

Week ending December 6, 1967

FEDERAL RESERVE CREDIT

Federal Reserve credit (page 2) averaged \$47.9 billion during the four weeks ended December 6. This credit, which affects the reserve base of the banking system, has risen at an 11 per cent annual rate in the three months since late August, and at a 9 per cent rate in the six months since late May. The increase in the past six months has reflected primarily net System purchases of Government securities. Member bank borrowings (page 8) have averaged about \$105 million since April, a small amount by historical standards. Federal Reserve credit rose at a 7 per cent trend rate from 1957 to 1964, and at a 10 per cent rate from 1964 to 1966.

BANK RESERVES

Total reserves of member banks (page 3) averaged \$24.6 billion during the four weeks ended December 6, up at an 11 per cent annual rate since late August, and at a 9 per cent rate since late May. Recent rates of growth of total reserves are well above the 3 per cent trend rate from 1957 to 1964, and the 4.5 per cent rate from 1964 to 1966.

Reserves available for private demand deposits (total reserves less reserves required for Government, time, net interbank deposits) have risen at a 3.6 per cent rate since late August, and at a 6 per cent rate since late May. The recent behavior of these reserves must be interpreted in light of fluctuations in the volume of Government demand deposits at commercial banks, and correspondingly in the amount of reserves employed as backing for them. Reserves available for private demand deposits, which provide a base for monetary expansion, rose at a 1 per cent trend rate from 1957 to 1964, and at a 3 per cent rate from 1964 to 1966.

MONEY STOCK

The nation's money stock (page 5), consisting of private checking accounts and currency in the hands of the public, averaged \$181.3 billion in the four weeks ended November 29, up at a 5 per cent annual rate in the three months since August, and at an 8 per cent rate in the six months since May. Despite the somewhat slower rate of growth of money in recent weeks, the underlying trend remains above that of recent years. Money rose at a 2 per cent trend rate from 1957 to 1964, and at an accelerated 4 per cent from 1964 to 1966.

TIME DEPOSITS

Time deposits at commercial banks (page 7) have risen at a 12 per cent rate since August, after rising at a rapid 18 per cent rate during the first seven months of the year. The slower rate of growth of these deposits in the past three months reflects in part the rising trend in most interest rates, and the impact that this has had on the ability of banks to market negotiable certificates of deposit. Both the six-month Treasury bill rate and the rate on four-to-six month prime commercial paper averaged about 5.5 per cent during the three days ended December 6, the maximum rate which banks are permitted to offer for C.D. funds under Regulation Q. While some banks, with comfortable liquidity positions and modest business loan demand, have probably not actively competed for C.D. funds, the higher rates available on credit instruments which are competitive with certificates of deposit have likely caused some funds to be channeled directly into the securities market.

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

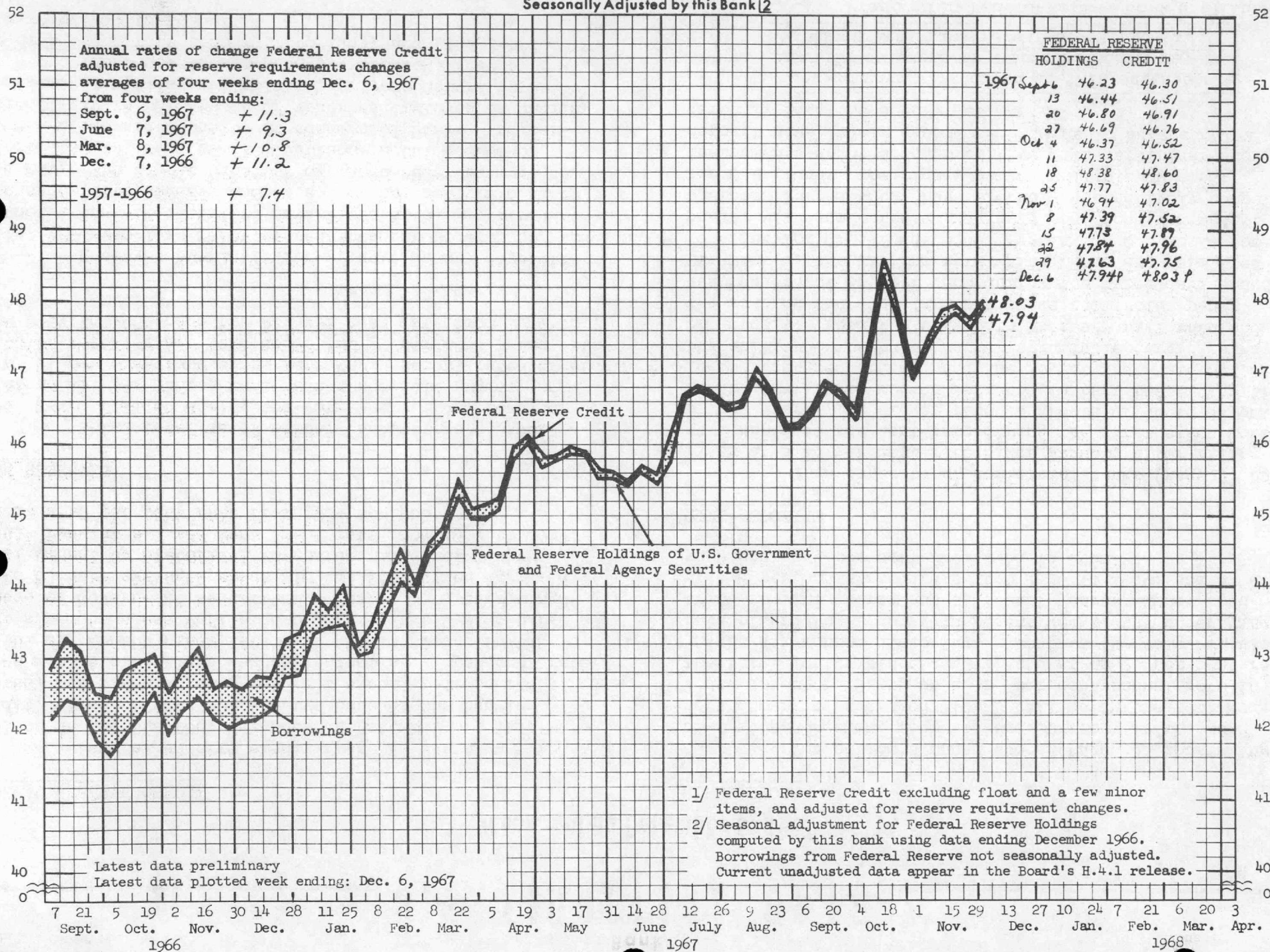
Prepared by Federal Reserve Bank of St. Louis

Released: December 8, 1967

Billions of Dollars

FEDERAL RESERVE CREDIT ¹ Weekly Averages of Daily Figures Seasonally Adjusted by this Bank ²

Billions of Dollars



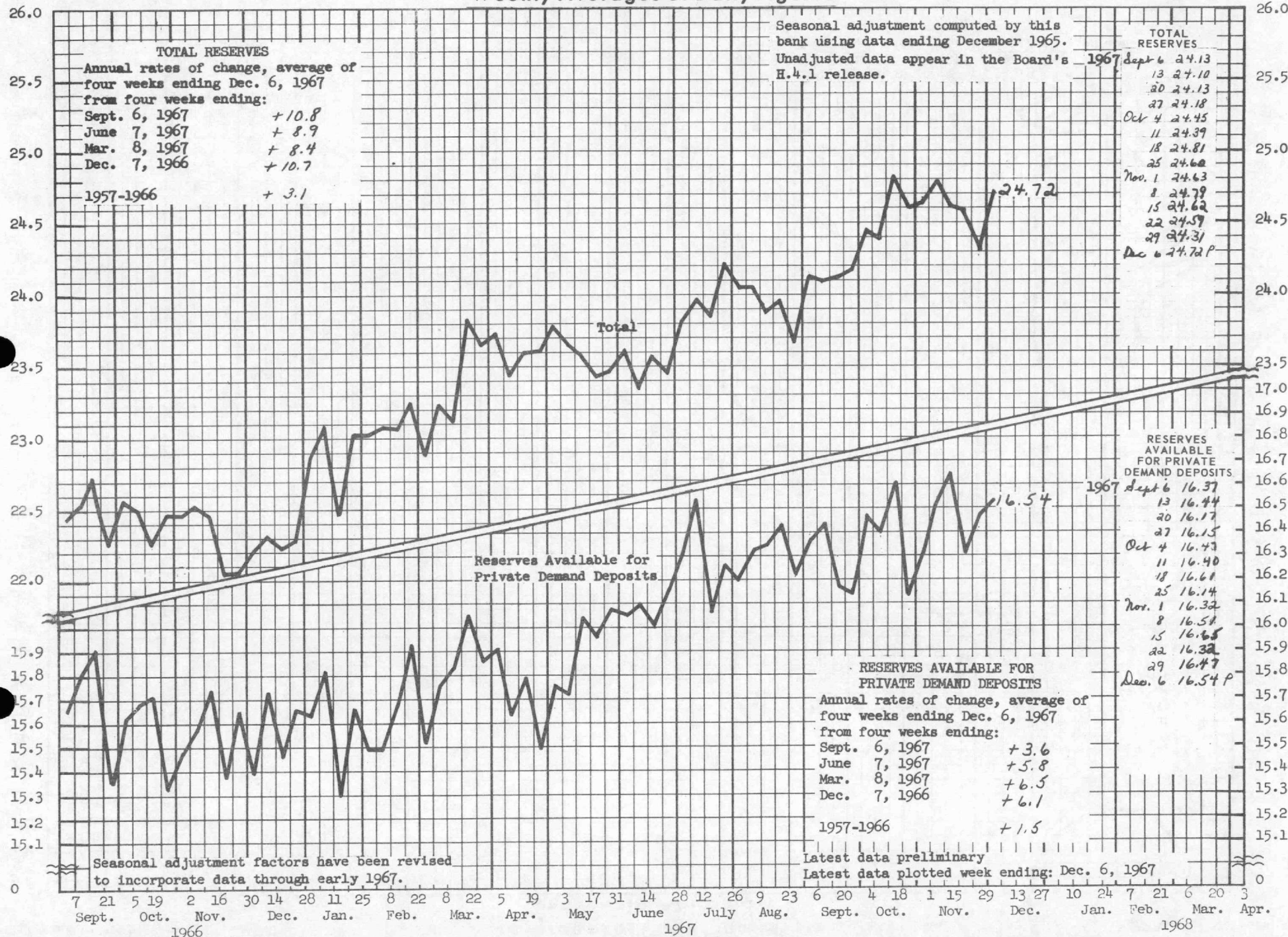
Billions of Dollars

RESERVES

All Member Banks in the Nation

Weekly Averages of Daily Figures

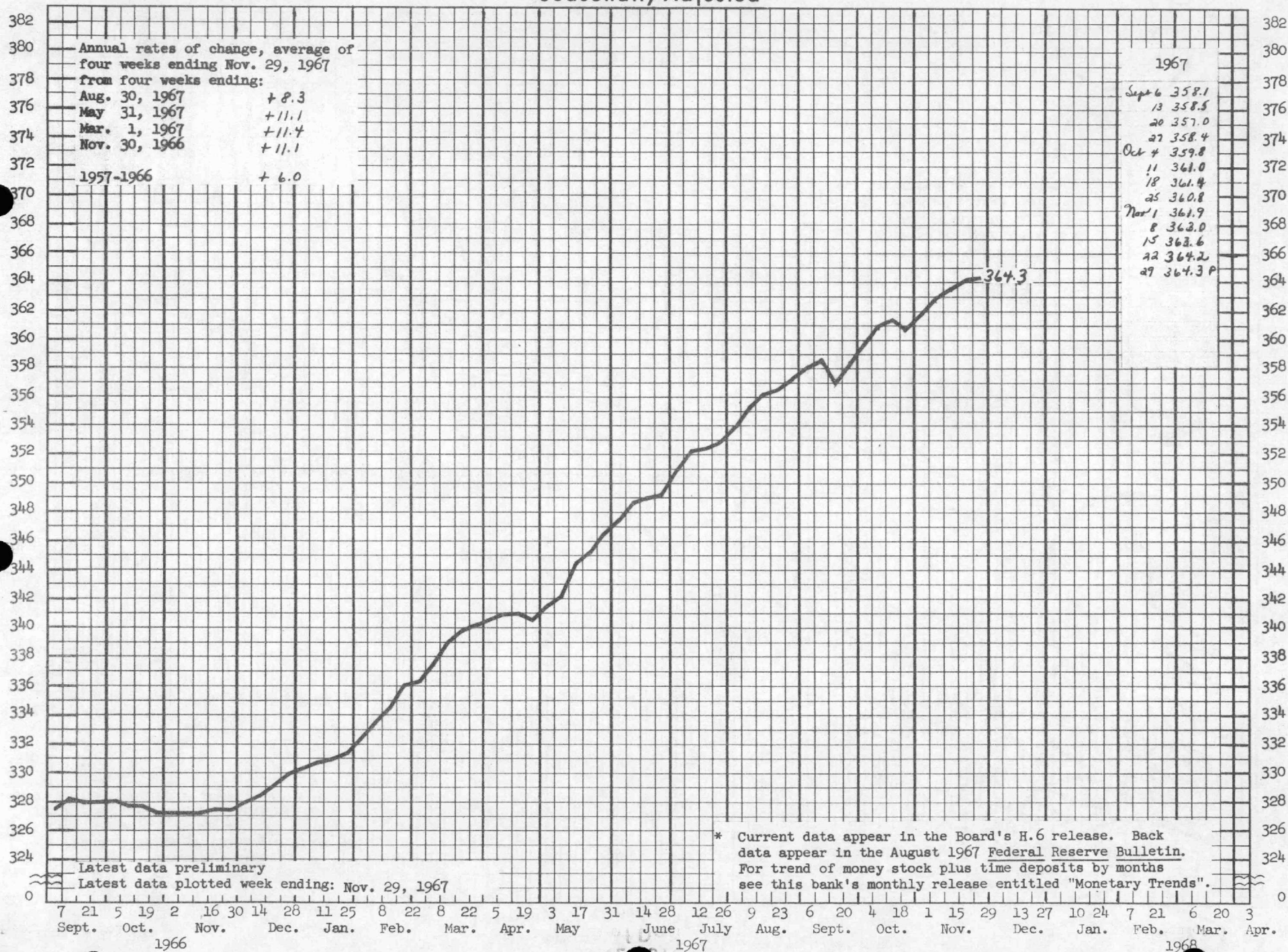
Billions of Dollars



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

Billions of Dollars

Billions of Dollars



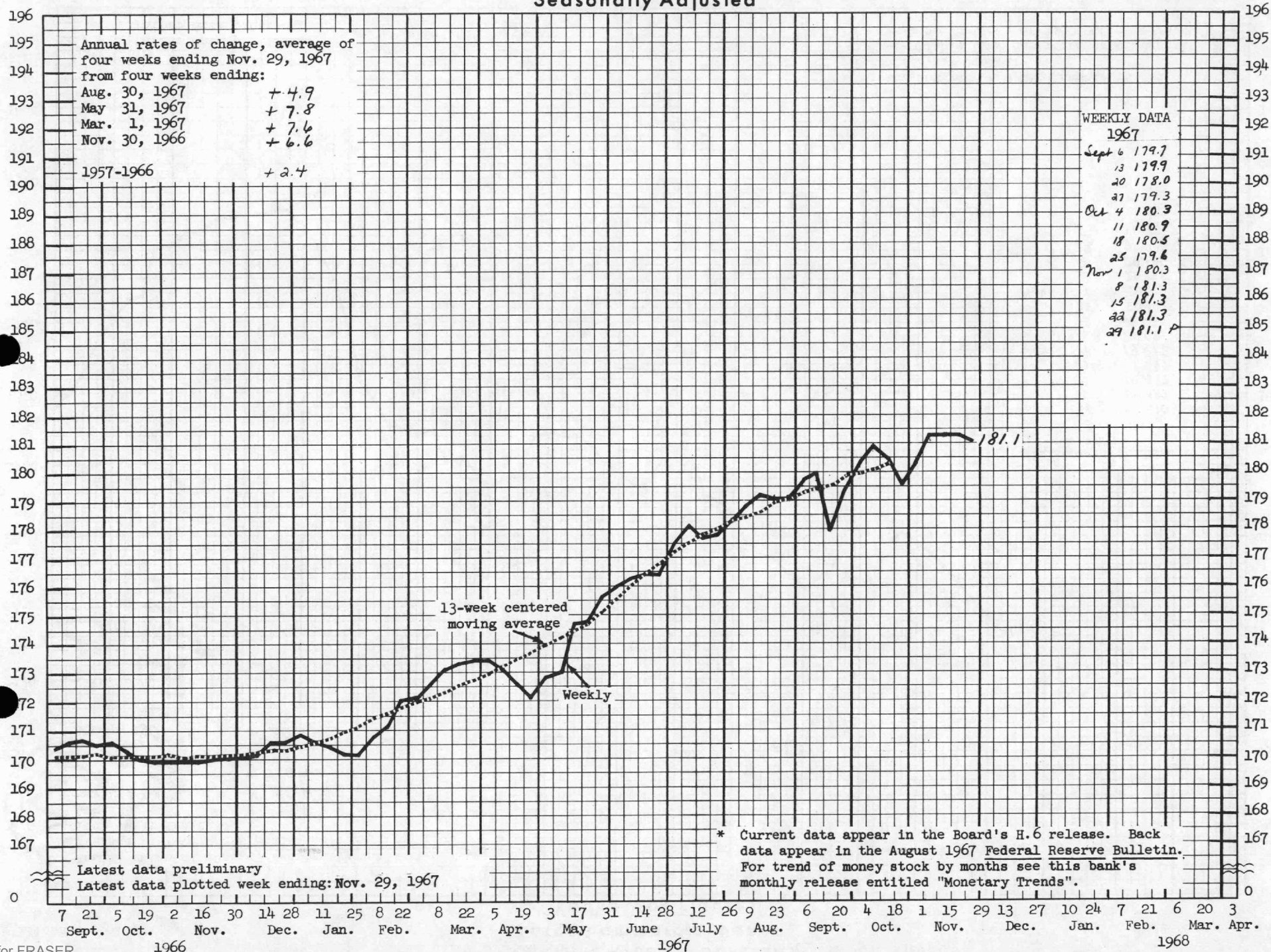
Billions of Dollars

MONEY STOCK*

Averages of Daily Figures

Seasonally Adjusted

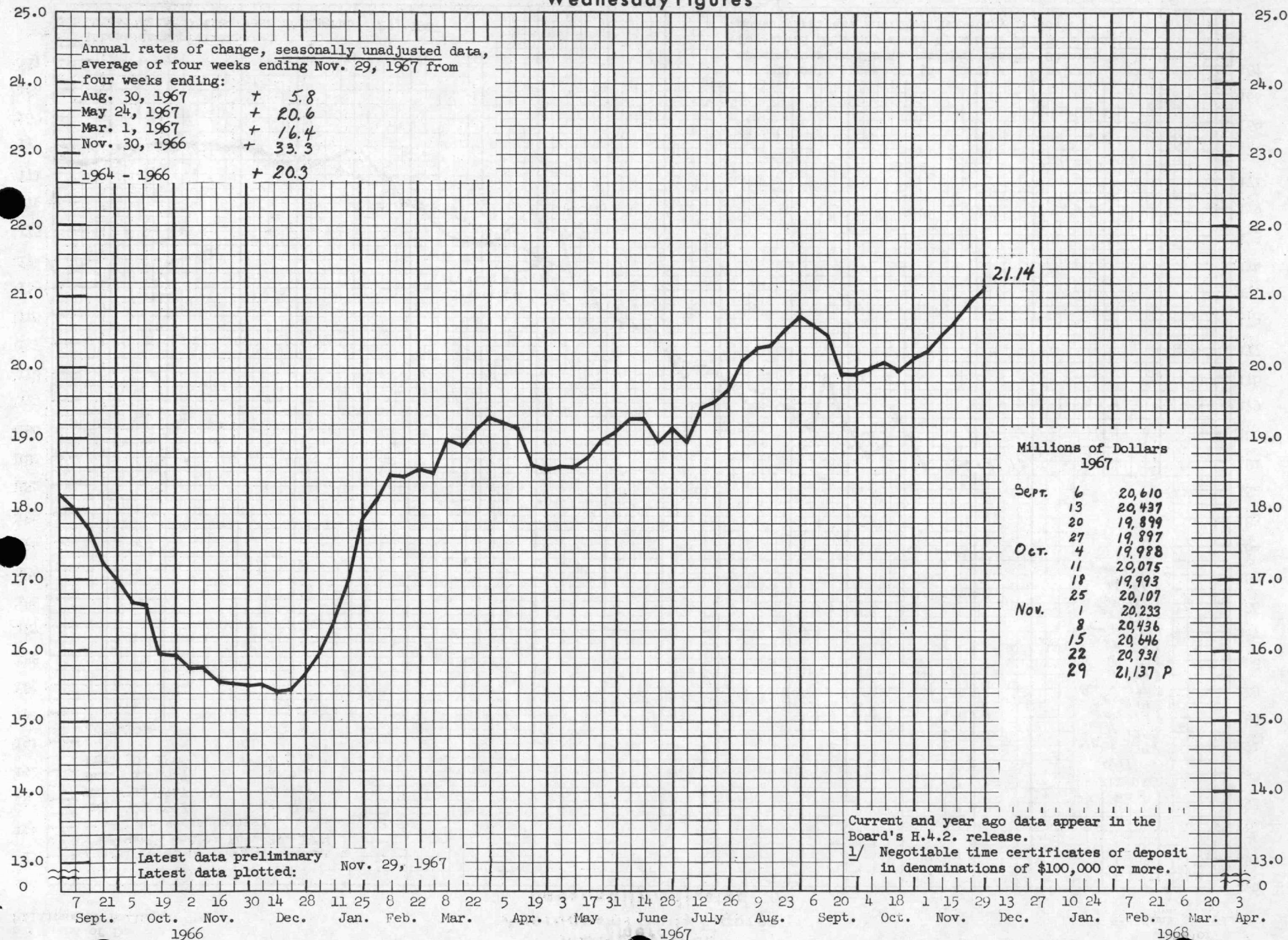
Billions of Dollars



CERTIFICATES OF DEPOSIT ¹ Large Commercial Banks Wednesday Figures

Billions of Dollars

Billions of Dollars



Billions of Dollars

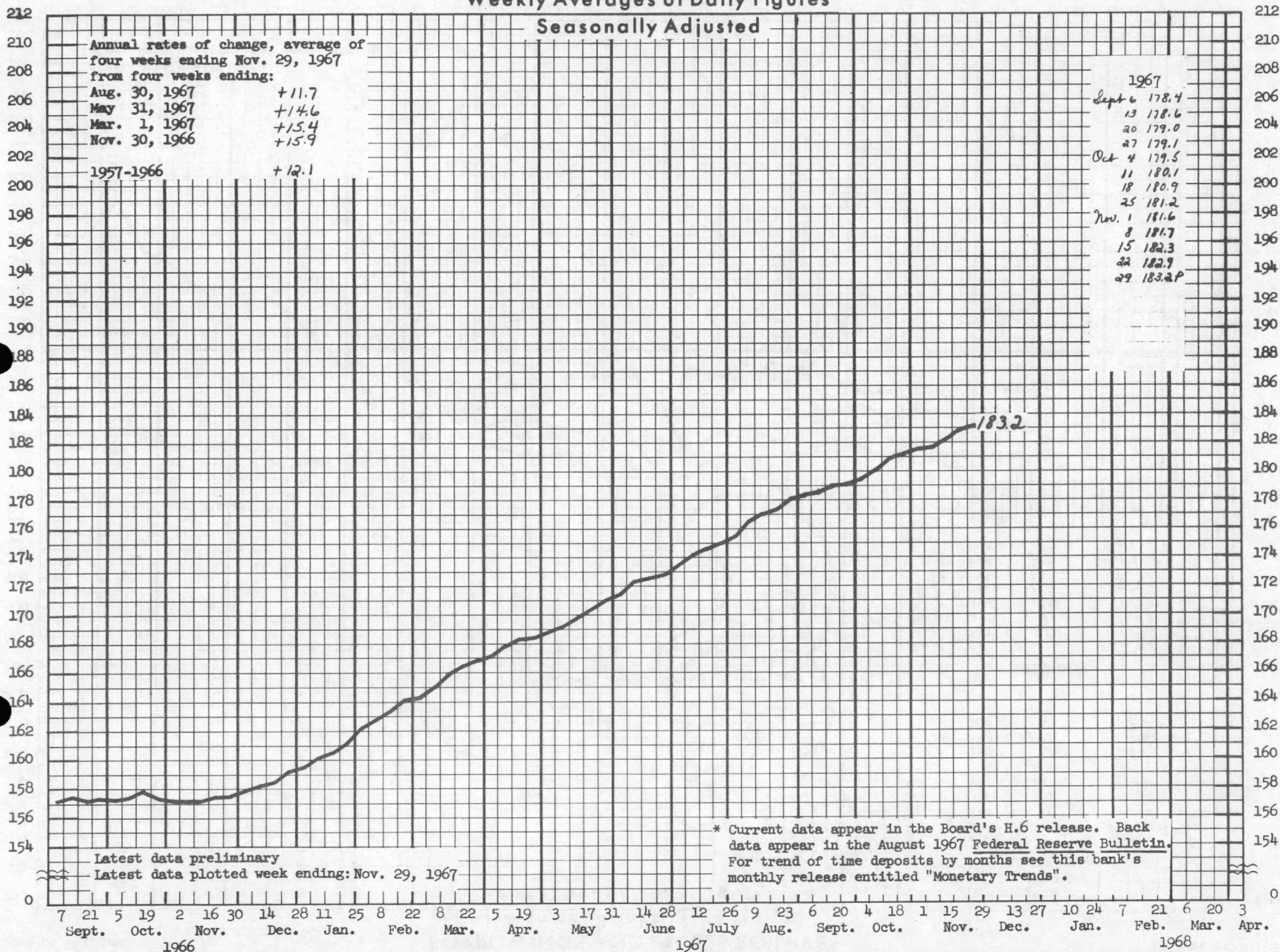
TIME DEPOSITS*

All Commercial Banks

Weekly Averages of Daily Figures

Billions of Dollars

Seasonally Adjusted



Millions of Dollars

BORROWINGS AND EXCESS RESERVES

All Member Banks in the Nation

Millions of Dollars

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Averages of Daily Figures

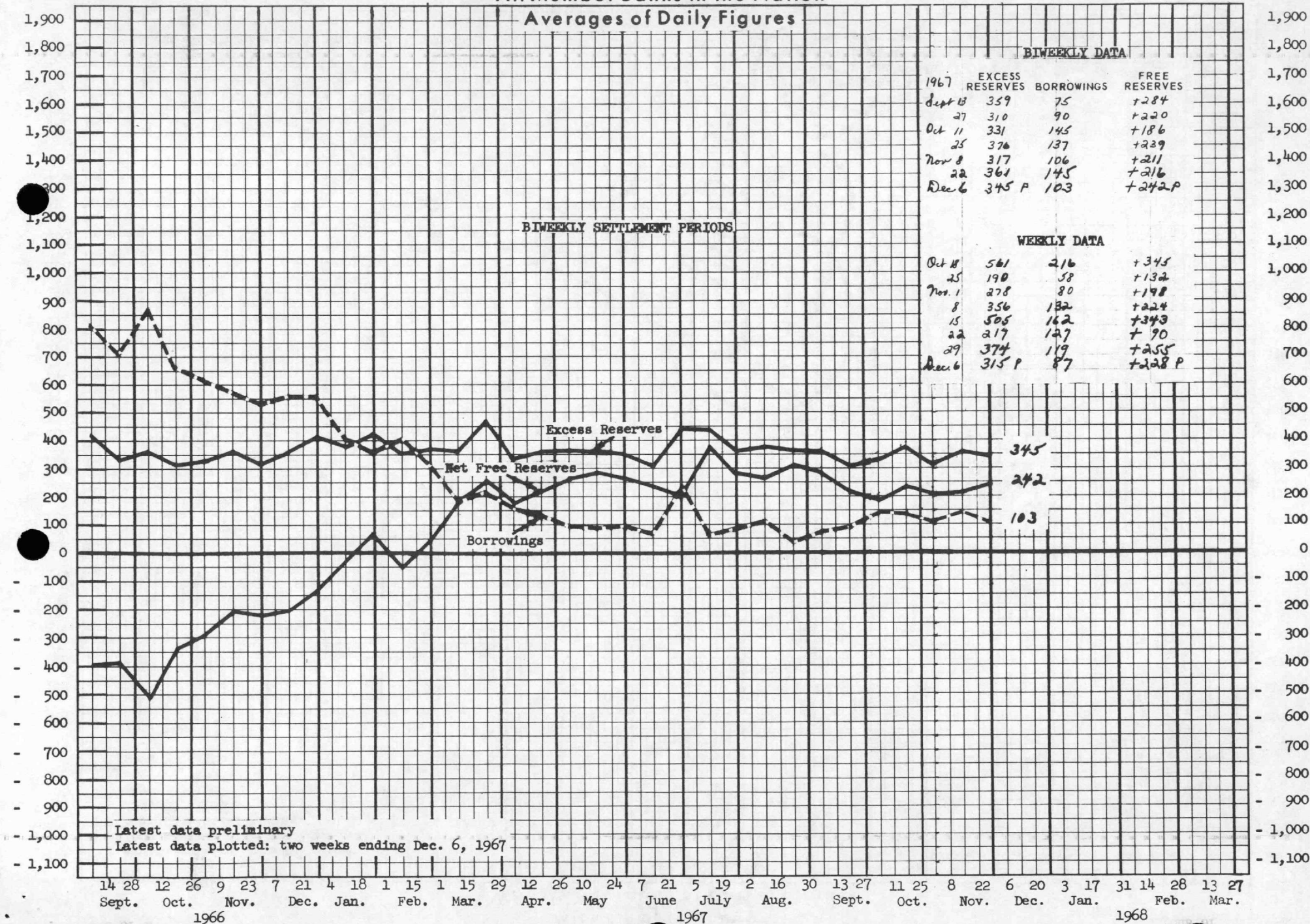
BIWEEKLY SETTLEMENT PERIODS

BIWEEKLY DATA

1967	EXCESS RESERVES	BORROWINGS	FREE RESERVES
Sept 13	359	75	+284
27	310	90	+220
Oct 11	331	145	+186
25	376	137	+239
Nov 8	317	106	+211
22	361	145	+216
Dec 6	345 P	103	+242 P

WEEKLY DATA

Oct 18	561	216	+345
25	190	58	+132
Nov 1	278	80	+198
8	356	132	+224
15	505	162	+343
22	217	127	+90
29	374	119	+255
Dec 6	315 P	87	+228 P

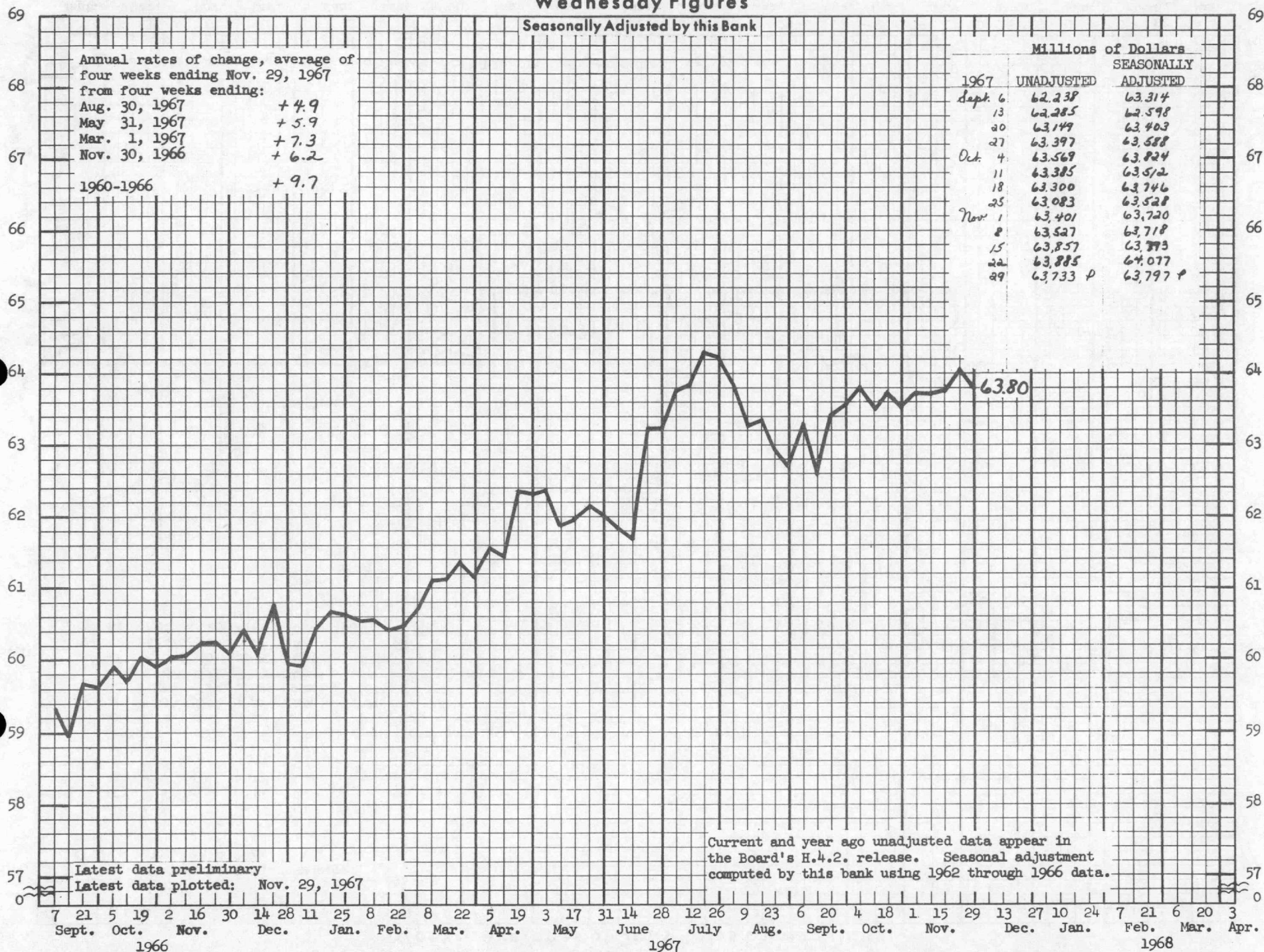


Billions of Dollars

BUSINESS LOANS Large Commercial Banks Wednesday Figures

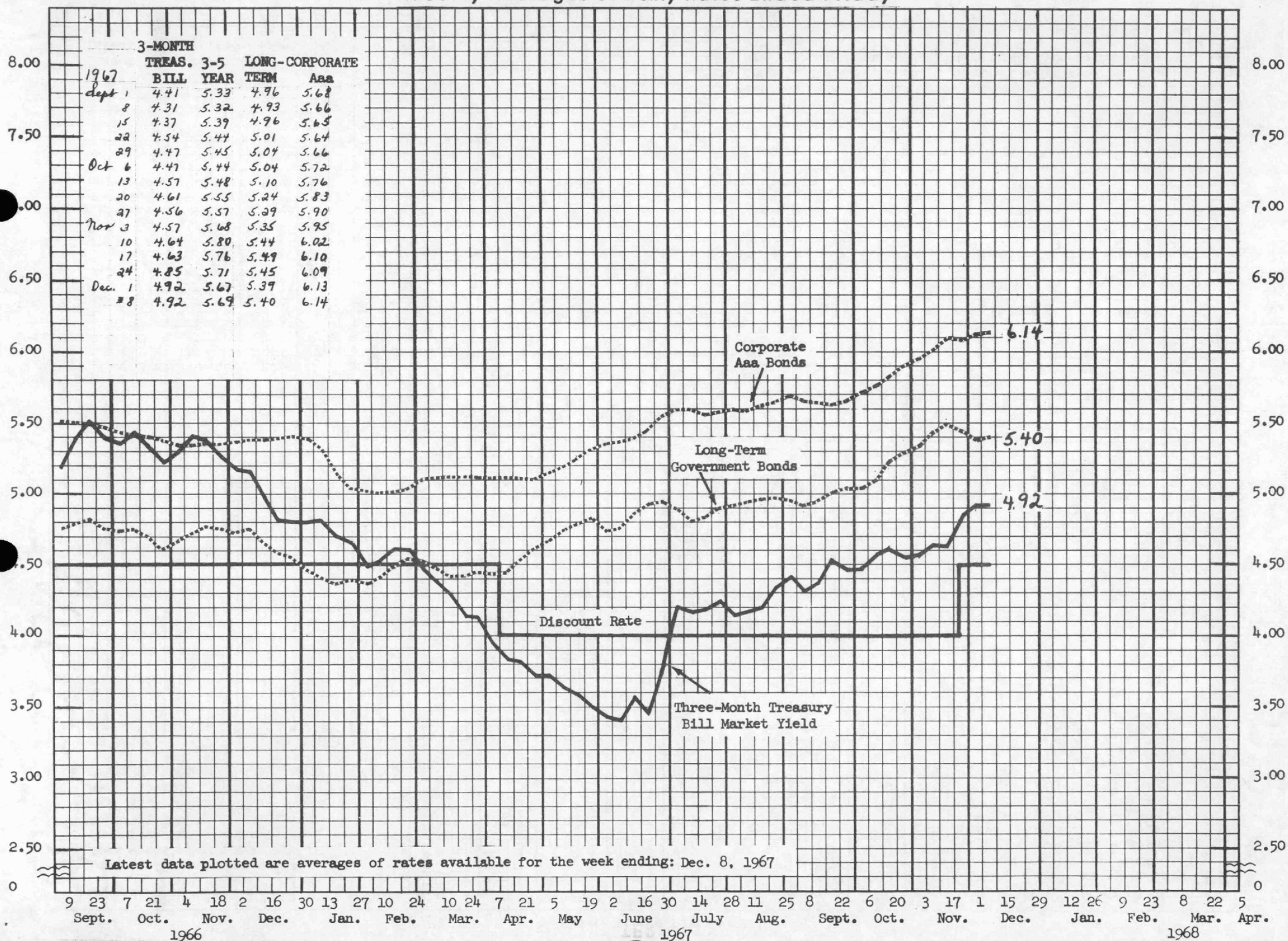
Billions of Dollars

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YIELDS ON SELECTED SECURITIES

Weekly Averages of Daily Rates Ended Friday



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

