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March 18, 1966

MONEY MARKET AND RESERVE RELATIONSHIPS

Money markets

Recent developments. Most short-term interest rates have continued to move higher in recent weeks, but Treasury bill rates have shown little net change since early March, although they have fluctuated over a fairly wide range in this period. The recent increase in prime loan rate was accompanied by rising rates on negotiable certificates of deposit. Offering rates on commercial and finance company paper also advanced as issuers made adjustments to the higher cost of bank loans.

Over the three statement weeks ending March 16, net borrowed reserves have averaged almost \$215 million and member bank borrowings about \$540 million -- compared with averages of \$120 and \$475 million, respectively, in February. The rise in net borrowed reserves in recent weeks has been reflected in a somewhat tauter atmosphere in the Federal funds market, where trading at 4-3/4 per cent has been more frequent.

Although the banking system as a whole has been under greater reserve pressure, two factors appear to have moderated any related tendency for bill rates to rise. First, strong nonbank bill demand has helped keep dealer inventories relatively low. Second, the central money market banks continued to operate with relatively comfortable reserve positions, as major banks, especially

FINANCIAL MARKET RELATIONSHIPS IN PERSPECTIVE

(Monthly averages and, where available, weekly averages of daily figures; amounts in millions of dollars)

Period	Money Market Indicators				Bond Yields			Flow of Reserves, Bank Credit and Money				
	Free Reserves	Borrowings	Federal Funds Rate	3-month Treasury Bill	U.S. Gov't. (20 yr.)	Corporate New Issues (Aaa)	Municipal (Aaa)	Non-borrowed Reserves	Total Reserves	Bank Credit Proxy	Money Supply	Time Deposits ^{2/}
1955--Feb.	26	406	3.96	3.93	4.21	4.41	2.97	+108	+181	+2,023	- 300	+2,200
Mar.	- 50	395	4.04	3.93	4.20	4.45	3.09	+ 95	+151	+1,782	+ 600	+1,100
Apr.	-133	471	4.09	3.93	4.20	4.46	3.09	+140	+216	+2,623	+ 800	+1,400
May	-159	490	4.08	3.89	4.21	4.51	3.09	- 21	- 51	+ 772	-1,100	+1,100
June	-178	534	4.01	3.80	4.21	4.58	3.15	+147	+169	+1,802	+1,800	+1,300
July	-178	526	4.07	3.83	4.21	4.61	3.16	+ 32	+ 25	+1,414	+ 700	+1,700
Aug.	-167	549	4.11	3.84	4.25	4.63	3.16	-115	- 49	+1,608	+ 200	+2,500
Sept.	-144	552	3.95	3.92	4.30	4.67	3.25	- 4	--	+ 249	+1,600	+1,500
Oct.	-135	490	4.05	4.02	4.32	4.69	3.31	+ 98	+ 56	+2,592	+1,300	+2,000
Nov.	- 79	418	4.09	4.08	4.40	4.72	3.34	+ 58	- 45	+ 759	+ 100	+1,900
Dec.	- 24	452	4.28	4.37	4.50	4.85	3.39	+361	+333	+2,147	+1,700	+1,500
1966--Jan.	- 51	431	4.32	4.58	4.52	4.84	3.39	+107	+122	+1,793	+1,000	+1,000
Feb. p	-120	474	4.58	4.65	4.71	5.00	3.48	+ 40	+ 84	+ 845	--	+ 900
Feb. 2	- 70	418	4.50	4.61	4.58	4.91	3.39			+ 69	+ 500	+ 200
9	-159	503	4.62	4.62	4.63	4.98	3.39			-1,025	+ 200	--
16	-116	453	4.58	4.66	4.74	5.02	3.51			+ 78	+ 200	+ 400
23 p	-133	520	4.62	4.67	4.75	5.10	3.62			- 355	- 700	+ 200
Mar. 2 p	-179	464	4.62	4.64	4.80	5.38	3.63			+ 421	+ 800	+ 300
9 p	-237	614	4.65	4.59	4.78	5.38	3.61			+ 342	+ 100	+ 200
16 p	-225	536	4.55	4.66	4.75	5.27	3.56			+ 147	+1,000	+ 300
<u>Averages</u>								<u>Annual Rates of Increase</u> ^{1/}				
Year 1964	107	295	3.47	3.55	4.19	4.44	3.09	+ 4.6	+4.2	+7.6	+4.3	+12.8
Year 1965	- 93	467	4.05	3.95	4.27	4.58	3.16	+ 4.2	+5.1	+9.1	+4.8	+16.1
Aug. 1965-Nov. 1965	-132	505	4.05	3.96	4.32	4.68	3.26	+ 0.5	-0.5	+6.8	+5.9	+17.2
Dec. 1965-Jan. 1966	- 38	442	4.30	4.48	4.51	4.85	3.39	+ 5.9	+6.6	+9.1	+7.2	+ 8.2
Feb. 1966	-120	474	4.58	4.65	4.71	5.00	3.48	+ 2.2	+4.5	+4.3	-2.1	+ 6.5

^{1/} Base is average for month preceding specified period.

^{2/} Time deposits, adjusted, at all commercial banks; differs from time deposit required reserve series in Table A-2 since latter includes only member banks.

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in New York, prepared for large CD runoffs in March and heavy loan demands over the tax and dividend periods.

Prospective developments. If net borrowed reserves average around \$200 million over the next three weeks, the 3-month bill rate is likely to fluctuate within a 4.55 to 4.70 per cent range. With continued pressure on member banks to borrow, the Federal funds rate may be expected to trade more frequently at 4-3/4 per cent, especially if loan demand continues strong.

A number of factors may tend to keep bill rates near the lower end of the range in the earlier part of the period. These include some reinvestment demand from maturing March tax bills not turned in for taxes, demands associated with the April 1 Cook County property tax, and temporary investment demands from proceeds of large capital issues currently reaching the markets. In addition, the anticipated termination in late March of the \$100 million additions to the weekly 3-month bill auctions may be having some firming influence on the bill market.

With the reversal of Cook County buying and particularly with the approach of the mid-April tax date, however, bill rates may come under some upward pressure. Corporate tax payments in mid-April under the accelerated schedule are expected to be about \$1-1/4 billion larger than last year and no tax bills are available to smooth the payment process. Underlying factors that may keep short-term rates under upward pressure in the weeks ahead are the

higher offering rates that have recently emerged on new time CDs in a period of large maturities and prospective sizable short-term Federal Agency issues.

Despite the rise in the prime loan rate, bond yields have declined recently. This decline was influenced by rising expectations of a tax increase and by some postponements of previously scheduled offerings. In the weeks ahead, the outlook for corporate financing suggests upward pressure under bond yields. However, if a tax rise should appear increasingly probable --with the attendant implication that the present discount rate is sustainable -- bond yields could remain around present levels.

Reserve flows, bank credit, and money

Current developments. Information available through mid-March suggests that total reserves on a monthly average basis may increase at about a 2 per cent annual rate, total member bank deposits by 1 per cent, and time deposits around 5 per cent, while private and Government demand deposits show offsetting movements. The projected rise in total reserves partly reflects an increase in seasonally adjusted excess reserves, assuming the actual level of these remains about unchanged from recent weeks. In contrast to other recent months, nonborrowed reserves in March are expected to decline.

After rising sharply in January and declining moderately through February, the weekly figures for total member deposits, now shown in the accompanying text table, have been rising modestly thus far in March. Private demand deposits and the money supply have risen rather sharply since their end-of-February lows, but this has been largely offset by a greater than seasonal decline in Government deposits, while time deposits have shown only a small rise.

Prospective developments. Reserve aggregates in coming months are likely to grow somewhat more rapidly than the low rates indicated for March. Private credit demands are expected to continue strong and will help carry member bank deposits back above their late January peak. A moderating factor in the rate of reserve expansion will be the absence of Treasury cash financings, with the next Treasury operation being a routine refunding in mid-May.

In view of large gross CD maturities ahead, net time deposit expansion is not likely to be strong, although perhaps picking up from its relatively slow March pace. Private demand deposits rose sharply in the first half of March largely because of a decline in Government deposits. There may be some further rise after the mid-March tax date partly because Government deposits are expected to rise less than seasonally; for the month as a whole an increase of over 10 per cent is expected in private demand deposits.

These shifts between public and private balances are likely to be at least partly reversed in April, although the deposit outlook is more uncertain than usual this year in view of the new tax legislation and the lingering unknown effects of the 1964 tax law on individuals' April payments (or refunds). But, as of now, one would expect private demand deposits to be rising at around a 5 per cent annual rate over the next few months, with Government deposits showing little change on balance on a monthly average basis.

Bank credit expansion in the months ahead is likely to range around a 5-6 per cent growth trend. A moderate growth in both total and nonborrowed reserves would accompany such an increase.

Table A-1

MARGINAL RESERVE MEASURES

(Dollar amounts in millions, based on period averages of daily figures)

Period	Excess reserves	Member bank borrowings	F r e e r e s e r v e s		
	A s r e v i s e d t o d a t e			As first published each week	As expected at conclusion of each week's open market operations
<u>Policy periods</u>					
8/19/64 - 2/3/65	413	325	88		
2/3/65 - 3/24/65	386	405	- 19		
3/24/65 - 12/8/66	363	506	-143		
12/8/66 - 3/1/66	374	444	- 70		
3/2/66 - 3/16/66	344	575	-231		
<u>Monthly (reserve weeks ending in):</u>					
1965--March	345	395	- 50		
April	338	471	-133		
May	331	490	-159		
June	356	534	-178		
July	348	526	-178		
August	382	549	-167		
September	408	552	-144		
October	355	490	-135		
November	339	418	- 79		
December	427	452	- 25		
1966--January	380	431	- 51		
February p	354	474	-120		
March p	324	538	-214		
<u>Weekly</u>					
1965--Dec. 22	234	218	16	17	4
29	461	546	- 85	- 79	- 69
1966--Jan. 5	319	562	-243	-179	-174
12	688	590	98	88	106
19	208	218	- 10	- 21	- 1
26	305	352	- 47	- 34	- 50
Feb. 2	348	418	- 70	- 17	- 22
9	344	503	-159	-120	-121
16	337	453	-116	-122	- 99
23	387	520	-133	-102	- 95
Mar. 2	285	464	-179	-172	-186
9 p	377	614	-237	-219	-193
16 p	311	536	-225	-224	-217

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Table A-2

AGGREGATE RESERVES AND RESERVE RELATED MEASURES

Retrospective Changes, Seasonally Adjusted
(In per cent, annual rates based on monthly averages of daily figures)

Period	Total reserves	Nonborrowed reserves	Required reserves by type of deposit			Reserve related measures	
			Time	Demand		Total member bank deposits (credit) 1/	Money supply
				Private + U. S. Gov't.	Private		
<u>Annually:</u>							
1963	+ 3.5	+ 3.5	+15.4	+ 1.7	+ 2.4	+ 7.5	+ 3.8
1964	+ 4.2	+ 4.6	+12.8	+ 3.1	+ 3.2	+ 7.6	+ 4.3
1965	+ 5.2	+ 4.2	+16.3	+ 2.4	+ 3.5	+ 9.1	+ 4.8
<u>Policy Period:</u>							
8/64 - 1/65	+ 4.9	+ 5.2	+15.3	+ 1.6	+ 2.6	+ 8.1	+ 4.4
1/65 - 3/65	+ 9.4	+ 5.8	+15.1	+ 6.0	+ 2.5	+10.4	+ 1.1
3/65 - 11/65	+ 2.2	+ 2.4	+15.7	+ 0.6	+ 3.5	+ 8.0	+ 5.1
11/65 - 2/66	+ 9.9	+ 9.5	+ 7.5	+ 8.8	+ 4.6	+ 8.2	+ 5.8
2/66 - 3/66 proj. 2/	+ 2.6	- 3.9	+ 3.2	- 1.4	+12.9	+ 0.9	+ 7.8
<u>Monthly:</u>							
1965--February	+10.3	+ 6.2	+19.8	+ 3.0	- 2.0	+11.1	- 2.3
March	+ 8.5	+ 5.4	+10.3	+ 9.0	+ 6.9	+ 9.7	+ 4.5
April	+12.1	+ 8.0	+13.5	+14.8	+ 5.0	+14.1	+ 6.0
May	- 2.8	- 1.2	+ 9.8	- 1.3	-14.0	+ 4.1	- 8.2
June	+ 9.4	+ 8.3	+11.4	+ 7.8	+15.6	+ 9.6	+13.5
July	+ 1.4	+ 1.8	+14.5	+ 0.7	+ 1.4	+ 7.5	+ 5.2
August	- 2.7	- 6.5	+24.4	- 7.1	- 0.4	+ 8.4	+ 1.5
September	--	- 0.2	+13.5	-11.1	+14.0	+ 1.3	+11.8
October	+ 3.1	+ 5.5	+18.7	+ 8.1	+ 8.4	+13.5	+ 9.5
November	- 2.5	+ 3.3	+14.4	- 6.9	- 1.7	+ 3.9	+ 0.7
December	+18.3	+20.2	+10.7	+11.2	+11.7	+11.0	+12.3
1966--January	+ 6.6	+ 5.9	+ 6.2	+12.0	+ 4.1	+ 9.1	+ 7.2
February p	+ 4.5	+ 2.2	+ 5.4	+ 3.1	- 2.1	+ 4.3	- 2.1
March proj. 2/	+ 2.6	- 3.9	+ 3.2	- 1.4	+12.9	+ 0.9	+ 7.8

1/ Includes all deposits subject to reserve requirements. Movements in this aggregate correspond closely with movements in total member bank credit.

2/ Projections include reported data through March 9 and preliminary estimates for the week ending March 16. Thereafter, projections include less than seasonal growth in U. S. Government deposits and moderate further expansion in private deposits.

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Chart 1

MEMBER BANK RESERVES

SEASONALLY ADJUSTED MONTHLY AVERAGES OF DAILY FIGURES

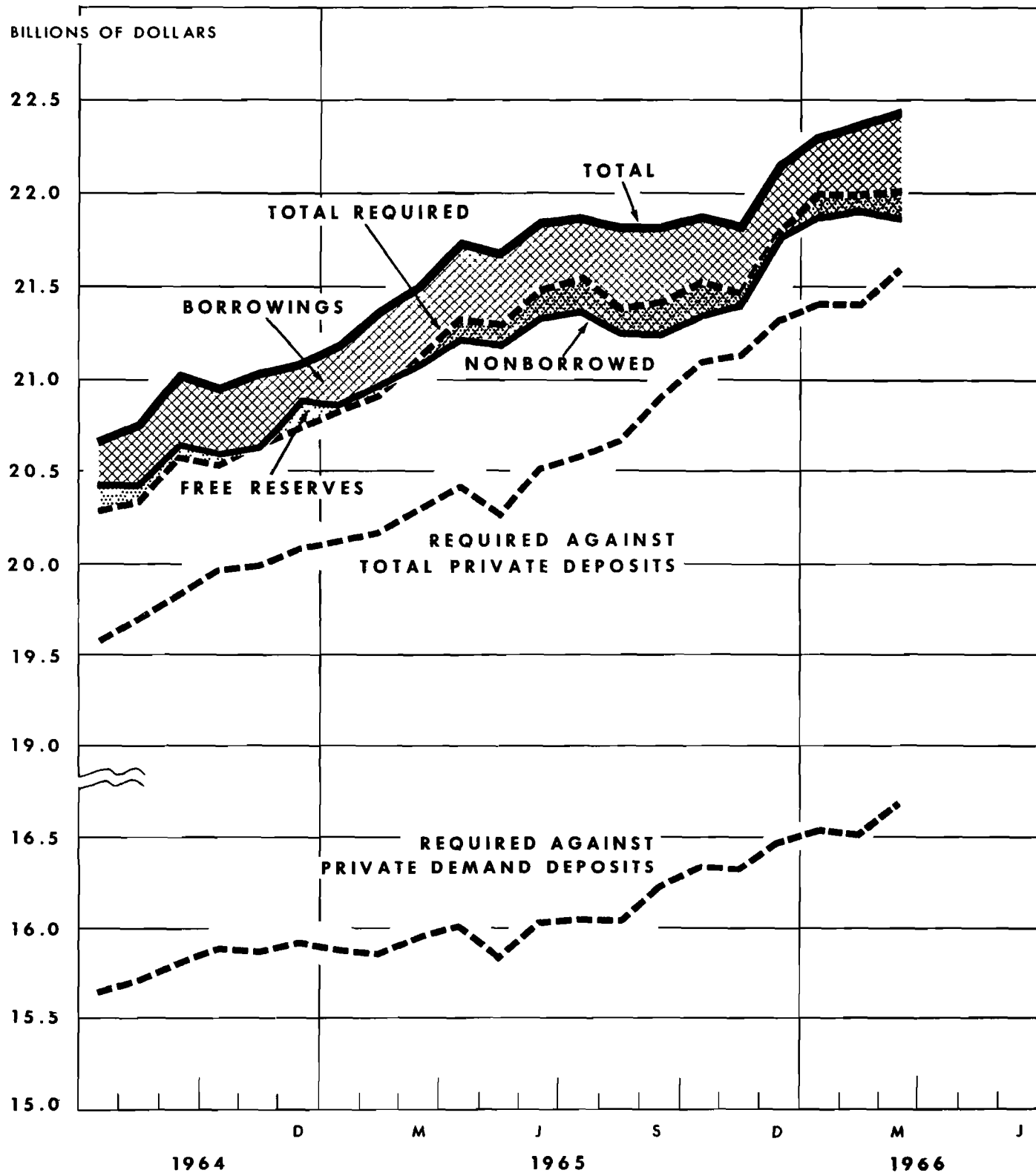


Chart 2

MEMBER BANK DEPOSITS SUPPORTED BY REQUIRED RESERVES

SEASONALLY ADJUSTED MONTHLY AVERAGES OF DAILY FIGURES

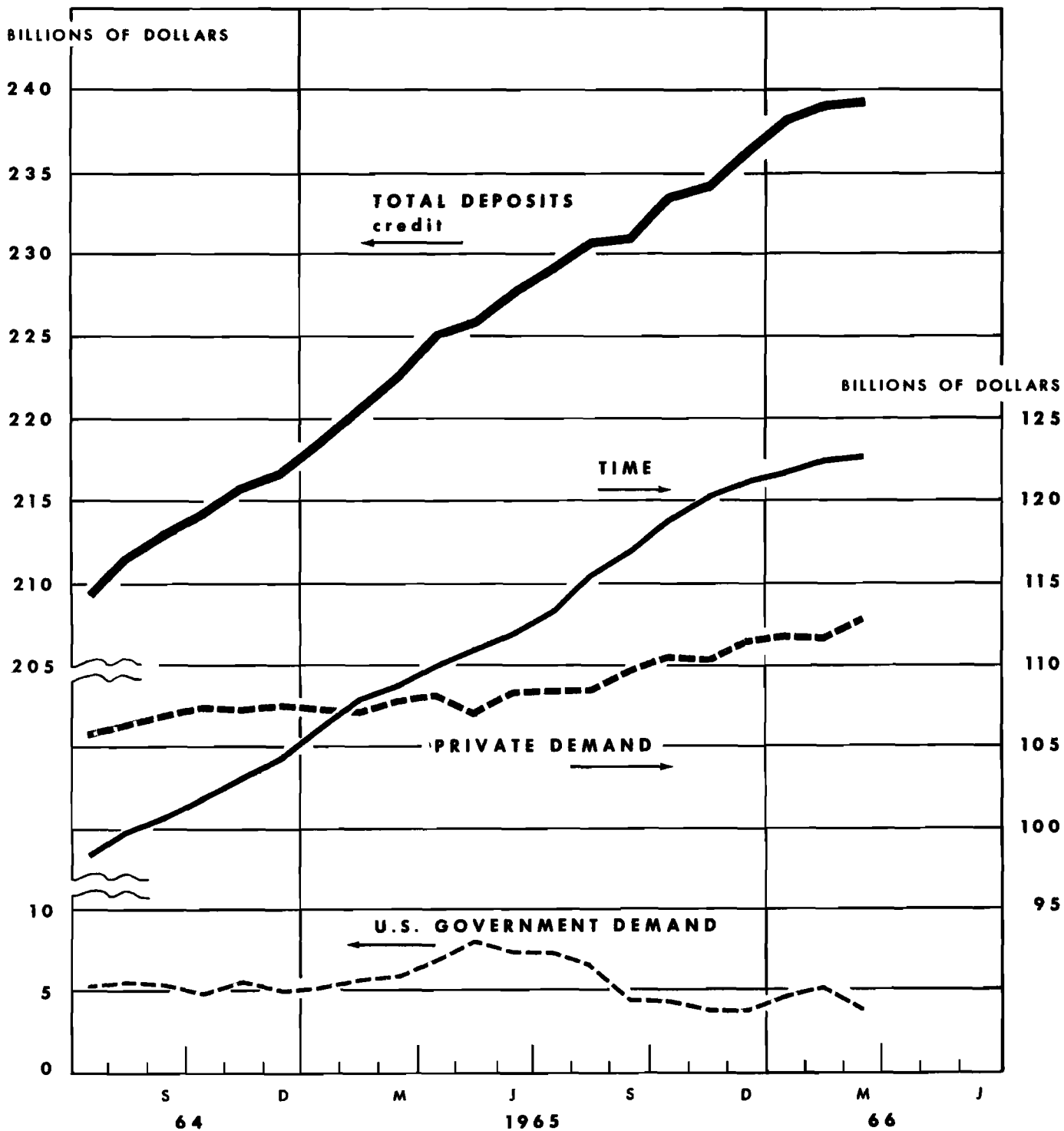


Chart 3

MONEY SUPPLY BY COMPONENTS

SEASONALLY ADJUSTED MONTHLY AND WEEKLY AVERAGES OF DAILY FIGURES

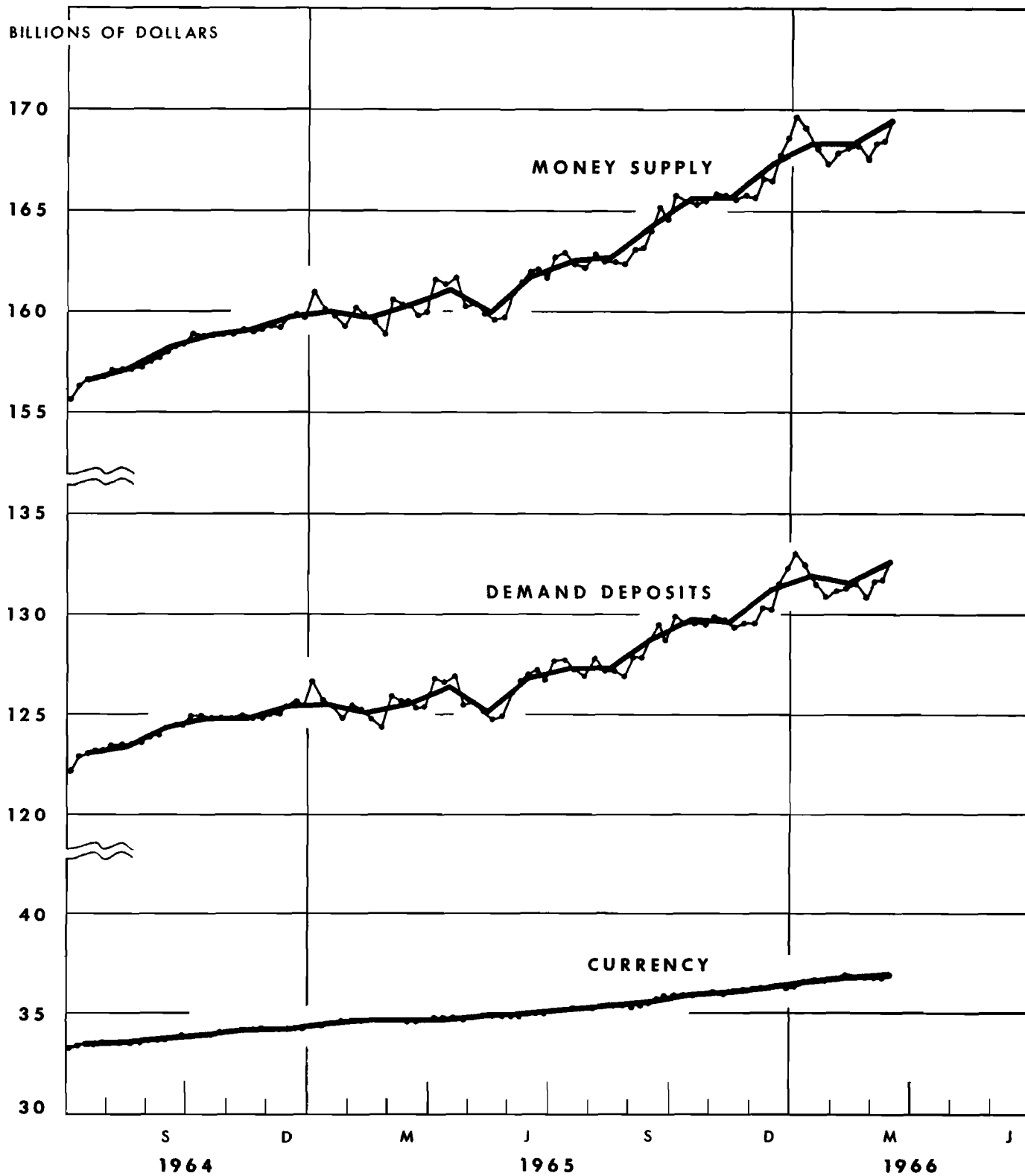


Table B-1

MAJOR SOURCES AND USES OF RESERVES

Retrospective and Prospective
(Dollar amounts in millions, based on weekly averages of daily figures)

Period	Factors affecting supply of reserves				= Change	= Bank use of reserves	
	Federal Reserve credit (excl. float) 1/	Gold stock	Currency outside banks	Technical factors net 2/	in total reserves	Required reserves 3/	Excess reserves
<u>ACTUAL</u>							
<u>Year:</u>							
1963 (12/26/62 - 12/25/63)	+3,125	-426	-1,950	- 76	+676	+763	- 87
1964 (12/25/63 - 12/23/64)	+3,219	-165	-1,847	-365	+840	+910	- 70
<u>Year-to-date:</u>							
(12/25/63 - 3/17/65)	+ 374	-647	+ 759	-1,309	-823	-586	-237
(12/23/64 - 3/16/66)	- 443	- 53	+ 552	-1,068	-1,012	-862	-150
<u>Weekly:</u>							
1966--Jan. 12	+ 118	+ 1	- 16	-140	- 38	-407	+369
19	-1,232	- 1	+ 412	+ 57	-765	-285	-480
26	+ 45	--	+ 339	-401	- 16	-113	+ 97
Feb. 2	+ 369	- 1	+ 59	-339	+ 87	+ 44	+ 43
9	+ 657	+ 2	- 457	-417	-215	-211	- 4
16	- 363	- 1	+ 171	+ 23	-170	-163	- 7
23 p	- 519	--	+ 54	+415	- 49	- 99	+ 50
Mar. 2 p	- 115	--	+ 141	- 19	+ 8	+110	-102
9 p	+ 450	--	- 505	+ 8	- 48	-140	+ 92
16 p	- 100	--	+ 18	+ 86	+ 4	+ 70	- 66
<u>PROJECTED 4/</u>							
Mar. 23	- 280	--	+ 135	+260	+115	+115	--
30	+ 155	- 10	+ 175	-415	- 95	+ 95	--
Apr. 6	+ 385	- 10	- 360	- 55	- 40	- 40	--
13	--	- 10	- 110	+ 80	- 40	- 40	--
20	- 455	- 10	+ 190	+480	+205	+205	--
27	- 100	- 10	- 305	-110	+ 85	+ 85	--
May 4	+ 455	- 10	- 145	-210	+ 80	+ 80	--
11	+ 340	- 10	- 395	- 80	-145	-145	--

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1/ For retrospective details, see Table B-4.

2/ For factors included, see Table B-3.

3/ For required reserves by type of deposits, see Table B-2.

4/ See reverse side for explanation of projections.

Explanation of Projections in Table B-1

1. Changes in Federal Reserve credit indicate reserves needed to offset projected changes in required reserves and factors affecting the supply of reserves.
2. Projected changes in currency outside banks reflect seasonal movements plus an allowance for growth of about \$30 million per week.
3. Projected effects of Treasury operations, included in "technical factors," reflect scheduled and assumed calls in current two weeks and thereafter, maintenance of Treasury balances with Federal Reserve at \$400 million.
4. Projected changes in gold stock reflect assumed outflow after March at the rate of about \$50 million per month.
5. Projected changes in required reserves reflect estimated seasonal movements in private deposits, except as indicated in projections in Table B-2, and projected movements in U.S. Government demand deposits. Government deposit projections are based on anticipated Treasury receipts and expenditures and the following assumed financing operations: a \$100 million increase in the weekly Treasury bill auction on March 24 and March 31; \$0.5 billion, March 25; \$0.4 billion, April 4; \$0.5 billion, April 11.

CHANGES IN REQUIRED RESERVE COMPONENTS

Retrospective and Prospective Seasonal and Nonseasonal Changes
(Dollar amounts in millions, based on weekly averages of daily figures)

Period	Total required reserves	Supporting U. S. Gov't. demand deposits	Supporting private deposits				
			Total	Seasonal changes		Other than seasonal changes	
				Demand	Time	Demand	Time
<u>ACTUAL</u>							
Year:							
63 (12/26/62 - 12/25/63)	+763	+ 8	+755	+ 45	--	+239	+471
1964 (12/25/63 - 12/23/64)	+910	-115	+1,025	+ 16	--	+542	+467
Year-to-date:							
(12/25/63 - 3/17/65)	-586	-273	-313	-657	+ 70	+106	+168
(12/23/64 - 3/16/66)	-862	-498	-364	-598	+ 81	+ 96	+ 57
Weekly:							
1966--Jan. 12	-407	-200	-207	- 82	- 9	-131	+ 15
19	-285	-181	-104	- 21	+ 9	-102	+ 10
26	-113	+171	-284	-267	+ 9	- 36	+ 10
Feb. 2	+ 44	+ 65	- 21	-169	+ 9	+141	- 2
9	-211	+ 20	-231	-212	+ 9	- 21	- 7
16	-163	+ 20	-183	-148	- 9	- 48	+ 22
23 p	- 99	+220	-319	-198	+ 9	-127	- 3
Mar. 2 p	+110	- 88	+198	+ 30	+ 18	+156	- 6
9 p	-140	-188	+ 48	+ 19	+ 18	+ 14	- 3
16 p	+ 70	-248	+318	+181	- 9	+128	+ 18
<u>PROJECTED</u>							
Mar. 23	+115	+285	-170	-230	- 20	+ 70	+ 10
30	- 95	+ 65	-160	-170	+ 10	--	--
Apr. 6	- 40	-180	+140	+150	- 10	--	--
13	- 40	-315	+275	+265	+ 10	--	--
20	+205	--	+205	+215	- 10	--	--
27	+ 85	+140	- 55	- 65	+ 10	--	--
May 4	+ 80	+255	-175	-185	+ 10	--	--
11	-145	+ 25	-170	-180	+ 10	--	--

1/ Reduction in percentage reserve requirements applicable to time deposits released \$780 million of reserves at the end of October 1962.

Table B-3

TECHNICAL FACTORS AFFECTING RESERVES

Retrospective and Prospective Changes

(Dollar amounts in millions, based on weekly averages of daily figures)

Period	Technical factors (net)	Treasury operations	Float	Foreign deposits and gold loans	Other nonmember deposits and F. R. accounts
ACTUAL					
(Sign indicates effect on reserves)					
<u>Year:</u>					
1963 (12/26/62 - 12/25/63)	- 76	-216	+149	+ 88	- 97
1964 (12/25/63 - 12/23/64)	-365	-470	- 84	+ 11	+178
<u>Year-to-date:</u>					
(12/25/63 - 3/17/65)	-1,309	- 19	-1,287	+ 76	- 79
(12/23/64 - 3/16/66)	-1,068	+436	-972	- 47	-485
<u>Weekly:</u>					
1966--Jan. 12	-140	- 56	+ 24	- 27	- 81
19	+ 57	- 38	+ 51	+ 43	+ 1
26	-401	- 44	-356	- 10	+ 9
Feb. 2	-339	- 63	-178	- 35	- 63
9	-417	- 33	-236	+ 25	-173
16	+ 23	- 29	+ 68	+ 17	- 33
23	+415	+234	+302	+ 6	-127
Mar. 2	- 19	+ 53	- 67	- 6	+ 1
9	+ 8	+227	-195	- 22	- 2
16	+ 86	+ 98	- 38	- 23	+ 49
PROJECTED					
Mar. 23	+260	-135	+320	+ 40	+ 35
30	-415	+ 35	-450	--	--
Apr. 6	- 55	- 5	- 50	--	--
13	+ 80	--	+ 50	--	+ 30
20	+480	--	+400	--	+ 80
27	-110	--	-110	--	--
May. 4	-210	--	-210	--	--
11	- 80	--	-80	--	--

Table B-4

SOURCES OF FEDERAL RESERVE CREDIT

Retrospective Changes

(Dollar amounts in millions, based on weekly averages of daily figures)

Period	Total Federal Reserve credit (excl. float)	U. S. Government securities				Repurchase agreements	Bankers' acceptances	Member bank borrowings
		Total holdings	Outright					
			Bills	Other				
<u>Year:</u>								
1963 (12/26/62 - 12/25/63)	+3,125	+3,076	+1,659	+1,404	+ 13	+ 39	+ 10	
1964 (12/25/63 - 12/23/64)	+3,219	+3,340	+2,086	+1,022	+232	- 61	- 60	
<u>Year-to-date:</u>								
(12/30/64 - 3/17/65	+ 374	+ 435	+ 633	+ 105	-303	+ 73	-134	
(12/29/65 - 3/16/66	- 443	- 453	- 354	+ 75	-174	+ 20	- 10	
<u>Weekly:</u>								
1965--Nov 17	- 72	- 205	- 201	--	- 4	- 22	+155	
24	- 380	- 260	- 260	--	--	+ 8	-128	
Dec. 1	+ 979	+ 747	+ 747	--	--	+ 59	+173	
8	+ 441	+ 479	+ 376	--	+103	+ 18	- 56	
15	- 138	- 135	- 87	--	- 48	- 11	+ 8	
22	+ 325	- 55	- 22	--	- 33	- 2	-268	
29	+ 369	+ 28	- 171	--	+199	+ 13	+328	
66--Jan. 5	+ 247	+ 178	- 24	--	+202	+ 53	+ 16	
12	+ 118	+ 115	+ 216	--	-101	- 25	+ 28	
19	-1,232	- 812	- 490	--	-322	- 48	-372	
26	+ 45	- 123	- 123	--	--	+ 34	+134	
Feb. 2	+ 369	+ 338	+ 89	--	+249	- 35	+ 66	
9	+ 657	+ 569	+ 409	--	+160	+ 3	+ 85	
16	- 363	- 308	- 166	--	-142	- 5	- 50	
23	- 519	- 585	- 360	+ 42	-267	- 1	+ 67	
Mar. 2	- 115	- 72	- 73	+ 1	--	+ 13	- 56	
9	+ 450	+ 273	+ 252	+ 21	--	+ 27	+150	
16	- 100	- 26	- 84	+ 11	+ 47	+ 4	- 78	

Chart Reference Table C-1

TOTAL, NONBORROWED AND REQUIRED RESERVES

Seasonally Adjusted

(Dollar amounts in millions, based on monthly averages of daily figures)

Period	Total reserves	Nonborrowed reserves	Required reserves		
			Total	Against private deposits	
				Total	Demand
1964--January	20,248	19,977	19,884	19,185	15,442
February	20,268	19,982	19,872	19,246	15,466
March	20,459	20,176	20,056	19,292	15,492
April	20,482	20,226	20,057	19,361	15,527
May	20,404	20,167	20,023	19,338	15,471
June	20,682	20,431	20,269	19,441	15,539
July	20,665	20,420	20,285	19,577	15,646
August	20,753	20,416	20,332	19,694	15,705
September	21,012	20,638	20,570	19,832	15,805
October	20,949	20,600	20,536	19,960	15,886
November	21,033	20,626	20,639	19,988	15,864
December	21,082	20,886	20,742	20,081	15,912
1965--January	21,174	20,861	20,842	20,122	15,878
February	21,355	20,969	20,915	20,166	15,852
March	21,506	21,064	21,119	20,294	15,943
April	21,722	21,204	21,317	20,409	16,009
May	21,671	21,183	21,298	20,258	15,822
June	21,840	21,330	21,473	20,506	16,028
July	21,865	21,362	21,538	20,579	16,047
August	21,816	21,247	21,384	20,665	16,041
September	21,816	21,243	21,420	20,903	16,227
October	21,872	21,341	21,532	21,090	16,341
November	21,827	21,399	21,459	21,124	16,318
December	22,160	21,760	21,793	21,326	16,477
1966--January	22,282	21,867	21,996	21,407	16,533
February p	22,366	21,907	21,991	21,400	16,504
March proj. ^{1/}	22,439	21,860	22,015	21,591	16,682

p - Preliminary.

^{1/} Projections include reported data through March 9 and preliminary estimates for the week ending March 16. Thereafter, projections include less than seasonal growth in U. S. Government deposits and moderate further expansion in private deposits.

Chart Reference Table C-2
DEPOSITS SUPPORTED BY REQUIRED RESERVES
Seasonally Adjusted

(Dollar amounts in millions, based on monthly averages of daily figures)

Period	Total member bank deposits (credit 1/)	Time deposits	U. S. Gov't. demand deposits	Private demand deposits 2/
1964--January	202,981	93,563	5,011	104,407
February	203,759	94,495	4,695	104,569
March	205,068	95,011	5,308	104,749
April	206,176	95,852	5,337	104,987
May	206,613	96,677	5,327	104,609
June	208,669	97,542	6,061	105,066
July	209,312	98,273	5,256	105,783
August	211,506	99,725	5,592	106,189
September	212,906	100,670	5,368	106,868
October	214,109	101,850	4,849	107,410
November	215,849	103,090	5,500	107,259
December	216,738	104,215	4,932	107,591
1965--January	218,640	106,107	5,180	107,353
February	220,663	107,843	5,642	107,178
March	222,445	108,778	5,872	107,795
April	225,068	109,996	6,829	108,243
May	225,840	110,898	7,967	106,975
June	227,642	111,955	7,315	108,372
July	229,056	113,306	7,253	108,497
August	230,664	115,594	6,614	108,456
September	230,913	116,900	4,296	109,717
October	233,505	118,718	4,298	110,489
November	234,264	120,152	3,785	110,327
December	236,411	121,220	3,782	111,409
1966--January	238,204	121,861	4,556	111,787
February p	239,049	122,411	5,053	111,585
March proj. 3/	239,232	122,731	3,709	112,792

- 1/ Includes all deposits subject to reserve requirements--i.e., the total of time, private demand, and U.S. Government demand deposits. Movements in this aggregate correspond closely with movements in total member bank credit.
- 2/ Private demand deposits include demand deposits of individuals, partnerships and corporations and net interbank balances.
- 3/ Projections include reported data through March 9 and preliminary estimates for the week ending March 16. Thereafter, projections include less than seasonal growth in U. S. Government deposits and moderate further expansion in private deposits.
- p - Preliminary.

Chart Reference Table C-3

MONEY SUPPLY BY COMPONENTS

Seasonally Adjusted
(Dollar amounts in billions, based
on monthly averages of daily figures)

Period	Money Supply	Demand deposits <u>1/</u>	Currency <u>2/</u>
1965--January	160.0	125.5	34.5
February	159.7	125.1	34.7
March	160.3	125.6	34.7
April	161.1	126.4	34.7
May	160.0	125.1	34.9
June	161.8	126.8	35.0
July	162.5	127.3	35.2
August	162.7	127.3	35.4
September	164.3	128.7	35.6
October	165.6	129.7	35.9
November	165.7	129.6	36.1
December	167.4	131.2	36.3
1966--January	168.4	131.8	36.7
February p	168.4	131.5	36.8
March proj. <u>3/</u>	169.5	132.6	36.9
<u>Weekly</u>			
1965--Dec. 22	167.8	131.5	36.4
29	168.6	132.3	36.3
1966--Jan. 5	169.6	133.1	36.4
12	169.1	132.5	36.6
19	168.1	131.5	36.7
26	167.4	130.8	36.6
Feb. 2	167.9	131.2	36.7
9	168.1	131.3	36.9
16	168.3	131.5	36.8
23 p	167.6	130.8	36.9
Mar. 2 p	168.4	131.6	36.8
9 p	168.5	131.7	36.8
16 p	169.5	132.6	36.9

1/ Includes (1) demand deposits at all commercial banks, other than those due to domestic commercial banks and the U. S. Government, less cash items in process of collection and Federal Reserve float; and (2) foreign demand balances at Federal Reserve Banks.

2/ Includes currency outside the Treasury, the Federal Reserve, and the vaults of all commercial banks.

3/ Projections include reported data through March 9 and preliminary estimates for the week ending March 16. Thereafter, projections include less than seasonal growth in U. S. Government deposits and moderate further expansion in private deposits.

p - Preliminary.