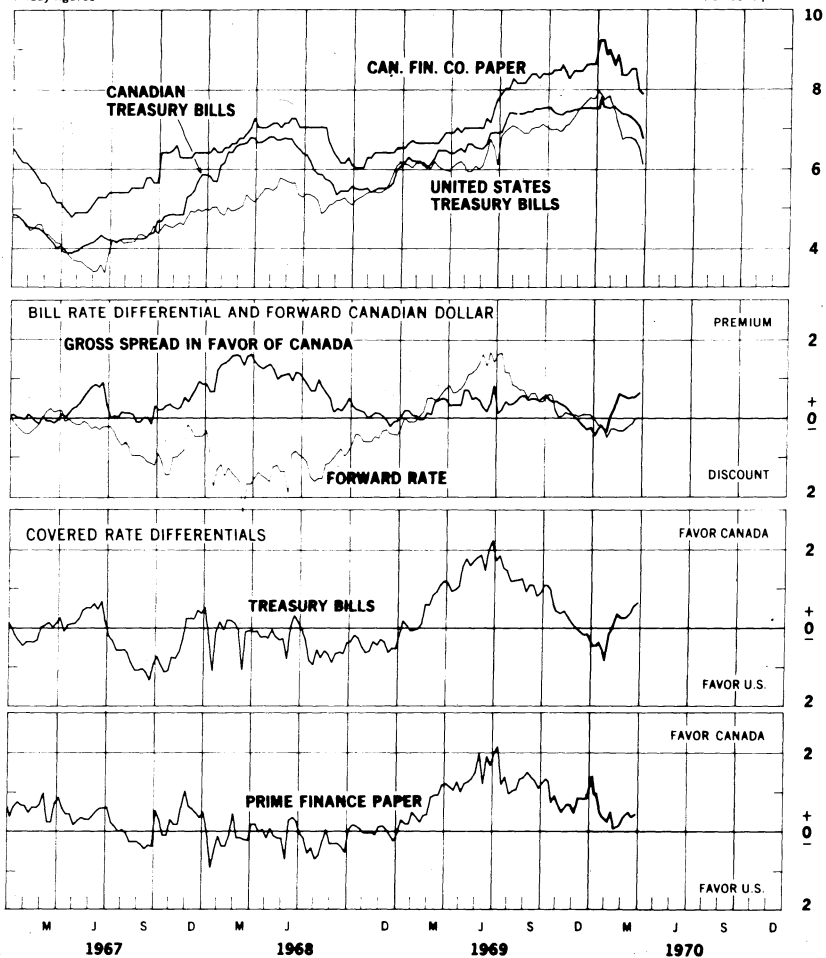
Per cent per annum



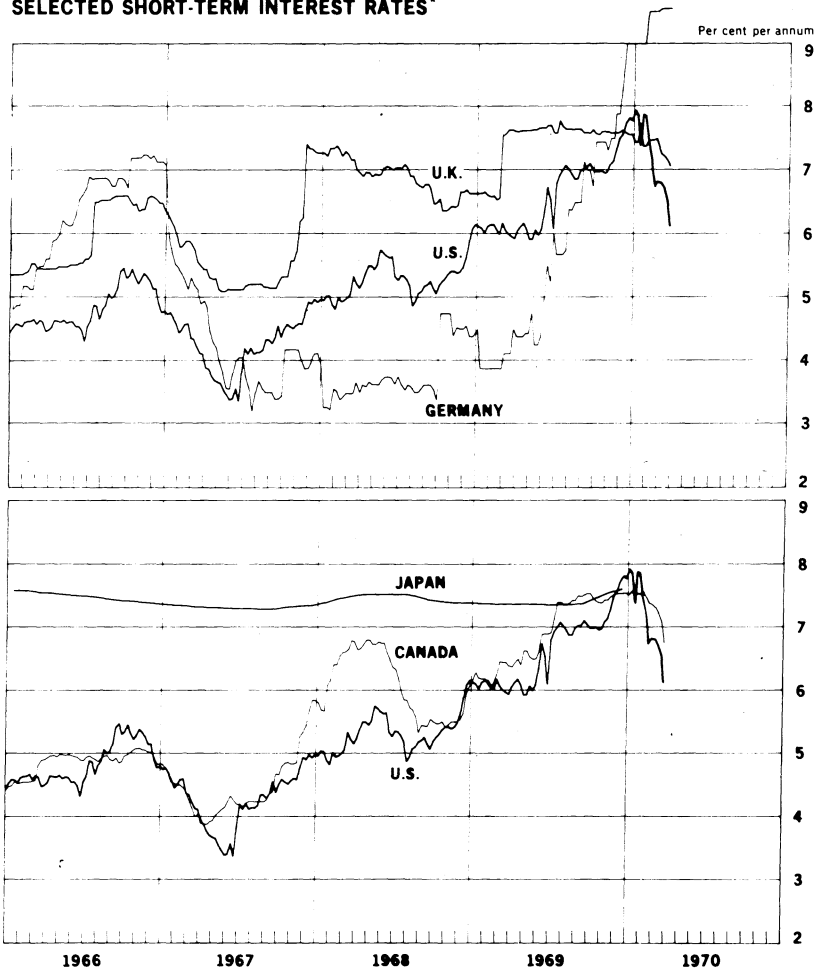
3-MONTH INTEREST ARBITRAGE: UNITED STATES - CANADA

Friday figures

Per cent per annum



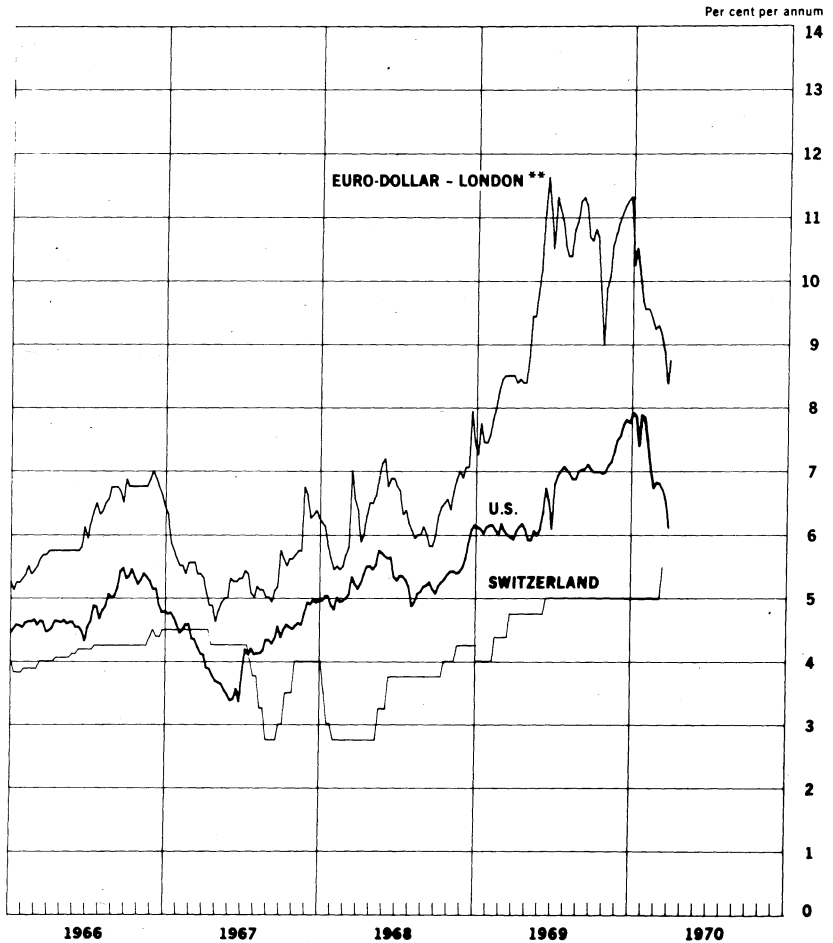
SELECTED SHORT-TERM INTEREST RATES*



* 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.

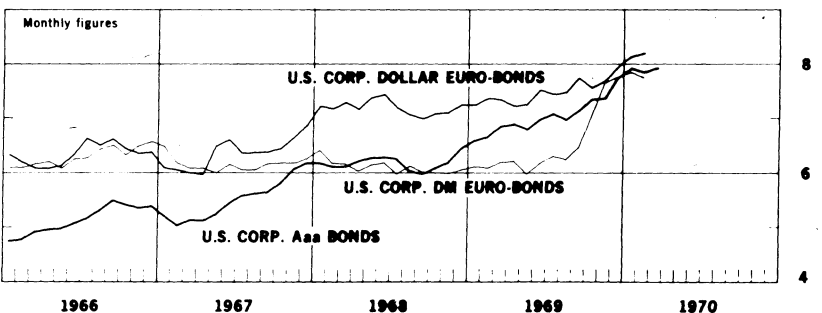
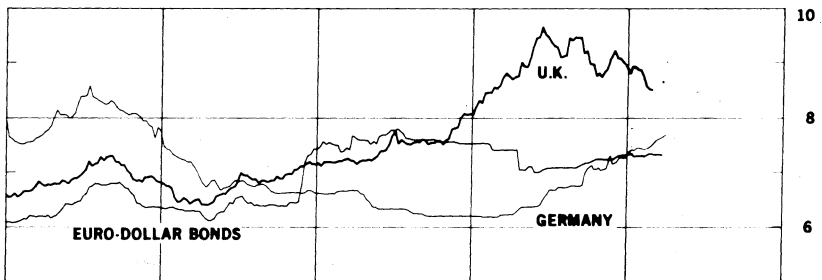
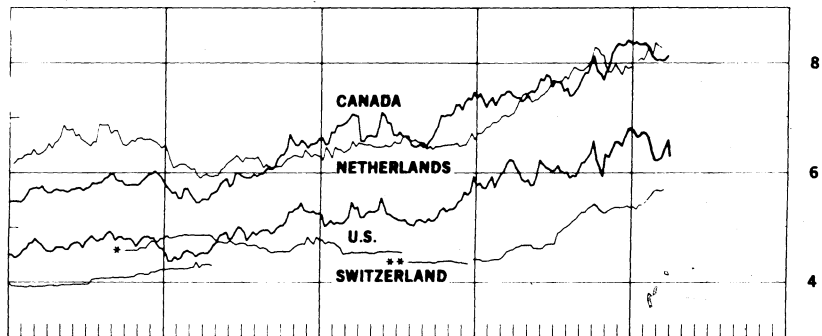
** 3-month rate for U.S. dollar deposits in London.

Chart 13

LONG-TERM BOND YIELDS

Weekly figures

Per cent per annum

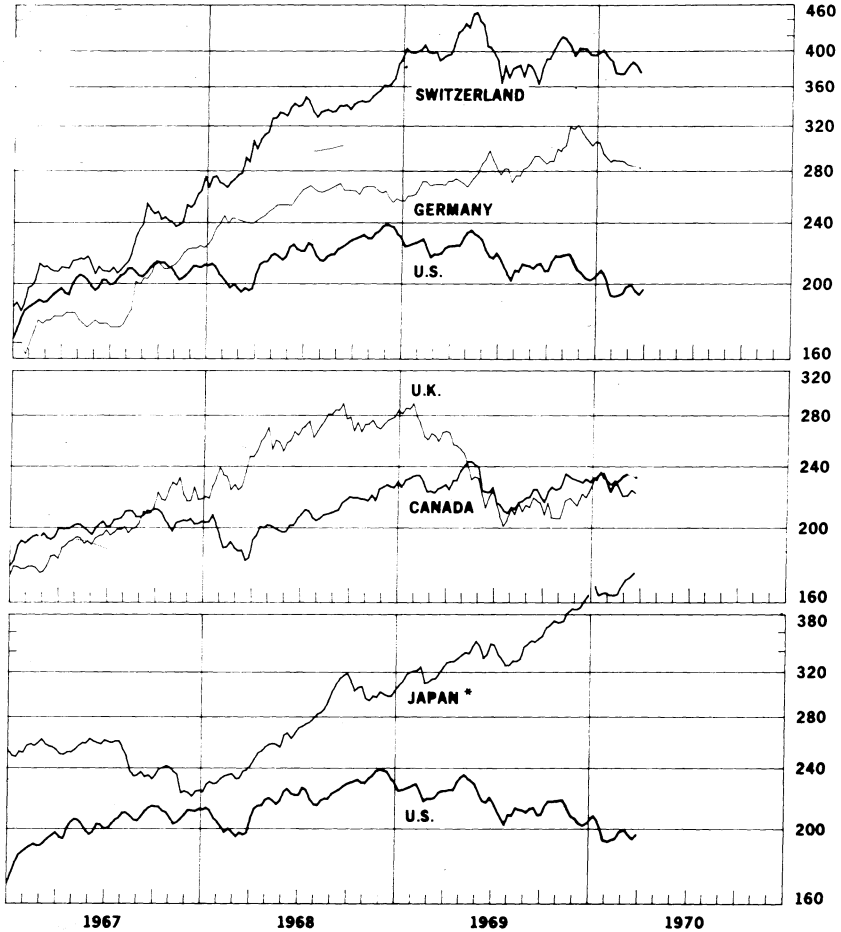


* New series for Switzerland starts 3-3-67.

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

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

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| Chart | Panel | Series | Date | Rate |
|-------|--------|-------------------------------------|----------|--------|
| 1A | Upper | Swiss franc | March 27 | +1.468 |
| | | German mark | " | -0.190 |
| | | U.K. pound | " | +0.230 |
| | Lower | Dutch guilder | " | -0.310 |
| | | French franc | " | +0.200 |
| | | Japanese yen | " | +0.650 |
| 1B | | Belgian franc | " | +0.517 |
| | | Italian lira | " | -0.650 |
| | | Canadian dollar | " | +0.780 |
| 2A | | German mark | March 27 | -0.62 |
| | | Swiss franc | " | +0.79 |
| | | U.K. pound | " | -0.50 |
| 2B | | Dutch guilder | " | +0.48 |
| | | Canadian dollar | " | -0.01 |
| | | French franc | " | -0.77 |
| 3A | | German mark | March 20 | +1. |
| | | U.S. dollar | " | +0.45 |
| 3B | | Swiss franc | " | +1.43 |
| | | French franc | " | -0.25 |
| 4 | | Gold price, U.S. dollar per ounce | March 27 | 35.24 |
| 5 | Upper | Call Euro-\$ deposits | March 25 | 8.80 |
| | | Federal Funds | " | 7.45 |
| | Middle | Differential | " | +1.35 |
| | Lower | Japanese Unconditional Money | March 20 | 8.50 |
| | | German Call Money | March 26 | 9.625 |
| | | U.K. 2-day Local Authority Deposits | March 20 | 8.50 |
| | | French Day-to-day Money | March 26 | 9.375 |

| Chart | Panel | Series | Date | Rate |
|-------|-------|--|----------|-------|
| 6A | | Euro-\$ Call Rate | March 26 | 8.38 |
| | | Euro-\$ 1-month Rate | March 26 | 8.56 |
| 6B | | Euro-\$ 3-month Rate | March 26 | 8.50 |
| | | Euro-\$ 6-month Rate | March 26 | 8.50 |
| 7A | Upper | Euro-\$ 3-month Deposits | March 25 | 8.75 |
| | | U.S. Certificate of Deposits | March 25 | 7.90 |
| | Lower | Differential | March 25 | +0.85 |
| 7B | Upper | Euro-\$ 3-month Deposits | March 25 | 8.75 |
| | | Euro-\$ 3-month Deposits (Adj.) | March 25 | 9.72 |
| | | U.S. Certificate of Deposits (Adj.) | March 25 | 7.18 |
| | Lower | Differential: on Adj. Euro-\$ Deposits | March 25 | +2.54 |
| | | on Unadj. Euro-\$ Deposits | March 25 | +1.57 |
| 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 | March 26 | 6.11 |
| | | U.K. Treasury Bill rate | March 26 | 7.06 |
| | | Local Authority Deposit (uncovered) | March 20 | 9.06 |
| 9B | Upper | Spread (+= favor London) | March 26 | +0.95 |
| | | 3-month Forward Pound | March 26 | -0.53 |
| | Lower | Net Incentive (+= favor London) | March 26 | +0.42 |

| Chart | Panel | Series | Date | Rate |
|--------|--------------------------------|---|----------|-------|
| 10A | Upper | Euro-\$ Deposits (covered) | March 25 | 9.39 |
| | | German Interbank Loan rate | " | 9.56 |
| | Lower | Differential | " | +0.17 |
| 10B | Upper | Euro-\$ Deposits (covered) | March 25 | 8.10 |
| | | Swiss Deposit rate | March 11 | 5.50 |
| | Lower | Differential | -- | -- |
| 11 | Upper | Canadian Finance Paper | March 26 | 7.88 |
| | | U.S. Treasury Bill rate | March 27 | 6.11 |
| | | Canadian Treasury Bill rate | March 26 | 6.76 |
| | | U.S. Prime Finance paper (not plotted) | March 26 | 7.44 |
| | Second | Bill rate differential | March 27 | +0.65 |
| | | Forward Canadian dollar | March 26 | 0 |
| | Third | Net incentive on bills | March 26 | +0.65 |
| Bottom | Net incentive on Finance Paper | March 26 | +0.44 | |
| 12A | Upper | U.K. Treasury Bill rate | March 26 | 7.06 |
| | | U.S. Treasury Bill rate | March 26 | 6.11 |
| | | German Interbank Loan rate | March 27 | 9.56 |
| | Lower | Japanese Average rate | Dec. 26 | 7.61 |
| | | Canadian Treasury Bill rate | March 26 | 6.76 |
| | | U.S. Treasury Bill rate | March 26 | 6.11 |
| 12B | | Euro-\$ Deposits | March 27 | 8.75 |
| | | Swiss 3-month Deposit rate | March 13 | 5.50 |
| | | U.S. Treasury Bill rate | March 27 | 6.11 |

| Chart | Panel | Series | Date | Rate |
|-------|--------|------------------------------|----------|--------|
| 13 | Upper | Netherlands | March 6 | 8.28 |
| | | Canada | March 20 | 8.14 |
| | | United States | March 25 | 6.29 |
| | | Switzerland | March 13 | 5.70 |
| | Middle | Germany | March 27 | 7.68 |
| | | United Kingdom | March 20 | 8.63 |
| | | Euro-dollar bonds | March 20 | 7.32 |
| | Lower | U.S. Corp. Dollar Euro-bonds | Feb. 27 | 8.20 |
| | | U.S. Corp. DM Euro-bonds | Feb. 27 | 7.73 |
| | | U.S. Corp. Aaa bonds | March 27 | 7.92 |
| 14 | Upper | Switzerland | March 20 | 375.9 |
| | | Germany | March 20 | 282.6 |
| | | United States | March 27 | 197.13 |
| | Middle | United Kingdom | March 27 | 220.30 |
| | | Canada | March 19 | 231.81 |
| | Lower | Japan | March 20 | 433.38 |
| | | United States | March 27 | 197.13 |