

FEB 29 1968
FEDERAL RESERVE BANK
OF RICHMOND

CAPITAL MARKETS DEVELOPMENTS
IN THE UNITED STATES

Corporate and municipal bond market. The volume of new, publicly-offered, municipal bonds expected this week will be significantly above the average weekly volume over the past year, while once again the corporate volume will be relatively reduced. The largest corporate offering will be Ohio Power's \$60 million of first mortgage bonds, while the largest municipal offering will be the Port of New York Authority's \$100 million of revenue bonds.

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

| | Corporate | | State & local Government | |
|-------------------|---------------|-----------|--------------------------|-----------|
| | New Capital | Refunding | New Capital | Refunding |
| Sold: | | | | |
| 52 week avg. | 342 | 1 | 254 | 2 |
| February 16 | <u>r</u> /250 | -- | <u>r</u> /380 | -- |
| 23 | 47 | -- | 293 | -- |
| Scheduled: | | | | |
| March 1 | 145 | -- | 401 | -- |

^{1/} 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.

Yields on new and seasoned corporate bonds were essentially unchanged last week, while new issues met with only a fair reception. Some recently offered bonds still in syndicate were sold out at their original yield, however, and they, together with last week's offerings, are said to be priced at least very close to the market.

Yields on municipals advanced last week, but new issues were not very well received. Only about 50 per cent of the week's new offerings were reported sold by the end of the week.

Home-mortgage interest rates. Secondary market yields on FHA-insured new-home mortgages which, in December, had already returned to the record of 6.81 per cent first reached in November 1966 was unchanged in January for the first month since the recent rise began in May of 1967. Interest rates on first mortgages for conventional loans on new homes rose further, however, in January. At 6.75 per cent the average was 5 basis

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 | 6.29 | - 1 |
| Seasoned | 6.09 | - 1 |
| <u>U.S. Government</u> | | |
| Long-term | 5.14 | + 1 |
| 3-5 year | 5.57 | + 1 |
| <u>State and local Govt.</u> | | |
| Moody's Aaa | 4.06 | + 6 |
| Std. & Poor's high grade | 4.43 | + 7 |
| <u>Money Market</u> | | |
| Federal funds | 4.75 | + 16 |
| Treasury bills | | |
| 3-month | 4.96 | - 1 |
| 6-month | 5.06 | - 8 |

| <u>Date Offered</u> | <u>Amount (millions of \$)</u> | <u>Corporate Bonds Still in Syndicate</u> | | | <u>Estimated pro- portion sold</u> |
|-------------------------|------------------------------------|---|-----------------------------|---------------|--|
| | | <u>Issuer</u> | <u>Reoffering Yield</u> | <u>Rating</u> | |
| 2/20 | 35.0 | Duquesne Light 6-3/8's - 1998 | 6.30 | Aaa | 50% |
| 2/19 | 7.5 | Narragansett Electric 6-3/4's - 1998 | 6.65 | A | 60% |
| 2/15 | 75.0 | Duke Power 6-3/8's - 1998 | 6.32 | Aaa | 50% |
| 2/7 | 125.0 | Michigan Bell Tel. 6-3/8's - 2005 | 6.32 | Aaa | 50% |
| 2/6 | 100.0 | Southern Calif. Edison 6-3/8's - 1993 | 6.35 | Aa | 70% |

Blue List of Municipal Dealers' Advertised Inventories

| <u>Latest Week</u> | <u>End of Previous Week</u> | <u>Recent High</u> |
|--------------------|-----------------------------|--------------------|
| 547(2/20/68) | 471 | 849(4/26/67) |

points above the previous peaks reached last December and in November 1966, as reported by FHA, which shows such rates rounded to the nearest 5 basis points. Interest rates for conventional first mortgages on existing homes also rose to a new high -- 6.80 per cent -- in January.

A factor in the relative stability of the FHA-yield level in January was the extreme depth of the discount currently being required by lenders -- 6.8 points -- on the average. The recent reduction in bond yields from earlier peaks was also significant. As a result the spread between new Aaa corporate bonds and the secondary market yields on FHA-insured home mortgages broadened to 57 basis points in January. While still quite narrow, this was the largest spread since October and compared with only 24 basis points in November when the spread was at a record low.

Stock market credit. During the retreat of stock prices in January, stock market credit also declined, both at banks and at brokerages. Customers' net debit balances declined \$122 million to \$7,761 million, while bank loans to others than brokers and dealers declined \$32 million to \$2,432 million. For both these series this was the first decline since January of last year. Customers' net free credit balances, meanwhile, increased \$179 million to \$2,942 million during the month.

Stock prices. Common stock prices advanced last week, but trading volume was considerably reduced. At the close Friday, Standard & Poor's index of 500 stocks stood at 90.89, up 0.93 from the previous Friday. Trading volume averaged 8.5 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.

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 | | Customers' net free credit balances |
| | | | | Cust. coll. | Other coll. | |
| 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 |
| 1968 - Jan. | 10,193 | 7,761 | 2,432 | n. a. | n. a. | 2,942 |
| Change in outstanding: | | | | | | |
| 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. | 271 | 185 | 86 | n. a. | n. a. | 112 |
| Nov. | 62 | 43 | 19 | n. a. | n. a. | -13 |
| Dec. | 852 | 830 | 22 | n. a. | n. a. | 263 |
| 1968 - Jan. | -154 | -122 | -32 | n. a. | n. a. | 179 |

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.

LONG-TERM BOND YIELDS, HIGH-GRADE

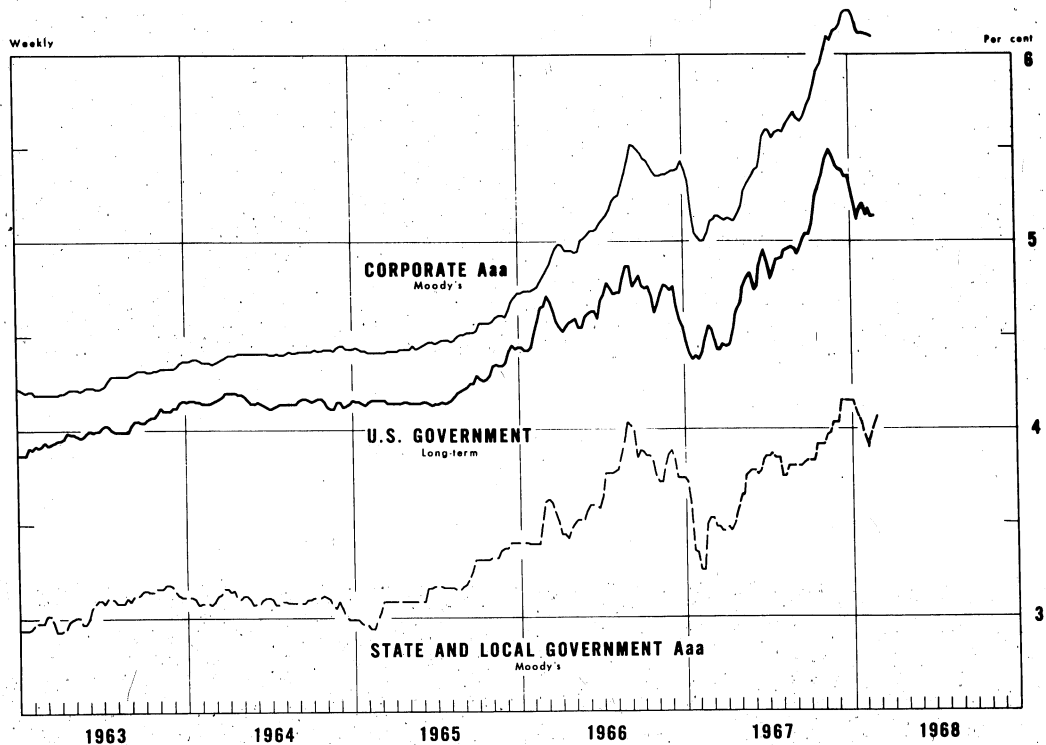


Exhibit A -- Part ii

| 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(12/28) | .92 | 1.51 |
| - Low | 5.00(2/10) | 4.37(2/3) | 3.25(2/9) | .44 | .74 |
| 1968 - Jan. 26 | 6.12 | 5.20 | 3.98 | .92 | 1.22 |
| Feb. 2 | 6.12 | 5.15 | 3.90 | .97 | 1.25 |
| 9 | 6.11 | 5.17 | 3.95 | .94 | 1.22 |
| 16 | 6.10 | 5.13 | 4.00 | .97 | 1.13 |
| 23 ^{p/} | 6.09 | 5.14 | 4.06 | .95 | 1.08 |

p/ Preliminary.

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

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

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

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

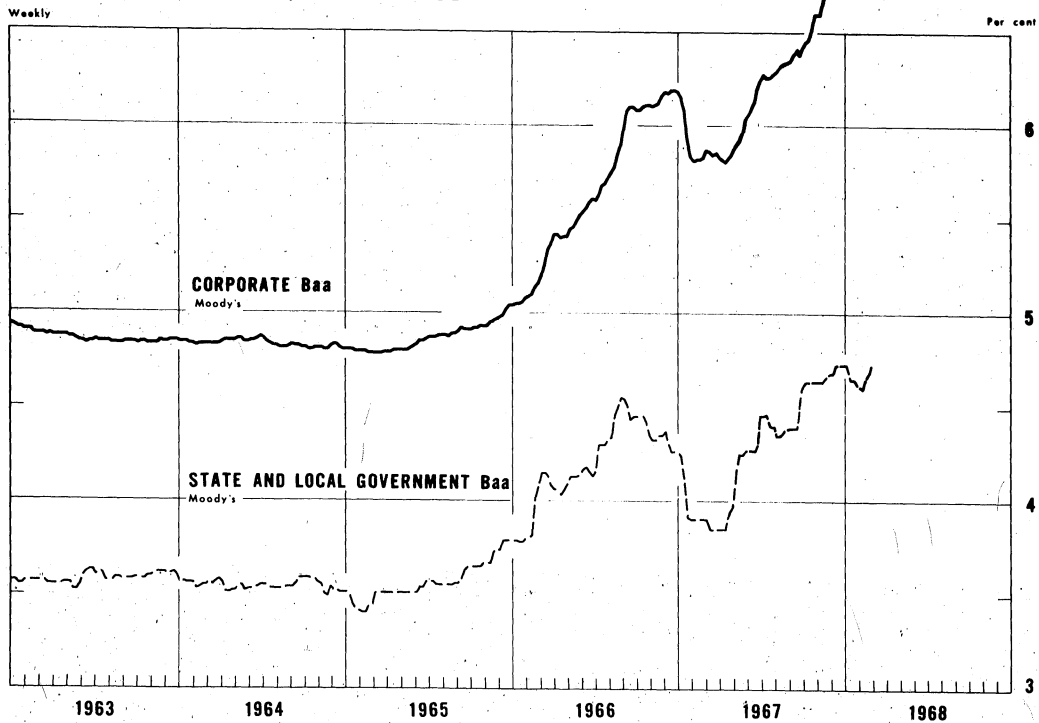
LONG-TERM BOND YIELDS, LOWER GRADE

Exhibit B -- Part II

| Date | Corporate Baa <u>1</u> / | State and local govt. Baa <u>2</u> / | Spread between Aaa and Baa | |
|----------------|-----------------------------|--|-------------------------------|--------------------------|
| | | | Corporate | State and local govt. |
| (per cent) | | | | |
| 1959-60 - High | 5.36(2/12/60) | 4.46(1/7/60) | .84 | 1.08 |
| Year end- 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 |
| 1968 - Jan. 26 | 6.80 | 4.62 | .68 | .64 |
| Feb. 2 | 6.80 | 4.60 | .68 | .70 |
| 9 | 6.80 | 4.64 | .69 | .69 |
| 16 | 6.79 | 4.69 | .69 | .69 |
| 23p/ | 6.79 | 4.73 | .70 | .67 |

Note: For footnotes see Exhibit A.

SHORT- AND INTERMEDIATE-TERM INTEREST RATES

GOVERNMENT

Weekly

Per cent

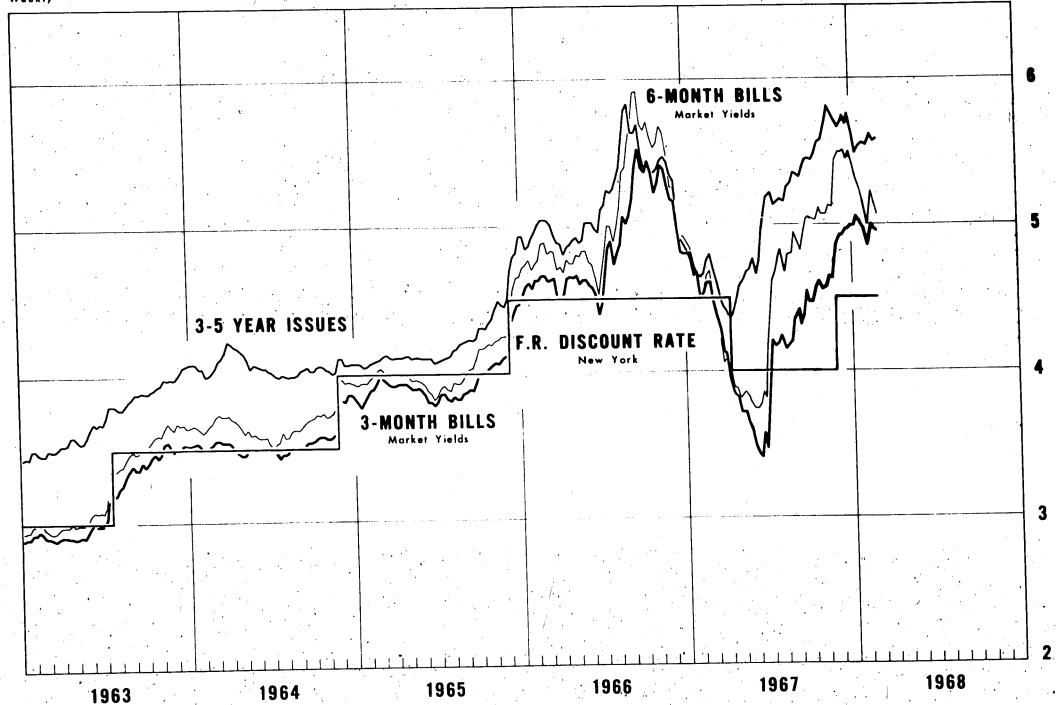


Exhibit C -- Part II

| 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 | 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 |
| 1968 - Jan. 26 | 4.50 | 4.97 | 5.16 | 5.55 | .19 | .58 |
| Feb. 2 | 4.50 | 4.85 | 5.00 | 5.54 | .15 | .69 |
| 9 | 4.50 | 5.00 | 5.22 | 5.61 | .22 | .61 |
| 16 | 4.50 | 4.97 | 5.14 | 5.56 | .17 | .59 |
| 23p/ | 4.50 | 4.96 | 5.06 | 5.57 | .10 | .61 |

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

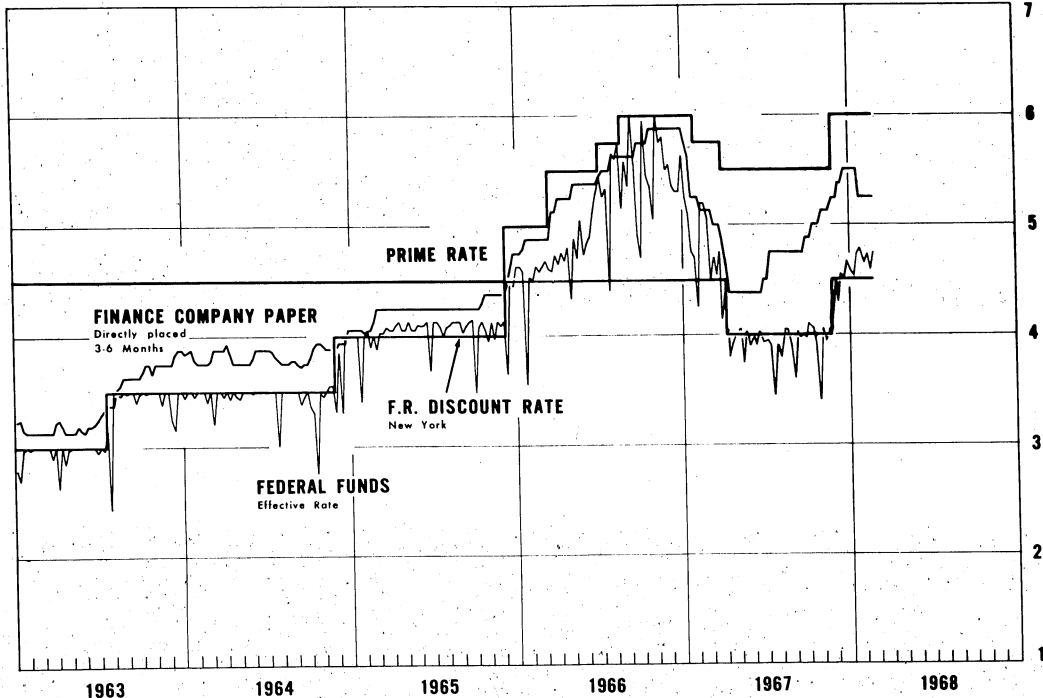


Exhibit D -- Part II

| 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 |
| 1968 - Jan. 26 | 6.00 | 5.38 | 4.68 | .41 |
| Feb. 2 | 6.00 | 5.25 | 4.65 | .40 |
| 9 | 6.00 | 5.25 | 4.73 | .25 |
| 16 | 6.00 | 5.25 | 4.59 | .28 |
| 23p | 6.00 | 5.25 | 4.75 | .29 |

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.

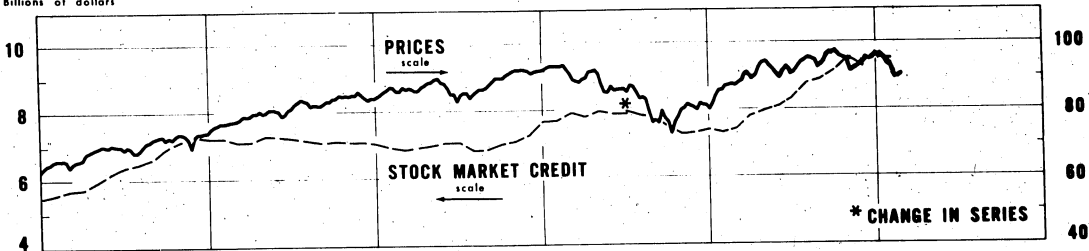
3/ Weekly average of daily effective rate, which is the rate for the heaviest volume of purchase and sale transactions as reported to the Federal Reserve Bank of New York.

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.

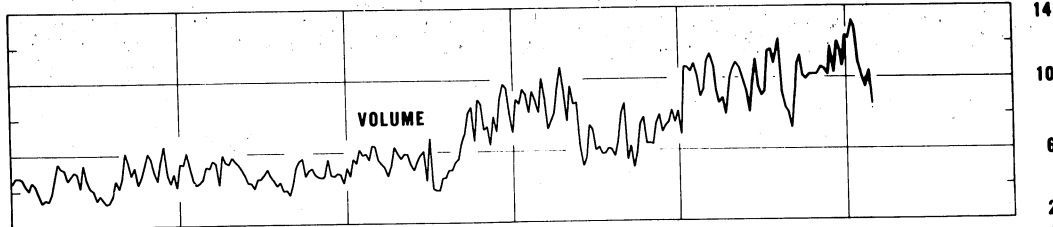
STOCK MARKET

Billions of dollars

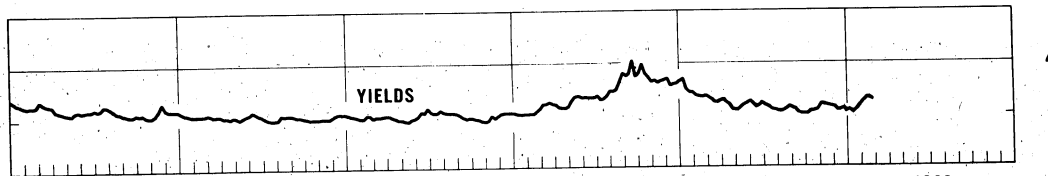
1941-43 average=10



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 bal-ances <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 (12/67) | 7,883 (12/67) | 2,507 (11/1) |
| Low | 82.18 (1/6) | 3.58 | 6.9 | 7,345 (1/67) | 5,290 (1/67) | 2,055 (1/25) |
| 1967 - Dec. | 95.30 | 3.09 | 11.5 | 10,347 | 7,883 | 2,464 |
| 1968 - Jan. | 95.04 | 3.10 | 11.9 | 10,193 | 7,761 | 2,432 |
| 1968 - Feb. 9 | 89.86 | 3.31 | 9.5 | n.a. | n.a. | 2,438 |
| 16 | 89.96 | 3.31 | 10.3 | n.a. | n.a. | <u>1/2,449</u> |
| 23p/ | 90.89 | 3.28 | 8.5 | 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

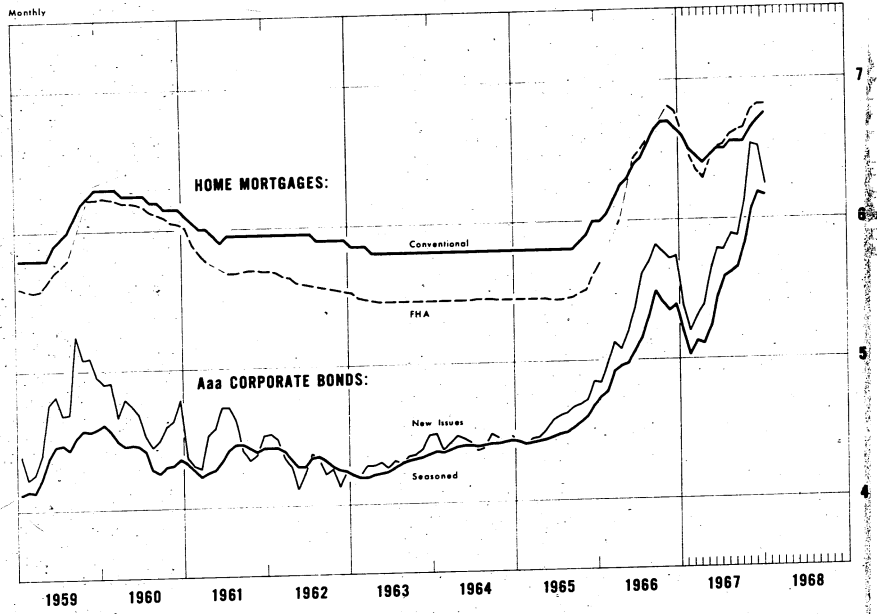


Exhibit F Part II

| | FHA mortgages <u>2/</u> | | Conventional mortgages <u>3/</u> | Spread between yields on conv. & FHA mort- <u>4/</u> gages | Aaa Corporate Bonds | | Spread between yields on new corporate bonds and | |
|----------------|-------------------------|---------|----------------------------------|--|---------------------|--------------------|--|----------------|
| | 25-year | 30-year | | | New <u>5/</u> | Seasoned <u>6/</u> | FHA mtgs. <u>4/</u> | 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 |
| 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 |
| 1968 - Jan. | n.a. | 6.81 | 6.75 | -.06 | 6.24 | 6.17 | .57 | .07 |

- 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 pre-payment 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.

YIELDS ON NEW AND SEASONED CORPORATE BONDS

Weekly

Per cent

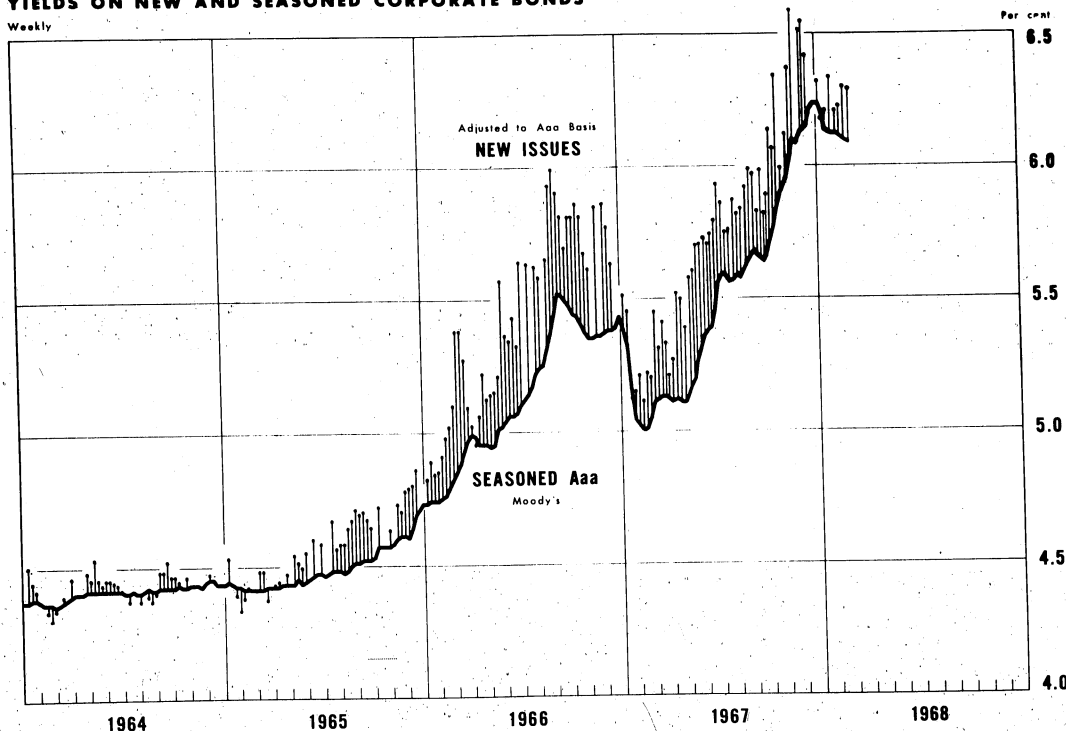


Exhibit G - II

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> | | | | | | | |
| 1968 - Jan. | 13 | 567.0 | 6.24 | Feb. | 2 | 76.0 | 6.21 |
| | | | | | 9 | 237.0 | 6.23 |
| | | | | | 16 | 205.0 | 6.30 |
| | | | | | 23 ^{p/} | 42.5 | 6.29 |
| <u>Weekly averages:</u> | | | | | | | |
| | | | 6.33(1/26/68) | | | | |
| | | | 6.18(1/12/68) | | | | |

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.

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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/ | 1967r/ | 1966 |
| January | e/ 1,750 | 1,648 | 1,302 | e/1,150 | 1,482 | 1,188 |
| February | e/ 1,600 | 1,398 | 1,237 | e/1,200 ✓ | 1,194 | 858 |
| March | e/ 1,800 | 2,317 | 2,446 | e/1,100 ✓ | 1,439 | 865 |
| April | | 1,973 | 1,553 | | 1,111 | 1,193 |
| May | | 1,474 | 1,058 | | 1,222 | 901 |
| June | | 2,611 | 2,364 | | 1,497 | 1,141 |
| July | | 2,457 | 1,039 | | 943 | 701 |
| August | | 2,406 | 1,670 | | 858 | 773 |
| September | | 1,723 | 1,382 | | 1,324 | 1,020 |
| October | | 2,289 | 829 | | 974 | 755 |
| November | | 1,467 | 1,085 | | 1,424 | 969 |
| December | | p/2,336 | 1,635 | | 1,060 | 940 |
| 1st Quarter | e/ 5,150 | 5,363 | 4,985 | e/3,450 | 4,115 | 2,911 |
| 2nd Quarter | | 6,058 | 4,975 | | 3,830 | 3,235 |
| 3rd Quarter | | 6,586 | 4,091 | | 3,125 | 2,494 |
| 4th Quarter | | 6,092 | 3,550 | | 3,458 | 2,664 |
| 1st half | | 11,421 | 9,959 | | 8,048 | 6,146 |
| Three quarters | | 18,007 | 14,050 | | 11,192 | 8,640 |
| Year | | p/24,099 | 17,601 | | 14,652 | 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. r/ Revised.

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 |
| IV <u>p/</u> | 6,295 | 3,107 | 2,137 | 1,051 | 93 | 2,527 | 1,255 | 270 | 2,040 |
| 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. | 2,410 | 1,375 | 566 | 469 | 34 | 906 | 573 | 119 | 690 |
| Nov. | 1,500 | 645 | 551 | 304 | 19 | 512 | 404 | 82 | 469 |
| Dec. <u>p</u> | 2,385 | 1,087 | 1,020 | 278 | 40 | 1,109 | 278 | 69 | 881 |
| 1968 - Jan. | 1,810 | 885 | 700 | 225 | n.a. | 745 | 405 | 150 | 450 |

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 | 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 | 23 | 52 | 708 | 450 | 375 |
| November | 142 | 74 | 75 | 710 | 800 | 375 |
| December | 18 | 68 | 2 | 612 | 239 | 179 |
| Jan. - Dec. p/ | 1,656 | 597 | 661 | 8,180 | 6,806 | 2,732 |
| Year | 1,656 | 597 | 661 | 8,180 | 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 | 200 | -161 | 152 | 1,407 | -652 | 105 |
| October | 464 | -48 | 59 | 606 | -555 | -309 |
| November | 50 | 503 | 274 | 573 | -283 | 202 |
| December p/ | -431 | -570 | -366 | 36 | 219 | -76 |
| Jan. - Dec. p/ | 2,281 | 422 | 1,286 | 660 | 310 | 801 |
| Year | 2,281 | 422 | 1,286 | 660 | 310 | 801 |

p/ Preliminary. e/ Estimated by Federal Reserve. 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 | | |
| 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 |
| 1968 - Jan. | 904 | 652 | 168 | 85 | 785 | 1,095 |

Large Individual Issues Offered Feb. 1 through Feb. 23, 1968.

| Issuer | Type 3/ | Amount (millions of dollars) | Maturity | Coupon rate or net interest cost | Offering yield | Rating |
|---|----------------------|------------------------------|----------|----------------------------------|----------------|--------|
| Corporate | | | | | | |
| U.S. Smelting Refining & Mining Company | Conv. debs. | 60.0 | 1993 | 5-3/4 | 5.75 | B |
| Southern California Edison Company | 1st mtg. bds. | 100.0 | 1993 | 6.42 | 6.35 | Aa |
| Michigan Bell Telephone Company | Debs. | 125.0 | 2005 | 6.38 | 6.32 | Aaa |
| United Nuclear Corporation | Conv. debs. | 30.0 | 1998 | 5 | 5.00 | -- |
| N.Y. State Electric and Gas Company | Pfd. stk. | 30.0 | | | | Aa |
| Gulf States Utilities Co. | 1st mtg. bds. | 25.0 | 1998 | 6.52 | 6.45 | Aa |
| Gulf States Utilities Co. | Com. stk. | 31.0 | | | | Aa |
| Dallas Power & Light Co. | Debs. | 15.0 | 1993 | 6.70 | 6.60 | Aa |
| Potomac Electric Power | 1st mtg. bds. | 40.0 | 2003 | 6.54 | 6.50 | Aa |
| Duke Power Company | 1st & ref. mtg. bds. | 75.0 | 1998 | 6-3/8 | 6.32 | Aaa |
| International Harvester Co. | S.F. debs. | 50.0 | 1998 | 6-1/4 | 6.25 | Aa |
| Duquesne Light Co. | 1st mtg. bds. | 35.0 | 1998 | 6-3/8 | 6.30 | Aaa |

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Large Individual Issues Offered Feb. 1 through Feb. 23 (Cont'd)

| Issuer | Type <u>3/</u> | Amount (millions of dollars) | Maturity | Coupon rate or net inter- est cost | Offer- ing Yield | Rating |
|---|------------------|---------------------------------------|-----------|---|------------------------|--------|
| <u>State & local Government</u> | | | | | | |
| Memphis, Tennessee | G.O. | 30.0 | 1968-93 | 4.04 | 32.5-4.40 | Aa |
| Los Angeles Convention Authority, California | Rev.-Rent. | 18.0 | 1973-2003 | 4.76 | 4.25-4.80 | A |
| State of South Carolina | G.O. | 13.0 | 1969-82 | 3.73 | 3.10-3.75 | Aaa |
| N.Y. State Housing Finance Agency | Rev.-Rent. | 81.0 | 1968-98 | 4.78 | 3.40-4.75 | -- |
| Colorado Springs Sch. Dist.#11, Colorado | G.O. | 14.8 | 1969-88 | 4.22 | 3.40-4.25 | Aa |
| San Francisco B.A.R.T. Special Service Dist.#1 | G.O. | 12.0 | 1970-98 | 4.47 | 3.70-4.60 | Aa |
| New York State | G.O. | 80.0 | 1969-88 | 5.00 | 3.40-4.10 | Aa |
| Minneapolis-St. Paul Airport Comm., Minnesota | Rev.-Rent. | 16.0 | 1971-98 | 4.38 | 3.60-4.50 | Aa |
| Georgia Education Authority | Rev.-Rent. | 18.0 | 1971-92 | 4.48 | 3.70-4.60 | Aa |
| State of Connecticut | G.O. | 50.0 | 1970-88 | 4.09 | 3.40-4.13 | Aaa |
| New Orleans, Louisiana | Rev.-Rent. | 12.0 | 1969-87 | 4.64 | 3.60-4.70 | A- |
| Philadelphia School Dist. | G.O. | 45.0 | 1970-93 | 4.63 | 3.70-5.00 | A |
| <u>Other</u> | | | | | | |
| New Brunswick Electric Power Commission | S.F. debs. | 15.0 | 1993 | 6-7/8 | 7.00 | A |
| Federal Home Loan Bank Bd. Montreal | Consol. notes | 65.0 | 1970 | 6.00 | 5.93 | -- |
| Canadian Pacific Railway | S.F. debs. | 25.0 | 1988 | 7.18 | 7.06 | A |
| | Equip. tr. cert. | 20.0 | 1983 | 6.90 | 6.90 | Aa |

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.

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/ |
| 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 | 2,694 | 743 | 260 |
| Nov. 30 | 826 | 865 | 845 | 2,129 | 1,684 | 875 |
| Dec. 31 | 968 | 633 | 402 | 1,892 | 1,076 | 502 |
| 1968 - Jan. 31 | 531 | 449 | 60 | 736 | 937 | 75 |

Forthcoming Large Offerings as of February 23, 1968.

| Issuer | Type | Amount (millions of dollars) | Approximate date of offering |
|------------------------------------|----------------------|---------------------------------------|---------------------------------|
| Corporate | | | |
| Ohio Power Company | 1st mtg. bds. | 60.0 | February 27 |
| Texas Eastern Transmission | Debs. | 50.0 | February 27 |
| Baxter Laboratories, Inc. | Conv. sub. debs. | 25.0 | February 28 |
| Potomac Electric | Com. stk. | 15.8 | February 28 (rts. exp) |
| Tenneco, Inc. | Cum. pfd. stk. | 98.2 | March 5 |
| Diversified Metals | Conv. sub. debs. | 20.0 | March 11 |
| Philadelphia Electric Co. | 1st mtg. bds. | 60.0 | March 11 |
| Graphic Sciences | Conv. debs. | 15.0 | March 12 |
| General Telephone of the Southwest | 1st mtg. bds. | 25.0 | March 13 |
| Pioneer Natural Gas | 1st mtg. bds. | 15.0 | March 14 |
| Consolidated Edison | Cum. pfd. stk. | 93.1 | March 18 (rts. exp.) |
| Utah Power and Light Co. | 1st mtg. bds. | 35.0 | March 19 |
| Pacific Gas & Electric | 1st & ref. mtg. bds. | 50.0 | March 20 |
| *Louisiana Power & Light Co. | 1st mtg. bds. | 35.0 | March 21 |
| Riegler Textile Corporation | Conv. sub. debs. | 15.0 | March |
| Montana Power | 1st mtg. bds. | 30.0 | Indefinite |
| Piedmont Aviation | Conv. debs. | 15.0 | Indefinite |
| A.M.K. Corporation | Debs. | 30.0 | Indefinite |

Forthcoming Large Offerings as of February 23. (Cont'd)

| Issuer | Type | Amount (millions of dollars) | Approximate date of offering |
|--|--------------|---------------------------------------|------------------------------|
| <u>State and local Government</u> | | | |
| Dallas, Texas | G.O. | 30.0 | February 26 |
| Charlotte, North Carolina | G.O. | 12.1 | February 27 |
| Albany Co., Albany, N.Y. | G.O. | 70.0 | February 27 |
| Port of New York Authority | Rev.-Q.-Ut. | 100.0 | February 28 |
| State of Ohio | G.O. | 75.0 | February 29 |
| Chesterfield, Co., Chesterfield, Virginia | G.O. | 14.6 | February 29 |
| Illinois Building, Auth. | Rev.-Rent. | 35.4 | March 5 |
| Prince Georges Co., Md. | G.O. | 24.0 | March 5 |
| Housing Assistance Admin. | Bonds | 143.8 | March 6 |
| Los Angeles Dept. of Water and Power | Rev.-Ut. | 24.0 | March 6 |
| Pennsylvania State Sch. Building, Authority | Rev.Rent. | 40.0 | March 12 |
| Anne Arundel Co., Anapolis, Maryland | G.O. | 12.0 | March 12 |
| *Peralta Jr. Coll, Dist., Col. | G.O. | 18.5 | March 19 |
| Chester Co., South Carolina | Rev.-Rent. | 35.0 | Indefinite |
| Kentucky Turnpike Auth. | Rev.-Q.- Ut. | 120.0 | Indefinite |
| Calcasieu Parish, La. | Rev.-Rent. | 62.7 | Indefinite |
| <u>Other</u> | | | |
| 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.

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: Jan. 1 through Feb. 23, 1968. |
| 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%. |
| 2/1 | 15.0 | New Brunswick Electric Power Commission -- 6-7/8% S.F. debentures maturing 1993, reoffered to yield 7.00%. |
| 2/13 | 25.0 | Montreal, Canada -- 7-1/8% S.F. debentures maturing 1988, reoffered to yield 7.06%. |
| 2/20 | 20.0 | Canadian Pacific Railway -- 6.90% equipment trust certificates -- maturing March 1, 1983; reoffered to yield 6.90%. |
| | | B. Prospective Offerings |
| Indefinite | 15.0 | New Zealand -- Bonds *** |

* - 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 February 23, 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. |
| 2/5/68 | 1.5 | Caribbean Finance Co. (Puerto Rico). Senior notes due 1/15/80. |
| 2/26/68 | 6.0 | Aluminio, S.A. de C.V. (Mexico) U.S. debentures -- 7-1/2%, maturing 1980. |

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.

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