RESEARCH LIBRARY
Federal Reserve Bank
of St. Louis

U.S. FINANCIAL DATA

Week ending December 18, 1968

AUG 27 1998

Ten of the twelve Federal Reserve Banks have raised their discount rates from a level of 5-1/4 per cent to 5-1/2 per cent, nine of them effective Wednesday, December 18. This rate is the interest charged to member banks on reserves borrowed from Federal Reserve Banks. During the week ending December 18, member bank borrowed reserves averaged only $574 million, about 2.1 per cent of the $27.0 billion total reserves.

The discount rate is often compared to the prevailing interest rates on other sources of funds to banks and on earning assets available to banks. During the three days ending December 18, the Federal Funds rate, the cost of borrowing reserves in the private market, averaged 5.92 per cent, and the market rate on three-month Treasury bills averaged 5.97 per cent, nearly half of a percentage point above the increased discount rate. By comparison, from 1961 through 1967 the bill rate averaged .06 percentage points below the discount rate. Yields on three-month Treasury bills this week are the highest rates paid on these securities since they were first issued in the early thirties. The bill rate has risen a full percentage point since early August and 50 basis points in the past three weeks.

Following the increase in discount rates, major commercial banks announced an increase in the interest rate charged to prime business customers from 6-1/2 per cent to 6-3/4 per cent. This lending rate of banks had been raised from 6-1/4 per cent to 6-1/2 per cent on December 3.

Most monetary aggregates have continued to increase at very rapid rates. The money stock averaged $192.9 billion during the four weeks ending December 11, up at a 5.5 per cent annual rate in the last three months and 6.5 per cent in the past year, compared with a 2.6 per cent average annual increase from 1957 to 1967. The money stock plus time deposits has risen at an 11 per cent annual rate in the last three months and 9 per cent in the past year, compared with a 1957 to 1967 trend growth rate of 6.2 per cent. The monetary base averaged $75.7 billion during the four weeks ending December 18, up at a 6.4 per cent rate since early September. This rate is not significantly slower than the 6.5 per cent increase for the last year, but is considerably faster than the 3.3 per cent trend rate of growth from 1957 to 1967.

On balance for the last three months, Federal Reserve Credit has been about unchanged, compared with about a 9 per cent rate of increase during the previous six months and a 7.6 per cent trend rate of growth from 1957 to 1967. Since July the demand deposit component of money has risen at a 4.7 per cent annual rate, compared with a 7.8 per cent rate during the first seven months of the year.

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 20, 1968

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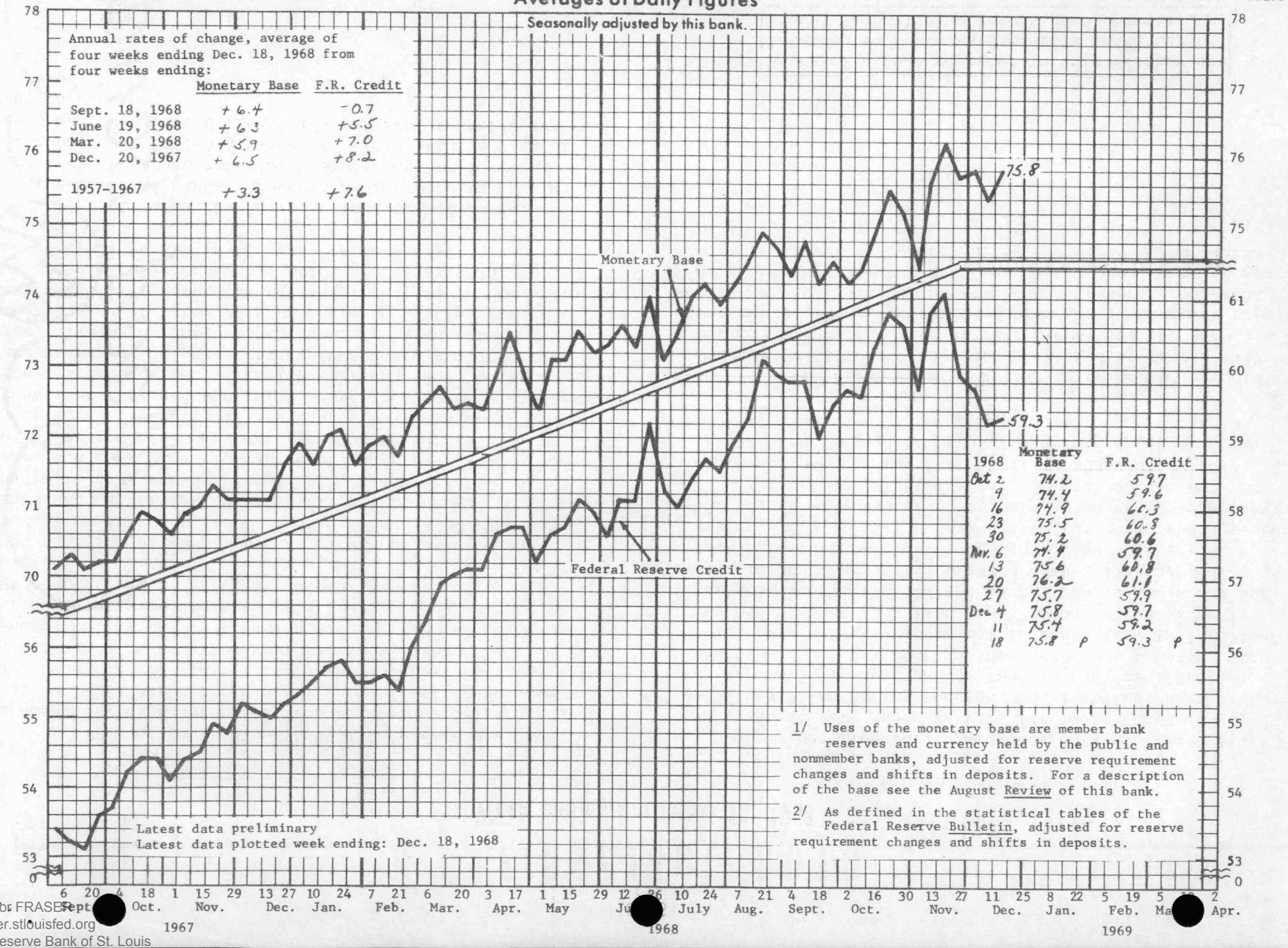
MONETARY BASE 1/
FEDERAL RESERVE CREDIT 2/
Averages of Daily Figures

Seasonally adjusted by this bank.



Annual rates of change, average of four weeks ending Dec. 18, 1968 from four weeks ending:

	Monetary Base	F.R. Credit
Sept. 18, 1968	+6.4	-0.7
June 19, 1968	+6.3	+5.5
Mar. 20, 1968	+5.9	+7.0
Dec. 20, 1967	+6.5	+8.2
1957-1967	+3.3	+7.6

1968	Monetary Base	F.R. Credit
Oct 2	74.2	59.7
9	74.4	59.6
16	74.9	60.3
23	75.5	60.8
30	75.2	60.6
Nov. 6	74.4	59.7
13	75.6	60.8
20	76.2	61.1
27	75.7	59.9
Dec 4	75.8	59.7
11	75.4	59.2
18	75.8 p	59.3 p

Latest data preliminary
Latest data plotted week ending: Dec. 18, 1968

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.

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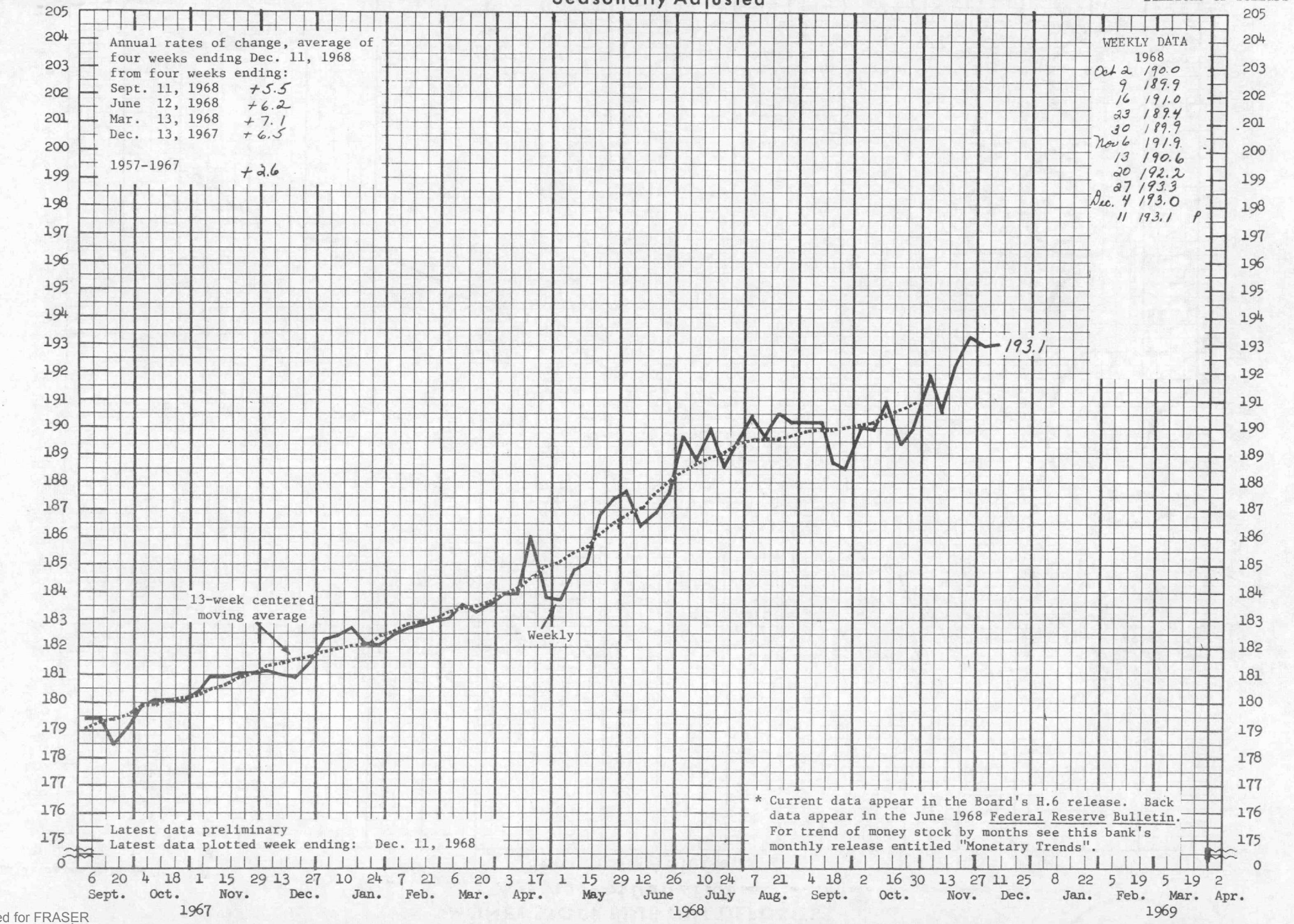
MONEY STOCK*

Averages of Daily Figures

Seasonally Adjusted



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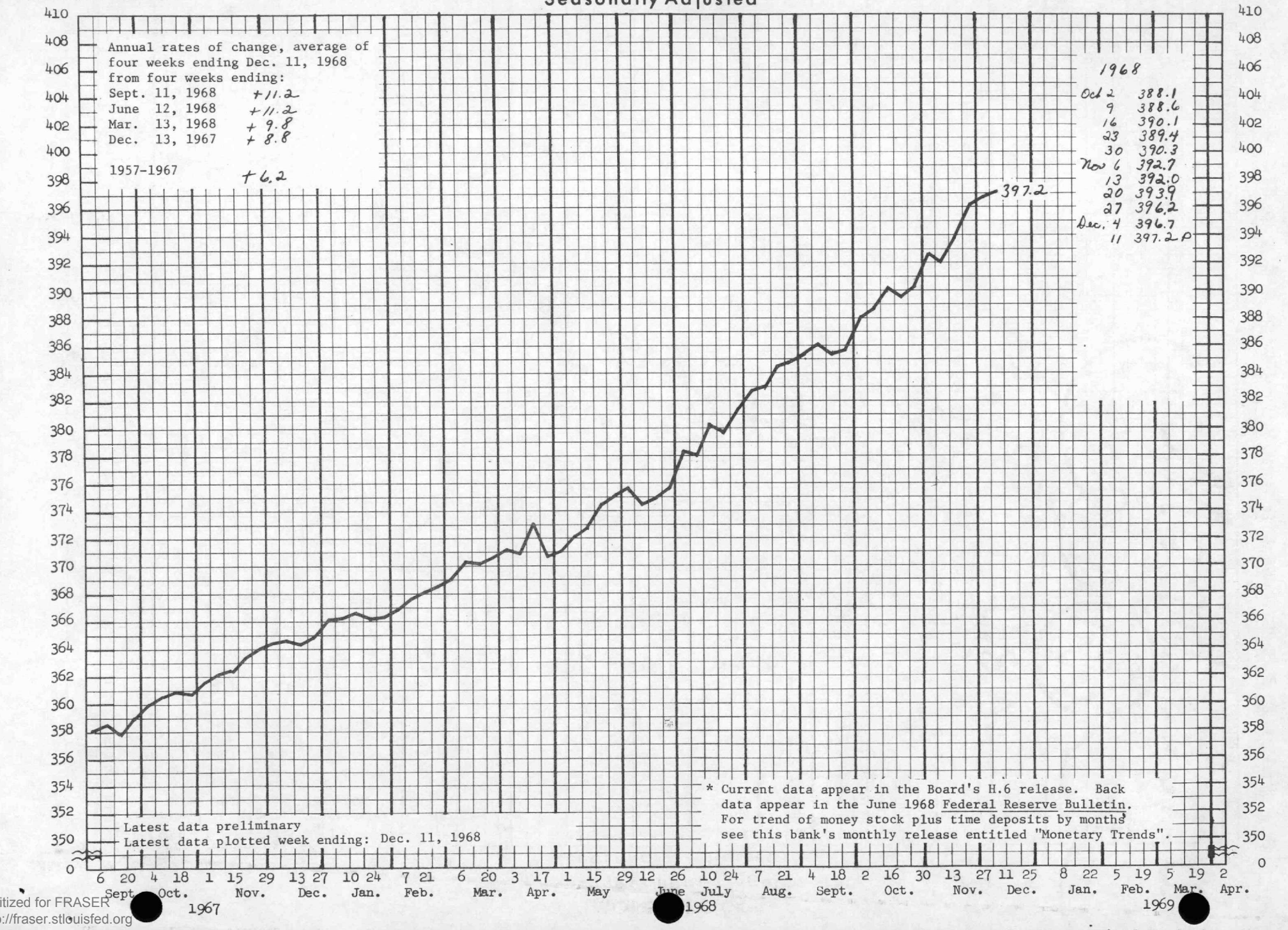
MONEY STOCK PLUS TIME DEPOSITS*
Averages of Daily Figures
Seasonally Adjusted



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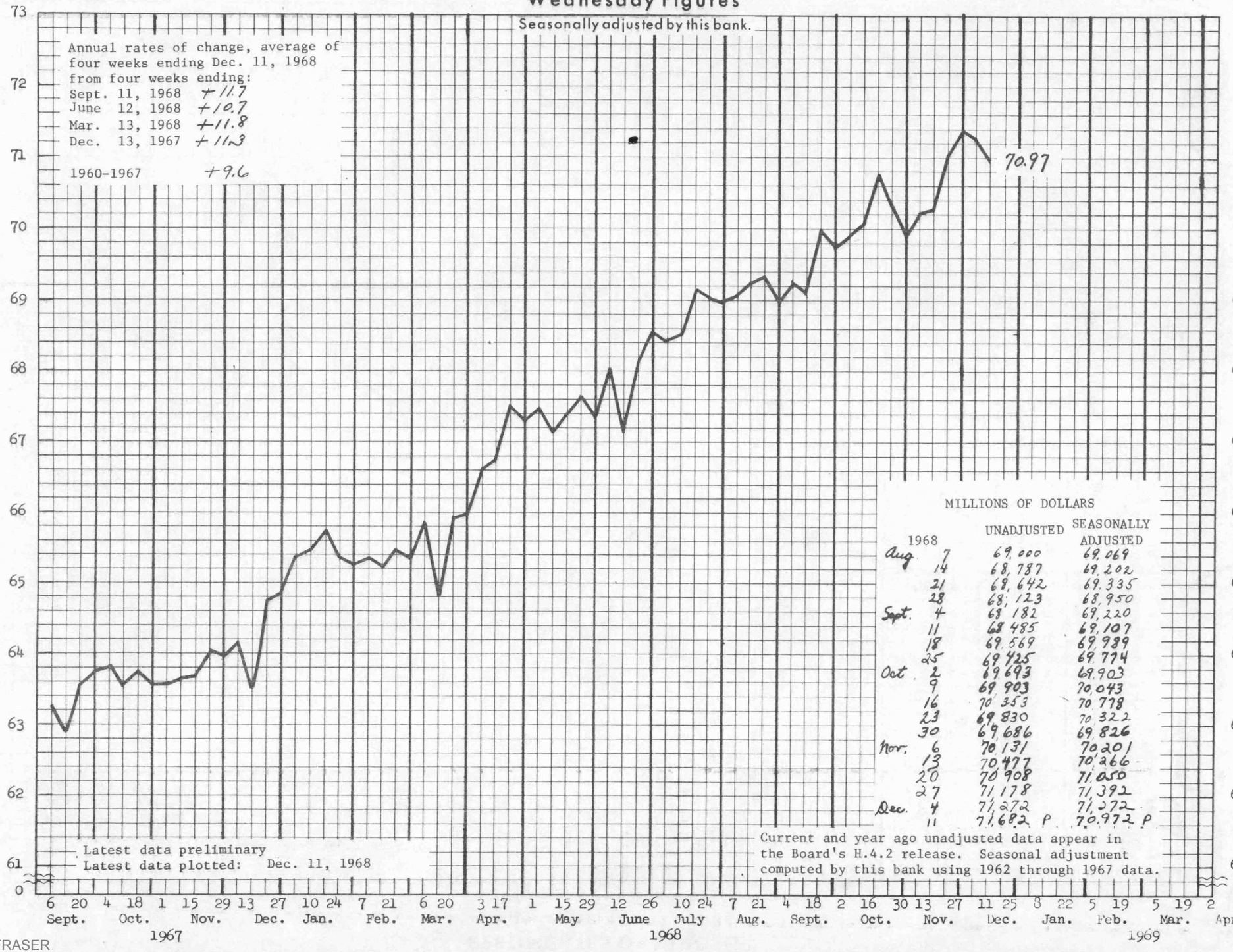
BUSINESS LOANS
Large Commercial Banks
Wednesday Figures

Billions of Dollars

Seasonally adjusted by this bank.



MILLIONS OF DOLLARS

1968		UNADJUSTED	SEASONALLY ADJUSTED
Aug.	7	69,000	69,069
	14	68,787	69,202
	21	69,642	69,335
	28	68,123	68,950
Sept.	4	68,182	69,220
	11	68,485	69,107
	18	69,569	69,989
	25	69,425	69,774
Oct.	2	69,693	69,903
	9	69,903	70,043
	16	70,353	70,778
	23	69,830	70,322
	30	69,686	69,826
Nov.	6	70,131	70,201
	13	70,477	70,266
	20	70,908	71,050
	27	71,178	71,392
Dec.	4	71,272	71,272
	11	71,682 p	70,972 p

Latest data preliminary
Latest data plotted: Dec. 11, 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.

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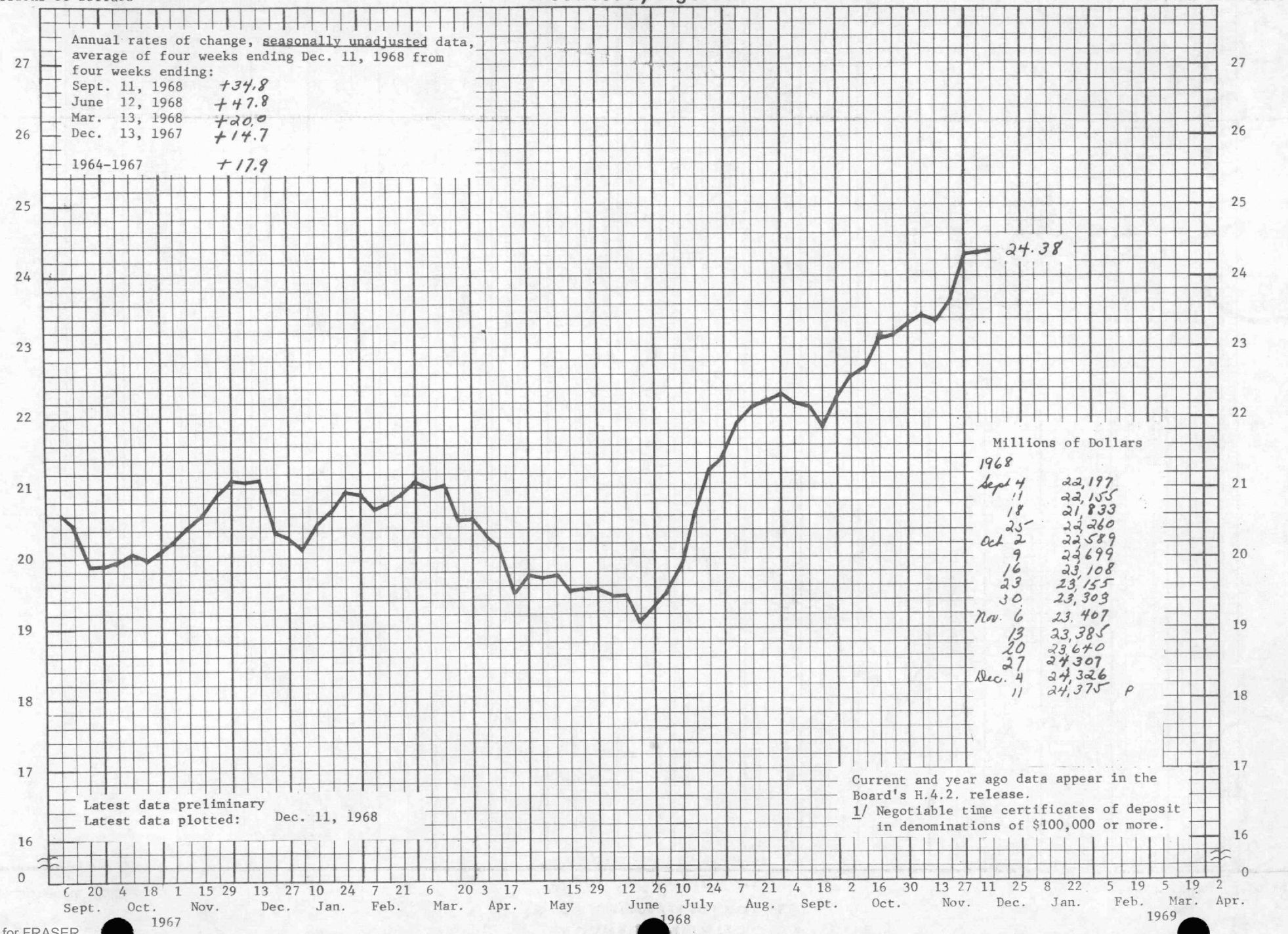
CERTIFICATES OF DEPOSIT [1]
Large Commercial Banks
Wednesday Figures



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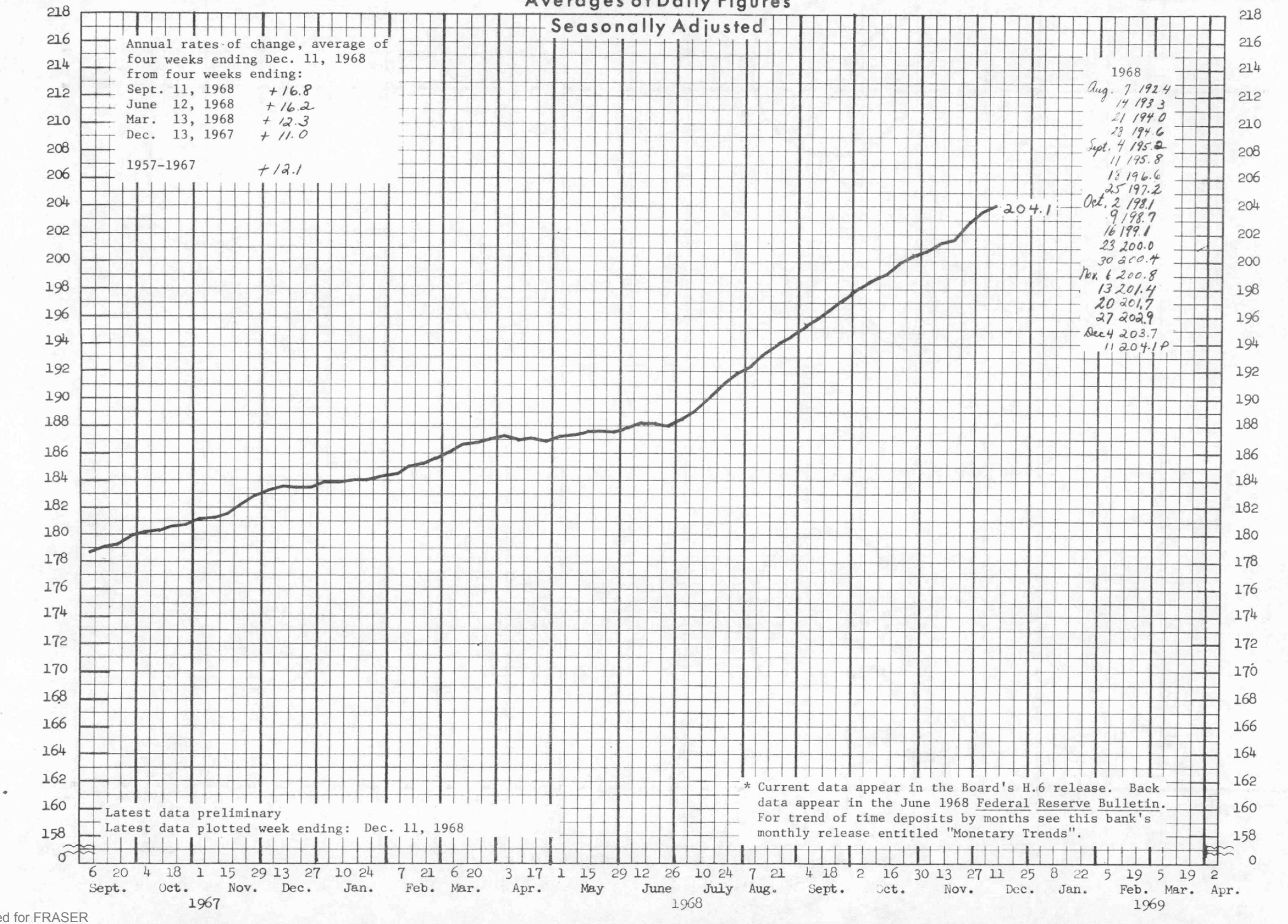
TIME DEPOSITS*
All Commercial Banks
Averages of Daily Figures
Seasonally Adjusted



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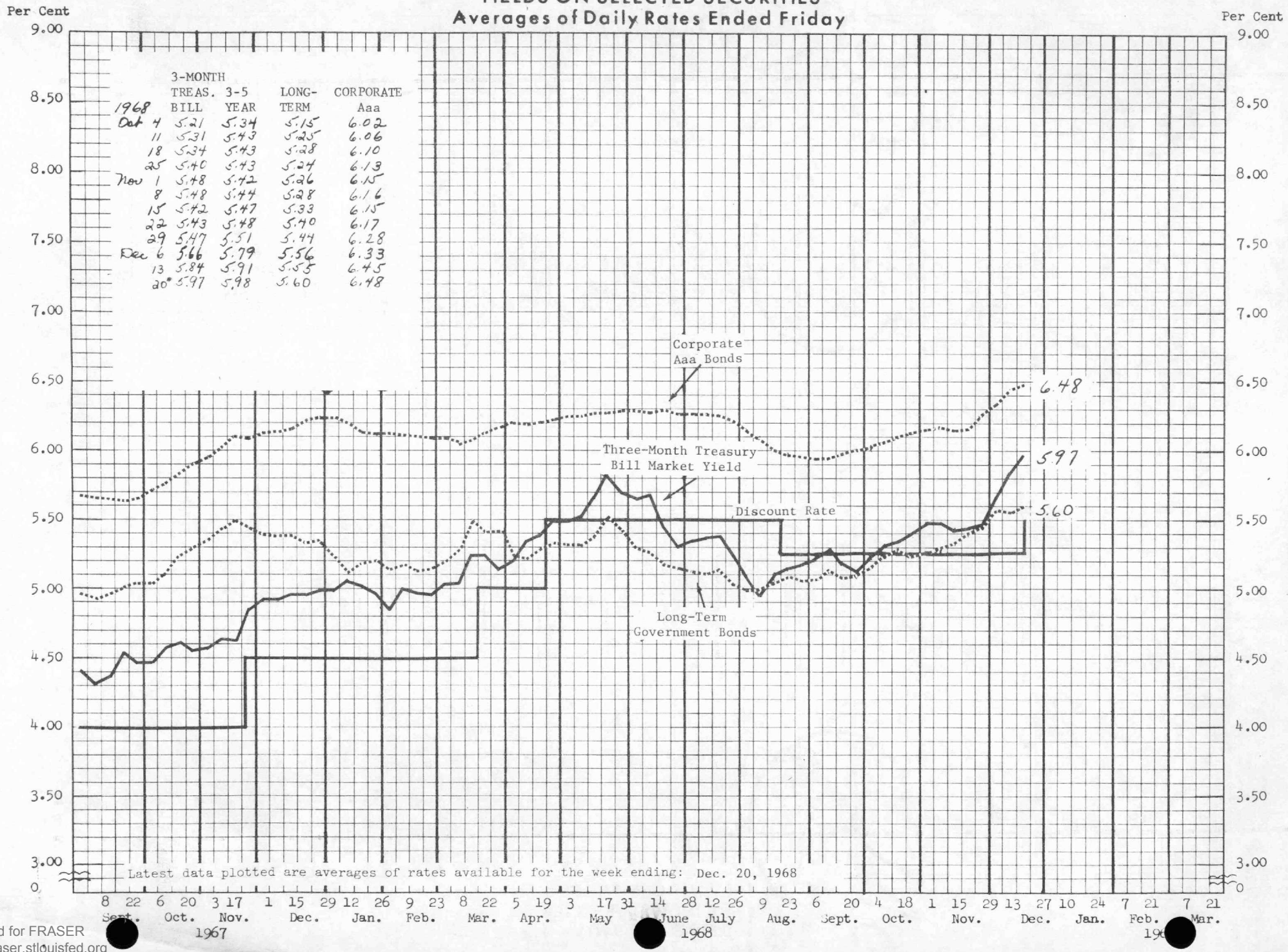
YIELDS ON SELECTED SECURITIES
Averages of Daily Rates Ended Friday



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	5.24	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	5.79	5.56	6.33
13	5.84	5.91	5.55	6.45
20*	5.97	5.98	5.60	6.48

*AVERAGES OF RATES AVAILABLE

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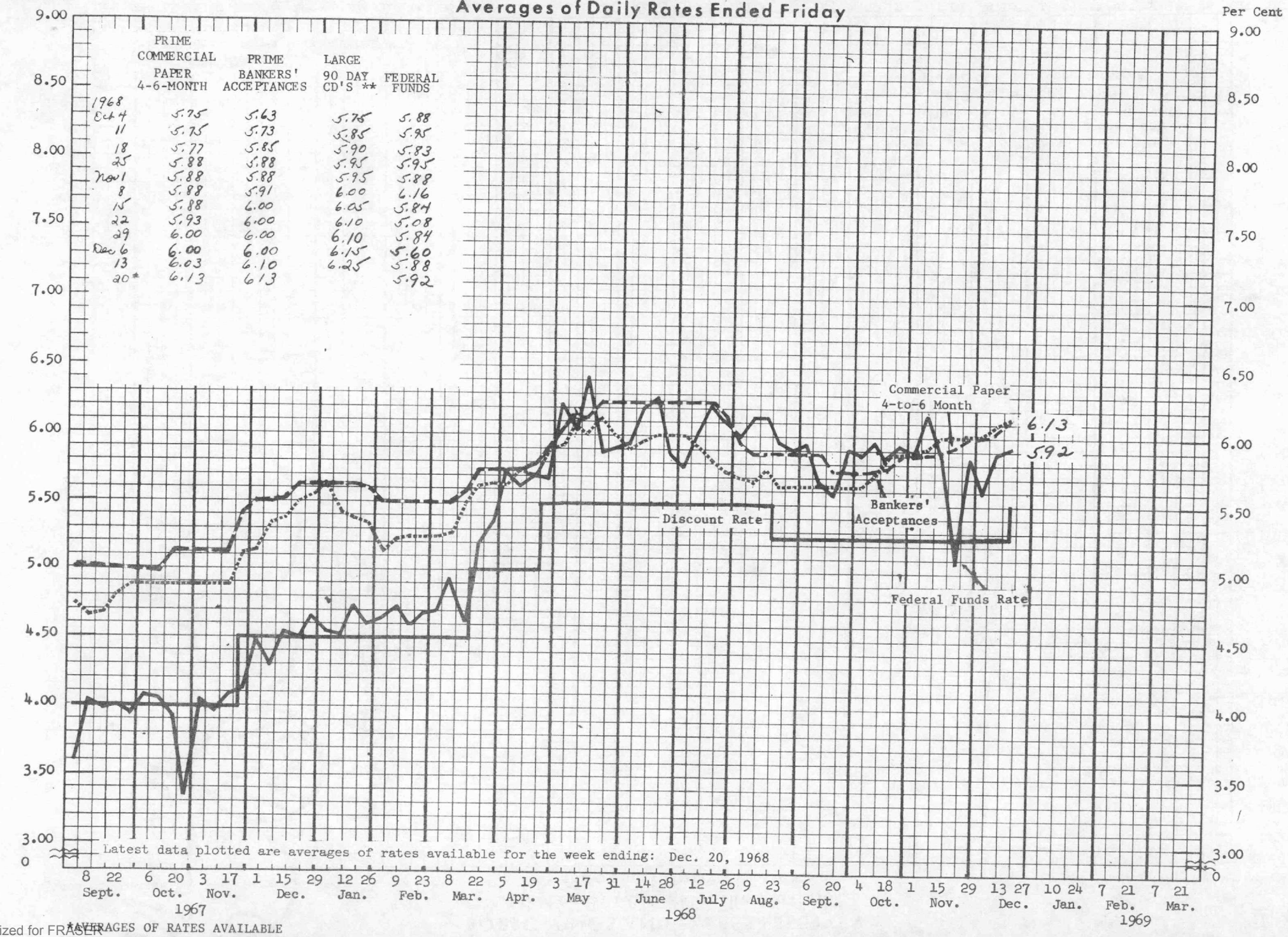
SELECTED SHORT-TERM INTEREST RATES
Averages of Daily Rates Ended Friday



	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	6.15	5.60
13	6.03	6.10	6.25	5.88
20*	6.13	6.13		5.92

*AVERAGES OF RATES AVAILABLE
**SOURCE: SALOMON BROTHERS AND HUTZLER
SECONDARY MARKET RATE ON 90-DAY PRIME CD'S.

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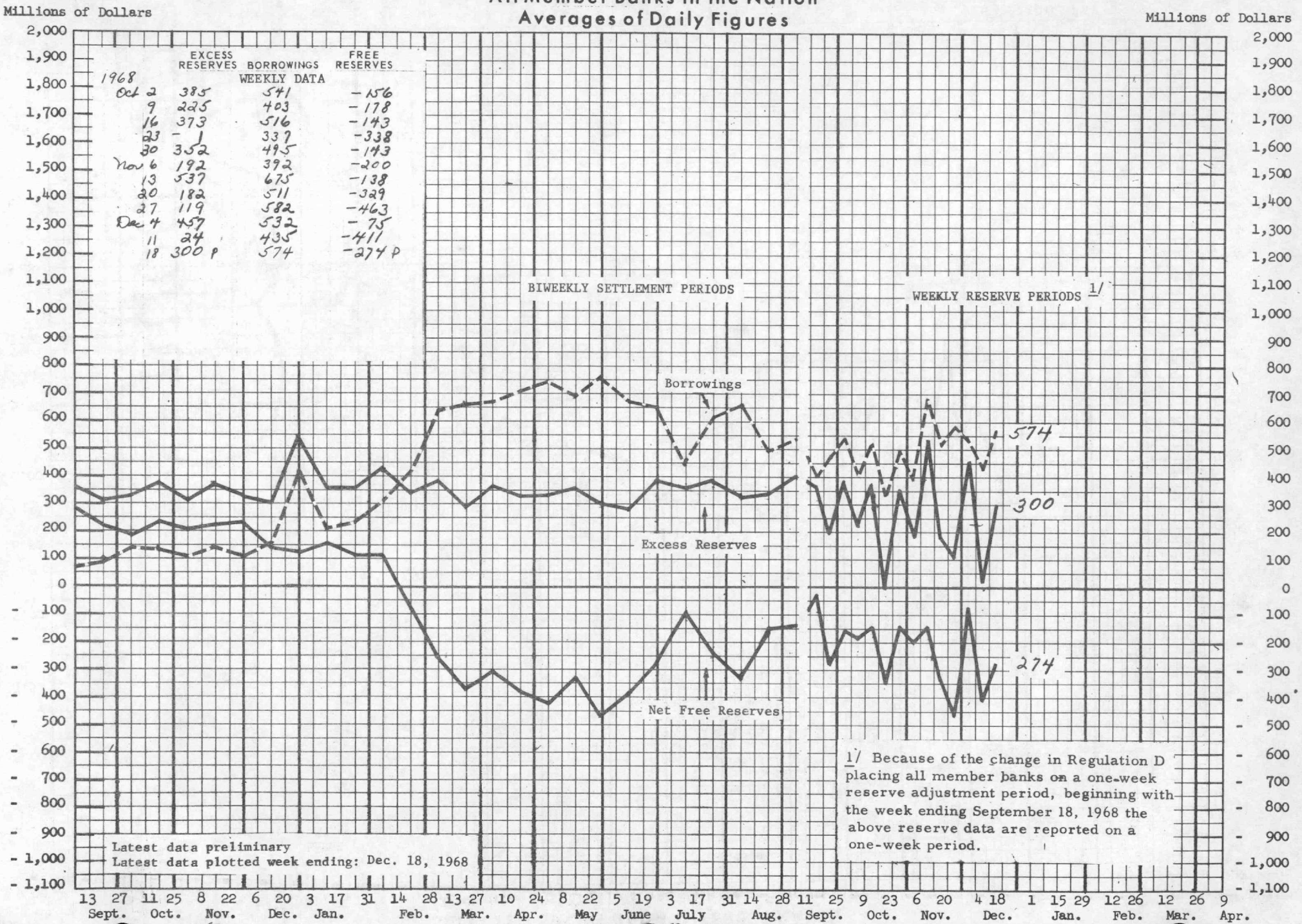
BORROWINGS AND EXCESS RESERVES
All Member Banks in the Nation
Averages of Daily Figures



1968	EXCESS RESERVES	BORROWINGS	FREE RESERVES
	WEEKLY DATA		
Oct 2	385	541	-156
9	225	403	-178
16	373	516	-143
23	-1	337	-338
30	352	495	-143
Nov 6	192	392	-200
13	537	675	-138
20	182	511	-329
27	119	582	-463
Dec 4	457	532	-75
11	24	435	-411
18	300 p	574	-274 p

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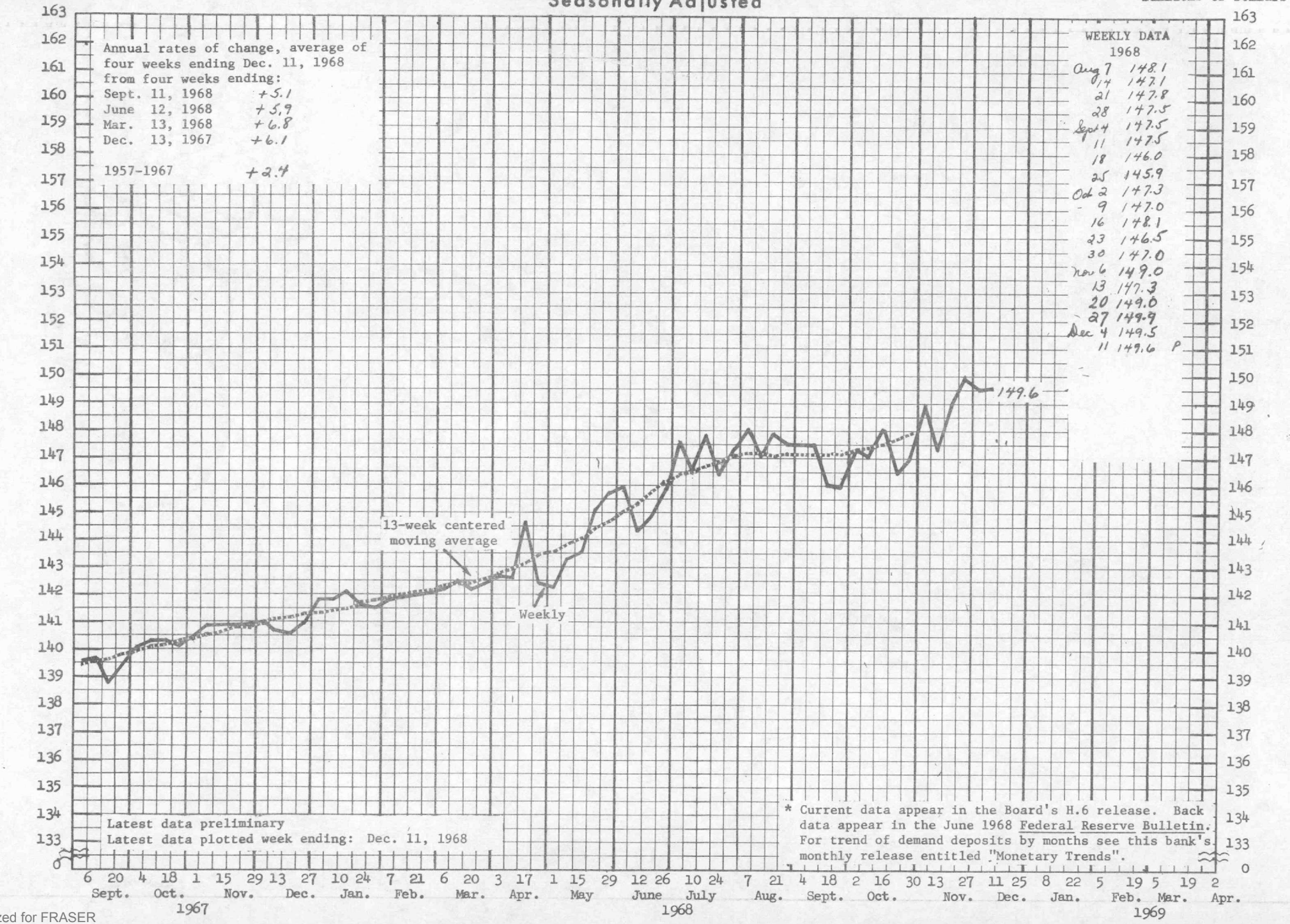
DEMAND DEPOSIT COMPONENT OF U.S. MONEY STOCK*

Averages of Daily Figures

Seasonally Adjusted



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