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CAPITAL MARKET DEVELOPMENTS  
IN THE UNITED STATES(Including Review of Changes in Investment Holdings of  
Selected Financial Intermediaries During the First  
Half of 1965 and Savings Flows in July)

Corporate and municipal bond markets. Public security financing by both corporations and State and local governments this Labor Day shortened week will be little changed from last week's moderate totals. A \$40 million offering of Alabama Power Company bonds will account for one-half of the corporate total, while nearly one-half of the municipal total will be attributable to a \$72 million issue of New York State bonds.

Long-term Public Security Offerings <sup>1/</sup>  
(In millions of dollars)

	Corporate		State and local government	
	New Capital	Refunding	New Capital	Refunding
Sold:				
52 week avg.	107	2	185	15
Aug. 27	67 <sup>r/</sup>	38 <sup>r/</sup>	118	--
Sept. 3	70	--	128	--
Scheduled:				
Sept. 10	80	--	155	--

<sup>1/</sup> 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.

Yields in Securities Markets

	<u>Level latest week</u> (per cent)	<u>Change from</u> <u>preceding week</u> (basis points)
High-Grade		
<u>Notes and Bonds</u>		
<u>Corporate</u>		
New	4.69	- 2
Seasoned	4.51	--
<u>U. S. Govt.</u>		
Long-term	4.22	+ 1
3-5 year	4.22	+ 1

Yields in Securities Markets (Cont'd)

	<u>Level latest week</u> (per cent)	<u>Change from preceding week</u> (basis points)
<u>State and local Govt.</u>		
Moody's Aaa	3.18	+ 1
Standard and Poor's high grade	3.30	+ 3
<u>Money Market</u>		
Federal funds	4.05	- 7
Treasury bills		
3-month	3.87	+ 1
6-month	4.00	+ 4

Corporate Bonds Still in Syndicate

<u>Date Offered</u>	<u>Amount</u> (millions of \$)	<u>Issuer</u>	<u>Reoffering Yield</u>	<u>Rating</u>	<u>Estimated Pro- portion sold</u>
8/24	50.0	Transcontinental Gas P. L. Co. 4-7/8's - 1986	4.95	Baa	7/10
9/1	36.5	Georgia Pwr. Co. 4-7/8's - 1995	4.78	A	3/10

Blue List of Municipal Dealers' Advertised Inventories  
(Millions of dollars)

<u>Latest Date</u>	<u>End of Previous Week</u>	<u>Recent High</u>
765(9/2)	789	901(6/4)

Capital markets in August. During August corporations publicly offered or privately placed securities with net proceeds of \$850 million to raise new capital, one-third more than the average for the month over the two previous years. Public offerings of bonds amounted to \$380 million, appreciably below the unusually large volume in the spring and early summer but the highest for any August since 1962.

With the calendar of public offerings building up for the period after Labor Day and uncertainty over sterling continuing, yields on new issues of corporate bonds have tended to rise. Yields on public offerings of new corporate bonds (Aaa basis), which had stabilized at a level slightly below the early June peak, resumed their increase in August and late in the month reached the highest level since the summer of 1961. For the week ending September 3, offering yields averaged 4.69--11 basis points higher than in late July and only 2 basis points below the 1965 peaks of late August. Because underwriters have been quick to terminate price restrictions on slow moving issues, unsold syndicate balances have been kept at a relatively low level.

In the municipal bond market, August offerings for new capital had a par value of about \$650 million, one-sixth less than a year earlier. Sales of refunding issues added about \$50 million to this total. With the new issues volume sharply lower than in recent months, dealers succeeded in reducing their advertised inventories during the first half of the month by nearly \$50 million, to below \$700 million. After mid-month, however, demand for many new issues was only fair, and dealers inventories again rose to around \$800 million in early September. Yields on seasoned Aaa-rated issues, which had eased slightly during early August, rose to 3.18 per cent in early September, the high for the year and 3 basis points more than in mid-August.

Common stock prices rose substantially in active trading during August and early September. Prices--as measured by Standard and Poor's index of 500 stocks--rose over 3 per cent to close at 88.06 on September 3, only 2-1/2 per cent under their all-time high in mid-May. August trading volume averaged 5.0 million shares a day.

Estimated security volume in September. Corporate security offerings for new capital are expected to total \$1,250 million in September, over one-tenth greater than a year ago. Financing in this volume will bring the total for the quarter to a record \$3,200 million, one-fourth more than in the comparable period last year and one-tenth larger than the previous record third quarter volume of 1957.

Offerings of State and local government bonds for new capital are estimated at \$850 million this month, somewhat less than a year earlier but nearly twice as large as in September 1963. This would bring the total for July-September to \$2,450 million, about 5 per cent less than the record third quarter total for last year but appreciably larger than in the third quarter of any other year.

Changes in investment holdings of selected financial intermediaries during the first half of 1965.

Depository-type savings institutions. During the first half of this year, the combined growth in income-yielding claims on depository type savings institutions amounted to a record \$16.4 billion, up 8 per cent from the comparable 1964 period and 3 per cent larger than the previous record first half gain in 1963. The record expansion in these flows this year was entirely attributable to the sharp rise in time and savings deposits at commercial banks which followed the increase in interest rates on such deposits announced by many banks at the start of the year; these deposits rose a record \$10.5 billion during the period, 52 per cent more than in the similar period last year and one-tenth more than the previous first half record set in 1962. Gains in savings capital at savings and loan associations (\$4.2 billion), on the other hand, were down nearly one-fourth from the first half of last year, and deposits at mutual savings banks (\$1.8 billion) also fell below last year's levels.

Savings and loan associations adjusted their mortgage lending activities in line with their reduced inflow of savings capital with net acquisitions of mortgages (\$4.5 billion) one-eighth less than a year

earlier. At the same time, cash holdings were reduced twice as much as in the comparable 1964 period and associations found it necessary to borrow nearly \$0.3 billion from the Federal Home Loan Banks whereas they had made minor net repayments in the first half last year.

The net increase in holdings of mortgages at mutual savings banks in the first half was \$1.9 billion, only about 6 per cent less than in the similar 1964 period. Holdings of cash and Governments increased only one-third as much as last year, but the rise in net acquisitions of businesses and miscellaneous securities (\$0.1 billion) were somewhat larger.

Life insurance companies. The net gain during January-June in assets of life insurance companies--excluding valuation adjustments--totaled \$3.9 billion, a record for the period and was one-seventh greater than during the first half last year. Net mortgage acquisitions totaled a record \$2.2 billion, one-seventh more than the previous record first half total of last year. Net acquisitions of business securities of all types were a record \$1.6 billion, one-sixth more than a year earlier. This increase was largely the result of an \$0.4 billion increase in holdings of short-term commercial and finance company paper in contrast to a moderate decline last year. Despite a record volume of acquisitions of new long-term bonds, maturities of such securities have been rising sharply recently, and the net increase in insurance company bond holdings (\$0.8 billion) was one-fifth less than last year. The net reduction in holdings of cash and U. S. Government securities combined (\$0.5 billion) was appreciably larger than in the first half last year.

Savings flows in July. During the month of July, expansion in income-yielding claims on depositary-type savings institutions totaled \$1.4 billion, a record for that month and 15 per cent more than in July 1964. As in other recent months, all of the year-over-year gain took place in time and savings deposits at commercial banks; there was a sizable net outflow of savings capital at savings and loan associations in contrast to a nominal inflow a year earlier and the gain in regular deposits at mutual savings banks was smaller than last year's.

At savings and loan associations, July is normally a month of heavy withdrawals, but new savings have usually been sufficient to offset them. The July increase in withdrawals this year was less than in other recent years, but the inflow of new savings showed much less than the usual seasonal gain. On a seasonally adjusted basis, July showed an inflow that was less than the average for the first six months of the year, but not so low as in April when withdrawals for payment of 1964 income taxes were larger than usual.

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

First Half 1957-1965

(In millions of dollars)

Year	Uses of funds						Total sources or uses	Memo: Total Excl. Valuation Change <u>1/</u>	Sources of funds		
	Cash	U. S. Govt. secur-ities	Busi-ness secur-ities	Mort-gages	State & local govt. sec.	Other assets			Net change in deposits or savings capital	Bor-row-ing	Other
Life Insurance Companies											
1965	-217	-238	1,575	2,205	-84	938	4,179	3,893	--	--	--
1964	-186	-98	1,338	1,942	-52	913	3,857	3,513	--	--	--
1963	-210	-425	1,304	1,410	-85	1,579	3,573	3,139	--	--	--
1962	-179	144	1,241	920	134	301	2,561	2,923	--	--	--
1961	-60	-19	1,137	1,172	138	1,054	3,422	3,041	--	--	--
1960	-121	-288	862	1,323	156	783	2,715	2,604	--	--	--
1959	-160	41	1,315	793	315	572	2,876	2,746	--	--	--
1958	-84	46	1,191	790	163	669	2,775	2,625	--	--	--
1957	-137	-207	1,096	1,190	59	570	2,571	2,486	--	--	--
Savings and Loan Associations											
1965	-315	262	--	4,513	n.a.	711	5,171	--	4,190	291	690
1964	-166	243	--	5,224	n.a.	545	5,846	--	5,388	-31	489
1963	-68	640	--	5,784	n.a.	509	6,865	--	6,143	-193	915
1962	61	197	--	4,692	n.a.	461	5,411	--	4,507	27	877
1961	278	396	--	3,986	n.a.	365	5,025	--	4,435	-168	758
1960	75	113	--	3,223	n.a.	324	3,735	--	3,718	-446	463
1959	-240	577	--	3,791	n.a.	441	4,569	--	3,480	231	858
1958	606	156	--	2,279	n.a.	185	3,226	--	3,125	-344	445
1957	-60	347	--	2,105	n.a.	408	2,798	--	2,578	-166	386
Mutual Savings Bank											
1965	15	29	100	1,859	-31	170	2,144	--	1,774	--	369
1964	-6	161	71	1,964	-31	141	2,299	--	2,018	--	281
1963	-66	82	-87	2,019	-69	28	1,907	--	1,636	--	271
1962	-54	136	29	1,497	-95	79	1,592	--	1,365	--	228
1961	-13	53	82	1,069	15	28	1,235	--	1,084	--	151
1960	11	-309	81	884	-26	55	697	--	486	--	211
1959	-118	31	-5	841	18	10	776	--	593	--	184
1958	36	-164	537	987	40	65	1,501	--	1,298	--	202
1957	-49	-108	402	721	10	58	1,034	--	876	--	158

r/ Revised. n.a.--Not available.

1/ 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.

Net Increase in Savings Capital at Savings and Loan  
Associations  
(In millions of dollars)

<u>Unadjusted data</u>			
	<u>Current year</u>	<u>Change from previous year</u>	<u>Percentage change</u>
1965 - Apr.	-93	-414	--
May	792	-200	-20
June	1,603	-162	-10
July	-435	-451	--
7 - month total	3,755	-1,649	-31

<u>Seasonally adjusted data</u>			
	<u>Current year</u>	<u>Previous year</u>	
1965 - Apr.	424	788	
May	791	983	
June	658	903	
July	595	977	

Although growth in regular deposits at mutual savings banks in July was somewhat smaller than a year earlier, this is partly attributable to the fact that last year several large New York City mutuals were conducting intensive campaigns to attract funds received from the Treasury's maturing "magic fives". On a seasonally adjusted basis, the July inflow was exceeded this year only in March, the only month this year to show a larger gain than in the comparable month of 1964.

Net Change in Regular Deposits at Mutual Savings  
Banks  
(In millions of dollars)

<u>Unadjusted data</u>			
	<u>Current year</u>	<u>Change from previous year</u>	<u>Percentage change</u>
1965 - Apr.	-22	-109	--
May	188	-82	-30
June	436	-42	-9
July	212	-72	-25
7 - month total	1,896	-322	-15

<u>Seasonally adjusted data</u>			
	<u>Current year</u>	<u>Previous year</u>	
1965 - Apr.	324	404	
May	238	316	
June	235	294	
July	369	363	

Time and savings deposits at commercial banks increased \$1.6 billion in July, a record for that month and three-fourths more than a year earlier.

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

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

## LONG-TERM BOND YIELDS, HIGH-GRADE

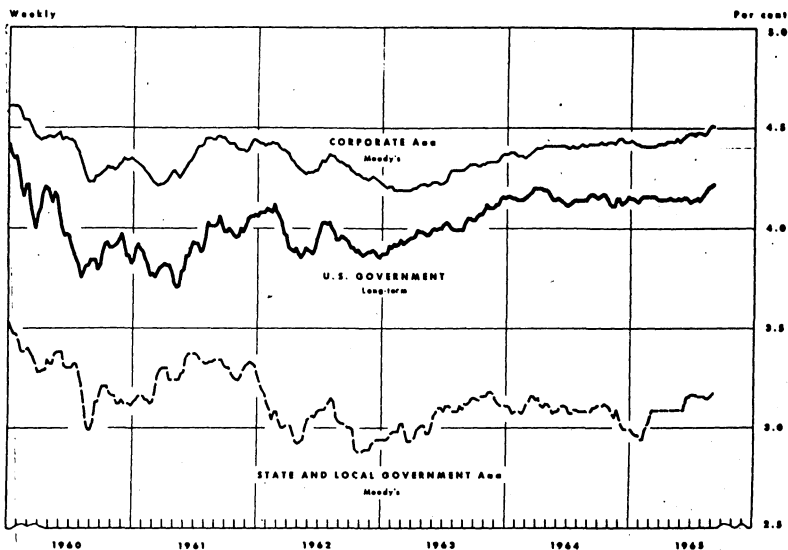


Exhibit A -- Part II

Date	Corporate Aaa 1/	U. S. Govt. long-term 2/	State and local government Aaa 3/	Spread between U. S. Govt. and	
				Corporate Aaa	State and local Aaa
		(per cent)			
1959-60 - High	4.61 (1/29/60)	4.42 (1/8/60)	3.65 (9/24/59)	.59	.92
1961-62 - 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 (3/28)	.33	1.14
Low	4.35 (2/28)	4.11 (11/20)	2.99 (12/31)	.19	1.01
1964 -High	4.51 (9/3)	4.22 (9/3)	3.18 (9/2)	.34	1.22
Low	4.41 (3/12)	4.13 (6/25)	2.94 (2/11)	.25	.96
Aug. 6	4.47	4.16	3.16	.31	1.00
Aug. 13	4.48	4.18	3.15	.30	1.03
Aug. 20	4.50	4.20	3.15	.30	1.05
Aug. 27	4.51	4.21	3.17	.30	1.04
Sept. 3p/	4.51 ✓	4.22 ✓	3.18 ✓	.29	1.04

✓ Preliminary.

✓ Weekly average of daily figures. Average term of bonds included is 22-24 years.

✓ Weekly average of daily figures. The series includes bonds due or callable in 10 years or more.

✓ 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

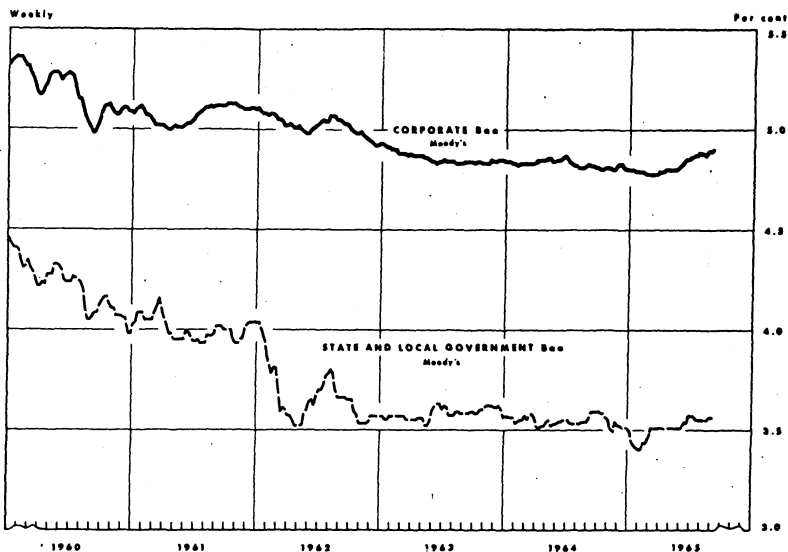


Exhibit B -- Part II

Date	Corporate Baa 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	4.90 (9/3)	3.57 (7/8)	.41	.52
Low	4.78 (3/19)	3.40 (2/11)	.35	.38
Aug. 6	4.88	3.55	.41	.39
Aug. 13	4.87	3.55	.39	.40
Aug. 20	4.89	3.55	.39	.40
Aug. 27	4.89	3.56	.38	.39
Sept. 3p/	4.90	3.56	.39	.38

Notes: For footnotes see Exhibit A.

EXHIBIT C, Part I

SHORT- AND INTERMEDIATE-TERM INTEREST RATES  
GOVERNMENT

Weekly

Per cent

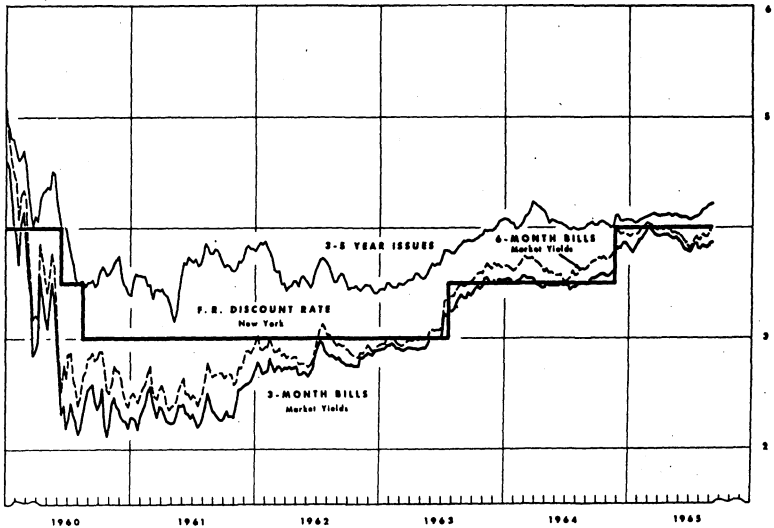


Exhibit C -- Part II

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)	4.22 (9/3)	.13	.38
Low	4.00	3.78 (6/25)	3.82 (6/25)	4.04 (1/22)	.03	.11
Aug. 6	4.00	3.84	3.94	4.16	.10	.32
Aug. 13	4.00	3.83	3.93	4.17	.10	.34
Aug. 20	4.00	3.82	3.93	4.20	.11	.38
Aug. 27	4.00	3.86	3.96	4.21	.10	.35
Sept. 3 <sup>2/</sup>	4.00 ✓	3.87	4.00 ✓	4.22	.13	.35

1/ Weekly rate shown is that in effect at end of period at the Federal Reserve Bank of New York.  
2/ Market yield; weekly averages computed from daily closing bid prices. Series of 3-5 year issues consists of selected notes and bonds.  
Note.—Highs and lows are for individual series and may be on different dates for different series.  
For spreads, high refers to widest, and low to narrowest.

## EXHIBIT D, Part I

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

Weekly

Per cent

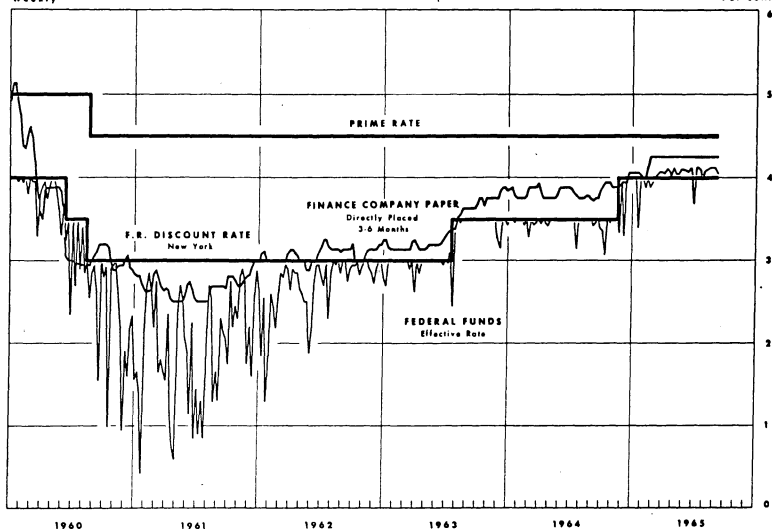


Exhibit D -- Part II

Date	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 - 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 (9/3)	4.12 (8/27)	.47
Low	4.50	4.00 (2/12)	3.68 (1/22)	.10
Aug. 6	4.50	4.25	4.10	.41
Aug. 13	4.50	4.25	4.12	.42
Aug. 20	4.50	4.25	4.12	.43
Aug. 27	4.50	4.25	4.12	.39
Sept. 3 <sup>2/</sup>	4.50	4.25	4.05	.38

<sup>1/</sup> 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.

<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.

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

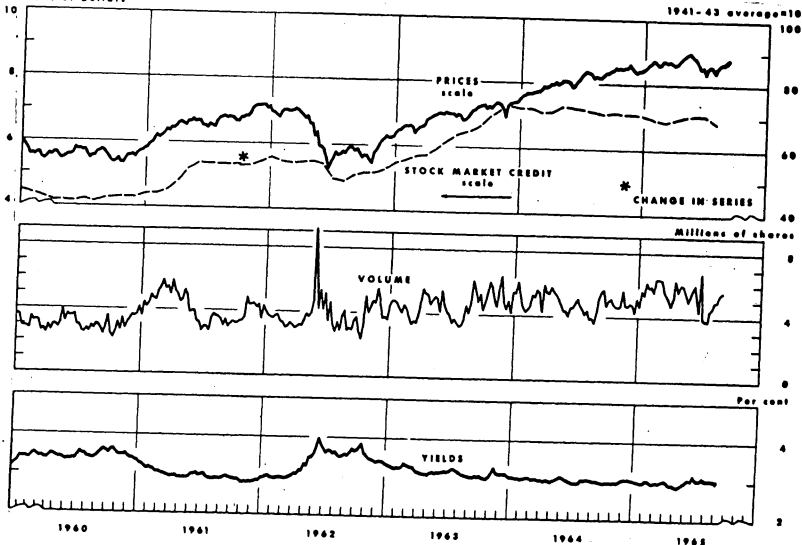


Exhibit E -- Part II

Date	Stock price index 1/	Common stock yields 2/ (per cent)	Trading volume 3/ (millions of shares)	Stock market customer credit		
				Total	Customers' debit bal- ances 4/	Bank loans to "others" 5/
(In millions of dollars)						
1961-62 - High	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	6.8	7,085	5,129	1,988 (8/25)
Low	83.06(6/25)	3.15	3.8	6,872	4,986	1,848 (3/3)
July	84.91	3.09	4.1	6,833	4,863	1,970
Aug.	86.49	3.06	5.0	n.a.	n.a.	1,988
Aug. 20	86.69	3.05	5.0	n.a.	n.a.	1,961
Aug. 27	87.20	3.04	5.4	n.a.	n.a.	1,988
Sept. 3p/	88.06	3.01	5.6	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 members. For further detail see Bulletin.

# MORTGAGE AND BOND YIELDS

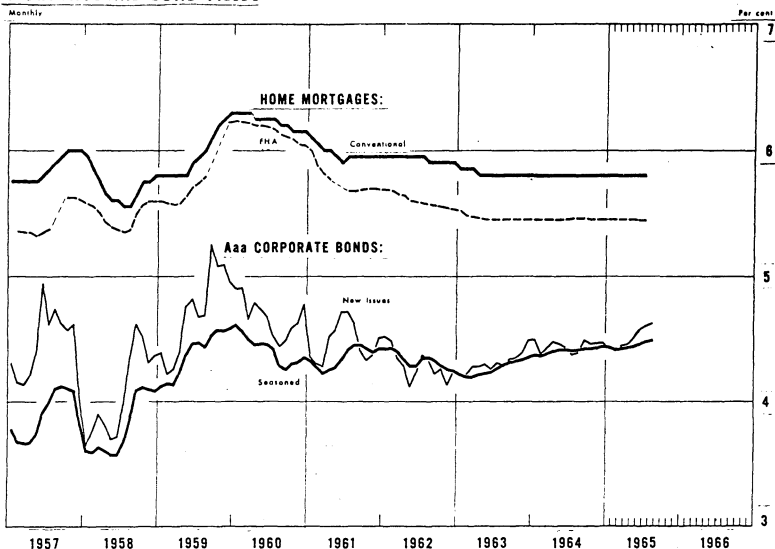


Exhibit F Part II

Date	FHA mortgages 2/		Conven- tional mort- gages 3/	Spread be- tween yields on conv. & 25-year FHA mortgages	Aaa Corporate Bonds		Spread between yields on new cor- porate 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
1961-65 High	5.72	5.70	5.95	.38	4.72	4.49	1.50	.39
Low	5.43	5.44	5.80	.23	4.12	4.22	.82	-.16
1965 - May	5.43	5.45	5.80	.37	4.51	4.44	.92	.07
June	5.43	5.44	5.80	.37	4.58	4.46	.85	.12
July	5.43	5.44	5.80	.37	4.61	4.48	.82	.13
Aug.	n.a.	n.a.	n.a.	n.a.	4.63	4.49	n.a.	.14

- 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.
- 4/ See note for Exhibit G.
- 5/ Money's Investor Service. Monthly averages of daily data. See Exhibit A.

EXHIBIT G, Part I

YIELDS ON NEW AND SEASONED CORPORATE BONDS

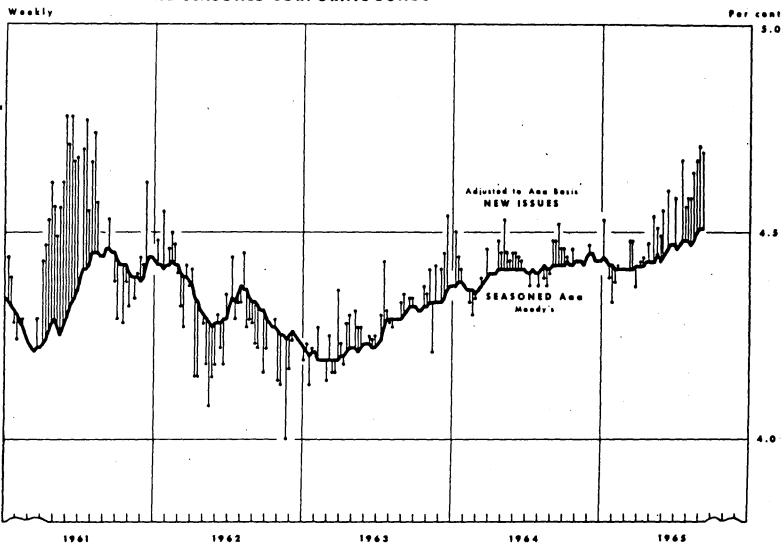


Exhibit G - Part II

Yields on New Corporate Bond Issues Adjusted to an Aaa basis

	Number of issues	Am't of issues included (mil. of dollars)	Average yield (per cent)		Number of issues	Am't of issues included (mil. of dollars)	Average yield (per cent)
<b>Monthly averages:</b>				June 4	--	--	--
1965 - Jan.	3	94.0	4.42	11	2	35.0	4.60
Feb.	3	111.0	4.41	18	--	--	--
Mar.	7	157.8	4.45	25	2	65.0	4.58
Apr.	4	115.0	4.46	July 2	--	--	--
May	8	315.0	4.51	9	--	--	--
June	4	100.0	4.58	16	3	121.0	4.67*
July	8	278.0	4.61	23	3	102.0	4.56
Aug.	7	166.5	4.63	30	2	55.0	4.58
<b>Weekly average</b>				Aug. 6	3	80.0	4.58
1965 - High			4.71(8/27)	13	1	17.0	4.64
Low			4.33(1/29)	20	1	19.5	4.67*
				27	2	50.0	4.71
				Sept. 3	2	43.5	4.69

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 reoffering 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	795	930	613	E/803	947	732
February	746	685	594	E/872	776	746
March	1,197	754	1,144	E/946	810	976
April	1,152	2,178	930	E/824	1,242	869
May	1,691	1,069	904	E/921	667	866
June	1,946	1,378	1,013	E/943	903	930
July	E/1,100	780	676	E/950	906	680
August	E/850	661	637	E/650	789	708
September	E/1,250	1,109	795	E/850	892	449
October		949	1,013	E/2,621	801	1,051
November		646	819	E/2,688	529	729
December		1,419	1,415	E/2,450	948	416
1st quarter	2,738	2,369	2,351	E/5,310	2,533	2,454
2nd quarter	4,789	4,625	2,847		2,811	2,665
3rd quarter	E/3,200	2,550	2,109		2,578	1,837
4th quarter		3,013	3,246		2,278	2,197
1st half	7,527	6,994	5,198		5,345	5,118
Three quarters	E/10,727	9,544	7,307		7,923	6,955
Year		12,557	10,553		10,201	9,151
Excluding finance companies 3/						
1st quarter	2,547	1,996	2,284			
2nd quarter	E/4,389	4,170	2,529			
3rd quarter	E/2,950	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 - 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	906	1,673	429	243	1,072	541	91	1,034
II	5,043	1,864	2,259	920	215	1,679	609	255	2,246
III									
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
	791	187	450	155	51	192	215	44	295
Mar.	1,358	557	658	143	143	494	229	26	448
Apr.	1,233	422	648	162	33	540	176	15	422
May	1,773	694	630	449	49	698	248	143	602
June	2,038	748	980	309	134	441	184	98	1,223
July @/	1,130	540	500	90	n.a.	330	340	70	360
Aug.									

p/ Preliminary. @/ 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



## 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	73	30	57	325	--	186
May	--	75	114	--	--	--
June	91	26	11	775	275	459
July	e/ 20	20	63	e/ --	260	--
August		13	83		160	--
September		7	--		--	--
October		180	--		509	174
November		72	--		--	200
December		58	2		--	--
Jan. - July	a/440	306	686	e/1,414	535	793
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	647	442	589	-11	97	202
May	204	81	-30	509	183	195
June	-82	-80	-10	237	239	319
July	p/ 3	-9	62	e/120	-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.-July	643	366	591	661	-435	383
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 maturity 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 maturity than 1 year.

Source: Bond and 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)**

	<b>Corporate</b>				<b>State and local governments</b>	<b>Other 2/</b>
	<b>Total</b>	<b>Bonds (other than convertibles)</b>	<b>Convertible bonds</b>	<b>Stocks</b>		
1964 - Aug.	142	215	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.	139	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
June	801	343	320	138	377	340
July	477	455	22	--	655	20
Aug.	299	211	62	26	312	50

**Large Individual Issues Offered Aug. 1 through Sept. 3**

<b>Issuer</b>	<b>Type 3/</b>	<b>Amount (millions of dollars)</b>	<b>Maturity</b>	<b>Coupon rate or net interest cost</b>	<b>Offering yield</b>	<b>Rating</b>
<b>Corporate</b>						
Southern Counties Gas Co.	1st mtg. bds.	40.0	1990	4-3/4	4.70	A
General Mills Inc.	S. F. deb.	35.0	1990	4-5/8	4.63	A
Beaunit Corp.	Conv. sub. deb.	25.0	1990	4-1/4	4.25	--
Orange & Rockland Util. Corp.	1st mtg. bds.	17.0	1995	4-7/8	4.73	A
*Northern States Pwr. Co.	Com. stk.	25.5				
Southern Calif. Ed. Co.	Conv. deb.	37.1 4/	1980	3-1/8	2.89	A
National Fuel Gas Co.	S. F. deb.	19.5	1990	4-3/4	4.70	Aa
Magnavox Co.	S. F. deb.	20.0	1986	4-3/4	4.75	A
Lone Star Gas Co.	S. F. deb.	30.0	1990	4-7/8	4.80	A
Transcontinental Gas P. L. Co.	1st mtg. p.l.bds	50.0	1986	4-7/8	4.95	Baa
Georgia Pwr. Co.	1st mtg. bds.	36.5	1995	4-7/8	4.78	A

## Large Individual Issues Offered August 1 through September 3 (Cont'd)

Issuer	Type <u>3/</u>	Amount (millions of dollars)	Maturity	Coupon rate or net inter- est cost	Offer- ing Yield	Rating
<u>State and Local Government</u>						
Ala. Pub. Sch. & College Auth.	Rev.-Rent.	25.0	1966-85	3.36	2.50-3.40	Aa
Pittsburgh, Pa.	G.O.	10.0	1966-85	3.11	2.40-3.15	A
Newark, N.J.	G.O.	12.0	1966-85	n.a.	2.40-3.20	A
San Francisco, Calif.	G.O.	12.7	1966-85	2.97	2.35-3.10	Aa
Public Housing Auth.	Bonds	132.0	1966-2006	3.22	2.30-3.40	Aaa
Hamilton Co., Ohio	G.O.	30.0	1966-85	n.a.	2.35-3.10	Aaa
Tarrant Co. Wtr. & Imp. Dist. #1, Texas	Rev.-Ut.	11.6	1970-95	3.39	2.80-3.45	A
Suffolk Co. Wtr. Auth., N.Y.	Rev.-Ut.	15.0	1966-2002	3.46	2.45-3.60	A
Madison, Wisconsin	G.O.	11.7	1966-75	2.96	2.40-2.95	Aa
San Antonio, Texas	G.O.	15.0	1968-85	3.21	2.70-3.30	A
State of Washington	G.O.	26.0	1966-85	3.35	2.55-3.40 <sup>5/</sup>	A
New York State Dorm. Auth.	Rev.-Rent.	21.0	1967-96	3.61	2.80-3.70 <sup>6/</sup>	--
State of North Carolina	G.O.	25.0	1966-82	3.00	2.35-2.97	Aaa
<u>Other</u>						
Provinces of Ontario	Bonds	50.0	1990	4-3/4	4.85	Aa

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

- 1/ Includes corporate and other security offerings of \$15 million and over; State and 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 and local government securities, G.O. denotes general obligations; Rev.-Ut. revenue obligations secured only by income from public utilities; Rev.-Q.-Ut., revenue bonds secured only by revenue from quasi-utilities; Rev.-S.T., revenue bonds secured by revenue from specific taxes only; Rev.-Rent., revenue bonds secured solely by lease payments.
- 4/ An additional \$37.9 million in bonds sold to refund outstanding securities.
- 5/ 1/10 per cent bonds maturing 1985 reoffered to yield 4.15 per cent.
- 6/ 1/10 per cent bonds maturing 1996 reoffered to yield 4.40 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 - 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
June 30	363	397	20	410	524	20
July 30	193	248	--	240	352	--
Aug. 31	312	404	--	636	450	--

## Forthcoming Large Offerings as of Sept. 3

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<b>Corporate</b>			
Consolidated Nat. Gas Co.	Deb.	25.0	Sept. 9
Alabama Pwr. Co.	1st mtg. bds.	40.0	Sept. 10
Tenn. Gas Trans. Co.	1st mtg. p. 1. bds.	60.0	Sept. 14
Penna Elec. Co.	Deb.	20.0	Sept. 15
Southern Bell Tel. & Tel. Co.	Deb.	100.0	Sept. 16
Pacific Power & Light Co.	1st mtg. bds.	30.0	Sept. 29
*Household Finance Corp.	Deb.	125.0	Sept.-Oct.
Indiana Bell Tel. Co.	Deb.	25.0	Oct. 5
Kansas City Power & Lt. Co.	1st mtg. bds.	15.0	Oct. 5
Columbia Gas System	Debs.	40.0	Oct. 7
Jersey Central Power & Lt. Co.	1st mtg. bds.	20.0	Oct. 26
West Penn. Power Co.	1st mtg. bds.	20.0	Nov. 23
Macy Credit Corp.	Deb.	25.0	Indefinite
Great Western Financial Corp.	Deb.	22.0	Indefinite
General Tel Co. of Calif.	S. F. deb.	30.0	Indefinite

## Forthcoming Large Offerings as of Sept. 3 (Cont'd)

Issuer	Type	Amount (millions of dollars)	Approximate date of Offering
<u>State and Local Government</u>			
Tulsa, Oklahoma	G.O.	13.1	Sept. 8
State of New York	G.O.	70.0	Sept. 9
Cuyahoga Co., Ohio	G.O.	13.0	Sept. 9
State of Calif.	G.O.	105.0	Sept. 14
*Penna. Gen. State Auth.	Rev.-Rent.	50.0	Sept. 15
State of Ohio Highway Imp.	G.O.	50.0	Sept. 16
Florida Dev. Comm.	Rev.-S.T.	19.5	Sept. 16
State of New Hampshire	G.O.	26.1	Sept. 17
Los Angeles Co. Flood Control Dist.Cal.	Rev.-Q.-Ut.	40.0	Sept. 21
El Paso, Texas	Rev.-Ut.	10.5	Sept. 22
La. Capital Construction and Imp. Comm	Rev.-S.T.	25.0	Sept. 22
Nassau Co., N.Y.	G.O.	30.0	Sept. 30
*Met. Seattle, Wash.	Rev.-Ut.	10.0	Oct. 7
Dade County, Fla.	G.O.	46.0	Indefinite
<u>Other</u>			
NONE			

\*--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 June 1 through September 3		
6/15	50.0	Quebec Hydro-Electric Commission--4-5/8% debenture, maturing 1985, reoffered to yield 4.75%.
6/17	20.0	Kingdom of Denmark--6% bonds, maturing 1985, reoffered to yield 6.09%.**
6/22	20.0	Metropolis of Tokyo--6% bonds, maturing 1980, reoffered to yield 6.50%.**
7/7	20.0	Commonwealth of New Zealand--5-3/4% bonds, maturing 1985, reoffered to yield 5.97%.**
3/24	50.0	Province of Ontario, Canada--4-3/4% debenture, maturing 1990, reoffered to yield 4.85%.

## B. Prospective Offerings

NONE

\* Included in table for first time.

\*\* Issue sold to investors outside U.S.

## Part II: Private Placement--Reported June 1 through September 3

Date reported	Amount (millions of dollars)	Issuer and Description of Issue
7/21	40.0	Trans-Canada Pipe Lines Ltd.--5-1/8% first mortgage bonds, maturing 1985--no information available on takedown.
8/11	8.0	Celanese Mexicana S. F.--7-1/4% sinking fund bonds, due 1977--no information available on takedown.
*8/30	25.0	Imperial Chemical Corporation Ltd.--6.82% notes, due 1971-85--no information available on takedown.
*8/30	10.0	Dominion Rubber Company Ltd.--5-7/8% notes, due 1985--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 the Exhibit and that shown in Exhibits I and J because the latter includes privately placed securities in the period in which funds are actually takedown but only in the amount of takedown while the placements shown in this exhibit are included when reported, frequently with little or no information concerning timing of takedowns. Full or partial takedowns may take place both prior and subsequent to the date a placement is reported.