

I have tried to show this in chart 4 which shows the tremendous change from the peak of August 29 of last year and a decline to a low on January 26 and a rather dramatic upturn in the yield of U.S. Government bonds.

Recent increases in Government bond yields have been reflected in the mortgage market in May and early June. Offerings of mortgages to FNMA had declined to a weekly low of 306 during the last week in April—I am referring to chart 3—but have risen spectacularly to more than 4,500 during the week ending June 15, 1967. Chart 4 does not show what really happened because the offerings would have gone to the middle of the chart above it.

Conventional interest rate series as published by FHA, after declining for 5 months, rose by 0.05 percent in May—this is shown in chart 3—and is expected to increase again during the month of June; the FHLBB series, however, showed some further easing.

(Charts 2, 3, 4, 5, and 6 follow:)

