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May 6, 1966

MONEY MARKET AND RESERVE RELATIONSHIPS

Money markets

Recent developments. Interest rates on a variety of short-term debt instruments have moved higher in recent weeks, and the money market has displayed a generally tight atmosphere. Federal funds have traded mainly at 4-3/4 per cent, but with an increasing amount of trading at higher rates, including trading most recently at 5 per cent and a few reported transactions at 5-1/8 per cent. With a tight funds market, dealer financing costs have moved into a higher range. Since mid-April the 3-month bill rate has held close to 4.65 per cent after rising around 15 basis points earlier in the month. Because of high financing costs, dealers have not been very willing holders of bills recently; still, demand for bills from the public and the System has remained fairly large, although there was some disappointment about the extent of bill demand associated with the refunding.

The recently tighter atmosphere of money markets has reflected in part the increased pressure on bank net reserve positions. Over the four statement weeks ending May 4, net borrowed reserves averaged about \$270 million and member bank borrowings about \$635 million--compared with averages of \$225 million and \$565 million, respectively, in the previous 4 weeks. Member bank borrowings averaged above \$600 million in every week since late March.

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 Re-serves	Bank Credit Proxy	Money Supply	Time Deposits <u>2/</u>
1965--Mar.	- 46	395	4.04	3.93	4.20	4.45	3.09	+ 89	+145	+1,782	+ 600	+1,100
Apr.	-129	471	4.09	3.93	4.20	4.46	3.09	+148	+224	+2,623	+ 800	+1,400
May	-156	490	4.08	3.89	4.21	4.51	3.09	- 31	- 61	+ 772	-1,100	+1,100
June	-176	534	4.01	3.80	4.21	4.58	3.15	+151	+173	+1,802	+1,800	+1,300
July	-178	527	4.07	3.83	4.21	4.61	3.16	+ 30	+ 23	+1,414	+ 700	+1,700
Aug.	-162	549	4.11	3.84	4.25	4.63	3.16	-116	- 50	+1,608	+ 200	+2,500
Sept.	-139	552	3.95	3.92	4.30	4.67	3.25	+ 11	+ 14	+ 249	+1,600	+1,500
Oct.	-132	490	4.05	4.02	4.32	4.69	3.31	+ 85	+ 44	+2,592	+1,300	+2,000
Nov.	- 77	418	4.09	4.08	4.40	4.72	3.34	+ 59	- 44	+ 759	+ 100	+1,900
Dec.	- 22	452	4.28	4.37	4.50	4.85	3.39	+365	+338	+2,147	+1,700	+1,500
1966--Jan.	- 51	431	4.32	4.58	4.52	4.84	3.39	+103	+117	+1,793	+1,000	+1,000
Feb.	-117	474	4.58	4.65	4.71	4.96	3.48	+ 41	+ 85	+ 820	- 400	+ 800
Mar.	-210	545	4.64	4.58	4.72	5.27	3.55	- 59	+ 62	+ 744	+1,200	+ 800
Apr. p	-276	638	4.64	4.61	4.65	5.05	3.46	+230	+327	+3,609	+1,900	+1,900
Mar. 2	-171	464	4.62	4.64	4.80	5.28	3.63			+ 416	+1,000	+ 200
9	-254	614	4.65	4.59	4.79	5.34	3.61			+ 408	+ 200	--
16	-173	536	4.55	4.66	4.75	5.29	3.56			+ 193	+ 500	+ 300
23	-231	602	4.70	4.55	4.67	5.09	3.51			+ 151	+ 600	+ 300
30	-220	508	4.65	4.51	4.66	5.02	3.44			+ 727	- 700	+ 400
Apr. 6	-290	623	4.75	4.51	4.60	4.90	3.44			+2,211	+1,000	+ 500
13	-243	603	4.68	4.62	4.62	5.04	3.42			+ 568	+1,100	+ 500
20 p	-310	685	4.78	4.66	4.67	5.16	3.47			- 77	- 100	+ 400
27 p	-264	642	4.38	4.64	4.68	5.09	3.50			+ 764	- 200	+ 400
May 4 p	-280	617	4.78	4.65	4.71	5.15	3.52			+ 507	+ 100	+ 200
					Averages			Annual Rates of Increase <u>1/</u>				
Year 1964	107	295	3.47	3.53	4.19	4.44	3.09	+ 4.6	+ 4.2	+ 7.6	+ 4.3	+12.8
1965	- 90	467	4.05	3.95	4.27	4.58	3.16	+ 4.2	+ 5.1	+ 9.1	+ 4.8	+ 3.6
Recent variations in growth												
Dec. 1 - Feb. 2	- 31	430	4.31	4.49	4.52	4.85	3.40			+10.4	+ 7.7	+ 7.9
Feb. 2 - Mar. 16	-166	515	4.61	4.64	4.74	5.16	3.55			- 1.2	+ 6.7	+ 6.4
Mar. 16 - Apr. 20	-259	604	4.71	4.57	4.64	5.04	3.46			+15.5	+11.7	+14.6
Apr. 20 - May 4	-273	630	4.58	4.64	4.70	5.12	3.51			+13.6	- 1.5	+10.3
Dec. 1 - May 4	-142	511	4.51	4.56	4.62	5.02	3.46			+ 8.8	+ 7.6	+ 9.4

1/ Base is average for month preceding specified period or in the case of weekly periods, the first week shown.

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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Prospective developments. On the assumption that net borrowed reserves will continue to average \$250-\$300 million over the next 4 weeks, the 3-month bill rate is likely to fluctuate mainly within a 4.60 to 4.75 per cent range. Departures from this range on some days are quite possible, however, as strong cross-currents will be at work in the bill market. Among the factors tending to lower rates will be a seasonal tendency toward decline, particularly with the maturity of \$4.5 billion of tax bills in mid-June. Some demand for bills also could be generated over the near-term from temporary investment of the cash proceeds of Treasury issues not exchanged in the current refunding (in which the attrition rate was above 40 per cent even after sizable Treasury purchases of when-issued securities before books were closed). In addition, demand for short Governments stemming from reinvestment of proceeds from security flotations is likely to continue. Any renewed weakness in the stock market also could generate some downward pressure on bill rates.

Among the factors which will tend to exert a tightening influence on rates will be continuing pressure from dealer financing costs associated with a taut Federal funds market. While dealers have reduced their bill inventories somewhat recently, these remain well above the low levels of late winter and any efforts by dealers to work current inventories lower would tend to be reflected in higher rates. Prospects of a large supply of Federal agency issues

in the weeks ahead are also likely to exert upward pressure on bill rates, as will continued aggressive bank efforts to attract CD funds especially in preparation for the June dividend and tax dates. Finally, the System will return to the selling side of the bill market around mid-May, although its sales to absorb reserves are not expected to be as large as its recent purchases.

Some deepening of net borrowed reserves in the period ahead may have been already discounted by the market, but a substantial decline to, say, around \$400 million, probably would have a significant psychological impact. The reserve pressure itself will have a substantial effect on already high day-to-day financing costs. And the 3-month bill rate would likely under the circumstances rise to a range above 4.75 per cent.

Market uncertainties, as reflected in recent gyrations of common stock prices, make the outlook for bond yields more cloudy than usual. In the absence of further expectational shocks, however, bond yields are likely to drift higher in the weeks ahead even if net borrowed reserves are little changed from current levels. Contributing factors will be the continuing large corporate and municipal calendar and the likelihood of some agency financing in the intermediate-term area. A substantial further tightening of bank reserve positions would accelerate such a rise in bond yields.

A 3-month bill fluctuating above 4-3/4 per cent would certainly result in active market discussion about the sustainability of the existing time deposit ceiling rate and of the discount rate. The discount rate would appear to be the more immediately vulnerable as bill rates rise; banks will become increasingly desirous of borrowing as they find their reserve positions under pressure and Federal funds trading more frequently at a large premium above the discount rate.

Reserve flows, bank credit, and money

Recent developments. In April both private demand and time deposits showed their largest increases in several months and U. S. Government deposits rose moderately. Thus, total member bank deposits (credit proxy) increased sharply in April. With all types of deposits increasing, required reserves increased at nearly a 15 per cent annual rate in April, and total reserves rose somewhat more as some banks added to their excess reserves after the low March level. The System supplied the bulk of the increase in reserves, with nonborrowed reserves rising at about a 13 per cent annual rate, but banks were also forced to increase their borrowings at the Federal Reserve.

Since around mid-April outstanding private demand deposits and the total money supply have declined slightly. Growth in bank credit (as measured by the proxy) has continued, but at a pace

slightly slower than from mid-March to mid-April. U.S. Government deposits have grown sharply over the past two weeks, contributing in part to the slowing of money expansion. Meanwhile, total time and savings deposits have continued to increase, but the very latest data suggest that the sharp spurt in the latter part of March and April may be tapering off.

Prospective developments. Assuming no change in net borrowed reserves from recent levels and continued strength in loan demands from businesses and financial institutions, the principal potential factors affecting variations in the growth of bank credit and deposits between now and midyear include the following: (1) repayments of loans made by banks related to the March-April tax period and sales of liquid assets that banks accumulated over that period; (2) the rise in U.S. Government deposits, associated in part with issues of agency debt; (3) pressures developing around the June dividend and tax periods; and (4) more moderate growth in time deposits.

Considering these factors, it appears likely that bank credit growth may average around 8 per cent between now and midyear, with the rate of growth tending to be moderate in May and larger in June. In the weeks immediately ahead, expected repayments of security loans, together with bill sales by dealer banks, will tend to reduce bank credit growth. And these factors, together with a

continued rise in U.S. Government deposits, may lead to a decline in outstanding private demand deposits and the money supply.

As spring progresses, further pressures for credit expansion are likely to develop as a result of sizable Federal agency issues (which could total \$2 or \$3 billion for new cash--although this is more than usually subject to a number of uncertainties) and June speed-ups of corporate income tax payments and corporate remittances to the Treasury of individual income tax withholdings.

Private demand deposit growth may be resumed later in the spring. Over the next two months, on balance, such deposits may show little change, which would bring the annual rate of increase over the first half of 1966 to around 4.5 per cent. It is not expected that banks' time deposits will expand as rapidly over the next few months as they did in April. As the initial impact of higher rates on savings certificates passes, gains should be more moderate. And while we do not have current information on CD maturities, it appears likely that banks may find it more difficult to replace maturing issues in view of the competition from other short-term paper.

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
Monthly (reserves weeks ending in):					
1965--March	349	395	- 46		
April	342	471	-129		
May	334	490	-156		
June	358	534	-176		
July	349	527	-178		
August	387	549	-162		
September	413	552	-139		
October	358	490	-132		
November	341	418	- 77		
December	430	452	- 22		
1966--January	380	431	- 51		
February	357	474	-117		
March	335	545	-210		
April p	362	638	-276		
Weekly					
1966--January					
5	319	562	-243		
12	688	590	98	88	106
19	208	218	- 10	- 21	- 1
26	305	352	- 47	- 34	- 50
February					
2	348	418	- 70	- 17	- 22
9	344	503	-159	-120	-121
16	337	453	-116	-122	- 99
23	398	520	-122	-102	- 95
March					
2	293	464	-171	-172	-186
9	360	614	-254	-219	-193
16	363	536	-173	-224	-217
23	371	602	-231	-274	-260
30	288	508	-220	-229	-222
April					
6	333	623	-290	-225	-241
13 p	360	603	-243	-286	-282
20 p	375	685	-310	-281	-270
27 p	378	642	-264	-280	-316
May					
4 p	337	617	-280	-280	-280

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TABLE A-2

AGGREGATE RESERVES AND RELATED MEASURES

Retrospective Changes, Seasonally Adjusted

(In per cent, annual rates based on monthly averages of daily figures)

	Reserve Aggregates				Monetary Variables			
	Total Reserves	Nonborrowed Reserves	Required reserves		Total Member Bank Deposits (credit) <u>1/</u>	Time Deposits (comm. banks)	Money Supply	
			Total	Against Demand Deposits			Total	Private Demand Deposits
Annually:								
1963	+ 3.5	+ 3.5	+ 3.8	+ 1.7	+ 7.5	+14.7	+ 3.8	+ 3.2
1964	+ 4.2	+ 4.6	+ 4.9	+ 3.1	+ 7.6	+12.8	+ 4.3	+ 4.0
1965	+ 5.1	+ 4.2	+ 5.0	+ 2.4	+ 9.1	+ 3.6	+ 4.8	+ 4.8
Monthly:								
1965--January	+ 5.3	- 1.4	+ 5.7	+ 0.2	+10.5	+20.9	+ 2.3	+ 1.0
February	+10.4	+ 6.4	+ 4.3	+ 3.0	+11.1	+20.5	- 2.3	- 3.8
March	+ 8.1	+ 5.1	+11.5	+ 9.0	+ 9.7	+10.1	+ 4.5	+ 4.8
April	+12.5	+ 8.4	+11.4	+14.8	+14.1	+12.7	+ 6.0	+ 7.6
May	- 3.4	- 1.8	- 1.1	- 1.3	+ 4.1	+ 9.9	- 8.2	-12.3
June	+ 9.6	+ 8.6	+ 9.8	+ 7.8	+ 9.6	+11.6	+13.5	+16.3
July	+ 1.3	+ 1.7	+ 3.6	+ 0.7	+ 7.5	+15.0	+ 5.2	+ 4.7
August	- 2.7	- 6.5	- 8.7	- 7.1	+ 8.4	+21.8	+ 1.5	--
September	+ 0.8	+ 0.6	+ 2.3	-11.1	+ 1.3	+12.8	+11.8	+13.2
October	+ 2.4	+ 4.8	+ 6.1	+ 8.2	+13.5	+16.9	+ 9.5	+ 9.3
November	- 2.4	+ 3.3	- 3.8	- 7.0	+ 3.9	+15.9	+ 0.7	- 0.9
December	+18.6	+20.5	+18.3	+11.2	+11.0	+12.4	+12.3	+14.8
1966--January	+ 6.3	+ 5.7	+11.5	+12.0	+ 9.1	+ 8.2	+ 7.2	+ 5.5
February	+ 4.6	+ 2.2	- 0.1	+ 2.9	+ 4.1	+ 6.5	- 2.9	- 5.5
March	+ 3.3	- 3.2	+ 4.5	+ 1.1	+ 3.7	+ 6.5	+ 8.6	+10.1
April p	+17.5	+12.6	+14.6	+18.3	+18.1	+15.2	+13.5	+16.3

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

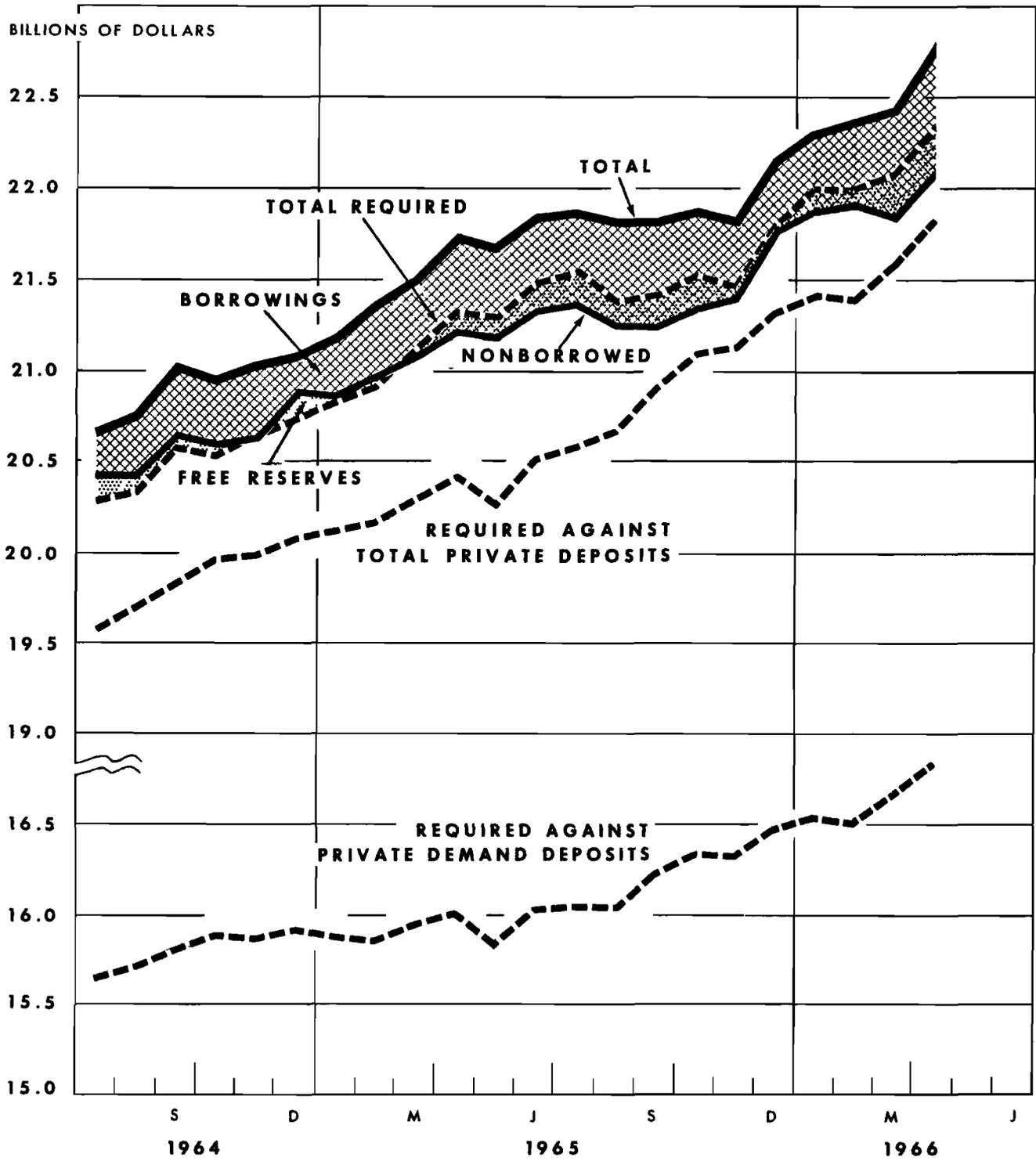


Chart 2

MONEY SUPPLY AND BANK DEPOSITS

SEASONALLY ADJUSTED WEEKLY AVERAGES OF DAILY FIGURES

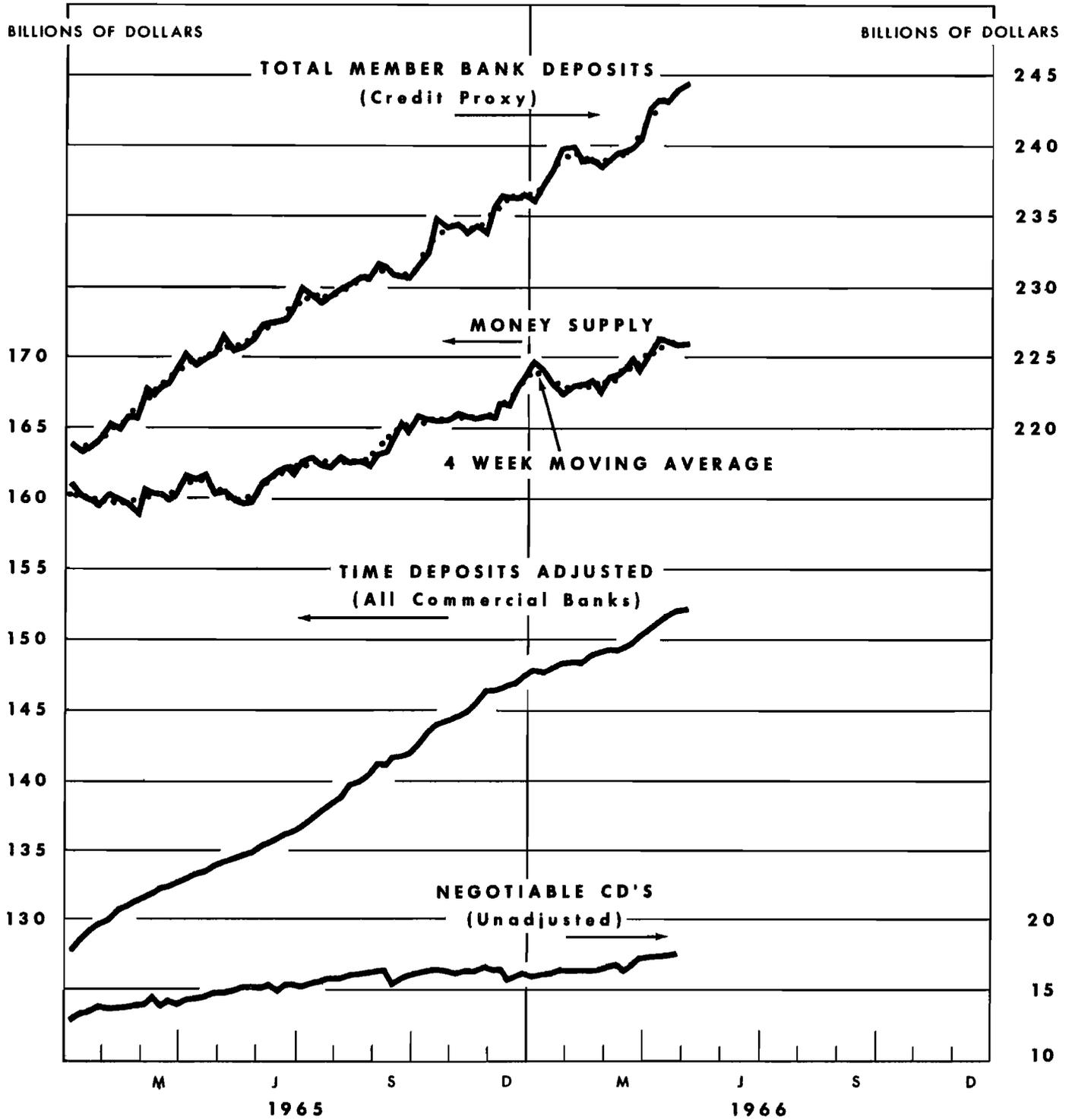


Chart 3

DEMAND DEPOSITS AND CURRENCY

SEASONALLY ADJUSTED WEEKLY AVERAGES OF DAILY FIGURES

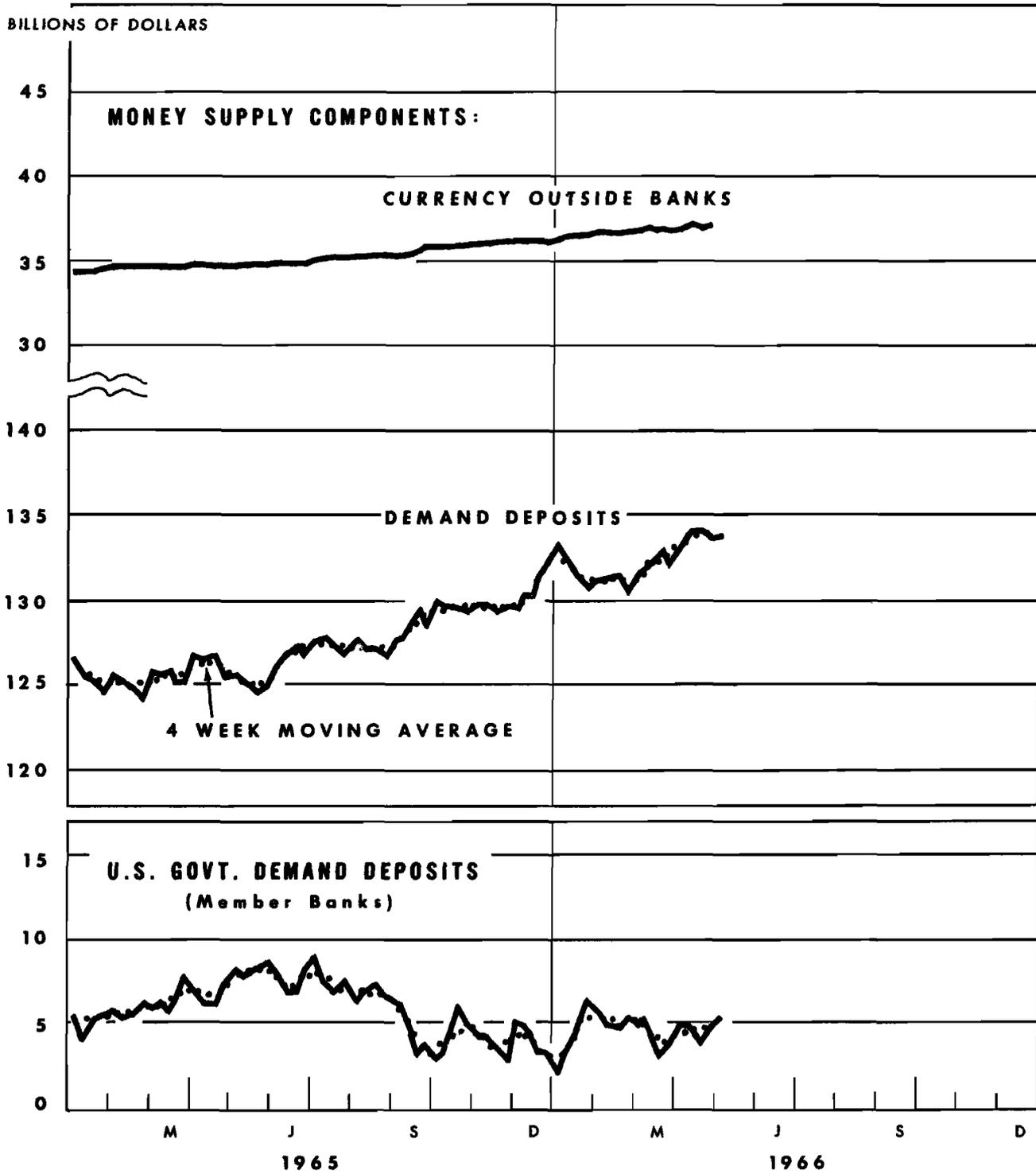


Table B-1

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 in total reserves	Bank use of reserves	
	Federal Reserve credit (excl. float) 1/	Gold stock	Currency outside banks	Technical factors net 2/		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 - 5/5/65)	+985	-977	+770	-1,027	-246	- 18	-228
(12/29/65 - 5/4/66)	+ 81	-153	+543	-783	-313	-189	-124
Weekly:							
1966--Mar. 2	-115	--	+143	- 19	+ 10	+115	-105
9	+450	--	-528	+ 8	- 71	-138	+ 67
16	-100	--	+ 90	+ 86	+ 76	+ 73	+ 3
23	- 3	- 29	+ 16	+288	+275	+267	+ 8
30	+ 71	- 72	+233	-448	-220	-137	- 83
Apr. 6	+512	+ 1	-440	+107	+182	+137	+ 45
13	-126	--	-312	+482	+ 44	+ 17	+ 27
20 p	-444	- 1	+367	+287	+206	+191	+ 15
27 p	+145	--	+227	-367	+ 8	+ 5	+ 3
May 4 p	+369	+ 1	-153	- 64	+151	+192	- 41
PROJECTED 4/							
May 11	+450	--	-500	-120	-170	-170	--
18	-475	--	+145	+320	- 10	- 10	--
25	+100	- 10	+150	-290	- 50	- 50	--
June 1	+370	- 10	-115	-300	- 55	- 55	--
8	+320	- 10	-415	+ 80	- 25	- 25	--
15	-180	- 10	+ 85	+115	+ 10	+ 10	--
22	- 65	- 10	+ 35	+565	+525	+525	--

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

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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 inciate 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 \$200 million.
4. Projected changes in gold stock reflect assumed outflow after May 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: \$-0.5 billion, May, 16;(attrition); \$0.4 billion, May 23; \$0.2 billion, May 25.

Table B-2

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>							
<u>Year:</u>							
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
<u>Year-to-date:</u>							
(12/30/64 - 5/5/65)	- 18	+277	-295	-675	+ 70	+ 71	+239
(12/29/65 - 5/4/66)	-189	- 23	-166	-667	+ 81	+260	+160
<u>Weekly:</u>							
1966--Mar. 2	+115	- 96	+211	+ 30	+ 18	+171	- 8
9	-138	-193	+ 55	+ 19	+ 18	+ 17	+ 1
16	+ 73	-206	+279	+181	- 9	+ 89	+ 18
23	+267	+398	-131	-231	- 18	+ 95	+ 23
30	-137	+ 23	-160	-168	+ 9	- 19	+ 18
Apr. 6	+137	-124	+261	+184	- 9	+ 57	+ 29
13	+ 17	-314	+331	+266	+ 9	+ 49	+ 7
20 p	+191	-126	+316	+229	- 9	+ 83	+ 14
27 p	+ 5	+202	-197	-166	+ 9	- 51	+ 11
May 4 p	+192	+381	-189	-183	+ 9	- 14	- 1
<u>PROJECTED</u>							
May 11	-170	+ 70	-240	-215	+ 10	- 45	+ 10
18	- 10	+190	-200	-200	--	--	--
25	- 50	+125	-175	-165	- 10	--	--
June 1	- 55	- 95	+ 40	+ 30	+ 10	--	--
8	- 25	-150	+125	+135	- 10	--	--
15	- 10	-285	+275	+265	+ 10	--	--
22	+525	+560	- 35	- 15	- 20	--	--

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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 - 5/5/65)	-1,027	+ 33	-1,243	+ 42	+141
(12/29/65 - 5/4/66)	-784	+267	-785	- 24	-242
<u>Weekly:</u>					
1966--Mar. 2	- 19	+ 53	- 67	- 6	+ 1
9	+ 8	+227	-195	- 22	- 2
16	+ 86	+ 98	- 38	- 23	+ 49
23	+288	-177	+346	+ 41	+ 78
30	-448	-102	-346	+ 4	- 4
Apr. 6	-107	+257	-104	- 38	- 8
13	+482	+194	+232	+ 15	+ 41
20	+287	-132	+307	+ 13	+ 99
27	-367	-191	-188	+ 16	- 4
May 4	- 65	- 18	- 60	- 28	+ 41
<u>PROJECTED</u>					
May 11	-120	+ 40	-175	+ 10	+ 5
18	+320	+ 75	+320	--	- 75
25	-290	--	- 25	--	-265
June 1	-300	--	-300	--	--
8	+ 80	--	+ 80	--	--
15	+115	--	+ 60	--	+ 55
22	+565	--	+500	--	+ 65

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 - 5/5/65)	+ 985	+ 958	+ 774	+ 157	+ 27	+ 53	- 26	
(12/29/65 - 5/4/66)	+ 81	- 15	- 49	+ 173	-139	+ 25	+ 71	
<u>Weekly:</u>								
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	
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	
23	- 3	- 88	- 50	+ 9	- 47	+ 19	+ 66	
30	+ 71	+ 194	+ 147	+ 47	--	- 29	- 94	
Apr. 6	+ 512	+ 419	+ 274	--	+145	- 22	+115	
13	- 126	- 103	+ 8	--	-111	- 3	- 20	
20	- 444	- 520	- 486	--	- 34	- 6	+ 82	
27	+ 145	+ 145	+ 120	+ 25	--	+ 43	- 43	
May 4	+ 369	+ 391	+ 292	+ 17	+ 82	+ 3	- 25	

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	21,175	20,862	20,840	20,122	15,878
February	21,359	20,973	20,915	20,166	15,852
March	21,504	21,062	21,116	20,294	15,943
April	21,728	21,210	21,316	20,409	16,009
May	21,667	21,179	21,296	20,258	15,822
June	21,840	21,330	21,470	20,506	16,028
July	21,863	21,360	21,535	20,579	16,047
August	21,813	21,244	21,379	20,665	16,041
September	21,827	21,255	21,420	20,903	16,227
October	21,871	21,340	21,528	21,090	16,341
November	21,827	21,399	21,460	21,124	16,318
December	22,165	21,764	21,788	21,326	16,477
1966--January	22,282	21,867	21,996	21,407	16,533
February	22,367	21,908	21,994	21,396	16,500
March	22,429	21,849	22,076	21,588	16,666
April p	22,756	22,079	22,345	22,836	16,841

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Table C-2

DEPOSITS SUPPORTED BY REQUIRED RESERVES AT ALL MEMBER BANKS

Seasonally adjusted

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

Monthly	Total member bank deposits (credit) 1/	Time deposits	Private demand deposits 2/	U. S. Gov't. demand deposits
1964--January	202,981	93,563	104,407	5,011
February	203,759	94,495	104,569	4,695
March	205,068	95,011	104,749	5,308
April	206,176	95,852	104,987	5,337
May	206,613	96,677	104,609	5,327
June	208,669	97,542	105,066	6,061
July	209,312	98,273	105,783	5,256
August	211,506	99,725	106,189	5,592
September	212,906	100,670	106,868	5,368
October	214,109	101,850	107,410	4,849
November	215,849	103,090	107,259	5,500
December	216,738	104,215	107,591	4,932
1965--January	218,640	106,107	107,353	5,180
February	220,663	107,843	107,178	5,642
March	222,445	108,778	107,795	5,872
April	225,068	109,996	108,243	6,829
May	225,840	110,898	106,975	7,967
June	227,642	111,955	108,372	7,315
July	229,056	113,306	108,497	7,253
August	230,664	115,594	108,456	6,614
September	230,913	116,900	109,717	4,296
October	233,505	118,718	110,489	4,298
November	234,264	120,152	110,327	3,785
December	236,411	121,220	111,409	3,782
1966--January	238,204	121,861	111,787	4,556
February	239,024	122,401	111,562	5,061
March	239,768	123,038	112,684	4,046
April p	243,377	124,883	113,864	4,630

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.

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TABLE C-2a

DEPOSITS SUPPORTED BY REQUIRED RESERVES AT ALL MEMBER BANKS

Seasonally adjusted

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

Week ending:	Total member bank deposits (credit) 1/	Time deposits	Private demand deposits 2/	U. S. Gov't. demand deposits
1965--Nov. 3	234,433	119,550	110,740	4,143
10	233,998	119,589	110,268	4,141
17	234,308	120,243	110,488	3,577
24	233,908	120,661	110,363	2,884
Dec. 1	235,641	120,652	110,073	4,916
8	236,499	120,894	110,747	4,858
15	236,388	121,056	110,887	4,445
22	236,293	121,090	111,939	3,264
29	236,460	121,292	111,936	3,232
1966--Jan. 5	236,036	121,367	112,591	2,078
12	237,302	121,740	112,114	3,448
19	238,155	121,987	111,507	4,661
26	239,830	122,246	111,207	6,377
Feb. 2	239,899	122,193	112,050	5,656
9	238,866	122,026	112,003	4,837
16	238,966	122,562	111,715	4,689
23	238,542	122,490	110,694	5,358
Mar. 2	238,958	122,284	111,691	4,983
9	239,366	122,288	111,957	5,121
16	239,559	122,757	112,560	4,242
23	239,710	123,335	113,155	3,220
30	240,437	123,770	113,017	3,650
Apr. 6	242,648	124,508	113,306	4,834
13 p	243,216	124,684	113,764	4,768
20 p	243,139	125,021	114,291	3,827
27 p	243,903	125,290	113,860	4,753
May 4 p	244,410	125,312	113,774	5,324

p - Preliminary.

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.

TABLE C-3
MONEY SUPPLY AND TIME DEPOSITS AT ALL COMMERCIAL BANKS
Seasonally Adjusted
(Dollar amounts in billions, based
on monthly averages of daily figures)

Monthly	Money Supply	Currency <u>2/</u>	Private Demand Deposits <u>1/</u>	Time Deposits Adjusted
1964--January	153.6	32.6	121.0	113.5
February	153.8	32.8	121.1	114.6
March	154.1	32.9	121.2	115.3
April	154.5	33.0	121.4	116.2
May	154.5	33.3	121.2	117.3
June	155.5	33.4	122.1	118.5
July	156.6	33.6	123.0	119.4
August	157.1	33.8	123.3	121.0
September	158.2	33.9	124.3	122.1
October	158.8	34.0	124.8	123.5
November	159.1	34.2	124.8	125.1
December	159.7	34.2	125.4	126.6
1965--January	160.0	34.5	125.5	128.8
February	159.7	34.7	125.1	131.0
March	160.3	34.7	125.6	132.1
April	161.1	34.7	126.4	133.5
May	160.0	34.9	125.1	134.6
June	161.8	35.0	126.8	135.9
July	162.5	35.2	127.3	137.6
August	162.7	35.4	127.3	140.1
September	164.3	35.6	128.7	141.6
October	165.6	35.9	129.7	143.6
November	165.7	36.1	129.6	145.5
December	167.4	36.3	131.2	147.0
1966--January	168.4	36.7	131.8	148.0
February	168.0	36.8	131.2	148.8
March	169.2	36.9	132.3	149.6
April p	171.1	37.1	134.1	151.5

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.

TABLE C-3a
MONEY SUPPLY AND TIME DEPOSITS AT ALL COMMERCIAL BANKS
Seasonally Adjusted
(Dollar amounts in billions, based
on monthly averages of daily figures)

Week Ending	Money Supply	Currency <u>1/</u>	Private Demand Deposits <u>2/</u>	Time Deposits adjusted
1965--Nov. 3	165.9	36.1	129.9	144.5
10	165.8	36.0	129.7	144.9
17	165.6	36.1	129.4	145.4
24	165.8	36.2	129.6	146.2
Dec. 1	165.7	36.2	129.6	146.4
8	166.6	36.3	130.3	146.5
15	166.5	36.3	130.2	146.8
22	167.8	36.4	131.5	146.9
29	168.6	36.3	132.3	147.4
1966--Jan. 5	169.6	36.4	133.1	147.7
12	169.1	36.6	132.5	147.7
19	168.1	36.7	131.5	148.0
26	167.4	36.6	130.8	148.2
Feb. 2	167.9	36.7	131.2	148.4
9	168.1	36.9	131.3	148.4
16	168.3	36.8	131.5	148.8
23	167.5	36.9	130.6	149.0
Mar. 2	168.5	36.9	131.6	149.2
9	168.7	36.9	131.8	149.2
16	169.2	36.9	132.3	149.5
23	169.8	36.9	132.9	149.8
30	169.1	36.9	132.2	150.2
Apr. 6	170.1	36.9	133.2	150.7
13	171.2	37.2	134.0	151.2
20 p	171.1	37.0	134.1	151.6
27 p	170.9	37.1	133.7	152.0
May 4 p	171.0	37.1	133.9	152.2

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

2/ 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 of Federal Reserve Banks.

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