

(516/517)

Selected Interest & Exchange Rates

Weekly Series of Charts

December 9, 1996

**Prepared by the
FINANCIAL MARKETS
SECTION**

**DIVISION OF
INTERNATIONAL FINANCE**

**BOARD OF GOVERNORS
FEDERAL RESERVE SYSTEM
Washington, D.C. 20551**

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CHART 1

SPOT EXCHANGE INDICES

DOLLAR PRICES OF FOREIGN CURRENCIES AND WEIGHTED AVERAGE VALUES (THIN LINE)
AVERAGES FOR WEEK ENDING WEDNESDAY

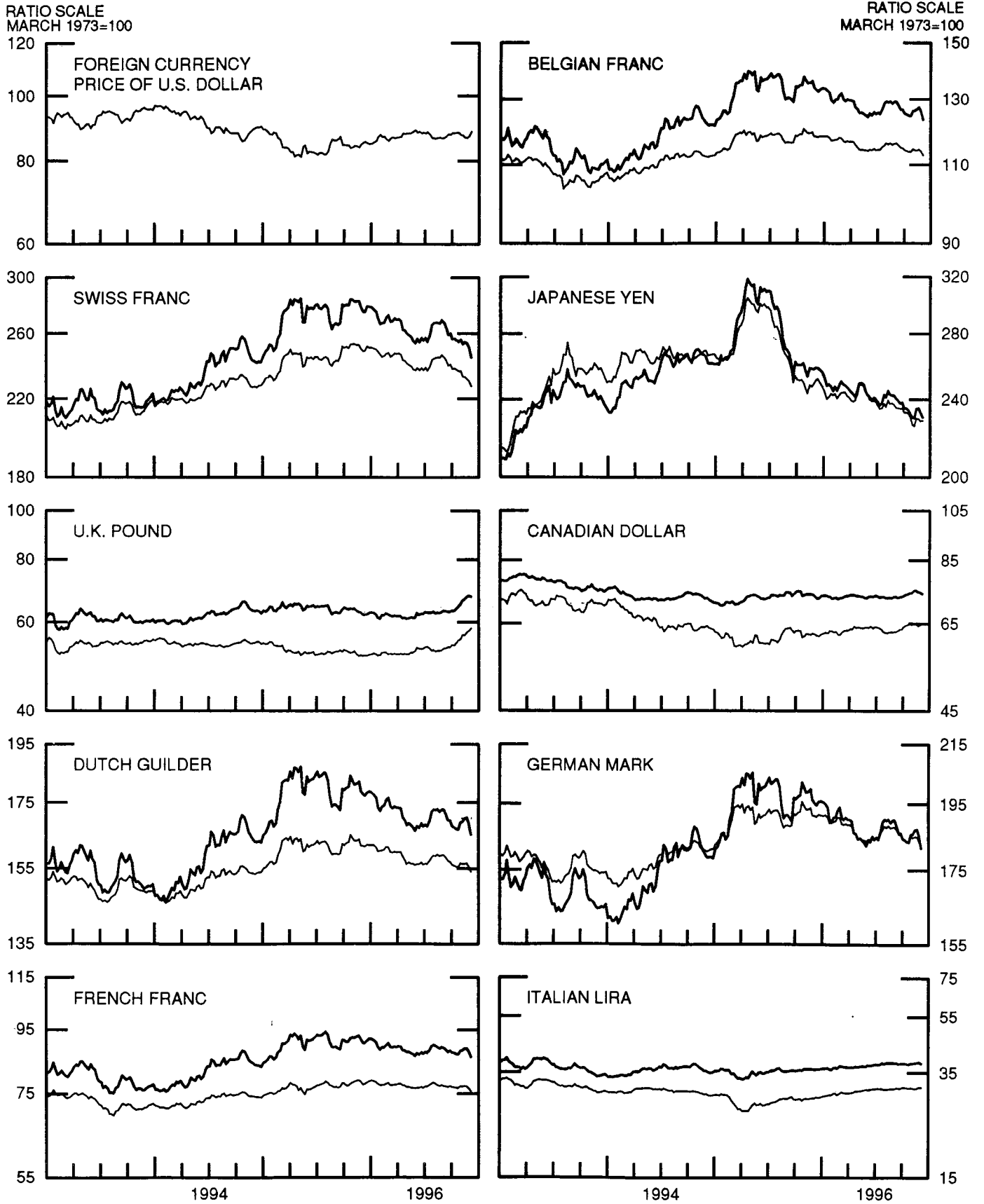


CHART 2

3-MONTH FORWARD EXCHANGE RATES

PREMIUM (+) OR (-)
AVERAGES FOR WEEK ENDING WEDNESDAY

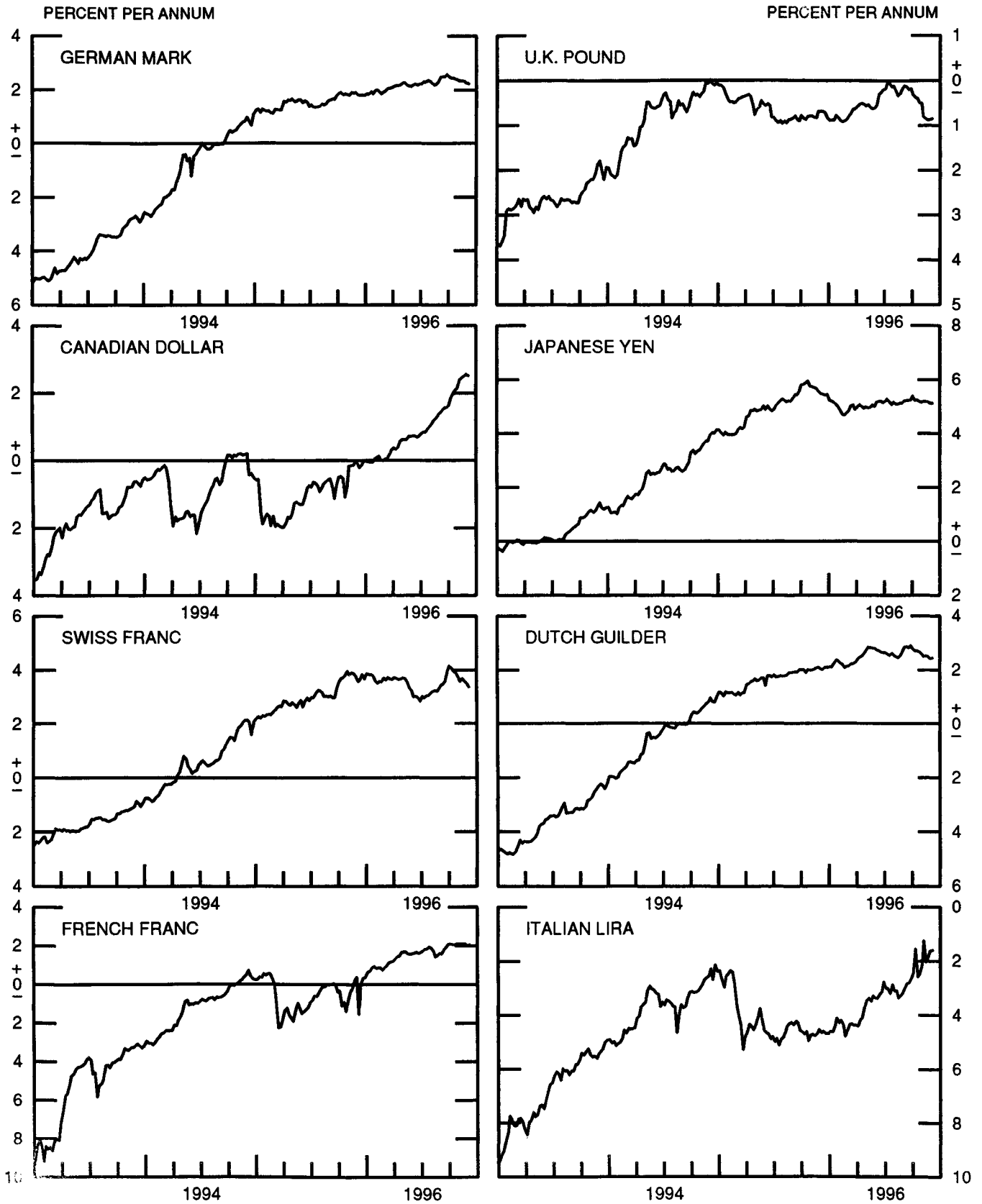


CHART 3

PRICE OF GOLD IN LONDON
AVERAGES FOR WEEK ENDING WEDNESDAY

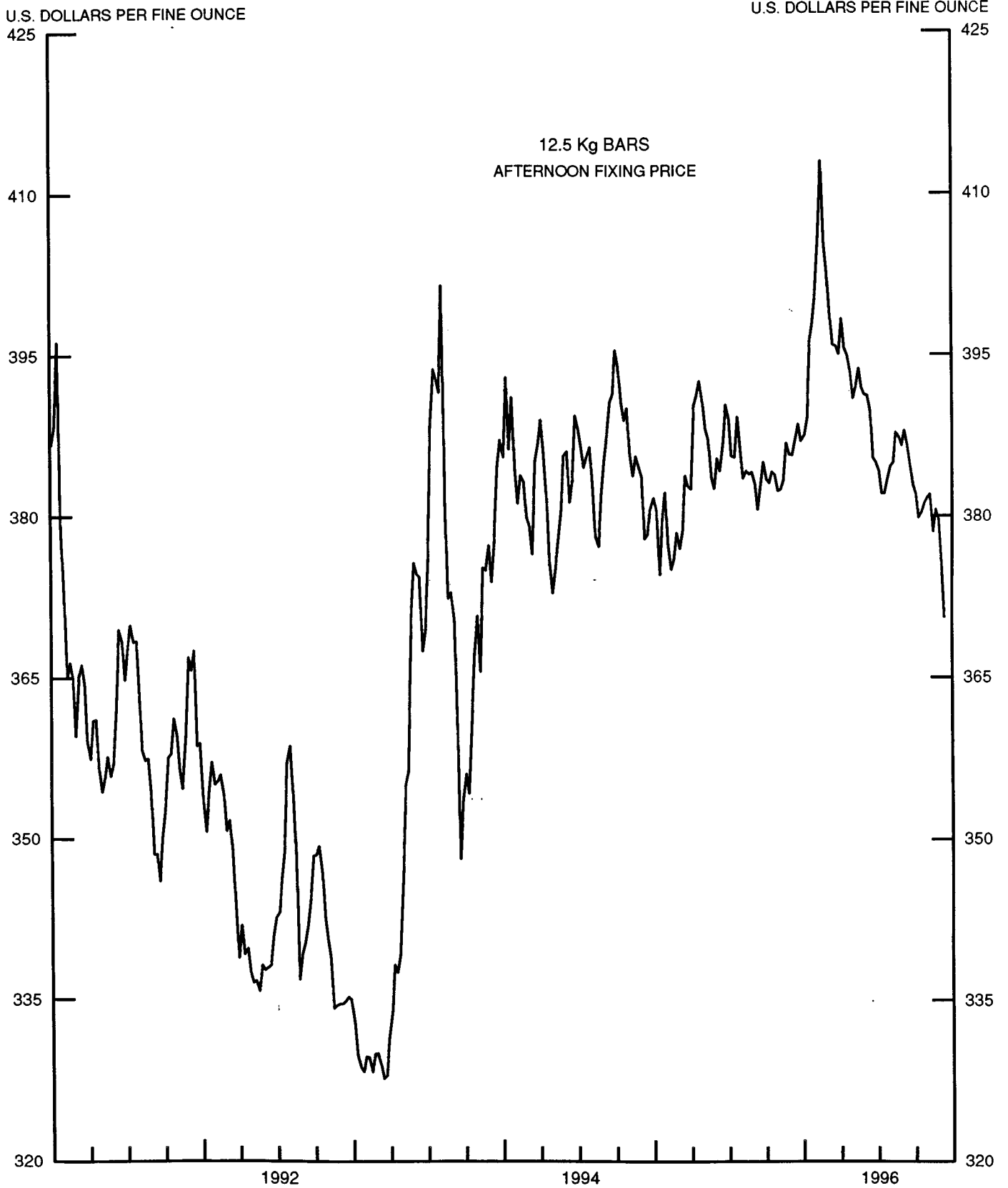


CHART 4

CALL MONEY RATES WEEKLY SERIES

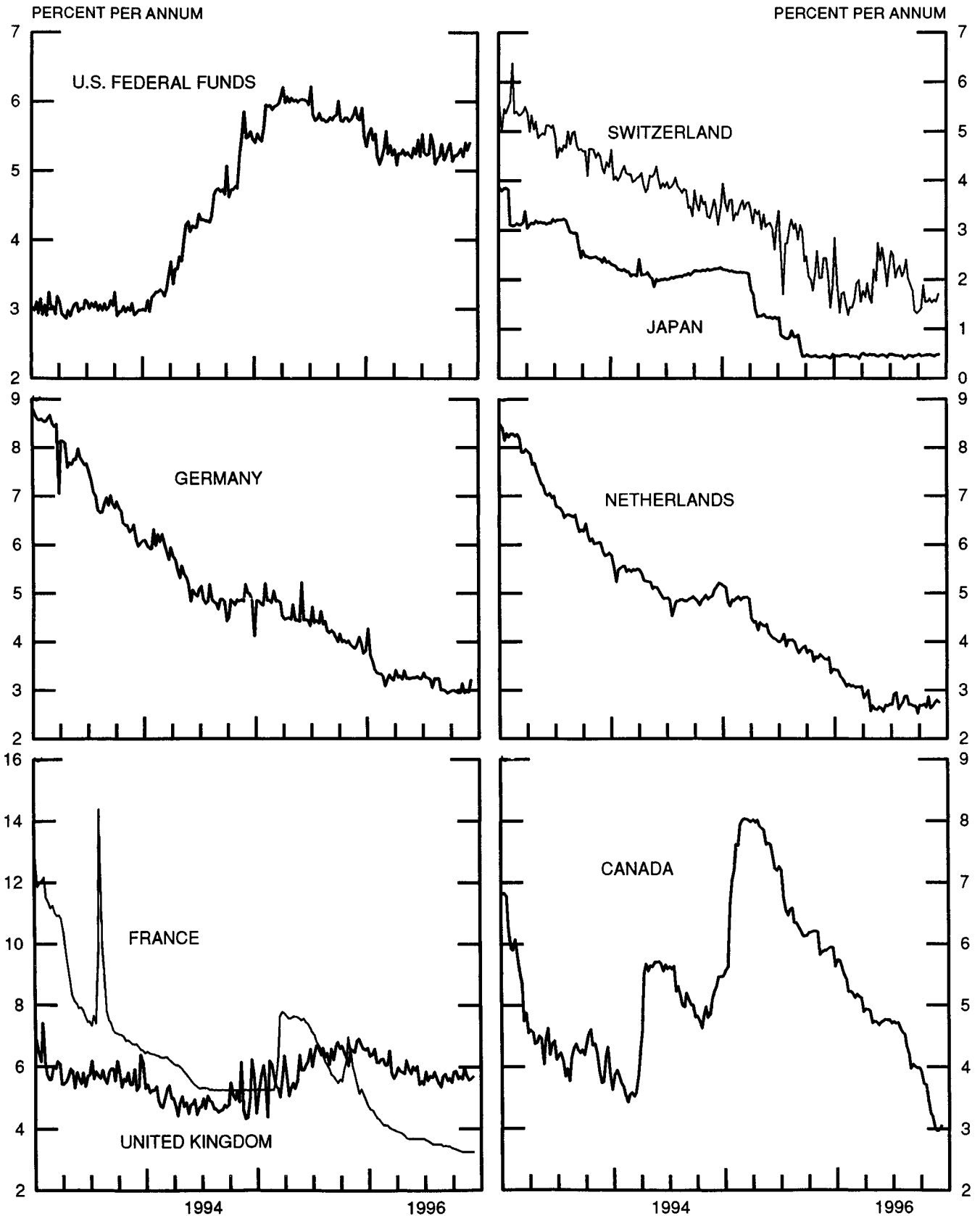


CHART 5

3-MONTH INTEREST RATES
WEEKLY SERIES

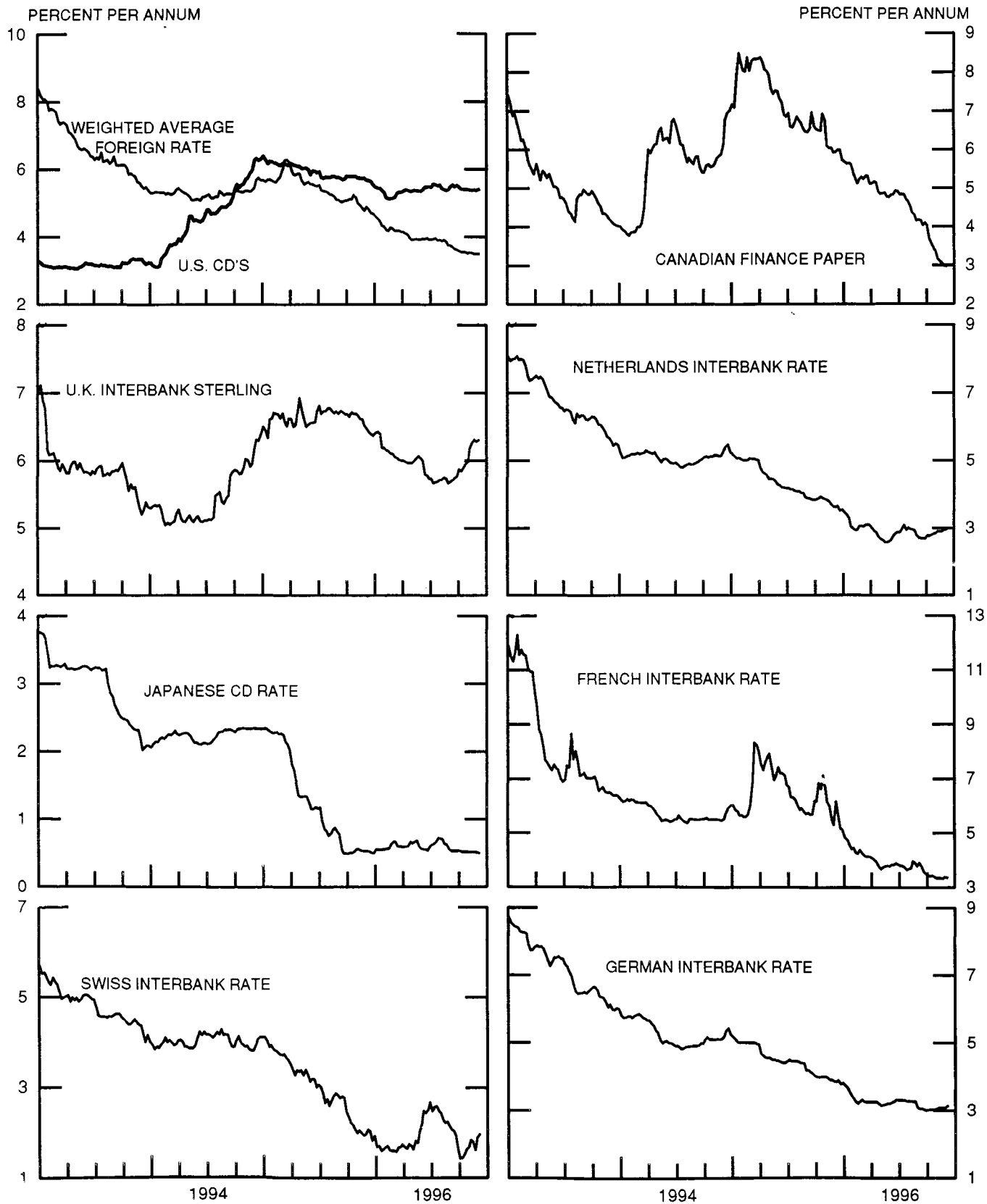


CHART 6

EURO-DOLLAR DEPOSIT RATES, LONDON
AVERAGES FOR WEEK ENDING WEDNESDAY

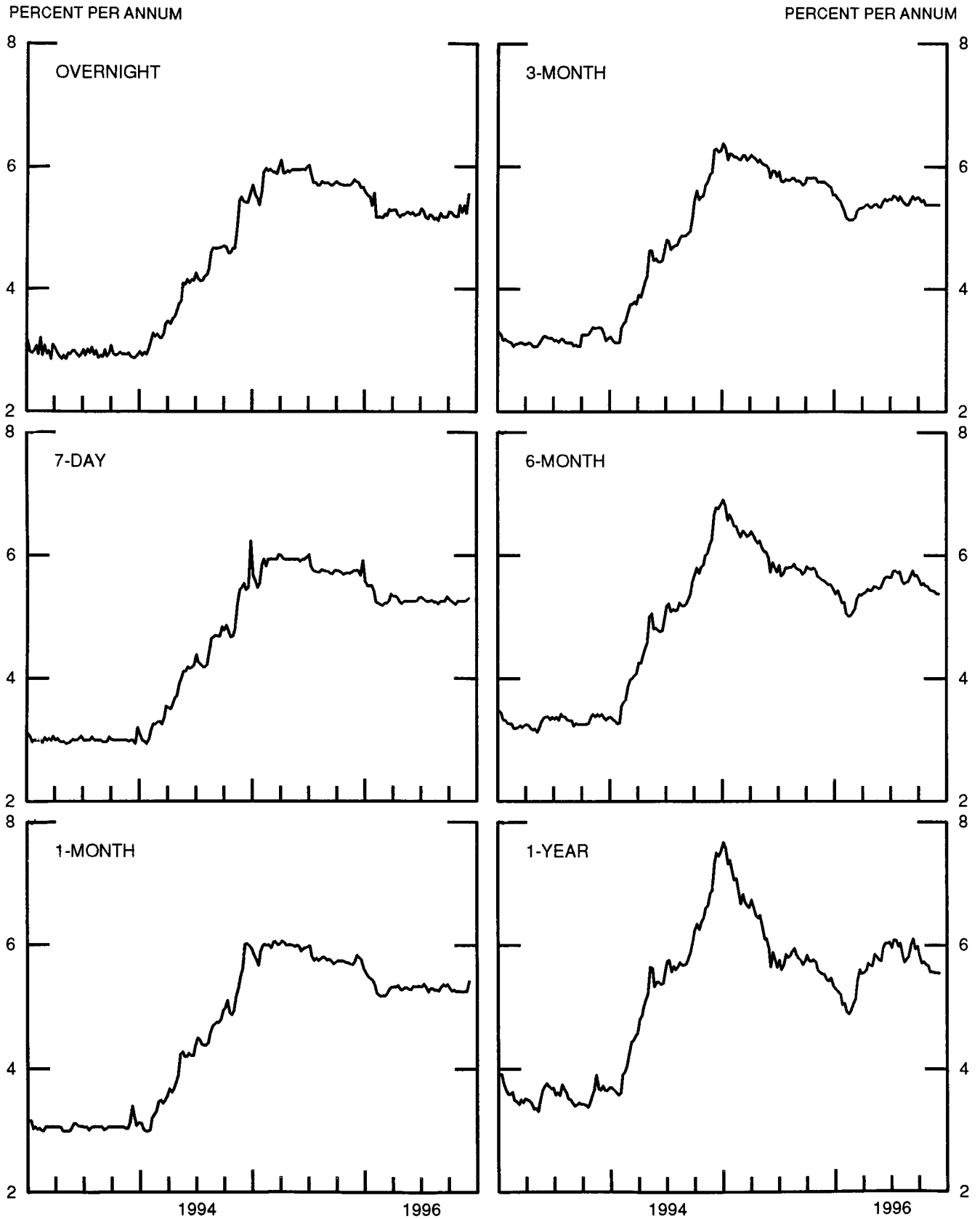


CHART 7

SELECTED EURO-DOLLAR AND U.S. MONEY MARKET RATES

DIFFERENTIAL: PLUS(+), FAVORS BORROWING IN U.S.

AVERAGES FOR WEEK ENDING WEDNESDAY

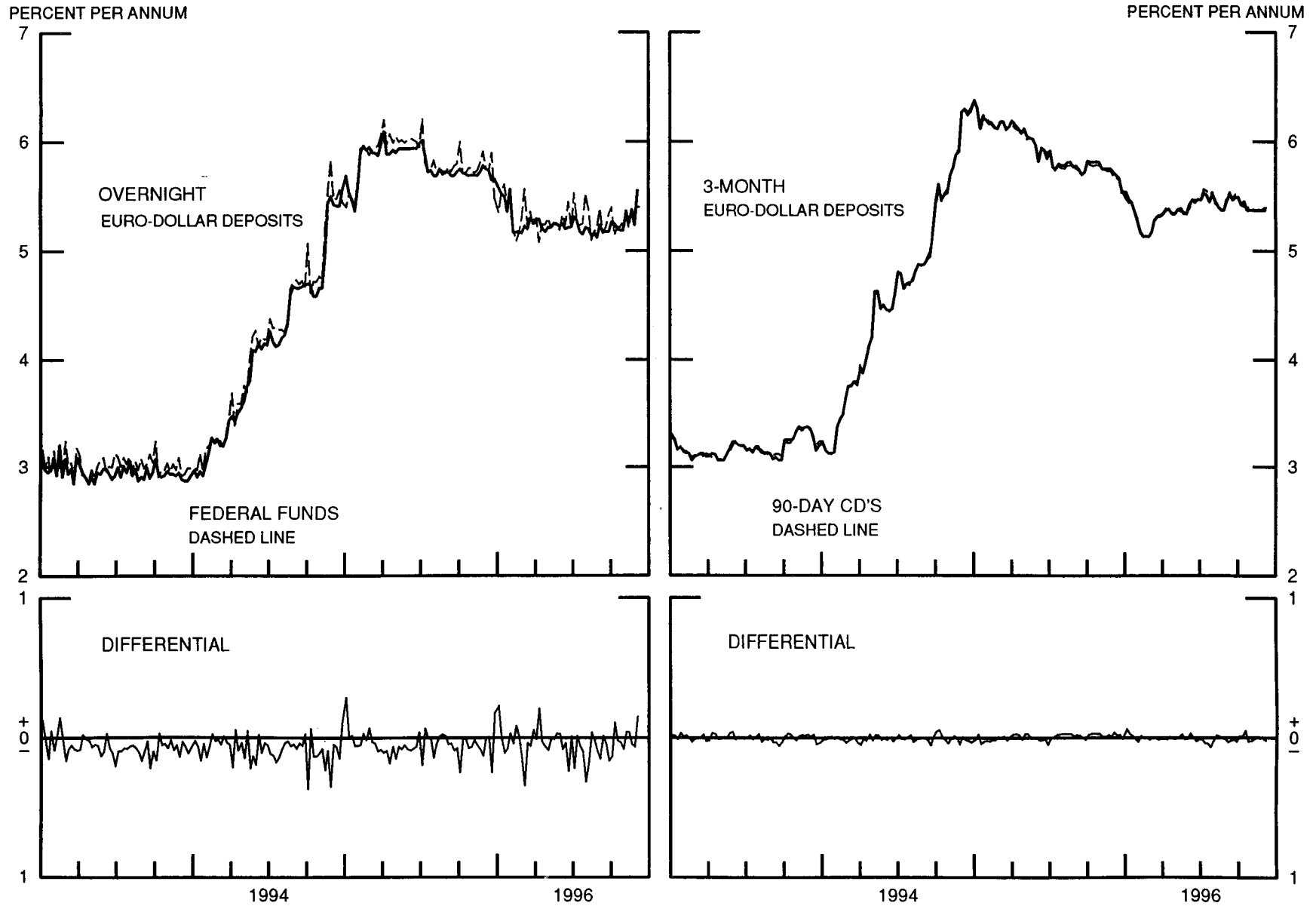


CHART 8

INTEREST ARBITRAGE: 3-MONTH FUNDS
DIFFERENTIAL: PLUS(+), INDICATES FAVOR DOLLAR ASSETS
AVERAGES FOR WEEK ENDING WEDNESDAY

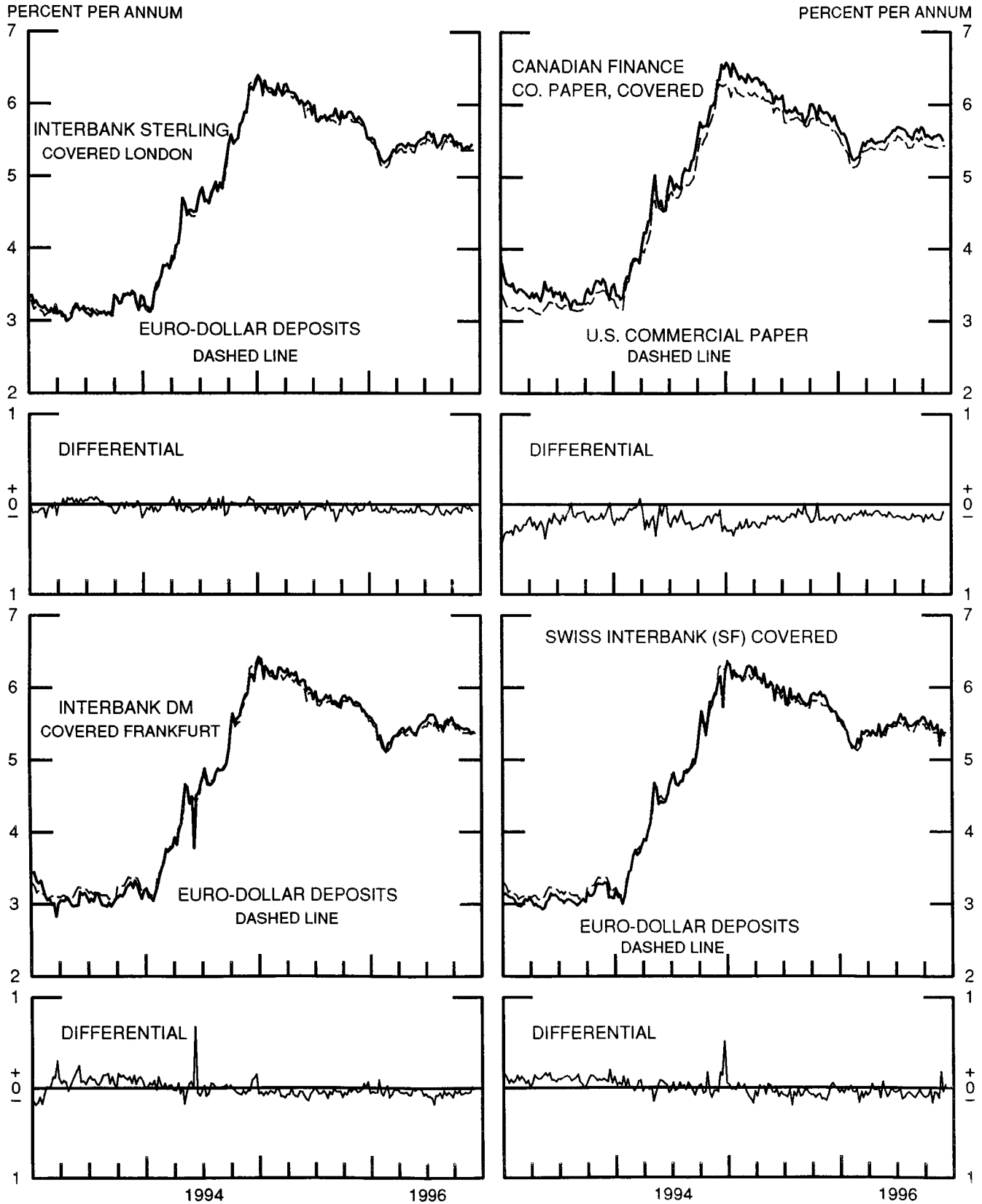


CHART 9

LONG-TERM GOVERNMENT BOND YIELDS
WEEKLY SERIES

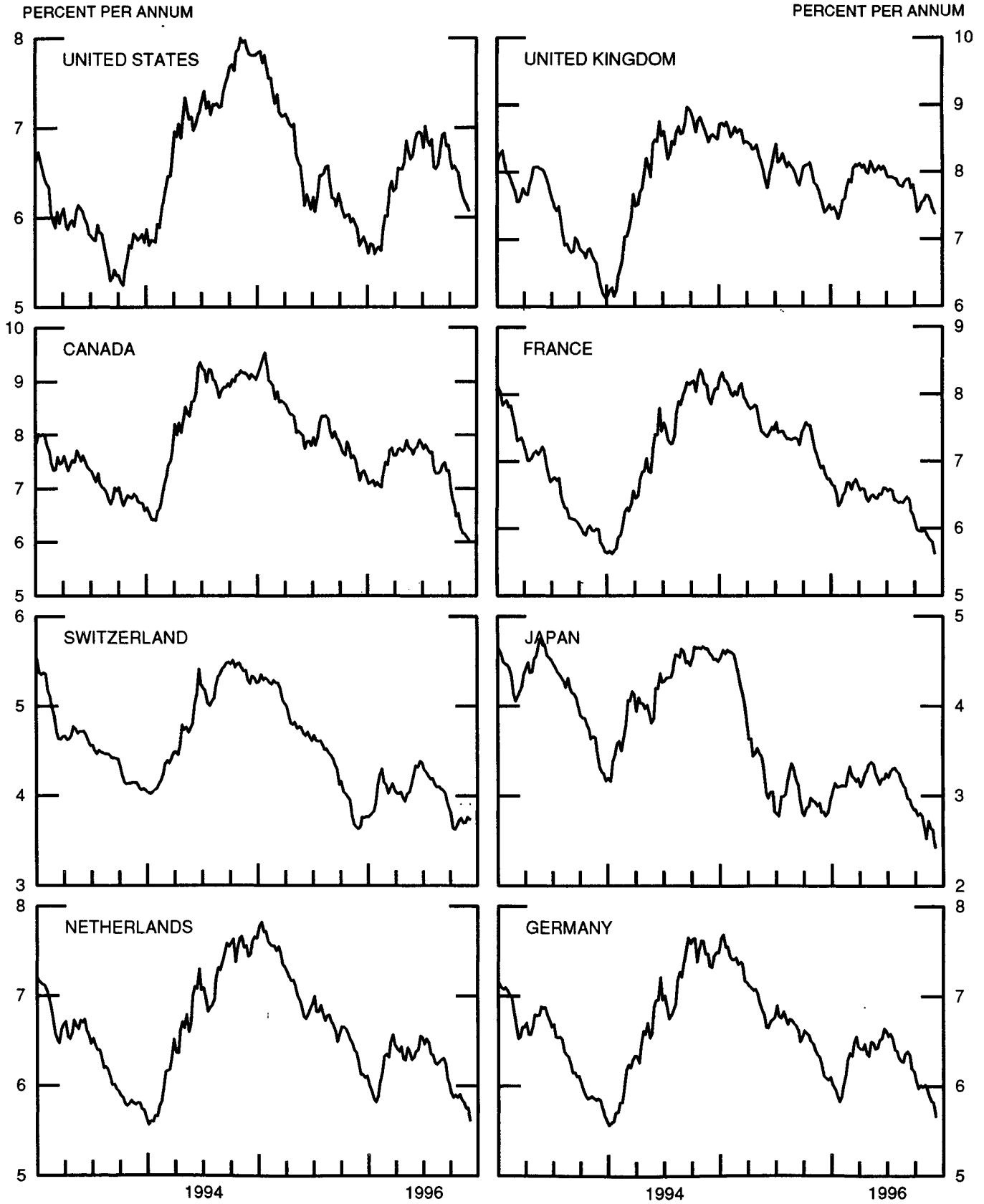
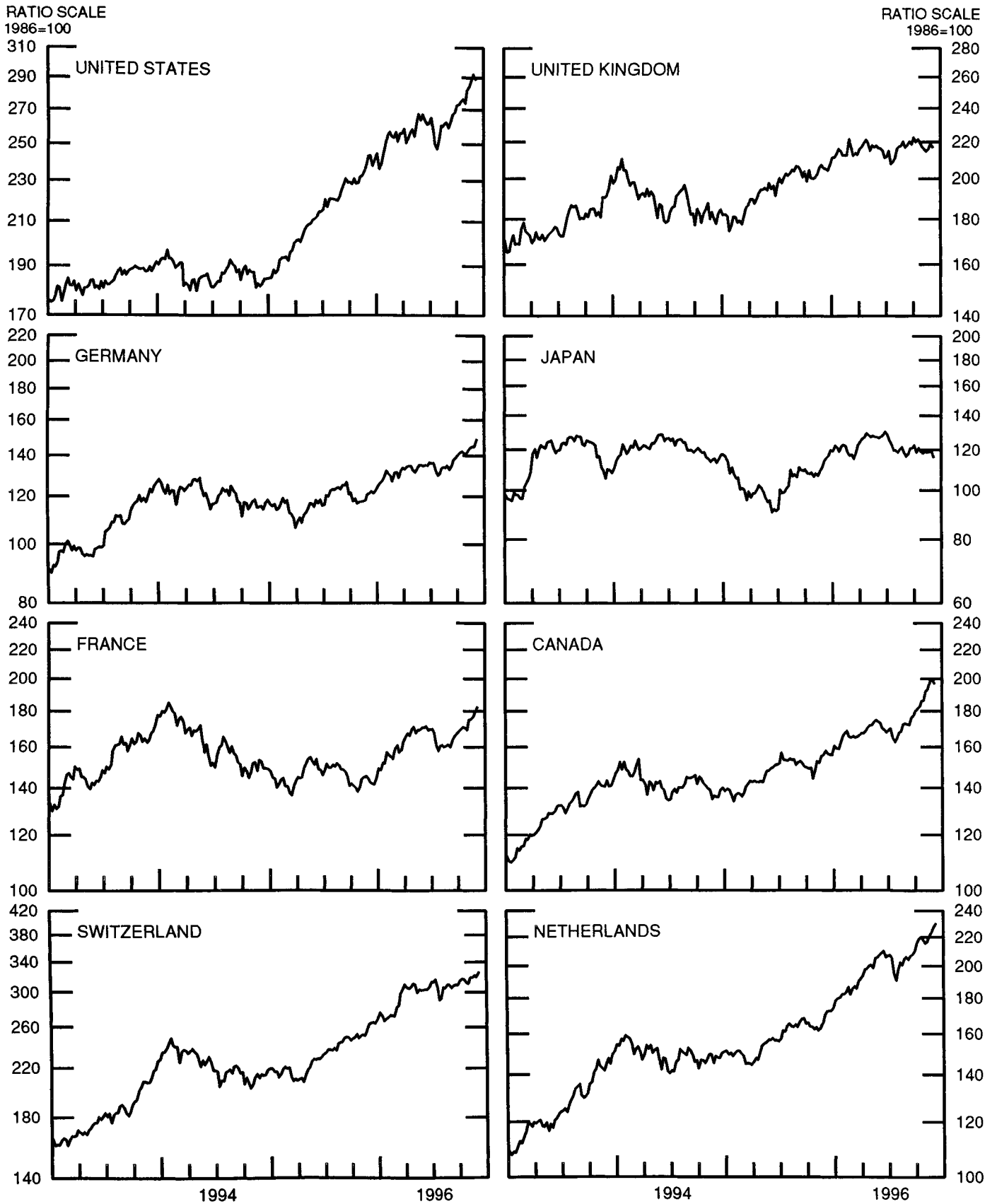


CHART 10
 STOCK INDICES
 WEEKLY SERIES



6-Nov-96 13-Nov-96 20-Nov-96 27-Nov-96 4-Dec-96

Chart 1. Spot Exchange Rates and Indices

Noon buying rates (U.S. cents, weekly averages)

| | | | | | |
|---------------------|---------|---------|---------|---------|---------|
| Belgian franc | 3.2023 | 3.2149 | 3.2273 | 3.1985 | 3.1302 |
| Canadian dollar | 74.887 | 75.003 | 74.616 | 74.536 | 74.033 |
| French franc | 19.522 | 19.651 | 19.671 | 19.452 | 19.049 |
| German mark | 65.969 | 66.455 | 66.535 | 65.890 | 64.536 |
| Italian lira | 0.06578 | 0.06597 | 0.06614 | 0.06638 | 0.06566 |
| Japanese yen | 0.87810 | 0.89670 | 0.89822 | 0.88958 | 0.87977 |
| Netherlands guilder | 58.847 | 59.201 | 59.305 | 58.750 | 57.510 |
| Swiss franc | 78.617 | 78.975 | 78.728 | 77.963 | 75.980 |
| U.K. pound | 163.99 | 164.91 | 167.06 | 167.52 | 166.91 |

Indices, March 1973 base rates = 100

| | | | | | |
|---------------------|--------|--------|--------|--------|--------|
| Belgian franc | 126.19 | 126.68 | 127.17 | 126.04 | 123.35 |
| Canadian dollar | 74.64 | 74.75 | 74.37 | 74.29 | 73.79 |
| French franc | 87.97 | 88.55 | 88.64 | 87.65 | 85.84 |
| German mark | 185.58 | 186.94 | 187.17 | 185.36 | 181.54 |
| Italian lira | 37.76 | 37.87 | 37.96 | 38.10 | 37.69 |
| Japanese yen | 229.91 | 234.79 | 235.18 | 232.92 | 230.35 |
| Netherlands guilder | 168.94 | 169.95 | 170.25 | 168.66 | 165.10 |
| Swiss franc | 252.92 | 254.07 | 253.28 | 250.82 | 244.44 |
| U.K. pound | 66.33 | 66.70 | 67.57 | 67.75 | 67.51 |

Weighted average exchange value indices, March 1973=100

| | | | | | |
|---------------------|--------|--------|--------|--------|--------|
| Belgian franc | 114.28 | 114.08 | 114.33 | 113.84 | 112.70 |
| Canadian dollar | 65.07 | 64.79 | 64.31 | 64.57 | 64.94 |
| French franc | 77.00 | 77.09 | 77.03 | 76.48 | 75.73 |
| German mark | 184.50 | 184.88 | 184.77 | 183.68 | 181.78 |
| Italian lira | 30.91 | 30.82 | 30.85 | 31.13 | 31.17 |
| Japanese yen | 225.54 | 229.45 | 229.44 | 228.19 | 228.45 |
| Netherlands guilder | 156.39 | 156.45 | 156.46 | 155.69 | 154.16 |
| Swedish krona | 59.28 | 58.82 | 58.72 | 58.76 | 58.50 |
| Swiss franc | 232.87 | 232.62 | 231.45 | 230.28 | 227.06 |
| U.K. pound | 56.53 | 56.53 | 57.23 | 57.71 | 58.25 |
| U.S. dollar | 87.37 | 86.75 | 86.56 | 87.09 | 88.44 |

Chart 2. 3-Month Forward Exchange Rates, Premium or Discount

| | | | | | |
|---------------------|-------|-------|-------|-------|-------|
| Canadian dollar | 2.38 | 2.46 | 2.51 | 2.56 | 2.51 |
| French franc | 2.08 | 2.10 | 2.10 | 2.00 | 2.05 |
| German mark | 2.33 | 2.33 | 2.32 | 2.26 | 2.23 |
| Italian lira | -1.27 | -2.04 | -1.83 | -1.63 | -1.61 |
| Japanese yen | 5.19 | 5.20 | 5.18 | 5.13 | 5.12 |
| Netherlands guilder | 2.51 | 2.51 | 2.50 | 2.42 | 2.43 |
| Swiss franc | 3.58 | 3.67 | 3.57 | 3.51 | 3.36 |
| U.K. pound | -0.80 | -0.85 | -0.87 | -0.87 | -0.85 |

Chart 3. Gold Price in London, Afternoon Fixing

| | | | | | |
|-----------------------------|--------|--------|--------|--------|--------|
| U.S. dollars per fine ounce | 378.54 | 380.55 | 379.73 | 375.18 | 370.60 |
|-----------------------------|--------|--------|--------|--------|--------|

Chart 4. Call Money Rates

| | | | | | |
|--------------------------------|------|------|------|------|------|
| U.S. federal funds | 5.32 | 5.21 | 5.41 | 5.30 | 5.40 |
| Overnight Euro-dollar deposits | 5.36 | 5.25 | 5.36 | 5.24 | 5.55 |
| Canada | 3.21 | 3.03 | 2.97 | 2.98 | 3.05 |
| France | 3.25 | 3.25 | 3.25 | 3.25 | 3.25 |
| Germany | 3.14 | 2.95 | 2.98 | 2.96 | 3.21 |
| Japan | 0.48 | 0.47 | 0.45 | 0.47 | 0.48 |
| Netherlands | 2.63 | 2.66 | 2.76 | 2.80 | 2.75 |
| Switzerland | 1.61 | 1.53 | 1.59 | 1.55 | 1.70 |
| United Kingdom | 5.99 | 5.74 | 5.59 | 5.61 | 5.69 |

6-Nov-96 13-Nov-96 20-Nov-96 27-Nov-96 4-Dec-96

Chart 5. 3-Month Interest Rates

| | | | | | |
|--|------|------|------|------|------|
| U.S. 90-day CD's, secondary market | 5.39 | 5.38 | 5.38 | 5.38 | 5.40 |
| Canadian finance paper | 3.17 | 3.10 | 3.06 | 2.99 | 2.98 |
| French interbank rate | 3.33 | 3.34 | 3.33 | 3.38 | 3.36 |
| German interbank rate | 3.08 | 3.08 | 3.08 | 3.09 | 3.14 |
| Japanese CD rate | 0.51 | 0.51 | 0.51 | 0.51 | 0.50 |
| Netherlands interbank rate | 2.91 | 2.89 | 2.90 | 2.94 | 2.96 |
| Swiss interbank rate | 1.84 | 1.80 | 1.61 | 1.89 | 1.96 |
| U.K. interbank sterling | 6.18 | 6.27 | 6.31 | 6.29 | 6.31 |
| Weighted average foreign interest rate (G-10 Countries) | 3.53 | 3.53 | 3.49 | 3.49 | 3.49 |

Chart 6. Euro-Dollar Deposit Rates

| | | | | | |
|-----------|------|------|------|------|------|
| Overnight | 5.36 | 5.25 | 5.36 | 5.24 | 5.55 |
| 7-day | 5.25 | 5.25 | 5.25 | 5.26 | 5.30 |
| 1-month | 5.25 | 5.24 | 5.25 | 5.25 | 5.41 |
| 3-month | 5.38 | 5.38 | 5.38 | 5.38 | 5.38 |
| 6-month | 5.44 | 5.43 | 5.42 | 5.38 | 5.38 |
| 1-year | 5.57 | 5.57 | 5.55 | 5.56 | 5.55 |

Chart 7. Selected Euro-dollar & U.S. Money Market Rates

| | | | | | |
|------------------------------------|-------|------|-------|-------|-------|
| Overnight Euro-dollar deposits | 5.36 | 5.25 | 5.36 | 5.24 | 5.55 |
| U.S. federal funds | 5.32 | 5.21 | 5.41 | 5.30 | 5.40 |
| Differential | 0.04 | 0.04 | -0.05 | -0.06 | 0.15 |
| 3-month Euro-dollar deposit | 5.38 | 5.38 | 5.38 | 5.38 | 5.38 |
| U.S. 90-day CD's, secondary market | 5.39 | 5.38 | 5.38 | 5.38 | 5.40 |
| Differential | -0.01 | 0.00 | -0.01 | -0.00 | -0.02 |

Chart 8. Interest Arbitrage, 3-Month Funds

| | | | | | |
|--------------------------------------|-------|-------|-------|-------|-------|
| Euro-dollar deposit | 5.38 | 5.38 | 5.38 | 5.38 | 5.38 |
| Interbank sterling (London), covered | 5.37 | 5.41 | 5.42 | 5.41 | 5.45 |
| Differential | 0.00 | -0.03 | -0.05 | -0.03 | -0.07 |
| U.S. commercial paper | 5.41 | 5.40 | 5.41 | 5.41 | 5.43 |
| Canadian finance paper, covered | 5.57 | 5.57 | 5.59 | 5.58 | 5.51 |
| Differential | -0.16 | -0.17 | -0.17 | -0.17 | -0.08 |
| Euro-dollar deposit | 5.38 | 5.38 | 5.38 | 5.38 | 5.38 |
| Interbank DM (Frankfurt), covered | 5.42 | 5.43 | 5.42 | 5.36 | 5.39 |
| Differential | -0.05 | -0.06 | -0.04 | 0.01 | -0.01 |
| Euro-dollar deposit | 5.38 | 5.38 | 5.38 | 5.38 | 5.38 |
| Swiss interbank, covered | 5.43 | 5.49 | 5.20 | 5.41 | 5.34 |
| Differential | -0.05 | -0.12 | 0.18 | -0.04 | 0.04 |

Chart 9. Long Term Government Bellwether Bond Yields
10-year maturity, where available

| | | | | | |
|----------------|------|------|------|------|------|
| Canada | 6.29 | 6.17 | 6.15 | 6.10 | 6.05 |
| France | 5.95 | 5.87 | 5.83 | 5.80 | 5.63 |
| Germany | 5.98 | 5.89 | 5.83 | 5.82 | 5.67 |
| Japan | 2.53 | 2.72 | 2.64 | 2.62 | 2.43 |
| Switzerland | 3.75 | 3.70 | 3.71 | 3.76 | 3.74 |
| Netherlands | 5.85 | 5.81 | 5.75 | 5.75 | 5.62 |
| United Kingdom | 7.64 | 7.64 | 7.55 | 7.47 | 7.38 |
| United States | 6.34 | 6.24 | 6.17 | 6.14 | 6.08 |

Chart 10. Stock Indices (Wednesday figures)

| | | | | | |
|----------------|--------|--------|--------|--------|--------|
| Canada | 191.61 | 193.25 | 198.82 | 199.49 | 196.97 |
| France | 174.61 | 175.35 | 176.41 | 179.12 | 182.07 |
| Germany | 142.60 | 144.32 | 144.72 | 144.77 | 148.42 |
| Japan | 118.96 | 118.55 | 118.93 | 119.84 | 116.17 |
| Netherlands | 216.21 | 220.66 | 223.69 | 226.46 | 229.76 |
| Switzerland | 318.62 | 318.85 | 321.43 | 319.52 | 325.29 |
| United Kingdom | 216.20 | 214.56 | 216.06 | 218.82 | 217.16 |
| United States | 281.96 | 284.43 | 288.76 | 292.20 | 289.08 |

Indices (in order, rebased to 1986=100) are Toronto Composite, CAC General spliced to SBF250 at 22dec93, FAZ Aktien, Tokyo SE (Topix), CBS All-General, Swiss Bank Index, Financial Times Ordinary, NYSE Composite