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CONFIDENTIAL (FR) June 3, 1966

MONEY MARKET AND RESERVE RELATIONSHIPS

Money markets

Recent developments. Except for bill rates, short-term interest rates have moved up in recent weeks in reflection of continued strong credit demands, including unusually heavy agency financing, and sustained pressure on bank reserve positions. Yields on commercial paper, bankers' acceptances, CD's, and Federal agency issues have risen from 1/8 to 1/4 of a percentage point. The 5-1/2 per cent ceiling rate on CD's has been offered on increasingly shorter maturities, as banks made efforts to compete for short-term investment funds and to anticipate the almost $4 billion of CD's maturing in June. Dealer loan rates also rose during May -- a period when dealer finance needs were reduced -- and Federal funds traded more frequently at 5 per cent or above, with some transactions at 5-1/4 per cent and most recently a reported quotation of 5-3/8 per cent.

The 3-month Treasury bill, meanwhile, remained in a narrow 4.60-4.65 per cent range, except for the past two days when it dropped to around 4.55 per cent. Demand for bills from the public has been large, in part reflecting reinvestment of proceeds from security sales and also preparation for the June tax date. Public demand for bills has been supplemented by about $900 million of System bill purchases in the market over the past two weeks. Under these

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/
1965--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	+ 787	+1,200	+ 800
Apr.	-277	638	4.64	4.61	4.65	5.03	3.46	+238	+335	+3,587	+1,900	+2,000
May p	-341	653	4.83	4.63	4.69	5.21	3.53	-105	- 76	+ 462	-1,400	+1,300
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	-312	685	4.78	4.66	4.67	5.16	3.47			- 70	+ 100	+ 500
27	-262	642	4.38	4.64	4.68	5.09	3.50			+ 596	- 500	+ 400
May 4	-331	617	4.78	4.65	4.71	5.14	3.52			+ 296	- 400	+ 200
11	-340	680	4.70	4.63	4.68	5.13	3.52			+ 287	- 400	+ 200
18 p	-352	663	4.98	4.62	4.66	5.21	3.52			- 384	- 300	+ 400
25 p	-344	653	4.72	4.64	4.68	5.47*	3.57			- 701	- 600	+ 500
June 1 p	-364	812	4.81	4.63	4.73	5.29	3.60			+ 317	+ 400	+ 300
						Averages				Annual Rates of Increase 1/		
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	+16.1
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	4.16	3.55			- 1.2	+ 6.7	+ 6.4
Mar. 16 - Apr. 13	-246	584	4.70	4.55	4.64	5.01	3.45			+19.8	+15.4	+14.8
Apr. 13 - June 1	-329	678	4.74	4.64	4.69	5.21	3.53			+ 1.5	- 7.4	+12.3
Dec. 1 - June 1	-175	540	4.55	4.57	4.63	5.06	3.48			+ 6.8	+ 4.6	+10.0

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 Tables A-2 since latter includes only member banks.

p - Preliminary. *Not representative.

June 3, 1966.

conditions, the availability of bills currently in the market has been considerably reduced, as indicated by a marked decline in dealer bill positions. Moreover, the maturity of tax bills in March, large attrition in the May refunding, and the scheduled maturity of $4.5 billion June tax bills has put a large dent in the over-all availability of short-term U.S. Government securities to the public.

Net borrowed reserves during the four statement weeks ending June 1 averaged $350 million, with borrowings at around $700 million, as compared with net borrowed reserves of about $290 million during the preceding four weeks, with borrowings of $635 million. Average borrowings during the past four statement weeks are somewhat enlarged by the exceptional $812 million of the past statement week, partly reflecting overborrowing prior to the long Memorial Day weekend.

Prospective developments. Assuming net borrowed reserves continue to average close to recent levels, the 3-month bill rate is likely to move into a 4.60-4.70 per cent range, although market shortages of bills could temporarily keep the rate below 4.60 per cent. The System will be a smaller seller around mid-June but is projected to be on the buying side again beginning in late June.

Bill rates and money market rates generally are likely to come under upward pressure around and after the mid-June tax date as a result of a sizable speed-up in taxes and a continuing strong basic loan demand. Corporate income tax payments are expected to be about $1-3/4 billion larger than last year. In addition, in June corporations will make more than $1 billion of accelerated payments to the Treasury of withheld individual income and social security taxes (with an additional such speed-up in July). The additional corporate income tax payments can be partly met out of the $1.2 billion of additional tax bills maturing this year as compared with last. CD maturities in June are $700 million more than last year, but only $30 million more on the tax date. In any event, such maturities will exert pressure on money markets as banks attempt at least to roll them over. In this process, CD rates at the 5-1/2 per cent ceiling may be more frequently quoted and also extended to shorter maturities.

The short-term market will also have to absorb sizable additional cash borrowing by agencies, including a large issue by the Federal Home Loan Banks later this month, while intermediate-term markets will be tested by the current offering of FNMA and SBA participations. All this, together with a substantial corporate and municipal calendar, suggests the possibility of considerable money and credit market pressures in the weeks ahead. However, long-term rates have recently risen back close to their March peaks and appear to have stimulated some investment demand. And short rates other than for bills have also risen, as earlier noted. It may be that these markets have to some extent discounted June demands.

Given prospective demand pressures and market conditions, there may be a strong tendency for banks to seek enlarged accommodation at the discount window. If, under these circumstances, net borrowed reserves for the banking system as a whole are permitted to deepen to levels consistently beyond $400 million, banks could be slow to make portfolio adjustments or to tighten credit terms further. However, such a deeper level of net borrowed reserves might quickly engender market expectations of still higher short- and long-term interest rates, and banks may find it more difficult to roll over maturing CD's under existing Regulation Q ceilings. The ultimate consequence then -- in a period of strong basic loan demands -- may be sustained borrowing demands from banks and therefore pressure on discount window administration, the discount rate, and Regulation Q.

Reserve flows, bank credit, and money

Recent developments. As had been anticipated, reserve aggregates and monetary variables showed sharply diminished growth rates, and in some cases actual declines, on average in May after a sharp April rise. Reserve aggregates declined in May with required reserves dropping by about 3.5 per cent, while bank credit on a daily average basis rose by only about 2.5 per cent. The disparate behavior of bank credit and reserves reflected a shift in deposit composition from demand to time deposits during the month. Private demand deposits declined sharply; there was a not quite offsetting rise in Government deposits; and time deposits continued to expand fairly rapidly, though below April's pace. Since the increase in the discount rate and Regulation Q ceilings, the bank credit proxy and time and savings deposits have risen less rapidly than in 1965, while money supply has continued to rise at about the earlier rate.

Prospective developments. Bank credit and money supply are expected to resume growth in the period ahead, with tax speed-ups, cyclically strong loan demands, and agency financing contributing to a relatively rapid movement. As of now, the projected growth does not appear to be quite as sharp as occurred in March-April on average when two tax dates ran close together and when monetary restraint was not as pressing. Bank credit growth in June may be about 6-7 per cent on average. The month-to-month change in the annual rate of increase from May to June is influenced by the declining trend of bank credit in May and an expected rising trend in June. Thus, measured from the end of May to the end of June bank credit might rise at about a 10 per cent rate or more.

During June, private demand deposits are likely to show a relatively large increase, following their substantial recent decline. On a monthly average basis, they could rise by about 10 per cent, partly because of a projected decline in U.S. Government deposits. On a month-end basis, the rise would be even larger. Time deposits are likely to increase at a slightly lower rate than in May.

Much of the June credit demands -- particularly those associated with agency issues and tax speed-ups -- are likely to prove temporary. This suggests some tapering of the rate of growth of bank credit and money after midyear. The monthly average rate of increase in July may still be as large, or larger than June, but the upward trend during July may be slowing down.

It is quite possible that the size of credit demands and associated deposit expansion over the weeks ahead is being underestimated. For one thing, the amount of agency issues and the degree of bank financing entailed in their flotation is uncertain. For another, it is not clear how well prepared corporations may be to make the accelerated payments of withheld individual income and social security taxes, not only in June but also in July. And finally, no allowance has been made in these projections for any direct Treasury cash financing in July. If the Treasury should raise cash through tax bills at that time, bank credit expansion in July will almost certainly be enlarged. On the other hand, if banks do not succeed in attracting time and savings deposits at near recent rates -- or are unable to do so because of legislative restrictions -- bank credit expansion will be curtailed.

The bank credit and deposit projections noted above imply a growth rate in required reserves averaging out to about 5 per cent over the next few months, although this might well be higher in view of the uncertainties involved. This assumes net borrowed reserves not much changed from current levels. If member banks were forced to borrow additional reserves in the period ahead, growth in required reserves might not slow down immediately, but would be likely to do so as summer progresses.

Table A-1

MARGINAL RESERVE MEASURES

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

Period	Excess reserves	Member banks borrowings	Free reserves		
	As revised to date			As first published each week	As expected at conclusion of each week's open market opeations
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	361	638	-277		
May p	312	653	-341		
Weekly					
1966--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	360	603	-243	-286	-282
20	373	685	-312	-281	-270
27	380	642	-262	-280	-316
May 4	286	617	-331	-280	-280
11	340	680	-340	-324	-310
18 p	311	663	-352	-315	-341
25 p	309	653	-344	-351	-370
June 1 p	448	812	-364		-342

p - Preliminary

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			
			Required reserves				Money Supply	
	Total Reserves	Nonborrowed Reserves	Total	Against Demand Deposits	Total Member Bank Deposits (credit) 1/	Time Deposits (comm. banks)	Total	Private Demand Deposits
Annually:								
1963	+ 3.5	+ 3.5	+ 3.8	+ 2.4	+ 7.5	+14.7	+ 3.8	+ 3.2
1964	+ 4.2	+ 4.6	+ 4.9	+ 3.2	+ 7.6	+12.8	+ 4.3	+ 4.0
1965	+ 5.1	+ 4.2	+ 5.0	+ 3.6	+ 9.1	+16.1	+ 4.8	+ 4.6
Monthly:								
1965--January	+ 5.3	- 1.4	+ 5.7	- 2.6	+10.5	+20.9	+ 2.3	+ 1.0
February	+10.4	+ 6.4	+ 4.3	- 2.0	+11.1	+20.5	- 2.3	- 3.8
March	+ 8.1	+ 5.1	+11.5	+ 6.9	+ 9.7	+10.1	+ 4.5	+ 4.8
April	+12.5	+ 8.4	+11.4	+ 5.0	+14.1	+12.7	+ 6.0	+ 7.6
May	- 3.4	- 1.8	- 1.1	-14.0	+ 4.1	+ 9.9	- 8.2	-12.3
June	+ 9.6	+ 8.6	+ 9.8	+15.6	+ 9.6	+11.6	+13.5	+16.3
July	+ 1.3	+ 1.7	+ 3.6	+ 1.4	+ 7.5	+15.0	+ 5.2	+ 4.7
August	- 2.7	- 6.5	- 8.7	- 0.4	+ 8.4	+21.8	+ 1.5	--
September	+ 0.8	+ 0.6	+ 2.3	+13.9	+ 1.3	+12.8	+11.8	+13.2
October	+ 2.4	+ 4.8	+ 6.1	+ 8.4	+13.5	+16.9	+ 9.5	+ 9.3
November	- 2.4	+ 3.3	- 3.8	- 1.7	+ 3.9	+15.9	+ 0.7	- 0.9
December	+18.6	+20.5	+18.3	+11.7	+11.0	+12.4	+12.3	+14.8
1966--January	+ 6.3	+ 5.7	+11.5	+ 4.1	+ 9.1	+ 8.2	+ 7.2	+ 5.5
February	+ 4.6	+ 2.2	- 0.1	- 2.4	+ 4.1	+ 6.5	- 2.9	- 5.5
March	+ 3.3	- 3.2	+ 4.5	+12.1	+ 4.0	+ 6.5	+ 8.6	+10.1
April	+17.9	+13.1	+15.0	+13.0	+17.9	+16.0	+13.5	+15.4
May p	- 4.0	- 5.7	- 4.3	-17.8	+ 2.3	+10.3	- 9.8	-14.3

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

p - Preliminary.

Chart 1

MEMBER BANK RESERVES

SEASONALLY ADJUSTED MONTHLY AVERAGES OF DAILY FIGURES

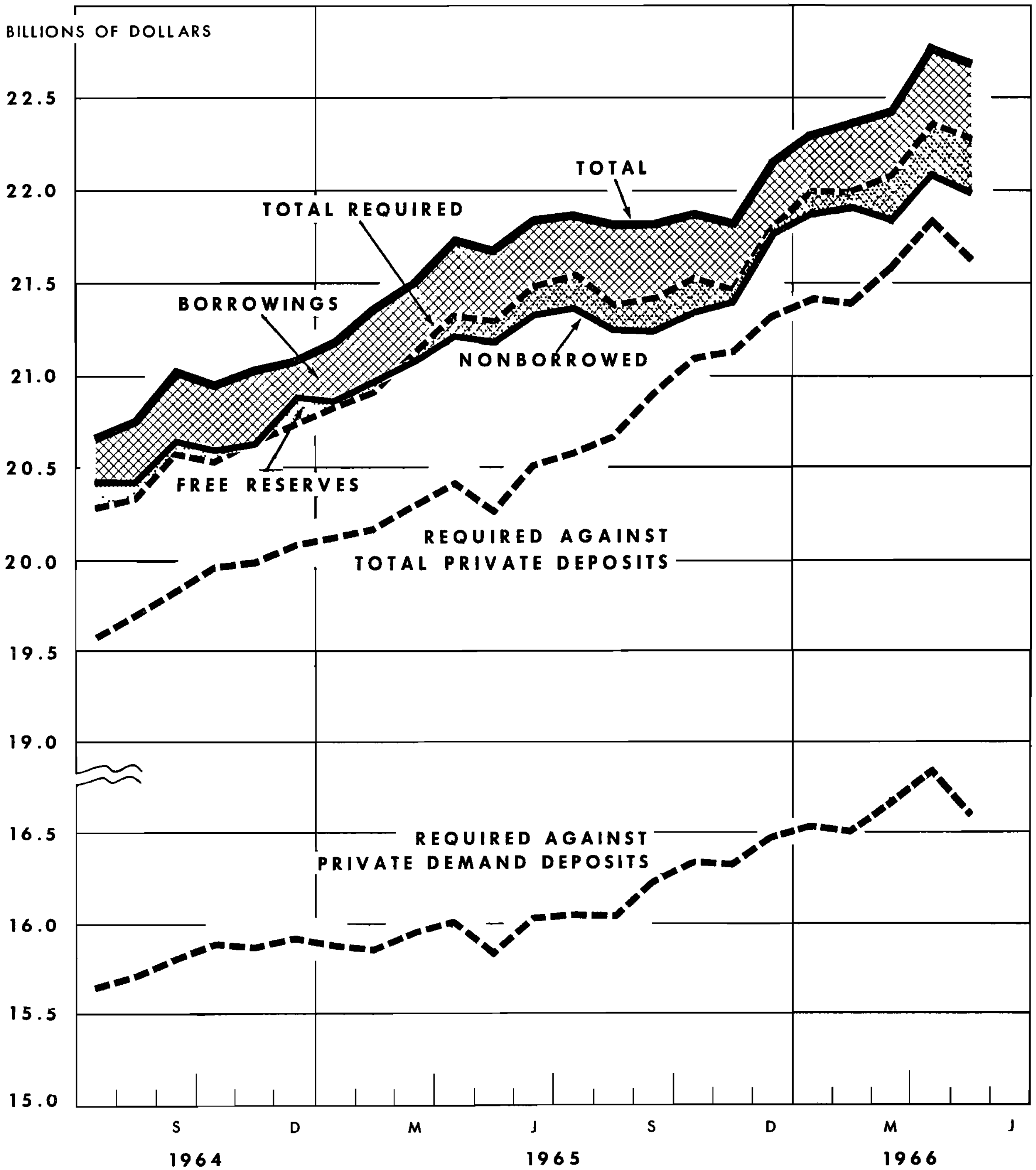

Chart 2

MONEY SUPPLY AND BANK DEPOSITS

SEASONALLY ADJUSTED WEEKLY AVERAGES OF DAILY FIGURES

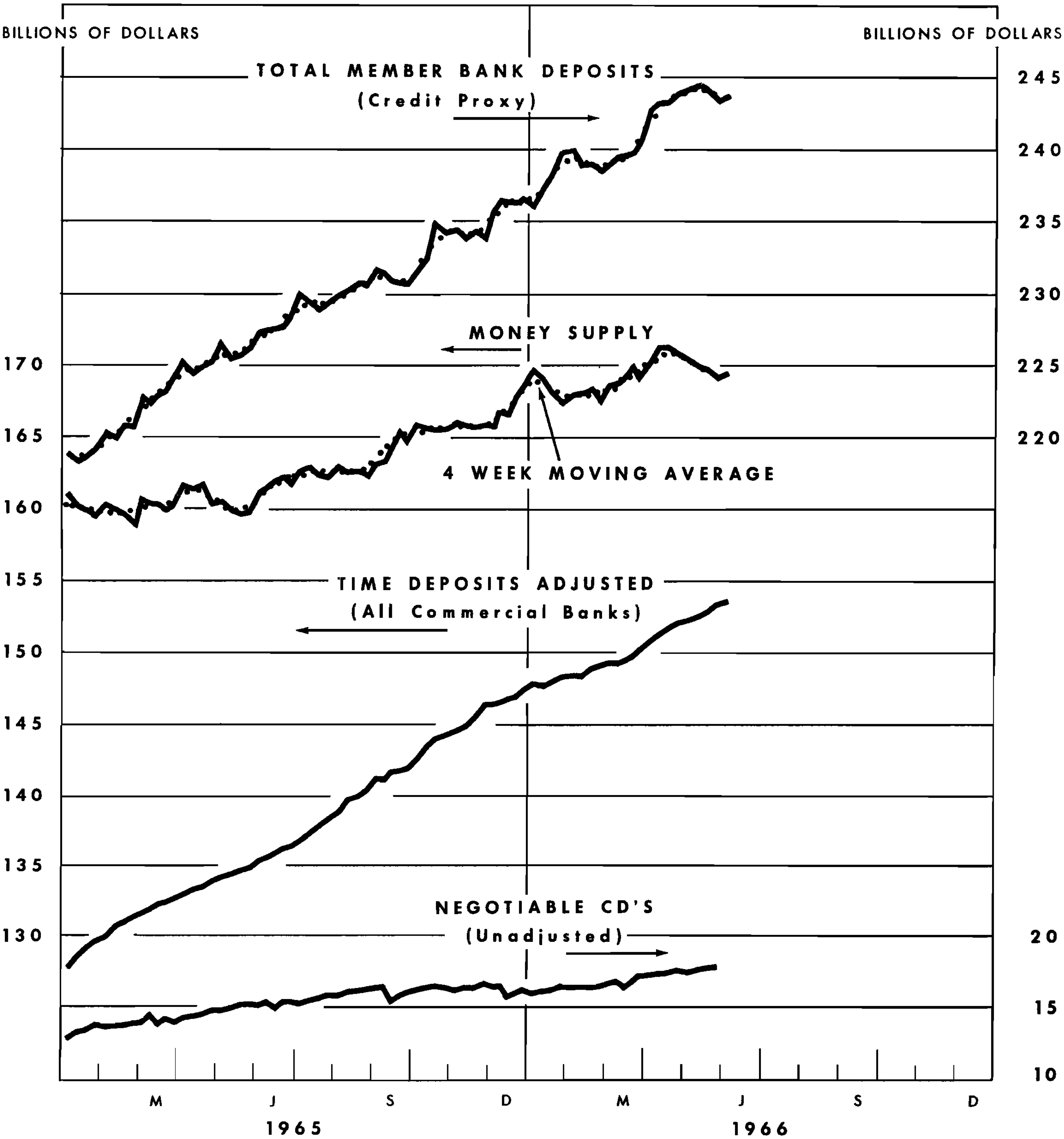

Chart 3

DEMAND DEPOSITS AND CURRENCY

SEASONALLY ADJUSTED WEEKLY AVERAGES OF DAILY FIGURES

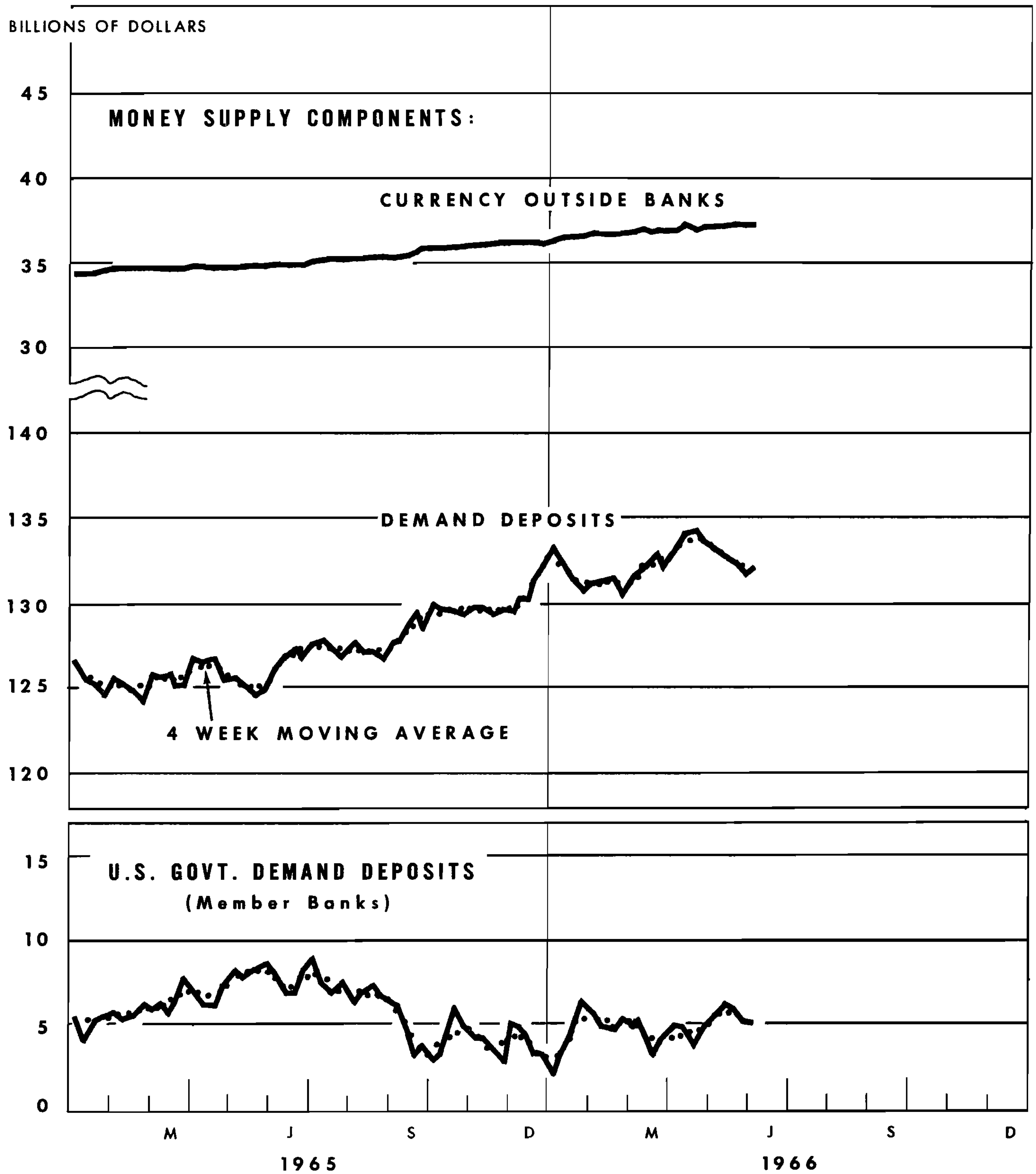

Table B-1

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: Federal Reserve credit (excl. float) 1/	Gold stock	Currency outside banks	Technical factors net 2/	= Change in total reserves	= Bank use of 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 - 6/2/65)	+1,818	-1,096	+384	-1,684	-574	-343	-231
(12/29/65 - 6/1/66)	+920	-252	+184	-1,557	-706	-693	- 13
Weekly:							
1966--Apr. 6	+512	+ 1	-441	+107	+182	+137	+ 45
13	-126	--	-310	+482	+ 44	+ 17	+ 27
20	-444	- 1	+385	+287	+225	+212	+ 13
27	+145	--	+207	-367	- 12	- 19	+ 7
May 4	+369	+ 1	-183	- 65	+120	+214	- 94
11	+422	- 15	-455	- 95	-142	-196	+ 54
18p	-309	- 86	+124	+139	-130	-101	- 29
25p	+ 99	--	+168	-490	-225	-223	- 2
June 1 p	+627	+ 2	-165	-327	+136	- 3	+139
PROJECTED 4/							
June 8	+345	--	-490	+230	+ 85	+ 85	--
15	- 75	- 10	+115	- 20	+ 10	+ 10	--
22	- 85	- 10	+ 25	+565	+495	+495	--
29	+195	- 10	+140	-300	+ 25	+ 25	--
July 6	+880	- 10	-670	-100	+100	+100	--
13	- 35	- 10	-105	+155	+ 5	+ 5	--
20	-560	- 10	+255	+390	+ 75	+ 75	--

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.

p - Preliminary.

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 $900 million.

4. Projected changes in gold stock reflect assumed outflow after June 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: during June, $0.2 billion, June 23, $0.5 billion; July 29, $0.6 billion.

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
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 - 6/2/65)	-343	+408	-751	-1,106	+ 86	--	+269
(12/29/65 - 6/1/66)	-693	+145	-838	-1,148	+ 90	+ 12	+208
Weekly:							
1966--Mar. 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	+212	-136	+348	+229	- 9	+113	+ 15
27	- 19	+213	-232	-166	+ 9	- 85	+ 10
May 4	+214	+421	-207	-183	+ 9	- 36	+ 3
11	-196	+ 64	-260	-214	+ 9	- 59	+ 4
18 p	-101	+157	-258	-185	--	- 88	+ 15
25 p	-223	- 4	-219	-165	- 9	- 64	+ 19
June 1 p	- 3	- 90	+ 87	+ 32	+ 9	+ 40	+ 6
PROJECTED							
June 8	+ 85	-165	+250	+135	- 10	+115	+ 10
15	+ 10 1/	-315	+325 1/	+265	+ 10	+ 75	- 25 1/
22	+495	+475	+ 20	- 15	- 20	+ 45	+ 10
29	+ 25	+325	-300	-300	+ 20	- 30	+ 10
July 6	+100	+ 25	+ 75	+ 85	+ 10	- 30	+ 10
13	+ 5	-180	+185	+165	- 20	+ 30	+ 10
20	+ 75	- 45	+120	+115	+ 10	- 15	+ 10

1/ Includes estimated reduction in required reserves due to redefinition of time deposits effective June 9.

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)				
Year:					
1963 (12/26/62 - 12/25/63)	- 76	-216	+149	+ 88	- 97
1964 (12/25/63 - 12/23/64)	-365	-470	- 84	+ 11	+178
Year-to-date:					
(12/30/64 - 6/2/65)	-1,684	- 6	-1,438	+ 62	-302
(12/29/65 - 6/1/66)	-1,557	- 47	-1,043	- 16	-451
Weekly:					
1966--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
11	- 95	+ 13	-151	+ 28	+ 15
18	+139	- 85	+248	- 6	- 18
25	-490	-259	- 42	+ 6	-195
June 1	-327	+ 17	-313	- 20	- 11
PROJECTED					
June 8	+230	+190	+ 40	+ 10	- 10
15	- 20	-225	+150	--	+ 55
22	+565	--	+500	--	+ 65
29	-300	--	-300	--	--
July 6	-100	--	-100	--	--
13	+155	--	+120	--	+ 35
20	+390	--	+300	--	+ 90

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				Bankers' acceptances	Member bank borrowings
		Total holdings	Outright		Repurchase agreements		
			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 - 6/2/66)	+4,295	+3,926	+3,055	+916	- 45	+ 80	+289
(12/29/65 - 6/1/66)	+ 920	+ 605	+ 622	+204	-221	+ 49	+266
Weekly:							
1966--Jan. 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
11	+ 422	+ 402	+ 185	--	+217	- 43	+ 63
18	- 309	- 292	- 128	--	-164	--	- 17
25	+ 99	+ 68	+ 203	--	-135	+ 41	- 10
June 1	+ 627	+ 442	+ 411	+ 31	--	+ 26	+159

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	22,764	22,087	22,352	21,843	16,846
May p	22,688	21,982	22,271	21,634	16,596

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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 figres)

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	218,641	106,107	107,353	5,181
February	220,670	107,843	107,178	5,649
March	222,476	108,778	107,795	5,903
April	225,083	109,996	108,243	6,844
May	225,848	110,898	106,975	7,975
June	227,673	111,955	108,372	7,346
July	229,058	113,306	108,497	7,255
August	230,623	115,594	108,456	6,573
September	230,911	116,900	109,717	4,294
October	233,485	118,718	110,489	4,278
November	234,302	120,152	110,327	3,823
December	236,373	121,220	111,409	3,744
1966--January	238,204	121,861	111,787	4,556
February	239,024	122,401	111,562	5,061
March	239,811	123,038	112,684	4,089
April	243,398	124,898	113,905	4,595
May p	243,860	125,951	112,207	5,702

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	243,216	124,684	113,764	4,768
20	243,286	125,042	114,482	3,762
27	243,882	125,311	113,810	4,761
May 4	244,178	125,369	113,407	5,402
11	244,465	125,455	112,952	6,058
18 p	244,081	125,821	112,401	5,859'
25 p	243,380	126,309	111,976	5,095
June 1 p	243,697	126,447	112,243	5,007

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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 on 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 2/	Private Demand Deposits 1/	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	171.1	37.1	134.0	151.6
May p	169.7	37.3	132.4	152.9

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.

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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 1/	Private Demand Deposits 2/	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	171.1	37.0	134.1	151.6
27	170.9	37.1	133.7	152.0
May 4	170.4	37.2	133.2	152.3
11	170.0	37.2	132.8	152.5
18 p	169.7	37.3	132.4	152.9
25 p	169.1	37.3	131.8	153.4
June 1 p	169.5	37.3	132.2	153.7

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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