

H.14

August 26, 1963.

LIBRARY

AUG 24 1963

CAPITAL MARKET DEVELOPMENTS  
IN THE UNITED STATES

(Including Review of Sources and Uses of Funds  
of Financial Intermediaries During the Second Quarter)

The volume of public security financing to obtain new capital was light last week and is expected to remain light this week. Last week, ended August 23, subscription rights expired on a \$43 million corporate issue and two State and local government bond issues with gross proceeds of \$27 million were sold. This week, ending August 30, two large corporate issues with a combined par value of \$50 million and an \$11 million State and local issue are scheduled for offering.

Bond yields. Yields on most seasoned long-term bonds were stable again last week; Aaa-rated State and local government bond yields, however, rose three basis points to 3.11 per cent, matching their 1963 high and about half-way between last year's low and the 1961 high. Yields on Aaa-rated corporate bonds, which have been stable at the 1963 high of 4.29 per cent since late July, remain 17 basis points below their 1961 high, but were 10 basis points above this year's low. U. S. Government bond yields, at 3.99 per cent, were four basis points below this year's high and half-way between the low of late last year and the highest point reached in early 1962. Baa-rated corporate bond yields were at 4.83 per cent last week, their lowest level since August 1958, while yields on Baa-rated State and local government bonds, at 3.59 per cent have retraced seven of the 64 basis point drop from the 1961 high to their latest trough.

Short- and intermediate-term interest rates. Rates on 3-month and 6-month Treasury bills climbed four basis points further last week to 3.36 and 3.47 per cent, respectively, their highest levels since May 1960, while yields on 3-5 year U. S. Government obligations rose three basis points further to 3.83 per cent, the highest level since February 1962. The average yield on directly-placed finance company paper rose seven basis points to 3.63 per cent, the highest level since early June 1960, as one major company announced increases in advertised rates on paper maturing from 90 days through the end of this year and on that maturing from January 2, 1964 through 270 days to 3-5/8 and 3-3/4 per cent, respectively. The average effective Federal funds rate increased five basis points to 3.50 per cent. Other rates were unchanged.

FNMA secondary market operations. In July, sales by the Federal National Mortgage Association dropped again. At \$35.7 million, they were the smallest so far this year, and well below the record March-May peak.

Sales continued to exceed offerings to FNMA as well as purchases by FNMA, both of which declined.

Institutional investors. The net inflow of savings during June at three major types of financial intermediaries--life insurance companies, savings and loan associations and mutual savings banks--totaled a record \$2.5 billion, one-fifth larger than a year earlier and 16 per cent greater than the previous peak June inflow in 1961. Growth both in assets of life insurance companies and in savings capital at savings and loan associations was appreciably greater than in June 1962, while mutual savings bank deposits posted a somewhat smaller gain. The especially large increase in life insurance company assets for this June compared with last, however, reflected to a large extent the decline in market valuations of common stock holdings in June 1962. (Over the same period, time and savings deposits at commercial banks rose \$1.4 billion. This was 17 per cent below last year's record June inflow, but one-eighth above that in June 1961.)

During the second quarter of 1963, the inflow of savings at the three types of institutions amounted to \$5.4 billion, a second quarter record, three-tenths more than during the corresponding period last year and 19 per cent greater than in 1961. Inflows at all three types of intermediaries were up substantially from last year, but the particularly sharp increase in assets of life insurance companies is largely attributable to the fact that last year's asset growth was substantially curtailed during the second quarter by a decline in the market value of their common stock holdings. (At commercial banks, time and savings deposits rose \$3.7 billion during the second quarter, one-tenth less than last year's record gain, but 8 per cent more than in 1961 after adjustment for \$1.5 billion of deposits of foreign official institutions reclassified as time deposits in May 1961.)

Assets of life insurance companies rose \$1.7 billion during the second quarter. This was 11 per cent more than in 1961 and, for the reasons noted above, up 68 per cent from the corresponding period last year. Acquisitions of domestic business securities totaled \$0.6 billion, the largest second quarter total since 1959. Holdings of long-term bonds increased \$0.6 billion, a record for the quarter and up three-tenths from the comparable period last year, and net stock purchases were \$110 million; holdings of short-term commercial and finance company paper, however, were reduced \$0.1 billion, whereas, such holdings rose slightly last year. These companies also made net additions of \$0.3 billion to their holdings of foreign business securities (included in "other assets"), a record for any quarter and more than 50 per cent above the second quarter of 1962. Net mortgage acquisitions, totaling \$0.8 billion, were almost three-fifths greater than during the 1962 second quarter and constituted the largest second quarter total since the record 1956 volume. Reductions in holdings of U. S. Government securities (largely in holdings of Treasury bills) totaled \$0.3 billion while State and local government securities holdings declined \$0.1 billion.

Growth in savings capital at savings and loan associations amounted to \$3.1 billion during the April-June period, a second quarter record and nearly one-fifth more than the inflow over the corresponding period either last year or in 1961. Net mortgage acquisitions amounted to \$3.5 billion, also a quarterly record and one-fifth greater than last year. The increase in borrowings by these associations (primarily from the Federal Home Loan Banks) was also at a record \$0.8 billion--two-fifths more than last year, while holdings of cash and U. S. Government securities increased \$0.2 billion compared with a nominal increase last year.

Deposits at mutual savings banks expanded \$0.6 billion during the second quarter, a record gain for the period and three-tenths greater than last year. Growth in mortgage holdings (\$0.9 billion) was also a record for the quarter and one-seventh above that for the comparable period last year. Most other types of holdings, however were reduced: those of U. S. Government securities declined \$0.3 billion, about the same as last year, as Treasury bill holdings were cut back in both periods, while business and miscellaneous security holdings fell \$0.1 billion and holdings of State and local government bonds were reduced somewhat.

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

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

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

Second Quarter 1955-1963

(In millions of dollars)

Year	Uses of funds						Total sources or uses	Sources of funds		
	Cash	U. S. Govt. secur-ities	Busi-ness secur-ities	Mort-gages	State & local govt. sec.	Other assets		Net change in deposits or savings capital	Borrowing	Other
	Life Insurance Companies									
1963	14	-275	638	803	-82	623	1,721	--	--	--
1962 <u>r/</u>	-6	-28	565	514	-15	-4	1,026	--	--	--
1961 <u>r/</u>	38	-135	590	622	34	406	1,555	--	--	--
1960	61	-250	521	614	<u>r/</u> 73	<u>r/</u> 342	1,361	--	--	--
1959	-12	14	667	392	167	258	1,486	--	--	--
1958	39	-12	560	335	77	351	1,350	--	--	--
1957	69	-130	525	502	38	234	1,238	--	--	--
1956	37	-125	373	902	-6	128	1,311	--	--	--
1955	35	-45	455	757	-7	143	1,338	--	--	--
	Savings and Loan Associations									
1963	53	124	--	3,456	n.a.	437	4,070	3,056	836	178
1962 <u>r/</u>	194	-126	--	2,865	n.a.	447	3,380	2,599	589	192
1961 <u>r/</u>	303	10	--	2,487	n.a.	276	3,076	2,577	403	96
1960	375	-125	--	1,961	n.a.	268	2,479	2,212	253	14
1959	85	123	--	2,351	n.a.	300	2,859	2,102	473	284
1958	339	130	--	1,504	n.a.	158	2,131	1,808	248	75
1957	175	--	--	1,267	n.a.	286	1,728	1,581	133	14
1956	72	64	--	1,284	n.a.	227	1,644	1,550	47	47
1955	42	77	--	1,705	n.a.	154	1,975	1,456	340	179
	Mutual Savings Banks									
1963	3	-256	-71	946	-14	-27	579	649	--	-70
1962 <u>r/</u>	-13	-238	-16	826	-51	1	509	557	--	-49
1961	9	-281	50	580	22	-44	336	426	--	-90
1960	64	-321	51	459	-14	-17	222	184	--	38
1959	-63	-125	56	472	-15	50	375	337	--	38
1958	-10	-183	193	602	9	16	627	574	--	53
1957	27	-167	197	366	3	4	430	441	--	-11
1956	31	-184	66	560	-13	35	495	485	--	10
1955	5	-117	-64	605	5	-2	435	409	--	26

r/ Revised.p/ Preliminary.

n.a.--Not available.

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

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

First Half 1955-1963

(In millions of dollars)

Year	Uses of funds						Total sources or uses	Sources of funds		
	Cash	U. S. Govt. securities	Business securities	Mortgages	State & local gov't. sec.	Other assets		Net change in deposits or savings capital	Borrowing	Other
Life Insurance Companies										
1963	-204	-432	1,331	1,441	-79	1,472	3,529	--	--	--
1962 <u>r/</u>	-179	144	1,241	920	134	301	2,561	--	--	--
1961 <u>r/</u>	-60	-19	1,137	1,172	138	1,054	3,422	--	--	--
1960	-121	-288	862	1,323	<u>r/</u> 156	<u>r/</u> 783	2,715	--	--	--
1959	-160	41	1,315	793	315	572	2,876	--	--	--
1958	-84	46	1,191	790	163	669	2,775	--	--	--
1957	-137	-207	1,096	1,190	59	570	2,571	--	--	--
1956	-178	-625	1,048	1,859	149	363	2,616	--	--	--
1955	-136	25	968	1,556	124	365	2,902	--	--	--
Savings and Loan Associations										
1963	-84	662	--	5,730	n.a.	488	6,796	6,080	-192	908
1962 <u>r/</u>	66	191	--	4,797	n.a.	462	5,516	4,602	29	885
1961 <u>r/</u>	278	396	--	3,986	n.a.	365	5,025	4,435	-168	758
1960	75	113	--	3,223	n.a.	324	3,735	3,718	-446	463
1959	-240	577	--	3,791	n.a.	441	4,569	3,480	231	858
1958	606	156	--	2,279	n.a.	185	3,226	3,125	-344	445
1957	-60	347	--	2,105	n.a.	408	2,798	2,578	-166	386
1956	-27	304	--	2,191	n.a.	300	2,762	2,656	-279	385
1955	-12	256	--	2,878	n.a.	182	3,304	2,603	301	400
Mutual Savings Bank										
1963	-62	74	-95	2,015	-66	30	1,894	1,619	--	275
1962 <u>r/</u>	56	142	27	1,497	-94	-43	1,585	1,277	--	308
1961	-10	42	84	1,085	16	28	1,245	1,083	--	162
1960	11	-309	82	884	-26	55	697	486	--	211
1959	-96	95	15	980	39	62	1,096	885	--	211
1958	29	-163	525	996	42	70	1,499	1,293	--	206
1957	-49	-108	402	721	10	58	1,034	876	--	158
1956	-48	-163	116	1,147	30	65	1,147	997	--	150
1955	-37	-73	-38	1,155	56	40	1,106	975	--	130

r/ Revised.p/ Preliminary.

n.a.--Not available.

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

## LONG-TERM BOND YIELDS, HIGH-GRADE

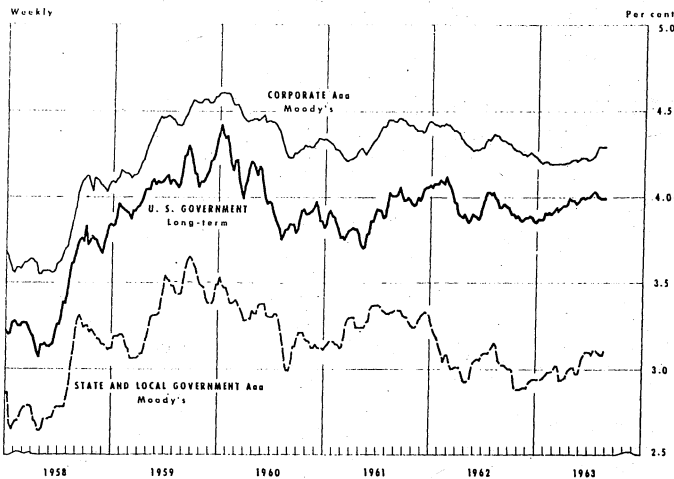


Exhibit A - Part II

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	4.29 (8/23)	4.03 (7/12)	3.11 (8/22)	.35	1.02
Low	4.19 (3/29)	3.87 (1/18)	2.93 (3/28)	.21	.90
July 26	4.29	4.00	3.10	.29	.90
Aug. 2	4.29	3.99	3.08	.30	.91
Aug. 9	4.29	3.99	3.08	.30	.91
Aug. 16	4.29	3.99	3.08	.30	.91
Aug. 23 p/	4.29 ✓	3.99	3.11	.30	.88

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.

Spreads.—For spreads, high refers to widest, and low to narrowest.

## EXHIBIT B, Part I

## LONG-TERM BOND YIELDS, LOWER-GRADE

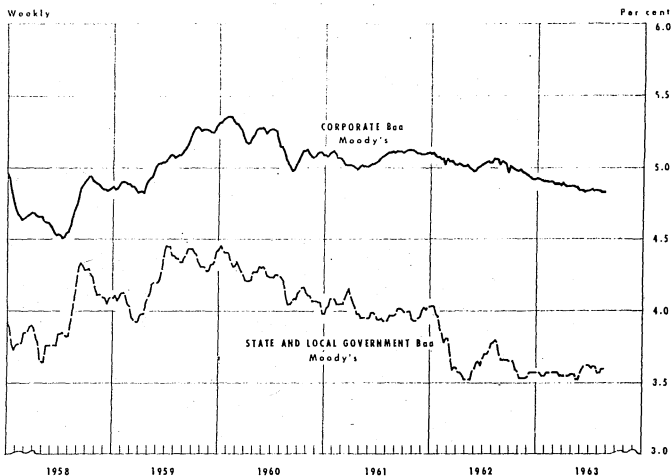


Exhibit B - Part II

Date	Corporate Baa <u>1</u> /  (per cent)	State and local govt. Baa <u>3</u> /  (per cent)	Spread between Aaa and Baa	
			Corporate	State and local govt.
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 (8/23)	3.52 (5/23)	.54	.47
July 26	4.84	3.57	.55	.47
Aug. 2	4.84	3.57	.55	.49
Aug. 9	4.83	3.57	.54	.49
Aug. 16	4.83	3.59	.54	.51
Aug. 23 p/	4.83	3.59	.54	.48

Note: For footnotes see Exhibit A.

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

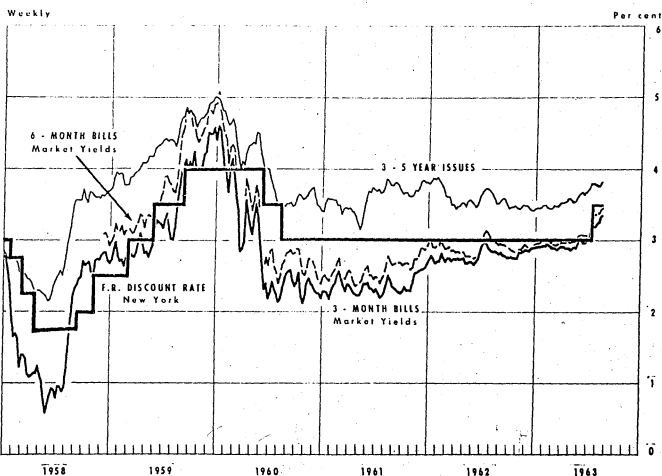


Exhibit C - Part II

Date	Discount rate 1/	Yields			Spread between yields on 3- month bills and yields on	
		3-month bills 2/	6-month bills 2/ (per cent)	3-5 year issues 2/	6-mo. bills	3-5 yr. issues
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	3.36 (8/23)	3.47 (8/23)	3.83 (8/23)	.17	.70
Low	3.00	2.88 (3/15)	2.93 (3/8)	3.44 (1/18)	.04	.47
July 26	3.50	3.19	3.36	3.79	.17	.60
Aug. 2	3.50	3.24	3.38	3.77	.14	.53
Aug. 9	3.50	3.26	3.39	3.77	.13	.51
Aug. 16	3.50	3.32	3.43	3.80	.11	.48
Aug. 23 p/	3.50	3.36	3.47	3.83	.11	.47

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

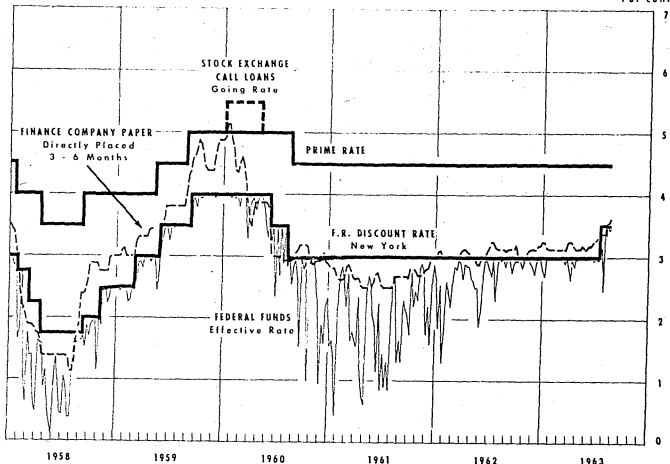


Exhibit D - Part II

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	3.63 (8/23)	3.50 (8/23)	.36
Low	4.50	4.50	3.13 (5/31)	2.45 (7/26)	.09
July 26	4.50	4.50	3.38	2.45	.19
Aug. 2	4.50	4.50	3.38	3.50	.14
Aug. 9	4.50	4.50	3.53	3.50	.27
Aug. 16	4.50	4.50	3.56	3.45	.24
Aug. 23 <u>p/</u>	4.50	4.50	3.63	3.50	.27

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.

Highs and lows are for individual series and may be on different dates for different series. For spreads, high refers to widest, and low to narrowest.

STOCK MARKET

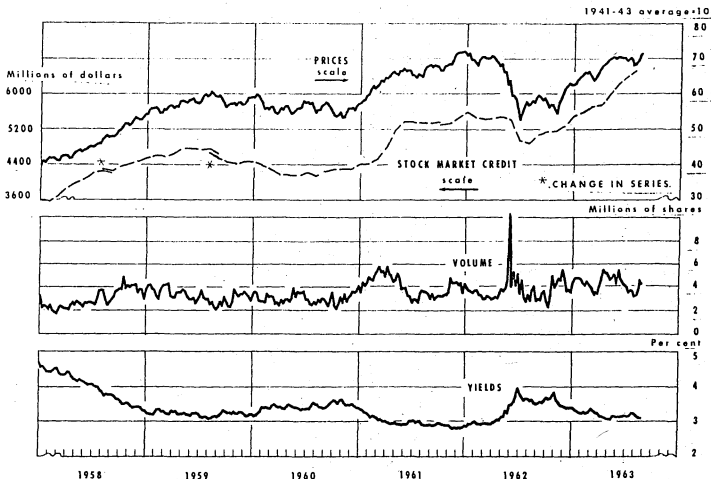


Exhibit E - Part II

Date	Stock price index <u>1/</u>	Common stock yields <u>2/</u> (per cent)	Trading volume <u>3/</u> (millions of shares)	Stock market customer credit		
				Total	Customers' debit balances <u>4/</u>	Bank loans to "others" <u>5/</u>
(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	71.76 (8/23)	3.10	5.5	6,511 (7/63)	4,898(6/63)	1,620(7/24)
Low	64.10 (3/1)	3.36	3.2	5,595 (1/63)	4,208(1/63)	1,378(2/23)
June	70.11	3.16	4.5	6,420	4,898	1,522
July	69.07	3.20	3.5	6,511	4,895	1,616
Aug. 9	70.48	3.16	3.7	n.a.	n.a.	1,604
Aug. 16	71.49	3.11	4.6	n.a.	n.a.	1,617
Aug. 23 <u>p/</u>	71.76	3.10	4.1	n.a.	n.a.	n.a.

n.a.—Not available. p/ Preliminary.

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

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

3/ 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.

## FEDERAL NATIONAL MORTGAGE ASSOCIATION ✓

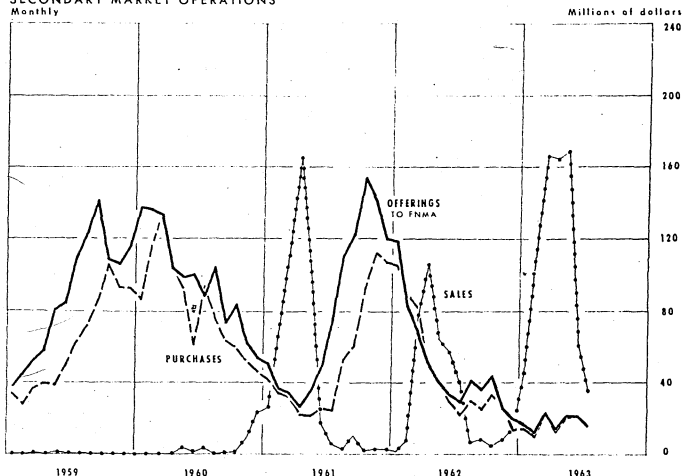
SECONDARY MARKET OPERATIONS  
Monthly

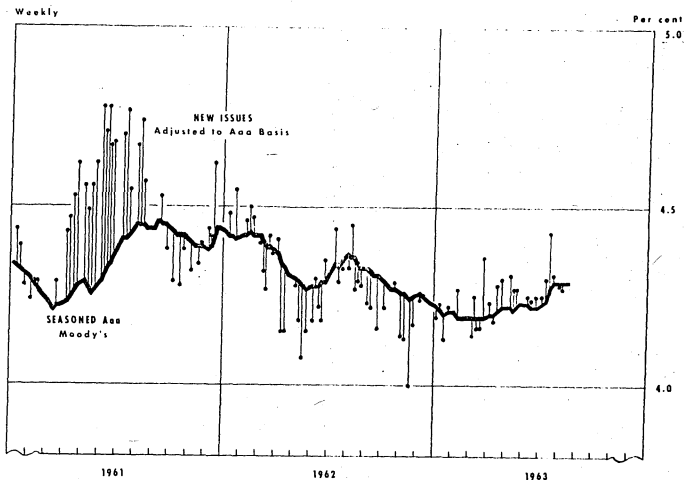
Exhibit F - Part II

Date	Estimated offerings to FNMA			Purchases by FNMA	Sales by FNMA
	Total	Immediate purchase	Standby commitment		
	(In millions of dollars)				
1962 - July	29.0	27.9	1.1	21.9	38.5
Aug.	40.8	39.2	1.0	29.6	6.3
Sept.	35.9	35.2	.7	25.0	8.4
Oct.	43.5	42.7	.8	33.1	4.5
Nov.	25.7	24.6	1.2	26.6	8.1
Dec.	19.7	19.3	.4	13.5	14.4
1963 - Jan.	16.8	16.5	.2	14.3	45.3
Feb.	12.5	12.4	.1	10.1	107.7
Mar.	23.1	22.6	.5	21.9	166.4
Apr.	14.1	13.5	.6	12.3	165.2
May	21.9	21.8	.1	19.9	169.4
June	21.2	20.7	.5	20.7	61.3
July p/	15.8	15.7	.1	14.9	35.7

—Less than \$50,000.

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

## YIELDS ON NEW 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)
<b>Weekly averages:</b>							
1963 - Apr. 5	2	45.0	4.23	July 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	26	3	58.0	4.31
				Aug. 2	1	70.0	4.28
May 3	1	25.0	4.22	9	2	75.0	4.27
10	2	266.0	4.31*	16	--	--	--
17	1	30.0	4.27	23	--	--	--
24	3	76.0	4.27				
31	--	--	--				
June 7	1	50.0	4.23*				
14	3	34.0	4.25				
21	2	115.0	4.24				
28	2	46.5	4.25				

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 offering 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/ 731	876	711
February	594	859	667	p/ 726	1,133	689
March	1,144	807	562	p/ 973	628	764
April	930	1,113	2,118	p/ 868	873	722
May	904	760	1,259	p/ 856	912	640
June	1,013	1,132	1,318	p/ 907	786	1,034
July	e/ 700	582	1,028	e/ 550	612	486
August	e/ 700	749	762	e/ 650	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	2,847	3,005	4,695	p/2,630	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	5,198	5,264	6,504	p/5,061	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/2,547	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 - 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	3,635	1,389	1,821	425	434	591	793	221	1,241
III									
1961 - 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.	1,049	380	452	217	56	148	341	71	369
May	1,340	550	694	95	182	216	222	92	373
June	1,246	459	675	113	196	227	230	58	499
July e/	740	280	350	110	n. a.	240	150	60	250
Aug.									
Sept.									

1/ 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 <sup>1/</sup>					
	Foreign government <sup>2/</sup>			Federal agency <sup>3/</sup>		
	1963	1962	1961	1963	1962	1961
January	232	142	6	--	246	--
February	133	10	29	148	156	--
March	76	35	20	--	--	252
April	57	10	2	186	461	100
May	114	86	66	--	--	149
June	11	50	29	469	--	278
July	e/ 60	25	5	e/ --	--	--
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.-July	e/ 683	358	157	e/ 793	863	779
	Net Short-term <sup>4/</sup>					
	State and local government <sup>5/</sup>			Federal agency <sup>3/</sup>		
January	75	18	160	-106	247	-144
February	272	466	195	-189	-156	-162
March	-367	-186	-8	-482	226	-174
April	589	127	-103	292	-364	-79
May	p/-189	-84	-42	p/ 380	82	-87
June	p/- 57	-118	-155	p/ 275	284	207
July	n.a.	78	109	p/ 392	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.-July	n.a.	301	156	562	580	-417

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

<sup>1/</sup> 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.

<sup>2/</sup> Includes securities offered in the United States by foreign governments and their political subdivisions and international organizations. Source: Securities and Exchange Commission.

<sup>3/</sup> Issues not guaranteed by the U. S. Government. Source: long-term, Securities and Exchange Commission; short-term, Treasury Department and Federal Reserve.

<sup>4/</sup> 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 PIA 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) <sup>1/</sup>

Proceeds of Large Issues Offered

(In millions of dollars)

Month	Corporate			State and Local government	Other <sup>2/</sup>	
	Total	Bonds (Other than convertibles)	Convertible bonds			Stocks
1962 - 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
July	221	180	--	41	279	60

Large Individual Issues Offered August 1 through 23

Issuer	Type <sup>3/</sup>	Amount (millions of dollars)	Maturity	Coupon rate or net interest cost	Offering yield	Rating
<u>CORPORATE</u>						
*Burroughs Corp.	Com. stk.	17.6				
Minneapolis Honeywell Reg. Co.	S. F. deb.	30.0	1993	4-3/8	4.33	Aa
Indiana & Michigan Elec. Co.	1st mtg. bds.	45.0	1988	4-1/4	4.27	Aa
Commercial Credit Co.	Notes	50.0	1985	4-1/2	4.50	--
*United Aircraft Corp.	Deb.	42.9	1988	4-1/2	4.50	--
<u>STATE AND LOCAL GOVERNMENT</u>						
State of New Hampshire	G.O.	23.4	1964-93	2.74	1.70-3.15	Aaa
Phoenix, Arizona	Rev.-Ut.	12.0	1969-90	3.25	2.60-3.35	A
State of California	G.O.	100.0	1965-90	2.99	1.95-4.25	Aa
New York City Transit Auth.	Rev.-Q.Ut.	38.3	1965-87	3.32	2.10-3.40	--
Southern Illinois University	Rev.-Rent	11.3	1966-2003	3.61	2.30-3.75 <sup>4/</sup>	--
Public Housing Auth.	--	116.2	1964-2004	3.17	1.80-3.30	Aaa
Alexandria, La.	Rev.-Ut.	11.4	1965-93	3.56	2.20-3.60	A
Fulton County, Georgia	G.O.	16.0	1967-88	3.10	2.30-3.25	Aa
<u>OTHER</u>						
Nippon Tel. & Tel. Public Corp	Bonds	20.0	1978	5-3/4	6.08	--



## 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/ \$3.0 million in bonds with 3-1/2 per cent coupons maturing 1989-2003 purchased by Federal Housing & Home Finance Agency at par.

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 - 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
July 31	221	329	20	267	512	20

Forthcoming Large Offerings, as of August 23

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>CORPORATE</u>			
Lone Star Gas Co.	Deb.	35.0	August 28
Sprague Electric Co.	Deb.	15.0	August 28
*C&T Financial Corp.	Deb.	100.0	September 11
*Atlantic Coast Line R.R. Co.	Deb.	20.0	September 18
Northern States Power Co.	1st mtg. bds.	15.0	September 19
New England Tel. & Tel. Co.	Com. stk.	22.6	September (rts. ex.)
<u>STATE AND LOCAL GOVERNMENT</u>			
*New Mexico State Univ.	Rev.-Rent	11.1	August 28
*Houston, Texas	G.O.	11.1	September 3
*State of Washington	Rev.-Rent	35.8	September 4
*Houston Ind. Sch. Dist., Tex.	G.O.	10.6	September 10
*Detroit, Mich.	G.O.	12.8	September 17
Los Angeles Unif. Sch. Dist., California	G.O.	25.0	September 17
New Orleans, La.	G.O.	14.7	September 18
*Municipality of Metro. Seattle, Wash.	Rev.-Ut.	15.0	September 18
Lewisport, Kentucky	Rev.-Rent	50.0	September
*Austin, Tex.	Rev.-Ut.	14.0	October 3

## Forthcoming Large Offerings, as of August 23

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>STATE AND LOCAL GOVERNMENT</u> (cont'd)			
Los Angeles Dept. of Wtr. & Pwr., California	Rev.-Ut.	12.0	October 9
Cleveland City Sch. Dist., Ohio	G.O.	10.0	October 25
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
<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 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 June 1 through August 23		
6/12	10.0	Oslo, Norway--5-1/4% bonds, due 1978--reoffered to yield 5.47%
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%
7/17	15.0	United Mexican States--6% bonds due 1966-68--reoffered to yield 6.00%
8/1	20.0	Nippon Telephone & Telegraph Public Corporation--5-3/4% guaranteed sinking fund bonds due 1978--reoffered to yield 6.08%
8/2	7.3	Tokio Marine and Fire Insurance Co.--common stock

B. Prospective Offerings

None

## Part II: Private Placements--Reported June 1 through August 23

Date Reported	Amount (millions of dollars)	Issuer and Description of Issue
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	Farbwerke 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
*8/6	2.1	Banco Nacional de Credito Agricola; S.A., Mexico City--6-1/2% promissory notes, maturing 1964-68--no information available on takedown
*8/6	5.0	Austrian Investment Finance Corp.--notes, maturing 1973--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.

## Exhibit N

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:	(In millions of dollars)							
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 - June	1,207	5,757	54,659	482	3,981	48,421	22,191	136,698
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	265	-53	-12	197	-17	360
June <u>r/</u>	-22	-95	248	-118	12	198	-14	209
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	-139	-36	255	312	626
June	-1	-94	219	-50	-19	256	151	462

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.

r/ Revised. p/ Preliminary.

Exhibit O

Sources and Uses of Funds by  
Savings and Loan Associations

	Uses of funds 1/				Total sources or uses	Sources of funds		
	Cash	U. S. Govt. securities	Mortgages 2/	Other assets		Net change savings capital	Borrowing 3/	Other
	(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	80,442	3,633	9,761
1963 - June	3,862	6,211	84,703	5,836	100,612	86,502	3,441	10,669
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.	-139	35	1,064	89	1,049	478	123	448
May	-38	-23	1,178	395	1,512	969	115	428
June	230	112	1,214	-47	1,509	1,609	598	-698

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.

## Exhibit P

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 - June	895	6,163	5,093	462	34,085	1,314	48,012	43,201	4,811
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	173	-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	424 <sup>3/</sup>	-118 <sup>3/</sup>
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
June	42	10	6	-1	262	-21	298	406	-108

r/ Revised. p/ Preliminary.

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 and \$124 million, respectively, other liability reclassified as deposits in conformity with FDIC redefinition in 1961 and 1962.