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CAPITAL MARKET DEVELOPMENTS

Volume of security offerings large last week - The General Motors Corporation 328,6 million dollar stock offering, the subscription rights for which ended March 7, and several State and local government security issues totaling 76 million dollars were the large public issues offered for new capital during the week ending March 11. Large State and local issues with aggregate proceeds of 46 million dollars are scheduled for offering this week; no large corporate issues are listed.

The status of a number of very large toll road bond offerings is still indefinite. On the basis of current information, it appears that none of these issues will be marketed in the near future.

Bond yields - Yields on outstanding corporate Aaa and Baa bonds increased slightly, and high-grade municipal bond yields decreased slightly during the week ending March 11. Treasury obligation yields declined three basis points to 2.72 per cent last week, and fell sharply to 2.66 on Tuesday.

Further increase in customers' debit balances - Customers' debit balances, excluding borrowings for carrying U. S. Government securities, of member firms of the New York Stock Exchange, increased 73 million dollars during February to total 2,590 million at the end of the month. Customers' debit balances for carrying U. S. Government securities increased 21 million dollars.

The borrowing of NYSE firms carrying margin accounts, on U. S. Government securities, rose during February, although the total of such borrowings at New York and Chicago weekly reporting member banks declined substantially.

The following are January and February 1955 figures for stock market credit outstanding:

(Millions of dollars)

	January	February
Customers' debit balances - total	2,558	2,653
Customers' debit balances - excluding money borrowed for carrying Government obligations	2,517	2,590
Money borrowed by member firms maintaining margin accounts	1,696	1,779
Money borrowed, by member firms maintaining margin accounts, on collateral other than Government obligations	1,620	1,666
Customers' free credit balances	1,069	1,063
Bank loans to others for purchasing and carrying securities (last Wednesday of month-weekly reporting member banks, excluding Governments for New York and Chicago reporting banks	1,020	1,053

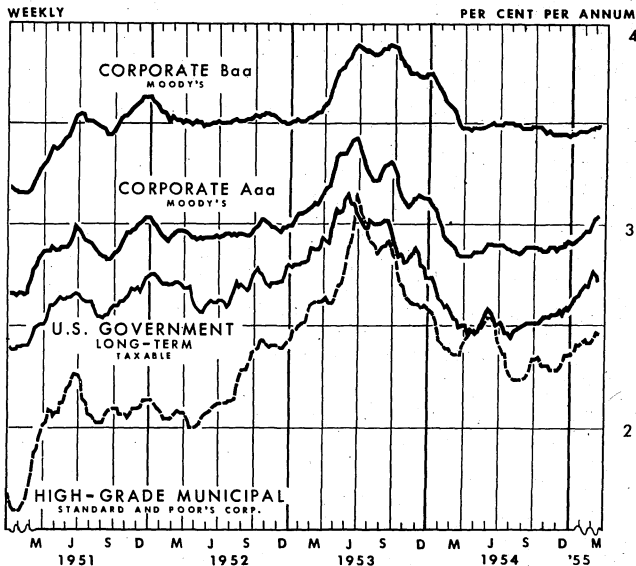
Stock prices, as measured by the SEC index of 265 common stocks, dropped 10.2 points to 220.8 last week. This was 3.4 points above the January low. Daily indexes indicate that another sharp decline occurred on Monday of this week. Most of the loss was recovered on Tuesday, however. Trading volume on the NYSE, which averaged 3.2 million shares a day last week, was 4.2 million on Monday.

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,
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BOND YIELDS



Date	Corporate ^{1/}		U. S. Govt. long-term ^{2/}	Spread between Corporate Aaa and U. S. Govt. ^{3/}	High- grade Mun. ^{3/}
	Aaa	Baa			
	(Per cent per annum)				
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	3.44	2.44	.32	2.23
1955 - High	3.04	3.49	2.77	.32	2.46
Low	2.91	3.45	2.62	.25	2.36
February 11	2.97	3.47	2.69	.28	2.41
February 18	2.99	3.47	2.72	.27	2.41
February 25	3.02	3.48	2.77	.25	2.43
March 4	3.03	3.48	2.75	.28	2.46
March 11	3.04	3.49	2.72	.32	2.45

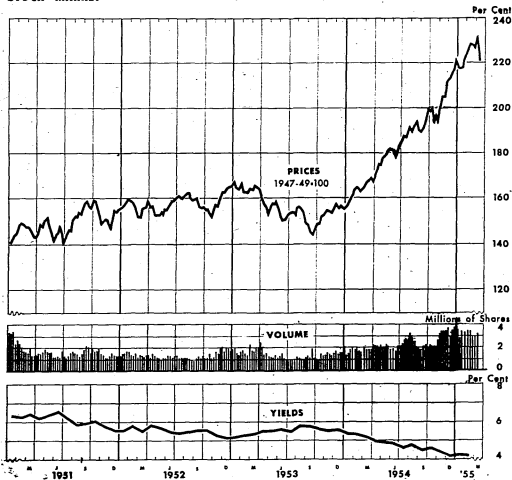
^{1/} Moody's Investors Service; weekly average of daily figures.

^{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 purchases of securities 5/ (millions of dollars)
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	221.4	3.7	5.33	2,388	487
Low	156.5	1.4	4.20	1,653	328
1955 - High	231.0	4.6	4.22	2,590	499
Low	217.4	2.8	4.21	2,517	475
January	218.4	3.6	4.22	2,517	481
February	226.8	3.2	4.21	2,590	490
February 25	226.2	2.9	n.a.	n.a.	487
March 4	231.0	3.0	n.a.	n.a.	493
March 11	220.8	3.2	n.a.	n.a.	499

1/ SEC index of 265 common stocks, weekly closing price, 1939=100; converted to 1947-49=100 by Federal Reserve. The conversion factor is 123.91.

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.

Corporate and State and Local Government
Security Offerings and Placements

(In millions of dollars)

	New capital					
	Corporate			State and local		
	1955	1954	1953	1955	1954	1953
January	e/486	544	623	e/535	396	389
February	e/350	439	623	e/310	411	360
March	e/1,225	660	666	e/500	565	426
April		486	779		734	329
May		652	675		748	649
June		859	1,123		853	434
July		898	483		279	519
August		346	325		261	259
September		776	753		649	475
October		1,008	577		594	453
November		298	429		423	408
December		592	1,438		877	774
1st quarter	e/2,061	1,643	1,912	e/1,345	1,372	1,176
2nd quarter		1,998	2,578		2,334	1,412
3rd quarter		2,021	1,561		1,188	1,253
4th quarter		1,899	2,444		1,894	1,636
Year		7,561	8,495		6,789	5,477
	Excluding finance companies 2/					
1st quarter	e/1,661	1,562	1,669			
2nd quarter		1,931	1,991			
3rd quarter		1,941	1,223			
4th quarter		1,795	2,344			
Year		7,229	7,227			

1/ Includes 602.5 million dollar AT&T debenture issue.

2/ Total new capital issues excluding offerings of sales and personal finance companies.

e/ Estimated.

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

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/
1954 - 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	--
December	94	689	30
1955 - January	141	341	35
February	72	101	--

Large Individual Issues Offered March 1 through 11

Issuer	Type 3/	Amount (millions of dollars)	Maturity	Coupon rate or net interest cost	Offering yield	Rating
<u>CORPORATE</u>						
May Department Store	SF deb.	25.0	1980	3 1/4	3.25	A
Central & South West Corp.	Common stk.	20.1				
Union Oil Company	Conv. deb.	21.0	1975	3	3.00	Baa
Pacific Gas & Electric Co.	1st & ref mtg bds	50.0	1987	3 3/8	3.30	Aa
General Motors Acceptance Corp.	Deb.	250.0	1960;1972	3;3 1/2	3.00;3.50	--
General Motors Corp.	Common stk.	328.6				
<u>STATE AND LOCAL GOVERNMENT</u>						
Portland, Oregon	G.O.	8.0	1958-75	2.01	1.15-2.20	Aa
State of Louisiana	G.O.	10.0	1960-70	2.23	1.50-2.35	A
Hempstead & N. Hempstead, New York	G.O.	15.5	1955-84	3.08	1.10-3.13	Baa
Houston, Texas	G.O.	15.0	1956-85	2.59	1.00-3.10	A

Large Individual Issues Offered March 1 through 11 (Cont'd)

Issuer	Type	Amount (millions of dollars)	Maturity	Coupon rate or net inter- est cost	Offering yield	Rating
<u>STATE AND LOCAL GOVERNMENT</u> (Cont'd)						
Multnomah County, Oregon	G.O.	12.0 ^{4/}	1956-75	2.02	0.95-2.20	Aa
Metropolitan Water Dis- trict of Southern Cal.	G.O.	8.0	1956-80	2.19	0.95-2.35	Aa
New York Bridge Authority	Rev.	16.0	1956-89	2.64	1.00-2.69	A
State of South Carolina	G.O.	20.0	1956-75	1.95	0.95-2.10	Aa
St. Petersburg, Florida	L.L.	14.0	1956-77	3.50	1.75-3.43	Ba
Oyster Bay, New York	G.O.	5.8	1955-83	2.97	1.00-3.05	Baa
<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.

^{4/} 3.5 million dollars not reoffered pending settlement of taxpayers' litigation.

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/
1954 - 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
Dec. 31	184	567	—	216	2,144	35
1955 - Jan. 31	16	682	—	422	1,961	—
Feb. 28	710	524	—	1,395	1,978	—

Forthcoming Large Offerings, as of March 11

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>CORPORATE</u>			
Joy Manufacturing Company	SF deb.	20.0	March 22
*Pacific Northwest Pipeline	Interim notes	17.2	March 29
New England Telephone and Telegraph	Common stock	15.7	March 31
*National Gypsum	Common stock	19.0	April 4
*General Dynamics Corp.	Conv. deb.	40.0	April 5
*Tennessee Gas Transmission	Deb.	25.0	April 12
*Philadelphia Electric	Bds.	20.0	April 25
Alabama Power	1st mtg. bonds	15.0	May 24
American Telephone and Telegraph	Conv. deb.	650.0	1955
<u>STATE AND LOCAL GOVERNMENT</u>			
State of Mississippi	Rev.	5.2	March 15
State of New Jersey	G.O.	6.6	March 15
New Jersey Turnpike Authority	Rev.	34.0	March 17
*New York State	G.O.	50.7	March 22
Georgia State School Building Auth.	L.L.	30.2	March 22

Forthcoming Large Offerings, as of March 11 (Cont'd)

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>STATE AND LOCAL GOVERNMENT</u> (Cont'd)			
*Florida State Improvement Comm.	Rev.	6.0	March 31
*State of Massachusetts	n.a.	60.0	March
San Francisco, California	n.a.	6.9	April 4
Los Angeles, California	n.a.	5-10.0	April 6
Louisville, Kentucky	n.a.	7.5	April 20
*Calcasieu Parish, Louisiana	n.a.	5.5	April 21
Wichita, Kansas	n.a.	7.4	April 26
San Diego County, California	n.a.	8.4	Spring
Inter-American Center Auth., Fla.	Rev.	60.0	Spring
Michigan Turnpike Authority	Rev.	186.0	Spring
State of Louisiana	n.a.	80.0	Spring
Florida State Turnpike Authority	Rev.	74.0	Spring
Illinois Turnpike Authority	Rev.	390.0	1955
Connecticut Expressway	Rev.	100.0	1955
Texas Turnpike Authority	Rev.	58.5	1955
Sam Houston Turnpike Corp.	Rev.	146.0	1955
Texas Turnpike Company	Rev.	140.0	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
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.

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	3.16	13	3.35	12
1953 average	3.43	15	3.79	27
1954 average	3.04	3	3.12	-3
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	None	--	3.11	0
1955 - January 19	3.15	13		
February 24 25	3.14	7	3.23	9
March 10	3.17	8		

^{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.