Week ending: February 5, 1969

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

<table>
<thead>
<tr>
<th>Date</th>
<th>Monetary Base</th>
<th>F.R. Credit</th>
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<tbody>
<tr>
<td>Nov. 6, 1968</td>
<td>+9.6</td>
<td>+6.6</td>
</tr>
<tr>
<td>Aug. 7, 1968</td>
<td>+7.3</td>
<td>+6.6</td>
</tr>
<tr>
<td>May 8, 1968</td>
<td>+6.9</td>
<td>+7.0</td>
</tr>
<tr>
<td>Feb. 7, 1968</td>
<td>+6.8</td>
<td>+8.8</td>
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</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.

Latest data preliminary

Latest data plotted week ending: Feb. 5, 1969
**MONETARY STOCK**

Averages of Daily Figures

Seasonally Adjusted

Annual rates of change, average of four weeks ending Jan. 29, 1969 from:
- Oct. 30, 1968: +7.6
- July 31, 1968: +4.8
- May 1, 1968: +6.7
- Jan. 31, 1968: +6.2

1957-1967: +2.6

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


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

Annual rates of change, average of
four weeks ending Jan. 29, 1969 from
four weeks ending:
Oct. 30, 1968 +6.7
July 31, 1968 +8.6
May 1, 1968 +8.9
Jan. 31, 1968 +2.1
1957-1967 +6.2

Latest data plotted week ending: Jan. 29, 1969

* 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".

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. 29, 1969 from four weeks ending:
- Oct. 30, 1968 +19.0
- July 31, 1968 +13.5
- May 1, 1968 +12.3
- Jan. 31, 1968 +12.4

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

#### Latest data plotted: Jan. 29, 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
Large Commercial Banks
Wednesday Figures

Annual rates of change, seasonally unadjusted data, average of four weeks ending Jan. 29, 1969 from four weeks ending:
- Oct. 30, 1968 - 2.48
- July 31, 1968 + 1.8
- May 1, 1968 + 4.4
- Jan. 31, 1968 + 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.

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

Seasonally Adjusted

Annual rates of change, average of four weeks ending Jan. 29, 1969 from four weeks ending:
Oct. 30, 1968 +5.6
July 31, 1968 +12.4
May 1, 1968 +10.9
Jan. 31, 1968 +9.9
1957-1967 +12.1

Prepared by Federal Reserve Bank of St. Louis

Latest data preliminary
Latest data plotted week ending: Jan. 29, 1969
YIELDS ON SELECTED SECURITIES
Averages of Daily Rates Ended Friday

Per Cent
9.00
8.50
8.00
7.50
7.00
6.50
6.00
5.50
5.00
4.50
4.00
3.50
3.00

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

Prepared by Federal Reserve Bank of St. Louis
SELECTED SHORT-TERM INTEREST RATES
Averages of Daily Rates Ended Friday

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<thead>
<tr>
<th>Date</th>
<th>Prime</th>
<th>Commercial Paper 4-6-Month</th>
<th>Prime Bankers' Acceptances</th>
<th>Large 90-Day CDs **</th>
<th>Federal Funds</th>
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</tr>
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</table>

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

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

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

Millions of Dollars

<table>
<thead>
<tr>
<th>Years</th>
<th>Oct 31</th>
<th>Nov 30</th>
<th>Dec 31</th>
<th>Jan 31</th>
<th>Feb 28</th>
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<td>1967</td>
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<td>2,285</td>
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<td>1,997</td>
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<td>2,317</td>
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</table>

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.

Borrowings
Excess Reserves
Net Free Reserves

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

Prepared by Federal Reserve Bank of St. Louis
Annual rates of change, average of four weeks ending Jan. 29, 1969 from four weeks ending:

- Oct. 30, 1968 +7.9
- July 31, 1968 +4.2
- May 1, 1968 +6.6
- Jan. 31, 1968 +5.9

1957-1967 +2.4

Latest data preliminary
Latest data plotted week ending: Jan. 29, 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