Most U.S. interest rates moved higher this week in the wake of the 14.3 per cent devaluation of the pound sterling to $2.40, and the increase in the British Bank Rate to 8 per cent which had prevailed since mid-April. The discount rate is considered by many to be a key rate in the structure of U.S. interest rates and was raised primarily to prevent an outflow of short-term, interest sensitive capital from this country. Many large commercial banks responded to the discount rate increase by raising the prime loan rate, or the rate charged large corporate borrowers, from 5.5 per cent to 6 per cent. The increase occurred despite relatively modest business loan demands at commercial banks in recent months.

Reflecting in part the higher Federal Reserve discount rate, the market yield on three-month Treasury bills (page 10) averaged 4.84 per cent in the three days ended November 22, up fairly sharply from the previous week, and about 1.5 percentage points above the early June level. On the other hand, longer-term interest rates moved slightly lower this week, largely for technical reasons. Interest rates on long-term Government bonds (page 10) averaged 5.44 per cent in the three days ended November 22, while the rates on outstanding high-grade corporate bonds averaged 6.08 per cent. Both these rates are considerably above their highs of 1966.

The nation's money stock (page 5), consisting of private demand deposits and currency in the hands of the public, averaged $180.6 billion during the four weeks ended November 15, up at a 5 per cent annual rate in the three months since early August, and at an 8 per cent rate in the nine months since early February. In contrast to recent rates of growth, money rose at a 2 per cent trend rate from 1957 to 1964, and at an accelerated 4 per cent rate from 1964 to 1966.

A broader measure of money (page 4), which includes time deposits at commercial banks, has risen at a 9 per cent annual rate since early August, and at a 12 per cent rate since February. By way of comparison, this measure, which is similar in magnitude to total bank credit, rose at a 5 per cent trend rate from 1957 to 1964, and at an 8 per cent rate from 1964 to 1966.

Large negotiable certificates of deposit averaged $20.4 billion during the four weeks ended November 15, up at a 5 per cent annual rate since early August, compared with a 20 per cent rate of growth from 1964 to 1966. Some banks are now, however, offering the 5-1/2 per cent maximum rate permitted under Regulation Q on CD's of both shorter and longer maturities, indicating that they are actively seeking to attract these funds.

Rates of change reported in this release are intended to serve as summaries which may be useful in analyzing recent developments.
MONEY STOCK PLUS TIME DEPOSITS*
Averages of Daily Figures
Seasonally Adjusted

Annual rates of change, average of four weeks ending Nov. 15, 1967
from four weeks ending:
- Aug. 16, 1967 +8.7
- May 17, 1967 +11.7
- Feb. 15, 1967 +11.7
- Nov. 16, 1966 +10.7

1957-1966 +4.0

Latest data plotted week ending: Nov. 15, 1967

* Current data appear in the Board's H.6 release. Back data appear in the August 1967 Federal Reserve Bulletin. For trend of money stock plus time deposits by months see this bank's monthly release entitled "Monetary Trends".
Annual rates of change, average of four weeks ending Nov. 15, 1967 from four weeks ending:

- Aug. 16, 1967: +4.7
- May 17, 1967: +8.5
- Feb. 15, 1967: +1.8
- Nov. 16, 1966: +6.3

1957-1966: +2.4

Latest data preliminary
Latest data plotted week ending: Nov. 15, 1967

13-week centered moving average
Weekly

WEEKLY DATA

1967
- Sept. 1: 179.3
- Oct. 1: 180.3
- Nov. 1: 181.4
- Dec. 1: 181.2

1966
- Sept. 1: 179.3
- Oct. 1: 180.3
- Nov. 1: 181.4
- Dec. 1: 181.2

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Federal Reserve Bank of St. Louis
Annual rates of change, seasonally unadjusted data, average of four weeks ending Nov. 15, 1967 from four weeks ending:

- Aug. 16, 1967  $\pm 4.8$
- May 17, 1967  $\pm 10.5$
- Feb. 15, 1967  $\pm 15.4$
- Nov. 16, 1966  $\pm 29.2$

1964 - 1966  $\pm 20.3$

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

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

Prepared by Federal Reserve Bank of St. Louis.
TIME DEPOSITS*
All Commercial Banks
Weekly Averages of Daily Figures

Billions of Dollars

Seasonally Adjusted

Annual rates of change, average of
four weeks ending Nov. 15, 1967
from four weeks ending:

- Aug. 16, 1967 +12.7
- May 17, 1967 +14.7
- Feb. 15, 1967 +15.8
- Nov. 16, 1966 +13.5

1957-1966 +12.1

Latest data plotted week ending: Nov. 15, 1967

Latest data preliminary

For trend of time deposits by months see this bank's
monthly release entitled "Monetary Trends".
BILLS OF DOLLARS
Large Commercial Banks
Wednesday Figures

Annual rates of change, average of
four weeks ending Nov. 15, 1967
from four weeks ending:
Aug. 16, 1967: -0.1
May 17, 1967: +5.0
Feb. 15, 1967: +6.9
Nov. 16, 1966: +6.1
1960 - 1966: +9.7

Seasonally Adjusted by this Bank

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.

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