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FEDERAL RESERVE BANK  
OF RICHMOND

CAPITAL MARKET DEVELOPMENTS  
IN THE UNITED STATES

(Including Review of Sources and Uses of Funds of  
Financial Intermediaries In July)

Public security financing to obtain new capital was quite light last week but is expected to be substantial this week. During the week ending September 21, one large corporate security issue of \$19 million was offered, one State and local government bond issue with par value of \$20 million was sold, and the Nippon Telephone and Telegraph Public Corporation--owned by the Government of Japan--sold a \$19 million bond issue. This week, ending September 28, two large corporate issues totaling \$49 million are scheduled for offering and five State and local bond issues amounting to \$103 million are on the calendar.

Bond yields. Bond yields either declined slightly or remained stable again last week. Yields on both Aaa- and Baa-rated corporate bonds declined one basis point further as did U. S. Government bond yields. Aaa-rated State and local government bond yields also declined a single basis point but yields on Baa-rated issues were stable for the third consecutive week.

Short- and intermediate-term interest rates. Yields on 3-month Treasury bills declined one basis point further while yields on 6-month bills were stable last week; yields on 3-5 year U. S. Government obligations declined 2 basis points after three consecutive week-to-week increases. The effective rate on Federal funds declined 25 basis points to 2.75 per cent. Other short- and intermediate-term interest rates were unchanged.

Housing starts. Private farm and nonfarm housing starts, which were revised upward by 3 per cent for July, increased 5 per cent further in August to a seasonally adjusted annual rate of 1,521 thousand. This was within 4 per cent of the advanced rate of last May and was 15 per cent above a year earlier when starts were declining temporarily.

Seasonally adjusted building permits in permit-issuing areas declined in August after a moderate rise in the two preceding months. The rate of 1,119 thousand was a new low for this year, but still somewhat above the advanced level in August of 1961.

Starts under conventional financing accounted for 76 per cent of the total in August, about the same as in July. Among Government-underwritten starts, the relative share also changed little, at 19 per cent of the entire August total for FHA-insured starts and 5 per cent for the VA-guaranteed sector.

Stock market credit. Customer credit in the stock market increased fairly sharply in August, rising \$173 million to \$5.0 billion at the month-end. Stock market credit had declined rather sharply from its December 1961 peak through July when margin requirements were reduced; the August rise eliminated about one-fourth of this earlier decline.

All of the August increase in customer credit was accounted for by a rise in customer debit balances (excluding those secured by U. S. Government securities), which increased \$187 million. Bank loans to other than broker or dealers for purchasing or carrying securities (except U. S. Government securities) declined \$14 million further.

Money borrowed by New York Stock Exchange member firms (except on U. S. Government securities) rose sharply in August after four consecutive monthly declines, increasing \$381 million, while customer's free credit balances declined \$125 million. These and other data on stock market credit for July and August are shown in the table at end of text.

Stock prices. Common stock prices declined rather sharply last week in moderately active trading. Prices, as measured by Standard and Poor's composite index of 500 stocks, fell 2 per cent on balance to 57.69 on September 21. Trading volume averaged 3.5 million shares a day, 0.6 million above the average for the previous week.

Institutional investors. The net inflow of savings during July at three major types of financial institutions--life insurance companies, savings and loan associations and mutual savings banks--totaled \$1.0 billion, 37 per cent more than in July 1961. Although the net inflow of savings capital at savings and loan associations this July was sharply less than a year earlier, the increases in both assets of life insurance companies and deposits at mutual savings banks were sharply larger than last year. (Time and savings deposits at commercial banks increased \$0.9 billion in July, more than twice the increase a year earlier.)

Assets of life insurance companies rose \$0.9 billion in July, 36 per cent more than in July 1961. July was the first month this year in which insurance company assets increased appreciably more than a year earlier; this probably reflects to a considerable extent an increase in the market value of their stock holdings (included in other assets) since stock prices rose sharply in July in contrast to declining in most recent months. The increase in business securities of \$0.2 billion was almost one-sixth less than last year due to smaller net acquisition of short-term commercial and finance company paper; holdings of long-term business securities increased \$135 million, the same as last July. Net acquisitions of mortgages of \$0.2 billion were almost twice as large as last year and the largest July increase since 1956. Holdings of cash and U. S. Government securities increased \$245 million, over twice the rise last year due principally to larger net acquisition of Treasury bills.

Savings capital at savings and loan associations rose only \$18 million in July, less than one-sixth the increase last year and the smallest July rise since 1957 when savings capital declined. Net mortgage acquisitions, at \$0.9 billion, were in record volume for the month and one-fifth larger than in July 1961. In order to finance this large volume of mortgage acquisitions with the small net inflow of capital, these associations reduced their cash holdings by \$0.4 billion, three-fourths more than last year, and increased their borrowing (principally from the Federal Home Loan Banks) by almost \$0.1 billion.

Deposits at mutual savings banks rose almost \$0.2 billion in July, eight and one-half times last year's increase and a record for July. Mortgage holdings increased \$0.3 billion, 44 per cent more than a year earlier. Holdings of business and other securities showed their sharpest increase since May 1958, rising \$66 million. Holdings of cash and U. S. Government securities, on the other hand, declined as usual--decreasing more than last year but less than during July of many other years.

	End of month		Change
	August	July	
	(Millions of dollars)		
Customer credit			
Excluding U. S. Government securities - total	5,049	4,876	+173
Net debit balances	3,749	3,562	+187
Bank loans to "others"	1,300	1,314	-14
Net debit balances secured by U. S. Govt. securities	23	29	-6
Bank loans to "others" for purchasing or carrying U. S. Government securities.	80	83	-3
Broker and dealer credit			
Money borrowed except on U. S. Government securities	2,472	2,091	+381
On customer collateral	2,190	1,856	+334
Money borrowed on U. S. Government securities	35	32	+3
Customers' net free credit balances	1,127	1,252	-125

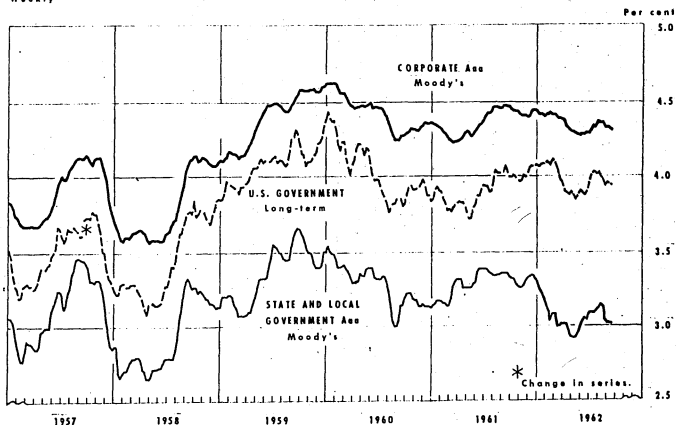
More detailed information concerning recent capital market developments is presented in the attached exhibits.

Capital Markets Section,  
 Division of Research and Statistics,  
 Board of Governors of the Federal Reserve System.

## EXHIBIT A, 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
Aug. 24	4.34	3.94	3.05	.40	.89
Aug. 31	4.33	3.94	3.03	.39	.91
Sept. 7	4.33	3.96	3.02	.37	.94
Sept. 14	4.32	3.95	3.02	.37	.93
Sept. 21 p/	4.31	3.94	3.01	.37	.93

Note: For footnotes see Exhibit B.

## LONG-TERM BOND YIELDS, LOWER-GRADE

Weekly

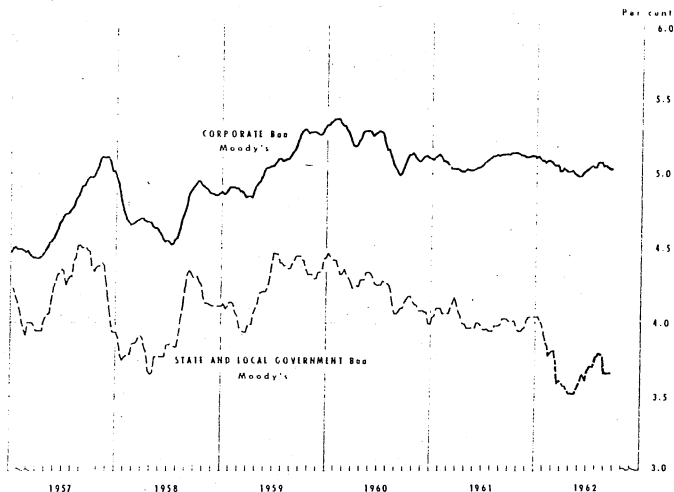


Exhibit B - Part II

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
Aug. 24	5.05	3.70	.71	.65
Aug. 31	5.05	3.66	.72	.63
Sept. 7	5.04	3.66	.71	.64
Sept. 14	5.03	3.66	.71	.64
Sept. 21 p/	5.03	3.66	.72	.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

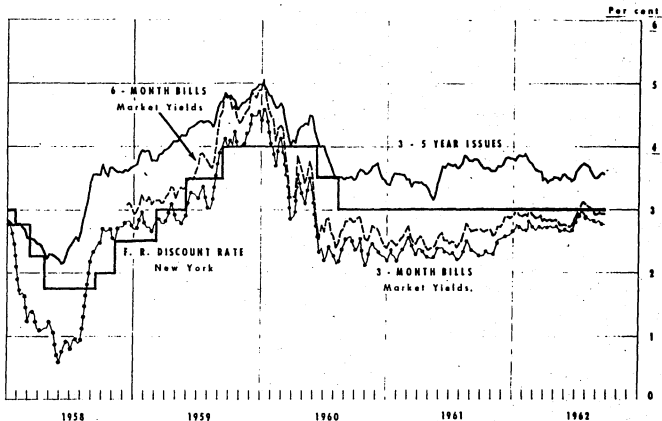


Exhibit C - Part II

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
Aug. 24	3.00	2.82	2.96	3.51	.14	.69
Aug. 31	3.00	2.80	2.93	3.52	.13	.72
Sept. 7	3.00	2.82	2.95	3.56	.13	.74
Sept. 14	3.00	2.78	2.93	3.59	.15	.81
Sept. 21 p/	3.00	2.77	2.93	3.57	.16	.80

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**

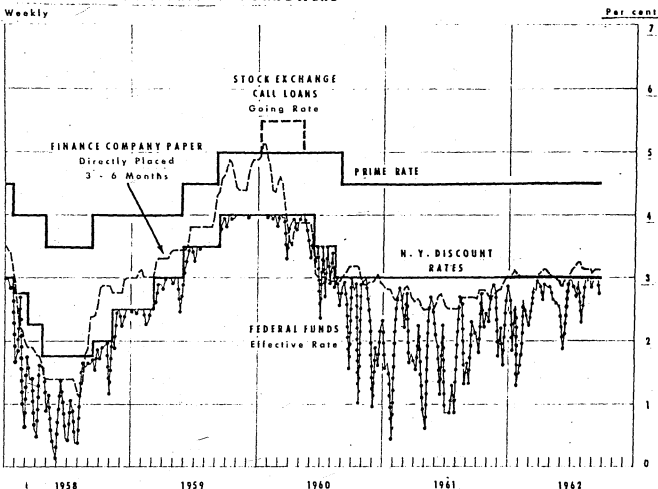


Exhibit D - Part II

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	3.25 (7/20)	3.00 (9/14)	.41
Low	4.50	4.50	2.88 (6/1)	1.30 (1/26)	.19
Aug. 24	4.50	4.50	3.13	3.00	.31
Aug. 31	4.50	4.50	3.10	2.85	.30
Sept. 7	4.50	4.50	3.13	3.00	.31
Sept. 14	4.50	4.50	3.13	3.00	.35
Sept. 21 <u>p/</u>	4.50	4.50	3.13	2.75	.36

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.

Notes - 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.

## STOCK MARKET

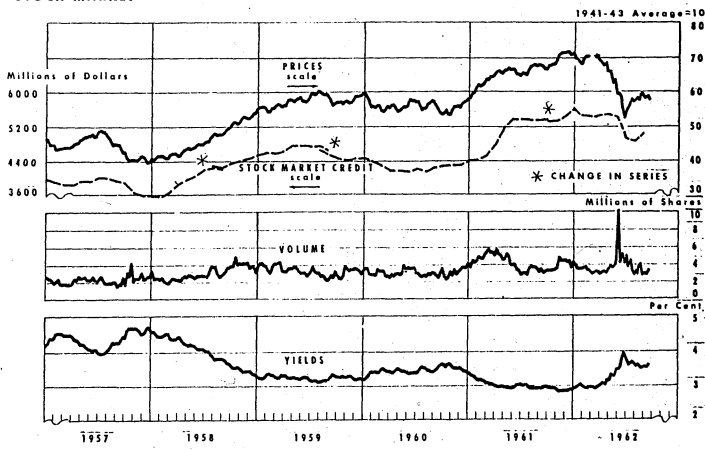


Exhibit E - Part II

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)	1,295 (9/12)
July	56.97	3.68	3.5	4,876	3,562	1,314
August	58.52	3.57	3.3	5,049	3,749	1,300
Sept. 7	58.38	3.57	3.0	n.a.	n.a.	1,298
Sept. 14	58.89	3.55	2.9	n.a.	n.a.	1,295
Sept. 21 p/	57.69	3.62	3.5	n.a.	n.a.	n.a.

n.a.—Not available. p/ Preliminary.

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

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

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

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

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



## PRIVATE HOUSING STARTS ✓

Monthly

Thousands of Units

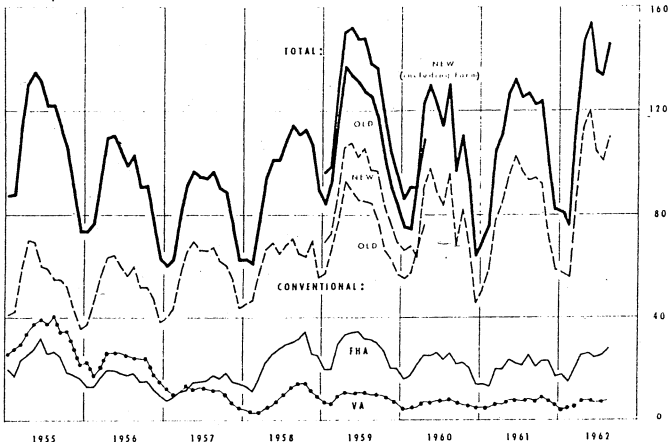


Exhibit F - Part II

Date	Total		Unadjusted		
	Seasonally adjusted annual rate	Unadjusted	FHA	VA	Conventional
	(Thousands of units)				
1961 - 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.	1,152	76	15	5	56
Mar.	1,431	115	21	6	88
Apr.	1,542	147	25	8	114
May	1,579	154	26	8	120
June	$\bar{r}/1,425$	$\bar{r}/136$	24	7	$\bar{r}/105$
July	$\bar{r}/1,448$	$\bar{r}/134$	25	7	$\bar{r}/101$
Aug. $\bar{p}/$	1,521	146	28	6	110

1/ Total starts are Census estimates, which are not strictly comparable with old nonfarm series developed by BLS. A dwelling unit is started when excavation begins; all units in an apartment structure are considered started at that time. FHA and VA starts are units started under commitments by these agencies to insure or guarantee the mortgages. As reported by FHA and VA, a unit is started when a field office receives the first compliance inspection report, which is made before footings are poured in some cases but normally after the foundations have been completed. Capehart military housing units are excluded. Conventional starts are derived as a residual, although total and FHA and VA starts are not strictly comparable in concept or timing; they include both units financed by conventional mortgages and units without mortgages.

## Yields on New Corporate Bond Issues Adjusted to an Aaa Basis

	Number of issues included	Amount of issues included (millions of dollars)	Average yield (per cent)		Number of issues included	Amount of issues included (millions of dollars)	Average yield (per cent)
<b>Monthly averages:</b>							
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	4.33	27	1	20.0	4.33*
August	11	379.3	4.30	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	1	60.0	4.20
				September 7	1	12.0	
				14	1	50.0	4.13
				21	--	--	--
				28			
<b>Weekly averages:</b>							
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.

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/876	713	700
February	859	667	715	p/1,132	689	611
March	807	562	860	p/624	764	568
April	1,113	2,118	761	p/832	723	719
May	760	1,259	577	e/800	641	545
June	1,132	1,318	1,044	e/700	1,034	991
July	p/590	1,028	736	e/600	485	492
August	e/750	762	967	e/575	604	606
September	e/600	647	726	e/400	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	2,115	e/2,632	2,166	1,880
2nd quarter	3,005	4,665	2,382	e/2,332	2,397	2,256
3rd quarter	e/1,940	2,437	2,428	e/1,575	1,823	1,780
4th quarter		3,038	2,698		2,073	1,340
1st half	5,263	6,504	4,527	e/4,964	4,563	4,136
Three quarters	e/7,203	8,941	6,955	e/6,539	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	2,919	4,552	2,165			
3rd quarter	e/1,840	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 <sup>1/</sup>				Net proceeds for new capital <sup>1/ 2/</sup>			
	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	622	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	1,061	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	1,529	1,222	639	996	583	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 <sup>p/</sup>	616	200	352	65	211	124	88	168
Aug. <sup>e/</sup>	890	470	350	70	260	100	100	290
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.

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	25	5	25	--	--	--
August	e/--	2	1	e/150	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. -Aug.	e/358	159	419	e/1,013	1,029	1,183
	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	-186	-8	-80	226	-174	-59
April	127	-103	70	-364	-79	-277
May	-84	-42	-146	82	-87	170
June	-118	-155	-157	284	207	320
July	p/78	109	48	p/350	22	95
August	p/338	518	415	p/342	193	23
September		-86	-175		108	-201
October		-6	-26		98	-23
November		54	50		56	-33
December		-116	-189		-114	-250
Year		520	18		-76	-633
Jan. -Aug.	p/639	674	348	p/1,011	-224	-126

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 FHA 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 - 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
August	286	226	60	--	272	--

Large Individual Issues Offered September 1 through 21

Issuer	Type 3/	Amount (millions of dollars)	Maturity	Coupon rate or net interest cost	Offering yield	Rating
<u>CORPORATE</u>						
Tennessee Gas Trans. Corp.	Deb.	50.0	1982	5	4.90	Baa
	Pfd. stk.	22.5				
Pacific Northwest Bell Tel. Company	Deb.	50.0	2002	4-3/8	4.27	Aa
Arizona Public Service Co.	Com. stk.	19.4				
<u>STATE AND LOCAL GOVERNMENT</u>						
Unified Sch. Dist. No. 1, Wis.	G.O.	10.0	1963-82	2.90	1.60-3.10	A
State of Rhode Island	G.O.	10.2	1963-2002	n.a.	1.60-3.45	A
New Orleans, Louisiana	G.O.	10.0	1964-87	3.12	1.80-3.30	A
State of Delaware	G.O.	19.7	1963-82	2.77	1.55-3.00	Aa
<u>OTHER</u>						
Federal Home Loan Banks	Bonds	175.0	1965	3-3/4	3.70	--
Nippon Tel. & Tel. Public Corp.	Bonds	18.5	1977	6	6.42	--

## 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.

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 - 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	--
Aug. 31	170	61	175	312	215	175

Forthcoming Large Offerings, as of September 21

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>CORPORATE</u>			
*Franklin Natl. Bank of Long Island	Pfd. stk.	20.0	Sept. 24
Public Service Co. of Colorado	Com. stk.	29.2	Sept. 24
San Diego Elec. & Gas Co.	Com. stk.	15.5	(rights expire) Oct. 10
Panhandle Eastern Pipe Line Co.	Deb. & pfd. stk.	80.0	(rights expire) Oct. 24
Southern Calif. Edison Co.	1st & ref. mtg. bds.	17.6	Oct. 31
Commerce Oil Refining Corp.	Deb., bds. & com.	45.0	Indefinite
Columbia Bancorporation	Conv. sub. deb.	30.0	Indefinite
*American Tel. & Tel. Co.	Deb.	250.0	Oct. 24
<u>STATE AND LOCAL GOVERNMENT</u>			
Detroit Sch. Dist., Michigan	G.O.	10.0	Sept. 25
Baltimore, Maryland	G.O.	32.6	Sept. 25
*Detroit, Michigan	G.O.	12.9	Sept. 25
Nassau Co., New York	G.O.	17.0	Sept. 26
Commonwealth of Puerto Rico	G.O.	30.0	Sept. 26
*Los Angeles Co. Flood Control Dist., California	G.O.	10.0	Oct. 2
De Kalb Co., Georgia	G.O.	14.0	Oct. 2
State of Louisiana	G.O.	20.0	Oct. 10
East Bay Mun. Util. Dist., Cal.	G.O.	30.0	Nov. 14
Houston, Texas	Rev.-Ut.	14.0	Nov. 14
Pittsburgh, Penna.	G.O.	35.0	Indefinite



## Forthcoming Large Offerings as of September 21 (Cont'd)

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>STATE AND LOCAL GOVERNMENT (CONT'D)</u>			
Jefferson County, Colorado	G.O.	12.9	Indefinite
Dade County, Florida	G.O.	46.0	Indefinite
Jacksonville Expressway Auth., Fla.	Rev.-Ut.	40.0	Indefinite
<u>OTHER</u>			
None.			

\*--Included in table for first time.

- 1/ Includes corporate and other issues of \$15 million and over; State and local government issues of \$10 million and over.
- 2/ Includes foreign government and International Bank for Reconstruction and Development issues and non-guaranteed issues by Federal agencies.

Note.--Deletions for reasons other than sale of issue: 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.	1,329	6,428	48,631	295	3,606	41,815	17,472	119,576
1961 - Dec.	1,389	6,104	51,341	183	3,922	44,241	19,409	126,589
1962 - July	1,264	6,406	52,395	585	4,062	45,340	19,950	130,002
Changes:								
1960 - Apr.	42	-85	108	17	25	218	89	414
May	-12	-63	165	47	29	209	109	484
June	31	-102	209	-25	19	187	144	463
July	42	52	143	81	24	153	87	582
Aug.	3	-45	133	53	46	227	113	530
Sept.	-49	-2	111	-61	82	179	110	370
Oct.	93	-62	100	205	33	217	-6	580
Nov.	-35	18	257	-59	26	197	92	496
Dec.	89	-103	300	-100	18	282	167	653
p/1961 - Jan. r/	-51	117	88	124	65	193	355	891
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	31	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
July	69	176	135	72	4	198	204	858
Aug.								
Sept.								

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. secur- ities	Mort- gages 2/	Other assets		Net change savings capital	Borrow- ing 3/	Other
	(in millions of dollars)							
Value of assets at end of period								
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 - July	2,963	5,459	74,525	5,012	87,959	75,467	2,979	9,513
Changes:								
1960 - 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.	-78	-46	847	90	813	386	126	301
May	10	-13	971	413	1,381	782	98	501
June r/	263	-67	1,044	-58	1,182	1,427	365	-610
July	-394	46	894	-194	352	18	89	245
Aug.								
Sept.								

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 - July	838	6,270	5,141	578	30,711	1,180	44,718	39,938	4,780
Changes:									
1960 - 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	366 <sup>3/</sup>	-138 <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	12	16	2	-20	254	68	334	184	150
June 2/	54	-35	12	-5	311	-13	321	426	-105
July	-46	-11	66	-5	290	-10	285	172	113
Aug.									
Sept.									

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/ Adjusted so as not to reflect \$115 million other liability reclassified as deposits in conformity with FDIC redefinition. Source--NAMSB and FDIC.