

October 27, 1971 No. 529

(Bo-gov - N. 13)

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

LIBRARY
OCT 28 1971
FEDERAL RESERVE BANK
OF RICHMOND

SELECTED INTEREST & EXCHANGE RATES FOR MAJOR COUNTRIES & THE U.S.

WEEKLY SERIES OF CHARTS

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

3

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- $\text{\$}$ 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

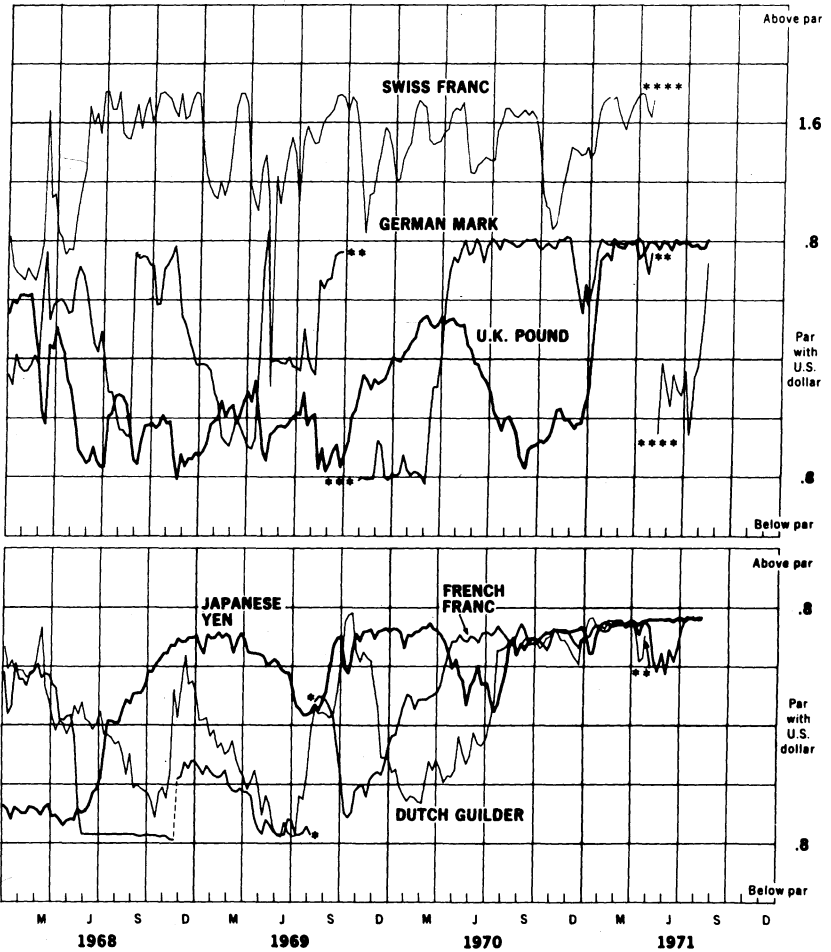
NOTE: This series is a continuation of the CAPITAL MARKETS DEVELOPMENTS ABROAD, which was published under that title through December 31, 1968. The changes in the format and order of the charts are explained in the Supplement to the series, which accompanied issue dated January 1, 1969. All series and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

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.

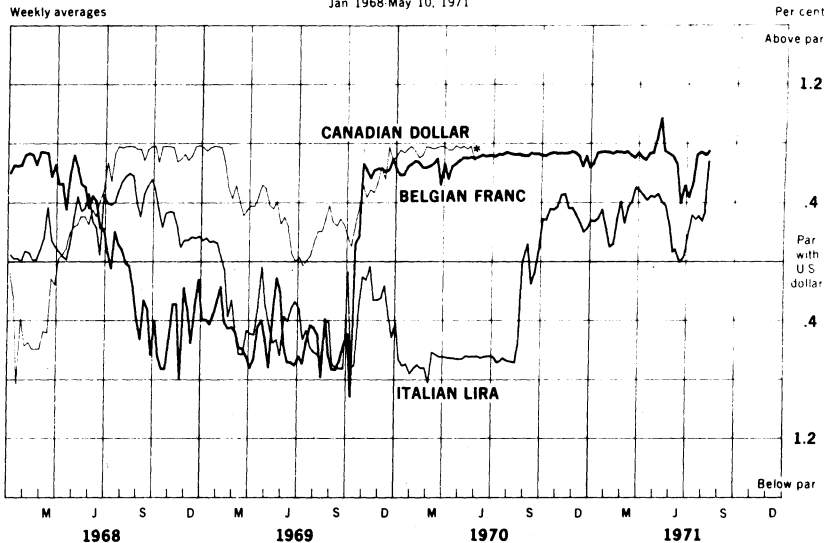
Chart 1B

4

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

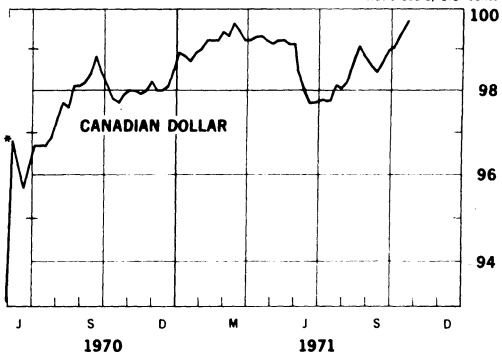
Weekly averages

Jan 1968-May 10, 1971



CANADIAN DOLLAR

Ratio scale, U.S. cents



*Rate not supported by Central Bank

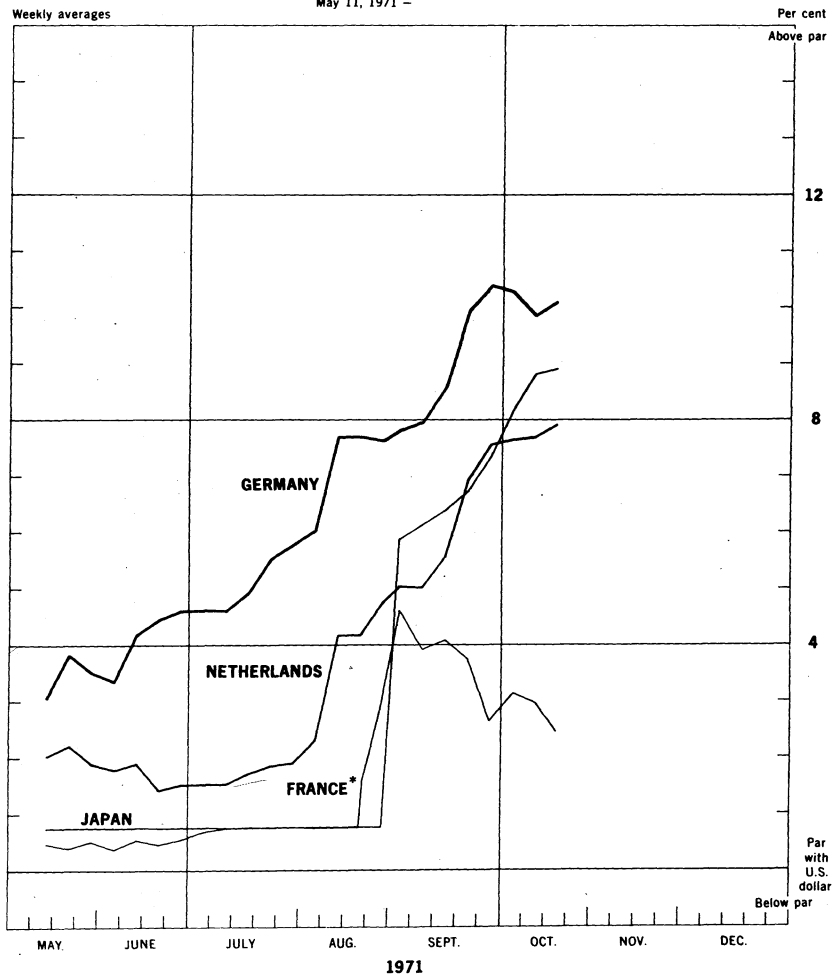
5

Chart 1C

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

Weekly averages

May 11, 1971 -



*Financial franc

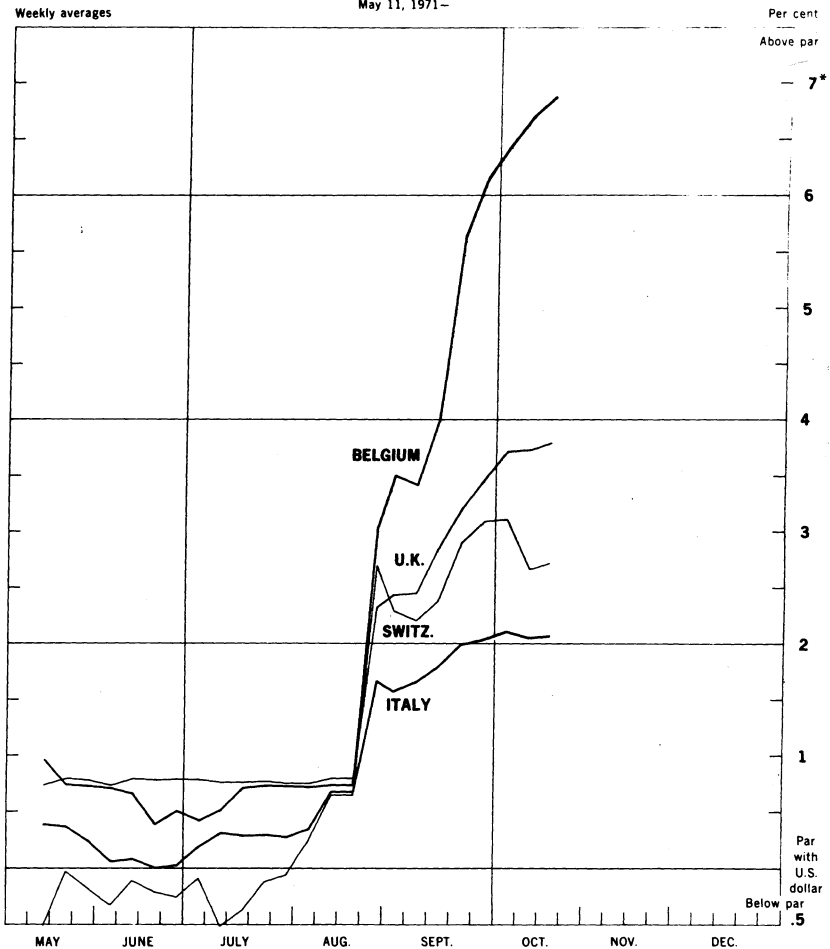
6

Chart 1D

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

Weekly averages

May 11, 1971 -



1971

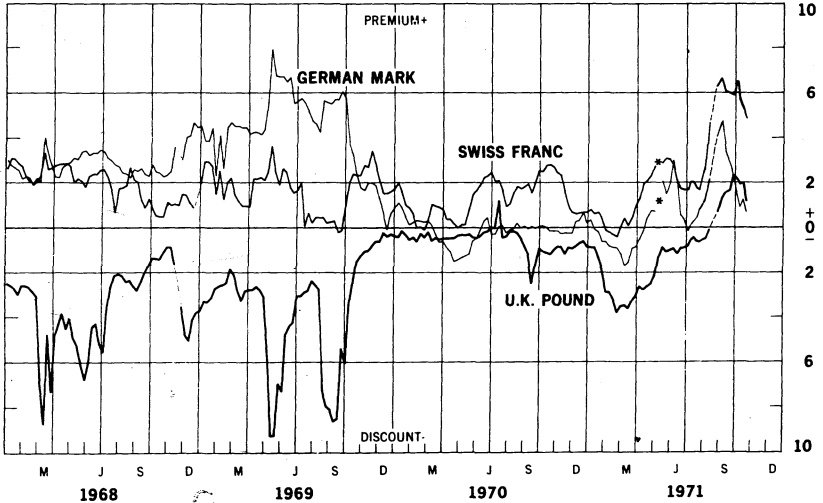
*For clarity the vertical scale is double that used in 1C

Chart 2A

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

Weekly averages

Per cent per annum

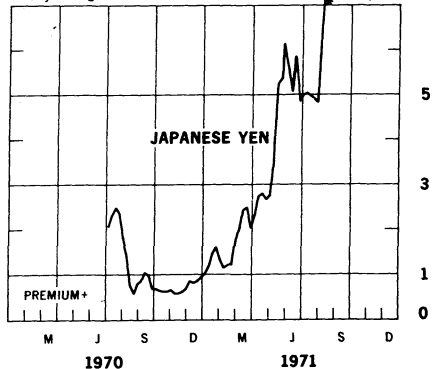


* No quotation.

4-MONTH FORWARD YEN AGAINST U.S. DOLLAR

Weekly averages

Per cent per annum

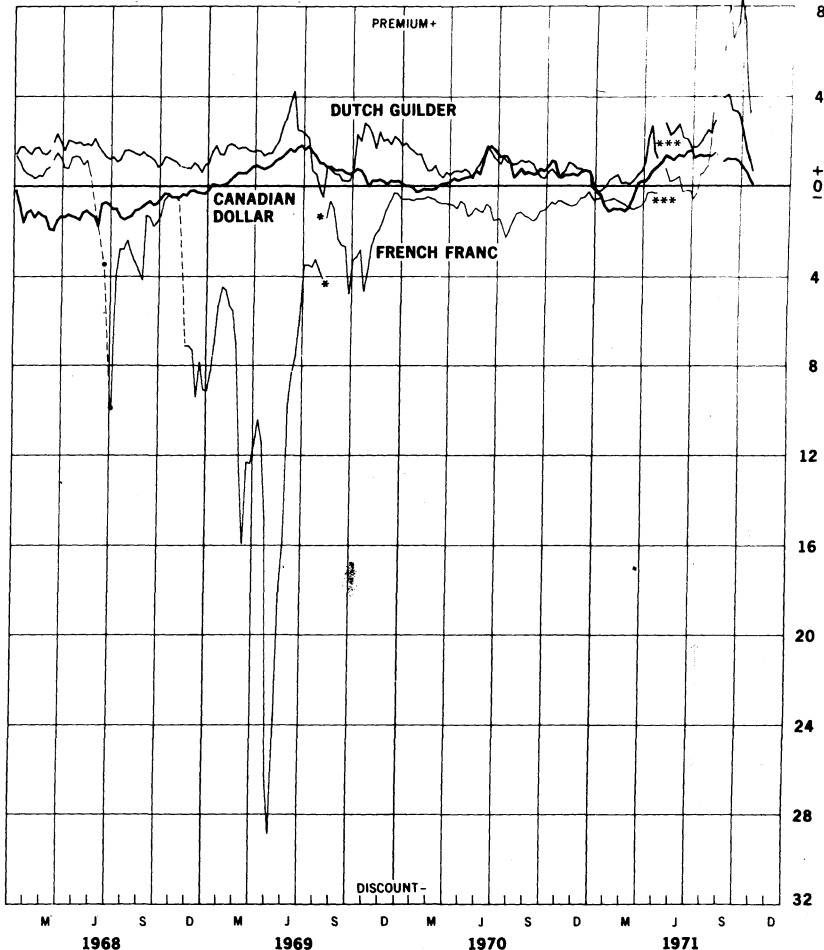


8

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

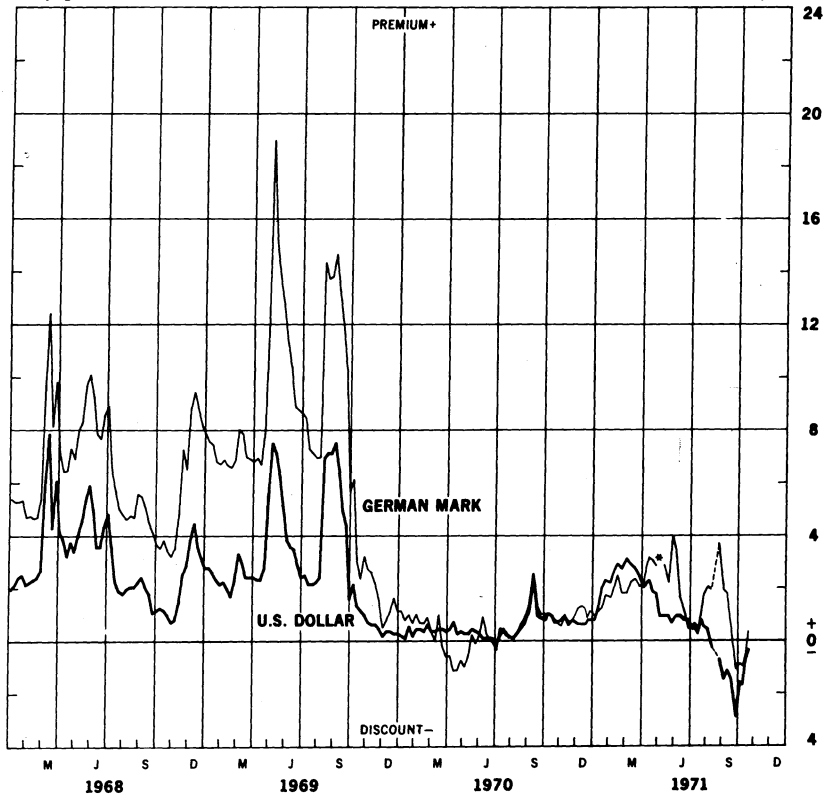
9

Chart 3A

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

Friday figures

Per cent per annum



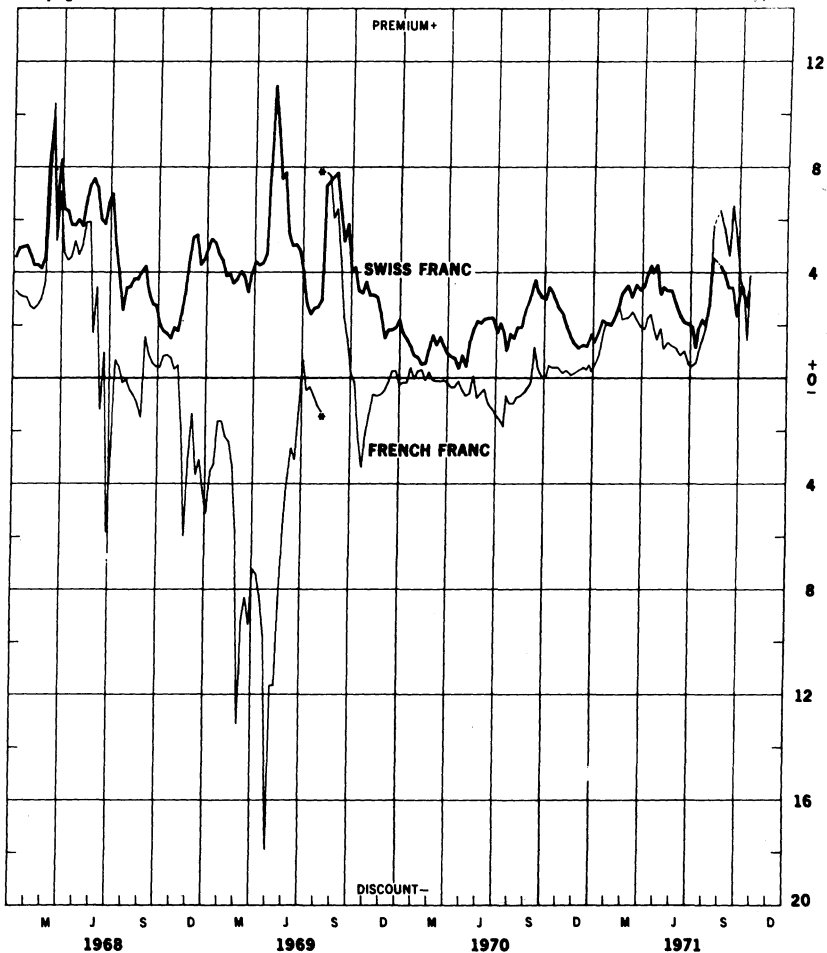
* No quotation.

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

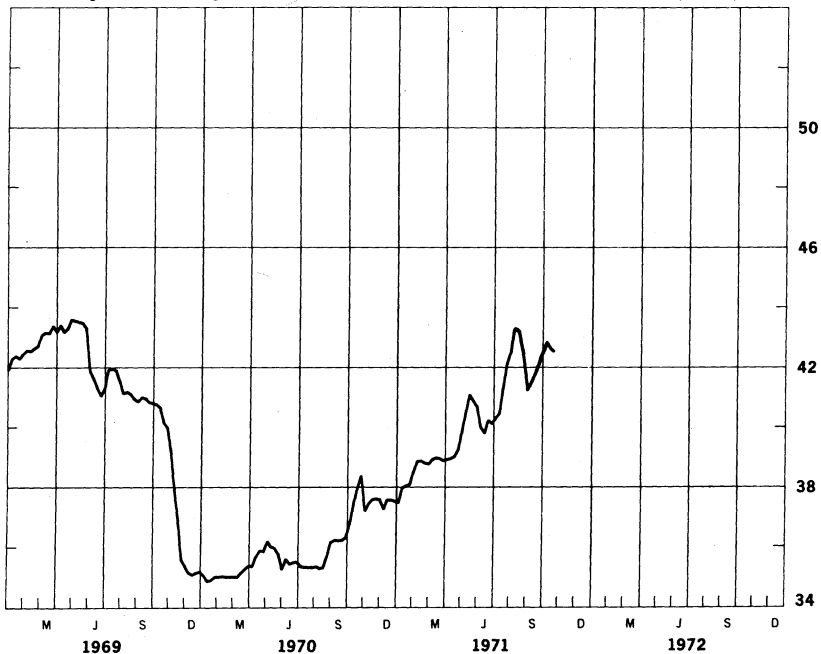
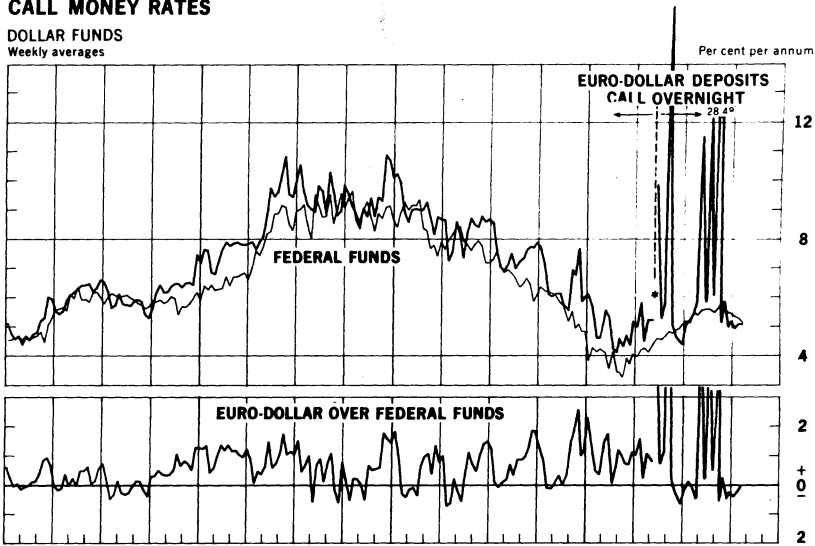


CHART 5A

CALL MONEY RATES

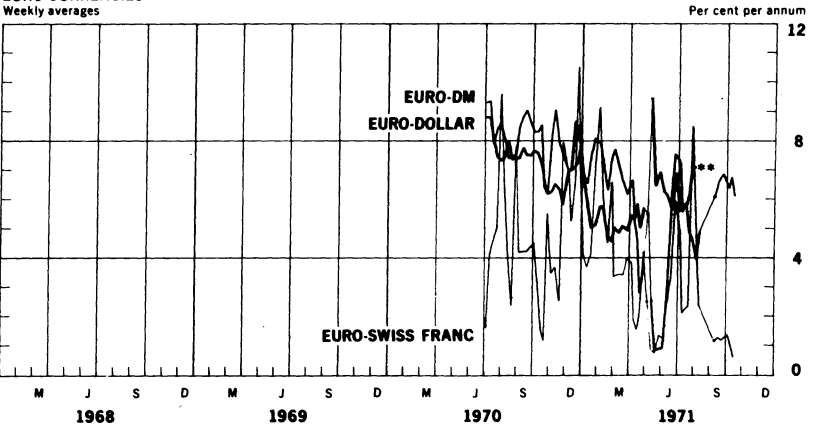
DOLLAR FUNDS

Weekly averages



EURO-CURRENCIES

Weekly averages



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

** Dropped as of August 18, 1971.

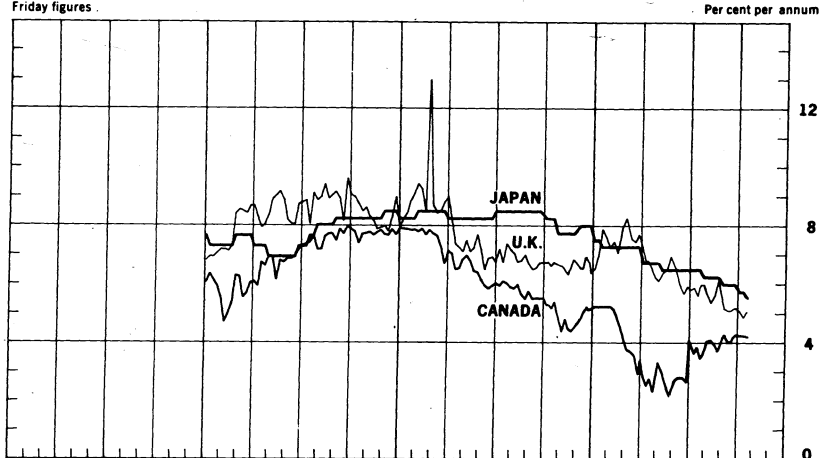
13

Chart 5B

CALL MONEY RATES

FOREIGN CURRENCIES*

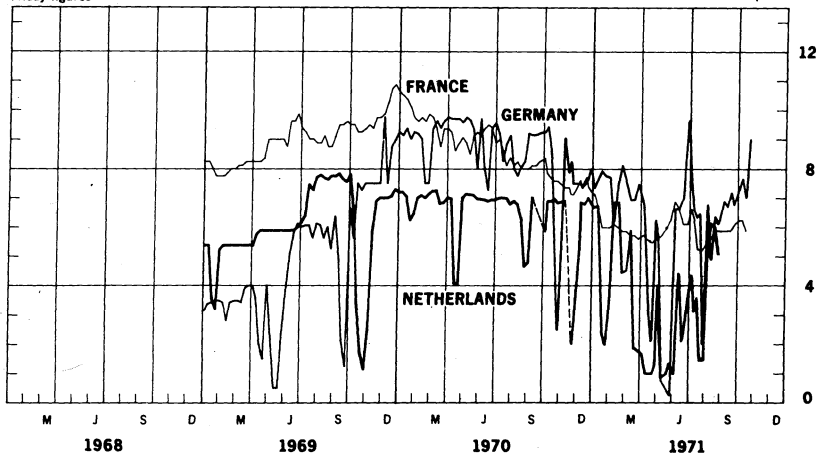
Friday figures



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.

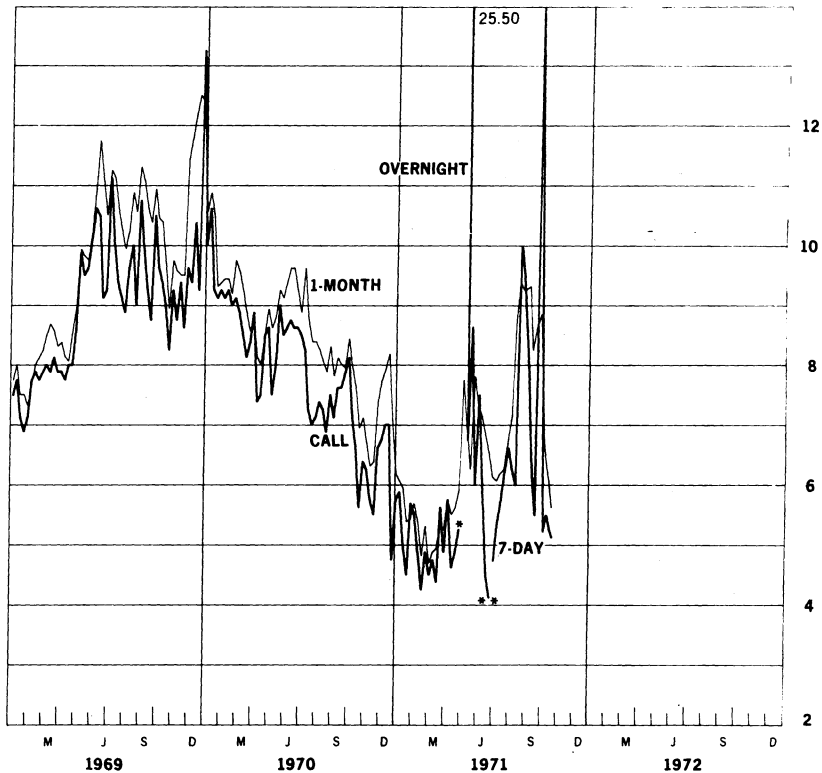
** Germany, Call Money; France, Day-to-day Money; Netherlands, Call Money, weekly average.

Chart 6A

LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum



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

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

15

Chart 6B

LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum

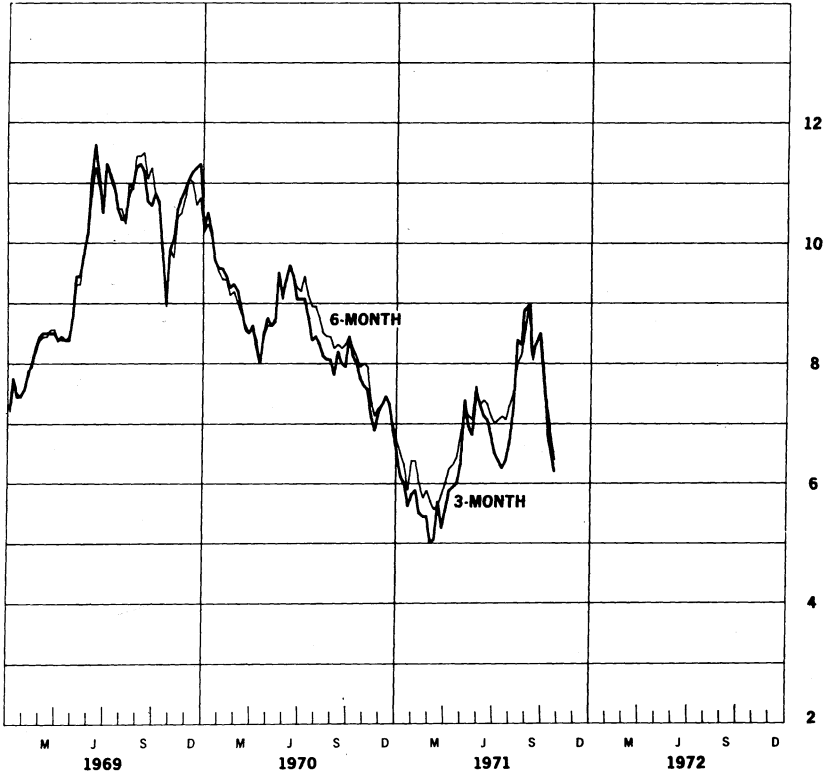


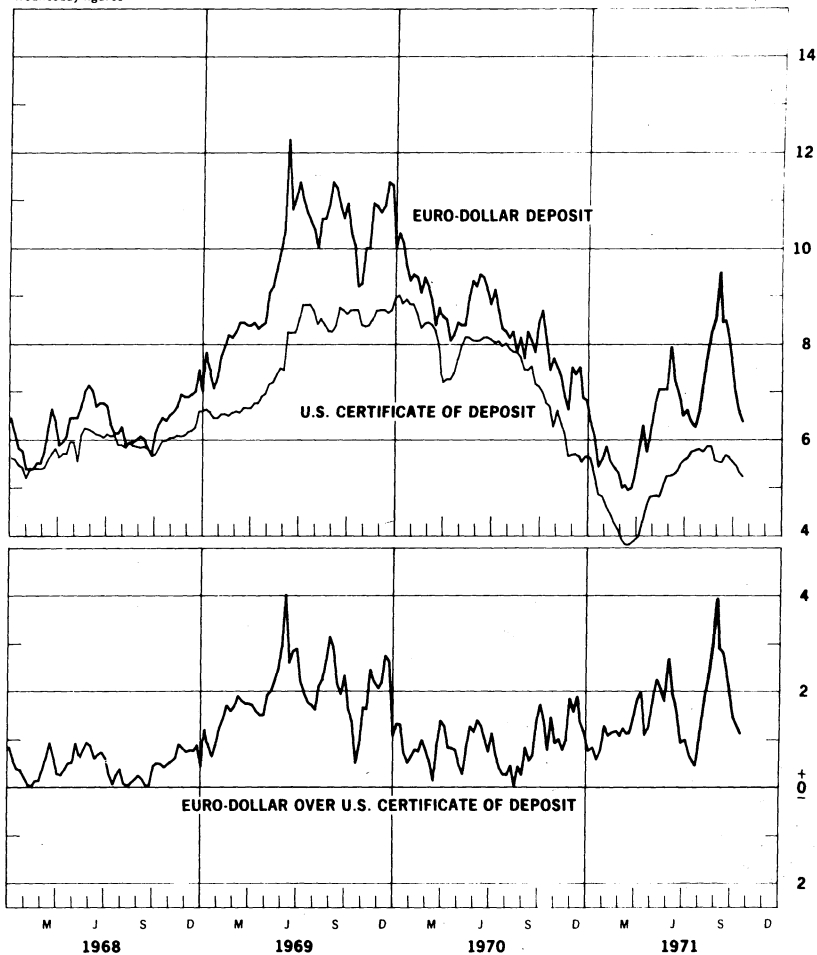
Chart 7A

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

3-MONTH DOLLAR DEPOSIT RATES—SECONDARY MARKET

Wednesday figures

Per cent per annum



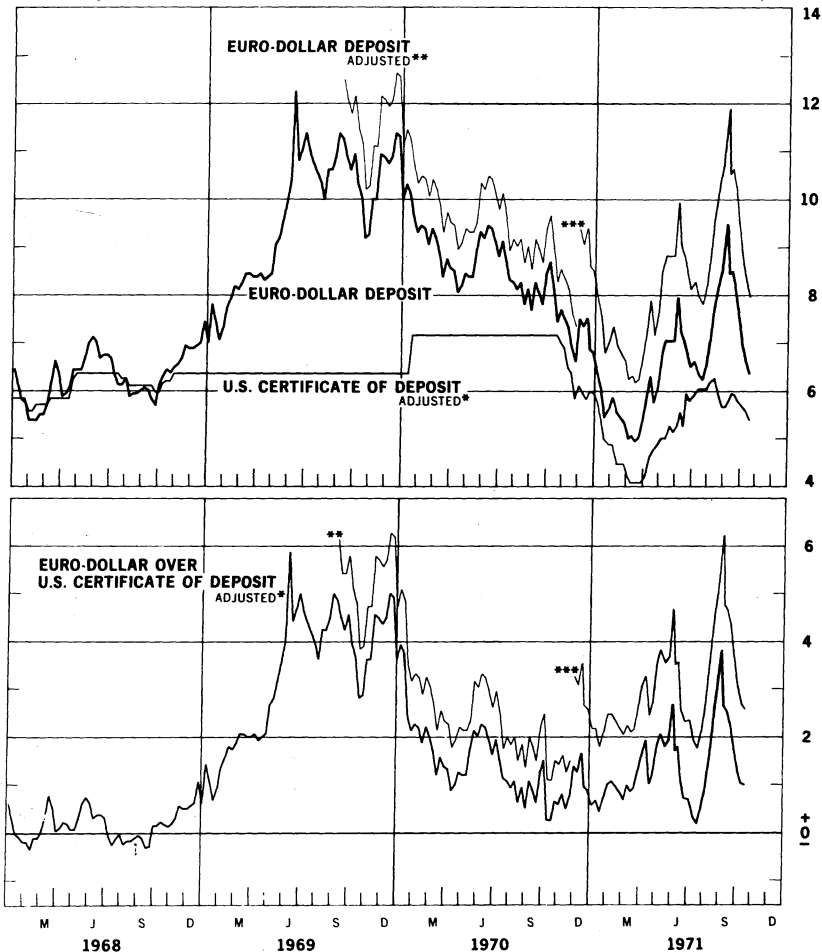
17

Chart 7B

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

3-MONTH DOLLAR DEPOSIT RATES—PRIMARY MARKET
Wednesday figures

Per cent per annum



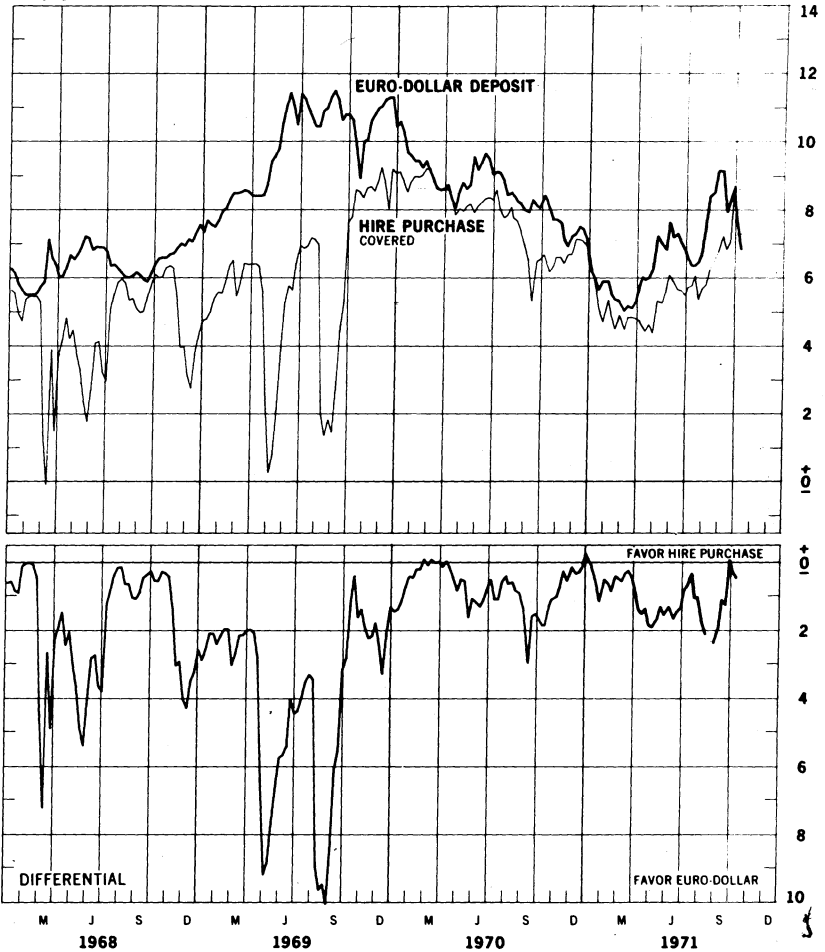
* Adjusted for Reserve Requirement
 ** Adjusted for 10% Marginal Reserve Requirement
 *** Adjusted for 20% Marginal Reserve Requirement

LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

HIRE PURCHASE AND EURO-DOLLAR RATES

Friday figures

Per cent per annum



19
Chart 8B

LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

LOCAL AUTHORITY AND EURO-DOLLAR RATES

Friday figures

Per cent per annum

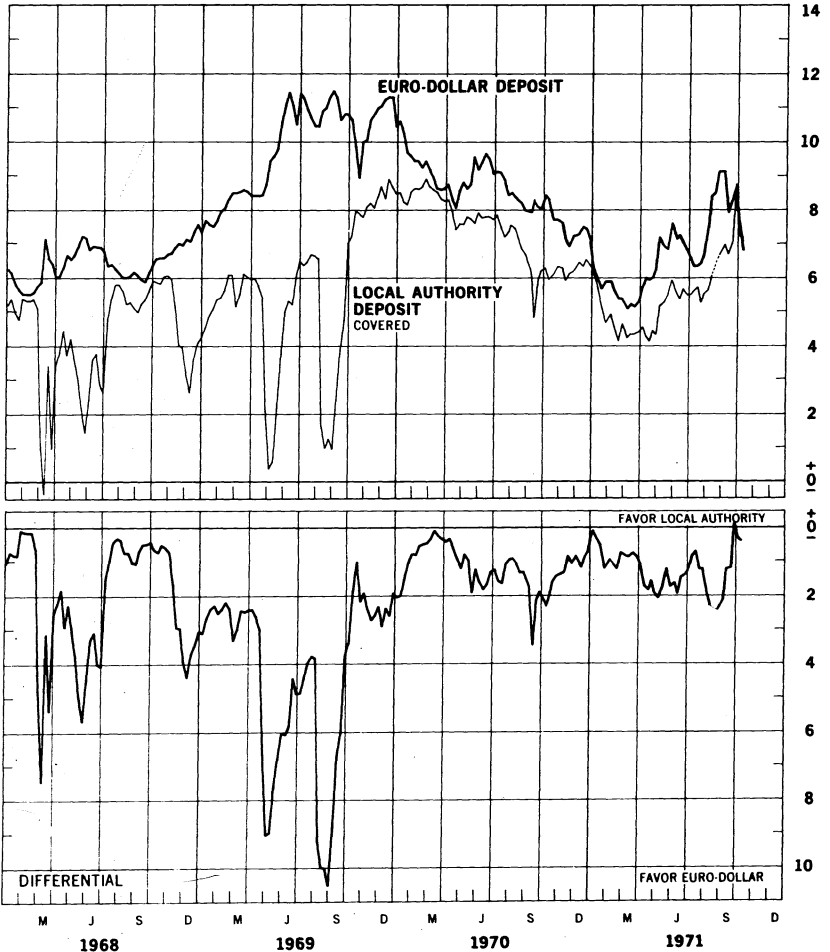
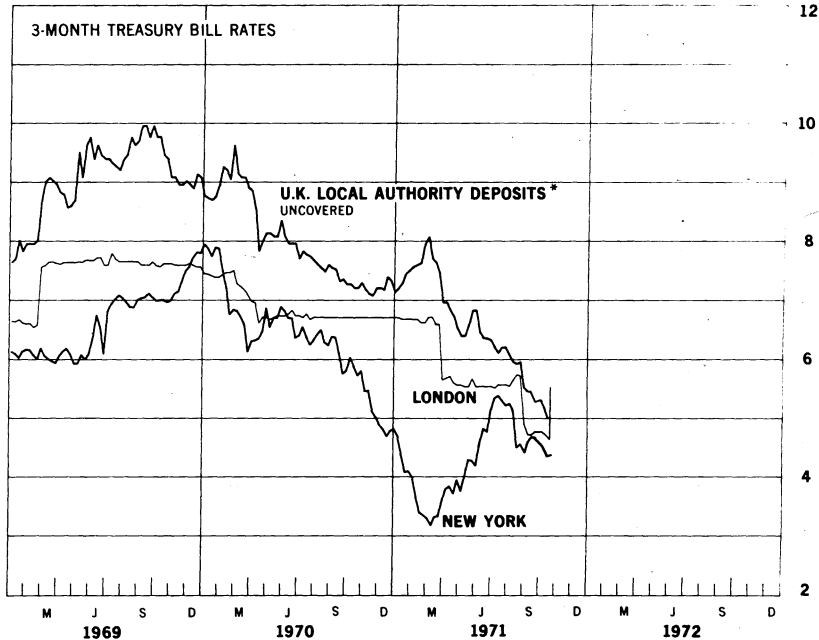


Chart 9A

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

Per cent per annum



* Plotted for comparison purposes

21

Chart 9B

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

Per cent per annum

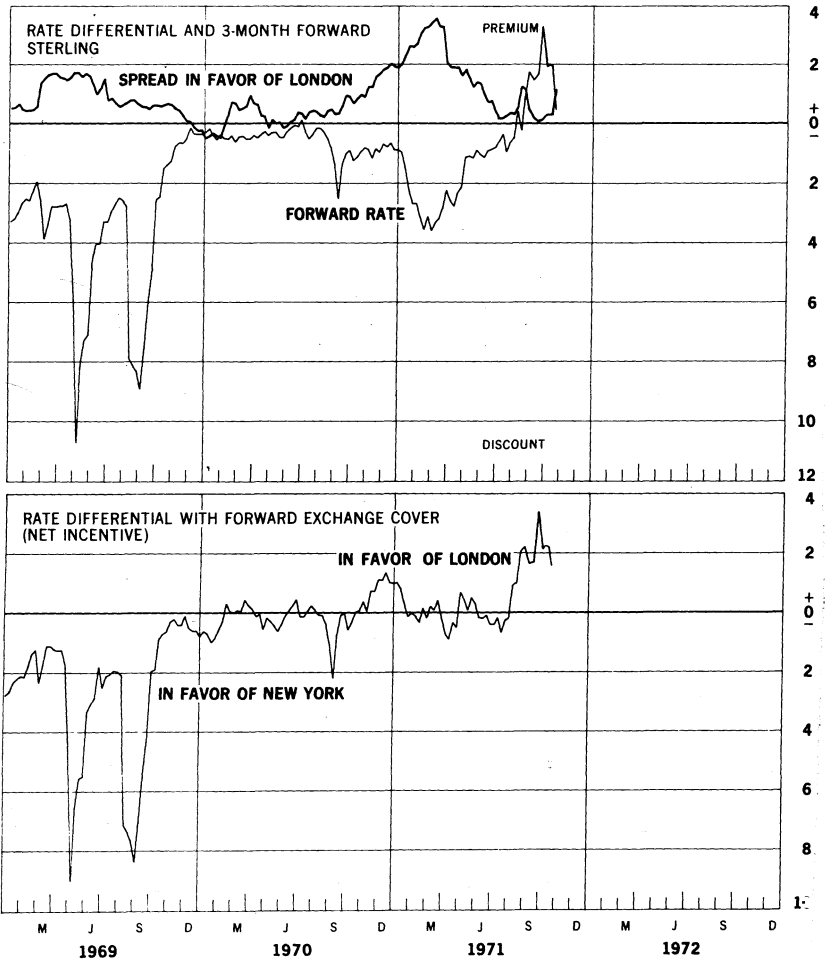
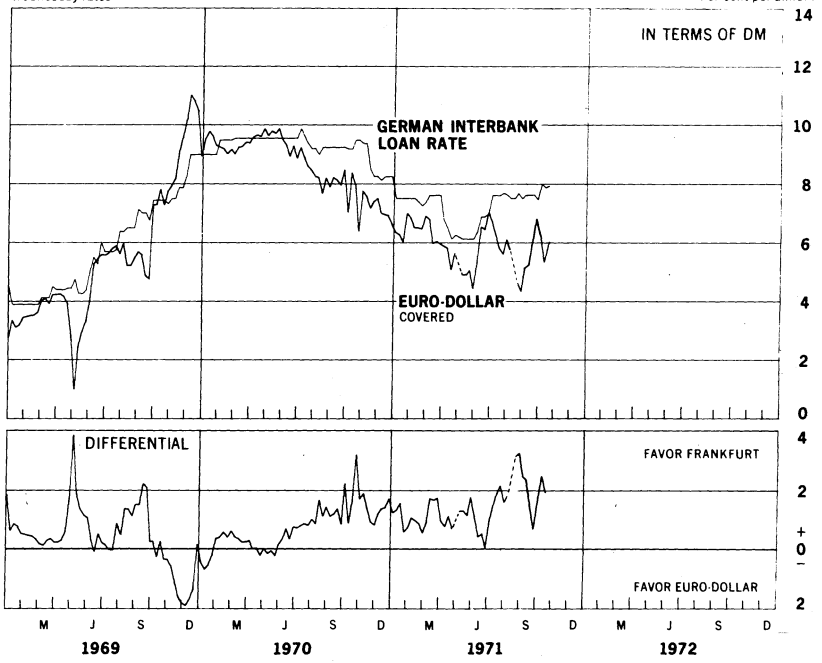


Chart 10A

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

FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates



--- No quotation

23

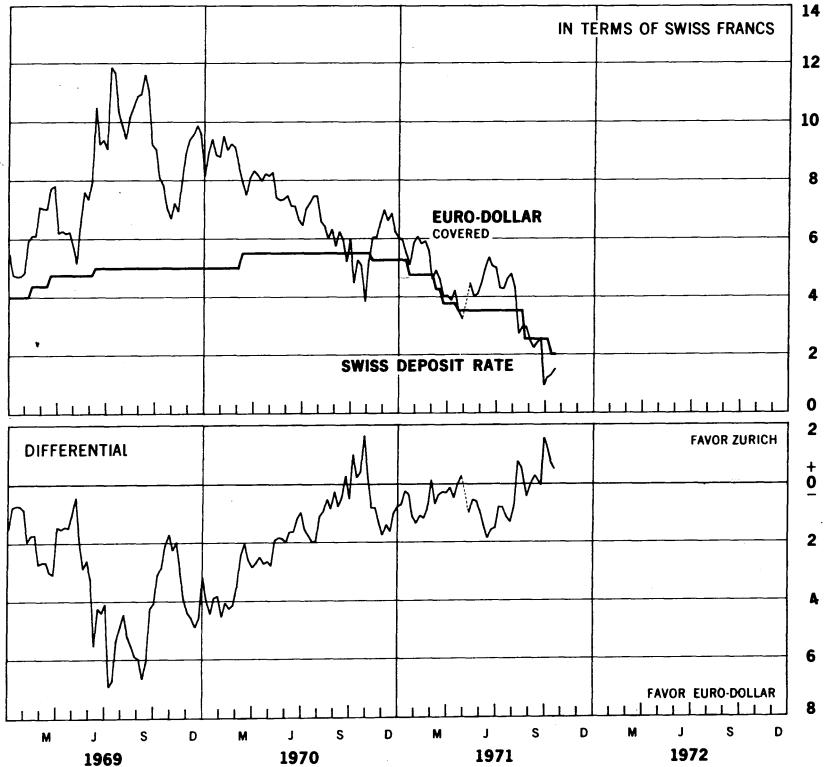
Chart 10B

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

ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates

Per cent per annum



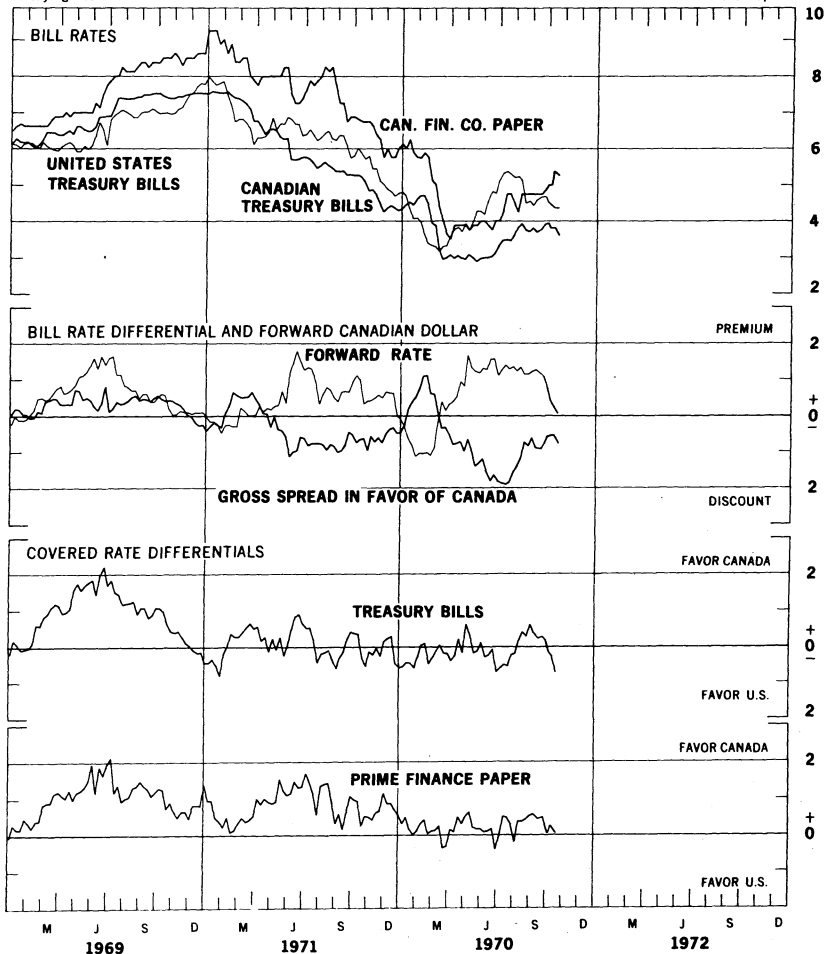
--- No quotation

Chart 11

3-MONTH INTEREST ARBITRAGE: UNITED STATES - CANADA

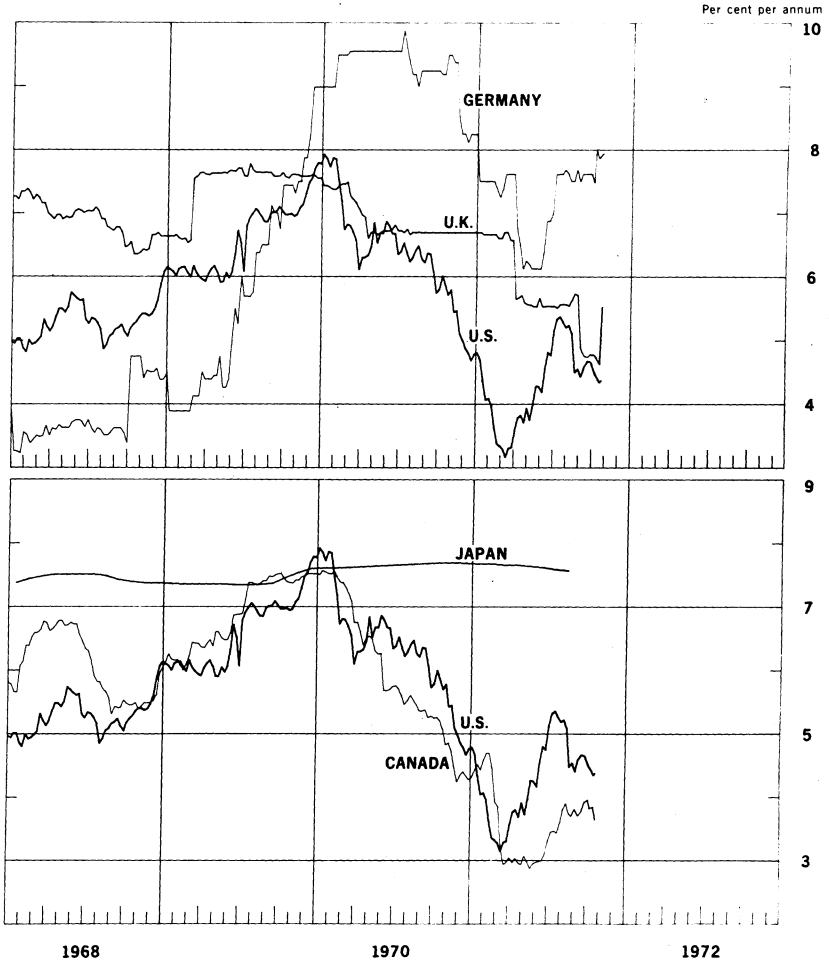
Friday figures

Per cent per annum



15

SELECTED SHORT-TERM INTEREST RATES*

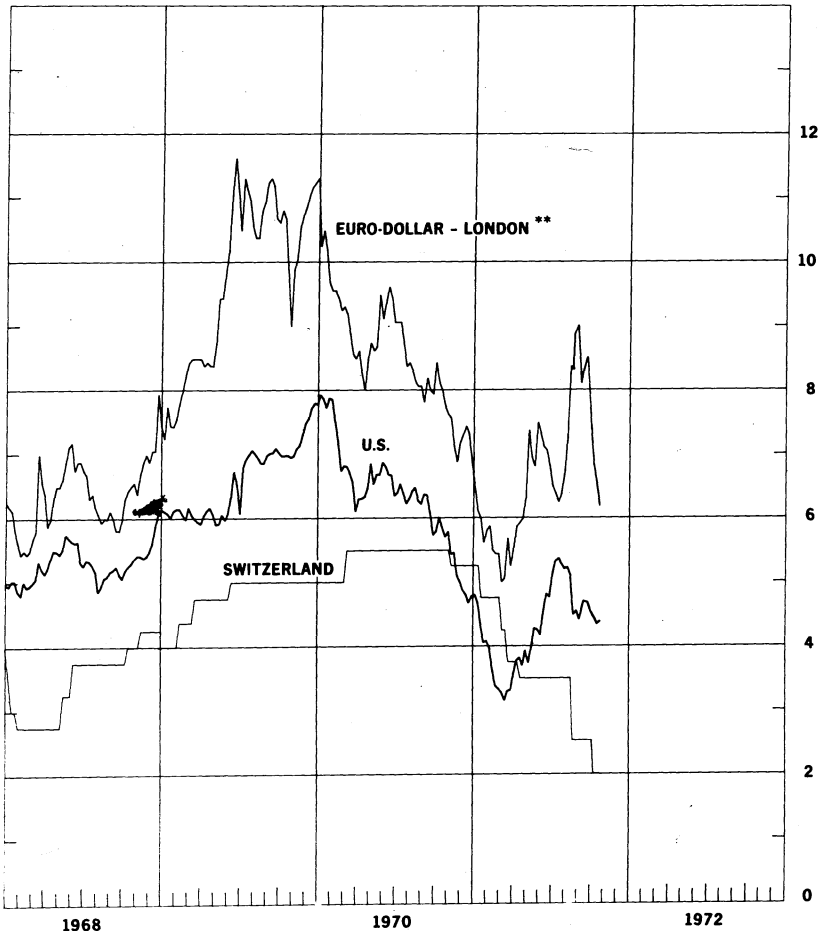


* 3-month treasury bill rates for all countries except Japan (Average rate on bank loans and discounts) and Germany (Interbank Loan Rate)

Chart 12B

SELECTED SHORT-TERM INTEREST RATES *

Per cent per annum



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

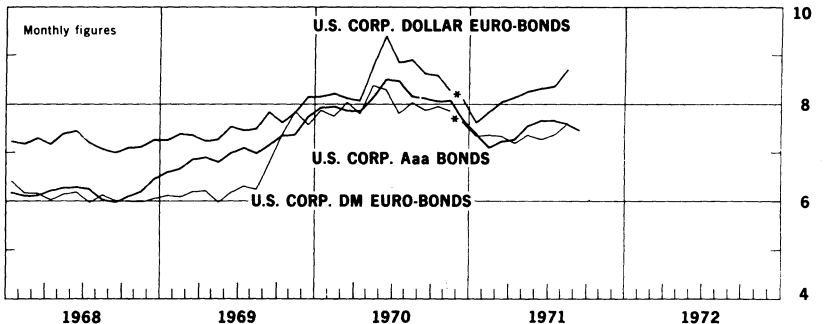
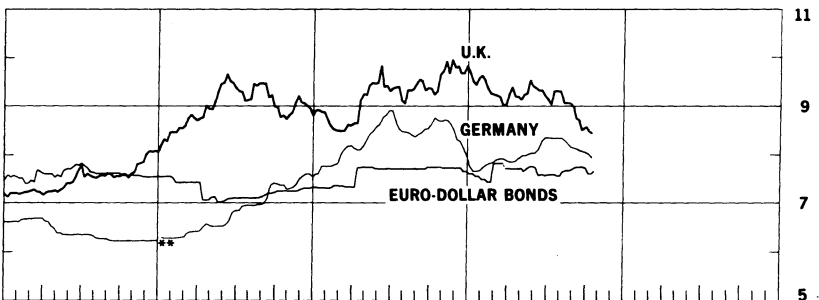
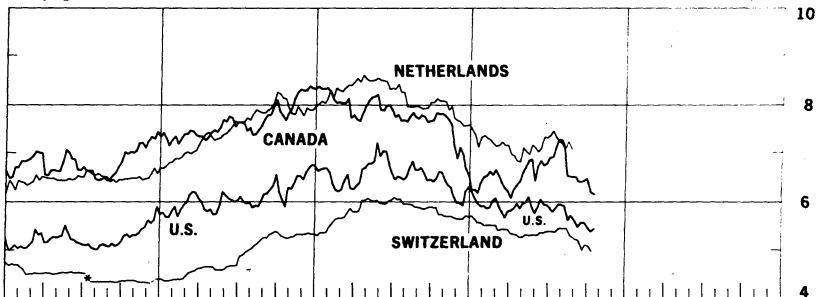
** 3-month rate for U.S. dollar deposits in London.

Chart 13

LONG-TERM BOND YIELDS

Weekly figures

Per cent per annum

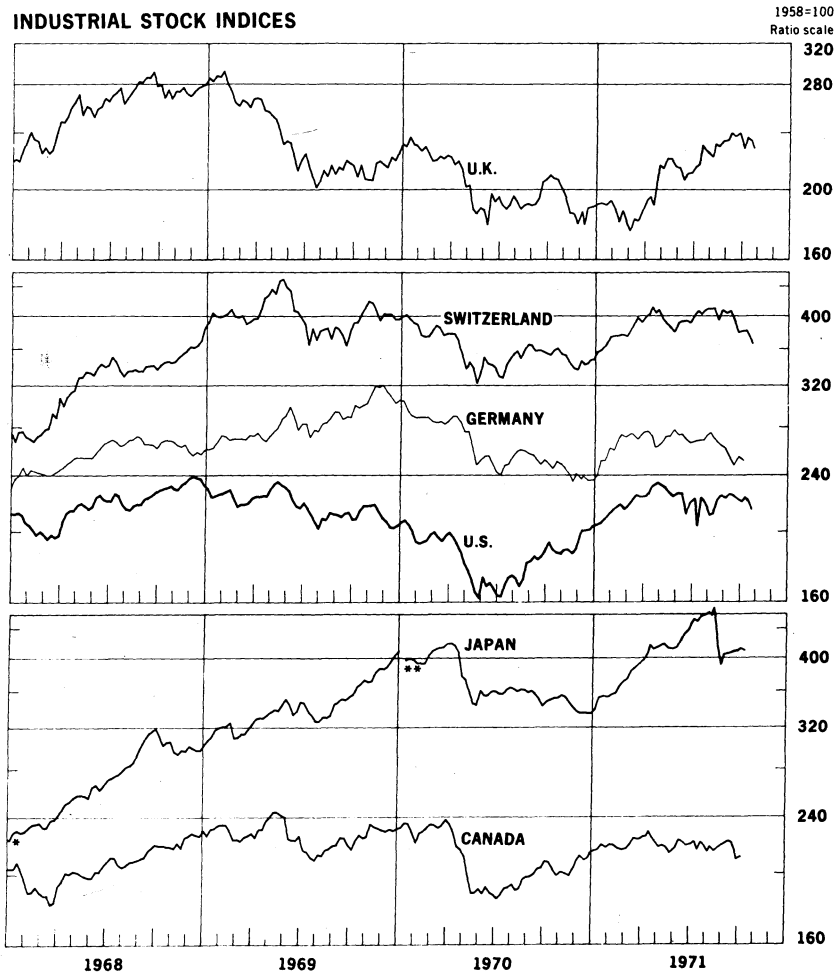


* New series for Switzerland starts 8-2-68, U.S. Corp. Dollar Euro-Bonds and U.S. Corp. DM Euro-Bonds starts 12-70.

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

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

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	4.5	Oct. 14, 1971	5.0	Apr. 1, 1971
Italy	4.5	Oct. 14, 1971	5.0	Apr. 5, 1971
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. 22	+2.718
		U.K. pound	"	+3.789
	Lower	French franc Financial franc	"	+2.44
		Japanese yen	"	+8.914
1B	Upper	Belgian franc	"	+6.890
		Italian lire	"	+2.071
	Lower	Canadian dollar Actual rate	"	99.71
		German mark	"	+10.103
		Dutch guilder	"	+7.914
2A		German mark	Oct. 22	+0.65
		Swiss franc	"	+4.83
		U.K. pound	"	+1.17
2B	Upper	Dutch guilder	"	+0.67
		Canadian dollar	"	+0.02
		French franc	"	+3.82
	Lower	Japanese yen	"	no quotes
3A		German mark	Oct. 22	+0.36
		U.S. dollar	"	-0.36
3B		Swiss franc	"	+3.27
		French franc	"	+3.92
4		Gold price, U.S. dollar per ounce	Oct. 22	42.52
5A	Upper	Overnight Euro-\$ deposits	Oct. 20	5.09
		Federal Funds	"	5.14
	Middle	Differential	"	-0.05
	Lower	Euro-currencies:		
		Euro DM	Oct. 15	6.10
	Euro Swiss Fr.	"	0.60	
5B	Upper	Japan, Unconditional Money	"	5.50
		U.K., 2-day Local Author. Depts.	"	5.06
		Canada, Day-to-day Loans	Oct. 20	4.20
	Lower	France, Day-to-Day Money	Oct. 15	5.88
		Germany, Call Money	Oct. 22	9.00
		Netherlands, Call Money	Aug. 27	5.06

IV - 3

Chart	Panel	Series	Date	Rate
6A		Euro-\$ 7-day Rate	Oct. 22	5.12
		Euro-\$ 1-month Rate	"	5.62
6B		Euro-\$ 3-month Rate	"	6.19
		Euro-\$ 6-month Rate	"	6.38
7A	Upper	Euro-\$ 3-month Deposits	Oct. 20	6.38
		U.S. Certificate of Deposits	"	5.24
	Lower	Differential	"	+1.14
7B	Upper	Euro-\$ 3-month Deposits	"	6.38
		Euro-\$ 3-month Deposits (Adj.)	"	7.98
		U.S. Certificate of Deposits (Adj.)	"	+5.39
	Lower	Differential: on Adj. Euro-\$ Deposits	"	+2.59
		on Unadj. Euro-\$ Deposits	"	+0.99
8A	Upper	Euro-\$ 3-month Deposits	Oct. 8	6.81
		Hire Purchase Deposits (covered)	"	7.27
	Lower	Differential	"	-0.46
8B	Upper	Euro-\$ 3-month Deposits	"	6.81
		Local Authority Deposits (covered)	"	7.21
	Lower	Differential	"	-0.40
9A		U.S. Treasury Bill rate	Oct. 22	4.38
		U.K. Treasury Bill rate	"	5.53
		Local Authority Deposit (uncovered)	Oct. 15	5.00
9B	Upper	Spread (+= favor London)	Oct. 22	+1.15
		3-month Forward Pound	"	+0.44
	Lower	Net Incentive (+= favor London)	"	+1.59

Chart	Panel	Series	Date	Rate
10A	Upper	Euro-\$ Deposits (covered)	Oct. 20	6.02
		German Interbank Loan rate	"	7.94
	Lower	Differential	"	+1.92
10B	Upper	Euro-\$ Deposits (covered)	"	1.50
		Swiss Deposit rate	"	2.00p
	Lower	Differential	"	+0.50
11	Upper	Canadian Finance Paper	Oct. 22	5.25
		U.S. Treasury Bill rate	"	4.38
		Canadian Treasury Bill rate	"	3.63
		U.S. Prime Finance paper (not plotted)	"	5.18
	Second	Bill rate differential	"	-0.75
		Forward Canadian dollar	"	+0.04
	Third	Net incentive on bills	"	-0.71
Bottom	Net incentive on Finance Paper	"	+0.03	
12A	Upper	U.K. Treasury Bill rate	Oct. 22	5.53
		U.S. Treasury Bill rate	"	4.38
		German Interbank Loan rate	"	7.94
	Lower	Japanese Average rate	August	7.573
		Canadian Treasury Bill rate	Oct. 22	3.63
		U.S. Treasury Bill rate	"	4.38
12B		Euro-\$ Deposits	"	6.19
		Swiss 3-month Deposit rate	"	2.00p
		U.S. Treasury Bill rate	"	4.38

Chart	Panel	Series	Date	Rate
13	Upper	Netherlands	Aug. 27	7.08
		Canada	Oct. 20	6.16
		United States	Oct. 20	5.45
		Switzerland	Oct. 15	4.97
	Middle	* Germany	"	7.94
		United Kingdom	"	8.44
		Euro-dollar bonds	Oct. 22	7.65
	Lower	U.S. Corp. Dollar Euro-bonds	August	8.70
		U.S. Corp. DM Euro-bonds	"	7.57
		U.S. Corp. Aaa bonds	September	7.44
14	Upper	Switzerland	Oct. 22	365.3
		Germany	Oct. 7	250.80
		United States	Oct. 22	215.40
	Middle	United Kingdom	"	228.49
		Canada	Oct. 7	210.27
	Lower	** Japan	Oct. 9	409.97
		United States	Oct. 22	215.40

* 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.