

H.14

April 10, 1961.

CAPITAL MARKET DEVELOPMENTS
IN THE UNITED STATES

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

Public security financing was substantial last week and is expected to be very heavy this week. During the week ending April 7, corporations sold large issues totaling \$135 million and the State of California sold a bond issue for \$190 million. This week, corporate issues are expected to aggregate \$1,015 million, including the expiration of subscription rights for the more than \$950 million AT&T common stock issue. State and local government bond issues with total proceeds of \$248 million are also scheduled for sale. Included in the State and local government financing is a \$175 million Massachusetts Turnpike issue which is expected to be sold by negotiation in the middle of the week.

Long-term bond yields -- Yields on seasoned bonds changed little last week. Yields on corporate Aaa and U. S. Government bonds increased slightly, while those on Aaa State and local government bonds remained stable. Yields on lower grade corporate and State and local government bonds declined.

Short- and intermediate-term interest rates - Interest rates on short- and intermediate-term securities also changed little last week. Yields on three-month Treasury bills decreased slightly, but those on six-month bills and three- to five-year Government issues increased slightly. The weekly average rate on three- to six-month, directly placed finance company paper also rose. The estimated effective rate on Federal Funds was 1.55 per cent--145 basis points lower than the Federal Reserve discount rate. Other major short-term money rates were unchanged last week.

Mortgage and bond yields - Yields on both new and outstanding corporate bonds declined 5 basis points further in March; thus the spread between them continued to be very narrow as it has been since December.

Average secondary market yields on selected unseasoned FHA New home mortgages declined 12 basis points in February to 5.88 per cent. Early in the month the FHA had reduced the maximum permissible interest rate from 5-3/4 to 5-1/2 per cent. The spread between the yield on these mortgages and new corporate bonds narrowed slightly to 157 basis points.

Stock prices - Stock prices, as measured by Standard and Poor's index of 500 common stocks, increased one per cent further last week in very heavy trading volume. Prices closed at 65.96 on April 7, bringing

the increase thus far this year to 14 per cent. Trading activity averaged 5.8 million shares a day, the heaviest since the first week in March.

Institutional investors - Savings growth at life insurance companies, savings and loan associations and mutual savings banks continued to increase sharply in February. Saving was larger at each of these institutions with the combined inflow totaling \$1.2 billion, one-fourth larger than a year earlier. (Time and savings deposits at commercial banks also increased much more than in February last year.)

Combined inflow for these three major savings institutions thus far this year has aggregated \$2.6 billion, two-fifths larger than in the first two months of 1960, one-fourth larger than in 1959, and one-fifth larger than in 1958.

Savings Growth of Major Financial Institutions
First Two Months
(Millions of dollars)

Year	Total	Life insurance companies	Savings and loan assoc.	Mutual savings banks
1958	2,207	1,016	829	383
1959	2,080	1,064	851	235
1960	1,875	1,016	877	-18
1961	2,621	1,234	1,123	306

The growth in life insurance company assets totaled \$484 million in February, only slightly larger than a year earlier. The smaller net purchases (one-third smaller) of mortgages this February was the only significant difference from uses of funds made in February 1960. Net acquisition of business securities and State and local government obligations were about the same as the year before. Net liquidation of U. S. Government securities was somewhat smaller this year.

The inflow to savings and loan associations continued to advance at a record pace in February. Share capital increased \$532 million--30 per cent more than a year earlier. There was substantial repayment of borrowing, principally to Federal Home Loan Banks. Advances are usually repaid early in the year, however, and repayment was smaller this year than last February. The increase in mortgage holdings was slightly less than a year earlier and these associations used their increased inflow to invest in U. S. Government securities.

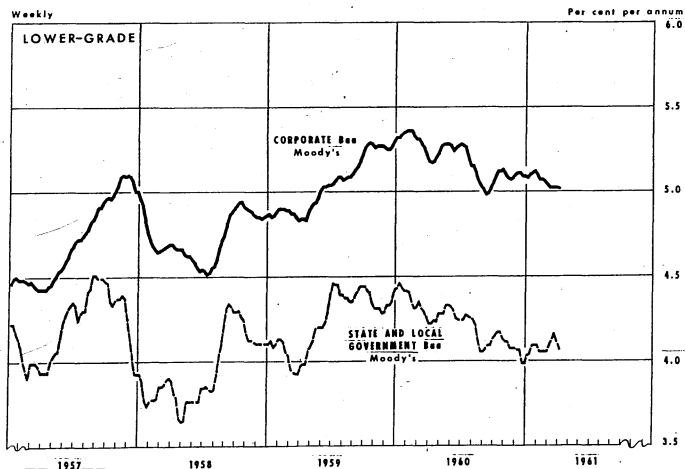
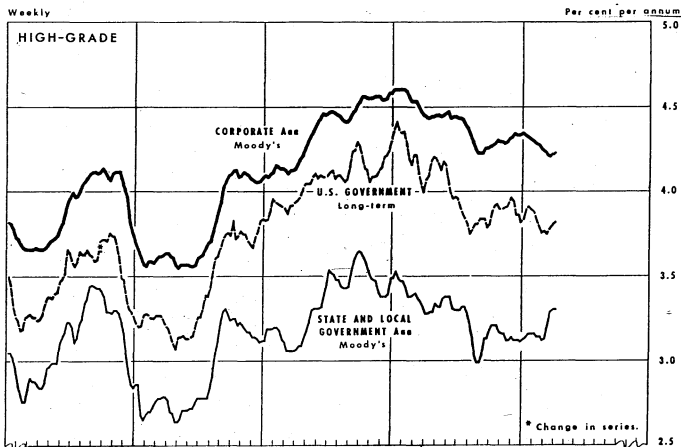
Deposits at mutual savings banks increased \$136 million as compared with an increase of only \$50 million in February 1960. There was substantial acquisition of short-term U. S. Governments by these banks this year in contrast to a small reduction in holdings last year. Net acquisitions of mortgages in February were one-fifth larger than a year earlier.

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

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

EXHIBIT A

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 (4/25)	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 (4/6)	.50	.76
Low	4.21 (3/17)	3.75 (3/10)	3.12 (2/23)	.40	.51
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	4.22	3.81	3.30	.41	.51
Apr. 7 p/	4.23 ✓	3.82	3.30	.41	.52

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
1959-60 - 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	5.01 (4/7)	4.03 (1/5)	.74	.76
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	5.02	4.11	.80	.81
Apr. 7 p/	5.01 /	4.06	.78	.76

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

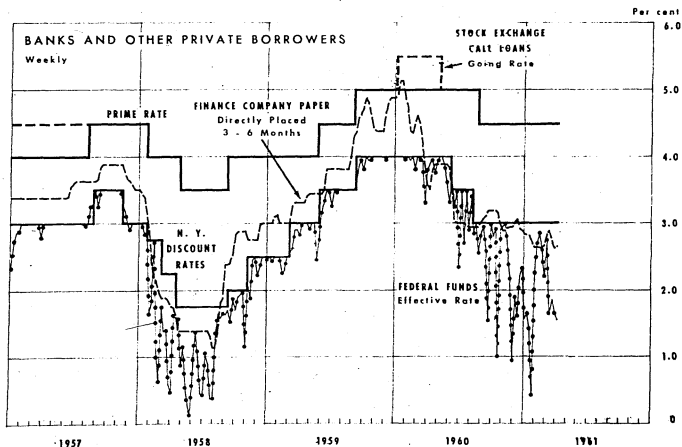
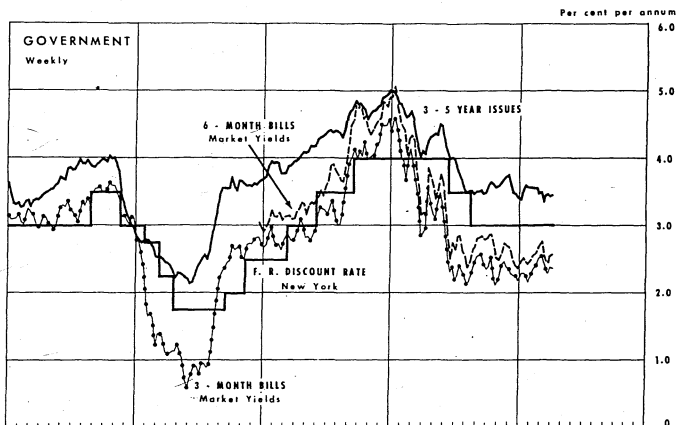


Exhibit D - Tables for Exhibit C

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)				
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
1959-60 - High	4.00	4.59 (1/8/60)	5.07 (1/8/60)	5.00 (12/24/59)	.79	1.81
1960 - Low	3.00	2.11 (10/28)	2.38 (12/30)	3.40 (12/30)	.16	.38
1961 - 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
Mar. 10	3.00	2.44	2.56	3.36	.12	.92
Mar. 17	3.00	2.35	2.47	3.44	.12	1.09
Mar. 24	3.00	2.28	2.45	3.45	.17	1.17
Mar. 30	3.00	2.38	2.54	3.43	.16	1.05
Apr. 7 p/	3.00	2.36	2.58	3.45	.22	1.09

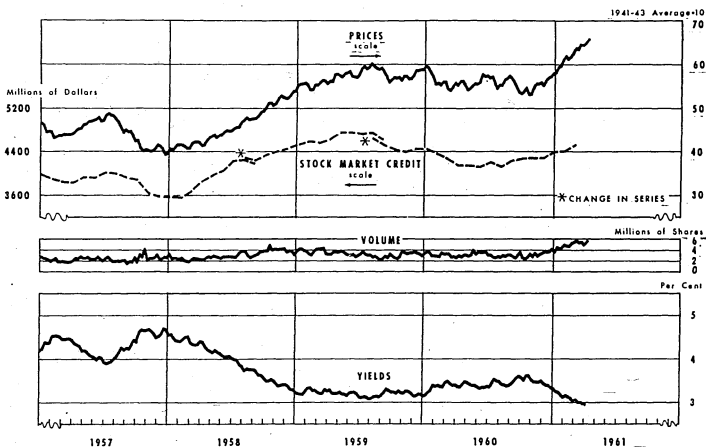
Banks and Other Private Borrowers

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
	(per cent)				
1954 - Low	3.00	3.00	1.25 (12/31)	n.a.	0
1957 - High	4.50	4.50	3.88 (11/15)	3.50 (11/8)	.63
1958 - Low	3.50	3.50	1.13 (8/8)	.13 (5/29)	-.35
1959-60 - High.	5.50	5.00	5.13 (1/22/60)	4.00 (5/13/60)	1.02
1960 - Low	4.50	4.50	2.88 (12/30)	.95 (12/2)	.22
1961 - 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
Mar. 10	4.50	4.50	2.88	2.75	.44
Mar. 17	4.50	4.50	2.78	1.65	.43
Mar. 24	4.50	4.50	2.68	1.85	.40
Mar. 30	4.50	4.50	2.63	1.65	.25
Apr. 7 p/	4.50	4.50	2.66	1.55	.30

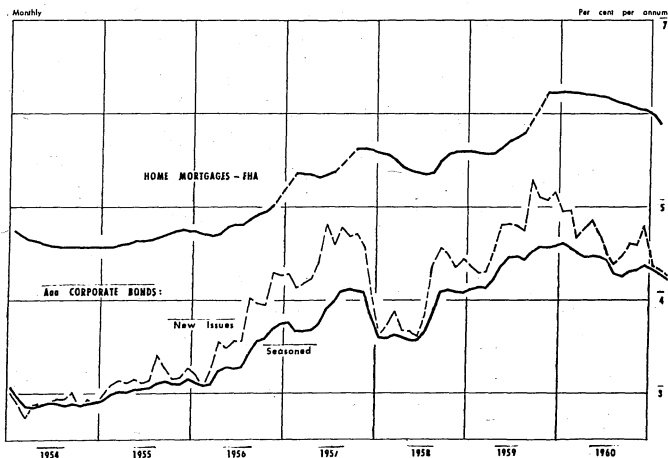
- 1/ Weekly rate shown is that in effect at end of period. Discount rate is for Federal Reserve Bank of New York. Stock Exchange call loan rate is going rate on call loans secured by customers' stock exchange collateral at New York City banks. Prime rate is that charged by large banks on short-term loans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

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/
(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	65.96 (4/7)	2.95	5.8	4,524 (2/61)	3,358 (2/61)	1,174 (3/30)
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.	1,174
Mar. 24	64.42	3.01	5.4	n.a.	n.a.	1,167
Mar. 30	65.06	2.98	4.9	n.a.	n.a.	1,174
Apr. 7 p/	65.96	2.95	5.8	n.a.	n.a.	n.a.

n.a. - Not available.

p/ Preliminary.

- 1/ Standard and Poor's composite index of 500 common stocks, weekly closing prices, 1941-43-10. Monthly data are averages of daily figures rather than of Friday's only. Highs and lows 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; 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
1953-58 - 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)	2.84 (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 - November	6.05	4.59	4.31	1.46	.28
December	6.04	4.79	4.35	1.25	.44
1961 - January	6.00	4.35	4.32	1.65	.03
February	5.88	4.31	4.27	1.57	.04
March	n.a.	4.26	4.22	n.a.	.04

1/ Mortgage mortgage and bond yields take into account servicing costs which are such 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 FHA, 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 and 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 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/900	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/		
	1961	1960	1959	1961	1960	1959
January		58	-4	-144	-196	-82
February		140	181	-102	-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

2/ 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) 1/

Proceeds of Large Issues Offered

(In millions of dollars)

Month	Corporate	State and local government	Other <u>2/</u>
1960 - 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	--
March	70	405	67

Large Individual Issues Offered April 1 through 7

Issuer	Type <u>3/</u>	Amount (millions of dollars)	Maturity	Coupon rate or net inter- est cost	Offering yield	Rating
<u>CORPORATE</u>						
So. Calif. Edison Co.	1st ref.mtg.bds.	30.0	1986	4-1/2	4.42	Aa
John Deere Credit Co.	Deb.	25.0	1981	4-3/4	4.85	--
Tennessee Gas Trans. Co.	Pfd. stk.	20.0				
Flintkote Co.	Deb.	35.0	1981	4-5/8	4.60	A
Mead Corp.	Deb.	25.0	1986	4-1/2	4.57	A
<u>STATE AND LOCAL GOVERNMENT</u>						
State of California	G.O.	190.0	1962-86/81	3.87	1.70-3.97	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/
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 April 7

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>CORPORATE</u>			
American Telephone & Telegraph Co.	Com. stk.	e/975.0	Apr. 14 (rights expire)
Spiegel, Inc.	Deb.	40.0	Apr. 14
Transcontinental Gas Pipe Line Co.	1st mtg. p. 1. 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. 26
Washington Gas Light Co.	Ref. mtg. bds.	15.0	May 4
*Peoples Gas Light and Coke Co.	1st mtg. bds.	30.0	May 10
New York State Elec. & Gas Co.	1st mtg. bds.	25.0	May 17
*New England Tel. & Tel. Co.	Com. stk.	45.0	May 19 (rights expire)
*Continental Oil Co.	Deb.	100.0	May
Duke Power Co.	Com. stk.	15.0	May (rights expire)
Commerce Oil Refining Corp.	Deb., bds. & com.	45.0	Indefinite
Realty Collateral Corp.	Coll. tr. notes	20.0	Indefinite

Forthcoming Large Offerings, as of April 7 (Cont'd)

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>STATE AND LOCAL GOVERNMENT</u>			
Cleveland, Ohio	G.O.	14.5	Apr. 11
Univ. System Bldg. Auth. of Ga.	Rev.-Q.Ut.	13.0	Apr. 11
Los Angeles Co. Flood Cont. Dist., Calif.	Rev.-Ut.	15.0	Apr. 11
Chicago, Illinois	G.O.	30.3	Apr. 12
Mass. Turnpike Auth.	Rev.	175.0	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
Los Angeles Unif. Sch. Dist., Calif.	G.O.	30.0	May 2
*Grand Rapids, Mich.	Rev.-Ut.	13.1	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.

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 (5/18/59)	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 ^{2/}	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 ^{2/}	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	4.37	8	4.50	5
24			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.

Exhibit L

-17-

Sources and Uses of Funds by
Life Insurance Companies

	Uses of funds 1/						Total sources or uses
	Cash	U. S. Govt. secu- rities	Busi- ness secu- rities 2/	State and local govt. secu- rities	Mort- gages	Other	
Value of assets at end of period:	(In millions of dollars)						
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.	1,307	6,858	46,901	3,221	39,237	16,126	113,650
1960 - Dec.	1,332	6,444	48,896	3,622	41,798	17,625	119,717
1961 - Feb.	1,269	6,542	49,266	3,702	42,143	18,029	120,951
Changes:							
1959 - Jan.	-81	279	190	39	138	58	623
Feb.	-47	-69	223	38	126	170	441
Mar.	-20	-183	235	71	137	86	326
Apr.	-29	19	258	51	110	113	522
May	15	-15	182	82	126	85	475
June	2	10	227	34	156	60	489
July	-25	39	194	110	194	146	658
Aug.	16	95	81	31	167	110	500
Sept.	-39	-181	82	18	207	108	195
Oct.	20	-18	203	14	245	91	555
Nov.	33	-132	195	18	235	146	495
Dec.	99	-168	219	24	304	313	791
1960 - Jan.	-71	153	204	-24	336	-46	552
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.	99	-103	188	17	277	173	651
1961 - Jan.	-54	101	242	49	210	202	750
Feb.	-9	-3	128	31	135	202	484
Mar.							

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. secur- ities	Mort- gages 2/	Other assets		Net change savings capital	Borrow- ing 3/	Other
Value of assets at end of period	(In millions of dollars)							
1957 - Dec.	2,146	3,173	40,049	2,770	48,138	41,912	1,379	4,847
1958 - Dec.	2,585	3,819	45,627	3,108	55,139	47,976	1,444	5,719
1959 - Dec.	2,183	4,477	53,194	3,676	63,530	54,583	2,387	6,560
1960 - Dec.	2,647	4,560	60,042	4,152	71,401	62,116	2,159	7,126
1961 - Feb.	2,666	4,873	60,824	4,083	72,446	63,277	1,844	7,525
Changes:								
1959 - Jan.	-237	283	414	-41	359	446	-180	93
Feb.	-27	96	430	83	582	405	-54	231
Mar.	-1	75	596	99	769	527	-8	250
Apr.	-180	105	710	151	786	414	97	275
May	27	21	757	185	990	599	62	329
June	238	-3	884	-36	1,083	1,089	314	-320
July	-431	108	803	-113	367	201	31	135
Aug.	-42	23	740	14	735	394	119	222
Sept.	-52	-7	679	64	684	447	148	89
Oct.	-69	10	626	86	653	396	136	121
Nov.	61	-28	460	141	634	484	56	94
Dec.	371	-25	468	-65	749	1,205	222	-678
p/1960 - Jan.	-301	196	316	-115	92	468	-462	86
Feb.	-34	65	398	65	494	409	-114	199
Mar.	49	-22	547	93	667	623	-126	170
Apr.	-27	-2	565	105	642	372	37	233
May	80	21	635	203	939	630	5	304
June	329	-143	780	-58	908	1,216	211	-519
July	-236	-33	615	-127	219	149	-127	197
Aug.	30	-27	713	2	718	489	22	207
Sept.	24	1	643	63	731	602	49	80
Oct.	104	20	605	85	814	667	-14	161
Nov.	86	36	501	153	776	558	51	167
Dec.	428	-3	572	-38	959	1,388	240	-669
p/1961 - Jan. r/	-37	33	371	-137	262	591	-455	136
Feb.	16	194	359	86	595	532	-82	245
Mar.								

r/ Revised. p/ Preliminary.

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/ Data for 1957 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.

Sources and Uses of Funds
by Mutual Savings Banks

	Uses of funds 1/						Sources of funds		
	Cash	U. S. Govt. secur-ities	Busi-ness secur-ities 2/	State & local govt. secur-ities	Mort-gages	Other	Total sources or uses	Net change in deposits	Other
Value of assets at end of period	(In millions of dollars)								
1957 - Dec.	890	7,552	4,331	682	20,951	761	35,168	31,695	3,473
1958 - Dec.	921	7,266	4,973	725	23,039	855	37,779	34,041	3,738
1959 - Dec.	829	6,864	4,849	722	24,768	910	38,942	34,983	3,959
1960 - Dec.	874	6,236	5,080	673	26,701	1,005	40,568	36,349	4,219
1961 - Feb.	846	6,442	5,068	668	27,002	1,048	41,073	36,655	4,418
Changes:									
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.	86	-45	57	-4	149	-10	232	381	-149
1961 - Jan.	-49	106	3	-5	161	17	233	170	63
Feb.	21	100	-15	--	140	26	272	136	136
Mar.									

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

2/ 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.

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

Source.--National Association of Mutual Savings Banks and Federal Deposit Insurance Corp.