

H.14

January 25, 1960.

CAPITAL MARKET DEVELOPMENTS
IN THE UNITED STATES AND CANADA

Part I. United States

Large corporate issues for new capital totaling \$65 million and State and local government bond issues amounting to \$77 million were sold during the week ending January 22. This week, the calendar includes one large corporate offering for \$30 million and a Federal agency long-term offering for \$100 million. No large State and local government issues are scheduled for sale this week.

Bond yields - Changes in yields on seasoned bonds were mixed but minor last week. Yields on lower grade corporate bonds continued to increase while those for high-grade bonds remained stable. Yields on State and local government and U. S. Government obligations declined slightly.

Mortgage and bond yields - Average secondary market discounts on certain FHA-insured 5-3/4 per cent home mortgages, which had been increasing since last April, were unchanged in December at 3.6 per cent. The implied gross yield on these loans of nearly 6-1/4 per cent remained about 65 basis points above a year earlier. The spread between new corporate bond yields and FHA mortgage yields continued to be relatively narrow, although somewhat larger than at midyear; at 107 basis points it was the smallest on record for the month of December.

Stock market credit - Customer credit in the stock market (excluding borrowing on U. S. Government securities) declined slightly during December to total \$4,450 million at the end of the year. Customer credit has shown little net change since September as can be seen in the chart on Exhibit C. The December decline was a result of a \$13 million decline in bank loans to other than brokers or dealers for purchasing and carrying securities and a \$3 million increase in net debit balances.

Borrowing by member firms of the New York Stock Exchange maintaining margin accounts (excluding borrowing on U. S. Government securities) continued to increase substantially last month, totaling \$2,362 million at the end of December. Customers' net free credit balances also increased. These and other data on stock market credit for December and November are shown in the table on the following page.

Stock prices - Stock prices as measured by Standard and Poor's index of 500 common stocks declined again last week. Closing at 57.38 on January 22, prices were 4 per cent lower than at the close of 1959. Trading activity slackened somewhat with the daily volume averaging 2.8 million shares a day.

	End of month		Change
	Dec.	Nov.	
	(Millions of dollars)		
Customer credit			
Excluding U. S. Government securities - total	4,450	4,460	-10
Net debit balances	3,276	3,273	+3
Bank loans to "others"	1,174	1,187	-13
Net debit balances secured by U. S. Govt. securities	150	165	-15
Bank loans to others for purchasing or carrying U. S. Government securities	164	158	+6
Broker and dealer credit			
Money borrowed except on U. S. Government securities	2,362	2,256	+106
On customer collateral	2,044	1,999	+45
Money borrowed on U. S. Government securities	221	236	-15
Customers' net free credit balances	997	974	+23

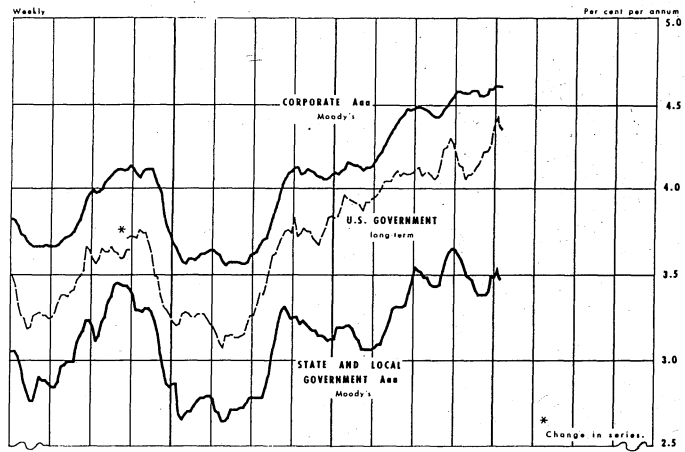
More detailed information concerning recent capital market developments is presented in the attached exhibits.

Developments in the Canadian capital market are presented in Part II at the end of this report.

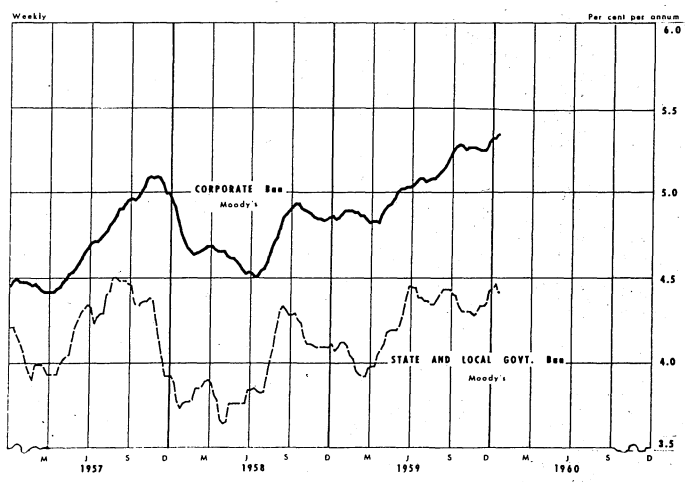
Capital Markets Section,
Division of Research and Statistics,
Board of Governors of the Federal Reserve System.

EXHIBIT A

HIGH-GRADE BOND YIELDS



LOWER-GRADE BOND YIELDS



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Exhibit B

Tables for Exhibit A
High-grade Bond Yields

Date	Corporate Aaa 1/	U. S. Govt. long-term 2/	State and local govt. Aaa 3/	Spread between U. S. Govt. 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	4.61 (12/31)	4.37 (12/31)	3.65 (9/24)	.50	.92
Low	4.09 (1/9)	3.83 (1/2)	3.06 (3/26)	.16	.53
Dec. 24	4.59	4.32	3.49	.27	.83
Dec. 31	4.61	4.37	3.49	.24	.88
Jan. 8	4.61	4.42	3.53	.19	.89
Jan. 15	4.61	4.37	3.49	.24	.88
Jan. 22 p/	4.61	4.35	3.47	.26	.88

Lower-grade Bond Yields

Date	Corporate Baa 1/	State and local govt. Baa 3/	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	5.32 (12/31)	4.46 (7/2)	.77	.98
Low	4.83 (4/17)	3.92 (3/26)	.56	.79
Dec. 24	5.30	4.42	.71	.93
Dec. 31	5.32	4.43	.71	.94
Jan. 8	5.32	4.46	.71	.93
Jan. 15	5.34	4.43	.73	.94
Jan. 22 p/	5.35	4.41	.74	.94

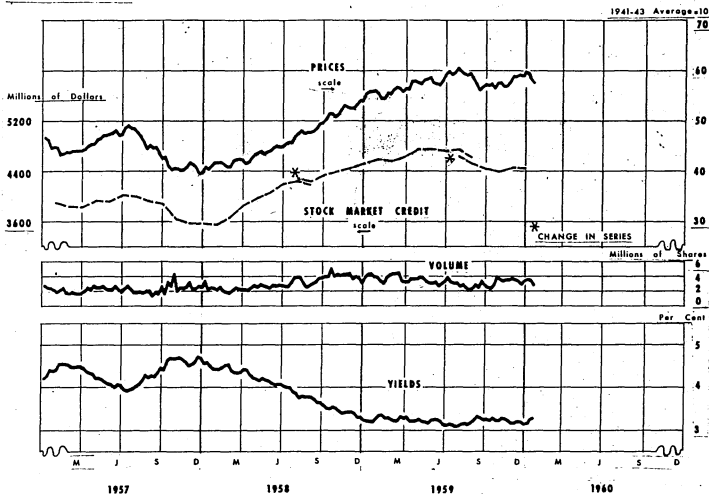
p/ Preliminary.

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**

Monthly

Per cent per annum

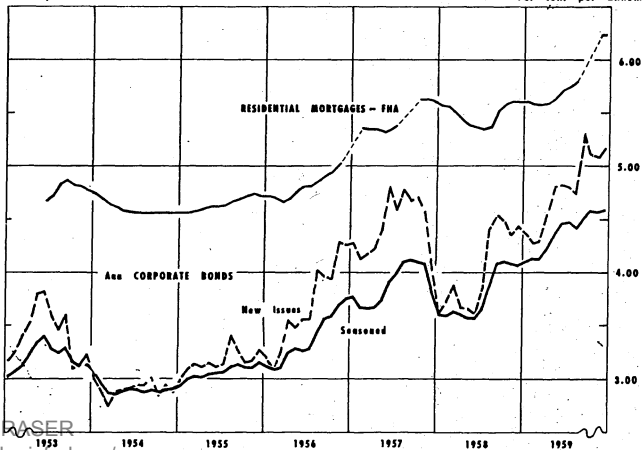


Exhibit D - Tables for Exhibit C

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 bal- ances 4/	Bank loans to "others" 5/
(Millions of dollars)						
1953-1958 - High Low	54.11 (12/24/58)	3.30	4.9	4,492	3,285	1,317
	22.95 (9/18/53)	6.25	0.9	2,055	1,314	669
1959 - High Low	60.51 (7/31)	3.08	4.3	4,764	3,401	1,332
	54.37 (2/6)	3.34	2.1	4,401	3,210	1,210
November	57.23	3.24	3.4	4,460	3,273	1,187
December	59.06	3.18	3.3	4,450	3,276	1,174
Jan. 8	59.50	3.18	3.6	n.a.	n.a.	1,327
Jan. 15	58.38	3.24	3.5	n.a.	n.a.	1,335
Jan. 22	57.38	3.29	2.8	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. Prior to July 1, 1959, such loans are excluded only 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	6.23	5.29	4.57	1.29	.77
Low	5.57	4.29	4.12	.83	.15
1959 - August	5.80	4.74	4.43	1.06	.31
September	n.a.	5.29	4.52	n.a.	.77
October	n.a.	5.10	4.57	n.a.	.53
November	6.23	5.07	4.56	1.16	.51
December	6.23	5.16	4.58	1.07	.58

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 FH, 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 these 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.

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Exhibit E

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

(In millions of dollars)

	New capital					
	Corporate 1/			State and local 2/		
	1960	1959	1958	1960	1959	1958
January	e/700	840	728	e/700	637	812
February		745	857		857	953
March		631	1,553 ^{3/}		645	511
April		899	1,140		931	798
May		791	597		592	895
June		874	887		982	551
July		531	1,107		567	806
August		718	540		514	403
September		709	1,114		468	651
October		p/826	862		p/590	456
November		p/778	518		p/497	474
December		e/850	920		e/450	435
1st quarter		2,216	3,139		2,139	2,276
2nd quarter		2,564	2,623		2,505	2,244
3rd quarter		1,958	2,760		1,549	1,860
4th quarter		e/2,454	2,300		e/1,537	1,365
1st half		4,780	5,762		4,644	4,520
Three quarters		6,738	8,522		6,193	6,380
Year		e/9,192	10,823		e/7,730	7,746
Excluding finance companies 4/						
1st quarter		2,011	2,899			
2nd quarter		2,409	2,586			
3rd quarter		1,695	2,731			
4th quarter		e/2,304	2,213			
Year		e/8,419	10,429			

e/ Estimated.

p/ Preliminary.

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	196	84	199	1,163	72
February	59	53	49	--	251	--
March	2	--	30	175	--	--
April	56	139	123	--	523	125
May	50	198	48	--	--	--
June	42	120	42	--	--	60
July	85	9	28	--	164	--
August	1	5	7	98	--	--
September	36	17	30	150	--	215
October	29	58	4	--	220	--
November	38	123	60	--	--	100
December		74	1		--	--
Year		992	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	563	357	205	486	209	336
May	411	354	337	675	161	469
June	245	264	153	289	329	501
July	246	289	272	727	437	224
August	467	423	272	365	206	370
September	399	369	252	665	330	512
October	235	231	303	733	454	1,238
November	343	415	94	471	114	255
December	306	243	459	288	137	116
Year	4,127	3,910	3,274	6,047	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.

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Exhibit G

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 - 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
June	284	635	60
July	110	194	50
August	363	263	98
September	199	214	175
October	400	294	20
November	421	163	--
December	230	217	70

Large Individual Issues Offered January 1 through 22

Issuer	Type 3/	Amount (millions of dollars)	Maturity	Coupon rate or net inter- est cost	Offering yield	Rating
CORPORATE						
C.I.T. Financial Corp.	Deb.	75.0	1980	5 1/8	5.25	--
Commercial Credit Co.	Notes	50.0	1980	5 1/4	5.25	--
Kansas City Pwr. & Lt. Co.	1st mtg. bds.	20.0	1990	5	4.95	Aaa
Northern Illinois Gas Co.	Pfd. stk.	15.0				
Chesapeake & Potomac Tel. Co. of Maryland	Deb.	25.0	1996	5 1/4	5.19	Aaa
Gen. Public Utilities Corp.	Com. stk.	24.5				
Gen. Acceptance Corp.	Deb.	15.0	1980	6	6.00	--
Conn. Light & Power Co.	1st ref.mtg.bds.	25.0	1990	4 7/8	4.94	Aaa
STATE AND LOCAL GOVERNMENT						
Toledo Sch. Dist., Ohio	G.O.	10.0	1961-83	3.65	2.90-3.70	Aa
Seattle, Washington	Rev.-Ut.	11.8	1969-85/70	3.72	3.50-4.40	Aa
City & Co. of San Francisco California	G.O.	13.6	1961-80	3.44	2.85-3.60 4/	Aa

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Large Individual Issues Offered January 1 through 22 (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)						
New York State Pwr. Auth.						
Term		96.0	2006		4.38	
Serial	Rev.-Ut.	24.0	1965-79	4.39	3.50-4.00	--
State of Maryland	G.O.	23.1	1963-75	3.30	2.95-3.30	Aaa
Tacoma, Washington	Rev.-Ut.	32.0	1964-2010/70	4.51	3.50-4.75	Baa
State of California	G.O.	100.0	1961-85	4.02	3.00-4.00	Aa
Detroit, Michigan	G.O.	13.2	1961-85	4.10	3.10-4.50	A
Sacramento Unif. S.D., Cal.	G.O.	10.0	1962-85	3.57	2.95-3.65 ^{2/}	Aa
State of Washington	Rev.-Ut.	18.0	1967-77/72	3.94	3.60-3.90	A
State of Washington	Rev.-Ut.	10.1	1961-79/70	3.65	3.00-3.70	Aa
State of Louisiana	G.O.	15.0	1961-84/69	3.84	2.90-3.85	A
State of North Carolina	G.O.	11.1	1961-79	3.29	2.75-3.35	Aaa
<u>OTHER</u>						
None						

^{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 per cent of 1980 maturity not reoffered.

^{5/} 1/4 per cent of 1985 maturity not 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 - 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	--
June 30	165	146	50	272	500	50
July 31	238	356	--	305	406	--
Aug. 31	198	385	25	517	402	25
Sept. 30	374	270	--	694	470	--
Oct. 30	385	115	--	509	336	--
Nov. 30	226	295	70	271	485	70
Dec. 31	210	445	30	280	545	30

Forthcoming Large Offerings, as of January 22

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>CORPORATE</u>			
Southern California Edison Co.	1st & ref.mtg.bds.	30.0	Jan. 27
Consolidated Natural Gas Co.	Deb.	25.0	Feb. 9
Duke Power Co.	1st & ref. mtg.bds.	50.0	Feb. 17
*Duquesne Light Co.	S.F. deb.	20.0	Feb. 25
Commerce Oil Refining Corp.	Deb., bds. & com.	45.0	Indefinite
<u>STATE AND LOCAL GOVERNMENT</u>			
*Milwaukee Co., Wisc.	G.O.	12.5	Feb. 2
New York, New York	G.O.	22.0	Feb. 4
Washington Sub. Sanit. Dist., Md.	G.O.	10.0	Feb. 9
Public Housing Authorities	G.O.	102.8	Feb. 9
*Dallas, Texas	G.O.	18.0	Feb. 15
*St. Louis, Missouri	G.O.	12.4	Feb. 17
*Ventura Port Dist., Calif.	Rev.-Ut.	10.0	Feb.
<u>OTHER</u>			
*Federal National Mortgage Assoc.	Deb.	100.0	Jan. 26
Montreal Metropolitan Corp., Canada	S.F. deb.	30.0	Feb. 2
Province of New Brunswick, Canada	S.F. deb.	15.0	Feb. 2

Footnotes

*--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
1959 - January	4.63	37	*4.75 ^{2/}	23
February	*4.35 ^{2/}	4		
March	4.43 ^{2/}	10		
April	4.58 ^{2/}	17	*4.67	18
May	4.97	37	5.01	25
June	*4.95	29	5.01 ^{3/}	15
July 9			5.10	19
10	4.93	31		
15			5.10	19
30			5.00	13
Aug. 5	4.85	24		
20	4.80	22		
Sept. 18			5.65	60
Oct. 22	5.25	46		
23	4.95 ^{2/}	16		
28	5.15	40	5.25	35
29			5.40	50
30	5.15	42		
Nov. 25	5.08	42		
Dec. 8	5.30	63		
9			5.45	51
10			5.44	50
1960 - Jan. 7			5.30 ^{2/}	28

*--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/ Includes one issue which provides for a 7-year period during which the issue may not be called for refunding at a lower coupon rate.

Part II - Canada

For the second consecutive week, Treasury bill yields eased further in Canada at Thursday's tender. By contrast, there was virtually no change in yields on the whole range of Government bonds from the 3's of December 1960 to the 3-3/4's of March 1998. Press reports indicate that several small private issues in Canada this month have had a sluggish reception. Last week, the Governor of the Bank of Canada warned Canadian local governments about the risks they incur in borrowing in foreign currencies.

Money market conditions. The yield on the short Treasury bill declined 16 basis points at last week's auction from 4.82 per cent to 4.66 per cent and the 6-month bill yield dropped by 7 basis points. The chartered banks have been substantial buyers of bills at the last three auctions and the public also added to its holdings last week. Day-to-day money closed at 3.50 per cent compared to 3.60 per cent last week.

The banks are in a much easier liquidity position than they were a few weeks ago. Their improved cash and liquid asset positions have contributed to the recent declines in money market rates. On January 20, for example, their cash ratio (cumulative for the month of January) was 8.4 per cent and their liquid assets ratio was at 17.3 per cent. (See Table.)

A slight interest incentive in Canadian bills compared to United States short bills became apparent last week. Canadian short bill was 0.39 per cent above the U.S. bill rate (a composite market yield at close of business on Thursday) and the discount on the 3-months Canadian dollar was only 0.24 per cent

Bond market developments. The continued easing in money market conditions last week was not in evidence in the Government bond market. On the contrary, bond yields moved only fractionally and as many issues drifted downward in price as moved upward. At midweek, spreads between comparable Canadian and United States Treasury bonds were (figures in parenthesis refer to the previous week):

0.39 per cent on a 91-day bill (0.31)
0.39 per cent on a 182-day bill (0.33)
0.60 per cent on an 8-year bond (0.65)
0.97 per cent on a 20-year bond (1.00)
1.11 per cent on a 35-year bond (1.08)

Two Canadian local government issues are scheduled to be offered in New York either this week or early in February. They are

a \$30 million debenture of the Montreal Metropolitan Corporation and a \$15 million offering of the Province of New Brunswick.

In a speech on January 18, Governor Coyne criticized Canadian provinces and municipalities for borrowing so steadily in the New York market because it "is a gamble on the exchange rate, not a sober judgment" and added "it is difficult to see how this can be considered sound finance."

Stock markets. Canadian stock prices eased slightly during the past week. At midweek, the Montreal industrial average was at 310 compared to 314 a week earlier.

British Commonwealth Section
Division of International Finance
Board of Governors of the Federal Reserve System

Selected Government of Canada Security Yields

<u>Date</u>	<u>3-month</u>	<u>Inter-</u>	<u>Long-</u>	<u>Spread between</u>		<u>Discount</u>
	<u>Treasury</u>	<u>mediate</u>	<u>term</u>	<u>Canadian & U.S. rates</u>		<u>on 3-mo.</u>
	<u>bills^{1/}</u>	<u>Govt.</u>	<u>Govt.</u>	<u>long-term</u>	<u>3-mo.</u>	<u>Canadian</u>
		<u>bond^{2/}</u>	<u>bond^{2/}</u>	<u>bond^{4/}</u>	<u>bills^{2/}</u>	<u>dollar^{5/}</u>
1957 - High	4.08	4.81	4.35			
1958 - High	3.65	4.52	4.42			
Low	0.87	3.31	3.78			
1959 - High	6.16	5.30	5.30	1.19	2.96	
Low	3.25	4.45	4.41	0.47	0.30	
Dec. 30	5.12	5.37	5.30	0.96	0.72	0.91
Jan. 6	5.14	5.46	5.37	0.88	0.51	0.72
13	4.82	5.55	5.42	1.02	0.31	0.36
20	4.66	5.43	5.41	0.97	0.39	0.24

- 1/ Average yield at weekly tender on Thursday.
 2/ Government of Canada 2-3/4 per cent of June 15, 1967-68.
 3/ Government of Canada 3-1/4 per cent of 1979.
 4/ U.S. Government 3-1/4 per cent of 1978-83. Government of Canada 3-1/4 per cent of 1979.
 5/ Spread between Canadian auction rate and composite market yield for the U.S. bill on the close of business on Thursday.
 6/ Spread between 3-months forward and spot price of the Canadian dollar, expressed as per cent per annum, on Thursday.

Money Market Statistics

<u>Date</u>	<u>Bank of Canada</u>	<u>Chartered banks</u>		<u>3-month Treasury bills</u>	
	<u>Advances to banks</u>	<u>Cash</u>	<u>Day-to-day</u>	<u>Auction</u>	<u>Amount</u>
	<u>plus securities held</u>	<u>ratio^{1/}</u>	<u>loans^{2/}</u>	<u>rate^{3/}</u>	<u>sold^{4/}</u>
	<u>on resale agreement</u>				<u>(\$ million)</u>
	<u>(\$ million)</u>				
1959-July 29	4	8.1	5.50	5.47	155
Aug. 26	20	8.2	5.00	5.33	95
Sept. 30	—	8.3	4.50	5.50	115
Oct. 28	17	8.3	4.50	5.02	125
Nov. 25	15	8.3	4.00	4.86	120
Dec. 30	—	8.2	4.00	5.12	120
1960-Jan. 20	—	8.4	3.50	4.66	135

- 1/ Statutory basis. Average of month to date.
 2/ Closing rate for date shown.
 3/ Thursday tender following Wednesday shown.
 4/ Includes sales of 6-month bills.
 Source: Bank of Canada, Statistical Summary.