

April 14, 1971 No. 501

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

APR 14 1971
FEDERAL RESERVE BANK OF ST. LOUIS

*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

TABLE OF CONTENTS

PART I. EXCHANGE RATES AND GOLD PRICES

- Chart 1A and B - Spot Exchange Rates, Major Currencies against U.S. Dollar
- Chart 2A and B - 3-Month Forward Exchange Rates, Major Currencies against U.S. Dollar
- Chart 3A and B - 3-Month Forward Exchange Rates, Major Currencies against U.K. Pound
- Chart 4 - Gold Price in London

PART II. SHORT-TERM INTEREST RATES

- Chart 5 - Call Money Rates
- Chart 6A and B - London: Euro- $\text{\$}$ Deposit Rates
- Chart 7A and B - New York - London: Yields on U.S. Dollar Funds
- Chart 8A and B - London: Covered Yields on U.S. Dollar Funds
- Chart 9A and B - Interest Arbitrage: United States-United Kingdom
- Chart 10A and B - Interest Arbitrage: U.S.-Germany and U.S.-Switzerland
- Chart 11 - Interest Arbitrage: United States-Canada
- Chart 12A and B - Selected Short-term Interest Rates

PART III. LONG-TERM INTEREST RATES AND STOCK INDICES

- Chart 13 - Long-Term Bond Yields
- Chart 14 - Industrial Stock Indices

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

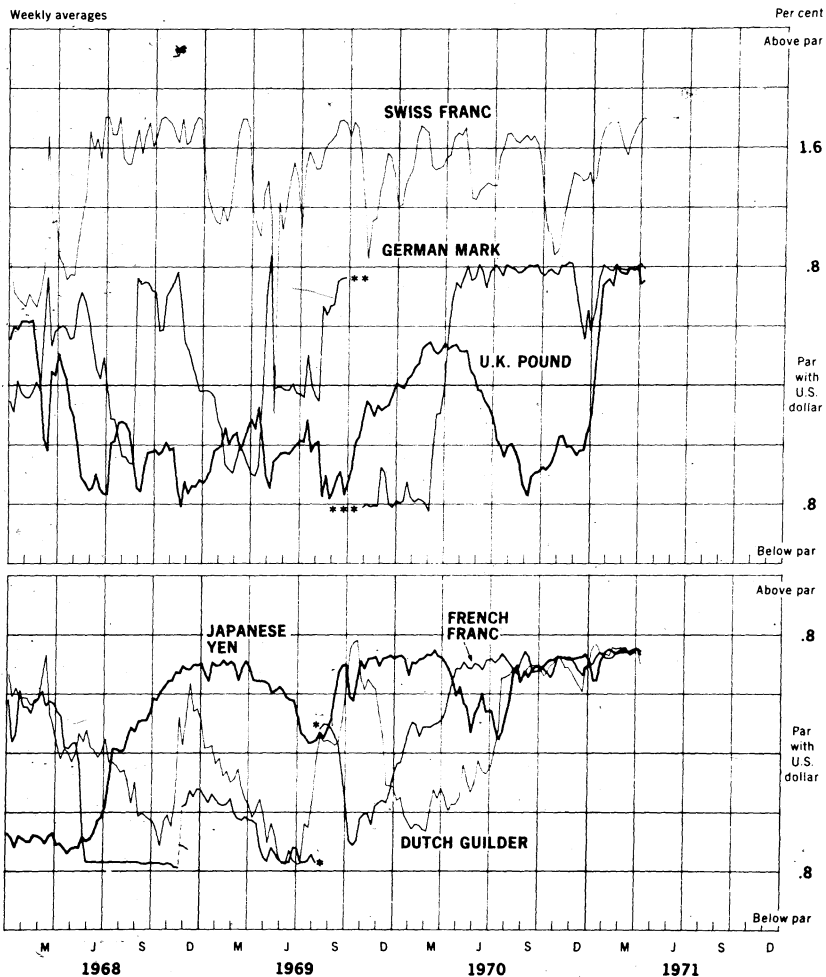
NOTE: This series is a continuation of the CAPITAL MARKETS DEVELOPMENTS ABROAD, which has been published under that title through December 31, 1968. The changes in the format and order of the charts are fully explained in the Supplement to the series, which accompanied issue dated January 1, 1969.

3

Chart 1A

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

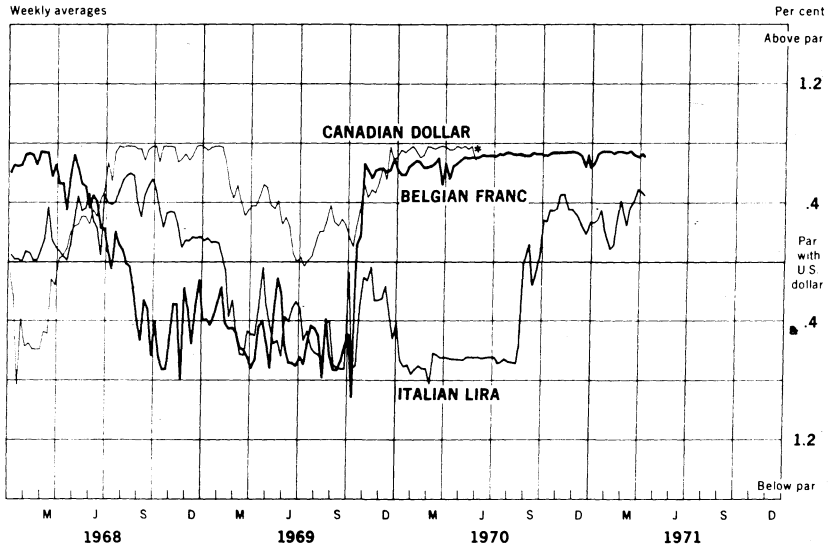
Weekly averages



* 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.

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

Weekly averages

Per cent per annum

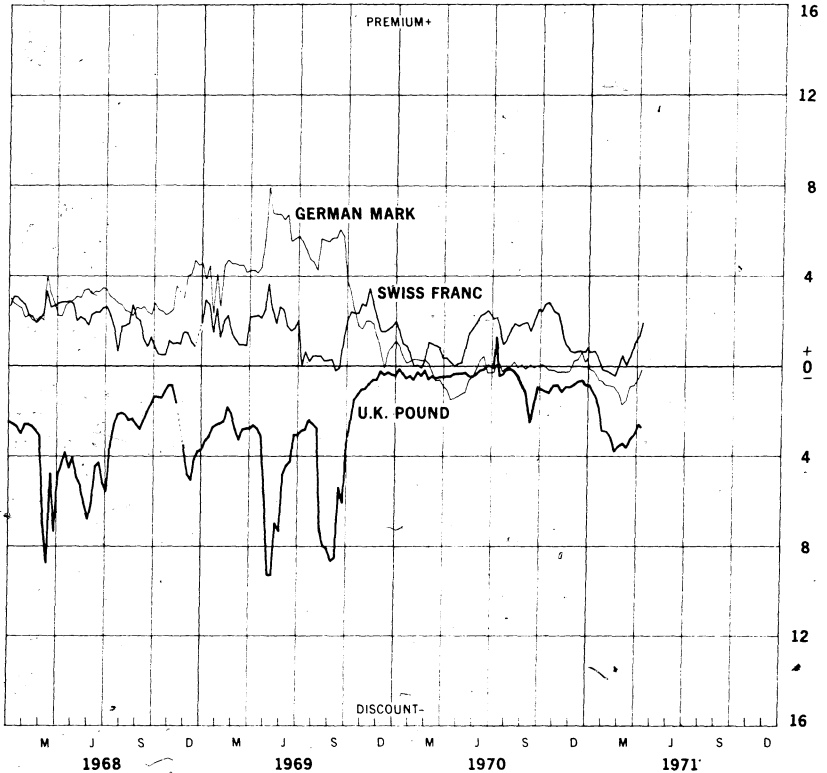
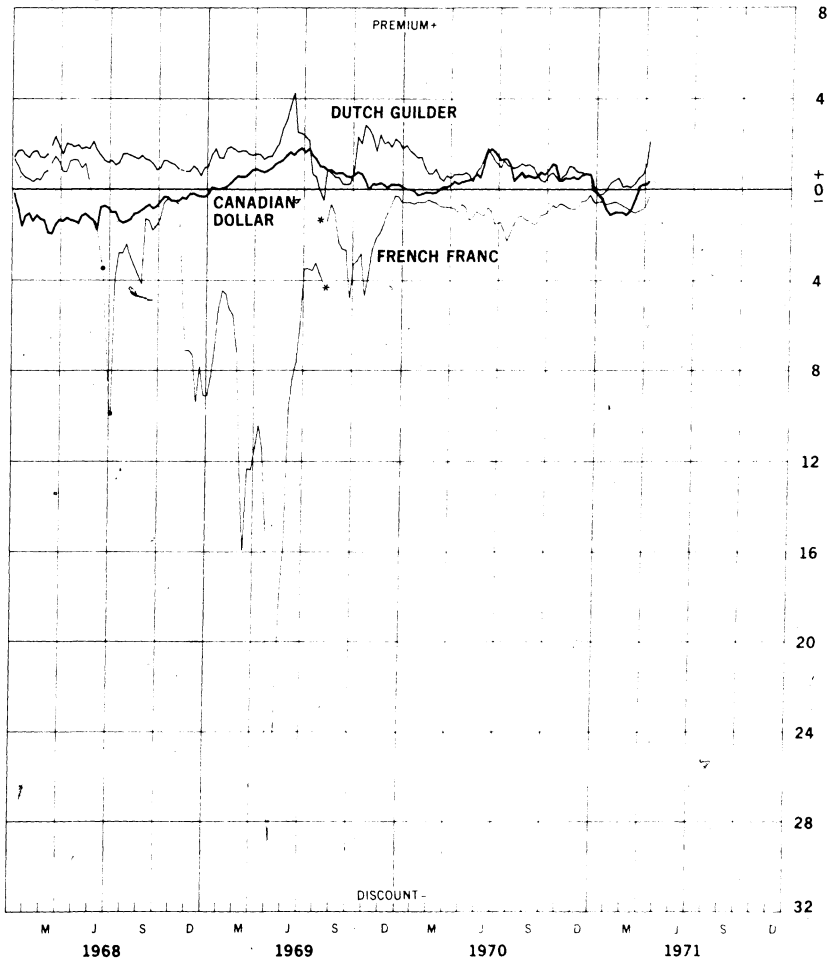


Chart 2B

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

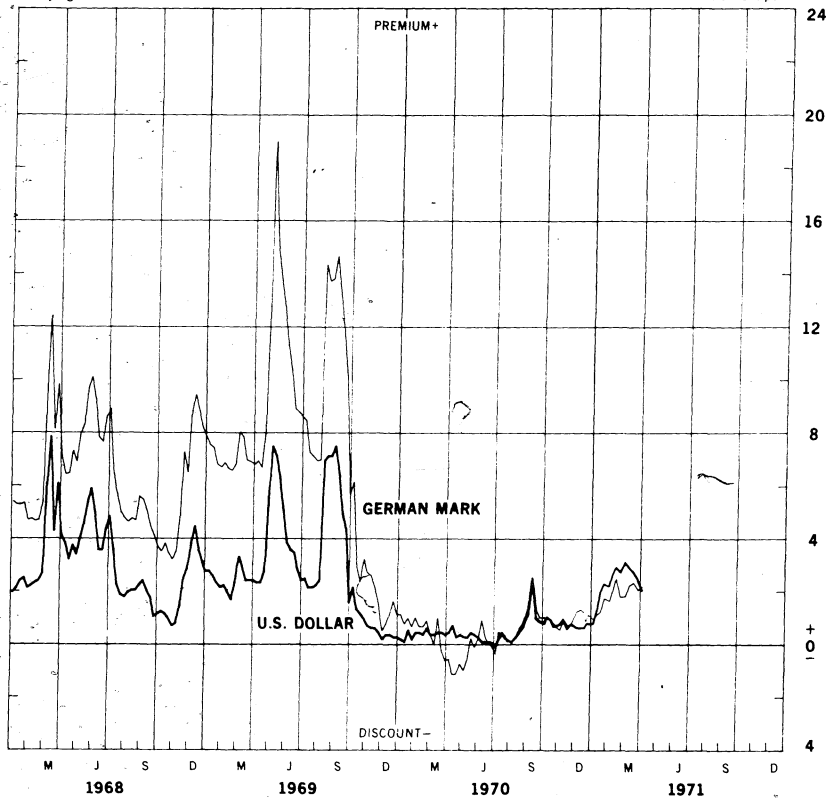
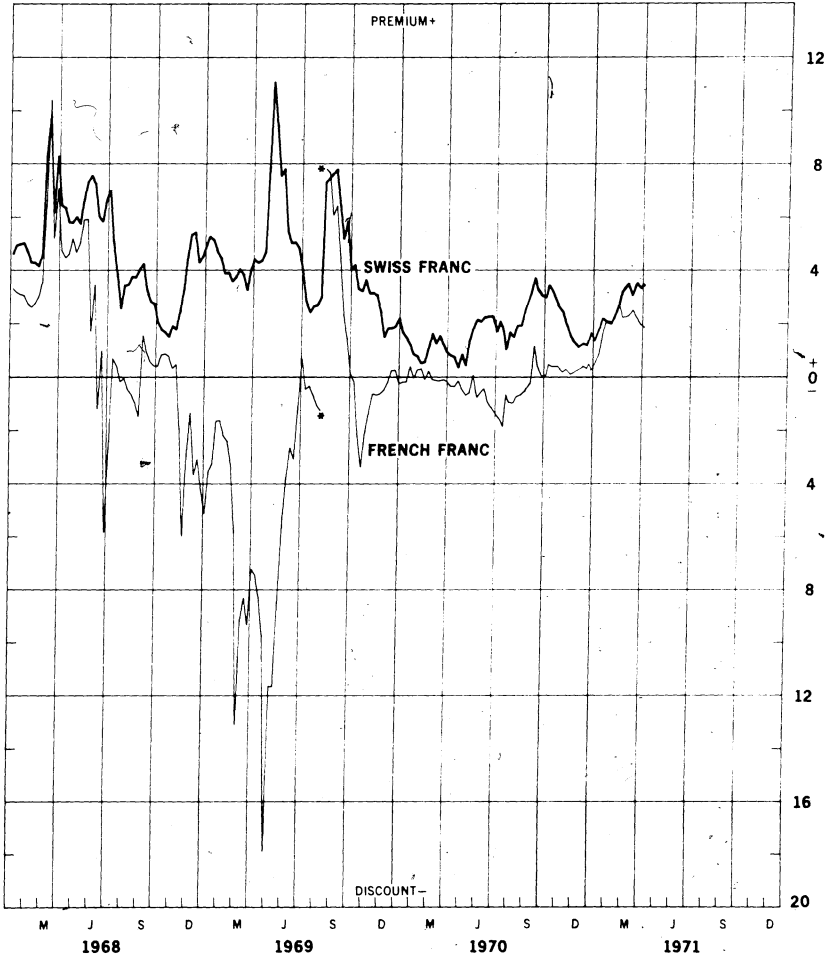


Chart 3B

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

Friday figures

Per cent per annum



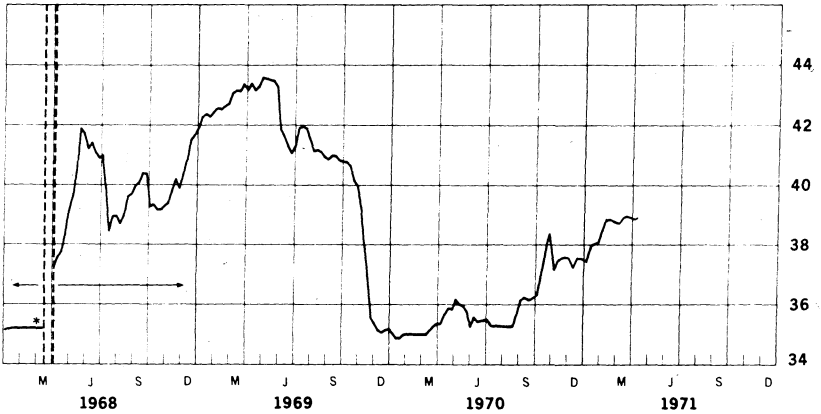
*Devaluation of the French franc from 4.94 to 5.55 for \$1.00.

Chart 4

GOLD PRICE IN LONDON, 12.5 Kg BARS

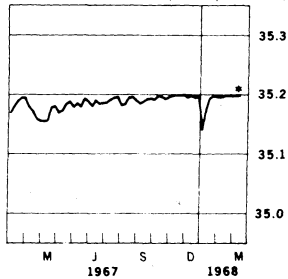
Week's average of afternoon fixings

U.S. dollar equivalent per fine ounce



MARKET SUPPORTED BY GOLD POOL

U.S. dollar equivalent per fine ounce

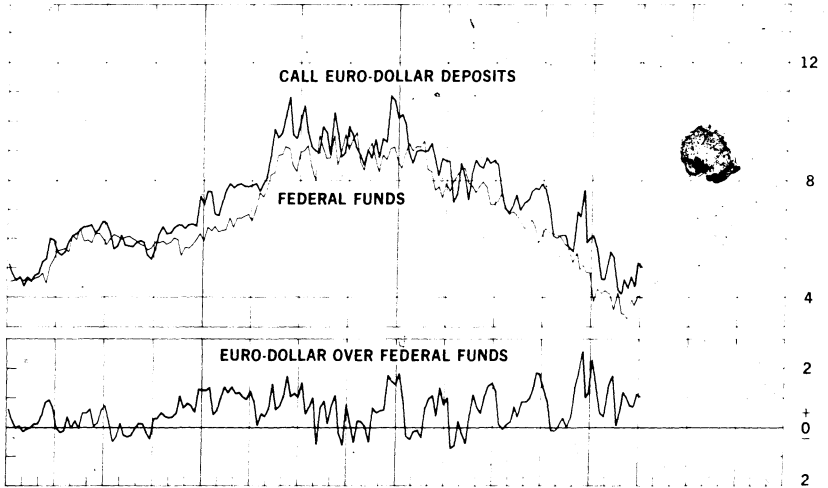


* Market closed March 15-April 1, 1968

CALL MONEY RATES

DOLLAR FUNDS
Weekly averages

Per cent per annum



EURO-CURRENCIES
Weekly averages

Per cent per annum

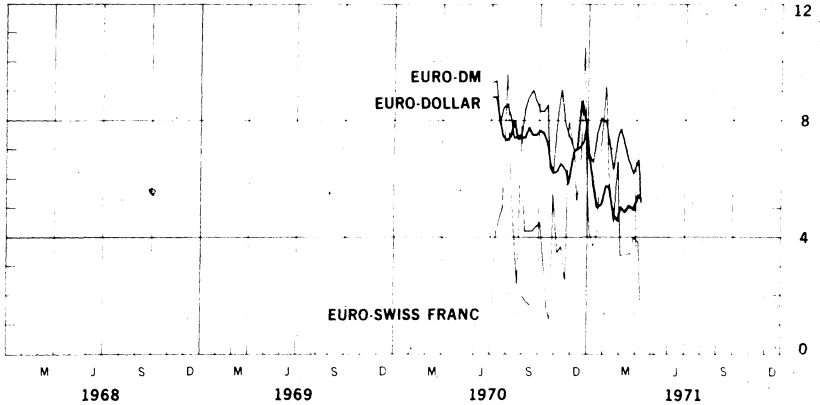


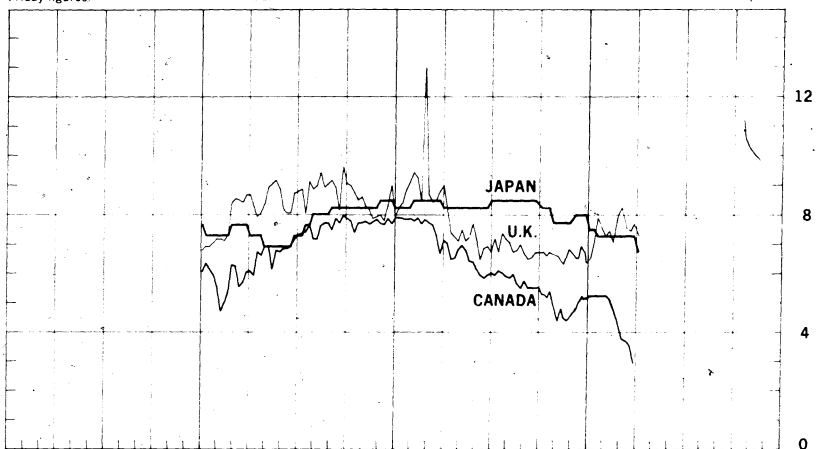
Chart 5B

CALL MONEY RATES

FOREIGN CURRENCIES*

Friday figures

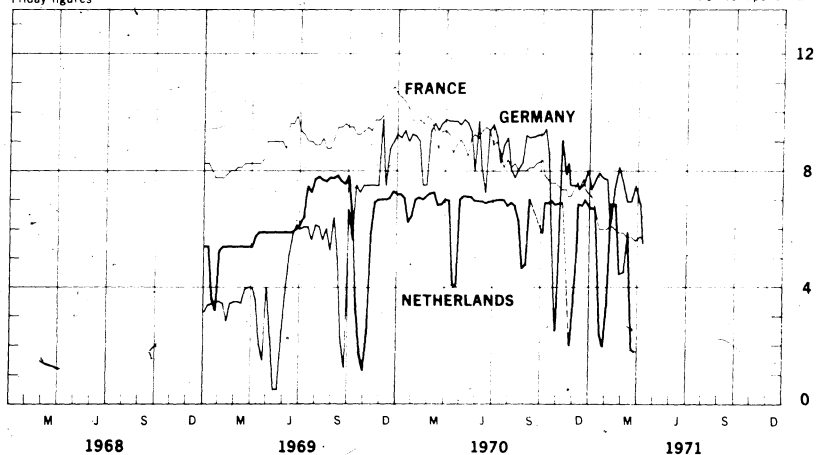
Per cent per annum



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.

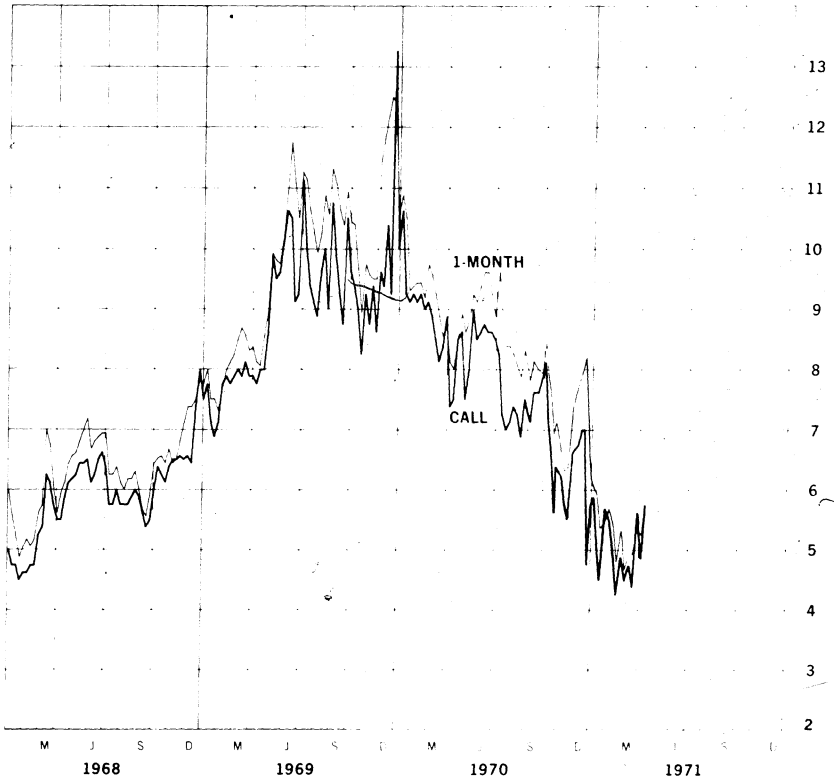
** Germany, Call Money; France, Day-to-day Money; Netherlands, Call Money, weekly average.

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

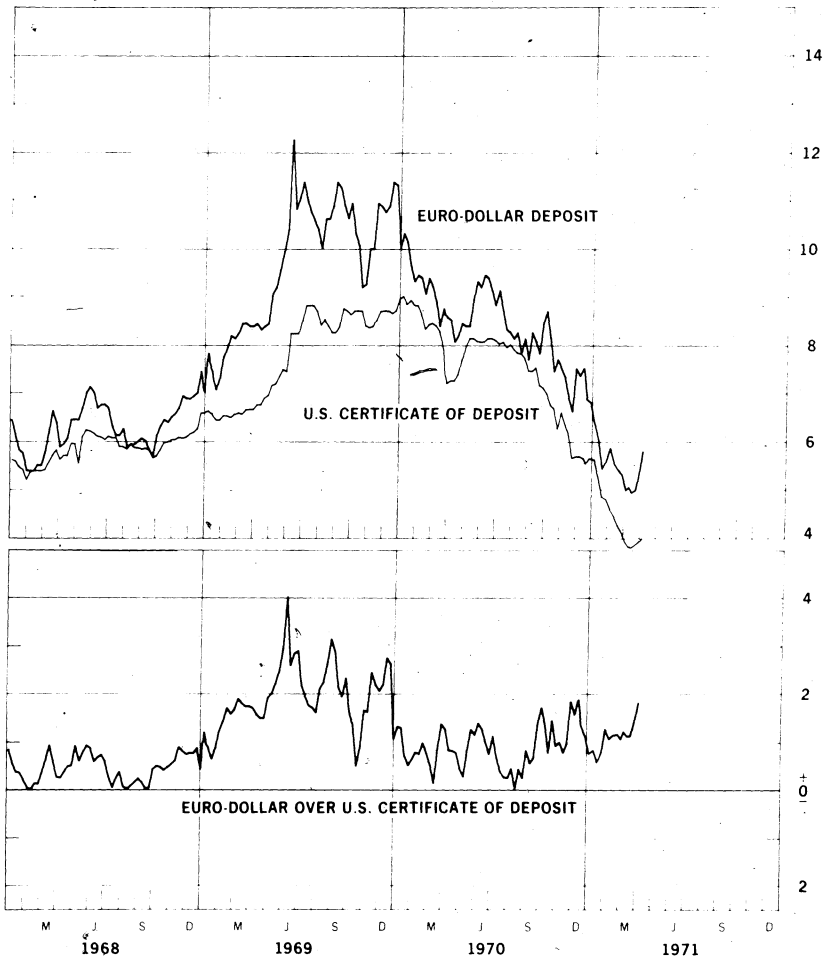


NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS

3-MONTH DOLLAR DEPOSIT RATES—SECONDARY MARKET

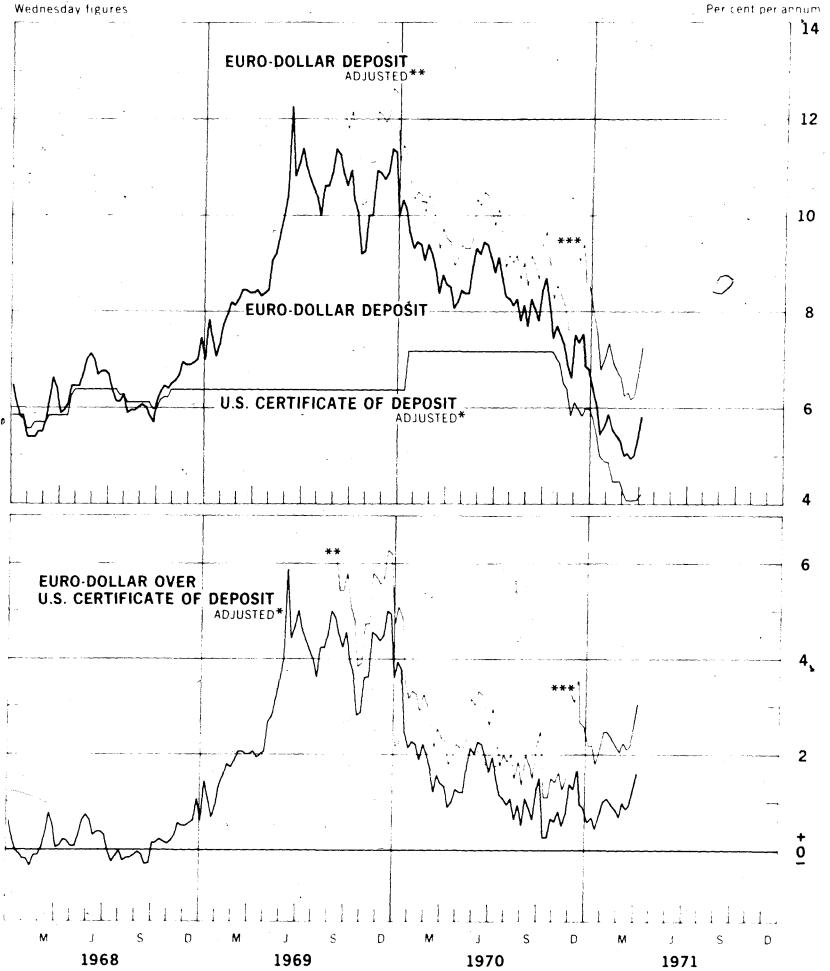
Wednesday figures

Per cent per annum



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

3-MONTH DOLLAR DEPOSIT RATES—PRIMARY MARKET
 Wednesday figures



* 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

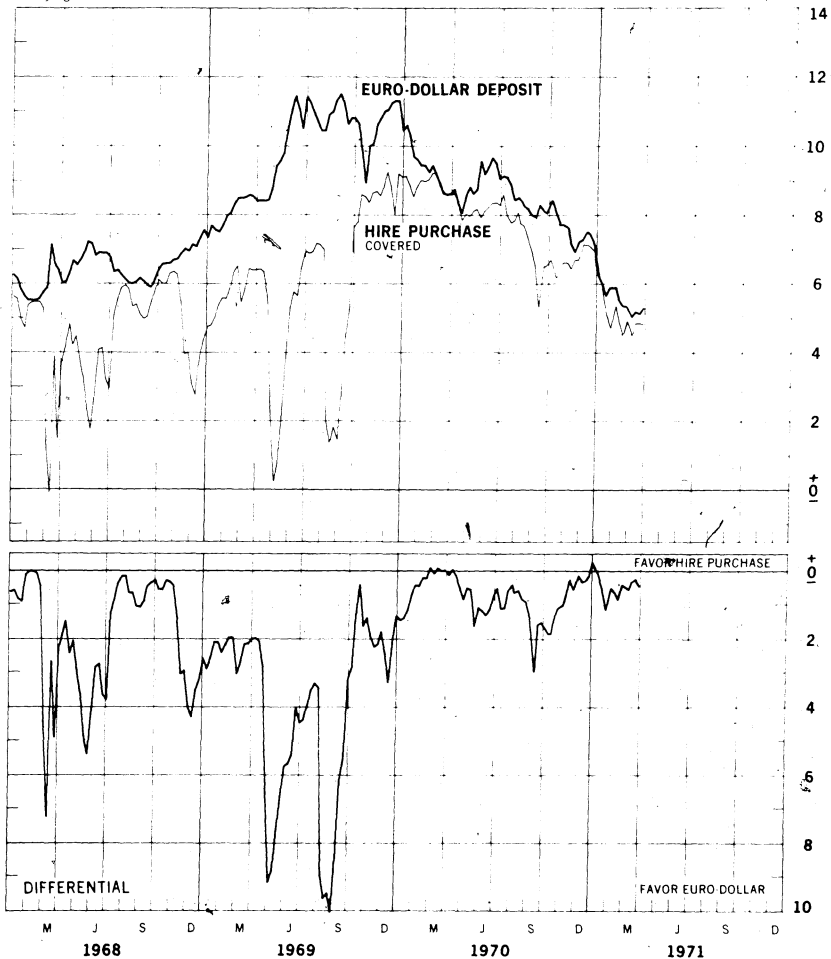


Chart 8B

LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

LOCAL AUTHORITY AND EURO-DOLLAR RATES

Friday figures

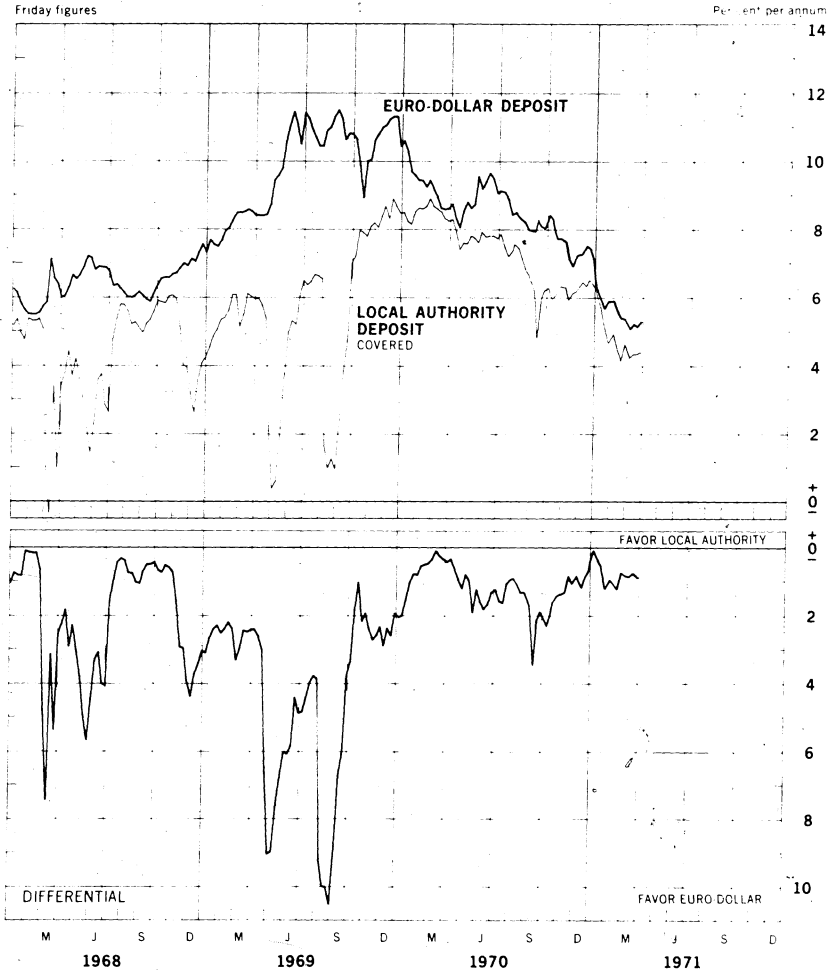
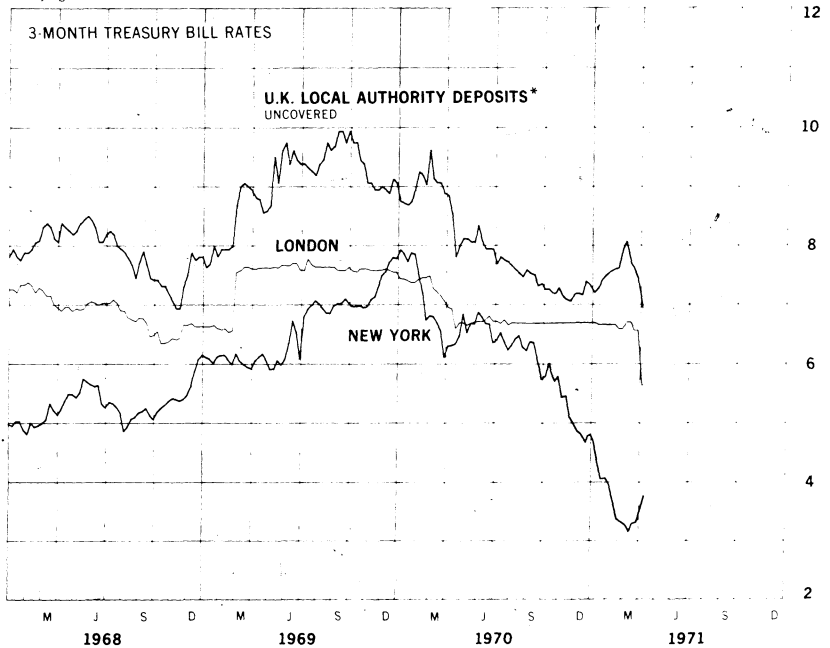


Chart 9A

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures



* Plotted for comparison purposes

Chart 9B

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

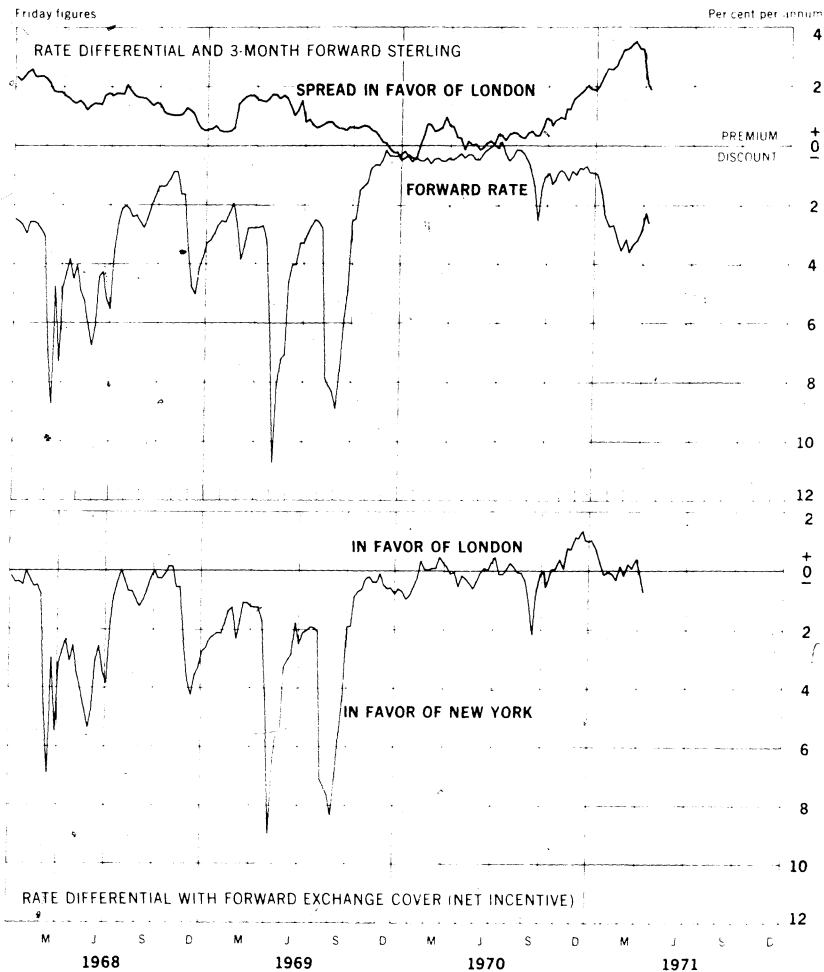


Chart 10A

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

FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE
Wednesday rates

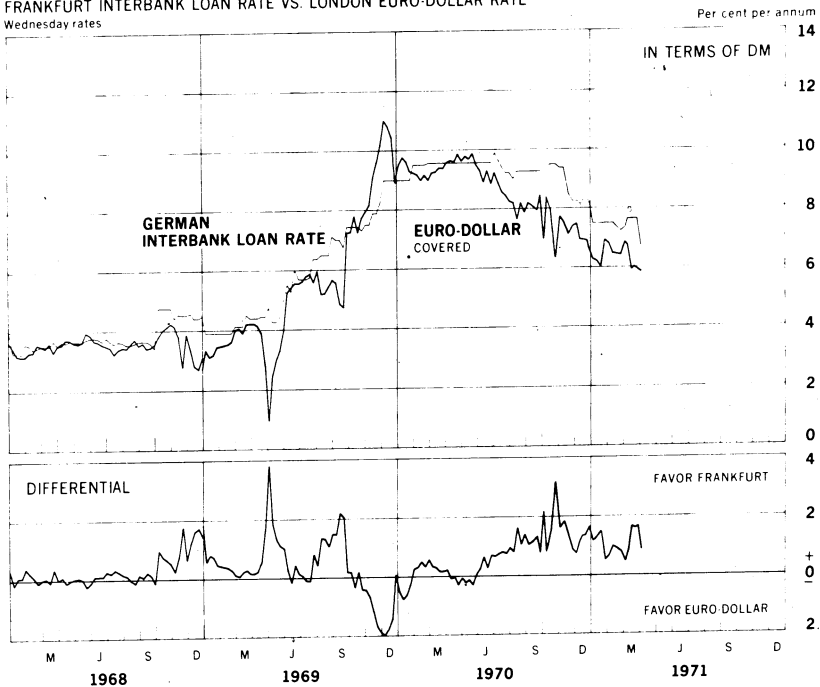


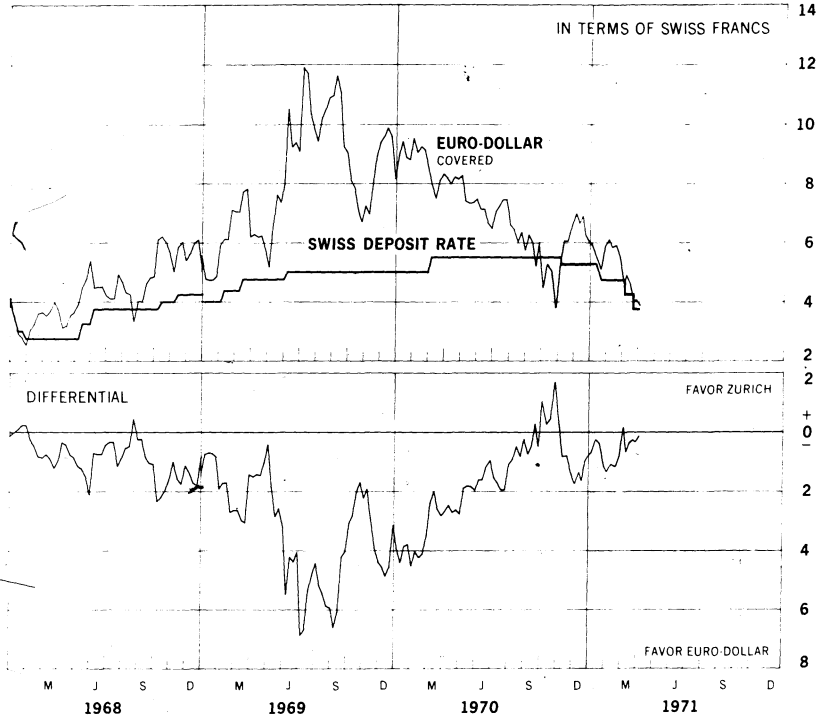
Chart 10B

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

ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates

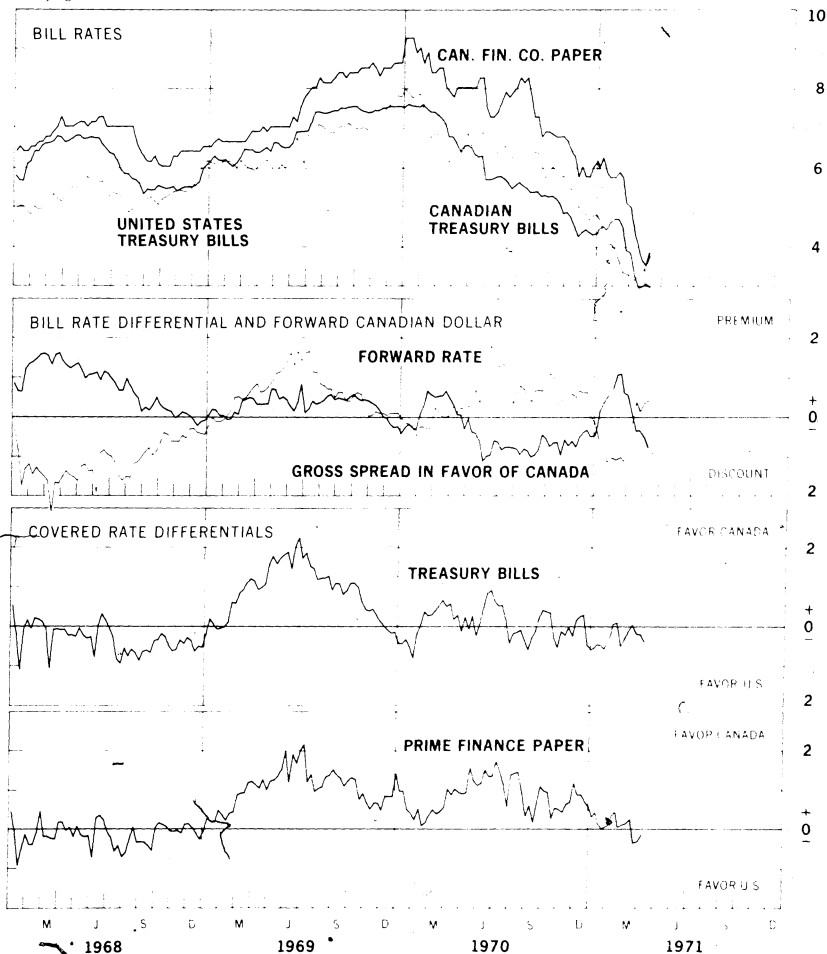
Per cent per annum



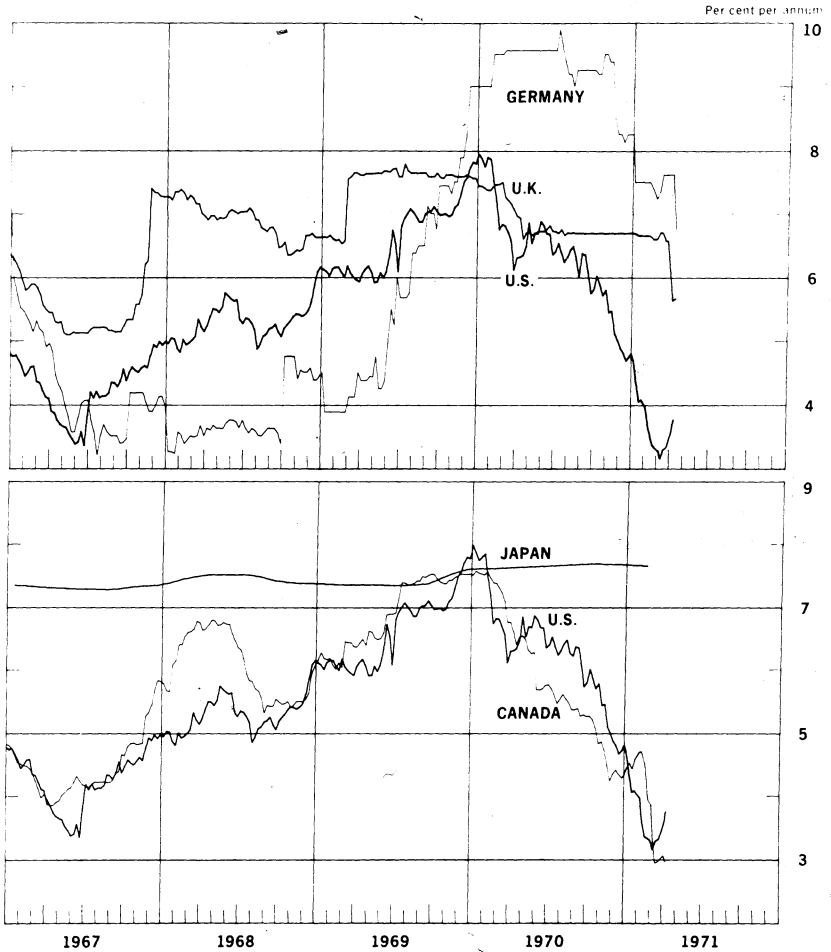
3-MONTH INTEREST ARBITRAGE: UNITED STATES - CANADA

Friday figures

Percent per annum



SELECTED SHORT-TERM INTEREST RATES*

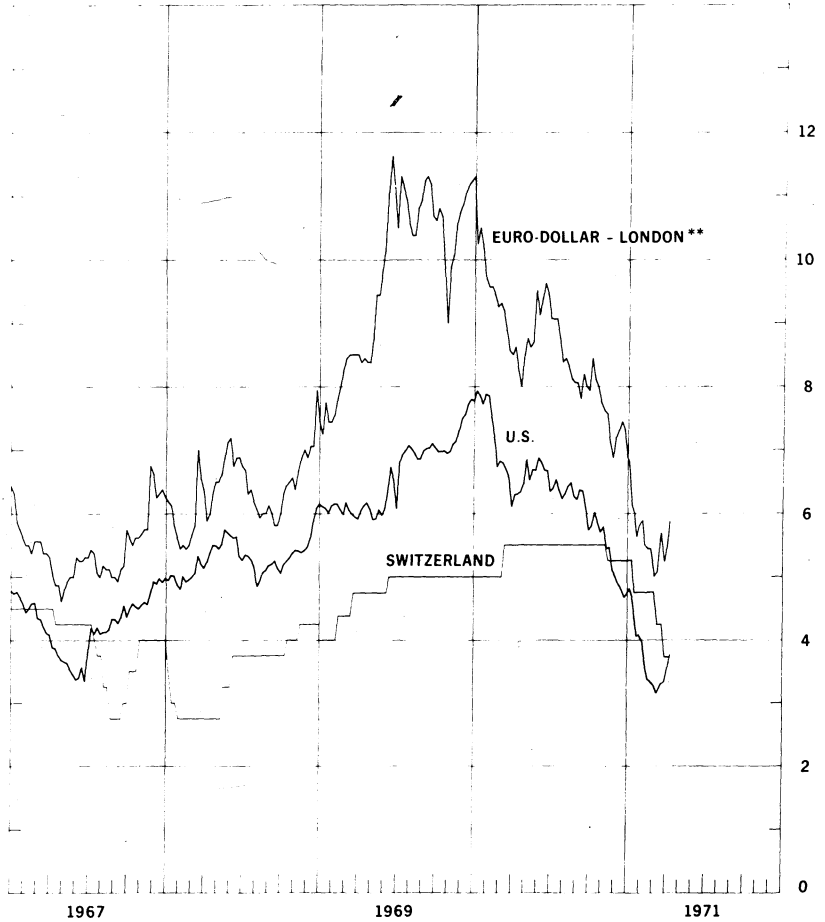


* 3 month treasury bill rates for all countries except Japan (Average rate on bank loans and discounts) and Germany (Interbank Loan Rate)

Chart 12B

SELECTED SHORT-TERM INTEREST RATES *

Per cent per annum



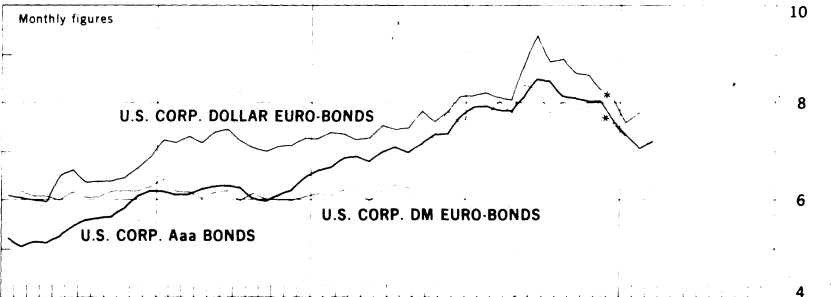
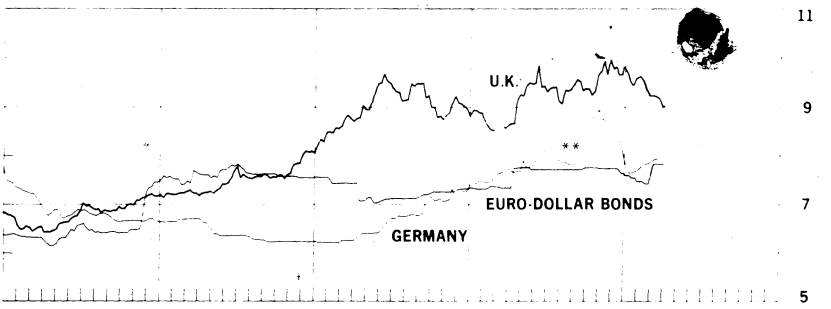
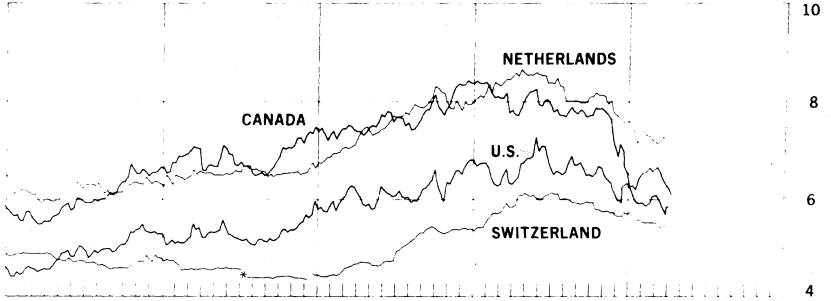
* 3 month treasury bill rate for U.S. Switzerland—3 month deposit rate
** 3 month rate for U.S. dollar deposits in London

Chart 13

LONG-TERM BOND YIELDS

Weekly figures

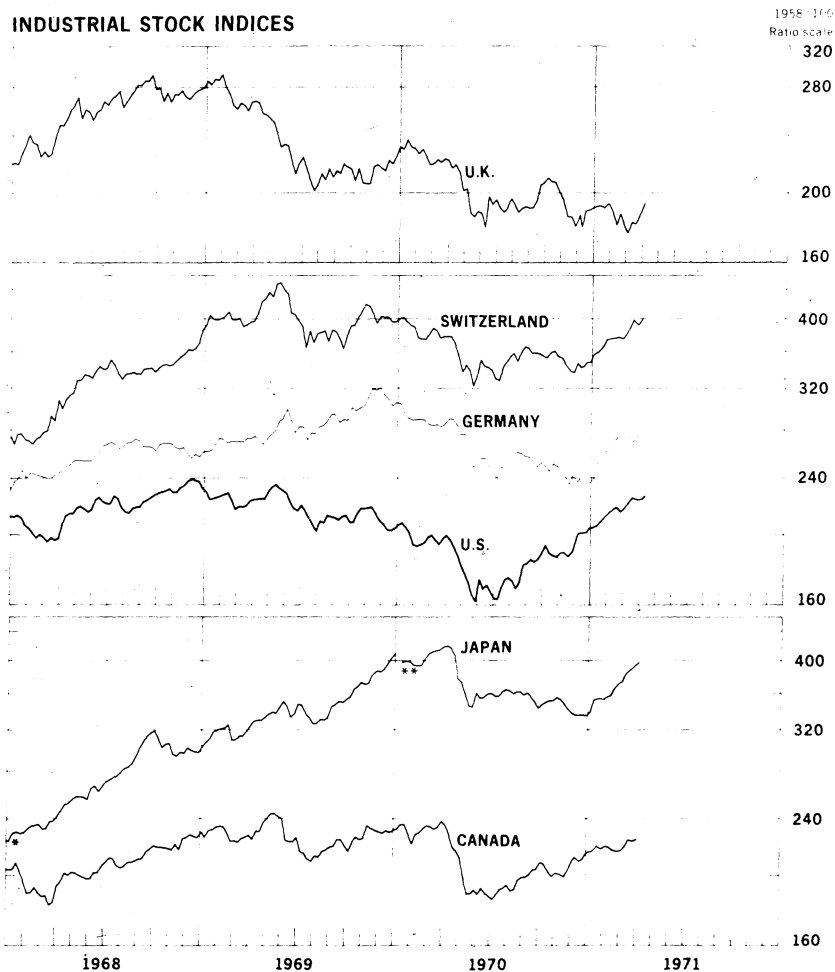
Per cent per annum



* 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

IV. SELECTED CENTRAL BANK DISCOUNT RATES

27

Country	Current Rate	In Effect Since	Previous Rate	In Effect Since
E.E.C.:				
Belgium	6.0	Mar. 25, 1971	6.5	Dec. 10, 1970
France	6.5	Jan. 8, 1971	7.0	Oct. 20, 1970
Germany	5.0	Apr. 1, 1971	6.0	Dec. 3, 1970
Italy	5.0	Apr. 5, 1971	5.5	Mar. 9, 1970
Netherlands	5.5	Apr. 5, 1971	6.0	Aug. 4, 1969
Switzerland	3.75	Sept. 15, 1969	3.0	July 10, 1967
United Kingdom	6.0	Apr. 1, 1971	7.0	Apr. 15, 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	April 9	+ 1.796
		German mark	"	+ 0.786
		U.K. pound	"	+ 0.712
	Lower	Dutch guilder	"	+ 0.602
		French franc	"	+ 0.666
		Japanese yen	"	+ 0.694
1B		Belgian franc	"	+ 0.704
		Italian lire	"	+ 0.448
		Canadian dollar	--	--
2A		German mark	April 9	- 0.13
		Swiss franc	"	+ 1.95
		U.K. pound	"	- 2.79
2B		Dutch guilder	"	+ 2.10
		Canadian dollar	"	+ 0.36
		French franc	"	- 0.30
3A		German mark	April 2	+ 2.22
		U.S. dollar	"	+ 2.05
3B		Swiss franc	"	+ 3.47
		French franc	"	+ 1.89
4		Gold price, U.S. dollar per ounce	April 9	38.90
5A	Upper	Call Euro-\$ deposits	April 7	5.00
		Federal Funds	"	3.98
	Middle	Differential	"	+ 1.02
	Lower	Euro-currencies; Euro \$	" 9	5.33
		Euro DM	" "	5.19
Euro Swiss Fr.		" "	1.84	
5B	Upper	Japan, Unconditional Money	April 2	6.75
		U.K., 2-day Local Author. Deps.	" 2	7.25
		Canada, Day-to-day Loans	April 7	2.90
	Lower	France, Day-to-Day Money	April 9	5.62
		Germany, Call Money	April 8	5.50
		Netherlands, Call Money	March 26	1.78

Chart	Panel	Series	Date	Rate
6A		Euro-\$ Call Rate	April 8	5.75
		Euro-\$ 1-month Rate	"	5.75
6B		Euro-\$ 3-month Rate	"	5.88
		Euro-\$ 6-month Rate	"	6.25
7A	Upper	Euro-\$ 3-month Deposits	April 7	5.81
		U.S. Certificate of Deposits	"	3.99
	Lower	Differential	"	+ 1.82
7B	Upper	Euro-\$ 3-month Deposits	"	5.81
		Euro-\$ 3-month Deposits (Adj.)	"	7.26
		U.S. Certificate of Deposits (Adj.)	"	4.21
	Lower	Differential: on Adj. Euro-\$ Deposits	"	+ 3.05
		on Unadj. Euro-\$ Deposits	"	+ 1.60
8A	Upper	Euro-\$ 3-month Deposits	March 26	5.31
		Hire Purchase Deposits (covered)	"	4.82
	Lower	Differential	"	- 0.49
8B	Upper	Euro-\$ 3-month Deposits	"	5.31
		Local Authority Deposits (covered)	"	4.41
	Lower	Differential	"	- 0.90
9A		U.S. Treasury Bill rate	April 8	3.78
		U.K. Treasury Bill rate	"	5.67
		Local Authority Deposit (uncovered)	April 2	6.94
9B	Upper	Spread (+/- favor London)	April 8	+ 1.89
		3-month Forward Pound	"	- 2.61
	Lower	Net Incentive (+/- favor London)	"	- 0.72

Chart	Panel	Series	Date	Rate
10A	Upper	Euro-\$ Deposits (covered)	April 7	5.85
		German Interbank Loan rate	"	6.75
	Lower	Differential	"	+ 0.90
10B	Upper	Euro-\$ Deposits (covered)	"	3.87
		Swiss Deposit rate	"	3.75
	Lower	Differential	"	- 0.12
11	Upper	Canadian Finance Paper	April 8	3.88
		U.S. Treasury Bill rate	"	3.78
		Canadian Treasury Bill rate	"	2.98
		U.S. Prime Finance paper (not plotted)	"	4.13
	Second	Bill rate differential	"	- 0.80
		Forward Canadian dollar	"	+ 0.40
	Third	Net incentive on bills	"	- 0.40
	Bottom	Net incentive on Finance Paper	"	- 0.15
12A	Upper	U.K. Treasury Bill rate	April 8	5.67
		U.S. Treasury Bill rate	"	3.78
		German Interbank Loan rate	"	6.75
	Lower	Japanese Average rate	February	7.676
		Canadian Treasury Bill rate	April 8	2.98
		U.S. Treasury Bill rate	"	3.78
12B		Euro-\$ Deposits	"	5.88
		Swiss 3-month Deposit rate	"	3.75
		U.S. Treasury Bill rate	"	3.78

Chart	Panel	Series	Date	Rate	
13	Upper	Netherlands	March 26	7.17	
		Canada	March 31 - 6.23	April 7	6.09
		United States		April 7	5.84
		Switzerland		March 26	5.44
	Middle	* Germany		" 23	7.92
		United Kingdom		April 2	9.02
		Euro-dollar bonds		"	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		March	7.21
14	Upper	Switzerland	April 2	399.7	
		Germany	March 31	275.20	
		United States	April 9	227.35	
	Middle	United Kingdom	" 2	193.83	
		Canada	" 1	225.06	
	Lower	** Japan	" 2	398.01	
		United States	" 9 *	227.35	

* 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.