

H.14

May 22, 1961.

CAPITAL MARKET DEVELOPMENTS  
IN THE UNITED STATES

Public security financing was in large volume last week and will continue to be so this week. Large corporate issues with proceeds aggregating \$212 million were sold during the week ending May 19 while two large State and local government bond issues totaling \$65 million were publicly offered. This week large corporate offerings amounting to \$180 million are scheduled for sale while State and local government bond issues on the calendar total \$60 million.

Bond yields. Changes in long-term bond yields were mixed but minor last week. Yields on U. S. Government bonds rose slightly while those on Aaa-rated corporate bonds declined. Yields on State and local government bonds and lower grade corporate securities were stable.

New offering yields on corporate bonds have declined moderately in recent weeks. Two new Aa-rated first mortgage public utility bond issues were sold last week. One, which provided refunding protection, was offered to investors at 4.50 per cent, and the other, with no such protection, at 4.57 per cent. This compares with offering yields on comparable securities sold in late April of 4.80 per cent and 4.67 per cent.

Short- and intermediate-term interest rates. Yields on Treasury bills and 3-5 year U. S. Government obligations rose last week. The 3- and 6-month bill yields, at 2.29 per cent and 2.43 per cent respectively, were the highest since early April. The average effective rate for Federal funds rose further to 2.70 per cent, a level close to the high for the year. Other short- and intermediate-term interest rates were stable.

Housing starts. Private housing starts in April rose less than seasonally, and were at a seasonally adjusted annual rate of 1,233,000 compared with a revised rate of 1,317,000 in March. FHA and VA starts also showed less rise than usual. This movement may reflect the fact that April had three working days less than March.

Stock market credit. Customer credit in the stock market increased sharply further in April. A \$415 million increase brought the total to a new peak of \$5.2 billion, more than \$1 billion above the level of last July when margin requirements were lowered to 70 per cent. As in March a substantial, but unknown, part of the rise is attributable to the AT&T stock issue. Customers' debit balances, excluding those secured by U. S. Government obligations, rose \$335 million. Bank loans to other than brokers and dealers for purchasing and carrying securities rose \$80 million. Both debit balances and bank loans were at peak levels at the end of April.

Money borrowed by NYSE member firms increased \$357 million in April. Customers' free credit balances, which had risen sharply earlier in the year, changed little. These and other data on stock market credit for March and April are shown in the following table.

	End of month		Change
	Apr.	Mar.	
	(Millions of dollars)		
Customer credit			
Excluding U. S. Government securities - total	5,190	4,775	+415
Net debit balances	3,936	3,601	+335
Bank loans to "others"	1,254	1,174	+80
Net debit balances secured by U. S. Govt. securities	50	55	-5
Bank loans to "others" for purchasing or carrying U. S. Government securities	112	110	+2
Broker and dealer credit			
Money borrowed except on U. S. Government securities	2,284	1,927	+357
On customer collateral	1,947	1,624	+323
Money borrowed on U. S. Government securities	67	70	-3
Customers' net free credit balances	1,508	1,507	+1

r/ Revised.

Stock prices. Common stock prices, as measured by Standard and Poor's index of 500 common stocks, rose 1 per cent last week, closing at 67.27 on May 19. Trading volume continued to be heavy, averaging 4.9 million shares a day. The sharp increase in stock prices this year has brought the average yield on stocks included in the Standard and Poor's index down to 2.90 per cent.

Institutional investors. The total net inflow at three major types of savings institutions--life insurance companies, mutual savings banks, savings and loan associations--totaled a record \$1.5 billion in March, one-fourth more than a year earlier. Growth was a record for each of the three types of institutions. On a seasonally adjusted basis, the increase in life insurance company assets was probably somewhat larger than in most other recent months while the increase in deposits at mutual savings banks and share capital at savings and loan associations was about the same.

For the entire first quarter, inflow was also a record, totaling \$4.2 billion, 36 per cent more than a year earlier. Growth was sharply higher at each type of savings institution. (The increase in time and savings deposits at commercial banks in March and in the first quarter was also substantially larger than a year earlier.)

## Sources and Uses of Funds of Major Types of Savings Institutions 1/

First Quarter 1953-1960

(In millions of dollars)

Year	Uses of funds						Total sources or uses	Sources of funds		
	Cash	U. S. Govt. securities	Business securities	Mortgages	State & local govt. sec.	Other assets		Net change in deposits or savings capital	Borrowing	Other
Life Insurance Companies										
1961	-113	91	518	553	113	590	1,752	--	--	--
1960 <sup>r</sup>	-154	-50	433	774	36	276	1,315	--	--	--
1959 <sup>r</sup>	-148	27	648	401	149	314	1,390	--	--	--
1958	-123	58	631	455	86	318	1,425	--	--	--
1957	-206	-77	571	688	21	336	1,333	--	--	--
1956	-215	-500	673	957	155	235	1,305	--	--	--
1955	-171	70	513	799	131	222	1,564	--	--	--
1954	-160	-106	563	494	168	479	1,436	--	--	--
1953	-154	-132	763	480	52	252	1,261	--	--	--
Savings and Loan Associations										
1961	-31	384	--	1,431	n.a.	80	1,864	1,821	-575	618
1960 <sup>r</sup>	-286	239	--	1,261	n.a.	39	1,253	1,500	-702	455
1959 <sup>r</sup>	-325	454	--	1,440	n.a.	141	1,710	1,378	-242	574
1958	267	26	--	775	n.a.	27	1,095	1,317	-592	370
1957	-235	347	--	838	n.a.	122	1,070	997	-299	372
1956	-99	240	--	907	n.a.	73	1,118	1,106	-326	338
1955	-54	179	--	1,180	n.a.	28	1,329	1,147	-39	221
1954	136	5	--	736	n.a.	30	906	1,047	-335	194
1953	-30	139	--	655	n.a.	20	782	877	-254 <sup>2</sup>	159
Mutual Savings Banks										
1961	-19	323	34	505	-6	72	909	657	--	252
1960	-53	12	31	425	-12	72	475	302	--	173
1959	-33	220	41	508	55	12	721	548	--	173
1958	39	20	332	394	33	54	872	719	--	153
1957	-76	59	205	355	7	54	604	435	--	169
1956	-79	21	50	587	43	30	652	512	--	140
1955	-42	44	26	550	51	42	671	566	--	105
1954	22	-30	173	405	42	45	657	540	--	117
1953	-45	94	135	299	75	45	602	506	--	96

<sup>r</sup>/ Revised.

n.a.--Not available.

1/ For description of data see Exhibits L, M and N.

2/ Includes Federal Home Loan Bank advances only.

The year-to-year increases in the dollar amount of life insurance company assets have been quite steady in the past five years and have been a little smaller than in 1955. In the first quarter of 1961, however, the increase in assets totaled \$1.8 billion, one-third more than a year earlier and one-eighth more than the previous record growth in the first quarter of 1955. A substantial part of this year's bigger growth reflects appreciation in portfolios of common stock, and is shown under other assets. Net acquisitions of business securities totaled \$0.5 billion, one-fifth more than in the first quarter of 1960 but less than in other recent first quarters. Mortgage holdings rose \$0.6 billion, nearly one-third less than a year earlier. The usual first quarter decline in cash and deposits was less than in the first quarter of 1960 and net acquisitions of U. S. Government securities amounted to \$0.1 billion in contrast to a decline in such holdings in the corresponding period a year ago. The increase in other assets totaled \$0.6 billion, reflecting not only the rise in stock prices but also substantial acquisitions of foreign corporate securities.

The net increase in savings capital with savings and loan associations in the first quarter was a record \$1.8 billion, one-fifth more than in the corresponding period of 1960, the previous peak. The usual first quarter repayment of debt, principally to the Federal Home Loan Banks, totaled \$0.6 billion, one-fifth less than a year earlier but substantially more than usual.

As usual, most funds were invested in mortgages. Holdings of U. S. Government securities also increased substantially--by \$0.4 billion--as they have in most recent first quarters. Cash and deposits declined less than in the corresponding period of the two preceding years.

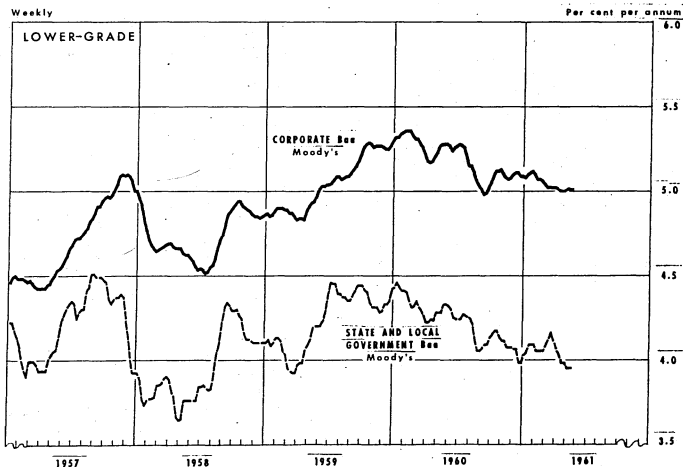
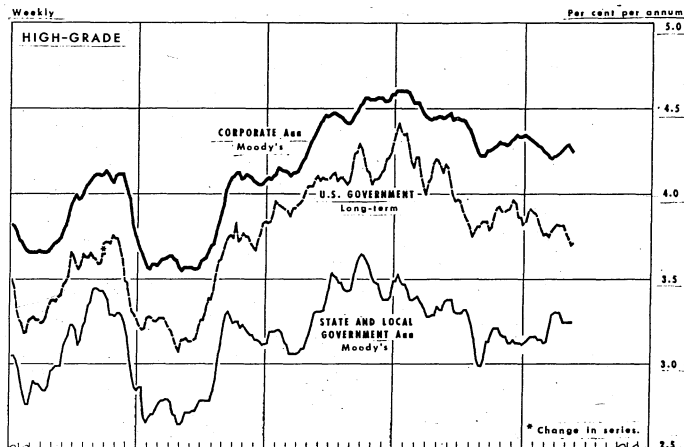
The net increase in deposits at mutual savings banks in the first quarter totaled \$0.7 billion, over twice the rise in the first quarter of 1960 but somewhat less than the record first quarter increase in 1958. The increase in such deposits during March was also a record for that month, but reflected in part substantially larger credits of interest. Withdrawals of deposits as well as new deposits were higher in March than a year earlier whereas in January and February new deposits exceeded those made a year earlier while withdrawals were less. Net acquisitions of mortgages totaled \$0.5 billion in the first quarter, nearly one-fifth more than a year earlier when deposit growth was less than one-half that of this year. Holdings of U. S. Government obligations rose \$0.3 billion, primarily in short-term Treasury bills, in contrast to an increase of only \$12 million last year.

More detailed information concerning recent capital market developments is contained 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



## Exhibit B - Tables for Exhibit A

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 (4/13)	.57	.76
Low	4.21 (3/17)	3.70 (5/12)	3.12 (2/23)	.40	.46
Apr. 21	4.26	3.81	3.24	.45	.57
Apr. 28	4.28	3.78	3.24	.51	.53
May 5	4.29	3.73	3.24	.56	.49
May 12	4.27	3.70	3.24	.57	.46
May 19 p/ ✓	4.25/	3.71	3.24	.54	.47

## Lower-grade

Date	Corporate Baa 1/	State and local govt. Baa 3/	Spread between Aaa and Baa	
			Corporate	State and local govt.
(per cent)				
1954 - Low	3.44 (12/31)	2.93 (8/5)	.52	.96
1957 - High	5.10 (11/29)	4.51 (8/29)	1.27	1.21
1958 - Low	4.51 (7/11)	3.64 (5/1)	.77	.93
1959-60 - 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	5.00 (4/21)	3.95 (5/18)	.73	.71
Apr. 21	5.00	3.98	.74	.74
Apr. 28	5.01	3.98	.73	.74
May 5	5.02	3.95	.73	.71
May 12	5.01	3.95	.74	.71
May 19 p/ /	5.01 ✓	3.95	.76	.71

p/ Preliminary.

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

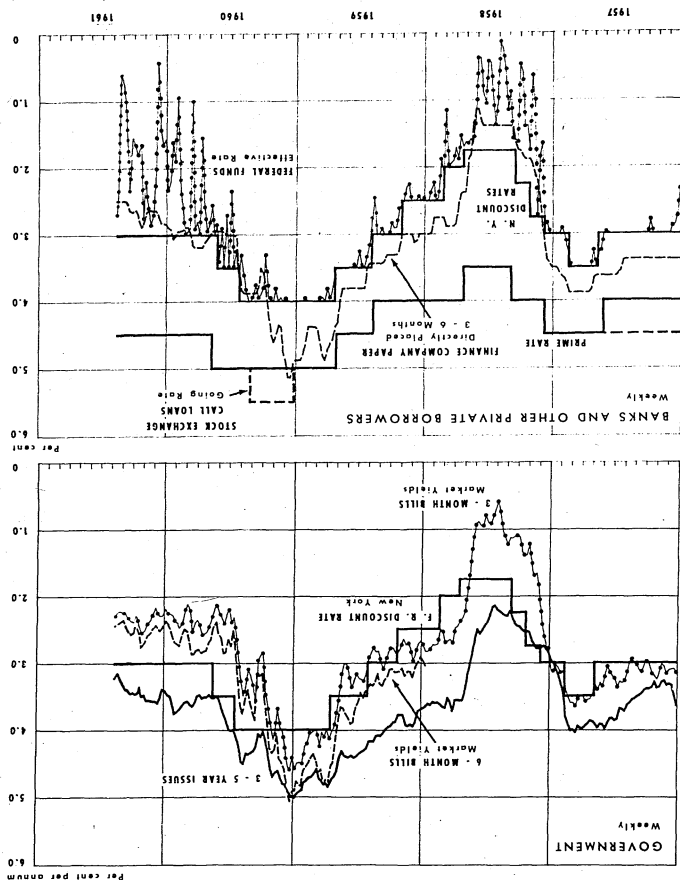
2/ Weekly average of daily figures. The series includes bonds due or callable in 10 years or more.

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.

# SHORT- AND INTERMEDIATE-TERM INTEREST RATES

EXHIBIT C



## 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)	2.35 (4/28)	3.15 (5/12)	.12	.92
Apr. 21	3.00	2.25	2.41	3.38	.16	1.13
Apr. 28	3.00	2.23	2.35	3.32	.12	1.09
May 5	3.00	2.22	2.38	3.23	.16	1.01
May 12	3.00	2.23	2.40	3.15	.17	.92
May 19 p/ ✓	3.00	2.29 ✓	2.43	3.24	.14	.95

## Banks and Other Private Borrowers

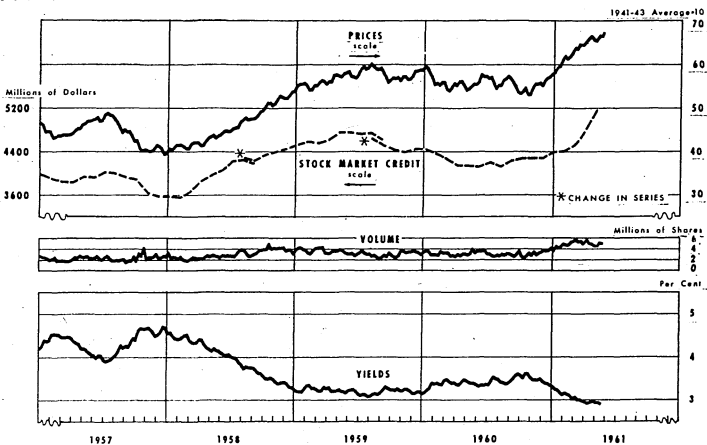
Date	Stock Exchange call loan <u>1/</u>	Prime rate <u>1/</u>	Finance company paper <u>3/</u>	Federal funds <u>4/</u>	Spread between 3-mo. bills and finance co. paper
	(per cent)				
1954 - Low	3.00	3.00	1.25 (12/31)	n.a.	0
1957 - High	4.50	4.50	3.88 (11/15)	3.50 (11/8)	.63
1958 - Low	3.50	3.50	1.13 (8/8)	.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	2.50 (5/19)	.43 (1/27)	.15
Apr. 21	4.50	4.50	2.53	1.15	.26
Apr. 28	4.50	4.50	2.50	.75	.27
May 5	4.50	4.50	2.50	.60	.28
May 12	4.50	4.50	2.50	2.40	.27
May 19 p/	4.50	4.50	2.50	2.70	.21

- 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 different series. For spreads, high refers to widest, and low to narrowest.



EXHIBIT E

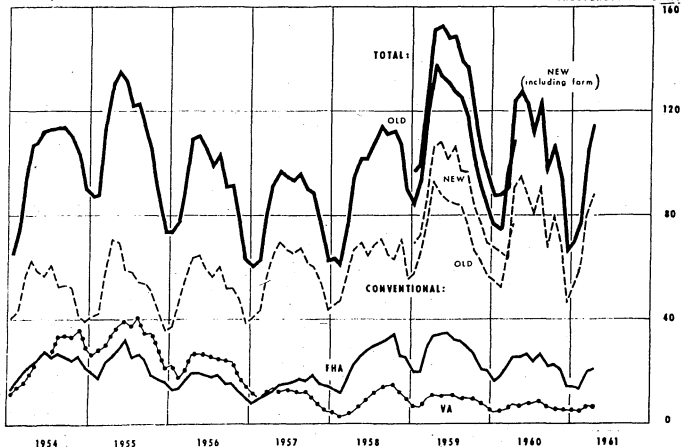
STOCK MARKET



PRIVATE HOUSING STARTS

Monthly

Thousands of Units



## 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	67.27 (5/19)	2.90	5.8	5,190 (4/61)	3,936 (4/61)	1,275 (5/12)
Low	58.48 (1/6)	3.32	3.6	4,416 (1/61)	3,253 (1/61)	1,152 (3/10)
March	64.12	3.03	5.4	4,775	3,601	1,174
April	65.83	2.95	5.1	5,190	3,936	1,254
May 5	66.52	2.92	4.6	n.a.	n.a.	1,271
May 12	66.45	2.92	5.2	n.a.	n.a.	1,275
May 19 p/	67.27	2.90	4.9	n.a.	n.a.	n.a.

n.e.--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.

## Private Housing Starts 1/

Date	Seasonally adjusted annual rate		Unadjusted					
	Nonfarm old series	Total new series	Total		FHA	VA	Conventional	
			Nonfarm old series	Total new series			Nonfarm old series	Total new series
1960 - Apr.	1,135	1,325	109	124	25	7	76	91
May	--	1,342	--	127	25	7	--	95
June	--	1,302	--	122	26	8	--	88
July	--	1,182	--	111	24	7	--	80
Aug.	--	1,292	--	125	26	8	--	90
Sept.	--	1,066	--	97	22	7	--	68
Oct.	--	1,256	--	109	23	6	--	81
Nov.	--	1,216	--	94	20	5	--	69
Dec.	--	979	--	65	14	5	--	47
1961 - Jan.	--	1,105	--	70	14	5	--	51
Feb.	--	1,187	--	76	13	5	--	58
Mar. p/	--	1,317	--	105	20	6	--	79
Apr. p/	--	1,233	--	115	21	6	--	88

Total starts are Census estimates, which are not strictly comparable with old nonfarm series developed by H.S. A dwelling unit is started when excavation begins; all units in an apartment structure are considered started at that time. FHA and VA starts are units started under commitments by these agencies to insure or guarantee the mortgages. As reported by FHA and VA, a unit is started when a field office receives the first compliance inspection report, which is made before footings are poured in some cases but normally after the foundations have been completed.

Capehart military housing units are excluded. Conventional starts are derived as a residual, although total and FHA and VA starts are not strictly comparable in concept or timing; they include both units financed by conventional mortgages and units without mortgages.

## 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	580	577	821	708	700	648
February	667	715	738	661	611	859
March	562	860	646	740	568	638
April	e/2,000	766	894	e/725	719	934
May	e/950	567	785	e/550	545	568
June		1,034	887		991	987
July		727	535		492	443
August		962	740		606	521
September		738	703		683	470
October		874	879		348	593
November		959	864		501	450
December		876	900		491	478
1st quarter	1,809	2,151	2,204	2,109	1,880	2,145
2nd quarter		2,367	2,567		2,256	2,488
3rd quarter		2,427	1,979		1,780	1,433
4th quarter		2,709	2,642		1,340	1,521
1st half		4,519	4,771		4,136	4,634
Three quarters		6,945	6,750		5,916	6,067
Year		9,055	9,392		7,257	7,588
Excluding finance companies 3/						
1st quarter	e/1,509	1,722	1,999			
2nd quarter		2,150	2,412			
3rd quarter		2,017	1,716			
4th quarter		2,358	2,503			
Year		8,248	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.

Exhibit H

Other Security Offerings  
(In millions of dollars)

	Gross long-term 1/					
	Foreign government 2/			Federal agency 3/		
	1961	1960	1959	1961	1960	1959
January	6	2	81	--	182	199
February	29	175	60	--	150	--
March	20	70	2	252	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	160	58	-4	-144	-196	-82
February	195	140	181	-162	-202	176
March		-80	4	-174	-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. Sources: Securities and Exchange Commission.

3/ Issues not guaranteed by the U. S. Government. Sources: 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 PHA notes included may have a somewhat longer term than one year. Sources: 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 - 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
April	1,572	383	--

**Large Individual Issues Offered May 1 through 19**

Issuer	Type <u>3/</u>	Amount (millions of dollars)	Maturity	Coupon rate or net interest cost	Offering yield	Rating
<b><u>CORPORATE</u></b>						
Bell Tel. of Pa.	Deb.	20.0	2001	4-3/4	4.60	Aaa
Nippon Tel. & Tel. Corp.	Ex. bds.	15.0	1976	6	6.47	--
Washington Gas Light Co.	Ref.mtg.bds.	15.0	1986	4-1/8	4.85	A
Continental Oil Co.	Deb.	100.0	1991	4-1/2	4.55	Aa
U. S. Freight Co.	Conv.sub.deb.	15.4	1981	5	5.00	Ba
Duke Power Co.	Com. stk.	16.6				
Tenn. Gas Trans. Corp.	Deb.	75.0	1981	5-1/8	5.13	Baa
New York St. Elec. & Gas	1st mtg. bds.	25.0	1991	4-5/8	4.50	Aa
Aerofjet-General Corp.	S.F. deb.	15.0	1981	5-1/4	5.25	Baa
Federal Paper Board Co.	S.F. deb.	20.0	1981	5	5.08	A
New England Tel. & Tel. Co.	Com. stk.	45.0				
Allegheny-Ludlum Steel Corp.	S.F. deb.	15.0	1986	4-3/4	4.78	A
<b><u>STATE AND LOCAL GOVERNMENT</u></b>						
Los Angeles Unif. Sch. Dist., Calif.	G.O.	30.0	1962-86	3.42	1.50-3.40	Aa
Grand Rapids, Mich.	Rev.-Ut.	13.1	1962-82	3.31	1.60-4.10	Aa
Port of New York Auth.	Rev.-Ut.	35.0	1962-81	3.41	1.60-3.60	A
Cincinnati, Ohio	G.O.	21.5	1962-2001	3.18	1.40-3.40 <u>4/</u>	Aaa

## Large Individual Issues Offered May 1 through 19 (Cont'd)

Issuer	Type 3/	Amount (millions of dollars)	Maturity	Coupon rate or net inter- est cost	Offering yield	Rating
<u>STATE AND LOCAL GOVERNMENT</u> (Cont'd)						
Puerto Rico Wtr. Resources Auth.	Rev.-Ut.	22.0	1963-98	4.08	2.15-4.10	A
Chicago Bd. of Educ., Ill.	G.O.	40.0	1963-81	3.28	1.85-3.50	A
Penn. St. Pub. Sch. Bldg. Auth.	Rev.-Rent.	24.6	1961-2000	3.64	1.40-4.25	--
<u>OTHER</u>						
Montreal, Canada	S.F. deb.	15.0	1981	5	5.00	A
	S.F. deb.	10.0	1986	5	5.00	A

- 1/ Includes corporate and other security offerings of \$15 million and over; State and local government security offerings of \$10 million and over.
- 2/ Includes foreign government and International Bank for Reconstruction and Development issues and non-guaranteed issues by Federal agencies.
- 3/ In the case of State and local government securities, G.O. denotes general obligations; Rev.-Ut., revenue obligations secured only by income from public utilities; Rev.-Q.Ut., revenue bonds secured only by revenue from quasi-utilities; Rev.-S.T., revenue bonds secured by revenue from specific taxes only; Rev.-Rent., revenue bonds secured solely by lease payments.
- 4/ 3 per cent bonds of 1990-2001 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 - 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	--
Apr. 28	542	236	15	687	579	15

Forthcoming Large Offerings, as of May 19

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>CORPORATE</u>			
Ohio Edison Co.	1st mtg. bds.	30.0	May 23
Armco Steel Corp.	S.F. deb.	50.0	May 23
Michigan Consolidated Gas Co.	1st mtg. bds.	30.0	May 24
Consolidated Natural Gas Co.	Deb.	40.0	May 25
Aldens, Inc.	S.F. deb.	15.0	May 25
New Orleans Public Service Corp.	1st mtg. bds.	15.0	May 26
Clark Equipment Credit Corp.	Deb.	20.0	May
Indiana and Michigan Electric Co.	S.F. deb.	20.0	June 1
Columbia Gas System Inc.	Deb.	30.0	June 2
F. Lorillard Co.	S.F. deb.	40.0	June 7
Brooklyn Union Gas Co.	1st mtg. bds.	20.0	June 9
*Virginia Electric Power Co.	1st ref. mtg. bds.	30.0	June 14
Michigan-Wisconsin Pipe Line Co.	1st mtg. p.l. bds.	30.0	June 15
Southern Electric Generating Co.	1st mtg. bds.	20.0	June 16
Consolidated Edison Co.	1st ref. mtg. bds.	50.0	June 21
Union Tank Car Co.	S.F. deb.	40.0	June
Gimbel Bros., Inc.	S.F. deb.	17.2	June
Commerce Oil Refining Corp.	Deb., bds. & com.	45.0	Indefinite
Realty Collateral Corp.	Coll. tr. notes	20.0	Indefinite

## Forthcoming Large Offerings, as of May 19 (Cont'd)

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>STATE AND LOCAL GOVERNMENT</u>			
*Wisconsin State Public Bldg. Corp.	Rev.-Rent.	17.4	May 22
Owensburg, Kentucky	Rev.-Ut.	25.0	May 23
Houston, Texas	G.O.	17.2	May 24
New York State Housing Fin. Agency	Rev.	50.0	May
Monroe County Wtr. Resources Auth., New York	Rev.-Ut.	17.0	June 1
Sacramento Mun. Util. Dist., Calif.	Rev.-Ut.	30.0	June 1
Louisiana State Bond & Bldg. Comm.	Rev.-S.T.	14.0	June 1
Milwaukee, Wisconsin	G.O.	10.0	June 6
State of Ohio	G.O.	32.0	June 6
*New York, New York	G.O.	60.4	June 8
*Santa Clara County, Calif.	G.O.	20.0	June 8
*San Francisco, Calif.	G.O.	11.3	June 12
*Philadelphia, Pa.	G.O.	25.0	June 15
Nassau County, New York	G.O.	19.7	June
Massachusetts Turnpike Authority	Rev.	175.0	Indefinite
Orleans Parish School Dist., La.	G.O.	10.0	Indefinite
Dade County, Florida	G.O.	46.0	Indefinite
Jacksonville Expressway Auth.	Rev.-Ut.	40.0	Indefinite
<u>OTHER</u>			
none			

\*--Included in table for first time.

- 1/ Includes corporate and other issues of \$15 million and over; State and local government issues of \$10 million and over.
- 2/ Includes foreign government and International Bank for Reconstruction and Development issues and non-guaranteed issues by Federal agencies.

Note.--Deletions for reasons other than sale of issue: 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 (9/18/59)	123
Low	2.93 (3/31/54)	-8	3.00 (3/17/54)	-15
1960 - Jan.			*5.30 <sup>2</sup> / <sub>2</sub>	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			4.87	6
Aug.				
Sept.	4.60 <sup>2</sup> / <sub>2</sub>	22	*4.80	24
Oct.	4.65 <sup>2</sup> / <sub>2</sub>	23		
Nov.	4.82	37	4.97	35
Dec.	*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
Mar. 23	4.37	8	4.50	5
24			4.40 <sup>2</sup> / <sub>2</sub>	-5
Apr. 13			4.65 <sup>2</sup> / <sub>2</sub>	17
21			4.80 <sup>2</sup> / <sub>2</sub>	32
26	4.80	43		
27	4.67	29		
May 17	4.50 <sup>2</sup> / <sub>2</sub>	13	4.72	19
18	4.57	20		
19			4.80	27

\*--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

-19-

Sources and Uses of Funds by  
Life Insurance Companies

	Uses of funds 1/						Total sources or uses
	Cash	U. S. Govt. secur- ities	Busi- ness secur- ities 2/	State and local govt. secur- ities	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 - Mar.	1,219	6,535	49,414	3,735	42,351	18,215	121,469
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	126	31	135	202	484
Mar.	-50	-7	148	33	208	186	518

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.

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. r/	2,715	4,586	60,084	4,104	71,489	62,154	2,191	7,144
1961 - Mar.	2,684	4,970	61,515	4,184	73,353	63,975	1,616	7,762
Changes:								
1959 - Jan.	-277	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.	-401	196	314	-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	324	-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	r/272	r/-701
p/1961 - Jan.	-95	93	371	-107	262	591	-465	136
Feb. r/	59	192	427	71	749	553	-80	276
Mar.	5	99	633	116	853	677	-30	206

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 - Mar.	855	6,559	5,114	667	27,206	1,077	41,477	37,006	4,471
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	--	110	26	272	136	136
Mar.	9	117	46	-1	204	29	404	351	53

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.