MONEY STOCK (Page 5)

The nation's money stock, consisting of private demand deposits and currency in the hands of the public, increased $3 billion in the last four weeks. Since early April money has grown at an annual rate of 9.5 per cent which is faster than 99 per cent of all consecutive three month periods since World War II. In comparison, money grew at a 7 per cent rate in the preceding year, and from 1957 to 1967 at an average annual rate of 2.6 per cent.

MEMBER BANK RESERVES (Page 3)

Total reserves (which include those reserves to support Treasury and interbank deposits) increased at a 0.6 per cent rate in the last three months. Reserves, adjusted for requirement changes, grew at a rapid rate of 7 per cent in the previous year. From 1957 to 1967 total reserves grew at 3.3 per cent average annual rate.

On the other hand, reserves available for private demand deposits have grown at an 8.9 per cent rate in the last three months compared with 6 per cent in the preceding year, and 1.6 per cent a year from 1957 to 1967.

The difference in growth rates between total reserves and reserves available for private demand deposits reflect, in large part, the recent drawing down of Treasury balances.

MEMBER BANK BORROWINGS (Page 8)

Member bank borrowing from the Federal Reserve Banks has declined substantially in recent weeks. In the last four weeks the borrowings averaged $504 million, whereas in the previous three months borrowings averaged $707 million.

The recent drop in borrowings reflects partially the increased use of Eurodollars by member banks. This development reflects a reduction in the Eurodollar rate relative to Federal fund rates and the Federal Reserve lending rate.

CERTIFICATES OF DEPOSIT (Page 6)

Certificates of deposit of $100,000 or more at large commercial banks have increased substantially in the last month and a half. Since the low level on June 19 of $19.0 billion outstanding they have increased steadily to the present volume of $20.6 billion.

The volume of outstanding CD's at commercial banks is greatly affected by the market interest rate structure and the ceiling limits of Regulation Q. When market interest rates are high and rising they become increasingly attractive compared to the yield on CD's which cannot rise above Regulation Q's ceiling and therefore funds flow from CD's to those financial assets whose yields are determined in the market place.

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: July 26, 1968
Annual rates of change Federal Reserve Credit, adjusted for reserve requirement changes, averages of four weeks ending July 24, 1968:
- Apr. 24, 1968: +8.1%
- Jan. 24, 1968: +10.1%
- Oct. 25, 1967: +10.4%
- July 26, 1967: +10.8%

1957-1967: +7.5%

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: July 24, 1968
Latest data plotted week ending: July 24, 1968

Prepared by Federal Reserve Bank of St. Louis

Digitized for FRASER
http://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis
Annual rates of change, average of four weeks ending July 17, 1968 from four weeks ending:

- Apr. 17, 1968: +7.5%
- Jan. 17, 1968: +7.2%
- Oct. 18, 1967: +6.0%
- July 19, 1967: +6.4%

1957-1967: +2.6%

Latest data preliminary
Latest data plotted week ending: July 17, 1968

* Current data appear in the Board's H.6 release. Back data appear in the June 1968 Federal Reserve Bulletin. For trend of money stock by months see this bank's monthly release entitled "Monetary Trends".
Annual rates of change, seasonally unadjusted data, average of four weeks ending July 17, 1968 from four weeks ending:

- Apr. 17, 1968: +6.2
- Jan. 17, 1968: +5.6
- Oct. 18, 1967: +1.1
- July 19, 1967: +3.0
- 1964 - 1967: +17.9

Latest data preliminary
Latest data plotted: July 17, 1968

Millions of Dollars

<table>
<thead>
<tr>
<th>Month</th>
<th>1968</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
<td>20,301</td>
</tr>
<tr>
<td>May</td>
<td>20,711</td>
</tr>
<tr>
<td>June</td>
<td>20,573</td>
</tr>
<tr>
<td>July</td>
<td>20,458</td>
</tr>
</tbody>
</table>

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.
Annual rates of change, average of four weeks ending July 17, 1968 from four weeks ending:

- Apr. 17, 1968: +4.1
- Jan. 17, 1968: +5.7
- Oct. 18, 1967: +6.1
- July 19, 1967: +8.1

Seasonally Adjusted

Latest data preliminary
Latest data plotted week ending: July 17, 1968

* Current data appear in the Board's H.6 release. Back data appear in the June 1968 Federal Reserve Bulletin. For trend of time deposits by months see this bank's monthly release entitled "Monetary Trends".
BUSINESS LOANS
Large Commercial Banks
Wednesday Figures

Seasonally adjusted by this bank.

Annual rates of change, average of four weeks ending July 17, 1968 from four weeks ending:
Apr. 17, 1968 +11.6
Jan. 17, 1968 +10.1
Oct. 18, 1967 +10.4
July 19, 1967 +8.7
1960-1967 +9.6

Latest data preliminary
Latest data plotted: July 17, 1968

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.

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>TREAS. 3-5</th>
<th>LONG-TERM</th>
<th>Aaa</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 17</td>
<td>6.47</td>
<td>5.95</td>
<td>5.38</td>
<td>6.27</td>
</tr>
<tr>
<td>June 1</td>
<td>5.46</td>
<td>5.80</td>
<td>5.30</td>
<td>6.29</td>
</tr>
<tr>
<td>July</td>
<td>5.35</td>
<td>5.55</td>
<td>5.12</td>
<td>6.27</td>
</tr>
</tbody>
</table>

Latest data plotted are averages of rates available for the week ending: July 26, 1968.
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>Large Banks' 90 Day CD's</th>
<th>Federal Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 17</td>
<td>4.13</td>
<td>4.06</td>
<td>4.13</td>
<td>6.93</td>
</tr>
<tr>
<td>June 1</td>
<td>4.05</td>
<td>4.08</td>
<td>4.00</td>
<td>5.01</td>
</tr>
<tr>
<td>July 6</td>
<td>6.25</td>
<td>6.00</td>
<td>4.00</td>
<td>5.78</td>
</tr>
<tr>
<td>Aug 11</td>
<td>4.25</td>
<td>5.93</td>
<td>4.00</td>
<td>6.03</td>
</tr>
<tr>
<td>Aug 26</td>
<td>4.25</td>
<td>5.13</td>
<td>4.00</td>
<td>6.08</td>
</tr>
</tbody>
</table>

Latest data plotted are averages of rates available for the week ending: July 26, 1968

Source: Salomon Brothers and Hutzler

Prepared by Federal Reserve Bank of St. Louis

Secondary Market Rate on 90-Day Prime CD's.