

January 29, 1968.

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. Featured in the especially small corporate volume will be Commonwealth Edison's \$50 million bond offering. The largest municipal issue will be the Pennsylvania General State Authority's \$50 million revenue bond offering.

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.	393	1	249	2
January 19	<u>r/301</u>	--	<u>r/194</u>	--
26	150	--	351	--
<b>Scheduled:</b>				
February 2	123	--	218	--

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

Although yields on seasoned corporate bonds declined last week, yields on new issues advanced rather sharply. These higher yields were in most cases sufficient to attract investors to the week's offerings -- about 80 per cent of the week's non-convertible debt issues were spoken for by the end of the week -- but necessitated the release from syndicate of three older issues. In free market trading the yields on these issues advanced from 10 to 14 basis points.

Yields on seasoned municipals declined last week, and new issues were received with considerable enthusiasm. About 90 per cent had been sold by the weekend. Particularly encouraging was the performance of the large New York City issue, for which a net interest cost in excess of 5 per cent had been feared. Awarded to a group offering a net interest cost of only 4.79, the issue sold out quickly.

Home-mortgage interest rates and other terms. Yields on FHA-insured new-home mortgages sold in the secondary market rose 4 basis points further in December. The December rise, which marked the eighth consecutive month of increase, brought such yields back to the peak of 6.81 per cent first reached in November 1966. Even so -- and with related discounts also back to a historic

Yields of Security Markets

<u>High Grade Notes and Bonds</u>	<u>Levels Latest Week</u>	<u>Change from preceding week</u>
<u>Corporate</u>		
New	6.34	+ 13
Seasoned	6.12	- 2
<u>U.S. Government</u>		
Long-term	5.20	+ 2
3-5 year	5.55	+ 3
<u>State and local Govt.</u>		
Moody's Aaa	3.98	- 5
Std. & Poor's high grade	4.30	- 4
<u>Money Market</u>		
Federal funds	4.68	- 5
Treasury bills		
3-month	4.97	- 5
6-month	5.16	- 9

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>
1/24	25.0	Oklahoma Gas & Electric, 6-3/8's - 1998	6.38	Aa	20%
1/23	25.0	Texas Power & Light, 6-5/8's - 1998	6.50	Aaa	60%
1/17	18.0	Minn. Power & Light, 6-1/2's - 1998	6.43	A	60%

Blue List of Municipal Dealers' Advertised Inventories

<u>Latest Week</u>	<u>End of Previous Week</u>	<u>Recent High</u>
417(1/24/68)	394	849(4/26/67)

**STOCK MARKET CREDIT**  
(In millions of dollars)

Months	Customer Credit			Broker & Dealer Credit		
	Total	Net Debit balances with NYSE member firms	Bank loans to others than brokers and dealers for purchas- ing & carrying secur.	Money Borrowed	Cust. Other coll. coll.	Customers' net free credit balances
Outstanding:						
1955-56 High	4,047 (5/56)	2,823 (12/56)	1,255 (4/56)	1,873	430	1,069 (1/55)
1957-58 Low	3,554 (1/58)	2,482 (12/57)	1,060 (11/57)	1,344	188	807 (4/57)
1959 - High	4,764 (4)	3,401 (4)	1,373 (5)	2,044	318	1,257 (3)
1960 - Low	4,142 (5)	3,004 (7)	1,121 (5)	1,801	237	940 (4)
1961 - High	5,602 (12)	4,259 (12)	1,377 (8)	2,572	385	1,508 (4)
1962 - Low	4,876 (7)	3,562 (7)	1,269 (9)	1,856	235	1,091 (9)
1963 - High	7,298 (11)	5,586 (11)	1,727 (12)	3,892	597	1,211 (11)
1965 - Low	6,833 (7)	4,863 (7)	1,865 (2)	2,882	446	1,192 (8)
1964 - Dec.	7,053	5,079	1,974	3,393	517	1,169
1965 - Dec.	7,705	5,521	2,184	2,889	687	1,666
1967 - Dec.	10,347	7,883	2,464	n.a.	n.a.	2,763
Change in outstanding:						
1966 - Dec.	91	112	-21	76	230	105
1967 - Jan.	-98	-39	-59	-382	-170	277
Feb.	70	59	11	n.a.	n.a.	22
Mar.	393	369	24	n.a.	n.a.	199
Apr.	161	101	60	n.a.	n.a.	-57
May	116	107	9	n.a.	n.a.	142
June	248	240	8	n.a.	n.a.	11
July	467	437	30	n.a.	n.a.	110
Aug.	69	4	65	n.a.	n.a.	-60
Sept.	293	218	75	n.a.	n.a.	120
Oct. $\bar{r}/$	$\bar{r}/271$	$\bar{r}/185$	86	n.a.	n.a.	112
Nov. $\bar{r}/$	$\bar{r}/62$	$\bar{r}/43$	19	n.a.	n.a.	-13
Dec.	852	830	22	n.a.	n.a.	263

Note: With the exception of bank loan data, figures are reported to the New York Stock Exchange by member firms carrying margin accounts. Bank loans to others than brokers and dealers for purchasing and carrying securities are for weekly reporting member banks. Net debit balances and customer free credit balances are as of the end of the month; bank loans and money borrowed are reported for the last Wednesday of the month. Numbers in parenthesis denote month of year. All figures exclude credits on, or to carry, U.S. Govt. securities.

n.a. -- Not available.  $\bar{r}/$  Revised.

high, 6.8 points -- the gross yield spread between FHA-insured mortgages and new corporate bonds continued unusually narrow in December. While some further improvement seemed indicated in January, the December spread in favor of mortgages amounted to just 30 basis points, compared with the record low of 24 basis points in November and a more normal spread in excess of 100 basis points in the early months of 1967.

Interest rates on conventional first mortgages on new and existing homes also increased again in December -- by 5 basis points -- and returned to their November 1966 peaks of 6.70 and 6.75 per cent, respectively, according to the Federal Housing Administration, which shows these averages rounded to the nearest five basis points.

In addition, contract rates on conventional first mortgages on new homes as reported by the Federal Home Loan Bank Board turned sharply upward in December. These series, which tend to lag behind the Federal Housing Administration series, had shown relatively little change in other recent months. While still below earlier highs, they averaged 6.45 per cent for loans on new homes and 6.51 per cent for loans in existing homes in December. However, associated nonrate terms -- also reported by the Federal Home Loan Bank Board -- became somewhat more liberal in December, with maturities lengthening to 24.8 years in the case of new-home loans and to 27.7 years for loans on existing homes. And while loan-to-price ratios held near previous levels of 73.8 per cent for new-home loans and 72.7 per cent for existing-home loans, purchase prices of homes involved in transactions generally tended higher and loan amounts remained at or above earlier advanced levels.

Stock market credit. Although stock market credit advanced sharply in December, the magnitude of this advance is grossly over-stated in the accompanying table. The bulk of the increase reported in the table -- \$830 million -- occurred in customers' net debit balances secured by securities other than U.S. Governments; judging from the New York Stock Exchange margin panel data, roughly 75 per cent of this increase represents float caused by significantly increased trading volume and delays in holiday mail deliveries. Actual margin debt increased \$220 million in December, an increase which -- while smaller than that of customers' net debit balances -- was larger than that in any month since September. Bank loans to others than brokers and dealers meanwhile rose only \$22 million to \$2,464 million. Customers net free credit balances rose \$263 million to \$2,763 million.

Stock prices. Stock prices declined sharply during most of last week while trading volume remained relatively heavy despite abbreviated trading hours. At the close Friday, Standard & Poor's index of 500 stocks stood at 93.45 down 1.79 from the previous Friday. Trading volume averaged 10.9 million shares a day.

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

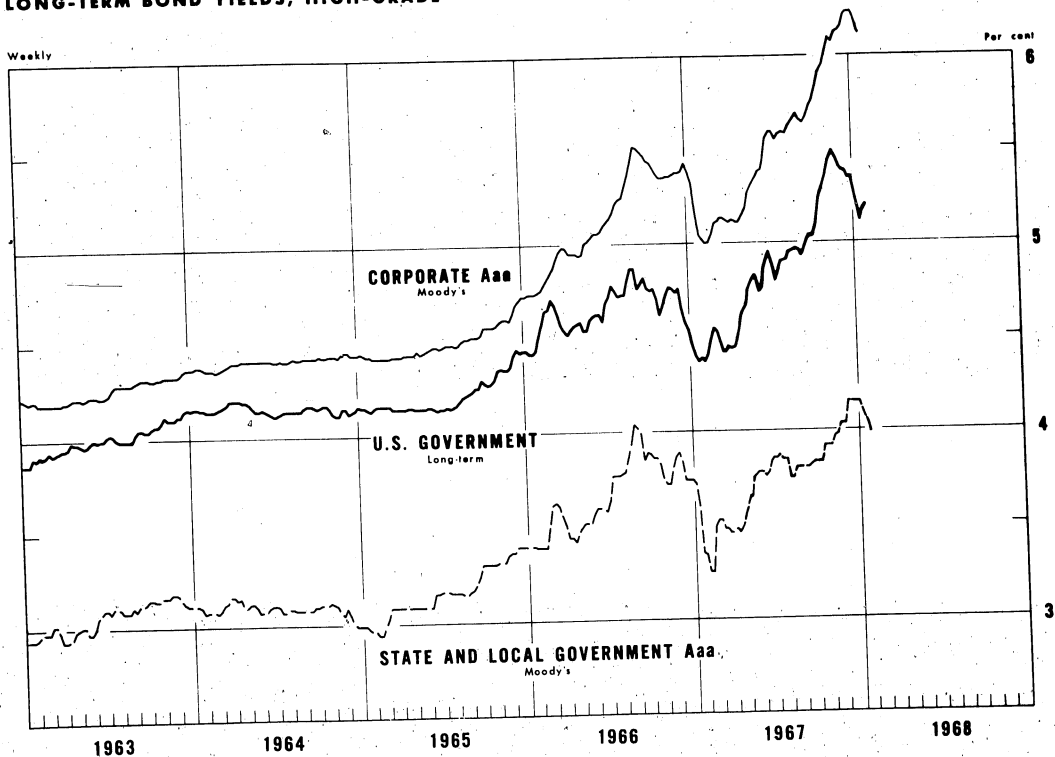


Exhibit A -- Part II

Date	Corporate Aaa <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. 29	6.24	5.35	4.15	.89	1.20
Jan. 5	6.24	5.23	4.15	1.01	1.08
12	6.20	5.12	4.08	1.08	1.04
19	6.14	5.18	4.03	.96	1.15
26p/	6.12	5.20	3.98	.92	1.22

p/ Preliminary.

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

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

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

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

**LONG-TERM BOND YIELDS, LOWER GRADE**

Weekly

Per cent

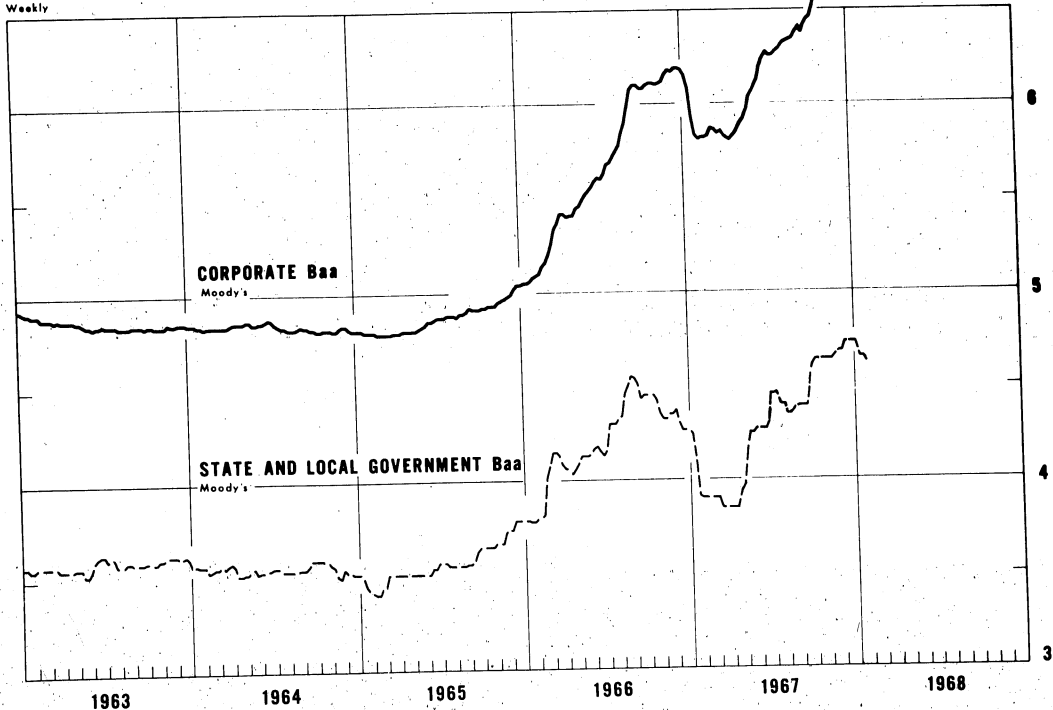


Exhibit B -- Part II

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. 29	6.97	4.73	.73	.58
Jan. 5	6.96	4.73	.72	.58
12	6.86	4.65	.66	.58
19	6.79	4.65	.65	.62
26p/	6.80 ✓	4.62	.68	.64

Note: For footnotes see Exhibit A.



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

**GOVERNMENT**  
Weekly

Per cent

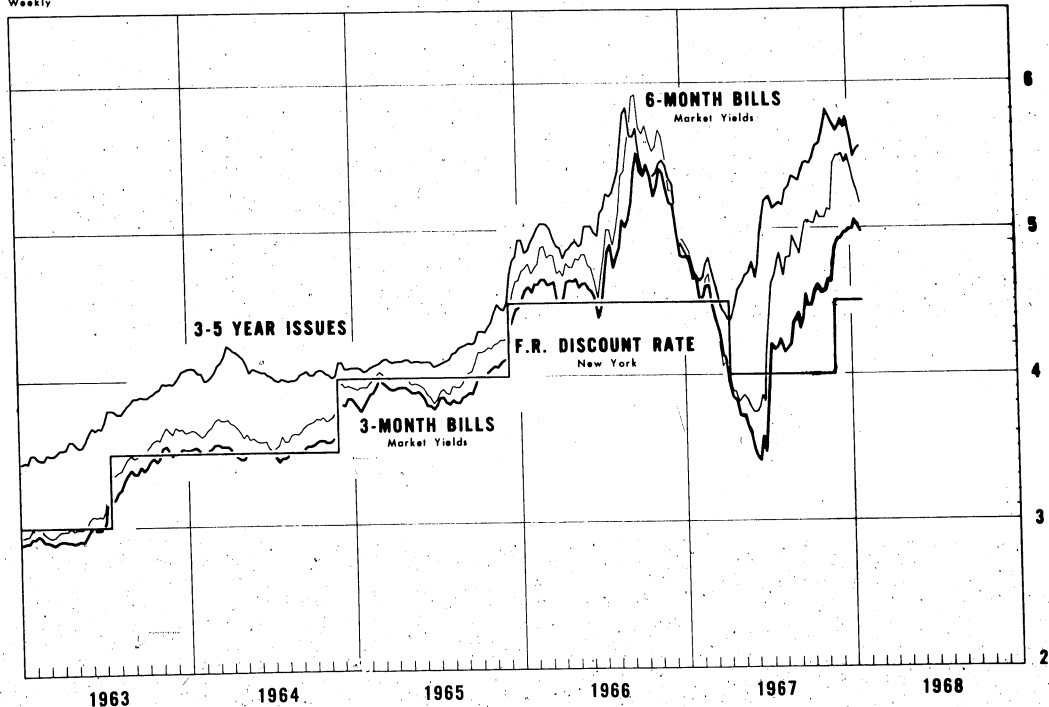


Exhibit C -- Part II

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	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 - High	4.50	4.80	4.92	4.86	.12	.06
Low	4.50	5.52(9/23)	5.92(9/23)	5.83(9/2)	.52	.78
1967 - High	4.50	4.39(6/24)	4.53(6/24)	4.80(4/8)	.09	.01
Low	4.50	4.99(12/29)	5.50(12/15)	5.50(12/15)	.62	1.61
Dec. 29	4.50	3.41(6/9)	3.74(6/2)	4.36(4/7)	.01	.02
Jan. 5	4.50	4.99	5.49	5.75	.50	.76
12	4.50	4.99	5.39	5.61	.40	.62
19	4.50	5.06	5.30	5.48	.24	.42
26p/	4.50	5.02	5.25	5.52	.23	.50
	4.50	4.97	5.16	5.55	.19	.58

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

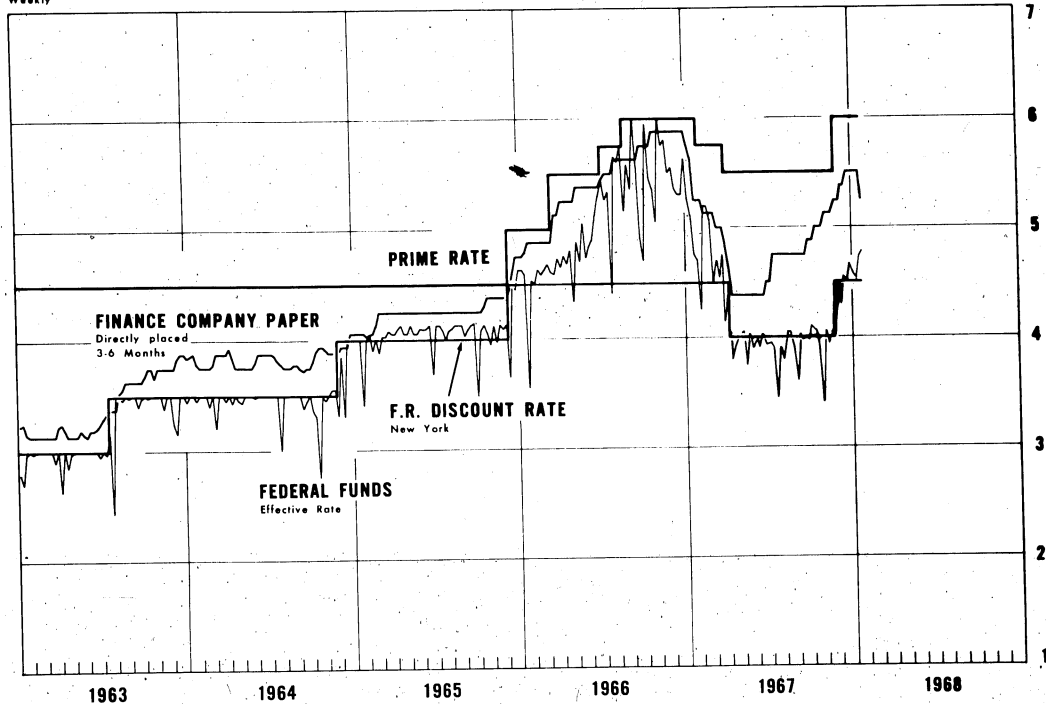


Exhibit D -- Part II

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. 29	6.00	5.50	4.66	.51
Jan. 5	6.00	5.50	4.56	.51
12	6.00	5.50	4.53	.45
19	6.00	5.50	4.73	.48
26p/	6.00	5.38	4.68	.41

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.

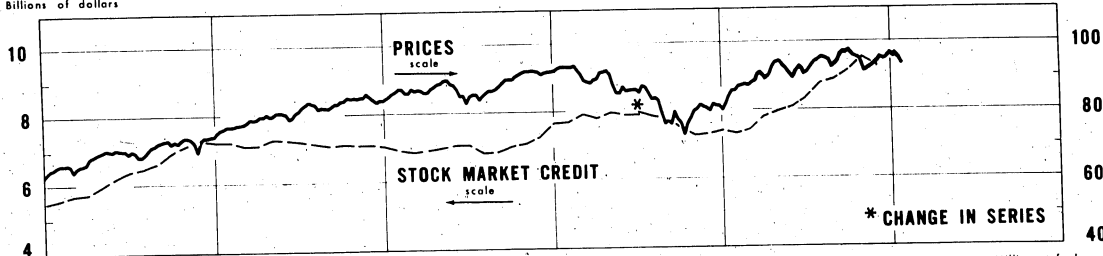
3/ Weekly average of daily effective rate, which is the rate for the heaviest volume of purchase and sale transactions as reported to the Federal Reserve Bank of New York.

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.

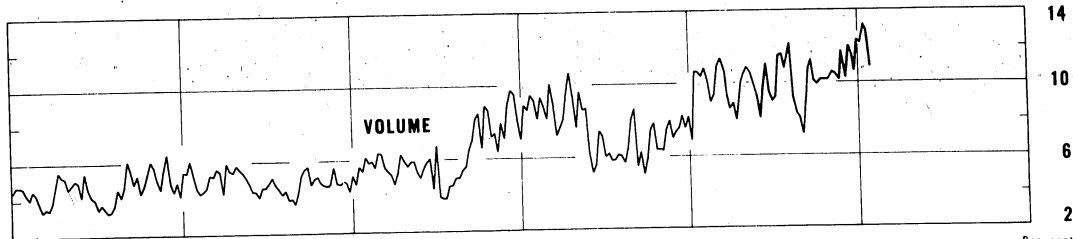
**STOCK MARKET**

Billions of dollars

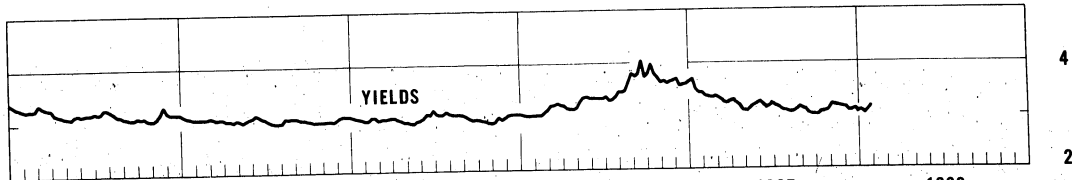
1941-43 average=10



Millions of shares



Per cent



1963

1964

1965

1966

1967

1968

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)	3.97	5.0	7,302	5,169	2,097(12/14)
1967 - High	97.26(10/6)	3.01	12.3	10,347	7,883	2,507(11/1)
Low	82.18(1/6)	3.58	6.9	7,345	5,200	2,055(1/25)
Nov.	92.66	3.18	10.6	7,945	7,055	2,442
Dec.	95.30	3.09	11.5	7,10,347	7,883	2,464
1968-Jan. 5	95.94	3.08	12.2	n. a.	n. a.	2,465
12	96.72	3.05	13.2	n. a.	n. a.	2,449
19	95.24	3.09	12.8	n. a.	n. a.	2,432
26p/	93.45	3.18	10.9	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.

**MORTGAGE AND BOND YIELDS**

Monthly

Per cent

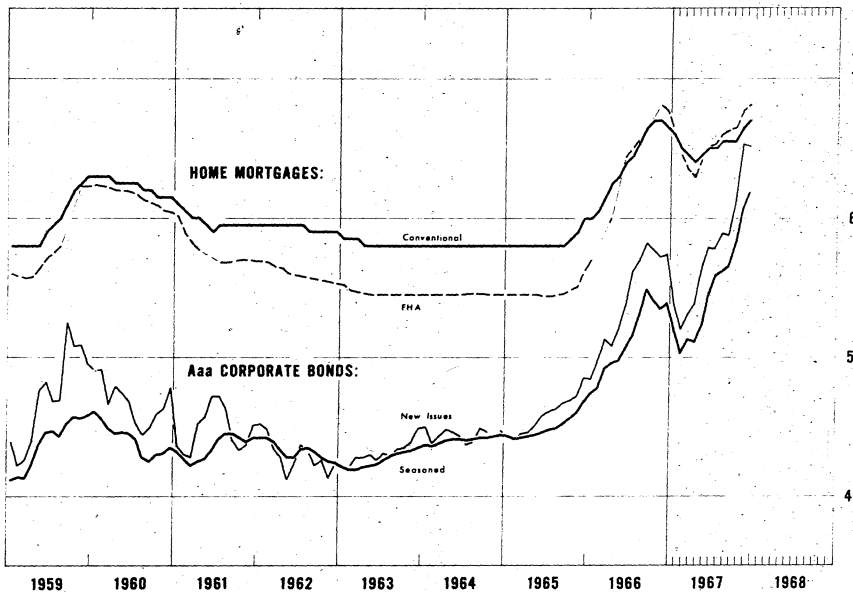


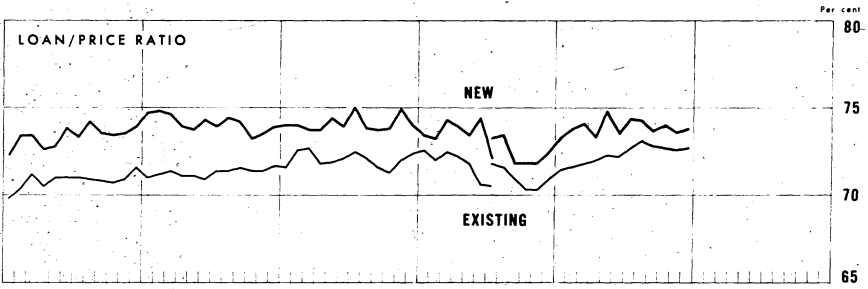
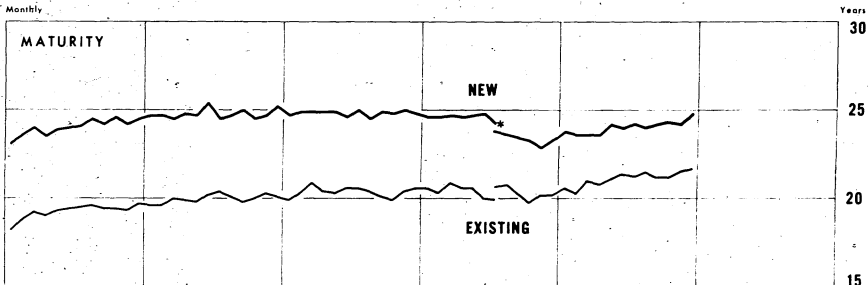
Exhibit F Part II

	FHA mortgages <sup>2/</sup>		Conventional mortgages <sup>3/</sup>	Spread between yields on conv. & FHA mort- <sup>4/</sup> gages	Aaa Corporate Bonds		Spread between yields on new corporate bonds and	
	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	3.65	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	--	6.81	6.65	.11	6.53	6.07	1.26	.46
Low	--	6.29	6.40	-.12	5.20	5.03	.24	.17
1967 - 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.	n.a.	6.77	6.65	-.12	6.53	6.07	.24	.46
Dec.	n.a.	6.81	6.70	-.11	6.51	6.19	.30	.32

- 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/ 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. n.a. -Not available.



CONVENTIONAL MORTGAGE TERMS ✓



1964

1966

1968

\* CHANGE IN SERIES

18

Exhibit F Part IV

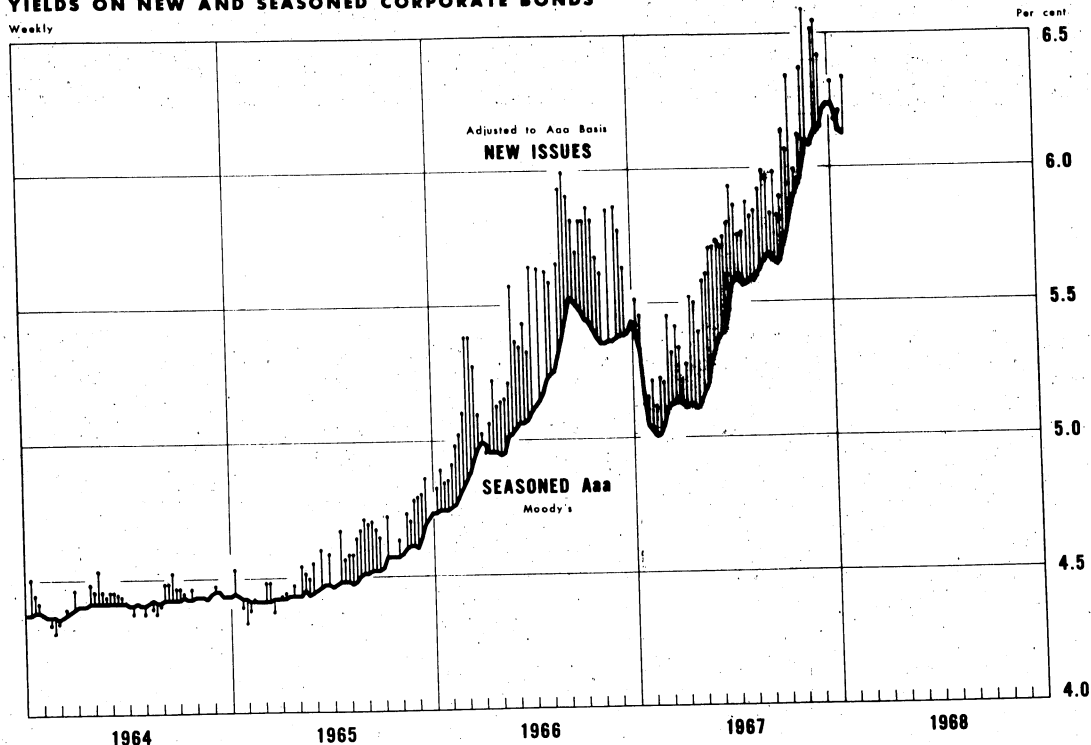
	New Homes					Existing Homes				
	Con- tract Rate (Per cent)	Fees & Charges (Per cent) 2/	Maturity (Years)	Loan/ Price ratio (Per cent)	Loan amt. (Thous.)	Con- tract Rate (Per cent)	Fees & Charges (Per cent) 2/	Maturity (Years)	Loan/ Price ratio (Per cent)	Loan amt. (Thous.)
<b>New Basis</b>										
<u>1966</u>										
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. <u>1</u> /	6.37	<u>1</u> /0.81	24.2	<u>1</u> /73.6	<u>1</u> /20.4	<u>1</u> /6.43	<u>1</u> /0.75	21.5	<u>1</u> /72.6	17.1
Dec.	6.45	0.93	24.8	73.8	20.9	6.51	0.77	21.7	72.7	17.1

\* New Series 1/ Revised.

- 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



15

24

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	1	15.0	6.32
Aug.	17	1,125.0	5.89	12	4	353.0	6.18
Sept.	10	358.0	5.88	19	3	63.0	6.21
Oct.	15	716.0	6.12	26	3	70.0	6.34
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.

112

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/	
	1968p/	1967p/	1966	1968p/	1967p/ 1966
January	e/ 1,800	1,648	1,302	e/1,150	1,482 1,188
February	e/ 1,775	1,398	1,237	1,100	1,196 858
March		2,317	2,446		1,438 865
April		1,973	1,553		1,112 1,193
May		1,474	1,058		1,218 901
June		2,611	2,364		1,497 1,141
July		2,457	1,039		942 701
August		2,406	1,670		852 773
September		1,723	1,382		1,256 1,020
October		2,296	829		960 755
November		p/1,461	1,085		p/1,353 969
December		e/2,250	1,635		e/1,050 940
1st Quarter		5,363	4,985		4,116 2,911
2nd Quarter		6,058	4,975		3,827 3,235
3rd Quarter		6,586	4,091		3,050 2,494
4th Quarter		e/6,007	3,550		e/3,363 2,664
1st half		11,421	9,959		7,943 6,146
Three quarters		18,007	14,050		10,992 8,640
Year		e/24,014	17,601		e/14,356 11,304
		Excluding finance companies 3/			
1st Quarter		5,207	4,924		
2nd Quarter		5,913	4,884		
3rd Quarter		6,338	3,969		
4th Quarter			3,188		
Year			17,269		

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.

23

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
IV e/	6,237	3,070	2,122	1,045	59	2,693	1,203	392	1,733
1966 - 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	1,684	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	637	265	200	620
Oct.	2,417	1,375	572	470	40	918	573	132	673
Nov. p/	1,493	645	543	305	r/19	522	404	70	465
Dec. e/	2,300	1,075	1,000	225	n.a.	1,100	220	205	725

p/ Preliminary. e/ Estimated by Federal Reserve. r/ Revised.

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.

25

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	196	12	218	1,251	--	--
February	--	40	--	783	503	129
March	223	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	22	72	33	407	1,084	--
August	586	7	74	250	799	239
September	193	50	5	599	400	150
October	66	--	52	708	450	375
November	139	74	75	710	800	375
December			2		239	179
Jan. - Nov.	1,635	529	659	7,568	6,567	2,553
Year		597	661		6,806	2,732
				New short-term 4/		
				State and local Government 5/		Federal Agency 3/
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	200	-161	152	1,407	-652	105
October	464	-48	59	606	-555	-309
November p/	-33	503	274	573	-283	202
December p/	-311	-570	-366	n. a.	219	-76
Jan. - Dec. p/	2,318	422	1,286		310	801
Year	2,318	422	1,286		310	801

p/ Preliminary. e/ Estimated by Federal Reserve. r/ Revised. 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. n.a. -- Not available.

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		
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 1 through January 26.

Issuer	Type 3/	Amount (millions of dollars)	Maturity	Coupon rate or net interest cost	Offering yield	Rating
<b>Corporate</b>						
Iowa Power and Light	1st mtg. bds.	15.0	1998	6.60	6.50	Aa
Central Power & Light	1st mtg. bds.	28.0	1998	6-5/8	6.50	A-
Crucible Steel	Debs.	30.0	1993	6-7/8	6.90	F
Northwestern Bell Telephone	Debs.	100.0	2007	6-1/4	6.25	A-
Abbott Laboratories	S.F. debs.	25.0	1993	6-1/4	6.29	Aa
Standard Oil of Indiana	Debs.	200.0	1998	6.00	6.07	A
Connecticut Light & Power Company	1st mtg. bds.	20.0	1998	6-1/2	6.40	A
Connecticut Light & Power	Pfd. stk.	15.0				
Southern California Edison	Com. stk.	53.8				
Illinois Power Co.	1st mtg. bds.	25.0	1998	6-3/8	6.38	Aa
El Paso Natural Gas	Conv. debs.	60.0	1993	6	6.00	B
Minnesota Power & Light	1st mtg. bds.	18.0	1998	6-1/2	6.43	A
Disney Productions	Conv. debs.	40.0	1993	4-1/2	4.50	Ba



## Large Individual Issues Offered Jan. 1 through Jan. 26 (Cont'd)

Issuer	Type <u>3/</u>	Amount (millions of dollars)	Maturity	Coupon rate or net inter- est cost	Offer- ing yield	Rating
<u>Corporate (Cont'd)</u>						
Arizona Public Service	Pfd. stk.	16.0				
Texas Power & Light	1st mtg. bds.	25.0	1998	6.56	6.50	Aaa
Carolina Tel. & Tel.	Conv. sub. debts.	22.6	1988	5-3/4	5.03	A
Central Soya Company	S.F. Debts.	20.0	1993	6-3/8	6.46	A
General Telephone of Illinois	Debts.	20.0	1992	6-3/4	6.81	Baa
Zapata Off-Shore	Conv. debts.	15.0	1988	4-3/4	4.75	B
Trunkline Gas Company	1st mtg. p.l. bds.	35.0	1987	6-3/4	6.73	A
Oklahoma Gas & Electric	1st mtg. bds.	25.0	1998	6.44	6.38	Aa
<u>State &amp; local Government</u>						
St. Louis Jr. Coll. Dist., Mo.	Rev.-Rent.	10.0	1972-2001	5.14	4.10-5.30	--
State of New York	G.O.	78.0	1969-88	4.20	3.65-4.20	Aa
Fairfax Co., Virginia	G.O.	15.0	1969-93	4.89	3.90-4.90	Baa
Houston I.S.D., Texas	G.O.	39.8	1969-92	4.36	3.70-4.40	A
Milwaukee Co., Wisconsin	G.O.	13.7	1969-88	4.00	3.60-4.05	Aaa
State of Washington	G.O.	16.5	1969-88	4.10	3.50-4.10	Aa
State of Washington	G.O.	25.0	1988-92 <sup>4/</sup>	4.67	3.60-4.70	Aa
Honolulu, Hawaii	G.O.	10.0	1971-88	4.30	3.90-4.35	A
Omaha Public Power District	Rev.-Ut.	45.0	1970-1997	4.32	3.70-4.37	Aa
Alabama Highway Authority	Rev.-S.T.	30.0	1969-88	4.48	3.70-4.50	A
St. Louis, Missouri	G.O.	20.0	1972-2001	5.14	4.10-5.30	Aa
N.Y. State Dormitory Authority	Rev.-Rent.	48.1	1989-98	5.19	4.10-5.10	--
State of California	G.O.	100.0	1969-93	4.34	3.50-4.70	Baa
Montgomery Co., Maryland	G.O.	17.0	1969-88	4.33	3.50-4.40	A
State of Oregon	G.O.	10.7	1971-97	4.11	3.60-4.25	Aa
New York City	G.O.	114.3	1969-1998	4.79	4.40-4.90	Baa
Montpelier, Vermont	G.O.	20.0	1969-1987	3.86	--	Aaa
<u>Other</u>						
Quebec Hydro - Electric Comm.	Debts.	60.0	1989	6-7/8	7.00	A
Fed. Home Loan Bank	Bonds	200.0	1970	6	5.96	--
F.N.M.A.	Part. certs.	500.0	1971	6	6.00	--
F.N.M.A.	Part. certs.	300.0	1988	6.05	6.08	--
Province of Nova Scotia	Debts.	35.0	1993	7.00	7.10	A

\* 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 obligation; 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.4/ 4% bonds due 1992 reoffered to yield 4.10%.

## 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		530	706	851	545
Feb. 28	1,410	780	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	2,694	743	260
Nov. 30	826	865	845	2,129	1,684	875
Dec. 31	968	633	402	1,892	1,076	502

Forthcoming Large Offerings as January 26, 1968.

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<b>Corporate</b>			
Western Airlines	Conv. debs.	30.0	January 30
Texas Electric Service	Debs.	16.0	January 30
Commonwealth Edison	1st mtg. bds.	50.0	January 31
Piedmont Aviation	Conv. debs.	15.0	January 31
*U.S. Smelting Refining & Mining Company	Conv. debs.	60.0	February 5
N.Y. State Electric & Gas Co.	Pfd. stk.	30.0	February 5
Southern California Edison Co.	1st mtg. bds.	100.0	February 6
Michigan Bell Telephone Co.	Debs.	125.0	February 7
Gulf States Utilities Co.	1st mtg. bds.	25.0	February 13
Gulf States Utilities Co.	Com. stk.	31.0	February 13
United Nuclear Corporation	Conv. debs.	30.0	February 13
Potomac Electric Power	1st mtg. bds.	40.0	February 14
Dallas Power & Light Company	Debs.	15.0	February 14
Duke Power Company	1st & ref. mtg. bds.	75.0	February 15
Duquesne Light Company	1st mtg. bds.	35.0	February 20
Ohio Power Company	1st mtg. bds.	60.0	February 27

## Forthcoming Large Offerings as of January 26, 1968. (Cont'd)

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>Corporate (Cont'd)</u>			
Montana Power	1st mtg. bds.	30.0	Indefinite
Riegle Textile Corporation	Conv. sub. debts.	15.0	Indefinite
<u>State &amp; local Government</u>			
*Texas Water Development Board	G.O.	15.0	January 29
State of Kentucky	G.O.	30.0	January 30
Jackson, Mississippi	G.O.	10.0	January 30
Pennsylvania General State Authority	Rev.-Rent.	50.0	January 31
State of Tennessee	G.O.	35.0	January 31
Salt River Project District, Arizona	Rev.-Q.-Ut.	32.0	January 31
Memphis, Tennessee	G.O.	30.0	February 6
Los Angeles Convention Authority, California	Rev.-Rent.	18.0	February 6
State of South Carolina	G.O.	13.0	February 6
San Francisco B.A.R.T. Special Service District #1	G.O.	12.0	February 14
Philadelphia School District	G.O.	45.0	February 15
Minneapolis - St. Paul Airport Comm., Minnesota	Rev.-Rent.	16.0	February 15
New Orleans, Louisiana	Rev.-Rent.	12.0	February 21
Chesterfield Co., Chesterfield, Virginia	G.O.	14.6	February 29
Chester Co., South Carolina	Rev.-Rent.	35.0	Indefinite
Kentucky Turnpike Authority	Rev.-Q.-Ut.	120.0	Indefinite
Calcasieu Parish, Louisiana	Rev.-Rent.	62.7	Indefinite
N.Y. State Housing Finance Agency	Rev.-Rent.	81.0	February 7
<u>Other</u>			
New Zealand	Bonds	15.0	Indefinite
*New Brunswick Electric Power Comm.	S.F. Debs.	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: The registration on U.S. Steel's \$225.0 million debenture offering was withdrawn.

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: Nov. 1, 1967 through Jan. 26, 1968.
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%.
1/11	60.0	Quebec Hydro - Electric Commission 6-7/8% debentures maturing 1989, reoffered to yield 7.00%.
1/23	35.0	Province of Nova Scotia -- 7% S.F. debentures maturing 1993, reoffered to yield 7.10%.
		B. Prospective Offerings
Indefinite	15.0	New Zealand -- Bonds ***
Indefinite	15.0	New Brunswick Elec. Power Commission -- S.F. debs.

\* - 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 26, 1968.

Date Reported	Amount (millions of dollars)	Issuer and Description of Issue
1/1/68	1.5	Nicaraguan Hotel Co. -- U.S. guaranteed 6% note, maturing June 1, 1987.
1/8/68	12.0	Republic of Portugal -- notes due 1968.
1/15/68	7.0	Home Oil Co. Ltd. (Canada) -- Secured 15 year bonds.

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