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Selected Interest & Exchange Rates

Description and Sources of Data Plotted in the Weekly Series of Charts

JANUARY 6, 1975

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SECTION**

**DIVISION OF
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**BOARD OF GOVERNORS
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CHART 1

Spot Exchange Rates--Indexes of Dollar Prices of Foreign Currencies

Foreign currency price of U.S. dollar.

Trade-weighted average price of U.S. dollar in terms of major industrial countries' currencies. The weight of each foreign currency is the ratio of the foreign country's worldwide exports plus imports to the worldwide exports plus imports of all the sample countries for the year 1972. The weights are U.K. 12.44, Canada 9.80, Germany 20.60, Switzerland 3.64, Netherlands 8.04, France 12.69, Italy 8.92, Belgium 7.54, Japan 12.31, Sweden 4.02.

Japanese yen, German mark, Dutch guilder, U.K. pound, Canadian dollar, French franc, Swiss franc, Belgian franc, Italian lira.

Quotations used are certified noon buying rates for spot exchange in New York in U.S. cents per unit of foreign currency. Figures plotted are ratios of weekly average rates to May 1970 parity rates, corrected to index number basis. Certified rates are rates certified to the Secretary of the Treasury by the Federal Reserve Bank of New York for the purposes of converting foreign currency into dollars for customs valuation.

Source: Federal Reserve Bank of New York.

CHART 2

Three-month Forward Exchange Rates--Major Currencies against the U.S. Dollar

Premium/discount in per cent per annum on the three-month forward foreign currency unit vis-à-vis the U.S. dollar. Calculated from mid-points of spot and forward quotations as of mid-afternoon in New York.

Source: Federal Reserve Bank of New York.

CHART 3

Price of Gold in London

U.S. dollars per fine Troy ounce of gold in 12.5 Kg bars. Weekly average of afternoon fixings.

Source: Reuters.

CHART 4

Ca'l Money Rates

Overnight Euro-dollar deposits.

Weekly average (Thursday-Wednesday) of brokers' bid rates in the London interbank market.

Source: Bank of England.

Federal Funds.

Weekly average (Thursday-Wednesday) of "effective" rates, i.e., median rates, for transactions in overnight interbank loans in New York City.

Source: Market Statistics Section, Federal Reserve Bank of New York.

United Kingdom 2-day Local Authority Deposits.

Friday middle rate on 2-day uncovered Local Authority deposits in London.

Source: The Financial Times, London.

Canada.

Weekly average of closing rates (Thursday-Wednesday) on Money Market Day-to-Day loans.

Source: Bank of Canada, Weekly Financial Statistics.

Germany.

Friday bid rate for German interbank call money loans in Frankfurt.

Source: Foreign Department, Federal Reserve Bank of New York.

Japan.

Friday offer rate on unconditional money in Tokyo, repayable on 24-hour notice.

Source: Japan Economic Journal.

France.

Average of daily opening rates on interbank call money loans against private paper.

Source: Reuters.

Netherlands.

Weekly average (Monday-Friday) rate of brokers' call money (covered by Treasury paper).

Source: Research Department, De Nederlandsche Bank, N.V.

Euro-currencies.

Weekly average (Monday-Friday) of daily rates for 2-day call Euro-DM and Euro-Swiss franc deposits.

Source: The Financial Times, London.

CHART 5

Three-month Interest Rates

United States CD's.

Median offer rate, as of Wednesday, on large-denomination 60-89 day CD's issued by prime banks in New York.

Source: Market Statistics Section, Federal Reserve Bank of New York.

German Interbank Loan Rate.

Weekly average (Thursday-Wednesday) of daily bid rates quoted by Frankfurt banks for 3-month interbank loans.

Source: Foreign Department, Federal Reserve Bank of New York.

Japanese Average Rate on Bank Loans and Discounts.

Monthly weighted average of agreed 4-month interest rates and discounts charged by all banks.

Source: Bank of Japan, Economic Journal.

Canadian Finance Company Paper.

Weekly average (Thursday-Wednesday) of daily offer rates on 3-month notes issued by prime Canadian finance companies.

Source: Foreign Department, Federal Reserve Bank of New York.

United Kingdom Interbank Loan Rate.

Weekly average (Thursday-Wednesday) of daily bid rates quoted by London banks for 3-month interbank loans.

Source: Foreign Department, Federal Reserve Bank of New York.

Swiss Deposit Rate.

Median bid rate on 3-month deposits with large banks in Zurich on the 7th, 15th, 23rd, and last day of each month.

Source: Swiss National Bank, Monthly Bulletin.

Three-month Euro-dollar Deposit Rate.

Weekly average (Thursday-Wednesday) of brokers' bid rates in the London interbank market.

Source: Bank of England.

CHART 6

Euro-dollar Deposit Rates (London)

Weekly average (Thursday-Wednesday) of brokers' bid rates in the London interbank market.

Source: Bank of England.

CHART 7

Selected Euro-dollar and U.S. Money Market Rates

Federal Funds.

Weekly average (Thursday-Wednesday) of "effective" rates, i.e., median rates, for transactions in overnight interbank loans in New York City.

Source: Market Statistics Department, Federal Reserve Bank of New York.

Overnight Euro-dollar deposits.

Weekly average (Thursday-Wednesday) of brokers' bid rates in the London interbank market.

Source: Bank of England.

Three-month Euro-dollar Deposits.

Weekly average (Thursday-Wednesday) of brokers' bid rates in the London interbank market.

Source: Bank of England.

United States 60-89 day Certificates of Deposit.

Median offer rate, as of Wednesday, on large-denomination CD's issued by prime banks in New York.

Source: Market Statistics Department, Federal Reserve Bank of New York.

Differentials.

Adjusted for applicable reserve requirements.

CHART 8

Interest Arbitrage: Three-month Funds

Covered yield on foreign currency instruments is figured by adding (subtracting) to the nominal interest rate on the foreign currency instrument the 3-month forward premium (discount) against the dollar.

Euro-dollar Deposits.

Weekly average (Thursday-Wednesday) of brokers' bid rates in the London interbank market.

Source: Bank of England.

Interest Arbitrage: U.S./U.K.

Through 17 August 1973--
U.K. Local Authority Deposits.

Middle rate of interest paid on 3-month time deposits made with British local authorities. Friday figures.

Source: The Financial Times, London.

20 August 1973 to date--
Interbank Sterling.

Weekly average (Thursday-Wednesday) of daily bid rates quoted by London banks for 3-month interbank loans.

Source: Foreign Department, Federal Reserve Bank of New York.

Interest Arbitrage: U.S./Canada.

U.S. Commercial Paper.

Weekly average (Thursday-Wednesday) of mid rates on 90-119 day dealer-placed commercial paper.

Source: Market Statistics Department, Federal Reserve Bank of New York.

Canadian Finance Company Paper.

Weekly average (Thursday-Wednesday) of daily offer rates on 3-month notes issued by prime Canadian finance companies.

Source: Foreign Department, Federal Reserve Bank of New York.

Interest Arbitrage: U.S./Germany.

Interbank DM.

Weekly average (Thursday-Wednesday) of daily bid rates quoted by Frankfurt banks for 3-month interbank loans.

Source: Foreign Department, Federal Reserve Bank of New York.

Interest Arbitrage: U.S./Switzerland.

Swiss Deposit Rate.

Median bid rate on 3-month deposits with large banks in Zurich on the 7th, 15th, 23rd, and last day of each month.

Source: Swiss National Bank, Monthly Bulletin.

CHART 9

Long-term Government Bond Yields

United States.

Weekly average (Monday-Friday) yield on selected bonds due or callable in 10 years or more.

Source: Market Statistics Department, Federal Reserve Bank of New York.

Germany.

Yield of all public authority loans on 7th, 15th, 23rd, and last day of the month.

Source: Deutsche Bundesbank.

Japan.

Average yield of listed 7-year industrial bonds based on closing quotations at month-end. Monthly figure.

Source: Bank of Japan, Economic Statistics Monthly.

Switzerland.

Weekly average (Monday-Friday) of Swiss government composite bond yields.

Source: Swiss National Bank.

Canada.

Average yield of all direct Government of Canada issues due or callable in 10 years or more, excluding perpetuals, calculated on the basis of Wednesday mid-market closing prices.

Source: Bank of Canada, Weekly Financial Statistics.

France.

Composite yield of public sector bonds. Friday figure. Prior to January 1972, net of withholding tax; since January 1972, gross.

Source: Banque de France.

Netherlands.

Average yield on five 3½ per cent 3 to 8 year Redeemable Government Loans. Friday figure.

Source: De Nederlandische Bank, N.V.

United Kingdom.

Yield calculated from the mean of market bid and offer quotations on U.K. Government 3½ per cent War Loan (1952). Thursday figure.

Source: Bank of England.

U.S. Corporate Dollar Euro-bonds.

Average for the month (at or near end of month) of yields to maturity on ten outstanding long-term (10-20 years) U.S. dollar-denominated bonds issued by U.S. corporations in markets outside the United States (mainly European markets).

Source: Morgan Guaranty Trust Company, World Financial Markets.

U.S. Corporate DM Euro-bonds.

Average for the month (at or near end of month) of yields on ten outstanding long-term (10-20 years) DM-denominated bonds issued by U.S. corporations.

Source: Morgan Guaranty Trust Company, World Financial Markets.

U.S. Corporate Aaa Bonds.

Weekly average (Monday-Friday) of daily figures of Aaa corporate (excluding railroad) bond yields.

Source: Moody's Investors Service.

CHART 10

Industrial Stock Indexes
(1969=100)

United States.

Weekly average (Monday-Friday) of daily indexes of the prices of 425 industrial stocks.

Source: Standard and Poor's, Inc.

Japan.

Weekly average (Monday-Saturday) of daily indexes of all stocks traded on the First Section of the Tokyo Stock Exchange.

Source: Japan Journal, Inc., Japan Stock Journal.

Canada.

Weekly average (Friday-Thursday) of daily indexes of the prices of 79 industrial stocks.

Source: Prices Division, Statistics Canada.

France.

Index of the prices of all stocks listed on the Paris exchange.
Friday figure.

Source: La Vie Francaise, Paris.

United Kingdom.

Industrial ordinary stock index. Closing Friday figure.

Source: Bank of England.

Switzerland.

Index of the prices of 39 industrial stocks. Closing Friday figure.

Source: Schweizerischer Bankverein.

Germany.

Index of the prices of all German industrial stocks calculated for the 7th, 15th, 23rd, and final day of each month.

Source: Deutsche Bundesbank.
