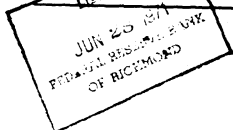


June 23, 1971 No. 511

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



Bel. Gov -
Capital Market 4/13

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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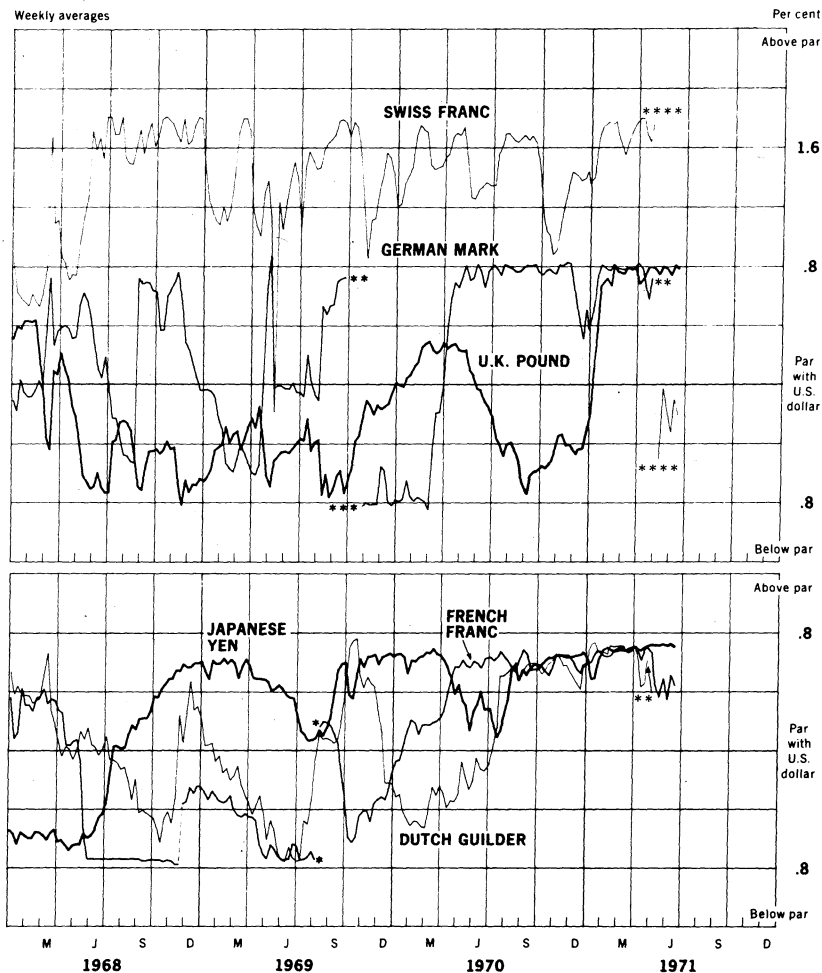
NOTE: This series is a continuation of the CAPITAL MARKETS DEVELOPMENTS ABROAD, which was published under that title through December 31, 1968. The changes in the format and order of the charts are explained in the Supplement to the series, which accompanied issue dated January 1, 1969. All series and their sources are fully described in a Supplement dated April 7, 1971.

NOTE: An Appendix explaining the new series plotted on Chart 1A is attached to this issue.

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.
- ** Rate not supported by Central Bank.
- *** Revaluation of the DM from 25.00 to 27.32 in U.S. cents.
- **** May 10, 1971 - Swiss franc revalued; new par 24.485 U.S. cents.

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

Weekly averages

Per cent
Above par

1.2

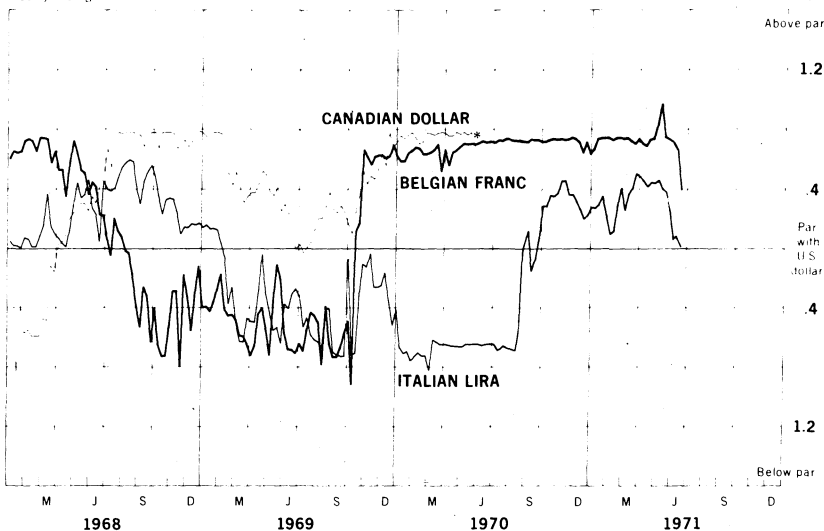
.4

Par with
U.S.
dollar

.4

1.2

Below par



CURRENCIES WITH FLOATING EXCHANGE RATES

Weekly averages

Ratio scale, U.S. cents

Ratio scale, U.S. cents

30

100

29

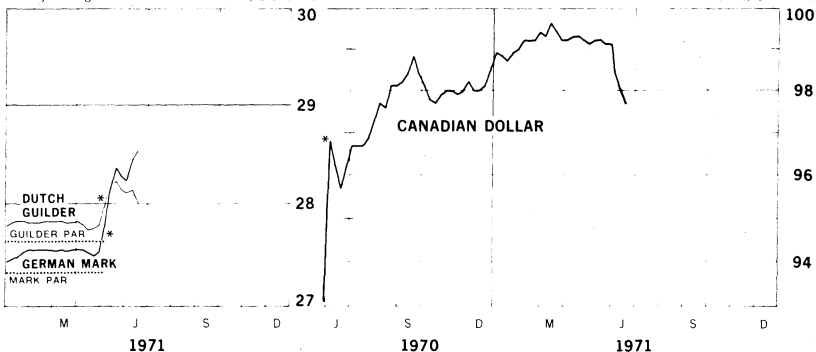
98

28

96

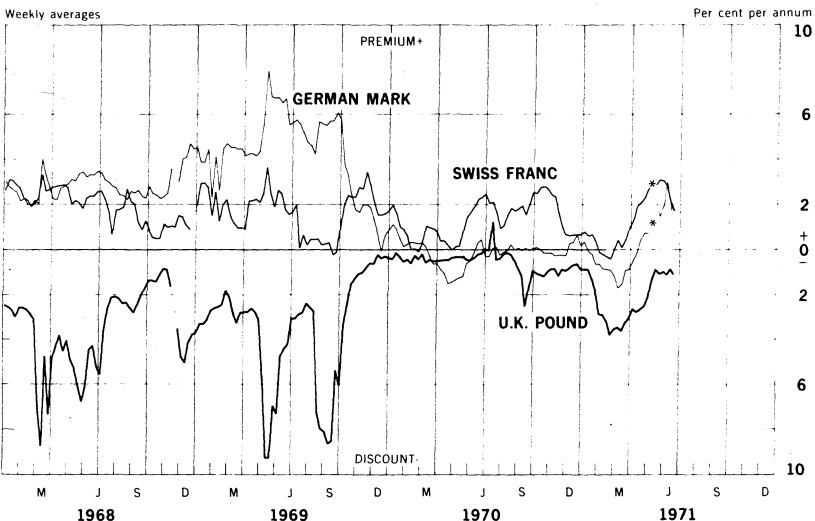
27

94



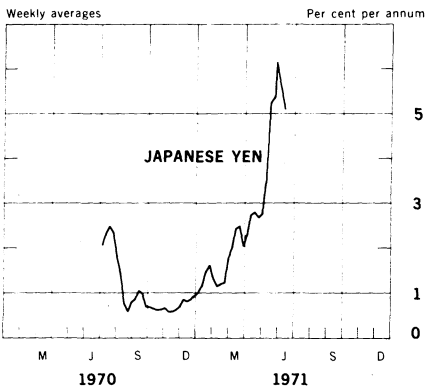
* Rate not supported by Central Bank

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



* No quotation.

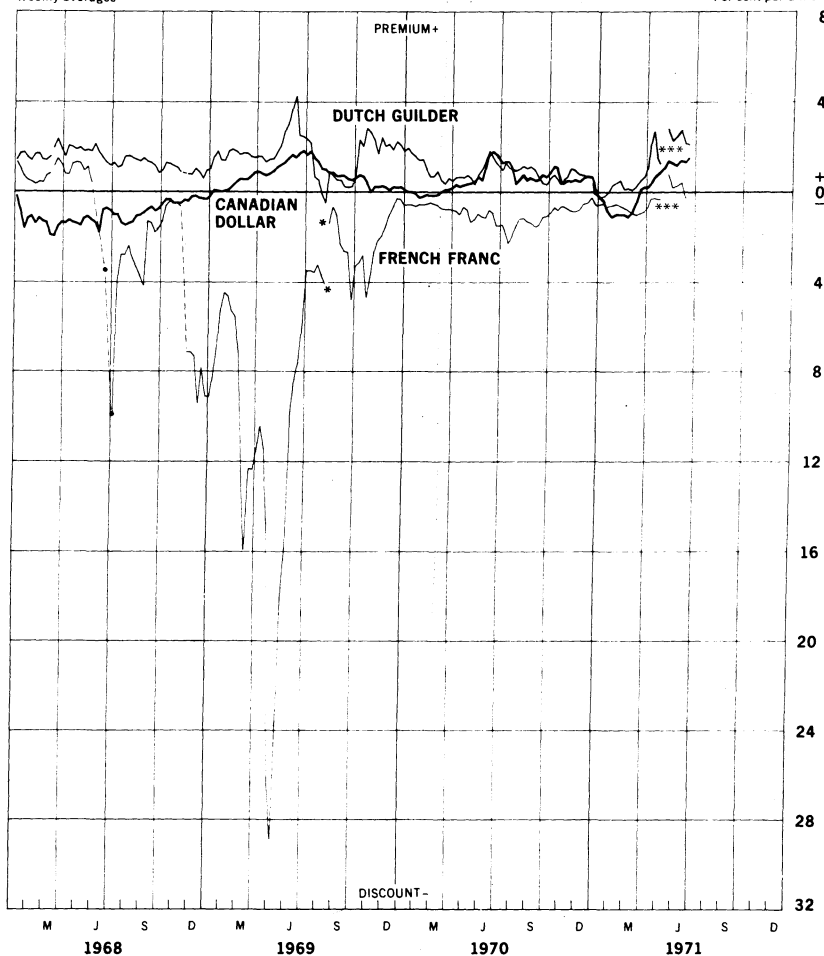
4-MONTH FORWARD YEN AGAINST U.S. DOLLAR



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.

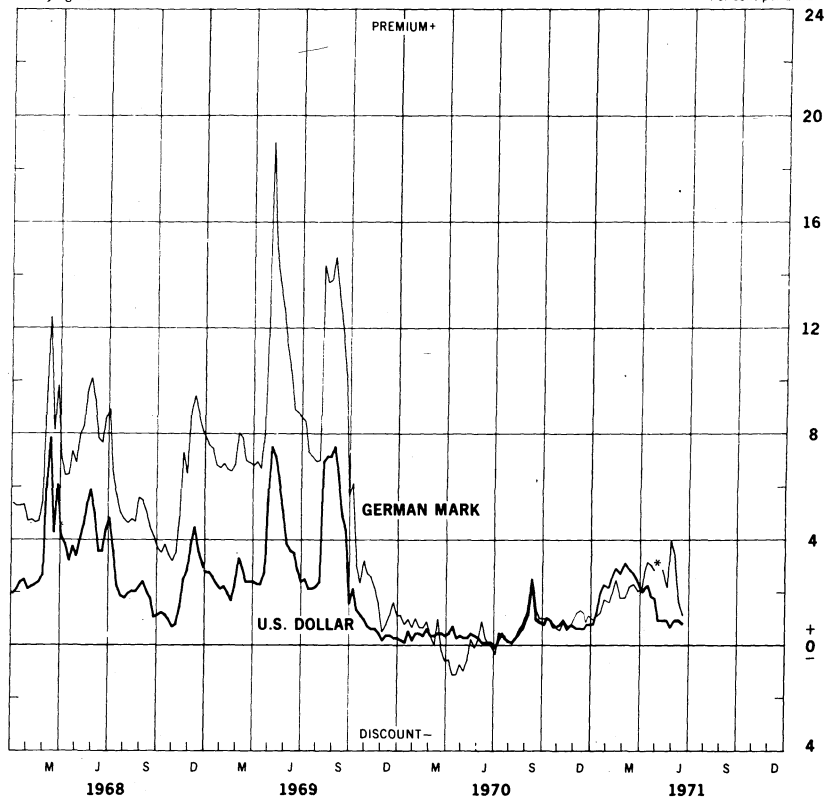
*** No quotation

Chart 3A

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

Friday figures

Per cent per annum



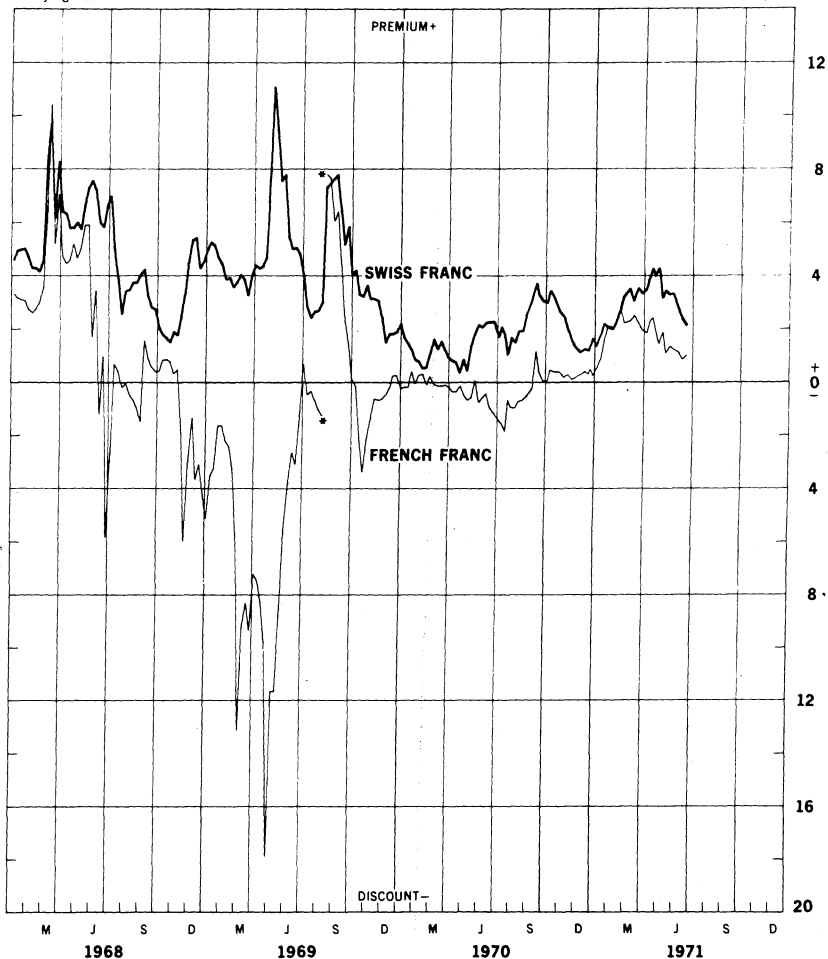
* No quotation.

Chart 3B

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

Friday figures

Per cent per annum



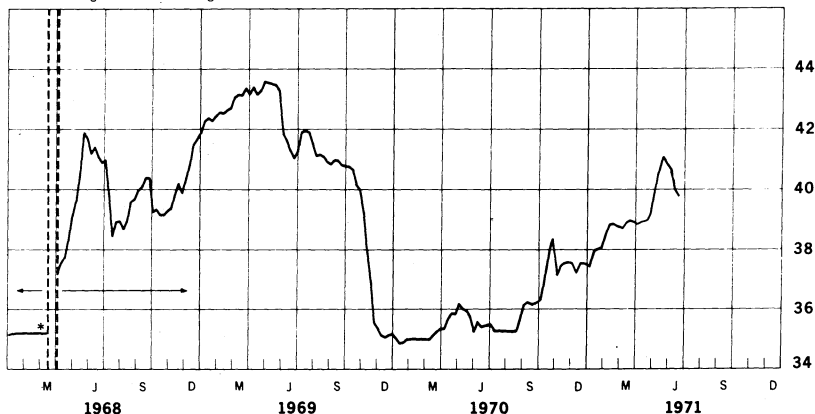
*Devaluation of the French franc from 4.94 to 5.55 for \$1.00

Chart 4

GOLD PRICE IN LONDON, 12.5 Kg BARS

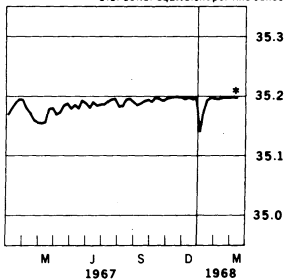
Week's average of afternoon fixings

U.S. dollar equivalent per fine ounce



MARKET SUPPORTED BY GOLD POOL

U.S. dollar equivalent per fine ounce



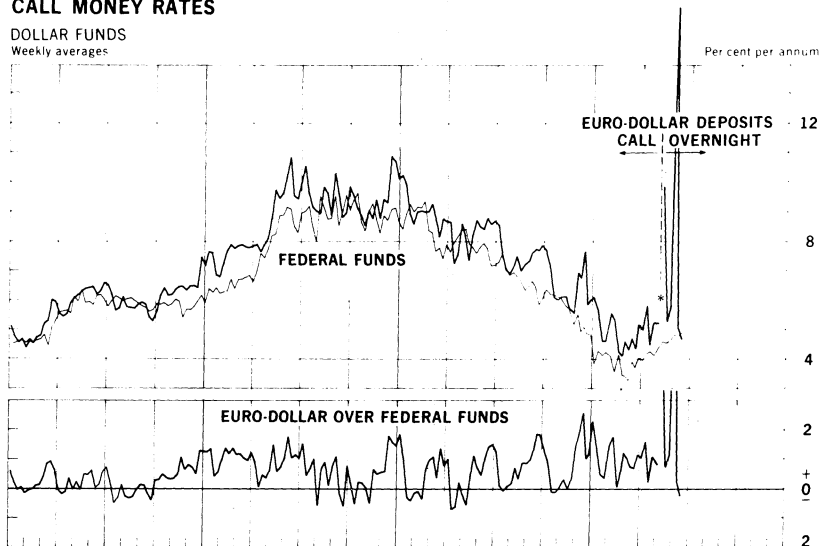
* Market closed March 15-April 1, 1968

CHART 5A

CALL MONEY RATES

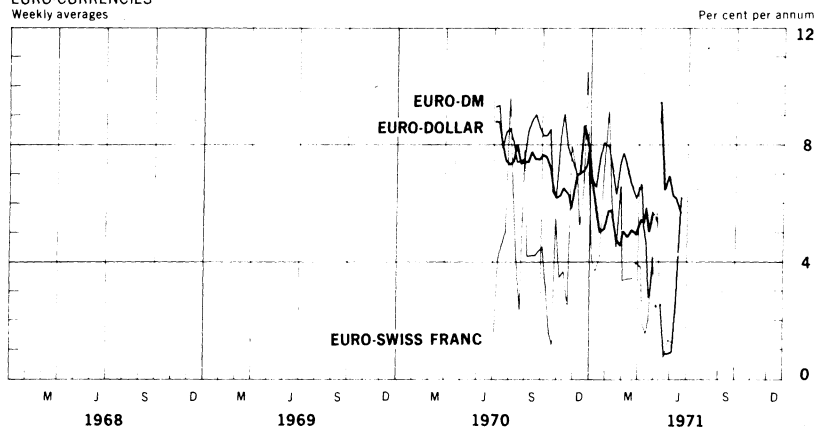
DOLLAR FUNDS

Weekly averages



EURO-CURRENCIES

Weekly averages



* May 10, 1971 - Changed to Overnight Euro \$ Deposits

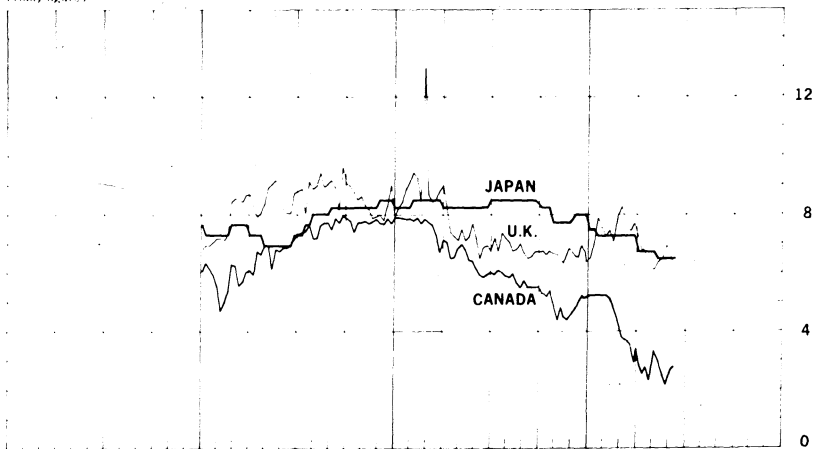
Chart 5B

CALL MONEY RATES

FOREIGN CURRENCIES*

Friday figures

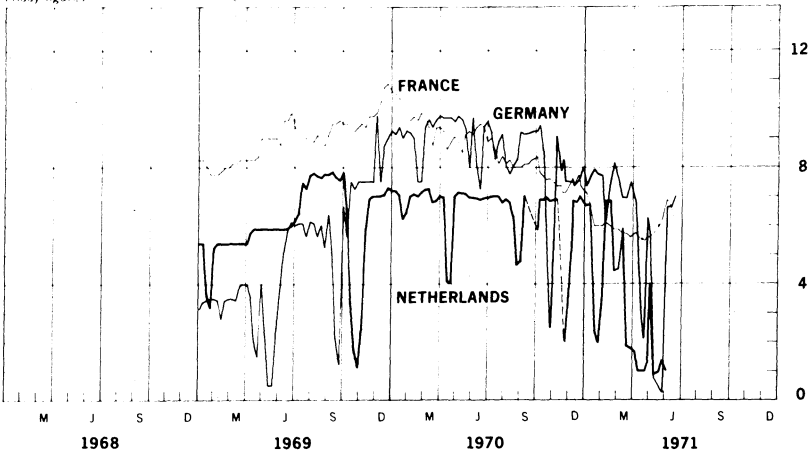
Per cent per annum



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

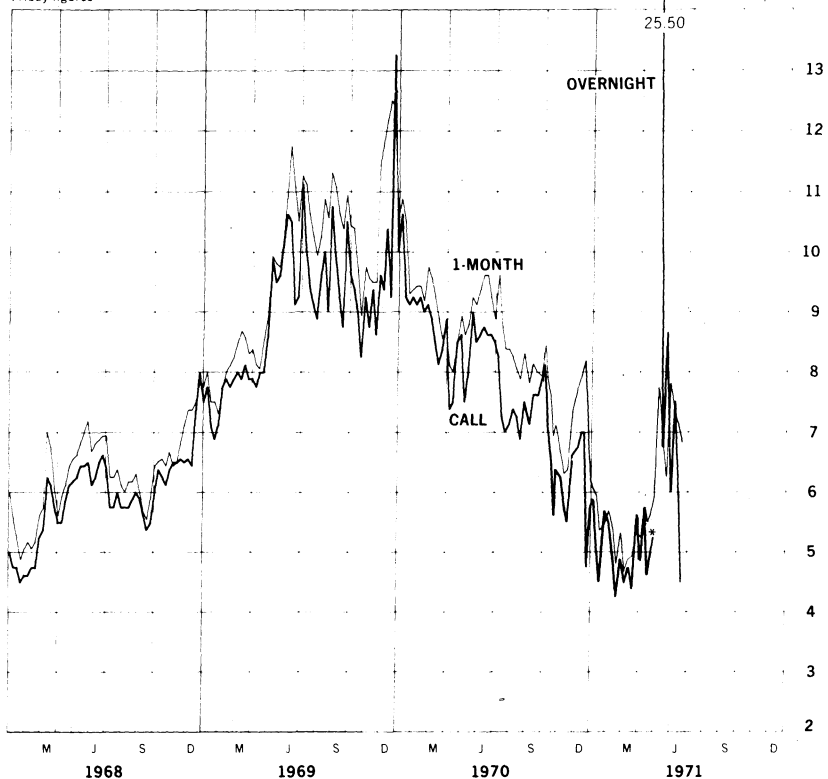
** Germany, Call Money; France, Day to day Money; Netherlands, Call Money, weekly average.

Chart 6A

LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum



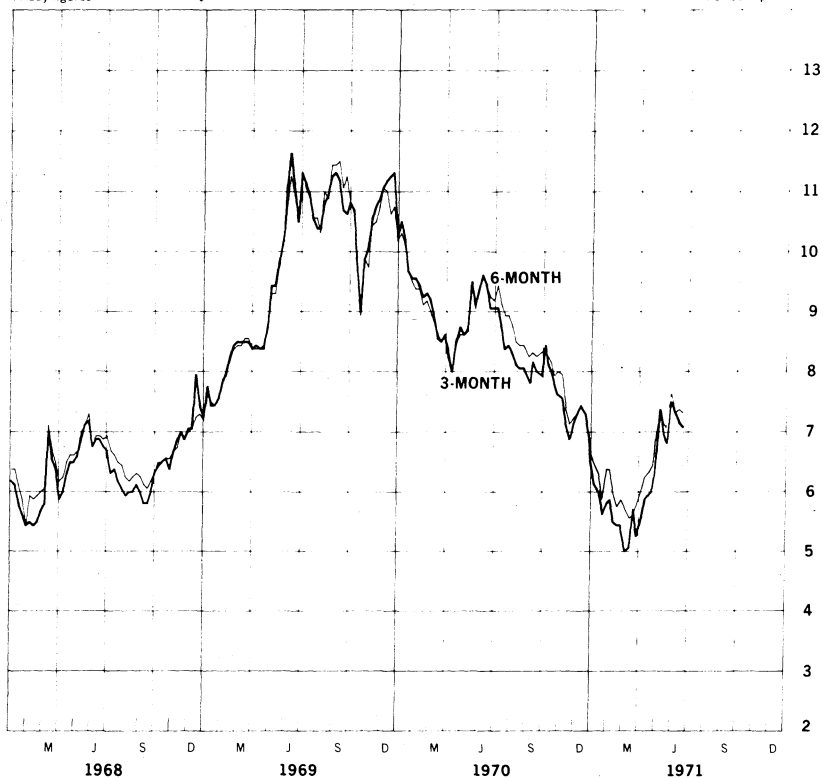
* May 12/71—changed to Overnight Euro Dollar Deposits

Chart 6B

LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum



12

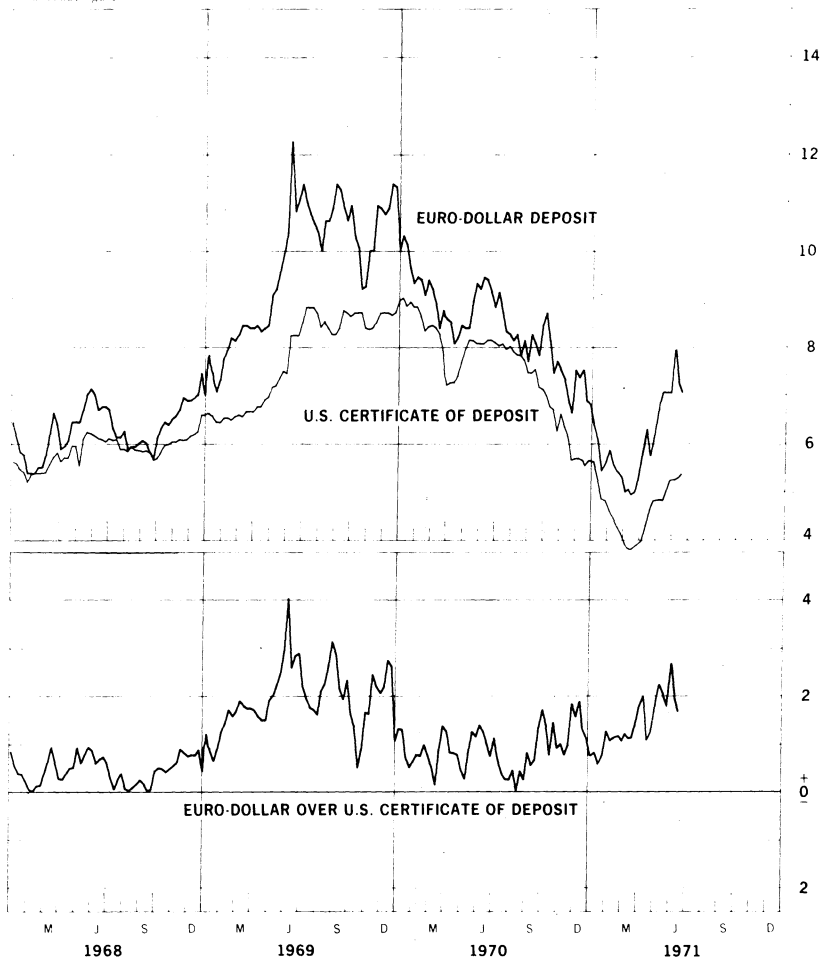
Part 2A

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

3 MONTH DOLLAR DEPOSIT RATES—SECONDARY MARKET

Wednesday figures

Percent per annum

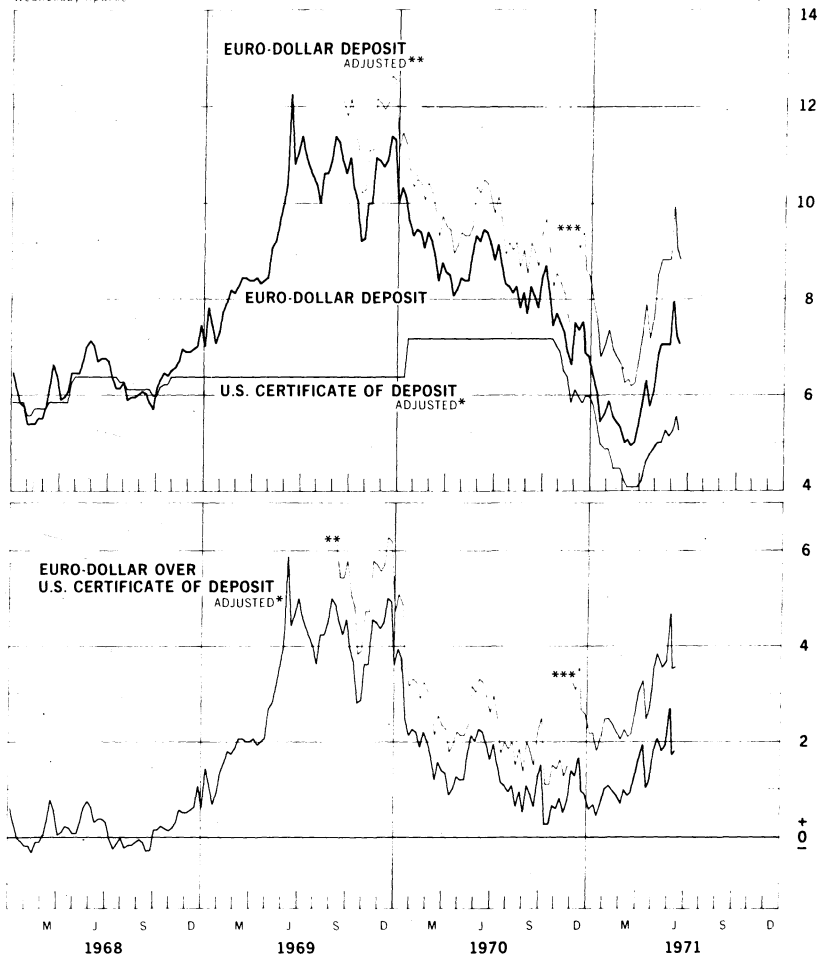


NEW YORK-LONDON: COSTS OF U.S. DOLLAR FUNDS

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

Chart 8A

LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

HIRE PURCHASE AND EURO-DOLLAR RATES

Friday figures

Per cent per annum

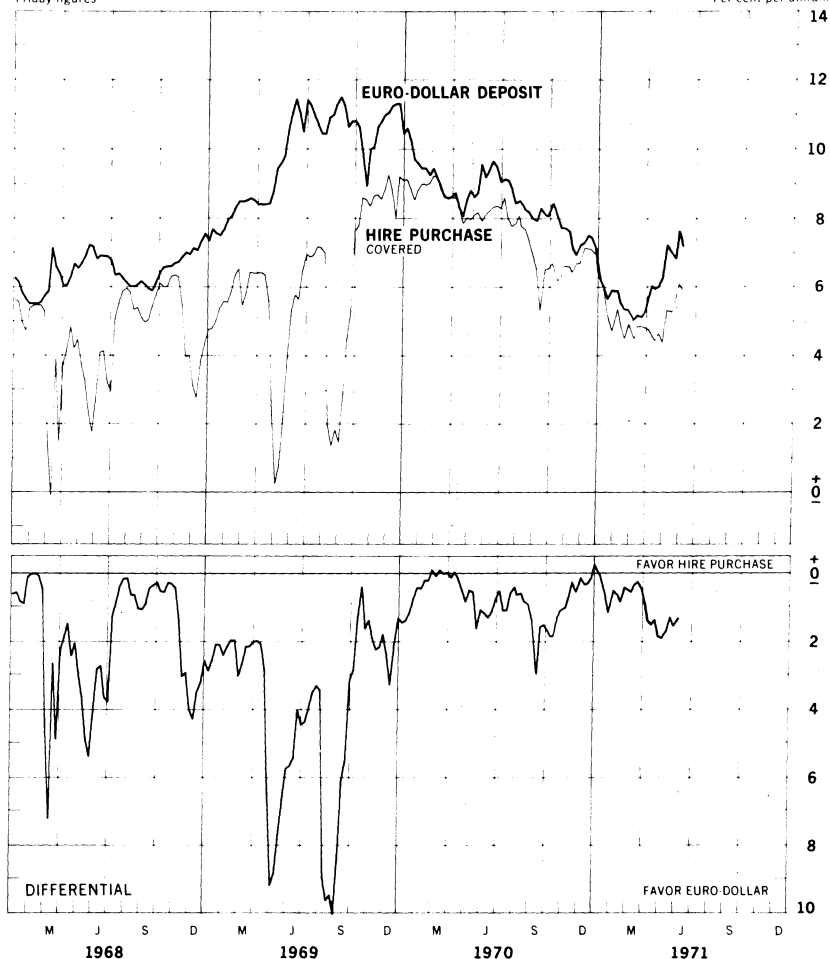


Chart 8B

LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

LOCAL AUTHORITY AND EURO-DOLLAR RATES

Friday figures

Per cent per annum

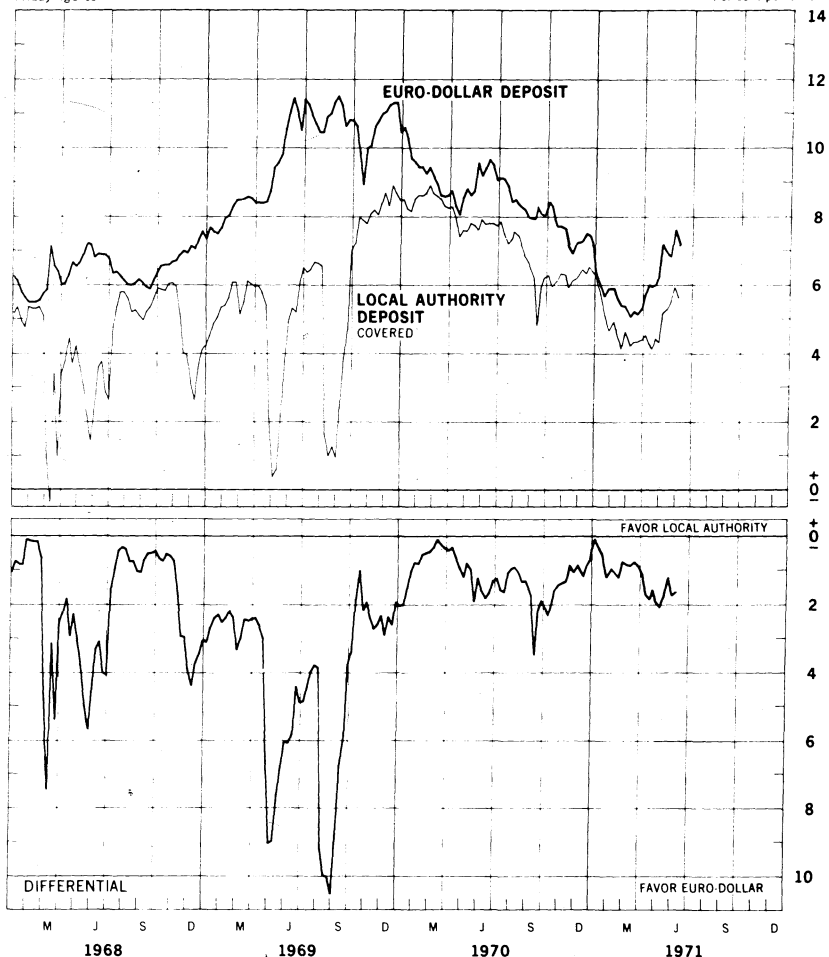
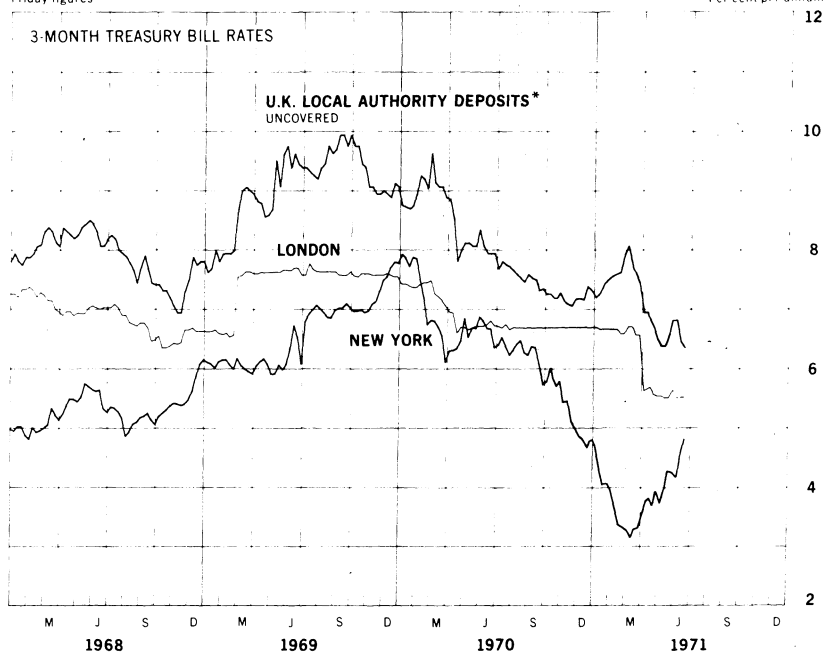


Chart 9A

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

Per cent per annum



* Plotted for comparison purposes

Chart 9B

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

Per cent per annum

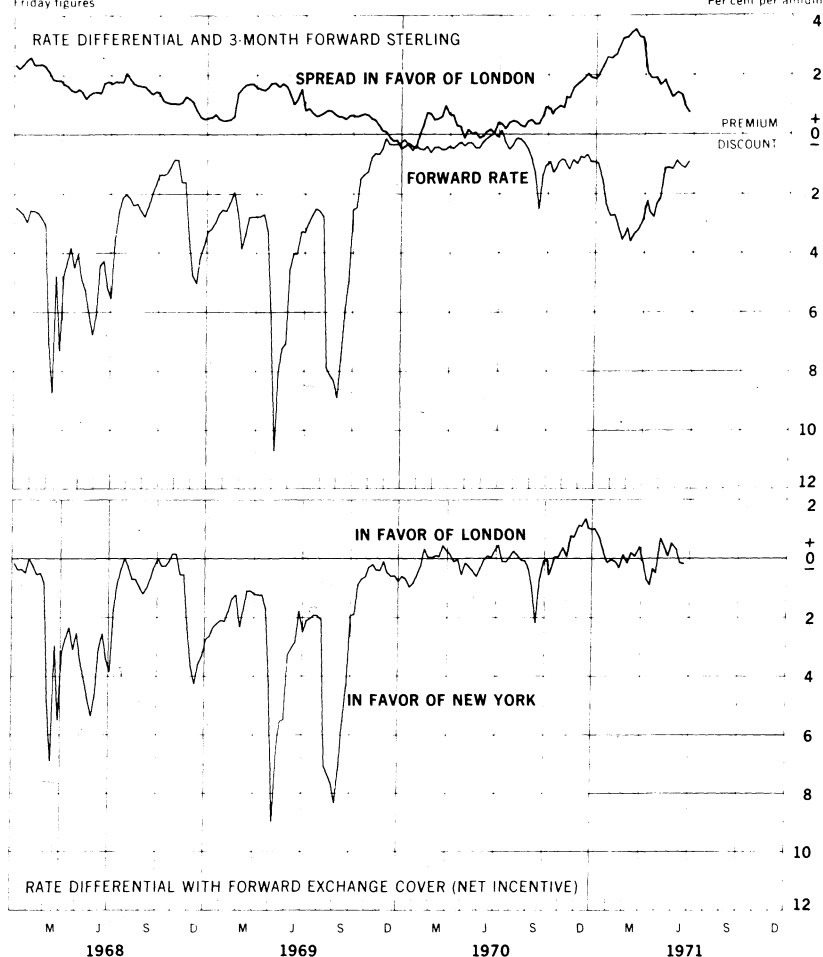


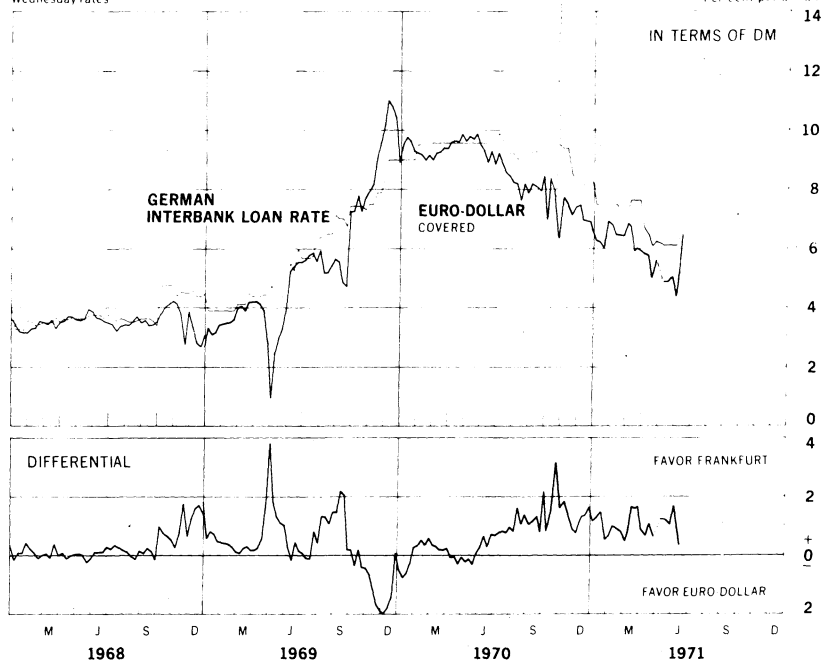
Chart 10A

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

FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO DOLLAR RATE

Wednesday rates

Per cent per annum



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

ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates

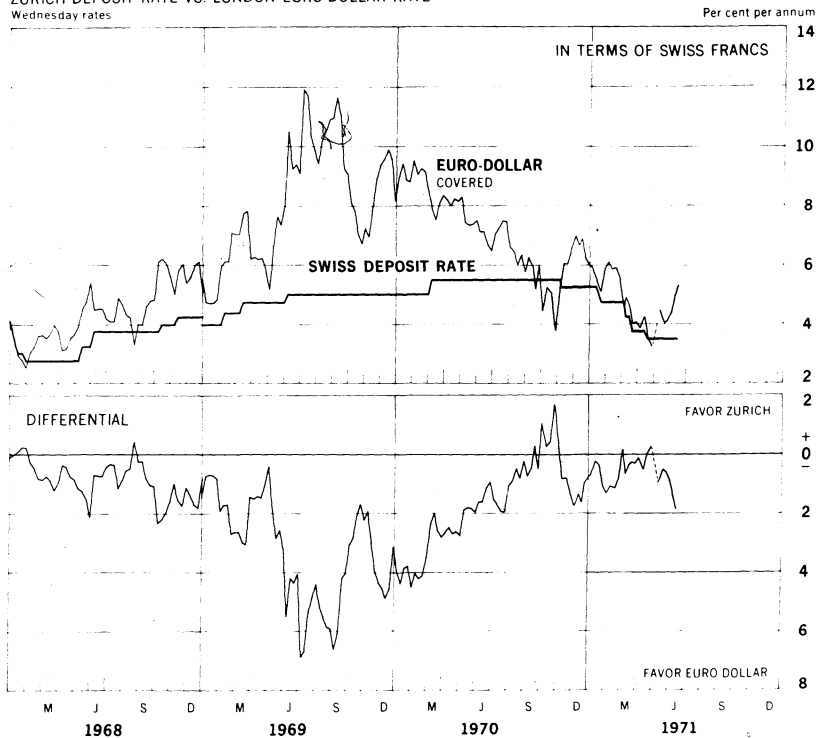
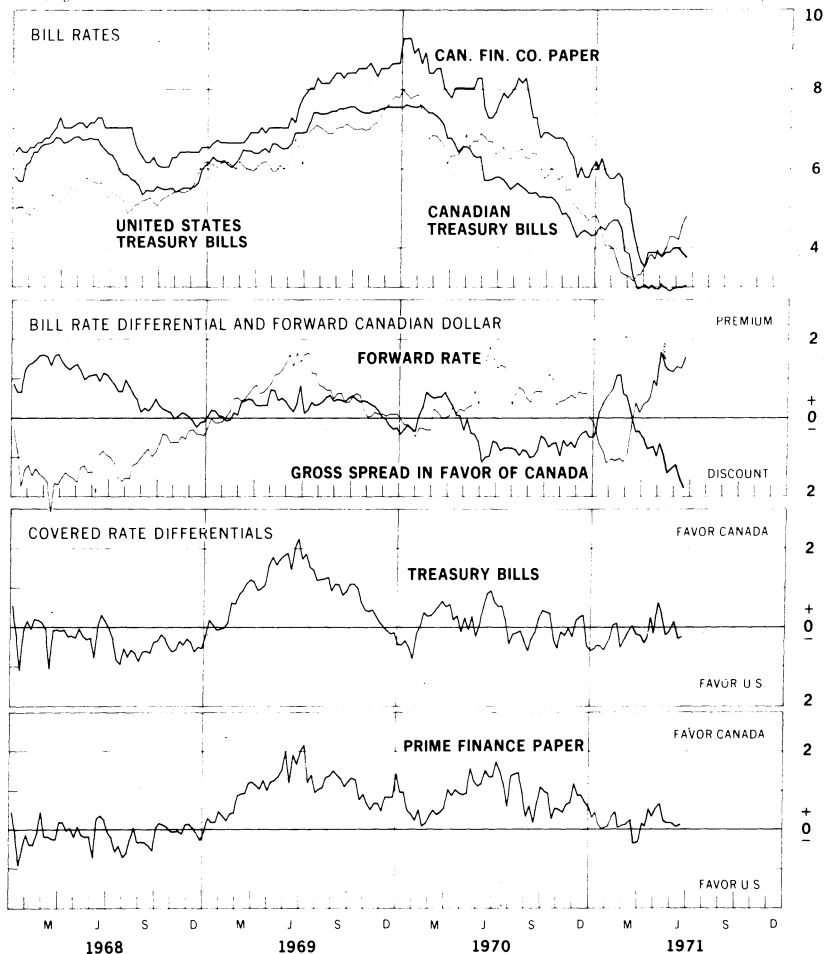


Chart 11

3-MONTH INTEREST ARBITRAGE: UNITED STATES - CANADA

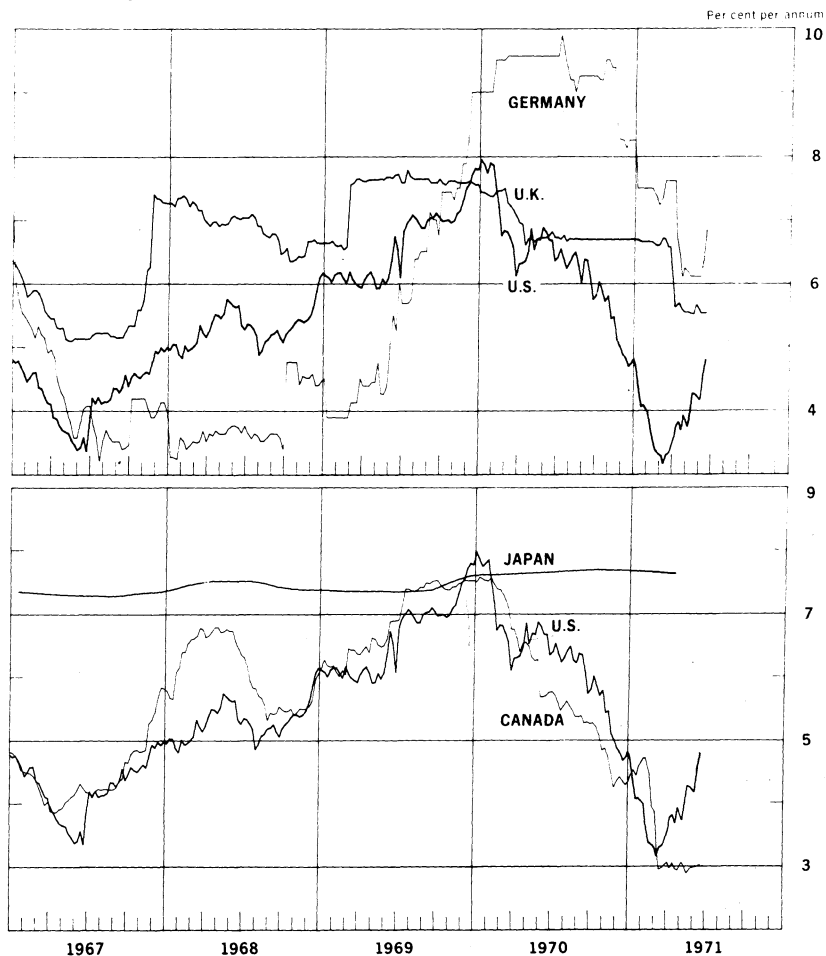
Friday figures

Per cent per annum



23

SELECTED SHORT-TERM INTEREST RATES*

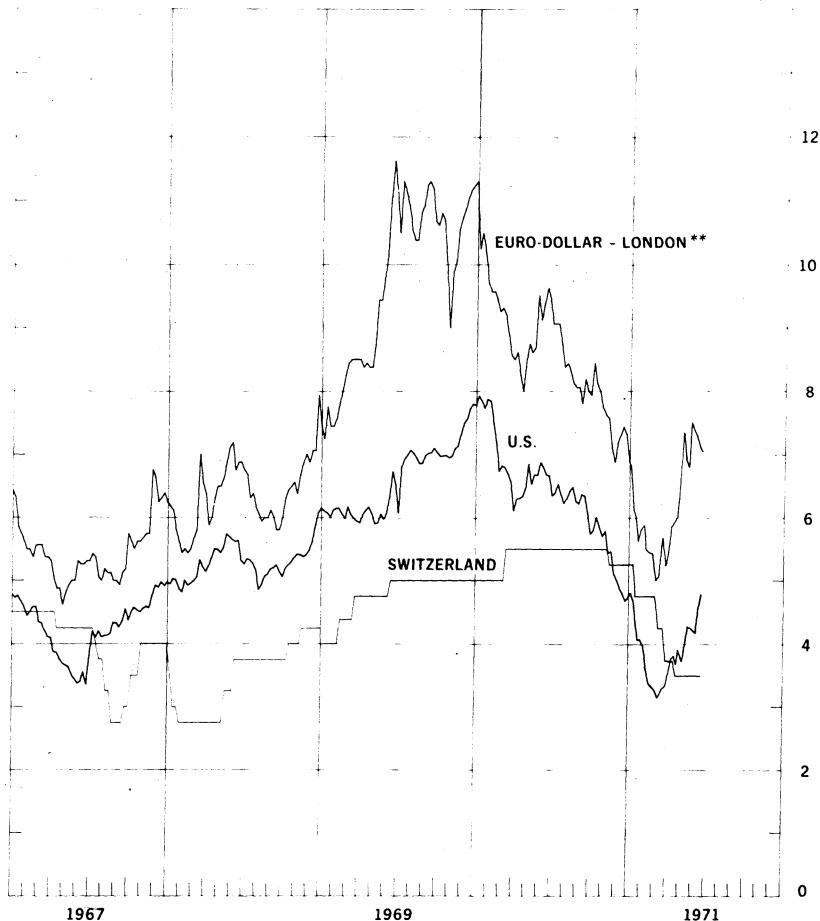


* 3-month treasury bill rates for all countries except Japan (Average rate on bank loans and discounts) and Germany (Interbank Loan Rate)

Chart 12B

SELECTED SHORT-TERM INTEREST RATES *

Per cent per annum



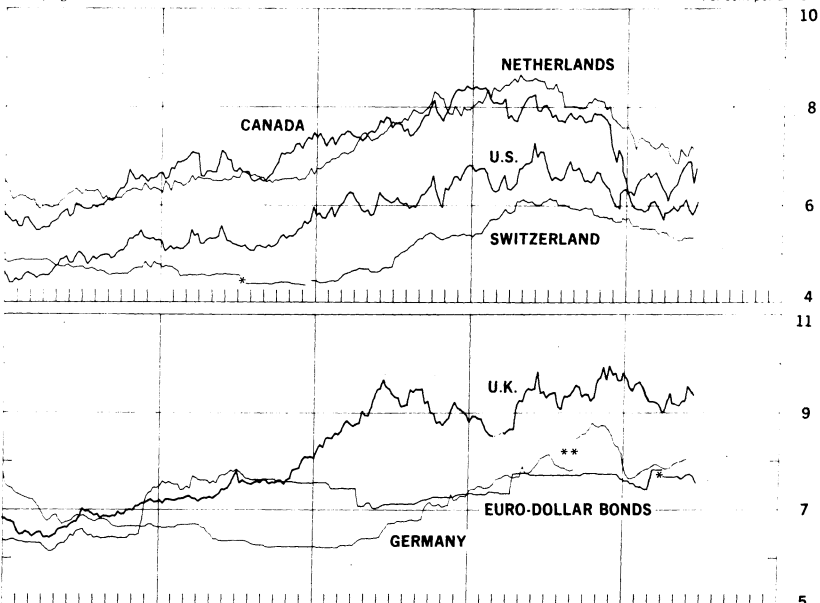
* 3 month treasury bill rate for U.S.; Switzerland - 3 month deposit rate
** 3 month rate for U.S. dollar deposits in London

Chart 13

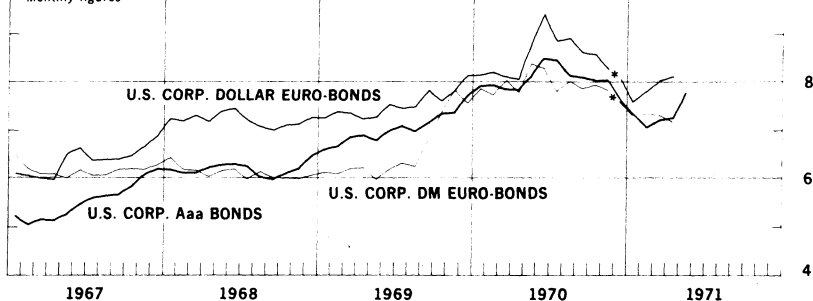
LONG-TERM BOND YIELDS

Weekly figures

Percent per annum



Monthly figures



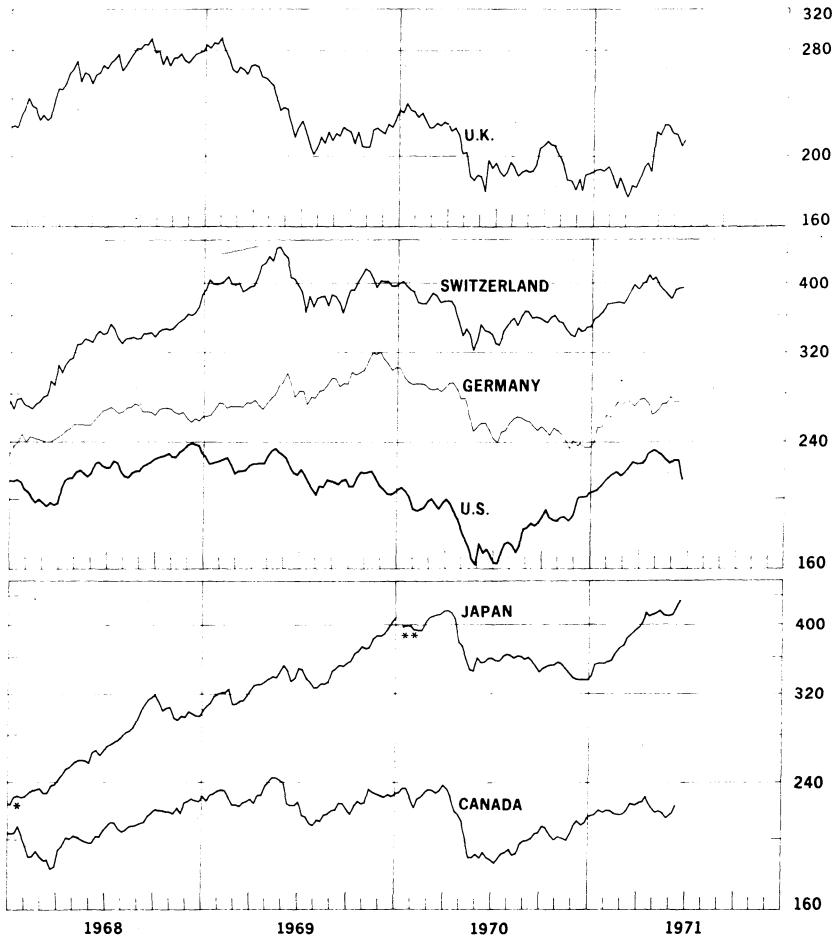
* New series for Switzerland starts 8-2-68, U.S. Corp. Dollar Euro-Bonds and U.S. Corp. DM Euro-Bonds starts 12-70, Euro-Dollar Bonds start 4-2-71

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

CHART 14

INDUSTRIAL STOCK INDICES

1958 100
Ratio scale
320



* 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	6.75	May 13, 1971	6.5	Jan. 8, 1971
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	5.5	May 8, 1971	5.75	Jan. 20, 1971
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	June 18	-0.205
		* German mark		
		U.K. pound	June 18	+0.788
	Lower	* Dutch guilder		
		French franc	June 18	+0.435
		Japanese yen	"	+0.716
1B		Belgian franc	June 18	+0.395
		Italian lire	"	-0.008
		* Canadian dollar		
2A		German mark	June 18	+0.54
		Swiss franc	"	+1.71
		U.K. pound	"	-0.91
** 2B	Upper	Dutch guilder	"	+2.06
		Canadian dollar	"	+1.50
	Lower	French franc	"	-0.20
		Japanese yen		
3A		German mark	June 18	+1.18
		U.S. dollar	"	+0.80
3B		Swiss franc	"	+2.12
		French franc	"	+1.02
4		Gold price, U.S. dollar per ounce	June 18	39.78
5A	Upper	***Overnight Euro-\$ deposits	June 16	4.65
		Federal Funds	"	4.89
	Middle	Differential	"	-0.24
	Lower	Euro-currencies: Euro \$	June 18	5.65
		Euro DM	"	6.22
		Euro Swiss Fr.	"	3.32
5B	Upper	Japan, Unconditional Money	June 11	6.50
		U.K., 2-day Local Author. Deps.	June 18	5.69
		Canada, Day-to-day Loans	June 9	2.80
	Lower	France, Day-to-Day Money	June 18	6.12
		Germany, Call Money	"	7.00
		Netherlands, Call Money	June 4	1.00

* 1B

U.S. cents

June 18

97.67

Canadian dollar

"

28.53

German mark

"

28.01

Dutch guilder

Japanese yen (see Appendix)

June 12

+5.07

** 2B

Lower

*** See Appendix - 2.

Chart	Panel	Series	Date	Rate
6A		*Euro-\$ Overnight Rate	June 18	4.50
		Euro-\$ 1-month Rate	"	6.81
6B		Euro-\$ 3-month Rate	"	7.06
		Euro-\$ 6-month Rate	"	7.31
7A	Upper	Euro-\$ 3-month Deposits	June 16	7.06
		U.S. Certificate of Deposits	"	5.38
	Lower	Differential	"	+1.68
7B	Upper	Euro-\$ 3-month Deposits	"	7.06
		Euro-\$ 3-month Deposits (Adj.)	"	8.82
		U.S. Certificate of Deposits (Adj.)	"	5.79
	Lower	Differential: on Adj. Euro-\$ Deposits	"	+3.03
		on Unadj. Euro-\$ Deposits	"	+1.27
8A	Upper	Euro-\$ 3-month Deposits	June 4	7.19
		Hire Purchase Deposits (covered)	"	5.89
	Lower	Differential	"	-1.30
8B	Upper	Euro-\$ 3-month Deposits	"	7.19
		Local Authority Deposits (covered)	"	5.58
	Lower	Differential	"	-1.61
9A		U.S. Treasury Bill rate	June 18	4.81
		U.K. Treasury Bill rate	"	5.53
		Local Authority Deposit (uncovered)	"	6.34
9B	Upper	Spread (+= favor London)	"	+0.72
		3-month Forward Pound	"	-0.92
	Lower	Net Incentive (+= favor London)	"	-0.20

* 6A - Overnight: May 7 25.50r June 4 7.50r
 14 6.75r 11 6.00r
 21 8.64r 18 4.50
 28 6.00r

IV - 4

Chart	Panel	Series	Date	Rate
10A	Upper	Euro-\$ Deposits (covered)	June 16	6.51
		German Interbank Loan rate	"	6.88
	Lower	Differential	"	+0.37
10B	Upper	Euro-\$ Deposits (covered)	"	5.35
		Swiss Deposit rate	"	3.50
	Lower	Differential	"	-1.85
11	Upper	Canadian Finance Paper	June 18	3.75
		U.S. Treasury Bill rate	"	4.81
		Canadian Treasury Bill rate	"	3.02
		U.S. Prime Finance paper (not plotted)	"	5.19
	Second	Bill rate differential	"	-1.79
		Forward Canadian dollar	"	+1.56
	Third	Net incentive on bills	"	-0.23
	Bottom	Net incentive on Finance Paper	"	+0.12
12A	Upper	U.K. Treasury Bill rate	June 18	5.53
		U.S. Treasury Bill rate	"	4.81
		German Interbank Loan rate	"	6.88
	Lower	Japanese Average rate	April	7.655
		Canadian Treasury Bill rate	June 18	3.02
		U.S. Treasury Bill rate	"	4.81
12B		Euro-\$ Deposits	"	7.06
		Swiss 3-month Deposit rate	"	3.50
		U.S. Treasury Bill rate	"	4.81

Chart	Panel	Series	Date	Rate
13	Upper	Netherlands	June 4	7.12
		Canada	June 9	6.74
		United States	June 16	6.07
		Switzerland	June 4	5.33
	Middle	* Germany	May 28	8.04
		United Kingdom	June 11	9.37
		Euro-dollar bonds	June 18	7.56
	Lower	U.S. Corp. Dollar Euro-bonds	April	8.12
		U.S. Corp. DM Euro-bonds	"	7.17
		U.S. Corp. Aaa bonds	May	7.78
14	Upper	Switzerland	June 18	393.7
		Germany	June 15	273.60
		United States	June 18	212.82
	Middle	United Kingdom	"	210.49
		Canada	June 10	223.05
	Lower	** Japan	June 18	431.46
		United States	"	212.82

* 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.

APPENDIX

The following exchange rate data are now included in the H.13 series of charts:

CHART 2A

A panel showing 4-month forward Japanese yen has been added. The 4-month forward rate is more representative of forward cover operations in Japan than the 3-month rate shown in other panels of this chart for European currencies.

The forward rate plotted is the weekly average of mid-points of daily forward Bid and Ask quotations on the Tokyo money market. The spot rate used is the one plotted in Chart 1A and the forward premium or discount is expressed in per cent per annum.

The source of 4-month forward yen is Japan Economic Journal and the series has been back-plotted to July 1, 1970.

H.13 Data for all points plotted on new panels
(Per cent per annum)

<u>1970</u>	<u>4-month forward Japanese yen</u>	<u>1971</u>	<u>4-month forward Japanese yen</u>
July 4	+2.07	Jan. 9	+1.17
11	+2.33	16	+1.46
18	+2.48	23	+1.61
25	+2.34	30	+1.31
Aug. 1	+1.80	Feb. 6	+1.14
8	+1.42	13	+1.20
15	+0.76	20	+1.23
22	+0.58	27	+1.75
29	+0.80	Mar. 6	+2.03
Sept. 5	+0.86	13	+2.43
12	+1.04	20	+2.48
19	+0.97	27	+2.03
26	+0.69	Apr. 3	+2.31
Oct. 3	+0.68	10	+2.73
10	+0.64	17	+2.79
17	+0.62	24	+2.67
24	+0.63	May 1	+2.76
31	+0.66	8	+3.49
Nov. 7	+0.58	15	+5.24
14	+0.58	22	+5.36
21	+0.62	29	+6.15
28	+0.69	June 4	+5.56
Dec. 5	+0.85	11	+5.07
12	+0.81		
19	+0.85		
26	+0.94		
31	+1.01		

53
APPENDIX - 2

May 7, 1971 - Call Euro-\$ changed to Overnight Euro-\$

<u>1971</u>	<u>Overnight</u>	<u>Differential</u>
May 12	9.86r	+ 5.27r
19	5.29r	+ 0.74r
26	5.81r	+ 1.13r
June 2	15.93r	+11.11r
9	5.04r	+ 0.27r
16	4.64	- 0.24