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Capital market
H-13

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

DESCRIPTION AND SOURCES OF DATA PLOTTED IN
THE WEEKLY SERIES OF CHARTS

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

CHARTS 1A and 1B

Spot Exchange Rates--Major Currencies Against U.S. Dollar

Belgian franc, Canadian dollar, French franc, German mark, Italian lira, Japanese yen, Netherlands guilder, Swiss franc, and U.K. pound

Quotations used are certified* noon buying rates in New York in U.S. cents per unit of foreign currency. Rates are expressed as a percentage above or below their par values with the U.S. dollar. Through December 31, 1968, Friday figures plotted. Effective January 1, 1969, weekly average of daily noon rates.

Source: Federal Reserve Bank of New York.

* Certified rates are rates certified to the Secretary of the Treasury by the Federal Reserve Bank of New York for purposes of converting foreign currency into dollars for customs valuation.

CHARTS 2A and 2B

Three-Month Forward Exchange Rates--Major Currencies Against U.S. Dollar
(all figures in per cent per annum)

Swiss franc

Premium/discount in per cent per annum on the three-month forward Swiss franc vis-à-vis the U.S. dollar calculated on the basis of quotations on the Zürich foreign exchange market. Through December 31, 1968, Friday figures. Effective January 1, 1969, weekly average of daily quotations.

Source: Federal Reserve Bank of New York.

German mark

Premium/discount in per cent per annum on the three-month forward mark vis-à-vis the U.S. dollar calculated on the basis of quotations on the Frankfurt foreign exchange market. Through December 31, 1968, Friday figures. Effective January 1, 1969, weekly average of daily quotations.

Source: Federal Reserve Bank of New York.

U.K. pound sterling

January 2, 1959, through December 27, 1963--Premium/discount in per cent per annum on forward pound, computed on the basis of mid-rates for both spot and forward quotations at noon on Friday in New York.

January 3, 1964, through December 31, 1968--Premium/discount in per cent per annum on forward pound, computed on the basis of mid-rates for both spot and forward quotations at 11 a.m. on Friday in New York.

January 1, 1969, to date--As above except that the rate plotted is the average each week of daily 11 a.m. quotations.

Source: Market data obtained from the Foreign Department, Federal Reserve Bank of New York.

French franc, Dutch guilder, and Canadian dollar

Premium/discount in per cent per annum on three-month forward francs, guilders and Canadian dollars vis-à-vis the U.S. dollar calculated on the basis of quotations on the New York foreign exchange market; 2:30 p.m. rates. Through December 31, 1968, Friday figures. Effective January 1, 1969, weekly average of daily quotations.

Source: Federal Reserve Bank of New York.

CHARTS 3A and 3B

Three-Month Forward Exchange Rates--Major Currencies Against U.K. Pound

German mark, U.S. dollar, Swiss franc and French franc

Premium/discount in per cent per annum on three-month delivery of each of these currencies vis-à-vis the U.K. pound, calculated on the basis of the mid-rates of the daily range of both spot and forward quotations in the London foreign exchange market.

Source: The Financial Times (London).

CHART 4

Gold Price in London

U.S. dollar equivalent of the price in U.K. pound per fine Troy ounce of gold in 12.5 Kg. bars.

Through March 15, 1968--close of business on Fridays.

April 1, 1968 to date--Weekly average of afternoon fixings.

Source: Bank of England.

CHART 5A and B

Call Money Rates

Call Euro-Dollar Deposits

Weekly averages (Thursday-Wednesday) of brokers' bid rates in London.

Source: Market data obtained from the Foreign Department, Federal Reserve Bank of New York.

Federal Funds

Weekly averages (Thursday-Wednesday) of overnight inter-bank loans in New York City. Rates used are those at which transactions took place.

Source: Money and Capital Markets, Government Finance Section, Board of Governors of the Federal Reserve System.

Euro-Currencies

Weekly averages (Saturday-Friday) of 48 Heures (call) currencies for Euro-dollar, Euro-DM, and Euro-Swiss franc. The rates are those for inter-bank loans in excess of \$200 thousand.

Source: Le Monde, Paris.

Foreign Currencies

Japanese Unconditional Money Rate

Friday's rate on Japanese unconditional money rate in Tokyo.
Unconditional money loans are repayable at 24-hour notice.

Source: Japan Economic Journal.

United Kingdom 2-Day Local Authority Deposits

Friday's rates on 2-day uncovered Local Authority Deposits in London.

Source: The Financial Times (London).

Canada

Weekly Average of closing rates (Wednesday date) on Money Market Day-to-Day Loans.

Source: Bank of Canada Weekly Financial Statistics.

Selected EEC Currencies

French Day-to-Day Money Rate

Friday's market rate of interbank call money loans against private paper.

Source: Le Monde.

German Call Money Rate

Mid-point of Friday's rate of German inter-bank call money loans.

Source: Frankfurter Allgemeine Zeitung.

Netherlands

Weekly average (last date Friday) of daily market rates.

Source: Research Department, Netherlands Bank.

CHARTS 6A and 6B

London: Euro-Dollar Deposit Rates

The rate of interest paid (bid) on call, 1-month, 3-month and 6-month U.S. dollar-denominated time deposits by banking institutions in London. Friday noon figures.

Source: Market data obtained from Foreign Department, Federal Reserve Bank of New York.

CHARTS 7A and 7B

New York--London: Yields on U.S. Dollar Funds

Euro-Dollar Deposit

The rate of interest paid (bid rate) on three-month, U.S. dollar-denominated time deposits with banking institutions in London, Wednesday figures.

Source: Market data obtained from the Foreign Department, Federal Reserve Bank of New York.

U.S. Certificates of Deposit

The yield calculated from secondary market offering prices for three-month time certificates of deposit of major New York City banks. Wednesday figures.

Source: Market data obtained from the Market Statistics Department, Federal Reserve Bank of New York.

Euro-Dollar Deposit (Adjusted)

Adjusted for Marginal Reserve Requirement.

Source: Banking Section, Federal Reserve Bank of New York.

U.S. Certificates of Deposit (Adjusted)

Offering rates on new large denomination negotiable certificates of deposit. 90-179 days maturity, offered by seven New York banks with deposits of \$1 billion or over. Adjusted for reserve requirements on these certificates to be comparable with Euro-dollar deposits (see above).

Source: Banking Section, Board of Governors of the Federal Reserve System.

CHART 8A and 8B

London: Covered Yields on U.S. Dollar Funds

Hire-Purchase Deposit (covered)

The rate of interest paid on three-month deposits with prime British finance houses covered against exchange risk by purchase of three-month forward U.S. dollars in London. As of close of business Friday.

Source: Bank of England.

Local Authority Deposit (covered)

The rate of interest paid on three-month time deposits with U.K. local authorities covered against exchange risk by purchase of three-month forward U.S. dollars in London. As of close of business Friday.

Source: Bank of England.

Euro-Dollar Deposit

The rate of interest paid (bid rate) on three-month U.S. dollar-denominated time deposits with banking institutions in London. As of close of business Friday.

Source: Bank of England.

CHARTS 9A and 9B

Interest Arbitrage: United States--United Kingdom

U.K. Treasury Bill

January 2, 1959 through June 24, 1960--Average Friday tender rate for 90-day Treasury bills adjusted for a New York quotation basis.

Source: The Economist.

July 1, 1960 to date--Prior 11 a.m. Friday market offer rate in London for 90-day Treasury bills adjusted to a New York quotation basis. (The U.K. Treasury bill, which is quoted in London on a

365-day discount basis, is adjusted to a 360-day discount basis, the quotation basis of the U.S. Treasury bill in New York, by multiplying the London quotations by the ratio $\frac{360}{365}$.)

Source: Market data obtained from the Foreign Department, Federal Reserve Bank of New York.

U.S. Treasury Bill

11 a.m. Friday market offer rate in New York for 90-day Treasury bills.

Source: Market data obtained from the Securities Department, Federal Reserve Bank of New York.

U.K. Local Authority Deposits (uncovered)

The rate of interest paid on three-month time deposits made with British local authorities. Friday figures.

Source: The Financial Times (London).

Premium/Discount on the Forward U.K. Pound

See notes to Chart 2.

CHARTS 10A and B

Interest Arbitrage: United States--Germany and United States--Switzerland

German Interbank Loan Rate

Through December 31, 1968--The rate of interest in the German interbank loan market for three-month funds. The rate charted is the average of the mid-points of daily rate quoted by Frankfurt banks on business days in the periods ending on the reporting dates: 7th, 15th, 23rd, and final day of the month.

January 1, 1969 to date--Mid-point of the Wednesday rate quoted by Frankfurt banks for three-month loans.

Source: Frankfurter Allgemeine Zeitung.

Euro-Dollar Rate (covered)

The rate of interest paid (bid rate) on three-month, U.S. dollar-denominated time deposits with banking institutions in London. The rate charted corresponds with time periods or days charted for German Interbank Loan Rate. The three-month forward DM quotations used to compute the cost of cover are the Frankfurt foreign exchange market rates for the corresponding Wednesday.

Source: Market data obtained from Foreign Department, Federal Reserve Bank of New York.

Swiss Deposit Rate

Through October 7, 1968--The mid-point of the range of interest paid (bid rates) on three-month deposits by large banks in Zurich on the 7th, 15th, 23rd, and last day of each month.

Source: Swiss National Bank, Monthly Bulletin.

October 9, 1968 to date--Mid-point of Wednesday interest paid (bid rate) on three-month deposits by large banks in Zurich.

Source: U.S. Embassy, Bern.

Euro-Dollar Rate (covered)

The rate of interest paid (bid rate) on three-month, U.S. dollar-denominated time deposits with banking institutions in London. The rate charted corresponds with day charted for Swiss deposit Rate. The three-month forward Swiss franc quotations used to compute the cost of cover are the Zurich foreign exchange market quotations for the corresponding Wednesday.

Source: Market data obtained from the Foreign Department, Federal Reserve Bank of New York.

CHART 11

Interest Arbitrage: United States--Canada

Canadian Treasury Bill

January 2, 1959, through December 27, 1962--Average Thursday tender rate for 90-day Treasury bills adjusted to a New York quotation basis, as described below.

Source: Bank of Canada, Weekly Financial Statistics.

January 4, 1963, to date--11 a.m. Friday market offer rate in Canada for 90-day Treasury bills adjusted to a New York quotation basis. (The Canadian Treasury bill, which is quoted in Canada on a 365-day true yield basis, is adjusted to a 360-day discount basis, which is the quotation basis of the U.S. Treasury bill in New York.)

Source: Market data obtained from the Foreign Department, Federal Reserve Bank of New York.

U.S. Treasury Bill

January 2, 1959, through December 27, 1962--11 a.m. Thursday market offer rate in New York for 90-day Treasury bills.

January 4, 1963, to date--11 a.m. Friday market offer rate in New York for 90-day Treasury bills.

Source: Market data obtained from the Securities Department, Federal Reserve Bank of New York.

Canadian Finance Paper (uncovered)

The yield calculated from offering prices for three-month notes issued by prime Canadian finance companies. Friday figures.

Source: Royal Bank of Canada.

Premium/Discount on the Forward Canadian Dollar

January 2, 1959, through December 27, 1963--Premium/discount in per cent per annum on the three-month forward Canadian dollar, computed on the basis of mid-rates for both spot and forward quotations at noon on Thursday in New York.

January 4, 1963 through December 27, 1963--Premium/discount in per cent per annum on the three-month forward Canadian dollar computed on the basis of mid-rates for both spot and forward quotations at noon on Friday in New York.

January 3, 1964 to date--Premium/discount in per cent per annum on the three-month forward Canadian dollar, computed on the basis of mid-rates for both spot and forward quotations at 11 a.m. on Friday in New York.

Source: Market data obtained from the Foreign Department, Federal Reserve Bank of New York.

Prime Finance Paper (differential)

Differential computed from U.S. and Canadian finance company paper.

CHARTS 12A and B

Selected Short-Term Interest Rates

German Three-Month Interbank Loan Rate

See notes to Chart 10.

U.K. Treasury Bill Rate

See notes to Chart 9.

U.S. Treasury Bill Rate

See notes to Chart 9.

Japan: Average Rate on Bank Loans and Discounts

A weighted average of agreed interest rates and discounts charged by city banks, local banks, trust banks, and long-term credit banks. Monthly average.

Source: Bank of Japan, Economic Journal.

Canadian Treasury Bill Rate

See notes to Chart 11.

Euro-Dollar Rate (London)

3-month rate, Friday figures. See notes to Chart 6.

Switzerland: Three-Month Deposit Rate

See notes to Chart 10.

CHART 13

Long-Term Bond Yields
(all figures per cent per annum)

Netherlands

January 15, 1960 to November 15, 1961: Weighted average of yields computed from quotations for the 15th of each month for 2-1/2 per cent and 3 per cent government perpetual bonds.

December 15, 1961 to end 1965: Weighted average of yields computed from quotations for Friday of each week.

January 1966 to February 2, 1968: Yield computed from quotations for the 3 per cent Netherlands perpetual bond for Friday of each week.

January 7, 1966 to date: Average yield on three 4.25 to 4.50 per cent State Loans, Friday figures.

Source: The Netherlands Bank.

Canada

December 12, 1957 to December 31, 1964: Government of Canada 3-3/4 per cent (1975-78).

January 1, 1965 to date: Government of Canada 4-1/2 per cent (1983). Yield to maturity computed from closing mid-market prices for Wednesday of each week.

Source: Bank of Canada, Weekly Financial Statistics.

U.S.: U.S. Government 3-1/2 Per Cent (1990)

Yield to maturity computed on the average of closing bid prices quoted by five Government security dealers in New York City for Wednesday of each week.

Source: Market data obtained from the Securities Department, Federal Reserve Bank of New York.

Switzerland

Through May 24, 1968 3 Per Cent Swiss Confederation (1967-74).

Yield to maturity calculated from transactions prices (or average of bid offer quotations if no transactions occurred) for Friday of each week.

Source: International Bank for Reconstruction and Development.

Effective August 2, 1968 to date Swiss Government Composite Bond Yield as computed by the Swiss National Bank.

Source: American Embassy in Bern.

U.K.: U.K. Government 3-1/2 Per Cent War Loan (1952)

"Flat" yield calculated from the mean of market bid and offer quotations for Thursday of each week.

Source: September 5, 1958 to December 8, 1961, Financial Times (London).

December 15, 1961 to date, Bank of England.

Euro-Dollar Bonds

Average yield (Friday date) of 4 issues:

Austria, 79/84 - 6%
Denmark, 70/84 - 5-1/2%
Norway, /84 - 5-1/2%
Norway, /85 - 5-1/2%

Source: London Financial Times.

Germany

January 3, 1958 to July 9, 1965: German Federal Railway, 5-1/2 per cent (1958-83).

Source: International Bank for Reconstruction and Development.

July 9, 1965 to October 7, 1970 Federal Government (Public Authority), 6 per cent (1970).

Weekly average of daily yields to maturity computed from an average of daily market quotations.

Source: Frankfurter Allgemeine Zeitung.

January 7, 1969 to date--All Loans of Public Authorities--average weekly yield.

Source: Deutsche Bundesbank.

U.S. Corporate Dollar Euro-Bonds

Average for the month (at or near end of month) of yields to maturity on ten most recent outstanding long-term (10-20 years) U.S. dollar-denominated bonds, issued by U.S. corporations in markets outside the United States (mainly European markets).

1. Series D--based on issues offered in 1968 or earlier and is used for calculating yields for December 1968 through December 1970.
2. Series E--based on issues offered in 1969 or earlier and is used for calculating yields for December 1969 through December 1971.

Source: Morgan Guaranty Trust Co. (N.Y.), World Financial Markets.

U.S. Corporate DM Euro-Bonds

Average for the month, (at or near end of month) of yields on the ten most recent outstanding 10- to 20-years DM denominated Euro-bonds of prime, well-known U.S. corporations.

1. Series D--based on issues offered in 1968 or earlier and is used for calculating yields for December 1968 through December 1970.
2. Series E--based on issues offered in 1969 or earlier and is used for calculating yields for December 1969 through December 1971.

Source: Morgan Guaranty Trust Co. (N.Y.), World Financial Markets.

U.S. Corporate Bonds

Weekly average of daily figures of Aaa corporate bond yields.

Note: effective from December 23, 1967, this series excludes Aaa railroad bonds.

Source: Moody's Investor Service.

CHART 14

Industrial Stock Indices
(1958 = 100)

U.K.

Industrial Ordinary stock index. Closing Friday figures.

Source: The Financial Times (London).

Switzerland

Index of the prices of 39 industrial stocks. Closing Friday figures.

Source: Swiss Bank Corporation.

Germany

Index of the prices of German industrial stocks calculated for the 7th, 15th, 23rd, and final day of each month. Effective March 22, 1968 new German index, based on 1965, will be used. This index is converted to 1958 base.

Source: Deutsche Bundesbank.

U.S.

Weekly average of daily indices of the prices of 425 industrial stocks.

Source: Standard and Poor's, Inc.

Japan

January 1958 to January 1970--Weekly average of daily indices of the prices of 225 industrial and other stocks traded on the Tokyo exchange.

January 9, 1970 to date--Japanese index of all industrial and other stocks traded on the First Section of the Tokyo Stock Exchange. Weekly average (Friday date).

Source: Japan Journal, Inc., Japan Stock Journal.

Canada

Weekly average of daily indices of the prices of 79 industrial stocks calculated for Friday through Thursday of each week.

Source: Financial Post (Toronto).

Note: Current and preceding central bank discount rates for countries covered by H.13 series are shown in a separate table. Sources are the central banks concerned.