MONEY STOCK (Page 5)

The nation's money stock rose $4.7 billion or at a 10 per cent annual rate during the last three months. Over the last six months, a period sufficiently long that irregular influences are usually less important, money rose at a 7 per cent rate, in the top 99 per cent of all rates for consecutive six month periods since World War II. From 1957 to 1967 money rose at an average rate of 2.6 per cent.

DEMAND DEPOSITS (Page 4)

Private demand deposits, the major component of money and the component that is more sensitive to changes in the volume of bank reserves, have gone up at an 11 per cent rate in the past three months and at a 7 per cent rate in the past six months. From 1957 to 1967 demand deposits rose at a trend rate of 2.4 per cent.

INTEREST RATES (Pages 10 and 11)

Interest rates on Government securities have fallen sharply since the peaks reached in late May. Long-term Government securities decreased from 5.52 per cent in late May to 5.01 per cent in the last three days. Three month Treasury bills have declined from a peak of 5.82 per cent to an average yield of 5.20 per cent in the last three days. Declines in yields on corporate securities have been less pronounced.

INTEREST RATES (Continued)

The lower yields have probably reflected changed expectations as well as the marked increase in the supply of funds available resulting from the recent rise in money. Expectations of a decline in yields may reflect an anticipation of less Government borrowing as a result of the surtax and perhaps less private borrowing also if excessive total demands for goods and services are moderated and if inflationary pressures recede. On the other hand, the current demand for credit has apparently continued strong, reflecting the rapid rise in total spending, stimulated by the lagged effect of monetary and fiscal conditions in the first half of the year.

TIME DEPOSITS (Page 7)

Time deposits at all commercial banks have risen sharply since the end of June. In the three previous months, they increased at an annual rate of 3 per cent; while, in comparison, these deposits grew at a 12.1 per cent rate from 1957 to 1967.

The recent acceleration in the growth of time deposits reflects the developing attractiveness of the yields on deposits which have been limited by Regulation Q when compared with the falling yields on short-term Government securities.

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: August 2, 1968
Federal Reserve Credit
Averages of Daily Figures
Seasonally adjusted by this bank.

Annual rates of change Federal Reserve Credit adjusted for reserve requirement changes.
Averages of four weeks ending July 31, 1968 from four weeks ending:

May 1, 1968 +6.6
Jan. 31, 1968 +10.5
Nov. 1, 1967 +10.3
Aug. 2, 1967 +10.5

1957-1967 +7.6

Federal Reserve Credit

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: July 31, 1968

Prepared by Federal Reserve Bank of St. Louis

http://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis
RESERVES
All Member Banks in the Nation
Averages of Daily Figures

Billions of Dollars

<table>
<thead>
<tr>
<th>Date</th>
<th>Total Reserves</th>
<th>Effective Reserves</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan. 18, 1968</td>
<td>+3.3%</td>
<td></td>
</tr>
<tr>
<td>Jan. 1, 1968</td>
<td>+4.2%</td>
<td></td>
</tr>
<tr>
<td>Nov. 1, 1967</td>
<td>+4.1%</td>
<td></td>
</tr>
<tr>
<td>Aug. 2, 1967</td>
<td>+5.9%</td>
<td></td>
</tr>
<tr>
<td>1957-1967</td>
<td>+3.4%</td>
<td></td>
</tr>
</tbody>
</table>

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

Prepared by Federal Reserve Bank of St. Louis
DEMAND DEPOSIT COMPONENT OF U.S. MONEY STOCK*
Averages of Daily Figures
Seasonally Adjusted

Billions of Dollars

163 162 161 160 159 158 157 156 155 154 153 152 151 150 149 148 147 146 145 144 143 142 141 140 139 138 137 136 135 134 133

Annual rates of change, average of four weeks ending July 24, 1968
from four weeks ending:

- Apr. 24, 1968 +0.9
- Jan. 24, 1968 +7.3
- Oct. 25, 1967 +6.5
- July 26, 1967 +6.2
- 1957-1967 +2.4

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

Weekly
13-week centered moving average

WEEKLY DATA
1968
Jan. 24 145.4
Feb. 28 145.0
Mar. 23 145.7
Apr. 20 145.9
May 17 144.8
June 7 144.8
July 5 144.8
Aug. 2 144.4
Sept. 17 144.4
Oct. 1 144.0
Nov. 19 143.8
Dec. 31 143.6
1967
Jan. 17 143.8
Feb. 7 143.8
Mar. 20 143.8
Apr. 8 143.8
May 16 143.8
June 29 143.8
July 20 143.8
Aug. 7 143.8
Sept. 22 143.8
Oct. 27 143.8
Nov. 16 143.8
Dec. 29 143.8

* Current data appear in the Board's M.6 release. Back data appear in the June 1968 Federal Reserve Bulletin. For trend of demand deposits by months see this bank's monthly release entitled "Monetary Trends".

Prepared by Federal Reserve Bank of St. Louis

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Federal Reserve Bank of St. Louis
MONEY STOCK*  
Averages of Daily Figures  
Seasonally Adjusted

Billions of Dollars

Annual rates of change, average of four weeks ending July 24, 1968 from four weeks ending:

- Apr. 24, 1968 +16.2
- Jan. 24, 1968 +7.3
- Oct. 25, 1967 +6.7
- July 26, 1967 +4.4

1957-1967 +2.6

* 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 24, 1968 from four weeks ending:

- Apr. 24, 1968 +2.5
- Jan. 24, 1968 -1.8
- Oct. 25, 1967 +0.2
- July 26, 1967 +5.0

1964-1967 +17.9

Latest data preliminary
Latest data plotted: July 24, 1968

Millions of Dollars

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

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Federal Reserve Bank of St. Louis
## BORROWINGS AND EXCESS RESERVES

All Member Banks in the Nation  
Averages of Daily Figures

<table>
<thead>
<tr>
<th>Date</th>
<th>Borrowings</th>
<th>Excess Reserves</th>
<th>Net Free Reserves</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 1</td>
<td>288</td>
<td>671</td>
<td>-383</td>
</tr>
<tr>
<td>Jan 17</td>
<td>375</td>
<td>650</td>
<td>-275</td>
</tr>
<tr>
<td>Feb 1</td>
<td>364</td>
<td>441</td>
<td>-77</td>
</tr>
<tr>
<td>Feb 28</td>
<td>359</td>
<td>641</td>
<td>-267</td>
</tr>
<tr>
<td>Mar 10</td>
<td>310</td>
<td>678</td>
<td>-368</td>
</tr>
<tr>
<td>Mar 19</td>
<td>244</td>
<td>649</td>
<td>-398</td>
</tr>
<tr>
<td>Apr 2</td>
<td>266</td>
<td>807</td>
<td>-241</td>
</tr>
<tr>
<td>Apr 3</td>
<td>183</td>
<td>493</td>
<td>-308</td>
</tr>
<tr>
<td>Apr 16</td>
<td>951</td>
<td>412</td>
<td>+199</td>
</tr>
<tr>
<td>Apr 27</td>
<td>276</td>
<td>476</td>
<td>+14</td>
</tr>
<tr>
<td>May 14</td>
<td>394</td>
<td>639</td>
<td>-245</td>
</tr>
<tr>
<td>May 31</td>
<td>314</td>
<td>602</td>
<td>-288</td>
</tr>
</tbody>
</table>

**BIWEEKLY DATA**

**WEEKLY DATA**

**BIWEEKLY SETTLEMENT PERIODS**

Latest data preliminary
Latest data plotted: two weeks ending July 31, 1968

Prepared by Federal Reserve Bank of St. Louis

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Federal Reserve Bank of St. Louis
BUSINESS LOANS
Large Commercial Banks
Wednesday Figures

Annual rates of change, average of four weeks ending July 24, 1968 from four weeks ending:

- Apr. 24, 1968: +10.2%
- Jan. 24, 1968: +10.0%
- Oct. 25, 1967: +10.8%
- July 26, 1967: +8.4%

1960-1967: +9.4%

Latest data preliminary
Latest data plotted: July 24, 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

FedReserveBankStLouis
### Yields on Selected Securities

**Averages of Daily Rates Ended Friday**

<table>
<thead>
<tr>
<th>Date</th>
<th>3-Month Treasury Bill</th>
<th>3-5 Long-Term Corporate</th>
<th>Aaa Corporate Aaa Bonds</th>
<th>Long-Term Government Bonds</th>
<th>Discount Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 17</td>
<td>5.67%</td>
<td>5.95%</td>
<td>6.38%</td>
<td>6.27%</td>
<td></td>
</tr>
<tr>
<td>May 24</td>
<td>5.82%</td>
<td>6.07%</td>
<td>6.53%</td>
<td>6.28%</td>
<td></td>
</tr>
<tr>
<td>May 31</td>
<td>5.70%</td>
<td>5.91%</td>
<td>6.43%</td>
<td>6.29%</td>
<td></td>
</tr>
<tr>
<td>June 1</td>
<td>5.60%</td>
<td>5.80%</td>
<td>6.30%</td>
<td>6.27%</td>
<td></td>
</tr>
<tr>
<td>June 14</td>
<td>5.48%</td>
<td>5.61%</td>
<td>6.15%</td>
<td>6.28%</td>
<td></td>
</tr>
<tr>
<td>June 21</td>
<td>5.43%</td>
<td>5.57%</td>
<td>6.15%</td>
<td>6.27%</td>
<td></td>
</tr>
<tr>
<td>July 5</td>
<td>5.38%</td>
<td>5.52%</td>
<td>6.12%</td>
<td>6.27%</td>
<td></td>
</tr>
<tr>
<td>July 12</td>
<td>5.37%</td>
<td>5.51%</td>
<td>6.10%</td>
<td>6.27%</td>
<td></td>
</tr>
<tr>
<td>July 19</td>
<td>5.38%</td>
<td>5.51%</td>
<td>5.14%</td>
<td>6.16%</td>
<td></td>
</tr>
<tr>
<td>July 26</td>
<td>5.24%</td>
<td>5.37%</td>
<td>5.03%</td>
<td>6.22%</td>
<td></td>
</tr>
<tr>
<td>Aug 2</td>
<td>5.20%</td>
<td>5.30%</td>
<td>5.01%</td>
<td>6.14%</td>
<td></td>
</tr>
</tbody>
</table>

Latest data plotted are averages of rates available for the week ending: Aug. 2, 1968

Prepared by Federal Reserve Bank of St. Louis

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