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November 25, 1970 No. 481

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

1.

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RESERVE BANK
RICHMOND

2. (Capital market

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

WEEKLY SERIES OF CHARTS

1. BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

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Federal Reserve Bank of St. Louis

TABLE OF CONTENTS

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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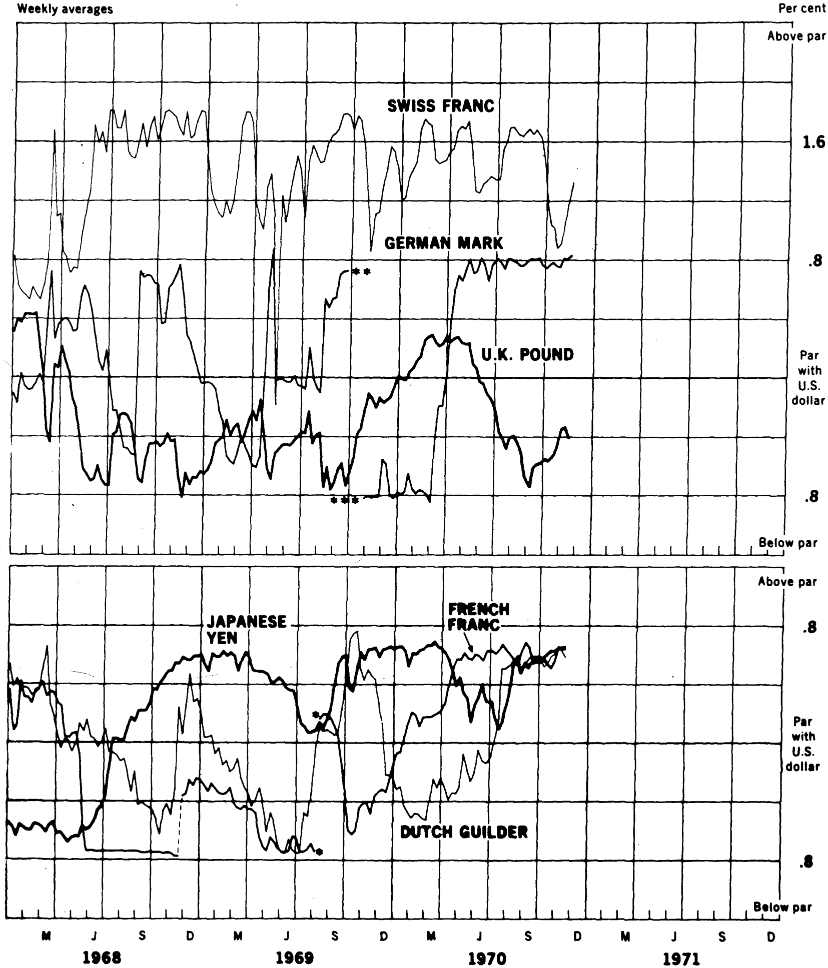
Chart 1A

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



* 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.

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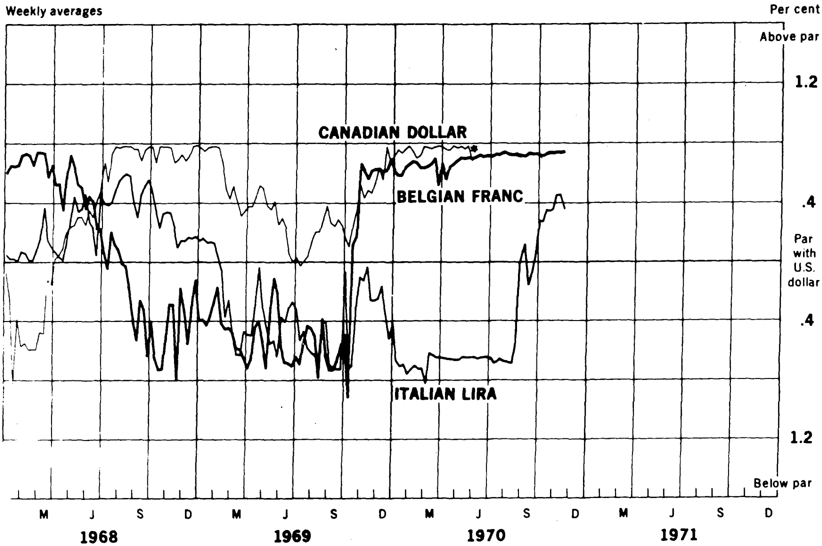
Chart 1B

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



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

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Chart 2A

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

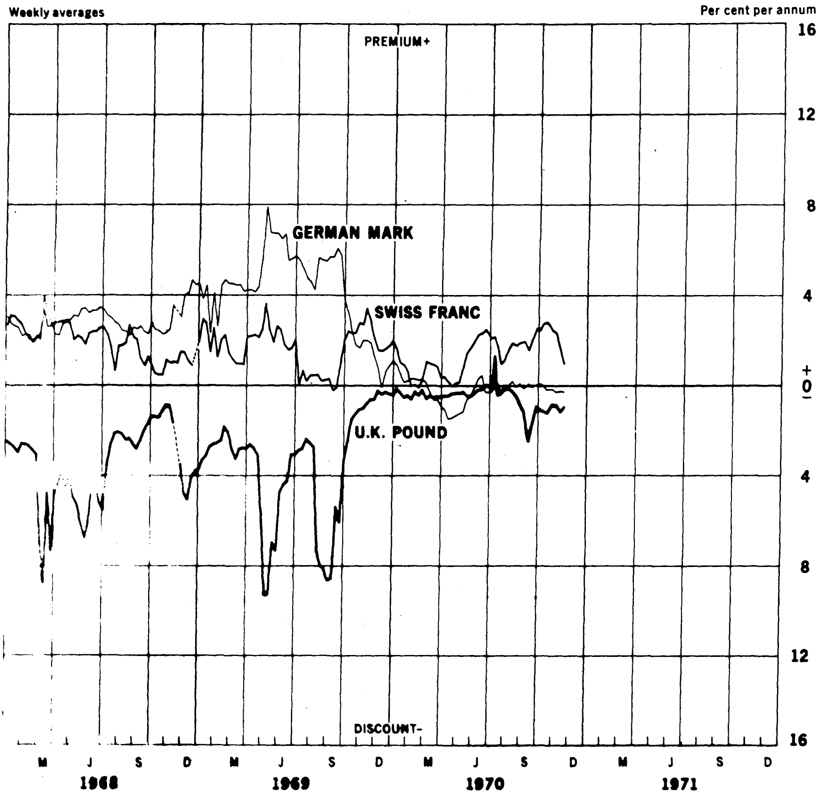

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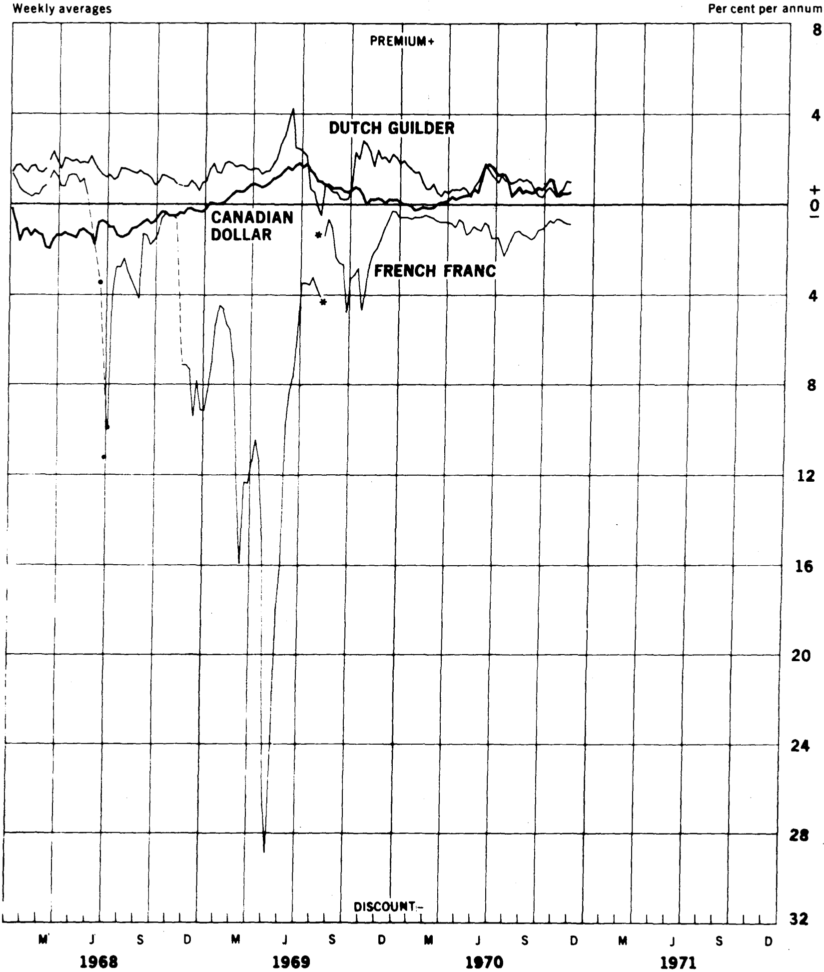
Chart 2B

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.

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Chart 3A

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

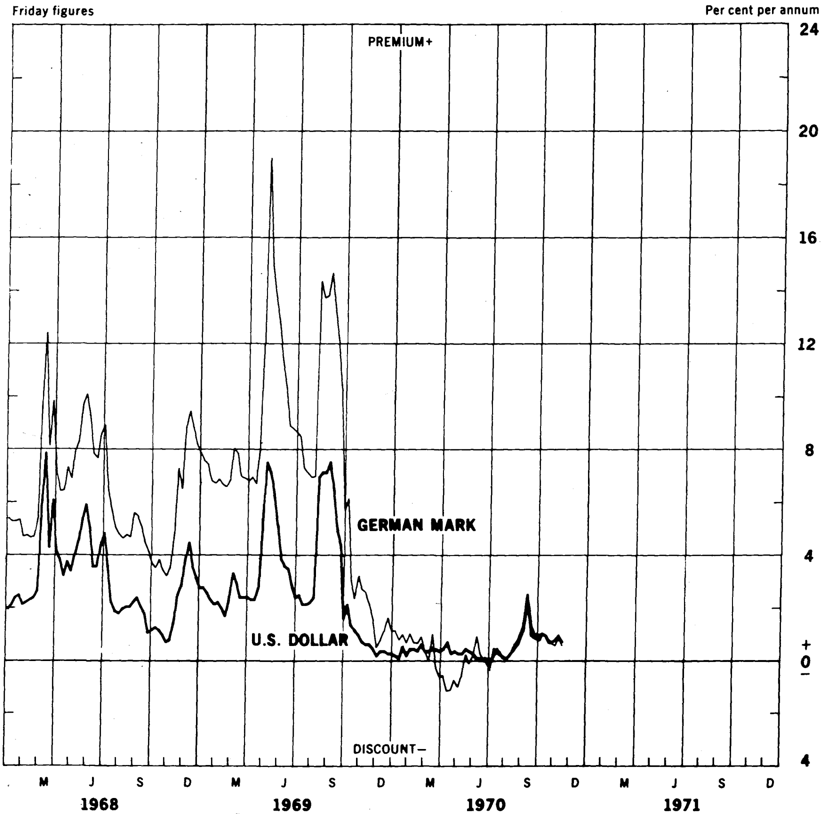

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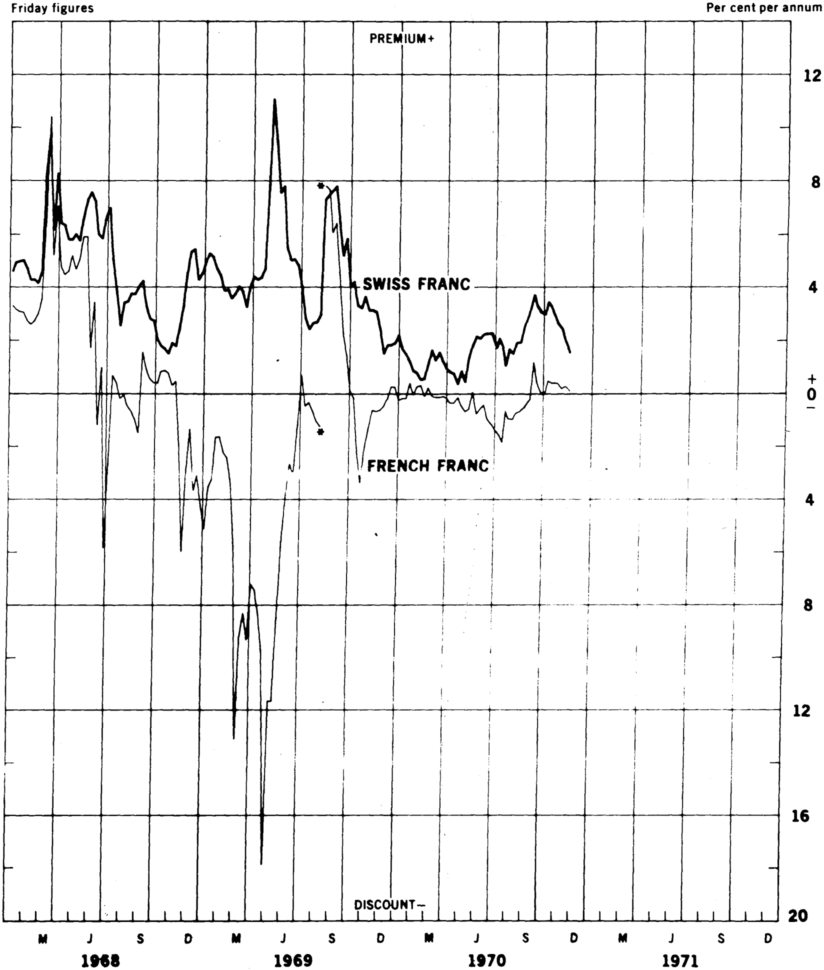
Chart 3B

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

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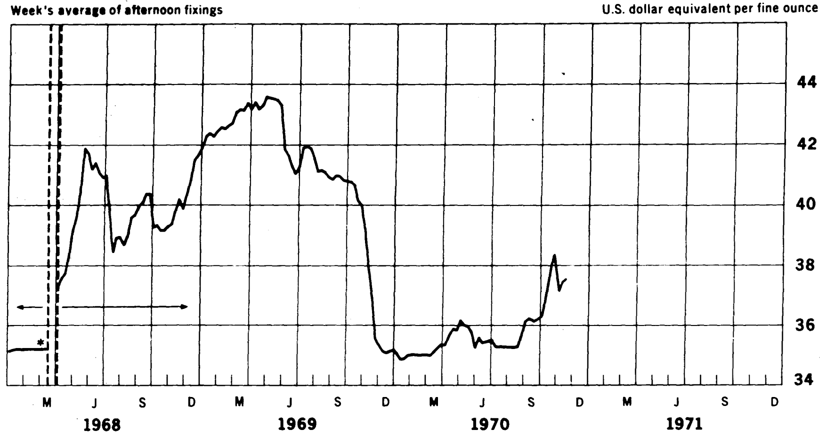
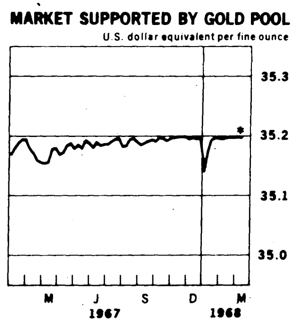
Chart 4

GOLD PRICE IN LONDON, 12.5 Kg BARS





* Market closed March 15-April 1, 1968

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CHART 5A

CALL MONEY RATES

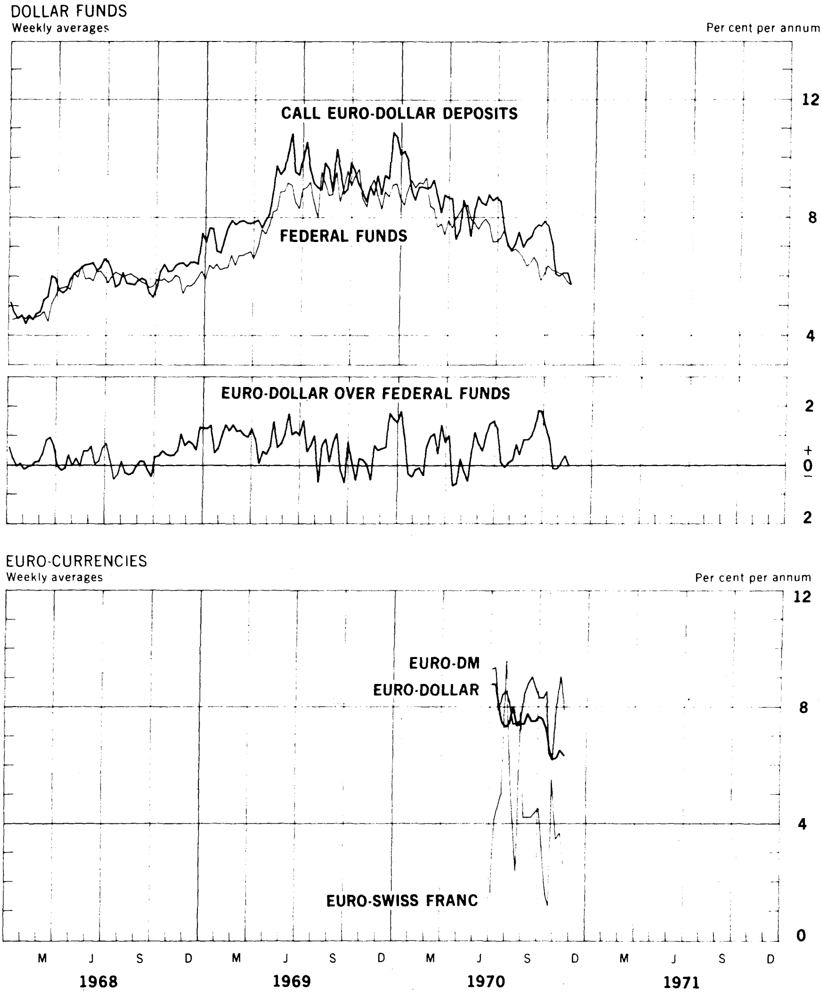

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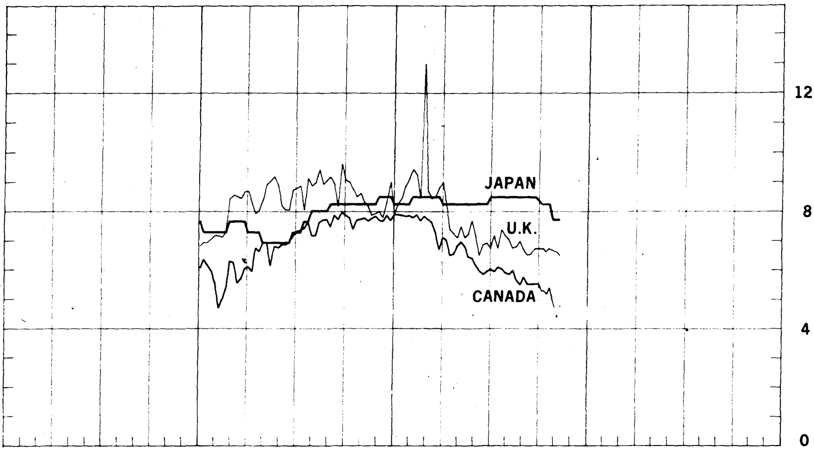
Chart 5B

CALL MONEY RATES

FOREIGN CURRENCIES*

Friday figures

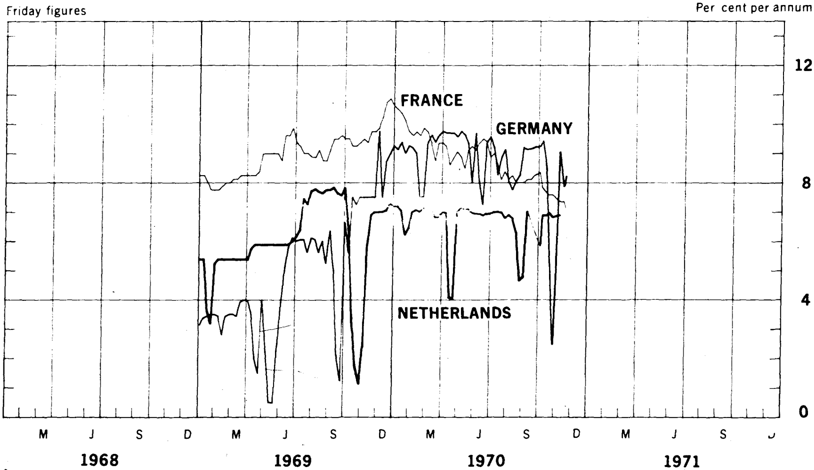
Per cent per annum



SELECTED EEC CURRENCIES**

Friday figures

Per cent per annum



* Japan, Unconditional Money; U.K., 2-day Local Authority Deposits; Canada, Day-to-day Loans, weekly average.

** Germany, Call Money; France, Day-to-day Money; Netherlands, Call Money, weekly average.

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Chart 6A

LONDON: EURO-DOLLAR DEPOSIT RATES

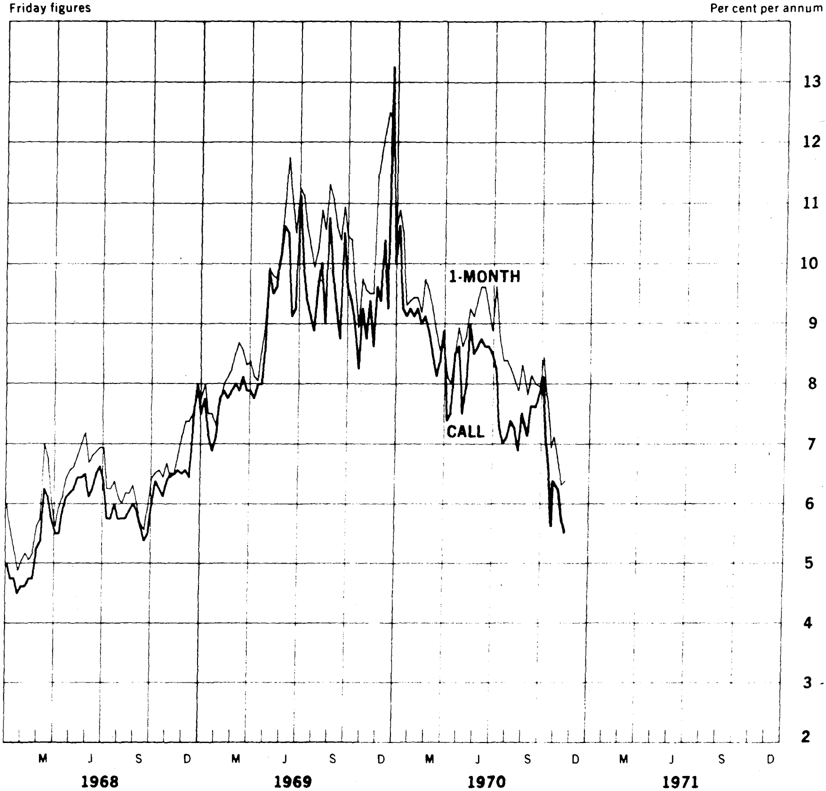

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Chart 6B

LONDON: EURO-DOLLAR DEPOSIT RATES

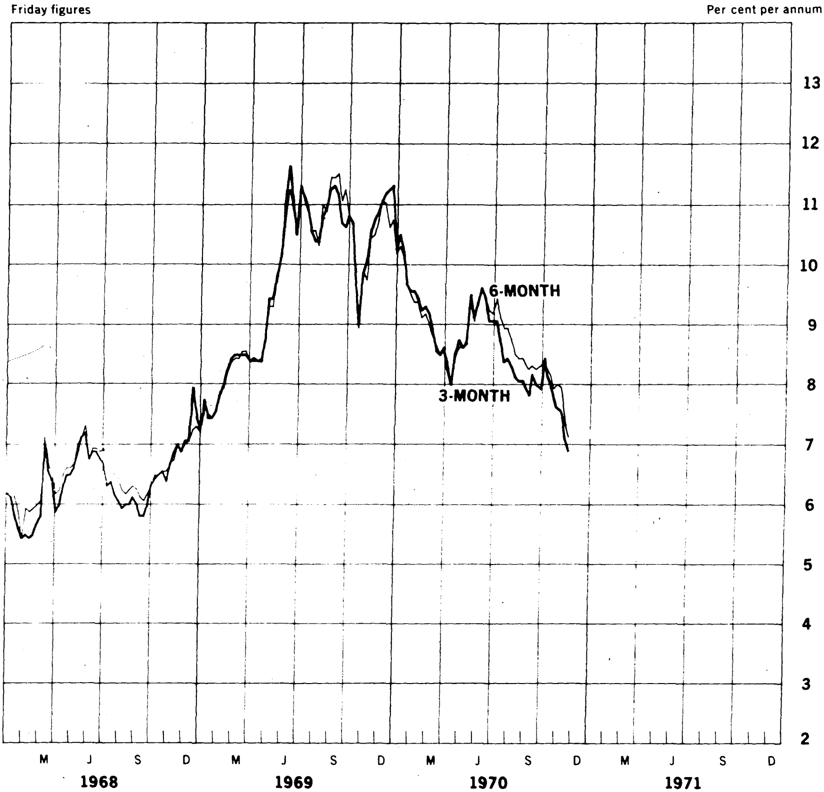

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Chart 7A

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

3-MONTH DOLLAR DEPOSIT RATES—SECONDARY MARKET

Wednesday figures

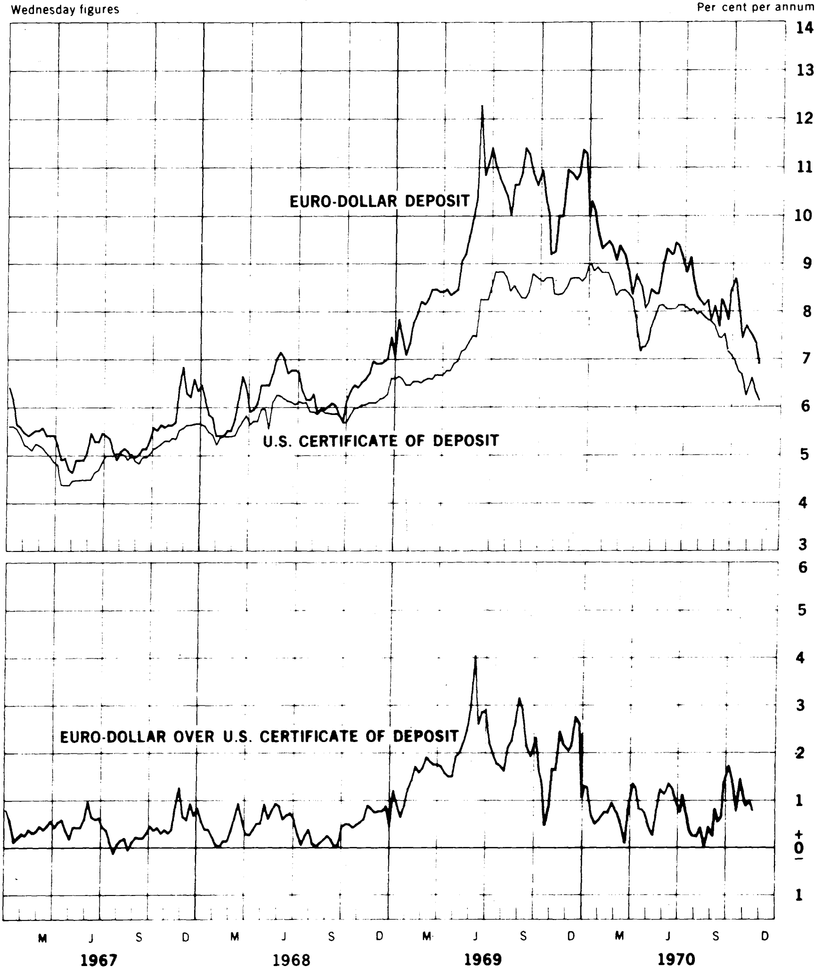

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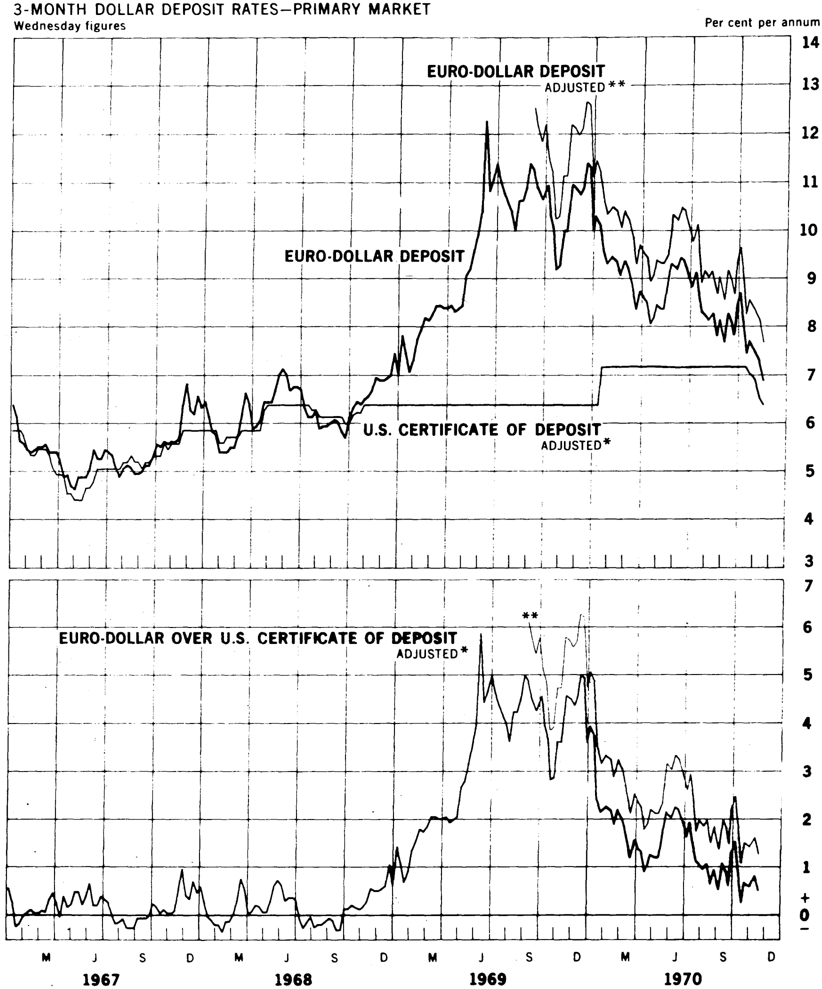
Chart 7B

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

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Chart 8A

LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

HIRE PURCHASE AND EURO-DOLLAR RATES

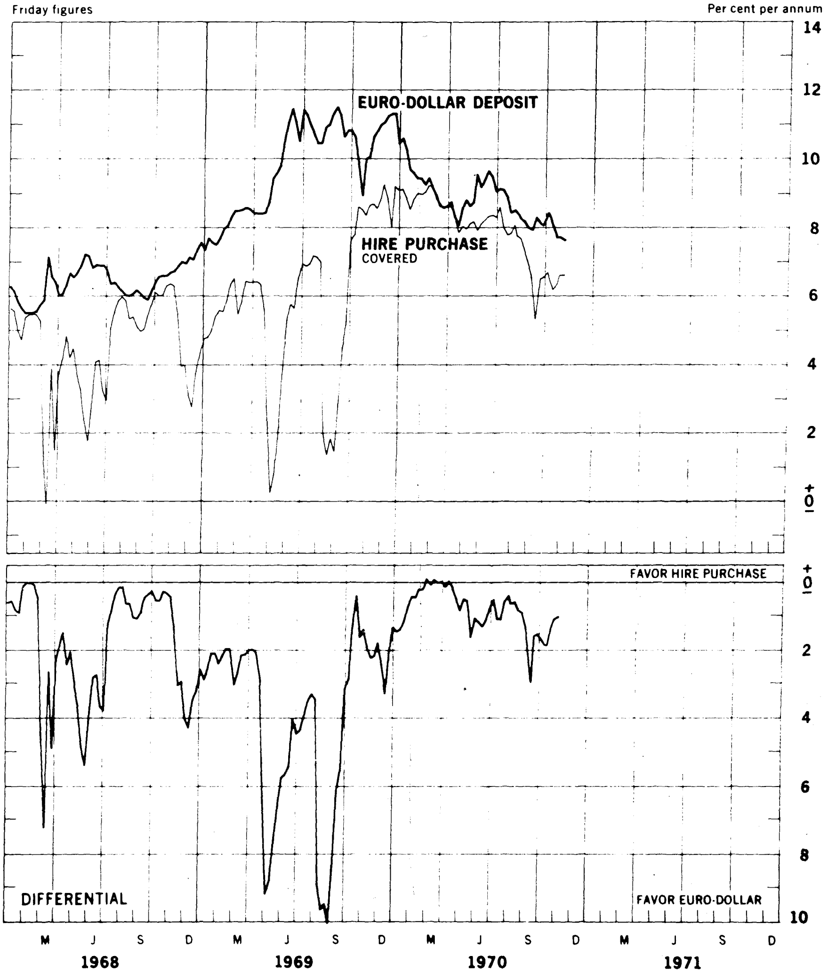

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Chart 8B

LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

LOCAL AUTHORITY AND EURO-DOLLAR RATES

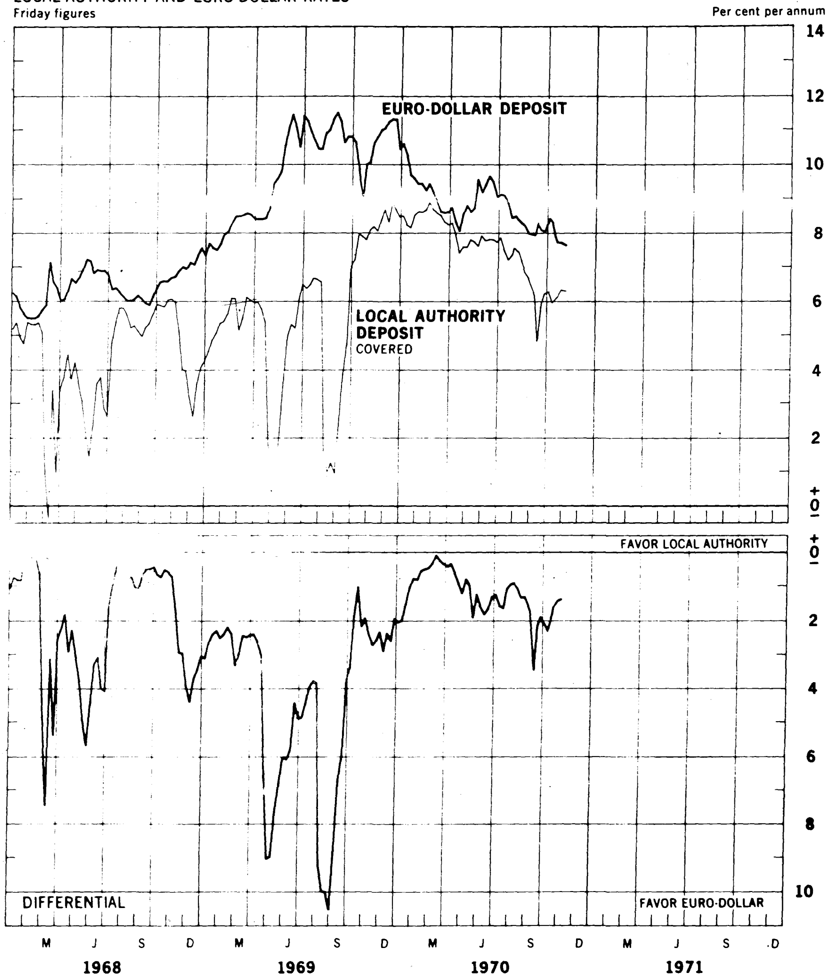

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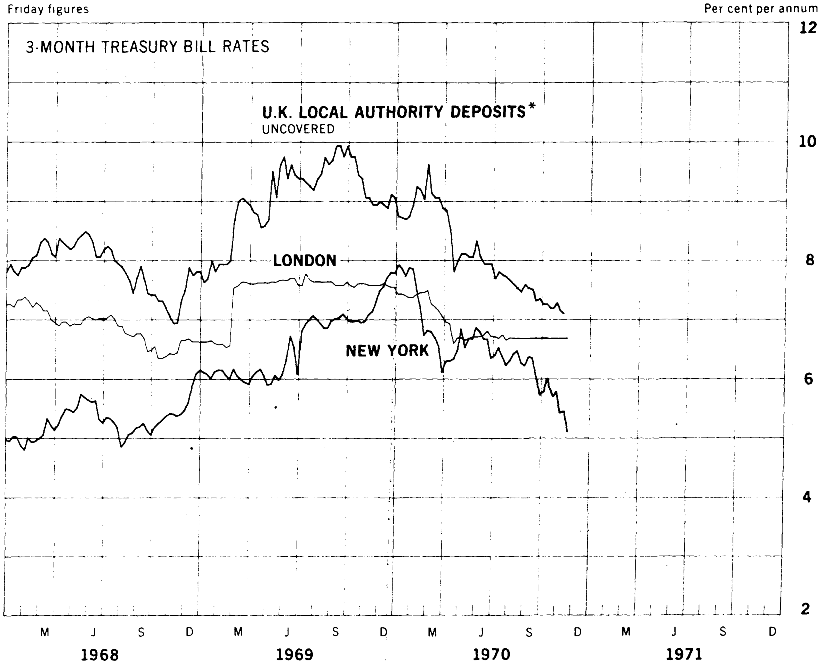
Chart 9A

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM



* Plotted for comparison purposes

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Chart 9B

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

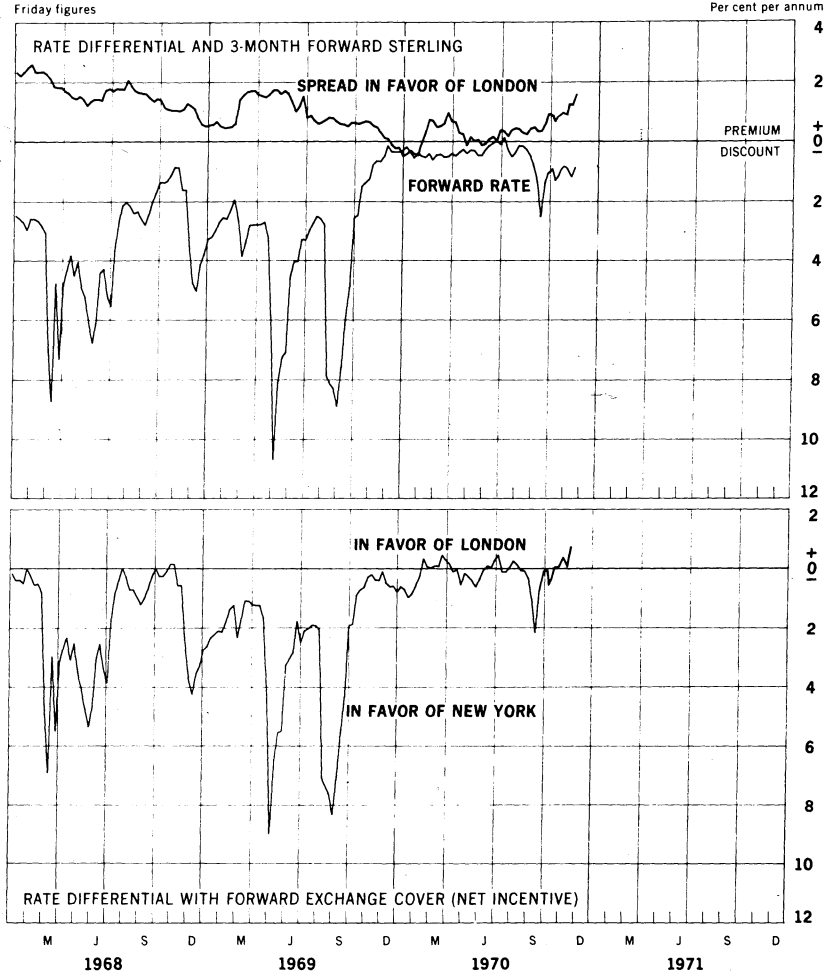

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Chart 10A

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

FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates

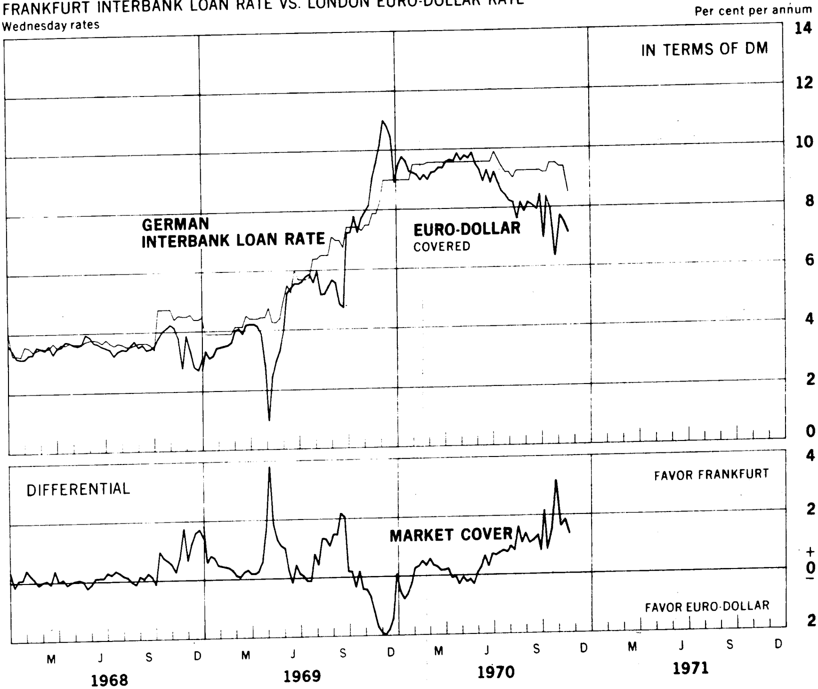

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Chart 10B

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

ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE

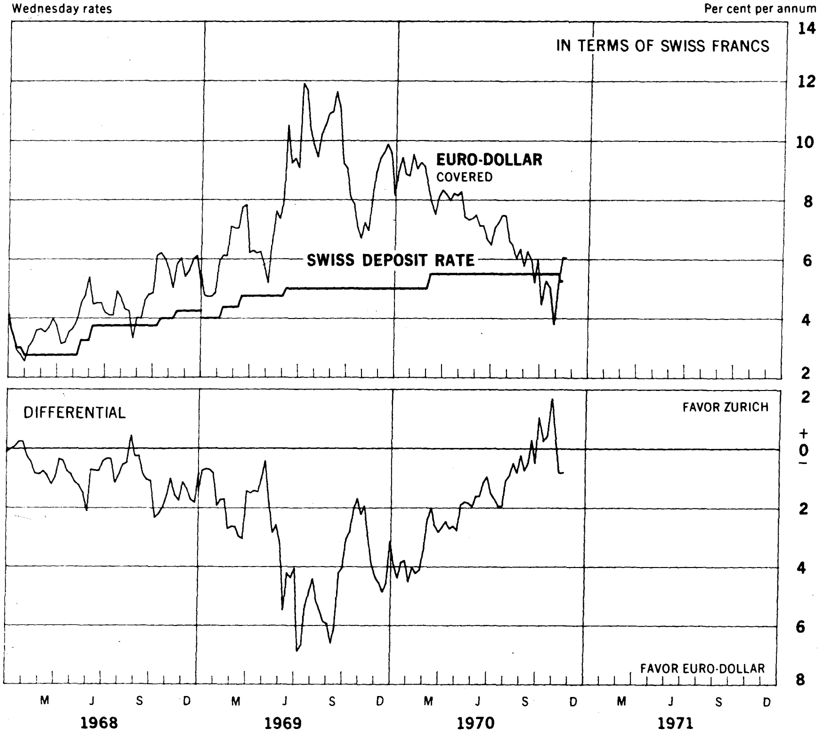

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Chart 11

3-MONTH INTEREST ARBITRAGE: UNITED STATES - CANADA

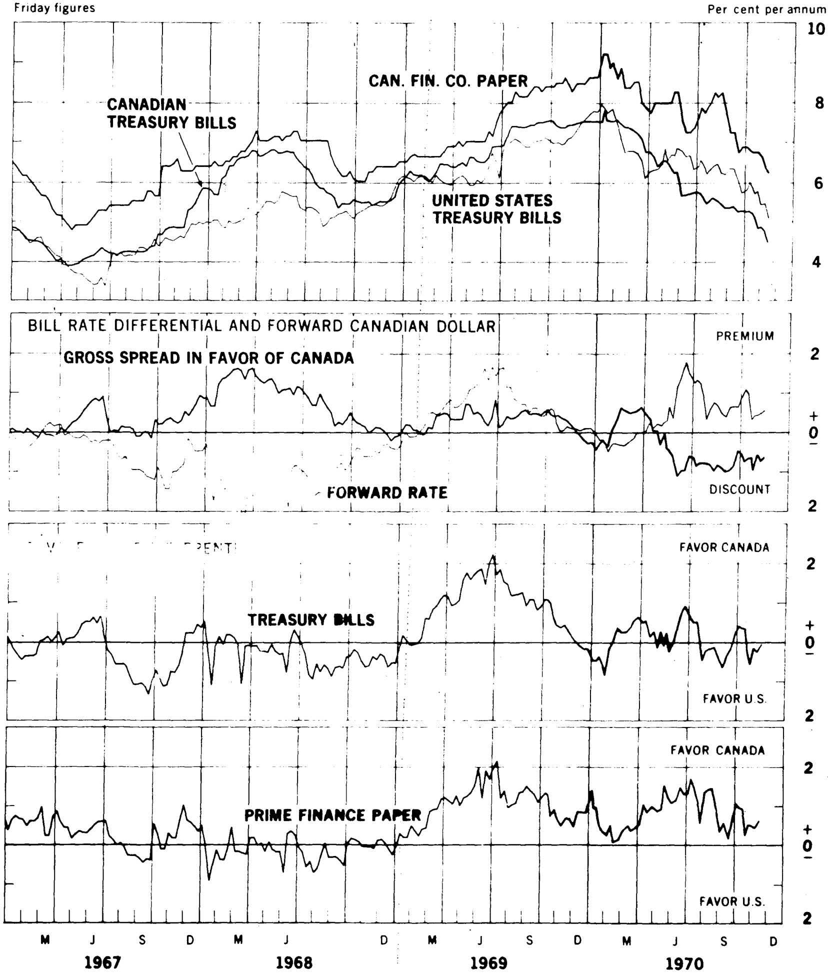

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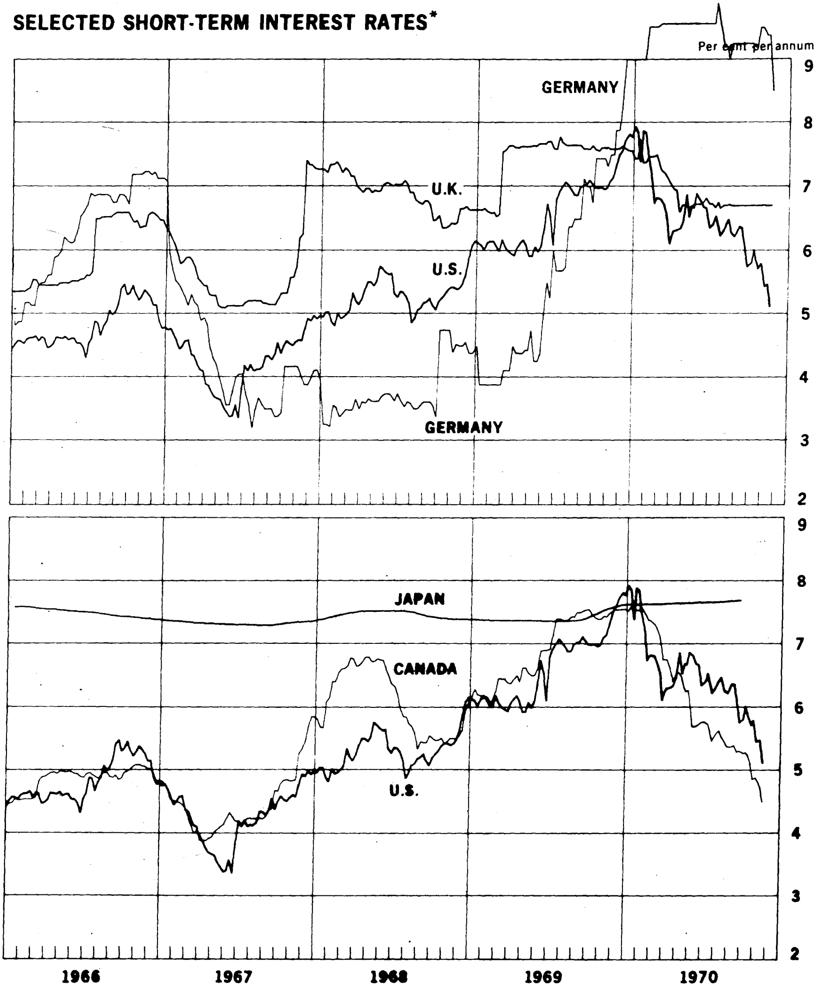
Chart 12A

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)

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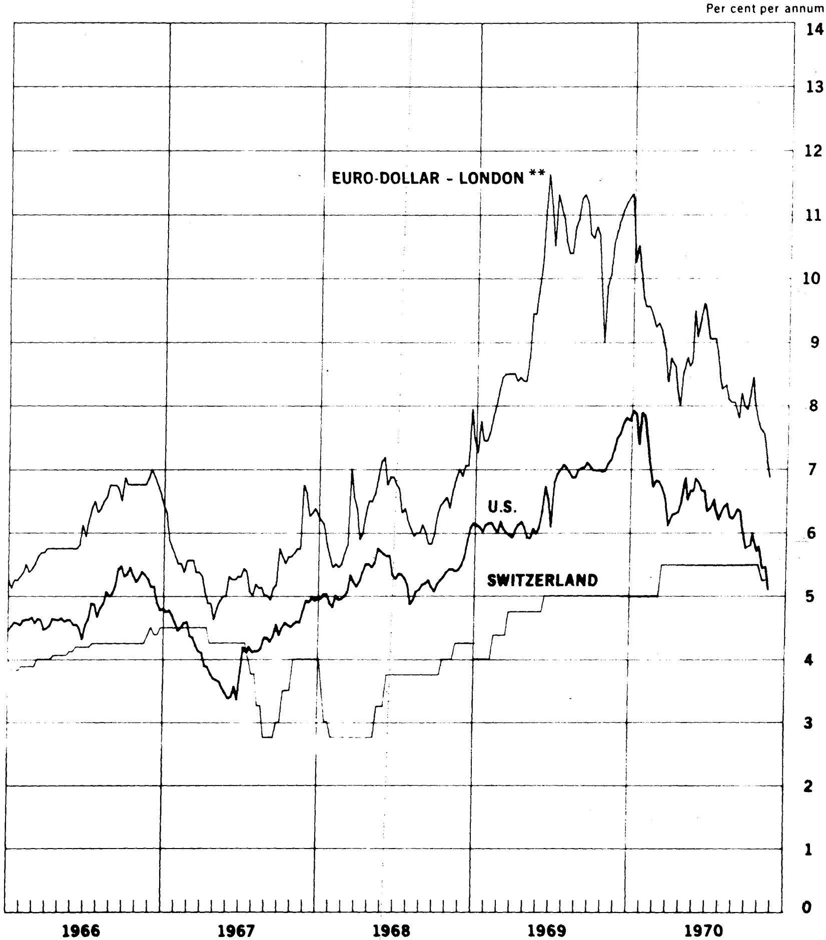
Chart 12B

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.

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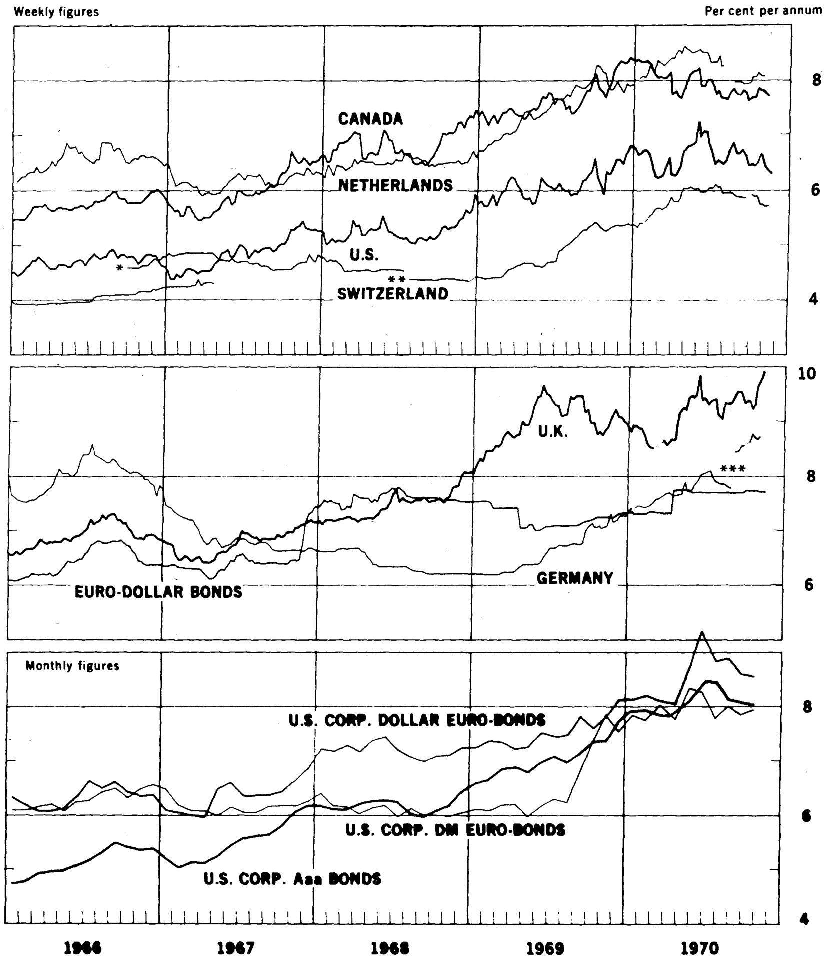
Chart 13

LONG-TERM BOND YIELDS



* 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.

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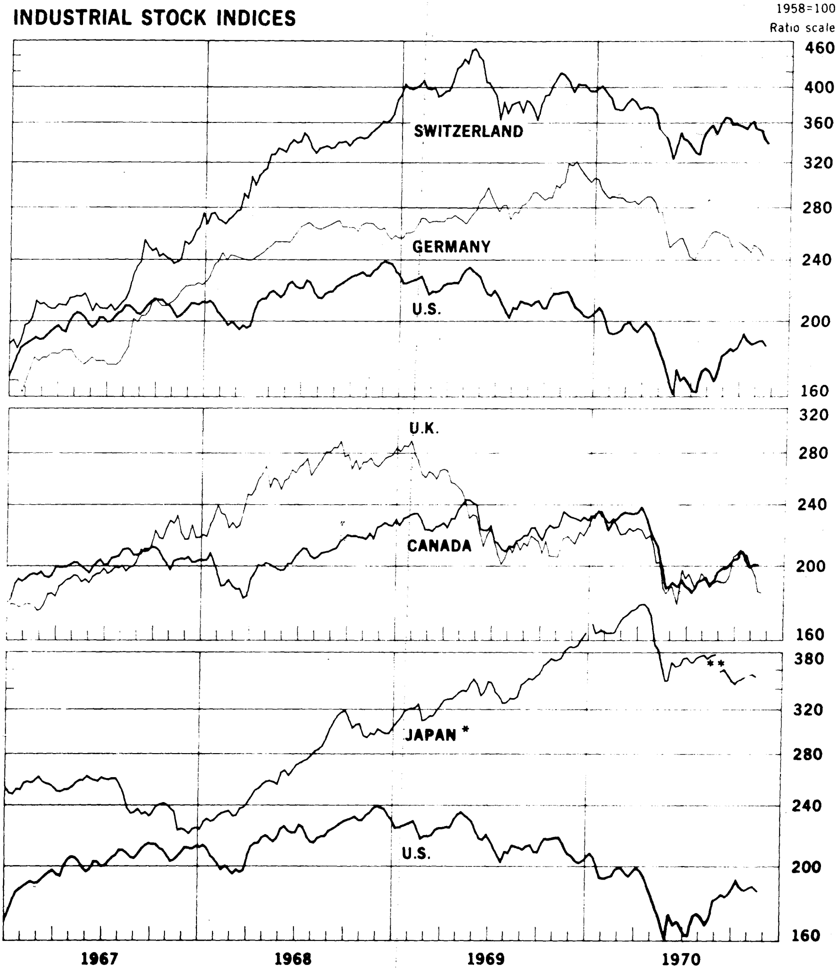
CHART 14

INDUSTRIAL STOCK INDICES



* 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

Chart	Panel	Series	Date	Rate
1A	Upper	Swiss franc	Nov 20	+ 1.326
		German mark	"	+ 0.828
		U.K. pound	"	- 0.410
	Lower	Dutch guilder	"	+ 0.581
		French franc	"	+ 0.650
		Japanese yen	"	+ 0.639
1B		Belgian franc	"	+ 0.734
		Italian lira	"	+ 0.354
		Canadian dollar	--	--
2A		German mark	Nov 20	- 0.28
		Swiss franc	"	+ 0.93
		U.K. pound	"	- 0.90
2B		Dutch guilder	"	+ 0.98
		Canadian dollar	"	+ 0.52
		French franc	"	- 0.89
3A		German mark	"	+ 0.58
		U.S. dollar	"	+ 0.71
3B		Swiss franc	"	+ 1.56
		French franc	"	+ 0.07
4		Gold price, U.S. dollar per ounce	"	37.56
5	Upper	Call Euro-$ deposits	Nov 18	5.70
		Federal Funds	"	5.70
	Middle	Differential	"	0.00
	* Lower *	Japanese Unconditional Money	Nov 13	7.75
		German Call Money	Nov 20	8.25
		U.K. 2-day Local Authority Deposits	Nov 13	6.50
	** **	French Day-to-day Money	Nov 20	7.12

* Euro-currencies		
Euro $	Nov 20	6.32
Euro DM	"	7.88
Euro Swiss Fr.	"	2.50
** Add		
Canada	Nov 11	4.81
Netherlands	Nov 6	6.90

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Chart	Panel	Series	Date	Rate
6A		Euro-$ Call Rate	Nov 20	5.50
		Euro-$ 1-month Rate	"	6.38
6B		Euro-$ 3-month Rate	"	6.88
		Euro-$ 6-month Rate	"	7.12
7A	Upper	Euro-$ 3-month Deposits	Nov 18	6.88
		U.S. Certificate of Deposits	"	6.12
	Lower	Differential	"	+ 0.76
7B	Upper	Euro-$ 3-month Deposits	"	6.88
		Euro-$ 3-month Deposits (Adj.)	"	7.64
		U.S. Certificate of Deposits (Adj.)	"	6.38
	Lower	Differential: on Adj. Euro-$ Deposits	"	+ 1.26
		on Unadj. Euro-$ Deposits	"	+ 0.50
8A	Upper	Euro-$ 3-month Deposits	Nov 6	7.63
		Hire Purchase Deposits (covered)	"	6.61
	Lower	Differential	"	- 1.02
8B	Upper	Euro-$ 3-month Deposits	"	7.63
		Local Authority Deposits (covered)	"	6.30
	Lower	Differential	"	- 1.33
9A		U.S. Treasury Bill rate	Nov 20	5.10
		U.K. Treasury Bill rate	"	6.69
		Local Authority Deposit (uncovered)	Nov 13	7.09
9B	Upper	Spread (+= favor London)	"	+ 1.59
		3-month Forward Pound	"	- 0.86
	Lower	Net Incentive (+= favor London)	"	+ 0.73

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Chart	Panel	Series	Date	Rate
10A	Upper	Euro-$ Deposits (covered)	Nov 18	7.14
		German Interbank Loan rate	Nov 19	8.50
	Lower	Differential	"	+ 1.36
10B	Upper	Euro-$ Deposits (covered)	Nov 18	6.05
		Swiss Deposit rate	"	5.25
	Lower	Differential	"	- 0.80
11	Upper	Canadian Finance Paper	Nov 20	6.25
		U.S. Treasury Bill rate	"	5.10
		Canadian Treasury Bill rate	"	4.49
		U.S. Prime Finance paper (not plotted)	"	6.19
	Second	Bill rate differential	Nov 6 - 13 Nov 20	- 0.57 - 0.72 - 0.61
		Forward Canadian dollar	"	+ 0.57
	Third	Net incentive on bills	"	- 0.04
	Bottom	Net incentive on Finance Paper	"	+ 0.63
12A	Upper	U.K. Treasury Bill rate	"	6.69
		U.S. Treasury Bill rate	"	5.10
		German Interbank Loan rate	"	8.50
	Lower	Japanese Average rate	Sept 30	7.693
		Canadian Treasury Bill rate	Nov 20	4.49
		U.S. Treasury Bill rate	"	5.10
12B		Euro-$ Deposits	"	6.88
		Swiss 3-month Deposit rate	Nov 13	5.25
		U.S. Treasury Bill rate	Nov 20	5.10

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Chart	Panel	Series	Date	Rate
13	Upper	Netherlands	Nov 6	8.07
		Canada	Nov 11	7.71
		United States	Nov 18	6.30
		* Switzerland	Nov 13	5.72
	Middle	** Germany	Nov 6	8.72
		United Kingdom	Nov 13	9.92
		Euro-dollar bonds	Nov 20	7.72
	Lower	U.S. Corp. Dollar Euro-bonds	Oct 31	8.56
		U.S. Corp. DM Euro-bonds	"	7.93
		U.S. Corp. Aaa bonds	"	8.03
14	Upper	Switzerland	Nov 20	339.7
		Germany	Nov 13	242.2
		United States	Nov 20	185.56
	Middle	United Kingdom	"	184.84
		Canada	Nov 12	200.94
	Lower	* Japan	Nov 13	352.64
		United States	Nov 20	185.56

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

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

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