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DECONTROLLED AFTER SIX MONTHS

1961
FEDERAL RESERVE BOARD
H.14

January 16, 1961.

CAPITAL MARKET DEVELOPMENTS
IN THE UNITED STATES AND CANADA

(Including Monthly Review of Financial
Developments in the United Kingdom)

Part I - United States

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

Three large State and local government bond issues with aggregate proceeds of \$142 million were offered to the public last week; no large corporate issues were sold. This week, ending January 20, large corporate issues totaling \$45 million and State and local government issues amounting to \$138 million are scheduled for sale.

Long-term bond yields-- Yields increased last week for all categories of outstanding bonds, except those for high-grade corporate bonds which declined slightly. The increase was slight for yields on Baa corporate and for State and local government bonds, but somewhat greater for those on U. S. Government obligations.

A new Aa-rated first mortgage electric utility bond issue was offered to investors last week to yield 4.60 per cent--40 basis points below the yield for the last comparable issue, an offering made in early December. The spread between this yield and that on similar outstanding bonds was 11 basis points, the narrowest since early 1959.

Short- and intermediate-term interest rates - Yields on the six-month bills and three- to five-year Government obligations increased last week, while rates on three-month bills remained stable. Rates on 90- to 179-day directly placed finance company paper changed little last week as companies continued to quote the rates announced a week earlier. Other major short-term rates were unchanged.

Mortgage and bond yields - In December average yields in the private secondary market on selected unseasoned 5-3/4 per cent FHA new home mortgages declined slightly further to 6.04 per cent. Yields on new corporate bonds rose sharply (to 4.79 per cent) narrowing the spread to the smallest since December 1959.

Stock prices - Stock prices increased sharply last week in expanded trading activity. Standard and Poor's index of 500 common stocks closed at 59.60 on January 13, two per cent higher than a week earlier and only one per cent below the 1960 high reached on January 5. Trading volume, averaging 4.4 million shares a day, was the largest since mid-October 1958.

Institutional investors - Combined savings inflow in November at three major types of financial institutions--life insurance companies, savings and loan associations and mutual savings banks--was \$1.2 billion, about one-fourth greater than in either 1958 or 1959. Since August, growth at each of these institutions has been larger than in the corresponding months of 1959 and for the first eleven months as a whole, their combined growth was nearly one-tenth larger. (Time and savings deposits at commercial banks have also increased much more in recent months than in 1959.)

The increase in life insurance company assets in November was \$522 million, 5 per cent more than a year earlier. There was a slight net acquisition of U. S. Government securities in contrast with heavy liquidation in November 1959. The net increase in holdings of business securities was slightly smaller than a year ago and the increase in holdings of mortgages was one-eighth smaller.

Inflow to savings and loan associations continued to increase at a record pace in November. The \$658 million increase in share capital was nearly three-eighths larger than in November 1959. Net acquisition of mortgages was one-eighth larger than a year earlier. This is the first month in 1960 when net purchases of mortgages have been larger than in the corresponding month of 1959 as these associations have used some of their funds to repay borrowings. (There was a very small increase in borrowed funds in November.)

Deposits at mutual savings banks increased \$39 million in November in contrast with a \$27 million decline in 1959. The increase in mortgage holdings was nearly two-fifths larger than during November 1959. Net purchases of business securities were small in November.

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.

EXHIBIT A

LONG-TERM BOND YIELDS

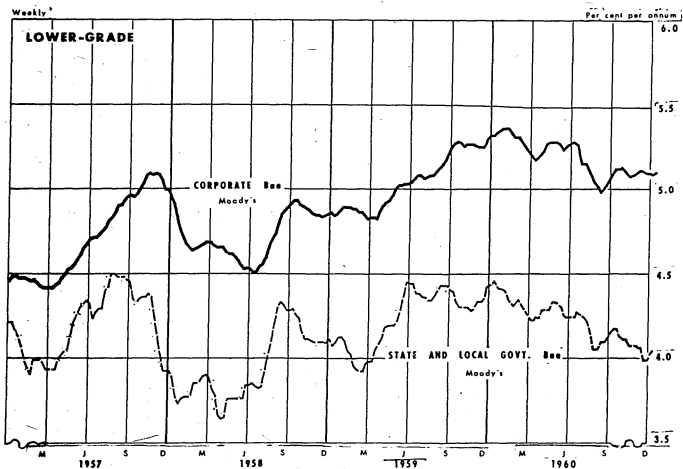
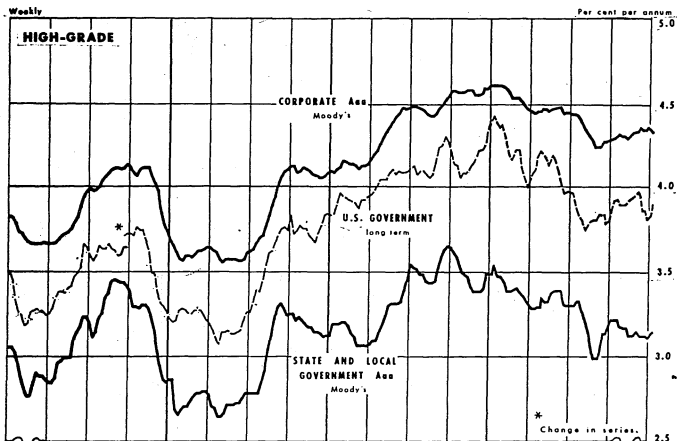


Exhibit B - Tables for Exhibit A
 Long-term Bond Yields
 High-grade

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 - 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)	.59	.92
Low	4.23 (9/9)	3.75 (8/5)	2.99 (9/1)	.19	.53
Dec. 16	4.34	3.86	3.12	.48	.74
Dec. 23	4.34	3.86	3.12	.48	.74
Dec. 30	4.35	3.82	3.11	.53	.71
Jan. 6	4.34	3.84	3.13	.50	.71
Jan. 13 <u>p/</u>	4.33	3.90	3.14	.43	.76

Lower-grade

Date	Corporate Baa <u>1/</u>	State and local govt. Baa <u>3/</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 - 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)	.84	1.08
Low	4.98 (9/9)	3.98 (12/22)	.71	.86
Dec. 16	5.10	4.06	.77	.94
Dec. 23	5.09	3.98	.75	.86
Dec. 30	5.09	3.98	.74	.87
Jan. 6	5.08	4.03	.75	.90
Jan. 13 <u>p/</u>	5.10	4.04	.77	.90

p/ Preliminary.

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

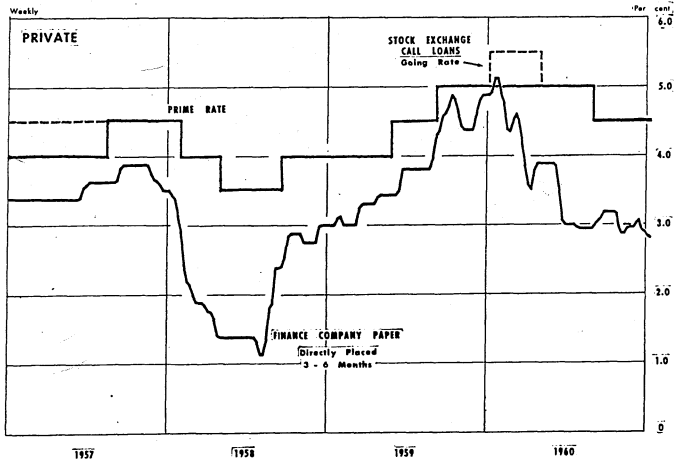
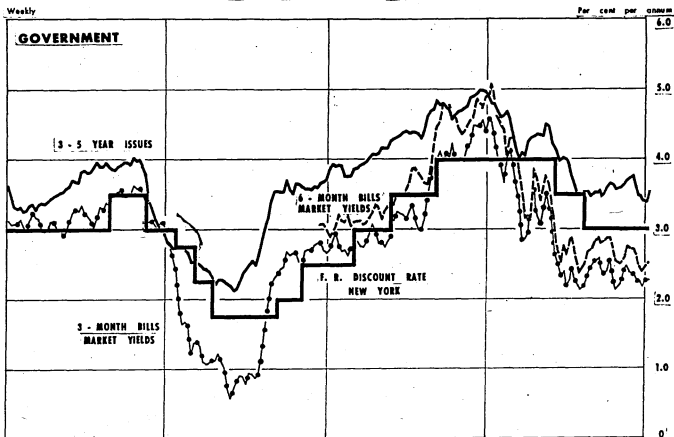
2/ Weekly average of daily figures. The series includes bonds due or callable in 10 years or more.

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.

EXHIBIT C

SHORT- AND INTERMEDIATE- TERM INTEREST RATES



1957

1958

1959

1960

Exhibit D - Tables for Exhibit C

Short- and Intermediate-term Interest Rates

Government

Date	Discount rate 1/	Yields			Spread between yields on	
		3-month bills 2/	6-month bills 2/	3-5 year issues 2/	3-month bills and yields on 6-mo. bills	3-5 yr. issues
(per cent)						
1954 - Low	1.50	.61 (6/11)	--	1.66 (4/30)	--	.66
1957 - High	3.50	3.64 (10/18)	--	4.04 (10/18)	--	.86
1958 - Low	1.75	.58 (5/29)	3.02 (12/26)	2.14 (6/6)	.26	.04
1959 - High	4.00	4.57 (12/24)	4.91 (12/31)	5.00 (12/24)	.79	1.42
Low	2.50	2.63 (2/20)	2.92 (1/2)	3.70 (1/2)	.19	.40
1960 - High	4.00	4.59 (1/8)	5.07 (1/8)	4.97 (1/8)	.58	1.81
Low	3.00	2.11 (10/28)	2.38 (12/30)	3.40 (12/30)	.16	.38
Dec. 16	3.00	2.25	2.50	3.49	.25	1.24
Dec. 23	3.00	2.24	2.42	3.46	.18	1.22
Dec. 30	3.00	2.18	2.38	3.40	.20	1.22
Jan. 6	3.00	2.28	2.48	3.39	.20	1.11
Jan. 13 p/	3.00	2.28	2.51	3.52	.23	1.24

Private

Date	Stock Exchange call loan 1/	Prime rate 1/	Finance company paper 3/	Spread between 3-month Treasury bill yield and finance company paper rates	
				(per cent)	
1954 - Low	3.00	3.00	1.25 (12/31)	0 (12/18)	
1957 - High	4.50	4.50	3.88 (11/15)	.59 (7/19)	
1958 - Low	3.50	3.50	1.13 (8/8)	-.35 (8/29)	
1959 - High	5.00	5.00	4.88 (12/31)	.86 (10/9)	
Low	4.00	4.00	3.00 (3/6)	.13 (12/4)	
1960 - High	5.50	5.00	5.13 (1/22)	1.02 (3/25)	
Low	4.50	4.50	2.88 (11/4)	.22 (4/15)	
Dec. 16	4.50	4.50	3.06	.81	
Dec. 23	4.50	4.50	2.91	.67	
Dec. 30	4.50	4.50	2.88	.70	
Jan. 6	4.50	4.50	2.83	.55	
Jan. 13 p/	4.50	4.50	2.81	.53	

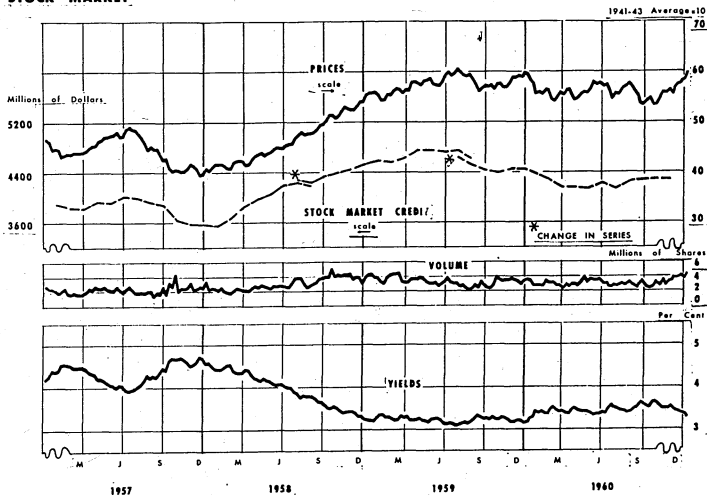
1/ Weekly rate shown is that in effect at end of period. Discount rate is for Federal Reserve Bank of New York. Stock exchange call loan rate is going rate on call loans secured by customers' stock exchange collateral at New York City banks. Prime rate is that charged by large banks on short-term loans to business borrowers of the highest credit standing.

2/ Market yield; weekly averages computed from daily closing bid prices. Series of 3-5 year issues consists of selected notes and bonds.

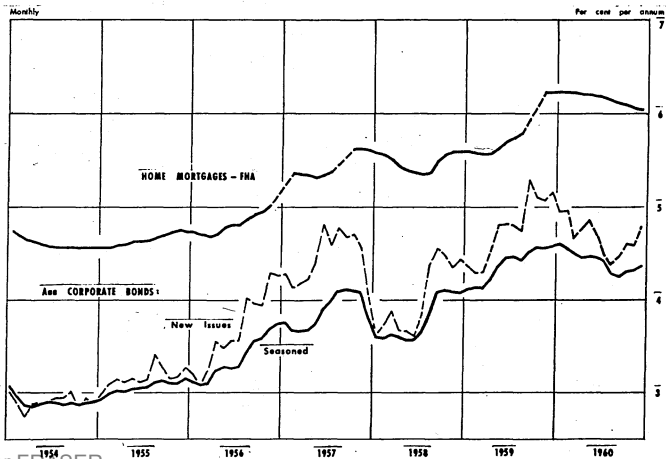
3/ Average of daily rates published by finance companies for directly placed paper for varying maturities in the 90-179 day range.

Note.--Highs and lows are for individual series and may be on different dates for different series. For spreads, high refers to widest, and low to narrowest.

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 balances 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	4.1	4,365	3,198	1,184
Low	53.32 (10/21)	3.62	2.2	4,132	3,004	1,111
November	55.47	3.51	3.1	4,294	3,141	1,153
December	56.83	3.41	3.7	n.a.	n.a.	1,184
Dec. 30	58.11	3.35	4.1	n.a.	n.a.	1,184
Jan. 6	58.48	3.32	3.6	n.a.	n.a.	1,189
Jan. 13 p/	59.60	3.26	4.4	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
Low	4.56 (2/55)	2.74 (3/54)	2.84 (4/54)	.54	-.12
1959-60 - High	6.24 (1/60)	5.29 (9/59)	4.61 (1/60)	1.76	.77
Low	5.57 (3/59)	4.29 (2/59)	4.12 (1/59)	.83	.08
1960 - August	6.13	4.37	4.28	1.76	.09
September	6.11	4.45	4.25	1.66	.20
October	6.09	4.60	4.30	1.49	.30
November	6.05	4.59	4.31	1.46	.28
December	6.04	4.79	4.35	1.25	.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 FHB, 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.

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

(In millions of dollars)

	New capital					
	Corporate 1/			State and local 2/		
	1961	1960	1959	1961	1960	1959
January	e/500	577	821	e/750	739	639
February		715	738		623	858
March		860	646		582	646
April		766	894		731	932
May		567	785		550	593
June		1,034	887		1,033	1,006
July		727	535		572	567
August		962	740		602	516
September		738	703		689	465
October		p/965	879		336	597
November		p/927	864		p/468	519
December		e/850	900		e/500	455
1st quarter		2,151	2,204		1,943	2,143
2nd quarter		2,367	2,567		2,314	2,531
3rd quarter		2,427	1,979		1,863	1,548
4th quarter		e/2,742	2,642		e/1,304	1,571
1st half		4,519	4,771		4,257	4,674
Three quarters		6,945	6,750		6,200	6,222
Year		e/9,687	9,392		e/7,424	7,793
	Excluding finance companies 3/					
1st quarter		1,722	1,999			
2nd quarter		2,150	2,412			
3rd quarter		2,017	1,716			
4th quarter		e/2,342	2,503			
Year		e/8,231	8,630			

e/ Estimated. p/ Preliminary.

1/ Securities and Exchange Commission estimates of net proceeds.

2/ Investment Bankers Association of America estimates of principal amounts.

3/ 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	2	81	196	182	199	1,163
February	175	60	53	150	--	251
March	70	2	--	150	175	--
April	34	58	139	148	--	523
May	72	50	198	354	--	--
June	40	42	120	--	--	--
July	25	85	9	--	--	164
August	1	1	5	199	98	--
September	36	35	17	--	150	--
October	34	33	58	160	--	220
November	2	30	123	149	--	--
December		70	74	p/181	86	--
Year		547	992	p/1,673	707	2,321
	Short-term					
	State and local government 4/			Federal agency 3/		
January	268	190	233	479	359	371
February	345	428	460	475	500	208
March	365	295	273	511	489	144
April	365	563	357	509	486	209
May	351	411	354	632	675	161
June	297	245	264	435	289	329
July	280	246	289	312	727	437
August	505	467	423	468	365	206
September	199	399	369	296	665	330
October	254	235	231	241	733	454
November	p/418	343	415	282	471	114
December		358	243	177	288	137
Year		4,179	3,910	p/4,817	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 I

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

Proceeds of Large Issues Offered

(In millions of dollars)

Month	Corporate	State and Local government	Other <u>2/</u>
1959 - December	230	217	70
1960 - January	279	388	100
February	262	283	320
March	384	225	191
April	309	370	71
May	139	234	28
June	442	561	30
July	303	191	--
August	581	298	75
September	266	367	25
October	566	46	77
November	465	186	150
December	260	222	99
	<u>4256</u>		

Large Individual Issues Offered January 1 through 13

Issuer	Type <u>3/</u>	Amount (millions of dollars)	Maturity	Coupon rate or net inter- est cost	Offering yield	Rating
<u>CORPORATE</u>						
None						
<u>STATE AND LOCAL GOVERNMENT</u>						
Fulton Co., Georgia	G.O.	14.5	1962-87	3.28	1.50-3.45	Aa
Port of New Orleans, La.	G.O.	17.0	1966-96/76	3.77	2.40-3.90	A
Los Angeles Sch. Dists., California	G.O.	30.0	1961-85	3.63	1.50-3.80	Aa
State of California	G.O.	95.0	1963-87/82	3.68	1.95-3.80	Aa
<u>OTHER</u>						
None						

Footnotes

- 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.

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 - Dec. 31	210	445	30	280	545	30
1960 - Jan. 29	207	210	45	372	310	45
Feb. 29	301	255	35	372	385	35
Mar. 31	299	250	--	344	280	--
Apr. 29	202	243	--	357	258	--
May 31	483	277	30	553	502	60
June 30	237	180	30	455	380	30
July 29	596	275	--	1,006	324	--
Aug. 31	216	283	--	731	283	--
Sept. 30	576	212	77	836	336	127
Oct. 31	440	258	50	585	391	50
Nov. 30	260	242	--	335	560	--
Dec. 30	91	412	--	1,036	682	--

Forthcoming Large Offerings, as of January 13

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>CORPORATE</u>			
Texas Eastern Transmission Corp.	Pfd. stk.	15.0	Jan. 19
Texas Eastern Transmission Corp.	1st mtg. p.l. bds.	30.0	Jan. 19
Lone Star Gas Co.	Com. stk.	26.2	Jan. 23
Brunswick Corp.	Conv. sub. deb.	25.6	(rights expire) Jan. 25
Montgomery Ward Credit Corp.	Deb.	25.0	(rights expire) Feb. 2
Montgomery Ward Credit Corp.	Sub. deb.	25.0	Feb. 2
*Consolidated Natural Gas Co.	Deb.	45.0	Feb. 8
*Southern Co.	Com. stk.	30.0	Feb. 11
American Telephone & Telegraph Co.	Com. stk.	e/800.0	March
Commerce Oil Refining Corp.	Deb., bds. & com.	45.0	(rights expire) Indefinite
Liberian Iron Ore, Ltd.	Bds. & stk.	30.0	Indefinite
Realty Collateral Corp.	Coll. tr. notes	20.0	Indefinite
<u>STATE AND LOCAL GOVERNMENT</u>			
State of Oregon	G.O.	30.0	Jan. 17
State of New York	G.O.	63.5	Jan. 17
Montgomery Co., Md.	G.O.	11.0	Jan. 17
Contra Costa Co. Wtr. Dist., Calif.	Rev.-Ut.	12.8	Jan. 18
Pennsylvania St. Pub. Sch. Bldg. Auth.	Rev.-Rent.	20.6	Jan. 18

Forthcoming Large Offerings, as of January 13 (Cont'd)

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>STATE AND LOCAL GOVERNMENT (Cont'd)</u>			
New York City, New York	G.O.	76.5	Jan. 24
State of Maryland	G.O.	20.3	Jan. 24
State of Connecticut	G.O.	29.0	Feb. 1
*Houston Ind. Sch. Dist., Texas	G.O.	14.0	Feb. 6
*State of North Carolina	G.O.	10.0	Feb. 8
Baltimore, Maryland	G.O.	47.0	Feb. 15
*Dallas, Texas	G.O.	19.0	Feb. 20
Los Angeles Dept. of Wtr. & Pwr., California	Rev.-Ut.	12.0	Indefinite
Orleans Parish School Dist., La.	G.O.	10.0	Indefinite
Kentucky Turnpike Authority	Rev.	55.0	Indefinite
Dade County, Florida	G.O.	46.0	Indefinite
New York State Housing Fin. Agency	Rev.	100.0	Indefinite
<u>OTHER</u>			
None			

*--Included in table for first time.

e/ Estimated.

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.

Exhibit K

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)
1952-1959 - High	5.30 (12/8/59)	87	5.65 (9/18/59)	123
Low	2.93 (3/31/54)	-3	3.00 (3/17/54)	-15
1959 - July	*4.93	31	5.07	17
Aug.	4.83	23		
Sept.			*5.65	60
Oct.	5.13 ^{2/}	36	5.33	43
Nov.	*5.08	42		
Dec.	*5.30	63	5.45	51
1960 - Jan.			*5.30 ^{2/}	28
Feb.	5.09	45		
Mar.	4.82	25	4.97	9
Apr.	4.91	37	5.14	35
May 10	4.88	32		
12			5.10	26
25			5.20	33
June 17			4.95	11
28	4.82	25		
29	4.84	27		
July 8			4.93	11
13			4.88	8
Sept. 15			4.80	24
23	4.65	27		
28	4.55 ^{2/}	17		
Oct. 5	4.63 ^{2/}	24		
21	4.67 ^{2/}	22		
Nov. 4			4.88	26
16	4.78	33		
17	4.85	40		
18			5.05	43
Dec. 7	5.00	49		

*--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.

Exhibit I

Sources and Uses of Funds By
Life Insurance Companies

	Uses of funds 1/						Total sources or uses
	Cash	U. S. Govt. securities	Business securities 2/	State and local govt. securities	Mortgages	Other	
	(In millions of dollars)						
Value of assets at end of period:							
1956 - Dec.	1,273	7,519	39,552	2,234	32,994	12,272	95,844
1957 - Dec.	1,294	7,028	42,133	2,377	35,271	13,206	101,309
1958 - Dec.	1,363	7,182	44,612	2,691	37,092	14,640	107,580
1959 - Dec.	1,327	6,848	46,977	3,177	39,299	15,998	113,626
1960 - Nov.	1,233	6,547	48,708	3,605	41,521	17,452	119,066
Changes:							
1958 - Oct.	-17	11	309	26	186	72	587
Nov.	55	19	137	32	145	88	476
Dec.	110	-142	308	12	291	334	913
1959 - Jan.	-81	303	188	53	119	-17	565
Feb.	-57	-71	223	30	139	174	438
Mar.	-14	-185	251	66	136	108	362
Apr.	-24	22	242	49	116	80	485
May	10	-16	193	79	135	97	498
June	3	11	242	23	157	60	496
July	-15	13	214	94	214	208	728
Aug.	19	95	75	30	174	101	494
Sept.	-31	-185	95	15	211	95	200
Oct.	22	-22	208	8	251	92	559
Nov.	33	-131	207	16	240	134	499
Dec.	99	-168	227	23	315	226	722
1960 - Jan.	-91	163	128	20	274	82	576
Feb.	-53	-36	125	25	196	207	464
Mar.	-30	-167	104	35	242	115	299
Apr.	39	-85	134	21	225	95	429
May	-12	-62	231	26	203	128	514
June	33	-102	125	13	192	211	469
July	12	73	167	104	63	206	628
Aug.	4	-40	168	43	226	175	576
Sept.	-51	-6	40	82	179	122	366
Oct.	90	-62	311	33	214	11	597
Nov.	-35	23	198	26	208	102	522
Dec.							

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

2/ Includes securities of domestic corporations only.

Source.--Institute of Life Insurance.

Exhibit M

Sources and Uses of Funds By
Savings and Loan Associations

	Uses of funds 1/				Total sources or uses	Sources of funds		
	Cash	U. S. Govt. securities	Mortgages ^{2/}	Other assets		Net change savings capital	Borrowing ^{3/}	Other
Value of assets at end of period	(In millions of dollars)							
1956 - Dec.	2,119	2,782	35,775	2,199	42,875	37,148	1,347	4,380
1957 - Dec.	2,146	3,173	40,049	2,770	48,138	41,912	1,379	4,847
1958 - Dec.	3,585	3,819	45,627	3,108	55,139	47,976	1,444	5,719
1959 - Dec.	2,201	4,474	53,093	3,707	63,475	54,556	2,388	6,531
1960 - Nov.	2,301	4,577	59,445	4,173	70,496	60,823	1,870	7,803
Changes:								
1958 - Oct.	-107	104	605	137	739	507	58	174
Nov.	42	51	470	102	665	480	41	144
Dec.	335	37	528	-53	847	1,072	212	-437
1959 - Jan.	-298	297	402	-55	346	434	-181	93
Feb.	-26	97	427	80	578	408	-56	226
Mar.	-2	76	593	98	765	529	-5	241
Apr.	-182	105	705	151	779	620	97	262
May	26	23	754	178	981	404	63	314
June	245	-4	840	10	1,091	1,090	313	-312
July	-432	104	783	-108	347	190	31	126
Aug.	-43	17	727	22	723	394	118	211
Sept.	-53	-7	670	65	675	444	148	83
Oct.	-68	7	621	88	648	399	136	113
Nov.	65	-34	459	140	630	483	57	90
Dec.	384	-26	485	-70	773	1,185	223	-635
1960 - Jan.	-314	201	320	-113	94	468	-453	79
Feb.	-33	67	398	62	494	409	-125	210
Mar.	49	-27	545	100	667	623	-127	171
Apr.	-30	1	566	104	641	372	38	231
May	81	15	634	209	939	630	3	306
June	329	-148	779	-52	908	1,216	211	-519
July	-236	-34	640	-151	219	149	-126	196
Aug.	31	-27	712	2	718	489	21	208
Sept.	23	3	649	57	732	602	48	82
Oct.	104	17	586	74	781	651	-21	151
Nov.	96	35	523	174	828	658	13	157
Dec.								

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

2/ Prior to 1957, data adjusted to include mortgage pledged shares as currently reported.

3/ Advances from Home Loan Banks and other borrowing.

Source - Federal Savings and Loan Insurance Corporation.

Exhibit N

Sources and Uses of Funds
By Mutual Savings Banks

	Uses of funds 1/						Sources of funds		
	Cash	U. S. Govt. securities	Business securities 2/	State & local govt. securities	Mortgages	Other	Total sources or uses	Net change in deposits	Other
(In millions of dollars)									
End of period	920	7,971	3,523	669	19,529	698	33,311	30,032	3,279
1956 - Dec.	890	7,552	4,331	682	20,951	761	35,168	31,695	3,473
1957 - Dec.	921	7,266	4,973	725	23,039	855	37,779	34,041	3,738
1958 - Dec.	829	6,864	4,849	722	24,768	910	38,942	34,983	3,959
1959 - Nov.	788	6,281	5,023	677	26,552	1,015	40,336	35,968	4,368
Changes:									
1958 - Oct.	-8	-92	-6	-3	195	-46	40	95	-55
Nov.	-38	-32	--	-1	151	43	123	42	81
Dec.	101	-2	47	-7	174	-3	309	418	-109
1959 - Jan. 3/	-96	119	-16	17	208	-58	175	122	53
Feb.	18	39	6	-4	125	32	216	113	103
Mar.	45	62	-31	41	175	38	330	313	17
Apr.	-114	-44	58	-33	155	-32	-10	6	-16
May	8	13	-20	10	161	45	217	120	97
June	43	-85	--	19	145	39	161	202	-41
July	-79	-13	-47	4	179	-12	32	-54	86
Aug.	3	-12	13	-1	156	33	192	80	112
Sept.	-2	-32	-2	8	160	-31	-163	197	-34
Oct.	-27	-281	-55	-20	137	-37	-283	-187	-96
Nov.	20	-85	-28	-8	124	42	65	-27	92
Dec.	111	-12	23	-24	132	-12	218	340	-122
1960 - Jan.	-131	-9	-12	-6	159	-12	-11	-68	57
Feb.	37	-11	-9	-9	116	43	167	50	117
Mar.	41	32	52	3	150	41	319	320	-1
Apr.	-86	-148	-19	13	129	-21	-132	-95	-37
May	42	-80	13	-23	161	63	176	58	118
June	108	-93	57	-4	169	-59	178	221	-43
July	-69	-48	38	-4	159	42	118	21	97
Aug.	-6	30	-8	-5	206	6	223	105	118
Sept.	22	-32	32	1	196	14	233	278	-45
Oct.	-8	-156	-4	-6	168	-25	-31	56	-87
Nov.	9	-68	34	-5	171	13	154	39	115
Dec.									

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

Includes Canadian government and political subdivisions, International Bank for Reconstruction and Development, nonguaranteed Federal agency and other bonds as well as corporate bonds and stocks.

Adjusted to eliminate the effect of a consolidation of a large savings bank with a commercial bank.

Source - Nat. Assoc. of Mutual Savings Banks and Federal Deposit Insurance Corp.

January 16, 1961

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Part II - Canada

Canadian interest rates eased during the week with an active demand for securities resulting from the high post-Christmas liquidity. The Bank of Canada was a modest seller of securities but the chartered banks added to their bill holdings. The money supply has increased in December and January. The Canadian dollar leveled off last week at about 100.5 (U.S. cents) last week with little activity reported in the market. Industrial stock prices rose further through the week.

Money market. The average yield on the 3-month Treasury bill at last Thursday's auction declined by 16 basis points from 3.34 per cent on January 5 to 3.18 per cent on January 12. The yield on the 6-month bill also declined during the week from 3.63 per cent on January 5 to 3.48 per cent on January 12. The Bank of Canada sold \$9 million of Treasury bills during the week, and the general public sold \$24 million, while the chartered banks purchased \$39 million (see Table). The average yield on day-to-day loans during the week ending January 11 was 2.80 per cent, no change from the previous week.

There was a narrowing of the spread favoring the Canadian short Treasury bill from 1.07 per cent a week ago to 0.91 per cent last week as a result of the decline in the Canadian yields. However, there was little change in the net incentive on a covered basis (0.66 per cent per annum) because the decline in the discount on the forward Canadian dollar offset the decline in the Canadian yield (see Table).

Bond market. Bond yields declined during the week for all maturities. The spread between selected 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):

0.91 per cent on a 91-day bill (1.07)
0.98 per cent on a 182-day bill (1.15)
0.82 per cent on an 80-year bond (0.99)
1.29 per cent on a 30-year bond (1.37)
1.50 per cent on a 35-year bond (1.59)

The Bank of Canada sold \$12 million of bonds and the general public sold \$11 million, and the chartered banks sold \$2 million; the Government accounts purchased \$22 million and sold \$6 million of bills (see Table).

The press reported a heavy demand for the \$10 million Hamilton issue offered as follows: \$3.2 million, 5-3/4 per cent, 1- to 7-year bonds; \$1.7 million, 6 per cent 8-to-10's; and \$5.2 million, 6 per cent, 11-to-20's, all at par. The offering price for the 6 per cent, \$5 million, 20-year Newfoundland issue was 98-1/2 to yield 6.13 per cent. Saskatchewan is reportedly gathering views from investment men regarding the possibility of issuing \$4-\$5 million parity bonds.

There was another increase in rates on Bank of Nova Scotia term notes which were introduced last September. The new rates, effective January 9, 1961, are the highest since the notes were first issued in September 1960 (see Table).

Chartered bank loans and money supply. Chartered bank loans, unadjusted for seasonal factors, rose \$24 million last week, contrary to normal seasonal expectations. The money supply also expanded contra-seasonally, with an unadjusted increase of \$42 million.

Foreign exchange. There was little change in the spot rate on the Canadian dollar through the week with only narrow fluctuation around 100.5 (U.S. cents). The forward discount on the Canadian dollar decreased somewhat from 0.44 per cent per annum on January 5 to 0.25 per cent per annum on January 12.

	<u>Spot</u>	<u>3 months forward</u>	<u>Per cent per annum</u>
January 5	100.469	100.359	-0.44
6	100.469	100.391	-0.31
9	100.500	100.438	-0.25
10	100.547	100.500	-0.19
11	100.750	100.688	-0.25
12	100.625	100.563	-0.25

Stock exchange. Prices of industrial stocks on the Canadian exchanges continued to rise through the week ending January 6. During the period from December 5 to January 6, the Toronto and Montreal indices showed a rise of from 6 to 6.5 per cent compared with a 5.5 per cent rise in the Standard and Poor industrial average for New York. The following table compares the three industrial indices:

	<u>Toronto</u>	<u>Montreal</u>	<u>New York Standard & Poor</u>
1960 - High	532.58	320	65.00
Low	472.38	250.3	55.98
Dec. 5	499.31	264.4	58.58
12	507.38	267.4	60.34
19	511.44	268.5	60.62
27	518.31	274.6	60.97
30	524.91	276.7	61.49
1961 - Jan. 3	524.13	276.1	60.87
4	527.81	280.2	61.77
5	528.56	281.3	62.00
6	529.69	282.0	61.86

The total value of stock shares sold on all Canadian exchanges during the week ending January 6 was \$9.855 million, somewhat higher than recent weeks.

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

Selected Canadian Money Market and Related Data

	3-mo. Treas. bills			Canadian dollar			Net incentive to hold Can. bills/
	Canada a/	U.S. b/	Spread over U.S.	Spot c/	3-mo. forward	discount (-) / premium (+) d/	
1959 - High	6.16	4.49	2.96	105.51	--	--	--
Low	3.25	2.80	0.30	102.58	--	--	--
1960 - High	5.14	4.63	1.62	105.27	--	0.99	1.99
Low	1.68	2.10	-0.82	100.33	--	-0.91	-0.57
Dec. 22	3.46	2.22	1.24	101.28	101.03	-0.91	0.33
29	3.25	2.17	1.08	100.33	100.22	-0.43	0.65
Jan. 5	3.34	2.27	1.07	100.47	100.36	-0.44	0.63
12	3.18	2.27	0.91	100.63	100.56	-0.25	0.66

a/ Average yield at weekly tender on Thursday.

b/ Composite market yield for the U.S. Treasury bill on Thursday close of business.

c/ In U.S. cents.

d/ Spread between spot rate and 3-month forward Canadian dollar on Thursday closing, expressed as per cent per annum.

e/ Spread over U.S. Treasury bill (column 3), plus 3-month forward discount or premium (column 6).

Selected Government of Canada Security Yields

	6-mo. Treas. bills		Intermediate bonds (8 yr.)		Long-term bonds			
	Canada a/	Spread over U.S. b/	Canada c/	Spread over U.S. d/	(20 year)		(35 year)	
					Canada e/	Spread over U.S. f/	Canada g/	Spread over U.S. h/
1959 - High	6.24	--	5.27	--	5.30	--	5.05	--
Low	5.11	--	4.50	--	4.44	--	4.73	--
1960 - High	5.33	1.37	5.55	1.11	5.42	1.36	5.28	1.61
Low	1.99	-0.86	4.09	0.21	4.63	0.85	4.68	0.95
Dec. 22	3.68	1.26	4.69	0.92	5.19	1.36	5.23	1.56
29	3.54	1.17	4.74	1.00	5.19	1.37	5.23	1.57
Jan. 5	3.63	1.15	4.70	0.99	5.19	1.37	5.23	1.59
12	3.48	0.98	4.68	0.82	5.17	1.29	5.20	1.50

a/ Average yield at weekly tender on Thursday.

b/ Spread between Canadian auction rate and composite market yield of U.S. bill on close of business Thursday.

c/ Government of Canada 2-3/4 per cent of June 1967-68.

d/ Spread over U.S. Government 2-1/2 per cent of 1963-68.

e/ Government of Canada 3-1/4 per cent of October 1979.

f/ Spread over U.S. Government 3-1/4 per cent of 1978-83.

g/ Government of Canada 3-3/4 per cent of September 1996 - March 1998.

h/ Spread over U.S. Government of 1995.

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

	<u>Bank of Canada</u>		<u>Government Total</u>	<u>Chartered banks</u>		<u>General public</u>		
	<u>Treas. bills</u>	<u>Bonds</u>		<u>Treas. bills</u>	<u>Bonds</u>	<u>Savings bonds</u>	<u>Treas. bills</u>	<u>Bonds</u>
Nov. 10	- 1	- 1	+ 2	+ 6	+ 7	+199	- 6	- 7
17	+ 3	+ 10	- 1	- 28	+ 6	+151	+ 26	- 17
24	+ 1	- 3	+ 8	- 30	- 3	+271	+ 29	- 5
Dec. 1	+ 10	+ 3	+ 24	- 21	+ 8	+ 4	+ 3	- 27
8	+ 9	- 3	- 4	- 7	- 28	- 4	+ 1	+ 31
15	- 2	+ 1	- 6	- 13	- 5	- 13	+ 19	+ 4
22	- 5	- 9	-103	+ 18	- 23	- 11	- 11	- 62
29	- 3	0	+ 2	+ 6	+ 14	- 8	--	- 24
Jan. 5	+ 2	- 2	- 11	+ 18	- 12	- 4	- 15	+ 10
12	- 9	- 12	+ 16	+ 39	- 2	+ 16	- 24	- 11

Source: Bank of Canada, Weekly Financial Statistics.

Yields on Bank of Nova Scotia Term Notes
(per cent per annum)

	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Jan. (1961)</u>
1 year	3.75	3.25	3.50	4-1/4
2 year	4.00	3.75	4.00	4-1/2
3 year	4.25	4.00	4.25	4-3/4
4 year	4.75	4.50	4.50	5
5-6 years	5.00	4.75	4.75	5

Source: The Financial Post.

January 16, 1961.

Appendix 1

United Kingdom: Money and Capital Markets during December

Despite two cuts in Bank rate in the past three months and continuing declines in the Treasury bill rates, yields on long-term British government securities rose further in December. In early January Consols showed their highest yields in at least 100 years. The contrast between movements in bill and bond yields since early October is summarized in the following security yields (in per cent per annum):

	<u>1960</u> <u>Jan. 1</u>	<u>Oct. 7</u>	<u>Dec. 30</u>
Treasury bills	3.73	5.56	4.35
Bonds:			^{a/}
1966 (5-1/2%)	5.00	6.00	5.51
1975 (3%)	5.30	5.98	6.11
2012 (5-1/2%)	--	--	5.91
Undated:			
War loan (3-1/2%)	5.39	5.83	5.94
Consols (2-1/2%)	5.04	5.56	5.70
^{a/} 1964 (4-1/2%)			

The substantial rise in bond yields in the course of 1960 can also be seen in the figures.

During December, the British bill remained about 2 per cent above the New York bill. With the exchange risk covered, the London bill showed a 1 to 1-1/4 per cent higher return to the investor.

Two pieces of evidence suggest that, at least on a net basis, the capital inflow may have come to a halt in December. First, Britain's reserves adjusted for special private and governmental debt transactions showed a deficit of \$62 million in December, the first such deficit in nearly a year. Secondly, security sterling which had risen sharply in the fall as foreign residents bought British bonds fell by more than two cents in December. Press reports suggest that substantial foreign purchases of bonds occurred during the autumn months; perhaps in anticipation of a general decline in bond yields in Britain. Sales by foreign holders have contributed to recent price declines in the gilt-edged market.

Growing pressure on credit availabilities is suggested in the decline in London clearing bank loans between mid-November and mid-December. The London clearing banks are now entering the tax-gathering quarter (when

there are seasonal drains on their liquid assets) with a liquid-asset ratio well below the usual December level. A number of newspaper reports have discussed, among other alternatives, whether the banks will be forced to sell more gilt-edged securities and whether the authorities will make releases from Special Deposit balances. A further slight fall occurred in instalment credit during the month.

Renewed activity in the bullion market pushed up gold prices during December and early January. The spot sterling rate declined in December but strengthened in early January. The trade returns for November continued to be unfavorable.

Money market conditions. After declining through the first half of December, money market rates held steady in late December and early January. The yield on Treasury bills declined from 4.63 per cent on December 2 to 4.35 per cent on December 23 and subsequently remained at that level through January 6 (see Table). The yield on British Treasury bills exceeded the U.S. Treasury bill yield by between 2 and 2-1/4 per cent through late December and early January.

The incentive to hold the London bill rather than the U.S. bill (with exchange risk covered) remained between 1 and 1-1/4 per cent throughout the period (see Table).

Gilt-edged market. Sluggish conditions in the gilt-edged market brought further increases in yields on British Government securities; long-term yields reached their highest levels in at least 100 years. On January 12 the yield on 2-1/2 per cent Consols went above the 1921 all-time high, as may be seen in the following price and yield figures:

	<u>Price</u>	<u>Yield</u>
1921	43-5/8	5.73
1956 (Dec. 1)	50-1/4	4.98
1957 (Sept. 20)	45	5.56
1960 Dec. 1	45-1/4	5.52
23	44	5.68
1961 Jan. 5	43-15/16	5.69
6	43-11/16	5.72
12	43-9/16	5.74

Yields on Government securities in all maturities reached highs for the year in the closing days of 1960 and have continued to rise in early January.

New capital issues on the London market (excluding Treasury operations) during the first eleven months of 1960 totaled £529.9 million compared with £440.4 million in 1959, according to the estimates of the Midland Bank. Total new issues were broken down as follows (in millions of pounds):

<u>Borrowers</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>
United Kingdom	268.2	247.9	407.6	490.3
Overseas	<u>45.4</u>	<u>59.9</u>	<u>32.7</u>	<u>39.6</u>
Total	313.6	307.8	440.4	529.9

The Government of Northern Ireland has issued a £7 million Exchequer Stock, 1977, at 6 per cent and priced at 99. This stock is offered as conversion to holders of the £7 million Northern Ireland 3 per cent Loans Stock, 1956-61.

Trade balance. Trade returns for November showed no improvement. Seasonally-adjusted figures were (in millions of pounds):

	<u>Exports</u>	<u>Imports</u>	<u>Trade balance</u>
1960: January	308	368	- 48
May	298	389	- 80
September	205	386	- 77
October ^{a/}	252	385	4122
November ^{a/}	341	411	- 70

^{a/} Affected by tally clerks' strike. These two months should probably be considered together.

However, the Board of Trade's detailed analysis suggests that imports may have finally reached their peak. The trade deficit combined with reduced "invisibles" earnings produced a £101 million current account deficit in the third quarter of 1960 compared with a surplus of £43 million a year ago.

Bullion market. After declining to \$35.41 per fine ounce on December 2, the price of gold on the London market rose steadily through December and early January reaching \$35.77 per fine ounce on January 13. Political events in Europe contributed to the demand for gold.

	<u>Sterling fixing price</u>	<u>Spot sterling</u>	<u>Dollar fixing price</u>	<u>Trading range</u>
December 2	252/-	281.05	35.4123	35.400-35.450
9	252/9	280.93	35.5025	35.560-35.600
16	253/-	280.78	35.5186	35.510-35.530
23	253/6	280.62	35.5685	35.550-35.580
30	254/-	280.35	35.6044	35.510-35.620
January 6	254/3	280.68	35.6814	35.680-35.684
13	254/10	280.73	35.7696	35.730-35.770

Commercial bank loans. Loans of the London clearing banks declined by £9.2 million in the month to mid-December; except for August 1960, bank loans have not declined since the 1956-1958 credit squeeze was relaxed. The liquidity ratio was at 31.9 per cent compared to 34.2 per cent in mid-December 1959. Between August and November 1960, loans by members of the

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British Bankers' Association rose by £54 million to £3,570 million. Excluding loans to the nationalized industries, the rise was only £38 million, the smallest increase in any quarter for nearly three years.

Instalment credit. The total hire-purchase debt declined by £3 million in November, compared with falls of £7 million and £8 million, respectively, in October and September. Between March 1958 and May 1960, when instalment credit restrictions were reimposed, there was an average monthly increase of £20 million. The whole of the drop in November was in the debt owed directly to finance houses, mainly for vehicles, which now stands at £620 million. The debt owed directly to household goods shops was unchanged at £322 million.

Foreign exchange. Spot sterling declined steadily through December from 281.22 U.S. cents to 280.34 U.S. cents; it regained strength in early January and closed at 280.73 U.S. cents on January 13 (see Table).

The discount on 3-month forward sterling was unchanged in December (see Table). Security sterling fell from a small premium about spot sterling of 281-1/8 U.S. cents in early December to a substantial discount of 278-3/8 U.S. cents in early January.

The sterling area's reserves of gold and foreign exchange rose in December by £23 million to £1,154 million. If the special capital movements connected with the inflow of £131 million from the Ford Motor Company for the purchase of the minority shareholding in Fords (U.K.), the outflow of £67 million to the U.S. and Canadian Governments in respect of loan service and the outflow of £17 million to the International Monetary Fund for the purchase of sterling are excluded, the reserves declined by £22 million. This is the first such fall in reserves since January.

Stock market. On December 9, stock prices reached a 1960 low of 295 after a 9-week decline of about 12 per cent. Prices moved up thereafter. The price index closed the year at 305 compared with 338 on January 1, 1960.

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

United Kingdom: Treasury Bill Yields and Exchange Rates

Date	3-mo. Treasury bill			Discount on 3-mo. sterling ^{c/}	Net incentive to hold U.K. bill ^{d/}	Exchange rate	
	U.K. ^{a/}	U.S. ^{b/}	Differ- ence			Spot sterling £/	Discount on 3-mo. sterling ^{f/}
1959 - High	3.6	4.7	-1.1	--	--	--	--
Low	3.0	2.6	0.4	--	--	--	--
1960 - High	5.68	4.59	3.63	(P).64	1.95	281.58	1.64
Low	2.13	2.05	-0.84	2.33	- .23	279.83	(P).47
Nov. 11	4.77	2.45	2.32	1.62	0.70	281.58	1.14
18	4.67	2.37	2.30	1.41	0.89	281.29	0.99
25	4.64	2.39	2.25	1.15	1.10	281.26	0.81
Dec. 2	4.63	2.30	2.33	1.02	1.31	281.12	0.72
9	4.48	2.26	2.22	0.97	1.05	280.86	0.68
16	4.38	2.24	2.14	1.01	1.13	280.74	0.71
23	4.35	2.18	2.17	0.96	1.21	280.57	0.67
30	4.35	2.20	2.15	0.90	1.25	280.34	0.63
Jan. 6	4.34	2.28	2.06	1.03	1.03	280.72	0.72

- ^{a/} Average yield at Friday weekly tender.
^{b/} Closing market yield for Friday in New York.
^{c/} Spread between spot and forward rate in per cent per annum.
^{d/} Net of difference in bill yield less discount on 3-month sterling.
^{e/} Spot rate in New York market in U.S. cents.
^{f/} Spread between spot and forward rates in U.S. cents.

United Kingdom: Selected Capital Market Yields

	6-year bond ^{a/}	15-year bond ^{b/}	War loan ^{c/}	Consols ^{d/}	Share yield ^{e/}	Yield gap ^{f/}	Share prices ^{g/}
1960 - High	6.11	6.00	5.94	5.70	4.96	1.49	338.6
Low	4.93	5.33	5.33	5.03	3.74	0.63	294.6
Nov. 11	5.98	5.82	5.73	5.44	4.52	0.92	313.3
18	5.97	5.82	5.67	5.39	4.49	0.90	315.9
25	6.00	5.83	5.74	5.46	4.66	0.80	308.7
Dec. 2	6.05	5.83	5.80	5.52	4.71	0.81	301.8
9	6.05	5.86	5.88	5.59	4.96	0.63	294.6
16	6.08	5.88	5.90	5.66	4.90	0.76	299.6
23	6.08	5.90	5.93	5.68	4.82	0.86	305.3
30	6.11	5.91	5.94	5.70	4.82	0.88	304.7
Jan. 6	6.11	5.97	5.95	5.70	4.73	0.97	310.6

- ^{a/} 5-1/2 per cent Exchequer, 1966.
^{b/} 3 per cent Savings Bond 1965-75.
^{c/} 3-1/2 per cent War Loan (undated).
^{d/} 2-1/2 per cent Consol (undated)
^{e/} Financial Times.
^{f/} Difference between yield on 2-1/2 per cent Consols and share yield.
^{g/} Financial Times.

UNITED KINGDOM

