

May 17, 1972 No. 558

66

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

1972-73
MAY 10 1972

(Belg Con...
H-13

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

WEEKLY SERIES OF CHARTS

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

2

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

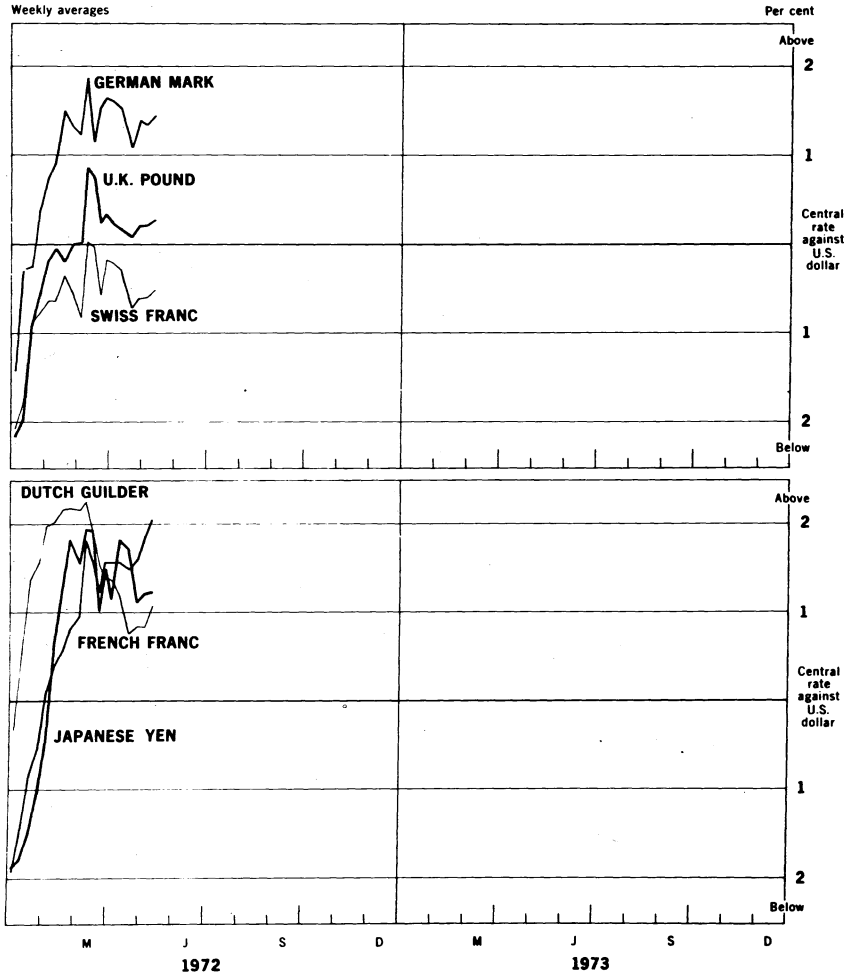
NOTE: This series is a continuation of the CAPITAL MARKETS DEVELOPMENTS ABROAD, which was published under that title through December 31, 1968. The changes in the format and order of the charts are explained in the Supplement to the series, which accompanied Issue dated January 1, 1969. All series and their sources are fully described in a Supplement dated January 1, 1972.

668

Chart 1A

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

Weekly averages



669

Chart 1B

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

Weekly averages

Per cent

Above

2

1

Central rate against U.S. dollar

1

2

Below

1

2

1

2

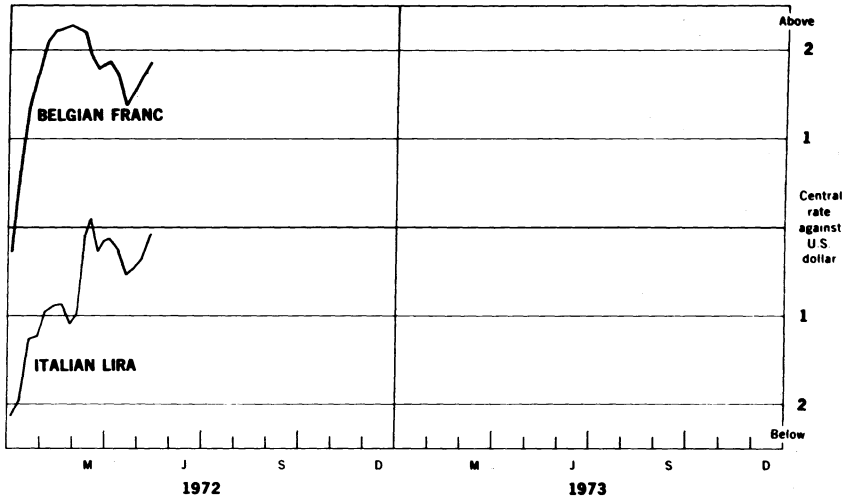
1

2

1

2

Below



Ratio scale, U.S. cents

102

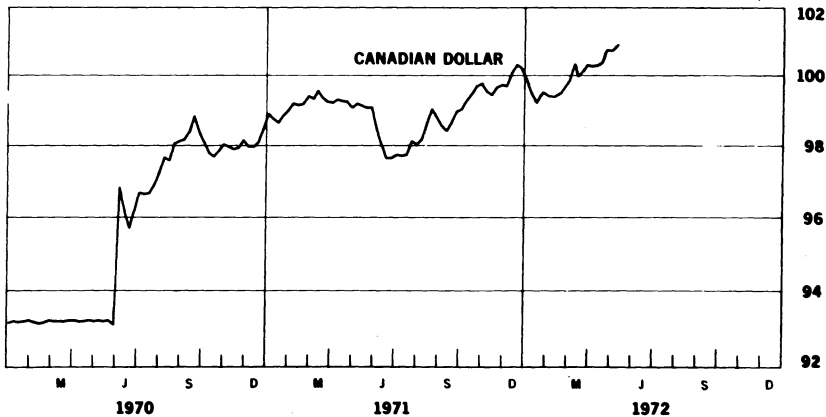
100

98

96

94

92



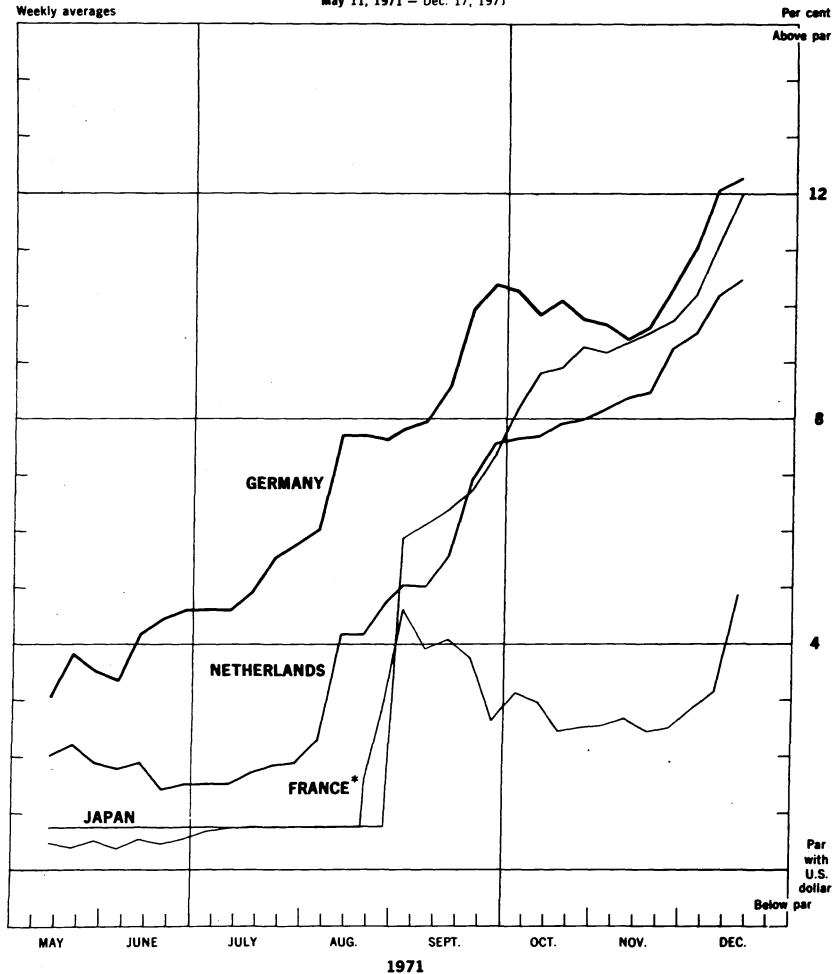
670

Chart 1C

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

May 11, 1971 - Dec. 17, 1971

Weekly averages



* Financial franc

Chart 1D

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

Weekly averages

May 11, 1971 - Dec. 17, 1971

Dec. 17 9.75

Per cent

Above per

7*

6

5

4

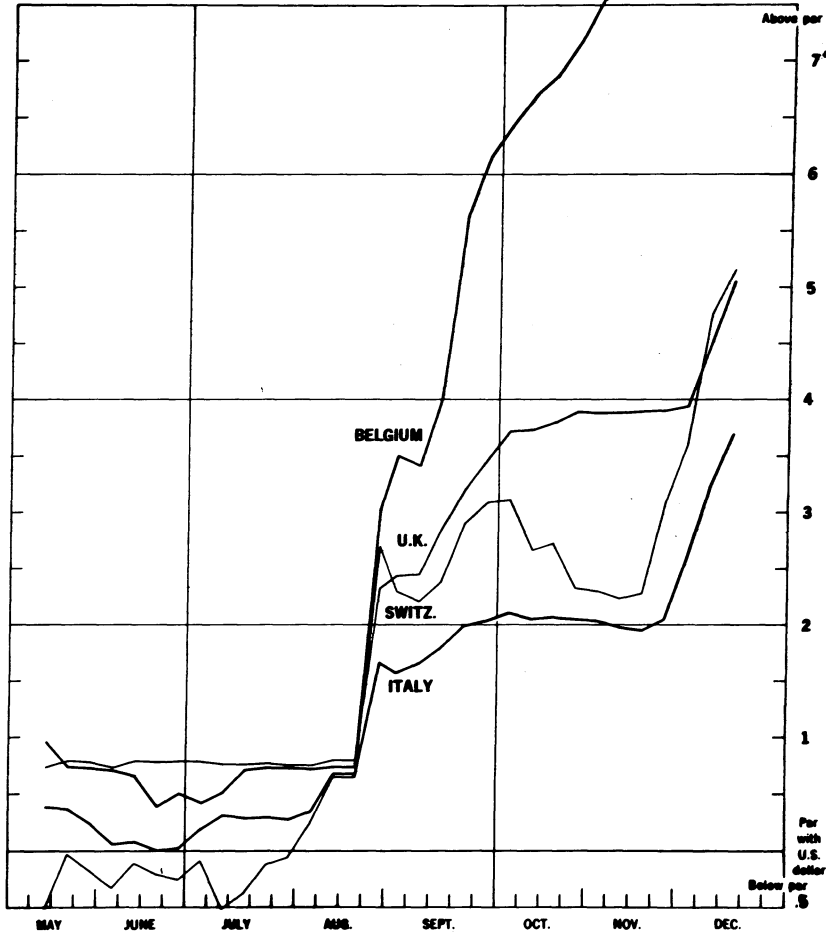
3

2

1

Per with U.S. dollar

Below per \$



1971

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

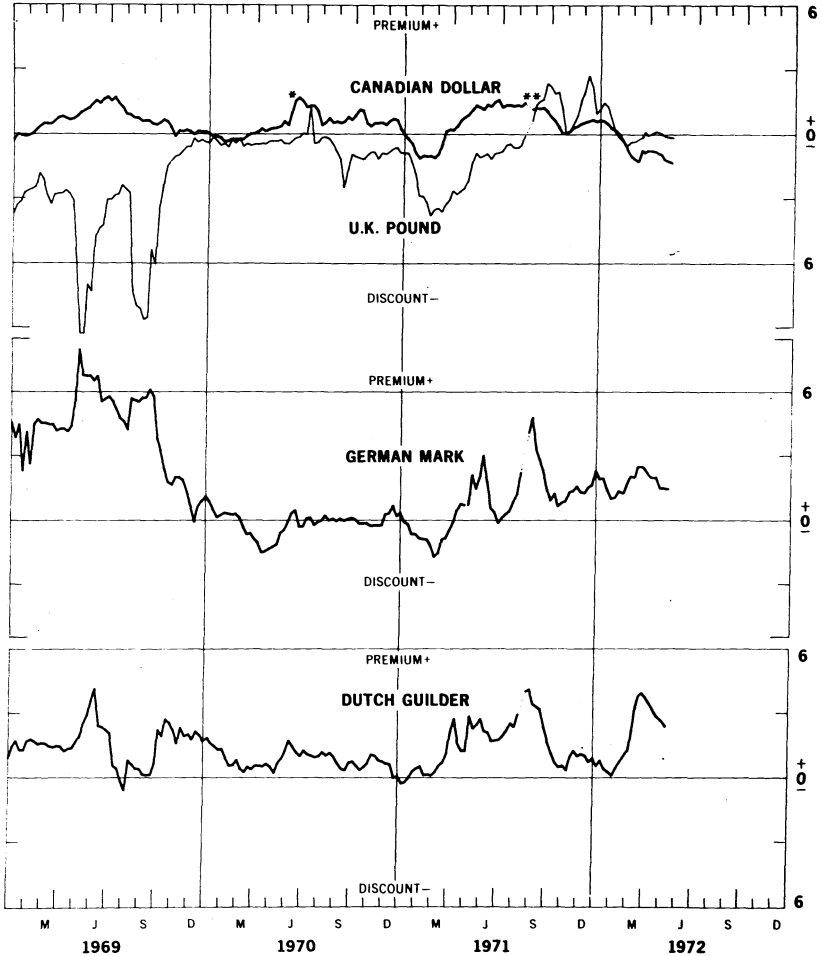
672

Chart 2A

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

Weekly averages

Per cent per annum



* Canadian Dollar Rate not supported by Bank of Canada.

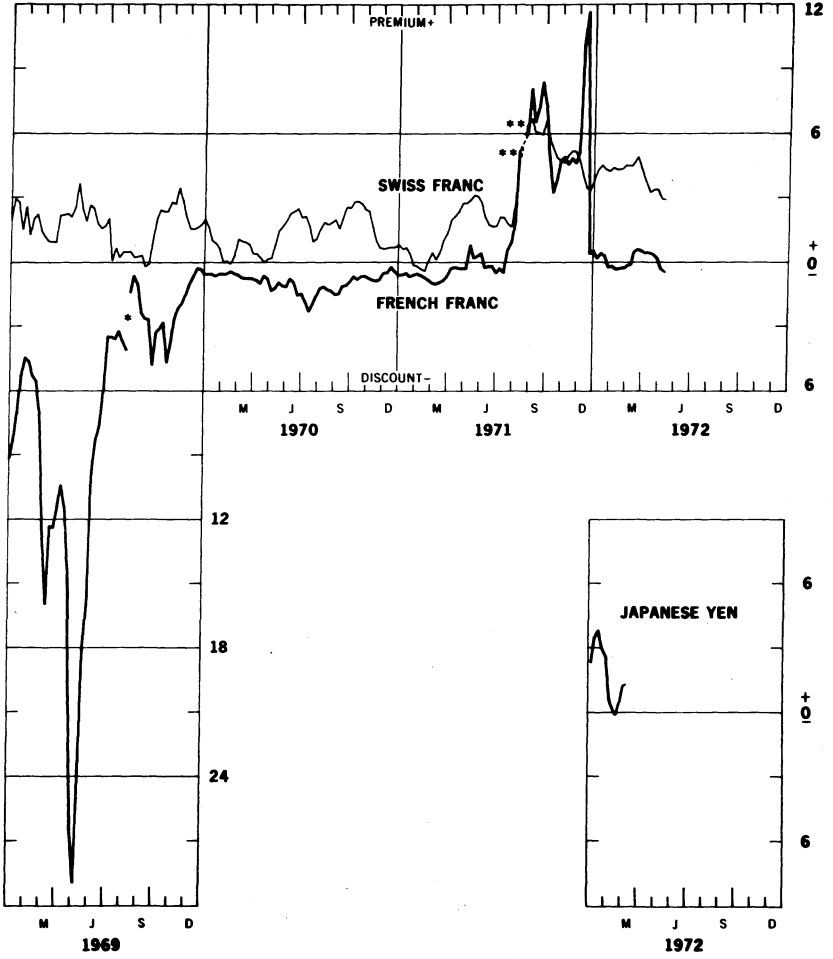
** No quotation.

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.
 ** No quotation

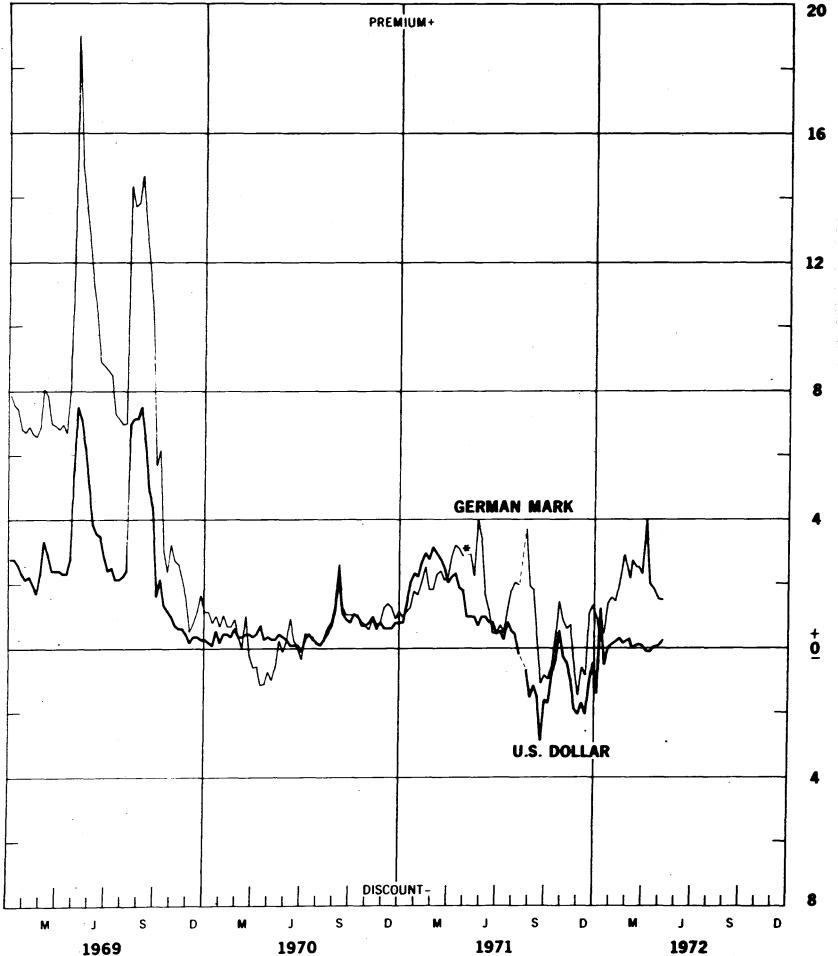
877

Chart 3A

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

Friday figures

Per cent per annum



* No quotation.

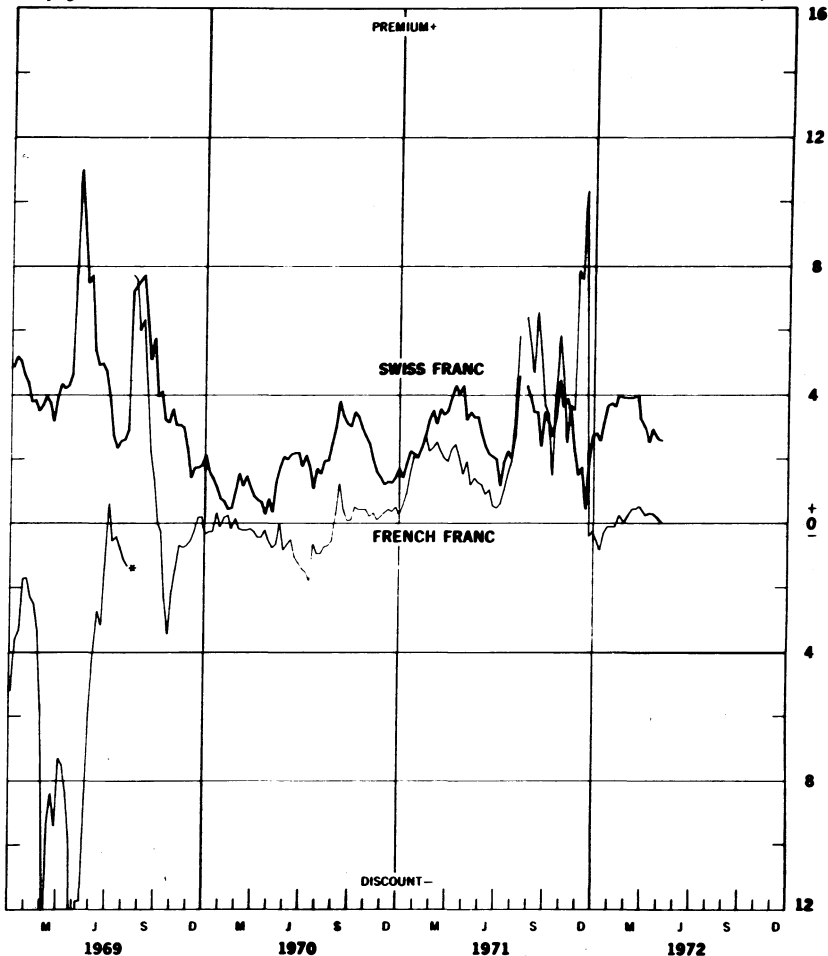
105

Chart 38

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

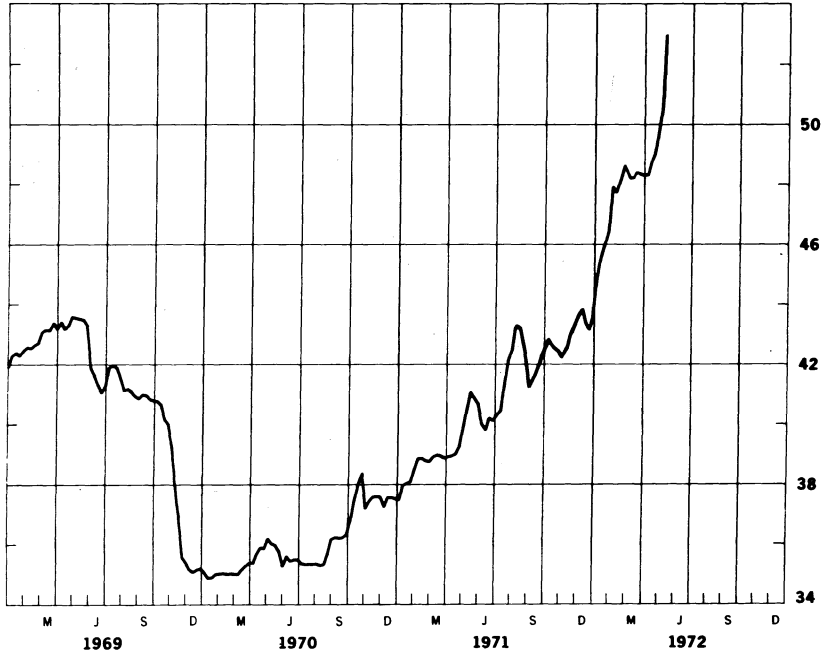
576

Chart 4

GOLD PRICE IN LONDON, 12.5 Kg BARS

Week's average of afternoon fixings

U.S. dollar equivalent per fine ounce

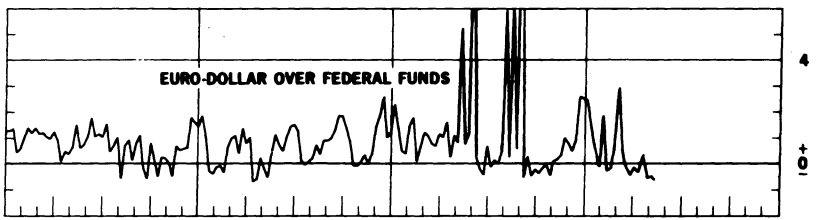
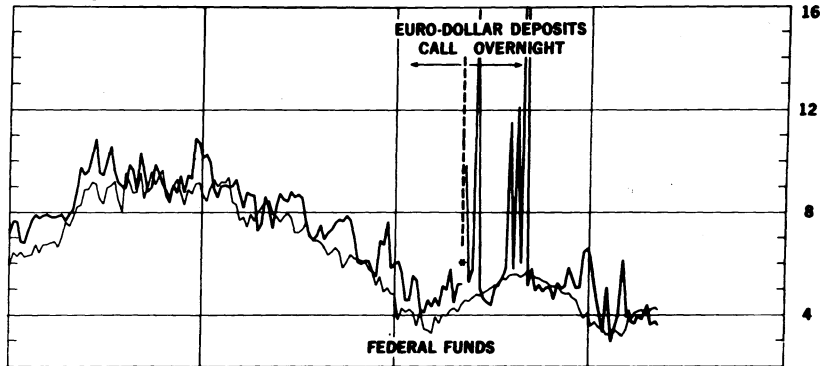


CALL MONEY RATES

DOLLAR FUNDS

Weekly averages

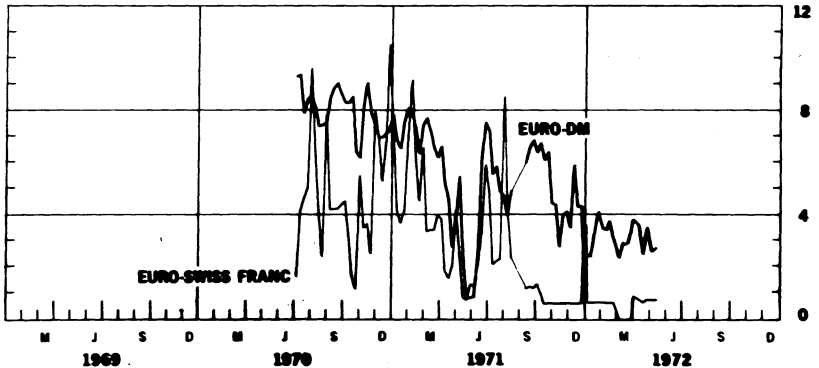
Per cent per annum



EURO-CURRENCIES

Weekly averages

Per cent per annum



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

638

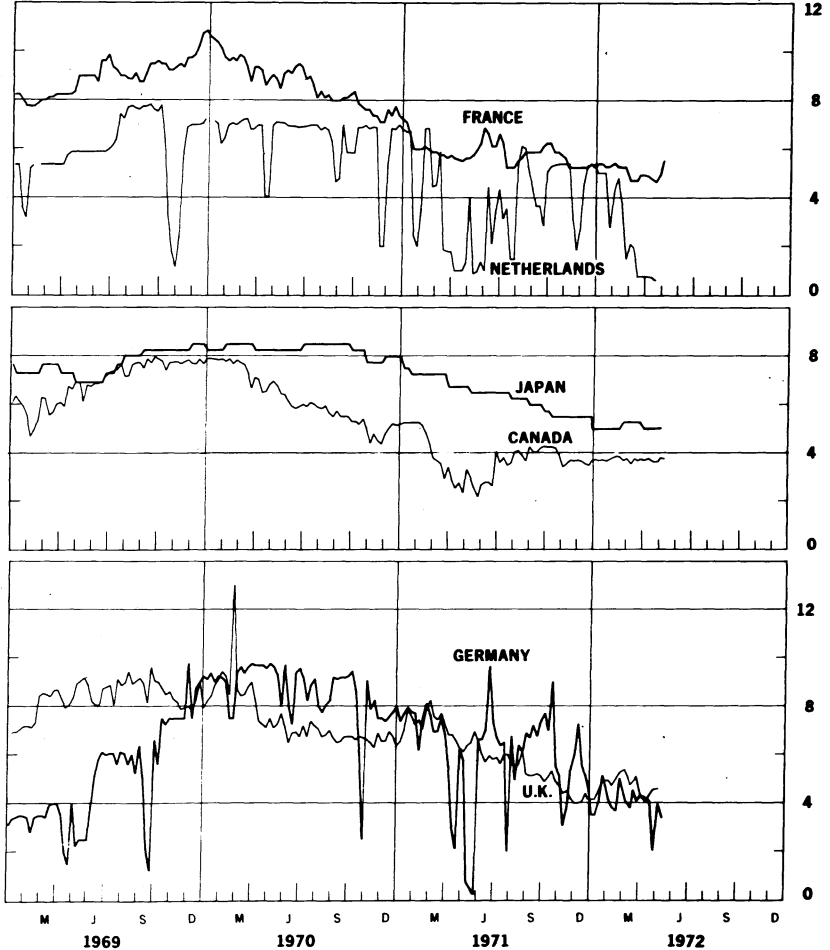
Chart 5B

CALL MONEY RATES

SELECTED FOREIGN AND EEC CURRENCIES

Friday figures

Per cent per annum



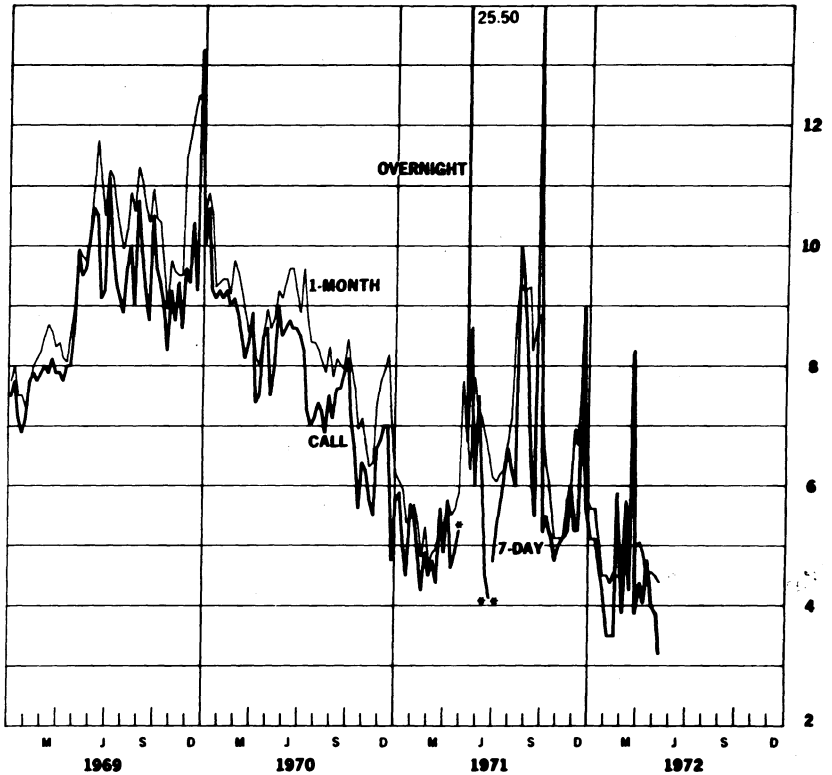
France, Day-to-day Money, Netherlands, Call Money, weekly average; Japan, Unconditional Money;
Canada, Day-to-day Loans, weekly average; Germany, Call Money; U.K., 2-day Local Authority Deposits

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

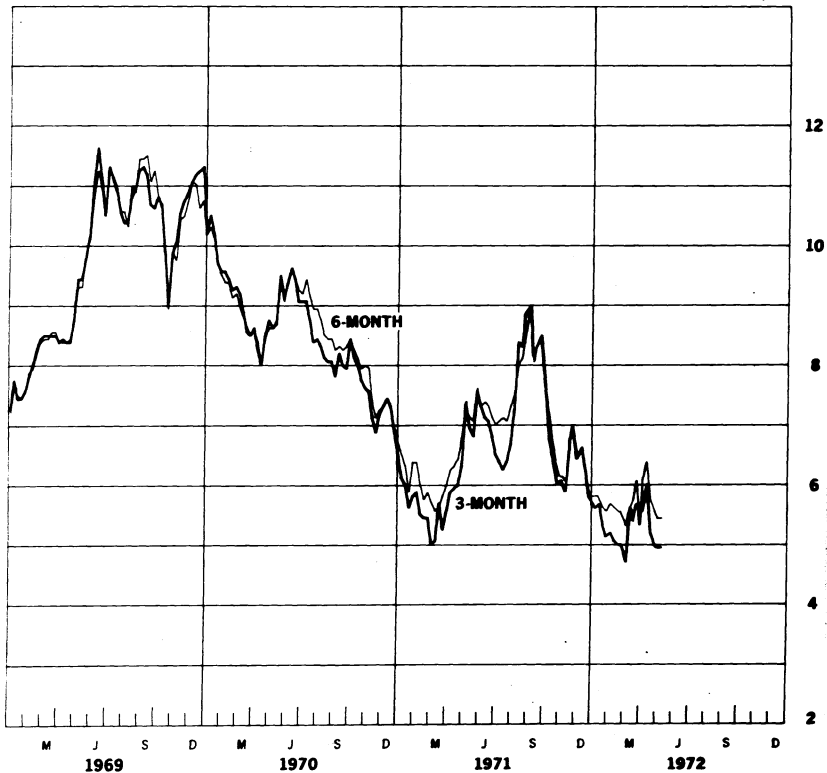
650

Chart 6B

LONDON: EURO-DOLLAR DEPOSIT RATES

Friday figures

Per cent per annum



861

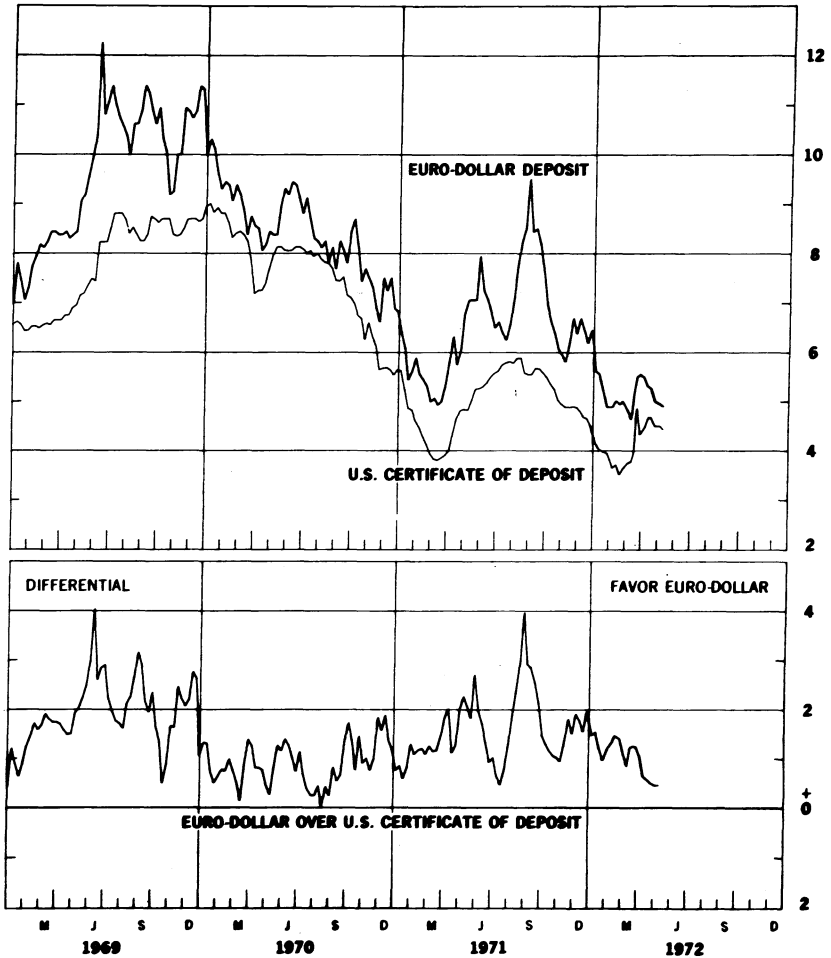
Chart 7A

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

3-MONTH DOLLAR DEPOSIT RATES—SECONDARY MARKET

Wednesday figures

Per cent per annum



682

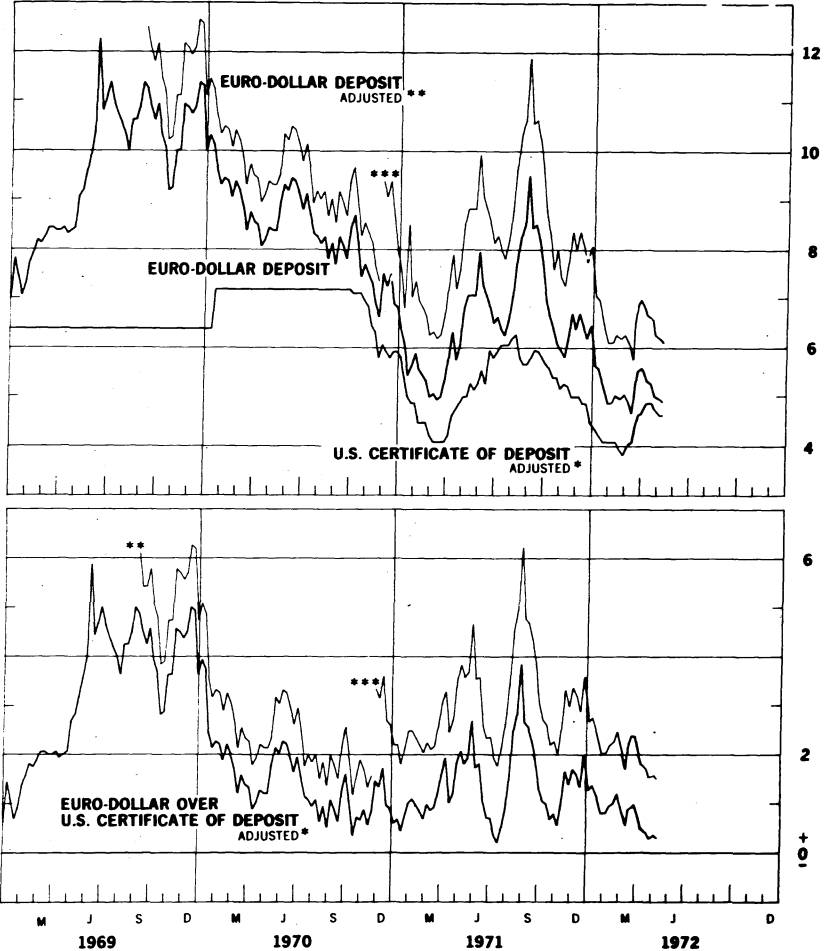
Chart 7B

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

3-MONTH DOLLAR DEPOSIT RATES—PRIMARY MARKET

Wednesday figures

Per cent per annum



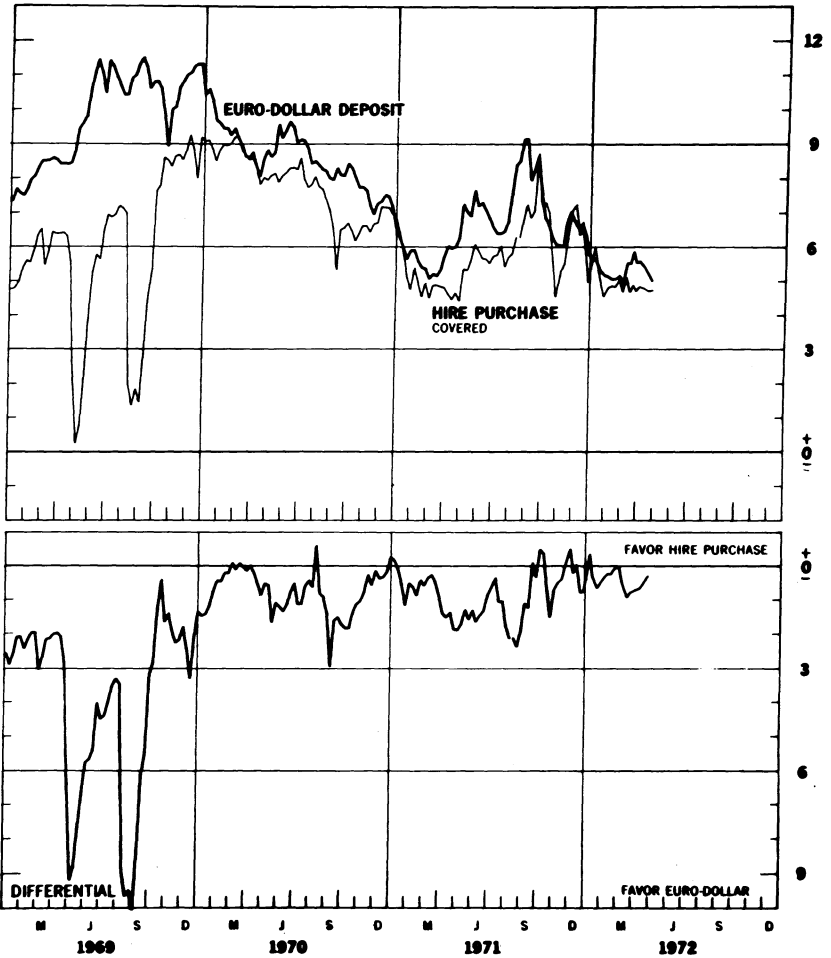
- * Adjusted for Reserve Requirement
- ** Adjusted for 10% Marginal Reserve Requirement
- *** Adjusted for 20% Marginal Reserve Requirement

Chart 8A

LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

HIRE PURCHASE AND EURO-DOLLAR RATES
Friday figures

Per cent per annum



184

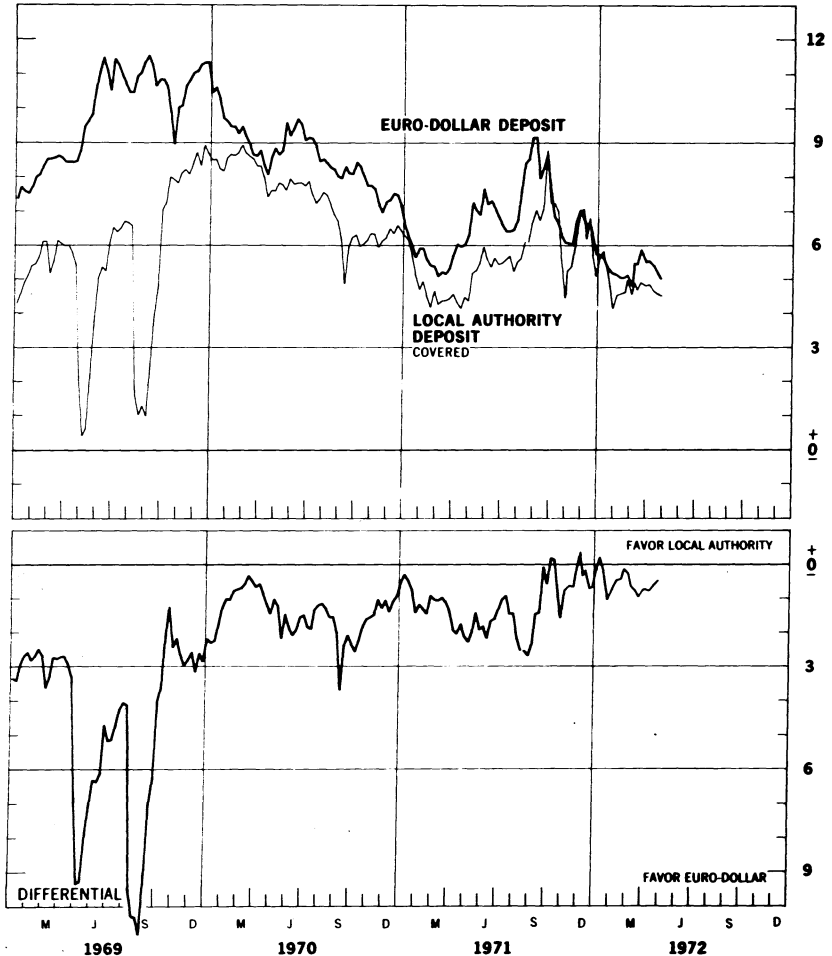
Chart 8B

LONDON: COVERED YIELDS ON U.S. DOLLAR FUNDS

LOCAL AUTHORITY AND EURO-DOLLAR RATES

Friday figures

Per cent per annum



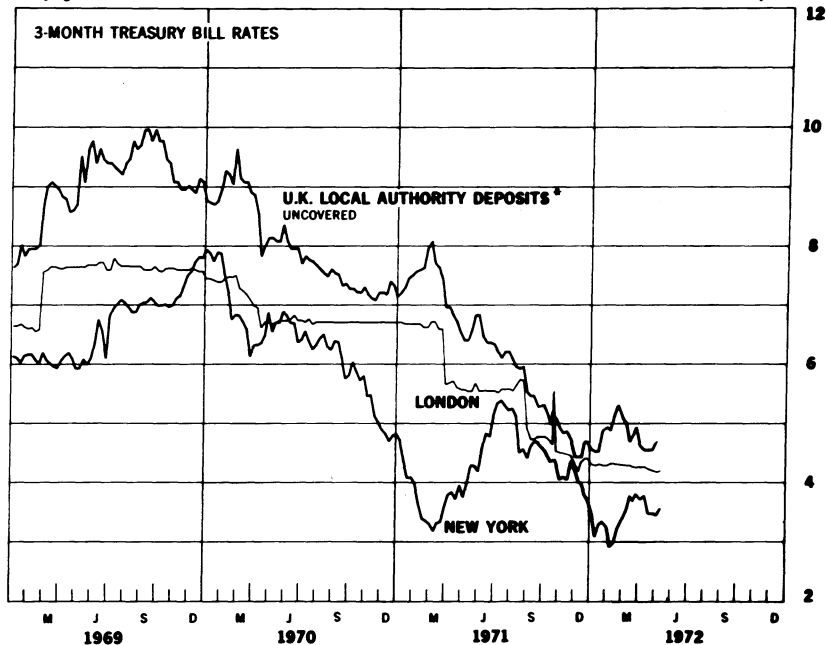
685

Chart 9A

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

Per cent per annum



* Plotted for comparison purposes

586

Chart 9B

INTEREST ARBITRAGE: UNITED STATES AND UNITED KINGDOM

Friday figures

Per cent per annum

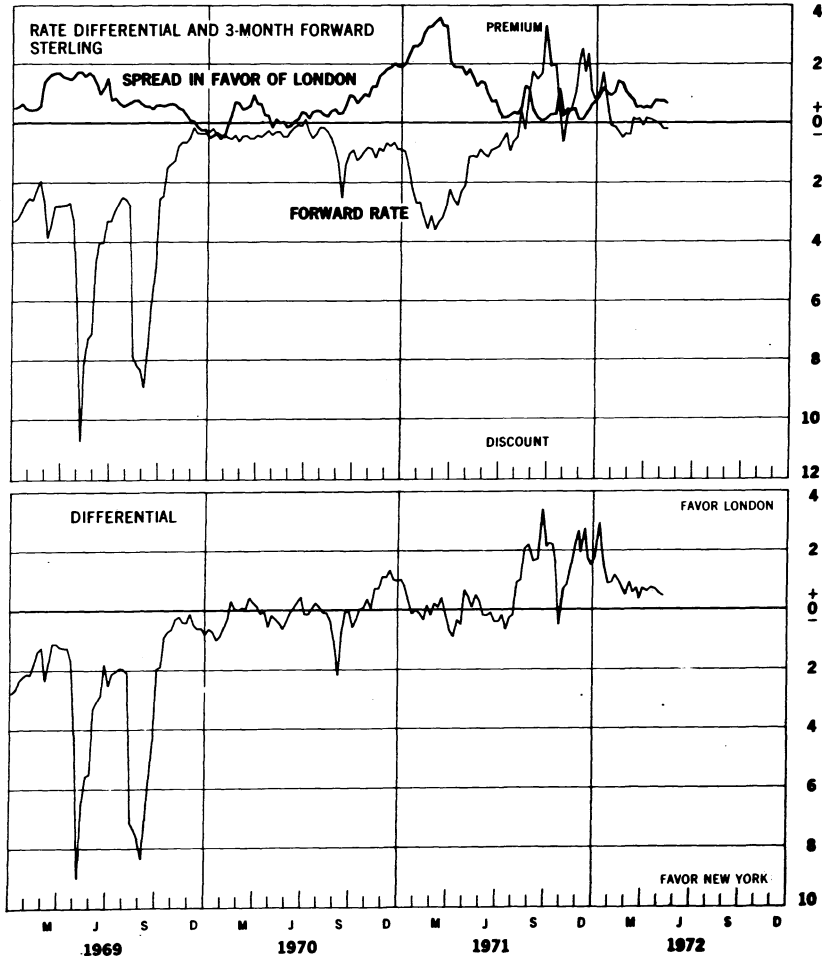


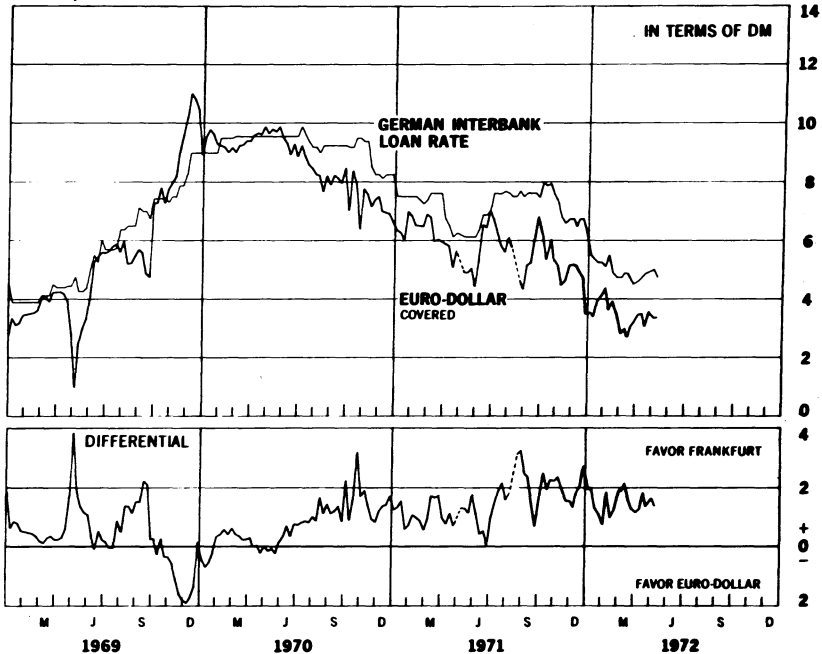
Chart 10A

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

FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates

Per cent per annum



--- No quotation

688

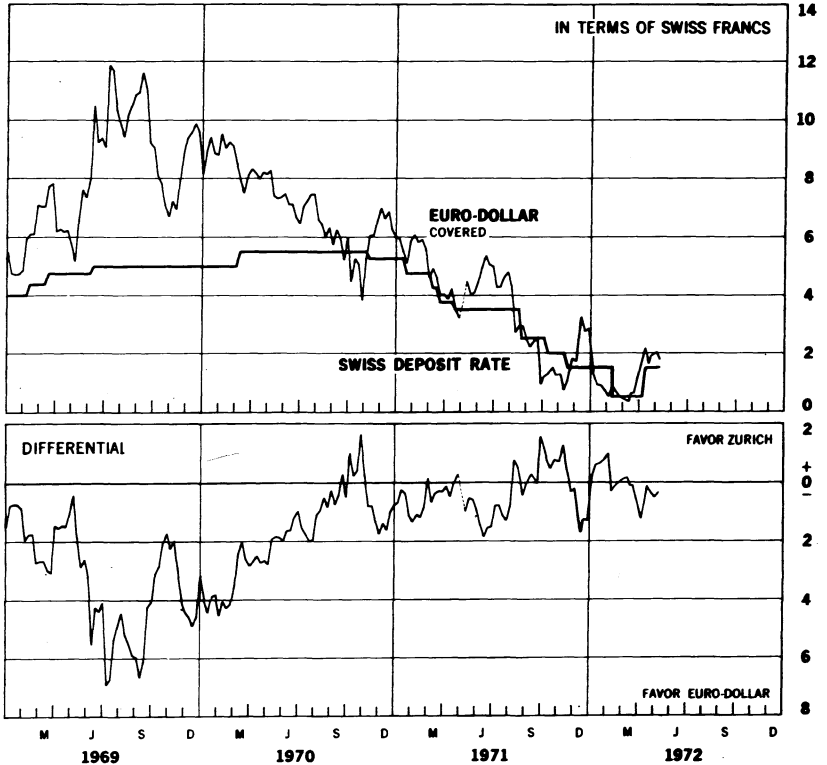
Chart 10B

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

ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE

Wednesday rates

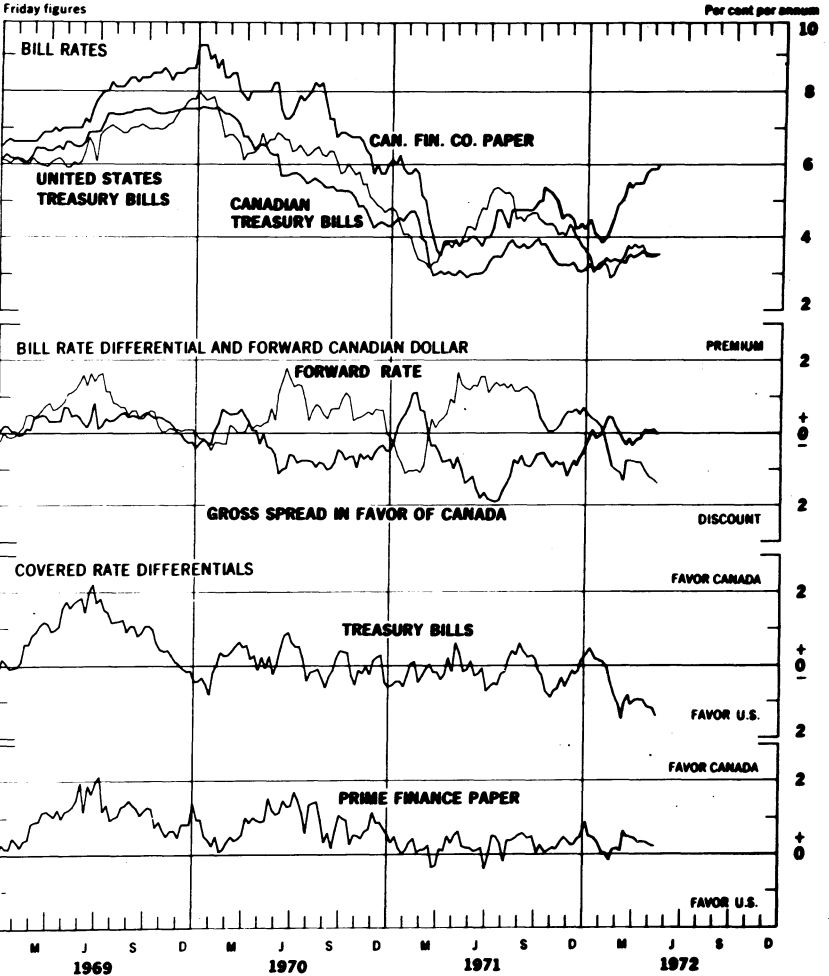
Per cent per annum



--- No quotation

899

3-MONTH INTEREST ARBITRAGE: UNITED STATES - CANADA

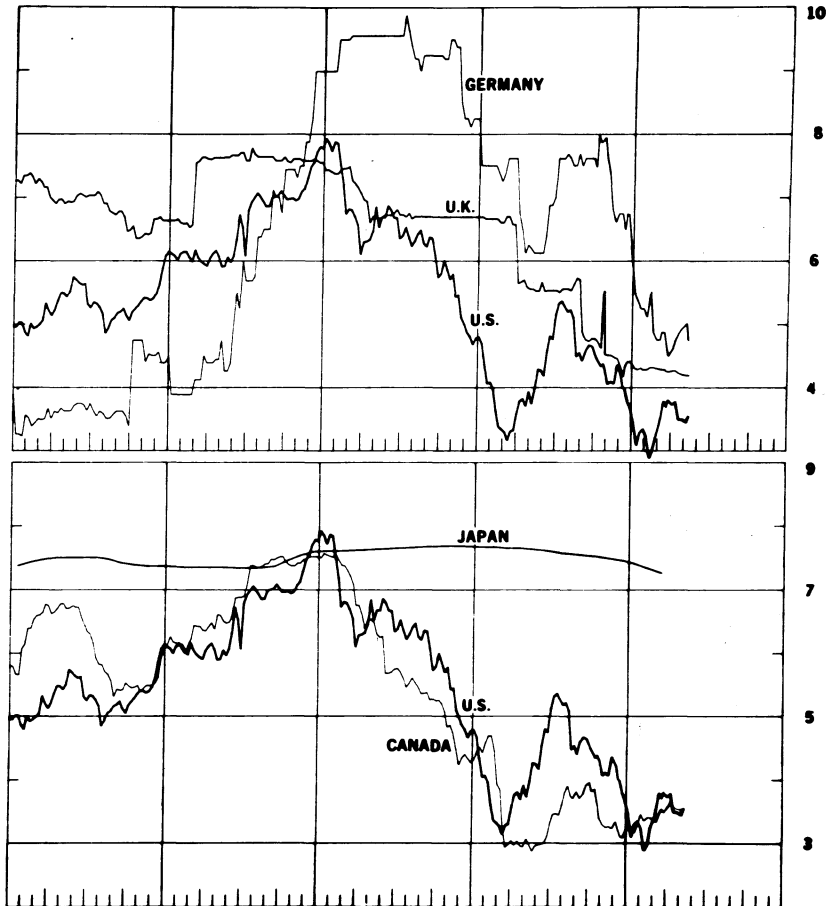


891

Chart 12A

SELECTED SHORT-TERM INTEREST RATES*

Per cent per annum

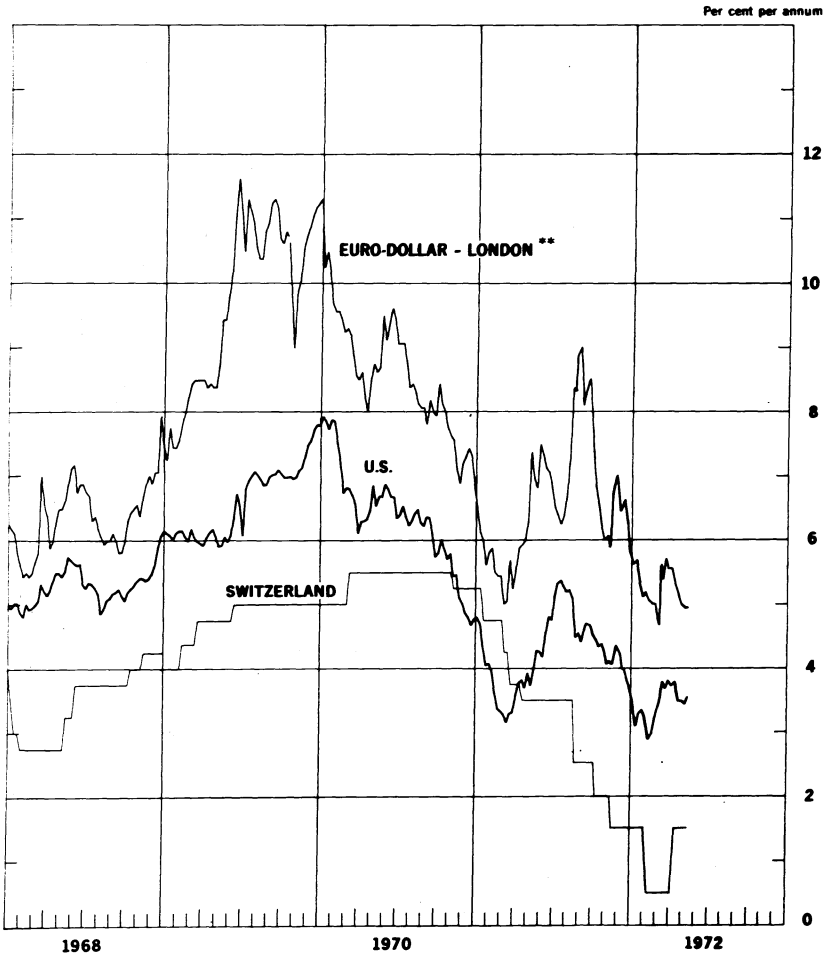


* 3-month treasury bill rates for all countries except Japan (Average rate on bank loans and discounts) and Germany (interbank loan rate)

for
6/2

Chart 12B

SELECTED SHORT-TERM INTEREST RATES *



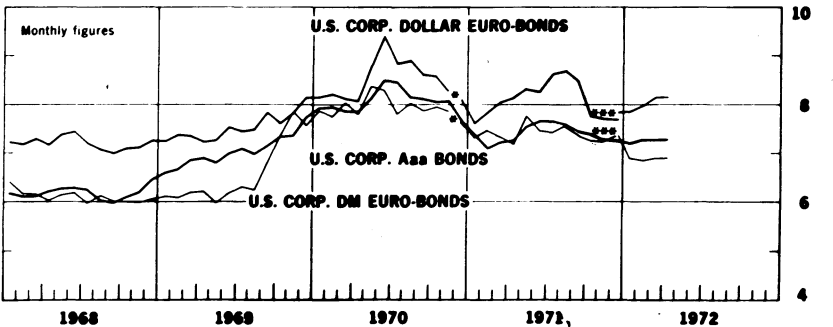
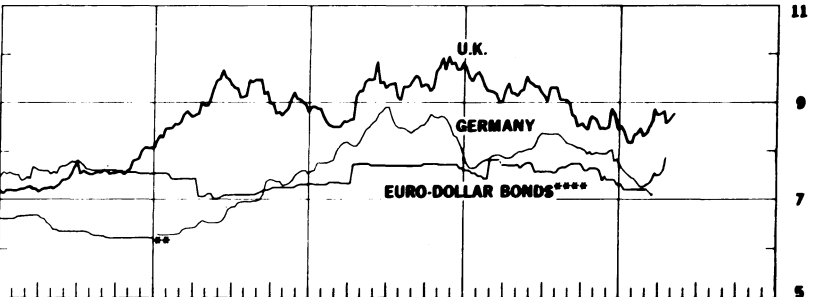
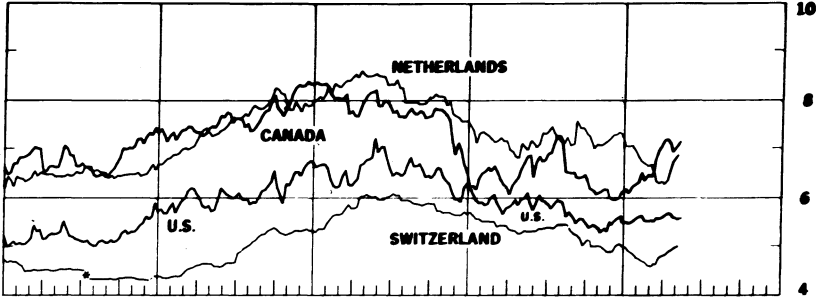
* 3-month treasury bill rate for U.S., Switzerland—3-month deposit rate.
** 3-month rate for U.S. dollar deposits in London.

Chart 13

LONG-TERM BOND YIELDS

Weekly figures

Per cent per annum



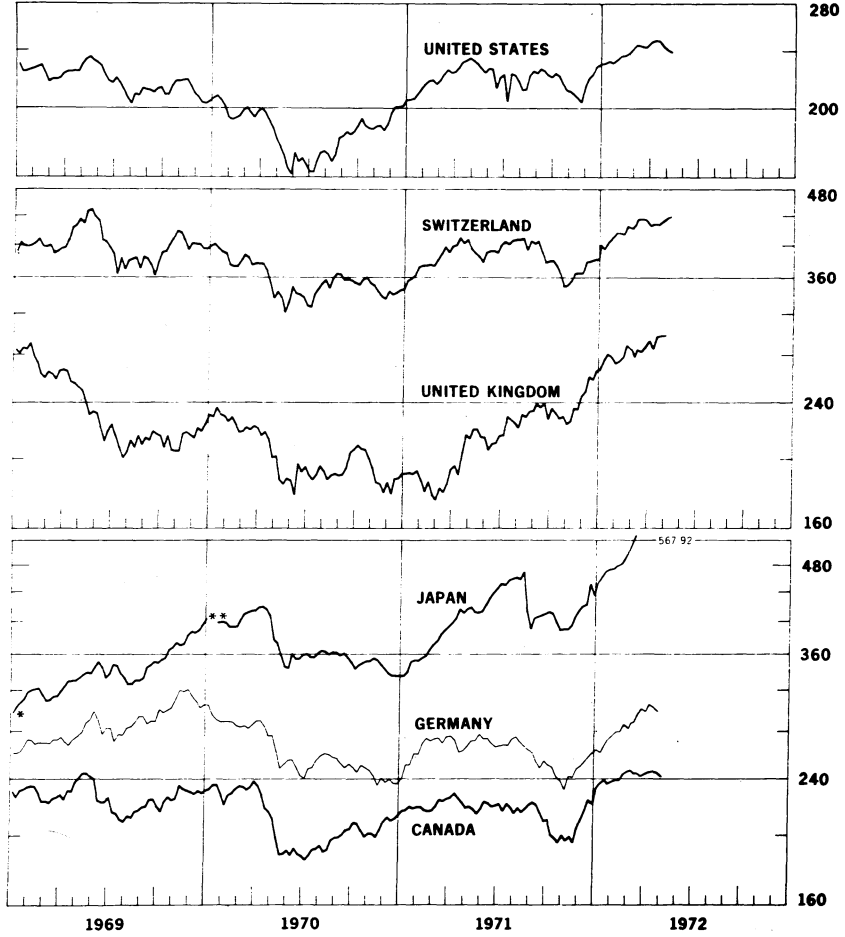
* New series for Switzerland starts 8-2-68, (U.S. Corp. Dollar Euro-Bonds and U.S. Corp. Dm Euro-Bonds starts 12-70.
 ** New Average yield of all German P.A. Bonds begins 1-7-69.
 *** New series F starts 12-71.
 **** Euro-Dollar Bonds suspended as of 3-3-72.

699

CHART 14

INDUSTRIAL STOCK INDEXES

1958=100
Ratio scale



* Japan index of 225 industrial and other stocks traded on 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

095

Country	Current Rate	In Effect Since	Previous Rate	In Effect Since
E.E.C.:				
Belgium	4.0	March 2, 1972	4.5	Feb. 5, 1972
France	5.75	April 6, 1972	6.0	Jan. 13, 1972
Germany	3.0	Feb. 25, 1972	4.0	Dec. 23, 1971
Italy	4.0	April 10, 1972	4.5	Oct. 14, 1971
Netherlands	4.0	March 1, 1972	4.5	Jan. 6, 1972
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

646

LATEST FIGURES PLOTTED ON THE CHARTS

Chart	Panel	Series	Date	Rate
1A	Upper	Swiss franc	May 12	-0.516
		U.K. pound	"	+0.284
	Lower	French franc	"	+2.053
		Japanese yen	"	+1.234
1B	Upper	Belgian franc	"	+1.860
		Italian lire	"	-0.081
	Lower	Canadian dollar Actual rate	"	100.92
		German mark	"	+1.438
		Dutch guilder	"	+1.074
2A		German mark	"	+1.50
		Swiss franc	"	+2.92
		U.K. pound	"	-0.15
2B	Upper	Dutch guilder	"	+2.37
		Canadian dollar	"	-1.32
		French franc	"	-0.47
	Lower	Japanese yen		na
3A		German mark	May 5	+1.51
		U.S. dollar	"	+0.12
3B		Swiss franc	"	+2.58
		French franc	"	0 00
4		Gold price, U.S. dollar per ounce	May 12	52.96
5A	Upper	Overnight Euro-\$ deposits	May 10	3.59
		Federal Funds	"	4.20
	Middle	Differential	"	-0.61
	Lower	Euro-currencies:		
		Euro DM	May 12	2.68
	Euro Swiss Fr.	"	0.75	
5B	Upper	Japan, Unconditional Money	May 5	5.00
		U.K., 2-day Local Author. Deps.	"	4.56
		Canada, Day-to-day Loans	May 10	3.75
	Lower	France, Day-to-Day Money	May 5	5.50
		Germany, Call Money	May 12	3.38
	Netherlands, Call Money	Apr. 28 - May 5	0.63 1.11	

Chart	Panel	Series	Date	Rate
6A		Euro-\$ Overnight Rate	May 12	3.19
		Euro-\$ 1-month Rate	"	4.38
6B		Euro-\$ 3-month Rate	"	4.94
		Euro-\$ 6-month Rate	"	5.44
7A	Upper	Euro-\$ 3-month Deposits	May 10	4.88
		U.S. Certificate of Deposits	"	4.42
	Lower	Differential	"	+0.46
7B	Upper	Euro-\$ 3-month Deposits	"	4.88
		Euro-\$ 3-month Deposits (Adj.)	"	6.10
		U.S. Certificate of Deposits (Adj.)	"	4.61
	Lower	Differential: on Adj. Euro-\$ Deposits	"	+1.49
		on Unadj. Euro-\$ Deposits	"	+0.27
8A	Upper	Euro-\$ 3-month Deposits	April 28	5.00
		Hire Purchase Deposits (covered)	"	4.70
	Lower	Differential	"	-0.30
8B	Upper	Euro-\$ 3-month Deposits	"	5.00
		Local Authority Deposits (covered)	"	4.51
	Lower	Differential	"	-0.49
9A		U.S. Treasury Bill rate	May 12	3.55
		U.K. Treasury Bill rate	"	4.20
		Local Authority Deposit (uncovered)	May 5	4.69
9B	Upper	Spread (+/- favor London)	"	+0.65
		3-month Forward Pound	"	-0.21
	Lower	Net Incentive (+/- favor London)	"	+0.44

698

IV - 4

Chart	Panel	Series	Date	Rate
10A	Upper	Euro-\$ Deposits (covered)	May 10	3.37
		German Interbank Loan rate	"	4.75
	Lower	Differential	"	+1.38
10B	Upper	Euro-\$ Deposits (covered)	"	1.87
		Swiss Deposit rate	"	1.50 p
	Lower	Differential	"	-0.37
11	Upper	Canadian Finance Paper	May 12	6.00
		U.S. Treasury Bill rate	"	3.55
		Canadian Treasury Bill rate	"	3.54
		U.S. Prime Finance paper (not plotted)	"	4.38
	Second	Bill rate differential	"	-0.01
		Forward Canadian dollar	"	-1.40
	Third	Net incentive on bills	"	-1.41
	Bottom	Net incentive on Finance Paper	"	+0.22
12A	Upper	U.K. Treasury Bill rate	May 12	4.20
		U.S. Treasury Bill rate	"	3.55
		German Interbank Loan rate	May 10	4.75
	Lower	Japanese Average rate	March	7.273
		Canadian Treasury Bill rate	May 12	3.54
		U.S. Treasury Bill rate	"	4.20
12B		Euro-\$ Deposits	"	4.94
		Swiss 3-month Deposit rate	"	1.50 p
		U.S. Treasury Bill rate	"	4.20

689

Chart	Panel	Series	Date	Rate	
13	Upper	Netherlands	April 28 - May 5	6.72 6.83	
		Canada	May 10	7.17	
		United States	"	5.59	
		Switzerland	April 28 - May 5	4.94 4.99	
	Middle	* Germany	April 21	7.86	
		United Kingdom	May 5	8.78	
		Euro-dollar bonds	suspended		
	Lower	U.S. Corp. Dollar Euro-bonds Series F	March	8.17	
		U.S. Corp. DM Euro-bonds	"	6.88	
		U.S. Corp. Aaa bonds	"	7.24	
14	Upper	Switzerland	May 5	May 12	437.1 439.0
		Germany		April 28	298.2
		United States	May 5	May 12	240.74 239.31
	Middle	United Kingdom	May 5	298.15	
		Canada	May 4	241.27	
	Lower	** Japan	May 6	567.92	
		United States	May 12	239.31	

* 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.