Week ending November 1, 1967

BANK RESERVES

Total reserves of member banks (page 3) have risen at a 10 per cent annual rate in the three months since July, the same rate as since January. Most of the increase in reserves has been used to support the expansion of bank earning assets and total deposits, with excess reserves (page 8) being kept at a practical minimum throughout the year.

Reserves available for private demand deposits (total reserves less reserves required for Government, time, and net interbank deposits) are significant since they are a measure of potential expansion of demand deposits and money. These reserves have risen at a 2.5 per cent rate since July, and at a 7 per cent rate since January. Recent rates of growth of both total reserves and reserves available for private demand deposits are well above their trend rates from 1957 to 1966.

TIME DEPOSITS

Time deposits at all commercial banks (page 7) averaged $180.4 billion in the four weeks ending October 25, up at a 14 per cent annual rate since July, and at a 17 per cent rate since January. By way of comparison, time deposits rose at a 12 per cent trend rate from 1957 to 1966.

A particularly volatile component of time deposits is large negotiable certificates of deposit (page 6). These CD's which represent a source of funds to commercial banks and a liquid asset to investors, averaged $20 billion in the four weeks ending October 25, about $700 million below their late August peak, but up $5 billion for the year to date. After rebounding sharply from the depressed levels of late 1966, CD's outstanding showed relatively little change from April through early July, although short-term interest rates continued to ease and banks were able to compete effectively for these funds. The volume of CD's outstanding rose sharply during July and August, but fell off in September when rate relationships made Euro-dollars more attractive to some larger U.S. banks. In recent weeks, bankers' expectations of relatively modest near-term loan demands have probably caused them to seek CD funds of longer maturities, and some banks are now offering the 5-1/2 per cent maximum rate permitted under Regulation Q.

MONEY STOCK

The nation's money stock (page 5), consisting of private demand deposits and currency in the hands of the public, averaged $180.3 billion during the four weeks ending October 25, up at a 5.6 per cent annual rate since July, and at a 7.7 per cent rate since January. Private demand deposits (page 4), the larger and more volatile component of money, have risen at a 6 per cent annual rate since July, and at an 8.5 per cent rate since January. From 1957 to 1966, money rose at a 2.4 per cent trend rate, while private demand deposits grew at a 2 per cent rate.

Rates of change reported in this release are intended to serve as summaries which may be useful in analyzing recent developments.

Prepared by Federal Reserve Bank of St. Louis
Released: November 3, 1967
FEDERAL RESERVE CREDIT
Weekly Averages of Daily Figures
Seasonally Adjusted by this Bank

Billions of Dollars

Annual rates of change Federal Reserve Credit adjusted for reserve requirements changes average of four weeks ending Nov. 1, 1967 from four weeks ending:

Aug. 2, 1967 + 8.8
May 3, 1967 + 6.5
Feb. 1, 1967 +12.3
Nov. 2, 1966 +11.4

1957-1966 + 7.4

1/ Federal Reserve Credit excluding float and a few minor items, and adjusted for reserve requirement changes.
2/ Seasonal adjustment for Federal Reserve Holdings computed by this bank using data ending December 1966.
Borrowings from Federal Reserve not seasonally adjusted.

Latest data preliminary
Latest data plotted week ending: Nov. 1, 1967

Prepared by Federal Reserve Bank of St. Louis
DEMAND DEPOSIT COMPONENT OF U.S. MONEY STOCK*
Averages of Daily Figures
Seasonally Adjusted

Billions of Dollars
Annual rates of change, average of
four weeks ending Oct. 25, 1967
from four weeks ending:
July 26, 1967 + 5.8
Apr. 26, 1967 + 10.0
Jan. 25, 1967 + 8.5
Oct. 26, 1966 + 6.1
1957-1966 + 2.2

Latest data preliminary
Latest data plotted week ending: Oct. 25, 1967

* Current data appear in the Board's H.6 release. Back
For trend of demand deposits by months see this bank's
monthly release entitled "Monetary Trends".

Prepared by Federal Reserve Bank of St. Louis
MONEY STOCK*  
Averages of Daily Figures  
Seasonally Adjusted

Billions of Dollars  

Annual rates of change, average of four weeks ending Oct. 25, 1967 from four weeks ending:
- July 26, 1967: +5.6
- Apr. 26, 1967: +7.7
- Jan. 25, 1967: +7.7
- Oct. 26, 1966: +5.7
- 1957-1966: +2.4

Current data appear in the Board's 8.6 release. Back data appear in the August 1967 Federal Reserve Bulletin. For trend of money stock by months see this bank's monthly release entitled "Monetary Trends".

Latest data plotted week ending: Oct. 25, 1967

Prepared by Federal Reserve Bank of St. Louis
Billions of Dollars

CERTIFICATES OF DEPOSIT
Large Commercial Banks
Wednesday Figures

Annual rates of change, seasonally unadjusted data, average of four weeks ending Oct. 25, 1967 from:

Four weeks ending:
- July 26, 1967: + 2.2
- Apr. 26, 1967: + 1.5
- Jan. 25, 1967: + 2.1
- Oct. 26, 1966: + 2.2

1964 - 1966: + 2.2

Current and year ago data appear in the Board's H.4.2 release.

1/ Negotiable time certificates of deposit in denominations of $100,000 or more.

Latest data preliminary: Oct. 25, 1967

Prepared by Federal Reserve Bank of St. Louis

Billions of Dollars
TIME DEPOSITS*
All Commercial Banks
Weekly Averages of Daily Figures

Seasonally Adjusted

Annual rates of change, average of four weeks ending Oct. 25, 1967:

July 26, 1967        +13.8
Aug. 25, 1967        +11.4
Jan. 25, 1967        +16.6
Oct. 26, 1966        +14.5

1957-1966           +12.1

Latest data preliminary
Latest data plotted week ending: Oct. 25, 1967

* Current data appear in the Board's H.6 release. Back data appear in the August 1967 Federal Reserve Bulletin. For trend of time deposits by months see this bank's monthly release entitled "Monetary Trends".

Prepared by Federal Reserve Bank of St. Louis

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Federal Reserve Bank of St. Louis
BUSINESS LOANS
Large Commercial Banks
Wednesday Figures

Seasonally Adjusted by this Bank

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<thead>
<tr>
<th>Date</th>
<th>Millions of Dollars UNADJUSTED</th>
<th>SEASONALLY ADJUSTED</th>
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Current and year ago unadjusted data appear in the Board's H.4.2 release. Seasonal adjustment computed by this bank using 1962 through 1966 data.

Prepared by Federal Reserve Bank of St. Louis

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Federal Reserve Bank of St. Louis
YIELDS ON SELECTED SECURITIES
Weekly Averages of Daily Rates Ended Friday

Per Cent

Per Cent

3-MONTH
TREAS. 3-5
BILL YEAR TERM Aaa
LONG-CORPORATE

1967
July 7 4.20 5.29 4.31
July 14 4.17 5.11 4.31
Aug 11 4.17 5.25 4.95
Aug 25 4.30 5.28 4.92
Sept 15 4.37 5.17 4.84
Oct 24 4.41 5.15 5.14
Nov 7 4.49 5.02 5.02
Dec 6 4.56 5.69 5.12
Dec 13 4.56 5.57 5.24
Dec 27 4.56 5.57 5.24
Nov 13 4.56 5.57 5.24

Corporate
Aaa Bonds

Long-Term
Government Bonds

Discount Rate

Three-Month Treasury
Bill Market Yield

Latest data plotted are averages of rates available for the week ending: Nov. 3, 1967

Prepared by Federal Reserve Bank of St. Louis

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Federal Reserve Bank of St. Louis
Selected Short-Term Interest Rates
Weekly Averages of Daily Rates Ended Friday

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<tr>
<th>Date</th>
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<th>Prime Bankers' Acceptances</th>
<th>4- to 6-Month Acceptances</th>
<th>CD's**</th>
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<tr>
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* Averages of rates available.
** Source: Salomon Brothers and Hutker.

Latest data plotted are averages of rates available for the week ending: Nov. 3, 1967

Prepared by Federal Reserve Bank of St. Louis.