

September 2, 1970 No. 470

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Hans*

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

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FEDERAL RESERVE BANK
OF RICHMOND

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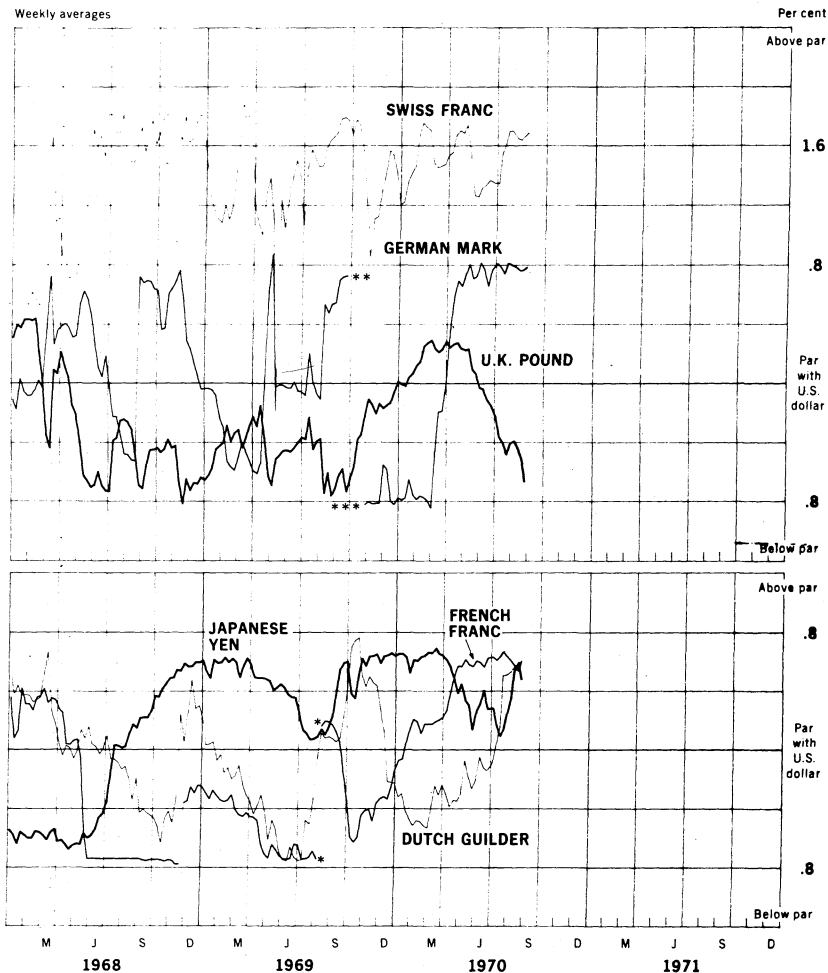
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NOTE: This series is a continuation of the CAPITAL MARKETS DEVELOPMENTS ABROAD, which has been published under that title through December 31, 1968. The changes in the format and order of the charts are fully explained in the Supplement to the series,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

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

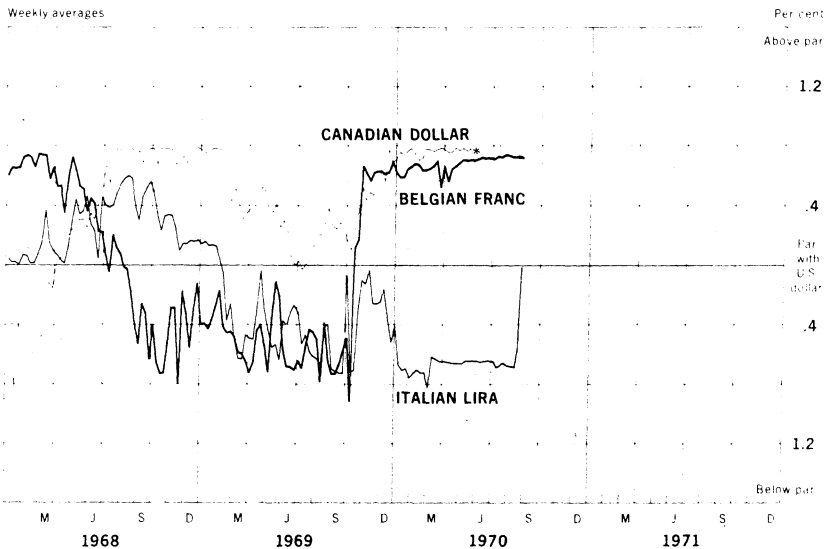
Weekly averages



* Devaluation of the 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

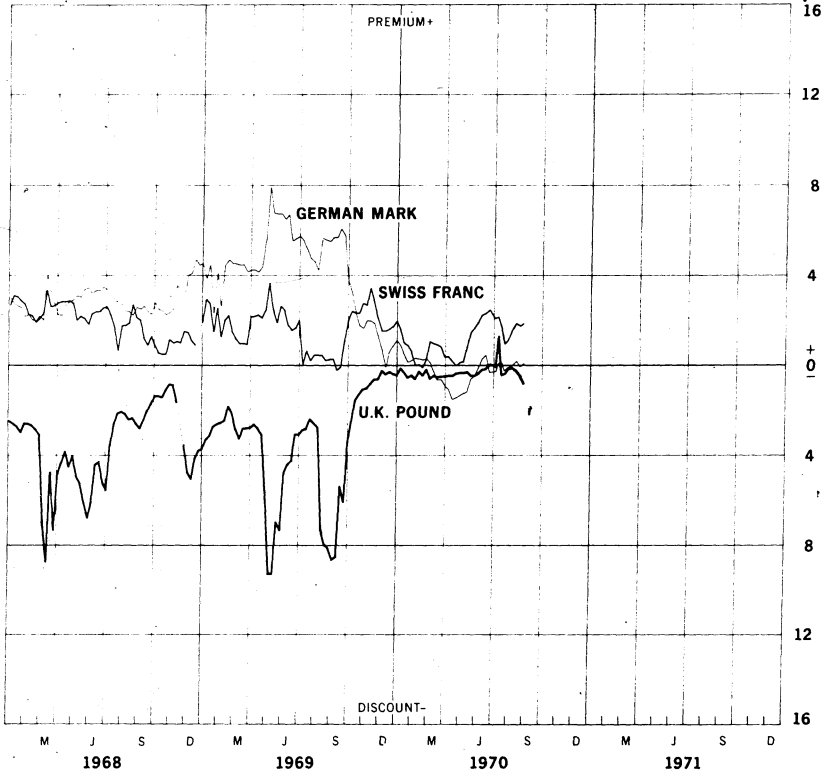


* Can. \$ rate not supported by Bank of Canada

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

Weekly averages

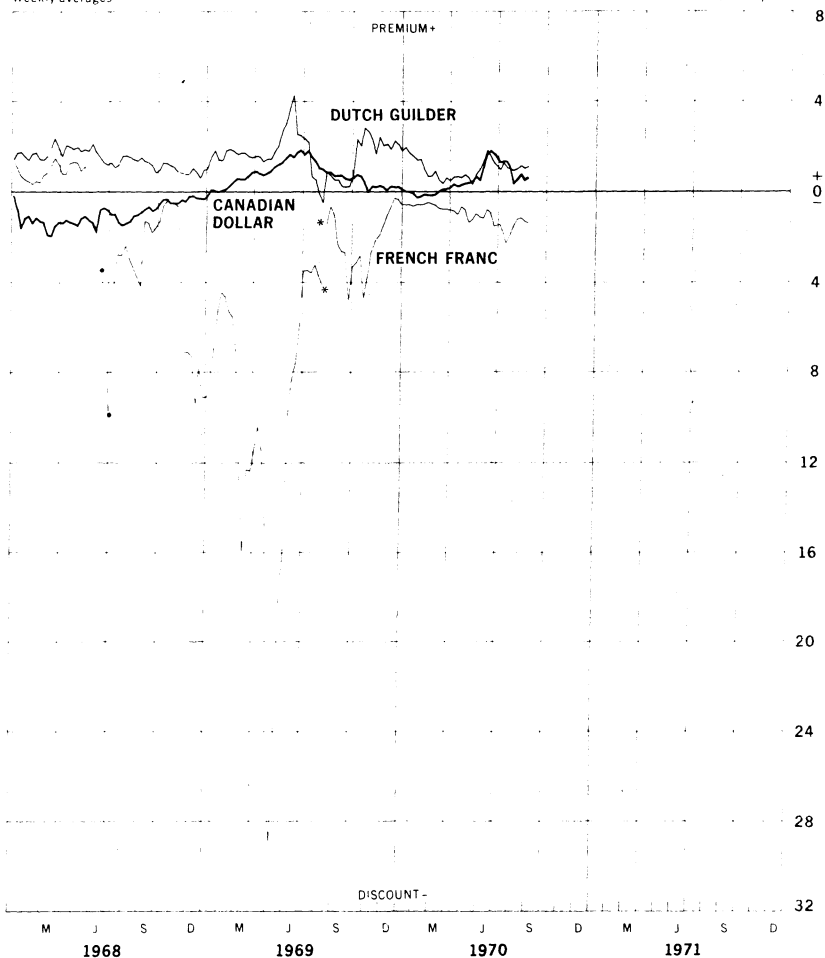
Per cent per annum



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

Weekly averages

Per cent per annum



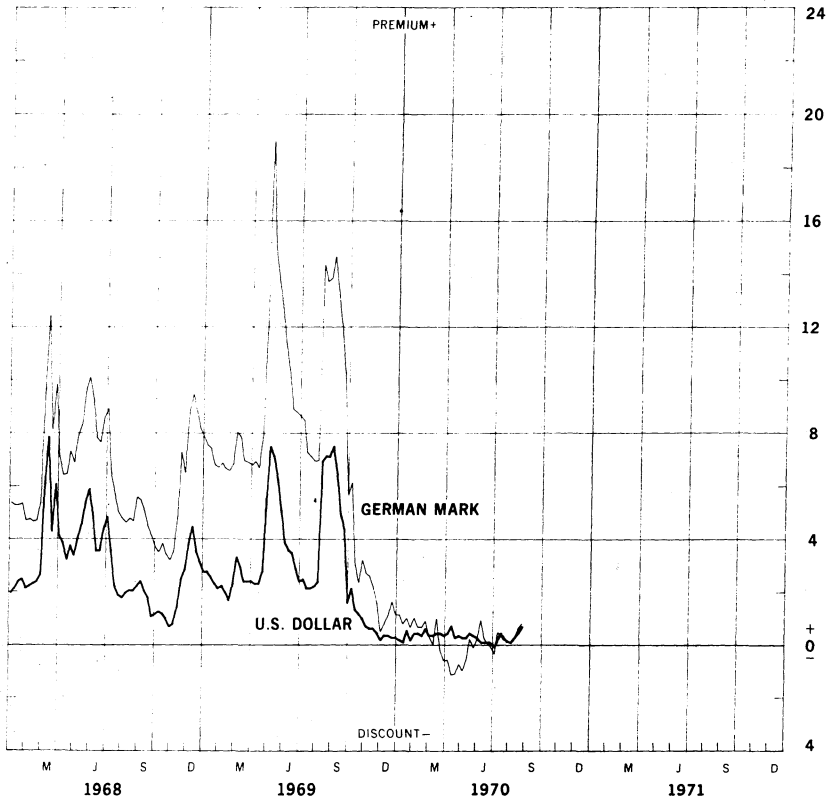
* Devaluation of the French franc from 4.94 to 5.55 for \$1.00

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

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

Friday figures

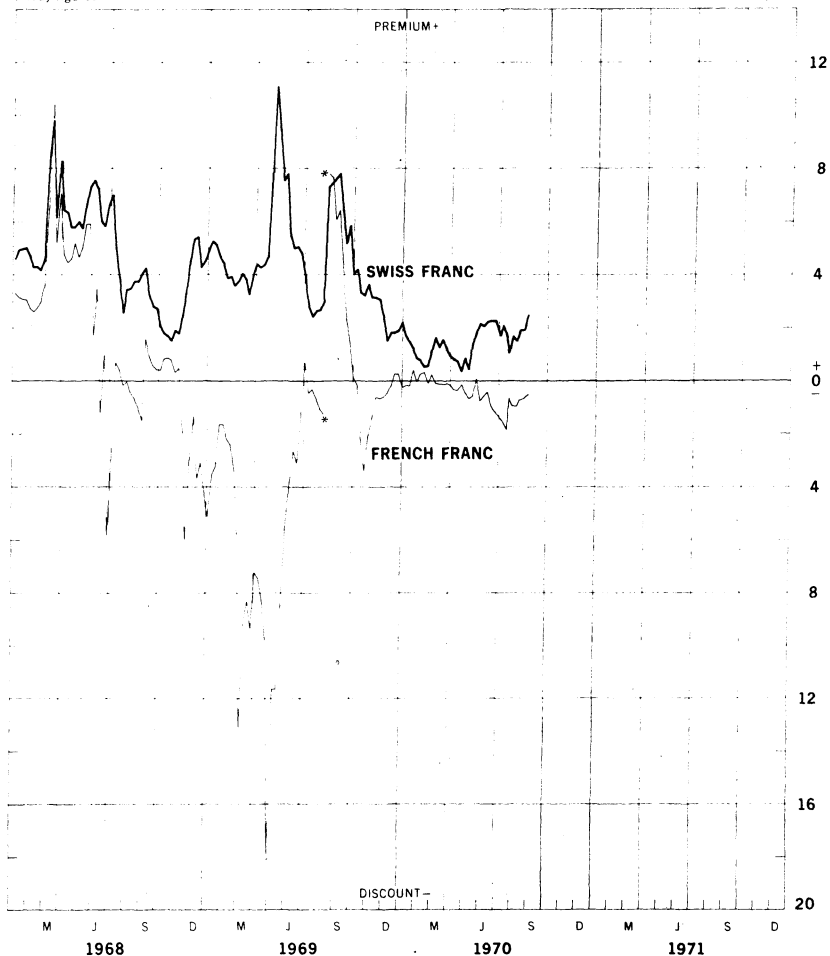
Per cent per annum



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

Friday figures

Per cent per annum



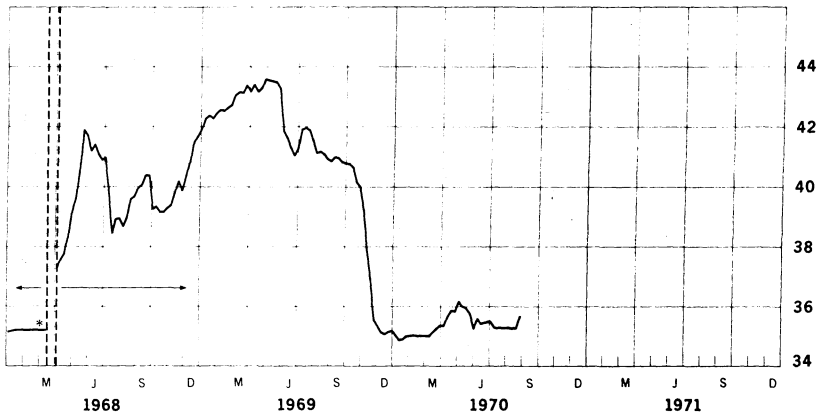
*Devaluation of the French franc from 4.94 to 5.55 for \$1.00

Chart 4

GOLD PRICE IN LONDON, 12.5 Kg BARS

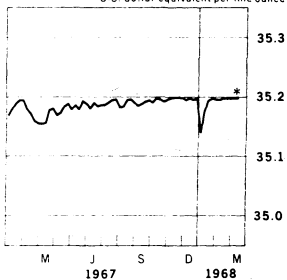
Week's average of afternoon fixings

U.S. dollar equivalent per fine ounce



MARKET SUPPORTED BY GOLD POOL

U.S. dollar equivalent per fine ounce



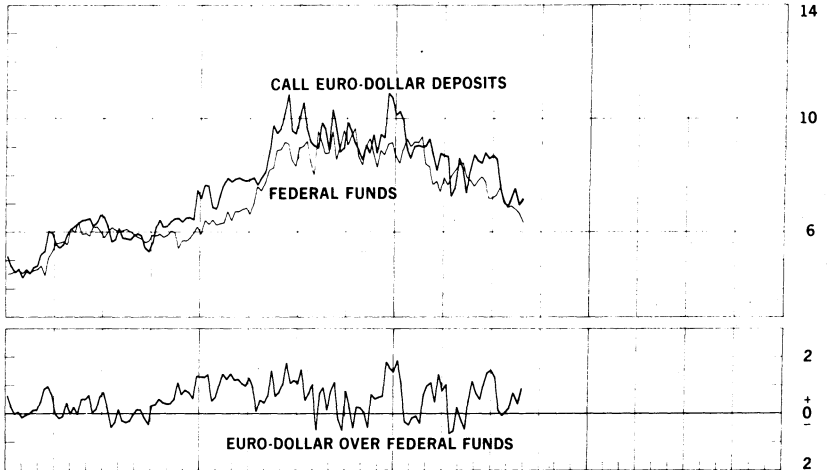
* Market closed March 15 April 1, 1968

CALL MONEY RATES

DOLLAR FUNDS

Weekly averages

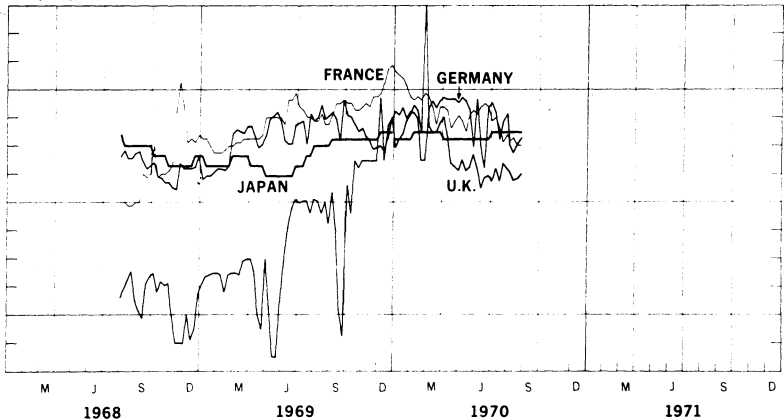
Per cent per annum



FOREIGN CURRENCIES*

Friday's figures

Per cent per annum



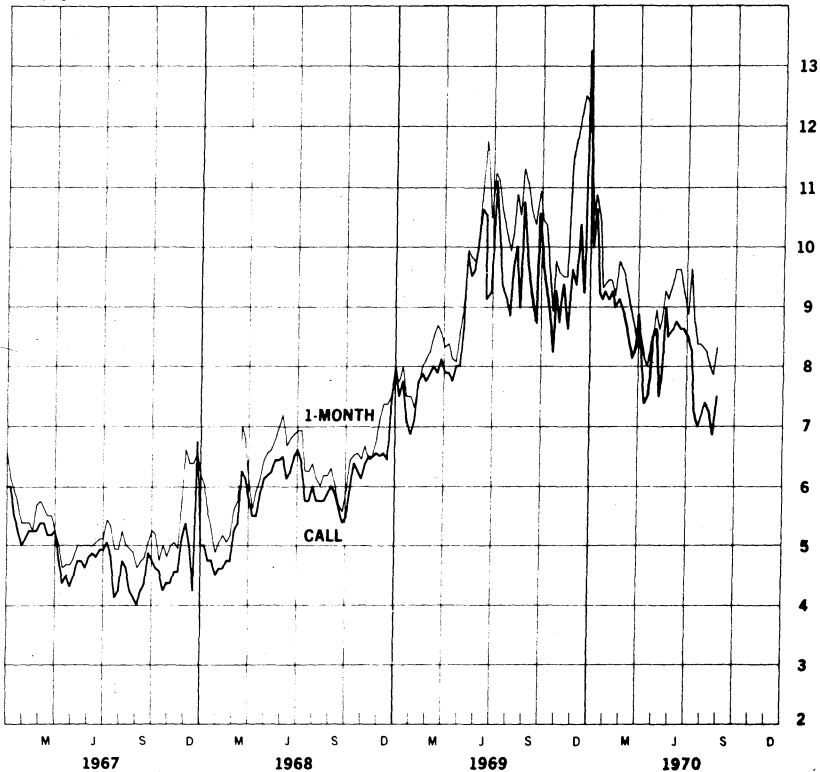
* Germany, Call Money. U.K., 2 day Local Authority Deposits. Japan, Unconditional Money; France, Day-to-day Money

CHART 6A

LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum



LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum

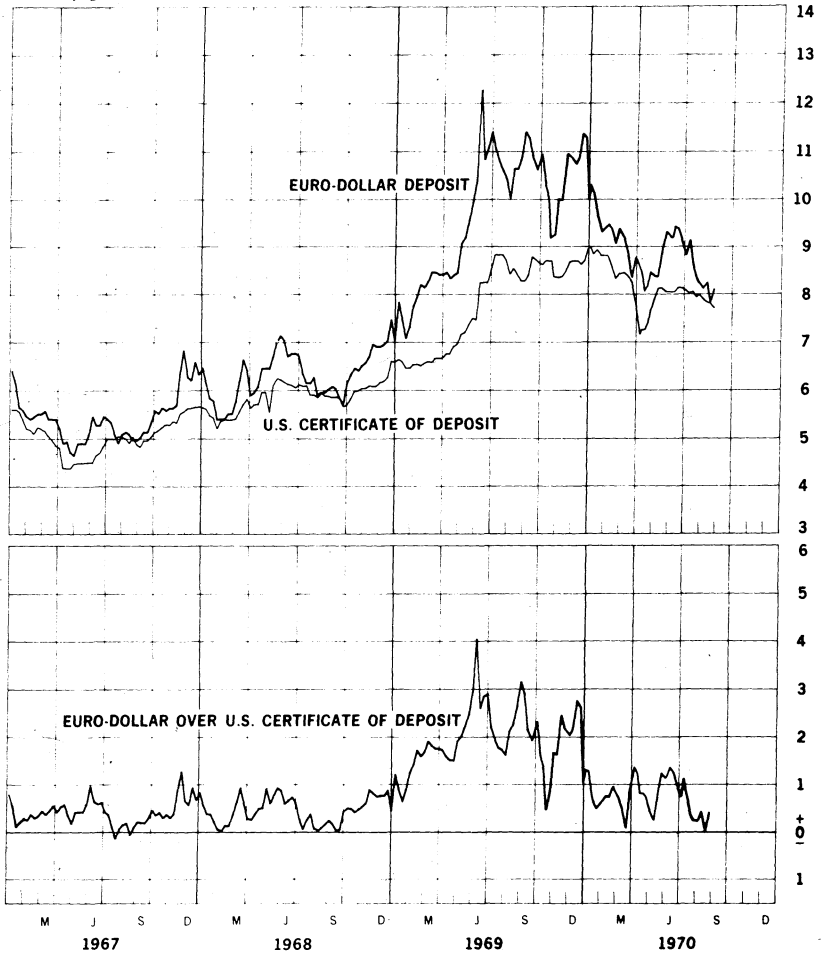


NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS

3-MONTH DOLLAR DEPOSIT RATES—SECONDARY MARKET

Wednesday figures

Per cent per annum

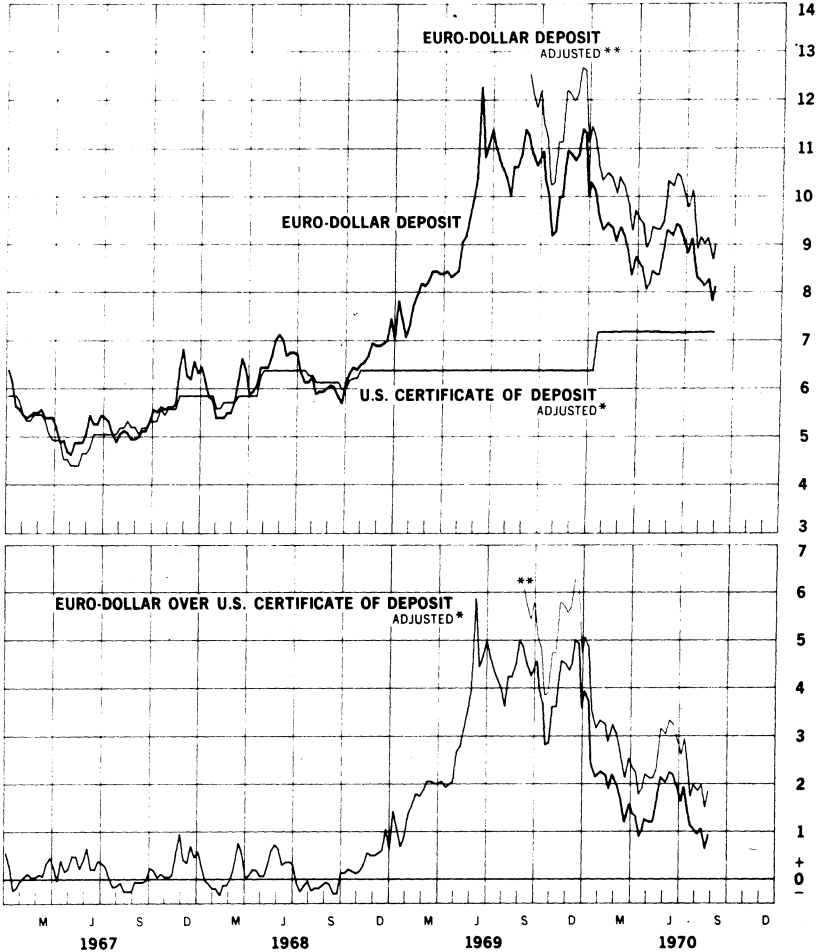


NEW YORK-LONDON: COSTS OF U.S. DOLLAR FUNDS

3-MONTH DOLLAR DEPOSIT RATES—PRIMARY MARKET

Wednesday figures

Per cent per annum



* Adjusted for Reserve Requirement

** Adjusted for 10% Marginal Reserve Requirement

LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

HIRE PURCHASE AND EURO-DOLLAR RATES

Friday figures

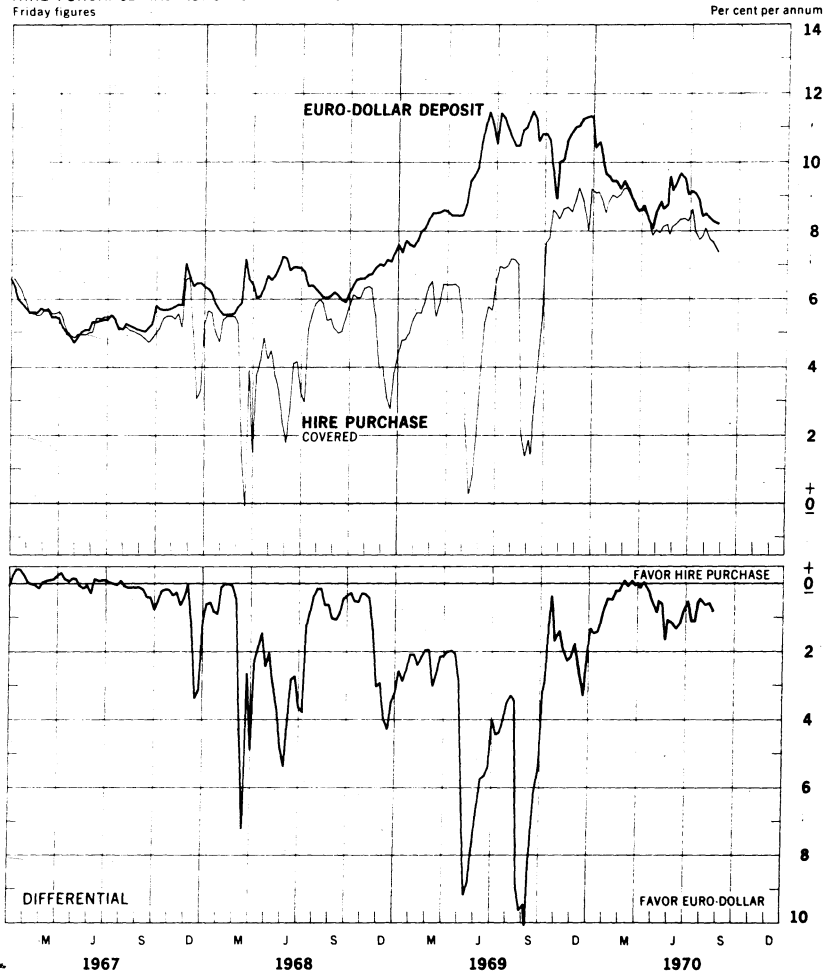


CHART 88

LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

LOCAL AUTHORITY AND EURO-DOLLAR RATES

Friday figures

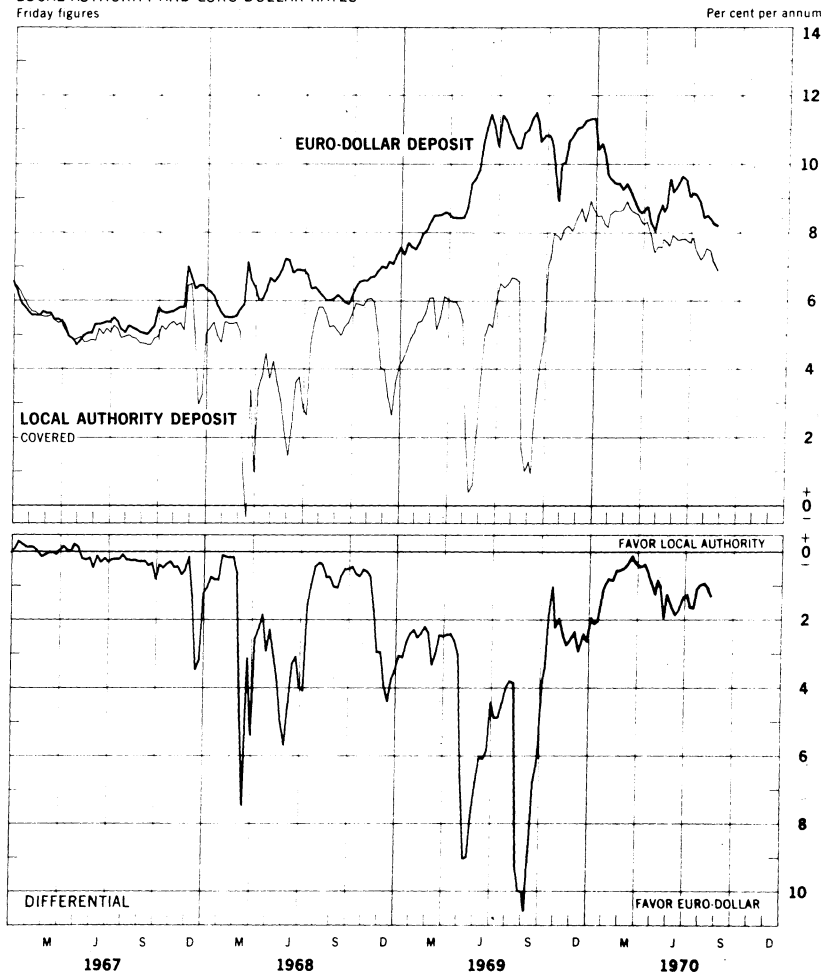
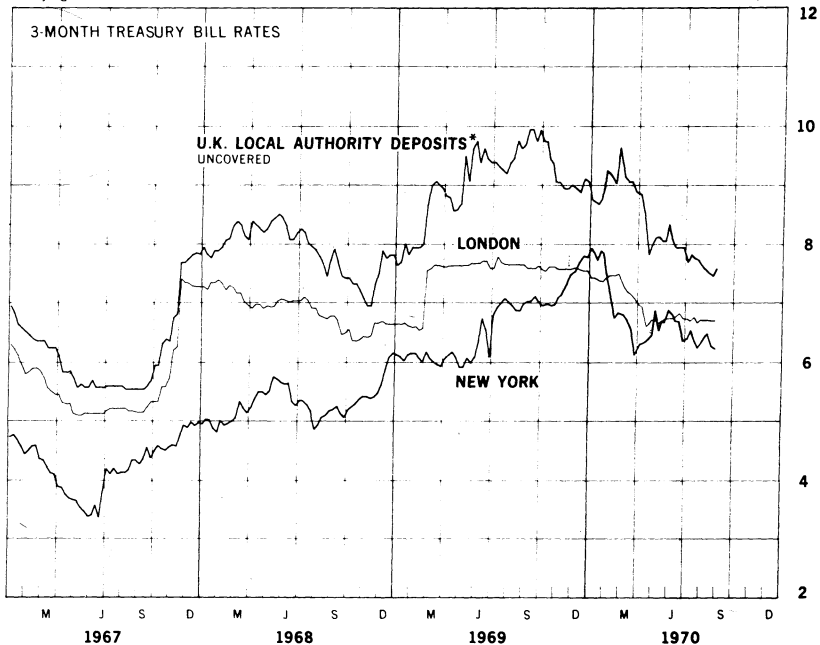


Chart 9A

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

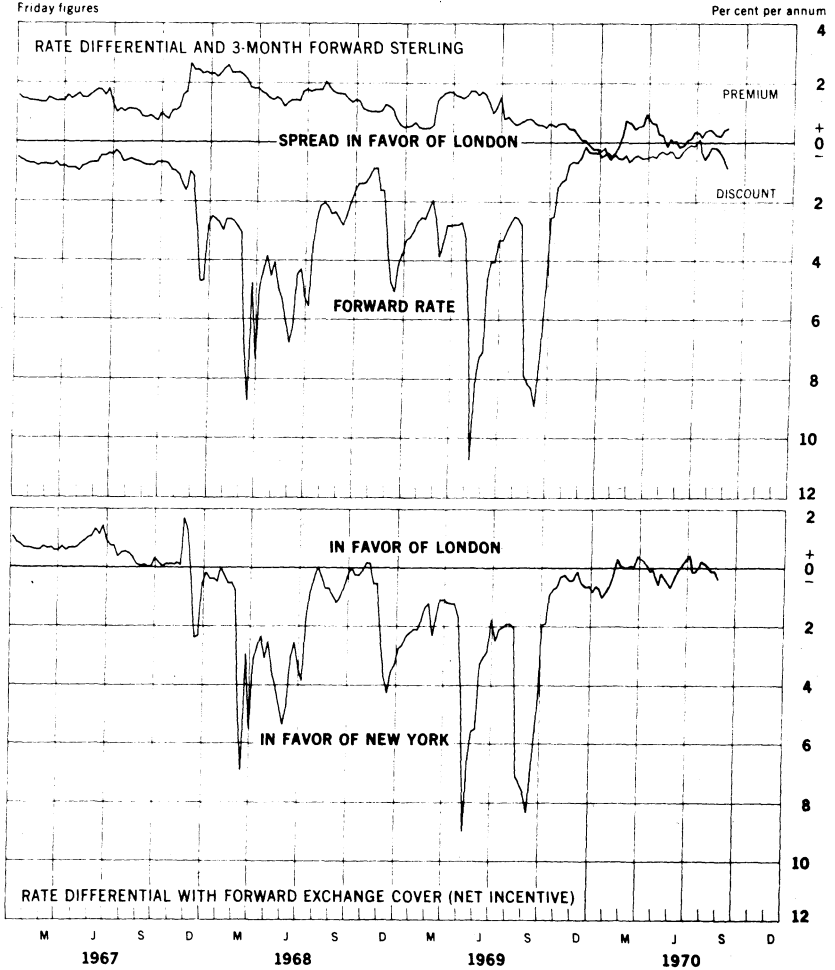
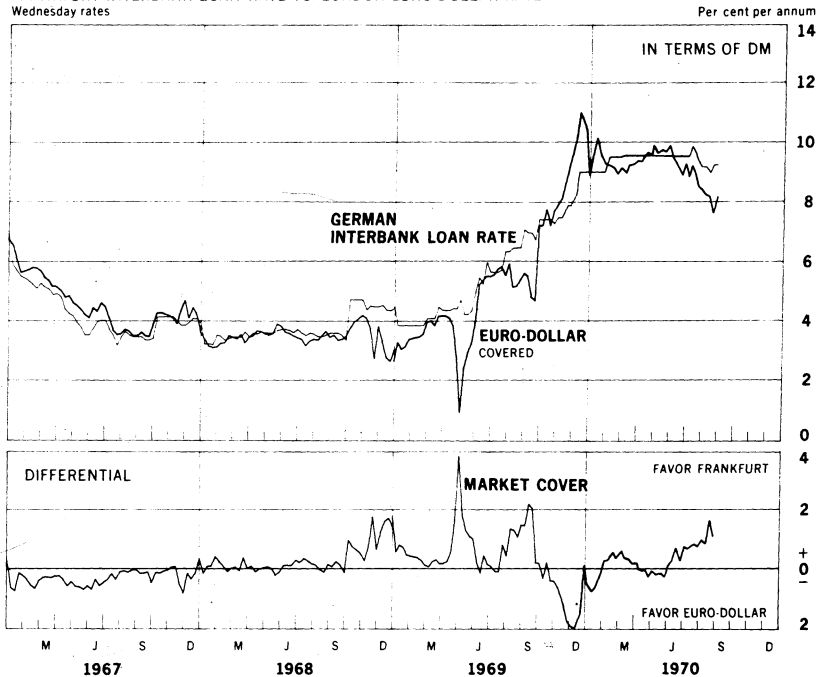


Chart 10A

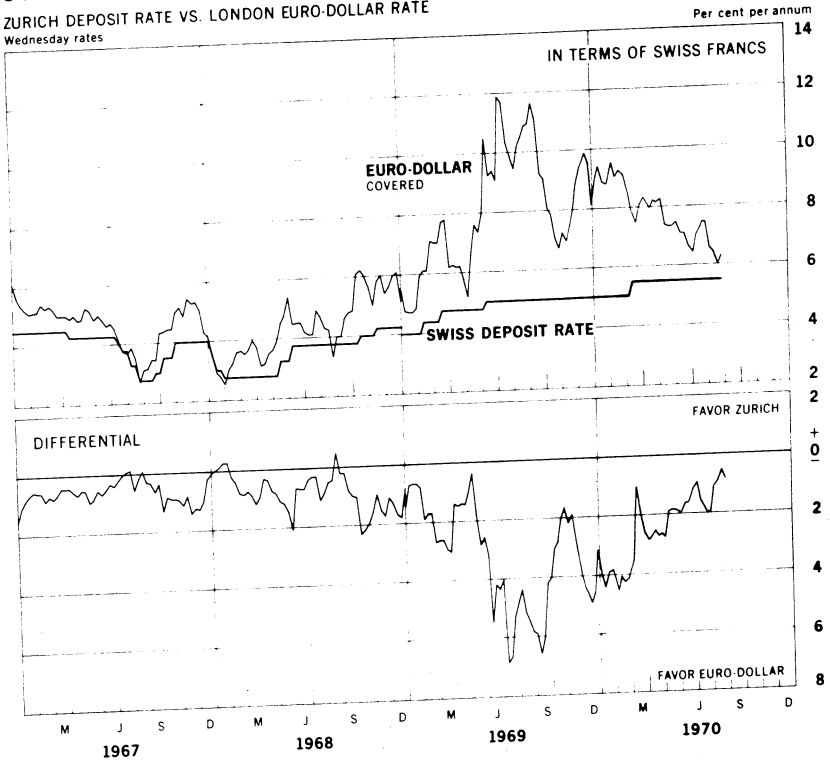
3-MONTH INTEREST ARBITRAGE: U.S. - GERMANY

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



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

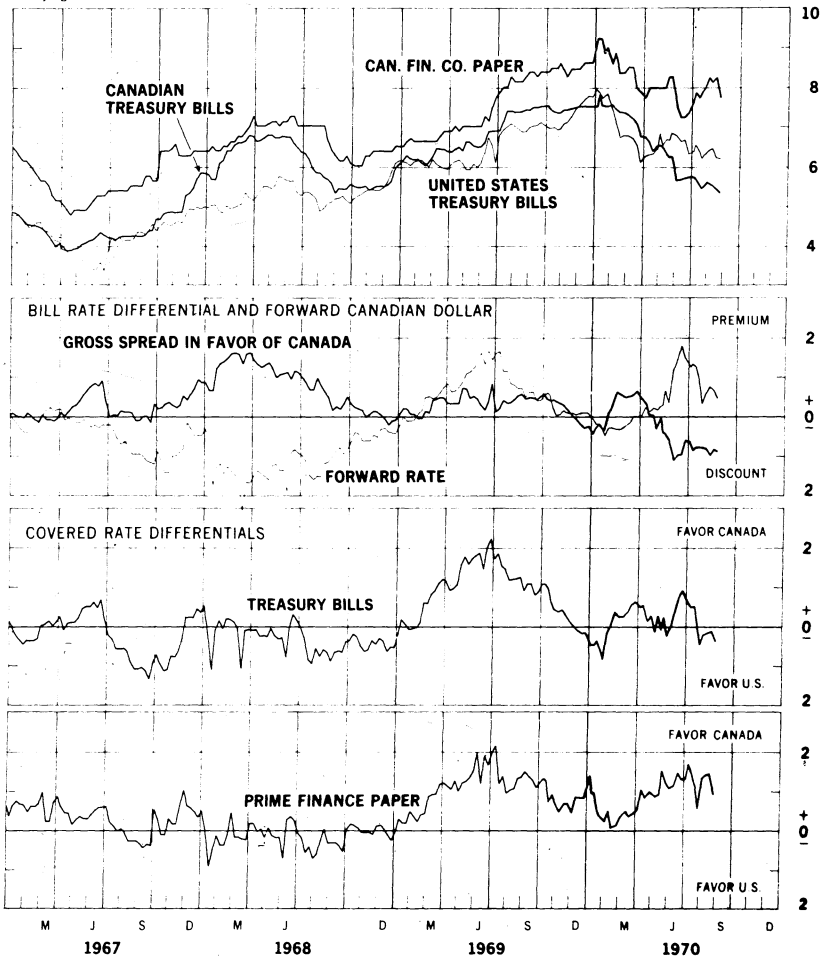
ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE
Wednesday rates



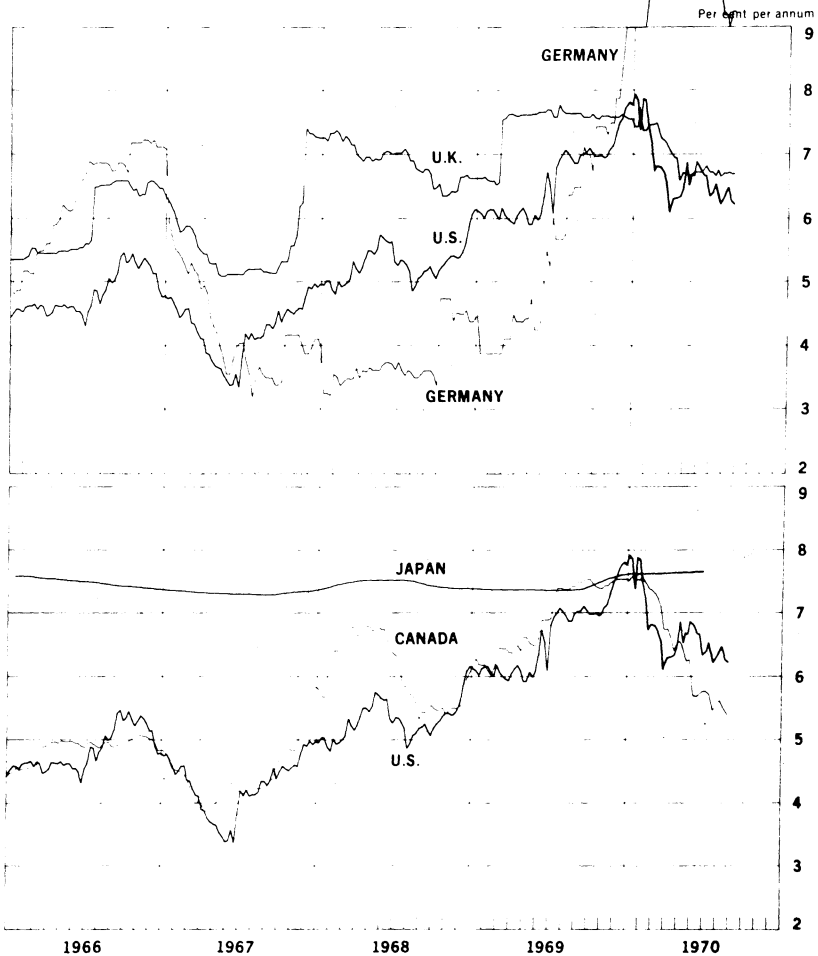
3-MONTH INTEREST ARBITRAGE: UNITED STATES - CANADA

Friday figures

Per cent per annum



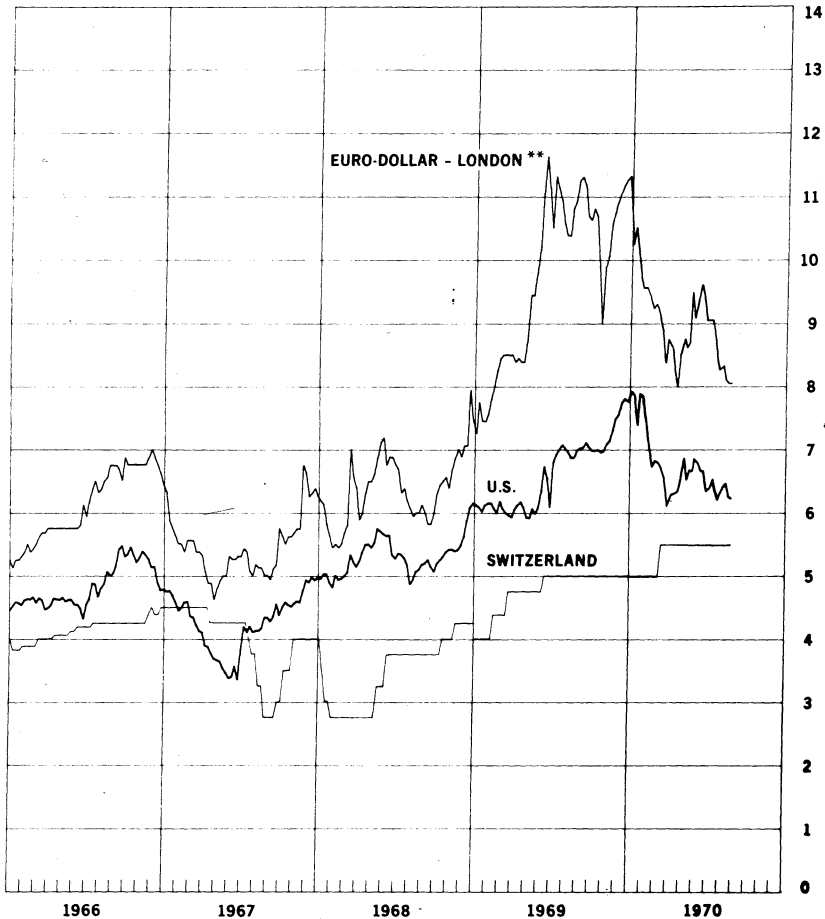
SELECTED SHORT-TERM INTEREST RATES*



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

SELECTED SHORT-TERM INTEREST RATES *

Per cent per annum



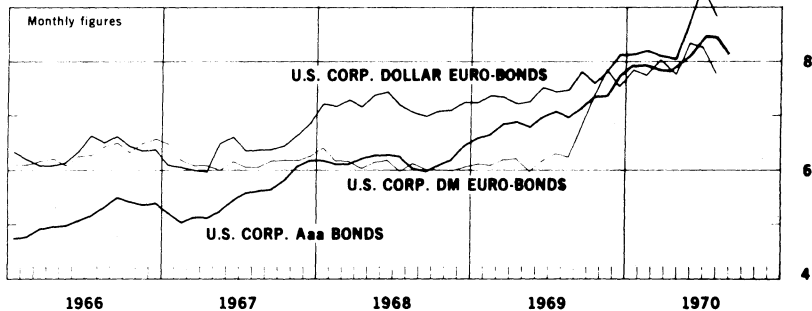
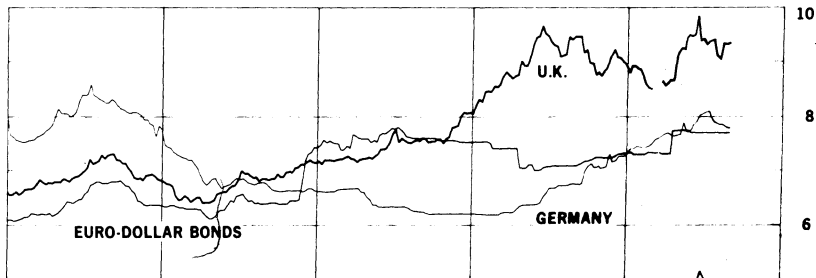
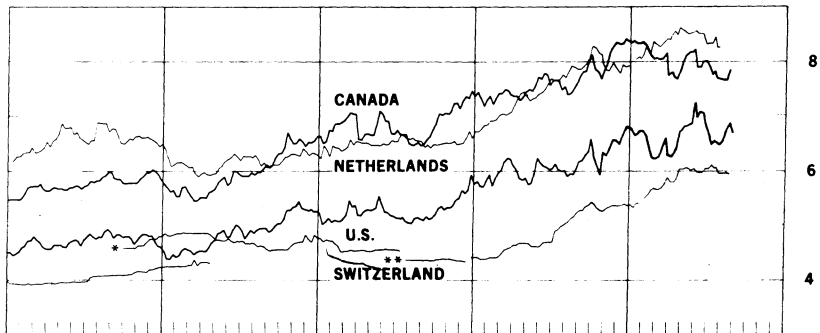
* 3-month treasury bill rate for U.S., Switzerland—3-month deposit rate.

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

LONG-TERM BOND YIELDS

Weekly figures

Per cent per annum



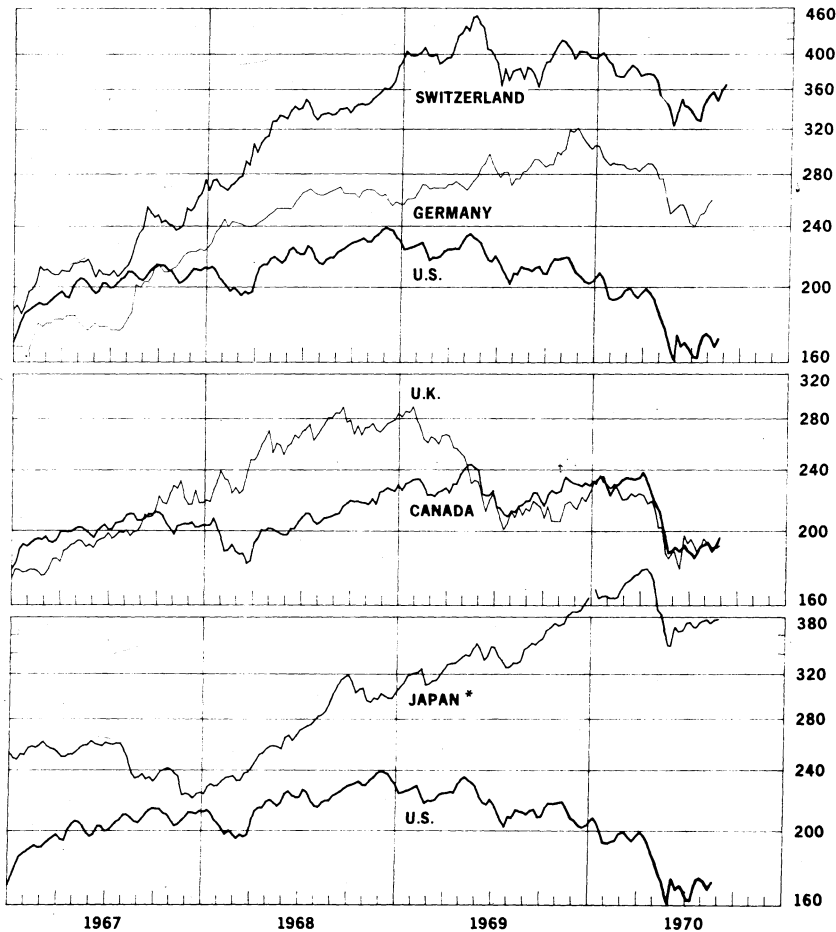
* New series for Switzerland starts 3-3-67.

** 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	August 21	+ 1.686
		German mark	"	+ 0.789
		U.K. pound	"	- 0.665
	Lower	Dutch guilder	"	+ 0.507
		French franc	"	+ 0.608
		Japanese yen	"	+ 0.482
1B		Belgian franc	"	+ 0.719
		Italian lira	"	- 0.010
		Canadian dollar	"	--
2A		German mark	"	+ 0.05
		Swiss franc	"	+ 1.82
		U.K. pound	"	- 0.84
2B		Dutch guilder	"	+ 1.12
		Canadian dollar	"	+ 0.57
		French franc	"	- 1.35
3A		German mark	"	+ 2.45
		U.S. dollar	"	+ 0.71
3B		Swiss franc	"	+ 2.45
		French franc	"	- 0.58
4		Gold price, U.S. dollar per ounce	"	\$35.66
5	Upper	Call Euro-\$ deposits	August 26	7.22
		Federal Funds	"	6.34
	Middle	Differential	"	+ 0.88
	Lower	Japanese Unconditional Money	August 28	8.50
		German Call Money	"	8.25
		U.K. 2-day Local Authority Deposits	"	7.00
		French Day-to-day Money	"	8.00

Chart	Panel	Series	Date	Rate
6A		Euro-\$ Call Rate	August 28	7.50
		Euro-\$ 1-month Rate	"	8.31
6B		Euro-\$ 3-month Rate	"	8.06
		Euro-\$ 6-month Rate	"	8.44
7A	Upper	Euro-\$ 3-month Deposits	August 26	8.12
		U.S. Certificate of Deposits	"	7.70
	Lower	Differential	"	+ 0.42
7B	Upper	Euro-\$ 3-month Deposits	"	8.12
		Euro-\$ 3-month Deposits (Adj.)	"	9.02
		U.S. Certificate of Deposits (Adj.)	"	7.18
	Lower	Differential: on Adj. Euro-\$ Deposits	"	+ 1.84
		on Unadj. Euro-\$ Deposits	"	+ 0.94
8A	Upper	Euro-\$ 3-month Deposits	August 21	8.19
		Hire Purchase Deposits (covered)	"	7.37
	Lower	Differential	"	- 0.82
8B	Upper	Euro-\$ 3-month Deposits	"	8.19
		Local Authority Deposits (covered)	"	6.87
	Lower	Differential	"	- 1.32
9A		U.S. Treasury Bill rate	August 28	6.22
		U.K. Treasury Bill rate	"	6.69
		Local Authority Deposit (uncovered)	"	7.59
9B	Upper	Spread (+= favor London)	"	+ 0.47
		3-month Forward Pound	"	- 0.85
	Lower	Net Incentive (+= favor London)	"	- 0.38

Chart	Panel	Series	Date	Rate
10A	Upper	Euro-\$ Deposits (covered)	August 26	8.18
		German Interbank Loan rate	"	9.25
	Lower	Differential	"	+ 1.07
10B	Upper	Euro-\$ Deposits (covered)	"	6.33
		Swiss Deposit rate	"	5.50
	Lower	Differential	"	- 0.83
11	Upper	Canadian Finance Paper	August 28	7.75
		U.S. Treasury Bill rate	"	6.22
		Canadian Treasury Bill rate	"	5.37
		U.S. Prime Finance paper (not plotted)	"	7.31
	Second	Bill rate differential	"	- 0.85
		Forward Canadian dollar	"	+ 0.49
	Third	Net incentive on bills	"	- 0.36
	Bottom	Net incentive on Finance Paper	"	+ 0.93
12A	Upper	U.K. Treasury Bill rate	"	6.69
		U.S. Treasury Bill rate	"	6.22
		German Interbank Loan rate	"	9.25
	Lower	Japanese Average rate	June 30	7.661
		Canadian Treasury Bill rate	August 28	5.37
		U.S. Treasury Bill rate	"	6.22
12B		Euro-\$ Deposits	"	8.06
		Swiss 3-month Deposit rate	"	5.50
		U.S. Treasury Bill rate	"	6.22

Chart	Panel	Series	Date	Rate
13	Upper	Netherlands	July 31	8.26
		Canada	Aug 19	7.85
		United States	Aug 26	6.67
		Switzerland	Aug 21	5.94
	Middle	Germany	Aug 28	7.78
		United Kingdom	Aug 28	9.35
		Euro-dollar bonds	Aug 28	7.70
	Lower	U.S. Corp. Dollar Euro-bonds	July 31	8.83
		U.S. Corp. DM Euro-bonds	July 31	7.79
U.S. Corp. Aaa bonds		Aug 31	8.14	
14	Upper	Switzerland	Aug 28	365.2
		Germany	Aug 7	258.60
		United States	(revised) Aug 21	171.53
	Middle	United Kingdom	Aug 28	191.08
		Canada	Aug 27	196.78
	Lower	Japan	Aug 29	377.35
		United States	(revised) Aug 21	171.53