

Week ending May 22, 1968

AUG 27 1968

FEDERAL RESERVE CREDIT (Page 2)

Federal Reserve credit averaged \$51.2 billion in the four weeks ending May 22, up at a 13 per cent annual rate since early February. Over the last year this credit, adjusted for reserve requirement changes, has grown at an 11 per cent rate. By comparison, it grew at a 7.5 per cent rate over the 1957-1967 period.

The fastest growing component of this growth since early February has been member bank borrowings from the Reserve Banks. Borrowings averaged \$720 million in the last four weeks, a sizeable increase over February's average of \$361 million. The Federal Reserve System's holdings of Government securities averaged \$50.5 billion in the last four weeks up at a 10 per cent rate since early February. The large increase in borrowings may reflect the relatively attractive 5-1/2 per cent discount rate when compared to the higher prevailing Federal funds rate averaging over 6 per cent.

MEMBER BANK RESERVES (Page 3)

Total effective reserves of member banks have declined at a 1 per cent annual rate since early February. This downturn compares with a growth of 3.3 per cent per year over the 1957-1967 period. Similarly reserves available for private demand deposits have slowed in recent months. Since early February these reserves have grown at a 3.3 per cent rate whereas over the last year they have risen 6 per cent, and between 1957 and 1967 they grew at a 2 per cent rate.

BECAUSE OF THE HOLIDAY MAY 30, 1968
THE U.S. FINANCIAL DATA RELEASE WILL
BE PUBLISHED ONE DAY LATE.

MEMBER BANK RESERVES (Continued)

The discrepancy between the rapid rate of increase in Federal Reserve credit and the decline in total reserves of member banks may be partially explained by the large outflow of gold in February and March, a sizeable withdrawal of Treasury funds from member bank deposits, and a substantial movement of currency out of banks and into circulation.

MONEY STOCK (Page 5)

Money stock, demand deposits and currency, has risen at a 5.3 per cent annual rate over the past three months. By comparison over the previous year, money went up 7 per cent, and the trend growth rate in money from 1957-to-1967 was 2.6 per cent per year.

There are two major developments which have caused the more rapid growth in money than in reserves available for private demand deposits during the past three months. First, a large movement of currency into circulation; and second, a more rapid rate of growth in demand deposits of non-member banks (which do not use these reserves to support their deposits) than in member banks.

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: May 24, 1968

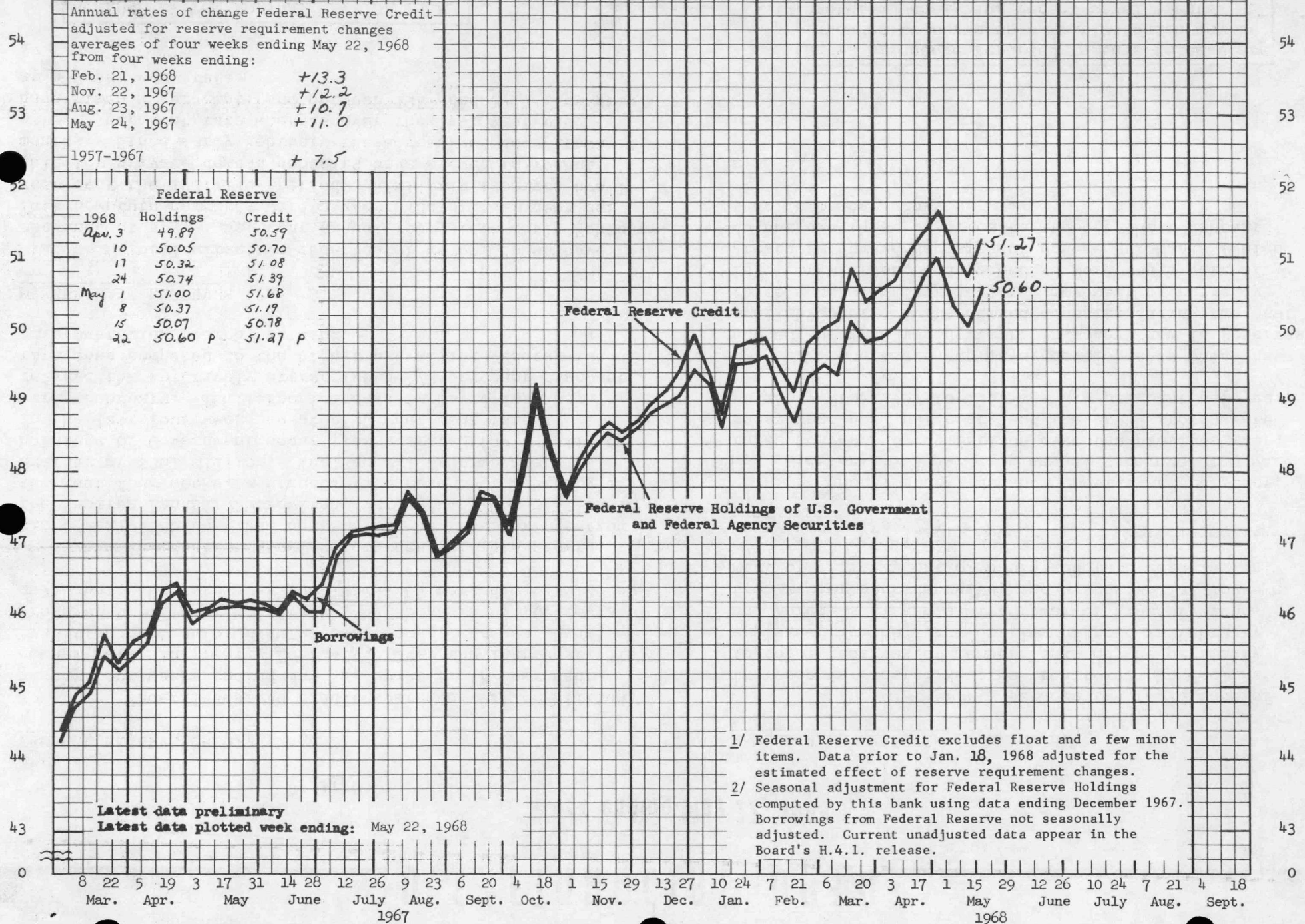
FEDERAL RESERVE CREDIT ¹ Averages of Daily Figures

2

Billions of Dollars

Seasonally adjusted by this bank. ²

Billions of Dollars

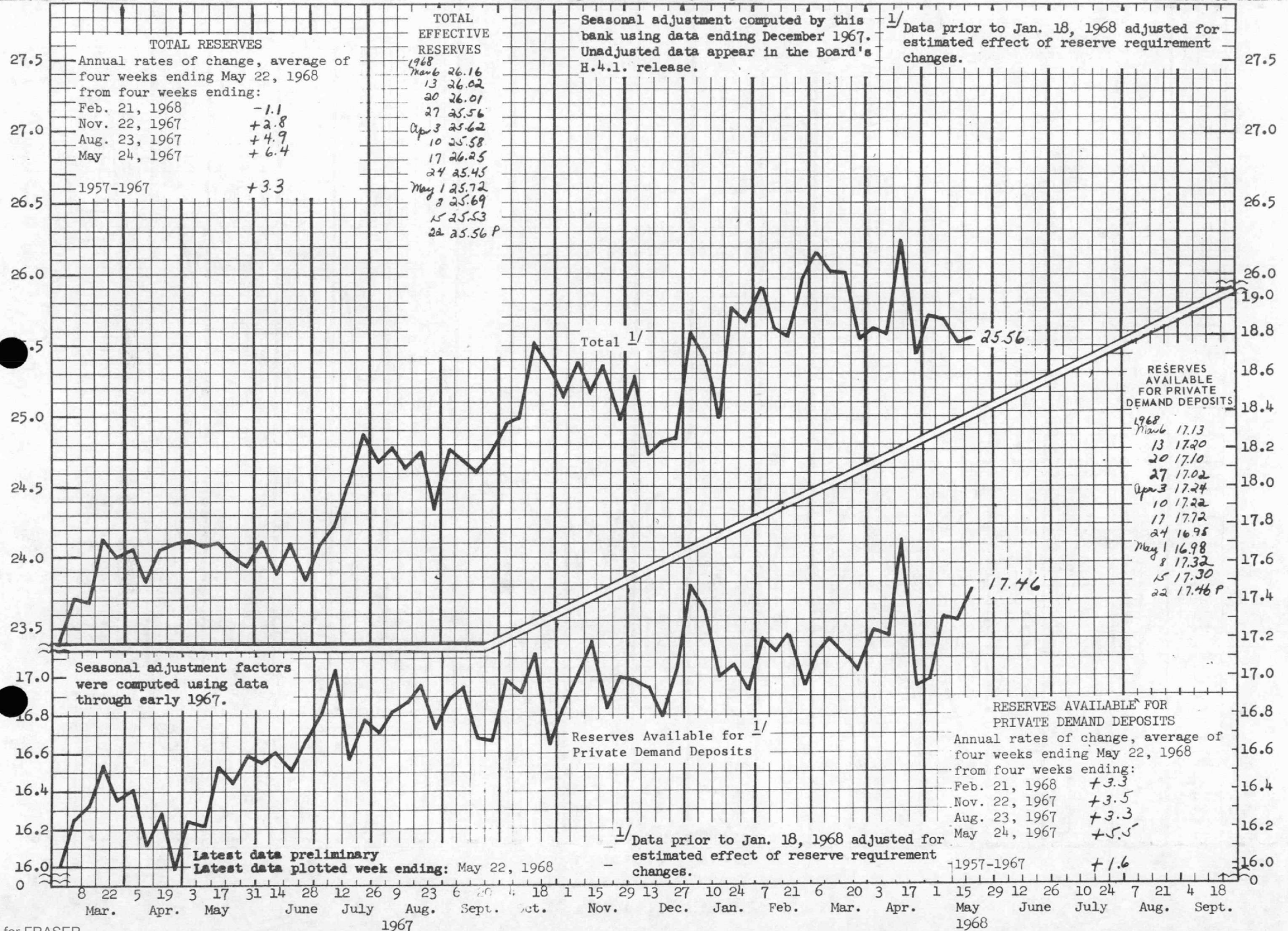


RESERVES All Member Banks in the Nation Averages of Daily Figures

3

Billions of Dollars

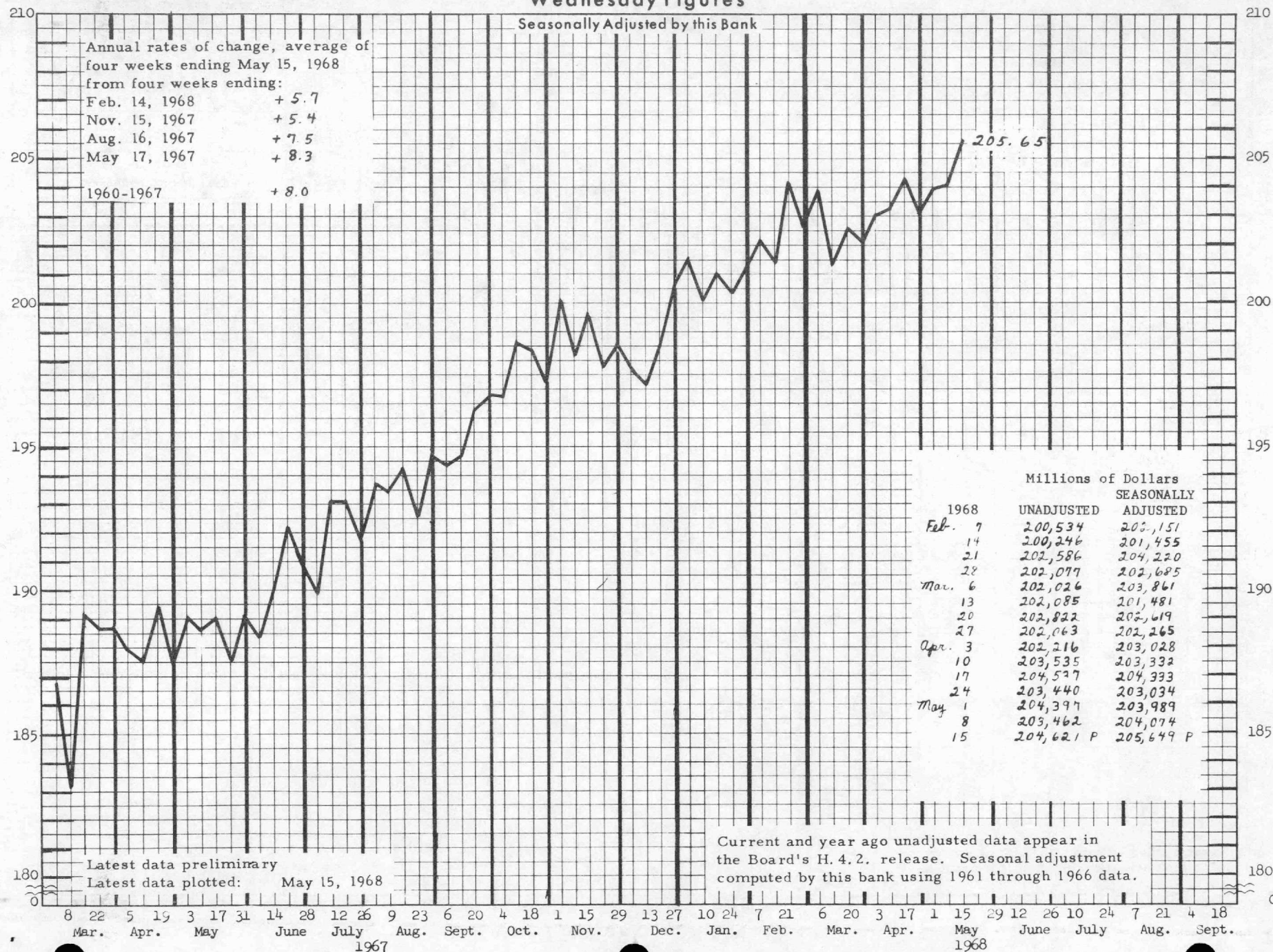
Billions of Dollars



TOTAL BANK CREDIT Large Commercial Banks Wednesday Figures

Billions of Dollars

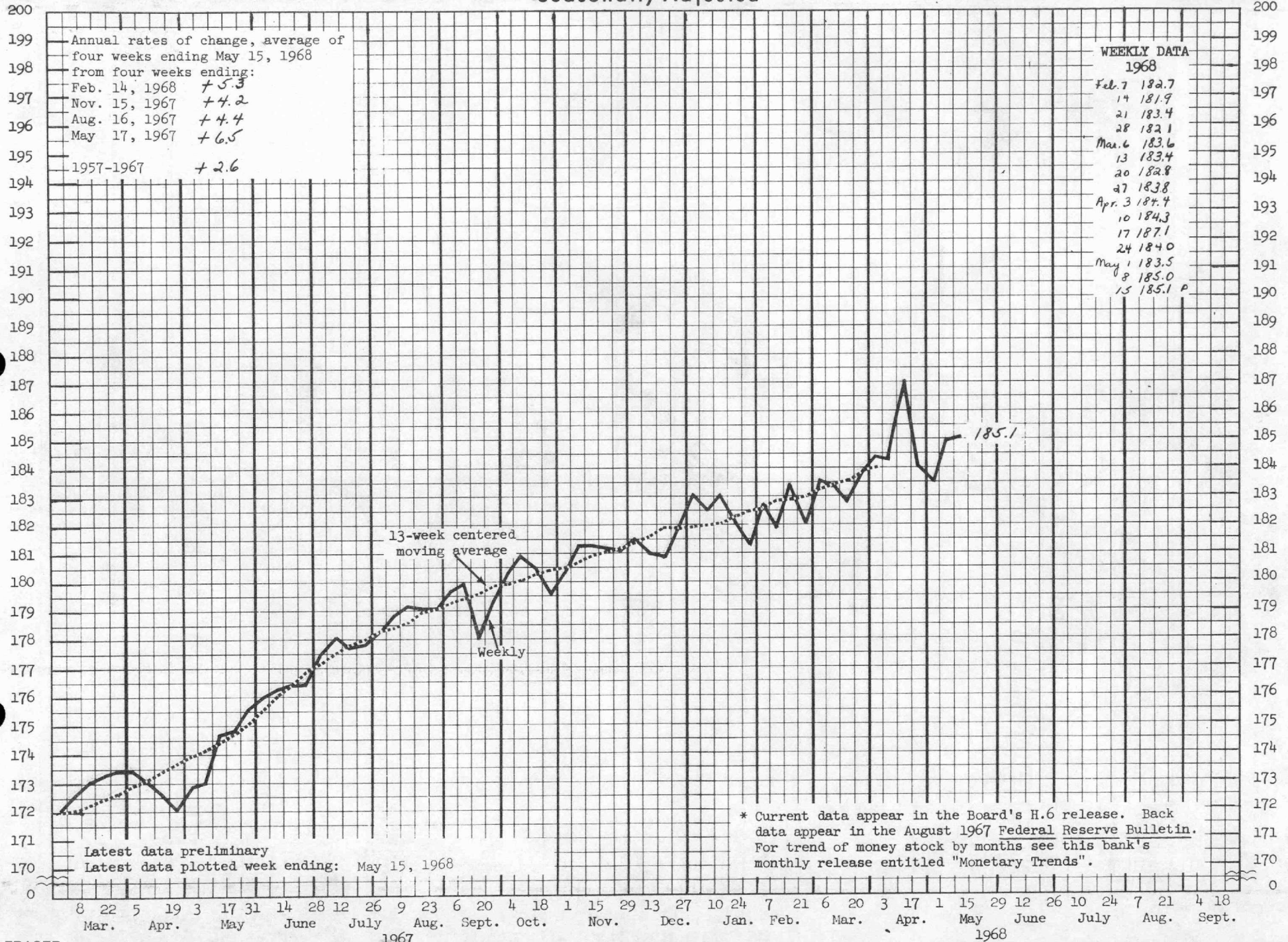
Billions of Dollars



MON STOCK* Averages of Daily Figures Seasonally Adjusted

Billions of Dollars

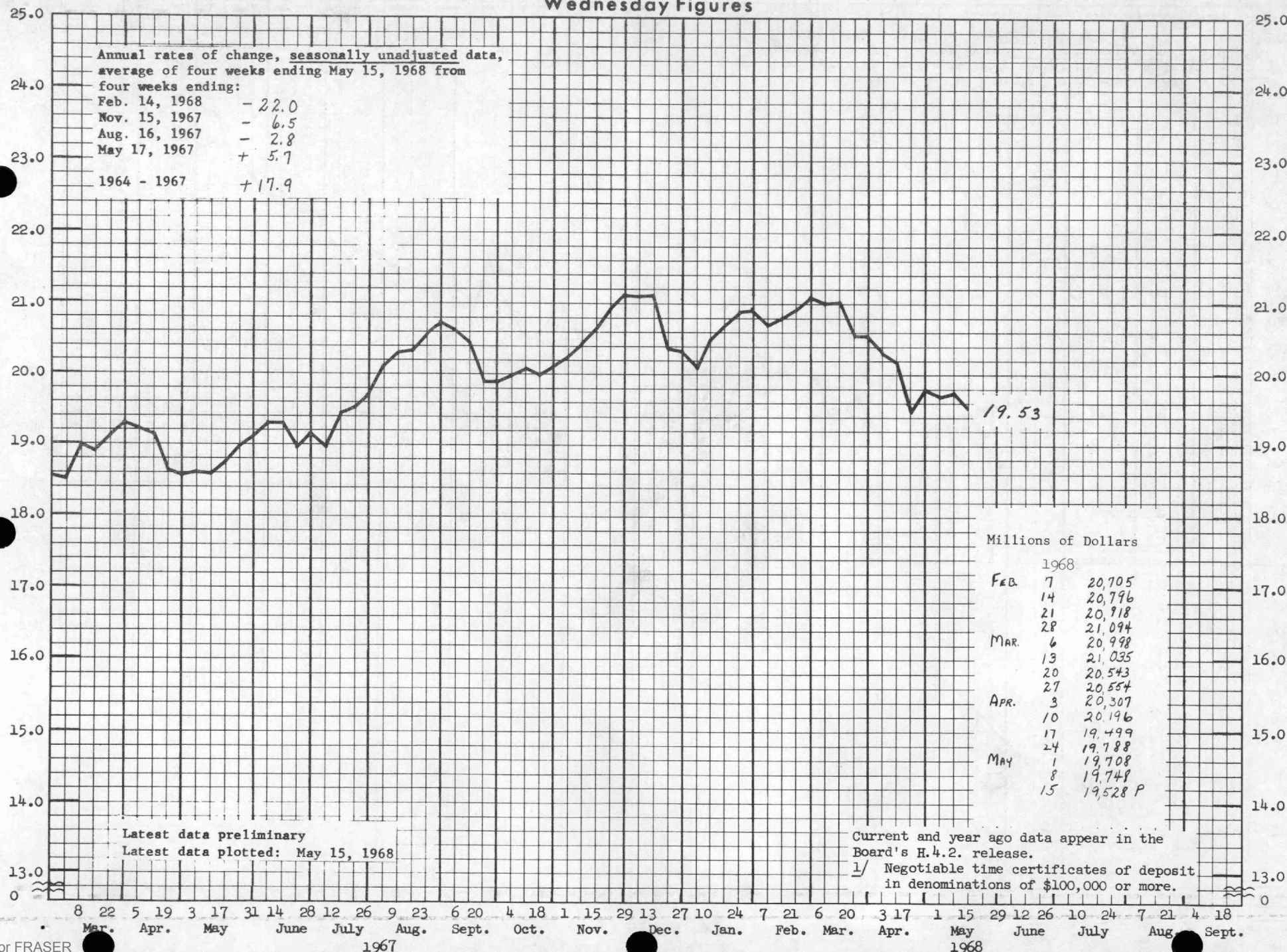
Billions of Dollars



CERTIFICATES OF DEPOSIT ¹ Large Commercial Banks Wednesday Figures

Billions of Dollars

Billions of Dollars

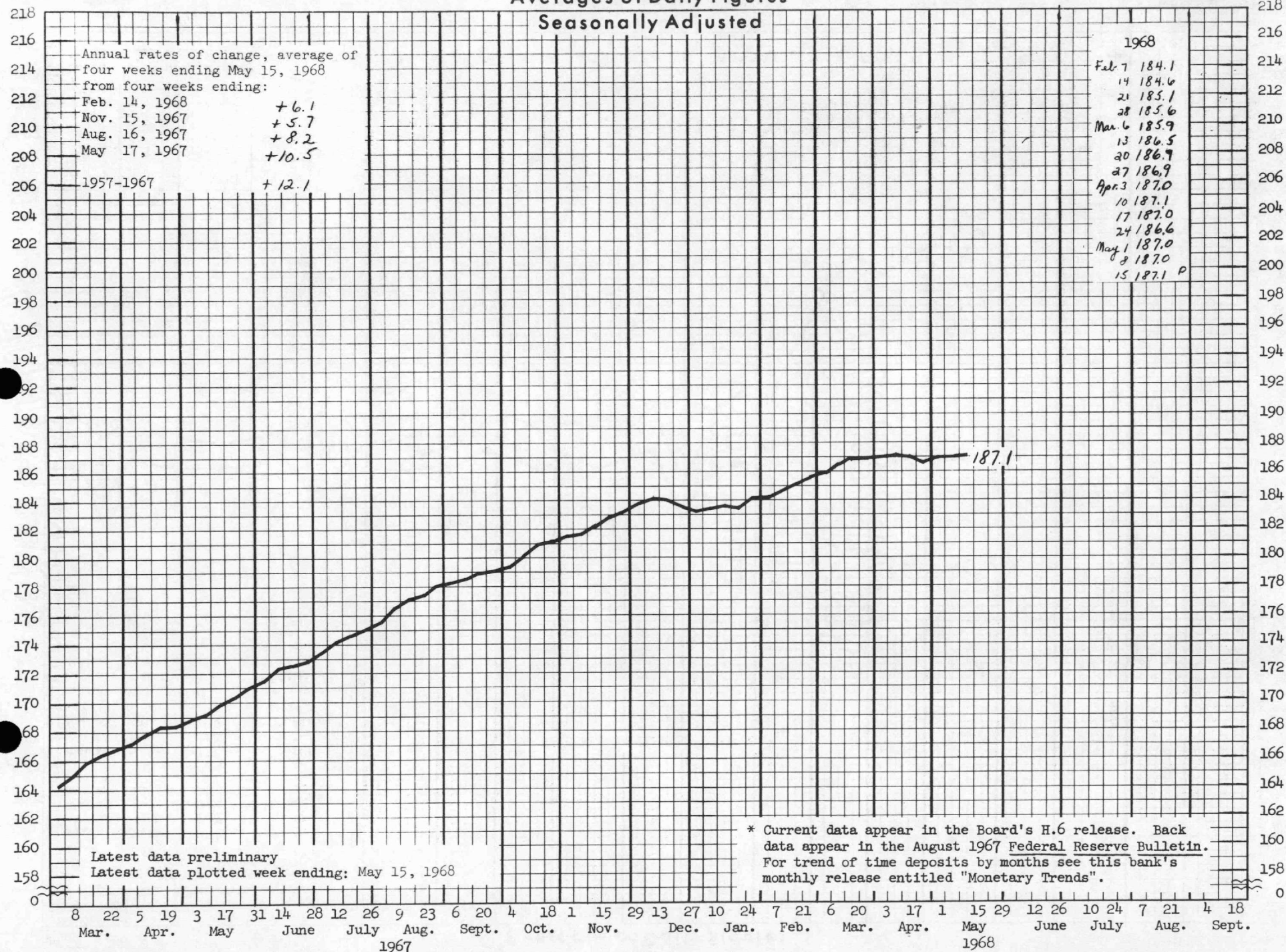


Billions of Dollars

TIME DEPOSITS*
All Commercial Banks
Averages of Daily Figures

Billions of Dollars

Seasonally Adjusted



BORROWINGS AND EXCESS RESERVES

All Member Banks in the Nation

Averages of Daily Figures

8

Millions of Dollars

Millions of Dollars

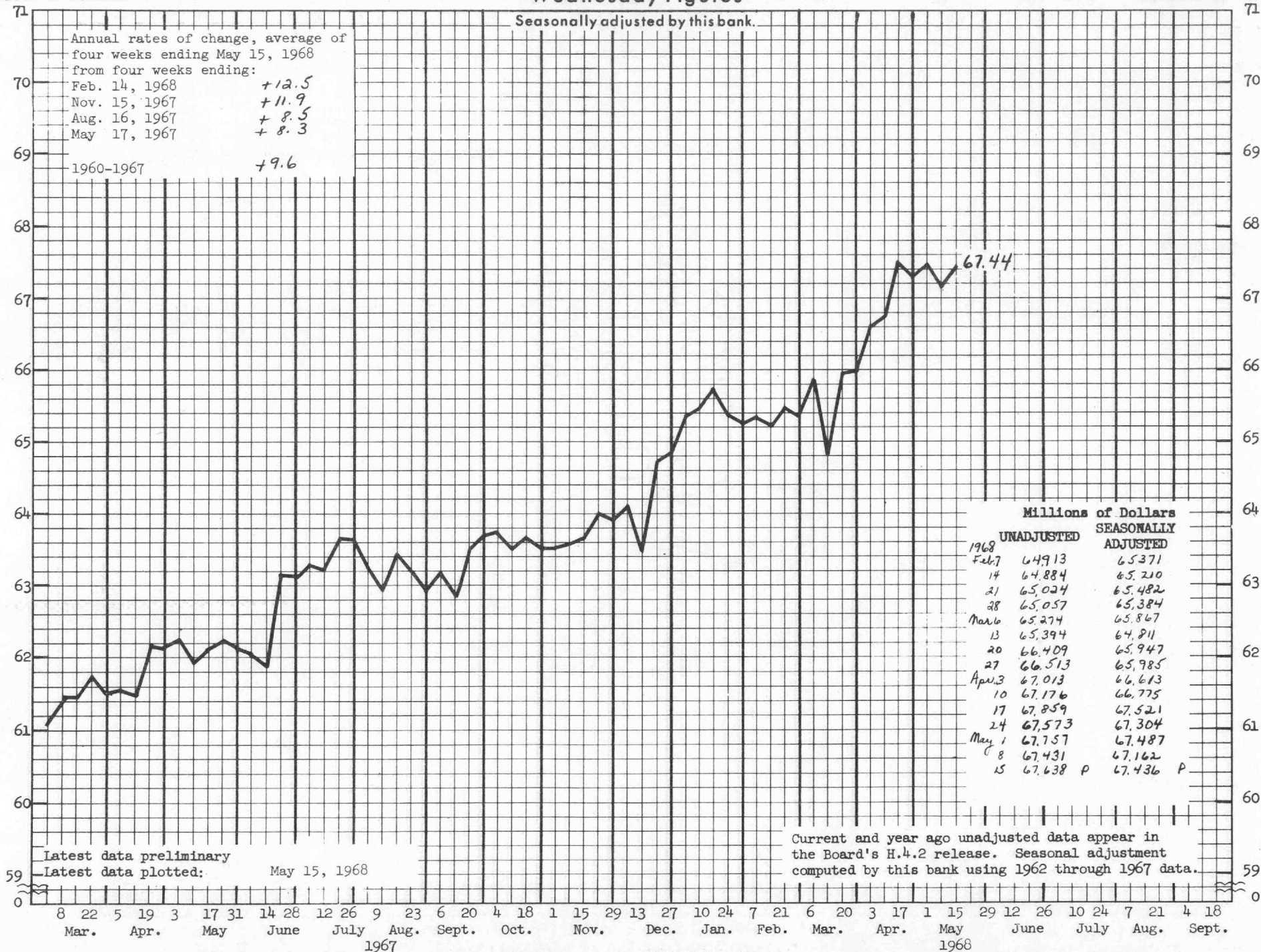


BUSINESS LOANS Large Commercial Banks Wednesday Figures

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Billions of Dollars

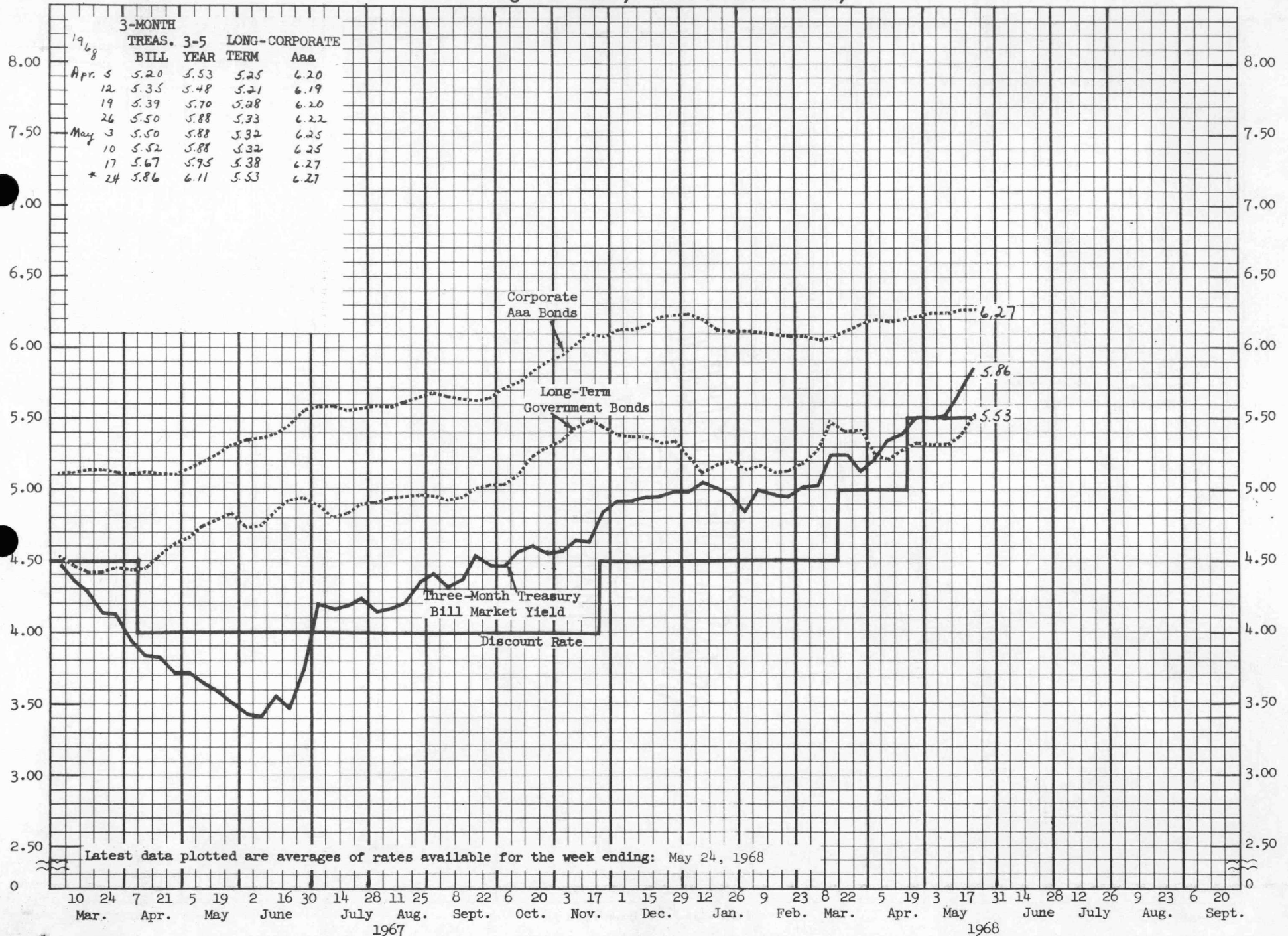
Billions of Dollars



Per Cent

YIELDS ON SELECTED SECURITIES Averages of Daily Rates Ended Friday

Per Cent



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

11

Per Cent

Per Cent

