

H.14

June 22, 1959

CAPITAL MARKET DEVELOPMENTS

(Including Quarterly Review of
Corporate Security Financing)

During the week ending June 19, large public security financing included the expiration of subscription rights for a \$23 million corporate issue and State and local government issues amounting to \$42 million. The calendar for this week includes a larger volume of security offerings. Corporations are expected to sell large issues with total proceeds of \$130 million while State and local government issues totaling \$70 million are scheduled for sale.

Bond yields - Changes in yields on outstanding bonds were mixed again last week. Yields on corporate bonds changed only slightly and those on U. S. Government obligations remained stable. State and local government bond yields, however, increased sharply.

Mortgage and bond yields - Yields increased sharply last month on both mortgages and corporate bonds. FHA mortgage yields increased 6 basis points to 5.64 per cent, slightly above the peak reached in late 1957. Yields on new corporate bonds increased even more, however, and the spread between bond and mortgage yields narrowed to 83 basis points, the smallest spread since mid-1957.

Stock prices - Stock prices continued to decline last week in reduced trading volume. Standard and Poor's index of 500 common stocks closed at 57.13 on June 19 -- .16 lower than a week earlier. The volume of trading averaged 2.6 million shares a day -- the smallest volume since last August.

Corporate Security Offerings
in the First Quarter 1959

Net proceeds for new capital - Corporations sold \$2.2 billion of security issues to obtain new capital in the first quarter this year, about 30 per cent less than a year earlier. Most major groups of issuers sold a smaller volume of offerings in the past quarter than in the corresponding months of 1958.

Electric, gas and water utilities were the most important group of issuers during the first three months, offering securities with proceeds of \$813 million. This volume was one-fourth below the heavy volume in 1958 and one-sixth below the volume in the comparable period of 1957.

Table 1

Corporate Security Offerings for New Capital
by Type of Business of Issuer
1st Quarter 1955-1959

(Net proceeds in millions of dollars)

	1959	1958	1957	1956	1955
All corporate offerings	2,216	3,139	3,445	2,102	2,164
Manufacturing	363	514	1,297	606	752
Primary iron and steel	63	23	106	15	36
Primary nonferrous metals	55	64	308	61	9
Paper	38	76	48	63	22
Foods	34	3	17	24	36
Chemicals	33	67	51	48	47
Electrical machinery	25	43	18	13	22
Nonelectrical machinery	19	58	91	53	44
Fabricated metal products	17	4	23	2	30
Beverages	15	1	3	4	5
Other transportation equipment	7	4	36	14	2
Textiles and apparel	6	6	24	68	1
Rubber products	4	1	6	40	10
Printing	3	4	4	4	4
Other ^{2/}	44	160	562	197	484
Electric, gas and water utilities	813	1,091	981	451	487
Communication	105	867	428	141	53
Railroad	52	95	112	85	53
Other transportation	234	90	90	49	39
Commercial and other	181	46	67	85	123
Mining	32	53	83	46	78
Financial and real estate	435	382	387	638	580
Sales and consumer finance cos.	205	240	208	455	438
Other	230	142	179	183	142

^{1/} Less than \$500,000.

^{2/} Includes small volume of foreign issues not further classified in the manufacturing group.

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

Source.--Securities and Exchange Commission and Federal Reserve.

Security issues of financial and real estate companies, with total proceeds of \$435 million, were one-eighth above the corresponding quarter of 1958. A moderate decline in offerings made by sales and consumer finance companies was more than offset by an increased volume of issues by banks and other financial companies. Unlike last year, when one large issue by General Motors Acceptance Corporation accounted for over one-half of the proceeds of all sales and consumer finance company offerings, there were no issues by these companies of over \$75 million in the first quarter.

New issue volume by manufacturing companies was the third most important category, with proceeds of \$363 million. This volume was 30 per cent smaller than that of the first quarter of 1958 and the smallest volume of security sales by manufacturing companies since the first quarter of 1954. The volume of securities sold was moderate for all types of manufacturing industries. Industries selling a larger volume of issues this year than last included iron and steel, fabricated metal products, foods and beverages. Nonferrous metal, machinery and chemical manufacturers sold a smaller volume of issues this first quarter.

New capital offerings by communications companies totaled \$105 million, about one-twelfth the record volume last year which included a \$713 million convertible debenture by AT&T. New financing by transportation companies (other than railroads) and commercial and other companies was in larger volume than a year earlier, while new issues by railroads and mining companies were in smaller volume.

Total gross proceeds - Gross proceeds from corporate offerings, which include refunding issues and costs of flotation, were \$2.3 billion in the first quarter of 1959, 30 per cent below the volume a year earlier. Refunding of outstanding securities issues was very small -- \$47 million as compared with \$134 million in the first three months of 1958 when interest rates were much lower.

Publicly-offered issues totaled \$1.4 billion, two-fifths less than in 1958, while private placements amounted to nearly \$900 million, one-tenth larger. Public offerings represented 62 per cent of total proceeds; in first quarter 1958 they had accounted for 76 per cent. In contrast, the proportionate share of privately-placed issues increased from 24 per cent to 38 per cent.

The volume of common stock financing was substantially larger this year than last, but debt and preferred stock financing was smaller. Debt financing was relatively much less important this year than last, accounting for 72 per cent of total offerings; in the first quarter last year these offerings had accounted for 86 per cent of the total. Convertible bond issues accounted for 8 per cent of all debt offerings, much less than last year when the large AT&T issue was sold.

Table 2

Total Corporate Security Offerings by Type of Issue
1st Quarter 1955-1959

(Gross proceeds in millions of dollars)

Type of issue	1959	1958	1957	1956	1955
Total corporate offerings	2,311	3,318	3,558	2,250	2,530
<u>Type of offering</u>					
Public	1,425	2,521	2,626	1,201	1,739
Private	887	757	932	1,048	791
<u>Type of security</u>					
Bonds and notes	1,662	2,846	2,706	1,706	1,662
Public	787	2,067	1,798	683	894
Private	875	779	908	1,024	768
Preferred stock	138	182	98	191	111
Common stock	511	289	753	352	758

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

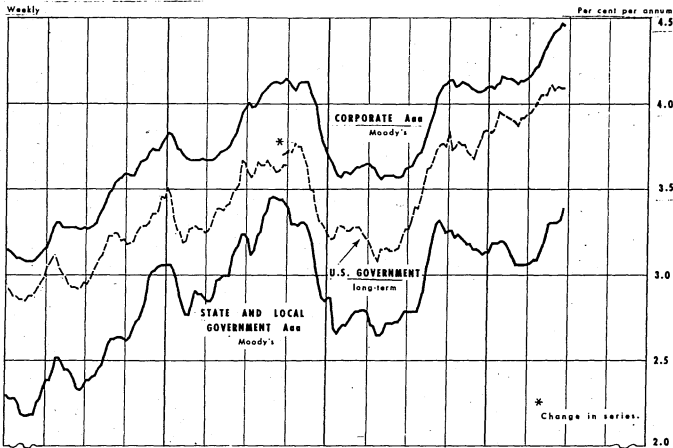
Source.--Securities and Exchange Commission.

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

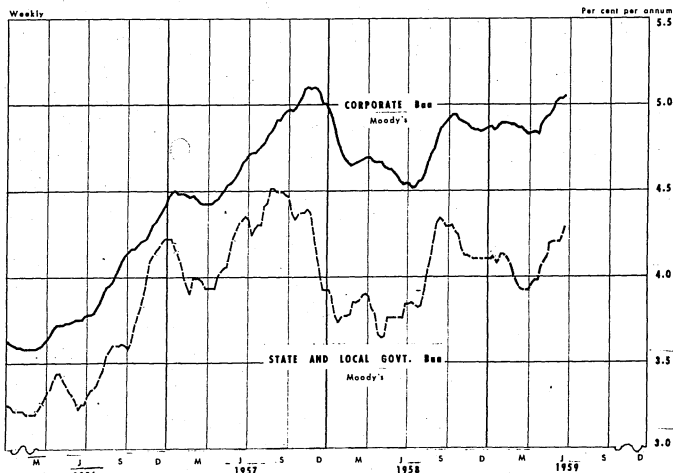
Capital Markets Section,
Division of Research and Statistics,
Board of Governors of the Federal Reserve System.

EXHIBIT A

HIGH-GRADE BOND YIELDS



LOWER-GRADE BOND YIELDS



Tables for Exhibit A

High-grade Bond Yields

Date	Corporate Aaa <u>1/</u>	U. S. Govt. long-term <u>2/</u>	State and local govt. Aaa <u>3/</u>	Spread between U. S. Govt. and	
				Corporate Aaa	State and local Aaa
(Per cent)					
1954 - Low	2.85 (4/23)	2.45 (8/6)	1.90 (9/2)	.30	.30
1957 - High	4.14 (9/27)	3.76 (10/18)	3.45 (8/29)	.60	.47
1958 - High	4.13 (10/10)	3.84 (12/26)	3.31 (9/11)	.51	.72
Low	3.55 (5/2)	3.07 (4/25)	2.64 (5/1)	.22	.34
1959 - High	4.47 (6/12)	4.11 (5/22)	3.39 (6/18)	.38	.92
Low	4.09 (1/9)	3.83 (1/2)	3.06 (3/20)	.16	.65
May 22	4.39	4.11	3.31	.28	.80
May 29	4.42	4.08	3.31	.34	.77
June 5	4.44	4.10	3.31	.34	.79
June 12	4.47	4.09	3.32	.38	.77
June 19 <u>p/</u>	4.46	4.09	3.39	.37	.70

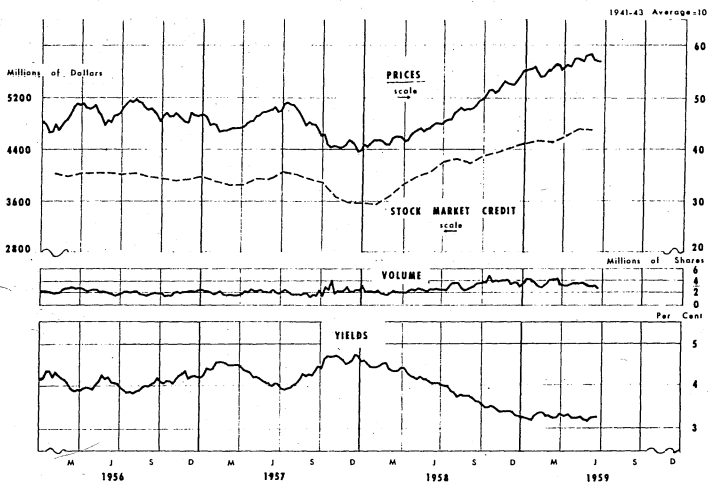
Lower-grade Bond Yields

Date	Corporate Baa <u>1/</u>	State and local govt. Baa <u>2/</u>	Spread between Aaa and Baa	
			Corporate	State and local govt.
(Per cent)				
1954 - Low	3.44 (12/31)	2.93 (8/5)	.52	.96
1957 - High	5.10 (11/29)	4.51 (8/29)	1.27	1.21
1958 - High	4.96 (1/3)	4.34 (9/11)	1.28	1.11
Low	4.51 (7/11)	3.64 (5/1)	.77	.93
1959 - High	5.04 (6/19)	4.29 (6/18)	.77	.98
Low	4.83 (4/17)	3.92 (3/20)	.56	.86
May 22	4.97	4.20	.58	.99
May 29	5.01	4.20	.59	.89
June 5	5.03	4.20	.59	.89
June 12	5.03	4.23	.56	.91
June 19 <u>p/</u>	5.04	4.29	.58	.90

p/ Preliminary.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.

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

STOCK MARKET



MORTGAGE AND BOND YIELDS

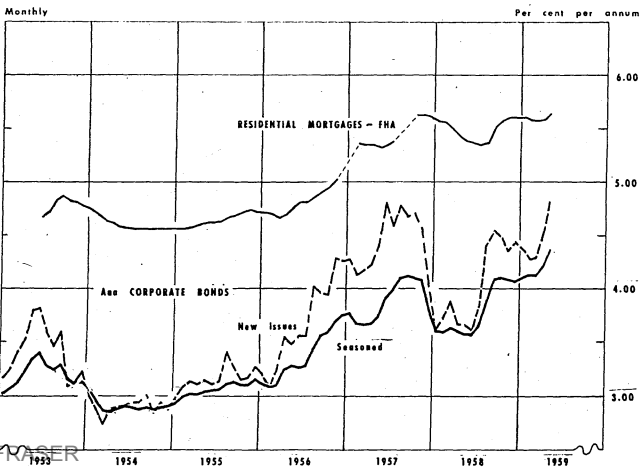


Exhibit D - Tables for Exhibit C

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Stock Market

Date	Stock price index 1/	Common stock yields 2/ (per cent)	Trading volume 3/ (millions of shares)	Stock market customer credit		
				Total	Customers' debit balances 4/	Bank loans to "others" 5/
(Millions of dollars)						
1953-1958 - High	54.11 (12/24/58)	3.30	4.9	4,492	3,285	1,317
Low	22.95 (9/18/53)	6.25	0.9	2,055	1,314	669
1959 - High	58.68 (5/29)	3.16	4.3	±4,721	3,401	1,332
Low	54.37 (2/6)	3.34	2.6	4,527	3,253	1,210
April	57.10	3.25	3.4	±4,721	3,401	1,320
May	57.96	3.20	3.4	4,711	3,385	1,326
June 5	57.51	3.23	3.0	n.a.	n.a.	1,324
June 12	57.29	3.24	3.1	n.a.	n.a.	1,320
June 19 p/	57.13	3.25	2.6	n.a.	n.a.	n.a.

n.a.--Not available. p/ Preliminary.

1/ 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 Fridays' data only.

2/ Standard and Poor's composite stock yield based on Wednesday data converted to weekly closing prices by Federal Reserve. Yields shown are for dates on which price index reached its high or low.

3/ Averages of daily trading volume on the New York Stock Exchange.

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

5/ Wednesday figures for weekly reporting member banks. Excludes loans for purchasing or carrying U. S. Government securities at banks in New York and Chicago. Weekly reporting banks account for about 70 per cent of loans to others. For further detail see Bulletin.

Mortgage and Bond Yields 1/

Date	FHA mortgages 2/	Aaa corporate bonds 1/		Spread between new corporate bonds and	
		New 3/	Seasoned 4/	FHA mortgages	Seasoned bonds
1953-1958 - High	5.63 (11/57)	4.81 (6/57)	4.12 (9/57)	1.96	.90
Low	4.56 (2/55)	2.74 (3/54)	2.85 (4/54)	.54	-.12
1959 - High	5.64	4.51	4.37	1.29	.44
Low	5.57	4.29	4.12	.83	.15
1958 - Dec.	5.60	4.44	4.08	1.16	.36
1959 - Jan.	5.60	4.36	4.12	1.24	.24
Feb.	5.58	4.29	4.14	1.29	.15
Mar.	5.57	4.30	4.13	1.27	.17
Apr.	5.58	4.53	4.23	1.05	.30
May	5.64	4.81	4.37	.83	.44

1/ Neither mortgage nor bond yields take into account servicing costs which are much higher for mortgages than bonds. Generally, bonds pay interest semi-annually; mortgages, monthly. Mortgage yields, if computed as equivalent to a semiannual interest investment, would be slightly higher than given in the table.

2/ Based on FHA field-office opinions about average bid prices in the private secondary market for new-home mortgages for immediate delivery. Since late 1955, data relate only to 25-year mortgages with downpayments of 10 per cent or more, weighted by probable volume of transactions. Yields computed by FRB, assuming 25-year mortgages are paid off in 12 years. Dashed lines indicate periods of adjustment to changes in the contractual interest rate.

3/ First National City Bank of New York. Averages of offering yields of all new issues of publicly-sold bonds rated Aaa, Aa or A by Moody's Investors Service (except serial and convertible issues and offerings of natural gas and foreign companies) weighted by size of issue. Yields on Aa and A issues are first adjusted to an Aaa basis by the spread between yields of outstanding bonds in those categories and those on Aaa-rated bonds. The series reflects changes in industrial composition, maturity, type, etc. of new offerings.

4/ Moody's Investors Service. Monthly averages of daily data. See Exhibit B.

Long-term Corporate and State and Local Government
Security Offerings and Placements

(In millions of dollars)

	New capital					
	Corporate ^{1/}			State and local ^{2/}		
	1959	1958 ^{r/}	1957	1959	1958	1957
January	840	728	1,060	636	812	742
February	745	857	1,065	856	953	572
March	631	1,553	1,320	644	511	506
April	^{p/} 826	1,140	931	927	798	765
May	^{e/} 750	597	765	^{p/} 580	895	546
June	^{e/} 850	887	1,453	^{e/} 800	551	393
July		1,107	1,003		806	529
August		540	924		403	584
September		1,114	973		651	431
October		862	1,090		456	698
November		518	789		474	633
December		920	1,076		435	698
1st quarter	2,216	3,139	3,445	2,136	2,276	1,820
2nd quarter	^{e/} 2,426	2,623	3,149	^{e/} 2,307	2,244	1,704
3rd quarter		2,760	2,899		1,860	1,544
4th quarter		2,300	2,954		1,365	2,029
1st half	^{e/} 4,622	5,762	6,594	^{e/} 4,443	4,520	3,524
Three quarters		8,522	9,493		6,380	5,069
Year		10,823	12,447		7,746	7,099
	Excluding finance companies ^{4/}					
1st quarter	2,011	2,899	3,237			
2nd quarter	^{e/} 2,176	2,586	2,889			
3rd quarter		2,731	2,582			
4th quarter		2,213	2,810			
Year		10,429	11,518			

^{e/} Estimated.

^{p/} Preliminary. ^{r/} Revised.

^{1/} Securities and Exchange Commission estimates of net proceeds.

^{2/} Investment Bankers Association of America estimates of principal amounts.

^{3/} Includes \$718.3 million AT&T convertible debenture issue.

^{4/} Total new capital issues excluding offerings of sales and consumer finance companies.

Other Security Offerings ^{1/}

(In millions of dollars)

	Long-term					
	Foreign government ^{2/}			Federal agency ^{3/}		
	1959	1958	1957	1959	1958	1957
January	77	197	84	199	1,163	72
February	59	54	49	--	251	--
March	2	--	30	175	--	--
April	56	139	123	--	523	125
May		200	48		--	--
June		120	42		--	60
July		9	28		164	--
August		5	7		--	--
September		17	30		--	215
October		57	4		220	--
November		123	60		--	100
December		74	1		--	--
Year		995	507		2,321	572
	Short-term					
	State and local government ^{4/}			Federal agency ^{3/}		
	1959	1958	1957	1959	1958	1957
January	190	233	326	359	371	638
February	428	460	455	500	208	430
March	295	273	147	489	144	505
April	^{p/} 497	357	205	486	209	336
May		354	337	675	161	469
June		264	153		329	501
July		289	272		437	224
August		423	272		206	370
September		369	252		330	512
October		231	303		454	1,238
November		415	94		114	255
December		243	459		137	116
Year		3,910	3,274		3,098	5,543

^{p/} Preliminary.

^{1/} Data presented in this exhibit differ from those in Exhibit E in that refunding issues, as well as new capital issues, are included. Long-term securities are defined as those maturing in more than one year.

^{2/} Includes securities offered in the United States by foreign governments and their subdivisions and by international organizations. Source: Securities and Exchange Commission.

^{3/} Issues not guaranteed by the U. S. Government. Source: long-term, Securities and Exchange Commission; short-term, Federal Reserve.

^{4/} Principally tax and bond anticipation notes, warrants or certificates and Public Housing Authority notes. In some instances PMA notes included may have a somewhat longer term than one year. Source: Bond Buyer.

Large Long-term 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/
1958 - May	356	505	164
June	281	195	86
July	771	275	41
August	209	109	--
September	825	288	18
October	259	172	209
November	227	259	100
December	305	229	79
1959 - January	369	335	174
February	340	551	35
March	215	369	176
April	359	563	20
May	342	258	50

Large Individual Issues Offered June 1 through 19

Issuer	Type 3/	Amount (millions of dollars)	Maturity	Coupon rate or net interest cost	Offering yield	Rating
<u>CORPORATE</u>						
Pub. Service Elec. & Gas	1st&ref.mtg.bds.	50.0	1989	5 1/8	5.00	Aa
Florida Power Corp.	Com.stk.	17.6				
Florida Power & Light Co.	1st mtg. bds.	25.0	1989	5	4.95	Aa
Duke Power Co.	Pfd. stk.	25.1				
Consolidated Nat. Gas Co.	Cap. stk.	38.6				
Virginia Elec. & Pwr. Co.	Com. stk.	23.4				
<u>STATE AND LOCAL GOVERNMENT</u>						
Los Angeles Co. Flood Control Dist., California	G.O.	40.0	1961-89	3.94	2.40-4.00	Aa
Memphis, Tennessee	G.O.	16.0	1960-89	3.51	2.30-4.20	Aa
Pennsylvania State Hwy. & Bridge Authority	Rev. -Ut.	10.0	1961-79/67	3.55	2.60-3.65	Aa
New York, New York	G.O.	27.0	1960-74	3.57	2.40-3.69	A
State of Maryland	G.O.	10.5	1962-74	3.15	2.50-3.25	Aaa
State of California	G.O.	100.0	1961-85/80	3.94	2.50-4.00	Aa
Port of New York Authority	Rev. -Ut.	30.0	1960-79/68	4.09	2.50-4.15	A

Large Individual Issues Offered June 1 through 19 (Cont'd)

Issuer	Type ^{3/}	Amount (millions of dollars)	Maturity	Coupon rate or net inter- est cost	Offering yield	Rating
<u>STATE AND LOCAL GOVERNMENT</u> (Cont'd)						
State of Connecticut	Rev.-S.T.	62.5	1964-97/69	4.30	3.25-4.25	A
Yonkers, New York	G.O.	11.6	1960-79	3.96	2.50-4.10	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 \$10 million and over.

^{2/} Includes foreign government and International Bank for Reconstruction and Development issues and non-guaranteed issues by Federal agencies.

^{3/} 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 only by revenue from quasi-utilities; Rev.-S.T., revenue bonds secured by revenue from specific taxes only; Rev.-Rent., revenue bonds secured solely by lease payments.

^{4/} 1/4s of 1989 not publicly reoffered.

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Exhibit H

Forthcoming Large Long-term 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/
1958 - May 29	266	177	36	464	208	36
June 30	768	225	--	1,048	235	--
July 31	161	55	--	381	125	--
Aug. 29	785	241	--	914	435	--
Sept. 30	113	295	--	216	524	--
Oct. 31	204	258	--	326	675	--
Nov. 28	301	229	71	401	683	71
Dec. 31	210	261	75	370	515	75
1959 - Jan. 30	270	551	45	365	856	45
Feb. 27	198	292	--	279	481	--
Mar. 31	396	550	20	476	761	20
Apr. 30	246	254	50	346	517	50
May 29	287	247	--	332	761	--

Forthcoming Large Offerings, as of June 19

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>CORPORATE</u>			
Spiegel, Inc.	Conv. sub. deb.	15.4	June 22 (rights expire)
Philadelphia Electric Co.	Com. stk.	29.1	June 23 (rights expire)
Philip Morris, Inc.	S.F. deb.	40.0	June 23
Northern Illinois Gas Co.	1st mtg. bds.	20.0	June 24
Long Island Lighting Co.	1st mtg. bds.	25.0	June 25
International Recreation Corp.	Com. stk.	17.2	June 30
United States Plywood Corp.	Conv. sub. deb.	15.0	July 17
*Pennsylvania Electric Co.	1st mtg. bds.	15.0	Aug. 4
Commerce Oil Refining Corp.	Deb., bds. & common	45.0	Summer
<u>STATE AND LOCAL GOVERNMENT</u>			
Florida State Bd. of education	Rev.	12.0	June 23
Los Angeles Dept. of Wtr. & Pwr., California	rev.-Ut.	15.0	June 24
Birmingham, Alabama	Rev.-Ut.	22.8	June 25
Territory of Hawaii	G.O.	19.8	June 25
State of New York	G.O.	50.0	June 30

Forthcoming Large Offerings, as of June 19 (Cont'd)

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>STATE AND LOCAL GOVERNMENT (Cont'd)</u>			
*Maryland State Roads Commission	Rev.-Ut.	25.0	June 30
Jefferson Parish S. D. No. 1, La.	G.O.	10.0	July 2
*State of Ohio	Rev.-S.T.	31.0	July 15
*University of California	Rev.-Q.Ut.	18.0	July 17
*Territory of Hawaii	Rev.-Ut.	12.5	July 21
California Toll Bridge Authority	Rev.-Ut.	34.0	July 28
Grant Co. Public Utility Dist. No.2, Washington	Rev.-Ut.	200.0	July
*Michigan Highway Department	Rev.-S.T.	50.0	July
Chesapeake Bay Ferry Commission	Rev.-Ut.	144.0	Summer
Commonwealth of Pennsylvania	G.O.	120.0	Summer
New York Thruway Authority	Rev.-Ut.	50.0	Summer
<u>OTHER</u>			
*Montreal, Canada	S.F. deb.	20.0	June 30
Municipality of Metro. Toronto, Can.	S.F. deb.	33.2	July 1

*--Included in table for first time.

1/ Includes corporate and other issues of \$15 million and over; State and local government issues of \$10 million and over.

2/ Includes foreign government and International Bank for Reconstruction and Development issues and non-guaranteed issues by Federal agencies.

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

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

Date	Aa-rated offering yields		A-rated offering yields	
	Actual (per cent)	Amount above seasoned yields (basis points)	Actual (per cent)	Amount above seasoned yields (basis points)
1952 - 1958				
High	5.00 (9/14/57)	87	5.50 (11/7/57)	123
Low	2.93 (3/31/54)	-3	3.00 (3/17/54)	-15
1958 - May	3.87	18	4.07	6
June	3.87	17	--	--
July	4.07 ^{2/}	28	4.16 ^{2/}	15
August	--	--	--	--
September	--	--	--	--
October	4.47 ^{2/}	18	--	--
November	--	--	--	--
December	*4.44	23	--	--
1959 - Jan. 7			4.75 ^{2/}	23
20	4.60	34		
28	4.65	40		
Feb. 18	4.35 ^{2/}	4		
Mar. 11	4.40 ^{2/}	11		
25	4.43	9		
26	4.43	9		
31	4.47	13		
Apr. 3			4.67	18
15	4.60	22		
16	4.59 ^{2/}	21		
29	4.55 ^{2/}	7		
May 1			4.85	17
13			5.06	13
14	4.95	38		
20	4.95	34		
21			5.13	27
26	5.00	38		
June 4	4.95	29		
17			4.92 ^{3/}	7

*--Single observation, not an average.

1/ Covers only 30-year first mortgage bonds, as reported in Moody's Bond Survey. Except where indicated, the actual yield figure and the amount above seasoned yields are averages of offerings during the indicated period and of the differences between these new offering yields and yields on seasoned issues of similar quality for the same day. Average maturity for the seasoned issues varies from 26 to 28 years.

2/ 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 issues have no such provision.

3/ Provides for a 7-year period during which issue may not be called for refunding at a lower coupon rate.