

Week ending: February 5, 1969

AUG 27 1998

The monetary base has risen at a 10 per cent annual rate in the last three months, compared with 7 per cent in the past year and a 3.3 per cent rate from 1957 to 1967 (page 2). Since the week ending December 18 the base has increased from \$75.8 billion to \$76.0 billion.

Total member bank reserves have grown at a 8 per cent annual rate in the last three months, 8 per cent in the past year, and at a 3.4 per cent rate from 1957 to 1967. Since the week ending December 18 these reserves have increased from \$26.5 billion to \$27.4 billion.

The money stock has increased at a 7.6 per cent annual rate in the last three months and 6.2 per cent in the past year, compared with a 2.6 per cent rate from 1957 to 1967 (page 3). Since the week ending December 18 money has declined from \$192.7 billion to \$191.8 billion. Growth of the money stock in the past two weeks has been restrained by an exceptional increase of Treasury balances at commercial banks, deposits which are not included in the money stock.

Time deposits at commercial banks have declined to \$201.5 billion from \$204.6 billion in the week ending December 25 (page 7) in response to high market rates in relation to maximum rates banks are

permitted to pay on time deposits. Consequently, money plus time deposits has declined to \$393.3 billion from \$397.2 billion in the week ending December 18 (page 4). This broad measure of money has increased at a 6.7 per cent annual rate in the past three months, compared with 8 per cent in the past year and a 6.2 per cent rate from 1957 to 1967.

Borrowing from the Federal Reserve has averaged \$806 million in the past three weeks, up from \$513 million in the three weeks ending December 18 (page 10). This increase in borrowing has added to bank reserves and the monetary base and probably reflects the large margin of market rates over the discount rate, the high demand for bank loans, and disintermediation caused by high market rates relative to rates banks are permitted to pay on time deposits.

Market interest rates have been about unchanged since late December after rising greatly from August (pages 8 and 9). Three-month Treasury bill rates averaged 6.20 per cent in the first three days of this week, the same as in the week ending December 27, compared with 5.08 per cent in August. In the past three weeks bill rates have been .65 percentage points above the discount rate. Since 1961 the bill rates have averaged .06 percentage points below the discount rate.

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

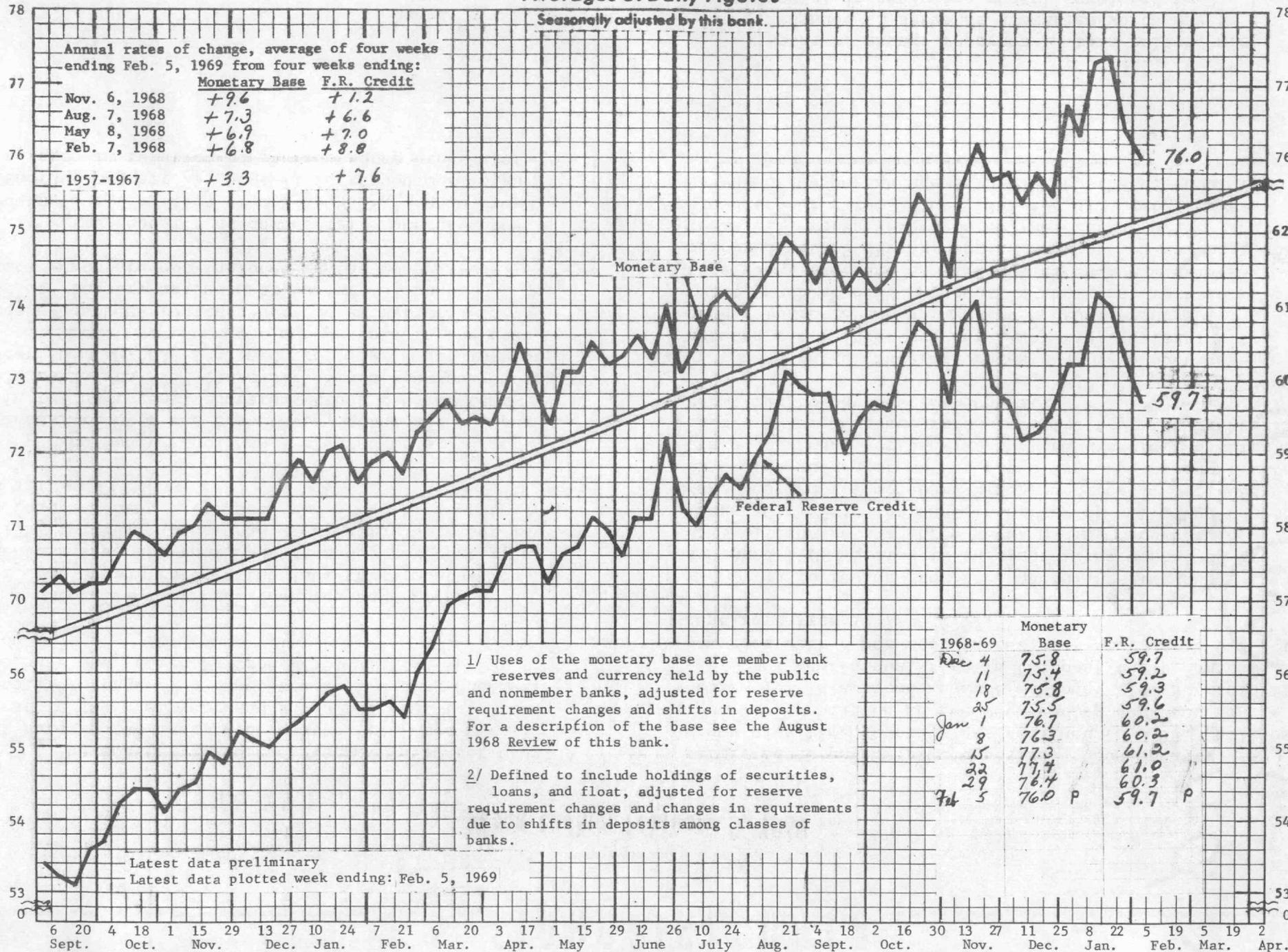
Released: February 7, 1969

**MONETARY BASE <sup>1</sup>**  
**FEDERAL RESERVE CREDIT <sup>2</sup>**  
**Averages of Daily Figures**

Billions of Dollars

Billions of Dollars

Seasonally adjusted by this bank.



Annual rates of change, average of four weeks ending Feb. 5, 1969 from four weeks ending:

	Monetary Base	F.R. Credit
Nov. 6, 1968	+9.6	+1.2
Aug. 7, 1968	+7.3	+6.6
May 8, 1968	+6.9	+7.0
Feb. 7, 1968	+6.8	+8.8
1957-1967	+3.3	+7.6

<sup>1</sup>/ 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.

<sup>2</sup>/ 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.

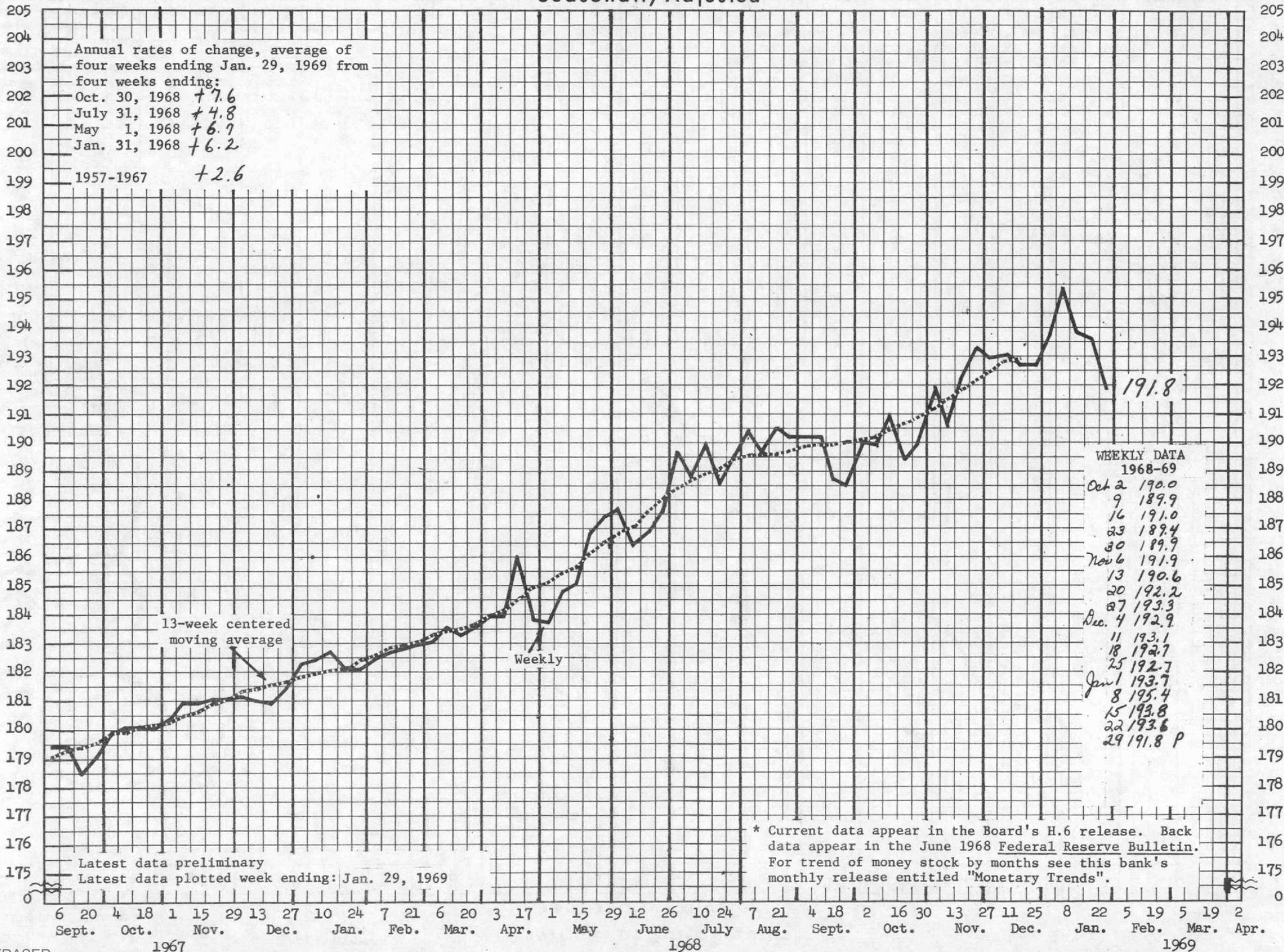
Latest data preliminary  
 Latest data plotted week ending: Feb. 5, 1969

1968-69	Monetary Base	F.R. Credit
Dec 4	75.8	59.7
11	75.4	59.2
18	75.8	59.3
25	75.5	59.6
Jan 1	76.7	60.2
8	76.3	60.2
15	77.3	61.2
22	77.4	61.0
29	76.4	60.3
Feb 5	76.0 P	59.7 P

**MONETARY STOCK\***  
**Averages of Daily Figures**  
**Seasonally Adjusted**

Billions of Dollars

Billions of Dollars



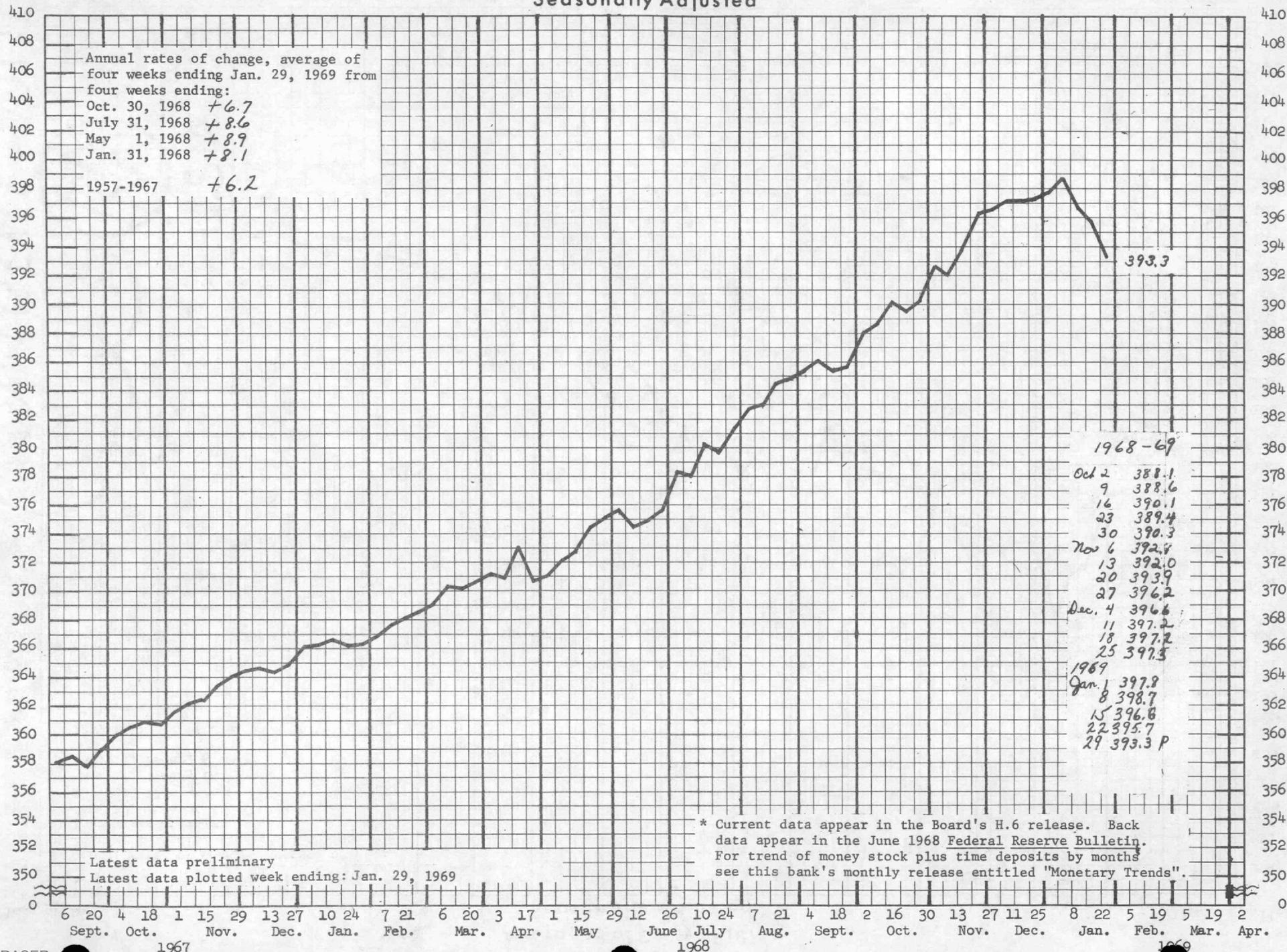
# MONEY STOCK PLUS TIME DEPOSITS\*

Averages of Daily Figures

Seasonally Adjusted

Billions of Dollars

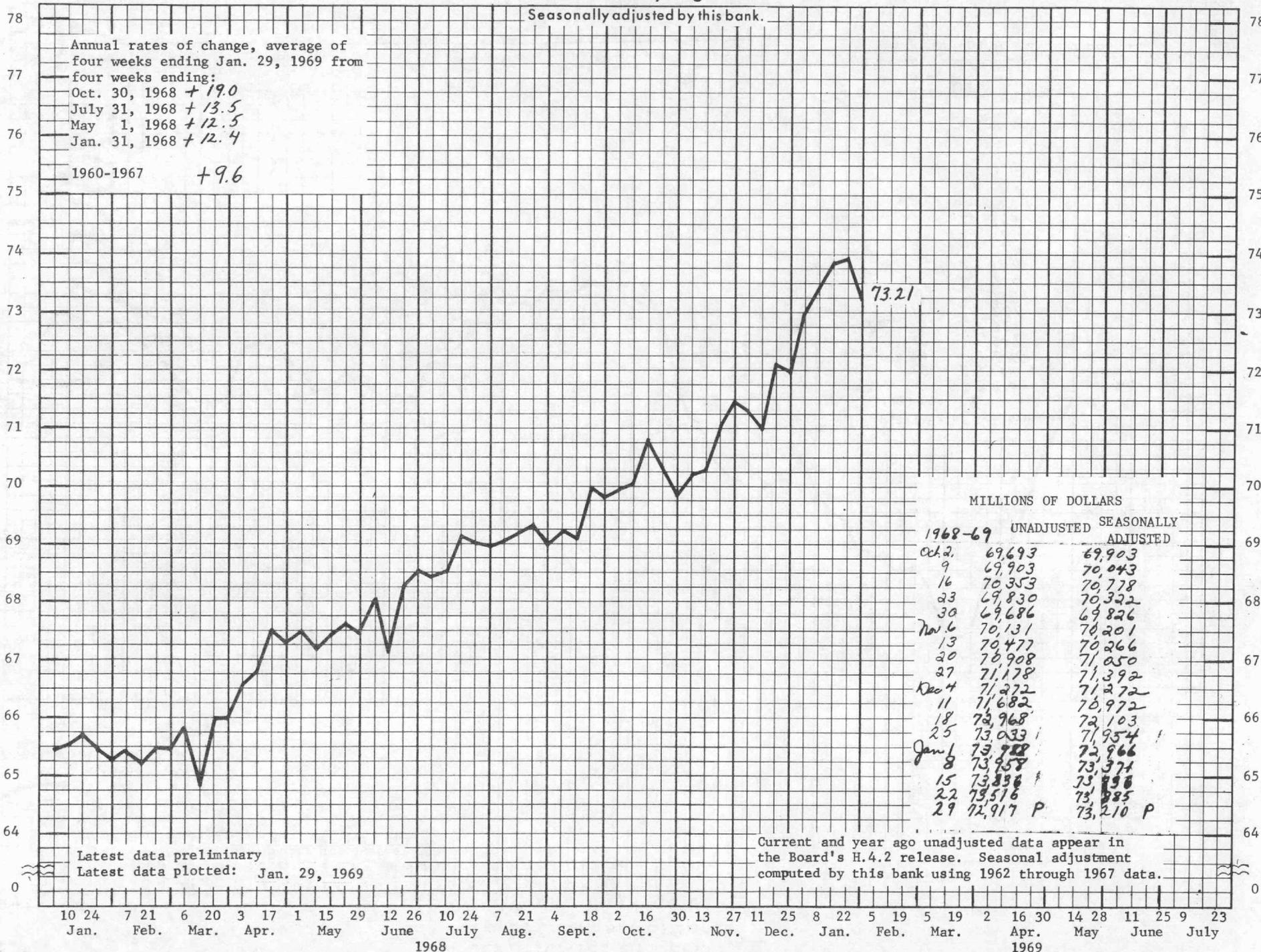
Billions of Dollars



**BUSINESS LOANS**  
**Large Commercial Banks**  
**Wednesday Figures**

Billions of Dollars

Billions of Dollars

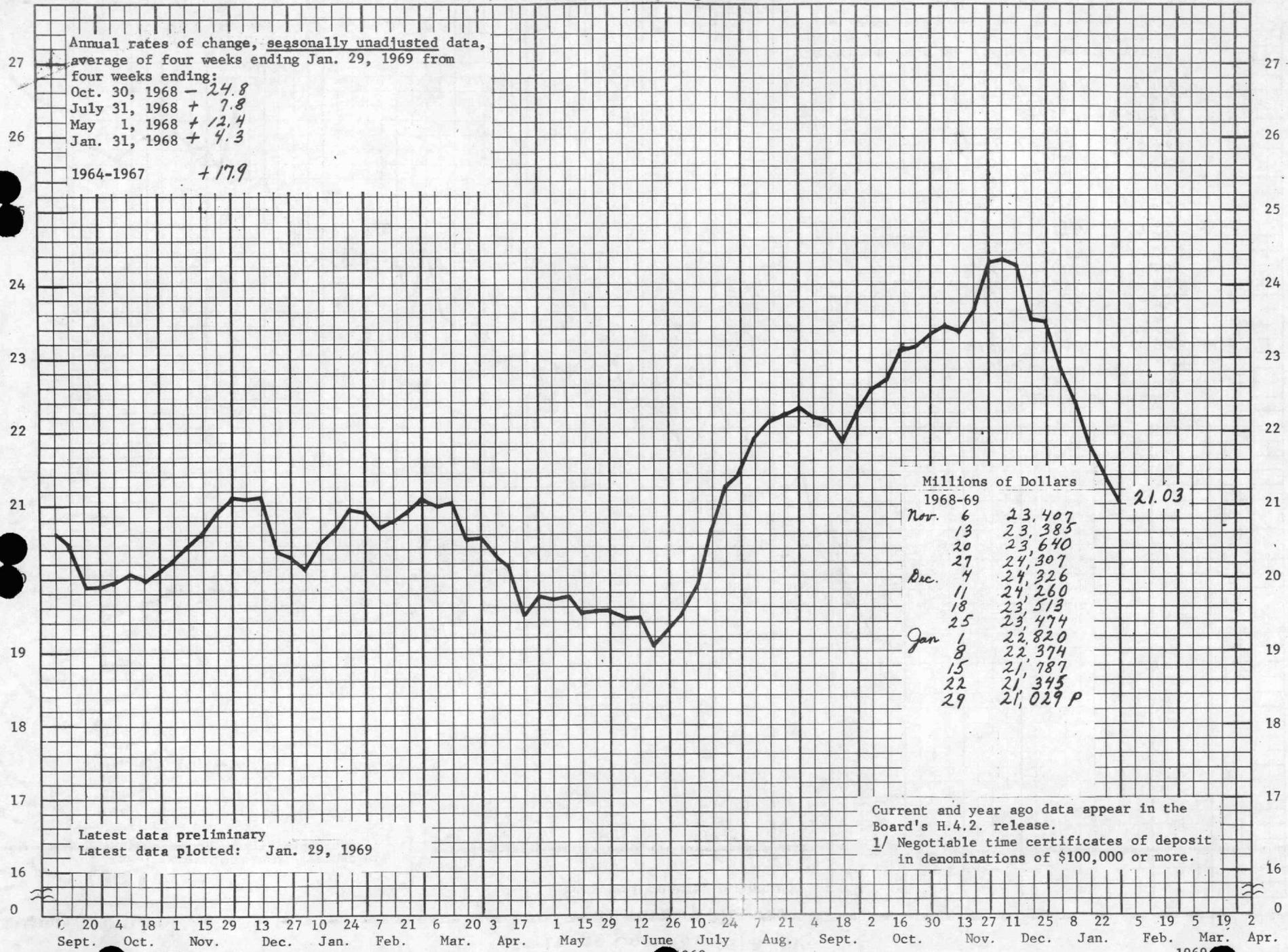


**CERTIFICATES OF DEPOSIT <sup>1</sup>**  
**Large Commercial Banks**  
**Wednesday Figures**

Billions of Dollars

Billions of Dollars

Annual rates of change, seasonally unadjusted data,  
 average of four weeks ending Jan. 29, 1969 from  
 four weeks ending:  
 Oct. 30, 1968 - 24.8  
 July 31, 1968 + 7.8  
 May 1, 1968 + 12.4  
 Jan. 31, 1968 + 4.3  
 1964-1967 + 17.9



Millions of Dollars  
 1968-69

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
22	21,345
29	21,029 P

21.03

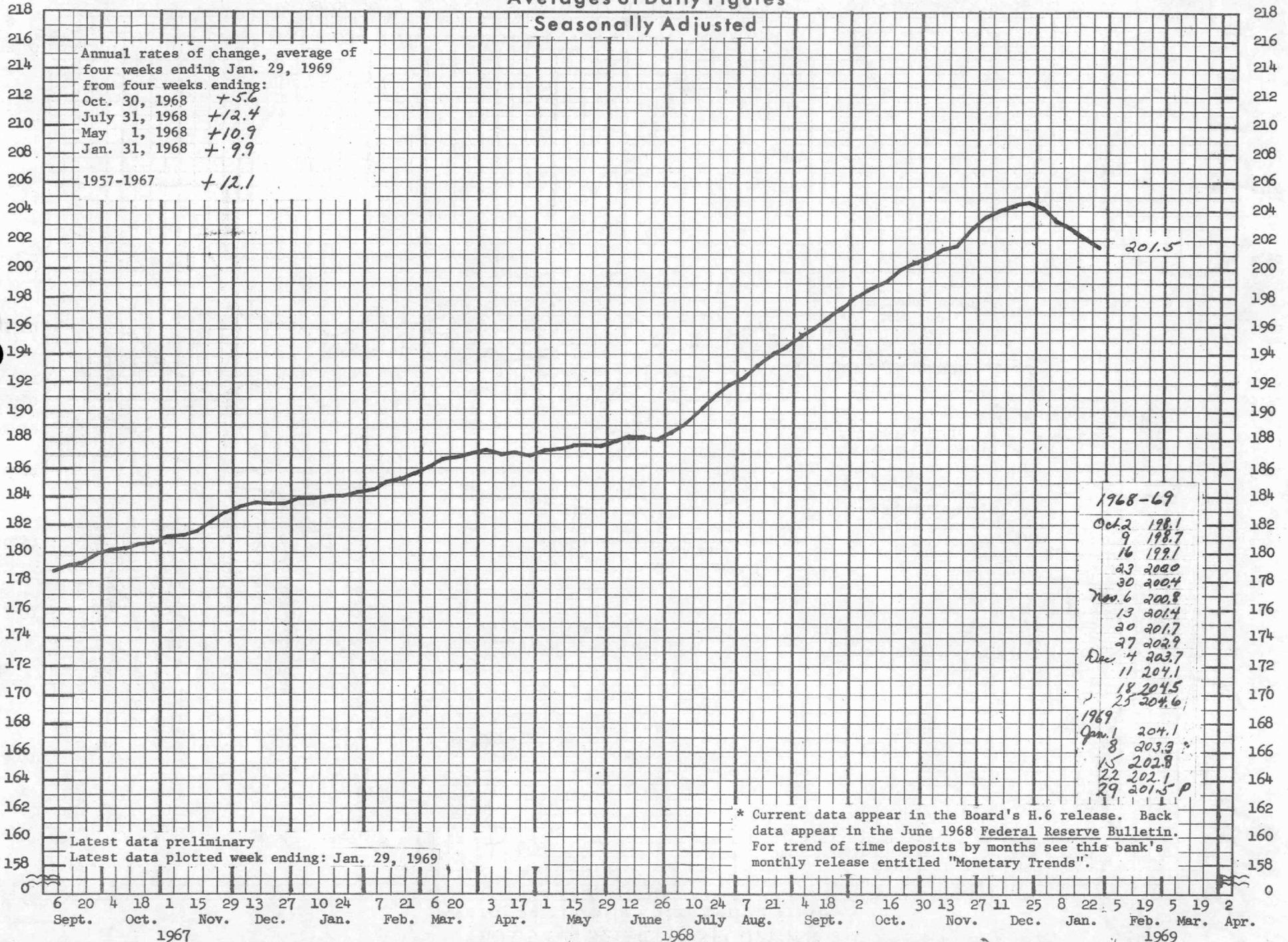
Latest data preliminary  
 Latest data plotted: Jan. 29, 1969

Current and year ago data appear in the Board's H.4.2. release.  
<sup>1</sup>/ Negotiable time certificates of deposit in denominations of \$100,000 or more.

TIME DEPOSITS\*  
All Commercial Banks  
Averages of Daily Figures

Billions of Dollars

Billions of Dollars

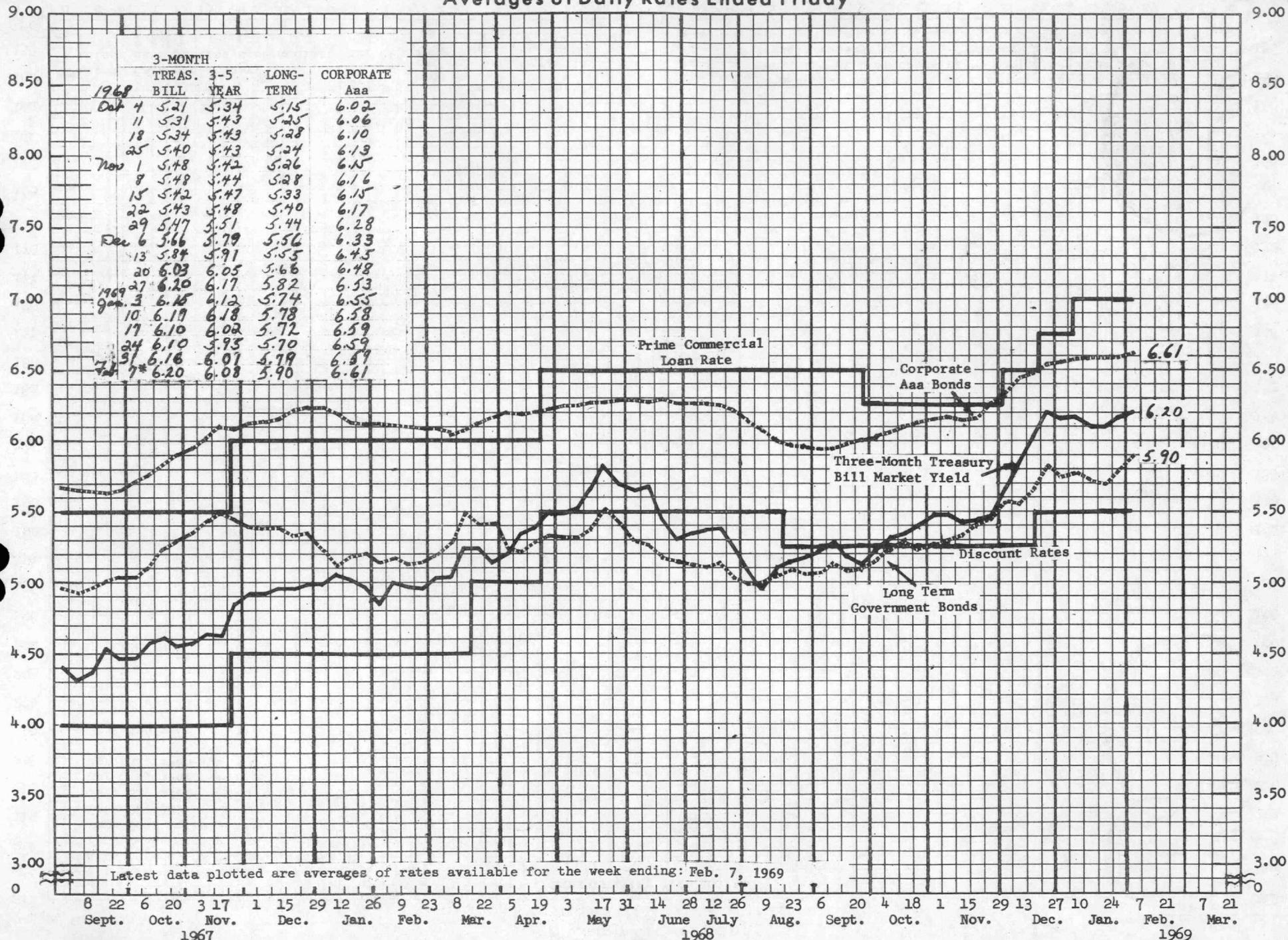


# YIELDS ON SELECTED SECURITIES

## Averages of Daily Rates Ended Friday

Per Cent

Per Cent



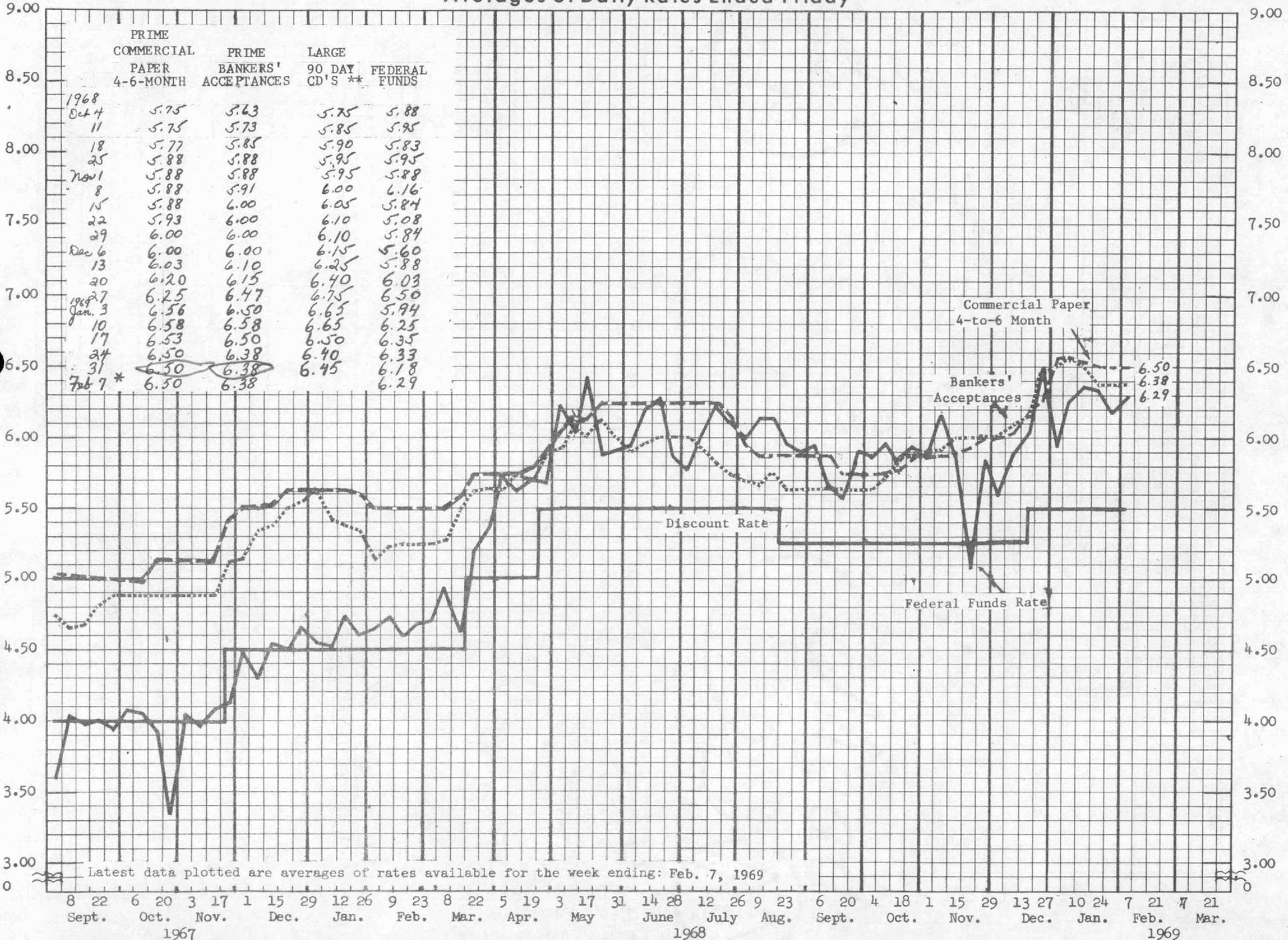
3-MONTH					
	TREAS. BILL	3-5 YEAR	LONG-TERM	CORPORATE Aaa	
1968					
Oct 4	5.21	5.34	5.15	6.02	
11	5.31	5.43	5.25	6.06	
18	5.34	5.43	5.28	6.10	
25	5.40	5.43	5.24	6.13	
Nov 1	5.48	5.42	5.26	6.15	
8	5.48	5.44	5.28	6.16	
15	5.42	5.47	5.33	6.15	
22	5.43	5.48	5.40	6.17	
29	5.47	5.51	5.44	6.28	
Dec 6	5.66	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	6.19	6.18	5.78	6.58	
17	6.10	6.02	5.72	6.59	
24	6.10	5.93	5.70	6.59	
31	6.16	6.01	5.79	6.57	
Feb 7*	6.20	6.08	5.90	6.61	

Latest data plotted are averages of rates available for the week ending: Feb. 7, 1969

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

Per Cent

Per Cent



Latest data plotted are averages of rates available for the week ending: Feb. 7, 1969

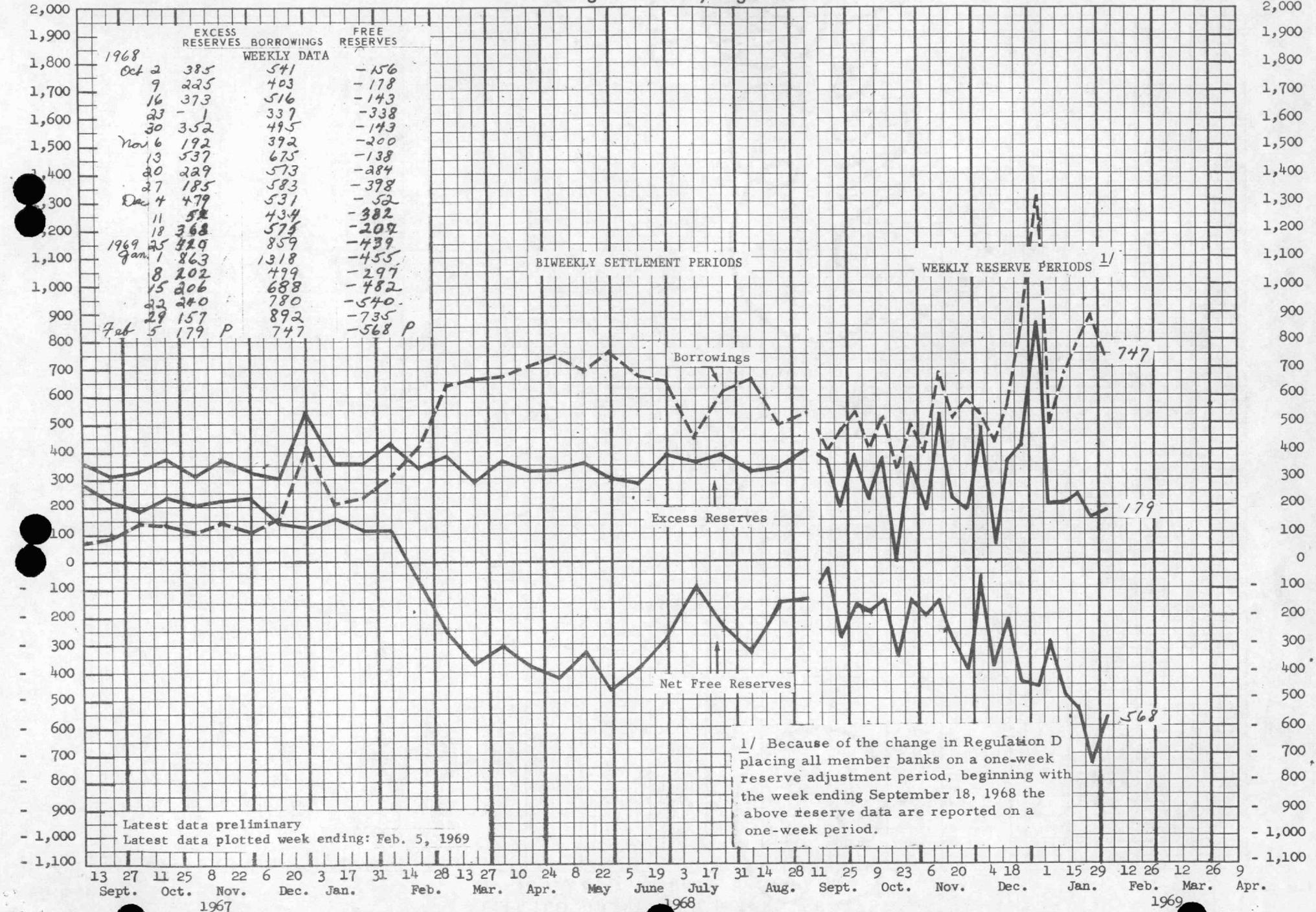
# BORROWINGS AND EXCESS RESERVES

## All Member Banks in the Nation

### Averages of Daily Figures

Millions of Dollars

Millions of Dollars



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: Feb. 5, 1969

DEMAND DEPOSIT COMPONENT OF MONEY STOCK\*

Averages of Daily Figures

Seasonally Adjusted

Billions of Dollars

Billions of Dollars

