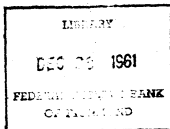


H.14

December 18, 1961.

(Next issue: January 2, 1962.)



**CAPITAL MARKET DEVELOPMENTS
IN THE UNITED STATES**

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

The volume of public security financing to obtain new capital was substantial last week but is expected to be light throughout the remainder of 1961. During the week ending December 15, three corporate security issues aggregating \$180 million were offered and three State and local government bond issues totaling \$92 million were sold. During the last two weeks of 1961, the only corporate security issue which may be sold is a \$100 million rights offering of the Kratter Corporation, offered without underwriting, which will be terminated whenever it is fully subscribed; one often delayed State and local bond issue may also be offered through negotiated sale to obtain approximately \$100 million in new capital.

Bond yields. Yields on Aaa- and Baa-rated corporate bonds increased three and one basis points, respectively, last week, while yields on State and local government bonds continued their steady rise of the past several weeks, increasing one basis point. Yields on long-term U. S. Government bonds also continued to rise, increasing another basis point to their previous high for the year.

The average yield on new corporate bonds offered last week, adjusted to a Aaa basis, was 4.55 per cent, or 16 basis points above the average for the week ending December 8. This average, however, is probably not representative of the yield which most companies could have obtained last week since this average represents a single debenture offering of a public utility which has first mortgage bonds outstanding and the bonds had a 50-year maturity as compared with a 20-30 year maturity of most new bond issues.

Short- and intermediate-term interest rates. Yields on Treasury bills and 3-5 year U. S. Government obligations also increased last week. Yields on 3-month and 6-month Treasury bills continued to reach new highs, increasing a single basis point each, while yields on intermediate-term U. S. Government obligations advanced two basis points. Several finance companies announced early last week that they were raising the rate on their paper with 90-179 days maturity from 2-7/8 to 3 per cent; the average interest rate paid on such finance company paper increased 11 basis points to 2.94 per cent as a result. The average rate on Federal funds declined 50 basis points to 1.70 per cent. Other short- and intermediate-term interest rates were unchanged.

Mortgage yields. Average yields on 5-1/4 per cent FIA home mortgages sold in the secondary market in November were unchanged for the third consecutive month at 5.72 per cent, slightly above the recent low of 5.70 per cent reached in July. Offering yields on new corporate bonds in November--adjusted to a Aaa basis--rose 6 basis points after several months of decline, and the spread between bond and mortgage yields narrowed somewhat to 140 basis points. This was about the same as the average spread early this spring; the cyclical low spread was 108 basis points in July.

Stock market credit. Customer credit in the stock market increased substantially in November, rising \$127 million to a record level of \$5.5 billion at the end of the month. Customer debit balances, except for those secured by U. S. Government securities increased \$112 million; this together with the small increases of the past two months, was more than sufficient to offset the June-August declines from the previous high reached in May. Bank loans to others for purchasing and carrying securities increased by \$15 million.

Money borrowed by NYSE member firms also rose to a new high in November, following four successive months of moderate declines from the previous high reached in June; customers' free credit balances increased slightly. These and other data on stock market credit for October and November are shown in the following table.

	End of month		Change
	Nov.	Oct.	
	(Millions of dollars)		
Customer credit			
Excluding U. S. Government securities - total	5,460	5,333	+127
Net debit balances	4,141	4,029	+112
Bank loans to "others"	1,319	1,304	+15
Net debit balances secured by U. S. Govt. securities	39	44	-5
Bank loans to "others" for purchasing or carrying U. S. Government securities	102	103	-1
Broker and dealer credit			
Money borrowed except on U. S. Government securities	2,752	2,654	+98
On customer collateral	2,434	2,360	+74
Money borrowed on U. S. Government securities	51	56	-5
Customers' net free credit balances	1,219	1,214	+5

c/ Corrected.

Stock prices. Common stock prices, as measured by Standard and Poor's composite index of 500 stocks, changed little last week, closing on December 15 at 72.01, slightly below the preceding week's close and down somewhat more from the peak reached earlier in the week. Trading was in substantial volume, averaging 4.5 million shares a day.

Institutional investors. Total savings inflow during October at three major financial institutions--life insurance companies, savings and loan associations, and mutual savings banks--amounted to \$1.4 billion, or slightly more than a year ago. While the increase in both assets of life insurance companies and share capital of savings and loan associations was about one-tenth more than last year, deposits of mutual savings banks declined slightly in contrast to a modest net inflow a year earlier. Time deposits at commercial banks increased about \$0.5 billion, one-sixth less than in 1960.

On a seasonally adjusted basis, the October net inflow was about one-tenth larger than the monthly average for the year to date. Appreciably larger flows in October at both life insurance companies and savings and loan associations were more than sufficient to offset a smaller increase in deposits of mutual savings banks.

Assets of life insurance companies increased \$0.7 billion in October, or about one-tenth more than in October 1960. Net acquisition of business securities amounting to \$0.3 billion were the largest of any month this year, although somewhat less than a year earlier when acquisitions were inflated by short-term commercial paper purchases. Mortgage acquisitions of \$0.2 billion were larger than in other recent months but about the same as last year.

The net inflow of savings at savings and loan associations in October was in very large volume, amounting to \$0.7 billion, or 8 per cent more than in 1960 due to a greater increase in new deposits than in withdrawals. On a seasonally adjusted basis, inflow in October was at a record rate, about one-fifth larger than earlier this year. Associations continued to make mortgage loans in very large volume in October. Net acquisitions of mortgages of \$0.8 billion were one-third larger than a year ago and, although they were less than in September, the September-October decline was less than seasonal.

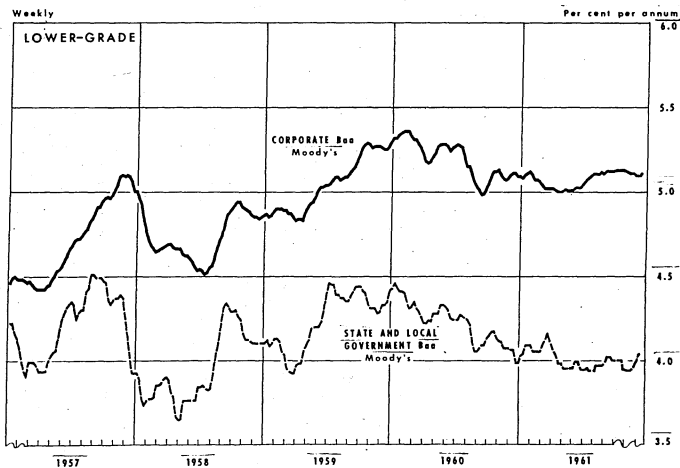
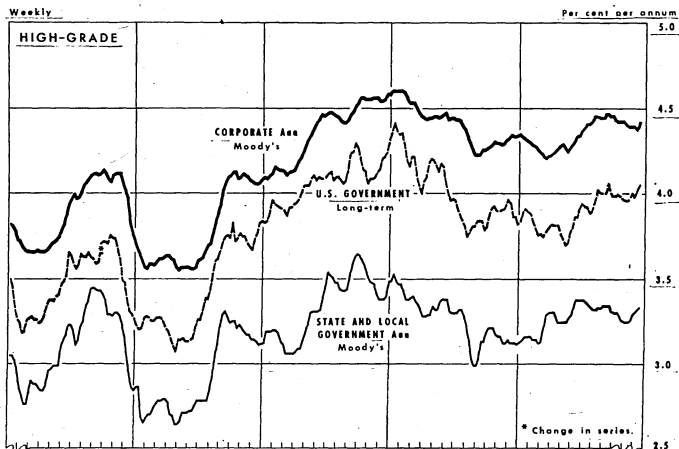
Deposits at mutual savings banks declined slightly in October as withdrawals, following quarterly crediting of interest, exceeded new deposits. Last October deposits increased by \$57 million. While both new deposits and withdrawals were larger than last year, the rise in the latter was greater than in new deposits. On a seasonally adjusted basis, the deposit increase was about one-fifth less than the average for this year and the smallest since last spring. Mortgage acquisitions of \$0.2 billion were little changed from the average of the first nine months of 1961 but were slightly larger than last year. All other balance sheet items declined as they usually do in October; the decline in business and Federal agency securities of \$56 million was the largest since January 1959.

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 (4/28)	2.64 (5/1)	.22	.34
1959-60 - High	4.61 (1/29/60)	4.42 (1/9/60)	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	4.46 (9/15)	4.06 (12/15)	3.37 (7/6)	.57	.76
Low	4.21 (3/17)	3.70 (5/12)	3.12 (2/23)	.34	.46
Nov. 17	4.39	4.00	3.26	.39	.74
Nov. 24	4.39	3.98	3.29	.41	.69
Dec. 1	4.38	4.01	3.31	.37	.70
Dec. 8	4.39	4.05	3.32	.34	.73
Dec. 15 p/	4.42	4.06	3.33	.36	.73

Lower-grade

Date	Corporate Baa 1/	State and local gov't. Baa 3/	Spread between Aaa and Baa	
			Corporate	State and local gov't.
	(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	5.13 (10/27)	4.16 (3/23)	.81	.93
Low	5.00 (4/21)	3.93 (11/9)	.66	.57
Nov. 17	5.11	3.95	.72	.69
Nov. 24	5.10	3.96	.71	.67
Dec. 1	5.10	4.01	.72	.70
Dec. 8	5.10	4.03	.71	.71
Dec. 15 p/	5.11	4.04	.69	.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.

EXHIBIT C

SHORT- AND INTERMEDIATE- TERM INTEREST RATES

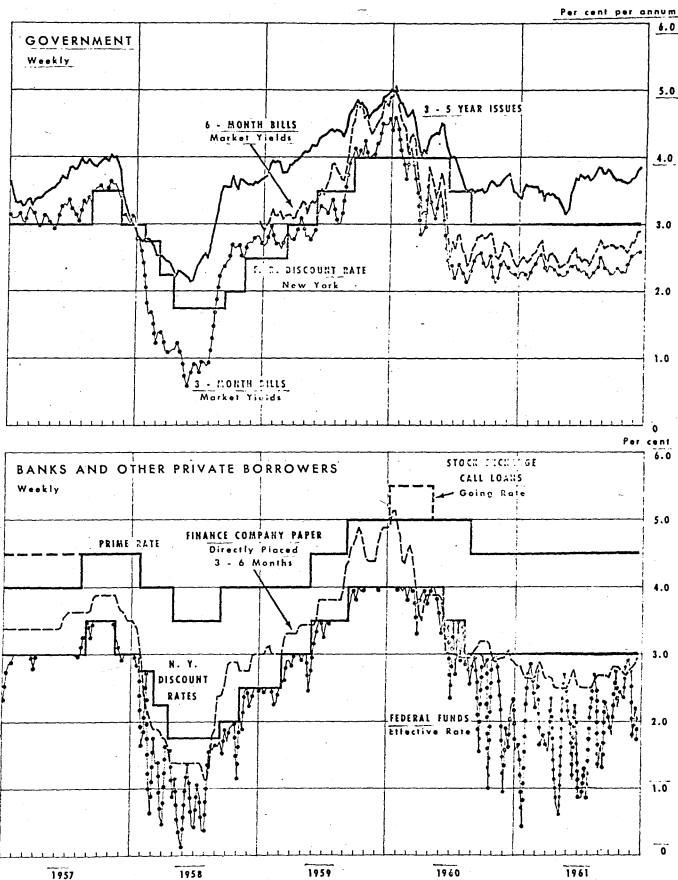


Exhibit D - Tables for Exhibit C

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 2/	3-5 yr. issues 2/
(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	2.59 (12/15)	2.89 (12/15)	3.86 (8/11)	.44	1.51
Low	3.00	2.17 (1/27)	2.35 (4/28)	3.15 (5/12)	.12	.92
Nov. 17	3.00	2.53	2.74	3.69	.21	1.16
Nov. 24	3.00	2.54	2.73	3.69	.19	1.15
Dec. 1	3.00	2.56	2.78	3.74	.22	1.18
Dec. 8	3.00	2.58	2.88	3.82	.30	1.24
Dec. 15 p/	3.00	2.59	2.89	3.84	.30	1.25

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
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	2.94 (12/15)	2.88 (11/10)	.56
Low	4.50	4.50	2.50 (7/28)	.43 (1/27)	.11
Nov. 17	4.50	4.50	2.73	2.90	.20
Nov. 24	4.50	4.50	2.78	2.75	.24
Dec. 1	4.50	4.50	2.81	1.75	.25
Dec. 8	4.50	4.50	2.83	2.20	.23
Dec. 15 p/	4.50	4.50	2.94	1.70	.34

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.

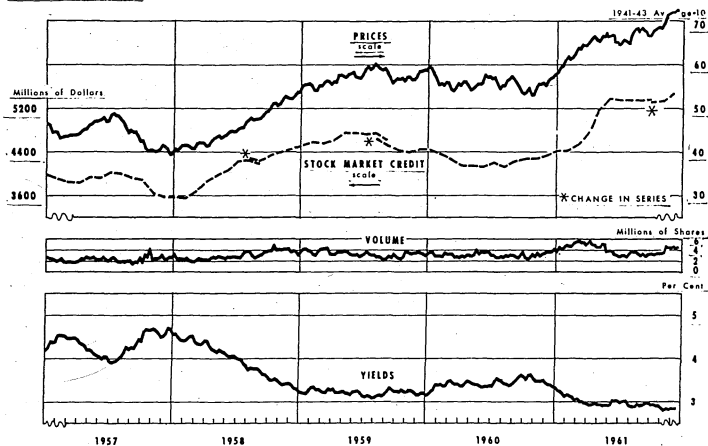
3/ Average of daily rates published by finance companies for directly placed paper for varying maturities in the 90-179 day range.

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.

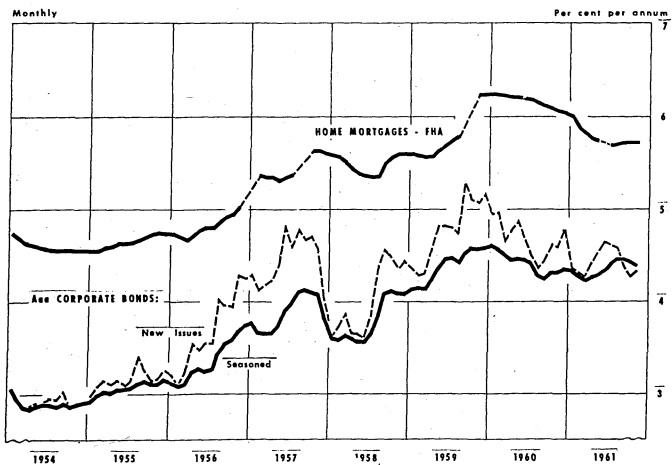
Note:--Highs and lows are for individual series and may be on different dates for different series. For spreads, high refers to widest, and low to narrowest.

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 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 (12/29/57)	4.72	1.4	3,554 (1/59)	2,482 (12/57)	1,060 (11/57)
1961 - High	72.04 (12/8)	2.82	5.8	5,460 (12/61)	4,141 (12/61)	1,377 (8/30)
Low	58.48 (1/6)	3.32	2.7	4,424 (1/61)	3,253 (1/61)	1,161 (3/8)
October	68.00	2.90	3.3	5,333	4,029	1,304
November	71.07	2.82	4.4	5,460	4,141	1,319
Dec. 1	71.78	2.83	4.5	n.a.	n.a.	1,319
Dec. 6	72.04	2.82	4.2	n.a.	n.a.	1,324
Dec. 15 p/	72.01	2.84	4.5	n.a.	n.a.	n.a.

n.a.--Not available.

p/ Preliminary.

1/ Standard and Poor's composite index of 500 common stocks, weekly closing prices, 1941-43=10. Monthly data are averages of daily figures rather than of Fridays' only. Highs and lows are for Fridays' data only.

2/ Standard and Poor's composite stock yield based on Wednesday data converted to weekly closing prices by Federal Reserve. Yields shown are for dates on which price index reached its high or low.

3/ Averages of daily trading volume on the New York Stock Exchange.

4/ End of month figures for member firms of the New York Stock Exchange which carry margin accounts; excludes balances secured by U. S. Government obligations.

5/ Wednesday figures for weekly reporting member banks. Excludes loans for purchasing or carrying U. S. Government securities. Prior to July 1, 1959, such loans are excluded only at banks in New York and Chicago. Weekly reporting banks account for about 70 per cent of loans to others. For further detail see Bulletin.

Mortgage and Bond Yields 1/

Date	FHA mortgages 2/	Aaa corporate bonds 1/		Spread between new corporate bonds and	
		New 3/	Seasoned 4/	FHA mortgages	Seasoned bonds
1953-58 - 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	-.16
1961 - July	5.70	4.62	4.41	1.08	.21
August	5.71	4.59	4.45	1.12	.14
September	5.72	4.38	4.45	1.34	-.07
October	5.72	4.26	4.42	1.46	-.16
November	5.72	4.32	4.39	1.40	-.07

1/ Neither mortgage nor bond yields take into account servicing costs which are much higher for mortgages than bonds. Generally, bonds pay interest semi-annually; mortgages, monthly. Mortgage yields, if computed as equivalent to a semiannual interest investment, would be slightly higher than given in the table.

2/ Based on FHA field-office opinions about average bid prices in the private secondary market for new-home mortgages for immediate delivery. Since late 1955, data relate only to 25-year mortgages with downpayments of 10 per cent or more, weighted by probable volume of transactions. Yields computed by FRB, assuming 25-year mortgages are paid off in 12 years. Dashed lines indicate periods of adjustment to changes in the contractual interest rate.

3/ First National City Bank of New York. Averages of offering yields of all new issues of publicly-sold bonds rated Aaa, Aa, or A by Moody's Investors Service (except serial and convertible issues and offerings of natural gas and foreign companies) weighted by size of issue. Yields on Aa and A issues are first adjusted to an Aaa basis by the spread between yields of outstanding bonds in these categories and those on Aaa-rated bonds. The series reflects changes in industrial comp action, maturity, type, etc. of new offerings.

4/ Moody's Investors Service. Monthly averages of daily data. See Exhibit B.

Yields on New Corporate Bond Issues Adjusted to an Aaa Basis

	Number of issues included	Amount of issues included (millions of dollars)	Average yield (per cent)		Number of issues included	Amount of issues included (millions of dollars)	Average yield (per cent)
Monthly averages:							
1961 - January	3	29.0	4.35	June 2	3	60.0	4.66
February	6	97.8	4.31	9	4	307.0	4.68
March	4	108.0	4.26	16	6	137.0	4.68
April	12	563.0	4.42	23	3	130.0	4.56
May	15	451.0	4.51	30	2	67.5	4.58
June	18	701.5	4.65	July 7	--	--	--
July	4	273.0	4.62	14	1	8.0	4.60
August	4	115.0	4.59	21	1	200.0	4.64
September	2	78.8	4.38	28	2	65.0	4.46
October	7	200.0	4.26	August 4	2	55.0	4.54
November	9	229.0	4.32	11	1	20.0	4.73*
December				18	1	40.0	4.60
				25	--	--	--
Weekly averages:							
1961 - January 6	--	--	--	September 1	--	--	--
13	1	10.0	4.45	8	--	--	--
20	1	7.0	4.40	15	1	18.0	4.46
27	1	12.0	4.27	22	--	--	--
February 3	1	6.8	4.61*	29	1	60.8	4.36
10	2	48.0	4.32	October 6	2	45.0	4.25
17	3	43.0	4.27	13	--	--	--
24	--	--	--	20	2	60.0	4.21
March 3	--	--	--	27	3	95.0	4.28
10	--	--	--	November 3	3	45.0	4.21
17	--	--	--	10	--	--	--
24	4	108.0	4.26	17	4	94.0	4.29
31	--	--	--	24	1	60.0	4.35
April 7	3	90.0	4.28	December 1	1	30.0	4.40
14	3	82.0	4.40	8	2	75.0	4.29
21	2	312.0	4.42	15	1	40.0	4.55
28	4	79.0	4.54	22			
May 5	3	165.0	4.49	29			
12	1	30.0	4.47	1962			
19	6	91.0	4.47	January 5			
26	5	165.0	4.55	12			
				19			
				26			

Notes: Averages of offering yields on all new issues of publicly sold bonds rated Aaa, Aaa-1 and A by Moody's Investors Service (except serial, equipment trust and convertible issues, offerings of natural gas pipeline and foreign companies, and issues guaranteed by the Federal Government) weighted by size of issues. Yields on Aa- and A-rated bonds are first adjusted to an Aaa basis, using the comparable spreads in yields on seasoned bonds (Moody's averages). Averages reflect changes in industrial composition, type, maturity, and call provisions of new offerings. Weekly averages considered unusually unreliable as indicators of interest rates on new issues because of the small number or special characteristics of offerings included etc. are marked with an asterisk.

Exhibit H

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	570	821	715	700	648
February	667	715	738	689	611	859
March	562	860	646	763	568	638
April	2,118	761	894	720	719	934
May	1,259	577	785	641	545	568
June	1,318	1,044	887	1,085	991	987
July	1,028	736	535	470	492	443
August	762	967	740	e/581	606	521
September	647	726	703	e/750	683	470
October	p/1,033	890	879	e/600	348	593
November	e/800	956	864	e/800	501	450
December	e/975	852	900	e/550	491	478
1st quarter	1,809	2,145	2,204	2,168	1,880	2,145
2nd quarter	4,695	2,382	2,567	2,446	2,256	2,488
3rd quarter	2,437	2,428	1,979	e/1,801	1,780	1,433
4th quarter	e/2,808	2,698	2,642	e/1,950	1,340	1,521
1st half	6,504	4,527	4,771	4,613	4,136	4,634
Three quarters	8,941	6,955	6,750	e/6,415	5,916	6,067
Year	e/11,749	9,653	9,392	e/8,365	7,257	7,508
	Excluding finance companies 3/					
1st quarter	1,554	1,716	1,999			
2nd quarter	4,552	2,165	2,412			
3rd quarter	2,337	2,018	1,716			
4th quarter	e/2,708	2,347	2,503			
Year	e/11,146	8,246	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 I

New Corporate Security Issues, Type of Issue and Issuer
(In millions of dollars)

Quarter or month	Gross proceeds for new capital and refunding ^{1/}				Net proceeds for new capital ^{1/ 2/}			
	Total	Bonds		Common and pfd. stk.	Mfg.	Public utility	Communi- cations	Other issuers
		Publicly offered	Privately offered					
1959 - I	2,281	787	835	660	358	813	105	928
II	2,665	960	894	811	750	979	43	794
III	2,062	807	859	396	468	470	99	942
IV	2,739	1,004	1,044	691	364	927	460	890
1960 - I	2,265	934	795	536	298	598	189	1,059
II	2,537	1,074	770	692	511	806	149	913
III	2,520	1,336	754	429	562	652	317	896
IV	2,832	1,462	955	416	625	696	381	997
1961 - I	1,992	662	880	449	515	381	81	832
II	5,352	2,303	1,275	1,774	1,466	1,081	1,095	1,052
III	2,566	772	1,139	654	935	595	104	803
IV								
1960 - Jan.	641	324	190	126	59	155	36	319
Feb.	735	253	294	189	67	245	85	318
Mar.	889	357	311	221	172	198	68	422
Apr.	805	348	232	226	171	303	52	236
May	608	186	220	202	92	144	36	304
June	1,124	540	319	265	249	362	61	373
July	777	415	236	127	182	126	57	370
Aug.	996	592	229	175	220	222	165	359
Sept.	747	329	289	128	161	303	94	168
Oct.	928	621	157	150	185	203	254	249
Nov.	1,009	518	357	134	249	314	27	366
Dec.	895	323	441	131	191	180	100	381
1961 - Jan.	601	178	294	129	169	137	21	253
Feb.	695	273	255	167	99	160	41	368
Mar.	696	211	331	154	248	84	19	211
Apr.	2,231	713	348	1,170	574	254	994	297
May	1,342	666	355	320	447	439	85	289
June	1,779	924	572	283	446	389	16	467
July	1,075	424	392	259	428	269	16	315
Aug.	813	225	411	177	255	215	13	279
Sept.	678	123	336	218	252	111	75	209
Oct. ^{p/}	1,101	336	458	308	293	262	25	434
Nov. ^{e/}	820	380	280	160	210	280	70	240
Dec.								

^{p/} Preliminary. ^{e/} Estimated. ^{1/} Gross proceeds exceed net proceeds by the cost of flotation. ^{2/} For total see Exhibit H; other issuers are extractive, railroad and other transportation, real estate and finance and commercial and other. Source.--Securities and Exchange Commission.

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	2	34	58	100	148	--
May	66	72	50	149	354	--
June	29	40	42	278	--	--
July	5	25	85	--	--	--
August	2	1	1	250	199	98
September	--	36	35	193	--	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	160	58	-4	-144	-196	-82
February	195	140	181	-162	-202	176
March	-8	-80	4	-174	-59	33
April	-103	70	197	-79	-277	50
May	-42	-146	-25	-87	170	368
June	-155	-157	-197	207	320	286
July	109	48	57	22	95	362
August	518	415	392	193	23	133
September	-86	-175	131	108	-201	79
October		-16	-81	98	-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 PHA notes included may have a somewhat longer term than one year. Source: Bond Buyer and Federal Reserve.

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>
	Total	Bonds (other than convertibles)	Convertible bonds	Stocks		
1960 - November	465	465	--	--	186	150
December	260	235	--	25	222	99
1961 - January	147	106	--	41	391	--
February	267	230	--	37	360	--
March	70	25	40	5	405	67
April	1,572	560	--	1,010	383	--
May	557	480	15	62	256	25
June	532	435	--	97	616	151
July	475	285	75	115	179	--
August	185	165	--	20	281	100
September	168	78	33	58	435	73
October	354	205	67	81	326	40
November	391	320	26	45	480	250

Large Individual Issues Offered December 1 through 15

Issuer	Type <u>3/</u>	Amount (millions of dollars)	Maturity	Coupon rate or net interest cost	Offering yield	Rating
<u>CORPORATE</u>						
Borden Co.	Deb.	50.0	1991	4-3/8	4.45	Aa
Gen. Tel. Co. of Calif.	1st mtg. bds.	25.0	1991	4-5/8	4.63	A
Tenn. Gas Transmission Co.	Deb.	50.0	1981	5-1/4	5.15	Baa
Pacific Lighting Corp.	Com. stk.	35.9				
* Bank of America	Com. stk.	94.4				
<u>STATE AND LOCAL GOVERNMENT</u>						
Baltimore, Maryland	G.O.	28.5	1962-87	3.30	1.60-3.50 <u>4/</u>	Aa
State of Connecticut	G.O.	25.0	1963-82	3.11	1.60-3.35	Aaa
Oakland Co., Twelve Town Drainage Dist., Mich.	G.O.	33.7	1963-92	3.83	1.75-4.00	A
Grand River Dam Auth., Okla.	Rev.	35.0	2002	n.a.	4.40 <u>5/</u>	--
New York City, New York	G.O.	53.1	1962-86	3.31	1.70-3.70	A
Penna. State Public Sch. Bldg. Auth.	Rev.-Rent.	23.0	1962-2000	3.65	1.75-4.10 <u>6/</u>	--
Oklahoma City, Okla.	G.O.	15.9	1964-87	n.a.	2.10-3.60	A

Footnotes

*--Rights offering.

- 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.-C.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/ 1986-87 maturities not reoffered.
- 5/ An additional \$15 million in bonds due 1965-88 were sold to refund outstanding securities.
- 6/ 1997-2000 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 - 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
May 31	487	431	75	611	771	75
June 30	521	195	--	666	291	--
July 31	170	406	--	255	537	--
Aug. 31	175	399	73	240	530	73
Sept. 29	358	251	35	504	454	35
Oct. 31	346	597	--	411	693	--
Nov. 30	356	295	--	421	498	--

Forthcoming Large Offerings, as of December 15

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>CORPORATE</u>			
Kratter Corp.	Sub. deb.	100.0	Dec. (rights expire)
New York Telephone Co.	Mtg. bds.	60.0	Jan. 10
Commerce Oil Refining Corp.	Deb., bds. & com.	45.0	Indefinite
Realty Collateral Corp.	Coll. tr. notes	20.0	Indefinite
<u>STATE AND LOCAL GOVERNMENT</u>			
Florida Turnpike Auth.	Rev.	100.0	Dec.
Georgia Rural Roads Auth.	Rev.-S.T.	13.0	Jan. 4
*Commonwealth of Puerto Rico	G.O.	25.0	Jan. 3
Montgomery Co., Maryland	G.O.	13.2	Jan. 9
East Bay Mun. Util. Dist., Calif.	G.O.	30.0	Jan. 9
San Jose, California	G.O.	20.0	Jan. 10
Ascension-St. James Bridge & Ferry Auth.	Rev.-Ut.	30.8	Jan. 15
Orleans Parish Sch. Dist., La.	G.O.	10.0	Indefinite
Dade County, Florida	G.O.	46.0	Indefinite
Jacksonville Expressway Auth.	Rev.-Ut.	40.0	Indefinite
Los Angeles Dept. of Wtr. & Pwr.	Rev.-Ut.	16.0	Indefinite
<u>OTHER</u>			
None			

Footnotes

*--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.

Sources and Uses of Funds by
Life Insurance Companies

	Uses of funds 1/						Total sources or uses
	Cash	U. S. Govt. securities	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 - Oct.	1,331	6,403	50,946	3,868	43,580	18,936	125,064
Changes:							
1959 - 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	-
Oct.	90	-62	311	33	214	11	591
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	464
Mar.	-50	-7	148	33	208	186	518
Apr.	9	-47	135	34	202	119	452
May	75	63	170	5	170	58	541
June 2/	-39	-182	270	-13	222	31	289
July	40	71	245	25	107	142	630
Aug.	-18	--	211	36	164	128	521
Sept.	14	-50	213	29	165	138	509
Oct.	31	13	288	17	199	105	653
Nov.							
Dec.							

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

2/ Includes securities of domestic corporations only.

Source: FRBS of St. Louis.

Sources and Uses of Funds by
Savings and Loan Associations

	Uses of funds 1/				Total sources or uses	Sources of funds		
	Cash	U. S. Govt. securities	Mortgages 2/	Other assets		Net change savings capital	Borrowing 3/	Other
Value of assets at end of period	(In millions of dollars)							
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.	2,715	4,586	60,084	4,104	71,489	62,154	2,191	7,144
1961 - Oct.	2,805	5,086	67,305	4,578	79,774	68,570	2,357	8,847
Changes:								
1959 - 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	-119	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	106	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	272	-701
p/1961 - Jan.	-95	93	371	-107	262	591	-465	136
Feb.	59	192	427	71	749	553	-80	276
Mar.	3	107	689	123	922	705	-26	243
Apr.	24	-18	694	113	813	417	88	308
May	149	--	815	216	1,180	800	41	339
June	132	31	993	-60	1,096	1,362	274	-540
July	-227	-8	738	-152	351	111	-1	241
Aug.	-86	68	906	79	967	496	132	339
Sept. r/	47	-5	802	83	927	662	130	135
Oct.	84	40	786	108	1,018	719	73	226
Nov.								
Dec.								

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/						Total sources or uses	Sources of funds	
	Cash	U. S. Govt. securities	Business securities 2/	State & local govt. securities	Mortgages	Other		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	4,573	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.	872	6,239	5,080	672	26,709	1,001	40,573	36,353	4,220
1961 - Oct.	841	6,170	5,068	683	28,536	1,061	42,360	37,968	4,392
Changes:									
1959 - 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.	84	-42	57	-5	157	-14	237	385	-148
1961 - Jan.	-49	106	3	-5	161	17	233	170	63
Feb.	21	100	-15	--	140	26	272	136	136
Mar.	9	117	46	-1	204	29	404	351	53
Apr.	-51	-216	-11	-2	176	-51	-154	-54	-100
May	30	-13	27	1	187	30	262	114	148
June	27	-41	32	22	201	-23	218	367 2/	-149
July	-26	18	2	-2	201	-28	164	23	141
Aug.	-14	6	-23	1	207	54	232	99	133
Sept.	46	-15	-19	1	156	49	220	310	-90
Oct.	-27	-120	-56	-5	178	-44	-74	-15	-59
Nov.									
Dec.									

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 stock.

Digitized by the Federal Reserve Bank of St. Louis
 2/ Conforming to FDIC redefinition, \$115 million other liabil. reclassified as deposits