

D. Bo. of Governors

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October 28, 1970 No. 478

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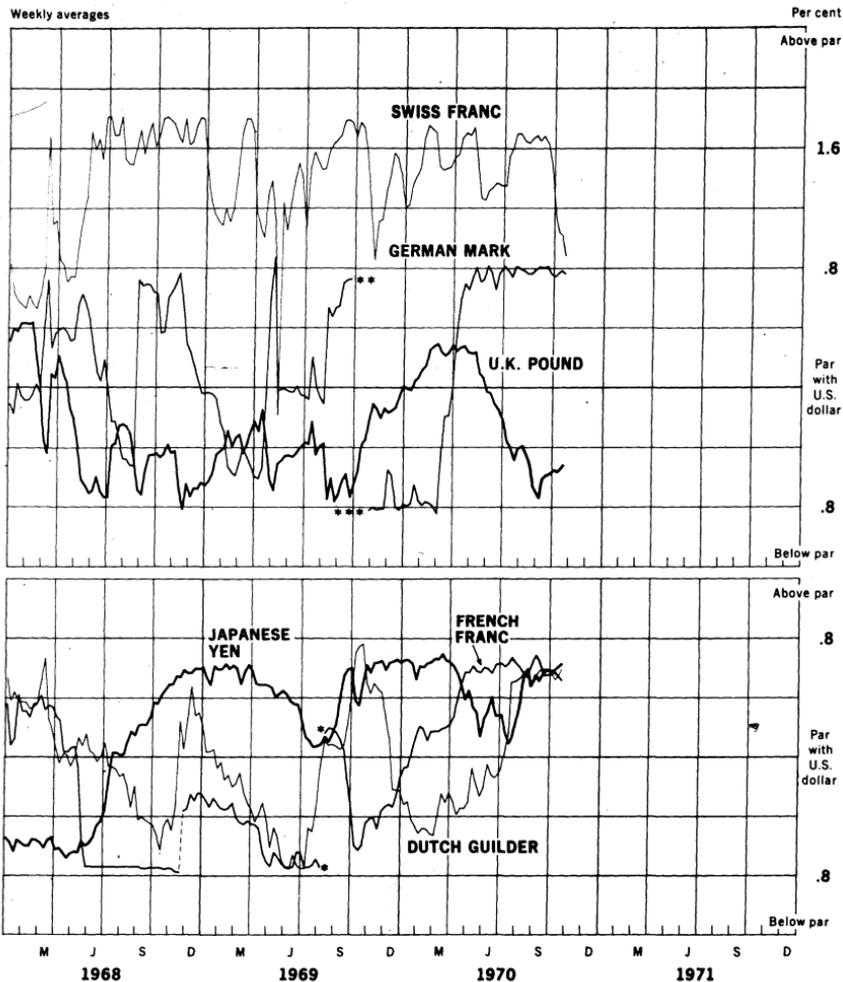
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NOTE: This series is a continuation of the CAPITAL MARKETS DEVELOPMENTS ABROAD, which has been published under that title through December 31, 1968. The changes in the format and order of the charts are fully explained in the Supplement to the series,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

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.

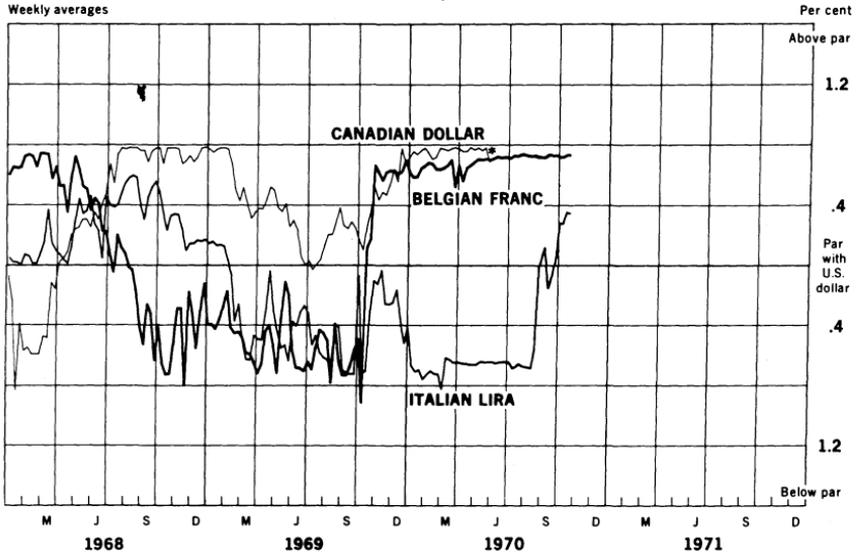
** DM rate not supported by the Bundesbank.

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

Chart 1B

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

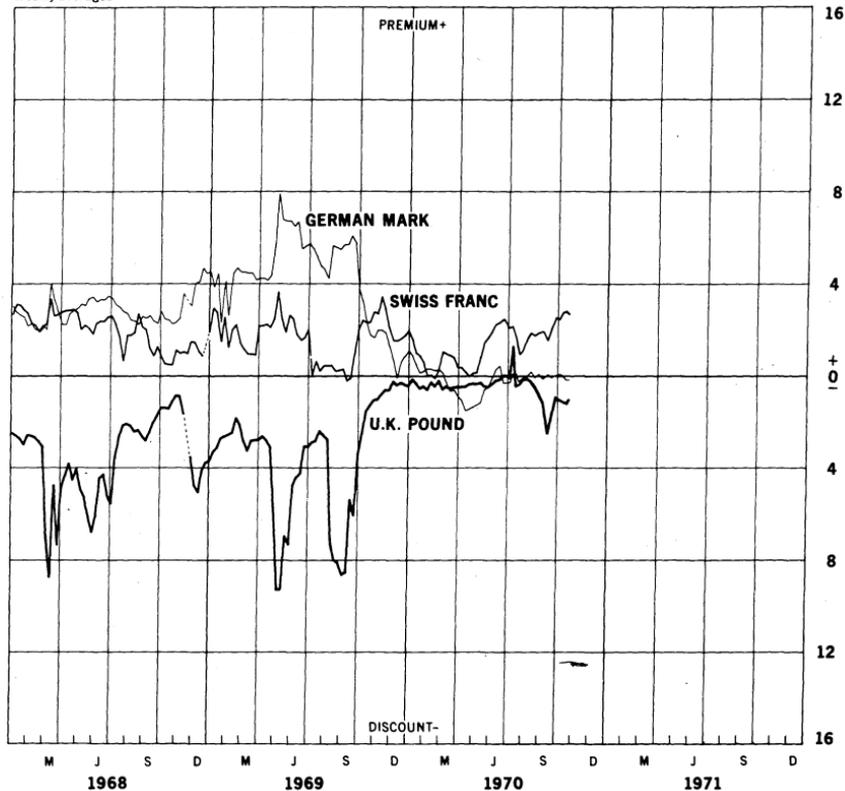
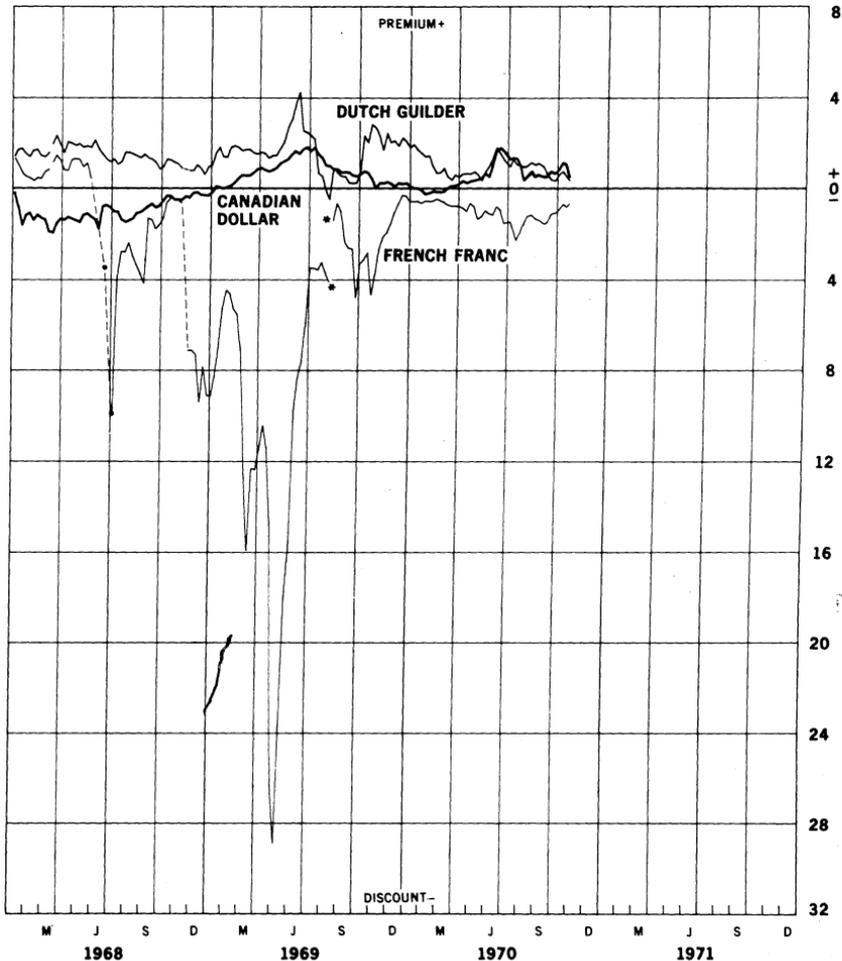


Chart 2B

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.

Chart 3A

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

Friday figures

Per cent per annum

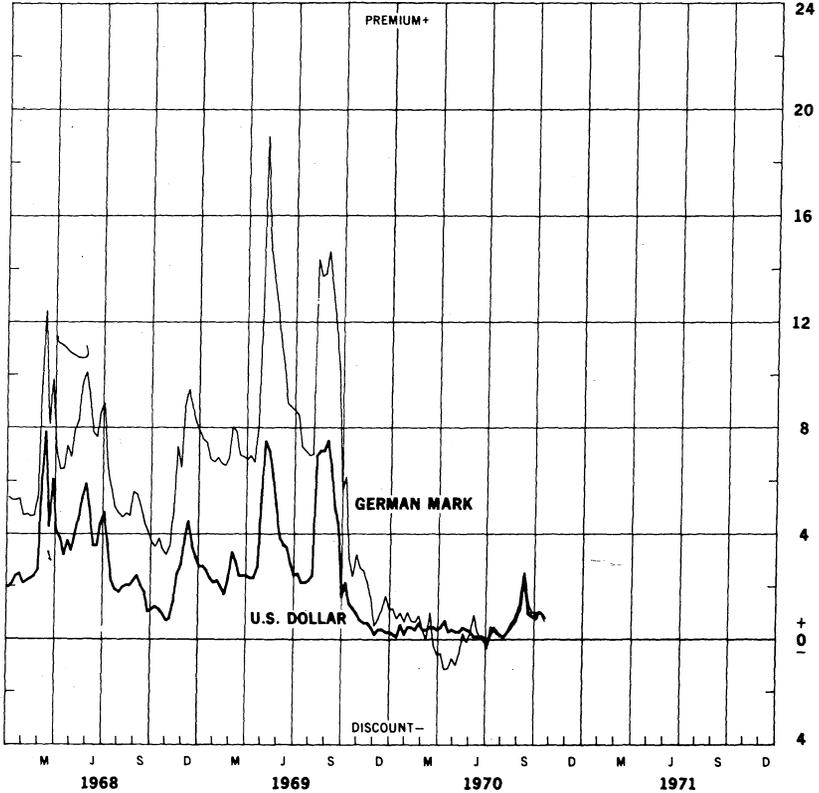
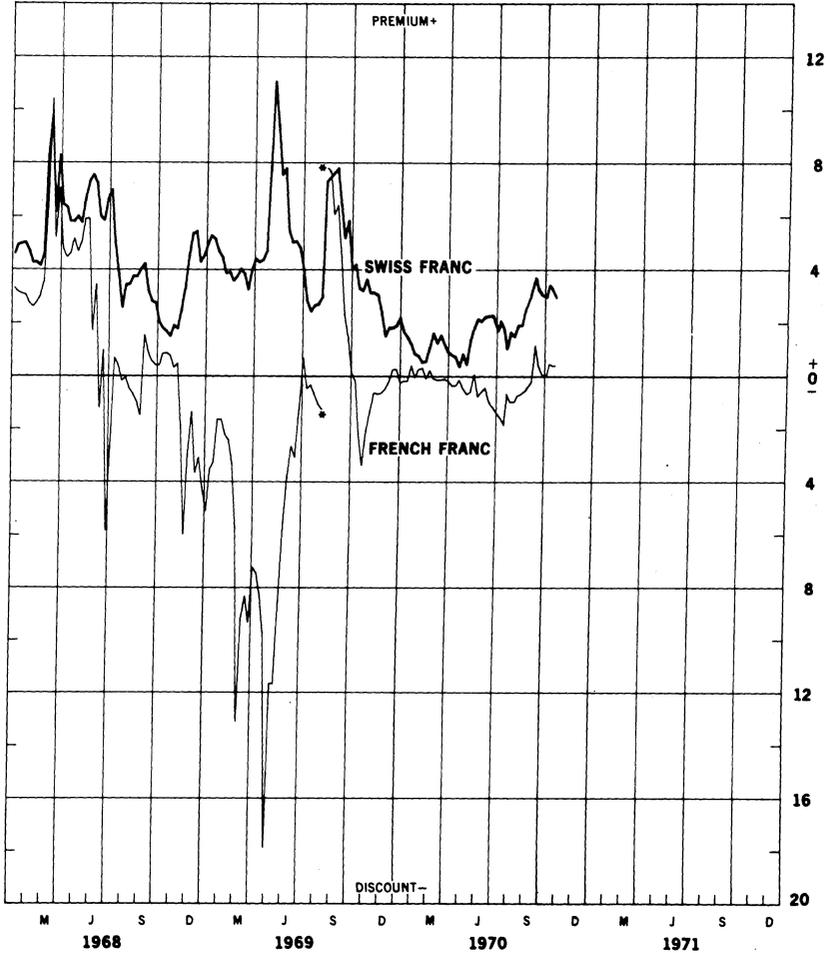


Chart 3B

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

Friday figures

Per cent per annum



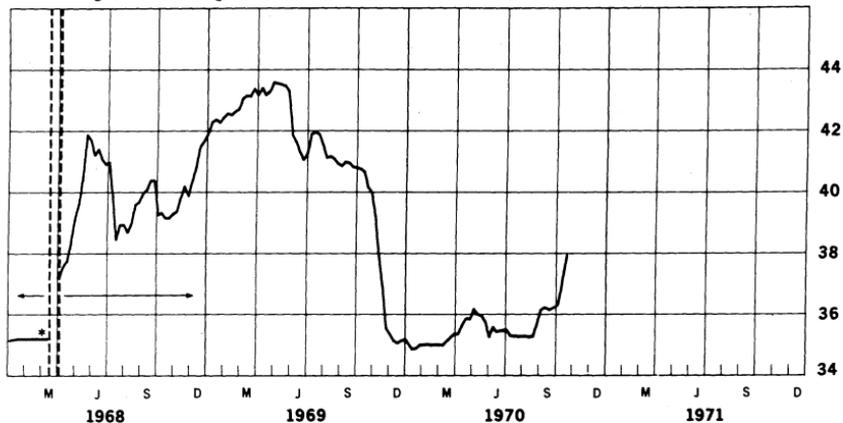
*Devaluation of the French franc from 4.94 to 5.55 for \$1.00

Chart 4

GOLD PRICE IN LONDON, 12.5 Kg BARS

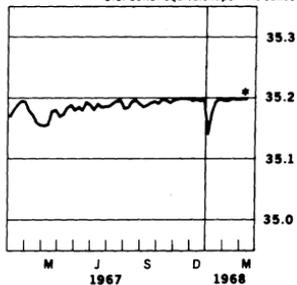
Week's average of afternoon fixings

U.S. dollar equivalent per fine ounce



MARKET SUPPORTED BY GOLD POOL

U.S. dollar equivalent per fine ounce

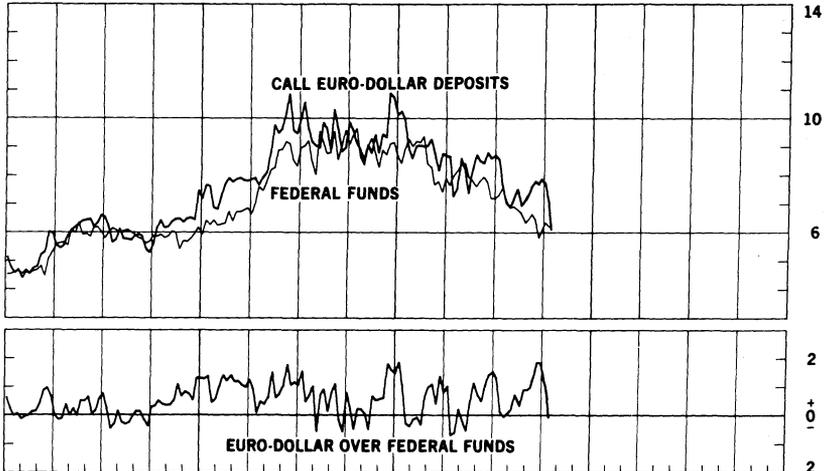


* Market closed March 15-April 1, 1968

CALL MONEY RATES

DOLLAR FUNDS
Weekly averages

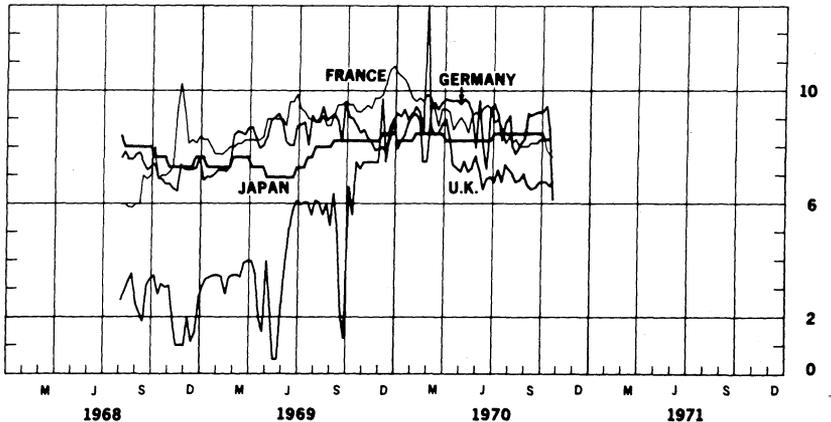
Per cent per annum



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

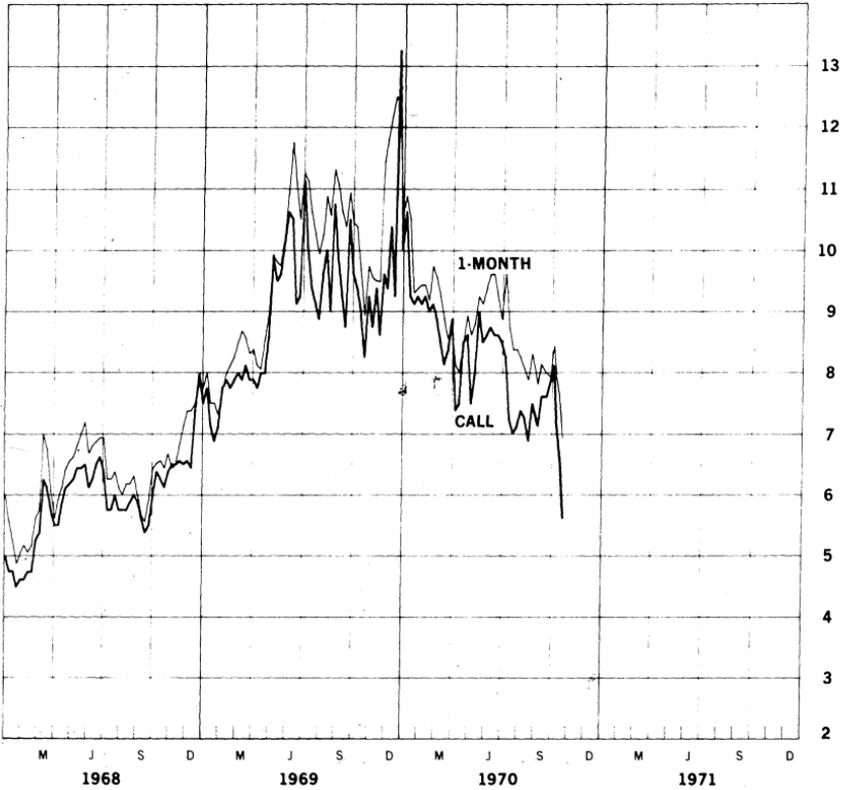


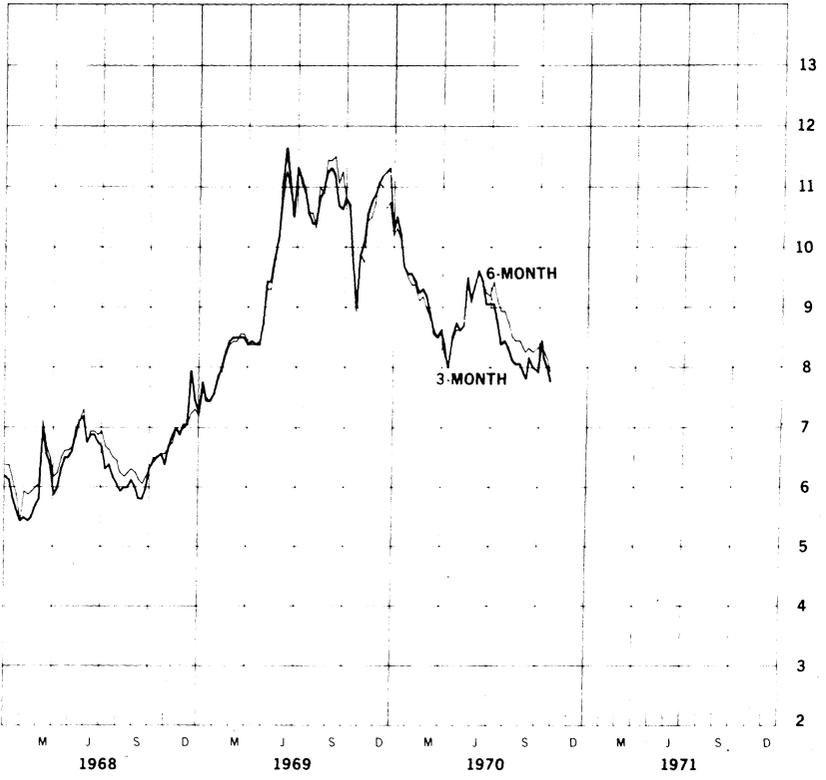
Chart 6B

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LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

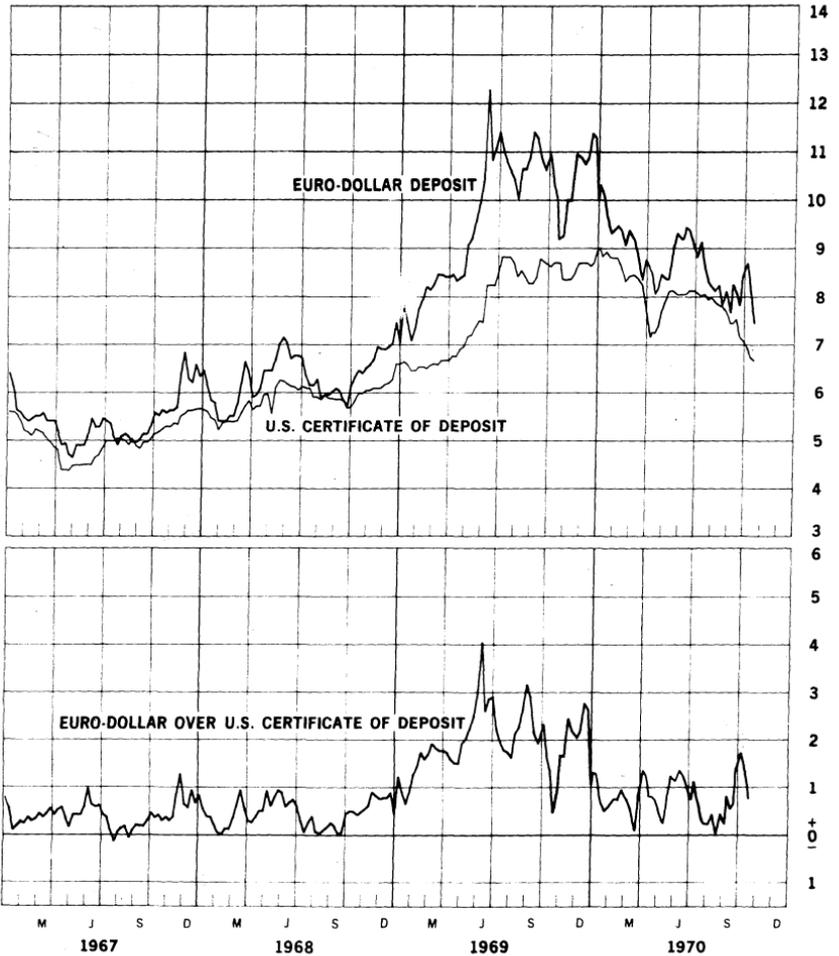
Per cent per annum



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

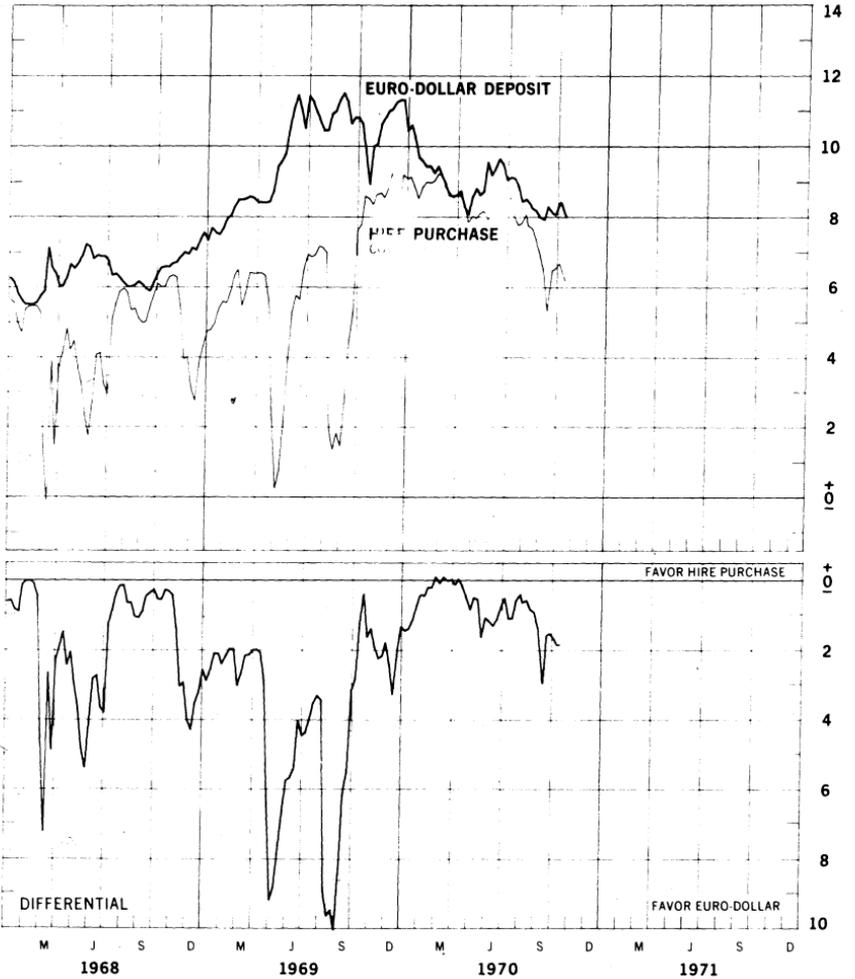
Chart 8A

LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

HIRE PURCHASE AND EURO-DOLLAR RATES

Friday figures

Per cent per annum



LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

LOCAL AUTHORITY AND EURO-DOLLAR RATES
Friday figures

Per cent per annum

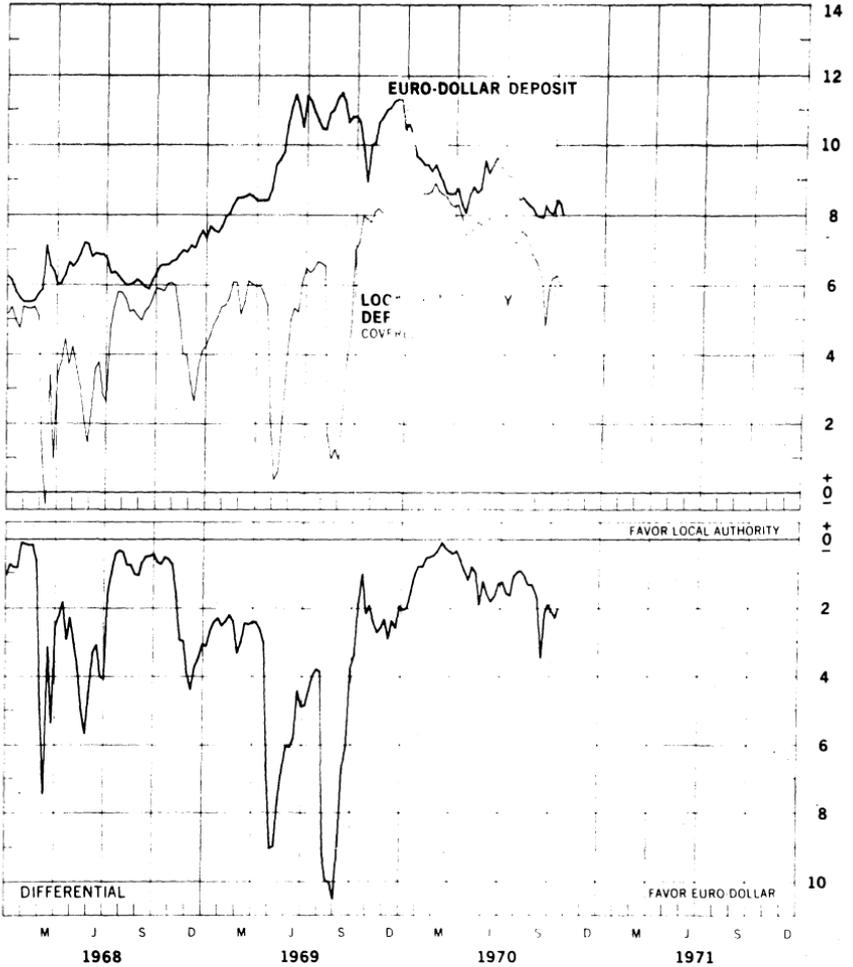
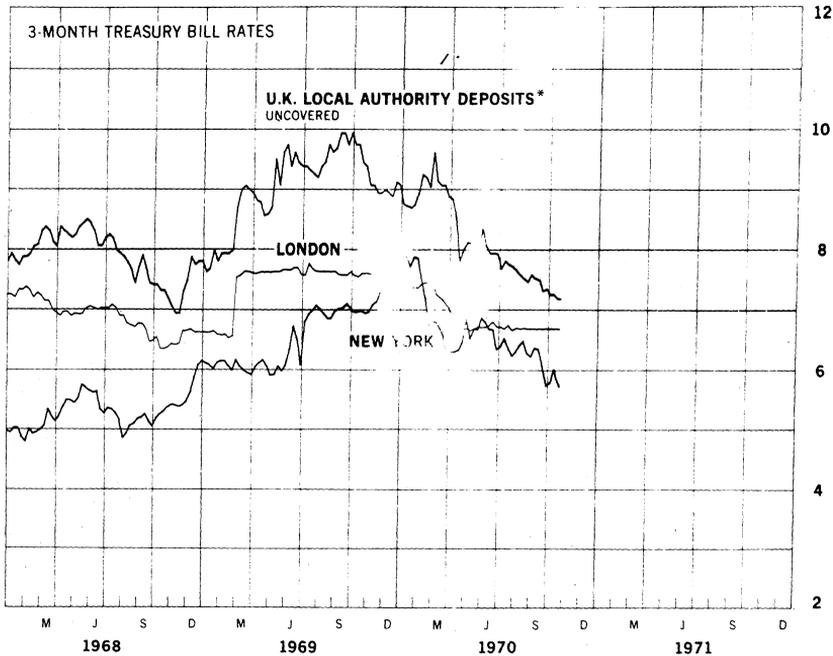


Chart 9A

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

Per cent per annum

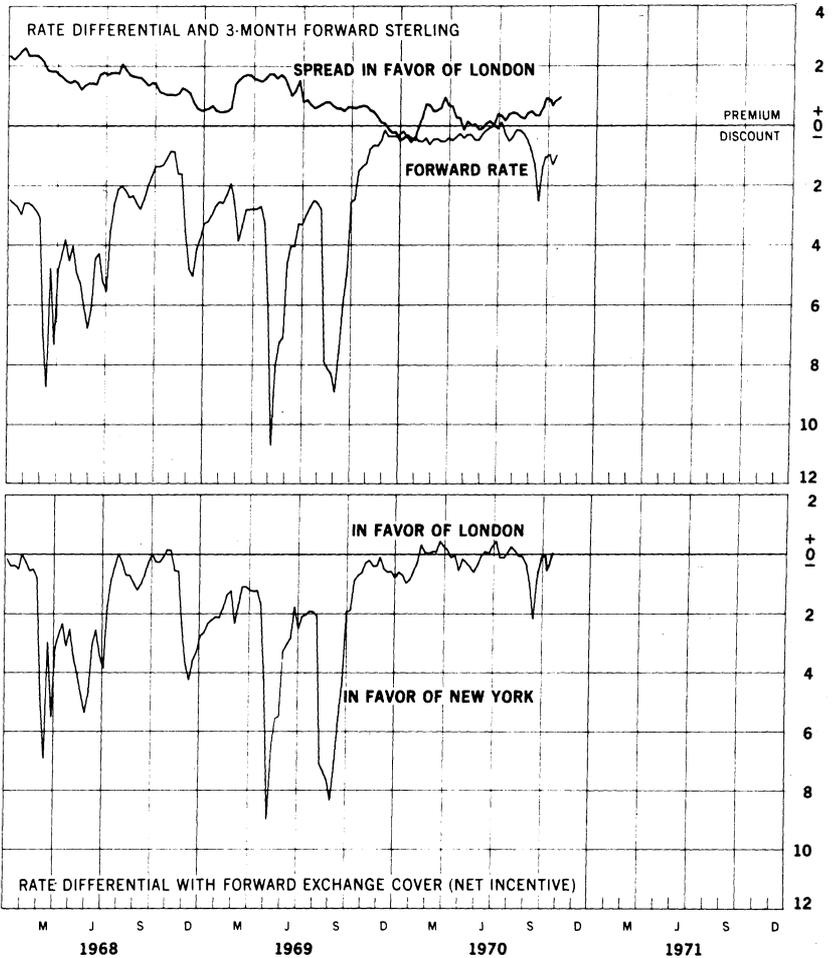


* Plotted for comparison purposes

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

Per cent per annum



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

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

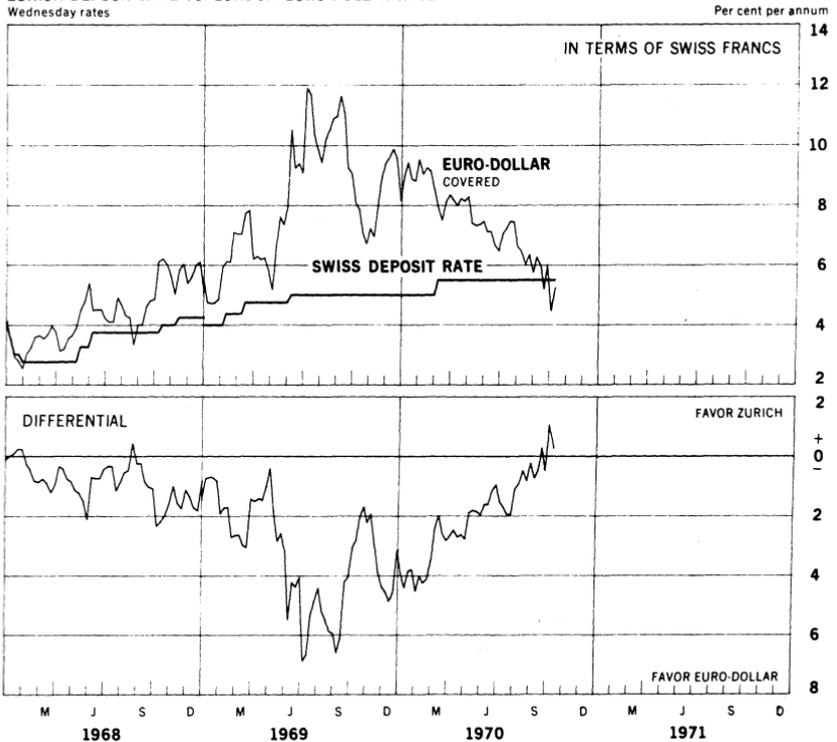
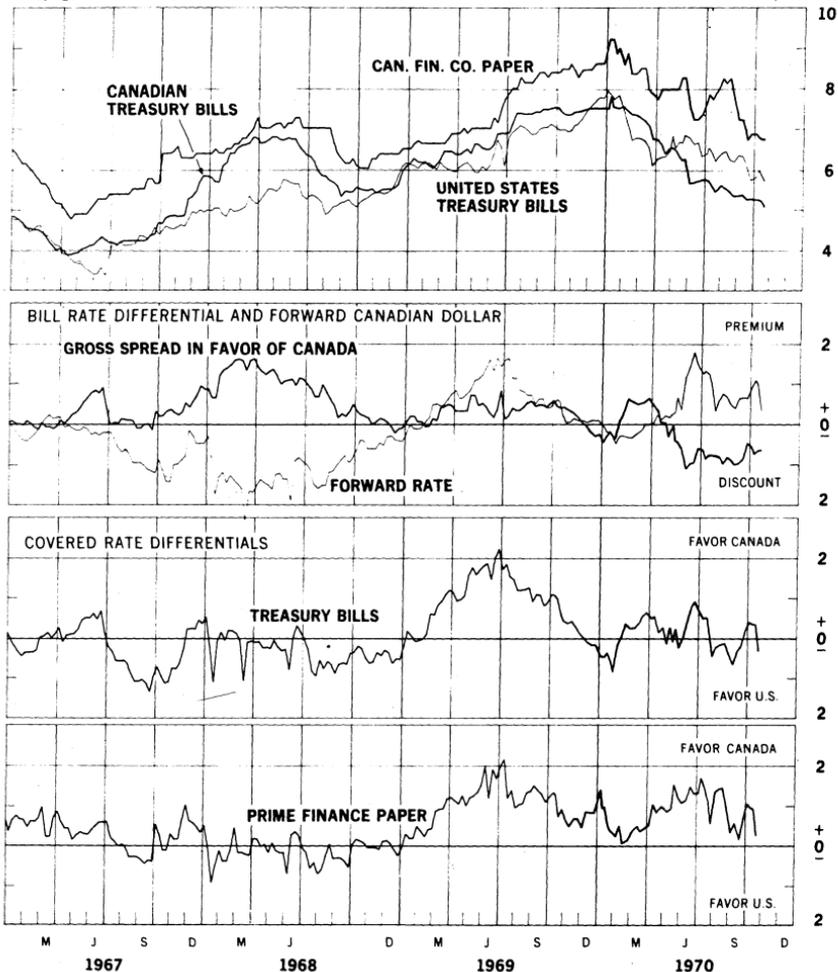


Chart 11

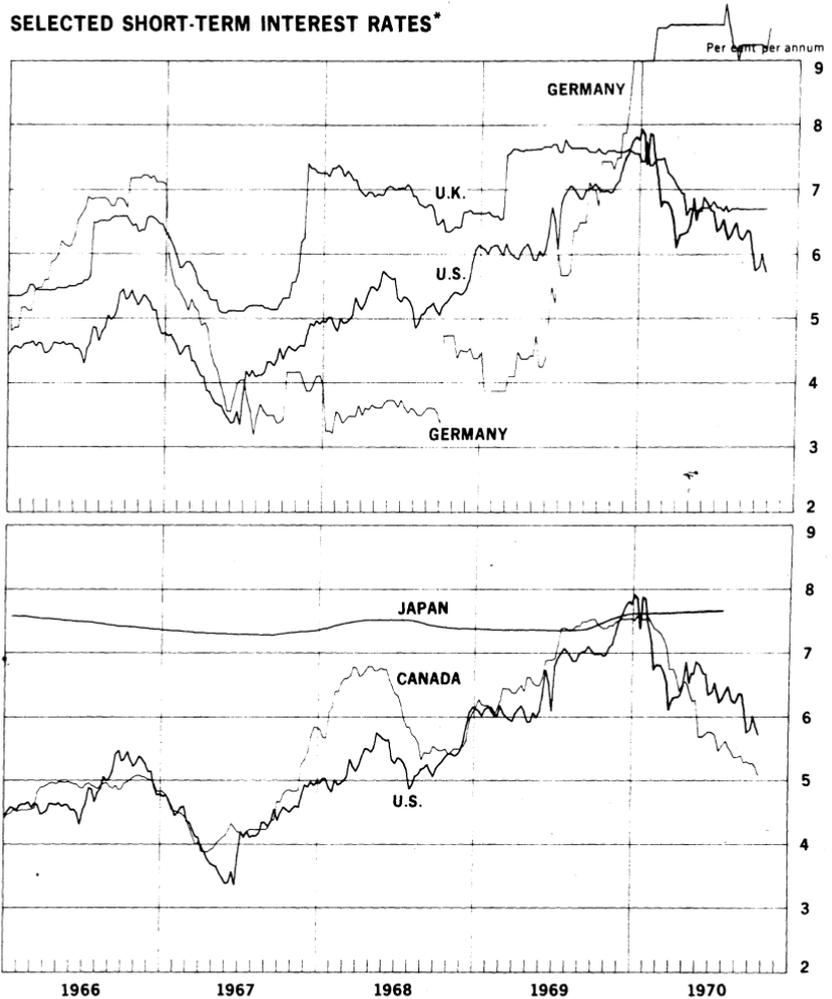
3-MONTH INTEREST ARBITRAGE: UNITED STATES - CANADA

Friday figures

Per cent per annum

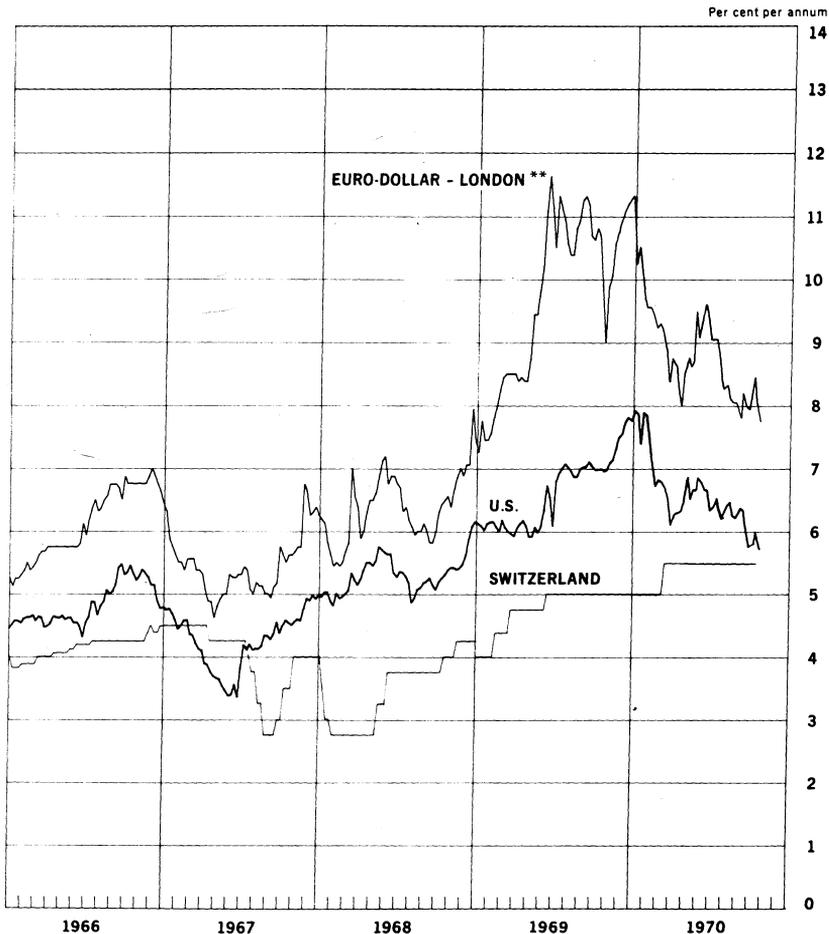


SELECTED SHORT-TERM INTEREST RATES*



* 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 *



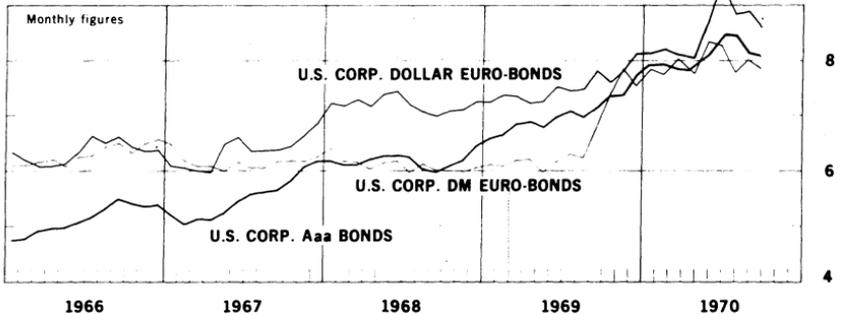
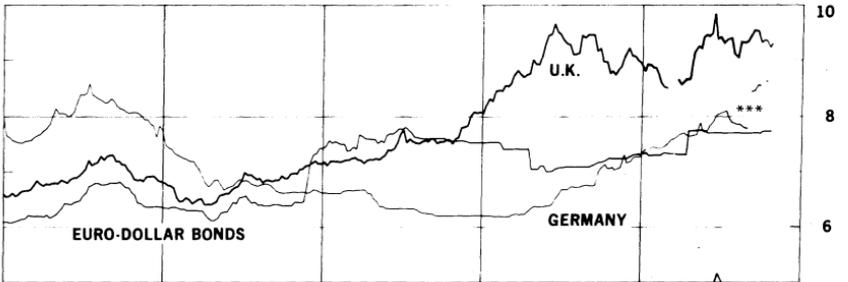
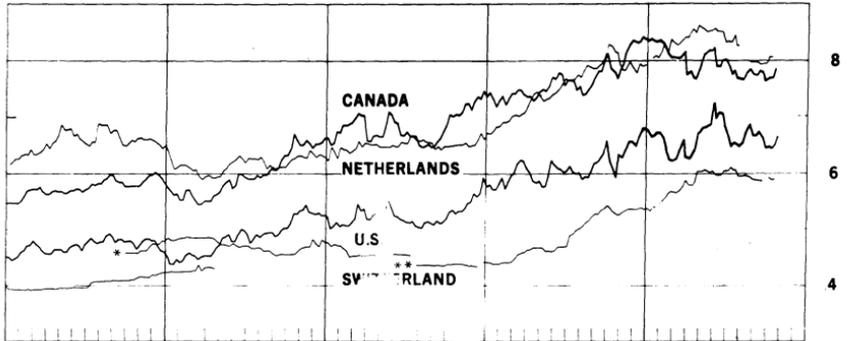
* 3-month treasury bill rate for U.S., Switzerland—3-month deposit rate

** 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.

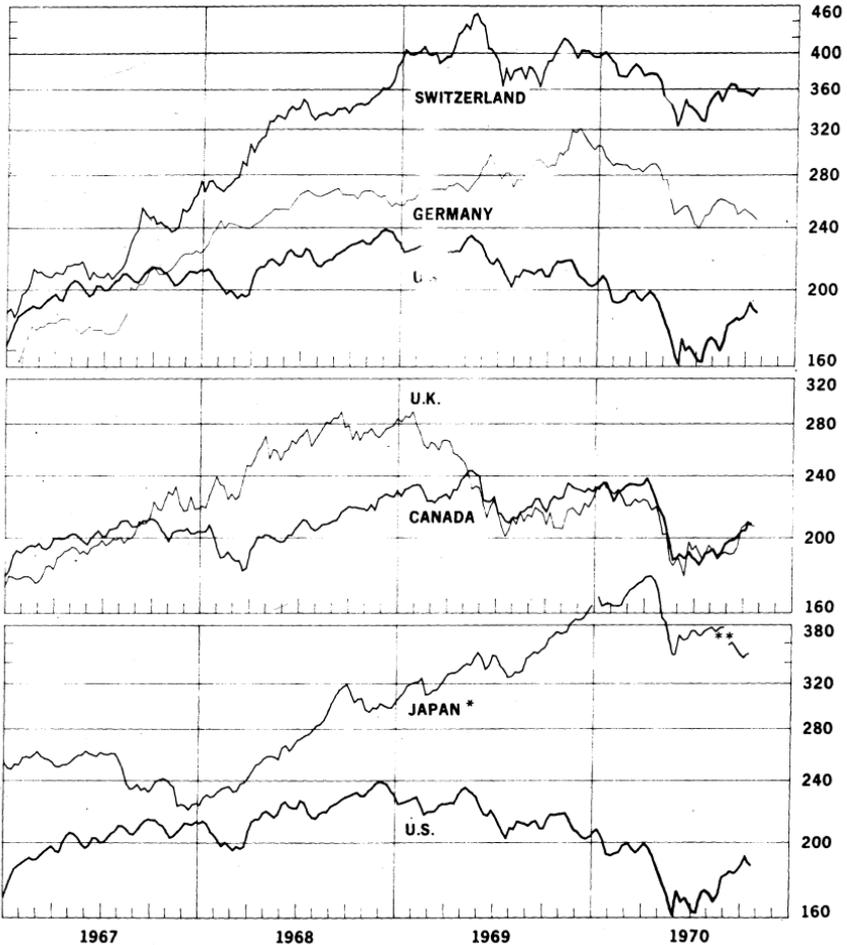
** New series for Switzerland starts 8-2-68.

*** 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.

IV. LATEST FIGURES PLOTTED ON THE CHARTS

Chart	Panel	Series	Date	Rate	
1A	Upper	Swiss franc	Oct 23	+ 0.883	
		German mark	"	+ 0.762	
		U.K. pound	"	- 0.515	
	Lower	Dutch guilder	"	+ 0.596	
		French franc	"	+ 0.519	
		Japanese yen	"	+ 0.632	
1B		Belgian franc	"	+ 0.737	
		Italian lira	"	+ 0.345	
		Canadian dollar	--	--	
2A		German mark	Oct 23	- 0.18	
		Swiss franc	"	+ 2.68	
		U.K. pound	"	- 1.01	
2B		Dutch guilder	"	+ 0.33	
		Canadian dollar	"	+ 0.48	
		French franc	"	- 0.67	
3A		German mark	Oct 23	+ 0.69	
		U.S. dollar	"	+ 0.80	
3B		Swiss franc	"	+ 2.94	
		French franc	"	+ 0.40	
4		Gold price, U.S. dollar per ounce	Oct 24	37.98	
5	A	Upper	Call Euro-\$ deposits	Oct 21	6.08
			Federal Funds	"	6.18
	*	Middle	Differential	"	- 0.10
	B	Lower	Japanese Unconditional Money	Oct 16	8.25
			German Call Money	" 23	6.12
			U.K. 2-day Local Authority Deposits	" 23	6.75
			French Day-to-day Money	" 23	7.62
		Canada, Day-to-Day Loans	" 14	5.19 **	
		Netherlands, Call Money	" 7	6.89 **	
* New-Data begins July 2, 1970					
Euro-Currencies					
		Euro \$	Oct 23	6.52	
		Euro DM	Oct 23	6.40	
		Euro Swiss Fr.	Oct 23	1.15	

Chart	Panel	Series	Date	Rate
6A		Euro-\$ Call Rate	Oct 23	5.62
		Euro-\$ 1-month Rate	"	6.94
6B		Euro-\$ 3-month Rate	"	7.75
		Euro-\$ 6-month Rate	"	7.94
7A	Upper	Euro-\$ 3-month Deposits	Oct 21	7.44
		U.S. Certificate of Deposits	"	6.68
	Lower	Differential	"	+ 0.76
7B	Upper	Euro-\$ 3-month Deposits	"	7.44
		Euro-\$ 3-month Deposits (Adj.)	"	8.27
		U.S. Certificate of Deposits (Adj.)	"	7.18
	Lower	Differential: on Adj. Euro-\$ Deposits	"	+ 1.09
		on Unadj. Euro-\$ Deposits	"	+ 0.26
8A	Upper	Euro-\$ 3-month Deposits	Oct 16	8.00
		Hire Purchase Deposits (covered)	"	6.18
	Lower	Differential	"	- 1.82
8B	Upper	Euro-\$ 3-month Deposits	"	8.00
		Local Authority Deposits (covered)	"	6.02
	Lower	Differential	"	- 1.98
9A		U.S. Treasury Bill rate	Oct 23	5.71
		U.K. Treasury Bill rate	"	6.69
		Local Authority Deposit (uncovered)	"	7.19
9B	Upper	Spread (+ = favor London)	"	+ 0.98
		3-month Forward Pound	"	- 0.96
	Lower	Net Incentive (+ = favor London)	"	+ 0.02

Chart	Panel	Series	Date	Rate
10A	Upper	Euro-\$ Deposits (covered)	Oct 21	7.93
		German Interbank Loan rate	"	9.50
	Lower	Differential	"	+ 1.57
10B	Upper	Euro-\$ Deposits (covered)	" 21	5.07
		Swiss Deposit rate	" 16	5.50
	Lower	Differential		
11	Upper	Canadian Finance Paper	Oct 23	6.75
		U.S. Treasury Bill rate	"	5.71
		Canadian Treasury Bill rate	"	5.08
		U.S. Prime Finance paper (not plotted)	"	6.81
	Second	Bill rate differential	Oct 23	- 0.63
		Forward Canadian dollar	"	+ 0.33
	Third	Net incentive on bills	"	- 0.30
	Bottom	Net incentive on Finance Paper	"	+ 0.27
12A	Upper	U.K. Treasury Bill rate	" 23	6.69
		U.S. Treasury Bill rate	"	5.71
		German Interbank Loan rate	"	9.50
	Lower	Japanese Average rate	August 31	7.682
		Canadian Treasury Bill rate	Oct 23	5.08
		U.S. Treasury Bill rate	"	5.71
12B		Euro-\$ Deposits	"	7.75
		Swiss 3-month Deposit rate	" 16	5.50
		U.S. Treasury Bill rate	Oct 23	5.71

Chart	Panel	Series	Date	Rate	
13	Upper	Netherlands	Oct 9	8.06	
		Canada	" 14	7.85	
		United States	" 21	6.64	
		Switzerland	" 15	5.90	
	Middle	Germany	Sept 30 Oct 9	8.54 8.63	**
		United Kingdom	Oct 23	9.31	
		Euro-dollar bonds	" 23	7.74	
	Lower	U.S. Corp. Dollar Euro-bonds	Sept 30	8.60	
		U.S. Corp. DM Euro-bonds	"	7.85	
		U.S. Corp. Aaa bonds	"	8.09	
14	Upper	Switzerland	Oct 23	360.7	
		Germany	" 15	245.20	
		United States	" 23	186.69	
	Middle	United Kingdom	" 23	206.62	
		Canada	" 15	207.54	*
	Lower	Japan	" 23	349.37	
United States		" 23	186.69		

** 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.