MONEY STOCK (Page 5)

The nation's money stock, which consists of private demand deposits plus currency in the hands of the public, averaged $185.2 billion in the four weeks ending May 22, up at a 6 per cent annual rate since early February. This was faster than 93 per cent of all three-month periods since 1948, and represents a marked acceleration from the previous six months. From last August to February, money rose at a 3.8 per cent rate, whereas earlier last year money went up at an unusually rapid 9 per cent rate. In comparison, the money stock rose at an average rate of 2.6 per cent during the 1957-1967 period.

TIME DEPOSITS (Page 7)

Unlike money, the growth of time deposits in recent months has decelerated. In the four weeks ending May 22 time deposits in commercial banks averaged $187.1 billion which represents a 5.6 per cent annual rate of increase since early February, lower than the 9 per cent rise in the previous six months. By comparison time deposits increased at an 18 per cent rate earlier in 1967 and at a 12 per cent trend rate between 1957 and 1967.

A deceleration of time deposit growth is typical of periods of high and rising interest rates. Maximum yields on time deposits are limited by Regulation Q, and therefore as yields on other financial assets rise above the legal ceilings time deposits become increasingly less competitive. A similar situation developed in the late summer and fall of 1966. In these periods savings are directed away from banks and other financial intermediaries, where consumers, purchasers of real estate, and small business typically borrow, to the central money markets, where large businesses and Governments obtain the bulk of the funds.

BANK CREDIT (Page 4)

Total bank credit of large commercial banks has grown at a 4.7 per cent annual rate since early February. Over the last year bank credit increased at about the 8 per cent trend rate of the 1960-1967 period.

Business loans (Page 9) have become increasingly a more important component of this growth. Since February business loans have risen at a 12.8 per cent rate, whereas since last May these loans increased 8.4 per cent. The trend rate of business loans was 9.6 per cent over the 1960-1967 period. The growth of bank investments has slowed as business loans accelerated.

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 31, 1968
Annual rates of change Federal Reserve Credit
adjusted for reserve requirement changes
averages of four weeks ending May 29, 1968
from four weeks ending:
Feb. 28, 1968       + 12.8
Nov. 29, 1967       + 11.1
Aug. 30, 1967       + 10.8
May 31, 1967        + 10.8

1957-1967

Federal Reserve

1968 Holdings Credit
Apr.  50.49  50.69
10    50.05  50.70
17    50.52  51.08
24    50.74  51.29
May  51.09  51.64
8     51.57  51.99
15    50.07  50.78
22    50.60  51.27
29    50.61  51.45

Federal Reserve Credit

Federal Reserve Holdings of U.S. Government
and Federal Agency Securities

Borrowings

Latest data preliminary
Latest data plotted week ending: May 29, 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.

Prepared by Federal Reserve Bank of St. Louis
Billions of Dollars

All Member Banks in the Nation
Averages of Daily Figures


Data prior to Jan. 18, 1968 adjusted for estimated effect of reserve requirement changes.

Prepared by Federal Reserve Bank of St. Louis

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http://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis
Total Bank Credit: Large Commercial Banks

Wednesday Figures

Seasonally Adjusted by this Bank

Annual rates of change, average of four weeks ending May 22, 1968 from four weeks ending:
- Feb. 21, 1968: +4.7
- Nov. 22, 1967: +5.8
- Aug. 23, 1967: +7.7
- May 24, 1967: +9.5

1960-1967
- Annual rates of change, average of four weeks ending May 22, 1968:
  - Feb. 21, 1968: +4.7
  - Nov. 22, 1967: +5.8
  - Aug. 23, 1967: +7.7
  - May 24, 1967: +9.5

Latest data preliminary: May 22, 1968

Latest data plotted: May 22, 1968

Current and year ago unadjusted data appear in the Board's H.4.2 release. Seasonal adjustment computed by this bank using 1961 through 1966 data.

Prepared by Federal Reserve Bank of St. Louis.

http://fraser.stlouisfed.org
MONE\-STOCK*
Averages of Daily Figures
Seasonally Adjusted

Billions Of Dollars

Annual rates of change, average of
Four weeks ending May 22, 1968
From four weeks ending:
Feb. 21, 1968 + 4.4
Nov. 22, 1967 + 4.6
Aug. 23, 1967 + 4.7
May 24, 1967 + 4.6
1957-1967 + 2.4

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

WEEKLY DATA
1968
Apr 3 184.2
10 184.7
17 187.1
24 184.0
May 1 183.6
8 182.0
15 185.1
22 187.1

13-week centered moving average
Weekly


Prepared by Federal Reserve Bank of St. Louis

Digitized for FRASER
http://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis
CERTIFICATES OF DEPOSIT
Large Commercial Banks
Wednesday Figures

Annual rates of change, seasonally unadjusted data, average of four weeks ending May 22, 1968 from four weeks ending:

<table>
<thead>
<tr>
<th>Date</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb. 21, 1968</td>
<td>-23.1</td>
</tr>
<tr>
<td>Nov. 22, 1967</td>
<td>-9.0</td>
</tr>
<tr>
<td>Aug. 23, 1967</td>
<td>-4.6</td>
</tr>
<tr>
<td>May 24, 1967</td>
<td>+4.8</td>
</tr>
<tr>
<td>1964 - 1967</td>
<td>+17.9</td>
</tr>
</tbody>
</table>

Latest data preliminary
Latest data plotted: May 22, 1968

Current and year ago data appear in the Board’s H.4.2 release.

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

Averages of Daily Figures

Seasonally Adjusted

Billions of Dollars

Annual rates of change, average of
four weeks ending May 22, 1968

- Feb. 21, 1968  + 5.6
- Nov. 22, 1967  + 5.5
- Aug. 23, 1967  + 7.8
- May 24, 1967  + 10.3
- 1957-1967  + 12.1

Current data appear in the Board's H.6 release. Back
For trend of time deposits by months see this bank's
monthly release entitled "Monetary Trends".
BORROWINGS AND EXCESS RESERVES
All Member Banks in the Nation
Averages of Daily Figures

<table>
<thead>
<tr>
<th></th>
<th>EXCESS RESERVES</th>
<th>BORROWINGS</th>
<th>FREE RESERVES</th>
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<tbody>
<tr>
<td>1968</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar. 27</td>
<td>288</td>
<td>689</td>
<td>-370</td>
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<td>Apr. 10</td>
<td>368</td>
<td>671</td>
<td>-363</td>
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<td>May 2</td>
<td>337</td>
<td>707</td>
<td>-390</td>
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<td>May 15</td>
<td>340</td>
<td>719</td>
<td>-469</td>
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<tr>
<td>May 31</td>
<td>356</td>
<td>691</td>
<td>-335</td>
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<td>WEWKLELY DATA</td>
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<td>Mar. 20</td>
<td>414</td>
<td>733</td>
<td>-319</td>
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<td>Apr. 9</td>
<td>331</td>
<td>562</td>
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<td>Apr. 30</td>
<td>406</td>
<td>676</td>
<td>-240</td>
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<tr>
<td>May 15</td>
<td>527</td>
<td>763</td>
<td>-330</td>
</tr>
<tr>
<td>May 22</td>
<td>526</td>
<td>661</td>
<td>-525</td>
</tr>
<tr>
<td>Jun. 1</td>
<td>267</td>
<td>674</td>
<td>-401</td>
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<td>Jun. 8</td>
<td>142</td>
<td>826</td>
<td>-411</td>
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<td>Jun. 15</td>
<td>398</td>
<td>712</td>
<td>-314</td>
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<tr>
<td>Jun. 22</td>
<td>314</td>
<td>667</td>
<td>-303</td>
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<tr>
<td>Jul. 19</td>
<td>319</td>
<td>758</td>
<td>-445</td>
</tr>
</tbody>
</table>

BIWEEKLY DATA

BIWEEKLY SETTLEMENT PERIODS

Latest data preliminary
Latest data plotted: one week ending May 29, 1968

Prepared by Federal Reserve Bank of St. Louis

http://fraser.stlouisfed.org

Digitized for FRASER
Federal Reserve Bank of St. Louis
Annual rates of change, average of four weeks ending May 22, 1968
From four weeks ending:
Feb. 21, 1968  +12.1
Nov. 22, 1967  +11.7
Aug. 23, 1967  +8.9
May 24, 1967  +8.4
1960-1967     +9.6
YIELDS ON SELECTED SECURITIES

Averages of Daily Rates Ended Friday

Per Cent

<table>
<thead>
<tr>
<th>3-MONTH</th>
<th>3-5 LONG-CORPORATE</th>
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<tr>
<td>TREAT.</td>
<td>BILL YEAR TERM Aaa</td>
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<tr>
<td>Apr. 6</td>
<td>6.20  6.73  5.20  6.10</td>
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<tr>
<td>Jun. 12</td>
<td>5.85  5.98  5.21  6.19</td>
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<td>Jun. 19</td>
<td>5.90  5.70  5.28  6.20</td>
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<td>Jul. 24</td>
<td>5.85  5.88  5.33  6.22</td>
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<tr>
<td>Aug. 7</td>
<td>5.85  5.78  5.32  6.25</td>
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<td>Sep. 10</td>
<td>5.82  5.77  5.31  6.26</td>
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<td>Sep. 17</td>
<td>5.87  5.75  5.38  6.27</td>
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<tr>
<td>Oct. 24</td>
<td>5.84  6.09  5.54  6.28</td>
</tr>
<tr>
<td>Nov. 31</td>
<td>5.78  5.96  5.47  6.27</td>
</tr>
</tbody>
</table>

Latest data plotted are averages of rates available for the week ending: May 31, 1968

Prepared by Federal Reserve Bank of St. Louis
SELECTED SHORT-TERM INTEREST RATES
Averages of Daily Rates Ended Friday

<table>
<thead>
<tr>
<th>Date</th>
<th>Prime</th>
<th>Commercial Paper</th>
<th>Prime Bankers' Acceptances</th>
<th>Large 90 Day Federal Funds</th>
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</thead>
<tbody>
<tr>
<td>Apr. 5</td>
<td>5.75</td>
<td>5.43</td>
<td>5.70</td>
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<td>May 1</td>
<td>5.75</td>
<td>5.70</td>
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<td>Aug. 1</td>
<td>5.78</td>
<td>5.70</td>
<td>5.70</td>
<td>5.76</td>
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<td>Aug. 1</td>
<td>5.85</td>
<td>5.85</td>
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<td>Aug. 10</td>
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<td>Aug. 17</td>
<td>6.15</td>
<td>6.15</td>
<td>6.15</td>
<td>6.15</td>
</tr>
<tr>
<td>Aug. 24</td>
<td>6.25</td>
<td>6.25</td>
<td>6.25</td>
<td>6.25</td>
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</tbody>
</table>

Latest data plotted are averages of rates available for the week ending: May 31, 1968

Averages of rates available
Source: SALOMON BROTHERS AND HUTZLER
SECONDARY MARKET RATE ON 90-DAY PRIME CD'S.

Prepared by Federal Reserve Bank of St. Louis