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H.14

April 10, 1957

CAPITAL MARKET DEVELOPMENTS

Large public security offerings for new capital during the week ending April 5 totaled \$78 million for corporations, composed entirely of expiration of subscription rights, and \$90 million for State and local governments. The calendar for this week includes corporate offerings amounting to \$150 million, State and local government issues totaling \$123 million and a foreign issue for \$25 million.

Bond yields - Changes in yields on outstanding bonds were mixed, but minor last week. Yields on U. S. Government obligations increased one basis point, while those for corporate bonds and State and local government Baa's remained stable. Yields on State and local government Aaa-rated bonds declined.

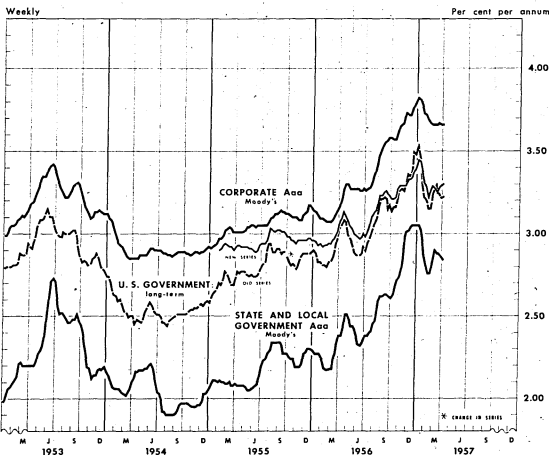
A new A-rated, 30-year first mortgage electric utility issue was reoffered this week to yield 4.60 per cent--15 basis points above that for the last comparable issue, an offering made on March 29, and 5 basis points above the yield for an offering of March 20.

Stock prices - Stock prices, as measured by the SEC index of 265 common stocks, increased 2.3 points last week, closing at 268.5 on April 5. Daily figures show a further increase in prices on Monday and Tuesday of this week.

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.

HIGH-GRADE BOND YIELDS



Date	Corporate Aaa ^{1/}	U. S. Govt., long-term ^{2/}		State and local govt. Aaa ^{3/}	Spread between U. S. Govt. (old series) and Corporate ^{1/} State and Aaa 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	3.79 (12/28)	3.49 (12/21)	3.39 (12/28)	3.05 (12/27)	.44	.68
Low	3.07 (3/2)	2.80 (2/17)	2.92 (2/3)	2.17 (2/23)	.13	.32
1957 - High	3.82 (1/4)	3.53 (1/4)	3.45 (1/4)	3.05 (1/10)	.54	.48
Low	3.66 (4/5)	3.15 (2/8)	3.22 (2/8)	2.76 (2/21)	.29	.26
March 8	3.66	3.30	3.26	2.90	.36	.40
March 15	3.66	3.25	3.26	2.88	.41	.37
March 22	3.67	3.24	3.28	2.88	.43	.36
March 29	3.66	3.21	3.29	2.86	.45	.35
April 5	3.66	3.22	3.30	2.84	.44	.38

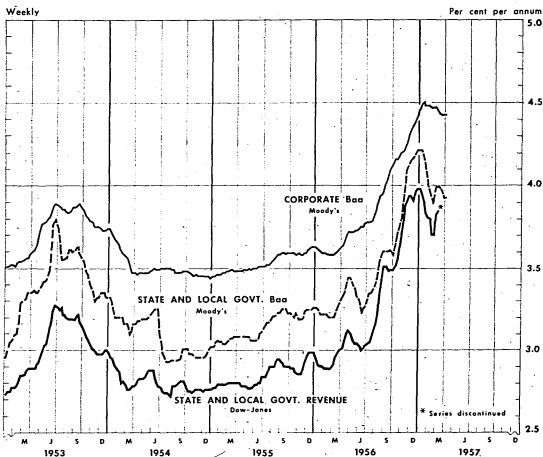
^{1/} Weekly average of daily figures. Average term of bonds included is 25-26 years.

^{2/} 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.

^{3/} Thursday figures. Only general obligation bonds are included; average term is 20 years.

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

LOWER-GRADE BOND YIELDS



Date	Corporate Baa <u>1/</u>	State and local govt. Baa <u>2/</u>	State and local govt. rev. <u>3/</u>
	(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	4.41 (12/28)	4.22 (12/27)	3.98 (12/28)
Low	3.58 (3/9)	3.20 (3/8)	2.89 (2/24)
1957 - High	4.50 (1/18)	4.22 (1/10)	3.98 (1/1)
Low	4.42 (4/5)	3.90 (2/21)	3.70 (2/22)
March 8	4.45	3.99	3.85
March 15	4.43	3.99	<u>4/</u>
March 22	4.42	3.97	
March 29	4.42	3.93	
April 5	4.42	3.93	

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

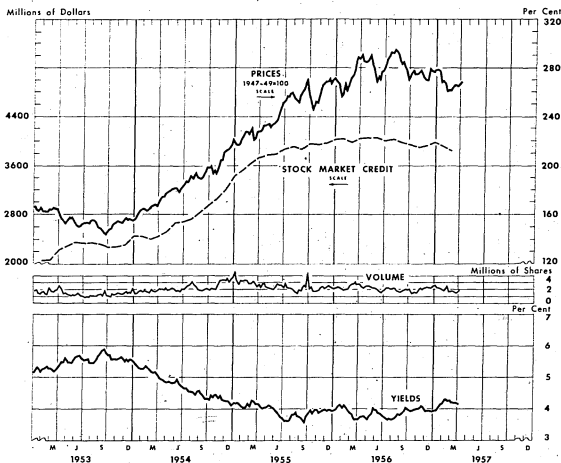
2/ Thursday figures. Only general obligation bonds are included; average term is 20 years.

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

4/ Series discontinued.

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

STOCK MARKET



Date	Stock price index ^{1/}	Trading volume ^{2/} (millions of shares)	Common stock yields ^{3/} (per cent)	Stock market customer credit		
				Total	Customers' debit balances ^{4/}	Bank loans to "others" ^{5/}
(Millions of dollars)						
1953 - High	167.1 (1/2)	2.5	5.88	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	5.49	3,436	2,388	1,048
Low	156.5 (1/6)	1.4	4.09	2,405	1,653	746
1955 - High	270.7 (12/30)	4.6	4.23	4,030	2,805	1,241
Low	217.4 (1/14)	1.5	3.59	3,537	2,517	1,018
1956 - High	295.5 (8/3)	3.1	4.13	4,047	2,823	1,267
Low	257.4 (1/20)	1.5	3.65	3,914	2,740	1,155
1957 - High	279.2 (1/4)	2.7	4.28	3,903	2,762	1,163
Low	260.3 (2/8)	1.6	3.91	3,846	2,729	1,117
February	262.4	2.0	4.27	3,846	2,729	1,117
March	265.1	1.7	4.16	n.a.	n.a.	1,119
March 22	265.1	1.6	4.18	n.a.	n.a.	1,121
March 29	266.2	1.7	4.16	n.a.	n.a.	1,119
April 5	268.5	1.9	4.13	n.a.	n.a.	n.a.

n.a.--Not available.

^{1/} 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.

^{2/} Averages of daily trading volume on the New York Stock Exchange.

^{3/} Moody's 125 industrial stocks; weekly data based on Friday.

^{4/} 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.

^{5/} 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		
	1957	1956	1955	1957	1956	1955
January	e/1,039	579	535	e/660	404	535
February	e/1,050	704	407	e/525	696	312
March	e/1,325	790	1,223	e/500	390	538
April	e/ 900	816	478	e/675	378	427
May		1,144	886		490	350
June		830	687		735	642
July		1,066	597		376	470
August		669	644		199	249
September		836	670		333	406
October		747	1,162 ^{1/}		645	919
November		1,088 ^{2/}	632		311	658
December		1,094	900		426	408
1st quarter	e/3,214	2,073	2,165	e/1,655	1,490	1,385
2nd quarter		2,789	2,052		1,603	1,418
3rd quarter		2,571	1,911		908	1,124
4th quarter		2,929	2,695		1,382	1,984
1st half		4,862	4,216		3,093	2,803
Three quarters		7,432	6,127		4,001	3,927
Year		10,362	8,821		5,383	5,911
	Excluding finance companies ^{3/}					
1st quarter	e/3,214	1,617	1,727			
2nd quarter		2,519	1,870			
3rd quarter		2,263	1,444			
4th quarter		2,834	2,554			
Year		9,233	e/7,595			

e/ Estimated.

^{1/} Includes \$637.2 million AT&T convertible debenture issue.

^{2/} Includes \$571.5 million AT&T common stock issue.

^{3/} 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>
1956 - 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
November	701	135	--
December	430	201	--
1957 - January	567	386	100
February	671	306	50
March	788	194	---

Large Individual Issues Offered April 1 through 5

Issuer	Type <u>3/</u>	Amount (millions of dollars)	Maturity	Coupon rate or net interest cost	Offering yield	Rating
<u>CORPORATE</u>						
El Paso Natural Gas Co.	Conv. pfd. stk.	30.0				
Baltimore Gas & Elec. Co.	Common stk.	17.9				
Southern Company	Common stk.	30.1				
<u>STATE AND LOCAL GOVERNMENT</u>						
Jefferson Co., Texas	G.O.	5.4	1958-77	3.45	2.25-3.50	A
Los Angeles City Sch. Dist. California	G.O.	20.0	1958-82	3.16	2.10-3.20	Aa
State of Connecticut Expressway rev.		50.0	1962-97	3.69	2.75-3.67	A
Harris Co. Navigation Dist. Texas	G.O.	7.0	1958-87	3.25	2.20-4.00 ^{4/}	A
Miami, Florida	G.O.	7.5	1959-68	3.42	2.70-3.50	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.

4/ 1986-87 maturities not reoffered.

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 <u>2/</u>	Corporate	State and local govt.	Other <u>2/</u>
1956 - Mar. 30	380	132	--	1,013	811	--
Apr. 30	568	173	--	818	832	--
Mar. 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	--
Nov. 30	436	48	23	481	979	23
Dec. 31	476	280	100	796	763	100
1957 - Jan. 31	591	153	35	966	648	35
Feb. 28	740	153	--	795	631	--
Mar. 29	461	390	25	486	862	25

Forthcoming Large Offerings, as of April 5

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>CORPORATE</u>			
Aluminum Co. of Canada, Ltd.	S.F. deb.	125.0	April 10
Sears Roebuck Acceptance Corp.	Sub. deb.	25.0	April 10
Houston Lighting & Power Co.	Common stk.	26.3	April 15 (rights expire)
U. S. Foil Co.	Common stk.	19.0	April 16. (rights expire)
Reynolds Metals Co.	Common stk.	18.9	April 16 (rights expire)
Quebec Natural Gas Corp.	1st mtg. bds.	25.0	April 16
Quebec Natural Gas Corp.	Sub. deb. & common	15.0	April 16
Transcontinental Gas Corp.	1st mtg. bds.	50.0	April 18
Columbia Gas System, Inc.	Common stk.	26.4	April 22 (rights expire)
Babcock & Wilcox Co.	Capital stk.	18.7	April 22 (rights expire)
Northwestern Bell Telephone Co.	Deb.	30.0	April 24
*Lone Star Gas Co.	S.F. deb.	30.0	April 25
*Northern Natural Gas Co.	Deb.	30.0	April 25

Forthcoming Large Offerings as of April 5 (Cont'd)

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>CORPORATE (Cont'd)</u>			
*Pacific Great Eastern Railway	S.F. deb.	20.0	April 25
*Cincinnati Gas & Electric Co.	1st mtg. bds.	25.0	May 7
*National Fuel Gas Co.	Deb.	15.0	May 28
Michigan Wisconsin Pipe Line Co.	1st mtg. bds.	25.0	1957
<u>STATE AND LOCAL GOVERNMENT</u>			
Lynchburg, Virginia	Wtr. & swr. rev.	5.0	April 8
Ohio State University	Dormitory rev.	6.0	April 8
State of Michigan	Expressway rev.	25.0	April 9
Jacksonville Expressway Authority	Rev.	44.1	April 9
Public Housing Authorities	--	36.1	April 10
St. Paul, Minnesota	G.O.	6.7	April 10
*Wichita, Kansas	G.O.	8.5	April 16
Milwaukee, Wisconsin	G.O.	22.2	April 16
Orleans Par. Sch. Dist., La.	G.O.	5.0	April 17
Philadelphia, Pennsylvania	G.O.	29.5	April 17
State of Oregon	G.O.	10.0	April 18
*Louisville & Jefferson Cos., Ky.	Sewer rev.	8.0	April 23
New York, New York	G.O.	30.5	April 23
*State of Colorado	Highway rev.	8.6	April 24
State of California	G.O.	80.0	April 24
*Little Rock Waterworks Commission, Ark.	Rev.	9.6	April 29
*Long Beach, California	G.O.	10.2	April 30
State of Ohio	G.O.	60.0	May 1
Jacksonville, Florida	Utilities rev.	30.0	May 9
*Territory of Hawaii	G.O.	14.0	May 14
Florida State Turnpike Authority	Rev.	185.0	July 1
Pennsylvania Turnpike Commission	Rev.	62.0	1957
Inter-American Center Auth., Florida	Rev.	20.0	1957
New York State Thruway Authority	G.O.	50.0	1957
Oklahoma Turnpike Authority	Rev.	65.0	1957
<u>OTHER</u>			
High Authority of the European Coal and Steel Community	Bonds	25.0	April 10
*British Columbia Power Commission	S.F. deb.	25.0	April 25

*--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.

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 - 1956				
High	4.30(12/12/56)	62	4.58(12/6/56)	70
Low	2.93(3/31/54)	- 3	3.00(3/17/54)	-15
1956 - January	None	--	None	--
February	*3.15	3	3.23	- 6
March	3.28	11	3.45	15
April	*3.77	40	3.61	26
May	*3.53	19	3.76	28
June	*3.52	18	*3.75	27
July	3.66	29	*3.82	28
August	*4.07	52	*4.00	43
September	4.13	53	None	--
October 10			4.40	63
31	4.20	48		
November 21	4.30	52		
December 6			4.58	70
12	4.30	47		
1957 - January 8	4.50	62		
16			4.67	70
18	4.43	56		
22			4.56	57
24	4.40	53		
February 5	4.29	45		
19	4.25	46		
27	4.22	43		
March 6			4.41	35
12			4.58	52
20			4.55	49
29			4.45	43
April 3	4.29	50		

*--Single observation, not an average.

^{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.