The monetary base averaged $76.5 billion in the four weeks ending February 19, up $.8 billion or at a 6.1 per cent annual rate from the four weeks ending December 18 (page 2). This rate of increase is somewhat slower than the 6.5 per cent rate for the past twelve months and the 6.3 per cent trend rate of the past two years. In contrast, the base increased at a 3.6 per cent trend rate from 1957 to 1968. The monetary base, the total credit extended by the Federal Reserve and Treasury to the economy and a measure of monetary actions, indicates no appreciable change in the past two months from the previous two years. Federal Reserve credit, the largest source component of the base, has increased at a 6.7 per cent rate in the past two months, similar to the 9.0 per cent rate of increase in the past two years (page 2).

Although the base has continued to increase rapidly since early December, money has declined on balance since the four weeks ending December 18 (page 3). This discrepancy can be explained for the most part by the recent unusual build-up of Treasury deposits in commercial banks, causing private demand deposits and money to be correspondingly less than they otherwise would be. The money stock, adjusted for this change in Government deposits, which is likely to be temporary, has continued to increase since early December at roughly its earlier rapid rate.

Since last July money has increased at a 3 per cent annual rate, less than half the rate of the previous 18 months. Just as in the last two months, the slower growth over the last seven months has reflected unusual developments which may now be near an end. The monetary base, which usually determines the growth of money over an extended period, has continued to increase very rapidly up to the present time. If the base continues to increase rapidly in coming weeks and Treasury balances at commercial banks are substantially reduced from their present abnormally high levels, the money stock would increase rapidly. Nevertheless, experience indicates that a markedly slower growth of money over a period of seven months may have a measurable moderating effect on total spending.

Time deposits have declined at a 7.7 per cent rate since early December in response to high market interest rates relative to rates banks are permitted to pay on time deposits (page 7). As a result of the disintermediation of time deposits, the growth rates of money plus time deposits and bank credit have decelerated. The money stock plus time deposits has decreased at a 4.3 per cent annual rate in the past two months, compared with a 7.5 per cent increase during the past year (page 4). Total credit at large commercial banks has increased at a 0.5 per cent annual rate since early December, compared with a 10.3 per cent increase in the past year (page 12). The decline of time deposits bears heavily on commercial banks and some bank loan customers, but since funds leaving time deposits are available elsewhere, the disintermediation does not necessarily restrict total credit flows in the economy. Accordingly, the decelerated growth of bank credit and the broad measure of money do not necessarily indicate monetary restraint.

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 21, 1969
Averages of Daily Figures
Seasonally adjusted by this bank.

Annual rates of change, average of four weeks ending Feb. 19, 1969 from four weeks ending:

<table>
<thead>
<tr>
<th>Date</th>
<th>Monetary Base</th>
<th>F.R. Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec. 18, 1968</td>
<td>+0.1</td>
<td>+0.7</td>
</tr>
<tr>
<td>Nov. 20, 1968</td>
<td>+0.8</td>
<td>+2.3</td>
</tr>
<tr>
<td>Aug. 21, 1968</td>
<td>+0.6</td>
<td>+3.7</td>
</tr>
<tr>
<td>May 22, 1968</td>
<td>+0.3</td>
<td>+6.0</td>
</tr>
<tr>
<td>Feb. 21, 1968</td>
<td>+0.5</td>
<td>+7.8</td>
</tr>
</tbody>
</table>

1957-1968: +3.1 +7.8

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.

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.
Billions of Dollars

Annual rates of change, average of four weeks ending Feb. 12, 1969 from four weeks ending:

- Dec. 18, 1968: +1.0
- Nov. 13, 1968: +1.6
- Aug. 14, 1968: +3.3
- May 15, 1968: +6.0
- Feb. 14, 1968: +5.6

1957-1968: +2.9

Latest data preliminary
Latest data plotted week ending: Feb. 12, 1969

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 Feb. 12, 1969 from four weeks ending:
- Dec. 18, 1968: 4.3
- Nov. 13, 1968: +3.2
- Aug. 14, 1968: +6.6
- May 15, 1968: +8.1
- Feb. 14, 1968: +7.5

1957-1968: +6.4

Latest data preliminary
Latest data plotted week ending: Feb. 12, 1969

Current data appear in the Board’s H.6 release. Back data appear in the June 1968 Federal Reserve Bulletin. For trend of money stock plus time deposits by month, see this bank's monthly release entitled "Monetary Trends".
BUSINESS LOANS
Large Commercial Banks
Wednesday Figures

Seasonally adjusted by this bank.

Annual rates of change, average of four weeks ending Feb. 12, 1969 from four weeks ending:
Dec. 18, 1968 + 19.7
Nov. 13, 1968 + 19.7
Aug. 14, 1968 + 13.1
May 15, 1968 + 12.4
Feb. 14, 1968 + 12.7

1960-1968 + 9.6

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.
CERTIFICATES OF DEPOSIT
Large Commercial Banks
Wednesday Figures

Annual rates of change, seasonally unadjusted data,
average of four weeks ending Feb. 12, 1969 from
four weeks ending:
Dec. 18, 1968 - 9.3
Nov. 13, 1968 - 43.0
Aug. 14, 1968 - 7.8
May 13, 1968 + 7.9
Feb. 14, 1968 + 0.2

1964-1968 + 16.0

Latest data preliminary
Latest data plotted: Feb. 12, 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

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

Seasonally Adjusted

Annual rates of change, average of
four weeks ending Feb. 12, 1969 from
four weeks ending:
Dec. 18, 1968 - 1.7
Nov. 13, 1968 + 1.4
Aug. 14, 1968 + 1.6
May 15, 1968 + 10.0
Feb. 14, 1968 + 9.2

1957-1968 + 12.0

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

Prepared by Federal Reserve Bank of St. Louis
<table>
<thead>
<tr>
<th>Date</th>
<th>3-Month Treasury</th>
<th>3-5 Year</th>
<th>Long-Term</th>
<th>Corporate Aaa Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/15</td>
<td>6.17</td>
<td>6.28</td>
<td>6.55</td>
<td>6.68</td>
</tr>
<tr>
<td>12/22</td>
<td>6.13</td>
<td>6.52</td>
<td>6.86</td>
<td>6.61</td>
</tr>
<tr>
<td>12/29</td>
<td>6.11</td>
<td>5.91</td>
<td>6.55</td>
<td>6.55</td>
</tr>
<tr>
<td>1/5</td>
<td>6.01</td>
<td>5.80</td>
<td>6.61</td>
<td>6.66</td>
</tr>
<tr>
<td>1/12</td>
<td>6.01</td>
<td>5.79</td>
<td>6.64</td>
<td>6.63</td>
</tr>
<tr>
<td>1/19</td>
<td>6.00</td>
<td>5.78</td>
<td>6.63</td>
<td>6.60</td>
</tr>
<tr>
<td>1/26</td>
<td>6.00</td>
<td>5.77</td>
<td>6.62</td>
<td>6.57</td>
</tr>
<tr>
<td>1/31</td>
<td>6.00</td>
<td>5.76</td>
<td>6.61</td>
<td>6.56</td>
</tr>
<tr>
<td>2/7</td>
<td>6.00</td>
<td>5.75</td>
<td>6.60</td>
<td>6.55</td>
</tr>
<tr>
<td>2/14</td>
<td>6.00</td>
<td>5.74</td>
<td>6.59</td>
<td>6.54</td>
</tr>
<tr>
<td>2/21</td>
<td>6.00</td>
<td>5.73</td>
<td>6.58</td>
<td>6.53</td>
</tr>
</tbody>
</table>

YIELDS ON SELECTED SECURITIES
Averages of Daily Rates Ended Friday

Prime Commercial Loan Rate
Corporate Aaa Bonds
Three-Month Treasury Bill Market Yield
Discount Rates
Long Term Government Bonds

Latest data plotted are averages of daily rates available for the week ending: Feb. 21, 1969

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

<table>
<thead>
<tr>
<th>Date</th>
<th>Prime</th>
<th>Commercial Paper</th>
<th>Prime Bankers' Acceptances</th>
<th>90 Day CDs</th>
<th>Federal Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec. 6</td>
<td>6.00</td>
<td>6.00</td>
<td>6.15</td>
<td>5.60</td>
<td></td>
</tr>
<tr>
<td>Dec. 13</td>
<td>6.03</td>
<td>6.10</td>
<td>6.25</td>
<td>5.88</td>
<td></td>
</tr>
<tr>
<td>Dec. 27</td>
<td>6.25</td>
<td>6.15</td>
<td>6.40</td>
<td>6.03</td>
<td></td>
</tr>
<tr>
<td>Jan. 10</td>
<td>6.58</td>
<td>6.58</td>
<td>6.58</td>
<td>6.25</td>
<td></td>
</tr>
<tr>
<td>Jan. 17</td>
<td>6.58</td>
<td>6.58</td>
<td>6.50</td>
<td>6.33</td>
<td></td>
</tr>
<tr>
<td>Feb. 24</td>
<td>6.50</td>
<td>6.50</td>
<td>6.40</td>
<td>6.33</td>
<td></td>
</tr>
<tr>
<td>Mar. 31</td>
<td>6.50</td>
<td>6.50</td>
<td>6.45</td>
<td>6.33</td>
<td></td>
</tr>
<tr>
<td>Apr. 7</td>
<td>6.50</td>
<td>6.50</td>
<td>6.50</td>
<td>6.33</td>
<td></td>
</tr>
<tr>
<td>Apr. 14</td>
<td>6.50</td>
<td>6.50</td>
<td>6.45</td>
<td>6.33</td>
<td></td>
</tr>
</tbody>
</table>

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**

<table>
<thead>
<tr>
<th>Year</th>
<th>Week Ending</th>
<th>Borrowings</th>
<th>Reserves</th>
<th>Net Free Reserves</th>
</tr>
</thead>
<tbody>
<tr>
<td>1968</td>
<td>Feb 19, 1969</td>
<td>-721</td>
<td>513</td>
<td>-682</td>
</tr>
</tbody>
</table>

**Notes:**

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.

Prepared by Federal Reserve Bank of St. Louis

Data source: Federal Reserve Bank of St. Louis

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DEMAND DEPOSIT COMPONENT OF MONEY STOCK

Averages of Daily Figures
Seasonally Adjusted

Billions of Dollars

Annual rates of change, average of four weeks ending Feb. 12, 1969 from four weeks ending:

Dec. 18, 1968  -1.7
Nov. 13, 1968  +4.3
Aug. 14, 1968  +2.6
May 15, 1968  +5.8
Feb. 14, 1968  +5.2

1957-1968  +2.7


Latest data preliminary
Latest data plotted week ending: Feb. 12, 1969

Prepared by Federal Reserve Bank of St. Louis
TOTAL CREDIT
Large Commercial Banks
Wednesday Figures

Annual rates of change, average of four weeks ending Feb. 12, 1969 from four weeks ending:
-Dec. 13, 1968 + 0.5
-Nov. 13, 1968 + 4.9
-Aug. 14, 1968 + 1.7
-May 15, 1968 + 11.8
-Feb. 14, 1968 + 10.3

1960-1968 + 8.1

Seasonally adjusted by this bank.

Latest data preliminary
Latest data plotted: Feb. 12, 1969

Prepared by Federal Reserve Bank of St. Louis