

U.S. FINANCIAL DATA

Week ending January 19, 1966

Since June, ^{AUG 9 7 1966} money supply growth has accelerated from an already rapid rate and reserves available to support private demand deposits have also increased at a sharp pace.

Historically, sustained periods of strong monetary growth have generally been accompanied by a rise in spending. Since the economy is now fairly taut, a larger portion of any rapid rise in spending, which might follow recent fiscal ease and monetary growth, is likely to take the form of price increases rather than increases in real output.

MONEY SUPPLY

The nation's money supply, which averaged \$168.7 billion in the week ending January 19, has grown \$2.1 billion since early December and at a 8.0 per cent annual rate since June. The rise since June is the fastest rise for a 7-month period in 13 years. Prior to June, money had increased at a 4 per cent rate from September 1962 and at a 1.5 per cent average rate from 1953 to 1962.

The rate of increase in the turnover of money has declined in recent months. Since early summer, the income velocity of money has risen at a 1.4 per cent annual rate, compared with an average 3 per cent annual rate since 1951. Typically, when there has been a sharp injection of money, spending initially has risen slower than money and the income velocity of money has declined or risen at a slower rate for a time. However, after a brief period the growth rate of spending has usually accelerated, and the velocity has risen as fast or faster than before the injection.

RESERVES

The recent monetary growth has been made possible by a rapid rise in bank reserves. The increase in total member bank reserves was very sharp in December and early January. Reserves available to support private demand deposits have risen at an unusually fast 7.1 per cent rate since June. Such reserves rose 2.2 per cent in the year previous to June.

INTEREST RATES

In the three days ending January 19, the average yield on 90-day Treasury bills rose to 4.63 per cent, up from 4.59 per cent in the week ending January 14 and from 3.83 per cent in July.

Interest rates have risen since July as corporations have increasingly turned to outside sources for investment funds and as borrowings by state and local governments have risen. Recently, the Federal Government has increased its demands for funds.

A legal limit of 4.25 per cent payable on new Government bonds (securities 5 years or more to maturity) has affected the term structure of interest rates as well as the maturity of the public debt. The yields on Treasury bills and intermediate term Government securities have risen relative to the long-term yield, and the average maturity of the Federal debt has shortened.

Prepared by Federal Reserve Bank of St. Louis

Released: January 21, 1966

U.S. MONEY STOCK

Weekly Averages of Daily Figures

Seasonally Adjusted

2

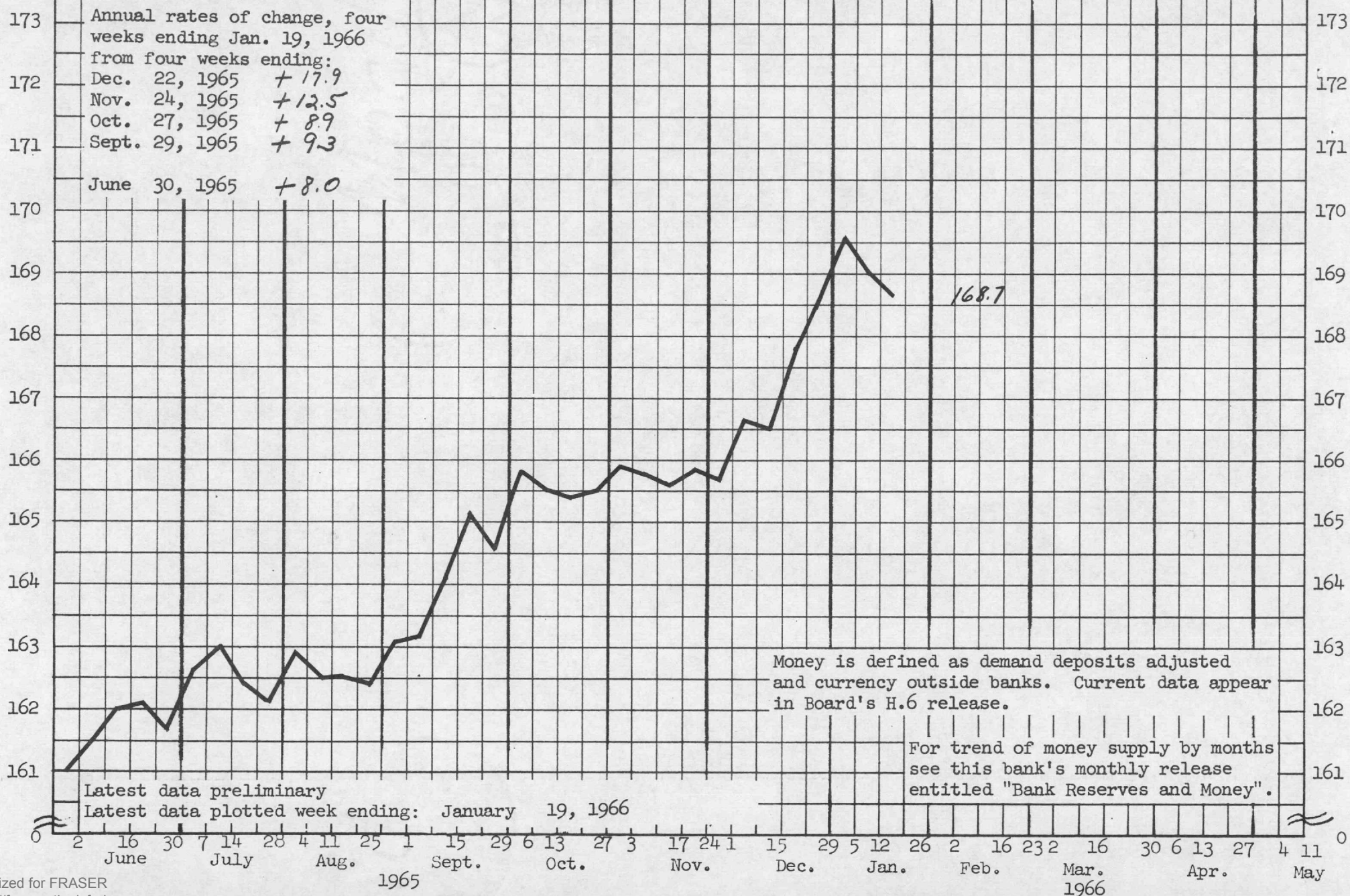
Billions of Dollars

Billions of Dollars

174

174

Prepared by Federal Reserve Bank of St. Louis



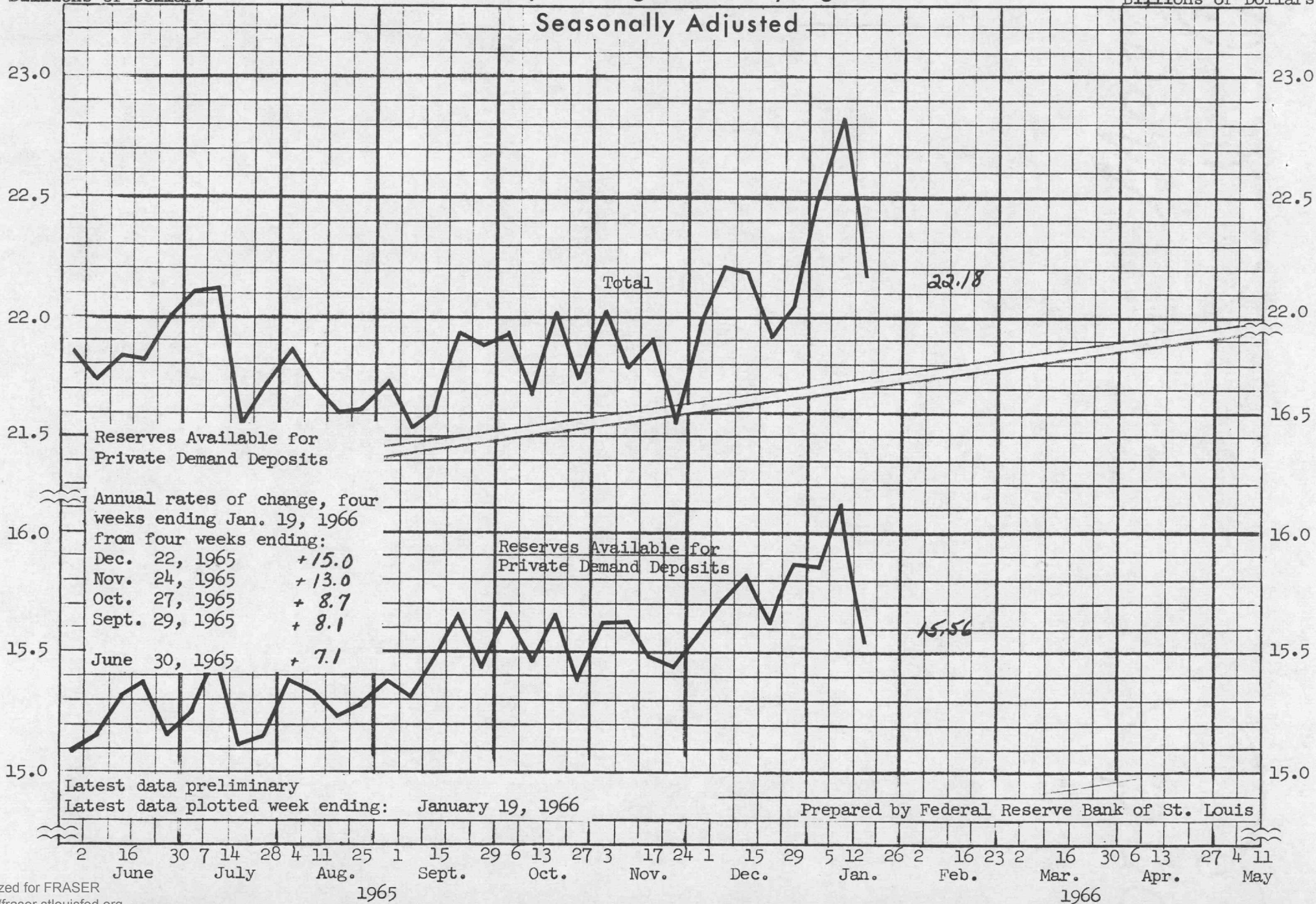
RESERVES

All Member Banks in the Nation
Weekly Averages of Daily Figures

3

Billions of Dollars

Billions of Dollars



BORROWINGS AND EXCESS RESERVES

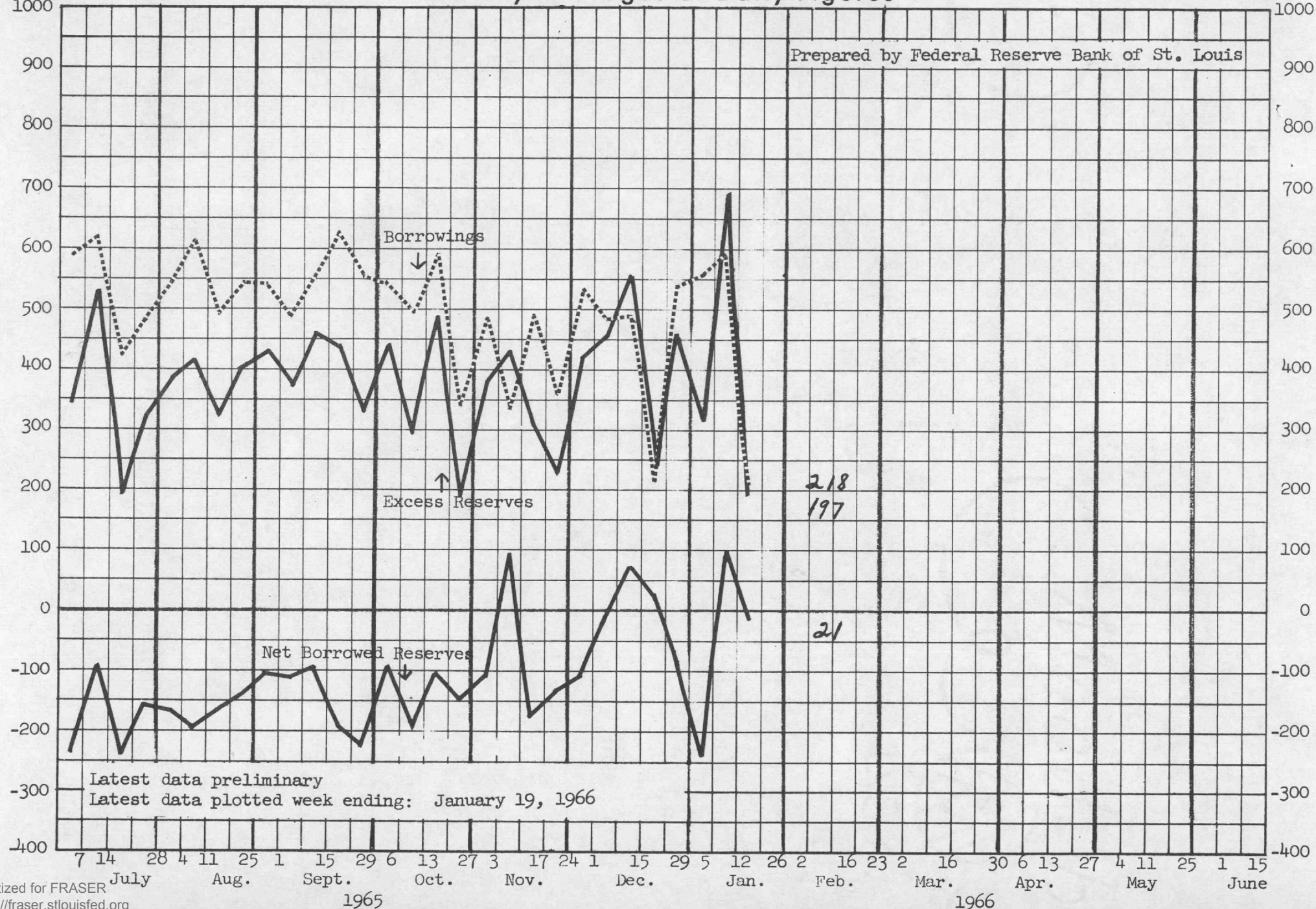
All Member Banks in the Nation

Weekly Averages of Daily Figures

4

Millions of Dollars
1000

Millions of Dollars
1000



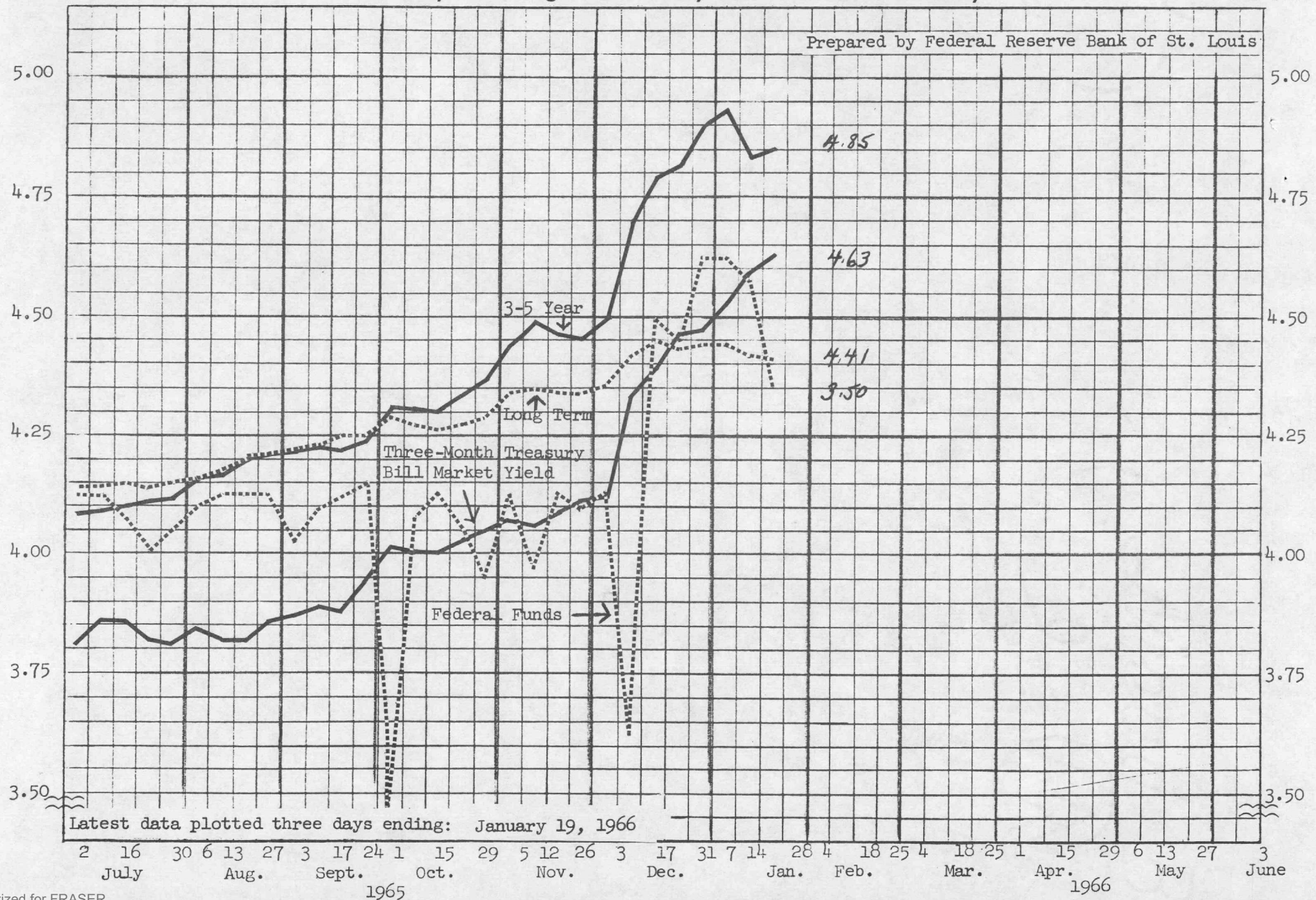
YIELDS ON U.S. GOVERNMENT SECURITIES & FEDERAL FUNDS

Weekly Averages of Daily Rates Ended Friday

5

Per Cent

Per Cent



BUSINESS LOANS

All Weekly Reporting Banks in the Nation

Wednesday Figures

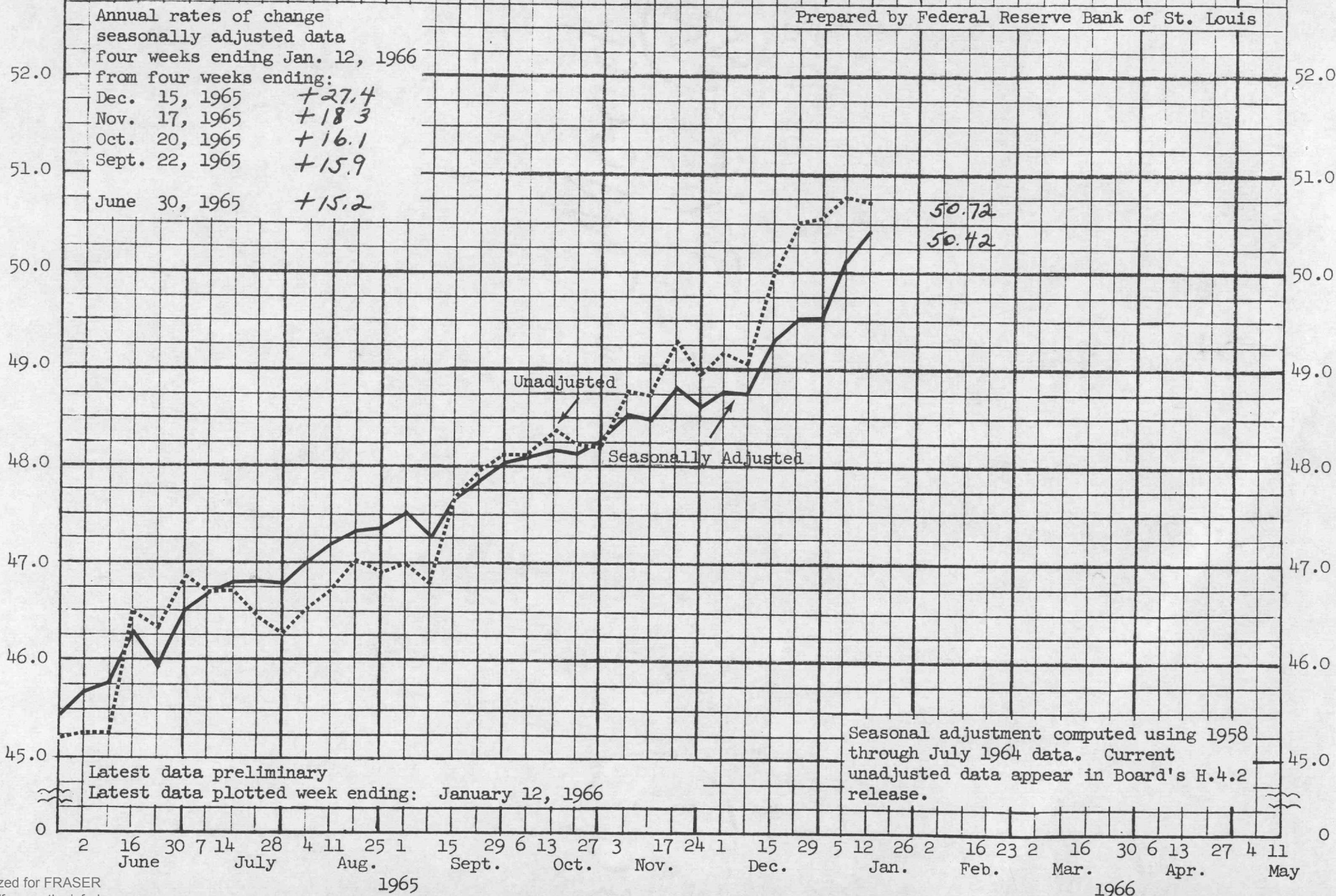
6

Billions of Dollars

Billions of Dollars

53.0

53.0



CERTIFICATES OF DEPOSIT ¹

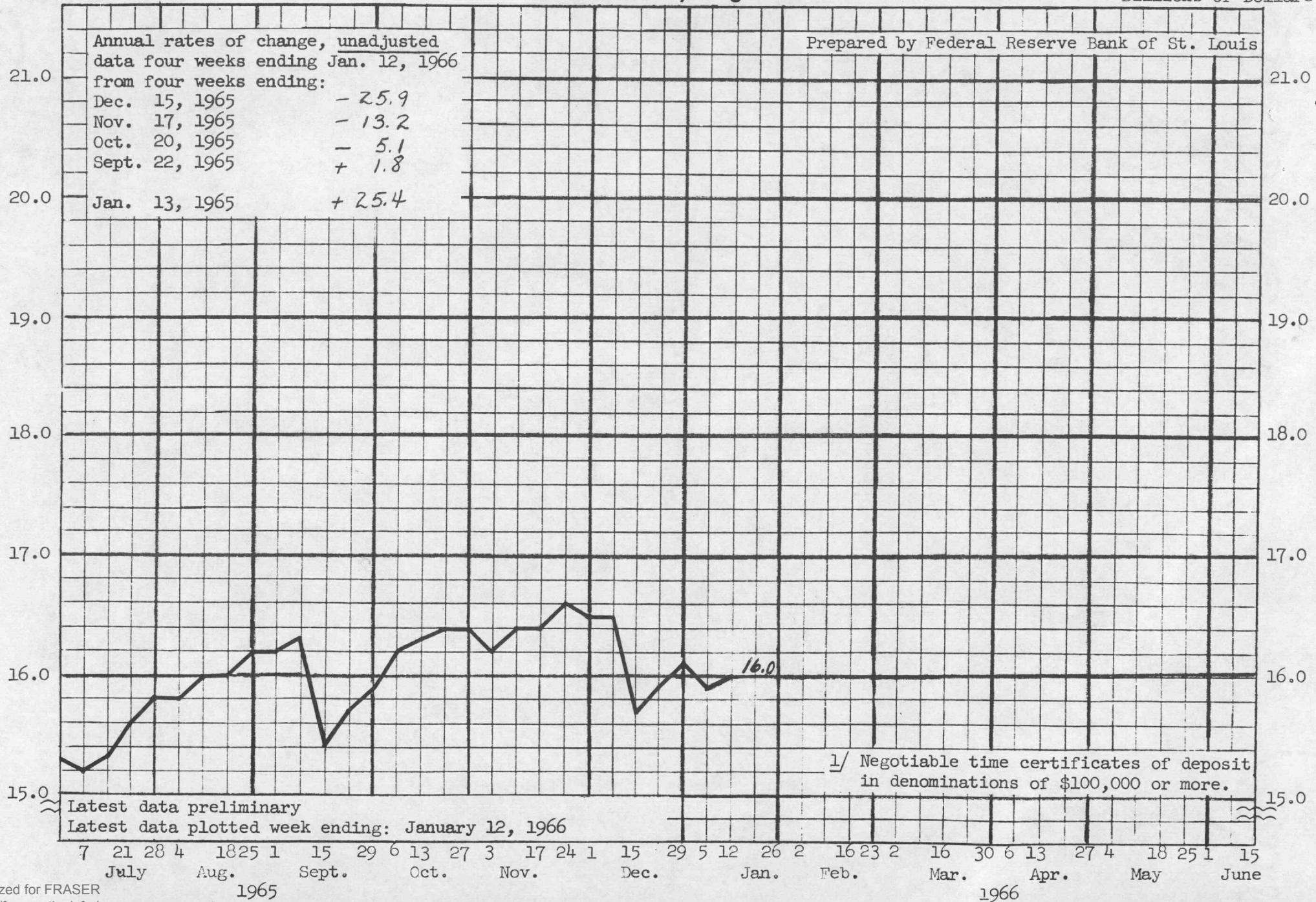
All Weekly Reporting Banks in the Nation

Wednesday Figures

7

Billions of Dollars

Billions of Dollars



3

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MEMBER BANK RESERVES
AVERAGES OF DAILY FIGURES
MILLIONS OF DOLLARS
SEASONALLY ADJUSTED

MONTH		WEEK ENDING		UNADJUSTED	SEASONALLY ADJUSTED	AVAILABLE FOR PRIVATE DEMAND DEPOSITS	TOTAL
1965 Jan.	160.0	1965 Oct. 6	165.8	48,132	48,084	15,673	21,943
Feb.	159.7	13	165.5	48,370	48,177	15,464	21,684
Mar.	160.3	20	165.4	48,241	48,145	15,665	22,007
Apr.	161.1	27	165.5	48,220	48,268	15,391	21,753
May	160.0	Nov. 3	165.9	48,778	48,535	15,627	22,022
June	161.8	10	165.8	48,737	48,495	15,624	21,796
July	162.5	17	165.6	49,303	48,815	15,498	21,900
Aug.	162.7	24	165.8	48,951	48,611	15,440	21,553
Sept.	164.3	Dec. 1	165.7	49,167	48,777	15,571	21,970
Oct.	165.6	8	166.6	49,061	48,768	15,702	22,201
Nov.	165.7	15	166.5	49,992	49,302	15,815	22,195
Dec.	167.4 P	22	167.8 P	50,511	49,521	15,623	21,906
		29	168.6 P	50,564	49,524	15,877	22,045
		1966 Jan. 5	169.6 P	50,773	50,121	15,876	22,528
		12	169.0 P	50,719 P	50,417 P	16,127	22,820
		19	168.7 P			15,557 P	22,179 P

10

WEEK UNADJUSTED
ENDING

WEEK ENDING	UNADJUSTED
12/22/79	10.0
12/29/79	10.0
1/5/80	10.0
1/12/80	10.0
1/19/80	10.0
1/26/80	10.0
2/2/80	10.0
2/9/80	10.0
2/16/80	10.0
2/23/80	10.0
2/29/80	10.0
3/6/80	10.0
3/13/80	10.0
3/20/80	10.0
3/27/80	10.0
4/3/80	10.0
4/10/80	10.0
4/17/80	10.0
4/24/80	10.0
5/1/80	10.0
5/8/80	10.0
5/15/80	10.0
5/22/80	10.0
5/29/80	10.0
6/5/80	10.0
6/12/80	10.0
6/19/80	10.0
6/26/80	10.0
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7/10/80	10.0
7/17/80	10.0
7/24/80	10.0
7/31/80	10.0
8/7/80	10.0
8/14/80	10.0
8/21/80	10.0
8/28/80	10.0
9/4/80	10.0
9/11/80	10.0
9/18/80	10.0
9/25/80	10.0
10/2/80	10.0
10/9/80	10.0
10/16/80	10.0
10/23/80	10.0
10/30/80	10.0
11/6/80	10.0
11/13/80	10.0
11/20/80	10.0
11/27/80	10.0
12/4/80	10.0
12/11/80	10.0
12/18/80	10.0
12/25/80	10.0
1/1/81	10.0
1/8/81	10.0
1/15/81	10.0
1/22/81	10.0
1/29/81	10.0
2/5/81	10.0
2/12/81	10.0
2/19/81	10.0
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6/10/82	10.0
6/17/82	10.0
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7/1/82	10.0
7/8/82	10.0
7/15/82	10.0
7/22/82</	

WEEK UNADJUSTED
ENDING

WEEK ENDING	UNADJUSTED
12/22/80	10.0
12/29/80	10.0
1/5/81	10.0
1/12/81	10.0
1/19/81	10.0
1/26/81	10.0
2/2/81	10.0
2/9/81	10.0
2/16/81	10.0
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2/28/81	10.0
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WEEK ENDING	UNADJUSTED
12/22/80	10.00
12/29/80	10.00
1/5/81	10.00
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5/13/83	10.00
5/20/83	10.00
5/27/83	10.00
6/3/83	10.00
6/10/83	10.00
6/17/83	10.00

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