

H.14.147

1961

April 3, 1961.

CAPITAL MARKET DEVELOPMENTS
IN THE UNITED STATES

Public security financing is expected to be larger this week than recently. Last week, shortened by Good Friday, State and local governments sold large bond issues totaling \$137 million; no large corporate issues were sold. This week, the calendar includes large corporate issues for new capital totaling \$110 million and a California bond offering for \$190 million.

Long-term bond yields - Changes in yields on outstanding bonds were mixed but minor last week. Yields on U. S. Government and high-grade State and local government obligations increased slightly while those on lower grade State and local government bonds declined. Corporate bond yields remained stable.

Short- and intermediate-term interest rates - Yields on Treasury bills increased somewhat last week, but yields on three- to five-year Government issues declined slightly. The weekly average of rates on three- to six-month, directly placed finance company paper was 2.63, slightly less than a week earlier. The estimated effective rate on Federal funds was 1.56 per cent--29 basis points lower than a week earlier and 144 basis points lower than the Federal Reserve discount rate. Other major short-term money rates were unchanged last week.

FNMA secondary market operations - Purchases of mortgages by the Federal National Mortgage Association declined further in February, and were lower than in any month since early 1959. Sales rose sharply, for the most part reflecting commitments to sell entered into earlier.

FNMA has announced that, effective April 3, purchase prices would be raised 50 cents per \$100 value of mortgage, but not to exceed par. This is the third increase in FNMA purchase prices this year.

April security volume - The volume of security financing is expected to be very large this month. The calendar of large corporate issues scheduled for sale in April is particularly heavy and includes the \$975 million AT&T stock issue now being offered for subscription and a \$300 million U. S. Steel Corporation debenture issue. Sales of corporate securities to raise new capital are expected to total a record \$2.0 billion this month, compared with \$1.7 billion for the entire first quarter.

State and local government bond sales are expected to continue in heavy volume this month. The estimated total for April is \$900 million, one-eighth larger than the revised estimate for March and nearly one-fourth larger than in April 1960. Much of the large volume is accounted for by a \$190 million State of California issue which is expected to be sold this week and a \$175 million Massachusetts Turnpike issue which is expected to be sold through negotiation in mid-month.

Stock prices - Stock prices, as measured by Standard and Poor's index of 500 common stocks, increased last week, reaching a new peak of 65.06 on March 30. Based on this end-of-week price, the composite stock yield was 2.98 per cent--the lowest since 1929 with the exception of 1933, when the low figure reflected primarily very low dividends rather than high prices. Trading volume declined last week, averaging 4.9 million shares a day. This is the first week since mid-February that trading activity has averaged less than 5.0 million shares a day.

Capital markets in March - Yields on seasoned corporate bonds declined slightly in March, while those on outstanding State and local government bonds increased sharply in the first three weeks of the month. Yields on corporate bonds reached their lowest levels this year, but were still slightly above their 1960 lows reached last September. In contrast, yields on State and local government bonds reached new highs for the year.

These differences in yield movement largely reflected differences in the volume of security financing. Public corporate financing for new capital was very small in March--only an estimated \$225 million. On the other hand State and local government bond sales were heavy--about \$800 million--and dealers' inventories of undistributed securities were unusually large during most of the month.

Last week, however, corporate bond yields stabilized as the calendar of prospective offerings lengthened. Conditions in the State and local government bond market improved as new issues met with a better reception, and yields showed little change.

Yields on both long- and intermediate-term Government securities increased 5 basis points during March, while those on Treasury bills declined about 13 basis points.

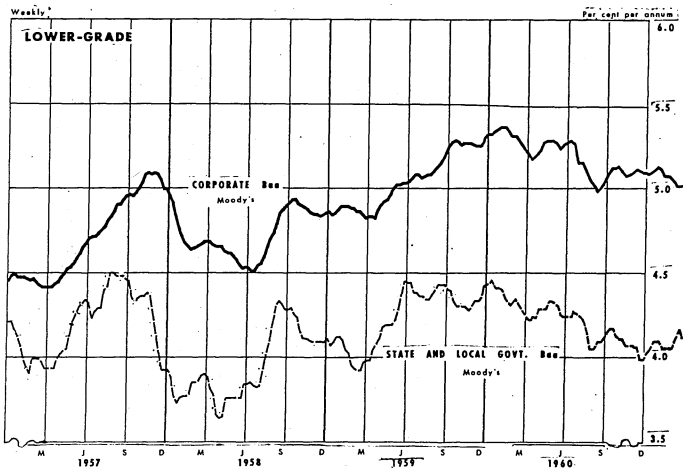
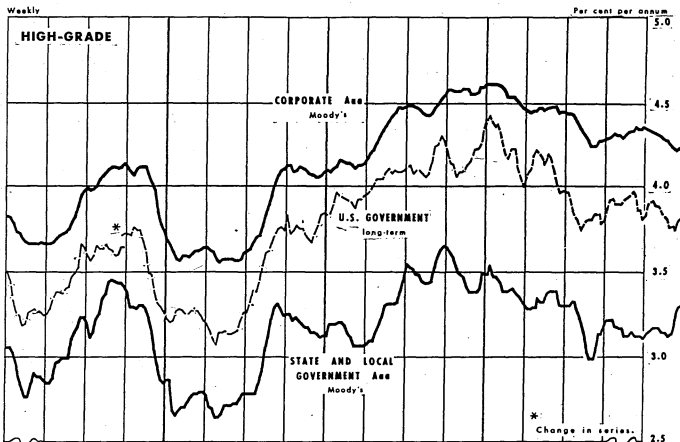
Common stock prices increased 3 per cent further in March on unusually large volume. Since the end of the year, prices have increased 12 per cent and at current levels are 7 per cent above the July 1959 peak. Trading activity averaged 5.4 million shares a day in March as compared with an average of 4.9 million shares in February.

More detailed information concerning recent capital market developments is presented in the attached exhibits. A historical summary of Federal Funds Rates is attached as Appendix A.

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

EXHIBIT A

LONG-TERM BOND YIELDS



Long-term Bond Yields
High-grade

| Date | Corporate Aaa 1/ | U. S. Govt. long-term 2/ | State and local government 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 | .50 |
| 1958 - Low | 3.55 (5/2) | 3.07 (4/23) | 2.64 (5/1) | .22 | .34 |
| 1959-60 - High | 4.61 (1/29/60) | 4.42 (1/8/60) | 3.65 (9/24/59) | .59 | .92 |
| 1960 - Low | 4.23 (9/9) | 3.75 (8/5) | 2.99 (9/1) | .19 | .53 |
| 1961 - High | 4.34 (1/6) | 3.92 (1/20) | 3.30 (3/30) | .50 | .76 |
| Low | 4.21 (3/17) | 3.75 (3/10) | 3.12 (2/23) | .40 | .51 |
| Mar. 3 | 4.23 | 3.77 | 3.13 | .46 | .64 |
| Mar. 10 | 4.22 | 3.75 | 3.18 | .47 | .57 |
| Mar. 17 | 4.21 | 3.78 | 3.26 | .43 | .52 |
| Mar. 24 | 4.22 | 3.80 | 3.29 | .42 | .51 |
| Mar. 30 p/ | 4.22 ✓ | 3.81 | 3.30 | .41 | .51 |

Lower-grade

| Date | Corporate Baa 1/ | State and local govt. Baa 2/ | 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 (11/26) | 4.51 (8/29) | 1.27 | 1.21 |
| 1958 - Low | 4.51 (7/11) | 3.64 (5/1) | .77 | .93 |
| 1959-60 - High | 5.36 (2/12/60) | 4.46 (1/7/60) | .84 | 1.08 |
| 1960 - Low | 4.98 (9/9) | 3.98 (12/29) | .71 | .86 |
| 1961 - High | 5.12 (1/27) | 4.16 (3/23) | .81 | .93 |
| Low | 5.02 (3/30) | 4.03 (1/5) | .74 | .81 |
| Mar. 3 | 5.04 | 4.05 | .81 | .92 |
| Mar. 10 | 5.02 | 4.09 | .81 | .91 |
| Mar. 17 | 5.02 | 4.12 | .81 | .86 |
| Mar. 24 | 5.02 | 4.16 | .80 | .87 |
| Mar. 30 p/ | 5.02 ✓ | 4.11 | .80 | .81 |

p/ Preliminary.

1/ Weekly average of daily figures. Average term of bonds included is 23-26 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.

For spreads, high refers to widest, and low to narrowest.

EXHIBIT C

SHORT- AND INTERMEDIATE- TERM INTEREST RATES

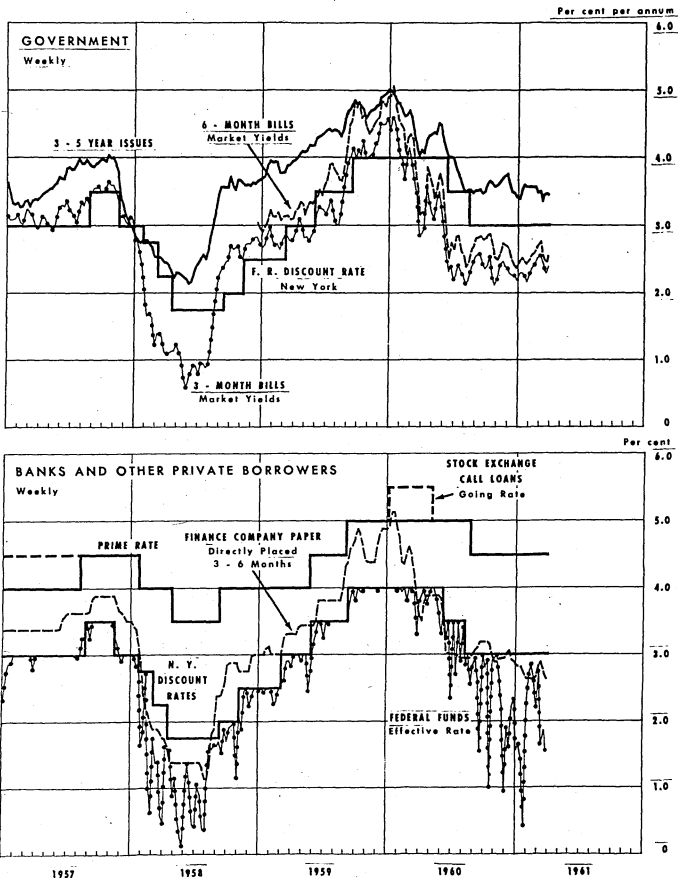


Exhibit D - Tables for Exhibit C

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) | | | | |
| 54 - Low | 1.50 | .61 (6/11) | -- | 1.66 (4/30) | -- | .66 | |
| 57 - High | 3.50 | 3.64 (10/18) | -- | 4.04 (10/18) | -- | .86 | |
| 58 - Low | 1.75 | .58 (5/29) | 3.02 (12/26) | 2.14 (6/6) | .26 | .04 | |
| 59-60 - High | 4.00 | 4.59 (1/8/60) | 5.07 (1/8/60) | 5.00 (12/24/59) | .79 | 1.81 | |
| 60 - Low | 3.00 | 2.11 (10/28) | 2.38 (12/30) | 3.40 (12/30) | .16 | .38 | |
| 61 - High | 3.00 | 2.56 (3/3) | 2.75 (3/3) | 3.59 (1/20) | .25 | 1.40 | |
| Low | 3.00 | 2.17 (1/27) | 2.42 (1/27) | 3.36 (3/10) | .12 | .92 | |
| 3 | 3.00 | 2.56 | 2.75 | 3.49 | .19 | .93 | |
| 10 | 3.00 | 2.44 | 2.56 | 3.36 | .12 | .92 | |
| 17 | 3.00 | 2.35 | 2.47 | 3.44 | .12 | 1.09 | |
| 24 | 3.00 | 2.28 | 2.45 | 3.45 | .17 | 1.17 | |
| 30 p/ | 3.00 | 2.38 | 2.54 | 3.43 | .16 | 1.05 | |

Banks and Other Private Borrowers

| Date | Stock Exchange call loan 1/ | Prime rate 1/ | Finance company paper 3/ | Federal funds 4/ | Spread between 3-mo. bills and finance co. paper |
|--------------|-----------------------------|---------------|--------------------------|------------------|--|
| | | | | | |
| 54 - Low | 3.00 | 3.00 | 1.25 (12/31) | n.a. | 0 |
| 57 - High | 4.50 | 4.50 | 3.88 (11/15) | 3.50 (11/8) | .63 |
| 58 - Low | 3.50 | 3.50 | 1.13 (8/8) | .13 (5/29) | -.35 |
| 59-60 - High | 5.50 | 5.00 | 5.13 (1/22/60) | 4.00 (6/13/60) | 1.02 |
| 60 - Low | 4.50 | 4.50 | 2.88 (12/30) | .95 (12/2) | .22 |
| 61 - High | 4.50 | 4.50 | 2.88 (3/10) | 2.85 (2/17) | .56 |
| Low | 4.50 | 4.50 | 2.63 (2/17) | .43 (1/27) | .15 |
| 3 | 4.50 | 4.50 | 2.84 | 2.20 | .28 |
| 10 | 4.50 | 4.50 | 2.88 | 2.75 | .44 |
| 17 | 4.50 | 4.50 | 2.78 | 1.65 | .43 |
| 24 | 4.50 | 4.50 | 2.68 | 1.85 | .40 |
| 30 p/ | 4.50 | 4.50 | 2.63 | 1.56 | .25 |

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.

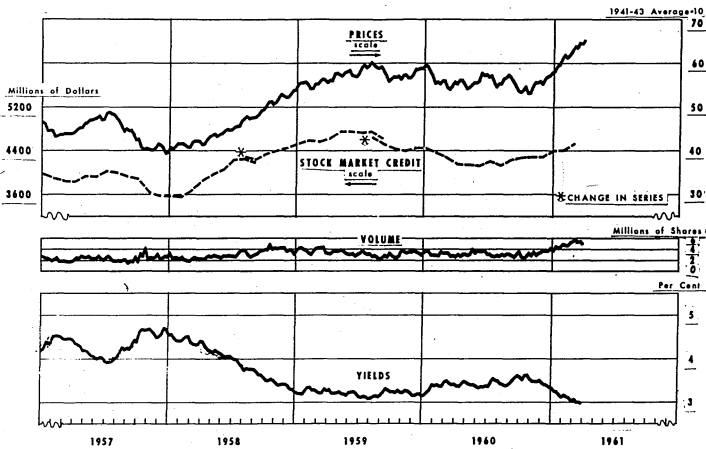
3/ Average of daily rates published by finance companies for directly placed paper for varying maturities in the 90-179 day range.

4/ Weekly average of daily effective rate, which is the rate for the heaviest volume of purchase and sale transactions as reported to the Federal Reserve Bank of New York.

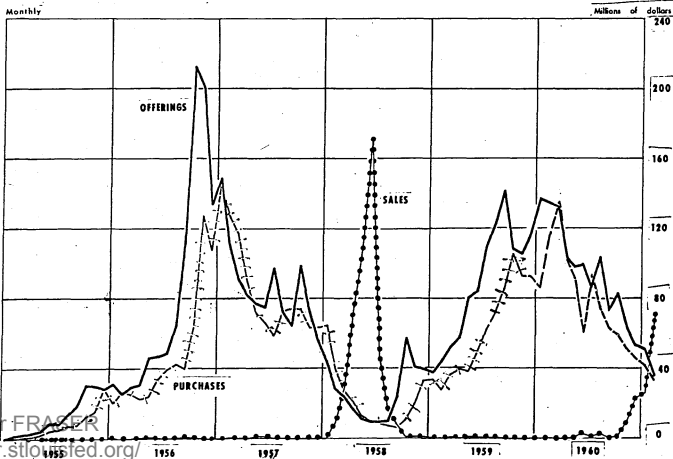
Note: High and low are for individual series and may be on different dates for different series. For spreads, high refers to widest, and low to narrowest.

EXHIBIT E

STOCK MARKET



FEDERAL NATIONAL MORTGAGE ASSOCIATION
SECONDARY MARKET OPERATIONS



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/ |
| (In millions of dollars) | | | | | | |
| 1957-60 - High | 60.51 (7/31/59) | 3.08 | 4.9 | 4,764 (4/59) | 3,401 (4/59) | 1,373 (5/59) |
| Low | 39.48 (12/23/57) | 4.72 | 1.4 | 3,554 (1/58) | 2,482 (12/57) | 1,060 (11/57) |
| 1961 - High | 65.06 (3/30) | 2.98 | 5.8 | 4,524 (2/61) | 3,358 (2/61) | 1,172 (1/6) |
| Low | 58.48 (1/6) | 3.32 | 3.6 | 4,416 (1/61) | 3,253 (1/61) | 1,152 (3/10) |
| February | 62.17 | 3.13 | 4.9 | 4,524 | 3,358 | 1,166 |
| March | 64.12 | 3.03 | 5.4 | n.a. | n.a. | n.a. |
| Mar. 17 | 64.60 | 3.01 | 5.3 | n.a. | n.a. | 1,157 |
| Mar. 24 | 64.42 | 3.01 | 5.4 | n.a. | n.a. | 1,167 |
| Mar. 30 p/ | 65.06 | 2.98 | 4.9 | 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 Friday's only. High and low are for Friday's 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; excluded 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.

Federal National Mortgage Association Secondary Market Operations 1/

| Date | Estimated Offerings to FNMA | | | Purchases by FNMA | Sales by FNMA |
|--------------------------|-----------------------------|--------------------|--------------------|-------------------|---------------|
| | Total | Immediate purchase | Standby commitment | | |
| (In millions of dollars) | | | | | |
| 1960 - Feb. | 135.8 | 128.9 | 6.9 | 116.7 | -- |
| Mar. | 133.2 | 124.6 | 8.6 | 135.0 | -- |
| Apr. | 103.5 | 96.2 | 7.3 | 102.6 | * |
| May | 98.5 | 93.8 | 4.7 | 91.5 | 3.6 |
| June | 99.9 | 93.7 | 6.1 | 60.8 | 1.0 |
| July | 88.0 | 82.9 | 5.1 | 93.7 | 3.2 |
| Aug. | 104.0 | 89.1 | 14.8 | 75.6 | .1 |
| Sept. | 7/73.1 | 69.8 | 3.3 | 63.0 | .8 |
| Oct. | 83.2 | 68.6 | 14.6 | 58.8 | 1.1 |
| Nov. | 61.7 | 56.9 | 4.8 | 51.2 | 8.9 |
| Dec. | 53.3 | 51.4 | 1.9 | 45.5 | 23.3 |
| 1961 - Jan. | 50.1 | 48.1 | 2.1 | 41.2 | 26.2 |
| Feb. | 36.3 | 33.7 | 2.6 | 33.7 | 70.7 |

*--Less than \$50,000.

- 1/ Data represent unpaid principal balances of the mortgages involved, exclusive of premiums, discounts, or other charges. Offerings are amounts of applications received during the period from sellers proposing that FNMA execute purchasing contracts. An immediate purchase contract covers existing mortgages which the seller must deliver to FNMA within 45 days. A standby commitment contract relates to proposed mortgages, on housing not yet under construction, which the seller must usually deliver within one year. Purchases include those under both immediate purchases and standby commitment contracts. Data exclude FNMA activity under Special Assistance and Management and Liquidating Programs.

Exhibit G

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/526 | 577 | 821 | e/725 | 739 | 639 |
| February | e/650 | 715 | 738 | e/600 | 623 | 858 |
| March | e/500 | 860 | 646 | e/800 | 582 | 646 |
| April | e/2,000 | 766 | 894 | e/200 | 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 | | 874 | 879 | | 339 | 597 |
| November | | 959 | 864 | | 502 | 519 |
| December | | 876 | 900 | | p/481 | 455 |
| 1st quarter | e/1,676 | 2,151 | 2,204 | e/2,125 | 1,943 | 2,143 |
| 2nd quarter | | 2,367 | 2,567 | | 2,316 | 2,531 |
| 3rd quarter | | 2,427 | 1,979 | | 1,863 | 1,548 |
| 4th quarter | | 2,709 | 2,642 | | p/1,322 | 1,571 |
| 1st half | | 4,519 | 4,771 | | 4,259 | 4,674 |
| Three quarters | | 6,945 | 6,750 | | 6,122 | 6,222 |
| Year | | 9,655 | 9,392 | | p/7,444 | 7,793 |
| | Excluding finance companies 3/ | | | | | |
| 1st quarter | e/1,376 | 1,722 | 1,999 | | | |
| 2nd quarter | | 2,150 | 2,412 | | | |
| 3rd quarter | | 2,017 | 1,716 | | | |
| 4th quarter | | e/2,309 | 2,503 | | | |
| Year | | e/8,198 | 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
(In millions of dollars)

| | Gross long-term 1/ | | | | | | |
|-----------|-----------------------|-------------------------------|------|-------------------|-------------------|-------|--|
| | Foreign government 2/ | | | Federal agency 3/ | | | |
| | 1961 | 1960 | 1959 | 1961 | 1960 | 1959 | |
| January | -- | 2 | 81 | -- | 182 | 199 | |
| February | | 175 | 60 | | 150 | -- | |
| March | | 70 | 2 | | 150 | 175 | |
| April | | 34 | 58 | | 148 | -- | |
| May | | 72 | 50 | | 354 | -- | |
| June | | 40 | 42 | | -- | -- | |
| July | | 25 | 85 | | -- | -- | |
| August | | 1 | 1 | | 199 | 98 | |
| September | | 36 | 35 | | -- | 150 | |
| October | | 34 | 33 | | 160 | -- | |
| November | | 2 | 30 | | 149 | -- | |
| December | | 41 | 70 | | 181 | 86 | |
| Year | | 533 | 547 | | 1,672 | 707 | |
| | | Net short-term 4/ | | | | | |
| | | State and local government 5/ | | | Federal agency 3/ | | |
| January | | 58 | -4 | | -196 | -82 | |
| February | | 140 | 181 | | -202 | 176 | |
| March | | -80 | 4 | | -59 | 33 | |
| April | | 70 | 197 | | -277 | 50 | |
| May | | -146 | -25 | | 170 | 368 | |
| June | | -157 | -197 | | 320 | 286 | |
| July | | 48 | 57 | | 95 | 362 | |
| August | | 415 | 392 | | 23 | 133 | |
| September | | -175 | 131 | | -201 | 79 | |
| October | | -16 | -81 | | -23 | 280 | |
| November | | 50 | -176 | | -33 | 240 | |
| December | | -189 | -117 | | -250 | 44 | |
| Year | | 18 | 362 | | -633 | 1,969 | |

P/ Preliminary.

1/ These data differ from those in Exhibit G 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, Treasury Department and Federal Reserve.

4/ These data differ from those in Exhibit G and above in that they represent new offerings less retirements, whether from the proceeds of refunding issues or from other funds. Data include only issues with original maturity of one year or less.

5/ Principally tax and bond anticipation notes, warrants or certificates and Public Housing Authority notes. In some instances FHA notes included may have a somewhat longer term than one year. Source: Bond Buyer and Federal Reserve.

Exhibit I

Large Long-term Public Security Issues for New Capital
(Other than U. S. Treasury) $\frac{1}{2}$

Proceeds of Large Issues Offered

(In millions of dollars)

| Month | Corporate | State and local government | Other $\frac{2}{2}$ |
|-----------------|-----------|----------------------------|---------------------|
| 1960 - 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 |
| 1961 - January | 147 | 391 | -- |
| February | 267 | 360 | -- |

Large Individual Issues Offered during March

| Issuer | Type $\frac{3}{2}$ | Amount (millions of dollars) | Maturity | Coupon rate or net interest cost | Offering yield | Rating |
|-----------------------------------|--------------------|------------------------------|------------|----------------------------------|-------------------------|--------|
| <u>CORPORATE</u> | | | | | | |
| Am. Machine & Foundry Co. | Conv.deb. | 39.5 | 1981 | 4-1/4 | 1.93 | Ba |
| Southwestern Pub. Serv. Co. | 1st mtg. bds. | 15.0 | 1991 | 4-1/2 | 4.50 | A |
| Apco Oil Corp. | Sub.deb.&stk. | 15.1 | 1981 | 5-3/4 | n.a. | B |
| <u>STATE AND LOCAL GOVERNMENT</u> | | | | | | |
| Chicago, Illinois | Rev.-Ut. | 30.0 | 1962-85 | 3.53 | 1.50-3.60 | A |
| Commonwealth of Puerto Rico | G.O. | 40.0 | 1962-81 | 3.89 | 1.75-4.00 | A |
| Denver, Colorado | G.O. | 15.0 | 1972-99/81 | 3.55 | 2.85-3.60 | Aa |
| State of New Jersey | G.O. | 20.9 | 1968-88/79 | 3.16 | 2.40-3.30 | Aaa |
| St. Paul, Minnesota | G.O. | 10.6 | 1962-91 | 3.35 | 1.60-3.50 | Aa |
| Cherokee, Alabama | Rev.-Rent. | 25.0 | 1963-86 | n.a. | n.a. | -- |
| Duval Co., Florida | G.O. | 15.0 | 1962-81/71 | 3.20 | 1.65-3.40 $\frac{4}{2}$ | Aa |
| Pa. Gen. State Auth. | Rev.-Rent. | 25.0 | 1964-88/71 | 3.48 | 2.10-3.65 | -- |
| Columbus, Ohio | G.O. | 12.8 | 1963-2001 | 3.51 | 1.90-3.85 | Aa |
| State of Massachusetts | G.O. | 62.5 | 1962-2010 | 3.50 | 1.60-3.85 | Aa |
| State of Rhode Island | G.O. | 10.9 | 1962-91 | 3.44 | 1.60-3.65 | A |
| Detroit, Mich. | G.O. | 17.0 | 1962-85 | 3.49 | 1.70-4.30 | A |
| Wash. Sub. Sanit. Dist., Md. | G.O. | 10.0 | 1962-91 | 3.37 | 1.70-4.20 | A |
| Detroit Sch. Dist., Mich. | G.O. | 10.0 | 1962-87 | 3.74 | 1.80-4.20 | A |
| Commonwealth of Kentucky | G.O. | 100.0 | 1962-90/81 | 3.64 | 1.60-3.75 | Aa |

Large Individual Issues Offered during March (Cont'd)

| Issuer | Type ^{3/} | Amount (millions of dollars) | Maturity | Coupon rate or net inter- est cost | Offering yield | Rating |
|--------------------|--------------------|---------------------------------------|----------|---|-------------------|--------|
| <u>OTHER</u> | | | | | | |
| Federal Land Banks | Bonds | 67.0 | 1966 | 3-5/8 | 3.90 | -- |

- ^{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/} 1/4 per cent 1981 maturities not reoffered.

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/ |
| 1960 - Mar. 31 | 299 | 259 | -- | 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 | -- |
| 1961 - Jan. 31 | 110 | 181 | -- | 1,046 | 360 | -- |
| Feb. 28 | 55 | 307 | -- | 1,125 | 638 | -- |
| Mar. 31 | 1,580 | 559 | -- | 1,700 | 806 | -- |

Forthcoming Large Offerings, as of March 31

| Issuer | Type | Amount (millions of dollars) | Approximate date of offering |
|-------------------------------------|---------------------|---------------------------------|------------------------------|
| <u>CORPORATE</u> | | | |
| Southern Calif. Edison Co. | 1st ref. mtg. bds. | 30.0 | Apr. 5 |
| John Deere Credit Co. | Deb. | 25.0 | Apr. 6 |
| Tennessee Gas Transmission Co. | Pfd. stk. | 20.0 | Apr. 6 |
| Flintkote Co. | Deb. | 35.0 | Apr. 7 |
| American Telephone & Telegraph Co. | Com. stk. | 9,575.0 | Apr. 14 (rights expire) |
| Spiegel, Inc. | Deb. | 40.0 | Apr. 14 |
| Lead Corp. | Deb. | 25.0 | Apr. 18 |
| Transcontinental Gas Pipe Line Co. | 1st mtg. p. l. bds. | 35.0 | Apr. 20 |
| Minneapolis-honeywell Regulator Co. | S.F. deb. | 25.0 | Apr. 20 |
| Minneapolis-honeywell Regulator Co. | Pfd. stk. | 25.0 | Apr. 20 |
| *United States Steel Corp. | S.F. deb. | 300.0 | Apr. 20 |
| *Iowa-Illinois Gas & Elec. Co. | 1st mtg. bds. | 15.0 | Apr. 26 |
| *Motorola, Inc. | Deb. | 30.0 | Apr. |
| *Washington Gas Light Co. | Ref. mtg. bds. | 15.0 | May 4 |
| *New York State Elec. & Gas Co. | 1st mtg. bds. | 25.0 | May 17 |
| Luke Power Co. | Com. stk. | 15.0 | May (rights expire) |
| Conduccree Oil Refining Corp. | Deb., bds. & com. | 45.0 | Indefinite |
| Realty Collateral Corp. | Coll. tr. notes | 20.0 | Indefinite |

Forthcoming Large Offerings, as of March 31 (Cont'd)

| Issuer | Type | Amount (millions of dollars) | Approximate date of offering |
|---|------------|------------------------------------|---------------------------------|
| <u>STATE AND LOCAL GOVERNMENT</u> | | | |
| State of California | G.O. | 190.0 | Apr. 5 |
| Cleveland, Ohio | G.O. | 14.5 | Apr. 11 |
| Univ. System Bldg. Auth. of Ca. | Rev.-Q.Ut. | 13.0 | Apr. 11 |
| *Los Angeles Co. Flood Cont. Dist., Calif. | Rev.-Ut. | 15.0 | Apr. 11 |
| *Chicago, Illinois | G.C. | 30.3 | Apr. 12 |
| Public Housing Authorities | G.O. | 50.1 | Apr. 20 |
| *State of Oregon | G.O. | 30.0 | Apr. 25 |
| *State of Tennessee | G.O. | 15.6 | Apr. 26 |
| State of Michigan | Rev.-Ut. | 25.0 | Apr. 26 |
| Mass. Turnpike Auth. | Rev. | 175.0 | Apr. |
| Los Angeles Unif. Sch. Dist., Calif. | G.O. | 30.0 | May 2 |
| Cincinnati, Ohio | G.O. | 21.5 | May 9 |
| Orleans Parish School Dist., La. | G.O. | 10.0 | Indefinite |
| Dade County, Florida | G.O. | 46.0 | Indefinite |
| New York State Housing Fin. Agency | Rev. | 100.0 | Indefinite |
| Jacksonville Expressway Auth. | Rev.-Ut. | 40.0 | 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) | -8 | 3.00 (3/17/54) | -15 |
| 1959 - 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 | *4.88 | 32 | 5.15 | 29 |
| June | 4.83 | 26 | *4.95 | 11 |
| 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 | | |
| 1961 - Jan. 12 | 4.60 | 11 | | |
| 18 | 4.55 | 7 | | |
| 25 | 4.44 | -2 | | |
| Feb. 8 | | | 4.60 | -2 |
| 16 | | | 4.65 | 5 |
| 16 | | | 4.47 | -13 |
| 23 | | | 4.50 | 5 |
| 24 | 4.37 | 8 | 4.40 | -5 |

*--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.

Appendix A
Federal Funds Rate

-17-

Weekly - July 1954--

| Date | Rate | Date | Rate | Date | Rate | Date | Rate |
|-------------|---------------------|---------|------|-------------|------|---------|------|
| <u>1954</u> | | Mar. 4 | 1.31 | Nov. 4 | 2.25 | July 6 | 2.75 |
| July 2 | 1.19 ^{1/2} | 11 | 1.44 | 11 | 2.25 | 13 | 2.75 |
| 9 | .84 | 18 | 1.16 | 18 | 2.29 | 20 | 2.75 |
| 16 | 1.10 | 25 | 1.26 | 25 | 2.50 | 27 | 2.75 |
| 23 | .50 | Apr. 1 | 1.44 | Dec. 2 | 2.49 | Aug. 3 | 2.73 |
| 30 | .40 | 8 | 1.44 | 9 | 2.50 | 10 | 2.75 |
| Aug. 6 | .58 | 15 | 1.43 | 16 | 2.43 | 17 | 2.75 |
| 13 | 1.41 | 22 | 1.50 | 23 | 2.49 | 24 | 2.79 |
| 20 | 1.40 | 29 | 1.21 | 30 | 2.46 | 31 | 2.53 |
| 27 | 1.34 | May 6 | 1.64 | <u>1956</u> | | Sept. 7 | 3.00 |
| Sept. 3 | 1.41 | 13 | 1.26 | Jan. 6 | 2.17 | 14 | 2.90 |
| 10 | 1.06 | 20 | 1.03 | 13 | 2.48 | 21 | 2.80 |
| 17 | 1.03 | 27 | 1.61 | 20 | 2.50 | 28 | 3.00 |
| 24 | .65 | June 3 | 1.69 | 27 | 2.50 | Oct. 5 | 3.00 |
| Oct. 1 | 1.09 | 10 | 1.66 | Feb. 3 | 2.50 | 12 | 2.97 |
| 8 | .68 | 17 | 1.65 | 10 | 2.50 | 19 | 2.88 |
| 15 | 1.31 | 24 | 1.58 | 17 | 2.50 | 26 | 2.96 |
| 22 | .65 | July 1 | 1.69 | 24 | 2.48 | Nov. 2 | 2.99 |
| 29 | .90 | 8 | 1.69 | Mar. 2 | 2.50 | 9 | 3.00 |
| Nov. 5 | 1.22 | 15 | 1.68 | 9 | 2.50 | 16 | 2.97 |
| 12 | .25 | 22 | 1.66 | 16 | 2.49 | 23 | 2.95 |
| 19 | .45 | 29 | 1.68 | 23 | 2.50 | 30 | 2.43 |
| 26 | 1.19 | Aug. 5 | 1.81 | 30 | 2.50 | Dec. 7 | 3.00 |
| Dec. 3 | 1.38 | 12 | 1.95 | Apr. 6 | 2.50 | 14 | 2.70 |
| 10 | 1.39 | 19 | 1.98 | 13 | 2.55 | 21 | 2.93 |
| 17 | 1.18 | 26 | 1.99 | 20 | 2.59 | 28 | 2.98 |
| 24 | 1.14 | Sept. 2 | 2.03 | 27 | 2.75 | | |
| 31 | 1.44 | 9 | 2.09 | May 4 | 2.75 | | |
| <u>1955</u> | | 16 | 2.18 | 11 | 2.75 | | |
| Jan. 7 | 1.28 | 23 | 2.20 | 18 | 2.75 | | |
| 14 | 1.44 | 30 | 2.25 | 25 | 2.75 | | |
| 21 | 1.35 | Oct. 7 | 2.24 | June 1 | 2.75 | | |
| 28 | 1.40 | 14 | 2.25 | 8 | 2.75 | | |
| Feb. 4 | 1.44 | 21 | 2.23 | 15 | 2.75 | | |
| 11 | 1.08 | 28 | 2.25 | 22 | 2.75 | | |
| 18 | 1.21 | | | 29 | 2.50 | | |
| 25 | 1.28 | | | | | | |

^{1/2} Average of two days in July.

| Date | Rate | Date | Rate | Date | Rate | Date | Rate |
|-------------|------|-------------|------|-------------|------|---------|------|
| <u>1957</u> | | | | | | | |
| Jan. 4 | 2.33 | Oct. 4 | 3.50 | July 3 | .42 | Apr. 3 | 2.81 |
| 11 | 2.73 | 11 | 3.50 | 11 | 1.05 | 10 | 3.00 |
| 18 | 2.86 | 18 | 3.50 | 18 | .88 | 17 | 3.00 |
| 25 | 2.86 | 25 | 3.50 | 25 | .38 | 24 | 3.00 |
| Feb. 1 | 3.00 | Nov. 1 | 3.50 | Aug. 1 | .38 | May 1 | 2.90 |
| 8 | 3.00 | 8 | 3.50 | 8 | 1.25 | 8 | 3.00 |
| 15 | 3.00 | 15 | 3.31 | 15 | 1.65 | 15 | 3.00 |
| 21 | 3.00 | 22 | 3.17 | 22 | 1.58 | 22 | 2.45 |
| | | 29 | 3.00 | 29 | 1.65 | 29 | 2.80 |
| Mar. 1 | 3.00 | Dec. 6 | 2.90 | Sept. 5 | 1.63 | June 5 | 3.15 |
| 8 | 3.00 | 13 | 3.00 | 12 | 1.70 | 12 | 3.35 |
| 15 | 3.00 | 20 | 3.00 | 19 | 1.53 | 19 | 3.50 |
| 22 | 3.00 | 27 | 3.00 | 26 | 1.88 | 26 | 3.45 |
| 29 | 2.79 | | | | | | |
| Apr. 5 | 3.00 | <u>1958</u> | | Oct. 3 | 1.70 | July 3 | 3.25 |
| 12 | 3.00 | Jan. 3 | 3.00 | 10 | 1.90 | 10 | 3.50 |
| 18 | 3.00 | 10 | 2.98 | 17 | 1.94 | 17 | 3.45 |
| 26 | 3.00 | 17 | 2.83 | 24 | 1.98 | 24 | 3.50 |
| | | 24 | 2.90 | 31 | 1.15 | 31 | 3.50 |
| May 3 | 3.00 | 31 | 1.65 | Nov. 7 | 2.13 | Aug. 7 | 3.50 |
| 10 | 3.00 | Feb. 7 | 1.85 | 14 | 1.88 | 14 | 3.50 |
| 17 | 3.00 | 14 | 2.72 | 21 | 2.45 | 21 | 3.50 |
| 24 | 3.00 | 21 | 1.10 | 28 | 2.50 | 28 | 3.50 |
| 31 | 3.00 | 28 | .63 | Dec. 5 | 2.23 | Sept. 4 | 3.50 |
| June 7 | 3.00 | Mar. 7 | 1.75 | 12 | 2.35 | 11 | 3.56 |
| 14 | 3.00 | 14 | 1.38 | 19 | 2.50 | 18 | 3.85 |
| 21 | 3.00 | 21 | 1.40 | 26 | 2.50 | 25 | 3.95 |
| 28 | 3.00 | 28 | .60 | | | | |
| July 5 | 3.00 | Apr. 3 | .48 | <u>1959</u> | | Oct. 2 | 3.80 |
| 12 | 3.00 | 11 | 1.63 | Jan. 2 | 2.46 | 9 | 4.00 |
| 19 | 3.00 | 18 | 1.58 | 9 | 2.50 | 16 | 3.94 |
| 26 | 2.98 | 25 | 1.58 | 16 | 2.43 | 23 | 3.95 |
| Aug. 2 | 2.96 | | | 23 | 2.50 | 30 | 4.00 |
| 9 | 3.00 | May 2 | .88 | 30 | 2.50 | Nov. 6 | 4.00 |
| 16 | 3.25 | 9 | 1.15 | Feb. 6 | 2.50 | 13 | 4.00 |
| 23 | 3.30 | 16 | .55 | 13 | 2.25 | 20 | 4.00 |
| 30 | 3.50 | 23 | .28 | 20 | 2.30 | 27 | 4.00 |
| | | 29 | .13 | 27 | 2.50 | | |
| Sept. 6 | 3.25 | June 6 | .90 | Mar. 6 | 2.55 | Dec. 4 | 3.95 |
| 13 | 3.50 | 13 | 1.38 | 13 | 2.63 | 11 | 4.00 |
| 20 | 3.50 | 20 | .98 | 20 | 2.90 | 18 | 4.00 |
| 27 | 3.50 | 27 | .45 | 27 | 2.91 | 24 | 4.00 |
| | | | | | | 31 | 4.00 |

| Date | Rate | Date | Rate | Date | Rate | Date | Rate |
|-------------|------|-------------|------|------|------|------|------|
| <u>1960</u> | | | | | | | |
| Jan. 8 | 4.00 | Oct. 7 | 2.80 | | | | |
| 15 | 4.00 | 14 | 2.92 | | | | |
| 22 | 4.00 | 21 | 1.00 | | | | |
| 29 | 3.95 | 28 | 2.90 | | | | |
| Feb. 5 | 4.00 | Nov. 4 | 2.95 | | | | |
| 12 | 3.94 | 11 | 3.00 | | | | |
| 19 | 4.00 | 18 | 2.60 | | | | |
| 26 | 3.81 | 25 | 2.19 | | | | |
| Mar. 4 | 4.00 | Dec. 2 | .95 | | | | |
| 11 | 3.95 | 9 | 1.90 | | | | |
| 18 | 3.95 | 16 | 1.60 | | | | |
| 25 | 3.30 | 23 | 2.20 | | | | |
| | | 30 | 2.33 | | | | |
| Apr. 1 | 3.80 | | | | | | |
| 8 | 3.90 | <u>1961</u> | | | | | |
| 14 | 3.95 | Jan. 6 | 1.56 | | | | |
| 22 | 3.75 | 13 | 1.65 | | | | |
| 29 | 3.90 | 20 | 1.40 | | | | |
| | | 27 | .43 | | | | |
| May 6 | 4.00 | Feb. 3 | 2.15 | | | | |
| 13 | 4.00 | 10 | 2.70 | | | | |
| 20 | 3.85 | 17 | 2.85 | | | | |
| 27 | 3.60 | 24 | 2.63 | | | | |
| June 3 | 3.31 | Mar. 3 | 2.20 | | | | |
| 10 | 3.70 | 10 | 2.75 | | | | |
| 17 | 3.25 | 17 | 1.65 | | | | |
| 24 | 3.50 | 24 | 1.85 | | | | |
| July 1 | 2.35 | 31 | | | | | |
| 8 | 3.50 | | | | | | |
| 15 | 2.70 | | | | | | |
| 22 | 3.50 | | | | | | |
| 29 | 2.90 | | | | | | |
| Aug. 5 | 3.40 | | | | | | |
| 12 | 2.85 | | | | | | |
| 19 | 3.00 | | | | | | |
| 26 | 2.55 | | | | | | |
| Sept. 2 | 2.85 | | | | | | |
| 9 | 2.94 | | | | | | |
| 16 | 2.60 | | | | | | |
| 23 | 1.55 | | | | | | |
| 30 | 3.00 | | | | | | |