

July 15, 1970 No. 463

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



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

WEEKLY SERIES OF CHARTS

2) Capital Market

1) /
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

TABLE OF CONTENTS

PART I. EXCHANGE RATES AND GOLD PRICES

- Chart 1A and B - Spot Exchange Rates, Major Currencies against U.S. Dollar
- Chart 2A and B - 3-Month Forward Exchange Rates, Major Currencies against U.S. Dollar
- Chart 3A and B - 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 and B - London: Euro-\$ Deposit Rates
- Chart 7A and B - New York - London: Yields on U.S. Dollar Funds
- Chart 8A and B - London: Covered Yields on U.S. Dollar Funds
- Chart 9A and B - Interest Arbitrage: United States-United Kingdom
- Chart 10A and B - Interest Arbitrage: U.S.-Germany and U.S.-Switzerland
- Chart 11 - Interest Arbitrage: United States-Canada
- Chart 12A and B - 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

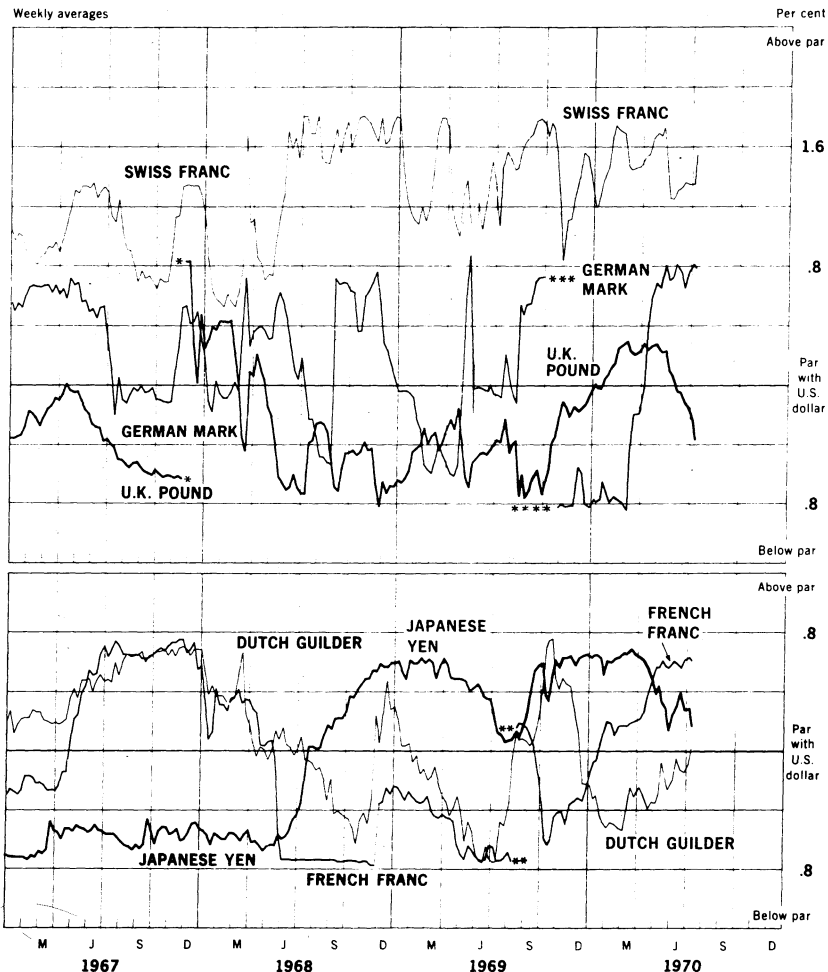
PART IV. LATEST FIGURES PLOTTED ON THE CHARTS

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.

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.

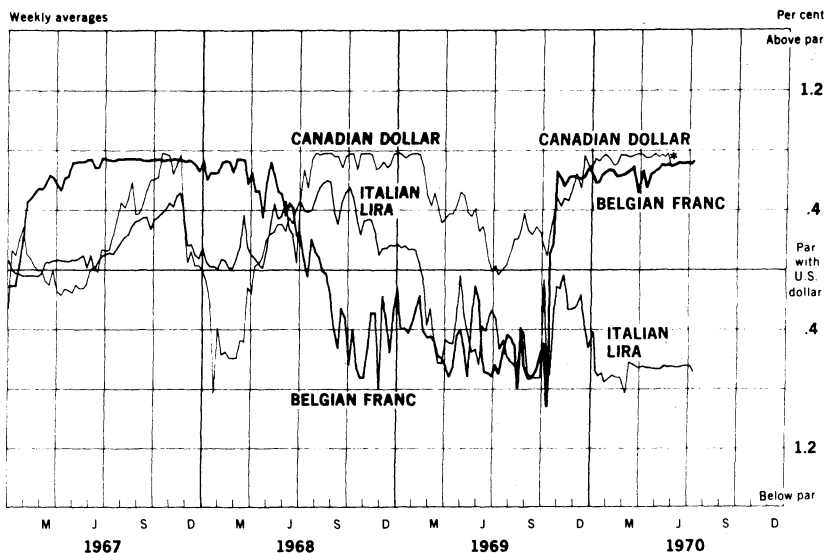
*** DM rate not supported by the Bundesbank

**** Revaluation of the DM from 25.00 to 27.32 in U.S. cents.

Chart 18

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

Weekly averages



* Can. \$ rate not supported by Bank of Canada.

Chart 2A

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

Weekly averages

Per cent per annum

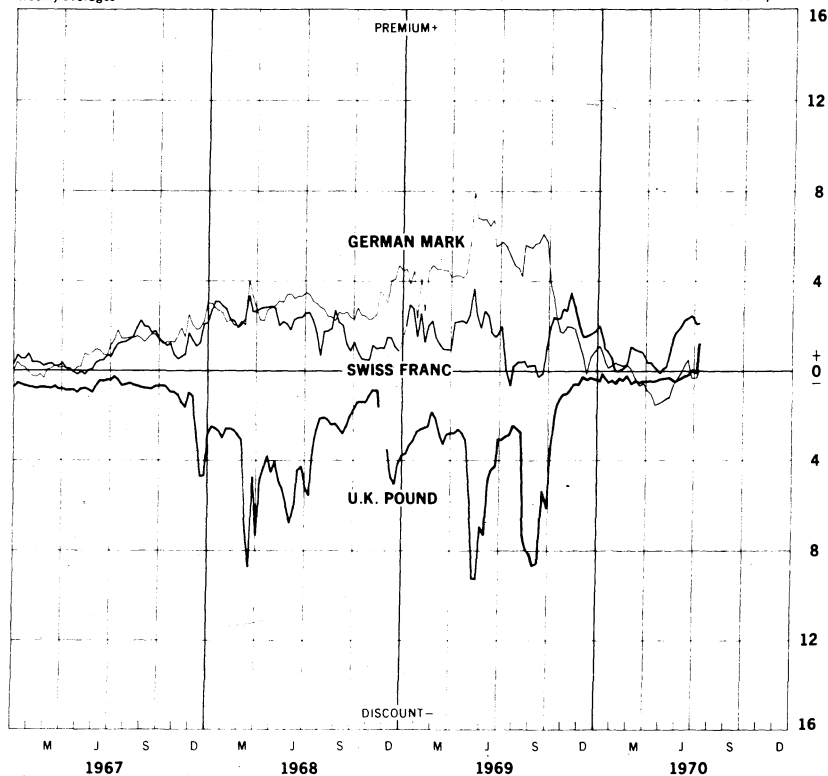
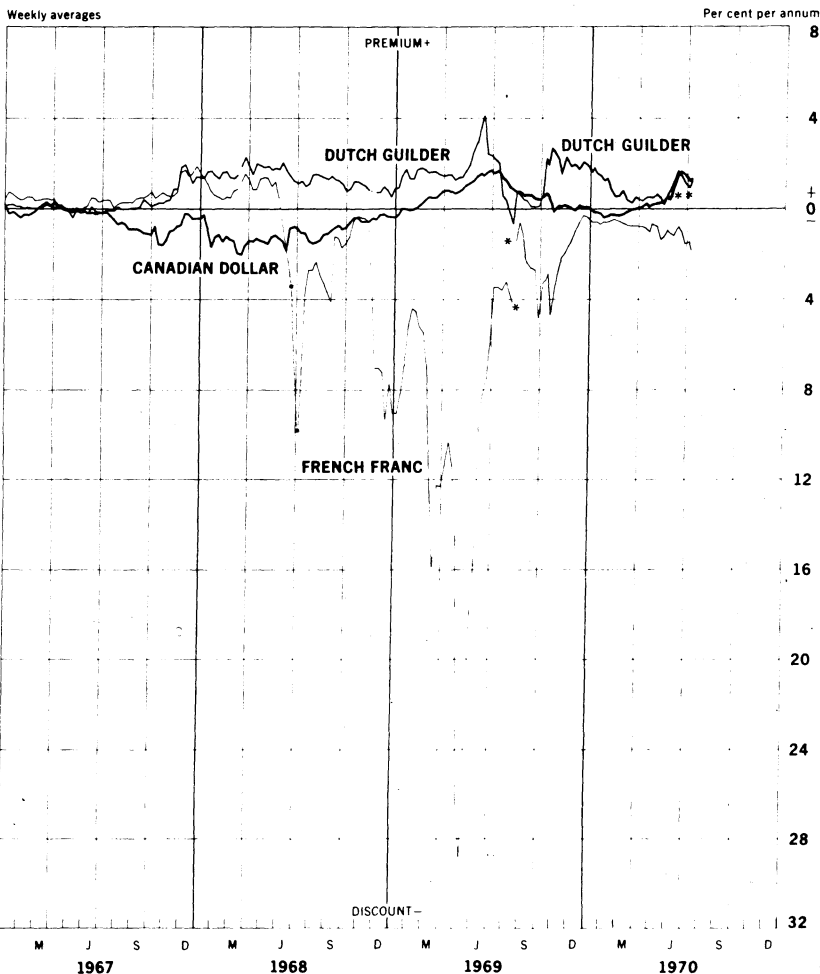


Chart 2B

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



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

** Can. \$ rate not supported by Bank of Canada.

Chart 3A

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

Friday figures

Per cent per annum

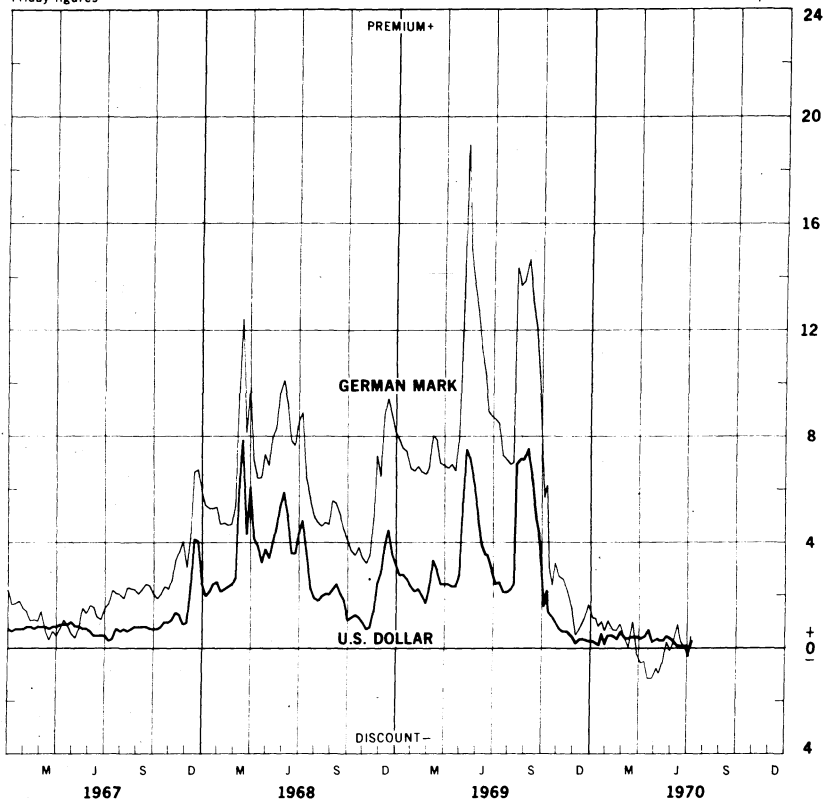
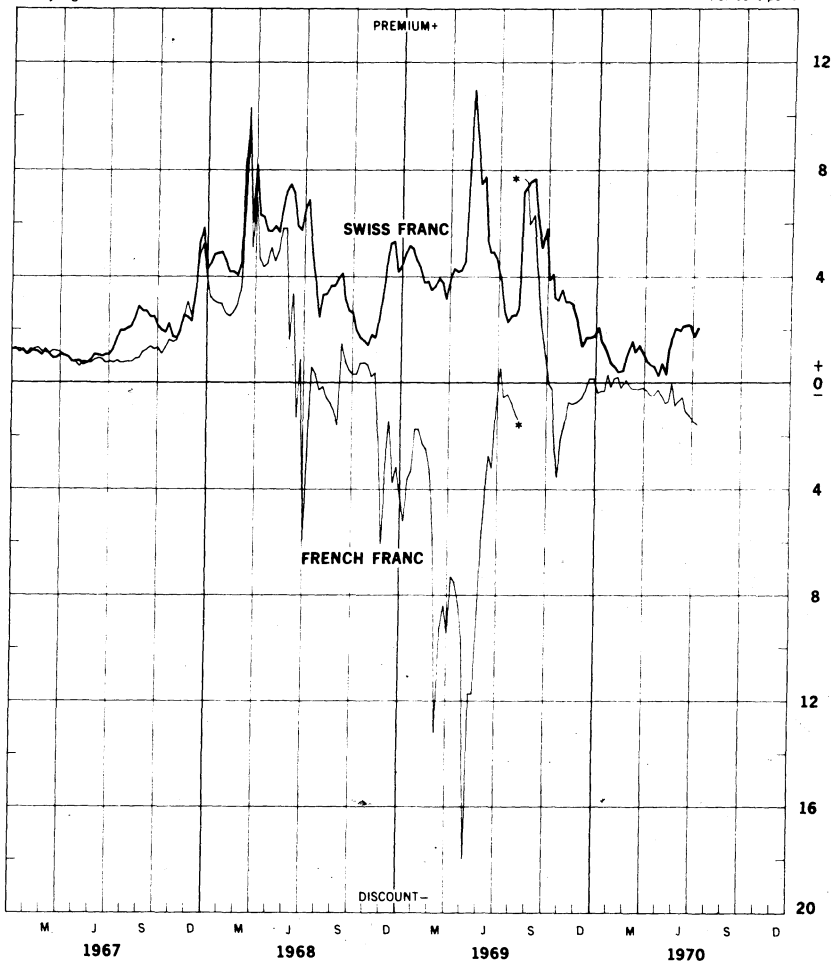


Chart 3B

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

Friday figures

Per cent per annum



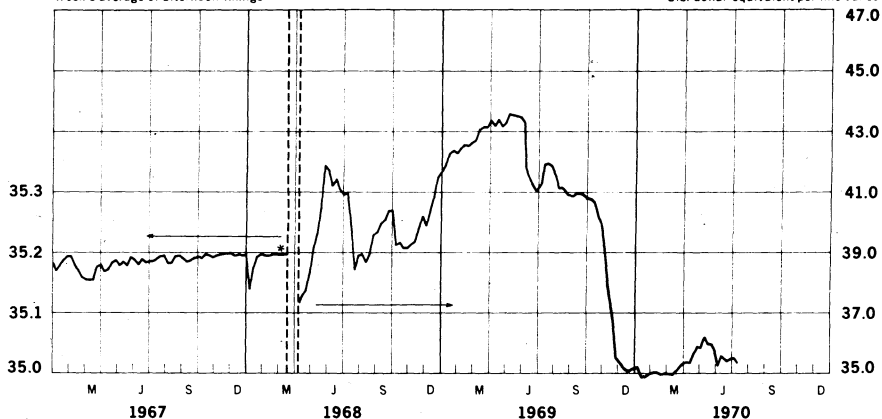
* Devaluation of the French franc from 4.94 to 5.55 for \$1.00

Chart 4

GOLD PRICE IN LONDON, 12.5 Kg BARS

Week's average of afternoon fixings

U.S. dollar equivalent per fine ounce



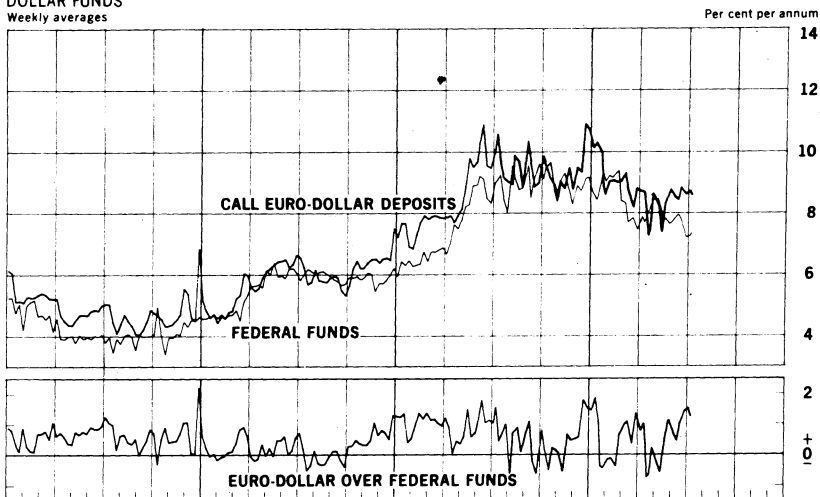
* Market closed March 15-April 1, 1968

Chart 5

CALL MONEY RATES

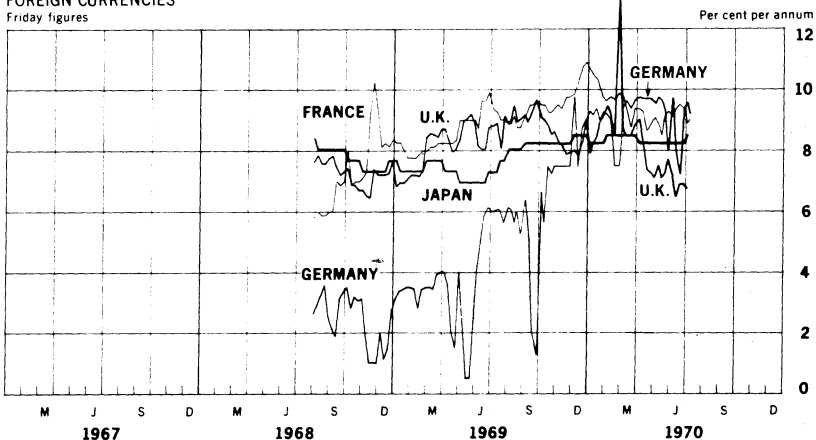
DOLLAR FUNDS

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

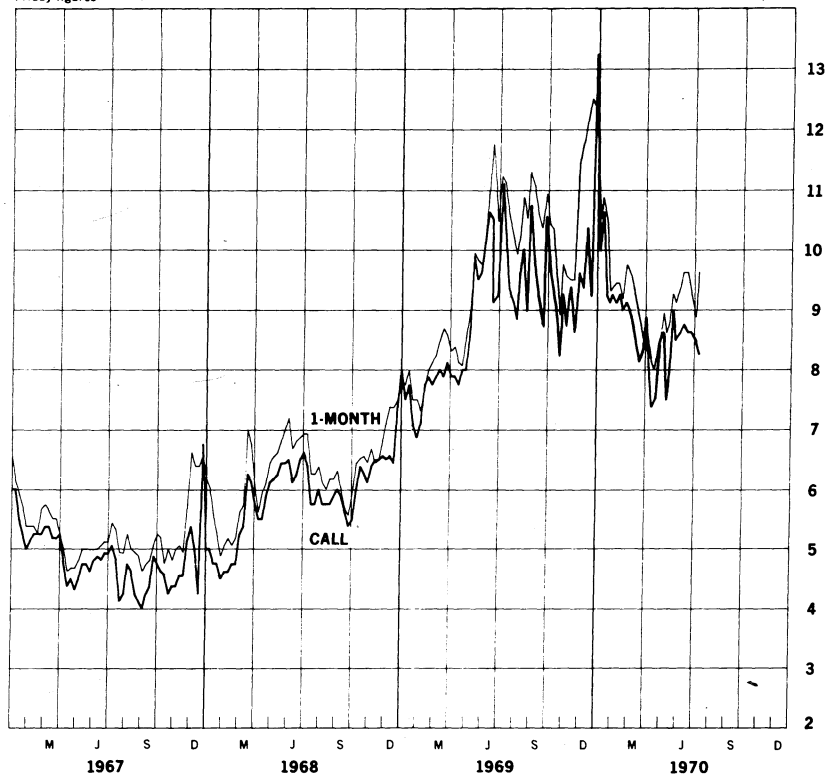


CHART 6B

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

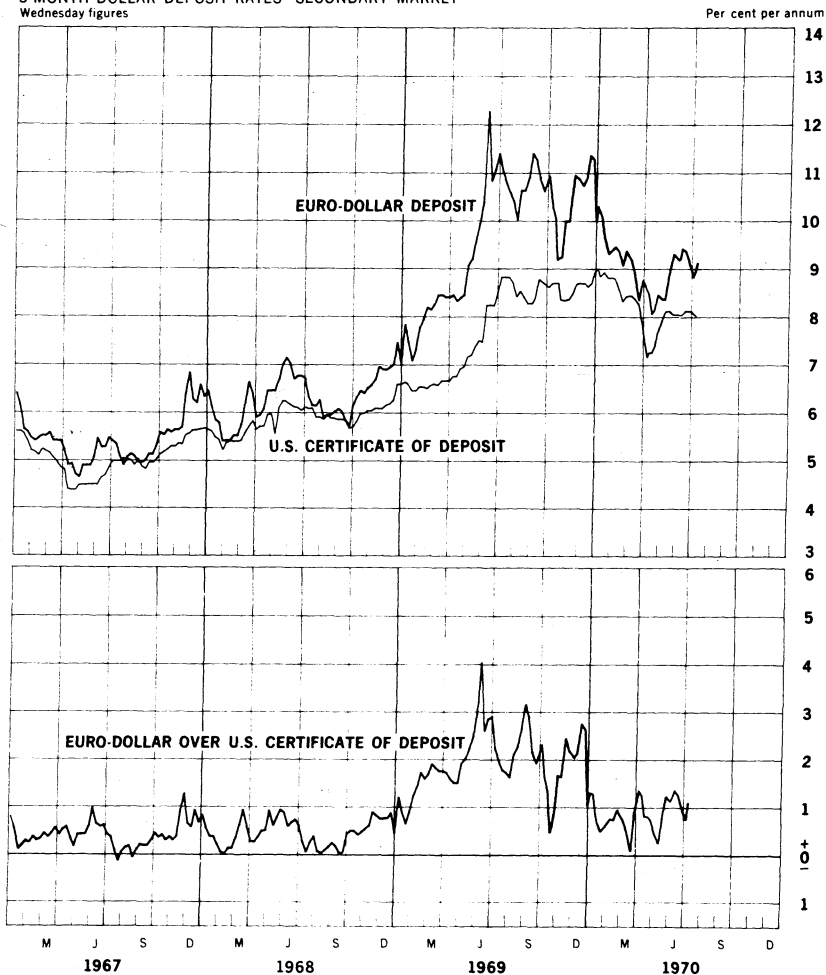
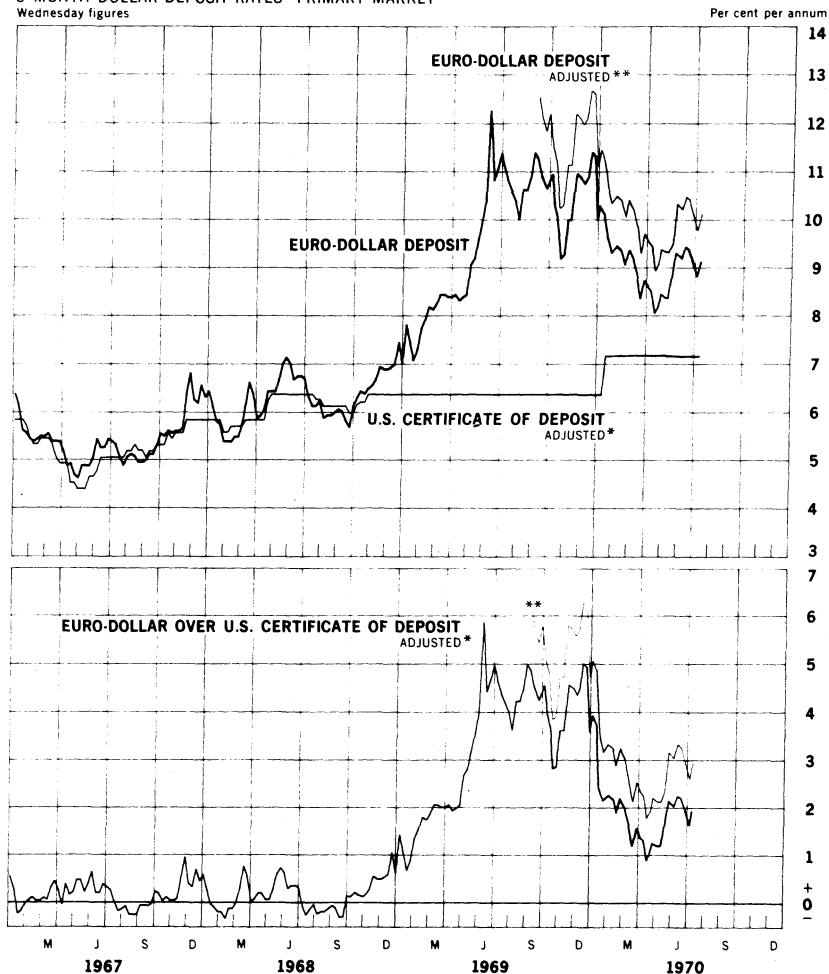


Chart 7B

NEW YORK-LONDON: COSTS OF U.S. DOLLAR FUNDS

3-MONTH DOLLAR DEPOSIT RATES—PRIMARY MARKET

Wednesday figures



* 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

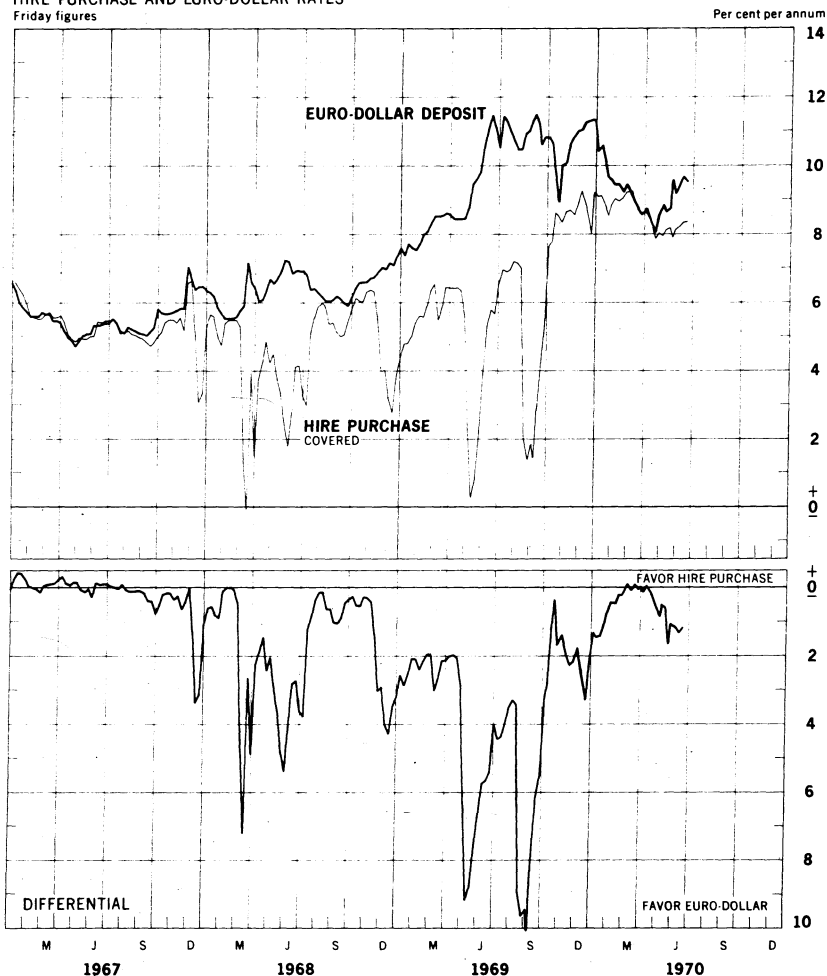


CHART 88

LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

LOCAL AUTHORITY AND EURO-DOLLAR RATES

Friday figures

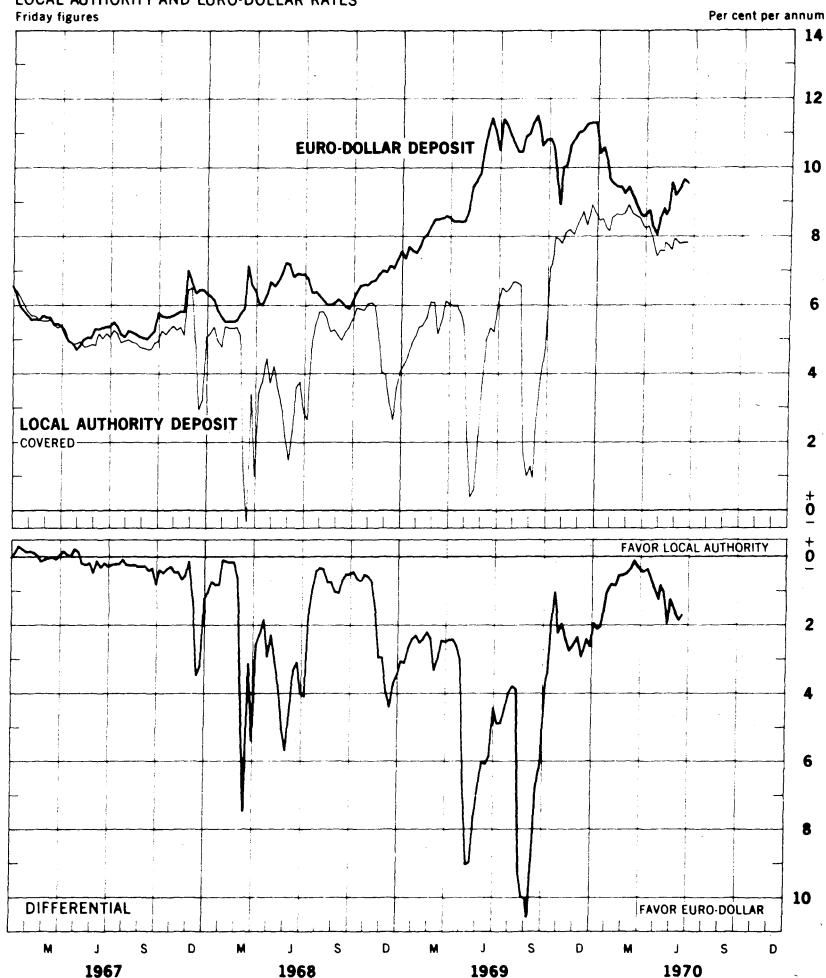
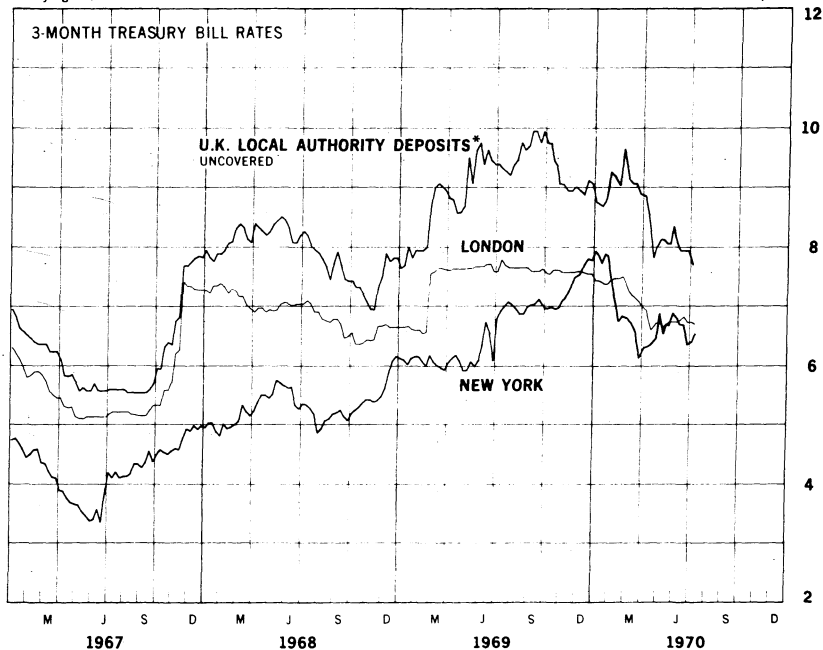


Chart 9A

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

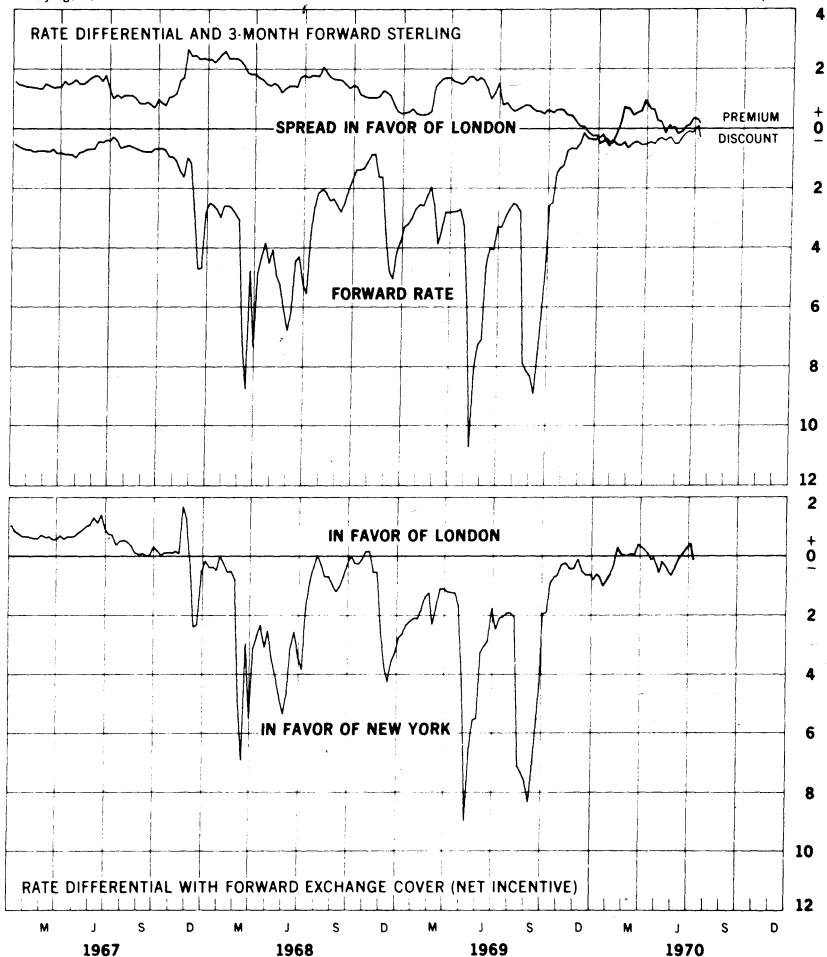
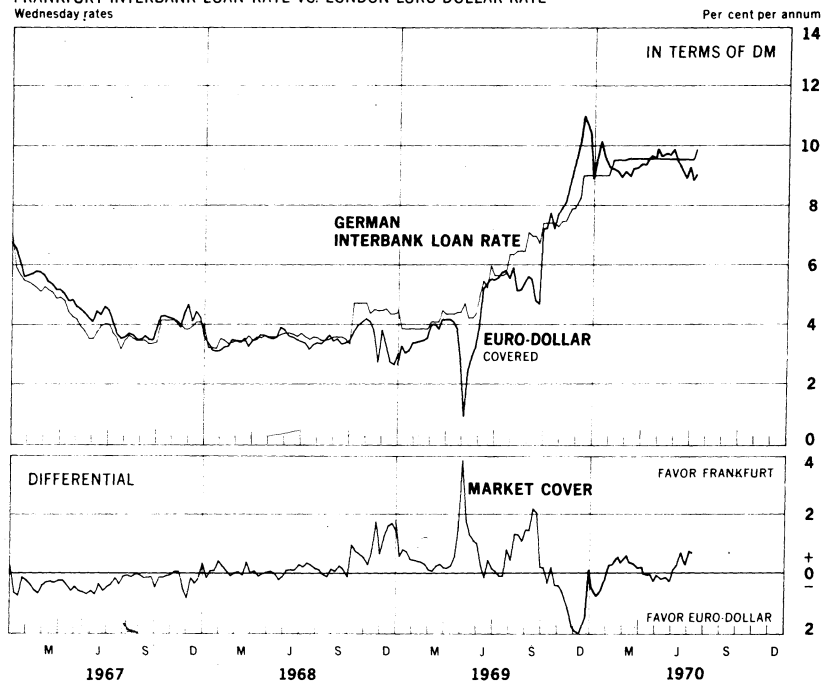


Chart 10A

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

FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates



20

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

ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates

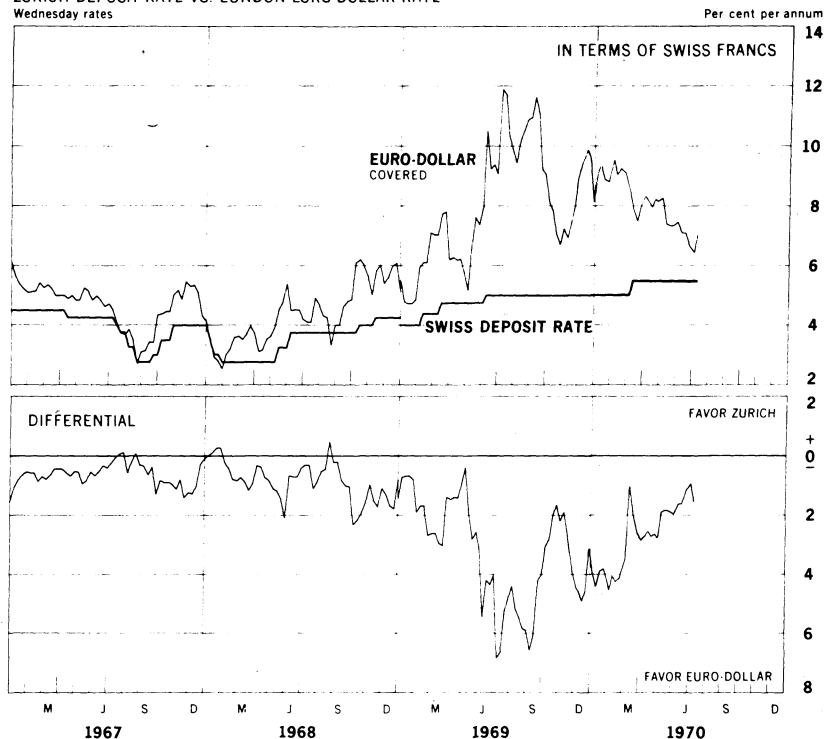


Chart 11

3-MONTH INTEREST ARBITRAGE: UNITED STATES - CANADA

Friday figures

Per cent per annum

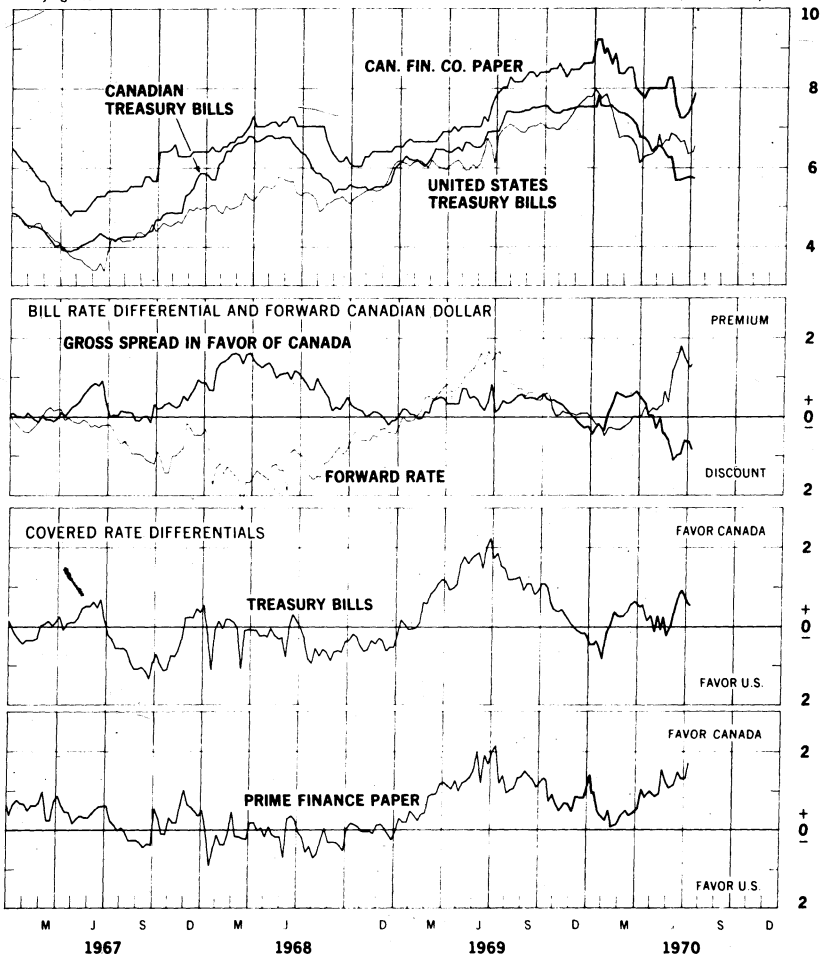
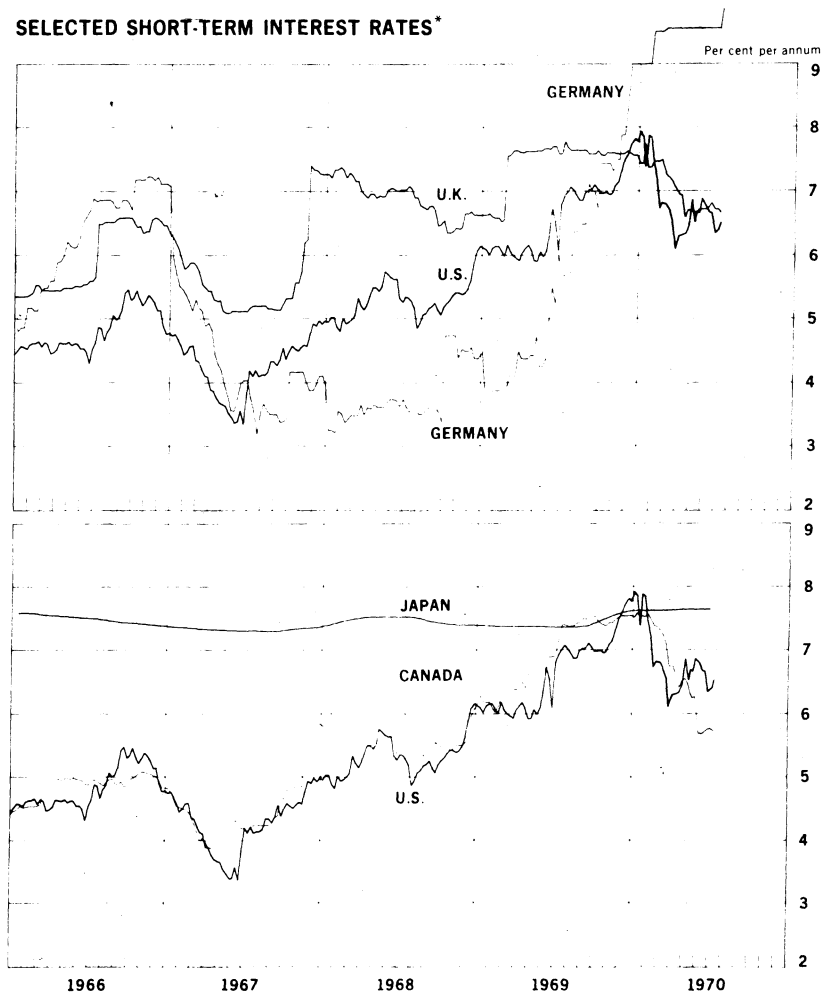


Chart 12A

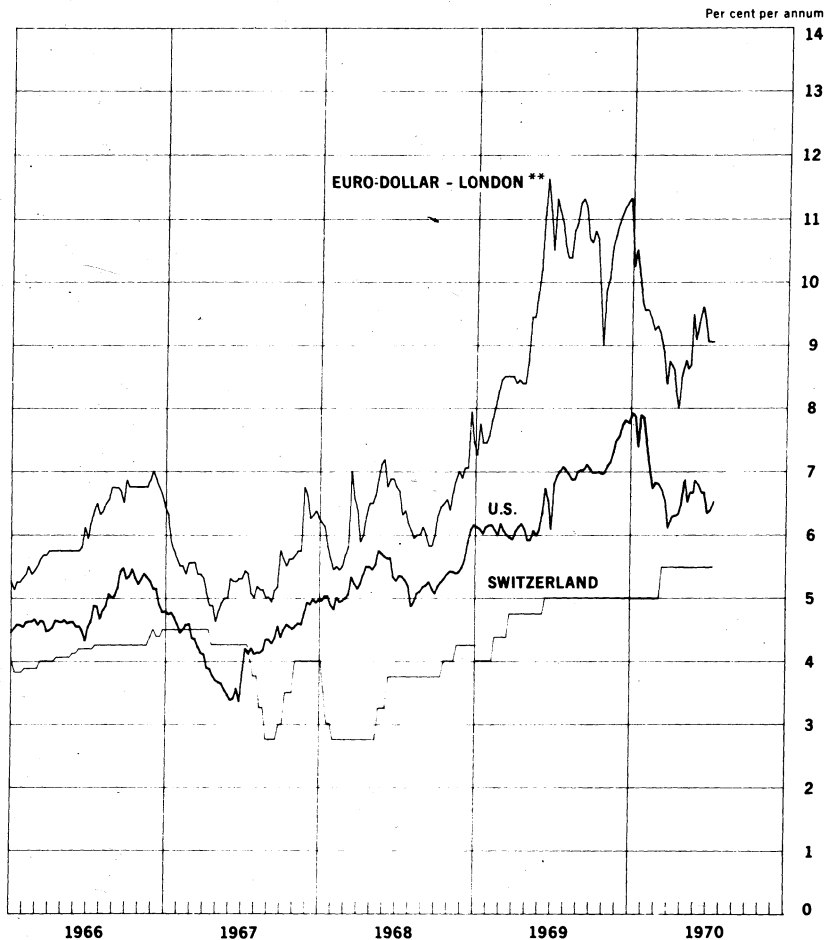
SELECTED SHORT-TERM INTEREST RATES*



* 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.

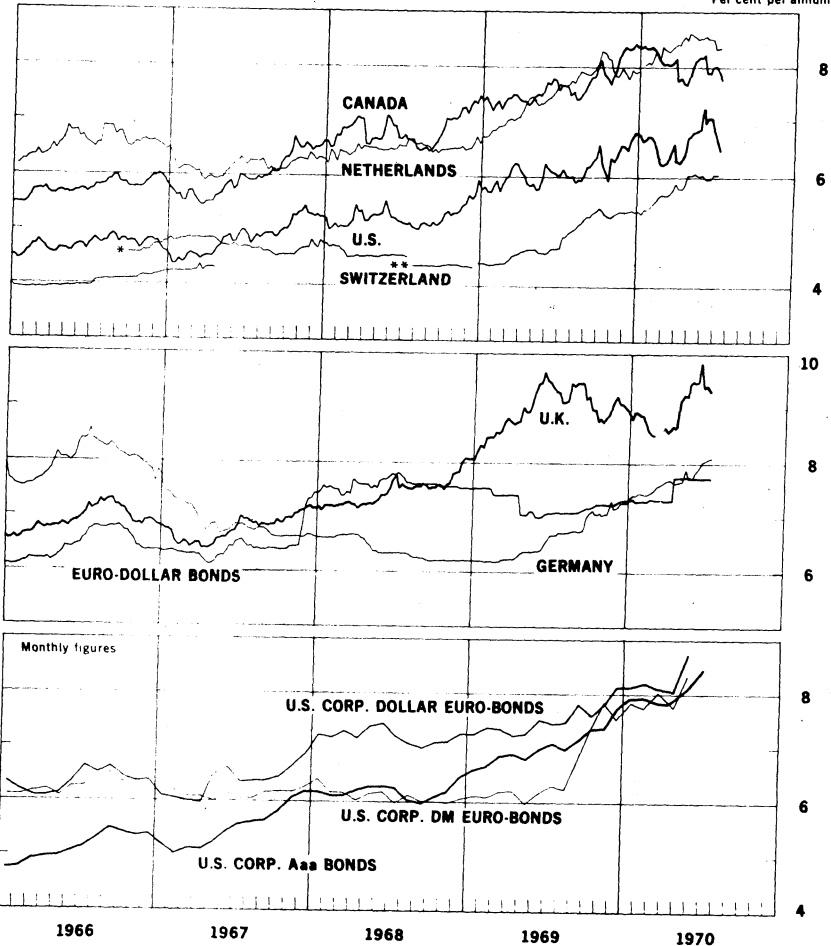
** 3-month rate for U.S. dollar deposits in London.

Chart 13

LONG-TERM BOND YIELDS

Weekly figures

Per cent per annum

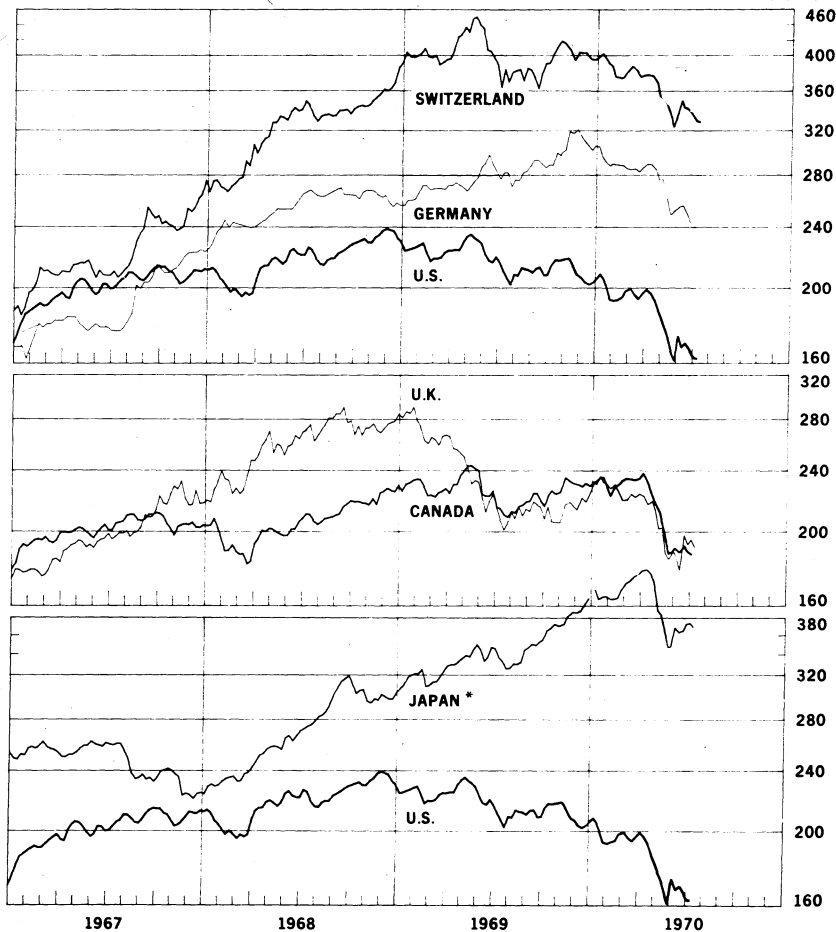


* New series for Switzerland starts 3-3-67.
 ** New series for Switzerland starts 8-2-68.

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

Chart	Panel	Series	Date	Rate
1A	Upper	Swiss franc	July 10	+ 1.549
		German mark	"	+ 0.785
		U.K. pound	"	- 0.365
	Lower	Dutch guilder	"	+ 0.018
		French franc	"	+ 0.610
		Japanese yen	"	+ 0.166
1B		Belgian franc	"	+ 0.728
		Italian lira	"	- 0.687
		Canadian dollar	--	--
2A		German mark	July 10	+ 0.04
		Swiss franc	"	+ 2.10
		U.K. pound	"	+ 1.20
2B		Dutch guilder	"	+ 1.22
		Canadian dollar	"	+ 1.30
		French franc	"	- 1.83
3A		German mark	July 10	+ 0.46
		U.S. dollar	"	+ 0.27
3B		Swiss franc	"	+ 2.08
		French franc	"	- 1.56
4		Gold price, U.S. dollar per ounce	"	35.32
5	Upper	Call Euro-\$ deposits	July 8	8.59
		Federal Funds	"	7.34
	Middle	Differential	"	+ 1.25
	Lower	Japanese Unconditional Money	July 3	8.50
		German Call Money	" 10	9.19
		U.K. 2-day Local Authority Deposits	" 3	6.75
		French Day-to-day Money	" 10	9.00

Chart	Panel	Series	Date	Rate
6A		Euro-\$ Call Rate	July 10	8.25
		Euro-\$ 1-month Rate	"	9.62
6B		Euro-\$ 3-month Rate	"	9.06
		Euro-\$ 6-month Rate	"	9.44
7A	Upper	Euro-\$ 3-month Deposits	July 8	9.12
		U.S. Certificate of Deposits	"	8.01
	Lower	Differential	"	+ 1.11
7B	Upper	Euro-\$ 3-month Deposits	"	9.12
		Euro-\$ 3-month Deposits (Adj.)	"	10.13
		U.S. Certificate of Deposits (Adj.)	"	7.18
	Lower	Differential: on Adj. Euro-\$ Deposits	"	+ 2.95
		on Unadj. Euro-\$ Deposits	"	+ 1.94
8A	Upper	Euro-\$ 3-month Deposits	June 19	9.50
		Hire Purchase Deposits (covered)	"	8.37
	Lower	Differential	"	- 1.13
8B	Upper	Euro-\$ 3-month Deposits	"	9.50
		Local Authority Deposits (covered)	"	7.81
	Lower	Differential	"	- 1.69
9A		U.S. Treasury Bill rate	July 10	6.53
		U.K. Treasury Bill rate	"	6.69
		Local Authority Deposit (uncovered)	July 3	7.69
9B	Upper	Spread (+= favor London)	" 10	+ 0.16
		3-month Forward Pound	" 10	- 0.30
	Lower	Net Incentive (+= favor London)	" 10	- 0.14

Chart	Panel	Series	Date	Rate
10A	Upper	Euro-\$ Deposits (covered)	July 10	9.06
		German Interbank Loan rate	"	9.88
	Lower	Differential	"	+ 0.67
10B	Upper	Euro-\$ Deposits (covered)	"	7.05
		Swiss Deposit rate	"	5.50
	Lower	Differential	"	- 1.55
11	Upper	Canadian Finance Paper	July 10	7.88
		U.S. Treasury Bill rate	"	6.53
		Canadian Treasury Bill rate	"	5.71
		U.S. Prime Finance paper (not plotted)	"	7.50
	Second	Bill rate differential	"	- 0.82
		Forward Canadian dollar	"	+ 1.33
	Third	Net incentive on bills	"	+ 0.51
	Bottom	Net incentive on Finance Paper	"	+ 1.71
12A	Upper	U.K. Treasury Bill rate	"	6.69
		U.S. Treasury Bill rate	"	6.53
		German Interbank Loan rate	"	9.88
	Lower	Japanese Average rate	June 6/30	7.647
		Canadian Treasury Bill rate	July 10	5.71
		U.S. Treasury Bill rate	"	6.53
12B		Euro-\$ Deposits	"	9.06
		Swiss 3-month Deposit rate	"	5.50
		U.S. Treasury Bill rate	"	6.53

Chart	Panel	Series	Date	Rate
13	Upper	Netherlands	July 3	8.35
		Canada	" 8	7.76
		United States	" 8	6.47
		Switzerland	July 1	6.05
	Middle	Germany	" 10	8.11
		United Kingdom	" 3	9.30
		Euro-dollar bonds	" 10	7.73
	Lower	U.S. Corp. Dollar Euro-bonds	May 25	8.75
		U.S. Corp. DM Euro-bonds	"	8.36
		U.S. Corp. Aaa bonds	June 26	8.48
14	Upper	Switzerland	July 10	327.80
		Germany	June 30	242.40
		United States	July 10	162.29
	Middle	United Kingdom	" 10	190.13
		Canada	" 2	186.86
	Lower	Japan	" 10	369.48
		United States	" 10	162.29