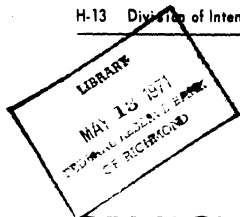


May 5, 1971 No. 504

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



*Bd. of Gov...
Capital Market
N.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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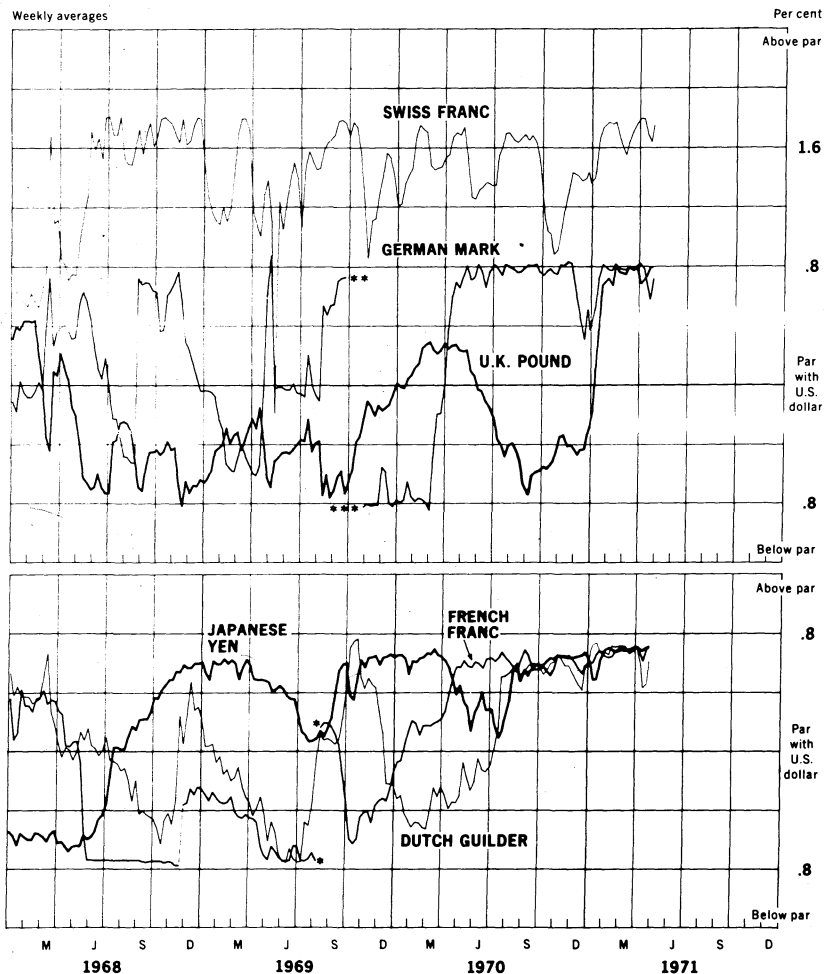
PART IV. SELECTED CENTRAL BANK DISCOUNT RATES AND LATEST FIGURES PLOTTED ON THE CHARTS

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.

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.

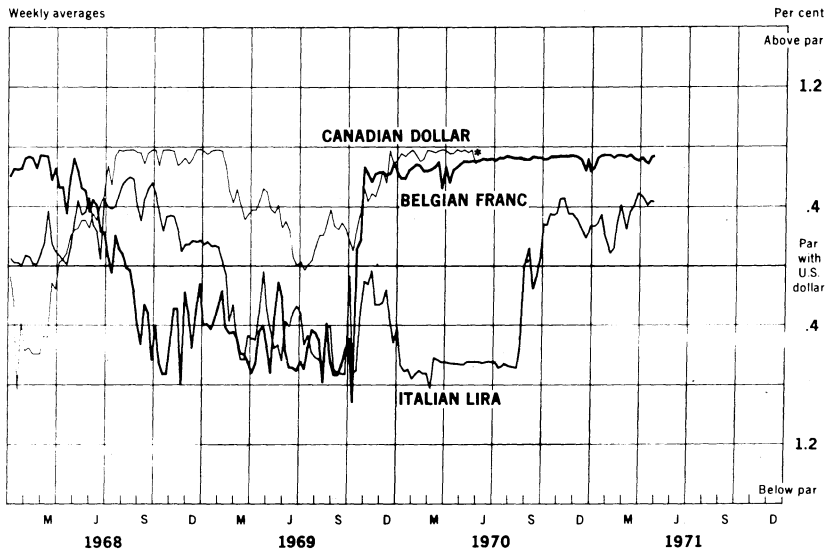
** DM rate not supported by the Bundesbank.

*** 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



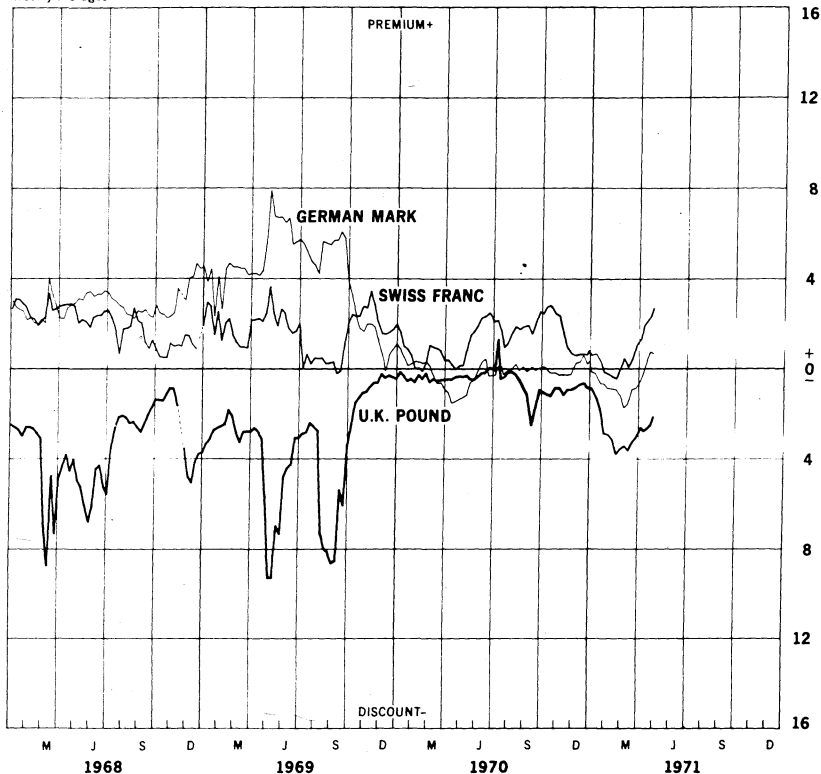
* Can. \$ rate not supported by Bank of Canada

Chart 2A

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

Weekly averages

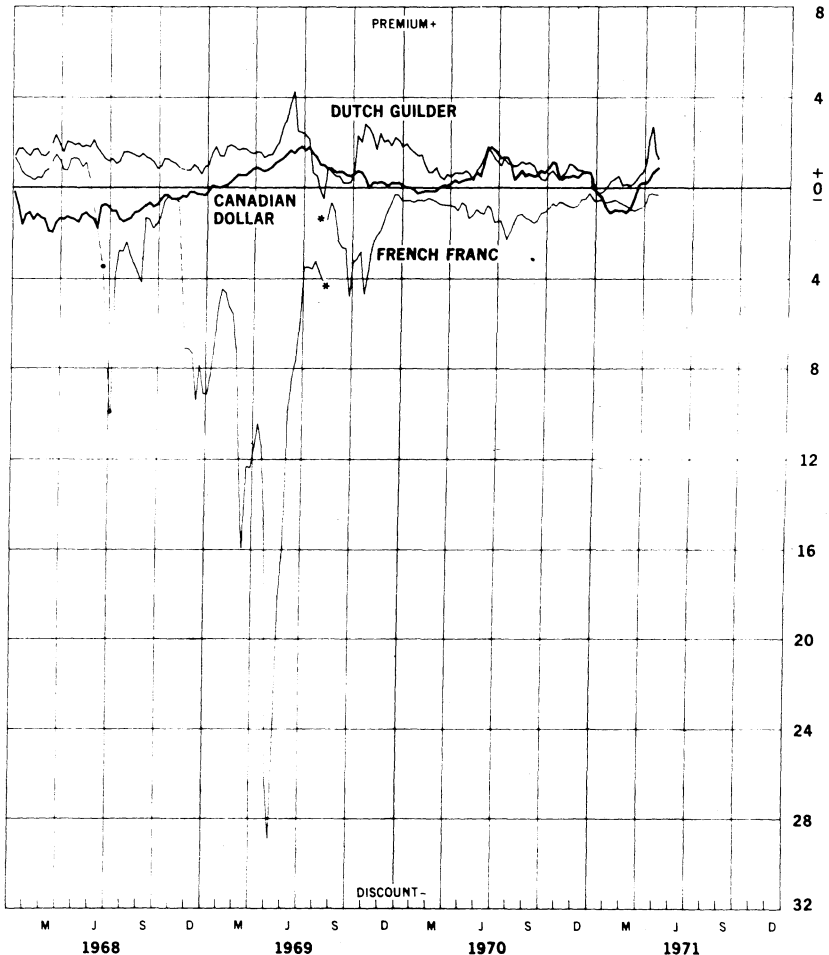
Per cent per annum



3-MONTH FORWARD EXCHANGE - 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.

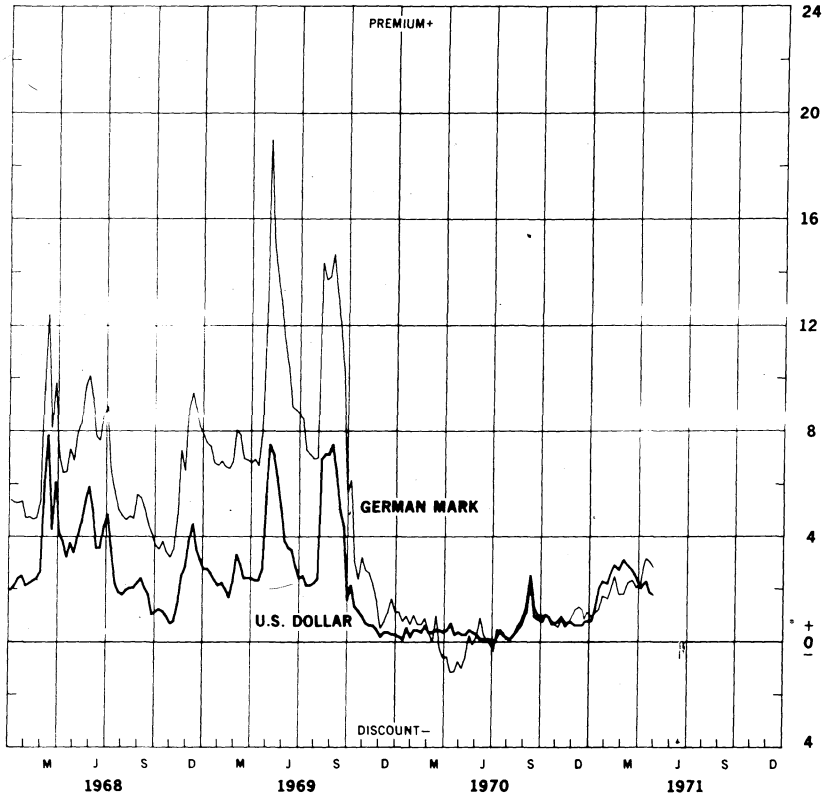
** Can. \$ rate not supported by Bank of Canada.

Chart 3A

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

Friday figures

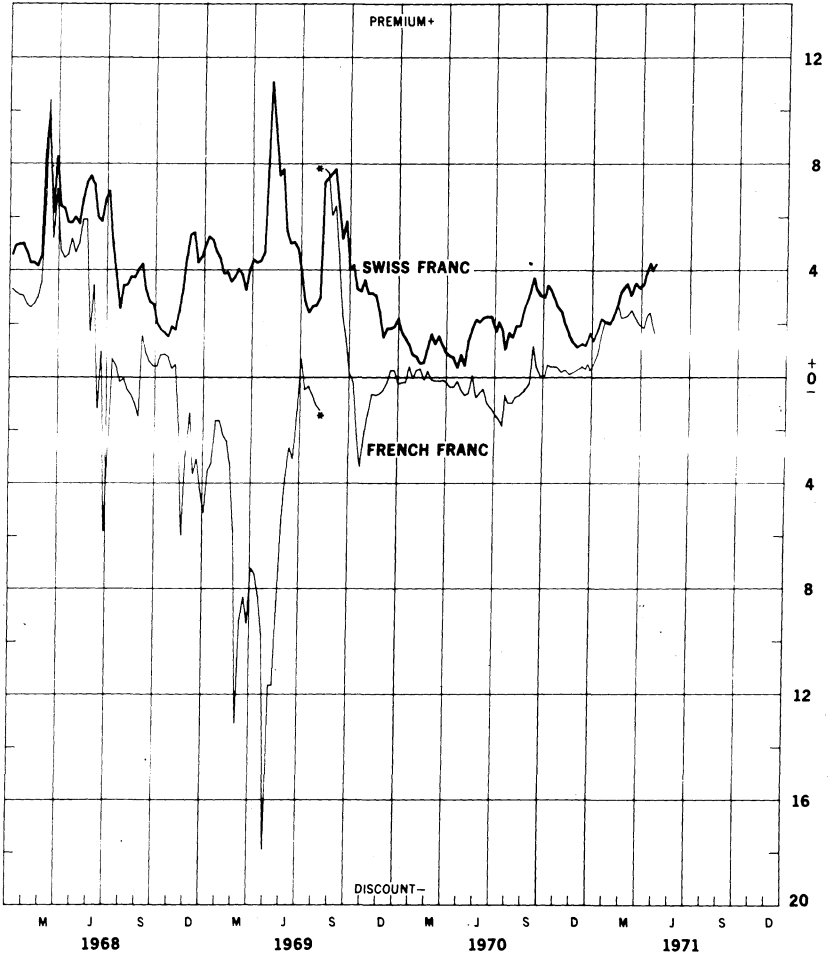
Per cent per annum



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

Friday figures

Per cent per annum



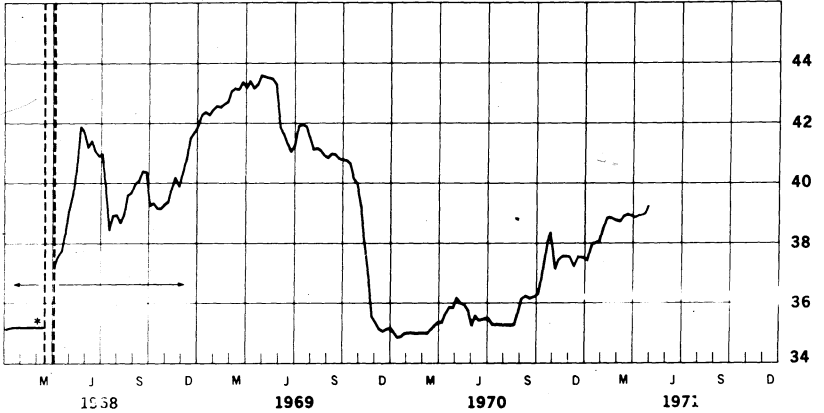
*Devaluation of the French franc from 4.94 to 5.55 for \$1.00

Chart 4

GOLD PRICE IN LONDON, 12.5 Kg BARS

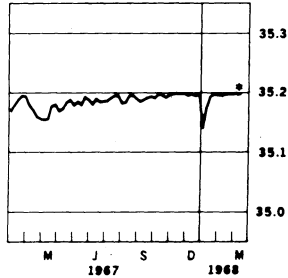
Week's average of afternoon fixings

U.S. dollar equivalent per fine ounce



MARKET SUPPORTED BY GOLD POOL

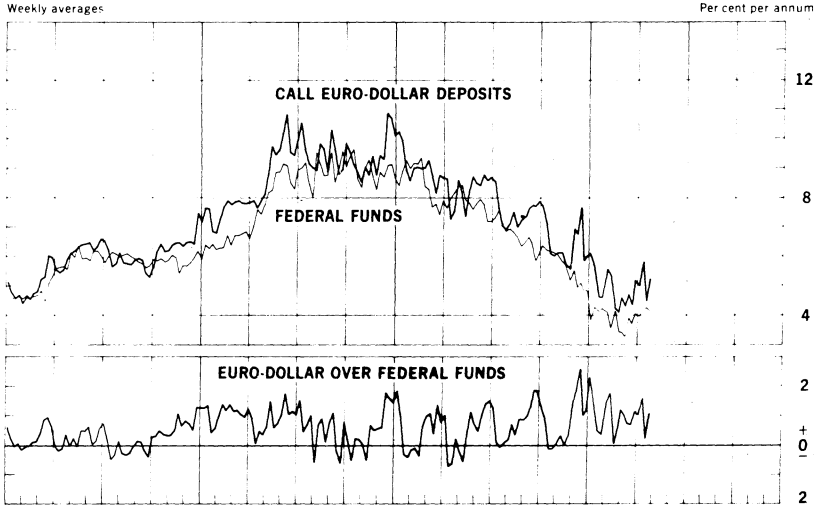
U.S. dollar equivalent per fine ounce



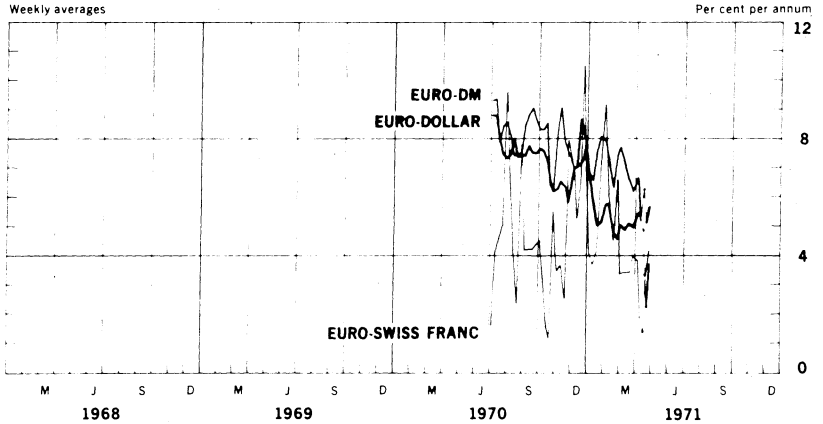
* Market closed March 15-April 1, 1968

CALL MONEY RATES

DOLLAR FUNDS
Weekly averages



EURO-CURRENCIES
Weekly averages



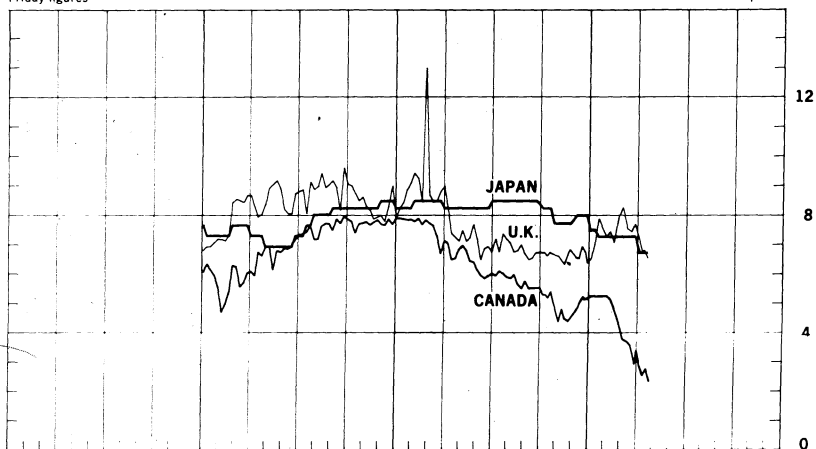
11
Chart 5B

CALL MONEY RATES

FOREIGN CURRENCIES*

Friday figures

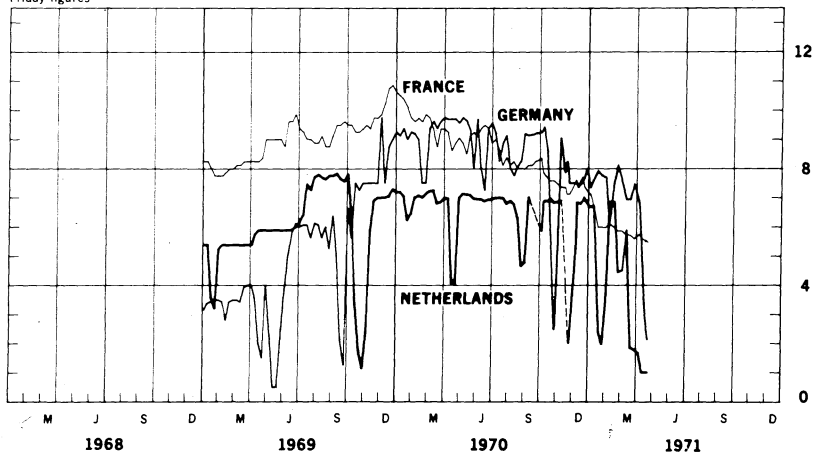
Per cent per annum



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.

LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum

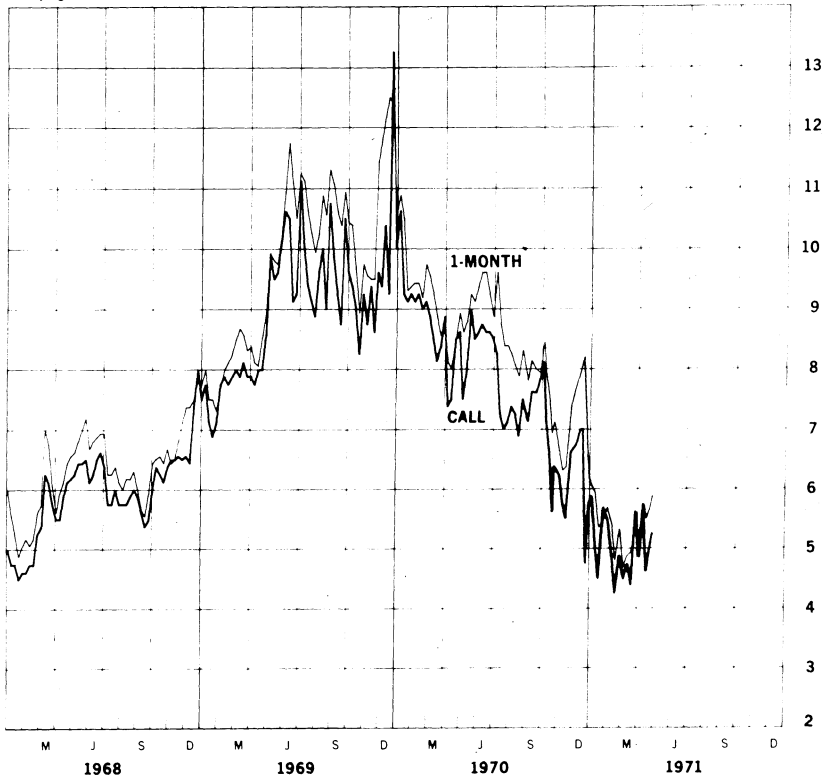
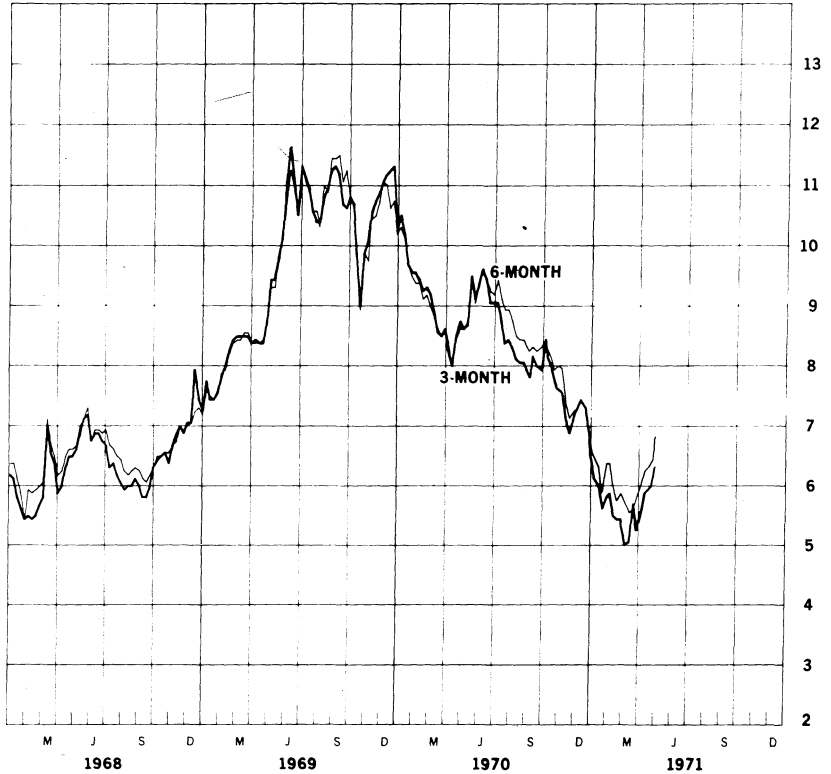


Chart 6B

LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum

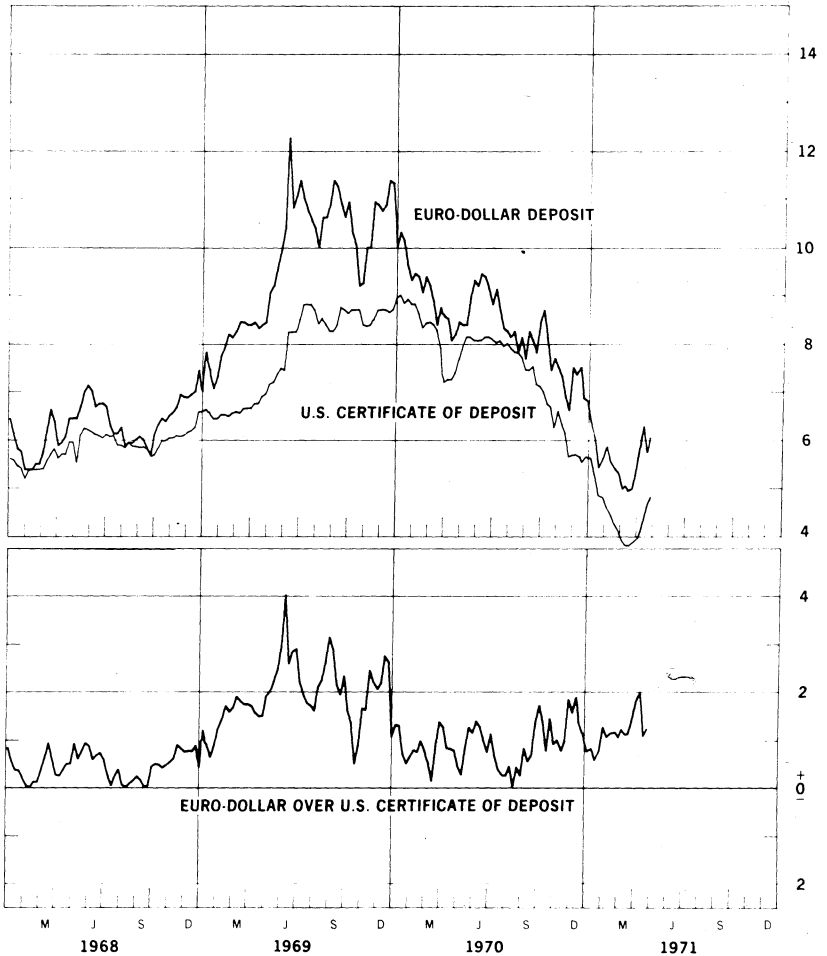


NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS

3 MONTH DOLLAR DEPOSIT RATES—SECONDARY MARKET

Wednesday figures

Per cent per annum

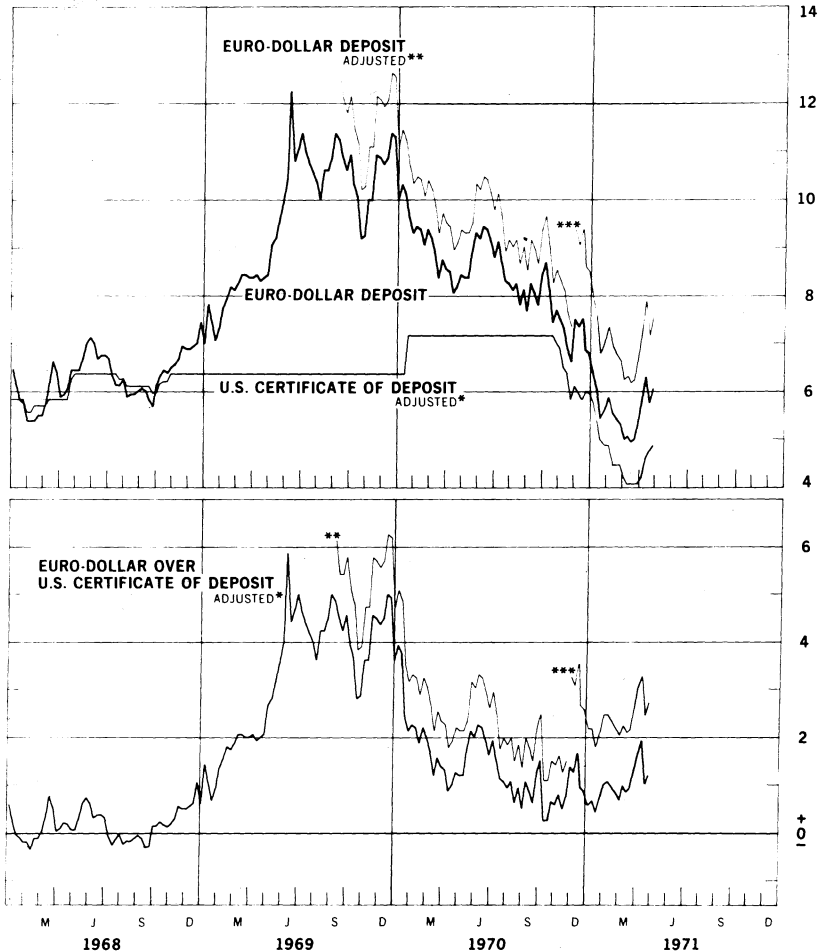


NEW YORK-LONDON: COSTS OF U.S. DOLLAR FUNDS

3 MONTH DOLLAR DEPOSIT RATES—PRIMARY MARKET

Wednesday figures

Per cent per annum



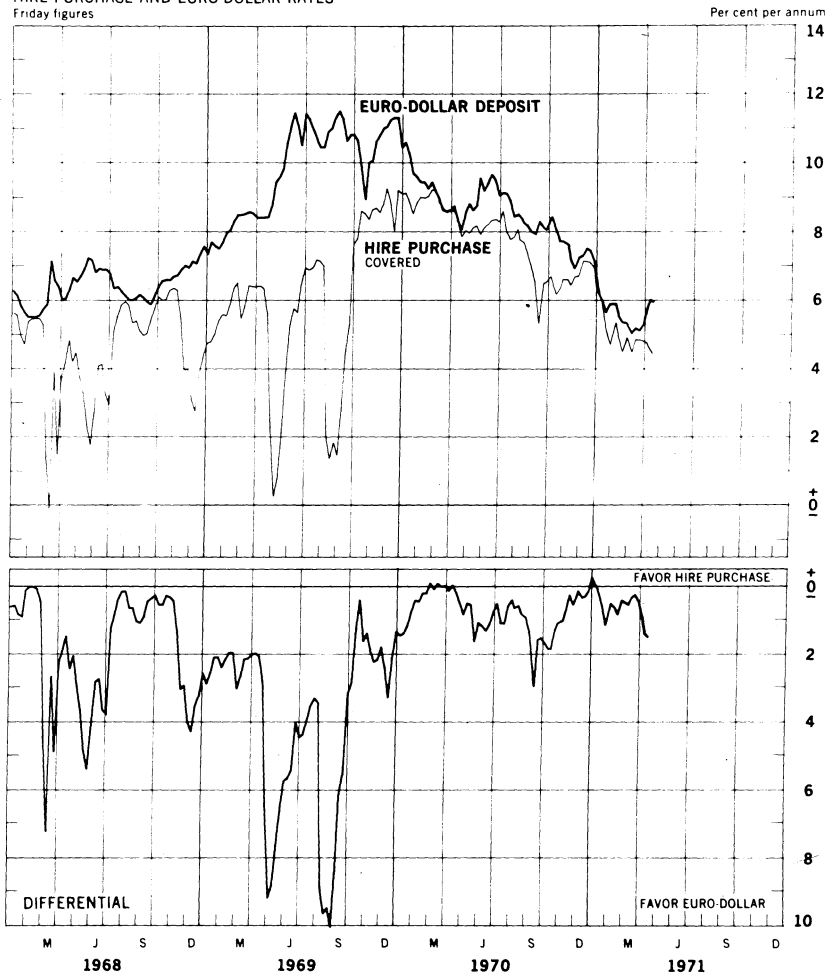
* Adjusted for Reserve Requirement

** Adjusted for 10% Marginal Reserve Requirement

*** Adjusted for 20% Marginal Reserve Requirement

LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

HIRE PURCHASE AND EURO-DOLLAR RATES
Friday figures

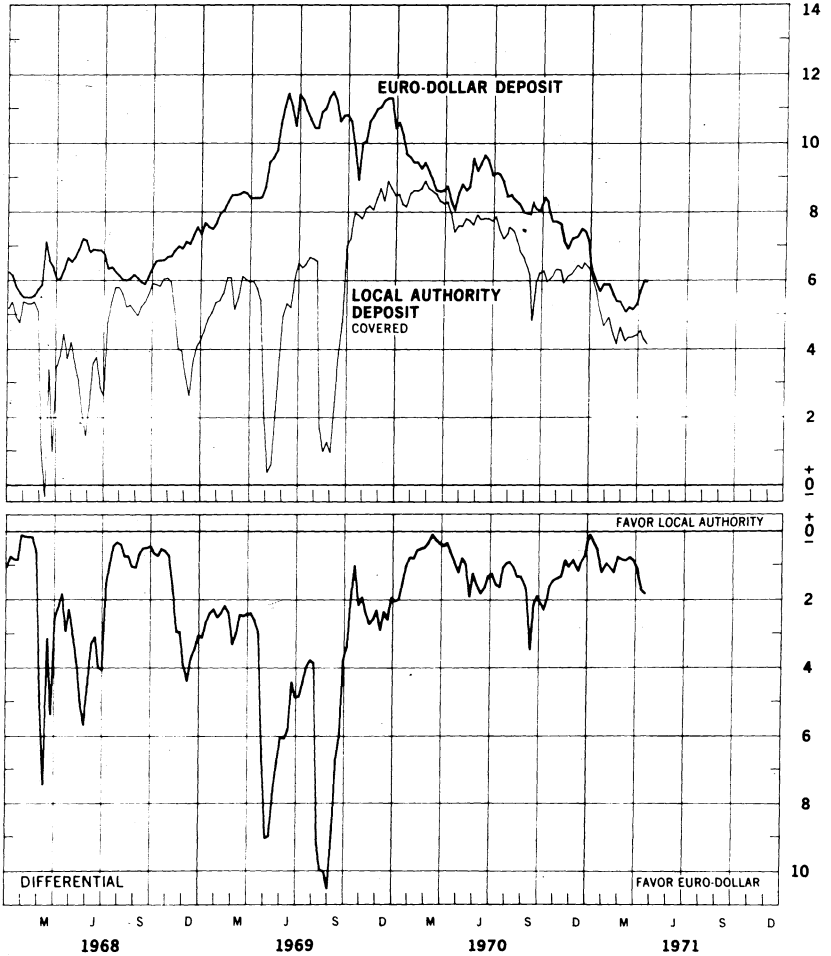


LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

LOCAL AUTHORITY AND EURO-DOLLAR RATES

Friday figures

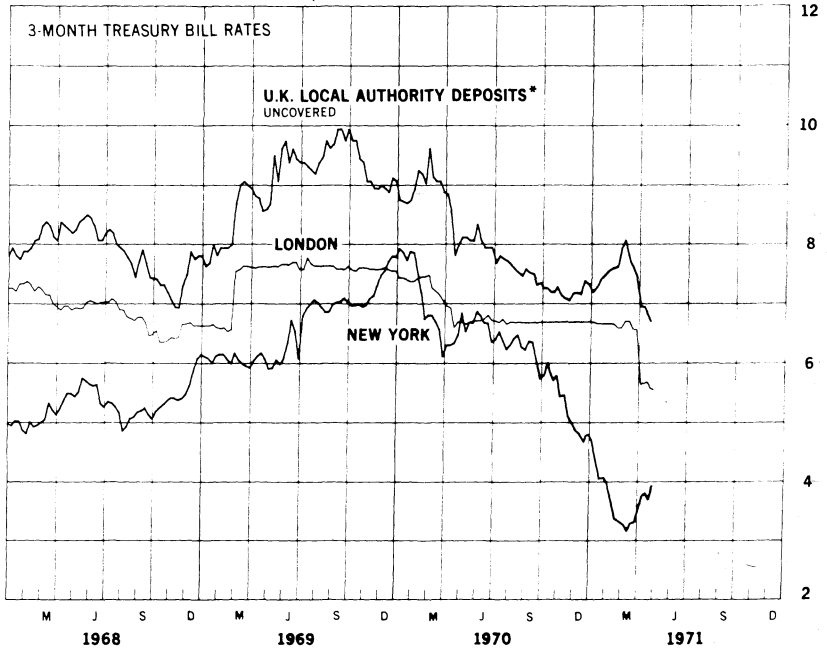
Per cent per annum



INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

Per cent per annum



* Plotted for comparison purposes

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Chart 9B

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

Per cent per annum

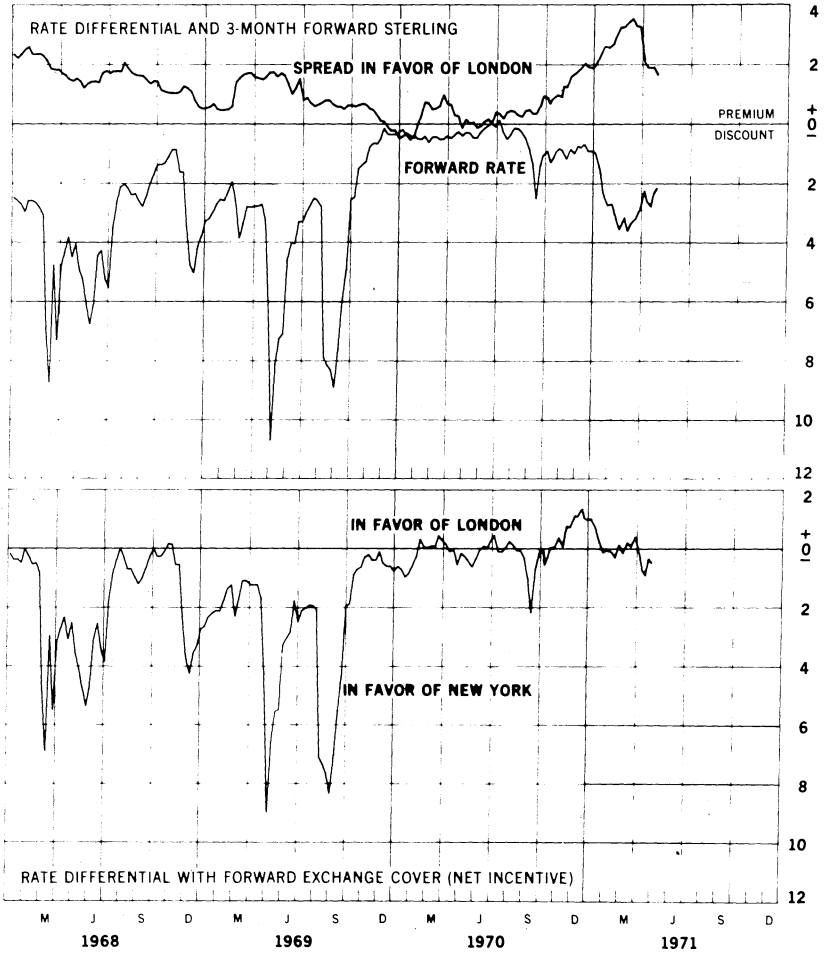


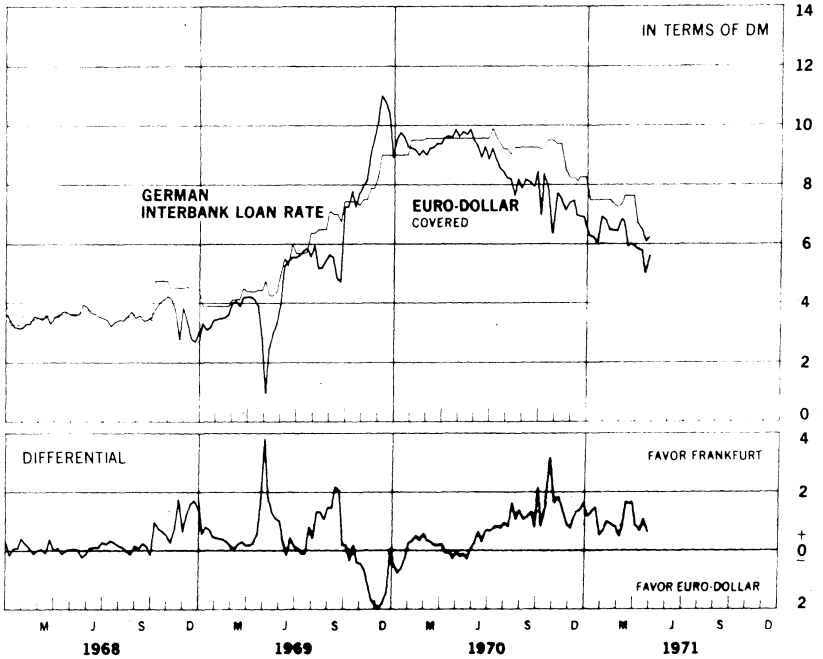
Chart 10A

3-MONTH FUNDS INTEREST ARBITRAGE: EURO-DOLLAR - GERMAN MARK

FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates

Per cent per annum



2)

Chart 10B

3-MONTH FUNDS INTEREST ARBITRAGE: EURO-DOLLAR - SWISS FRANC

ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates

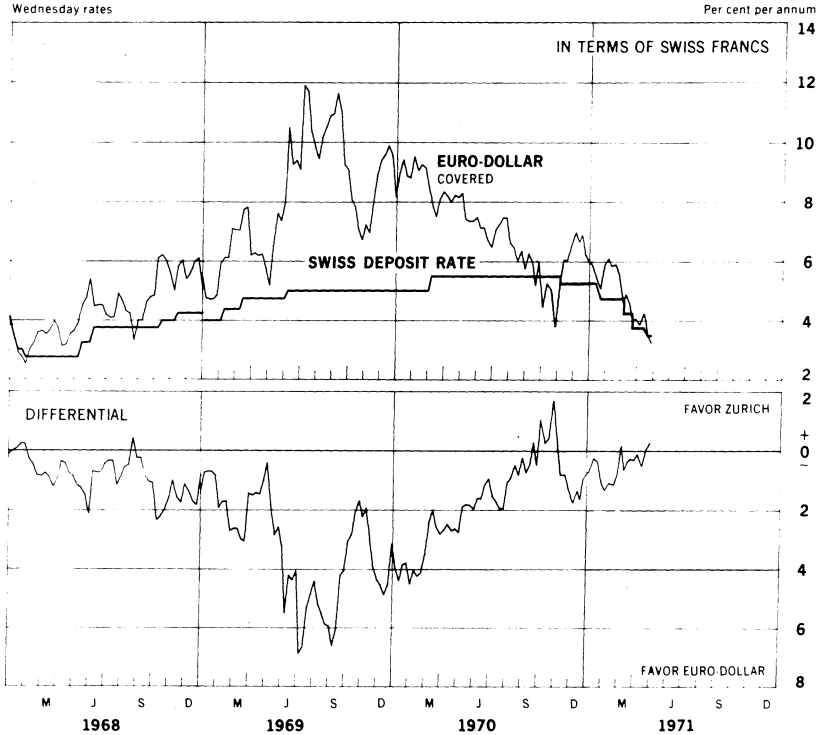


Chart 11

3-MONTH INTEREST ARBITRAGE: UNITED STATES - CANADA

Friday figures

Per cent per annum

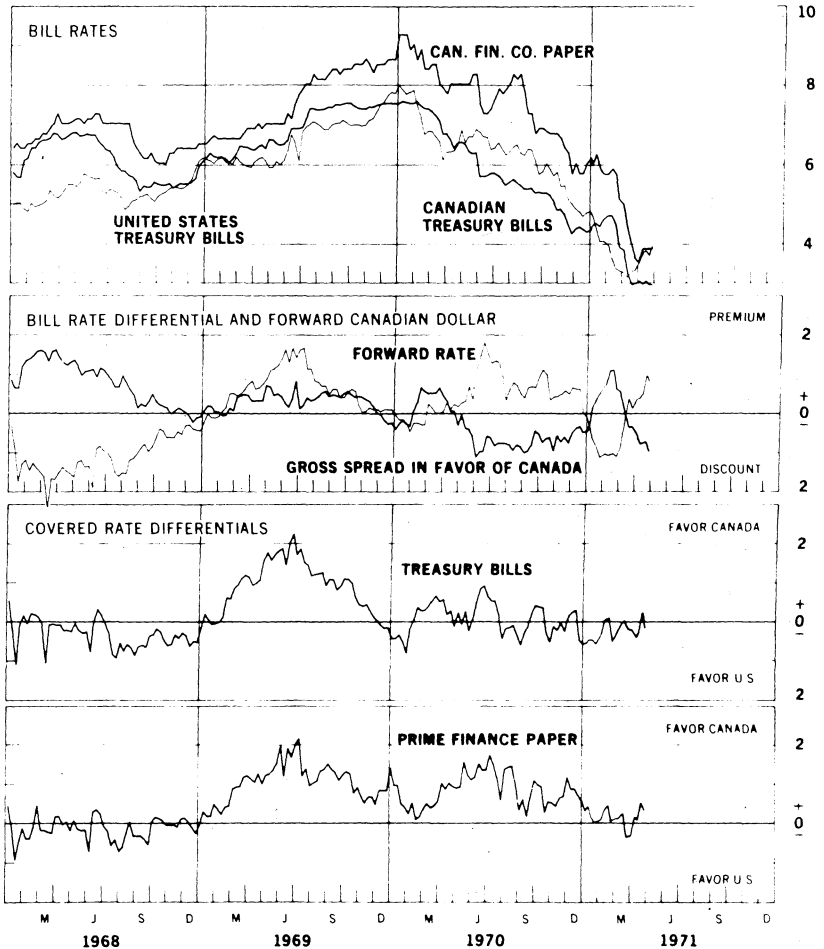
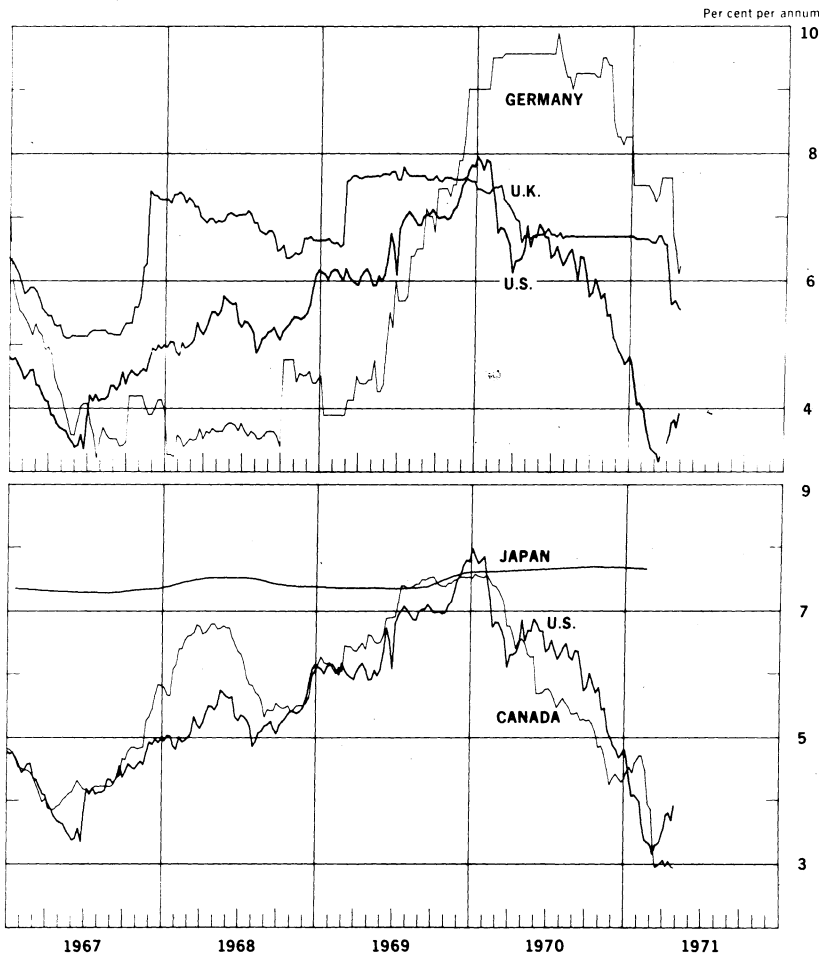


Chart 12A

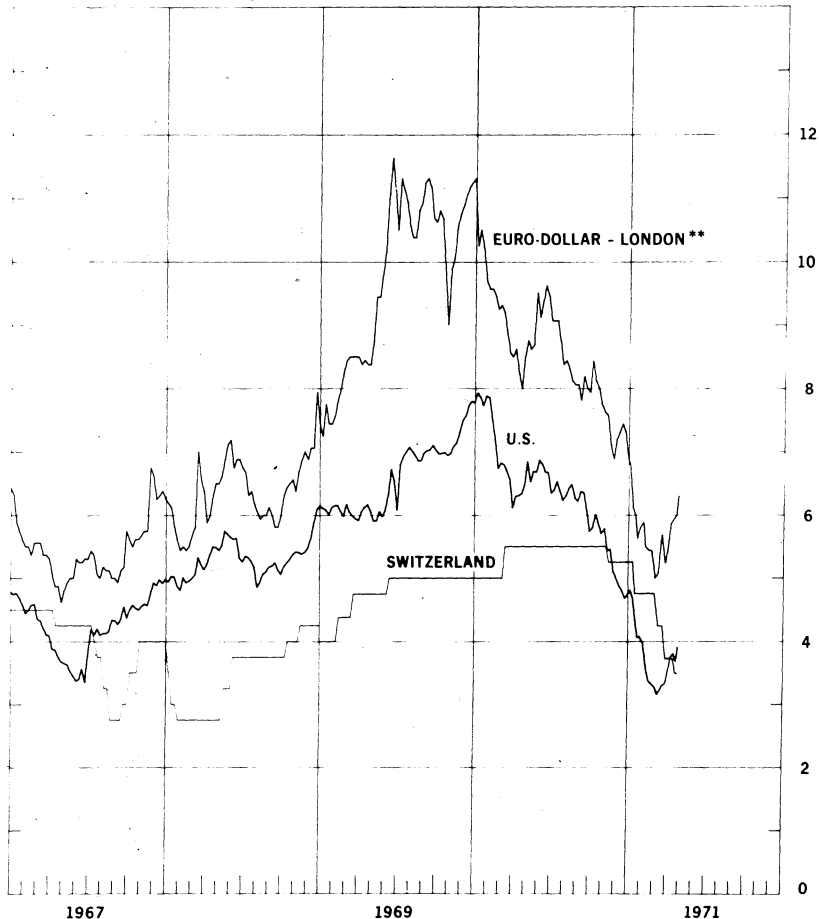
SELECTED SHORT-TERM INTEREST RATES*



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

SELECTED SHORT-TERM INTEREST RATES *

Per cent per annum



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

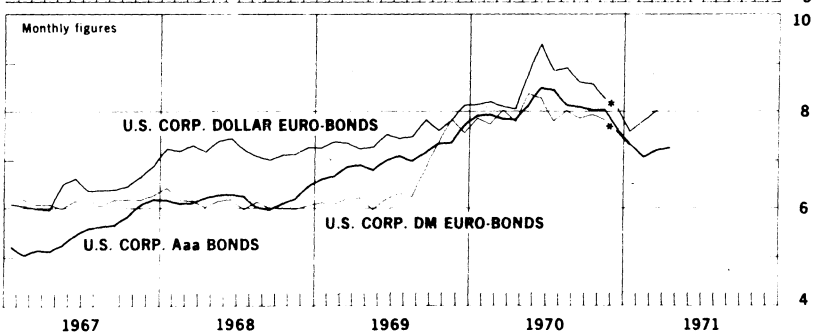
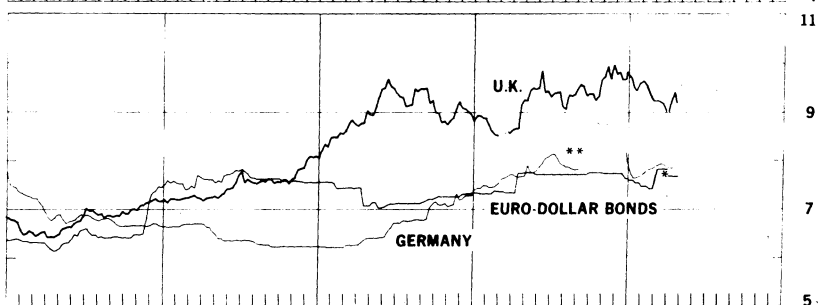
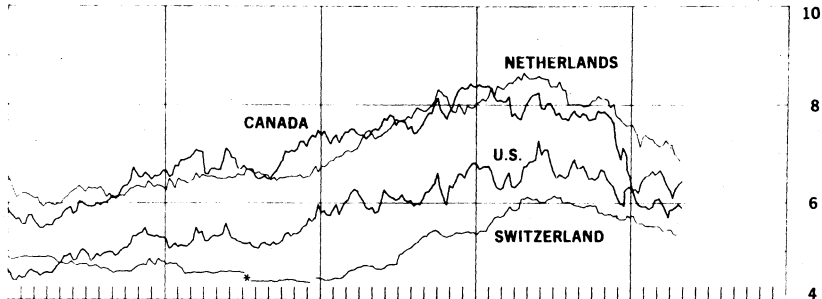
** 3 month rate for U.S. dollar deposits in London

26

LONG-TERM BOND YIELDS

Weekly figures

Per cent per annum



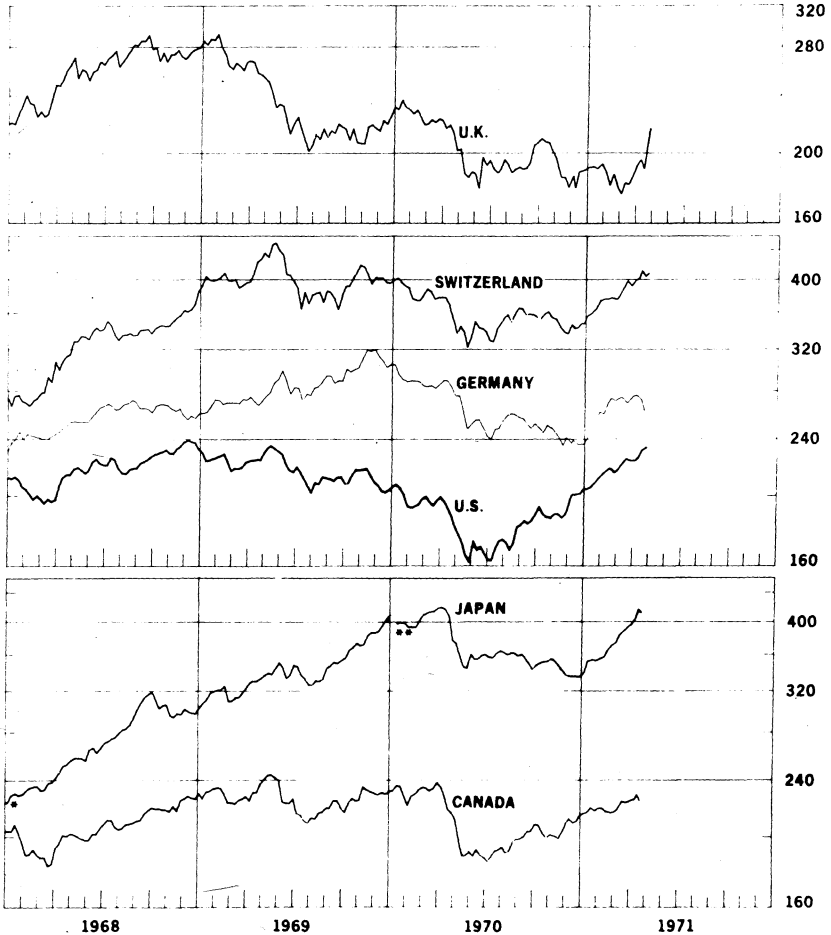
* New series for Switzerland starts 8 2 68, U.S. Corp. Dollar Euro Bonds and U.S. Corp. DM Euro Bonds starts 12 70, Euro Dollar Bonds start 4 2 71

** New Average yield of all German P.A. Bonds begins 9 4 71

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

IV. SELECTED CENTRAL BANK DISCOUNT RATES

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 30	+ 1.759
		German mark	"	+ 0.722
		U.K. pound	"	+ 0.798
	Lower	Dutch guilder	"	+ 0.615
		French franc	"	+ 0.704
		Japanese yen	"	+ 0.710
1B		Belgian franc	"	+ 0.738
		Italian lire	"	+ 0.432
		Canadian dollar	--	--
2A		German mark	April 30	+ 0.70
		Swiss franc	"	+ 2.72
		U.K. pound	"	- 2.14
2B		Dutch guilder	"	+ 1.21
		Canadian dollar	"	+ 0.89
		French franc	"	- 0.30
3A		German mark	April 30	+ 2.85
		U.S. dollar	"	+ 1.79
3B		Swiss franc	"	+ 4.25
		French franc	"	+ 1.49
4		Gold price, U.S. dollar per ounce	April 30	39.24
5A	Upper	Call Euro-\$ deposits	April 28	5.22
		Federal Funds	"	4.14
	Middle	Differential	"	+ 1.08
	Lower	Euro-currencies: Euro \$	April 30	5.68
		Euro DM	"	3.72
	Euro Swiss Fr.	"	4.18	
5B	Upper	Japan, Unconditional Money	April 23	6.75
		U.K., 2-day Local Author. Deps.	"	6.56
		Canada, Day-to-day Loans	" 28	2.35
	Lower	France, Day-to-Day Money	" 23	5.50
		Germany, Call Money	" 23	2.12
		Netherlands, Call Money	" 23	1.00

IV - 3

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Chart	Panel	Series	Date	Rate
6A		Euro-\$ Call Rate	April 30	5.25
		Euro-\$ 1-month Rate	"	5.88
6B		Euro-\$ 3-month Rate	"	6.31
		Euro-\$ 6-month Rate	"	6.81
7A	Upper	Euro-\$ 3-month Deposits	April 28	6.06
		U.S. Certificate of Deposits	"	4.81
	Lower	Differential	"	+ 1.25
7B	Upper	Euro-\$ 3-month Deposits	"	6.06
		Euro-\$ 3-month Deposits (Adj.)	"	7.58
		U.S. Certificate of Deposits (Adj.)	"	4.86
	Lower	Differential: on Adj. Euro-\$ Deposits	"	+ 2.72
		on Unadj. Euro-\$ Deposits	"	+ 1.20
8A	Upper	Euro-\$ 3-month Deposits	April 16	5.94
		Hire Purchase Deposits (covered)	"	4.44
	Lower	Differential	"	- 1.50
8B	Upper	Euro-\$ 3-month Deposits	"	5.94
		Local Authority Deposits (covered)	"	4.13
	Lower	Differential	"	- 1.81
9A		U.S. Treasury Bill rate	April 30	3.93
		U.K. Treasury Bill rate	" 30	5.55
		Local Authority Deposit (uncovered)	" 23	6.69
9B	Upper	Spread (+= favor London)	" 30	+ 1.62
		3-month Forward Pound	" 30	- 2.13
	Lower	Net Incentive (+= favor London)	March 26	+ 0.40
			April 2	- 0.19
		" 9	- 0.72	
		" 16	- 0.91	
		" 23	- 0.35	
		" 30	- 0.51	

IV - 4

Chart	Panel	Series	Date	Rate
10A	Upper	Euro-\$ Deposits (covered)	April 21 April 28	5.05 ^F 5.61
		German Interbank Loan rate	April 21 " 28	6.12 6.25
	Lower	Differential	April 21 " 28	+ 1.07 ^F + 0.64
	10B	Upper	Euro-\$ Deposits (covered)	April 21 " 28
Swiss Deposit rate			April 22 " 28	3.50 ^A 3.50
Lower		Differential	April 22 " 28	0.00 ^F + 0.28
11		Upper	Canadian Finance Paper	April 30
	U.S. Treasury Bill rate		"	3.93
	Canadian Treasury Bill rate		"	2.95
	U.S. Prime Finance paper (not plotted)		"	4.38
	Second	Bill rate differential	"	- 0.98
		Forward Canadian dollar	"	+ 0.81
	Third	Net incentive on bills	"	- 0.17
	Bottom	Net incentive on Finance Paper	"	+ 0.31
12A	Upper	U.K. Treasury Bill rate	April 30	5.55
		U.S. Treasury Bill rate	"	3.93
		German Interbank Loan rate	"	6.25
	Lower	Japanese Average rate	February	7.676
		Canadian Treasury Bill rate	April 30	2.95
		U.S. Treasury Bill rate	"	3.93
12B		Euro-\$ Deposits	"	6.31
		Swiss 3-month Deposit rate	"	3.50
		U.S. Treasury Bill rate	"	3.93

Chart	Panel	Series	Date	Rate
13	Upper	Netherlands	April 16 23	6.95 6.85
		Canada	April 28	6.44
		United States	" "	5.88
		Switzerland	" 23	5.33
	Middle	* Germany	" 23	7.87
		United Kingdom	" 23	9.19
		*** Euro-dollar bonds	New Series April 1/71	" 30 7.70
	Lower	U.S. Corp. Dollar Euro-bonds	March	8.03
		U.S. Corp. DM Euro-bonds	"	7.31
		U.S. Corp. Aaa bonds	April	7.25
14	Upper	Switzerland	April 30	408.2
		Germany	" 23	261.80
		United States	" 30	234.36
	Middle	United Kingdom	" 30	216.60
		Canada	" 22	225.49
	Lower	** Japan	" 23	411.20
		United States	" 30	234.36

* 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.

*** New series beginnign week of April 1, 1971 for average yield of seven Euro dollar bonds.