

AUG 27 1968

Week ending September 11, 1968

MONEY STOCK (Page 3)

Monetary aggregates have grown rapidly in recent weeks continuing trends which began early in 1967. In the last three months, the money stock has risen at a 7.3 per cent annual rate, similar to the rapid 6.8 per cent annual rate for the last 20 months and in marked contrast to the 2.6 per cent trend rate from 1957 to 1967.

FEDERAL RESERVE CREDIT AND MONETARY BASE (Page 2)

Beginning with this issue Federal Reserve credit in this publication is a new series based on "Federal Reserve Bank credit outstanding" as defined in the statistical tables of the Federal Reserve Bulletin. The series is seasonally adjusted by this bank and then adjusted for changes in reserve requirements and shifts in deposits. Monthly data since 1947 and weekly data since January 1967 are available on request from the Research Department of the Federal Reserve Bank of St. Louis.

Federal Reserve credit is the largest component of the monetary base and historically has been the main determinant of the trend of the base. Federal Reserve credit has grown at a 13 per cent annual rate in the last three months and 12 per cent since a year ago. The monetary base averaged \$74.7 billion during the four weeks ending September 11, up at a 7 per cent annual rate in the last three months and 7 per cent from the corresponding weeks a year ago.

MEMBER BANK RESERVES

Federal Reserve Regulation D, concerning reserves of member banks, was amended effective September 12 of this year. The major features of the amendment include: 1) establishment of a one-week reserve period for non-reserve city banks as well as for reserve city banks, 2) reserve requirements calculated on the basis of deposits two weeks earlier, 3) use of vault cash of two weeks earlier in meeting reserve requirements and 4) provision that either excess or deficiency in reserve balances averaging up to 2 per cent of required reserves may be carried forward to the next reserve week.

The new regulation will put all banks on a standard reporting schedule and the lag feature will make it possible for member banks to meet their reserve requirements more precisely, probably reducing the average level of excess reserves. Since the amount of reserves required will be established before the beginning of the reserve period and since they may be met either by supplied or by borrowed funds, the impact of monetary actions intended to reduce rates of growth in bank reserves, bank credit, and money may be delayed by increased borrowing by member banks from Reserve Banks.

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

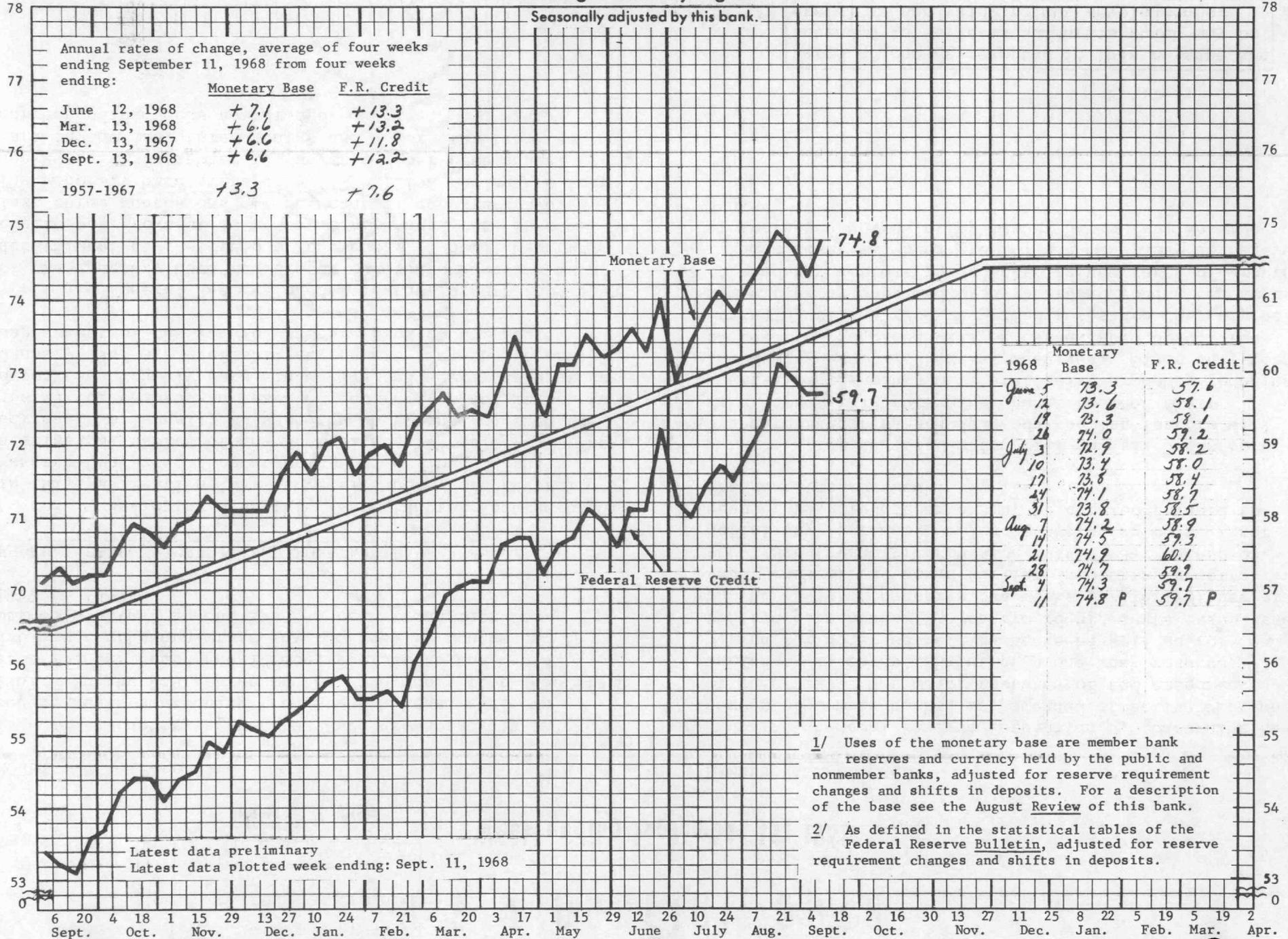
Released: September 13, 1968

Billions of Dollars

MONETARY BASE ¹ FEDERAL RESERVE CREDIT ² Averages of Daily Figures

Billions of Dollars

Seasonally adjusted by this bank.



Annual rates of change, average of four weeks ending September 11, 1968 from four weeks ending:

	Monetary Base	F.R. Credit
June 12, 1968	+7.1	+13.3
Mar. 13, 1968	+6.6	+13.2
Dec. 13, 1967	+6.6	+11.8
Sept. 13, 1968	+6.6	+12.2
1957-1967	+3.3	+7.6

1968	Monetary Base	F.R. Credit
June 5	73.3	57.6
12	73.6	58.1
19	73.3	58.1
26	74.0	59.2
July 3	72.9	58.2
10	73.4	58.0
17	73.8	58.4
24	74.1	58.7
31	73.8	58.5
Aug 7	74.2	58.9
14	74.5	59.3
21	74.9	60.1
28	74.7	59.9
Sept 4	74.3	59.7
11	74.8 P	59.7 P

1/ Uses of the monetary base are member bank reserves and currency held by the public and nonmember banks, adjusted for reserve requirement changes and shifts in deposits. For a description of the base see the August Review of this bank.

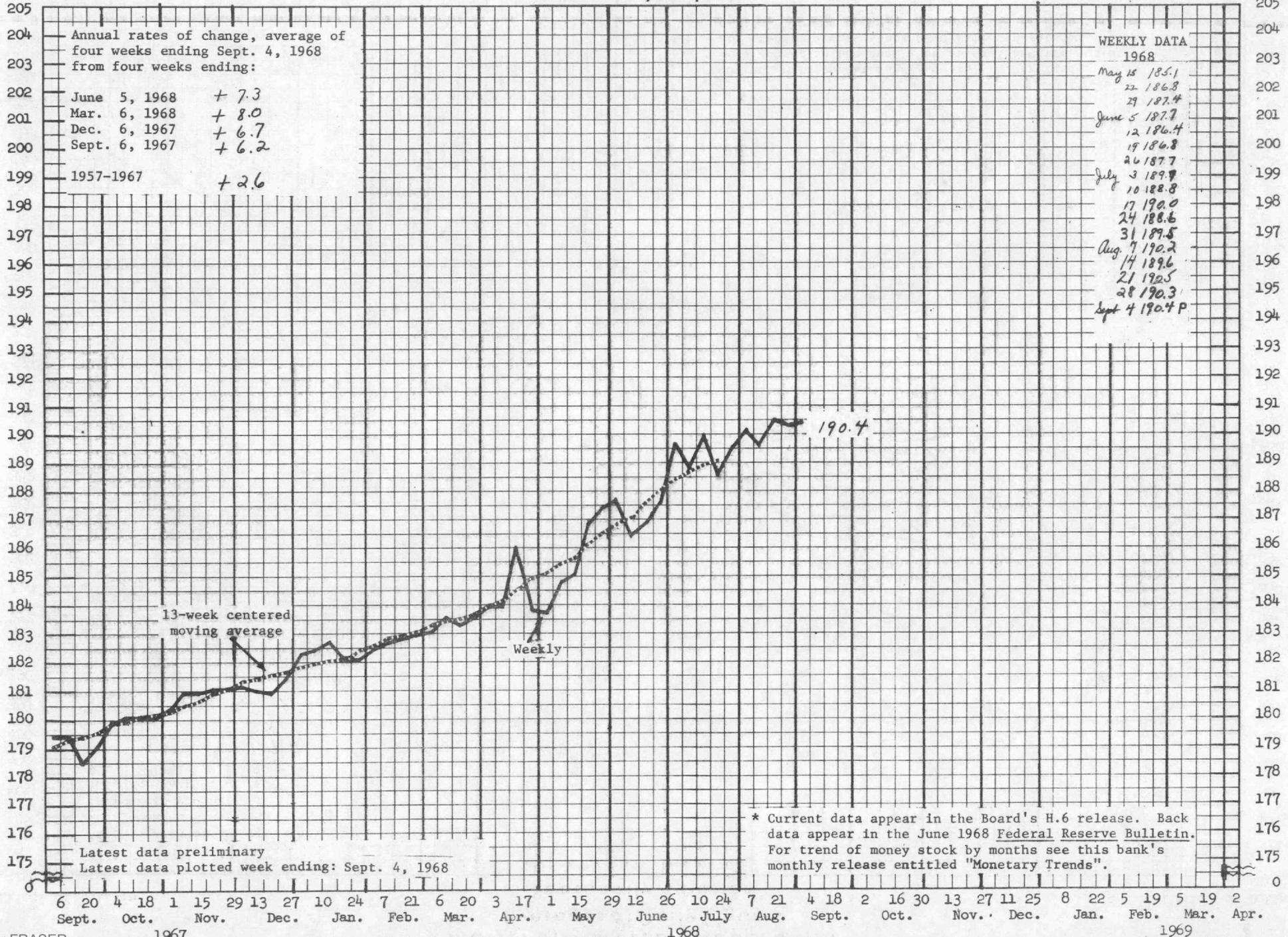
2/ As defined in the statistical tables of the Federal Reserve Bulletin, adjusted for reserve requirement changes and shifts in deposits.

Latest data preliminary
Latest data plotted week ending: Sept. 11, 1968

MONEY STOCK*
Averages of Daily Figures
Seasonally Adjusted

Billions of Dollars

Billions of Dollars



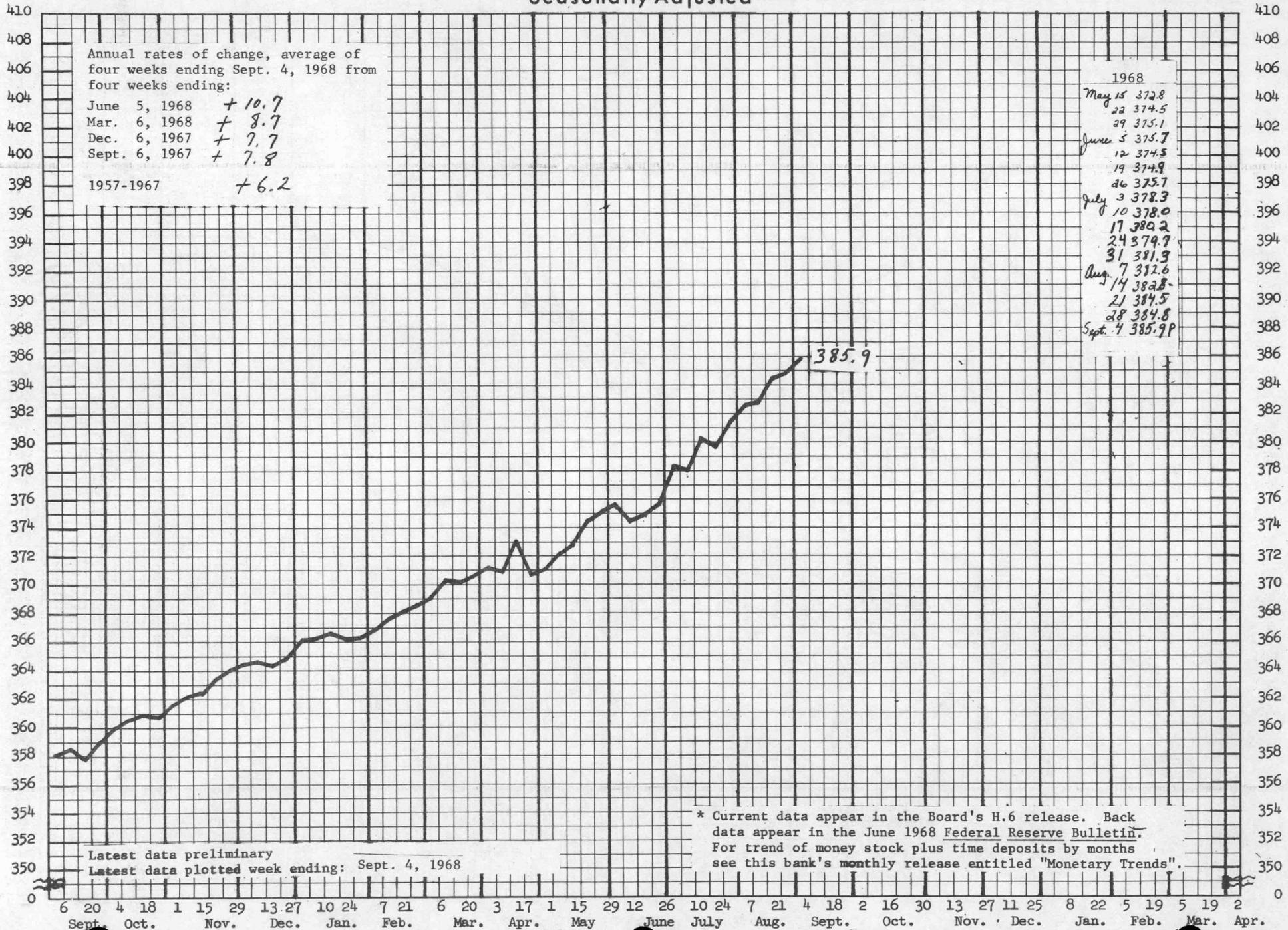
MONEY STOCK PLUS TIME DEPOSITS*

Averages of Daily Figures

Seasonally Adjusted

Billions of Dollars

Billions of Dollars



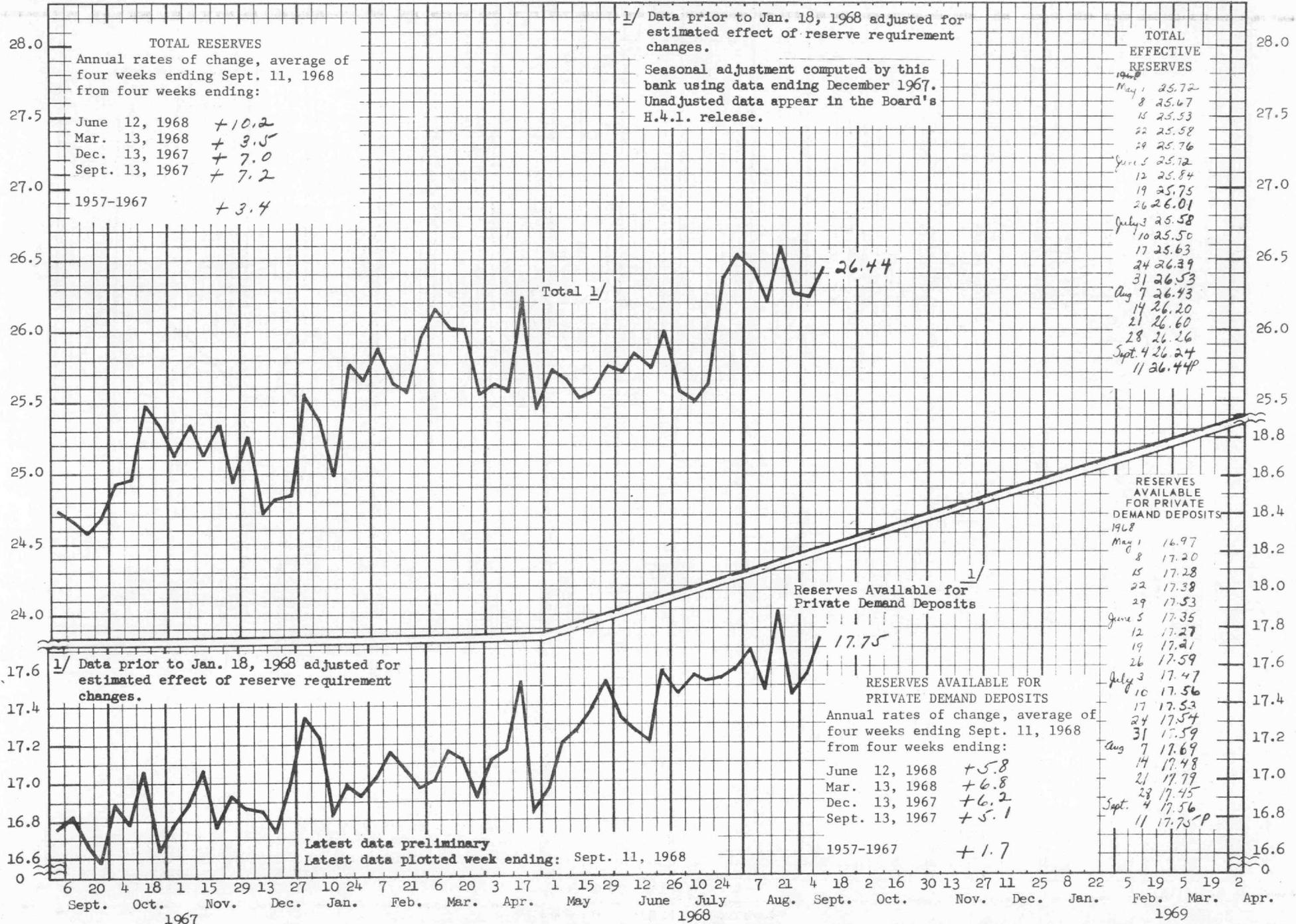
RESERVES

All Member Banks in the Nation

Averages of Daily Figures

Billions of Dollars

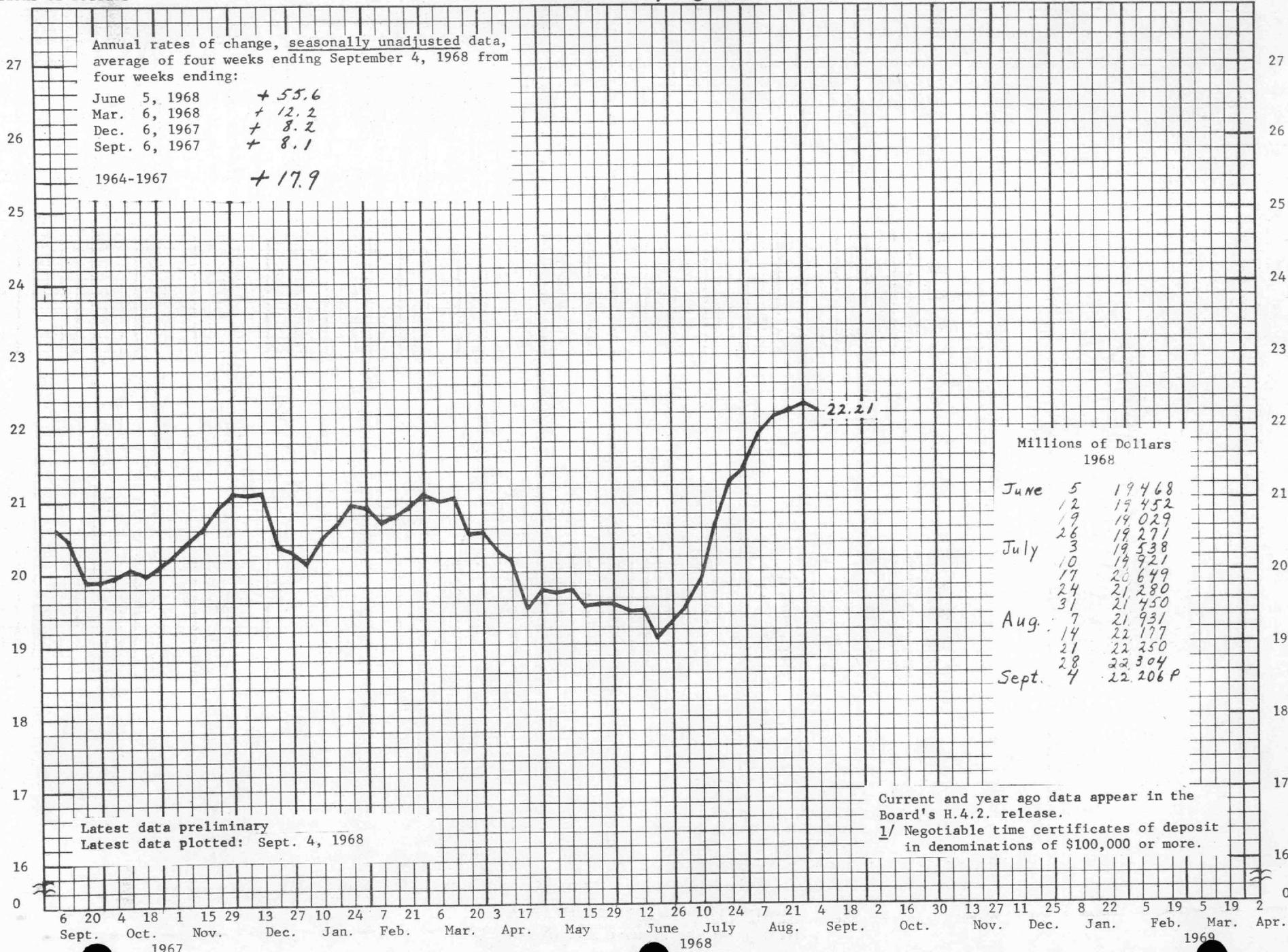
Billions of Dollars



**CERTIFICATES OF DEPOSIT [1]
Large Commercial Banks
Wednesday Figures**

Billions of Dollars

Billions of Dollars

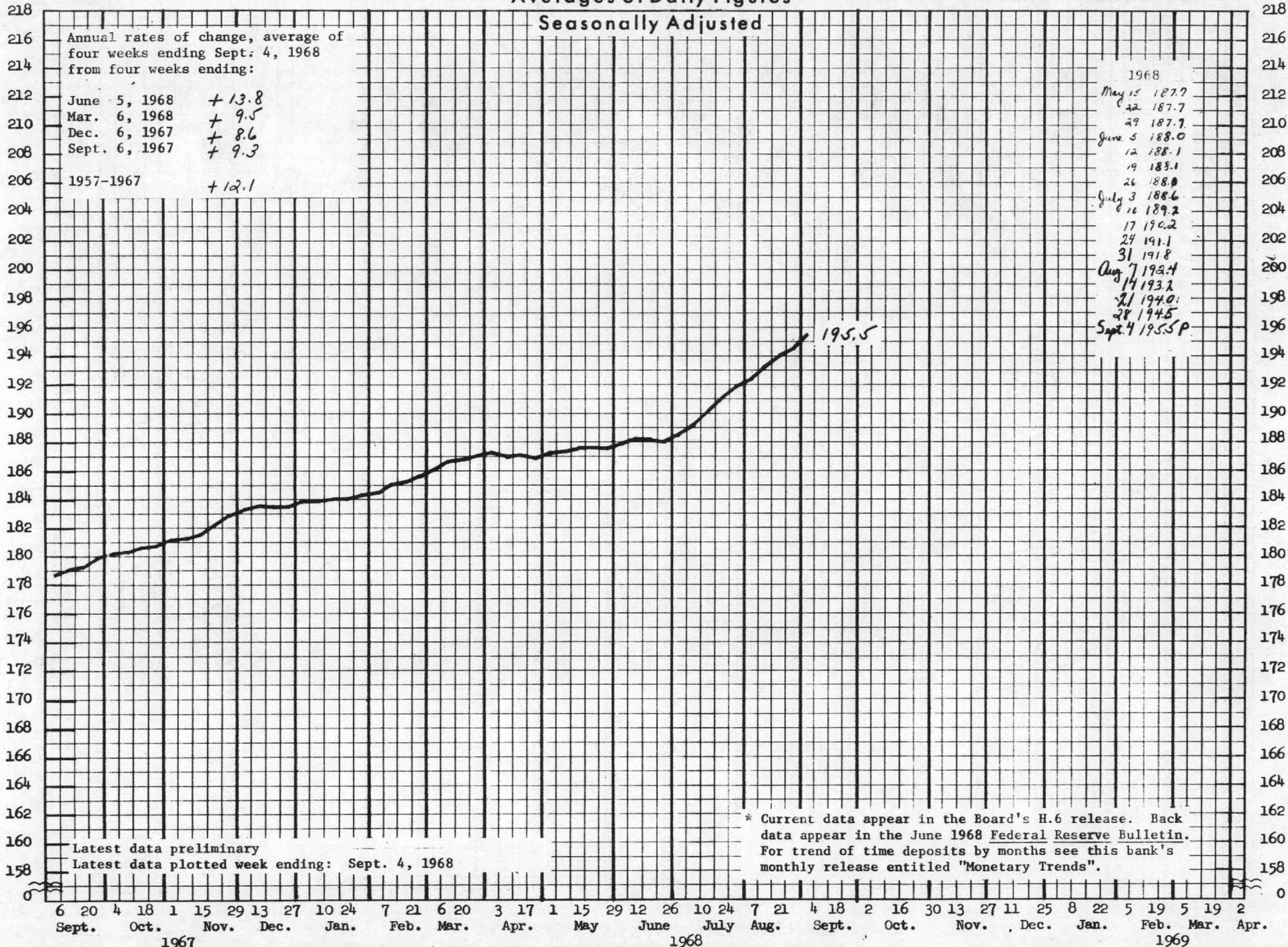


TIME DEPOSITS*
All Commercial Banks
Averages of Daily Figures

Billions of Dollars

Billions of Dollars

Seasonally Adjusted



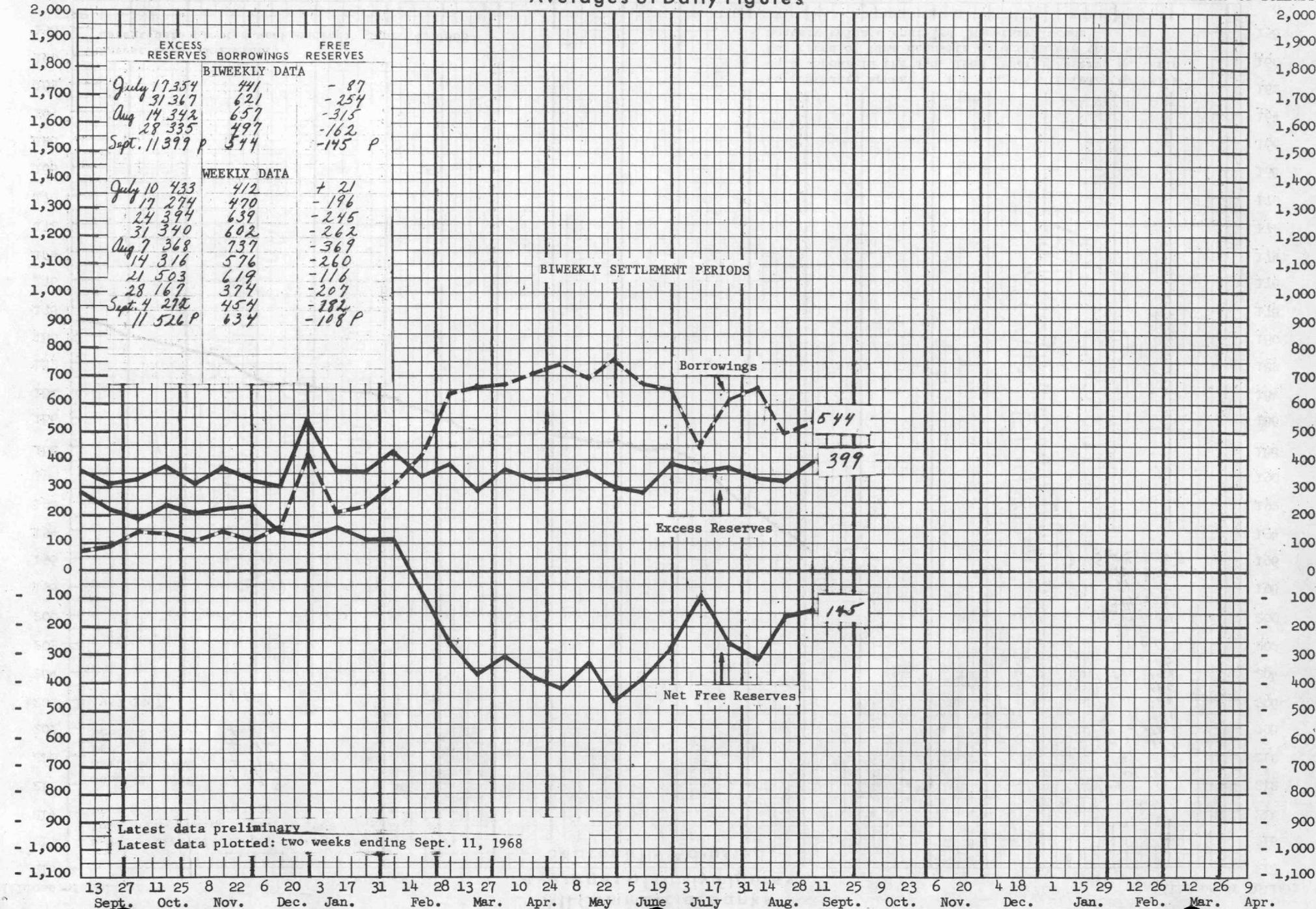
BORROWINGS AND EXCESS RESERVES

All Member Banks in the Nation

Averages of Daily Figures

Millions of Dollars

Millions of Dollars



Latest data preliminary
 Latest data plotted: two weeks ending Sept. 11, 1968

BUSINESS LOANS Large Commercial Banks

Wednesday Figures

Seasonally adjusted by this bank.

Billions of Dollars

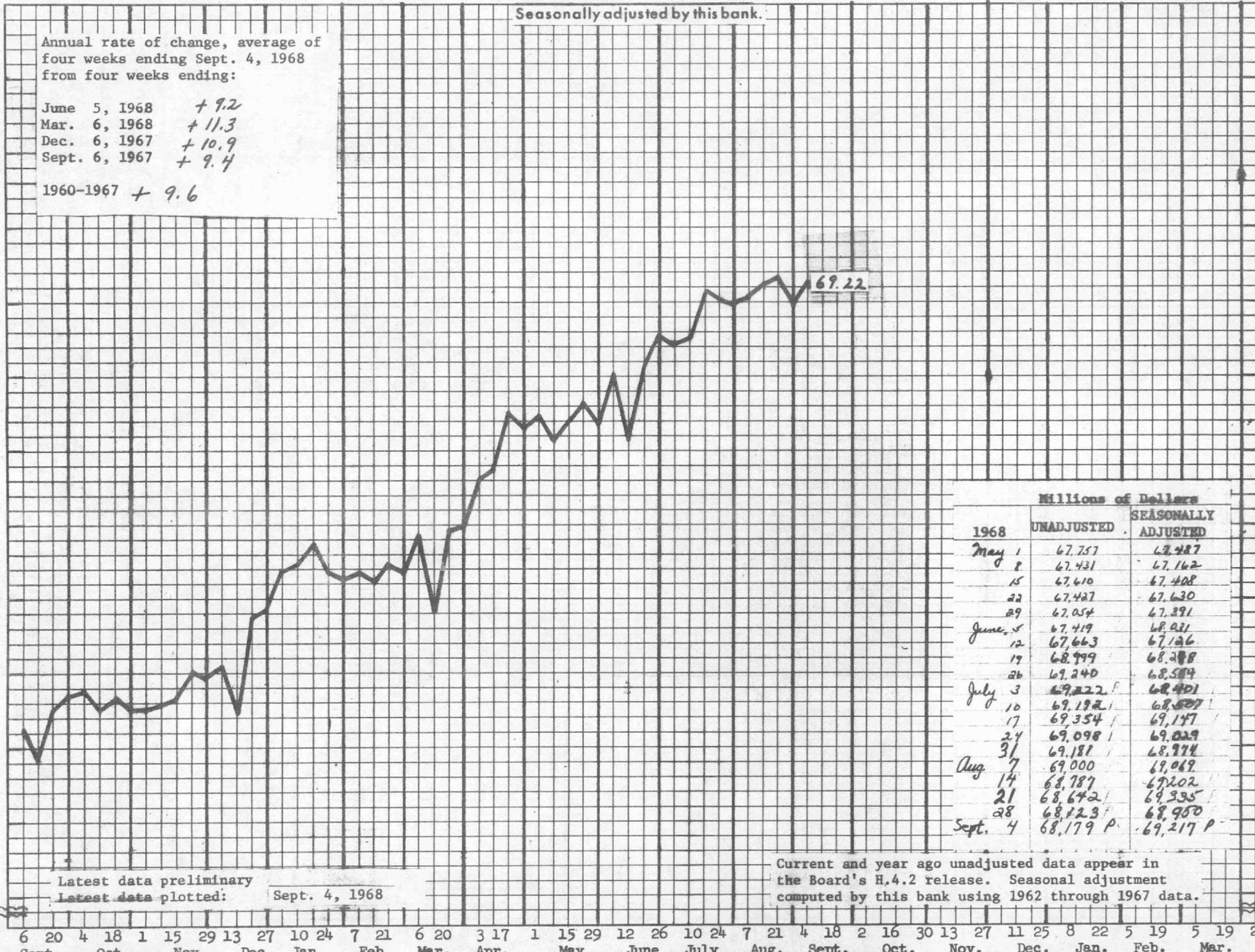
Billions of Dollars

73
72
71
70
69
68
67
66
65
64
63
62
61
0

Annual rate of change, average of four weeks ending Sept. 4, 1968 from four weeks ending:

June 5, 1968 + 9.2
Mar. 6, 1968 + 11.3
Dec. 6, 1967 + 10.9
Sept. 6, 1967 + 9.4

1960-1967 + 9.6



Latest data preliminary
Latest data plotted: Sept. 4, 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.

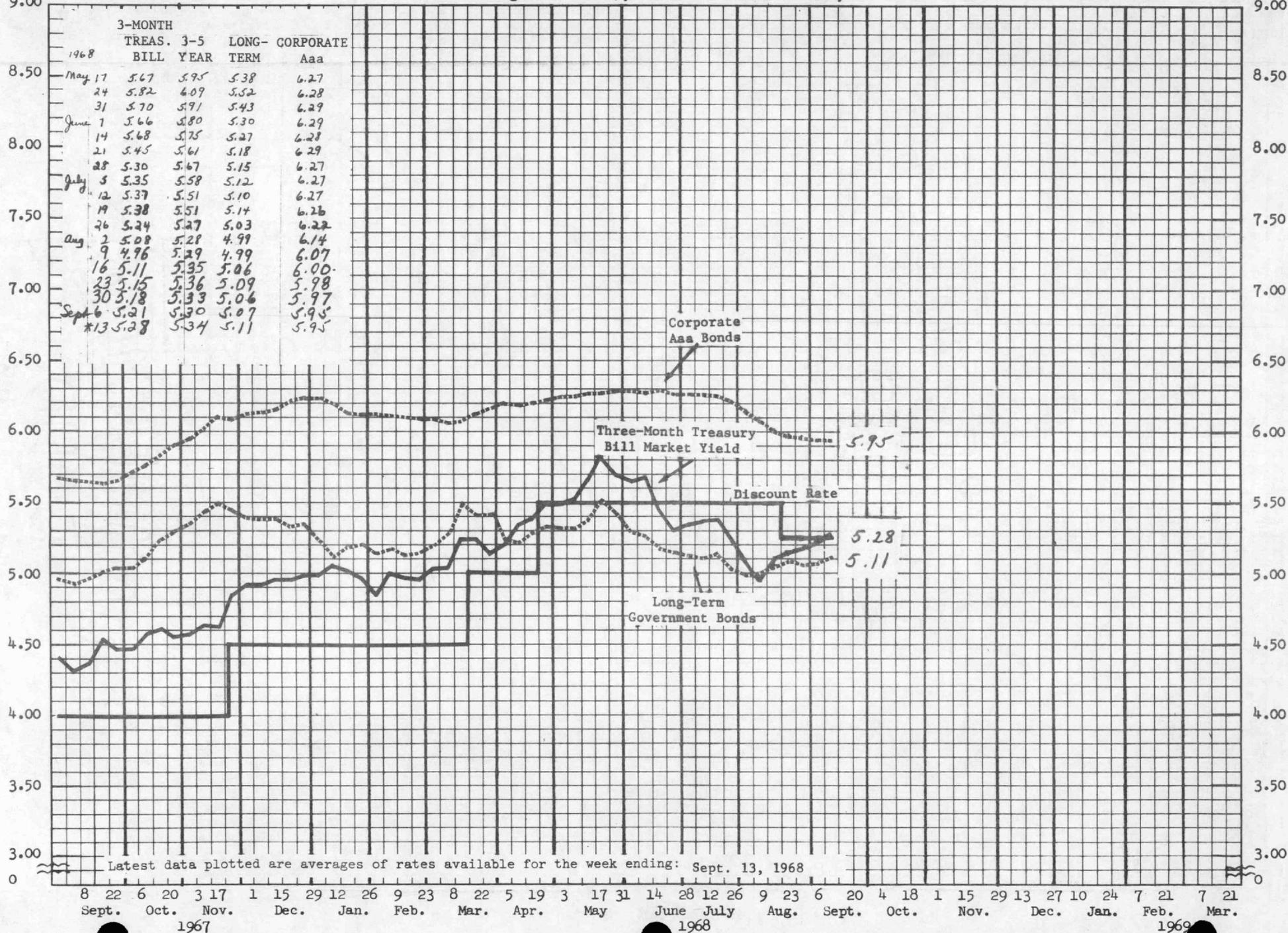
Millions of Dollars		
1968	UNADJUSTED	SEASONALLY ADJUSTED
May 1	67,757	67,427
8	67,431	67,162
15	67,610	67,408
22	67,427	67,620
29	67,054	67,291
June 5	67,419	68,031
12	67,663	67,126
19	68,999	68,388
26	69,240	68,584
July 3	69,222	68,401
10	69,192	68,507
17	69,354	69,147
24	69,098	69,029
31	69,181	68,974
Aug 7	69,000	69,069
14	68,787	69,202
21	68,642	69,335
28	68,123	68,950
Sept. 4	68,179 P	69,217 P

Sept. 6 20 4 18 1 15 29 13 27 10 24 7 21 6 20 3 17 1 15 29 12 26 10 24 7 21 4 18 2 16 30 13 27 11 25 8 22 5 19 5 19 2
1967 1968 1969

YIELDS ON SELECTED SECURITIES

Averages of Daily Rates Ended Friday

Per Cent
9.00

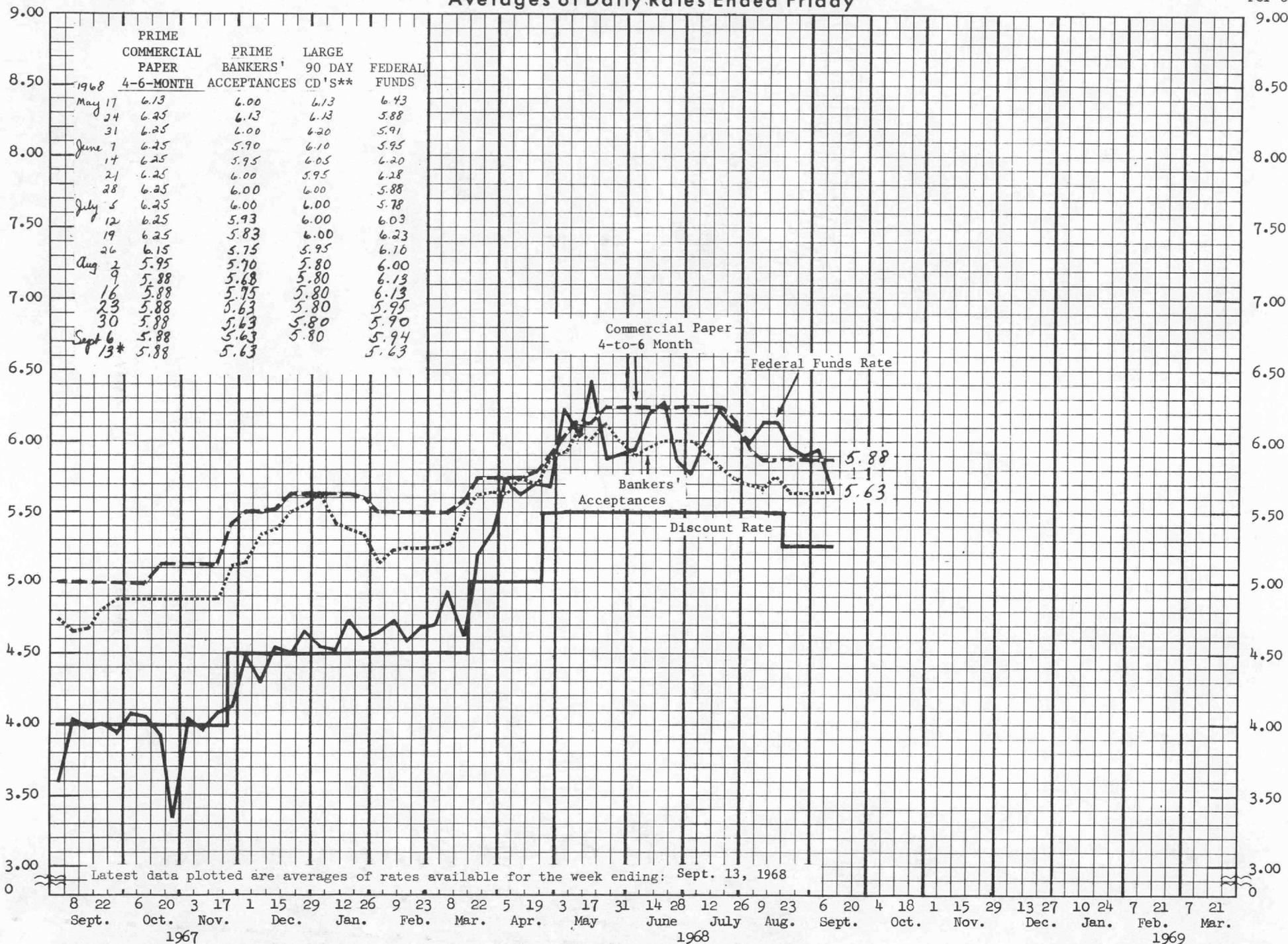


Latest data plotted are averages of rates available for the week ending: Sept. 13, 1968

SELECTED SHORT-TERM INTEREST RATES

Averages of Daily Rates Ended Friday

Per Cent



Latest data plotted are averages of rates available for the week ending: Sept. 13, 1968