

Week ending July 24, 1968

MONEY STOCK (Page 5)

AUG 27 1968

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.

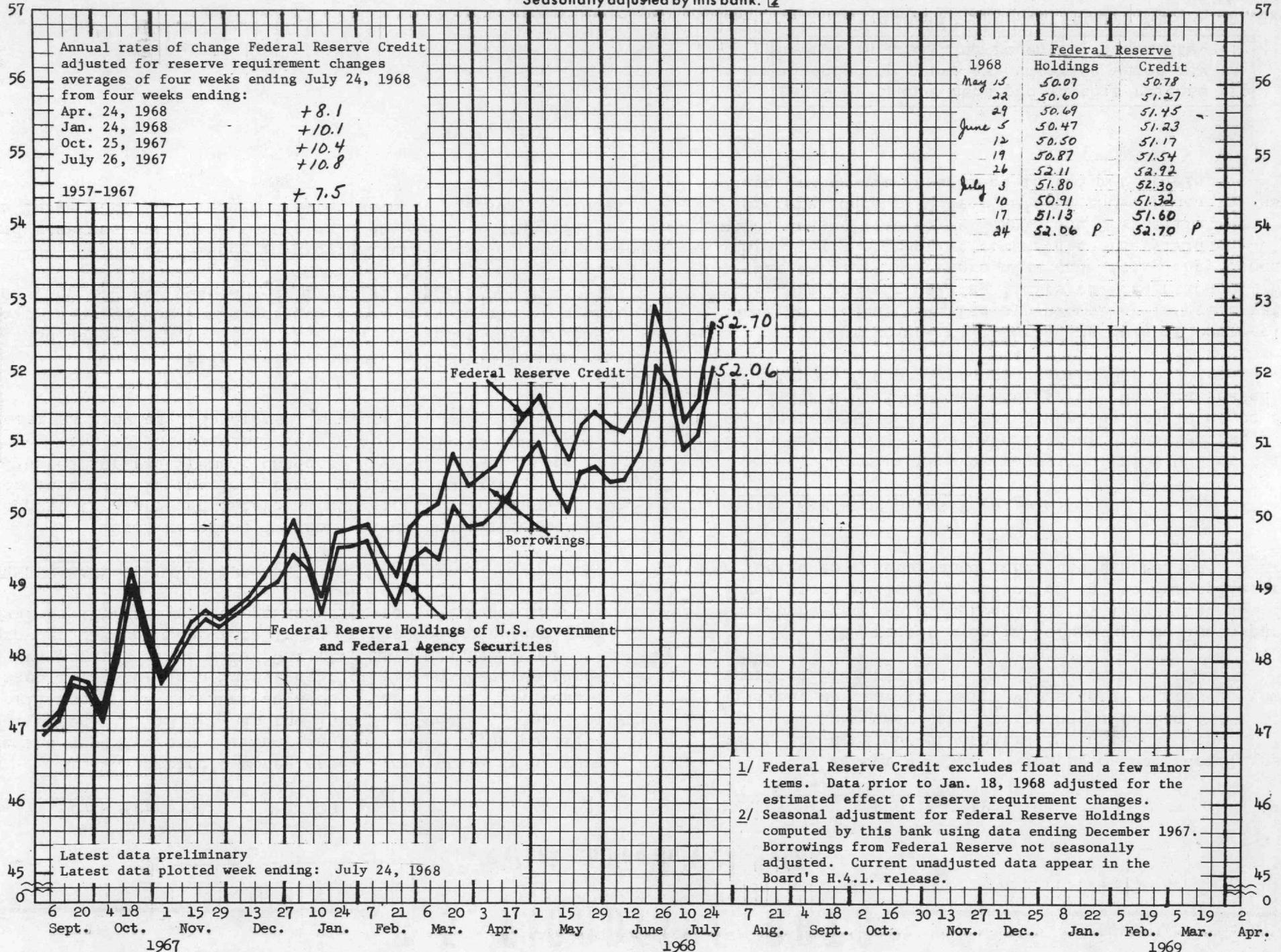
Prepared by Federal Reserve Bank of St. Louis
Released: July 26, 1968

FEDERAL RESERVE CREDIT ¹ Averages of Daily Figures

Billions of Dollars

Billions of Dollars

Seasonally adjusted by this bank. ²



Annual rates of change Federal Reserve Credit adjusted for reserve requirement changes averages of four weeks ending July 24, 1968 from four weeks ending:

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		
1968	Holdings	Credit
May 15	50.07	50.78
22	50.60	51.27
29	50.69	51.45
June 5	50.47	51.23
12	50.50	51.17
19	50.87	51.54
26	52.11	52.92
July 3	51.80	52.30
10	50.91	51.32
17	51.13	51.60
24	52.06 P	52.70 P

^{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.
^{2/} Seasonal adjustment for Federal Reserve Holdings computed by this bank using data ending December 1967. Borrowings from Federal Reserve not seasonally adjusted. Current unadjusted data appear in the Board's H.4.1. release.

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

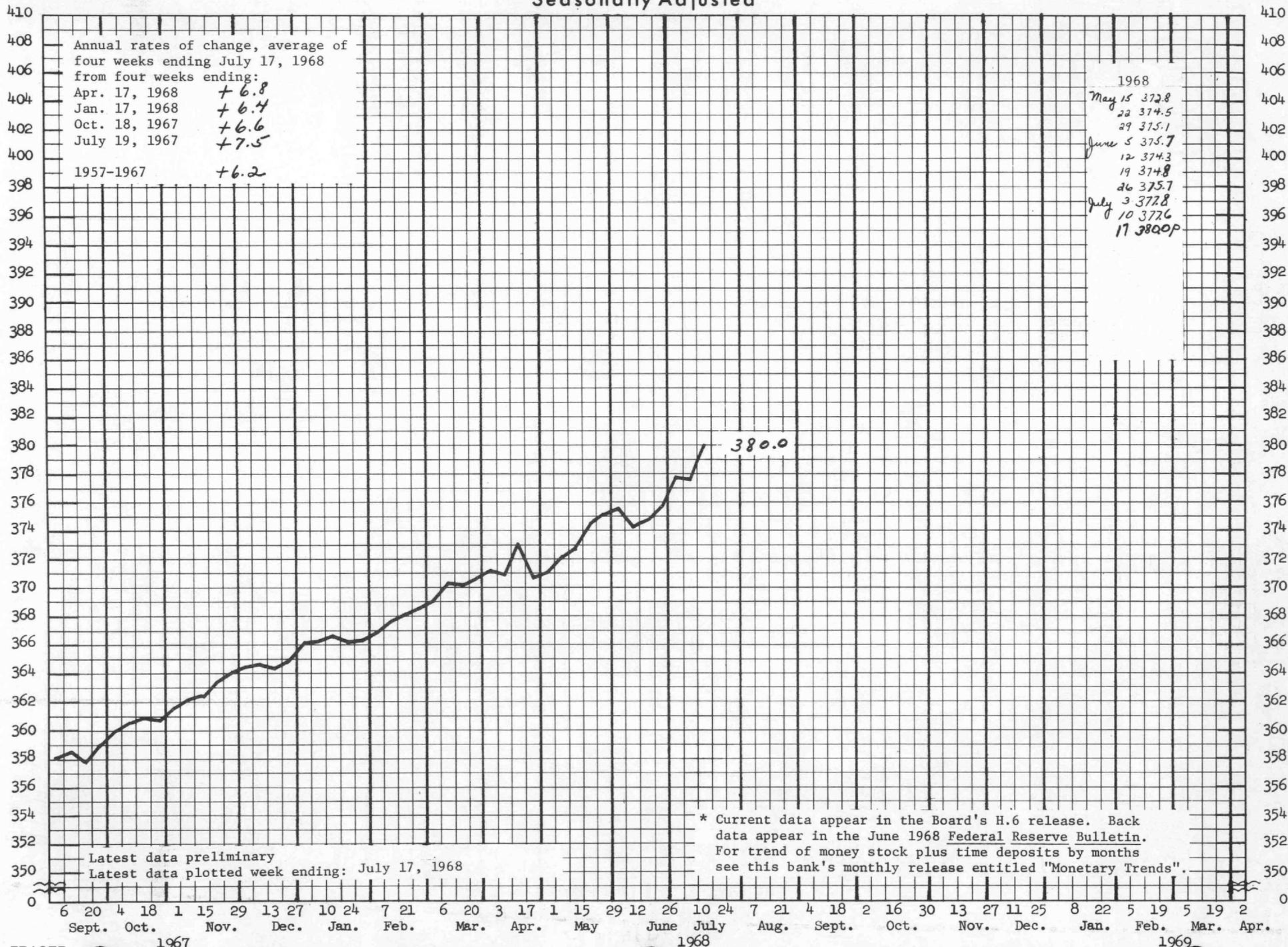
MONEY STOCK PLUS TIME DEPOSITS*

Averages of Daily Figures

Seasonally Adjusted

Billions of Dollars

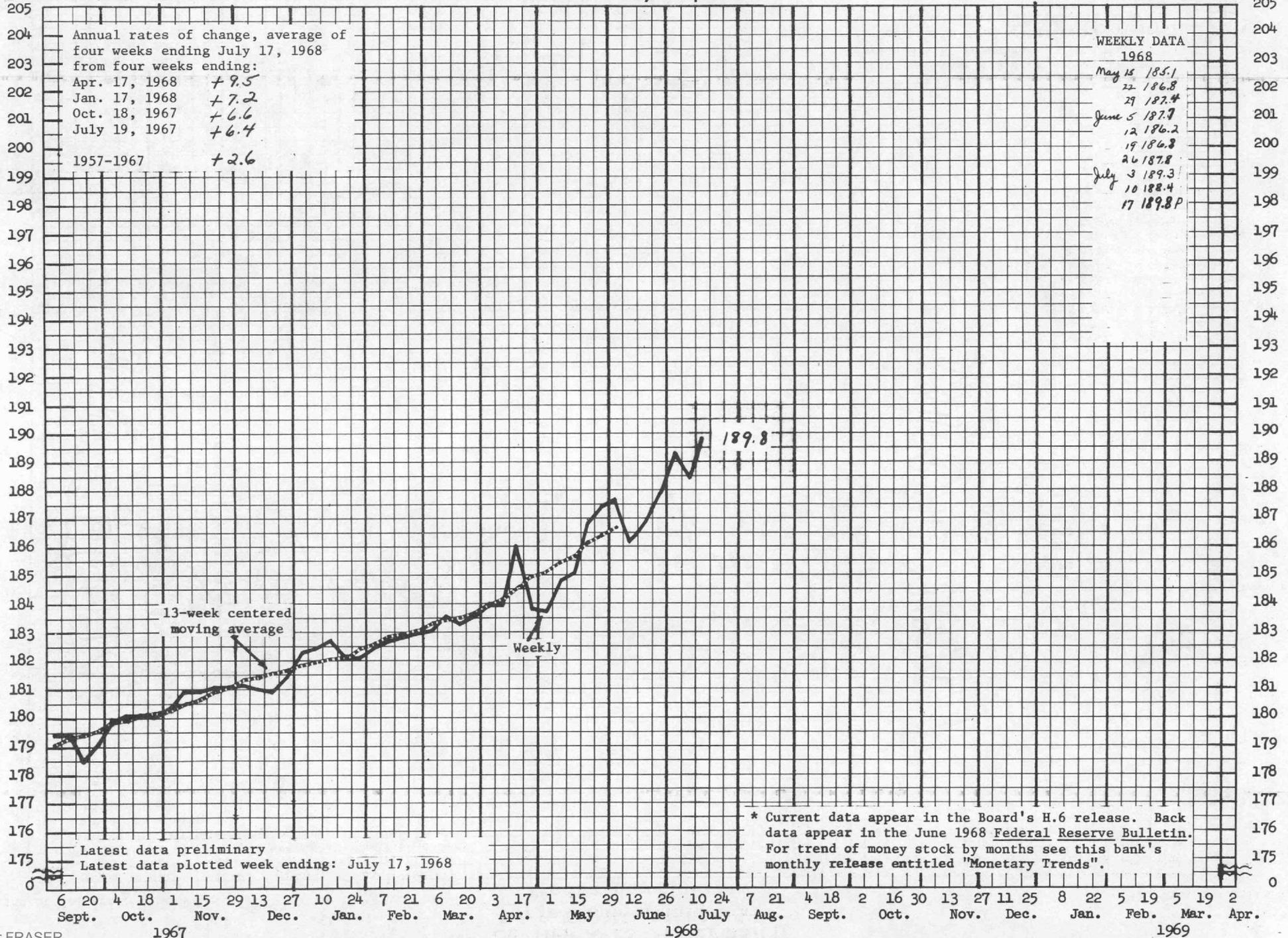
Billions of Dollars



MONEY STOCK*
Averages of Daily Figures
Seasonally Adjusted

Billions of Dollars

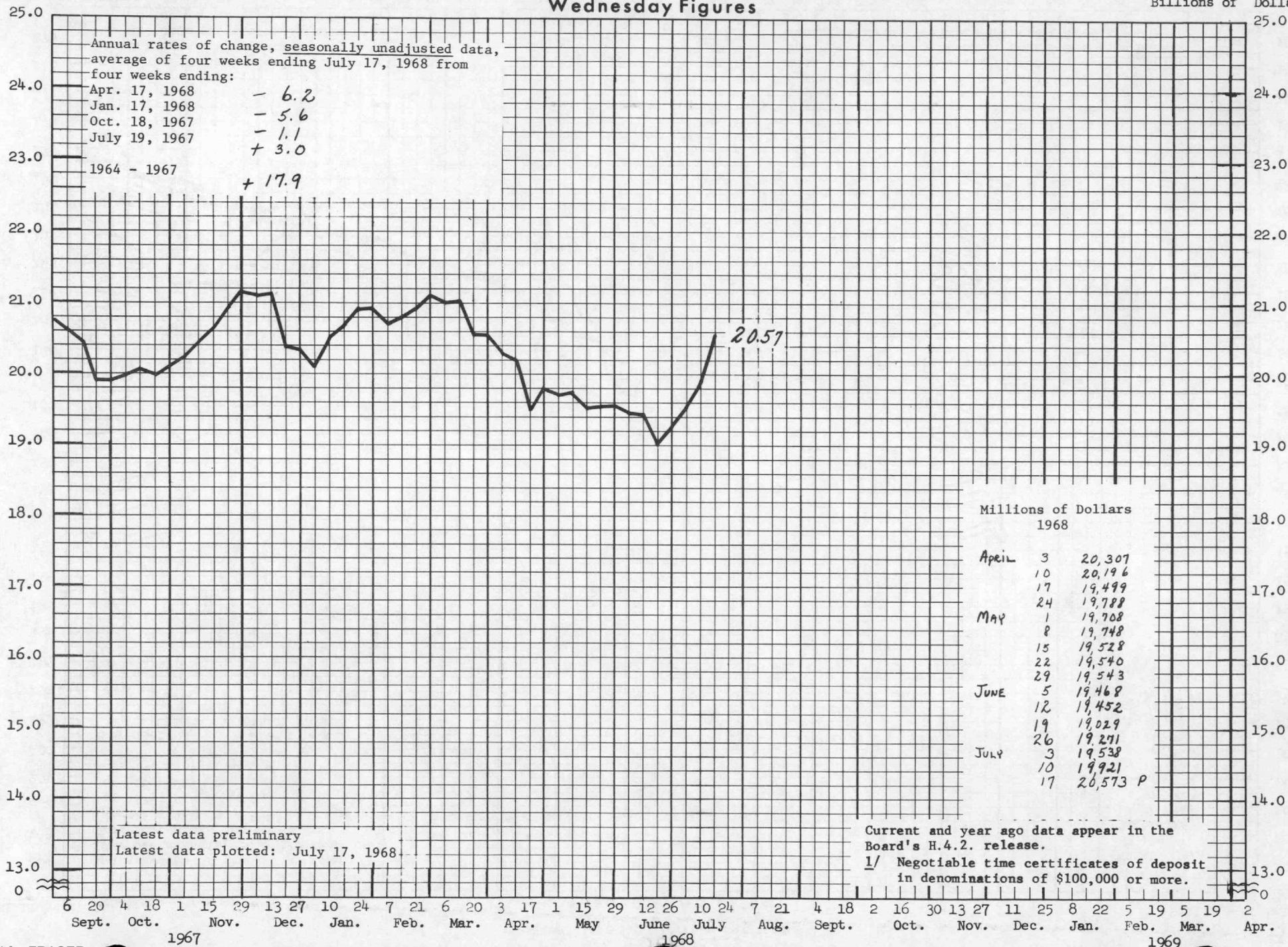
Billions of Dollars



CERTIFICATES OF DEPOSIT ^{1/} Large Commercial Banks Wednesday Figures

Billions of Dollars

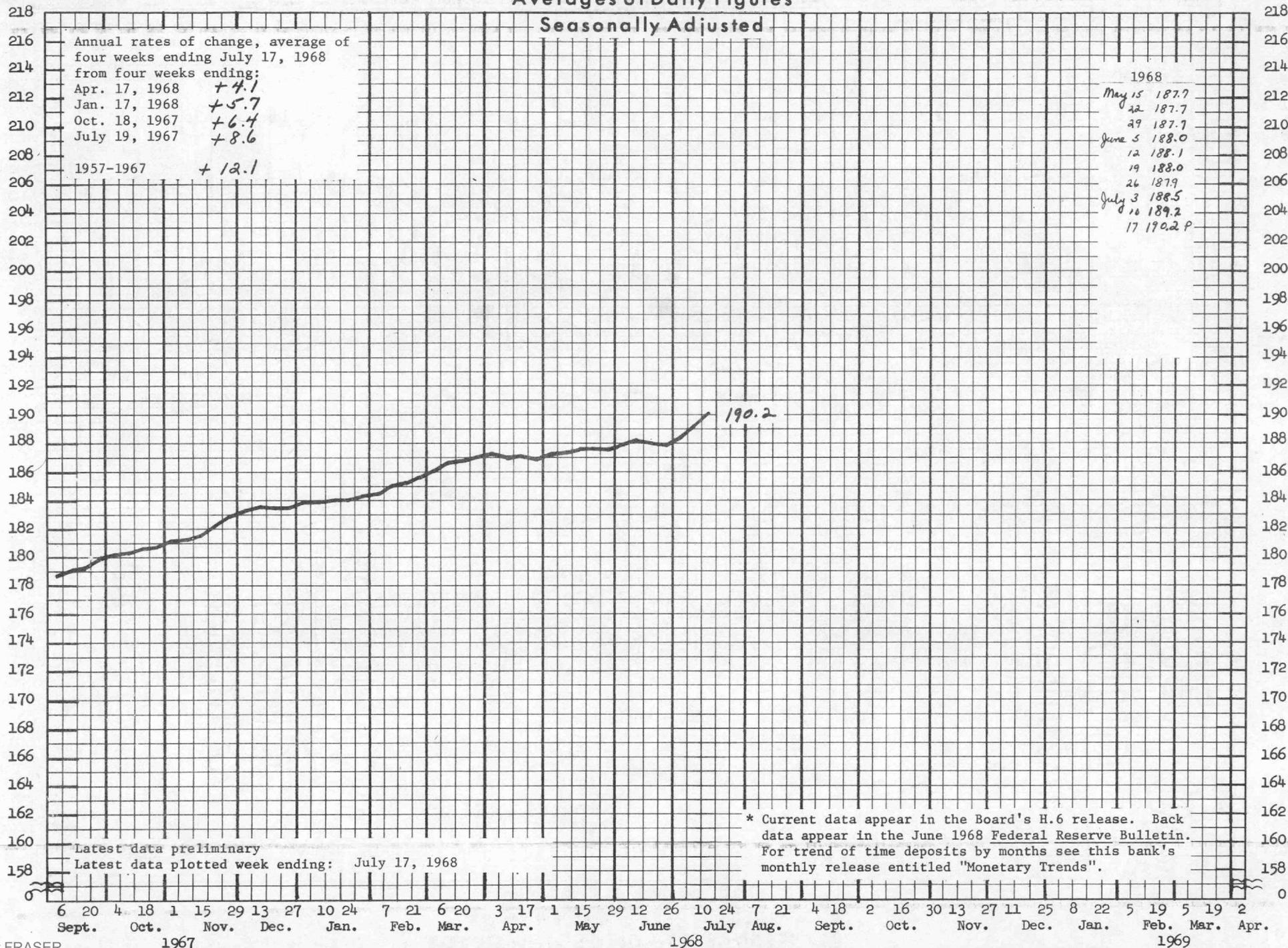
Billions of Dollars



TIME DEPOSITS*
All Commercial Banks
Averages of Daily Figures

Billions of Dollars

Billions of Dollars



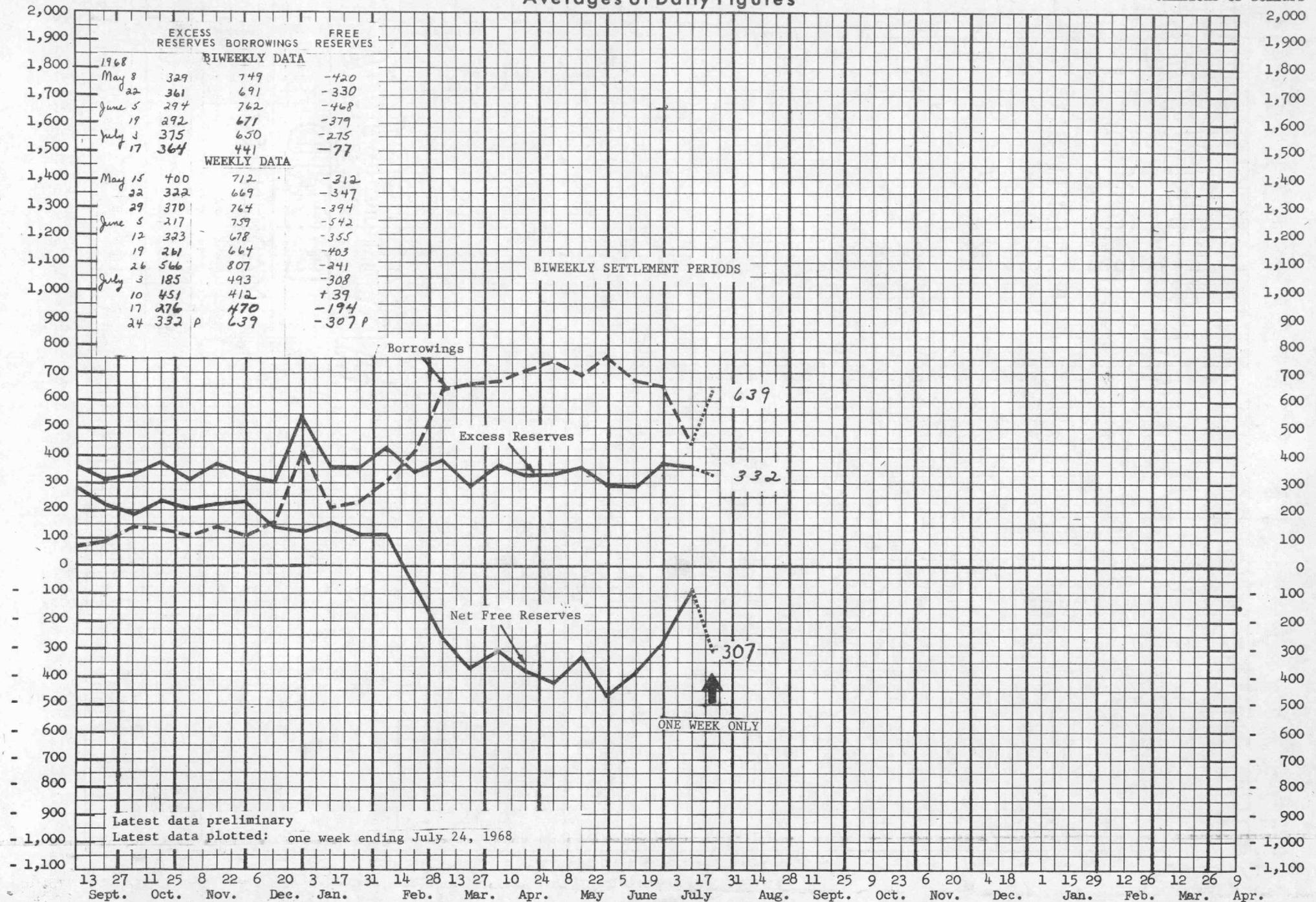
BORROWINGS AND EXCESS RESERVES

All Member Banks in the Nation

Averages of Daily Figures

Millions of Dollars

Millions of Dollars



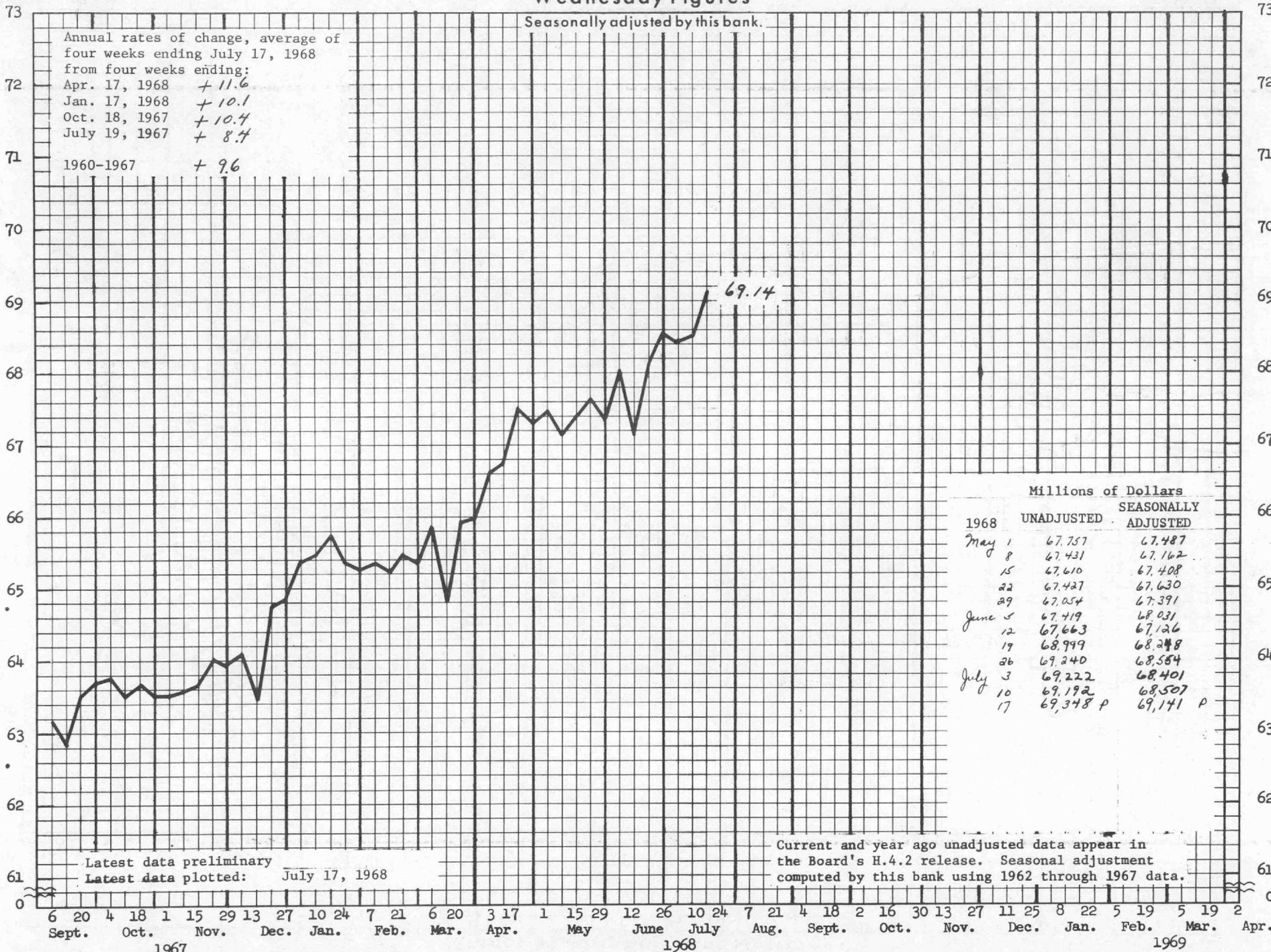
Latest data preliminary

Latest data plotted: one week ending July 24, 1968

BUSINESS LOANS
Large Commercial Banks
Wednesday Figures

Billions of Dollars

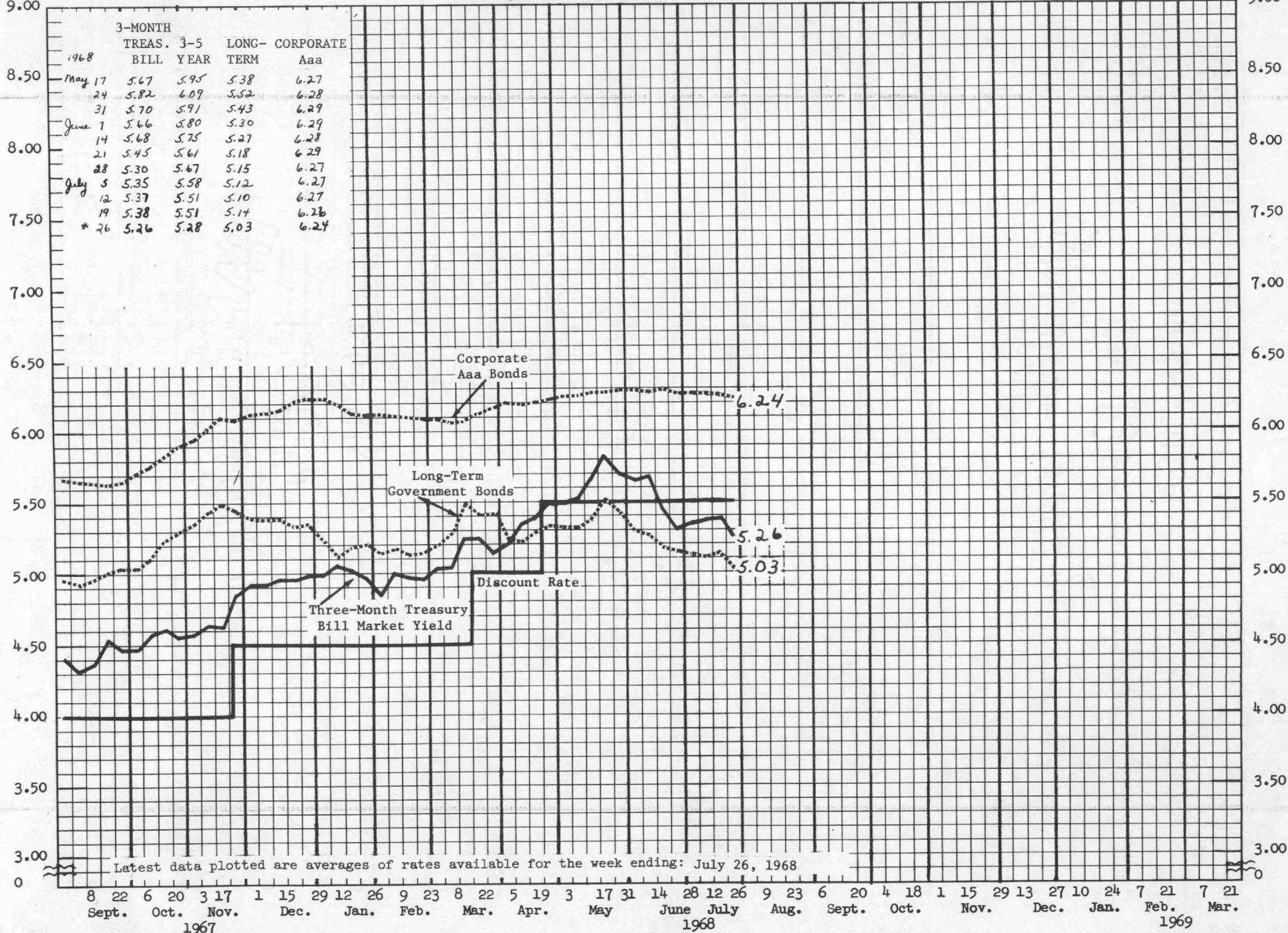
Billions of Dollars



YIELDS ON SELECTED SECURITIES

Averages of Daily Rates Ended Friday

Per Cent
9.00



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

*Per Cent

Per Cent

