

H.14

February 12, 1958

CAPITAL MARKET DEVELOPMENTS

Large public security offerings for new capital during the week ending February 7 totaled \$47 million for corporations and \$233 million for State and local governments. This week, corporate issues, including the expiration of subscription rights, are expected to total \$172 million, and State and local government issues totaling \$48 million are scheduled for sale. Included in the corporate financing total is an estimate for the Royal Dutch Petroleum Company's issue for which subscription rights expired early this week. Final information is not yet available on the proportion which was sold to American investors.

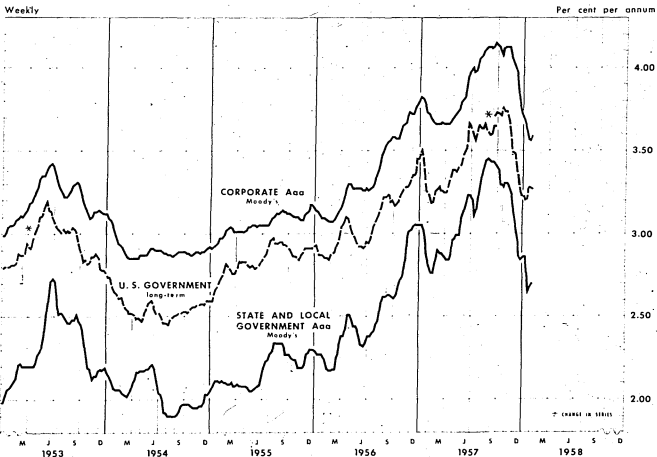
Bond yields - Changes in yields on outstanding bonds were mixed last week. Yields on State and local government and high-grade corporate bonds increased, while those for corporate Baa's and U. S. Government obligations declined.

Stock prices - The Standard and Poor's index of 500 common stock prices increased in the early part of last week, then declined. Prices have continued to decline this week, closing at 40.93 on Wednesday.

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

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

## 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. and	
				Corporate Aaa	State and local Aaa
	(Per cent)				
1953 - High	3.42 (6/19)	3.19 (6/5)	2.73 (6/25)	.38	.83
Low	2.99 (1/9)	2.74 (12/31)	1.98 (1/8)	.20	.33
1954 - High	3.09 (1/8)	2.74 (1/8)	2.21 (6/10)	.43	.62
Low	2.85 (4/23)	2.45 (8/6)	1.90 (9/2)	.30	.30
1955 - High	3.17 (12/23)	2.97 (8/5)	2.34 (9/8)	.27	.76
Low	2.91 (1/7)	2.64 (1/7)	2.05 (5/26)	.11	.57
1956 - High	3.79 (12/28)	3.45 (12/28)	3.05 (12/27)	.41	.71
Low	3.07 (3/2)	2.84 (2/17)	2.17 (2/23)	.12	.32
1957 - High	4.14 (9/27)	3.76 (10/18)	3.45 (8/29)	.60	.47
Low	3.66 (4/12)	3.18 (2/8)	2.76 (2/21)	.27	.15
1958 <sup>a</sup> - High	3.68 (1/3)	3.28 (1/31)	2.86 (1/9)	.46	.62
Low	3.56 (1/31)	3.20 (1/10)	2.65 (1/23)	.28	.34
January 10	3.65	3.20	2.86	.45	.34
January 17	3.61	3.21	2.68	.40	.53
January 24	3.57	3.27	2.65	.30	.62
January 31	3.56	3.28	2.68	.28	.60
February 7	3.59	3.27	2.70	.32	.57

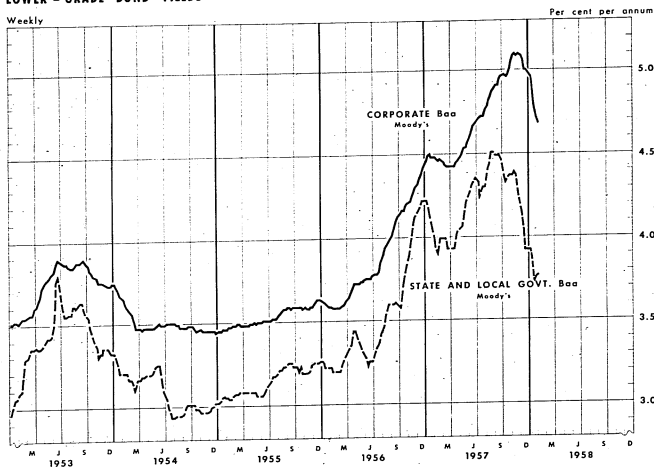
<sup>1/</sup> Weekly average of daily figures. Average term of bonds included is 25-26 years.

<sup>2/</sup> Weekly average of daily figures. The series includes bonds due or callable in 10 years or more.

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

Not.--highs and lows are for individual series and may be on different dates for different series.

## LOWER - GRADE BOND YIELDS



Date	Corporate Baa 1/	State and local govt. Baa 2/	Spread between Aaa and Baa	
			Corporate	State and local govt.
			(Per cent)	
1953 - High	3.89 (9/18)	3.79 (6/25)	.69	1.21
Low	3.50 (1/2)	2.96 (1/8)	.42	.98
1954 - High	3.74 (1/8)	3.32 (1/7)	.68	1.16
Low	3.44 (12/31)	2.93 (8/5)	.52	.93
1955 - High	3.63 (12/30)	3.26 (12/29)	.54	1.03
Low	3.45 (1/14)	3.02 (1/6)	.45	.87
1956 - High	4.41 (12/28)	4.22 (12/27)	.63	1.17
Low	3.58 (3/9)	3.20 (3/8)	.42	.89
1957 - High	5.10 (11/29)	4.51 (8/29)	1.27	1.21
Low	4.42 (4/12)	3.90 (2/21)	.64	1.04
1958 - High	4.96 (1/3)	3.92 (1/2)	1.28	1.09
Low	4.68 (2/7)	3.73 (1/23)	1.09	1.02
January 10	4.92	3.88	1.27	1.02
January 17	4.84	3.77	1.23	1.09
January 24	4.77	3.73	1.20	1.08
January 31	4.72	3.76	1.16	1.08
February 7	4.68	3.77	1.09	1.07

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

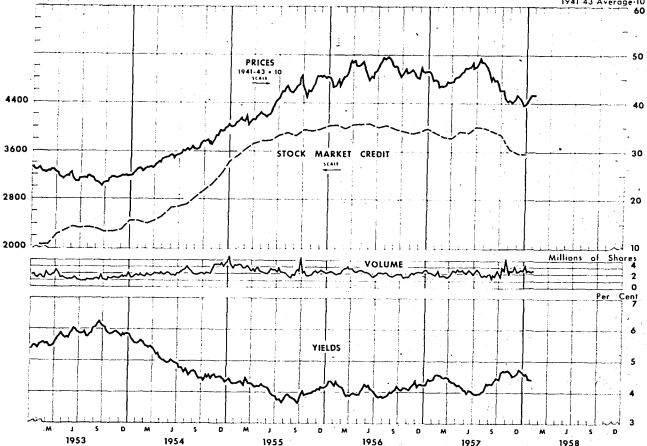
2/ Thursday figures. Only general obligation bonds are included; average term is 20 years.

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

STOCK MARKET

Millions of Dollars

1941-43 Average-10  
60



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	26.54 (1/2)	2.5	6.25	2,455	1,665	780
1953 - Low	22.95 (9/18)	0.9	5.38	2,055	1,314	664
1954 - High	35.98 (12/31)	3.7	5.82	3,436	2,388	1,048
1954 - Low	24.93 (1/8)	1.4	4.32	2,405	1,653	746
1955 - High	45.69 (12/9)	4.6	4.42	4,030	2,805	1,241
1955 - Low	35.28 (1/4)	1.5	3.64	3,537	2,517	1,018
1956 - High	49.64 (8/3)	3.1	4.35	4,047	2,823	1,267
1956 - Low	43.22 (1/20)	1.5	3.82	3,914	2,740	1,155
1957 - High	49.08 (7/12)	4.2	4.72	4,031	2,887	1,163
1957 - Low	39.48 (12/20)	1.4	3.91	3,576	2,482	1,054
1958 - High	41.73 (2/7)	2.5	4.58	n.a.	n.a.	1,067
1958 - Low	40.37 (1/10)	2.2	4.42	n.a.	n.a.	1,051
November	40.35	2.5	4.62	3,577	2,517	1,060
December	40.33	2.6	4.63	3,576	2,482	1,094
January 24	41.71	2.3	4.43	n.a.	n.a.	1,058
January 31	41.70	2.2	4.42	n.a.	n.a.	1,067
February 7	41.73	2.5	4.42	n.a.	n.a.	n.a.

n.a.--Not available.

<sup>1/</sup> Standard and Poor's composite index of 500 common stocks, weekly closing prices, 1941-43=10. Monthly data are averages of daily figures rather than of Friday's only. Highs and lows are for Friday's data only.

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

<sup>3/</sup> Standard and Poor's composite stock yield based on Wednesday data converted to weekly closing prices by Federal Reserve.

<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 70 per cent of loans to others. For further detail see *Bulletin*.

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 1/		
	1958	1957	1956	1958	1957	1956
January	e/ 800	1,063	573	796	742	404
February	e/ 825	1,071	712	e/ 750	572	696
March		1,344	817		506	390
April		924	818		765	378
May		771	1,146		546	490
June		1,489	841		393	735
July		991	1,063		529	408
August		914	654		584	206
September		973	838		431	357
October		1,014	745		698	639
November		831	1,089 <sup>2/</sup>		633	347
December		e/1,000	1,088		698	409
1st quarter		3,479	2,102		1,820	1,490
2nd quarter		3,184	2,805		1,704	1,603
3rd quarter		2,878	2,556		1,544	971
4th quarter		e/2,845	2,922		2,029	1,395
1st half		6,662	4,907		3,524	3,093
Three quarters		9,540	7,463		5,069	4,004
Year		e/12,385	10,384		7,099	5,459
	Excluding finance companies 3/					
1st quarter		3,268	1,647			
2nd quarter		2,924	2,541			
3rd quarter		2,560	2,246			
4th quarter		e/2,695	2,826			
Year		e/11,446	9,260			

e/ Estimated.

1/ Data through June 1956 are Bond Buyer data classified as new capital by Federal Reserve; later data are from the Investment Bankers Association of America and are somewhat more complete as to coverage than the earlier data, particularly for Federal Government loans.

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>
1957 - January	567	386	100
February	671	306	50
March	788	194	--
April	477	499	125
May	329	248	25
June	877	176	39
July	525	265	25
August	526	357	--
September	537	185	30
October	574	435	75
November	420	386	--
December	399	439	--
1958 - January	318	506	215

Large Individual Issues Offered February 1 through 7

Issuer	Type <u>3/</u>	Amount (millions of dollars)	Maturity	Coupon rate or net interest cost	Offering yield	Rating
<u>CORPORATE</u>						
Tenn. Gas Trans. Co.	Com.stk.	30.8				
Texas Utilities Co.	Com.stk.	16.6				
<u>STATE AND LOCAL GOVERNMENT</u>						
Springfield, Ill.	Swr.rev.	5.6	1962-97/72	3.53	2.30-3.60	A
Columbus C.S.D., Ohio	G.O.	5.0	1959-82	2.73	1.50-2.90	Aa
Detroit, Michigan	Wtr.rev.	5.0	1962-78/68	3.02	2.15-3.05	Aa
Allegheny Co.San.Auth.,Pa.	Swr.rev.	25.0	1961-96/63	3.55	2.20-3.60	--
East Baton Rouge Par. Sch. Dist. No. 1, La.	G.O.	10.0	1959-78	3.19	1.80-3.25	A

## Large Individual Issues Offered February 1 through 7 (Cont'd)

Issuer	Type 3/	Amount (millions of dollars)	Maturity	Coupon rate or net inter- cost	Offering yield	Rating
<u>STATE AND LOCAL GOVERNMENT</u> <u>(Continued)</u>						
Memphis, Tennessee	G.O.	12.5	1959-88	2.82	1.50-3.70	Aa
Denver, Colorado	Wtr.rev.	20.0	1969-97/68	3.25	2.65-3.24	Aa
Public Housing Auth.	--	67.1	1959-98/67	2.89	1.45-3.10	Aaa
N.Y. State Thruway Auth.	G.R.	50.0	1985-95/65	3.12	2.85-3.10	Aaa
No. Hempstead S.D.No.9,N.Y.	G.O.	7.4	1958-86	3.72	1.60-3.75	Baa
Detroit, Michigan	G.O.	13.7	1959-83	2.98	1.65-3.15	A
New Orleans, La.	G.O.	6.3	1959-87/73	3.25	1.80-3.35	A
Wichita S. D. No. 1, Kan.	G.O.	5.0	1959-78	3.14	1.80-3.30	A
<u>OTHER</u>						
None						

n.a.--Not available.

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 obligations; Rev., revenue bonds; G.R., general obligations additionally secured by facilities revenues; L.L., limited liability obligations secured by pledge or 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 <u>2/</u>	Corporate	State and local govt.	Other <u>2/</u>
1956 - 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	290	25	486	862	25
Apr. 30	187	179	25	258	396	25
May 31	525	97	--	525	388	--
June 28	370	172	25	415	498	25
July 31	526	252	--	811	514	--
Aug. 30	578	243	30	845	439	30
Sept. 30	576	370	--	647	587	15
Oct. 31	458	369	30	815	573	45
Nov. 29	383	387	18	1,193	589	63
Dec. 31	378	383	150	1,161	614	165

Forthcoming Large Offerings, as of February 7

Issuer	Type	Amount (millions of dollars)	Approximate date of offering.
<u>CORPORATE</u>			
Royal Dutch Petroleum Co.	Common stk.	100.0	Feb. 10 (rights expire)
Northern Natural Gas Co.	Common stk.	21.8	Feb. 11 (rights expire)
Southern California Edison Co.	Pfd. stk.	25.0	Feb. 11
Indiana & Michigan Electric Co.	1st mtg. bds.	25.0	Feb. 14
*Niagara Mohawk Power Co.	Pfd. stk.	25.0	Feb. 18
General Motors Acceptance Corp.	Deb.	150.0	Feb. 19
New York State Electric & Gas Co.	1st mtg. bds.	25.0	Feb. 21
Pennsylvania Electric Co.	1st mtg. bds.	29.0	Feb. 25
Cleveland Electric Illuminating Co.	1st mtg. bds.	30.0	Feb. 26
Central Illinois Public Service Co.	1st mtg. bds.	15.0	Feb. 26
United Gas Corp.	1st mtg. & coll. tr. bds.	30.0	Feb. 27
*Southern New England Telephone Co.	Deb.	30.0	Feb. 27
*Potomac Electric Co.	Pfd. stk.	15.0	Feb. 28



## Forthcoming Large Offerings, as of February 7 (Cont'd)

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>CORPORATE (Continued)</u>			
*Baltimore Gas & Electric Co.	1st&ref.mtg.bds.	30.0	Mar. 4
*Ohio Edison Co.	1st mtg. bds.	40.0	Mar. 5
Public Service Electric & Gas Co.	Pfd. stk.	25.0	Mar. 5
Union Electric Co.	1st mtg. bds.	35.0	Mar. 6
*Columbia Gas System, Inc.	Deb.	30.0	Mar. 7
American Telephone & Telegraph Co.	Conv. deb.	718.3	Mar. 12
			(rights expire)
Chicago, Rock Island & Pacific R.R.	1st mtg. bds.	16.0	Mar. 13
Commerce Oil Refining Corp.	Deb.,bds.&common	45.0	winter
Natural Gas Pipeline Co. of America	1st mtg. bds.	40.0	winter
<u>STATE AND LOCAL GOVERNMENT</u>			
State of Minnesota	G.O.	12.0	Feb. 11
Hartford, Connecticut	G.O.	6.9	Feb. 11
Met. Water Dist. of Southern Calif.	Rev.	18.0	Feb. 11
Guilford Co., North Carolina	G.O.	6.0	Feb. 11
Hempstead U. F. S. D., N. Y.	G.O.	5.4	Feb. 13
Kansas City Sch. Dist., Mo.	G.O.	7.0	Feb. 17
Long Beach, California	G.O.	10.1	Feb. 18
State of Connecticut	G.O.	35.0	Feb. 18
State of Alabama	G.O.	21.0	Feb. 19
*State of Rhode Island	G.O.	18.8	Feb. 19
*St. Louis, Missouri	G.O.	12.3	Feb. 19
*Los Angeles Met. Transit Auth., Calif	Rev.	40.0	Feb. 19
*State of Delaware	G.O.	21.0	Feb. 20
*New York, New York	G.O.	44.5	Feb. 25
Cleveland, Ohio	G.O.	15.3	Feb. 25
State of Kentucky	G.O.	35.0	Feb. 25
Houston Ind. Sch. Dist., Texas	G.O.	15.0	Feb. 26
*Washington Tp. Local Sch. Dist., Ohio	G.O.	5.0	Feb. 27
*Louisiana State Univ.	Bldg. rev.	7.5	Mar. 1
*State of Mississippi	G.O.	20.0	Mar. 6
Milwaukee, Wisconsin	wtr. rev.	10.0	Mar. 18
*State of Louisiana	G.O.	8.1	Mar. 26
Pennsylvania Turnpike Commission	Rev.	62.0	winter
Inter-American Center Authority, Fla.	Rev.	20.0	winter
Met. Fair & Exposition Auth., Ill.	Bldg. rev.	25.0	winter
<u>OTHER</u>			
*Amsterdam, The Netherlands	S.F. bds.	15.0	Feb. 26

\*--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.