

H.14

February 28, 1958

### CAPITAL MARKET DEVELOPMENTS

(Including Monthly Review of Sources and Uses  
of Funds of Financial Intermediaries)

The volume of large public security offerings was substantial last week and is expected to be only moderately smaller this week. During the week ending February 21, corporations sold large issues totaling \$200 million and State and local governments offered issues amounting to \$173 million. This week, large corporate issues are expected to total \$149 million. State and local government offerings with aggregate proceeds of \$135 million and a foreign government issue for \$15 million are also scheduled for sale.

Bond yields - Yields on outstanding bonds changed little again last week. Yields on State and local government and U. S. Government obligations increased slightly, while corporate bond yields declined.

Yields on new corporate issues have increased recently. Two new Aa-rated first mortgage public utility bond issues were offered to investors this week -- one to yield 3.95 per cent and the other 4.00 per cent as compared to a yield of 3.80 per cent for comparable offerings made last week and the week before. An A-rated issue with similar terms was offered on Friday to yield 4.40 per cent -- 48 basis points above the yield for a comparable issue offered a week earlier.

March security volume estimates - The volume of corporate issues for new capital is expected to be very large in March. The estimated total of \$1.5 billion would be more than two-thirds larger than the volume in February and nearly one-eighth greater than in March of last year. Large public issues, including the \$718 million AT&T convertible debenture issue for which subscription rights expire in mid-March, are expected to total about \$1.1 billion. (Last March, AT&T sold a \$250 million nonconvertible debenture issue.) A volume of \$1.5 billion in March would bring the first quarter issue total to \$3.2 billion, only one-tenth below the first quarter of 1957.

State and local government issues are currently estimated at about \$550 million. This volume would be about three-eighths below the revised estimate for February, but nearly one-tenth above the volume in March 1957. For the first quarter of this year State and local government financing is expected to be \$2.2 billion (a record for the first quarter), more than 20 per cent above the volume in the corresponding quarter last year.

Stock prices - Stock prices, as measured by the Standard and Poor's index of 500 common stocks, declined last week, closing at 40.88 on February 21. Trading activity was light, averaging only 1.8 million shares a day. Prices declined further on balance for the first four days of this week, closing on Thursday at 40.68.

Institutional investors - In December, savings capital at savings and loan associations and deposits at mutual savings banks increased more rapidly than in December 1956, while life insurance company assets increased less rapidly. The investment pattern of these institutions showed some changes in December from that of other recent months. Holdings of mortgages generally increased more rapidly than earlier in 1957, but holdings of business securities gained less rapidly than earlier in the year. However, net acquisitions of mortgages in December were still below a year earlier (with the exception of savings and loan associations) while the increase in holdings of business securities were above the previous year.

For the year 1957, the combined growth in savings at these three major savings institutions -- life insurance companies, savings and loan associations and mutual savings banks -- was 5 per cent smaller than in 1956. (\$11,750 million in 1957 compared with \$12,378 million in 1956.) Savings lagged behind 1956 rates at each of the institutions, with mutual savings banks showing the largest percentage decline. In contrast to developments at these three institutions, savings and time deposits at commercial banks increased \$5.5 billion in 1957, about 2 1/2 times as much as in 1956.

The increase in life insurance company assets in 1957 amounted to \$5,199 million, about 7 per cent less than in 1956 and 16 per cent less than in 1955. Net liquidation of U. S. Government securities was about half as great as the unusually large liquidation in 1956. The increase in life insurance company holdings of mortgages was smaller in each month last year than in the corresponding period of 1956 -- with the total increase being only five-eighths as large as in 1956. In January and February of 1957, business security holdings increased less rapidly than in 1956, but in each succeeding month the increase was greater than during the corresponding month a year earlier, and for the year was one-fourth greater.

The net increase in share capital at savings and loan associations for the year was \$4,890 million, only slightly smaller than in 1956 and about the same as in 1955. Early in 1957, the growth had been at a slower rate than a year earlier, but the increased pace in later months nearly offset this lag. Associations increased their indebtedness to home loan banks slightly in 1957, in contrast to substantial debt repayment in 1956, thereby permitting a slightly greater increase in mortgage holdings than a year earlier. The increased rate of growth in mortgage holdings was concentrated in the last five months of the year. Holdings of U. S. Government securities increased 10 per cent less than a year earlier.

1/

Sources and Uses of Funds of Major Types of Savings Institutions  
1953 - 1957  
(In millions of dollars)

| Year                          | Uses of funds |                        |                     |           |                          |              | Total sources and uses | Sources of funds                          |           |       |
|-------------------------------|---------------|------------------------|---------------------|-----------|--------------------------|--------------|------------------------|---|-----------|-------|
|                               | Cash          | U. S. Govt. securities | Business securities | Mortgages | State & local govt. sec. | Other assets |                        | Net change in deposits or savings capital | Borrowing | Other |
| Life Insurance Companies      |               |                        |                     |           |                          |              |                        |   |           |       |
| 1957                          | -9            | -569                   | 2,473               | 2,236     | 141                      | 927          | 5,199                  | --  | --        | --    |
| 1956                          | 18            | -1,026                 | 1,972               | 3,569     | 236                      | 808          | 5,577                  | --  | --        | --    |
| 1955                          | 55            | -476                   | 2,126               | 3,497     | 165                      | 832          | 6,199                  | --  | --        | --    |
| 1954                          | 5             | -746                   | 2,280               | 2,653     | 555                      | 1,120        | 5,867                  | --  | --        | --    |
| 1953                          | 80            | -428                   | 2,792               | 2,030     | 152                      | 541          | 5,167                  | --  | --        | --    |
| Savings and Loan Associations |               |                        |                     |           |                          |              |                        |   |           |       |
| 1957                          | 26            | 387                    | --                  | 4,390     | n.a.                     | 610          | 5,400                  | 4,890                                     | 34        | 476   |
| 1956                          | 52            | 440                    | --                  | 4,268     | n.a.                     | 408          | 5,156                  | 4,956                                     | -211      | 411   |
| 1955                          | 87            | 321                    | --                  | 5,267     | n.a.                     | 320          | 5,983                  | 4,858                                     | 598       | 527   |
| 1954                          | 501           | 101                    | --                  | 4,232     | n.a.                     | 174          | 5,003                  | 4,488                                     | -67       | 582   |
| 1953                          | 190           | 133                    | --                  | 3,566     | n.a.                     | 189          | 4,073                  | 3,651                                     | 83        | 339   |
| Mutual Savings Banks          |               |                        |                     |           |                          |              |                        |   |           |       |
| 1957                          | -18           | -405                   | 798                 | 1,409     | 9                        | 44           | 1,837                  | 1,661                                     | --        | 176   |
| 1956                          | -45           | -489                   | 177                 | 2,284     | 32                       | 78           | 2,037                  | 1,845                                     | --        | 192   |
| 1955                          | -61           | -288                   | -178                | 2,429     | 37                       | 57           | 1,998                  | 1,828                                     | --        | 169   |
| 1954                          | 43            | -436                   | 230                 | 2,050     | 193                      | 68           | 2,146                  | 1,961                                     | --        | 186   |
| 1953                          | 65            | -238                   | 388                 | 1,556     | 82                       | 44           | 1,897                  | 1,777                                     | --        | 120   |

1/ For description of data see exhibits H, I and J.

The growth in deposits at mutual savings banks was \$1,661 million, less than in each of the four previous years and 10 per cent less than in 1956. Net liquidation of U. S. Government securities, although substantial was about 15 per cent less than a year earlier. Net acquisition of mortgages was three-eighths less. Acquisitions of business securities were extremely large throughout 1957, totaling \$798 million as compared to \$177 million in 1956.

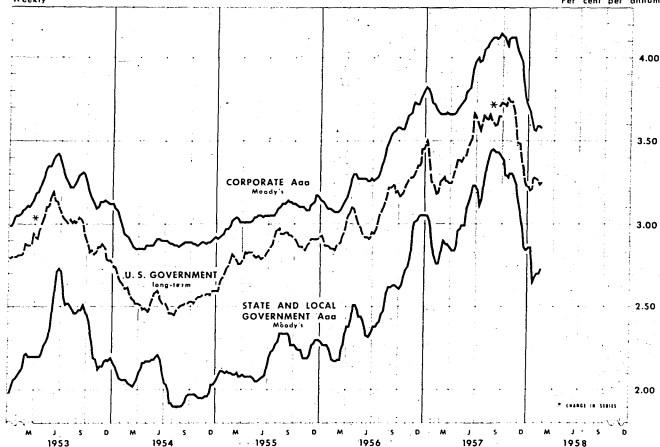
More detailed information concerning recent capital market developments is presented in the attached exhibits.

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

## HIGH-GRADE BOND YIELDS

Weekly

Per cent per annum



| Date        | Corporate<br>Aaa 1/ | U. S. Govt.<br>long-term 2/ | State and<br>local govt.<br>Aaa 3/ | Spread between<br>U. S. Govt. and |                        |
|-------------|---------------------|-----------------------------|------------------------------------|-----------------------------------|------------------------|
|             |                     |                             |                                    | Corporate<br>Aaa                  | State and<br>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 - 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 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                    |
| February 14 | 3.59                | 3.24                        | 2.70                               | .35                               | .54                    |
| February 21 | 3.58                | 3.25                        | 2.73                               | .33                               | .52                    |

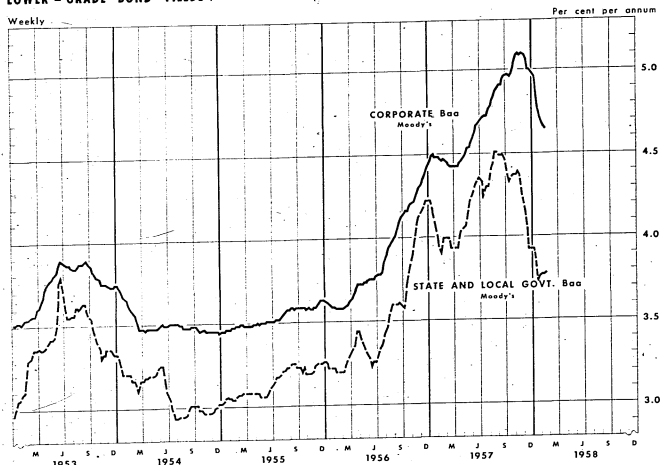
1/ Weekly average of daily figures. Average term of bonds included is 25-26 years.

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

3/ 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<br>Baa 1/ | State and<br>local govt.<br>Baa 2/ | Spread between<br>Aaa and Baa |                          |
|-------------|---------------------|------------------------------------|-------------------------------|--------------------------|
|             |                     |                                    | Corporate                     | State and<br>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         | 4.64 (2/21)         | 3.73 (1/23)                        | 1.06                          | 1.02                     |
| 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                     |
| February 14 | 4.66                | 3.77                               | 1.07                          | 1.07                     |
| February 21 | 4.64                | 3.78                               | 1.06                          | 1.05                     |

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

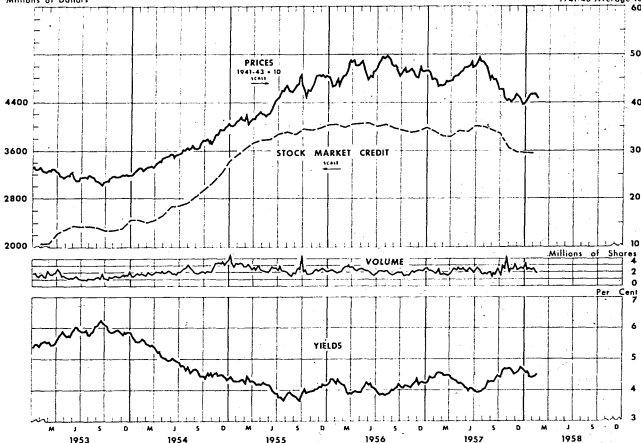
<sup>2/</sup> Thursday figures. Only general obligation bonds are included; average term is 20 years.

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



| Date        | Stock price<br>index 1/<br><br> | Trading<br>volume 2/<br>(millions<br>of shares) | Common<br>stock<br>yields 3/<br>(per cent) | Stock market customer credit |  |                                     |
|-------------|---------------------------------|---|--|------------------------------|--|-------------------------------------|
|             |                                 |   |  | Total                        | Customers'<br>debit bal-<br>ances 4/<br> | Bank<br>loans to<br>"others" 5/<br> |
|             |                                 |   |  | (Millions of dollars)        |  |                                     |
| 1953 - High | 26.54 (1/2)                     | 2.5   | 6.25                                       | 2,455                        | 1,665                                    | 780                                 |
| 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                               |
| 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                               |
| Low         | 35.28 (1/14)                    | 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                               |
| 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                               |
| 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                               |
| Low         | 40.37 (1/10)                    | 1.8   | 4.42                                       | n.a.                         | n.a.                                     | 1,051                               |
| December    | 40.33                           | 2.6   | 4.63                                       | 3,576                        | 2,482                                    | 1,094                               |
| January     | 41.12                           | 2.3   | 4.48                                       | 3,554                        | 2,487                                    | 1,067                               |
| February 7  | 41.73                           | 2.5   | 4.42                                       | n.a.                         | n.a.                                     | 1,065                               |
| February 14 | 41.33                           | 2.0   | 4.47                                       | n.a.                         | n.a.                                     | 1,058                               |
| February 21 | 40.88                           | 1.8   | 4.52                                       | 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 Fridays' 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/ 875      | 1,071  | 712      | e/875              | 572   | 696   |
| March                          | e/1,500     | 1,344  | 817      | e/550              | 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                        |             | 1,055  | 745      |                    | 698   | 639   |
| November                       |             | 792    | 1,089 2/ |                    | 633   | 347   |
| December                       |             | 1,086  | 1,088    |                    | 698   | 409   |
| 1st quarter                    | e/3,175     | 3,479  | 2,102    | e/2,221            | 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                    |             | 2,933  | 2,922    |                    | 2,029 | 1,395 |
| 1st half                       |             | 6,662  | 4,907    |                    | 3,524 | 3,093 |
| Three quarters                 |             | 9,540  | 7,463    |                    | 5,069 | 4,064 |
| Year                           |             | 12,473 | 10,384   |                    | 7,099 | 5,459 |
| Excluding finance companies 3/ |             |        |          |                    |       |       |
| 1st quarter                    | e/2,875     | 3,268  | 1,647    |                    |       |       |
| 2nd quarter                    |             | 2,924  | 2,541    |                    |       |       |
| 3rd quarter                    |             | 2,560  | 2,246    |                    |       |       |
| 4th quarter                    |             | 2,788  | 2,826    |                    |       |       |
| Year                           |             | 11,540 | 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<br>local government | Other 2/ |
|----------------|-----------|-------------------------------|----------|
| 1957 - January | 567       | 386                           | 100      |
| February       | 671       | 306                           | 50       |
| March          | 788       | 194                           | --       |
| April          | 477       | 499                           | 125      |
| May            | 329       | 218                           | 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 21

| Issuer                            | Type 3/       | Amount<br>(millions<br>of<br>dollars) | Maturity   | Coupon<br>rate or<br>net inter-<br>est cost | Offering<br>yield | Rating |
|-----------------------------------|---------------|---------------------------------------|------------|---|-------------------|--------|
| <u>CORPORATE</u>                  |               |                                       |            |   |                   |        |
| Tennessee Gas Trans. Co.          | Com. stk.     | 30.8                                  |            |   |                   |        |
| Texas Utilities Co.               | Com. stk.     | 16.6                                  |            |   |                   |        |
| Royal Dutch Petroleum Co.         | Com. stk.     | 136.8                                 |            |   |                   |        |
| Northern Natural Gas Co.          | Com. stk.     | 21.8                                  |            |   |                   |        |
| Southern Calif. Edison Co.        | Pfd. stk.     | 25.0                                  |            |   |                   |        |
| Ind. & Mich. Electric Co.         | 1st mtg. bds. | 25.0                                  | 1988       | 3 7/8                                       | 3.80              | Aa     |
| Niagara Mohawk Power Co.          | Pfd. stk.     | 25.0                                  |            |   |                   |        |
| Gen. Motors Accept. Corp.         | Deb.          | 150.0                                 | 1979       | 4   | 4.11              | --     |
| N.Y. State Elec. & Gas Co.        | 1st mtg. bds. | 25.0                                  | 1988       | 3 7/8                                       | 3.80              | Aa     |
| <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     |



## Large Individual Issues Offered February 1 through 21 (Cont'd)

| Issuer   | Type 3/        | Amount<br>(millions<br>of<br>dollars) | Maturity   | Coupon<br>rate or<br>net inter-<br>est cost | Offering<br>yield | Rating |
|--|----------------|---------------------------------------|------------|---|-------------------|--------|
| <u>STATE AND LOCAL GOVERNMENT</u><br>(Continued) |                |                                       |            |   |                   |        |
| 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      |
| 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      |
| State of Minnesota                               | G.O.           | 12.0                                  | 1961-77    | 2.45  | 1.70-2.60         | Aa     |
| Hartford, Connecticut                            | G.O.           | 6.9                                   | 1959-78    | 2.41  | 1.50-2.60         | Aaa    |
| Met.Wtr.Dist. of So.Calif.                       | Rev.           | 18.0                                  | 1959-70    | 2.39  | 1.50-2.50         | Aa     |
| Guilford Co., N. C.                              | G.O.           | 6.0                                   | 1961-80    | 2.70  | 1.80-2.85         | Aa     |
| Hempstead U.F.S.D.No.15,N.Y.                     | G.O.           | 5.4                                   | 1959-87    | 3.39  | 1.75-3.50         | A      |
| Kansas City S.D., Mo.                            | G.O.           | 7.0                                   | 1959-78/73 | 2.66  | 1.40-2.80         | Aa     |
| Long Beach, California                           | G.O.           | 10.1                                  | 1960-83/73 | 3.15  | 1.70-3.40         | Aa     |
| State of Connecticut                             | G.R.           | 77.0                                  | 1968-97/66 | 3.26  | 2.25-3.25         | Aaa    |
| State of Alabama                                 | G.O.           | 21.0                                  | 1959-87/63 | 2.78  | 1.50-3.30         | A      |
| State of Rhode Island                            | G.O.           | 18.8                                  | 1959-86    | 3.09  | 1.50-3.30         | A      |
| St. Louis, Missouri                              | G.O.           | 12.3                                  | 1962-77    | 2.75  | 1.80-2.90         | Aa     |
| State of Delaware                                | G.O.           | 21.0                                  | 1959-78    | 2.60  | 1.25-2.80         | Aa     |
| Colorado Springs, Colo.                          | Utilities rev. | 5.5                                   | 1958-79    | 3.37  | 1.50-3.30         | n.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 of designated revenues.

Forthcoming Large Public Security Offerings for New Capital  
(Other than U. S. Treasury) <sup>1/</sup>

Expected Proceeds from Forthcoming Large Issues

| Date of computation | During month following date shown |                       |                     | Subsequent to date shown |                       |                     |
|---------------------|-----------------------------------|-----------------------|---------------------|--------------------------|-----------------------|---------------------|
|                     | Corporate                         | State and local govt. | Other <sup>2/</sup> | Corporate                | State and local govt. | Other <sup>2/</sup> |
| 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 21

| Issuer                              | Type                      | Amount (millions of dollars) | Approximate date of offering |
|-------------------------------------|---------------------------|------------------------------|------------------------------|
| <u>CORPORATE</u>                    |                           |                              |                              |
| 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                      |
| 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                       |
| *Sylvania Electric Products, Inc.   | S.F. deb.                 | 20.0                         | Mar. 11                      |
| *Sylvania Electric Products, Inc.   | Conv. sub. deb.           | 20.0                         | Mar. 11                      |
| American Telephone & Telegraph Co.  | Conv. deb.                | 718.3                        | Mar. 12                      |
|                                     |                           |                              | (rights expire)              |

## Forthcoming Large Offerings, as of February 21 (Cont'd)

| Issuer                                | Type                | Amount<br>(millions<br>of dollars) | Approximate date<br>of offering |
|---------------------------------------|---------------------|------------------------------------|---------------------------------|
| <u>CORPORATE (Continued)</u>          |                     |                                    |                                 |
| Chicago, Rock Island & Pacific R.R.   | 1st mtg. bds.       | 16.0                               | Mar. 13                         |
| General Telephone Co. of Calif.       | 1st mtg. bds.       | 20.0                               | Mar. 13                         |
| Mississippi River Fuel Corp.          | S.F. deb.           | 30.0                               | Mar. 13                         |
| Carolina Power and Light Co.          | 1st mtg. bds.       | 20.0                               | Mar. 18                         |
| *Georgia Power Co.                    | 1st mtg. bds.       | 24.0                               | Mar. 20                         |
| 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>     |                     |                                    |                                 |
| 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                         |
| State of Tennessee                    | G.O.                | 15.0                               | Feb. 26                         |
| San Antonio, Texas                    | G.O.                | 5.0                                | Feb. 27                         |
| Washington Tp. Local Sch. Dist., Ohio | G.O.                | 5.0                                | Feb. 27                         |
| Louisiana State University            | Bldg. rev.          | 7.5                                | Mar. 1                          |
| Seattle, Washington                   | Rev.                | 20.0                               | Mar. 4                          |
| Miami, Florida                        | G.O.                | 12.7                               | Mar. 5                          |
| State of Mississippi                  | G.O.                | 20.0                               | Mar. 6                          |
| *Harrisburg Sewerage Auth., Pa.       | Sewer rev.          | 7.2                                | Mar. 6                          |
| Newark, New Jersey                    | G.O.                | 15.0                               | Mar. 11                         |
| *Cuyaboga Co., Ohio                   | G.O.                | 5.3                                | Mar. 13                         |
| Milwaukee, Wisconsin                  | Wtr. rev.           | 10.0                               | Mar. 18                         |
| Lafayette, Louisiana                  | Util. rev.          | 8.0                                | Mar. 18                         |
| *State of Ohio                        | Rev.                | 32.0                               | Mar. 20                         |
| State of Louisiana                    | G.O.                | 8.1                                | Mar. 26                         |
| Providence, Rhode Island              | G.O.                | 6.7                                | Mar. 26                         |
| *Lafayette Sch. Dist. No. 1, La.      | G.O.                | 7.0                                | Apr. 2                          |
| 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: Los Angeles Metropolitan Transit Authority, California's \$40.0 million revenue bond issue -- no bids received.

Yields on New and Outstanding  
Electric Power Bonds, Rated Aa and A <sup>1/</sup>

| Date             | Aa-rated offering yields |   | A-rated offering yields |   |
|------------------|--------------------------|---|-------------------------|---|
|                  | Actual<br>(per cent)     | Amount above<br>seasoned yields<br>(basis points) | Actual<br>(per cent)    | Amount above<br>seasoned yields<br>(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   |
| 1957 - January   | 4.44                     | 57  | 4.62                    | 64  |
| February         | 4.25                     | 44  | None                    |   |
| March            | None                     |   | 4.50                    | 45  |
| April            | *4.29                    | 50  | 4.55                    | 54  |
| May              | 4.44                     | 58  | 4.80                    | 79  |
| June             | 4.71                     | 81  | *5.10                   | 106   |
| July             | 4.66                     | 57  | 4.86 <sup>2/</sup>      | 70  |
| August           | *5.00                    | 75  | None                    |   |
| September 5      | 4.80                     | 51  |                         |   |
| 6                | 4.85                     | 56  |                         |   |
| 25               |                          |   | 5.10                    | 51  |
| October 1        | 4.78                     | 45  |                         |   |
| 15               |                          |   | 5.00                    | 39  |
| 17               |                          |   | 4.95                    | 34  |
| 24               |                          |   | 5.30                    | 67  |
| November 7       | 4.97                     | 63  | 5.50                    | 88  |
| 8                | 4.86 <sup>2/</sup>       | 52  |                         |   |
| 15               |                          |   | 5.05 <sup>2/</sup>      | 43  |
| 20               | 4.82                     | 53  |                         |   |
| 21               | 4.65                     | 37  |                         |   |
| 22               | 4.65                     | 39  |                         |   |
| December 6       | 4.30                     | 14  |                         |   |
| 12               |                          |   | 4.40                    | 4   |
| 1958 - January 8 |                          |   | 4.07                    | 9   |
| 9                |                          |   | 4.10 <sup>2/</sup>      | 13  |
| 17               |                          |   | 3.85                    | -3  |
| 21               |                          |   | 3.80                    | -8  |
| 23               | 3.60                     | -8  |                         |   |
| February 5       |                          |   | 3.90                    | -3  |
| 14               | 3.80                     | 13  |                         |   |
| 20               | 3.80                     | 12  |                         |   |
| 21               |                          |   | 3.92                    | -3  |

\*--Single observation, not an average.

<sup>1/</sup> 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.

<sup>2/</sup> Both issues on which July average is based and other issues so marked provide for a 5-year period during which issue may not be called for refunding at a lower coupon rate. Other issues have no such provision.

Sources and Uses of Funds by Life  
Insurance Companies  
Monthly

(In millions of dollars)

|                                   | Uses of Funds 1/ |                                  |                                  |  |                |        | Total<br>sources<br>or uses |
|-----------------------------------|------------------|----------------------------------|----------------------------------|--|----------------|--------|-----------------------------|
|                                   | Cash             | U.S.<br>Govt.<br>secur-<br>ities | Busi-<br>ness<br>secur-<br>ities | State and<br>local<br>govt.<br>secur-<br>ities | Mort-<br>gages | Other  |                             |
| 1956 - Jan.                       | -88              | -152                             | 274                              | 125  | 373            | 85     | 617                         |
| Feb.                              | -113             | -157                             | 230                              | 20   | 304            | 93     | 377                         |
| Mar.                              | -14              | -191                             | 169                              | 10   | 280            | 57     | 311                         |
| Apr.                              | 27               | 40                               | 116                              | --   | 269            | 8      | 460                         |
| May                               | 19               | -99                              | 153                              | -14  | 340            | 55     | 454                         |
| June                              | -9               | -66                              | 106                              | 8  | 293            | 65     | 397                         |
| July                              | 16               | -36                              | 297                              | 44   | 329            | 56     | 706                         |
| Aug.                              | -29              | -109                             | 142                              | 16   | 282            | 109    | 411                         |
| Sept.                             | 11               | 24                               | 71                               | 5  | 215            | 93     | 419                         |
| Oct.                              | 16               | 47                               | 108                              | 4  | 289            | -1     | 463                         |
| Nov.                              | 16               | -101                             | 98                               | 12   | 307            | 73     | 405                         |
| Dec.                              | 166              | -226                             | 208                              | 6  | 288            | 115    | 557                         |
| Value of Assets<br>at End of Year | 1,273            | 7,519                            | 39,552                           | 2,234  | 32,994         | 12,272 | 95,844                      |
| 1957 - Jan.                       | -132             | 69                               | 172                              | 10   | 285            | 68     | 472                         |
| Feb.                              | -38              | -44                              | 160                              | --   | 200            | 144    | 422                         |
| Mar.                              | -47              | -117                             | 192                              | 7  | 193            | 108    | 336                         |
| Apr.                              | 24               | 3                                | 165                              | 13   | 168            | 41     | 414                         |
| May                               | -22              | -90                              | 165                              | 26   | 182            | 119    | 380                         |
| June                              | 60               | -70                              | 172                              | --   | 137            | 72     | 371                         |
| July                              | -5               | 36                               | 414                              | 33   | 197            | 91     | 766                         |
| Aug.                              | -30              | -38                              | 154                              | 10   | 191            | 82     | 369                         |
| Sept.                             | 45               | -44                              | 188                              | 7  | 150            | 92     | 438                         |
| Oct.                              | -16              | 9                                | 237                              | 12   | 162            | 6      | 412                         |
| Nov.                              | 14               | -98                              | 202                              | 10   | 127            | 118    | 373                         |
| Dec.                              | 138              | -185                             | 252                              | 13   | 244            | -16    | 446                         |
| Value of Assets<br>at End of Year | 1,264            | 6,950                            | 42,025                           | 2,375  | 35,230         | 13,199 | 101,043                     |
| 1958 - Jan.                       |                  |                                  |                                  |  |                |        |                             |
| Feb.                              |                  |                                  |                                  |  |                |        |                             |
| Mar.                              |                  |                                  |                                  |  |                |        |                             |

1/ Uses of funds represent net changes in assets and therefore reflect net, rather than gross, uses.

Source: Institute of Life Insurance.

Sources and Uses of Funds  
by Savings and Loan Associations  
Monthly

(In millions of dollars)

|                                   | Uses of Funds 1/ |                                  |                |                 | Total<br>sources<br>or uses | Sources of Funds                    |                   |       |
|-----------------------------------|------------------|----------------------------------|----------------|-----------------|-----------------------------|-------------------------------------|-------------------|-------|
|                                   | Cash             | U.S.<br>Govt.<br>secur-<br>ities | Mort-<br>gages | Other<br>assets |                             | Net<br>change<br>savings<br>capital | Borrow-<br>ing 2/ | Other |
| 1956 - Jan.                       | -48              | 110                              | 214            | -27             | 248                         | 413                                 | -200              | 35    |
| Feb.                              | -4               | 73                               | 296            | 56              | 420                         | 346                                 | -75               | 149   |
| Mar.                              | -47              | 57                               | 397            | 44              | 450                         | 347                                 | -51               | 154   |
| Apr.                              | -62              | 55                               | 408            | 88              | 488                         | 319                                 | -5                | 174   |
| May                               | 12               | 43                               | 436            | 127             | 617                         | 462                                 | -2                | 157   |
| June                              | 122              | -34                              | 440            | 12              | 539                         | 769                                 | 54                | -284  |
| July                              | -178             | 34                               | 414            | -84             | 186                         | 142                                 | -59               | 103   |
| Aug.                              | -96              | 39                               | 447            | 9               | 398                         | 287                                 | 16                | 95    |
| Sept.                             | -43              | 13                               | 354            | 54              | 377                         | 267                                 | 28                | 82    |
| Oct.                              | 36               | 14                               | 356            | 68              | 473                         | 405                                 | 2                 | 66    |
| Nov.                              | 58               | 25                               | 274            | 81              | 437                         | 377                                 | --                | 60    |
| Dec.                              | 302              | 11                               | 232            | -21             | 523                         | 822                                 | 81                | -380  |
| Value of Assets<br>at End of Year | 2,119            | 2,782                            | 35,729         | 2,199           | 42,875                      | 37,118                              | 1,347             | 4,380 |
| 1957 <sup>B</sup> - Jan.          | -172             | 142                              | 200            | -24             | 145                         | 336                                 | -215              | 24    |
| Feb.                              | -40              | 117                              | 266            | 57              | 399                         | 315                                 | -70               | 154   |
| Mar.                              | -23              | 91                               | 364            | 84              | 515                         | 359                                 | -21               | 177   |
| Apr.                              | -48              | 30                               | 404            | 112             | 497                         | 313                                 | 14                | 170   |
| May                               | 38               | 18                               | 458            | 141             | 654                         | 468                                 | 19                | 167   |
| June                              | 187              | -41                              | 465            | 41              | 651                         | 859                                 | 106               | -314  |
| July                              | -320             | 41                               | 394            | -100            | 14                          | -68                                 | -34               | 116   |
| Aug.                              | -106             | 23                               | 463            | 59              | 438                         | 252                                 | 39                | 147   |
| Sept.                             | 8                | 26                               | 363            | 55              | 451                         | 324                                 | 47                | 80    |
| Oct.                              | -21              | -10                              | 426            | 94              | 488                         | 367                                 | 18                | 103   |
| Nov.                              | 84               | 19                               | 303            | 69              | 473                         | 399                                 | 8                 | 66    |
| Dec.                              | 439              | -69                              | 284            | 22              | 675                         | 966                                 | 123               | -414  |
| Value of Assets<br>at End of Year | 2,144            | 3,169                            | 40,119         | 2,809           | 48,275                      | 42,038                              | 1,381             | 4,856 |
| 1958 <sup>B</sup> - Jan.          |                  |                                  |                |                 |                             |                                     |                   |       |
| Feb.                              |                  |                                  |                |                 |                             |                                     |                   |       |
| Mar.                              |                  |                                  |                |                 |                             |                                     |                   |       |

p/ Preliminary.

1/ Uses of funds represent net changes in assets and therefore reflect net, rather than gross, uses. Savings and loan associations do not hold business securities and data on holdings of State and local government bonds, presumed to be small, are not available.

2/ Advances from Home Loan Banks and other borrowing.

Source: Federal Savings and Loan Insurance Corporation.

Sources and Uses of Funds by  
Mutual Savings Banks  
Monthly

(In millions of dollars)

|                                   | Uses of Funds |                                  |                                  |  |                |       | Total<br>sources<br>or uses | Sources of Funds                 |       |
|-----------------------------------|---------------|----------------------------------|----------------------------------|--|----------------|-------|-----------------------------|----------------------------------|-------|
|                                   | Cash          | U.S.<br>Govt.<br>secur-<br>ities | Busi-<br>ness<br>secur-<br>ities | State and<br>local<br>govt.<br>secur-<br>ities | Mort-<br>gages | Other |                             | Net<br>changes<br>in<br>deposits | Other |
| 1956 - Jan.                       | -52           | 21                               | 13                               | 25   | 192            | -20   | 179                         | 139                              | 40    |
| Feb.                              | -14           | -8                               | 34                               | 2  | 190            | 18    | 222                         | 135                              | 87    |
| Mar.                              | -13           | 8                                | 3                                | 16   | 205            | 32    | 251                         | 238                              | 13    |
| Apr.                              | -56           | -52                              | 2                                | -3   | 183            | 5     | 79                          | 45                               | 34    |
| May                               | -2            | -42                              | 19                               | -5   | 194            | 62    | 226                         | 162                              | 64    |
| June                              | 89            | -90                              | 45                               | -5   | 183            | -32   | 190                         | 278                              | -88   |
| July                              | -63           | -7                               | 34                               | 1  | 198            | -24   | 139                         | 76                               | 63    |
| Aug.                              | -19           | -47                              | 2                                | 2  | 227            | 16    | 181                         | 102                              | 79    |
| Sept.                             | --            | -37                              | 14                               | -5   | 186            | 25    | 183                         | 159                              | 24    |
| Oct.                              | -33           | -147                             | 13                               | -5   | 205            | -15   | 18                          | 62                               | -44   |
| Nov.                              | -22           | -78                              | -7                               | 1  | 175            | 53    | 122                         | 50                               | 72    |
| Dec.                              | 140           | -10                              | 5                                | 8  | 146            | -42   | 247                         | 399                              | -152  |
| Value of Assets<br>at End of Year | 920           | 7,971                            | 3,523                            | 669  | 19,529         | 698   | 33,311                      | 30,032                           | 3,279 |
| 1957 - Jan.                       | -89           | 21                               | 68                               | 6  | 136            | -5    | 137                         | 85                               | 52    |
| Feb.                              | --            | 20                               | 54                               | 1  | 92             | 27    | 194                         | 112                              | 82    |
| Mar.                              | 13            | 18                               | 83                               | --   | 127            | 32    | 273                         | 238                              | 35    |
| Apr.                              | -56           | -76                              | 63                               | 2  | 121            | -20   | 34                          | 7                                | 27    |
| May                               | 12            | -19                              | 62                               | 2  | 127            | 62    | 246                         | 169                              | 77    |
| June                              | 71            | -72                              | 72                               | -1   | 118            | -38   | 150                         | 265                              | -115  |
| July                              | -73           | -7                               | 62                               | 7  | 122            | -29   | 82                          | 16                               | 66    |
| Aug.                              | -42           | 11                               | 61                               | -3   | 111            | 28    | 166                         | 90                               | 76    |
| Sept.                             | 27            | -17                              | 55                               | 2  | 103            | 18    | 188                         | 206                              | -18   |
| Oct.                              | -24           | -136                             | 60                               | -3   | 124            | -41   | -20                         | 34                               | -54   |
| Nov.                              | 6             | -136                             | 93                               | 7  | 100            | 38    | 108                         | 36                               | 72    |
| Dec.                              | 137           | -12                              | 65                               | -11  | 128            | -28   | 279                         | 403                              | -124  |
| Value of Assets<br>at End of Year | 870           | 7,609                            | 4,274                            | 679  | 20,851         | 775   | 35,057                      | 31,463                           | 3,594 |
| 1958 - Jan.                       |               |                                  |                                  |  |                |       |                             |                                  |       |
| Feb.                              |               |                                  |                                  |  |                |       |                             |                                  |       |
| Mar.                              |               |                                  |                                  |  |                |       |                             |                                  |       |

1/ Uses of funds represent net changes in assets and therefore reflect net, rather than gross, uses.

Source: National Association of Mutual Savings Banks and Federal Deposit Insurance Corporation.