In the last three months the money stock (page 3) has advanced at a rapid 7.6 per cent annual rate. In the same period, the demand deposit component of money (page 11) has also risen at a 7.6 per cent rate. These rapid rates reflect partly the relatively low levels of these measures three months ago and marked rises in November. Since last July, money has increased at a 4.7 per cent rate and the demand deposit component at a 4 per cent rate. During the entire year of 1968 money grew 6.6 per cent, more than twice as fast as the 2.6 per cent trend rate from 1957 to 1967. The monetary base (page 2), which largely determines the trend growth of money, has continued to rise at a rapid 7 per cent annual rate since September.

Federal Reserve credit, as customarily defined and measured, increased little during the last three months (page 2). However, Federal Reserve credit adjusted to include "Other Federal Reserve Accounts" has increased at a 7 per cent annual rate during the last three months. "Other Federal Reserve Accounts" consist primarily of assets denominated in foreign currencies. Recently the increase in these holdings has been important in supplying reserve funds.

Market interest rates (pages 8 and 9), which have increased since August, recently reached record high levels. Yields on three-month Treasury bills averaged 7.20 per cent this week compared with about 5 per cent in August. Yields on long-term Government securities were 5.72 per cent, up from about 5 per cent in August, and yields on highest grade corporate bonds averaged 6.55 per cent, compared with about 6 per cent in August.

In mid-December the interest rate charged member banks on borrowings from Federal Reserve banks was raised from 5% to 5½ per cent, a much smaller rise than the recent increases in interest rates on most market securities. Market interest rates were already rising rapidly before the Federal Reserve discount rate was raised, and continued upward about as rapidly afterward.

Borrowings from Reserve banks (page 10) averaged $917 million during the last three weeks compared with an average of $504 million from September through November. The increase in these borrowings is in part a reflection of the increase of market rates relative to the discount rate. The growth of these borrowings considered alone may contribute to monetary ease—not tightness—unless this influence is offset by fewer Federal Reserve purchases of government securities than otherwise would have been.

The outstanding volume of large negotiable certificates of deposit at large commercial banks (page 6) has declined since early December, partly because of seasonal run-offs and the inability of banks to offer competitive yields due to Regulation Q ceilings. Total time deposits at commercial banks averaged $204.6 billion during the week ending December 25 and show a 16 per cent annual rate of increase during the past three months.
Annual rates of change, average of
four weeks ending Jan. 1, 1969 from
four weeks ending:

<table>
<thead>
<tr>
<th>Date</th>
<th>Monetary Base</th>
<th>F.R. Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct. 2, 1968</td>
<td>+7.0</td>
<td>+0.4</td>
</tr>
<tr>
<td>July 3, 1968</td>
<td>+6.3</td>
<td>+3.9</td>
</tr>
<tr>
<td>Apr. 3, 1968</td>
<td>+6.1</td>
<td>+5.9</td>
</tr>
<tr>
<td>Jan. 3, 1968</td>
<td>+6.2</td>
<td>+8.0</td>
</tr>
<tr>
<td>1957-1967</td>
<td>+3.3</td>
<td>+7.6</td>
</tr>
</tbody>
</table>

 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.

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

Annual rates of change, average of four weeks ending Dec. 25, 1968 from four weeks ending:
Sept. 25, 1968 +7.6
June 26, 1968 +6.2
Mar. 27, 1968 +7.0
Dec. 27, 1967 +6.6

1957-1967 +2.6

Latest data plotted week ending: Dec. 25, 1968

13-week centered moving average

WEEKLY DATA
1968
Oct. 2 1968 7 189.9
19 191.0
30 194.9
Nov. 6 191.9
Dec. 4 193.0

* 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".

Prepared by Federal Reserve Bank of St. Louis

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Federal Reserve Bank of St. Louis
MONEY STOCK PLUS TIME DEPOSITS
Averages of Daily Figures
Seasonally Adjusted

Billions of Dollars

1968

Annual rates of change, average of
four weeks ending Dec. 25, 1968
from four weeks ending:
Sept. 25, 1968 + 12.0
June 26, 1968 + 11.7
Mar. 27, 1968 + 9.8
Dec. 27, 1967 + 8.9

1957-1967 + 6.2

Latest data plotted week ending: Dec. 25, 1968

* Current data appear in the Board's H.6 release. Back
For trend of money stock plus time deposits by month,
see this bank's monthly release entitled "Monetary Trends".
BUSINESS LOANS
Large Commercial Banks
Wednesday Figures

Seasonally adjusted by this bank.

Annual rates of change, average of four weeks ending Dec. 25, 1968 from four weeks ending:
Sept. 25, 1968 + 11.2%
June 26, 1968 + 11.2%
Mar. 27, 1968 + 14.0%
Dec. 27, 1967 + 11.2%
1960-1967 + 9.6%

Latest data preliminary
Latest data plotted: Dec. 25, 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
Billions of Dollars

CERTIFICATES OF DEPOSIT
Large Commercial Banks
Wednesday Figures

Annual rates of change, seasonally unadjusted data, average of four weeks ending Dec. 23, 1968 from four weeks ending:
- Sept. 25, 1968 +3.0
- June 26, 1968 +4.7
- Mar. 27, 1968 +4.0
- Dec. 27, 1967 +4.3
- 1964-1967 +17.9

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.
All Commercial Banks

Averages of Daily Figures

Seasonally Adjusted

Annual rates of change, average of four weeks ending Dec. 25, 1968 from four weeks ending:
- Sept. 25, 1968 +16.3
- June 26, 1968 +17.1
- Mar. 27, 1968 +13.4
- Dec. 27, 1967 +11.3

1957-1967 +12.1

Latest data preliminary
Latest data plotted week ending: Dec. 25, 1968

For trend of time deposits by months see this bank's monthly release entitled "Monetary Trends".
YIELDS ON SELECTED SECURITIES
Averages of Daily Rates Ended Friday

Per Cent

3-MONTH
TREAS. 3-5
BILL YEAR
TERM
Long-
Corporate

Jan. 3, 1969

Corporate
Aaa Bonds

Three-Month Treasury
Bill Market Yield

Discount Rate

Long-Term
Government Bonds

Latest data plotted are averages of rates available for the week ending: Jan. 3, 1969.
### SELECTED SHORT-TERM INTEREST RATES

Averages of Daily Rates Ended Friday

<table>
<thead>
<tr>
<th>Prime</th>
<th>Commercial Paper 4-6 Month</th>
<th>Prime Bankers' Acceptances</th>
<th>LARGE 90 Day CD's</th>
<th>Federal Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRIME</td>
<td>5.75</td>
<td>5.63</td>
<td>5.45</td>
<td>5.88</td>
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<tr>
<td>20</td>
<td>5.61</td>
<td>5.73</td>
<td>5.65</td>
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<td>18</td>
<td>5.77</td>
<td>5.85</td>
<td>5.74</td>
<td>5.95</td>
</tr>
<tr>
<td>12</td>
<td>5.88</td>
<td>5.88</td>
<td>5.84</td>
<td>5.95</td>
</tr>
<tr>
<td>6</td>
<td>5.88</td>
<td>5.91</td>
<td>6.00</td>
<td>6.16</td>
</tr>
<tr>
<td>3</td>
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<td>5.93</td>
<td>6.00</td>
<td>6.08</td>
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<tr>
<td>1</td>
<td>5.93</td>
<td>6.00</td>
<td>6.00</td>
<td>5.84</td>
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<td>3</td>
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<td>6.10</td>
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<td>6.15</td>
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<td>6.03</td>
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<td>1</td>
<td>6.25</td>
<td>6.47</td>
<td>6.75</td>
<td>5.67</td>
</tr>
</tbody>
</table>

Latest data plotted are averages of rates available for the week ending: Jan. 3, 1969

Source: Salomon Brothers and Hutzler

Secondary market rate on 90-day Prime CD’s.

Prepared by Federal Reserve Bank of St. Louis

http://fraser.stlouisfed.org
BORROWINGS AND EXCESS RESERVES
All Member Banks in the Nation
Averages of Daily Figures

Millions of Dollars

<table>
<thead>
<tr>
<th>Date</th>
<th>Borrowings</th>
<th>Excess Reserves</th>
<th>Net Free Reserves</th>
</tr>
</thead>
<tbody>
<tr>
<td>1968</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oct  2</td>
<td>385</td>
<td>591</td>
<td>-156</td>
</tr>
<tr>
<td>9</td>
<td>225</td>
<td>463</td>
<td>-178</td>
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<tr>
<td>16</td>
<td>373</td>
<td>516</td>
<td>-283</td>
</tr>
<tr>
<td>23</td>
<td>1</td>
<td>337</td>
<td>-338</td>
</tr>
<tr>
<td>Nov  5</td>
<td>352</td>
<td>495</td>
<td>-143</td>
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<tr>
<td>15</td>
<td>537</td>
<td>675</td>
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<tr>
<td>20</td>
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<td>573</td>
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<tr>
<td>27</td>
<td>185</td>
<td>583</td>
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<tr>
<td>Dec  4</td>
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<tr>
<td>11</td>
<td>445</td>
<td>436</td>
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<td>18</td>
<td>332</td>
<td>574</td>
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<tr>
<td>1969</td>
<td>337</td>
<td>859</td>
<td>-472</td>
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<tr>
<td>Jan  1</td>
<td>830</td>
<td>1318</td>
<td>-488</td>
</tr>
</tbody>
</table>

BIWEEKLY SETTLEMENT PERIODS

WEEKLY RESERVE PERIODS

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 week ending: Jan. 1, 1969

Prepared by Federal Reserve Bank of St. Louis

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

<table>
<thead>
<tr>
<th>Billions of Dollars</th>
<th>Weekly Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan. 1968</td>
<td>141.1</td>
</tr>
<tr>
<td>Feb. 1968</td>
<td>142.6</td>
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<tr>
<td>Mar. 1968</td>
<td>144.1</td>
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<td>Apr. 1968</td>
<td>146.6</td>
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<td>May 1968</td>
<td>148.1</td>
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<tr>
<td>Jun. 1968</td>
<td>149.6</td>
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<td>Jul. 1968</td>
<td>151.1</td>
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<td>Aug. 1968</td>
<td>152.6</td>
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<td>Sep. 1968</td>
<td>154.1</td>
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<td>Oct. 1968</td>
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<tr>
<td>Nov. 1968</td>
<td>157.1</td>
</tr>
<tr>
<td>Dec. 1968</td>
<td>158.6</td>
</tr>
</tbody>
</table>

Latest data preliminary  
Latest data plotted week ending: Dec. 25, 1968

Annual rates of change, average of four weeks ending Dec. 25, 1968:
- Sept. 25, 1968 + 2.6
- June 26, 1968 + 5.9
- Mar. 27, 1968 + 6.7
- Dec. 27, 1967 + 6.2

1957-1967: + 2.4

13-week centered moving average


Prepared by Federal Reserve Bank of St. Louis