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CAPITAL MARKET DEVELOPMENTS

Large public security offerings issued for new capital during the week ending November 9 totaled \$617 million for corporations and \$24 million for State and local governments. The corporate total includes the \$572 million AT&T common stock issue, rights for which expired on November 5. This week, two corporate utility issues totaling \$70 million and State and local government offerings for \$66 million are scheduled for sale. One of the corporate issues expected this week was originally scheduled for sale in late October, but was postponed until after the elections.

Bond yields - Bond yields continued to move upward last week for all categories of outstanding bonds, except for those on U. S. Government (new series) obligations, which remained stable. The increase was slight for yields on corporate and U. S. Government (old series) bonds, but it was quite sharp for State and local government bonds.

Offering yields on new corporate issues also continue to increase. A new Aa-rated 30-year first and refunding mortgage bond issue was reoffered this week at a yield of 4.30--10 basis points above the last comparable issue, an offering made on October 31.

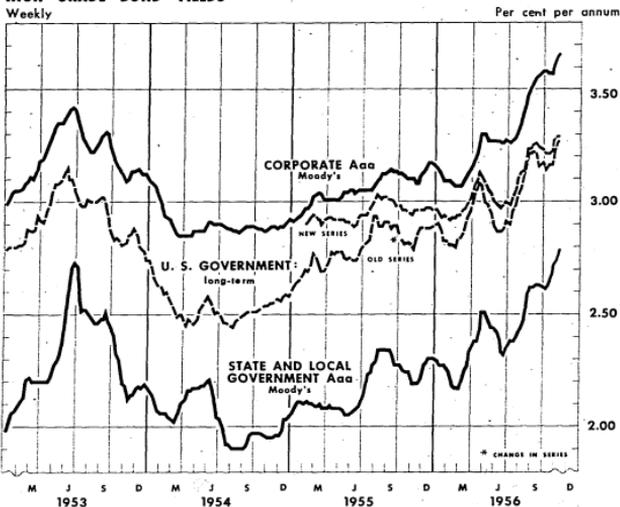
Stock prices - Stock prices, as measured by the SEC index of 265 common stocks, declined 2.3 points last week, closing at 275.7 on November 9. Daily figures through Wednesday of this week indicate a substantial decline in prices on Wednesday after slight increases on Monday and Tuesday.

More detailed information concerning recent capital market developments is presented in the attached exhibits.

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

EXHIBIT A

HIGH-GRADE BOND YIELDS



Date	Corporate Aaa <sup>1/</sup>	U. S. Govt., long-term <sup>2/</sup>		State and local govt. Aaa <sup>3/</sup>	Spread between U. S. Govt. (old series) and Corporate Aaa   State and local Aaa	
		Old series	New series		Corporate Aaa	State and local Aaa
(Per cent)						
1953 - High	3.42 (6/19)	3.15 (6/6)	n.a.	2.73 (6/25)	.38	.84
Low	2.99 (1/9)	2.78 (12/26)	n.a.	1.98 (1/8)	.19	.30
1954 - High	3.09 (1/8)	2.74 (1/9)	n.a.	2.21 (6/10)	.43	.61
Low	2.85 (4/23)	2.44 (8/7)	n.a.	1.90 (9/2)	.32	.29
1955 - High	3.17 (12/23)	2.94 (8/5)	3.03 (8/5)	2.34 (9/8)	.34	.70
Low	2.91 (1/7)	2.62 (1/7)	2.89 (6/10)	2.05 (5/26)	.13	.54
1956 - High	3.66 (11/9)	3.27 (11/9)	3.29 (11/9)	2.79 (11/8)	.44	.68
Low	3.07 (3/2)	2.80 (2/17)	2.92 (2/3)	2.17 (2/23)	.13	.45
October 12	3.57	3.16	3.21	2.63	.41	.53
October 19	3.57	3.16	3.22	2.68	.41	.48
October 26	3.61	3.22	3.27	2.72	.39	.50
November 2	3.65	3.26	3.29	2.74	.39	.52
November 9	3.66	3.27	3.29	2.79	.39	.48

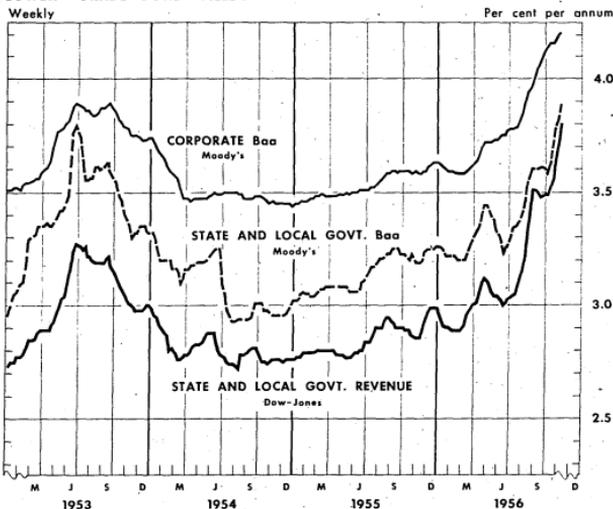
<sup>1/</sup> Weekly average of daily figures. Average term of bonds included is 25-26 years.

<sup>2/</sup> Weekly averages of daily figures. The old series includes fully taxable, marketable 2 1/2 per cent bonds due or first callable after 12 years through September 1955, and those due or callable in 10-12 years thereafter; the average term to first call of the bonds included declined from 14 years in early 1953 to 11 1/2 years in early 1956. The new series is comprised of the 3 per cent bond of 1955 and the 3 1/4 per cent bond of 1978-83.

<sup>3/</sup> Thursday figures. Only general obligation bonds are included; average term is 20 years.

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

## LOWER - GRADE BOND YIELDS



Date	Corporate Baa <sup>1/</sup>	State and local govt. Baa <sup>2/</sup>	State and local govt. rev. <sup>3/</sup>
	(Per cent)		
1953 - High	3.89 (9/18)	3.79 (6/25)	3.27 (6/26)
Low	3.50 (1/2)	2.96 (1/8)	2.71 (1/2)
1954 - High	3.74 (1/8)	3.32 (1/7)	3.00 (1/1)
Low	3.44 (12/31)	2.93 (8/5)	2.72 (8/13)
1955 - High	3.63 (12/30)	3.26 (12/29)	2.99 (12/30)
Low	3.45 (1/14)	3.02 (1/6)	2.76 (1/7)
1956 - High	4.21 (11/9)	3.89 (11/8)	3.80 (11/9)
Low	3.58 (3/9)	3.20 (3/8)	2.89 (2/24)
October 12	4.16	3.62	3.52
October 19	4.16	3.71	3.56
October 26	4.18	3.77	3.64
November 2	4.20	3.82	3.71
November 9	4.21	3.89	3.80

<sup>1/</sup> Weekly average of daily figures. Average term of bonds included is 25-26 years.

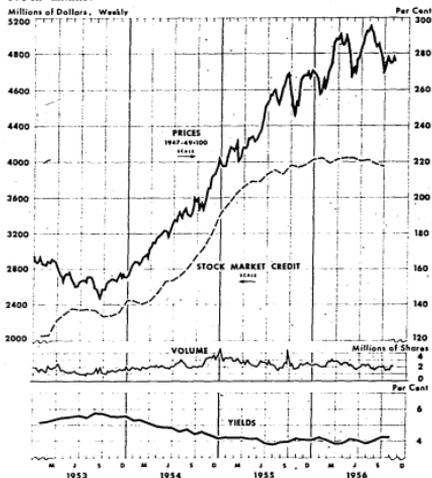
<sup>2/</sup> Thursday figures. Only general obligation bonds are included; average term is 20 years.

<sup>3/</sup> Friday figures. Average rating of bonds included is between Baa and A; average term is 20 years.

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

EXHIBIT C

STOCK MARKET



Date	Stock price index <sup>1/</sup>	Trading volume <sup>2/</sup> (millions of shares)	Common stock yields <sup>3/</sup> (per cent)	Stock market customer credit		
				Total	Customers' debit balances <sup>4/</sup>	Bank loans to "others" <sup>5/</sup>
(Millions of dollars)						
1953 - High	167.1 (1/2)	2.5	5.75	2,445	1,665	780
Low	144.0 (9/18)	0.9	5.15	2,055	1,314	664
1954 - High	221.4 (12/31)	3.7	5.33	3,436	2,388	1,048
Low	156.5 (1/6)	1.4	4.20	2,405	1,653	746
1955 - High	270.7 (12/30)	4.6	4.22	4,030	2,805	1,241
Low	217.4 (1/14)	1.5	3.78	3,537	2,517	1,018
1956 - High	295.5 (8/3)	3.1	4.24	4,047	2,810	1,267
Low	257.4 (1/20)	1.5	3.86	3,950	2,740	1,166
September	278.2	2.0	4.24	3,950	2,782	1,168
October	275.7	1.8	4.23	n.a.	n.a.	1,166
October 26	275.0	1.6	n.a.	n.a.	n.a.	1,171
November 2	278.0	2.1	n.a.	n.a.	n.a.	1,166
November 9	275.7	2.3	n.a.	n.a.	n.a.	n.a.

n.a.--Not available.

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

<sup>2/</sup> Averages of daily trading volume on the New York Stock Exchange.

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

<sup>4/</sup> End of month figures for member firms of the New York Stock Exchange which carry margin accounts; excludes balances secured by U. S. Government obligations.

<sup>5/</sup> Wednesday figures for weekly reporting member banks. Excludes loans for purchasing or carrying U. S. Government securities at banks in New York and Chicago. Weekly reporting banks account for about 72 per cent of loans to others.

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		
	1956	1955	1954	1956	1955	1954
January	579	535	547	404	535	396
February	704	407	426	696	312	411
March	790	1,223	635	390	538	565
April	816	478	497	377	427	734
May	1,144	886	656	490	350	748
June	830	687	842	735	641	853
July	1,066	597	909	376	470	279
August	669	644	335	199	249	261
September	836	670	747	e/350	406	649
October	e/800	1,162 <sup>1/</sup>	1,003	e/635	919	594
November	e/1,200	632	290	e/325	658	423
December		900	604		408	877
1st quarter	2,073	2,165	1,608	1,490	1,385	1,372
2nd quarter	2,790	2,052	1,995	1,603	1,418	2,334
1st half	4,863	4,217	3,603	3,093	2,803	3,706
3rd quarter	2,571	1,911	1,991	e/925	1,124	1,188
Three quarters	7,434	6,128	5,594	e/4,018	3,927	4,894
4th quarter		2,695	1,896		1,984	1,894
Year		8,821	7,490		5,911	6,789
	Excluding finance companies <sup>2/</sup>					
1st quarter	1,617	1,727	1,527			
2nd quarter	2,520	1,870	1,927			
3rd quarter	2,321	1,434	1,911			
4th quarter		2,554	1,792			
Year		7,569	7,158			

e/ Estimated.

<sup>1/</sup> Includes \$637.2 million AT&T convertible debenture issue.<sup>2/</sup> Total new capital issues excluding offerings of sales and consumer finance companies.

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 <u>2/</u>
1955 - October	805	716	--
November	221	401	25
December	263	227	50
1956 - January	95	192	--
February	212	444	--
March	278	163	--
April	395	157	50
May	623	233	--
June	185	463	20
July	592	164	--
August	217	35	37
September	558	184	--
October	386	383	35

Large Individual Issues Offered November 1 through November 9

Issuer	Type <u>3/</u>	Amount (millions of dollars)	Maturity	Coupon rate or net interest cost	Offering yield	Rating
<u>CORPORATE</u>						
Allied Stores Corp.	S.F. deb.	15.0	1976	4 3/4	4.75	A
American Tel. & Tel. Co.	Common stk.	571.5				
Northspan Uranium Mines, Ltd.	Gen. mtg. bds.	45.0	1963	5 3/4	5.93	--
<u>STATE &amp; LOCAL GOVERNMENT</u>						
Los Angeles, Calif.	Elec. rev.	13.5	1957-86	3.36	2.25-3.35	Aa
Trenton, New Jersey	G.O.	5.3	1957-81	2.99	2.10-3.00	Aa
San Antonio, Texas	G.O.	5.0	1957-76	3.57	2.40-3.60	A
<u>OTHER</u>						
None						

1/ Includes corporate and other security offerings of \$15 million 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; L.L., limited liability obligations secured by pledge of designated revenues.

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/
1955 - Oct. 31	202	330	--	412	1,650	--
Nov. 30	215	205	50	230	756	50
Dec. 30	70	121	--	85	618	--
1956 - Jan. 31	176	327	--	376	917	--
Feb. 29	123	220	--	233	785	--
Mar. 30	380	132	--	1,013	811	--
Apr. 30	568	173	--	818	832	--
May 31	198	332	--	448	941	--
June 29	437	81	--	567	690	--
July 31	247	--	37	1,096	726	37
Aug. 31	369	131	--	1,202	958	--
Sept. 28	315	359	--	1,009	1,197	--
Oct. 31	683	162	--	990	955	--

Forthcoming Large Offerings, as of November 9

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>CORPORATE</u>			
Public Service Electric & Gas Co.	1st & ref. mtg. bds.	50.0	November 15
Pacific Lighting Corp.	Conv. pfd.	20.0	November 16
Sinclair Oil Corp.	Conv. sub. deb.	170.6	December 3 (rights expire)
*Chase Manhattan Bank	Cap. stk.	47.0	December 3 (rights expire)
*Long Island Lighting Co.	1st mtg. bds.	20.0	December 5
*Public Service Electric & Gas	Common stk.	33.0	December
*Burroughs Corp.	Deb.	30.2	December (rights expire)
Seaboard Finance Co.	S. F. notes	15.0	Winter
J. P. Stevens & Co.	S. F. deb.	28.7	Winter
Michigan Wisconsin Pipe Line Co.	1st mtg. bds.	25.0	Winter
Southern New England Telephone Co.	Common stk.	20.4	Winter

## Forthcoming Large Offerings, as of November 9 (Cont'd)

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>STATE AND LOCAL GOVERNMENT</u>			
Chicago, Ill.	Water rev.	5.0	November 13
Newark, New Jersey	G.O.	12.5	November 13
Chicago Board of Education, Ill.	G.O.	10.0	November 14
Cleveland, Ohio	Water rev.	7.4	November 14
State of Oregon	G.O.	5.7	November 14
Houston, Texas	G.O.	20.0	November 14
*Hempstead School Dist. No. 5, N. Y.	G.O.	5.6	November 15
Long Beach, Calif.	G.O.	5.0	November 20
Florida State Board of Education	G.O.	9.3	November 27
*Niagara Falls, New York	G.O.	6.4	November 28
State of Connecticut	Expressway rev.	54.0	November 20
Memphis, Tennessee	Elec. rev.	154.0	December
Pennsylvania Turnpike Commission	Rev.	62.0	Winter
Washington State Toll Bridge Auth.	Rev.	227.0	Winter
Inter-American Center Auth., Fla.	Rev.	20.0	Winter
New York State Thruway Authority	G.O.	50.0	Winter
Jacksonville Expressway Authority	Rev.	42.0	Winter
Florida State Turnpike Authority	Rev.	185.0	Winter
Oklahoma Turnpike Authority	Rev.	65.0	Winter
<u>OTHER</u>			
None			

\*--Included in table for first time.

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

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

Note.--Deletions for reasons other than sale of issue: None.