

Not for Publication

DECONTROLLED AFTER SIX MONTHS

H.14

July 22, 1963.

**CAPITAL MARKET DEVELOPMENTS  
IN THE UNITED STATES**

(Including Review of Sources and Uses of Funds  
of Financial Intermediaries in May)

Public security financing to obtain new capital was in moderate volume last week, but is expected to be somewhat more substantial this week. Last week, ending July 19, a \$25 million corporate issue, two large State and local government bond issues amounting to \$69 million, and \$40 million in bonds of the United Mexican States were sold. This week, ending July 26, two large corporate issues totaling \$45 million, two State and local issues with par value of \$117 million and a \$20 million bond issue of the Nippon Telephone and Telegraph Public Corporation are on the calendar for public offering.

Bond yields. Changes in yields on seasoned, long-term bonds were mixed but generally minor last week. Yields on Aaa-rated corporate bonds rose three basis points further to 4.27 per cent, their highest level since late last October, while yields on Baa-rated corporate issues were stable at 4.84 per cent; consequently, the spread between Aaa and Baa yields fell to 57 basis points, the narrowest since early July 1959. U.S. Government bond yields declined one basis point to 4.02 per cent. Yields on Aaa-rated State and local government bonds were stable, but those on Baa-rated municipals dropped a basis point to 3.61 per cent.

Yields on new corporate bonds, adjusted to an Aaa basis, were 4.43 per cent last week, but this probably reflected special characteristics of the one issue sold.

Short- and intermediate-term interest rates. Rates on 3-month Treasury bills fell two basis points last week to 3.20 per cent, while those on 6-month bills rose two basis points to 3.36 per cent, their highest level since May 1960. Yields on 3-5 year U.S. Government obligations were unchanged. The average yield on directly-placed finance company paper with 90-179 day maturity increased four basis points further from the revised level of the previous week to 3.38 per cent, the highest since early June 1960; all major companies quoted the new 3-3/8 per cent rate for the entire week. The Federal Reserve Bank of New York raised its discount rate by one-half of a per cent to 3-1/2 per cent last Wednesday, the first change since mid-August 1960. The average effective Federal funds rate rose 18 basis points to 3.15 per cent, the highest level since early August 1960. Other rates were unchanged.

Housing starts. Seasonally adjusted private housing starts, which had expanded sharply in the previous four months, dropped 6 per cent in June. The decline, which was associated with a 2 per cent downward revision in the unusually high May rate, was to an annual rate of 1,586 thousand, including farm starts. This matched the advanced rate reached last November and was 11 per cent higher than a year earlier, when a decline also occurred.

For the second quarter as a whole, the seasonally adjusted annual rate was 1,647 thousand, more than a fifth above the reduced first quarter average and 5 per cent above the previously recorded high in the second quarter of 1959.

Starts insured by the Federal Housing Administration or guaranteed by the Veterans Administration accounted for 18 per cent of total unadjusted starts in June. This was little changed from the average in the previous two months, but it compared with a share of 23 per cent in June of last year and a June high of over 50 per cent in 1955.

Residential building permits in permit issuing areas declined 3 per cent in June. As in the case of starts, the decline was associated with a downward revision--3 per cent--in the very advanced May rate. The seasonally adjusted annual rate of 1,277 thousand in June was still one of the highest reported for this series, the same as last January's rate and 13 per cent above a year earlier.

Stock market credit. Customer credit in the stock market advanced \$191 million further in June to a record \$6.4 billion at the month-end. This level is \$1.5 billion, or 32 per cent, above the low of July 1962 and one-eighth above the previous peak of December 1961. Most of the May to June rise was in customers' net debit balances (excluding U.S. Government securities), which rose \$161 million to a record \$4.9 billion. Bank loans to other than brokers and dealers (except on U.S. Government securities) increased \$30 million.

Money borrowed by member firms of the New York Stock Exchange (except on U.S. Government securities) rose \$254 million, the seventh consecutive month-to-month advance, while customers' free credit balances declined \$14 million. More detailed information on stock market credit in May and June is shown in the following table.

	End of Month		Change
	June	May	
Customer credit			
Excluding U.S. Government securities - total	6,420	6,229	+191
Net debit balances	4,898	4,737	+161
Bank loans to-"others"	1,522	1,492	+30
Net debit balances secured by U.S. Govt. securities	32	24	+8
Bank loans to "others" for purchasing or carrying U.S. Government securities	104	75	+29
Broker and dealer credit			
Money borrowed except on U.S. Govt. securities	3,909	3,655	+254
On customer collateral	3,333	3,150	+183
Money borrowed on U.S. Government securities	44	33	+11
Customers' net free credit balances	1,152	1,166	-14

Stock prices. Common stock prices dropped sharply last week in moderate trading. Prices, as measured by Standard and Poor's composite index of 500 common stocks, fell two per cent to close at 68.35 on July 19, the lowest level since early April.

Institutional investors. The net inflow of savings during May at the three major types of financial intermediaries--life insurance companies, savings and loan associations and mutual savings banks--totaled \$1.8 billion, 38 per cent larger than a year earlier and one-fourth more than in May 1961. Inflows at all three types of institutions were substantially greater than in May 1962. The sharpest year-over-year increase was in assets of life insurance companies, but this reflected to a large extent the fact that asset growth last year was curtailed by a decline in the market value of insurance company common stock holdings. Time and savings deposits at commercial banks rose \$1.5 billion in May, the same as a year earlier.

Assets of life insurance companies increased \$0.6 billion in May, 74 per cent more than a year earlier (when growth was reduced by the stock price decline) and 14 per cent greater than in May 1961. Holdings of business securities rose \$0.2 billion, only slightly more than a year earlier; the \$0.4 billion net increase in holdings of long-term bonds and stocks, however, was two-fifths larger than in 1962, while short-term commercial and finance company paper holdings were reduced \$139 million, over two and one-half times more than a year earlier. Net mortgage acquisitions amounted to \$0.3 billion, three-tenths more than last year, while holdings of cash and U.S. Government securities were reduced \$0.1 billion, compared with only a slight decrease in May 1962. Net acquisitions of foreign business

securities (included in other assets) totaled \$160 million, one-half larger than a year earlier.

Savings capital at savings and loan associations rose \$1.0 billion in May, one-fourth more than in May 1962. Mortgage acquisitions, at \$1.2 billion, were in record volume and one-fifth greater than a year earlier. Borrowings by these associations, primarily from the Federal Home Loan Banks, were \$0.1 billion, about one-sixth more than in May 1962, and holdings of cash and U.S. Government securities were reduced somewhat more than last year.

Deposits at mutual savings banks rose \$0.2 billion in May, one-fourth more than a year earlier. Mortgage acquisitions totaled \$0.4 billion, a May record and two-fifths more than last year. Holdings of cash and U.S. Government securities and of State and local government securities both declined slightly, whereas they had increased somewhat in May 1962.

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

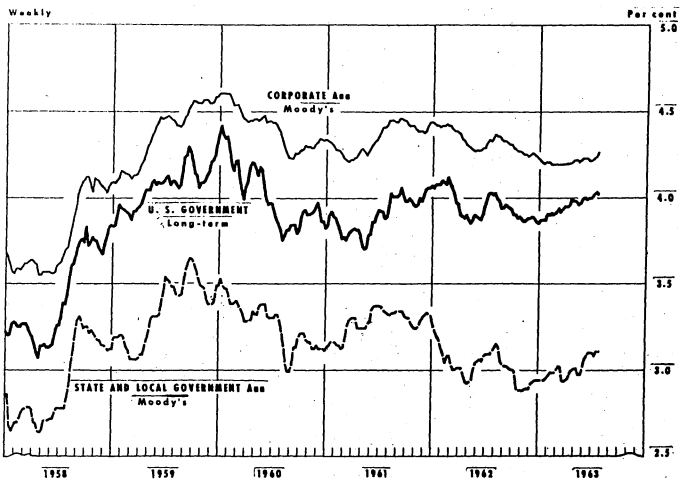


Exhibit A - Part II

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	4.27 (7/19)	4.03 (7/12)	3.11 (7/18)	.35	1.02
Low	4.19 (3/29)	3.87 (1/18)	2.93 (3/28)	.21	.90
June 21	4.22	4.00	3.10	.22	.90
June 28	4.22	4.00	3.10	.22	.90
July 5	4.23	4.02	3.08	.21	.94
July 12	4.24	4.03	3.11	.21	.92
✓July 19 p/	4.27 ✓	4.02	3.11	.25	.91

p/ Preliminary.

1/ Weekly average of daily figures. Average term of bonds included is 22-24 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 B, Part I

LONG-TERM BOND YIELDS, LOWER-GRADE

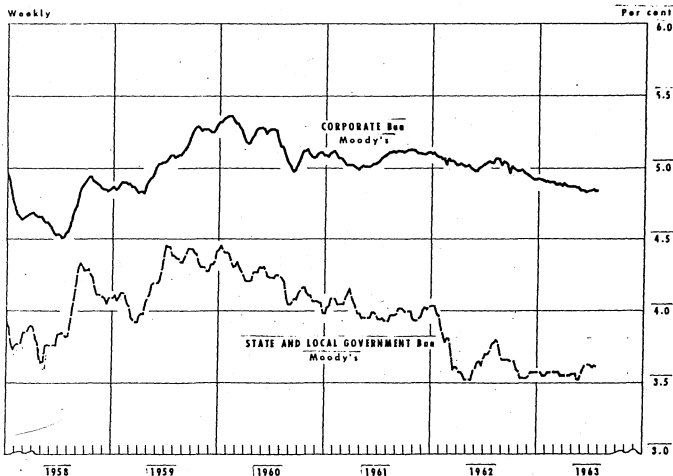


Exhibit B - Part II

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)	3.63 (6/27)	.71	.63
Low	4.83 (6/14)	3.52 (5/23)	.57	.50
June 21	4.84	3.63	.62	.53
June 28	4.84	3.63	.62	.53
July 5	4.85	3.60	.62	.52
July 12	4.84	3.62	.60	.51
July 19 p/	4.84	3.61	.57	.50

Note: For footnotes see Exhibit A.

## SHORT- AND INTERMEDIATE- TERM INTEREST RATES, GOVERNMENT

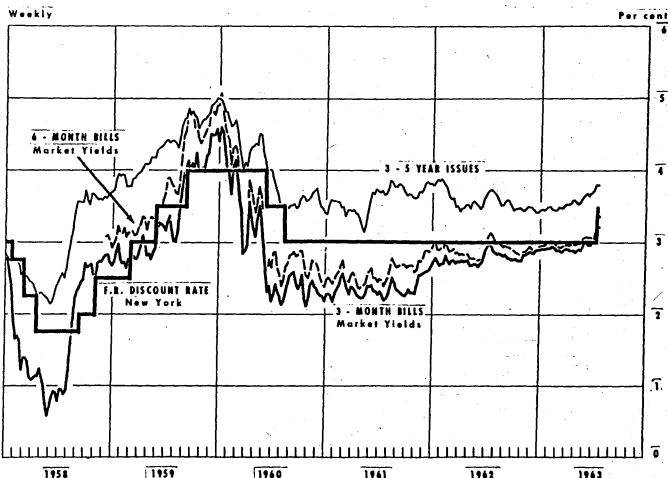


Exhibit C - Part II

Date	Discount rate 1/	Yields			Spread between yields on 3-month bills and yields on 6-mo. bills 3-5 yr. issues	
		3-month bills 2/	6-month bills 2/	3-5 year issues 2/		
		(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	3.50	3.22 (7/12)	3.36 (7/19)	3.80 (7/19)	.16	.70
Low	3.00	2.88 (3/15)	2.93 (3/8)	3.44 (1/18)	.04	.52
June 21	3.00	2.98	3.08	3.68	.10	.70
June 28	3.00	2.99	3.07	3.67	.08	.68
July 5	3.00	3.03	3.12	3.72	.09	.69
July 12	3.00	3.22	3.34	3.80	.12	.58
July 19 p/	3.50	3.20 ✓	3.36	3.80	.16	.60

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

Weekly

Per cent

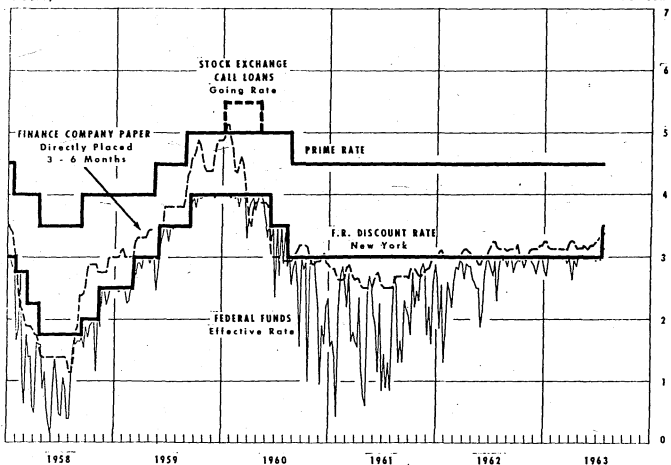


Exhibit D - Part II

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 (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
1961-62 - 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	3.38 (7/19)	3.15 (7/19)	.36
Low	4.50	4.50	3.13 (5/31)	2.63 (4/5)	.09
June 21	4.50	4.50	3.21	3.00	.23
June 28	4.50	4.50	3.25	2.95	.26
July 5	4.50	4.50	3.30	3.00	.27
July 12	4.50	4.50	3.34	2.97	.12
July 19 p/	4.50	4.50	3.38	3.15	.18

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: High and low are for individual series and may be on different dates for different series.

For spread, high refers to widest, and low to narrowest.



## STOCK MARKET

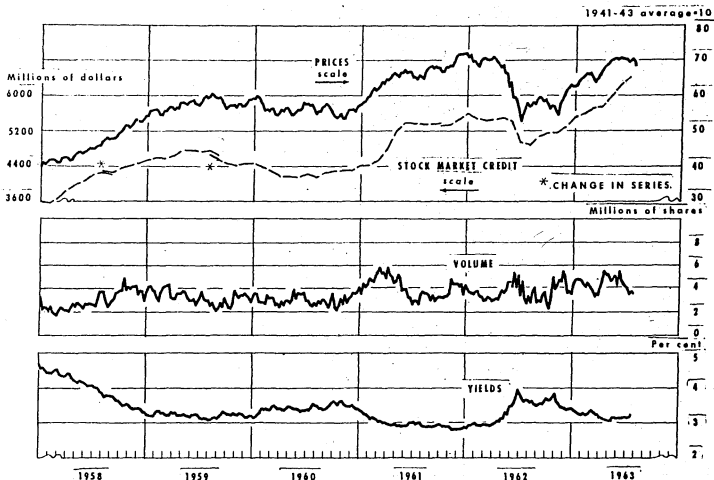


Exhibit E - Part II

Date	Stock price index 1/  	Common stock yields 2/ (per cent)	Trading volume 3/ (millions of shares)	Stock market customer credit		
				Total	Customers' debit bal- ances 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	70.25 (6/21)	3.13	5.5	6,420(6/63)	4,898 (6/63)	1,522(7/17)
	Low 64.10 (3/1)	3.36	3.3	5,595(1/63)	4,208 (1/63)	1,378(2/23)
May	70.14	3.13	4.8	6,229	4,737	1,492
June	70.11	3.16	4.5	6,420	4,898	1,522
July 5	70.22	3.16	3.5	n.a.	n.a.	1,521
July 12	69.64	3.18	3.7	n.a.	n.a.	1,522
July 19 p/	68.35	3.25	3.5	n.a.	n.a.	n.a.

n.a.—Not available. p/ Preliminary.

- 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.
- 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.
- Averages of daily trading volume on the New York Stock Exchange.
- 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.
- 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 AND PERMITS

Monthly, annual rates

Millions of Units

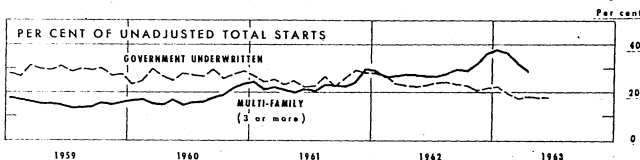
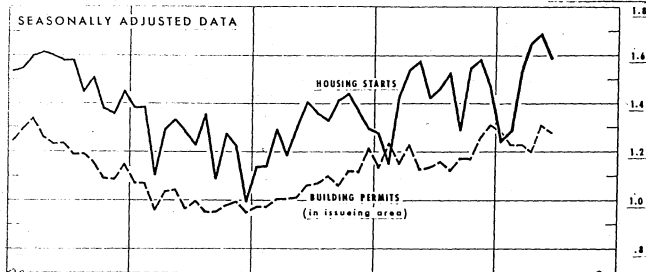


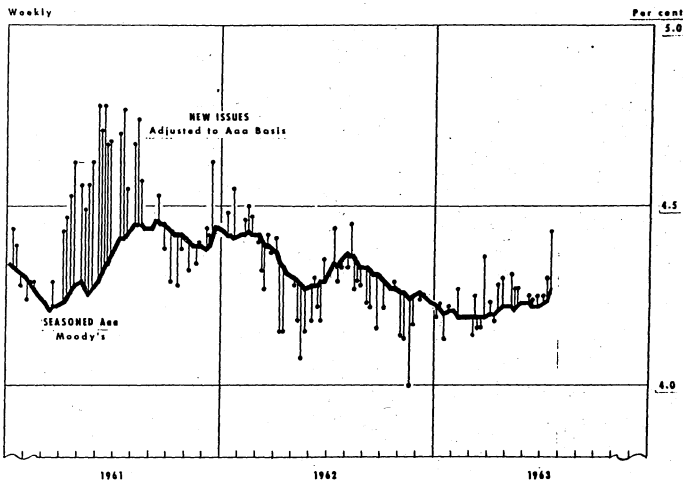
Exhibit F - Part II

Date	Starts 1/							Building permits (seasonally adjusted annual rate) 2/
	Total		Unadjusted					
	Seasonally adjust- ed annual rate	Unadjusted	Type of financing			Type of housing		
FHA			VA	Other	1-2 family	Multi- family		
(Thousands of units)								
1962 - June	1,425	136	24	7	105	99.8	36.3	1,137
July	1,466	136	25	7	103	99.4	36.4	1,160
Aug.	1,529	146	28	8	110	105.1	40.9	1,123
Sept.	1,289	114	20	6	87	79.9	33.7	1,174
Oct.	1,550	134	23	7	104	94.9	38.6	1,170
Nov.	1,586	120	19	6	96	82.0	38.3	1,261
Dec.	1,472	94	16	5	73	59.9	33.7	1,313
1963 - Jan.	1,242	81	14	4	63	50.1	30.5	1,277
Feb.	1,280	87	13	4	70	55.1	31.5	1,228
Mar.	1,534	124	17	5	103	84.9	39.5	1,229
Apr.	1,660	158	21	7	129p/	111.3p/	45.6	1,200
May	1,694	166	22	7	136	n.a.	n.a.	1,312
June	1,586	151	20	7	124	n.a.	n.a.	1,277

1/ Total starts are Census estimates including farm for both permit-issuing and non-issuing areas. 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. Capchart military housing units are excluded. Other starts are derived as a residual, although total and FHA and VA starts are not strictly comparable in concept or timing; other starts include both units financed by conventional mortgages and units without mortgages.

2/ Building permits are Census estimates for all of the approximately 10,000 areas in the United States which were identified as having a local building permit system in 1959. Unlike starts, seasonally adjusted building permits reflect a direct measure of the influence of changes in the number of working days per month, along with other differences in timing and coverage.

## 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:											
1963 - Feb:	1	25.0	4.21	May	1	25.0	4.22				
	8	64.0	4.27*		2	266.0	4.31*				
	15	--	--		17	30.0	4.27				
	22	4	100.0		4.19	24	76.0	4.27			
Mar.	1	12.0	4.14	June	31	--	--				
	8	2	55.0		4.25*	7	1	50.0	4.23*		
	15	2	24.4		4.16	14	3	34.0	4.25		
	22	3	87.0		4.16	21	2	115.0	4.24		
Apr.	29	2	222.0	4.36*	July	28	2	46.5	4.25		
	5	2	45.0	4.23		5	--	--	--		
	12	1	6.0	4.18		12	2	80.0	4.30*		
	19	3	95.0	4.28		19	1	25.0	4.43*		
	26	3	128.0	4.30							

Note: 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	613	592	580	p/732	876	711
February	594	859	667	p/726	1,133	689
March	1,144	807	562	p/973	628	764
April	p/915	1,113	2,118	p/846	873	722
May	p/924	760	1,259	e/850	912	640
June	e/1,100	1,132	1,318	e/850	786	1,034
July	e/ 650	582	1,028	e/500	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	2,351	2,258	1,809	p/2,431	2,637	2,165
2nd quarter	e/2,939	3,005	4,695	e/2,546	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	e/5,290	5,264	6,504	e/4,977	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	2,284	2,199	1,554			
2nd quarter	e/2,639	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	2,700	1,108	1,306	287	128	947	326	236	842
II e/	3,750	1,385	1,986	378	n. a.	714	796	181	1,248
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.	695	350	243	102	25	135	114	125	238
Feb.	642	259	289	94	43	220	115	68	191
Mar.	1,363	499	774	91	60	592	97	43	412
Apr. p/	1,067	380	468	218	59	155	363	72	325
May p/	1,363	550	718	95	183	234	233	84	373
June e/	1,320	455	800	65	n. a.	325	200	25	550

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	232	142	6	--	246	--
February	133	10	29	148	156	--
March	76	35	20	--	--	252
April	p/ 57	10	2	p/186	461	100
May	e/ 114	86	66	e/ --	--	149
June	e/ 10	50	29	e/460	--	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.-June	e/ 622	333	152	e/794	863	779
	Net short-term 4/					
	State and local government 5/			Federal agency 3/		
	1963	1962	1961	1963	1962	1961
January	75	18	160	-106	247	-144
February	78	466	195	-189	-156	-162
March	-367	-186	-8	-482	226	-174
April	589	127	-103	292	-364	-79
May	p/-151	-84	-42	p/380	82	-87
June	n.a.	-118	-155	p/275	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.-June	n.a.	223	47	170	319	-439

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.

5/ Principally tax and bond anticipation notes, warrants or certificates and Public Financing Authority notes. In some instances PHA notes included may have a somewhat longer maturity than one year. Source: Bond Buyer and Federal Reserve.

Exhibit K

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

Proceeds of Large Issues Offered

(In millions of dollars)

	Corporate				State and local government	Other 2/
	Total	Bonds (Other than convertibles)	Convertible bonds	Stocks		
1962 - 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
May	149	149	--	--	489	43
June	348	348	--	--	472	460

Large Individual Issues Offered July 1 through 19

Issuer	Type 3/	Amount (millions of dollars)	Maturity	Coupon rate or net interest cost	Offering yield	Rating
<u>CORPORATE</u>						
*Pacific Northwest Bell Tel. Co.	Com. stk.	20.0				
Northern Natural Gas Co.	S.F. deb.	30.0	1983	4-3/8	4.40	A
Illinois Bell Tel. Co.	1st mtg. bds.	50.0	2003	4-3/8	4.36	Aa
Hitachi, Ltd.	Com. stk.	20.9				
Burroughs Corp.	Deb.	25.0	1988	4-1/2	4.53	A
<u>STATE AND LOCAL GOVT.</u>						
New York State Dormitory Auth.	Rev.-Rent	22.5	1965-95	3.38	2.00-3.50 <sup>4/</sup>	A
Memphis, Tennessee	G.O.	10.0	1964-88	3.03	1.75-3.25 <sup>5/</sup>	A
Penna. Gen. State Authority	Rev.-Rent	50.0	1966-90	3.32	2.10-3.50	--
Racine Sturtevant etc. Unif. S. D. #1, Wisconsin	G.O.	10.6	1964-83	3.05	1.75-3.25	A
Univ. System Bldg. Auth. of Ga.	Rev.-Rent.	20.0	1964-89	3.39	1.85-3.50	A
State of Connecticut	G.O.	49.0	1964-83	2.85	1.80-3.05	Aaa
<u>OTHER</u>						
Milan, Italy	Bonds	20.0	1978	5-1/2	5.63	--
United Mexican States	Bonds	15.0	1966-68	6	6.00	--
	S.F. bonds	25.0	1978	6-3/4	7.00	--

## Footnotes

\*--Rights offering.

n.a.--Not available.

- 1/ Includes corporate and other security offerings of \$15 million and over; State and local government security offerings of \$10 million and over.
- 2/ Includes foreign government and International Bank for Reconstruction and Development issues and non-guaranteed issues by Federal agencies.
- 3/ In the case of State and local government securities, G.O. denotes general obligations; Rev.-Ut., revenue obligations secured only by income from public utilities; Rev.-Q.Ut., revenue bonds secured only by revenue from quasi-utilities; Rev.-S.T., revenue bonds secured by revenue from specific taxes only; Rev.-Rent., revenue bonds secured solely by lease payments.
- 4/ 1/10 per cent bonds maturing 1993-95 reoffered to yield 4.40 per cent.
- 5/ 1/10 per cent bonds maturing 1987-88 reoffered to yield 4.30 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 <u>2</u> /	Corporate	State and local govt.	Other <u>2</u> /
1962 - 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
May 31	223	255	460	288	582	460
June 28	170	142	75	215	287	75

Forthcoming Large Offerings, as of July 19

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>CORPORATE</u>			
Eaton Mfg. Co.	Deb.	25.0	July 23
Northern Ill. Gas Co.	1st mtg. bds.	20.0	July 24
Pacific Power & Light Co.	S.F. deb.	30.0	July 31
*Burroughs Corp.	Com. stk.	17.6	Aug. 5 (rights expire)
*Minneapolis Honeywell Reg. Co.	S.F. deb.	30.0	Aug. 7
Indiana & Michigan Elec. Co.	1st mtg. bds.	45.0	Aug. 7
United Aircraft Corp.	Deb.	43.0	Aug. 20 (rights expire)
*New England Tel. & Tel. Co.	Com. stk.	31.0	Sept. (rights expire)
<u>STATE AND LOCAL GOVERNMENT</u>			
Dallas, Texas	Rev.-Ut.	13.6	July 22
New York City, N. Y.	G.O.	103.0	July 23
State of New Hampshire	G.O.	23.6	Aug. 1
Phoenix, Arizona	Rev.-Ut.	12.0	Aug. 6
State of California	G.O.	100.0	Aug. 7

## Forthcoming Large Offerings, as of July 19 (Cont'd)

Issuer	Type	Amount (millions of dollars )	Approximate date of offering
<u>STATE AND LOCAL GOVERNMENT</u> (Cont'd)			
*Public Housing Auth.		116.2	Aug. 14
Alexandria, La.	Rev.-Ut.	11.4	Aug. 20
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
Southern Ill. Univ.	Rev.-Rent.	10.5	Indefinite
<u>OTHER</u>			
Nippon Tel. & Tel. Public Corp.	Bonds	20.0	July 24

\*--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
<b>A. Sold May 1 through July 19</b>		
5/1	27.5	Government of Japan--5-1/2% bonds, due 1980--reoffered to yield 5.71%
5/22	15.0	Copenhagen, Denmark--5-3/8% bonds, due 1978--reoffered to yield 5.55%
6/12	10.0	Oslo, Norway--5-1/4% bonds, due 1978--reoffered to yield 5.43%
*7/10	20.0	Milan, Italy--5-1/2% bonds, due 1978--reoffered to yield 5.63%
*7/10	20.9	Hitachi, Ltd.--Common stock
*7/17	25.0	United Mexican States--6-3/4% sinking fund bonds, due 1978--reoffered to yield 7.00 per cent.
*7/17	15.0	United Mexican States--6% bonds due 1966-68--reoffered to yield 6.00 per cent.
<b>B. Prospective Offerings</b>		
7/24	20.0	Nippon Tel. & Tel. Public Corp.--bonds

## Part II: Private Placements--Reported May 1 through July 19

Date reported	Amount (millions of dollars)	Issuer and Description of Issue
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
5/14	16.3	Delta Acceptance Corp., Ltd.--notes, maturing 1975--no information available on takedown
6/4	18.0	Consolidated Gold Fields of South Africa, Ltd.--promissory notes, maturing 1971--no information available on takedown
6/13	15.0	Nippon Express Co.--6-1/2% convertible debentures, maturing 1978--no information available on takedown
6/20	13.5	Mitsubishi Electric Corp.--6-1/2% convertible debentures, maturing 1978--no information available on takedown.
6/25	12.5	Quebec Natural Gas Corp.--5-1/2% first mortgage bonds, maturing 1987--no information available on takedown.
6/28	10.0	Farwerke Hoechst A.G.--5% promissory notes, maturing 1968--no information available on takedown.
6/28	5.0	Dai Nippon Printing Co. Ltd.--convertible debentures, maturing 1978--no information available on takedown.
*7/18	26.0	Pacific Petroleum Ltd.--5-1/2% secured notes, maturing 1978--no information available on takedown.
*7/18	4.0	Copenhagen County Auth., Denmark--5-1/2% external notes, maturing 1968--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 takedown 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.

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:								
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.	1,392	6,135	51,362	193	3,902	44,250	19,582	126,816
1962 - Dec.	1,411	6,189	53,469	341	4,060	46,980	20,719	133,169
1963 - May	1,208	5,851	54,440	532	4,000	48,165	22,040	136,236
Changes:								
1961 - Jan.	-34	125	152	118	49	186	257	853
Feb.	-10	-2	156	-27	27	141	199	484
Mar.	-54	-7	174	-26	28	223	192	530
Apr.	7	-43	112	66	34	262	158	596
May	74	20	234	-66	1	173	114	550
June	-43	-112	280	-36	-1	187	134	409
July	48	70	130	110	21	109	156	644
Aug.	-23	--	276	-72	30	167	150	528
Sept.	15	-51	241	-30	27	164	155	521
Oct.	30	14	260	23	13	204	121	665
Nov.	40	-46	211	16	44	237	149	651
Dec.	13	-261	505	-178	23	382	325	809
1962 - Jan.	-99	223	65	225	29	149	145	737
Feb.	1	25	156	43	3	114	100	442
Mar.	-75	-76	135	52	117	143	60	356
Apr.	12	91	44	179	-15	119	27	457
May	4	-24	253	-33	-15	197	-17	360
June	-22	-95	253	-117	8	196	-10	213
July	69	176	135	72	4	198	204	858
Aug.	-29	-21	213	30	28	236	137	594
Sept.	33	-48	187	20	14	182	85	473
Oct.	6	31	136	64	-24	293	160	666
Nov.	26	37	143	-40	-18	329	293	770
Dec.	111	-216	395	-318	-2	600	94	664
p/1963 - Jan.	-128	123	52	184	28	223	360	842
Feb.	-17	-69	159	46	-8	145	233	489
Mar.	-73	-211	233	19	-17	270	256	477
Apr.	-14	-19	160	81	-27	292	160	633
May	29	-162	367	-159	-36	255	312	626

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 <sup>2/</sup>	Other assets		Net change savings capital	Borrowing <sup>3/</sup>	Other
	(In millions of dollars)							
Value of assets at end of period:								
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.	3,315	5,211	68,834	4,775	82,135	70,885	2,856	8,394
1962 - Dec.	3,946	5,549	78,973	5,348	93,816	80,422	3,633	9,761
1963 - May	3,632	6,099	80,452	5,258	95,441	81,899	3,843	11,767
Changes:								
1961 - Jan.	-91	92	367	-103	265	594	-465	136
Feb.	60	188	437	69	754	556	-80	278
Mar.	6	106	695	123	930	708	-26	248
Apr.	25	-17	696	115	819	419	90	310
May	149	-1	816	223	1,187	802	41	344
June	129	28	975	-62	1,070	1,356	270	-556
July	-216	-9	741	-144	372	124	--	248
Aug.	-81	65	915	84	983	507	132	344
Sept.	51	-2	809	82	940	679	128	133
Oct.	82	43	811	107	1,043	724	75	244
Nov.	84	79	757	203	1,123	779	79	265
Dec.	437	44	745	-53	1,173	1,495	415	-737
1962 - Jan.	-357	186	529	-116	242	491	-382	133
Feb.	96	95	601	41	833	578	-96	351
Mar.	133	36	802	90	1,061	934	-82	209
Apr.	-78	-46	842	94	812	386	126	300
May	7	-14	977	413	1,383	782	98	503
June	265	-66	1,046	-60	1,185	1,431	365	-611
July	-394	46	880	-183	349	14	87	248
Aug.	-38	-11	1,016	104	1,071	648	93	330
Sept.	87	42	844	78	1,051	870	95	86
Oct.	99	30	962	40	1,131	835	36	260
Nov.	99	47	804	172	1,122	874	-23	271
Dec.	712	-7	836	-100	1,441	1,694	460	-713
1963 - Jan.	-334	190	675	-114	417	985	-737	169
Feb.	107	171	693	49	1,020	844	-195	371
Mar.	90	177	906	116	1,289	1,195	-96	190
Apr. <sup>1/</sup>	-139	3	1,06	-	1,0	47	-	-
May	-28	-23	1,115	-	-	-	-	-

<sup>1/</sup> Revised. <sup>2/</sup> Preliminary.

<sup>1/</sup> 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. <sup>2/</sup> Data for 1957 adjusted to include mortgage pledged shares as currently reported. <sup>3/</sup> 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)								
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 - Dec.	957	6,089	5,188	528	32,070	1,284	46,118	41,582	4,536
1963 - May	853	6,153	5,087	483	33,823	1,335	47,714	42,795	4,919
Changes:									
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	167
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	54	-38	17	-5	302	-22	306	548	242
July	-46	-11	66	-5	290	-10	285	172	113
Aug.	-29	26	14	-9	312	53	367	215	152
Sept.	44	3	2	-5	243	-28	315	429	-114
Oct.	15	-162	3	-15	305	-32	114	186	-72
Nov.	-35	-19	27	-6	272	36	274	147	127
Dec.	124	-26	-4	-15	236	28	345	545	-200
1963 - Jan.	-137	39	-4	-15	436	13	330	229	101
Feb.	51	31	-11	-11	320	-6	375	215	160
Mar.	21	260	-9	-26	313	49	610	526	84
Apr.	-61	-241	-72	-5	327	-58	-111	11	-122
May	22	-25	-5	-8	357	52	392	232	160

<sup>r/</sup> Revised. <sup>p/</sup> Preliminary.

<sup>1/</sup> Uses of funds represent net changes in assets and therefore reflect net, rather than gross, uses.

<sup>2/</sup> 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.

<sup>3/</sup> Adjusted so as not to reflect \$115 million other liability reclassified as deposits in conformity with FDIC redefinition. Source.--NAMS and FDIC.