

Not for Publication

December 12, 1966

H.14

CAPITAL MARKETS DEVELOPMENTS
IN THE UNITED STATES

Corporate and municipal bond markets. New corporate security issues expected to enter the market this week aggregate \$540 million--larger than last week's heavy volume of new issues. Included in this week's total, however, is the \$215 million short-maturity Pennzoil note issue. The volume of new state and local government debt issues this week is down significantly from the week earlier. Not included in the table below is the Quebec Hydro-Electric Commission's \$50 million bond issue which is expected to be offered to investors this week.

Long-term Public Security Offerings ^{1/}
(In millions of dollars)

| | Corporate | | State and local Government | |
|--------------|-------------|-----------|----------------------------|-----------|
| | New Capital | Refunding | New Capital | Refunding |
| Sold: | | | | |
| 52 week avg. | 202 | 1 | 208 | 4 |
| Dec. 2 | 172 | -- | 150 | 110 |
| Dec. 9 | 500 | -- | 331 | -- |
| Scheduled: | | | | |
| Dec. 16 | 540 | -- | 244 | -- |

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

Investors responded enthusiastically to the major corporate debt issues offered last week, and consequently no issues have significant unsold balances bound by underwriters' price restrictions. New issue yields declined, but the lagging seasoned corporate bond yield series advanced further.

Municipal yields declined for the second consecutive week. Most new issues were accorded a good response from investors at yields below the prior week, and approximately three-fourths of the new issues were taken out of the market by the end of trading on Friday. The majority of the unsold new municipal bonds is accounted for by the unenthusiastic response given to the Housing Assistance Administration's \$115 million local housing bond issues.

Yields in Security MarketsLevel Latest Week

| <u>High-Grade Notes and Bonds</u> | | <u>Change from preceding week</u> |
|---------------------------------------|------|---------------------------------------|
| <u>Corporate</u> | | |
| New | 5.77 | -9 |
| Seasoned | 5.38 | +1 |
| <u>U.S. Government</u> | | |
| Long-term | 4.76 | +2 |
| 3-5 year | 5.30 | -4 |
| <u>State and local Govt.</u> | | |
| Moody's Aaa | 3.84 | -5 |
| Std. & Poor's high grade | 3.91 | -12 |
| <u>Money Market</u> | | |
| Federal funds | 5.35 | -20 |
| Treasury bills | | |
| 3-month | 5.16 | -1 |
| 6-month | 5.26 | -- |

Corporate Bonds Still in Syndicate

| <u>Date Offered</u> | <u>Amount (millions of \$)</u> | <u>Issuer</u> | <u>Reoffering Yield</u> | <u>Rating</u> | <u>Estimated pro- portion sold</u> |
|-------------------------|------------------------------------|---------------|-----------------------------|---------------|--|
|-------------------------|------------------------------------|---------------|-----------------------------|---------------|--|

None

Blue List of Municipal Dealers' Advertised Inventories
(In millions of dollars)

| <u>Latest Week</u> | <u>End of Previous Week</u> | <u>Recent High</u> |
|--------------------|-----------------------------|--------------------|
| 411 (12/7) | 455 | 636 (2/17) |

Stock prices. Common stock prices advanced last week in active trading. Standard and Poor's index of 500 stocks gained 2.01 points for the week, registering 82.14 at week-end. Trading volume averaged 7.8 million shares a day.

More detailed information concerning recent capital market developments can be found 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 I

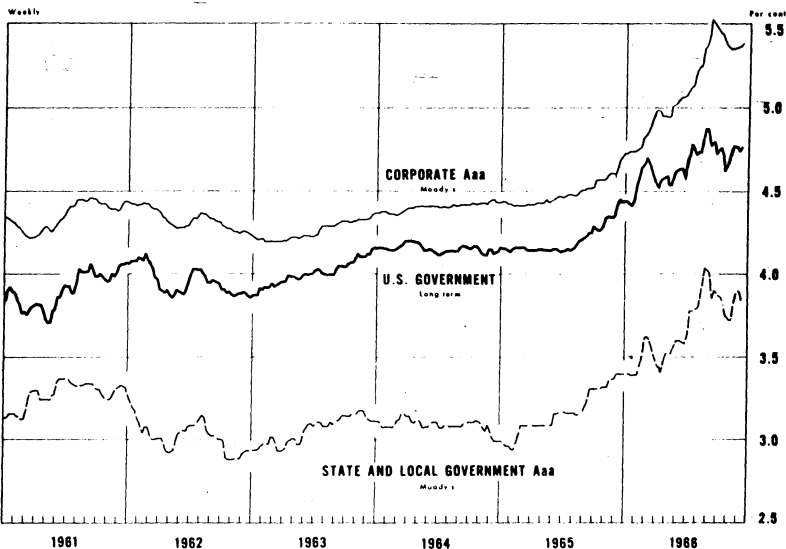


Exhibit A -- Part II

| 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 |
| 1959-60 - High | 4.61 (1/29/60) | 4.42 (1/8/60) | 3.65 (9/24/59) | .59 (8/5/60) | .92 (4/22/60) |
| 1962-63 - Low | 4.19 (3/29/63) | 3.85 (12/28/62) | 2.88 (11/8/62) | .21 (12/27/63) | .80 (1/5/62) |
| 1965 - Low | 4.41 (3/12) | 4.13 (6/25) | 2.94 (2/11) | .22 | .94 |
| 1966 - High | 5.52 (9/9) | 4.87 (9/2) | 4.04 (8/25) | .75 | 1.19 |
| - Low | 4.73 (1/7) | 4.42 (1/21) | 3.39 (1/13) | .14 | .78 |
| Nov. 11 | 5.35 | 4.73 | 3.72 | .62 | 1.01 |
| 18 | 5.36 | 4.77 | 3.81 | .59 | .96 |
| 25 | 5.36 | 4.76 | 3.87 | .60 | .89 |
| Dec. 2 | 5.37 | 4.74 | 3.89 | .63 | .85 |
| 9 p/ | 5.38 | 4.76 | 3.84 | .62 | .92 |

1/ Preliminary.
2/ Weekly average of daily figures. Average term of bonds included is 22-24 years.
3/ Weekly average of daily figures. The series includes bonds due or callable in 10 years or more.
4/ 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

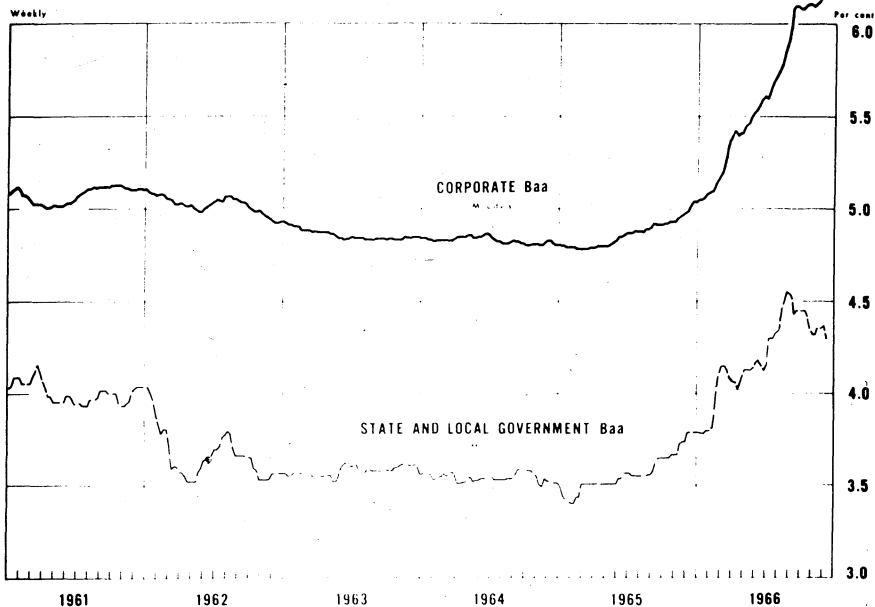


Exhibit B -- Part II

| Date | Corporate Baa 1/ | State and local govt. Baa 2/ | 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 - 1962 | 4.93 | 3.57 | .70 | .63 |
| 1964 | 4.80 | 3.51 | .37 | .52 |
| 1965 | 5.04 | 3.79 | .31 | .39 |
| 1966 - High | 6.18 (12/2) | 4.55 (8/25) | .81 | .62 |
| Low | 5.05 (1/14) | 3.78 (1/20) | .31 | .31 |
| Nov. 11 | 6.11 | 4.32 | .76 | .60 |
| 18 | 6.12 | 4.35 | .76 | .54 |
| 25 | 6.16 | 4.35 | .80 | .48 |
| Dec. 2 | 6.18 | 4.37 | .81 | .48 |
| 9p/ | 6.17 | 4.30 | .79 | .46 |

Note: For footnotes see Exhibit A.

SHORT- AND INTERMEDIATE-TERM INTEREST RATES GOVERNMENT

Weekly

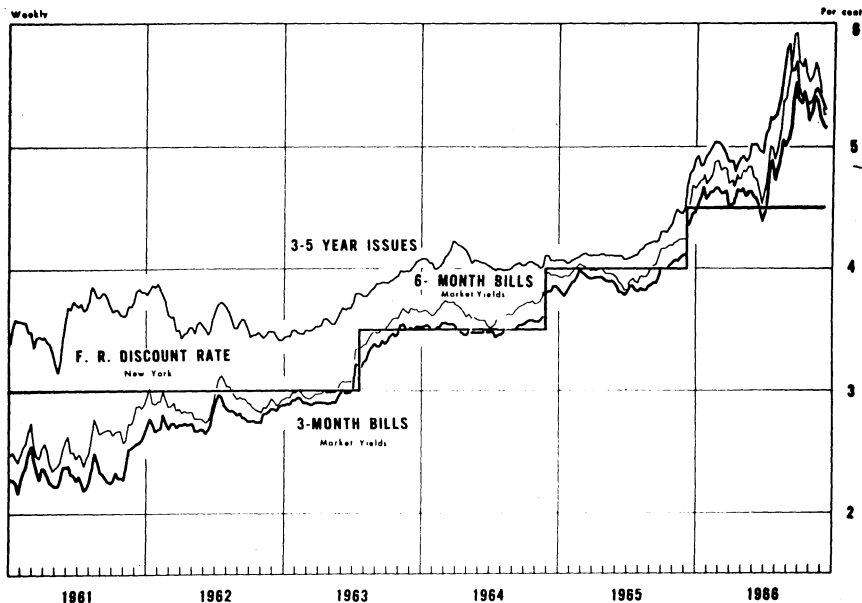


Exhibit C -- Part II

| 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 | 4.50 | 4.47 | 4.66 | 4.90 | .19 | .43 |
| 1966 - High | 4.50 | 5.52 (9/23) | 5.92 (9/23) | 5.83 (9/2) | .52 | .78 |
| Low | 4.50 | 4.39 (6/24) | 4.53 (6/24) | 4.80 (4/8) | .09 | .01 |
| Nov. 11 | 4.50 | 5.41 | 5.68 | 5.45 | .27 | .04 |
| 18 | 4.50 | 5.38 | 5.63 | 5.47 | .25 | .09 |
| 25 | 4.50 | 5.26 | 5.49 | 5.43 | .23 | .17 |
| Dec. 2 | 4.50 | 5.17 | 5.26 | 5.34 | .09 | .17 |
| 9 P/ | 4.50 | 5.16 | 5.26 | 5.30 | .10 | .14 |

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

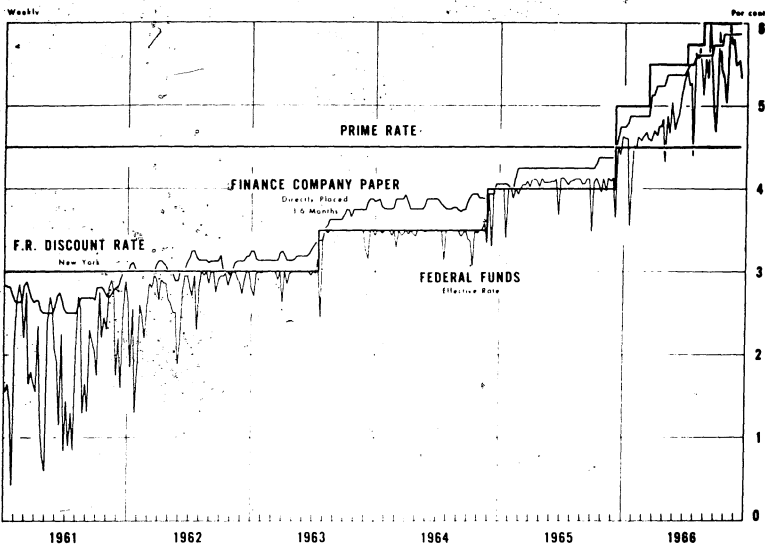


Exhibit D -- Part II

| 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 | 5.00 | 4.75 | 4.63 | .28 |
| 1966 - High | 6.00 (12/9) | 5.88 (12/9) | 6.00 (11/4) | .99 |
| Low | 5.00 (3/4) | 4.75 (1/7) | 3.55 (1/21) | .20 |
| Nov. 11 | 6.00 | 5.88 | 5.75 | .47 |
| 18 | 6.00 | 5.88 | 5.80 | .50 |
| 25 | 6.00 | 5.88 | 5.50 | .62 |
| Dec. 2 | 6.00 | 5.88 | 5.55 | .71 |
| 9 p/ | 6.00 | 5.88 | 5.35 | .72 |

^{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=100

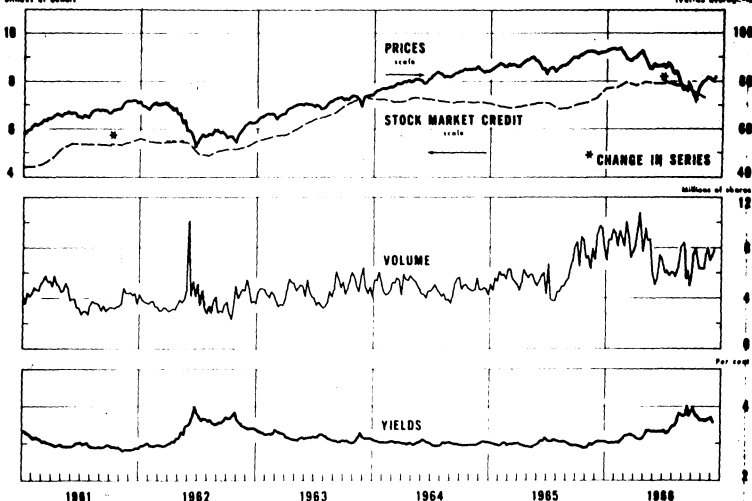


Exhibit E -- Part II

| 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) | 2.82 | 10.1 | 5,602(12/61) | 4,259 (12/61) | 1,418(5/9/62) |
| | 52.68(6/22/62) | 3.96 | 2.4 | 4,424(1/61) | 3,253 (1/61) | 1,161(3/8/61) |
| Nov. 1963 | 72.62 | 3.14 | 5.3 | 7,298 | 5,586 | 1,712 |
| July 1965 | 84.91 | 3.09 | 4.1 | 6,833 | 4,863 | 1,970 |
| 1966 - High | 93.77 (2/11) | 3.02 | 10.7 | 7,997 | 5,835 | 2,241 (7/6) |
| | 73.20 (10/7) | 4.04 | 5.0 | 7,302 | 5,169 | 2,107 (11/9) |
| Oct. | 77.13 | 3.78 | 7.0 | 7,302 | 5,169 | 2,133 |
| Nov. | 80.99 | 3.65 | 7.3 | n.a. | n.a. | 2,124 |
| Nov. 25 | 80.85 | 3.67 | 7.0 | n.a. | n.a. | 2,121 |
| Dec. 2 | 80.13 | 3.70 | 7.4 | n.a. | n.a. | 2,124 |
| | 82.14 | 3.56 | 7.8 | n.a. | n.a. | n.a. |
| 9p/ | | | | | | |

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

1/ Standard and Poor's composite index of 500 common stocks, weekly closing prices, 1941-43=100. 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.

MORTGAGE AND BOND YIELDS

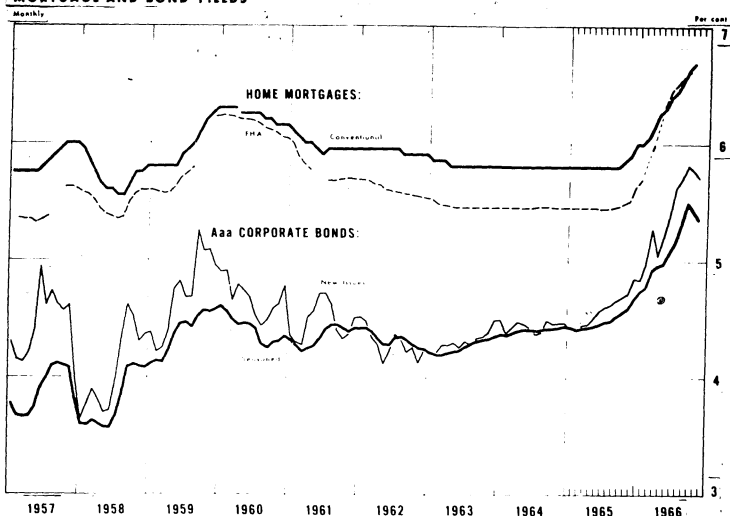


Exhibit F Part II

| | FHA mortgages 2/ | | Conventional mortgages 3/ | Spread between yields on conv. & FHA mortgages 4/ | Aaa Corporate Bonds | | Spread between yields on new corporate bonds and FHA mtgs. Seasoned 6/ | |
|----------------|------------------|---------|---------------------------|---|---------------------|-------------|--|-------------|
| | 25-year | 30-year | | | New 5/ | Seasoned 6/ | 4/ | Seasoned 6/ |
| 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 - Low | 5.43 | 5.44 | 5.80 | .25 | 4.12 | 4.19 | .77 | -.16 |
| 1966 - High | 6.73 | 6.63 | 6.70 | .30 | 5.82 | 5.41 | 1.11 | .46 |
| Low | 5.72 | 5.70 | 6.00 | -.06 | 4.84 | 4.74 | .73 | .09 |
| 1966 - July | 6.58 | 6.51 | 6.45 | -.06 | 5.62 | 5.16 | .89 | .46 |
| Aug. | 6.67 | 6.58 | 6.55 | -.03 | 5.70 | 5.31 | .88 | .39 |
| Sept. | 6.73 | 6.63 | 6.65 | .02 | 5.82 | 5.49 | .81 | .33 |
| Oct. | -- | -- | 6.70 | -- | 5.77 | 5.41 | -- | .36 |
| Nov. | n.a. | n.a. | n.a. | n.a. | 5.72 | 5.35 | n.a. | .37 |

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 line indicates 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 issuing 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/ FHA mortgage yield data are for 25-year mortgages through June 1961; 30-year mortgages thereafter.

5/ See note for Exhibit G.

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

CONVENTIONAL MORTGAGE TERMS

MONTHLY

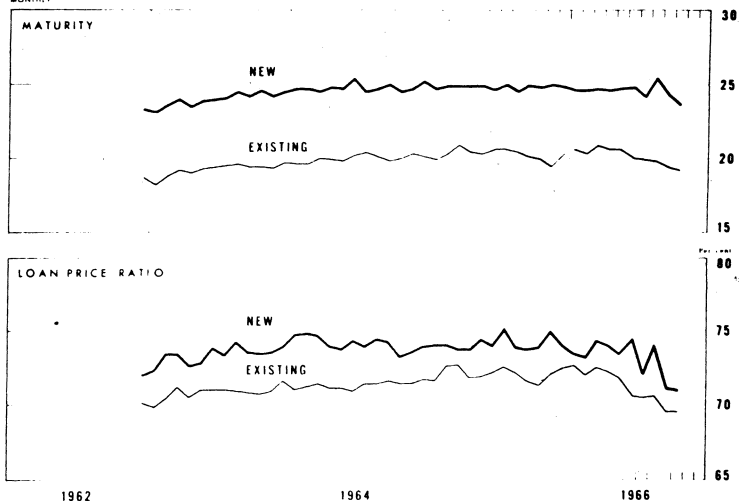


Exhibit F Part IV

| | New Homes | | | | | Existing Homes | | | | |
|-------------|--|--|---------------------|--|--------------------------|--|--|---------------------|--|--------------------------|
| | Con- tract Rate (Per cent) | Fees & Charges (Per cent) 2/ | Maturity (Years) | Loan/ Price ratio (Per cent) | Loan amt. (Thous.) | Con- tract Rate (Per cent) | Fees & Charges (Per cent) 2/ | Maturity (Years) | Loan/ Price ratio (Per cent) | Loan amt. (Thous.) |
| 1965 | | | | | | | | | | |
| Oct. | 5.75 | .53 | 24.8 | 73.8 | 18.3 | 5.87 | .48 | 19.9 | 71.3 | 13.9 |
| Nov. | 5.80 | .54 | 25.0 | 74.9 | 18.5 | 5.91 | .50 | 20.4 | 72.0 | 13.9 |
| Dec. | 5.78 | .58 | 24.8 | 74.0 | 18.4 | 5.91 | .51 | 20.6 | 72.4 | 14.5 |
| 1966 | | | | | | | | | | |
| Jan. | 5.81 | .51 | 24.6 | 73.4 | 18.0 | 5.97 | .49 | 20.6 | 72.6 | 14.3 |
| Feb. | 5.85 | .55 | 24.6 | 73.2 | 18.8 | 5.97 | .51 | 20.3 | 72.0 | 14.4 |
| Mar. | 5.90 | .56 | 24.7 | 74.3 | 18.9 | 6.01 | .53 | 20.9 | 72.5 | 14.7 |
| Apr. | 5.99 | .57 | 24.6 | 73.9 | 18.2 | 6.09 | .54 | 20.6 | 72.2 | 14.5 |
| May | 6.02 | .57 | 24.7 | 73.4 | 19.2 | 6.16 | .56 | 20.6 | 71.8 | 14.7 |
| June | 6.07 | .57 | 24.8 | 74.4 | 19.7 | 6.18 | .47 | 20.0 | 70.6 | 14.7 |
| July | 6.12 | .67 | 24.2 | 72.1 | 19.3 | 6.24 | .52 | 19.9 | 70.5 | 14.3 |
| Aug. | 6.18 | .83 | 25.4 | 74.0 | 20.1 | 6.35 | .61 | 19.8 | 70.6 | 14.7 |
| Sept. | 6.22 | .83 | 24.3 | 71.1 | 19.0 | 6.40 | .64 | 19.4 | 69.5 | 14.0 |
| Oct. | 6.32 | .80 | 23.6 | 71.0 | 19.2 | 6.49 | .71 | 19.2 | 69.5 | 14.1 |

1/ Compiled by Federal Home Loan Bank Board in cooperation with Federal Deposit Insurance Corporation. Data are weighted averages based on probability sample survey of characteristics of conventional first mortgages originated by major institutional lender groups, (including mortgage companies) for purchase of single family homes. Data exclude loans for refinancing, reconditioning, or modernization; construction loans to home-builders; and—in this exhibit—permanent loans which are coupled with construction loans to owner-builders. Data are still in a developmental stage and may reflect seasonal influences which cannot yet be measured because the series go back only to end of 1962. Related series on conventional mortgage rates only, based on weighted opinions of regional-office directors of the Federal Housing Administration, are available somewhat sooner than the results of FHLMC-FHDB survey, and are included—in the case of new home mortgage rates—in Exhibit F, Parts I and II.

2/ Fees and charges—expressed as a percentage of the principal mortgage amount—include loan commissions, fees, discounts, and other charges which provide added income to the lender and are paid by the borrower. They exclude any closing costs related solely to transfer of property ownership.

YIELDS ON NEW AND SEASONED CORPORATE BONDS

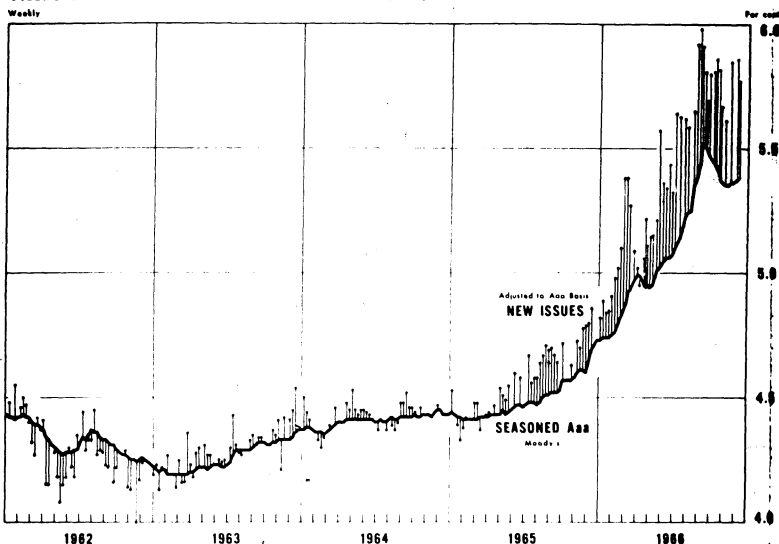


Exhibit G - Part II

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) |
|-------------------------|------------------------|---|--------------------------------|--------|------------------------|---|--------------------------------|
| Weekly averages: | | | | | | | |
| 1966 - Jan. | 8 | 300.0 | 4.84 | Oct. 7 | 1 | 40.0 | 5.81 |
| Feb. | 10 | 304.5 | 4.98 | 14 | 2 | 63.5 | 5.86 |
| Mar. | 9 | 513.0 | 5.13 | 21 | 2 | 115.0 | 5.82 |
| Apr. | 13 | 452.3 | 5.08 | 28 | 3 | 115.0 | 5.67 |
| May | 7 | 341.0 | 5.21 | Nov. 4 | 4 | 155.0 | 5.61 |
| June | 11 | 596.0 | 5.38 | 11 | -- | -- | -- |
| July | 5 | 155.0 | 5.62 | 18 | 1 | 130.0 | 5.85 |
| Aug. | 5 | 680.0 | 5.70 | 25 | -- | -- | -- |
| Sept. | 8 | 280.0 | 5.82 | | | | |
| Oct. | 8 | 333.5 | 5.77 | | | | |
| Nov. | 5 | 285.0 | 5.72 | Dec. 2 | 2 | 50.0 | 5.86 |
| | | | | 9 | 2 | 105.0 | 5.77 |
| Weekly averages: | | | | | | | |
| High | | 5.98(9/2) | | | | | |
| Low | | 4.82(1/7) | | | | | |

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 | | | State and local 2/ | | |
| | 1966 P/ | 1965 | 1964 | 1966 P/ | 1965 | 1964 |
| January | 1,302 | 795 | 938 | 1,184 | 804 | 947 |
| February | 1,237 | 746 | 700 | 858 | 872 | 776 |
| March | 2,446 | 1,197 | 778 | 868 | 904 | 810 |
| April | 1,553 | 1,152 | 2,237 | 1,194 | 826 | 1,242 |
| May | 1,058 | 1,691 | 1,095 | 905 | 924 | 667 |
| June | 2,364 | 1,946 | 1,405 | 1,140 | 972 | 903 |
| July | 1,039 | 1,290 | 812 | 698 | 986 | 906 |
| August | 1,670 | 850 | 680 | 773 | 648 | 780 |
| September | 1,382 | 1,392 | 1,130 | 1,010 | 966 | 892 |
| October | e/1,050 | 924 | 953 | 724 | 794 | 801 |
| November | e/1,075 | 1,325 | 669 | e/ 925 | 1,021 | 529 |
| December | e/2,025 4/ | 1,496 | 1,642 | e/ 875 | 754 | 948 |
| 1st quarter | 4,985 | 2,738 | 2,416 | 2,910 | 2,580 | 2,533 |
| 2nd quarter | 4,974 | 4,789 | 4,738 | 3,239 | 2,722 | 2,811 |
| 3rd quarter | 4,091 | 3,533 | 2,621 | 2,481 | 2,600 | 2,578 |
| 4th quarter | e/4,150 | 3,745 | 3,264 | e/2,524 | 2,569 | 2,278 |
| 1st half | 9,959 | 7,527 | 7,153 | 6,149 | 5,302 | 5,345 |
| Three quarters | 14,050 | 11,060 | 9,775 | 8,630 | 7,902 | 7,923 |
| Year | e/18,200 | 14,805 | 13,038 | e/11,154 | 10,471 | 10,201 |
| Excluding finance companies 3/ | | | | | | |
| 1st quarter | 4,924 | 2,547 | 2,043 | | | |
| 2nd quarter | 4,884 | 4,348 | 4,258 | | | |
| 3rd quarter | | 3,283 | 2,477 | | | |
| 4th quarter | | 3,188 | 2,997 | | | |
| Year | | 13,366 | 11,775 | | | |

g/ 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.

4/ Includes \$215 million Pennzoil note issue.

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 Placed | | | | | | |
| 1964 - III | 2,876 | 792 | 1,590 | 494 | 94 | 559 | 642 | 59 | 1,361 |
| IV | 3,568 | 531 | 2,629 | 408 | 227 | 1,061 | 509 | 135 | 1,559 |
| 1965 - I | 3,007 | 905 | 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 | 3,912 | 1,575 | 1,955 | 383 | 263 | 1,119 | 786 | 323 | 1,304 |
| IV | 4,030 | 1,226 | 2,264 | 540 | 300 | 1,145 | 610 | 177 | 1,815 |
| 1966 - I | 5,094 | 1,774 | 2,586 | 734 | 345 | 1,860 | 969 | 602 | 1,553 |
| II | 5,115 | 1,941 | 2,083 | 1,090 | 168 | 2,205 | 960 | 392 | 1,418 |
| III | 4,197 | 2,256 | 1,627 | 314 | 153 | 1,558 | 657 | 567 | 1,309 |
| IV | | | | | | | | | |
| 1965 - July. | 1,443 | 542 | 780 | 122 | 27 | 399 | 202 | 102 | 587 |
| Aug. | 930 | 369 | 468 | 93 | 87 | 307 | 297 | 25 | 222 |
| Sept. | 1,538 | 664 | 706 | 168 | 150 | 414 | 287 | 196 | 495 |
| Oct. | 986 | 287 | 574 | 124 | 99 | 273 | 158 | 92 | 401 |
| Nov. | 1,398 | 613 | 529 | 257 | 101 | 402 | 209 | 43 | 671 |
| Dec. | 1,646 | 326 | 1,161 | 159 | 99 | 470 | 243 | 43 | 741 |
| 1966 - Jan. ^{3/} | 1,339 | 460 | 692 | 187 | 93 | 353 | 388 | 141 | 420 |
| Feb. | 1,273 | 560 | 583 | 130 | 118 | 530 | 241 | 160 | 306 |
| Mar. | 2,482 | 753 | 1,311 | 417 | 133 | 977 | 340 | 301 | 827 |
| Apr. | 1,582 | 628 | 743 | 210 | 86 | 692 | 364 | 76 | 421 |
| May | 1,106 | 481 | 556 | 69 | 33 | 376 | 274 | 40 | 368 |
| June | 2,427 | 832 | 784 | 811 | 49 | 1,137 | 322 | 276 | 629 |
| July | 1,085 | 440 | 535 | 110 | 69 | 397 | 263 | 52 | 327 |
| Aug. | 1,712 | 1,140 | 435 | 137 | 22 | 518 | 313 | 318 | 522 |
| Sept. | 1,400 | 676 | 657 ^{4/} | 67 | 62 | 643 | 81 | 198 | 460 |
| Oct. ^{e/} | 1,090 | 520 | 450 | 120 | n.a. | 450 | 300 | 75 | 225 |
| Nov. ^{e/} | 1,100 | 550 | 450 | 100 | n.a. | 350 | 275 | 160 | 290 |
| Dec. | | | | | | | | | |

^{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 and other transportation, real estate and finance, and commercial and other.

^{3/} Does not include U.S. Steel \$600 million conversion of preferred stock to debentures.

^{4/} Includes \$229 million Consolidation Coal issue for partial payment of a liquidating dividend.

SOURCE: Securities and Exchange Commission.

Exhibit J

Other Security Offerings
(In millions of dollars)

| | Gross Long-term 1/ | | | | | |
|-------------|-------------------------------|-------|------|-------------------|-------|-------|
| | Foreign Government 2/ | | | Federal Agency 3/ | | |
| | 1966 | 1965 | 1964 | 1966 | 1965 | 1964 |
| January | 12 | 218 | 4 | -- | -- | -- |
| February | 40 | -- | 82 | 503 | 129 | -- |
| March | 40 | 38 | 69 | 410 | 185 | -- |
| April | 66 | 73 | 30 | 392 | 325 | -- |
| May | 69 | -- | 75 | 699 | -- | -- |
| June | 76 | 91 | 26 | 1,030 | 775 | 275 |
| July | 72 | 33 | 20 | 1,084 | -- | 260 |
| August | 7 | 74 | 13 | 799 | 239 | 160 |
| September | 50 | 5 | 7 | 400 | 150 | -- |
| October | | 52 | 180 | | 375 | 510 |
| November | | 75 | 72 | | 375 | -- |
| December | | 2 | 58 | | 179 | -- |
| Jan. - Oct. | n.a. | 584 | 506 | n.a. | 2,178 | 1,205 |
| Year | | 661 | 636 | | 2,732 | 1,205 |
| | New short-term 4/ | | | | | |
| | State and local Government 5/ | | | Federal Agency 3/ | | |
| | 1966 | 1965 | 1964 | 1966 | 1965 | 1964 |
| January | 103 | 238 | 103 | 308 | -137 | -308 |
| February | 39 | 91 | 236 | -24 | -174 | -336 |
| March | -319 | -458 | -407 | 450 | 117 | 23 |
| April | 580 | 647 | 442 | 718 | -11 | 97 |
| May | 462 | 204 | 81 | 85 | 509 | 183 |
| June | -334 | -82 | -80 | 284 | 237 | 239 |
| July | -103 | 119 | -9 | -590 | 132 | -333 |
| August | 270 | 408 | 127 | -270 | 206 | 167 |
| September | p/-161 | 152 | 176 | -652 | 105 | 1 |
| October | | 59 | 7 | -555 | -309 | 525 |
| November | | 274 | -15 | | 202 | 113 |
| December | | | -208 | | -76 | -3 |
| Jan. - Oct. | n.a. | 1,378 | 676 | -246 | 675 | 258 |
| Year | | 1,286 | 453 | | 801 | 368 |

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 and Exchange Commission. 3/ Issues not guaranteed by U.S. Government. Source: Long-term, Securities and Exchange Commission; short-term, Treasury Dept. & Fed. 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 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 | | |
| 1965 - Nov. | 736 | 559 | 33 | 144 | 538 | 95 |
| Dec. | 262 | 212 | 50 | -- | 413 | -- |
| 1966 - Jan. | 485 | 370 | -- | 115 | 787 | -- |
| Feb. | 545 | 391 | 84 | 70 | 424 | -- |
| Mar. | 890 | 544 | 75 | 271 | 399 | 55 |
| Apr. | 643 | 481 | 55 | 106 | 720 | 60 |
| May | 401 | 351 | 50 | -- | 466 | -- |
| June | 1,317 | 636 | 20 | 661 | 582 | 275 |
| July | 402 | 170 | 182 | 50 | 338 | 15 |
| Aug. | 1,189 | 862 | 257 | 80 | 410 | -- |
| Sept. | 627 | 287 | 340 | -- | 611 | 50 |
| Oct. | 523 | 352 | 116 | 55 | 387 | -- |
| Nov. | 510 | 363 | 97 | 50 | 464 | 55 |

Large Individual Issues Offered December 1 through 9

| Issuer | Type 3/ | Amount (millions of dollars) | Maturity | Coupon rate or net interest cost | Offering yield | Rating |
|-------------------------------------|--------------------|-------------------------------------|-----------------|---|-----------------------|---------------|
| <u>Corporate</u> | | | | | | |
| Florida Power & Lt. Co. | 1st. mtg. bds. | 40.0 | 1996 | 6 | 5.90 | Aa |
| | Com. stk. | 21.1 | | | | |
| Western Union Tele. Co. | S.F. deb. | 50.0 | 1989 | 6-1/2 | 6.50 | Baa |
| Rohr Corp. | Conv. sub. deb. | 15.0 | 1986 | 5-1/4 | 5.25 | Ba |
| Tenneco, Inc. | 1st mtg. p.l. bds. | 60.0 | 1987 | 6-3/4 | 6.75 | Baa |
| New Jersey Bell Tel. Co. | Deb. | 55.0 | 2006 | 5-7/8 | 5.83 | Aaa |
| Gen. Aniline & Film Corp. | Deb. | 50.0 | 1991 | 5-7/8 | 5.95 | A |
| Commonwealth Edison Co. | 1st mtg. bds. | 50.0 | 1996 | 5-3/4 | 5.75 | Aaa |
| *Gen. Public Utilities | Com. stk. | 27.0 | | | | |
| Detroit Edison Co. | 1st mtg. bds. | 100.0 | 1996 | 6 | 6.00 | Aa |
| Dana Corp. | Deb. | 35.0 | 1991 | 6 | 6.00 | A |
| <u>State and local Govt.</u> | | | | | | |
| Munic. of Metro. Seattle Washington | Rev. -ut. | 15.0 | 1975-2006 | 4.50 | 4.25-4.45 | -- |

Large Individual Issues Offered December 1 through 9 (Cont'd)

| Issuer | Type <u>3/</u> | Amount (millions of dollars) | Maturity | Coupon rate of net inter- est cost | Offer- ing yield | Rating |
|---|----------------|---------------------------------------|-----------|---|------------------------|--------|
| <u>State and local Govt.</u> <u>(Cont'd)</u> | | | | | | |
| Oklahoma Turnpike Auth. | Rev.-Q.-Ut. | 40.0 | 2006 | 4.92 | 4.70-5.00 | Baa |
| Oklahoma Turnpike Auth. | Rev.-Q.-Ut. | 36.0 | | | | Ba |
| Ga. Univ. System Bldg. Auth. | Rev.-Rent | 25.5 | 1967-91 | 4.02 | 3.80-3.96 | Aa |
| State of Mississippi | G.O. | 26.2 | 1968-92 | 4.09 | 3.85-4.00 | Aa |
| New York State Dorm. Auth. | Rev.-Rent | 30.1 | 1968-97 | 4.68 | 4.50-4.60 | -- |
| State of Tennessee | G.O. | 28.0 | 1968-87 | 3.81 | 3.65-3.75 | Aa |
| Housing Assistance Admin. | Bonds | 115.4 | 1967-2007 | 3.74 | -- | Aaa |
| Puerto Rico Urban Re- newal & Housing Corp. | Rev.-Rent | 15.0 | 1969-92 | n.a. | 4.40-4.50 | A |
| <u>Other</u> | | | | | | |
| None | | | | | | |

*--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 leased payments.

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/ |
| 1965 - Nov. 30 | 297 | 398 | 20 | 344 | 458 | 20 |
| Dec. 31 | 553 | 501 | 20 | 676 | 582 | 20 |
| 1966 - Jan. 31 | 530 | 340 | 20 | 931 | 461 | 20 |
| Feb. 28 | 828 | 366 | 20 | 1,176 | 504 | 90 |
| Mar. 31 | 489 | 253 | 20 | 606 | 334 | 55 |
| Apr. 30 | 248 | 399 | 20 | 1,034 | 546 | 55 |
| May 31 | 1,261 | 584 | 30 | 1,261 | 584 | 85 |
| June 30 | 317 | 337 | 15 | 619 | 353 | 50 |
| July 29 | 677 | 403 | 20 | 697 | 403 | 35 |
| Aug. 31 | 662 | 515 | 40 | 853 | 685 | 90 |
| Sept. 30 | 687 | 300 | 20 | 767 | 380 | 35 |
| Oct 31 | 397 | 140 | 20 | 457 | 175 | 35 |
| Nov. 30 | 1,098 | 496 | 20 | 1,133 | 571 | 65 |

Forthcoming Large Offerings as of December 9

| Issuer | Type | Amount (millions of dollars) | Approximate date of offering |
|---------------------------------|-------------------|---------------------------------------|---------------------------------|
| <u>Corporate</u> | | | |
| Braniff Airways, Inc. | Sub. deb. | 60.0 | December 12 |
| General Tel. & Elec. Corp. | S.F. deb. | 125.0 | December 13 |
| Consolidated Edison Co. of N.Y. | 1st mtg. bds. | 75.0 | December 15 |
| Southern Calif. Gas Co. | 1st mtg. bds. | 40.0 | December 16 |
| United Air Lines | Conv. sub. debts. | 114.7 | December 20 (rts. ex.) |
| Pacific Tel. & Tel. Co. | Com. Stk. | 20.3 | December 30 (rts. ex.) |
| Pennzoil Company | Notes | 215.0 | December |
| *N.Y. State Elec. Gas Corp. | 1st mtg. bds. | 25.0 | January 12 |
| *Collins Radio Co. | Conv. sub. deb. | 30.0 | January |
| Associates Investment Co. | Notes | 35.0 | January |
| McCall Corporation | Conv. pfd. stk. | 20.0 | Indefinite |
| United Nuclear Corporation | Conv. sub. deb. | 15.0 | Indefinite |

Forthcoming Large Offerings as of December 9 (Cont'd)

| Issuer | Type | Amount (millions of dollars) | Approximate date of offering |
|--|-------------|---------------------------------------|------------------------------|
| <u>State and local Government</u> | | | |
| *Metro Fair & Expo. Autho., Ill. Los Angeles Co. Fld. Control District, California | Rev. | 15.0 | December 13 |
| Belridge Wtr. Storage District, California | G.O. | 15.0 | December 13 |
| Richmond, Virginia | G.O. | 10.3 | December 13 |
| State of Vermont | G.O. | 14.3 | December 14 |
| Calif. Toll Br. Auth., Sacramento | G.O. | 20.0 | December 14 |
| Greater New Orleans Exp. Comm. | Rev.-Q.-Ut. | 47.6 | December 14 |
| * Middletown Growth, Inc., Ohio | Rev.-Q.-Ut. | 72.4 | December 20 |
| * Fairfax County, Virginia | Rev.-Rent | 80.0 | December |
| * State of Oregon | G.O. | 14.8 | January 4 |
| * King Co. Sch. Dist., Washington | G.O. | 30.0 | January 4 |
| State of Ohio | G.O. | 34.0 | January 5 |
| * Los Angeles USD, California | G.O. | 75.0 | January 5 |
| * Milwaukee County, Wisconsin | G.O. | 30.0 | January 10 |
| | G.O. | 33.0 | January 10 |
| <u>Other</u> | | | |
| Quebec Hydro-Elec. Comm. | Deb. | 50.0 | December 14* |
| Nippon Tel. & Tel. Pub. Corp. | Bonds | 15.0 | Indefinite |

*--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

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 October 1 through December 9. | | |
| 11/15 | 10.0 | Government of Mexico--7-1/4% external sinking fund bonds, maturing 1981, reoffered to yield 7.65%. |
| 11/16 | 15.0 | New Brunswick Electric Power Commission--6% sinking fund debentures maturing 1991, reoffered to yield 6.16%. |
| 11/16 | 30.0 | City of Montreal, Canada--6% sinking fund debentures maturing 2006, reoffered to yield 6.35%. |
| B. Prospective Offerings | | |
| December 14 | 50.0 | Quebec Hydro-Electric Commission--debentures. |
| Indefinite | 15.0 | Nippon Telegraph and Telephone Public Corp.--Bonds |

* -- Included in table for first time.

** -- Issue sold to investors outside of U.S.

*** -- Issue subject to interest equalization tax.

Part II: Private Placements - Reported October 1 through December 9

| Date Reported | Amount (millions of dollars) | Issuer and Description of Issue |
|---------------|---------------------------------------|--|
| 10/28 | 44.0 | Bell Telephone of Canada--6% 1st mortgage bonds, maturing 1996--\$33.5 taken down balance by January 13, 1967. |
| 10/28 | 12.0 | Canadian Fina Oil Ltd.--6-1/2% guaranteed notes, maturing 1996--to be taken down by March 30, 1967. |

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 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 takedown. Full or partial takedowns may take place both prior and subsequent to the date a placement is reported.