In the past three months the monetary base, a measure of credit extended by the Federal Reserve and the Treasury to the economy, has grown at a 4.4 per cent annual rate, compared with a 6.3 per cent rate in the past year, and a 3.6 per cent trend rate from 1957 to 1968 (page 2). Total reserves of member banks have continued to increase rapidly. Growth of reserves in the last three months has been at a 9.5 per cent annual rate, compared with an increase of 6.4 per cent in the past year.

The money stock, consisting of private demand deposits plus currency in the hands of the public, has increased at a 3.8 per cent annual rate in the past three months as well as in the past six months and 6 per cent in the past year (page 3). The money stock, adjusted for extraordinary changes in Treasury deposits at commercial banks, has continued to increase rapidly, growing at a 5 per cent rate in the past three months, compared with a 5.6 per cent increase in the past year (page 3). On average from 1957 to 1968, money and money adjusted for Treasury deposits increased at about a 3 per cent annual rate.

Most market interest rates have increased moderately since late December, continuing the rise which began last August (pages 8 and 9). Yields on long-term government bonds averaged 5.94 per cent during the three days ending March 5, up from 5.82 per cent in late December and about 5 per cent in August. Rates on three-month Treasury bills averaged 6.13 per cent during the first half of this week, down only slightly from 6.20 per cent in late December, compared with about 5 per cent in August.

The high level of interest rates evidently stems mainly from a great demand for loan funds, which in turn reflects, among other factors, large business undertakings for fixed capital investment. Business loans at large commercial banks have increased at an 18 per cent rate in the past three months compared with a 9.6 per cent trend rate from 1960 to 1968 (page 5).

Member bank borrowing from Federal Reserve banks averaged $833 million during the four weeks ending March 5, $257 million above the average level three months ago (page 10). The sharp rise in the level of borrowing, which is expansionary, apparently reflects the low discount rate relative to other rates, as well as the great stress on commercial banks resulting from large loan demands and the loss of time deposits. In the past three months, total time deposits at commercial banks have declined at a 1.4 per cent annual rate (page 7).

Bank credit at large commercial banks has increased at only a 2.4 per cent rate in the past three months compared with a 9.4 per cent increase in the past year (page 12). This slower growth of bank credit reflects mainly the flow of funds to ultimate users through channels other than the commercial banks as Regulation Q ceilings prevent the banks from attracting and holding funds.

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: March 7, 1969
MONETARY BASE
FEDERAL RESERVE CREDIT
Averages of Daily Figures

Seasonally adjusted by this bank.

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

<table>
<thead>
<tr>
<th>Monetary Base</th>
<th>F.R. Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec. 4, 1968</td>
<td>+4.4        +1.9</td>
</tr>
<tr>
<td>Sept. 4, 1968</td>
<td>+5.0        +3.7</td>
</tr>
<tr>
<td>June 5, 1968</td>
<td>+4.2        +4.6</td>
</tr>
<tr>
<td>March 6, 1968</td>
<td>+4.3        +8.6</td>
</tr>
</tbody>
</table>

1957-1968 
+3.6 +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
Latest data plotted week ending: March 5, 1969

Prepared by Federal Reserve Bank of St. Louis

http://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis
1/ Current data on money appear in the Board's H.6 release. Back data appear in the June 1968 Federal Reserve Bulletin. For trend of money stock by months see this bank's monthly release entitled "Monetary Trends"."
MONEY STOCK PLUS TIME DEPOSITS
Averages of Daily Figures
Seasonally Adjusted

Billions of Dollars

Annual rates of change, average of
four weeks ending Feb. 26, 1969 from
four weeks ending:
Nov. 27, 1968 +1.0
Aug. 28, 1968 +2.7
May 29, 1968 +4.3
Feb. 28, 1968 +1.3

1957-1968 +6.4

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
Billions of Dollars

BUSINESS LOANS
Large Commercial Banks
Wednesday Figures

Annual rates of change, average of four weeks ending Feb. 26, 1969 from four weeks ending:

- Nov. 27, 1968: +17.9
- Aug. 28, 1968: +13.7
- May 29, 1968: +12.8
- Feb. 28, 1968: +13.1

1960-1968: +9.6

Seasonally adjusted by this bank.

MILLIONS OF DOLLARS

<table>
<thead>
<tr>
<th>1968-69</th>
<th>UNADJUSTED</th>
<th>SEASONALLY ADJUSTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec. 4</td>
<td>71,272</td>
<td>74,103</td>
</tr>
<tr>
<td>11</td>
<td>71,662</td>
<td>74,394</td>
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<tr>
<td>18</td>
<td>72,368</td>
<td>74,066</td>
</tr>
<tr>
<td>25</td>
<td>73,033</td>
<td>74,954</td>
</tr>
<tr>
<td>Jan. 8</td>
<td>73,928</td>
<td>74,814</td>
</tr>
<tr>
<td>15</td>
<td>73,836</td>
<td>74,386</td>
</tr>
<tr>
<td>22</td>
<td>73,316</td>
<td>73,885</td>
</tr>
<tr>
<td>29</td>
<td>72,876</td>
<td>73,199</td>
</tr>
<tr>
<td>Feb. 5</td>
<td>73,111</td>
<td>73,626</td>
</tr>
<tr>
<td>12</td>
<td>73,361</td>
<td>73,733</td>
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<td>19</td>
<td>73,593</td>
<td>74,112</td>
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<tr>
<td>26</td>
<td>73,709</td>
<td>74,079</td>
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</table>

Latest data preliminary
Latest data plotted: Feb. 26, 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.
CERTIFICATES OF DEPOSIT
Large Commercial Banks
Wednesday Figures

Annual rates of change, seasonally unadjusted data,
average of four weeks ending Feb. 26, 1969 from
four weeks ending:

- Nov. 27, 1968: -57.3
- Aug. 28, 1968: -16.9
- May 29, 1968: +4.8
- Feb. 28, 1968: -0.7
- 1964-1968: +16.0

Latest data preliminary
Latest data plotted: Feb. 26, 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

Digitized for FRASER
http://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis
Annual rates of change, average of four weeks ending Feb. 26, 1969 from four weeks ending:
- Nov. 27, 1968: -1.4
- Aug. 28, 1968: +3.6
- May 29, 1968: +0.5
- Feb. 28, 1968: +2.6

1957-1968: +12.0

YIELDS ON SELECTED SECURITIES
Averages of Daily Rates Ended Friday

Per Cent

<table>
<thead>
<tr>
<th></th>
<th>Treasury 3-Month</th>
<th>3-5 Year</th>
<th>Long-Term</th>
<th>Aaa Corporate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec. 6</td>
<td>5.64</td>
<td>5.79</td>
<td>5.56</td>
<td>6.33</td>
</tr>
<tr>
<td>13</td>
<td>5.84</td>
<td>5.91</td>
<td>5.55</td>
<td>6.45</td>
</tr>
<tr>
<td>20</td>
<td>6.03</td>
<td>6.05</td>
<td>5.66</td>
<td>6.48</td>
</tr>
<tr>
<td>27</td>
<td>6.20</td>
<td>6.17</td>
<td>5.82</td>
<td>6.53</td>
</tr>
<tr>
<td>Nov. 3</td>
<td>6.15</td>
<td>6.12</td>
<td>5.74</td>
<td>6.52</td>
</tr>
<tr>
<td>10</td>
<td>6.17</td>
<td>6.18</td>
<td>5.73</td>
<td>6.51</td>
</tr>
<tr>
<td>17</td>
<td>6.10</td>
<td>6.02</td>
<td>5.72</td>
<td>6.59</td>
</tr>
<tr>
<td>24</td>
<td>6.10</td>
<td>6.01</td>
<td>5.79</td>
<td>6.59</td>
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<tr>
<td>31</td>
<td>6.16</td>
<td>6.08</td>
<td>5.88</td>
<td>6.54</td>
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<tr>
<td>Feb. 7</td>
<td>6.19</td>
<td>6.07</td>
<td>5.96</td>
<td>6.61</td>
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<tr>
<td>14</td>
<td>6.09</td>
<td>6.18</td>
<td>5.86</td>
<td>6.66</td>
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<tr>
<td>21</td>
<td>6.08</td>
<td>6.24</td>
<td>5.93</td>
<td>6.68</td>
</tr>
<tr>
<td>Mar. 7</td>
<td>6.13</td>
<td>6.34</td>
<td>5.94</td>
<td>6.71</td>
</tr>
</tbody>
</table>

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

Prepared by Federal Reserve Bank of St. Louis

Digitized for FRASER
http://fraser.stlouisfed.org
Federal Reserve Bank of St Louis
SELECTED SHORT-TERM INTEREST RATES
Averages of Daily Rates Ended Friday

<table>
<thead>
<tr>
<th>Prime Commercial Paper</th>
<th>Prime Banks' Acceptances</th>
<th>90 Day CD's **</th>
<th>Federal Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>1967-69</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dec</td>
<td>6.00</td>
<td>6.10</td>
<td>5.30</td>
</tr>
<tr>
<td>19</td>
<td>6.03</td>
<td>6.15</td>
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<td>20</td>
<td>6.20</td>
<td>6.15</td>
<td>5.60</td>
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<tr>
<td>27</td>
<td>6.25</td>
<td>6.15</td>
<td>5.60</td>
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<tr>
<td>Jan</td>
<td>6.50</td>
<td>6.25</td>
<td>5.70</td>
</tr>
<tr>
<td>3</td>
<td>6.53</td>
<td>6.25</td>
<td>5.94</td>
</tr>
<tr>
<td>17</td>
<td>6.53</td>
<td>6.25</td>
<td>5.94</td>
</tr>
<tr>
<td>24</td>
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<td>5.85</td>
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<td>31</td>
<td>6.50</td>
<td>6.25</td>
<td>5.85</td>
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<tr>
<td>Feb</td>
<td>6.50</td>
<td>6.25</td>
<td>5.85</td>
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<tr>
<td>14</td>
<td>6.50</td>
<td>6.25</td>
<td>5.85</td>
</tr>
<tr>
<td>21</td>
<td>6.75</td>
<td>6.25</td>
<td>5.85</td>
</tr>
<tr>
<td>Mar</td>
<td>6.75</td>
<td>6.25</td>
<td>5.85</td>
</tr>
</tbody>
</table>

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

SOURCE: SALOMON BROTHERS AND HUTZLER
Prepared by Federal Reserve Bank of St. Louis
Borrowings and Excess Reserves
All Member Banks in the Nation
Averages of Daily Figures

Millions of Dollars

1968-69 Weekly Data

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.
DEMAND DEPOSIT COMPONENT OF MONEY STOCK*
Averagel of Daily Figures
Seasonally Adjusted

Billions of Dollars

Annual rates of change, average of
four weeks ending Feb. 26, 1969 from
four weeks ending:
Nov. 27, 1968 +3.0
Aug. 28, 1968 +3.1
May 29, 1968 +5.1
Feb. 28, 1968 +5.6

1957-1968 +2.7

WEEKLY DATA
1968-69
Jan. 4 149.9
Jan. 3 149.6
Jan. 2 149.2
Jan. 1 148.9

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

Prepared by Federal Reserve Bank of St. Louis

Digitized for FRASER
http://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis
TOTAL CREDIT
Large Commercial Banks
Wednesday Figures

Seasonally adjusted by this bank.

Annual rates of change, average of four weeks ending Feb. 26, 1969 from four weeks ending:

- Nov. 27, 1968: +2.4
- Aug. 28, 1968: +9.5
- May 29, 1968: +10.9
- Feb. 28, 1968: +9.4

1960-1968: +8.1

Latest data preliminary: Feb. 26, 1969

Current and year ago unadjusted data appear in the Board's H.4.2. release. Seasonal adjustment computed by this bank using 1961 through 1968 data.

Prepared by Federal Reserve Bank of St. Louis.