

October 6, 1971 No. 526

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

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-\$ 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 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.

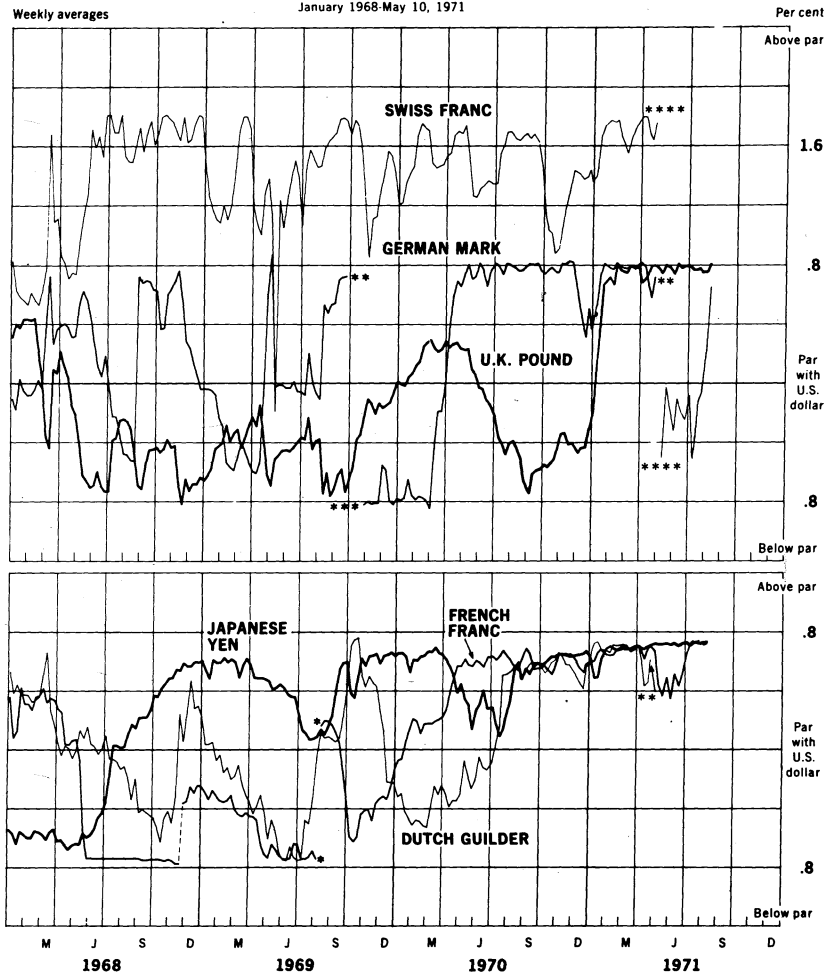
3

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.

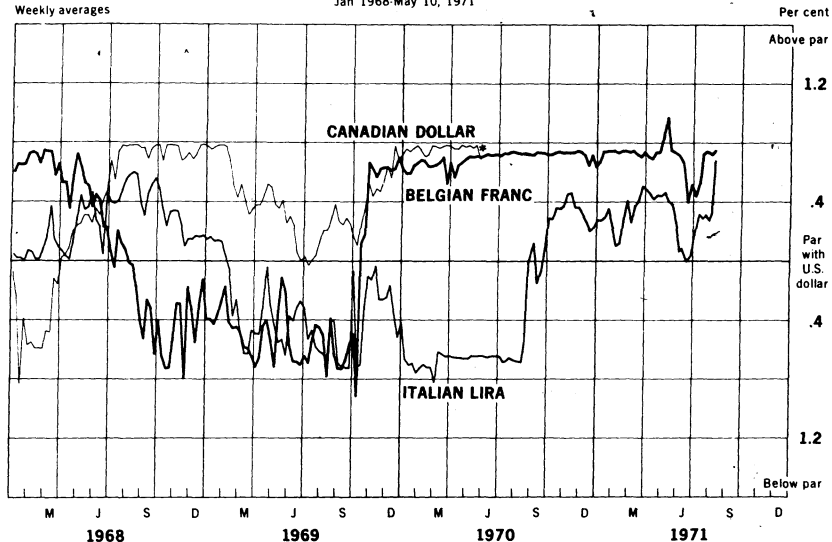
*** Revaluation of the DM from 25.00 to 27.32 in U.S. cents.

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

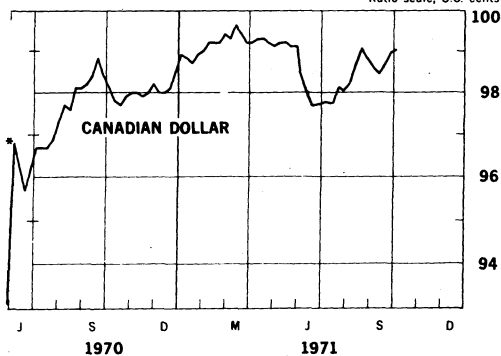
SPOT EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.S. DOLLAR

Weekly averages

Jan 1968 May 10, 1971

**CANADIAN DOLLAR**

Ratio scale, U.S. cents



*Rate not supported by Central Bank

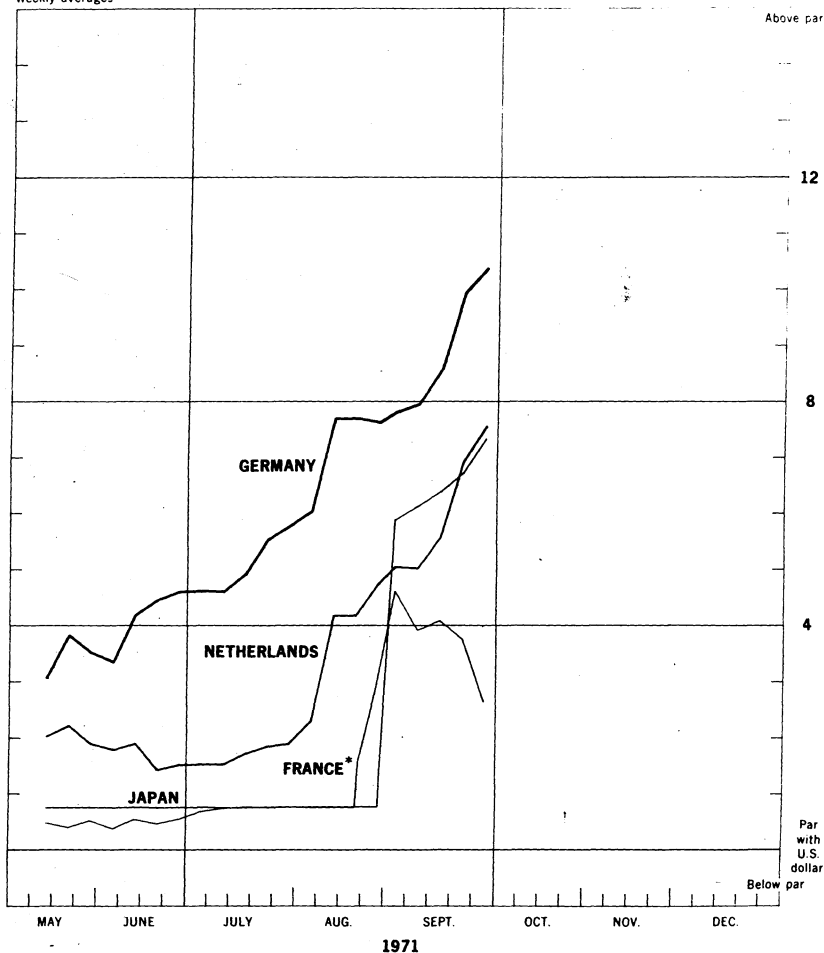
Chart 1C

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

May 11, 1971 -

Weekly averages

Per cent
Above par



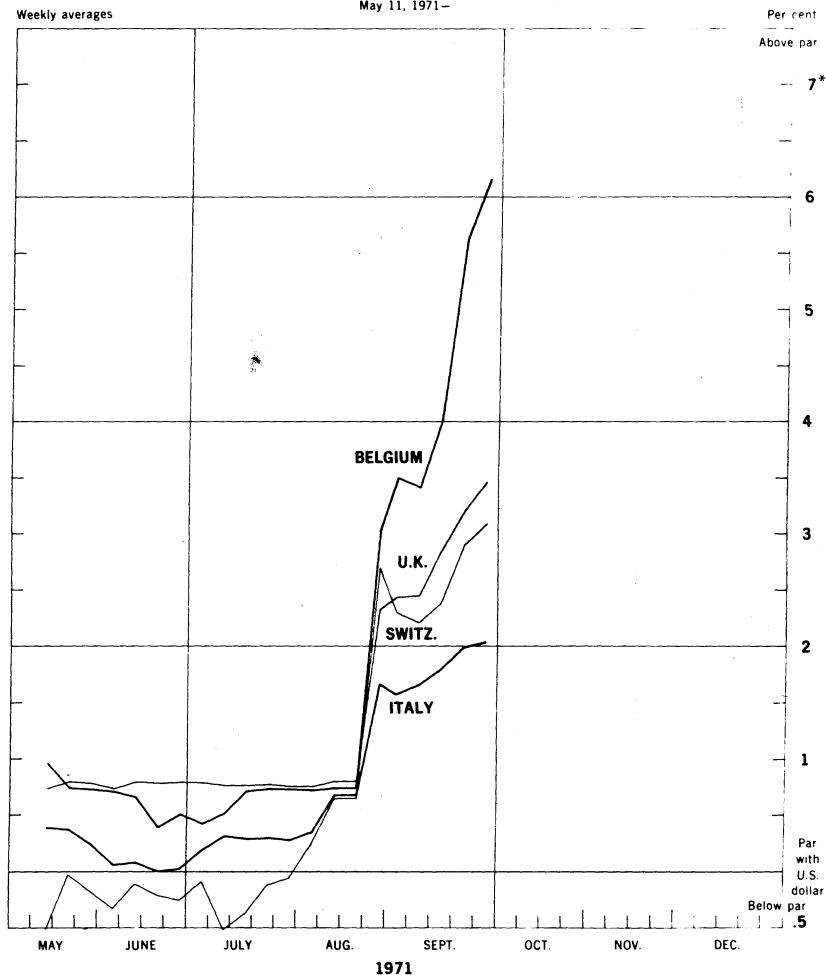
* Financial franc

Chart 1D

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

Weekly averages

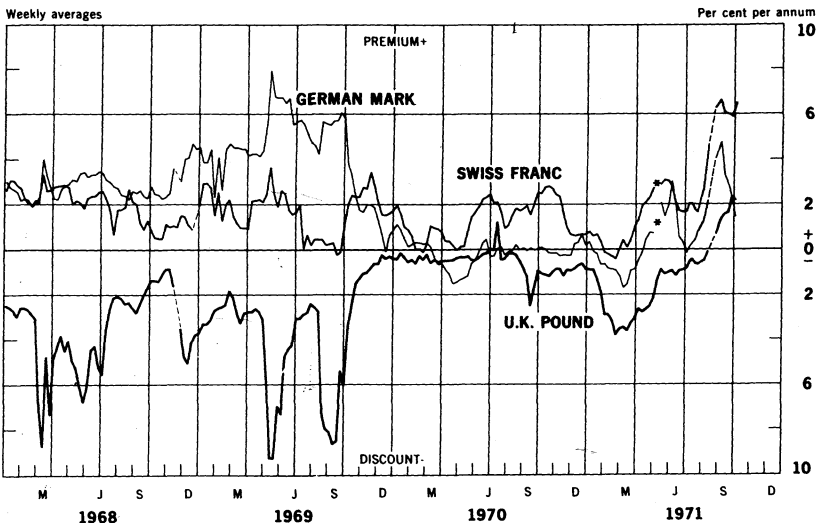
May 11, 1971 -



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

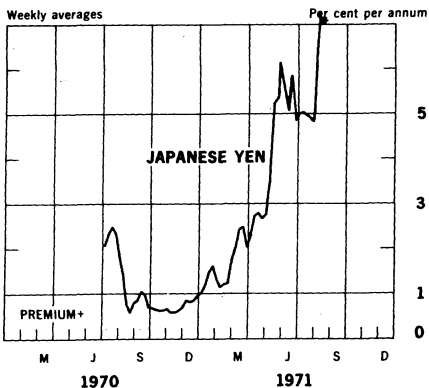
Chart 2A

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



* No quotation.

4-MONTH FORWARD YEN AGAINST U.S. DOLLAR

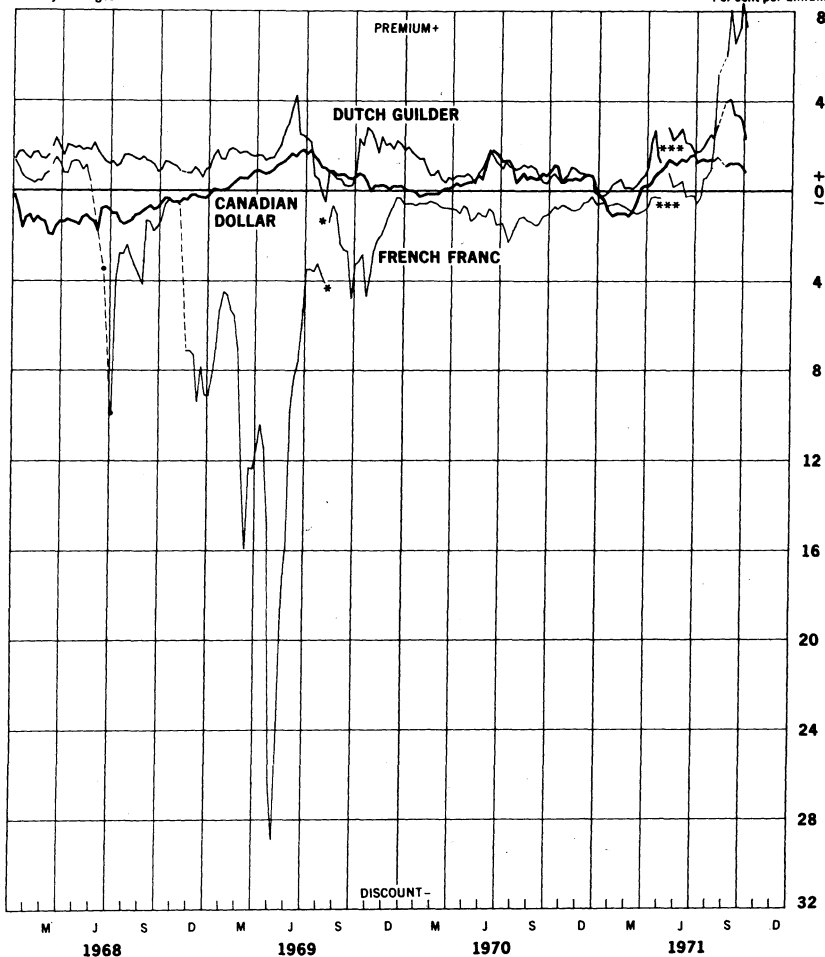


9

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.

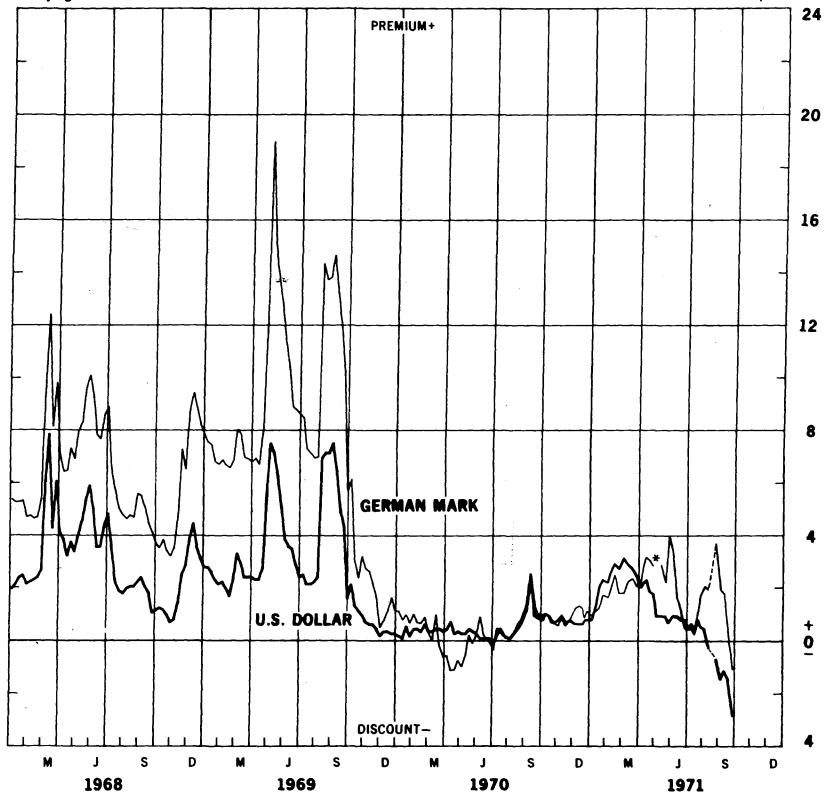
*** No quotation

Chart 3A

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

Friday figures

Per cent per annum

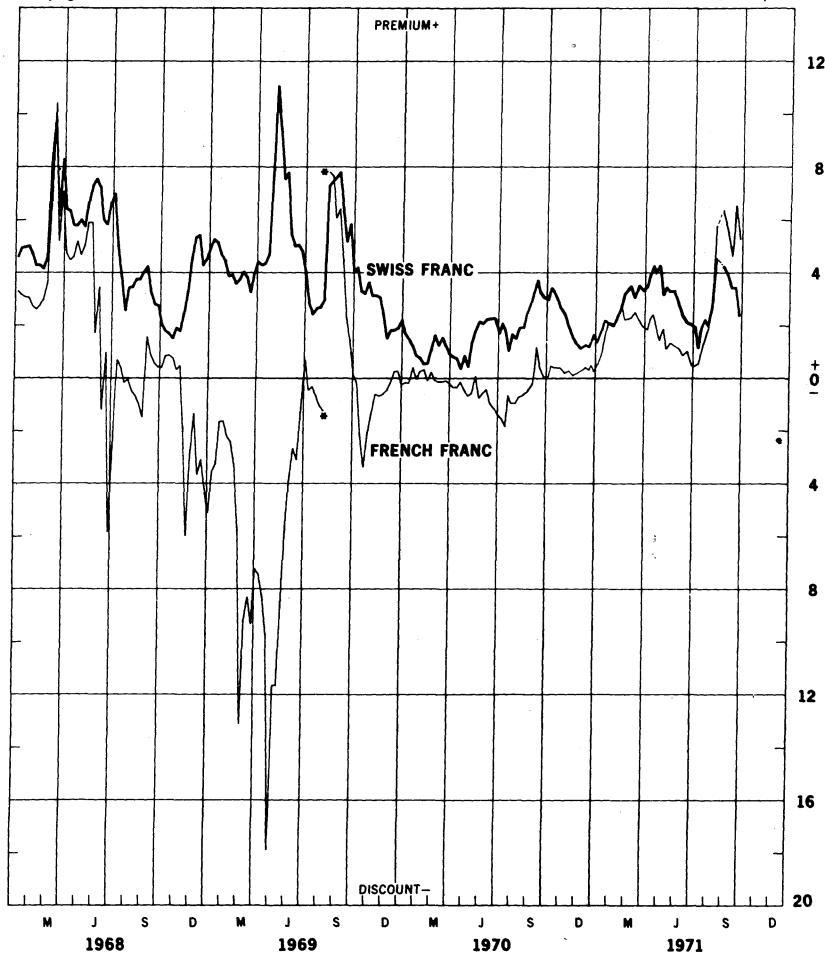


* No quotation.

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

Friday figures

Per cent per annum



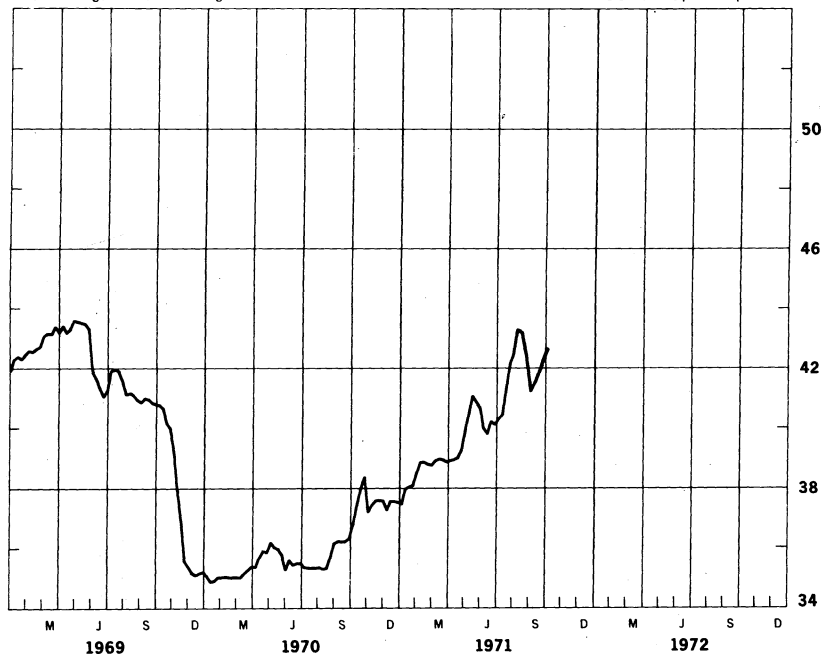
*Devaluation of the French franc from 4.94 to 5.55 for \$1.00

Chart 4

GOLD PRICE IN LONDON, 12.5 Kg BARS

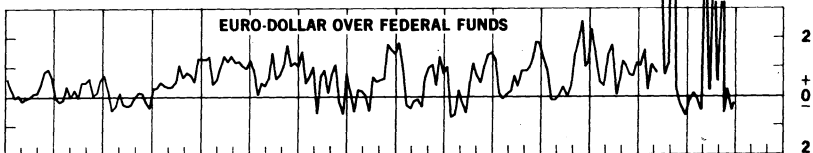
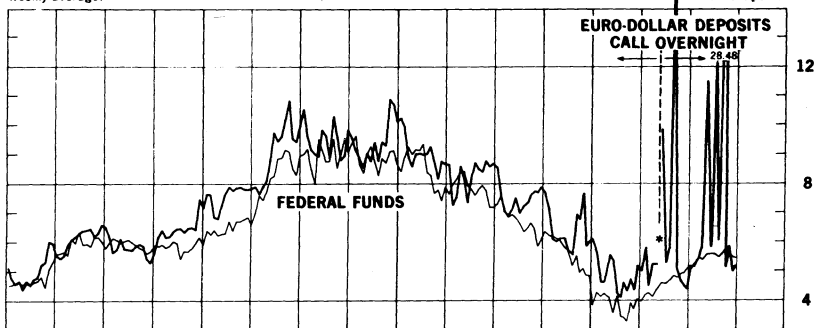
Week's average of afternoon fixings

U.S. dollar equivalent per fine ounce

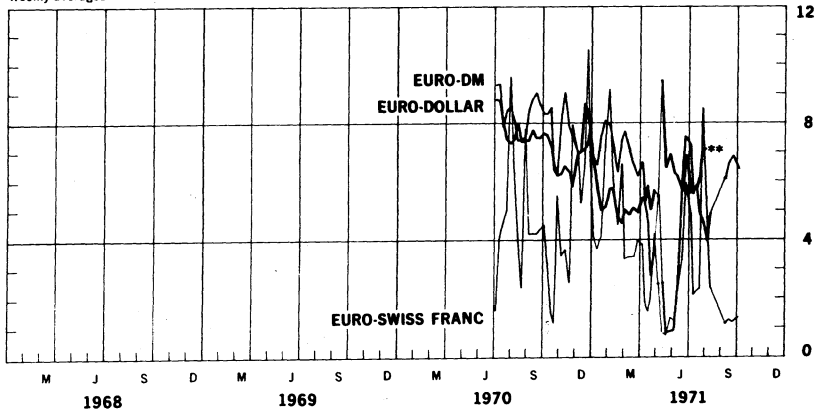


CALL MONEY RATES**DOLLAR FUNDS**

Weekly averages

**EURO-CURRENCIES**

Weekly averages



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

** Dropped as of August 18, 1971.

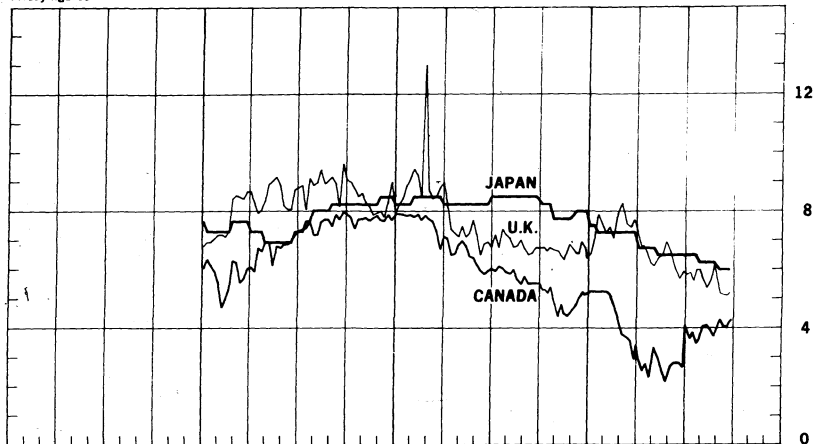
Chart 5B

CALL MONEY RATES

FOREIGN CURRENCIES*

Friday figures

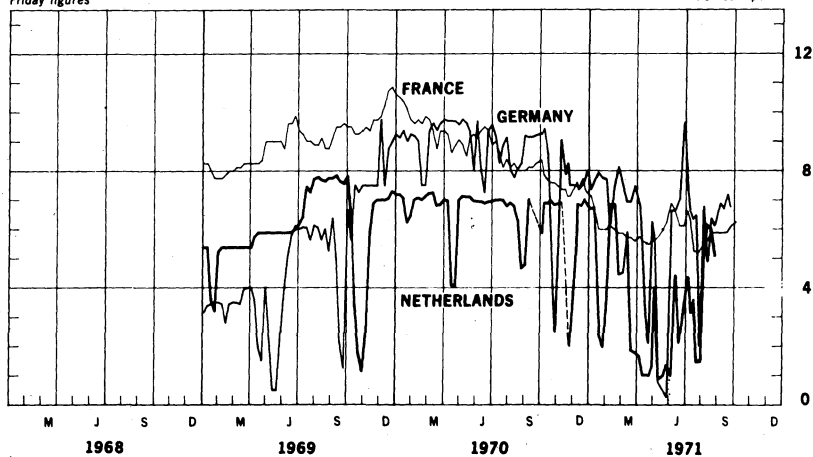
Per cent per annum



SELECTED EEC CURRENCIES**

Friday figures

Per cent per annum

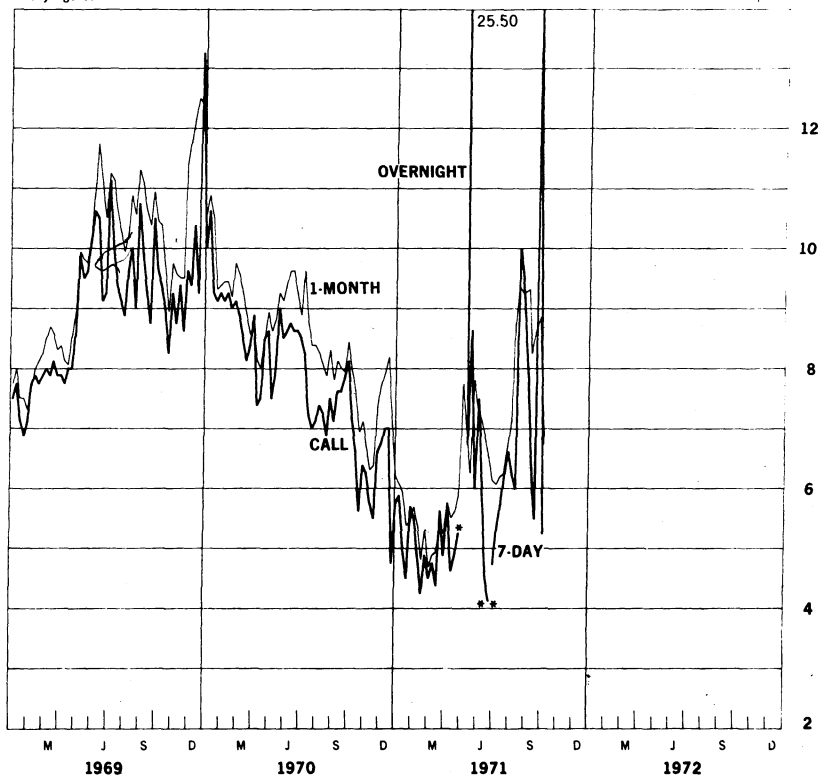


* Japan, Unconditional Money; U.K., 2-day Local Authority Deposits; Canada, Day-to-day Loans, weekly average.
 ** Germany, Call Money; France, Day-to-day Money; Netherlands, Call Money, weekly average.

LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum



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

** July 1—changed to 7-Day Euro-Dollar

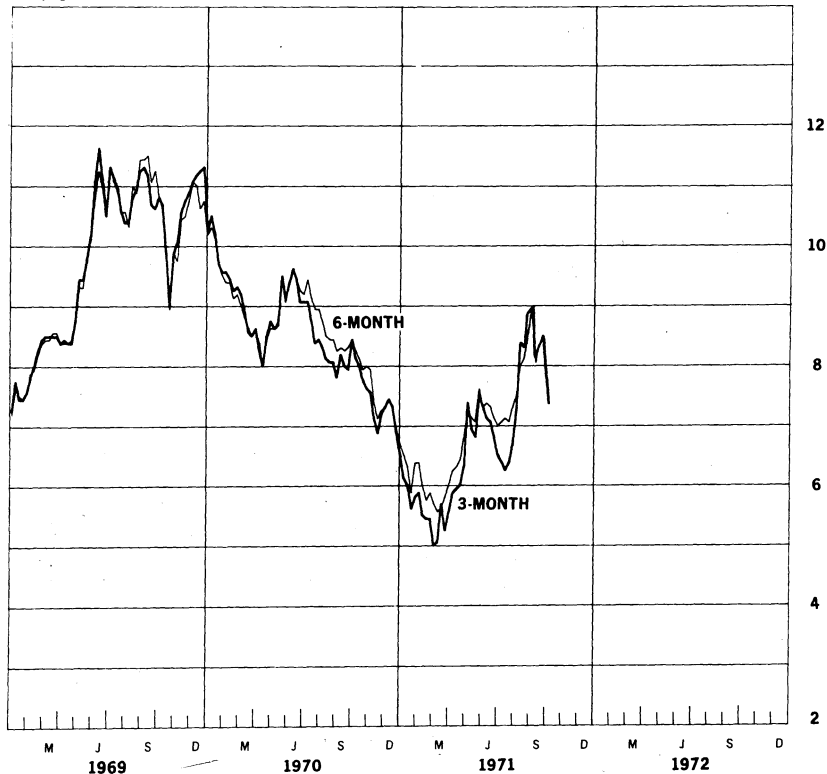
15

Chart 6B

LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

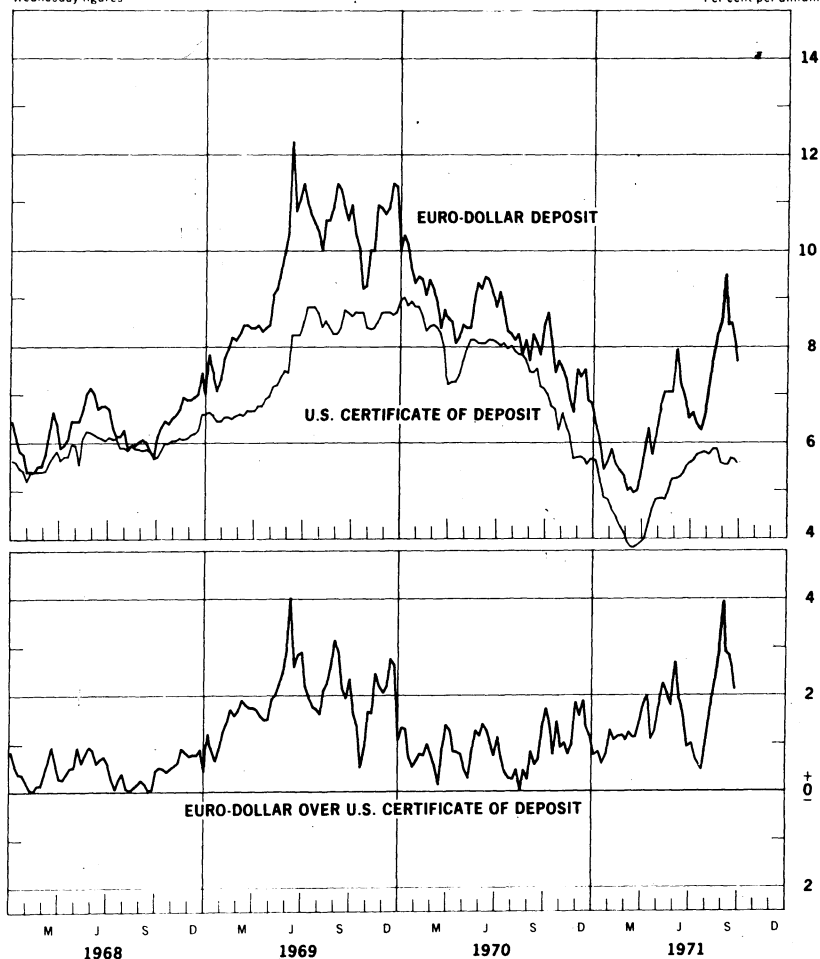
Per cent per annum



NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS**3-MONTH DOLLAR DEPOSIT RATES—SECONDARY MARKET**

Wednesday figures

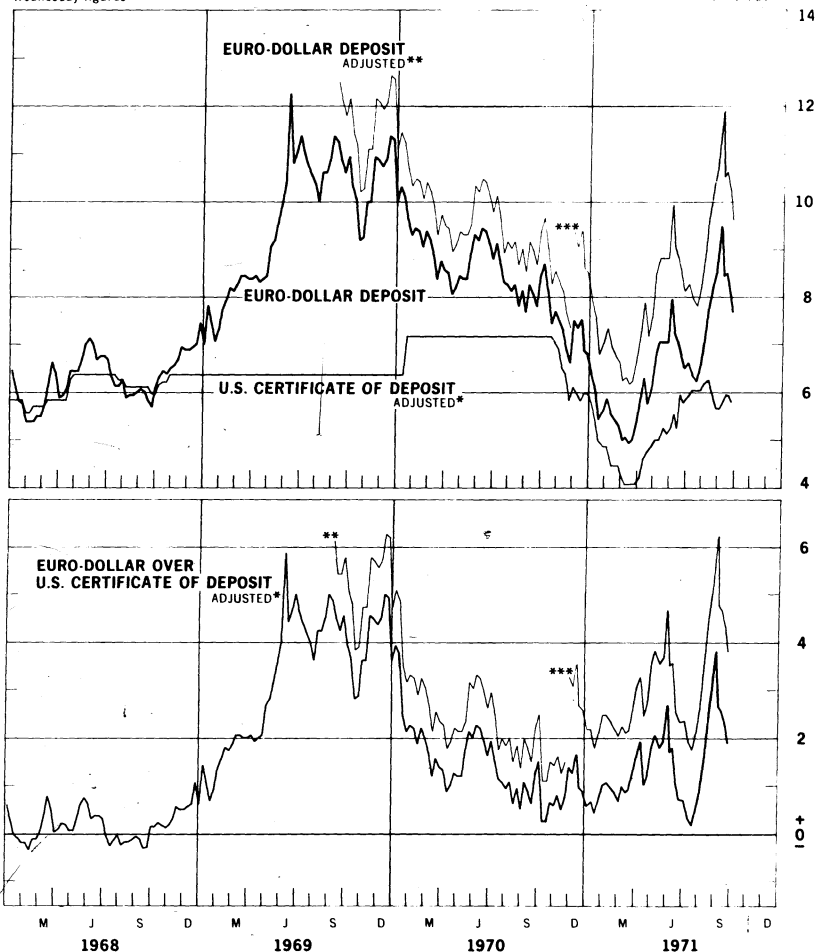
Per cent per annum



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

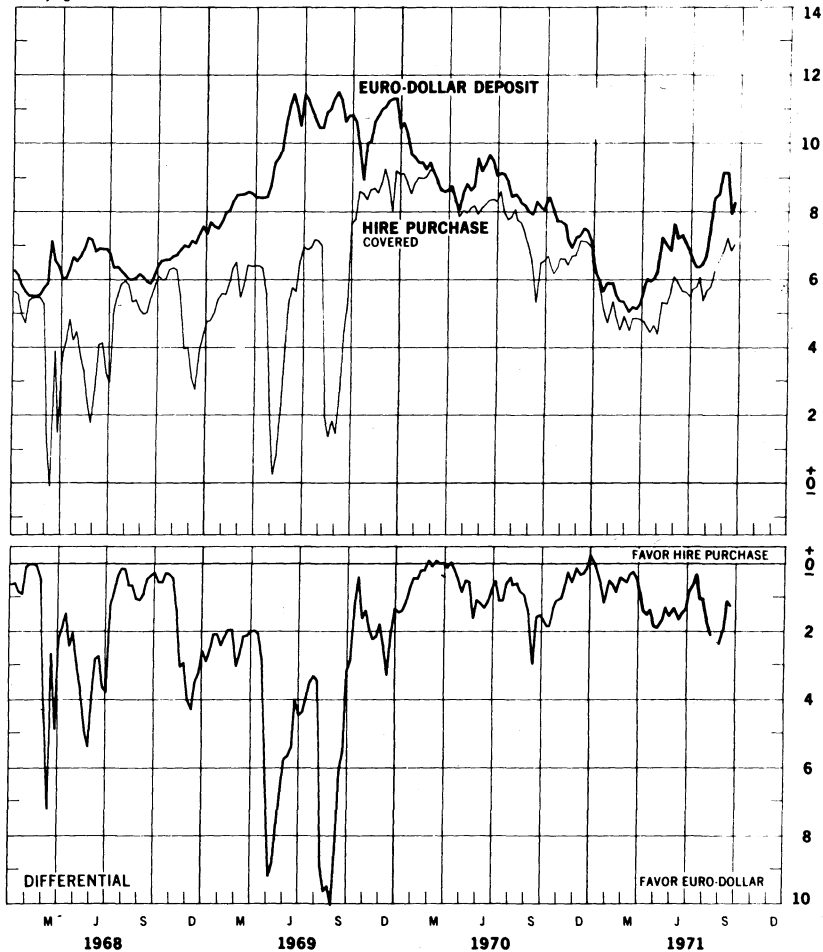
*** Adjusted for 20% Marginal Reserve Requirement

LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

HIRE PURCHASE AND EURO-DOLLAR RATES

Friday figures

Per cent per annum



LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

LOCAL AUTHORITY AND EURO-DOLLAR RATES

Friday figures

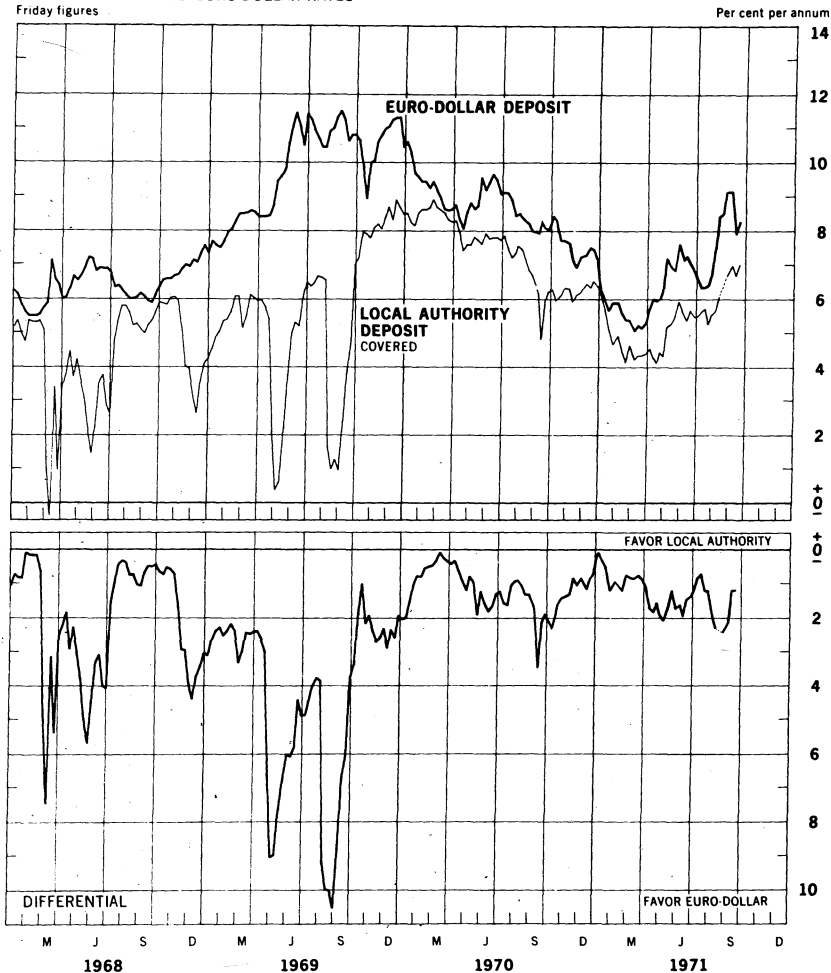
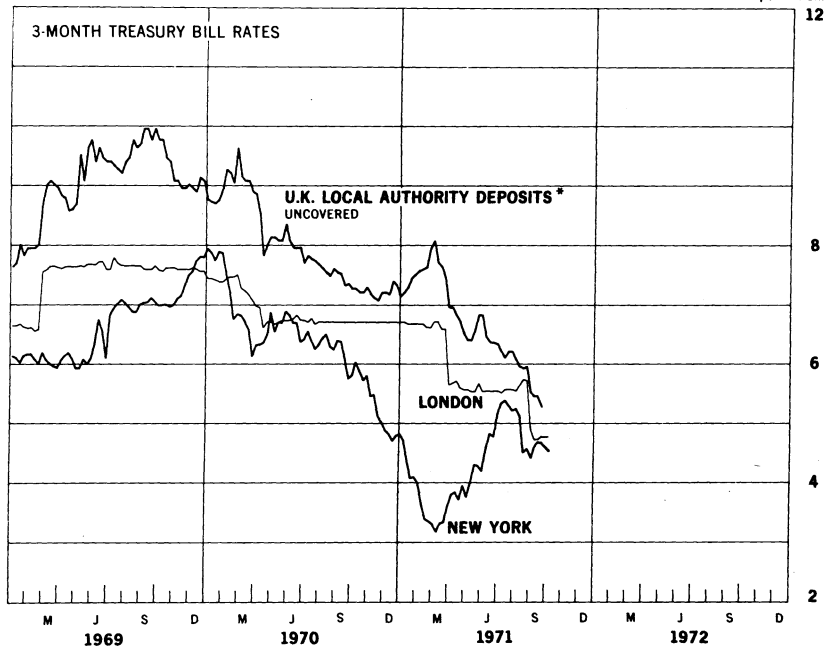


Chart 9A

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

Per cent per annum



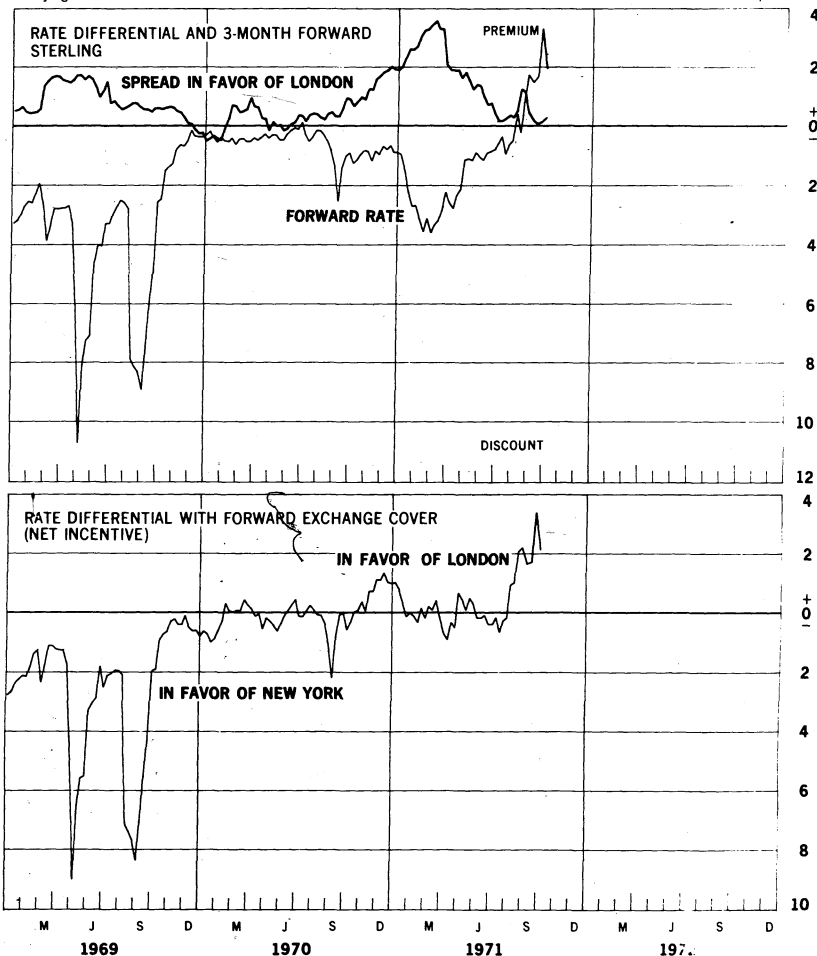
* Plotted for comparison purposes

Chart 9B

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

Per cent per annum



22

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

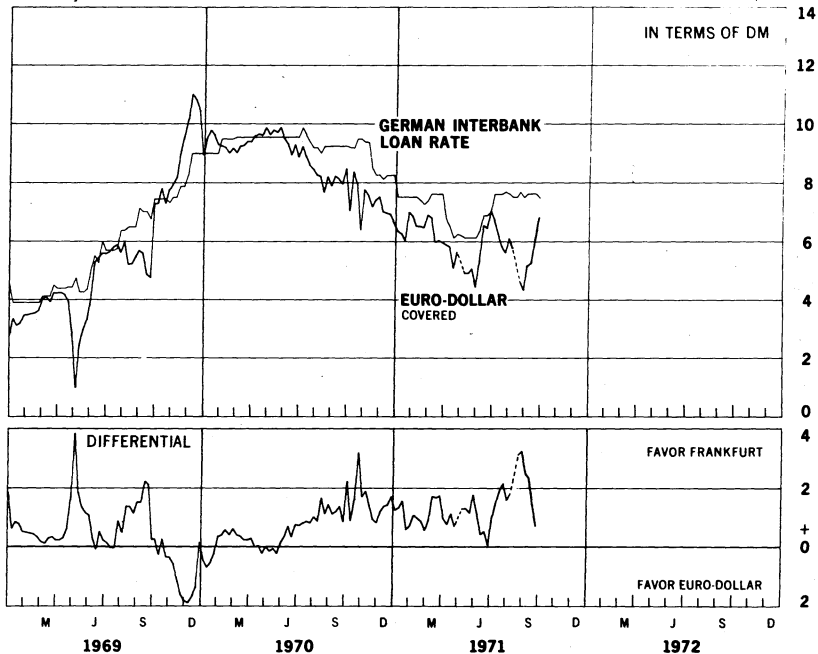


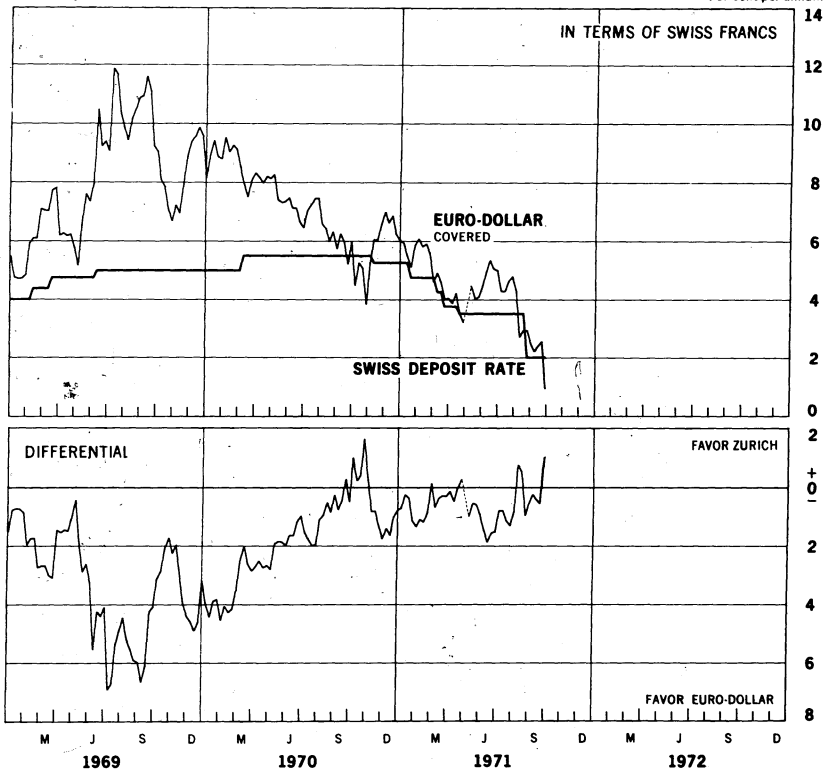
Chart 10B

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

ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates

Per cent per annum



--- No quotation

3-MONTH INTEREST ARBITRAGE: UNITED STATES - CANADA

Friday figures

Per cent per annum

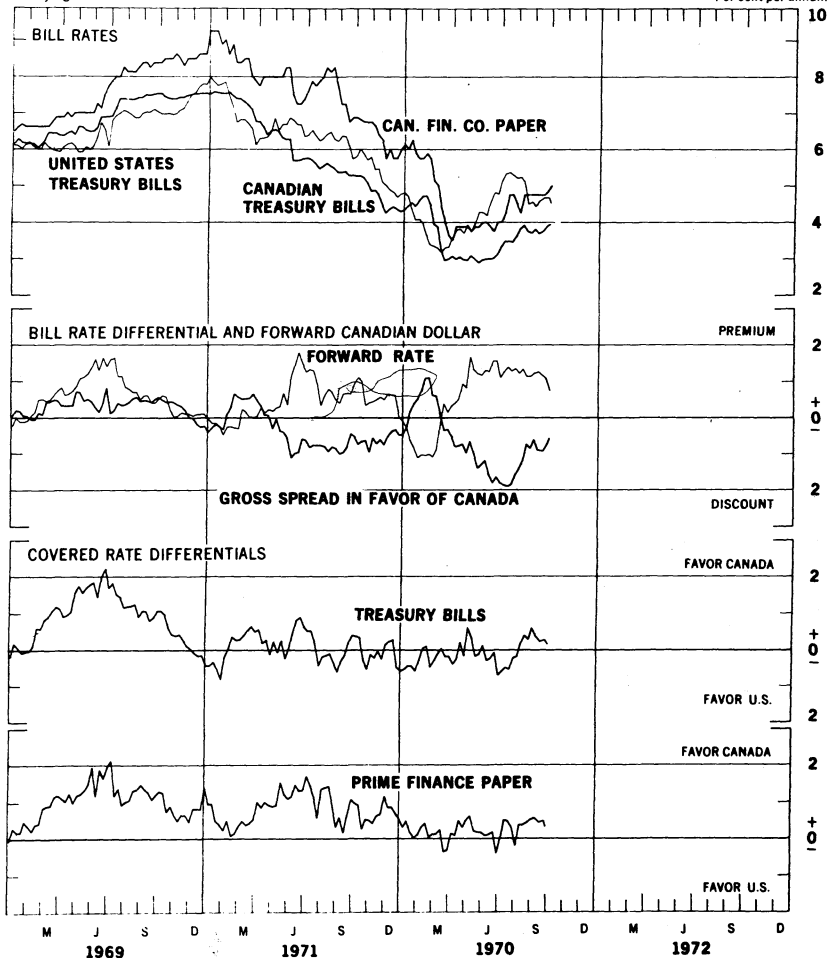
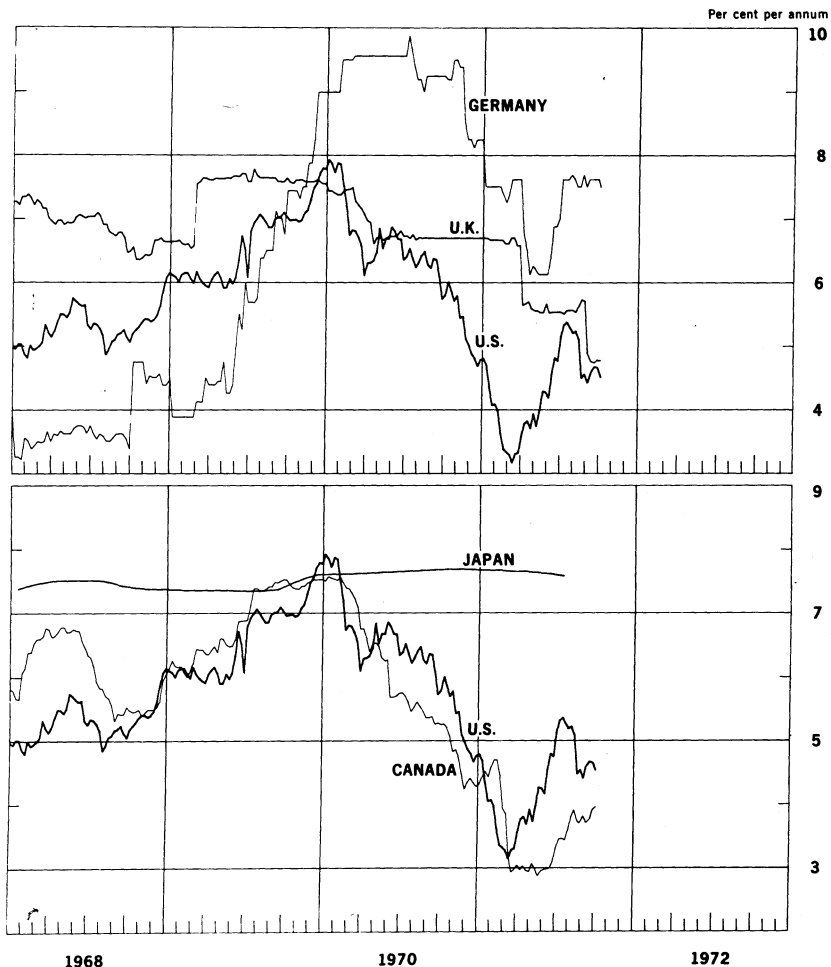


Chart 12A

SELECTED SHORT-TERM INTEREST RATES*



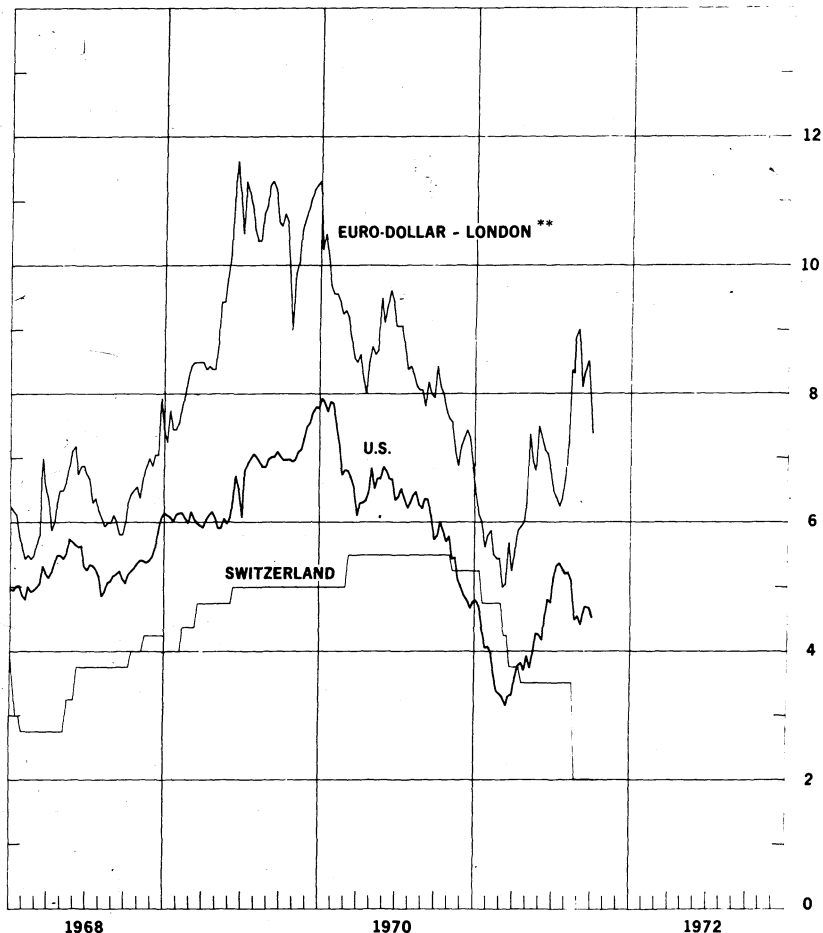
* 3-month treasury bill rates for all countries except Japan (Average rate on bank loans and discounts) and Germany (Interbank loan rate)

26

Chart 12B

SELECTED SHORT-TERM INTEREST RATES*

Per cent per annum



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

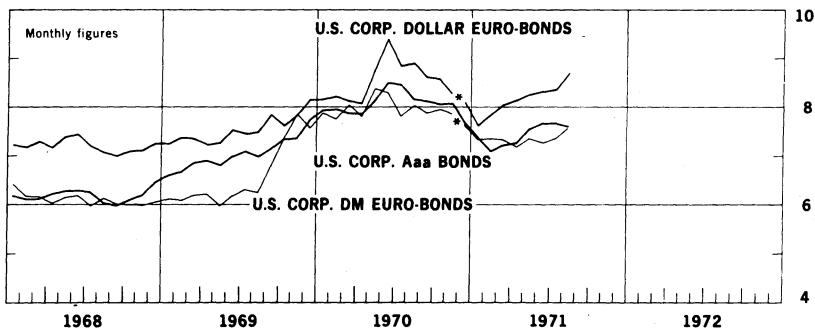
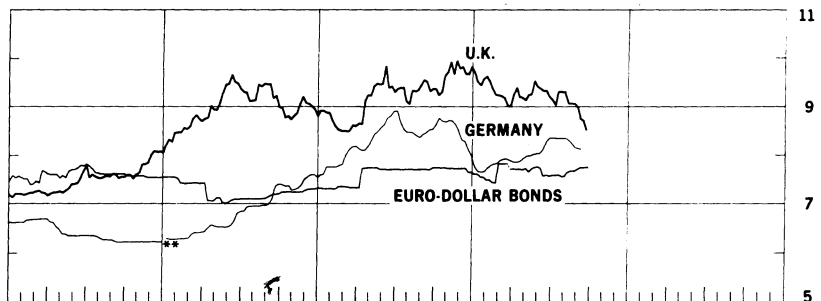
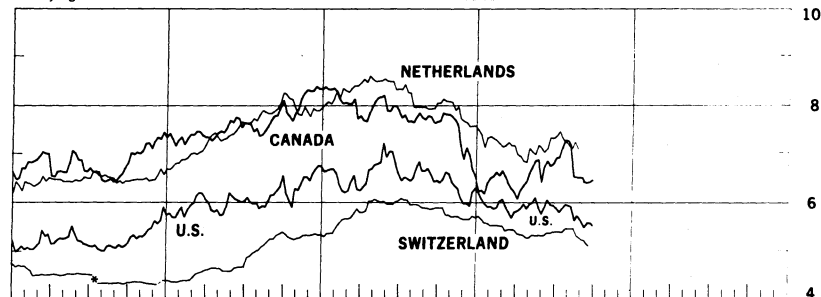
** 3-month rate for U.S. dollar deposits in London.

Chart 13

LONG-TERM BOND YIELDS

Weekly figures

Per cent per annum



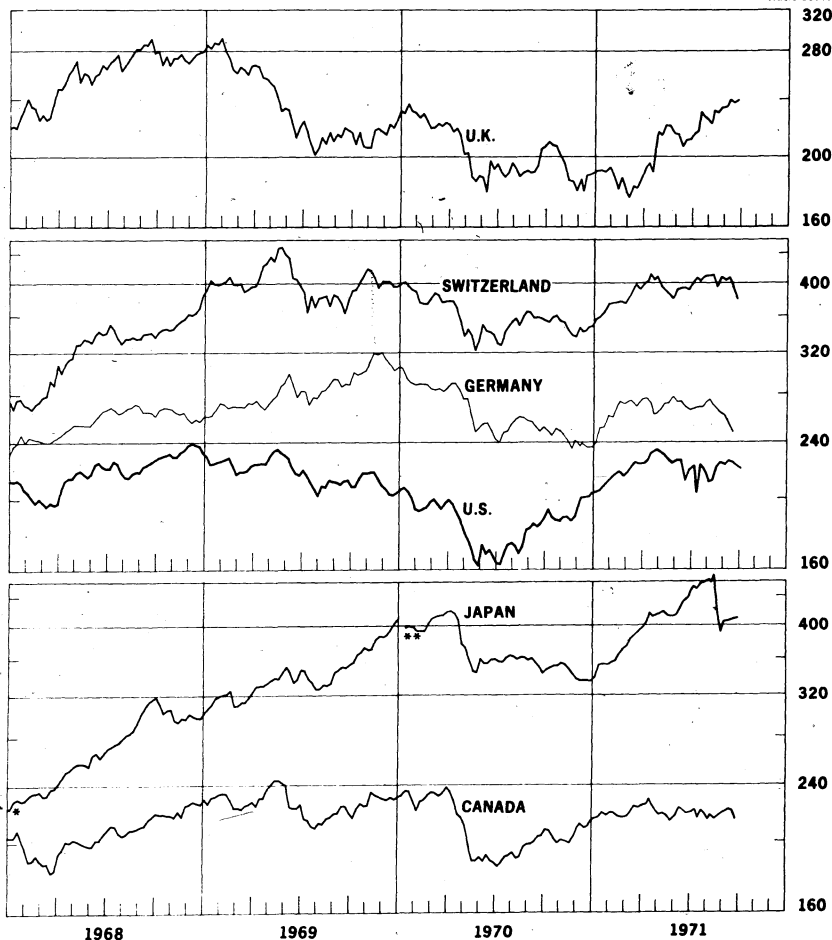
* New series for Switzerland starts 8-2-68, U.S. Corp. Dollar Euro-Bonds and U.S. Corp. DM Euro-Bonds starts 12-7-70.

** New-Average yield of all German P.A. Bonds begins 1-7-69.

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

29

Country	Current Rate	In Effect Since	Previous Rate	In Effect Since
E.E.C.:				
Belgium	5.5	Sept. 23, 1971	6.0	Mar. 25, 1971
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	5.0	Sept. 15, 1971	5.5	Apr. 5, 1971
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

LATEST FIGURES PLOTTED ON THE CHARTS

Chart	Panel	Series	Date	Rate
1A	Upper	Swiss franc	Oct. 1	+ 3.086
		U.K. pound	"	+ 3.468
	Lower	French franc Financial franc	"	+ 2.65
		Japanese yen	"	+ 7.340
1B	Upper	Belgian franc	"	+ 6.157
		Italian lire	"	+ 2.039
	Lower	Canadian dollar Actual rate	"	99.05
		German mark	"	+10.391
		Dutch guilder	"	+ 7.561
2A		German mark	"	+ 1.41
		Swiss franc	"	+ 6.55
		U.K. pound	"	+ 2.20
2B	Upper	Dutch guilder	"	+ 2.28
		Canadian dollar	"	+ 0.81
		French franc	"	+ 7.29
	Lower	Japanese yen	"	no quotes
3A		German mark	Sept. 24	- 1.10
		U.S. dollar	"	- 2.86
3B		Swiss franc	"	+ 2.37
		French franc	"	+ 5.22
4		Gold price, U.S. dollar per ounce	Oct. 1	42.66
5A	Upper	Overnight Euro-S deposits	Sept. 29	5.18
		Federal Funds	"	5.43
	Middle	Differential	"	- 0.25
	Lower	Euro-currencies:		
		Euro DM	Oct. 1	6.40
5B	Upper	Euro Swiss Fr.	"	1.35
		Japan, Unconditional Money	Sept. 24	6.00
		U.K., 2-day Local Author. Ceas.	"	5.19
	Lower	Canada, Day-to-day Loans	" 29	4.28
		France, Day-to-Day Money	Oct. 1	6.25
		Germany Call Money	Sept. 24	6.75
		Netherlands Call Money	Aug. 27	5.06

Chart	Panel	Series	Date	Rate
6A		Euro-\$ 7 Day Rate	Oct. 1	5.25
		Euro-\$ 1-month Rate	"	6.75
6B		Euro-\$ 3-month Rate	"	7.38
		Euro-\$ 6-month Rate	"	7.38
7A	Upper	Euro-\$ 3-month Deposits	Sept. 29	7.69
		U.S. Certificate of Deposits	"	5.58
	Lower	Differential	"	+ 2.11
7B	Upper	Euro-\$ 3-month Deposits	"	7.69
		Euro-\$ 3-month Deposits (Adj.)	"	9.61
		U.S. Certificate of Deposits (Adj.)	"	5.79
	Lower	Differential: on Adj. Euro-\$ Deposits	"	+ 3.82
		on Unadj. Euro-\$ Deposits	"	+ 1.90
8A	Upper	Euro-\$ 3-month Deposits Sept. 3 - 10 - 17 9.13r	7.94	8.25
		Hire Purchase Deposits (covered) " " " " 7.21r	6.84	7.03
	Lower	Differential " " " " -1.92r	-1.10	-1.22
8B	Upper	Euro-\$ 3-month Deposits " " " " 9.13r	7.94	8.25
		Local Authority Deposits (covered) " " " " 7.02r	6.72	7.06
	Lower	Differential " " " " -2.11r	-1.22	-1.19
9A		U.S. Treasury Bill rate	Oct. 1	4.52
		U.K. Treasury Bill rate	"	4.77
		Local Authority Deposit (uncovered)	Sept. 24	5.28
9B	Upper	Spread (+= favor London)	Oct. 1	+ 0.25
		3-month Forward Pound	"	+ 1.88
	Lower	Net Incentive (+= favor London)	"	+ 2.13

32

IV - 4

Chart	Panel	Series	Date	Rate
10A	Upper	Euro-\$ Deposits (covered)	Sept. 29	6.81
		German Interbank Loan rate	"	7.50
	Lower	Differential	"	+ 0.69
10B	Upper	Euro-\$ Deposits (covered)	"	0.97
		Swiss Deposit rate	"	2.00p
	Lower	Differential.	"	+ 1.03
11	Upper	Canadian Finance Paper	Oct. 1	5.00
		U.S. Treasury Bill rate	"	4.52
		Canadian Treasury Bill rate	"	3.95
		U.S. Prime Finance paper (not plotted)	"	5.44
	Second	Bill rate differential	"	- 0.57
		Forward Canadian dollar	"	+ 0.75
	Third	Net incentive on bills	"	+ 0.18
	Bottom	Net incentive on Finance Paper	"	+ 0.31
12A	Upper	U.K. Treasury Bill rate	Oct. 1	4.77
		U.S. Treasury Bill rate	"	4.52
		German Interbank Loan rate	Sept. 29	7.50
	Lower	Japanese Average rate	July	7.598
		Canadian Treasury Bill rate	Oct. 1	3.95
		U.S. Treasury Bill rate	"	4.52
12B		Euro-\$ Deposits	Sept. 24 Oct. 1	8.50r 7.38
		Swiss 3-month Deposit rate	Oct. 1	2.00p
		U.S. Treasury Bill rate	"	4.52

33

Chart	Panel	Series	Date	Rate
13	Upper	Netherlands	Aug. 27	7.08
		Canada	Sept. 29	6.47
		United States	"	5.51
		Switzerland	Sept. 24	5.00
	Middle	* Germany	Sept. 15	8.13
		United Kingdom	" 24	8.51
		Euro-dollar bonds	" "	7.75
	Lower	U.S. Corp. Dollar Euro-bonds	August	8.70
		U.S. Corp. DM Euro-bonds	"	7.57
		U.S. Corp. Aaa bonds	"	7.59
14	Upper	Switzerland	Sept. 24	379.4
		Germany	" 23	248.60
		United States	Oct. 1	220.44
	Middle	United Kingdom	Sept. 24	239.76
		Canada	" 23	215.15
	Lower	** Japan	" 25	409.74
		United States	Oct. 1	220.44

* 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.