

November 23, 1964.

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CAPITAL MARKET DEVELOPMENTS  
IN THE UNITED STATES

FEDERAL RESERVE BANK

OF RICHMOND

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

Corporate and municipal bond markets. The volume of new corporate securities offered publicly this week continues very low (\$20 million), and the supply of new State & local government bonds at \$94 million is down sharply from last week's substantial volume and only about one-half the weekly average for the past year. Also scheduled for this week, but not included in the table below, is a \$15 million Republic of Finland bond issue.

Long-Term Public Security Offerings 1/  
(In millions of dollars)

Week Ending	Corporate		State & local govt.	
	New Capital	Refunding	New Capital	Refunding
Sold:				
52 week avg.	118	1	174	9
Nov. 13	10	--	161 <u>r/</u>	10 <u>r/</u>
Nov. 20	25	--	224	31
Scheduled:				
Nov. 27	20	--	94	--

1/ Federal Reserve estimates based on published reports of issues sold and scheduled for offering; corporate rights offerings are included as of the date subscription rights expire.

Prices of recently distributed corporate bonds, which had been moving up during the past three weeks, showed little net change last week in less active trading as many investors apparently awaited further interest rate developments. Yields on seasoned Aaa-rated bonds, which tend to lag market trends, however, edged off slightly.

Meanwhile in the municipal market, dealers were able to distribute about 70 per cent of last week's large new supply, with the \$70.5 million New York State Housing Finance Agency issue selling out quickly. Yields on Aaa-rated, seasoned municipal bonds dropped to their lowest level since May 1963.

Yields in Securities Markets

	<u>Level latest week</u> (per cent)	<u>Change from</u> <u>preceding week</u> (basis points)
<u>High-Grade</u>		
<u>Notes and Bonds</u>		
<u>Corporate</u>		
New	--	n.a.
Seasoned	4.42	- 1
<u>U.S. Govt.</u>		
Long-term	4.11	- 1
3-5 year	4.02	+ 2
State and local govt.	3.05	- 2
<u>Money Market</u>		
Federal Funds	3.52	- 3
Treasury bills		
3-month	3.60	+ 3
6-month	3.77	+ 3
Finance Company Paper	3.88	--

Private housing starts and permits. Seasonally adjusted private housing starts, which had been at a relatively reduced rate in recent months, advanced 9 per cent in October to an annual rate of 1,600 thousand, including farm. This was the highest rate since June of this year, but it was 14 per cent below a year earlier when starts also advanced appreciably (7 per cent) and reached their recent peak.

On a three-month moving average, starts in the August-October period were at an annual rate of 1,498 thousand, 12 per cent under the rate on the corresponding period of 1963 and 13 per cent below the recent high reported in the September-November period of that year.

Government-underwritten starts accounted for 16.8 per cent of total starts in October. As in September, the share was somewhat greater than a year-earlier. But as recently as October of 1962, the share was 22.1 per cent and in October 1961 it was 26.1 per cent.

Seasonally adjusted residential building permits in permit-issuing areas firmed in October at a level just above the reduced September rate. Both single and multi-structures showed much the same month-to-month pattern.

Stock market credit. Total customer credit in the stock market eased \$41 million during October to \$7.1 billion at the month-end. Most of this decline was attributable to a \$36 million drop in customers' net debit balances on non-Government securities. Bank loans to others than brokers or dealers for purchasing or carrying securities (except U.S. Government securities) also edged off \$5 million, the first month-to-month decline since January.

-3-

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

Months	Customer Credit			Broker & Dealer Credit		
	Total	Net debit balances with NYSE member firms	Bank loans to others than brokers and dealers for purchas- ing & carrying secur.	Money borrowed Cust. coll.	Other coll.	Customers' net free credit balances
Outstanding: 1955-56 High	4,047(5/56)	2,823(12/56)	1,255(4/56)	1,873	430	1,069(1/55)
1957-58 Low	3,554(1/58)	2,482(12/57)	1,060(11/57)	1,344	188	807(4/57)
1959 - High	4,764(4)	3,401(4)	1,373(5)	2,044	318	1,257(3)
1960 - Low	4,142(5)	3,004(7)	1,121(5)	1,801	237	940(4)
1961 - High	5,602(12)	4,259(12)	1,377(8)	2,572	385	1,508(4)
1962 - Low	4,876(7)	3,562(7)	1,269(9)	1,856	235	1,091(9)
1963 - High	7,298(11)	5,586(11)	1,727(12)	3,892	597	1,211(11)
1963 - Dec. 1/	7,242	5,515	1,727	3,852	597	1,210
1964 - Oct.	7,101	5,185	1,916	3,528	525	1,155
Changes in Outstanding:						
1963 - Oct.	209	179	30	121	-3	-4
Nov. 1/	118	91	27	179	60	35
Dec. 1/	-56	-71	15	-40	32	-1
1964 - Jan. 1/	8	9	-1	-57	-182	52
Feb.	-130	-140	10	-57	5	-63
Mar.	21	-18	39	-92	72	32
Apr.	173	144	29	270	3	-66
May	-37	-71	34	-48	-1	-27
June	-48	-69	21	-102	-15	8
July	-69	-81	12	-94	-52	-32
Aug.	-64	-102	38	-54	15	-37
Sept.	46	34	12	-50	82	68
Oct.	-41	-36	-5	-40	-29	10

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. All figures exclude credits on, or to carry, U.S. Govt. securities. 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.

Money borrowed by member firms of the New York Stock Exchange on customers' collateral fell \$40 million during October, but customers' net free credit balances rose \$10 million. More detailed information on stock market credit developments is shown in the table on the preceding page.

Stock prices. Common stock prices, which had fluctuated in a very narrow range since reaching an all-time high in mid-October, advanced moderately to a new high last week. Prices as measured by Standard and Poor's composite index of 500 stocks, rose over one per cent last week to close at 86.28 on November 20, one per cent above the previous peak. Trading volume averaged 5.6 million shares a day, 0.9 million shares greater than the average for the previous week.

Institutional investors. During the third quarter of this year, net growth in income yielding claims on depositary-type savings institutions totaled \$5.7 billion, a record for the quarter. Growth in savings capital at savings and loan associations amounted to \$1.8 billion during July-September, 19 per cent above the comparable period last year. Mutual savings banks also experienced record deposit growth of \$1.1 billion, one-half greater than that in the third quarter last year. Meanwhile, time and savings deposits at commercial banks, rose \$2.8 billion in this three-month period.

Although savings and loan associations attracted savings capital at a record pace, their net mortgage acquisitions (\$2.8 billion) were one-fifth less than in the third quarter of 1963, and the reduction in combined holdings of cash and Governments was about the same (\$0.3 billion). Consequently, the seasonal increase in borrowings was only one-tenth as much as a year ago.

Mortgage acquisitions of mutual savings banks were in record volume (\$1.2 billion) for the quarter and one-third larger than in the comparable 1963 period. Moreover, combined holdings of cash and U.S. Government securities rose slightly, whereas they had dropped almost \$0.2 billion last year. Net acquisitions of business and miscellaneous securities, on the other hand, were only about one-half as large as in the third quarter last year.

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

Third Quarter 1956-64

(In millions of dollars)

Year	Uses of funds						Total sources or uses	Memo: Total Excl. Valuation change 2/	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>											
1964	24	154	560	1,094	24	352	2,208	2,113	--	--	--
1963 <u>1/</u>	103	95	635	893	-62	350	2,014	1,960	--	--	--
1962	76	52	643	554	48	384	1,757	1,649	--	--	--
1961	40	19	655	440	78	461	1,693	1,500	--	--	--
1960	-4	5	460	559	152	310	1,482	1,422	--	--	--
1959	-48	-47	357	568	159	364	1,353	1,261	--	--	--
1958	5	220	534	409	81	271	1,520	1,477	--	--	--
1957	8	-59	685	512	32	257	1,435	1,386	--	--	--
1956	-2	-121	510	826	65	258	1,536	1,453	--	--	--
<u>Savings and loan association</u>											
1964	-405	89	--	2,807	n.a.	-3	2,488	--	1,816	85	586
1963 <u>1/</u>	-467	144	--	3,408	n.a.	39	3,124	--	1,523	774	827
1962 <u>1/</u>	-339	80	--	2,712	n.a.	5	2,458	--	1,517	276	665
1961	-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.	-55	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
<u>Mutual savings banks</u>											
1964	-23	58	47	1,173	--	80	1,338	--	1,133	--	207
1963 <u>1/</u>	-42	-113	81	889	-5	117	927	--	740	--	136
1962	-31	18	82	844 <u>1/</u>	-19	71	967	--	816	--	150 <u>1/</u>
1961	6	9	-40	564	--	76	616	--	432	--	183 <u>1/</u>
1960	-53	-50	63 <u>1/</u>	561	-8	62	574	--	404	--	170
1959	-78	-57	-37 <u>1/</u>	495	11	53 <u>1/</u>	387	--	223	--	163 <u>1/</u>
1958	-53	3	76	572	12	30	640	--	498	--	142
1957	-88	-13	178	336	6	17	436	--	312	--	124
1956	-82	-90 <u>1/</u>	49 <u>1/</u>	611	-1 <u>1/</u>	17	503	--	337	--	168 <u>1/</u>

n.a.--Not available. 1/ Revised.1/ For description of data see Exhibits N, O and P.2/ 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.

Life insurance companies. Savings flows to life insurance companies were also large as their assets--excluding valuation adjustments--went up \$2.1 billion during the third quarter, 8 per cent more than in the corresponding period of 1963. Roughly one-half of this increase (\$1.1 billion) was invested in mortgages, up one-fourth from last year. New acquisitions of business securities, on the other hand, at \$0.6 billion, were one-eighth smaller than during July-September last year, and the growth in holdings of cash and U.S. Government securities (\$0.2 billion) was also somewhat less than in the comparable 1963 period. Holdings of municipal securities, however, increased slightly in contrast to a new reduction of almost \$0.1 billion last year.

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

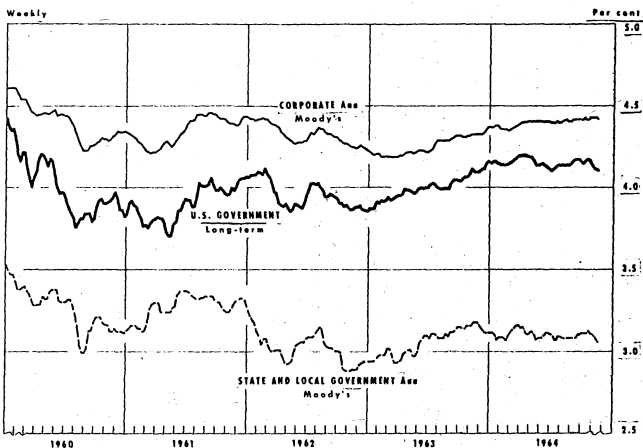


Exhibit A - Part II

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(12/29)	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	4.43 (11/13)	4.20(4/17)	3.16(3/26)	.32	1.09
Low	4.35(2/28)	4.11(11/20)	3.05(11/19)	.19	1.01
Oct. 23	4.42	4.17	3.12	.25	1.05
Oct. 30	4.43	4.15	3.11	.28	1.04
Nov. 6	4.43	4.12	3.10	.31	1.02
Nov. 13	4.43	4.11	3.07	.32	1.04
Nov. 20 p/	4.42	4.11	3.05	.31	1.06

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

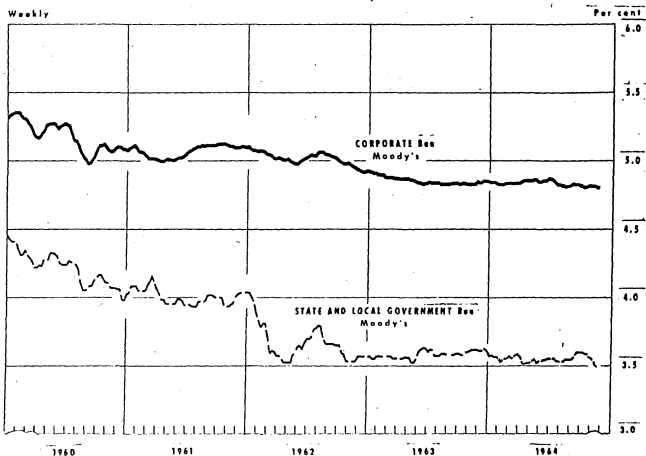


Exhibit B - Part II

Date	Corporate Baa 1/	State and local govt. Baa 3/	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	4.87(6/26)	3.59(10/8)	.48	.49
Low	4.80(11/20)	3.49(11/19)	.37	.36
Oct. 23	4.81	3.58	.39	.46
Oct. 30	4.81	3.56	.38	.45
Nov. 6	4.81	3.55	.38	.45
Nov. 13	4.80	3.50	.37	.43
Nov. 20 p/	4.80	3.49	.38	.44

Note: For footnotes see Exhibit A.



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

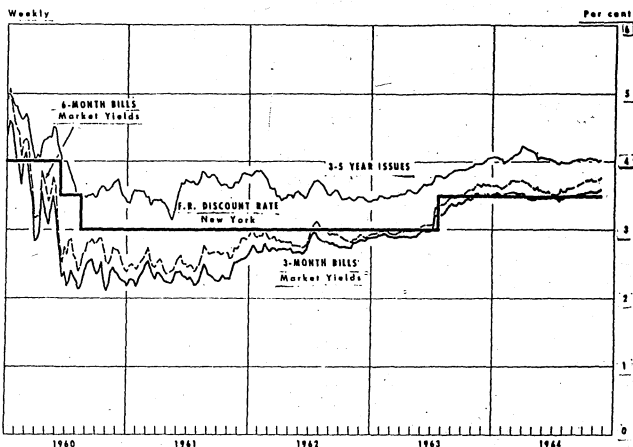


Exhibit C - Part II

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	3.60 (11/20)	3.77 (11/20)	4.23 (3/27)	.21	.71
Low	3.50	3.43 (7/17)	3.52 (7/3)	3.98 (8/7)	.04	.42
Oct. 23	3.50	3.58	3.74	4.05	≤/ .16	.47
Oct. 30	3.50	3.56	3.71	4.03	.15	.47
Nov. 6	3.50	3.56	3.72	4.02	.16	.46
Nov. 13	3.50	≥/ 3.58	3.74	4.00	≥/ .16	≥/ .42
Nov. 20 p/	3.50	3.60	3.77	4.02	.17	.42

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

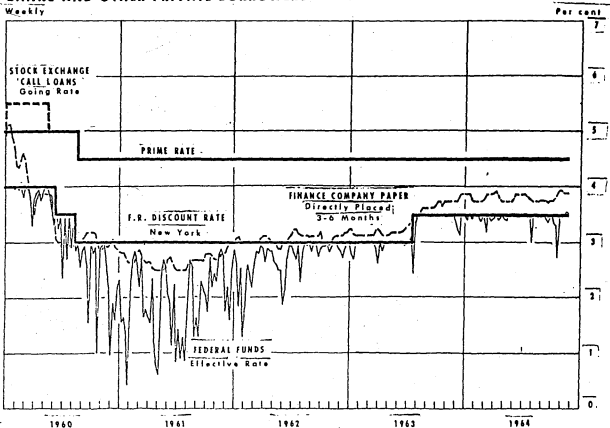


Exhibit D - Part II

Date	Stock exchange call loan <u>1/</u>	Prime rate <u>1/</u> (per cent)	Finance company paper <u>2/</u>	Federal funds <u>3/</u>	Spread between 3-mo. bills and finance co. paper
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	3.94(10/23)	3.55(11/13)	.41
Low	4.50	4.50	3.72(9/11)	3.07(10/16)	.20
Oct. 23	4.50	4.50	3.94	3.48	.36
Oct. 30	4.50	4.50	<u>3.91</u>	<u>3.46</u>	<u>.35</u>
Nov. 6	4.50	4.50	3.88	3.50	.32
Nov. 13	4.50	4.50	3.88	3.55	<u>.30</u>
Nov. 20 <u>p/</u>	4.50	4.50	3.88	3.52	.28

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.

Notes:—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

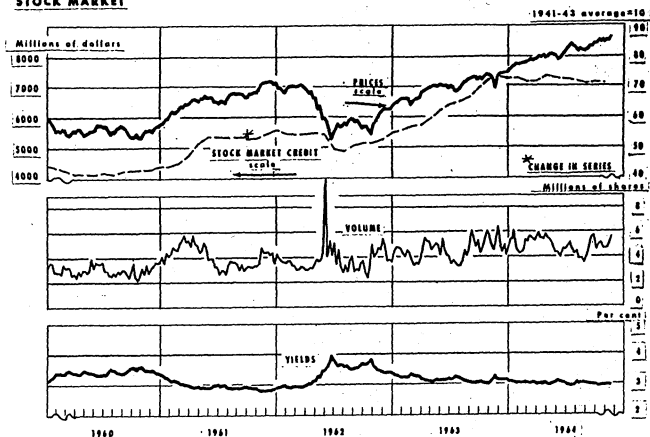


Exhibit E - Part II

Date	Stock price index 1/	Common stock yields 2/ (per cent)	Trading volume 3/ (millions of shares)	Stock market customer credit		
				Total	Customers' debit bal- ances 4/	Bank loans to "others" 5/
(In millions of dollars)						
1961-62 - High Low	72.04(12/8/61)	2.80	10.1	5,602(12/61)	4,259(12/61)	1,418(5/9/62)
	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(12/23)
1964 - High Low	86.28(11/20)	2.95	6.1	7,314(4)	5,524(1)	1,943(11/11)
	75.50(1/3)	3.10	3.6	7,096(8)	5,185(11)	1,720(1/22)
Sept.	83.41	3.00	5.2	7,142	5,221	1,921
Oct.	84.84	2.95	4.8	7,101	5,185	1,916
Nov. 6	85.23	2.96	4.6	n.s.	n.s.	1,928
Nov. 13	85.21	2.96	4.7	n.s.	n.s.	1,943
Nov. 20 p/	86.28	2.95	5.6	n.s.	n.s.	n.s.

n.s.—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. High and low 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. Weekly reporting banks account for about 70 per cent of loans to others. For further detail see Bulletin.

## PRIVATE HOUSING STARTS AND PERMITS

Monthly, annual rates

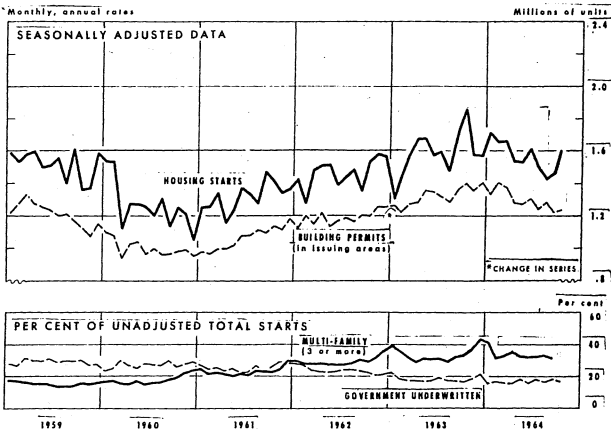


Exhibit F - Part II

Date	Starts							Building permits (seasonally adjusted annual rate) 2/
	Total		Unadjusted					
			Type of financing		Type of housing			
	Seasonally adjust- ed annual rate	Unadjusted	FHA	VA	Other	1-2 family	Multi- family	
(Thousands of units)								
1963 - Oct.	1,864	165	21	6	137	109.4	55.2	1,401
Nov.	1,577	121	17	5	98	76.3	44.1	1,359
Dec.	1,570	96	16	5	75	54.0	41.7	1,402
1964 - Jan.	1,718	100	11	4	84	58.5	41.0	1,333
Feb.	1,657	100	12	4	84	68.5	31.9	1,404
Mar.	1,663	130	16	5	109	87.0	43.1	1,377
Apr.	1,531	149	18	5	125	96.0	52.4	1,280
May	1,529	158	23	5	129	106.1	51.5	1,271
June	1,611	159	19	6	134	107.2	51.3	1,306
July	1,505	143	20	6	117	96.1	46.6	1,242
Aug.	1,430	142	18	5	119	94.3	47.3	1,281
Sept.	1,465	123	18	5	100	84.4	38.8	1,222
Oct.	1,600	142	19	5	118	n.a.	n.a.	1,235

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 commitment 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 complete 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 beginning January 1963, are for approximately 12,000, or all known, permit-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.

## YIELDS ON NEW AND SEASONED CORPORATE BONDS

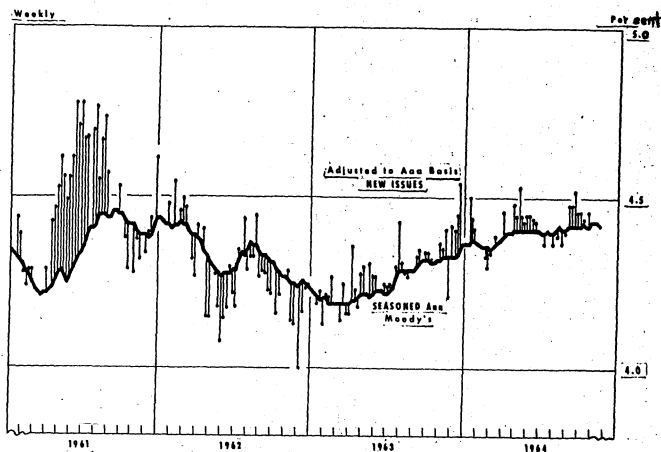


Exhibit G - Part II

## 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>Monthly averages:</b>							
1964 - Jan.	3	150.0	4.50	Sept. 4	1	40.0	4.48*
Feb.	3	125.0	4.38	11	1	40.0	4.48
Mar.	6	166.0	4.43	18	1	60.0	4.52
Apr.	1	130.0	4.48	25	3	69.0	4.46
May	10	278.0	4.46	Oct. 2	2	70.0	4.46
June	8	230.0	4.43	9	1	12.0	4.44
July	3	60.0	4.37	16	--	--	--
Aug.	4	75.0	4.39	23	1	18.0	4.46
Sept.	7	239.0	4.49	30	--	--	--
Oct.	3	70.0	4.46	Nov. 6	--	--	--
				13	--	--	--
<b>Weekly averages:</b>				20	--	--	--
1964 - High			4.53(5/8)				
Low			4.30(2/21)				

Notes: Averages of offering yields on all new issues of publicly offered corporate bonds rated Aaa, Aa and A by Moody's Investors Service (except serial and convertible issues, offerings of natural gas pipeline and foreign companies, and bonds guaranteed by the Federal Government) weighted by size of offering. Before averaging, new offerings are adjusted to a composite Aaa basis by deducting from the actual 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		1962	State and Local 2/	
	1964	1963		1964	1963
January	930	613	549	p/ 946	732
February	685	594	860	p/ 771	746
March	754	1,144	819	p/ 809	976
April	2,178	930	1,153	p/1,215	869
May	1,069	904	771	p/ 666	866
June	1,378	1,013	1,132	p/ 902	930
July	780	676	573	p/ 904	680
August	661	637	773	e/ 750	708
September	1,035	795	557	e/ 900	449
October	e/ 800	1,013	819	e/ 850	1,051
November	e/ 750	819	678	e/ 550	729
December		1,415	1,064		416
1st quarter	2,369	2,351	2,228	p/2,527	2,454
2nd quarter	4,625	2,847	3,056	p/2,782	2,665
3rd quarter	2,476	2,109	1,902	e/2,554	1,837
4th quarter		3,246	2,561		2,197
1st half	6,994	5,198	5,284	p/5,309	5,118
Three quarters	9,470	7,307	7,186	e/7,863	6,955
Year		10,553	9,747		9,151
Excluding finance companies 3/					
1st quarter	1,996	2,284	2,169		
2nd quarter	4,170	2,529	2,970		
3rd quarter	p/ 2,226	1,768	1,767		
4th quarter		2,854	2,330		
Year		9,434	9,236		

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						
1962 - I	2,345	1,114	724	508	70	649	429	456	694
II	3,317	1,386	1,289	642	251	996	984	228	848
III	2,167	852	1,006	308	55	566	376	274	685
IV	2,875	1,088	1,510	277	135	747	552	317	945
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	896	285	150	868
IV	3,466	1,319	1,780	367	47	968	530	118	1,629
1964 - I	2,499	978	1,221	300	29	418	438	273	1,240
II	4,851	1,321	1,640	1,890	105	723	856	1,663	1,383
III	2,728	792	1,442	494	85	547	642	59	1,229
IV									
1963 - 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	187
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.	985	338	526	121	5	149	109	157	515
Feb.	710	279	342	88	16	123	155	83	324
Mar.	805	361	353	91	8	146	174	34	400
Apr.	2,234	383	480	1,372	34	186	151	1,377	463
May	1,155	470	537	148	36	206	441	27	395
June	1,461	468	623	370	35	332	264	258	525
July	869	234	411	225	21	149	207	23	401
Aug.	728	183	433	112	21	164	138	16	342
Sept.	1,130	375	598	156	44	234	296	19	486
Oct. g/	895	175	550	170	n. a.	200	220	30	350
Nov.									
Dec.									

p/ Preliminary. g/ 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 &amp; other transportation, real estate &amp; finance, &amp; commercial &amp; other.

Source: Securities &amp; Exchange Commission.

Other Security Offerings  
(In millions of dollars)

	Gross long-term 1/					
	Foreign government 2/			Federal agency 3/		
	1964	1963	1962	1964	1963	1962
January	4	232	142	--	--	246
February	82	133	10	--	148	156
March	69	76	35	--	--	--
April	30	57	10	--	186	461
May	75	114	86	--	--	--
June	26	11	50	275	459	--
July	20	63	25	260	--	--
August	13	83	8	160	--	150
September	7	--	31	--	--	175
October	e/ 160	--	151	e/ 509	174	--
November		--	88		200	--
December		2	101		--	--
Jan. - Oct.	e/ 484	769	548	e/ 1,204	967	1,188
Year		771	737		1,167	1,188
	New short-term 4/					
	State and local government 5/			Federal agency 3/		
	1964	1963	1962	1964	1963	1962
January	103	75	18	-78	-106	247
February	236	272	466	-336	-189	-156
March	-407	-367	-186	23	-482	226
April	442	589	127	97	292	-364
May	81	-30	-84	183	195	82
June	-80	-10	-118	239	319	284
July	-9	62	78	-333	414	261
August	130	208	339	167	327	227
September	159	-173	-406	1	258	-157
October	n.a.	259	71	p/ 338	123	379
November		146	234		-102	55
December		-339	-161		551	-80
Jan. - Oct.	n.a.	885	305	p/ 301	1,151	1,029
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 U.S. by foreign governments and their political subdivisions and international organizations. Source: Securities & Exchange Commission. 3/ Issues not guaranteed by the U.S. Government. Source: Long-term, Securities & Exchange Commission; short-term, Treasury Dept. & 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 or refunding issues or from other funds. Data include only issues with original maturing 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 1 year. Source: Bond Buyer & Federal Reserve.



## Exhibit K

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)

	Corporate				State and local governments	Other <sup>2/</sup>
	Total	Bonds (other than convertibles)	Convertible bonds	Stocks		
1963 - Oct.	446	380	--	66	734	174
Nov.	180	117	--	63	373	200
Dec.	547	515	--	32	111	--
1964 - Jan.	307	225	60	22	577	--
Feb.	263	200	35	28	358	--
Mar.	335	296	--	38	282	50
Apr.	1,557	235	51	1,271	698	20
May	452	415	--	37	274	15
June	650	390	--	260	384	275
July	291	178	--	113	544	260
Aug.	142	125	17	--	459	104
Sept.	376	269	25	81	558	15
Oct.	187	108	--	79	419	502

## Large Individual Issues Offered November 2 through 20

Issuer	Type <sup>3/</sup>	Amount (millions of dollars)	Maturity	Coupon rate or net inter- est cost	Offer- ing yield	Rating
<u>Corporate</u>						
None.						
<u>State and local government</u>						
State of Delaware	G.O.	24.0	1965-84	2.96	2.10-3.06	Aa
Los Angeles Fld. Contl. Dist., Calif.	Rev.-Q.-Ut.	10.0	1966-89	3.17	2.25-3.25	Aa
Baltimore, Md.	G.O.	44.7	1965-95	3.24	2.15-3.25	A
Hempstead, New York	G.O.	11.2	1965-93	3.12	2.10-3.40	A
N.Y. Housing Fin. Agency	Rev.-Rent.	70.5	1965-96	3.63	2.20-3.67	--
Port of New York Auth.	Rev.-Q.-Ut.	25.0	1995	3.43	<u>4/</u>	A

## Large Individual Issues Offered November 2 through 20 (Cont'd)

Issuer	Type 3/	Amount (millions of dollars)	Maturity	Coupon rate or net inter- est cost	Offering yield	Rating
<u>Other</u> None.						

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

- 1/ Includes corporate and other security offerings of \$15 million and over; State & 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 & 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 least payments.
- 4/ Bonds not publicly reoffered.

## Exhibit L

Forthcoming Large Long-term Public Security Offering for New Capital  
(Other than U.S. Treasury) 1/Expected Proceeds from Forthcoming Large Issues  
(In millions of dollars)

	During month following date shown			Subsequent to date shown		
	Corporate	State and local govt.	Other 2/	Corporate	State and local govt.	Other 2/
1963 - 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	--
Mar. 31	1,587	669	25	1,837	953	25
Apr. 30	651	345	15	844	575	15
May 28	600	341	--	668	598	--
June 30	292	539	--	307	716	--
July 31	92	120	--	167	588	--
Aug. 31	402	511	15	442	680	15
Sept. 30	186	500	--	186	626	--
Oct. 30	--	254	--	--	549	--

## Forthcoming Large Offerings as of November 20

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<b><u>Corporate</u></b>			
Granite City Steel Co.	Conv. sub. deb.	30.0	Dec. 1
Pacific Gas & Elec. Co.	1st & ref. mtg. bds.	65.0	Dec. 2
*Stauffer Chemical Co.	Deb.	35.0	Dec. 3
*Niagara Mohawk Pwr. Corp.	1st mtg. bds.	40.0	Dec. 3
*Tennessee Gas Trans. Co.	Deb.	40.0	Dec. 14
*Bank of California	Cap. notes	20.0	Dec. 16
<b><u>State and Local Government</u></b>			
Philadelphia, Pa.	G.O.	40.9	Nov. 24
Florida Dev. Comm.	Rev.-S.T.	33.8	Nov.
*New York State Dorm. Auth.	Rev.-Rent.	17.1	Dec. 1
*Houston, Texas	G.O.	27.0	Dec. 2
*State of Oregon	G.O.	30.0	Dec. 8
*Nashville & Davidson Co. Met. Govt., Tenn.	G.O.	13.8	Dec. 8

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

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>State &amp; Local Government (Cont'd)</u>			
Florida State Bd. of Education	Rev.-Rent.	25.0	Dec. 8
Los Angeles Unif. Sch. Dist., Calif.	Rev.-Rent.	25.0	Dec. 8
Public Housing Auth.	--	104.0	Dec. 9
State of California	G.O.	100.0	Dec. 15
Mass. Port. Auth.	Rev.-Q.-Ut.	43.0	Indefinite
Pittsburgh, Pa.	G.O.	35.0	Indefinite
Dade County, Fla.	G.O.	46.0	Indefinite
Va. State Highway Auth.	Rev.-Q.-Ut.	31.0	Indefinite
Forth Worth, Texas	G.O.	14.1	Indefinite
<u>Other</u>			
Republic of Finland	Bonds	15.0	Nov. 24

\*--Included in Table for first time.

1/ Includes corporate and other issues of \$15 million and over; State and local government issues of \$10 million and over.

2/ Includes foreign government and International Bank for Reconstruction and Development issues and non-guaranteed issues for 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 Sept. 1 through November 20		
9/22	15.0	* City of Oslo, Norway--5-1/2 per cent bonds maturing 1984, reoffered to yield 4.89 per cent to investors in the U.S. and 5.60 per cent to other investors.
10/27	35.0	United Mexican States--6-1/4% sinking fund bonds maturing 1979, reoffered to yield 6.43%.
10/29	100.0	Inter-American Development Bank--4-1/2% bonds maturing 1984, reoffered to yield 4.57%.
B. Prospective Offerings		
None		

\* Difference in reoffering yields on bonds sold to U.S. citizens and those sold to foreign citizens reflects an upward adjustment of 9.19 per cent in the price paid by U.S. citizens. This premium was collected by the underwriters in accordance with the provisions of the new Interest Equalization Tax. This tax is collected--under a scale of rates which rises with maturity--when U.S. lenders buy new security offerings from borrowers in certain designated "developed" countries.

## Part II: Private Placement--Reported Sept. 1 through November 30

Date reported	Amount (millions of dollars)	Issuer and Description of Issue
9/3	6.5	Urbanizaciones Guscara C.A.--5-1/4% prom. notes, maturing 1984--no information available on takedowns.
9/30	60.0	City of Montreal, Canada--5% sinking fund debenture, maturing 2004--no information available on takedown.
10/2	50.0	Bell Telephone Co. of Canada--4.60% 1st mtg. bds., maturing 1989--no information available on takedown.
10/19	7.5	Province of New Brunswick--4-3/4% sinking fund debenture, maturing 1989--no information available on takedown.
10/20	25.0	The Alberta Government Telephone Commission--4-3/4% debenture, maturing 1989--no information available on takedown.
11/4	60.0	City of Montreal--5% sinking fund debenture, maturing 2004--no information available on takedown.
11/5	7.9	Montreal Catholic School Comm.--5% sinking fund debenture, maturing 1989--no information available on takedown.
11/11	25.0	Toronto--Dominion Tower, Ltd.--4.85% first mortgage sinking fund bonds, maturing 1989--no information available on takedown.
11/18	29.1	Banco Nacional Hipotecario Urbano y de Obras Publicas, S.A.--promissary notes, maturing 1965-69--no information available on takedown.

Note: For retrospective data on aggregate foreign corporate and government security offerings in the United States see Exhibits I and J. There is no simple relationship between the data shown in this Exhibit and that shown in Exhibits I and J because the latter includes privately placed securities in the period in which funds are actually 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 data a placement is reported. \*--Included in table for first time.

**Exhibit N**  
**Sources and Uses of Funds by**  
**Life Insurance Companies**

Quarter or Month	Uses of Funds 1/							Total sources or uses	Memo: Total Excl. Val- uation Change 3/
	Cash	U.S. Govt. Securi- ties	Business Securities 2/		State & local Govt. secur.	Mort- gages	Other		
			Bonds & Stocks	Short-term paper					
End of period:	(In millions of dollars)								
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 - Sept.	1,282	5,787	57,816	416	3,846	53,560	24,465	147,172	140,368
Changes:									
1962 I	-173	172	356	320	149	406	305	1,535	1,481
II	-6	-28	557	8	-15	514	-4	1,026	1,442
III	76	52	520	123	48	554	384	1,757	1,649
IV	167	-160	673	-296	-47	1,233	587	2,157	1,954
1963 I	-226	-149	434	253	4	624	920	1,860	1,567
II	16	-276	727	-110	-89	786	659	1,713	1,572
III <u>r/</u>	103	95	501	134	-62	893	350	2,014	1,960
IV	104	-69	890	-238	-16	1,310	158	2,139	1,962
1964 I	-166	-24	625	108	-27	898	750	2,164	1,732
II	-18	-101	715	-154	-27	1,025	454	1,897	1,718
III	24	154	479	81	24	1,094	352	2,208	2,113
1963 - Sept. <u>r/</u>	88	24	185	-55	-41	280	82	564	567
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.	-15	23	131	-68	-2	298	298	665	518
Mar.	8	-74	233	-94	-8	315	156	536	440
Apr.	-108	-42	191	-26	4	365	225	609	526
May	12	42	232	-44	-26	311	109	636	608
June	78	-101	292	-84	-5	349	120	652	584
July	-9	125	199	185	-13	366	5	859	970
Aug.	105	5	122	-39	13	341	106	652	612
Sept.	-72	24	158	-65	24	387	241	697	531

r/ Revised.

p/ Preliminary.

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

2/ Includes securities of domestic corporations only.

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.

Source.--Institute of Life Insurance.

## Exhibit O

Sources and Uses of Funds by  
Savings and Loan Associations

Quarter or Month	Uses of funds 1/				Sources of funds			
	Cash	U. S. Govt. secur- ities	Mort- gages	Other assets	Total sources or uses	Net change savings capital	Borrowing 2/	Other
(In millions of dollars)								
End of period:								
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 - Sept.	3,390	6,774	98,874	6,725	115,763	98,409	5,065	12,289
Changes:								
1962 I	-130	312	1,894	29	2,105	1,977	-560	688
II	191	-115	2,798	432	3,306	2,530	587	189
III	-339	80	2,712	5	2,458	1,517	276	665
IV	889	75	2,532	105	3,601	3,327	470	-196
1963 I	-137	537	2,272	55	2,727	3,024	-1,028	731
II	61	101	3,483	457	4,102	3,089	833	180
III	-467	144	3,408	39	3,124	1,523	774	827
IV	581	95	2,916	281	3,873	3,333	803	-263
1964 I	-351	293	2,220	55	2,217	2,320	-688	585
II	182	-48	2,998	495	3,627	3,068	657	-97
III	-405	89	2,807	-3	2,488	1,816	85	586
1963 - 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.	-396	158	604	-189	177	464	-421	134
Feb.	33	64	710	109	916	754	-213	375
Mar.	12	71	906	135	1,124	1,102	-54	76
Apr.	-146	-16	909	120	867	321	278	268
May	37	-5	993	385	1,410	982	-57	485
June	291	-27	1,096	-10	1,350	1,765	436	-851
July	-456	2	1,044	-192	398	16	11	371
Aug. <u>r/</u>	15	49	948	113	1,125	773	1	351
Sept. <u>p/</u>	36	38	815	76	965	1,027	73	-135

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/ Advances from Home Loan Banks and other borrowing.

Source:--FSLIC



## Exhibit P

Sources and Uses of Funds by  
Mutual Savings Banks

Quarter or Month	Uses of funds 1/						Total sources or uses	Sources of funds	
	Cash	U.S. Govt. secur- ities	Busi- ness secur- ities 2/	State and local govt. secur- ities	Mort- gages	Other		Net change in deposits	Other
End of period:	(In millions of dollars)								
1962 - Dec.	956	6,107	5,177	527	32,056	1,297	46,121	41,336	4,785
1963 - Dec.	912	5,863	5,074	440	36,007	1,406	49,702	44,606	5,096
1964 - Sept.	883	6,082	5,193	409	39,146	1,626	53,339	47,757	5,583
Changes:									
1962 I	-41	371	50	-44	661	69	1,068	806	261
II	-13	-235	-21	-51	836	10	524	559	-33
III	-31	18	82	-19	844	71	967	816	150
IV	104	-207	26	-36	813	32	733	878	-146
1963 I	-65	325	-20	-52	1,069	57	1,315	970	344
II	-1	-243	-67	-17	950	-28	592	666	-73
III	-42	-114	81	-5	888	117	927	740	186
IV	64	-213	-97	-13	1,043	-36	747	894	-146
1964 I	-25	254	78	-16	926	124	1,339	1,155	183
II	19	-93	-6	-15	1,037	17	959	862	99
III	-23	58	47	--	1,173	80	1,338	1,133	207
1963 - Sept.	39	-62	39	-2	274	39	329	430	-102
Oct.	-29	-177	-22	-2	369	-40	97	198	-100
Nov.	-8	-14	-76	-3	321	38	260	118	142
Dec.	101	-22	1	-8	353	-84	390	578	-188
1964 - Jan.	-63	88	15	--	345	93	477	400	77
Feb.	32	82	47	-13	283	5	435	260	175
Mar.	6	84	16	-3	298	26	427	495	-69
Apr.	-68	-53	-13	-1	334	-64	135	90	47
May	28	-12	12	-4	333	75	433	272	161
June	59	-28	-5	-10	370	6	391	500	-109
July	-43	1	-3	--	436	26	416	294	122
Aug.	32	70	37	-2	355	71	565	356	210
Sept.	-12	-13	13	2	382	-17	357	483	-125

x/ Revised.

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

2/ Includes Canadian government and political subdivision, International Bank for Reconstruction and Development, nonguaranteed Federal agency and other bonds as well as corporate bonds and stock.

\* Source:--NAMS