

Not for Publication

MEMBER

AUG 28 1968

FEDERAL RESERVE BANK  
OF RICHMOND

DECONTROLLED AFTER SIX MONTHS

August 26, 1968.

CAPITAL MARKETS DEVELOPMENTS  
IN THE UNITED STATES

Corporate and municipal bond markets. The volume of new, publicly-offered, corporate securities expected this week will be about one-half the average weekly volume over the past year; the municipal volume will be slightly above average. The major corporate offering will be Georgia Power Company's \$50 million of first mortgage bonds; the largest municipal issue will be \$75 million of California veterans'-bonus bonds. Supplementing the week's long-term volume will be a \$350 million offering by the Federal National Mortgage Association.

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

	Corporate		State and Local Government	
	New Capital	Refunding	New Capital	Refunding
<b>Sold:</b>				
52 week avg.	299	1	266	1
August 16	<u>2</u> /180	--	<u>2</u> /387	1
August 23	240	--	676	--
<b>Scheduled:</b>				
August 30	150	--	280	--

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

Yields on new and seasoned corporate bonds were essentially unchanged last week; the increase in the new issue series was again attributable to a shift in the number of component issues carrying no call protection. New issues last week were not as well received as they had been the week before. The major competitively-offered issue was said to be only about one-third sold at the end of the week.

Yields on municipals advanced last week while new issues met with a mixed reception. Although the \$286 million Consumers Public Power District revenue bond offering was nearly sold out, other issues were so poorly received initially that dealers immediately began to cut prices -- adding another 5 to 10 basis points to the original reoffering yield. By the end of the week 77 per cent of the week's offerings had been sold and the volume of bonds in syndicate was the largest in 16 months.

Yields on Security Markets

<u>High-Grade Notes and Bonds</u>		<u>Change from preceding week</u>
<u>Corporate</u>		
New	6.26	+ 13
Seasoned	5.98	- 2
<u>U.S. Government</u>		
Long-term	5.09	+ 3
3-5 year	5.36	+ 1
<u>State and local Gov't.</u>		
Moody's Aaa	4.05	+ 5
Std. & Poor's high grade	4.34	+ 5
<u>Money Market</u>		
Federal funds	5.95	- 18
Treasury bills		
3-month	5.15	+ 4
6-month	5.24	- 5

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>
8/20	38.0	Pennsylvania Electric, 6-5/8's - 1998	6.50	Aa	30%
8/20	12.0	Southern Indiana Gas & Elec., 6-3/8's - 1998	6.25	Aa	25%

Blue List of Municipal Dealers' Advertised Inventories

<u>Latest Week</u>	<u>End of Previous Week</u>	<u>1968 High</u>
795(8/21/68)	670	795(8/21/68)

Home mortgage interest rates and other terms. Secondary market yields on certain FHA-insured new home mortgages edged down to 7.42 per cent in July. This was the first decline in 5 months, and the first real sign of some movement toward easier credit in more than a year. The accompanying discounts required by lenders declined to 5.5 points in July, a low for the year. With the new Aaa corporate bond average declining somewhat faster in July, the spread between the two rates widened slightly. While still below typical spreads prevailing prior to 1965, this was the broadest margin in favor of home mortgages in 14 months. The increase in the spread which occurred in the last two months undoubtedly enhanced the attractiveness of home mortgages to some lenders.

Interest rates on conventional first mortgages for both new and existing homes, according to the Federal Housing Administration series, rose slightly further in July to new highs of 7.30 per cent and 7.35 per cent, respectively, and were 80 basis points above a year earlier. The monthly increase was smaller than in either May or June. As has recently been the case, the Middle Atlantic region recorded the largest monthly advance as a result of further changes in State usury laws.

According to the Federal Home Loan Bank Board series -- which tends to lag the FHA series -- interest rates also advanced again in July on conventional home mortgages. Non-rate terms were also reported to be somewhat tighter in July than they were in June. Maturities showed little change in July while loan-to-price ratios fell. Both maturities and loan-to-price ratio were only slightly changed from their year earlier levels. With average purchase prices up in July, the corresponding implied downpayment averaged \$8.0 thousand on new homes and \$7.1 thousand (a new high) on existing homes.

Stock prices. Common stock prices were virtually unchanged last week, while trading volume was moderately heavy. Over the week the Standard & Poor's index gained 0.01 points, closing Friday at 98.69. Trading volume averaged 11.4 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 - July	11,270	8,854	2,416	n.a.	n.a.	3,245
Change in outstanding:						
1967 - 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
Feb.	-391	-380	-11	n.a.	n.a.	-174
Mar.	-216	-169	-47	n.a.	n.a.	-76
Apr.	426	454	-28	n.a.	n.a.	287
May	576	565	11	n.a.	n.a.	85
June	513	460	53	n.a.	n.a.	229
July	169	163	6	n.a.	n.a.	-48

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.

# LONG-TERM BOND YIELDS, HIGH-GRADE

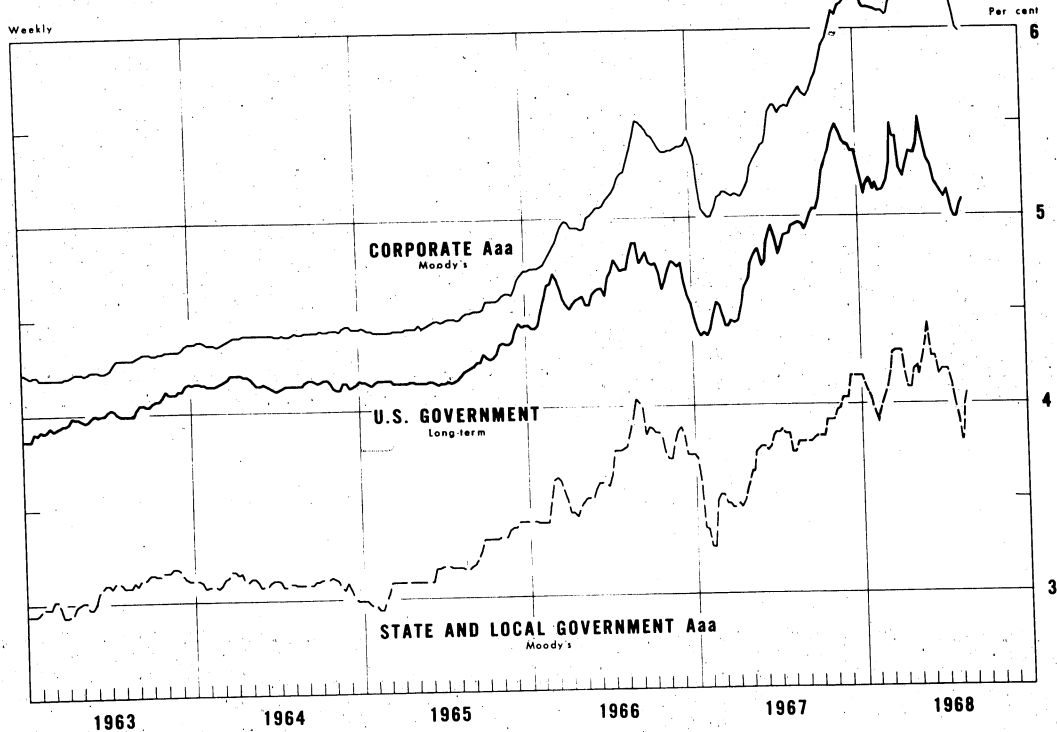


Exhibit A -- Part II

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 - July 26	6.22	5.03	4.00	1.19	1.03
Aug. 2	6.14	4.99	3.90	1.15	1.09
9	6.07	4.99	3.80	1.08	1.19
16	6.00	5.06	4.00	1.06	1.06
23 <sup>p/</sup>	5.98	5.09	4.05	.89	1.04

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

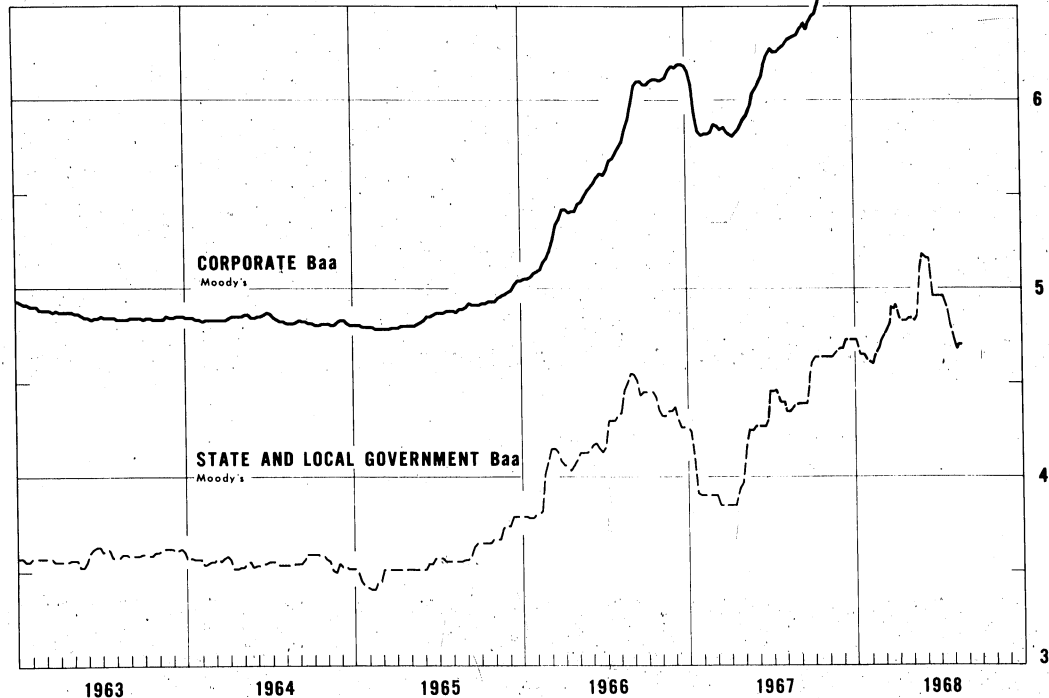


Exhibit B -- Part II

Date	Corporate Baa <u>1</u> /	State and local govt. Baa <u>3</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(1/29)	4.73(12/28)	.82	.81
Low	5.81(4/14)	3.85(4/13)	.63	.37
1968 - July 26	6.95	4.80	.73	.80
Aug. 2	6.88	4.73	.74	.83
9	6.83	4.68	.76	.88
16	6.82	4.70	.82	.70
23p/	6.80	4.70	.02	.65

Note: For footnotes see Exhibit A.



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

Weekly

Per cent

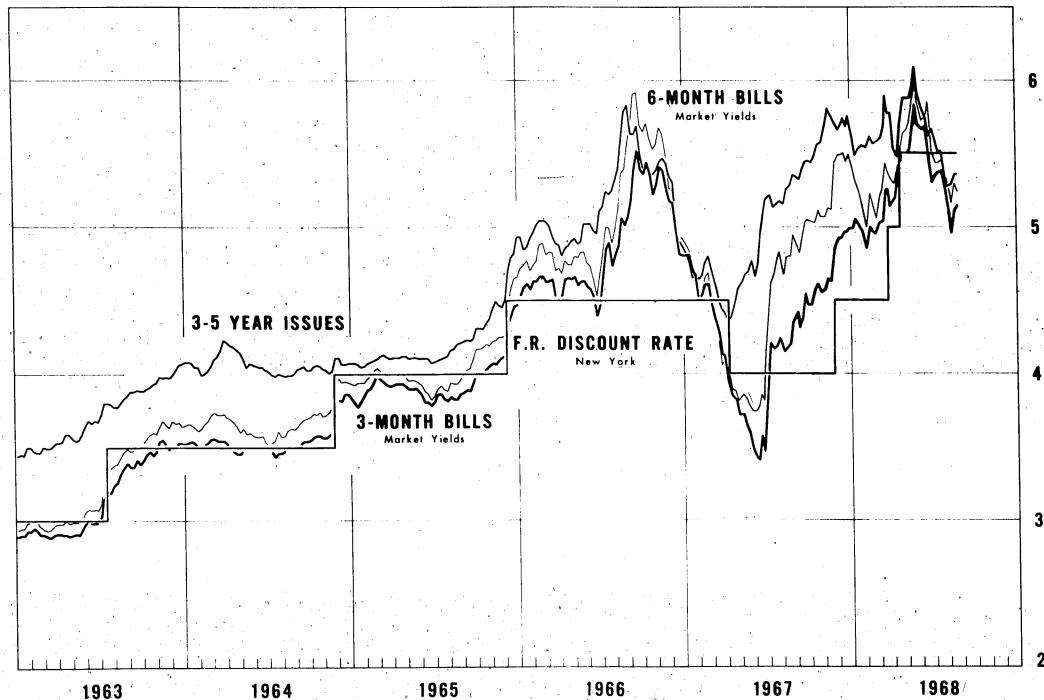


Exhibit C -- Part II

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(12/12)	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 - July 26	5.50	5.24	5.36	5.27	.12	.03	
Aug. 2	5.50	5.08	5.25	5.28	.17	.20	
9	5.50	4.96	5.16	5.29	.20	.33	
16	5.50	5.11	<u>r</u> /5.29	5.35	.18	.24	
23 <sup>p</sup> /	5.50	5.15	5.24	5.36	.09	.21	

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.

p/ Preliminary. r/ Revised.

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

Weekly

Per cent

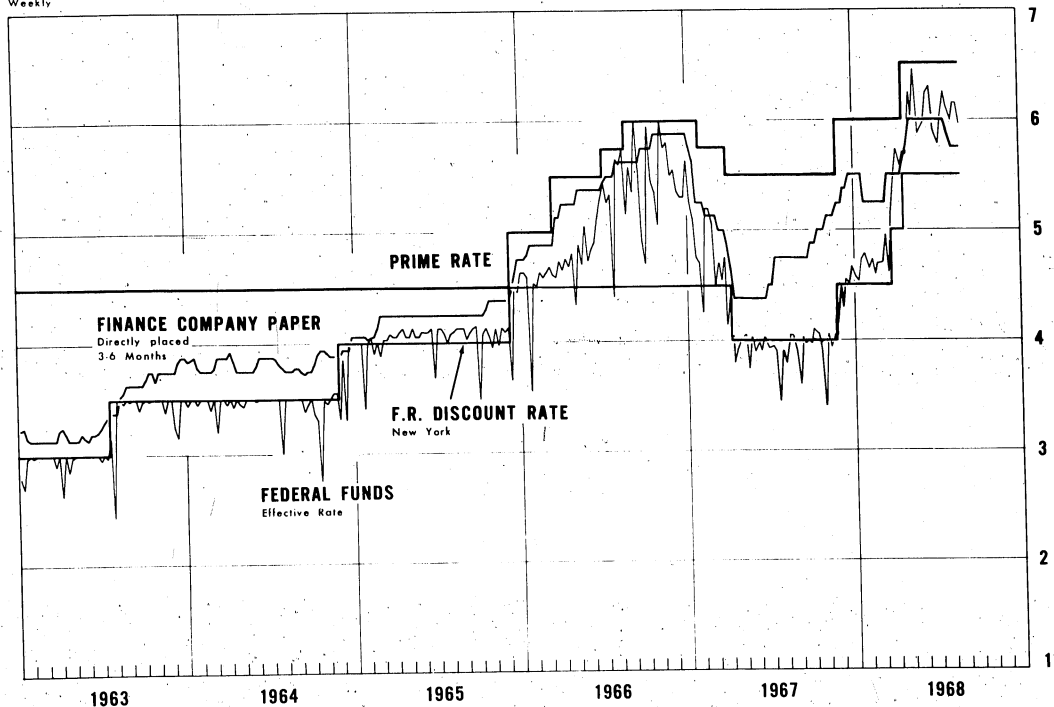


Exhibit D -- Part II

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 - July 26	6.50	5.88	6.10	.64
Aug. 2	6.50	5.75	6.00	.67
9	6.50	5.75	6.13	.79
16	6.50	5.75	6.13	.64
23p/	6.50	5.75	5.95	.60

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.

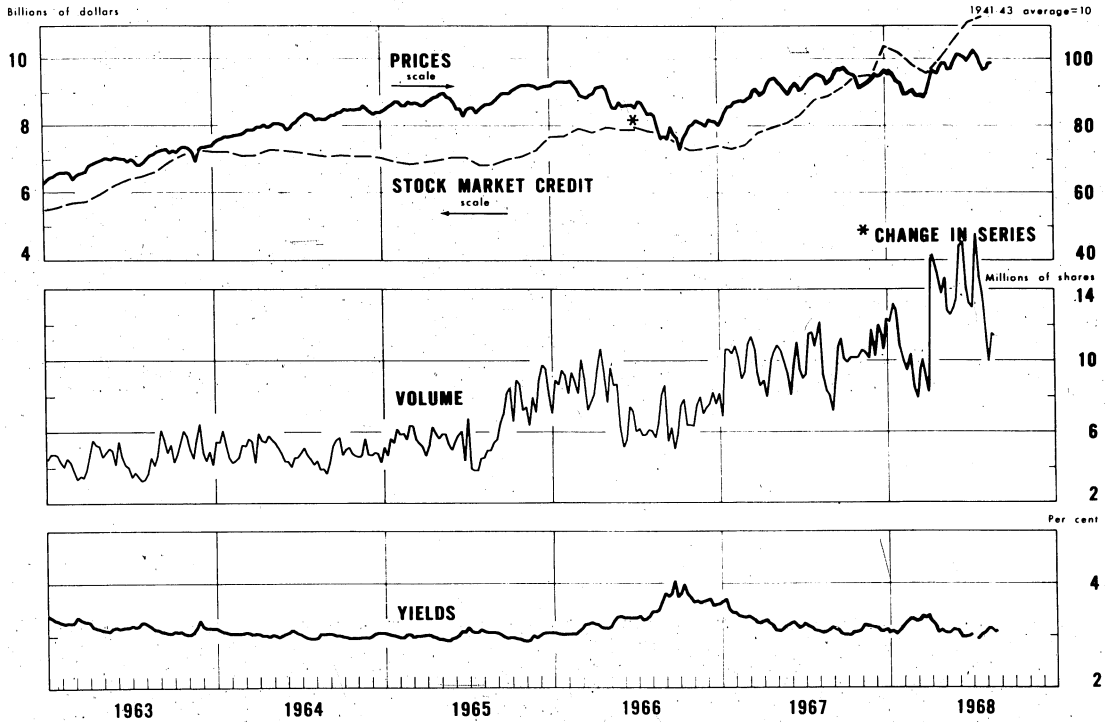
3/ Weekly average of daily effective rate, which is the rate for the heaviest volume of purchase and sale transactions as reported to the Federal Reserve Bank of New York.

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.

p/. Preliminary.

**STOCK MARKET**

Billions of dollars



## 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(1/6)	3.01	12.3	10,347(12/67)	7,883(12/67)	2,057(11/1)
Low	83.18(1/6)	3.58	6.9	7,345(1/6)	5,280(1/67)	2,055(1/25)
1968 - June	100.53	3.00	15.1	11,101	8,691	2,410
July	100.30	2.98	14.3	<u>r</u> /11,270	<u>r</u> /8,854	2,424
1968 - Aug. 9	97.01	3.13	10.0	n.a.	n.a.	2,442
16	98.68	3.08	11.5	n.a.	n.a.	<u>r</u> /2,473
23p/	98.69	3.09	11.4	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

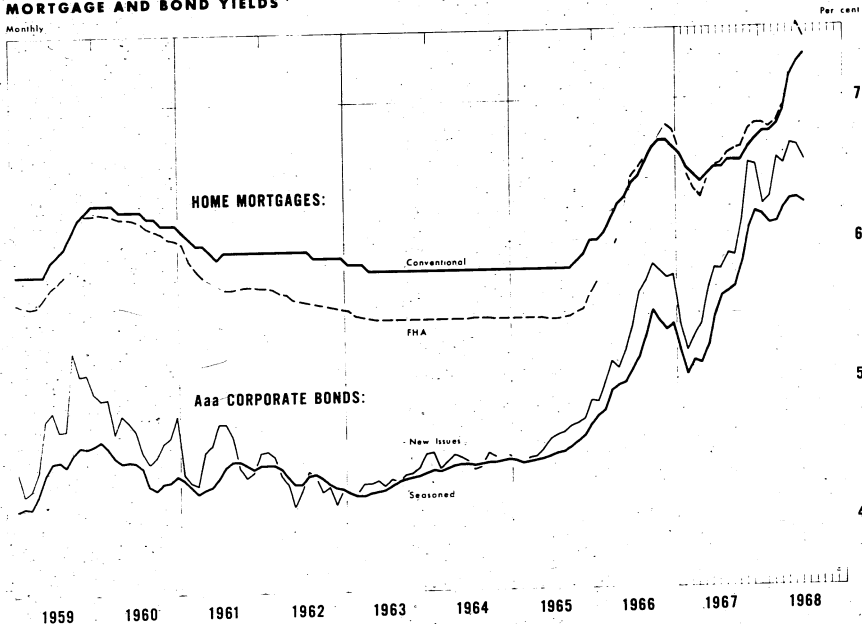


Exhibit F Part II

	FHA mortgages <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
1968 - Mar.	n. a.	6.83	6.80	-.03	6.56	6.11	.27	.45
Apr.	n. a.	6.94	6.90	-.04	6.52	6.21	.42	.31
May	n. a.	--	7.15	--	6.66	6.27	--	.39
June	n. a.	7.52	7.25	.27	6.65	6.28	.87	.37
July	n. a.	7.42	7.30	.12	6.54	6.24	.88	.30

- <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.  
n. a. - Not Available.



### CONVENTIONAL MORTGAGE TERMS

Monthly

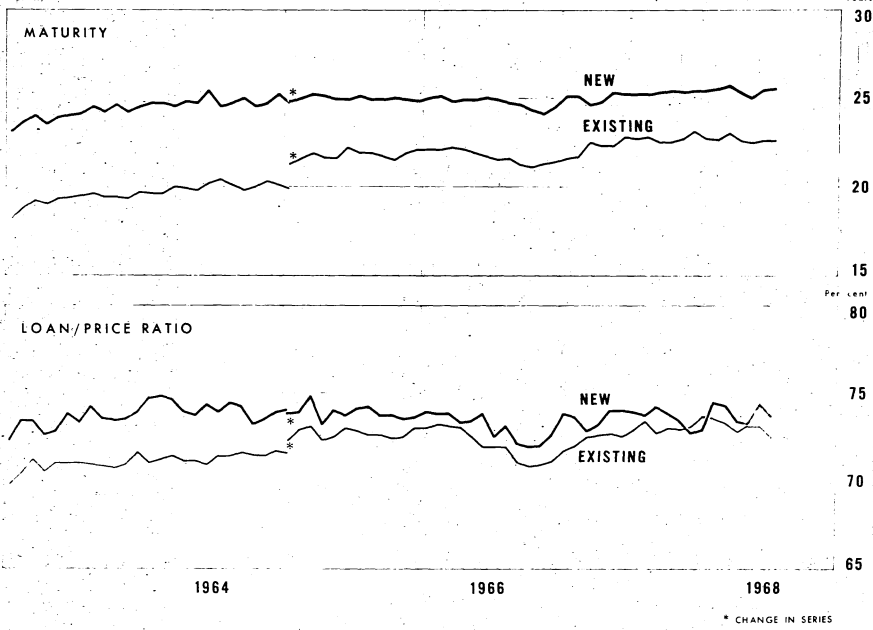


Exhibit F Part IV

	New Homes						Existing Homes					
	Contract Rate (Per cent)	Fees & Charges (Per cent)	Effective Rate	Maturity (Years)	Loan/Price Ratio (Per cent)	Loan Amt. (Tho.)	Contract Rate (Per cent)	Fees & Charges (Per cent)	Effective Rate	Maturity (Years)	Loan/Price Ratio (Per cent)	Loan Amt. (Tho.)
	2/	3/					2/	3/				
<b>1967</b>												
July	6.31	0.77	6.43	25.2	73.9	21.0	6.30	0.70	6.41	22.7	72.9	18.1
Aug.	6.28	0.78	6.40	25.2	73.7	21.0	6.34	0.72	6.46	22.8	73.9	18.1
Sept.	6.31	0.78	6.44	25.3	74.2	21.4	6.36	0.73	6.47	22.5	72.7	17.4
Oct.	6.34	0.82	6.47	25.4	73.8	21.2	6.39	0.78	6.52	22.5	73.0	17.3
Nov.	6.33	0.76	6.45	25.3	73.4	21.2	6.42	0.77	6.55	22.7	72.9	18.3
Dec.	6.41	0.84	6.54	25.4	72.7	21.5	6.51	0.83	6.64	23.1	73.1	18.4
<b>1968</b>												
Jan.	6.39	0.86	6.52	25.4	72.9	21.7	6.57	0.82	6.70	22.7	73.7	18.4
Feb.	6.47	0.94	6.62	25.5	74.5	22.2	6.58	0.81	6.71	22.6	73.6	18.0
Mar.	6.50	0.88	6.64	25.7	74.3	22.4	6.59	0.79	6.72	23.0	73.3	18.6
Apr.	6.57	0.88	6.71	25.3	73.4	22.2	6.64	0.80	6.77	22.6	72.8	18.3
May <u>r/</u>	6.69	0.95	6.84	25.0	73.2	22.1	6.81	0.87	6.95	22.5	73.1	18.5
June	6.88	0.95	7.03	25.4	74.4	22.6	6.97	0.86	7.12	22.6	73.1	18.4
July <u>p/</u>	7.04	0.86	7.18	25.5	73.7	22.6	7.10	0.82	7.24	22.6	72.5	18.7

Note: New series beginning 1965.

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 prior to 1965 on a comparable basis with the new series are pending. 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 the 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.

3/ Includes fees & charges amortized over a 10 year period in addition to the contract interest rate.

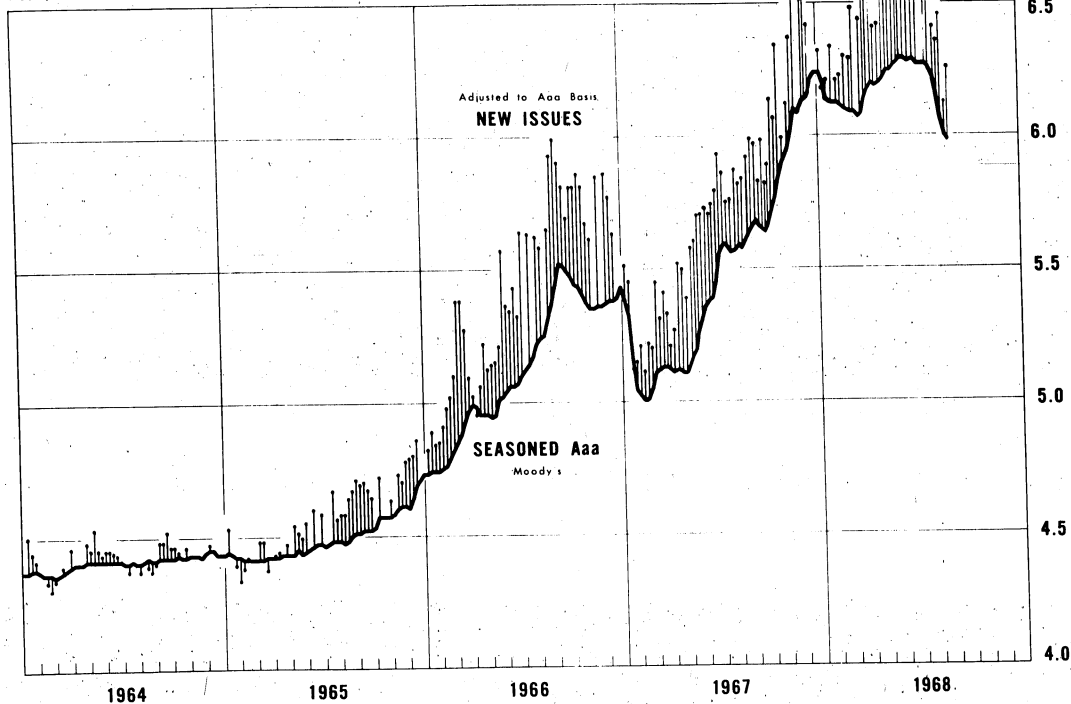
r/ Revised. p/ Preliminary.

-19-

# YIELDS ON NEW AND SEASONED CORPORATE BONDS

Weekly

Per cent



22

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	June 7	6	600.0	6.66
Feb.	13	564.5	6.29	14	2	50.0	6.61
Mar.	10	350.0	6.56	21	2	100.0	6.67
Apr.	7	415.0	6.52	28	3	122.0	6.78
May	11	531.0	6.66	July 5	--	--	--
June	13	872.0	6.65	12	2	300.0	6.56
July	7	552.0	6.54	19	3	75.0	6.60
				26	1	165.0	6.41
				Aug. 2	1	12.0	6.36
				9	1	15.0	6.46
				16	1	110.0	6.13
				23p	3	67.0	6.26
<u>Weekly averages:</u>							
High		6.83(5/24/68)					
Low		6.13(8/16/68)					

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/	1967p/	1966
January	1,706	1,648	1,302	1,133	1,482	1,188
February	1,568	1,398	1,237	1,147	1,196	858
March	1,740	2,317	2,446	1,384	1,438	865
April	1,383	1,973	1,553	1,298	1,111	1,193
May	1,824	1,474	1,058	1,117	1,229	901
June	2,335	2,611	2,364	1,354	1,497	1,141
July	e/2,225	2,457	1,039	e/1,400	943	701
August	e/1,500	2,407	1,670	e/1,300	858	773
September		1,723	1,382		1,330	1,020
October		2,289	829		974	755
November		1,467	1,085		1,400	969
December		2,336	1,635		1,182	940
1st Quarter	5,014	5,364	4,985	3,665	4,119	2,911
2nd Quarter	p/5,542	6,058	4,975	3,769	3,837	3,235
3rd Quarter		6,584	4,091		3,131	2,494
4th Quarter		6,092	3,550		3,556	2,664
1st half	p/10,556	11,421	9,959	7,434	7,956	6,146
Three quarters		18,007	14,050		11,087	8,640
Year		24,098	17,601		14,643	11,304
	Excluding finance companies 3/					
1st Quarter	4,943	5,207	4,924			
2nd Quarter		5,913	4,884			
3rd Quarter		6,338	3,969			
4th Quarter		5,657	3,188			
Year		23,115	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	Bonds		Common and pfd. stock	Memo: Foreign issues included	Mfg.	Public Utility	Communi- cations	Other Issuers
		Publicly Offered	Privately Placed						
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	6,833	4,604	1,551	678	234	2,792	1,219	595	1,976
IV	6,294	3,107	2,137	1,051	93	2,527	1,255	269	2,040
1968 - I	5,178	2,465	1,724	989	313	1,855	1,394	411	1,356
II <sup>p/</sup>	5,705	3,105	1,645	956	172	1,653	1,201	529	2,159
1967 - July	2,589	1,889	486	214	213	925	446	39	1,044
Aug.	2,481	1,813	412	250	13	1,229	509	356	313
Sept.	1,763	902	647	214	8	637	265	200	619
Oct.	2,409	1,375	566	469	34	906	573	119	690
Nov.	1,500	645	551	304	19	512	404	82	469
Dec.	2,385	1,087	1,020	278	30	1,109	278	68	881
1968 - Jan.	1,771	903	546	322	16	537	417	186	566
Feb.	1,607	796	585	226	61	556	546	147	321
Mar.	1,800	766	593	441	236	761	431	78	469
Apr.	1,426	719	438	269	31	353	178	189	663
May	1,836	1,046	521	269	89	550	549	103	622
June <sup>p/</sup>	1,975	1,340	685	450	52	750	474	237	874
July <sup>e/</sup>	2,310	1,260	600	450	n. a.	965	200	235	825

<sup>p/</sup> Preliminary. <sup>e/</sup> Estimated by Federal Reserve.

n.a. Not available.

<sup>1/</sup> Gross proceeds exceed net proceeds by the cost of flotation.<sup>2/</sup> 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.

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## Exhibit J

Other Security Offerings  
(In millions of dollars)

	Gross Long-term 1/					
	Foreign Government 2/			Federal Agency 3/		
	1968	1967	1966	1968	1967	1966
January	127	196	12	999	1,251	--
February	49	--	40	550	783	503
March	107	223	40	1,370	750	410
April	75	27	66	225	650	392
May	142 p/	13	69	744	810	699
June		170	76	779	650	1,030
July		22	72		407	1,084
August		586	7		250	799
September		193	50		599	400
October		66	23		708	450
November		142	74		710	800
December		18	68		612	239
Jan. - June p/	507	629	227	4,667	4,894	3,034
Year		1,656	303		8,180	6,806
	New short-term 4/					
	State and local Government 5/			Federal Agency 3/		
	1968	1967	1966	1968	1967	1966
January	300	179	103	490	-179	308
February	89	387	39	436	-552	-24
March	-604	-594	-319	-593	-454	450
April	3 p/	827	580	681	-559	718
May	490 p/	515	462	121	109	85
June	-378 p/	-187	-334	27	93	284
July		20	-103		-158	-590
August		593	270		-262	-270
September		32	-161		1,407	-652
October		414	-48		606	-555
November		49	503		573	-283
December		-514	-570		36	219
Jan. - June	-100	1,127	531	1,162	-1,542	1,821
Year		1,127	531		660	310

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)

	Total	Corporate			State and local governments	Other <sup>2/</sup>
		Bonds (other than convertibles)	Convertible bonds	Stocks		
1967 - 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
Feb.	757	575	105	77	591	389
Mar.	788	415	135	238	736	1,030
Apr.	696	500	723	73	794	370
May	1,009	656	283	70	571	145
June	1,461	1,161	120	180	758	500
July	1,243	650	495	98	864	920

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

Issuer	Type <sup>3/</sup>	Amount (millions of dollars)	Maturity	Coupon rate or net interest cost	Offering yield	Rating
<b>Corporate</b>						
Okonite Co.	Debs w/wts.	25.0	1988	6-1/2	6.50	B
Beneficial Finance	Debs.	25.0	1994	6-3/4	6.75	--
National Fuel Gas Co.	S.F. debs.	15.0	1993	6-5/8	6.55	Aa
LTV Aerospace Corp.	Debs. w/wts.	50.0	1988	6-3/4	6.75	B
Boothe Computer Corp.	Conv. sub. debs.	18.0	1988	5-3/4	5.75	--
Ashland Oil & Refining Co.	Conv. debs.	60.0	1993	4-3/4	4.75	Baa
Wyle Laboratories	Conv. sub. debs.	15.0	1988	5-1/4	5.25	--
*General Public Utilities Corp.	Com. stk.	25.5				
Wisconsin Telephone Co.	Debs.	50.0	2004	6-1/4	6.25	Aaa
Niagara Mohawk Power Corp.	1st mtg. bds.	60.0	1998	6-1/2	6.37	A
Armour-Dial, Inc.	Com. stk.	16.1				
Texas Eastern Transmission Corp.	G.O.	50.0	1988	6-5/8	6.84	Baa
Gen'l Telephone of Indiana	1st mtg. bds.	17.0	1998	6-3/8	6.42	A
Renna. Electric Co.	1st mtg. bds.	38.0	1998	6-5/8	6.59	Aa
Southern California Edison Co.	Pfd. stk.	75.0				



## Large Individual Issues Offered August 1 through August 23, 1968 (Cont'd)

Issuer	Type 3/	Amount (millions of dollars)	Maturity	Coupon rate or net inter- est cost	Offer- ing yield	Rating
<u>State &amp; Local Government</u>						
East Baton Rouge Parish, La.	Rev.-rent.	23.2	1993	n.a.	5.30	Baa
Dade County, Fla.	G.O.	31.0	1993	n.a.	5.30	Baa
State of Minnesota	G.O.	20.0	1971-88	3.69	3.10-3.80	Aa
N.Y. State Housing Finance Agency	Rev.-rent.	74.0	1969-98	4.74	3.00-4.80	--
N.Y. State Dormitory Auth.	Rev.-rent.	13.3	1970-99	4.56	3.50-4.70	--
Oklahoma City, Okla.	G.O.	35.7	1971-92	4.09	3.25-4.25	A
Philadelphia, Pa.	G.O.	29.2	1970-94	4.35	3.10-5.60	A
Broward County Sch. Dist. Fla.	G.O.	20.0	1971-88	4.27	3.40-4.40	A
Iberville Parish, La.	Rev.-rent.	12.0	1987	5.20	5.20	Baa
Housing Assistance Admin.	Bonds	129.0	1969-2009	4.25	2.75-4.50	Aaa
Los Angeles Dept. of Wtr. and Pwr.	Rev.-Ut.	24.0	1969-98	4.31	3.10-4.50	Aa
Md. State Roads Comm.	Rev.-rent.	18.5	1969-83	4.17	2.90-4.20	Aa
Cook Co., Thornton Twp. HSD #205, Ill.	G.O.	10.0	1970-84	4-7/8	4.50-4.75	Baa
State of New York Colleges of the State of Texas	Rev.-rent.	81.0	1969-98	4.03	2.75-4.25	Aa
State of North Carolina	Rev.-rent.	14.7	1969-78	3.84	2.80-3.80	Aa
Bridgeport, Conn.	G.O.	60.0	1969-85	3.63	2.75-3.80	Aaa
Wisconsin State Agencies Bldg. Corp.	G.O.	17.6	1969-88	3.88	2.80-4.10	Aaa
Wisconsin State Agencies Bldg. Corp.	Rev.-rent.	15.2	1969-2008	4.62	2.80-4.70	Aa
Orleans Parish Sch. Bd., La.	Rev.-rent.	16.8	1969-2002	4.56	2.80-4.65	Aa
Calcasieu Parish, La.	G.O.	17.0	1969-2008	4.97	3.10-5.00	A
Calcasieu Parish, La.	Rev.-rent.	19.5	1973-79	5-1/8	4.25-4.85	A
Calcasieu Parish, La.	Rev.-rent.	43.2	1989	5-1/8	5.05	A
Consumers Public Pwr. Dist., Neb.	Rev.-rent.	196.0	2003	5-1/8	5.10	A
Consumers Public Pwr. Dist., Neb.	Rev.-rent.	90.0	1973-88	5-1/8	3.90-4.80	A
<u>Other</u>						
Federal Land Banks	Bonds	69.5	1972	5.70	5.70	--

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FOOTNOTE:

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

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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 <u>2/</u>	Corporate	State and local govt.	Other <u>2/</u>
1967 - 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
Feb. 29	873	683	130	1,105	1,079	265
Mar. 31	758	494	15	935	624	125
Apr. 30	1,103	695	45	1,612	1,069	60
May 31	1,193	485	500	1,403	640	515
June 30	1,068	597	75	1,380	1,042	110
July 31	619	1,071	70	679	1,307	85

## Forthcoming Large Offerings as of August 23, 1968.

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>Corporate</u>			
Wisconsin Power & Light Company	1st mtg. bds.	25.0	August 26
Allegheny Beverage Corporation	Conv. sub. debts.	20.0	August 26
Georgia Power Company	1st mtg. bds.	50.0	August 27
Belco Petroleum Corporation	Conv. debts.	25.0	August 27
Eckerd Drugs	Conv. sub. debts.	15.0	August 29
Condec Corporation	Conv. sub. debts.	20.0	September 2
Computer Applications Inc.	Conv. debts.	15.0	September 2
Michigan Consolidated Gas Company	1st mtg. bds.	25.0	September 5
South Carolina Electric & Gas	1st & ref. mtg. bds.	20.0	September 5
*New England Tel. & Tel.	Debs.	125.0	September 9
*Tenneco Inc.	1st mtg. p.l. bds.	60.0	September 10
Metropolitan Edison	1st mtg. bds.	31.0	September 10
General Tel. of Michigan	Debs.	22.0	September 17
*Wilson & Company	Debs. w/wts.	40.0	September 18
*New York State Elec. & Gas.	1st mtg. bds.	30.0	September 18
Harris Trust & Savings Bank	Conv. cap. notes	25.0	September (rts. exp.
*Fibreboard Corporation	Conv. debts.	30.0	Indefinite

## Forthcoming Large Offerings as of August 23, 1968. (Cont'd)

Issuer	Type	Amount (millions of dollars)	Approximate date of offering
<u>Corporate (Cont'd)</u>			
National Industries	Conv. sub. debs.	25.0	Indefinite
Alexander's Dept. Stores	Com. stk.	20.0	Indefinite
Allegheny Airlines	Conv. debs.	15.0	Indefinite
Beech Aircraft Corporation	Conv. debs.	30.0	Indefinite
<u>State &amp; local Government</u>			
Dallas, Texas	G.O.	25.0	August 26
Lakeland, Florida	G.O.	12.5	August 26
*State of California La. Charity Hospital, New Orleans, Louisiana	G.O.	75.0	August 27
*Elizabeth, New Jersey	Rev.-S.T.	11.0	August 27
*New Haven, Connecticut	G.O.	10.2	August 27
*New Haven, Connecticut	G.O.	10.0	August 28
Tampa Hillsborough Co. Expressway Authority	Rev.-Q.-Ut.	46.0	Sept. 2
Jacksonville, Florida	G.O.	20.0	Sept. 4
Portland, Oregon	G.O.	12.5	Sept. 4
State of Ohio	G.O.	100.0	Sept. 5
Columbus, Ohio	G.O.	10.0	Sept. 9
*State of Oregon	G.O.	34.6	Sept. 10
Cobb Co., Georgia	Rev.-Ut.	32.5	Sept. 10
*Mecklenburg Co., N.C.	G.O.	18.3	Sept. 10
Philadelphia, Pennsylvania.	G.O.	30.0	Sept. 11
Fairfax Co., Virginia	G.O.	12.4	Sept. 11
*Virginia Polytechnic Inst.	Rev.-Rent.	10.5	Sept. 12
*Los Angeles, California	G.O.	25.2	Sept. 17
Alabama Highway Authority	Rev.-S.T.	25.0	Sept. 17
*Cleveland, Ohio	G.O.	22.0	Sept. 17
*Beauregard Parish, La.,	Rev.-Rent.	105.0	Sept. 18
*New Orleans, Louisiana	G.O.	20.0	Sept. 18
Ardmore Development Authority	Rev.-Rent.	75.0	Indefinite
Kentucky Turnpike Auth.	Rev.-Q.-Ut.	120.0	Indefinite
Hillsborough Aviation Auth. Tampa, Florida	Rev.-Rent.	41.0	Indefinite
<u>Other</u>			
Canadian Utilities, Ltd.	S.F. debs. w/wts.	15.0	Indefinite

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FOOTNOTES:

\*--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: Beech Aircraft Corporation postponed its issue of \$30.0 million debentures due to technical reasons. Also postponed indefinitely were Denver, Colorado's \$30.0 million issue of revenue bonds scheduled September 24.

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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: May 1 through Aug. 23, 1968.		
May 15	20.0	Montreal Catholic School Commission--7-1/2% S.F. debs. maturing 1993, reoffered to yield 7.88%.
May 21	25.0	Newfoundland and Labrador Power Commission--7-3/4% S.F. debentures, maturing 1993, reoffered to yield 8%.
May 28	100.0	Canada, Government of, 6-7/8% bonds maturing 1988, reoffered to yield 6.90%.
July 10	75.0	Province of Ontario, 7-1/8% debentures maturing 1998, reoffered to yield 7.19%.
July 23	20.1	Husky Oil Canada Ltd.
July 25	25.0	Province of Nova Scotia -- debentures.
B. Prospective Offerings		
Indefinite	15.0	Canadian Utilities, Ltd., -- S.F. debs. with warrants.

\* - 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 May 1 through August 23, 1968.

Date Reported	Amount (millions of dollars)	Issuer and Description of Issue
6/68	29.4	Seaboard Finance Co. of Canada, Ltd., Sr. notes maturing 1983, take down at various dates through 1969.
7/1/68	25.0	Argentina, Government of -- external bonds maturing June, 1973.
7/1/68	1.4	British Columbia Forest Products, Ltd. -- 20 year secured notes.
7/1/68	.5	British Columbia Forest Products, Ltd. -- 10 year secured notes.
8/20/68	75.0	Bell Telephone Company of Canada -- 6.90% 1st mortgage bonds maturing 1998.
8/21/68	40.0	Placer Development Ltd., Vancouver

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.