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H. 14

October 13, 1954

CAPITAL MARKET DEVELOPMENTS

Security offerings - Large State and local government issues with proceeds of 108 million dollars and large corporate issues amounting to 37 million were publicly offered for new capital during the week ending October 8. This week, 22 million dollars of large State and local issues are scheduled to be floated; no large corporate offerings are listed.

Refunding programs - Large refunding issues of 7.5 million dollars or over which have been floated since October 1, 1954 or are scheduled for offering, are listed on pages 2 and 3. Of the total proceeds, 146 million dollars will be used to refund high-interest public utility offerings of last year.

Bond yields - Yields on high-grade municipal bonds increased one point during the week ending October 8. Corporate Baa and U. S. Government long-term bond yields remained unchanged. Corporate Aaa yields decreased one point.

New high in stock prices - The SEC index of 265 common stocks rose to a new high of 199.7 last week. Daily indexes indicated some decrease for the first two days of this week however.

Further details on capital market developments available from exhibits - More detailed information concerning recent capital market developments will be found in the following exhibits which are attached hereto:

- A - Bond Yields
- B - Stock Market
- C - Corporate and State and Local Government Security Offerings and Placements
- D - Large Public Security Issues for New Capital (other than U. S. Treasury)
- E - Forthcoming Large Public Security Offerings for New Capital (other than U. S. Treasury)
- F - Yields on New and Outstanding Public Utility Bonds, rated Aa and A

Corporate Refunding Issues, Offered or Proposed ^{1/}

Issuer	Type	Amt. (mill. doll.)	Term	Cou- pon rate	Date expected or offered	Current call price	
Con. Ed. of N. Y.	new	1st & ref mtg bds	1984		Indefinite 2/		
	to refund	1st mtg bds $\frac{3}{8}$	1963	3 1/2	August 1938	102.00	
	to refund	Gen mtg bds $\frac{3}{8}$	1967	3 1/2	July 1937	103.50	
Gulf State Utilities - new		1st mtg bds $\frac{4}{8}$	24.0		Indefinite 2/		
	to refund	1st mtg bds	10.0	1981	3 3/8	November 1951	105.05
	to refund	1st mtg bds	10.0	1983	3 3/8	November 1953	104.85
Gulf State Utilities - new		Pfd stock	16.0		Indefinite 2/		
	to refund	Pfd stock	5.0		September 1944		
	to refund	*Pfd stock	5.0		December 1947		
	to refund	*Pfd stock	6.0		October 1949		
Electric Auto-Lite -- new		*Notes $\frac{4}{8}$	35.0	$\frac{5}{8}$	3 1/4	Annncd. Oct. 5	
	to refund	*Prom note	20.3	$\frac{5}{8}$	2.6	Various	$\frac{5}{8}$
Wisconsin Power & Lt. - new		1st mtg bds $\frac{4}{8}$	18.0	1984	3 1/4	October 6	
	to refund	1st mtg bds	8.0	1983	4	September 1953	105.47
Metropolitan Edison - new		1st mtg bds $\frac{4}{8}$	15.0	1984	3 1/8	October 6	
	to refund	1st mtg bds	8.0	1983	3 7/8	May 1953	104.20
Wis. Public Service - new		1st mtg bds $\frac{4}{8}$	12.5	1984		October 11	
	to refund	1st mtg bds	8.0	1983	4 1/8	May 1953	105.01
New York Telephone - new		ref & mtg bds $\frac{4}{8}$	75.0	1989		October 19	
	to refund	ref & mtg bds	35.0	1984	3 7/8	June 1953	105.45
La. Power & Lt. new		1st mtg bds $\frac{4}{8}$	18.0	1984		October 20	
	to refund	1st mtg bds	12.0	1983	4	September 1953	100.74
Fla. Power & Lt. new		1st mtg bds $\frac{4}{8}$	25.0	1984		October 27	
	to refund	1st mtg bds	15.0	1983	3 7/8	April 1953	105.32
Puget Sound Pwr. & Lt. - new		*1st mtg bds $\frac{4}{8}$	25.0	1984	3 1/2	$\frac{6}{8}$	
	to refund	1st mtg bds	20.6	1972	4 1/4	April 1943	106.00
Chesapeake & Ohio new		bonds	40.0	n.a.		November 9	
	to refund	ref & imp bds	37.9	1973	3 7/8	November 1948	103 1/8
	to refund	1st gold $\frac{7}{8}$	2.4	1955	4	August 1875	$\frac{7}{8}$
Pacific Tel. & Tel. - new		Deb.	50.0	1989		November 16	
	to refund	Deb.	50.0	1984	4	September 1953	105.70

Corporate Refunding Issues, Offered or Proposed ^{1/} (Cont'd)

Issuer	Type	Amt. (mill. doll.)	Term	Cou- pon rate	Date expected or offered	Current call price
Kansas City Southern - new	1st mtg bds	50.0	1984		November	
	to refund	37.9	1975	4	October 1945	103.00
	to refund	13.2	1968	3 5/8	June 1948	102 3/8
Gulf, Mobile & Ohio - new	n.a.	25.0	n.a.		n.a.	
	to refund	8.4	1975	4	February 1939	103
	to refund	8.5	1969	3 3/4	September 1944	101 1/4
	to refund	6.2	1968	3 3/4	June 1948	102 3/4
	to refund	6.1	1983	5	July 1932	105
Illinois Central	new SF Deb	18.0	1979		December	
	to refund Pfd	18.6			Various	

1/ Includes issues of 7.5 million dollars and over since October 1, 1954.

2/ Issue was delayed indefinitely due to market conditions.

3/ Bonds of New York Steam and Westchester Lighting.

4/ Includes some funds for new capital.

5/ Proceeds from notes maturing 1955-1969 will be used to refund serial notes which have been privately placed at various times not subject to call.

6/ Private placement announced on September 28; to refund 4 1/4 first mortgage bonds on October 29, 1954.

7/ Bonds of Columbus and Toledo Railroad, not subject to call.

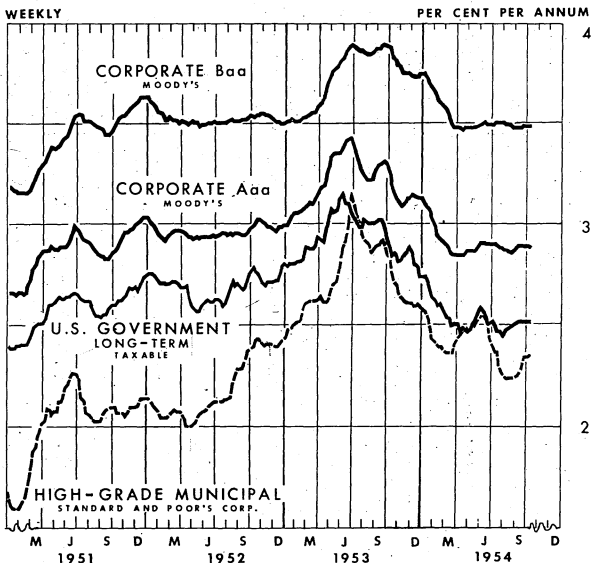
8/ Bonds of New Orleans Great Northern Railway Company.

*--Private placement.

n.a.--Not available.

EXHIBIT A

BOND YIELDS



Date	Corporate ^{1/}		U. S. Govt. long-term ^{2/}	Spread between Corporate Aaa and U. S. Govt.	High- grade Mun. ^{3/}
	Aaa	Baa			
(Per cent per annum)					
1951 - High	3.03	3.63	2.74	.36	2.26
1951 - Low	2.65	3.16	2.38	.25	1.59
1952 - High	3.03	3.63	2.79	.37	2.43
1952 - Low	2.91	3.48	2.56	.19	2.00
1953 - High	3.42	3.89	3.15	.38	3.14
1953 - Low	2.99	3.50	2.74	.19	2.43
1954 - High	3.09	3.74	2.74	.43	2.56
1954 - Low	2.85	3.46	2.44	.33	2.23
September 10	2.89	3.47	2.51	.38	2.26
September 17	2.89	3.47	2.51	.38	2.31
September 24	2.89	3.48	2.51	.38	2.33
October 1	2.89	3.48	2.51	.38	2.33
October 8	2.88	3.48	2.51	.37	2.34

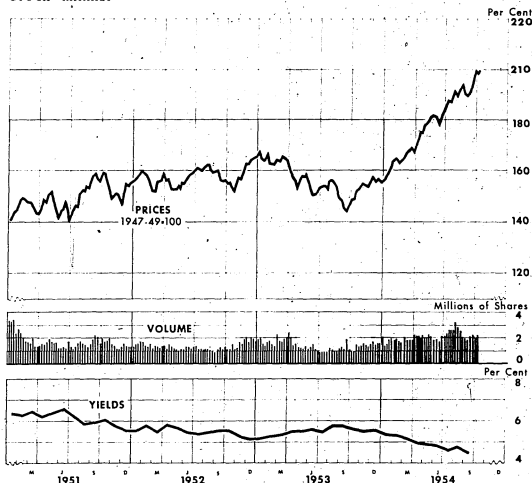
^{1/} Moody's Investors Service; weekly average of daily figures.

^{2/} Federal Reserve; weekly average of daily figures.

^{3/} Standard and Poor's Corporation; Wednesday figure.

Note.--Highs and lows are for individual series and may be on different dates for different series.

STOCK MARKET



Date	Stock price index 1/ (1947-49=100)	Trading volume 2/ (millions of shares)	Common stock yields 3/ (per cent per annum)	Customers' debit balances 4/ (millions of dollars)	Bank loans to "others" for purchase of securities 5/ (millions of dollars)
1951 - High	158.6	3.4	6.55	1,297	340
Low	140.3	1.1	5.55	1,219	260
1952 - High	165.3	2.0	5.77	1,328	295
Low	151.7	0.9	5.13	1,241	250
1953 - High	167.1	2.5	5.75	1,665	327
Low	144.0	0.9	5.15	1,314	252
1954 - High	199.7	3.2	5.33	1,967	437
Low	156.5	1.4	4.46	1,653	328
August	191.4	2.6	4.75	1,967	418
September	194.0	2.0	4.46	n.a.	421
September 24	199.3	2.2	n.a.	n.a.	425
October 1	198.3	1.9	n.a.	n.a.	430
October 8	199.7	2.2	n.a.	n.a.	433

1/ SEZ Index of 265 common stocks, weekly closing price, 1939=100; converted to 1947-49=100 by Federal Reserve.

2/ Weekly averages of daily trading volume on New York Stock Exchange.

3/ Moody's 200 common stocks; end of month figures.

4/ End of month figures for member firms of New York Stock Exchange; excludes balances secured by U. S. Government securities.

5/ Wednesday figures for weekly reporting member banks in New York and Chicago; excludes loans for purchase of U. S. Government securities. On March 4, 1953, the last date on which figures for all reporting banks were available, New York and Chicago accounted for 45 per cent of such loans. In the past New York and Chicago loans have fluctuated more than total loans.

n.a.—Not available.

Note.—Highs and lows are for individual series and may be on different dates.

For different series.

Exhibit C

Corporate and State and Local Government Security Offerings and Placements

(In millions of dollars)

	New capital					
	Corporate			State and local		
	1954	1953	1952	1954	1953	1952
January	544	623	615	396	388	357
February	439	623	413	411	359	300
March	660	666	951	565	426	146
April	486	779	870	734	328	454
May	652	675	990	748	648	394
June	859	1,123	769	853	434	625
July	e/725	483	1,237 ^{1/}	279	519	243
August	e/400	325	291	e/250	259	199
September	e/725	753	390	e/625	475	473
October	e/800	577	999	e/550	452	302
November		429	340		408	183
December		1,438 ^{2/}	851		774	395
1st quarter	1,643	1,912	1,979	1,372	1,173	802
2nd quarter	1,998	2,578	2,629	2,335	1,410	1,474
3rd quarter	e/1,050	1,561	1,918 ^{1/}	e/1,155	1,253	916
4th quarter		2,444 ^{2/}	2,191		1,635	880
Year		8,495 ^{2/}	8,716 ^{1/}		5,471	4,072
	Excluding finance companies ^{3/}					
1st quarter	1,562	1,669	1,961			
2nd quarter	1,931	1,991	2,521			
3rd quarter	e/1,785	1,223	1,877			
4th quarter		2,344	2,094			
Year		7,227	8,452			

^{1/} Includes 490 million dollar American Telephone and Telegraph debenture issue.

^{2/} Includes 603 million dollar AT&T debenture issue.

^{3/} Total new capital issues excluding offerings of sales and personal finance companies.

e/--Estimated

Note.--Details may not add to totals due to rounding.

Exhibit D

Large Public Security Issues for New Capital
(other than U. S. Treasury) 1/

Proceeds of Large Issues Offered

(Millions of dollars)

Month	Corporate	State and local government	Other 2/
1953 - September	375	322	34
October	216	323	51
November	96	254	19
December	963	571	50
1954 - January	289	164	119
February	103	213	--
March	160	378	50
April	169	557	--
May	324	557	--
June	350	603	--
July	336	92	--
August	75	86	--
September	335	455	--

Large Individual Issues Offered October 1 through 8

Issuer	Type 3/	Amount (millions of dollars)	Maturity	Coupon rate or net interest cost	Offering yield	Rating
<u>CORPORATE</u>						
Public Service Co. of Colorado	1st mtg. bds.	20.0	1984	3 1/8	3.03	Aa
Indiana and Michigan Electric Co.	1st mtg. bds.	16.5	1984	3 1/8	3.04	Aa
<u>STATE AND LOCAL GOVERNMENT</u>						
Southeast Alabama Gas District	Rev.	19.5	1989	4.50	4.50	--
Mississippi River Bridge Authority, Louisiana	Rev.	65.0	1994	3.59	3.46	--
Kansas City, Missouri	Rev.	12.0	1961-84	2.45	1.35-2.55	Aa
Cleveland, Ohio	Rev.	5.0	1959-78	2.13	1.20-2.40	Aa
Cleveland, Ohio	Rev.	6.0	1959-83	2.54	1.25-2.63	A
<u>OTHER</u>						
None						

1/ Includes corporate and other security offerings of 15 million dollars and over; State and local government security offerings of 5 million and over.

2/ Includes foreign government and International Bank for Reconstruction and Development issues.

3/ In the case of State and local government securities, G.O. denotes general obligation; Rev., revenue bonds; G.R., general obligations additionally secured by facilities revenues; and, L.L., limited liability obligations secured by pledge of designated revenues.

Exhibit E

Forthcoming Large Public Security Offerings for New Capital
(other than U. S. Treasury) 1/

Expected Proceeds from Forthcoming Large Issues

Date of computation	During month following date shown			Subsequent to date shown		
	Corporate	State and local govt.	Other 2/	Corporate	State and local govt.	Other 2/
1953 - Sept. 29	180	273	n.a.	1,016	1,182	n.a.
Oct. 30	73	283	n.a.	1,129	978	n.a.
Nov. 30	948	537	73	1,616	1,752	88
Dec. 31	232	179	123	669	1,238	138
1954 - Jan. 29	118	161	--	479	1,660	--
Feb. 26	108	498	50	690	1,916	50
Mar. 31	204	555	--	555	2,789	--
Apr. 30	323	525	27	647	2,322	27
May 28	332	596	--	526	1,971	--
June 30	336	86	--	532	1,524	--
July 30	100	54	--	303	1,553	--
Aug. 31	334	300	--	608	1,876	--
Sept. 30	343	383	--	414	2,158	--

Forthcoming Large Offerings, as of October 8

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>CORPORATE</u>			
Texas Power and Light Co.	1st mtg. bonds	15.0	October 18
New York Telephone Co.	Ref. mtg. bonds	40.0	October 19
National City Bank of New York	Common stock	131.3	October 22
Continental Oil	Deb.	100.0	October 27
*Cortland Equipment Lessors, Inc.	Deb.	75.0	October 27
Laclede Gas	1st mtg. bonds	20.0	October
Kentucky Utilities	1st mtg. bonds	15.0	November
Kansas City Power and Light	1st mtg. bonds	16.0	1954
Long Island Lighting	1st mtg. bonds	20.0	1954
Public Service of Oklahoma	1st mtg. bonds	20.0	January
<u>STATE AND LOCAL GOVERNMENT</u>			
*State of Oklahoma Planning and Resources Board	Rev.	7.2	October 11
Georgia State Toll Bridge Authority	Rev.	6.7	October 13
Alexandria, Virginia	Rev.	8.2	October 14
Kentucky, State Property & Bldg. Comm.	Rev.	7.4	October 19
*Newark, New Jersey	G.O.	10.0	October 19

Forthcoming Large Offerings, as of October 8 (Cont'd)

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>STATE AND LOCAL GOVERNMENT (Cont'd)</u>			
Milwaukee, Wisconsin	G.O.	5.0	October 19
Greater Baton Rouge Port Comm., La.	G.R.	12.5	October 20
Colorado Springs, Colorado	Rev.	10.0	October 20
Lansing, Michigan	n.a.	6.0	October 25
State of Massachusetts	n.a.	59.8	October 26
Wichita, Kansas	n.a.	6.9	October 26
Philadelphia, Pennsylvania	n.a.	25.8	October 26
Florida State Board of Education	n.a.	16.5	October 26
Chicago, Illinois	G.O.	12.5	October 27
Department of Highways, Virginia	Rev.	100.0	October 27
Dallas, Texas	n.a.	10-15.0	November 29
Indiana Toll Road Commission	n.a.	178.0	December
Oklahoma Turnpike Authority	n.a.	175.0	1954
New Jersey Highway Authority	Rev.	30-50.0	1954
Dade County Port Authority, Fla.	Rev.	21.0	1954
Allegheny County, Pennsylvania Sanitary Authority	Rev.	85.0	1954
California Toll Bridge Authority	Rev.	235.0	1954
Maryland State Roads Commission	n.a.	70.0	1954
Warren, Ohio	n.a.	5.0	1954
Springfield, Illinois	n.a.	9.0	1954
Davenport, Iowa	n.a.	5.0	1954
New York Thruway	Rev.	50.0	1954
Michigan Turnpike Authority	Rev.	186.0	Spring
New York State Power Authority	Rev.	315.0	1955
Metropolitan Water Dist. of So. Cal.	G.O.	8-10.0	1955
Los Angeles School Dists., Cal.	n.a.	20.0	1955
Los Angeles Dept. of Water & Power	Rev.	15-20.0	1955
Florida State Turnpike Authority	Rev.	89.0	1955
Jersey City Sewerage Auth., N. J.	Rev.	16.0	1955
North Carolina Turnpike Authority	n.a.	200.0	1955
<u>OTHER</u>			
None			

1/ Includes corporate and other issues of 15 million dollars and over; State and local government issues of 5 million and over.

2/ Includes foreign government and International Bank for Reconstruction and Development issues.

n.a.—Not available.

*--Included in table for first time.

Exhibit F

 Yields on New and Outstanding
 Public Utility Bonds, Rated Aa and A ^{1/}

Date	Aa-rated offering yields		A-rated offering yields	
	Actual (per cent)	Amount above seasoned yields (basis points)	Actual (per cent)	Amount above seasoned yields (basis points)
1952 average	3.18	14	3.37	12
1953 average	3.44	16	3.78	25
1953 - January	3.25	11	None	--
February	3.39	19	None	--
March	3.40	17	3.59	23
April	3.48	16	3.88	41
May	3.79	28	3.99	37
June	None	--	4.10	39
July	*3.68	29	*4.00	30
August	None	--	None	--
September	None	--	3.92	29
October	3.34	6	3.56	7
November	*3.28	7	3.42	2
December	*3.30	5	3.51	10
1954 - January	3.20	6	3.34	2
February	3.02	0	*3.20	-1
March	*2.93	0	3.05	-10
April	2.99	5	3.10	-6
May	3.00	4	3.14	-1
June	*3.00	1	3.11	-2
July	None	--	*3.13	-1
August 18			3.06	-6
25			3.15	3
September 23	3.00	0		
29	3.05	6		
30	3.01	2	3.10	-3
October 5	3.03	4	3.12	-1
6	3.04	4		
6	3.04	4		

^{1/} Covers only 30-year first mortgage bonds, as reported in Moody's Bond Survey. Except where indicated, the actual yield figure and the amount above seasoned yields are averages of offerings during the indicated period and of the differences between these new offering yields and yields on seasoned issues of similar quality for the same day.

*--Single observation, not an average.