

(516/517)

Selected Interest & Exchange Rates

Weekly Series of Charts

August 4, 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

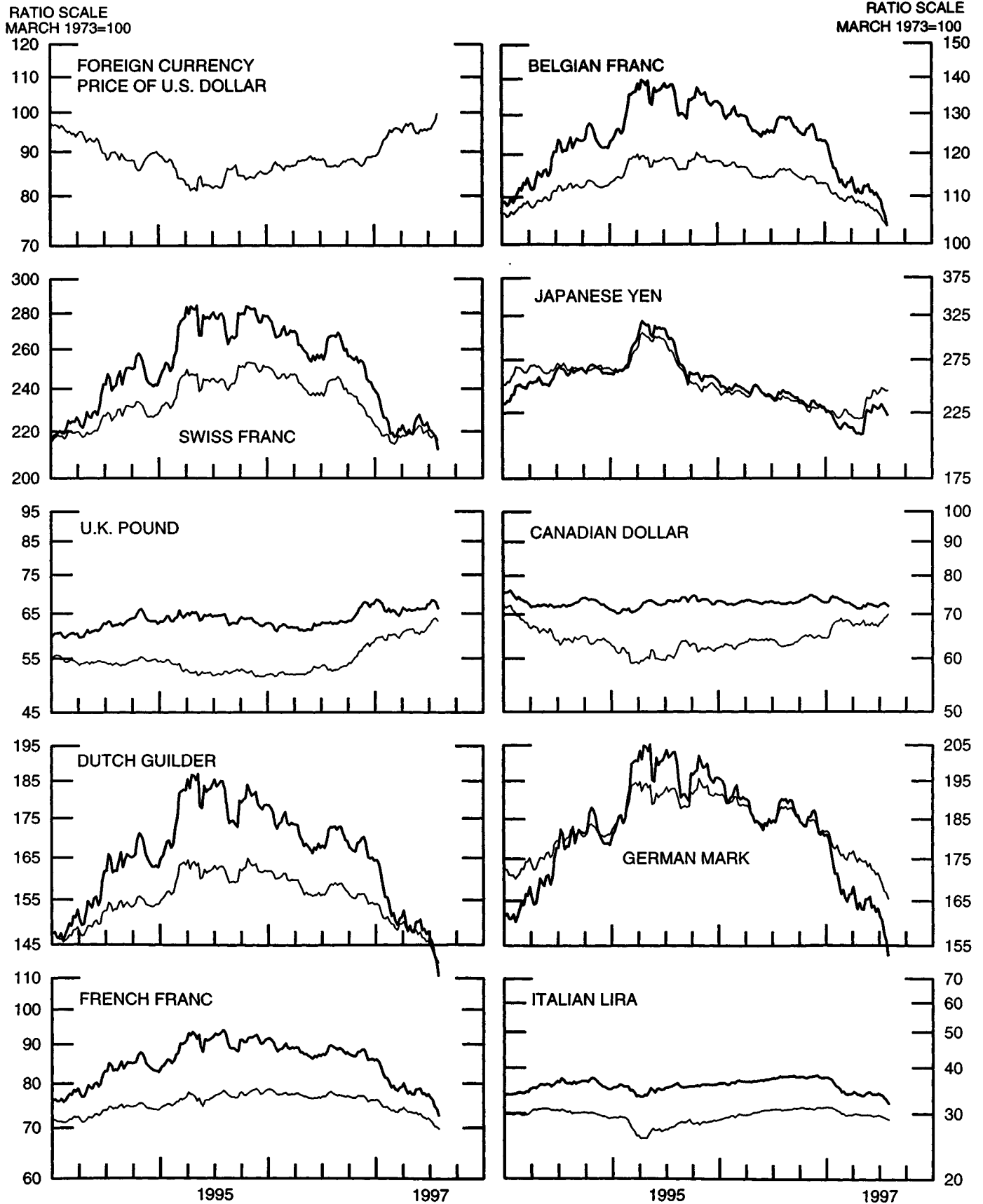


CHART 2

3-MONTH FORWARD EXCHANGE RATES

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

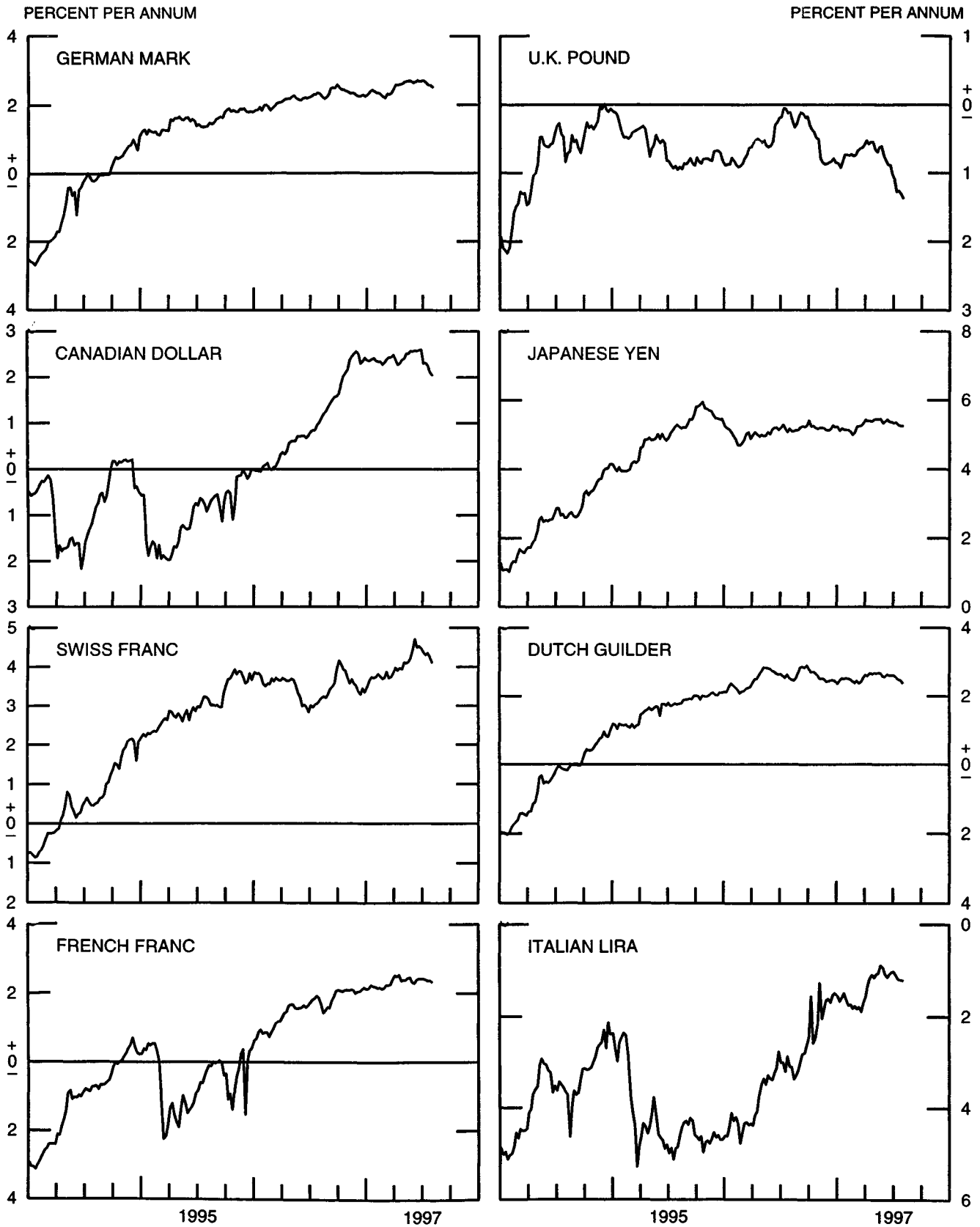


CHART 3

PRICE OF GOLD IN LONDON
AVERAGES FOR WEEK ENDING WEDNESDAY

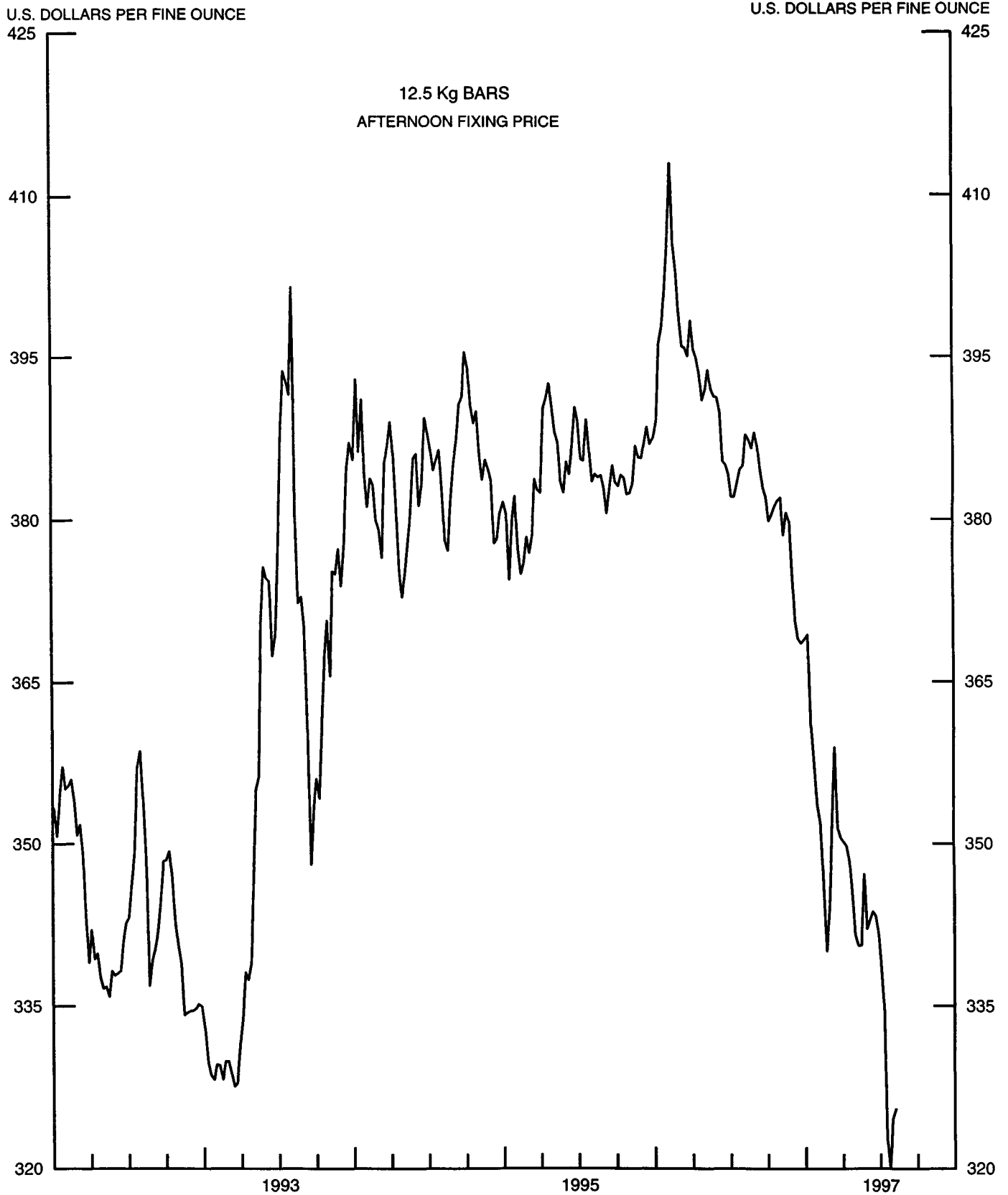


CHART 4

CALL MONEY RATES WEEKLY SERIES

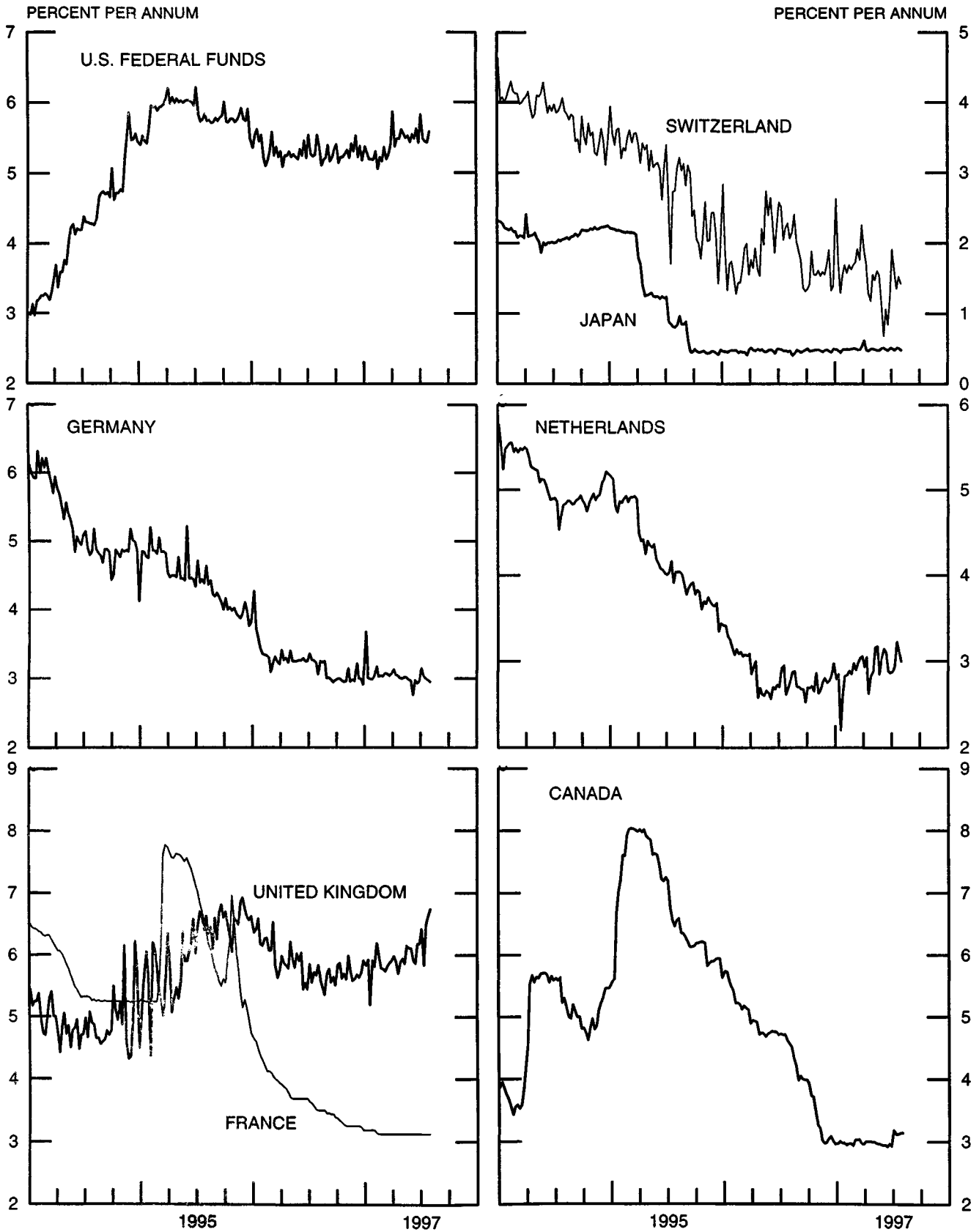


CHART 5
3-MONTH INTEREST RATES
 WEEKLY SERIES

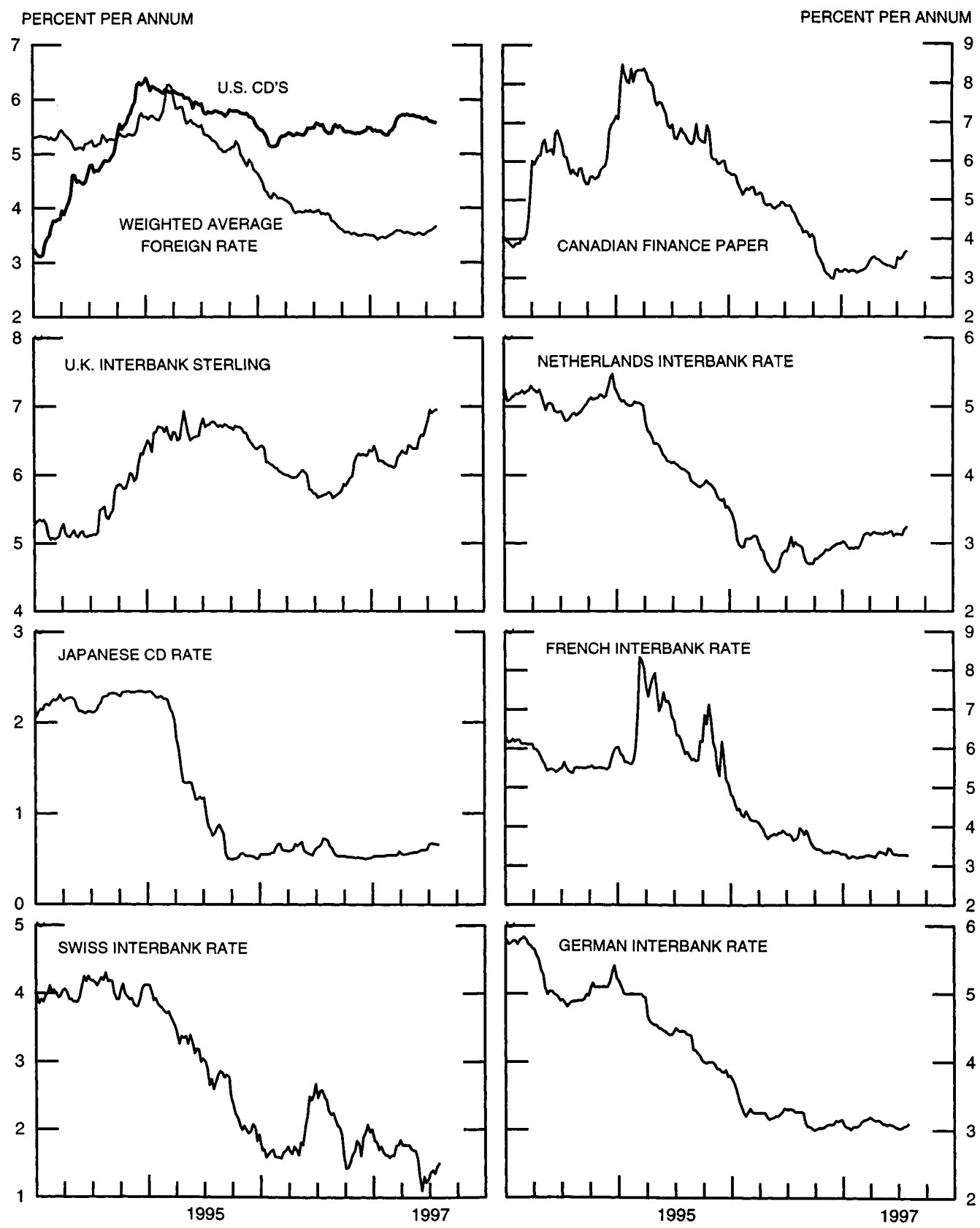


CHART 6

EURO-DOLLAR DEPOSIT RATES, LONDON

AVERAGES FOR WEEK ENDING WEDNESDAY

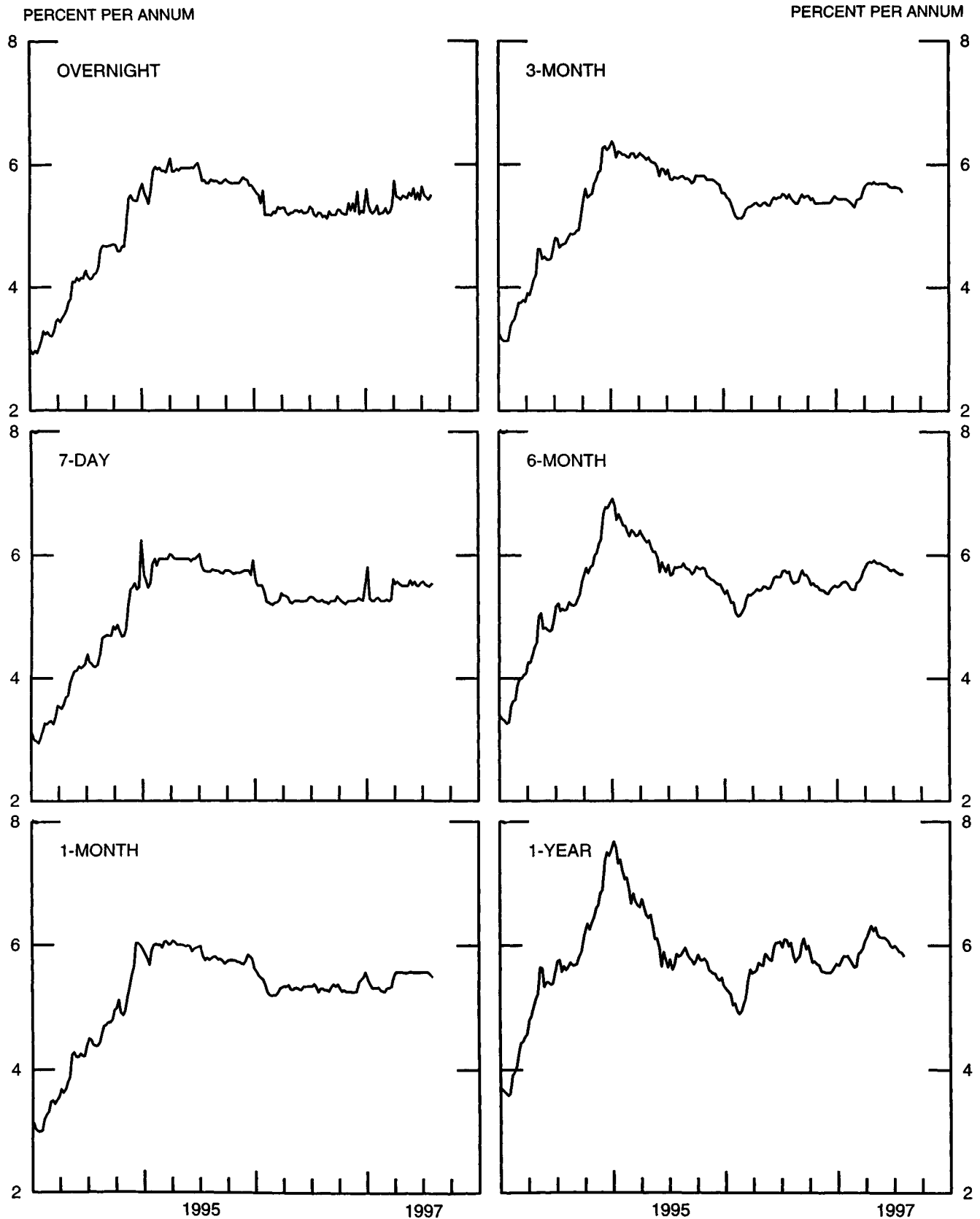


CHART 7

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

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

AVERAGES FOR WEEK ENDING WEDNESDAY

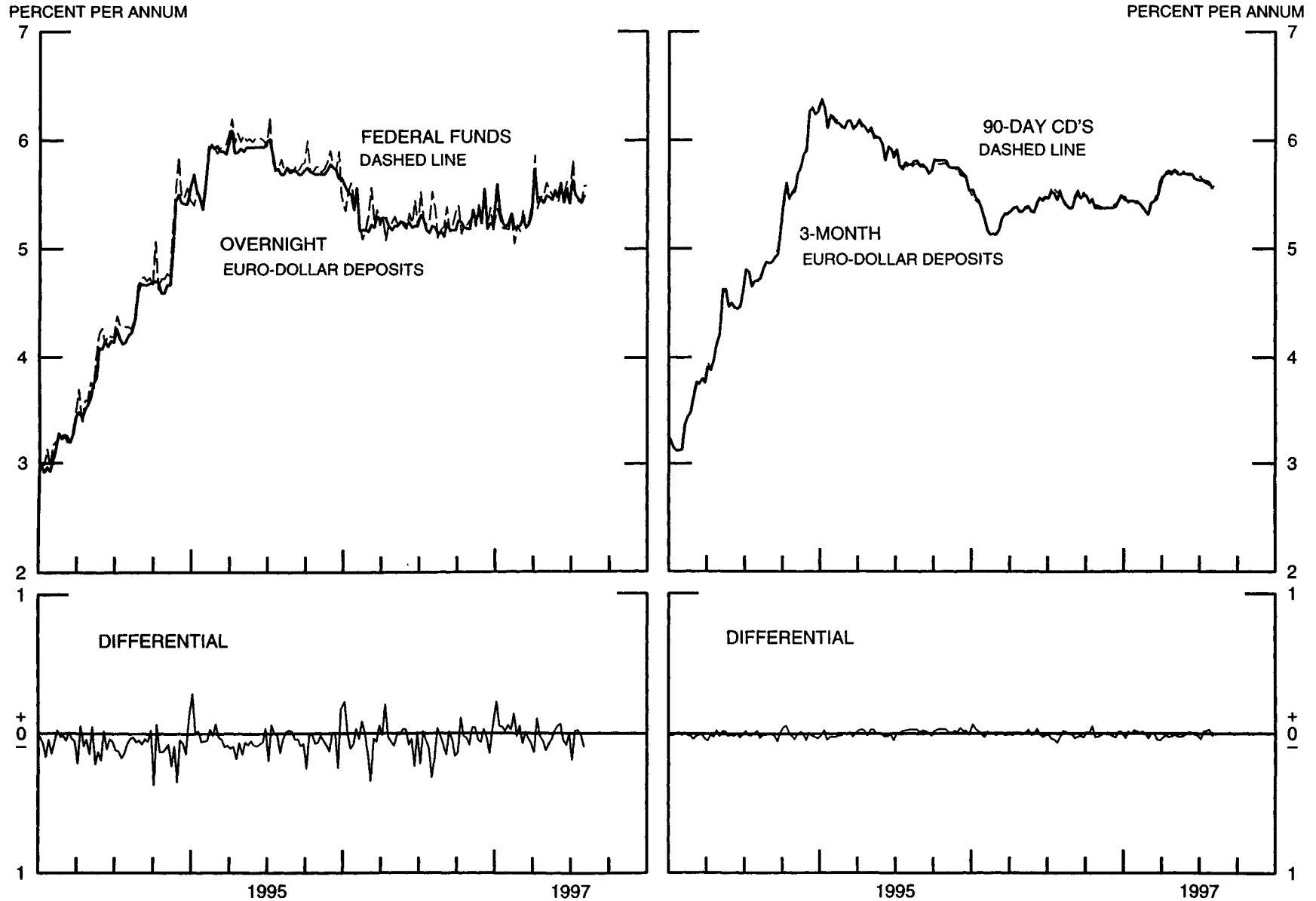


CHART 8

INTEREST ARBITRAGE: 3-MONTH FUNDS

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

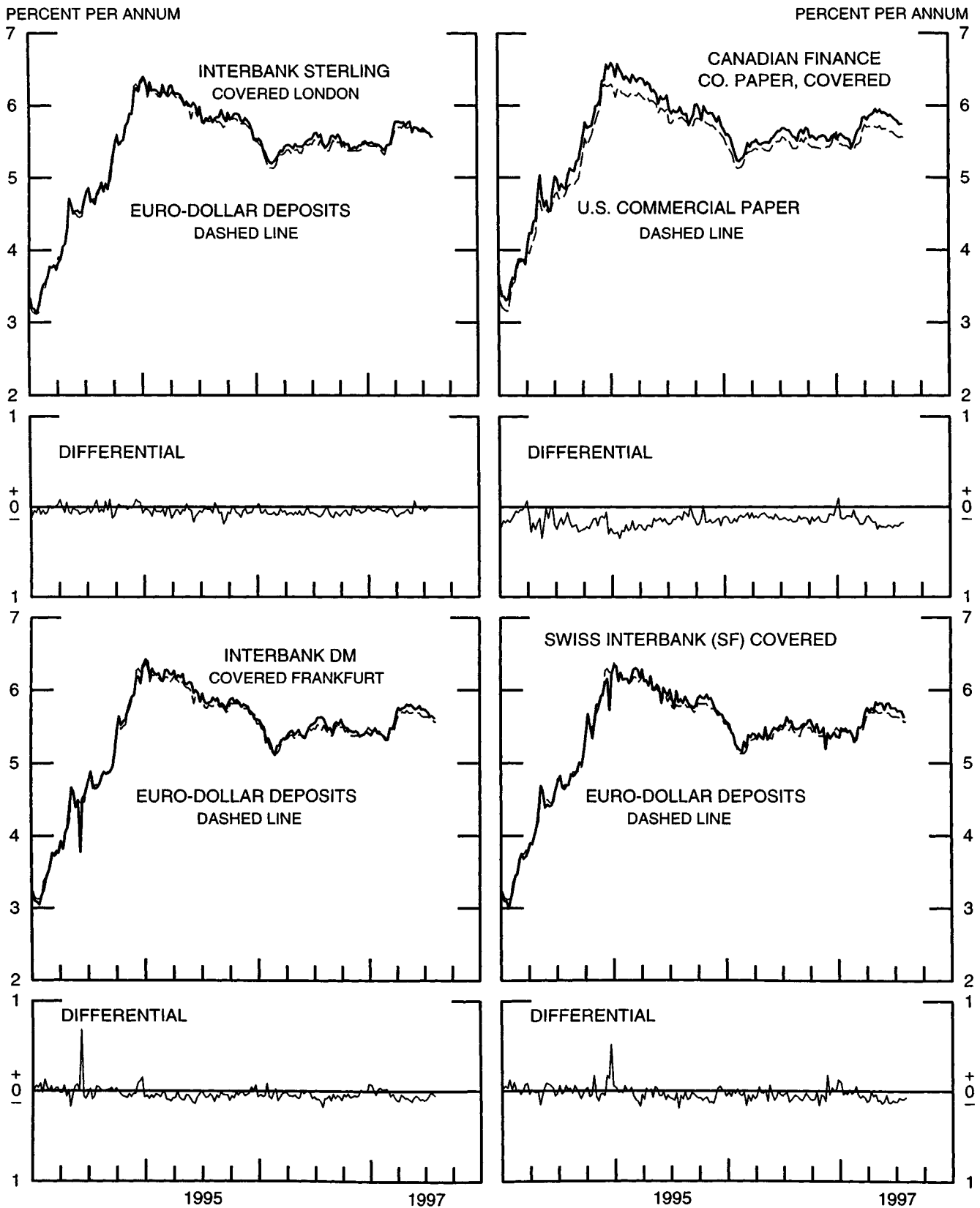


CHART 9

LONG-TERM GOVERNMENT BOND YIELDS

WEEKLY SERIES

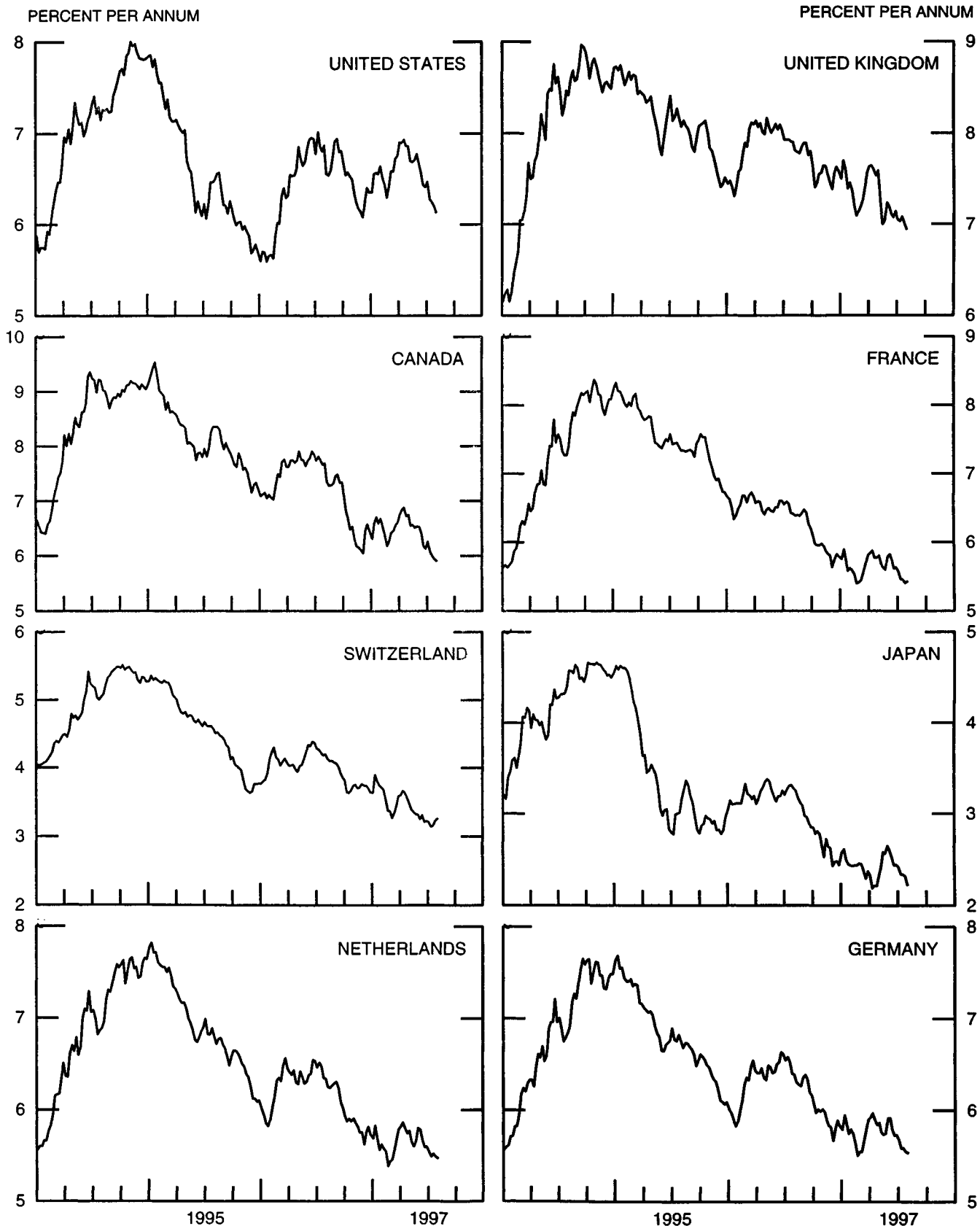
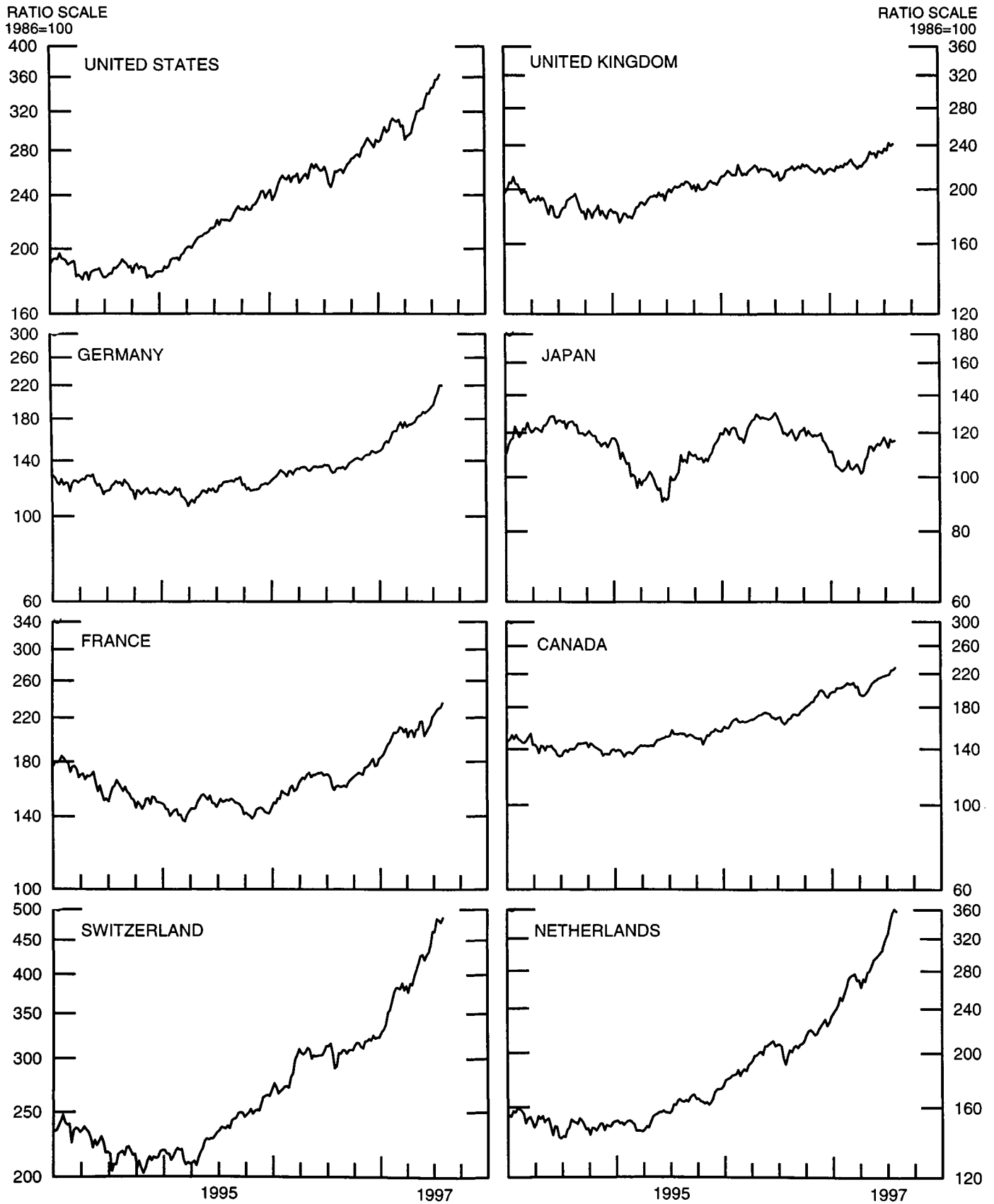


CHART 10

STOCK INDICES

WEEKLY SERIES



2-Jul-97 9-Jul-97 16-Jul-97 23-Jul-97 30-Jul-97

Chart 1. Spot Exchange Rates and Indices

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

| | 2-Jul-97 | 9-Jul-97 | 16-Jul-97 | 23-Jul-97 | 30-Jul-97 |
|---------------------|----------|----------|-----------|-----------|-----------|
| Belgian franc | 2.7823 | 2.7680 | 2.7154 | 2.6869 | 2.6319 |
| Canadian dollar | 72.438 | 72.730 | 72.951 | 72.618 | 72.207 |
| French franc | 17.037 | 16.918 | 16.592 | 16.451 | 16.130 |
| German mark | 57.418 | 57.049 | 56.048 | 55.515 | 54.353 |
| Italian lira | 0.05890 | 0.05857 | 0.05770 | 0.05706 | 0.05582 |
| Japanese yen | 0.87371 | 0.88628 | 0.87457 | 0.86339 | 0.85126 |
| Netherlands guilder | 50.998 | 50.685 | 49.792 | 49.308 | 48.263 |
| Swiss franc | 68.624 | 68.425 | 68.031 | 67.600 | 65.997 |
| U.K. pound | 166.39 | 168.70 | 168.53 | 167.66 | 163.88 |

Indices, March 1973 base rates = 100

| | 2-Jul-97 | 9-Jul-97 | 16-Jul-97 | 23-Jul-97 | 30-Jul-97 |
|---------------------|----------|----------|-----------|-----------|-----------|
| Belgian franc | 109.64 | 109.07 | 107.00 | 105.88 | 103.71 |
| Canadian dollar | 72.20 | 72.49 | 72.71 | 72.38 | 71.97 |
| French franc | 76.77 | 76.24 | 74.77 | 74.13 | 72.69 |
| German mark | 161.52 | 160.48 | 157.67 | 156.17 | 152.90 |
| Italian lira | 33.81 | 33.62 | 33.12 | 32.75 | 32.04 |
| Japanese yen | 228.77 | 232.06 | 228.99 | 226.06 | 222.89 |
| Netherlands guilder | 146.41 | 145.51 | 142.94 | 141.55 | 138.55 |
| Swiss franc | 220.77 | 220.13 | 218.87 | 217.48 | 212.32 |
| U.K. pound | 67.30 | 68.23 | 68.17 | 67.81 | 66.28 |

Weighted average exchange value indices, March 1973=100

| | 2-Jul-97 | 9-Jul-97 | 16-Jul-97 | 23-Jul-97 | 30-Jul-97 |
|---------------------|----------|----------|-----------|-----------|-----------|
| Belgian franc | 106.27 | 105.67 | 104.63 | 104.22 | 103.57 |
| Canadian dollar | 67.81 | 68.09 | 69.04 | 69.20 | 69.89 |
| French franc | 71.65 | 71.08 | 70.32 | 70.18 | 69.80 |
| German mark | 170.24 | 168.89 | 167.30 | 166.74 | 165.49 |
| Italian lira | 29.65 | 29.46 | 29.29 | 29.16 | 28.94 |
| Japanese yen | 242.99 | 246.85 | 245.89 | 244.21 | 244.39 |
| Netherlands guilder | 144.86 | 143.88 | 142.66 | 142.20 | 141.20 |
| Swedish krona | 54.20 | 54.19 | 54.29 | 54.72 | 54.51 |
| Swiss franc | 217.95 | 217.25 | 218.16 | 218.25 | 216.20 |
| U.K. pound | 62.16 | 63.10 | 63.72 | 63.83 | 63.27 |
| U.S. dollar | 95.69 | 95.66 | 96.86 | 97.70 | 99.56 |

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

| | 2-Jul-97 | 9-Jul-97 | 16-Jul-97 | 23-Jul-97 | 30-Jul-97 |
|---------------------|----------|----------|-----------|-----------|-----------|
| Canadian dollar | 2.30 | 2.31 | 2.25 | 2.11 | 2.05 |
| French franc | 2.43 | 2.40 | 2.36 | 2.37 | 2.34 |
| German mark | 2.69 | 2.64 | 2.57 | 2.56 | 2.51 |
| Italian lira | -1.02 | -1.11 | -1.19 | -1.20 | -1.21 |
| Japanese yen | 5.33 | 5.35 | 5.27 | 5.26 | 5.25 |
| Netherlands guilder | 2.61 | 2.56 | 2.49 | 2.47 | 2.39 |
| Swiss franc | 4.38 | 4.30 | 4.35 | 4.24 | 4.12 |
| U.K. pound | -1.09 | -1.28 | -1.26 | -1.30 | -1.36 |

Chart 3. Gold Price in London, Afternoon Fixing

| | 2-Jul-97 | 9-Jul-97 | 16-Jul-97 | 23-Jul-97 | 30-Jul-97 |
|-----------------------------|----------|----------|-----------|-----------|-----------|
| U.S. dollars per fine ounce | 334.78 | 322.62 | 320.05 | 324.59 | 325.45 |

Chart 4. Call Money Rates

| | 2-Jul-97 | 9-Jul-97 | 16-Jul-97 | 23-Jul-97 | 30-Jul-97 |
|--------------------------------|----------|----------|-----------|-----------|-----------|
| U.S. federal funds | 5.82 | 5.48 | 5.44 | 5.43 | 5.58 |
| Overnight Euro-dollar deposits | 5.63 | 5.50 | 5.46 | 5.43 | 5.49 |
| Canada | 3.18 | 3.12 | 3.12 | 3.14 | 3.14 |
| France | 3.13 | 3.13 | 3.13 | 3.13 | 3.13 |
| Germany | 3.14 | 3.03 | 3.00 | 2.97 | 2.95 |
| Japan | 0.51 | 0.47 | 0.51 | 0.51 | 0.48 |
| Netherlands | 2.88 | 2.94 | 3.22 | 3.11 | 3.00 |
| Switzerland | 1.91 | 1.59 | 1.35 | 1.53 | 1.43 |
| United Kingdom | 6.41 | 5.84 | 6.49 | 6.63 | 6.74 |

2-Jul-97 9-Jul-97 16-Jul-97 23-Jul-97 30-Jul-97

Chart 5. 3-Month Interest Rates

| | | | | | |
|--|------|------|------|------|------|
| U.S. 90-day CD's, secondary market | 5.67 | 5.62 | 5.60 | 5.59 | 5.58 |
| Canadian finance paper | 3.52 | 3.47 | 3.51 | 3.61 | 3.67 |
| French interbank rate | 3.27 | 3.27 | 3.28 | 3.27 | 3.27 |
| German interbank rate | 3.02 | 3.03 | 3.05 | 3.06 | 3.09 |
| Japanese CD rate | 0.66 | 0.67 | 0.66 | 0.66 | 0.66 |
| Netherlands interbank rate | 3.13 | 3.13 | 3.12 | 3.20 | 3.24 |
| Swiss interbank rate | 1.36 | 1.40 | 1.35 | 1.45 | 1.50 |
| U.K. interbank sterling | 6.79 | 6.95 | 6.91 | 6.94 | 6.95 |
| Weighted average foreign interest rate (G-10 Countries) | 3.56 | 3.58 | 3.60 | 3.62 | 3.66 |

Chart 6. Euro-Dollar Deposit Rates

| | | | | | |
|-----------|------|------|------|------|------|
| Overnight | 5.63 | 5.50 | 5.46 | 5.43 | 5.49 |
| 7-day | 5.57 | 5.52 | 5.50 | 5.48 | 5.53 |
| 1-month | 5.56 | 5.56 | 5.56 | 5.54 | 5.50 |
| 3-month | 5.63 | 5.63 | 5.63 | 5.62 | 5.56 |
| 6-month | 5.77 | 5.73 | 5.71 | 5.69 | 5.69 |
| 1-year | 5.99 | 5.95 | 5.89 | 5.89 | 5.84 |

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

| | | | | | |
|------------------------------------|-------|------|------|-------|-------|
| Overnight Euro-dollar deposits | 5.63 | 5.50 | 5.46 | 5.43 | 5.49 |
| U.S. federal funds | 5.82 | 5.48 | 5.44 | 5.43 | 5.58 |
| Differential | -0.19 | 0.02 | 0.02 | -0.00 | -0.09 |
| 3-month Euro-dollar deposit | 5.63 | 5.63 | 5.63 | 5.62 | 5.56 |
| U.S. 90-day CD's, secondary market | 5.67 | 5.62 | 5.60 | 5.59 | 5.58 |
| Differential | -0.04 | 0.02 | 0.02 | 0.03 | -0.01 |

Chart 8. Interest Arbitrage, 3-Month Funds

| | | | | | |
|--------------------------------------|-------|-------|-------|-------|-------|
| Euro-dollar deposit | 5.63 | 5.63 | 5.63 | 5.62 | 5.56 |
| Interbank sterling (London), covered | 5.68 | 5.65 | 5.62 | 5.61 | 5.57 |
| Differential | -0.05 | -0.02 | 0.00 | 0.00 | -0.00 |
| U.S. commercial paper | 5.63 | 5.59 | 5.57 | 5.55 | 5.56 |
| Canadian finance paper, covered | 5.84 | 5.80 | 5.78 | 5.73 | 5.74 |
| Differential | -0.21 | -0.21 | -0.21 | -0.18 | -0.18 |
| Euro-dollar deposit | 5.63 | 5.63 | 5.63 | 5.62 | 5.56 |
| Interbank DM (Frankfurt), covered | 5.73 | 5.69 | 5.64 | 5.64 | 5.61 |
| Differential | -0.10 | -0.06 | -0.02 | -0.03 | -0.05 |
| Euro-dollar deposit | 5.63 | 5.63 | 5.63 | 5.62 | 5.56 |
| Swiss interbank, covered | 5.76 | 5.71 | 5.72 | 5.71 | 5.63 |
| Differential | -0.12 | -0.08 | -0.09 | -0.09 | -0.07 |

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

| | | | | | |
|----------------|------|------|------|------|------|
| Canada | 6.26 | 6.07 | 6.00 | 5.94 | 5.91 |
| France | 5.57 | 5.47 | 5.46 | 5.41 | 5.42 |
| Germany | 5.68 | 5.58 | 5.59 | 5.55 | 5.54 |
| Japan | 2.42 | 2.34 | 2.34 | 2.32 | 2.23 |
| Switzerland | 3.21 | 3.14 | 3.15 | 3.22 | 3.25 |
| Netherlands | 5.55 | 5.49 | 5.52 | 5.49 | 5.47 |
| United Kingdom | 7.05 | 7.03 | 7.08 | 7.01 | 6.95 |
| United States | 6.47 | 6.28 | 6.24 | 6.20 | 6.13 |

Chart 10. Stock Indices (Wednesday figures)

| | | | | | |
|----------------|--------|--------|--------|--------|--------|
| Canada | 218.24 | 219.10 | 224.77 | 225.45 | 228.29 |
| France | 222.91 | 226.67 | 229.19 | 229.63 | 234.64 |
| Germany | 195.48 | 204.60 | 210.09 | 219.61 | 219.84 |
| Japan | 115.79 | 113.01 | 116.82 | 115.66 | 116.22 |
| Netherlands | 326.86 | 343.83 | 355.00 | 361.07 | 357.71 |
| Switzerland | 463.64 | 484.73 | 482.30 | 477.97 | 486.02 |
| United Kingdom | 237.14 | 235.09 | 242.69 | 239.58 | 241.32 |
| United States | 346.77 | 347.74 | 356.72 | 356.91 | 362.84 |

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