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March 15, 1965.

CAPITAL MARKET DEVELOPMENTS
IN THE UNITED STATES

(Including Review of Sources and Uses of Funds of
Financial Intermediaries During 1964)

Corporate and municipal bond markets. General Telephone & Electronics Corporation's \$100 million convertible bond issue scheduled to be offered this week will bring the volume of public offerings of corporate securities up almost to last week's large total. The supply of new municipal offerings, on the other hand, will be the smallest since early February and three-tenths less than the weekly average over the past year.

Long-Term Public Security Offerings ^{1/}

	Corporate		State & Local Govt.	
	New Capital	Refunding	New Capital	Refunding
Sold:				
52 week avg.	113	1	187	9
Mar. 5	169 <u>r/</u>	--	312 <u>r/</u>	26 <u>r/</u>
Mar. 12	150	--	177 <u>r/</u>	--
Scheduled:				
Mar. 19	140	15	132	--

^{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.

Following signs of strengthening investor demand for new corporate offerings the previous week, the pricing of such issues by underwriters last week was marked by stability in the new issue yield series and marked improvement in the tone of the market. Good retail reception resulted in the immediate sell-out of all three of last week's new offerings as well as pick-up in sales of the two recent issues still bound by syndicate price restrictions.

After three consecutive weeks of large volume, heavy inventories, and price weakness, the municipal bond market stabilized last week as the volume of new offerings dropped off appreciably. About four-fifths of last week's reduced supply of new municipals were sold by the end of the week, and dealer's advertised inventories of unsold securities were reduced by \$50 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	4.48	--
Seasoned	4.41	--
<u>U.S. Govt.</u>		
Long-term	4.16	--
3-5 year	4.13	+ 1
State and local govt.	3.09	--
<u>Money Market</u>		
Federal Funds	4.02	+ 2
Treasury bills		
3-month	3.94	- 2
6-month	4.01	- 1
Finance Company Paper	4.25	--

Mortgage yields and conventional mortgage terms. In February, secondary market yields on FHA-insured, 30-year mortgages held at 5.45 per cent once more. This average has prevailed over most of the past two years. Contract interest rates for conventional first mortgages on homes also stayed at the reduced rates reached in early 1963--5.80 per cent for new home loans and 5.85 per cent for loans on existing homes, according to the Federal Housing Administration. Indications are that downward pressure on returns to lenders from origination fees and associated charges has also persisted, however.¹

Nonrate terms on conventional first mortgages for home purchase in January generally remained above year-earlier levels in the case of existing home loans. Loan amounts averaged \$13,600, with loan-price ratios at 71.6 per cent and maturities just under 20 years, according to the Federal Home Loan Bank Board. In the case of new home loans, lenders appeared to be responding to the demand by borrowers for more expensive homes by allowing larger loan amounts on the average (\$17,500) in January, but at loan-price ratios (74.0 per cent) and maturities (24.7 years) about the same or somewhat lower than a year earlier.

Stock prices. Common stock prices, as measured by Standard and Poor's index of 500 stocks, rose moderately on balance last week to close at 87.21 on March 12. Trading volume averaged 5.5 million shares a day, off 0.8 million shares from the average for the previous week.

Institutional investors. For 1964 as a whole, the net increase in income-yielding claims on depositary-type savings institutions amounted to \$28.8 billion, only one per cent less than the record 1963 inflow. Deposit growth at mutual savings banks amounted to a record \$4.2 billion last year, 29 per cent larger than in 1963, with the increase largely attributable to higher interest rates--effective at the start of 1964--on deposits at New York banks. Smaller gains than in 1963 in savings capital at savings and loan associations and in time and savings deposits at commercial banks, however, more than offset this greater growth in mutual savings bank deposits. Net additions to savings capital at savings and loan associations totaled \$10.5 billion last year, 4 per cent less than in 1963, while the expansion in time and savings deposits at commercial banks (\$14.0 billion) was down 5 per cent.

Savings and loan association takings of mortgages were cut bank in 1964 much more sharply than was the growth in savings capital. Net mortgage acquisitions for the year amounted to \$10.3 billion, one-sixth less than the record 1963 total. Part of this smaller increase in mortgage holdings was undoubtedly the result of the efforts of the Federal Home Loan Bank Board to curtail borrowings by these associations. Total net borrowings--largely from Federal Home Loan Banks--(\$0.6 billion) were less than one-half of the record 1963 gain. Holdings of cash and U.S. Government securities rose \$0.5 billion, approximately half the increase of the previous year.

Mutual savings banks utilized their large 1964 deposit gain to make record net acquisitions of mortgage loans, which, at \$4.2 billion, were 9 per cent above the previous year. Moreover, they added modest amounts to their holdings of business and miscellaneous securities and of cash and Governments combined in contrast to 1963 reductions of \$0.1 and \$0.3 billion, respectively. In addition, the decline in holdings of municipal obligations was only half that of the previous year.

Life insurance companies. The net increase in assets of life insurance companies in 1964--excluding valuation adjustments--totaled a record \$7.8 billion, one-tenth larger than in the previous year. Despite the record volume of acquisitions of corporate securities--primarily through private placements of bonds, the net rise in holdings of domestic business securities of these companies (\$2.5 billion) was 6 per cent less than in 1963 because of the sharp rise in the amount of such bonds maturing during the year. Also, the Interest Equalization Tax on foreign securities--which although not made into law until 1964 had been proposed in the summer of 1963 with the stipulation that it would be retroactive to July 1, 1963--appreciably curtailed takings of such securities by the life companies; the increase in holdings of foreign

Sources and Uses of Funds of Major Types of Savings Institutions 1/
1956-1964

(In millions of dollars)

Year	Use of funds						Total sources or uses	Memo: Total Exc. Valuation change	Sources of funds		
	Cash	U.S. Govt. securities	Business securities	Mortgages	State & local govt. securities	Other assets			Net change in deposits of savings capital	Borrowing	Other
<u>Life Insurance Companies</u>											
1964	1	-247	2,484	4,636	-68	1,606	8,412	7,830	--	--	--
1963 ^r /	9	-358	2,621	3,639	-169	2,088	7,830	7,144	--	--	--
1962	64	36	2,261	2,707	135	1,272	6,475	6,526	--	--	--
1961	63	-293	2,629	2,435	296	2,110	7,240	6,345	--	--	--
1960	22	-430	2,025	2,578	385	1,346	5,926	5,644	--	--	--
1959	-56	-324	2,289	2,145	530	1,486	6,070	5,591	--	--	--
1958	69	154	2,479	1,821	314	1,434	6,271	5,692	--	--	--
1957	14	-526	2,495	2,241	124	950	5,298	5,241	--	--	--
1956	18	-1,026	1,972	3,569	236	808	5,577	5,427	--	--	--
<u>Savings and Loan Associations</u>											
1964	-61	549	--	10,329	n.a.	817	11,634	--	10,524	575	535
1963	38	877	--	12,079	n.a.	832	13,826	--	10,969	1,382	1,475
1962	611	352	--	9,936	n.a.	571	11,470	--	9,351	773	1,346
1961	635	616	--	8,764	n.a.	644	10,659	--	8,743	661	1,255
1960	497	118	--	6,929	n.a.	402	7,946	--	7,559	-190	577
1959	-402	658	--	7,514	n.a.	621	8,391	--	6,607	943	841
1958	439	646	--	5,578	n.a.	338	7,001	--	6,064	65	872
1957	27	391	--	4,278	n.a.	571	5,263	--	4,764	32	467
1956	52	440	--	4,268	n.a.	408	5,156	--	5,006	-211	361
<u>Mutual Savings Banks</u>											
1964	93	-88	27	4,303	-43	220	4,514	--	4,226	--	290
1963	-44	-244	-103	3,951	-87	109	3,581	--	3,270	--	311
1962	19	-53	137	3,154	-150	182	3,292	--	3,059	--	233
1961	63	-83	-36	2,200	5	110	2,258	--	1,934	--	324
1960	45	-628	231	1,933	-49	95	1,626	--	1,366	--	260
1959	-92	-399	-126	1,731	-8	55	1,161	--	946	--	215
1958	32	-313	627	2,067	44	112	2,569	--	2,347	--	221
1957	-31	-399	796	1,412	9	47	1,834	--	1,658	--	177
1956	-46	-481	184	2,280	30	69	2,035	--	1,844	--	191

^r/ Revised.

n.a.--Not available.

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

government and corporation securities (included in other assets) amounted to \$0.4 billion, about one-half as much as during 1963. However, this slack was more than taken up by a sharp jump in mortgage holdings which rose a record \$4.6 billion, three-tenths more than in the previous year. Furthermore, the reduction in holdings of U.S. Governments (\$0.2 billion) was one-third smaller than in 1963, while municipal bond holdings also fell less than in the previous 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

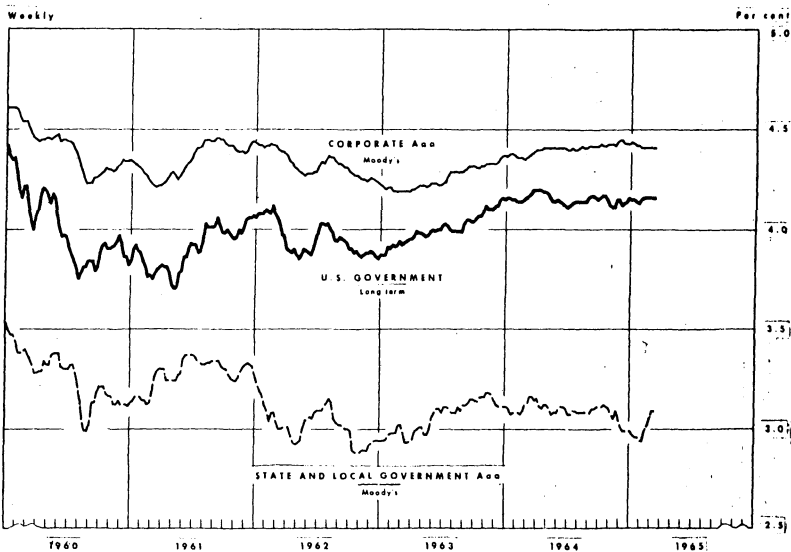


Exhibit A -- Part II

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
1961-62 - High	4.46 (9/15/61)	4.12 (2/23/62)	3.37 (7/6/61)	.57	1.04
1962-63 - Low	4.19 (3/29/63)	3.85 (12/28/62)	2.88 (11/8/62)	.21	.80
1964 - High	4.45 (12/11)	4.20 (4/37)	3.16 (3/26)	.33	1.14
1964 - Low	4.35 (2/28)	4.11 (11/20)	2.99 (12/31)	.19	1.01
1965 - High	4.44 (1/8)	4.16 (3/12)	3.09 (3/11)	.29	1.22
1965 - Low	4.41 (3/12)	4.13 (1/29)	2.94 (2/11)	.25	1.07
Feb. 12	4.41	4.16	2.94	.25	1.22
Feb. 19	4.41	4.16	2.99	.25	1.17
Feb. 26	4.41	4.16	3.03	.25	1.13
Mar. 5	4.41	4.16	3.09	.25	1.07
Mar. 12 p/	4.41	4.16	3.09	.25	1.07

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

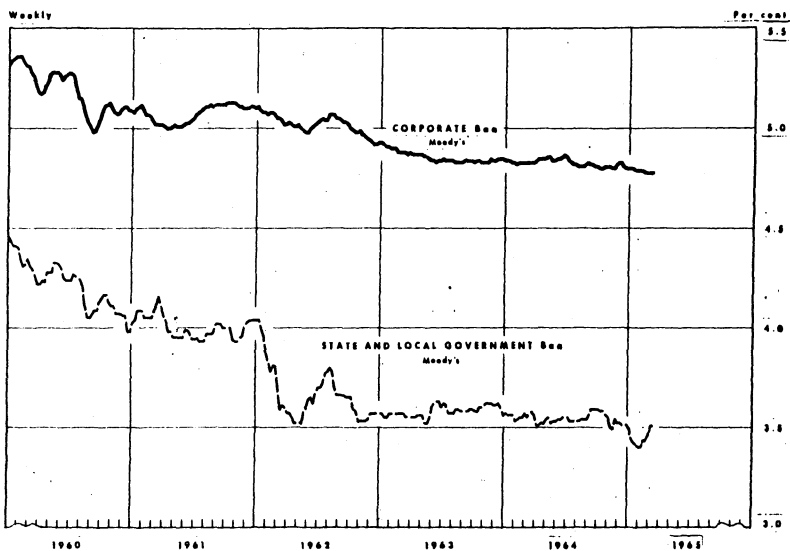


Exhibit B -- Part II

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
Year end - 1961	5.10	4.04	.66	.73
1962	4.93	3.57	.70	.63
1963	4.85	3.60	.48	.49
1964	4.80	3.51	.37	.52
1965 - High	4.80(1/8)	3.51(3/11)	.38	.52
Low	4.78(3/12)	3.40(2/11)	.36	.41
Feb. 12	4.79	3.40	.38	.46
Feb. 19	4.78	3.44	.37	.45
Feb. 26	4.78	3.44	.37	.41
Mar. 5	4.78	3.51	.37	.42
Mar. 12 p/	4.78	3.51	.37	.42

Notes: For footnotes see Exhibit A.

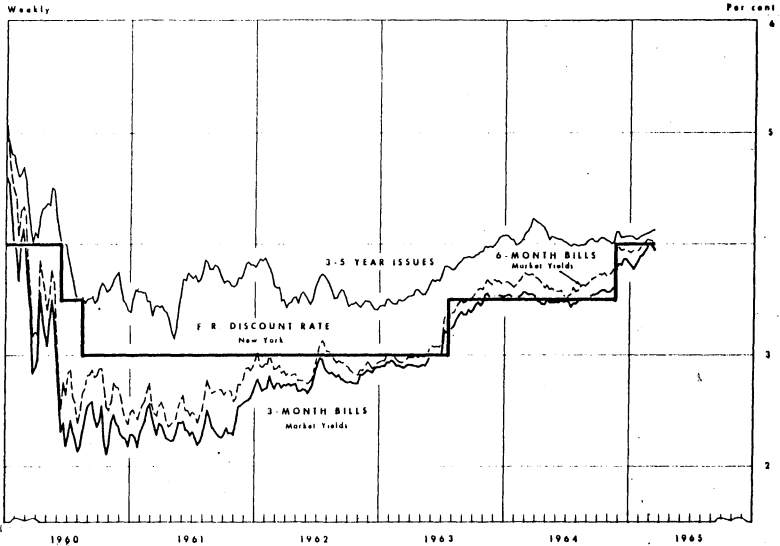
**SHORT- AND INTERMEDIATE-TERM INTEREST RATES
GOVERNMENT**


Exhibit C -- Part II

Date	Discount rate 1/	Yields			Spread between yields on 3-month bills and yields on	
		3-month bills 2/	6-month bills 2/	3-5 year issues 2/	6-mo. bills	3-5 yr. issues
(per cent)						
1959-60 - High	4.00	4.59 (1/8/60)	5.07 (1/8/60)	5.00 (12/24/59)	.79	1.81
Year end - 1961	3.00	2.66	2.90	3.81	.24	1.15
1962	3.00	2.89	2.93	3.41	.04	.52
1963	3.50	3.52	3.64	4.07	.13	.55
1964	4.00	3.83	3.93	4.07	.10	.24
1965-High	4.00	3.99(2/26)	4.04(2/26)	4.13(3/12)	.13	.29
Low	4.00	3.80(1/8)	3.92(1/8)	4.04(1/22)	.05	.11
Feb. 12	4.00	3.90	3.99	4.08	.09	.18
Feb. 19	4.00	3.94	4.02	4.09	.08	.15
Feb. 26	4.00	3.99	4.04	4.10	.05	.11
Mar. 5	4.00	3.96	4.02	4.12	.06	.16
Mar. 12 p/	4.00	3.94	4.01	4.13	.07	.19

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

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

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

Weekly

Per cent

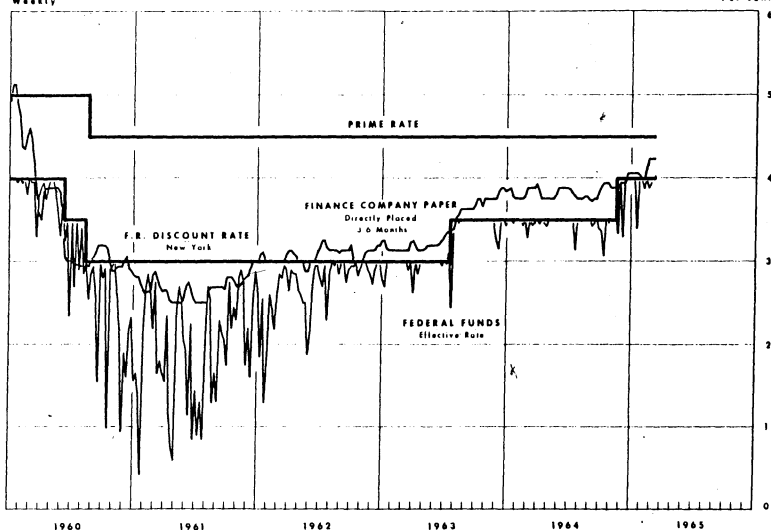


Exhibit D -- Part II

Date	Prime rate ^{1/}	Finance company paper ^{2/}	Federal funds ^{3/}	Spread between 3-mo. bills and finance co. paper
		(per cent)		
1959-60 - High	5.00	5.13 (1/22/60)	4.00 (5/23/60)	1.02
Year end - 1961	4.50	3.00	2.88	.34
1962	4.50	3.19	3.00	.30
1963	4.50	3.88	3.50	.36
1964	4.50	4.06	4.00	.23
1965 - High	4.50	4.25(3/12)	4.02(3/12)	.31
Low	4.50	4.00(2/12)	3.88(2/26)	.10
Feb. 12	4.50	4.00	3.88	.10
Feb. 19	4.50	4.13	4.00	.19
Feb. 26	4.50	4.25	3.88	.26
Mar. 5	4.50	4.25	4.00	.29
Mar. 12 p/	4.50	4.25	4.02	.31

^{1/} Weekly rate shown is that in effect at end of period. 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

Billions of dollars

1941-43 average=10

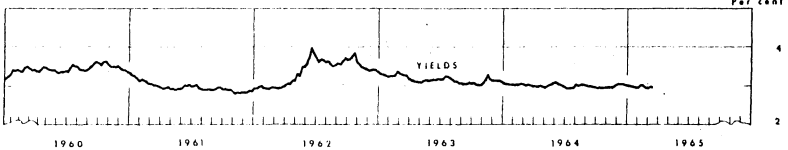
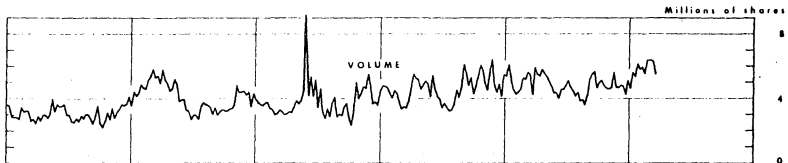
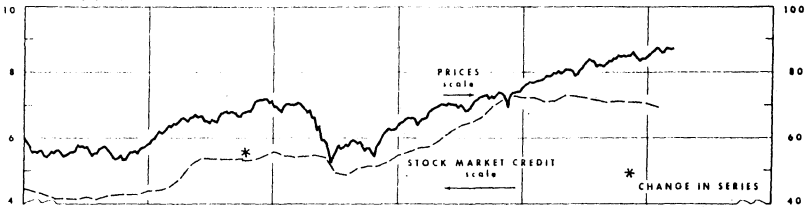


Exhibit E -- Part II

Date	Stock price index 1/	Common stock yields 2/ (per cent)	Trading volume 3/ (millions of shares)	Stock market customer credit		
				Total	Customers' debit balances 4/	Bank loans to "others" 5/
(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)
Year end						
1963	74.44	3.13	4.7	7,242	5,515	1,727
1964	84.75	3.02	4.7	7,053	5,099	1,974
1965 - High	87.56(1/29)	2.95	6.4	6,940	4,986	1,962(1/20)
Low	85.37(1/8)	3.02	4.7	--	--	1,848(3/3)
Jan.	86.12	2.99	5.5	6,940	4,986	1,954
Feb.	86.75	2.99	5.9	n.a.	n.a.	1,860
Feb. 26	87.43	2.96	6.4	n.a.	n.a.	1,865
Mar. 5	86.80	2.99	6.3	n.a.	n.a.	1,848
Mar. 12 p/	87.21	2.98	5.5	n.a.	n.a.	n.a.

n.a. - Not available. p/ Preliminary.

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

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.

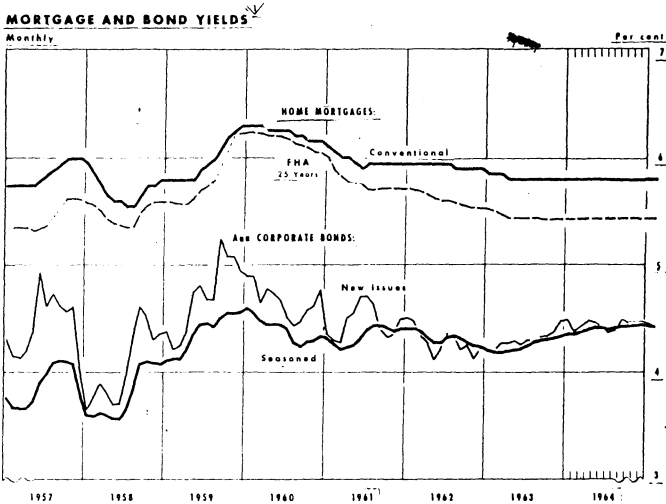


Exhibit F Part II

Date	FHA ^{2/} mortgages		Conventional mortgages ^{3/}	Spread between yields on conv. & 25-year FHA mortgages	Ass Corporate Bonds		Spread between yields on new corporate bonds and	
	25-year	30-year			New ^{4/}	Seasoned ^{5/}	25-year FHA mtgs.	Seasoned bonds
1956 - Low	4.68	--	5.20	.47	3.08	3.08	.76	--
1957 - High	5.63	--	6.00	.47	4.94	4.12	1.58	1.03
1958 - Low	5.35	--	5.55	.15	3.65	3.57	.88	.05
1959-60- High	6.24	--	6.30	.23	5.25	4.61	1.69	.73
1961-64- High	5.72	5.70	5.95	.38	4.72	4.45	1.50	.39
Low	5.43	5.45	5.80	.23	4.12	4.22	.94	-0.16
1964 - October	5.44	5.45	5.80	.36	4.46	4.42	.98	.04
November	5.44	5.45	5.80	.36	--	4.43	--	--
December	5.43	5.45	5.80	.37	4.47	4.44	.96	.03
1965 - January	5.43	5.45	5.80	.37	4.42	4.43	1.01	.01
February	5.43	5.45	5.80	.37	4.41	4.41	1.02	--

- ^{1/} Neither mortgage nor bond yields take into account servicing costs which are much higher for mortgages than bonds. Generally, bonds pay interest semi-annually; mortgages, monthly. Mortgage yields, if computed as equivalent to a semi-annual interest investment, would be slightly higher than given in the table.
- ^{2/} Based on FHA field-office opinions about average bid prices in the private secondary market for new-home mortgages for immediate delivery. Separate data available for 25-year and—beginning July 1961—30-year mortgages with minimum downpayments, weighted by probable volume of transactions. Yields computed by FHA, assuming prepayment period of 12 years for 25-year mortgages and 15 years for 30-year mortgages. Over the period for which they can be compared, the movement of the two mortgage yield series has been similar. Dashed lines indicate periods of adjustment to changes in contractual interest rates.
- ^{3/} Based on FHA field office opinion on typical interest rates (rounded) on conventional first mortgages prevailing in the market areas of insuring office cities. Beginning with April 1960, rate relates only to new-home mortgages; prior to that date, rate related to both new as well as existing-home mortgages. Dashed line indicates this change in the series.

See note for Exhibit G.

Moody's Investor Service. Monthly averages of daily data. See Exhibit A.

YIELDS ON NEW AND SEASONED CORPORATE BONDS

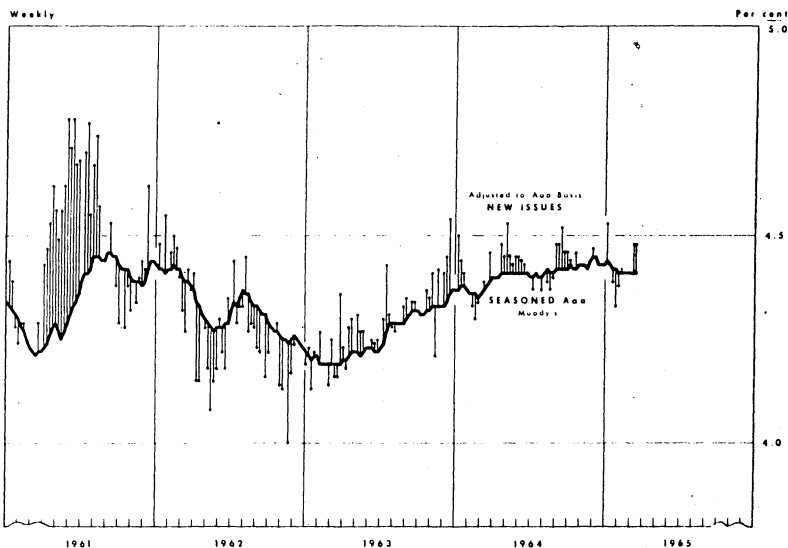


Exhibit G - Part II

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)
Monthly averages:				Dec. 4	3	140.0	4.47
1964 - Mar.	6	166.0	4.43	11	--	--	--
Apr.	1	130.0	4.48	18	--	--	--
May	10	278.0	4.46	25	--	--	--
June	8	230.0	4.43	Jan. 1	--	--	--
July	3	60.0	4.37	8	1	40.0	4.53*
Aug.	4	75.0	4.39	15	--	--	--
Sept.	7	239.0	4.49	22	1	14.0	4.39
Oct.	3	70.0	4.46	29	1	40.0	4.33
Nov.	--	--	--	Feb. 5	1	16.0	4.38
Dec.	3	140.0	4.47	12	1	60.0	4.42
1965 - Jan.	3	94.0	4.42	19	--	--	--
Feb.	3	111.0	4.41	26	1	35.0	4.41
Weekly averages				Mar. 5	2	60.0	4.48
1964 - High			4.53(5/8)	12	2	41.0	4.48
Low			4.30(2/21)				

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 normal 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	e/800	685	594	e/800	p/ 776	746
March	e/1,050	754	1,144	e/850	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		1,109	795		p/ 892	449
October		949	1,013		e/ 850	1,051
November		656	819		e/ 550	729
December		1,419	1,415		e/ 950	416
1st quarter	e/2,650	2,369	2,351	e/2,450	p/ 2,533	2,454
2nd quarter		4,625	2,847		p/ 2,811	2,665
3rd quarter		2,550	2,109		p/ 2,578	1,837
4th quarter		3,013	3,246		e/ 2,350	2,197
1st half		6,994	5,198		p/ 5,344	5,118
Three quarters		9,544	7,307		p/ 7,922	6,955
Year		12,557	10,553		e/10,272	9,151
	Excluding finance companies ^{3/}					
1st quarter	e/ 2,450	1,996	2,284			
2nd quarter		4,170	2,529			
3rd quarter		2,411	1,768			
4th quarter		e/ 2,763	2,854			
Year		e/11,340	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.

Exhibit I

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

Quarter or Month	Gross proceeds for new capital and refunding 1/					Net proceeds for new capital 1/ 2/			
	Total	Bonds		Common and pfd. stock	Memo: Foreign issues included	Mfg.	Public Utility	Communi- cations	Other issuers
		Publicly Offered	Privately Offered						
1962 - 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	806	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	2,802	792	1,516	494	85	547	642	59	1,303
IV	3,311	531	2,372	408	223	1,045	509	128	1,332
1965 - I									
1963 - 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.	1,204	376	672	156	44	234	296	19	560
Oct.	1,032	181	638	213	82	249	297	81	321
Nov.	702	30	620	52	27	188	40	17	401
Dec.	1,577	320	1,114	143	114	607	172	30	610
1965 - Jan. e/	815	165	550	100	n.a.	250	110	10	430
Feb. e/	840	190	500	150	n.a.	200	130	40	430
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 & other transportation, real estate & finance, & commercial & other.

Source: Securities & Exchange Commission.

Exhibit J

Other Security Offerings
(In millions of dollars)

	Cross long-term 1/					
	Foreign government 2/			Federal agency 3/		
	1965	1964	1963	1965	1964	1963
January	e/235	4	232	e/--	--	--
February	e/--	82	133	e/130	--	148
March		69	76		--	--
April		30	57		--	186
May		75	114		--	--
June		26	11		275	459
July		20	63		260	--
August		13	83		160	--
September		7	--		--	--
October		180	--		509	174
November		72	--		--	200
December		58	2		--	--
Jan. - Feb.	e/235	86	365	e/130	--	148
Year		636	771		1,204	1,167
	New short-term 4/					
	State and local government 5/			Federal agency 3/		
January	n.a.	103	75	-137	-78	-106
February	n.a.	236	272	p/-211	-336	-189
March		-407	-367		23	-482
April		442	589		97	292
May		81	-30		183	195
June		-80	-10		239	319
July		-9	62		-333	414
August		127	208		167	327
September		176	-173		1	258
October		7	259		525	123
November		-15	146		113	-102
December		p/-208	-339		-3	551
Jan. - Feb.	n.a.	339	347	p/- 74	-414	-295
Year		p/ 453	692		598	1,600

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) ^{1/}**

**Proceeds of Large Issues Offered
(In millions of dollars)**

	Corporate				State and local governments	Other ^{2/}
	Total	Bonds (other than convertibles)	Convertible bonds	Stocks		
1964 - 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	--	210	284	275
July	291	178	--	113	544	260
Aug.	142	25	17	--	459	104
Sept.	376	269	25	81	558	15
Oct.	187	108	--	79	419	502
Nov.	--	--	--	--	226	15
Dec.	230	200	30	--	541	--
1965 - Jan.	130	115	--	15	419	235
Feb.	217	131	--	86	446	130

Large Individual Issues Offered March 1 through 12

Issuer	Type ^{3/}	Amount (millions of dollars)	Maturity	Coupon rate or net interest cost	Offering yield	Rating
Corporate						
*W.R. Grace & Co.	Conv. sub. deb.	83.5	1990	4-1/4	4.25	--
Mississippi Pwr. & Lt. Co.	1st mtg. bds.	20.0	1995	4-5/8	4.57	A
Florida Pwr. & Lt. Co.	1st mtg. bds.	40.0	1995	4-5/8	4.51	Aa
*United Air Lines Inc.	Conv. deb.	66.5	1990	4	4.00	Ba
General Acceptance Corp.	Deb.	35.0	1995	4-7/8	4.95	--
Okla. Gas & Elec. Co.	1st mtg. bds.	25.0	1995	4-1/2	4.50	Aa
Southwestern P. S. Co.	1st mtg. bds.	16.0	1995	4-5/8	4.58	A
State & Local Government						
Public Housing Auth.	--	115.7	1966-2005	3.29	2.20-3.38	Aaa
Fairfax Co., Va.	G.O.	10.0	1966-90	3.40	2.35-3.45	Baa
Prince Georges Co., Md.	G.O.	18.3	1966-90	3.23	2.30-3.35 ^{4/}	A
Louisiana State Bond & Bldg. Comm.	Rev.-Rent.	15.0	1966-90	3.44	2.30-3.50	A
Milwaukee, Wisc.	G.O.	12.0	1966-80	2.96	2.25-3.00	Aaa
State of New York	G.O.	43.6	1967-2015	3.23	2.35-3.65	Aa
Nassau Co., N.Y.	G.O.	19.6	1966-94	n.a.	2.30-3.40	A

Large Individual Issues Offered March 1 through 12 (Cont'd)

Issuer	Type <u>3/</u>	Amount (millions of dollars)	Maturity	Coupon rate or net inter- est cost	Offering yield	Rating
<u>Other</u>						
Federal Home Loan Banks	Bonds	18.5	1967	4-1/4	4.33	--

*--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.

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/
1964 - 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
1965 - Jan. 29	169	242	--	253	382	--
Feb. 26	407	316	--	504	599	--

Forthcoming Large Offerings as of March 12

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
Corporate			
Carolina, Clinchfield, & Ohio Railroad Co.	Gen. mtg. bds.	16.0	Mar. 17
Northern Nat. Gas Co.	Deb.	20.0	Mar. 18
Spiegel, Inc.	Deb.	40.0	Mar. 23
General Tel. & Elec. Co.	Sub. conv. deb.	100.0	Mar. 17
Brooklyn Union Gas Co.	1st mtg. bds.	20.0	Mar. 25
J. P. Stevens Co.	Conv. sub. deb.	30.0	Mar. 30
Texas Oil & Gas Corp.	1st mtg. bds.	15.0	Mar. 30
Phila. Elec. Pwr. Co.	1st mtg. bds.	25.0	Mar.
Celanese Corp.	Con. sub. deb.	78.9	Apr. 1 (rts. ex.)
Spiegel, Inc.	Sub. deb.	17.7	Apr. 9 (rts. ex.)
Pacific Tel. & Tel. Co.	Deb.	125.0	May
Chrysler Corp.	Com. stk.	25 ⁰ .0	May (rts. ex.)

Forthcoming Large Offerings as of March 12

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>State and Local Government</u>			
Charlotte, N.C.	G.O.	10.8	Mar. 16
Ohio State Bldg. Comm.	Rev.-Rent.	16.5	Mar. 18
Fort Worth, Texas	G.O.	10.4	Mar. 23
Florida State Bd. of Ed.	G.O.	25.0	Mar. 23
*Georgia State Sch. Bldg. Auth.	Rev.-Rent.	27.0	Mar. 23
Tacoma Dept. of Pub. Util, Wash.	Rev.-Ut.	50.0	Mar. 24
Philadelphia, Penns.	G.O.	19.7	Mar. 31
State of Ohio	G.O.	40.0	Apr. 1
Clark Sch. Dist., Nev.	G.O.	17.0	Apr. 1
Pittsburgh, Pa.	G.O.	35.0	Indefinite
Dade County, Fla.	G.O.	46.0	Indefinite
Florida Dev. Comm.	Rev.-S.T.	33.8	Indefinite
Los Angeles Harbor Dist., Calif.	Rev.-Q.-Ut.	11.0	Indefinite
Va. State Highway Auth.	Rev.-Q.-Ut.	31.0	Indefinite
<u>Other</u>			
City of Helsinki, Finland	Bonds	10.0	March 25
*Nippon Tel. & Tel Public Corp.	Bonds	20.0	March

*--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 Jan. 1 through March 31		
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%.
1/25	20.0	Republic of Portugal--5-3/4% bonds, maturing 1985, reoffered to yield 5.97%.
B. Prospective Offerings		
*3/25	10.0	City of Helsinki, Finland - bonds
*3/	20.0	Nippon Tel. & Tel. Public Corp. - bonds

* Included in table for first time.

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Part II: Private Placement--Reported January 1 through March 12

Date reported	Amount (millions of dollars)	Issuer and Description of Issue
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 debentures, maturing 1989--no information available on takedown.
*3/8	10.0	British Columbia School Dists. Capital Financing Authority--4-5/8% instalment debentures, maturing 1965--no information available on takedown.

Note: For retrospective data on aggregate foreign corporate and government security offered 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/		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. <u>r/</u>	1,465	5,813	56,050	387	3,868	50,596	22,942	141,121	134,940
1964 - Dec.	1,443	5,511	58,621	241	3,808	55,179	24,515	149,318	142,637
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 <u>r/</u>	116	-28	920	-238	-22	1,336	159	2,243	2,045
1964 - I	-166	-24	625	108	-27	898	750	2,164	1,732
II	-18	-101	715	-154	-27	1,025	454	<u>r/</u> 1,894	<u>r/</u> 1,715
III	24	154	479	81	24	1,094	352	2,208	2,113
IV	161	-276	805	-175	-38	1,619	50	2,146	2,269
1963 - Dec. <u>r/</u>	179	-24	407	-421	-12	742	35	906	790
<u>r/</u> 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	<u>r/</u> 649	<u>r/</u> 581
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.	53	-188	550	-372	-33	775	-213	572	758

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 - Dec.	3,903	6,989	101,178	6,995	119,065	101,729	5,586	11,750
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	512	211	2,283	244	3,250	3,274	521	-545
1963 - 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.	22	42	836	72	972	751	-36	257
Nov. <u>1/</u>	84	141	687	229	1,141	859	-31	313
Dec. <u>p/</u>	406	28	760	-57	1,137	1,664	588	-1,115

1/ 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 - Dec.	1,005	5,776	5,101	397	40,312	1,625	54,217	48,833	5,384
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	122	-307	-92	-12	1,166	-1	878	1,076	-199
1963 - 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.	100	-9	-79	-2	414	-33	392	645	-254

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 Re-construction and Development, nonguaranteed Federal agency and other bonds as well as corporate bonds and stock.

Source:--NAMSB