

RESEARCH LIBRARY
Federal Reserve Bank
of St. Louis

AUG 27 1968

U. S. FINANCIAL DATA

Week ending December 4, 1968

Following increases in market interest rates (pages 8 and 9) during the past few months, the majority of commercial banks raised their interest rates on loans to prime business customers from $6\frac{1}{4}$ per cent to $6\frac{1}{2}$ per cent early this week, reversing the action taken in September. Yields on three-month Treasury bills averaged 5.66 per cent during the three days ending December 4, up from a low of 4.96 per cent in early August, but still below the high of 5.82 per cent in May. Rates on long-term Government bonds have climbed from about 5 per cent in early August to 5.57 per cent this week, a rate slightly above the 5.52 per cent high in May. Yields on three to five year Government securities averaged 5.75 per cent during the three days ending December 4, compared with 4.28 per cent in early August and a high of 6.09 per cent in May. Highest grade corporate bond yields have risen above the high level of late May, averaging 6.31 per cent during the three days ending December 4. This is the highest yield on these corporate securities since 1920.

Increases in market interest rates relative to Regulation Q ceilings may hinder banks' ability to compete for time deposits in coming months. However, data presently available do not indicate that the growth rate of time deposits (page 7) has slowed at the present time. Time deposits at commercial banks averaged \$201.7 billion during the four weeks ending November 27, up at a 17 per cent annual rate from three months ago. Time deposits grew at a slower 7 per cent rate during the first half

of the year, probably reflecting the effect of high market interest rates on banks' ability to compete for time deposits.

The accelerated growth rates of time deposits, total deposits, and bank credit since mid-year have not been accompanied by accelerated growth of the monetary base (page 2). During the past three months the base has increased at a 6.4 per cent rate, compared with the 6 per cent annual rate of increase during the first half of the year, and a trend rate of 3.3 per cent per year from 1957 to 1967.

The growth rate of the money stock (page 3), which is largely determined by the trend growth of the base, has been slower since mid-year. The slower growth of money may be partly attributed to the unusually rapid growth of time deposits since June, which has reduced the amount of demand deposits or money which the monetary base can support. The 3.8 per cent annual rate of growth of money during the past three months is far less than the 8 per cent rate during the first half of the year, but significantly higher than the 1957 to 1967 trend rate of 2.6 per cent. Since September the growth rate of the money stock has accelerated. If the monetary base continues to rise at its recent rate and time deposits begin to grow at a reduced rate, the probabilities are great that money growth will increase rapidly in coming months.

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

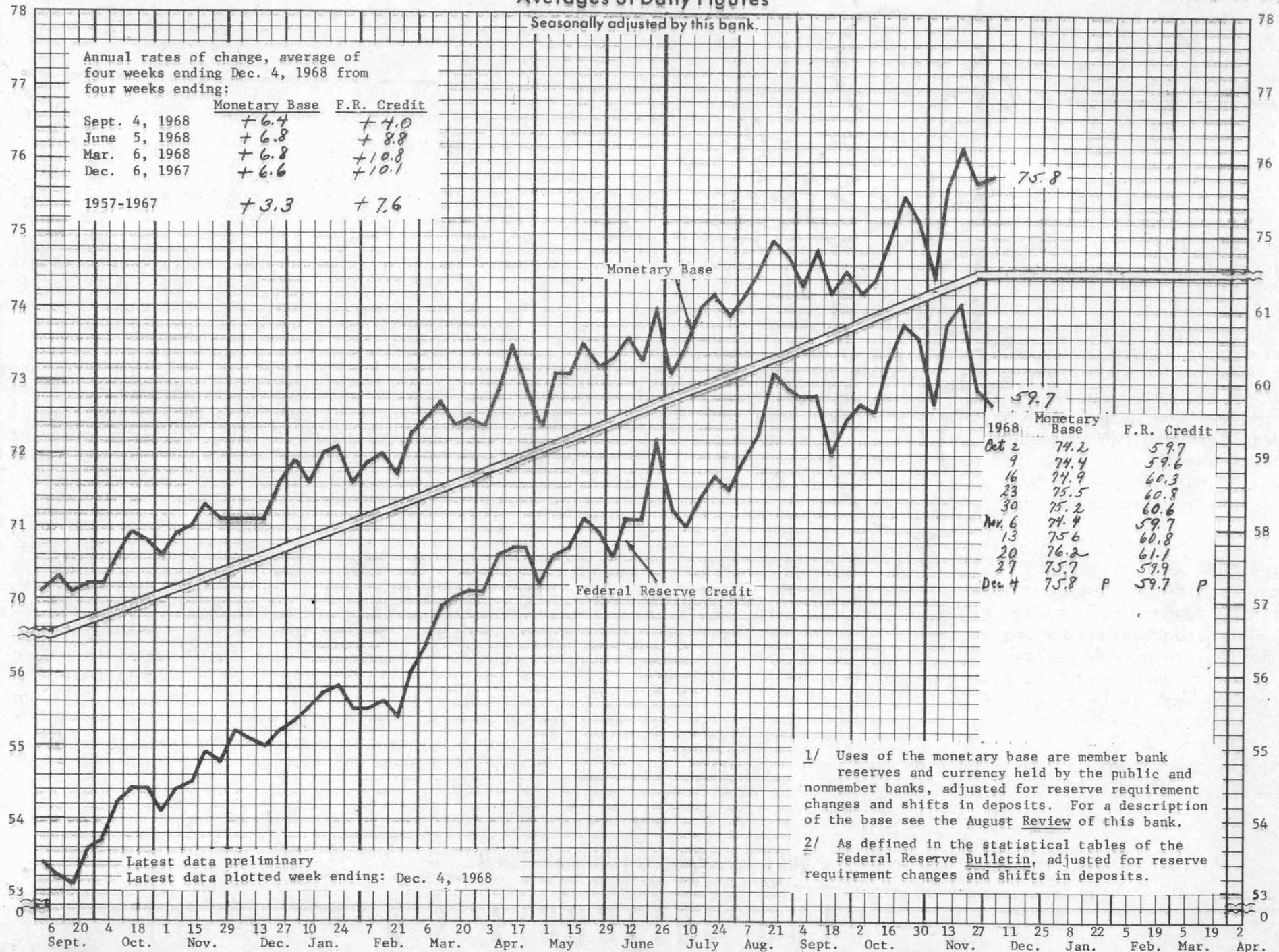
Prepared by Federal Reserve Bank of St. Louis

Released: December 6, 1968

MONETARY BASE ¹
FEDERAL RESERVE CREDIT ²
Averages of Daily Figures

Billions of Dollars

Billions of Dollars



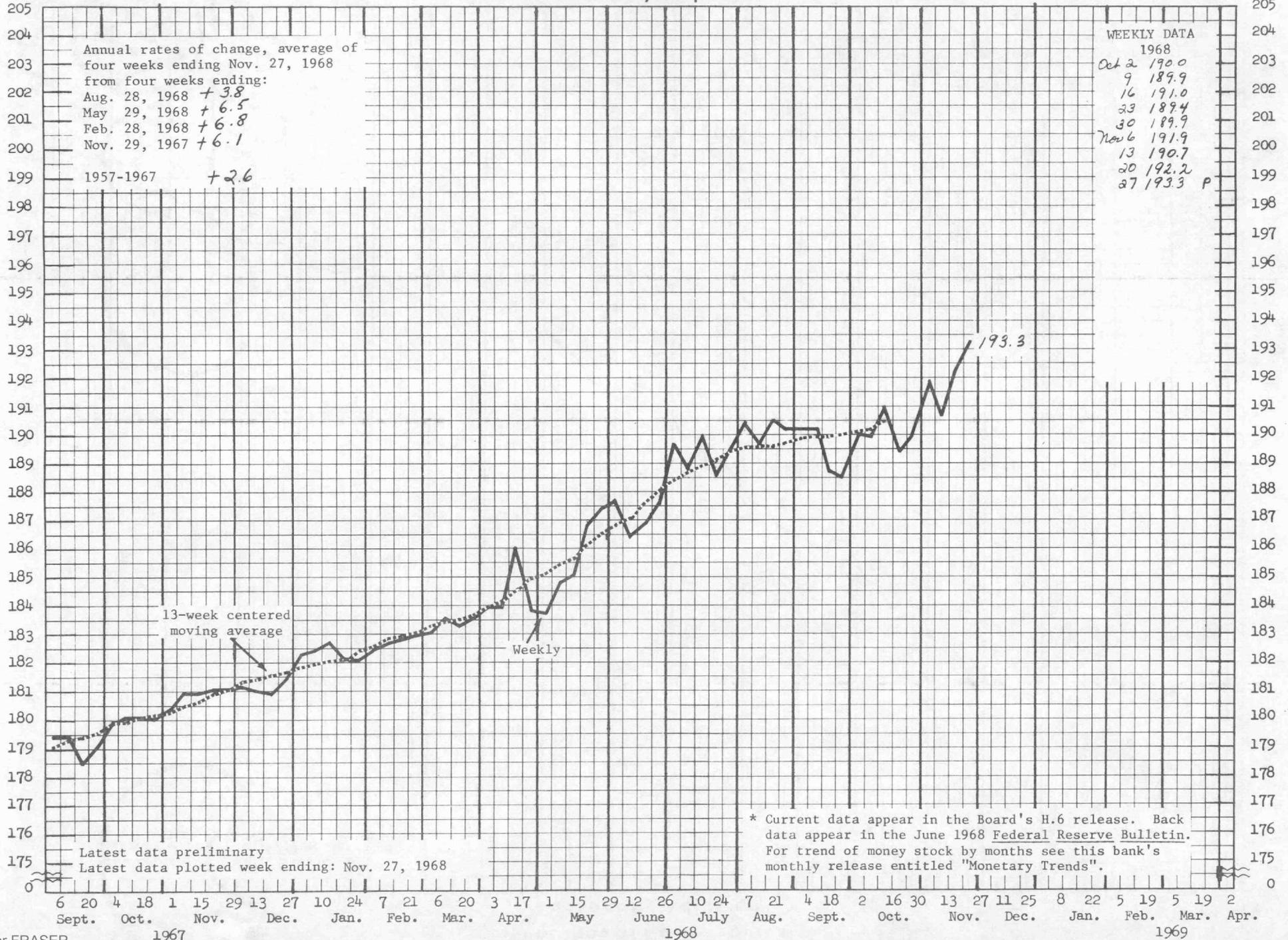
1/ Uses of the monetary base are member bank reserves and currency held by the public and nonmember banks, adjusted for reserve requirement changes and shifts in deposits. For a description of the base see the August Review of this bank.

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

MONEY STOCK*
Averages of Daily Figures
Seasonally Adjusted

Billions of Dollars

Billions of Dollars



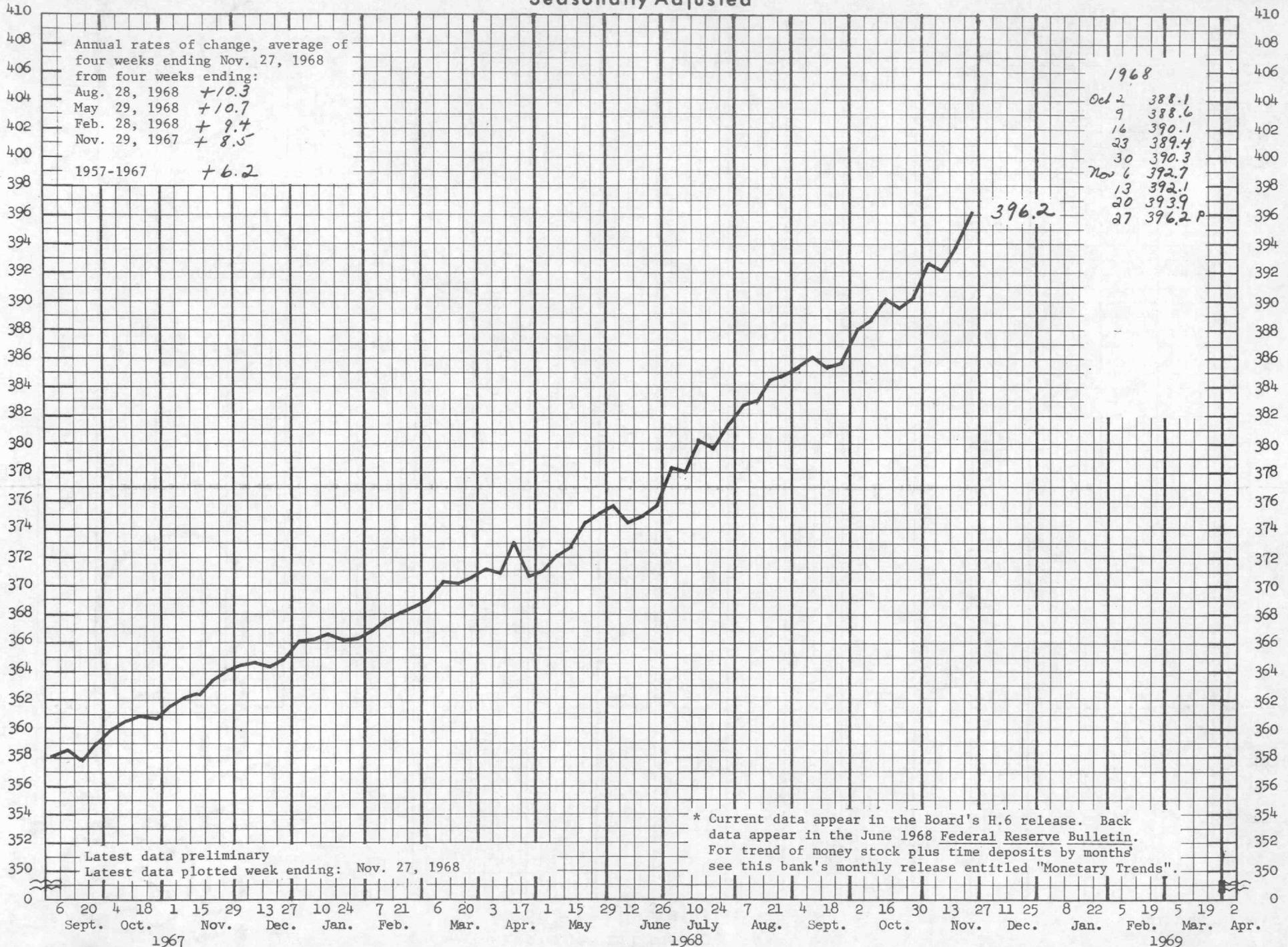
MONEY STOCK PLUS TIME DEPOSITS*

Averages of Daily Figures

Seasonally Adjusted

Billions of Dollars

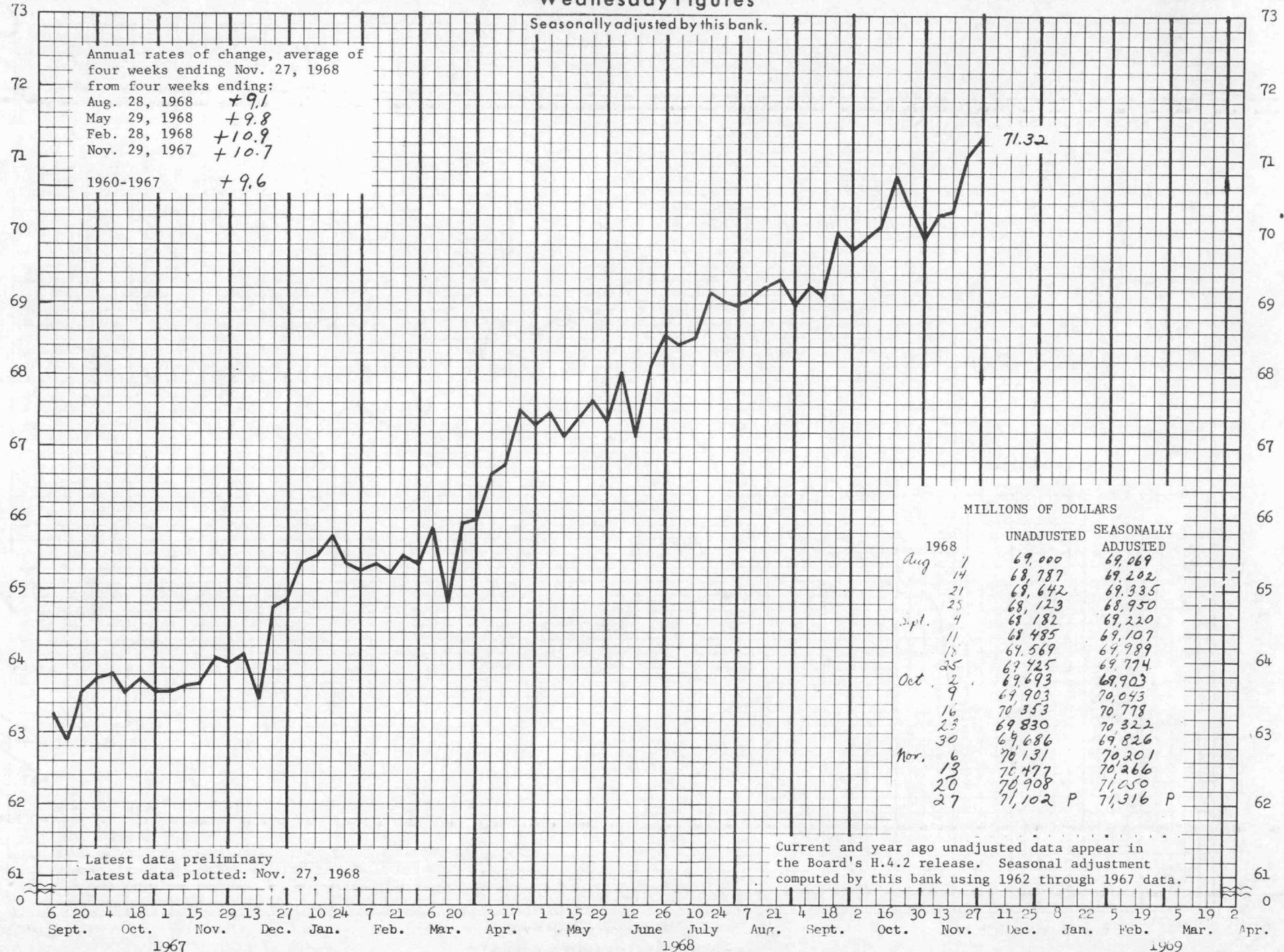
Billions of Dollars



BUSINESS LOANS
Large Commercial Banks
Wednesday Figures

Billions of Dollars

Billions of Dollars



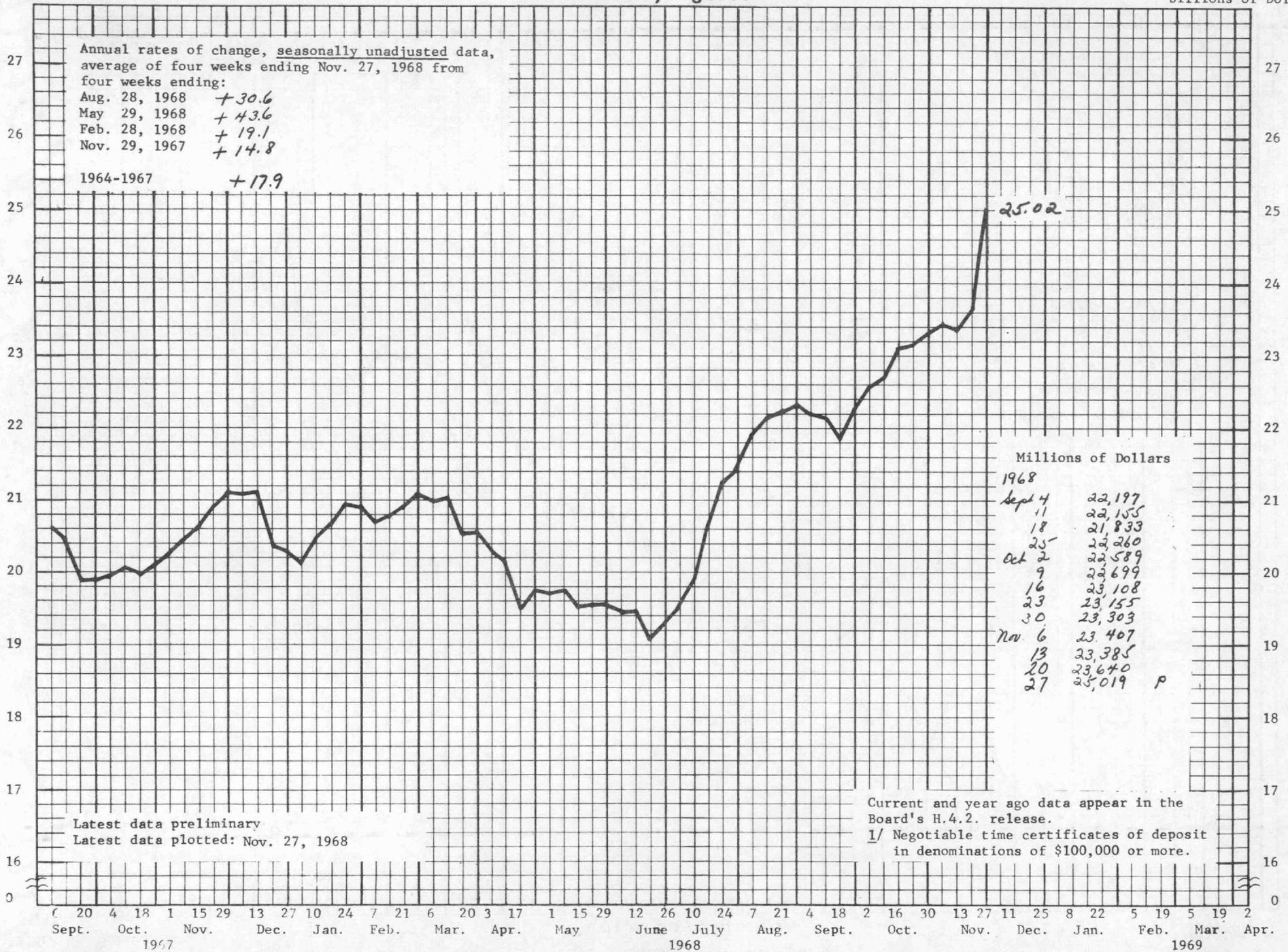
CERTIFICATES OF DEPOSIT ¹
Large Commercial Banks
Wednesday Figures

Billions of Dollars

Billions of Dollars

Annual rates of change, seasonally unadjusted data,
 average of four weeks ending Nov. 27, 1968 from
 four weeks ending:

Aug. 28, 1968	+ 30.6
May 29, 1968	+ 43.6
Feb. 28, 1968	+ 19.1
Nov. 29, 1967	+ 14.8
1964-1967	+ 17.9



Millions of Dollars

1968	
Sept 4	22,197
11	22,155
18	21,833
25	22,260
Oct 2	22,589
9	22,699
16	23,108
23	23,155
30	23,303
Nov 6	23,407
13	23,385
20	23,640
27	25,019 P

25.02

— Latest data preliminary
 ▒ Latest data plotted: Nov. 27, 1968

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.

TIME DEPOSITS*

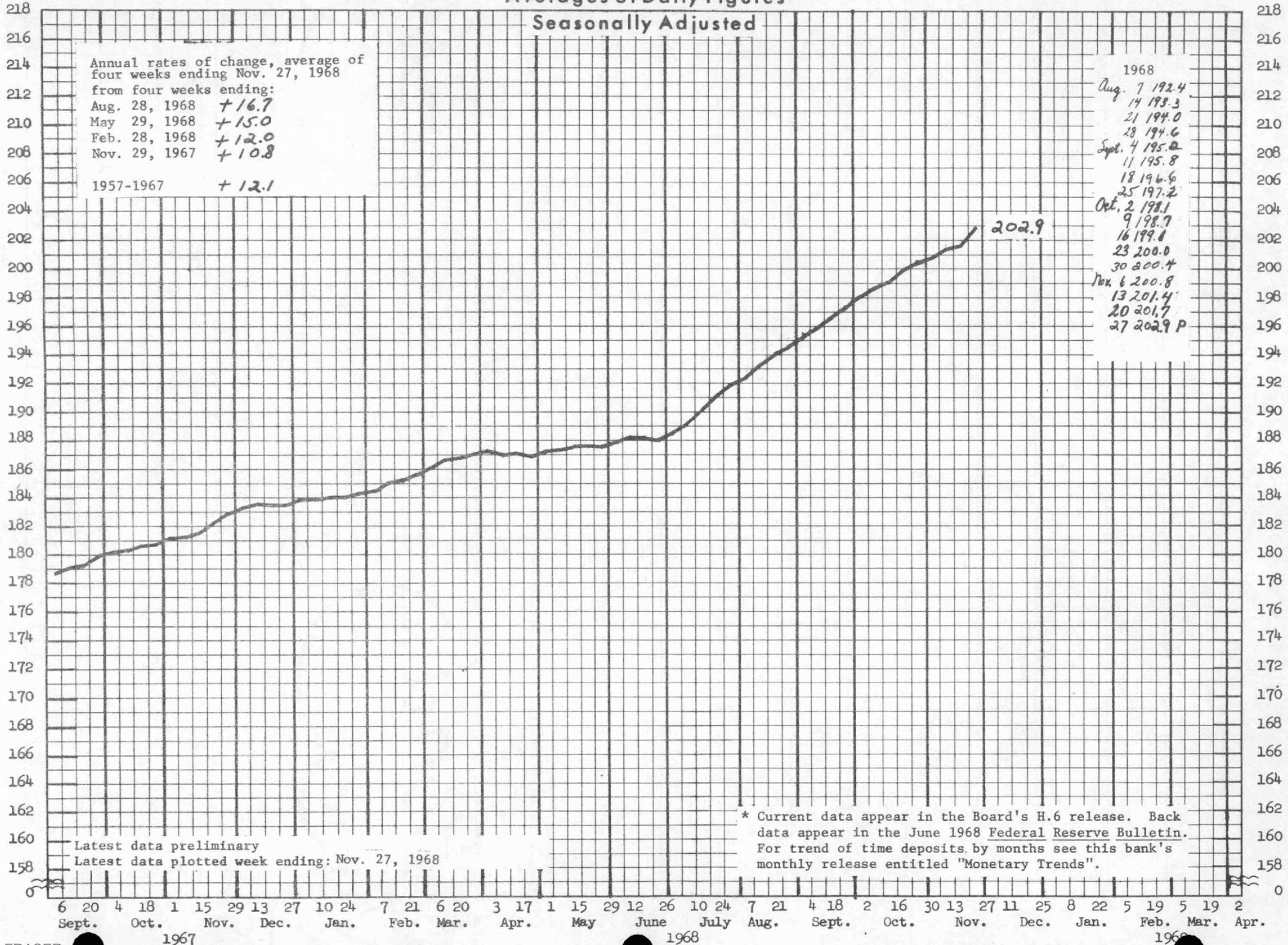
All Commercial Banks

Averages of Daily Figures

Seasonally Adjusted

Billions of Dollars

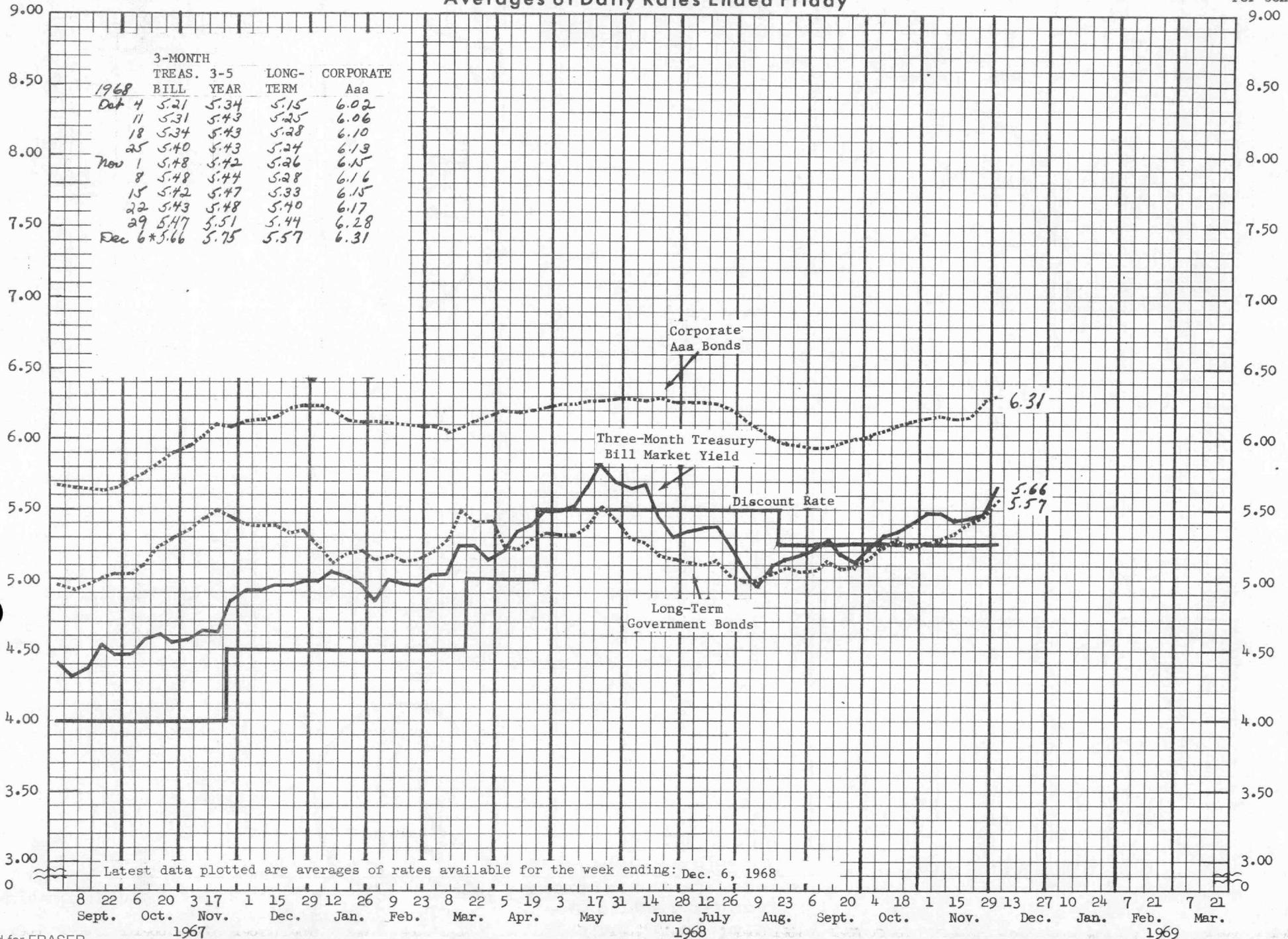
Billions of Dollars



YIELDS ON SELECTED SECURITIES Averages of Daily Rates Ended Friday

Per Cent

Per Cent



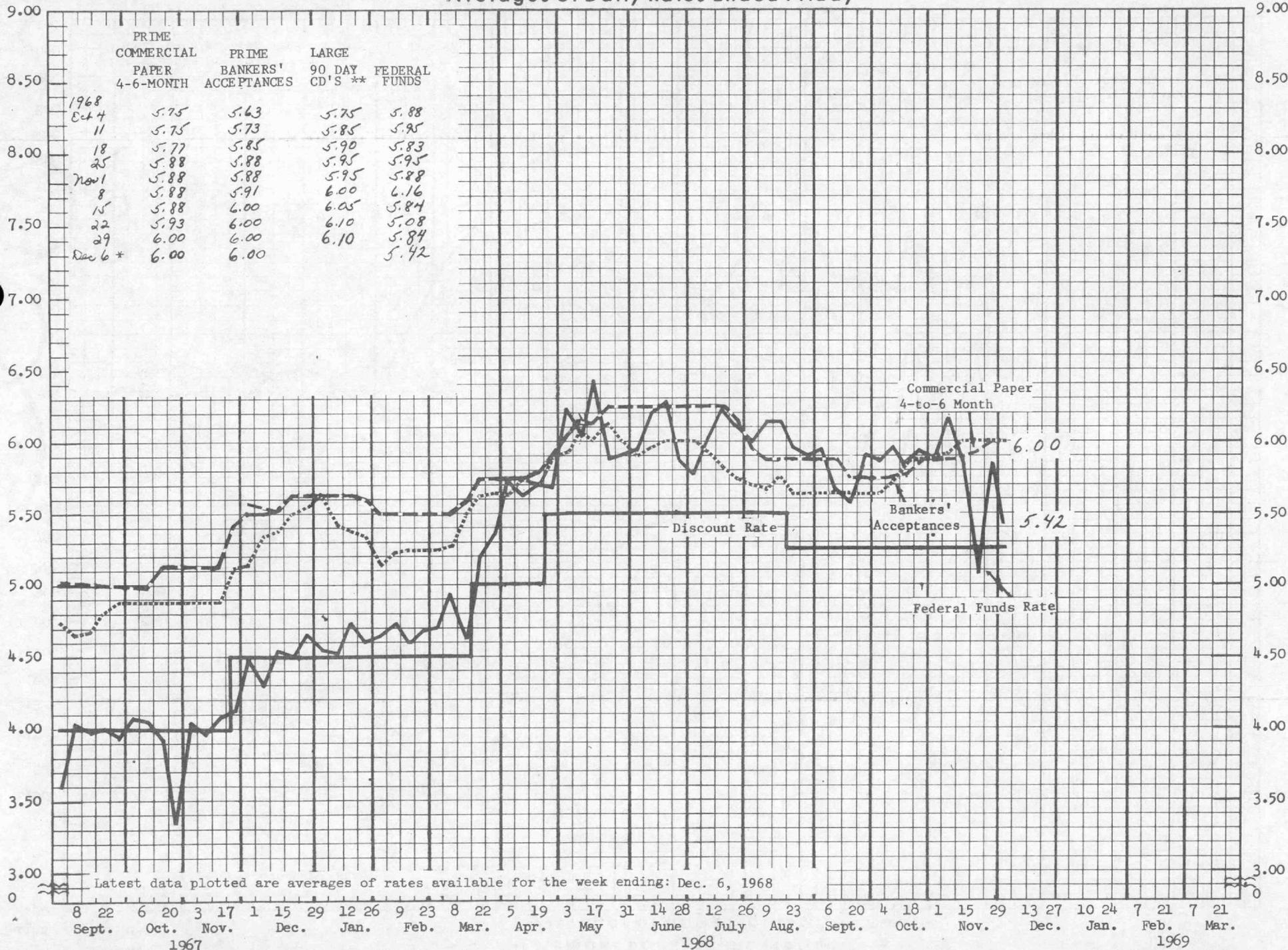
1968		3-MONTH TREAS. BILL	3-5 YEAR	LONG- TERM	CORPORATE Aaa
Oct	4	5.21	5.34	5.15	6.02
	11	5.31	5.43	5.25	6.06
	18	5.34	5.43	5.28	6.10
	25	5.40	5.43	5.24	6.13
Nov	1	5.48	5.42	5.26	6.15
	8	5.48	5.44	5.28	6.16
	15	5.42	5.47	5.33	6.15
	22	5.43	5.48	5.40	6.17
	29	5.47	5.51	5.44	6.28
Dec	6*	5.66	5.75	5.57	6.31

SELECTED SHORT-TERM INTEREST RATES

Averages of Daily Rates Ended Friday

Per Cent

Per Cent



	PRIME COMMERCIAL PAPER 4-6-MONTH	PRIME BANKERS' ACCEPTANCES	LARGE 90 DAY CD'S **	FEDERAL FUNDS
1968				
Oct 4	5.75	5.63	5.75	5.88
11	5.75	5.73	5.85	5.95
18	5.77	5.85	5.90	5.83
25	5.88	5.88	5.95	5.95
Nov 1	5.88	5.88	5.95	5.88
8	5.88	5.91	6.00	6.16
15	5.88	6.00	6.05	5.84
22	5.93	6.00	6.10	5.08
29	6.00	6.00	6.10	5.84
Dec 6 *	6.00	6.00		5.42

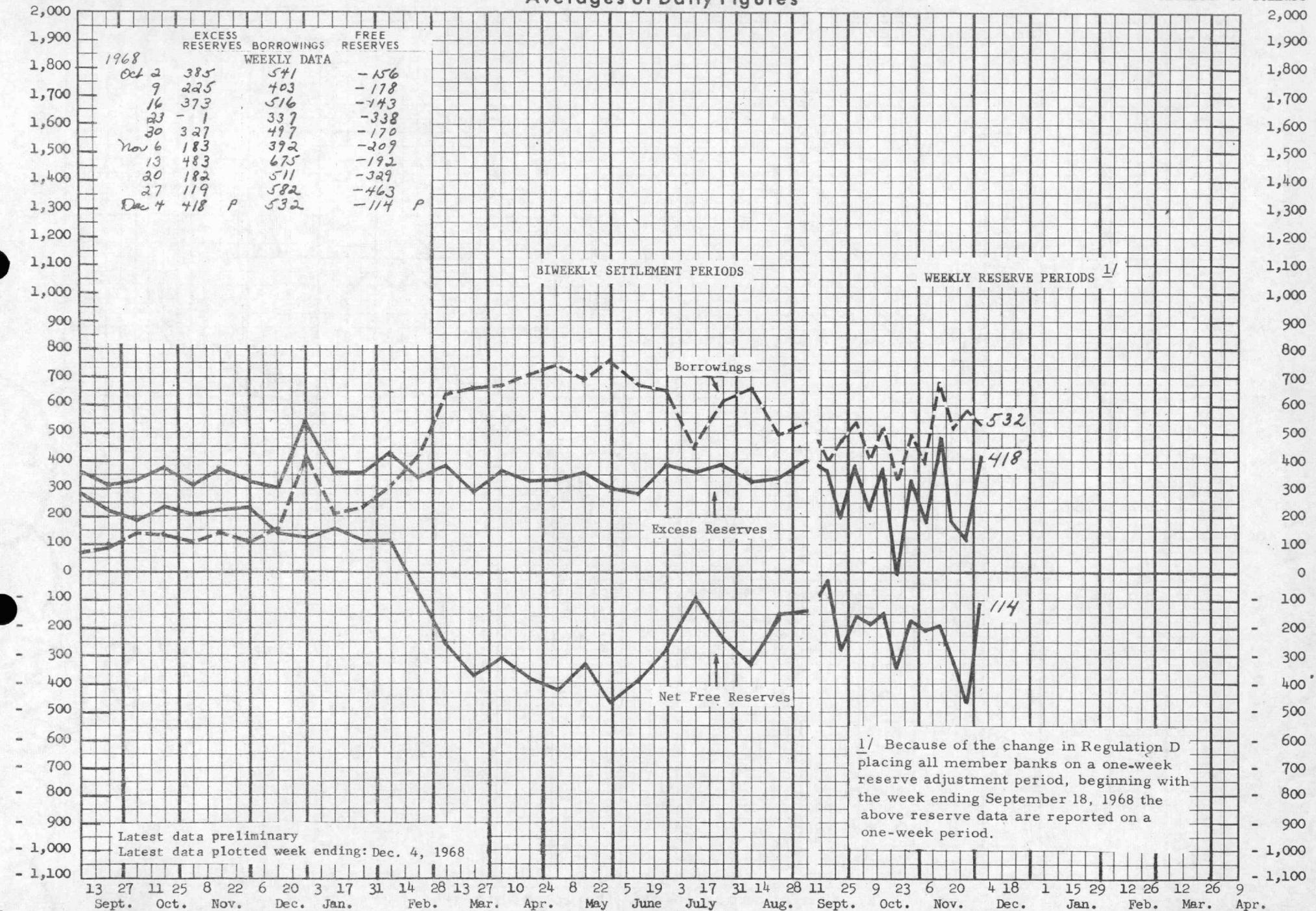
BORROWINGS AND EXCESS RESERVES

All Member Banks in the Nation

Averages of Daily Figures

Millions of Dollars

Millions of Dollars



DEMAND DEPOSIT COMPONENT OF U.S. MONEY STOCK*

Averages of Daily Figures

Seasonally Adjusted

Billions of Dollars

Billions of Dollars

