

H.14

June 18, 1962.

LIBRARY

JUN 20 1962

FEDERAL RESERVE BANK  
OF INDIANAPOLIS

CAPITAL MARKET DEVELOPMENTS  
IN THE UNITED STATES

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

Public security financing to obtain new capital was fairly substantial last week and is expected to be moderately larger this week. During the week ending June 15, three large corporate security issues totaling \$80 million were offered and three State and local government bond issues with par value of \$125 million were sold. This week, ending June 22, four corporate security issues, including an expiring rights offer, totaling \$220 million are scheduled and the Government of Australia is planning to sell a \$25 million bond issue; no large State and local bond issues are on the calendar.

Bond yields. Changes in yields on seasoned, long-term bond issues were mixed but minor last week. Yields on Aaa-rated corporate bonds remained stable at 4.28 per cent while yields on Baa-rated issues increased an additional basis point to 5.01 per cent. Yields on both Aaa- and Baa-rated State and local government bonds increased a single basis point further to 3.06 and 3.65 per cent, respectively. Yields on U. S. Government bonds declined one basis point to 3.87 per cent.

Average yields on new corporate bonds, adjusted to an Aaa basis, were 4.12 per cent last week. At this level yields were 10 basis points above this year's low reached in mid-May.

Short- and intermediate-term interest rates. Yields on 3-month and 6-month Treasury bills increased 4 and 2 basis points, respectively, last week, but yields on 3-5 year U. S. Government obligations declined 4 basis points. The average rate of interest on directly-placed finance company paper with 90-179 day maturity increased one basis point to 3.00 per cent, reflecting the full effect of the rate change of the previous week. The Federal funds rate increased 65 basis points from the revised average for the previous week to 2.80 per cent. Other short- and intermediate-term interest rates were unchanged.

Mortgage yields and contract interest rates. Secondary market yields on 5-1/4 per cent FHA mortgages continued downward in May for the fourth consecutive month. At 5.62 per cent, yields were 10 basis points below the average of last January and 8 basis points under the level in mid-1961 when the 5-1/4 per cent maximum was reestablished.

Offering yields on new corporate bonds--adjusted to an Aaa basis--also declined further in May, but the decline was larger than in mortgage yields so the spread between mortgage and bond yields widened to 153 basis points. This compares with a spread of 127 basis points last January and a low of 108 last July.

Based on a survey conducted by the Federal Home Loan Bank Board, contract interest rates on conventional loans made by large savings and loan associations in early May averaged 6.03 per cent for new homes, 6.24 per cent for existing houses, and 6.15 per cent for construction. These rates were little changed from those for previous months, but were somewhat below a year earlier for new home and construction loans. Average fees and commission charges which tend to be more sensitive to prevailing market conditions than contract interest rates, are also included in the Bank Board survey. Calculated as a per cent of loan volume, these were below year-earlier levels for all three types of loans, and particularly so in the case of new home loans.

Stock market credit. Customer credit in the stock market declined moderately in May, decreasing \$83 million to \$5.4 billion at the end of the month. Most of this decline was attributable to a decrease of \$79 million in customer debit balances (excluding those secured by U. S. Government securities). Bank loans to other than brokers and dealers for purchasing and carrying securities (except U. S. Government obligations) declined slightly (\$4 million) after six consecutive month-to-month increases.

Money borrowed by New York Stock Exchange Member firms, which had increased during the two previous months, declined rather sharply in May, decreasing \$170 million. Customers' free credit balances, on the other hand, which had declined in all previous months thus far this year, increased \$95 million. These and other data on stock market credit are shown in the following table.

	End of month		Change
	May	Apr.	
Customer credit			
Excluding U. S. Government securities - total	5,408	5,491	-83
Net debit balances	4,000	4,079	-79
Bank loans to "others"	1,408	1,412	-4
Net debit balances secured by U. S. Govt. securities	35	36	-1
Bank loans to "others" for purchasing or carrying U. S. Government securities	91	117	-26
Broker and dealer credit			
Money borrowed except on U. S. Government securities	2,845	3,015	-170
On customer collateral	2,499	2,666	-167
Money borrowed on U. S. Government securities	44	57	-13
Customers' net free credit balances	1,205	1,110	95

r/ Revised.

Stock prices. Common stock prices declined four per cent further on balance last week in very active trading, closing on Friday at 55.89. Prices declined sharply during the first four trading days to a new low for the year but recovered about two-fifths of the week's loss on Friday. Trading volume averaged 5.4 million shares a day, 1.2 million shares more than the average for the previous week.

Institutional investors. The net inflow of savings during April at three major types of financial institutions--life insurance companies, savings and loan associations and mutual savings banks--totaled \$0.8 billion, 6 per cent less than last year. (For seasonally adjusted data, see Capital Market Developments for May 28.) This decline was the result of a smaller net inflow of savings capital to savings and loan associations this April than a year earlier; life insurance company assets increased slightly more than last year while deposits at mutual savings banks declined slightly less. (Time and savings deposits at commercial banks increased \$0.9 billion in April, three-tenths more than a year earlier.)

Assets of life insurance companies increased \$0.5 billion in April, 2 per cent more than a year earlier. For the fourth month in a row a substantial portion of the increase in assets was in short-term investments--about one-half in April as compared with about one-sixth a year earlier. Net acquisitions of business securities totaled \$0.2 billion, two-thirds more than in April a year earlier; acquisitions of long-term securities, however, were one-fourth less than last year as these companies increased their investments in commercial and finance company paper by \$171 million, almost three times their April 1961 acquisitions. Net acquisitions of U. S. Government securities (primarily Treasury bills and certificats) totaled \$0.1 billion as compared with a moderate decline in holdings of Governments last April. Mortgage acquisitions totaled \$0.1 billion, two-fifths less than last year and the smallest monthly increase since July 1960.

The net inflow of savings capital at savings and loan associations in April was \$0.4 billion, 14 per cent less than last April. The March increase in savings capital had been unusually sharp, in part because of an increase in the number of associations crediting dividends quarterly (and therefore in March). The smaller April inflow reflected primarily a rise in withdrawals which tend to be large following the crediting of dividends. Net acquisitions of mortgage loans totaled \$0.8 billion, a record for April and one-sixth larger than a year earlier. Associations reduced their holdings of cash and U. S. Government securities by \$126 million (these holdings rose slightly last year) and increased their borrowing by \$124 million (two-fifths more than last year) to provide funds for mortgage acquisitions.

Deposits at mutual savings banks declined seasonally in April as withdrawals exceeded deposits following quarterly payment of interest. The net reduction in deposits of \$51 million, however, was slightly less than last year, reflecting a larger rise in new deposits than in withdrawals. Mortgage acquisitions of \$0.3 billion were in record volume, one-half larger than a year earlier. Holdings of all other types of investment were reduced. The reduction in U. S. Government security holdings amounted to \$216 million as Treasury bill holdings, which had been built up earlier in the year, were reduced sharply.

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

Capital Market Developments,  
Division of Research and Statistics,  
Board of Governors of the Federal Reserve System.

## EXHIBIT A, Part I

## LONG-TERM BOND YIELDS, HIGH-GRADE

Weekly

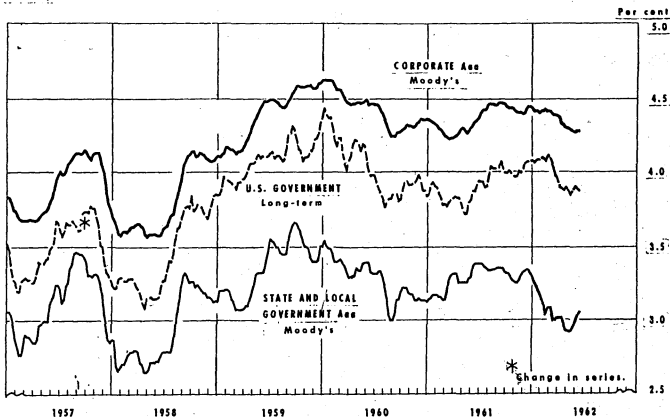


Exhibit A - Part II

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	1.08
Low	4.27 (5/25)	3.85 (5/11)	2.92 (5/3)	.29	.80
May 18	4.28	3.87	2.94	.41	.93
May 25	4.27	3.90	3.00	.37	.90
June 1	4.28	3.89	3.04	.39	.85
June 8	4.28	3.88	3.05	.40	.83
June 15 p/	4.28	3.87	3.06	.41	.81

Note: For footnotes see Exhibit B.

## EXHIBIT B, Part I

## LONG-TERM BOND YIELDS, LOWER-GRADE

Weekly

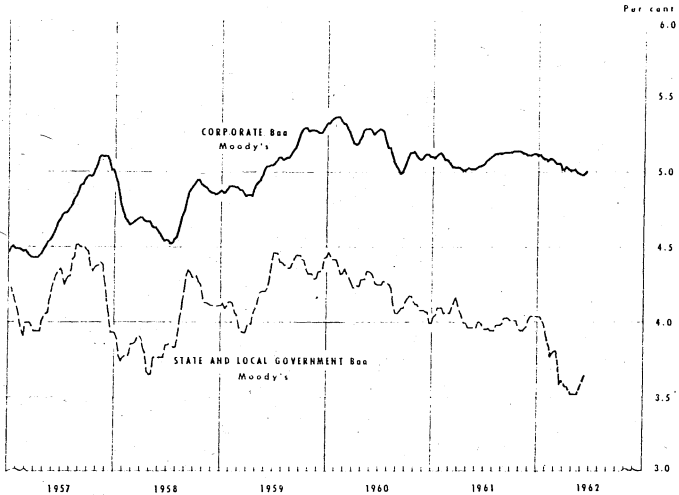


Exhibit B - Part II

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)	4.16 (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	4.98 (6/1)	3.52 (5/17)	.63	.56
May 18	4.99	3.52	.71	.58
May 25	4.98	3.58	.71	.58
June 1	4.98	3.60	.70	.56
June 8	5.00	3.64	.72	.59
June 15 p/	5.01	3.65	.73	.59

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: High and low 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

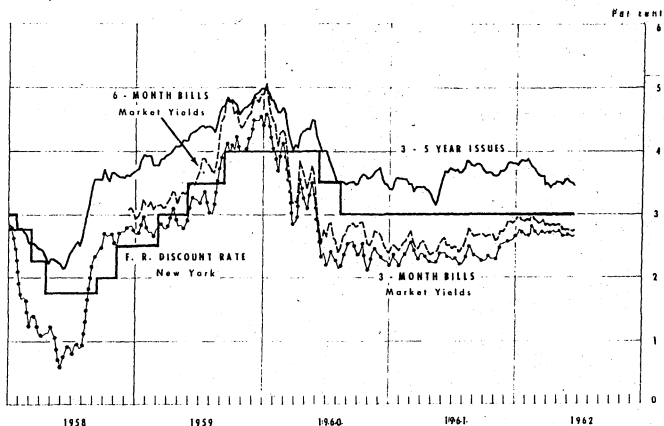


Exhibit C - Part II

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	2.65 (6/8)	2.74 (6/8)	3.43 (4/6)	.07	.71
May 18	3.00	2.67	2.77	3.55	.10	.88
May 25	3.00	2.69	2.77	3.57	.08	.88
June 1	3.00	2.68	2.76	3.53	.08	.85
June 8	3.00	2.65	2.74	3.50	.09	.85
June 15 p/	3.00	2.69	2.76	3.46	.07	.77

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

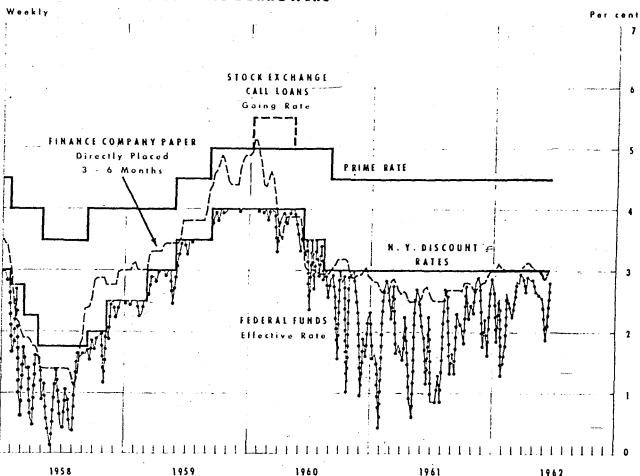


Exhibit D - Part II

Date	Stock Exchange call loan <u>1/</u>	Prime rate <u>1/</u>	Finance company paper <u>2/</u>	Federal funds <u>3/</u>	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	2.88 (6/1)	1.30 (1/26)	.19
May 18	4.50	4.50	2.96	2.55	.29
May 25	4.50	4.50	2.88	2.50	.19
June 1	4.50	4.50	2.88	1.88	.20
June 8	4.50	4.50	2.99	2/2.15	.34
June 15 p/	4.50	4.50	3.00	2.80	.31

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

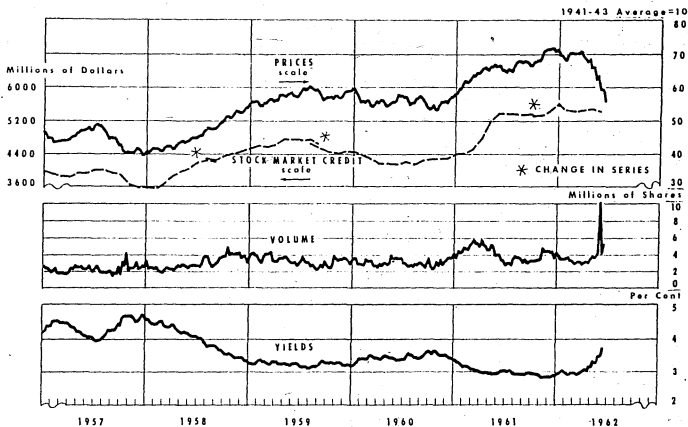


Exhibit E - Part II

Date	Stock price index 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)						
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	10.1	5,491 (4)	4,111 (1)	1,418 (5/9)
Low	55.89 (6/15)	3.73	3.0	5,408 (5)	4,000 (5)	1,348 (1/24)
April	68.05	3.05	3.5	5,491	4,079	1,412
May	62.99	3.32	5.0	5,408	4,000	1,408
June 1	59.38	3.49	10.1	n.a.	n.a.	1,408
June 8	58.45	3.57	4.2	n.a.	n.a.	1,381
June 15 p/	55.89	3.73	5.4	n.a.	n.a.	n.a.

n.a.—Not available. p/ Preliminary.

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

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

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

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

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



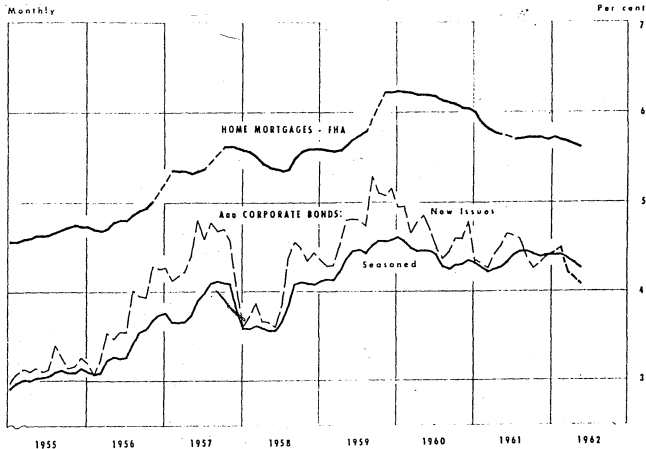
MORTGAGE AND BOND YIELDS <sup>1/</sup>

Exhibit F - Part II

Date	FHA mortgages <sup>2/</sup>	Aaa corporate bonds <sup>1/</sup>		Spread between new corporate bonds and	
		New <sup>3/</sup>	Seasoned <sup>4/</sup>	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
1960-61 - Low	5.70 (7/61)	4.26 (10/61)	4.22 (3/61)	1.08	-.16
1962 - January	5.72	4.45	4.42	1.27	.03
February	5.70	4.50	4.42	1.20	.08
March	5.68	4.23	4.39	1.45	-.16
April	5.65	4.17	4.33	1.48	-.16
May	5.62	4.09	4.28	1.53	-.19

<sup>1/</sup> 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.

<sup>2/</sup> 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.

<sup>3/</sup> See note for Exhibit G.

<sup>4/</sup> 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)
<u>Monthly averages:</u>				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	7	148.0	4.09	26	3	70.0	4.40
June				February 2	--	--	--
				9	2	19.5	4.40
<u>Weekly averages:</u>				16	1	300.0	4.52*
1961 - July 7	--	--	--	23	1	50.0	4.50
14	1	8.0	4.60				
21	1	200.0	4.64	March 2	1	25.0	4.37
28	2	65.0	4.46	9	1	30.0	4.29
August 4	2	55.0	4.54	16	1	65.0	4.23
11	1	20.0	4.73*	23	2	60.0	4.21
18	1	40.0	4.60	30	2	85.0	4.22
25	--	--	--	April 6	2	98.0	4.21
September 1	--	--	--	13	2	26.0	4.12
8	--	--	--	20	2	100.0	4.17*
15	1	18.0	4.46	27	--	--	--
22	--	--	--	May 4	2	115.0	4.14
29	1	60.8	4.36	11	2	28.0	4.21*
October 6	2	45.0	4.25	18	2	41.0	4.02
13	--	--	--	25	2	39.0	4.07
20	2	60.0	4.21	June 1	1	17.0	4.06
27	3	95.0	4.28	8	3	115.0	4.24*
November 3	3	45.0	4.21	15	4	67.0	4.12
10	--	--	--	22			
17	4	94.0	4.29	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 Bank of New York.

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	p/843	713	700
February	859	667	715	e/1000	689	611
March	807	562	860	e/625	764	568
April	1,120	2,118	761	e/850	723	719
May	e/700	1,259	577	e/800	641	545
June	e/1,150	1,318	1,044	e/650	1,034	991
July		1,028	736		485	492
August		762	967		604	606
September		647	726		734	683
October		1,090	890		678	348
November		948	956		789	501
December		1,000	852		606	491
1st quarter	2,258	1,809	2,145	p/2,468	2,166	1,860
2nd quarter	e/2,970	4,695	2,382	e/2,300	2,397	2,256
3rd quarter		2,437	2,428		1,823	1,780
4th quarter		3,038	2,698		2,049	1,340
1st half	e/5,228	6,504	4,527	p/4,768	4,563	4,136
Three quarters		8,941	6,955		6,386	5,916
Year		11,979	9,653		3,435	7,257
	Excluding finance companies 3/					
1st quarter	2,199	1,554	1,716			
2nd quarter	e/2,870	4,552	2,165			
3rd quarter		2,337	2,018			
4th quarter		2,807	2,347			
Year		11,253	8,246			

- e/ Estimated by Federal Reserve. 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/			
	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	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	200	318	193	21	275
Apr.	1,222	652	238	332	378	376	86	280
May <sup>e/</sup>	740	230	350	160	200	230	40	230
June								
July								
Aug.								
Sept.								
Oct.								
Nov.								
Dec.								

<sup>p/</sup> Preliminary. <sup>e/</sup> Estimated by Federal Reserve. <sup>1/</sup> Gross proceeds exceed net proceeds by the cost of flotation. <sup>2/</sup> 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.

4

Exhibit J  
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	10	2	34	461	100	148
May	e/ 88	66	72	e/ --	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.-May	e/285	123	353	e/863	501	984
	Net short-term 4/					
	State and Local government 5/			Federal agency 3/		
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	-346	-79	-277
May	n.a.	-42	-146	p/116	-87	170
June		-155	-157		207	320
July		109	46		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.-May	n.a.	202	42	p/ 87	-646	-564

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 political subdivisions and 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.

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 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 - 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
May	200	170	--	30	373	88

Large Individual Issues Offered June 1 through 15

Issuer	Type 3/	Amount (millions of dollars)	Maturity	Coupon rate or net interest cost	Offering yield	Rating
<b>CORPORATE</b>						
Alabama Power Co.	1st mtg. bds.	17.0	1992	4-3/8	4.39	A
Mountain States Tel. & Tel. Co.	Deb.	50.0	2002	4-1/2	4.38	Aaa
United Gas Corp.	1st mtg & coll. tr. bds	40.0	1982	4-5/8	4.45	A
Transcontinental Gas Pipe Line Co.	S.F. deb.	30.0	1982	5	5.10	Baa
Transcontinental Gas Pipe Line Co.	Pfd. stk.	15.0				
Columbia Gas System, Inc.	Deb.	25.0	1987	4-1/2	4.50	A
Container Corp. of America	S.F. deb.	25.0	1987	4.40	4.40	A
Northern States Power Co.	1st mtg. bds.	15.0	1992	4-3/8	4.28	Aa
Texas Gas Transmission Co.	Deb.	40.0	1982	5	5.00	Baa
<b>STATE AND LOCAL GOVERNMENT</b>						
Maricopa Co., Arizona	G.O.	11.2	1963-73	2.72	1.65-2.90	A
Monroe Co., New York	G.O.	10.8	1963-91	2.85	1.50-3.40	Aaa
State of California	G.O.	100.0	1964-88	3.21	1.80-3.40 1/4	Aa
Public Utility Dist. No. 1, Chelan Co., Wash.	Rev.-Ut.	13.8 5/8	2012	n.a.	n.a.	--
<b>OTHER</b>						
None						

Footnotes

- \*--Rights offering.      \*\*--Foreign corporation.
- 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/ 1/4 per cent bonds maturing 1988 were reoffered to yield 4.35.
- 5/ An additional \$27.6 million was sold to refund outstanding bonds.

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 <u>2/</u>	Corporate	State and local govt.	Other <u>2/</u>
1961 - 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
May 31	587	184	55	692	337	55

Forthcoming Large Offerings, as of June 15

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>CORPORATE</u>			
Consolidated Edison Co.	1st mtg. bds.	100.0	June 20
Pet Milk Co.	S.F. deb.	20.0	June 20
Cincinnati Gas & Elec. Co.	1st mtg. bds.	25.0	June 22
Phillips, N.V. (foreign corporation)	Com. stk.	75.0	June 22 (rights expire)
Columbia Bancorporation	Conv. sub. deb.	30.0	June 25
Puget Sound Power & Light Co.	Pfd. stk.	15.0	June 27
New England Electric System	Com. stk.	20.9	June 28 (rights expire)
Houston Lighting & Power Co.	1st mtg. bds.	30.0	June
*New England Tel. & Tel. Co.	Deb.	50.0	July 11
*Atlanta City Electric Co.	Deb.	15.0	July 19
*Southwestern Bell Tel. Co.	Deb.	100.0	Aug. 8
Air Reduction Co., Inc.	Conv. sub. deb.	34.5	Indefinite
Commerce Oil Refining Corp.	Deb., bds. & com.	45.0	Indefinite
Virginia Electric & Power Co.	Com. stk.	40.0	Indefinite
<u>STATE AND LOCAL GOVERNMENT</u>			
Houston Ind. Sch. Dist., Texas	G.O.	12.5	June 26
Penna. Public School Bldg. Auth.	Rev.-Rent.	14.2	June 26
Wisconsin State Agencies Bldg. Corp.	Rev.-Rent.	13.2	June 26
Baltimore, Md.	G.O.	18.8	June 27
Georgia State Highway Auth.	Rev.-S.T.	16.6	June 27



## Forthcoming Large Offerings, as of June 15 (Cont'd)

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>STATE AND LOCAL GOVERNMENT (CONT'D)</u>			
Dallas Ind. Sch. Dist., Tex.	G.O.	10.0	June 27
Texas Univ./Texas A&M, Texas	Rev.-Rent.	10.0	June 28
Memphis, Tenn.	G.O.	23.0	July 10
Los Angeles Sch. Dist., Cal.	G.O.	21.0	July 10
*Orlando Utilities Comm., Fla.	Rev.-Ut.	14.0	July 17
*San Diego Unif. Sch. Dist., Cal.	G.O.	14.8	July 31
*San Antonio, Texas	G.O.	20.0	Aug. 8
De Kalb Co., Georgia	G.O.	14.0	Indefinite
Pittsburgh, Penna.	G.O.	35.0	Indefinite
Jefferson County, Colorado	G.O.	19.2	Indefinite
Tarrant County, Texas	G.O.	13.5	Indefinite
Dade County, Florida	G.O.	46.0	Indefinite
Jacksonville Expressway Auth., Fla.	Rev.-Ut.	40.0	Indefinite
<u>OTHER</u>			
Govt. of Australia	Bonds	25.0	June 20
Kingdom of Norway	Bonds	30.0	Indefinite

\*--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. secur-ities	Busi-ness secur-ities 2/	State and local gov't. secur-ities	Mort-gages	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 - Apr.	1,214	6,351	52,438	4,064	44,751	19,751	128,569
Changes:							
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
Apr.	12	94	224	-14	114	31	461
May							
June							

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 - Dec.	3,069	5,506	71,580	4,854	85,009	73,211	2,425	9,373
Changes:								
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
p/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	213
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
p/1962 - Jan.	-365	186	535	-115	241	491	-383	133
Feb.	98	95	600	40	833	578	-96	351
Mar. r/	131	36	801	93	1,061	934	-83	210
Apr.	-93	-33	811	93	778	357	124	297
May								
June								

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.	828	6,136	5,053	677	28,915	1,224	42,833	38,487	4,346
1962 - Apr.	818	6,300	5,061	608	29,856	1,135	43,778	39,156	4,622
Changes:									
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 <sup>3/</sup>	-139 <sup>3/</sup>
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.	-20	-21	5	-1	212	117	292	471	-179
1962 - Jan.	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
Apr.	-79	-216	-35	-26	270	-45	-131	-51	-80
May									
June									

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.--NAMSB and FDIC.