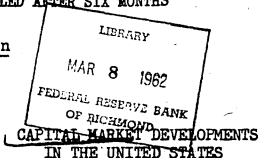


Not for Publication

H.14



March 5, 1962.

(Including Monthly Review of Capital Market Developments and Review of Sources and Uses of Funds of Financial Intermediaries in 1961)

The volume of public security financing to obtain new capital was in very substantial volume last week but is expected to be quite light this week. During the week ending March 2, one large corporate security issue for \$25 million was sold and eight State and local government bond issues aggregating \$220 million were publicly offered. The \$35 million Puerto Rico Water Resources Authority issue (of which \$13 million was for new capital), which had been scheduled for negotiated sale last week, was canceled when an underwriter expressed interest in submitting a competing bid, and the Authority announced rescheduling of the new capital portion of the issue for competitive bidding on March 14. This week, ending March 9, one corporate security issue for \$30 million is scheduled and one State and local issue with par value of \$16 million is on the calendar.

Bond yields. Yields on long-term U. S. Government bonds and on Baa-rated corporate bonds declined 4 and 2 basis points, respectively, last week. Yields on Aaa-rated corporate bonds and on State and local government bonds were unchanged.

The average yield on new corporate bonds, adjusted to an Aaa basis, was 4.37 per cent last week, or 13 basis points below the average for the previous week. At this level, new offering yields were at their lowest level this year and only 16 basis points above the 1961 low.

Short- and intermediate-term interest rates. Yields on Treasury bills and 3-5 year U. S. Government obligations declined for the second straight week. Yields on 3-month and 6-month Treasury bills declined 5 and 6 basis points, respectively, while yields on intermediate-term issues dropped 9 basis points. The average Federal funds rate increased 35 basis points from the revised level of the previous week to 2.60 per cent. Other short- and intermediate-term interest rates were unchanged.

Housing starts. Private housing starts (farm and nonfarm) edged down further in January after a sizeable decline in the previous two months and were at a seasonally adjusted annual rate of 1.3 million. This was substantially above a year earlier when starts had just begun to rise, but one-tenth below the advanced rate reached in October.

In January, starts under conventional mortgages accounted for 73 per cent of the total, compared with an average share of 75 per cent in 1961. The share represented by FHA-insured starts increased in January

to 22 per cent, while the VA proportion, which had averaged only 6 per cent of the total last year, dropped to just 5 per cent.

While all types of housing have apparently shared in the decline in starts since October, reductions have been more pronounced for single family houses than for apartments. Apartment building advanced substantially last year and in December it accounted for 27 per cent of total starts compared with an average of 22 per cent for the year as a whole. The 1961 average share was the highest since the 1920's.

To stimulate multi-family construction further, FHA recently altered the requirement of a 10 per cent cash bond to guarantee project completion from builders on most types of insured-project loans. Under the new arrangement, a builder may now substitute a letter of credit for the required amount from his bank and, while the amount must remain in his bank, he can now continue to draw interest thereon.

Stock prices. Common stock prices, as measured by Standard and Poor's composite index of 500 stocks, changed little last week, closing on March 2 at 70.16, the same as a week earlier. Trading volume continued to decline, averaging 3.0 million shares a day, 0.3 million shares less than the average for the previous week and the lowest weekly average since the week ending September 15, 1961.

March security volume. Security financing by corporations to obtain new capital is expected to be in moderate volume this month while security sales by State and local governments will probably be quite light.

Corporate security financing is expected to total \$750 million, one-sixth less than the revised total for February, but about one-third more than last year. Large public security offerings are expected to total around \$225 million. March financing in this volume would bring the total for the first quarter to \$2,250 million, one-fourth more than last year's small total, but less than in other recent quarters.

State and local governments are expected to offer about \$500 million in bonds in March, only one-half the very large February total and about one-fourth less than the average for March of the past two years. This would bring total financing for the quarter to \$2,350 million, one-twelfth more than in the corresponding period last year.

Capital markets in February. Both corporations and State and local governments sold securities to obtain new capital in very large volume during February.

Long-term financing by corporations in February totaled \$900 million, one-half more than in January and about three-tenths more than in February of the two previous years. Public offerings were probably in the largest volume since last October, but had relatively little impact on market yields. Large offerings, most of the public total, were composed of four nonconvertible bond issues which aggregated \$425 million, more than in any month since last June.

The most important of the month's offerings was a \$300 million AT&T debenture issue, the largest straight bond issue ever sold at competitive bidding; this Aaa-rated issue was reoffered by the underwriters to yield 4.52 per cent, slightly less than some investors had expected, and got off to a slow start. Over half the AT&T issue was undistributed a week after the original offering when \$50 million of Duke Power bonds, also rated Aaa, were reoffered to yield slightly less (4.50 per cent) and also were slow at retail. By the end of the month, however, these issues were successfully distributed and quoted at small premiums as investor interest increased, in part because of the failure of the calendar of forthcoming offerings to increase substantially. The several other smaller public bond issues sold during the month were well received and, as a result, the volume of securities still in syndicate at month-end was quite small. Average yields on new corporate offerings, adjusted to an Aaa basis, increased another 5 basis points during the month to 4.50 per cent, reflecting partly the large size of the issues included, while yields on seasoned issues changed little.

New bond issues of State and local governments aggregated \$1 billion in February, about one-sixth more than in January and one-half more than in February of the past two years. This large February financing probably reflected in part the stimulus of declining yields, particularly for bonds in the 10-20 year maturity range where commercial banks were reported to have concentrated their acquisitions since late last year.

In contrast to January, when underwriters were able to distribute new issues promptly, they began to encounter considerable investor resistance to new offerings at lower yields early last month and the volume of advertised inventories of unsold securities climbed almost \$300 million during the month to a record high of \$562 million at month-end.

Yields on municipal bonds continued to decline during most of February as bidding on new issues continued to be aggressive, but as the volume of unsold inventories increased, prices were cut on some of the longer maturities of a few issues sufficiently to raise their yields slightly. Yields on Aaa-rated bonds declined a net of 4 basis points during the month to 3.08 per cent, as the increase in yields late in the month only partially offset the earlier decline.

Common stock prices changed little during February. Prices, as measured by Standard and Poor's composite index of 500 common stocks, closed the month at 69.96, somewhat less than two per cent above the end of January level, but still about three per cent under the record high of December 12. Trading was moderately active on balance, averaging 3.5 million shares a day, or somewhat less than in January, but volume was declining throughout most of the month.

Institutional investors. Total savings inflow during December at three major financial institutions--life insurance companies, savings and loan associations, and mutual savings banks--amounted to \$2.8 billion, one-eighth more than in December 1960. All these institutions reported year-to-year increases in net inflow with the largest increase reported

for assets of life insurance companies. (Time deposits at commercial banks increased \$0.5 billion during December, only one-third as much as a year earlier.)

During 1961 the net inflow of savings at these three major types of savings institutions amounted to a record \$17.6 billion, one-sixth larger than the previous record volume of 1960. All three major types of institutions reported larger net inflows than during the previous year, but the largest increases were in savings capital at savings and loan associations and assets of life insurance companies.

Assets of life insurance companies increased a record \$6.9 billion in 1961, or one-eighth more than in 1960. Net purchases of business securities, amounting to \$2.6 billion, were in the largest volume since 1953 and one-third greater than in 1960; acquisitions were larger in most months of 1961 than in 1960 with the largest year-over-year increases taking place in the last half of the year. Mortgage acquisitions during 1961, totaling \$2.4 billion, were slightly less than a year earlier and one-third less than the record 1956 rise in holdings, as mortgages were acquired in only moderate volume until late in the year. Net liquidation of U. S. Government securities (\$340 million) was in somewhat smaller volume than in 1960.

The net inflow of new savings capital to savings and loan associations was in record volume in 1961, amounting to \$8.7 billion, or about one-seventh more than in the previous year. Acquisitions of mortgages, totaling \$8.8 billion, were also in record volume and one-fourth larger than in 1960. Borrowings from the Federal Home Loan Bank rose by \$0.7 billion in contrast with net repayment of \$0.2 billion in 1960. These enabled associations to increase their cash and Government holdings despite the large increase in mortgage acquisitions than in savings capital.

Deposits at mutual savings banks increased by \$2.1 billion during 1961, one-half more than during the previous year but one-eighth less than the record increase in deposits during 1958. Mortgage acquisitions of \$2.2 billion were one-seventh larger than a year earlier and larger than in any earlier years except 1955 and 1956. Holdings of business securities declined by \$41 million in contrast with a moderate increase in 1960, whereas, net liquidation of U. S. Government securities of \$0.1 billion were only about one-seventh that in 1960.

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.

Sources and Uses of Funds of Major Types of Savings Institutions 1/
1953-1961

-5-

(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
<u>Life Insurance Companies</u>										
1961	57	-340	2,628	2,443	300	1,784	6,872	--	--	--
1960 r/	25	-414	1,995	2,561	401	1,499	6,067	--	--	--
1959 r/	-56	-324	2,289	2,145	530	1,486	6,070	--	--	--
1958	69	154	2,479	1,821	314	1,434	6,271	--	--	--
1957	14	-526	2,495	2,241	124	950	5,298	--	--	--
1956	18	-1,026	1,972	3,569	236	808	5,577	--	--	--
1955	55	-476	2,126	3,497	165	832	6,199	--	--	--
1954	5	-746	2,280	2,653	555	1,120	5,867	--	--	--
<u>Savings and Loan Associations</u>										
1961	534	586	--	8,780	n.a.	685	10,585	8,720	657	1,208
1960 r/	497	118	--	6,929	n.a.	402	7,946	7,559	-190	577
1959 r/	-402	658	--	7,514	n.a.	621	8,391	6,607	943	841
1958	439	646	--	5,578	n.a.	338	7,001	6,064	65	872
1957	27	391	--	4,278	n.a.	571	5,263	4,764	32	467
1956	52	440	--	4,268	n.a.	408	5,156	5,006	-211	361
1955	92	325	--	5,300	n.a.	320	6,023	4,890	596	537
1954	492	93	--	4,146	n.a.	172	4,900	4,406	-77	571
<u>Mutual Savings Banks</u>										
1961	68	-93	-41	2,213	7	109	2,262	2,051	--	211
1960 r/	43	-625	231	1,941	-50	91	1,631	1,363	--	268
1959 r/	-70	-340	-81	1,868	-2	107	1,483	1,234	--	249
1958	31	-286	642	2,088	43	94	2,611	2,346	--	265
1957	-30	-419	808	1,422	13	63	1,857	1,663	--	194
1956	-45	-489	177	2,284	32	78	2,037	1,845	--	192
1955	-61	-288	-178	2,429	37	57	1,998	1,828	--	170
1954	43	-436	230	2,050	193	68	2,146	1,961	--	185

r/ Revised.

n.a.--Not available.

1/ For description of data see Exhibit M, N and O.

EXHIBIT A

LONG-TERM BOND YIELDS

Weekly

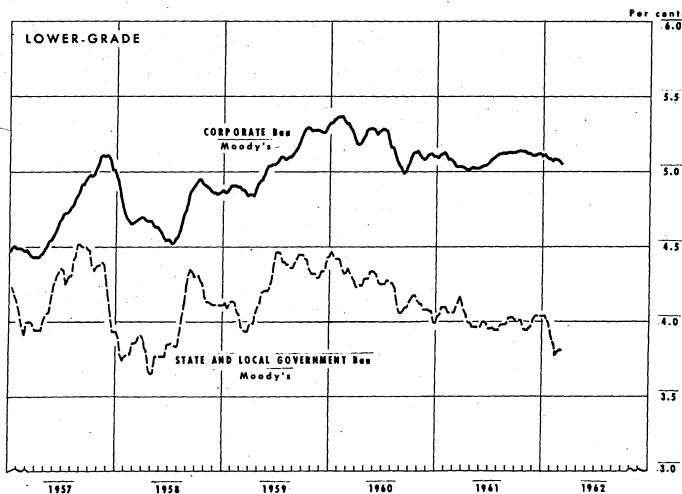
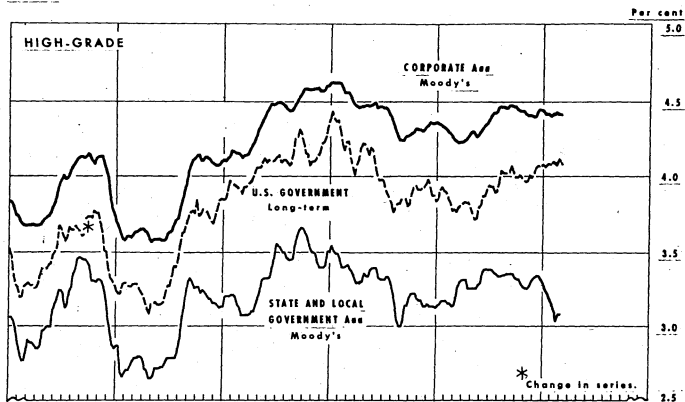


Exhibit B - Tables for Exhibit A

-7-

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)					
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
1960-61 Low	4.21 (3/17/61)	3.70 (5/12/61)	2.99 (9/1/60)	.19	.46
1961 - High	4.46 (9/15)	4.07 (12/29)	3.37 (7/6)	.57	.76
1962 - High	4.43 (2/16)	4.12 (2/23)	3.26 (1/4)	.37	1.34
Low	4.41 (1/26)	4.06 (1/5)	3.04 (2/15)	.30	.80
Feb. 2	4.42	4.10	3.12	.32	.98
Feb. 9	4.42	4.09	3.09	.33	1.00
Feb. 16	4.43	4.08	3.04	.35	1.04
Feb. 23	4.42	4.12	3.08	.30	1.04
Mar. 2 p/	4.42	4.08	3.08	.34	1.34

Lower grade

Date	Corporate Baa 1/	State and local govt. Baa 3/	Spread between Aaa and Baa	
			Corporate	State and local govt.
	(per cent)			
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
1960-61 Low	4.98 (9/9/60)	3.93 (11/9/61)	.66	.57
1961 - High	5.13 (10/27)	4.16 (3/23)	.81	.93
1962 - High	5.11 (1/5)	4.04 (1/11)	.68	.82
Low	5.05 (3/2)	3.78 (2/15)	.63	.73
Feb. 2	5.07	3.88	.65	.76
Feb. 9	5.08	3.83	.66	.74
Feb. 16	5.08	3.78	.65	.74
Feb. 23	5.07	3.81	.65	.73
Mar. 2 p/	5.05✓	3.81	.63	.73

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

Weekly

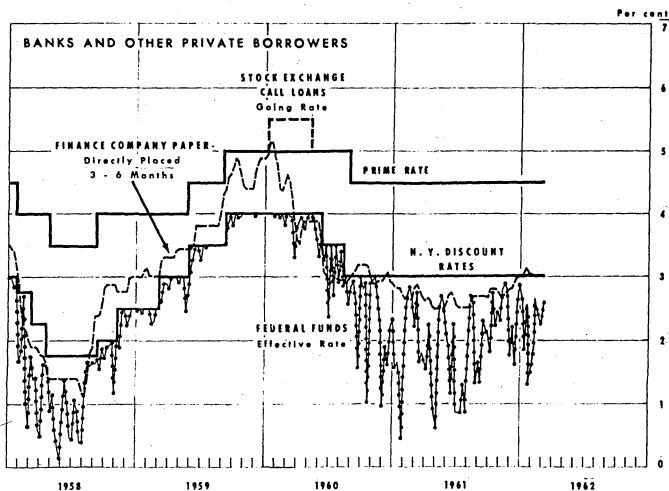
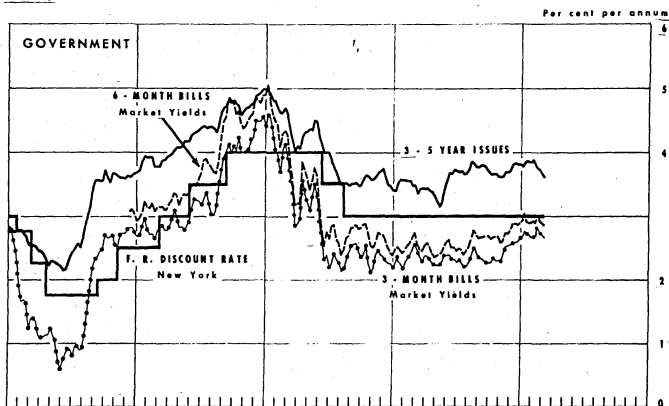


Exhibit D - Tables for Exhibit C

Short- and Intermediate-term Interest Rates

Government

Date	Discount rate 1/	Yields			Spread between yields on 3- month bills and yields on	
		3-month bills 2/	6-month bills 2/	3-5 year issues 2/	6-mo. bills	3-5 yr. issues
(per cent)						
1957 - High	3.50	3.64 (10/16)	--	4.04 (10/16)	--	.86
1958 - Low	1.75	.58 (5/29)	3.02 (12/26)	2.14 (6/6)	.26	.04
1959-60 - H	4.00	4.59 (1/8/60)	5.07 (1/8/60)	5.00 (12/24/59)	.79	1.81
1960-61 Low	3.00	2.11 (10/28/60)	2.35 (4/28/61)	3.15 (5/12/61)	.12	.38
1961 - High	3.00	2.66 (12/29)	2.90 (12/29)	3.86 (8/11)	.44	1.51
1962 - High	3.00	2.81 (2/16)	3.02 (1/12)	3.88 (2/2)	.24	1.19
Low	3.00	2.67 (1/26)	2.87 (3/2)	3.62 (3/2)	.17	.93
Feb. 2	3.00	2.69	2.92	3.88	.23	1.19
Feb. 9	3.00	2.70	2.90	3.83	.20	1.13
Feb. 16	3.00	2.81	3.00	3.78	.19	.97
Feb. 23	3.00	2.74	2.93	3.73	.19	.99
Mar. 2 p/	3.00	2.69	2.87	3.62	.18	.93

Banks and Other Private Borrowers

Date	Stock Exchange call loan 1/	Prime rate 1/	Finance company paper 2/	Federal funds 4/	Spread between 3-mo. bills and finance co. paper
(per cent)					
1957 - High	4.50	4.50	3.88 (11/15)	3.50 (11/8)	.63
1958 - Low	3.50	3.50	1.13 (8/9)	.13 (5/28)	-.35
1959-60 - High	5.50	5.00	5.13 (1/22/60)	4.00 (5/13/60)	1.02
1960-61 Low	4.50	4.50	2.50 (8/5/61)	.43 (1/27/61)	.11
1961 - High	4.50	4.50	3.00 (12/29)	2.88 (12/29)	.56
1962 - High	4.50	4.50	3.11 (1/19)	2.66 (2/9)	.38
Low	4.50	4.50	3.00 (3/2)	1.30 (1/26)	.19
Feb. 2	4.50	4.50	3.00	1.85	.31
Feb. 9	4.50	4.50	3.00	2.66	.30
Feb. 16	4.50	4.50	3.00	2.44	.19
Feb. 23	4.50	4.50	3.00	2/2.25	.26
Mar. 2 p/	4.50	4.50	3.00	2.60	.31

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 2-5 year issues consists of selected notes and bonds.

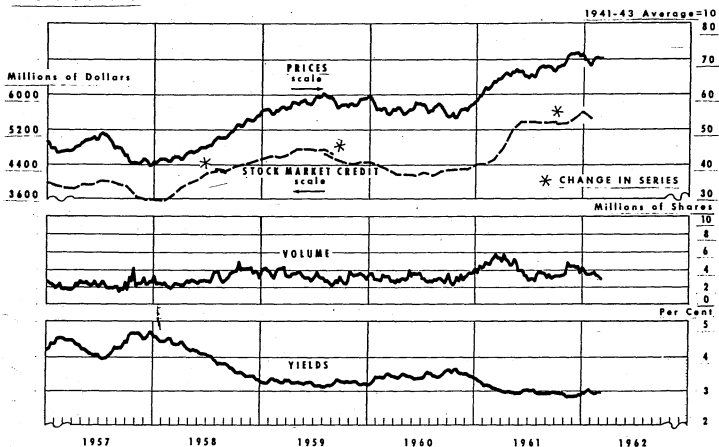
3/ Average of daily rates published by finance companies for directly placed paper for varying maturities in the 90-179 day range.

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

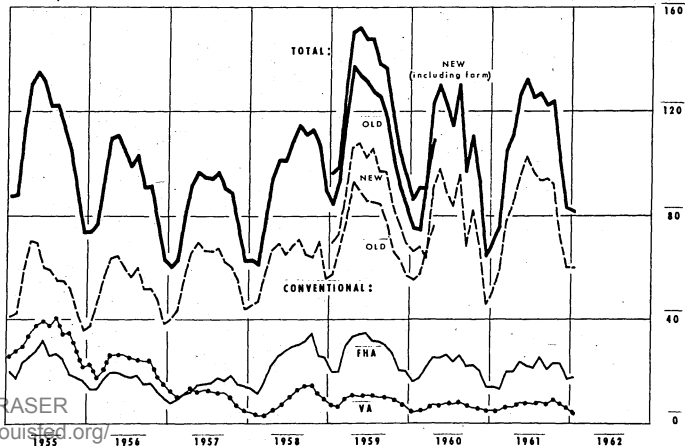
STOCK MARKET



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)						
1960-61 - High	72.04 (12/8/61)	2.82	5.8	5,602 (12/8/61)	4,259 (12/61)	1,377 (8/30/61)
Low	53.32 (10/21/60)	3.62	2.2	4,142 (5/60)	3,004 (7/60)	1,121 (5/25/60)
1962 - High	70.59 (2/16)	2.92	3.9	n.a.	n.a.	1,362 (2/14)
Low	68.13 (1/26)	3.01	3.0	n.a.	n.a.	1,348 (1/24)
January	69.07	2.97	3.7	5,463	4,110	1,353
February	70.22	2.94	3.5	n.a.	n.a.	n.a.
Feb. 9	70.48	2.93	3.8	n.a.	n.a.	1,357
Feb. 16	70.59	2.92	3.4	n.a.	n.a.	1,362
Feb. 23	70.16	2.96	3.3	n.a.	n.a.	1,361
Mar. 2 p/	70.16	2.96	3.0	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.

Private Housing Starts 1/

Date	Total		Unadjusted		
	Seasonally adjusted annual rate	Unadjusted	FHA	VA	Conventional
(Thousands of units)					
1961 - Jan.	1,127	70	14	5	51
Feb.	1,169	76	13	5	58
Mar.	1,296	105	20	6	78
Apr.	1,166	111	20	6	85
May	1,291	127	24	8	95
June	1,381	132	22	8	103
July	1,343	125	21	7	97
Aug.	1,326	127	26	8	93
Sept.	1,383	122	21	7	94
Oct.	1,434	124	23	9	91
Nov.	r/1,351	r/103	23	7	72
Dec. p/	1,309	83	17	6	60
1962 - Jan. p/	1,292	82	18	4	60

1/ Total starts are Census estimates, which are not strictly comparable with old nonfarm series developed by BLS. 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.

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 - July	4	273.0	4.62	December 15	1	40.0	4.55*
August	4	115.0	4.59	22	--	--	--
September	2	78.8	4.38	29	--	--	--
October	7	200.0	4.26	1961 - High		4.68 (6/16)	
November	9	229.0	4.32	Low		4.21 (11/3)	
December	3	115.0	4.39				
1962 - January	4	130.0	4.45	1962			
February	5	394.5	4.50	January 5	--	--	--
March				12	1	60.0	4.50
April				19	--	--	--
May				26	3	70.0	4.40
June				February 2	--	--	--
				9	2	19.5	4.40
Weekly averages:				16	1	300.0	4.52
1961 - July 7	--	--	--	23	1	50.0	4.50
14	1	8.0	4.60	March 2	1	25.0	4.37
21	1	200.0	4.64	9			
28	2	65.0	4.46	16			
August 4	2	55.0	4.54	23			
11	1	20.0	4.73*	30			
18	1	40.0	4.60	April 6			
25	--	--	--	13			
September 1	--	--	--	20			
8	--	--	--	27			
15	1	18.0	4.46	May 4			
22	--	--	--	11			
29	1	60.8	4.36	18			
October 6	2	45.0	4.25	25			
13	--	--	--	June 1			
20	2	60.0	4.21	8			
27	3	95.0	4.28	15			
November 3	3	45.0	4.21	22			
10	--	--	--	29			
17	4	94.0	4.29				
24	1	60.0	4.35				
December 1	1	30.0	4.40				
8	2	75.0	4.29				

Note: Averages of offering yields on all new issues of publicly sold bonds rated Aaa, Aa and A by Moody's Investors Service (except serial, equipment trust and convertible issue 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/		
	1962	1961	1960	1962	1961	1960
January	e/600	580	570	e/850	713	700
February	e/900	667	715	e/1,000	689	611
March	e/750	562	860	e/500	764	568
April		2,118	761		723	719
May		1,259	577		641	545
June		1,318	1,044		1,084	991
July		1,028	736		485	492
August		762	967		604	606
September		647	726		728	683
October		1,090	890		p/648	348
November		948	956		p/726	501
December		1,000	852		e/550	491
1st quarter	e/2,250	1,809	2,145	e/2,350	2,166	1,880
2nd quarter		4,695	2,382		2,447	2,256
3rd quarter		2,437	2,428		p/1,817	1,780
4th quarter		3,038	2,698		e/1,924	1,340
1st half		6,504	4,527		4,613	4,136
Three quarters		8,941	6,955		p/6,430	5,916
Year		11,979	9,653		e/8,354	7,257
Excluding finance companies 3/						
1st quarter	e/2,150	1,554	1,716			
2nd quarter		4,552	2,165			
3rd quarter		2,337	2,018			
4th quarter		2,938	2,347			
Year		11,381	8,246			

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. stock	Mfg.	Public utility	Communi- cations	Other issuers
		Publicly offered	Privately offered					
1960 - I	2,265	934	795	536	298	598	189	1,059
II	2,537	1,074	770	692	511	808	149	913
III	2,520	1,336	754	429	562	652	317	896
IV	2,832	1,462	955	416	625	696	361	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	3,236	967	1,424	845	792	836	147	1,263
1962 - I								
II								
III								
IV								
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	369	16	315
Aug.	813	225	411	177	255	215	13	279
Sept.	678	123	336	218	252	111	75	209
Oct.	1,155	336	509	310	271	306	25	487
Nov.	987	414	348	225	215	362	80	291
Dec.	1,094	217	567	310	306	168	42	485
1962 - Jan. p/	640	200	250	190	220	130	10	240
Feb.								
Mar.								
Apr.								
May								
June								
July								
Aug.								
Sept.								
Oct.								
Nov.								
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	43	34	33	--	160	--
November	34	2	30	225	149	--
December	--	41	70	--	181	86
Year	236	533	547	1,448	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	-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	-6	-16	-81	98	-23	280
November	54	50	-176	56	-33	240
December	p/-207	-189	-117	-114	-250	44
Year	p/429	18	362	-76	-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.

2/ Long-term securities are defined as those maturing in more than one year.

3/ Includes securities offered in the United States by foreign governments and their subdivisions and by international organizations. Sources: Securities and Exchange Commission.

4/ Issues not guaranteed by the U. S. Government. Sources: long-term, Securities and Exchange Commission; short-term, Treasury Department and Federal Reserve.

5/ 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.

6/ 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. Sources: 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 2/
	Total	Bonds (other than convertibles)	Convertible bonds	Stocks		
1961 - 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
December	255	125	--	130	307	--
1962 - January	195	170	--	25	561	145
February	425	425	--	--	662	64

Large Individual Issues Offered February 1 through March 2

Issuer	Type 3/	Amount (millions of dollars)	Maturity	Coupon rate or net interest cost	Offering yield	Rating
CORPORATE						
Western Union Telegraph Co.	S.F. deb.	50.0	1987	5-1/4	5.17	Baa
American Tel. & Tel. Co.	Deb.	300.0	1994	4-5/8	4.52	Aaa
Duke Power Co.	1st mtg. bds.	50.0	1992	4-1/2	4.50	Aaa
Consolidated Natural Gas	Deb.	25.0	1987	4-1/2	4.50	Aa
STATE AND LOCAL GOVERNMENT						
New York State Dormitory Auth.	Rev.	12.5	1963-97	3.68	1.90-3.75	A
State of New Jersey	G.O.	42.0	1965-92	3.05	2.00-3.25 1/4	Aaa
State of Michigan	Rev.-S.T.	25.0	1964-84	3.36	2.10-3.50	A
St. Louis, Missouri	G.O.	12.7	1963-82	3.11	1.65-3.15	Aa
Public Housing Authority	G.O.	79.6	1962-2002	3.33	1.50-3.50	Aaa
Los Angeles Sch. Dist., Cal.	G.O.	30.0	1963-87	3.15	1.60-3.40	Aa
City and County of San Francisco, California	G.O.	21.0	1963-87	2.74	1.60-2.90	Aa
City of Phila. Sch. Dist., Pa.	Rev.-Ut.	6.3	1963-82	2.89	1.60-3.00	Aa
State of Oregon	G.O.	12.0	1964-87	3.07	1.90-3.25 1/2	A
New York City, New York	G.O.	28.9	1965-92	2.93	2.00-3.55 1/2	Aa
Chicago, Illinois	G.O.	89.4	1963-92	3.21	1.70-3.50	A
Maryland State Roads Comm.	G.O.	27.5	1964-79	2.99	1.90-3.08	A
	Rev.-Ut.	74.0	2002	4.18	4.13	--

Large Individual Issues Offered February 1 through March 2 (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)						
Delaware St. Highway Dept.	Rev.-Ut.	28.0	2002	4.18	4.13	--
New York State Thruway Auth.	Rev.-Ut.	24.0	1967-85		2.50-3.50	
		48.0	1996	3.64	3.70	A
Prince Georges Co., Md.	G.O.	11.5	1963-87	3.21	1.75-3.45	A
State of Maryland	G.O.	27.7	1965-77	n.a.	2.00-2.88	Aaa
Orleans Parish School Board, La.	G.O.	10.0	1962-2001	3.55	1.50-3.70	A
State of Tennessee	G.O.	12.3	1963-82	2.96	1.65-3.10	Aa
State of Massachusetts	G.O.	40.0	1963-82	3.02	1.70-3.20	Aa
Georgia State Highway Auth.	Rev.-S.T.	35.0	1963-91	3.34	1.75-3.50	A
Columbus, Ohio	G.O.	11.1	1964-98	3.08	1.90-3.50	Aa
<u>OTHER</u>						
Federal Land Banks	Bonds	64.0	1974	4-1/2	4.46	--

*--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.-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.
- 2 per cent bonds of 1992 reoffered to yield 3.60 per cent.
 0.1 per cent bonds of 1987 reoffered to yield 4.45 per cent.
 1 per cent bonds of 1992 reoffered to yield 4.00 per cent.
 1 per cent bonds of 1986 and 0.1 per cent bond of 1987 not reoffered.

Exhibit L

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/
1961 - 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	--
Dec. 29	161	223	--	591	415	--
1962 - Jan. 31	480	465	64	525	567	64
Feb. 28	222	153	--	341	239	--

Forthcoming Large Offerings, as of March 2

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>CORPORATE</u>			
West Penn. Power Co.	1st mtg. bds.	30.0	Mar. 6
Pacific Gas & Electric Co.	1st & ref.mtg.bds.	65.0	Mar. 14
South European Pipeline Co.	S.F. deb.	40.0	Mar. 15
*Ashland Oil and Refining Corp.	S.F. deb.	25.0	Mar. 22
*National Dairy Products Corp.	S.F. deb.	35.0	Mar. 27
*National Cash Register Co.	S.F. deb.	50.0	Mar. 28
Potomac Electric Power Co.	Com. stk.	22.0	March (rights expire)
Stokely-Van Camp Inc.	Conv. sub. deb.	15.0	March
Long Island Lighting Co.	Com. stk.	23.0	Apr. 2 (rights expire)
Litton Industries Inc.	Conv. sub. deb.	50.7	April (rights expire)
Commerce Oil Refining Corp.	Deb., bds. & com.	45.0	Indefinite
<u>STATE AND LOCAL GOVERNMENT</u>			
Los Angeles Dept. of Wtr. & Pwr., California	Rev.-Ut.	16.0	Mar. 7
Dallas, Texas	G.O.	10.8	Mar. 12
Penna. Gen. State Auth.	Rev.-Rent.	25.0	Mar. 13
Denver, Colorado	G.O.	15.0	Mar. 13

Forthcoming Large Offerings, as of March 2 (Cont'd)

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>STATE AND LOCAL GOVERNMENT (Cont'd)</u>			
Puerto Rico Water Resources Auth.	Rev.-Ut.	12.5	Mar. 14
Louisiana State Bond and Building Authority	Rev.-Rent.	15.0	Mar. 15
Detroit, Michigan	G.O.	15.0	Mar. 27
Detroit School Dist., Mich.	G.O.	10.0	Mar. 27
Dade County, Florida	G.O.	46.0	Indefinite
Jacksonville Expressway Auth., Fla.	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: \$11.9 million issue of Florida State Board of Administration was removed because it was a secondary issue.

Exhibit M

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 - Dec.	1,389	6,104	51,524	3,922	44,241	19,409	126,589
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	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.	-50	-7	148	33	208	186	518
Apr.	9	-47	135	34	202	119	452
May	75	63	170	5	170	58	511
June	-33	-150	245	5	182	150	399
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.	43	-43	206	36	235	165	642
Dec.	15	-256	372	18	426	308	883

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. 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 - Dec.	3,214	5,181	68,850	4,816	82,061	70,862	2,854	8,345
Changes:								
r/1959 - July	-431	108	804	-114	367	201	31	135
Aug.	-42	23	740	14	735	394	119	222
Sept.	-52	-7	676	67	684	447	148	89
Oct.	-69	10	626	86	653	396	136	121
Nov.	61	-28	464	137	634	484	56	94
Dec.	371	-25	467	-64	749	1,205	222	-678
r/1960 - Jan.	-315	199	321	-112	93	467	-451	77
Feb.	-34	65	400	64	495	406	-123	212
Mar.	49	-26	541	104	668	630	-125	163
Apr.	-26	--	564	108	646	370	39	237
May	81	18	635	210	944	622	4	318
June	320	-143	762	-50	889	1,220	210	-541
July	-233	-32	645	-148	232	157	-124	199
Aug.	30	-23	722	-6	723	486	22	215
Sept.	25	5	656	50	736	604	49	83
Oct.	102	110	602	-1	813	666	-14	161
Nov.	83	-54	515	233	777	552	52	173
Dec.	415	-1	566	-50	930	1,379	271	-720
r/p/1961 - Jan.	-95	93	369	-106	261	591	-465	135
Feb.	59	151	428	71	749	553	-80	276
Mar.	3	107	690	122	922	705	-26	243
Apr.	23	-18	695	113	813	417	88	308
May	150	-3	809	224	1,180	800	41	339
June	131	32	997	-64	1,096	1,362	274	-540
July	-227	-8	737	-150	352	111	-1	242
Aug.	-86	66	910	76	966	496	132	338
Sept.	47	-5	802	83	927	662	130	135
Oct.	81	45	810	103	1,039	726	74	239
Nov.	84	82	752	198	1,116	775	81	260
Dec.	364	4	781	15	1,164	1,522	409	-767

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.--FSLIC.

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.	872	6,239	5,080	672	26,709	1,001	40,573	36,353	4,220
1961 - Dec.	940	6,146	5,039	679	28,922	1,110	42,835	38,404	4,431
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 3/4	-149 1/2
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	-144	-74	-15	-59
Nov.	7	-13	-20	-5	167	46	181	48	133
Dec.	92	-11	-9	1	219	3	294	388	-94

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.

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

3/ Conforming to FDIC redefinition, \$115 million other liabil. reclassified as deposits.