



# U.S. FINANCIAL DATA

Week ending November 22, 1967

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INTEREST RATES (Pages 10 and 11)

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, the highest level since World War I. The Federal Reserve raised the discount rate, or the rate at which it lends to member banks, to 4.5 per cent from the 4 per cent rate 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.

MONEY STOCK (Pages 4 and 5)

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.

CERTIFICATES OF DEPOSIT (Page 6)

Large negotiable certificates of deposit averaged \$20.4 billion during the four weeks ended November 15, up at a 5 per cent 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.

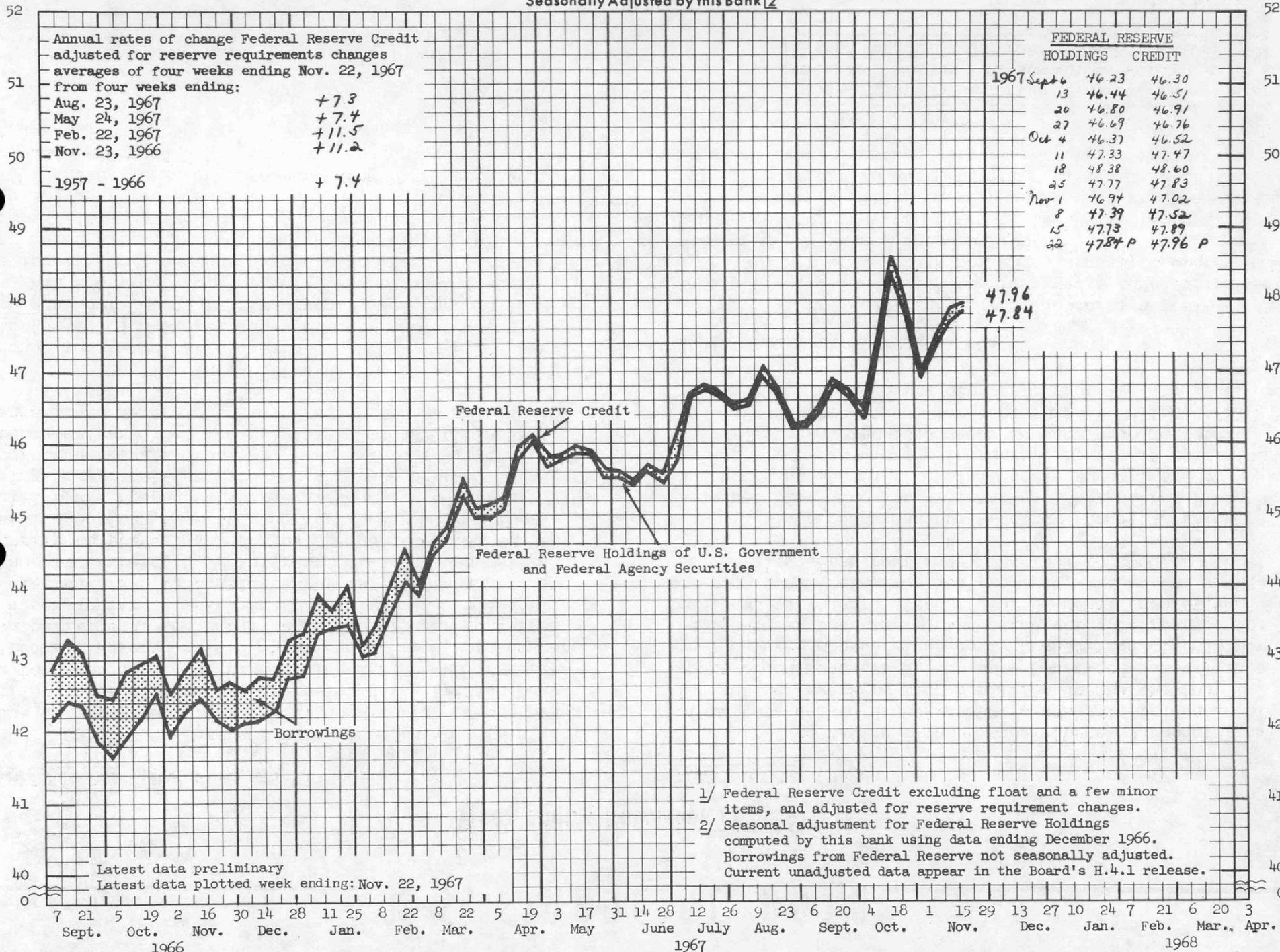
Prepared by Federal Reserve Bank of St. Louis

Released: November 24, 1967

Billions of Dollars

# FEDERAL RESERVE CREDIT <sup>1</sup> Weekly Averages of Daily Figures Seasonally Adjusted by this Bank <sup>2</sup>

Billions of Dollars

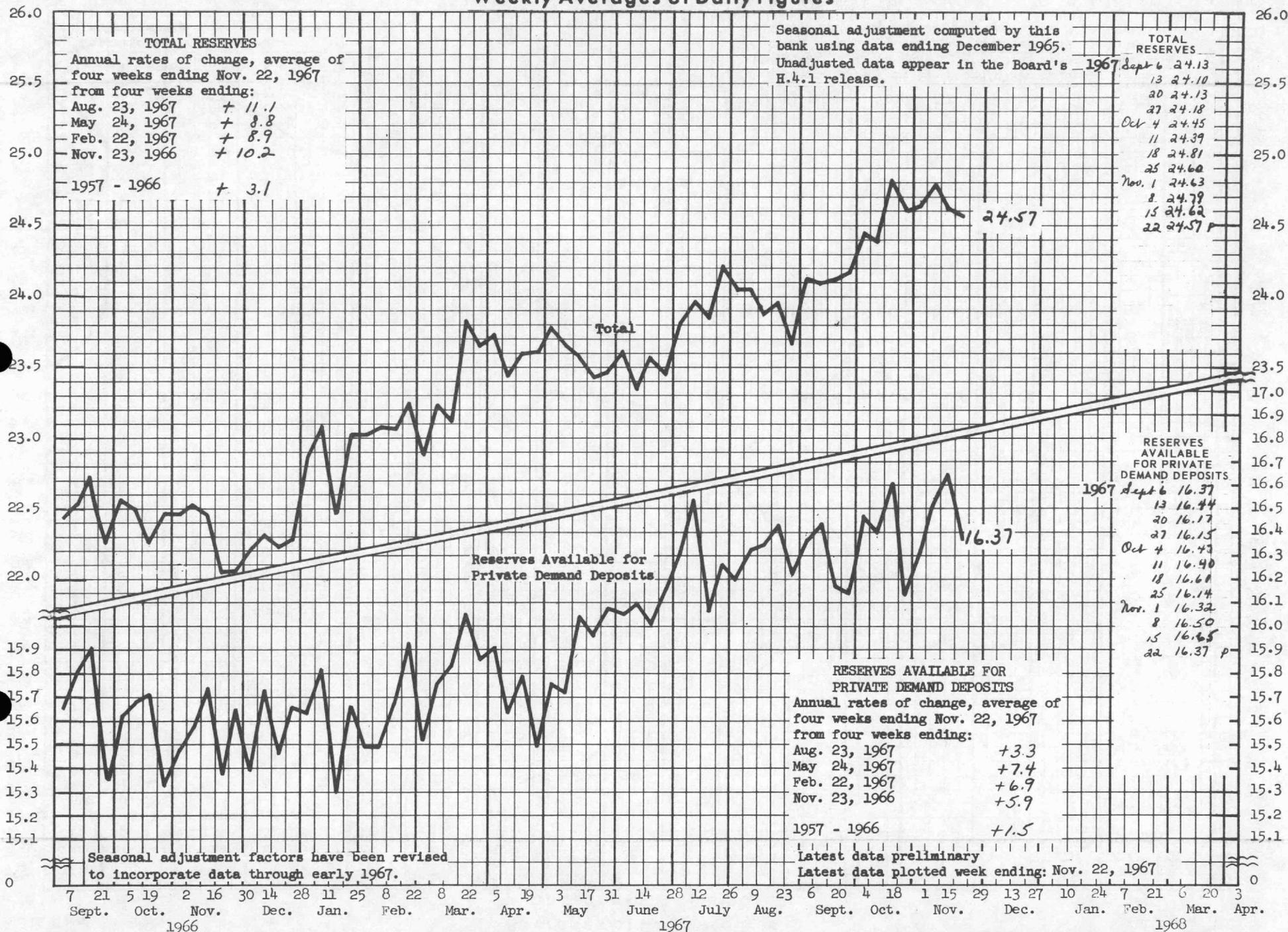


# RESERVES

## All Member Banks in the Nation Weekly Averages of Daily Figures

Billions of Dollars

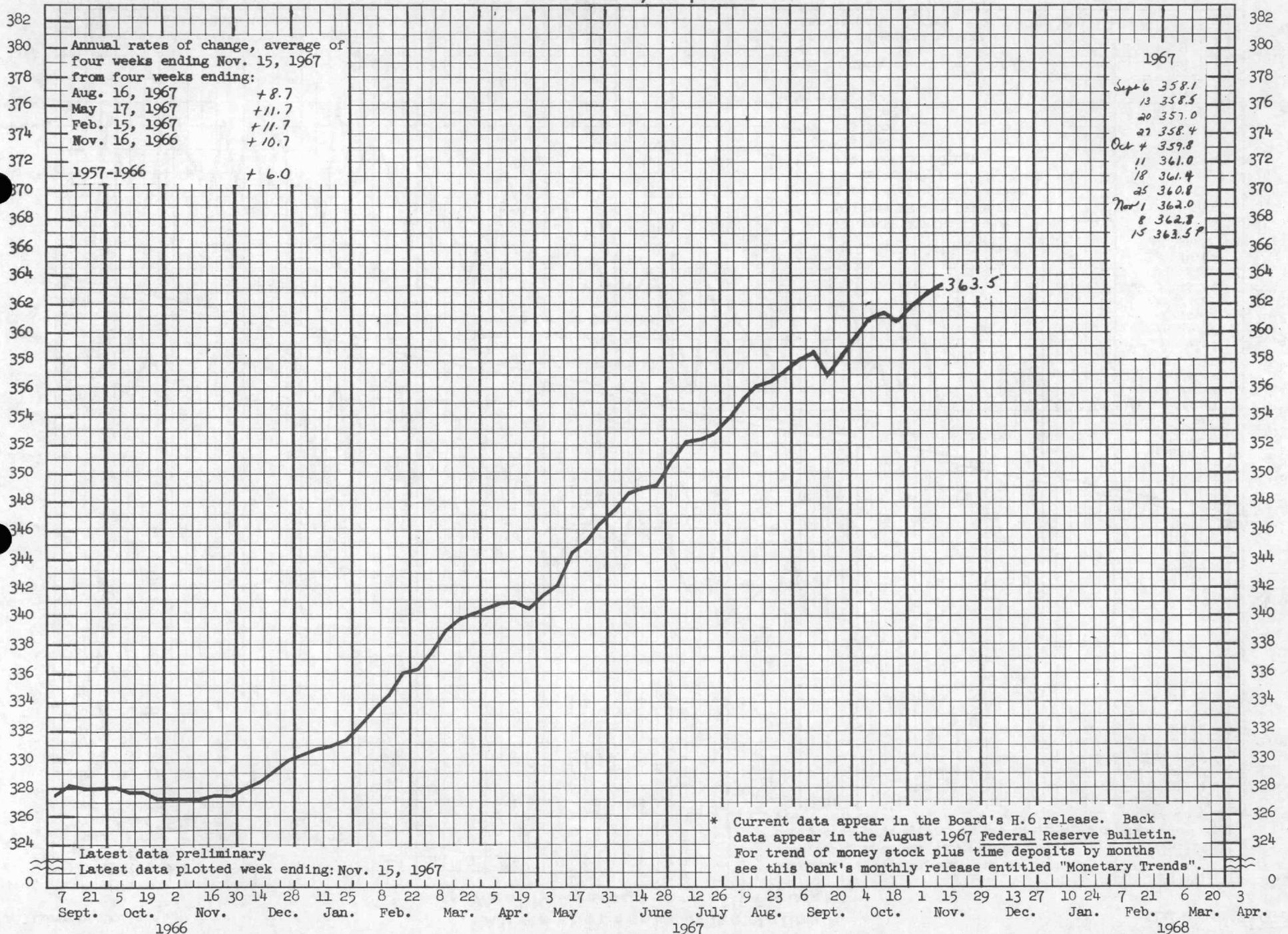
Billions of Dollars



MONEY STOCK PLUS TIME DEPOSITS \*  
Averages of Daily Figures  
Seasonally Adjusted

Billions of Dollars

Billions of Dollars



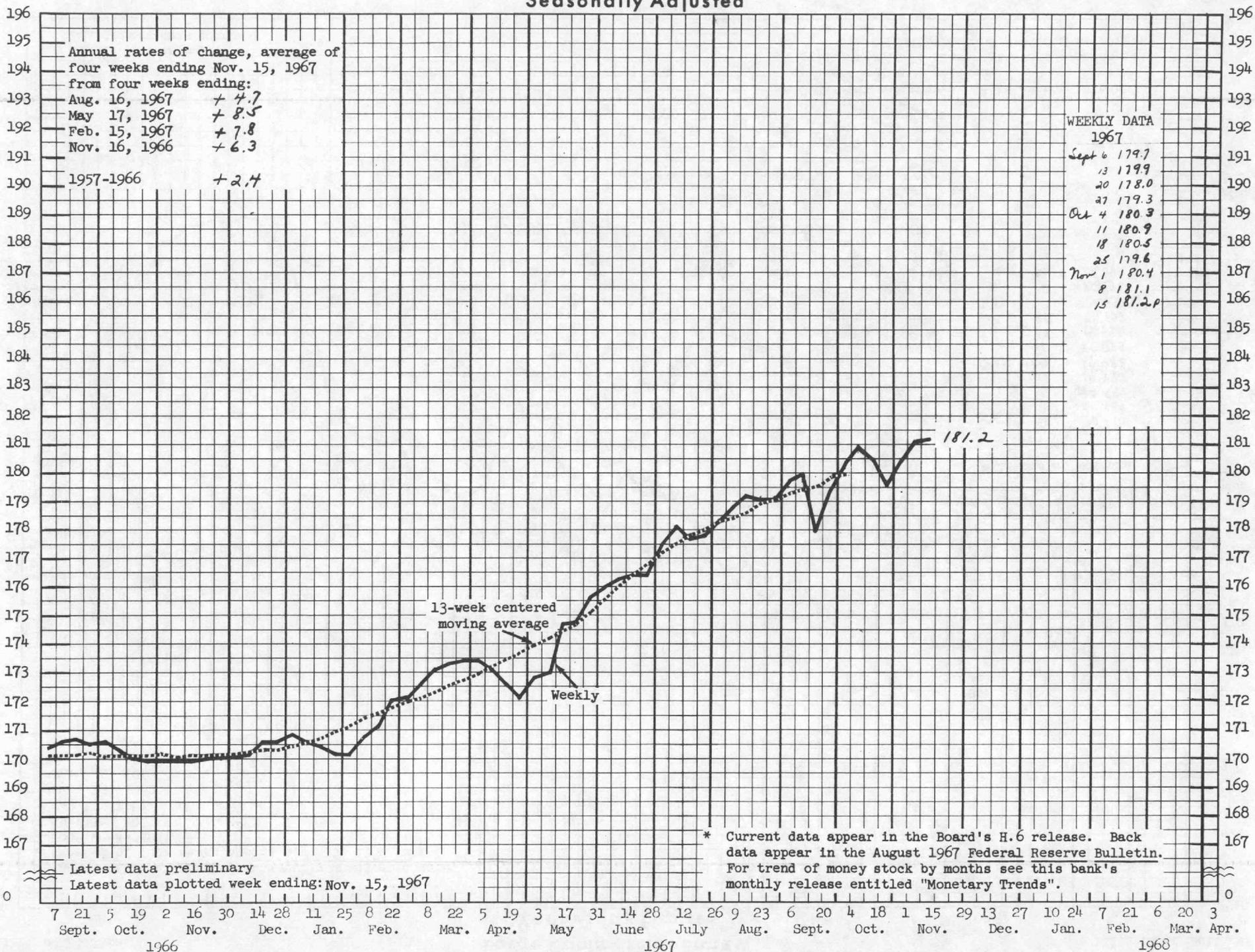
# MONEY STOCK\*

## Averages of Daily Figures

### Seasonally Adjusted

Billions of Dollars

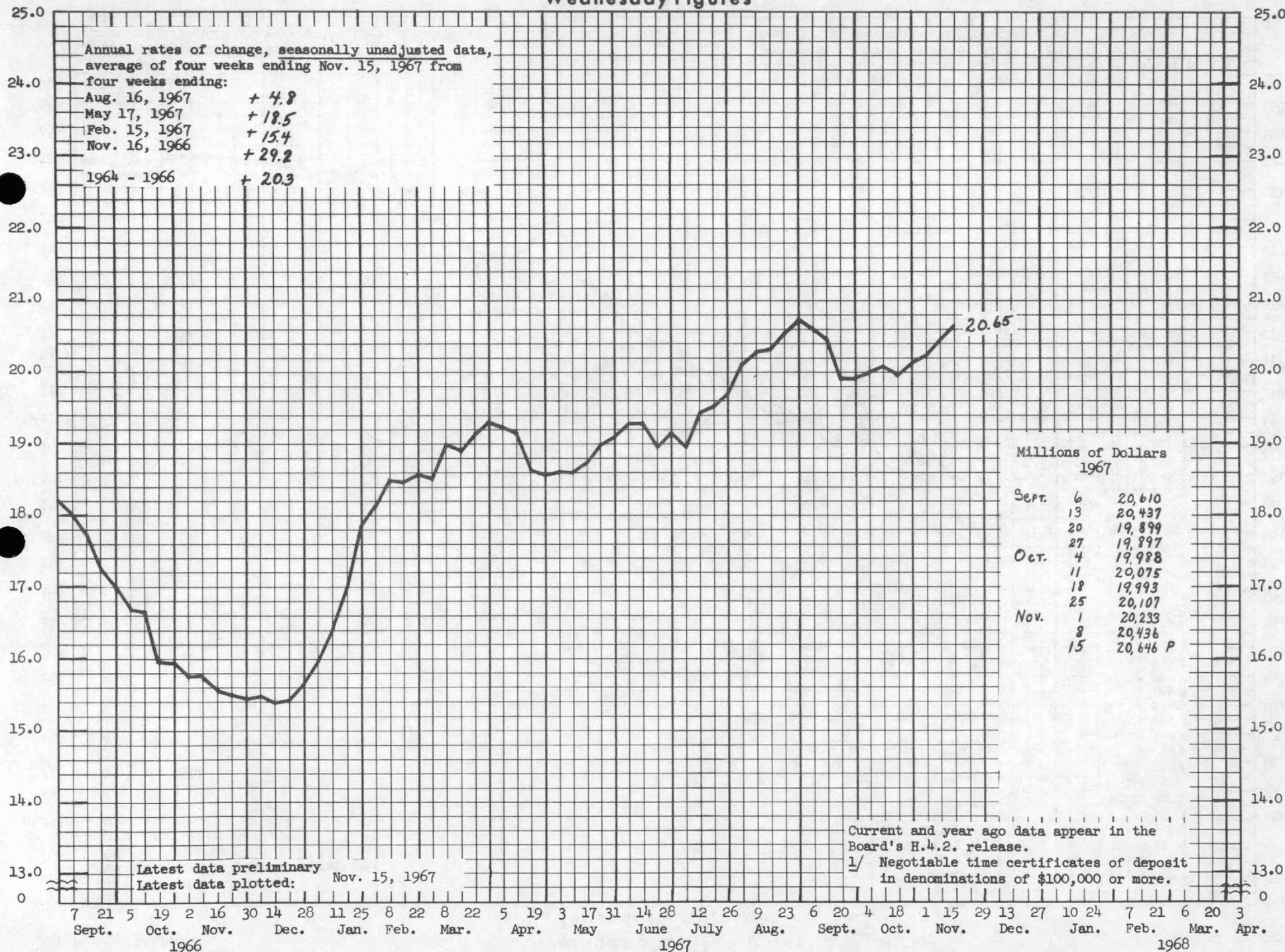
Billions of Dollars



**CERTIFICATES OF DEPOSIT <sup>1</sup>**  
**Large Commercial Banks**  
**Wednesday Figures**

Billions of Dollars

Billions of Dollars



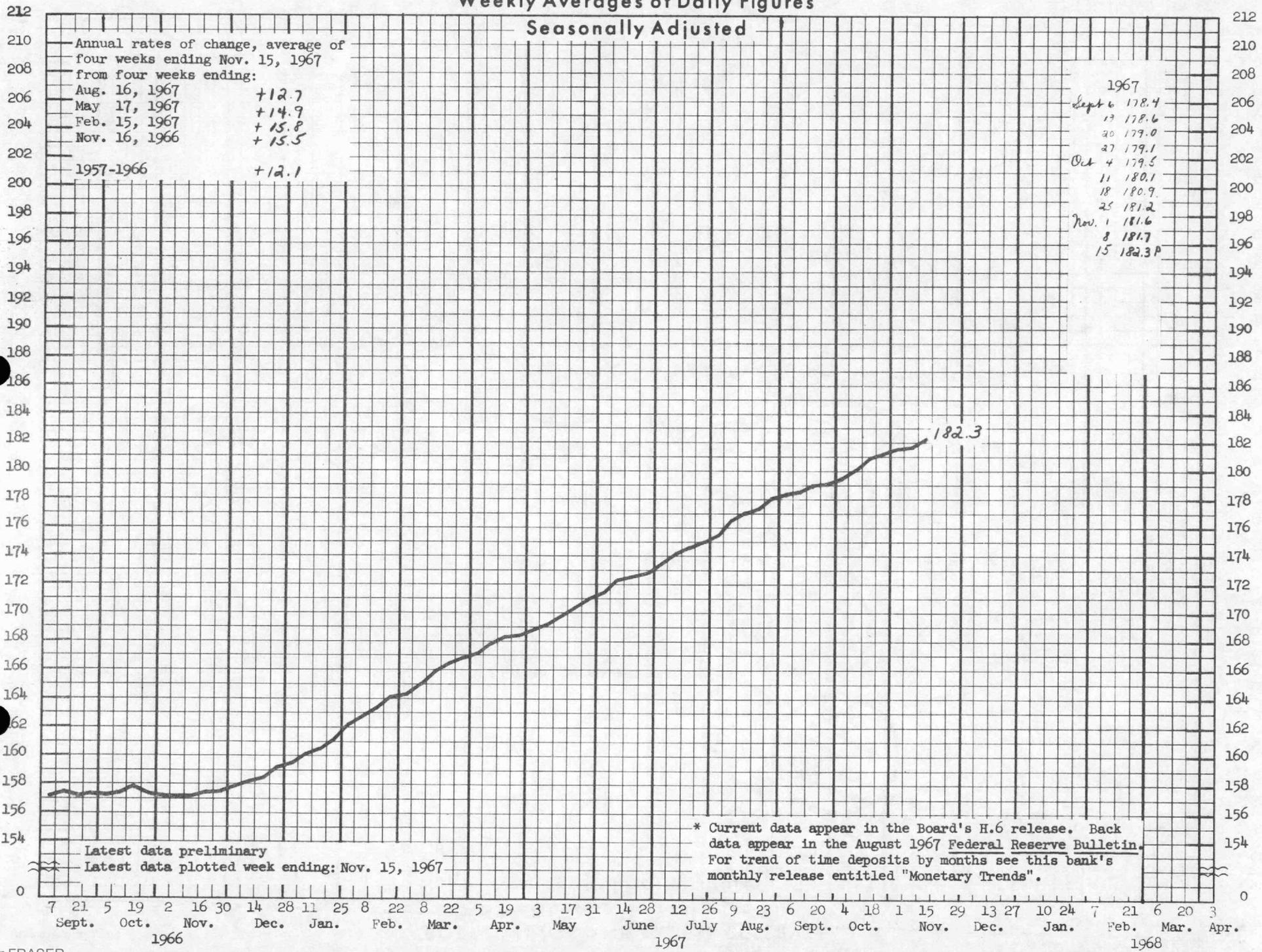
Billions of Dollars

Billions of Dollars

# TIME DEPOSITS\* All Commercial Banks

## Weekly Averages of Daily Figures

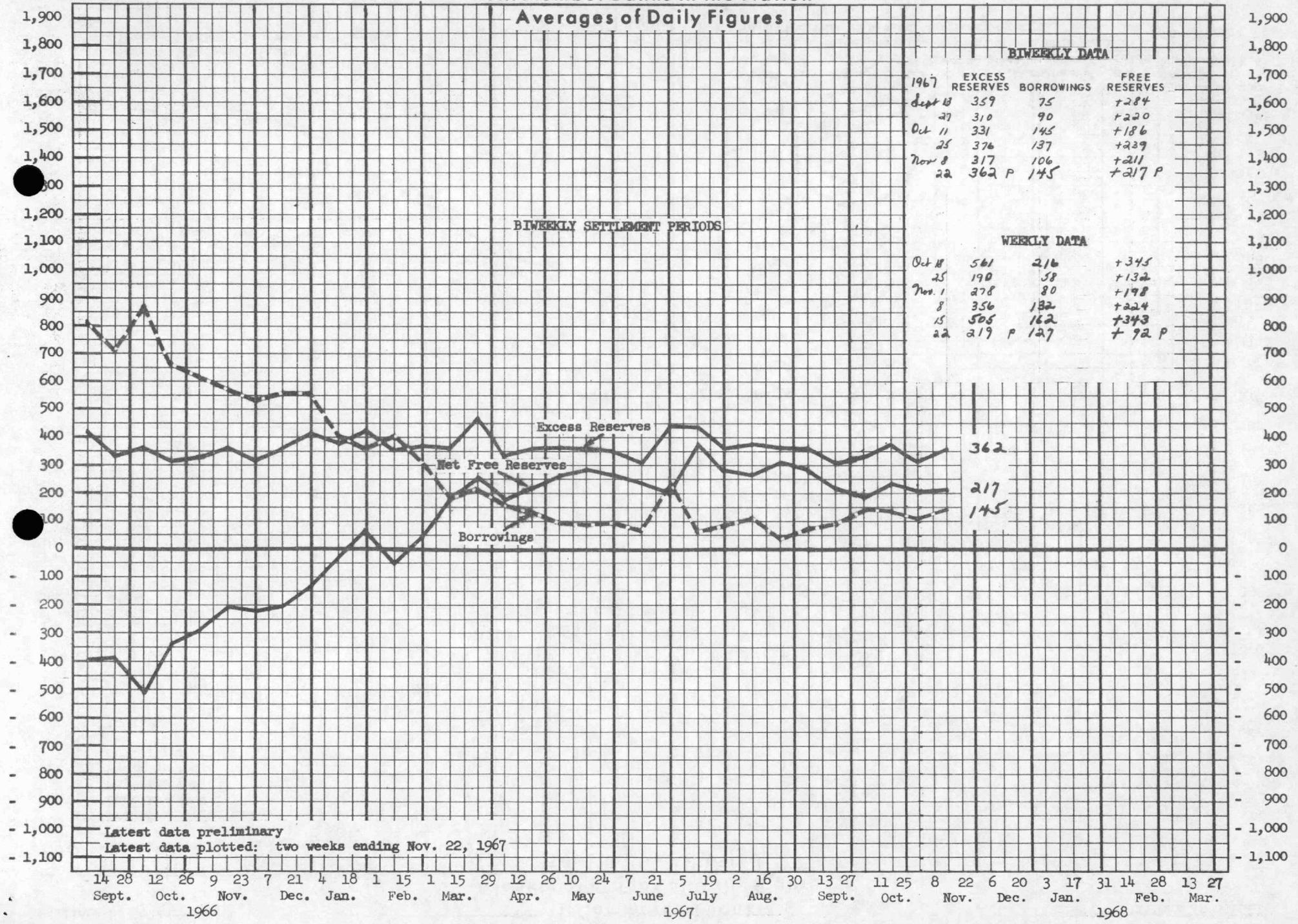
Seasonally Adjusted



Millions of Dollars

### BORROWINGS AND EXCESS RESERVES All Member Banks in the Nation

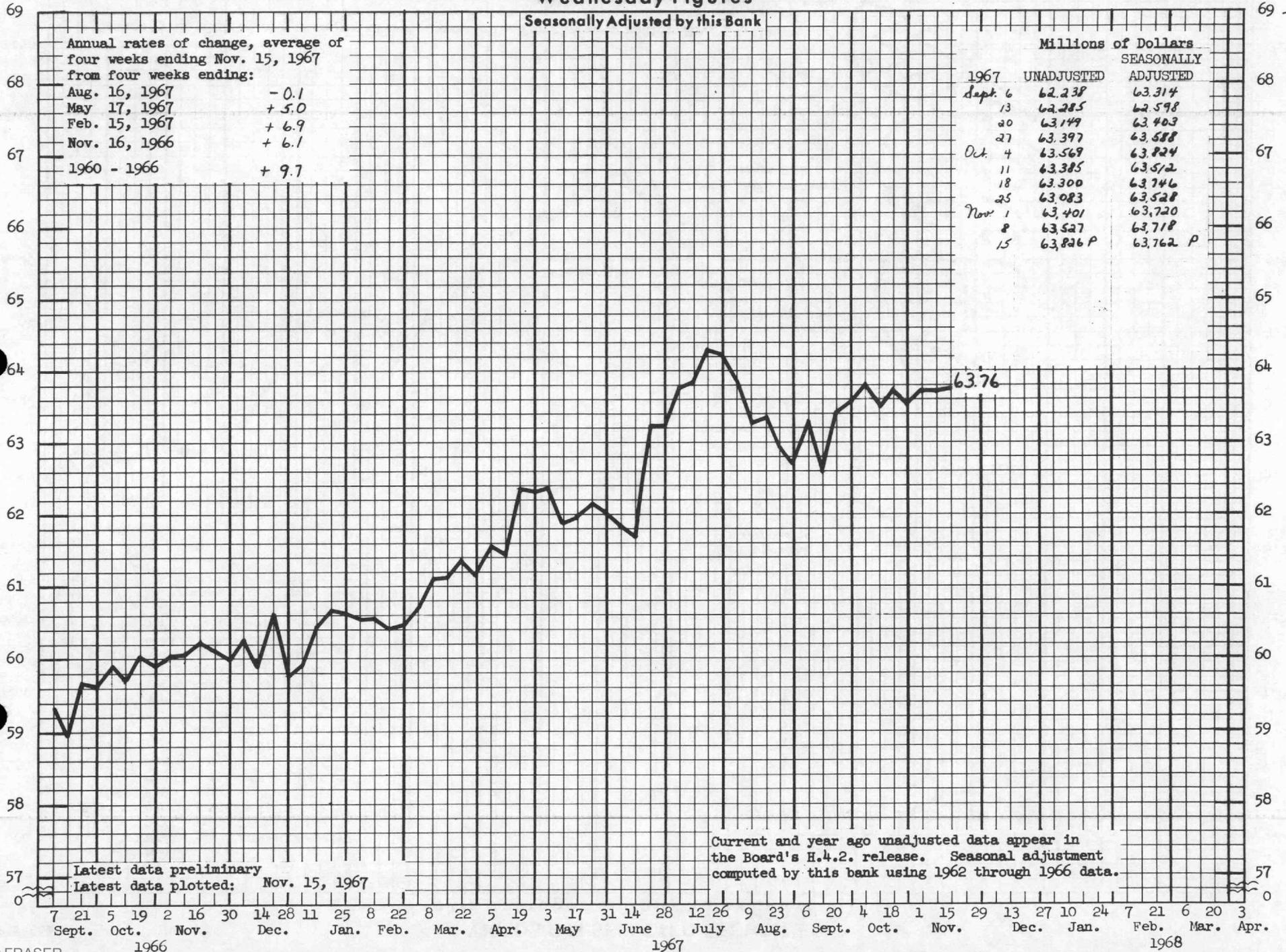
Millions of Dollars



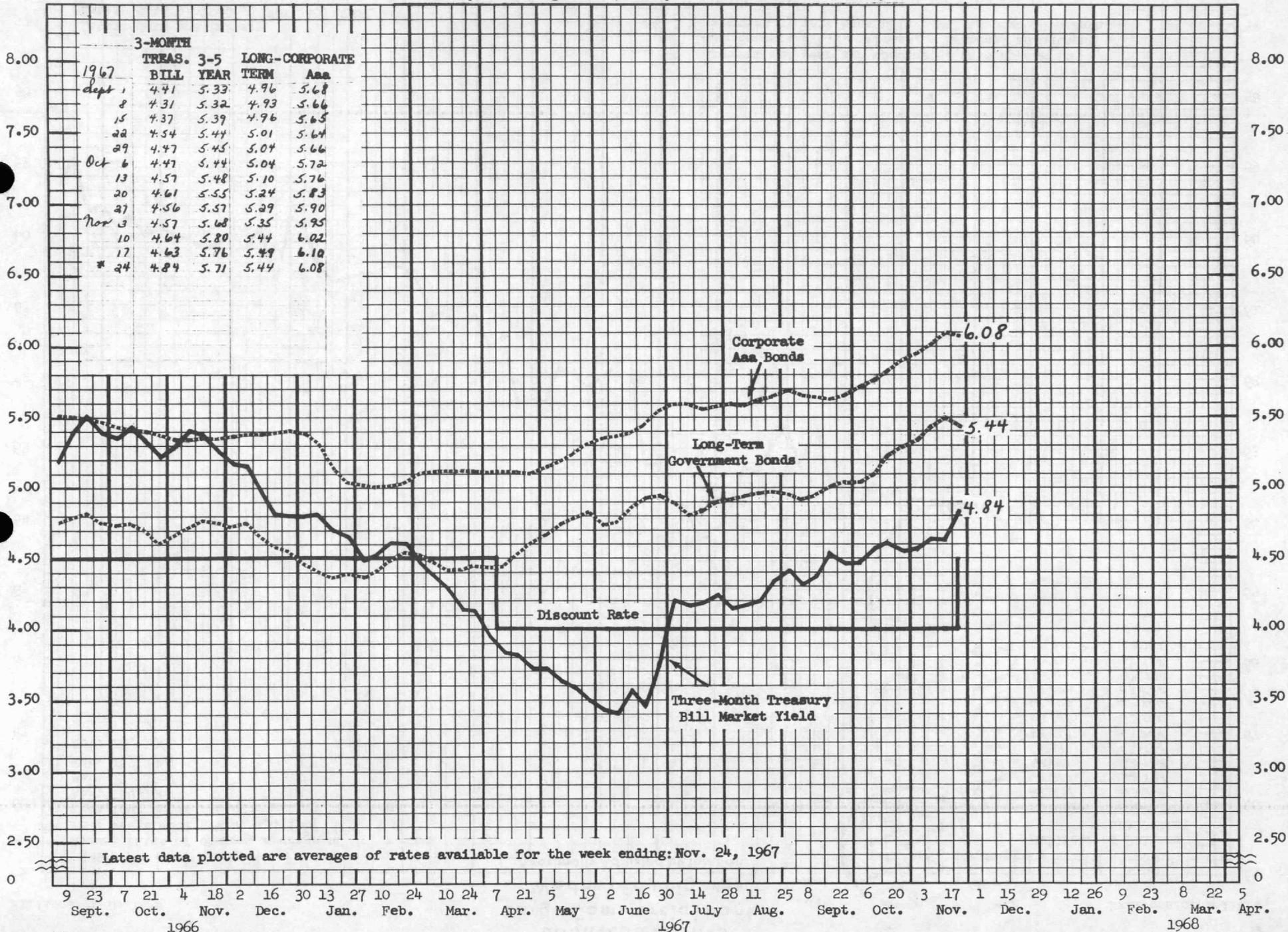
**BUSINESS LOANS  
Large Commercial Banks  
Wednesday Figures**

Billions of Dollars

Billions of Dollars



### YIELDS ON SELECTED SECURITIES Weekly Averages of Daily Rates Ended Friday



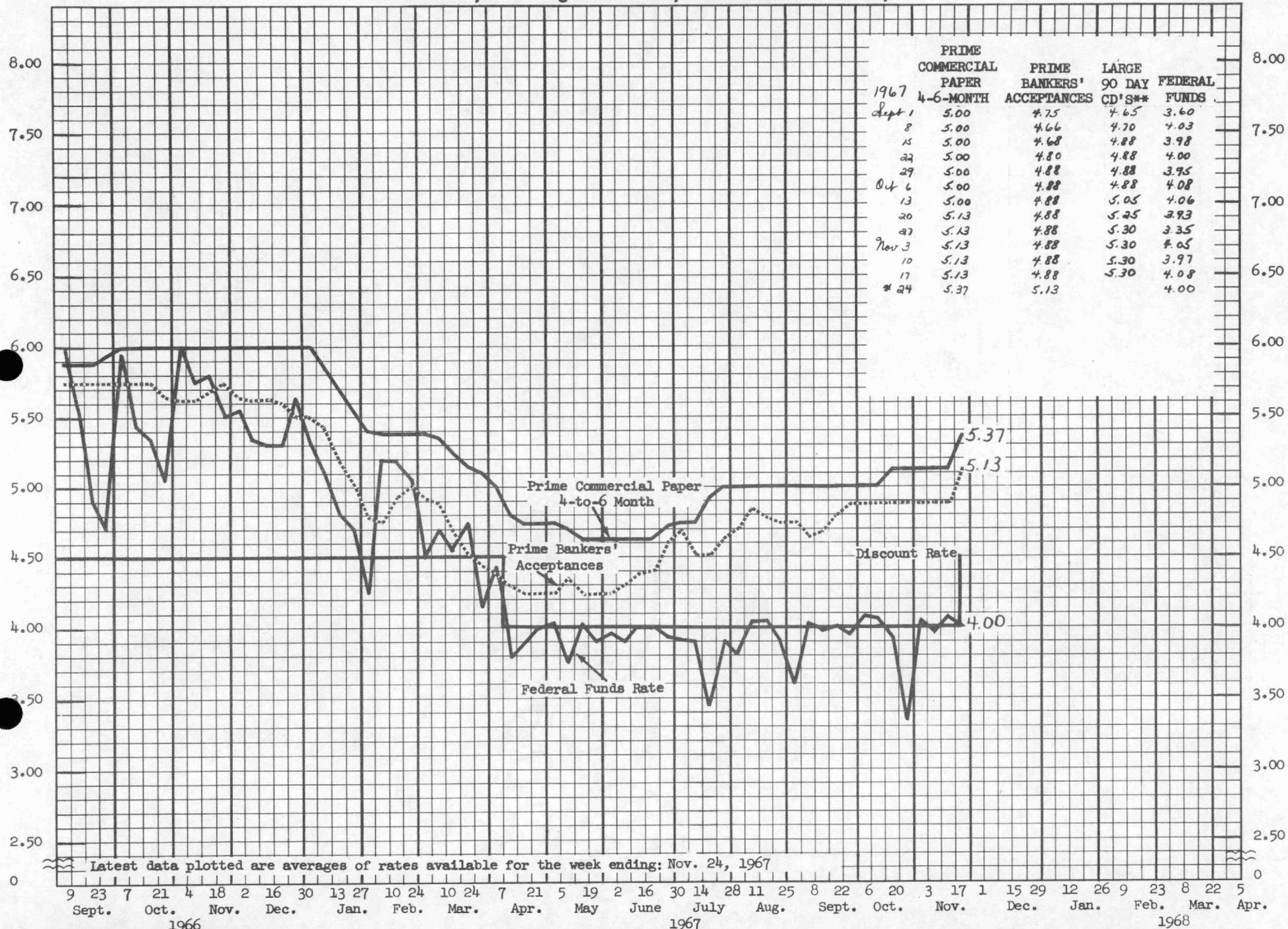
3-MONTH				
1967	TREAS. BILL	3-5 YEAR	LONG-TERM TERM	CORPORATE Aaa
Sept 1	4.71	5.33	4.96	5.68
8	4.31	5.32	4.93	5.66
15	4.37	5.39	4.96	5.65
22	4.54	5.44	5.01	5.64
29	4.47	5.45	5.04	5.66
Oct 6	4.47	5.44	5.04	5.72
13	4.57	5.48	5.10	5.76
20	4.61	5.55	5.24	5.83
27	4.56	5.57	5.29	5.90
Nov 3	4.57	5.68	5.35	5.95
10	4.64	5.80	5.44	6.02
17	4.63	5.76	5.49	6.10
* 24	4.84	5.71	5.44	6.08

Latest data plotted are averages of rates available for the week ending: Nov. 24, 1967

Per Cent

### SELECTED SHORT-TERM INTEREST RATES Weekly Averages of Daily Rates Ended Friday

Per Cent



Latest data plotted are averages of rates available for the week ending: Nov. 24, 1967

\* AVERAGES OF RATES AVAILABLE  
 \*\* SOURCE: SALOMON BROTHERS AND HUTZLER  
 FEDERAL RESERVE BANK OF ST. LOUIS