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September 8, 1971 No. 522

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

## SPECIAL NOTICE

Beginning August 16, no rates are plotted on Charts 1A and 1B but the charts will be continued for the time being to provide reference to rates in the recent past. The Canadian dollar rate will continue to be plotted in terms of U.S. cents on the bottom panel of Chart 1B.

Beginning with this issue two new charts, 1C and 1D, are being added to the series. These charts show percentage deviations of 7 major European currencies and the Japanese yen for their parities with the U.S. dollar as of May 10, 1971, that is after the revaluation of the Swiss franc on that day.

The rate for the French "financial" franc is plotted; the "commercial" franc is supported by the Bank of France and has not risen above its previously prescribed limits.

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### PART I. EXCHANGE RATES AND GOLD PRICES



### PART II. SHORT-TERM INTEREST RATES



### PART III. LONG-TERM INTEREST RATES AND STOCK INDICES



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

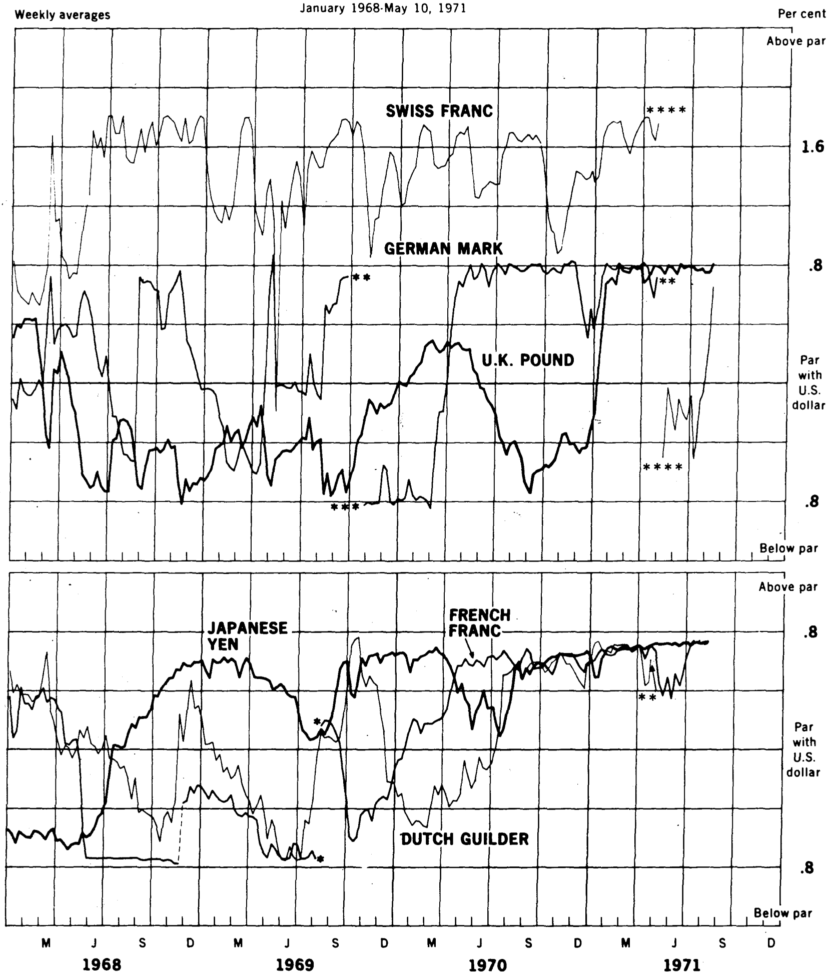
NOTE: This series is a continuation of the CAPITAL MARKETS DEVELOPMENTS ABROAD, which was published under that title through December 31, 1968.
The changes in the format and order of the charts are explained in the Supplement to the series, which accompanied issue dated January 1, 1969.
All series and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

Chart 1A

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

Weekly averages

January 1968-May 10, 1971




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

** Rate not supported by Central Bank.

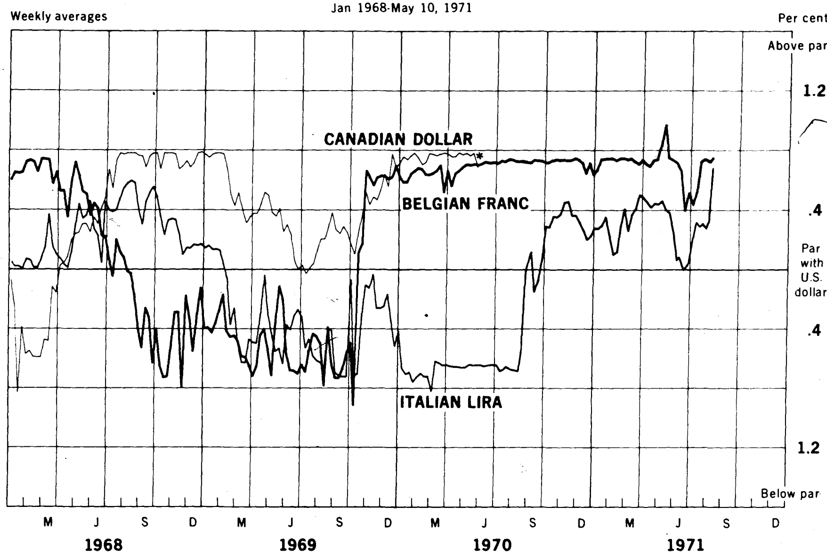
*** Revaluation of the DM from 25.00 to 27.32 in U.S. cents.

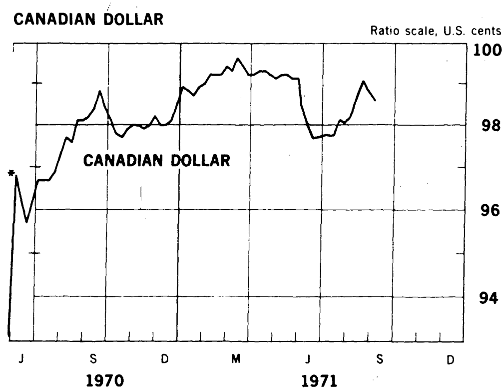
**** May 10, 1971 — Swiss franc revalued; new par 24.485 U.S. cents.

Chart 1B

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

Jan 1968-May 10, 1971




*Rate not supported by Central Bank

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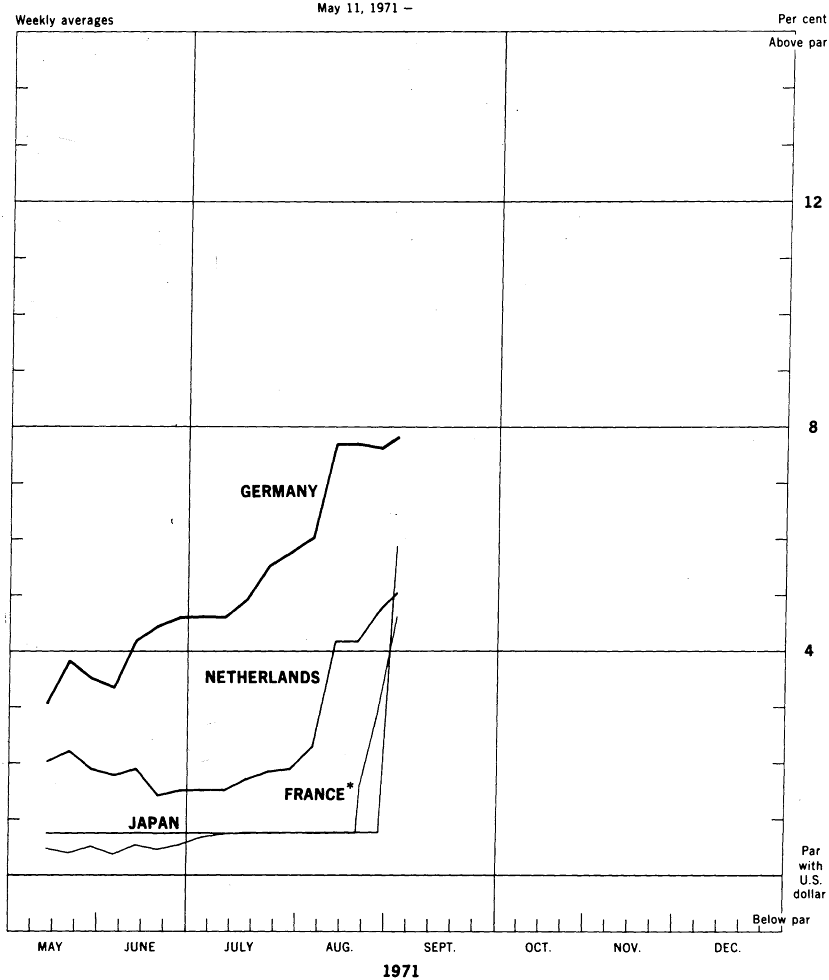
Chart 1C

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

May 11, 1971 –

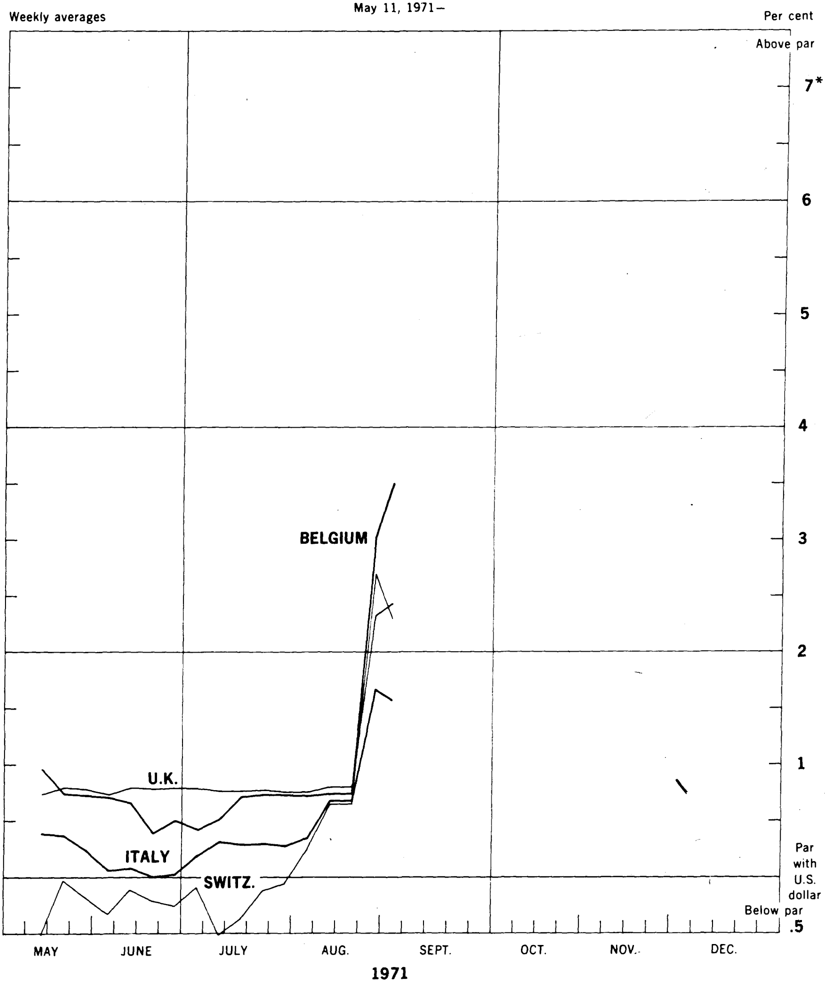



*Financial franc

Chart 1D

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

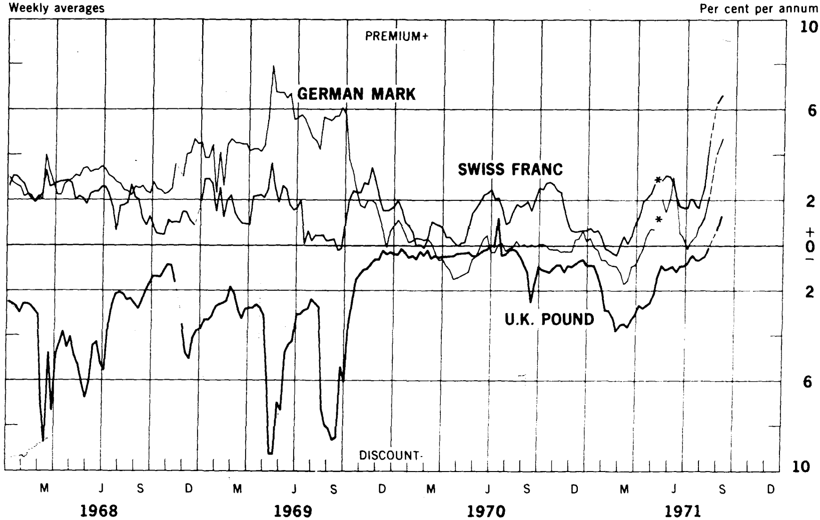
May 11, 1971–




*For clarity the vertical scale is double of that used in 1C

Chart 2A

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




* No quotation.

## 4-MONTH FORWARD YEN AGAINST U.S. DOLLAR

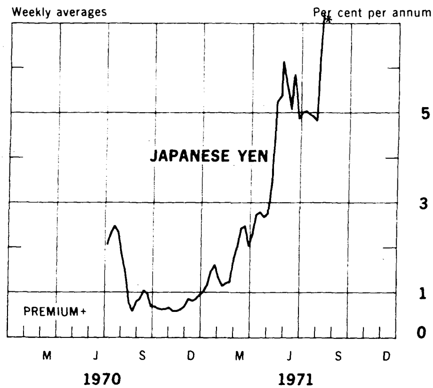
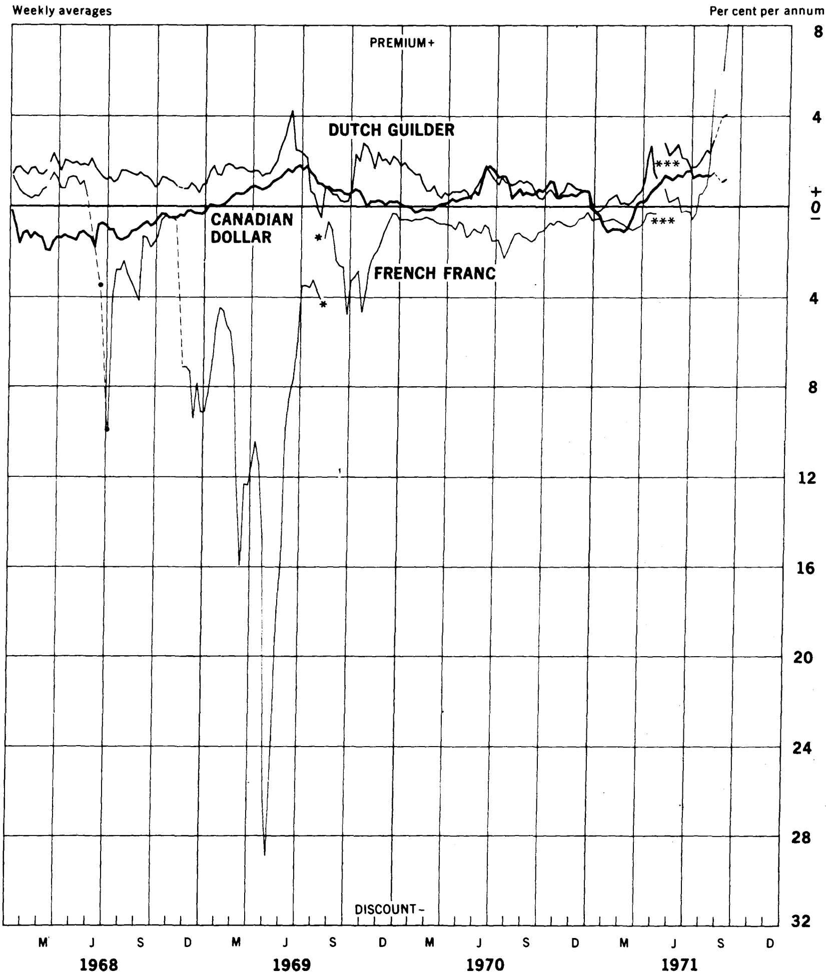


Chart 2B

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




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

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

*** No quotation

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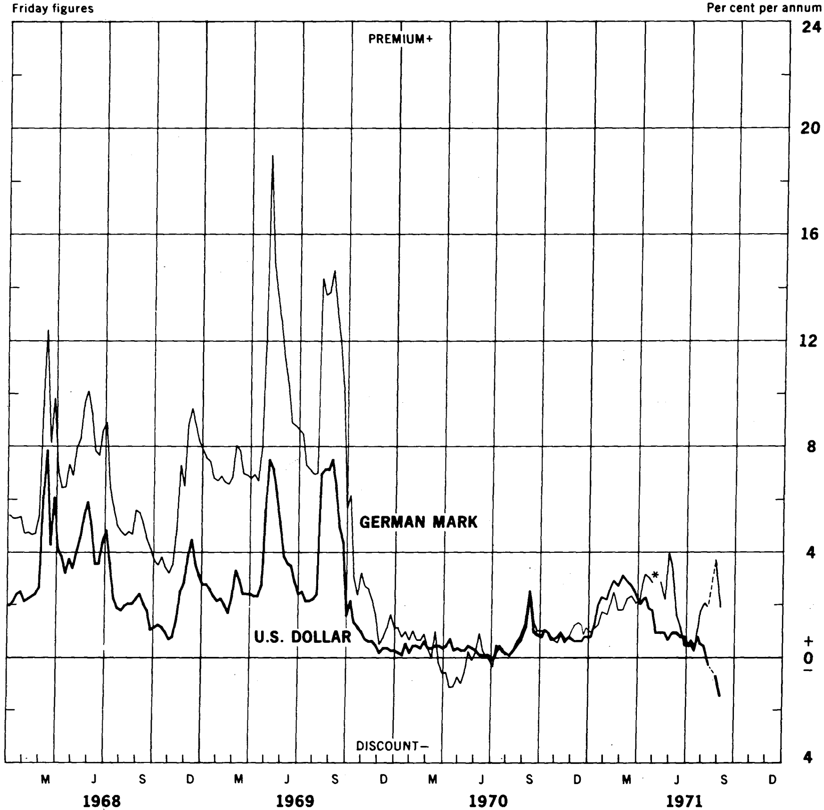
Chart 3A

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



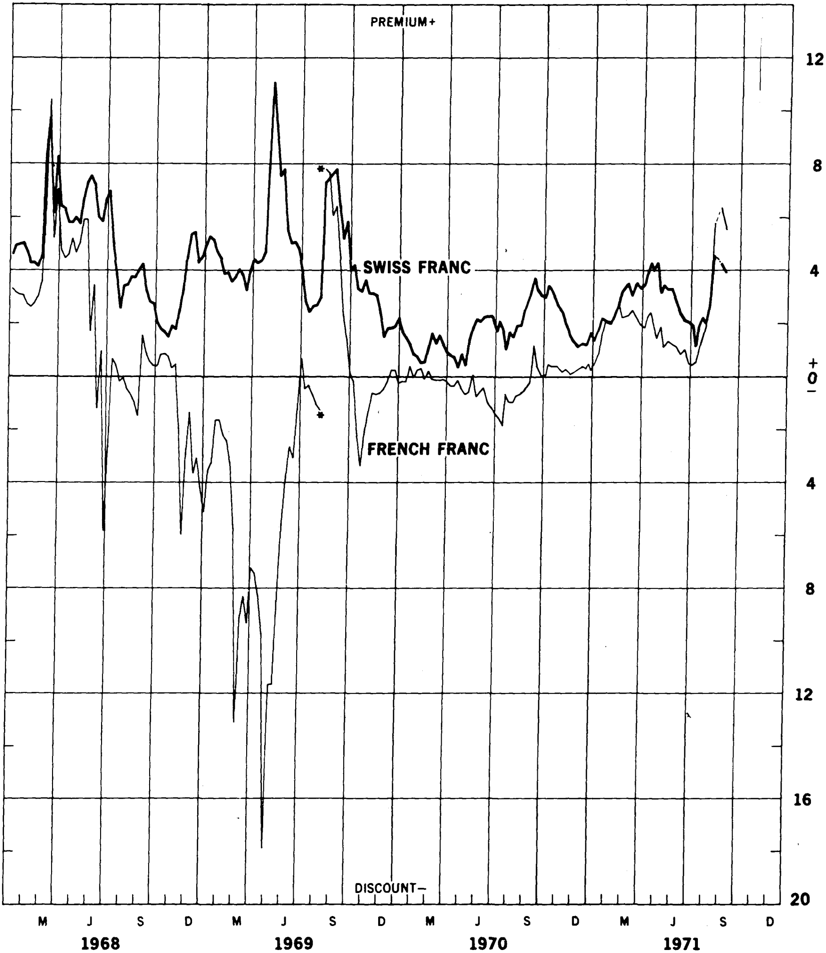

*No quotation.

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

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Chart 4

## GOLD PRICE IN LONDON, 12.5 Kg BARS

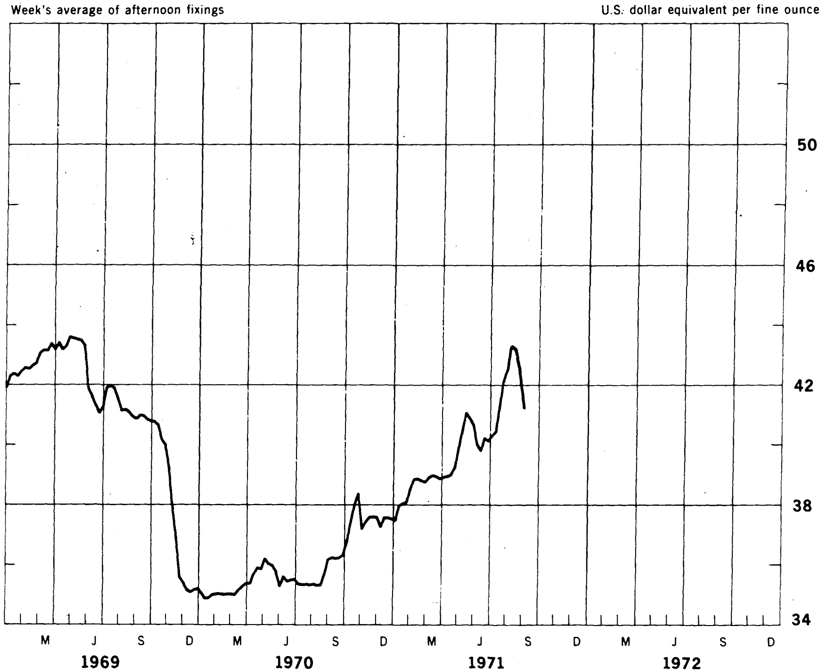
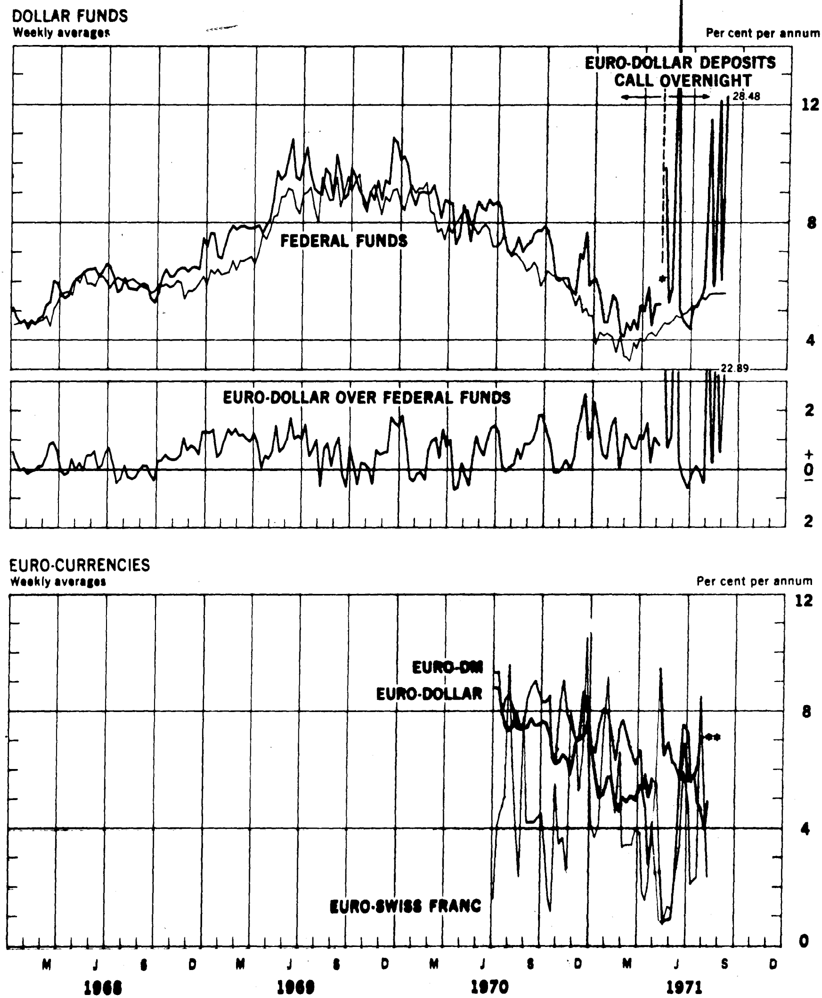


CHART 5A

# CALL MONEY RATES




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

** Dropped as of August 16, 1971.

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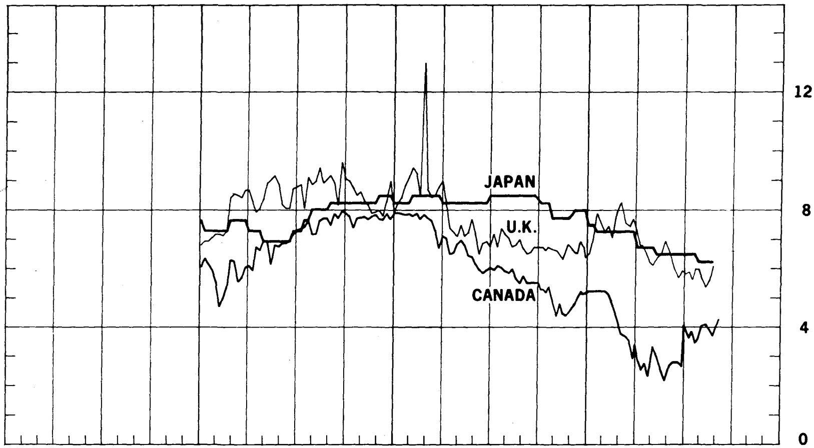
Chart 5B

## CALL MONEY RATES

FOREIGN CURRENCIES*

Friday figures

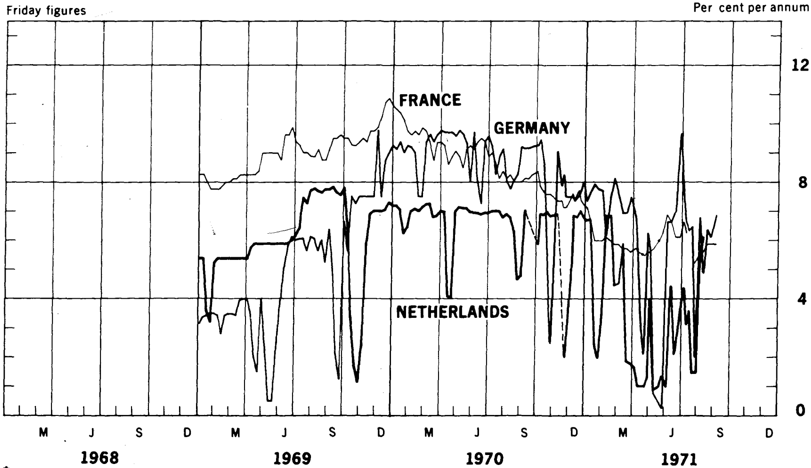
Per cent per annum




SELECTED EEC CURRENCIES**

Friday figures

Per cent per annum



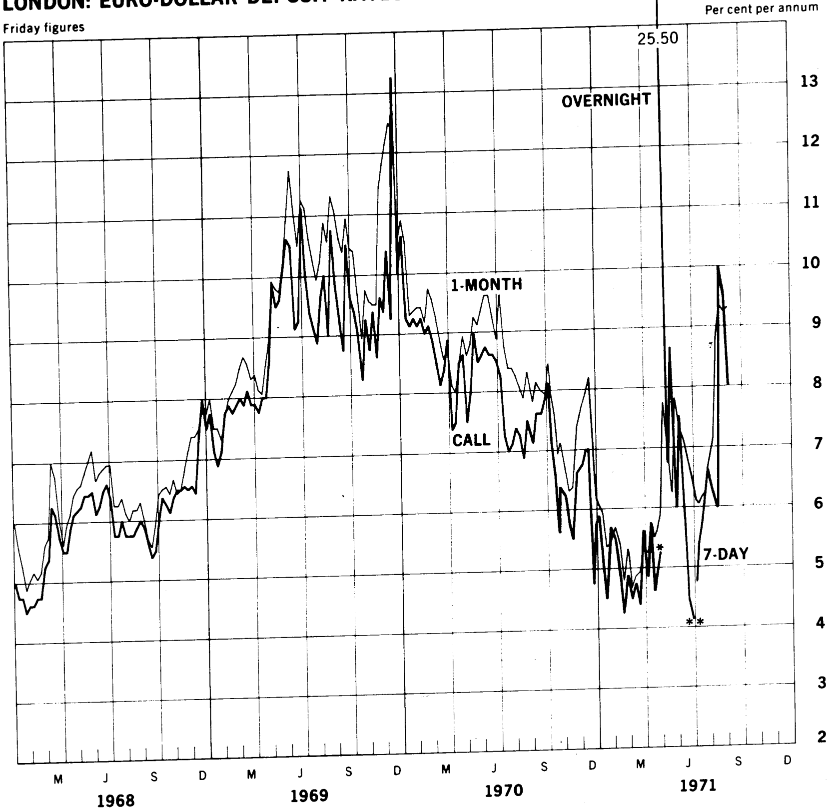

* Japan, Unconditional Money; U.K., 2-day Local Authority Deposits; Canada, Day-to-day Loans, weekly average.

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

Chart 6A

## LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures




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

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Chart 6B

## LONDON: EURO-DOLLAR DEPOSIT RATES

Chart 7A

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

3-MONTH DOLLAR DEPOSIT RATES—SECONDARY MARKET

Wednesday figures

Per cent per annum

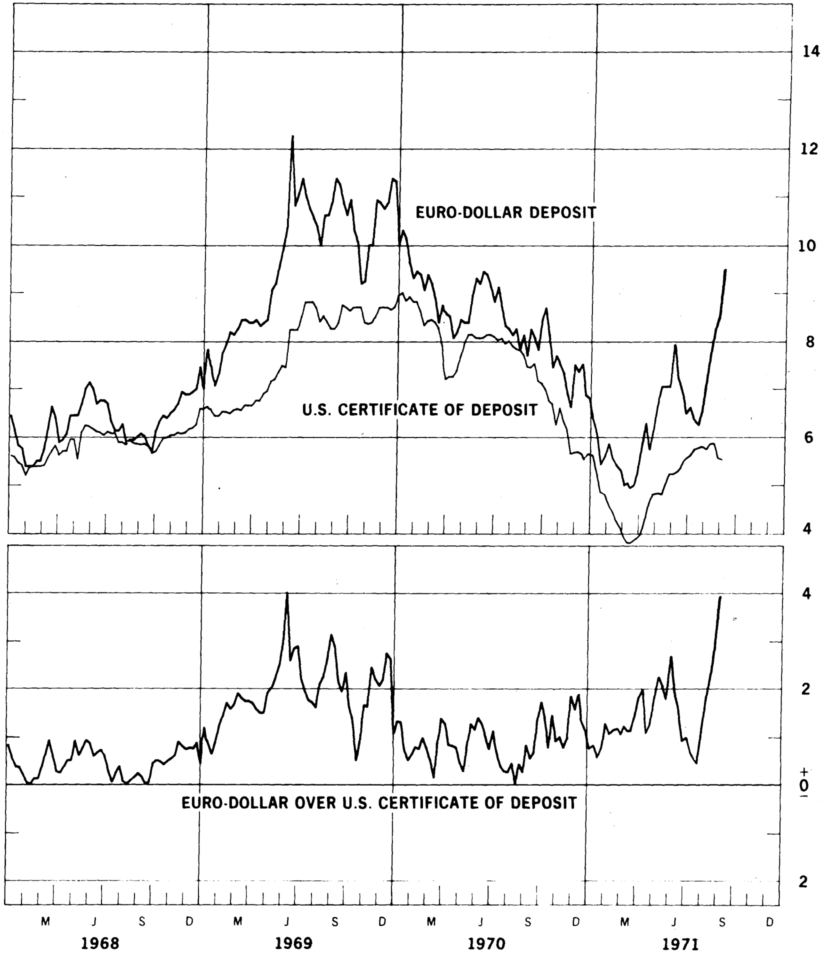

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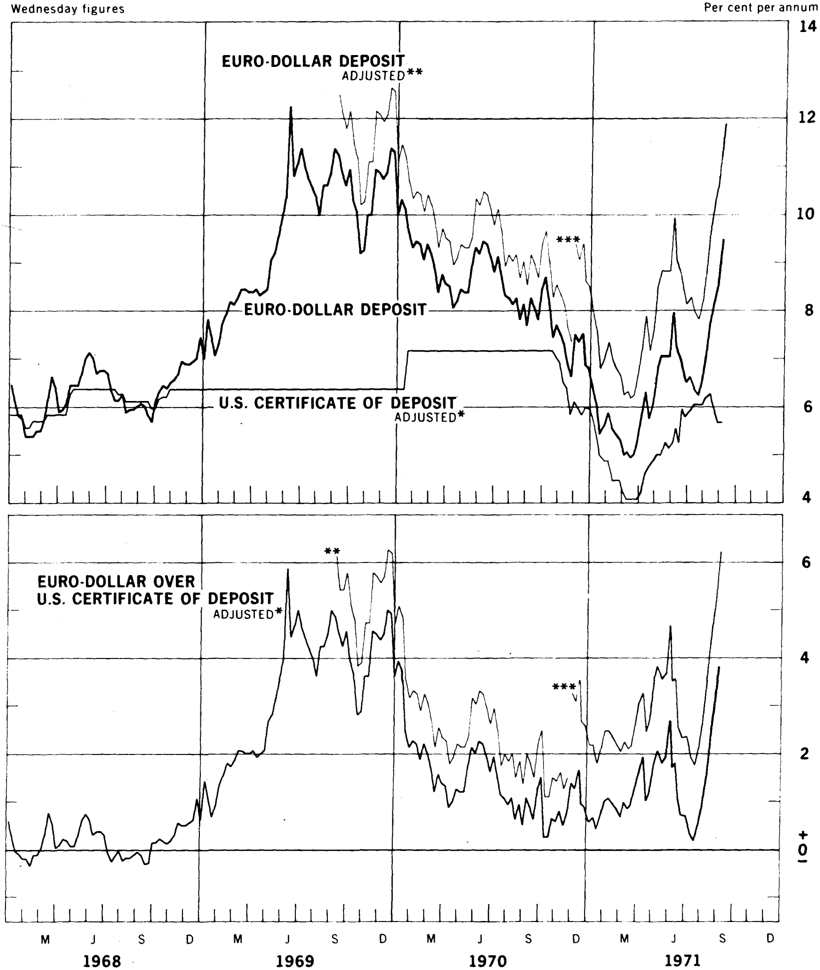
Chart 7B

## 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

Chart 8A

## LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

HIRE PURCHASE AND EURO-DOLLAR RATES
Friday figures

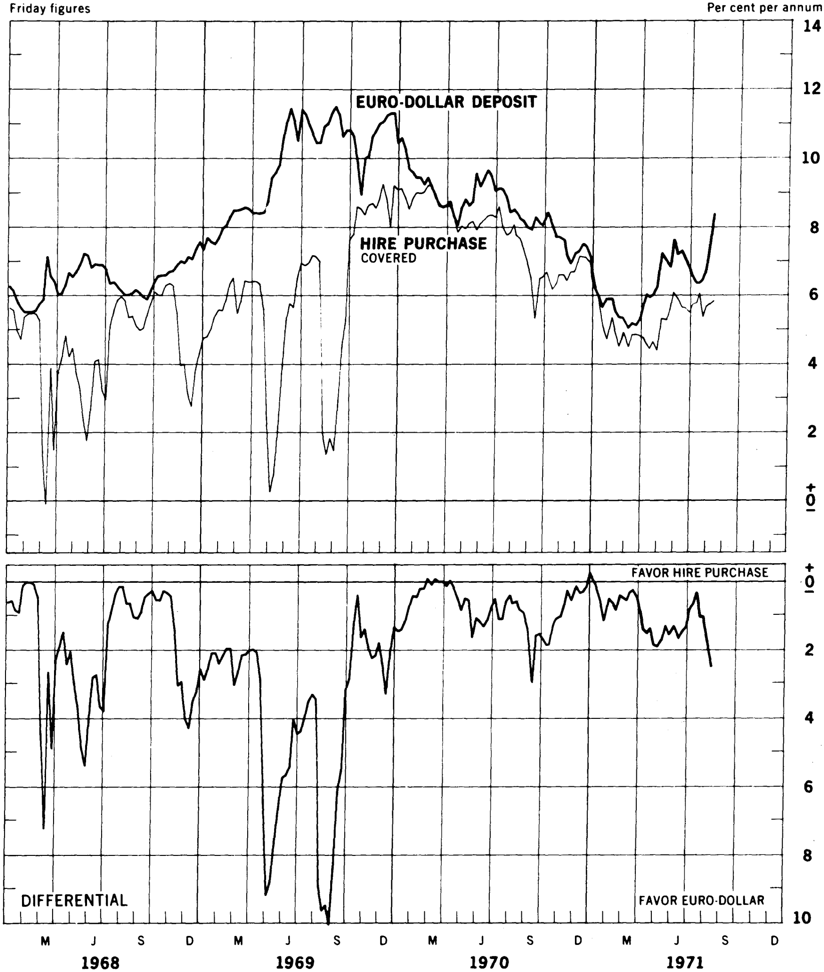


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Chart 8B

## LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

LOCAL AUTHORITY AND EURO-DOLLAR RATES

Friday figures

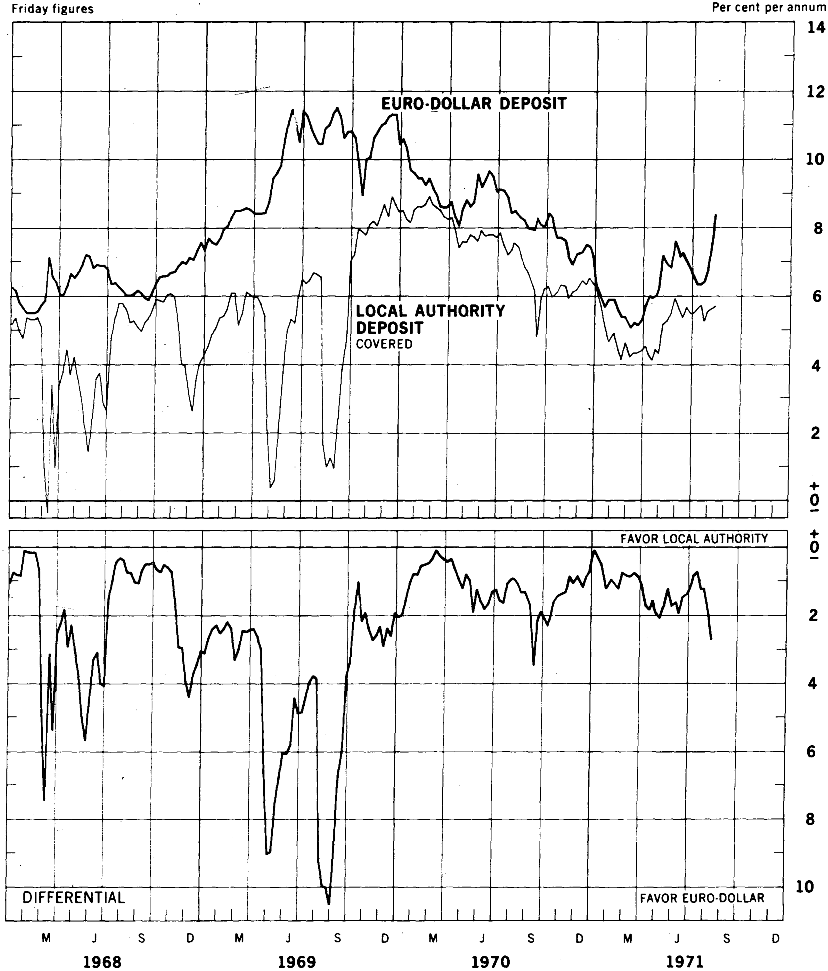

Chart 9A

## INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM


* Plotted for comparison purposes

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Chart 9B

## INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

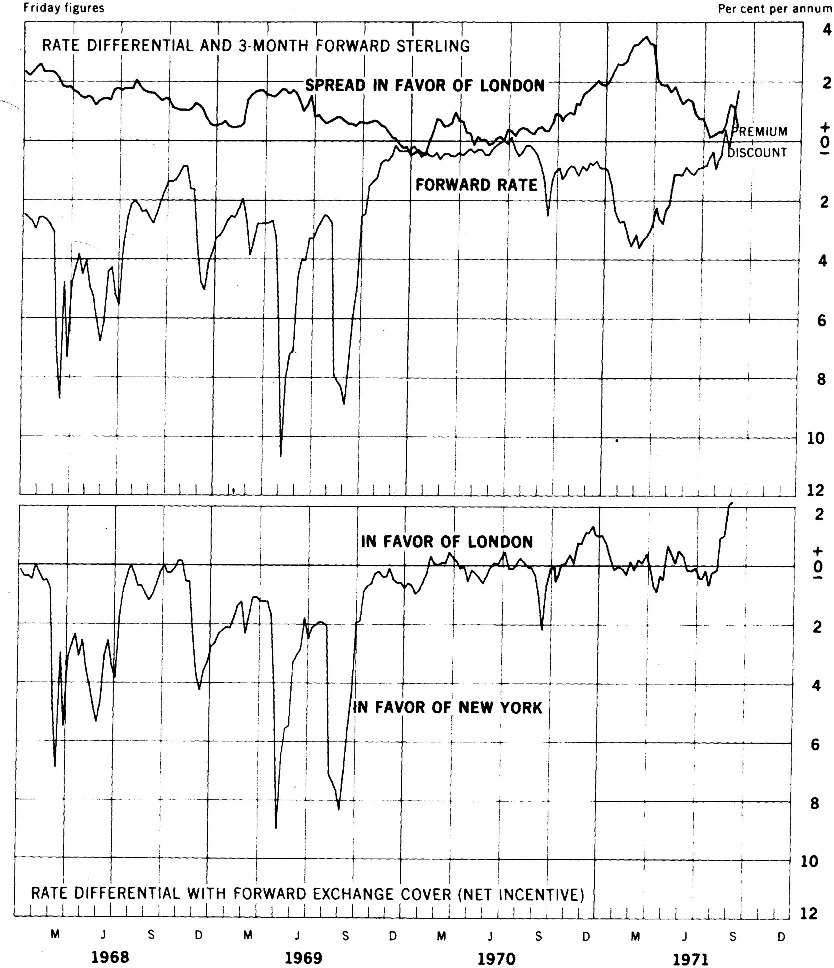

Chart 10A

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

FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE

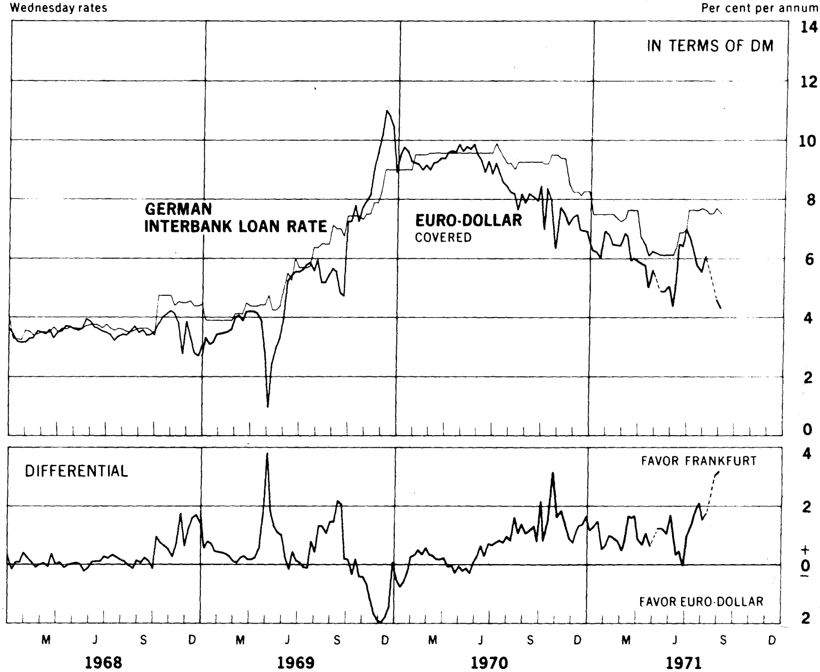

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Chart 10B

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

ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates

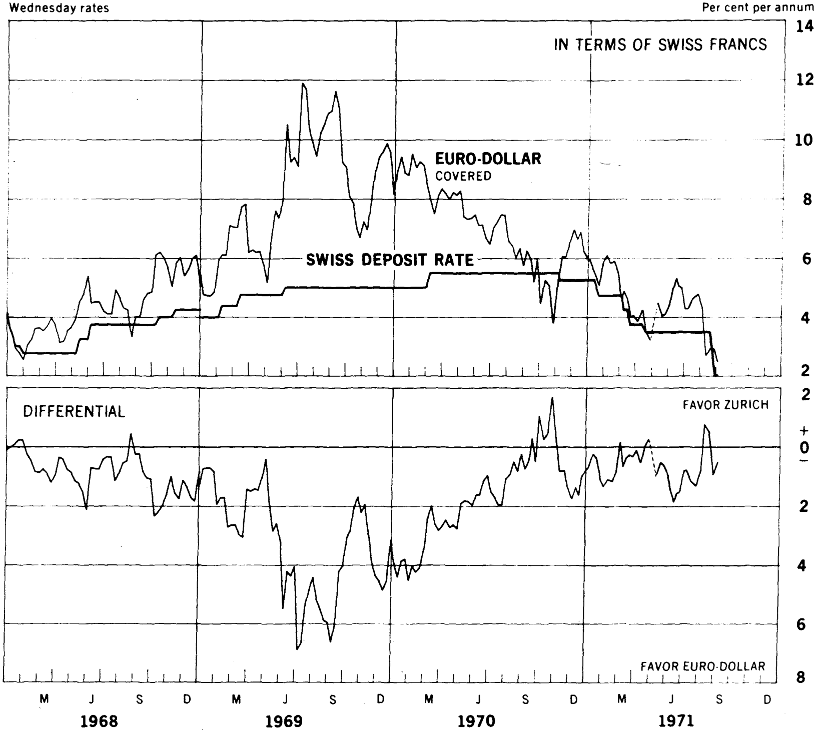


Chart 11

## 3-MONTH INTEREST ARBITRAGE: UNITED STATES - CANADA

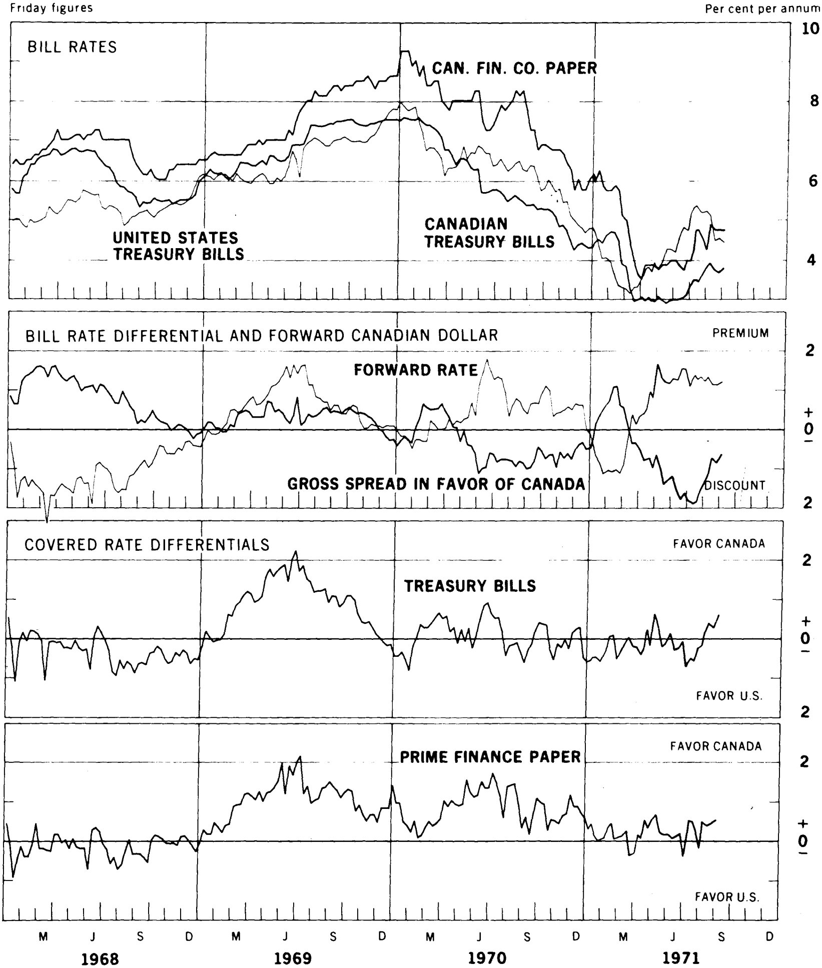
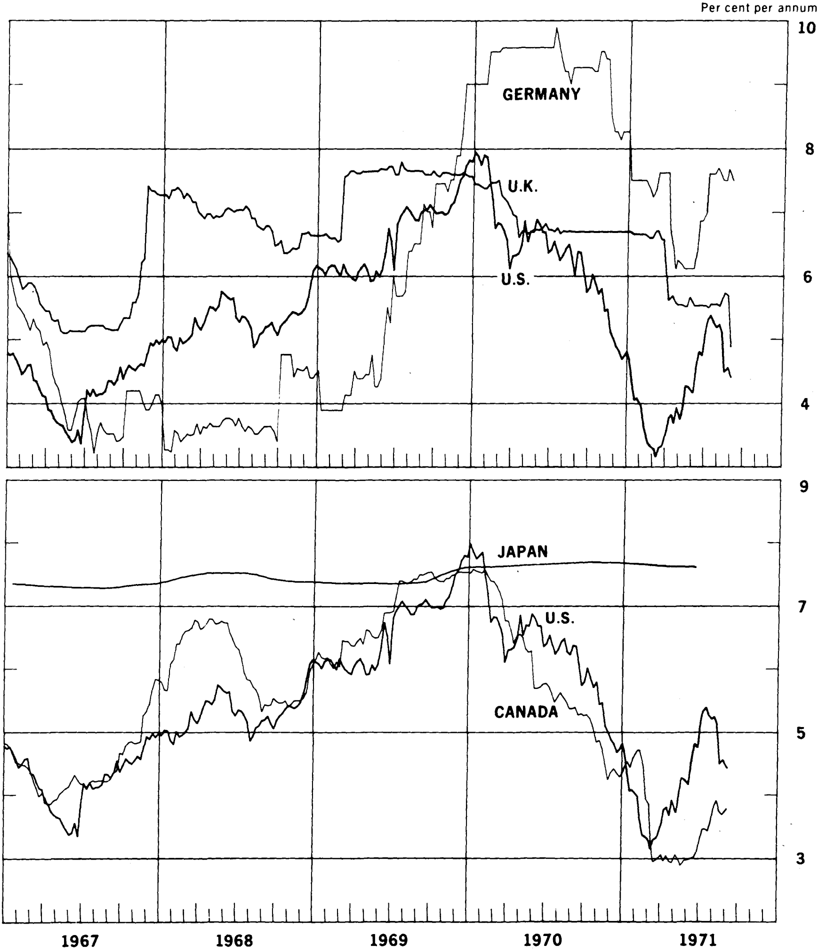


Chart 12A

## 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)

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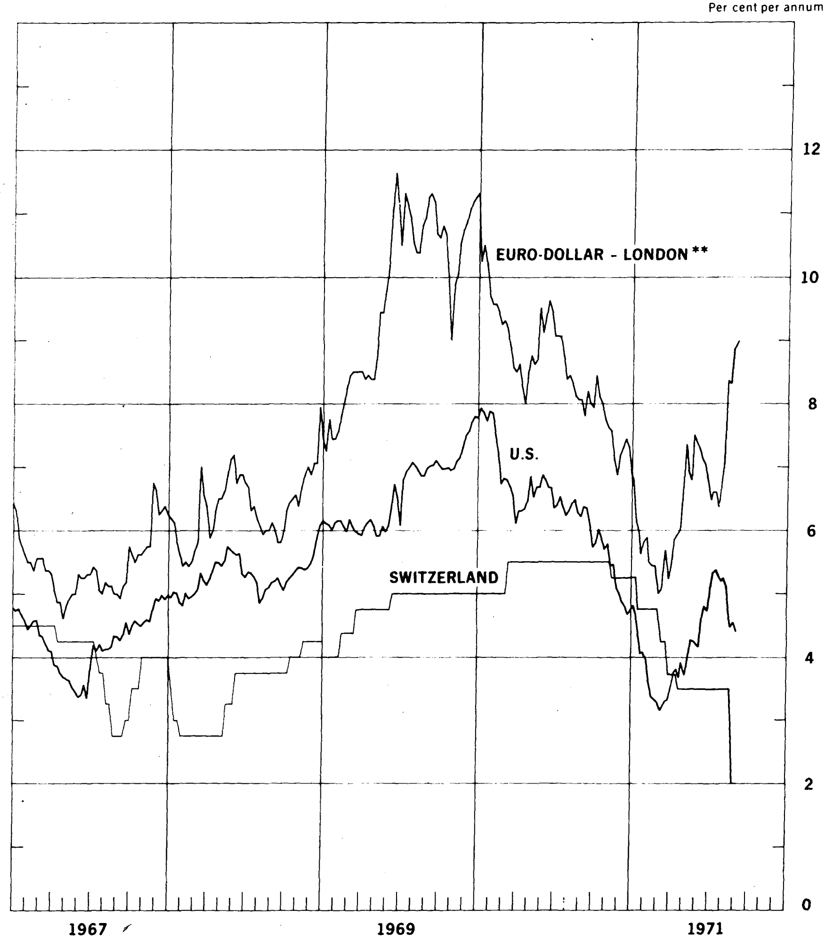
Chart 12B

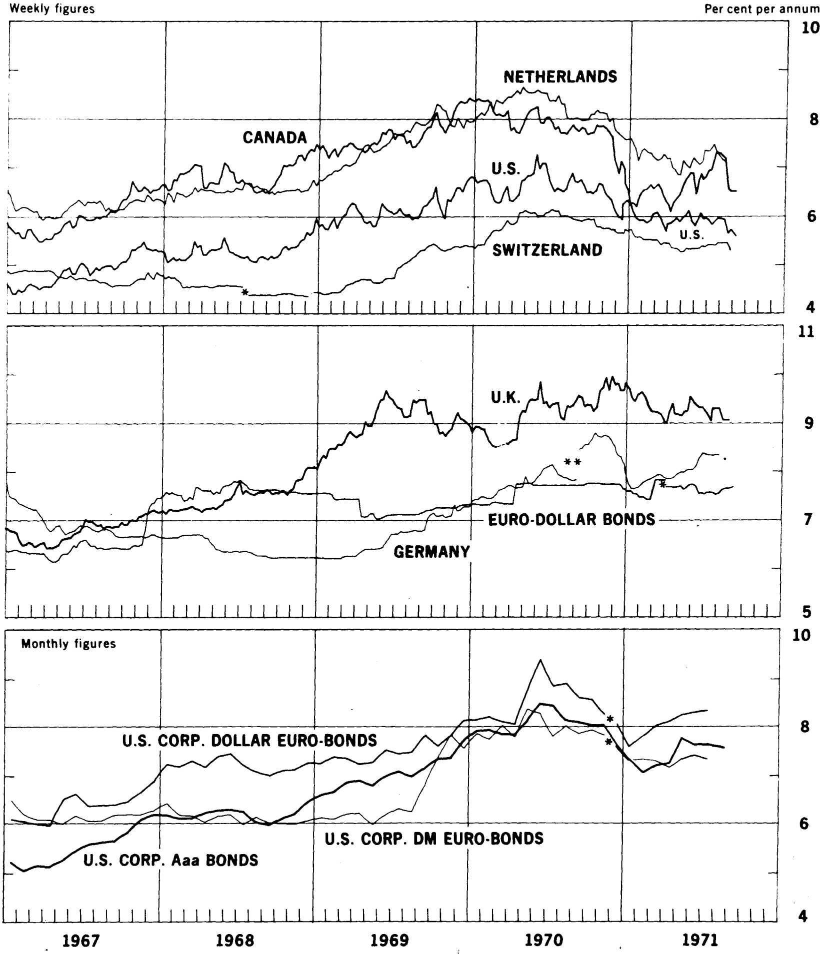
## SELECTED SHORT-TERM INTEREST RATES *




* 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




* 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.

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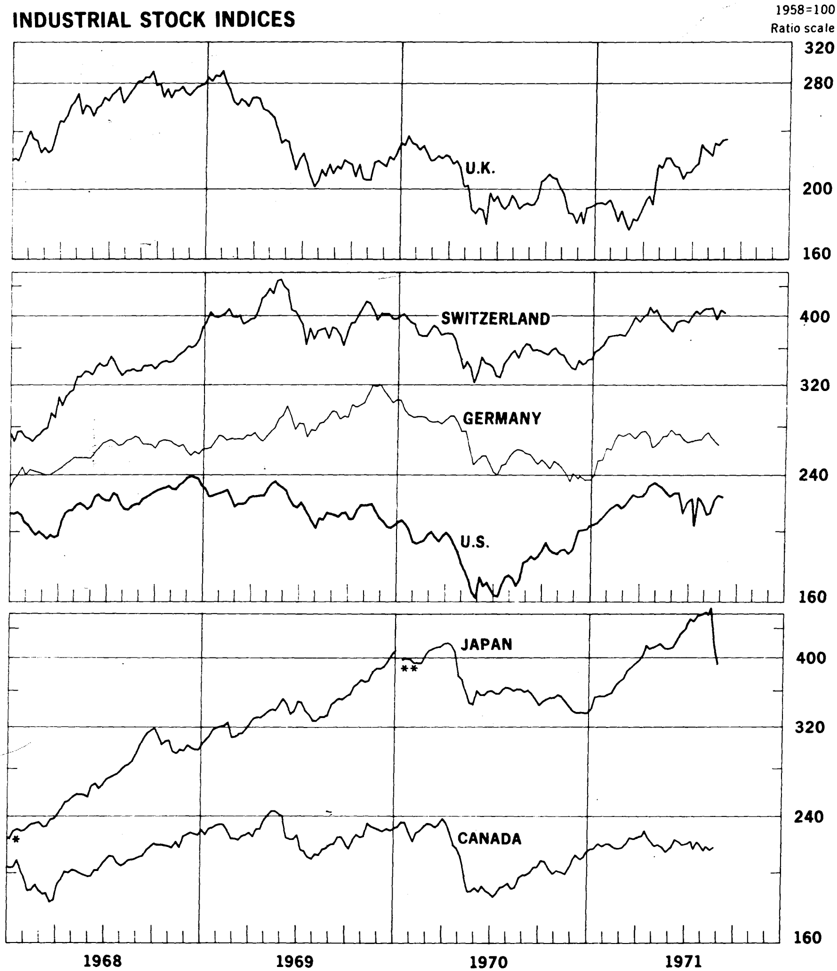
CHART 14

## 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.

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# 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 | 5.0 | Sept. 3, 1971 | 6.0 | Apr. 1, 1971 |
| | | | | |
| Canada | 5.25 | Feb. 24, 1971 | 5.75 | Feb. 15, 1971 |
| Japan | 5.25 | July 28, 1971 | 5.5 | May 8, 1971 |
| | | | | |
| United States | 5.00 | July 16, 1971 | 4.75 | Feb. 13, 1971 |

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## LATEST FIGURES PLOTTED ON THE CHARTS

| Chart | Panel | Series | Date | Rate |
|---|---|---|---|---|
| 1 | | Swiss franc | Sept. 3 | + 2.298 |
| | | U.K. pound | " | + 2.432 |
| | | French franc Aug. 20 Sept. 27 Financial franc | (+1.6) | (+2.8) (+4.6) |
| | | Japanese yen Sept. 3 | Sept. 3 | +5.880 |
| | | Belgian franc | " | + 3.501 |
| | | Italian lire | " | + 1.570 |
| | | Canadian dollar Actual rate | " | 98.57 |
| | | German mark | " | + 7.815 |
| | | Dutch guilder | " | + 5.043 |
| 2A | | German mark | Sept. 3 | + 4.75 |
| | | Swiss franc | " | + 6.65 |
| | | U.K. pound | " | + 1.36 |
| 2B | Upper | Dutch guilder | " | + 4.08 |
| | | Canadian dollar | " | + 1.21 |
| | | French franc | " | + 8.07 |
| | Lower | Japanese yen | -- | -- |
| 3A | | German mark | Sept. 3 | + 1.92 |
| | | U.S. dollar | " | - 1.52 |
| 3B | | Swiss franc | " | + 3.92 |
| | | French franc | " | + 5.51 |
| 4 | | Gold price, U.S. dollar per ounce | Sept. 3 | 41.21 |
| 5A | Upper | Overnight Euro-$ deposits | Sept. 1 | 28.48 |
| | | Federal Funds | " | 5.59 |
| | Middle | Differential | " | +22.89 |
| | Lower | Euro-currencies: | | |
| | | Euro DM | -- | -- |
| | | Euro Swiss Fr. | -- | -- |
| 5B | Upper | Japan, Unconditional Money | Aug. 27 | 6.25 |
| | | U.K., 2-day Local Author. Deps. | " | 6.12 |
| | | Canada, Day-to-day Loans | Sept. 1 | 4.25 |
| | Lower | France, Day-to-Day Money | " 3 | 5.88 |
| | | Germany, Call Money | " 3 | 6.88 |
| | | Netherlands, Call Money | Aug. 13 | 6.13 |

| Chart | Panel | Series | Date | Rate |
|---|---|---|---|---|
| 6A | | Euro-$ 7 Day Rate | Sept. 3 | 8.00 |
| | | Euro-$ 1-month Rate | " | 9.31 |
| 6B | | Euro-$ 3-month Rate | " | 9.00 |
| | | Euro-$ 6-month Rate | " | 8.94 |
| 7A | Upper | Euro-$ 3-month Deposits | Sept. 1 | 9.50 |
| | | U.S. Certificate of Deposits | " | 5.55 |
| | Lower | Differential | " | + 3.95 |
| 7B | Upper | Euro-$ 3-month Deposits | " | 9.50 |
| | | Euro-$ 3-month Deposits (Adj.) | " | 11.88 |
| | | U.S. Certificate of Deposits (Adj.) | " | 5.66 |
| | Lower | Differential: on Adj. Euro-$ Deposits | " | + 6.22 |
| | | on Unadj. Euro-$ Deposits | " | + 3.84 |
| 8A | Upper | Euro-$ 3-month Deposits | Aug. 20 | n. a. |
| | | Hire Purchase Deposits (covered) | " | " |
| | Lower | Differential | " | " |
| 8B | Upper | Euro-$ 3-month Deposits | " | " |
| | | Local Authority Deposits (covered) | " | " |
| | Lower | Differential | " | " |
| 9A | | U.S. Treasury Bill rate | Sept. 3 | 4.42 |
| | | U.K. Treasury Bill rate | Sept. 3 | 4.89 |
| | | Local Authority Deposit (uncovered) | Aug. 27 | 5.94 |
| 9B | Upper | Spread (+= favor London) | Sept. 3 | + 0.47 |
| | | 3-month Forward Pound | " | + 1.71 |
| | Lower | Net Incentive (+= favor London) | " | + 2.18 |

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| Chart | Panel | Series | Date | Rate |
|---|---|---|---|---|
| 10A | Upper | Euro-$ Deposits (covered) | Sept. 3 | 4.30 |
| | | German Interbank Loan rate | " | 7.50 |
| | Lower | Differential | " | + 3.20 |
| 10B | Upper | Euro-$ Deposits (covered) | " | 2.49 |
| | | Swiss Deposit rate | Aug. 25<br>Sept. 3 | 2.00r<br>2.00 |
| | Lower | Differential | Aug. 25<br>Sept. 3 | - 0.95<br>- 0.49 |
| 11 | Upper | Canadian Finance Paper | Sept. 1 | 4.75 |
| | | U.S. Treasury Bill rate | " | 4.42 |
| | | Canadian Treasury Bill rate | " | 3.80 |
| | | U.S. Prime Finance paper (not plotted) | " | 5.44 |
| | Second | Bill rate differential | " | - 0.62 |
| | | Forward Canadian dollar | " | + 1.22 |
| | Third | Net incentive on bills | " | + 0.60 |
| | Bottom | Net incentive on Finance Paper | " | + 0.53 |
| 12A | Upper | U.K. Treasury Bill rate | Sept. 3 | 4.89 |
| | | U.S. Treasury Bill rate | " | 4.42 |
| | | German Interbank Loan rate | " | 7.50 |
| | Lower | Japanese Average rate | June | 7.618 |
| | | Canadian Treasury Bill rate | Sept. 3 | 3.80 |
| | | U.S. Treasury Bill rate | " | 4.42 |
| 12B | | Euro-$ Deposits | " | 9.00 |
| | | Swiss 3-month Deposit rate | " | 2.00 |
| | | U.S. Treasury Bill rate | " | 4.42 |

| Chart | Panel | Series | Date | Rate |
|---|---|---|---|---|
| 13 | Upper | Netherlands | Aug. 13 | 7.11 |
| | | Canada | Sept. 1 | 6.51 |
| | | United States | " 1 | 5.59 |
| | | Switzerland | Aug. 27 | 5.31 |
| | Middle | * Germany | Aug. 23 | 8.26 |
| | | United Kingdom | Sept. 1 | 5.59 |
| | | Euro-dollar bonds | Sept. 3 | 7.72 |
| | Lower | U.S. Corp. Dollar Euro-bonds | July | 8.34 |
| | | U.S. Corp. DM Euro-bonds | " | 7.34 |
| | | U.S. Corp. Aaa bonds | August | 7.59 |
| 14 | Upper | Switzerland | Sept. 3 | 403.3 |
| | | Germany | Aug. 31 | 263.60 |
| | | United States | Sept. 3 | 223.41 |
| | Middle | United Kingdom | Sept. 3 | 234.15 |
| | | Canada | Aug. 26 | 217.88 |
| | Lower | ** Japan | Aug. 28 | 390.62 |
| | | United States | Sept. 3 | 223.41 |

* 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.