DECONTROLLED AFTER SIX MONTHS

Not for Publication

H.14 December 22, 1954

CAPITAL MARKET DEVELOPMENTS

Moderate volume of security offerings last week - The volume of large security issues publicly floated for new capital during the week ending December 17 is made up of four State and local government offerings with total proceeds of 36 million dollars, one 30 million public utility issue, and an offering by the Kingdom of Belgium for 30 million. This week's schedule of large State and local offerings totals 423 million dollars and includes the 335 million New York State Power Authority issue of December 21; no large corporate offerings are scheduled

Refunding programs - Large security issues which include 7.5 million dollars or more for refinancing offered since October 15, 1954 or scheduled for offering thereafter are listed on pages 2 and 3. Several of the issues are private placements which have been made in the last three months. A sizable portion of total refundings will be used to refinance high-interest public utility and communications offerings of 1953.

Bond yields - Yields on outstanding corporate Aaa, U. S. Government long-term and high-grade municipal bonds rose during the week ending December 17. Corporate Baa bond yields remained unchanged.

Stock prices - The SEC index of 265 common stocks rose 2.2 points to a new high of 215.5 last week. Trading volume dropped from a daily average of 3.7 million shares the week before to 3.0 million shares during the week ending December 17. Daily indexes indicate a further rise in prices and heavier trading volume on December 20.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Corporate Refunding Issues, Offered or Proposed 1/

Issuer	Type	Amt. (mill. doll.)	Term	Coupon rate	Date expected or offered	Current call price
Mis. Public Service - new	1st mtg bds 2/	12.5	1984	3 1/4	October 15	
to refund	1st mtg bds	8.0	1983	4 1/8	May 1953	105.01
New York Telephone -- new	ref & mtg bds 2/	75.0	1989	3.00	October 20	
to refund	ref & mtg bds	35.0	1984	3 7/8	June 1953	105.45
La. Power & Lt. new	1st mtg bds 2/	18.0	1984	3 1/8	October 21	
to refund	1st mtg bds	12.0	1983	4	September 1953	100.74
Puget Sound Pwr. & Lt. - new	*1st mtg bds 2/	25.0	1984	3 1/2	3/	
to refund	1st mtg bds	20.6	1972	4 1/4	April 1943	106.00
Pacific Tel. & Tel. - new	Deb.	50.0	1989	3 1/8	November 17	
to refund	Deb.	50.0	1984	4	September 1953	105.70
Kansas City Southern - new	1st mtg bds	50.0	1984	3 1/4	November 18	
to refund	1st mtg bds	37.9	1975	4	October 1945	103.00
to refund	1st mtg bds	13.2	1968	3 5/8	June 1948	102 3/8
Portland General Elec. - new	*1st mtg bds 2/	12.0	1984	3 3/8	Anncd. Nov.	
to refund	*1st mtg bds	8.0	1983	4 1/8	November 1953	n.a.
Pub. Serv. Co. of N.H. - new	1st mtg bds 2/	12.0	1984	3 1/4	December 1	
to refund	1st mtg bds	7.0	1983	4	September 1953	103.75
to refund	1st mtg bds	3.0	1981	3 3/4	June 1951	105.15
Laclede Gas new	1st mtg bds 2/	15.0	1979	3 1/4	December 2	
to refund	*1st mtg bds	8.0	1976	3 3/4	July 1951	n.a.
to refund	*1st mtg bds	6.1	1965	3 1/2	February 1947	102 1/2
Tenn. Gas Trans. new	1st mtg pl bds 2/	125.0	1975	3 1/2	December 9	
to refund	1st mtg p l bds	38.5	1972	3 7/8	September 1952	104 1/4
to refund	1st mtg p l bds	29.4	1973	4 1/8	February 1953	103.83
to refund	1st mtg p l bds	25.0	1973	4	December 1953	105.10
Illinois Central new	S F Deb	18.0	1980	3 1/2	December 15	
to refund	Pfd stock	18.6			Various	
Transcontl. Gas Pipe Line - new	*1st mtg pl bds	169.4	1975	3 3/4	Anncd. Dec. 20	
to refund	*1st mtg p l bds	120.4	1968	3 5/8	June 1949	103 1/4
to refund	*1st mtg p l bds	29.5	1970	3 1/4	August 1950	103 3/4
to refund	*1st mtg p l bds	19.6	1971	4	March 1952	104
Duke Power new	1st & ref mtg bds 2/	40.0	1975		January 10	
to refund	1st & ref mtg bds	35.0	1983	3 3/4	September 1953	105.36

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

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

Issuer	Type	Amt. (mill. doll.)	Term	Coupon rate	Date expected or offered	Current call price
N.Y., Chicago & St. Louis - new	Income deb. 2/	36.0	1989		January 11	
to refund	Pfd stock	33.4			Various	
Gulf, Mobile, & Ohio -- new	n.a.	25.0	n.a.		n.a.	
to refund	1st ref mtg	8.4	1985	4	February 1939	103
to refund	1st ref mtg	8.5	1969	3 3/4	September 1944	101 1/4
to refund	Coll trust	6.2	1968	3 3/4	June 1948	102 3/4
to refund	1st mtg bds 4/	6.1	1983	5	July 1932	105
Chesapeake & Ohio new	Bonds	40.0	n.a.		n.a.	
to refund	Ref & imp bonds	37.9	1973	3 7/8	November 1948	103 1/8
to refund	1st gold 5/	2.4	1955	4	August 1875	5/

1/ Includes issues with proceeds for refinancing purposes of 7.5 million dollars and over since October 15, 1954.

2/ Includes some funds for new capital.

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

4/ Bonds of New Orleans Great Northern Railway.

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

*--Private placement.

n.a.--Not available.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

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:

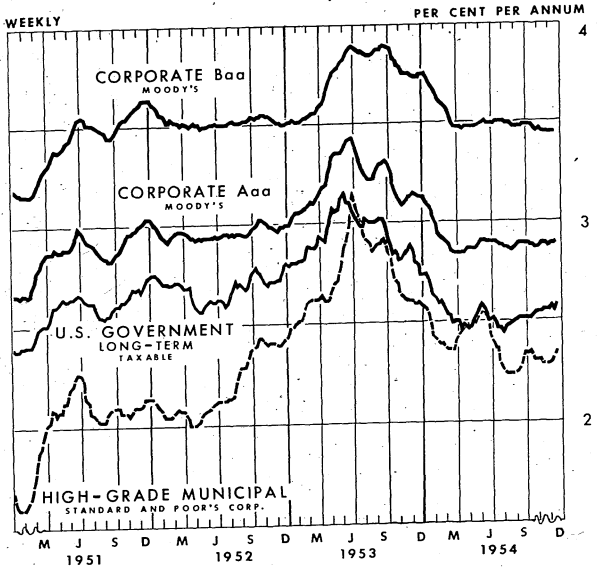
A - Bond Yields
B - Stock Market
C - Corporate and State and Local Government Security Offerings and Placements
D - Large Public Security Issues for New Capital (other than U. S. Treasury)
E - Forthcoming Large Public Security Offerings for New Capital (other than U. S. Treasury)
F - Yields on New and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

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

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

EXHIBIT A

BOND YIELDS



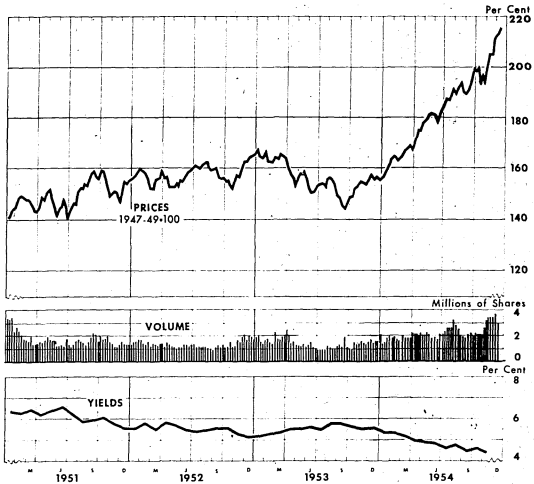
Date	Corporate 1/ Aaa	Corporate 1/ Baa	U. S. Govt. long-term 2/	Spread between Corporate Aaa and U. S. Govt.	High-grade Mun. 3/
	(Per cent per annum)				
1951 - High	3.03	3.63	2.74	.36	2.26
Low	2.65	3.16	2.38	.25	1.59
1952 - High	3.03	3.63	2.79	.37	2.43
Low	2.91	3.48	2.56	.19	2.00
1953 - High	3.42	3.89	3.15	.38	3.14
Low	2.99	3.50	2.74	.19	2.43
1954 - High	3.09	3.74	2.74	.43	2.56
Low	2.85	3.45	2.44	.32	2.23
November 19	2.89	3.45	2.55	.34	2.28
November 26	2.88	3.45	2.56	.32	2.28
December 3	2.89	3.45	2.57	.32	2.29
December 10	2.89	3.45	2.56	.33	2.31
December 17	2.90	3.45	2.58	.32	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.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

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 purchases 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	215.5	3.7	5.33	2,202	477
Low	156.5	1.4	4.39	1,653	328
October	196.6	2.1	4.57	2,095	439
November	205.3	3.2	4.39	2,202	461
December 3	212.7	3.4	n.a.	n.a.	472
December 10	213.3	3.7	n.a.	n.a.	466
December 17	215.5	3.0	n.a.	n.a.	477

1/ SEC 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.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

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	389	358
February	439	623	413	411	360	300
March	660	666	951	565	426	156
April	486	779	870	734	329	455
May	652	675	990	748	649	392
June	859	1,123	769	853	434	630
July	898	483	1,237 1/	279	519	244
August	346	325	291	261	259	201
September	776	753	390	649	475	474
October	895	577	999	e/610	453	303
November	e/300	429	340	e/400	408	183
December	e/575	1,438 2/	851	e/800	774	398
1st quarter	1,643	1,912	1,979	1,372	1,176	815
2nd quarter	1,998	2,578	2,629 1/	2,334	1,412	1,477
3rd quarter	2,021	1,561	1,918	1,188	1,253	919
4th quarter	e/1,770	2,444 2/	2,191 1/	e/1,810	1,636	885
Year	e/7,385	8,495 2/	8,716	e/6,704	5,477	4,096
	Excluding finance companies 3/					
1st quarter	1,562	1,669	1,961			
2nd quarter	1,931	1,991	2,521			
3rd quarter	1,941	1,223	1,877			
4th quarter	e/1,720	2,344	2,094			
Year	e/7,130	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.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

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 - 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	—
October	413	388	—
November	0	268	—

Large Individual Issues Offered December 1 through 17

Issuer	Type 3/	Amount (millions of dollars)	Maturity	Coupon rate or net interest cost	Offering yield	Rating
CORPORATE						
Long Island Lighting	1st mtg. bds.	15.0	1984	3 1/4	3.10	A
Virginia Electric & Power	Common stk.	17.4				
Tennessee Gas Transmission	1st mtg. bds.	32.0	1975	3 1/2	3.40	A
New England Tel.& Tel.	Deb.	30.0	1988	3 1/8	3.02	Aa
STATE AND LOCAL GOVERNMENT						
State of Michigan	G.O.	60.0	1956-70	1.83	0.75-1.90	Aa
New York Thruway	Rev.	50.0	1964-94	2.68	1.60-2.72	—
Greater New Orleans Expressway	Rev.	46.0	1957-94 4/	4.09	4.00	—
Oklahoma Turnpike Auth.	Rev.	68.0	1962-93	3.81	3.10-3.75	—
Spokane County, Wash.	G.O.	5.0	1956-77	2.04	0.90-2.25	Aa
Tampa, Florida	Rev.	10.0	1958-89	3.11	1.60-3.20	Baa
Puerto Rico Water Resources Auth.	Rev.	12.5	1957-90	3.40	1.50-3.38	Baa
New Orleans, Louisiana	G.O.	8.1	1955-94	2.69	0.80-2.80	A

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Large Individual Issues Offered December 1 through 17 (Cont'd)

Issuer	Type 3/	Amount (millions of dollars)	Maturity	Coupon rate or net interest cost	Offering yield	Rating
OTHER						
Kingdom of Belgium	Bonds	30.0	1957-64	4.16	3.37-4.06	—

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.

4/ Bonds maturing 1957-73 not publicly reoffered.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

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 - 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	—
Oct. 29	15	436	—	135	1,957	30
Nov. 30	94	661	30	246	2,682	30

Forthcoming Large Offerings, as of December 17

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
CORPORATE			
Commonwealth Edison	SF deb.	50.0	January 11
Public Service Electric & Gas Co.	Pfd. stock	25.0	January 12
Duquesne Light	Common stock	15.0	January 17
New England Power	1st mtg. bonds	25.0	January 18
Marine Midland Corp. of Buffalo	Pfd. stock	20.4	January 24
Consumer Power Company	1st mtg. bonds	30.0	January 25
Public Service of Oklahoma	1st mtg. bonds	20.0	January
Kansas City Power and Light	1st mtg. bonds	16.0	February 15
New England Telephone and Telegraph	Common stock	15.8	March
STATE AND LOCAL GOVERNMENT			
New York State Power Authority	Rev.	335.0	December 21
Chicago Calumet Skyway Toll Bridge	Rev.	88.0	December 22
*Kentucky State Property and Building Commission	L.L.	6.0	December 30
State of California	n.a.	60.0	January 5

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Forthcoming Large Offerings, as of December 17 (Cont'd)

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
STATE AND LOCAL GOVERNMENT (Cont'd)			
*Caddo Parish School District, La.	n.a.	5.0	January 6
Public Housing Authorities	n.a.	135.0	January 11
*Harris County, Texas	n.a.	11.5	January 25
Los Angeles Dept. of Water & Power	Rev.	18.0	January 26
Illinois Turnpike Authority	Rev.	390.0	January
Texas Turnpike Company	Rev.	200.0	January
Sam Houston Company	Rev.	150.0	January
Los Angeles School Dists., Cal.	n.a.	20.0	January
Connecticut Expressway	Rev.	100.0	Winter
Inter-American Center Auth., Fla.	Rev.	60.0	Spring
Michigan Turnpike Authority	Rev.	186.0	Spring
State of Louisiana	n.a.	80.0	Spring
Metropolitan Water Dist. of So. Cal.	G.O.	8-10.0	Spring
New York State Bridge Authority	Rev.	15.9	1955
Dade County Port Authority, Fla.	Rev.	21.0	1955
Springfield, Illinois	n.a.	9.0	1955
Allegheny County, Pennsylvania Sanitary Authority	Rev.	85.0	1955
California Toll Bridge Authority	Rev.	235.0	1955
Texas Turnpike Authority	n.a.	59.0	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
OTHER			
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.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Exhibit F

Yields on New and Outstanding
Electric Power 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	3.35	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	0
June	*3.00	1	3.14	-2
July	None	--	*3.13	-1
August	None	--	3.11	-1
September	3.02	3	*3.10	-3
October	3.03	3	3.10	-2
November	None	--	None	--
December 1			3.11	0
8			3.10	-1
15			3.11	0

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. Average maturity for the seasoned issues varies from 26 to 28 years.

*—Single observation, not an average.

Digitized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis