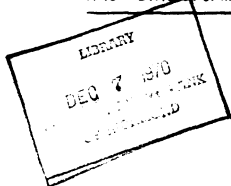


December 2, 1970 No. 482

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

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2. / Capital Market

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

WEEKLY SERIES OF CHARTS

1.6  

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BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

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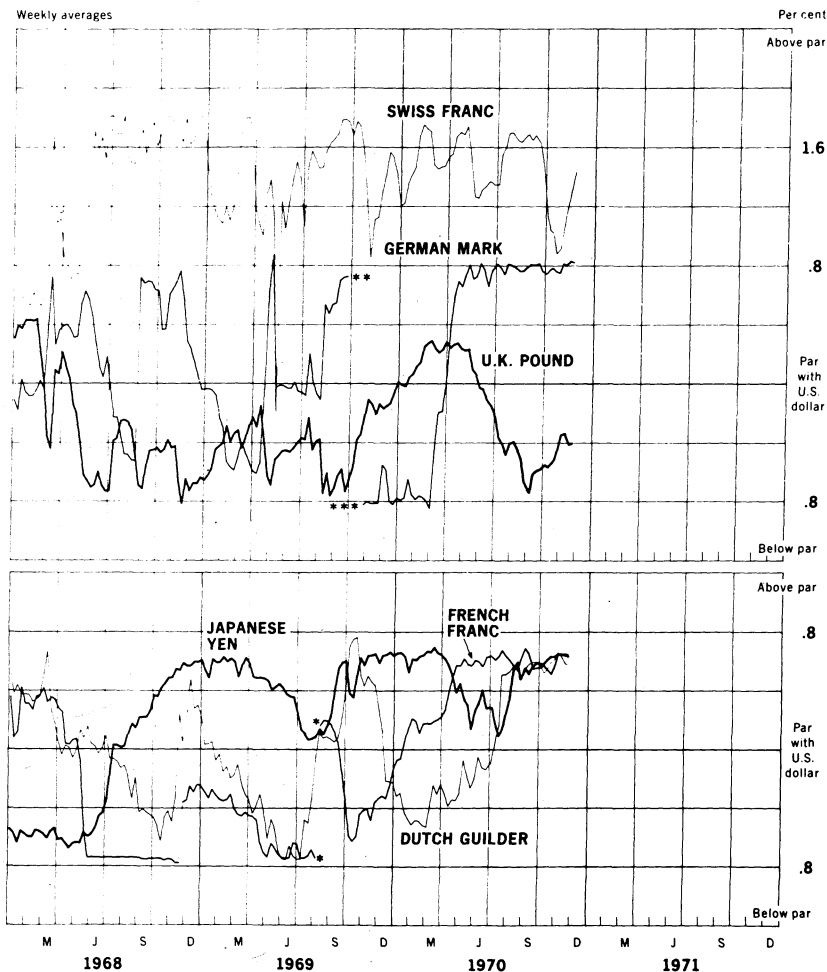
NOTE: This series is a continuation of the CAPITAL MARKETS DEVELOPMENTS ABROAD, which has been published under that title through December 31, 1968. The changes in the format and order of the charts are fully explained in the Supplement to the series, which accompanied issue dated January 1, 1969.

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Chart 1A

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

Weekly averages

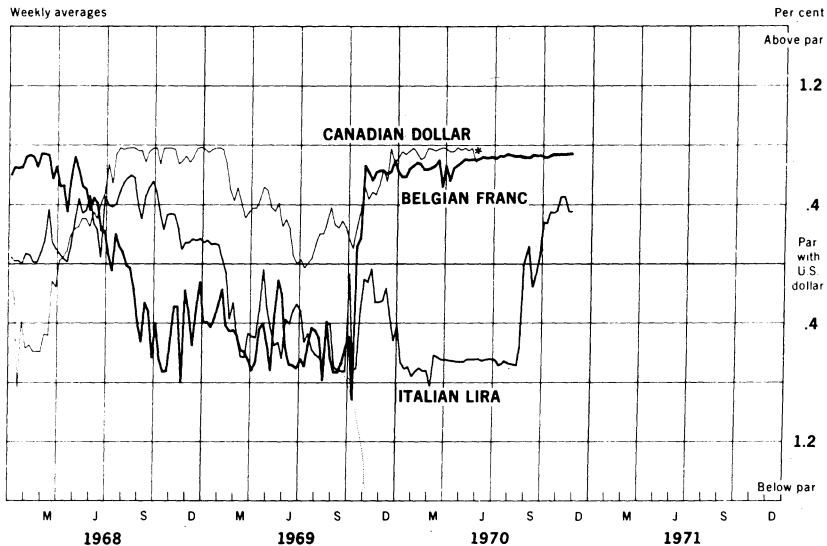


- \* Devaluation of the French franc from 4.94 to 5.55 for \$1.00.
- \*\* DM rate not supported by the Bundesbank.
- \*\*\* Revaluation of the DM from 25.00 to 27.32 in U.S. cents.

Chart 1B

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

Weekly averages



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

Chart 2A

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

Weekly averages.

Per cent per annum

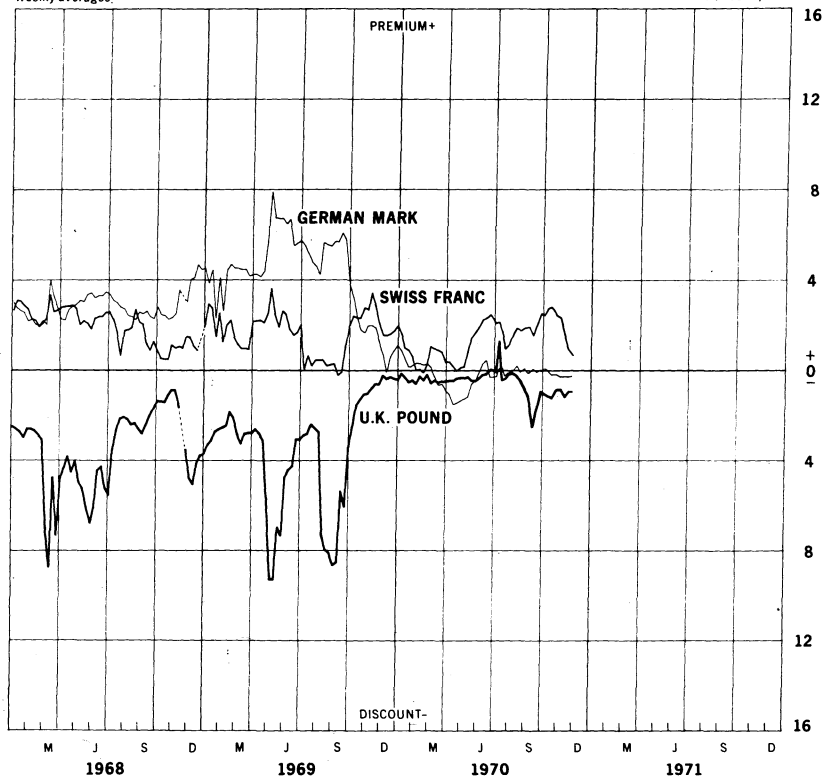
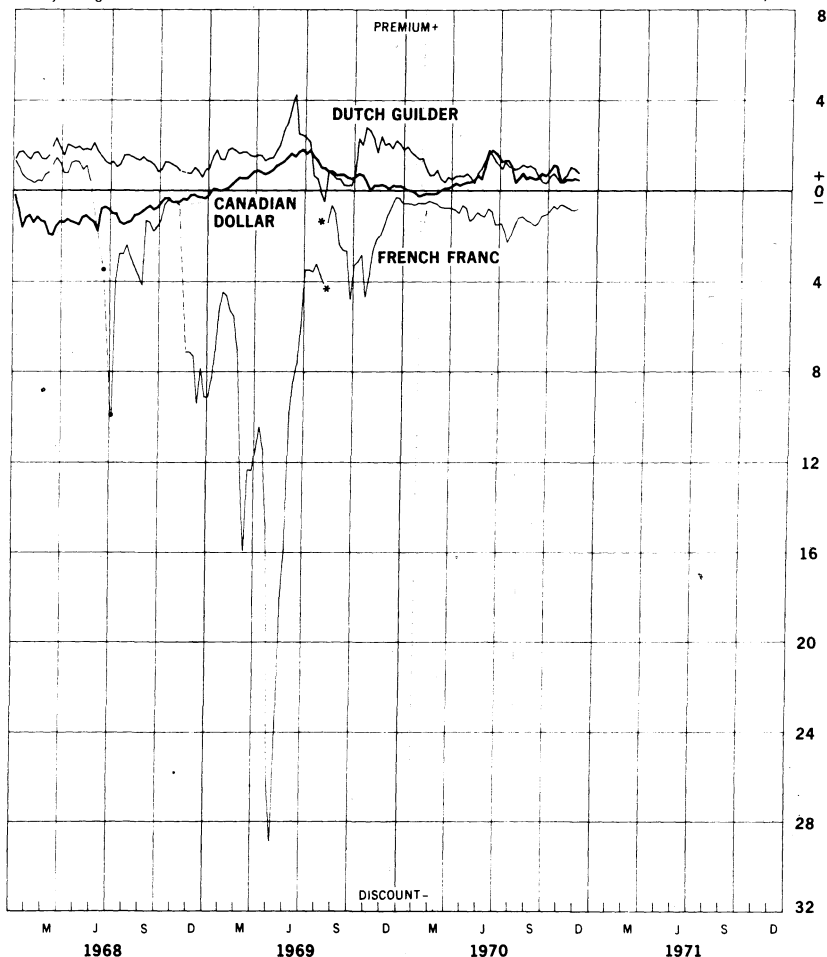


Chart 2B

# 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

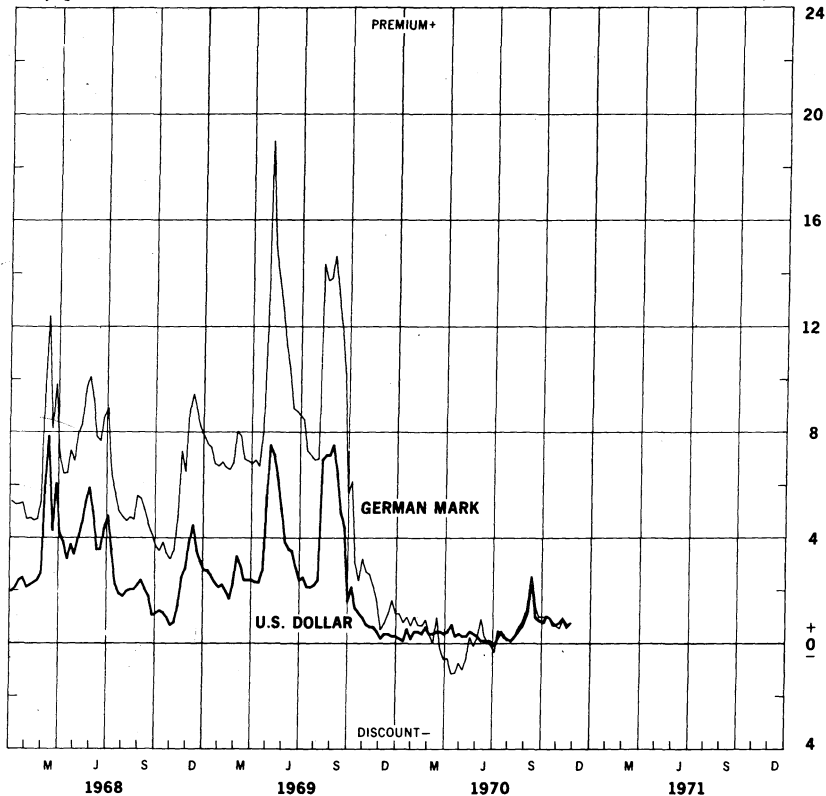
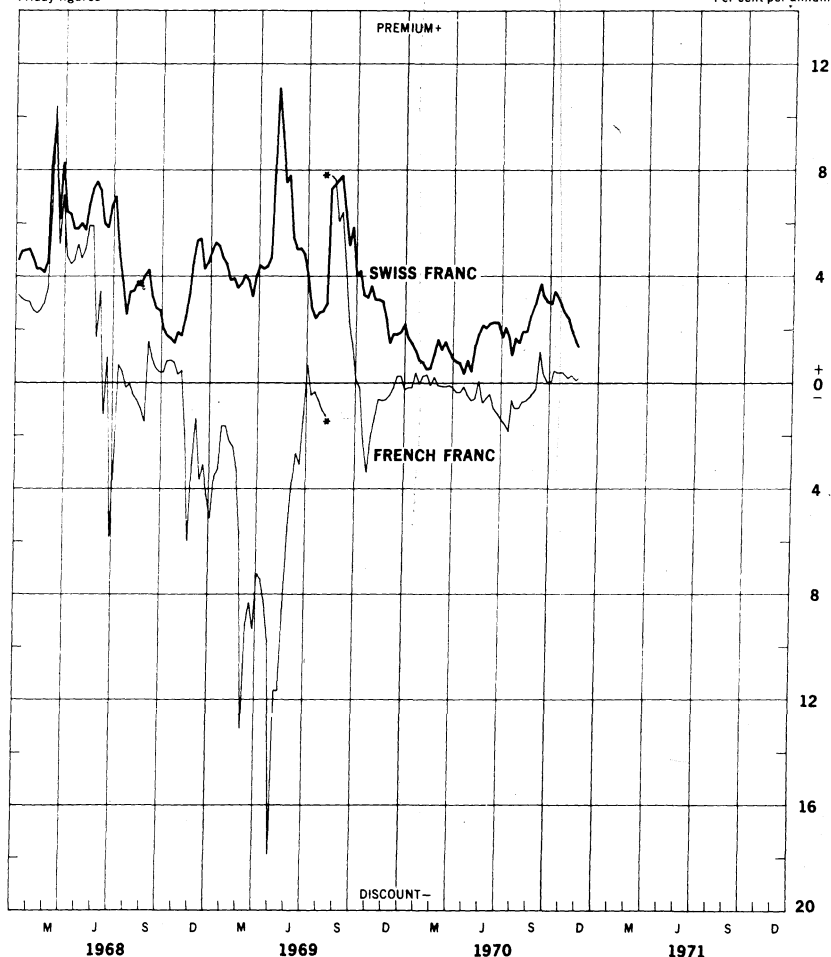


Chart 3B

# 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

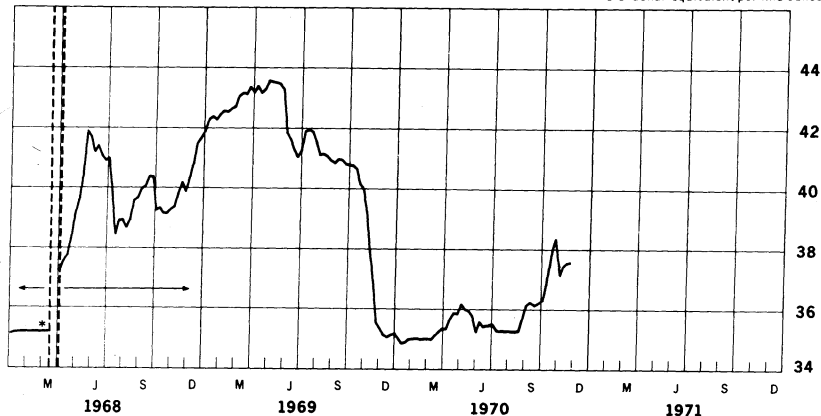


Chart 4

# **GOLD PRICE IN LONDON, 12.5 Kg BARS**

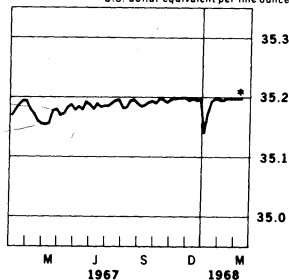
Week's average of afternoon fixings

U.S. dollar equivalent per fine ounce



## **MARKET SUPPORTED BY GOLD POOL**

U.S. dollar equivalent per fine ounce

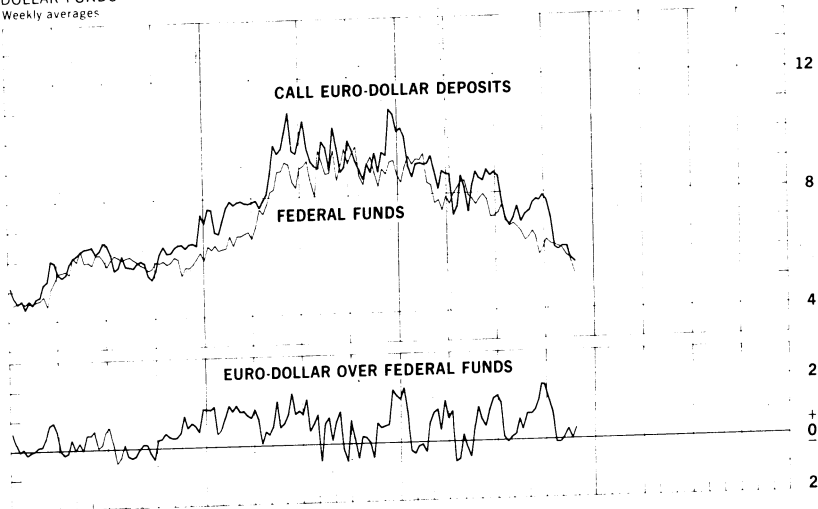


\* Market closed March 15-April 1, 1968

## CALL MONEY RATES

DOLLAR FUNDS  
Weekly averages

Per cent per annum

EURO-CURRENCIES  
Weekly averages

Per cent per annum

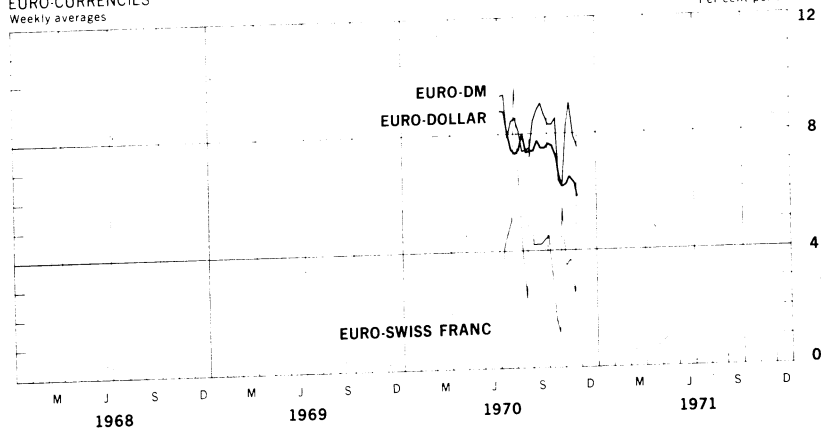


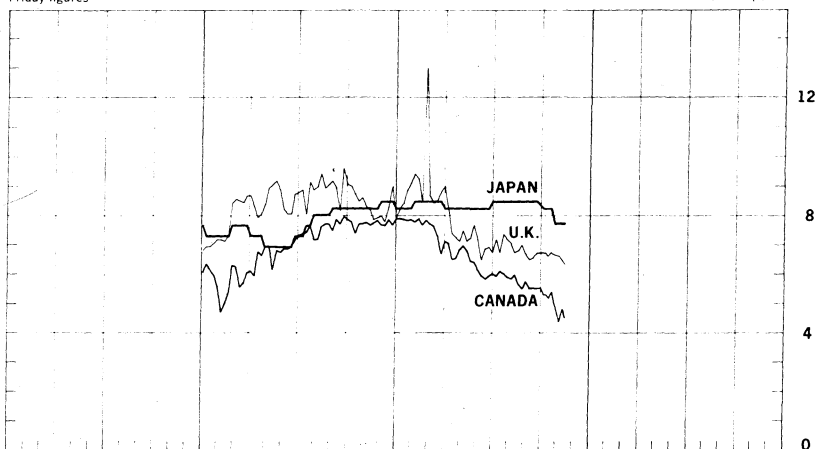
Chart 5B

# CALL MONEY RATES

FOREIGN CURRENCIES\*

Friday figures

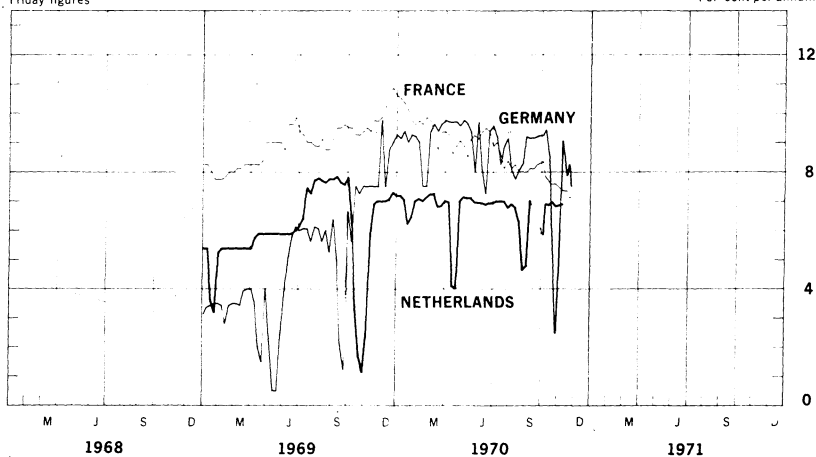
Per cent per annum



## 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.

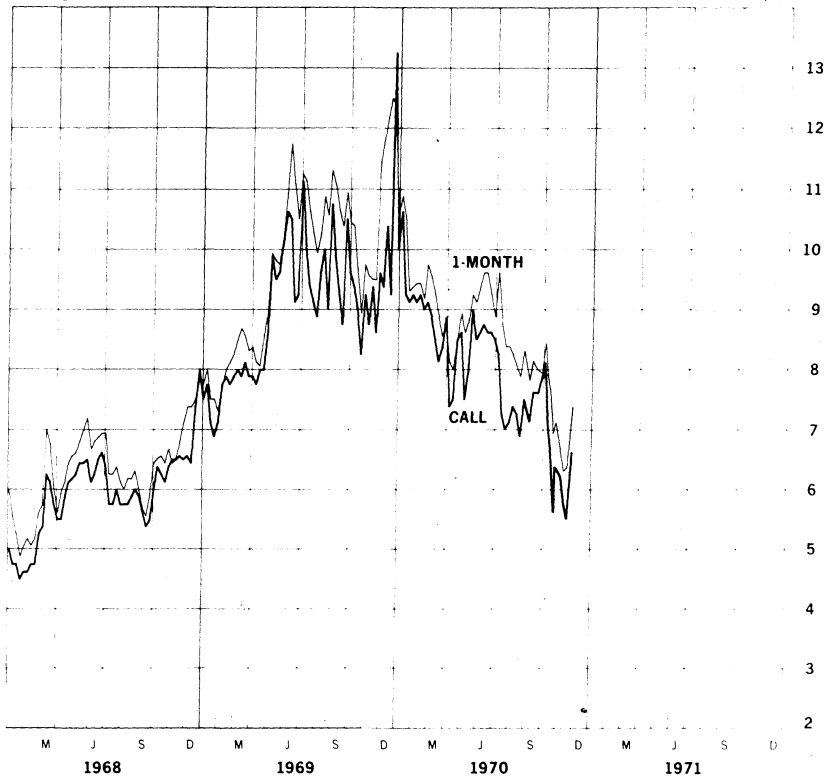
\*\* Germany, Call Money; France, Day-to-day Money; Netherlands, Call Money, weekly average.

Chart 6A

# LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum



13

Chart 6B

**LONDON: EURO-DOLLAR DEPOSIT RATES**

Friday figures

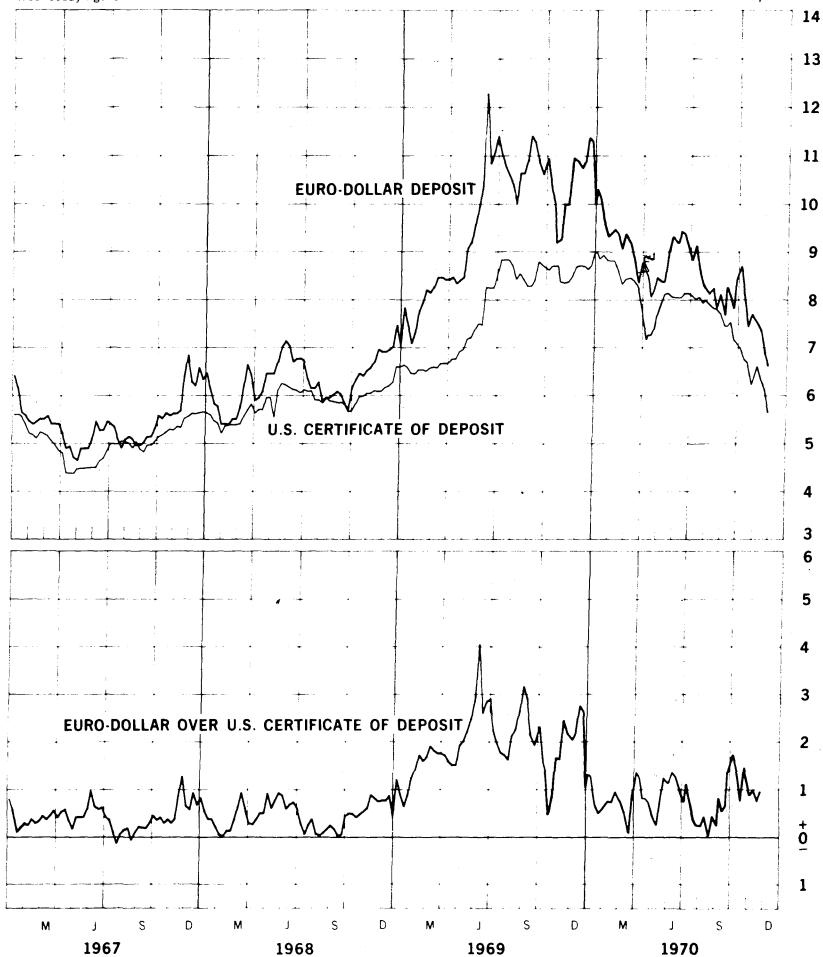
Per cent per annum



**NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS****3-MONTH DOLLAR DEPOSIT RATES—SECONDARY MARKET**

Wednesday figures

Per cent per annum

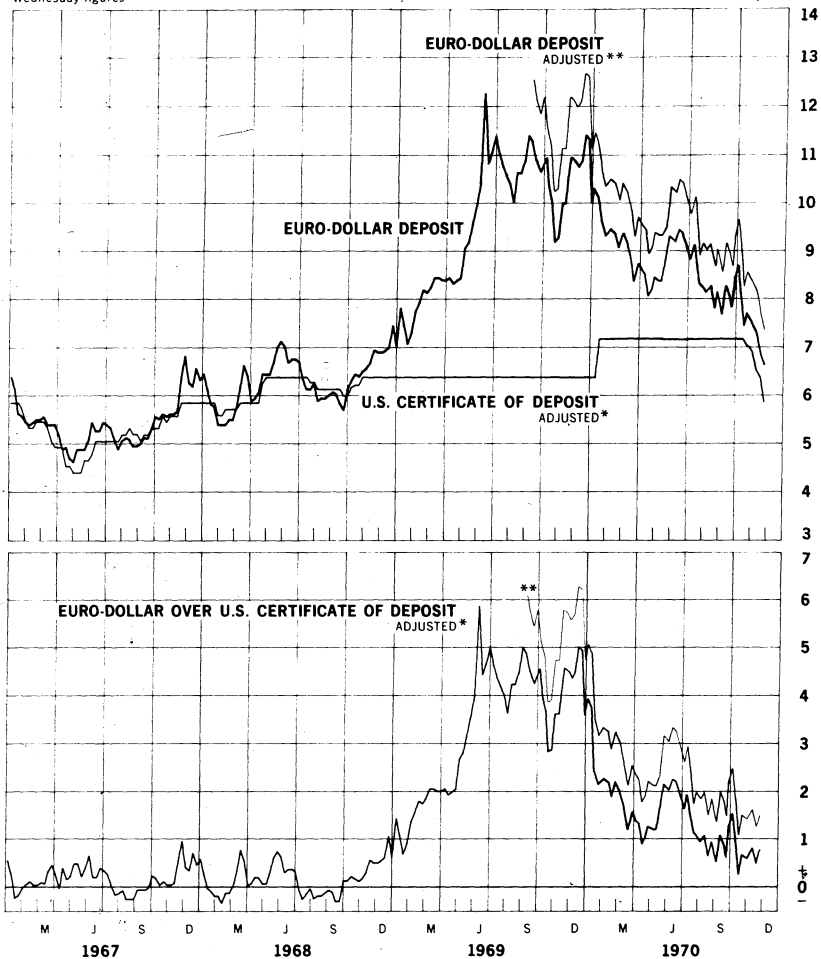


# **NEW YORK-LONDON: COSTS OF U.S. DOLLAR FUNDS**

3-MONTH DOLLAR DEPOSIT RATES—PRIMARY MARKET

Wednesday figures

Per cent per annum



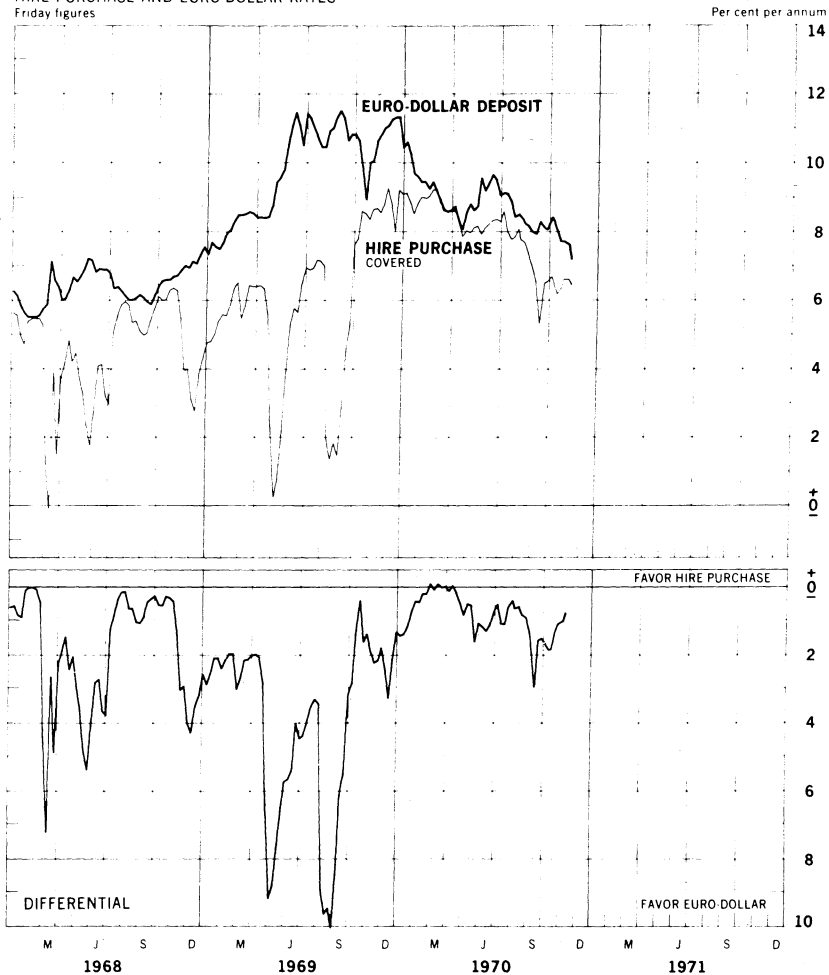
\* Adjusted for Reserve Requirement

\*\* Adjusted for 10% Marginal Reserve Requirement

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

HIRE PURCHASE AND EURO-DOLLAR RATES

Friday figures





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

LOCAL AUTHORITY AND EURO-DOLLAR RATES

Friday figures

Per cent per annum

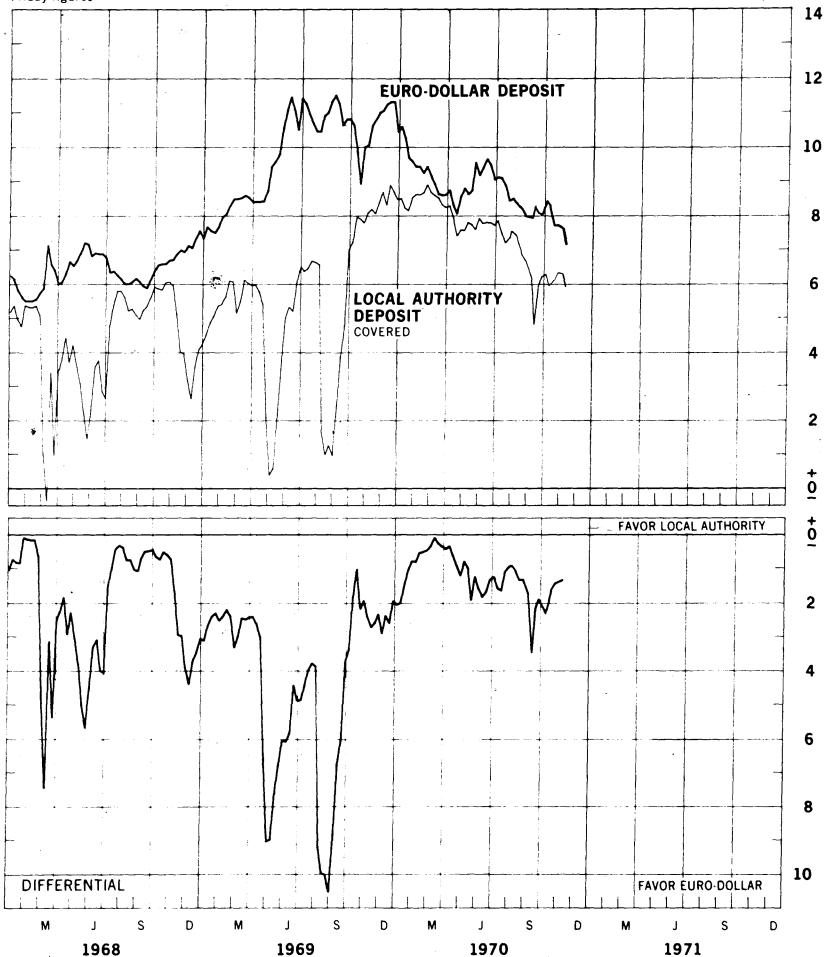
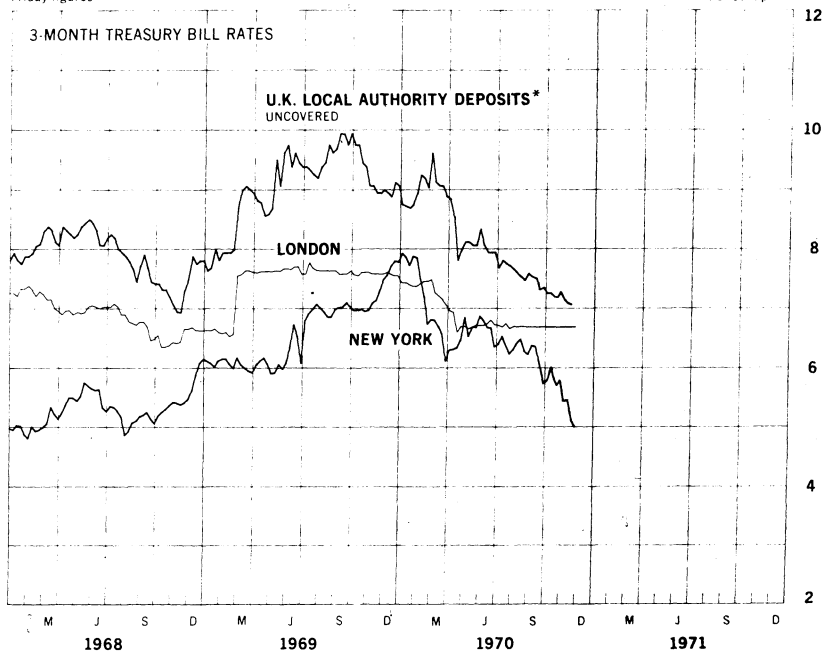


Chart 9A

# INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

Per cent per annum



\* Plotted for comparison purposes

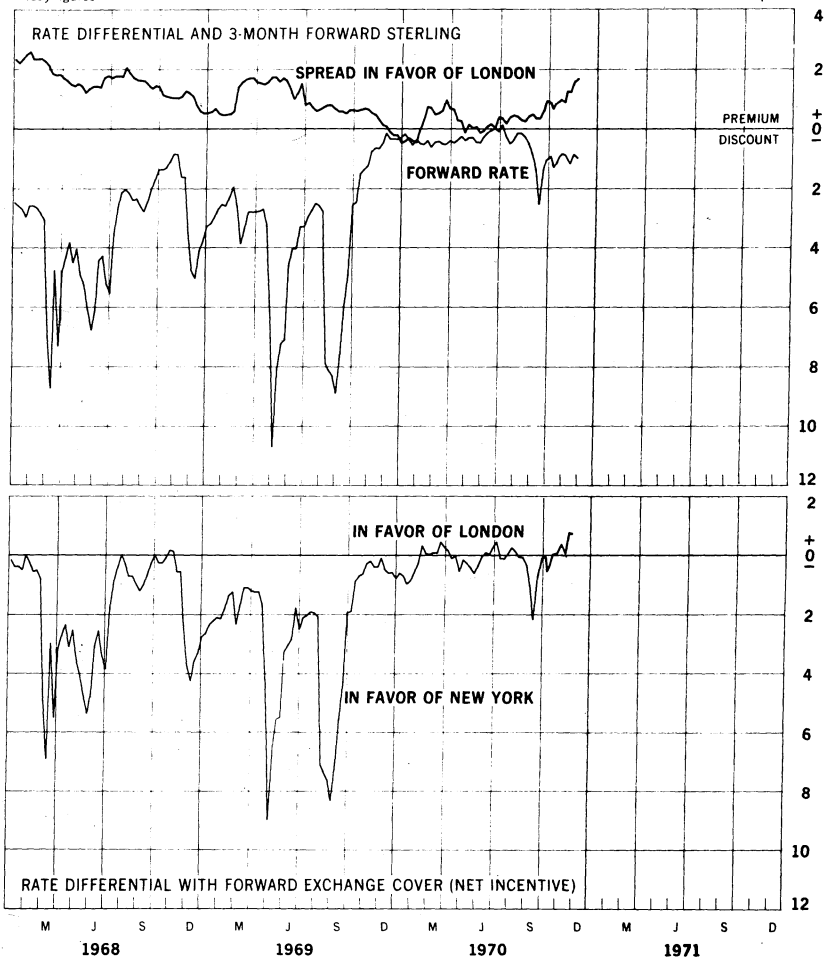
19

Chart 9B

**INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM**

Friday figures

Per cent per annum



20

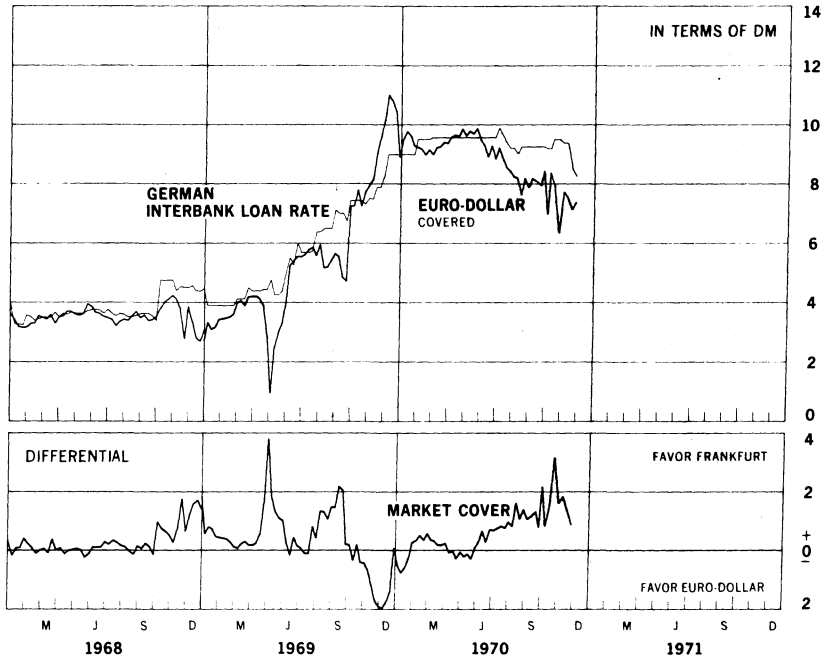
Chart 10A

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

FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO DOLLAR RATE

Wednesday rates

Per cent per annum



21

Chart 10B

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

ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates

Per cent per annum

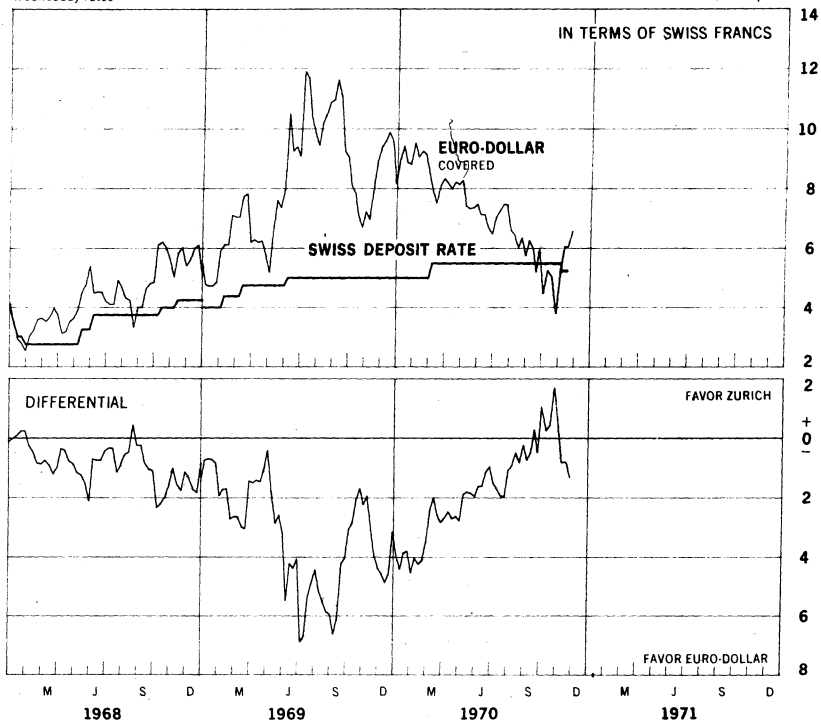
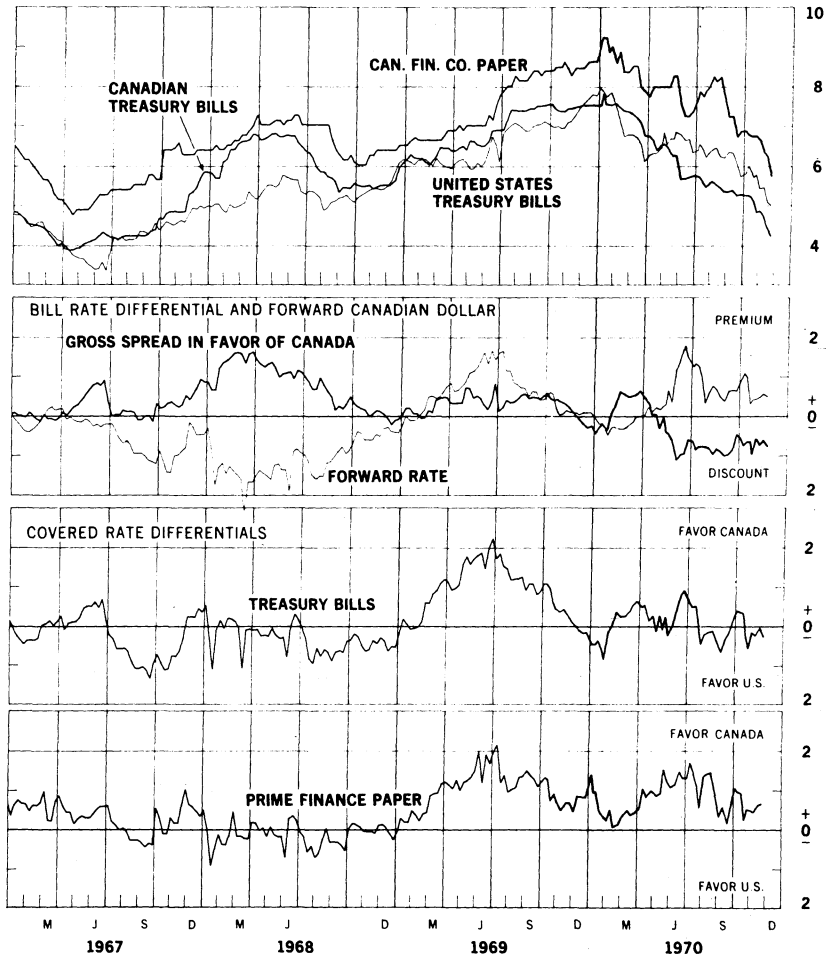


Chart 11

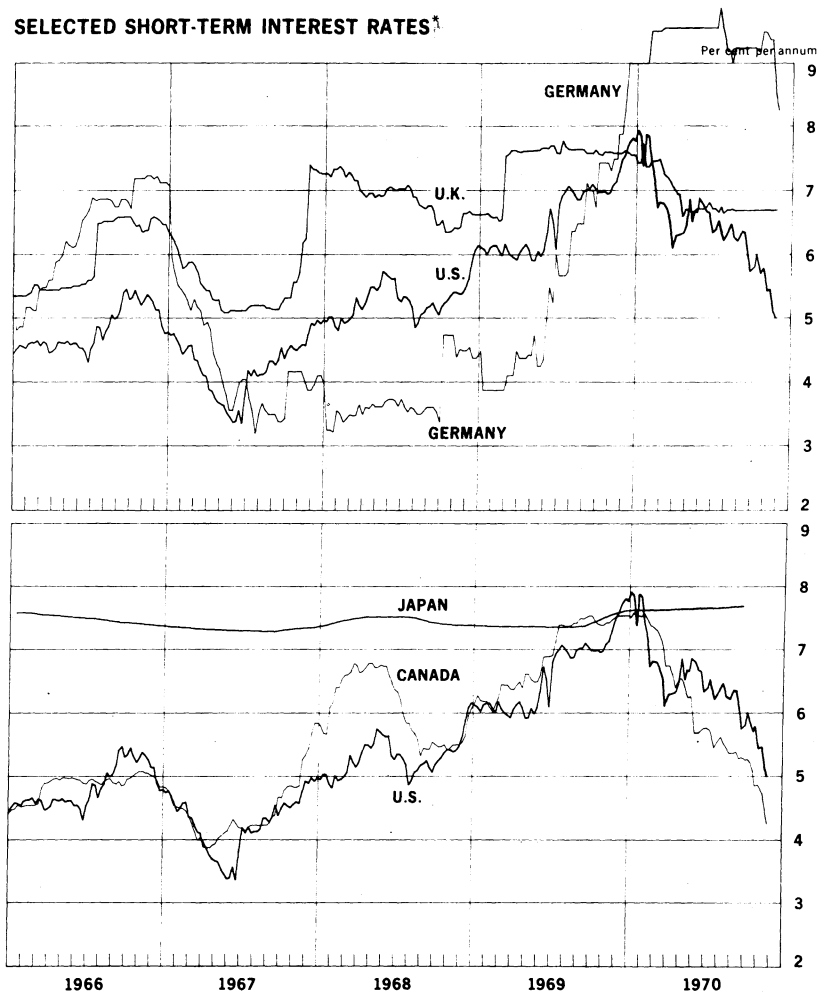
# 3-MONTH INTEREST ARBITRAGE: UNITED STATES - CANADA

Friday figures

Per cent per annum

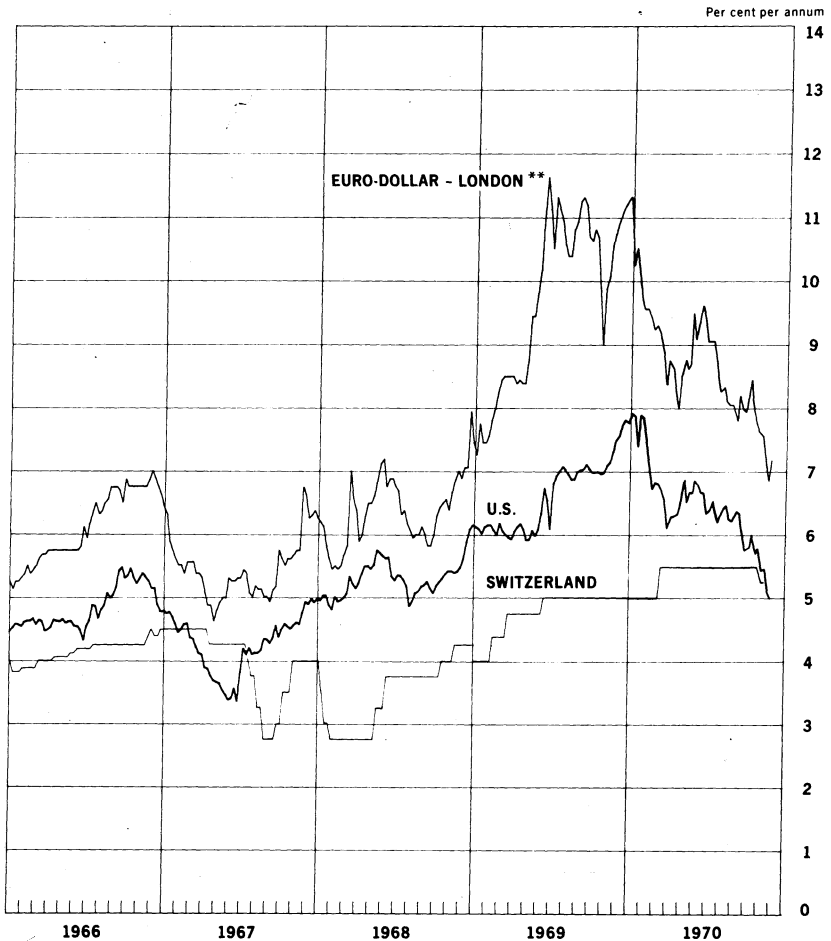


## SELECTED SHORT-TERM INTEREST RATES\*



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

# 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.

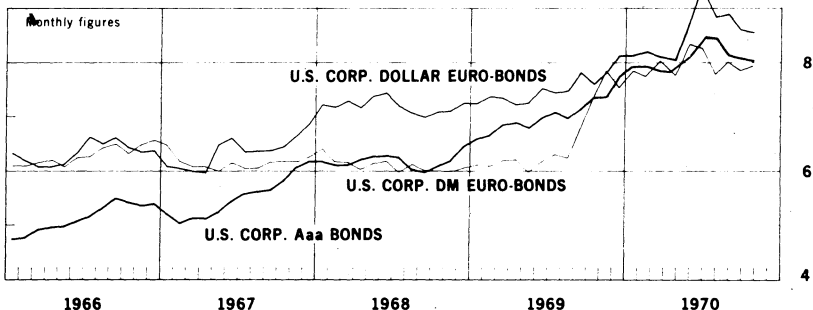
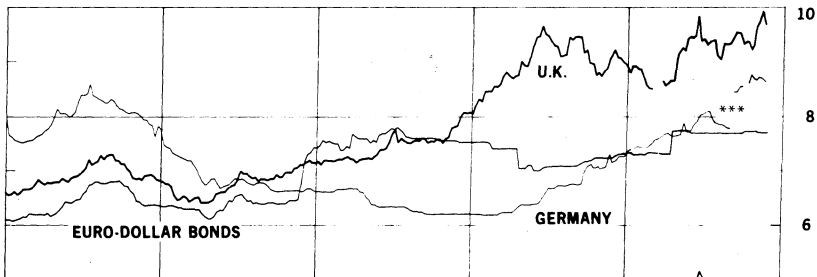
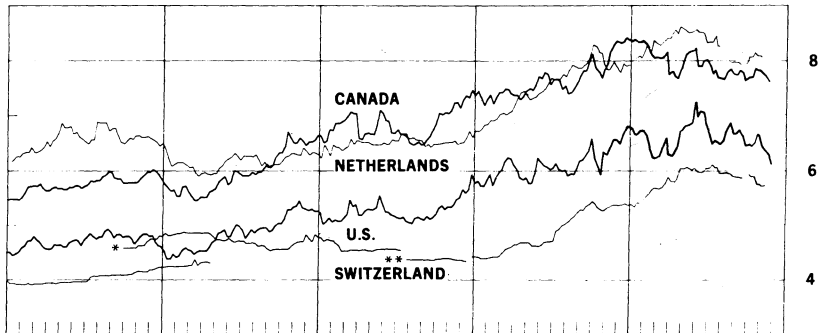


Chart 13

# LONG-TERM BOND YIELDS

Weekly figures

Per cent per annum



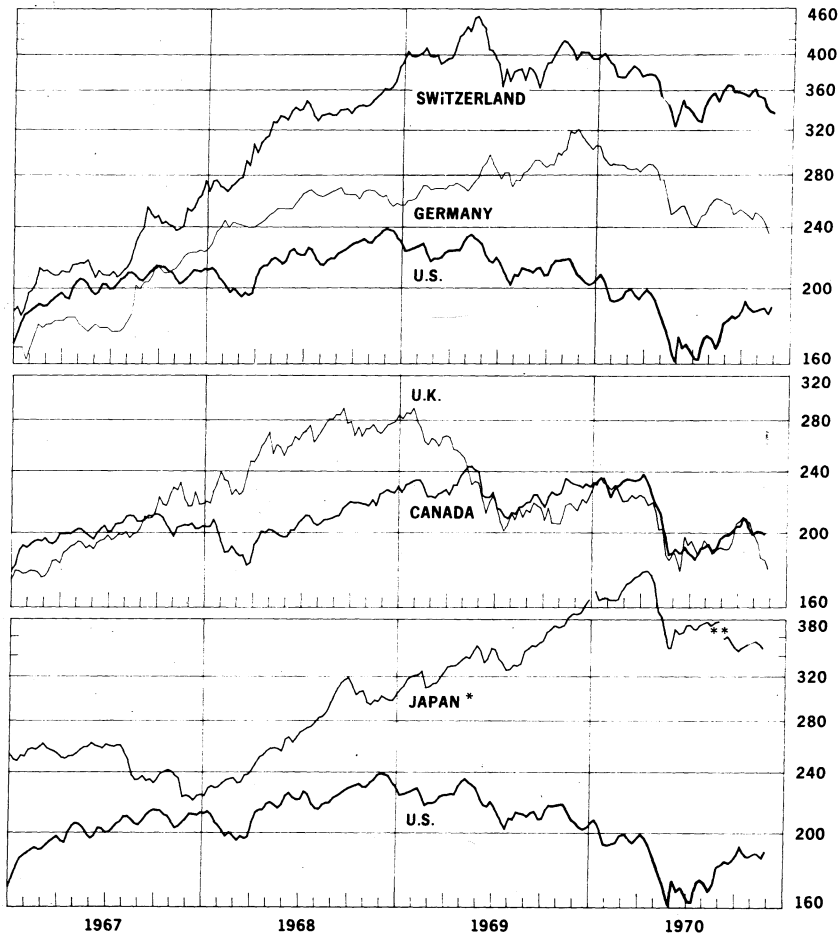
\* New series for Switzerland starts 3-3-67.

\*\* 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.

| Chart | Panel     | Series                              | Date   | Rate    |
|-------|-----------|-------------------------------------|--------|---------|
| 1A    | Upper     | Swiss franc                         | Nov 27 | + 1.437 |
|       |           | German mark                         | "      | + 0.817 |
|       |           | U.K. pound                          | "      | - 0.405 |
|       | Lower     | Dutch guilder                       | "      | + 0.583 |
|       |           | French franc                        | "      | + 0.649 |
|       |           | Japanese yen                        | "      | + 0.635 |
| 1B    |           | Belgian franc                       | "      | + 0.745 |
|       |           | Italian lira                        | "      | + 0.356 |
|       |           | Canadian dollar                     | --     | --      |
| 2A    |           | German mark                         | Nov 27 | - 0.26  |
|       |           | Swiss franc                         | "      | + 0.64  |
|       |           | U.K. pound                          | "      | - 0.95  |
| 2B    |           | Dutch guilder                       | "      | + 0.76  |
|       |           | Canadian dollar                     | "      | + 0.42  |
|       |           | French franc                        | "      | - 0.81  |
| 3A    |           | German mark                         | Nov 27 | + 0.81  |
|       |           | U.S. dollar                         | "      | + 0.80  |
| 3B    |           | Swiss franc                         | "      | + 1.39  |
|       |           | French franc                        | "      | + 0.18  |
| 4     |           | Gold price, U.S. dollar per ounce   | Nov 27 | 37.58   |
| 5     | Upper     | Call Euro-\$ deposits               | "      | 5.53    |
|       |           | Federal Funds                       | "      | 5.16    |
|       | Middle    | Differential                        | "      | + 0.37  |
|       | * Lower * | Japanese Unconditional Money        | Nov 20 | 7.75    |
|       |           | German Call Money                   | "      | 7.50    |
|       |           | U.K. 2-day Local Authority Deposits | "      | 6.31    |
|       | ** **     | French Day-to-day Money             | "      | 7.12    |

\* Euro-currencies

Euro \$

"

5.82

Euro DM

"

7.52

Euro Swiss Fr.

"

7.95

\*\* Add

Canada

Nov 20

4.50

Netherlands

" 6

6.90

28

## IV - 2

| Chart | Panel | Series                                 | Date   | Rate   |
|-------|-------|--|--------|--------|
| 6A    |       | Euro-\$ Call Rate                      | Nov 27 | 6.62   |
|       |       | Euro-\$ 1-month Rate                   | "      | 7.38   |
| 6B    |       | Euro-\$ 3-month Rate                   | "      | 7.19   |
|       |       | Euro-\$ 6-month Rate                   | "      | 7.25   |
| 7A    | Upper | Euro-\$ 3-month Deposits               | Nov 25 | 6.62   |
|       |       | U.S. Certificate of Deposits           | "      | 5.65   |
|       | Lower | Differential                           | "      | + 0.97 |
| 7B    | Upper | Euro-\$ 3-month Deposits               | "      | 6.62   |
|       |       | Euro-\$ 3-month Deposits (Adj.)        | "      | 7.35   |
|       |       | U.S. Certificate of Deposits (Adj.)    | "      | 5.85   |
|       | Lower | Differential: on Adj. Euro-\$ Deposits | "      | + 1.50 |
|       |       | on Unadj. Euro-\$ Deposits             | "      | + 0.77 |
| 8A    | Upper | Euro-\$ 3-month Deposits               | Nov 13 | 7.19   |
|       |       | Hire Purchase Deposits (covered)       | "      | 6.43   |
|       | Lower | Differential                           | "      | - 0.76 |
| 8B    | Upper | Euro-\$ 3-month Deposits               | "      | 7.19   |
|       |       | Local Authority Deposits (covered)     | "      | 5.93   |
|       | Lower | Differential                           | "      | - 1.26 |
| 9A    |       | U.S. Treasury Bill rate                | Nov 27 | 5.00   |
|       |       | U.K. Treasury Bill rate                | " 27   | 6.69   |
|       |       | Local Authority Deposit (uncovered)    | " 20   | 7.06   |
| 9B    | Upper | Spread (+/- favor London)              | " 27   | + 1.69 |
|       |       | 3-month Forward Pound                  | " 27   | - 0.98 |
|       | Lower | Net Incentive (+/- favor London)       | " 27   | + 0.71 |

| Chart | Panel  | Series                                    | Date    | Rate   |
|-------|--------|---|---------|--------|
| 10A   | Upper  | Euro-\$ Deposits (covered)                | Nov 25  | 7.38   |
|       |        | German Interbank Loan rate                | "       | 8.25   |
|       | Lower  | Differential                              | "       | + 0.87 |
| 10B   | Upper  | Euro-\$ Deposits (covered)                | "       | 6.59   |
|       |        | Swiss Deposit rate                        | "       | 5.25   |
|       | Lower  | Differential                              | "       | - 1.34 |
| 11    | Upper  | Canadian Finance Paper                    | Nov 27  | 5.75   |
|       |        | U.S. Treasury Bill rate                   | "       | 5.00   |
|       |        | Canadian Treasury Bill rate               | "       | 4.25   |
|       |        | U.S. Prime Finance paper<br>(not plotted) | "       | 5.56   |
|       | Second | Bill rate differential                    | Nov 27  | - 0.75 |
|       |        | Forward Canadian dollar                   | "       | + 0.49 |
|       | Third  | Net incentive on bills                    | "       | - 0.26 |
|       | Bottom | Net incentive on Finance Paper            | "       | + 0.68 |
| 12A   | Upper  | U.K. Treasury Bill rate                   | Nov 27  | 6.69   |
|       |        | U.S. Treasury Bill rate                   | "       | 5.00   |
|       |        | German Interbank Loan rate                | "       | 8.25   |
|       | Lower  | Japanese Average rate                     | Sept 30 | 7.693  |
|       |        | Canadian Treasury Bill rate               | Nov 27  | 4.25   |
|       |        | U.S. Treasury Bill rate                   | "       | 5.00   |
| 12B   |        | Euro-\$ Deposits                          | "       | 7.19   |
|       |        | Swiss 3-month Deposit rate                | Nov 13  | 5.25   |
|       |        | U.S. Treasury Bill rate                   | Nov 27  | 5.00   |

| Chart | Panel  | Series                       | Date       | Rate   |
|-------|--------|------------------------------|------------|--------|
| 13    | Upper  | Netherlands                  | Nov 6      | 8.07   |
|       |        | Canada                       | " 18       | 7.60   |
|       |        | United States                | " 25       | 6.11   |
|       |        | Switzerland                  | " 13       | 5.72   |
|       | Middle | ** Germany                   | " 23       | 8.63   |
|       |        | United Kingdom               | " 20       | 9.67   |
|       |        | Euro-dollar bonds            | " 27       | 7.72   |
|       | Lower  | U.S. Corp. Dollar Euro-bonds | October 31 | 8.56   |
|       |        | U.S. Corp. DM Euro-bonds     | "          | 7.93   |
|       |        | U.S. Corp. Aaa bonds         | "          | 8.03   |
| 14    | Upper  | Switzerland                  | Nov 27     | 337.0  |
|       |        | Germany                      | " 23       | 235.0  |
|       |        | United States                | " 27       | 189.31 |
|       | Middle | United Kingdom               | " 27       | 179.92 |
|       |        | Canada                       | " 19       | 198.93 |
|       | Lower  | * Japan                      | " 27       | 347.37 |
|       |        | United States                | " 27       | 189.31 |

\*\* 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.