

August 12, 1970 No. 467

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

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

Weekly averages

Per cent

Above par

1.6

.8

Par with U.S. dollar

.8

Below par

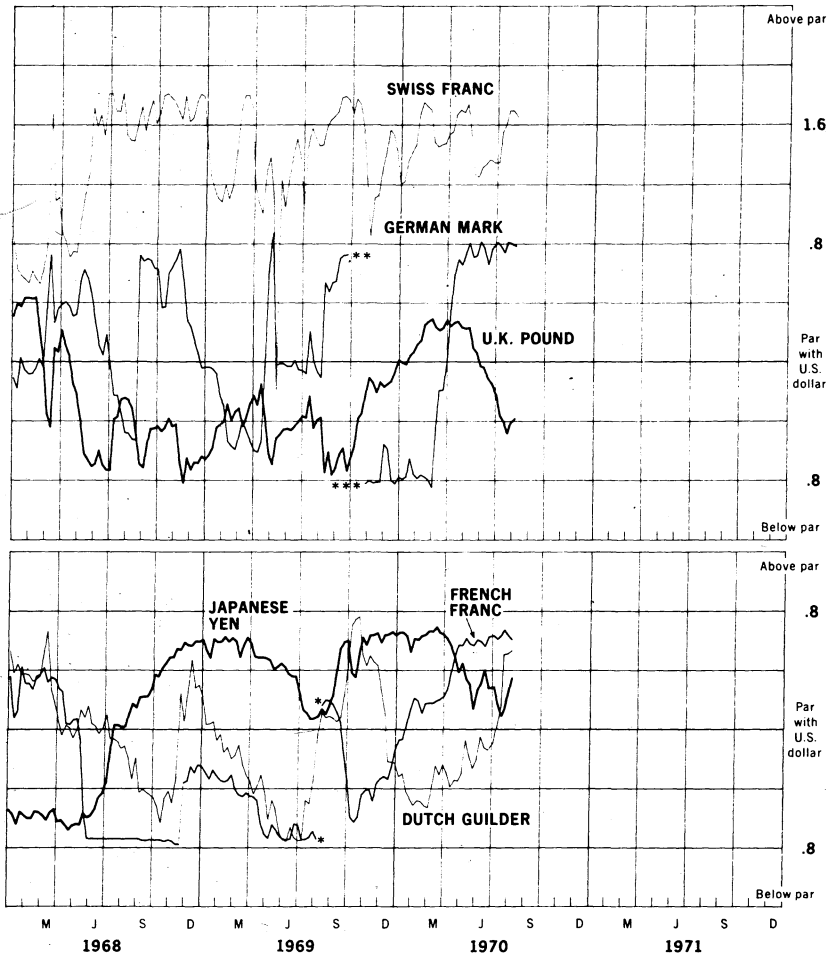
Above par

.8

Par with U.S. dollar

.8

Below par



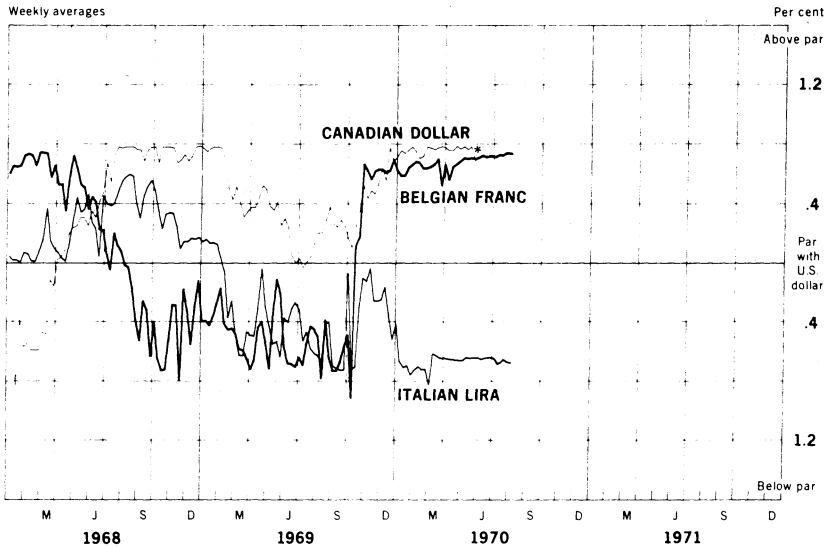
\* Devaluation of the French franc from 4.94 to 5.55 for \$1.00.

\*\* 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



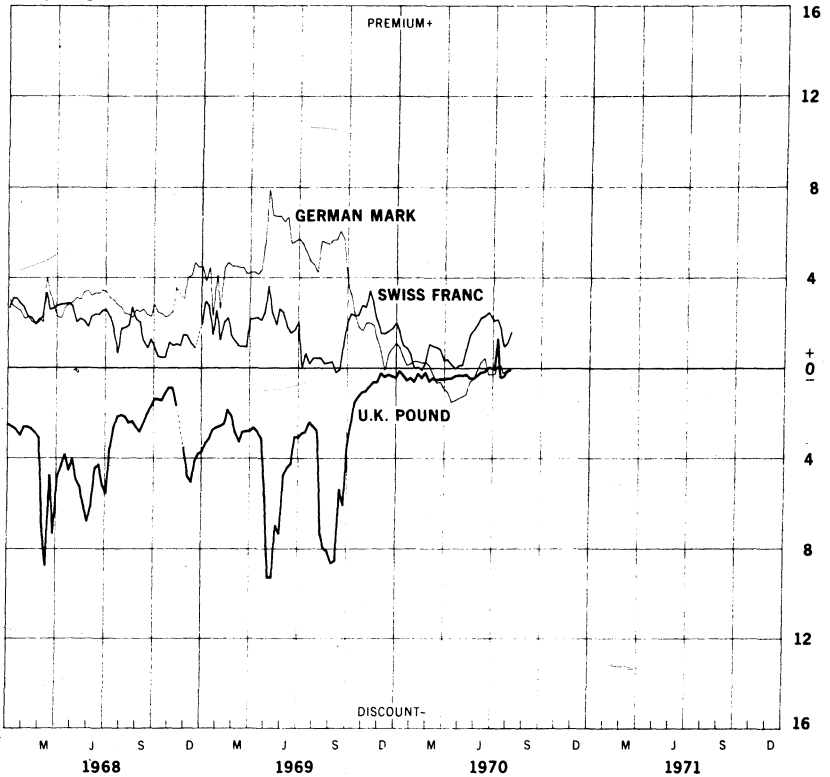
\* Can. \$ rate not supported by Bank of Canada.

Chart 2A

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

Weekly averages

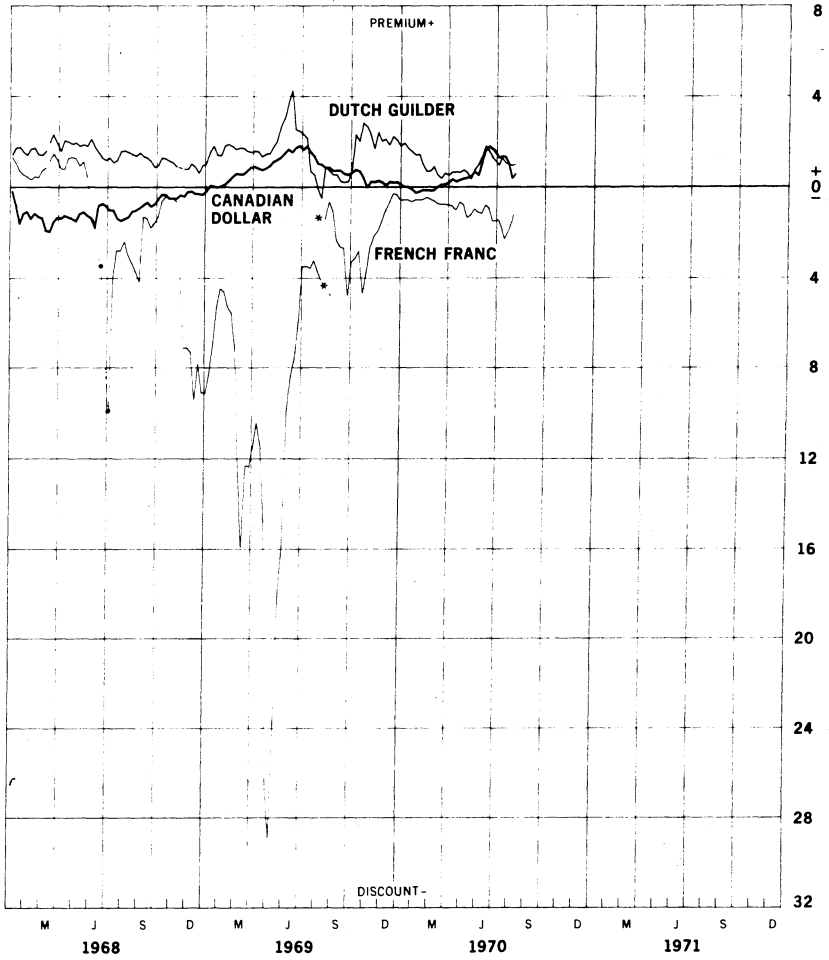
Per cent per annum



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

Weekly averages

Per cent per annum



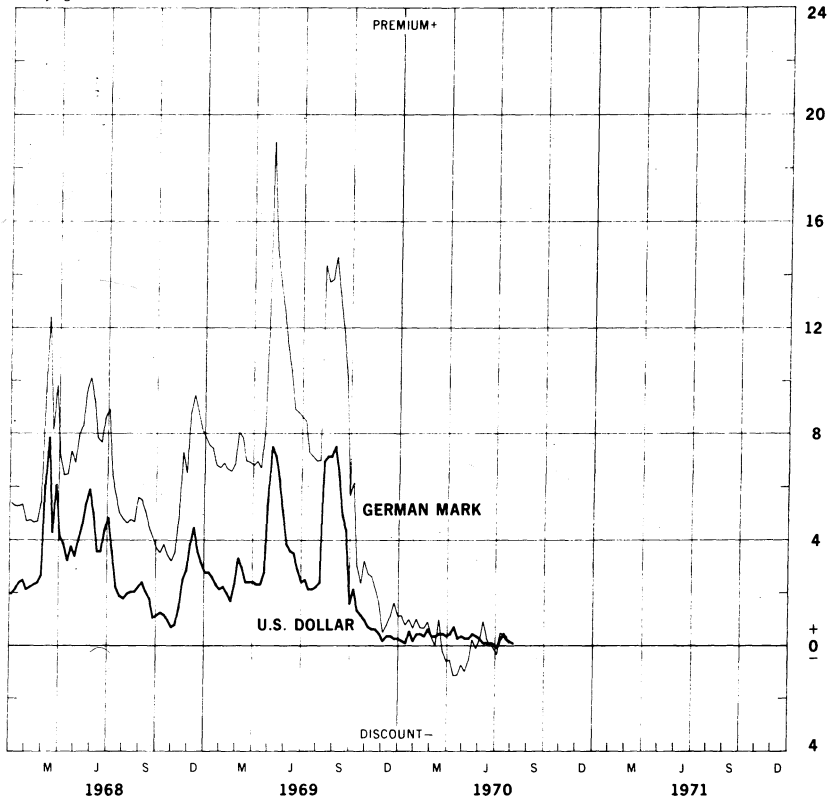
\* Devaluation of the French franc from 4.94 to 5.55 for \$1.00

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

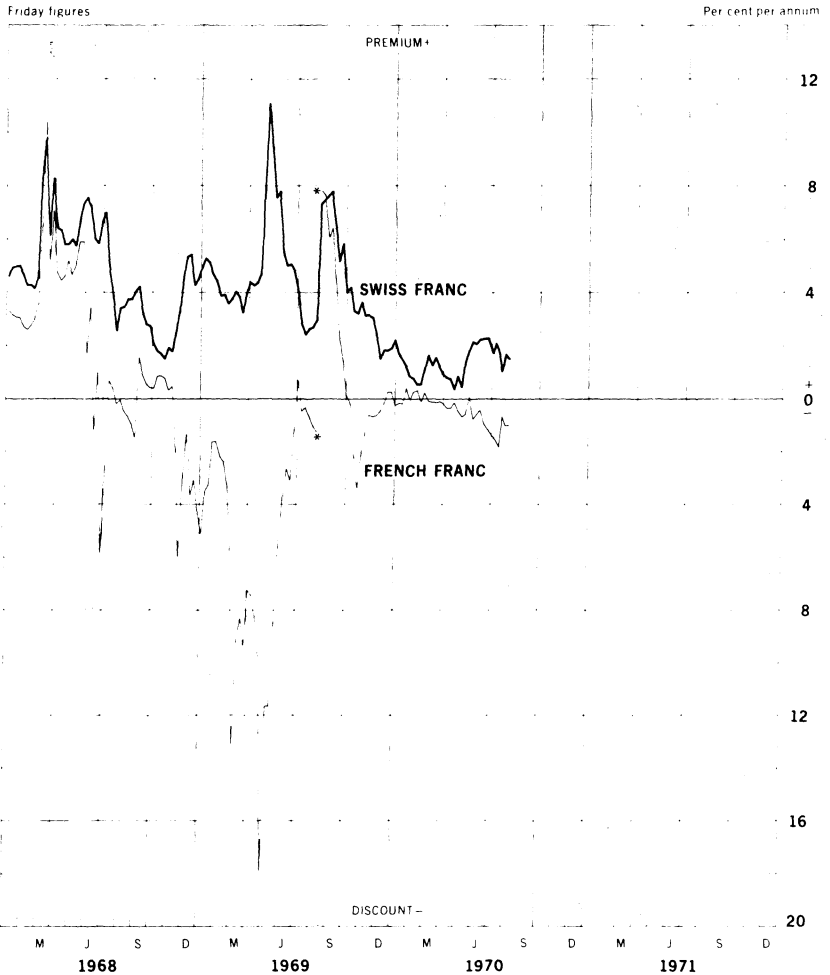
### 3-MONTH FORWARD EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.K. POUND

Friday figures

Per cent per annum



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



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

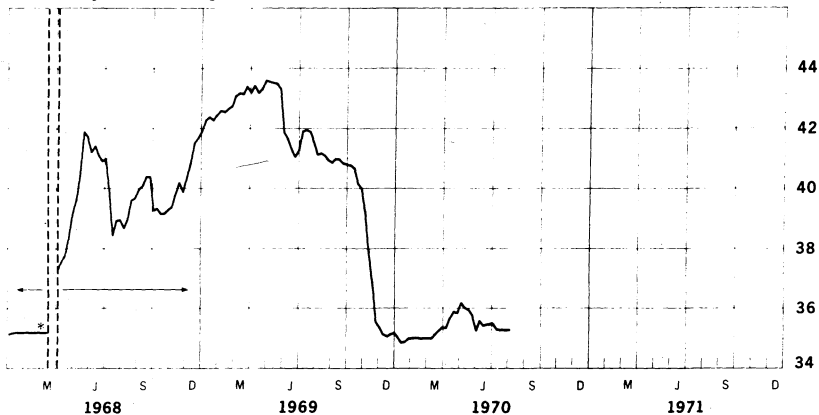


Chart 4

### GOLD PRICE IN LONDON, 12.5 Kg BARS

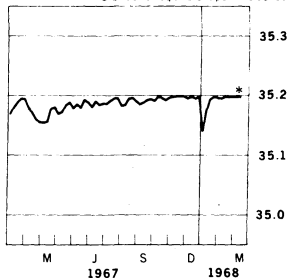
Week's average of afternoon fixings

U.S. dollar equivalent per fine ounce



### MARKET SUPPORTED BY GOLD POOL

U.S. dollar equivalent per fine ounce



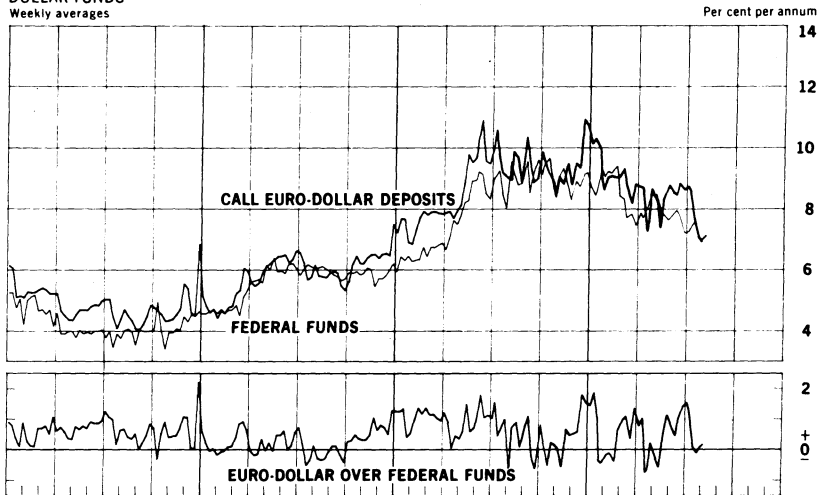
\* Market closed March 15-April 1, 1968

Chart 5

### CALL MONEY RATES

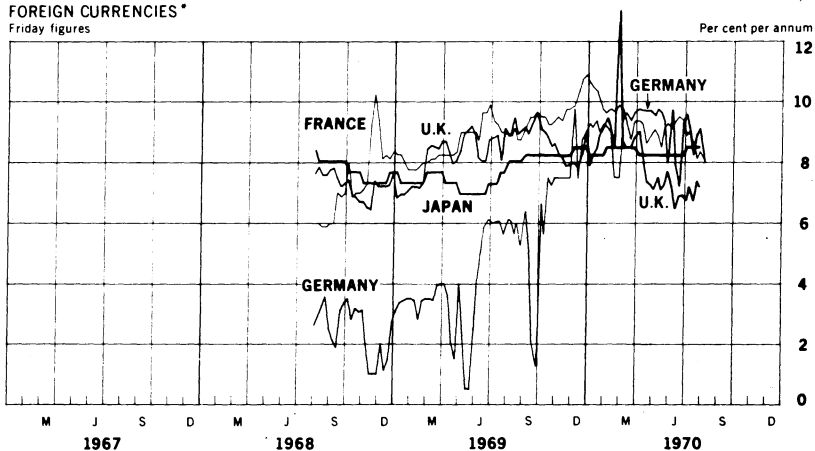
#### DOLLAR FUNDS

Weekly averages



#### FOREIGN CURRENCIES\*

Friday figures



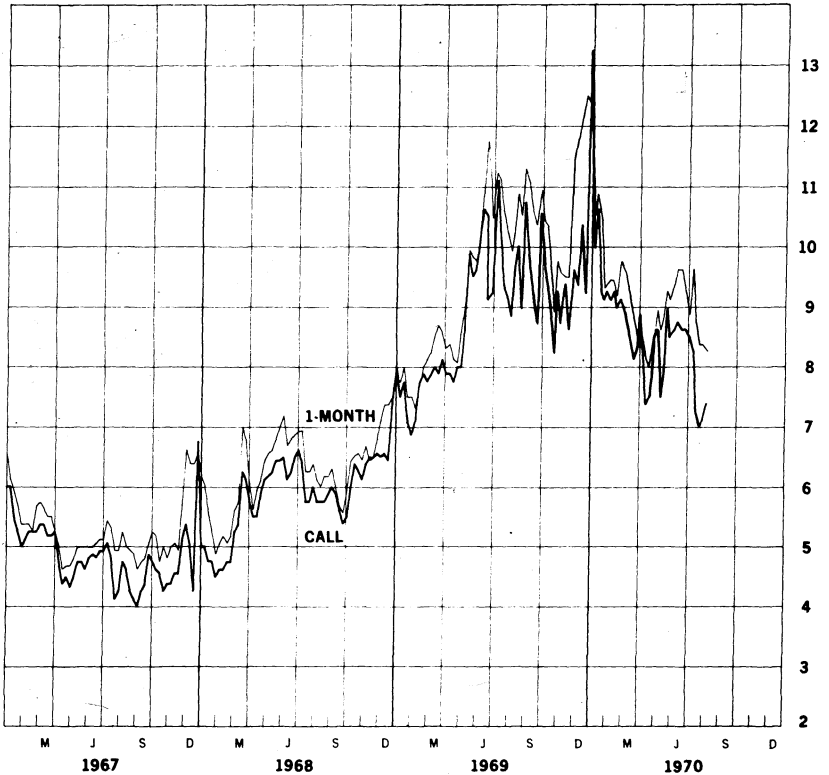
\*Germany, Call Money; U.K., 2-day Local Authority Deposits; Japan, Unconditional Money; France, Day-to-day Money.

CHART 6A

### LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

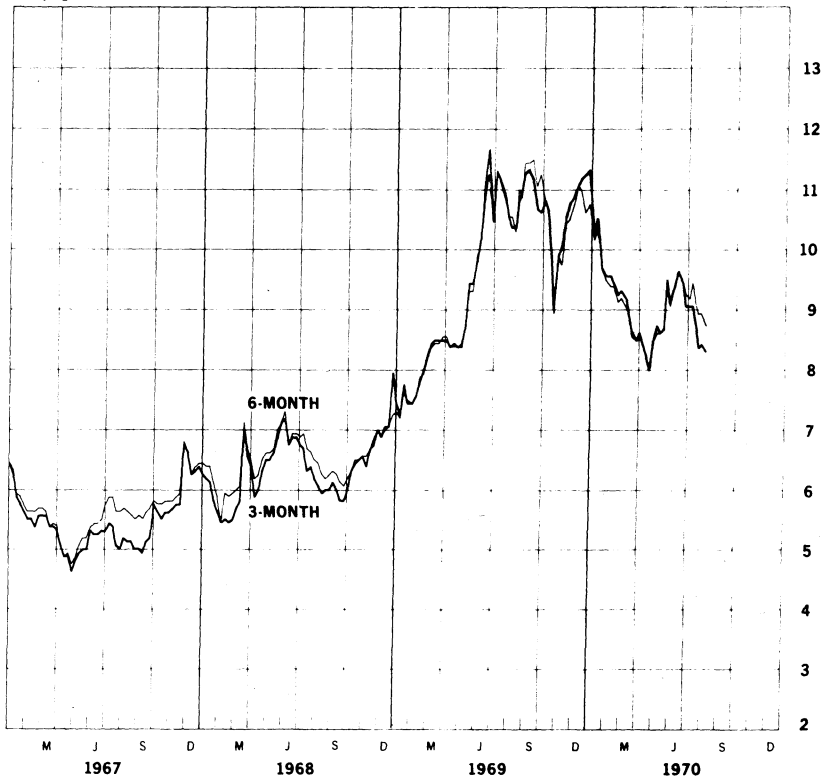
Per cent per annum



### LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

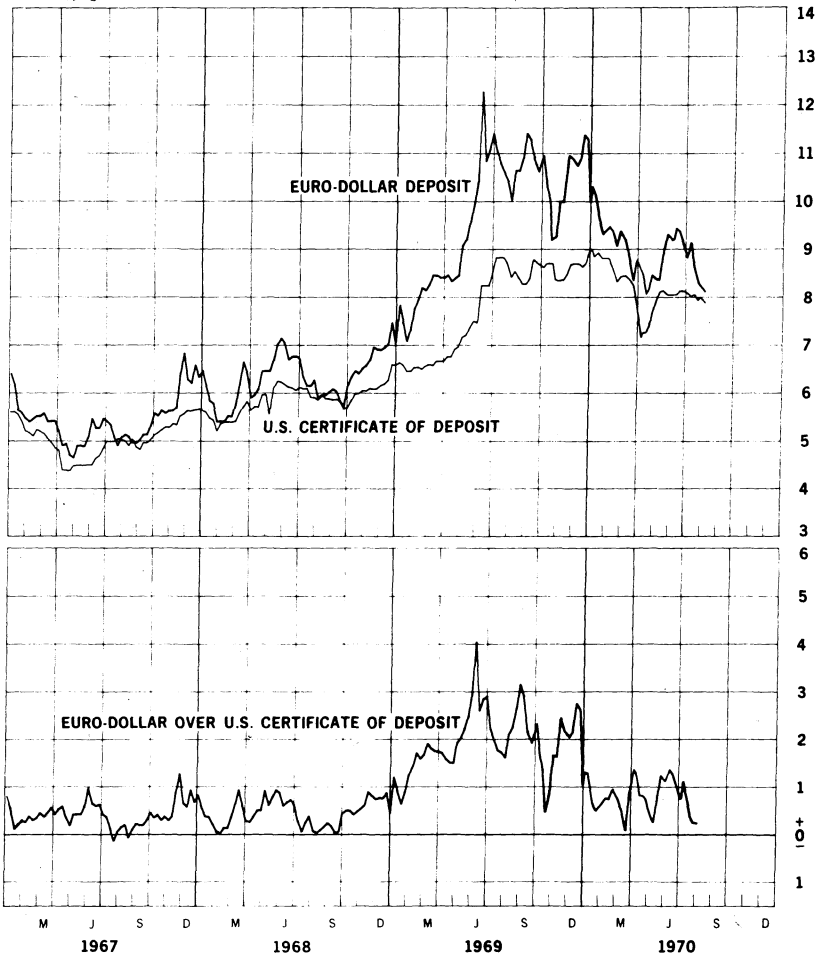
Per cent per annum



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

3-MONTH DOLLAR DEPOSIT RATES—SECONDARY MARKET  
 Wednesday figures

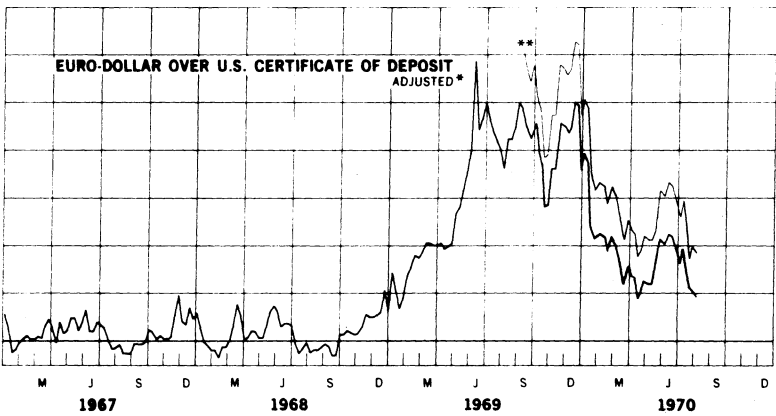
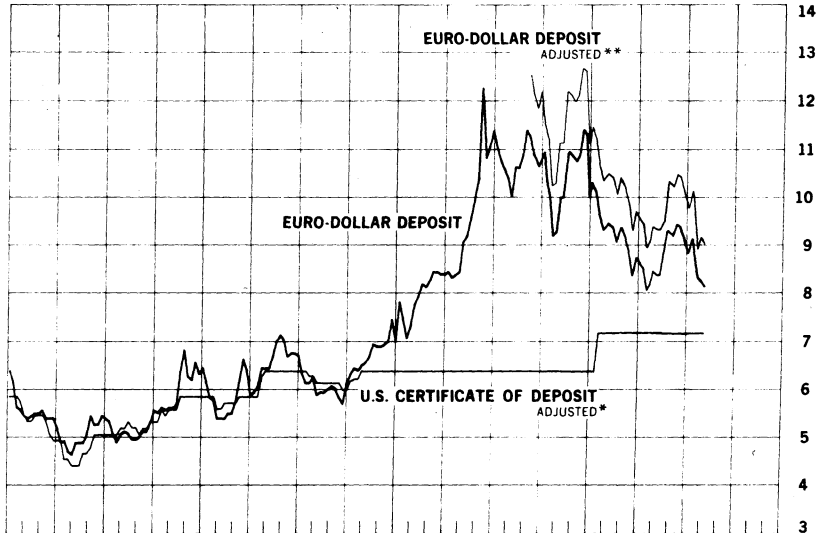
Per cent per annum



# NEW YORK-LONDON: COSTS OF 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

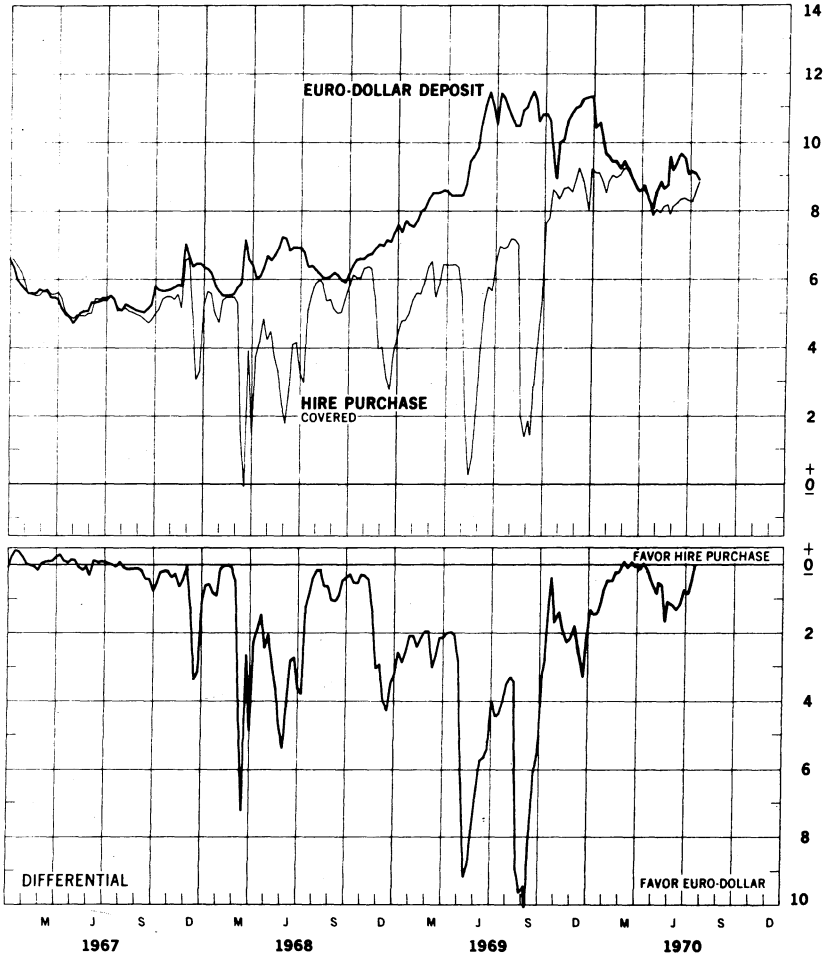


CHART 8B

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

LOCAL AUTHORITY AND EURO-DOLLAR RATES

Friday figures

Per cent per annum

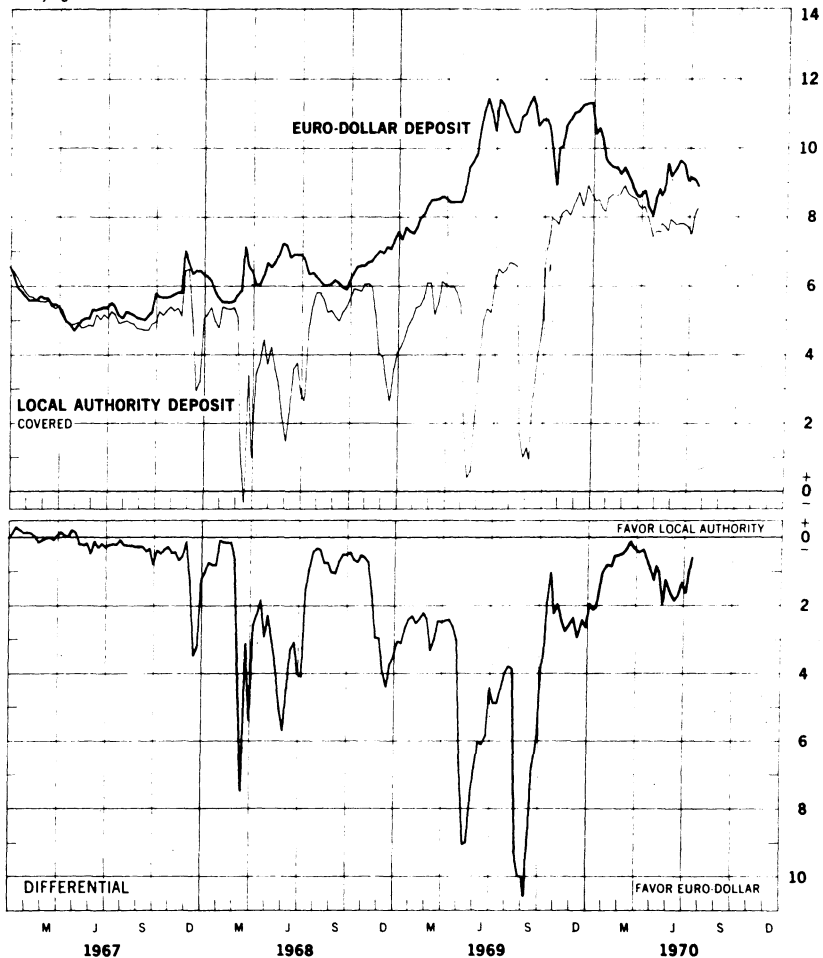


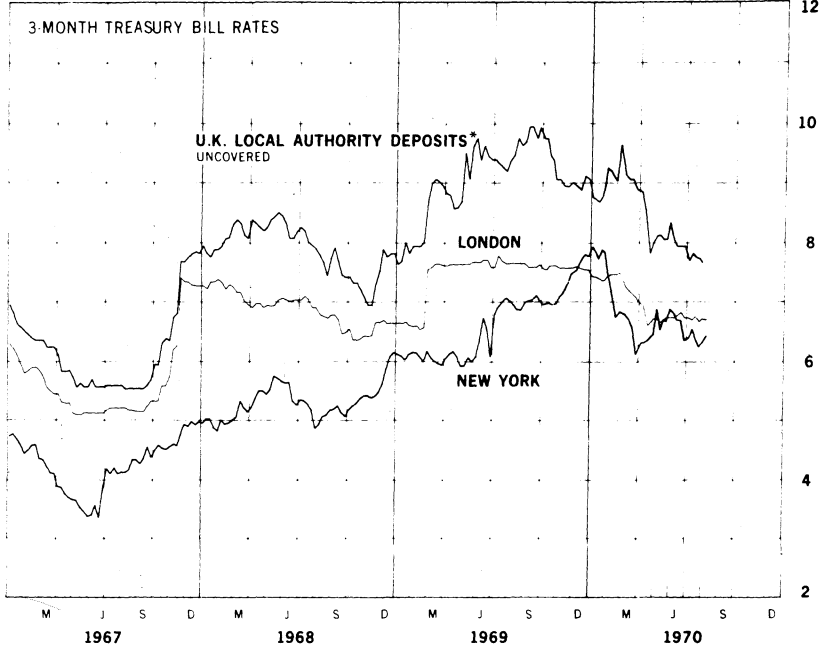


Chart 9A

# INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

Per cent per annum

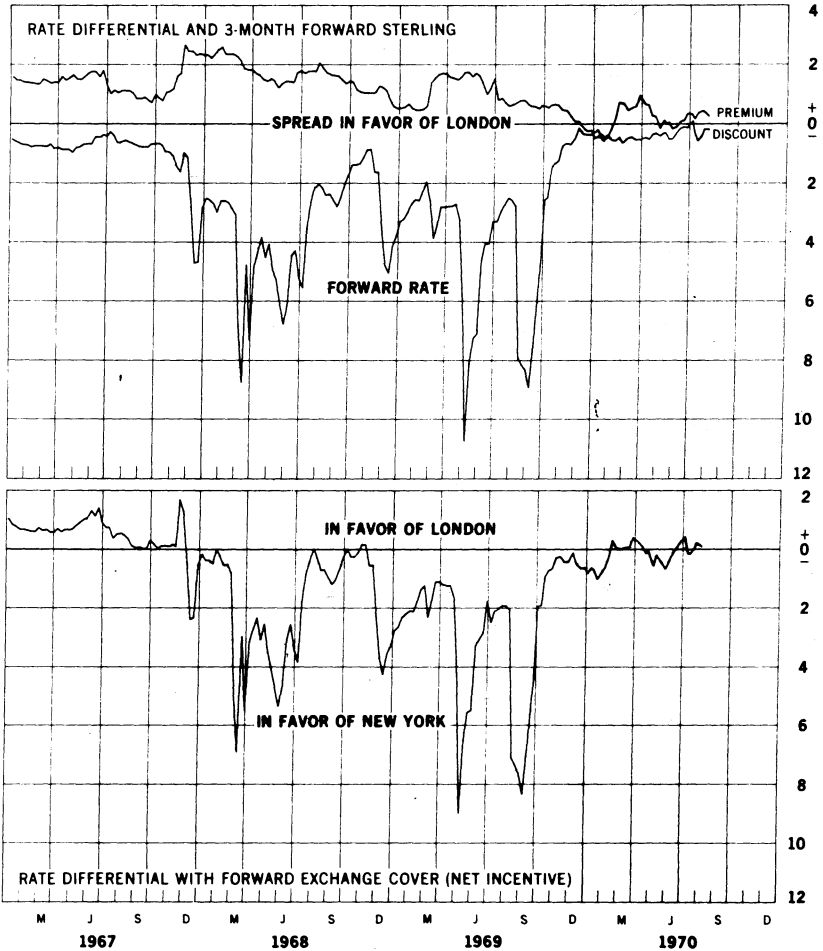


\* Plotted for comparison purposes

# INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

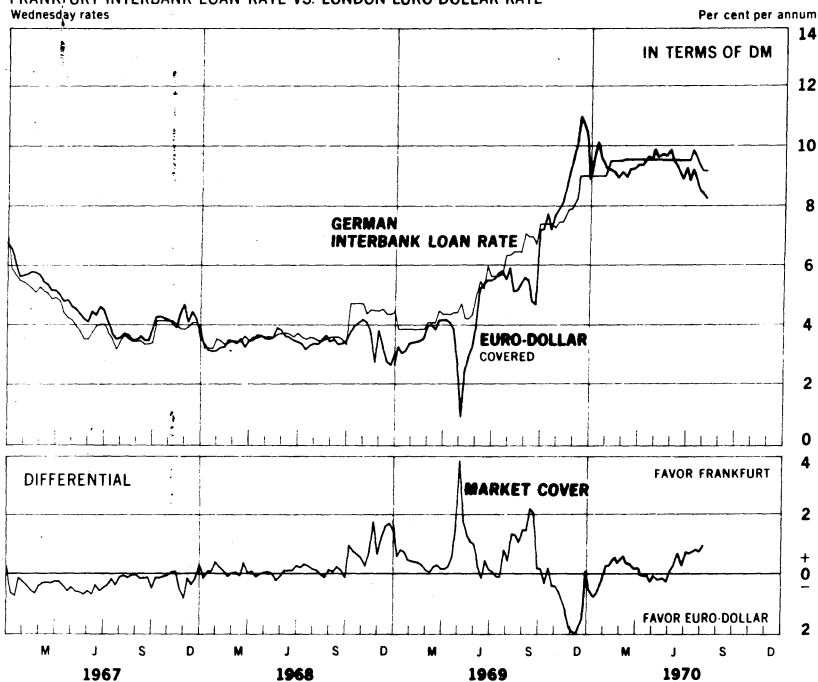
Friday figures

Per cent per annum



### 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

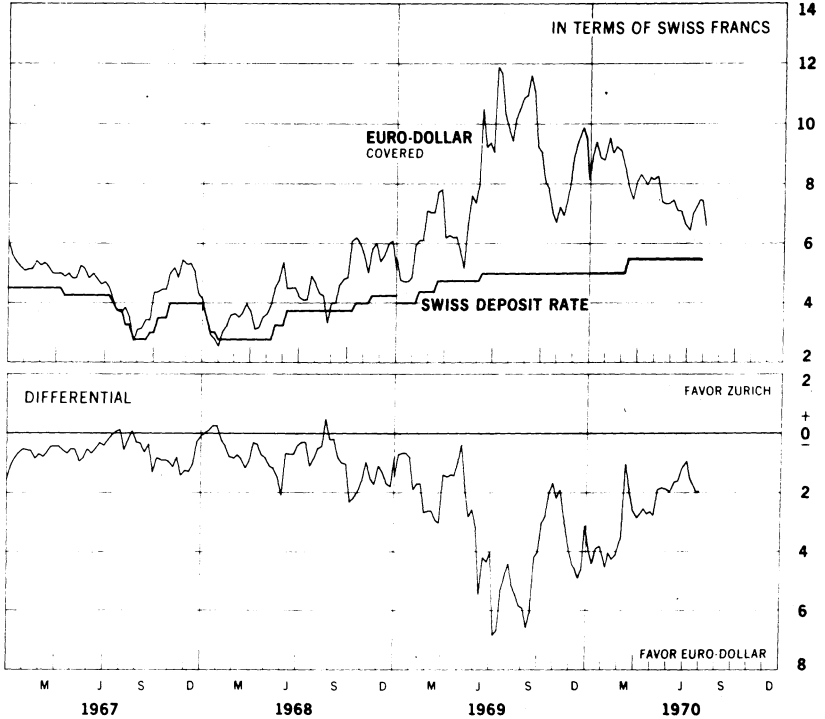
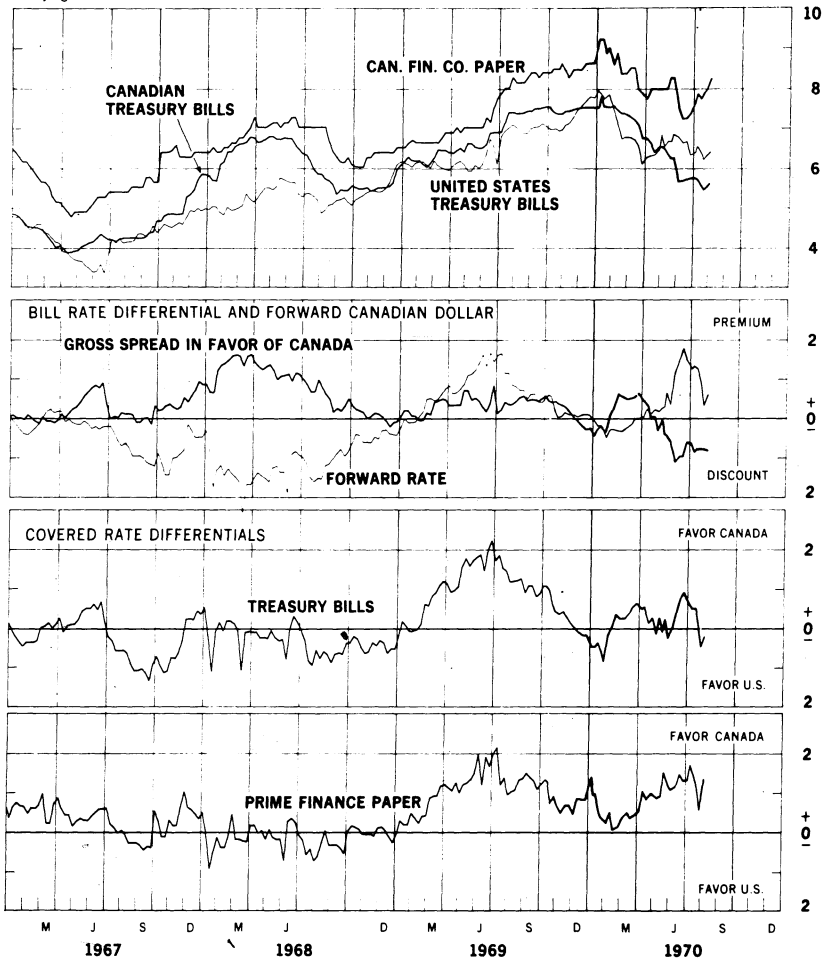


Chart 11

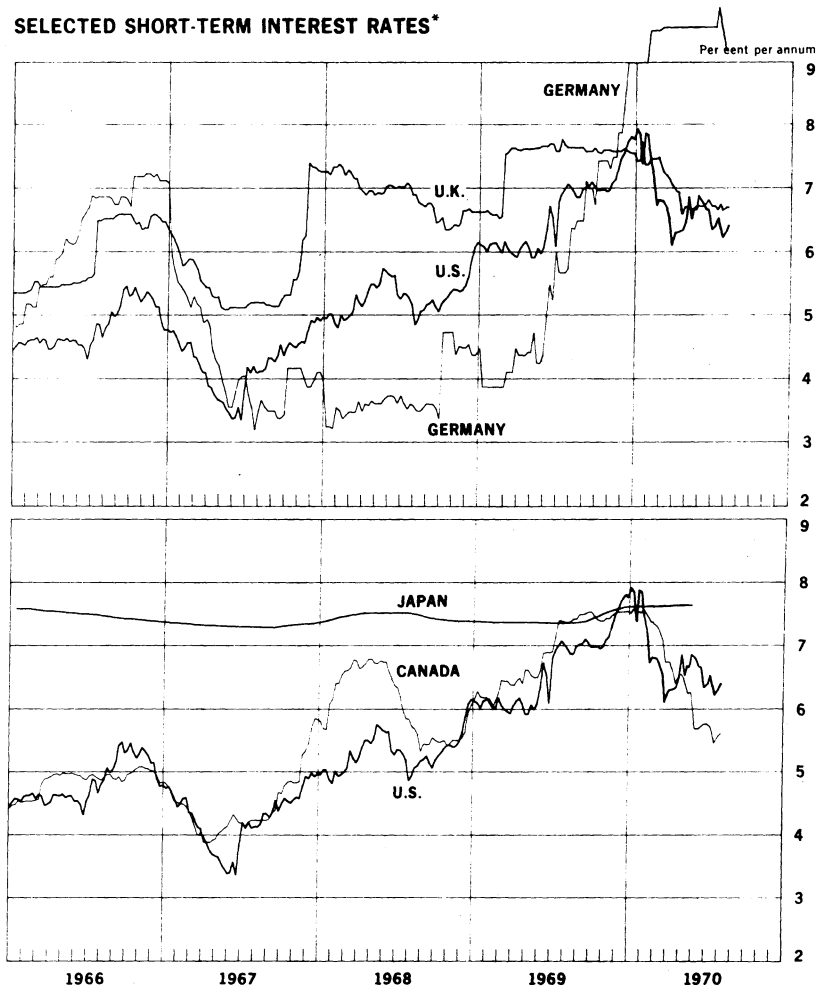
### 3-MONTH INTEREST ARBITRAGE: UNITED STATES - CANADA

Friday figures

Per cent per annum



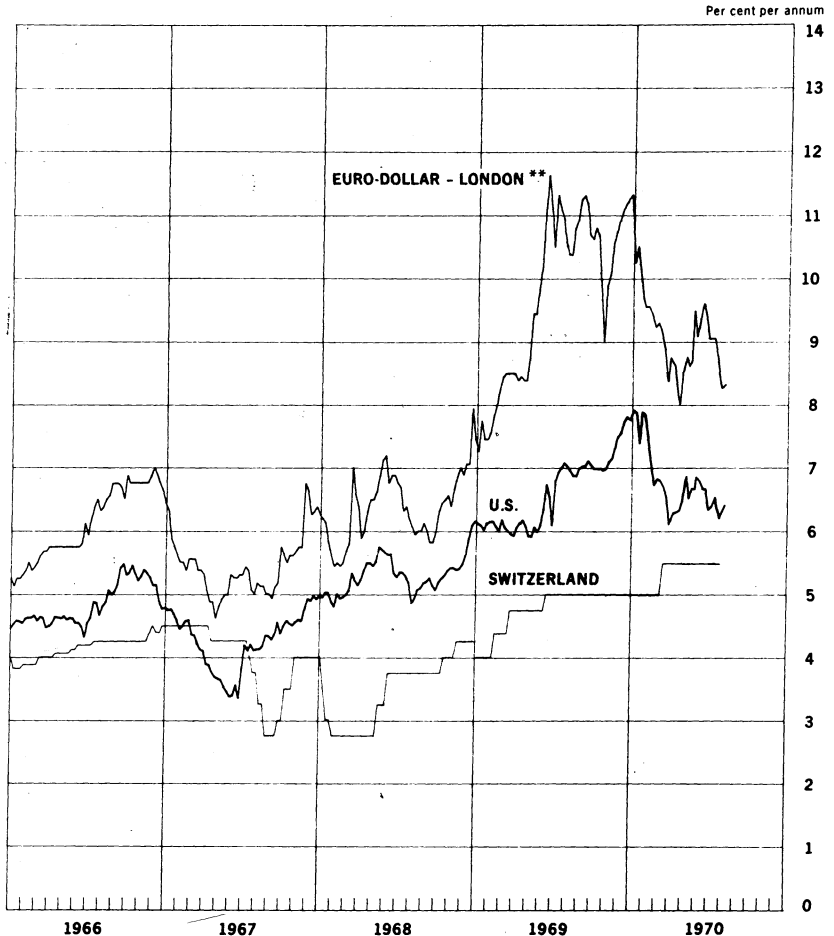
**SELECTED SHORT-TERM INTEREST RATES\***



\* 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 \*

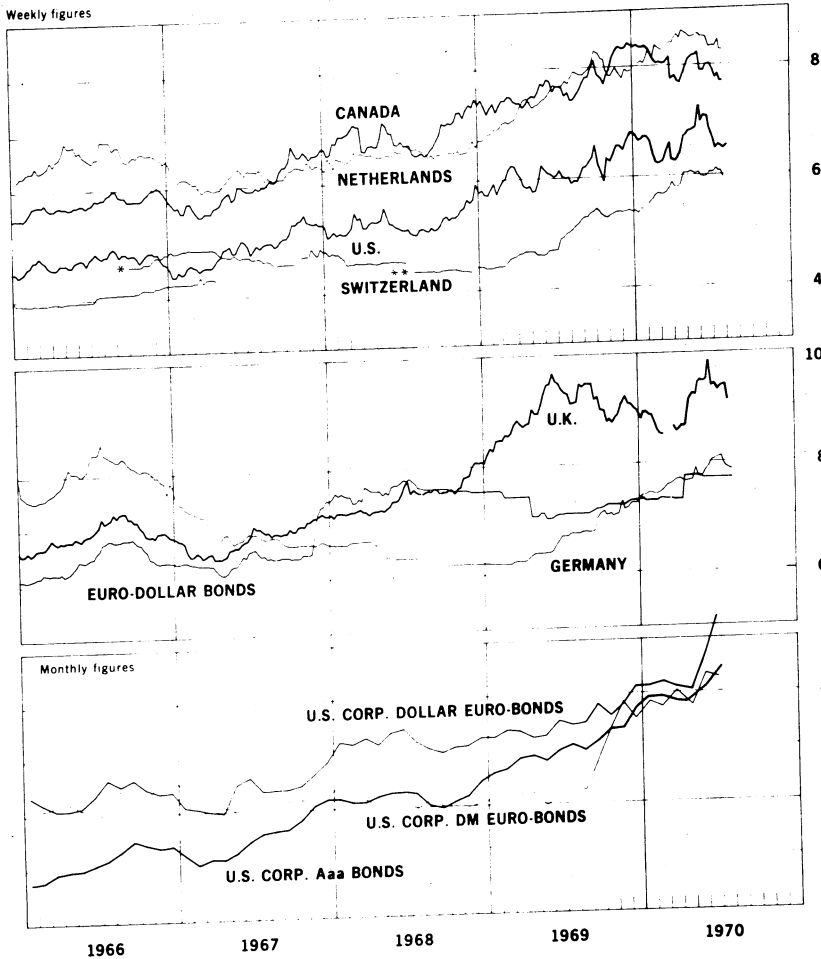


\* 3-month treasury bill rate for U.S.; Switzerland—3-month deposit rate.

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

# LONG-TERM BOND YIELDS

Per cent per annum

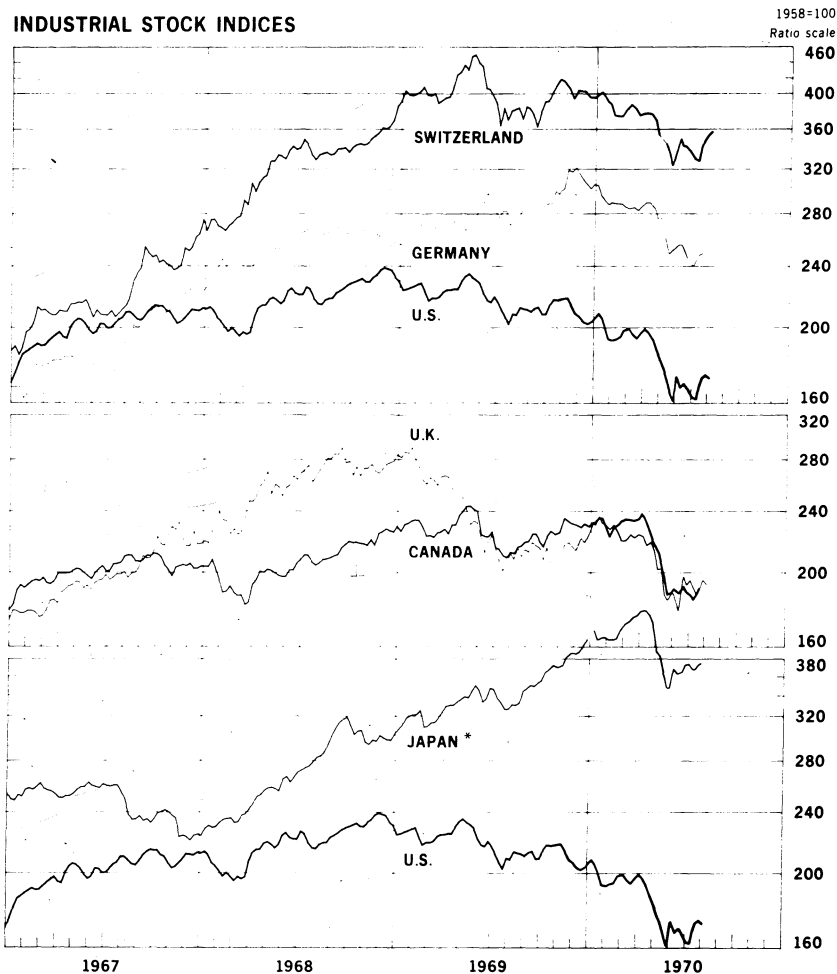


\* New series for Switzerland starts 3.3.67  
 \*\* New series for Switzerland starts 8.2.68



CHART 14

### INDUSTRIAL STOCK INDICES



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

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IV. LATEST FIGURES PLOTTED ON THE CHARTS

Chart	Panel	Series	Date	Rate
1A	Upper	Swiss franc	August 7	+ 1.647
		German mark	"	+ 0.797
		U.K. pound	"	- 0.394
	Lower	Dutch guilder	"	+ 0.537
		French franc	"	+ 0.605
		Japanese yen	"	+ 0.352
1B		Belgian franc	"	+ 0.728
		Italian lira	"	- 0.675
		Canadian dollar	--	--
2A		German mark	August 7	- 0.06
		Swiss franc	"	+ 1.54
		U.K. pound	"	- 0.16
2B		Dutch guilder	"	+ 0.97
		Canadian dollar	"	+ 0.52
		French franc	"	- 1.21
3A		German mark	August 7	+ 0.12
		U.S. dollar	"	+ 0.09
3B		Swiss franc	"	+ 1.51
		French franc	"	- 0.98
4		Gold price, U.S. dollar per ounce	August 7	35.32
5	Upper	Call Euro-\$ deposits	" 5	7.12
		Federal Funds	" 5	6.93
	Middle	Differential	" 5	+ 0.19
	Lower	Japanese Unconditional Money	July 31	8.50
		German Call Money	August 7	8.00
		U.K. 2-day Local Authority Deposits	July 31	7.19
	French Day-to-day Money	August 7	8.12	

Chart	Panel	Series	Date	Rate
6A		Euro-S Call Rate	August 7	7.38
		Euro-S 1-month Rate	"	8.25
6B		Euro-S 3-month Rate	"	8.31
		Euro-S 6-month Rate	"	8.75
7A	Upper	Euro-S 3-month Deposits	August 5	8.12
		U.S. Certificate of Deposits	"	7.88
	Lower	Differential	"	+ 0.24
7B	Upper	Euro-S 3-month Deposits	"	8.12
		Euro-S 3-month Deposits (Adj.)	"	9.02
		U.S. Certificate of Deposits (Adj.)	"	7.18
	Lower	Differential: on Adj. Euro-S Deposits	"	1.84
		on Unadj. Euro-S Deposits	"	+ 0.94
8A	Upper	Euro-S 3-month Deposits	July 17	8.88
		Hire Purchase Deposits (covered)	"	8.85
	Lower	Differential	"	- 0.03
8B	Upper	Euro-S 3-month Deposits	"	8.88
		Local Authority Deposits (covered)	"	8.29
	Lower	Differential	"	- 0.59
9A		U.S. Treasury Bill rate	August 7	6.42
		U.K. Treasury Bill rate	"	6.69
		Local Authority Deposit (uncovered)	July 31	7.66
9B	Upper	Spread (+ = favor London)	August 7	+ 0.27
		3-month Forward Pound	"	- 0.18
	Lower	Net Incentive (+ = favor London)	"	+ 0.09

Chart	Panel	Series	Date	Rate
10A	Upper	Euro-S Deposits (covered)	August 5	8.23
		German Interbank Loan rate	"	9.19
	Lower	Differential	"	+ 0.96
10B	Upper	Euro-S Deposits (covered)	August 5	6.59
		Swiss Deposit rate	July 29	5.50
	Lower	Differential	--	--
11	Upper	Canadian Finance Paper	August 7	8.25
		U.S. Treasury Bill rate	"	6.42
		Canadian Treasury Bill rate	"	5.62
		U.S. Prime Finance paper (not plotted)	"	7.50
	Second	Bill rate differential	"	- 0.80
		Forward Canadian dollar	"	+ 0.61
	Third	Net incentive on bills	"	- 0.19
Bottom	Net incentive on Finance Paper	"	+ 1.36	
12A	Upper	U.K. Treasury Bill rate	August 7	6.69
		U.S. Treasury Bill rate	"	6.42
		German Interbank Loan rate	"	9.19
	Lower	Japanese Average rate	May 30	7.647
		Canadian Treasury Bill rate	August 7	5.62
		U.S. Treasury Bill rate	"	6.42
12B		Euro-S Deposits	"	8.31
		Swiss 3-month Deposit rate	July 31	5.50
		U.S. Treasury Bill rate	August 7	6.42

Chart	Panel	Series	Date	Rate
13	Upper	Netherlands	July 31	8.26
		Canada	" 27	7.69
		United States	August 5	6.53
		Switzerland	July 31	5.96
	Middle	Germany	August 7	7.84
		United Kingdom	July 31	9.10
		Euro-dollar bonds	August 7	7.70
	Lower	U.S. Corp. Dollar Euro-bonds	June 30	9.38
		U.S. Corp. DM Euro-bonds	"	
		U.S. Corp. Aaa bonds	"	8.48
14	Upper	Switzerland	August 7	357.8
		Germany	July 23	248.80
		United States	August 7	171.88
	Middle	United Kingdom	"	192.82
		Canada	July 23	190.83
	Lower	Japan	" 31	374.65
		United States	August 7	171.88