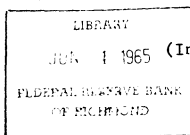


H.14

June 1, 1965.



CAPITAL MARKET DEVELOPMENTS
IN THE UNITED STATES

(Including Review of Capital Markets in May and Sources and Uses
of Funds of Financial Intermediaries during the First
Quarter)

Long-Term Public Security Offerings 1/

	Corporate		State & Local Government	
	New Capital	Refunding	New Capital	Refunding
Sold:				
52 week avg.	98	2	186	12
May 21	340 <u>r/</u>	7 <u>r/</u>	191 <u>r/</u>	--
May 28	70	--	294	--
Scheduled:				
June 4	30	--	152	--

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.

Corporate and municipal security financing. In this holiday-shortened week, public security financing by both corporations and State and local governments will be below that of recent weeks. A bond offering of \$48 million by the State of Connecticut will top the new issue supply.

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	4.55	+ 6
Seasoned	4.44	+ 1
<u>U.S. Govt.</u>		
Long-term	4.14	- 1
3-5 year	4.10	- 1
<u>State and local Govt.</u>		
Moody's Aaa	3.09	--
Standard & Poor's high grade	3.20	- 2
<u>Money Market</u>		
Federal funds	4.10	+ 5
Treasury bills		
3-month	3.88	- 2
6-month	3.94	- 1

Corporate Bonds Still in Syndicate

<u>Date Offered</u>	<u>Amount</u> (millions of \$)	<u>Issue</u>	<u>Reoffering yield</u>	<u>Rating</u>	<u>Estimated Proportion Sold</u>
4/27	30.0	Hunt Food & Ind. Inc. 4-3/4's - 90	4.83	Baa	3/4
5/20	125.0	Pacific Tel. & Tel. Co. 4-5/8's - 2000	4.50	Aaa	1/4
5/20	14.0	Interstate Power Co. 4-5/8's - 95	4.60	A	3/10
5/26	6.0	Metropolitan Edison Co. 4-3/4's - 90	4.63	A	2/3

Blue List of Municipal Dealers' Advertised Inventories

(In millions of dollars)

<u>Latest Date</u>	<u>End of Previous Week</u>	<u>Recent High</u>
\$854 (5/27)	\$826	\$854 (5/27)

FNMA secondary market operations. Purchases by the Federal National Mortgage Association moved moderately higher in April, to a level of \$38.7 million. This compared with \$36.5 million in March of this year and with \$26.4 million in April of last year. Offerings also increased somewhat this April, to \$40.4 million.

Sales in the secondary market by FNMA totaled only \$7.9 million in April. Such sales have fluctuated at a reduced level since mid-1963. In March, the total was \$5.1 million and in April of last year, \$12.7 million.

Capital markets in May. Corporate security financing to obtain new capital probably aggregated \$1,550 million during May, a record for the month and almost one-half more than a year earlier. As usual, most of this total was raised through the issue of debt instruments (both publicly offered and privately placed). Publicly offered bonds sold during the month had gross proceeds of nearly \$710 million, the largest monthly total since June 1961. Subscription rights expired on the \$269 million common stock offering of Chrysler Corporation.

Largely because of the very heavy volume of public bond offerings in May and the continuing large supply scheduled for June, new offerings were priced somewhat less aggressively than in April. Yields on new corporate bonds (adjusted to an Aaa basis) averaged 4.51 per cent for the month, five basis points more than in April and the highest since January 1962. Despite this increase in yields, investors were quite selective in making commitments and several offerings--including the \$125 million Pacific Telephone and Telegraph Company issue--moved very slowly. Even among offerings which initially met favorable retail demand, underwriters

for several were left with hard core segments that could not be disposed of prior to termination of price restrictions. After syndicates were broken on eight issues (including three carried over from April), price adjustments in the free market were sufficient to raise yields 2-9 basis points. At month's end, unsold balances in the four issues still in syndicate totaled about \$125 million.

State and local government bonds sold during May had an estimated par value of \$900 million, one-third more than a year earlier. Again, as in April, large issues brought to market during the month were successfully distributed, but many smaller issues of lesser known issues were not well received. As a result, dealers' advertised inventories of unsold securities were only occasionally below \$800 million and stood at a record high of \$854 million near the month's end; this, however, was only \$30 million greater than at the end of April. Despite the high level of inventories, yields on seasoned, Aaa-rated municipals, continued at their 3.09 per cent level first reached at the start of March.

After reaching on all-time high of 90.27 on May 13, common stock prices (as measured by Standard and Poor's composite index of 500 stocks) eased during the remainder of the month. Closing at 88.42 on May 28, prices were 2 per cent under their high and one per cent below the month-earlier level. Trading volume averaged 5.6 million shares a day during the month.

Estimated security financing in June. Corporations are expected to raise \$1,650 million in new capital through security flotation in June, a record for the month and one-fifth greater than in June 1964. The usual large seasonal takedown of private placements will be augmented by a continuing large volume of public bond offerings. Two giant commercial bank debt offerings--\$250 million in notes of Chase Manhattan Bank and \$267 million in convertible notes of the First National City Bank to be offered first to stockholders--will make up two-thirds of the \$765 million in large offerings.

Corporate security financing projected for June will bring the total for the second quarter of \$4,125 million, one-ninth less than the unusually large total for the comparable quarter last year, which included the expiration of rights on the \$1-1/4 billion AT&T common stock offering.

Municipal bond offerings this month are expected to total \$800 million, one-ninth less than a year earlier. This will bring such financing for the quarter to \$2,500 million, one-tenth less than in the second quarter last year.

Depository-type savings institutions. During the entire first quarter of this year, growth in income-yielding claims on depository type savings institutions amounted to \$9.2 billion, a record for that period and 20 per cent more than in the comparable period of 1964. All of this year-over-year expansion in savings flows was attributable to a sharp rise in time and savings deposits at commercial banks; these deposits increased \$6.2 billion during the period, 82 per cent more than a year earlier and 13 per cent more than the previous first quarter record set in 1962. This greater growth followed the liberalization of interest

payments on time and savings deposits by banks since January 1, 1965. The \$1.9 billion gain in savings capital at savings and loan associations, on the other hand, was 19 per cent below the corresponding period of 1964 and the smallest January-March inflow since 1961. Deposit growth at mutual savings banks (\$1.1 billion) was nominally smaller than the record 1964 first quarter increase.

With the sharply reduced inflow of savings capital at savings and loan associations, these institutions adjusted their mortgage lending activities downward. Net mortgage acquisitions of \$1.8 billion were one-fifth less than in the similar 1964 period. The small reduction in cash and U. S. Government securities combined was the same as last year, and the seasonal cutback in borrowings was only slightly larger than in 1964.

Changes in assets at mutual savings banks were not materially different from the first quarter of 1964. The increase in mortgages and cash and Government holdings combined were slightly larger than last year, but this was nearly offset by a moderately smaller gain in business and miscellaneous security holdings.

Life insurance companies. The net gain during January-March in assets of life insurance companies--excluding valuation adjustments--totaled \$2.1 billion, a record for the period and was one-fifth larger than during the same period last year. Most of this large inflow of funds was placed in mortgages--net mortgage acquisitions (\$1.2 billion) were a record for the quarter and three-tenths more than in the comparable period last year. Although net acquisitions of business securities of all types were a record for the period (\$0.8 billion), the increase in holdings of long-term bonds and stocks (\$0.5 billion) was one-fifth less than a year earlier; acquisitions of short-term commercial and finance company paper were sharply larger than last year. The net reduction in the combined holdings of cash and Governments (\$0.2 billion) was about one-sixth smaller than in the first quarter of 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.

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

First Quarter 1957-1965

(In millions of dollars)

Year	Uses of funds					Total sources or uses	Memo: Total Excl. Valuation changes 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>											
1965	-206	46	796	1,164	-21	566	2,345	2,114	--	--	--
1964	-171	-25	761	910	-10	480	1,945	1,751	--	--	--
1963 _r /	-226	-149	687	624	4	920	1,860	1,567	--	--	--
1962	-173	172	676	406	149	305	1,535	1,481	--	--	--
1961	-98	116	547	550	104	648	1,867	1,557	--	--	--
1960	-182	-38	341	709	83	441	1,354	1,227	--	--	--
1959	-148	27	648	401	<u>x</u> /148	314	1,390	1,285	--	--	--
1958	-123	58	631	455	86	318	1,425	1,345	--	--	--
1957	-206	-77	571	688	21	336	1,333	1,221	--	--	--
<u>Savings and Loan Associations</u>											
1965	-469	411	--	1,846	n.a.	170	1,958	--	1,886	-666	738
1964	-351	291	--	2,223	n.a.	56	2,219	--	2,320	-688	587
1963 _r /	-137	537	--	2,285	n.a.	57	2,742	--	3,036	-1,025	731
1962 _r /	-130	312	--	1,894	n.a.	29	2,105	--	1,977	-560	688
1961	-25	386	--	1,499	n.a.	89	1,949	--	1,858	-571	662
1960	-300	238	--	1,262	n.a.	56	1,256	--	1,503	-699	<u>x</u> /452
1959	-325	454	--	1,438	n.a.	143	1,710	--	1,378	-242	574
1958	267	26	--	775	n.a.	27	1,095	--	1,317	-592	370
1957	-235	347	--	838	n.a.	122	1,070	--	997	-299	372
<u>Mutual Savings Banks</u>											
1965	3	262	46	937	-10	125	1,364	--	1,140	--	223
1964 _r /	-25	254	77	927	-16	123	1,340	--	1,155	--	185
1963 _r /	-65	325	-20	1,069	-52	57	1,315	--	970	--	344
1962 _r /	-41	371	50	661	-44	69	1,068	--	806	--	261
1961	-19	323	34	505	-6	72	909	--	657	--	252
1960	-53	12	30	485	-12	72	475	--	302	--	173
1959 _r /	-55	157	-63	369	34	-40	401	--	256	--	145
1958	39	20	332	395	32	54	872	--	718	--	153
1957	-76	59	205	355	7	54	605	--	435	--	170

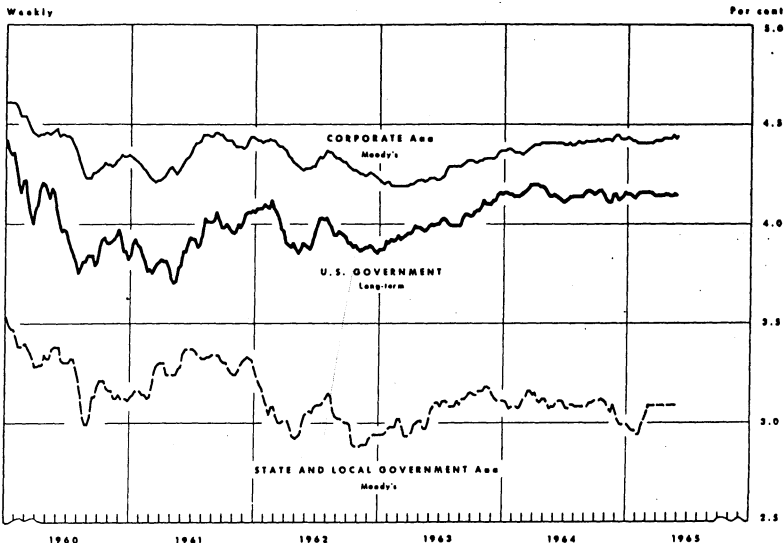
r/ Revised.

n.a.--Not available.

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.

LONG-TERM BOND YIELDS, HIGH-GRADE



Date	Corporate Ass 1/	U. S. Govt. long-term 2/	State and local government Ass 3/	Spread between U. S. Govt. and	
				Corporate Ass	State and local Ass
(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 (4/17)	3.16(3/26)	.33	1.14
Low	4.35 (2/28)	4.11 (11/20)	2.99(12/31)	.19	1.01
1965 - High	4.45(5/14)	4.16(3/12)	3.09(5/27)	.31	1.22
Low	4.41(3/12)	4.13(1/29)	2.94(2/11)	.25	1.05
Apr. 30	4.43	4.15	3.09	.28	1.06
May 7	4.43	4.14	3.09	.29	1.05
May 14	4.45	4.14	3.09	.31	1.05
May 21	4.43	4.15	3.09	.28	1.06
May 28 p/	4.44	4.14	3.09	.30	1.05

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.

LONG-TERM BOND YIELDS, LOWER GRADE

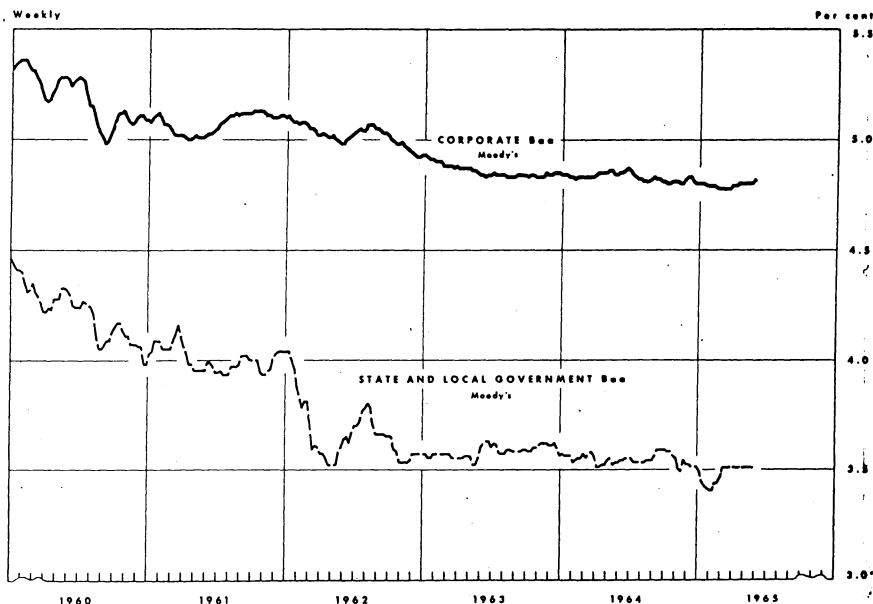


Exhibit B -- Part II

Date	Corporate Baa <u>1</u> /	State and local govt. Baa <u>3</u> /	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	4.82(5/28)	3.51(5/27)	.38	.52
Low	4.78(3/19)	3.40(2/11)	.35	.41
Apr. 30	4.80	3.51	.37	.42
May 7	4.80	3.51	.37	.42
May 14	4.80	3.51	.35	.42
May 21	4.81	3.51	.38	.42
May 28 p/	4.82	3.51	.38	.42

Notes: For footnotes see Exhibit A.

EXHIBIT C, Part I

SHORT- AND INTERMEDIATE-TERM INTEREST RATES
GOVERNMENT

Weekly

Per cent

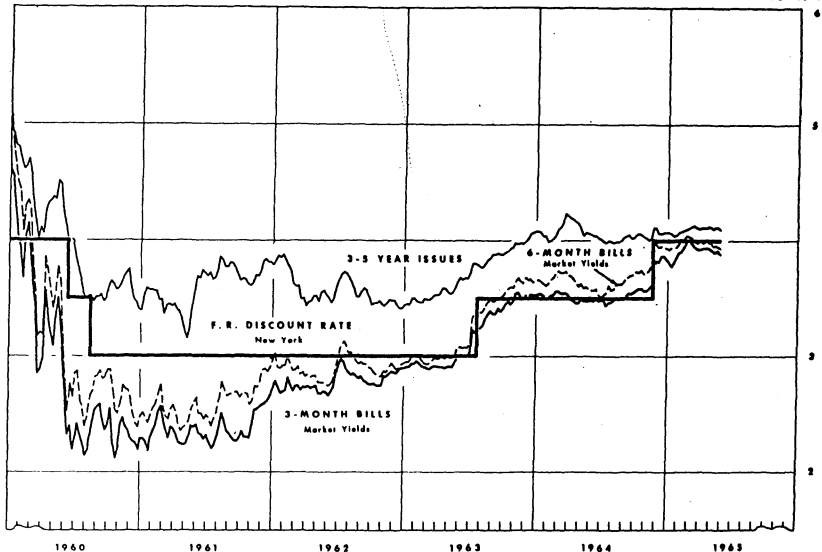


Exhibit C -- Part II

Date	Discount rate 1/	Yields			Spread between yields on 3-	
		3-month bills 2/	6-month bills 2/	3-5 year issues 2/	month bills and yields on 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
Apr. 30	4.00	3.91	3.98	4.12	.07	.21
May 7	4.00	3.89	3.95	4.10	.06	.21
May 14	4.00	3.89	3.96	4.11	.07	.22
May 21	4.00	3.90	3.95	4.11	.05	.21
May 28 p/	4.00	3.88	3.94	4.10	.06	.22

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

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

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

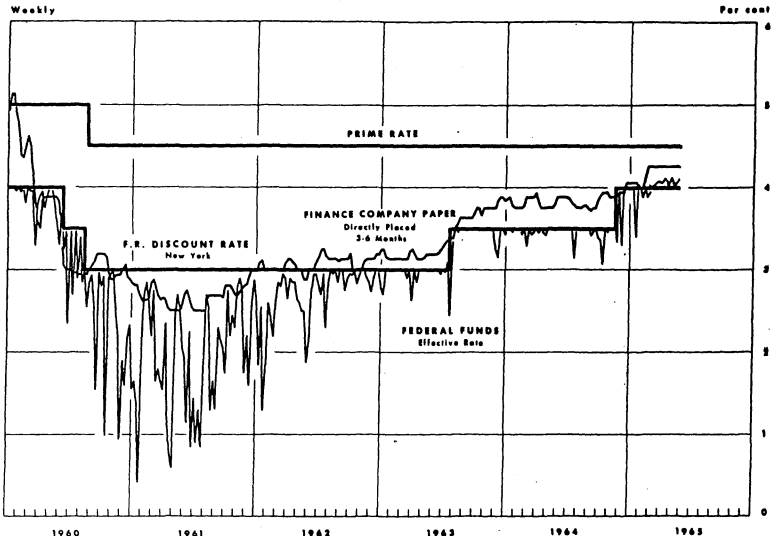


Exhibit D -- Part II

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 (5/13/60)	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 (5/28)	4.12 (5/7)	.37
Low	4.50	4.00 (2/12)	3.88 (2/26)	.10
Apr. 30	4.50	4.25	4.00	.34
May 7	4.50	4.25	4.12	.36
May 14	4.50	4.25	4.05	.36
May 21	4.50	4.25	4.05	.35
May 28 ^{p/}	4.50	4.25	4.10	.37

^{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

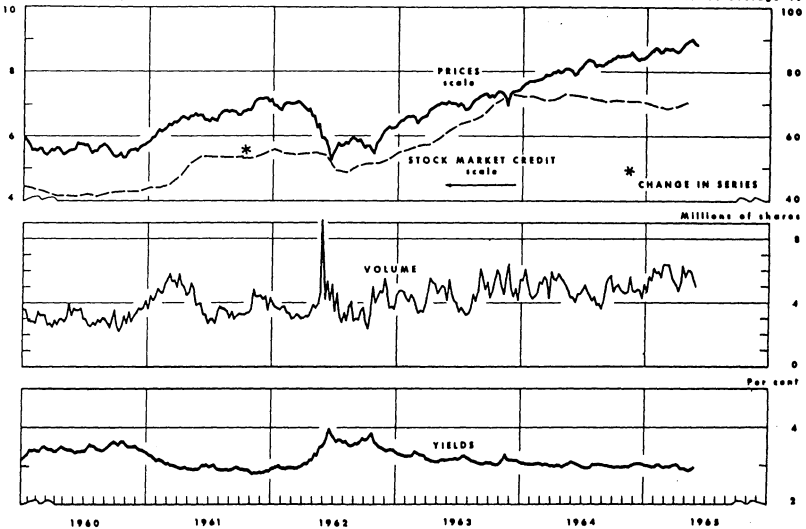


Exhibit E -- Part II

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	5,607(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	90.10(5/14)	2.89	6.4	7,004	5,069	1,962(1/20)
Low	85.37(1/8)	3.02	4.7	6,872	4,986	1,848(3/3)
Apr.	87.97	2.95	5.7	7,004	5,069	1,935
May	89.28	2.92	5.6	n.s.	n.s.	n.s.
May 14	90.10	2.89	5.9	n.s.	n.s.	1,941
May 21	88.75	2.94	5.3	n.s.	n.s.	1,953
May 28 p/	88.42	2.96	5.0	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. Highs and lows are for Friday's data only.

2/ Standard and Poor's composite stock yield based on Wednesday data converted to weekly closing prices by Federal Reserve. Yields shown are for dates on which price index reached its high or low.

3/ Averages of daily trading volume on the New York Stock Exchange. 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.

FEDERAL NATIONAL MORTGAGE ASSOCIATION

SECONDARY MARKET OPERATIONS

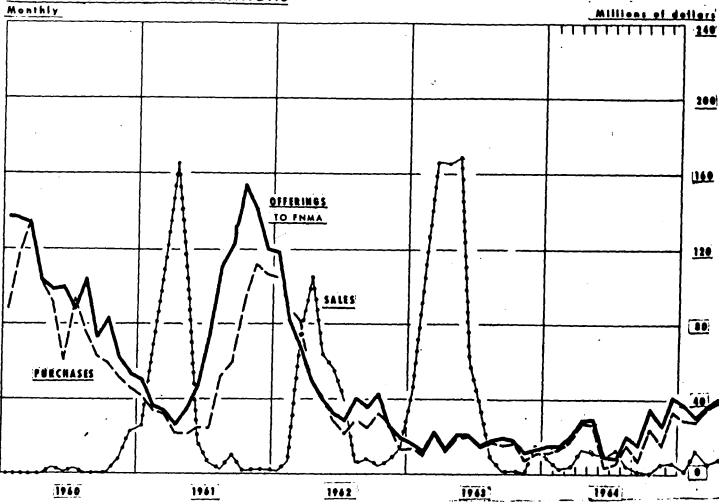


Exhibit F - Part II

Date	Estimated offerings to FNMA			Purchases by FNMA	Sales by FNMA
	Total	Immediate purchase	Standby commitment		
(In millions of dollars)					
Apr.	28.5	28.5	.1	26.4	12.7
May	28.9	28.9	--	25.8	10.9
June	9.3	9.2	--	3.8	9.5
July	8.4	8.0	.3	5.5	12.6
Aug.	20.5	20.5	--	15.2	4.4
Sept.	15.1	14.9	.1	7.2	1.6
Oct.	34.9	34.8	.1	24.0	--
Nov.	26.0	25.9	.1	16.0	5.7
Dec.	41.3	41.1	.1	32.5	5.9
1965 - Jan.	36.6	36.6	.1	29.8	2.0
Feb.	30.6	30.6	--	28.5	12.5
Mar.	36.9	36.9	--	36.5	5.1
Apr.	40.4	40.4	--	38.7	7.9

--Less than \$50,000.

1/ Data represent unpaid principal balances of the mortgages involved, exclusive of premiums, discounts, or other charges. Offerings are amounts of applications received during the period from sellers proposing that FNMA execute purchasing contracts. An immediate purchase contract covers existing mortgages which the seller must deliver to FNMA within 45 days. A standby commitment contract relates to proposed mortgages on housing not yet under construction which the seller must usually deliver within one year. Purchases include those under both immediate purchases and standby commitment contracts. Data exclude FNMA activity under Special Assistance and Management and Liquidating Programs.

YIELDS ON NEW AND SEASONED CORPORATE BONDS

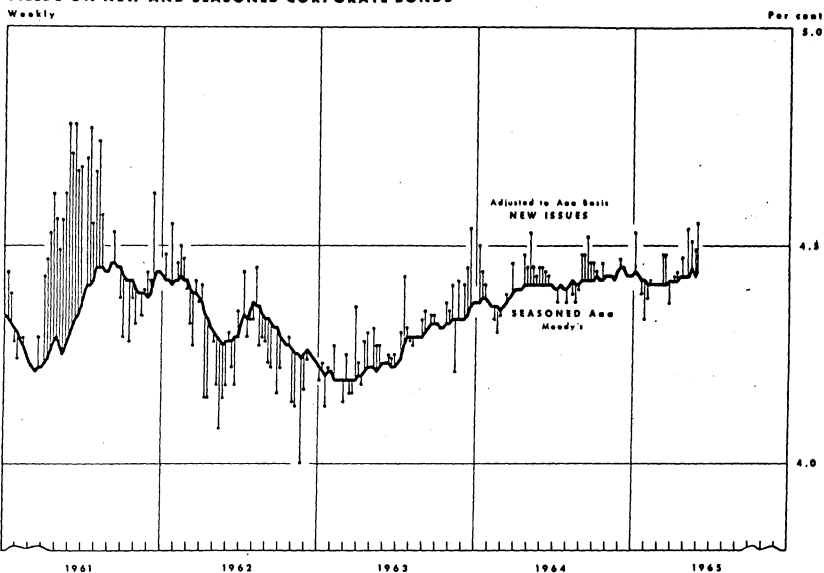


Exhibit G - Part II

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:				Apr. 2	1	25.0	4.43
1964 - Oct.	3	70.0	4.46	9	2	60.0	4.44
Nov.	--	--	--	16	--	--	--
Dec.	3	140.0	4.47	23	1	30.0	4.47
1965 - Jan.	3	94.0	4.42	30	--	--	--
Feb.	3	111.0	4.41	May 7	2	70.0	4.54*
Mar.	7	157.8	4.45	14	2	40.0	4.51
Apr.	4	115.0	4.46	21	3	199.0	4.49*
May	8	315.0	4.51	28	1	6.0	4.55
Weekly averages							
1965 - High			4.55(5/28)				
Low			4.33(1/29)				

Note: Averages of offering yields on all new issues of publicly offered corporate bonds rated Aaa, Aa and A by Moody's Investors Service (except serial and convertible issues, offerings of natural gas pipeline and foreign companies, and bonds guaranteed by the Federal Government) weighted by size of offering. Before averaging, new offerings are adjusted to a composite Aaa basis by deducting from the actual offering yield the excess of the weekly average yield for seasoned bonds of the appropriate industry-quality group over the composite average for seasoned Aaa-rated bonds (Moody's). Averages considered unrepresentative because of special characteristics of the offerings included are denoted by an asterisk.

Long-term Corporate and State and Local Government
Security Offerings and Placements

(In millions of dollars)

	New Capital					
	Corporate 1/			State and Local 2/		
	1965	1964	1963	1965	1964	1963
January	795	930	613	e/ 800	p/ 947	732
February	746	685	594	e/ 800	p/ 776	746
March	1,197	754	1,144	e/ 850	p/ 810	976
April	e/ 925	2,178	930	e/ 800	p/ 1,242	869
May	e/ 1,550	1,069	904	e/ 900	p/ 667	866
June	e/ 1,650	1,378	1,013	e/ 800	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/ 2,798	2,369	2,351	e/ 2,450	p/ 2,533	2,454
2nd quarter	e/ 4,125	4,625	2,847	e/ 2,500	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	e/ 6,863	6,994	5,198	e/ 4,950	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/ 2,438	1,996	2,284			
2nd quarter	e/ 3,725	4,170	2,529			
3rd quarter		2,411	1,768			
4th quarter		2,755	2,854			
Year		11,332	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 - 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	3,007	905	1,673	429	249	1,072	541	91	1,034
II									
1963 - 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.	858	161	565	131	49	385	97	21	292
Feb.	791	187	450	155	51	192	215	44	295
Mar.	1,358	557	658	143	143	494	229	26	448
Apr. e/	1,030	420	500	110	n. a.	300	150	10	490
May									
June									

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)

	Gross long-term 1/					
	Foreign government 2/			Federal agency 3/		
	1965	1964	1963	1965	1964	1963
January	218	4	232	--	--	--
February	--	82	133	129	--	148
March	38	69	76	185	--	--
April	e/ 60	30	57	e/326	--	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. - Apr.	e/ 316	185	498	e/640	--	334
Year		636	771		1,204	1,167
New short-term 4/						
	State and local government 5/			Federal agency 3/		
	1965	1964	1963	1965	1964	1963
January	238	103	75	-137	-308	-332
February	91	236	272	-174	-336	-255
March	-458	-407	-367	117	23	-161
April	p/ 645	442	589	p/ -95	97	202
May		81	-30		183	195
June		-80	-10		239	319
July		-9	62		-333	415
August		127	208		167	326
September		176	-173		1	258
October		7	259		525	123
November		-15	146		113	-102
December		-208	-339		-3	551
Jan. - Apr.	516	374	569	p/-289	-524	-546
Year		453	692		368	1,539

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 Auth. notes. In some instances PHA notes included may have a somewhat longer maturing 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 - May	452	415	--	37	274	15
June	650	390	--	210	284	275
July	291	178	--	113	544	260
Aug.	142	125	17	--	459	104
Sept.	376	269	25	81	558	15
Oct.	137	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
Mar.	513	233	280	--	395	19
Apr.	307	210	97	--	411	260
May	928	560	53	315	492	40

Large Individual Issues Offered During May

Issuer	Type 3/	Amount (millions of dollars)	Maturity	Coupon rate or net interest cost	Offering yield	Rating
Corporate						
Wachovia Bank & Trust Co.	Notes	25.0	1990	4.60	4.60	--
Boston Gas Co.	1st mtg. bds.	25.0	1990	4.65	4.57	A
Allis Chalmers Mfg. Co.	S. F. deb.	45.0	1990	4.85	4.85	Baa
	Pfd. stk.	30.0				
Columbia Gas System, Inc.	Deb.	40.0	1990	4-5/8	4.60	A
General Amer. Trans. Corp.	Equip. tr. cert.	40.0	1985	4.60	4.60	A
Beneficial Finance Co.	Deb.	75.0	1993	4-3/4	4.75	--
Northern Ind. P. S. Co.	1st mtg. bds.	30.0	1995	4-5/8	4.50	Aa
Chrysler Corp.	Com. stk.	269.3				
Virginia Electric & Pwr. Co.	1st & ref. mtg. bds.	60.0	1995	4-1/2	4.52	Aa
Central Data Corp.	S. F. deb.	40.0	1985	5	4.95	Baa
Pacific Tel. & Tel. Co.	Deb.	125.0	2000	4-5/8	4.50	Aaa
*American Airlines Inc.	Conv. sub. deb.	53.1	1990	4	4.00	--
Indian Head Mills, Inc.	Sub. deb.	20.0	1990	5-1/2	5.42	--
*Murphy Oil Corp.	Pfd. stk.	15.4				
Family Finance Corp.	Deb.	35.0	1990	4-3/4	4.84	--

Large Individual Issues Offered During May (Cont'd)

Issuer	Type <u>3/</u>	Amount (million of dollars)	Maturity	Coupon rate or net inter- est cost	Offering yield	Rating
<u>State & Local Government</u>						
Penna. State Pub. Sch. Bldg. Auth.	Rev.-Rent.	23.1	1965-2004	3.23	2.30-3.45 ^{4/}	--
Metro Seattle, Washington	Rev.-Ut.	6.0	1972-99		2.85-3.50	--
		9.0	2004	3.60	3.60	--
Cleveland City S. D., Ohio	G.O.	10.0	1966-85	3.04	2.35-3.10	Aa
State of California	G.O.	100.0	1967-91	3.23	2.50-3.35	Aa
State of Delaware	G.O.	16.9	1966-85	3.00	2.30-3.10	Aa
Ala. State Highway Auth.	Rev.-S.T.	15.0	1970-85	3.37	2.80-3.40	A
Sacramento City U.S.D., Calif.	G.O.	12.8	1966-90	3.07	2.30-3.20 ^{5/}	Aa
Yonkers, New York	G.O.	11.5	1966-84	n.a.	2.35-3.20	Aa
State of West Virginia	Rev.-Q.-Ut.	16.6	1971-2005	3.67	3.25-3.70	A
New York State Housing Fin. Agency	Rev.-Rent.	79.8	1965-96	3.52	2.20-3.55	--
Penna. State Highway & Bridge Auth.	Rev.-Ut.	15.0	1966-85	3.08	2.35-3.10 ^{6/}	--
State of Tennessee	G.O.	25.0	1966-95	3.12	2.30-3.20 ^{7/}	Aa
Los Angeles Dept. of Wtr. & Pwr. Cal.	Rev.-Ut.	15.0	1966-95	3.24	2.35-3.35	Aa
Public Housing Auth.	--	126.2	1966-2005	3.22	2.30-3.35	Aaa
Port of Seattle, Wash.	G.O.	10.0	1967-75	2.96	2.60-2.95	A
<u>Other</u>						
Govt. of Australia	Bonds	25.0	1985	5-1/2	5.63	--
City of Oslo, Norway	Bonds	15.0	1985	5-3/4	5.86	--

*--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 lease payments.
- 4/ Bonds maturing 2001-04 reoffered to yield 3.90 per cent.
- 5/ 1/10 per cent bonds maturing 1989-90 not publicly reoffered.
- 6/ 1/10 per cent bonds maturing 1985 not publicly reoffered.
- 7/ 1/10 per cent bonds maturing 1992-95 reoffered to yield 4.00 per cent.

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 - 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	--
Mar. 31	267	212	60	792	373	60
Apr. 30	852	411	25	852	635	25
May 28	765	328	70	923	474	70

Forthcoming Large Offerings as of May 28

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
Corporate			
Macy Credit Corp.	Deb.	25.0	June 1
*Chase Manhattan Bank	Cap. notes	250.0	June 8
Control Data Corp.	Pfd. stk.	24.5	June 8 (rts. ex.)
Consolidated Edison Co.	Pfd. stk.	75.0	June 10
Washington Gas Lt. Co.	Pfd. stk.	15.0	June 15 (rts. ex.)
Twentieth Century Fox Film Co.	Conv. sub. deb.	18.3	June 16 (rts. ex.)
Central Ill. P. S. Co.	1st mtg. bds.	15.0	June 16
New Jersey Bell Tel. Co.	Deb.	40.0	June 23
First Nat'l City Bank of N.Y.	Conv. cap. notes	267.0	June (rts. ex.)
*Manufacturers & Traders Tr. Co.	Cap. notes	15.0	June
*R. H. Macy Co.	Conv. sub. deb.	23.0	July 6 (rts. ex.)
New England Tel. & Tel. Co.	Deb.	60.0	July 14
*Pacific Gas & Elec. Co.	1st & ref. mtg. bds.	75.0	July 22

Forthcoming Large Offerings as of May 28 (Cont'd)

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>State and Local Government</u>			
Univ. of Utah	Rev.-Rent.	11.0	June 1
State of Connecticut	G.O.	47.9	June 2
La. State Bond & Bldg. Comm.	Rev.-Rent.	10.0	June 3
State of Utah	G.O.	67.0	June 8
Louisville, Ky.	Rev.-Ut.	18.0	June 8
Ala. Trade Sch. & Jr. College Auth.	Rev.-Rent.	15.0	June 9
Texas Turnpike Auth.	Rev.-Q.-Ut.	33.7	June 9
Denver, Colo.	G.O.	10.6	June 10
Los Angeles Dept. of Airports, Cal.	Rev.-Rent.	30.0	June 10
*Ga. Univ. System Bldg. Auth.	Rev.-Rent.	20.5	June 15
*Houston, Texas	G.O.	17.1	June 16
*Penna. Gen. State Auth.	Rev.-Rent.	20.3	June 16
Jacksonville, Fla.	Rev.-Ut.	16.0	June 22
Minneapolis Spec. S.D. #1, Minn.	G.O.	11.0	June 23
Pittsburgh, Pa.	G.O.	35.0	Indefinite
Dade County, Fla.	G.O.	46.0	Indefinite
Florida Dev. Comm.	Rev.-S.T.	33.8	Indefinite
Va. State Highway Auth.	Rev.-Q.-Ut.	31.0	Indefinite
<u>Other</u>			
Quebec Hydro-Elec. Comm.	Bonds	50.0	June 15
*Kingdom of Denmark	Bonds	20.0	June 15

*--Included in table for first time.

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

2/ Includes foreign government and International Bank for Reconstruction and Development issues and non-guaranteed issues of Federal agencies.

Note:--Deletions for reasons other than sale of issue: None.

Exhibit M

Foreign Government and Corporate Security Offerings
and Placements in the United States

Part I: Public Offerings

Sale Date	Amount (millions of dollars)	Issuer and Description of Issue
A. Sold Mar. 1 through May 5*		
3/25	10.0	City of Helsinki, Finland--6-1/4% bonds, maturing 1977, reoffered to yield 6.59%.
4/6	25.0	Govt. of Malaysia--5-1/2% bonds, maturing 1966-70, reoffered to yield 5.65%.
4/7	20.0	Nippon Tel. & Tel. Public Corp.--5-3/4% bonds, maturing 1978, reoffered to yield 6.08%.
4/20	15.0	Republic of Venezuela--6-1/4% bonds, maturing 1980, reoffered to yield 6.35%.
5/6	25.0	Govt. of Australia--5-1/2% bonds, maturing 1985, reoffered to yield 5.63% to residents outside the U.S. and 4.98% to residents of the U.S.
*5/26	15.0	City of Oslo, Norway--5- 3/4 bonds, maturing 1985, reoffered to yield 5.86 %.
B. Prospective Offerings		
5/15	50.0	Quebec Hydro-Elec Comm -- bonds.

* Included in table for first time.

Part II: Private Placement--Reported March 1 through May 28

Date reported	Amount (millions of dollars)	Issuer and Description of Issue
3/8	10.0	British Columbia School Dists. Capital Financing Authority--4-5/8% instalment debentures, maturing 1965--no information available on takedown.
3/5	15.0	Fraser Companies, Ltd.--5-1/8% first and collateral trust bonds, maturing 1987--no information available on takedown.
4/6	65.0	Pacific Petroleum Corp. --5-1/4% notes, maturing 1985--no information available on takedown.
4/12	34.0	Labrador & Newfoundland Power Comm. - 5-1/4% sinking fund bonds, maturing 1997--no information available on takedown.
4/27	15.0	New Brunswick Elec. Pwr. Comm.--5% sinking fund debenture, maturing 1990--no information available on takedown.
*5/26	25.0	City of Montreal--5% sinking fund debentures, maturing 1985-90--no information available on takedown.
*5/28	30.0	Trans-Canada Pipe Lines Ltd.--5-1/4% first mortgage bonds, maturing 1985, placed to yield 5.09% -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 date a placement is reported. **Included in table for first

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		State & local Govt. secur.	Mort- gages	Other		
End of period:	(In millions of dollars)								
1963 - Dec.	1,465	5,813	56,050	387	3,686	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
1965 - Mar.	1,237	5,557	59,123	535	3,787	56,343	25,081	151,663	144,751
Changes:									
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	116	-28	920	-238	-22	1,336	159	2,243	2,045
1964 - I <u>r</u> /	-171	-25	634	127	-10	910	480	1,945	1,751
II	-18	-101	715	-154	-27	1,025	454	1,894	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
1965 - I	-206	46	502	294	-21	1,164	566	2,345	2,114
1964 - Mar. <u>r</u> /	11	-76	240	-99	-8	321	157	546	448
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	649	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
1965 <u>p</u> /-									
Jan.	-128	213	111	250	13	447	168	1,074	1,002
Feb.	-67	37	151	59	-24	315	165	636	547
Mar.	-11	-204	240	-15	-10	402	233	635	565

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 ^{2/}		
	Cash	U. S. Govt. secur- ities	Mort- gages	Other assets		Net change savings capital	Borrowing	Other
(In millions of dollars)								
End of period:								
1963 - Dec.	3,979	6,445	90,944	6,191	107,559	91,308	5,015	11,236
1964 - Dec.	4,025	6,973	101,314	6,983	119,295	101,847	5,596	11,852
1965 - Mar.	3,586	7,384	103,160	7,193	121,253	103,733	4,930	12,590
Changes:								
1963 - I	-137	537	2,285	57	2,742	3,036	-1,025	731
II	69	103	3,499	452	4,123	3,107	832	184
III	-461	146	3,466	49	3,200	1,584	776	840
IV	582	96	2,924	287	3,889	3,345	803	-259
1964 - I	-351	291	2,223	56	2,219	2,320	-688	587
II	185	-48	3,001	489	3,627	3,068	657	-98
III	-402	93	2,827	21	2,539	1,862	85	592
IV	614	192	2,319	226	3,351	3,289	527	-465
1965 - I	-469	411	1,846	170	1,958	1,886	-666	738
1964 - Mar.	10	70	90	138	1,125	1,102	-54	77
Apr.	-147	-15	909	120	867	321	278	268
May	37	-6	995	383	1,409	982	-57	484
June	295	-27	1,097	-14	1,351	1,765	436	-850
July	-449	2	1,043	-199	397	16	11	370
Aug.	14	49	948	114	1,125	773	1	351
Sept.	33	42	836	106	1,017	1,073	73	-129
Oct.	23	42	837	71	973	751	-36	258
Nov.	86	142	687	226	1,141	859	-30	312
Dec.	505	8	795	-71	1,237	1,679	593	-1,035
1965 - Jan.	-432	125	530	-156	67	254	-450	263
Feb.	16	207	507	137	867	579	-106	394
Mar.	-53	79	809	189	1,024	1,053	-110	81

^{1/} Revised.^{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 gov't. secur- ities	Mort- gages	Other		Net change in deposits	Other
End of period:	(In millions of dollars)								
1963 - Dec.	912	5,863	5,074	440	36,007	1,406	49,702	44,606	5,096
1964 - Dec.	1,004	5,791	5,099	391	40,328	1,625	54,238	48,849	5,389
1965 - Mar.	1,007	6,054	5,144	381	41,265	1,751	55,602	49,989	5,613
Changes:									
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 <u>r/</u>	-25	254	77	-16	927	123	1,340	1,155	185
II	19	-93	-6	-15	1,037	17	959	862	99
III	-23	58	47	--	1,173	80	1,338	1,133	207
IV	121	-292	-94	-18	1,182	-1	899	1,092	-194
1965 - I	3	262	46	-10	937	125	1,364	1,140	223
1964 - 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.	99	6	-81	-8	430	-33	413	661	-249
1965 - Jan.	-27	116	6	-3	312	70	475	373	101
Feb.	15	109	18	-5	284	-2	419	221	198
Mar.	15	37	22	-2	341	57	470	546	-76

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