

August 27, 1962.

Weekly

AUG 29 1962

FEDERAL RESERVE BANK
OF RICHMOND

**CAPITAL MARKET DEVELOPMENTS
IN THE UNITED STATES**

**Sources and Uses of Funds of Financial Intermediaries
During the First Half**

Public security financing to obtain new capital was in fairly substantial volume last week but is expected to be moderate this week. During the week ending August 24, one large corporate security issue of \$40 million was offered and two State and local government bond issues with par value of \$143 million were sold. This week, ending August 31, three corporations are expected to offer \$76 million in securities for new capital (two of these issues also will raise funds to retire outstanding securities) and one State and local issue of \$33 million is on the calendar.

Bond yields. Yields on all types of seasoned, long-term bonds declined last week. Yields on State and local government bonds declined sharply last week, with yields on both Aaa- and Baa-rated issues declining 8 basis points. Both Aaa- and Baa-rated corporate bond yields declined 2 basis points. Yields on U. S. Government bonds declined 4 basis points further.

Average yields on new corporate bonds, adjusted to an Aaa basis, were 4.17 per cent last week. At this level, yields were 7 basis points below the average for the previous week but 15 basis points above this year's low reached in mid-May.

Short- and intermediate-term interest rates. Yields on Treasury bills and 3-5 year U. S. Government obligations declined last week. Yields on 3-month bills declined 2 basis points while yields on 6-month bills fell 4 basis points; yields on intermediate-term Treasury obligations declined for the fifth consecutive week, decreasing 7 basis points. The effective rate on Federal funds was 3.00 per cent, 5 basis points above the revised average for the previous week. Other short- and intermediate-term interest rates were unchanged.

FNMA secondary market operations. Mortgage purchases in the secondary market by the Federal National Mortgage Association dropped further in July. This was the eighth successive month of decline and brought the level to \$21.9 million, about equaling the low reached in early 1961. Offerings also continued to recede, although more moderately than in most of the other months since last November when the decline in offerings began. Sales by FNMA, which started downward in May after a sharp advance in earlier months, fell further in July but -- at \$38.5 million -- were still appreciably above purchases.

Stock prices. Common stock prices increased moderately last week in active trading. Prices, as measured by Standard and Poor's composite index of 500 common stocks, rose one per cent on balance to close at 59.58 on August 24. Trading volume averaged 4.1 million shares a day, 0.3 million shares above the average for the previous week.

Institutional investors. The net inflow of savings during June at three major types of financial institutions -- life insurance companies, savings and loan associations, and mutual savings banks -- totaled \$2.0 billion, slightly more than a year earlier. (For seasonally adjusted data see Capital Market Developments for July 30.) Larger net inflows at savings and loan associations and mutual savings banks more than offset a smaller increase in assets of life insurance companies this June than a year earlier. (Time and savings deposits at commercial banks rose \$1.2 billion in June, 20 per cent more than in June 1961.)

During the first half of this year the net inflow at these three institutions amounted to \$8.4 billion, 2 per cent less than the record inflow during the period January-June 1961. This decline was attributable entirely to an appreciably smaller increase in assets of life insurance companies this year than last, which reflected in large part lower valuation of insurance company common stock holdings due to the decline in common stock prices during the period. Savings through both savings and loan associations and mutual savings banks increased more than last year, with deposits at mutual savings banks showing the largest expansion. (Time and savings deposits at commercial banks increased \$8.3 billion during the first six months of this year, one-third greater than the growth during the similar period of 1961, after adjustment for the \$1.5 billion of deposits of foreign official institutions which were reclassified as time deposits in May 1961.)

The net increase in assets of life insurance companies during the first six months of this year amounted to \$2.6 billion, 16 per cent less than the record first half increase last year and the smallest increase during the first half of any year since 1953. Holdings of business securities increased \$1.2, one-seventh more than in 1961. However, one-fourth of this year's increase in business securities was in commercial and finance company paper, which had declined slightly last year. Holdings of long-term bonds and stocks rose 18 per cent less than last year. Short-term acquisitions accounted for the bulk of the increase in business security holdings in the first four months of the year when long-term bond yields were declining; such holdings were reduced and long-term bond acquisitions increased in May and June, however. Net mortgages acquisitions of \$0.9 billion were one-fifth less than a year earlier and the smallest since 1959. Cash holdings declined \$0.2 billion, but holdings of U. S. Government securities increased \$126 million, due to an increase in holdings of Treasury bills. Last year, both Government and cash holdings declined moderately.

Savings capital at savings and loan associations rose a record \$4.6 billion during the first half of the year, 3 per cent more than last year's previous first half record. Mortgage holdings continued to expand at a record rate and the increase this year of \$4.8 billion -- was one-fifth more than last year. In order to make possible this increase in mortgage holdings, associations increased their borrowing slightly (\$25 million) in contrast to a moderate net repayment last year, and increased their holdings of cash and U. S. Government securities by only \$250 million, less than one-third the rise last year.

Deposits at mutual savings banks rose \$1.3 billion during the first six months of this year, 18 per cent more than a year earlier. Net acquisitions of mortgages, amounting to \$1.5 billion, were in record volume for the period and two-fifths larger than during the similar period of last year. Holdings of cash and U. S. Government securities rose \$0.2 billion, six times the year earlier increase, due primarily to increased holdings of Treasury bills. Holdings of State and local government securities, on the other hand, declined almost \$0.1 billion.

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 Half 1954-1962

(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 govt. sec.	Other assets		Net change in deposits or savings capital	Borrowing	Other
Life Insurance Companies										
1962	r/ -194	126	1,249	901	136	337	2,555	--	--	--
1961	r/ -68	-75	1,093	1,147	139	798	3,034	--	--	--
1960	r/ -121	-288	862	1,323	9c	843	2,715	--	--	--
1959	-160	41	1,315	793	315	572	2,876	--	--	--
1958	-84	46	1,191	790	163	669	2,775	--	--	--
1957	-137	-207	1,096	1,190	59	570	2,571	--	--	--
1956	-178	-625	1,048	1,859	149	363	2,616	--	--	--
1955	-136	25	968	1,556	124	365	2,902	--	--	--
1954	-124	-424	1,135	1,109	363	692	2,751	--	--	--
Savings and Loan Associations										
1962	27	182	--	4,768	n.a.	549	5,526	4,576	25	925
1961	r/ 271	402	--	3,988	n.a.	360	5,021	4,428	-168	761
1960	r/ 75	113	--	3,223	n.a.	324	3,735	3,718	-446	463
1959	-240	577	--	3,791	n.a.	441	4,569	3,480	231	858
1958	606	156	--	2,279	n.a.	185	3,226	3,125	-344	445
1957	-60	347	--	2,105	n.a.	408	2,798	2,578	-166	386
1956	-27	304	--	2,191	n.a.	300	2,762	2,656	-279	385
1955	-12	256	--	2,878	n.a.	182	3,304	2,603	301	400
1954	311	36	--	1,835	n.a.	130	2,312	2,282	-214	244
Mutual Savings Banks										
1962	54	140	17	1,512	-92	-37	1,595	1,275	--	320
1961	r/ -10	42	84	1,085	16	28	1,245	1,053	--	162
1960	11	-309	82	884	-26	55	697	486	--	211
1959	-96	95	15	980	39	62	1,096	885	--	211
1958	29	-163	525	996	42	70	1,499	1,293	--	206
1957	-49	-108	402	721	10	58	1,034	876	--	158
1956	-48	-163	116	1,147	30	65	1,147	997	--	150
1955	-37	-73	-38	1,155	56	40	1,106	975	--	130
1954	4	-167	226	933	125	64	1,185	1,042	--	143

r/ Revised. p/ Preliminary.

n.a.--Not available.

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

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

Second Quarter 1954-1962

(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
Life Insurance Companies										
1962	-7	-27	559	505	-20	26	1,036	--	--	--
1961	45	-166	575	594	26	208	1,282	--	--	--
1960	61	-250	521	614	80	355	1,361	--	--	--
1959	-12	14	667	392	167	258	1,486	--	--	--
1958	39	-12	560	335	77	351	1,350	--	--	--
1957	69	-130	525	502	38	234	1,238	--	--	--
1956	37	-125	373	902	-6	128	1,311	--	--	--
1955	35	-45	455	757	-7	143	1,338	--	--	--
1954	36	-318	574	615	195	213	1,315	--	--	--
Savings and Loan Associations										
1962	163	-135	--	2,832	n.a.	531	3,391	2,573	587	231
1961	304	11	--	2,501	n.a.	273	3,089	2,579	403	107
1960	375	-125	--	1,961	n.a.	268	2,479	2,212	253	14
1959	85	123	--	2,351	n.a.	300	2,859	2,102	473	284
1958	339	130	--	1,504	n.a.	158	2,131	1,808	248	75
1957	175	--	--	1,267	n.a.	286	1,728	1,581	133	14
1956	72	64	--	1,284	n.a.	227	1,644	1,550	47	47
1955	42	77	--	1,705	n.a.	154	1,975	1,456	340	179
1954	311	36	--	1,836	n.a.	130	2,312	2,282	-281	311
Mutual Savings banks										
1962	-15	-240	-26	841	-49	7	519	555	--	-36
1961	9	-281	50	580	22	-44	336	426	--	-90
1960	64	-321	51	459	-14	-17	222	184	--	38
1959	-63	-125	56	472	-15	50	375	337	--	38
1958	-10	-183	193	602	9	16	627	574	--	53
1957	27	-167	197	366	3	4	430	441	--	-11
1956	31	-184	66	560	-13	35	495	485	--	10
1955	5	-117	-64	605	5	-2	435	409	--	26
1954	-18	-137	53	528	83	19	528	502	--	26

r/ Revised.

p/ Preliminary.

n.a.--Not available.

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

EXHIBIT A, Part I

LONG-TERM BOND YIELDS, HIGH-GRADE

Weekly

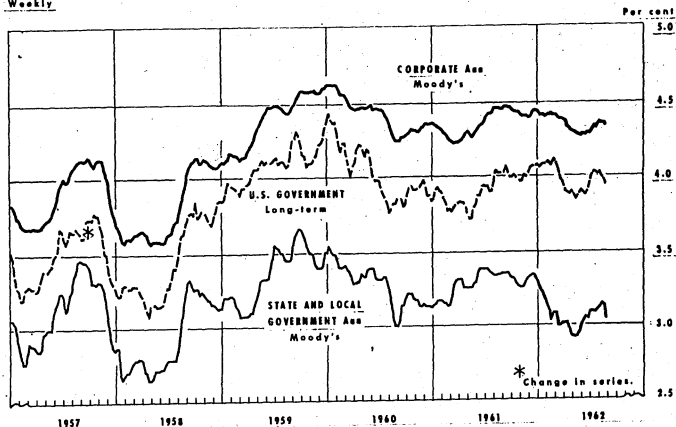


Exhibit A - Part II

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
July 27	4.35	4.02	3.11	.33	.91
Aug. 3	4.37	4.03	3.13	.34	.90
Aug. 10	4.36	4.00	3.15	.36	.85
Aug. 17	4.36	3.98	3.13	.38	.85
Aug. 24 p/	4.34	3.94	3.05	.40	.89

Note: For footnotes see Exhibit B.

LONG-TERM BOND YIELDS, LOWER-GRADE

Weekly

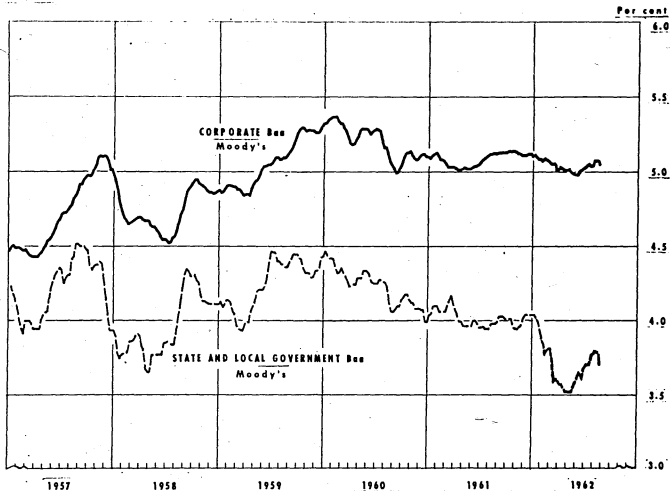


Exhibit B - Part II

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)	.74	.82
Low	4.98 (6/1)	3.52 (5/17)	.63	.56
July 27	5.04	3.77	.69	.66
Aug. 3	5.07	3.78	.70	.65
Aug. 10	5.07	3.80	.71	.65
Aug. 17	5.07	3.78	.71	.65
Aug. 24 p/	5.05	3.70	.71	.65

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.

EXHIBIT C, Part I

SHORT- AND INTERMEDIATE- TERM INTEREST RATES, GOVERNMENT

Weekly

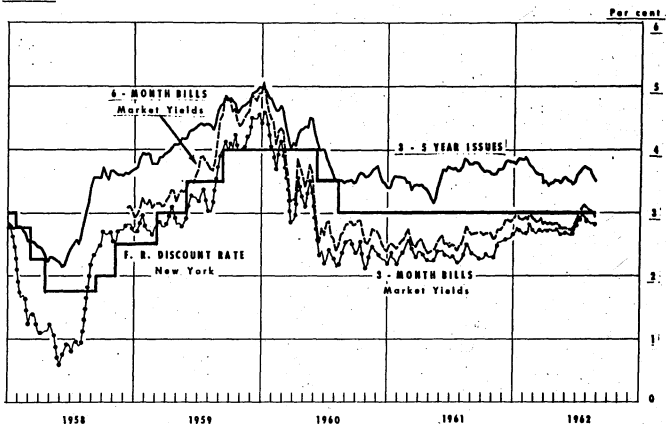


Exhibit C - Part II

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	2.97 (7/13)	3.13 (7/20)	3.88 (2/2)	.24	1.19
Low	3.00	2.65 (6/8)	2.74 (6/8)	3.43 (4/6)	.06	.69
July 27	3.00	2.88	3.09	3.71	.21	.83
Aug. 3	3.00	2.85	3.03	3.68	.18	.83
Aug. 10	3.00	2.83	3.03	3.63	.20	.80
Aug. 17	3.00	2.84	3.00	3.58	.16	.74
Aug. 24 p/	3.00	2.82	2.96	3.51	.14	.69

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**

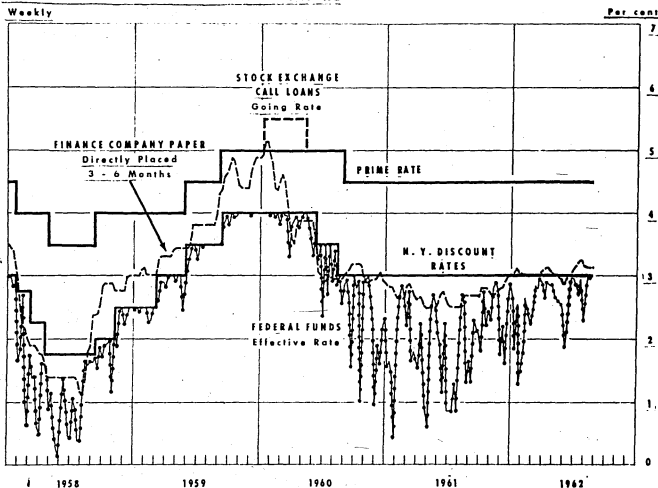


Exhibit D - Part II

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	3.25 (7/20)	3.00 (8/24)	.11
Low	4.50	4.50	2.88 (6/1)	1.30 (1/26)	.19
July 27	4.50	4.50	3.16	2.30	.28
Aug. 3	4.50	4.50	3.13	2.85	.28
Aug. 10	4.50	4.50	3.13	3.00	.30
Aug. 17	4.50	4.50	3.13	^{r/} 2.95	.29
Aug. 24 ^{p/}	4.50	4.50	3.13	3.00	.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

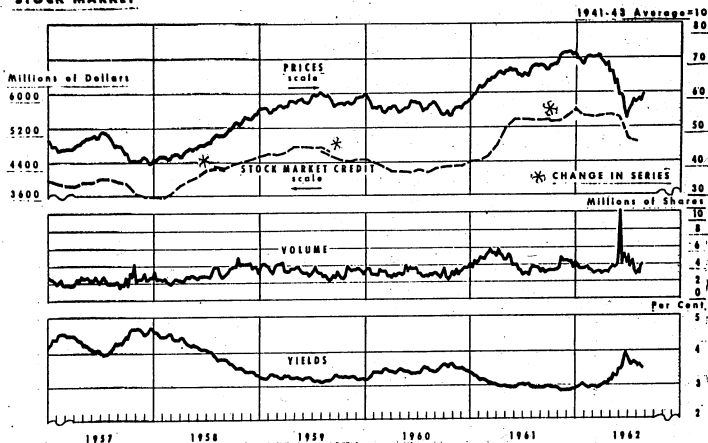


Exhibit E - Part II

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	52.68 (6/22)	3.96	2.8	4,876 (7)	3,562 (7)	1,299 (8/8)
June	55.63	3.78	4.8	4,938	3,605	1,333
July	56.97	3.68	3.5	4,876	3,562	1,314
Aug. 10	57.55	3.63	2.9	n.a.	n.a.	1,299
Aug. 17	59.01	3.54	3.8	n.a.	n.a.	1,306
Aug 24 p/	59.58	3.50	4.1	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/ Average 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.

FEDERAL NATIONAL MORTGAGE ASSOCIATION 1/
SECONDARY MARKET OPERATIONS

Monthly

Millions of dollars

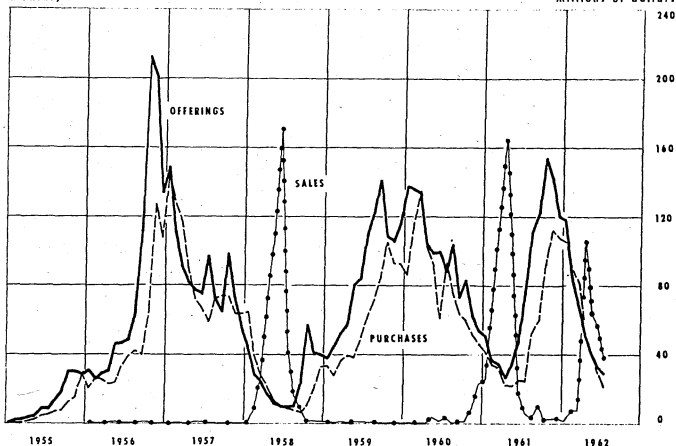


Exhibit F - Part II

Date	Estimated offerings to FNMA			Purchases by FNMA	Sales by FNMA
	Total	Immediate purchase	Standby commitment		
(In millions of dollars)					
1961 - July	75.7	73.9	1.7	24.4	5.6
Aug.	111.2	108.0	3.2	52.7	2.4
Sept.	122.9	119.3	3.6	60.4	10.5
Oct.	154.2	150.9	3.3	92.4	1.8
Nov.	141.4	138.5	2.9	112.3	2.7
Dec.	120.0	117.7	2.3	107.2	2.4
1962 - Jan.	118.3	116.6	1.7	104.7	1.4
Feb.	82.5	80.8	1.7	89.0	7.3
Mar.	68.6	66.3	2.3	81.6	75.9
Apr.	51.1	50.0	1.1	51.5	105.7
May	40.3	38.8	1.5	42.0	64.0
June	33.0	31.7	1.3	29.0	56.3
July	29.0	27.9	1.1	21.9	38.5

—Less than \$50,000.

1/ Data represent unpaid principal balances of the mortgages involved, exclusive of premiums, discounts, or other charges. Offerings are amounts of applications received during the period from sellers proposing that FNMA execute purchasing contracts. An immediate purchase contract covers existing mortgages which the seller must deliver to FNMA within 45 days. A standby commitment contract relates to proposed mortgages on housing not yet under construction which the seller must usually deliver within one year. Purchases include those under both immediate purchases and standby commitment contracts. Data exclude FNMA activity under Special Assistance and Management and Liquidating Programs.

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:							
1962 - January	4	130.0	4.45	June 15	4	67.0	4.12
February	5	394.5	4.50	22	3	145.0	4.11
March	6	240.0	4.23	29	1	24.0	4.19
April	7	299.0	4.17	July 6	--	--	--
May	7	148.0	4.09	13	1	50.0	4.45*
June	12	368.0	4.15	20	3	46.0	4.26
July	6	141.0	4.34	27	1	20.0	4.33*
August				August 3	4	107.3	4.34*
September				10	2	115.0	4.43*
October				17	3	70.0	4.24
November				24	2	52.0	4.17
December				31			
				September 7			
				14			
				21			
				28			
Weekly averages:							
1962 - January 5	--	--	--	October 5			
12	1	60.0	4.50	12			
19	--	--	--	19			
26	3	70.0	4.40	26			
February 2	--	--	--	November 2			
9	2	19.5	4.40	9			
16	1	300.0	4.52*	16			
23	1	50.0	4.50	23			
March 2	1	25.0	4.37	30			
9	1	30.0	4.29	December 7			
16	1	65.0	4.23	14			
23	2	60.0	4.21	21			
30	2	85.0	4.22	28			
April 6	2	98.0	4.21				
13	2	26.0	4.12				
20	2	100.0	4.17*				
27	--	--	--				
May 4	2	115.0	4.14				
11	2	28.0	4.21*				
18	2	41.0	4.02				
25	2	39.0	4.07				
June 1	1	17.0	4.06				
8	3	115.0	4.24*				

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 pipelines 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.

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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/875	713	700
February	859	667	715	p/1,078	689	611
March	807	562	860	p/617	764	568
April	1,113	2,118	761	e/850	723	719
May	760	1,259	577	e/800	641	545
June	1,132	1,318	1,044	e/700	1,034	991
July	e/600	1,028	736	e/600	485	492
August	e/800	762	967	e/600	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/2,570	2,166	1,880
2nd quarter	3,005	4,695	2,382	e/2,350	2,397	2,256
3rd quarter		2,437	2,428		1,823	1,780
4th quarter		3,038	2,698		2,073	1,340
1st half	5,263	6,504	4,527	e/4,920	4,563	4,136
Three quarters		8,941	6,955		6,386	5,916
Year		11,979	9,653		8,460	7,257
	Excluding finance companies 3/					
1st quarter	2,199	1,554	1,716			
2nd quarter	e/2,905	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.

Exhibit I

H.14

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	3,250	1,389	1,222	639	996	983	231	794
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.	1,217	654	227	336	384	377	88	264
May	801	247	420	134	270	196	64	229
June	1,232	488	575	169	342	410	79	301
July ^{e/}	620	210	350	60	180	170	40	210
Aug.								
Sept.								
Oct.								
Nov.								
Dec.								

p/ Preliminary. e/ Estimated by Federal Reserve. 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	10	2	34	461	100	148
May	86	66	72	--	149	354
June	50	29	40	--	278	--
July	e/20	5	25	e/--	--	--
August	2	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.-July	e/353	157	418	e/863	779	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	-186	-8	-80	226	-174	-59
April	127	-103	70	-364	-79	-277
May	-84	-42	-146	82	-87	170
June	p/-184	-155	-157	284	207	320
July	n.a.	109	48	p/350	22	95
August		518	415		193	23
September		-86	-175		108	-201
October		-6	-16		98	-23
November		54	50		56	-33
December		-116	-180		-114	-250
Year		520	18		-76	-633
Jan.-July	n.a.	156	-67	p/669	-417	-149

p/ Preliminary. e/ Estimated by Federal Reserve. n.a.--Not available.

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. 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 maturity 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 - 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
June	505	387	--	118	226	30
July	165	135	--	30	361	20

Large Individual Issues Offered August 1 through 24

Issuer	Type 3/	Amount (millions of dollars)	Maturity	Coupon rate or net interest cost	Offering yield	Rating
CORPORATE						
Belt RR. Co. of Chicago	1st mtg. bds.	37.3	1987	4-5/8	4.57	Aa
Southwestern Bell Tel. Co.	Deb.	100.0	1997	4-1/2	4.45	Aaa
Ekco Products Co.	Deb.	15.0	1987	4.60	4.60	A
New York State Elec. & Gas Corp.	S.F. deb.	15.0	1992	4-1/2	4.45	A
Public Serv. Elec. & Gas Co.	1st & ref. mtg. bds.	10.0	1992	4-3/8	4.30	Aa
STATE AND LOCAL GOVERNMENT						
St. Louis, Missouri	Rev.-Q.Ut.	10.0	1966-95	3.88	2.40-4.00	--
Fort Worth, Texas	G.O.	10.1	1963-87	3.28	1.70-3.50 4/	A
San Antonio, Texas	Rev.-Ut.	20.1	1964-84	3.22	1.80-3.25	Aaa
Pennsylvania Turnpike Auth.	Rev.-Ut.	21.3 2/	1990	n.a.	n.a.	--
Penna. Gen. State Auth.	Rev.-Rent.	30.0	1965-89	3.39	2.10-3.55	--
Houston, Texas	G.O.	16.0	1963-82	3.05	1.70-3.25	A
State of Washington	Rev.	37.0	1963-81	2.90	1.65-3.25	A
Public Housing Auth.	G.O.	106.2	1963-2003	3.18	1.40-3.50	Aaa
OTHER						

Footnotes

*--Rights offering.

- 1/ Includes corporate and other security offerings of \$15 million and over; State and local government 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 1986-87 reoffered to yield 4.50 per cent.
- 5/ Privately placed.

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 - 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
June 29	120	202	--	458	377	25
July 31	302	273	--	477	427	--

Forthcoming Large Offerings, as of August 24

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>CORPORATE</u>			
Massachusetts Electric Co.	1st mtg. bds.	26.5	Aug. 28
Air Reduction Co., Inc.	Conv. sub. deb.	34.5	Aug. 29
Control Data Corp.	Conv. sub. deb.	15.0	Aug. 30
*Tennessee Gas Trans. Co.	Deb. & pf'd. stk.	72.5	Sept. 11
Pacific Northwest Bell Tel. Co.	Deb.	50.0	Sept. 12
*Arizona Public Service Co.	Com. stk.	19.2	Sept. 17
Public Service Co. of Colorado	Com. stk.	28.0	Sept. 24
*San Diego Elec. & Gas Co.	Com. stk.	17.0	(rights expire) Sept.-Oct.
Commerce Oil Refining Corp.	Deb., bds. & com.	45.0	(rights expire) Indefinite
Columbia Bancorporation	Conv. sub. deb.	30.0	Indefinite
Southern Calif. Edison Co.	1st & ref. mtg. bds.	50.0	Indefinite
<u>STATE AND LOCAL GOVERNMENT</u>			
Los Angeles Dept. of Wtr. and Pwr., California	Rev.-Ut.	33.3	Aug. 29
*Unified Sch. Dist. No. 1, Wisc.	G.O.	10.6	Sept. 6
New Orleans, La.	G.O.	10.0	Sept. 17
State of Delaware	G.O.	19.0	Sept. 18
De Kalb Co., Georgia	G.O.	14.0	Indefinite
Pittsburgh, Penna.	G.O.	35.0	Indefinite
Jefferson County, Colorado	G.O.	19.2	Indefinite
Dade County, Florida	G.O.	46.0	Indefinite
Jacksonville Expressway Auth., Fla.	Rev.-Ut.	40.0	Indefinite

Forthcoming Large Offerings, as of August 24 (Con't)

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>OTHER</u> None			

*--Included in table for first time.

1/ Includes corporate and other issues of \$15 million and over; State and local government issues of \$10 million and over.

2/ Includes foreign government and International Bank for Reconstruction and Development issues and non-guaranteed issues by Federal agencies.

Note.--Deletions for reasons other than sale of issue: None.

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/ Long-term bonds and stocks	Commercial and finance company paper	State and local govt. securities	Mortgages	Other	
Value of assets at end of period:								
1958 - Dec.	1,363	7,182	44,612		2,691	37,092	14,640	107,580
1959 - Dec.	1,307	6,858	46,783	118	3,221	39,237	16,126	113,650
1960 - Dec. 2/	1,329	6,428	48,631	295	3,622	41,815	17,456	119,576
1961 - Dec.	1,389	6,104	51,341	183	3,922	44,241	19,409	126,589
1962 - June	1,195	6,230	52,260	513	4,058	45,142	19,746	129,144
Changes:								
p/1960 - Jan.	-99	171	80	30	-24	282	210	650
Feb.	-52	-45	117	-16	25	191	207	427
Mar.	-31	-164	107	5	35	236	89	277
Apr.	42	-85	95	17	21	218	106	414
May	-12	-61	127	47	26	209	150	484
June	31	-102	159	-25	13	187	200	463
July	42	52	102	81	104	153	48	582
Aug.	3	-45	79	53	43	227	170	530
Sept.	-49	-2	105	-61	82	179	116	370
Oct.	93	-62	43	205	33	217	51	580
Nov.	-35	18	220	-59	26	197	129	496
Dec.	89	-103	225	-100	17	282	243	653
p/1961 - Jan.	-54	101	163	79	49	210	202	750
Feb.	-9	-3	167	-39	31	135	202	484
Mar.	-50	-7	175	-27	33	208	186	518
Apr.	9	-47	72	63	34	202	119	452
May	75	63	236	-66	5	170	58	541
June	-39	-182	304	-34	-13	222	131	289
July	40	71	136	109	25	107	142	630
Aug.	-18	--	285	-74	36	164	128	521
Sept.	14	-50	243	-30	29	165	138	509
Oct.	31	13	264	24	17	199	105	653
Nov.	43	-43	220	-14	36	235	165	642
Dec.	15	-256	520	-148	18	426	308	883
p/1962 - Jan.	-108	210	101	223	36	137	123	722
Feb.	-5	21	126	47	2	116	113	420
Mar.	-74	-78	144	49	118	143	75	377
Apr.	12	94	53	171	-14	114	31	461
May	3	-26	242	-43	-14	195	5	362
June	-22	-95	253	-117	8	196	-10	213

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 - June	3,325	5,404	73,601	5,292	87,622	75,427	2,866	9,307
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	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
p/1962 - Jan.	-365	186	535	-115	241	491	-383	133
Feb.	98	95	600	40	833	578	-96	351
Mar.	131	36	801	93	1,061	934	-83	210
Apr. r/	-78	-46	847	90	813	366	126	361
May	10	-13	971	413	1,381	782	98	501
June	231	-76	1,014	28	1,197	1,405	363	-571

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. securities	Business securities 2/	State & local govt. securities	Mortgages	Other	Total sources or uses	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 - June	882	6,276	5,070	585	30,427	1,187	44,428	39,762	4,666
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 3/4	-139 2/4
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	12	16	2	-20	254	68	334	184	150
June	52	-40	7	-3	317	-16	316	422	-106

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/ For Federal Reserve Bank of St. Louis. Source: FDIC reclassification of deposits in conformity with FDIC redefinition. Source: NANSB and FDIC.