

JAN 10 1968  
 FEDERAL RESERVE BANK  
 OF RICHMOND

CAPITAL MARKETS DEVELOPMENTS  
 IN THE UNITED STATES

Corporate and municipal bond markets. The volume of new, publicly-offered corporate and municipal securities expected this week is below the average weekly volume over the past year. Over half the corporate volume consists of the \$100 million offering by Northwestern Bell Telephone, while the largest municipal offering will be the Houston Independent School District's \$39.8 million issue. The week's long-term offerings may be supplemented by the Quebec Hydro-Electric Commission's \$50 million of bonds.

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

	Corporate		State & Local Government	
	New Capital	Refunding	New Capital	Refunding
<b>Sold:</b>				
52 weeks avg.	337	1	259	3
December 29	<u>r/</u> 59	--	<u>r/</u> 67	--
January 5	25	--	125	--
<b>Scheduled:</b>				
January 12	197	--	217	--

<sup>1/</sup> Federal Reserve estimates are based upon published reports of issues sold and scheduled for offering; corporaterights offerings are included as of date subscription rights expire.

Yields on seasoned corporate bonds were unchanged last week, but the somewhat discontinuous new issue yield series indicates that such yields have declined considerably from their peak. Last week's Aa-rated utility carrying 5-year call protection was offered at 6.50, considerably below the peak for such an issue -- registered exactly one month earlier -- of 6.80. The new issue was furthermore very well received. Allegedly, the announcement of selective controls to improve the U.S. balance of payments position was interpreted favorably by bond market participants.

Yields on municipals were generally lower last week, and new issues sold exceptionally well. By Friday night, 96 per cent of the week's offerings had been sold -- the highest proportion in over a year.

Yields on Security Markets

<u>High Grade Notes and Bonds</u>	<u>Level Latest Week</u>	<u>Change from preceding week</u>
<u>Corporate</u>		
New	6.32	--
Seasoned	6.24	--
<u>U.S. Government</u>		
Long-term	5.23	-12
3-5 year	5.61	-14
<u>State and local Govt.</u>		
Moody's Aaa	4.15	--
Std. & Poor's high grade	4.46	-5
<u>Money Market</u>		
Federal funds	4.56	-10
Treasury bills		
3-month	4.99	--
6-month	5.39	-10

Corporate Bonds Still in Syndicate

NONE

Blue List of Municipal Dealers' Advertised Inventories

<u>Latest Week</u>	<u>End of Previous Week</u>	<u>Recent High</u>
503(1/2/68)	506	849(4/26/67)

Home-mortgage interest rates and other terms. Secondary market yields on FHA-insured new-home mortgages continued upward to 6.77 per cent in November, as pressures on capital markets increased further. Altogether, the November advance was the largest -- 12 basis points -- in recent months and left the average within 4 basis points of the series high in November of 1966 when discounts on such mortgages averaged 6.8 points. Even so, the further advance in yields on new corporate bonds in November was considerably greater and, as a result, the gross yield spread between FHA-insured mortgages and new corporate bonds narrowed to just 24 basis points, by far the smallest in the history of the series.

Conventional first-mortgage interest rates on new homes, which had changed little in recent months, also moved upward in November, by 10 basis points. At 6.65 per cent, they were just under the November 1966 peak, based on data from the Federal Housing Administration, which reports these rates rounded to the nearest five basis points. Comparable rates for first mortgages on existing homes reached 6.70 per cent in November, following a similar pattern of rise.

Nonrate terms on conventional first mortgages for single family homes were generally little changed in November, according to the Federal Home Loan Bank Board. Maturities averaged 24.2 years for loans on new homes and 21.5 years for loans on existing homes, with corresponding loan-to-value ratios at 73.7 per cent and 72.7 per cent, respectively. On balance, these terms appeared to be somewhat below earlier peaks, though moderately higher than a year earlier. However, reflecting increased lender concentration on higher priced homes, average loan amounts were apparently at or above earlier highs in November.

Savings inflows. Net savings inflows at all depository-type institutions totalled \$1,866 million in November. Commercial banks, with net inflows of \$970 million, experienced a considerable year-to-year improvement, as the year before they had suffered net withdrawals in November. Mutual savings banks, with net inflows of \$321 million, also showed an improvement over their year-earlier experience. Savings and loan associations, however, had a somewhat reduced net increase in savings capital. Net inflows at these institutions totalled \$575 million this November, whereas in November 1966 their net inflows totalled \$614 million.

Stock prices. Common stock prices declined somewhat last week in extremely heavy trading. At the close Friday, Standard and Poor's index of 500 stocks stood at 95.94, down 0.53 from the previous Friday. Trading volume averaged 12.3 million shares a day.

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

## SAVINGS FLOWS

Year or Month	Total 1/	Savings & Loan Assoc. 2/			Mutual Savings Banks 3/			Commercial Banks 4/		
		Current (millions)	Change from previous year	Per cent change	Current (millions)	Change from previous year	Per cent change	Current (millions)	Change from previous year	Per cent change
<u>Unadjusted</u>										
1961	20,070	8,743	1,184	15.7	1,912	550	40.4	9,415	3,703	64.8
1962	27,901	9,351	608	7.0	3,038	1,126	58.9	15,512	6,097	64.8
1963	29,100	11,072	1,721	18.4	3,255	217	7.1	14,773	-739	-4.8
1964	28,957	10,579	-493	-4.5	4,236	981	30.1	14,142	-631	-4.5
1965	31,953	8,384	-2,195	-20.7	3,582	-654	-15.4	19,987	5,845	41.3
1966	19,717	3,625	-4,759	-56.8	2,557	-1,025	-28.6	13,535	-6,452	-32.3
<u>Seasonally Unadjusted</u>										
1967 - July	2,173	61	1,569	--	319	124	63.6	1,793	46	2.6
August	3,595	646	522	421.0	325	165	103.1	2,624	915	265.0
Sept.	2,156	1,193	562	89.1	550	177	47.5	413	785	--
Oct.	2,166	496	542	--	210	121	60.3	1,460	2,026	--
Nov. p/	1,866	575	-39	-6.4	321	67	26.4	970	1,532	--
1967 - July	4,226	1,492	1,662	--	435	134	44.5	2,299	98	4.5
August	3,466	649	524	419.2	384	170	77.1	2,433	1,875	336.0
Sept.	2,087	770	473	159.3	375	162	76.1	942	831	832.7
Oct.	3,094	733	565	336.3	367	74	25.3	1,994	2,116	--
Nov. p/	4,284	401	10	2.6	342	87	34.1	3,541	1,892	114.7

r/ Revised. p/ Preliminary.

1/ Commercial bank data are of the last Wednesday of month except June 30 and December 31; other data are as of the last day of the month.

2/ Data are for the net increase in savings capital at all operating S&amp;L's. Source: FHLBB.

3/ Data are for the net increase in regular deposits--includes other deposits of a demand nature. Source: Mutual Savings Banks Association.

4/ Data are for the net increase in savings and time deposits adjusted at all commercial banks. Source: Federal Reserve.

# LONG-TERM BOND YIELDS, HIGH-GRADE

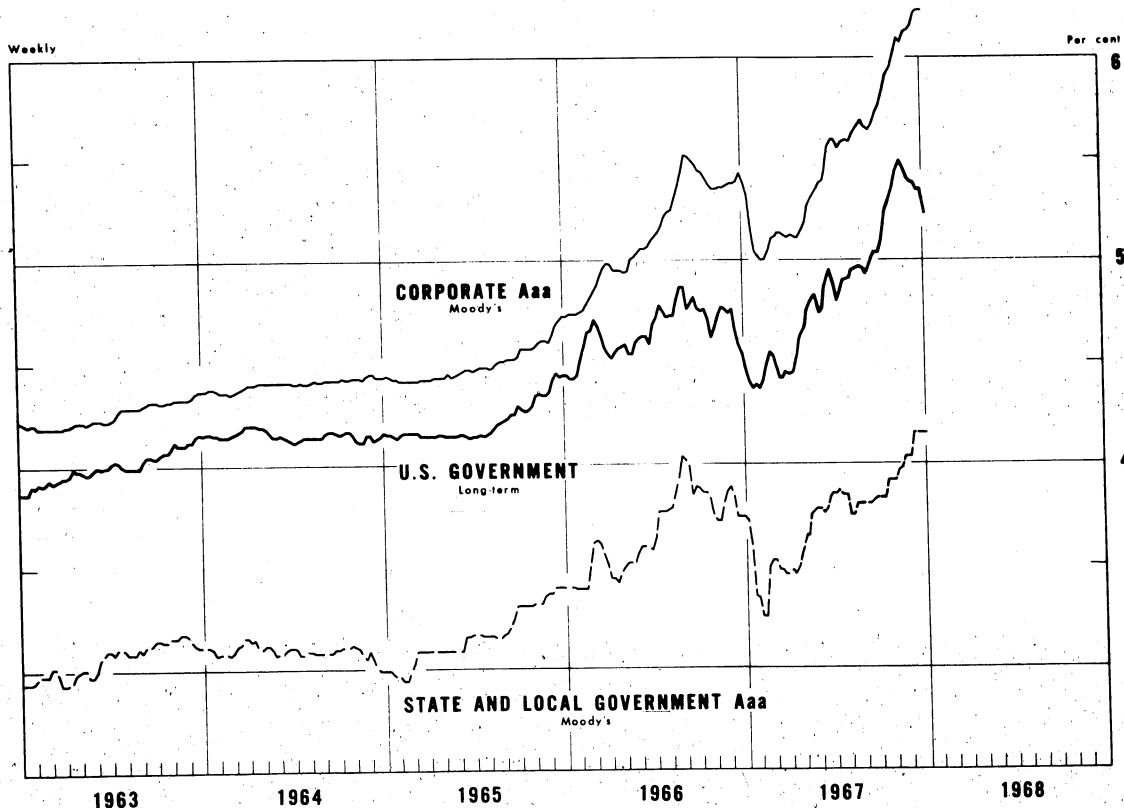


Exhibit A -- Part II

Date	Corporate Aaa <u>1/</u>	U.S. Govt. long-term <u>2/</u>	State and local government Aaa <u>3/</u>	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(8/5/60)	.92(4/22/60)
1966 - High	5.52(9/9)	4.87(9/2)	4.04(8/25)	.84(12/30)	1.19(2/11)
- Low	4.73(1/7)	4.42(1/7)	3.39(1/13)	.14(2/18)	.77(9/2)
1967 - High	6.24(12/29)	5.49(11/17)	4.15(12/29)	.92	1.51
- Low	5.00(2/10)	4.37(2/3)	3.25(2/9)	.44	.74
Dec. 8	6.14	5.38	4.15	.76	1.23
15	6.16	5.38	4.15	.78	1.23
22	6.22	5.34	4.15	.88	1.19
29	6.24	5.35	4.15	.89	1.20
Jan. 5 <sup>p/</sup>	6.24	5.23	4.15	1.01	1.08

p/ Preliminary. r/ Revised.

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.

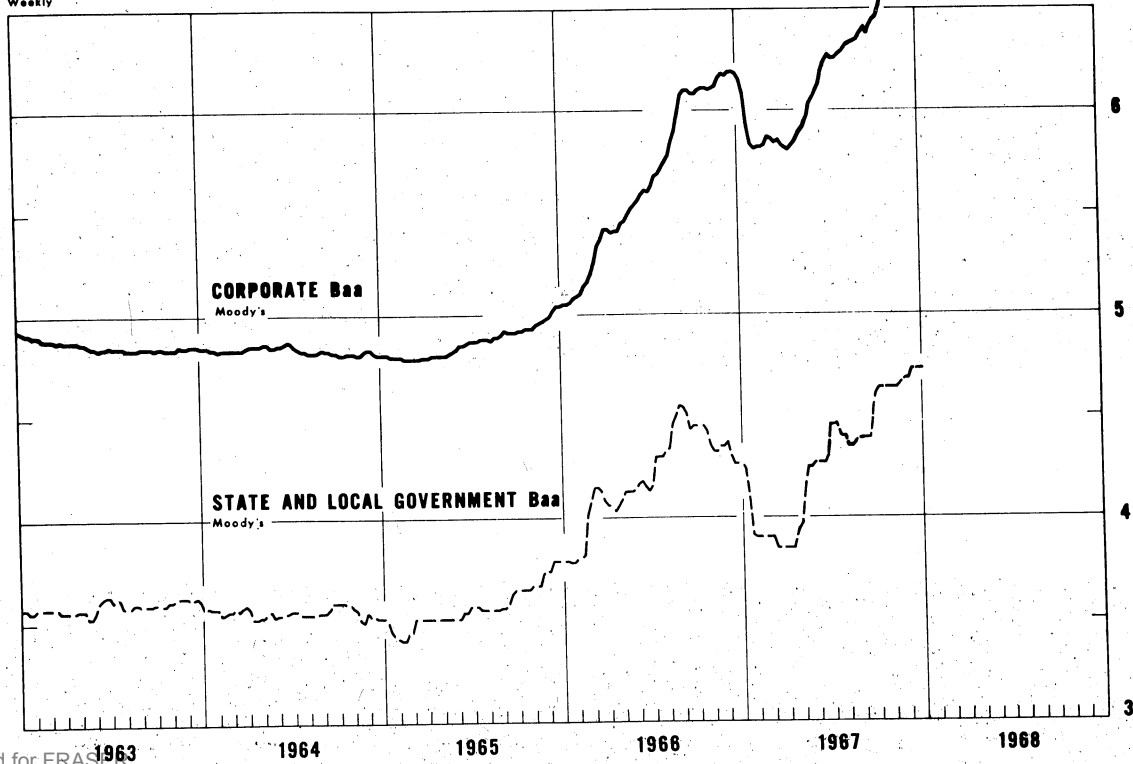
3/ Thursday figures. Only general obligation bonds are included; average term is 20 years.

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

Weekly

Per cent



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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- 1965	5.04	3.79	.31	.39
1966 - High	6.18(12/30)	4.55(8/25)	.81	.62
Low	5.05(1/14)	3.78(1/20)	.31	.31
1967 - High	6.97(12/29)	4.73(12/28)	.82	.81
Low	5.81(4/14)	3.85(4/13)	.63	.37
Dec. 8	6.89	4.73	.75	.58
15	6.93	4.73	.77	.58
22	6.96	4.73	.74	.58
29	6.97	4.73	.73	.58
Jan. 5p/	6.96	4.73	.72	.58

Note: For footnotes see Exhibit A.



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

Weekly

Per cent

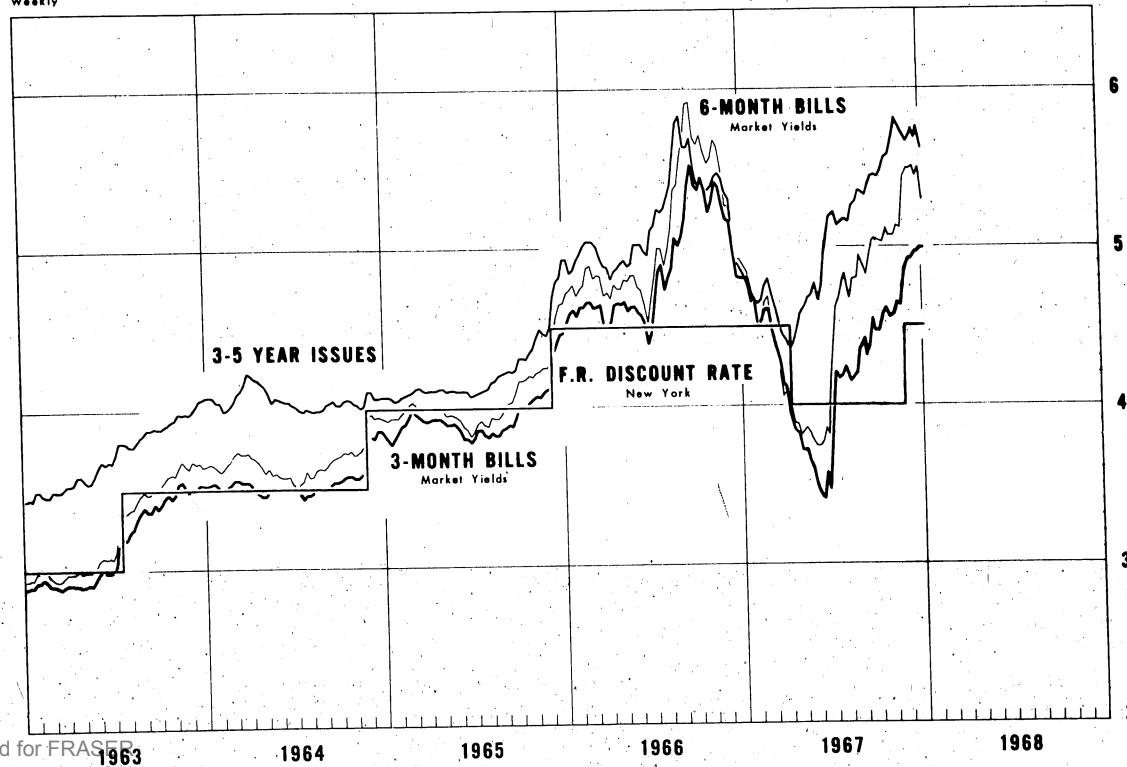


Exhibit C -- Part II

Date	Discount rate 1/	Yields			Spread between yields on	
		3-month bills 2/	6-month bills 2/	3-5 year issues 2/	3-mo. 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 - 1965	4.50	4.47	4.66	4.90	.19	.43
1966	4.50	4.80	4.92	4.86	.12	.06
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
1967 - High	4.50	4.99(12/29)	5.50(12/15)	5.80(11/10)	.62	1.61
Low	4.00	3.41(6/9)	3.74(6/2)	4.36(4/7)	.01	.02
Dec. 8	4.50	4.92	5.49	5.70	.57	.78
15	4.50	4.96	5.50	5.74	.54	.78
22	4.50	4.96	5.44	5.68	.48	.72
29	4.50	4.99	5.49	5.75	.50	.76
Jan. 5 p/	4.50	4.99	5.39	5.61	.40	.62

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

Per cent

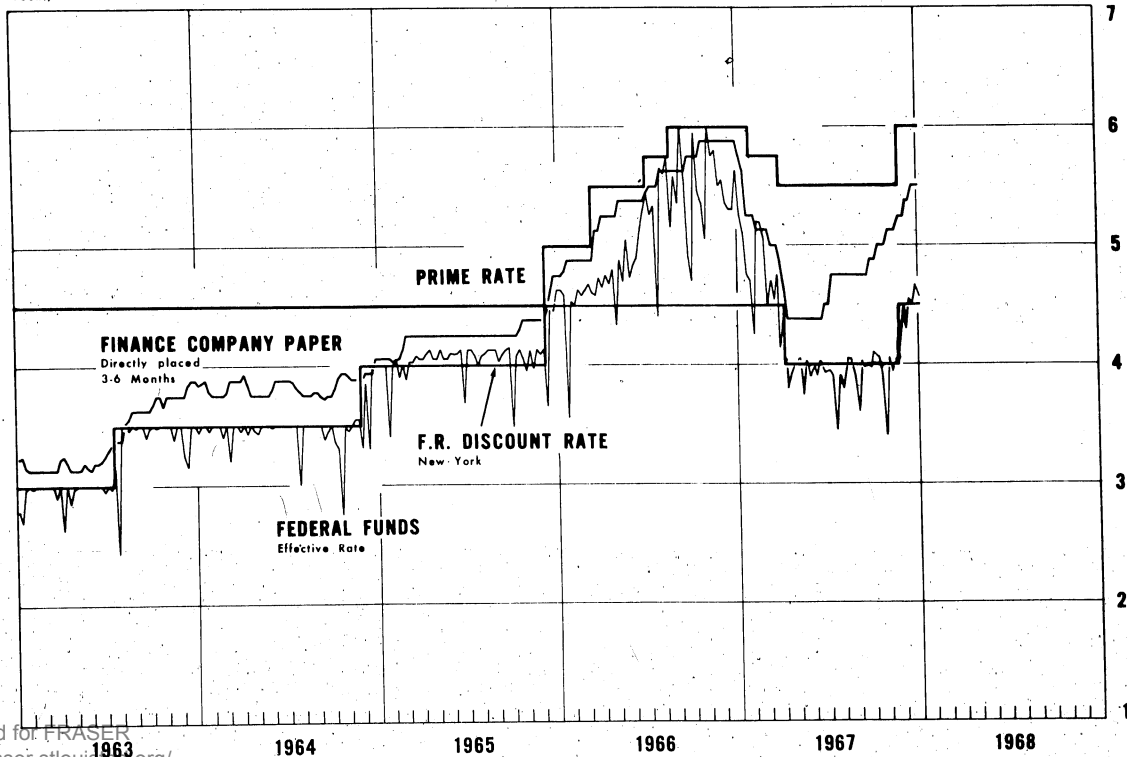


Exhibit D -- Part II

Date	Prime rate <u>1/</u>	Finance company paper <u>2/</u>	Federal funds <u>3/</u>	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- 1964	4.50	4.06	4.00	.23
1965	5.00	4.75	4.63	.28
1966	6.00	5.88	5.63	1.08
1966 - Low	5.00(3/4)	4.75(1/7)	3.55(1/21)	.20
1967 - High	6.00(12/29)	5.75(1/6)	5.25(1/6)	1.33
Low	5.50(12/1)	4.38(6/23)	3.40(10/27)	.21
Dec. 8	6.00	5.38	4.30	.46
15	6.00	5.38	4.55	.41
22	6.00	5.50	4.50	.54
29	6.00	5.50	4.66	.51
Jan. 5 <sup>p</sup> /	6.00	5.50	4.56	.51

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.

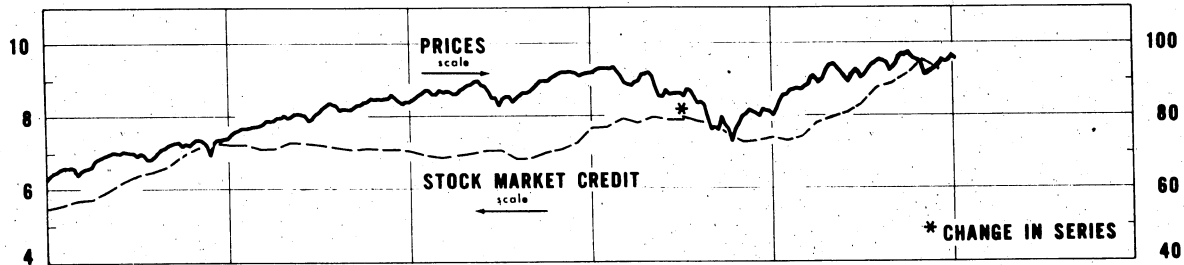
3/ Weekly average of daily effective rate, which is the rate for the heaviest volume of purchase and sale transactions as reported to the Federal Reserve Bank of New York.

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.

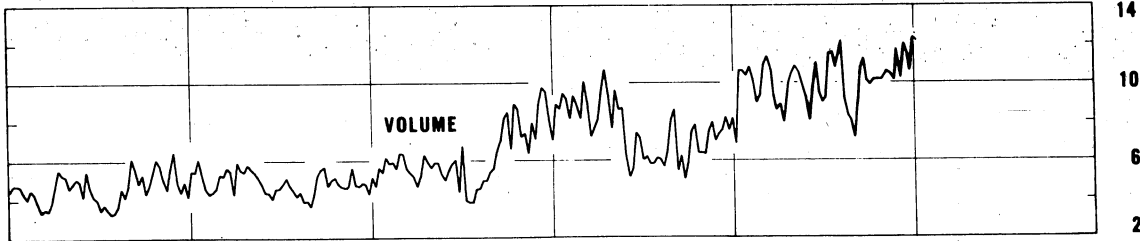
# STOCK MARKET

Billions of dollars

1941-43 average=10



Millions of shares



Per cent

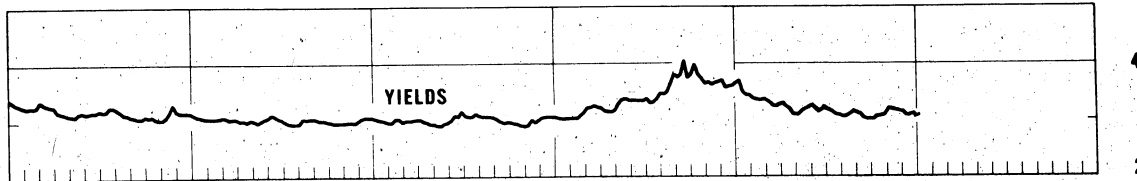


Exhibit E -- Part II

Date	Stock price index <u>1/</u>	Common stock yields <u>2/</u> (per cent)	Trading volume <u>3/</u> (millions of shares)	Stock market customer credit		
				Total	Customers' debit balances <u>4/</u>	Bank loans to "others" <u>5/</u>
(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)
Low	52.68(6/22/62)	3.96	2.4	4,424(1/61)	3,253(1/61)	1,161(3/8/61)
1966 - High	93.77(2/11)	3.01	10.7	7,997	5,835	2,241(7/6)
Low	73.20(10/7)	3.07	5.8	7,302	5,169	2,097(12/14)
1967 - High	97.26(10/6)	3.01	12.3	9,644	7,202	2,507(11/1)
Low	82.18(1/6)	3.58	6.9	7,345	5,200	2,055(1/25)
Oct.	95.66	3.06	10.2	9,534	7,111	2,423
Nov.	92.66	3.18	10.6	9,644	7,202	2,442
Dec. 22	95.20	3.10	10.6	n.a.	n.a.	r/2,458
29	96.47	3.06	12.3	n.a.	n.a.	r/2,464
Jan. 5p/	95.94	3.08	12.2	n.a.	n.a.	n.a.

n.a. Not Available. p/ Preliminary. r/ Revised.

- 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.

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**MORTGAGE AND BOND YIELDS**

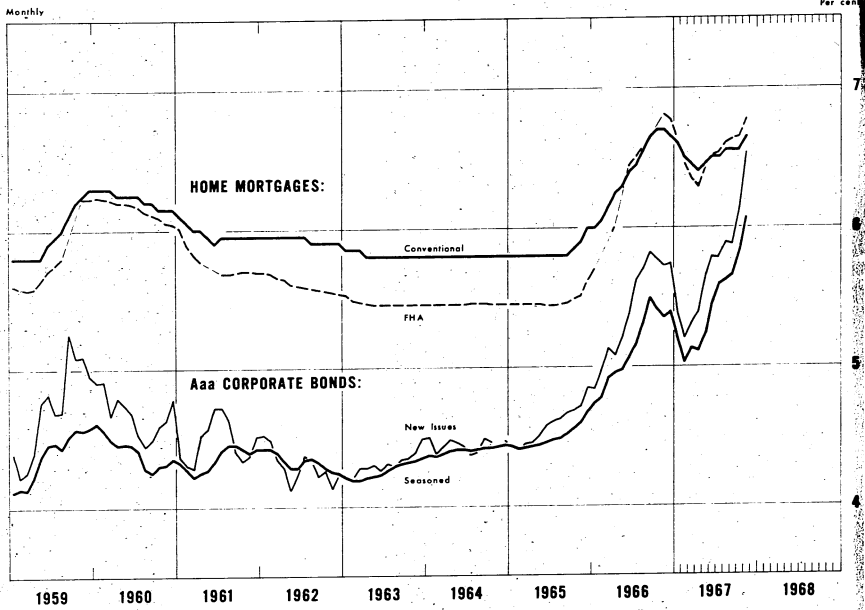


Exhibit F Part II

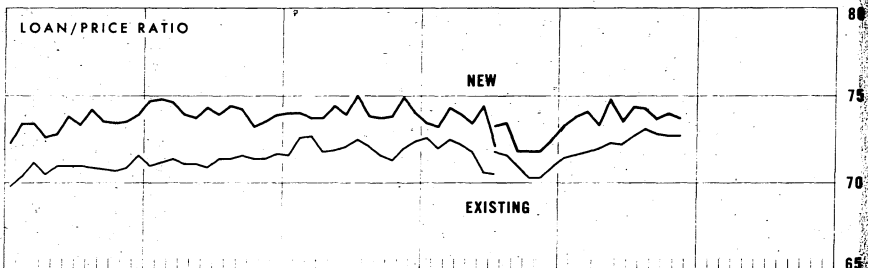
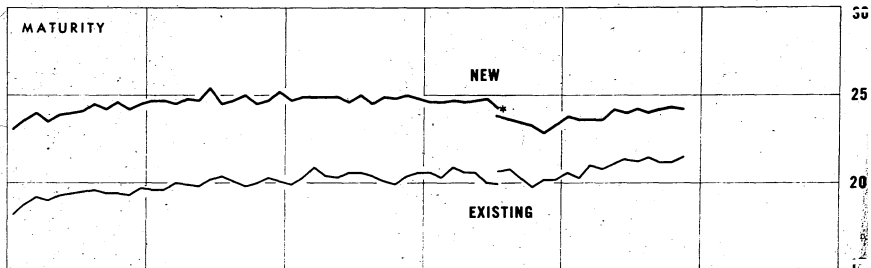
	FHA mortgages <sup>2/</sup>		Conventional mortgages <sup>3/</sup>	Spread between yields on conv. & FHA mortgages <sup>4/</sup>	Aaa Corporate Bonds		Spread between yields on new corporate bonds and seasoned bonds	
	25-year	30-year			New <sup>5/</sup>	Seasoned <sup>6/</sup>	FHA mtgs. <sup>4/</sup>	Seasoned bonds
1957 - High	5.63	--	6.00	.47	4.94	4.12	1.58	1.03
1958 - Low	5.35	--	5.55	.15	3.69	3.57	.88	.05
1959-60 - High	6.24	--	6.30	.23	5.25	4.61	1.69	.73
1961-66 - Low	5.43	5.44	5.80	.25	4.12	4.19	.77	-.16
1966 - High	6.73	6.81	6.70	.30	5.82	5.49	1.11	.46
1967 - High	--	6.77	6.65	.11	6.53	6.07	1.26	.46
Low	--	6.29	6.40	-.12	5.20	5.03	.24	.17
1967 - July	n. a.	6.53	6.50	-.03	5.78	5.58	.75	.20
Aug.	n. a.	6.60	6.55	-.05	5.89	5.62	.71	.27
Sept.	n. a.	6.63	6.55	-.08	5.88	5.65	.75	.23
Oct.	n. a.	6.65	6.55	-.10	6.12	5.82	.53	.30
Nov.	--	6.77	6.65	-.12	6.53	6.07	.24	.46

- <sup>1/</sup> 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.
- <sup>2/</sup> 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.
- <sup>3/</sup> 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.
- <sup>4/</sup> FHA mortgage yield data are for 25-year mortgages through June 1961; 30-year mortgages thereafter.
- <sup>5/</sup> See note for Exhibit G.
- <sup>6/</sup> Moody's Investor Service. Monthly averages of daily data. See Exhibit A.



**CONVENTIONAL MORTGAGE TERMS** <sup>y</sup>

Monthly



\* CHANGE IN SERIES

## 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.)
New Basis										
<u>1966</u>										
Nov.	6.45	1.08	22.9	71.8	18.0	6.54	0.82	20.1	70.3	14.4
Dec.	6.49	1.25	23.3	72.4	18.5	6.55	0.81	20.2	70.9	14.7
<u>1967</u>										
Jan.	6.47	1.16	23.8	73.3	19.3	6.54	0.78	20.6	71.4	15.2
Feb.	6.44	1.06	23.6	73.8	18.3	6.50	0.75	20.3	71.6	15.3
Mar.	6.41	1.05	23.6	74.1	19.0	6.44	0.77	21.0	71.8	15.4
Apr.	6.37	0.99	23.6	73.3	18.9	6.36	0.72	20.8	72.0	15.6
May	6.28	0.96	24.2	74.8	19.6	6.31	0.68	21.1	72.3	16.1
June	6.29	0.93	24.0	73.6	19.4	6.30	0.67	21.4	72.2	16.1
July	6.34	0.89	24.2	74.4	20.1	6.33	0.70	21.3	72.7	16.4
Aug.	6.34	0.83	24.2	74.3	20.3	6.38	0.71	21.5	73.1	16.6
Sept.	6.37	0.83	24.2	73.6	20.2	6.37	0.72	21.2	72.8	16.2
Oct.	6.37	0.89	24.3	74.0	20.4	6.42	0.77	21.2	72.7	16.2
Nov.	6.37	0.78	24.2	73.7	20.6	6.42	0.73	21.5	72.7	17.1

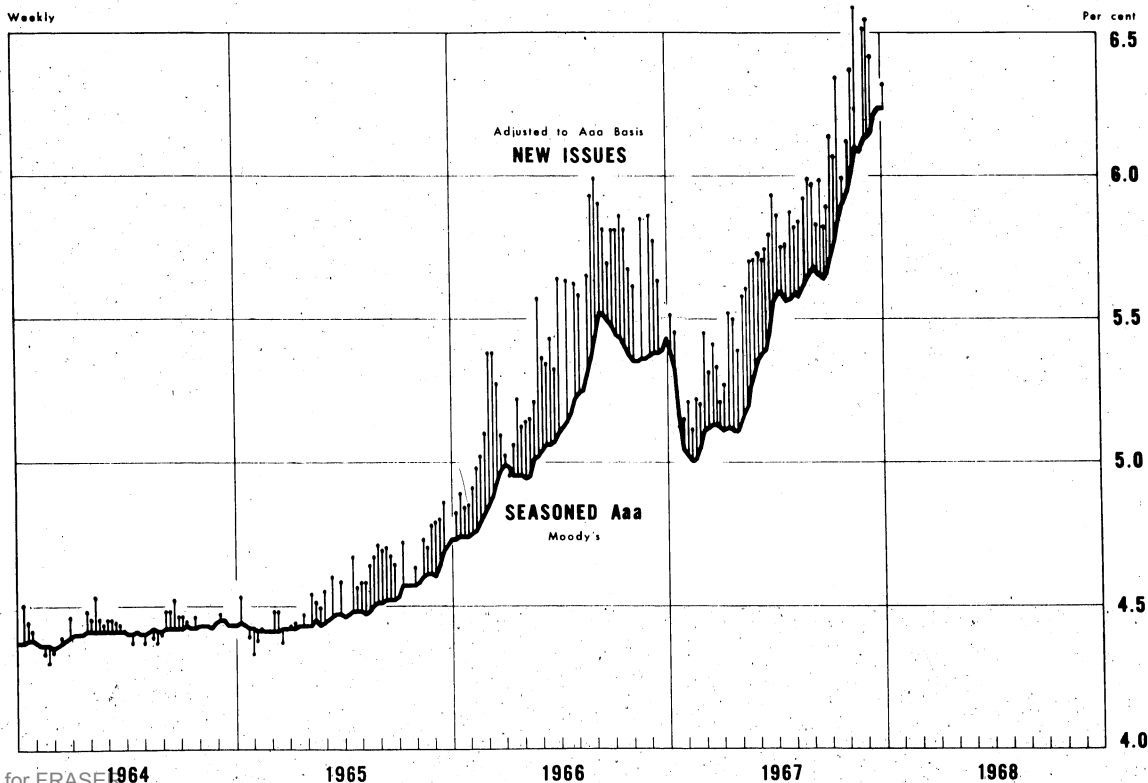
## \* New Series

- 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 unweighted opinions of regional-office directors of the Federal Housing Administration, are available somewhat sooner than the results of FHLBB-FDIC 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

Weekly

Per cent



1964

1965

1966

1967

1968

## Exhibit G - II

## Yields on New Corporate Bond Issues Adjusted to an Aaa basis

	Number of issues	Am't. of issues included (mill. of dollars)	Average yield (per cent)		Number of issues	Am't. of issues included (mill. of dollars)	Average yield (per cent)
<u>Monthly averages:</u>							
1967 - Jan.	6	496.0	5.38	Dec. 1	7	231.5	6.51
Feb.	7	481.0	5.20	8	4	230.0	6.55
Mar.	20	1,073.0	5.31	15	1	125.0	6.42*
Apr.	20	916.0	5.39	22	--	--	--
May	14	570.0	5.66	29	--	--	--
June	23	993.0	5.79				
July	14	772.0	5.78	Jan 5 <sup>p</sup>	1	15.0	6.32
Aug.	17	1,125.0	5.89				
Sept.	10	358.0	5.88				
Oct.	15	716.0	6.12				
Nov.	13	356.5	6.53				
Dec.	5	355.0	6.51				
<u>Weekly averages:</u>							
High		6.59(11/17)					
Low		5.11(2/10)					

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 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.

p/ Preliminary.

Exhibit H

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

(In millions of dollars)

	New Capital					
	Corporate			State and local 2/		
	1967 p/	1966 p/	1965	1967	1966 p/	1965
January	1,648	1,302	795	1,482	1,188	804
February	1,398	1,237	746	1,196	858	872
March	2,317	2,446	1,197	1,438	865	904
April	1,973	1,553	1,152	1,112	1,193	826
May	1,474	1,058	1,691	1,218	901	924
June	2,611	2,364	1,946	1,497	1,141	972
July	2,457	1,039	1,290	941	701	986
August	2,466	1,670	850	852	773	648
September	1,727	1,382	1,392	1,256	1,020	966
October	p/2,253	829	924	f/ 960	755	794
November	e/1,400	1,085	1,325	f/1,353	969	1,021
December	e/2,125	1,635	1,496	e/ 975	940	754
1st Quarter	5,363	4,985	2,738	4,116	2,911	2,580
2nd Quarter	6,058	4,974	4,789	3,827	3,235	2,722
3rd Quarter	6,586	4,091	3,533	3,049	2,494	2,600
4th Quarter	e/5,821	3,550	3,745	e, 3,288	2,664	2,569
1st half	11,421	9,959	7,527	7,943	6,146	5,302
Three quarters	18,007	14,050	11,060	/10,992	8,640	7,902
Year	e/23,828	17,601	14,805	e/14,280	11,304	10,471
	Excluding finance companies 3/					
1st Quarter	5,207	4,924	2,547			
2nd Quarter	5,913	4,884	4,348			
3rd Quarter		3,969	3,283			
4th Quarter		3,492	3,188			
Year		17,269	13,366			

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	Bonus		Common and pfd. stock	Memo: Foreign issues included	Mfg.	Public Utility	Communi- cations	Other Issuers
		Publicly Offered	Privately Placed						
1966 - III	4,197	2,256	1,627	314	154	1,558	657	567	1,309
IV	3,669	2,047	1,247	375	117	1,232	984	417	918
1967 - I	5,464	3,263	1,811	390	60	2,442	997	543	1,382
II	6,208	4,017	1,465	726	65	3,014	1,268	548	1,228
III	6,834	4,604	1,552	678	234	2,792	1,219	595	1,979
1966 - Nov.	1,115	569	435	111	27	228	320	168	369
Dec.	1,662	980	555	127	24	673	409	152	401
1967 - Jan.	1,684	745	848	91	35	624	220	293	511
Feb.	1,418	900	362	156	10	563	274	105	456
Mar.	2,362	1,618	601	143	15	1,254	503	145	415
Apr.	2,016	1,368	410	238	16	1,128	394	107	343
May.	1,519	965	396	158	32	588	403	91	393
June	2,673	1,884	659	330	17	1,298	471	350	492
July	2,590	1,889	487	214	213	925	446	39	1,046
Aug.	2,481	1,813	418	250	13	1,229	509	356	313
Sept.	1,763	902	647	214	8	627	265	200	620
Oct. <u>1/</u>	<u>2,417</u>	<u>1,375</u>	<u>572</u>	470	40	913	573	132	673
Nov. <u>e/</u>	1,520	620	550	350	n. a.	675	410	55	335

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.

SOURCE: Securities and Exchange Commission.

## Exhibit J

Other Security Offerings  
(In millions of dollars)

	Gross Long-term 1/					
	Foreign Government 2/			Federal Agency 3/		
	1967	1966	1965	1967	1966	1965
January	130	12	218	1,251	--	--
February	--	40	--	783	503	129
March	114	40	38	750	410	185
April	27	66	73	650	392	325
May	13	69	--	810	699	--
June	170	76	91	650	1,030	775
July	5	72	33	407	1,084	--
August	539	7	74	250	799	239
September	117	50	5	599	400	150
October	66	23	52	708	450	375
November		74	75		800	375
December		68	2		239	179
Jan. - Oct.	1,181	432	584	6,858	5,767	1,803
Year		597	661		6,806	2,732
	New short-term 4/					
	State and local Government 5/			Federal Agency 3/		
	1967	1966	1965	1967	1966	1965
January	179	103	238	-179	308	-137
February	387	39	91	-552	-24	-174
March	-594	-319	-458	-454	450	117
April	827	580	647	-559	718	-11
May	515	462	204	109	85	509
June	-128	-334	-82	93	284	237
July	219	-103	119	-158	-590	132
August	593	270	408	-262	-270	206
September	-146	-161	152	1,407	-652	105
October	464	-48	59	606	-555	-309
November	-33	503	274	573	-283	202
December		-570	-366		219	-76
Jan. - Nov. p/	2,283	489	1,378	624	529	877
Year		422	1,286		182	801

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) <sup>1/</sup>**

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

	Corporate			State and local governments	Other <sup>2/</sup>	
	Total	Bonds (other than convertibles)	Convertible bonds			Stocks
1966 - Dec.	1,177	990	118	68	779	60
1967 - Jan.	681	611	30	40	947	230
Feb.	842	709	40	93	675	530
Mar.	1,638	1,435	140	63	669	1,000
Apr.	1,311	956	213	142	512	540
May	870	771	55	44	496	391
June	1,666	1,072	409	185	875	825
July	1,340	890	317	133	483	85
Aug.	1,705	1,288	350	67	473	221
Sept.	794	473	257	65	847	400
Oct.	1,458	897	285	276	505	50
Nov.	826	461	150	215	865	845
Dec.	978	460	437	81	633	627

Large Individual Issues Offered January <sup>2</sup> through January 5.

Issuer	Type <sup>3/</sup>	Amount (millions of dollars)	Maturity	Coupon rate or net inter- est cost	Offer- ing yield	Rating
<u>Corporate</u>						
Iowa Power and Light	1st m.g. bds.	15.0	19	6.60	6.50	Aa
<u>State and Local Govt.</u>						
State of New York	G.O.	78.0	1965-88	4.20	3.65-4.20	Aa
Fairfax County, Va.	G.O.	15.0	1969-93	4.89	3.90-4.90	Baa



FOOTNOTES:

\* Rights offering.

- 1/ Includes corporate and other security offerings of \$15 million and over; State and local 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 income from quasi-utilities; Rev.-S.T., revenue bonds secured by revenue from specific taxes only; Rev.-Rent., revenue bonds secured solely by lease payments.

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## 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/
1966 - Dec. 30	656		80	811	1,154	95
1967 - Jan. 31	486	780	530	706	851	545
Feb. 28	1,410	508	250	1,534	528	265
Mar. 31	767	227	--	905	247	15
Apr. 30	963	326	70	1,262	346	85
May 31	1,449	596	100	2,065	616	115
June 30	1,636	401	40	1,922	402	70
July 31	1,261	512	--	1 576	575	150
Aug. 31	694	783	100	1,335	903	159
Sept. 30	534	768	65	1,090	889	126
Oct. 31	1,357	505	50	2,104	743	260
Nov. 30	826	365	845	2,129	1,684	875
Dec. 31	968	633	402	1,892	1,076	502

Forthcoming Large Offerings as of January 5, 1968.

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<b>Corporate</b>			
Central Power & Light	1st mtg. bds.	28.0	January 9
Crucible Steel	Deb.	30.0	January 9
Northwestern Bell Telephone	Deb.	100.0	January 10
Abbott Laboratories	S.F. deb.	25.0	January 10
Connecticut Lt. & Pwr. Co.	1st mtg. bds.	20.0	January 16
Connecticut Lt. & Pwr.	Pfd. stk.	15.0	January 16
*Southern California Edison	Com. stk.	54.9	January 16
Illinois Power Company	1st mtg. bds.	25.0	January 16
El Paso Natural Gas	Conv. deb.	60.0	January 17
Minnesota Power & Light	1st mtg. bds.	18.0	January 17
Texas Power & Light	1st mtg. bds.	25.0	January 23
*Trunkline Gas Co.	1st mtg. p.l. bds.	35.0	January 24
Oklahoma Gas & Electric	1st mtg. bds.	25.0	January 24
Western Airlines	Conv. deb.	30.0	January 30
Carolina Tel. & Tel.	Conv. sub. deb.	22.6	January 30 (rts. exp.)
*Texas Electric Service	Deb.	16.0	January 30
United Nuclear Corp.	Conv. deb.	30.0	January

## Forthcoming Large Offerings as of January 5, 1968.

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>Corporate (Cont'd)</u>			
Standard Oil of Indiana	Deb.	200.0	January
*Zapata Off-Shore	Conv. deb.	15.0	January
*Arizona Public Service	Pfd. stk.	16.0	January
*Michigan Bell Telephone Co.	Deb.	125.0	February 6
*Southern Calif. Edison Co.	1st mtg. bds.	100.0	February 6
*Gulf States Utilities Co.	Com. stk.	31.0	February 13
*Gulf States Utilities Co.	1st mtg. bds.	25.0	February 13
*Central Soya Company	S.F. deb.	20.0	Indefinite
*Disney Productions	Conv. deb.	40.0	Indefinite
*Piedmont Aviation	Conv. sub. deb.	15.0	Indefinite
Montana Power	1st mtg. bds.	30.0	Indefinite
U.S. Steel	Deb.	225.0	Indefinite
<u>State and Local Government</u>			
Houston I.S.D., Texas	G.O.	39.8	January 9
Milwaukee Co., Wisconsin	G.O.	13.7	January 9
State of Washington	G.O.	41.5	January 10
Honolulu, Hawaii	G.O.	10.0	January 10
Omaha Public Power District	Rev.-Ut.	45.0	January 11
*Alabama Highway Authority	Rev.-Q.-Ut.	30.0	January 16
St. Louis, Missouri	G.O.	20.0	January 16
St. Louis Jr. College Dist., Missouri	Rev.-Rent.	10.0	January 17
Montgomery Co., Maryland	G.O.	17.0	January 23
State of Oregon	G.O.	10.7	January 23
Jackson, Mississippi	G.O.	10.0	January 30
*Pa. Gen. State Authority	Rev.-Rent.	50.0	January 31
*Salt River Project Dist., Arizona	Rev.-Q.-Ut.	32.0	January 31
*New York City	G.O.	125.0	January
*Los Angeles Convention Auth., California	Rev.-Rent.	18.0	February 6
*State of South Carolina	G.O.	13.0	February 6
*Memphis, Tennessee	G.O.	30.0	February 6
Kentucky Turnpike Auth.	Rev.-Q.-Ut.	120.0	Indefinite
Calcasieu Parish, Louisiana	Rev.-Rent.	62.7	Indefinite

## Forthcoming Large Offerings as of January 5, 1968.

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>Other</u>			
*FNMA	Part. cert.	800.0	January 16
Province of Nova Scotia	Deb.	35.0	January 23
Quebec Hydro-Electric			
Commission	Deb.	50.0	January
New Zealand	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: New York State Dormitory Authority's \$48 million issue and Cheyenne Wyoming's \$65 million issue were postponed. General Telephone Company of Illinois' \$20 million issue cancelled. Columbus, Ohio's \$17.7 million issue cancelled -- issue to be offered as short-term notes January 29.

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 October 1 through January 5, 1968.		
10/4	15.0	New Brunswick Electric Power Commission 6-1/2% S.F. debentures maturing 1992, reoffered to yield 6.60%.
10/17	35.0	Province of Nova Scotia -- 6-1/2% of S.F. debentures maturing 1992, reoffered to yield 6.75%.
11/14	75.0	Province of Ontario -- 6-7/8% debentures maturing 1997, reoffered to yield 6.96%.
12/5	15.0	Komatsu Manufacturing, Tokyo, 7-1/4% convertible debentures, maturing 1982, reoffered to yield 7.25%.
B. Prospective Offerings		
Indefinite	15.0	New Zealand -- Bonds ***
1/23/68	35.0	Province of Nova Scotia
1/68	50.0	Quebec Hydro-Electric Commission

\* - Included in table for first time.  
\*\* - Issues sold to investors outside of U.S.  
\*\*\* - Issue subject to interest equalization tax.

## PART II: Private Placements - Reported January 1 through January 5, 1968.

Date Reported	Amount (millions of dollars)	Issuer and Description of Issue
11/27	.8	Metropolitan Corp. of Greater Winnipeg (Canada) 6-1/2% debentures maturing November 1, 1982 -- no information available on takedown.
11/27	4.2	Metropolitan Corp. of Greater Winnipeg (Canada) 6-1/2% debentures maturing November 1, 1987 -- no information available on takedown.
12/1	30.0	Algoma Steel Corp., Ltd. (Canadian) -- 7-3/8% debentures maturing Oct. 1, 1987 -- no information available on takedown.
12/1	12.0	Instituto Nacional de Industria (an autonomous entity of the Spanish State) -- loan due 1971-72.
12/18	16.2	Ottawa, Canada -- debentures maturing 1968-97.
12/18	3.5	Vancouver, British Columbia -- 6-1/2% debentures maturing 1992.
12/25	10.0	Twin Falls Power Corp, Ltd. -- 1st 6-1/4% maturing January 30, 1989, no information available on takedown.
1/8/68	12.0	Republic of Portugal -- notes due 1968.

Note: For retrospective data on aggregate foreign corporate and government security offerings in the United States see Exhibits I and U. 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 takedown may take place both prior and subsequent to the date a placement is reported.