

H.14

November 26, 1963.

CAPITAL MARKET DEVELOPMENTS
IN THE UNITED STATES

(Including Review of Sources and Uses of Funds
of Financial Intermediaries in the Third Quarter)

Public security financing to obtain new capital was in substantial volume last week, but, except for a large intermediate-term Federal agency issue, will be very light this week shortened by the funeral of President Kennedy and the Thanksgiving holiday. Last week, ended November 22, three corporate issues totaling \$80 million and six large State and local government bond issues amounting to \$171 million were sold. This week, ending November 29, no large corporate issues and only one State and local bond issues with par value of \$11 million are on the calendar. In addition the Federal Home Loan Banks will offer \$200 million of 3-year bonds.

Bond yields. Yields on most seasoned long-term bonds were stable last week; Baa-rated corporate bond yields, however, rose two basis points from their low of the year to 4.85 per cent.

Yields on new corporate bonds, adjusted to an Aaa basis, averaged 4.42 per cent last week, one basis point higher than in early November and the highest level since August 1962.

Short- and intermediate-term interest rates. Rates on 3-month and 6-month Treasury bills dropped four and three basis points from the highs of the year to 3.51 and 3.65 per cent, respectively. Yields on 3-5 year U. S. Government obligations, however, increased a basis point to 3.98 per cent, matching the previous 1963 high. The average effective Federal funds rate continued at 3.50 per cent. Other rates were unchanged.

Housing starts and permits. Seasonally adjusted housing starts, which had already risen a fifth in September from a reduced August rate, advanced 8 per cent further in October. The annual rate of 1,876 thousand (including farm starts) was a new high for the Census series and more than a fifth above a year earlier when starts were also rising. A factor in the October advance apparently was the unusually favorable weather during the month in most parts of the country.

On a three-month moving average basis, the seasonally adjusted annual rate of starts for the most recent period was 1,687 thousand. This was 5 per cent above the advanced average of last spring and 16 per cent higher than a year earlier.

Starts with conventional financing accounted for 84 per cent of the total in October. The share was the highest proportion this year and compared with 78 per cent a year earlier and 74 per cent in October of 1961.

Building permits also rose further (6 per cent) in October and were at a new high for this series. The seasonally adjusted annual rate was 15 per cent above August's reduced rate and 17 per cent higher than a year earlier. While most types of structures shared in the advance, the increase for multifamily buildings was particularly sharp.

Stock market credit. Customer credit in the stock market rose \$200 million further during October to a record level of \$7.2 billion at the month-end. This rise placed customer credit \$2.3 billion, or 47 per cent, above the July 1962 low and 28 per cent more than in December 1961. A \$170 million increase in customers' debit balances (except on U. S. Government securities) accounted for most of the October advance. Bank loans to other than brokers and dealers for purchasing or carrying securities (except U. S. Governments), however, rose \$30 million.

Borrowing by member firms of the New York Stock Exchange (except on U. S. Government securities) increased \$118 million further in October, but customers' free credit balances edged off slightly. More detailed information concerning stock market credit in September and October is shown in the following table.

	End of Month		Change
	Oct.	Sept.	
Customer credit			
Excluding U. S. Government securities - total	7,171	6,971	+200
Net debit balances	5,486	5,316	+170
Bank loans to "others"	1,685	1,655	+30
Net debit balances secured by U. S. Govt. securities	29	41	+12
Bank loans to "others" for purchasing or carrying U. S. Government securities	83	86	-3
Broker and dealer credit			
Money borrowed except on U. S. Govt. securities	4,218	4,100	+118
On customer collateral	3,713	3,592	+121
Money borrowed on U. S. Government securities	33	69	-36
Customers' net free credit balances	1,173	1,180	-7

Stock prices. Common stock prices dropped very sharply last week in active trading. Prices, as measured by Standard and Poor's composite index of 500 stocks, fell four per cent to close at 69.61 on November 22. Stock prices declined moderately through Thursday, but most of the week's drop took place in heavy trading in less than one hour on Friday between the announcement of President Kennedy's assassination and the closing of trading by the Board of Governors of the New York Stock Exchange. Trading volume last week averaged 5.4 million shares a day.

Institutional investors. The net inflow of savings in September at three major types of financial intermediaries--life insurance companies, savings and loan associations and mutual savings banks--totaled \$1.8 billion, slightly less than a year earlier. A moderately larger growth this year in savings capital at savings and loan associations was not quite sufficient to offset a smaller increase in assets of life insurance companies; the expansion in deposits at mutual savings banks was about the same as a year earlier. (Time and savings deposits at commercial banks advanced \$1.0 billion in September, one-ninth more than a year earlier.)

During the third quarter as a whole, inflow at these three types of institutions amounted to \$4.3 billion, a record for the quarter and six per cent larger than during the corresponding period last year. Substantially larger growth in assets of life insurance companies, in part because of greater appreciation in the market value of their common stock holdings, more than offset a decrease in the deposit gain at mutual savings banks; the increase in savings capital at savings and loan associations was about the same as in July-September 1962. (Time and savings deposits at commercial banks, rose \$2.5 billion in the past quarter, eight per cent greater than the third quarter record of last year; the larger gain was probably due in large part to the change in regulations by bank supervisory authorities in July permitting commercial banks to pay higher rates on time certificates of deposit maturing in 3-12 months.)

Assets of life insurance companies rose \$2.1 billion during the third quarter, 18 per cent more than during the similar period in 1962. Holdings of business securities rose \$0.6 billion, one-tenth less than a year earlier; net acquisitions of long-term bonds and stocks (\$448 million) were one-seventh less than in the third quarter last year, but short-term commercial and finance company paper acquisitions (\$137 million) were somewhat larger. Mortgage holdings, however, increased \$0.8 billion, up almost one-half from last year and only slightly below the record third quarter gain in 1956. Holdings of cash and U. S. Government securities rose \$0.2 billion, over one-half more than last year, but State and local government security holdings fell \$89 million, in contrast to a moderate rise in the comparable period of 1962.

Growth in savings capital at savings and loan associations totaled \$1.5 billion in the July-September period, about the same as during the corresponding quarter last year. Despite this, mortgage lending was appreciably greater than last year; the net increase in mortgage holdings amounted to \$3.5 billion, a third quarter record and one-fourth larger than a year earlier. To help finance this enlarged mortgage lending, these associations increased their borrowings \$0.8 billion, almost three times the amount borrowed last year, and reduced their holdings of cash and U. S. Government securities \$0.4 billion, one-third more than in the same period a year earlier.

Deposits at mutual savings banks increased \$0.7 billion in the past quarter, nine per cent less than during the comparable period of 1962,

because of a larger increase in withdrawals than in new deposits. Net mortgage acquisitions amounted to \$0.9 billion, however, a record for the period and five per cent more than a year earlier. This was made possible by a reduction in holdings of cash and U. S. Governments of \$0.2 billion, compared with only a nominal reduction in the 1962 July-September period. Net acquisitions of business and Federal agency securities were about the same as a year earlier (\$0.1 billion).

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

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

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

Third Quarter 1955-63

(In millions of dollars)

Year	Uses of funds						Total sources or uses	Sources of funds		
	Cash	U. S. Govt. securities	Business securities	Mortgages	State & local govt. sec.	Other assets		Net change in deposits or savings capital	Borrowing	Other
<u>Life insurance companies</u>										
1963	131	67	585	812	-89	560	2,066	--	--	--
1962 <u>1/</u>	76	52	643	554	48	384	1,757	--	--	--
1961 <u>1/</u>	40	19	655	440	78	461	1,693	--	--	--
1960	-4	5	460	559	152	310	1,482	--	--	--
1959	-48	-47	357	568	159	364	1,353	--	--	--
1958	5	220	534	409	81	271	1,520	--	--	--
1957	8	-59	685	512	32	257	1,435	--	--	--
1956	-2	-121	510	826	65	258	1,536	--	--	--
1955	78	83	451	766	26	155	1,559	--	--	--
<u>Savings and loan associations</u>										
1963 <u>1/</u>	-501	124	--	3,451	n.a.	34	3,108	1,529	768	811
1962 <u>1/</u>	-345	77	--	2,740	n.a.	-1	2,471	1,532	275	664
1961 <u>1/</u>	-246	54	--	2,465	n.a.	22	2,295	1,310	260	725
1960	-178	-50	--	2,023	n.a.	-104	1,691	1,247	-53	497
1959	-525	124	--	2,222	n.a.	-35	1,786	1,042	298	446
1958	-437	298	--	1,696	n.a.	-33	1,524	880	98	546
1957	-412	91	--	1,224	n.a.	21	924	524	47	353
1956	-317	86	--	1,215	n.a.	-20	961	696	-15	280
1955	-349	54	--	1,602	n.a.	-15	1,288	692	301	295
<u>Mutual savings banks</u>										
1963	-43	-114	82	888	-5	119	927	741	--	187
1962	-31	18	82	845	-19	71	967	816	--	151
1961	6	9	-40	564	--	76	616	432	--	184
1960	-53	-50	62	561	-8	62	574	404	--	170
1959	-78	-57	-36	495	11	52	387	223	--	164
1958	-53	3	76	572	12	30	640	498	--	142
1957	-88	-13	178	336	6	17	436	312	--	124
1956	-82	-91	50	611	-2	17	503	337	--	166
1955	-66	-18	-95	676	-4	12	505	413	--	92

n.a.--Not available.

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

Sources and Uses of Funds of Major Types of Savings Institutions ^{1/}

First nine months 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 govt. sec.	Other assets		Net change in deposits or savings capital	Borrowing	Other
<u>Life insurance companies</u>										
1963	-73	-365	1,916	2,253	-168	2,032	5,595	--	--	--
1962 ^{1/}	-103	196	1,884	1,474	182	685	4,318	--	--	--
1961	-20	--	1,792	1,612	216	1,515	5,115	--	--	--
1960	-125	-283	1,322	1,882	308	1,093	4,197	--	--	--
1959	-208	-6	1,672	1,361	474	936	4,229	--	--	--
1958	-79	266	1,725	1,199	244	940	4,295	--	--	--
1957	-129	-266	1,781	1,702	91	827	4,006	--	--	--
1956	-180	-746	1,558	2,685	214	621	4,152	--	--	--
1955	-58	108	1,419	2,322	150	520	4,461	--	--	--
<u>Savings and loan associations</u>										
1963	-578	763	--	9,198	n.a.	552	9,935	7,642	572	1,721
1962 ^{1/}	-279	268	--	7,537	n.a.	461	7,987	6,134	304	1,549
1961 ^{1/}	32	450	--	6,451	n.a.	387	7,320	5,745	92	1,485
1960	-103	63	--	5,246	n.a.	220	5,426	4,962	-499	963
1959	-765	701	--	5,957	n.a.	462	6,355	4,522	529	1,304
1958	169	454	--	3,975	n.a.	152	4,750	4,005	-246	991
1957	-472	438	--	3,329	n.a.	429	3,722	3,102	-119	739
1956	-344	390	--	3,406	n.a.	280	3,723	3,402	-294	615
1955	-361	310	--	4,487	n.a.	167	4,592	3,295	453	844
<u>Mutual savings banks</u>										
1963	-110	-37	--	2,895	-73	156	2,829	2,376	--	453
1962	25	160	109	2,342	-113	28	2,552	^{1/} 2,091	--	^{1/} 461
1961	-4 ^{1/}	51	44	1,649	16	104	1,861	1,515	--	346
1960	-42	-359	144	1,445	-34	117	1,271	890	--	381
1959	-174	38	-21	1,475	51	114	1,483	1,108	--	375
1958	-24	-160	601	1,568	54	100	2,139	1,791	--	348
1957	-137	-121	580	1,057	16	75	1,470	1,188	--	282
1956	-130	-254	166	1,758	28	82	1,650	1,334	--	316
1955	-103	-91	-133	1,831	52	52	1,611	1,388	--	223

n.a.--Not available.

^{1/} Revised.^{1/} For description of data see Exhibits N, O and P.

LONG-TERM BOND YIELDS, HIGH-GRADE

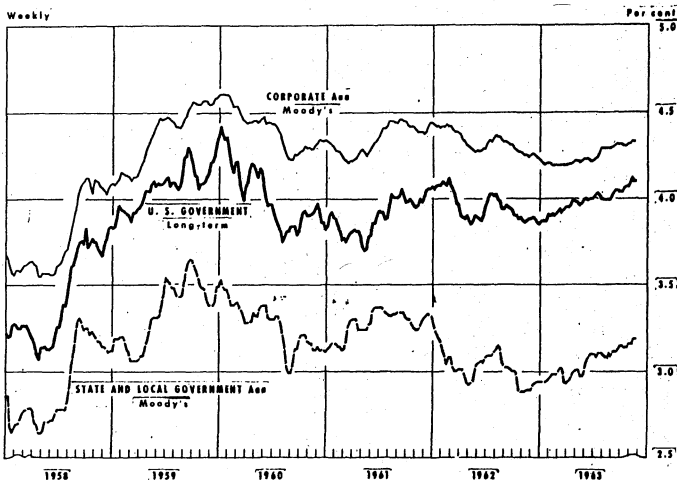


Exhibit A - Part II

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 (1/29/50)	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	
1962 - High	4.33 (11/22)	4.12 (11/8)	3.18 (11/21)	.35	1.02	
Low	4.19 (3/29)	3.87 (1/18)	2.93 (3/28)	.21	.89	
Oct. 25	4.32	4.07	3.16	.25	.91	
Nov. 1	4.32	4.09	3.16	.23	.93	
Nov. 8	4.33	4.12	3.16	.21	.96	
Nov. 15	4.33	4.10	3.18	.23	.92	
Nov. 22 p/	4.33 ^{1/}	4.10	3.18	.23	.92	

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

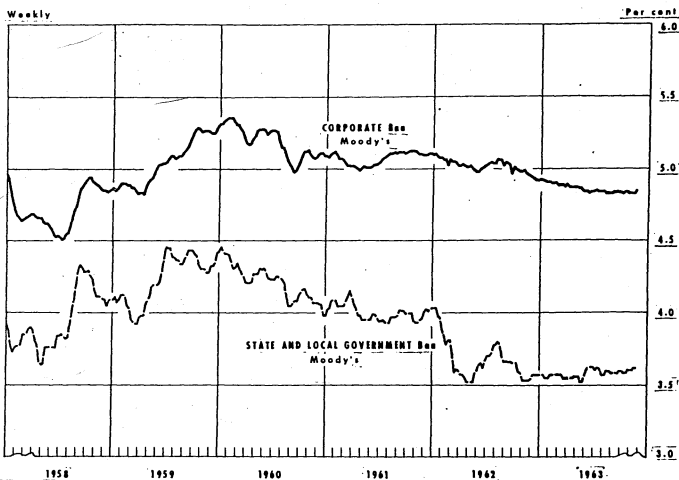


Exhibit B - Part II

Date	Corporate Baa <u>1</u> / Moody's	State and local govt. Baa <u>3</u> / Moody's	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 (11/15)	3.52 (5/23)	.50	.44
Oct. 25	4.83	3.60	.51	.44
Nov. 1	4.83	3.60	.51	.44
Nov. 8	4.83	3.61	.50	.45
Nov. 15	4.83	3.62	.50	.44
Nov. 22 p/	4.85	3.62	.52	.44

Note: For footnotes see Exhibit A.

SHORT- AND INTERMEDIATE- TERM INTEREST RATES, GOVERNMENT

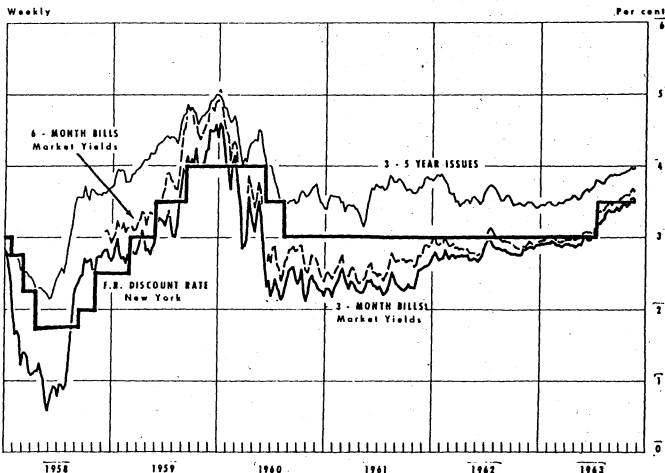


Exhibit C - Part II

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	3.50	3.55 (11/15)	3.68 (11/15)	3.98 (11/22)	.17	.70
Low	3.00	2.88 (3/15)	2.93 (3/8)	3.44 (1/18)	.04	.42
Oct. 25	3.50	3.44	3.60	3.93	.16	.49
Nov. 1	3.50	3.47	3.59	3.94	.12	.47
Nov. 8	3.50	3.54	3.64	3.98	.10	.44
Nov. 15	3.50	3.55	3.68	3.97	.13	.42
Nov. 22 p/	3.50	3.51	3.65	3.98	.14	.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.

EXHIBIT D, Part I

SHORT- AND INTERMEDIATE- TERM INTEREST RATES,
BANKS AND OTHER PRIVATE BORROWERS

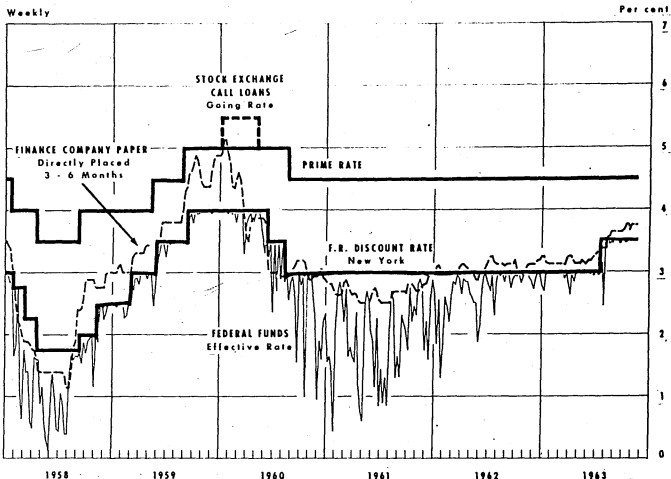


Exhibit D - Part II

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 (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
1962 - High	4.50	4.50	3.75 (11/22)	3.50 (11/22)	.36
1963 - Low	4.50	4.50	3.13 (5/31)	2.45 (7/26)	.09
Oct. 25	4.50	4.50	3.66	3.50	.22
Nov. 1	4.50	4.50	3.75	3.50	.28
Nov. 8	4.50	4.50	3.75	3.50	.21
Nov. 15	4.50	4.50	3.75	3.50	.20
Nov. 22 p/	4.50	4.50	3.75	3.50	.24

1/ Weekly rate shown is that in effect at end of period. Stock Exchange call loan rate is going rate on call loans secured by customers' stock exchange collateral at New York City banks. Prime rate is that charged by large banks on short-term loans to business borrowers of the highest credit standing.

2/ Average of daily rates published by finance companies for directly placed paper for varying maturities in the 90-179 day range.

3/ Weekly average of daily effective rate, which is the rate for the heaviest volume of purchase and sale transactions as reported to the Federal Reserve Bank of New York.

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

STOCK MARKET

1941-43 average=10

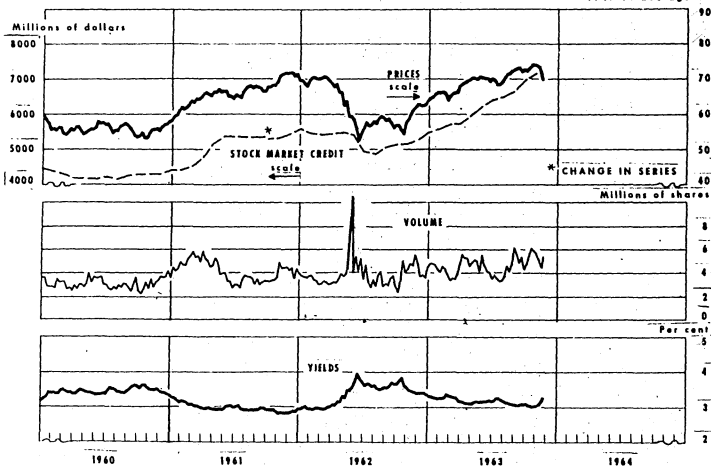


Exhibit E - Part II

Date	Stock price index 1/	Common stock yields 2/ (per cent)	Trading volume 3/ (millions of shares)	Stock market customer credit		
				Total	Customers' debits 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	74.01 (10/25)	3.01	6.1	7,171(11/63)	5,486(11/63)	1,707(11/13)
Low	64.10 (3/1)	3.35	3.2	5,595(1/63)	4,208(1/63)	1,378(2/23)
September	72.85	3.06	5.3	6,971	5,316	1,655
October	73.03	3.05	5.3	7,171	5,486	1,685
Nov. 8	73.36	3.07	5.0	n.a.	n.a.	1,701
Nov. 15	72.35	3.16	4.4	n.a.	n.a.	1,707
Nov. 22 p/	69.61	3.29	5.4	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.

EXHIBIT F, Part I

PRIVATE HOUSING STARTS AND PERMITS

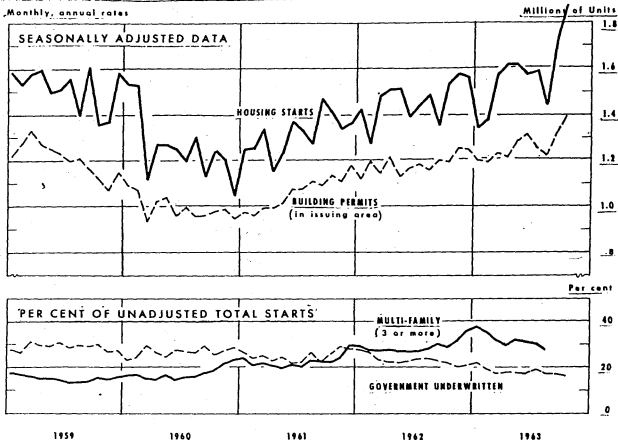


Exhibit F - Part II

Date	Starts ^{1/}							Building permits (seasonally adjusted annual rate) ^{2/}
	Total		Unadjusted					
	Seasonally adjusted annual rate	Unadjusted	Type of financing			Type of housing		
			FHA	VA	Other	1-2 family	Multi-family	
	(Thousands of units)							
1962 - Oct.	1,537	135	23	7	105	96.1	39.1	1,195
Nov.	1,579	121	19	6	96	82.4	38.5	1,254
Dec.	1,562	94	16	5	74	60.1	33.8	1,248
1963 - Jan.	1,344	81	14	4	63	50.1	30.5	1,200
Feb.	1,380	87	13	4	70	56.0	30.6	1,193
Mar.	1,575	124	17	5	103	84.9	39.5	1,232
Apr.	1,618	158	21	7	129	111.1	47.0	1,214
May	1,618	166	22	7	137	112.7	53.8	1,285
June	1,571	153	20	7	126	104.7	48.7	1,315
July ^{1/}	1,588	150	21	8	121	102.8	44.9	1,256
Aug.	1,455	144	19	7	119	107.6	42.3	1,215
Sept.	1,730	145	19	6	120	n.a.	n.a.	1,319
Oct.	1,876	166	21	6	139	n.a.	n.a.	1,396

^{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. Capehart 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

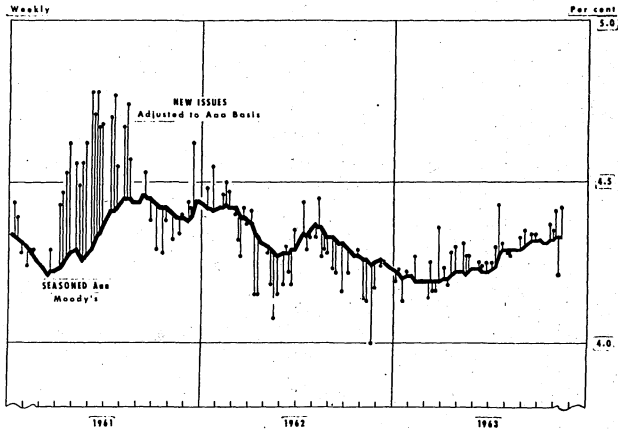


Exhibit G - Part II

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 - June 7	1	50.0	4.23*	Sept. 13	--	--	--
14	3	34.0	4.25	20	1	15.0	4.34
21	2	115.0	4.24	27	1	100.0	4.34
28	2	46.5	4.25	Oct. 4	2	33.5	4.32
July 5	--	--	--	11	--	--	--
12	2	80.0	4.30*	18	--	--	--
19	1	25.0	4.43*	25	1	40.0	4.37
26	3	58.0	4.31	Nov. 1	2	75.0	4.35
Aug. 2	1	70.0	4.28	Nov. 8	1	30.0	4.41
9	2	75.0	4.27	Nov. 15	1	22.0	4.21*
16	--	--	--	Nov. 22	4	115.0	4.42
23	--	--	--				
30	2	50.0	4.33*				
Sept. 6	1	12.0	4.35				

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.

Exhibit H

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/	867	873	722
May	904	760	1,259	p/	856	912	640
June	1,013	1,132	1,318	p/	940	786	1,034
July	676	582	1,028	p/	597	612	486
August	667	749	762	p/	702	544	604
September	795	579	647	p/	422	427	734
October	e/ 950	835	1,090	e/	1,100	650	679
November	e/ 750	703	948	e/	700	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/	2,662	2,571	2,396
3rd quarter	2,138	1,910	2,437	p/	1,721	1,582	1,824
4th quarter		2,641	3,038			1,779	2,078
1st half	5,198	5,264	6,504	p/	5,093	5,208	4,561
Three quarters	7,337	7,173	8,941	p/	6,815	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	2,529	2,919	4,552				
3rd quarter	1,838	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 net capital issues excluding offerings of sales and consumer finance companies.

Exhibit I

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						
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	893
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	3,634	1,389	1,820	424	434	591	794	221	1,241
III	2,466	898	1,281	287	109	806	285	150	897
IV									
1962 - Jan.	647	273	232	143	3	205	89	73	225
Feb.	834	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	810	279	431	100	46	297	107	86	187
Aug.	786	336	349	100	21	272	100	24	270
Sept.	871	283	501	87	42	237	78	39	441
Oct. e/	1,025	510	375	140	n.a.	150	220	10	570
Nov.									
Dec.									

p/ Preliminary. e/ Estimated by Federal Reserve. ^{1/} Gross proceeds exceed net proceeds by the cost of flotation. ^{2/} For total see Exhibit H; other issuers are extractive, railroad and other transportation, real estate and finance and commercial and other. Source.--Securities and Exchange Commission.

Exhibit J

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	57	10	2	186	461	100
May	114	86	66	--	--	149
June	11	50	29	459	--	278
July	63	25	5	--	--	--
August	83	8	2	--	150	250
September	--	31	--	--	175	193
October	e/ --	151	43	e/ 174	--	--
November		88	34		--	225
December		101	--		--	--
Year		737	236		1,188	1,448
Jan.-Sept.	e/ 769	548	202	e/ 967	1,188	1,222
	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	272	466	195	-189	-156	-162
March	-367	-186	-8	-482	226	-174
April	589	127	-103	292	-364	-79
May	-30	-84	-42	195	82	-87
June	-10	-118	-155	319	284	207
July	62	78	109	414	261	22
August	208	339	518	327	227	193
September	-173	-406	-86	258	-157	108
October	n.a.	71	-6	p/ 110	379	98
November		234	54		55	56
December		-161	-116		-80	-114
Year		378	520		1,004	-76
Jan.-Sept.	626.	305	582	p/1,138	1,029	-18

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 Housing 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)

Month	Corporate				State and local government	Other 2/
	Total	Bonds (Other than convertibles)	Convertible bonds	Stocks		
1962 - 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	--	--	389	43
June	348	348	--	--	372	460
July	221	180	--	41	279	60
August	236	218	--	18	329	20
September	237	215	--	22	135	--
October	446	380	--	66	743	174

Large Individual Issues Offered November 1 through 22

Issuer	Type	Amount (millions of dollars)	Maturity	Coupon rate or net interest cost	Offering yield	Rating
<u>CORPORATE</u>						
Georgia Power Corp.	1st mtg. bds.	30.0	1993	4-1/2	4.50	A
Celanese Corp.	Com. stk.	43.4				
Seaboard Airline R.R. Co.	1st mtg. bds.	22.0	1988	4-5/8	4.65	A
Union Elec. Co.	1st mtg. bds.	30.0	1993	4-1/2	4.42	Aa
	pf. stk.	20.0				
Ralston Purina Co.	Deb.	35.0	1988	4-3/8	4.39	Aa
<u>STATE AND LOCAL GOVERNMENT</u>						
Oklahoma Turnpike Auth.	Rev.-Q.Ut.	21.0	2003	4.56	4.25	--
		10.0	2003		5.00	
Cook Co., Ill.	G.O.	20.0	1964-73	2.91	2.09-2.95	A
State of Maryland	G.O.	38.3	1966-78	2.89	2.25-3.00	Aaa
Philadelphia, Pa.	G.O.	13.5	1965-89	3.32	2.40-3.45	A
	Rev.-Ut.	18.3	1965-94	3.39	2.40-3.50	A
Kentucky Turnpike Auth.	Rev.-Q.Ut.	23.7	1966-85	n.a.	3.00-3.80	--
		46.3	2002		4.10	--
Monterey Flood Control & Wtr. Dist., Cal.	Rev.-Ut.	12.9	1966-2004	3.45	2.35-3.70 ^{4/}	A

Large Individual Issues Offered November 1 through 22 (Cont'd)

Issuer	Type	Amount (millions of dollars)	Maturity	Coupon rate or net interest cost	Offer- ing yield	Rat- ing
<u>STATE AND LOCAL GOVERNMENT</u> (cont'd)						
Los Angeles Dept. of Wtr. & Pwr., Cal.	Rev.-Ut.	24.0	1964-93	3.35	2.10-3.50	Aa
East Bay Mun. Util. Dist., Cal.	G.O.	30.0	1964-93	3.28	2.10-3.85	Aa
New York State Housing Finance Agency	Rev.-Rent.	62.8	1964-95	3.58	2.10-3.60	--
New York State Pwr. Auth.	Rev.-Ut.	13.6	2006	3.63	3.60	A
Penna. State Pub. Sch. Bldg. Auth.	Rev.-Rent.	24.6 ^{5/}	1969-80 1964-2003	3.47	2.85-3.35	A
					2.10-3.65 ^{6/}	--
<u>OTHER</u>						
None						

*--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 per cent bonds due 2002-04 not publicly reoffered.
- 5/ An additional \$8.4 million sold to refund outstanding securities.
- 6/ 1-1/2% bonds due 2000-03 not publicly reoffered.

Exhibit L

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 - 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
Aug. 31	158	210	--	183	468	--
Sept. 30	240	561	--	240	757	--
Oct. 31	145	255	--	145	401	--

Forthcoming Large Offerings, as of November 22

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>CORPORATE</u>			
Tennessee Gas Trans. Co.	1st.mtg.p.l.bds.&pf.d.stk.	50.0	December 3
Clark Equipment Credit Corp.	Deb.	20.0	December 4
Pacific Northwest Bell Telephone Co.	Deb.	50.0	December 4
Pacific Pwr. & Lt. Co.	Com. stk.	17.1	December 5 (rts. ex.)
Virginia Elec. Pwr. Co.	1st mtg. bds.	30.0	December 11
Consolidated Edison Co.	1st & ref. mtg. bds.	75.0	December 12
*Sinclair Oil Corp.	Deb.	150.0	December 18
<u>STATE AND LOCAL GOVERNMENT</u>			
Montgomery Co., Md.	G.O.	10.5	November 26
Bowling Green, Ky.	Rev.-Ut.	10.0	December 4
*Oyster Bay, N.Y.	G.O.	12.3	December 5
State of Minnesota	G.O.	12.8	December 10
San Francisco Bay Area Rapid Transit Dist., Cal.	Rev.-Q.Ut.	50.0	December 10
Iowa State University	Rev.-Rent.	16.0	December 12

Forthcoming Large Offerings, as of November 22 (cont'd)

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>STATE AND LOCAL GOVERNMENT</u>			
(cont'd)			
Santa Clara Co. Fld. Cont., Dist., Cal.	Rev.-Q.Ut.	19.5	December 17
*Farmington, N. Mex.	Rev.-Ut.	16.5	December 17
State of California	G.O.	80.0	January 7
Pittsburgh, Pa.	G.O.	35.0	Indefinite
Dade County, Florida	G.O.	46.0	Indefinite
Jacksonville Expressway Auth., Fla.	Rev.-Ut.	40.0	Indefinite
Houston, Texas	G.O.	11.1	Indefinite
<u>OTHER</u>			
*Federal Home Loan: Bank	Bonds	200.0	November 27

*--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.

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H.14

Exhibit M

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 September 1 through November 22

None

B. Prospective Offerings

None

Part II: Private Placement--Reported September 1 through November 22

Date reported	Amount (millions of dollars)	Issuer and Description of Issue
9/13	3.5	Manitoba Electric Power Commission--5-7/8% notes, maturing 1983--no information available on takedown
9/13	1.1	Union Acceptance Corp.--6-1/4% debenture, maturing 1974-78--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.

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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/		State and local govt. securities	Mortgages	Other	
			Long-term bonds and stocks	Commercial and finance company paper				
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 - Sept.	1,338	5,824	55,107	619	3,892	49,233	22,751	138,764
Changes:								
1961 - 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	-22	-95	248	-118	12	198	-14	209
July	58	121	132	72	11	139	148	681
Aug.	-24	-21	206	31	25	237	149	603
Sept. <u>£</u> /	42	-48	182	20	12	178	87	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
<u>p</u> /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
July	54	86	156	105	-27	244	354	972
Aug.	-10	-33	106	88	-19	299	260	691
Sept.	87	14	186	-56	-43	269	-54	403
Oct.								

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.

£/ Revised p/ Preliminary

Exhibit O

Sources and Uses of Funds by
Savings and Loan Associations

	Uses of funds 1/				Total sources or uses	Source of funds		
	Cash	U. S. Govt. securities	Mortgages 2/	Other assets		Net change savings capital	Borrowing 3/	Other
Value of assets at end of period:	(In millions of dollars)							
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 - Sept.	3,368	6,312	88,171	5,900	103,751	88,064	4,205	11,482
Changes:								
1961 - 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	237	89	1,231	-17	1,540	1,642	594	-695
July	-451	70	1,116	-160	575	-36	255	356
Aug.	-57	-50	1,204	177	1,274	643	222	409
Sept.	-3	92	1,128	44	1,261	922	290	49
Oct.								

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/ Advances from Home Loan Banks and other borrowing. Source--FSLIC.

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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:									
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 - Sept.	847	6,052	5,188	455	34,965	1,440	48,947	43,989	4,959
Changes:									
1961 - 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	424	-118
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 <u>r/</u>	37	13	19	-3	254	-11	306	422	-119
July	-63	-19	14	-3	314	11	254	137	118
Aug.	-18	-34	25	--	300	71	344	174	171
Sept.	38	-61	43	-2	274	37	329	430	-102
Oct.									

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.

Source--NAMSBS and FDIC.