

July 14, 1971 No. 514

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H-13

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



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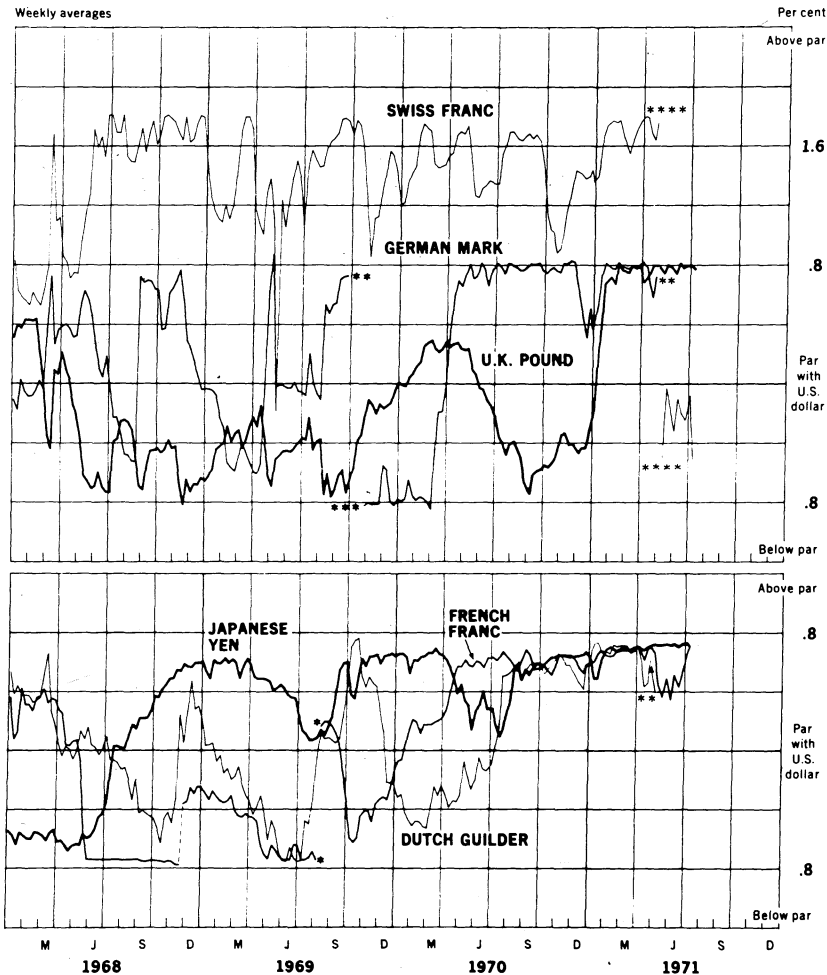
PART IV. SELECTED CENTRAL BANK DISCOUNT RATES AND LATEST FIGURES PLOTTED ON THE CHARTS

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



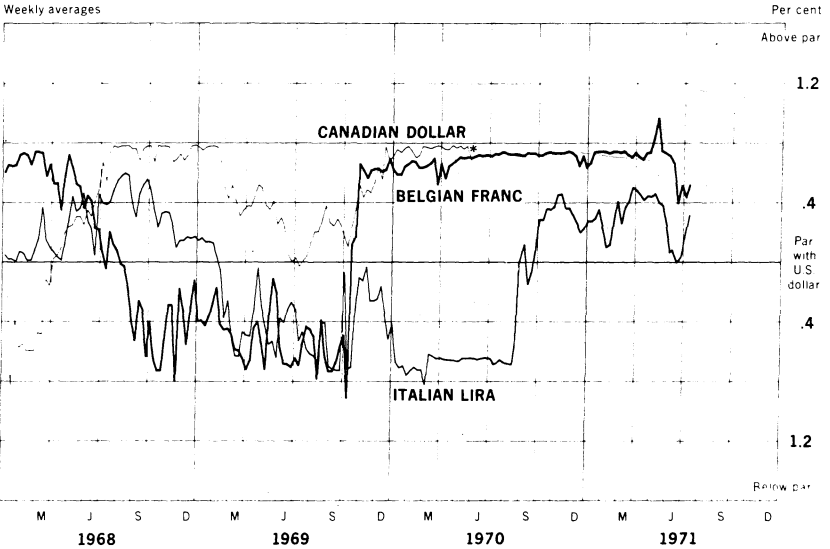
* Devaluation of the French franc from 4.94 to 5.55 for \$1.00.

** Rate not supported by Central Bank.

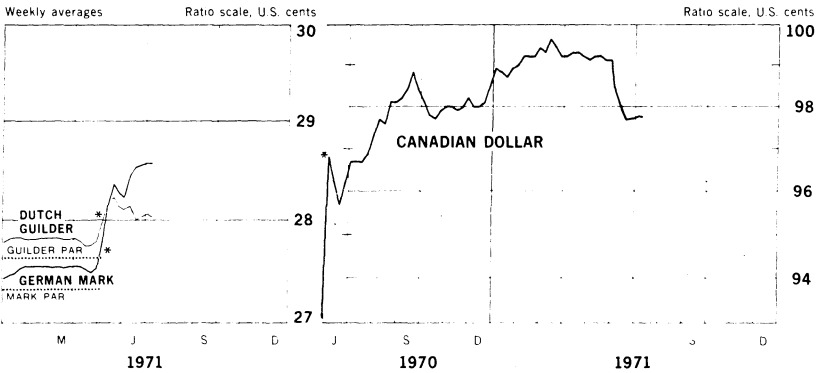
*** Revaluation of the DM from 25.00 to 27.32 in U.S. cents.

**** May 10, 1971 - Swiss franc revalued; new par 24.485 U.S. cents.

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

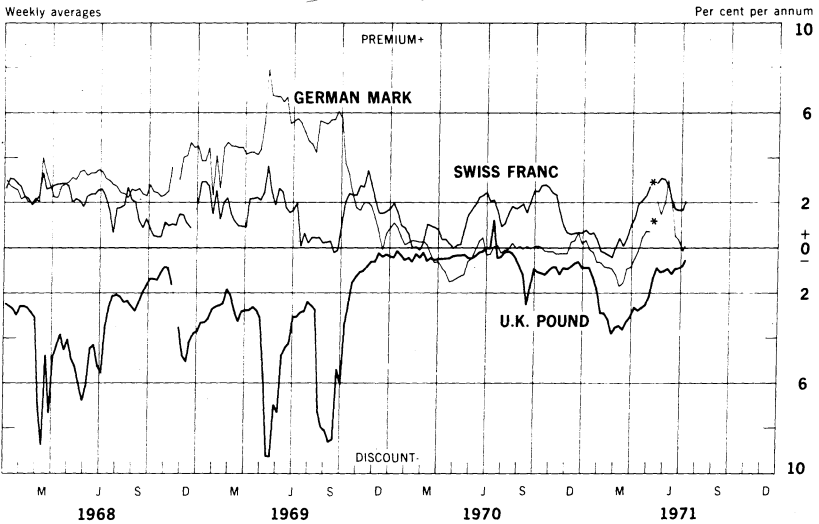


CURRENCIES WITH FLOATING EXCHANGE RATES



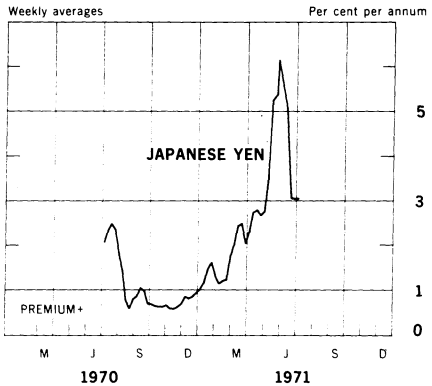
*Rate not supported by Central Bank

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



* No quotation.

4-MONTH FORWARD YEN AGAINST U.S. DOLLAR



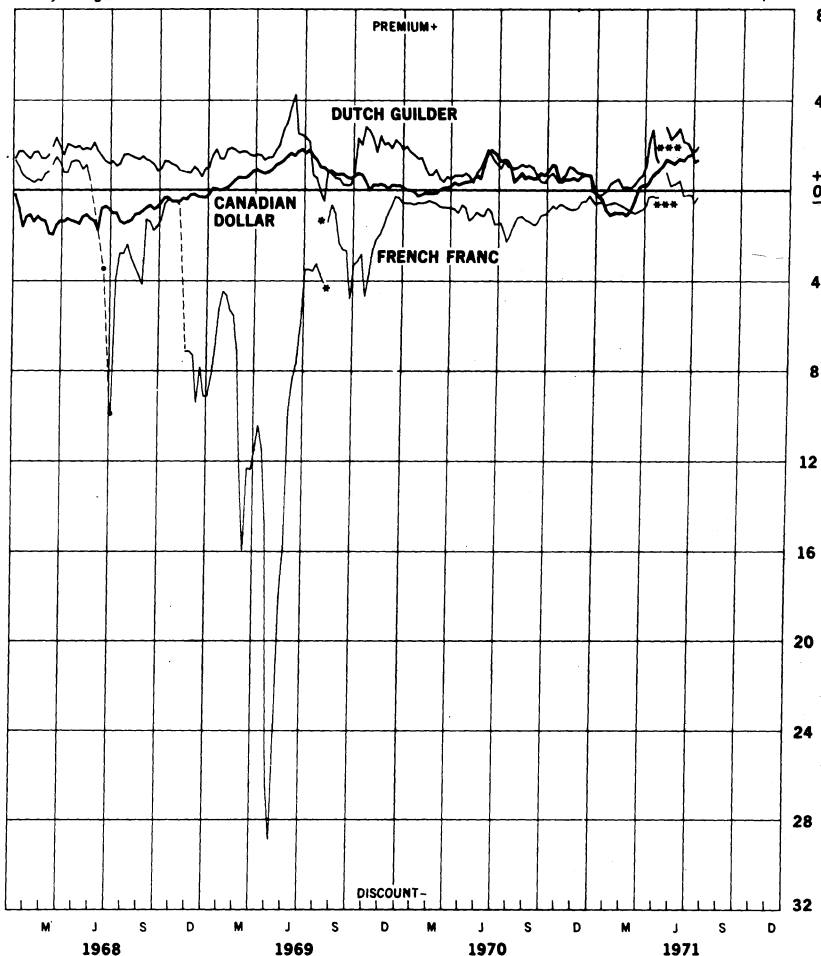
6

Chart 2B

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.

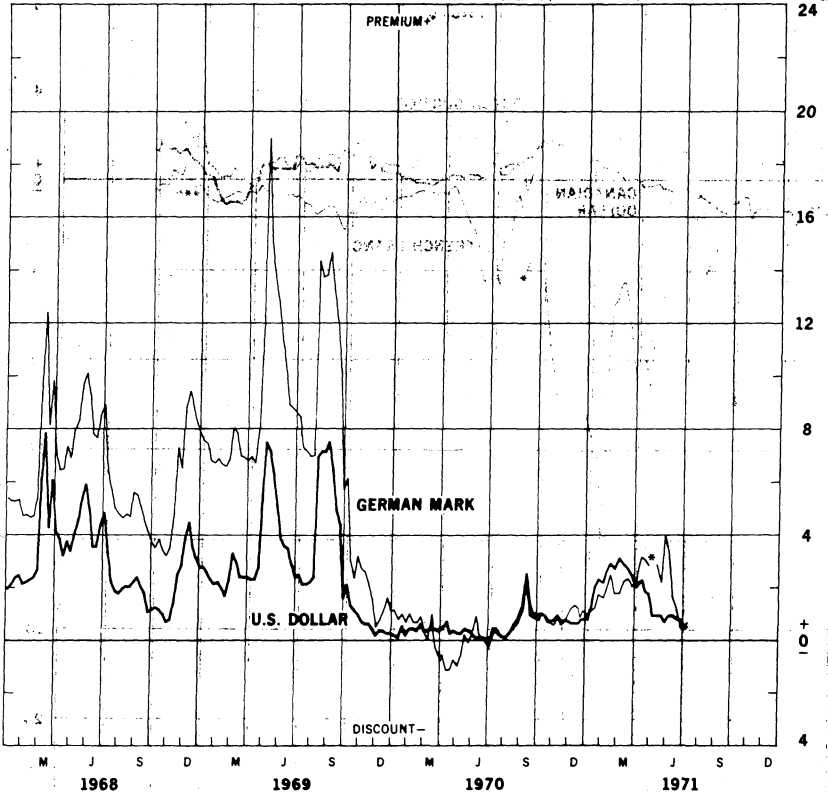
** Can. \$ rate not supported by Bank of Canada.

*** No quotation

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

Friday figures

Per cent per annum

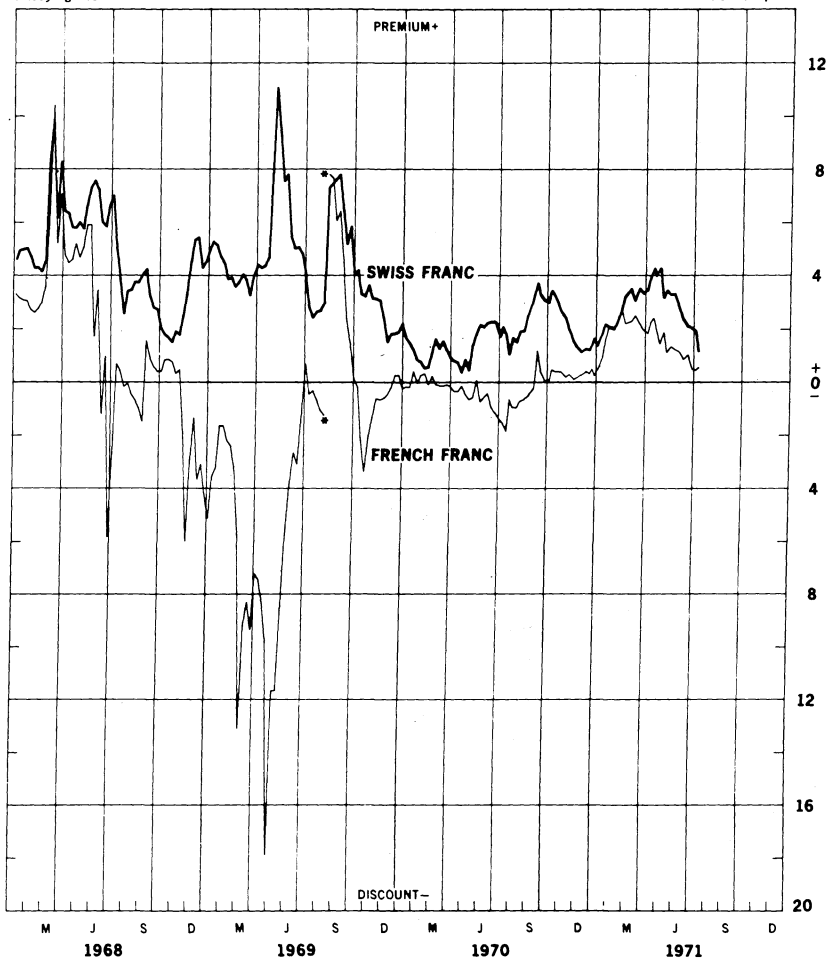


* No quotation

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

Friday figures

Per cent per annum



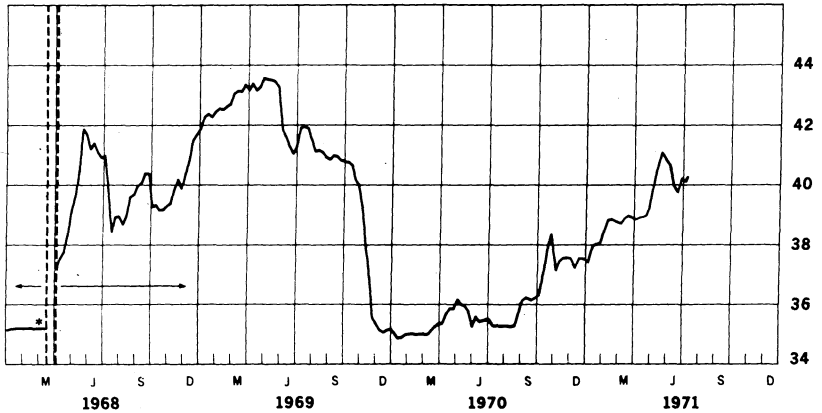
*Devaluation of the French franc from 4.94 to 5.55 for \$1.00

Chart 4

GOLD PRICE IN LONDON, 12.5 Kg BARS

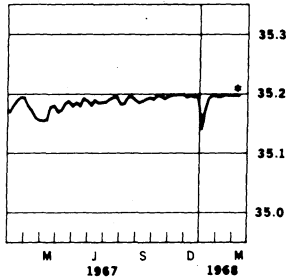
Week's average of afternoon fixings

U.S. dollar equivalent per fine ounce



MARKET SUPPORTED BY GOLD POOL

U.S. dollar equivalent per fine ounce



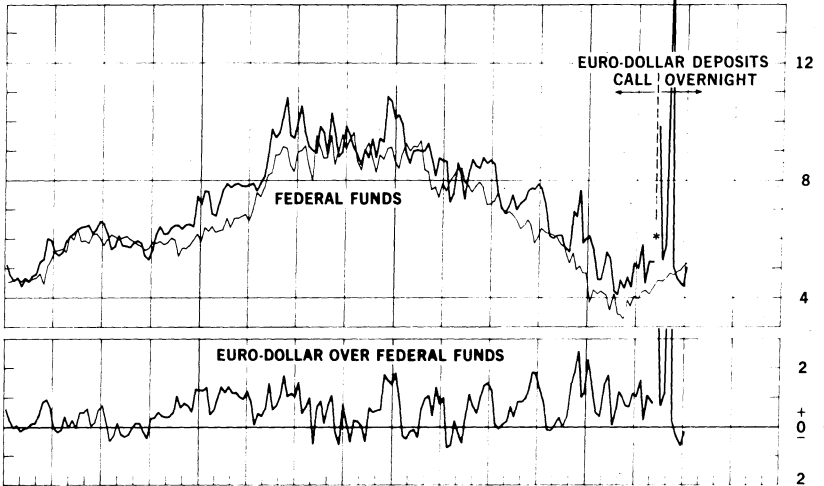
* Market closed March 15-April 1, 1968

CHART 5A

CALL MONEY RATES

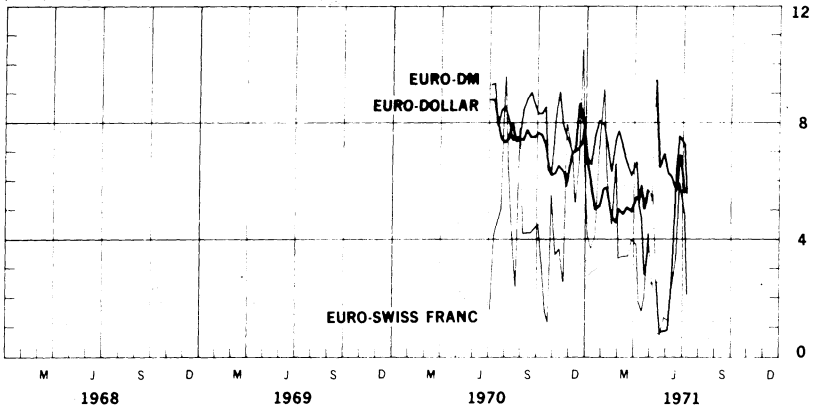
DOLLAR FUNDS

Weekly averages



EURO CURRENCIES

Weekly averages



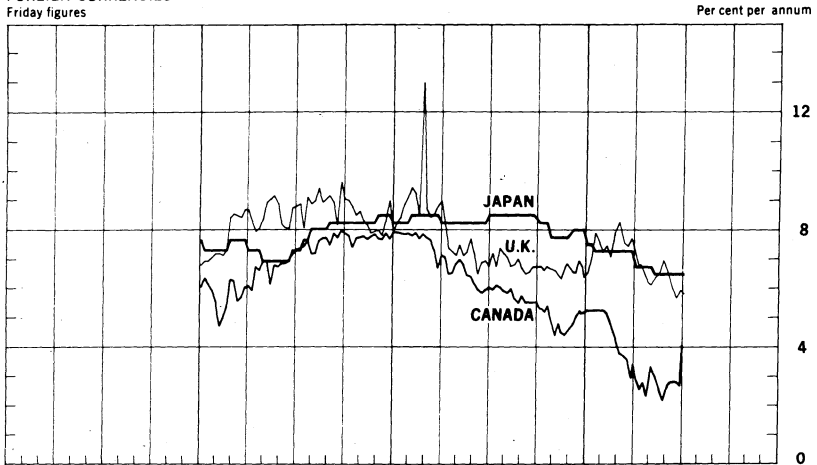
* May 10, 1971 - Changed to Overnight Euro \$ Deposits.

Chart 5B

CALL MONEY RATES

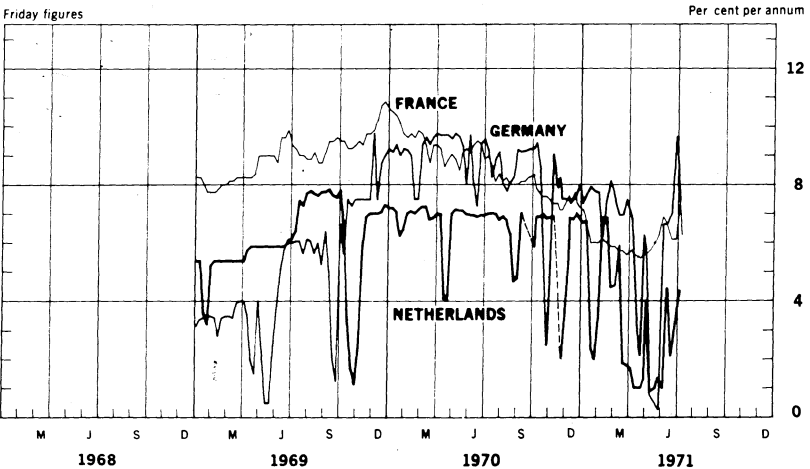
FOREIGN CURRENCIES*

Friday figures



SELECTED EEC CURRENCIES**

Friday figures



* Japan, Unconditional Money; U.K., 2-day Local Authority Deposits; Canada, Day-to-day Loans, weekly average.

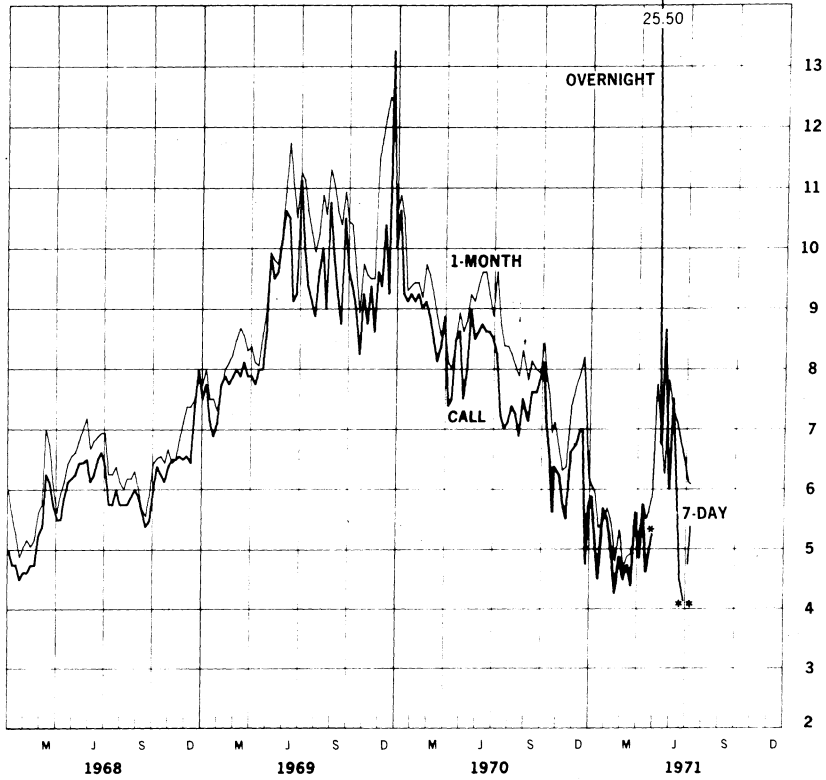
** Germany, Call Money; France, Day-to-day Money; Netherlands, Call Money, weekly average.

Chart 6A

LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum



* May 12/71—changed to Overnight Euro-Dollar Deposits
 ** July 1—changed to 7-Day Euro-Dollar

Chart 6B

LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum

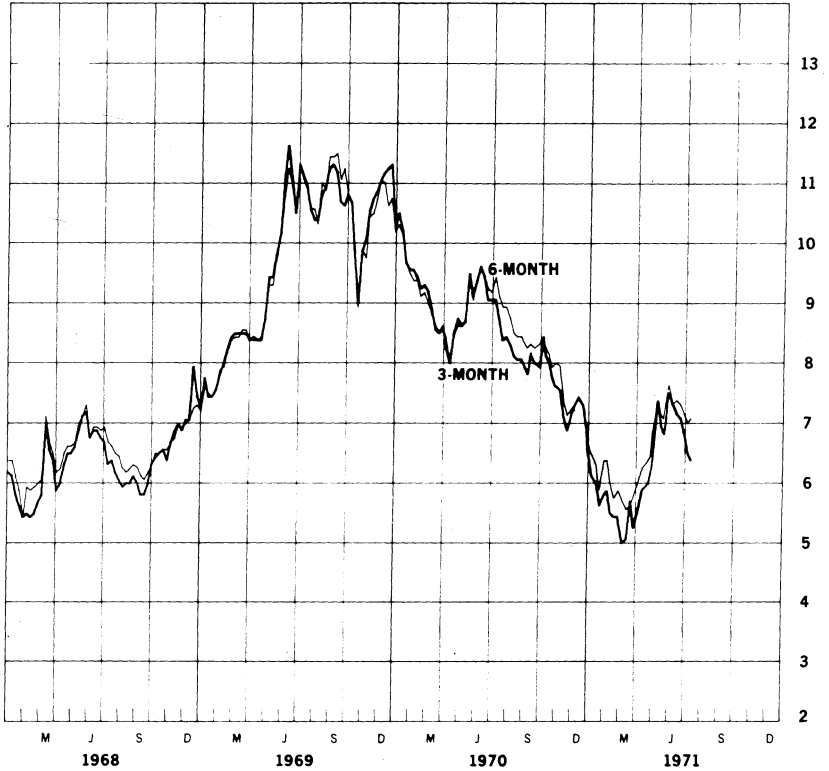


Chart 7A

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

3-MONTH DOLLAR DEPOSIT RATES—SECONDARY MARKET
Wednesday figures

Per cent per annum

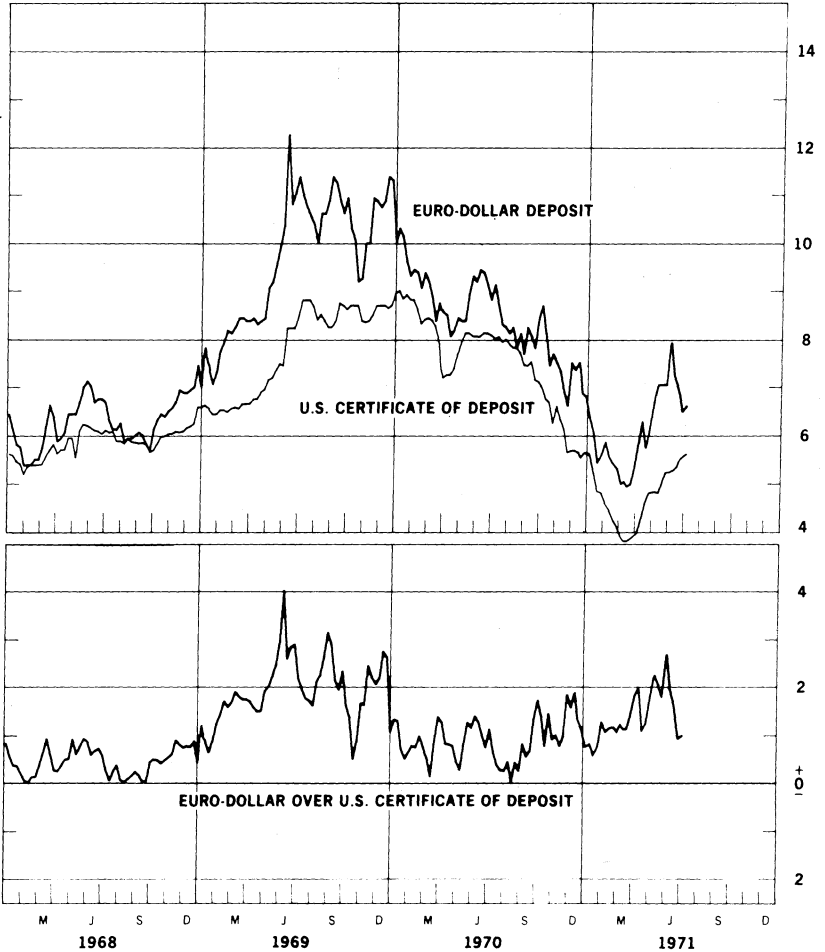


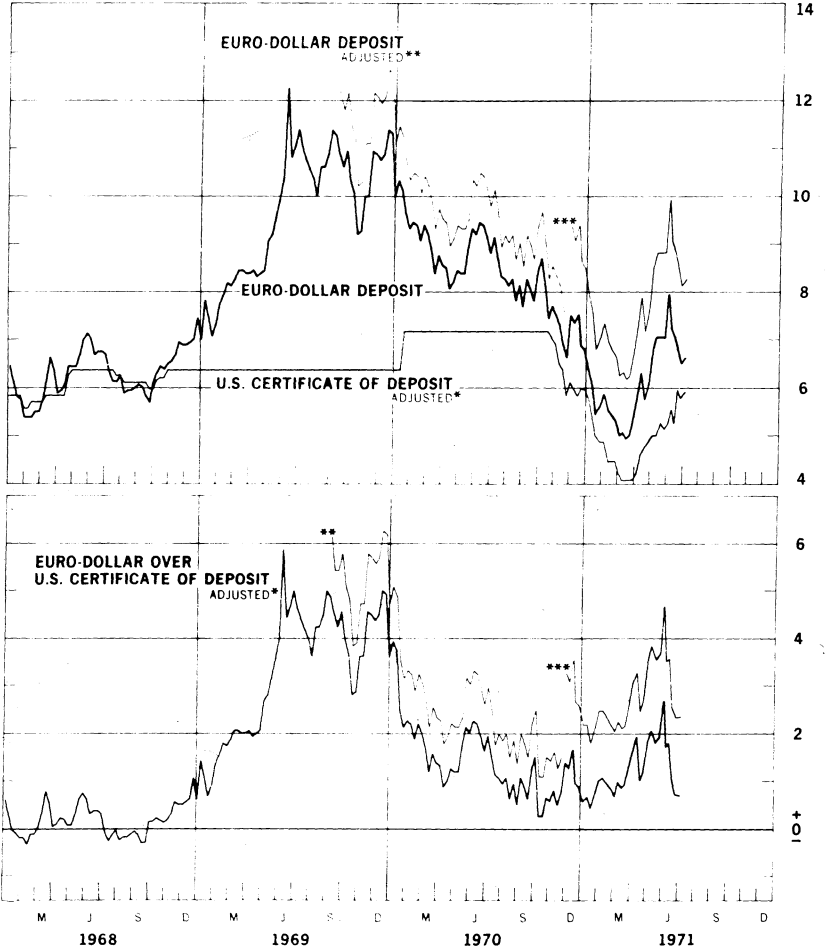
Chart 7B

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

Chart 8A

LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

HIRE PURCHASE AND EURO-DOLLAR RATES
Friday figures

Per cent per annum

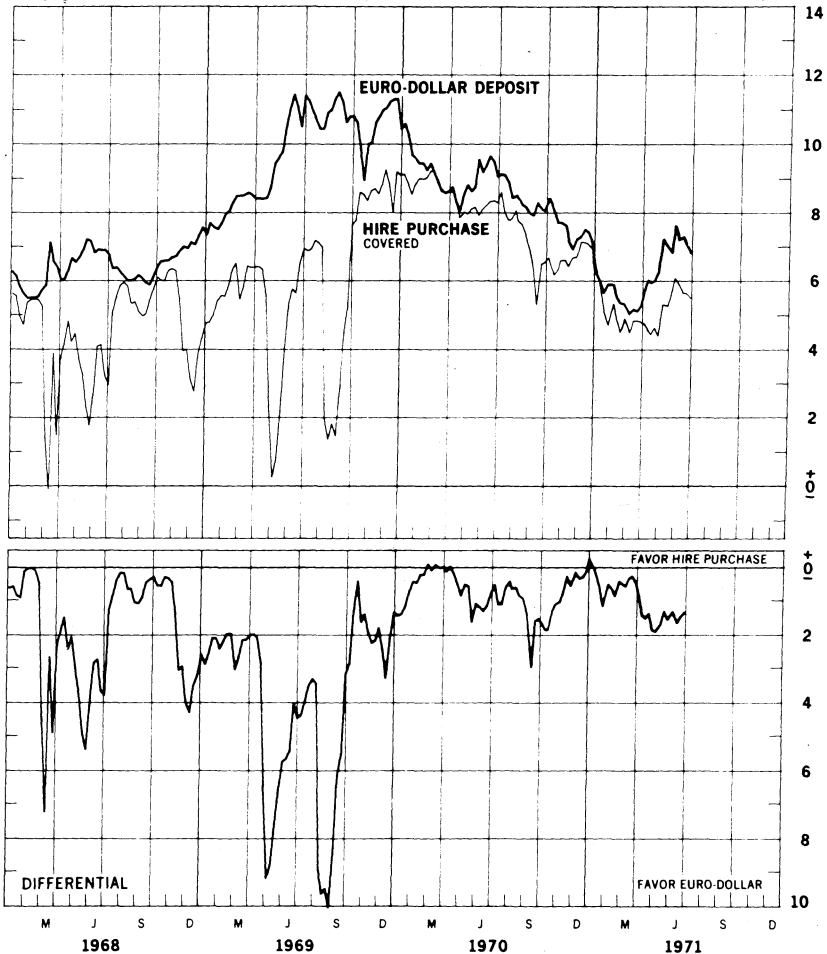


Chart 8B

LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

LOCAL AUTHORITY AND EURO-DOLLAR RATES

Friday figures

Per cent per annum

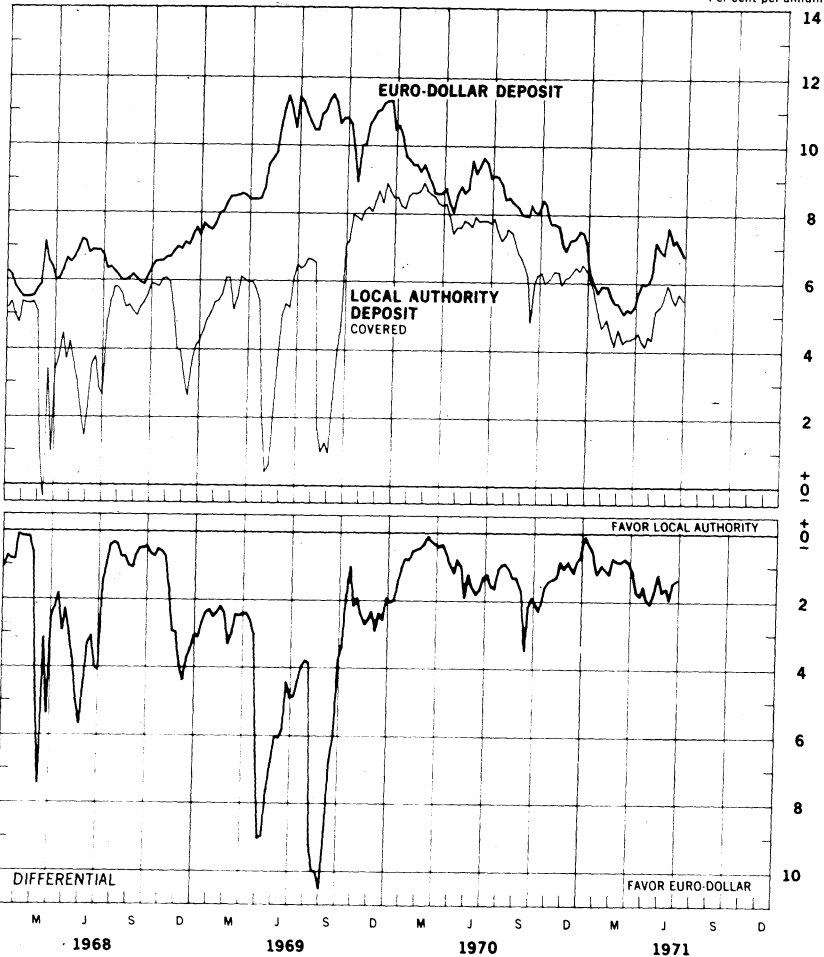
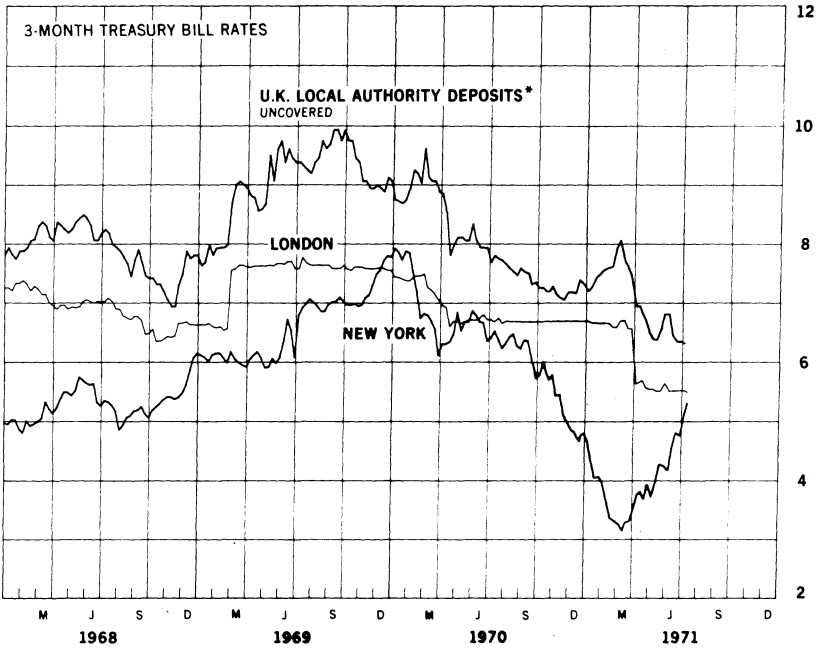


Chart 9A

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

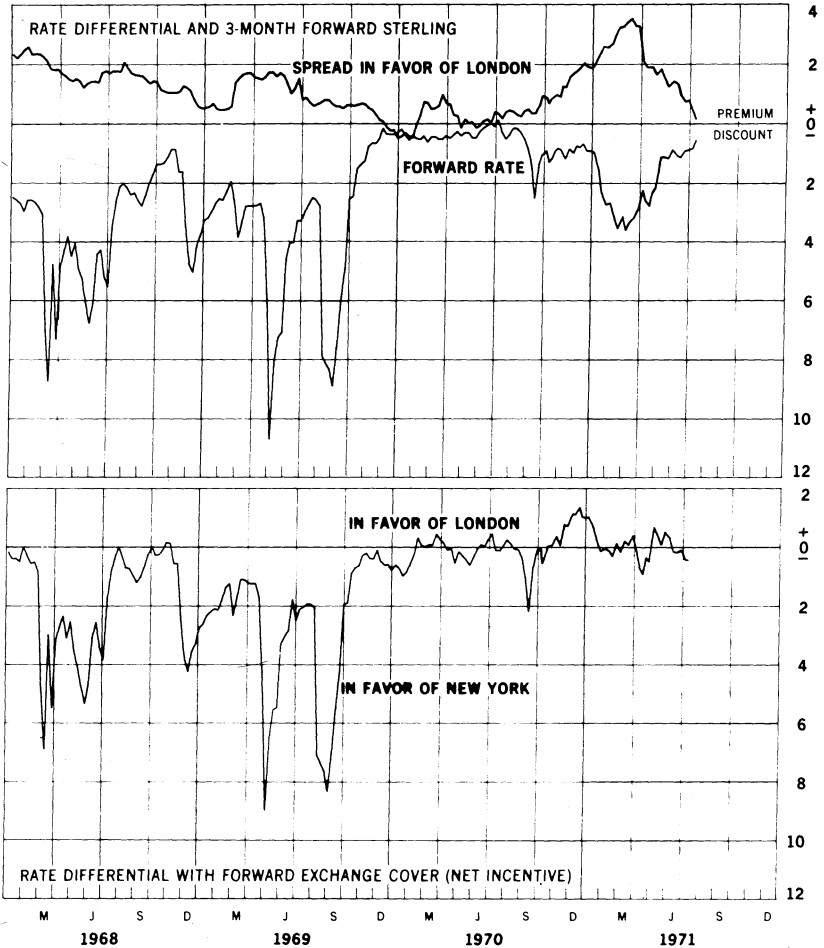


Chart 10A

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

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

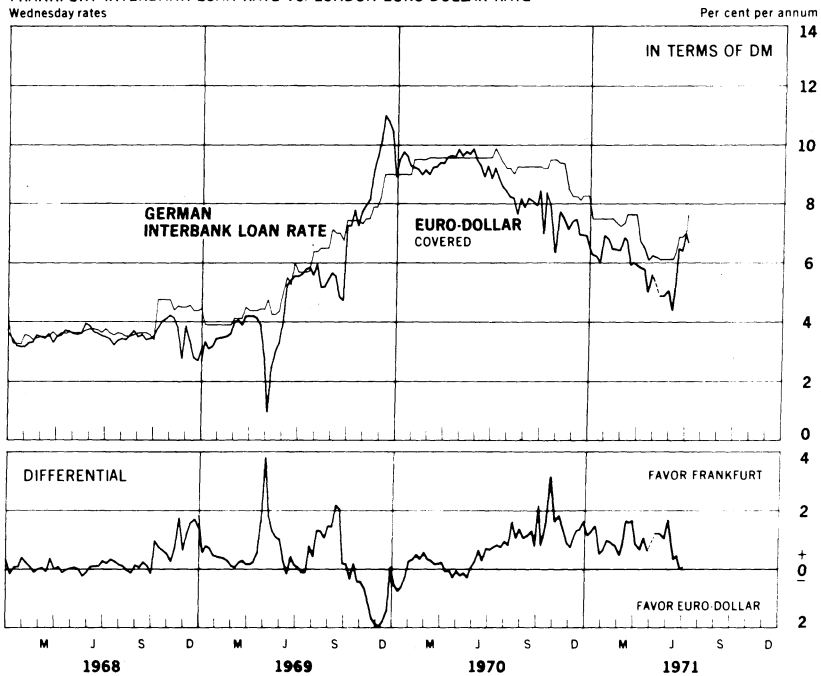


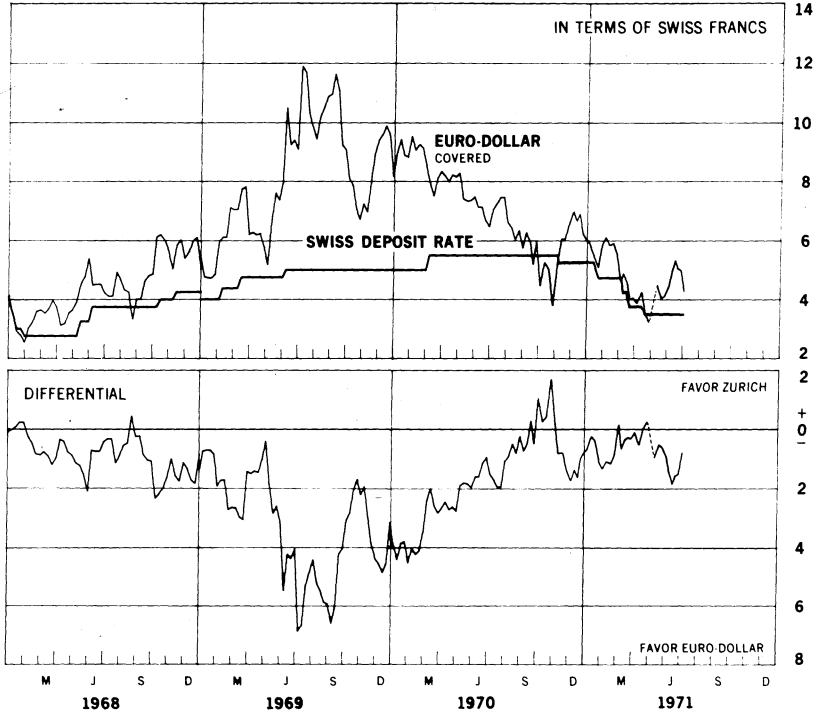
Chart 10B

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

ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates

Per cent per annum



72

Chart 11

3-MONTH INTEREST ARBITRAGE: UNITED STATES - CANADA

Friday figures

Per cent per annum

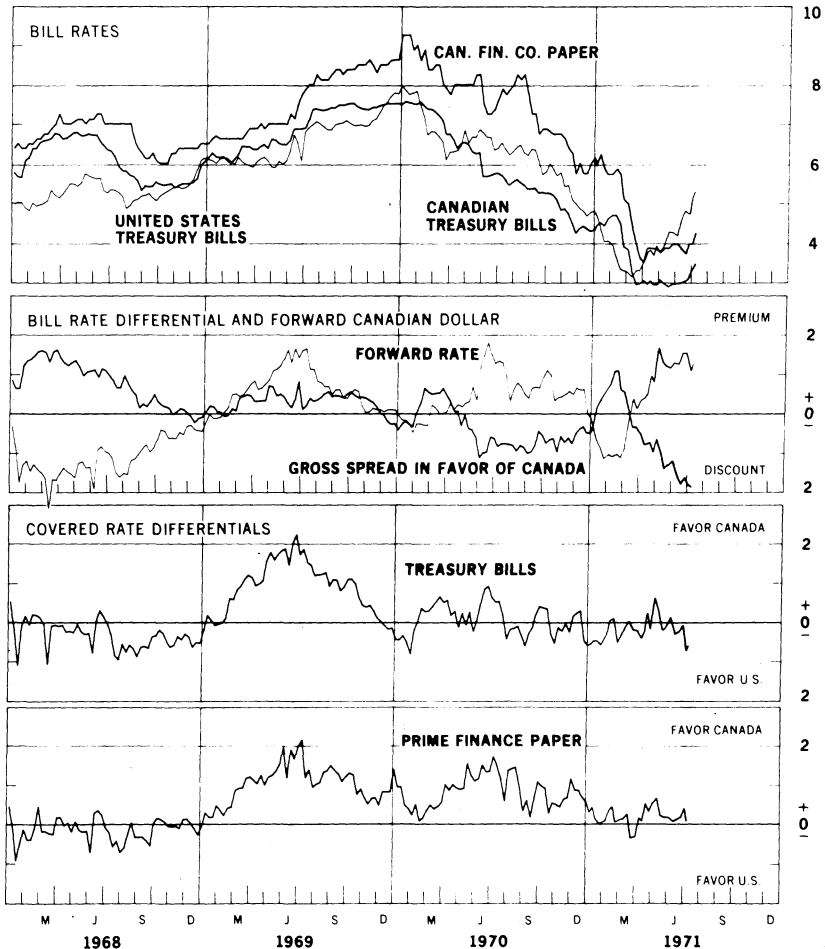
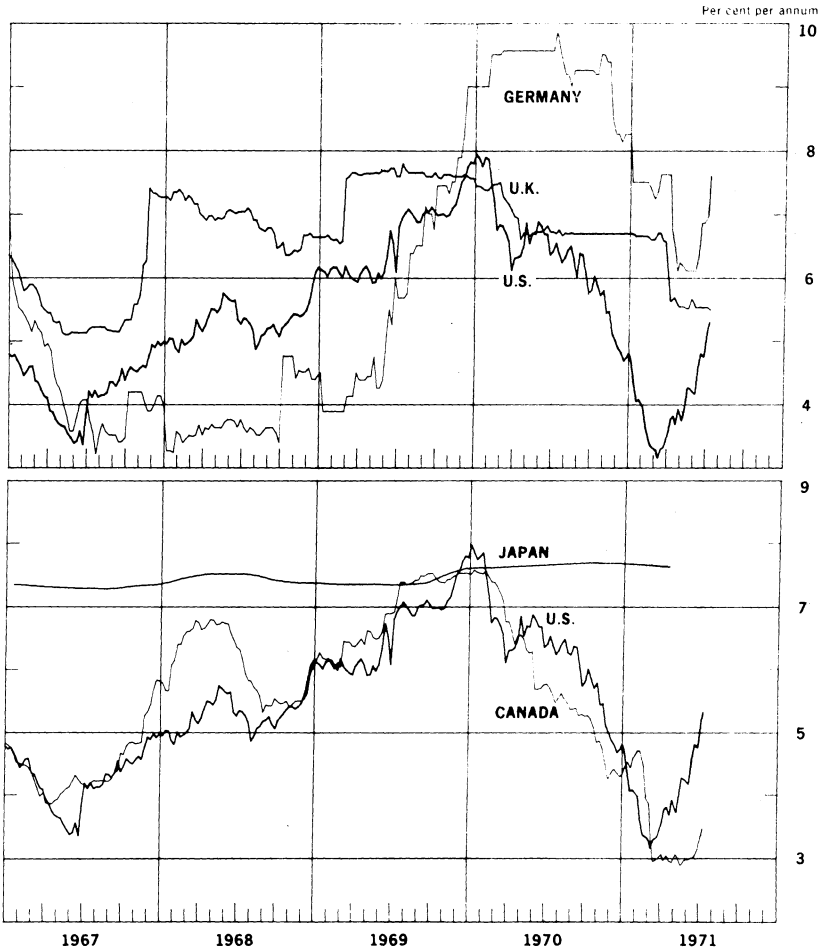


Chart 12A

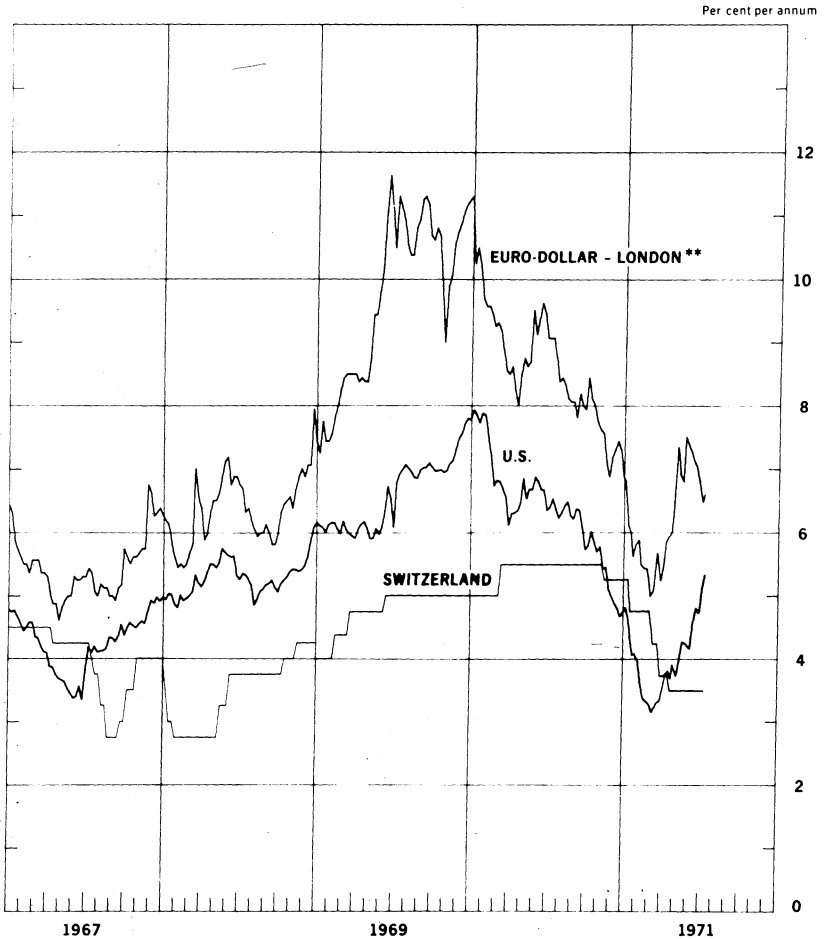
SELECTED SHORT-TERM INTEREST RATES*



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

Chart 12B

SELECTED SHORT-TERM INTEREST RATES *



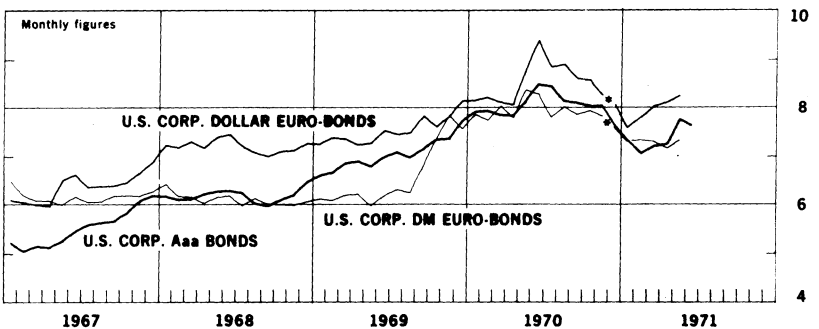
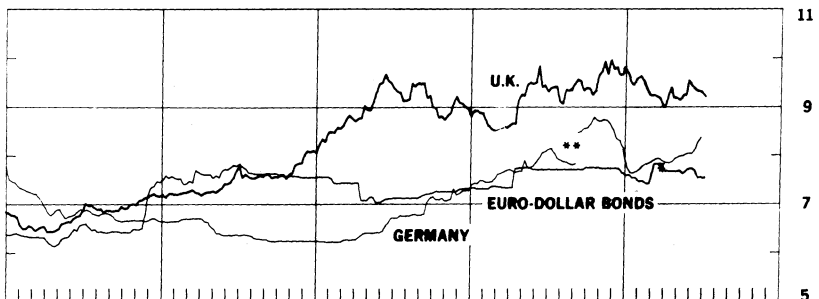
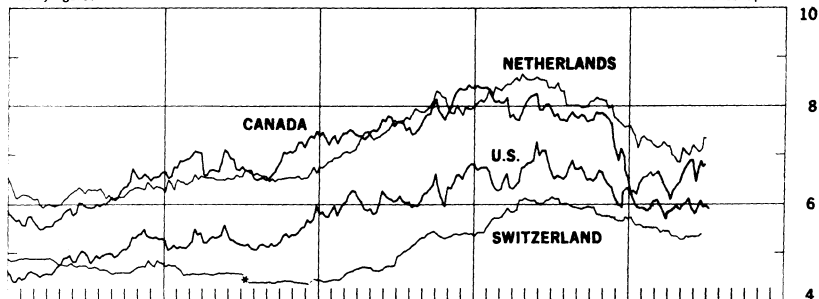
* 3 month treasury bill rate for U.S., Switzerland—3 month deposit rate
** 3-month rate for U.S. dollar deposits in London.

Chart 13

LONG-TERM BOND YIELDS

Weekly figures

Per cent per annum

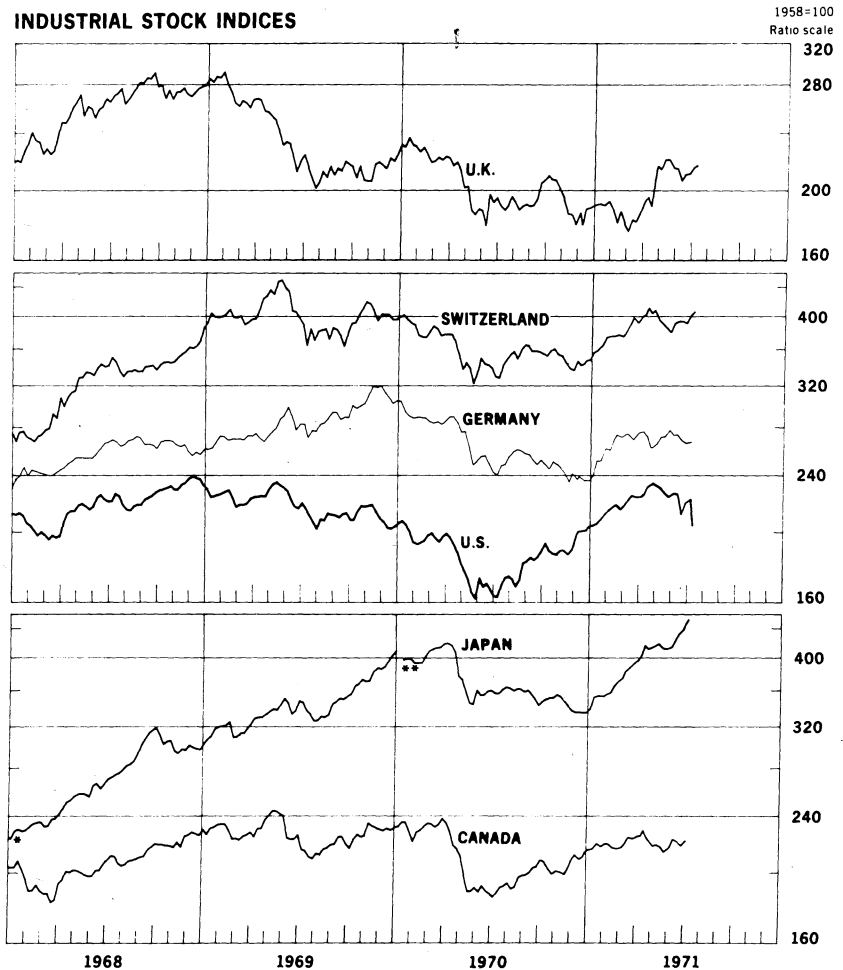


* New series for Switzerland starts 8-2-68, U.S. Corp. Dollar Euro-Bonds and U.S. Corp. DM Euro-Bonds starts 12-70, Euro-Dollar Bonds start 4-2-71.

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

CHART 14

INDUSTRIAL STOCK INDICES



* 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	6.75	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	July 9	- 0.509
		* German mark	"	28.57
		U.K. pound	"	+ 0.767
	Lower	* Dutch guilder	"	28.03
		French franc	"	+ 0.718
		Japanese yen	"	+ 0.714
1B		Belgian franc	"	+ 0.522
		Italian lire	"	+ 0.318
		* Canadian dollar	"	97.75
2A		German mark	July 9	+ 0.78
		Swiss franc	"	+ 2.06
		U.K. pound	"	- 0.53
2B		Dutch guilder	"	+ 1.92
		Canadian dollar	"	+ 1.35
		French franc Japanese yen	July 6	+ 3.05
3A		German mark	July 9	+ 0.71
		U.S. dollar	"	+ 0.54
3B		Swiss franc	"	+ 1.14
		French franc	"	+ 0.58
4		Gold price, U.S. dollar per ounce	July 9	40.29
5A	Upper	Overnight deposits	July 7	5.04
		Federal Funds	"	5.18
	Middle	Differential	"	- 0.14
	Lower	Euro-currencies: Euro \$	July 9	5.72
		Euro DM	"	5.56
	Euro Swiss Fr.	"	2.09	
5B	Upper	Japan, Unconditional Money	July 2	6.50
		U.K., 2-day Local Author. Deps.	"	5.81
		Canada, Day-to-day Loans	"	4.08
	Lower	France, Day-to-Day Money	"	6.25
Germany, Call Money		"	7.38	
Netherlands, Call Money		"	4.35	

Chart	Panel	Series	Date	Rate
6A		Euro-\$ 7-Day Rate	July 9	5.38
		Euro-\$ 1-month Rate	"	6.06
6B		Euro-\$ 3-month Rate	"	6.38
		Euro-\$ 6-month Rate	"	7.06
7A	Upper	Euro-\$ 3-month Deposits	July 7	6.62
		U.S. Certificate of Deposits	"	5.62
	Lower	Differential	"	+ 1.00
7B	Upper	Euro-\$ 3-month Deposits	"	6.62
		Euro-\$ 3-month Deposits (Adj.)	"	8.28
		U.S. Certificate of Deposits (Adj.)	"	5.92
	Lower	Differential: on Adj. Euro-\$ Deposits	"	+ 2.36
		on Unadj. Euro-\$ Deposits	"	+ 0.70
8A	Upper	Euro-\$ 3-month Deposits	June 25	6.81
		Hire Purchase Deposits (covered)	"	5.50
	Lower	Differential	"	- 1.31
8B	Upper	Euro-\$ 3-month Deposits	"	6.81
		Local Authority Deposits (covered)	"	5.43
	Lower	Differential	"	- 1.38
9A		U.S. Treasury Bill rate	July 9	5.33
		U.K. Treasury Bill rate	"	5.50
		Local Authority Deposit (uncovered)	July 2	6.31
9B	Upper	Spread (+= favor London)	July 9	+ 0.17
		3-month Forward Pound	"	- 0.58
	Lower	Net Incentive (+= favor London)	"	- 0.41

Chart	Panel	Series	Date	Rate
10A	Upper	Euro-\$ Deposits (covered)	July 2	6.69
		German Interbank Loan rate	"	7.62
	Lower	Differential	"	+ 0.93
10B	Upper	Euro-\$ Deposits (covered)	"	4.28
		Swiss Deposit rate	"	3.50
	Lower	Differential	"	- 0.78
11	Upper	Canadian Finance Paper	July 9	4.25
		U.S. Treasury Bill rate	"	5.33
		Canadian Treasury Bill rate	"	3.47
		U.S. Prime Finance paper (not plotted)	"	5.46
	Second	Bill rate differential	"	- 1.86
		Forward Canadian dollar	"	+ 1.27
	Third	Net incentive on bills	"	- 0.59
	Bottom	Net incentive on Finance Paper	"	+ 0.08
12A	Upper	U.K. Treasury Bill rate	July 9	5.50
		U.S. Treasury Bill rate	"	5.33
		German Interbank Loan rate	"	7.62
	Lower	Japanese Average rate	April	7.655
		Canadian Treasury Bill rate	July 9	3.47
		U.S. Treasury Bill rate	"	5.33
12B		Euro-\$ Deposits	"	6.62
		Swiss 3-month Deposit rate	"	3.50
		U.S. Treasury Bill rate	"	5.33

Chart	Panel	Series	Date	Rate
13	Upper	Netherlands	July 2	7.32
		Canada	July 30	6.80
		United States	July 7	5.89
		Switzerland	June 18	5.38
	Middle	* Germany	June 30	8.36
		United Kingdom	July 2	9.20
		Euro-dollar bonds	July 9	7.58
	Lower	U.S. Corp. Dollar Euro-bonds	May	8.24
		U.S. Corp. DM Euro-bonds	"	7.34
U.S. Corp. Aaa bonds		June	7.64	
14	Upper	Switzerland	July 9	405.8
		Germany	July 7	267.20
		United States	July 9	204.12
	Middle	United Kingdom	"	216.60
		Canada	July 1	220.18
	Lower	** Japan	July 5	452.05
		United States	July 9	204.12

* 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.