

(516/517)

Selected Interest & Exchange Rates

Weekly Series of Charts

May 27, 1997

**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

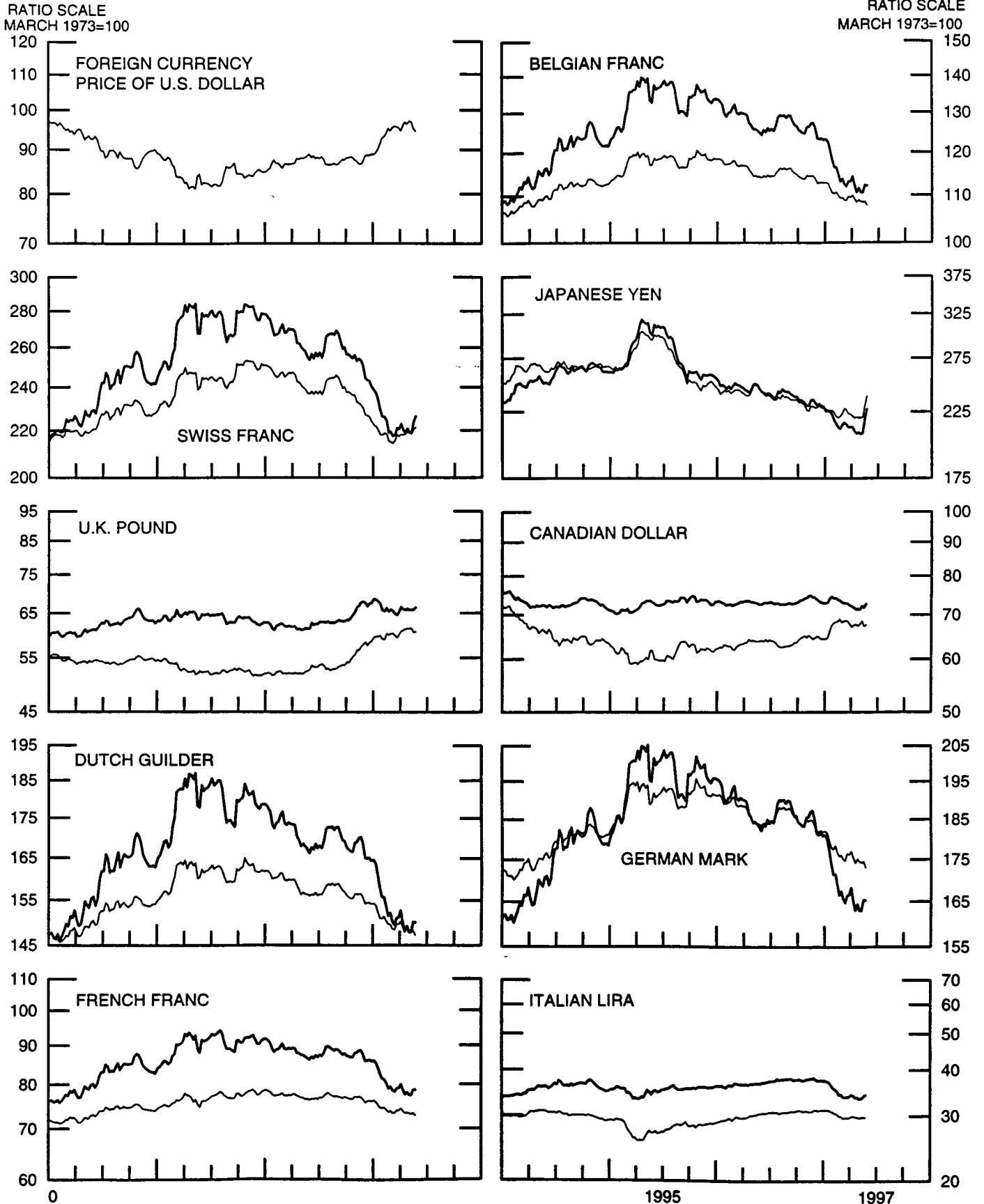


CHART 2

3-MONTH FORWARD EXCHANGE RATES

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

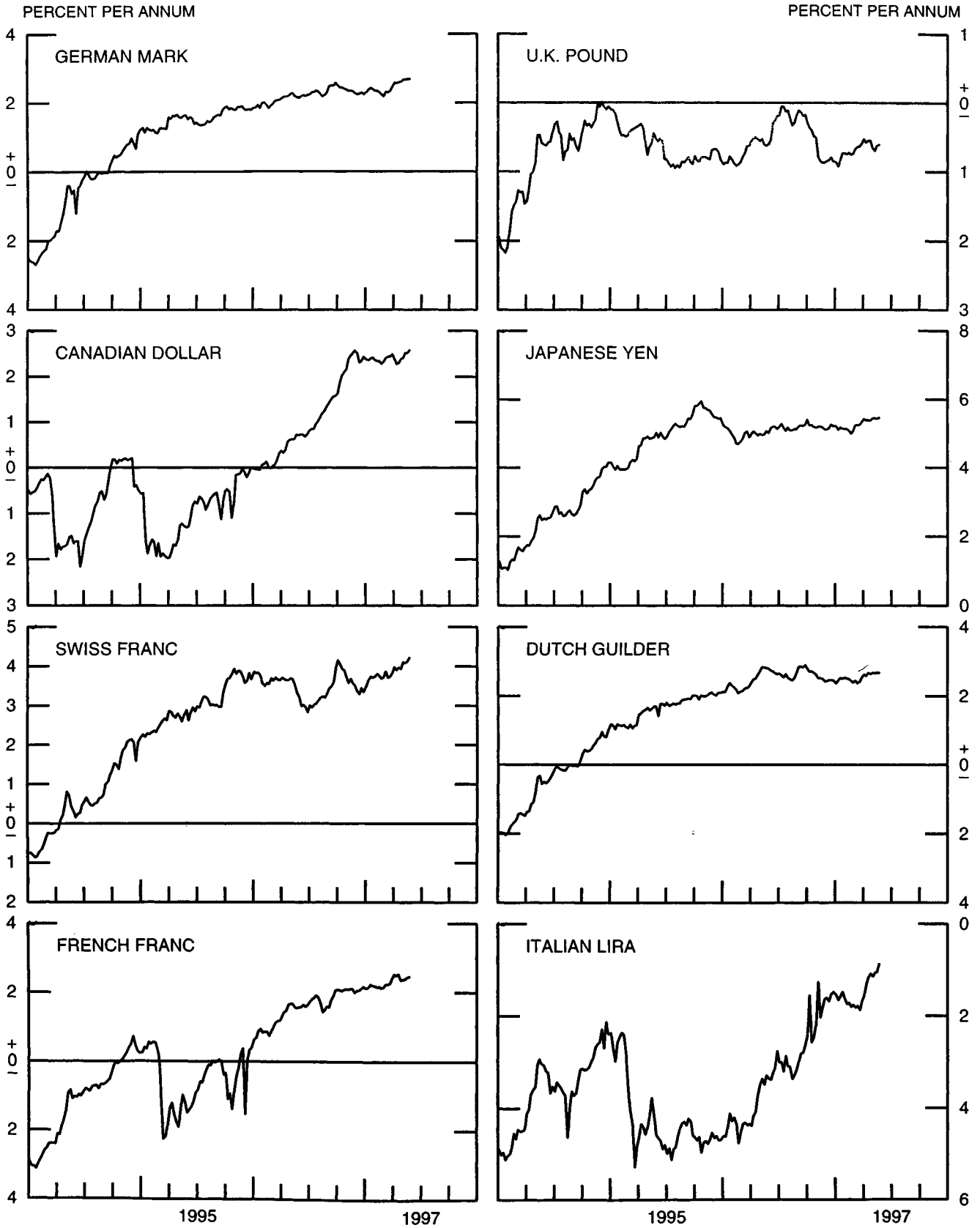


CHART 3

PRICE OF GOLD IN LONDON
AVERAGES FOR WEEK ENDING WEDNESDAY

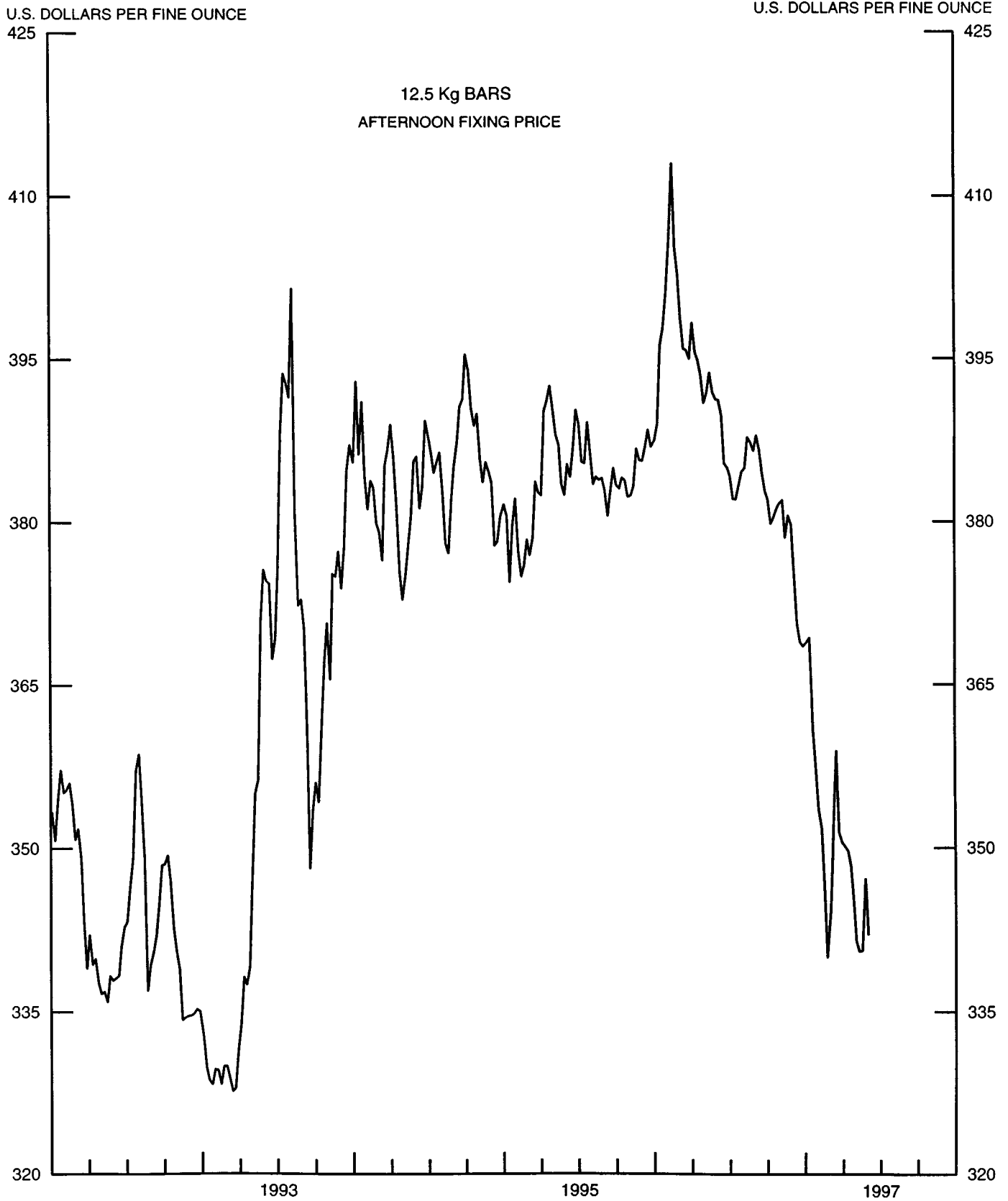


CHART 4
CALL MONEY RATES
WEEKLY SERIES

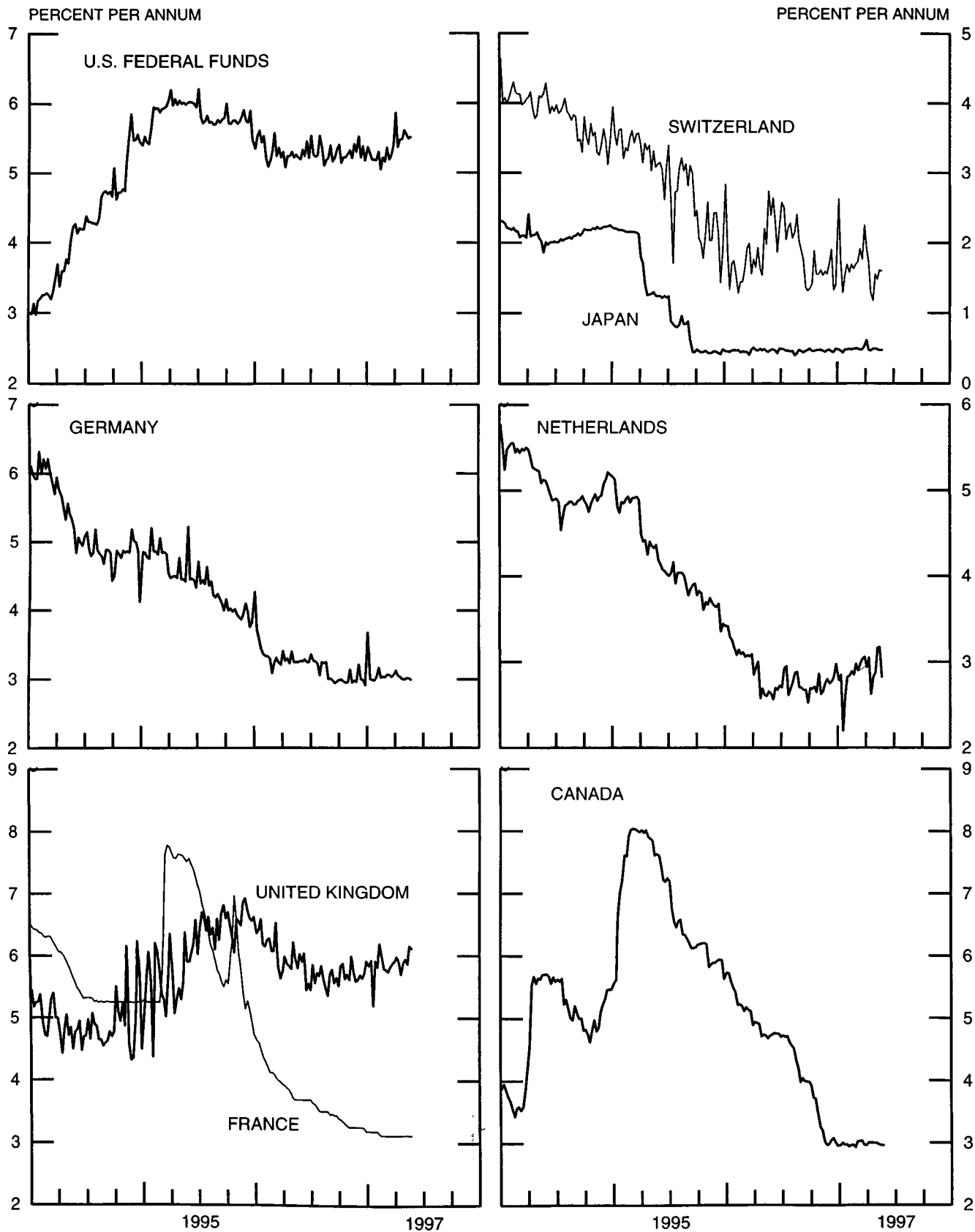


CHART 5

3-MONTH INTEREST RATES
WEEKLY SERIES

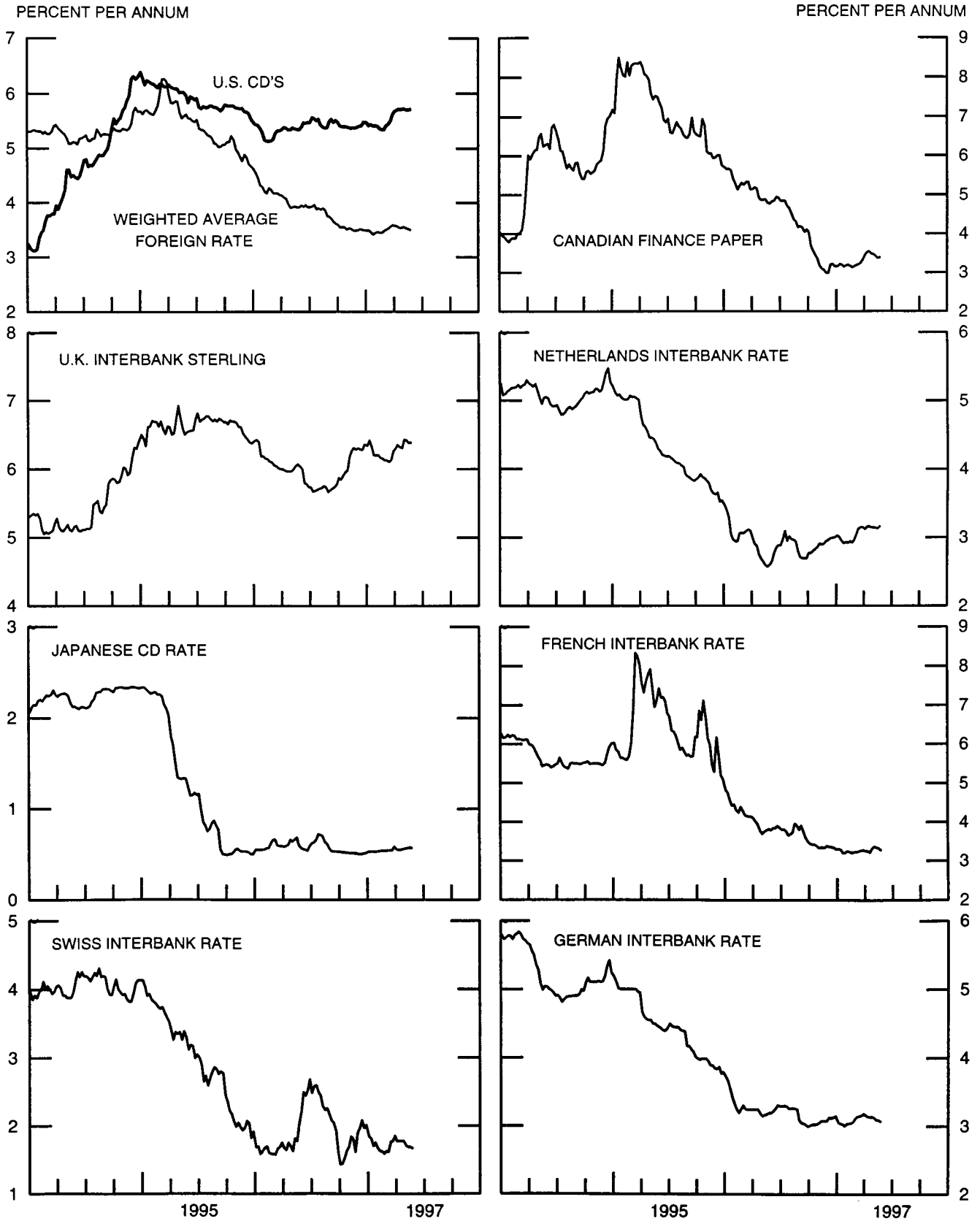


CHART 6

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

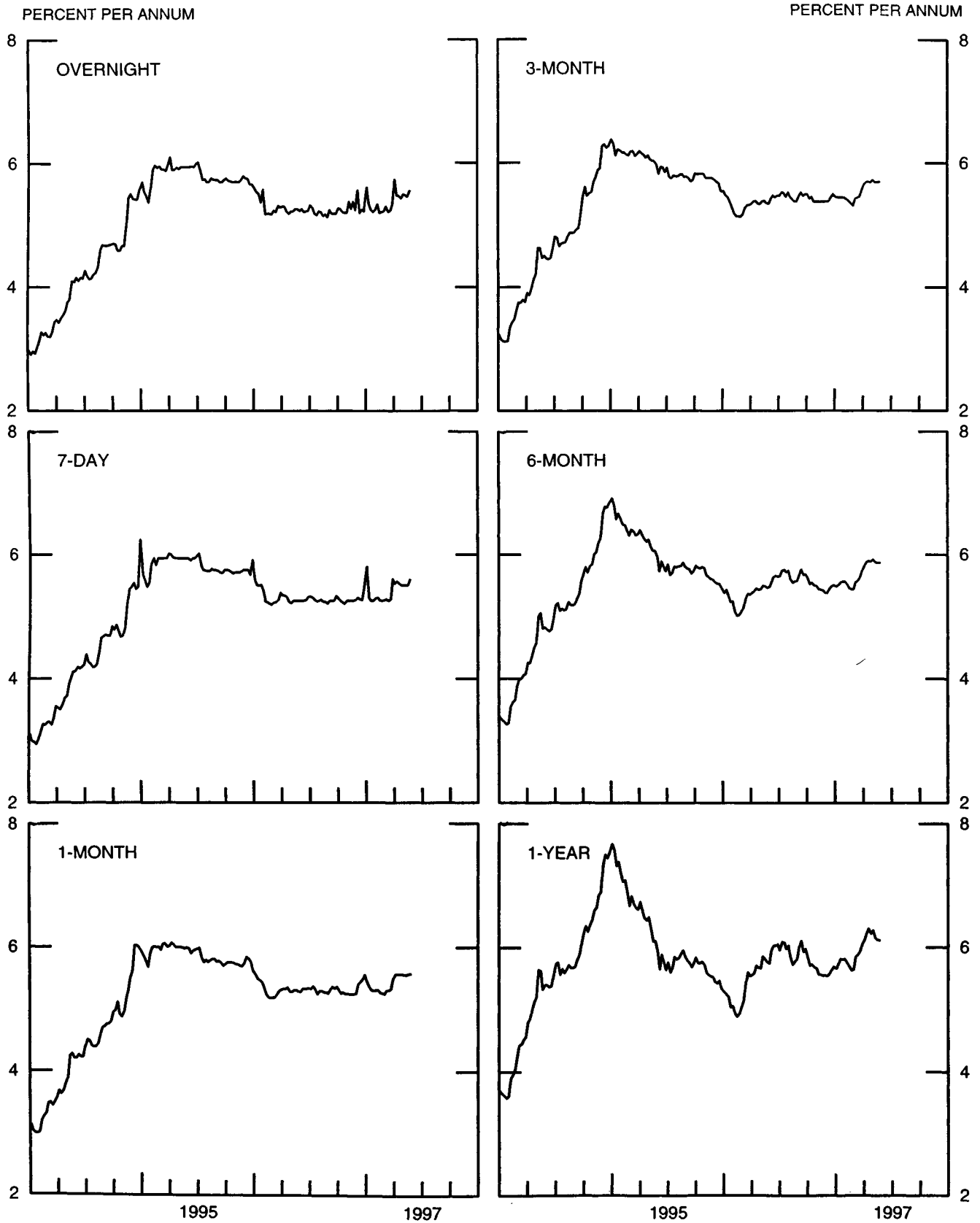


CHART 7

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

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

AVERAGES FOR WEEK ENDING WEDNESDAY

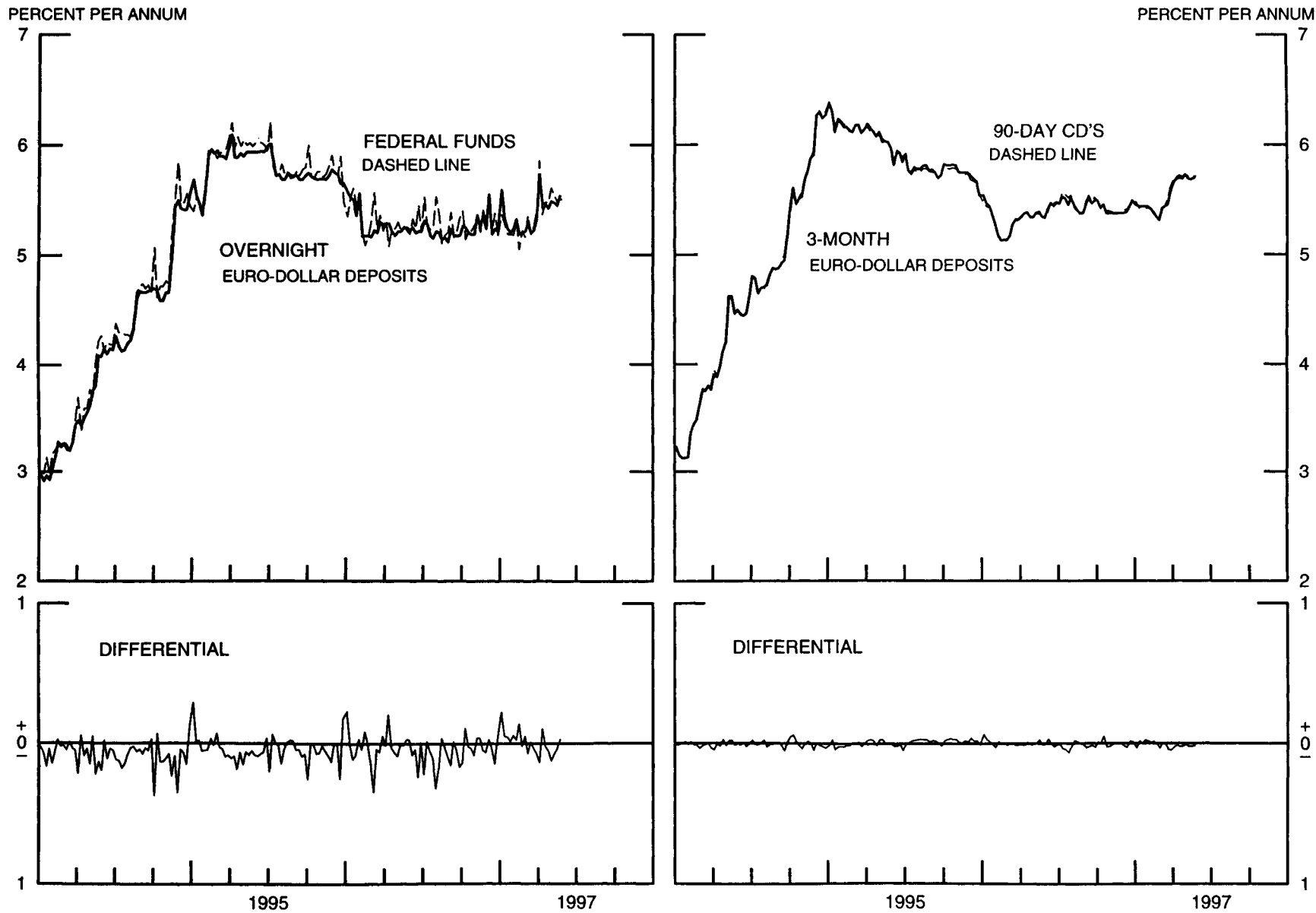


CHART 8

INTEREST ARBITRAGE: 3-MONTH FUNDS

DIFFERENTIAL: PLUS(+), INDICATES FAVOR DOLLAR ASSETS
AVERAGES FOR WEEK ENDING WEDNESDAY

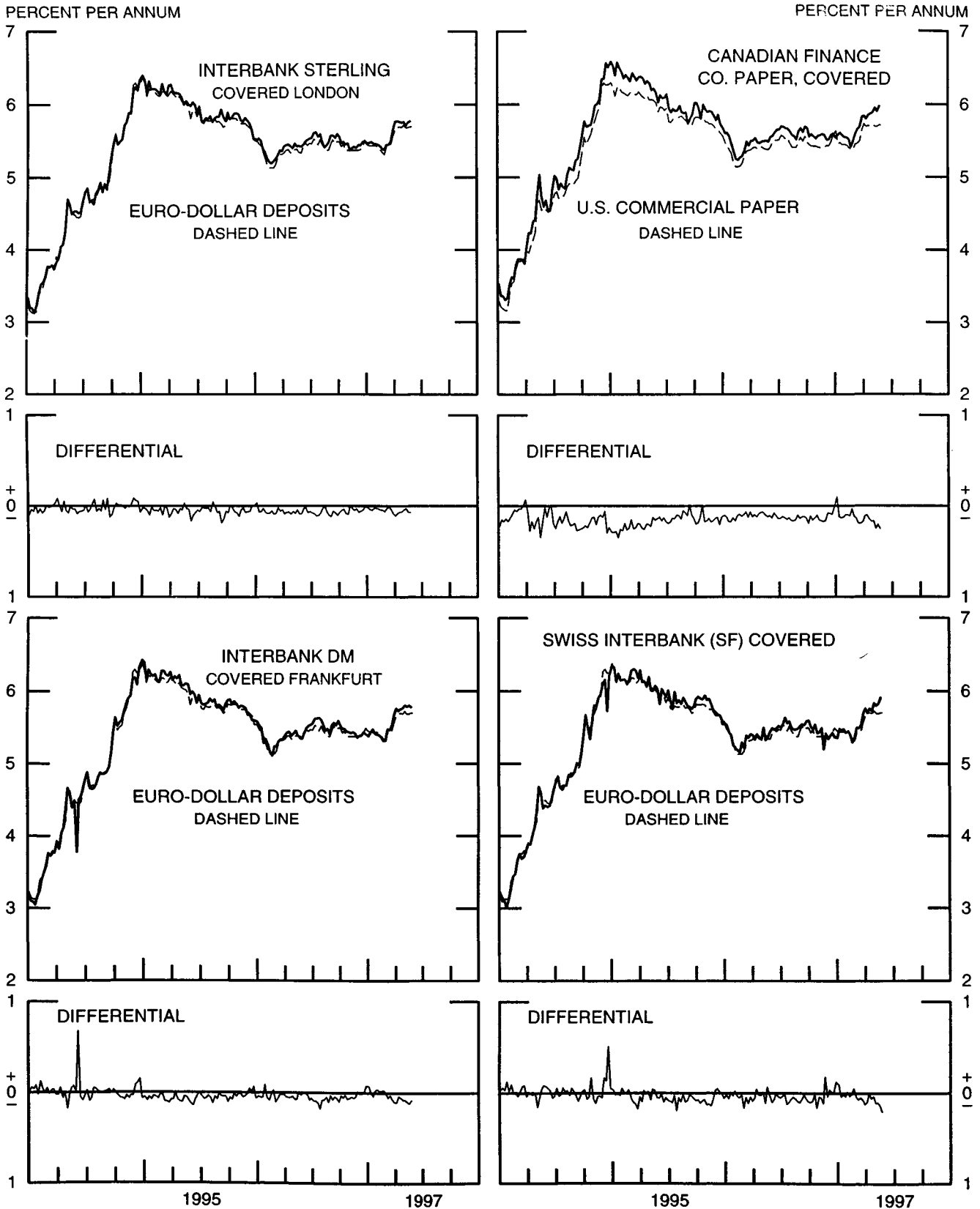


CHART 9

LONG-TERM GOVERNMENT BOND YIELDS
WEEKLY SERIES

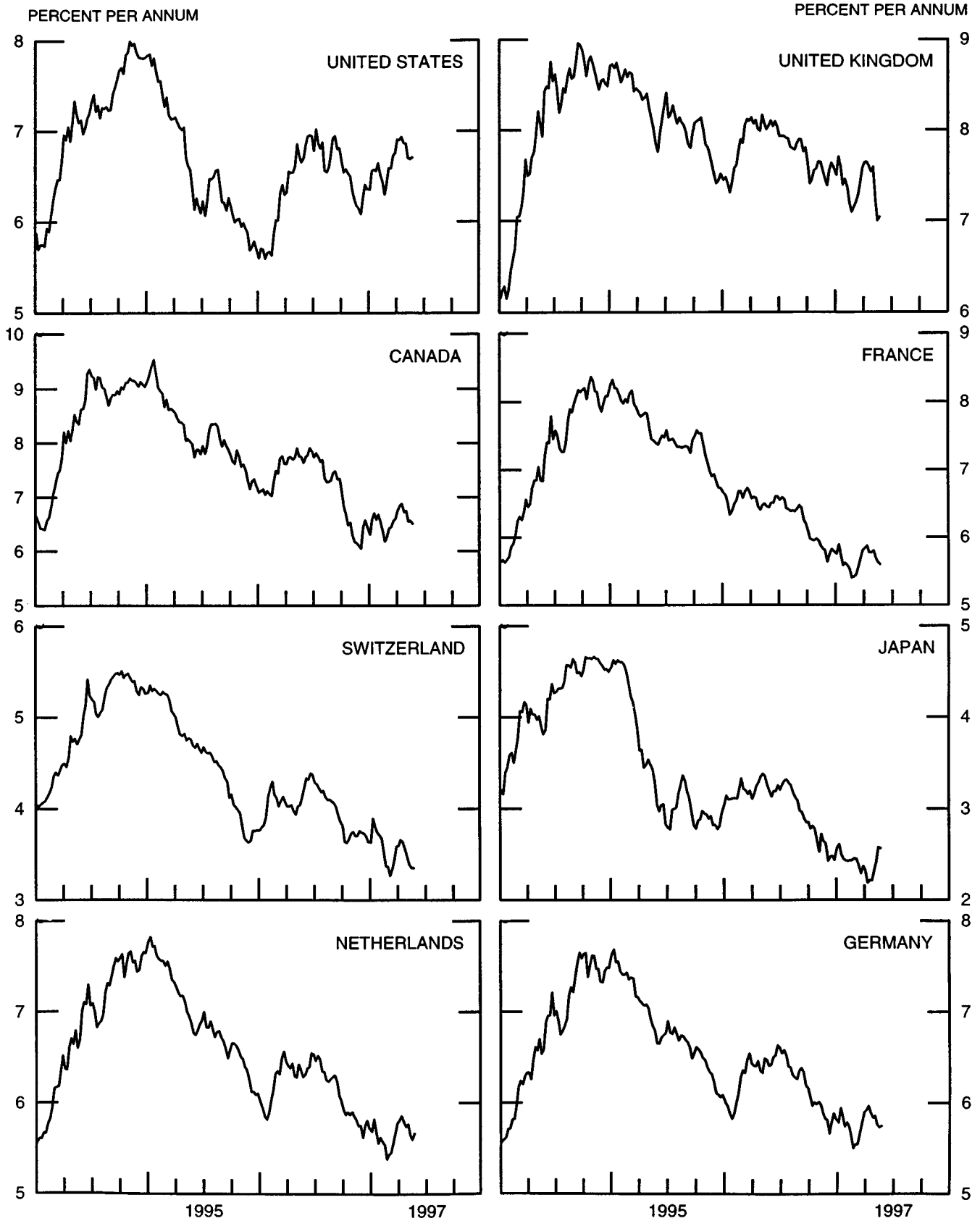
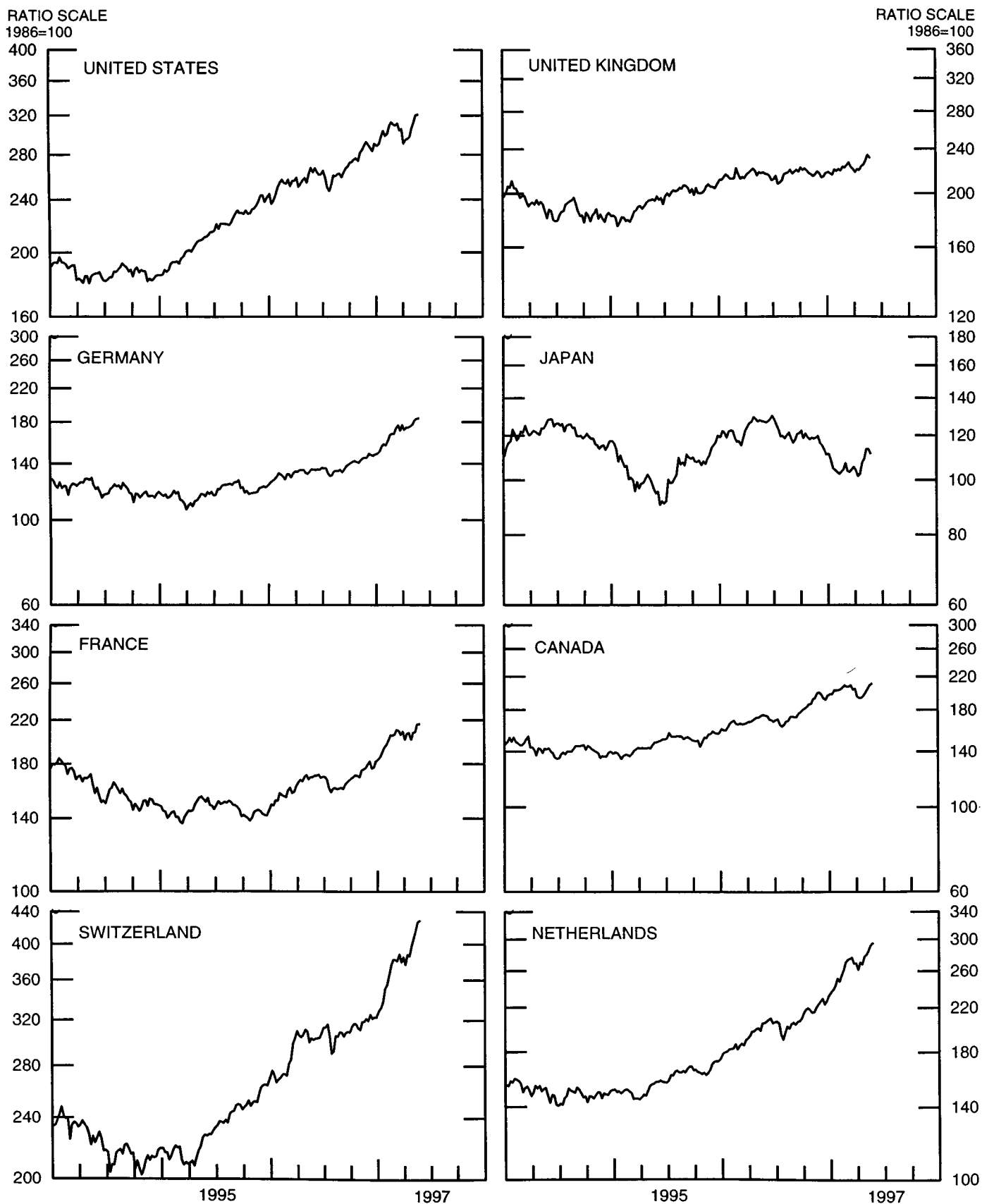


CHART 10
STOCK INDICES
WEEKLY SERIES



23-Apr-97 30-Apr-97 7-May-97 14-May-97 21-May-97

Chart 1. Spot Exchange Rates and Indices

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

	23-Apr-97	30-Apr-97	7-May-97	14-May-97	21-May-97
Belgian franc	2.8322	2.8081	2.8068	2.8485	2.8466
Canadian dollar	71.573	71.553	72.340	72.044	72.861
French franc	17.326	17.180	17.168	17.442	17.451
German mark	58.462	57.930	57.914	58.789	58.769
Italian lira	0.05889	0.05836	0.05853	0.05936	0.05976
Japanese yen	0.79426	0.79032	0.79199	0.83481	0.86662
Netherlands guilder	51.974	51.492	51.497	52.269	52.266
Swiss franc	68.636	68.101	68.064	69.585	70.310
U.K. pound	163.23	162.42	162.56	162.62	163.95

Indices, March 1973 base rates = 100

	23-Apr-97	30-Apr-97	7-May-97	14-May-97	21-May-97
Belgian franc	111.60	110.65	110.60	112.25	112.17
Canadian dollar	71.34	71.32	72.10	71.80	72.62
French franc	73.07	73.42	73.36	78.60	78.64
German mark	164.46	162.96	162.92	165.38	165.32
Italian lira	33.80	33.50	33.60	34.07	34.30
Japanese yen	207.96	206.93	207.37	218.58	226.91
Netherlands guilder	149.21	147.82	147.84	150.05	150.05
Swiss franc	220.81	219.09	218.97	223.86	226.20
U.K. pound	66.02	65.69	65.75	65.77	66.31

Weighted average exchange value indices, March 1973=100

	23-Apr-97	30-Apr-97	7-May-97	14-May-97	21-May-97
Belgian franc	108.94	108.62	108.47	108.61	107.79
Canadian dollar	67.36	67.76	68.50	67.21	67.55
French franc	73.48	73.26	73.13	73.32	72.83
German mark	175.15	174.46	174.21	174.52	173.09
Italian lira	29.82	29.72	29.79	29.80	29.81
Japanese yen	219.80	220.00	220.30	230.17	238.27
Netherlands guilder	148.75	148.19	148.06	148.27	147.23
Swedish krona	55.03	54.48	53.99	54.50	54.49
Swiss franc	219.29	218.83	218.50	220.44	221.32
U.K. pound	61.25	61.31	61.30	60.42	60.53
U.S. dollar	96.39	97.11	96.99	95.34	94.56

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

	23-Apr-97	30-Apr-97	7-May-97	14-May-97	21-May-97
Canadian dollar	2.38	2.40	2.51	2.51	2.57
French franc	2.36	2.38	2.39	2.44	2.46
German mark	2.60	2.66	2.67	2.68	2.68
Italian lira	-1.09	-1.15	-1.08	-1.05	-0.89
Japanese yen	5.38	5.44	5.45	5.43	5.45
Netherlands guilder	2.63	2.67	2.66	2.68	2.67
Swiss franc	3.93	4.10	4.09	4.12	4.21
U.K. pound	-0.55	-0.66	-0.69	-0.62	-0.61

Chart 3. Gold Price in London, Afternoon Fixing

	23-Apr-97	30-Apr-97	7-May-97	14-May-97	21-May-97
U.S. dollars per fine ounce	341.47	340.55	340.61	347.16	342.13

Chart 4. Call Money Rates

	23-Apr-97	30-Apr-97	7-May-97	14-May-97	21-May-97
U.S. federal funds	5.48	5.61	5.55	5.49	5.51
Overnight Euro-dollar deposits	5.43	5.49	5.48	5.45	5.54
Canada	3.00	3.00	2.97	2.96	2.96
France	3.13	3.13	3.13	3.13	3.13
Germany	3.00	2.99	3.02	3.01	3.00
Japan	0.49	0.50	0.49	0.48	0.47
Netherlands	2.83	2.88	3.16	3.17	2.83
Switzerland	1.18	1.55	1.48	1.61	1.59
United Kingdom	5.89	5.94	5.86	6.15	6.11

23-Apr-97 30-Apr-97 7-May-97 14-May-97 21-May-97

Chart 5. 3-Month Interest Rates

U.S. 90-day CD's, secondary market	5.71	5.73	5.71	5.71	5.71
Canadian finance paper	3.47	3.46	3.42	3.37	3.38
French interbank rate	3.33	3.36	3.35	3.32	3.28
German interbank rate	3.15	3.13	3.09	3.10	3.08
Japanese CD rate	0.55	0.56	0.57	0.57	0.57
Netherlands interbank rate	3.15	3.14	3.14	3.13	3.16
Swiss interbank rate	1.78	1.71	1.69	1.69	1.67
U.K. interbank sterling	6.31	6.43	6.42	6.39	6.39
Weighted average foreign interest rate (G-10 Countries)	3.54	3.56	3.54	3.52	3.51

Chart 6. Euro-Dollar Deposit Rates

Overnight	5.43	5.49	5.48	5.45	5.54
7-day	5.50	5.50	5.50	5.50	5.59
1-month	5.56	5.56	5.55	5.56	5.57
3-month	5.69	5.72	5.69	5.68	5.70
6-month	5.88	5.92	5.88	5.87	5.87
1-year	6.23	6.29	6.16	6.13	6.13

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

Overnight Euro-dollar deposits	5.43	5.49	5.48	5.45	5.54
U.S. federal funds	5.48	5.61	5.55	5.49	5.51
Differential	-0.05	-0.12	-0.07	-0.04	0.03
3-month Euro-dollar deposit	5.69	5.72	5.69	5.68	5.70
U.S. 90-day CD's, secondary market	5.71	5.73	5.71	5.71	5.71
Differential	-0.02	-0.01	-0.02	-0.02	-0.02

Chart 8. Interest Arbitrage, 3-Month Funds

Euro-dollar deposit	5.69	5.72	5.69	5.68	5.70
Interbank sterling (London), covered	5.75	5.77	5.72	5.75	5.77
Differential	-0.07	-0.04	-0.03	-0.07	-0.07
U.S. commercial paper	5.70	5.72	5.70	5.69	5.72
Canadian finance paper, covered	5.87	5.89	5.95	5.90	5.97
Differential	-0.17	-0.17	-0.25	-0.21	-0.25
Euro-dollar deposit	5.69	5.72	5.69	5.68	5.70
Interbank DM (Frankfurt), covered	5.77	5.80	5.79	5.80	5.78
Differential	-0.08	-0.08	-0.10	-0.12	-0.09
Euro-dollar deposit	5.69	5.72	5.69	5.68	5.70
Swiss interbank, covered	5.72	5.83	5.79	5.82	5.90
Differential	-0.04	-0.11	-0.10	-0.14	-0.20

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

Canada	6.72	6.75	6.55	6.56	6.51
France	5.77	5.80	5.69	5.63	5.60
Germany	5.84	5.86	5.76	5.74	5.75
Japan	2.21	2.32	2.42	2.58	2.56
Switzerland	3.55	3.47	3.39	3.35	3.35
Netherlands	5.74	5.77	5.65	5.60	5.67
United Kingdom	7.53	7.59	7.23	7.00	7.03
United States	6.86	6.86	6.69	6.69	6.70

Chart 10. Stock Indices (Wednesday figures)

Canada	195.75	199.17	204.00	208.22	210.18
France	201.27	207.81	208.12	215.66	215.98
Germany	175.18	176.58	181.42	183.16	183.72
Japan	107.43	108.98	113.46	113.60	111.61
Netherlands	278.29	280.02	285.71	292.55	295.04
Switzerland	398.56	407.04	416.08	426.89	428.47
United Kingdom	223.61	224.87	228.71	234.09	231.80
United States	297.52	306.51	312.39	320.22	320.67

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