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May 21, 1962.

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FEDERAL RESERVE BANK  
OF RICHMOND

CAPITAL MARKET DEVELOPMENTS  
IN THE UNITED STATES

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

Public security financing to obtain new capital was in moderate volume last week but is expected to be rather substantial this week. During the week ending May 18, three large corporate security issues amounting to \$56 million were sold; four State and local government bond issues with par value of \$63 million were offered; and the European Coal and Steel Community and the Japan Development Bank sold bond issues of \$25 and \$18 billion, respectively. This week, ending May 25, two corporate issues totaling \$51 million are scheduled for sale and four large State and local issues amounting to \$200 million are on the calendar.

Bond yields. Changes in yields on seasoned, long-term bonds were mixed but minor last week. Yields on both Aaa- and Baa-rated corporate bonds declined one basis point further to new lows for the year. Aaa-rated State and local government bond yields increased one basis point to 2.94 per cent, while yields on Baa-rated issues were unchanged. Yields on U. S. Government bonds increased 2 basis points to 3.87 per cent.

Average yields on new corporate bonds, adjusted to an Aaa basis, declined to 4.02 per cent last week. At this level new offering yields were at their lowest level since July 1958, and 10 basis points below the previous low for the year reached the week ending April 13.

Short- and intermediate-term interest rates. Yields on Treasury bills were stable last week while yields on 3-5 year U. S. Government obligations increased 7 basis points. Several major finance companies announced a reduction from 3 to 2-7/8 per cent in the rate paid on paper with 90-179 maturity the middle of last week; as a result, the weekly average rate on such paper declined 4 basis points to 2.96 per cent. The Federal funds rate declined 5 basis points to 2.55 per cent.

Housing starts. Private housing starts (farm and nonfarm), which in March had advanced 25 per cent from the reduced February rate, rose 8 per cent further in April to a seasonally adjusted annual rate of 1.5 million. This was 3 per cent above the advanced rate reached last October and the highest since the summer of 1959. The rise so far this spring has, in part, reflected a substantial build-up of permits during the winter months when the weather was unusually inclement and starts were declining.

On a three-month moving average basis, the annual rate of starts for the most recent period was 1.4 million. This was up 7 per cent from the first quarter average and just below the advanced rate for the September-October-November period last year.

While Government-underwritten starts also rose more than seasonally in April, the increase in conventional starts was particularly striking. In March and April, such starts accounted for 77 per cent of the total or slightly more than the high proportion a year earlier.

Stock market credit. Customer credit in the stock market increased slightly further in April for the second month in a row, increasing \$34 million to \$5.5 billion at the end of the month. Bank loans to others increased for the sixth straight month, rising \$38 million. This increase was partly offset by a slight decline (\$4 million) in customer debit balances (excluding those secured by U. S. Government securities).

Money borrowed by New York Stock Exchange member firms increased for the second consecutive month, rising by \$103 million, while customer's free credit balances declined \$44 million further to their lowest level since late 1960.

	End of month		Change
	Apr.	Mar.	
Customer credit			
Excluding U. S. Government securities - total	5,491	5,457	+34
Net debit balance	4,079	4,083	-4
Bank loans to "others"	1,412	1,374	+38
Net debit balances secured by U. S. Govt. securities	36	34	+2
Bank loans to "others" for purchasing or carrying U. S. Government securities	117	105	+12
Broker and dealer credit			
Money borrowed except on U. S. Government securities	3,015	2,912	+103
On customer collateral	2,658	2,566	+92
Money borrowed on U. S. Government securities	57	52	+5
Customers' net free credit balances	1,110	1,154	-44

Stock prices. Common stock prices increased moderately from their low last week in fairly active trading. Prices, as measured by Standard and Poor's composite index of 500 stocks, increased by 2 per cent, closing at 63.82 on May 18. Trading volume averaged 3.9 million shares a day, 0.2 million shares more than in the previous week.

Institutional investors. The net inflow of savings during March at three major types of financial institutions--life insurance companies, savings and loan associations and mutual savings banks--totalled \$1.8 billion, one-tenth larger than last year. (For seasonally adjusted data, see Capital Market Developments for April 30.) Substantially larger increases this March than a year earlier in savings capital at savings and loan associations and deposits at mutual savings banks were more than sufficient to offset a smaller rise in assets of life insurance companies. (Time and savings deposits at commercial banks increased \$1.9 billion in March, about twice the rise a year earlier.)

For the first quarter as a whole, savings inflow amounted to \$4.2 billion, slightly less than the record first quarter of 1961. The smaller inflow this year was due entirely to a smaller growth in assets of life insurance companies; this latter probably reflected in large part the effect of the decline in common stock prices this year on the value of insurance company stock holdings in contrast to the appreciation of a year earlier. Savings capital at savings and loan associations and deposits at mutual savings banks increased more than last year, with deposits at mutual savings banks showing the largest increase. (Time and savings deposits at commercial banks increased \$6.0 billion during the quarter, considerably more than twice the rise last year.)

Assets of life insurance companies increased \$1.5 billion during the first quarter of the year, 13 per cent less than last year. One-third of the increase in assets this year was in short-term investments, in contrast to only a small increase last year. Net acquisitions of business securities totaled \$0.7 billion, one-third more than last year; acquisitions of long-term securities were one-fourth less than last year, however, as these companies acquired over \$0.3 billion of commercial and finance company paper this year as compared with only a negligible amount last year. Net acquisitions of U. S. Government securities (primarily Treasury bills and certificates) totaled \$0.2 billion, 70 per cent more than last year. Mortgage acquisitions were small, totaling \$0.4 billion, one-fourth less than last year and the smallest quarterly volume since the second quarter of 1959. Substantial acquisitions of State and local government bonds amounting to \$0.2 billion reflect primarily purchases of Massachusetts Turnpike Authority bonds in March.

The net inflow of new savings capital at savings and loan associations during the first quarter amounted to \$2.0 billion, 6 per cent more than last year, as a very large March inflow more than offset a year-over-year decline in January. (Contributing to the latter was the increase in interest rates paid on time deposits at many commercial banks and to the former, a rise in the number of associations crediting dividends quarterly.) Net acquisitions of mortgage loans declined about seasonally from the large fourth quarter 1961 total, but, at \$1.9 billion, continued to be substantially larger than a year earlier. Cash holdings declined as usual during the first quarter, but the reduction of \$134 million this year was more than three times larger than last year.

Acquisition of U. S. Government securities, amounting to \$0.3 billion, were one-fifth less than last year. Repayments of borrowings (primarily from the Federal Home Loan Banks) were seasonally large and, at \$0.6 billion, about the same as last year.

Deposits at mutual savings banks increased by \$0.7 billion during the January-March period, one-tenth more than last year. Mortgage acquisitions of \$0.7 billion were in record volume and three-tenths larger than during the first quarter of last year. Cash holdings increased by almost \$0.1 billion, in contrast to a small reduction last year, while holdings of U. S. Government securities (particularly Treasury bills) increased \$0.4 billion, one-sixth more than last year.

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/

First Quarter 1953-1962

(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 gov't. sec.	Other assets		Net change in deposits or savings capital	Borrowing	Other
<u>Life Insurance Companies</u>										
1962	-187	153	690	396	156	311	1,519	--	--	--
1961	-113	91	518	553	113	590	1,752	--	--	--
1960	-154	-50	433	774	36	276	1,315	--	--	--
1959	-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	--	--	--
<u>Savings and Loan Associations</u>										
1962	-134	309	--	1,938	n.a.	-16	2,097	1,973	-566	690
1961 <sup>r</sup>	-33	391	--	1,487	n.a.	87	1,932	1,849	-571	618
1960 <sup>r</sup>	-300	238	--	1,262	n.a.	56	1,256	1,503	-699	455
1959	-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
<u>Mutual Savings Banks</u>										
1962	69	380	43	671	-43	-44	1,076	720	--	356
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 M, N and O.

2/ Includes Federal Home Loan Bank advances only.

EXHIBIT A, Part I

LONG-TERM BOND YIELDS, HIGH-GRADE

Weekly

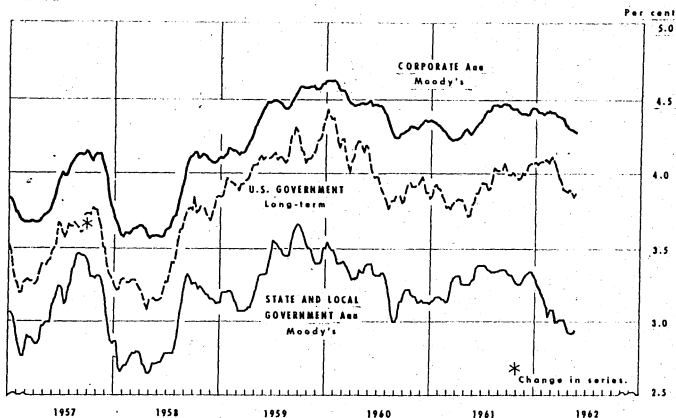


Exhibit A - Part II

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)	.47	1.04
Low	4.28 (5/18)	3.85 (5/11)	2.52 (5/3)	.30	.80
Apr. 20	4.33	3.88	2.97	.45	.91
Apr. 27	4.31	3.90	2.93	.41	.97
May 4	4.30	3.87	2.92	.43	.95
May 11	4.29	3.85	2.93	.44	.92
✓ May 18 p/	4.28 ✓	3.87	2.94	.41	.93

Note: For footnotes see Exhibit B.

EXHIBIT B, Part I

LONG-TERM BOND YIELDS, LOWER-GRADE

Weekly

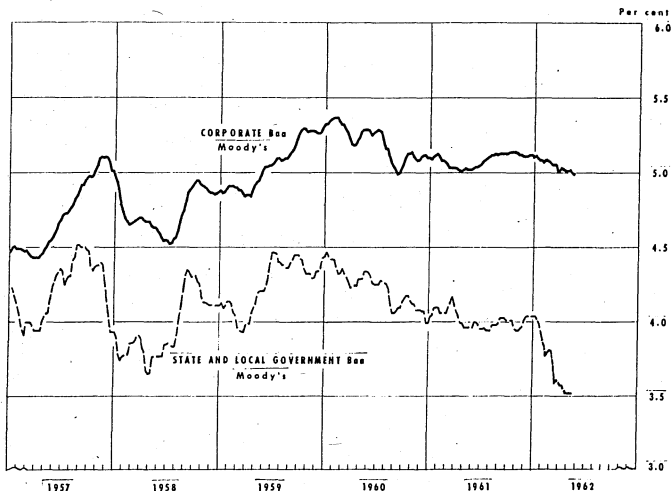


Exhibit B - Part II

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)	.72	.82
Low	4.99 (5/18)	3.52 (5/17)	.63	.56
Apr. 20	5.01	3.55	.68	.58
Apr. 27	5.01	3.52	.70	.59
May 4	5.02	3.52	.72	.60
May 11	5.00	3.52	.71	.59
May 18 p/	4.99	3.52	.71	.58

p/ Preliminary.

1/ Weekly average of daily figures. Average term of bonds included in 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, GOVERNMENT

Weekly

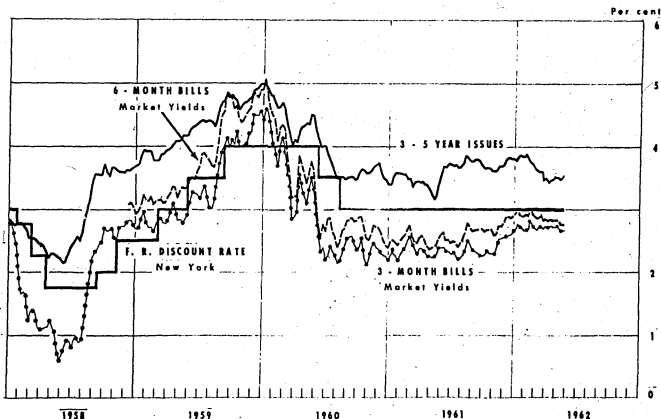


Exhibit C - Part II

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 (10/18)	--	4.04 (10/18)	--	.86	
1958 - Low	1.75	.58 (5/29)	3.02 (12/26)	2.14 (6/6)	.26	.04	
1959-60 - 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 (5/18)	2.77 (5/18)	3.43 (4/6)	.09	.71	
Apr. 20	3.00	2.72	2.82	3.48	.10	.76	
Apr. 27	3.00	2.73	2.83	3.52	.10	.79	
May 4	3.00	2.74	2.83	3.51	.09	.77	
May 11	3.00	2.67	2.77	3.48	.10	.81	
May 18 p/	3.00	2.67/	2.77	3.55	.10	.88	

1/ Weekly rate shown is that in effect at end of period at the Federal Reserve Bank of New York.

2/ Market yield; weekly averages computed from daily closing bid prices. Series of 3-5 year issues consists of selected notes and bonds.

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,  
BANKS AND OTHER PRIVATE BORROWERS**

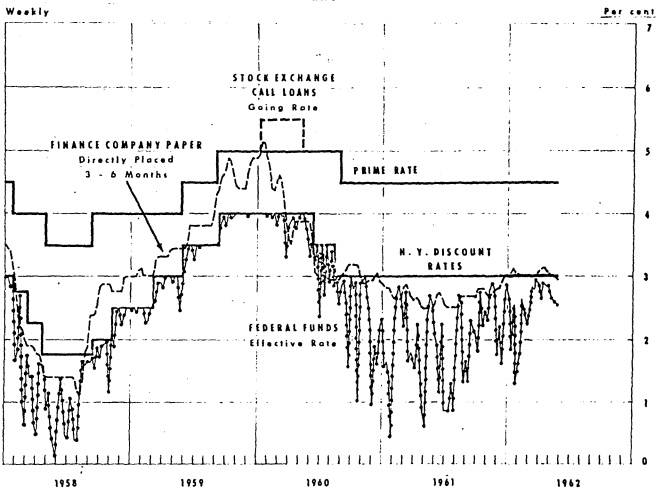


Exhibit D - Part II

Date	Stock Exchange call loan 1/	Prime rate 1/	Finance company paper 2/	Federal funds 3/	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 (8/8)	.13 (5/29)	-.35
1959-60 - High	5.50	5.00	5.13 (1/22/60)	4.00 (5/13/60)	1.02
1960-61 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	3.13 (4/13)	2.95 (3/23)	.41
Low	4.50	4.50	2.96 (5/18)	1.30 (1/26)	.19
Apr. 20	4.50	4.50	3.08	2.85	.36
Apr. 27	4.50	4.50	3.06	2.85	.33
May 4	4.50	4.50	3.00	2.65	.26
May 11	4.50	4.50	3.00	2.60	.33
May 18 p/	4.50	4.50	2.96	2.55	.29

1/ Weekly rate shown is that in effect at end of period. 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/ Average of daily rates published by finance companies for directly placed paper for varying maturities in the 90-179 day range.

3/ 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.

## STOCK MARKET

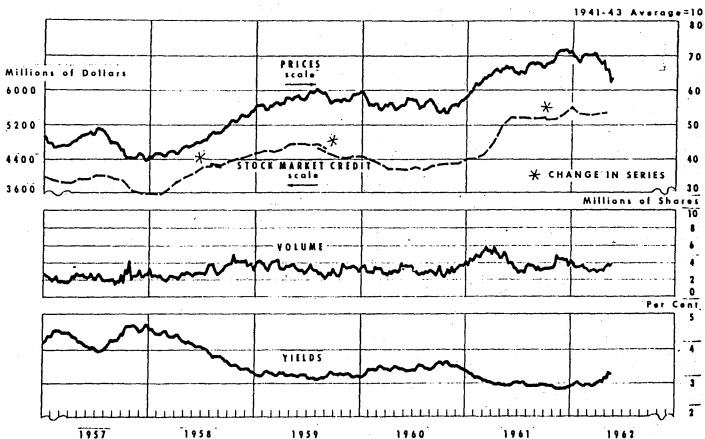


Exhibit E - Part II

Date	Stock price index <sup>1/</sup>	Common stock yields <sup>2/</sup> (per cent)	Trading volume <sup>3/</sup> (millions of shares)	Stock market customer credit		
				Total	Customers' debit balances <sup>4/</sup>	Bank loans to "others" <sup>5/</sup>
(In millions of dollars)						
1960-61 - High	72.04 (12/8/61)	2.82	5.8	5,602 (12/61)	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	70.94 (3/16)	2.93	3.9	5,491 (4)	4,111 (1)	1,418 (5/9)
Low	62.65 (5/11)	3.31	3.0	5,426 (2)	4,066 (2)	1,348 (1/24)
March	70.29	2.95	3.1	5,457	4,083	1,374
April	68.05	3.05	3.5	5,491	4,079	1,412
May 4	66.24	3.15	3.9	n.a.	n.a.	1,416
May 11	62.65	3.31	3.7	n.a.	n.a.	1,418
May 18 <sup>p/</sup>	63.82	3.25	3.9	n.a.	n.a.	n.a.

n.a.—Not available. <sup>p/</sup> Preliminary.

<sup>1/</sup> 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.

<sup>2/</sup> 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.

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

<sup>4/</sup> 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.

<sup>5/</sup> 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 <sup>1/</sup>

Monthly

Thousands of Units

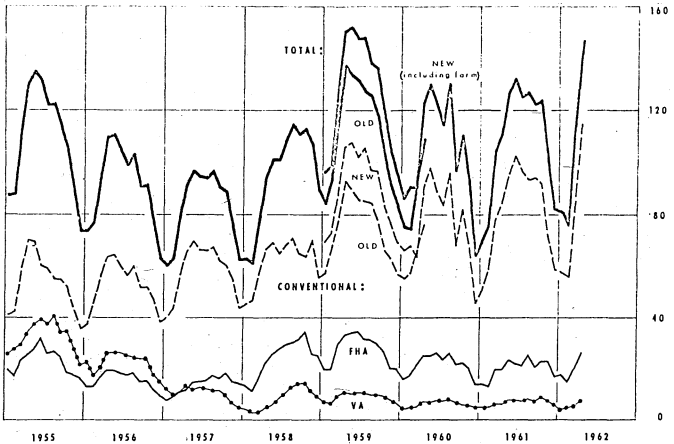


Exhibit C - Part II

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 (10/18)	--	4.04 (10/18)	--	.86
1958 - Low	1.75	.58 (5/29)	3.02 (12/26)	2.14 (6/6)	.26	.04
1959-60 - 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 (5/18)	2.77 (5/18)	3.43 (4/6)	.09	.71
Apr. 20	3.00	2.72	2.82	3.48	.10	.76
Apr. 27	3.00	2.73	2.83	3.52	.10	.79
May 4	3.00	2.74	2.83	3.51	.09	.77
May 11	3.00	2.67	2.77	3.48	.10	.81
May 18 p/	3.00	2.67	2.77	3.55	.10	.88

1/ Weekly rate shown is that in effect at end of period at the Federal Reserve Bank of New York.

2/ Market yield; weekly averages computed from daily closing bid prices. Series of 3-5 year issues consists of selected notes and bonds.

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 G

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## 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)
<b>Monthly averages:</b>				December 15	1	40.0	4.55*
1961 - July	4	273.0	4.62	22	--	--	--
August	4	115.0	4.59	29	--	--	--
September	2	78.8	4.38				
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	6	240.0	4.23	12	1	60.0	4.50
April	7	299.0	4.17	19	--	--	--
May				26	3	70.0	4.40
June				February 2	--	--	--
				9	2	19.5	4.40
				16	1	300.0	4.52*
<b>Weekly averages:</b>				23	1	50.0	4.50
1961 - July 7	--	--	--	March 2	1	25.0	4.37
14	1	8.0	4.60	9	1	30.0	4.29
21	1	200.0	4.64	16	1	65.0	4.23
28	2	65.0	4.46	23	2	60.0	4.21
August 4	2	55.0	4.54	30	2	85.0	4.22
11	1	20.0	4.73*	April 6	2	98.0	4.21
18	1	40.0	4.60	13	2	26.0	4.12
25	--	--	--	20	2	100.0	4.17*
September 1	--	--	--	27	--	--	--
8	--	--	--	May 4	2	115.0	4.14
15	1	18.0	4.46	11	2	28.0	4.21*
22	--	--	--	18	2	41.0	4.00
29	1	60.8	4.36	25			
October 6	2	45.0	4.25	June 1			
13	--	--	--	8			
20	2	60.0	4.21	15			
27	3	95.0	4.28	22			
November 3	3	45.0	4.21	29			
10	--	--	--				
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 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. Source: weekly data, Federal Reserve; monthly data, First National City Bank of New York.

## 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	592	580	570	e/850	713	700
February	859	667	715	e/1000	689	611
March	807	562	860	e/625	764	560
April	e/1,200	2,118	761	e/850	723	719
May	e/700	1,259	577	e/750	641	545
June		1,318	1,044		1,034	991
July		1,028	736		485	492
August		762	967		604	606
September		647	726		733	683
October		1,090	890		677	340
November		948	956		788	501
December		1,000	852		p/584	491
1st quarter	2,258	1,809	2,145	e/2,475	2,166	1,800
2nd quarter		4,695	2,382		2,397	2,256
3rd quarter		2,437	2,428		1,823	1,780
4th quarter		3,038	2,698		p/2,049	1,340
1st half		6,504	4,527		4,563	4,136
Three quarters		8,941	6,955		6,386	5,916
Year		11,979	9,653		p/8,435	7,257
	Excluding finance companies 3/					
1st quarter	e/2,158	1,554	1,716			
2nd quarter		4,552	2,165			
3rd quarter		2,337	2,018			
4th quarter		2,807	2,347			
Year		11,253	8,246			

s/ 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.

**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/			
	Bonds			Common and pfd. stock	Mfg.	Public utility	Communi- cations	Other issuers
	Total	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	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	595	595	104	803
IV	3,236	967	1,424	845	836	836	147	1,263
1962 - I	2,378	1,155	716	507	655	430	456	717
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.	647	273	232	143	205	89	73	225
Feb.	884	497	232	155	131	148	362	218
Mar.	847	386	253	209	318	193	21	275
Apr. e/	1,300	650	325	325	440	380	80	300
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/		
	1962	1961	1960	1962	1961	1960
January	142	6	2	246	--	182
February	10	29	175	156	--	150
March	35	20	70	--	252	150
April	e/ 10	2	34	e/460	100	148
May		66	72		149	354
June		29	40		278	--
July		5	25		--	--
August		2	1		250	199
September		--	36		193	--
October		43	34		--	160
November		34	2		225	149
December		--	41		--	181
Year		236	533		1,448	1,672
Jan.-April	e/196	57	281	e/862	352	630
	Net short-term 4/					
	State and Local government 5/			Federal agency 3/		
	1962	1961	1960	1962	1961	1960
January	18	160	58	247	-144	-196
February	466	195	140	-156	-162	-202
March	-248	-8	-80	226	-174	-59
April	p/40	-103	70	p/-346	-79	-277
May		-42	-146		-87	170
June		-155	-157		207	320
July		109	48		22	95
August		518	415		193	23
September		-86	-175		108	-201
October		-6	-16		98	-23
November		54	50		56	-33
December		-116	-189		-114	-250
Year		520	18		-76	-633
Jan.-April	p/276	244	188	p/-29	-559	-734

p/ Preliminary. e/ Estimated by Federal Reserve.

- 1/ These data differ from those in Exhibit H 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 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 H 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. 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 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 2/	
	Total	Bonds (other than convertibles)	Convertible bonds			Stocks
1961 - 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
March	366	330	15	21	259	30
April	648	430	51	167	423	55

Large Individual Issues Offered May 1 through 18

Issuer	Type 3/	Amount (millions of dollars)	Maturity	Coupon rate or net interest cost	Offering yield	Rating
<b>CORPORATE</b>						
*Pacific Power & Light Co.	Com.stk.	18.3				
Southern Calif. Edison Co.	1st&ref.mtg.bds.	40.0	1987	4-1/4	4.25	Aa
Wisconsin Telephone Co.	Deb.	20.0	2002	4-3/8	4.27	Aaa
Milwaukee Gas Light Co.	1st mtg. bds.	15.0	1987	4-5/8	4.50	Baa
Columbus & Southern Ohio Electric Co.	1st mtg. bds.	16.0	1992	4-3/8	4.30	A
Florida Power Corp.	1st mtg. bds.	25.0	1992	4-1/4	4.20	Aa
<b>STATE AND LOCAL GOVERNMENT</b>						
Port of New York Auth.	Rev.-Ut.	35.0	1993	3.36	3.33	A
State of Hawaii	G.O.	10.0	1965-82	2.71	1.90-2.90	A
Wash. Sub. Sanitation Dist., Md.	G.O.	15.0	1964-89	3.02	1.85-3.30 4/	A
Cincinnati, Ohio	G.O.	10.0	1963-87	2.77	1.50-3.00	Aaa
Georgia State Sch. Bldg. Auth.	Rev.-Rent.	26.5	1963-83	3.09	1.60-3.40	A
Austin, Texas	Rev.-Ut.	14.0	1963-87	3.04	1.60-3.20	Aa
Port of New Orleans Board of Comm., La.	G.O.	25.0	1972-97	3.34	2.70-3.50 5/	A



## Large Individual Issues Offered May 1 through 18 (Cont'd)

Issuer	Type <sup>3/</sup>	Amount (millions of dollars)	Maturity	Coupon rate or net inter- est cost	Offering yield	Rating
<u>STATE AND LOCAL GOVERNMENT</u> (Cont'd)						
Salt Lake City, Utah	G.O.	11.5	1965-80	2.69	1.90-2.80	Aaa
Metropolitan Seattle, Wash.	Rev.-Ut.	16.0	1964-2000	3.63	2.00-3.70	A
Sacramento Mun. Utility Dist., Cal.	Rev.-Ut.	10.0	1966-82	2.96	2.10-3.15	Aa
<u>OTHER</u>						
Kingdom of Denmark	Bonds	20.0	1977	5-1/4	5.47	A
Govt. of New Zealand	Bonds	25.0	1997	5-1/4	5.50	Baa
European Coal and Steel Community	Bonds	25.0	1982	5-1/4	5.33	--
Japan Development Bank	Bonds	17.5	1977	6	6.41	--

\*--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.
- 4/ 1/10 per cent bonds maturing 1990-93 reoffered to yield 4.40 per cent.
- 5/ 1-1/2 per cent bonds maturing 1996-97 reoffered to yield 4.00 per cent.

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 - 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	--
Mar. 30	628	453	--	693	539	--
Apr. 30	185	333	95	598	452	95

Forthcoming Large Offerings, as of May 18

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<b>CORPORATE</b>			
Gulf State Utilities Co.	1st mtg. bds.	17.0	May 22
Utah Power & Light Co.	1st mtg. bds. & pf. stk.	34.0	May 23
Alabama Power Co.	1st mtg. bds.	17.0	June 1
Mountain State Tel. & Tel. Co.	Deb.	50.0	June 6
Virginia Electric & Power Co.	Com. stk.	40.0	June 6
United Gas Corp.	1st mtg. & coll. tr. bds.	40.0	June 7
Columbia Gas System, Inc.	Deb.	25.0	June 8
Northern States Power Co.	1st mtg. bds.	15.0	June 13
New England Electric System	Com. stk.	20.9	June 14 (rights expire)
Air Reduction Co., Inc.	Conv. sub. deb.	34.5	June 20 (rights expire)
Consolidated Edison Co.	1st mtg. bds.	100.0	June 20
Cincinnati Gas & Elec. Co.	1st mtg. bds.	25.0	June 22
*Phillips, N. V.	Com. stk.	77.0	June (rights expire)
*Copenhagen Telephone Co.	S.F. deb.	15.0	June
Commerce Oil Refining Corp.	Deb., bds. & com.	45.0	Indefinite

## Forthcoming Large Offerings, as of May 18

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>STATE AND LOCAL GOVERNMENT</u>			
State of Illinois	G.O.	95.0	May 21
Wayne Co., Mich.	G.O.	18.3	May 22
State of Mississippi	G.O.	19.5	May 23
State of New York	G.O.	57.3	May 23
Salt River Project, Agri. Imp. & Pwr. Dist., Arizona	G.O.	10.0	May 24
*Maricopa Co., Arizona	G.O.	11.2	June 5
*De Kalb Co., Georgia	G.O.	14.0	June 12
*State of California	G.O.	100.0	June 14
*Houston Ind. Sch. Dist., Tex.	G.O.	12.5	June 26
*Georgia State Highway Auth. Pittsburgh, Penna.	Rev.-S.T.	15.0	June 27
Jefferson County, Colorado	G.O.	35.0	Indefinite
Tarrant County, Texas	G.O.	19.2	Indefinite
Dade County, Florida	G.O.	13.5	Indefinite
Jacksonville Expressway Auth., Fla.	G.O.	46.0	Indefinite
	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: Only \$5.1 million of the Tucson, Arizona \$20.4 million Rev.-Ut. issue was sold for new money.

Exhibit M

Sources and Uses of Funds by  
Life Insurance Companies

	Uses of funds 1/						Total sources or uses
	Cash	U. S. Govt. securities	Business securities 2/	State and local govt. securities	Mortgages	Other	
Value of assets at end of period:	(In millions of dollars)						
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
1962 - Mar.	1,202	6,257	52,214	4,078	44,637	19,720	128,108
Changes:							
1959 - Nov.	33	-132	195	18	235	146	495
Dec.	99	-168	219	24	304	313	791
p/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
p/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	541
June	-39	-182	270	-13	222	131	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.	43	-43	206	36	235	165	642
Dec.	15	-256	372	18	426	308	883
p/1962 - Jan.	-108	210	324	36	137	123	722
Feb.	-5	21	173	2	116	113	420
Mar.	-74	-78	193	118	143	75	377

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)							
1958 - Dec.	2,585	3,819	45,627	3,108	55,139	47,976	1,444	5,719
1959 - Dec.	2,183	4,477	53,141	3,729	63,530	54,583	2,387	6,560
1960 - Dec.	2,680	4,595	60,070	4,131	71,476	62,142	2,197	7,137
1961 - Dec.	3,298	5,222	68,833	4,743	82,096	70,851	2,863	8,382
1962 - Mar.	3,164	5,531	70,771	4,727	84,193	72,824	2,384	8,985
Changes:								
1959 - Nov.	61	-28	464	137	634	484	56	94
Dec.	371	-25	467	-64	749	1,205	222	-678
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
1961 - Jan.	-95	93	369	-106	261	591	-465	135
Feb.	59	191	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.	448	45	764	-58	1,199	1,511	418	-730
1962 - Jan.	-365	186	535	-115	241	491	-383	133
Feb. P/	98	95	600	40	833	578	-96	351
Mar.	133	28	803	59	1,023	904	-87	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. -- FSLIC.

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)								
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. r/	828	6,136	5,053	677	28,915	1,224	42,833	38,487	4,346
1962 - Mar.	897	6,516	5,096	634	29,586	1,180	43,909	39,207	4,702
Changes:									
1959 - 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	30	-52	34	23	217	-23	228	367 3/	-139 3/
July	-26	18	2	-2	201	-28	164	23	141
Aug.	-14	6	-23	1	207	55	232	99	133
Sept.	46	-15	-19	1	156	49	220	310	-90
Oct.	-27	-120	-56	-5	178	-44	-74	-15	-59
Nov.	7	-13	-20	-5	167	46	181	48	133
Dec. r/	-20	-21	5	-1	212	117	292	471	-179
1962 - Jan. r/	10	94	17	-7	253	-118	250	83	166
Feb.	47	77	1	-18	188	12	307	165	142
Mar.	12	209	25	-18	230	62	519	472	47

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.

3/ Conforming to FDIC redefinition, \$115 million other liabil. reclassified as deposits. Source: --NAMS and FDIC.

Please substitute the following table for Part II of Exhibit F of Capital Market Developments in the United States for May 21, 1962.

Exhibit F - Part II

Date	Total		Unadjusted		
	Seasonally adjusted annual rate	Unadjusted	FHA	VA	Conventional
	(Thousands of units)				
1961 - 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.	1,351	103	23	7	72
Dec.	1,297	82	17	6	59
1962 - Jan.	1,273	81	18	4	58
Feb.	r/1,152	76	15	5	r/56
Mar.	r/1,434	r/116	21	6	r/89
Apr. p/	1,542	147	26	8	114

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.