

March 23, 1964.

CAPITAL MARKET DEVELOPMENTS  
IN THE UNITED STATES

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

Public security financing to obtain new capital was very light last week, but will be quite substantial this week. Last week, ended March 20, no large corporate issues were sold, but one \$18 million State and local government bond issue was sold to obtain new capital. This week, ending March 27, five large corporate issues (including an expiring rights offer and a tentatively scheduled bank debenture issue) totaling \$219 million and four large State and local issues with par value of \$70 million are scheduled for sale. In addition, the Inter-American Development Bank is expected to offer \$50 million in bonds.

Bond Yields. Yields on most seasoned, long-term bonds rose last week. Aaa-rated corporate bond yields rose another basis point to 4.38 per cent, matching their high for the year; yields on U. S. Government bonds also increased another basis point to 4.18 per cent, the highest since May 1960. Yields on Aaa-rated State and local government bonds rose three more basis points to 3.16 per cent, the high for this year and only two basis points below their late November high, while lower-grade municipal bond yields went up two basis points to 3.57 per cent. Yields on Baa-rated corporate bonds were unchanged.

Short- and intermediate-term interest rates. Rates on both 3-month and 6-month Treasury bills were stable last week, but yields on 3-5 year U. S. Government obligation rose four basis points further to 4.16 per cent, the highest since the spring of 1960. The average effective Federal funds rate eased to 3.40 per cent. Other rates were unchanged.

Housing starts and permits. Seasonally adjusted private housing starts declined 5 per cent in February. The decline followed a sharp rise in January, however and--at 1,643 thousand, including farm--the February rate about matched the average in the previous two months and was one-fifth above the reduced rate in February of last year. On a three-month moving average basis, the December-February rate was 4 per cent below the recent high in the September-November period and 15 per cent above a year earlier.

Government-underwritten starts constituted 17 per cent of total starts in February. This compared with 20 per cent a year earlier and 27 per cent in February of 1962.

Seasonally adjusted building permits turned up again in February. Permits for structures of 5-or-more units, which accounted

for all of the decline in total permits in January, recovered appreciably while permits on single family structures expanded further.

Stock market credit. Customer credit in the stock market fell \$130 million during January to \$7.1 billion at month-end. All of the decline was accounted for by customers debit balances (except on U. S. Government securities) which dropped \$140 million. Bank loans to other than brokers and dealers for purchasing and carrying securities (other than U. S. Government securities), on the other hand, increased \$10 million.

Money borrowed by member firms of the New York Stock Exchange on customers collateral fell \$57 million during January, and customers free credit balances dropped \$63 million. More detailed information on stock market credit is shown in the table on the following page.

Stock prices. Common stock prices, as measured by Standard and Poor's composite index of 500 stocks, eased slightly on balance last week to close at 78.92 on March 20. Trading volume averaged 5.4 million shares a day, down 0.2 million shares from the average for the previous week.

Institutional investors. The net inflow of savings during January at three major types of financial intermediaries--life insurance companies, savings and loan associations and mutual savings banks--totalled \$1.6 billion, 19 per cent less than last year, but 26 per cent larger than in January 1962. A large year-over-year decline in growth of savings capital at savings and loan associations was only partly offset by sharply increased growth of deposits at mutual savings banks, while the increase in assets of life insurance companies was about the same as in January 1963. (Time and savings deposits at commercial banks rose \$1.1 billion between December 31, and the last Wednesday of January, 9 per cent less than a year earlier.)

Assets of life insurance companies, excluding valuation adjustments, totaled \$0.8 billion in January, about the same as a year earlier, but 9 per cent greater than in January 1962. (This total--shown as a memorandum item in Exhibit N,--excludes the change in the miscellaneous portion of other assets, which includes most, but not all, valuation adjustments as well as changes in some minor asset items. Despite imperfections in this adjusted total, it seems more analytically useful than the unadjusted one, and will be used in future analyses.) Net acquisitions of business securities totaled a January record of \$0.5 billion, over twice that of a year earlier; acquisitions of long-term bonds and stocks amounted to \$0.3 billion--over four times as much as in January 1963, while holdings of short-term commercial and finance company paper rose \$0.3 billion--about two-fifths more than last year. Mortgage acquisitions totaled \$0.3 billion, one-third greater than last year. Holdings of cash and U. S. Government securities, on the other hand, fell \$0.1 billion in contrast to virtually no change in January 1963, and holdings of State and local government securities were reduced somewhat whereas they had increased slightly in the comparable period last year. Also, acquisitions of

**STOCK MARKET CREDIT**  
(In millions of dollars)

Months	Customer credit						Broker and Dealer credit			
	Total, except on U.S. Govt. securities	Net debit balances with NYSE member firms secured by		Bank loans to others than brokers and dealers for purchasing and carrying		Money borrowed on			Customers' net free credit balances	
		U.S. Govt. sec.		U.S. Govt. sec.	U.S. Govt. sec.		U.S. Govt. sec.	Other sec.		
		Other sec.	Other sec.		Cust. coll.	Other coll.				
Outstanding:										
1955-56 High	4,047 (5/56)	163 (12/56)	2,823 (12/56)	48 (4/56)	1,255 (4/56)	113	1,873	430	1,069 (1/55)	
1957-58 Low	3,554 (1/58)	28 (12/57)	2,482 (12/57)	21 (11/57)	1,060 (11/57)	42	1,344	188	807 (4/57)	
1959 - High	4,764(4)	168	3,401(4)	169	1,373(5)	252	2,044	318	1,257(3)	
1960 - Low	4,142(5)	95	3,004(7)	133	1,121(5)	139	1,801	237	940(4)	
1961 - High	5,602(12)	77	4,259(12)	132	1,377(8)	101	2,572	385	1,508(4)	
1962 - Low	4,876(7)	23	3,562(7)	80	1,269(9)	28	1,856	235	1,091(9)	
1963 - High	7,298 (11)	41	5,586 (11)	140	1,727 (12)	69	3,892	597	1,211(11)	
1963 - Dec. 1/	7,241	26	5,514	140	1,727	32	3,852	597	1,210	
1964 - Feb. 1/	7,120	21	5,384	97	1,736	33	3,738	420	1,199	
Changes in										
Outstanding:										
1963 - Feb.	122	-5	124	-4	-2	3	139	25	-8	
Mar.	37	5	-1	9	38	28	59	11	-16	
Apr.	224	-1	195	-1	29	-30	135	-25	26	
May	251	-3	211	-24	40	--	261	155	-35	
June	191	8	161	29	30	11	183	71	-17	
July	91	-7	-3	-23	94	-15	26	-99	-23	
Aug.	149	-2	139	6	10	-6	108	11	-33	
Sept.	311	18	282	-1	29	46	125	42	87	
Oct.	209	-12	179	-3	30	-36	121	-3	-4	
Nov. 1/	118	5	91	7	27	-5	179	60	35	
Dec. 1/	±/-56	-8	±/-71	50	15	4	-40	32	-1	
1964 - Jan. 1/	±/ 8	-4	±/ 9	-32	-1	9	-57	-182	52	
Feb. 1/	-130	-1	-140	-11	10	-8	-57	5	-63	

Note: With the exception of bank loan data, figures are reported to the New York Stock Exchange by member firms carrying margin accounts. Bank loans to others than brokers and dealers for purchasing and carrying securities are for weekly reporting member banks. Net debit balances and customer free credit balances are as of the end of the month; bank loans and money borrowed are reported for the last Wednesday of the month. Numbers in parenthesis denote month of year.

1/ November 1963 data on customers' net debit balances do not include accounts carried by a large former member firm in liquidation; most of these accounts have been transferred to other member firms and are reported in their debit figures from the month received (some in December, more in January 1964). Debit balance totals for the period from October 1963 through January 1964, therefore, are not completely comparable.

±/ Revised.

foreign government securities (included in other assets), amounting to \$25 million, were only one-seventh as large as in January 1963 when final takedowns were made of a large placement of Canadian Government bonds.

The growth in savings capital at savings and loan associations amounted to \$0.4 billion in January, 54 per cent less than last year's record gain for the month and 9 per cent less than in the similar 1962 period, as withdrawals went up much more sharply than did new savings capital. Mortgage acquisitions, which had registered year-over-year gains each month starting with November 1960, were down 5 per cent from a year earlier to \$0.6 billion; they were, however, larger than in any other January. To finance the continued large volume of mortgages acquisitions with sharply reduced net inflow of savings capital, these associations reduced their holdings of U. S. Governments by \$0.4 billion, one-fourth more than last year, and repaid only \$0.4 billion in borrowing, more than two-fifths less than a year earlier.

The deposit gain at mutual savings banks set a record for the month of January in totaling \$0.4 billion, 74 per cent more than a year earlier; the year-over year rise in new deposits was much sharper than in withdrawals, due largely to an increase in interest rates paid on over one-year deposits by many banks in New York starting the first of the year. Despite the large deposit gain, holdings of mortgages rose only \$0.3 billion, one-fifth under the record January gain last year. Holdings of cash and Governments, however, rose slightly in contrast to a \$0.1 billion decline last year and business and miscellaneous security holdings increased slightly more than a year earlier.

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

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

## LONG-TERM BOND YIELDS, HIGH-GRADE

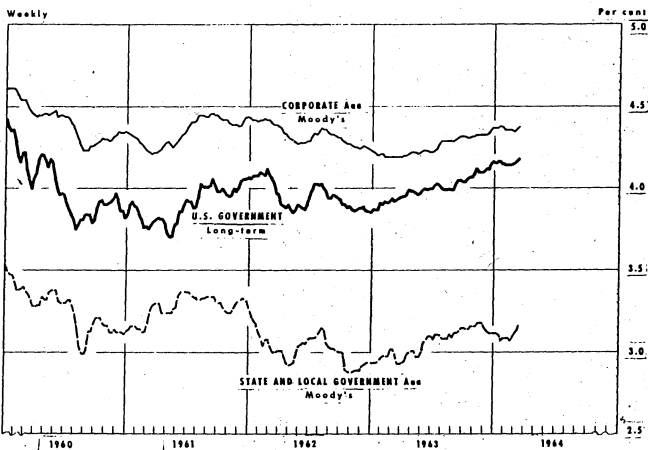


Exhibit A - Part II

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)				
1959-60 - High	4.61(1/29/60)	4.42(1/8/60)	3.65(9/24/59)	.59	.92
1961 - High	4.46(9/15)	4.07(12/29)	3.37(7/6)	.57	.76
Low	4.21(3/17)	3.70(5/12)	3.12(2/23)	.34	.46
1962 - High	4.43(2/16)	4.12(2/23)	3.26(1/4)	.47	1.04
Low	4.23(12/28)	3.85(12/28)	2.88(11/8)	.30	.80
1963 - High	4.37(12/27)	4.16(12/27)	3.18(11/21)	.35	1.05
Low	4.19(3/29)	3.87(1/18)	2.93(3/28)	.21	.88
1964 - High	4.38(3/20)	4.18(3/20)	3.16(3/19)	.23	1.08
Low	4.35(2/28)	4.14(2/21)	3.07(2/20)	.20	1.02
Feb. 21	4.36	4.14	3.07	.22	1.07
Feb. 28	4.35	4.15	3.09	.20	1.06
Mar. 6	4.36	4.16	3.12	.20	1.04
Mar. 13	4.37	4.17	3.13	.20	1.04
Mar. 20 p/	4.38	4.18	3.16	.20	1.02

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

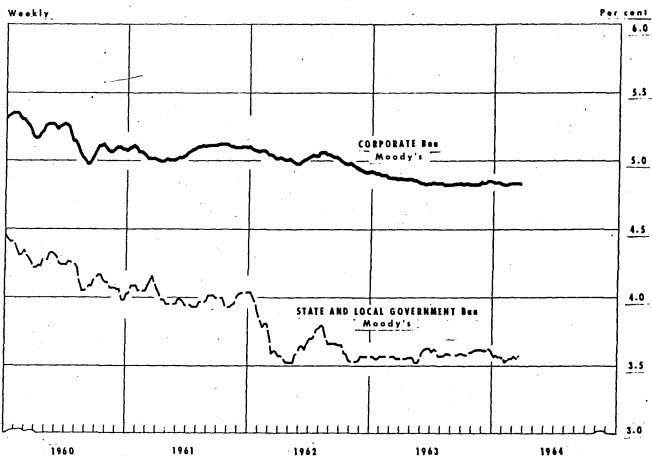


Exhibit B - Part II

Date	Corporate Baa 1/ Moody's	State and local govt. Baa 2/ Moody's	Spread between Aaa and Baa	
			Corporate	State and local govt.
		(per cent)		
1959-60 - High	5.36(2/12/60)	4.46(1/7/60)	.84	1.08
1961 - High	5.13(10/27)	4.16(3/23)	.81	.93
Low	5.00(4/21)	3.93(11/9)	.66	.57
1962 - High	5.11(1/5)	4.04(1/11)	.74	.82
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)	.48	.44
1964 - High	4.84(1/17)	3.57(3/19)	.48	.49
Low	4.82(2/7)	3.53(2/7)	.45	.41
Feb. 21	4.83	3.55	.47	.48
Feb. 28	4.83	3.55	.48	.46
Mar. 6	4.83	3.57	.47	.45
Mar. 13	4.83	3.55	.46	.42
Mar. 20 p/	4.83	3.57	.45	.41

Note: For footnotes see Exhibit A.

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EXHIBIT C, Part I  
SHORT- AND INTERMEDIATE-TERM INTEREST RATES, GOVERNMENT

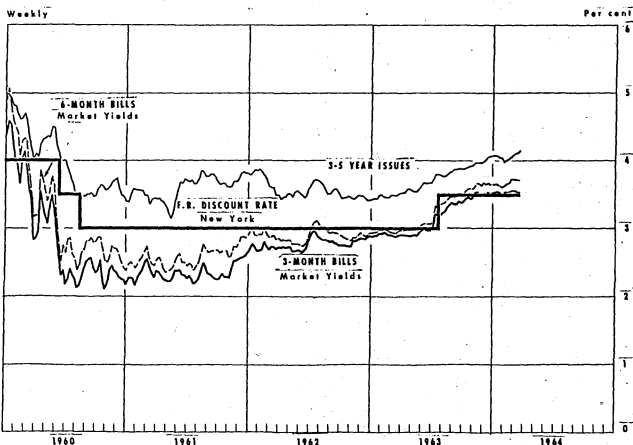


Exhibit C - Part II

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)						
1959-60 - High	4.00	4.59 (1/8/60)	5.07 (1/8/60)	5.00 (12/24/59)	.79	1.81
1961 - High	3.00	2.66 (12/29)	2.90 (1/29)	3.86 (8/11)	.44	1.51
Low	3.00	2.17 (1/27)	2.35 (4/28)	3.15 (5/12)	.12	.92
1962 - High	3.00	2.97 (7/13)	3.13 (7/20)	3.88 (2/2)	.24	1.19
Low	3.00	2.65 (6/8)	2.74 (6/8)	3.41 (12/28)	.02	.52
1963 - High	3.50	3.55 (11/15)	3.68 (12/6)	4.07 (12/27)	.17	.70
Low	3.00	2.88 (3/15)	2.93 (3/8)	3.44 (1/18)	.04	.42
1964 - High	3.50	3.56 (3/6)	3.74 (3/6)	4.16 (3/20)	.18	.62
Low	3.50	3.50 (1/31)	3.61 (1/31)	3.99 (2/7)	.11	.48
Feb. 21	3.50	3.53	3.68	4.02	.15	.49
Feb. 28	3.50	3.56	3.72	4.05	.16	.49
Mar. 6	3.50	3.56	3.74	4.10	.18	.54
Mar. 13	3.50	3.54	3.72	4.12	.18	.58
Mar. 20 p/	3.50	3.54	3.72	4.16	.18	.62

1/ Weekly rate shown is that in effect at end of period at the Federal Reserve Bank of New York.  
 2/ Market yield; weekly averages computed from daily closing bid prices. Series of 3-5 year issues consists of selected notes and bonds.

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

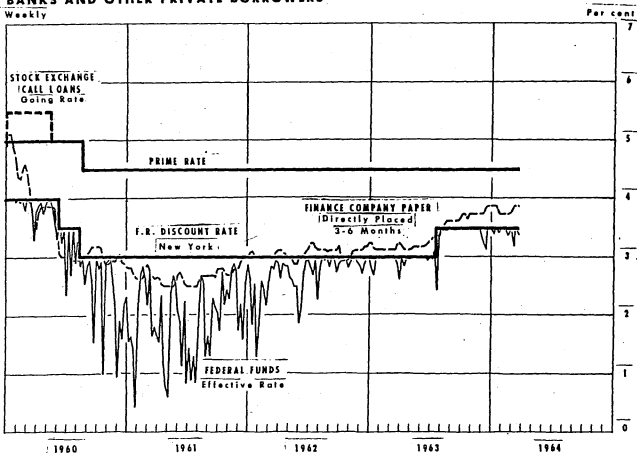
**SHORT- AND INTERMEDIATE- TERM INTEREST RATES,  
BANKS AND OTHER PRIVATE BORROWERS**


Exhibit D - Part II

Date	Stock exchange call loan <u>1/</u>	Prime rate <u>1/</u>	Finance company paper <u>2/</u>	Federal funds <u>3/</u>	Spread between 3-mo. bills and finance co. paper
	(per cent)				
1959-60 High	5.50	5.00	5.13(1/22/60)	4.00 (5/13/60)	1.02
1961 - High	4.50	4.50	3.00(12/30)	2.90 (11/17)	.56
Low	4.50	4.50	2.50(8/5)	.43 (1/27)	.11
1962 - High	4.50	4.50	3.25(7/21)	3.00 (12/28)	.45
Low	4.50	4.50	2.88(6/1)	1.30 (1/26)	.19
1963 - High	4.50	4.50	3.88(12/27)	3.50 (12/27)	.39
Low	4.50	4.50	3.13(5/31)	2.45 (7/26)	.12
1964 - High	4.50	4.50	3.88(3/20)	3.50(3/13)	.34
Low	4.50	4.50	3.75(2/21)	3.20(3/6)	.22
Feb. 21	4.50	4.50	3.75	3.40	.22
Feb. 28	4.50	4.50	3.78	3.50	.22
Mar. 6	4.50	4.50	3.88	3.20	.32
Mar. 13	4.50	4.50	3.88	3.50	.34
Mar. 20 <u>p/</u>	4.50	4.50	3.88	3.40	.34

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

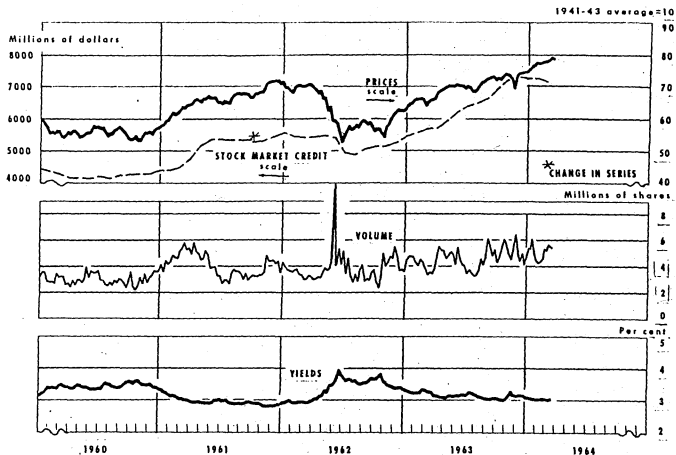


Exhibit E - Part II

Date	Stock price index <sup>1/</sup>	Common stock yields <sup>2/</sup> (per cent)	Trading volume <sup>3/</sup> (millions of shares)	Stock market customer credit		
				Total	Customers' debit balances <sup>4/</sup>	Bank loans to "others" <sup>5/</sup>
(In millions of dollars)						
1961-62 - High	72.04(12/8/61)	2.80	10.1	5,602(12/61)	4,259(12/61)	1,418(5/9/62)
Low	52.68(6/22/62)	3.96	2.4	4,424(1/61)	3,253(1/61)	1,161(3/8/61)
1963 - High	74.44(12/27)	3.01	6.5	7,298(11/63)	5,586(11/63)	1,738(12/25)
1964 - High	79.14(3/13)	3.01	6.1	7,250(1)	5,524(1)	1,773(3/11)
Low	75.50(1/3)	3.09	4.3	7,120(2)	5,384(2)	1,720(1/22)
January	76.45	3.06	5.3	7,250	5,524	1,726
February	77.37	3.05	4.6	7,120	5,384	1,736
Mar. 6	78.31	3.04	5.2	n.a.	n.a.	1,768
Mar. 13	79.14	3.01	5.6	n.a.	n.a.	1,773
Mar. 20 p/	78.92	3.03	5.4	n.a.	n.a.	n.a.

n.a.—Not available. p/ Preliminary.

<sup>1/</sup> 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.<sup>2/</sup> 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.<sup>3/</sup> Averages of daily trading volume on the New York Stock Exchange.<sup>4/</sup> 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.<sup>5/</sup> Wednesday figures for weekly reporting member banks. Excludes loans for purchasing or carrying U. S. Government securities. Weekly reporting banks account for about 70 per cent of loans to others. For further detail see Bulletin.

## PRIVATE HOUSING STARTS AND PERMITS

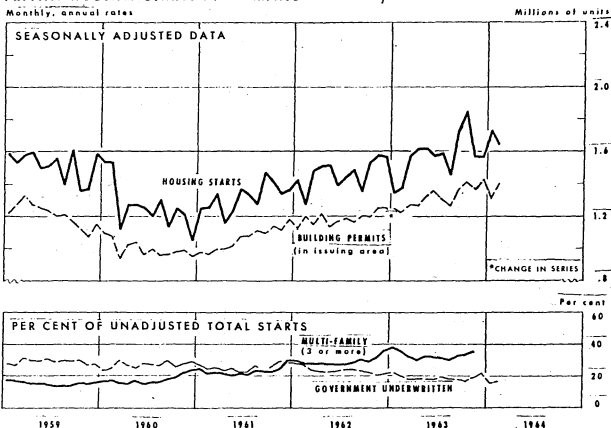


Exhibit F - Part II

Date	Starts						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)						
1963 - Feb.	1,380	87	13	4	70	56.0	30.6	1,228
Mar.	1,575	124	17	5	103	84.9	39.4	1,274
Apr.	1,618	158	21	7	129	111.1	47.0	1,264
May	1,618	166	22	7	137	112.6	53.8	1,328
June	1,571	153	20	7	126	104.7	48.7	1,363
July	1,588	150	21	8	121	103.0	47.1	1,308
Aug.	1,455	144	19	7	119	100.5	43.8	1,262
Sept.	1,732	145	19	6	120	97.5	47.8	1,372
Oct.	1,847	163	21	6	136	107.8	55.3	1,412
Nov.	1,564	119	17	5	97	75.8	43.5	1,369
Dec.	1,564	95	16	5	74	n.a.	n.a.	1,426
1964 - Jan.	1,729	100	11	4	84	n.a.	n.a.	1,314
Feb.	1,643	99	12	4	83	n.a.	n.a.	1,404

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 before January 1963 are Census estimates for about 10,000 areas identified as having a local building permit system in 1959. Estimates thereafter are for approximately 12,000, or all known, issuing places. Unlike starts, seasonally adjusted building permits reflect direct adjustment for differences in the number of working days per month, as well as other differences in timing and coverage.

EXHIBIT G, Part I

YIELDS ON NEW AND SEASONED CORPORATE BONDS

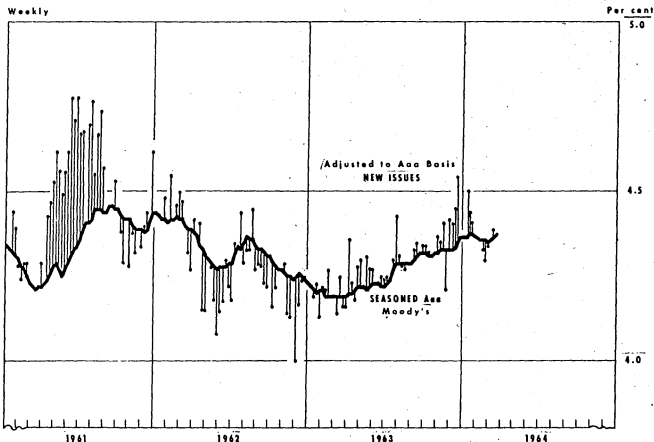


Exhibit G - Part II

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 - Oct. 4	2	33.5	4.32	Jan. 17	1	5.0	4.44
11	--	--	--	24	1	15.0	4.41
18	--	--	--	31	--	--	--
25	1	40.0	4.37	Feb. 7	--	--	--
Nov. 1	2	75.0	4.35	14	1	15.0	4.33
8	1	30.0	4.41	21	1	50.0	4.30
15	1	22.0	4.21*	28	1	60.0	4.34
22	4	115.0	4.42	Mar. 6	--	--	--
29	--	--	--	13	3	81.0	4.39
Dec. 6	2	60.0	4.41	20	--	--	--
13	2	95.0	4.45				
20	1	150.0	4.54*				
27	--	--	--				
1964 - Jan. 3	--	--	--				
10	1	130.0	4.50				

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/		
	1964	1963	1962	1964	1963	1962
January	e/ 925	613	592	e/ 950	p/ 732	876
February	e/ 700	594	859	e/ 750	p/ 746	1,133
March	e/ 750	1,144	807	e/ 850	p/ 976	628
April		930	1,113		p/ 869	873
May		904	760		p/ 866	912
June		1,013	1,132		p/ 930	786
July		676	582		p/ 680	612
August		637	749		p/ 708	544
September		795	579		p/ 449	427
October		1,013	835		p/1,051	650
November		819	703		p/ 729	578
December		1,415	1,103		p/ 416	550
1st quarter	e/2,375	2,351	2,258	e/2,550	p/2,454	2,637
2nd quarter		2,847	3,005		p/2,665	2,571
3rd quarter		2,109	1,910		p/1,837	1,582
4th quarter		3,246	2,641		p/2,197	1,779
1st half		5,198	5,264		p/5,118	5,208
Three quarters		7,307	7,173		p/6,955	6,790
Year		10,553	9,814		p/9,151	8,568
	Excluding finance companies 3/					
1st quarter	e/2,035	2,284	2,199			
2nd quarter		2,529	2,919			
3rd quarter		1,768	1,775			
4th quarter		2,854	2,410			
Year		9,434	9,303			

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.

## Exhibit I

New Corporate Security Issues, Type of Issue and Issuer  
(In millions of dollars)

Quarter or Month	Gross proceeds for net 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	2,436	898	1,251	287	109	806	285	150	868
IV	3,466	1,319	1,780	367	47	968	530	118	1,629
1962 - 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.	756	336	318	100	21	272	100	25	240
Sept.	871	283	501	87	42	237	78	39	441
Oct.	1,116	511	481	125	10	240	201	41	531
Nov.	891	183	549	159	10	214	131	13	461
Dec.	1,459	626	751	83	27	515	198	64	637
1964 - Jan. p/	991	336	533	120	n.s.	153	108	152	512
Feb. e/	720	280	340	100	n.s.	150	160	80	310
Mar.									

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)

	Cross long-term 1/					
	Foreign government 2/			Federal agency 3/		
	1964	1963	1962	1964	1963	1962
January	p/ 4	232	142	p/ --	--	246
February	e/ 50	133	10	e/ --	148	156
March		76	35		--	--
April		57	10		186	461
May		114	86		--	--
June		11	50		459	--
July		63	25		--	--
August		83	8		--	150
September		--	31		--	175
October		--	151		174	--
November		--	88		200	--
December		2	101		--	--
Jan. - Feb.	e/ 54	365	152	e/ --	148	402
Year		771	737		1,167	1,138
	Net short-term 4/					
	State and local government 5/			Federal agency 3/		
	1964	1963	1962	1964	1963	1962
January	p/ -61	75	18	12	-106	247
February	n.a.	272	466	p/ 22	-189	-156
March		-367	-186		-482	226
April		589	127		292	-364
May		-30	-84		195	82
June		-10	-118		319	284
July		62	78		414	261
August		208	339		327	227
September		-173	-406		258	-157
October		259	71		123	379
November		146	234		-102	55
December		-339	-161		551	-80
Jan. - Feb.	n.a.	347	484	p/ 34	-295	91
Year		692	378		1,600	1,004

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 <u>2/</u>
	Total	bonds (Other than convertibles)	Convertible bonds	Stocks		
1963 - 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	199	180	--	19	279	60
August	236	218	--	18	329	20
September	237	215	--	22	135	--
October	446	380	--	66	734	174
November	180	117	--	63	373	200
December	547	515	--	32	111	--
1964 - January	307	225	60	22	577	--
February	263	200	35	28	358	--

## Large Individual Issues Offered March 1 through 20

Issuer	Type	Amount (millions of dollars)	Maturity	Coupon rate or net interest cost	Offer- ing yield	Rating
<u>Corporate</u>						
Southwestern P. S. Co.	1st mtg. bds.	15.4 <sup>4/</sup>	1994	4-1/2	4.50	A
Anheuser-Busch Inc.	Deb.	40.0	1989	4-1/2	4.47	A
Beneficial Finance Co.	Deb.	50.0	1992	4-1/2	4.58	--
Potomac Edison Co.	1st mtg. & coll. tr. bds.	16.0	1994	4-5/8	4.50	A
<u>State and Local Government</u>						
Louisiana State Bond & Bldg. Comm.	Rev.-S.T.	15.0	1965-84	3.43	2.20-3.50	A
Minneapolis, Minn.	G.O.	10.7	1965-89	2.92	2.10-3.20	Aaa
State of Kentucky	G.O.	50.0	1972-90	3.24	2.75-3.30	A
State of Connecticut	G.O.	50.0	1968-87	3.00	2.45-3.15	Aaa

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## Large Individual Issues Offered March 1 through 20 (Cont'd)

Issuer	Type	Amount (millions of dollars)	Maturity	Coupon rate or net interest cost	Offer- ing yield	Rating
<u>State and Local Government</u>						
Jacksonville Expressway Auth., Fla.	Rev.-Q.Ut.	61.1 7.3 <sup>3/</sup>	1992 2003	4.12	4.00 4.10	--
City of Tacoma, Washington	Rev.-Ut.	18.0	2010-14	3.86	2.90-3.90 <sup>6/</sup>	Baa
<u>Other</u>						
None						

\*--Rights offering. n.a.--Not available.

- <sup>1/</sup> Includes corporate and other security offerings of \$15 million and over; State and local government security offerings of \$10 million and over.
- <sup>2/</sup> Includes foreign government and International Bank for Reconstruction and Development issues and non-guaranteed issues by Federal agencies.
- <sup>3/</sup> 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.
- <sup>4/</sup> An additional \$9.6 million in bonds sold to refund outstanding securities.
- <sup>5/</sup> An additional \$66.6 million in bonds sold to refund outstanding securities.
- <sup>6/</sup> Bonds maturing 2012-14 not publicly reoffered.



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## Exhibit L

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

## Expected Proceeds from Forthcoming Large Issues

	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>
1963 - 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	--
Nov. 29	392	137	--	1,992	349	--
Dec. 31	305	469	--	1,905	731	--
1964 - Jan. 31	155	316	--	1,771	667	--
Feb. 28	224	454	--	1,649	646	--

## Forthcoming Large Offerings, as of March 20

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>Corporate</u>			
Texas Utilities Co.	Com. stk.	24.0	March 26
Panhandle Eastern P. L. Co.	Deb.	40.0	March 24
United Utilities Inc.	Com. stk.	20.0	March 24 (rts. ex.)
Florida Pwr & Lt. Co.	1st mtg. bds.	35.0	March 26
*Crocker-Citizen Natl. Bank	Cap. notes	100.0	March 29
Pennsylvania Railroad Co.	Bonds	50.0	March
Northwest Airlines Inc.	Com. stk.	31.9	April 1 (rts. ex.)
*Associates Investment Co.	Deb.	50.0	April 2
American Tel. & Tel. Corp.	Com. stk.	1,225.0	April 6 (rts. ex.)
Tennessee Gas Trans. Co.	Deb. & pfd. stk.	65.0	April 7
Pacific Tel. & Tel. Corp.	Deb.	100.0	April 22
Xerox Corp.	Conv. sub. deb.	51.4	April 28 (rts. ex.)
Communications Satellite Co.	Com. stk.	200.0	April

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## Forthcoming Large Offerings, as of March 20 (Cont'd)

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>State and Local Government</u>			
Rochester, New York	G.O.	12.6	March 24
El Paso Ind. Sch. Dist., Tex.	G.O.	10.0	March 24
Los Angeles Dept. of Wtr. & Pwr., Cal.	Rev.-Ut.	22.0	March 25
Illinois Bldg., Auth.	Rev.-Rent.	25.0	March 25
Florida Dev. Comm.	Rev.-Q.Ut.	17.0	April 1
Public Housing Auth.	Bonds	141.4	April 1
Metropolitan Seattle, Wash.	Rev.-Ut.	15.0	April 2
Detroit, Mich.	G.O.	18.3	April 7
*Baltimore Co., Md.	G.O.	13.0	April 7
Philadelphia, Pa.	G.O.	20.8	April 8
New York State Housing Finance Agency	Rev.-Rent.	93.0	April 8
Nassau Co., N. Y.	G.O.	20.0	April 14
Sabine River Auth., New Orleans, La.	G.O.	15.0	April 15
Sabine River Auth. of Texas, Orange, Tex.	G.O.	15.0	April 15
Univ. of California	Rev.-Rent.	19.6	April 15
*Cleveland, Ohio	G.O.	11.0	April 24
Washington Sub. San. Dist., Md.	G.O.	16.0	April 30
Delaware River & Bay Auth.	Rev.-Q.Ut.	105.0	April
Pittsburgh, Pa.	G.O.	35.0	Indefinite
Dade County, Florida	G.O.	46.0	Indefinite
Forth Worth, Texas	G.O.	14.1	Indefinite
Houston, Texas	G.O.	11.0	Indefinite
<u>Other</u>			
Inter-American Dev. Bank	Bonds	50.0	March 23
Govt. of Mexico	S. F. bonds	20.0	April 2

\*--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.

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 January 1 through March 20		
2/6	8.0	Tubos de Acero de Mexico, S.A. - 7% convertible debenture, maturing 1970, offered to yield 7.00%
B. Prospective Offerings		
3/23	50.0	Inter-American Development Bank - bonds
4/2	20.0	Govt. of Mexico - sinking fund debenture

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Part II: Private Placement--Reported January 1 through March 20

Date reported	Amount (millions of dollars)	Issuer and Description of Issue
1/7	14.0	Laurentide Financial Corp., Ltd.--5-1/4% collateral trust notes, maturing 1989--no information available on takedown
2/3	28.0	Manitoba Hydro-Electric Board--4-1/4% debentures, maturing 1986--no information available on takedown
2/3	5.0	Scottish United Investors, Ltd.--5% notes, maturing 1949-79--no information available on takedown
2/10	8.0	British American Construction Co.--promissory notes, maturing 1979--no information available on takedown
2/10	4.0	British Assets Trust Ltd. (Scotland)--5% notes, maturing 1981--takedown in February

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	Memo: Total Excluding Valuation Change 3/
	Cash	U. S. Govt. Securities	Business Securities 2/		State and local Govt. securities	Mortgages	Other		
			Bonds & Stocks	Short-term paper					
(In millions of dollars)									
Value of assets at end of period:									
1960 - Dec.	1,329	6,428	48,631	295	3,606	41,815	17,472	119,576	114,925
1961 - Dec.	1,392	6,135	51,362	193	3,902	44,250	19,582	126,816	121,270
1962 - Dec.	1,456	6,171	53,468	348	4,037	46,957	20,854	133,291	127,796
1963 - Dec.	1,442	5,755	55,997	381	3,876	50,543	22,909	140,903	134,805
1964 - Jan.	1,283	5,782	56,258	651	3,859	50,828	23,205	141,866	135,579
Changes:									
1961 - Oct.	30	14	260	23	13	204	121	665	604
Nov.	40	-46	211	16	44	237	149	651	577
Dec.	13	-261	505	-178	23	382	325	809	623
1962 - Jan.	-99	223	65	225	29	149	145	737	712
Feb.	1	25	156	43	3	114	100	442	418
Mar.	-75	-76	135	52	117	143	60	356	351
Apr.	12	91	44	179	-15	119	27	457	542
May	4	-24	265	-53	-12	197	-17	360	575
June	-22	-95	248	-118	12	198	-14	209	325
July	58	121	132	72	11	139	148	681	634
Aug.	-24	-21	206	31	25	237	149	603	531
Sept.	42	-48	182	20	12	178	87	473	484
Oct.	12	28	136	69	-21	296	r/159	679	717
Nov.	35	36	135	-40	-17	332	290	771	666
Dec.	120	-224	402	-325	-9	605	138	707	571
1963 - Jan. r/	-134	133	58	190	31	215	360	842	778
Feb.	-17	-69	159	46	-8	145	233	489	434
Mar.	-73	-211	233	19	-17	270	256	477	378
Apr.	-14	-19	160	81	-27	292	160	633	599
May	29	-162	367	-139	-36	255	312	626	557
June	-1	-94	219	-50	-19	256	151	462	454
July	54	86	156	105	-27	244	354	972	743
Aug.	-10	-33	106	88	-19	299	260	691	561
Sept.	87	14	186	-56	-43	269	-54	403	551
Oct.	6	5	225	64	1	303	242	846	653
Nov.	-21	-42	274	109	-4	277	4	597	605
Dec.	119	-32	391	-411	-13	730	-88	696	704
p/1964 - Jan.	-159	27	261	270	-17	285	296	963	774
Feb.									
Mar.									

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.  
 3/ Excludes changes in miscellaneous assets (one portion of the "other" in this table) which includes most, but not all, valuation changes, as well as changes in a few other items.

## 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)							
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.	3,926	5,563	78,770	5,346	93,605	80,236	3,629	9,740
1963 - Dec.	3,964	6,440	90,849	6,178	107,431	91,205	5,011	11,215
1964 - Jan.	3,555	6,584	91,484	5,967	107,590	91,654	4,596	11,340
Changes:								
1961 - 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.	-354	182	518	-105	241	494	-318	128
Feb.	96	95	592	39	822	565	-98	355
Mar.	128	35	784	95	1,042	918	-81	205
Apr.	-77	-43	830	93	803	374	125	304
May	10	-8	962	401	1,365	761	98	506
June	258	-64	1,006	-62	1,138	1,395	364	-621
July	-384	46	880	-178	364	25	89	250
Aug.	-37	-8	1,003	100	1,058	635	91	332
Sept.	82	42	829	83	1,036	857	96	83
Oct.	93	35	944	40	1,112	815	36	261
Nov.	100	46	790	164	1,100	857	-23	266
Dec.	696	-6	798	-99	1,389	1,655	457	-723
1963 - Jan.	-333	188	671	108	418	985	-737	170
Feb.	106	172	696	46	1,020	844	-195	371
Mar.	90	177	905	117	1,289	1,195	-96	190
Apr.	-139	35	1,061	92	1,049	478	124	447
May	-37	-24	1,178	394	1,511	969	115	427
June	237	90	1,244	-29	1,542	1,642	594	-694
July	-449	70	1,103	-150	1,574	-36	254	356
Aug.	-48	-38	1,208	151	1,273	643	224	406
Sept.	30	112	1,097	38	1,277	916	296	65
Oct.	67	74	1,118	82	1,341	795	197	349
Nov.	32	129	806	175	1,142	804	59	279
Dec.	482	-108	992	24	1,390	1,734	547	-891
1964 - Jan.	409	144	635	-211	159	449	-415	125
Feb.								
Mar.								

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.

## 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:									
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 - Dec.	912	5,839	5,092	442	36,008	1,402	49,693	44,833	4,811
1964 - Jan.	848	5,927	5,107	442	36,353	1,495	50,169	45,282	4,888
Changes:									
1961 - 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	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.	-28	-177	-22	-3	369	-42	97	198	-101
Nov.	-8	-14	-75	-2	321	38	259	118	141
r/Dec.	101	-22	1	-8	353	-34	390	578	-188
1964 - Jan.	-64	88	15	--	345	93	476	399	77
Feb.									
Mar.									

/ Preliminary. r/ Revised.

/ 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.