MEMBER BANK BORROWINGS (Page 8)

Member bank borrowings from Federal Reserve Banks averaged about $726 million in the four weeks ending June 5. This was little change from the March level of $671 million, but from November to March there was rather a sharp increase in the amount of borrowings. Some analysts consider the increased borrowing from the Fed to be an indicator of restrictive monetary policy. With greater indebtedness, it is felt, that banks may be more reluctant to extend credit. However, borrowing from the Fed may merely be an alternative to other borrowing. Banks can borrow from other U.S. banks (Federal funds) or from foreign banks (Eurodollars). Thus, increased borrowing from the Fed may simply reflect that the Federal funds rate has generally been significantly higher than the discount rate from the middle of December to the present time. The slower rate of growth of borrowings beginning in March probably reflects in part the raising of the discount rate both in March and in April.

MONEY STOCK (page 5)

The money stock averaged $186.2 billion in the four weeks ending May 29, up at an annual rate of 8.1 per cent since February. This rate of growth is faster than growth rate of 6.4 per cent in the preceding year. In comparison, money grew at an average rate of 2.6 between 1957 and 1967.

BANK LIQUIDITY

Despite strong demand for credit and relatively high interest rates, banks generally appear more liquid now than during the so-called "credit crunch" of September 1966. The following table derived from the weekly reports of large commercial banks shows that banks hold a greater percentage of cash and other liquid assets as of May 29 than in late September 1966:

<table>
<thead>
<tr>
<th>ASSETS AS A PER CENT OF TOTAL RESOURCES</th>
<th>Sept. 28, 1966</th>
<th>May 29, 1968</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>58.4 %</td>
<td>56.1 %</td>
</tr>
<tr>
<td>Government Securities within 1 year</td>
<td>3.1</td>
<td>2.6</td>
</tr>
<tr>
<td>1-to-5 years</td>
<td>4.0</td>
<td>5.1</td>
</tr>
<tr>
<td>5 years and over</td>
<td>2.9</td>
<td>2.3</td>
</tr>
<tr>
<td>Other Securities</td>
<td>11.9</td>
<td>13.1</td>
</tr>
<tr>
<td>Cash Assets</td>
<td>16.3</td>
<td>17.1</td>
</tr>
<tr>
<td>Other</td>
<td>3.4</td>
<td>3.7</td>
</tr>
<tr>
<td>Total Assets</td>
<td>100.0 %</td>
<td>100.0 %</td>
</tr>
</tbody>
</table>

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: June 7, 1968
FEDERAL RESERVE CREDIT
Averages of Daily Figures
Seasonally adjusted by this bank.

Billions of Dollars

Annual rates of change Federal Reserve Credit adjusted for reserve requirement changes.
Averages of four weeks ending June 5, 1968.
from four weeks ending:
Mar. 6, 1968 +1.2
Dec. 6, 1967 +1.0
Sept. 6, 1967 +0.5
June 7, 1967 +0.8
1957-1967 +7.5

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


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.

Latest data preliminary
Latest data plotted week ending: June 5, 1968

Prepared by Federal Reserve Bank of St. Louis

Federal Reserve Bank of St. Louis

Digitized for FRASER
http://fraser.stlouisfed.org
Billions of Dollars

All Member Banks in the Nation
Averages of Daily Figures

Billions of Dollars

TOTAL EFFECTIVE
RESERVES


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

Seasonal adjustment factors were computed using data through early 1967.

RESERVES AVAILABLE FOR PRIVATE DEMAND DEPOSITS

Annual rates of change, average of four weeks ending June 5, 1968

from four weeks ending:

Mar. 6, 1968 + 3.2
Dec. 6, 1967 + 3.4
Sept. 6, 1967 + 5.7
June 7, 1967 + 6.6

1957-1967 + 3.3

Seasonal adjustment factors were computed using data through early 1967.

RESERVES AVAILABLE FOR PRIVATE DEMAND DEPOSITS

Annual rates of change, average of four weeks ending June 5, 1968

from four weeks ending:

Mar. 6, 1968 + 3.6
Dec. 6, 1967 + 5.6
Sept. 6, 1967 + 4.9
June 7, 1967 + 5.7

1957-1967 + 1.5

Latest data preliminary
Latest data plotted week ending: June 5, 1968 1/ Data prior to Jan. 18, 1968 adjusted for estimated effect of reserve requirement changes.

Prepared by Federal Reserve Bank of St. Louis
Annual rates of change, average of four weeks ending May 29, 1968 from four weeks ending:
Feb. 28, 1968 + 7.9
Nov. 29, 1967 + 4.8
Aug. 30, 1967 + 4.9
May 31, 1967 + 6.8

1957-1967 + 2.4

Weekly data


Prepared by Federal Reserve Bank of St. Louis

http://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis
Billions of Dollars

Annual rates of change, average of four weeks ending May 29, 1968 from four weeks ending:

- Feb. 28, 1968: +8.1
- Nov. 29, 1967: +5.3
- Aug. 30, 1967: +5.3

1957-1967: +2.6

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


For trend of money stock by months see this bank's monthly release entitled "Monetary Trends".

Prepared by 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 29, 1968 from four weeks ending:
- Feb. 28, 1968: -24.8
- Nov. 29, 1967: -11.6
- Aug. 30, 1967: -5.9
- May 31, 1967: +4.0
- 1964 - 1967: +11.9

Latest data preliminary
Latest data plotted: May 29, 1968

Current and year ago data appear in the Board's H.4.2 release.
1/ 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

Billions of Dollars

1968

Annual rates of change, average of
four weeks ending May 29, 1968
from four weeks ending:

- Feb. 28, 1968 +4.8
- Nov. 29, 1967 +5.0
- Aug. 30, 1967 +7.4
- May 31, 1967 +10.0

1957-1967 +12.1

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

* 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".

Prepared by Federal Reserve Bank of St. Louis
BORROWINGS AND EXCESS RESERVES
All Member Banks in the Nation
Averages of Daily Figures

Millions of Dollars

EXCESS RESERVES BORROWINGS FREE RESERVES

BIWEEKLY DATA

1968
Mar. 27 280 629 -370
Apr. 10 368 671 -363
May 2 340 707 -380
May 30 350 679 -335
June 5 270 672 -492 P

WEEKLY DATA

Mar. 20 414 733 -317
Apr. 3 331 696 -365
Mar. 3 406 646 -240
Apr. 24 216 627 -520
May 8 291 679 -395
June 5 169 P 739 -590 P

BIWEEKLY SETTLEMENT PERIODS

Excess Reserves
Net Free Reserves
Borrowings

Latest data preliminary
Latest data plotted: two weeks ending June 5, 1968

Prepared by Federal Reserve Bank of St. Louis

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

Seasonally adjusted by this bank.

Annual rates of change, average of four weeks ending May 29, 1968 from four weeks ending:
- Feb. 28, 1968 +12.5
- Nov. 29, 1967 +11.3
- Aug. 30, 1967 +9.0
- May 31, 1967 +8.4

1960 - 1967 +9.6

Current and year ago unadjusted data appear in the Board's H.4.2 release. Seasonal adjustment computed by this bank using 1962 through 1967 data.

Latest data preliminary
Latest data plotted: May 29, 1968

Prepared by Federal Reserve Bank of St. Louis
YIELDS ON SELECTED SECURITIES
Averages of Daily Rates Ended Friday

<table>
<thead>
<tr>
<th>Date</th>
<th>3-MONTH</th>
<th>1-YR</th>
<th>3-5 YEAR</th>
<th>BILL MARKET YIELD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr</td>
<td>5.20</td>
<td>5.33</td>
<td>5.25</td>
<td>4.20</td>
</tr>
<tr>
<td>May</td>
<td>5.20</td>
<td>5.33</td>
<td>5.25</td>
<td>4.20</td>
</tr>
<tr>
<td>Jun</td>
<td>5.20</td>
<td>5.33</td>
<td>5.25</td>
<td>4.20</td>
</tr>
</tbody>
</table>

Latest data plotted are averages of rates available for the week ending: June 7, 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 Commercial Paper</th>
<th>Prime Bankers' Acceptances</th>
<th>4-6-Month Acceptances</th>
<th>Large 90 Day Acceptances</th>
<th>Federal Funds Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr 5</td>
<td>6.75%</td>
<td>5.88%</td>
<td>5.63%</td>
<td>5.20%</td>
<td>4.84%</td>
</tr>
<tr>
<td>Apr 12</td>
<td>6.75%</td>
<td>5.88%</td>
<td>5.63%</td>
<td>5.20%</td>
<td>4.84%</td>
</tr>
<tr>
<td>Apr 19</td>
<td>6.75%</td>
<td>5.88%</td>
<td>5.63%</td>
<td>5.20%</td>
<td>4.84%</td>
</tr>
<tr>
<td>Apr 26</td>
<td>5.88%</td>
<td>5.88%</td>
<td>5.63%</td>
<td>5.20%</td>
<td>4.84%</td>
</tr>
<tr>
<td>May 3</td>
<td>6.05%</td>
<td>5.93%</td>
<td>6.05%</td>
<td>6.05%</td>
<td>4.84%</td>
</tr>
<tr>
<td>May 10</td>
<td>6.13%</td>
<td>6.08%</td>
<td>6.05%</td>
<td>6.05%</td>
<td>4.84%</td>
</tr>
<tr>
<td>May 17</td>
<td>6.13%</td>
<td>6.08%</td>
<td>6.05%</td>
<td>6.05%</td>
<td>4.84%</td>
</tr>
<tr>
<td>May 24</td>
<td>6.25%</td>
<td>6.13%</td>
<td>6.13%</td>
<td>6.05%</td>
<td>4.84%</td>
</tr>
<tr>
<td>May 31</td>
<td>6.25%</td>
<td>6.13%</td>
<td>6.13%</td>
<td>6.05%</td>
<td>4.84%</td>
</tr>
</tbody>
</table>

*Latest data plotted are averages of rates available for the week ending: June 7, 1968*

**AVERAGE 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