

March 24, 1971 No. 498

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FEDERAL RESERVE BANK
OF RICHMOND

Bd. of Gov. . . .
Capital Market H.-13

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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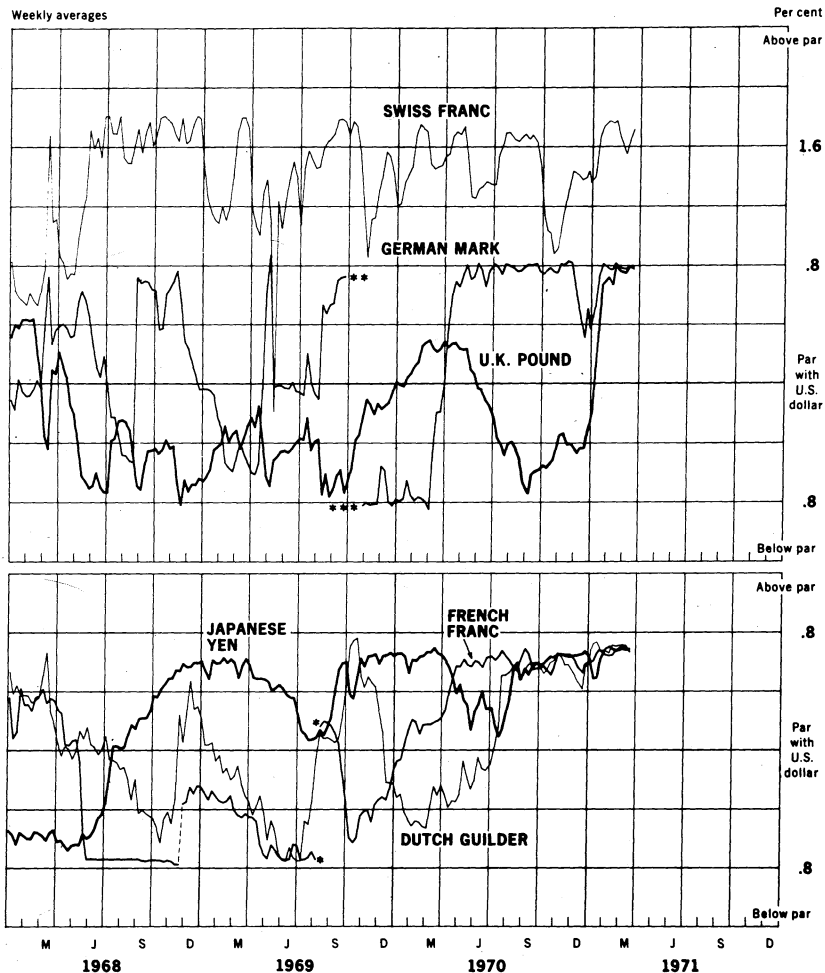
PART IV. SELECTED CENTRAL BANK DISCOUNTS RATES AND LATEST FIGURES PLOTTED ON THE CHARTS

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



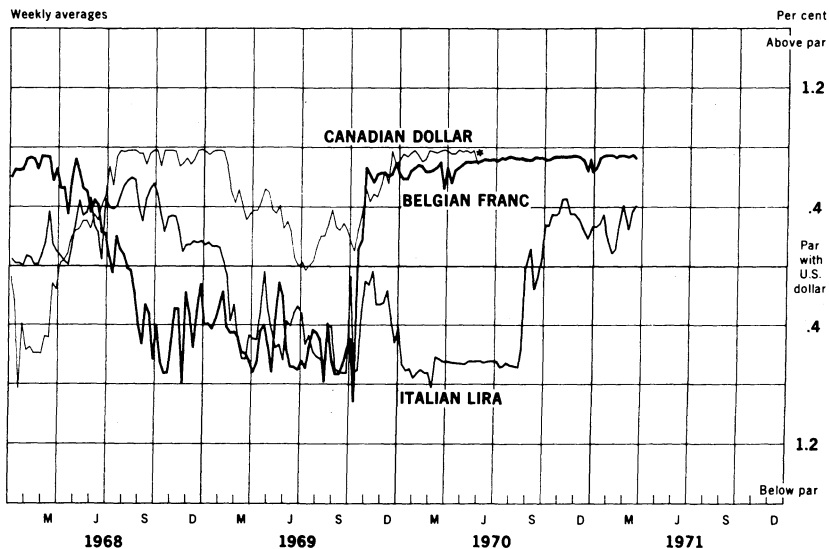
* Devaluation of the French franc from 4.94 to 5.55 for \$1.00.

** 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



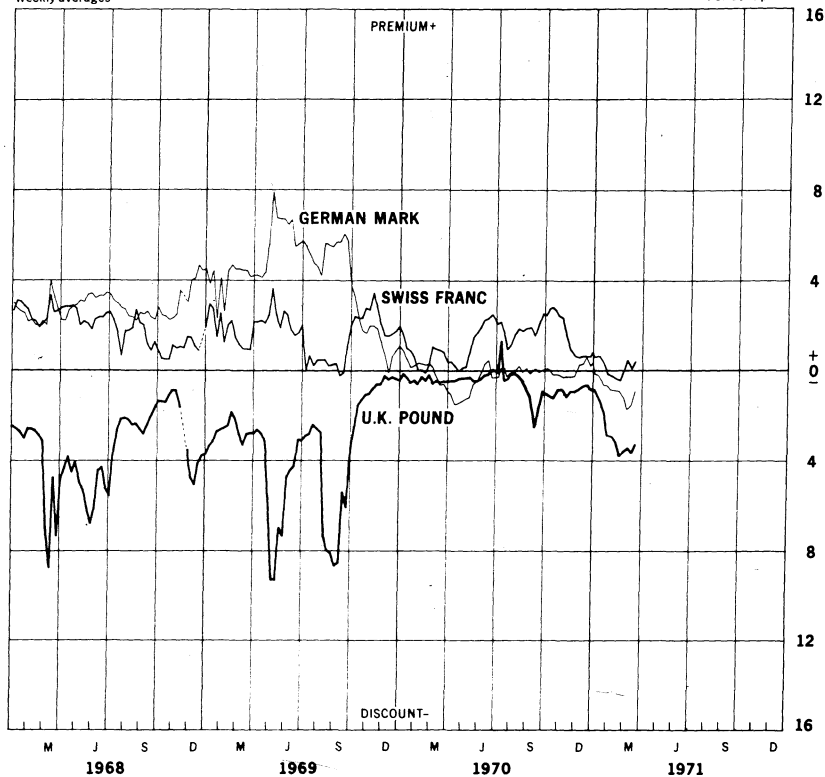
* Can. \$ rate not supported by Bank of Canada.

Chart 2A

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

Weekly averages

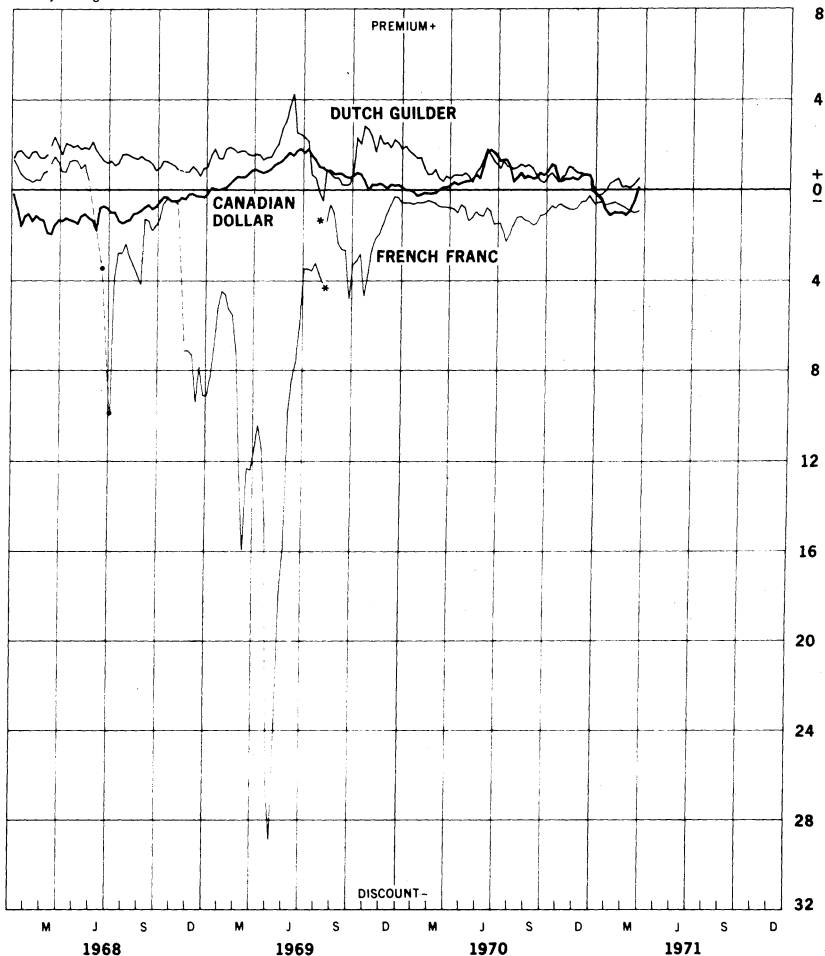
Per cent per annum



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.

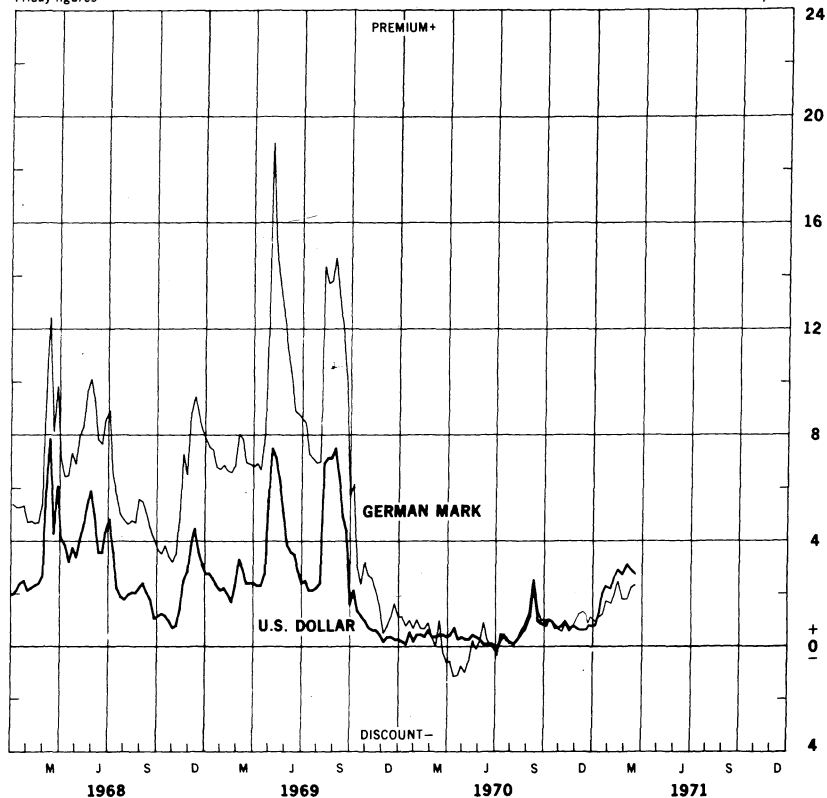
** Can. \$ rate not supported by Bank of Canada.

Chart 3A

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

Friday figures

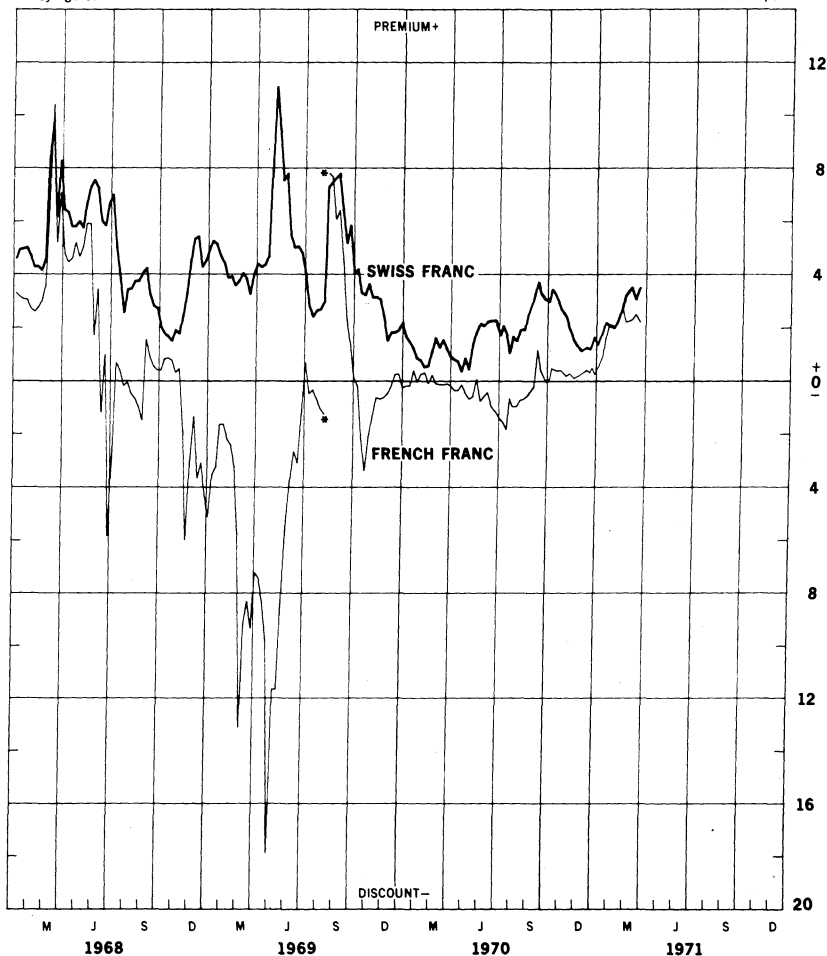
Per cent per annum



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

Friday figures

Per cent per annum



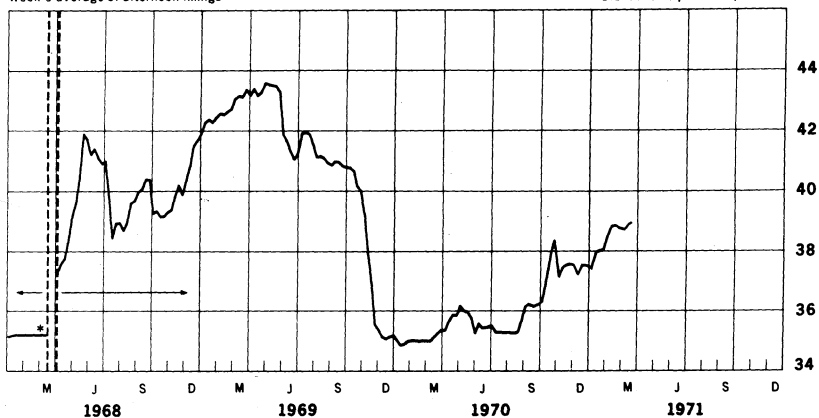
*Devaluation of the French franc from 4.94 to 5.55 for \$1.00

Chart 4

GOLD PRICE IN LONDON, 12.5 Kg BARS

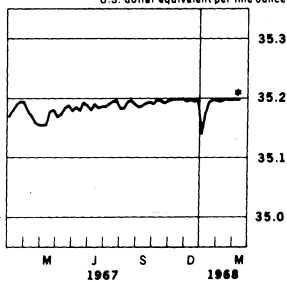
Week's average of afternoon fixings

U.S. dollar equivalent per fine ounce



MARKET SUPPORTED BY GOLD POOL

U.S. dollar equivalent per fine ounce

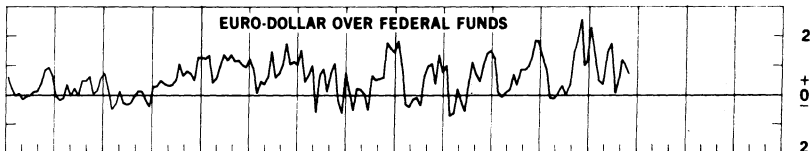
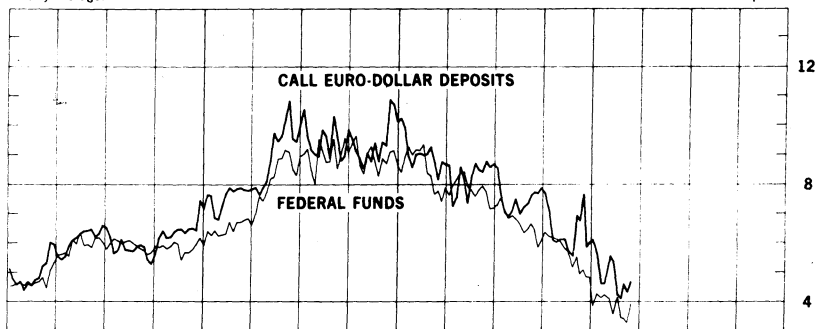


* Market closed March 15-April 1, 1968

CALL MONEY RATES**DOLLAR FUNDS**

Weekly averages

Per cent per annum

**EURO-CURRENCIES**

Weekly averages

Per cent per annum

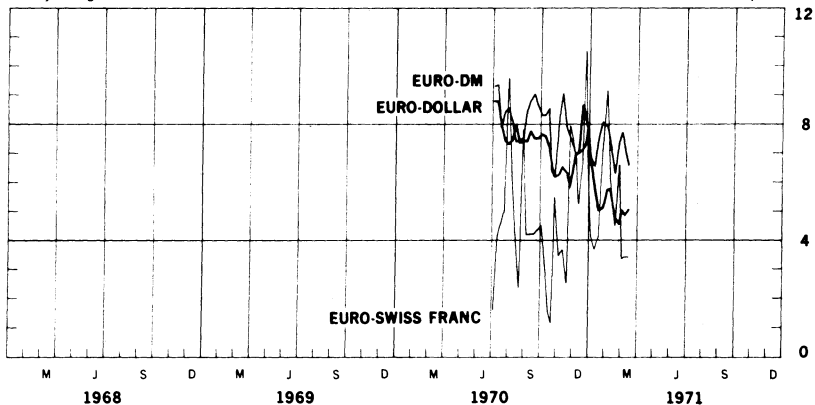


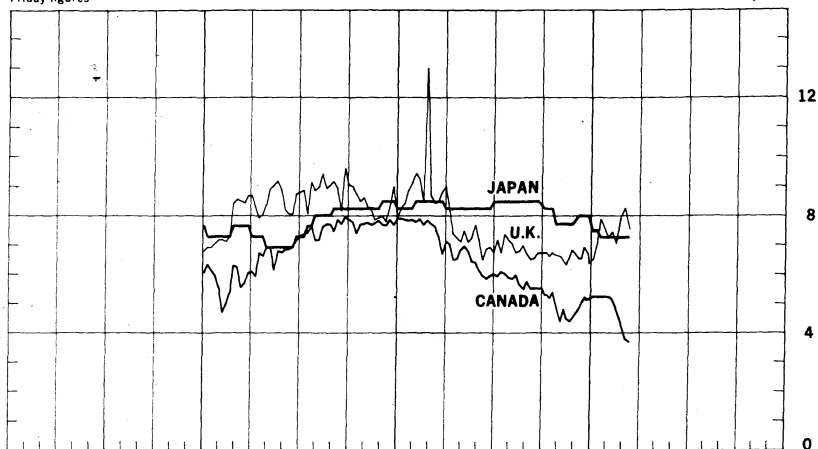
Chart 5B

CALL MONEY RATES

FOREIGN CURRENCIES*

Friday figures

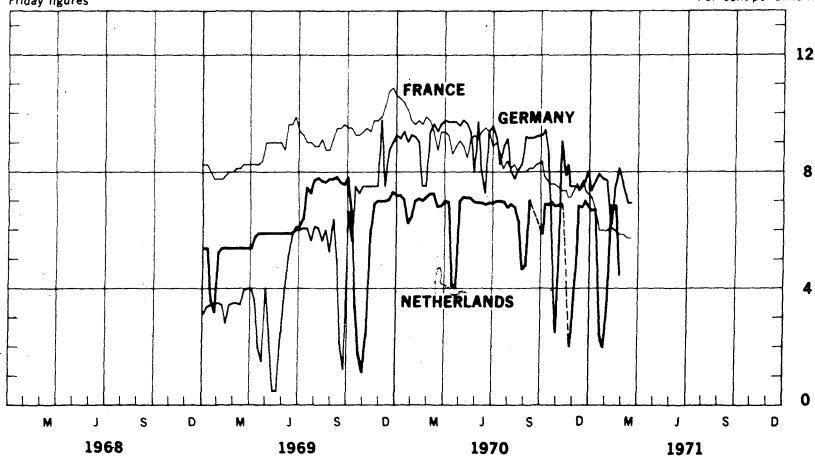
Per cent per annum



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.

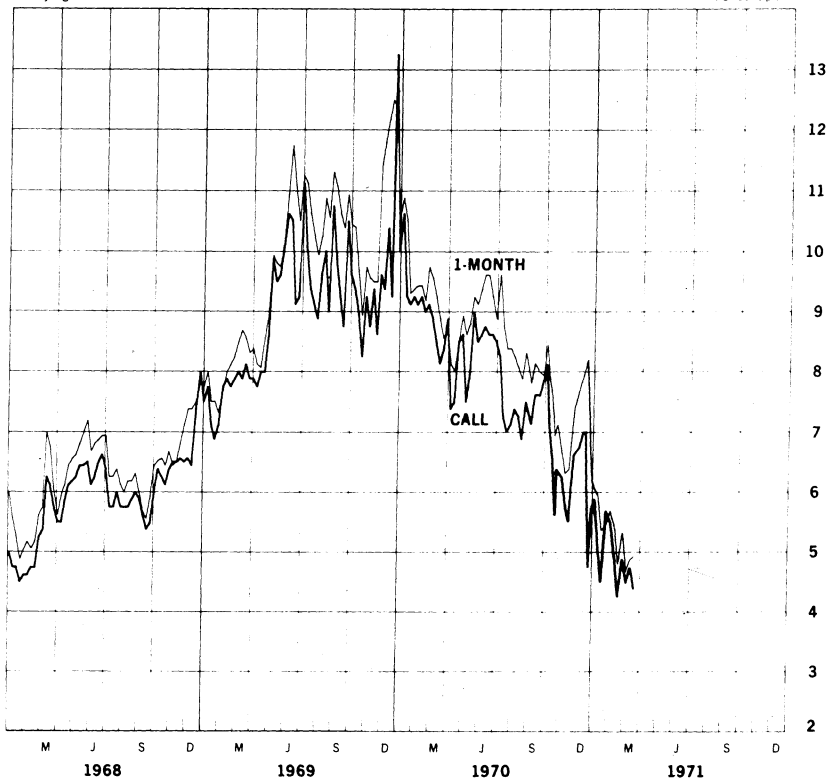
** Germany, Call Money; France, Day-to-day Money; Netherlands, Call Money, weekly average.

Chart 6A

LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum

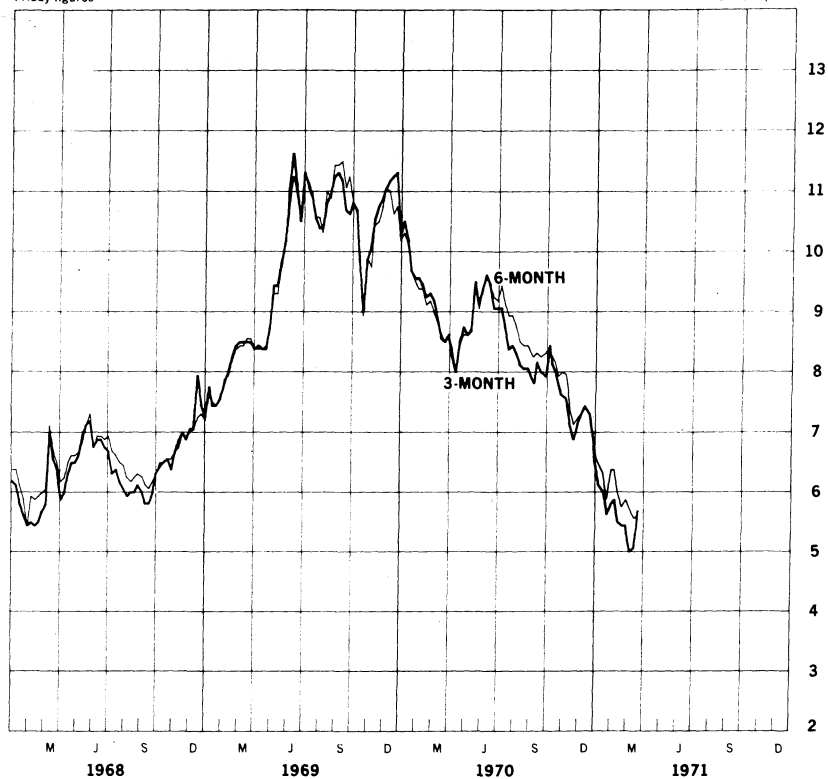


13
Chart 6B

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



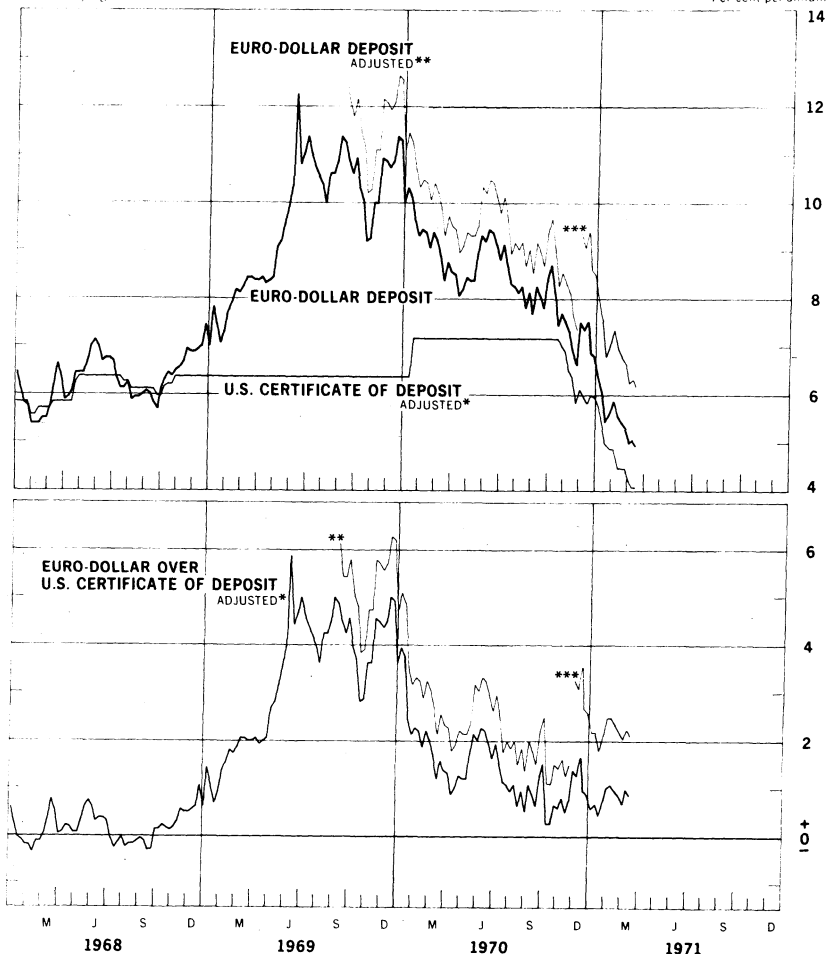
Chart 7B

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

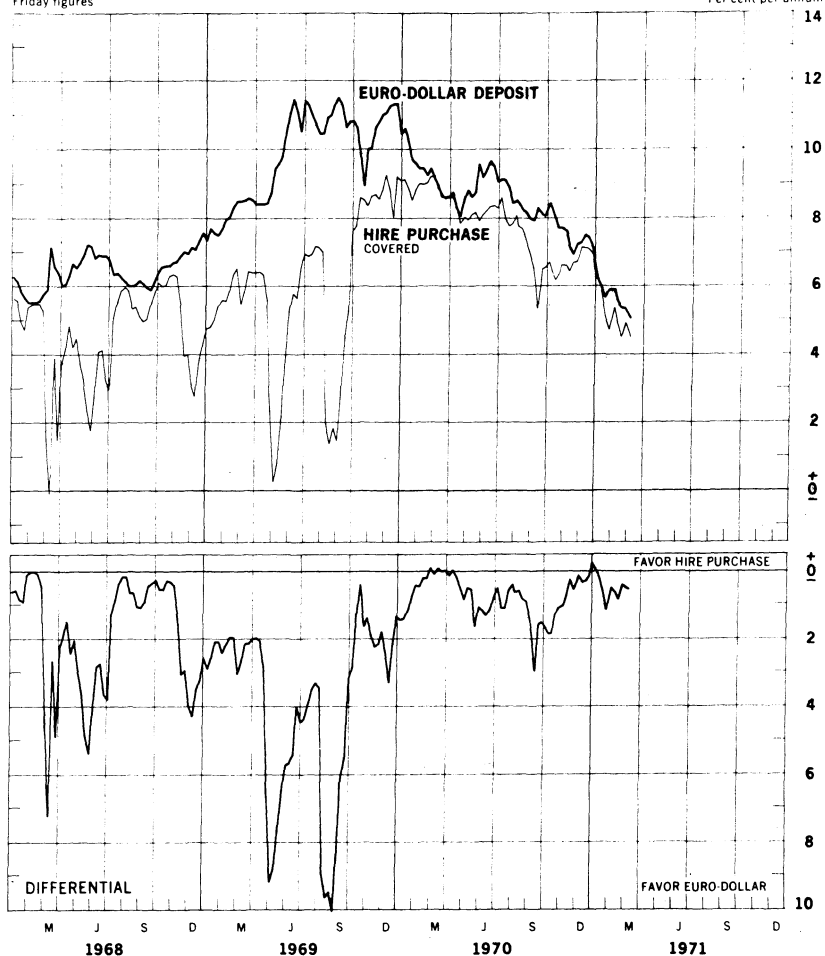
*** Adjusted for 20% Marginal Reserve Requirement

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

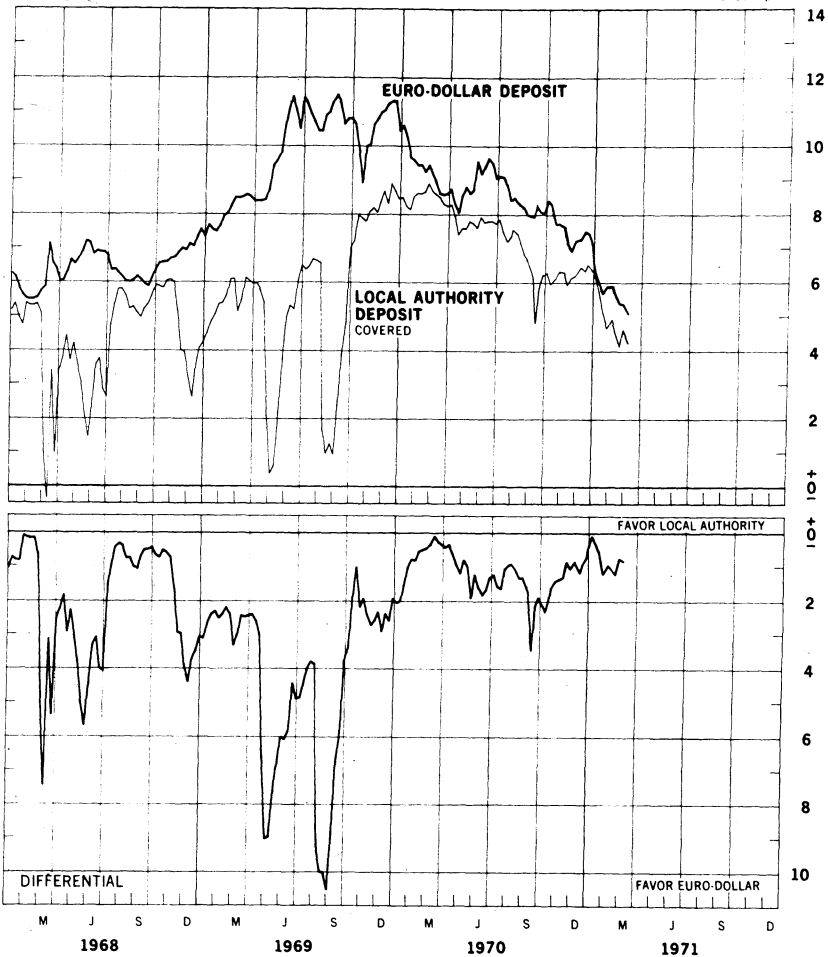


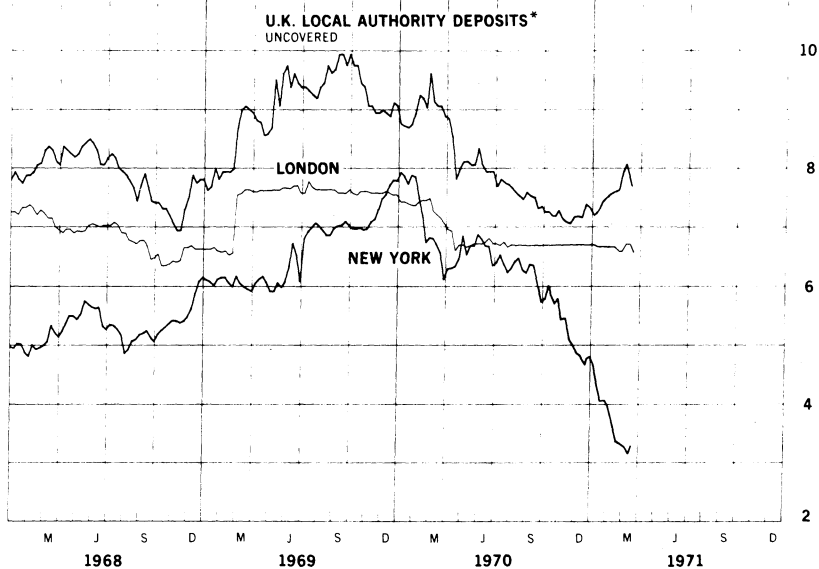
Chart 9A

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

Per cent per annum

3-MONTH TREASURY BILL RATES



* Plotted for comparison purposes

Chart 9B

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

Percent per annum

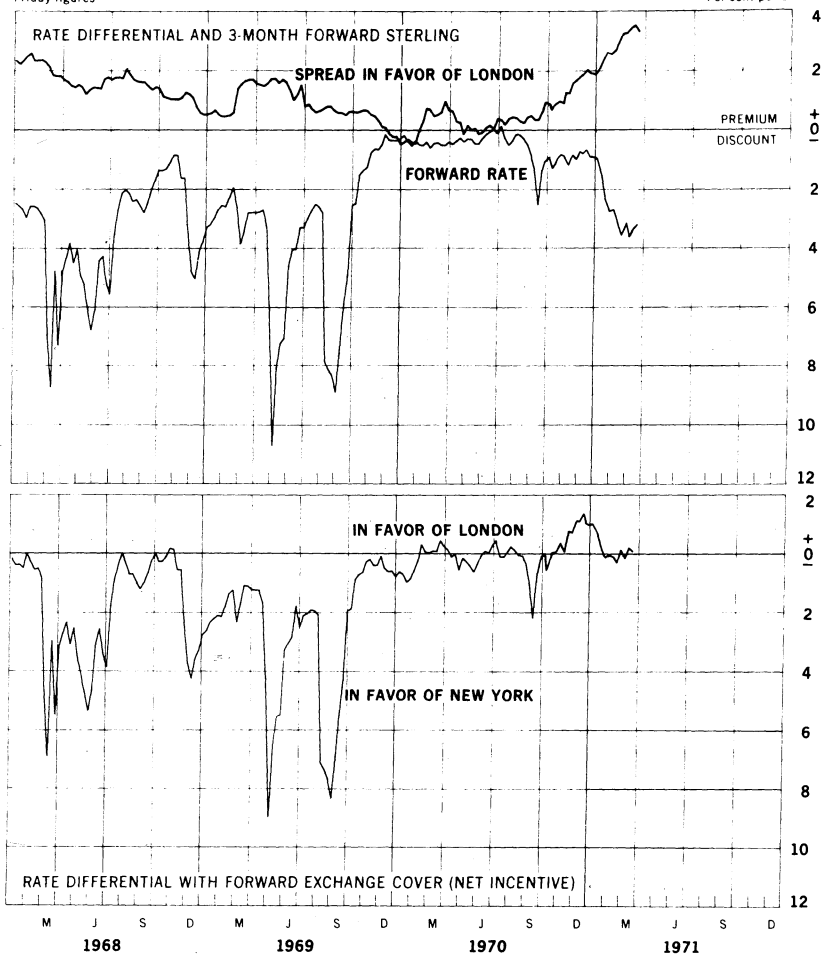


Chart 10A

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

FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates

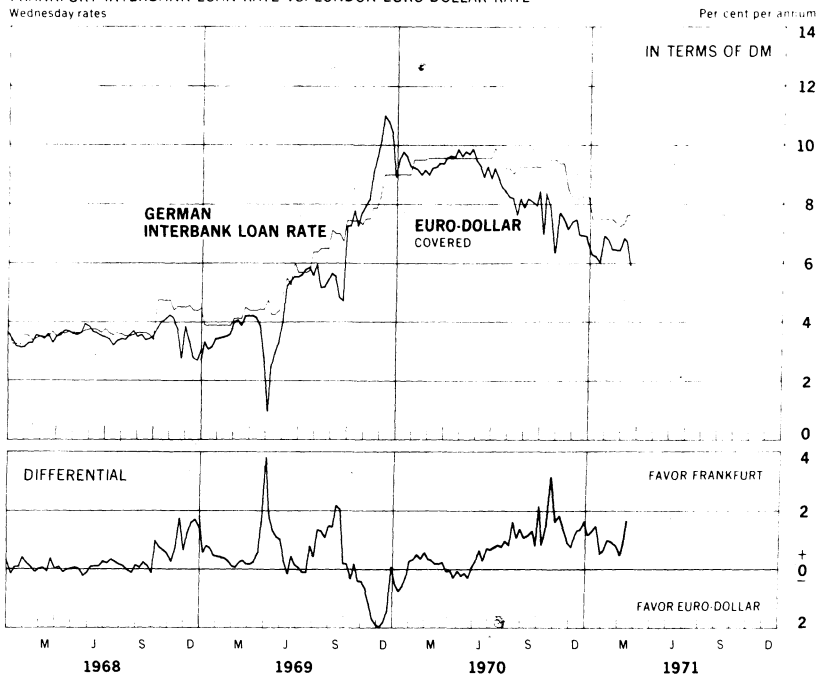


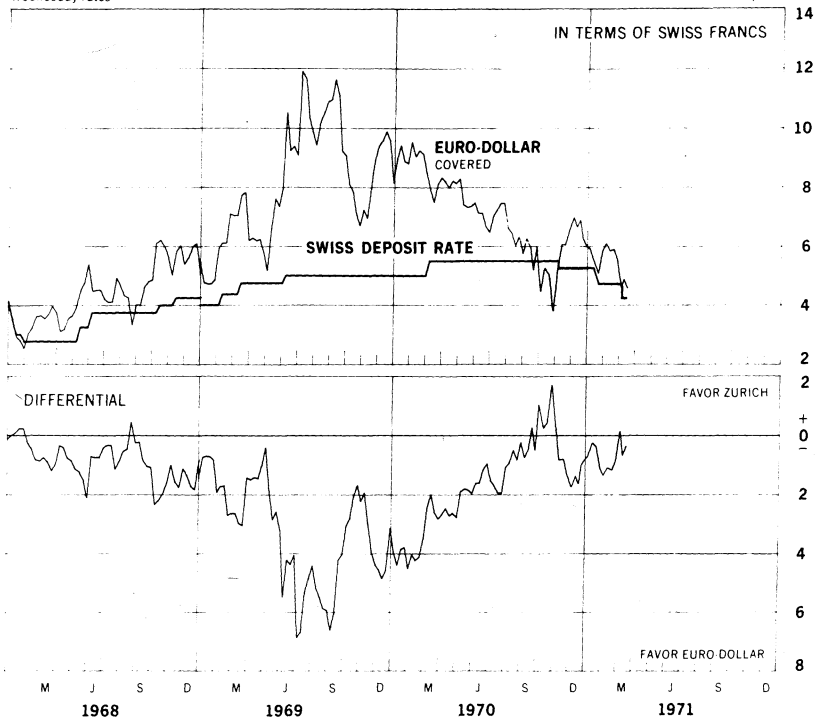
Chart 10B

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

ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates

Per cent per annum



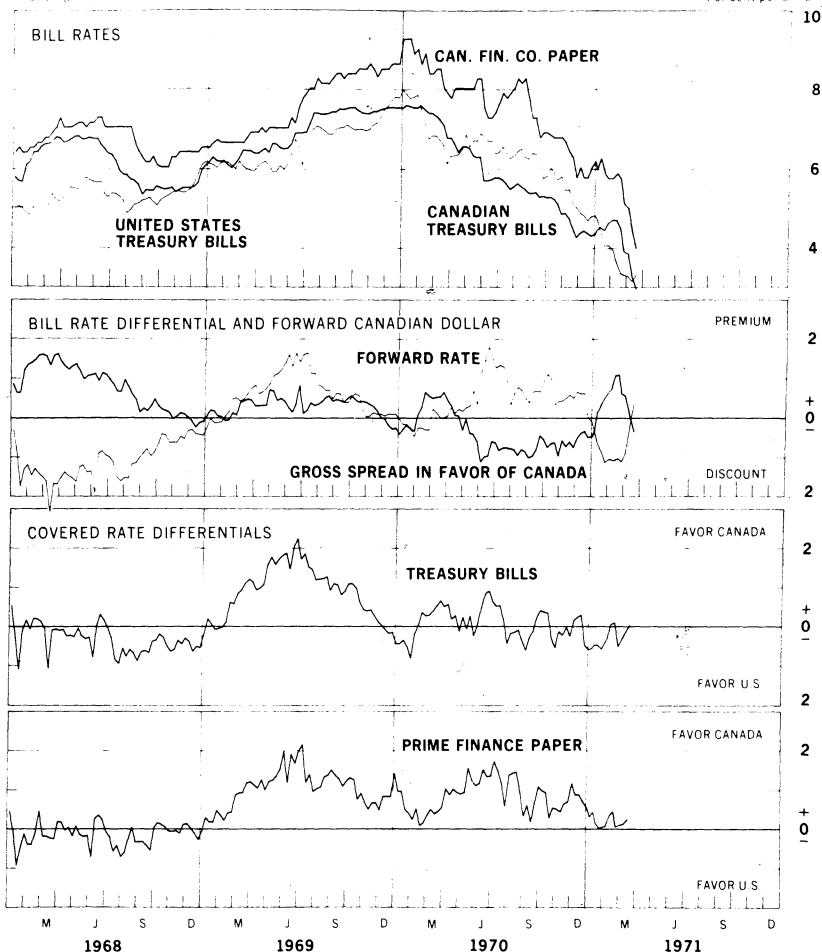
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Chart 11

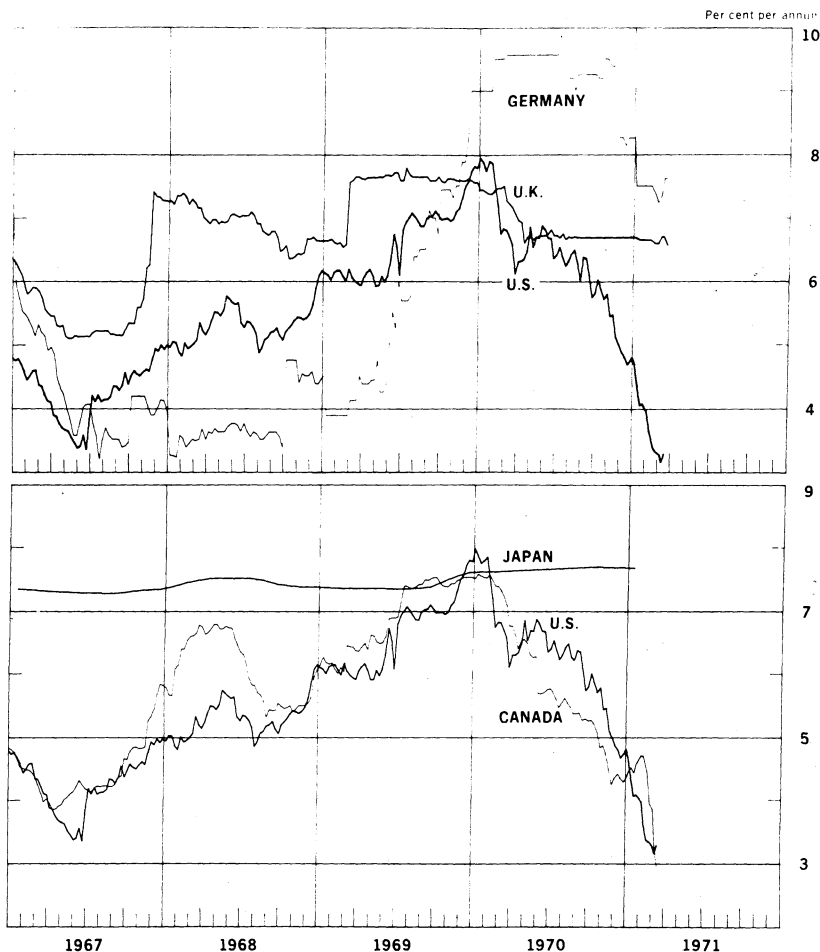
3-MONTH INTEREST ARBITRAGE: UNITED STATES - CANADA

Friday figures

Per cent per annum



SELECTED SHORT-TERM INTEREST RATES*

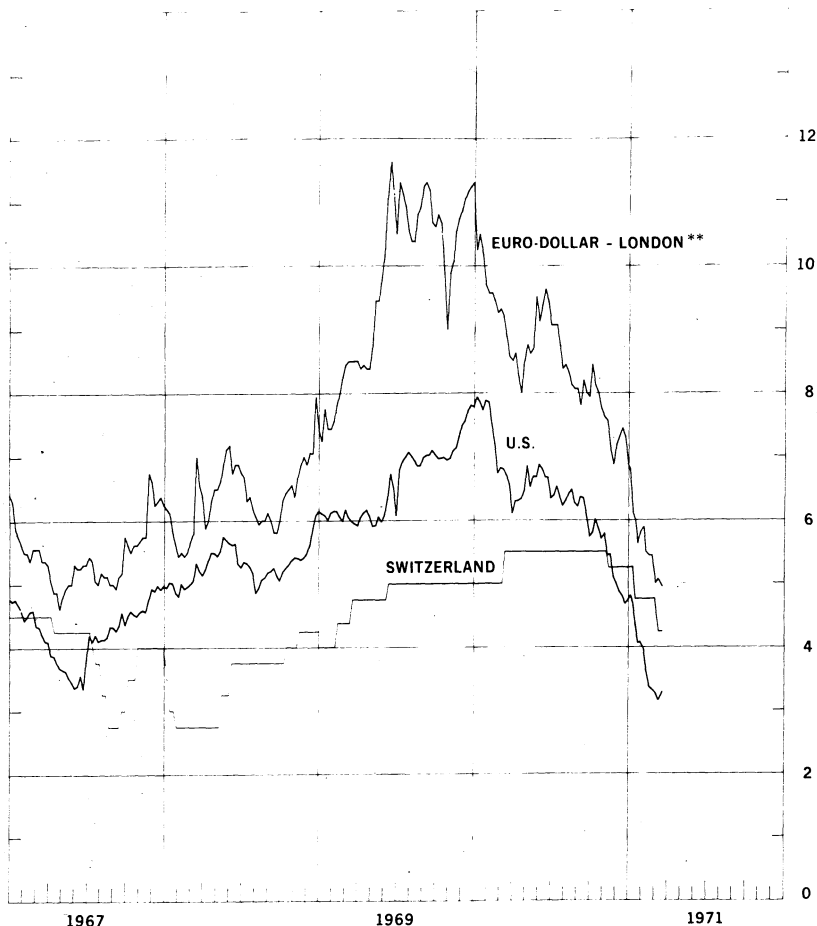


* 3-month treasury bill rates for all countries except Japan (Average rate on bank loans and discounts) and Germany (Interbank Loan Rate)

Chart 12B

SELECTED SHORT-TERM INTEREST RATES *

Per cent per annum



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

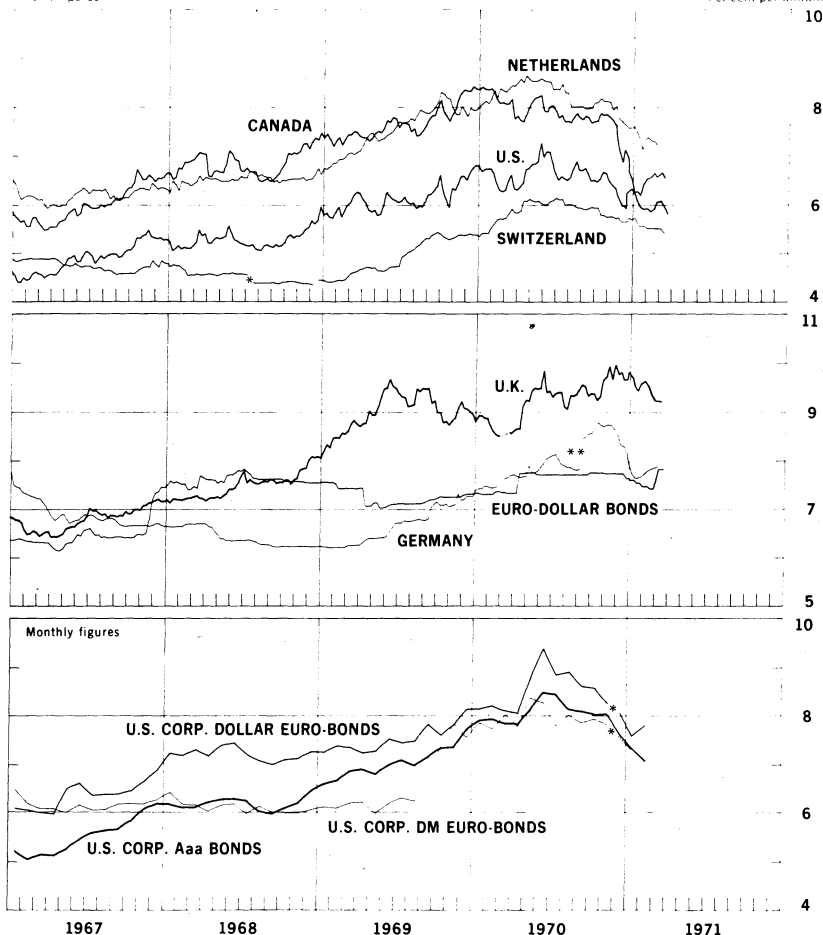
** 3-month rate for U.S. dollar deposits in London

Chart 13

LONG-TERM BOND YIELDS

Weekly figures

Per cent per annum
10

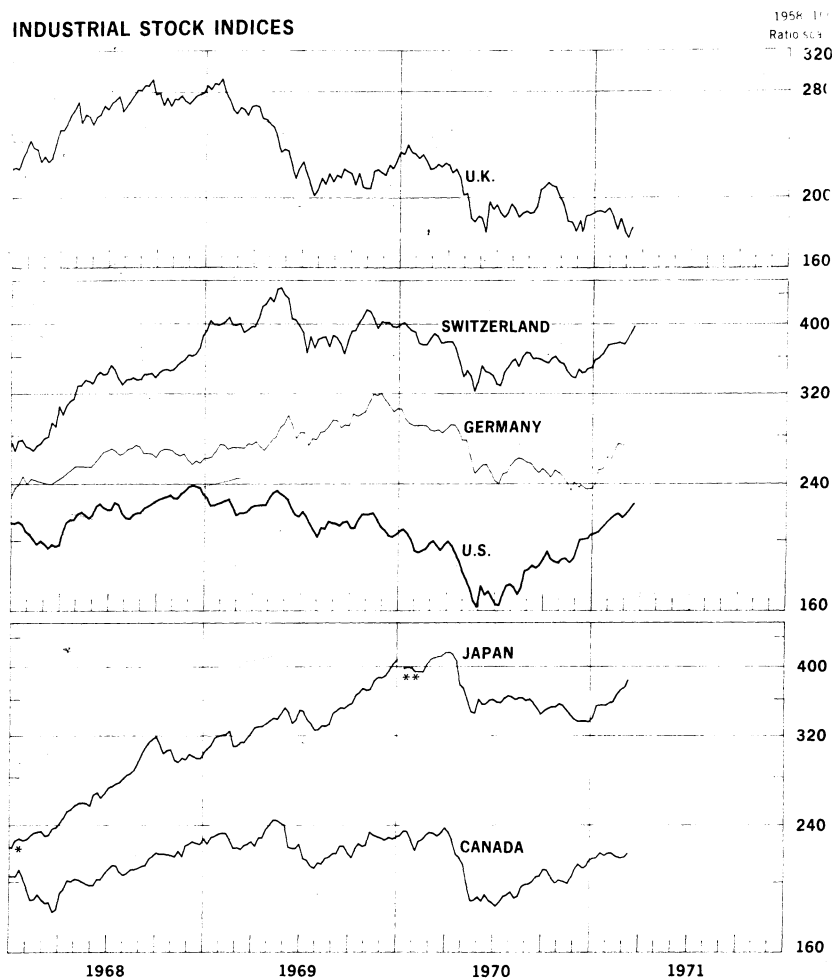


* New series for Switzerland starts 8-2-68. U.S. Corp. Dollar Euro Bonds and U.S. Corp. DM Euro Bonds starts 12-70

** New Average yield of all German P.A. Bonds begins 9-4-70

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. SELECTED CENTRAL BANK DISCOUNT RATES

Country	Current Rate	In Effect Since	Previous Rate	In Effect Since
E.E.C.				
Belgium	6.5	Dec. 10, 1970	7.0	Oct. 22, 1970
France	6.5	Jan. 8, 1971	7.0	Oct. 20, 1970
Germany	6.0	Dec. 3, 1970	6.5	Nov. 18, 1970
Italy	5.5	Mar. 9, 1970	4.0	Aug. 14, 1969
Netherlands	6.0	Aug. 4, 1969	5.5	Apr. 9, 1969
Switzerland	3.75	Sept. 15, 1969	3.0	July 10, 1967
United Kingdom	7.0	Apr. 15, 1970	7.5	Mar. 5, 1970
Canada	5.25	Feb. 24, 1971	5.75	Feb. 15, 1971
Japan	5.75	Jan. 20, 1971	6.0	Oct. 28, 1970
United States	4.75	Feb. 13, 1971	5.0	Jan. 19, 1971

LATEST FIGURES PLOTTED ON THE CHARTS

Chart	Panel	Series	Date	Rate
1A	Upper	Swiss franc	March 19	+1.719
		German mark	"	+0.777
		U.K. pound	"	+0.792
	Lower	Dutch guilder	"	+0.667
		French franc	"	+0.673
		Japanese yen	"	+0.688
1B		Belgian franc	"	+0.721
		Italian lira	"	+0.404
		Canadian dollar	--	--
2A		German mark	March 19	-0.93
		Swiss franc	"	+0.42
		U.K. pound	"	-3.27
2B		Dutch guilder	"	+0.52
		Canadian dollar	"	+0.11
		French franc	"	-0.94
3A		German mark	March 19	+2.39
		U.S. dollar	"	+2.77
3B		Swiss franc	"	+3.52
		French franc	"	+2.21
4		Gold price U.S. dollar per ounce	March 19	38.96
5A	Upper	Call Euro-\$ deposits	Mar. 10 - 17	4.35r 4.68
		Federal Funds	March 17	3.93
	Middle	Differential	Mar. 10 - 17	+1.06r +0.75
	Lower	Euro-currencies: Euro \$	March 19	5.08
		Euro DM	"	6.58
		Euro Swiss Fr.	"	3.42
5B	Upper	Japan, Unconditional Money	March 12	7.25
		U.K., 2-day Local Author. Deps.	"	7.56
		Canada Day-to-day Loans	"	3.70
	Lower	France Day-to-Day Money	March 19	5.75
		Germany, Call Money	"	6.94
		Netherlands, Call Money	Feb. 26	4.45

Chart	Panel	Series	Date		Rate	
6A		Euro-\$ Call Rate	March 19		4.38	
		Euro-\$ 1-month Rate	"		4.94	
6B		Euro-\$ 3-month Rate	"		5.69	
		Euro-\$ 6-month Rate	"		5.62	
7A	Upper	Euro-\$ 3-month Deposits	March 17		4.94	
		U.S. Certificate of Deposits	"		3.80	
	Lower	Differential	"		+1.14	
7B	Upper	Euro-\$ 3-month Deposits	"		4.94	
		* Euro-\$ 3-month Deposits (Adj.)	"		6.18	
		U.S. Certificate of Deposits (Adj.)	"		4.08	
	Lower	Differential: on Adj. Euro-\$ Deposits	"		+2.10	
		on Unadj. Euro-\$ Deposits	"		+0.86	
8A	Upper	Euro-\$ 3-month Deposits	Feb. 26	Mar. 5	5.34	5.06
		Hire Purchase Deposits (covered)	"	"	4.92	4.49
	Lower	Differential	"	"	-0.42	-0.57
8B	Upper	Euro-\$ 3-month Deposits	"	"	5.34	5.06
		Local Authority Deposits (covered)	"	"	4.63	4.24
	Lower	Differential	"	"	-0.71	-0.82
9A		U.S. Treasury Bill rate	March 19		3.30	
		U.K. Treasury Bill rate	"		6.57	
		Local Authority Deposit (uncovered)	March 12		7.69	
9B	Upper	Spread (+/- favor London)	March 19		+3.27	
		3-month Forward Pound	"		-3.20	
	Lower	Net Incentive (+/- favor London)	"		+0.07	

* Adjusted for 20 per cent Marginal Reserve Requirement.

Chart	Panel	Series	Date	Rate
10A	Upper	Euro-\$ Deposits (covered)	March 17	5.95
		German Interbank Loan rate	"	7.62
	Lower	Differential	"	+1.67
10B	Upper	Euro-\$ Deposits (covered)	"	4.60
		Swiss Deposit rate	"	4.25
	Lower	Differential	"	-0.35
11	Upper	Canadian Finance Paper	March 19	4.00
		U.S. Treasury Bill rate	"	3.30
		Canadian Treasury Bill rate	"	2.95
		U.S. Prime Finance paper (not plotted)	March 19	4.13
	Second	Bill rate differential	March 19	-0.35
		Forward Canadian dollar	"	+0.38
	Third	Net incentive on bills	"	+0.03
	Bottom	Net incentive on Finance Paper	"	+0.25
12A	Upper	U.K. Treasury Bill rate	March 19	6.57
		U.S. Treasury Bill rate	"	3.30
		German Interbank Loan rate	"	7.62
	Lower	Japanese Average rate	January	7.685
		Canadian Treasury Bill rate	March 19	2.95
		U.S. Treasury Bill rate	"	3.30
12B		Euro-\$ Deposits	"	4.94
		Swiss 3-month Deposit rate	"	4.25
		U.S. Treasury Bill rate	"	3.30

Chart	Panel	Series	Date	Rate
13	Upper	Netherlands	Feb. 26	7.21
		Canada	March 12	6.55
		United States	March 19	5.81
		Switzerland	March 12	5.42
	Middle	* Germany	March 5	7.90
		United Kingdom	March 12	9.21
		Euro-dollar bonds	March 19	7.82
	Lower	*** U.S. Corp. Dollar Euro-bonds	February	7.82
		*** U.S. Corp. DM Euro-bonds	"	7.34
		U.S. Corp. Aaa bonds	"	7.08
14	Upper	Switzerland	March 19	398.80
		Germany	March 5	273.20
		United States	March 19	225.94
	Middle	United Kingdom	March 12	182.16
		Canada	March 11	219.60
	Lower	** Japan	March 12	383.74
		United States	March 19	225.94

* 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.

*** Series revised.