

May 6, 1970 No. 453

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

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MAY 13 1970  
FEDERAL RESERVE  
OF RICHMOND

*Capital market*

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

WEEKLY SERIES OF CHARTS

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BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

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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.

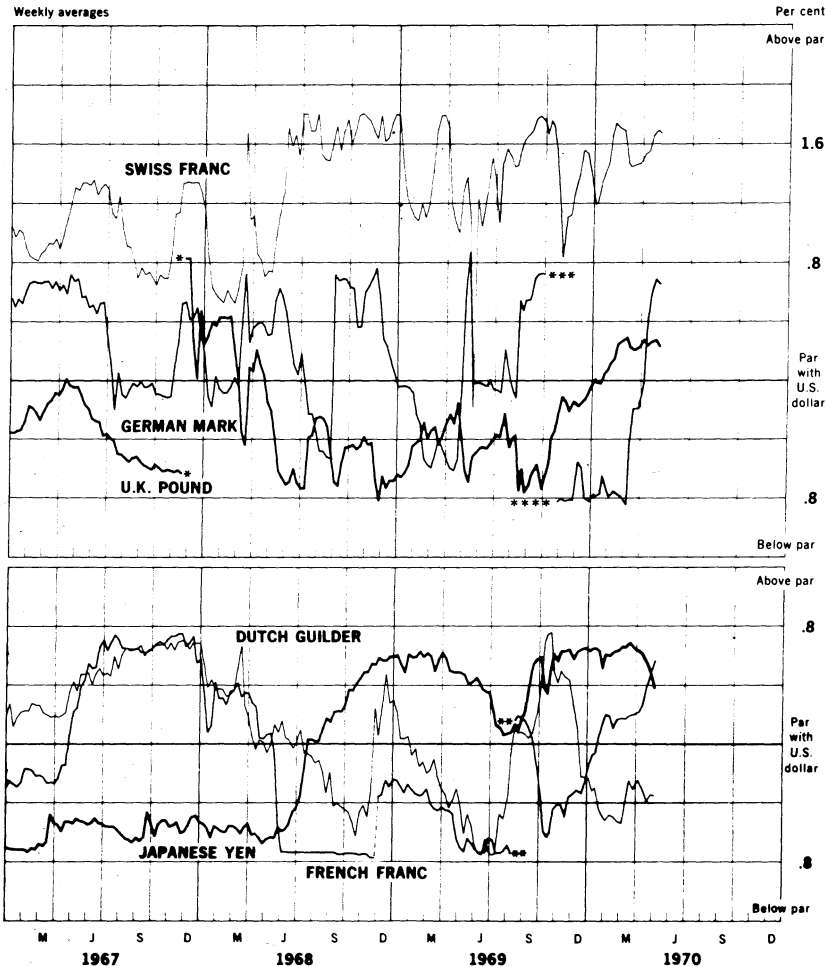
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Chart 1A

### 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.

Chart 1B

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

Weekly averages

Per cent

Above par

1.2

CANADIAN DOLLAR

ITALIAN LIRA

Par with U.S. dollar

.4

BELGIAN FRANC

1.2

Below par

M J S D M J S D M J S D M J S D

1967 1968 1969 1970

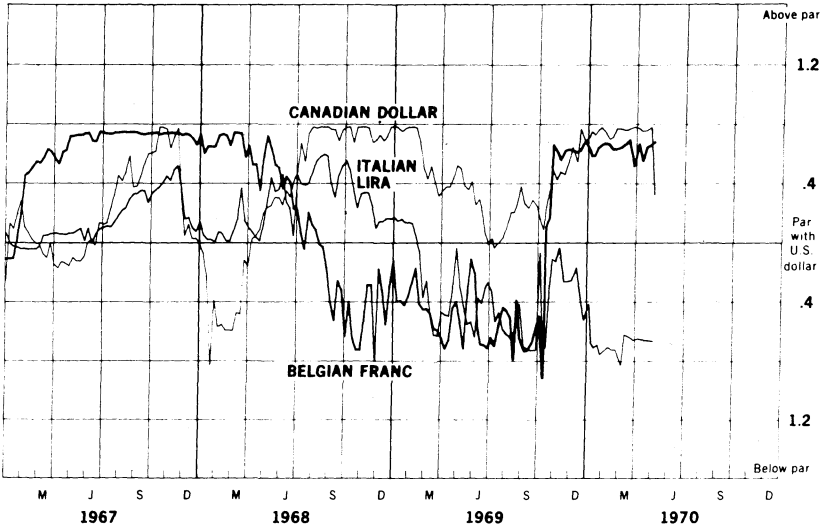


Chart 2A

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

Weekly averages

Per cent per annum

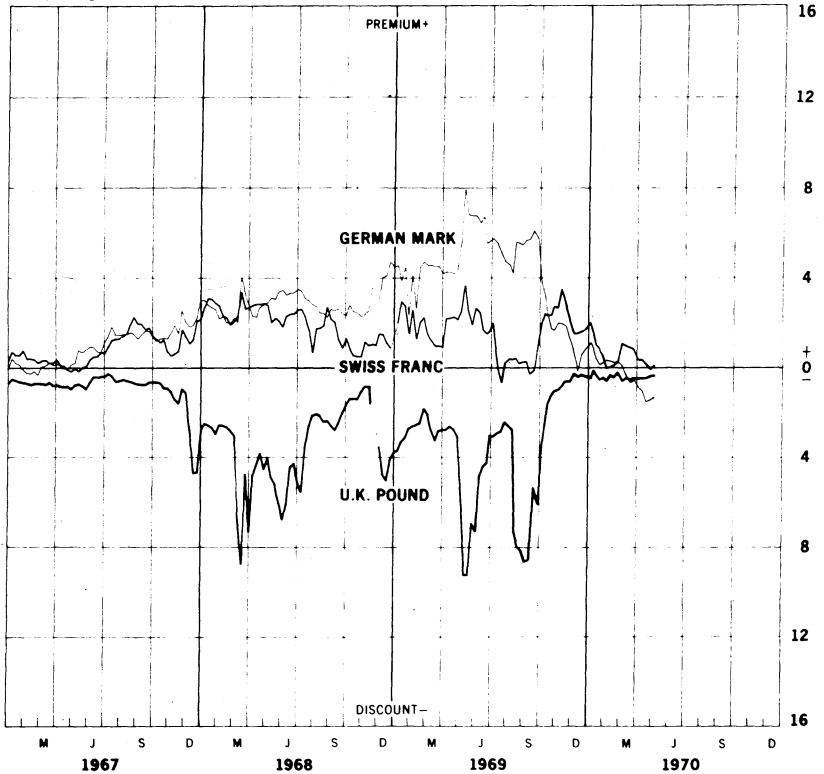


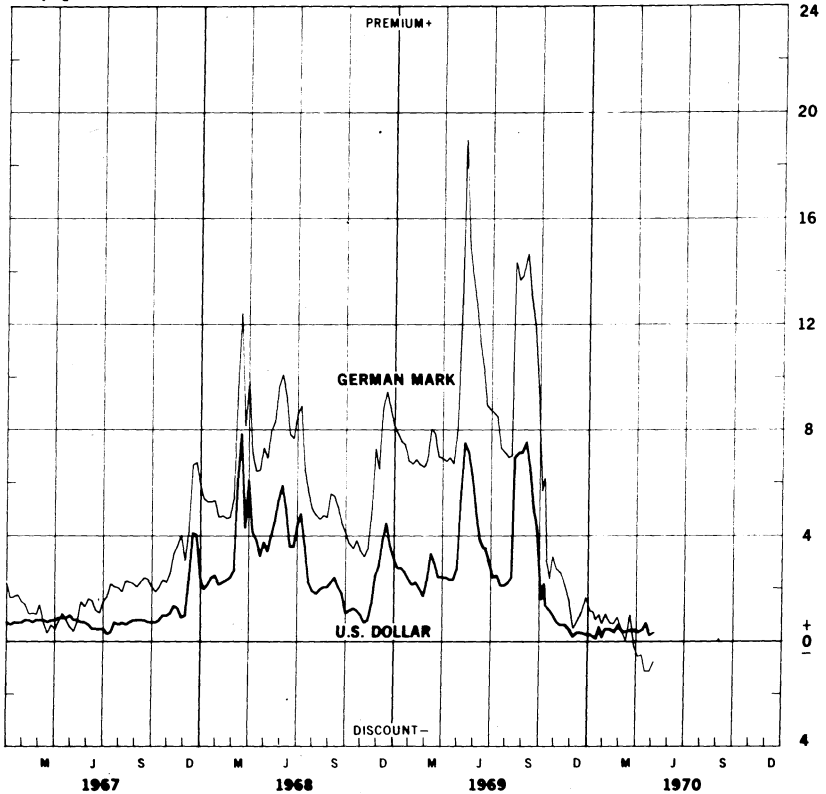


Chart 3A

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

Friday figures

Per cent per annum



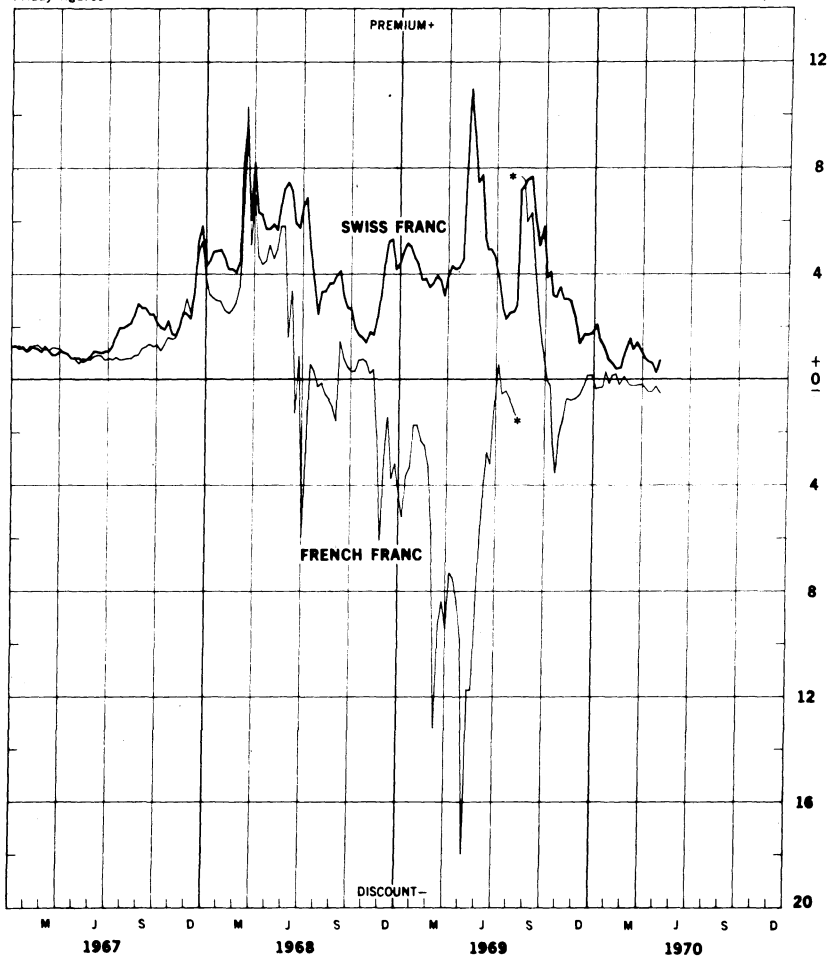
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Chart 3B

### 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

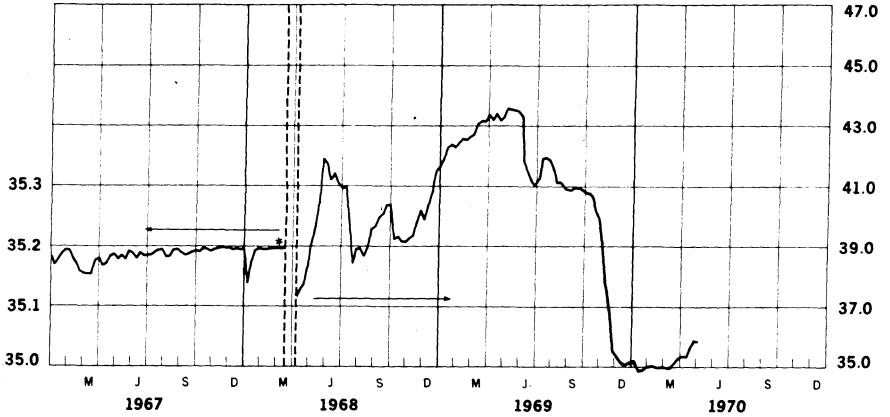


Chart 4

### GOLD PRICE IN LONDON, 12.5 Kg BARS

Week's average of afternoon fixings

U.S. dollar equivalent per fine ounce



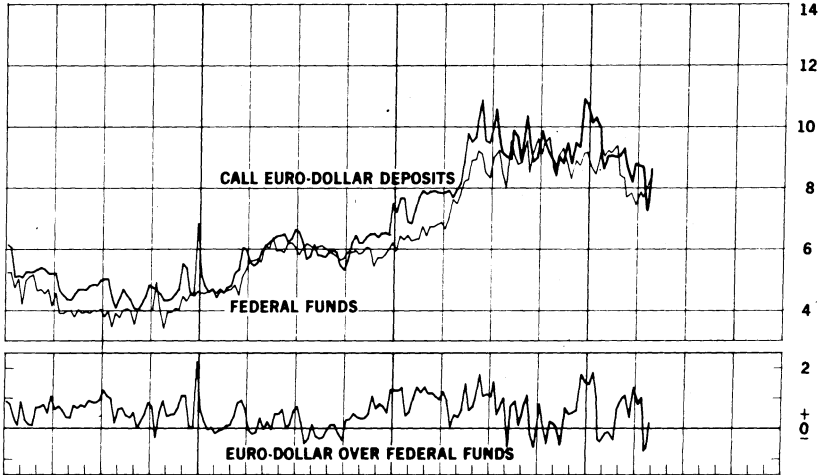
\* Market closed March 15-April 1, 1968

Chart 5

### CALL MONEY RATES

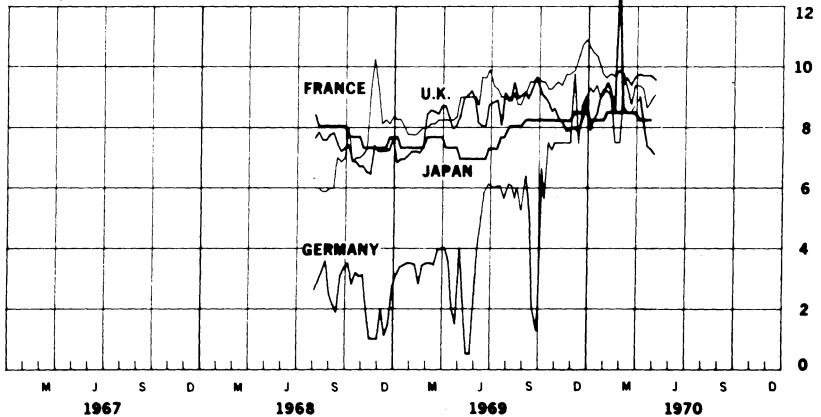
DOLLAR FUNDS  
Weekly averages

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

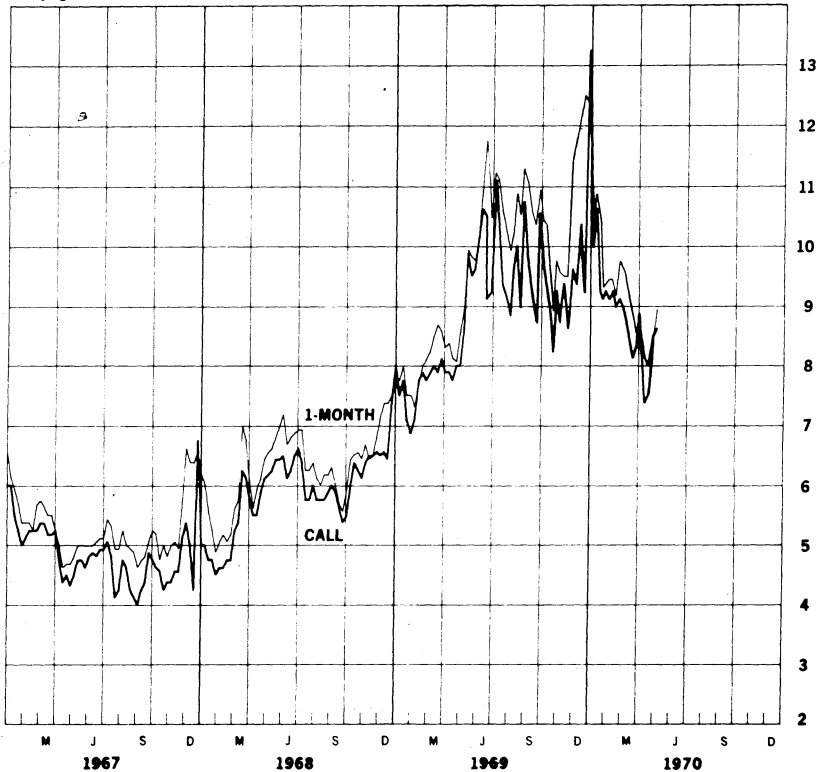


CHART 6B

### LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum

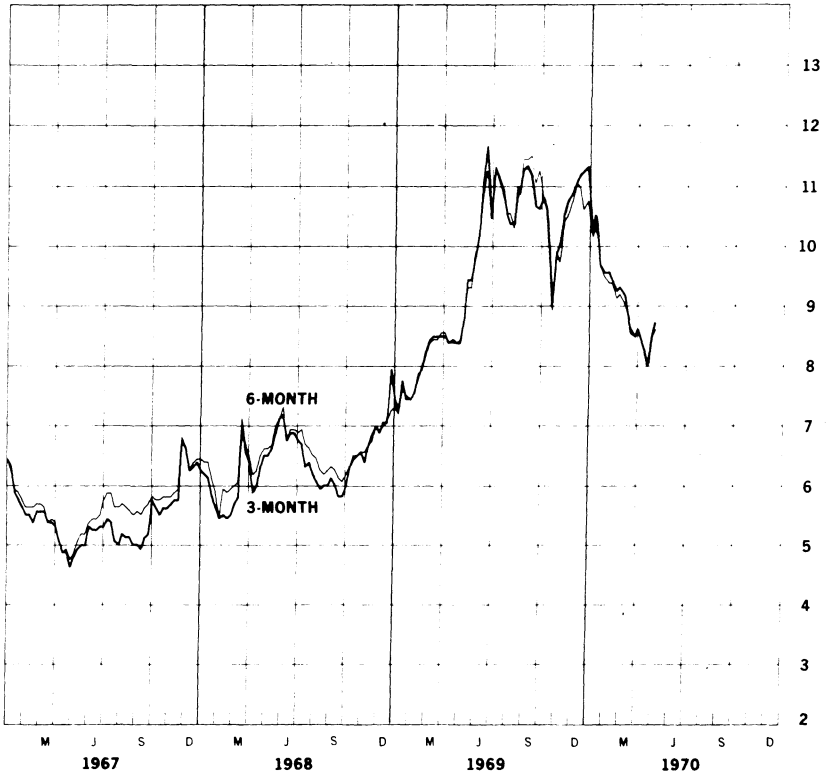


Chart 7A

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

3-MONTH DOLLAR DEPOSIT RATES—SECONDARY MARKET

Wednesday figures

Per cent per annum

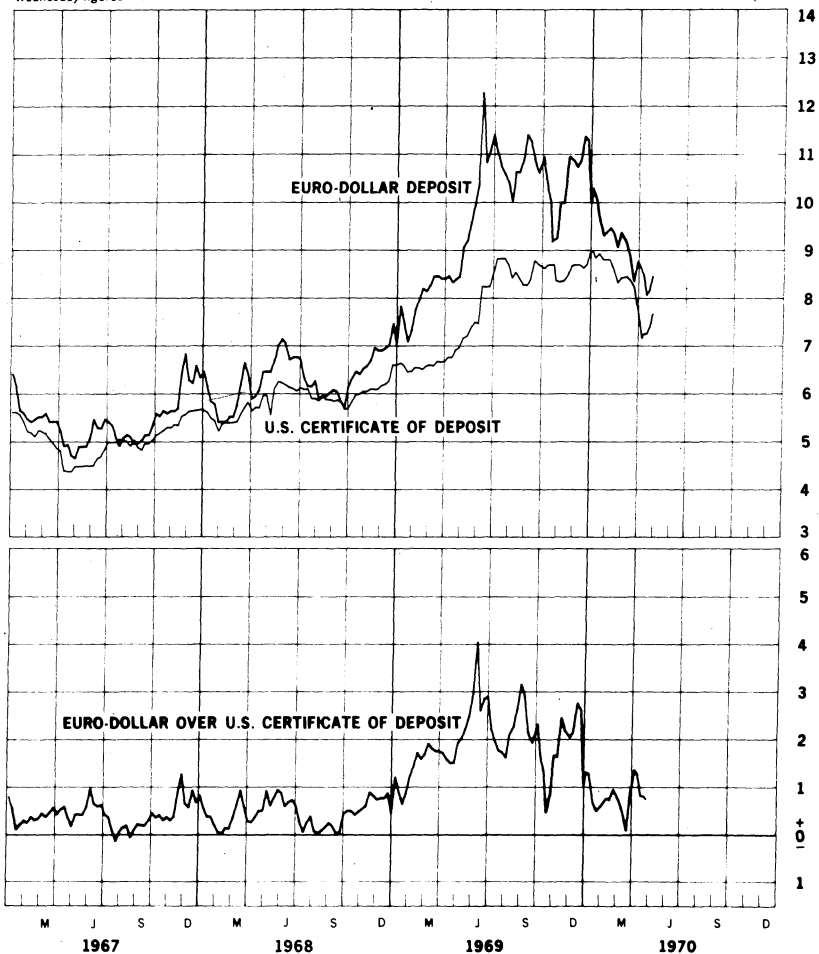


Chart 7B

### 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

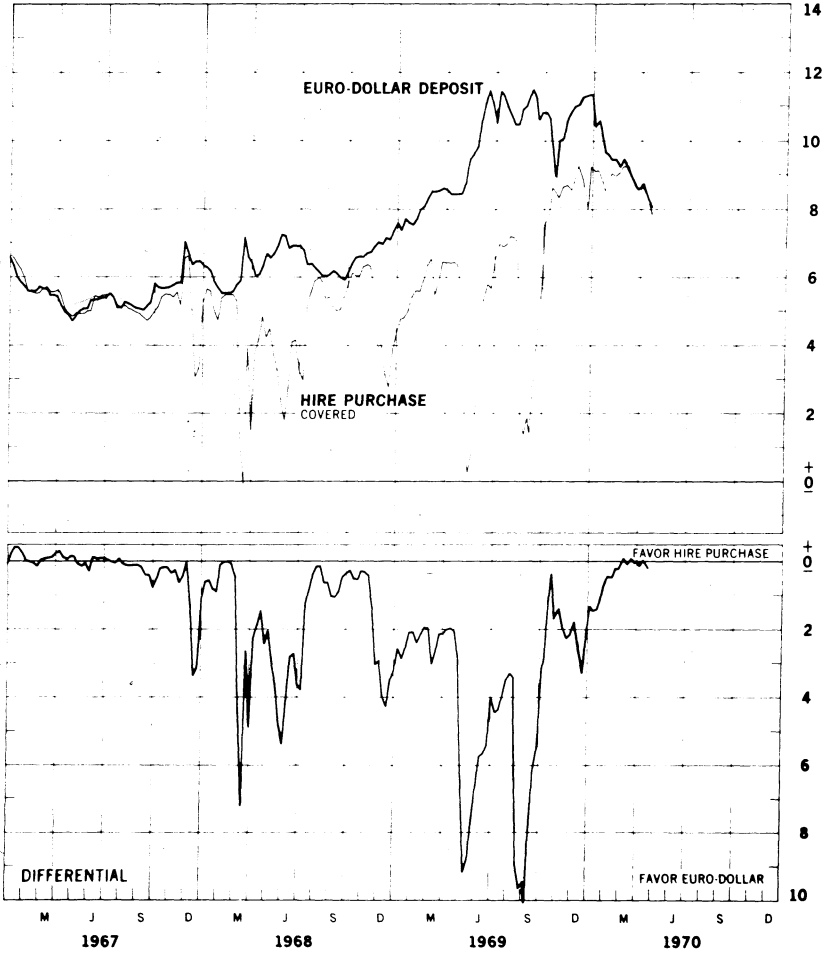


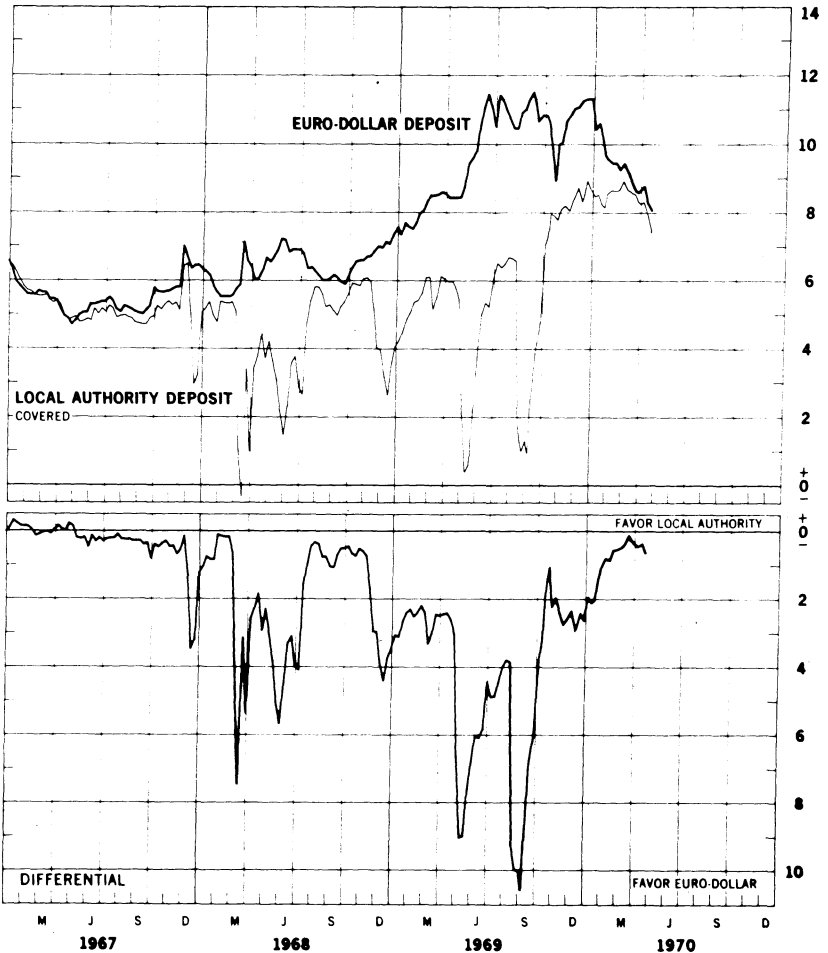
CHART 88

### LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

LOCAL AUTHORITY AND EURO-DOLLAR RATES

Friday figures

Per cent per annum



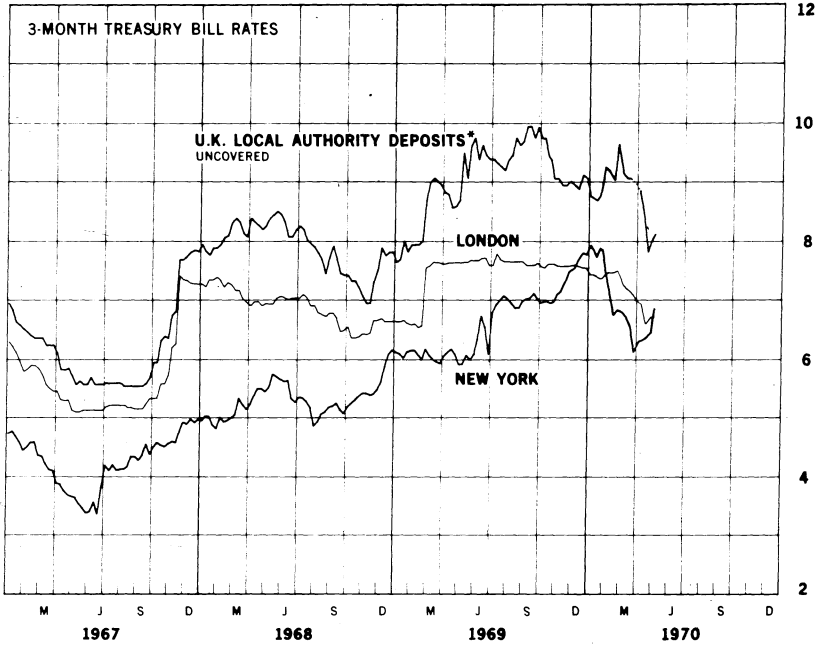


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Chart 9A

# INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

Per cent per annum



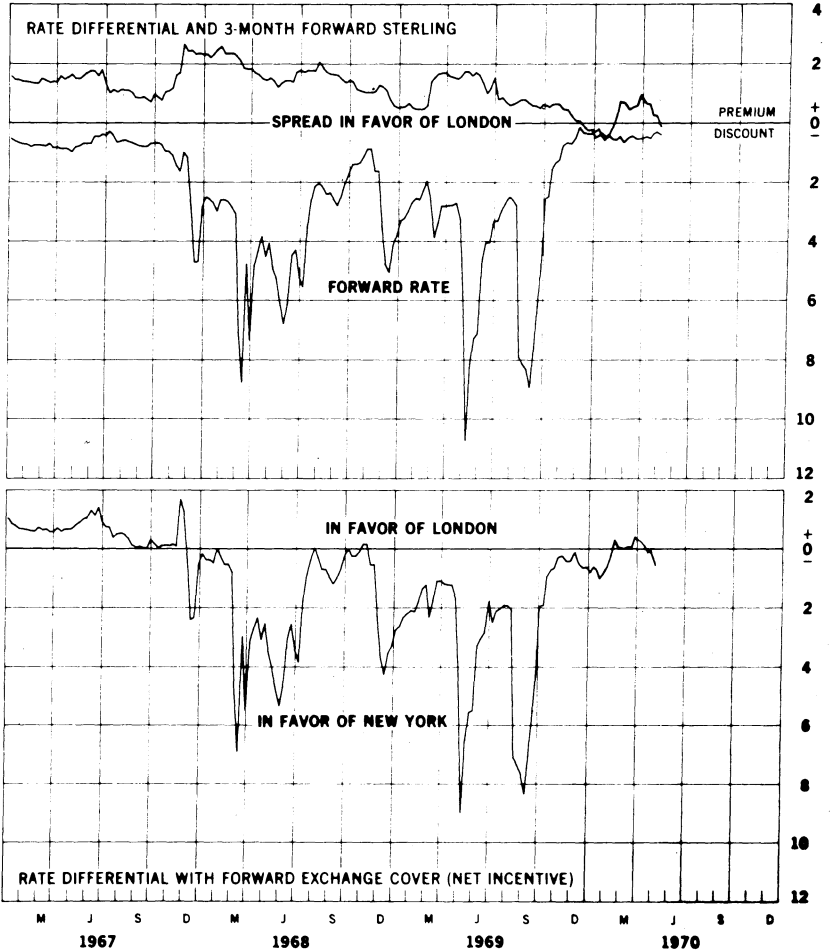
\* Plotted for comparison purposes

Chart 9B

# INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

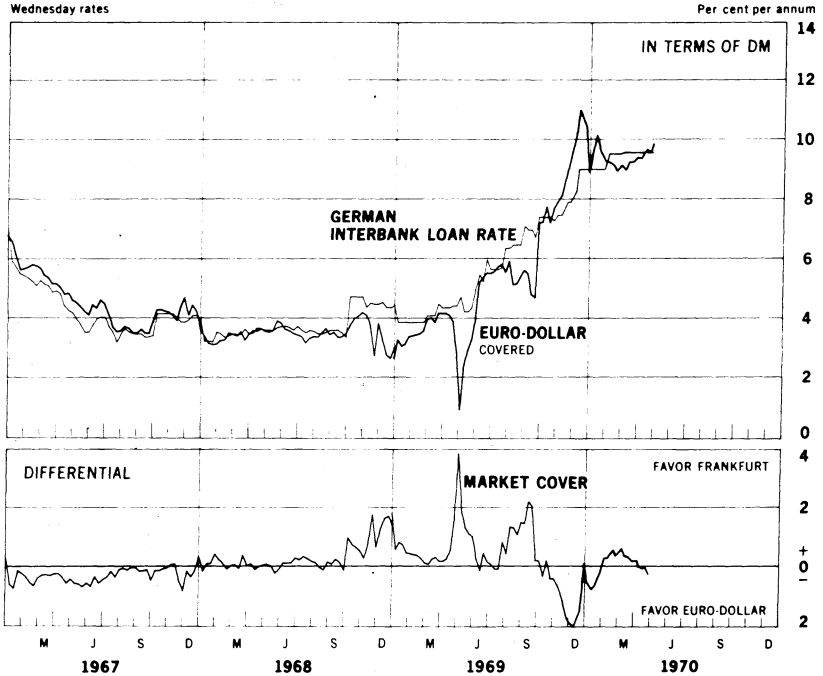
Friday figures

Per cent per annum



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

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

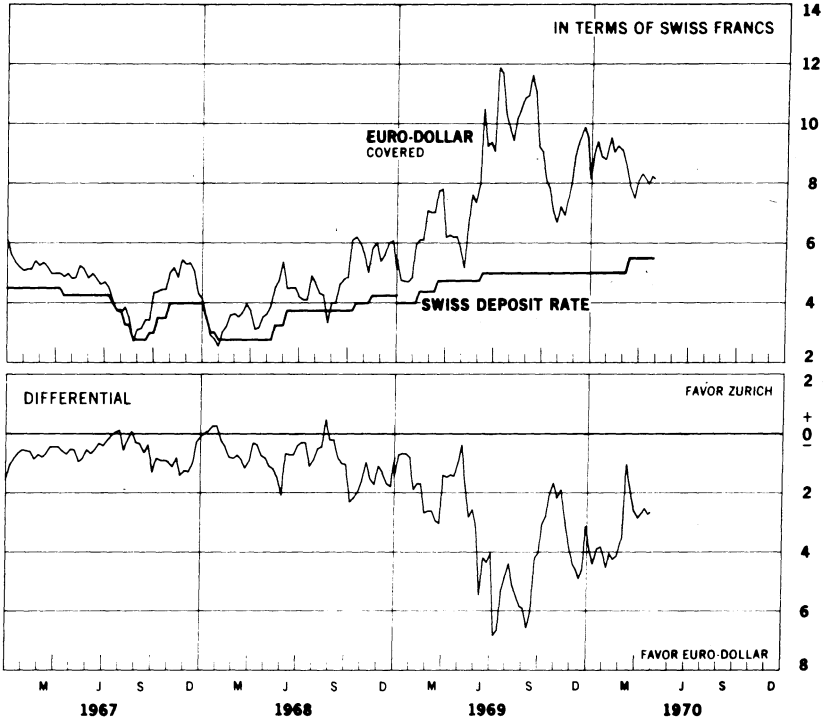


### 3-MONTH INTEREST ARBITRAGE: U.S. - SWITZERLAND

ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates

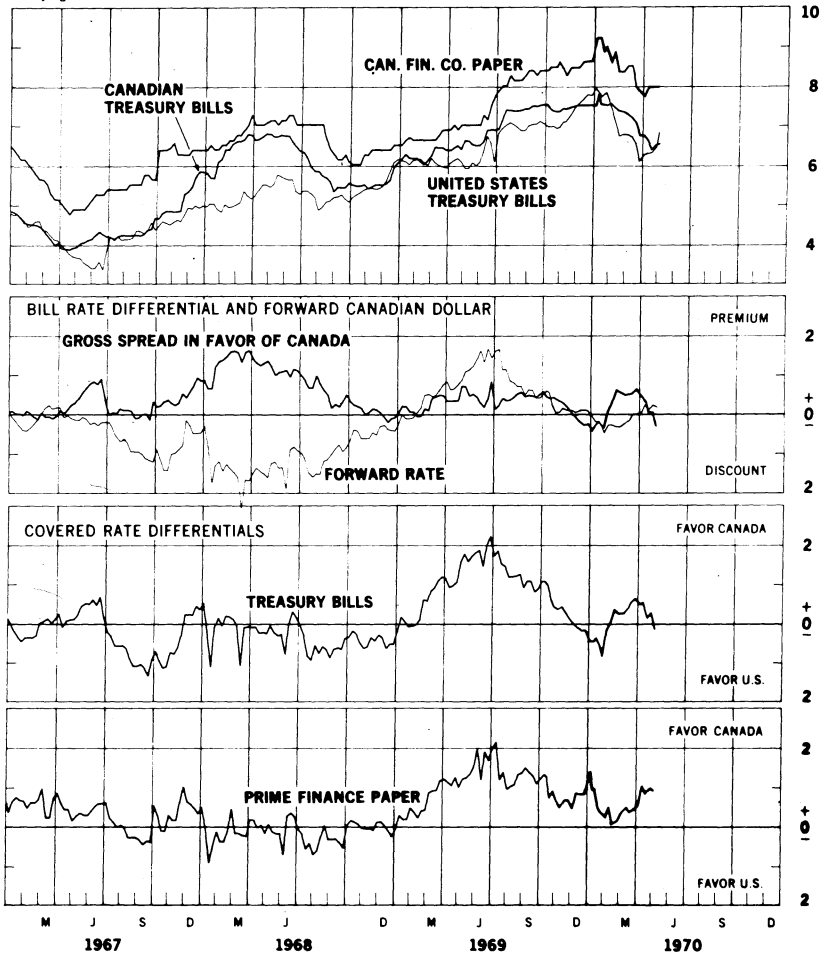
Per cent per annum



### 3-MONTH INTEREST ARBITRAGE: UNITED STATES - CANADA

Friday figures

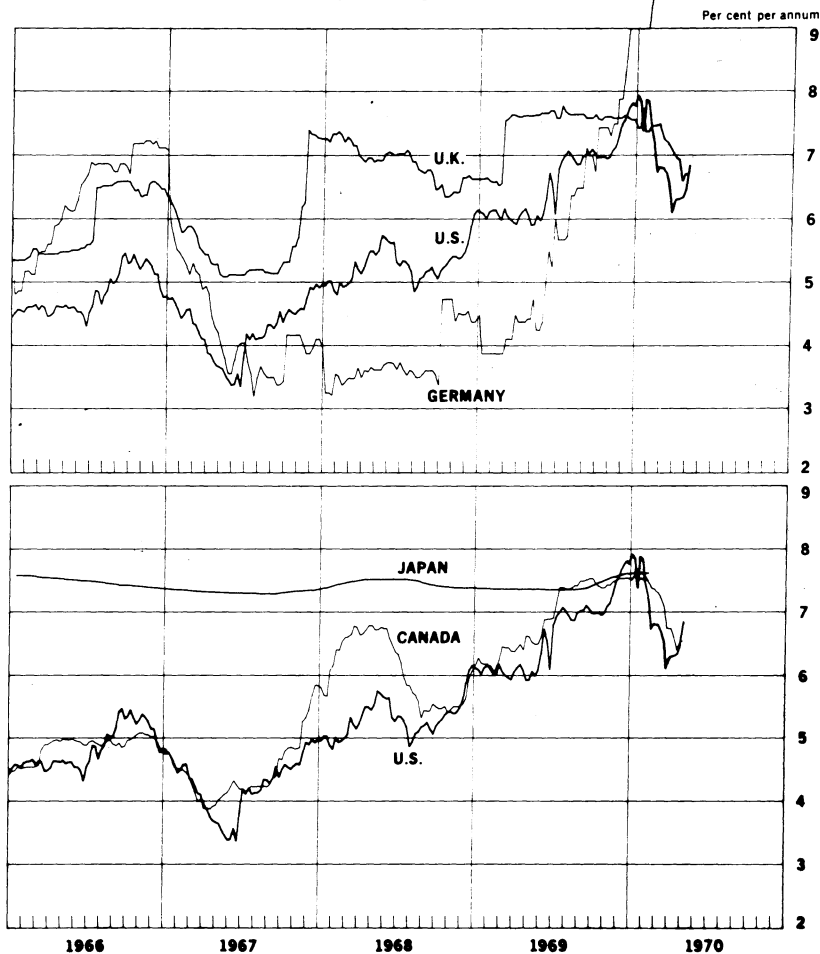
Per cent per annum



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Chart 12A

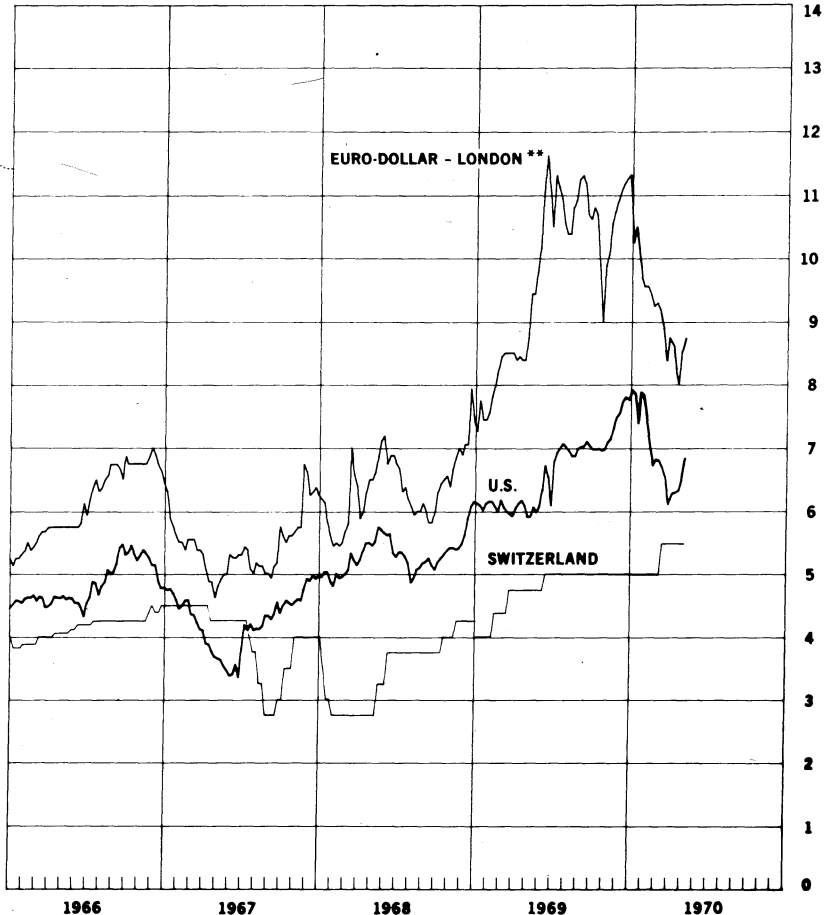
### SELECTED SHORT-TERM INTEREST RATES\*



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

### SELECTED SHORT-TERM INTEREST RATES \*

Per cent per annum



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

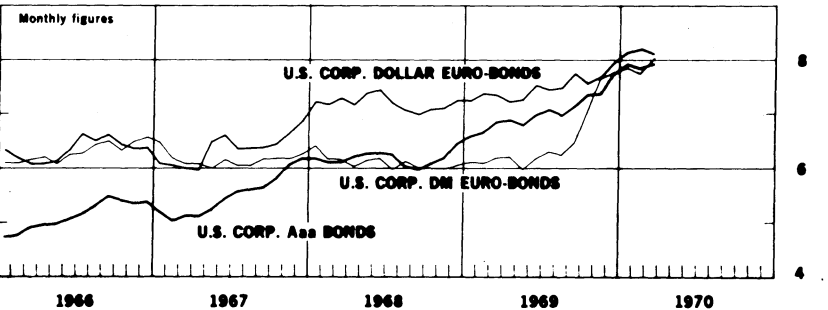
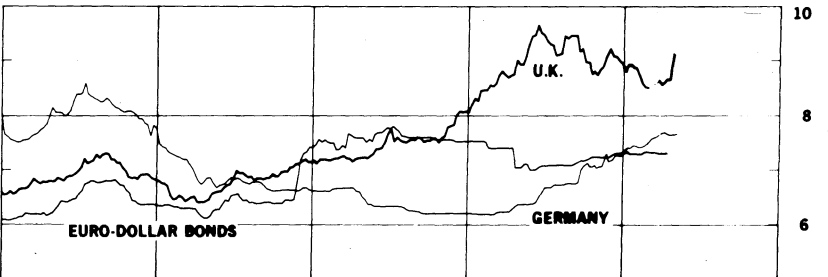
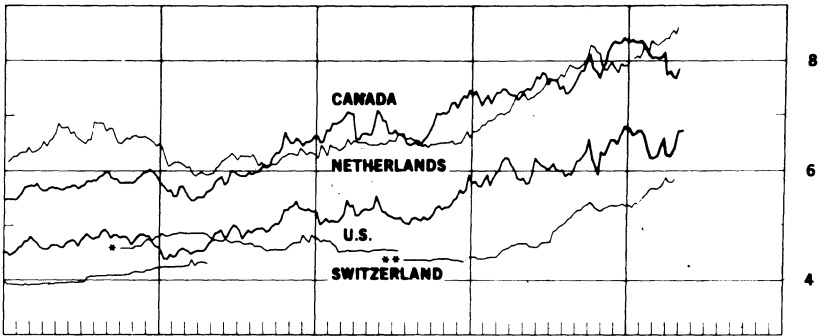
\*\* 3-month rate for U.S. dollar deposits in London.

Chart 13

# LONG-TERM BOND YIELDS

Weekly figures

Per cent per annum



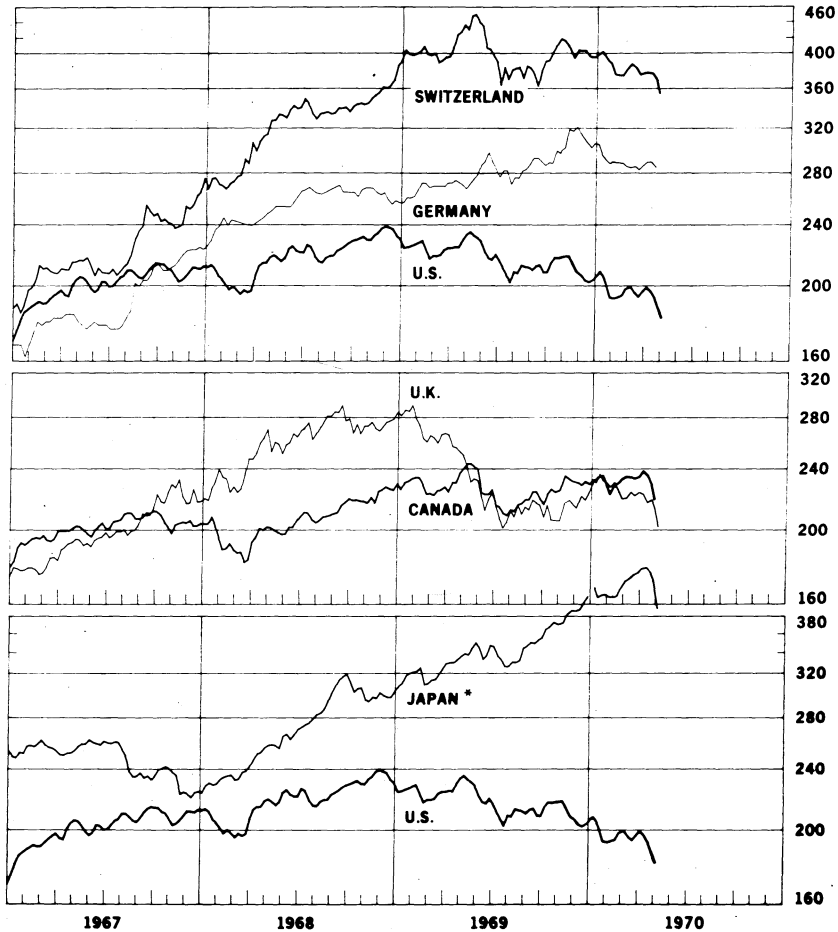
\* New series for Switzerland starts 3-3-67.  
 \*\* New series for Switzerland starts 8-2-68.



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

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Chart	Panel	Series	Date	Rate
1A	Upper	Swiss franc	May 1	+1.676
		German mark	"	+0.651
		U.K. pound	"	+0.230
	Lower	Dutch guilder	"	-0.351
		French franc	"	+0.567
		Japanese yen	"	+0.381
1B		Belgian franc	"	+0.682
		Italian lira	"	-0.664
		Canadian dollar	"	+0.317
2A		German mark	May 1	-1.35
		Swiss franc	"	+0.11
		U.K. pound	"	-0.34
2B		Dutch guilder	"	+0.62
		Canadian dollar	"	+0.24
		French franc	"	-0.79
3A		German mark	May 1	-0.74
		U.S. dollar	"	+0.36
3B		Swiss franc	"	+0.73
		French franc	"	-0.58
4		Gold price, U.S. dollar per ounce	May 1	35.83
5	Upper	Call Euro-\$ deposits	April 29	8.63
		Federal Funds	"	8.43
	Middle	Differential	"	+0.20
	Lower	Japanese Unconditional Money	April 24	8.25
		German Call Money	May 1	9.56
		U.K. 2-day Local Authority Deposits	May 1	7.125
		French Day-to-day Money	May 1	9.06

Chart	Panel	Series	Date	Rate
6A		Euro-\$ Call Rate	May 1	8.63
		Euro-\$ 1-month Rate	"	8.94
6B		Euro-\$ 3-month Rate	"	8.75
		Euro-\$ 6-month Rate	"	8.63
7A	Upper	Euro-\$ 3-month Deposits	April 29	8.44
		U.S. Certificate of Deposits	"	7.68
	Lower	Differential	"	+0.76
7B	Upper	Euro-\$ 3-month Deposits	"	8.44
		Euro-\$ 3-month Deposits (Adj.)	"	9.38
		U.S. Certificate of Deposits (Adj.)	"	7.18
	Lower	Differential: on Adj. Euro-\$ Deposits	"	+2.20
		on Unadj. Euro-\$ Deposits	"	+1.26
8A	Upper	Euro-\$ 3-month Deposits	April 17	8.06
		Hire Purchase Deposits (covered)	"	7.85
	Lower	Differential	"	-0.21
8B	Upper	Euro-\$ 3-month Deposits	"	8.06
		Local Authority Deposits (covered)	"	7.41
	Lower	Differential	"	-0.65
9A		U.S. Treasury Bill rate	May 1	6.85
		U.K. Treasury Bill rate	"	6.70
		Local Authority Deposit (uncovered)	April 24	8.00
9B	Upper	Spread (+= favor London)	May 1	-0.15
		3-month Forward Pound	May 1	-0.42
	Lower	Net Incentive (+= favor London)	May 1	-0.57

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Chart	Panel	Series	Date	Rate
10A	Upper	Euro-\$ Deposits (covered)	April 29	9.85
		German Interbank Loan rate	"	9.56
	Lower	Differential	"	-0.29
10B	Upper	Euro-\$ Deposits (covered)	"	8.14
		Swiss Deposit rate	"	5.50
	Lower	Differential	"	-2.64
11	Upper	Canadian Finance Paper	May 1	8.00
		U.S. Treasury Bill rate	"	6.85
		Canadian Treasury Bill rate	"	6.55
		U.S. Prime Finance paper (not plotted)	"	7.25
	Second	Bill rate differential	"	-0.30
		Forward Canadian dollar	"	+0.17
	Third	Net incentive on bills	"	-0.13
	Bottom	Net incentive on Finance Paper	"	+0.92
12A	Upper	U.K. Treasury Bill rate	May 1	6.70
		U.S. Treasury Bill rate	"	6.85
		German Interbank Loan rate	"	9.56
	Lower	Japanese Average rate	Feb. 27	7.62
		Canadian Treasury Bill rate	May 1	6.55
		U.S. Treasury Bill rate	"	6.85
12B		Euro-\$ Deposits	"	8.75
		Swiss 3-month Deposit rate	"	5.50
		U.S. Treasury Bill rate	"	6.85

Chart	Panel	Series	Date	Rate
13	Upper	Netherlands	April 24	8.62
		Canada	April 22	7.84
		United States	May 1	6.72
		Switzerland	April 17	5.84
	Middle	Germany	May 1	7.66
		United Kingdom	April 24	9.13
		Euro-dollar bonds	April 10	7.32
	Lower	U.S. Corp. Dollar Euro-bonds	March 27	8.10
		U.S. Corp. DM Euro-bonds	"	8.02
		U.S. Corp. Aaa bonds	"	7.92
14	Upper	Switzerland	April 24	354.0
		Germany	April 23	284.4
		United States	May 1	180.76
	Middle	United Kingdom	May 1	201.40
		Canada	April 23	218.33
	Lower	Japan	May 1	389.24
		United States	May 1	180.76