U.S. FINANCIAL DATA

Week ending January 15, 1969

Rapid monetary expansion, which began in early 1967, has continued in most recent periods. In the last six months the money stock has risen at a 5.7 per cent annual rate (page 3), almost as fast as the 6.5 per cent rate during the previous year and a half. The monetary base, which by one view largely determines the trend growth of money, has increased at a 7.3 per cent rate since early July (page 2), similar to the 6 per cent rate during the previous 18 months and more than twice as fast as the 3.3 per cent trend rate from 1957 to 1967.

Growth of Federal Reserve credit, traditionally defined as System holdings of securities, discounts and advances, and float, has slowed in recent months (page 2). However, Federal Reserve credit defined to include "Other Federal Reserve Accounts"[1/] and the above items, has continued to increase rapidly at a 9.3 per cent annual rate in the last three months. (The dotted line on page 2 shows Federal Reserve credit including "Other Federal Reserve Accounts.") Assets denominated in foreign currencies are the largest item in "Other Federal Reserve Accounts." A large increase in these assets since late November has been an important factor supplying reserve funds and has offset some of the declines in other components of Federal Reserve credit.

The money stock, the monetary base, and Federal Reserve credit have shown continued net increases since the discount rate was raised effective December 18. Even money plus time deposits (page 4) and credit at large commercial banks have increased in spite of disintermediation facilitated by Regulation Q.

In addition to rapid increases in money and other monetary aggregates, the intensity of money use as measured by income velocity (GNP divided by money stock) has increased since early 1967. This velocity of money was 4.63 in the fourth quarter of 1968 and 4.59 in the third quarter, compared with 4.49 in the first quarter of 1967 (page 12).

Market interest rates, after rising sharply from late November to late December, have remained at high levels (pages 8 and 9). During the three days ending January 15, yields on three-month Treasury bills averaged 6.14 per cent, compared with 5.47 per cent in late November and about 5 per cent in August.

Regulation Q limitations on maximum interest rates commercial banks may pay on time deposits have recently prevented banks from offering rates competitive with those on other market instruments. Consequently, commercial banks have lost large certificates of deposit since early December (page 6), and total time deposits have declined since late December (page 7). Since the decline of time deposits reflects the increased relative attractiveness of alternative financial channels, for example the commercial paper market, it does not necessarily mean restriction of total credit in the economy. Indeed, a decline of time deposits releases reserves which may contribute to monetary expansion.

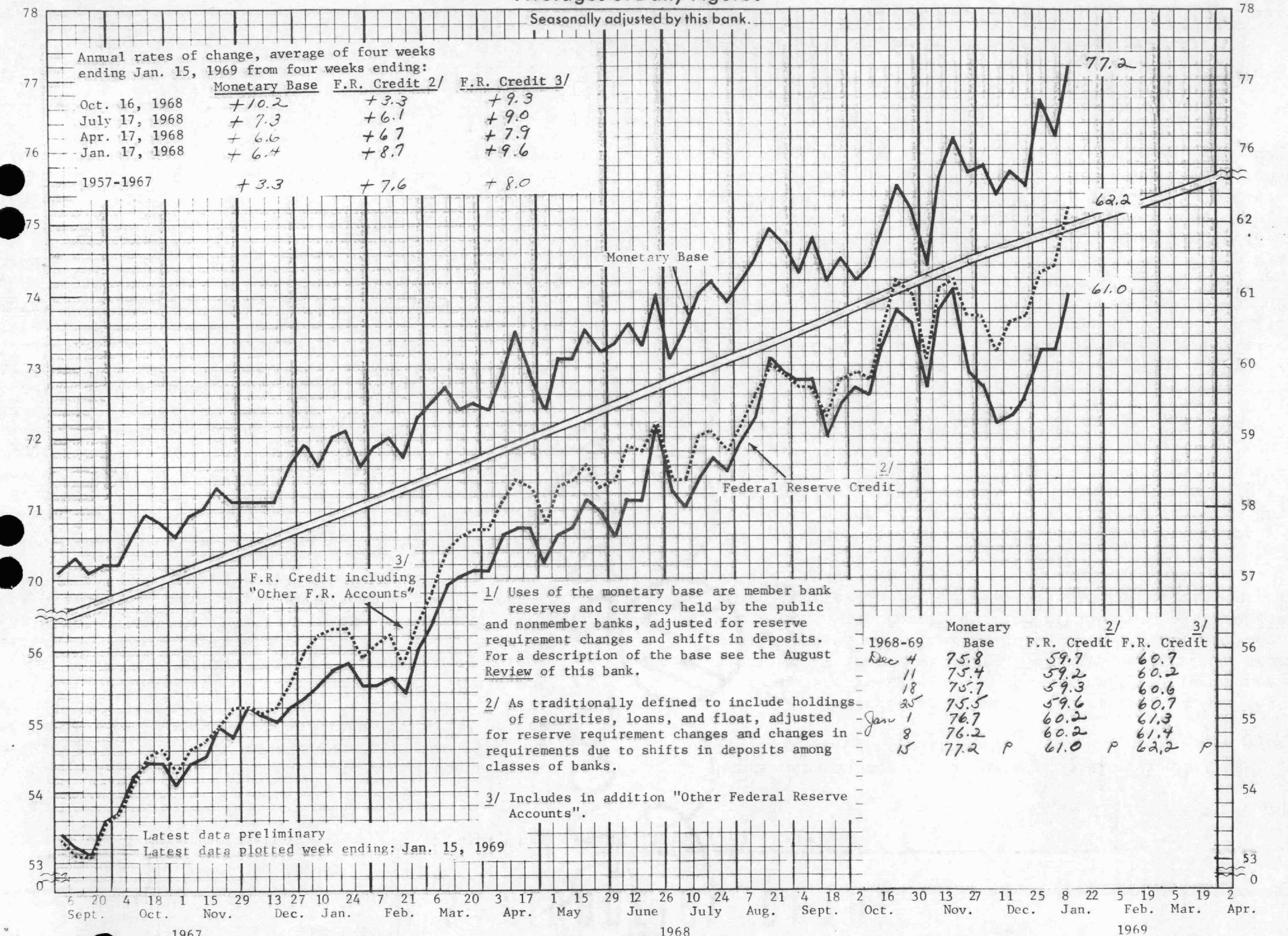
1/ See page A-4 in the statistical tables of the Federal Reserve Bulletin.

> 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: January 17, 1969

MONETARY BASE 1/
FEDERAL RESERVE CREDIT
Averages of Daily Figures

Seasonally adjusted by this bank.



Annual rates of change, average of four weeks ending Jan. 15, 1969 from four weeks ending:

	Monetary Base	F.R. Credit 2/	F.R. Credit 3/
Oct. 16, 1968	+10.2	+3.3	+9.3
July 17, 1968	+ 7.3	+6.1	+9.0
Apr. 17, 1968	+ 6.6	+6.7	+ 7.9
Jan. 17, 1968	+ 6.4	+8.7	+9.6
1957-1967	+ 3.3	+ 7.6	+ 8.0

1968-69	Monetary Base	2/ F.R. Credit	3/ F.R. Credit
Dec 4	75.8	59.7	60.7
11	75.4	59.2	60.2
18	75.7	59.3	60.6
25	75.5	59.6	60.7
Jan 1	76.7	60.2	61.3
8	76.2	60.2	61.4
15	77.2 P	61.0 P	62.2 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.

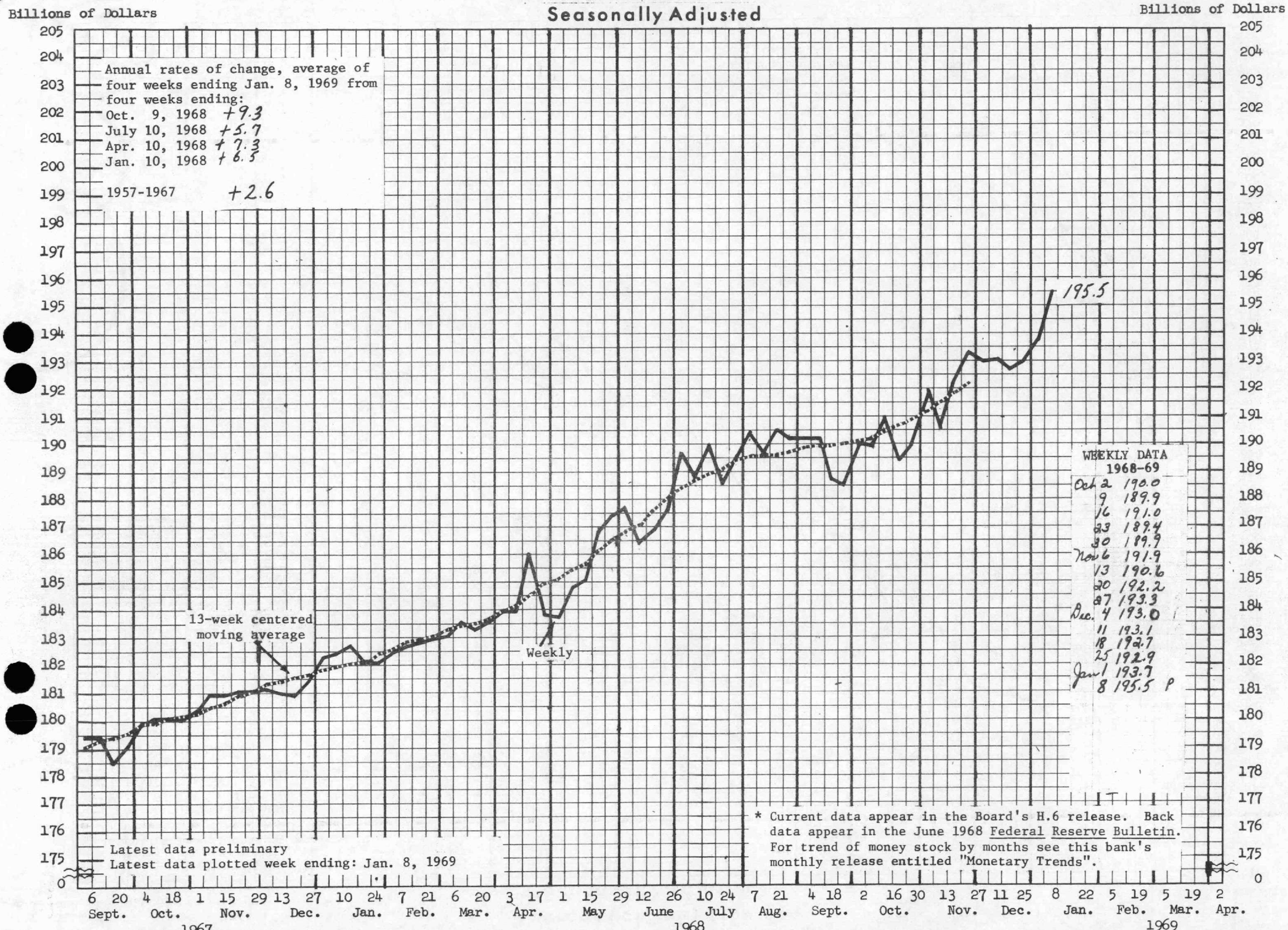
2/ As traditionally defined to include holdings of securities, loans, and float, adjusted for reserve requirement changes and changes in requirements due to shifts in deposits among classes of banks.

3/ Includes in addition "Other Federal Reserve Accounts".

Latest data preliminary

Latest data plotted week ending: Jan. 15, 1969

MON STOCK*
Averages of Daily Figures
Seasonally Adjusted



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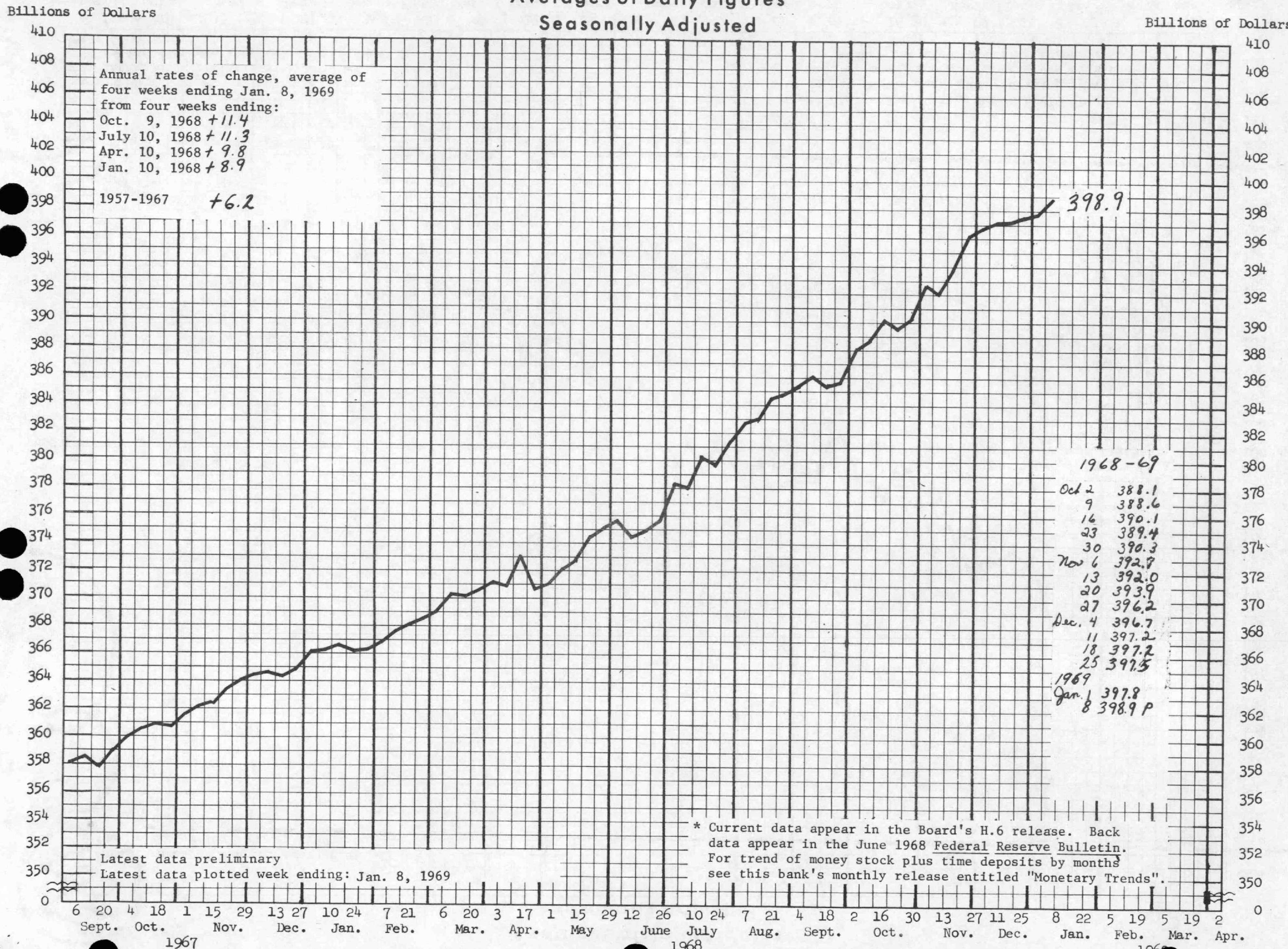
MONEY STOCK PLUS TIME DEPOSITS*
Averages of Daily Figures
Seasonally Adjusted



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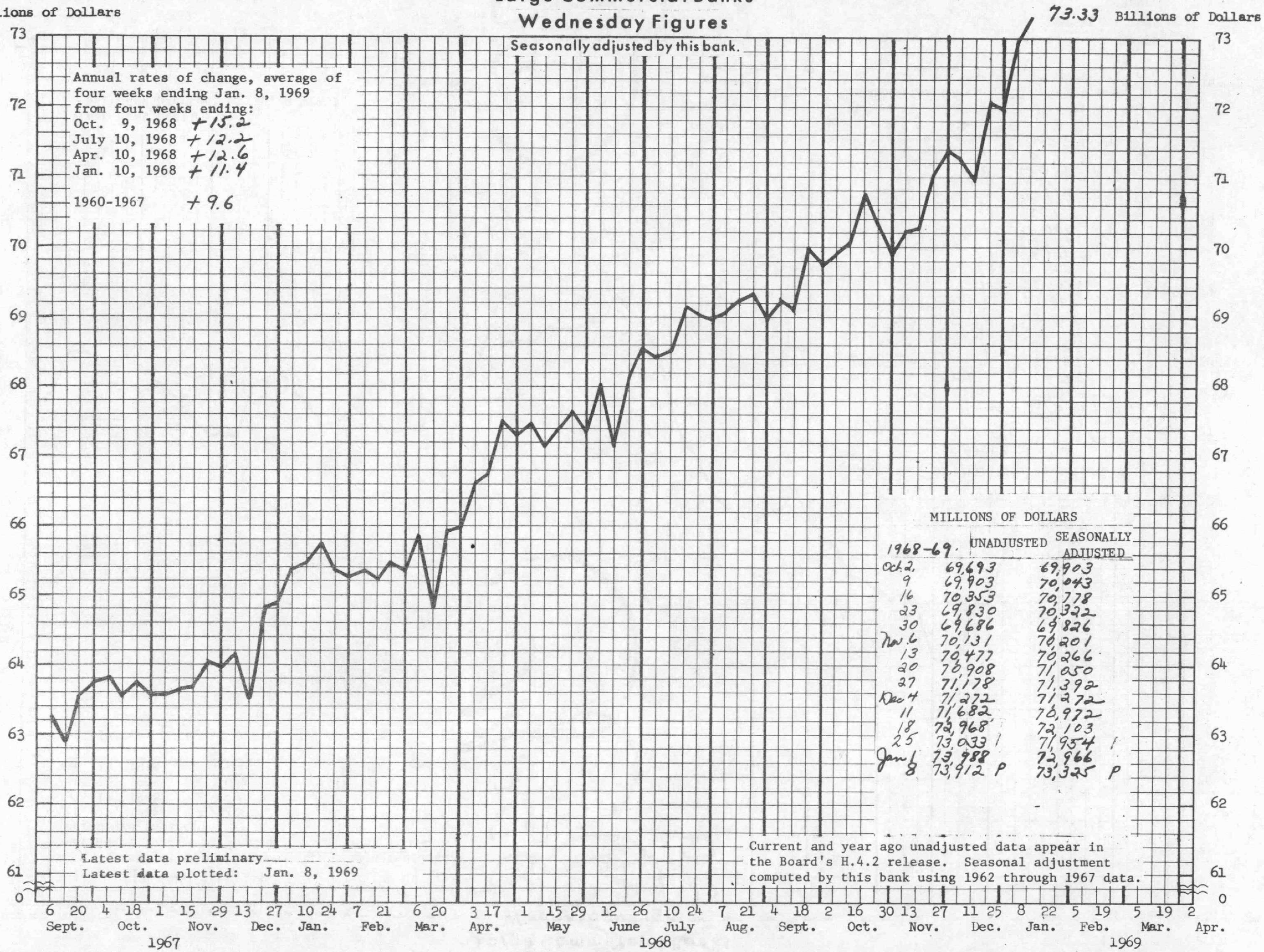
BUSINESS LOANS
Large Commercial Banks
Wednesday Figures

Seasonally adjusted by this bank.



Annual rates of change, average of four weeks ending Jan. 8, 1969 from four weeks ending:

Oct. 9, 1968	+15.2
July 10, 1968	+12.2
Apr. 10, 1968	+12.6
Jan. 10, 1968	+11.4
1960-1967	+9.6

MILLIONS OF DOLLARS

1968-69.	UNADJUSTED	SEASONALLY ADJUSTED
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	70,972
18	72,968	72,103
25	73,033 /	71,954 /
Jan 1	73,988	72,966
8	73,912 P	73,325 P

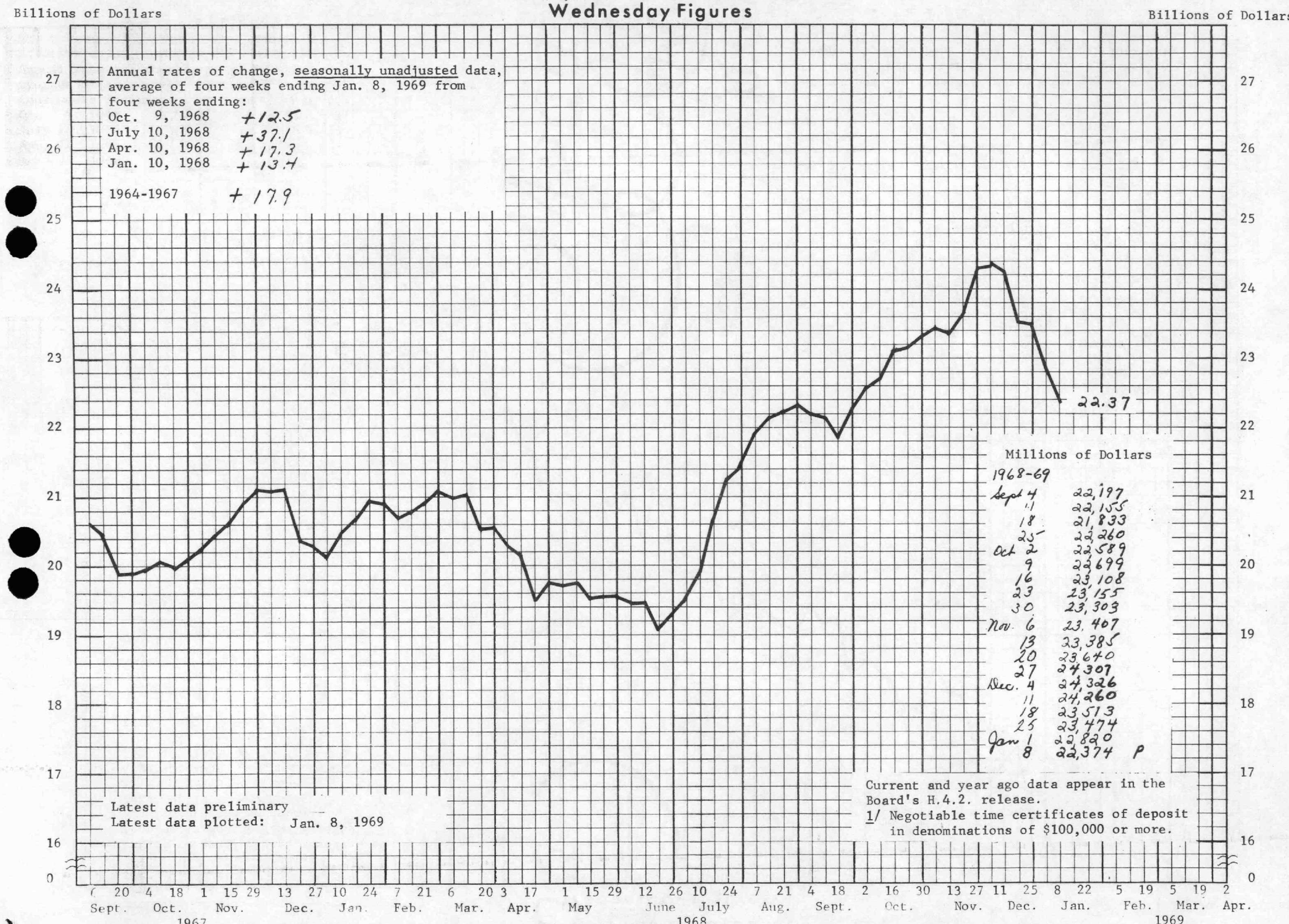
Latest data preliminary

Latest data plotted: Jan. 8, 1969

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

CERTIFICATES OF DEPOSIT 1/
Large Commercial Banks
Wednesday Figures



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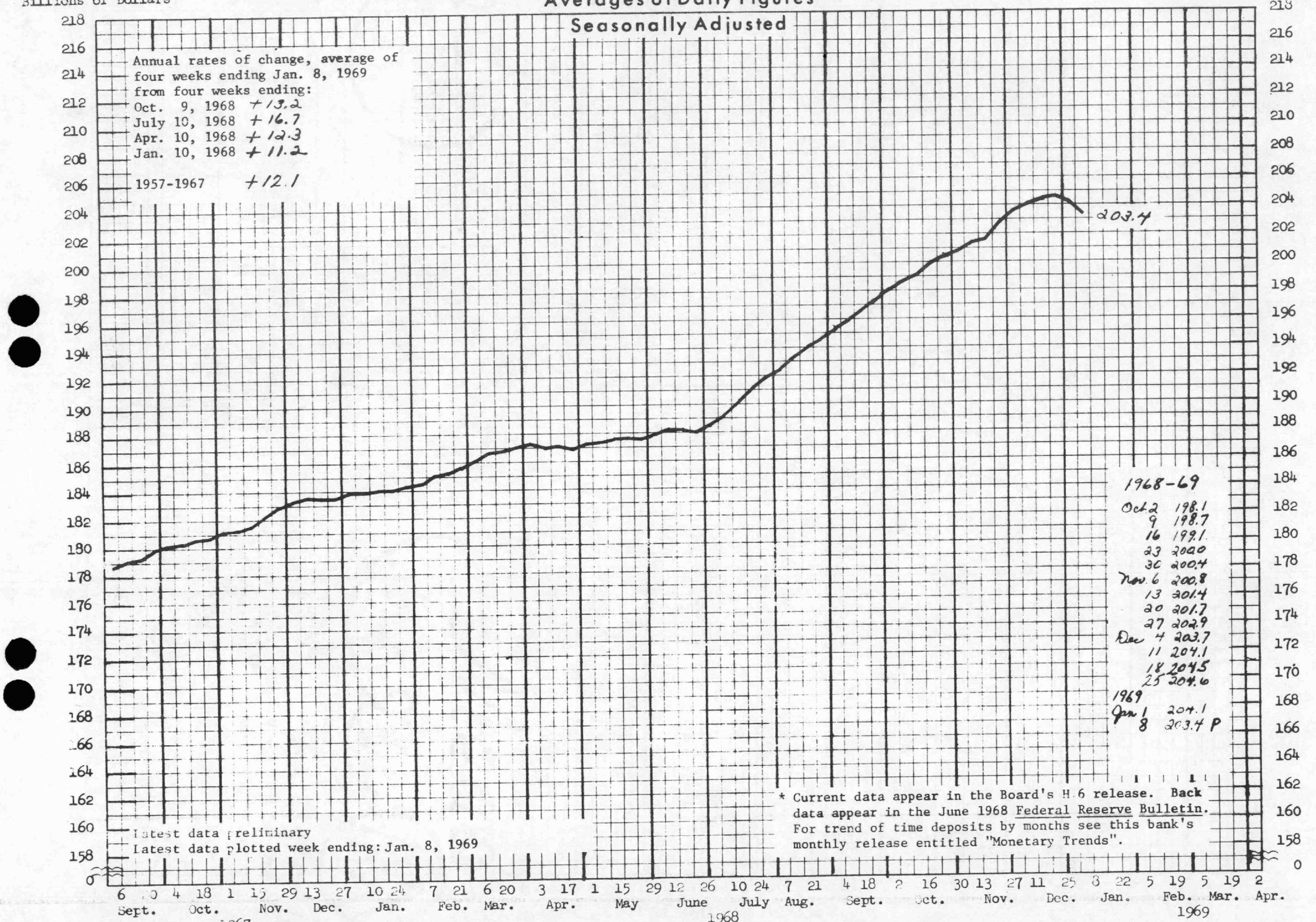
TIME DEPOSITS*
All Commercial Banks
Averages of Daily Figures
Seasonally Adjusted



* Current data appear in the Board's H.6 release. Back data appear in the June 1968 Federal Reserve Bulletin. For trend of time deposits by months see this bank's monthly release entitled "Monetary Trends".

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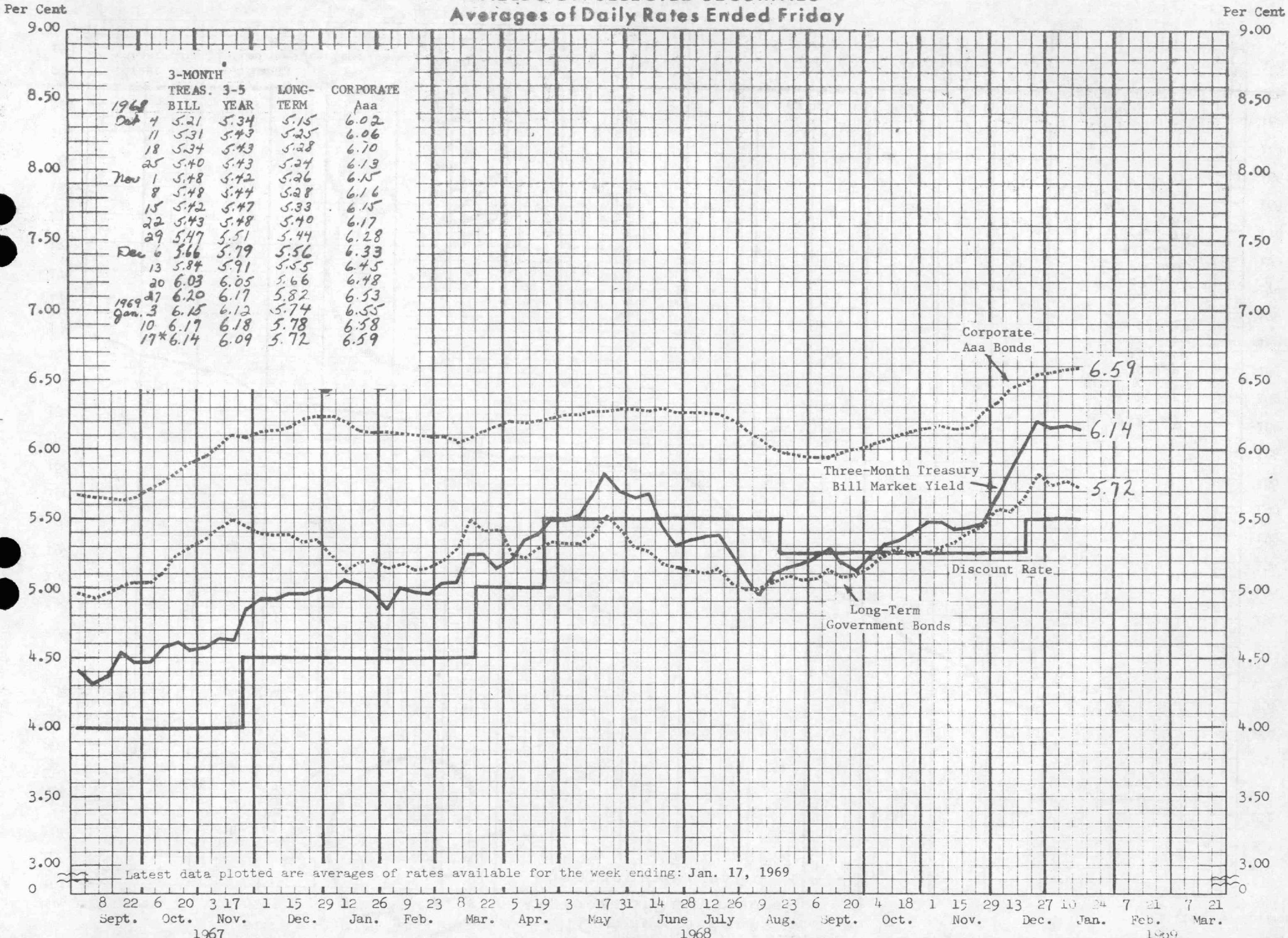
YIELDS ON SELECTED SECURITIES
Averages of Daily Rates Ended Friday



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	5.34	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	5.79	5.56	6.33
13	5.84	5.91	5.55	6.45
20	6.03	6.05	5.66	6.48
27	6.20	6.17	5.82	6.53
1969 Jan. 3	6.15	6.12	5.74	6.55
10	6.17	6.18	5.78	6.58
17*	6.14	6.09	5.72	6.59

*AVERAGES OF RATES AVAILABLE

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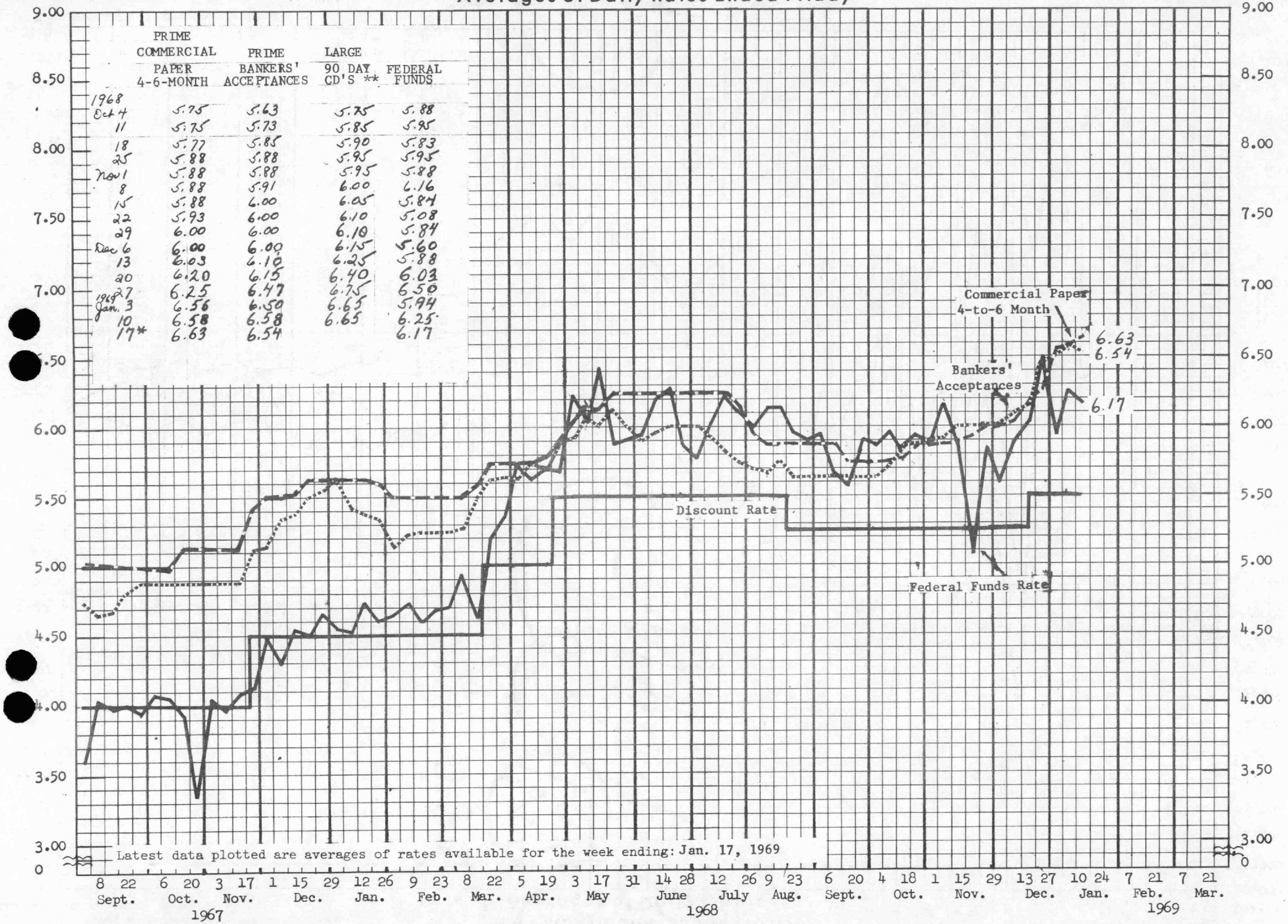
SELECTED SHORT-TERM INTEREST RATES

Averages of Daily Rates Ended Friday

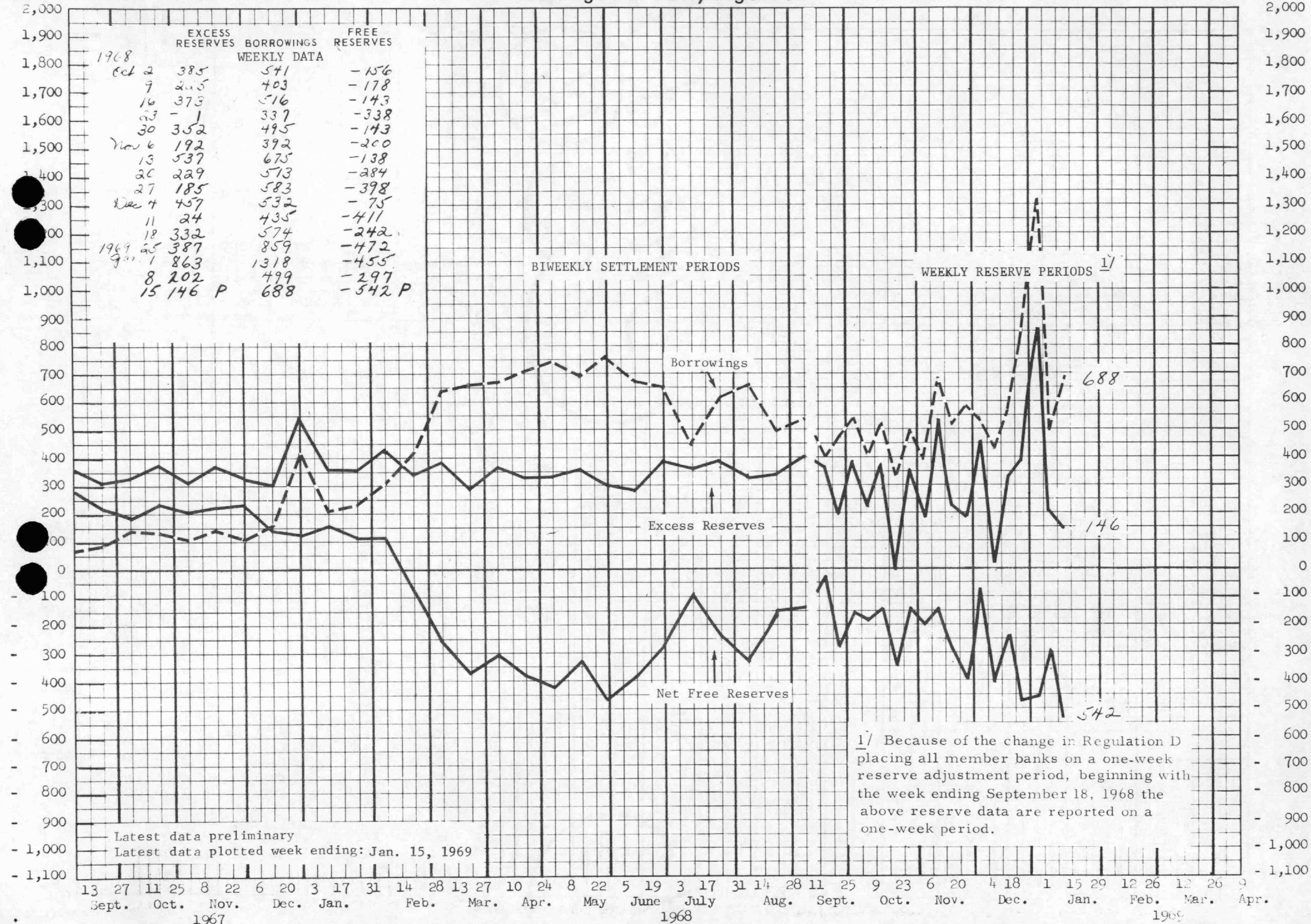


	PRIME COMMERCIAL PAPER 4-6-MONTH	PRIME BANKERS' ACCEPTANCES	LARGE 90 DAY CD'S **	FEDERAL FUNDS
1968 Oct 4	5.75	5.63	5.75	5.88
11	5.75	5.73	5.85	5.95
18	5.77	5.85	5.90	5.83
25	5.88	5.88	5.95	5.95
Nov 1	5.88	5.88	5.95	5.88
8	5.88	5.91	6.00	6.16
15	5.88	6.00	6.05	5.84
22	5.93	6.00	6.10	5.08
29	6.00	6.00	6.10	5.84
Dec 6	6.00	6.00	6.15	5.60
13	6.03	6.10	6.25	5.88
20	6.20	6.15	6.40	6.03
27	6.25	6.47	6.75	6.50
1969 Jan. 3	6.56	6.50	6.65	5.94
10	6.58	6.58	6.65	6.25
17*	6.63	6.54		6.17

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

Prepared by Federal Reserve Bank of St. Louis

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



WEEKLY DATA

	EXCESS RESERVES	BORROWINGS	FREE RESERVES
1968 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	229	513	-284
27	185	583	-398
Dec 4	457	532	-75
11	24	435	-411
18	332	574	-242
25	387	859	-472
1969 Jan 1	863	1318	-455
8	202	499	-297
15	146 P	688	-542 P

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.

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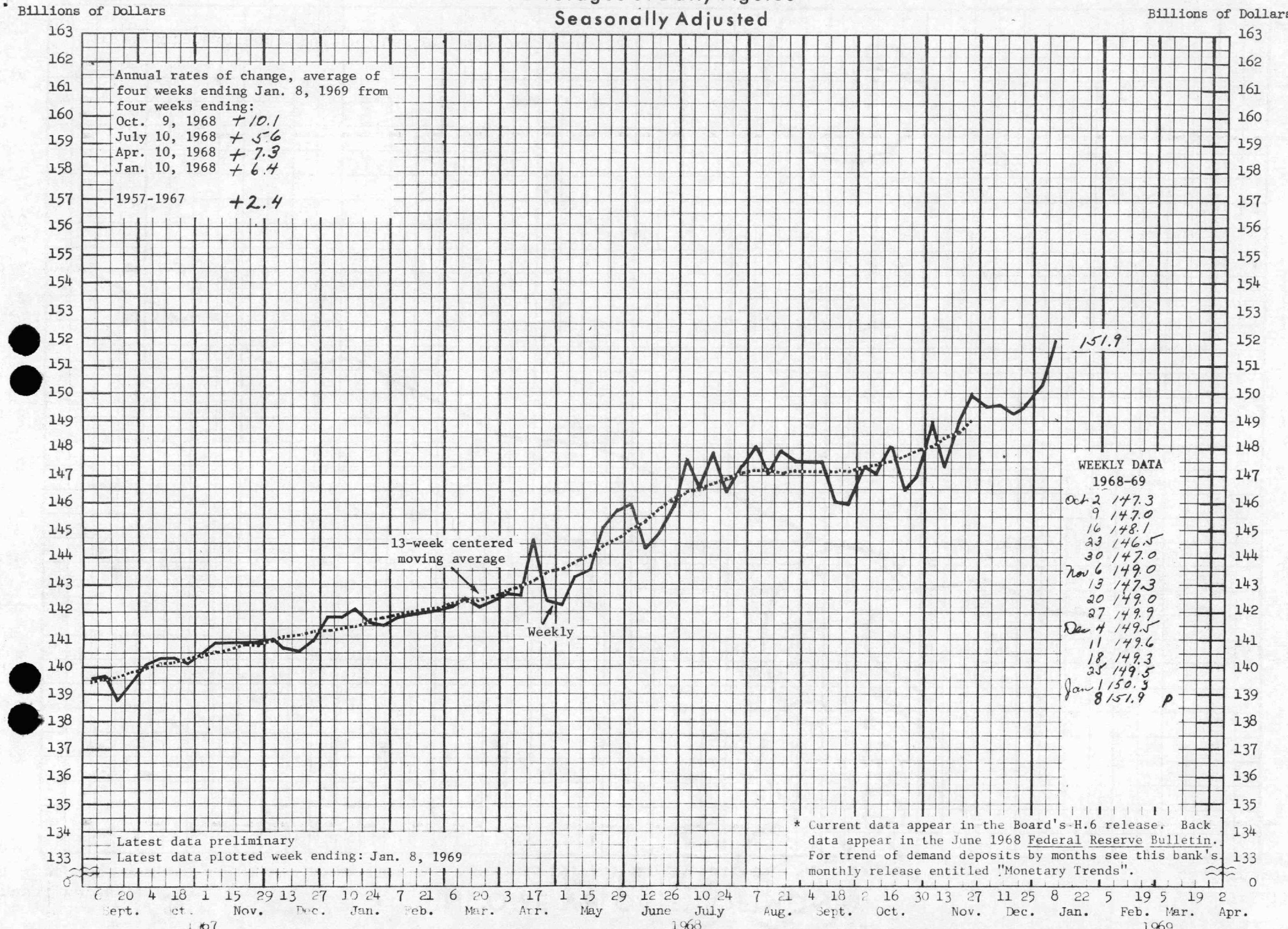
DEMAND DEPOSIT COMPONENT OF MONEY STOCK*
Averages of Daily Figures
Seasonally Adjusted



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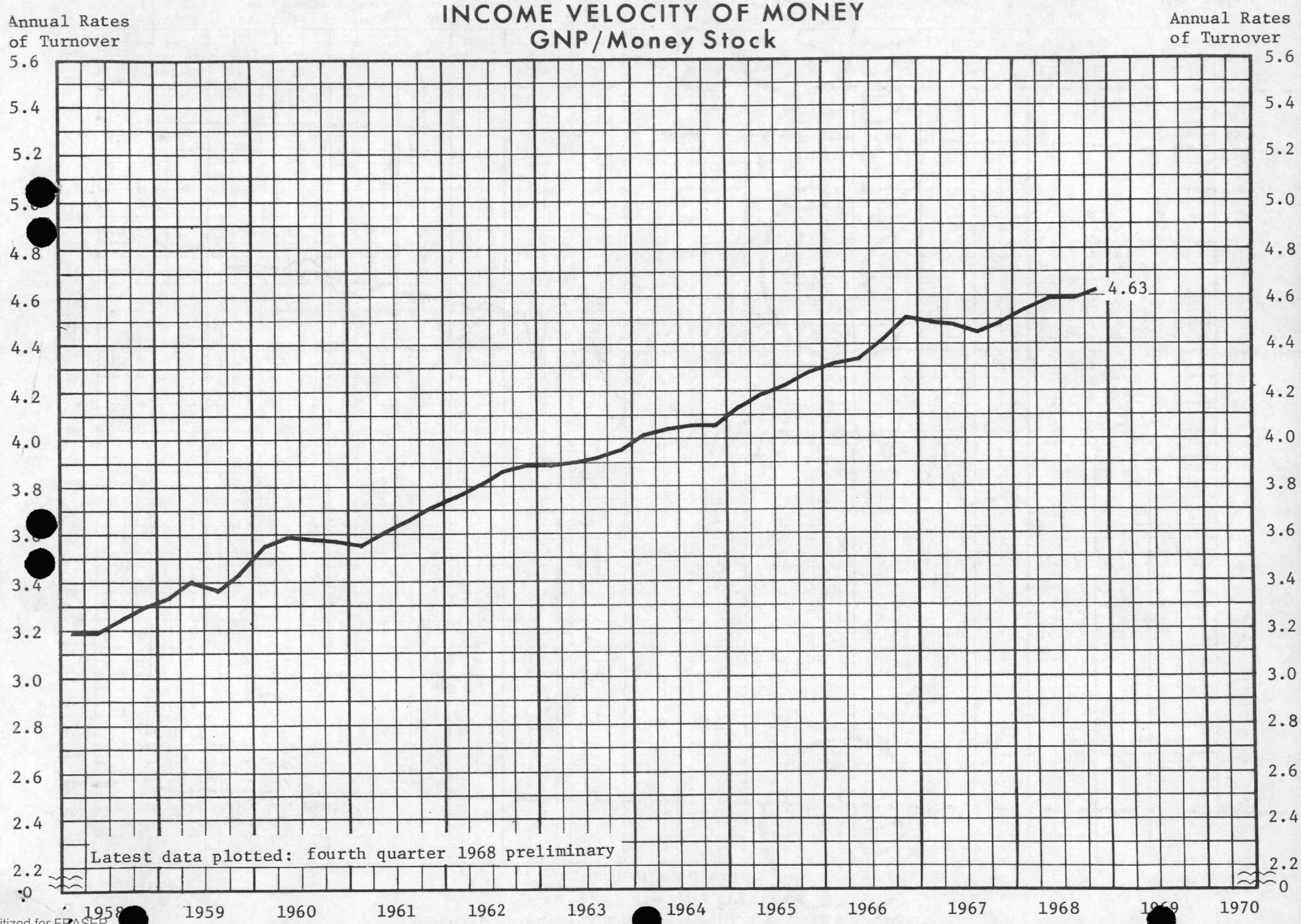
INCOME VELOCITY OF MONEY
GNP/Money Stock



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