

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

Billions of Dollars

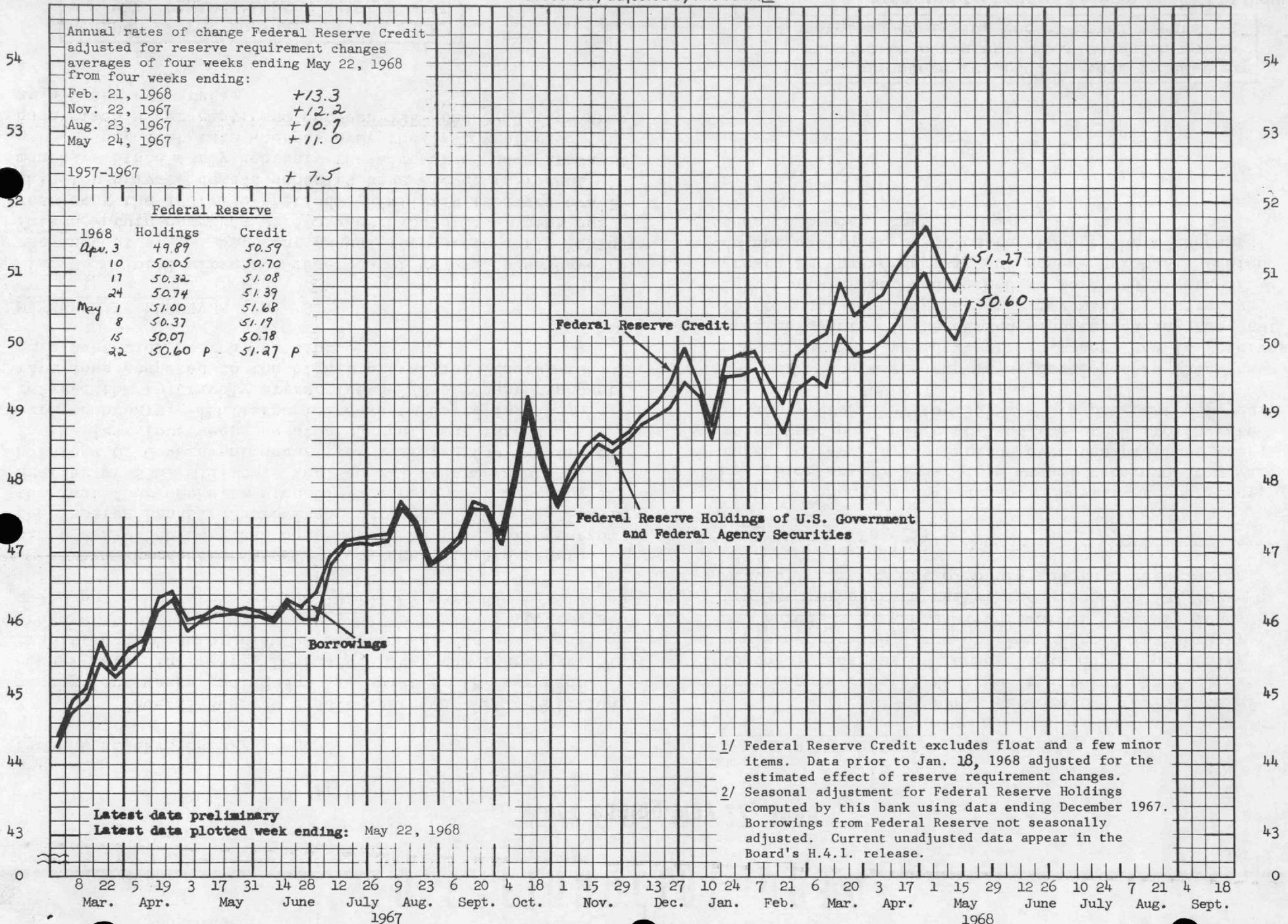
Seasonally adjusted by this bank. ²

Billions of Dollars

Annual rates of change Federal Reserve Credit adjusted for reserve requirement changes averages of four weeks ending May 22, 1968 from four weeks ending:

Feb. 21, 1968	+13.3
Nov. 22, 1967	+12.2
Aug. 23, 1967	+10.7
May 24, 1967	+11.0
1957-1967	+ 7.5

Federal Reserve		
1968	Holdings	Credit
Apr. 3	49.89	50.59
10	50.05	50.70
17	50.32	51.08
24	50.74	51.39
May 1	51.00	51.68
8	50.37	51.19
15	50.07	50.78
22	50.60 P	51.27 P



Latest data preliminary
 Latest data plotted week ending: May 22, 1968

1/ Federal Reserve Credit excludes float and a few minor items. Data prior to Jan. 18, 1968 adjusted for the estimated effect of reserve requirement changes.
 2/ Seasonal adjustment for Federal Reserve Holdings computed by this bank using data ending December 1967. Borrowings from Federal Reserve not seasonally adjusted. Current unadjusted data appear in the Board's H.4.1. release.

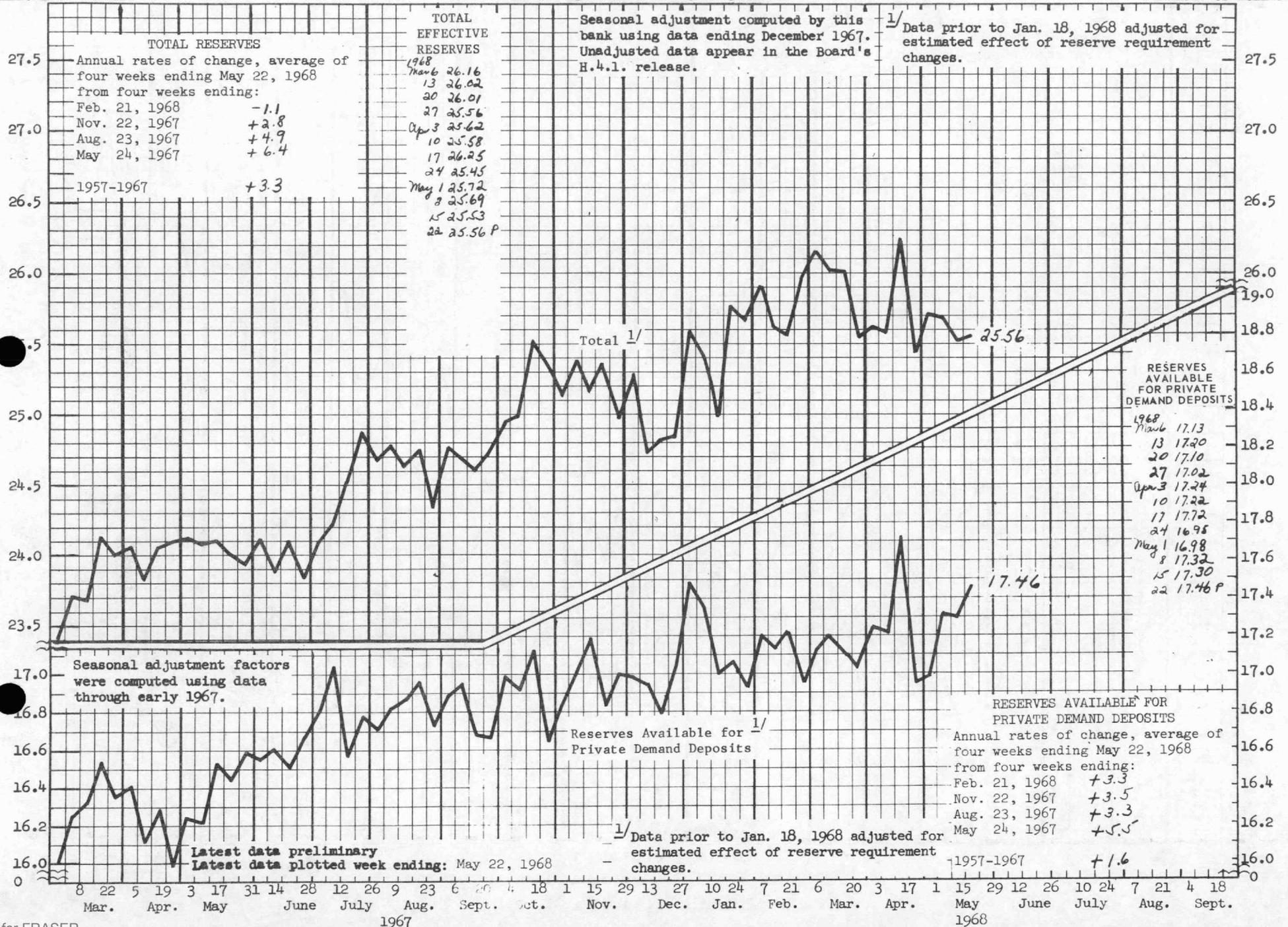
RESERVES

All Member Banks in the Nation

Averages of Daily Figures

Billions of Dollars

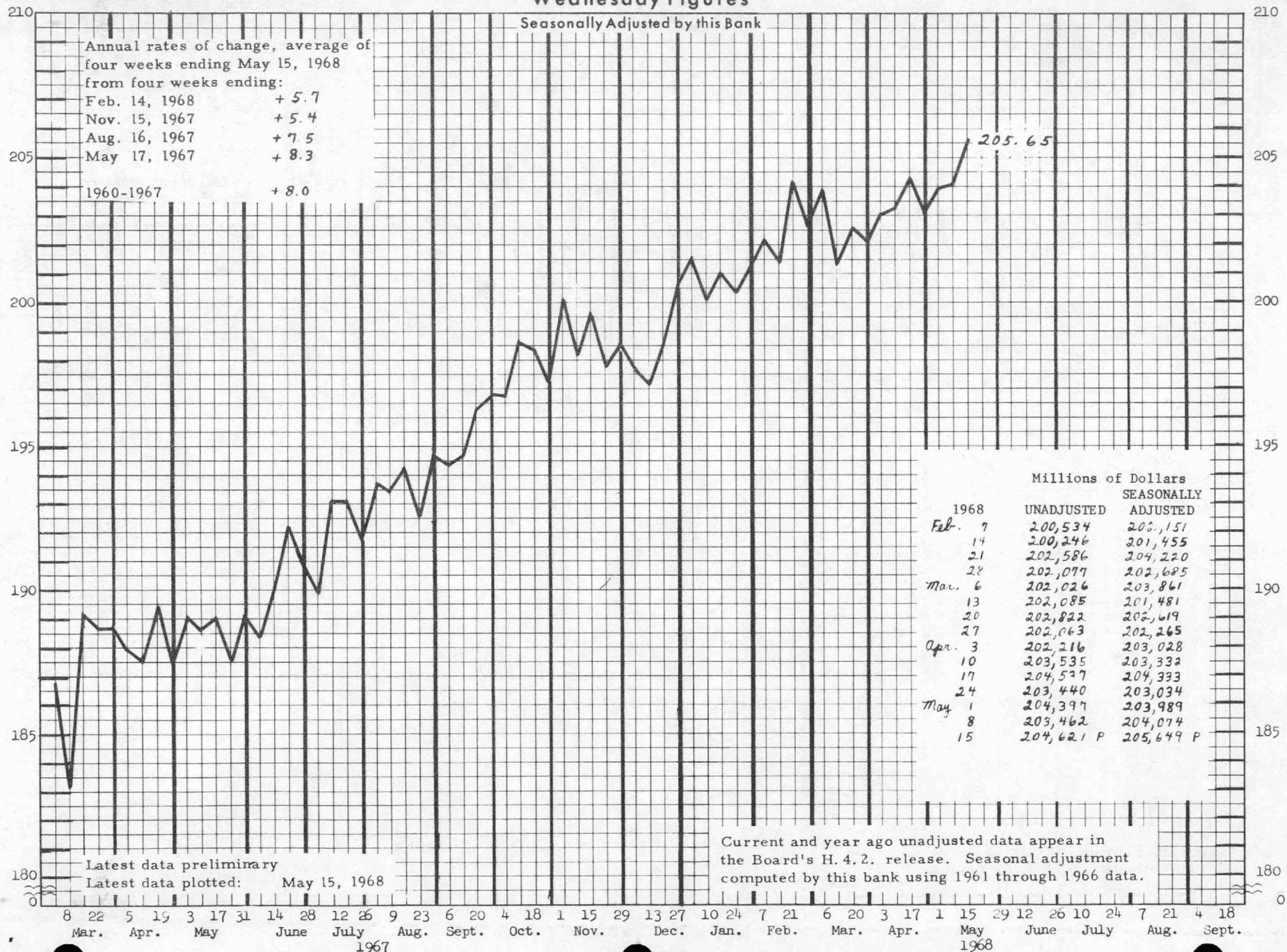
Billions of Dollars



TOTAL BANK CREDIT Large Commercial Banks Wednesday Figures

Billions of Dollars

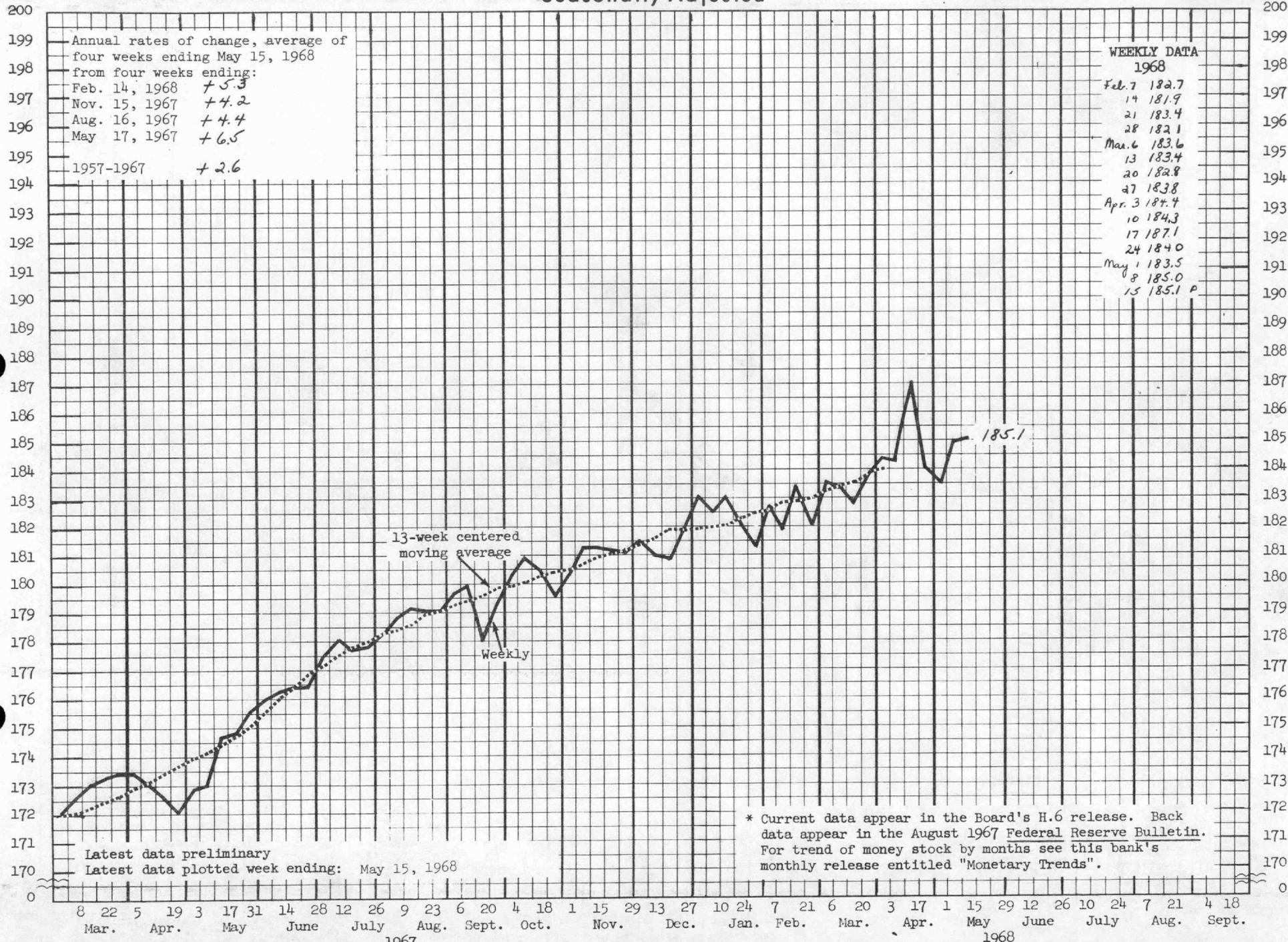
Billions of Dollars



MON STOCK*
Averages of Daily Figures
Seasonally Adjusted

Billions of Dollars

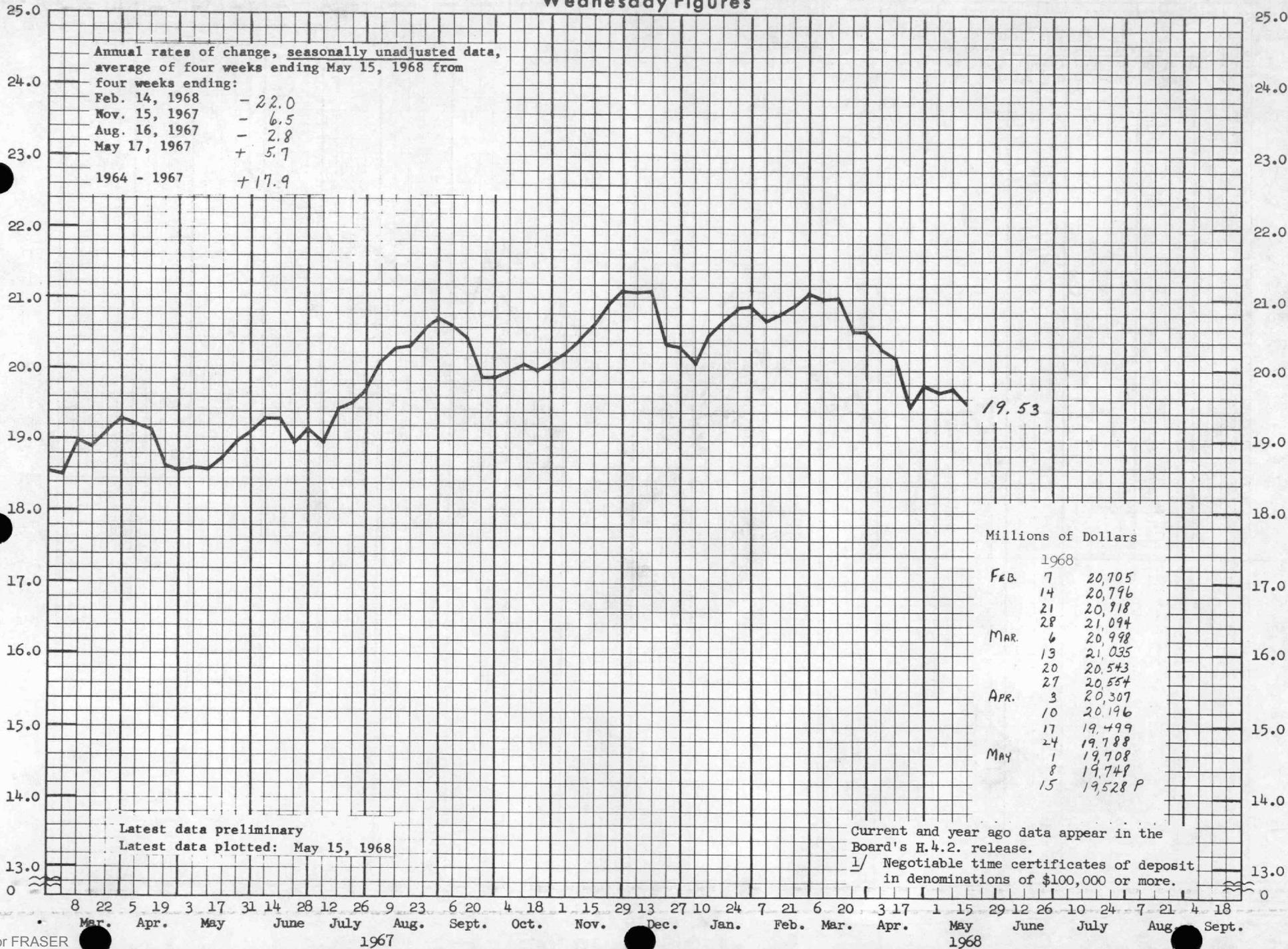
Billions of Dollars



Billions of Dollars

CERTIFICATES OF DEPOSIT ¹ Large Commercial Banks Wednesday Figures

Billions of Dollars

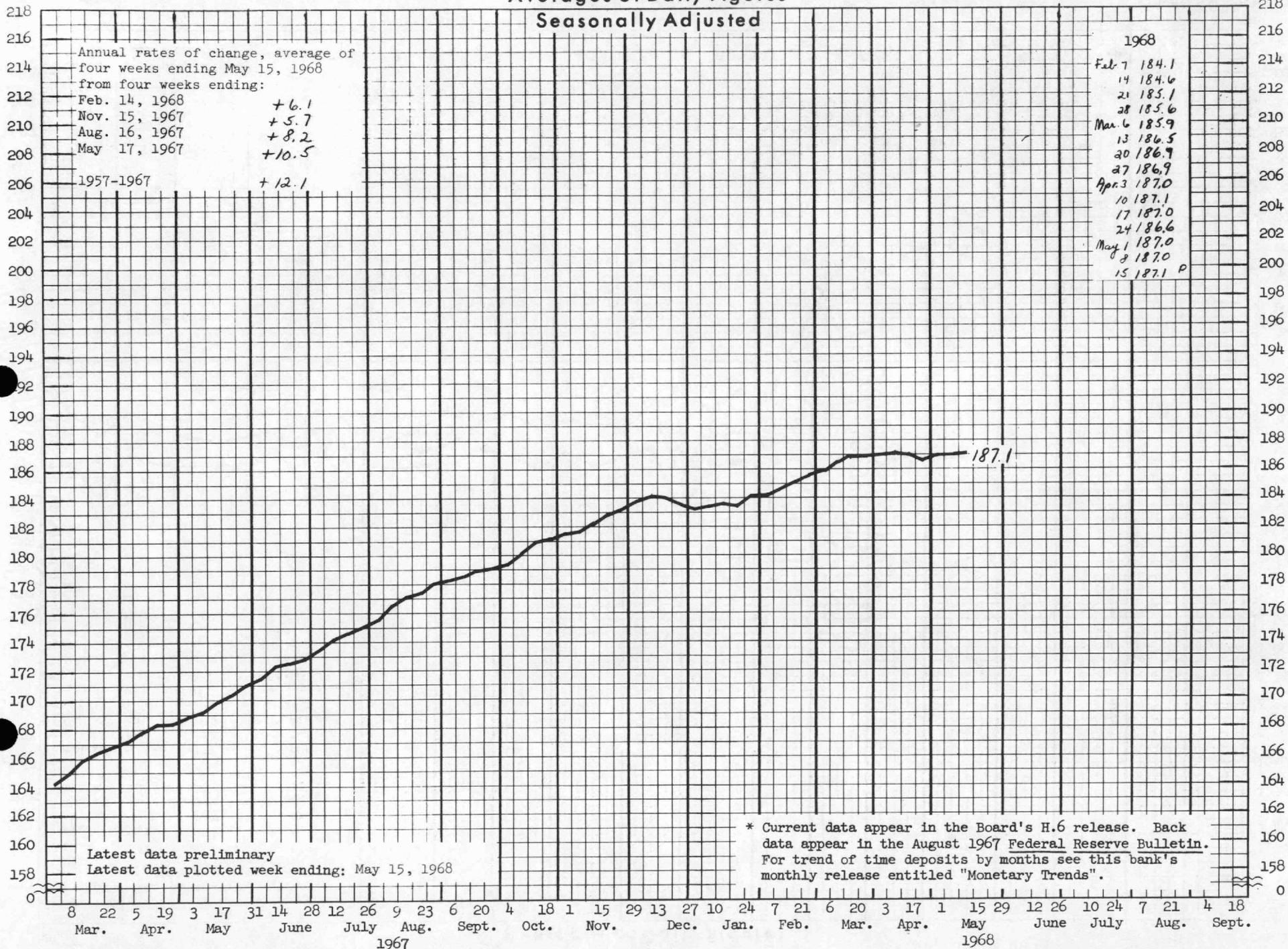


TIME DEPOSITS* All Commercial Banks Averages of Daily Figures

Billions of Dollars

Billions of Dollars

Seasonally Adjusted



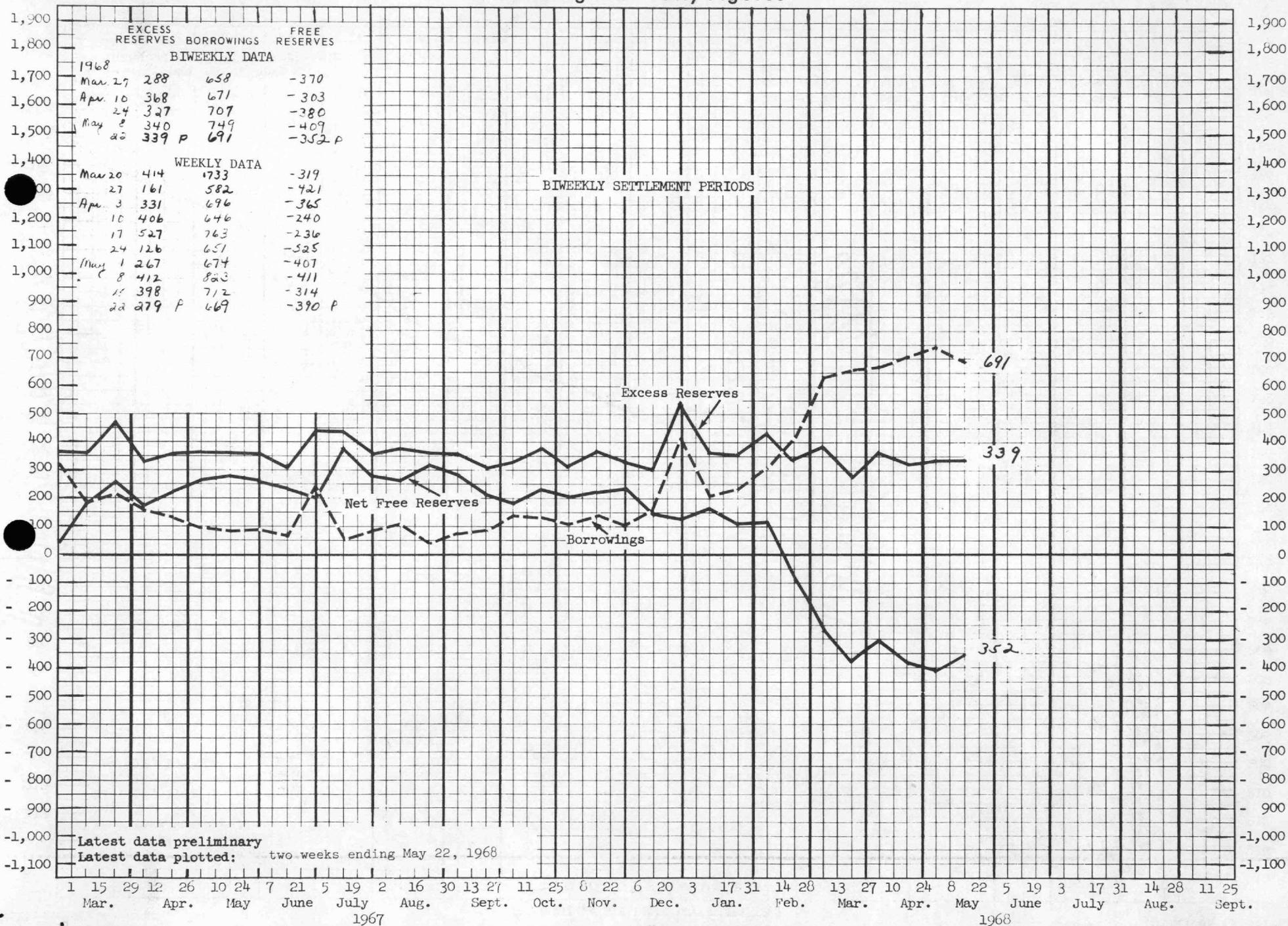
BORROWINGS AND EXCESS RESERVES

All Member Banks in the Nation

Averages of Daily Figures

Millions of Dollars

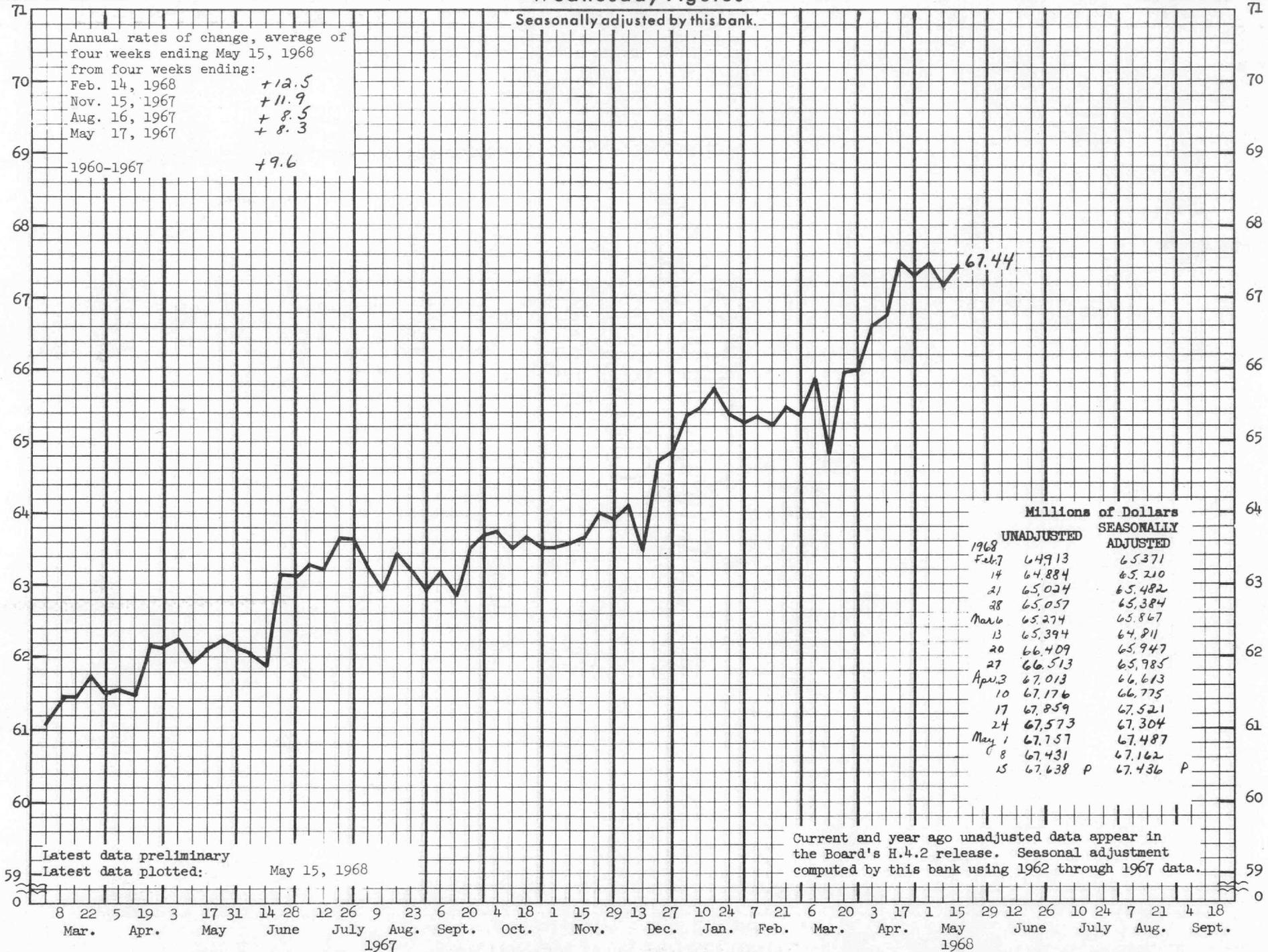
Millions of Dollars



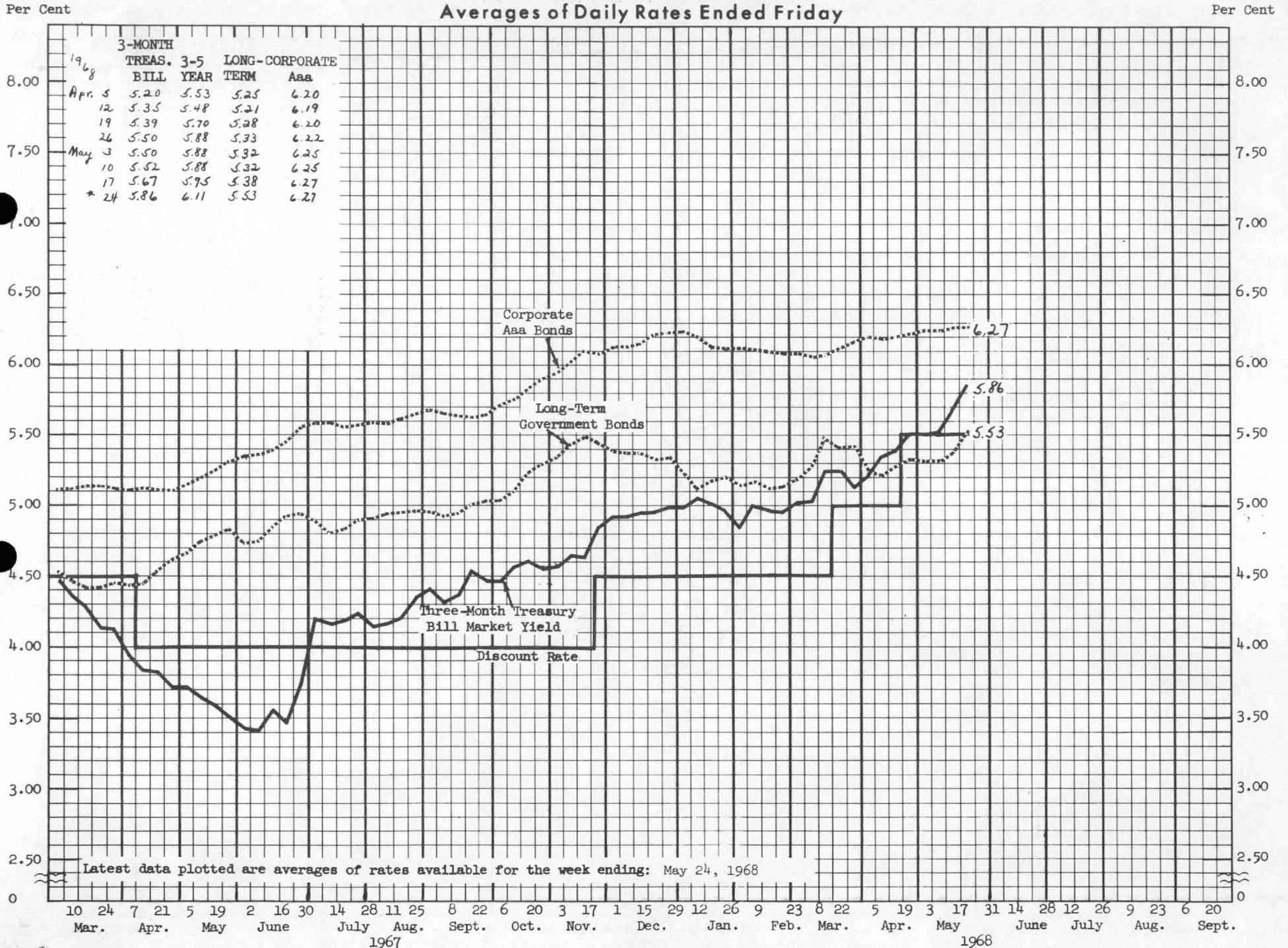
BUSINESS LOANS Large Commercial Banks Wednesday Figures

Billions of Dollars

Billions of Dollars



YIELDS ON SELECTED SECURITIES Averages of Daily Rates Ended Friday

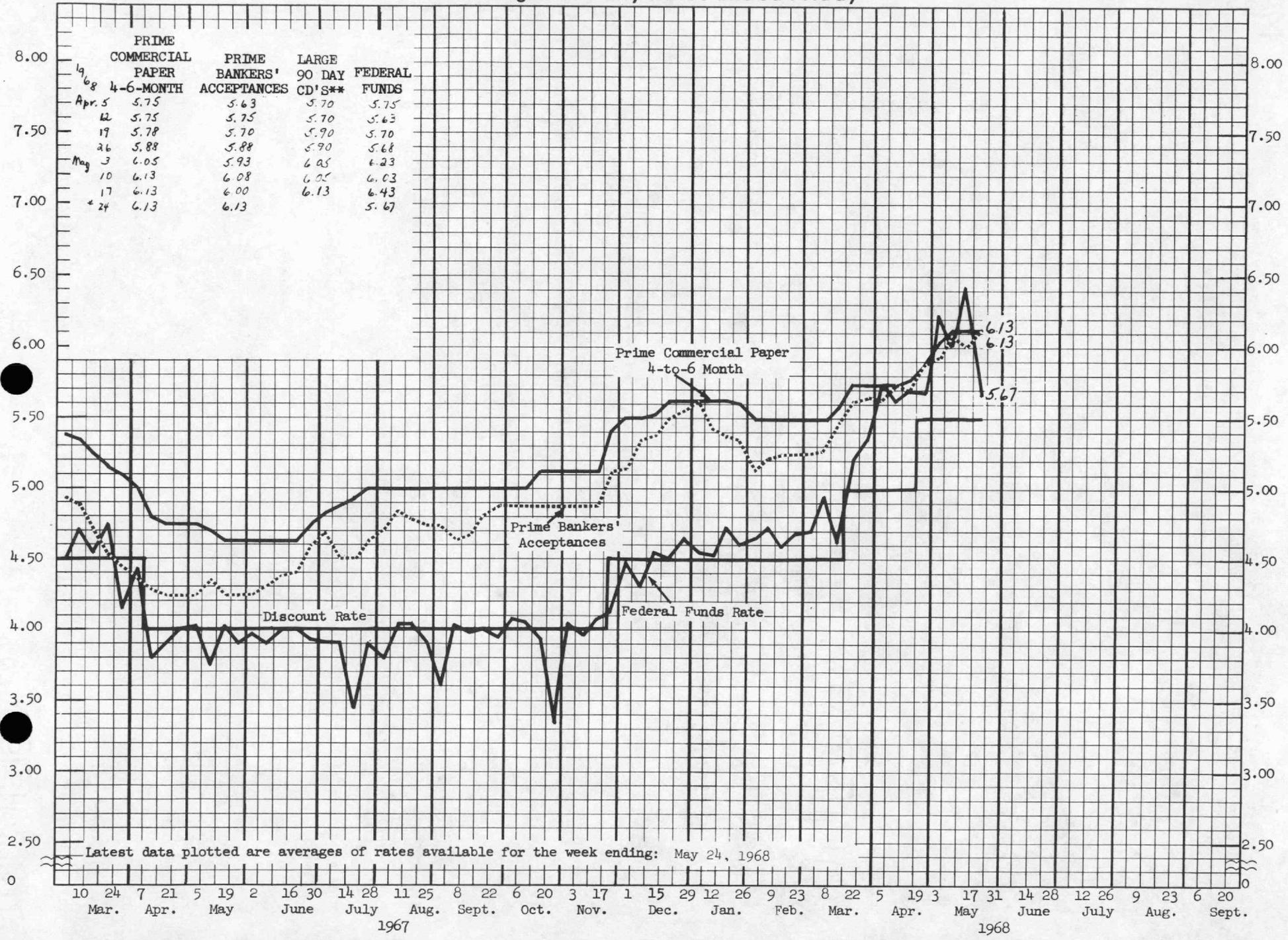


Latest data plotted are averages of rates available for the week ending: May 24, 1968

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

Per Cent

Per Cent



Latest data plotted are averages of rates available for the week ending: May 24, 1968