

October 21, 1970 No. 477

1. Bo. of Governors

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

2. 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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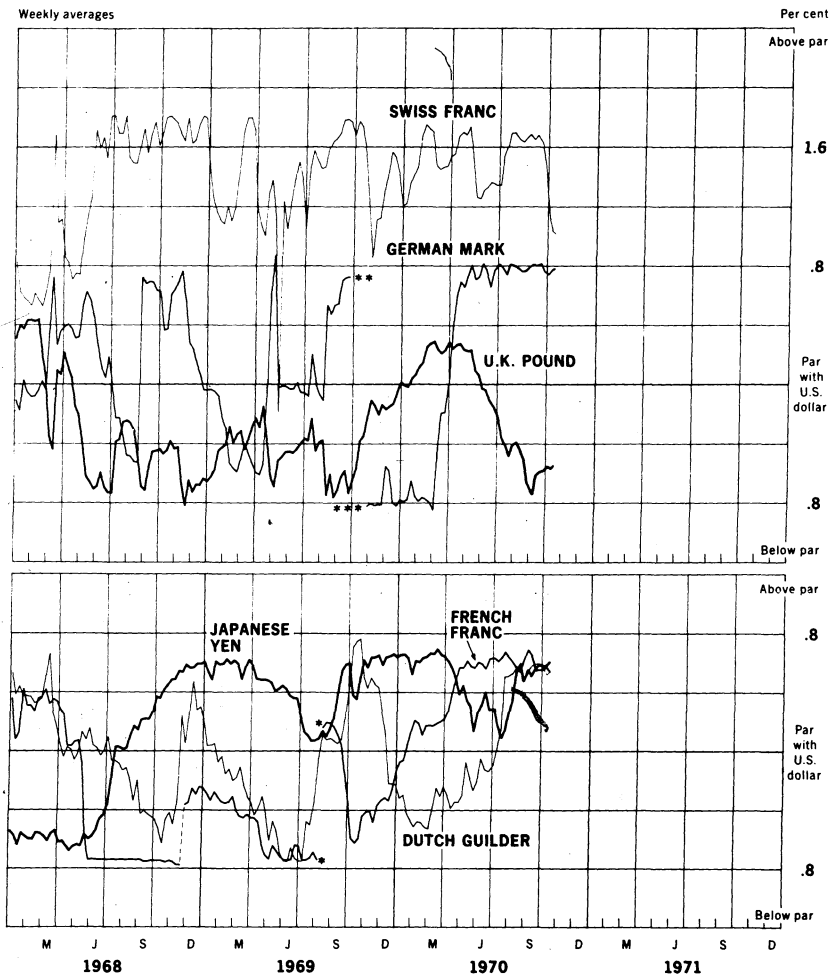
PART IV. LATEST FIGURES PLOTTED ON THE CHARTS

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

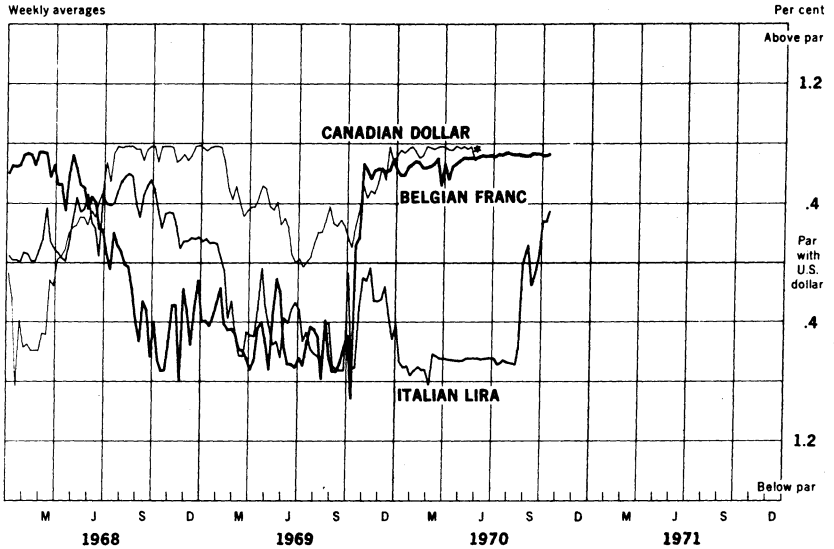
Weekly averages



* Devaluation of the 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.

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

Weekly averages

Per cent per annum

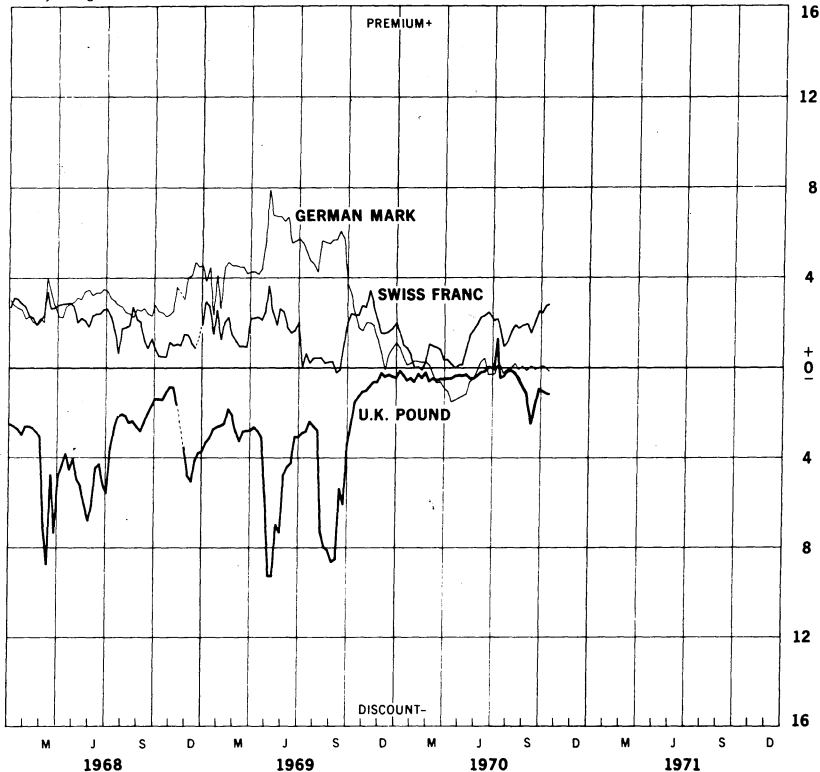
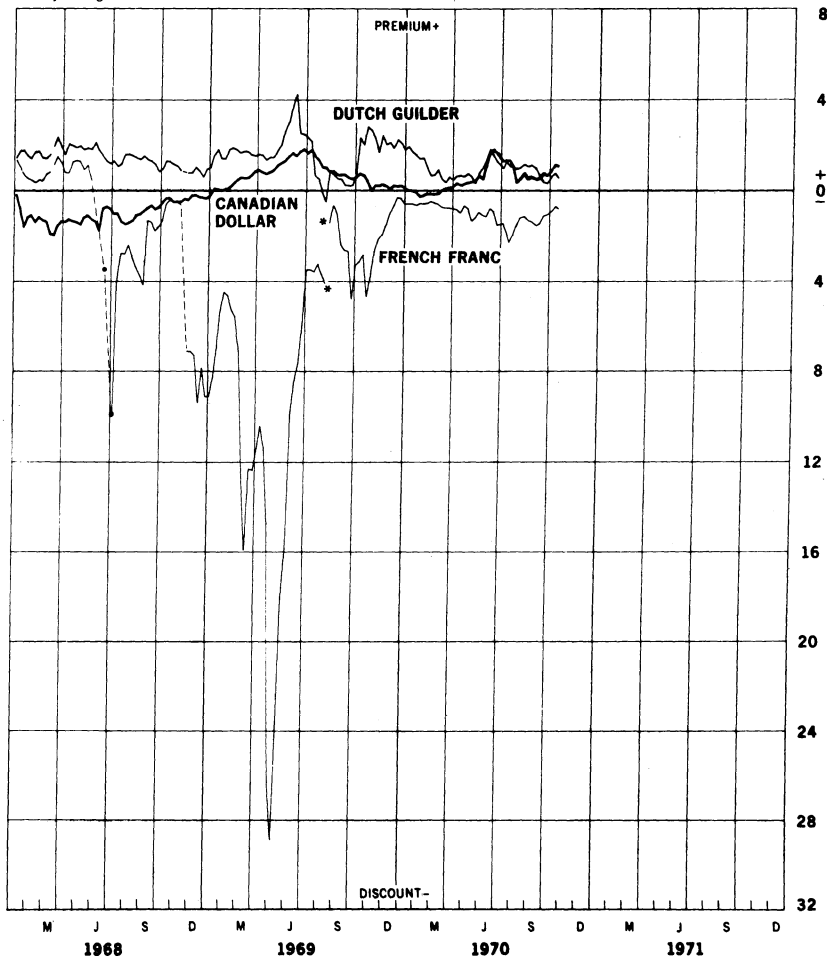


Chart 2B

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

Weekly averages

Per cent per annum

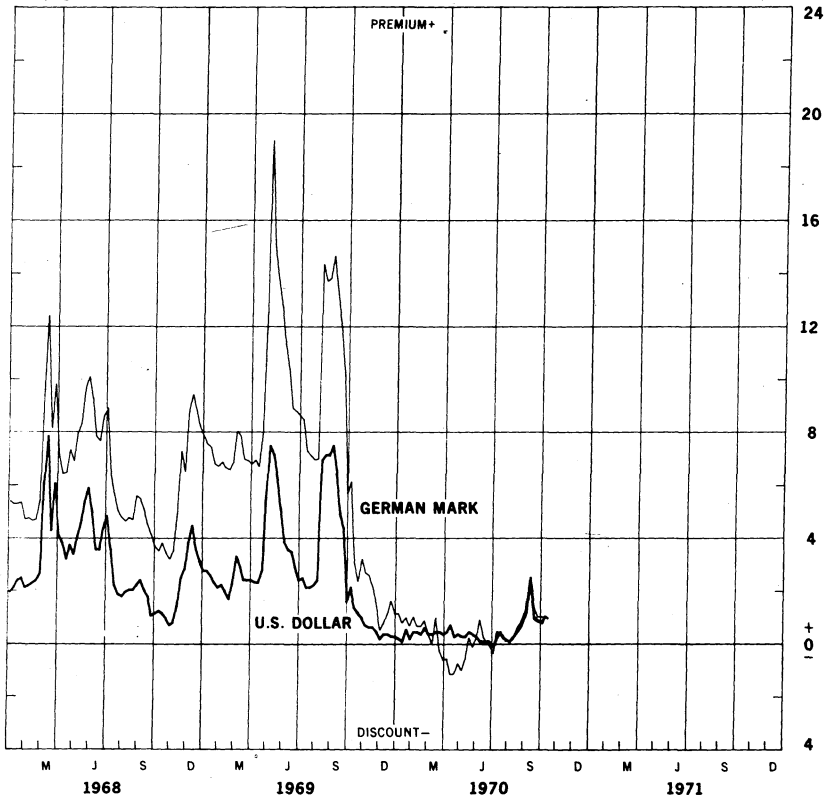


* Devaluation of the French franc from 4.94 to 5.55 for \$1.00.
** Can. \$ rate not supported by Bank of Canada.

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

Friday figures

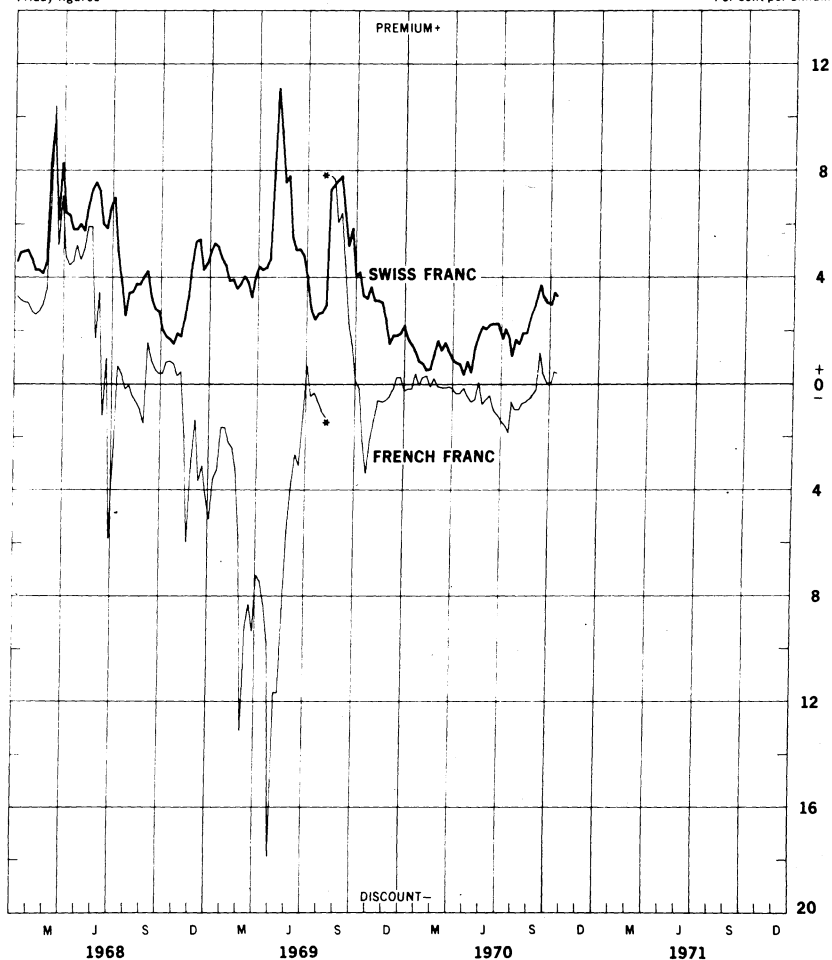
Per cent per annum



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

Friday figures

Per cent per annum



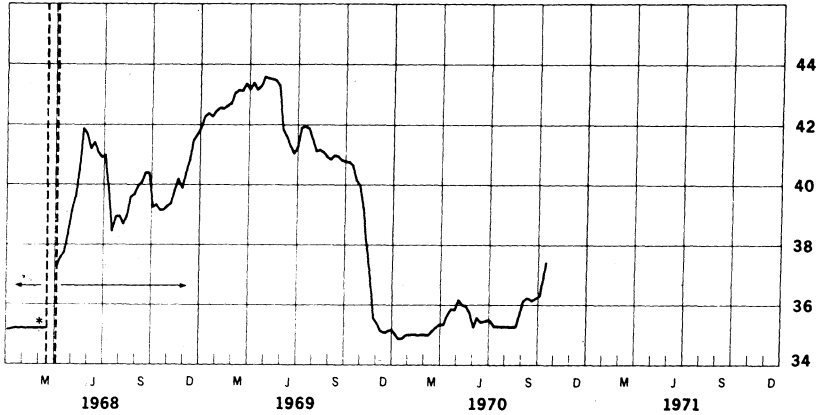
*Devaluation of the French franc from 4.94 to 5.55 for \$1.00

Chart 4

GOLD PRICE IN LONDON, 12.5 Kg BARS

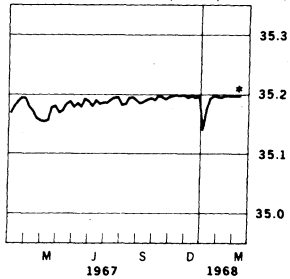
Week's average of afternoon fixings

U.S. dollar equivalent per fine ounce



MARKET SUPPORTED BY GOLD POOL

U.S. dollar equivalent per fine ounce



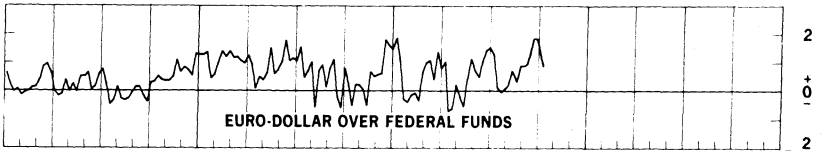
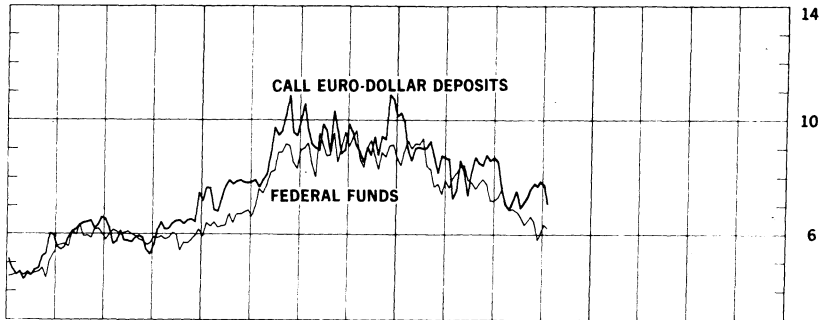
* Market closed March 15-April 1, 1968

CALL MONEY RATES

DOLLAR FUNDS

Weekly averages

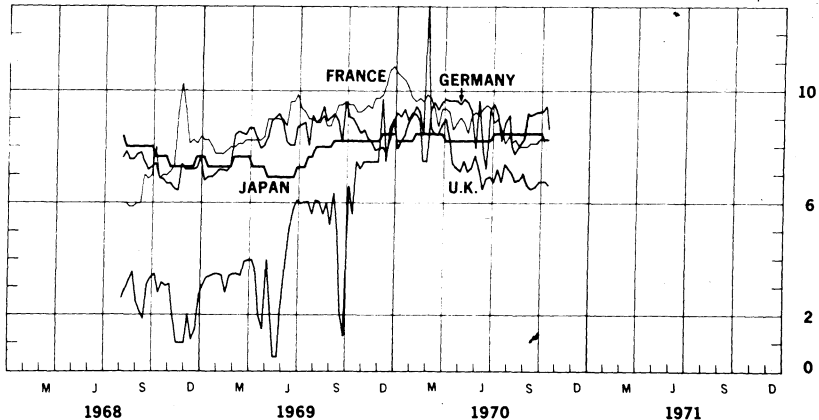
Per cent per annum



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

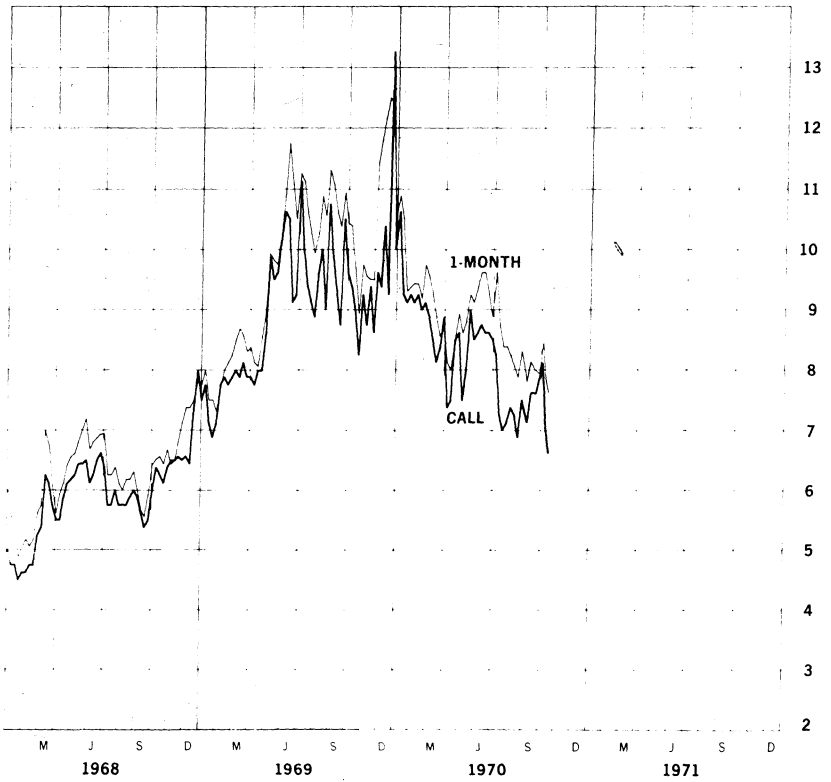


Chart 6B

LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum



13

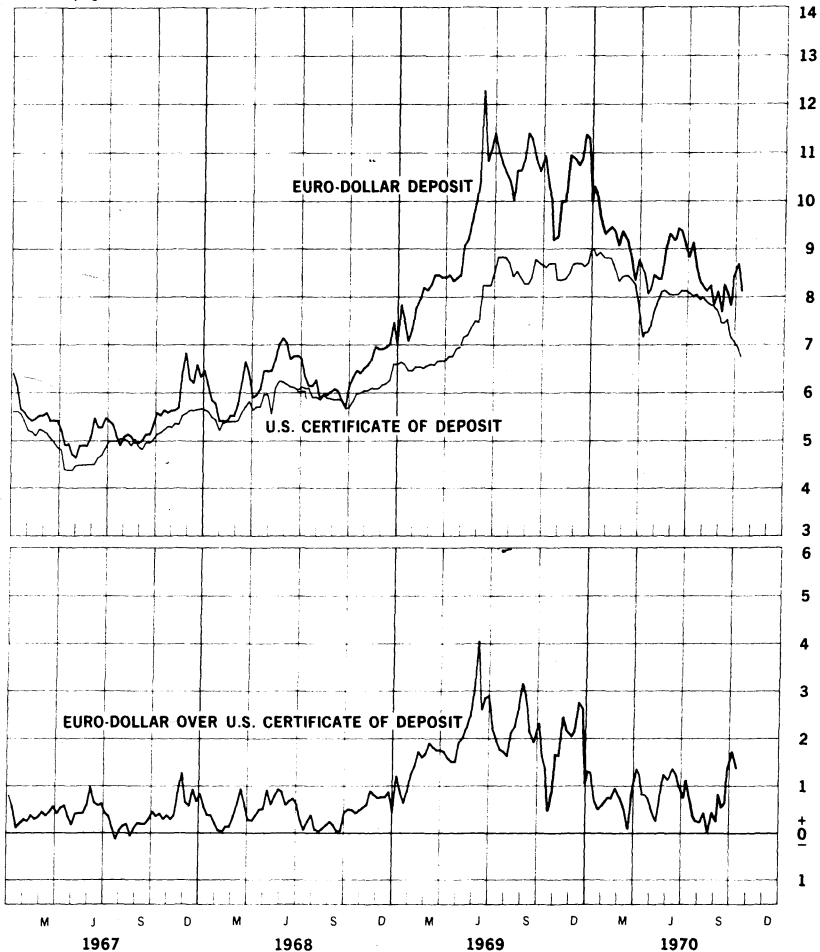
Chart 7A

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

3-MONTH DOLLAR DEPOSIT RATES—SECONDARY MARKET

Wednesday figures

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

Per cent per annum

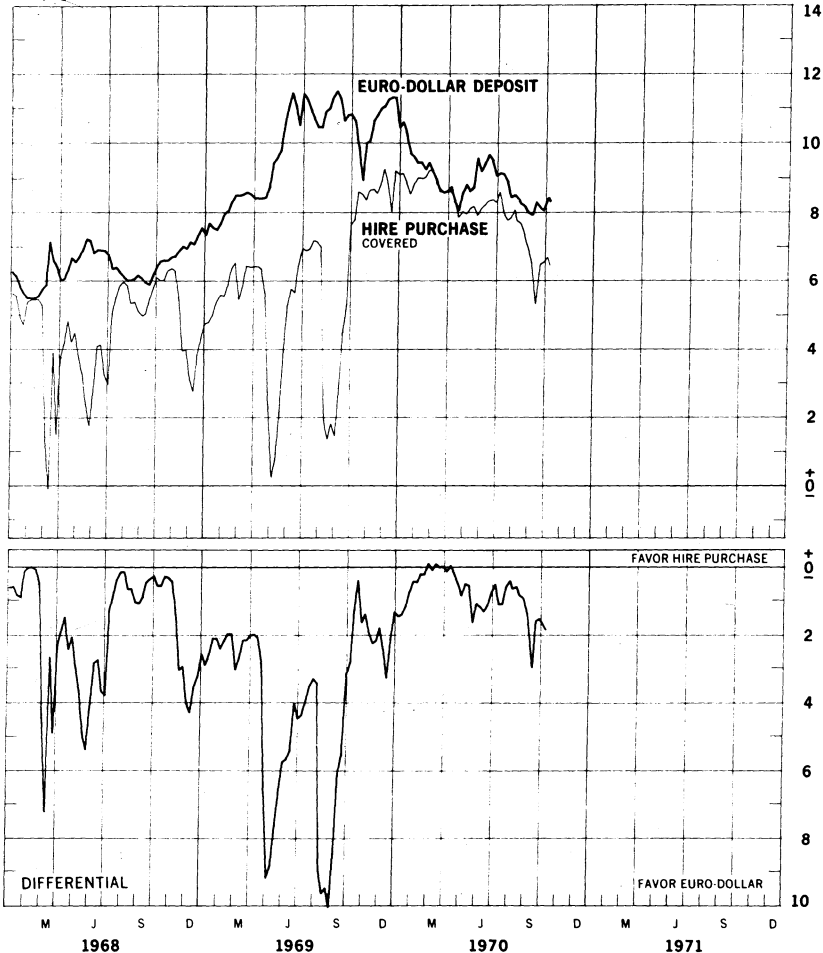


Chart 8B

LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

LOCAL AUTHORITY AND EURO-DOLLAR RATES

Friday figures

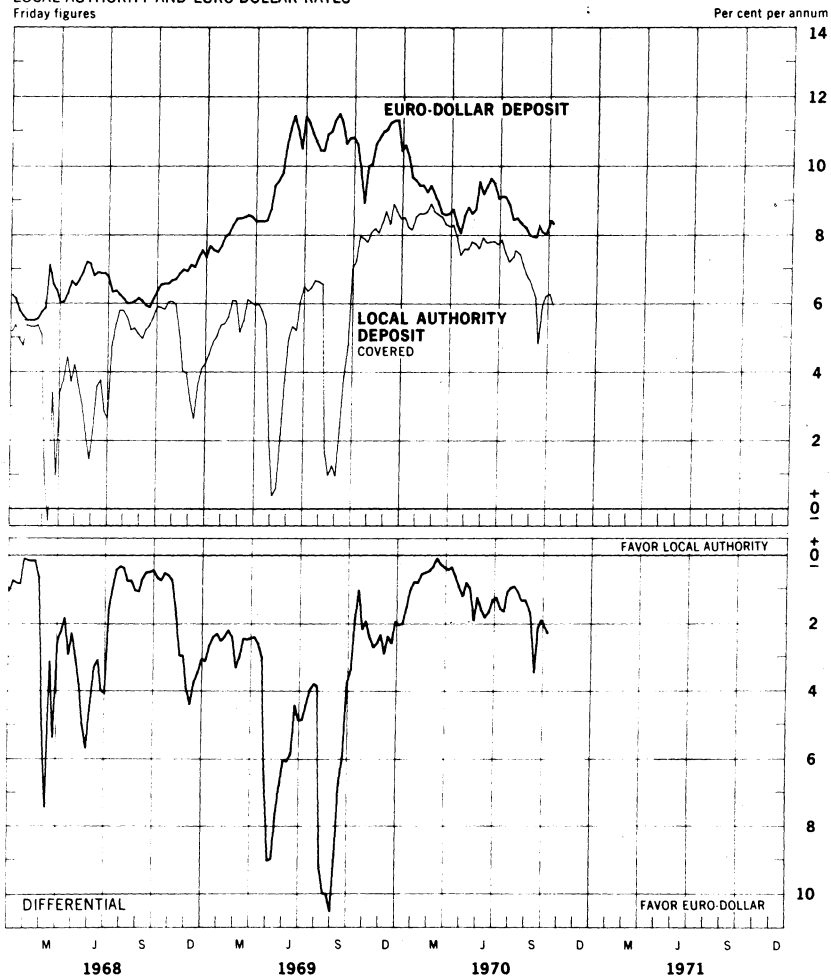
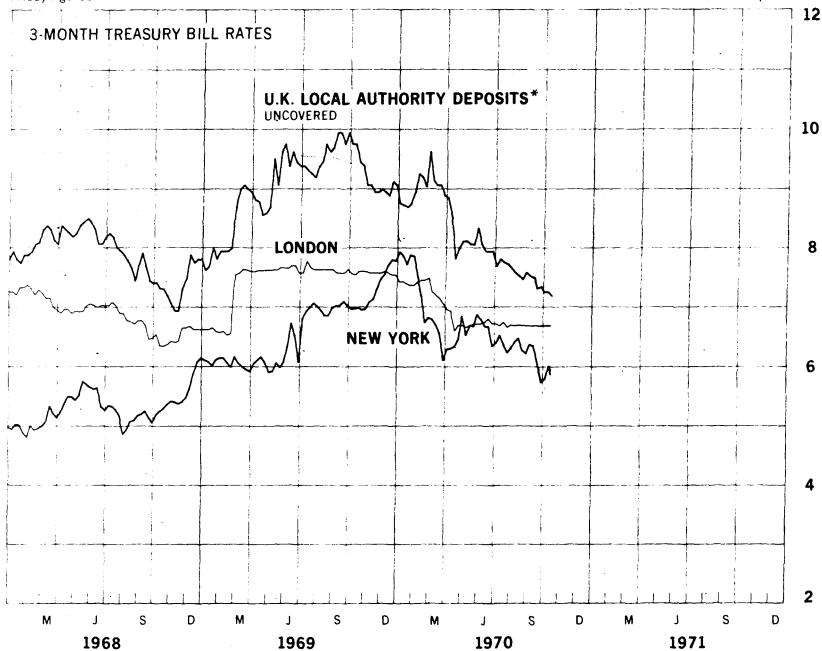


Chart 9A

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

Per cent per annum



* Plotted for comparison purposes

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

Per cent per annum

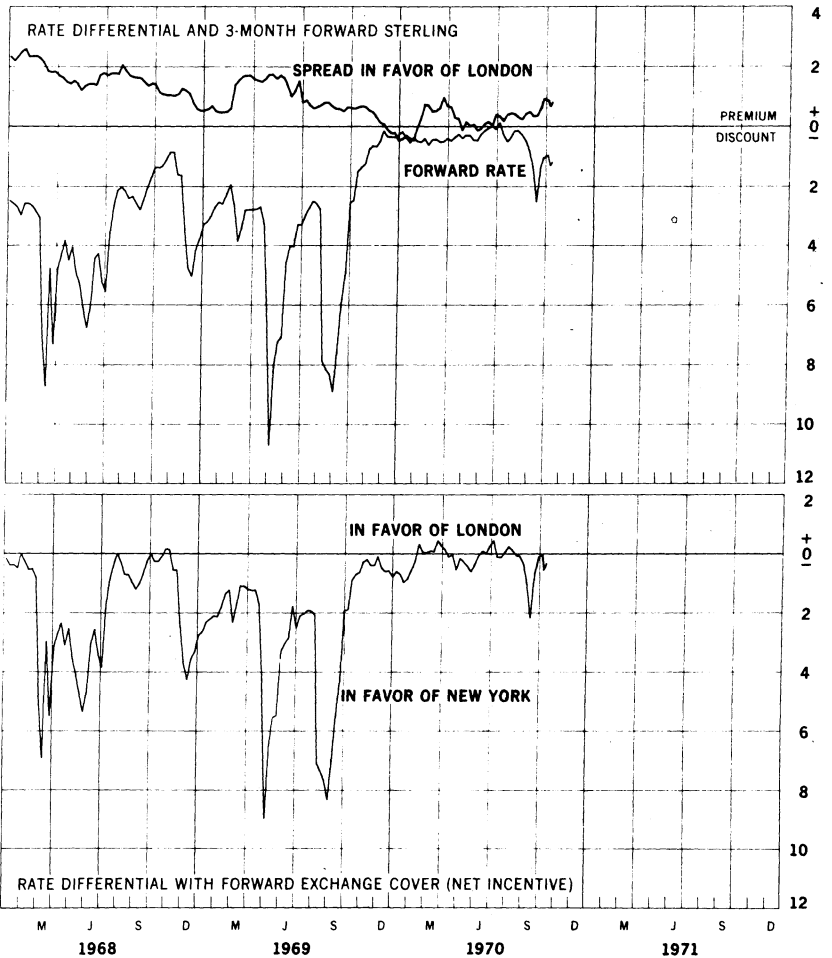
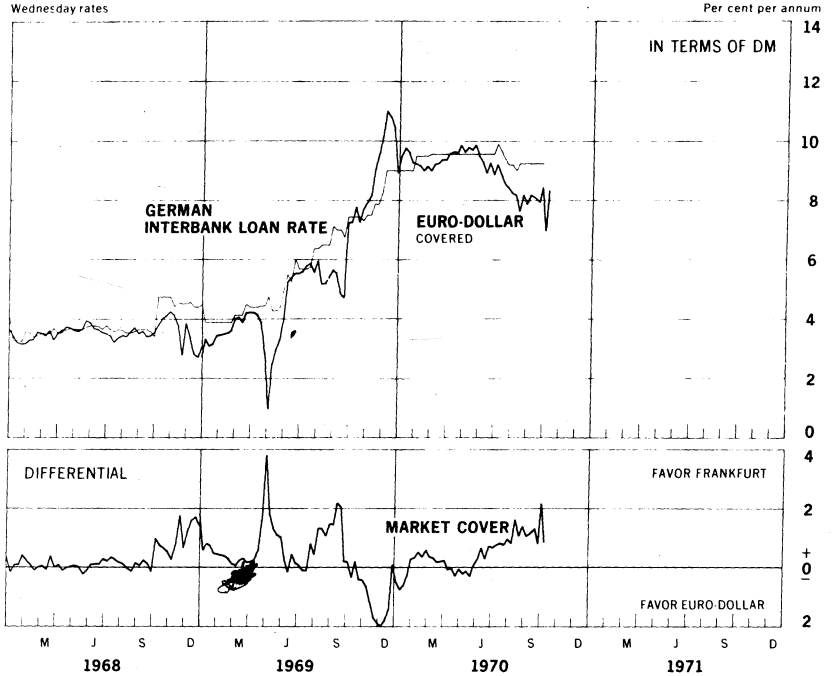


Chart 10A

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

FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates



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

ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates

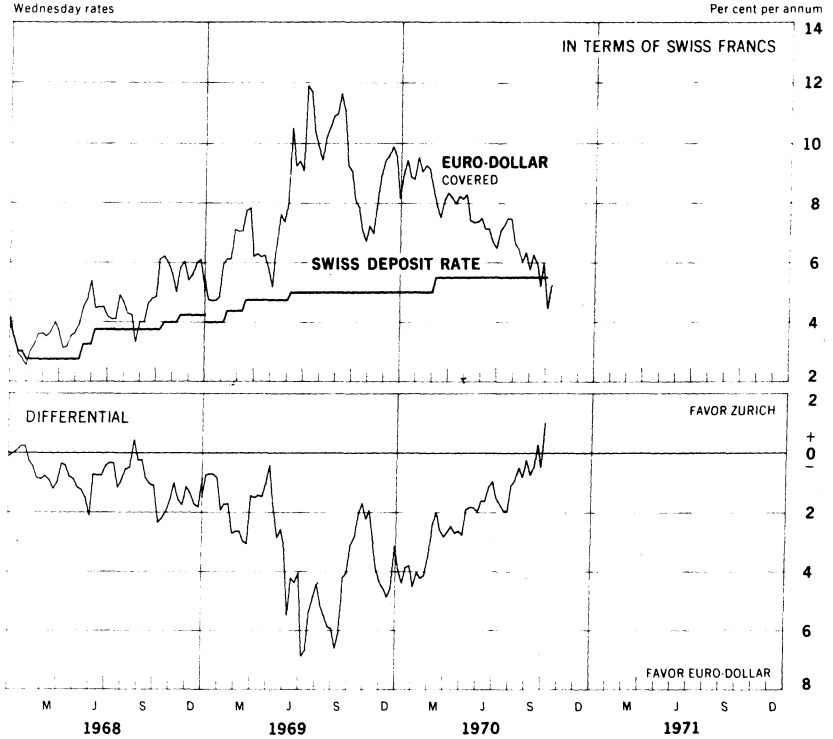
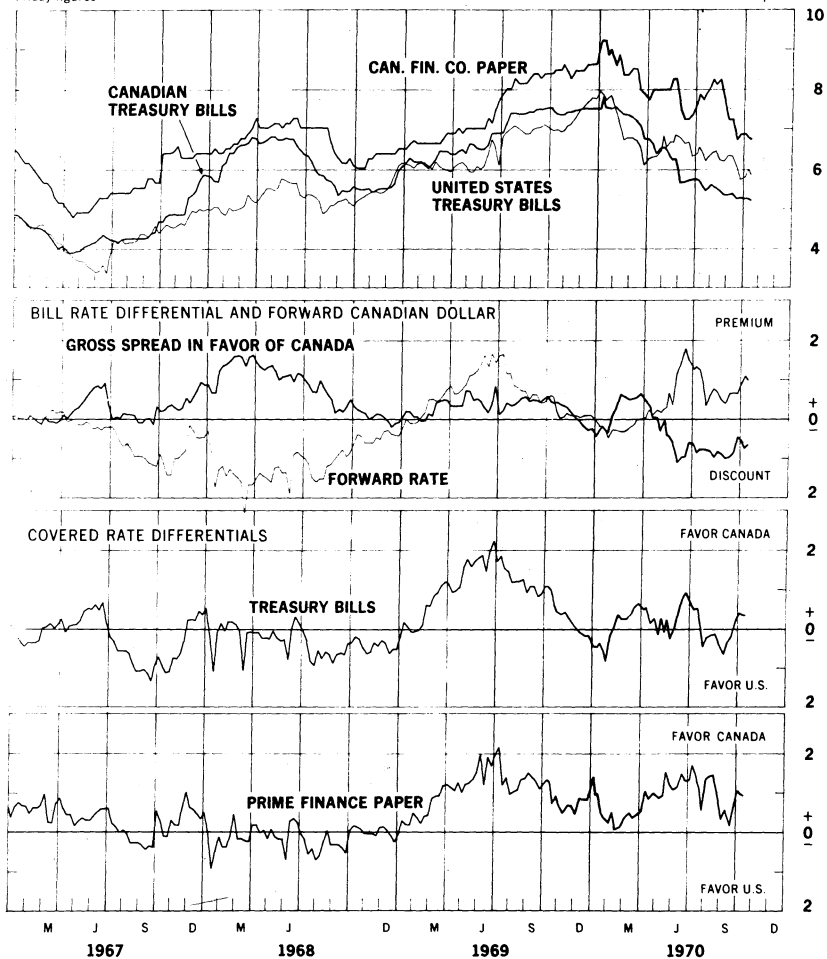


Chart 11

3-MONTH INTEREST ARBITRAGE: UNITED STATES - CANADA

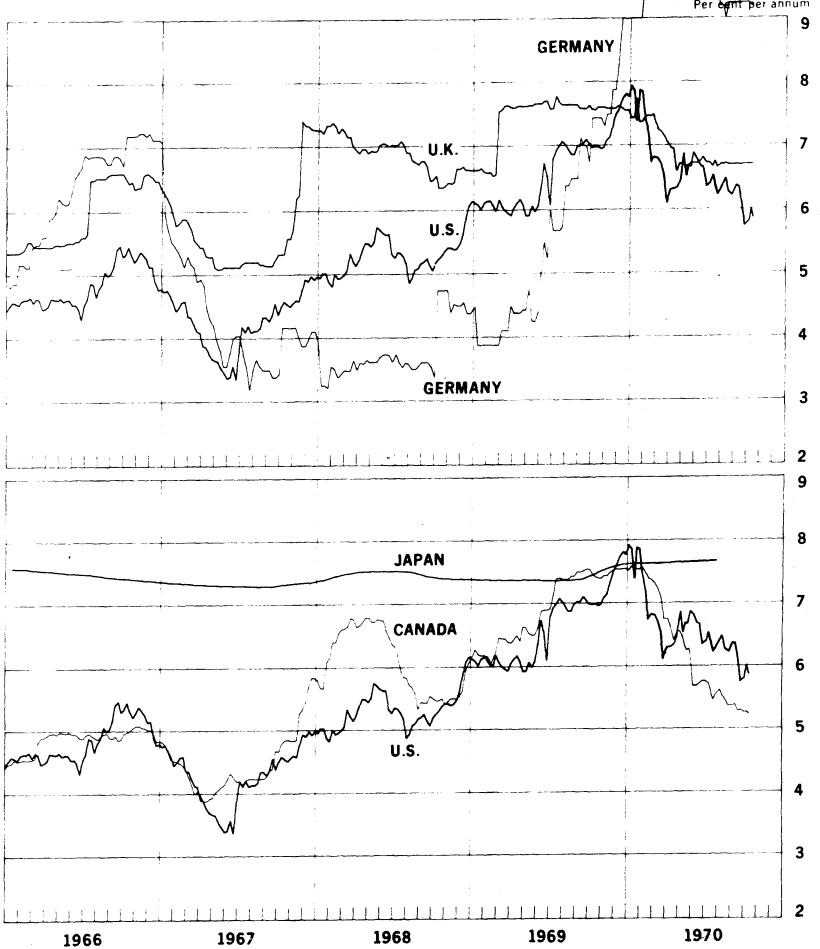
Friday figures

Per cent per annum



12

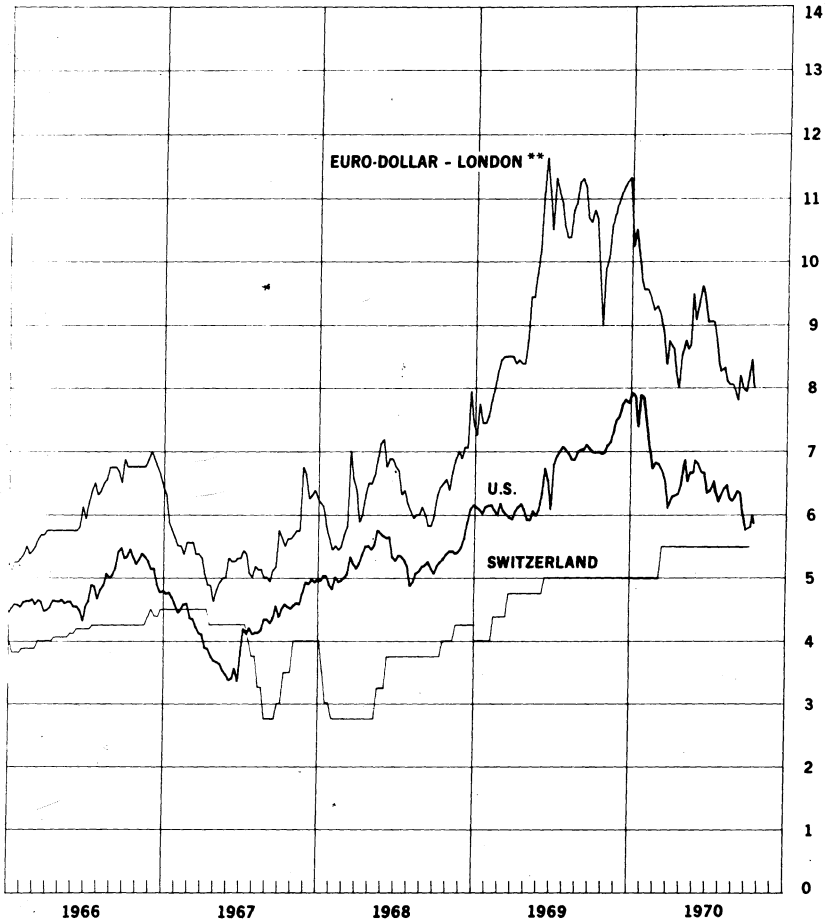
SELECTED SHORT-TERM INTEREST RATES*



* 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.

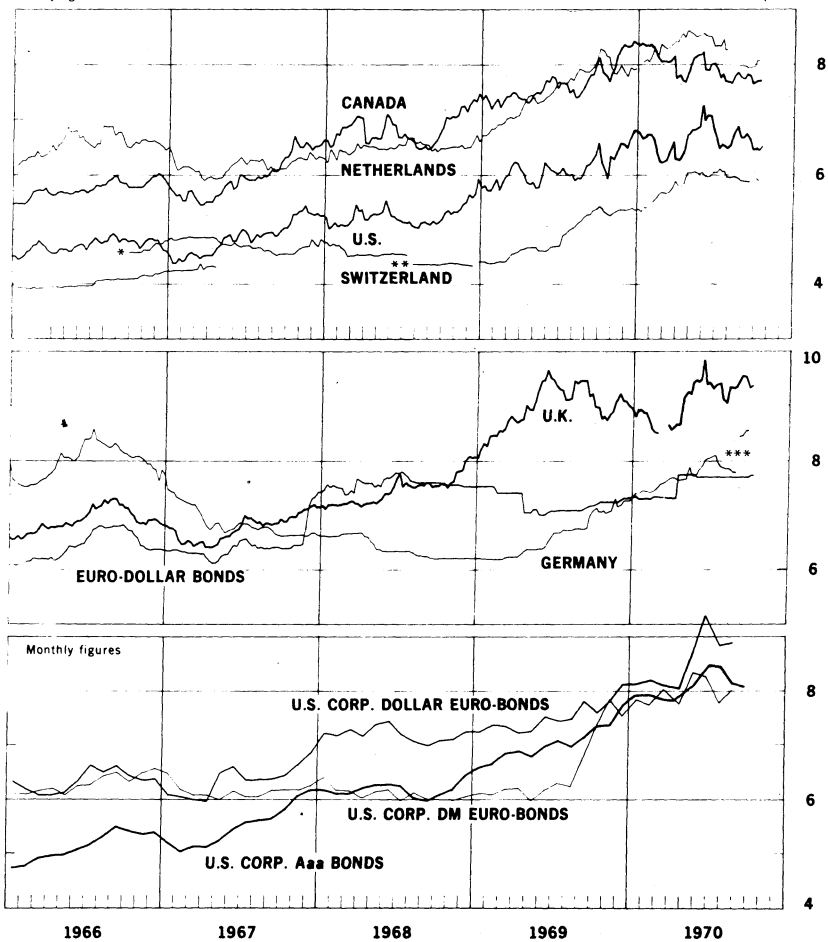
** 3-month rate for U.S. dollar deposits in London.

Chart 13

LONG-TERM BOND YIELDS

Weekly figures

Per cent per annum

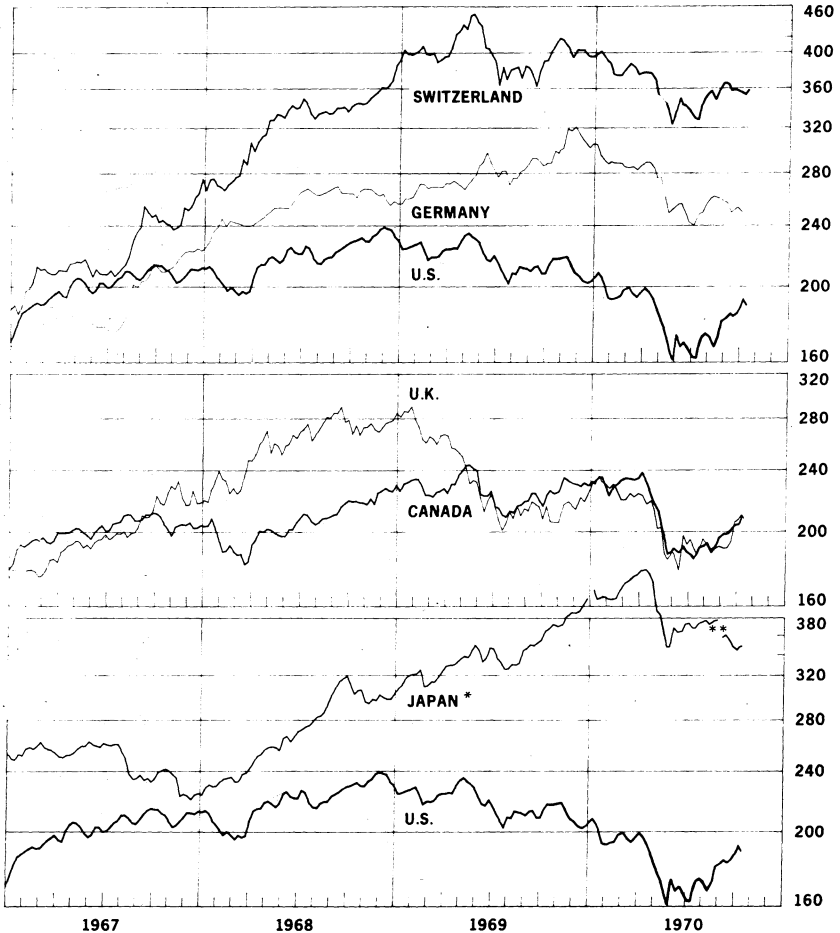


* New series for Switzerland starts 3-3-67.
** New series for Switzerland starts 8-2-68.
*** New-Average yield of all German P.A. Bonds begins 9-4-70.

CHART 14

INDUSTRIAL STOCK INDICES

1958=100
Ratio scale



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

** Japan index of all industrial and other stocks traded on the first section of the Tokyo Stock Exchange.

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IV. LATEST FIGURES PLOTTED ON THE CHARTS

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Chart	Panel	Series	Date	Rate
1A	Upper	Swiss franc	Oct 16	+ 1.016
		German mark	"	+ 0.784
		U.K. pound	"	- 0.553
	Lower	Dutch guilder	"	+ 0.546
		French franc	"	+ 0.540
1B		Japanese yen	"	+ 0.612
		Belgian franc	"	+ 0.731
		Italian lira	"	+ 0.351
		Canadian dollar	--	--
2A		German mark	Oct 16	- 0.18
		Swiss franc	"	+ 2.80
		U.K. pound	"	- 1.20
2B		Dutch guilder	"	+ 0.52
		Canadian dollar	"	+ 1.05
		French franc	"	- 0.81
3A		German mark	Oct 16	+ 1.04
		U.S. dollar	"	+ 0.98
3B		Swiss franc	"	+ 3.29
		French franc	"	+ 0.40
4		Gold price U.S. dollar per ounce	Oct 16	37.43
5	Upper	Call Euro-\$ deposits	Oct 14	7.08
		Federal Funds	"	6.21
	Middle	Differential	"	+ 0.87
	Lower	Japanese Unconditional Money	Oct 16	8.25
		German Call Money	Oct 16	8.62
		U.K. 2-day Local Authority Deposits	Oct 16	6.62
		French Day-to-day Money	"	7.75

IV - 2

Chart	Panel	Series	Date	Rate	
6A		Euro-\$ Call Rate	Oct 16	6.62	
		Euro-\$ 1-month Rate	"	7.62	
6B		Euro-\$ 3-month Rate	"	8.00	
		Euro-\$ 6-month Rate	"	8.12	
7A	Upper	Euro-\$ 3-month Deposits	Oct 14	8.12	
		U.S. Certificate of Deposits	"	6.75	
	Lower	Differential	"	+ 1.37	
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	
	Upper	Euro-\$ 3-month Deposits	Oct 2 Oct 9	8.41 8.28	
		Hire Purchase Deposits (covered)	Oct 2 Oct 9	6.70 6.46	
	Lower	Differential	Oct 2 Oct 9	- 1.71 - 1.82	
			Oct 2 Oct 9	8.41 8.28	
	8B	Upper	Euro-\$ 3-month Deposits	Oct 2 Oct 9	8.41 8.28
			Local Authority Deposits (covered)	Oct 2 Oct 9	6.29 5.96
	Lower	Differential	Oct 2 Oct 9	- 2.12 - 2.32	
			Oct 2 Oct 9	5.86 6.69	
9A		U.S. Treasury Bill rate	Oct 16	5.86	
		U.K. Treasury Bill rate	"	6.69	
		Local Authority Deposit (uncovered)	"	7.19	
9B-	Upper	Spread (+= favor London)	"	+ 0.83	
		3-month Forward Pound	"	- 1.14	
	Lower	Net Incentive (+= favor London)	"	- 0.31	

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Chart	Panel	Series	Date	Rate
10A	Upper	Euro-\$ Deposits (covered)	Oct 14	8.35
		German Interbank Loan rate	"	9.19
	Lower	Differential	"	+ 0.84
10B	Upper	Euro-\$ Deposits (covered)	"	5.26
		Swiss Deposit rate	"	
	Lower	Differential	"	
11	Upper	Canadian Finance Paper	Oct 16	6.75
		U.S. Treasury Bill rate	"	5.86
		Canadian Treasury Bill rate	"	5.21
		U.S. Prime Finance paper (not plotted)	"	6.81
	Second	Bill rate differential	"	- 0.65
		Forward Canadian dollar	"	+ 0.98
	Third	Net incentive on bills	"	+ 0.33
Bottom	Net incentive on Finance Paper	"	+ 0.92	
12A	Upper	U.K. Treasury Bill rate	Oct 16	6.69
		U.S. Treasury Bill rate	"	5.86
		German Interbank Loan rate	"	9.19
	Lower	Japanese Average rate	August 31	7.682
		Canadian Treasury Bill rate	Oct 16	5.21
		U.S. Treasury Bill rate	"	5.86
12B		Euro-\$ Deposits	"	8.00
		Swiss 3-month Deposit rate		
		U.S. Treasury Bill rate	Oct 16	5.86

Chart	Panel	Series	Date	Rate
13	Upper	Netherlands	Oct 2 Oct 9	8.06 8.06
		Canada	" 7	7.69
		United States	" 14	6.50
		Switzerland	" 9	5.89
	Middle	** Germany	Oct 7 & 15 Oct 23 & 30	8.43 & 8.46 ** 8.53 & 8.54
		United Kingdom	Oct 16	9.23
		Euro-dollar bonds	Oct 16	7.74
	Lower	U.S. Corp. Dollar Euro-bonds	August	8.89
		U.S. Corp. DM Euro-bonds	"	8.01
		U.S. Corp. Aaa bonds	September	8.09
14	Upper	Switzerland	Oct 16	358.4
		Germany	Oct 7	248.80
		United States	" 16	188.40
	Middle	United Kingdom	" 16	207.12
		Canada	" 8	208.26
	Lower	* Japan	" 17	349.37 *
		United States	" 16	188.40

** New -- Average yield of ALL German Public Authorities bonds made as of banking key days

* Beginning week ended Sept. 5, 1970, the Japanese index plotted is that of all industrial and other stocks on the First Section of the Tokyo Stock Exchange.