U.S. FINANCIAL DATA

Week ending January 22, 1969

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.

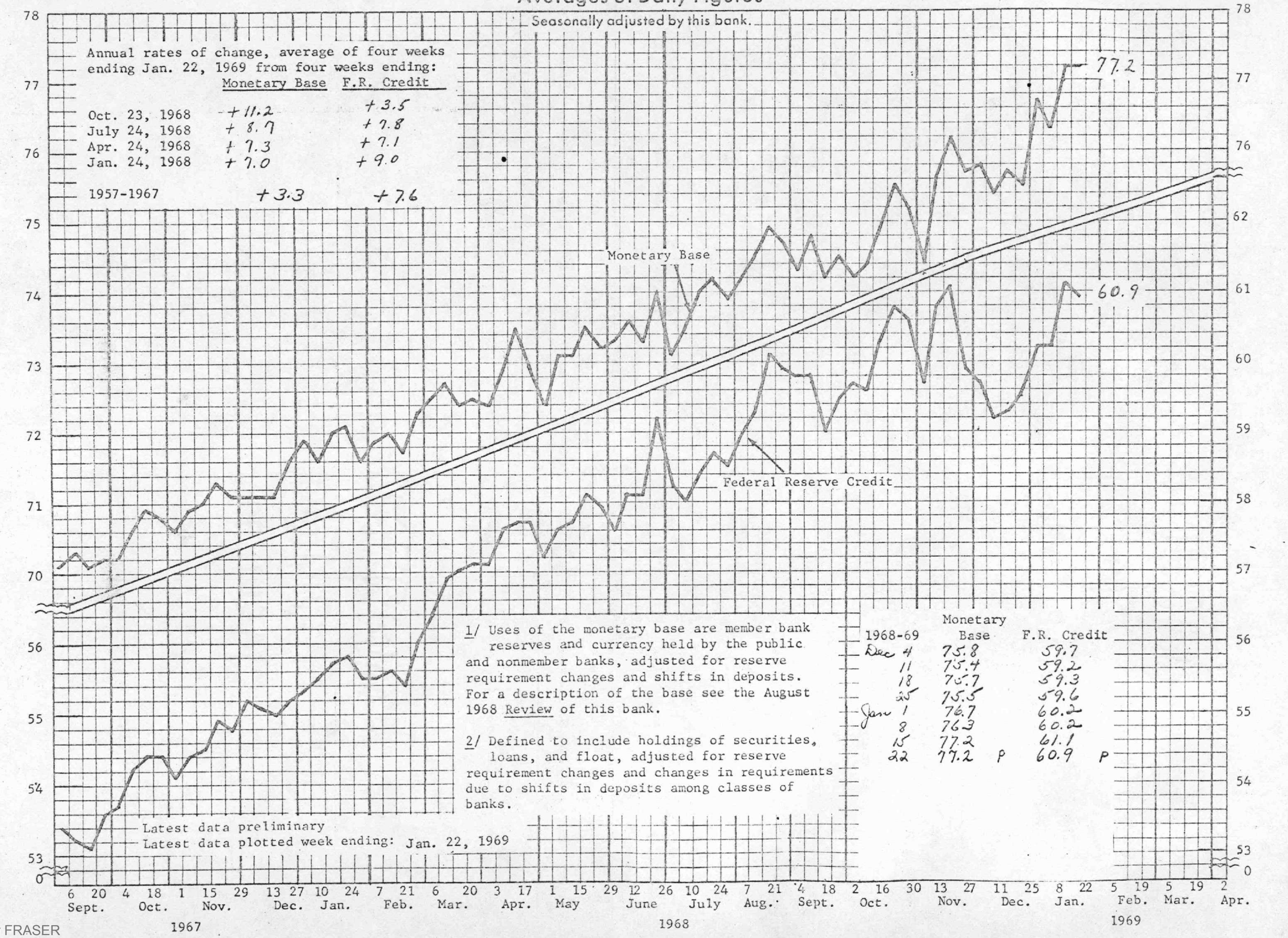
Market interest rates turned upward in early September and then rose sharply during December (pages 8 and 9). These movements were in response to large credit demands. The interest rate which commercial banks charge prime business customers was raised as market rates rose, and on December 18 the Federal Reserve discount rate was raised from 5¼ to 5½ 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

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



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

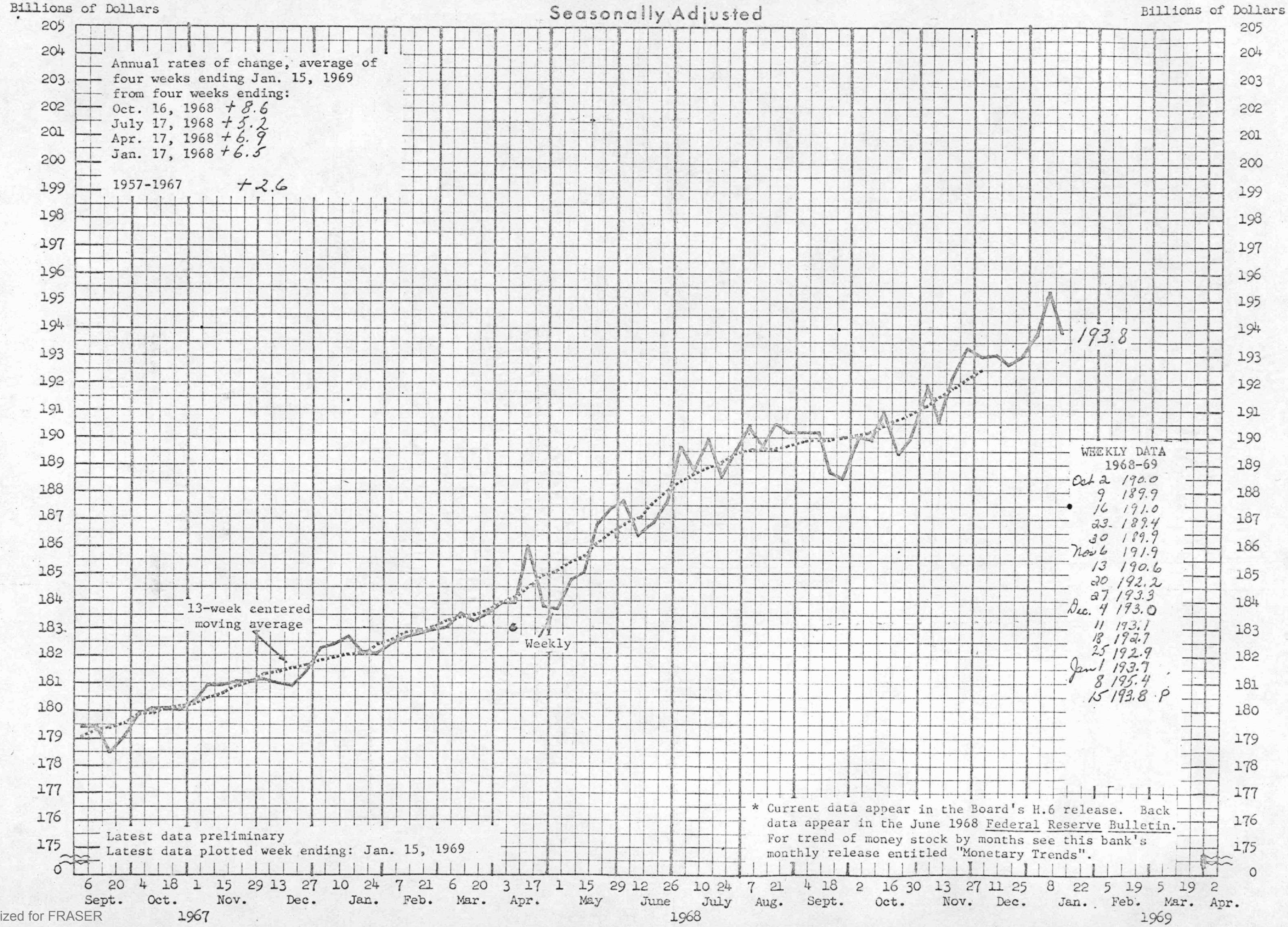
	Monetary Base	F.R. Credit
Oct. 23, 1968	+11.2	+3.5
July 24, 1968	+ 8.7	+7.8
Apr. 24, 1968	+ 7.3	+7.1
Jan. 24, 1968	+ 7.0	+9.0
1957-1967	+3.3	+7.6

1968-69	Monetary Base	F.R. Credit
Dec 4	75.8	59.7
11	75.4	59.2
18	75.7	59.3
25	75.5	59.6
Jan 1	76.7	60.2
8	76.3	60.2
15	77.2	61.1
22	77.2 p	60.9 p

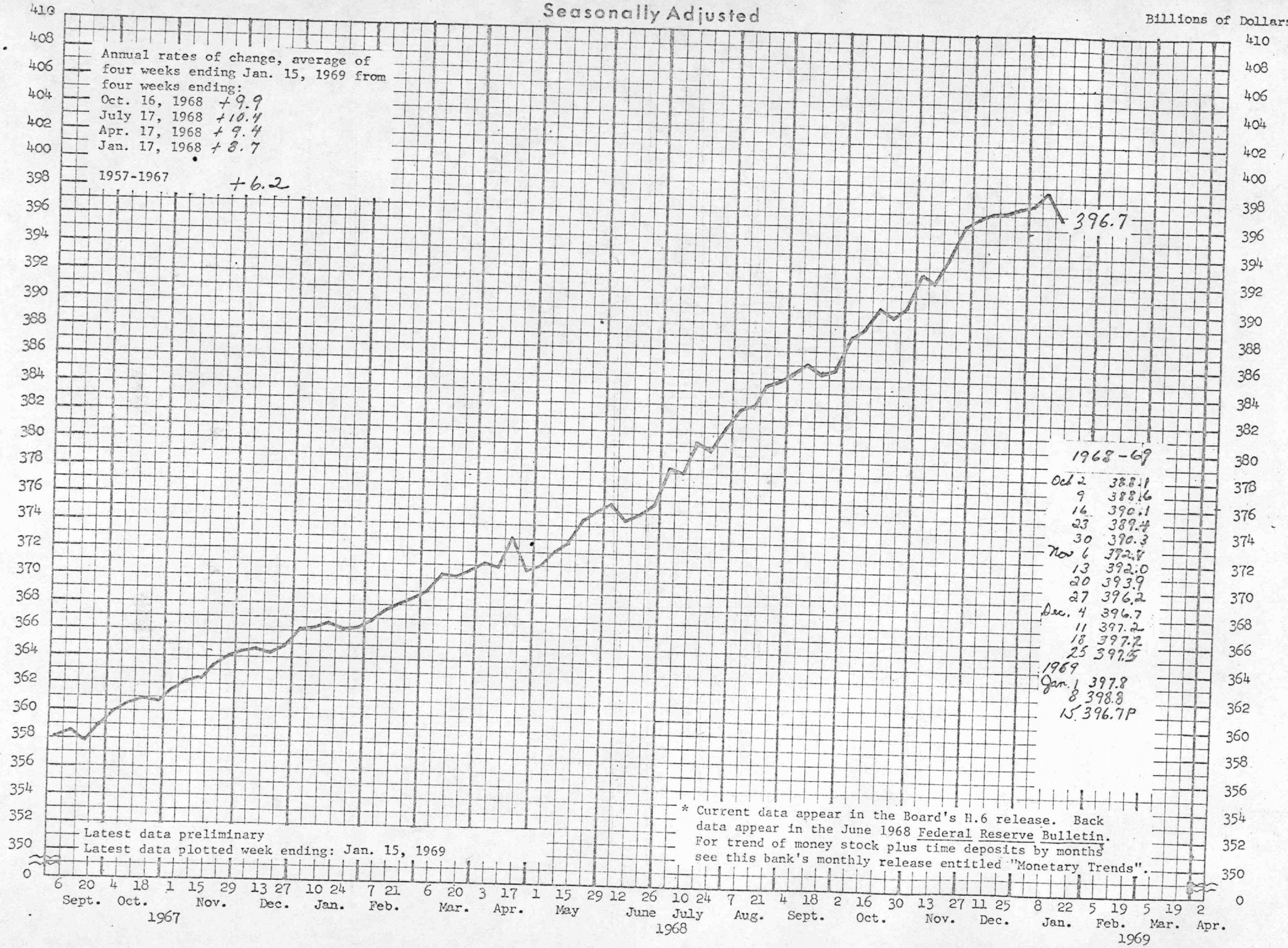
1/ Uses of the monetary base are member bank reserves and currency held by the public and nonmember banks, adjusted for reserve requirement changes and shifts in deposits. For a description of the base see the August 1968 Review of this bank.

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.

MONEY STOCK*
Averages of Daily Figures
Seasonally Adjusted



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



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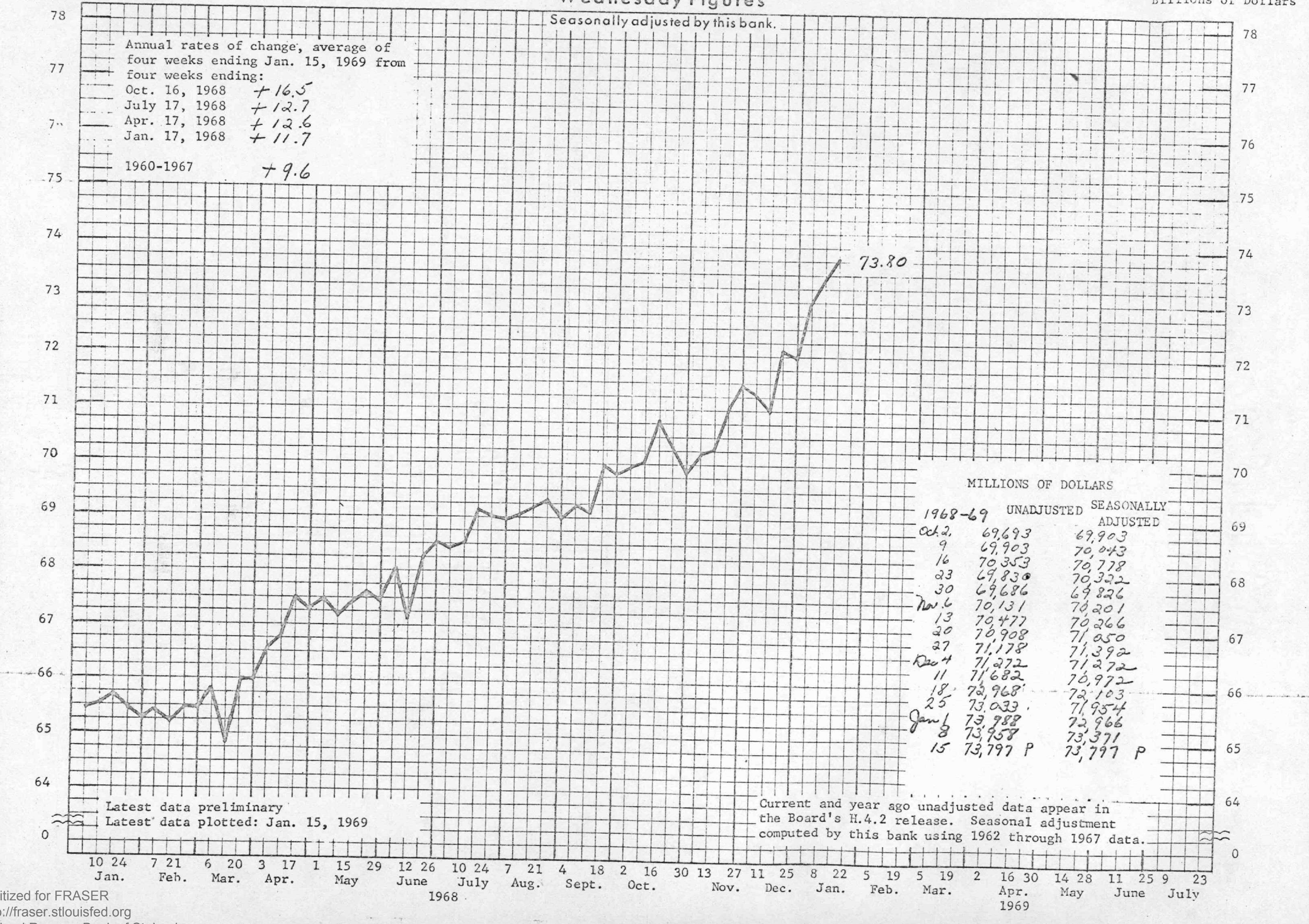
BUSINESS LOANS
Large Commercial Banks
Wednesday Figures

Seasonally adjusted by this bank.



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	73,958	73,371
15	73,797 P	73,797 P

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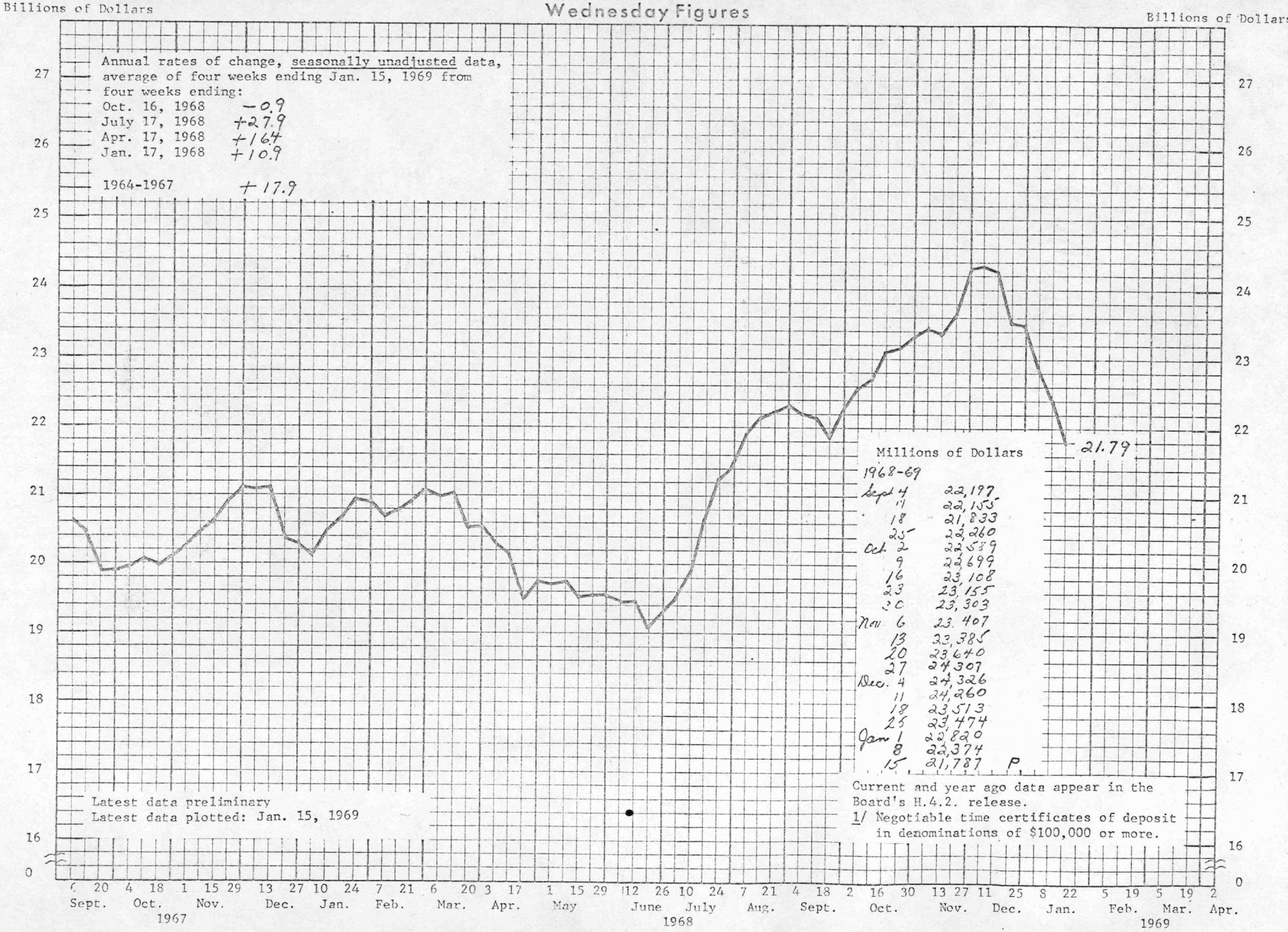
CERTIFICATES OF DEPOSIT 1/

Large Commercial Banks

Wednesday Figures



Millions of Dollars

1968-69	
Sept 4	22,197
11	22,155
18	21,833
25	22,260
Oct. 2	22,559
9	22,699
16	23,108
23	23,155
30	23,303
Nov. 6	23,407
13	23,385
20	23,640
27	24,307
Dec. 4	24,326
11	24,260
18	23,513
25	23,474
Jan 1	22,820
8	22,374
15	21,787 P

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.

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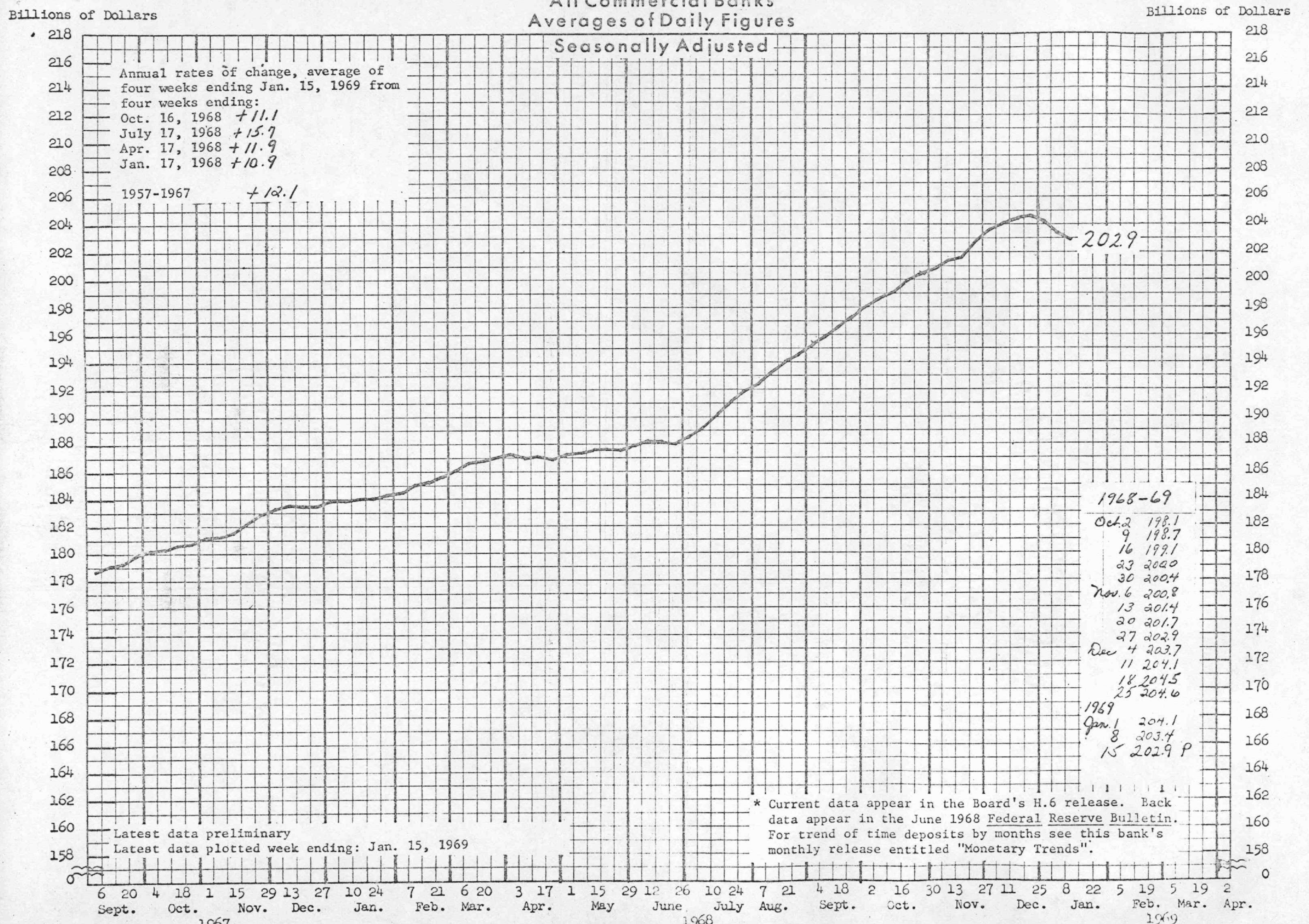
TIME DEPOSITS*
All Commercial Banks
Averages of Daily Figures



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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	6.10	6.02	5.72	6.59
* 24	6.07	5.97	5.70	6.59

*AVERAGES OF RATES AVAILABLE

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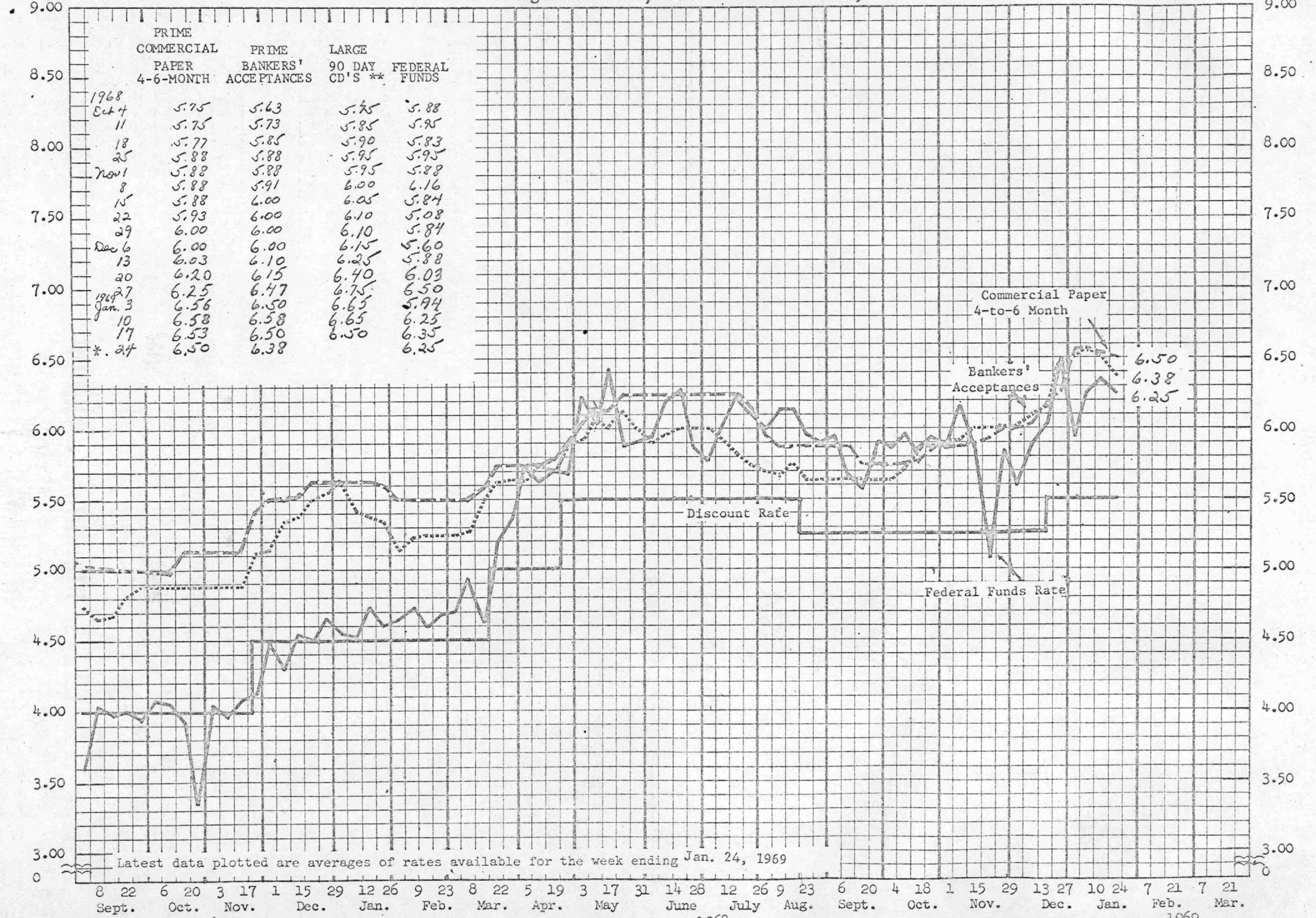
SELECTED SHORT-TERM INTEREST RATES
Averages of Daily Rates Ended Friday



	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	6.53	6.50	6.50	6.35
*. 24	6.50	6.38		6.25

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

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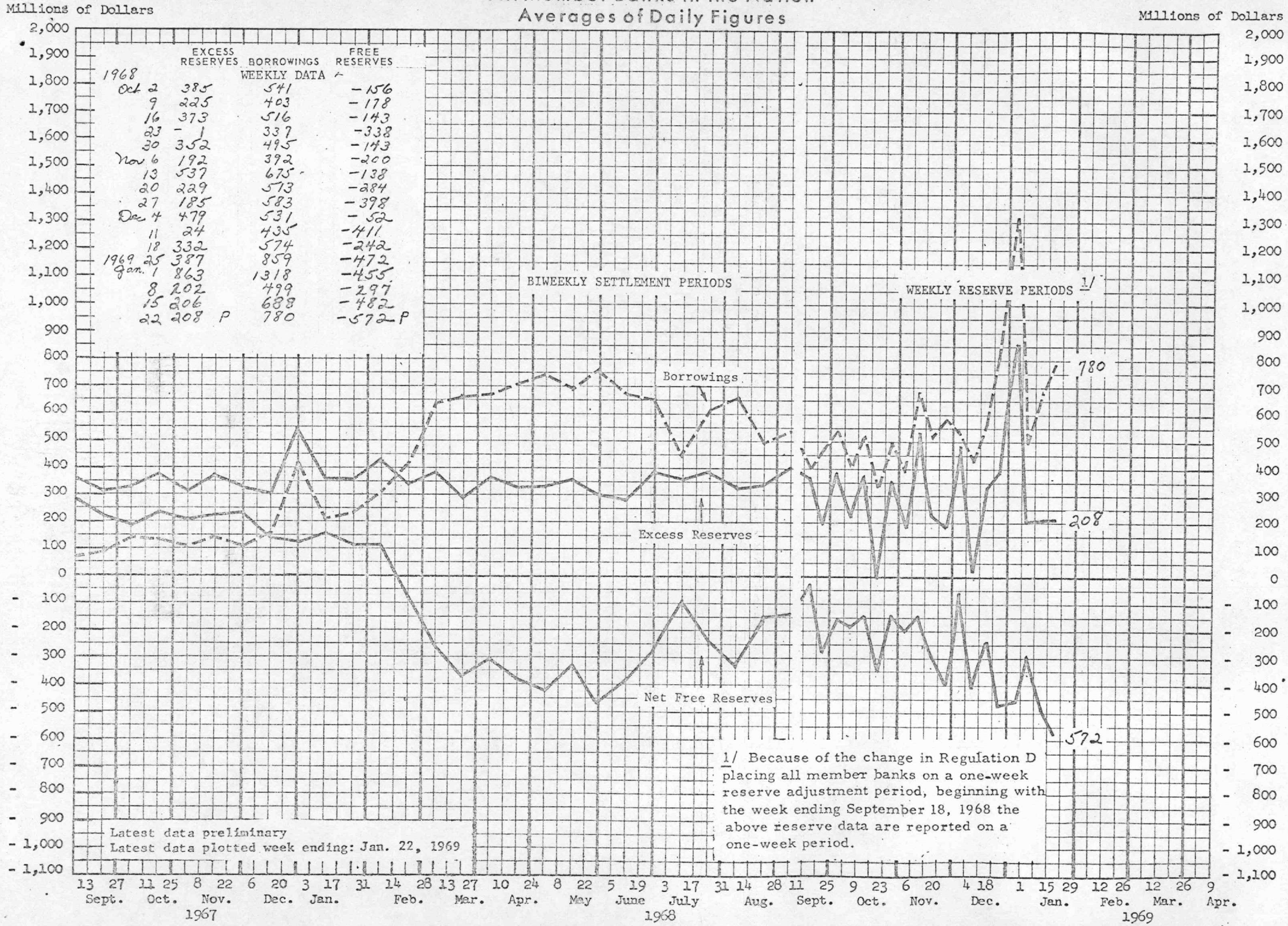
BORROWINGS AND EXCESS RESERVES
All Member Banks in the Nation
Averages of Daily Figures



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	573	-284
27	185	583	-398
Dec 4	479	531	-52
11	24	435	-411
18	332	574	-242
25	387	859	-472
1969 Jan. 1	863	1318	-455
8	202	499	-297
15	206	688	-482
22	208 P	780	-572 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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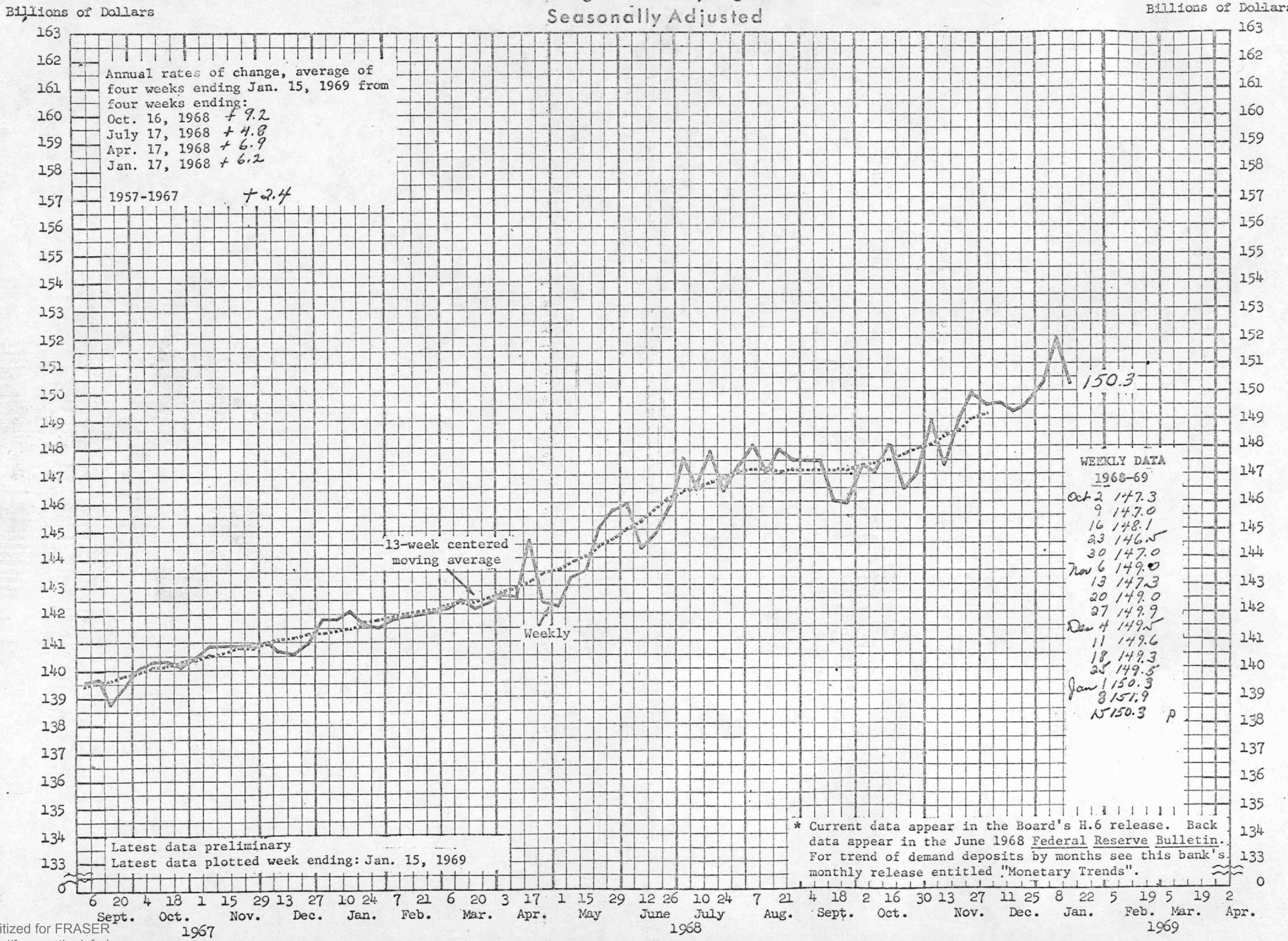
DEMAND DEPOSIT COMPONENT OF MONEY STOCK*
Averages of Daily Figures
Seasonally Adjusted



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