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MONEY MARKET AND RESERVE RELATIONSHIPS

Recent Developments

(1) Yields in short-term credit markets have shown little net change since the January 14 Committee meeting, although longer-term interest rates have recently come under increased upward pressure. The Treasury on Wednesday afternoon announced a "rights" exchange of its February maturities, offering holders the option of either a 15-month note priced to yield 6.42 per cent or a 7-year note priced to yield 6.29 per cent. The refunding announcement was received quietly in the market, with minor price adjustments. The System's subsequent publication of a large net borrowed reserve number Thursday night resulted in some further price declines in the note and bond market.

(2) After declining to near the lower end of the 6 - 6-1/4 per cent range specified in the last Blue Book in the wake of heavy early January investor demands, the 3-month Treasury bill rate moved up to near 6.20 per cent, a shade higher than the level prevailing around the time of the last Committee meeting. System sales of bills for both its own and foreign accounts, a waning of investor demands, and the liquidation of Treasury bills in the market by banks, including relatively rapid sales out of the \$1-3/4 billion of additional June tax bills auctioned on January 15, contributed to the firming of bill yields.

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	Money Supply	Time Deposits <sup>2/</sup>
1967--Dec.	143	185	4.51	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	4.72	4.98	5.38	6.25*	4.01	+208	+265	+ 2.3	+ 0.4	+ 1.1
Mar.	-312	649	5.05	5.17	5.59	6.57*	4.28	-266	+ 47	+ 1.0	+ 0.7	+ 1.5
Apr.	-341	689	5.76	5.38	5.46	6.50*	4.13	-197	-189	- 1.1	+ 0.9	+ 0.4
May	-374	728	6.12	5.66	5.55	6.64	4.28	+ 46	+ 88	+ 0.4	+ 1.8	+ 0.5
June	-386	727	6.07	5.52	5.40	6.65	4.26	+137	+105	+ 1.5	+ 1.3	+ 0.6
July	-192	523	6.02	5.31	5.29	6.50*	4.12	+304	+107	+ 2.1	+ 2.0	+ 2.2
Aug.	-240	577	6.03	5.23	5.22	6.16	4.00	+493	+508	+ 5.0	+ 0.9	+ 3.4
Sept.	-146	492	5.78	5.19	5.28	6.27	4.23	+ 29	- 36	+ 2.0	- 0.8	+ 2.8
Oct.	-192	458	5.92	5.35	5.44	6.47	4.21	+264	+215	+ 3.0	+ 0.7	+ 2.9
Nov.	-255	541	5.81	5.45	5.56	6.57	4.33	- 51	+122	+ 2.7	+ 1.7	+ 2.4
Dec. p	-327	743	6.05	5.96	5.88	6.79	4.50	- 21	+244	+ 3.1	+ 1.2	+ 2.4
1969--Jan. p	-515	715	n.a.	n.a.	n.a.	6.92	4.58	+264	+196	- 1.0	- 0.7	- 1.8
1968--Dec. 25	-460	859	6.21	6.21	6.04	--	4.57			- 0.3	--	+ 0.1
1969--Jan. 1	-439	1,318	5.95	6.21	6.02	--	4.57			+ 0.6	+ 1.0	- 0.5
8 p	-289	499	6.43	6.18	5.99	6.90	4.58			- 0.1	+ 1.7	- 0.7
15 p	-474	688	6.30	6.14	5.98	6.93	4.58			- 2.1	- 1.6	- 0.6
22 p	-540	780	6.46	6.07	5.95	6.92	4.58			- 0.6	- 0.1	- 0.7
29 p	-758	892	6.27	6.15	5.99	6.92	4.60			- 0.1	- 1.4	- 0.7
				<u>Averages</u>								
Year 1968	-210	548	5.58	5.36	5.45	6.47	4.20	+ 5.2	+ 7.2	+ 8.6	+ 6.5	+11.3
First Half 1968	-201	567	5.39	5.29	5.46	6.47	4.16	+ 2.2	+ 5.3	+ 4.1	+ 6.7	+ 5.1
Second Half 1968	-218	529	5.77	5.42	5.44	6.50	4.22	+ 8.1	+ 9.0	+12.8	+ 6.1	+17.1
<u>Recent variation in growth</u>												
11/29/67-7/3/68	-159	515	5.25	5.24	5.48	6.47	4.15			+ 3.5	+ 8.0	+ 5.2
7/3/68-12/18/68	-203	516	5.90	5.34	5.40	6.47	4.21			+14.1	+ 3.4	+18.1
12/18/68-1/29/69	-493	839	6.28	6.16	5.99	6.91	4.58			- 7.9	- 1.8	-13.1

<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.

<sup>4/</sup> Average of total number of days in period.

p - Preliminary. n.a. - Not available.

January 31, 1969.

(3) Despite continued large CD and other time deposit attrition in January, the major money market banks in New York have moved into a comfortable money position--swinging, partly for seasonal reasons, from a large basic reserve deficit to, in recent days, a basic reserve surplus. These banks have built up their net borrowing from the Euro-dollar market to a new high (although in the past several days such borrowings have shown little further net change), demands on them for day-to-day money from the dealer market have remained relatively light, and they have apparently reduced holdings of earning assets. Under the circumstances, with major banks no longer large net borrowers in the funds market, the Federal funds rate tended to decline, requiring sizeable offsetting System open market operations. Over the past two statement weeks the Desk made nearly \$3 billion of matched sale-purchase transactions, in addition to selling outright or redeeming more than \$500 million of bills. Member bank borrowings from the System rose to an average of \$835 million over the period, but with reserve distribution temporarily skewed in favor of major money market banks, borrowing was concentrated at country banks and reserve city banks other than major money market banks. The Federal funds rate was generally around  $6\frac{1}{4}$  -  $6\frac{3}{8}$  per cent, and net borrowed reserves in a \$570 to \$750 million range.

(4) The continued sizeable CD run-offs at major banks in January was accompanied by a weaker than expected deposit expansion at

other banks. As a result, the bank credit proxy is now estimated to show a decline of 4-1/2 per cent, annual rate, in January on average. Bank borrowing in the Euro-dollar market would add back about 3 percentage points, so that the adjusted proxy would decline at a 1-1/2 per cent annual rate.<sup>1/</sup>

(5) With large CD run-offs, and with weakness developing in flows of other time deposits, the total of time and savings deposits in January is estimated to have declined at a 10-1/2 per cent annual rate, almost twice as much as earlier projected. Money supply growth was also slower than anticipated, rising, on current estimates, at about a 4-1/2 per cent annual rate. The bulge in money supply in the weeks about year-end has faded rather rapidly, reflecting the transitory nature of year-end money flows as well as recent net transfers from private demand to U.S. Government deposits as banks sold out the new June tax bills.

(6) The following table shows rates of change in major reserve and deposit aggregates estimated for January, as compared with other recent periods. The growth in January of total and nonborrowed

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<sup>1/</sup> The Euro-dollar adjustment is now based on a series of daily liabilities to foreign branches for all banks involved; the previous series used represented an average of Wednesday figures for all banks during the month. The previously used series would show a 4 percentage point increase in Euro-dollar borrowings from December to January.

reserves at a time of contraction in total member bank deposits reflects, in about equal parts, the impact of lagged reserve requirements and the shift in January in deposit composition from time to demand deposits.

	<u>Dec. '67-</u> <u>June '68</u>	<u>July '68-</u> <u>Dec. '68</u>	<u>January</u> <u>1969p</u>
Total reserves	3.7	9.0	8.7
Nonborrowed reserves	-0.1	8.1	12.1
Bank credit, as measured by:			
Proxy	3.7	12.8	-4.5
Proxy plus Euro-dollars	4.7	13.0	-1.6
Money supply	6.1	6.1	4.4
Time and savings deposits	5.8	17.1	-10.6
Savings accounts at thrift institutions	6.1	6.3	n.a.

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NOTE: Dates are inclusive.  
p--preliminary

#### Prospective Developments

(7) As February progresses, the basic reserve position of major money market banks can be expected to worsen, partly as the recent seasonal easing reverses and possibly also because of increased demands for day-to-day funds which might stem from the Treasury refunding. The Federal funds and dealer loan rates may, therefore, tend to rise somewhat from recent levels, for any given level of total member bank borrowings.

Moreover, continued CD run-offs may tend to impel somewhat greater borrowing demands from the Federal Reserve. If borrowings are in a \$600-\$850 million range in February, the funds rate might be most frequently around  $5\frac{3}{8}$  -  $6\frac{5}{8}$  per cent. The 3-month bill rate, under these conditions, may be expected to be in a 6 - 6.30 per cent range.

(8) A little downward pressure on bill rates could develop out of the Treasury financing. Given the current market atmosphere, the staff is not expecting sizeable bill demands by holders of "rights", but part of the attrition--projected around \$1-1/4 billion--could find its way into the bill market. However, the Treasury has made known its expectation of raising \$2-\$3 billion of cash before early April; some part of this may be raised through a bill strip offering at an earlier date, particularly if attrition in the refunding is sizeable. This prospect should lead dealers to remain willing sellers of bills over the next few weeks. Market attitudes also appear highly sensitive to many of the cross-currents in economic and financial news. A more widespread conviction that monetary policy will be restrictive should keep bill rates under upward pressure; however, news of economic weakness could tend to have a countervailing effect.

(9) Assuming the bill rate averages around the mid-point of the range, the bank credit proxy (as measured by total member deposits) in February is expected to decline further--perhaps in a 3 to 6 per cent annual rate range. The principal factor in this decline continues to

be relatively rapid run-off in large negotiable CD's, but private demand deposits in February are also expected to decline on average. Even if Euro-dollar borrowings by U.S. banks rise no further from the level to which they had advanced in the course of January, they would still add about 3 percentage points on average to the February credit proxy projection. In that case the adjusted bank credit proxy would be in a 0 to -3 per cent range for February.

(10) The CD run-off for February is projected at around \$1-1/4 billion. This represents a smaller absolute decline than in January, reflecting for the most part smaller maturities estimated for February. Other time and savings deposits are expected to continue weak, although not as weak as in January when one-time asset shifts were made following the year-end interest-crediting period.

(11) While the extent of CD run-off remains, as always, uncertain, perhaps the greater uncertainty in coming weeks concerns the behavior of private demand deposits and the money supply. Despite sizeable attrition in the Treasury refunding, U.S. Government deposits are expected to rise substantially further, on average, during the month, partly as receipts from the \$1-3/4 billion June tax bill issue paid for in late January affect the February monthly average figures. This rise would be associated with some net transfers out of private demand deposits. The outstanding money supply in February is expected to decline, probably in a 1 - 4 per cent, annual rate, range. However,

a smaller than projected attrition in the Treasury refunding and/or a marked slowing of business loan demand could enlarge the decline in money supply. Some slowing of banks' business loan growth from the recent rapid pace is anticipated, in any event, as inventory accumulation is expected to moderate.

(12) The continued reduction in bank credit outstanding, on average, will probably be accompanied by further liquidation of U.S. Government securities--including some attrition of bank holdings in the refunding--and limited, if any, bank net purchases of municipals. Thus, prospects are for further upward pressure on long-term rates. although postponements or cancellations of capital issues, particularly by State and local governments, may moderate the upward course of yields.

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 operations
<b>Monthly (reserves weeks ending in):</b>					
1967--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	337	577	-240		
September	346	492	-146		
October	267	458	-191		
November	286	541	-255		
December	416	743	-327		
1969--January p	200	715	-515		
<b>Weekly:</b>					
1968--Sept. 4	255	454	-199	-239	-196
11	556	634	- 78	-108	-141
18	374	404	- 30	- 93	-148
25	197	474	-277	-323	-347
Oct. 2	385	541	-156	-191	-230
9	225	403	-178	-245	-214
16	373	516	-143	-177	-141
23	- 1	337	-338	-368	-337
30	352	495	-143	-196	-230
Nov. 6	192	392	-200	-240	-170
13	537	675	-138	-259	-202
20	229	513	-284	-368	-347
27	185	583	-398	-471	<b>-469</b>
Dec. 4	457	532	- 75	-114	-203
11	24	435	-411	-443	-446
18	340	574	-234	-274	-256
25	399	859	-460	-525	-369
1969--Jan. 1 p	879	1,318	-439	-488	-473
8 p	210	499	-289	-365	-349
15 p	214	688	-474	-542	-533
22 p	240	780	-540	-572	-610
29 p	134	892	-758	-758	-779

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) <sup>1/</sup>	Time Deposits (comm. banks)	Money Supply	
			Total	Against Demand Deposits			Total	Private Demand Deposits
<b>Annually:</b>								
1967	+ 9.9	+11.5	+10.2	+ 7.0	+11.7 (+11.5)	+16.1	+ 6.4	+ 6.7
1968	+ 7.2	+ 5.2	+ 7.1	+ 6.3	+ 8.6 (+ 9.4)	+11.3	+ 6.5	+ 6.2
<b>Monthly:</b>								
1967--July	+11.8	+14.9	+15.2	+10.2	+13.4 (+14.6)	+15.3	+12.3	+14.9
Aug.	+14.0	+15.2	+13.7	+18.7	+16.9 (+19.0)	+16.5	+ 7.4	+ 8.7
Sept.	+ 7.7	+ 6.6	+12.0	+ 5.7	+10.4 (+10.2)	+14.9	+ 1.3	--
Oct.	+16.2	+14.5	+16.4	+13.5	+10.7 (+12.3)	+ 8.0	+ 7.4	+ 6.9
Nov.	+ 7.4	+ 5.9	+ 6.6	+ 8.3	+ 9.3 (+10.5)	+ 9.3	+ 5.3	+ 6.8
Dec.	- 5.8	-14.0	- 1.6	-10.5	+ 1.3 ( -- )	+ 9.9	+ 2.0	- 0.9
8--Jan.	+16.6	+16.7	+11.4	+15.3	+ 6.6 (+ 6.5)	+ 3.9	+ 6.6	+ 6.8
Feb.	+12.5	+ 9.9	+11.4	+19.2	+10.0 (+10.8)	+ 7.2	+ 2.6	+ 1.7
Mar.	+ 2.2	-12.6	+ 0.6	+ 0.1	+ 4.3 (+ 4.7)	+ 9.7	+ 4.6	+ 2.5
Apr.	- 8.8	- 9.4	- 6.0	-11.1	- 4.7 (- 3.8)	+ 2.6	+ 5.9	+ 6.8
May	+ 4.1	+ 2.2	- 1.9	+ 1.5	+ 1.7 (+ 5.1)	+ 3.2	+11.7	+12.6
June	+ 4.9	+ 6.6	+ 9.6	+12.2	+ 6.5 (+ 9.3)	+ 3.8	+ 8.4	+ 7.5
July	+ 5.0	+14.5	+ 7.7	+ 0.1	+ 9.0 (+10.1)	+14.0	+12.8	+14.9
Aug.	+23.5	+23.3	+21.2	+21.8	+21.4 (+22.1)	+21.4	+ 5.7	+ 3.3
Sept.	- 1.6	+ 1.3	+ 4.8	- 3.5	+ 8.4 (+ 9.4)	+17.3	- 5.0	- 7.3
Oct.	+ 9.8	+12.2	+ 8.5	+ 4.1	+12.5 (+11.8)	+17.7	+ 4.4	+ 5.7
Nov.	+ 5.5	- 2.3	+ 8.2	+ 6.6	+11.1 (+11.3)	+14.4	+10.7	+10.6
Dec. p	+11.0	- 1.0	+ 7.3	+ 7.8	+12.7 (+11.6)	+14.3	+ 7.5	+ 8.7
1969--Jan. p	+ 8.7	+12.1	+14.3	+17.8	- 4.5 (- 1.6)	-10.5	+ 4.4	+ 4.8

<sup>1/</sup> Includes all deposits subject to reserve requirements. Movements in this aggregate correspond closely with movements in total member bank credit on a daily average basis. Figures in parenthesis include Euro-dollar borrowings.

p - Preliminary.

Chart 1

# MEMBER BANK RESERVES

MONTHLY AVERAGES OF DAILY FIGURES

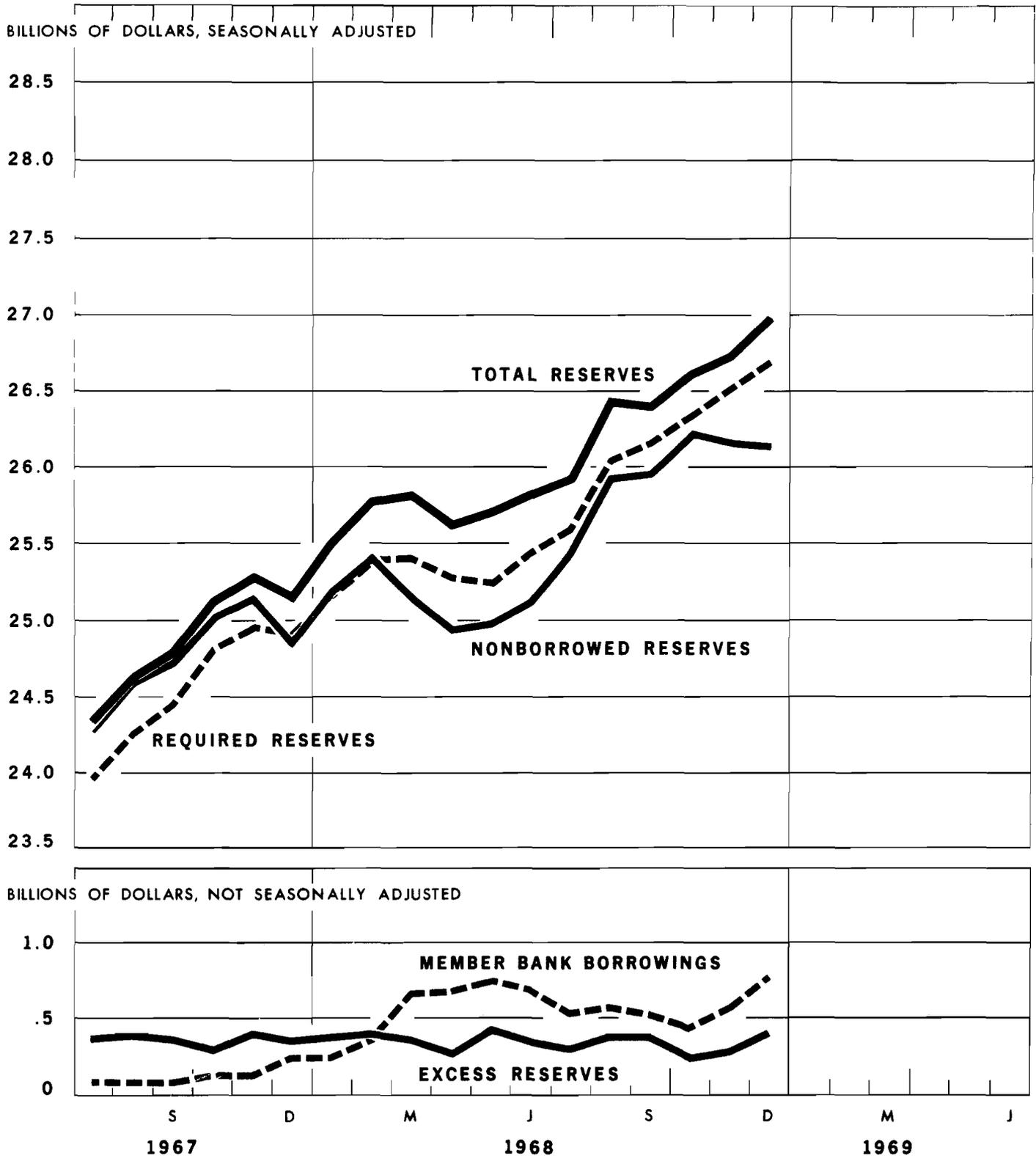


Chart 2

# MEMBER BANK DEPOSITS AND LIABILITIES TO OVERSEAS BRANCHES

BILLIONS OF DOLLARS

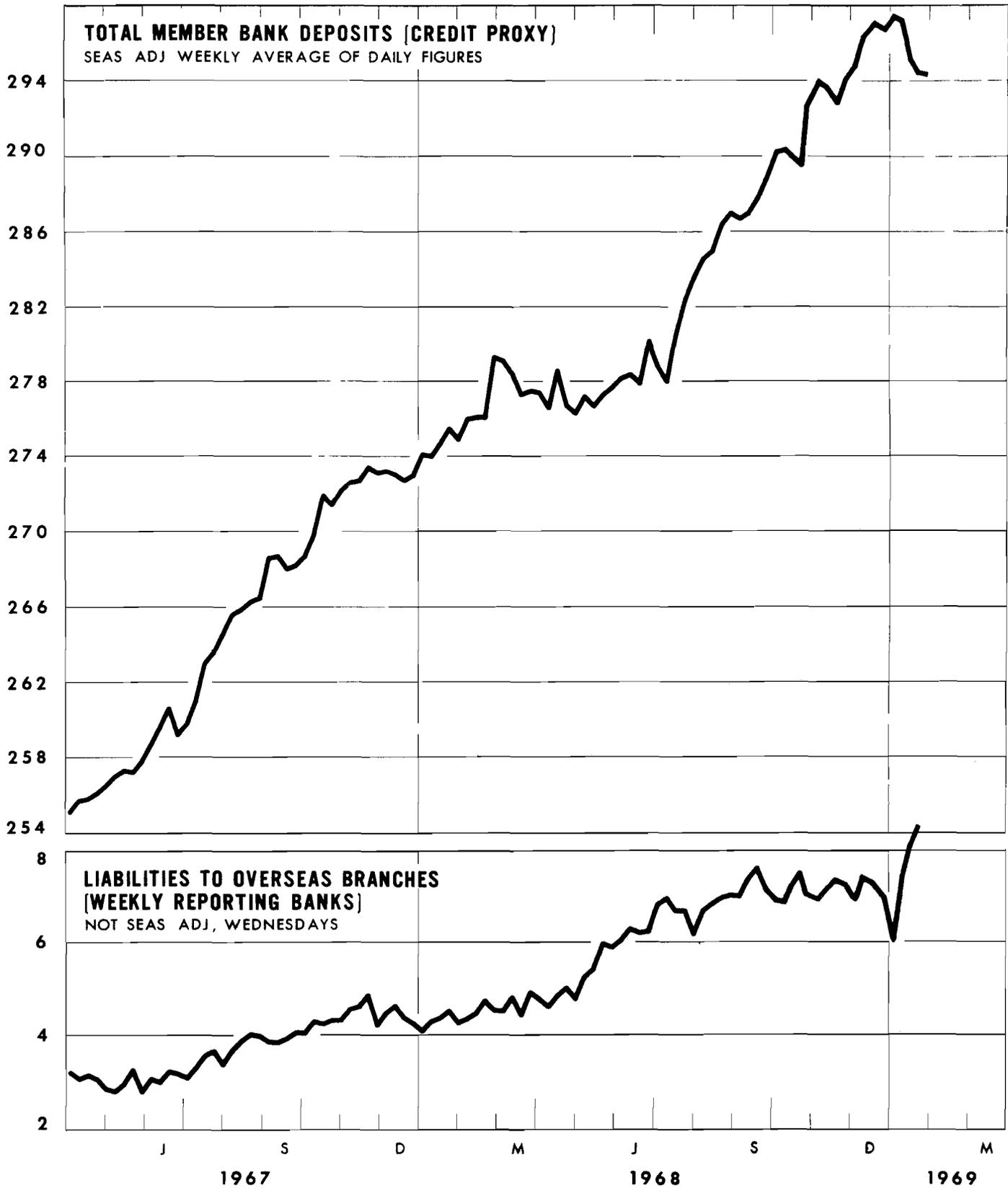


Chart 3

# MONEY SUPPLY AND BANK DEPOSITS

SEASONALLY ADJUSTED WEEKLY AVERAGES OF DAILY FIGURES

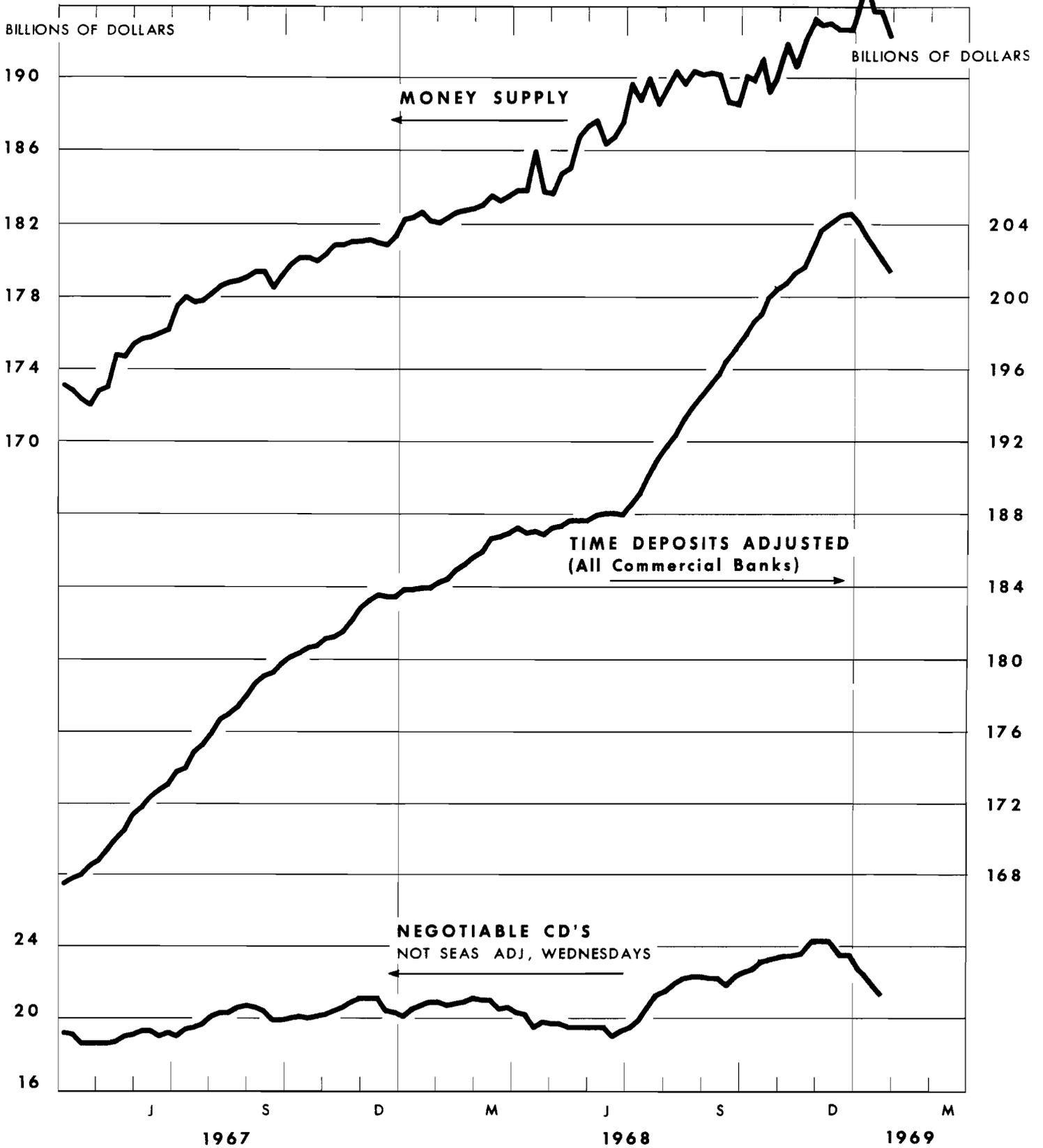


Chart 4

# DEMAND DEPOSITS AND CURRENCY

SEASONALLY ADJUSTED WEEKLY AVERAGES OF DAILY FIGURES

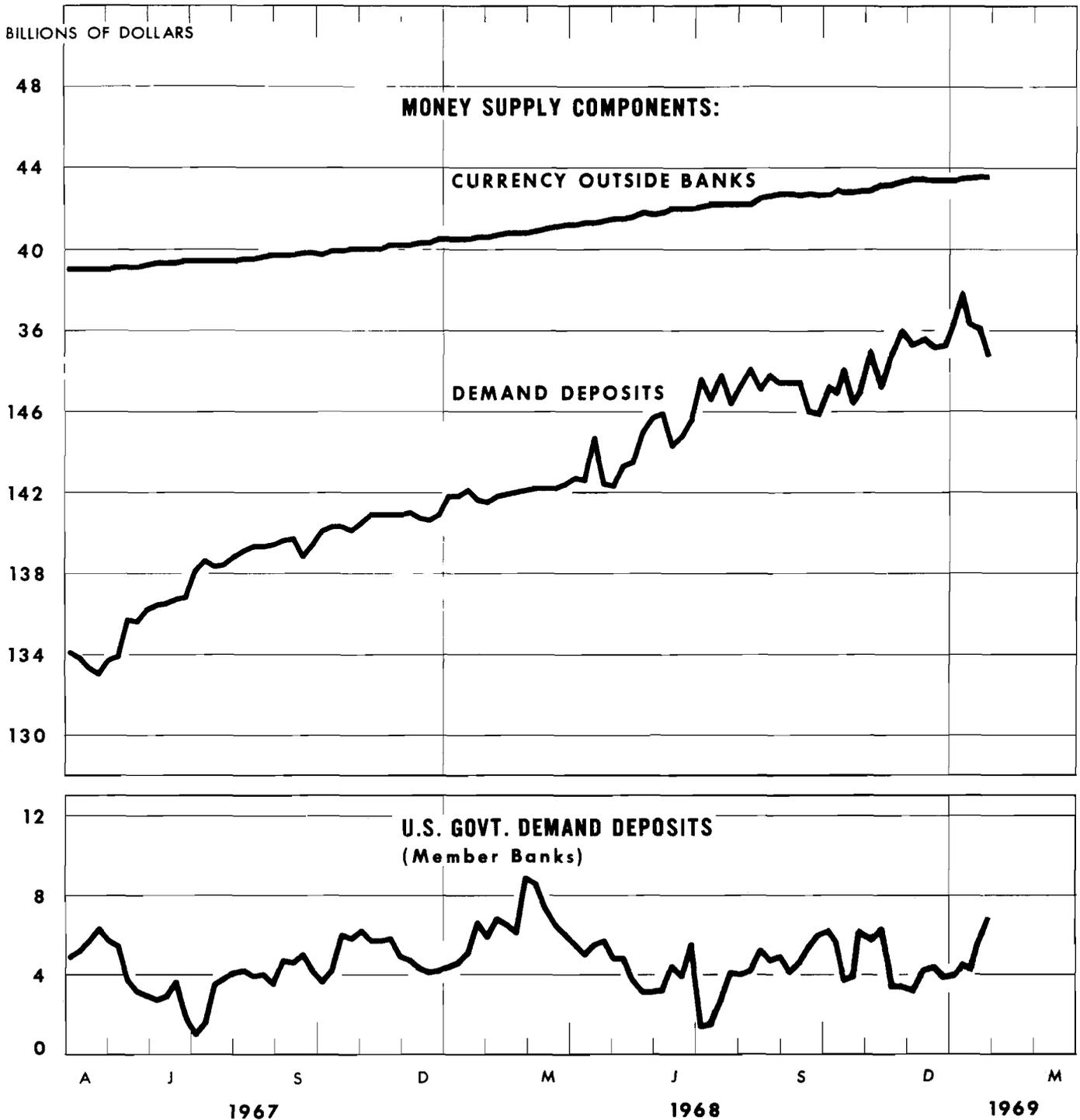


Table B-1

## 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	= Bank use of reserves	
	Federal Reserve credit (excl. float) 1/	Gold stock	Currency outside banks	Technical factors net 2/	in total reserves	Required reserves 3/	Excess reserves
<u>Year:</u>							
1 <sup>c</sup> (12/28/66 - 12/27/67)	+4,718	- 725	-2,305	- 165	+1,522	+1,517	+ 5
1968 (12/27/67 - 12/25/68) 5/	+3,757	-2,067	-3,221	+3,039	+1,508	+1,563	- 55
<u>Year-to-date:</u>							
(12/27/67 - 1/31/68) 5/	- 95	- 451	+1,735	-1,205	- 15	+ 91	- 106
(12/25/68 - 1/29/69)	- 229	--	+1,996	-1,456	+ 311	+ 597	- 286
<u>Weekly:</u>							
1968--Dec.							
4	+ 284	--	- 228	+ 211	+ 265	- 29	+ 294
11	- 910	--	- 198	+ 708	- 398	+ 29	- 427
18	- 257	--	- 280	+1,162	+ 627	+ 311	+ 316
25	+ 451	--	- 185	- 118	+ 144	+ 92	+ 52
1969--Jan.							
1	+1,233	--	+ 85	- 236	+1,082	+ 625	+ 459
8 p	- 467	--	+ 368	- 235	- 336	+ 329	- 669
15 p	- 205	--	+1,135	- 358	+ 574	+ 570	+ 4
22 p	- 392	--	+ 14	+ 146	- 231	- 257	+ 26
29 p	- 393	--	+ 394	- 773	- 774	- 668	- 106
	<u>PROJECTED</u> <sup>4/</sup>						
1969--Feb.							
5	+ 35	--	- 175	- 60	- 200	- 200	--
12	+ 50	--	- 100	- 10	- 60	- 60	--
19	- 50	--	- 320	+ 415	+ 45	+ 45	--
26	- 195	--	+ 105	- 215	- 305	- 305	--
Mar.							
5	- 250	--	+ 70	- 125	- 305	- 305	--

1/ For retrospective details, see 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.

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

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	
<b>Year:</b>								
1967 (12/28/66 - 12/27/67) <sup>1/</sup>	+1.517	+ 261	+1,256	+ 59	+ 6	+1,023	+ 168	
1968 (12/27/67 - 12/25/68) <sup>1/</sup>	+1.563	- 558	+2,121	- 382	+ 25	+1,647	+ 831	
<b>Year-to-date:</b>								
(12/27/67 - 1/31/68)	+ 91	- 163	+ 254	- 4	+ 208	+ 136	- 86	
(12/25/68 - 1/29/69)	+ 597	- 55	+ 652	+ 560	+ 51	+ 140	- 99	
<b>Weekly:</b>								
1968--Dec.								
4	- 29	- 227	+ 198	- 64	- 18	+ 251	+ 29	
11	+ 29	+ 87	- 58	- 115	- 13	+ 17	+ 53	
18	+ 311	- 86	+ 397	+ 288	- 6	+ 81	+ 34	
25	+ 92	- 25	+ 117	+ 113	- 7	- 22	+ 33	
1969--Jan.								
1	+ 625	+ 200	+ 425	+ 332	--	+ 87	+ 6	
8 p	+ 329	+ 300	+ 29	+ 2	- 6	+ 36	- 3	
15 p	+ 570	- 207	+ 777	+ 482	+ 25	+ 279	- 9	
22 p	- 257	- 108	- 149	- 174	+ 19	+ 36	- 30	
29 p	- 668	- 240	- 428	- 114	+ 13	- 321	- 6	
	<b>PROJECTED</b>							
1969--Feb.								
5	- 200	+ 250	- 450	- 290	+ 20	- 155	- 25	
12	- 60	+ 335	- 395	- 305	+ 20	- 75	- 35	
19	+ 45	+ 80	- 35	- 95	+ 15	+ 70	- 25	
26	- 305	+ 115	- 420	- 250	+ 15	- 150	- 35	
Mar.								
5	- 305	- 225	- 80	- 240	+ 5	+ 165	- 10	

<sup>1/</sup> Reflects reserve requirement changes in March 1967 and January 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
<u>ACTUAL</u>		(Sign indicates effect on reserves)			
<u>Year:</u>					
1967 (12/28/66 - 12/27/67)	- 165	- 85	- 389	- 7	+ 316
1968 (12/27/67 - 12/25/68)	+3,039	+ 928	+1,309	- 67	+ 869
<u>Year-to-date:</u>					
(12/27/67 - 1/31/68)	-1,205	- 375	- 939	- 11	+ 120
(12/25/68 - 1/29/69)	-1,456	- 270	-1,215	+ 85	- 56
<u>Weekly:</u>					
1968--Dec.					
4	+ 211	+ 68	- 2	- 6	+ 151
11	+ 708	+ 415	+ 349	- 8	- 48
18	+1,162	+ 125	+ 757	- 1	+ 281
25	- 218	- 391	+ 351	+ 17	- 95
1969--Jan.					
1	- 236	- 119	+ 1	+ 2	- 120
8 p	- 235	- 19	- 337	- 2	+ 123
15 p	- 358	+ 16	- 333	+ 1	- 42
22 p	+ 146	+ 18	+ 35	+ 15	+ 78
29 p	- 773	- 166	- 581	+ 69	- 95
<u>PROJECTED</u>					
1969--Feb.					
5	- 60	+ 155	- 100	- 20	- 95
12	- 10	+ 60	- 100	--	+ 30
19	+ 415	--	+ 370	--	+ 45
26	- 215	--	- 30	--	- 185
Mar.					
5	- 125	--	- 125	--	--

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>									
1967 (12/28/66 - 12/27/67)	+4,718	+5,009	+4,433	+1,153	- 577	- 19	- 69	- 203	
1968 (12/27/67 - 12/25/68)	+3,757	+3,298	+2,143	+1,176	- 21	- 3	- 52	+ 514	
<u>Year-to-date:</u>									
(12/27/67 - 1/31/68)	+ 40	+ 253	+ 260	--	- 7	- 7	- 41	- 165	
(12/25/68 - 1/29/69)	- 229	- 244	- 184	--	- 60	- 4	- 14	+ 33	
<u>Weekly:</u>									
1968--Nov.									
	6	- 116	- 20	- 51	--	+ 31	+ 7	--	- 103
	13	+ 664	+ 345	+ 261	--	+ 84	+ 6	+ 30	+ 283
	20	- 424	- 225	- 53	--	- 172	- 13	- 24	- 162
	27	- 489	- 557	- 557	--	--	--	- 1	+ 71
Dec.									
	4	+ 284	+ 335	+ 307	--	+ 28	+ 1	- 2	- 50
	11	- 910	- 812*	- 797	--	- 28	- 1	--	- 97
	18	- 258	- 396*	- 722	--	--	--	- 1	+ 139
	25	+ 450	+ 156*	+ 435	--	+ 60	+ 4	+ 5	+ 285
1969--Jan.									
	1	+1,228	+ 742	+ 576	--	+ 166	+ 7	+ 20	+ 459
	8	- 467	+ 344	+ 398	--	- 54	+ 5	+ 3	- 819
	15	- 205	- 347	- 175	--	- 172	- 16	- 31	+ 189
	22	- 392	- 480	- 480	--	--	--	- 4	+ 92
	29	- 393	- 503	- 503	--	--	--	- 2	+ 112

\* - Includes effect of change in special certificates of \$13 million of the week of December 11, 1968, +\$326 million of the week of December 18, 1968, and -\$339 million of the week of December 25, 1968.

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	22,687	22,320	16,908
Sept.	23,065	22,319	22,712	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	24,234	23,776	17,701
Sept.	24,786	24,721	24,476	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.	26,431	25,918	26,053	25,340	18,765
Sept.	26,395	25,947	26,158	25,294	18,621
Oct.	26,610	26,211	26,344	25,528	18,746
Nov.	26,732	26,160	26,524	25,759	18,893
Dec. p	26,976	26,139	26,686	26,068	19,106
1969--Jan. p	27,172	26,403	27,003	26,163	19,261

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 1/)	Time deposits	Private demand deposits 2/	U.S. Gov't. demand deposits
1966--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.	285.9	156.5	124.6	4.8
Sept.	287.9	158.9	123.6	5.3
Oct.	290.9	161.5	124.5	5.0
Nov.	293.6	163.5	125.4	4.7
Dec.	296.7	165.8	126.7	4.2
1969--Jan. p	295.2	163.2	126.7	5.4

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/ Private demand deposits include demand deposits of individuals, partnerships and corporations and net interbank balances.

p - Preliminary.

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/	Time deposits	Private demand deposits 2/	U. S. Gov't. demand deposits
1968--Aug. 7	284.7	155.5	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	287.8	158.9	123.5	5.4
25	288.8	159.4	123.4	6.0
Oct. 2	290.3	160.1	124.0	6.2
9	290.4	160.8	123.9	5.7
16	289.9	161.1	125.1	3.7
23	289.5	161.9	123.7	3.9
30	292.7	162.2	124.3	6.2
Nov. 6	293.9	162.6	125.5	5.8
13	293.6	163.0	124.2	6.3
20	292.9	163.6	125.9	3.4
27	294.1	164.7	126.1	3.4
Dec. 4	294.8	165.3	126.3	3.2
11	296.4	165.9	126.3	4.2
18	296.9	166.1	126.4	4.4
25	296.7	166.1	126.9	3.7
1969--Jan. 1	297.4	165.5	127.9	4.0
8 p	297.2	164.4	128.2	4.5
15 p	295.0	163.9	126.8	4.3
22 p	294.4	162.8	126.1	5.6
29 p	294.3	162.0	125.4	6.9

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 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
1966--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.	190.3	42.6	147.6	193.8
Sept.	189.5	42.7	146.7	196.6
Oct.	190.2	42.8	147.4	199.5
Nov.	191.9	43.2	148.7	201.9
Dec.	193.1	43.4	149.7	204.3
1969--Jan. p	193.8	43.5	150.3	202.5

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.

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--Aug. 7	190.4	42.2	148.1	192.5
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	147.5	195.2
11	190.2	42.6	147.5	195.8
18	188.7	42.7	146.0	196.6
25	188.5	42.6	145.9	197.2
Oct. 2	190.0	42.7	147.3	198.1
9	189.9	42.9	147.0	198.7
16	191.0	42.8	148.1	199.1
23	189.4	42.8	146.5	200.0
30	189.9	42.9	147.0	200.4
Nov. 6	191.9	42.9	149.0	200.8
13	190.6	43.2	147.3	201.4
20	192.2	43.2	149.0	201.7
27	193.3	43.4	149.9	202.9
Dec. 4	193.0	43.5	149.4	203.7
11	193.1	43.5	149.6	204.1
18	192.7	43.4	149.2	204.5
25	192.7	43.4	149.3	204.6
1969--Jan. 1	193.7	43.4	150.4	204.1
8 p	195.4	43.5	151.9	203.4
15 p	193.8	43.5	150.3	202.8
22 p	193.7	43.6	150.1	202.1
29 p	192.3	43.6	148.7	201.4

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.