

Week ending September 25, 1968

AUG 27 1968

Most monetary aggregates have continued to increase much more rapidly than their trend rates. Most notably, bank credit outstanding at large commercial banks has increased at an 18 per cent annual rate in the last three months, compared with a 10 per cent increase over the past year and an 8 per cent trend rate of growth from 1960 to 1967. Money plus time deposits (page 4) has grown at an 11 per cent rate in the last three months, compared with 8 per cent for the past year and a 6 per cent rate from 1957 to 1967. The recent acceleration in the growth rates of bank credit and of the broad measure of money may be ascribed to a rapid increase in time deposits at commercial banks (page 7) since July 1st, and particularly to a jump in large certificates of deposit (page 6) in July and early August.

The growth of other monetary magnitudes in the last few months has been in line with trends over the past year or year and a half, much more rapid than the trends of the previous 10 years. The monetary base (page 2) averaged \$74.5 billion in the four weeks ending September 25. This represents a 5 per cent annual rate of increase from three months earlier, about the same as the rise since a year ago, and about twice the average annual rate of increase from 1957 to 1967. The nation's money stock (page 3), consisting of demand deposits and currency in the hands of the public, has risen at a 6 per cent annual rate in the last three and 12 month periods, compared with a 2.6 per cent trend rate from 1957 to 1967.

In most recent weeks the growth of the money stock has been slow relative to the last three months and year, and interest rates have remained in a narrow range. These developments suggest to some analysts that growth in the demand for credit may be slowing, making it somewhat easier to control monetary aggregates. On the other hand, the moderation in the growth of money has prevailed for only a short period and may reflect only irregular forces or inadequacies of the data. Interest rates on Treasury issues have declined on balance since late May, with most of the decline coming in June and July. The interest rate on long-term Government bonds, which averaged 5.38 per cent for the week ended May 17, averaged 5.08 for the three days ending September 25, and the Treasury bill rate has declined from a peak of 5.82 per cent in May to a 5.14 per cent average for the three days ending September 25.

For the first 12 weeks of fiscal 1969, July 1 to September 23, the Treasury deficit was \$4.0 billion, down about \$3 billion from the \$7.1 billion deficit for the corresponding period of fiscal 1968, according to the Daily Treasury Statement. Tax and other cash receipts were about \$8.5 billion above receipts for the same period last year, reflecting the surtax and rising incomes. Withdrawals had also risen \$5.5 billion, or 13 per cent, above the amount for the same period last year. Federal expenditures, roughly comparable to withdrawals in the Daily Treasury Statement, grew at a 7 per cent trend rate from 1957 to 1967.

Rates of change reported in this release are intended to serve as summaries which may be useful in analyzing recent developments.

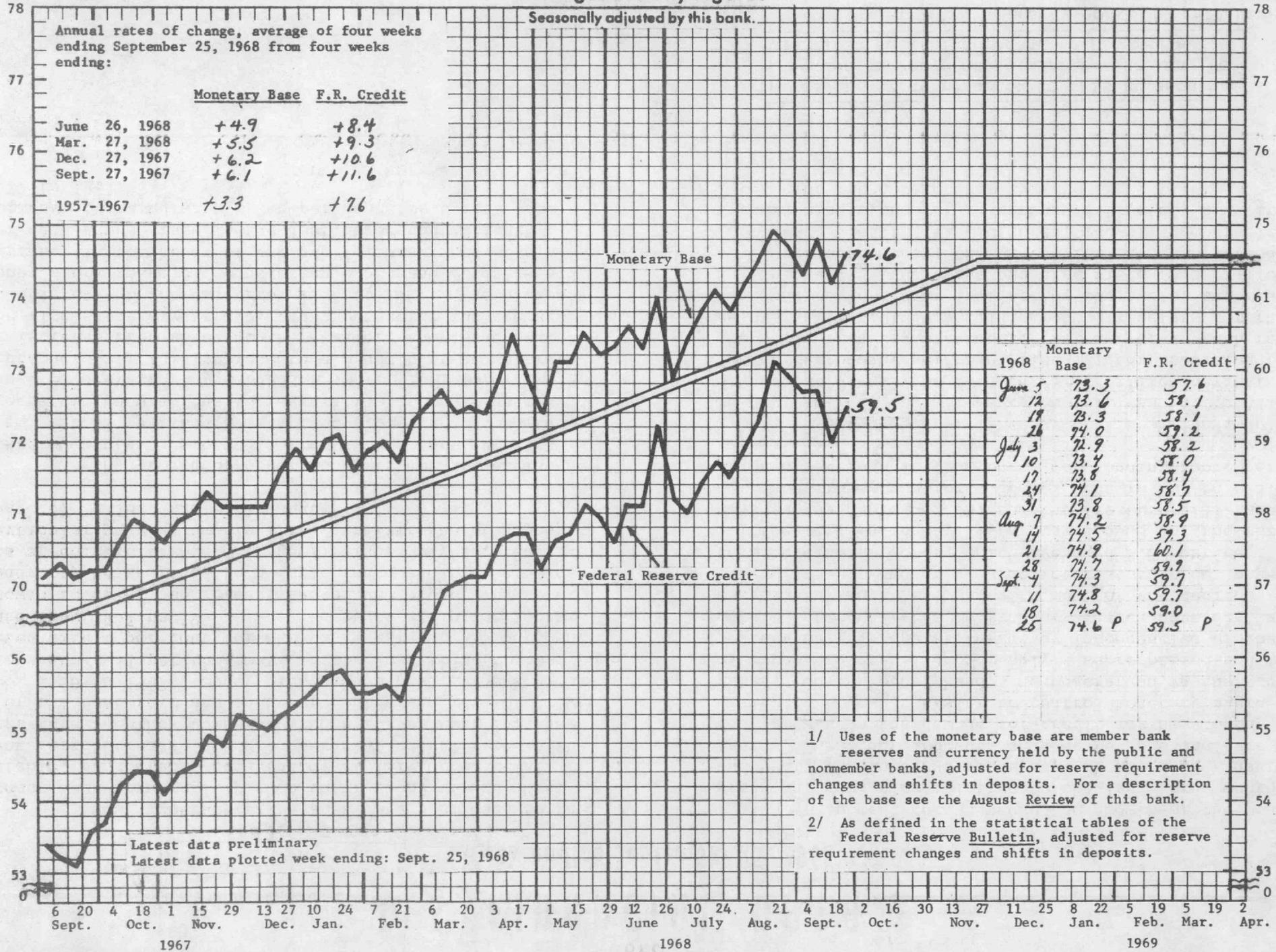
Prepared by Federal Reserve Bank of St. Louis

Released: September 27, 1968

# MONETARY BASE <sup>1</sup> FEDERAL RESERVE CREDIT <sup>2</sup> Averages of Daily Figures

Billions of Dollars

Billions of Dollars



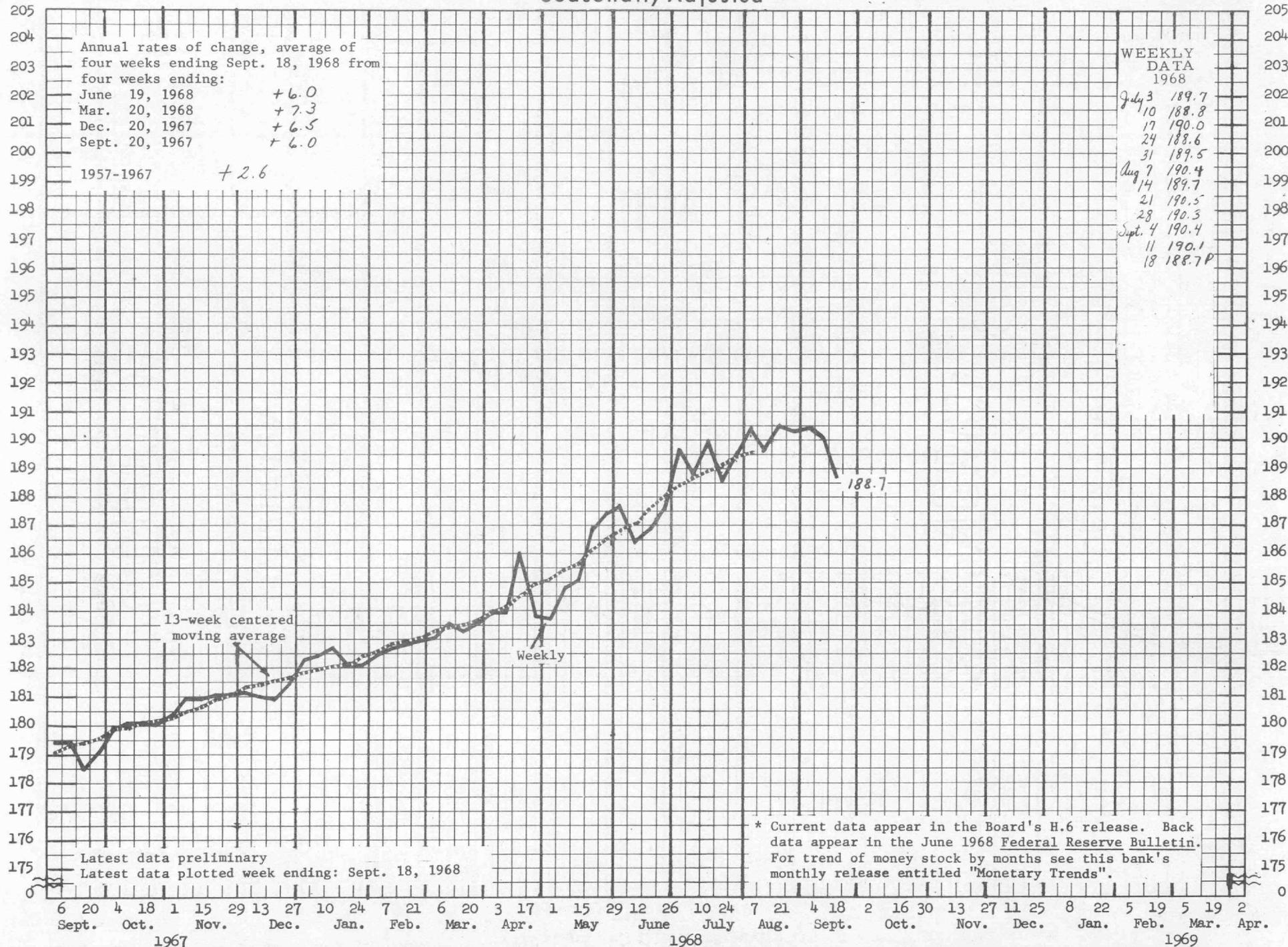
# MON STOCK\*

## Averages of Daily Figures

### Seasonally Adjusted

Billions of Dollars

Billions of Dollars



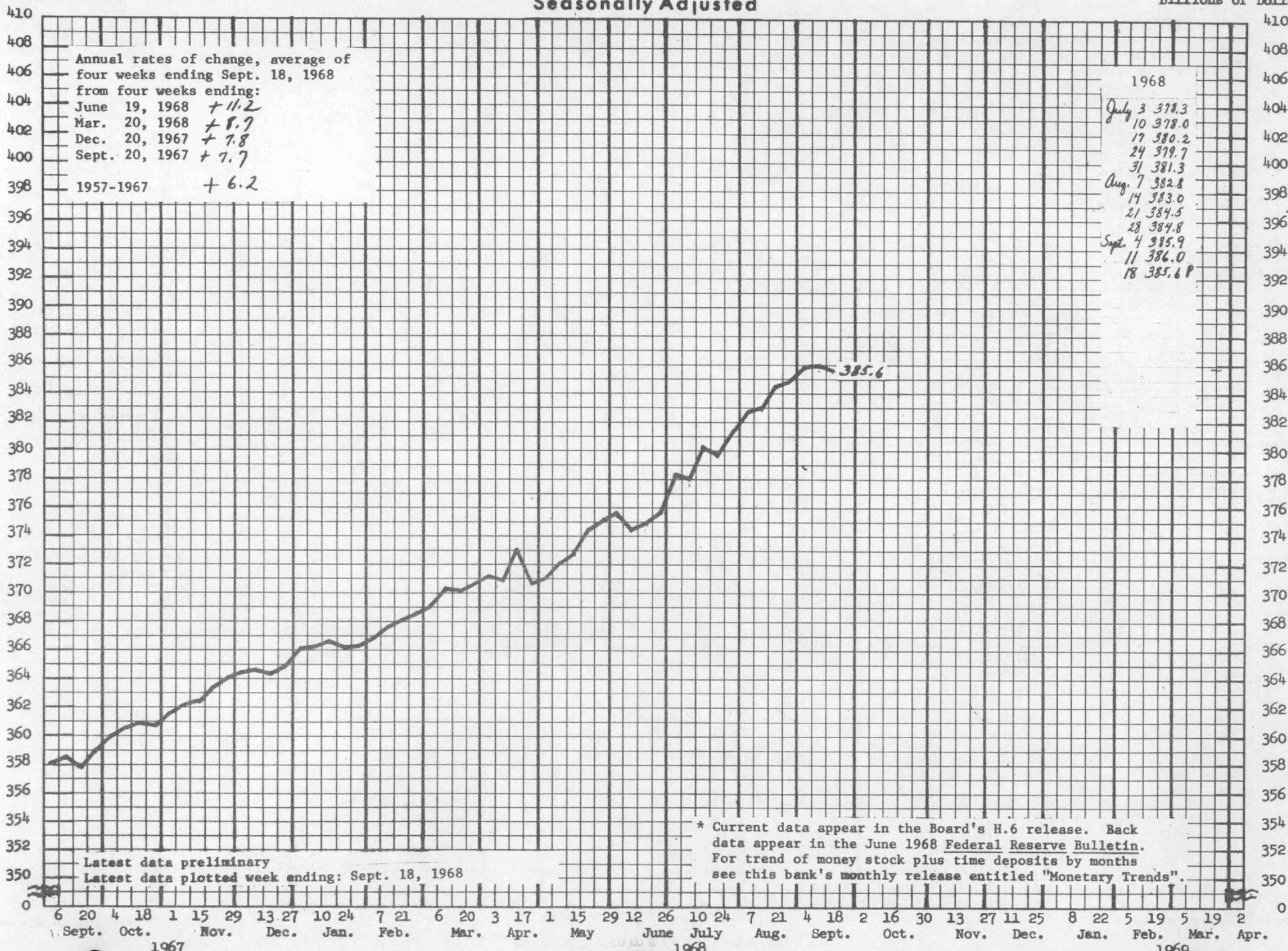
# MONEY STOCK PLUS TIME DEPOSITS\*

## Averages of Daily Figures

### Seasonally Adjusted

Billions of Dollars

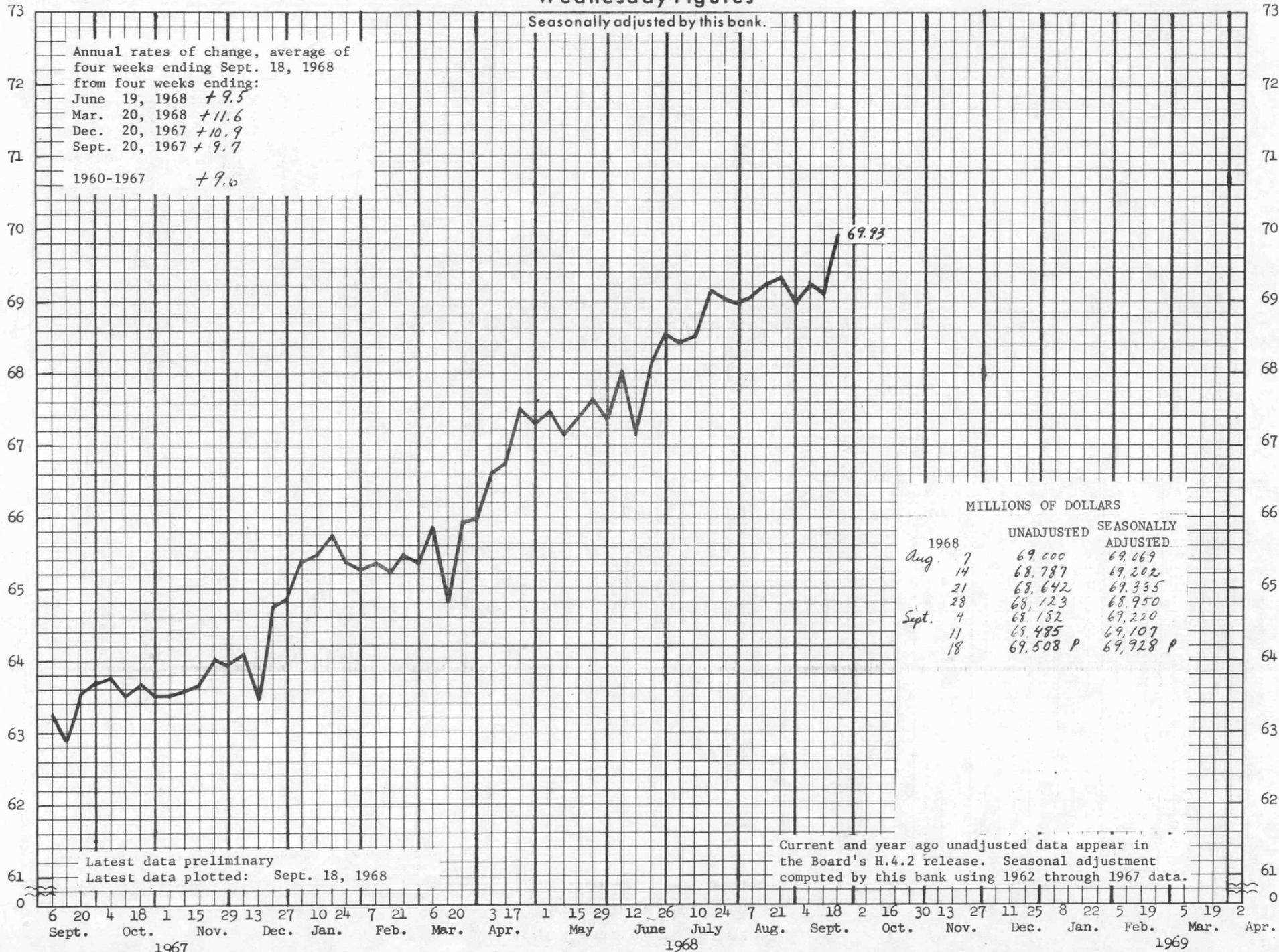
Billions of Dollars



**BUSINESS LOANS**  
**Large Commercial Banks**  
**Wednesday Figures**

Billions of Dollars

Billions of Dollars

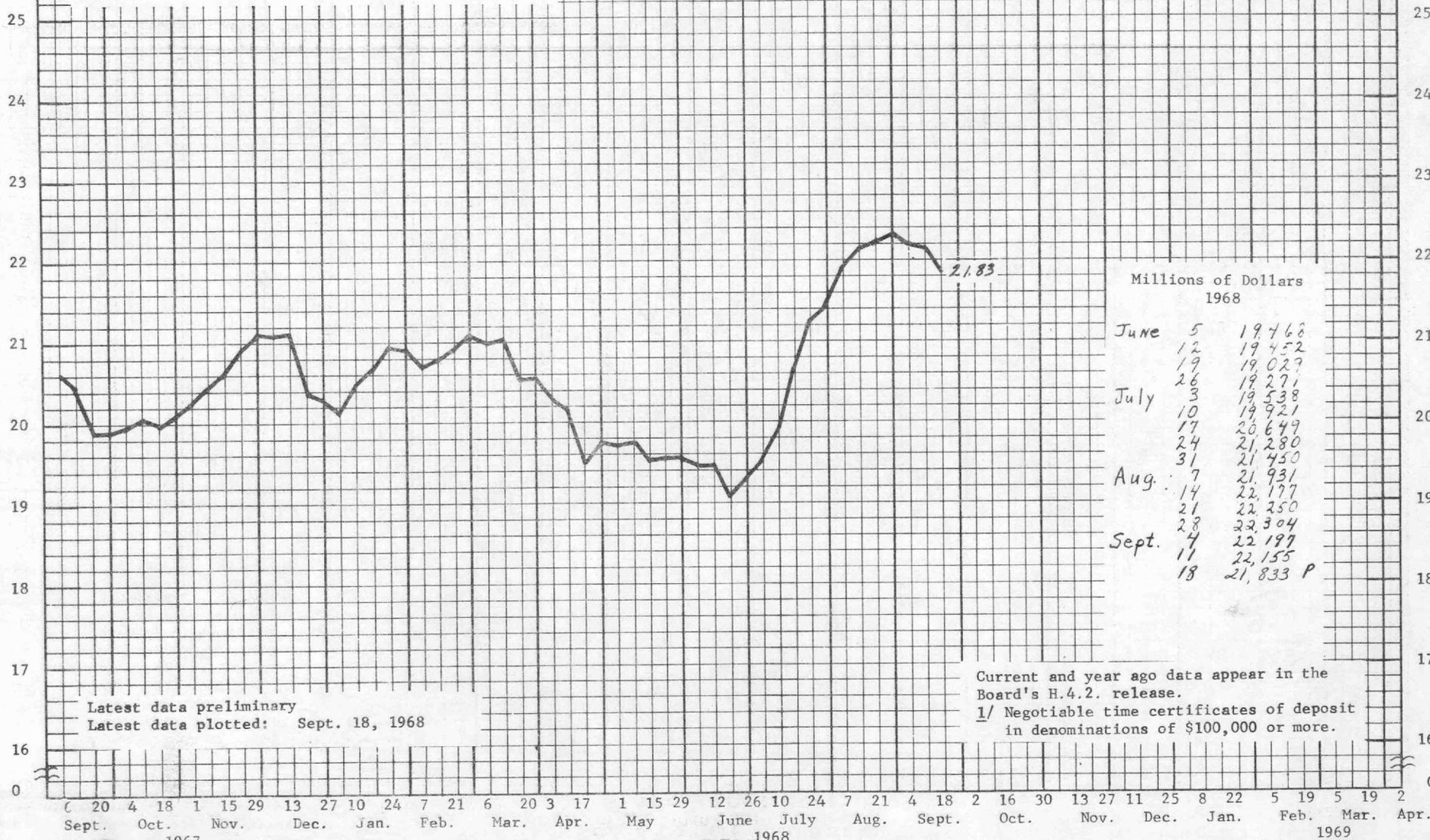


**CERTIFICATES OF DEPOSIT <sup>1</sup>**  
**Large Commercial Banks**  
**Wednesday Figures**

Billions of Dollars

Billions of Dollars

Annual rates of change, seasonally unadjusted data,  
 average of four weeks ending Sept. 18, 1968 from  
 four weeks ending:  
 June 19, 1968 +56.8  
 Mar. 20, 1968 +11.5  
 Dec. 20, 1967 +7.6  
 Sept. 20, 1967 +8.3  
  
 1964-1967 +17.9



Millions of Dollars  
1968

June	5	19,468
	12	19,452
	19	19,027
July	26	19,271
	3	19,538
	10	19,921
	17	20,649
	24	21,280
	31	21,450
Aug.	7	21,931
	14	22,177
	21	22,250
	28	22,304
Sept.	4	22,197
	11	22,155
	18	21,833 P

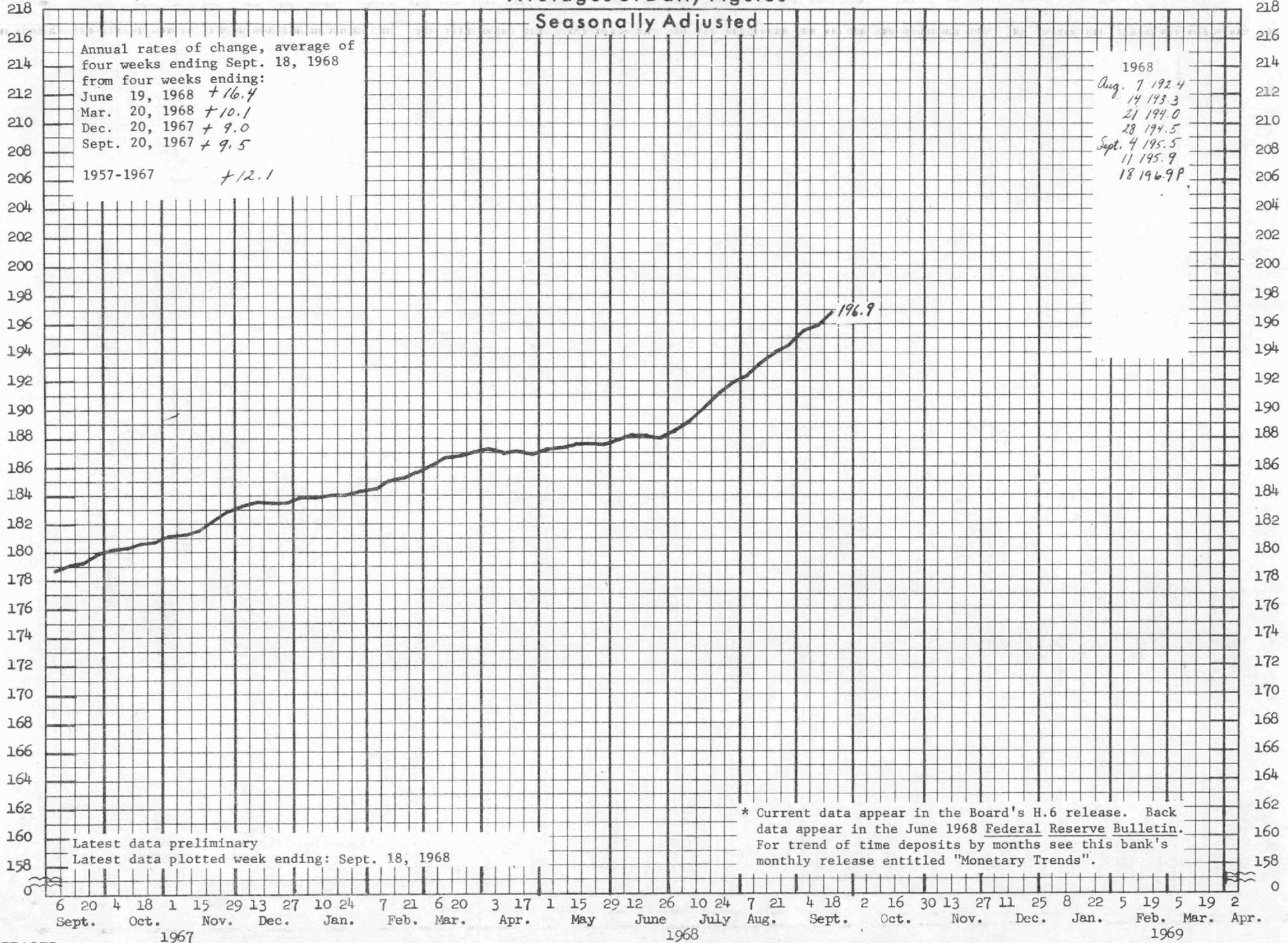
Current and year ago data appear in the Board's H.4.2. release.  
<sup>1</sup>/ Negotiable time certificates of deposit in denominations of \$100,000 or more.

Latest data preliminary  
 Latest data plotted: Sept. 18, 1968

# TIME DEPOSITS\* All Commercial Banks Averages of Daily Figures

Billions of Dollars

Billions of Dollars

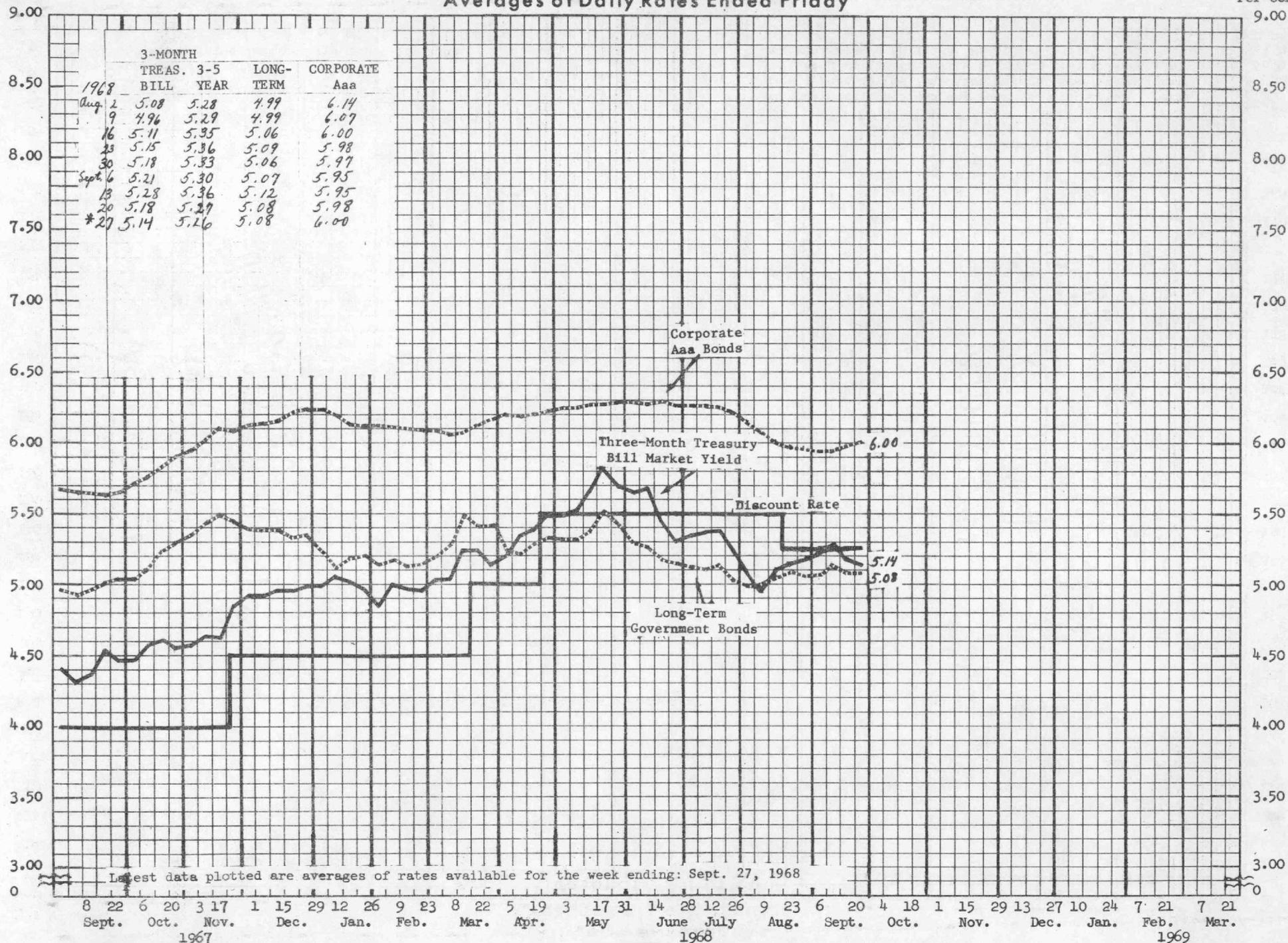


# YIELDS ON SELECTED SECURITIES

## Averages of Daily Rates Ended Friday

Per Cent

Per Cent



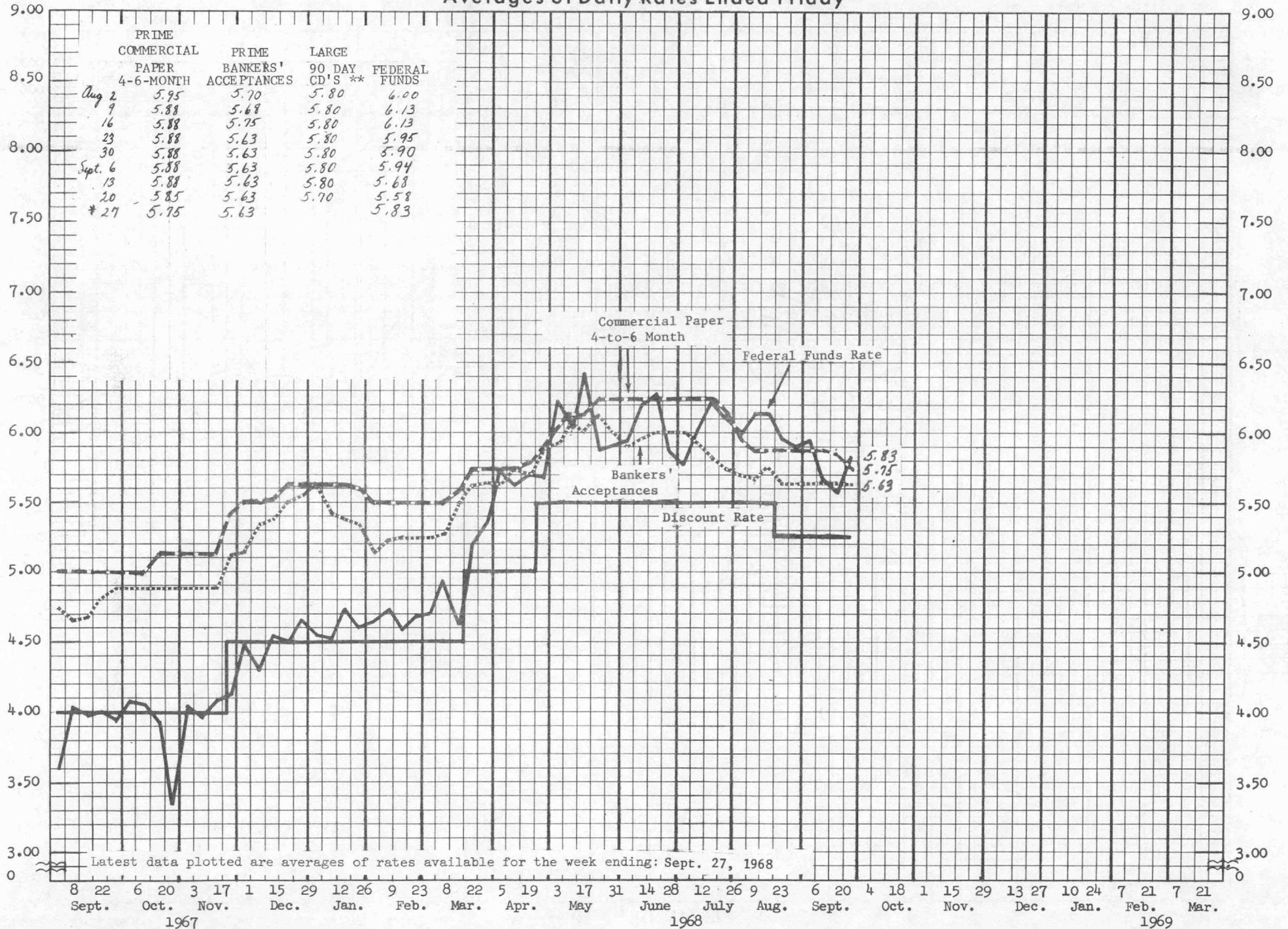
Latest data plotted are averages of rates available for the week ending: Sept. 27, 1968

# SELECTED SHORT-TERM INTEREST RATES

## Averages of Daily Rates Ended Friday

Per Cent

Per Cent



Latest data plotted are averages of rates available for the week ending: Sept. 27, 1968

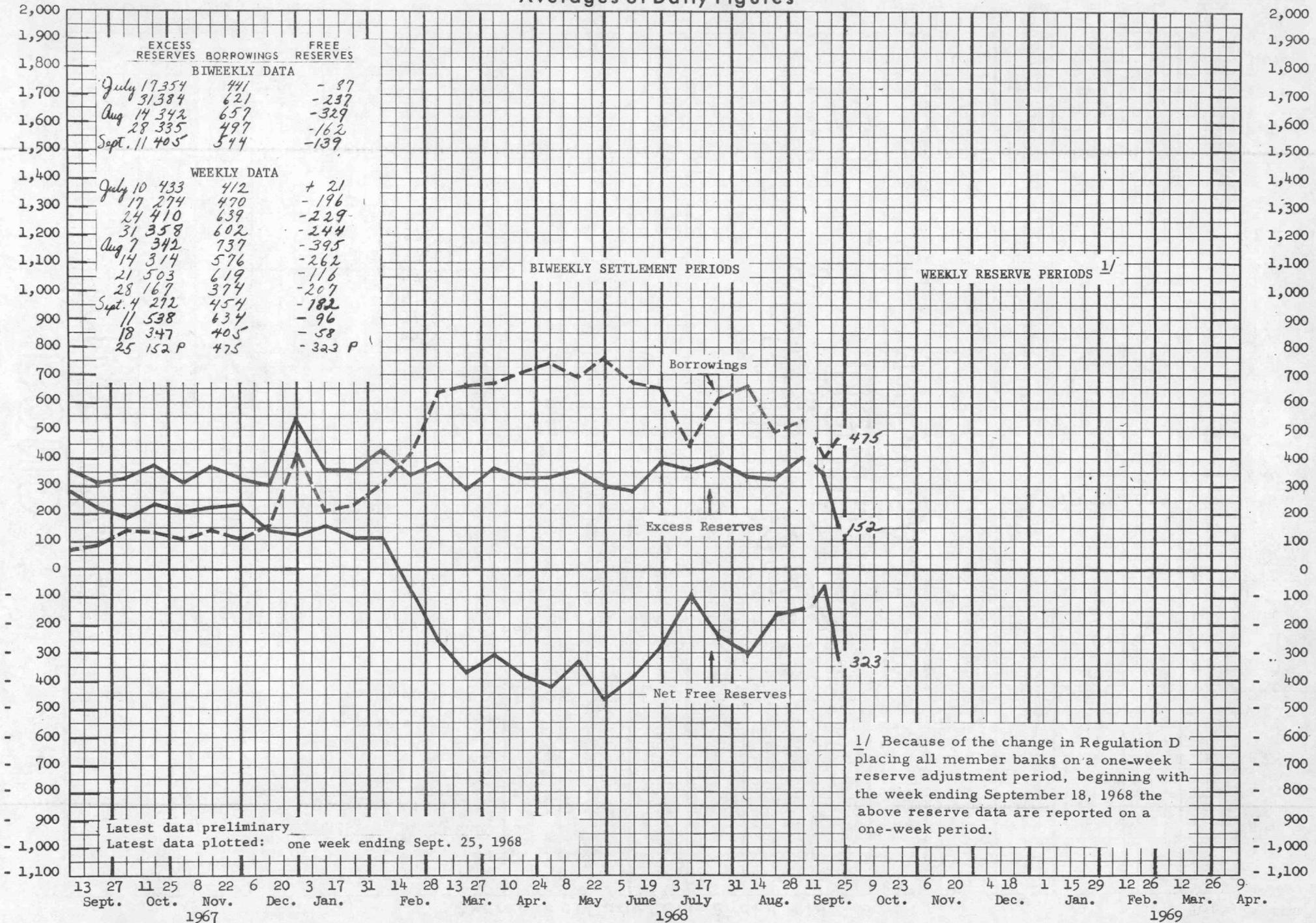
# BORROWINGS AND EXCESS RESERVES

## All Member Banks in the Nation

### Averages of Daily Figures

Millions of Dollars

Millions of Dollars



1/ Because of the change in Regulation D placing all member banks on a one-week reserve adjustment period, beginning with the week ending September 18, 1968 the above reserve data are reported on a one-week period.

Latest data preliminary  
 Latest data plotted: one week ending Sept. 25, 1968

<u>Total Federal Reserve Credit Seasonally Adjusted</u>		<u>Total Federal Reserve Credit Seasonally Adjusted</u>		<u>Total Federal Reserve Credit Seasonally Adjusted</u>		<u>Total Effective Reserves Seasonally Adjusted</u>	
<u>Week Ending</u>		<u>Week Ending</u>		<u>Week Ending</u>		<u>Week Ending</u>	
Jan. 4, 1967	50.5	Oct. 4, 1967	53.7	July 3, 1968	58.2	Aug. 7, 1968	26.41
11	50.9	11	54.2	10	58.0	14	26.20
18	50.8	18	54.4	17	58.4	21	26.60
25	51.4	25	54.4	24	58.7	28	26.26
Feb. 1, 1967	51.1	Nov. 1, 1967	54.1	31	58.5	Sept. 4, 1968	26.24
8	51.0	8	54.4	Aug. 7, 1968	58.9	11	26.51
15	51.4	15	54.5	14	59.3	18	26.08
22	51.6	22	54.9	21	60.1	25	25.55 P
Mar. 1, 1967	51.2	29	54.8	28	59.9		
8	51.7	Dec. 6, 1967	55.2	Sept. 4, 1968	59.7		
15	51.7	13	55.1	11	59.7		
22	52.3	20	55.0	18	59.0		
29	52.4	27	55.2	25	59.5 P		
Apr. 5, 1967	52.2	Jan. 3, 1968	55.3				
12	52.3	10	55.5				
19	52.6	17	55.7				
26	52.9	24	55.8				
May 3, 1967	52.8	31	55.5				
10	52.9	Feb. 7, 1968	55.5				
17	52.8	14	55.6				
24	52.9	21	55.4				
31	52.5	28	56.0				
June 7, 1967	52.7	Mar. 6, 1968	56.4				
14	52.4	13	56.9				
21	52.5	20	57.0				
28	52.7	27	57.1				
July 5, 1967	52.7	Apr. 3, 1968	57.1				
12	53.0	10	57.6				
19	53.2	17	57.7				
26	53.5	24	57.7				
Aug. 2, 1967	53.3	May 1, 1968	57.2				
9	53.2	8	57.6				
16	53.4	15	57.7				
23	53.5	22	58.1				
30	53.3	29	57.9				
Sept. 6, 1967	53.4	June 5, 1968	57.6				
13	53.2	12	58.1				
20	53.1	19	58.1				
27	53.6	26	59.2				

Reserves Available For Private Demand Deposits  
Seasonally Adjusted

Averages of daily figures in billions of dollars.

P - preliminary.