H-14

December 1, 1954

#### CAPITAL MARKET DEVELOPMENTS

Small volume of new security issues last week - Two large State and local government issues with total proceeds of 33 million dollars were offered during the week ending November 26; no public corporate offerings over 15 million dollars were floated for new capital. No large corporate or State and local issues are scheduled for offering this week.

Refunding programs - Public Service Company of New Hompshire sold 12 million dollars of  $\mathcal{I}_{\overline{a}}$  per cent first mortgage bonds on November 30 for the purpose of refunding two bond issues with higher interest rates. The next day a 15 million dollar first mortgage bond offering was issued by Laclede Gas Company to retire two bond issues, one of them privately placed in July 1951, the other publicly offered in March 1945.

Tennessee Gas Transmission Company will offer first mortgage pipe line bonds totaling 125 million dollars on December 8. Proceeds will be used in part to refinance almost 93 million dollars of bonds sold in 1952 and 1953. The balance will be used to repay short-term bond loans and for construction.

December outlook - The volume of State and local government security issues for new capital during December is estimated at 775 million dollars, the same as in December 1953. The total for the fourth quarter is now estimated at 1,785 million dollars, an increase of almost 10 per cent above the fourth quarter volume last year. The estimate for the year's volume is 6,655 million dollars, more than 20 per cent greater than the 1953 volume and 63 per cent larger than the total issued during 1952.

The December estimate of corporate offerings for new capital is 575 million dollars, considerably smaller than the December 1953 volume of 1,438 million. An issue of 603 million dollars of AT&T debentures is included in the total for last December, however. The fourth quarter volume is estimated at 1,725 million dollars compared with 2,444 million last year in the fourth period. The estimate of total offerings for new capital in 1954 is 7,385 million dollars, 13 and 15 per cent less than the volume in 1953 and 1952 respectively. Finance company offerings were less important this year than last—the 1954 total will be about 250 million dollars compared with 1,268 million last year.

Bond yields - Yields on outstanding U. S. Government obligations rose one basis point last week, and showed a further increase through November 30. Yields on outstanding corporate Aaa bonds decreased slightly and yields on corporate Baa and high-grade municipals remained unchanged.

Stocks prices still rising - The SEC index of 265 common stocks increased <u>six points to 211.1</u> during the week ending November 26. No significant change was indicated by daily indexes on November 30. The weekly average of daily trading volume remained at the high level of 3.4 million shares.

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

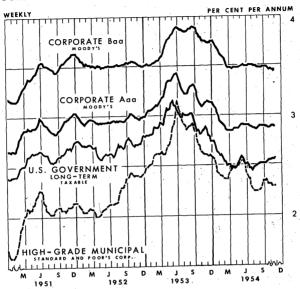
C - Corporate and State and Local Government Security Offerings and Placements

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)

Business Finance and Capital Markets Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System. 

# BOND YIELDS

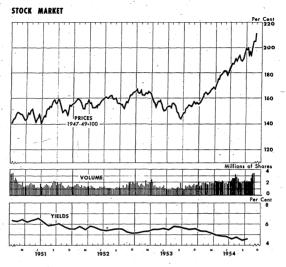


Date	Corpora	te 1/	U. S. Govt. long-term 2/	Spread between Corporate Ass and U. S. Govt.	High- grade Kun. 3/			
	(Per cent per annum)							
1951 - High Low 1952 - High Low 1953 - High Low October 29 November 5 November 12 November 19 November 26	3.03 2.65 3.03 2.91 3.42 2.99 3.09 2.85 2.87 2.88 2.89 2.89 2.89	3.63 3.63 3.48 3.89 3.74 3.45 3.45 3.45 3.45	2.38 96 55 4 4 4 5 5 5 5 6 5 5 4 4 4 5 5 5 5 5	.36 .25 .37 .19 .38 .19 .33 .34 .34 .34	2.26 1.59 2.43 2.00 3.11 2.43 2.56 2.23 2.30 2.30 2.28 2.28 2.28			

<sup>1/</sup> Moody's Investors Service; weekly average of daily figures.
2/ Federal Reserve; weekly average of daily figures.
3/ Standard and Poer's Corporation; Wednesday figure.

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





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 h/ (millions of dollars)	Bank loans to "others" for purchases of secur- ities 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	211.1	3.4	5.33	2,095	471
Low	156.5	1.4	4.46	1,653	328
October	196.6	2.1	4.57	2,095	439
November	205.3	^ n.a.	n.a.	n.a.	461
November 12	205.1	3.2	n.a.	n.a.	457
November 19	205.1	3.4	n.a.	n.a.	465
November 26	211.1	3.4	n.a.	n.a.	471

<sup>1/</sup> SEC index of 265 common stocks, weekly closing price, 1939=100; converted to 1947-49=100 by Federal Reserve.

<sup>2/</sup> Weekly averages of daily trading volume on New York Stock Exchange.
3/ Moody's 200 common stocks; end of month figures.

<sup>3/</sup> Moody's 200 demand stocks; and of month figures.
4/ End of month figures for member firms of New York Stock Exchange; excludes balances secured by U. S. Government securities.

balances secured by U. S. Government securities.

5/ Wednesday figures for weekly reporting member banks in New York and Chicago;
excludes leans for purchase of U. S. Government securities. On Harch 1, 1953, the
last date on which figures for all reporting banks were available, New York and
Chicago accounted for 15 per cent of such leans. In the past New York and Chicago '
leans have fluctuated more than total leans.

n.a.—Not available. Note.—High 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			ate and loc	
	3.954	1953	1952	1954	1953	1952
January February March	5114 660	623 623 666	615 413 951	396 411 565	388 359 426	357 300 146
April May June	486 652 859	779 675 1,123	870 990 - 769	73l <sub>4</sub> 748 853	328 648 434	454 394 625
July August September	898 346 776	483 325 753	1,237 ½/ 291 390	279 261 <u>e</u> /625	519 259 475	243 199 473
October November December	e/850 e/300 e/575	577 429 1,438 <u>2</u> /	999 340 851	e/610 e/400 e/775	452 408 774	302 183 395
lst quarter 2nd quarter 3rd quarter 4th quarter Year	1,643 1,998 2,021 e/1,725 e/7,385	1,912 2,578 1,561 2,444 <u>2</u> / 8,495 <u>2</u> /	1,979 2,629 1,918 <u>1</u> / 2,191 8,716 <u>1</u> /	1,372 2,335 e/1,165 e/1,785 e/6,655	1,173 1,410 1,253 1,635 5,471	802 1,474 916 880 4,072
·. ·	Excluding	finance com	panies <u>3</u> /			
lst quarter 2nd quarter 3rd quarter 4th quarter Year	1,562 1,931 1,941 e/1,695 e/7,130	1,669 1,991 1,223 2,344 7,227	1,961 2,521 1,877 2,094 8,452			

<sup>1/</sup> Includes 490 million dollar American Telephone and Telegraph debenture

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

issue.

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

<sup>3/</sup> Total new capital issues excluding offerings of sales and personal finance companies.

e/ Estimated.

Exhibit D

# Large Public Security Issues for New Capital (other than U. S. Treasury) $\underline{1}/$

#### Proceeds of Large Issues Offered

#### (Millions of dollars)

Month	Corporate	Date and local government	Other <u>2</u> /
1953 - November December 1954 - January February March April May June July August September October November	96 963 289 103 160 169 324 350 336 75 335 413	254 571 164 213 378 557 557 563 92 86 455 388 268	19 50 119  50    

### Large Individual Issues Offered during November

	Issuer	Туре <u>3</u> /	Amount (millions of dollars)	Haturity	Coupon rate or net inter- est cost	Offering yield	Rating
	CORPORATE						
	None				*		
	STATE AND LCCAL GOVERNMENT			-			
	Territory of Hawaii Abington Township, Pa.	G.O.	6.5	1957-74	2.19	1.10-2.40	<b>A</b>
	School District	Rev.	6:0	1956-94	2.60	1.00-2.75	Baa
	New York City	G.O.	21.6	1955-57	1.13	0.80-1.10	A
	Md. State Roads Comm.	Rev.		1960-94	2.99	1.70-2.95	
	New Jersey Highway Auth.	Rev.	20.0	1988 1957 <del>-</del> 66	3.23	3.15	
	Dane County, Wisconsin Tulsa, Oklahoma	G.O.	5•5 7•9	1957-80	1.37 Var.	0.85-1.50	Aaa A
	State of North Carolina	G.O.		1956-74		0.70-1.90	A Aa
	Kansas City, Missouri	G.O.		1955-74		0.70-2.00	Aa
100	Georgia State Bridge		J•/		15	21,2 2,00	
	Building Authority	Rev.	10.6	1956-70,	2.25	1.00-2.50	A
	Dallas, Texas	G.O.	16.9	1956-70 <sub>4</sub> / 1955-74	2.01	0.50-2.25	A
Digitize	State of Haryland d for FRASER	G.O.	16.0	1957-69	1.48	0.85-1.65	Aaa

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Large Individual Issues Offered during November (Cont'd)

Is	suer	Туре	Amount (millions of dollars)	Coupon rate or net inter- est cost	Offering yield	Rating
0. None	THER	•				

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.

4/ Bonds maturing 1973-74 not publicly reoffered.

<sup>3/</sup> 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.

# Expected Proceeds from Forthcoming Large Issues

During month followin  Date of date shown		owing.	Subsequent to date shown				
computation	Corporațe	State and local govt.	Other 2/	Corporate	State and local govt.	Other	<u>2</u> /
1953 - Nov. 30 Dec. 31 1954 - Jan. 29 Feb. 26 Har. 31 Apr. 30 May 28 June 30 July 30 Aug. 31 Sept. 30 Oct. 29 Nov. 30	91-8 232 11-8 10-8 204 32-3 332 336 100 334 34-3 15 94	537 179 161 498 555 525 596 86 54 300 383 436 661	73 123  50  27     30	1,616 669 479 690 555 647 526 532 303 608 414 135 246	1,752 1,238 1,660 1,916 2,789 2,322 1,971 1,553 1,876 2,158 1,957 2,682	88 138 50 27  30 30	

## Forthcoming Large Offerings, as of November 26

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
CORPORATE			
Long Island Lighting Virginia Electric and Power Co. Tennessee Gas Transmission New England Telephone and Telegraph Commonwealth Edison New England Power Public Service of Oklahoma Public Service Electric & Gas Co. Kansas City Power and Light New England Telephone and Telegraph	lst mtg. bonds Common stock Bonds Deb. Conv. deb. lst mtg. bonds lst mtg. bonds Pfd. stock lst mtg. bonds Common stock	17.4 32.0 30.0 50.0 25.0 20.0	December 7 December 8 December 8 December 11 January 11 January 18 January January January February 15 March
STATE AND LCCAL GOVERNMENT			
New York Thruway Oklahoma Turnpike Authority Jefferson and St. Tammany Parishes, La. *Spokane County, Washington Tampa, Florida	Rev. n.a. Rev. n.a. Rev.	50.0 214.0 46.0 5.0 10.0	December 7 December 8 December 8 December 14 December 14

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Forthcoming Large Offerings as of November 26 (Cont'd)

Issuer	Туре	Amount (millions	Approximate date
	ļ	of dollars)	
amann arn togat government (c			
STATE AND LOCAL GOVERNMENT (Cont'd)			
Puerto Rico Water Resources Auth.	Rev.	12.5	Donamhan 11.
*New Orleans, Louisiana		8.1	December 14 December 15
New York State Power Authority	n.a. Rev.	315.0	December 15
*Public Housing Authorities	n.a.	135.0	January 11
Los Angeles Dept. of Water & Power	Rev.	18.0	January 26
Illinois Turnpike Authority	Rev.	390.0	January January
Texas Turnpike Company	Rev.	200.0	January
Sam Houston Company	Rev.	150.0	January
*State of California	n.a.	50.0	January
Inter-American Center Auth., Fla.	Rev.	60.0	Spring
Michigan Turnpike Authority	Rev.	186.0	Spring
State of Louisiana	n.a.	0.03	Spring
Dade County Port Authority, Fla.	Rev.	21.0	1955
Warren, Ohio	n.a.	5.0	1955
Springfield, Illinois	n.a.	9.0	1955
Davenport, Iowa	n.a.	5.0	1955
Allegheny County, Pennsylvania	li.a.	5.0	1777
Sanitary Authority	Rev.	85.0	1955
California Toll Bridge Authority	Rev.	235.0	1955
Texas Turnpike Authority	n.a.	59.0	1955
Metropolitan Water Dist. of So. Cal.	G•O•	8-10.0	1955
Los Angeles School Dists. Cal.	n.a.	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
Nor on Carotina lanipike Addition by	11.00	200.0	1777
OTHER			
Maine			
Kingdom of Belgium	Bonds	30.0	December
Haribani of Dombani	50.100	20.0	5000

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

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

n.a. -- Not available.

<sup>\*--</sup>Included in table for first time.