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MONEY MARKET AND RESERVE RELATIONSHIPS

Recent developments

(1) Since the last meeting of the Committee, yields on money and short-term credit market instruments, and movements in reserve and deposit aggregates, have generally been in line with staff projections. The bank credit proxy rose by a 9 per cent annual rate on average in September (10 per cent after including Euro-dollar borrowings), while the 3-month bill rate fluctuated in about a 5.10--6.30 per cent range. After reaching a peak shortly before mid-month, the bill rate declined to the bottom of the range as the System returned to the buying side of the market and seasonal pressures associated with the tax date passed. Most recently, the 3-month bill has been trading around 5.20 per cent, affected in part by the fact that such bills now carry the relatively less popular January dates.

(2) Other short-term rates have declined slightly since the last meeting of the Committee, while long-term rates have fluctuated in a relatively narrow range. The reduction in prime loan rates--with most banks reducing the rate by only 1/4 point to 6-1/4 per cent--had little effect on market rates. In the past few days some upward pressure on market interest rates has developed, as market sentiment about the economic outlook shifted somewhat and as dealers became more eager to reduce security inventories.

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) <sup>1/</sup>	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 <sup>2/</sup> (In billions of dollars)
	(Seasonally Adjusted)											
1967--Sept.	252	82	3.99	4.42	5.16	5.85**	3.81	+135	+159	+ 2.3	+ 0.2	+ 2.2
Oct.	212	141	3.87	4.55	5.36	6.08**	3.88	+299	+335	+ 2.4	+ 1.1	+ 1.2
Nov.	225	124	4.14	4.72	5.66	6.50	3.99	+122	+154	+ 2.1	+ 0.8	+ 1.4
Dec.	143	185	4.49	4.96	5.59	6.51	4.15	-294	-122	+ 0.2	+ 0.3	+ 1.5
1968--Jan.	142	275	4.60	5.00	5.39	6.22**	4.06	+345	+347	+ 1.5	+ 1.0	+ 0.6
Feb.	21	368	4.68	4.98	5.38	6.25**	4.01	+208	+265	+ 2.3	+ 0.4	+ 1.1
Mar.	-312	649	5.02	5.17	5.59	6.57**	4.28	-266	+ 47	+ 1.0	+ 0.7	+ 1.5
Apr.	-341	689	5.74	5.38	5.46	6.50**	4.13	-197	-189	- 1.0	+ 0.9	+ 0.4
May	-374	728	6.10	5.66	5.55	6.64	4.28	+ 46	+ 88	+ 0.4	+ 1.8	+ 0.5
June	-386	727	6.09	5.52	5.40	6.65	4.26	+137	+105	+ 1.5	+ 1.3	+ 0.6
July	-192	523	6.03	5.31	5.29	6.50**	4.12	+304	+107	+ 2.1	+ 2.0	+ 2.2
Aug. p	-240	577	6.03	5.23	5.22	6.16	4.00	+493	+508	+ 5.0	+ 0.8	+ 3.4
Sept. p	-160	492	5.76	5.19	5.28	6.27	4.23	+ 29	- 36	+ 2.1	- 1.0	+ 2.9
1968--Sept. 4 p	-182	454	5.84	5.19	5.23	6.40	4.25			- 0.3	+ 0.1	+ 0.6
11 p	- 96	634	5.78	5.26	5.29	6.33	4.25			+ 0.3	- 0.1	+ 0.6
18 p	- 58	405	5.65	5.22	5.28	6.24	4.21			+ 0.9	- 1.5	+ 1.1
25 p	-303	475	5.72	5.15	5.27	6.26	4.20			+ 1.0	- 0.1	+ 0.5
Oct. 2 p	-191	540	5.90	5.28	5.31	6.31	4.14			+ 1.8	+ 1.0	+ 0.7
	Averages							Annual rates of increase <sup>3/</sup>				
Year 1967	195	173	4.19	4.29	5.01	5.77	3.74	+11.5	+ 9.9	+11.9	+ 6.4	+16.1
Second Half 1967	238	123	4.02	4.51	5.31	6.10	3.91	+ 7.2	+ 8.7	+10.6	+ 6.0	+12.6
First Half 1968	-201	567	5.37	5.29	5.46	6.47	4.16	+ 2.2	+ 5.3	+ 4.0	+ 6.6	+ 5.0
<u>Recent variations in growth</u>												
Nov. 29-Feb. 28	106	276	4.59	4.90	5.46	6.30	4.08			+ 9.1	+ 4.0	+ 6.1
Feb. 28-Jun. 12	-360	695	5.66	5.43	5.51	6.58	4.23			- 1.1	+ 6.6	+ 4.5
Jun. 12-Oct. 2	-211	556	5.97	5.23	5.28	6.39	4.12			+14.4	+ 5.6	+17.3

<sup>1/</sup> Includes issues carrying 5-year and 10-year call protection, \*\* - issues carry a 10-year call protection.

<sup>2/</sup> Time deposits adjusted at all commercial banks.

<sup>3/</sup> Base is change for month preceding specified period or in case of weekly periods, the first week shown.

p - Preliminary. n.a. Not available.

October 4, 1968.

(3) Money market conditions since the last meeting of the Committee have been influenced by changes in reserve distribution, partly related to the emergence and subsidence of pressures around the tax date; by banks' initial adaptations to the new reserve settlement regulations; and by a decline in Euro-dollar borrowings in the latter part of September. The Federal funds rate has averaged near 5-3/4 per cent although fluctuating fairly widely around this level, with most trading at 6 per cent during the past statement week. Rates on new loans to dealers posted by major money market banks have fluctuated around 6-1/4 per cent, and have been relatively more on the high side in recent days.

(4) Member bank borrowings averaged around \$475 million over the past three statement weeks, as compared with \$520 million in the preceding four. At the same time, excess reserves in the past three weeks declined relative to the preceding four weeks to an average level of \$290 million, as banks adapted to the new reserve provisions.

(5) With banks economizing on excess reserves and with reserves released by a shift in the deposit mix from demand to time deposits, total reserves of banks declined slightly, on average, in September. Total demand deposits at banks declined last month as a small rise in U.S. Government deposits was more than offset by a marked decline in private demand deposits. The money supply fell by about 6 per cent, at an annual rate, on average. On a weekly basis, the last substantial increase in the money supply occurred in late June and the early days of July, and related partly to the large cash

redemption of June tax bills. Since that time, the money supply has fluctuated in a narrow band and shown virtually no change on balance.

(6) Time deposits in September grew at an 18 per cent annual rate, on average, a slightly lower rate than August. The decline in outstanding bank CD's in September was less than seasonal, even though banks reduced CD offering rates on most maturities. Other time and savings deposits continued to increase at around their fairly rapid August pace.

(7) Comparative average annual rates of change for the major reserves and deposit aggregates are shown below for several recent periods.

	May '67- <u>Nov. '67</u>	Dec. '67- <u>June '68</u>	July '68 <u>Sept. '68</u>	<u>Sept. '68</u>
Total reserves	9.8	3.7	9.0	- 1.6
Nonborrowed reserves	9.9	-0.1	13.2	1.3
Bank credit, as measured by:				
Proxy	11.5	3.7	13.2	8.8
Proxy plus Euro-dollars	12.3	4.7	14.3	10.2
Money supply	8.4	5.8	3.8	- 6.3
Time and savings deposits	14.2	5.8	18.1	18.0
Savings accounts at thrift institutions	9.1	6.2	5.6 <sup>1/</sup>	n.a.

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NOTE: Dates are inclusive.  
p--preliminary  
<sup>1/</sup> July and August only.

Prospective developments

(8) Assuming a policy which permits member bank borrowings to remain in a \$400 - \$600 million range, the Federal funds rate in the coming three weeks is likely to center around 5-7/8 per cent. Any significant reduction in the continued exceptionally deep basic reserve deficit of major banks--either because Euro-dollars become more available or simply because banks become less inclined to borrow short--would tend to ease conditions in the funds market. Working in the other direction would be increased financing demands associated with the expected \$3.5 billion Treasury tax bill financing, probably to be paid for in the latter half of October.

(9) The 3-month bill rate over the coming period may fluctuate in a 5.10--5.40 per cent range. The System's own operations are not expected to be a significant net influence on the market, in contrast to recent weeks when large-scale System buying helped to reduce dealer inventories in both the bill and coupon areas. Since the last Committee meeting dealer positions in all maturities have declined about \$900 million (from September 10 to October 1), with total bill positions down about \$500 million and coupon issues maturing in more than 5 years down almost \$300 million.

(10) Some additional demand for bills may be forthcoming in the near future from auto companies and from state and local governments utilizing the proceeds of capital market issues. However, the supply of

bills will be substantially increased by the expected Treasury tax bill financing. To the extent that the mid-November refunding--to be announced about a week before the next FOMC meeting--may result in very little debt lengthening, this too could exert marginal upward pressure in short-term market sectors.

(11) With banks expected to underwrite the Treasury tax bill financing, the bank credit proxy in October may rise in a 10-13 per cent, annual rate, range. The Treasury financing (including related financing of dealers) accounts for about 4-1/2 percentage points of the projected rise. (If Euro-dollar borrowings remain at the early October level--which is \$700 million below the mid-September peak--the combination of the proxy plus Euro-dollars would be reduced by about 1-1/2 percentage points on average in October).

(12) Such a continued relatively strong pace of total bank credit expansion reflects not only Government financing but also persisting large inflows of time and savings deposits. Only a moderate slowing in the pace of expansion of interest-bearing deposits is projected for October--to a 13-16 per cent annual rate range. However, there is some likelihood that the extent of bank intermediation in the saving process could diminish, as thrift institutions, whose inflows appear to be lagging relatively, begin to compete more actively. In addition, bank credit growth might fall short of projections if both banks and other active market participants adopt more pessimistic attitudes toward future declines of interest rates, and become less willing long-term

investors and short-term borrowers. Business loan growth is expected to be on the moderate side. Assuming such business loan growth and no sharp turn-around in bank attitudes toward future interest rates, outstanding CD's are expected to rise in a \$500-\$750 million range, about twice seasonal growth.

(13) The money supply is not expected to show any very rapid growth in the period ahead. In October, money growth may possibly be in a 1-4 per cent, annual rate, range for the month on average, mainly as a result of currency growth.

(14) Looking ahead to November, bank credit growth is likely to be slower than in October. Unlike most previous Novembers, the Treasury may not have to raise very much new cash during the month--having anticipated their November cash need in October. Moreover, a further slowing in time deposit expansion appears likely, as income growth remains on the moderate side and as some funds that would otherwise go into time deposits are attracted by the newly issued tax bills (with secondary market distribution occurring in very late October and early November) and by coupon issues offered in the November refunding.

(15) The combination of Treasury financing, a continued large volume of new municipal issues, and possibly more widespread investor uncertainties as to the future course of interest rates and inflation all suggest the possibility of upward pressure on the interest rate structure in the weeks ahead, probably of moderate dimensions.



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		
Monthly (reserves weeks ending in):					
1967--September	334	82	252		
October	353	141	212		
November	349	124	225		
December	333	185	148		
1968--January	417	275	142		
February	389	368	21		
March	337	649	-312		
April	348	689	-341		
May	354	728	-374		
June	341	727	-386		
July	331	523	-192		
August p	337	577	-240		
September p	332	492	-160		
<u>Weekly:</u>					
1968--July					
3	182	493	-311	-406	-419
10	433	412	21	- 93	- 96
17	274	470	-196	-284	-312
24	410	639	-229	-307	-315
31	358	602	-244	-288	-319
Aug. 7	342	737	-395	-381	-353
14	314	576	-262	-306	-292
21	514	619	-105	-109	- 53
28	179	374	-195	-234	-247
Sept. 4 p	272	454	-182	-239	-196
11 p	538	634	- 96	-108	-141
18 p	347	405	- 58	- 93	-148
25 p	172	475	-303	-323	-347
Oct. 2 p	349	540	-191	-191	-230

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			
	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
<b>Annually:</b>								
1966	+ 1.3	+ 0.8	+ 1.5	- 0.2	+ 3.8	+ 8.7	+ 2.2	+ 1.2
1967 <u>2/</u>	+ 9.9	+11.5	+10.2	+ 7.0	+11.7	+16.1	+ 6.4	+ 6.7
<b>Monthly:</b>								
1967--July	+11.8	+14.9	+15.2	+10.2	+13.4	+15.3	+12.3	+14.9
Aug.	+14.0	+15.2	+13.7	+18.7	+16.9	+16.5	+ 7.4	+ 8.7
Sept.	+ 7.7	+ 6.6	+12.0	+ 5.7	+10.4	+14.9	+ 1.3	--
Oct.	+16.2	+14.5	+16.4	+13.5	+10.7	+ 8.0	+ 7.4	+ 6.9
Nov.	+ 7.4	+ 5.9	+ 6.6	+ 8.3	+ 9.3	+ 9.3	+ 5.3	+ 6.8
Dec.	- 5.8	-14.0	- 1.6	-10.5	+ 1.3	+ 9.9	+ 2.0	- 0.9
1968--Jan.	+16.6	+16.7	+11.4	+15.3	+ 6.6	+ 3.9	+ 6.6	+ 6.8
Feb.	+12.5	+ 9.9	+11.4	+19.2	+10.0	+ 7.2	+ 2.6	+ 1.7
Mar.	+ 2.2	-12.6	+ 0.6	+ 0.1	+ 4.3	+ 9.7	+ 4.6	+ 2.5
Apr.	- 8.8	- 9.4	- 6.0	-11.1	- 4.7	+ 2.6	+ 5.9	+ 6.8
May	+ 4.1	+ 2.2	- 1.9	+ 1.5	+ 1.7	+ 3.2	+11.7	+12.6
June	+ 4.9	+ 6.6	+ 9.6	+12.2	+ 6.5	+ 3.8	+ 8.4	+ 7.5
July	+ 5.0	+14.5	+ 7.7	+ 0.1	+ 9.0	+14.0	+12.8	+14.9
Aug. p	+23.5	+23.3	+21.2	+21.8	+21.4	+21.4	+ 5.1	+ 4.1
Sept. p	- 1.6	+ 1.3	+ 4.8	- 3.1	+ 8.8	+18.0	- 6.3	- 8.9

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

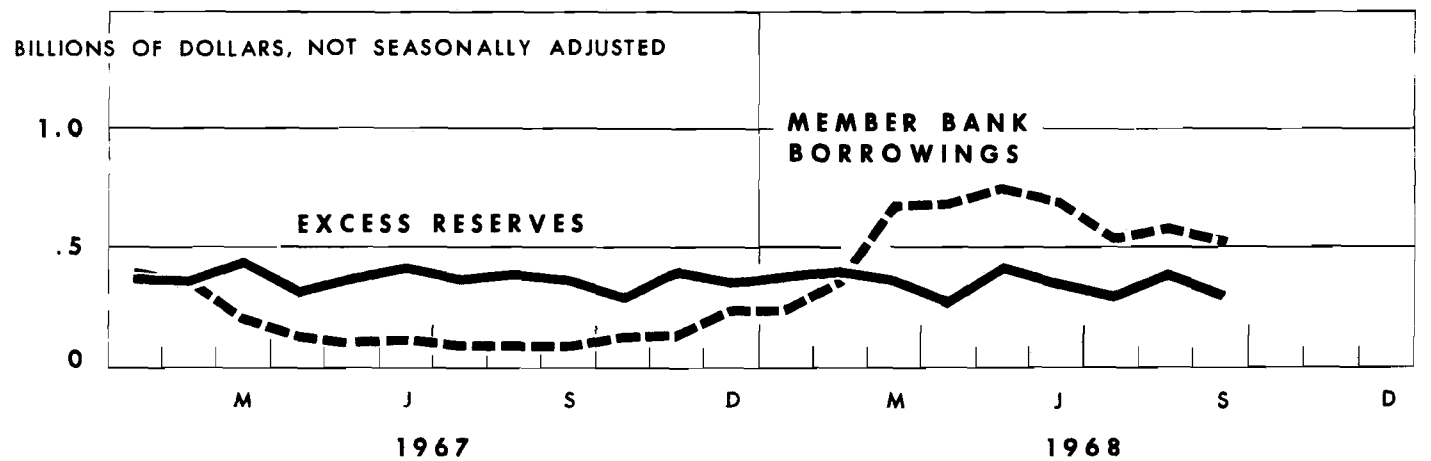
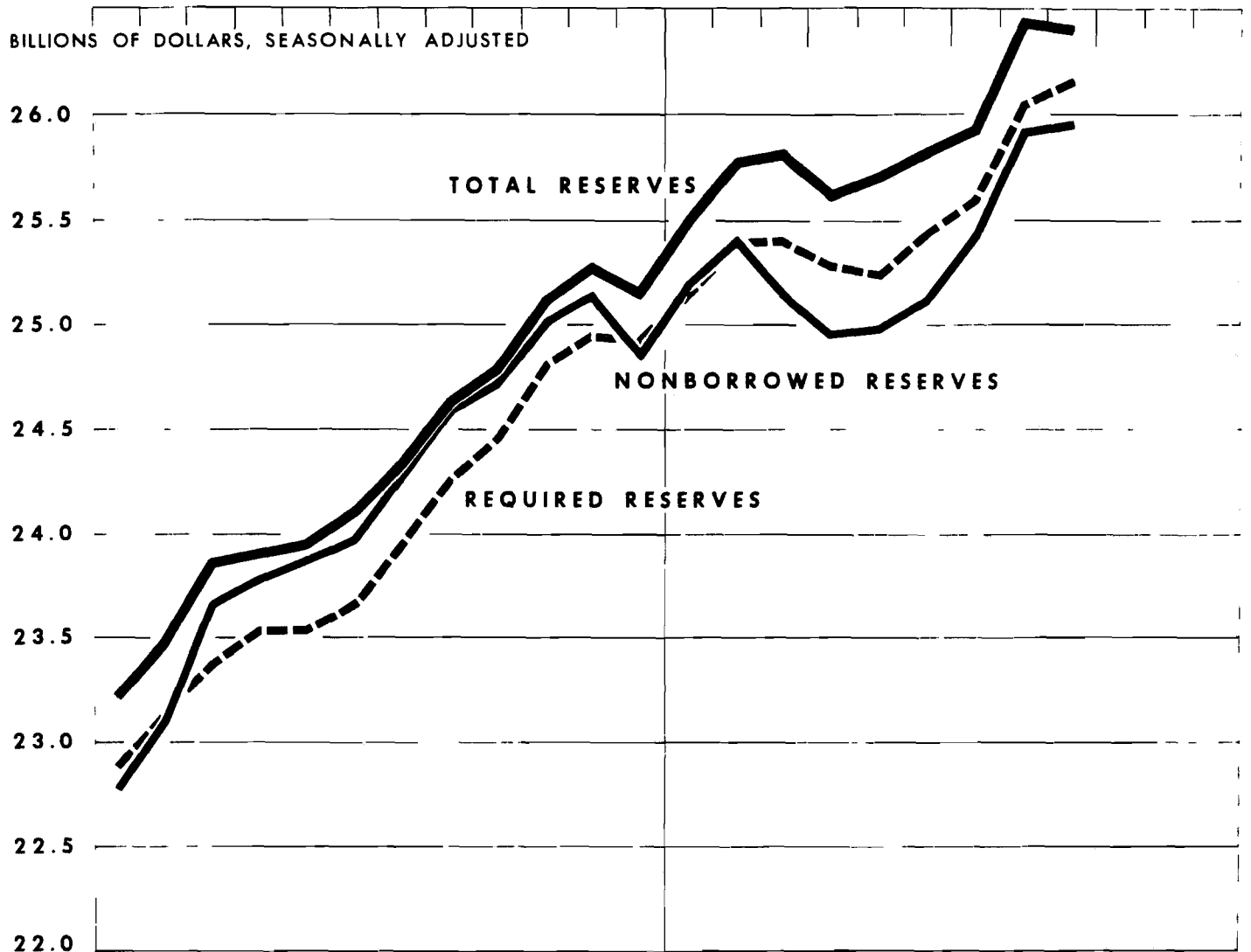


Chart 2

# MEMBER BANK DEPOSITS AND LIABILITIES TO OVERSEAS BRANCHES

BILLIONS OF DOLLARS

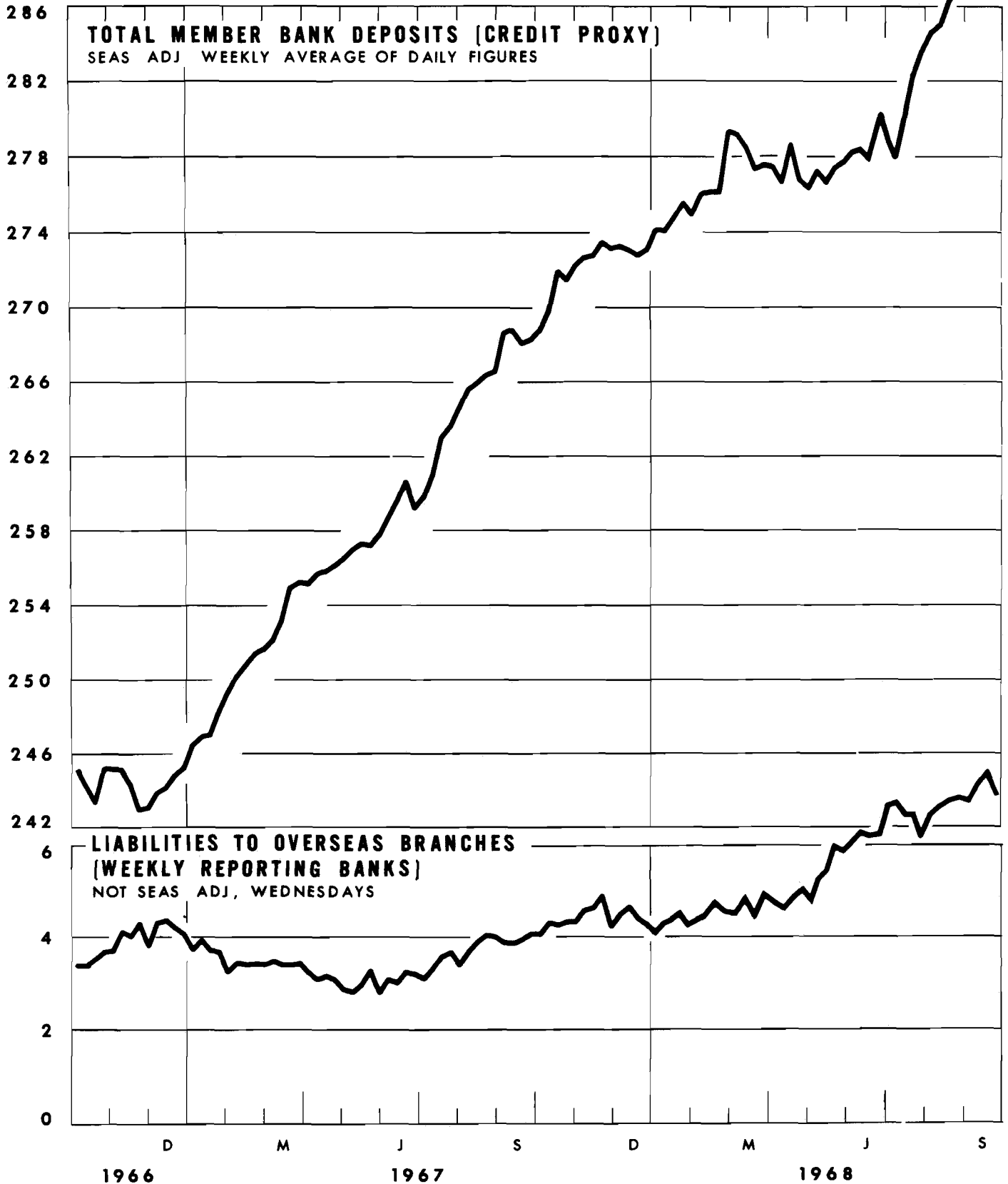


Chart 3

# MONEY SUPPLY AND BANK DEPOSITS

SEASONALLY ADJUSTED WEEKLY AVERAGES OF DAILY FIGURES

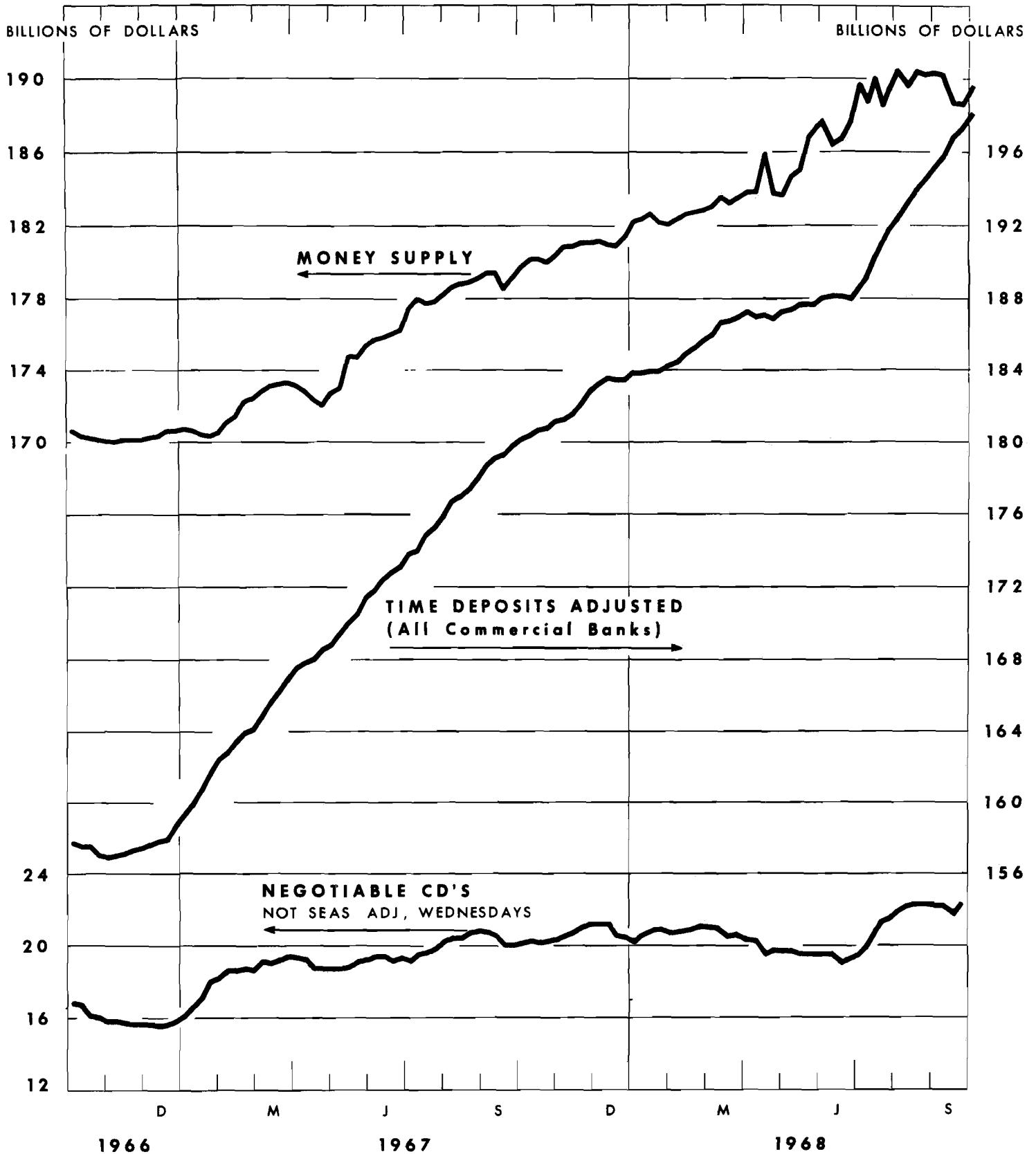


Chart 4

# DEMAND DEPOSITS AND CURRENCY

SEASONALLY ADJUSTED WEEKLY AVERAGES OF DAILY FIGURES

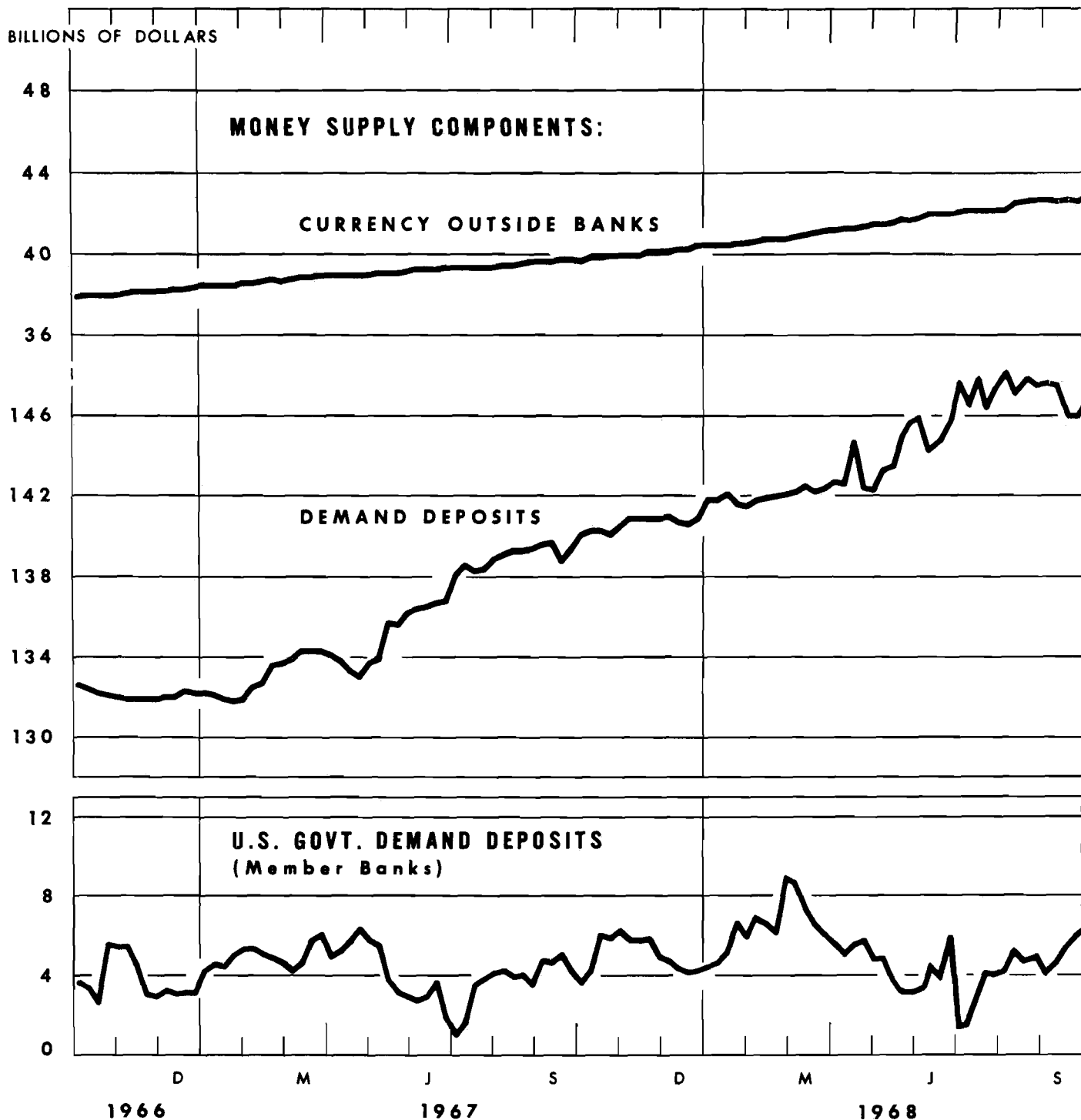


Table B-1

## 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
<u>Year:</u>							
1966 (12/29/65 - 12/28/66)	+3,149	- 627	-2,243	+ 805	+1,085	+1,111	- 26
1967 (12/28/66 - 12/27/67)	+4,718	- 725	-2,305	- 165	+1,522	+1,517	+ 5
<u>Year-to-date:</u>							
(12/28/66 - 10/4/67)	+2,600	- 153	- 293	-1,675	+ 477	+ 501	- 24
(12/27/67 - 10/2/68) 5/	+4,090	-2,067	- 804	- 557	+ 662	+ 755	- 93
<u>Weekly:</u>							
1968--Aug. 7	+ 490	--	- 537	+ 89	+ 41	+ 57	- 16
14	- 135	--	- 354	+ 152	- 337	- 309	- 28
21	+ 294	--	+ 123	- 79	+ 337	+ 137	+ 200
28	- 385	--	+ 225	- 279	- 436	- 101	- 335
Sept. 4 p	+ 390	--	- 358	+ 50	+ 80	- 13	+ 93
11 p	- 454	--	- 286	+1,064	+ 325	+ 59	+ 266
18 p	- 941	--	+ 143	+ 547	- 250	- 59	- 191
25 p	+ 283	--	+ 217	- 616	- 116	+ 59	- 175
Oct. 2 p	+1,119	--	+ 206	- 805	+ 519	+ 342	+ 177
	<b>PROJECTED</b>						
1968--Oct. 9	+ 415	--	- 165	+ 30	+ 280	+ 280	--
16	+ 350	--	- 280	+ 220	+ 290	+ 290	--
23	- 350	--	- 210	+ 465	- 95	- 95	--
30	- 135	--	+ 390	- 400	- 145	- 145	--
Nov. 6	+ 265	--	- 80	- 200	- 15	- 15	--

1/ For retrospective details see B-4.

p - Preliminary.

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.

5/ Includes increase in reserve requirements of \$360 million effective Jan. 11, 1968 and \$190 million effective Jan. 18, 1978.

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>Year:</u>								
56 (12/29/65 - 12/28/66)	+1,111	- 87	+1,198	- 14	- 4	- 5	+1,221	<u>1/</u>
1967 (12/28/66 - 12/27/67)	+1,517	+ 261	+1,256	+ 59	+ 6	+1,023	+ 168	<u>1/</u>
<u>Year-to-date:</u>								
(12/28/66 - 10/4/67)	+ 501	+ 119	+ 382	- 719	+ 59	+1,025	+ 17	
(12/27/67 - 10/2/68) <u>2/</u>	+ 755	- 298	+1,053	- 225	+ 170	+ 565	+ 543	
<u>Weekly:</u>								
1968--Aug. 7	+ 57	- 73	+ 130	+ 19	+ 6	+ 85	+ 20	
14	- 309	- 122	- 187	- 15	+ 13	- 217	+ 32	
21	+ 137	+ 143	- 6	- 192	- 13	+ 154	+ 45	
28	- 101	- 8	- 93	- 67	- 6	- 52	+ 32	
Sept. 4 p	- 13	- 227	+ 214	+ 159	- 6	+ 25	+ 36	
11 p	+ 59	- 113	+ 172	+ 295	- 13	- 117	+ 7	
18 p	- 59	+ 113	- 172	- 295	+ 13	+ 117	- 7	
25 p	+ 59	- 113	+ 172	+ 295	- 13	- 117	+ 7	
Oct. 2 p	+ 342	+ 225	+ 117	+ 188	- 25	- 72	+ 26	
	<b>PROJECTED</b>							
1968--Oct. 9	+ 280	+ 485	- 205	- 240	--	+ 7	+ 28	
16	+ 290	- 15	+ 305	+ 145	--	+ 145	+ 15	
23	- 95	- 105	+ 10	+ 50	+ 5	- 60	+ 15	
30	- 145	- 270	+ 125	+ 30	+ 5	- 75	+ 15	
Nov. 6	- 15	+ 40	- 55	--	- 5	- 65	+ 15	

1/ Reflects reserve requirement changes in July, September 1966 and March 1967.

2/ Includes increase in reserve requirements of \$360 million effective January 11, 1968 and \$190 million effective January 18, 1968.

p - Preliminary.



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
<b>ACTUAL</b>					
(Sign indicates effect on reserves)					
<u>Year:</u>					
1966 (12/29/65 - 12/28/66)	+ 805	+ 673	+ 64	- 30	+ 98
1967 (12/28/66 - 12/27/67)	- 165	- 85	- 389	- 7	+ 316
<u>Year-to-date:</u>					
(12/28/66 - 10/4/67)	-1,675	- 357	-1,282	+ 18	- 54
(12/27/67 - 10/2/68)	- 557	+ 79	- 610	+ 5	- 31
<u>Weekly:</u>					
1968--Aug. 7	+ 89	+ 198	+ 18	- 51	- 76
14	+ 152	+ 88	- 9	+ 8	+ 65
21	- 79	- 64	+ 346	+ 12	- 373
28	- 279	- 80	- 261	+ 48	+ 14
Sept. 4	+ 50	+ 150	- 22	- 15	- 63
11	+1,064	+ 801	+ 205	+ 6	+ 52
18	+ 547	- 62	+ 270	+ 6	+ 333
25	- 616	- 659	+ 17	+ 5	+ 21
Oct. 2 p	- 805	- 330	- 413	- 22	- 40
<b>PROJECTED</b>					
1968--Oct. 9	+ 30	+ 135	- 100	- 5	--
16	+ 220	+ 70	+ 50	+ 10	+ 90
23	+ 465	--	+ 350	--	+ 115
30	- 400	--	- 400	--	--
Nov. 6	- 200	--	- 200	--	--

p - Preliminary.

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>								
1966 (12/29/65 - 12/28/66)	+3,149	+3,069	+2,158	+ 474	+ 437	+ 26	+ 52	+ 2
1967 (12/28/66 - 12/27/67)	+4,718	+5,009	+4,433	+1,153	- 577	- 19	- 69	- 203
<u>Year-to-date:</u>								
(12/28/66 - 10/4/67)	+2,600	+3,055	+2,759	+ 954	- 658	- 26	- 25	- 404
(12/27/67 - 10/2/68)	+4,090	+3,962	+2,956	+1,024	- 18	- 6	- 61	+ 195
<u>Weekly:</u>								
1968--July 3	- 122	+ 274	+ 263	+ 157	- 146	- 66	- 16	- 314
10	- 52	+ 61	- 27	+ 13	+ 75	+ 4	- 36	- 81
17	- 220	- 284	- 313	--	+ 29	- 4	+ 10	+ 58
24	+ 60	- 90	+ 14	--	- 104	--	- 19	+ 169
31	+ 226	+ 214	+ 180	--	+ 34	--	+ 49	- 37
Aug. 7	+ 490	+ 352	+ 76	--	+ 276	+ 13	- 10	+ 135
14	- 135	+ 35	+ 52	--	- 17	--	- 9	- 161
21	+ 294	+ 280	+ 392	--	- 112	- 10	- 19	+ 43
28	- 385	- 122	+ 59	--	- 181	- 3	- 15	- 245
Sept. 4	+ 390	+ 312	+ 241	+ 71	--	--	- 2	+ 80
11	- 454	- 634	- 659	+ 12	+ 13	--	--	+ 180
18	- 941	- 711	- 698	--	- 13	--	- 1	- 229
25	+ 283	+ 214	+ 214	--	--	--	- 1	+ 70
Oct. 2	+1,119	+1,048	+ 889	+ 96	+ 63	+ 1	+ 5	+ 65

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
1966--Jan.	22,785	22,325	22,456	21,936	16,822
Feb.	22,857	22,376	22,507	21,996	16,877
Mar.	22,888	22,331	22,512	22,115	16,957
Apr.	23,118	22,490	22,714	22,283	17,043
May	23,192	22,486	22,773	22,331	17,030
June <u>1/</u>	23,149	22,472	22,780	22,361	17,043
July	23,293	22,552	22,864	22,344	16,963
Aug.	23,029	22,336	22,710	22,320	16,908
Sept.	23,065	22,319	22,689	22,349	16,922
Oct.	22,954	22,243	22,629	22,229	16,827
Nov.	22,915	22,303	22,593	22,198	16,810
Dec.	22,895	22,286	22,600	22,262	16,825
1967--Jan.	23,217	22,770	22,875	22,298	16,774
Feb.	23,471	23,107	23,134	22,559	16,959
Mar.	23,869	23,668	23,383	22,785	17,101
Apr.	23,910	23,775	23,529	22,779	17,015
May	23,952	23,874	23,531	23,071	17,244
June	24,105	23,982	23,660	23,387	17,472
July	24,342	24,279	23,960	23,578	17,582
Aug.	24,627	24,586	24,259	23,776	17,701
Sept.	24,786	24,721	24,452	23,850	17,704
Oct.	25,121	25,020	24,810	23,995	17,805
Nov.	25,275	25,142	24,947	24,122	17,879
Dec.	25,153	24,848	24,914	24,157	17,860
1968--Jan.	25,500	25,193	25,151	24,270	17,974
Feb.	25,765	25,401	25,389	24,333	18,025
Mar.	25,812	25,135	25,402	24,431	18,082
Apr.	25,623	24,938	25,276	24,487	18,133
May	25,711	24,984	25,236	24,751	18,387
June	25,816	25,121	25,438	24,925	18,550
July	25,923	25,425	25,601	25,188	18,727
Aug. p	26,431	25,918	26,053	25,338	18,764
Sept. p	26,395	25,947	26,158	25,309	18,632

p - Preliminary.

1/ Break in series due to redefinition of time deposits effective June 9, 1966, which reduced required reserves by \$34 million.

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)

Period	Total member bank deposits (credit) <sup>1/</sup>	Time deposits	Private demand deposits <sup>2/</sup>	U.S. Gov't. demand deposits
1966--Jan.	238.0	121.8	111.7	4.5
Feb.	239.0	121.9	112.1	5.0
Mar.	239.8	122.8	112.6	4.4
Apr.	241.9	124.8	113.2	4.0
May	243.9	126.2	113.1	4.6
June <sup>3/</sup>	244.4	126.6	113.2	4.6
July	245.8	128.1	112.6	5.1
Aug.	245.6	128.8	112.3	4.5
Sept.	245.5	129.2	112.4	4.0
Oct.	244.4	128.6	111.7	4.0
Nov.	244.0	128.3	111.6	4.1
Dec.	244.6	129.4	111.7	3.5
1967--Jan.	247.7	131.5	111.4	4.8
Feb.	251.0	133.3	112.6	5.1
Mar.	254.0	135.3	113.6	5.1
Apr.	255.8	137.2	113.0	5.6
May	257.2	138.7	114.5	4.0
June	259.5	140.8	116.0	2.6
July	262.4	142.8	116.7	2.9
Aug.	266.1	144.6	117.5	4.0
Sept.	268.4	146.3	117.6	4.5
Oct.	270.8	147.4	118.2	5.2
Nov.	272.9	148.6	118.7	5.6
Dec.	273.2	149.9	118.6	4.6
1968--Jan.	274.7	149.9	119.4	5.4
Feb.	277.0	150.2	119.7	7.1
Mar.	278.0	151.2	120.1	6.7
Apr.	276.9	151.3	120.4	5.2
May	277.3	151.5	122.1	3.7
June	278.8	151.8	123.2	3.9
July	280.9	153.8	124.3	2.7
Aug. <sup>b</sup>	285.9	156.5	124.6	4.8
Sept. <sup>p</sup>	288.0	159.0	123.7	5.3

<sup>1/</sup> 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.

<sup>2/</sup> Private demand deposits include demand deposits of individuals, partnerships and corporations and net interbank balances.

<sup>3/</sup> Break in series due to redefinition of time deposits effective June 9, 1966, which reduced total member bank deposits and time deposits by \$850 million.

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) <sup>1/</sup>	Time deposits	Private demand deposits <sup>2/</sup>	U. S. Gov't. demand deposits
1968--Apr. 3	277.4	151.6	120.3	5.5
10	276.6	151.5	120.1	5.0
17	278.6	151.4	121.7	5.5
24	276.7	151.0	120.0	5.7
May 1	276.3	151.5	120.0	4.8
8	277.2	151.5	120.9	4.8
15	276.7	151.6	121.3	3.7
22	277.3	151.6	122.7	3.1
29	277.7	151.4	123.3	3.1
June 5	278.2	151.6	123.4	3.2
12	278.4	151.8	122.2	4.4
19	277.9	151.8	122.2	3.9
26	280.2	151.7	123.0	5.5
July 3	278.8	152.2	125.2	1.4
10	278.0	152.7	123.8	1.5
17	280.6	153.6	124.4	2.7
24	282.4	154.4	123.9	4.1
31	283.6	155.1	124.5	4.0
Aug. 7	284.6	155.3	125.0	4.2
14	285.0	156.0	123.9	5.2
21	286.4	156.8	124.9	4.7
28	287.0	157.4	124.7	4.9
Sept 4	286.7	157.9	124.7	4.1
11	287.0	158.3	124.1	4.6
18 p	287.9	159.1	123.5	5.4
25 p	288.9	159.6	123.4	6.0
Oct. 2 p	290.7	160.2	124.1	6.4

p - Preliminary

<sup>1/</sup> 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.

<sup>2/</sup> 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>1/</u>	Private Demand Deposits <u>2/</u>	Time Deposits Adjusted
1966--Jan.	167.9	36.6	131.4	147.7
Feb.	168.6	36.7	131.9	148.3
Mar.	169.2	36.9	132.3	149.6
Apr.	170.3	37.1	133.2	151.8
May	170.3	37.3	133.0	153.6
June <u>3/</u>	170.5	37.4	133.1	154.1
July	169.9	37.6	132.3	155.9
Aug.	170.0	37.8	132.2	156.9
Sept.	170.5	37.9	132.6	157.7
Oct.	170.2	38.0	132.1	157.3
Nov.	170.2	38.2	132.0	156.9
Dec.	170.4	38.3	132.1	158.1
1967--Jan.	170.3	38.5	131.8	161.0
Feb.	171.8	38.7	133.0	163.5
Mar.	173.2	38.9	134.3	165.9
Apr.	172.5	39.0	133.5	168.1
May	174.4	39.1	135.3	170.1
June	176.0	39.3	136.7	172.6
July	177.8	39.4	138.4	174.8
Aug.	178.9	39.5	139.4	177.2
Sept.	179.1	39.7	139.4	179.4
Oct.	180.2	39.9	140.2	180.6
Nov.	181.0	40.1	141.0	182.0
Dec.	181.3	40.4	140.9	183.5
1968--Jan.	182.3	40.6	141.7	184.1
Feb.	182.7	40.7	141.9	185.2
Mar.	183.4	41.1	142.2	186.7
Apr.	184.3	41.4	143.0	187.1
May	186.1	41.6	144.5	187.6
June	187.4	42.0	145.4	188.2
July	189.4	42.2	147.2	190.4
Aug. p	190.2	42.6	147.7	193.8
Sept. p	189.2	42.7	146.6	196.7

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 at Federal Reserve Banks.

3/ Break in series due to redefinition of time deposits effective June 9, 1966, which reduced time deposits adjusted by \$1,140 million.

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
1968--Apr. 3	183.9	41.2	142.7	187.3
10	183.9	41.3	142.6	187.0
17	186.0	41.3	144.7	187.1
24	183.8	41.4	142.4	186.9
May 1	183.7	41.5	142.3	187.3
8	184.8	41.5	143.3	187.4
15	185.1	41.6	143.5	187.7
22	186.8	41.8	145.0	187.7
29	187.4	41.7	145.7	187.7
June 5	187.7	41.8	145.9	188.0
12	186.4	42.0	144.3	188.1
19	186.8	42.0	144.8	188.1
26	187.6	42.0	145.6	188.0
July 3	189.7	42.1	147.6	188.6
10	188.8	42.2	146.6	189.2
17	190.0	42.2	147.8	190.2
24	188.6	42.2	146.4	191.1
31	189.5	42.2	147.3	191.8
Aug. 7	190.4	42.2	148.1	192.4
14	189.7	42.5	147.1	193.3
21	190.4	42.6	147.8	194.0
28	190.2	42.7	147.5	194.6
Sept. 4	190.3	42.7	147.6	195.2
11	190.2	42.6	147.5	195.8
18 p	188.7	42.7	146.0	196.9
25 p	188.6	42.6	146.0	197.4
Oct. 2 p	189.6	42.8	146.9	198.1

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.

p - Preliminary.

October 7, 1968

Correction to blue book for October 4, 1968:

Paragraph (1), second sentence, final clause should read: "...while the 3-month bill rate fluctuated in about a 5.10--5.30 per cent range."