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FEDERAL RESERVE BANK
OF RICHMOND

May 13, 1963.

H.14
CAPITAL MARKET DEVELOPMENTS
IN THE UNITED STATES

(Including Review of State and Local Government
Security Financing in 1962)

The volume of public security financing to obtain new capital was rather moderate last week and is not expected to be much larger this week. During the week ending May 10, over \$16 million corporate issue and two large State and local government bond issues with par value of \$137 million were offered. In addition the American Telephone and Telegraph Company offered \$250 million in bonds to refund outstanding securities. This week, ending May 17, two corporate issues totaling \$80 million and three State and local issues amounting to \$87 million are on the calendar for sale to obtain new capital; in addition, the Chicago Union Station Company is expected to offer \$49 million in bonds to refund outstanding securities.

Bond yields. Yields on seasoned long-term bonds either declined slightly or were stable last week. Yields on Baa-rated corporate bonds fell a basis point to 4.86 per cent, their lowest level since April 1959, while U. S. Government bond yields dropped a basis point to 3.97 per cent. Yields on Aaa-rated corporate bonds and on State and local government bonds were stable.

Average yields on new corporate bonds, adjusted to an Aaa basis, were 4.31 per cent last week, nine basis points above the average for the previous week; most of this increase, however, was probably due to the unusual size of last week's principal offering, the AT&T issue.

Short- and intermediate-term interest rates. Rates on 3-month Treasury bills rose one basis point, while those on 6-month bills were stable; yields on intermediate-term Treasury obligations fell two basis points. One major finance company raised the rate on directly-placed paper with 90-179 day maturity by one-eighth of a percentage point to 3-1/4 per cent late last week; as a result, the average rate rose two basis points to 3.15 per cent. The average effective Federal funds rate was 3.00 per cent, the same as the previous week. Other rates were unchanged.

Mortgage yields, interest rates and other terms. Secondary market yields on 25 year, 5-1/4 per cent FHA-insured mortgages declined 3 basis points further in April and, at 5.44 per cent, continued 21 basis points under a year earlier. Offering yields on new Aaa corporate bonds held at the moderately advanced level of 4.28 per cent reached in March. As a result, the spread between mortgage and bond yields narrowed further--to 116 basis points, compared with 137 basis points a year earlier and a recent high of 169 basis points in August 1960.

According to the Federal Housing Administration, average interest rates for conventional first mortgages on new houses declined to 5.80 per cent in April. This was down 5 basis points from the level that prevailed earlier this year and was 20 basis points below a year ago. Rates on loans for existing houses held at about the 5.90 per cent average of recent months and were 15 basis points below a year earlier.

The Federal Home Loan Bank Board, in conjunction with the FDIC, recently began publication of a new monthly series on contract interest rates and related terms of conventional loans on single family homes. According to this source, contract interest rates on conventional loans for both new and existing houses were continuing downward in March, the latest month for which data are available. Reflecting some apparent further liberalization in other terms this year, the average term of contract was 24.0 years on new home loans and 19.2 years on existing home loans, and average loan-to-value ratios were 73.4 per cent and 71.2 per cent, respectively. For the new homes involved, the average purchase price was \$22,500; for existing homes, \$17,300.

The new series are based on a representative sample of conventional first mortgages originated by all the major types of mortgage lending institutions. Along with national averages in total and by major mortgage originating institutions, plans are for eventual release of comparable figures for eighteen separate metropolitan areas. Some time will be required to accumulate the historical data necessary for interpretation of seasonal and other influences on the movement of the series.

Stock prices. Common stock prices rose moderately further last week in active trading. Prices, as measured by Standard and Poor's composite index of 500 stocks, rose over one-half of one per cent to close at 70.52 on May 10. At this level, average prices were within three per cent of their December 1961 high.

State and local government bond sales during 1962. Sales of long-term bonds by State and local governments totaled a record \$8.8 billion in 1962, 3 per cent above the previous peak volume of 1961. The largest part of this financing (three-fifths) was carried out in the first half of the year when \$5.3 billion in bonds were sold; this was a record for any six month period and one-sixth more than the previous six month peak--a year earlier. Sales dropped off more than seasonally in the second half, however, to \$3.5 billion, one-eighth less than in the corresponding period of 1961.

The timing of municipal bond sales last year was probably influenced considerably by interest rate developments. Yields on Aaa-rated State and local government bonds decline 37 basis points on balance during the year, substantially more than did yields on high-grade corporate or U. S. Government bonds. Moreover, the bulk of the decline in municipal yields occurred early in the year when yields on other types of bonds changed little. A part of the large volume of State and local bond sales in the first half of the year (and particularly in the first quarter) probably represented anticipatory financing generated

by these favorable interest rate developments. The reduced volume of sales in the second half, in turn, seems likely to have reflected the fact that some of the financing accomplished earlier represented sales that would have been made in the July-December period had interest rate developments been different.

The major factor causing the differential movements in interest rates on municipal and other bonds last year was the sharp increase in commercial bank purchases of municipal bonds. This was a part of the adjustment in bank investment policy made in response to the sharp expansion in time and savings deposits following the liberalization of Regulation Q late in 1961 and the subsequent increase in rates paid on these deposits. Commercial bank acquisitions of municipal bonds are generally large in recession periods, such as 1958 and 1961, but last year were even larger, both in dollar amounts and relative to the total volume of State and local financing. Moreover, last year the rise in bank municipal acquisitions was accompanied by a lengthening in the maturity of bonds purchased.

The increased importance of commercial banks in the municipal bond market is indicated by the following table which shows the proportion of the net increase in State and local government debt accounted for by the growth in commercial bank holdings in recent years:

1957	22 per cent
1958	47 per cent
1959	9 per cent
1960	16 per cent
1961	54 per cent
1962	85 per cent

Commercial banks (and to a lesser extent other institutions) acquired this large proportion of municipal securities last year only by out bidding individual investors. The latter for the first time since 1946 (prior to the postwar rise in State and local financing) reduced their municipal holdings.

Issuing authority, purpose of issue and type of issue

Over one-half of the State and local government bonds sold in 1962 were issued by municipalities and special authorities. (The latter are generally established by State law, perform a wide variety of specified functions, and sell bonds in their own name, although they are subject to varying degrees of State control.) Bond sales by both types of issuing units were in record volume at \$2.6 billion each, 7 per cent and one-fifth larger, respectively, than in 1961. However, long-term security sales directly by States, at \$1.4 billion, were about one-fourth less than in the previous year primarily because of the smaller volume of flotations by the State of California.

Financing of school building construction continued to be the most important single purpose of bond sales. Such offerings last year were a record \$3.0 billion, as shown in the table on the following page,

5 per cent above the previous peak set in 1961. Sales for elementary and secondary school building, however, were lower than the previous year, while bond sales to construct buildings for higher education were up substantially. Bond sales to finance residential housing construction was the only other category to show much of an increase over 1961; they totaled a record \$0.5 billion, one-third larger than a year earlier. Bonds sold to refund outstanding securities were small, as in most other years, but, at \$0.3 billion, were over two and one-half times as large as in 1961 and the largest volume since 1952.

Sales of general obligation bonds accounted for the bulk of all long-term municipal bond financing last year, but, at \$5.6 billion, were slightly below the 1961 record volume. Sales of revenue bonds (\$2.7 billion) and Public Housing Authority issues (\$437 million), however, rose above their 1961 volume to more than offset the slight decline in general obligation bond sales.

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.

Long-term Security Issues of State and Local Governments
1957-62

(In millions of dollars)

	1962	1961	1960	1959	1958	1957
Issuing authority:						
State	1,419	1,928	1,110	1,686	1,993	1,489
County and township	639	611	538	501	540	433
Municipality	2,611	2,444	2,165	2,058	2,152	2,130
School district	1,575	1,418	1,495	1,331	1,471	1,602
Special authority	2,600	2,165	1,984	2,121	1,371	1,272
Total	8,845	8,566	7,292	7,697	7,526	6,926
Purpose of issue:						
New capital total	8,568	8,463	7,247	7,589	7,441	6,875
Schools	2,963	2,821	2,405	2,318	2,617	2,524
Highways, bridges and tunnels	1,114	1,167	1,007	844	1,164	1,036
Residential buildings	521	385	426	401	251	113
Hospitals and institutions	139	102	99	110	216	136
Sewer and water	1,218	1,313	1,049	1,123	1,079	1,020
Misc. public service enterprises	450	387	266	862	333	497
Veterans' aid	125	478	201	355	339	333
Other	2,037	1,811	1,792	1,575	1,441	1,216
Refunding	276	103	45	108	86	50
Total	8,845	8,566	7,292	7,697	7,526	6,926
Type of issue:						
General obligation	5,582	5,724	4,771	4,782	5,447	4,795
Revenue	2,681	2,407	2,095	2,407	1,778	1,965
Utility	846	859	989	1,599	1,007	1,434
Quasi-utility	1,315	1,179	833	404	165	54
Special tax	100	57	79	240	330	289
Rental	420	312	194	165	276	188
Public Housing Authority	437	315	302	332	187	66
Federal Government loans	145	120	125	176	115	99
Total	8,845	8,566	7,292	7,697	7,526	6,926

Note.--Details may not add to totals because of rounding.

Source.--Investment Bankers Association of America.

LONG-TERM BOND YIELDS, HIGH-GRADE

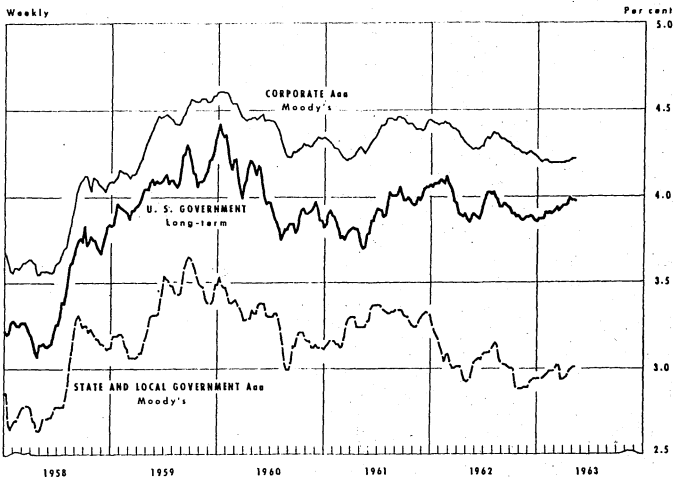


Exhibit A - Part II

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)				
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 - Low	4.23 (12/28)	3.85 (12/28)	2.88 (11/8)	.30	.80
1963 - High	4.22 (5/10)	3.99 (4/19)	3.02 (3/7)	.35	1.02
Low	4.19 (3/29)	3.87 (1/18)	2.93 (3/28)	.22	.90
Apr. 12	4.20	3.96	2.95	.24	1.01
Apr. 19	4.21	3.99	2.99	.22	1.00
Apr. 26	4.22	3.98	3.00	.24	.98
May 3	4.22	3.98	3.01	.24	.97
May 10 p/	4.22	3.97	3.01	.25	.96

p/ Preliminary.

Weekly average of daily figures. Average term of bonds included is 22-24 years.

Weekly average of daily figures. The series includes bonds due or callable in 10 years or more.

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 B, Part I

LONG-TERM BOND YIELDS, LOWER-GRADE

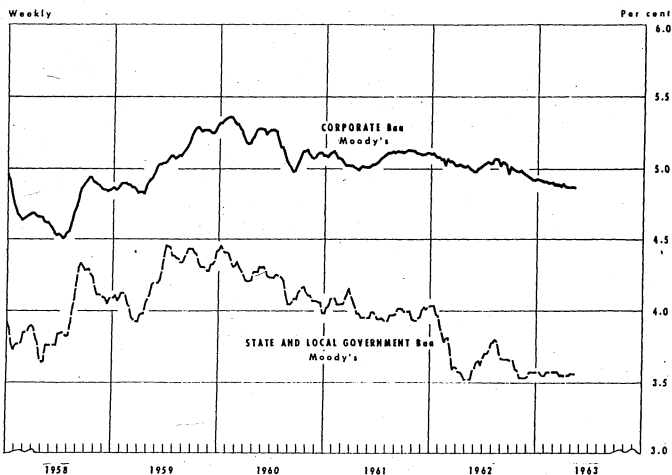


Exhibit B - Part II

Date	Corporate Baa <u>1</u> /	State and local govt. Baa <u>3</u> /	Spread between Aaa and Baa	
			Corporate	State and local govt.
			(per cent)	
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 - Low	4.92 (12/21)	3.52 (5/17)	.63	.56
1963 - High	4.93 (1/4)	3.57 (3/14)	.71	.63
Low	4.86 (5/10)	3.55 (4/18)	.64	.55
Apr. 12	4.87	3.55	.67	.60
Apr. 19	4.87	3.55	.66	.56
Apr. 26	4.87	3.56	.65	.56
May 3	4.87	3.56	.65	.55
May 10 <u>p</u> /	4.86	3.56	.64	.55

Note: For footnotes see Exhibit A.

SHORT- AND INTERMEDIATE- TERM INTEREST RATES, GOVERNMENT

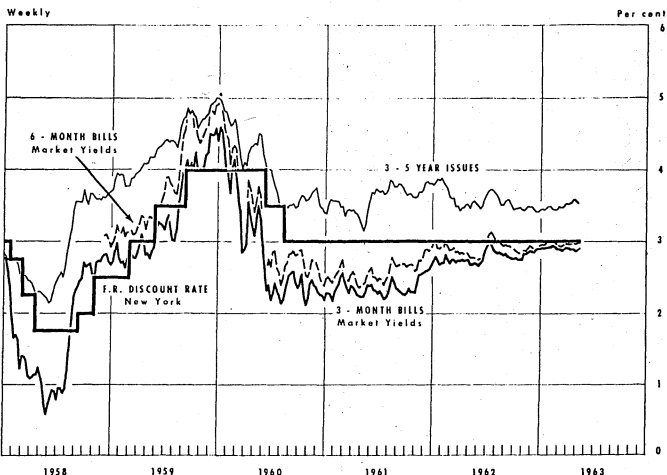


Exhibit C - Part II

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)						
1958 - Low	1.75	.58 (5/29)	3.02 (12/26)	2.14 (6/6)	.26	.04
1959-60 High	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
1961-62 High	3.00	2.97 (7/13/62)	3.13 (7/20/62)	3.88 (2/2/62)	.44	1.51
1962 - Low	3.00	2.65 (6/8)	2.74 (6/8)	3.41 (12/28)	.02	.52
1963 - High	3.00	2.95 (2/8)	3.00 (4/19)	3.59 (4/26)	.10	.70
Low	3.00	2.88 (3/15)	2.93 (3/8)	3.44 (1/18)	.04	.52
Apr. 12	3.00	2.90	2.98	3.54	.08	.64
Apr. 19	3.00	2.90	3.00	3.59	.10	.69
Apr. 26	3.00	2.89	2.98	3.59	.09	.70
May 3	3.00	2.90	2.99	3.56	.09	.66
May 10 p/	3.00	2.91/	2.99	3.54	.08	.63

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**

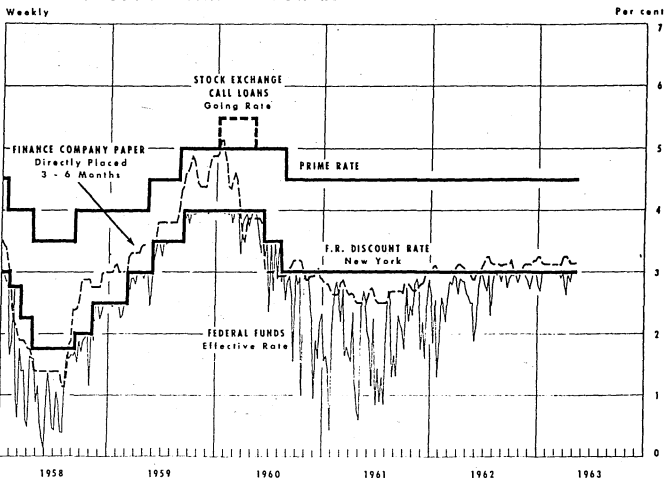


Exhibit D - Part II

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)				
1958 - Low	3.50	3.50	1.13 (6/8)	.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
1961-62 - High	4.50	4.50	3.25 (7/20/62)	3.00 (12/28/62)	.56
1962 - Low	4.50	4.50	2.88 (6/1)	1.30 (1/26)	.19
1963 - High	4.50	4.50	3.25 (4/5)	3.00 (5/10)	.36
Low	4.50	4.50	3.13 (5/3)	2.63 (4/5)	.18
Apr. 12	4.50	4.50	3.19	3.00	.29
Apr. 19	4.50	4.50	3.13	2.85	.23
Apr. 26	4.50	4.50	3.13	2.98	.24
May 3	4.50	4.50	3.13	3.00	.23
May 10 p/	4.50	4.50	3.15	3.00	.22

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. Per spreads, high refers to widest, and low to narrowest.

STOCK MARKET

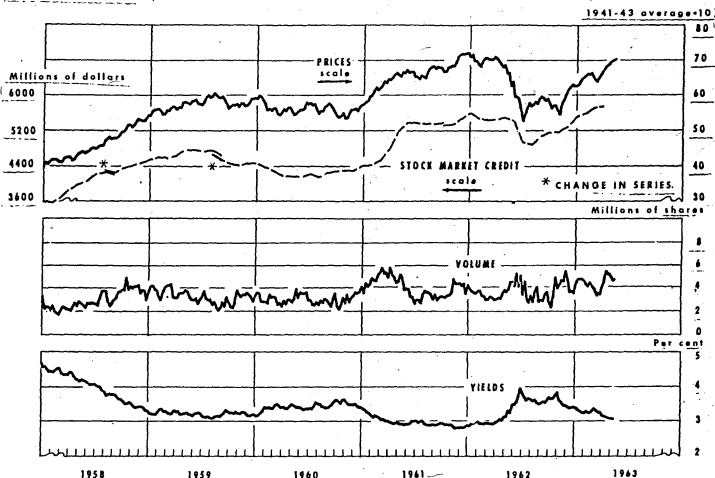


Exhibit E - Part II

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)						
1961-62 - High	72.04 (12/8/61)	2.82	10.1	5,602(12/61)	4,259 (12/61)	1,377(8/30/61)
Low	52.68 (6/22/62)	3.96	2.4	4,876(7/62)	3,562 (7/62)	1,269(9/26/62)
1963 - High	70.52 (5/10)	3.08	5.5	5,754(3/63)	4,332 (2/63)	1,459 (5/1)
Low	64.10 (3/1)	3.36	3.3	5,595(1/63)	4,208 (1/63)	1,378 (2/23)
March	65.67	3.28	3.6	5,754	4,331	1,423
April	68.76	3.15	5.1	n.a.	n.a.	1,452
Apr. 26	69.70	3.10	5.2	n.a.	n.a.	1,452
May 3	70.03	3.09	4.6	n.a.	n.a.	1,459
May 10 p/	70.52	3.08	4.8	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

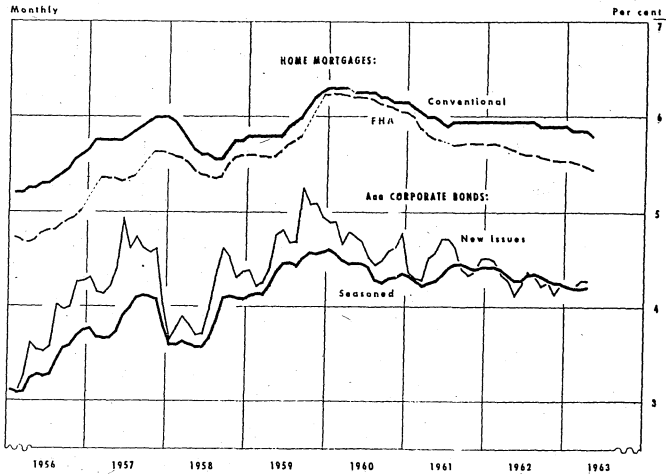


Exhibit F - Part II

Date	FHA mortgages ^{2/}	Conventional mortgages ^{3/}	Spread between yields on conv. & FHA mtgs.	Aaa Corporate Bonds		Spread between yields on new corporate bonds and	
				New ^{4/}	Seasoned ^{5/}	FHA mtgs.	Seasoned bds.
1956 - Low	4.68	5.20	.47	3.08	3.08	.76	--
1957 - High	5.63	6.00	.47	4.94	4.12	1.58	1.03
1958 - Low	5.35	5.55	.15	3.65	3.57	.88	.05
1959-60 - High	6.24	6.30	.23	5.25	4.61	1.69	.73
1962-63 - High	5.72	5.95	.38	4.72	4.45	1.50	.39
Low	5.44	5.80	.23	4.12	4.22	--	-.16
1963: - January	5.52	5.85	.33	4.21	4.21	1.31	--
February	5.50	5.85	.35	4.21	4.19	1.29	.02
March	5.47	5.85	.38	4.28	4.19	1.19	.09
April	5.44	5.80	.36	4.28	4.21	1.16	.07

^{1/} 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 semi-annual interest investment, would be slightly higher than given in the table.

^{2/} Based on FHA field-office opinions about average bid prices in the private secondary market for new-home mortgages for immediate delivery. Data relate only to 25-year mortgages with down payments 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.

^{3/} Based on FHA field office opinion on typical interest rates (rounded) on conventional first mortgages prevailing in the market areas of insuring office cities. Beginning with April 1961, rate relates only to new-home mortgages; prior to that date, rate related to both new as well as existing-home mortgages. Dashed line indicates this change in the series.

See note for Exhibit G.

Moody's Investor Service. Monthly averages of daily data. See Exhibit A.

YIELDS ON NEW AND SEASONED CORPORATE BONDS

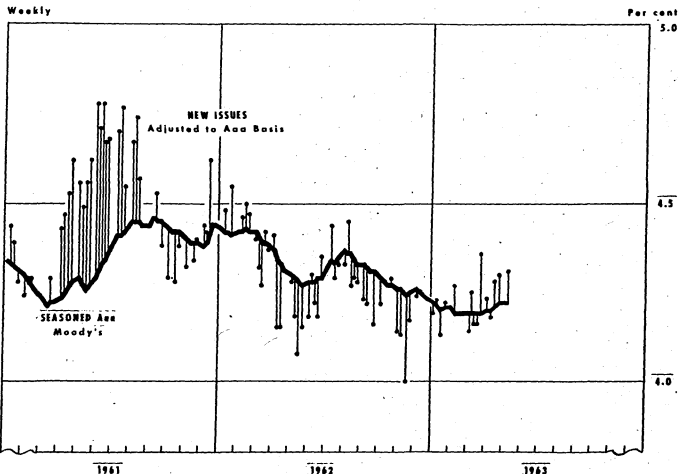


Exhibit G - Part II

Yields on New Corporate Bond Issues Adjusted to an Aaa basis

	Number of issues	Am't of issues included (mil. of dollars)	Average yield (per cent)		Number of issues	Am't of issues included (mil. of dollars)	Average yield (per cent)
Weekly averages:							
1962 - Dec. 7	3	87.0	4.24	Mar. 1	1	12.0	4.14
14	1	45.0	4.25	8	2	55.0	4.25*
21	--	--	--	15	2	24.4	4.16
28	--	--	--	22	3	87.0	4.16
				29	2	222.0	4.36*
1963 - Jan. 4	1	25.0	4.19	Apr. 5	2	45.0	4.23
11	1	70.0	4.23	12	1	6.0	4.18
18	1	35.0	4.13	19	3	95.0	4.28
25	2	75.0	4.22	26	3	128.0	4.30
Feb. 1	1	25.0	4.21	May 3	1	25.0	4.22
8	2	64.0	4.27*	10	2	266.0	4.31*
15	--	--	--				
22	4	100.0	4.19				

Notes: Averages of offering yields on all new issues of publicly offered corporate bonds rated Aaa, Aa and A by Moody's Investors Service (except serial and convertible issues, offerings of natural gas pipeline and foreign companies, and bonds guaranteed by the Federal Government) weighted by size of offering. Before averaging, new offerings are adjusted to a composite Aaa basis by deducting from the actual reoffering yield the excess of the weekly average yield for seasoned bonds of the appropriate industry-quality group over the composite average for seasoned Aaa-rated bonds (Moody's). Averages considered unrepresentative because of special characteristics of the offerings included are denoted by an asterisk.

Long-term Corporate and State and Local Government
Security Offerings and Placements

(In millions of dollars)

	New capital					
	Corporate 1/			State and local 2/		
	1963	1962	1961	1963	1962	1961
January	p/584	592	580	p/731	876	711
February	p/602	859	667	p/719	1,133	689
March	p/1,001	807	562	p/954	628	764
April	e/850	1,113	2,118	e/850	873	722
May	e/650	760	1,259	e/850	912	640
June		1,132	1,318		786	1,034
July		582	1,028		612	486
August		749	762		544	604
September		579	647		427	734
October		835	1,090		650	679
November		703	948		578	789
December		1,103	1,000		550	610
1st quarter	p/2,187	2,258	1,809	p/2,405	2,637	2,165
2nd quarter		3,005	4,695		2,571	2,396
3rd quarter		1,910	2,437		1,582	1,824
4th quarter		2,641	3,038		1,779	2,078
1st half		5,264	6,504		5,208	4,561
Three quarters		7,173	8,941		6,790	6,385
Year		9,814	11,979		8,568	8,463
	Excluding finance companies 3/					
1st quarter	e/1,987	2,199	1,554			
2nd quarter		2,919	4,552			
3rd quarter		1,775	2,337			
4th quarter		2,410	2,807			
Year		9,303	11,253			

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	Memo: foreign issues included	Mfg.	Public utility	Communi- cations	Other issuers
		Publicly offered	Privately offered						
1960 - III	2,520	1,336	754	429	38	562	652	317	896
IV	2,832	1,462	955	416	17	625	696	381	997
1961 - I	1,992	662	880	449	76	515	381	81	832
II	5,352	2,303	1,275	1,774	155	1,466	1,081	1,095	1,052
III	2,566	772	1,139	654	69	935	595	104	803
IV	3,236	967	1,424	845	62	792	836	147	1,263
1962 - I	2,378	1,155	716	507	68	655	430	456	717
II	3,250	1,389	1,222	639	257	996	983	231	794
III	2,184	853	1,024	307	56	601	375	275	659
IV	2,957	1,089	1,568	300	179	769	568	321	986
1963 - I p/	2,539	1,099	1,160	281	110	862	333	233	759
II									
1961 - July	1,075	424	392	259	52	428	269	16	315
Aug.	813	225	411	177	7	255	215	13	279
Sept.	678	123	336	218	10	252	111	75	209
Oct.	1,155	336	509	310	25	271	306	25	487
Nov.	987	414	348	225	12	215	362	80	291
Dec.	1,094	217	567	310	25	306	168	42	485
1962 - Jan.	647	273	232	143	3	205	89	73	225
Feb.	884	497	232	155	12	131	148	362	218
Mar.	847	386	253	209	54	318	193	21	275
Apr.	1,217	654	227	336	10	384	377	88	264
May	801	247	420	134	147	270	196	64	229
June	1,232	488	575	169	100	342	410	79	301
July	630	200	366	67	13	217	118	88	159
Aug.	922	477	363	82	--	218	110	120	301
Sept.	632	176	295	161	43	166	148	67	199
Oct.	976	539	314	123	46	153	141	260	282
Nov.	784	286	446	52	34	271	175	4	253
Dec.	1,197	264	808	125	99	345	252	57	451
1963 - Jan. p/	681	350	238	94	18	133	118	125	208
Feb. p/	643	259	290	94	43	216	115	68	204
Mar. p/	1,215	490	632	93	49	513	100	40	347
Apr. e/	920	380	350	190	n. a.	200	320	60	270
May									
June									

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/		
	1963	1962	1961	1963	1962	1961
January	p/232	142	6	p/--	246	--
February	p/128	10	29	p/148	156	--
March	e/50	35	20	e/--	--	252
April	e/100	10	2	e/186	461	100
May		86	66		--	149
June		50	29		--	278
July		25	5		--	--
August		8	2		150	250
September		31	--		175	193
October		151	43		--	--
November		88	34		--	225
December		101	--		--	--
Year		737	236		1,188	1,448
Jan-Apr.	e/\$10	197	57	e/334	863	353
	Net short-term 4/					
	State and local government 5/			Federal agency 3/		
January	75	18	160	-106	247	-144
February	78	466	195	-189	-156	-162
March	-367	-186	-8	-482	226	-174
April	p/414	127	-103	p/185	-364	-79
May		-84	-42		82	-87
June		-118	-155		284	207
July		78	109		261	22
August		339	518		227	193
September		-406	-86		-157	108
October		71	-6		379	98
November		234	54		55	56
December		-161	-116		-80	-114
Year		378	520		1,004	-76
Jan.-Apr.	p/200	425	244	p/-592	47	-559

1/ 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/ Included 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 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 <u>2/</u>
	Total	Bonds (other than convertibles)	Convertible bonds	Stocks		
1962 - April	648	430	51	167	423	55
May	200	170	--	30	373	88
June	472	387	--	85	266	30
July	165	135	--	30	321	20
August	286	226	60	--	272	--
September	191	100	--	91	153	194
October	434	398	--	36	320	25
November	178	178	--	--	217	--
December	198	178	20	--	193	75
1963 - January	234	215	--	19	344	48
February	186	125	35	26	367	63
March	394	372	--	22	570	--
April	409	263	--	146	431	134

Large Individual Issues Offered May 1 through 10

Issuer	Type <u>3/</u>	Amount (millions of dollars)	Maturity	Coupon rate or net interest cost	Offering yield	Rating
CORPORATE						
General Tel. Co. of Cal.	1st mtg. bds.	25.0	1993	4-3/8	4.39	A
Alabama Pwr. Co.	1st mtg. bds.	16.0	1993	4-3/8	4.37	A
STATE AND LOCAL GOVERNMENT						
Placer Co. Water Agency, Cal.	Rev. -U.T.	115.0	1968-2013	3.57	2.30-3.58 ^{4/}	--
Maryland State Roads Comm.	Rev. -S.T.	17.5	1964-78	2.92	1.60-2.90	Aa
Greenville Co., S. C.	G.O.	12.0	1964-83	2.88	1.70-3.05	Aa
Cincinnati, Ohio	G.O.	15.3	1964-96	2.89	1.60-3.50	Aaa
Washington Public Pwr. Supply System	Rev. -U.T.	122.0	1967-96	3.26	2.25-3.35	A
OTHER						
Govt. of Japan	Bonds	27.5	1980	5-1/2	5.71	--

Footnotes

*--Rights offering.

- 1/ Includes corporate and other security offerings of \$15 million and over; State and local government security offerings of \$10 million and over.
- 2/ Includes foreign government and International Bank for Reconstruction and Development issues and non-guaranteed issues by Federal agencies.
- 3/ In the case of State and local government securities, G.O. denotes general obligations; Rev.-Ut., revenue obligations secured only by income from public utilities; Rev.-Q.Ut., revenue bonds secured only by revenue from quasi-utilities; Rev.-S.T., revenue bonds secured by revenue from specific taxes only; Rev.-Rent., revenue bonds secured solely by lease payments.
- 4/ 3-3/4 per cent bonds due 2013 reoffered to yield 3.53 per cent.

Forthcoming Large Long-term Public Security Offerings for New Capital
(Other than U. S. Treasury) 1/

Expected Proceeds from Forthcoming Large Issues

Date of computation	During month following date shown			Subsequent to date shown		
	Corporate	State and local govt.	Other 2/	Corporate	State and local govt.	Other 2/
1962 - 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
Sept. 28	363	187	--	546	387	--
Oct. 31	203	96	--	328	243	--
Nov. 30	170	194	75	360	328	75
Dec. 28	269	177	25	314	311	25
1963 - Jan. 31	167	376	--	412	843	33
Feb. 28	142	458	--	572	755	--
Mar. 29	376	381	45	421	763	45
Apr. 30	149	447	40	234	599	40

Forthcoming Large Offerings, as of May 10

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>CORPORATE</u>			
Virginia Elec. & Pwr. Co.	1st mtg. bds.	30.0	May 15
Associates Investment Co.	Deb.	50.0	May 16
Southern Cal. Edison Co.	1st mtg. bds.	27.6	May 23
Public Service Elec. & Gas Co.	1st & ref. mtg. bds.	40.0	June
Commerce Oil Refining Corp.	Deb., bds. & com.	45.0	Indefinite
<u>STATE AND LOCAL GOVERNMENT</u>			
*Port of New York Auth.	Rev.-Q.Ut.	25.0	May 14
State of New York	G.O.	48.8	May 15
State of Hawaii	G.O.	10.0	May 16
Cleveland, Ohio	G.O.	13.2	May 21
State of Colorado	Rev.-Ut.	21.5	May 21
State of Tennessee	G.O.	25.0	May 21
*Commonwealth of Puerto Rico	G.O.	30.0	May 22
Penna. State Pub. Sch. Bldg. Auth.	Rev.-Rent.	23.3	May 23
Southern Ill. University	Rev.-Rent.	10.5	May 28
Dallas Ind. Sch. Dist., Texas	G.O.	10.0	May 29
*Louisiana State Bond & Bldg. Comm.	Rev.-S.T.	15.0	June 4
*Nevada Irrigation Dist., Cal.	Rev.-Ut.	57.2	June 5
*Sacramento Mun. Util. Dist., Cal.	Rev.-Ut.	10.0	June 6
*Oklahoma City, Okla.	G.O.	15.1	June 11

Forthcoming Large Offerings, as of May 10 (Cont'd)

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>STATE AND LOCAL GOVERNMENT (CONT'D)</u>			
Pittsburgh, Pa.	G.O.	35.0	Indefinite
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
Houston, Texas	G.O.	13.3	Indefinite
<u>OTHER</u>			
Copenhagen, Denmark	Bonds	15.0	May 22

*--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 of Federal agencies.

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

Foreign Government and Corporate Security Offerings
and Placements in the United States

Part I: Public Offerings

Sale Date	Amount (millions of dollars)	Issuer and Description of Issue
A. Sold March 1 through May '10		
3/13	12.5	Republic of Finland--6% bonds, due 1973, reoffered at 6.17%
3/13	21.8	Kansai Electric Power Co., Inc.--common stock
4/2	5.2	Sony Corp.--common stock
4/9	15.0	Copenhagen Tel. Co.--5-3/8% bonds, due 1978, reoffered at 5.57%
4/10	30.0	Govt. of Australia--5% bonds, due 1983, reoffered at 5.20%
4/24	10.0	Mitsui & Co.--6-3/8% convertible debentures, due 1978, reoffered at 6.38%
4/24	1.8	Mitsui & Co.--common stock
4/25	25.0	Kingdom of Norway--5-1/4% bonds, due 1978, reoffered to yield 5.42%
5/1	27.5	Government of Japan--5-1/2% bonds, due 1980--reoffered to yield 5.71%
B. Prospective Offerings		
5/27	15.0	Copenhagen, Denmark--bonds

Part II: Private Placements--Reported March 1 through May ()

Date reported	Amount (millions of dollars)	Issuer and Description of Issue
3/4	3.0	Protestant School Board of Greater Montreal--5-1/4% bonds, due 1982--no information available on takedown
3/7	12.0	Government of Norway--bonds, due 1983--no information available on takedown
3/13	1.0	City of Aalborg, Denmark--notes, due 1978--no information available on takedown
3/13	30.0	Bayer Foreign Investments, Ltd.--5-1/2% promissory notes, maturing 1983--no information available on takedown
3/13	25.0	Manitoba Hydro-Electric Board--4-7/8% sinking fund bonds, maturing 1988--no information available on takedown
3/27	50.0	Bell Telephone Co. of Canada--4-7/8% first mortgage bonds--no information available on takedown
3/28	3.0	Pacific Eastern Railway Co.--4-7/8% sinking fund debenture, due 1988--no information available on takedown
4/3	10.0	Industrial Acceptance Corp., Ltd.--5-1/8% secured notes, maturing 1988--no information available on takedown
4/4	4.7	City of Vancouver--4-3/8% & 5% serial debentures, maturing 1964-83--no information available on takedown
5/1	50.0	Bell Telephone Company of Canada--4-7/8% first mortgage bonds, maturing 1988--no information available on takedown
*5/2	10.0	Laurentide Financial Corp.--5% senior notes, maturing 1978--no information available on takedown
*5/6	20.0	Province of Ontario--4% debentures, maturing 1966-69--no information available on takedown

Note: For retrospective data on aggregate foreign corporate and government security offerings in the United States see Exhibits I and J. There is no simple relationship between the data shown in this Exhibit and that shown in Exhibits I and J because the latter includes privately placed securities in the period in which funds are actually taken down but only in the amount of takedown, while the placements shown in this exhibit are included when reported, frequently with little or no information concerning timing of takedowns. Full or partial takedowns may take place both prior and subsequent to the date a placement is reported. *--Included in table for first time.