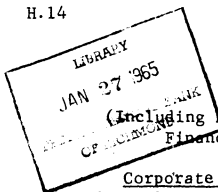


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January 25, 1965.



CAPITAL MARKET DEVELOPMENTS  
IN THE UNITED STATES

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

Corporate and municipal bond markets. Corporations are expected to place on the market this week \$75 million in new securities, about one-half more than last week. Most of this week's total will consist of a \$40 million offering of Connecticut Yankee Atomic Power Company. Municipal bond sales (\$165 million), on the other hand, will drop back to only about one-half of last week's large supply. Also scheduled for offering this week, but not included in the table below, is a \$20 million offering of the Republic of Portugal.

Long-Term Public Security Offerings 1/

	Corporate		State and local govt.	
	New Capital	Refunding	New Capital	Refunding
Sold:				
52 week avg.	109	1	185	9
Jan. 15	56 <u>1/</u>	--	242 <u>1/</u>	5 <u>1/</u>
Jan. 22	50	--	314	--
Scheduled:				
Jan. 29	75	--	165	--

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.

Underwriters bid very aggressively for last week's only investment-grade corporate bond issue--the first competitive offering since early December. The reoffering yield, adjusted to a triple-A basis, on this issue, was 8 basis points below the average yield on new corporate bonds early in December. Although such pricing elicited only lukewarm investor interest in this issue, it apparently encouraged investors to continue to bid up prices of recently distributed bonds in the secondary market.

In the municipal market, underwriters also continued to bid aggressively for new issues, and yields on seasoned municipals eased further. The Aaa series fell to its lowest level since April 1963 and was within 8 basis points of its six-year low reached in November 1962. Investor reception of new issues also improved and about two-thirds of last week's large supply was distributed by week-end. However, dealers' advertised inventories of unsold securities rose about \$30 million.

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	4.39	n.a.
Seasoned	4.43	--
<u>U. S. Govt.</u>		
Long-term	4.14	- 1
3-5 year	4.04	- 2
State and local govt.	2.96	- 1
<u>Money-Market</u>		
Federal Funds	3.40	-60
Treasury bills		
3-month	3.81	+ 4
6-month	3.94	--
Finance Company Paper	4.06	--

Recent changes in yields on municipal bonds. The sale of a large serial bond issue (rated A) of the City of New York last week permits an opportunity to compare the changes in yields since late October (the date of the most recent peak for yields on seasoned municipal bonds) on new debt issues of this borrower, with yield changes on seasoned issues of equivalent and higher quality. Both the October 21 and the latest New York City offering met very favorable retail reception.

<u>20-Year Bond</u> <u>Maturities</u>	<u>Yields</u>		<u>Change</u>
	(Per cent per annum)		
	<u>October 22</u>	<u>January 21</u>	
New York City	3.45	3.30	-.15
Moody's A	3.34	3.23	-.11
Moody's Aaa	3.12	2.96	-.16

Private housing starts and permits. Seasonally adjusted housing starts rose 8 per cent in December from the reduced November level and, at an annual rate of 1,541 thousand--including farm--were just 2 per cent below a year earlier.

For the fourth quarter as a whole, starts were at an annual rate of 1,521 thousand. This was up 4 per cent from the third quarter, though 9 per cent under the advanced rate in the fourth quarter of 1963.

For all of 1964, starts totaled 1,544 thousand--down 4 per cent from the unusually high total in 1963. Single family starts are indicated to have declined more than multifamily starts in 1964, but the reduction in multifamily starts, was particularly significant because such starts had accounted for most of the gain in recent years.

Government-underwritten starts represented 17 per cent of total starts in 1964, compared with 18 per cent in 1963 and 23 per cent in 1962. In the last four months, except for December, the share had been running slightly higher than a year earlier for the first time since mid-1959.

Seasonally adjusted residential building permits declined 8 per cent in December and were substantially below a year earlier when permits for multi-family structures were at a record high. All types of structures shared in the December drop, but the decline in the rate of single family permits was slight.

Stock market credit. Total customer credit in the stock market eased \$55 million further in December. A \$26 million increase in bank loans to others than brokers and dealers for purchasing or carrying securities (except U.S. Governments) was more than offset by an \$81 million decline in customers' net debit balances (except on Governments).

Borrowings of member firms of the New York Stock Exchange on customers collateral fell \$76 million further in December, the thirteenth consecutive month-to-month decline. Customer net free credit balances, on the other hand, rose \$38 million. More detailed information on changes in stock market credit in recent months is shown in the table on the following page.

Stock prices. Common stock prices advanced to a new record high last week in active trading averaging 5.4 million shares a day. Closing at 86.74 on January 22, Standard and Poor's composite index, was one-half per cent above the previous all-time high reached November 20.

Institutional investors. During the month of November the net increase in income-yielding claims on depository-type savings institutions amounted to \$1.2 billion, up one-tenth from the net inflow in the corresponding month of 1963. Most of this year-over-year growth took place in deposits at mutual savings banks where the \$0.2 billion monthly gain was 74 per cent larger than that in November 1963. The net inflow of savings capital at savings and loan associations (\$0.8 billion) was 4 per cent greater than a year earlier. On the other hand, the increase in time and savings deposits at commercial banks, which is usually sharply curtailed in November by large pay-outs of Christmas savings type accounts, amounted to \$0.2 billion-roughly the same as in November 1963.

Savings and loan associations increased their holdings of mortgages \$0.7 billion during the month, one-sixth less than a year earlier and the eighth consecutive month in which net mortgage acquisitions fell behind the year earlier period. However, with their slightly improved savings experience, these associations increased their holdings of cash and U.S. Government securities \$0.2 billion, one-third more than in the previous year, and made some net repayment of borrowings in contrast to a modest increase in November 1963.

-4-

**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 purchasing & 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. <u>1/</u>	7,242	5,515	1,727	3,852	597	1,210
1964 - Dec. <u>1/</u>	7,073	5,373	1,974	3,543	576	1,110
<b>Changes in Outstanding:</b>						
1963 - Dec. <u>1/</u>	-56	-71	15	-40	32	-1
1964 - Jan. <u>1/</u>	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
Nov.	7	-25	32	-59	-43	-24
Dec.	-55	-81	26	-76	34	38

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 parentheses 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 for 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.

Mutual savings banks utilized their large November deposit gain to make net mortgage acquisitions of \$0.4 billion, one-eighth greater than a year earlier. Moreover, they increased their holdings of business securities nominally whereas they had cut back such holdings \$0.1 billion in the comparable 1963 month. The reduction in holdings of cash and Governments, however, was more than twice as large as in November 1963.

Life insurance companies. Growth in assets of life insurance companies during November-excluding valuation adjustments-totaled \$0.8 billion, three-tenths larger than a year earlier. Most of this asset gain was placed in mortgages which went up \$0.4 billion, almost one-half more than the November 1963 increase. These companies also increased moderately their holdings of cash and Government securities combined in contrast to a \$0.1 billion reduction a year earlier. However, the net increase in their holdings of business securities (\$0.2 billion) was only about one-half as large as in the corresponding month of 1963.

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

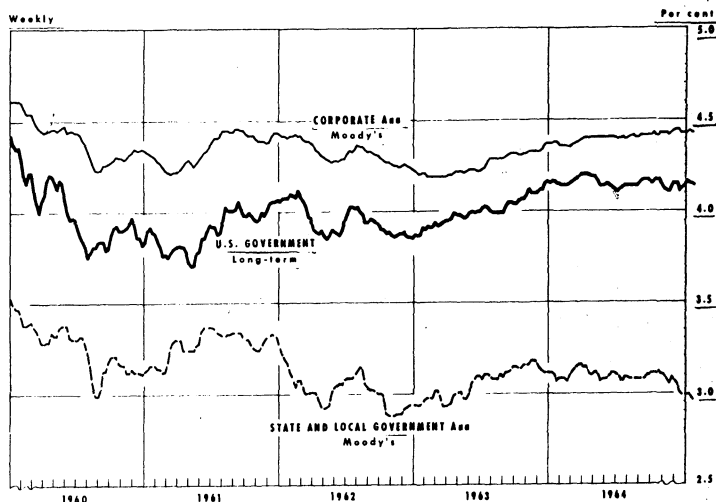


Exhibit A - Part II

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(2/18)	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	4.45(12/11)	4.20(4/17)	3.16(3/26)	.33	1.17
Low	4.35(2/28)	4.11(11/20)	2.99(12/31)	.19	1.01
Dec. 25	4.43	4.14	2.99	.29	1.15
Jan. 1	4.43	4.16	2.99	.27	1.17
Jan. 8	4.44	4.15	2.99	.29	1.17
Jan. 15	4.43	4.15	2.97	.28	1.18
Jan. 22 p/	4.43	4.14	2.96	.29	1.18

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

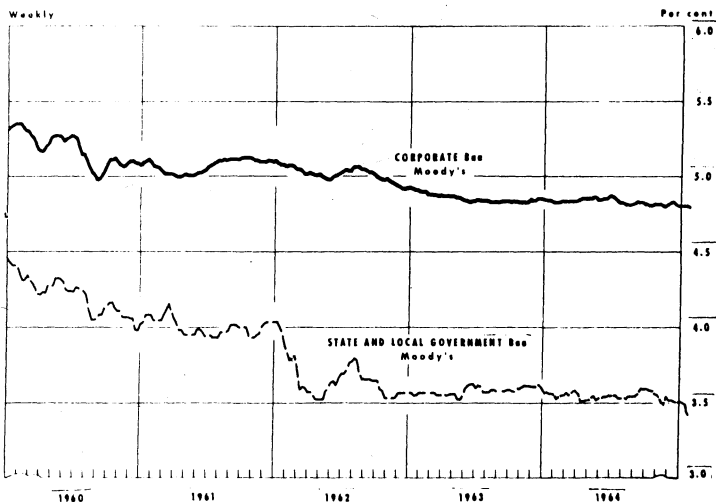


Exhibit B - Part II

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)	.81	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	.52
Low	4.80(12/31)	3.49(11/19)	.37	.36
Dec. 25	4.80	3.51	.37	.52
Jan. 1	4.80	3.51	.37	.52
Jan. 8	4.80	3.49	.36	.50
Jan. 15	4.80	3.44	.37	.47
Jan. 22 p/	4.79	3.42	.36	.46

Note: For footnotes see Exhibit A.

EXHIBIT C, Part I

SHORT- AND INTERMEDIATE-TERM INTEREST RATES, GOVERNMENT

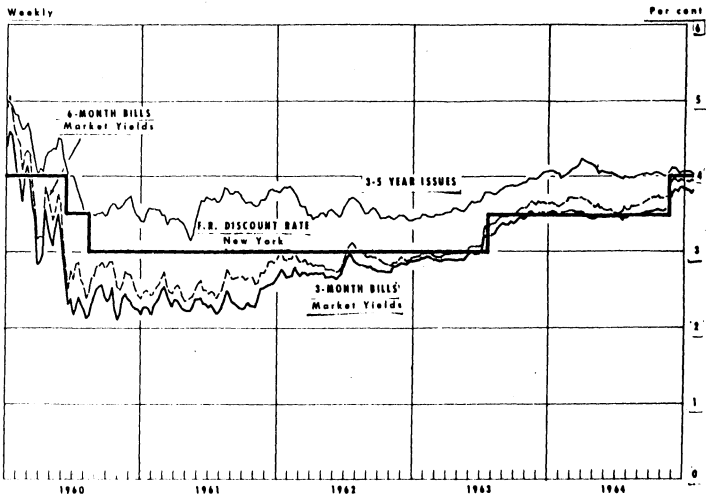


Exhibit C - Part II

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	4.00	3.86(12/25)	3.97(12/4)	4.23(3/27)	.21	.71
Low	3.50	3.43(7/17)	3.52(7/3)	3.98(8/7)	.04	.20
Dec. 25	4.00	3.86	3.94	4.07	.08	.21
Jan. 1	4.00	3.83	3.93	4.07	.10	.24
Jan. 8	4.00	3.80	3.92	4.07	.12	.27
Jan. 15	4.00	3.77	3.94	4.06	.17	.29
Jan. 22 p/	4.00	3.81 ✓	3.94 ✓	4.04	.13	.23

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

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



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

Weekly

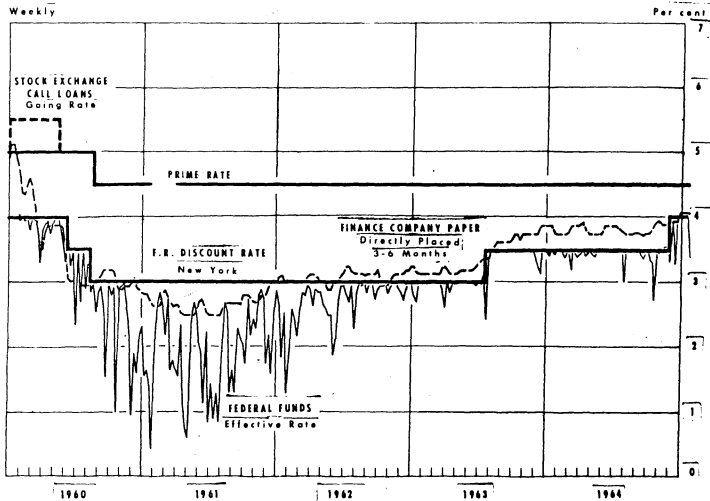


Exhibit D - Part II

Date	Stock exchange call loan <sup>1/</sup>	Prime rate <sup>1/</sup>	Finance company paper <sup>2/</sup>	Federal funds <sup>3/</sup>	Spread between 3-mo. bills and finance co. paper
	(per cent)				
1959-60	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	4.06(12/31)	4.00(12/31)	.41
Low	4.50	4.50	3.72(9/11)	3.07(10/16)	.08
Dec. 25	4.50	4.50	4.06	4.00	.20
Jan. 1	4.50	4.50	4.06	4.00	.23
Jan. 8	4.50	4.50	4.06	4.00	.26
Jan. 15	4.50	4.50	4.06	4.00	.29
Jan. 22 p/	4.50	4.50	4.06	3.40	.25

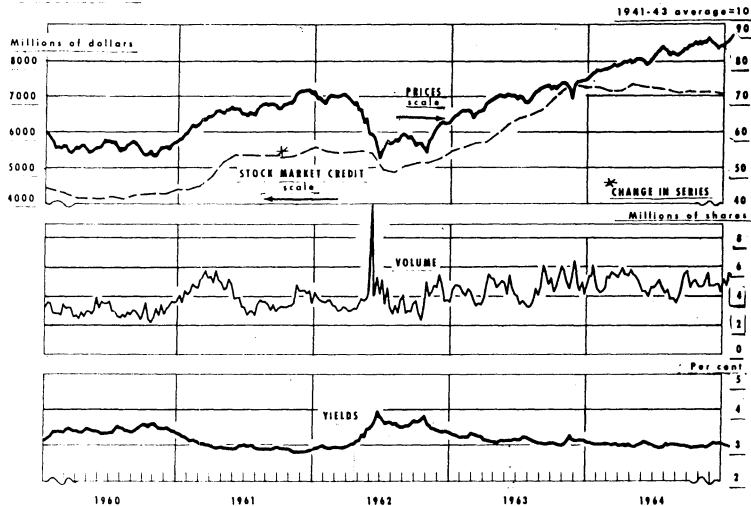
<sup>1/</sup> Weekly rate shown is that in effect at end of period. Stock Exchange call loan rate is going rate on call loans secured by customers' stock exchange collateral at New York City banks. Prime rate is that charged by large banks on short-term loans to business borrowers of the highest credit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

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

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

Note: High and low are for individual series and may be on different dates for different series. For 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	86.28(11/20)	2.95	6.1	7,314(4)	5,524(1)	1,974(12/30)
Low	75.50(1/3)	3.10	3.6	7,053(12)	5,079(12)	1,720(1/22)
Nov.	85.44	2.96	4.9	7,108	5,160	1,948
Dec.	83.96	3.06	4.7	7,053	5,079	1,974
Jan. 8	85.37	3.00	4.7	n.a.	n.a.	1,961
Jan. 15	86.21	2.99	5.6	n.a.	n.a.	1,949
Jan. 22 p/	86.74	2.97	5.4	n.a.	n.a.	n.a.

n.a.—Not available. p/ Preliminary.

<sup>1/</sup> Standard and Poor's composites 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.

EXHIBIT F, Part I

PRIVATE HOUSING STARTS AND PERMITS

Monthly, annual rate.

Millions of units

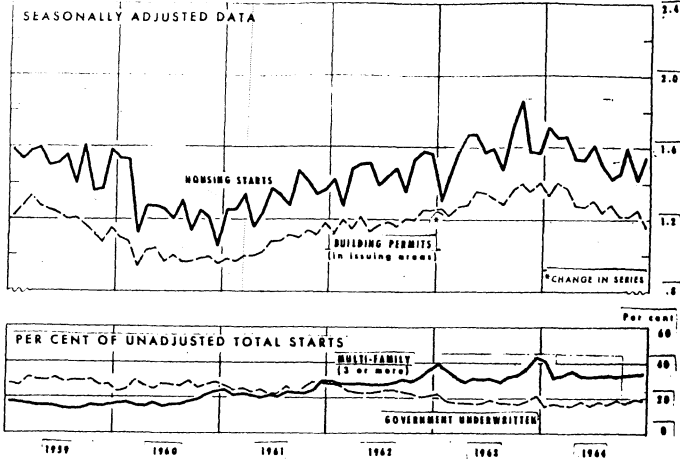
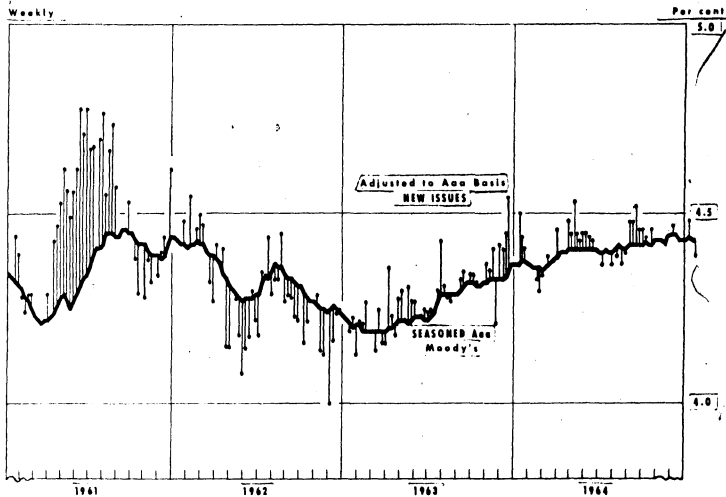


Exhibit F - Part II

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)							
1963 - 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.	1,457	123	18	5	100	83.1	39.5	1,222
Oct.	1,591	141	19	5	117	95.0	45.9	1,220
Nov.	1,430	109	16	5	88	72.8	36.7	1,258
Dec.	1,541	92	13	4	75	n.a.	n.a.	1,154

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. Capital military housing units are included. 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**

<b>Monthly averages:</b>				<b>Monthly averages:</b>			
	<b>Number of issues</b>	<b>Am't of issues included (mil. of dollars)</b>	<b>Average yield (per cent)</b>		<b>Number of issues</b>	<b>Am't of issues included (mil. of dollars)</b>	<b>Average yield (per cent)</b>
1964 - Jan..	3	150.0	4.50	Dec. 4	3	140.0	4.47
Feb.	3	125.0	4.38	11	--	--	--
Mar.	6	166.0	4.43	18	--	--	--
Apr.	1	130.0	4.48	25	--	--	--
May	10	278.0	4.46	Jan. 1	--	--	4.53*
June	8	230.0	4.43	8	1	40.0	4.53*
July	3	60.0	4.37	15	--	--	--
Aug.	4	75.0	4.39	22	1	14.0	4.39
Sept.	7	239.0	4.49				
Oct.	3	70.0	4.46				
Nov.	--	--	--				
Dec.	3	140.0	4.47				
<b>Weekly averages</b>							
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			State and Local 2/		
	1965	1964	1963	1965	1964	1963
January	e/800	930	613	e/800	p/ 947	732
February		685	594		p/ 776	746
March		754	1,144		p/ 810	976
April		2,178	930		p/ 1,242	869
May		1,069	904		p/ 667	866
June		1,378	1,013		p/ 903	930
July		780	676		p/ 906	680
August		661	637		p/ 780	708
September		1,035	795		p/ 892	449
October		p/ 951	1,013		e/ 850	1,051
November		p/ 649	819		e/ 550	729
December		e/ 1,550	1,415		e/ 950	416
1st quarter		2,369	2,351		p/ 2,533	2,454
2nd quarter		4,625	2,847		p/ 2,811	2,665
3rd quarter		2,476	2,109		p/ 2,578	1,837
4th quarter		e/ 3,150	3,246		e/ 2,350	2,197
1st half		6,994	5,198		p/ 5,344	5,118
Three quarters		9,470	7,307		p/ 7,922	6,955
Year		e/12, 620	10,553		e/10,272	9,150
		Excluding finance companies 3/				
1st quarter		1,996	2,284			
2nd quarter		4,170	2,529			
3rd quarter		2,337	1,768			
4th quarter		e/ 2,900	2,854			
Year		e/11, 403	9,434			

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 e/	3,344	516	2,475	354	n.a.	1,060	510	113	1,467
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	44
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.	1,030	181	633	217	101	218	306	82	345
Nov. e/	724	30	642	52	21	192	34	11	412
Dec. e/	1,590	305	1,200	85	n.a.	650	170	20	710

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 &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 <sup>1/</sup>					
	Foreign government <sup>2/</sup>			Federal agency <sup>3/</sup>		
	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	p/ 180	--	151	p/ 509	174	--
November	p/ 57	--	88	p/ --	200	--
December	e/ --	2	101	e/ --	--	--
Year	e/ 563	771	737	e/ 1,204	1,167	1,188
	New short-term <sup>4/</sup>					
	State and local government <sup>5/</sup>			Federal agency <sup>3/</sup>		
	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	84
July	-9	62	78	-333	414	261
August	127	208	339	167	327	227
September	176	-173	-406	1	258	-157
October	7	259	71	525	123	379
November	p/ -15	146	234	113	-102	55
December	n.a.	-339	-161	p/ -200	551	-80
Year	n.a.	692	378	p/ 401	1,600	1,004

p/ Preliminary. e/ Estimated by Federal Reserve. n.a. - Not available. <sup>1/</sup> These data differ from those in Exhibit H in that refunding issues, as well as new capital issues, are included. Long-term securities are defined as those maturing in more than one year. <sup>2/</sup> Includes securities offered in the U.S. by foreign governments and their political subdivisions and international organizations. Source: Securities & Exchange Commission. <sup>3/</sup> Issues not guaranteed by the U.S. Government. Source: Long-term, Securities & Exchange Commission; short-term, Treasury Dept. & Federal Reserve. <sup>4/</sup> These data differ from those in Exhibit H and above in that they represent new offerings less retirements, whether from the proceeds or refunding issues or from other funds. Data include only issues with original maturing of one year or less. <sup>5/</sup> 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) 1/

Proceeds of Large Issues Offered  
(In millions of dollars)

	Corporate				State and local governments	Other <u>2/</u>
	Total	Bonds (other than convertibles)	Convertible bonds	Stocks		
1963 - 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	284	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
Nov.	--	--	--	--	226	15
Dec.	230	200	30	--	541	--

Large Individual Issues Offered January 1 through 22

Issuer	Type <u>3/</u>	Amount (millions of dollars)	Maturity	Coupon rate or net interest cost	Offering yield.	Rating
<b>Corporate</b>						
Times Mirror Co.	S. F. deb.	40.0	1990	4-1/2	4.57	A
United Calif. Bank	Cap. notes	35.0	1990	4-1/2	4.52	--
Texas Lt & Pwr. Co.	Pfd. stk.	15.0				
<b>State and Local Govt.</b>						
Los Angeles, Calif.	G.O.	15.0	1966-85	2.99	2.20-3.05	Aa
State of New Jersey	G.O.	45.0	1968-88	2.90	2.35-2.95	Aaa
Milwaukee, Wisc.	G.O.	17.2	1966-85	2.89	2.10-2.95 <sup>4/</sup>	Aaa
Montgomery Co., Md.	G.O.	10.0	1966-90	3.06	2.20-3.20 <sup>4/</sup>	A
Georgia Univ. System Bldg Auth.	Rev.-Rent.	25.0	1966-90	3.14	2.20-3.20	Aa
Oklahoma City, Okla.	G.O.	17.5	1967-90	3.03	2.35-3.15 <sup>5/</sup>	A
El Paso, Texas	G.O.	10.0	1965-90	3.13	2.20-3.20 <sup>5/</sup>	A



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

Issuer.	Type <u>3/</u>	Amount (millions of dollars)	Maturity	Coupon rate or net inter est cost	Offering yield	Rating
<u>State and Local Govt. (Cont'd)</u>						
New York City, New York	G.O.	124.3	1966-95	3.12	2.25-3.45	A
Columbus City Sch. Dist., Ohio	Rev.-Ut.	12.7	1966-87	2.94	2.20-3.05	Aa
Met. St. Lewis Sewer Dist., Mo.	Rev.-Ut.	20.0	1966-85	2.95	2.15-3.00	Aa
Port of New York Auth.	Rev.-Q.-Ut.	25.0	1996	3.39	3.35	A
Penna State Publ. Sch. Auth.	Rev.-Rent.	13.2	1967-2004	3.30	2.30-3.40 <sup>6/</sup>	--
Ala. State Highway Auth.	Rev.-Q.-Ut.	15.0	1970-85	3.30	2.75-3.30	A
<u>Other</u>						
Int. Bank for Recon. & Dev.	Bonds	200.0	1990	4-1/2	4.48	Aaa
Republic of the Philippines	Bonds	15.0	1980	6-1/2	6.66	--

\*--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 govt. securities, G.O. denotes general obligations; Rev.-Ut. revenue obligation 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/ 1/10 per cent bonds maturing 1989-90 not publicly reoffered.

5/ Bonds maturing 1990 not publicly reoffered.

6/ 3/4 per cent bonds maturing 2004 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 - 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	--
Nov. 30	90	360	25	130	563	25
Dec. 31	105	306	215	105	435	215

Forthcoming Large Offerings as of January 22

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<b>Corporate</b>			
Conn. Yankee Atomic Pwr. Co.	1st mtg. bds.	40.0	Jan. 27
Texas Elec. Service Co.	1st mtg. bds.	10.0	Feb. 3
*Occidental Petroleum Corp.	Com stk.	22.2	Feb. 8 (rts. ex.)
Dan River Mills	Deb.	20.0	Feb. 9
Southern Calif. Ed. Co.	1st & ref. mtg. bds.	60.0	Feb. 10
*New England Elec. System	Com. stk.	15.6	Feb. 17 (rts. ex.)
W. R. Grace Co.	Conv. sub. deb.	84.0	Mar. (rts. ex.)
<b>State &amp; Local Government</b>			
Dallas, Texas	Rev.-Ut.	15.0	Jan. 25
Texas Wtr. Div. Bd.	Rev.-Ut.	16.0	Jan. 26
Los Angeles Harbor Dist., Calif	Rev.-Q.-Ut.	11.0	Jan. 27
Dayton City Sch. Dist., Ohio.	G.O.	15.3	Jan. 28
Duval Co. Hospital Auth., Fla.	Rev.-Rent.	12.0	Jan. 28
Los Angeles Fld. Control Dist., California	Rev.-Q.-Ut.	15.0	Feb. 2

L-2

## Forthcoming Large Offerings as of January 22

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>State &amp; Local Government (Cont'd)</u>			
Palm Beach Co., Fla.	G.O.	26.8	Feb. 3
Va. State Highway Auth.	Rev.-Q.-Ut.	31.0	Feb. 3
*Phila. Sch. Dist., Pa.	G.O.	16.0	Feb. 9
*Wisc. State Agencies Bldg. Corp.	Rev.-Rent.	35.3	Feb. 17
Los Angeles Dept. of Wtr. & Pwr., Calif.	Rev.-Ut.	24.0	Feb. 24
*Sacramento Mun. Util. Dist., Calif.	Rev.-Ut.	79.5	Mar. 4
Pittsburgh, Pa.	G.O.	35.0	Indefinite
Dade County, Fla.	G.O.	46.0	Indefinite
Forth Worth, Texas	G.O.	14.1	Indefinite
Florida Dev. Comm.	Rev.-S.T.	33.8	Indefinite
<u>Other</u>			
Republic of Portugal	Bonds	20.0	Jan. 25

\*--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 Nov. 1 through January 22		
11/25	15.0	Republic of Finland--6% bonds maturing 1979--reoffered to yield 6.26%.
12/15	25.0	*European Investment Bank--5-1/2% bonds maturing in 1984, reoffered to yield 4.85% to investors in the U. S. and 5.54% to other investors.
12/11	20.1	Home Oil Co. Ltd.--5-1/8% convertible subordinate debenture maturing 1984, offered to stockholders of record November 19 to yield 5.13%.
1/14	200.0	International Bank for Reconstruction and Development--4-1/2% bonds, maturing 1990, reoffered to yield 4.48%.
*1/19	15.0	Republic of the Philippines--6-1/2% bonds, maturing 1980, reoffered to yield 6.66%.
B. Prospective Offerings		
1/25	20.0	Republic of Portugal - bonds

\* Difference in reoffering yields on bonds sold to U.S. citizens and those sold to foreign citizens reflects an upward adjustment of 8.83 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 Nov. 1 through January 22.

Date reported	Amount (millions of dollars)	Issuer and Description of Issue
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.
12/21	25.0	Prince George Pulp & Paper Ltd.--1st mtg. sinking fund bonds, maturing 1985--no information available on takedown.
1/11	25.0	Alberta Municipal Financing Corp.--4-5/8% debentures, maturing 1989, priced to yield 4.65%--no information available on takedown.
1/13	8.0	Beneficial Finance Co. of Canada--senior notes maturing 1984--no information available on takedown.
1/18	30.0	Province of Nova Scotia--4-1/2% sinking fund debenture maturing 1989--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 taken down 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/ Bonds & Short-term Stocks paper		State & local Govt. secur.	Mort- gages	Other		
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 - Nov.	1,390	5,699	58,071	613	3,841	54,404	24,728	148,746	141,879
Changes:									
1962 - 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	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
IV									
1963 - Nov. r/ Dec.	-43 119	-28 -32	278 391	115 -411	-7 -13	284 730	20 -88	619 696	604 704
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
Oct.	-4	-18	45	194	20	424	144	805	730
Nov.	112	-70	210	3	-25	420	119	769	781
Dec.									

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/				Total sources or uses	Source of funds		
	Cash	U. S. Govt. secur- ities	Mort- gages	Other assets		Net change savings capital	Borrowing 2/	Other
(In millions of dollars)								
End of period:								
1962 - Dec.	3,296	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 - Nov.	3,497	6,958	100,398	7,079	117,932	100,039	4,995	12,898
Changes:								
1962 - 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	-404	93	2,828	23	2,540	1,862	85	592
IV								
1963 - 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.	15	49	948	113	1,125	773	1	351
Sept.	37	42	836	102	1,017	1,073	73	-129
Oct. <u>r/</u>	22	42	836	72	972	751	-36	257
Nov. <u>p/</u>	84	138	667	256	1,145	833	-34	346
Dec.								

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 - Nov.	905	5,785	5,180	399	39,898	1,658	53,825	48,188	5,637
Changes:									
1962 - 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
IV									
1963 - Nov.	-8	-14	-76	-3	321	38	260	118	142
Dec.	101	-22	1	-8	353	-34	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
Oct.	15	-233	-15	-6	392	-10	143	226	-83
Nov.	7	-65	2	-4	360	42	343	205	138
Dec.									

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:--NAMSB