**MONEY STOCK** (Page 5)

The nation's money stock, which consists of private demand deposits and currency in the hands of the public, averaged $186.9 billion in the four weeks ending June 5, up at an average annual rate of 9 per cent in the three months since late February. In only 1 per cent of all possible consecutive three-month periods since 1948 has money risen at a faster rate. In the previous year money grew at a 6.4 per cent rate. The trend rate in growth of money from 1957 to 1967 was 2.6 per cent.

**CERTIFICATES OF DEPOSIT** (Page 6)

In the four weeks ending June 5 certificates of deposit at large commercial banks averaged $19.5 billion, down at an annual rate of 27 per cent since late February. In comparison, CD's changed little in the previous three months, and between 1964-1967 they grew at an average rate of 18 per cent. In large part, this decline reflects the increasing attractiveness of the yields on other financial assets when compared to yields on certificates of deposit which are restricted by Regulation Q. The decline may become even more acute in the next few weeks since a large proportion of outstanding CD's mature in June.

**INTEREST RATES** (Pages 10 & 11)

Since early April, yields on three-month Treasury bills have been higher than the yields on long-term Government securities, but the patterns of these yields have been similar. The yields of both long and short-term Government securities increased from early April to peaks reached during the week of May 24, and then both yields dropped about twenty basis points.

The decline in yields beginning in late May probably reflected in part, an increased expectation that a tax bill will soon be passed. It is felt by many analysts of the bond market that a less stimulative fiscal policy will lower interest rates by reducing inflationary pressures and by lessening the amount of funds for which the Treasury must compete in the open market.

The recent decline in interest rates may also reflect the very rapid injection of money into the economy in recent months. When money rises sharply, the greater volume of lendable funds initially tends to cause rates to decline, but after a brief lag demands for credit and inflationary pressures frequently increase, placing a strong upward force on rates.

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 14, 1968
Federal Reserve Credit
Averages of Daily Figures
Seasonally adjusted by this bank.

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

Federal Reserve Credit

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
MONEY STOCK PLUS TIME DEPOSITS*
Averages of Daily Figures
Seasonally Adjusted

Billions of Dollars

Annual rates of change, average of four weeks ending June 5, 1968 from four weeks ending:
- Mar. 6, 1968: +6.4
- Dec. 6, 1967: +5.3
- Sept. 6, 1967: +6.3
- June 7, 1967: +8.1

1957-1967: +4.2

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

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

Prepared by Federal Reserve Bank of St. Louis.
Annual rates of change, average of four weeks ending June 5, 1968
from four weeks ending:
- Mar. 6, 1968: +9.0
- Dec. 6, 1967: +6.2
- Sept. 6, 1967: +5.7
- June 7, 1967: +6.6
- 1957-1967: +2.6

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

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

Prepared by Federal Reserve Bank of St. Louis
Annual rates of change, seasonally unadjusted data, average of four weeks ending June 5, 1968 from four weeks ending:

- Mar. 6, 1968: -2.7
- Dec. 6, 1967: -13.7
- Sept. 6, 1967: -4.7
- June 7, 1967: +2.7

- 1964 - 1967: +17.9

Latest data preliminary

Latest data plotted: June 5, 1968

Latest data plotted: June 5, 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.
TIME DEPOSITS*
All Commercial Banks
Averages of Daily Figures

Seasonally Adjusted

Annual rates of change, average of
four weeks ending June 5, 1968
from four weeks ending:
Mar. 6, 1968 + 3.9
Dec. 6, 1967 + 4.1
Sept. 6, 1967 + 7.0
June 7, 1967 + 9.6

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".

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

Prepared by Federal Reserve Bank of St. Louis
Annual rates of change, average of four weeks ending June 5, 1968 from four weeks ending:

- Mar. 6, 1968: +13.0
- Dec. 6, 1967: +11.5
- Sept. 6, 1967: +9.3
- June 7, 1967: +8.7

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

<table>
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<tr>
<th>Date</th>
<th>Prime Commercial Paper</th>
<th>Prime Bankers' 4- to 6-Month Acceptances</th>
<th>Federal Funds Rate</th>
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<td>5.88</td>
<td>6.43</td>
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</tr>
</tbody>
</table>

Latest data plotted are averages of rates available for the week ending: June 14, 1968

Prepared by Federal Reserve Bank of St. Louis

AVERAGES OF RATES AVAILABLE
SOURCE: SALOMON BROTHERS AND HUTZLER
SECONDARY MARKET RATE ON 90-DAY PRIME CD'S.

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Federal Reserve Bank of St. Louis