Monetary aggregates have continued to increase at rapid rates. The monetary base, which is total credit provided to the economy by the Federal Reserve System and the Treasury, has risen at an 11 per cent annual rate in the past three months and at a 9 per cent annual rate in the last six months (page 2), compared with a 5.4 per cent rate during the previous six months and a 3.3 per cent trend rate from 1957 to 1967. The money stock has grown at a 5 per cent rate in the last six months (page 3). This is slower than the 8 per cent rate during the previous six months. However, in the most recent three months, money has risen more rapidly, at an 8.6 per cent annual rate.

Market interest rates turned upward in early September and then rose sharply during December (pages 8 and 9). These movements were in response to large credit demands. The interest rate which commercial banks charge prime business customers was raised as market rates rose, and on December 18 the Federal Reserve discount rate was raised from 5½ to 5¾ per cent, a slight adjustment to market conditions. Since late December most market interest rates have remained about unchanged or have retreated slightly, while business loans (page 5), money and the monetary base have shown large net increases. In the three days ending January 22 yields on three-month Treasury bills averaged 6.07 per cent, lower than the 6.20 per cent in late December, and similar to the 6.03 per cent during the week ending December 20. Yields on long-term Government bonds have moved in a similar pattern, averaging 5.70 per cent this week, compared with a high of 5.82 per cent in late December. Yields on highest grade corporate bonds continued to rise after late December, but more slowly than during December. Interest rates on these securities averaged 6.59 per cent this week compared with 6.53 in late December.

Large negotiable certificates of deposit at commercial banks and total time deposits, have declined in recent weeks (pages 6 and 7). Regulation Q ceilings have prevented banks from offering interest rates competitive with the high yields on other market instruments. As a result of lost time deposits, total bank credit at large commercial banks has shown only little net increase since early December. However, there is no reason to suppose that the slower growth of bank credit due to disintermediation caused by Regulation Q provides any restraint on the economy. Decline of time deposits in commercial banks has no effect on total bank reserves and the monetary base, and consequently permits more rapid expansion of demand deposits and the money stock.

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 24, 1969
Averages of Daily Figures
Seasonally adjusted by this bank.

Annual rates of change, average of four weeks ending Jan. 22, 1969 from four weeks ending:

<table>
<thead>
<tr>
<th></th>
<th>Monetary Base</th>
<th>F.R. Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct. 23, 1968</td>
<td>+11.2</td>
<td>+3.5</td>
</tr>
<tr>
<td>July 24, 1968</td>
<td>+6.7</td>
<td>+7.3</td>
</tr>
<tr>
<td>Apr. 24, 1968</td>
<td>+7.3</td>
<td>+7.1</td>
</tr>
<tr>
<td>Jan. 24, 1968</td>
<td>+7.0</td>
<td>+9.0</td>
</tr>
</tbody>
</table>

1957-1967      | +3.3          | +7.6        |

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 1968 Review of this bank.

2/ 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.
Annual rates of change, average of four weeks ending Jan. 15, 1969 from four weeks ending:
- Oct. 16, 1968 + 8.6
- July 17, 1968 + 4.2
- Apr. 17, 1968 + 6.9
- Jan. 17, 1968 + 6.5

1957-1967 + 2.6

Latest data preliminary
Latest data plotted week ending: Jan. 15, 1969.

For trend of money stock by months see this bank's monthly release entitled "Monetary Trends".

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

Billions of Dollars

Annual rates of change, average of
four weeks ending Jan. 15, 1969 from
four weeks ending:
Oct. 16, 1968 +9.9
July 17, 1968 +16.4
Apr. 17, 1968 +9.4
Jan. 17, 1968 +8.7

1957-1967 +6.2

1968-69

Latest data preliminary
Latest data plotted week ending: Jan. 15, 1969

* Current data appear in the Board's H.6 release. Back
For trend of money stock plus time deposits by months
see this bank's monthly release entitled "Monetary Trends".

Prepared by Federal Reserve Bank of St. Louis
BUSINESS LOANS
Large Commercial Banks
Wednesday Figures

Seasonally adjusted by this bank.

Annual rates of change, average of four weeks ending Jan. 15, 1969 from four weeks ending:
- Oct. 16, 1968: 16%
- July 17, 1968: 12%
- Apr. 17, 1968: 13%
- Jan. 17, 1968: 11%

1960-1967: 9.6%

MILLIONS OF DOLLARS

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.

Latest data preliminary
Latest data plotted: Jan. 15, 1969
CERTIFICATES OF DEPOSIT
Large Commercial Banks
Wednesday Figures

Millions of Dollars

Annual rates of change, seasonally unadjusted data, average of four weeks ending Jan. 15, 1969 from four weeks ending:
- Oct. 16, 1968: -0.9
- July 17, 1968: +2.7
- Apr. 17, 1968: +1.6
- Jan. 17, 1968: +10.9

1964-1967: +17.9

Latest data plotted: Jan. 15, 1969

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.

Prepared by Federal Reserve Bank of St. Louis
TIME DEPOSITS*
All Commercial Banks
Averages of Daily Figures

Seasonally Adjusted

Billions of Dollars

Annual rates of change, average of
four weeks ending Jan. 15, 1969 from
four weeks ending:
Oct. 16, 1968 + 11.1
July 17, 1968 + 15.7
Apr. 17, 1968 + 11.9
Jan. 17, 1968 + 10.9

1957-1967 + 12.1

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

Prepared by Federal Reserve Bank of St. Louis
YIELDS ON SELECTED SECURITIES
Averages of Daily Rates Ended Friday

Per Cent

3-MONTH
TREAS. 3-5 LONG- CORPORATE

1967
Dec. 19.50 5.24 6.85 6.02
Dec. 19.50 5.35 6.46 6.10
Dec. 19.50 5.45 5.97 6.10
Dec. 19.50 5.55 6.00 5.48
Dec. 19.50 5.65 6.00 5.70
Dec. 19.50 5.75 6.00 5.90

Latest data plotted are averages of rates available for the week ending Jan. 24, 1969.
SELECTED SHORT-TERM INTEREST RATES
Averages of Daily Rates Ended Friday

<table>
<thead>
<tr>
<th>Prime</th>
<th>Commercial Paper</th>
<th>Bankers' Acceptances</th>
<th>Large 90 Day FD's</th>
<th>Federal Funds</th>
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<tr>
<td>4-6 Month</td>
<td>1968</td>
<td>5.75</td>
<td>5.63</td>
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<td>1969</td>
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<tr>
<td>6-12 Month</td>
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<td>5.94</td>
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<tr>
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<tr>
<td>12-18 Month</td>
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<td>6.05</td>
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<td>1969</td>
<td>6.00</td>
<td>6.00</td>
<td>6.10</td>
<td>5.94</td>
</tr>
</tbody>
</table>
| Latest data plotted are averages of rates available for the week ending Jan. 24, 1969

Prepared by Federal Reserve Bank of St. Louis

Source: Salomon Brothers and Hutzler
Federal Reserve Board, Daily Acceptance Rate on 90-Day Prime CDs.

Discount Rate
Commercial Paper
Bankers' Acceptances
Federal Funds Rate

Averages of rates available
Prepared by Federal Reserve Bank of St. Louis

Digitized for FRASER
http://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Prepared by Federal Reserve Bank of St. Louis
BORROWINGS AND EXCESS RESERVES
All Member Banks in the Nation
Averages of Daily Figures

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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.

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

Billions of Dollars

Annual rates of change, average of four weeks ending Jan. 15, 1969 from four weeks ending:
- Oct. 16, 1968 + 9.2%
- July 17, 1968 + 6.9%
- Apr. 17, 1968 + 4.9%
- Jan. 17, 1968 + 6.2%

1957-1967 + 2.4%

Latest data preliminary
Latest data plotted week ending: Jan. 15, 1969

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

Prepared by Federal Reserve Bank of St. Louis