

December 29, 1971 No. 538

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

WEEKLY SERIES OF CHARTS

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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.

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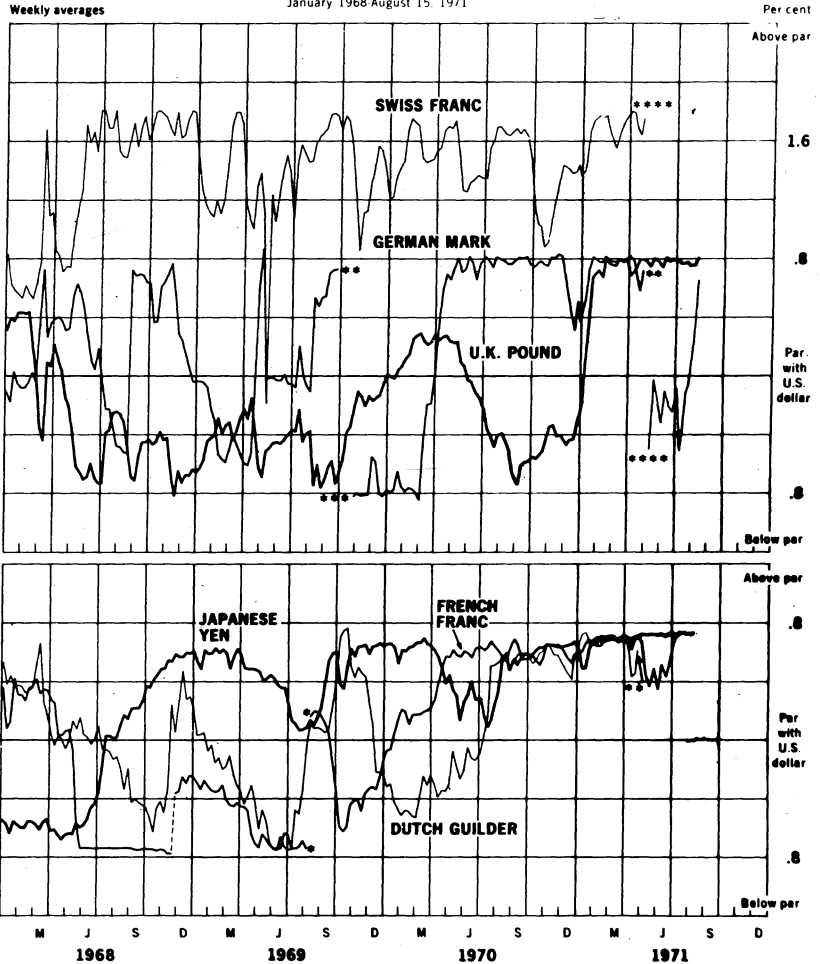
3

Chart 1A

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

Weekly averages

January 1968-August 15, 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.

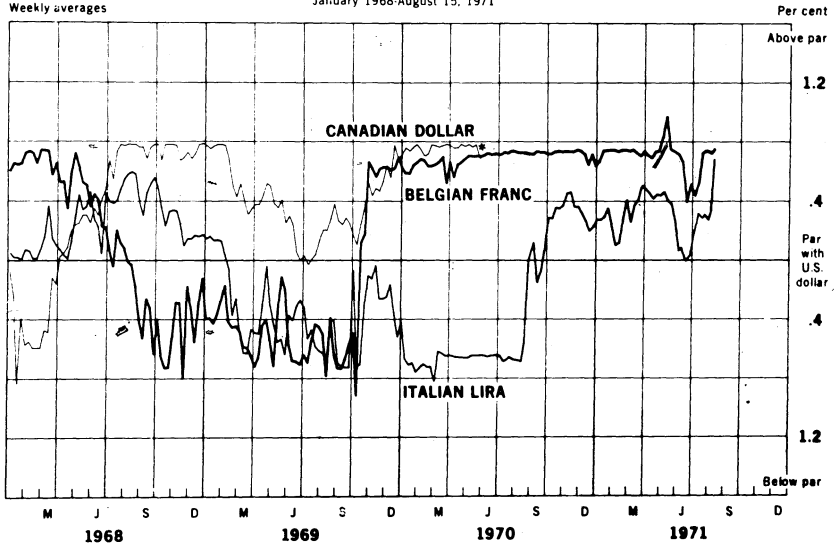
\*\*\*\* May 10, 1971 - Swiss franc revalued, new par 24.485 U.S. cents

Chart 1B

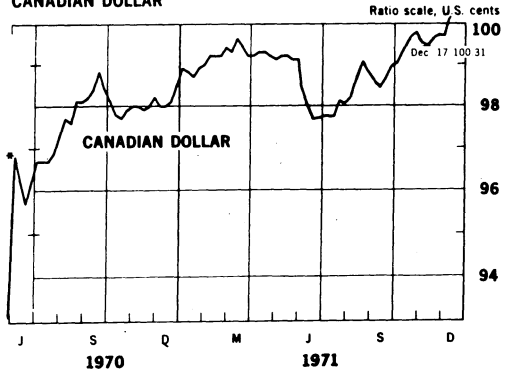
# SPOT EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.S. DOLLAR

Weekly averages

January 1968-August 15, 1971



## CANADIAN DOLLAR



\*Rate not supported by Central Bank

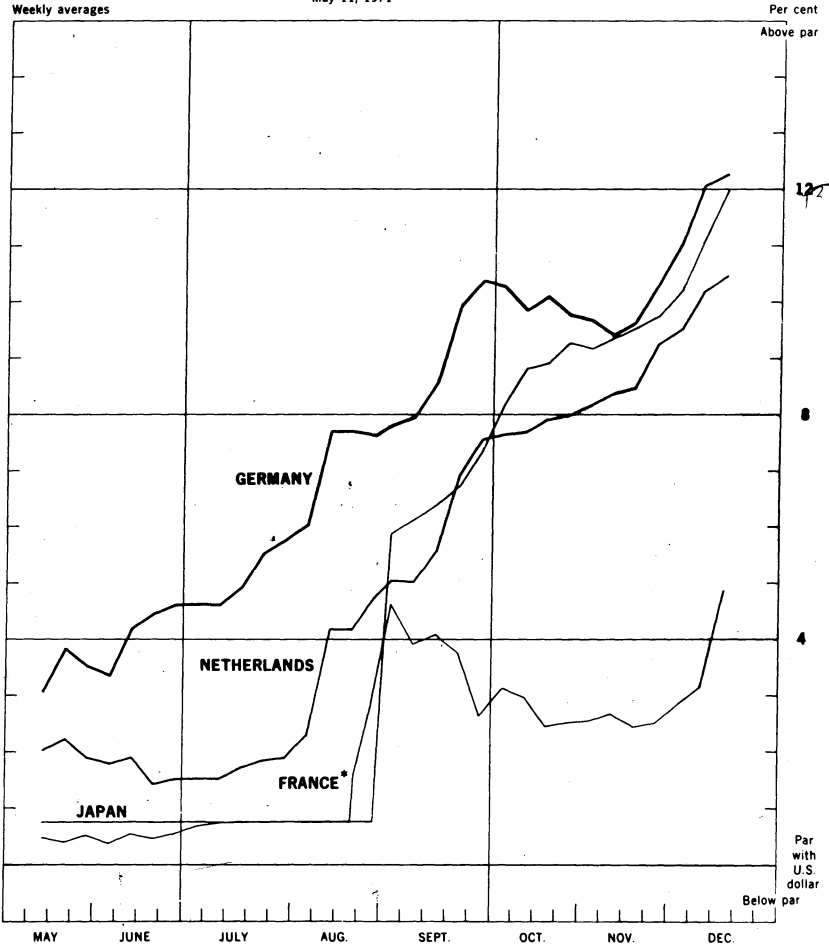
5

Chart 1C

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

Weekly averages

May 11, 1971 -



Per cent  
Above par  
12  
8  
4  
Par with U.S. dollar  
Below par

1971

\* Financial franc

b

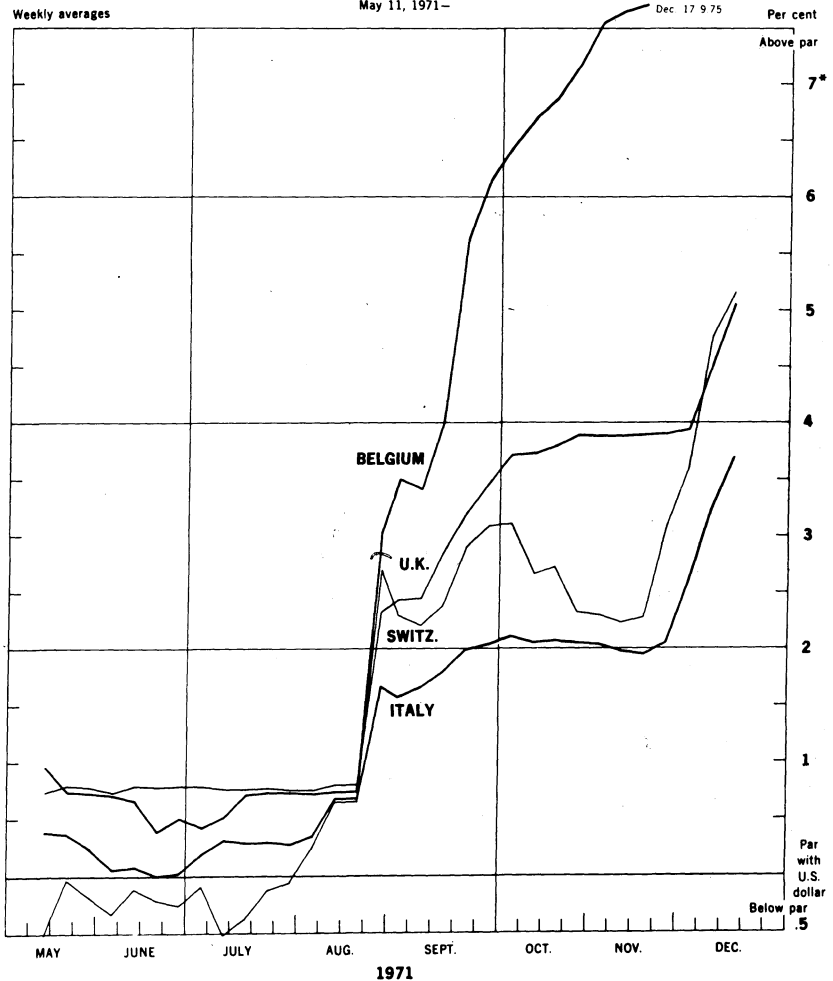
Chart 1D

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

Weekly averages

May 11, 1971 -

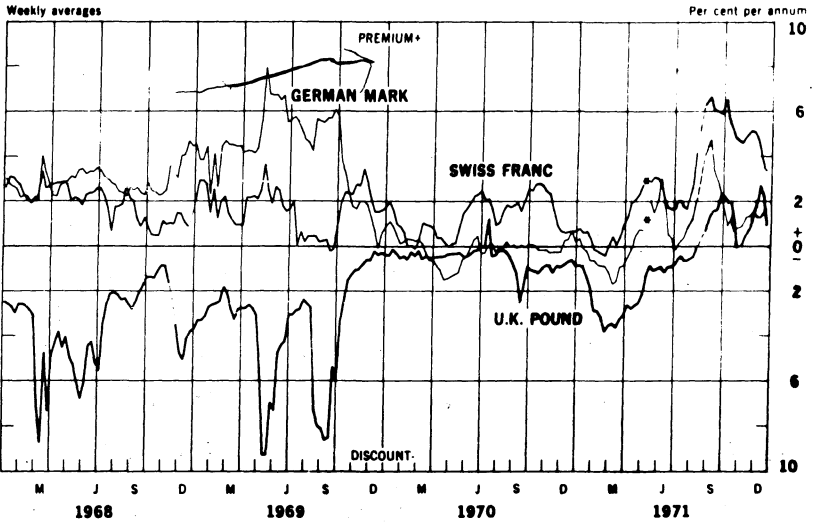
Dec 17 9 75



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

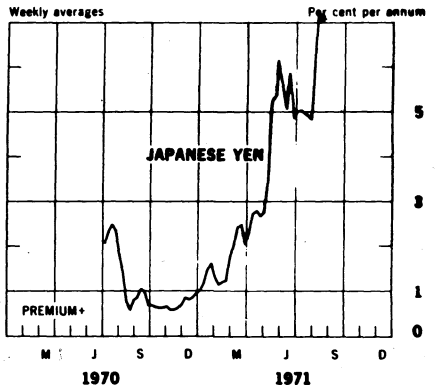
7  
Chart 2A

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



\* No quotation.

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



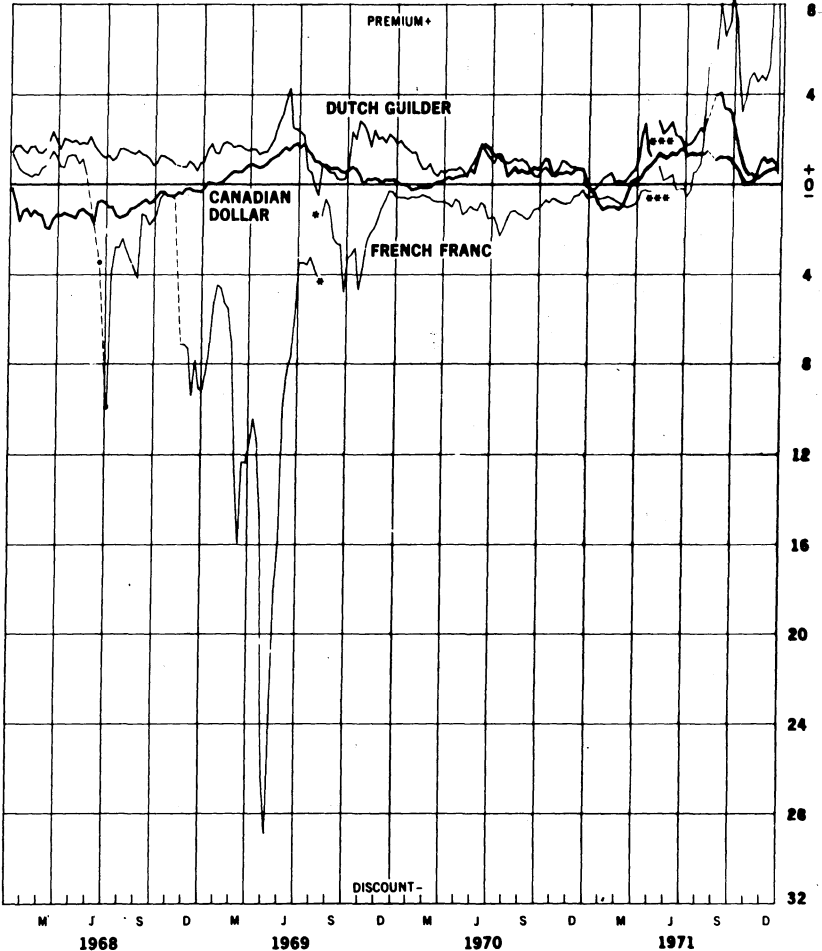
28

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

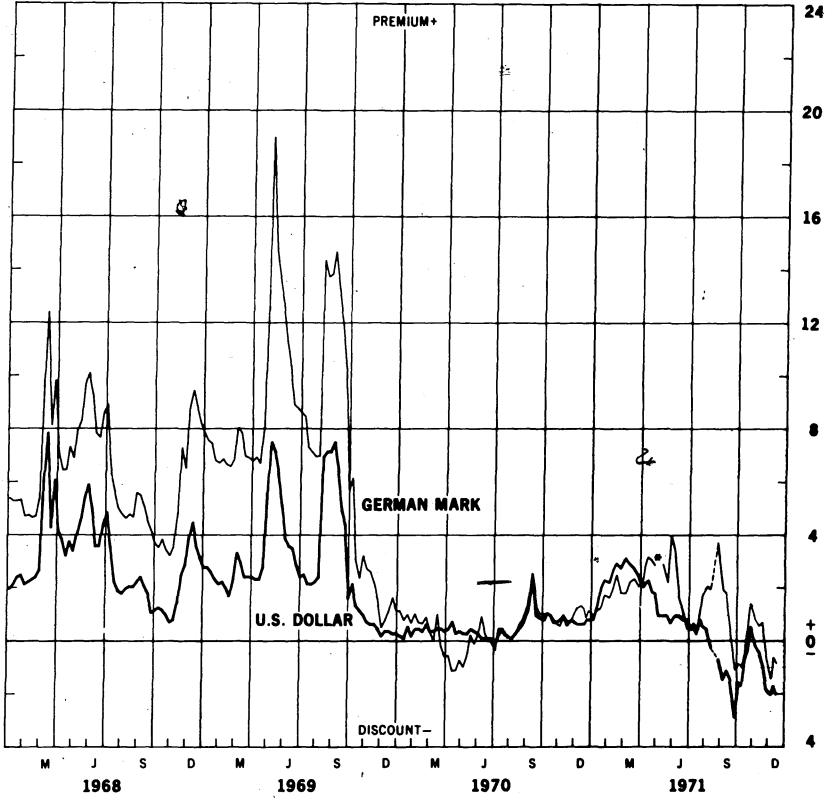


Chart 3A

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

Friday figures

Per cent per annum



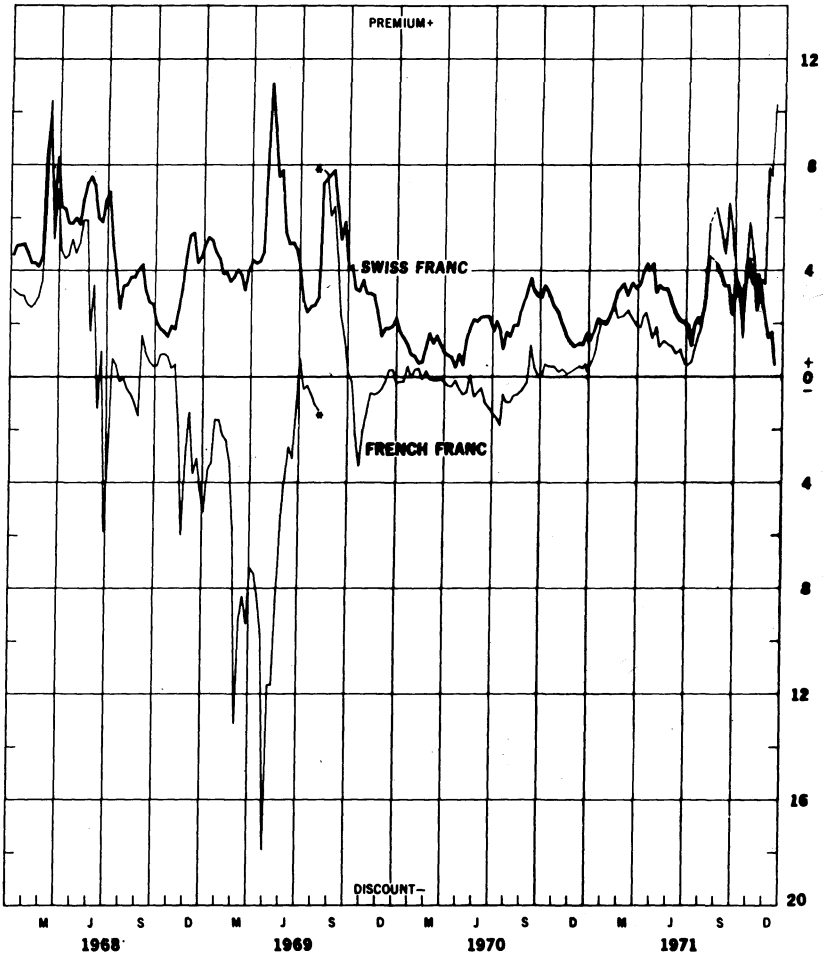
\* No quotation.

Chart 3B

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

Friday figures

Per cent per annum



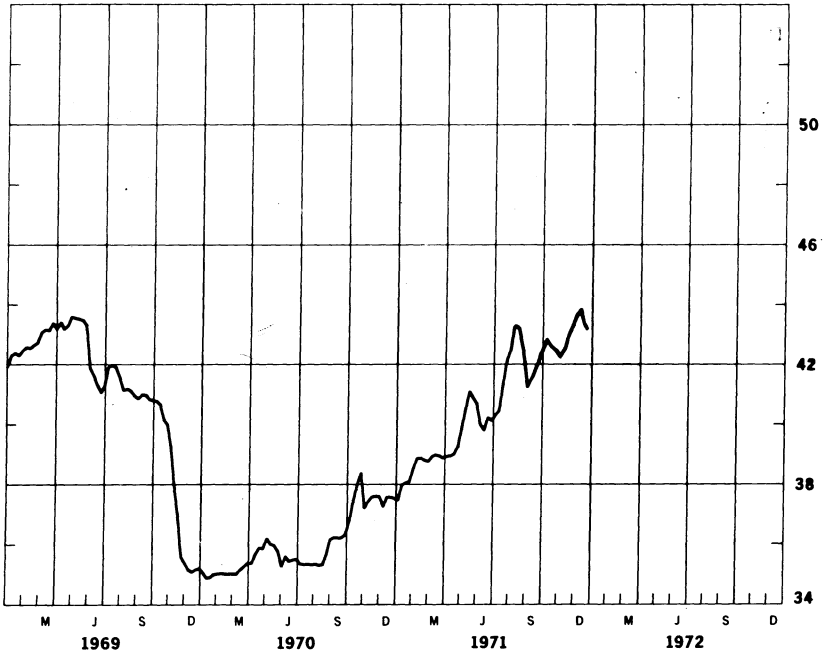
\*Devaluation of the French franc from 4.94 to 5.55 for \$1.00

Chart 4

### GOLD PRICE IN LONDON, 12.5 Kg BARS

Week's average of afternoon fixings

U.S. dollar equivalent per fine ounce

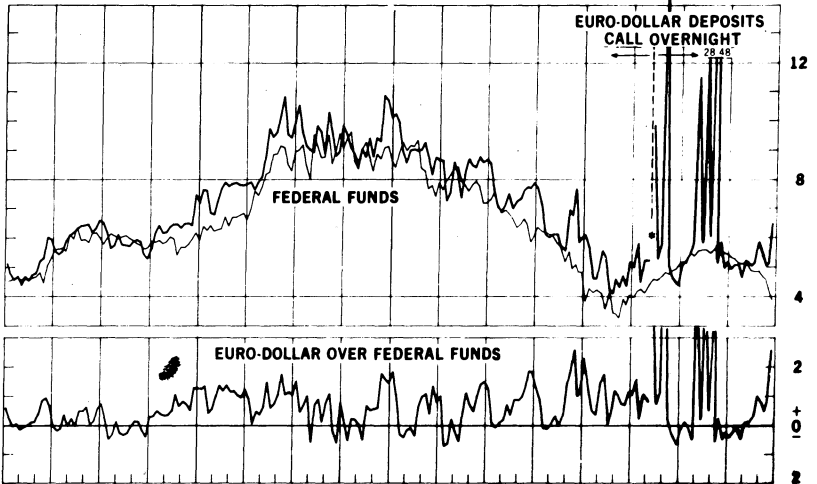


**CALL MONEY RATES**

**DOLLAR FUNDS**

Weekly averages

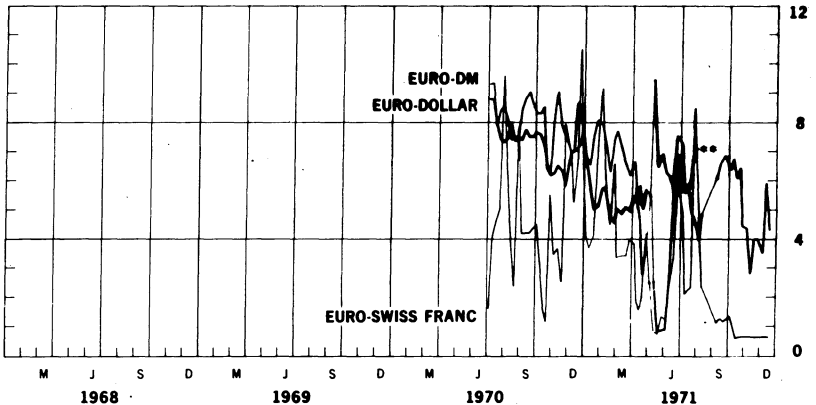
Per cent per annum



**EURO-CURRENCIES**

Weekly averages

Per cent per annum



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

\*\* Dropped as of August 18, 1971.

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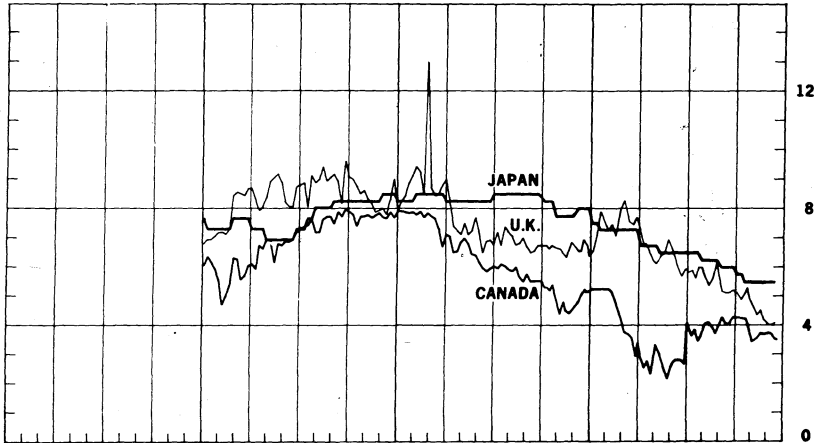
Chart 5B

### CALL MONEY RATES

#### FOREIGN CURRENCIES\*

Friday figures

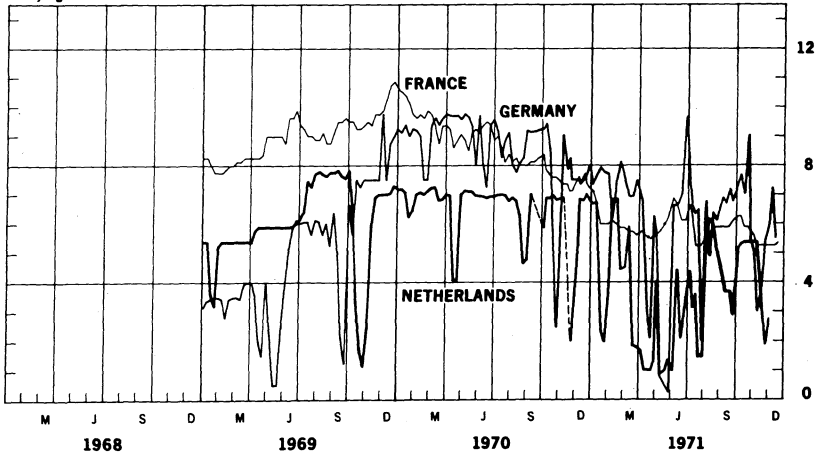
Per cent per annum



### 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.

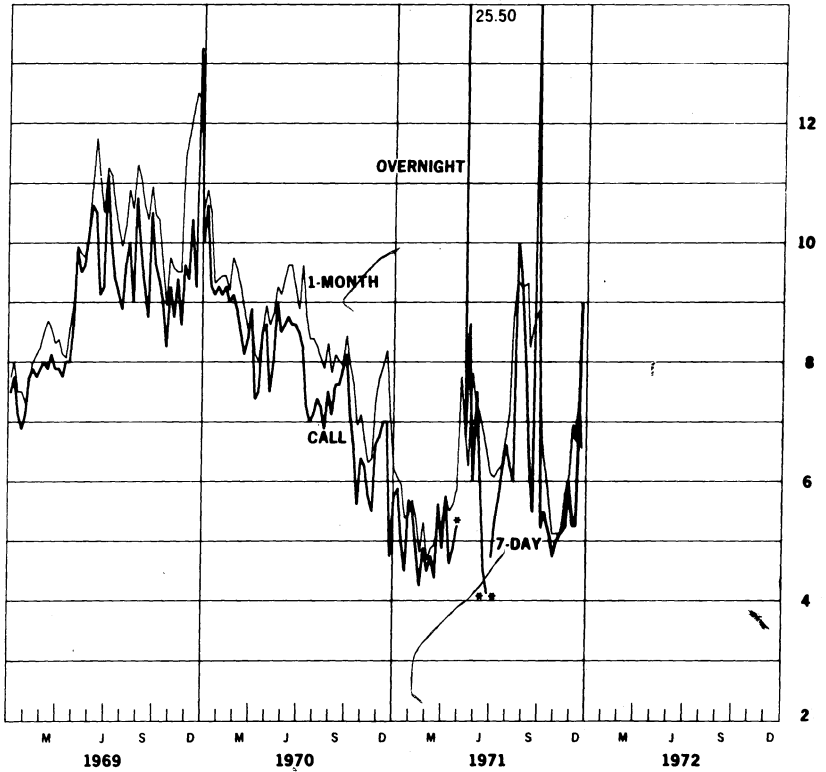
\*\* Germany, Call Money; France, Day-to-day Money; Netherlands, Call Money, weekly average.

Chart 6A

### LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum



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

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

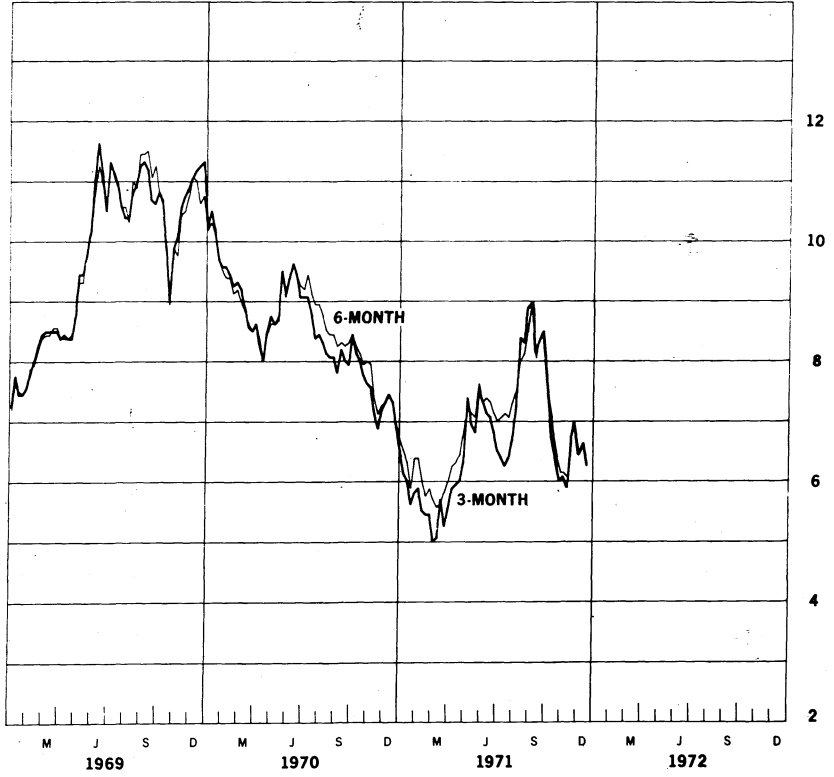
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Chart 6B

### LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum

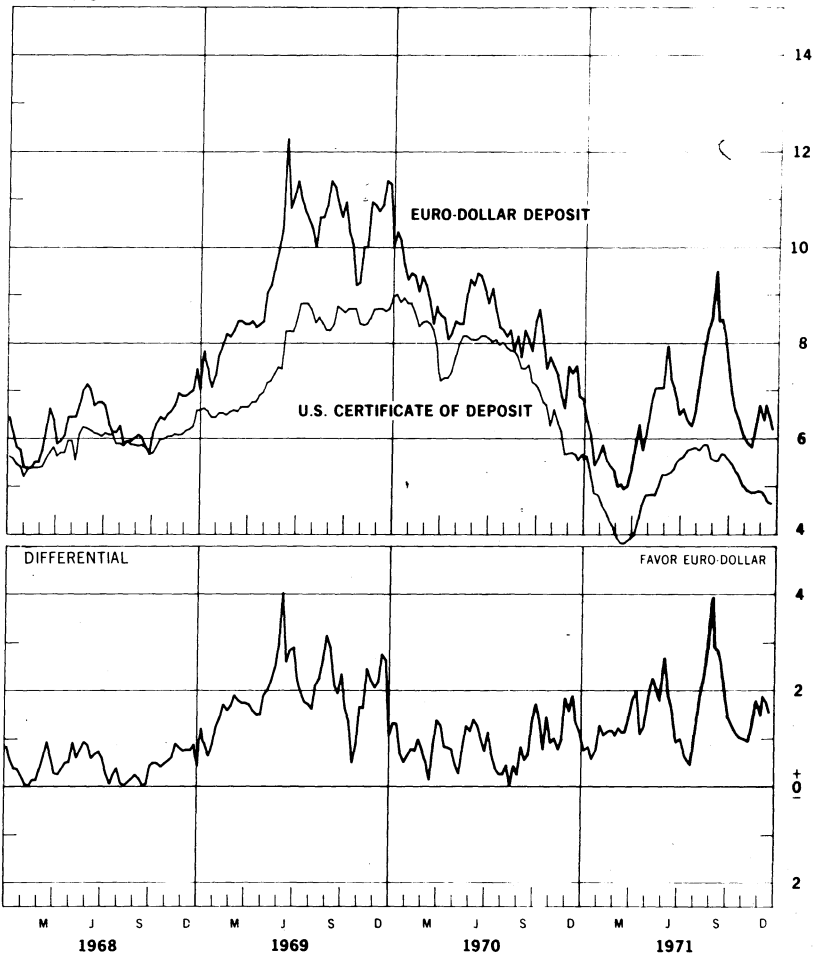


# NEW YORK-LONDON: YIELDS ON U.S. DOLLAR FUNDS

## 3-MONTH DOLLAR DEPOSIT RATES—SECONDARY MARKET

Wednesday figures

Percentage





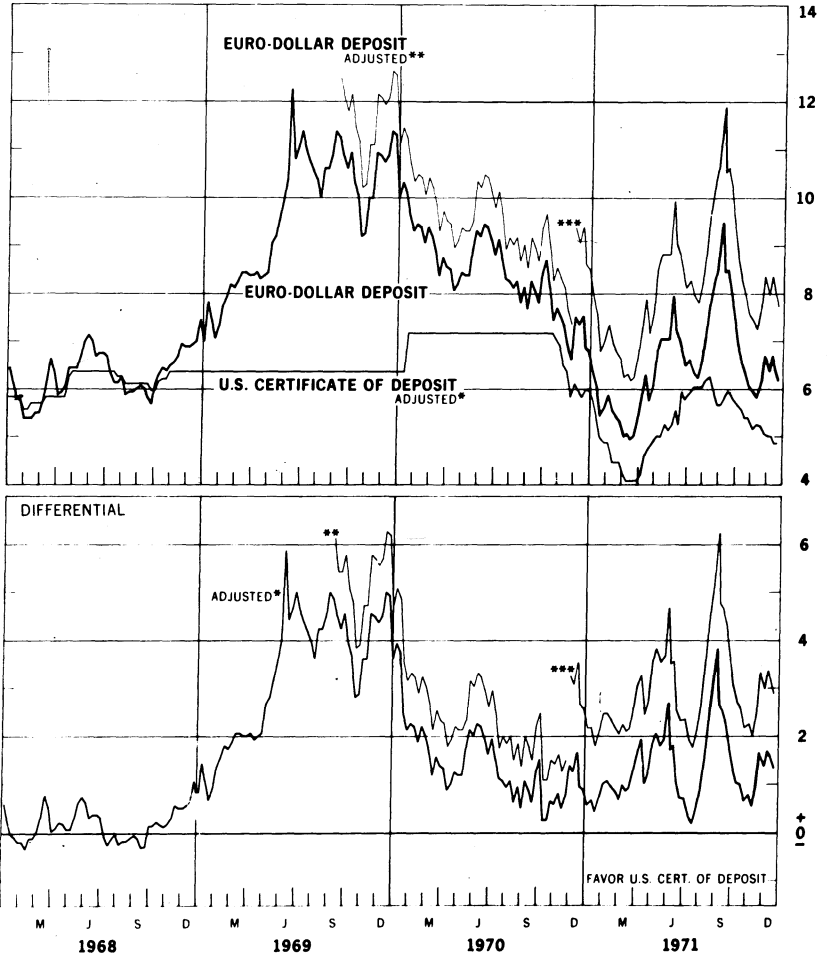
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Chart 7B

### 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

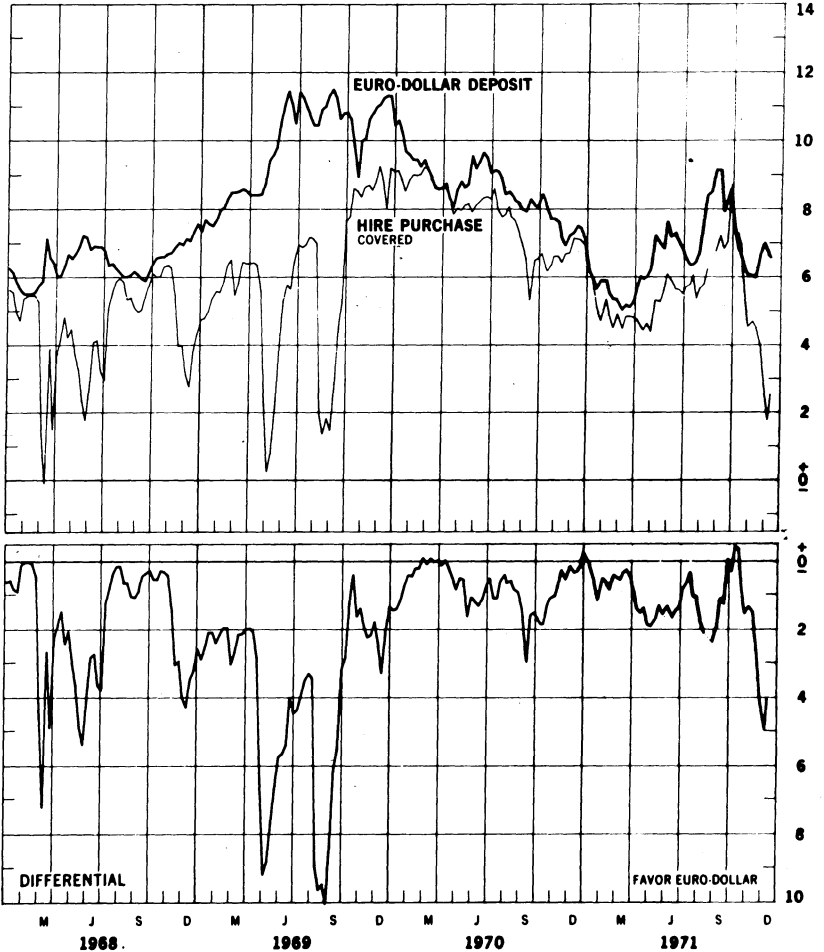
Chart 8A

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

HIRE PURCHASE AND EURO-DOLLAR RATES

Friday figures

Per cent per annum



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Chart 8B

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

LOCAL AUTHORITY AND EURO-DOLLAR RATES

Friday figures

Per cent per annum

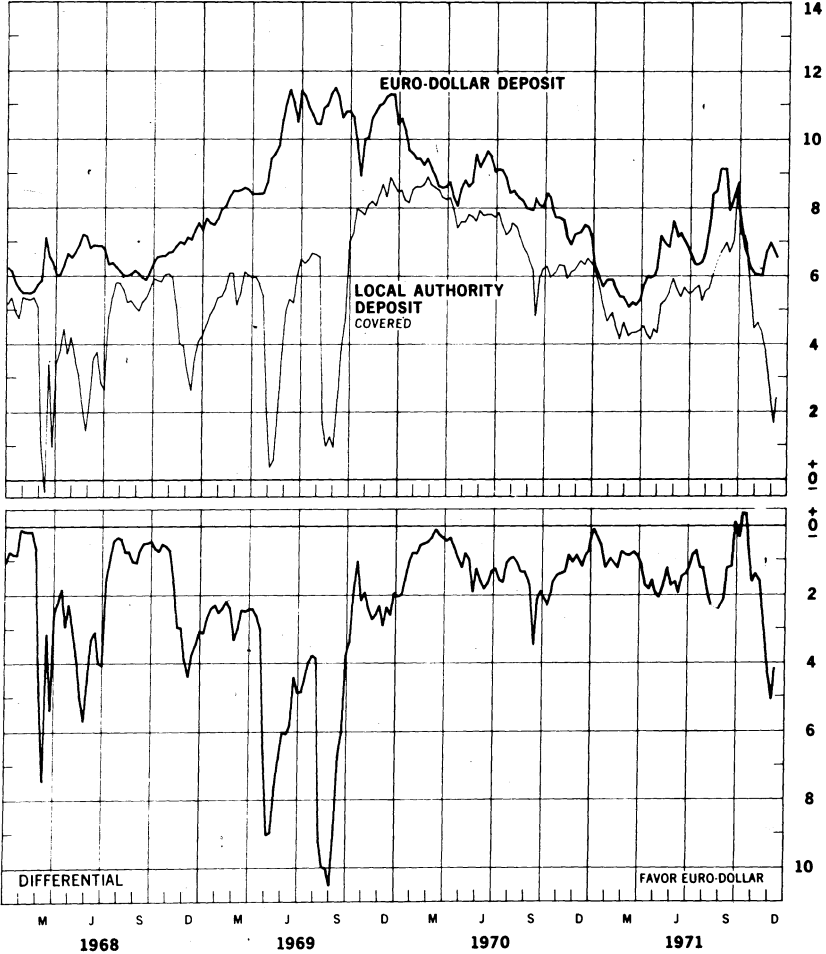
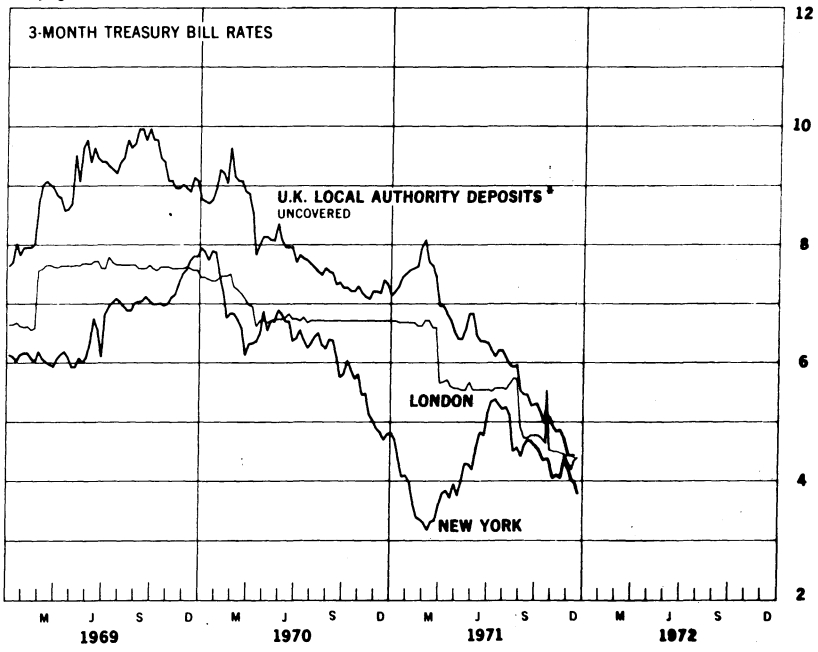


Chart 9A

### INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

Per cent per annum



\* Plotted for comparison purposes

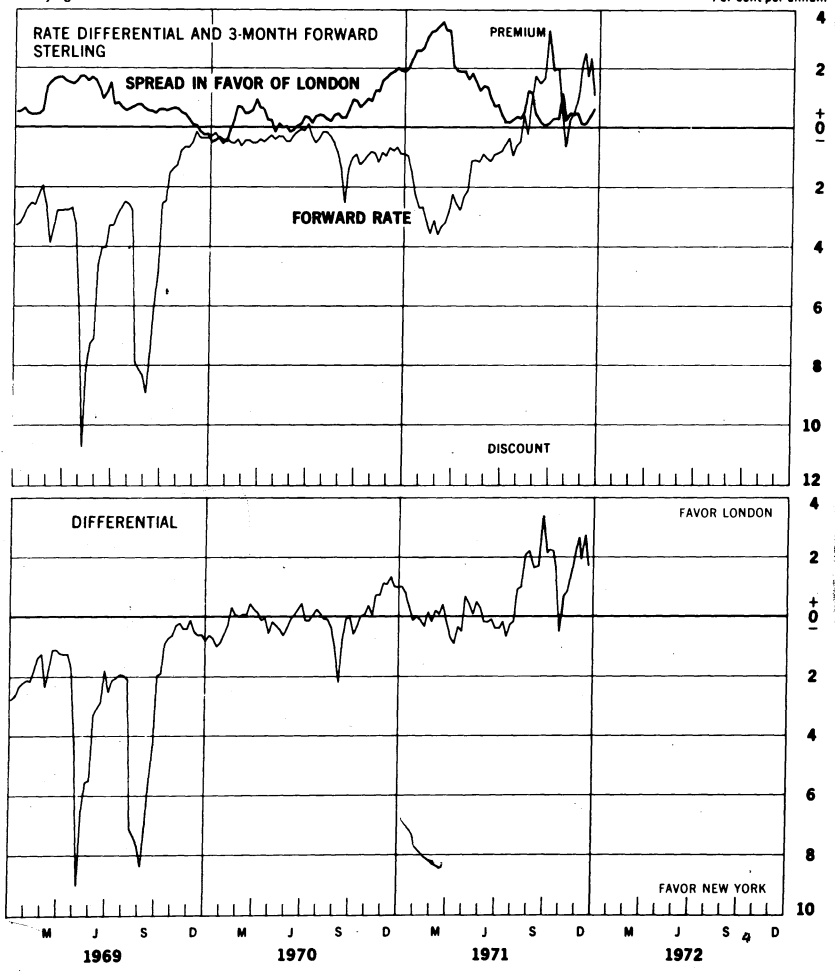
21

Chart 98

# INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

Per cent per annum



12

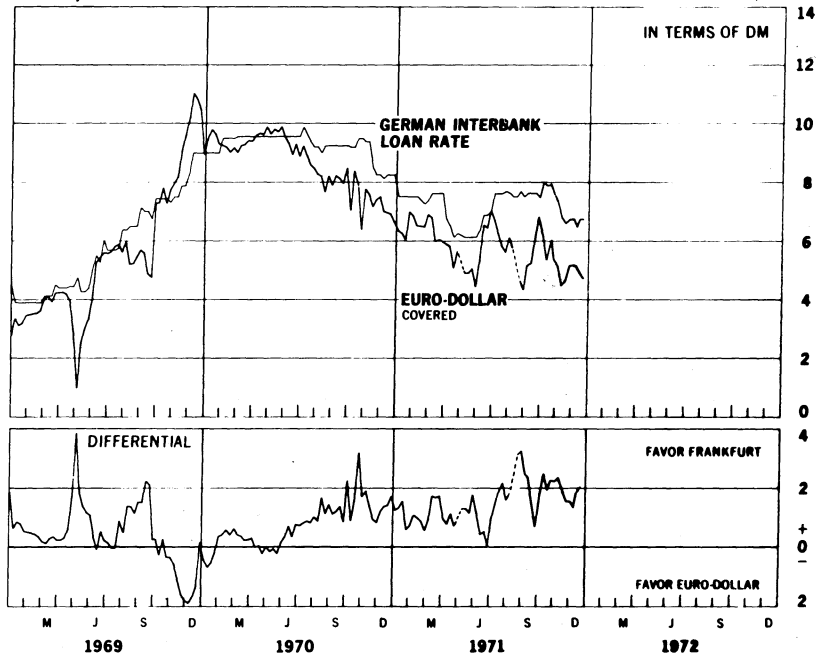
Chart 10A

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

FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates

Per cent per annum



--- No quotation

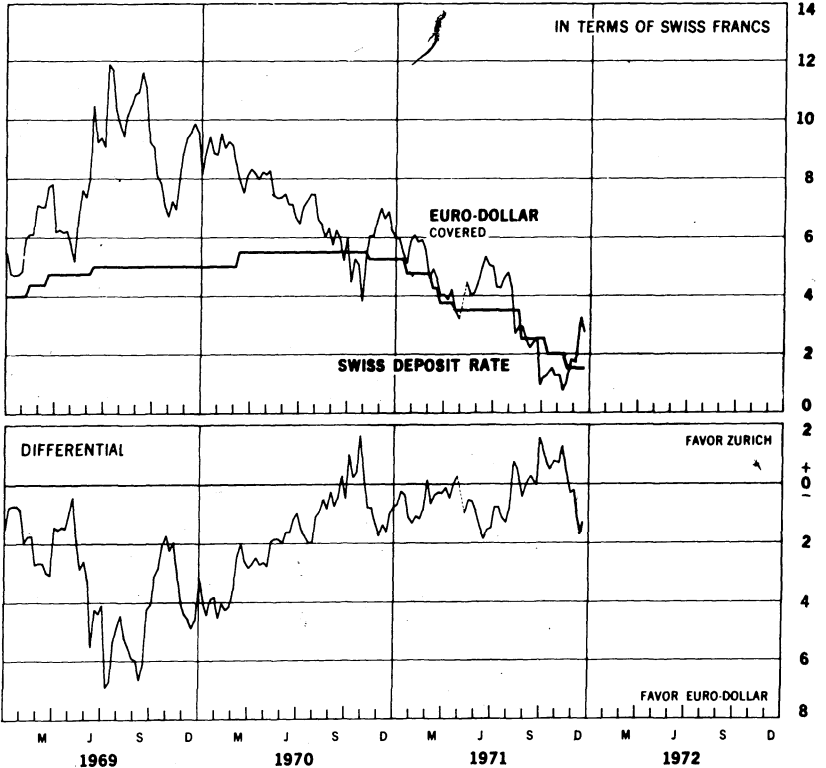
23

Chart 105

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

ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE  
Wednesday rates

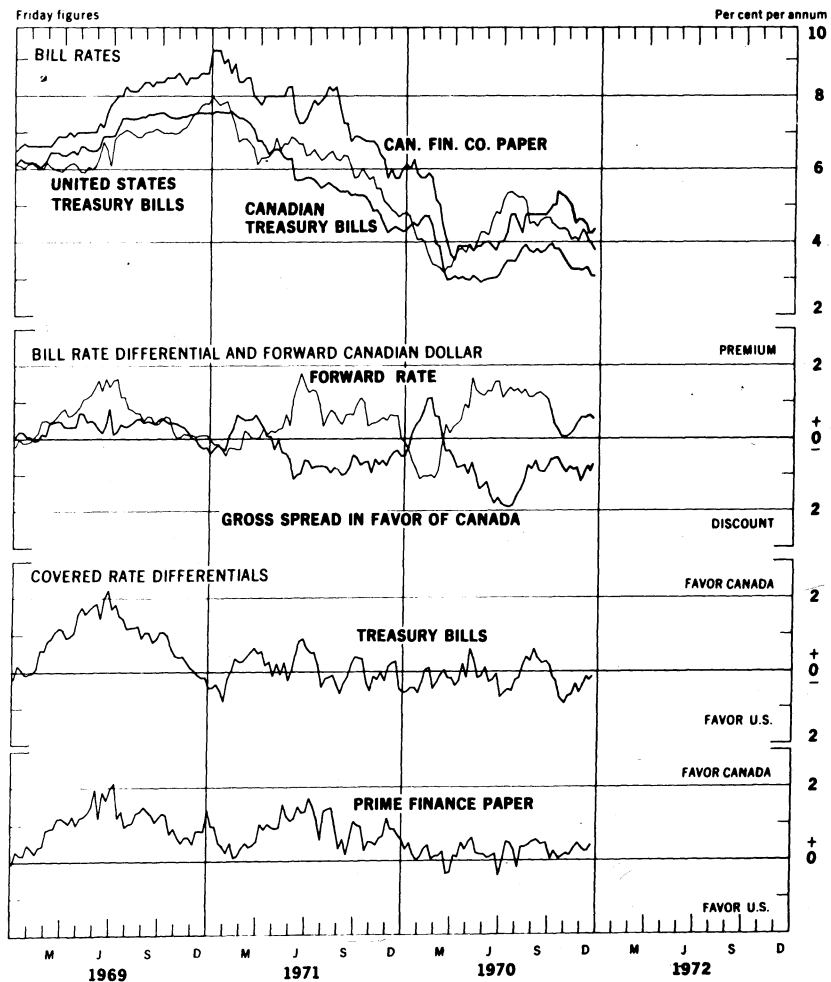
Per cent per annum



--- No quotation

Chart 11

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

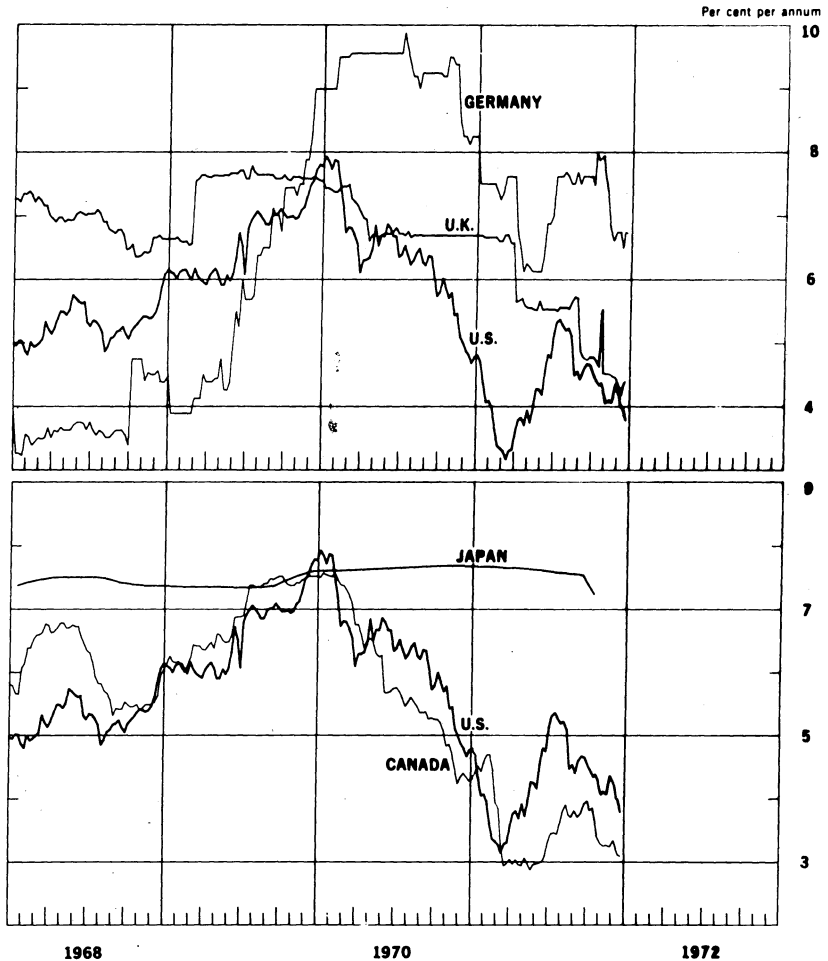




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Chart 12A

### SELECTED SHORT-TERM INTEREST RATES\*



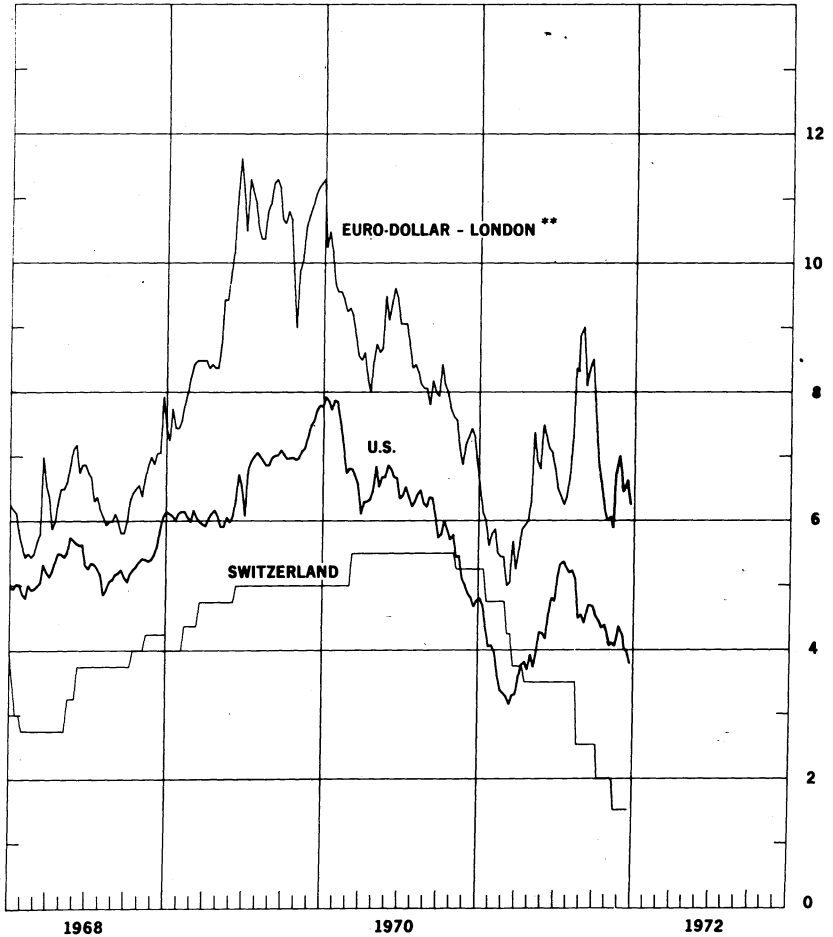
\* 3-month treasury bill rates for all countries except Japan (Average rate on bank loans and discounts) and Germany (Interbank Loan Rate)

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.

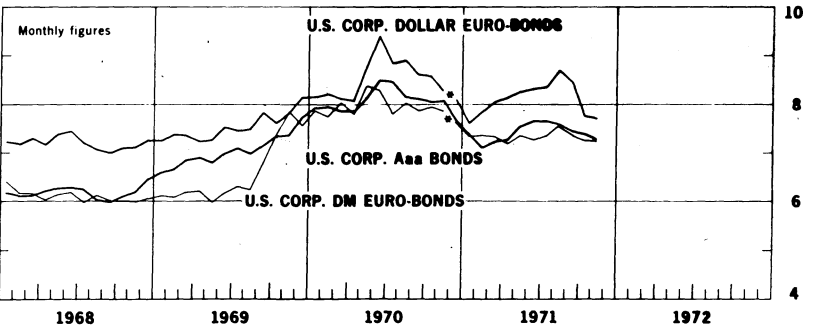
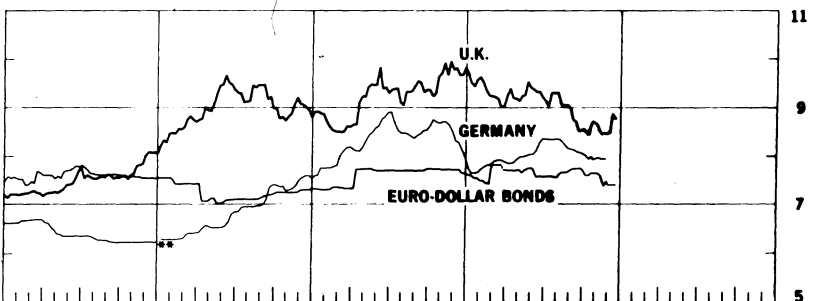
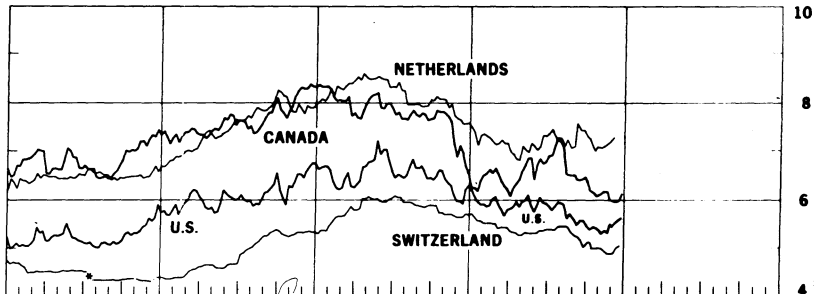
Chart 13

27

# LONG-TERM BOND YIELDS

Weekly figures

Per cent per annum



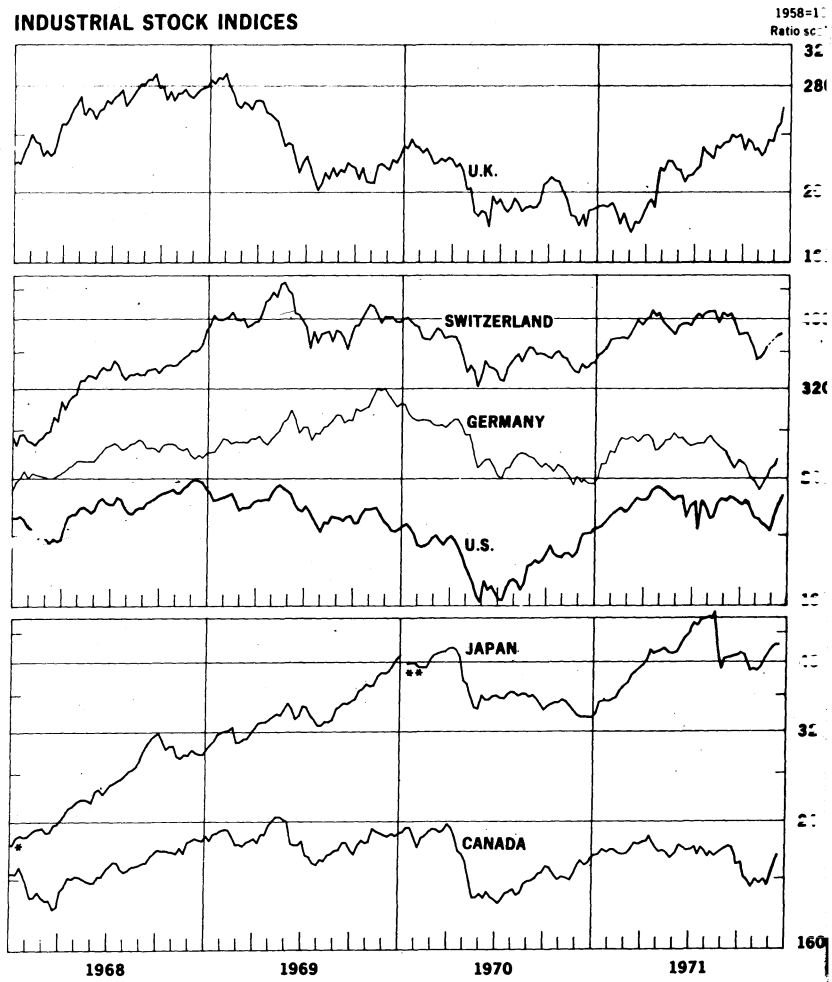
\* New series for Switzerland starts 8-2-68, U.S. Corp. Dollar Euro-Bonds and U.S. Corp. DM Euro-Bonds starts 12-70.

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

28

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

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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	6.50	Oct. 29, 1971	6.75	May 13, 1971
Germany	4.0	Dec. 23, 1971	4.5	Oct. 14, 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	4.75	Oct. 25, 1971	5.25	Feb. 24, 1971
Japan	4.75	Dec. 29, 1971	5.25	July 28, 1971
United States	4.50	Dec. 13, 1971	4.75	Nov. 11, 1971

## LATEST FIGURES PLOTTED ON THE CHARTS

Chart	Panel	Series	Date	Rate
1A	Upper	Swiss franc		
		U.K. pound		
	Lower	French franc		
		Japanese yen		
1B	Upper	Belgian franc	TEMPORARILY SUSPENDED*	
		Italian lire		
	Lower	Canadian dollar		
		German mark		
Dutch guilder				
2A		German mark	Dec. 24	+ 1.62
		Swiss franc	"	+ 3.36
		U.K. pound	"	+ 0.95
2B	Upper	Dutch guilder	"	+ 0.70
		Canadian dollar	"	+ 0.59
		French franc	"	+ 0.38
	Lower	Japanese yen	"	n. a.
3A		German mark	Dec. 17	- 0.85
		U.S. dollar	"	- 2.05
3B		Swiss franc	"	+ 0.41
		French franc	"	+10.30
4		Gold price, U.S. dollar per ounce	Dec. 24	43.16
5A	Upper	Overnight Euro-\$ deposits	Dec. 22	6.48
		Federal Funds	"	3.89
	Middle	Differential	"	2.59
	Lower	Euro-currencies: <del>Europe</del>		
		Euro DM	"	n. a.
	Euro Swiss Fr.	"	n. a.	
5B	Upper	Japan, Unconditional Money	Dec. 17	5.50
		U.K., 2-day Local Author. Depts.	"	4.06
		Canada, Day-to-day Loans	Dec. 24	3.50
	Lower	France, Day-to-Day Money	"	5.38
		Germany, Call Money	Dec. 17	5.50
		Netherlands, Call Money	Dec. 3	2.75

\*H, 10 weekly release (Spot rates - certified) available on request.

Chart	Panel	Series	Date	Rate
6A		7-Day Euro- <del>3</del> 3-month Rate	Dec. 24	9.00
		Euro-\$ 1-month Rate	"	6.56
6B		Euro-\$ 3-month Rate	"	6.25
		Euro-\$ 6-month Rate	"	6.25
7A	Upper	Euro-\$ 3-month Deposits	Dec. 22	6.19
		U.S. Certificate of Deposits	"	4.65
	Lower	Differential	"	+ 1.54
7B	Upper	Euro-\$ 3-month Deposits	"	6.19
		Euro-\$ 3-month Deposits (Adj.)	"	7.74
		U.S. Certificate of Deposits (Adj.)	"	4.86
	Lower	Differential: on Adj. Euro-\$ Deposits	"	+ 2.88
		on Unadj. Euro-\$ Deposits	"	+ 1.33
8A	Upper	Euro-\$ 3-month Deposits	Dec. 10	6.56
		Hire Purchase Deposits (covered)	"	2.53
	Lower	Differential	"	- 4.03
8B	Upper	Euro-\$ 3-month Deposits	"	6.56
		Local Authority Deposits (covered)	"	2.40
	Lower	Differential	"	- 4.16
9A		U.S. Treasury Bill rate	Dec. 24	3.78
		U.K. Treasury Bill rate	"	4.41
		Local Authority Deposit (uncovered)	Dec. 17	4.44
9B	Upper	Spread (+/- favor London)	Dec. 24	+ 0.63
		3-month Forward Pound	"	+ 1.10
	Lower	Net Incentive (+/- favor London)	"	+ 1.73

Chart	Panel	Series	Date	Rate
10A	Upper	Euro-\$ Deposits (covered)	Dec. 22	4.72
		German Interbank Loan rate	"	6.75
	Lower	Differential	"	+ 2.03
10B	Upper	Euro-\$ Deposits (covered)	"	2.79
		Swiss Deposit rate	"	1.50p
	Lower	Differential	"	- 1.29
11	Upper	Canadian Finance Paper	Dec. 24	4.38
		U.S. Treasury Bill rate	"	3.78
		Canadian Treasury Bill rate	"	3.09
		U.S. Prime Finance paper (not plotted)	"	4.50
	Second	Bill rate differential	"	- 0.69
		Forward Canadian dollar	"	+ 0.56
	Third	Net incentive on bills	"	- 0.13
Bottom	Net incentive on Finance Paper	"	+ 0.42	
12A	Upper	U.K. Treasury Bill rate	Dec. 24	4.41
		U.S. Treasury Bill rate	"	3.78
		German Interbank Loan rate	Dec. 22	6.75
	Lower	Japanese Average rate	October	7.228
		Canadian Treasury Bill rate	Dec. 24	3.09
		U.S. Treasury Bill rate	"	3.78
12B		Euro-\$ Deposits	"	6.25
		Swiss 3-month Deposit rate	"	1.50p
		U.S. Treasury Bill rate	"	3.78



Chart	Panel	Series	Date	Rate
13	Upper	Netherlands	Dec. 3	7.30
		Canada	Dec. 22	6.13
		United States	"	5.61
		Switzerland	Dec. 17	5.01
	Middle	* Germany	Nov. 30	7.93
		United Kingdom	Dec. 17	8.76
		Euro-dollar bonds	"	7.4
	Lower	U.S. Corp. Dollar Euro-bonds	November	7.72
		U.S. Corp. DM Euro-bonds	"	7.22
U.S. Corp. Aaa bonds		"	7.26	
14	Upper	Switzerland	Dec. 17	380.6
		Germany	Dec. 15	254.0
		United States	Dec. 24	227.67
	Middle	United Kingdom	Dec. 17	261.64
		Canada	Dec. 16	216.30
	Lower	** Japan	Dec. 18	422.44
		United States	Dec. 24	227.67

\* 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.