

Week ending June 5, 1968

AUG 27 1968

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:

ASSETS AS A PER CENT OF TOTAL RESOURCES

	<u>Sept. 28, 1966</u>	<u>May 29, 1968</u>
Loans	58.4 %	56.1 %
Government Securities		
within 1 year	3.1	2.6
1-to-5 years	4.0	5.1
5 years and over	2.9	2.3
Other Securities	11.9	13.1
Cash Assets	16.3	17.1
Other	3.4	3.7
Total Assets	100.0 %	100.0 %

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

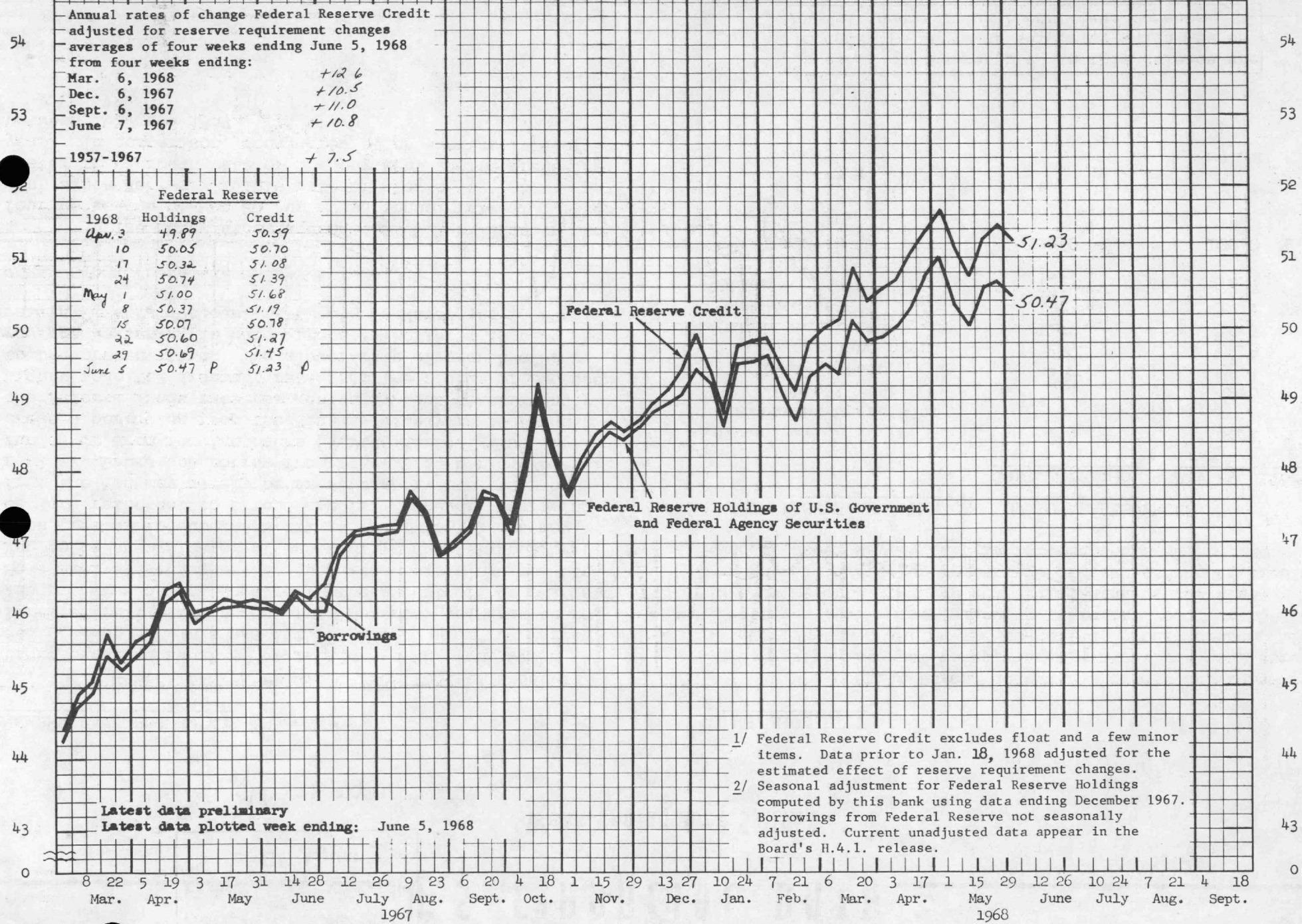
Prepared by Federal Reserve Bank of St. Louis

Released: June 7, 1968

**FEDERAL RESERVE CREDIT [1]**  
**Averages of Daily Figures**  
 Seasonally adjusted by this bank. [2]

Billions of Dollars

Billions of Dollars





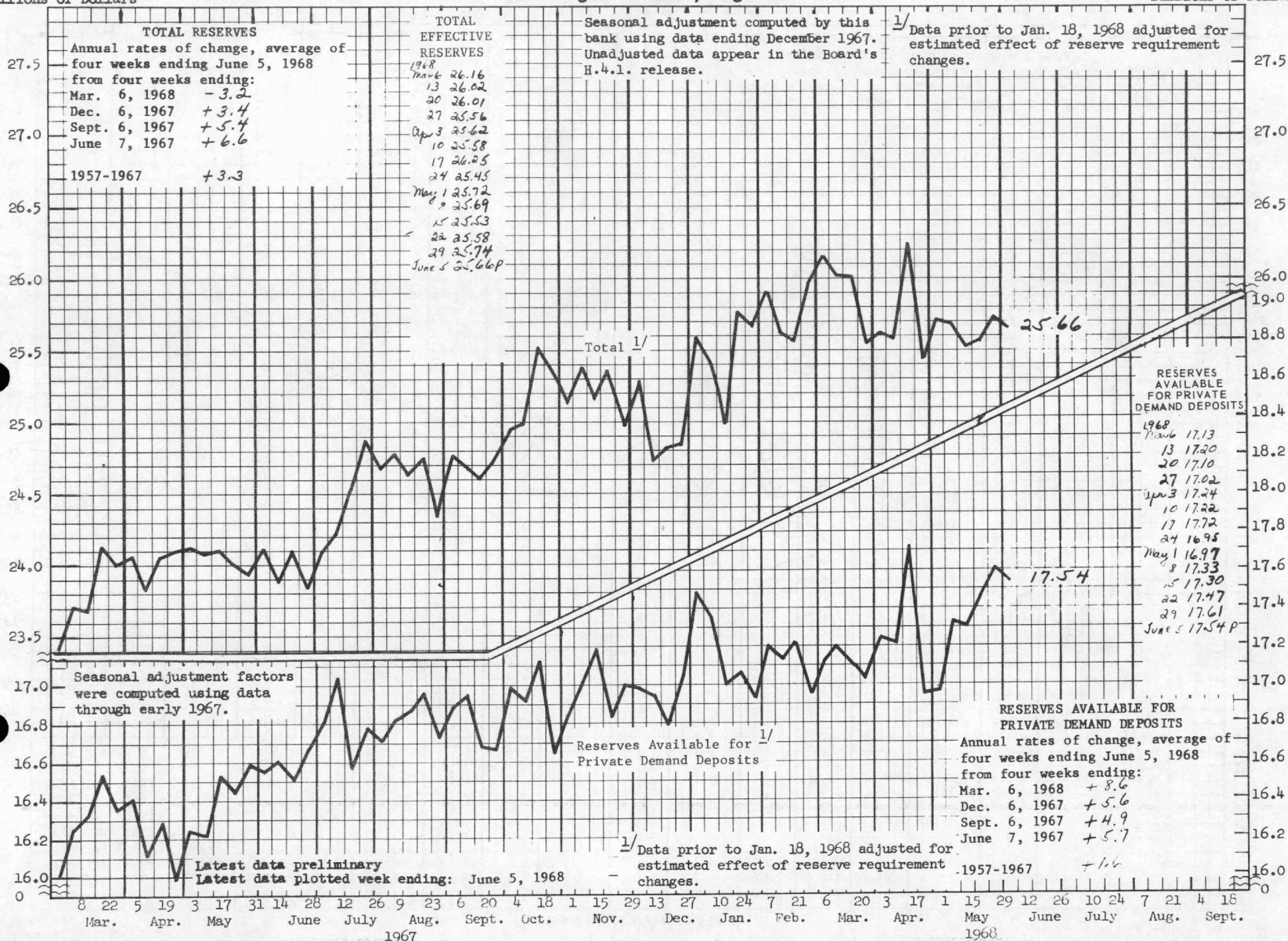
# RESERVES

## All Member Banks in the Nation

### Averages of Daily Figures

Billions of Dollars

Billions of Dollars



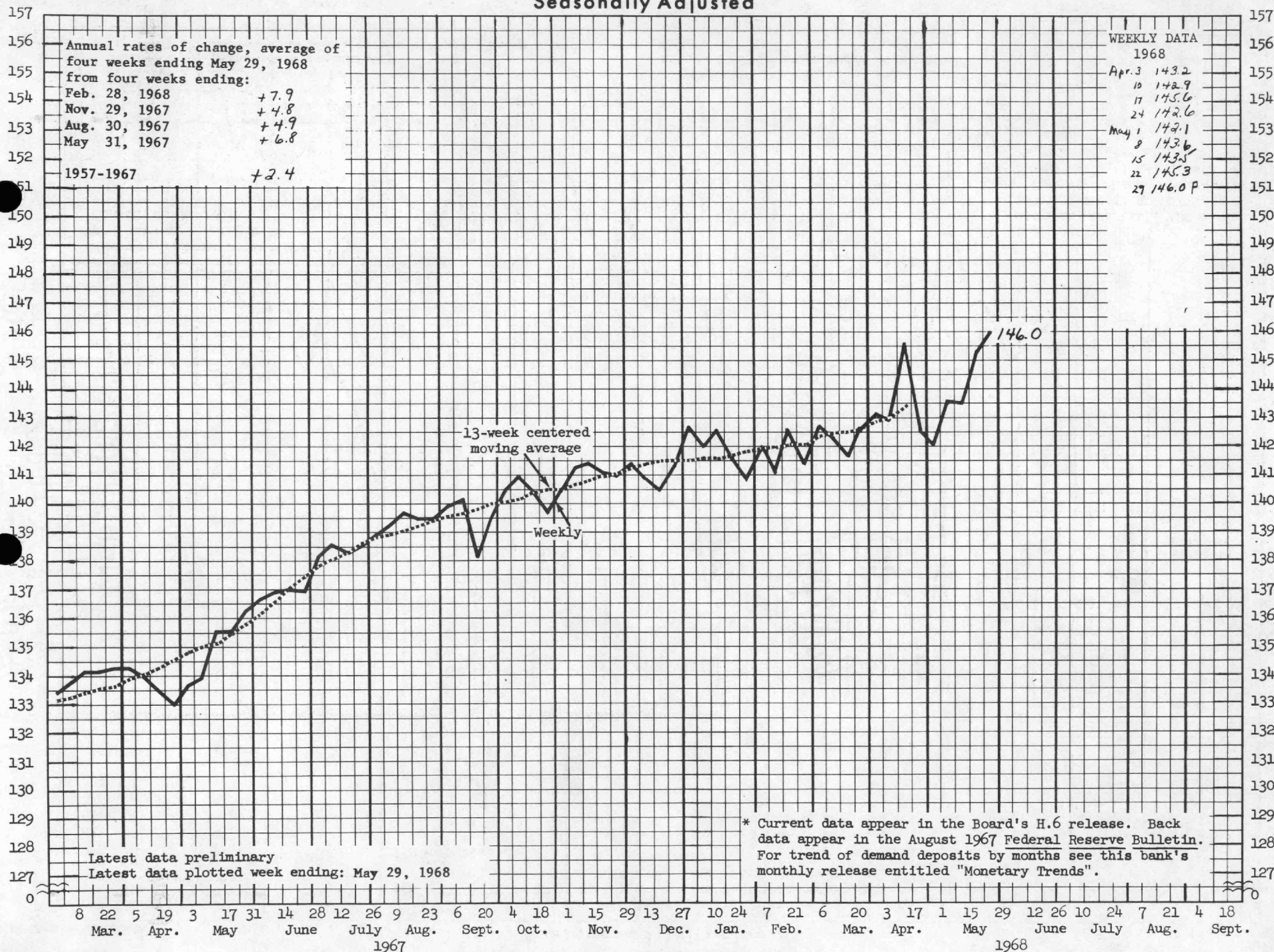
# DEMAND DEPOSIT COMPONENT OF U.S. MONEY STOCK\*

Averages of Daily Figures

Seasonally Adjusted

Billions of Dollars

Billions of Dollars





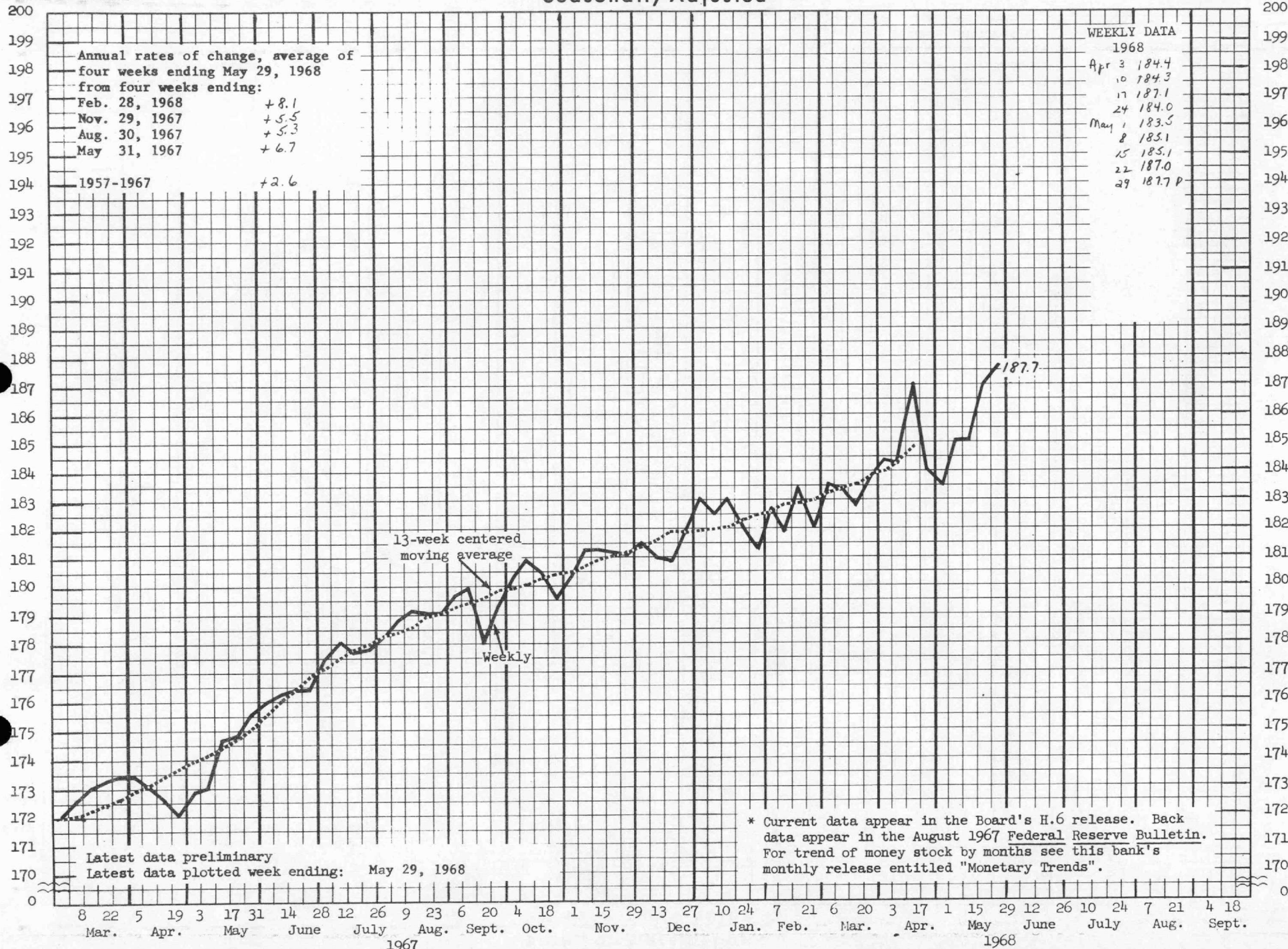
# MONEY STOCK\*

## Averages of Daily Figures

### Seasonally Adjusted

Billions of Dollars

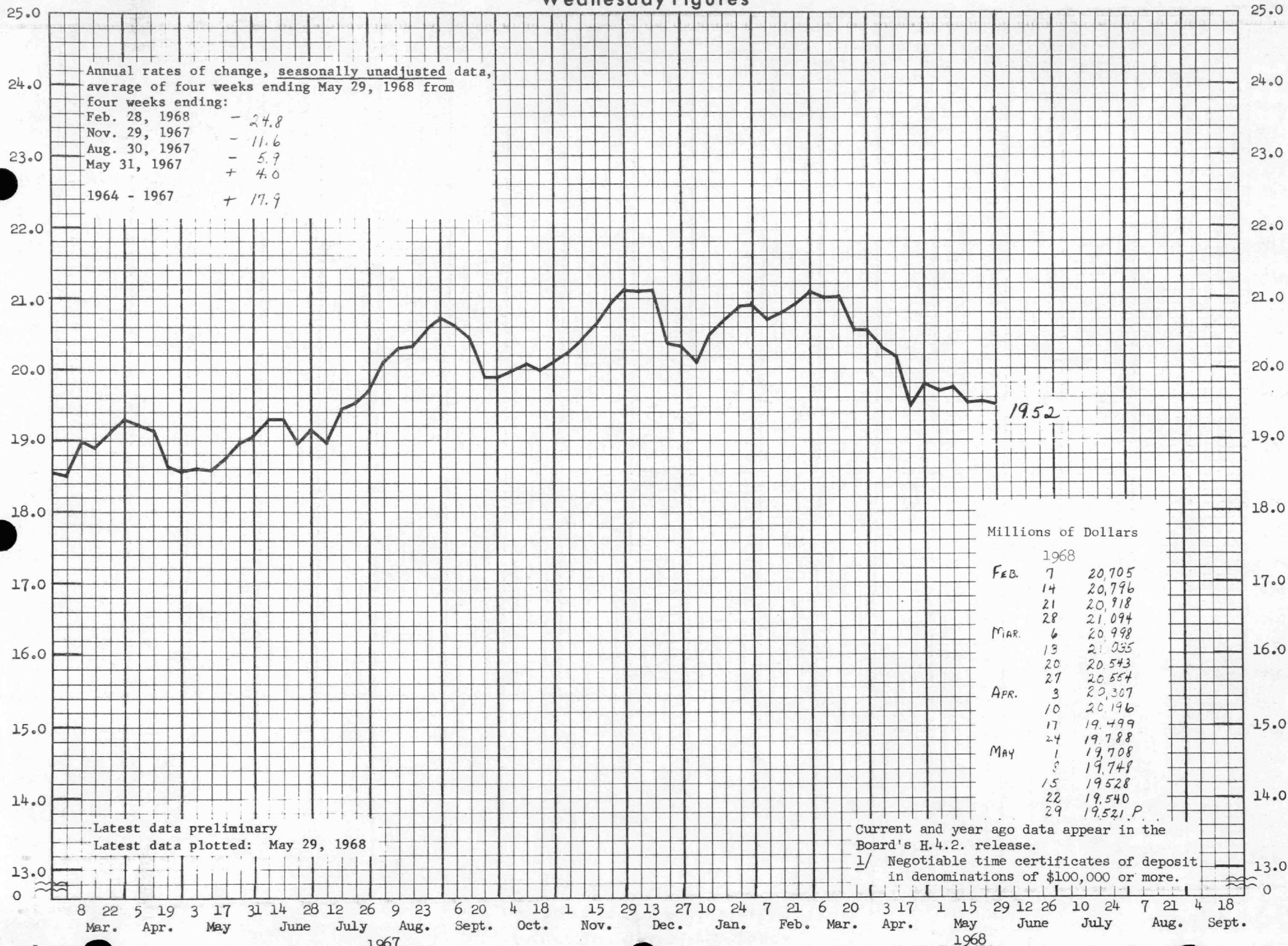
Billions of Dollars



# CERTIFICATES OF DEPOSIT <sup>1</sup> Large Commercial Banks Wednesday Figures

Billions of Dollars

Billions of Dollars



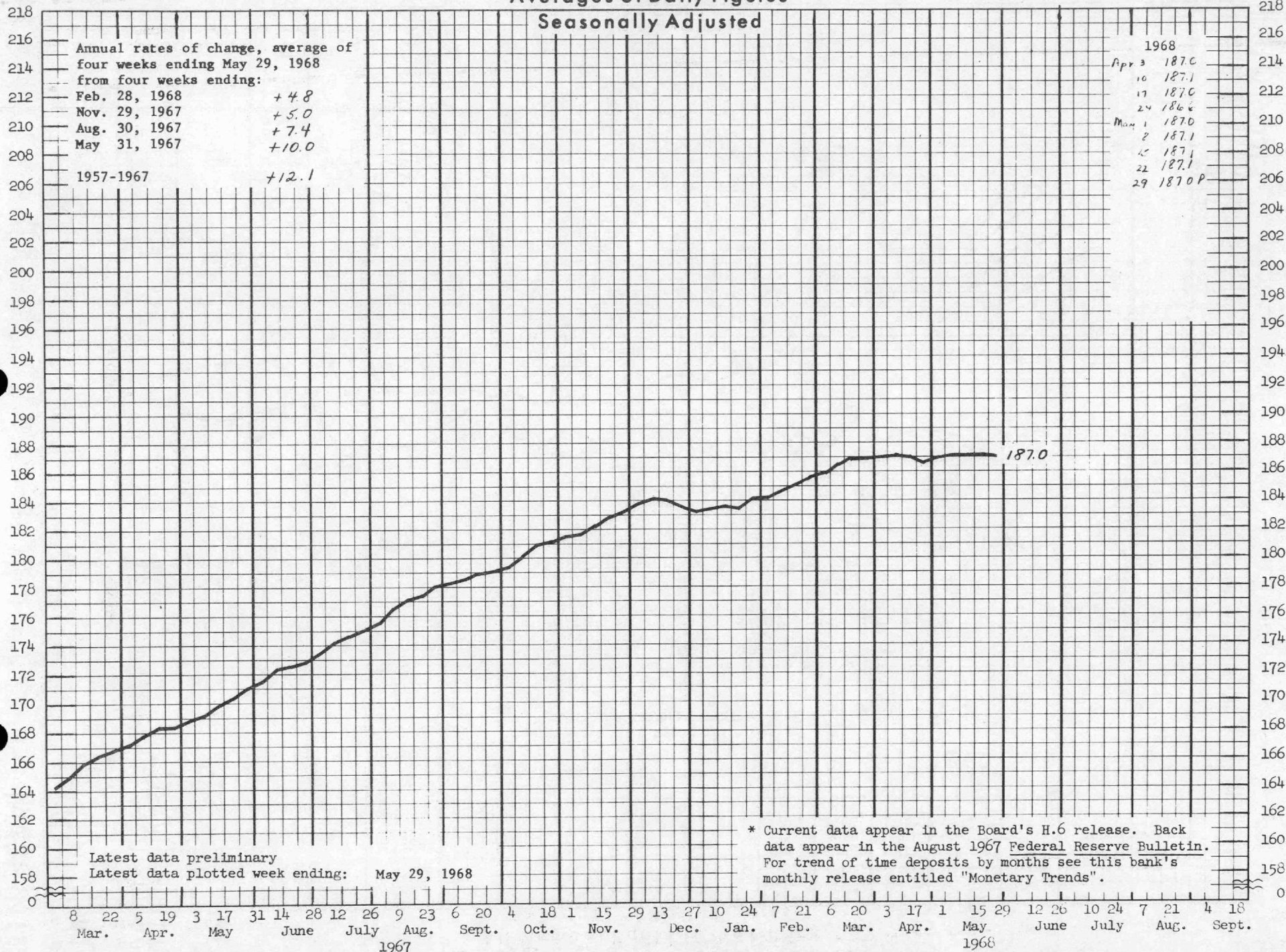
Millions of Dollars	
1968	
FEB.	7 20,705
	14 20,796
	21 20,918
	28 21,094
MAR.	6 20,998
	13 21,035
	20 20,543
	27 20,554
APR.	3 20,307
	10 20,196
	17 19,499
	24 19,788
MAY	1 19,708
	8 19,748
	15 19,528
	22 19,540
	29 19,521 <sup>P</sup>



**TIME DEPOSITS\***  
**All Commercial Banks**  
**Averages of Daily Figures**

Billions of Dollars

Billions of Dollars



\* Current data appear in the Board's H.6 release. Back data appear in the August 1967 Federal Reserve Bulletin. For trend of time deposits by months see this bank's monthly release entitled "Monetary Trends".

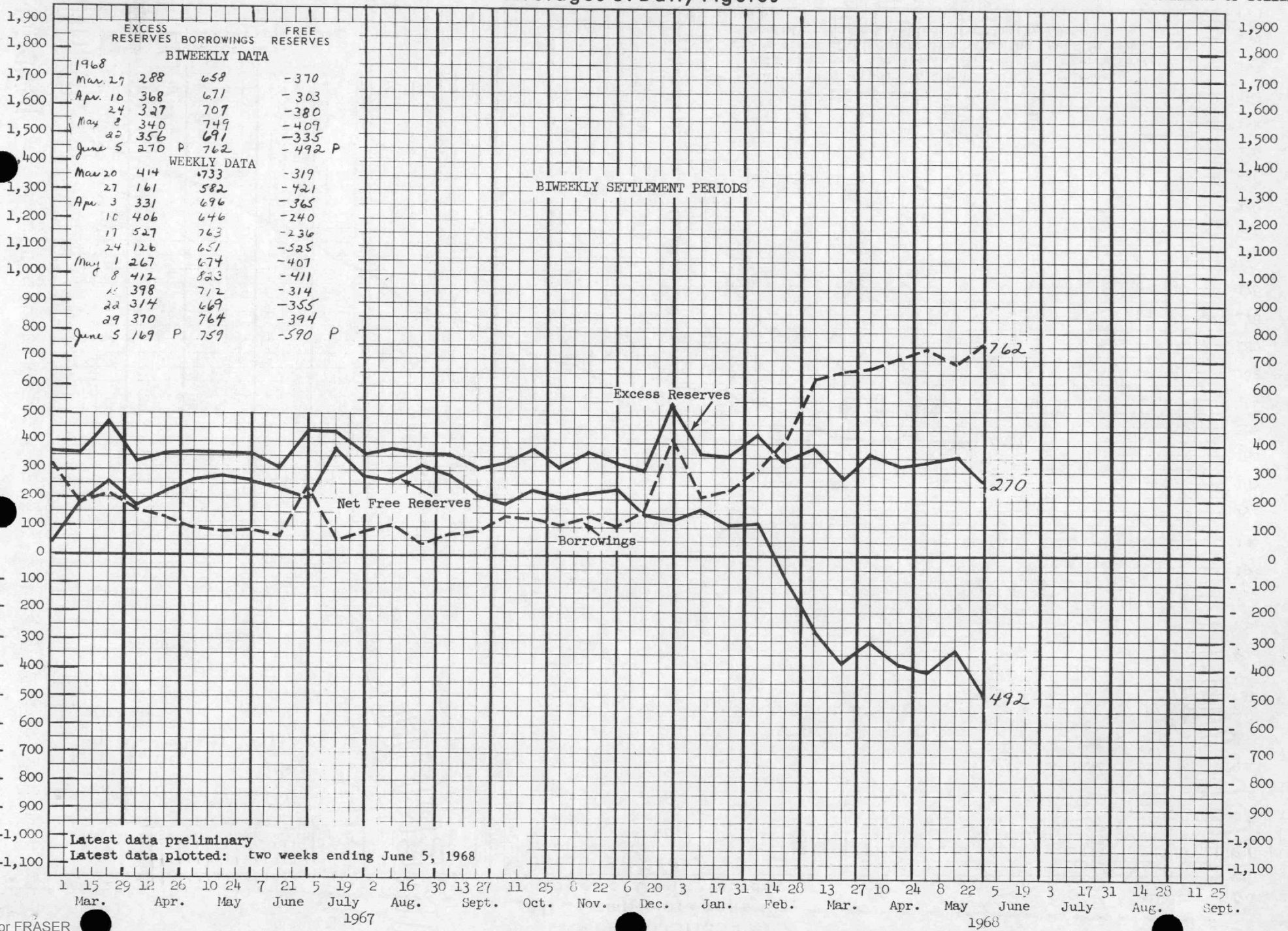
# BORROWINGS AND EXCESS RESERVES

## All Member Banks in the Nation

### Averages of Daily Figures

Millions of Dollars

Millions of Dollars

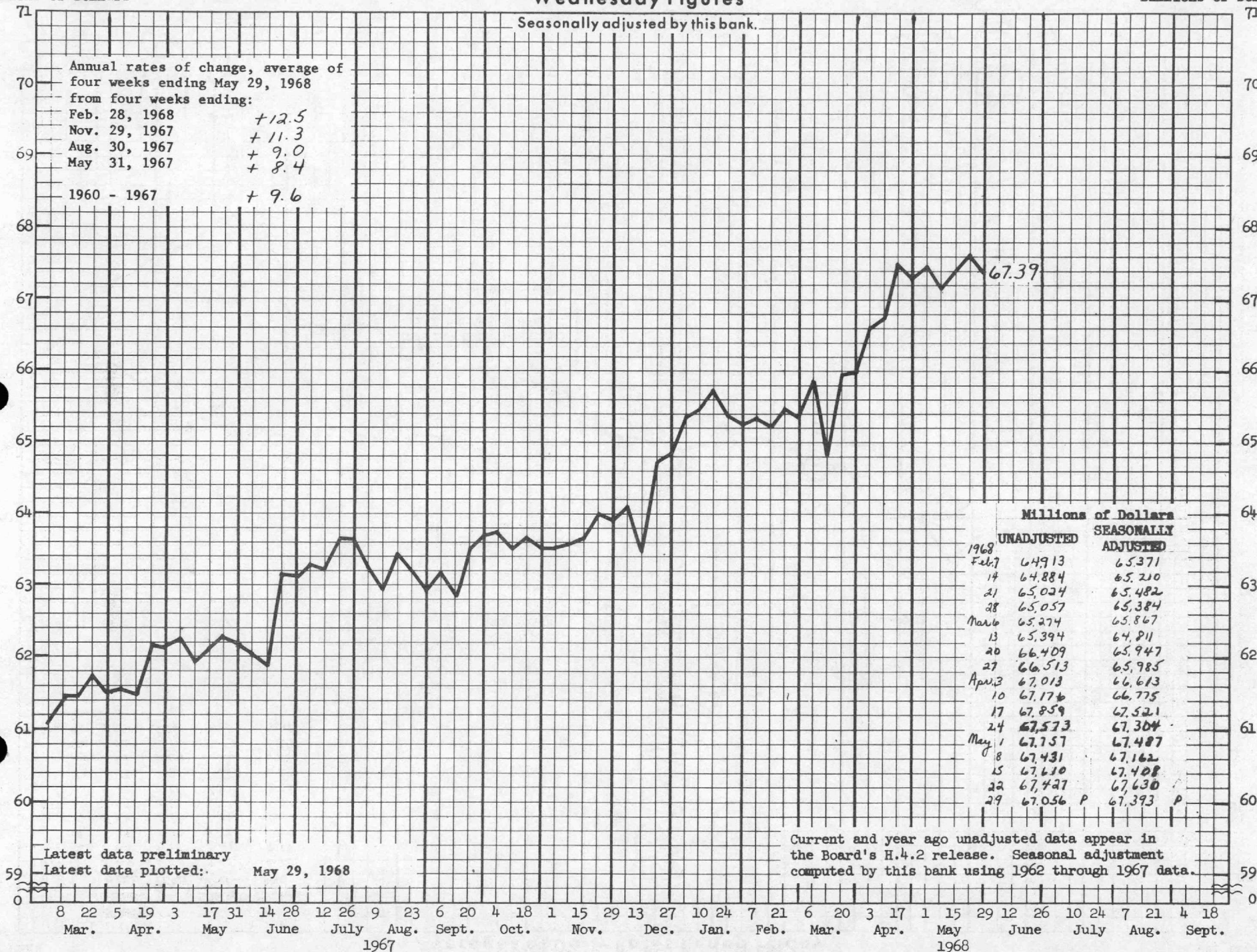




**BUSINESS LOANS**  
**Large Commercial Banks**  
**Wednesday Figures**

Billions of Dollars

Billions of Dollars

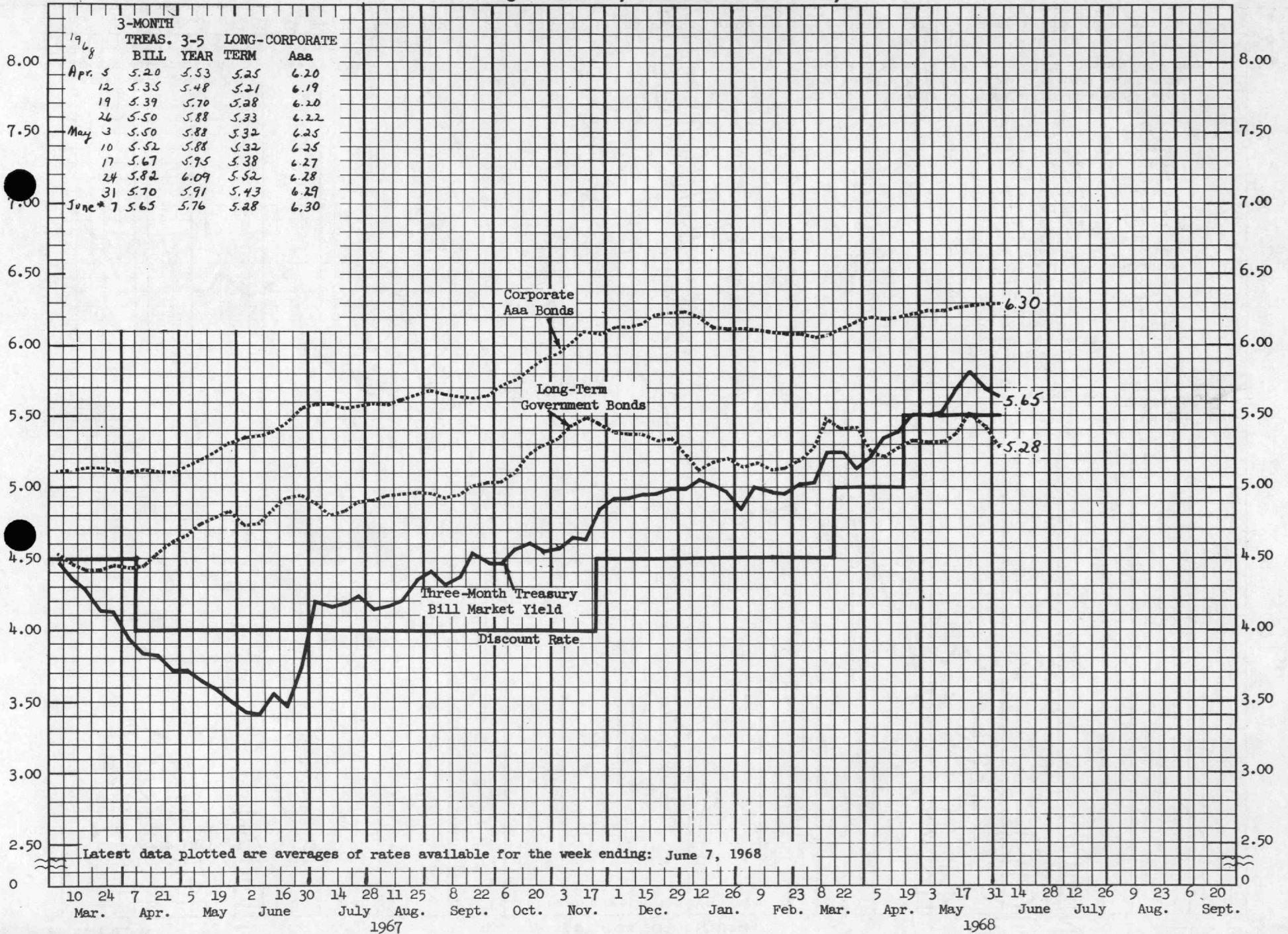


# YIELDS ON SELECTED SECURITIES

## Averages of Daily Rates Ended Friday

Per Cent

Per Cent

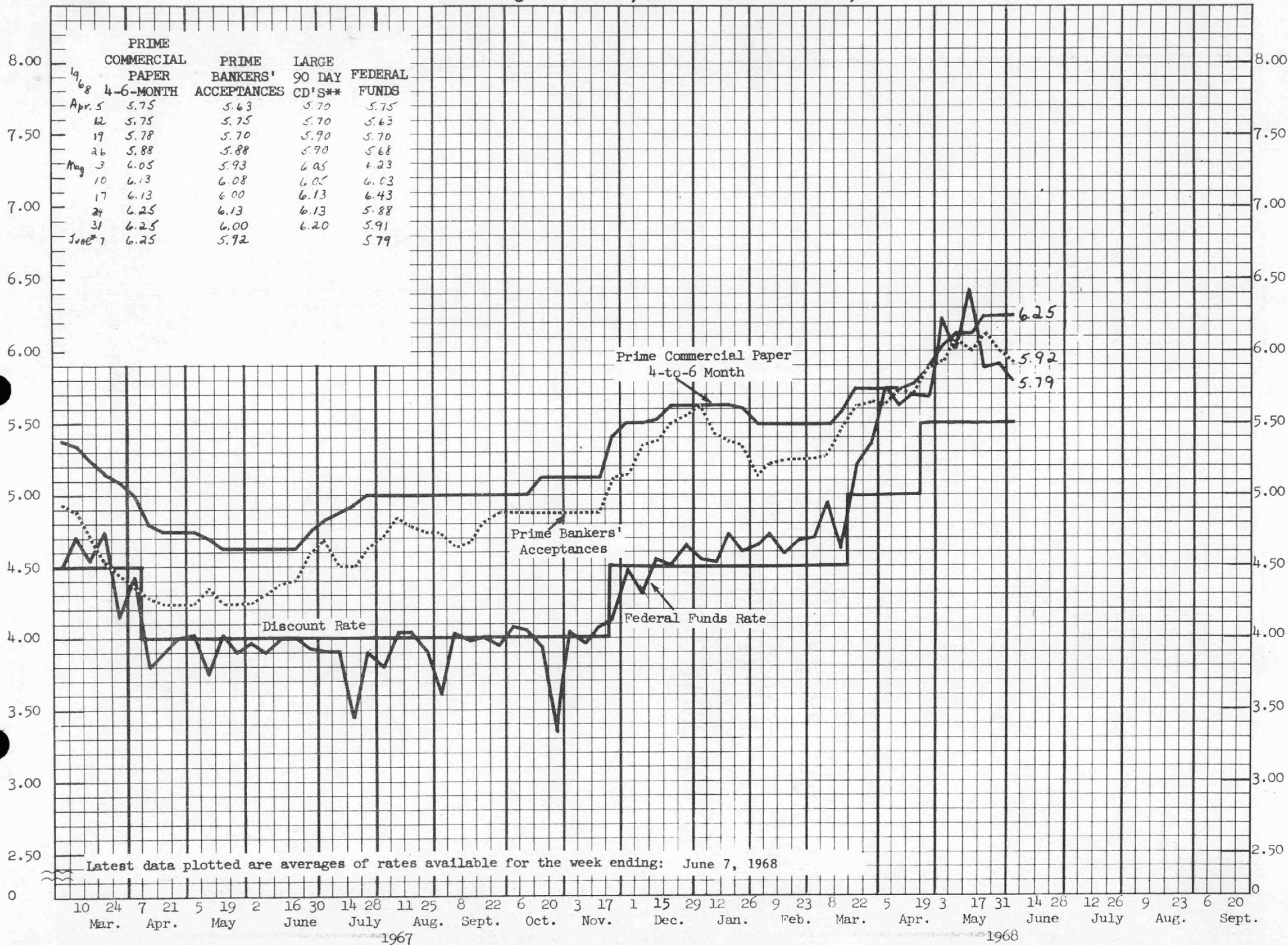




SELECTED SHORT-TERM INTEREST RATES  
Averages of Daily Rates Ended Friday

Per Cent

Per Cent



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