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MONEY MARKET AND RESERVE RELATIONSHIPS

Money markets

Recent developments. After exhibiting considerable tautness over the first half of January, the general tone of the money market became somewhat less tight after mid-month. Two developments contributed to this result. First, there was a sharp swing from a large deficit to a small surplus in the basic reserve position of major New York City banks, in response to some seasonal loan repayment, some liquidation of investments and an enlarged net inflow of CD money. Second, there has been a continued strong demand for Treasury bills, which has also tended to spill over into other short-term debt markets.

The recent abatement of pressures in the central money market has been reflected in some easing of the Federal funds rate, which had held mainly at 4-5/8 per cent during the first half of January, and some reduction in dealer financing costs. Treasury bill rates and other short-term rates extended their earlier advance through mid-January, but since then bill rates have receded from their peaks. CD rates posted by several major banks in New York have recently tended to stabilize at 5 per cent on maturities of around 3 months.

In contrast with the lessening of money market pressures, yields on intermediate- and long-term Treasury securities have risen recently after declining in the first half of January. These yields are currently close to their peaks previously reached around the turn of the year. Yields in other sectors of the capital market have shown small mixed changes recently, with municipals relatively stable but upward pressures developing in the corporate market.

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. bond)	Corporate New Issues (Aaa)	Municipal (Aaa)	Non-borrowed Reserves	Total Reserves	Bank Credit Proxy	Money Supply	Time Deposits ^{2/}
1965--Jan.	115	303	3.85	3.81	4.19	4.42	2.97	- 25	+ 92	+1,902	+ 300	+2,200
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	+2,141	+1,700	+1,500
1966--Jan. p	- 51	431	4.33	4.58	4.51	4.85	3.40	+107	+ 98	+1,925	+1,100	+1,000
1965--Dec. 15	75	486	4.50	4.36	4.52	4.86	3.40				- 100	+ 300
22	14	218	4.40	4.45	4.52	--	3.40				+1,300	+ 100
29	- 80	546	4.62	4.46	4.52	--	3.40				+ 800	+ 500
1966--Jan. 5	-246	562	4.60	4.51	4.52	4.82	3.40				+1,000	+ 400
12 p	100	590	4.58	4.56	4.50	4.89	3.40				- 600	- 200
19 p	- 21	218	3.55	4.62	4.50	4.84	3.39				- 800	+ 400
26 p	- 34	352	4.52	4.58	4.52	4.85	3.39				- 400	+ 200
				<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	- 36	443	4.30	4.48	4.50	4.84	3.39	+13.1	+11.8	+10.4	+10.1	+10.3

^{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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January 28, 1966.

In the four statement weeks ending January 26, net borrowed reserves averaged almost \$50 million, but week-to-week fluctuations have been exceptionally large. Member bank borrowings averaged \$430 million over this period, about the same as in December. Borrowings were very high in the first half of the period, but dropped sharply after mid-month.

Prospective developments. While the general economic outlook and associated credit demands suggest that debt markets may come under considerable pressure in the months ahead, the near-term outlook indicates some offsetting influences at least in the shorter-end of the market, particularly if some seasonal bank loan repayments and demands for short-term securities continue in evidence. The Treasury's current combination refunding-pre-refunding operation can also be expected to add to the seasonal demand for bills. The rate impact of this additional demand may by now have been discounted by the market, however, as indicated by the decline of the 3-month bill to 4.56 per cent on January 27, the day after the financing was announced.

Assuming that net borrowed reserves average around \$100 million during the next four weeks, the 3-month bill rate may average within a 4.55-4.65 per cent range, a set of money market conditions likely to be construed in the market as consistent with an even keel policy. Departures

from this rate range are distinct possibilities, however, as markets continue to adjust to a new structure of interest rates in an environment marked by uncertainties relating to Viet Nam--which may give rise to short-run interest rate fluctuations over a wider range than has generally characterized recent years.

In early February, during the period of Treasury financing and heavy System buying for reserve purposes, the 3-month bill may remain in the lower end of the range noted. Afterwards the rate might tend to rise, although that will be strongly influenced by the strength of business credit demands and the consequent aggressiveness with which banks are led to bid for CD money.

Treasury financing operations may exert less upward pressure on short-term markets over the remainder of the current fiscal year. The Treasury has indicated that it would need to raise only \$500 million of additional new cash in the market, while \$7.5 billion of tax bills will be retired in March and June (typically about two-thirds of these are turned in for taxes).

In the long-term market, the outlook points to upward pressures on bond yields. The new 5 per cent coupon offered by the Treasury for a 4-3/4 year issue may induce some further swapping out of longer-term Governments. It may also attract investor funds that might otherwise have gone into private long-term markets, either directly or through financial intermediaries. The key factors in the bond market, however, will be the size of the corporate calendar, which appears to be building up, and the extent to which banks make further portfolio adjustments in Governments and municipals.

Reserve flows, bank credit, and money

Recent developments. Total and nonborrowed reserves of banks continued to rise in January, but the annual rates of increase--estimated at 5.3 per cent and 5.9 per cent, respectively--were lower than the exceptional December rates. The expansion in reserves supported a 10 per cent growth in total member bank deposits, slightly less than in December. U.S. Government deposits showed a substantial increase during the month as the Treasury raised about \$3 billion in new cash. Private time and savings deposits increased less in January than in December. Private demand deposits reached a peak in early January and have since declined; their increase in the month as a whole was less than in December.

Prospective developments. During the first two statement weeks ending in February, according to projections, the System will have to supply about \$1 billion in reserves through open market operations to offset reserve drains principally from float and currency movements. In the following weeks the System is likely to be a small net seller of securities of about half that amount.

Assuming business loan demand remains basically strong, non-borrowed reserves in February may increase at a higher rate than in January, though still below December. Banks may demand more reserves next month partly because excess reserves had been worked down to unseasonably low levels in January.

Over the next few months, private demand deposits may increase at an appreciably slower pace than the 6.4 per cent rate of January, perhaps between 4 and 5 per cent. In February, Government deposits are expected to rise further as a result of growing tax receipts and this will tend to restrain private deposit growth in that month.

Time and savings deposit growth, which was relatively slow in January, could pick up somewhat in February if the very recent increased availability of CD money to large city banks continues. But the new Treasury offering of a 4-3/4 year note with a 5 per cent coupon could make it harder for banks to attract and retain savings deposits. All in all, no substantial change is likely in the annual rate of increase for time and savings deposits in the months ahead from the 10 per cent December-January average.

The developments described above would imply a growth rate over coming months in the daily average bank credit proxy somewhat below the 9 per cent average of last year.

Table A-1

MARGINAL RESERVE MEASURES

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

Period	Excess reserves	Member bank borrowings	Free reserves		
	As revised to date			As first published each week	As expected at conclusion of each week's open market operations
<u>Policy periods</u>					
12/19/62 - 5/22/63	481	179	302		
5/22/63 - 7/31/63	437	276	161		
7/31/63 - 8/19/64	407	292	115		
8/19/64 - 2/3/65	413	325	88		
2/3/65 - 3/24/65	386	405	- 19		
3/24/65 - 1/26/66	368	493	-125		
<u>Monthly (reserve weeks ending in):</u>					
1965--January	418	303	115		
February	432	406	26		
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	428	452	- 24		
1966--January p	380	431	- 51		
<u>Weekly</u>					
1965--Nov. 3	379	486	-107	-118	-118
10	428	334	94	62	37
17	317	489	-172	-198	-189
24	230	361	-131	-163	-177
Dec. 1	424	534	-110	-153	-147
8	455	478	- 23	9	20
15	561	486	75	71	57
22	232	218	14	17	4
29	466	546	- 80	- 79	- 69
1966--Jan. 5	316	562	-246	-179	-174
12 p	690	590	100	88	106
19 p	197	218	- 21	- 21	- 1
26 p	318	352	- 34	- 34	- 50

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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		
Annually:							
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
Policy Period:							
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 - 1/66	+11.8	+13.1	+ 9.1	+11.8	+ 7.6	+10.4	+10.1
Monthly:							
1964--November	+ 4.8	+ 1.5	+14.7	+ 5.3	- 1.7	+ 9.8	+ 2.3
December	+ 2.8	+15.1	+13.1	- 2.6	+ 3.6	+ 4.9	+ 4.5
1965--January	+ 5.2	- 1.4	+21.6	+ 0.2	- 2.6	+10.5	+ 2.3
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	+11.0	+10.9	+11.3	+11.0	+12.3
January p	+ 5.3	+ 5.9	+ 7.2	+12.5	+ 3.9	+ 9.8	+ 7.9

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

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Chart 1

MEMBER BANK RESERVES

SEASONALLY ADJUSTED MONTHLY AVERAGES OF DAILY FIGURES

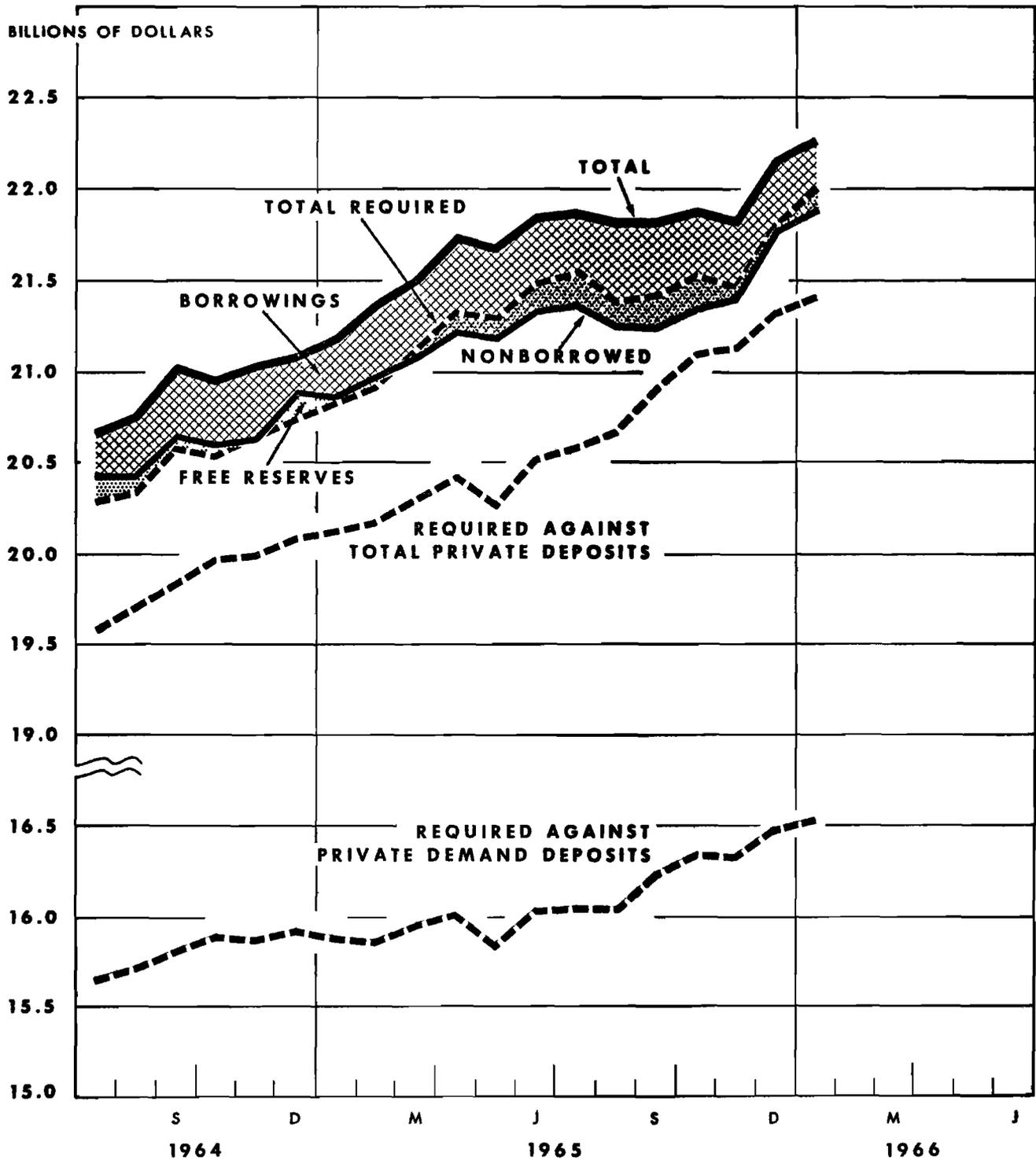


Chart 2

MEMBER BANK DEPOSITS SUPPORTED BY REQUIRED RESERVES

SEASONALLY ADJUSTED MONTHLY AVERAGES OF DAILY FIGURES

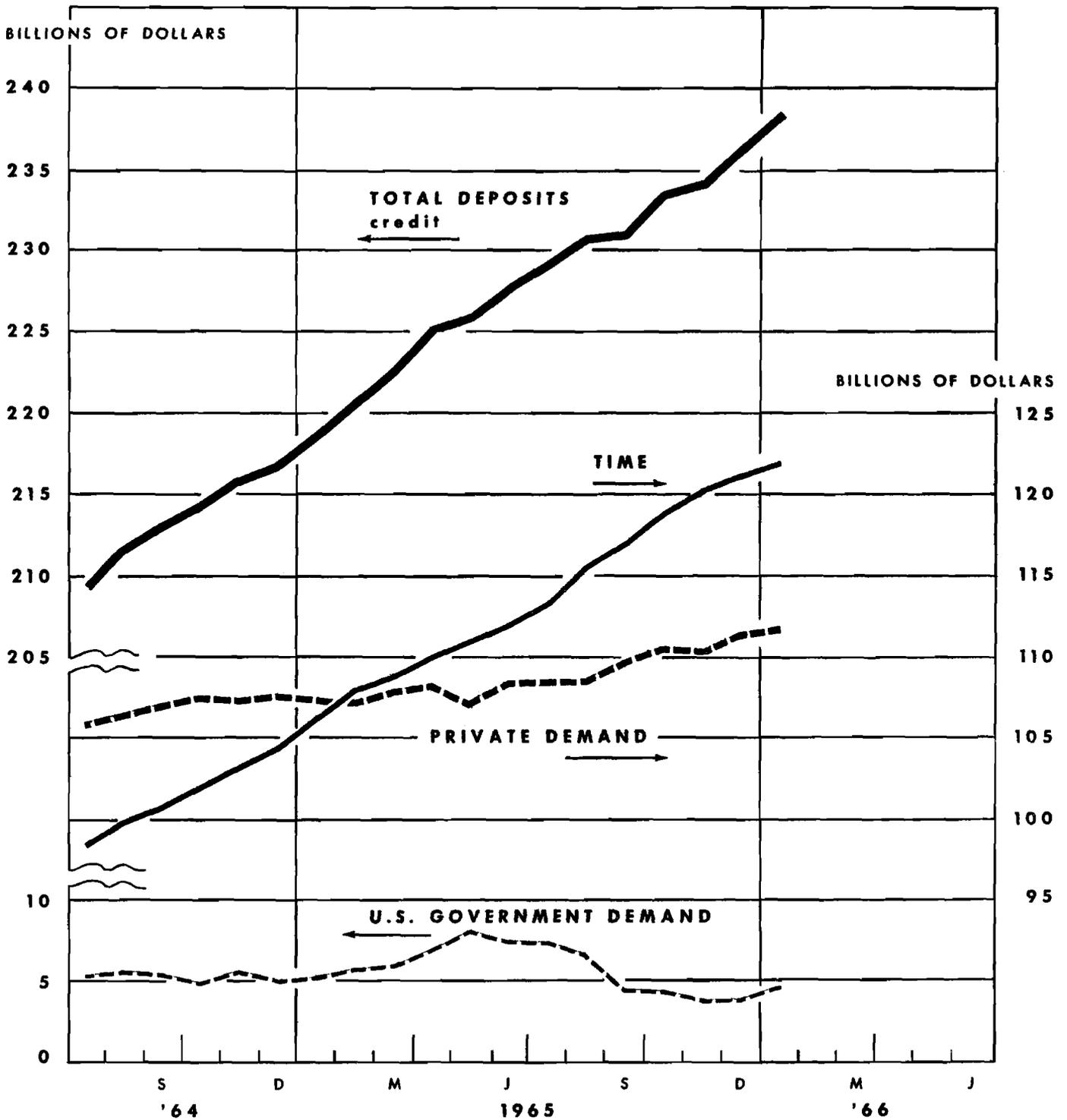


Chart 3

MONEY SUPPLY BY COMPONENTS

SEASONALLY ADJUSTED MONTHLY AND WEEKLY AVERAGES OF DAILY FIGURES

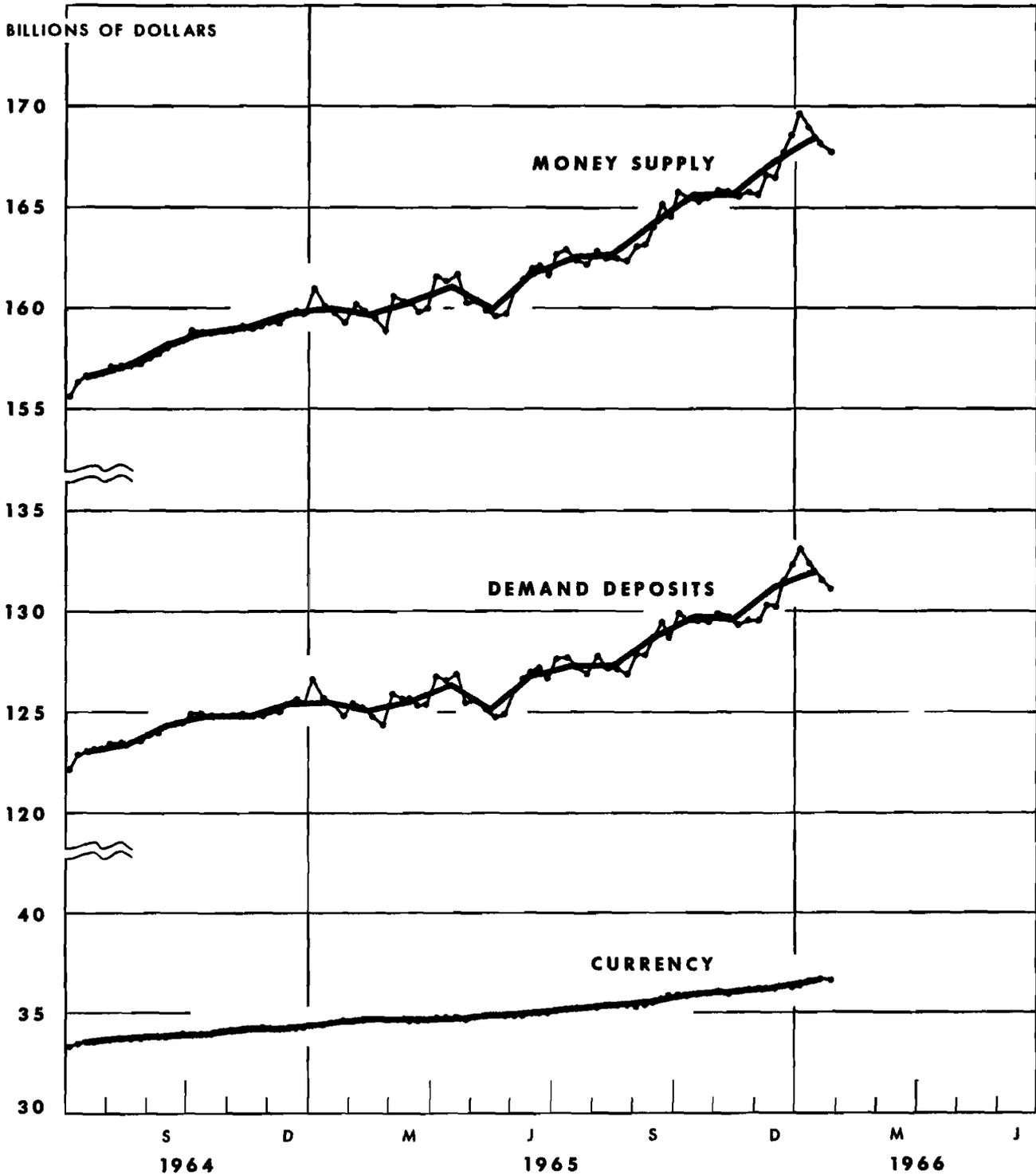


Table B-1

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
ACTUAL							
Year:							
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
Year-to-date:							
(12/30/64 - 1/27/65)	- 754	-201	+1,146	-926	-732	-511	-221
(12/29/65 - 1/26/66)	- 822	- 53	+1,089	-825	-611	-463	-148
Weekly:							
1965--Nov. 24	- 380	- 16	- 88	+353	-131	- 44	- 87
Dec. 1	+ 979	- 35	- 62	-441	+443	+249	+194
8	+ 441	+ 1	- 421	+126	+145	+114	+ 31
15	- 138	- 1	- 24	+290	+127	+ 21	+106
22	- 325	+ 1	- 146	+812	+341	+670	-329
29	+ 369	- 23	+ 47	-114	+280	+ 46	+234
1966--Jan. 5	+ 247	- 53	+ 332	-341	+186	+336	-150
12 p	+ 118	+ 1	- 15	-140	- 38	-412	+374
19 p	-1,232	- 1	+ 405	+ 57	-771	-278	-493
26 p	+ 45	--	+ 367	-401	+ 12	-109	+121
PROJECTED							
Feb. 2	+ 380	--	- 50	-365	- 35	- 35	--
9	+ 485	- 10	- 320	-245	- 90	- 90	--
16	- 90	- 10	+ 45	- 30	- 85	- 85	--
23	- 455	- 10	+ 130	+265	- 70	- 70	--
Mar. 2	+ 25	- 10	+ 30	-150	-105	-105	--
9	+ 325	- 10	- 415	- 50	-150	-150	--
16	- 60	- 10	+ 50	- 5	- 25	- 25	--
23	- 290	- 10	+ 110	+400	+210	+210	--

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.

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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 \$700 million.
4. Projected changes in gold stock reflect assumed outflow after January 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 operation: a \$100 million increase in the weekly Treasury bill auction from February 3 to March 31.

Table B-2

CHANGES IN REQUIRED RESERVE COMPONENTS

Retrospective and Prospective Seasonal and Nonsessional 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
ACTUAL							
Year:							
1963 (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:							
(12/30/64 - 1/27/65	-511	-364	-147	-113	+39	-159	+ 86
(12/29/65 - 1/26/66	-463	-283	-180	-101	+36	-153	+ 38
Weekly:							
1965--Nov. 24	- 44	+101	-145	-129	- 8	- 24	+ 16
Dec. 1	+249	+217	+ 32	+ 46	+ 8	- 22	--
8	+114	-121	+235	+113	--	+112	+ 10
15	+ 21	-303	+324	+302	--	+ 15	+ 7
22	+670	+245	+425	+226	- 8	+208	- 1
29	+ 46	+217	-171	-176	+ 8	- 13	+ 10
1966--Jan. 5	+336	- 90	+426	+269	+27	+125	+ 5
12 p	-412	-196	-216	- 82	- 9	-135	+ 10
19 p	-278	-181	- 97	- 21	+ 9	-100	+ 15
26 p	-109	+183	-292	-267	+ 9	- 42	+ 8
PROJECTED							
Feb. 2	- 35	+ 65	-100	-170	+10	+ 50	+ 10
9	- 90	+110	-200	-210	+10	--	--
16	- 85	+ 75	-160	-150	-10	--	--
23	- 70	+120	-190	-200	+10	--	--
Mar. 2	-105	-155	+ 50	+ 30	+ 20	--	--
9	-150	-190	+ 40	+ 20	+ 20	--	--
16	- 25	-185	+160	+180	- 20	--	--
23	+210	+460	-250	-230	- 20	--	--

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
<u>ACTUAL</u>					
(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>					
(12/30/64 - 1/27/65)	-926	- 54	-1,043	+ 88	+ 83
(12/29/64 - 1/26/66)	-825	- 51	-628	- 9	-137
<u>Weekly:</u>					
1965--Nov. 24	+353	+148	+276	--	- 71
Dec. 1	-441	+111	-462	+ 21	-111
8	+126	+ 99	+ 58	+ 7	- 38
15	+290	+ 54	+193	- 7	+ 50
22	+812	- 66	+823	+ 9	+ 46
29	-114	+ 31	-163	+ 4	+ 14
1966--Jan. 5	-341	+ 87	-347	- 15	- 66
12	-140	- 56	+ 24	- 27	- 81
19	+ 57	- 38	+ 51	+ 43	+ 1
26	-401	- 44	-356	- 10	+ 9
<u>PROJECTED</u>					
Feb. 2	-365	+ 30	-400	+ 5	$\frac{1}{1}$
9	-245	+ 35	-280	--	$\frac{1}{1}$
16	- 30	--	--	--	- 30
23	+265	--	+400	--	-135
Mar. 2	-150	--	-150	--	--
9	- 50	--	- 50	--	--
16	- 5	--	- 50	--	+ 45
23	+400	--	+340	--	+ 60

1/ Excludes U.K. loan repayment scheduled for February 1. System purchases of securities are expected to offset this drain.

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				
Year:								
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	
Year-to-date:								
(12/30/64 - 1/27/65)	- 754	- 496	- 236	--	-260	+ 43	-301	
(12/29/65 - 1/26/66)	- 822	- 642	- 421	--	-221	+ 14	-194	
Weekly:								
1965--Oct. 27	- 426	- 194	- 132	--	- 62	+ 21	-253	
Nov. 3	+ 709	+ 537	+ 537	--	--	+ 24	+148	
10	+ 256	+ 424	+ 420	--	+ 4	- 16	-152	
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	
1966--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	

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	21,321	16,471
1966--January p	22,258	21,867	21,995	21,404	16,525

p - Preliminary.

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	236,405	121,241	3,794	111,370
1966--January p	238,330	121,979	4,622	111,729

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.

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	124.1	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 p	168.5	131.9	36.6
<u>Weekly:</u>			
1965--Nov. 3	165.9	129.9	36.1
10	165.8	129.7	36.0
17	165.6	129.4	36.1
24	165.8	129.6	36.2
Dec. 1	165.7	129.6	36.2
8	166.6	130.3	36.3
15	166.5	130.2	36.3
22	167.8	131.5	36.4
29	168.6	132.3	36.3
1966--Jan. 5	169.6	133.1	36.4
12 p	169.0	132.4	36.6
19 p	168.2	131.5	36.7
26 e	167.8	131.1	36.6

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.

p - Preliminary. e - Estimated.