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September 29, 1967.

MONEY MARKET AND RESERVE RELATIONSHIPS

Recent developments

With private credit demands moderating and with relatively high market interest rates beginning to impinge somewhat on the previous rapid rate of increase in time and savings deposits, bank credit expansion in September averaged $9\frac{1}{2}$ per cent at an annual rate--as indicated by preliminary daily deposit figures--down 7 percentage points from the pace of August and in line with staff expectations. Euro-dollar borrowings abroad by U.S. banks showed little change on average in September, although increasing toward month end.

Private demand deposits declined slightly in September, reflecting in part relatively weak business loan demand, while time deposits increased at a considerably slower pace than in the preceding months of this year. Outstanding negotiable CD's are estimated to have declined \$700 million in September, on the basis of partial figures thus far available. While banks were clearly not aggressive in seeking CD funds, some large banks did find it necessary to raise their offering rates in face of further upward rate pressures in short-term markets.

Treasury bill rates have risen generally 5 - 15 basis points on balance since the last meeting of the Committee, with the largest increases in the long-term bill area, the area most influenced by the Treasury's cash borrowing plans. In the latter part of September, the Treasury announced \$4.5 billion of April and June tax bills to be

FINANCIAL MARKET RELATIONSHIPS IN PERSPECTIVE

(Monthly averages and, where available, weekly averages of daily figures)

Period	Money Market Indicators				Bond Yields			Flow of Reserves, Bank Credit and Money				
	Free Reserves (In millions of dollars)	Borrowings	Federal Funds Rate	3-month Treasury Bill	U.S. Gov't. (20 yr.)	Corporate New Issues (Aaa) ^{1/}	Municipal (Aaa)	Non-borrowed Reserves (In millions of dollars)	Total Reserves	Bank Credit Proxy (In billions of dollars)	Money Supply (In billions of dollars)	Time Deposits ^{2/} (In billions of dollars)
	(Seasonally Adjusted)											
1966--Sept.	-390	765	5.30	5.36	4.94	5.82**	3.93	- 36	+ 84	- 0.1	+ 0.4	+ 0.7
Oct.	-425	766	5.46	5.33	4.83	5.70**	3.82	-116	-131	- 0.9	- 0.4	+ 0.2
Nov.	-235	605	5.75	5.31	4.88	5.71	3.78	+150	- 59	- 0.6	--	- 0.3
Dec.	-196	529	5.39	4.96	4.76	5.73	3.79	- 13	- 16	+ 0.4	+ 0.3	+ 1.3
1967--Jan.	- 59	476	4.87	4.72	4.51	5.43	3.50	+475	+359	+ 3.3	- 0.1	+ 2.2
Feb.	42	366	4.99	4.56	4.61	5.18	3.38	+325	+218	+ 3.3	+ 1.2	+ 2.6
Mar.	172	196	4.50	4.26	4.56	5.31	3.47	+555	+415	+ 3.0	+ 1.6	+ 2.6
Apr.	199	150	4.03	3.84	4.64	5.38	3.50	+ 92	+ 49	+ 2.1	- 0.3	+ 2.0
May	275	94	3.94	3.60	4.90	5.62	3.71	+ 96	- 8	+ 1.2	+ 1.6	+ 1.9
June	257	88	3.97	3.53	4.99	5.79	3.80	+ 95	+164	+ 2.0	+ 1.7	+ 2.5
July	311	132	3.78	4.20	5.01	5.78	3.86	+307	+223	+ 3.2	+ 1.7	+ 2.2
Aug.	250	86	3.88	4.26	5.12	5.89**	3.78	+282	+261	+ 3.7	+ 1.2	+ 2.5
Sept. p	274	82	4.00	4.42	5.15	5.88**	3.81	+ 65	+154	+ 2.0	- 0.1	+ 1.7
1967--Sept. 6 p	287	79	4.03	4.33	5.11	5.83**	3.80			+ 2.2	+ 0.4	+ 0.3
13 p	316	70	3.98	4.33	5.11	5.98	3.80			+ 0.2	+ 0.3	+ 0.2
20 p	308	106	4.00	4.46	5.16	5.82	3.82			- 0.8	- 1.9	+ 0.3
27 p	185	74	4.00	4.55	5.22	5.89**	3.83			+ 0.1	+ 1.1	+ 0.1
	<u>Averages</u>							<u>Annual rates of increase ^{3/}</u>				
Year 1966	-283	672	5.06	4.85	4.77	5.41	3.67	+ 0.8*	+ 1.2*	+ 3.7*	+ 2.2	+ 8.8*
Second Half 1966	-338	763	5.39	5.12	4.87	5.74	3.83	- 1.3*	- 2.3*	+ 0.3*	- 0.2	+ 6.5*
First Half 1967	153	222	4.38	4.09	4.70	5.45	3.56	+15.0	+10.7	+12.1	+ 6.8	+17.3
<u>Recent variations in growth</u>												
Mar. 29-June 28	245	110	4.00	3.66	4.83	5.63	3.68			+18.8	+ 6.9	+14.3
Jun. 28-Aug. 16	280	123	3.85	4.17	5.05	5.83	3.82			+19.4	+11.8	+18.4
Aug. 16-Sept. 27	290	70	3.91	4.40	5.15	5.91**	3.81			+ 6.5	- 1.0	+ 9.2

^{1/} Includes issues carrying 5-year and 10-year call protection; ** issues carry a 5-year call protection.

^{2/} Time deposits adjusted at all commercial banks.

^{3/} Base is change for month preceding specified period or in case of weekly periods, the first week shown.

* - Changes have been adjusted for redefinition of time deposits effective June 9, 1966.

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auctioned October 3 and paid for on October 9, with 75 per cent tax and loan credit. The Treasury also announced another full 13 week cycle of \$100 million cash additions to the 3-month bill auctions.

In anticipation of a financing announcement, the 3-month Treasury bill rose by 20 basis points in a week to a peak of 4.60 per cent on September 22, but subsequently dropped back to around 4.40 per cent as the market supply of such bills became limited in a period when the System was meeting sizable reserve needs. But the 6-month and 1-year bills have stayed closer to their late September peaks and were most recently quoted at 5.02 and 5.16 per cent respectively. Rates on other short-term instruments, such as Federal Agencies and bankers acceptances, have also advanced somewhat during recent weeks.

The Federal funds rate fluctuated in a $3\frac{7}{8}$ - $4\frac{1}{8}$ per cent range during the past three weeks and new dealer loan rates in New York in a $4\frac{1}{8}$ - $4\frac{3}{8}$ per cent range. For Federal funds, this has been the range of fluctuation generally prevailing since May, along with member bank borrowings most commonly in a \$50 - \$100 million range and free reserves generally in a \$175 - \$325 million range.

During the three weeks ending September 27, which included the September dividend and tax period, the Federal funds rate has averaged just about 4 per cent, a tick higher than in previous summer months. Member bank borrowings have averaged \$83 million and free reserves \$270 million, little different from levels prevailing during summer, but the basic reserve deficit, and hence demands for money market funds,

of major New York banks bulged around the mid-September dividend and tax weeks.

Relative to the seasonal movements in other reserve factors, the System's open market operations were a minor factor in the market until the last 10 days of September. In meeting the reserve needs that developed in this recent period, the System purchased around \$725 million of Treasury bills, and also bought \$140 million of coupon issues. These operations and other factors affecting reserves during the month led to an expansion in total reserves of $7\frac{1}{2}$ per cent, at a seasonally adjusted annual rate, and required reserves at around a 6 per cent rate. The required reserve growth was well below that of the previous two months, partly because bank credit expansion in September was sustained mainly by time deposit growth.

Prospective developments

It would appear that bank credit in October under the influence of the current Treasury financing is likely to expand somewhat faster than in September--in the area of 10 - 13 per cent--if money market conditions remain within recent ranges. These market conditions are likely to be consistent with a 3-month Treasury bill rate moving up in a 4.40 - 4.70 per cent range as the favorably dated December bills move out of the 3-month maturity slot. The bill rate was only affected to a very minor extent by the recent increase in the Canadian discount rate; however, any further significant tightening of money market conditions abroad affecting Euro-dollar rates would tend to exert pressure on our bill rates.

The rate of bank credit expansion projected for October is about the same as that experienced in the first half of 1967, and below the high July-August rates. It in large part reflects \$5 billion of Treasury net cash borrowing during the month--including the tax bill financing noted earlier and cash additions to the regular weekly and monthly bill auctions. About half of the bank credit expansion, on a daily average basis, will probably take the form of additions to U.S. Government demand deposits. Banks will sell off part of the tax bills they acquire, but such sales are likely to be at a relatively slow pace so long as loan demand pressures remain moderate. Under such conditions, private demand deposits and the money supply may be expected to show a small increase in October.

Time and savings deposits in October are expected to expand in an 11 - 13 per cent range, slightly faster than in September, but still slower than in earlier months of the year. Net inflows of consumer time and savings deposits are likely to continue at around the recent somewhat reduced pace, given continued competition from market rates. Banks are likely to make some efforts to replace September CD run-offs in October, but the net increase in CD's outstanding in the month is likely to be moderate in view of the uncertainties about the strength of loan demand and competition from new tax bills, so long as there is continued availability of Euro-dollar funds. Banks will probably find it necessary to stress relatively shorter CD maturities in order to attract funds, given the existing structure of rates in the bill market.

Because Government demand deposits are projected to be a principal source of funds for bank credit expansion, required reserves in October may expand at a 15 - 17 per cent rate, a much more rapid growth than in September, when demand deposits were only a minor source of bank credit growth. Total and nonborrowed reserves would be expected to grow at similar rates, assuming borrowings do not edge up from current levels, since banks have little scope to economize on excess reserves.

If the Committee should favor a move toward somewhat firmer money market conditions, it might contemplate operations leading to an increase in member bank borrowings from current levels to a \$100 - \$150 million range and a rise in the Federal funds rate to trading more frequently at 4-1/8 per cent. The psychological and other effects of such a policy shift are difficult to specify in the present environment, dominated as it is by a number of fiscal uncertainties. The 3-month bill rate would be more certain to move towards the upper end of the previously specified range and would likely break through to around 4-3/4 per cent. The equilibrium bill rate would depend in large measure, however, on how strong an effort banks would make to secure CD's by raising their offering rates while it was still feasible to do so. With such an effort, a temporary quickening of bank credit growth could develop, with a further impetus if banks also became more aggressive in the Euro-dollar market. Intermediate- and long term market yields would also tend to rise further, with the extent of

increase depending in part on how apprehensive market participants become about the future mix of fiscal and monetary policies, including discount rate action, and about prospects for disintermediation.

The current Treasury bill financing and the Treasury's mid-November refunding to be announced in the latter part of October would pose some problems of timing if the Committee calls for a move toward less ease, even if the change in conditions sought is of the modest dimensions suggested above. The initiation of such a move would need to be timed to avoid undermining either bank or dealer underwriting support in the current large tax bill issue and thus would depend upon market conditions surrounding the financing--with the auction date October 3 and the payment date October 9. And to avoid complicating the Treasury's problems in designing and pricing the mid-November refunding, any such move would best be substantially completed a few days before the announcement date around October 25.

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
Monthly (reserves weeks ending in):					
1966--September	375	765	-390		
October	341	766	-425		
November	370	605	-235		
December	333	529	-196		
1967--January	417	476	- 59		
February	408	366	42		
March	368	196	172		
April	349	150	199		
May	369	94	275		
June	345	88	257		
July	449	132	317		
August	336	86	250		
September p	356	82	274		
Weekly:					
1967--June 7	331	77	254	284	290
14	355	43	312	325	339
21	261	91	170	198	229
28	431	141	290	304	292
July 5	462	353	109	152	168
12	643	69	574	597	604
19	236	51	185	195	214
26	453	54	399	403	417
Aug. 2	295	116	179	206	188
9	371	91	280	324	319
16	382	129	253	258	269
23	473	47	426	422	438
30	260	46	214	182	202
Sept. 6 p	366	79	287	288	219
13 p	386	70	316	275	293
20 p	414	106	308	336	350
27 p	259	74	185	185	217

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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> <u>2/</u>	Time Deposits (comm. banks) <u>2/</u>	Money Supply	
			Total	Against Demand Deposits			Total	Private Demand Deposits
Annually:								
1965	+ 5.2	+ 4.2	+ 5.1	+ 2.3	+ 9.1	+16.0	+ 4.7	+ 4.3
1966	+ 1.2	+ 0.8	+ 1.4	+ 0.9	+ 3.7	+ 8.8	+ 2.2	+ 1.2
Monthly:								
1966--Jul.	+ 8.1	+ 6.0	+ 4.9	+ 5.9	+ 9.3	+16.3	- 4.9	- 8.1
Aug.	-15.2	-13.0	- 8.4	-11.5	- 1.0	+ 9.2	+ 1.4	+ 0.9
Sept.	+ 4.5	- 2.0	- 1.0	- 4.5	- 0.5	+ 3.8	+ 2.8	+ 1.8
Oct.	- 6.9	- 6.4	- 3.0	- 7.2	- 4.4	+ 1.5	- 2.8	- 4.5
Nov.	- 3.1	+ 8.3	- 3.1	- 0.5	- 3.4	- 2.3	--	- 0.9
Dec.	- 0.9	- 0.7	+ 1.8	- 6.7	+ 2.0	+ 9.8	+ 2.1	+ 0.9
1967--Jan.	+19.2	+26.0	+14.4	+14.0	+16.1	+16.5	- 0.7	- 2.7
Feb.	+11.5	+17.4	+12.0	+11.6	+15.9	+19.3	+ 8.5	+ 9.1
Mar.	+21.6	+29.4	+15.3	+ 9.8	+14.3	+19.0	+11.2	+12.7
Apr.	+ 2.5	+ 4.7	+ 8.1	+ 5.0	+ 9.9	+14.4	- 2.8	- 5.4
May	- 0.4	+ 4.9	- 1.2	- 2.1	+ 5.6	+13.5	+12.5	+15.3
June	+ 8.4	+ 4.9	+ 4.8	- 2.8	+ 8.8	+17.5	+11.7	+13.3
Jul.	+11.3	+15.2	+16.0	+16.1	+15.2	+15.2	+11.6	+14.0
Aug.	+13.1	+14.2	+16.0	+15.1	+16.4	+17.1	+ 8.1	+10.4
Sept. p	+ 7.7	+ 3.2	+ 6.3	+ 3.7	+ 9.4	+11.4	- 0.7	- 2.6

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

2/ Changes in reserves, total deposits and time deposits have been adjusted for redefinition of time deposits effective June 9, 1966.

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Chart 1

MEMBER BANK RESERVES

MONTHLY AVERAGES OF DAILY FIGURES

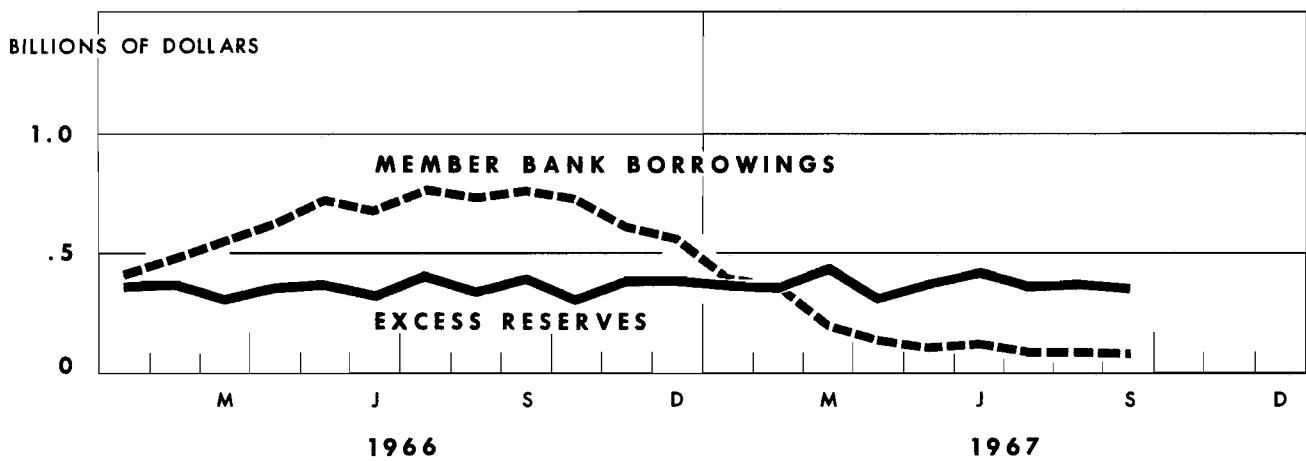
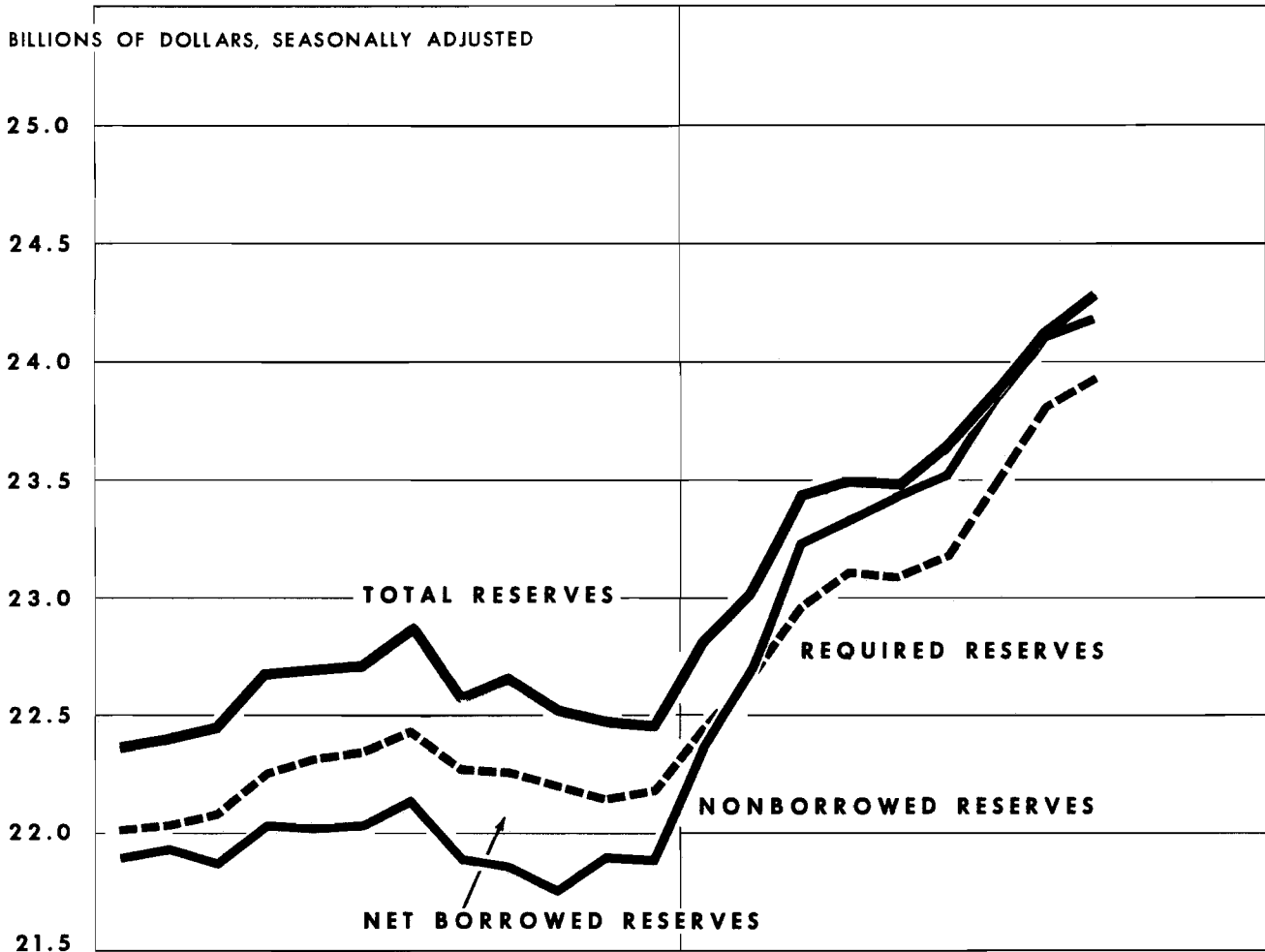


Chart 2

MEMBER BANK DEPOSITS AND LIABILITIES TO OVERSEAS BRANCHES

BILLIONS OF DOLLARS

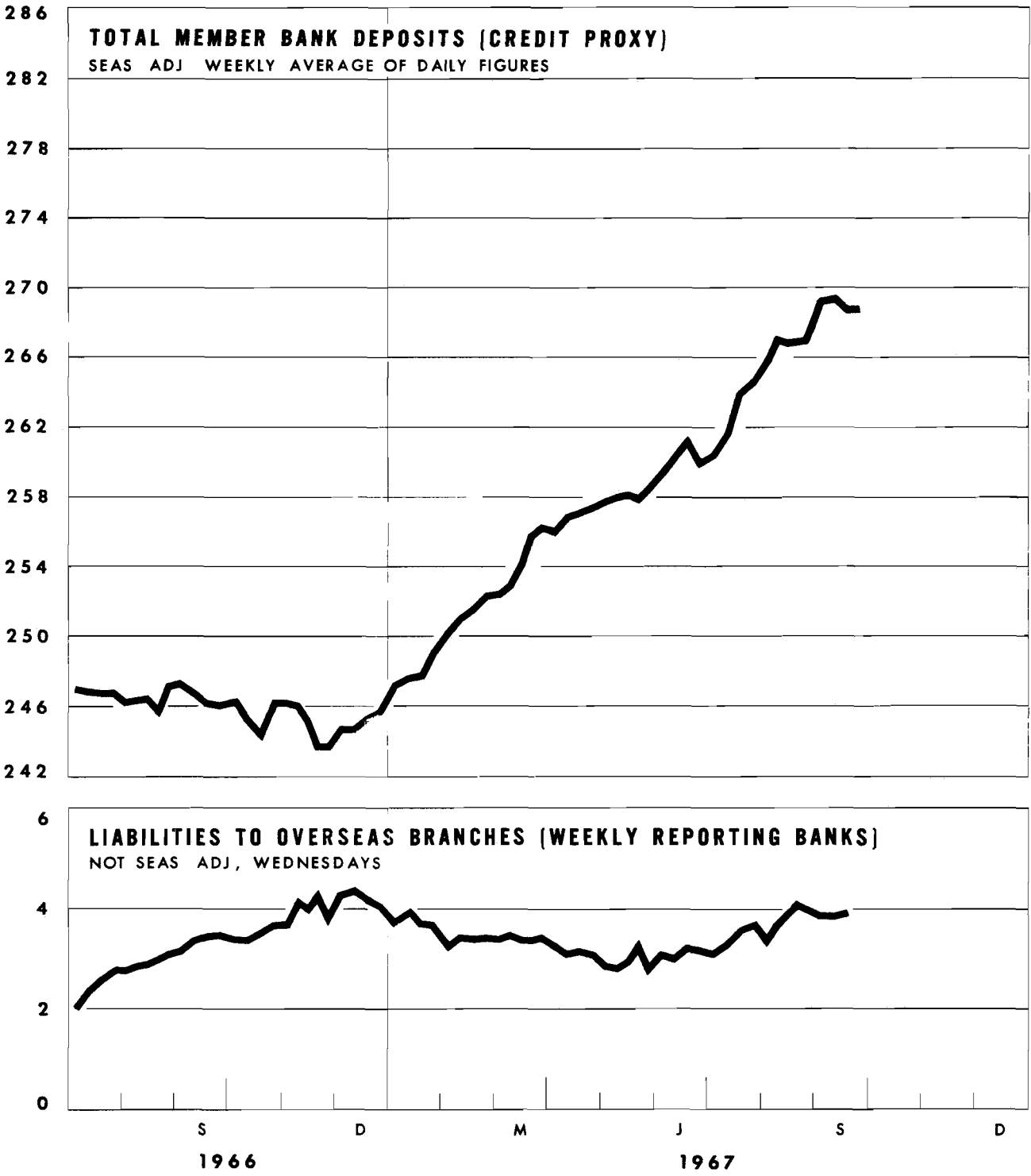
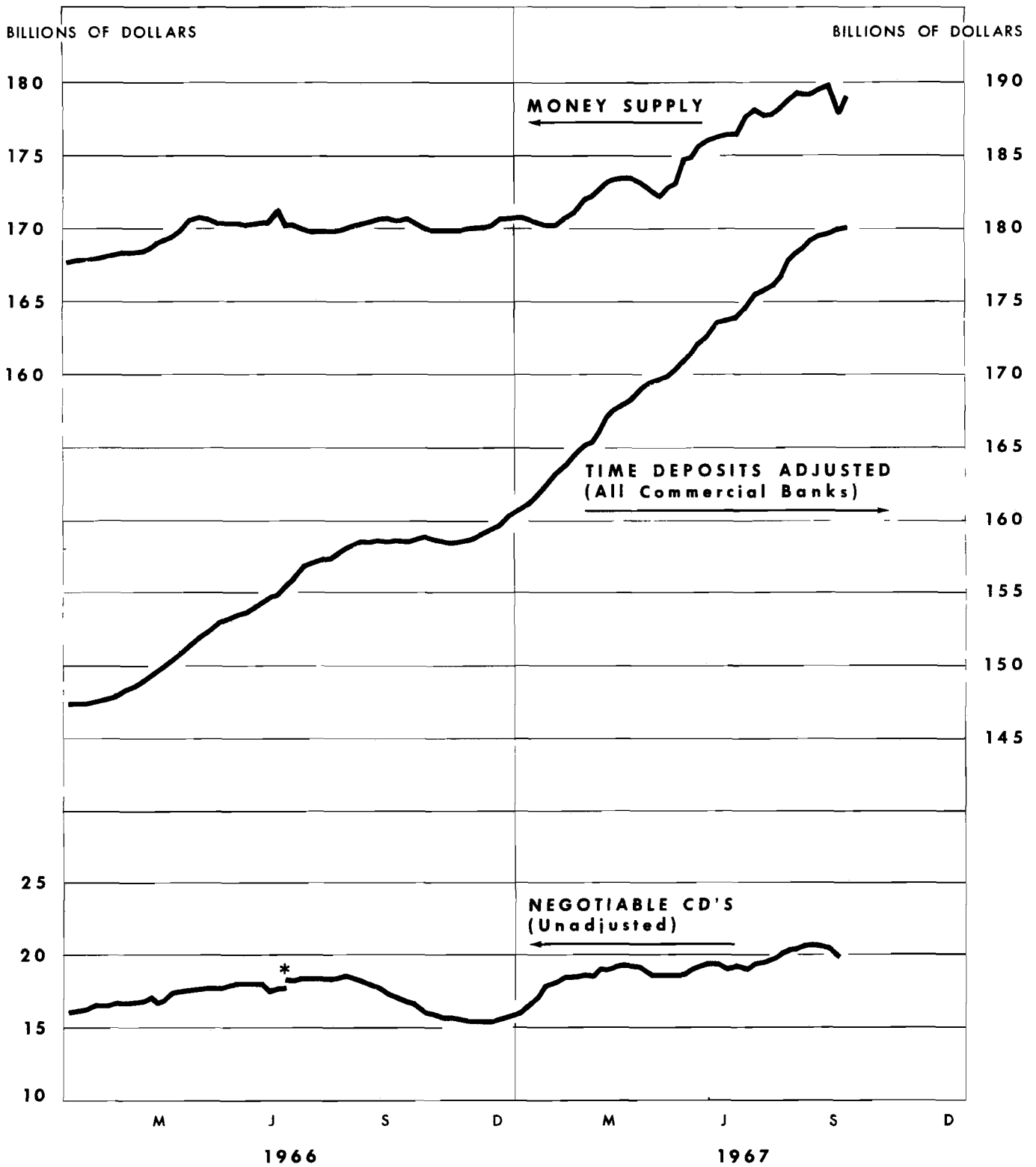


Chart 3

MONEY SUPPLY AND BANK DEPOSITS

SEASONALLY ADJUSTED WEEKLY AVERAGES OF DAILY FIGURES



* CHANGE IN SERIES

Chart 4

DEMAND DEPOSITS AND CURRENCY

SEASONALLY ADJUSTED WEEKLY AVERAGES OF DAILY FIGURES

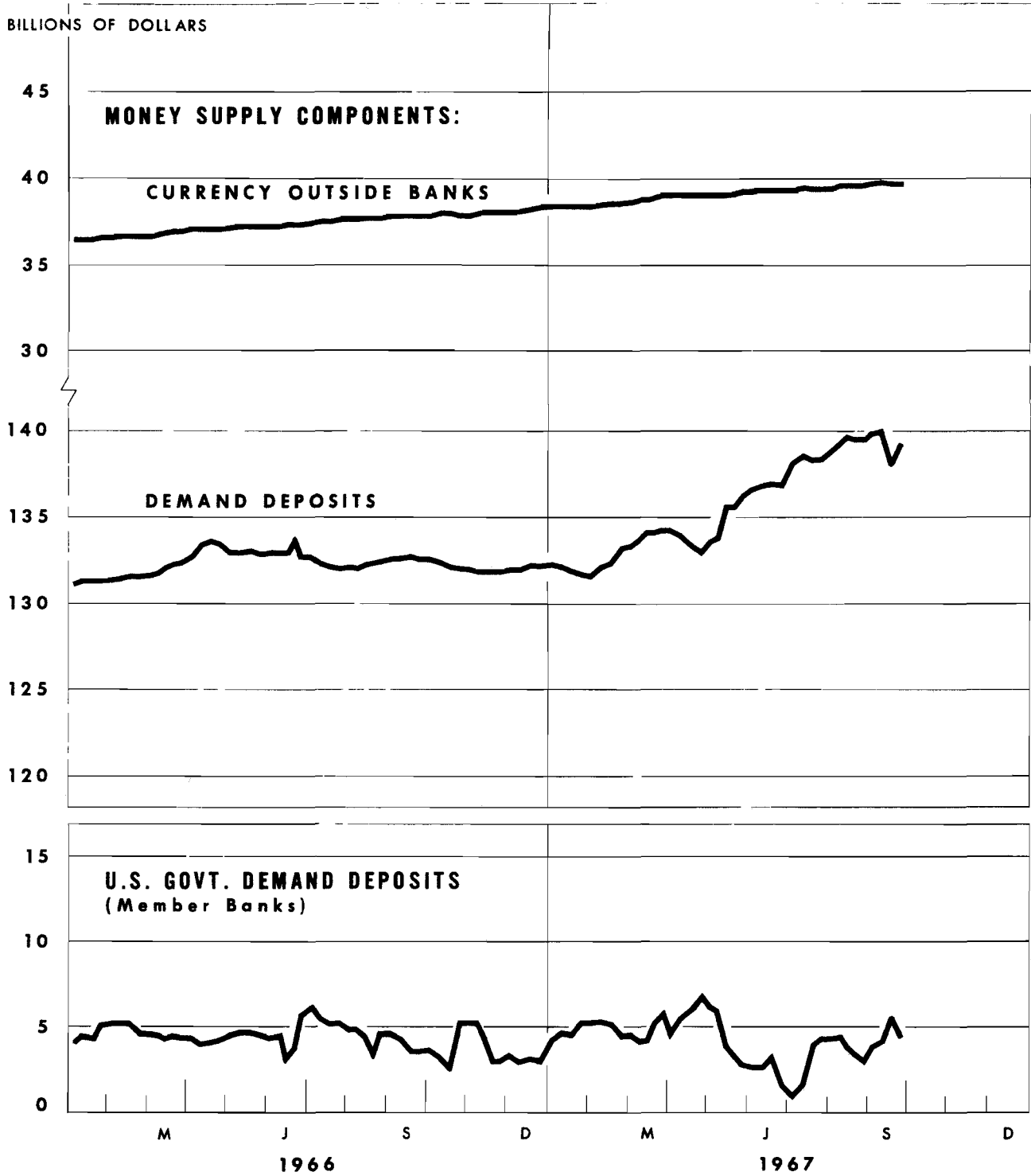


Table B-1

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							
<u>Year:</u>							
1965 (12/30/64 - 12/29/65)	+4,035	-1,602	-2,143	+ 798	+1,089	+1,188	- 99
1966 (12/29/65 - 12/28/66)	+3,149	- 627	-2,243	+ 805	+1,085	+1,111	- 26
<u>Year-to-date:</u>							
(12/29/65 - 9/28/66)	+1,660	- 529	- 385	- 692	+ 53	+ 449	- 396
(12/28/66 - 9/27/67)	+1,984	- 153	- 80	-1,705	+ 45	+ 223	- 178
<u>Weekly:</u>							
1967--August							
23	- 300	+ 1	+ 107	+ 203	+ 10	- 81	+ 91
30	- 263	- 14	+ 255	- 273	- 298	- 85	- 213
September							
6 p	+ 475	- 36	- 524	+ 552	+ 469	+ 363	+ 106
13 p	- 501	- 1	- 64	+ 648	+ 82	+ 62	+ 20
20 p	- 119	--	+ 245	+ 156	+ 281	+ 253	+ 28
27 p	+ 446	- 1	+ 272	- 815	- 97	+ 58	- 155
PROJECTED ^{4/}							
1967--October							
4	+ 330	--	- 50	- 205	+ 75	+ 75	--
11	+ 335	--	- 285	--	+ 50	+ 50	--
18	+ 70	--	- 120	+ 370	+ 320	+ 320	--
25	- 370	--	+ 170	+ 200	--	--	--
November							
1	+ 235	--	+ 20	- 380	- 125	- 125	--
8	+ 250	--	- 220	- 100	- 70	- 70	--
15	+ 200	--	- 350	+ 95	- 55	- 55	--

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.

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>							
1965 (12/30/64 - 12/29/65)	+1,188	- 89	+1,277	+ 115	- 4	+ 499	+ 677
1966 (12/29/65 - 12/28/66)	+1,111	- 87	+1,194	- 14	- 4	- 5	+1,221 <u>1/</u>
<u>Year-to-date:</u>							
(12/29/65 - 9/28/66)	+ 449	+ 36	+ 413	- 980	+ 53	+ 156	+1,184
(12/28/66 - 9/27/67)	+ 223	+ 217	+ 6	+ 836	+ 54	+ 782	+ 6 <u>2/</u>
<u>Weekly:</u>							
1967--Aug. 23	- 81	+ 81	- 162	- 191	- 5	+ 41	+ 17
30	- 85	- 165	+ 80	+ 58	- 11	- 18	+ 34
Sept. 6 p	+ 363	+ 130	+ 233	+ 103	- 5	+ 79	+ 17
13 p	+ 62	- 123	+ 185	+ 219	--	- 41	+ 7
20 p	+ 253	+ 191	+ 62	+ 367	- 25	- 273	- 7
27 p	+ 58	+ 311	- 253	- 425	+ 6	+ 163	+ 3
<u>PROJECTED</u>							
1967--Oct. 4	+ 75	- 75	+ 150	+ 115	+ 5	+ 15	+ 15
11	+ 50	- 40	+ 90	+ 15	- 5	+ 60	+ 20
18	+ 320	+ 145	+ 175	+ 115	- 5	+ 45	+ 20
25	--	+ 40	- 40	--	+ 5	- 60	+ 15
Nov. 1	- 125	- 245	+ 120	+ 105	- 5	--	+ 20
8	- 70	- 85	+ 15	- 45	- 5	+ 45	+ 20
15	- 55	- 90	+ 35	+ 60	- 15	- 30	+ 20

1/ Reflects reserve requirements changes in July and September 1966.

2/ Reflects reserve requirements changes in March 1967.

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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>						
1965 (12/30/64 - 12/29/65)		+ 798	+ 294	- 171	+ 77	+ 598
1966 (12/29/65 - 12/28/66)		+ 805	+ 673	+ 64	- 30	+ 98
<u>Year-to-date:</u>						
(12/29/65 - 9/28/66)		- 692	- 119	- 516	- 13	- 44
(12/28/66 - 9/27/67)		-1,705	- 424	-1,281	+ 14	- 14
<u>Weekly:</u>						
1967--Aug.						
	23	+ 203	- 7	+ 247	- 7	- 30
	30	- 273	- 34	- 324	+ 12	+ 73
Sept.						
	6	+ 552	+ 399	+ 120	- 12	+ 45
	13	+ 648	+ 520	+ 134	+ 7	- 13
	20	+ 156	- 151	+ 210	--	+ 97
	27	- 815	- 560	- 258	- 3	+ 6
<u>PROJECTED</u>						
1967--Oct.						
	4	- 205	- 55	- 150	--	--
	11	--	- 40	+ 40	--	--
	18	+ 370	--	+ 220	--	+ 150
	25	+ 200	--	+ 200	--	--
Nov.						
	1	- 380	--	- 380	--	--
	8	- 100	--	- 100	--	--
	15	+ 95	--	+ 80	--	+ 15

Table B-4

SOURCE OF FEDERAL RESERVE CREDIT

Retrospective Changes

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

Period	Total Federal Reserve credit (Excl. float)	U.S. Government securities				Federal Agency Securities	Bankers' acceptances	Member banks borrowings
		Total holdings	Bills	Other	Repurchase agreements			
<u>Year:</u>								
1965 (12/30/64 - 12/29/65)	+4,035	+3,916	+3,145	+916	-145	--	+ 77	+ 42
1966 (12/29/65 - 12/28/66)	+3,149	+3,069	+2,158	+474	+437	+ 26	+ 52	+ 2
<u>Year-to-date:</u>								
(12/29/65 - 9/28/66)	+1,660	+1,641	+1,423	+439	-221	--	- 85	+104
(12/28/66 - 9/27/67)	+1,984	+2,531	+2,357	+832	-658	- 26	- 47	-474
<u>Weekly:</u>								
1967--Aug.								
	2	+ 181	+ 118	+ 118	--	--	+ 1	+ 62
	9	+ 122	+ 98	- 29	--	+127	+ 49	- 25
	16	- 226	- 217	- 200	--	- 17	- 49	+ 38
	23	- 300	- 210	- 100	--	- 110	- 6	- 82
	30	- 263	- 255	- 255	--	--	- 7	- 1
Sept.	6	+ 475	+ 438	+ 299	+ 52	+ 87	- 2	+ 33
	13	- 501	- 480	- 393	--	--	- 6	- 9
	20	- 119	- 152	- 152	--	--	- 3	+ 36
	27	+ 446	+ 397	+ 393	+ 4	--	+ 81	- 32

Chart Reference Table C-1

TOTAL, NONBORROWED AND REQUIRED RESERVES 1/

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
1965--Jul.	21,857	21,356	21,488	20,626	15,921
Aug.	21,923	21,417	21,533	20,719	15,943
Sept.	21,869	21,318	21,494	20,904	16,065
Oct.	21,986	21,533	21,645	21,073	16,147
Nov.	21,976	21,589	21,671	21,170	16,196
Dec.	22,186	21,722	21,861	21,285	16,266
1966--Jan.	22,358	21,899	22,007	21,411	16,375
Feb.	22,401	21,943	22,028	21,464	16,413
Mar.	22,452	21,873	22,077	21,600	16,506
Apr.	22,679	22,027	22,252	21,771	16,605
May	22,703	22,020	22,308	21,782	16,562
June	22,707	22,030	22,339	21,883	16,606
Jul.	22,861	22,140	22,431	21,841	16,512
Aug.	22,571	21,900	22,274	21,842	16,473
Sept.	22,655	21,864	22,256	21,860	16,475
Oct.	22,524	21,748	22,200	21,741	16,365
Nov.	22,465	21,898	22,142	21,716	16,364
Dec.	22,449	21,885	22,175	21,772	16,378
1967--Jan.	22,808	22,360	22,442	21,803	16,328
Feb.	23,026	22,685	22,666	22,044	16,478
Mar.	23,441	23,240	22,955	22,297	16,647
Apr.	23,490	23,332	23,110	22,293	16,578
May	23,482	23,428	23,086	22,559	16,786
June	23,646	23,523	23,178	22,890	17,024
Jul.	23,869	23,830	23,488	23,053	17,119
Aug.	24,130	24,112	23,802	23,270	17,241
Sept. p	24,284	24,177	23,927	23,300	17,209

p - Preliminary.

1/ Reserves have been adjusted for redefinition of time deposits effective June 9, 1966.

Table C-2

DEPOSITS SUPPORTED BY REQUIRED RESERVES AT ALL MEMBER BANKS

Seasonally adjusted

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

Monthly	Total member bank deposits (credit) ^{1/} _{2/}	Time deposits _{2/}	Private demand deposits ^{3/}	U.S. Gov't. demand deposits
1965--Jul.	229.1	113.6	108.6	6.8
Aug.	230.4	115.4	108.8	6.3
Sept.	231.4	116.9	109.6	4.9
Oct.	233.5	119.0	110.1	4.4
Nov.	234.8	120.2	110.5	4.1
Dec.	236.4	121.2	111.0	4.2
1966--Jan.	238.0	121.7	111.7	4.7
Feb.	239.0	122.0	112.0	5.0
Mar.	239.8	123.0	112.6	4.2
Apr.	242.2	124.8	113.3	4.1
May	243.9	126.1	113.0	4.8
June	244.8	127.5	113.3	4.0
Jul.	246.7	128.7	112.6	5.3
Aug.	246.5	129.7	112.4	4.4
Sept.	246.4	130.1	112.4	3.9
Oct.	245.5	129.9	111.6	4.0
Nov.	244.8	129.3	111.6	4.0
Dec.	245.2	130.3	111.7	3.2
1967--Jan.	248.5	132.2	111.4	4.9
Feb.	251.8	134.4	112.4	5.0
Mar.	254.8	136.5	113.6	4.8
Apr.	256.9	138.0	113.1	5.8
May	258.1	139.4	114.5	4.1
June	260.0	141.7	116.1	2.2
Jul.	263.3	143.3	116.8	3.2
Aug.	266.9	145.6	117.6	3.7
Sept. p	269.0	147.1	117.4	4.4

^{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/} Deposits have been adjusted for redefinition of time deposits effective June 9, 1967.

^{3/} Private demand deposits include demand deposits of individual, partnerships and corporations and net interbank balances.

TABLE C-2a

DEPOSITS SUPPORTED BY REQUIRED RESERVES AT ALL MEMBER BANKS

Seasonally adjusted

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

Week ending:	Total member bank deposits (credit) 1/ 2/	Time deposits 2/	Private demand deposits 3/	U. S. Gov't. demand deposits
1967--Apr. 5	256.0	137.5	113.9	4.7
12	256.8	137.9	113.5	5.5
19	257.1	138.1	112.9	6.0
26	257.4	138.3	112.4	6.7
May 3	257.7	138.5	113.1	6.1
10	258.0	138.8	113.3	5.9
17	258.1	139.3	114.9	3.9
24	257.9	139.8	114.9	3.2
31	258.4	140.3	115.4	2.7
June 7	259.3	140.9	115.9	2.6
14	260.2	141.6	116.1	2.6
21	261.2	141.8	116.2	3.2
28	259.9	142.1	116.2	1.6
Jul. 5	260.4	142.5	116.9	1.0
12	261.7	142.9	117.2	1.6
19	263.9	143.4	116.6	4.0
26	264.6	143.7	116.6	4.3
Aug. 2	265.8	144.4	117.2	4.3
9	267.0	145.0	117.5	4.4
16	266.7	145.4	117.4	3.9
23	266.8	145.8	117.6	3.4
30	267.0	146.5	117.6	3.0
Sept. 6 p	269.2	146.9	118.3	4.0
13 p	269.4	147.0	118.1	4.3
20 p	268.7	147.1	116.1	5.5
27 p	268.8	147.2	117.2	4.4

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/ Deposits have been adjusted for redefinition of time deposits effective June 9, 1967.

3/ 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 <u>1/</u>	Private Demand Deposits <u>2/</u>	Time Deposits Adjusted <u>3/</u>
1965--Jul.	162.4	35.3	127.2	137.9
Aug.	163.2	35.5	127.8	139.8
Sept.	164.0	35.7	128.4	141.6
Oct.	165.2	36.0	129.3	143.8
Nov.	165.7	36.1	129.6	145.5
Dec.	166.8	36.3	130.5	146.9
1966--Jan.	167.9	36.6	131.4	147.5
Feb.	168.3	36.7	131.6	148.3
March	169.2	36.9	132.3	149.8
Apr.	170.5	37.1	133.4	151.8
May	170.2	37.3	132.9	153.4
June	170.6	37.4	133.2	154.8
Jul.	169.9	37.7	132.3	156.9
Aug.	170.1	37.8	132.4	158.1
Sept.	170.5	37.9	132.6	158.6
Oct.	170.1	38.0	132.1	158.8
Nov.	170.1	38.1	132.0	158.5
Dec.	170.4	38.3	132.1	159.8
1967--Jan.	170.3	38.5	131.8	162.0
Feb.	171.5	38.7	132.8	164.6
Mar.	173.1	38.9	134.2	167.2
Apr.	172.7	39.1	133.6	169.2
May	174.5	39.2	135.3	171.1
June	176.2	39.3	136.8	173.6
Jul.	177.9	39.5	138.4	175.8
Aug.	179.1	39.6	139.6	178.3
Sept. p	179.0	39.7	139.3	180.0

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 at Federal Reserve Banks.

3/ Deposits have been adjusted for redefinition of time deposits effective June 9, 1966.
p - Preliminary.

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

Week Ending	Money Supply	Currency <u>1/</u>	Private Demand Deposits <u>2/</u>	Time Deposits adjusted <u>3/</u>
1967--Apr. 5	173.4	39.1	134.3	168.3
12	173.1	39.1	134.0	169.0
19	172.6	39.1	133.5	169.5
26	172.1	39.1	133.0	169.6
May 3	172.8	39.1	133.7	169.9
10	173.0	39.1	133.9	170.4
17	174.7	39.1	135.6	171.0
24	174.8	39.2	135.6	171.5
31	175.6	39.3	136.3	172.2
June 7	176.0	39.3	136.7	172.6
14	176.3	39.4	136.9	173.6
21	176.4	39.4	137.0	173.7
28	176.4	39.4	136.9	173.9
July 5	177.6	39.4	138.2	174.6
12	178.1	39.5	138.6	175.4
19	177.7	39.4	138.3	175.8
26	177.8	39.4	138.4	176.1
Aug. 2	178.3	39.4	138.9	176.8
9	178.8	39.6	139.3	177.8
16	179.2	39.6	139.7	178.2
23	179.1	39.6	139.5	178.5
30	179.1	39.6	139.5	179.2
Sept. 6 p	179.5	39.7	139.8	179.5
13 p	179.8	39.8	140.0	179.7
20 p	177.9	39.7	138.1	180.0
27 p	179.0	39.7	139.3	180.1

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.

3/ Deposits have been adjusted for redefinition of time deposits effective June 9, 1966.

p - Preliminary.