

H.14

March 26, 1958.

CAPITAL MARKET DEVELOPMENTS

The volume of large public security offerings for new capital was moderate during the week ending March 21, and is expected to be only slightly larger this week. Corporations sold large issues totaling \$89 million and State and local governments offered issues with aggregate proceeds of \$64 million. This week, corporate issues are expected to total \$40 million and State and local government issues totaling \$131 million are scheduled for sale.

Bond yields - Yields increased slightly last week for corporate and State and local government bonds, while those for U. S. Government obligations declined.

A new Aa-rated, first mortgage electric utility bond issue was offered to investors on March 25 to yield 4.05 per cent -- 5 basis points above that for comparable offerings made last week and the week before, and 45 basis points above a similar issue in late January.

April security volume estimates - The April volume of corporate issues for new capital is expected to total \$900 million, two-fifths less than the very large volume in March, but only slightly smaller than in April of last year. Large public issues are expected to total over \$500 million.

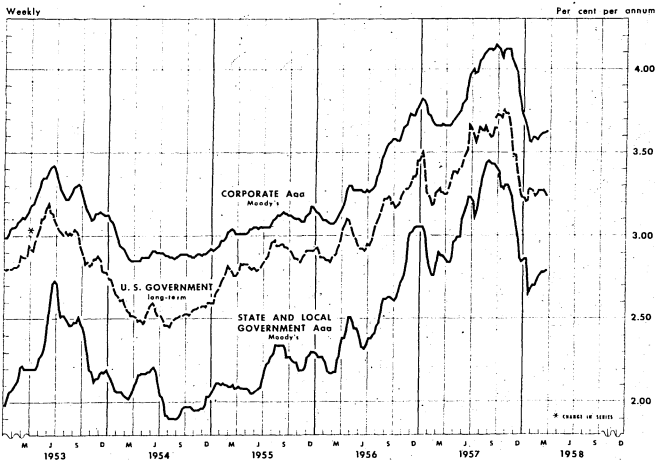
State and local government issues during April are currently estimated at \$700 million. This volume would be about one-fourth greater than that estimated for March and not much below the volume in April 1957.

Stock prices - Stock prices, as measured by Standard and Poor's index of 500 common stocks, increased slightly last week, closing at 42.42 on March 21. Prices declined somewhat, on balance, in the early part of this week, closing at 42.30 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)	.44	.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
February 21	3.58	3.25	2.73	.33	.52
February 28	3.60	3.27	2.76	.33	.51
March 7	3.62	3.27	2.78	.35	.49
March 14	3.62	3.27	2.78	.35	.49
March 21	3.63	3.24	2.79	.39	.45

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

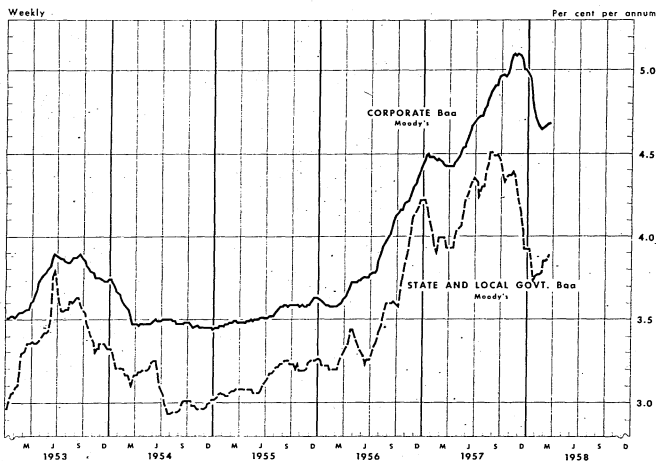
<sup>2/</sup> Weekly average of daily figures. The series includes bonds due or callable in 10 years or more.

<sup>3/</sup> Thursday figures. Only general obligations 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

EXHIBIT B



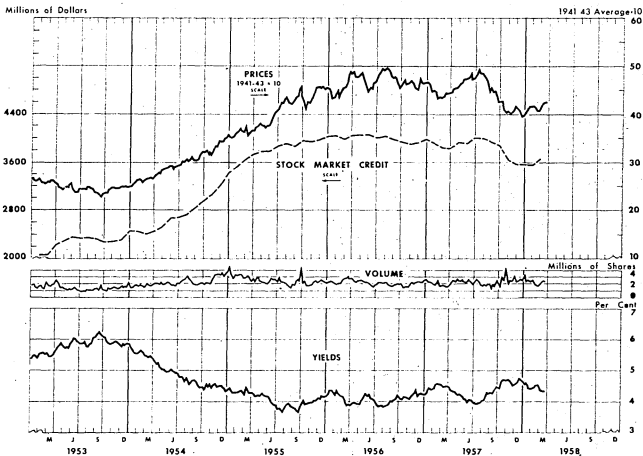
Date	Corporate Baa <sup>1/</sup>	State and local govt. Baa <sup>2/</sup>	Spread between Aaa and Baa	
			Corporate	State and local govt.
			(Per cent)	
1953 - High	3.89 (9/18)	3.79 (6/25)	.69	1.21
Low	3.50 (1/2)	2.96 (1/8)	.42	.98
1954 - High	3.74 (1/8)	3.32 (1/7)	.68	1.16
Low	3.44 (12/31)	2.93 (8/5)	.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	1.10
Low	4.64 (2/21)	3.73 (1/23)	1.04	1.02
February 21	4.64	3.78	1.06	1.05
February 28	4.65	3.85	1.05	1.09
March 7	4.66	3.85	1.04	1.07
March 14	4.67	3.86	1.05	1.08
March 21	4.68	3.89	1.05	1.10

<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



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 bal- ances <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
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 (1/6)	1.4	4.32	2,405	1,653	746
1955 - High	45.69 (12/9)	4.6	4.42	4,030	2,805	1,224
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	42.42 (3/21)	2.5	4.58	3,679	2,580	1,110
Low	40.37 (1/10)	1.7	4.33	3,554	2,467	1,051
January	41.12	2.3	4.48	3,554	2,497	1,067
February	41.26	2.0	4.49	3,679	2,580	1,099
March 7	42.07	2.1	4.38	n.a.	n.a.	1,110
March 14	42.33	2.4	4.34	n.a.	n.a.	1,106
March 21	42.42	2.3	4.33	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 <sup>1/</sup>		
	1958	1957	1956	1958	1957	1956
January	e/ 800	1,063	573	810	742	404
February	e/ 875	1,071	712	944	572	696
March	e/ 1,500 <sup>2/</sup>	1,344	817	e/550	506	390
April	e/ 900	924	818	e/700	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 <sup>3/</sup>		633	347
December		1,086	1,088		698	409
1st quarter	e/ 3,175	3,479	2,102	e/2,304	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 <sup>4/</sup>					
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			

<sup>e/</sup> Estimated.

<sup>1/</sup> 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.

<sup>2/</sup> Includes \$718.3 million AT&T convertible debenture issue.

<sup>3/</sup> Includes \$571.5 million AT&T common stock issue.

<sup>4/</sup> Total new capital issues excluding offerings of sales and consumer finance companies.

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

Large Public Security Issues for New Capital  
(Other than U. S. Treasury) 1/

Proceeds of Large Issues Offered

(Millions of dollars)

Month	Corporate	State and local government	Other 2/
1957 - 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
February	605	629	15

Large Individual Issues Offered March 1 through 21

Issuer	Type 3/	Amount of dollars)	Maturity	Coupon rate or net inter- est cost	Offering yield	Rating
<u>CORPORATE</u>						
Baltimore Gas & Elec. Co.	1st&ref.mtg.bds.	30.0	1993	4	3.94	Aaa
Ohio Edison Co.	1st mtg.bds.	40.0	1988	4 1/4	4.15	Aa
Union Electric Co.	1st mtg.bds.	35.0	1988	4 3/8	4.22	Aa
Columbia Gas System, Inc.	Deb.	30.0	1983	4 3/8	4.40	A
Pub. Service Elec. & Gas	Pfd. stk.	25.0				
Sylvania Elec. Products Inc.	S.F. deb.	20.0	1980	4 3/4	4.75	Baa
Sylvania Elec. Products Inc	Conv. sub. deb.	20.0	1983	4 1/2	4.50	Ba
American Tel. & Tel. Co.	Conv. deb.	718.3	1973	4 1/4	4.25	Aa
Miss. River Fuel Corp.	Deb.	30.0	1978	4 3/4	4.71	Baa
Chi.,Rock Is. & Pacific RR	1st mtg. bds.	16.0	1983	5 1/2	5.50	Baa
Carolina Pwr. & Lt. Co.	1st mtg. bds.	20.0	1988	4 1/8	4.00	Aa
Tenn. Gas Trans. Co.	Pfd. stk.	20.0				
Texas Eastern Trans. Co.	1st mtg. bds.	25.0	1978	4 7/8	4.92	Baa
Georgia Power Co.	1st mtg. bds.	24.0	1988	4 1/8	4.07	A

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

Issuer	Type <sup>3/</sup>	Amount (millions of dollars)	Maturity	Coupon rate or net inter- est cost	Offering yield	Rating
<u>STATE AND LOCAL GOVERNMENT</u>						
Seattle, Washington	Rev.-Ut.	20.0	1960-88/68	3.63	1.75-3.75	A
Miami, Florida	G.O.	12.7	1960-88	3.11	1.80-4.25	A
State of Mississippi	G.O.	20.0	1959-73	2.68	1.10-2.85 <sup>4/</sup>	Aa
Harrisburg Swge. Auth., Pa.	Rev.-Rent.	7.2	1961-83/63	3.01	1.70-3.50	Aa
Newark, New Jersey	G.O.	15.0	1959-78	3.09	1.30-3.35	A
Cuyahoga Co., Ohio	G.O.	5.3	1959-73	2.55	1.10-2.85	Aa
Milwaukee, Wisconsin	Rev.-Ut.	10.0	1959-86/68	3.12	1.25-3.25 <sup>5/</sup>	Aa
Lafayette, Louisiana	Rev.-Ut.	8.0	1960-87/63	4.13	2.40-4.20 <sup>5/</sup>	Eaa
St. Paul, Minnesota	G.O.	5.4	1959-88	2.93	1.10-3.00	Aa
State of West Virginia	Rev.-S.T.	8.7	1959-68	2.38	1.10-2.60	A
State of Ohio	Rev.-S.T.	32.0	1958-72	2.56	1.00-2.80	Aa
Indiana University <u>OTHER</u>	Rev.-Q.Ut.	6.1	1960-87	n.a.	n.a.	--
None						

n.a.--Not available.

<sup>1/</sup> Includes corporate and other security offerings of \$15 million and over; State and local government security offerings of \$5 million and over.

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

<sup>3/</sup> In the case of State and local government securities, G.O. denotes general obligations; Rev.-Ut., revenue obligations secured only by income from public utilities; Rev.-Q.Ut., revenue bonds secured by revenue of quasi-utilities; Rev.-S.T., revenue bonds secured by revenue from specific taxes only; Rev.-Rent., revenue bonds secured solely by lease payments.

<sup>4/</sup> 1972-73 maturities not reoffered.

<sup>5/</sup> 1987 maturity 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 2/	Corporate	State and local govt.	Other 2/
1957 - 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
1958 - Jan. 31	498	429	--	1,378	546	--
Feb. 28	1,123	175	--	1,208	389	--

Forthcoming Large Offerings, as of March 21

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>CORPORATE</u>			
Florida Power & Light Co.	1st mtg. bds.	20.0	Mar. 25
General Telephone Co. of California	1st mtg. bds.	20.0	Mar. 27
Wisconsin Electric Power Co.	1st mtg. bds.	30.0	Apr. 1
General American Transportation Co.	Equip. tr. cert.	20.0	Apr. 3
General Telephone Corp.	Common stk.	20.0	Apr. 3
Pacific Petroleum Ltd.	S. F. deb.	30.0	Apr. 3
Duquesne Light Co.	1st mtg. bds.	15.0	Apr. 10
* Joseph E. Seagram & Sons, Inc.	Deb.	40.0	Apr. 10
Aluminum Co. of America	Deb.	125.0	Apr. 11
Richfield Oil Corp.	Conv. sub. deb.	19.0	Apr. 14
			(rights expire)
* Commonwealth Edison Co.	1st mtg. bds.	50.0	Apr. 16
Mississippi Power & Light Co.	1st mtg. bds.	15.0	Apr. 17
Consolidated Edison Co. of New York	1st ref. mtg. bds.	50.0	Apr. 23
* American Can Co.	Deb.	40.0	Apr.
* Douglas Aircraft Co.	S. F. deb.	60.0	Apr.



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

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>CORPORATE (Continued)</u>			
Commerce Oil Refining Corp.	Deb., bds. & common	45.0	1958
Natural Gas Pipeline Co. of America	1st mtg. bds.	40.0	1958
Tennessee Gas Transmission Co.	Deb.	30.0	1958
<u>STATE AND LOCAL GOVERNMENT</u>			
Orlando Utilities Comm., Fla.	Rev.-Ut.	12.5	Mar. 25
State of New York	G.O.	49.5	Mar. 25
Hoboken, New Jersey	Rev.-Ut.	7.3	Mar. 26
State of Louisiana	G.O.	8.1	Mar. 26
Providence, Rhode Island	G.O.	6.7	Mar. 26
State of Iowa	G.O.	24.7	Mar. 27
Fort Worth Ind. Sch. Dist., Texas	G.O.	5.0	Mar. 27
Harris Co., Texas	G.O.	7.0	Mar. 27
*Buffalo, New York	G.O.	10.6	Mar. 27
*Texas Veterans Land Board	G.O.	12.5	Apr. 1
*Commonwealth of Puerto Rico	G.O.	18.3	Apr. 1
*Los Angeles, California	Rev.-Ut.	13.5	Apr. 2
Lafayette Par. Sch. Dist. No. 1, La.	G.O.	7.0	Apr. 2
Tampa, Florida	Rev.-Ut.	8.4	Apr. 3
*Anne Arundel Co., Maryland	G.O.	5.0	Apr. 8
*Chicago, Illinois	G.O.	7.5	Apr. 9
State of Maryland	G.O.	24.6	Apr. 9
State of Massachusetts	G.O.	96.9	Apr. 16
Louisiana State University	Ut.-Q.Ut.	7.5	Apr. 17
State of California	G.O.	100.0	Apr. 23
<u>OTHER</u>			
Ontario, Canada	Ext. deb.	75.0	Apr. 2
*Edmonton, Alberta, Canada	Ext. deb.	20.0	Apr. 4

\*--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 <sup>1/</sup>

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
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	4.83	54	*5.10	51
October	*4.78	45	5.08	46
November	4.79 <sup>2/</sup>	49	5.28 <sup>2/</sup>	66
December	*4.30	14	*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
25	3.95	28		
26	4.00	33		
28			4.40	35
March 4			4.25	6
5	4.15	44		
6	4.22	50		
12	4.00	28		
19	4.00	26		
21			4.07	-7

\*--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> Provides for a 5-year period during which issue may not be called for refunding at a lower coupon rate. Monthly averages so marked include one or more issues with such a provision. Other averages and issues have no such provision.