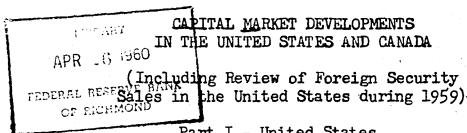


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April 25, 1960.



Part I - United States

Corporations sold large public security issues totaling \$68 million and State and local governments sold bonds with aggregate proceeds of \$154 million. An Australian government offering for \$25 million was also sold. The calendar for this week includes corporate issues with aggregate proceeds of \$45 million and State and local government issues totaling \$149 million.

Bond yields - Changes in yields on outstanding bonds were mixed last week. Yields on high-grade corporate and State and local government bonds were stable, while those on U. S. Government bonds and lower grade corporate bonds increased. Yields on lower grade State and local government bonds declined slightly.

A new A-rated, first mortgage electric utility bond issue was sold last week to investors to yield 5.30 per cent--32 basis points higher than the yield for the last comparable issue, an offering made early this month.

Mortgage and bond yields - Secondary market yields on certain FHA-insured 5-3/4 per cent new-home mortgages, which rose sharply last fall, changed little in March for the fifth consecutive month. At 6.22 per cent, they were about 65 basis points above a year earlier, and the spread between yields on new Aaa corporate bond issues and mortgages was the widest since July 1958.

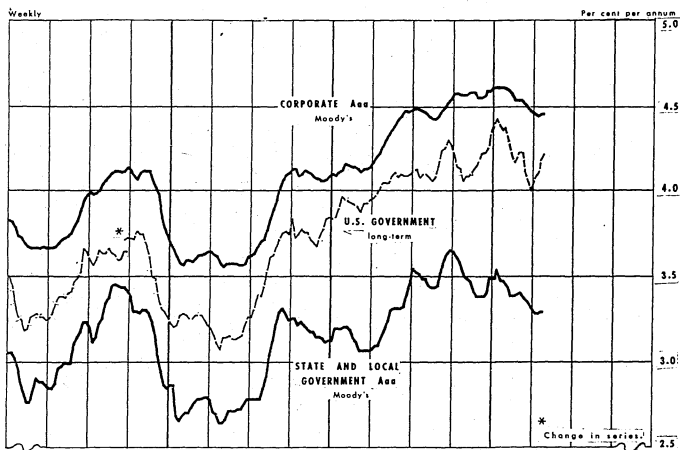
Stock prices - Standard and Poor's index of 500 common stocks declined 2 per cent last week, closing at 55.42 on April 22. Trading activity increased with the daily volume of trading averaging 3.0 million shares a day.

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

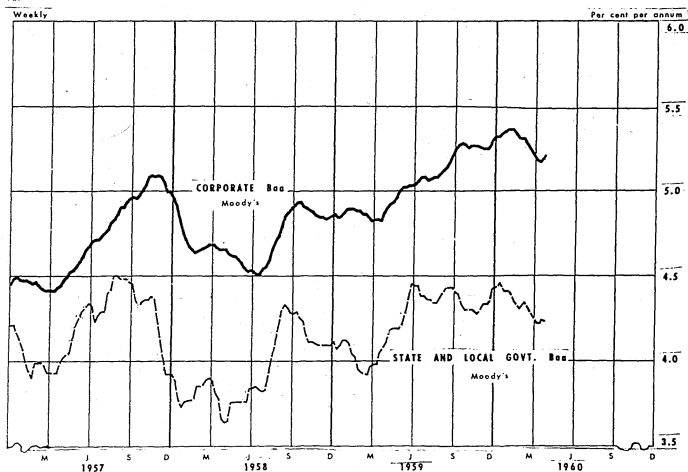
Developments in the Canadian capital markets are presented in Part II at the end of this report.

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

HIGH-GRADE BOND YIELDS



LOWER-GRADE BOND YIELDS



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 - 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
1960 - High	4.61 (1/29)	4.42 (1/8)	3.53 (1/7)	.46	.92
Low	4.44 (4/8)	4.00 (3/25)	3.28 (4/7)	.19	.68
Mar. 25	4.46	4.00	3.32	.46	.68
Apr. 1	4.45	4.07	3.28	.37	.79
Apr. 8	4.44	4.10	3.28	.34	.82
Apr. 15	4.45	4.18	3.29	.27	.89
Apr. 22 p/	4.45	4.21	3.29	.24	.92

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 - 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
1960 - High	5.36 (2/12)	4.46 (1/7)	.79	.97
Low	5.17 (4/8)	4.22 (4/7)	.71	.93
Mar. 25	5.22	4.26	.76	.94
Apr. 1	5.18	4.22	.74	.94
Apr. 8	5.17	4.22	.73	.94
Apr. 15	5.18	4.24	.73	.95
Apr. 22 p/	5.21	4.23	.76	.94

p/ Preliminary.

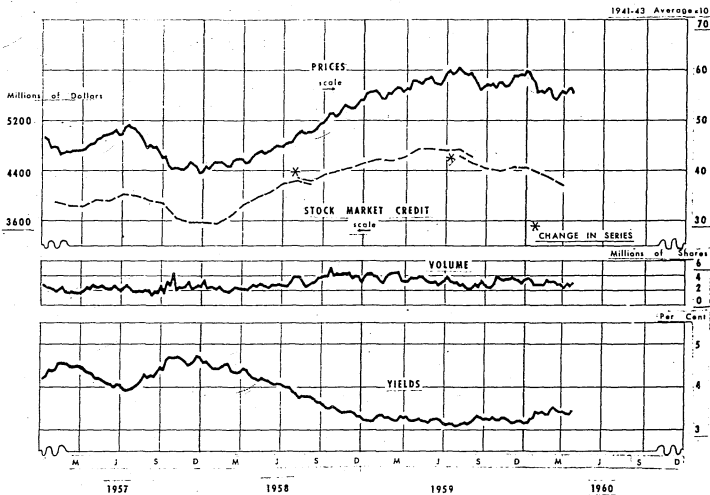
1/ Weekly average of daily figures. Average term of bonds included is 25-26 years.

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

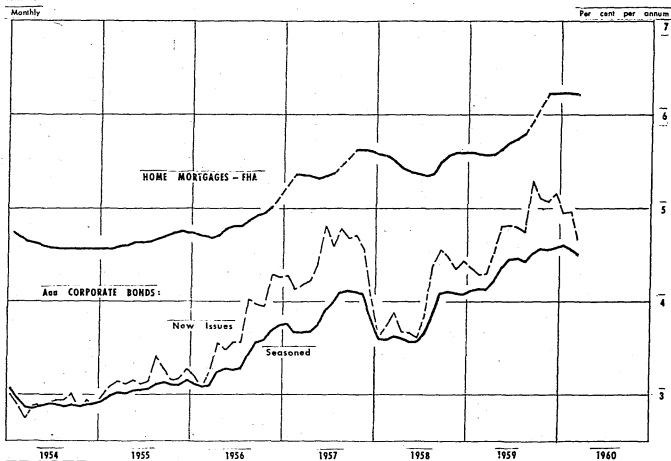
3/ Thursday figures. Only general obligation bonds are included; average term is 20 years.

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

STOCK MARKET



MORTGAGE AND BOND YIELDS



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)						
1957-59 - High	60.51 (7/31/59)	3.07	4.3	4,764	3,401	1,373
Low	39.78 (12/27/57)	4.66	1.4	3,554	2,482	1,060
1960 - High	59.50 (1/8)	3.18	3.6	4,365	3,198	1,167
Low	54.24 (3/11)	3.51	2.4	4,158	3,028	1,130
February	55.69	3.38	3.0	4,274	3,129	1,145
March	55.02	3.45	2.9	4,158	3,028	1,130
Apr. 8	56.39	3.37	2.9	n.a.	n.a.	1,120
Apr. 15	56.43	3.36	2.6	n.a.	n.a.	1,112
Apr. 22 p/	55.42	3.43	3.0	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	4.58	1.29	.77
Low	5.57	4.29	4.12	.83	.15
1959 - November	6.23	5.07	4.56	1.16	.51
December	6.23	5.16	4.58	1.07	.58
1960 - January	6.24	4.95	4.61	1.29	.34
February	6.23	4.96	4.56	1.27	.40
March	6.22	4.66	4.49	1.56	.17

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 rates.

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.

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	p/ 596	840	728	p/728	638	812
February	p/739	745	857	e/550	858	953
March	e/750	631	1,553 ^{3/}	e/525	646	511
April	e/725	899	1,140	e/700	931	798
May		791	597		593	895
June		874	887		1,006	551
July		531	1,107		567	806
August		718	540		514	403
September		709	1,114		468	651
October		887	862		593	456
November		865	518		513	474
December		936	920		p/444	435
1st quarter	e/2,085	2,216	3,139	e/1,803	2,142	2,276
2nd quarter		2,564	2,623		2,531	2,244
3rd quarter		1,958	2,760		1,549	1,860
4th quarter		2,688	2,300		p/1,550	1,365
1st half		4,780	5,762		4,673	4,520
Three quarters		6,738	8,522		6,223	6,380
Year		9,427	10,823		p/7,773	7,746
Excluding finance companies 4/						
1st quarter	e/1,735	2,011	2,899			
2nd quarter		2,409	2,586			
3rd quarter		1,695	2,731			
4th quarter		2,549	2,213			
Year		4,665	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/		
	1960	1959	1958	1960	1959	1958
January	--	77	196	182	199	1,163
February	147	59	53	150	--	251
March		2	--		175	--
April		56	139		--	523
May		50	198		--	--
June		42	120		--	--
July		85	9		--	164
August		1	5		98	--
September		36	17		150	--
October		33	58		--	220
November		42	123		--	--
December		70	74		86	--
Year		558	992		707	2,321
	Short-term					
	State and local government 4/			Federal agency 3/		
	1960	1959	1958	1960	1959	1958
January	268	190	233	479	359	371
February	345	428	460	463	500	208
March	p/363	295	273		489	144
April		563	357		486	209
May		411	354		675	161
June		245	264		289	329
July		246	289		727	437
August		467	423		365	206
September		399	369		665	330
October		235	231		733	454
November		343	415		471	114
December		358	243		288	137
Year		4,179	3,910		6,047	3,098

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 PHA notes included may have a somewhat longer term than one year. Source: Bond Buyer.

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/
1959 - 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
1960 - January	279	388	100
February	262	283	320
March	384	225	191

Large Individual Issues Offered April 1 through 22

Issuer	Type 3/	Amount (millions of dollars)	Maturity	Coupon rate or net inter- est cost	Offering yield	Rating
<u>CORPORATE</u>						
Carolina Power & Lt. Co.	1st mtg. bds.	25.0	1990	4-7/8	4.85	Aa
Commonwealth Edison Co.	1st mtg. bds.	30.0	1990	4-5/8	4.63	Aaa
Alabama Power Co.	1st mtg. bds.	19.5	1990	5	4.98	A
National Fuel Gas Co.	S.F. deb.	18.0	1985	5-1/8	5.05	Aa
Kratter Corp.	Pfd. stk.	23.6				
Mountain Sts. Tel. & Tel. Co.	Deb.	40.0	2000	5	4.87	Aaa
Iowa-Ill. Gas & Elec. Co.	1st mtg. bds.	15.0	1990	5	4.94	Aa
United States Plywood Corp.	S.F. deb.	25.0	1985	5-1/4	5.25	Baa
Middle South Utilities, Inc.	Com. stk.	16.4				
Transcon. Gas Pipeline Co.	1st mtg. bds.	35.0	1980	5-1/4	5.33	Baa
Transcon. Gas Pipeline Co.	Com. stk.	16.2				
<u>STATE AND LOCAL GOVERNMENT</u>						
State Publ. Sch. Bldg. Auth., Pa.	Rev.-Rent.	16.0	1962-99/65	4.00	3.10-4.05	--
N. Y. City Hsg. Auth.	G.O.	20.5	1962-2010/75	4.01	2.85-4.02	A
Puerto Rico Wtr. Res. Auth.	Rev.-Ut.	20.0	1962-97	4.40	3.00-4.38	Baa
Chicago, Illinois	G.O.	10.0	1962-79	3.60	2.85-3.65	A
State of California	G.O.	25.0	1962-86/81	3.84	2.80-3.91	Aa

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)						
Triborough Br. & Tun.Auth.	Term	74.0	1985	4.03	4.00	--
	Serial	26.0	1970-75		3.50-3.75	
Philadelphia, Penna.	G.O.	29.3	1961-90	3.77	2.40-3.88	A
<u>OTHER</u>						
Federal Land Banks	Bds.	46.0	1964	4-1/2	4.40	--
Commonwealth of Australia	Bds.	25.0	1980	5-1/4	5.45	A

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.

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/
1959 - 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
1960 - Jan. 29	207	210	45	252	310	45
Feb. 29	301	255	35	372	385	35
Mar. 31	299	250	--	344	280	--

Forthcoming Large Offerings, as of April 22

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>CORPORATE</u>			
Metropolitan Edison Co.	1st mtg. bds.	15.0	Apr. 27
Cincinnati Gas & Electric Co.	1st mtg. bds.	30.0	Apr. 29
Uris Building Corp.	S.F. deb.	20.0	May 3
Columbia Gas System, Inc.	Com. stk.	20.0	May 4
General American Transportation Corp.	E.T.	30.0	May 11
*Wisconsin Telephone Co.	Deb.	20.0	May 11
Milwaukee Gas Light Co.	1st mtg. bds.	22.0	May 18
Texas Eastern Transmission Corp.	Deb.	25.0	May
*Midwestern Gas Transmission Co.	1st mtg. bds.	60.0	May
*Michigan Wisconsin Pipe Line Co.	1st mtg. p. 1. bds.	30.0	June 2
Commerce Oil Refining Corp.	Deb., bds. & com.	45.0	Indefinite
<u>STATE AND LOCAL GOVERNMENT</u>			
Cleveland, Ohio	G.O.	13.3	Apr. 26
Los Angeles City Sch. Dists., Calif.	G.O.	16.0	Apr. 26
State of Tennessee	G.O.	15.0	Apr. 26
New York, New York	G.O.	75.0	Apr. 27
Sacramento Mun. Ut. Dist., Calif.	Rev.	30.0	Apr. 28
Public Housing Authorities	G.O.	133.4	May 4

Forthcoming Large Offerings, as of April 22 (Cont'd)

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>STATE AND LOCAL GOVERNMENT (Cont'd)</u>			
State of Minnesota	G.O.	48.8	May 5
Jacksonville, Fla.	Rev.-Ut.	30.0	May 10
Cincinnati, Ohio	G.O.	12.2	May 17
<u>OTHER</u>			
None			

*--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: Ventura Port District, California's \$10 million revenue bond issue--being sold on best efforts basis.

Exhibit I

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 ^{2/}	15
July	*4.93	31	5.07	17
Aug.	4.83	23		
Sept.			*5.65	60
Oct.	5.13 ^{2/}	36	5.33	43
Nov. 25	5.08	42		
Dec. 8	5.30	63		
9			5.45	51
10			5.44 ^{2/}	50
1960 - Jan. 7			5.30 ^{2/}	28
Feb. 25	5.08	44		
26	5.10	46		
Mar. 15	4.90	32		
16	4.73 ^{2/}	17		
18			5.00	11
29			4.93	7
Apr. 6	4.85	33		
8			4.98	21
14	4.94	39		
21			5.30	50

*--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 average 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.

April 25, 1960

Part II - Canada

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The Treasury bill rates declined slightly while the Bank of Canada continued to increase its bill holdings. Both the public and the chartered banks were sellers. The 3-month forward rate on the Canadian dollar continued at a premium for the second week. Bond yields were stable during the week.

Money market conditions. The short Treasury bill rate declined 8 basis points from the previous week to 3.50 per cent at last week's auction. The yield on the 6-month rate declined 12 basis points to 3.71 per cent. The Bank of Canada increased its Treasury bill holdings by \$14 million but the chartered banks reduced their holdings by \$4 million and the public theirs by \$11 million. The Bank also sold \$3 million of over-two-year bonds and bought \$3 million of under-two-year bonds. Since February 4 the Bank has been a continuous purchaser of bills and a net seller of bonds: during this period, its bill holdings have risen from \$206 million to \$481 million and its bond holdings have declined from \$2,267 million to \$2,117 million. The average rate on day-to-day loans increased 0.04 per cent from 3.38 per cent a week ago to 3.42 per cent last week.

The decline in the 3-month bill rate was less than the decline in the United States rate: as a result, a slight spread in favor of the Canadian bill of 0.15 per cent appeared. The 3-month forward Canadian dollar continued at a premium of 0.12 per cent per annum.

Bond market developments. Canadian bond yields showed little change during the week. The spread between comparable Canadian and United States securities (Thursday yields for bills and Wednesday yields for bonds) were as follows (figures in parenthesis refer to the previous week):

0.15 per cent on a 91-day bill (0.06)
-0.05 per cent on a 182-day bill (0.00)
0.83 per cent on an 8-year bond (0.86)
0.99 per cent on a 20-year bond (0.98)
1.43 per cent on a 35-year bond (1.41)

According to the press, an Alberta Gas Trunk Line issue will soon be offered as follows: \$15 million, 6-1/2 per cent, 21-year debentures at par and \$15 million, 6-1/4 per cent preferred shares, at par of \$100. A \$4 million Halifax County, Nova Scotia, 5-3/4 per cent noncallable 1-to-20 year serial debenture was offered, priced to yield 6.11 per cent. The proceeds are to be used for municipal works. The Investment Digest of April 11 reported the offerings of a \$6 million, 6-1/4 per cent Province of Newfoundland debenture at the following prices: 1970 maturity at 98.25 to yield 6.49 per cent; 1980 maturity at 97 to yield 6.52 per cent.

Exchange rate. The spot rate on the Canadian dollar eased slightly during the week to 103.67 U.S. cents and the premium on the

3-month forward rate continued at 0.12 per cent (annual rate). Recent market rates for the Canadian dollar follow (in United States cents):

	<u>Spot</u>	<u>3 mos. forward</u>	<u>Discount (-) or premium (+) at annual rate</u>
March 17	105.27	105.14	- 0.48
31	104.38	104.31	- 0.24
April 7	104.00	103.97	- 0.12
14	103.86	103.89	+ 0.12
21	103.67	103.70	+ 0.12

Chartered bank loans. After a steady 6-month decline from September 1959, bank loans began to turn up again in February. During March, loans rose by \$39 million on a seasonally adjusted basis. The turnaround in loans has been accompanied by some decline in chartered bank holdings of government securities. Their holdings have changed as follows since February (in millions of Canadian dollars):

	<u>Treasury bills</u>	<u>Bonds</u>	<u>Net securities</u>
Feb. 4-25	-115	+ 79	- 36
March 3-30	- 11	+ 17	+ 6
April 6-20	- 47	+ 14	- 33

Stock market. Prices of industrial stocks in the Canadian exchanges continued to decline slightly following a short period of rising prices during late March and early April (see Table).

	<u>Toronto</u>	<u>Montreal</u>	<u>New York Standard & Poor</u>
March 18	487.02	281.7	58.71
25	492.82	283.7	59.75
April 1	495.23	285.4	59.14
8	504.19	293.1	60.24
15	497.48	290.0	60.29
20	490.52	286.8	59.15

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

Selected Government of Canada Security Yields

-15-

<u>Date</u>	<u>3-month Treasury bills^{1/}</u>	<u>Inter- mediate Govt. bond^{2/}</u>	<u>Long- term Govt. bond^{3/}</u>	<u>Spread between Canadian & U.S. rates</u>		<u>Discount on 3-mo. Canadian dollar^{6/}</u>
				<u>long-term bond^{4/}</u>	<u>3-mo. bills^{5/}</u>	
1957 - High	4.08	4.81	4.35			
1958 - 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	
1960 - High	5.14	5.55	5.42	1.22	0.90	0.72
Low	3.01	5.07	5.15	0.91	-0.01	(P)0.12
Mar. 31	3.01	5.17	5.22	1.09	-0.01	0.24
April 7	3.24	5.08	5.13	0.98	0.19	0.12
14	3.58	5.16	5.22	0.98	0.06	(P)0.12
21	3.50	5.17	5.25	0.99	0.15	(P)0.12

- 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. Bond prices are Wednesday closing quotations.
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.

Canada: Changes in Distribution of Holdings of Canadian
Government Direct and Guaranteed Securities
(millions of dollars, par value)

	<u>Bank of Canada</u>		<u>Government Total</u>	<u>Chartered banks</u>		<u>General public Total</u>
	<u>Treas. bills</u>	<u>Bonds</u>		<u>Treas. bills</u>	<u>Bonds</u>	
March 3	+ 31	- 4	- 6	+ 12	+ 14	- 33
10	+ 31	- 7	- 3	- 33	- 10	+ 21
17	+ 11	- 10	- 18	- 1	- 3	+ 23
23	+ 43	- 9	- 17	+ 9	0	- 29
30	+ 25	- 34	- 10	+ 2	+ 16	- 1
April 6	+ 28	- 30	- 3	- 10	+ 9	+ 13
13	+ 37	0	- 11	- 33	+ 3	- 3
20	+ 14	0	+ 3	- 4	+ 2	- 21

Source: Bank of Canada, Weekly Financial Statistics.

Appendix 1

Foreign Security Issues in the United States in 1959

During 1959, new sales of foreign security issues in the United States, both privately and publicly placed, totaled \$698 million. This figure does not include delayed deliveries of International Bank for Reconstruction and Development bonds, Israel bonds "retailed" in the United States, nor issues of Canadian companies almost wholly U.S.-owned, which the Department of Commerce includes in the U. S. "direct investments" figure in the U. S. balance of payments. Of the total amount, \$690 million was bonds and the remainder stocks.

During the year, Canada was again the principal borrower. Borrowings were as follows: Canada (\$459 million); Western Europe (\$163 million); Sterling Area (\$38 million); Japan (\$30 million); and other countries (\$2 million). The Japanese bond issue and \$50 million, or almost one-third, of the Western European borrowings were floated in conjunction with loans to these countries from the International Bank.

Canadian borrowings were mainly by provinces and municipalities; corporations borrowed \$49 million. Of the European borrowings, \$122 million was by Governments and the remainder was by businesses. In 1959, foreign security issues purchased by U. S. investors amounted to \$570 million, or 82 per cent of the total of all foreign issues. Some issues, including most of the Canadian ones, have been taken up entirely or almost entirely for U. S. domestic account.

The 1959 U. S. balance of payments "new issues" figure, which is the amount of U. S. funds actually transferred to security issuers ^{1/} was \$600 million compared with \$955 million in 1958, \$597 million in 1957, and \$453 million in 1956. Foreign flotations declined from the high level in 1958 primarily because, for the first year since 1955, no International Bank bonds were issued in the United States. The International Bank had borrowed \$400 million in the United States in 1958.

A comparison of quarterly balance of payments "new issues" figures for recent years follows:

^{1/} The amount the securities sold for, minus underwriters' commissions.

International Financial Operations Section
Division of International Finance
Board of Governors of the Federal Reserve System

<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>
(In millions of dollars)			
1959	163	115	175
1958	338	350	99
1957	218	181	88
1956	103	105	104

a/147

168

110

141

a/ The 1959 fourth quarter balance of payments "new issues" figure is larger than the Commerce Department's fourth quarter foreign security issues figures because, in arriving at the balance of payments figure, issues recorded on the Department's work sheets for other quarters were shifted to the fourth quarter as more exact information became available.

Canadian institutions borrowed \$140 million in the first quarter, \$84 million in the second, \$149 million in the third, and \$86 million in the fourth. A summary of all publicly placed and some privately placed non-Canadian foreign bond flotations in the U. S. markets follows:

<u>Borrower</u>	<u>Amount</u> (Millions of Dollars)	<u>Maturity</u> (Year)	<u>Coupon</u> (Per cent)	<u>Sales</u> <u>Price</u> (Per cent)	<u>Offering</u> <u>Yield</u> (Per cent)	<u>Underwriter's</u> <u>Commission</u> (Per cent)
<u>IQ</u>						
Denmark	20	1974	5.5	97.5	5.75	2.7
Jamaica	10	1974	5.75	95.5	6.16	2.75
"	2.5	1960-64	5.5	99.1	5.8	1.0
Japan	15	1974	5.5	98.6	5.7	1.37
"	15	1962-64	4.5	--	4.5/4.75	1.37
KLM (Nether- lands)	18.5	1979	4.75	100	4.75	2.25
<u>IIQ</u>						
Belgium	22.3	1974	a/5.25	100	5.25	1.5
Southern Italy Development Fund	20	1974	5.5	97.5	5.75	3.125
" " "	10	1963-64	4.75	100	4.75	0.5
<u>IIIQ</u>						
Australia	25	1979	5.5	97.0	5.75	2.5
Montecatini (Italy)	10	1979	5.5	100	5.5	2.375
SAS (Sweden)	12	1975	6.0	--	--	--
<u>IVQ</u>						
France	50	1979	5.5	95.5	5.89	2.5

a/ A supplementary interest rate of 0.75 per cent is paid to the original subscribers.