

AUG 27 1998

Week ending March 5, 1969

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 weeks 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.

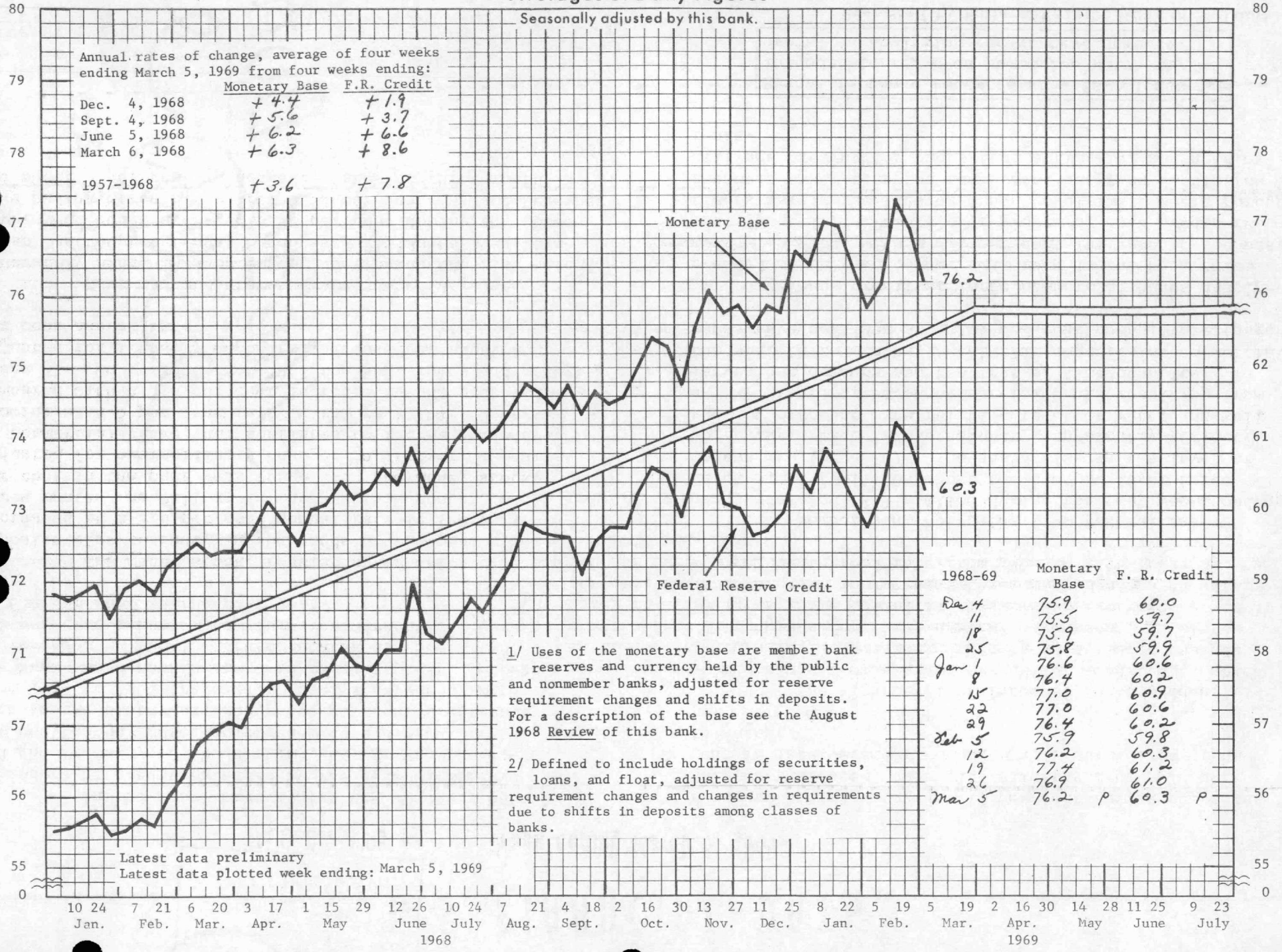
Prepared by Federal Reserve Bank of St. Louis

Released: March 7, 1969

MONETARY BASE ¹ FEDERAL RESERVE CREDIT ² Averages of Daily Figures

Billions of Dollars

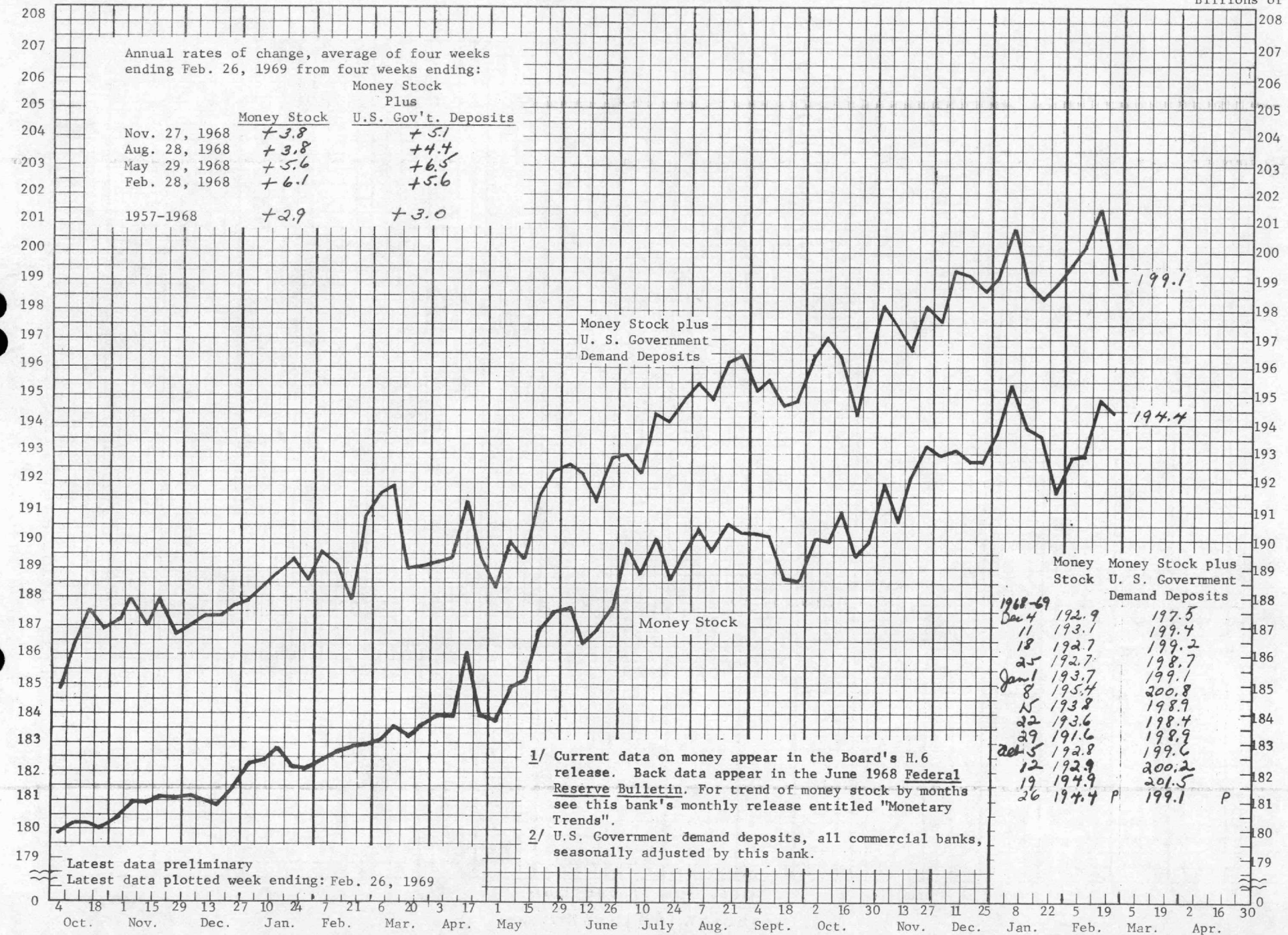
Billions of Dollars



1/ MONEY STOCK 1/
 MONEY STOCK PLUS U.S. GOV'T. DEMAND DEPOSITS 2/
 Seasonally Adjusted
 Averages of Daily Figures

Billions of Dollars

Billions of Dollars



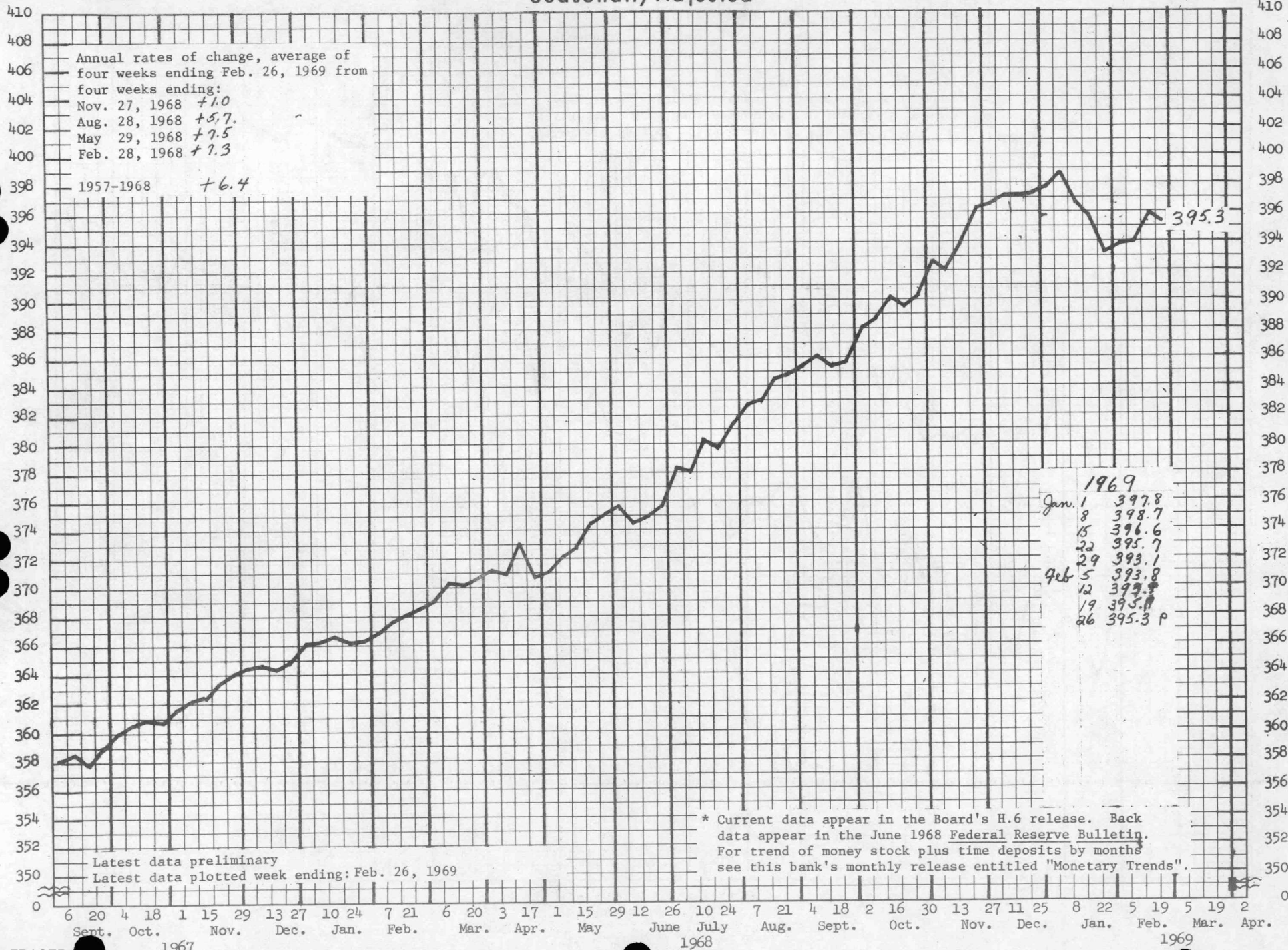
MONEY STOCK PLUS TIME DEPOSITS*

Averages of Daily Figures

Seasonally Adjusted

Billions of Dollars

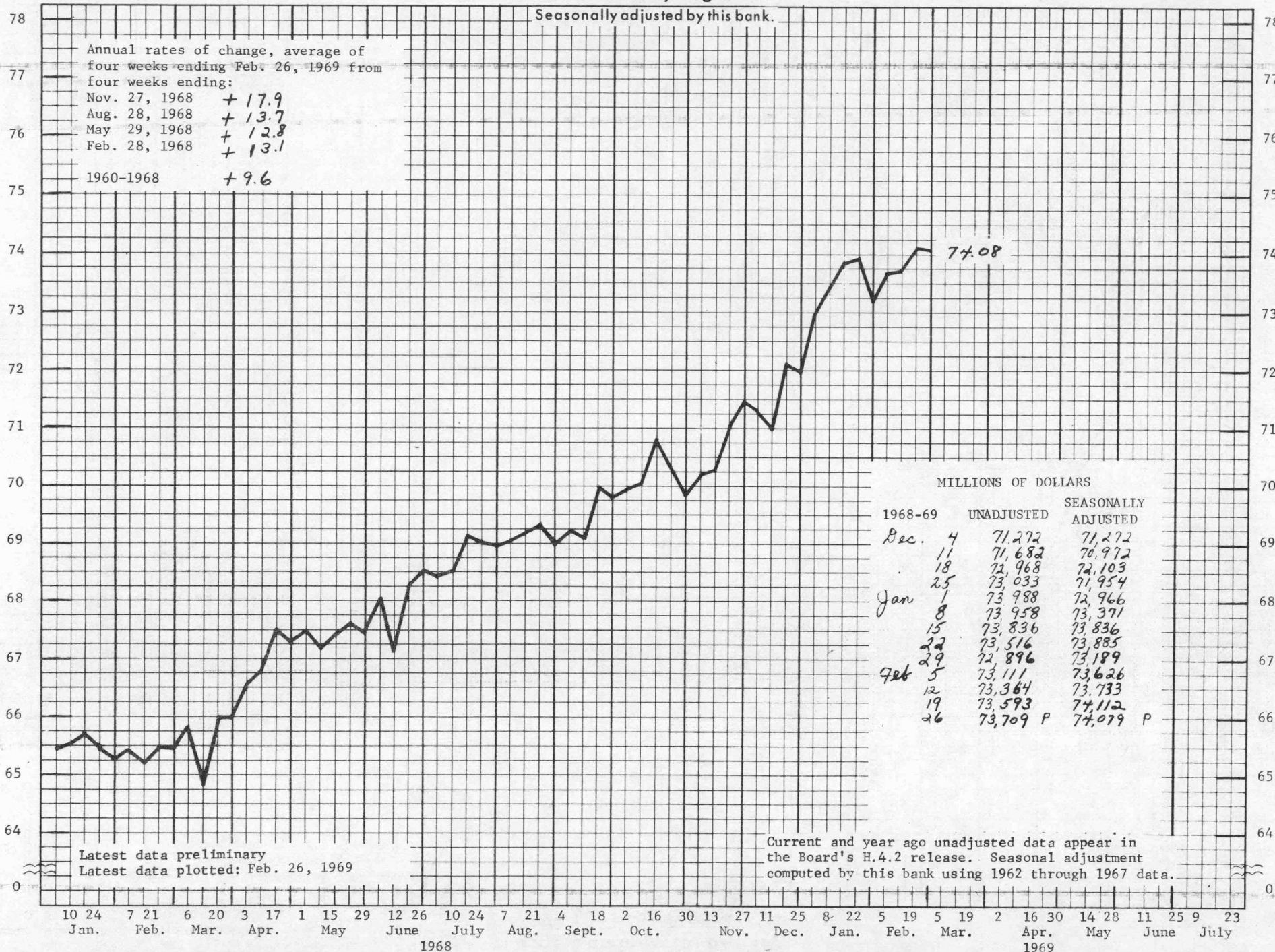
Billions of Dollars



BUSINESS LOANS
Large Commercial Banks
Wednesday Figures

Billions of Dollars

Billions of Dollars



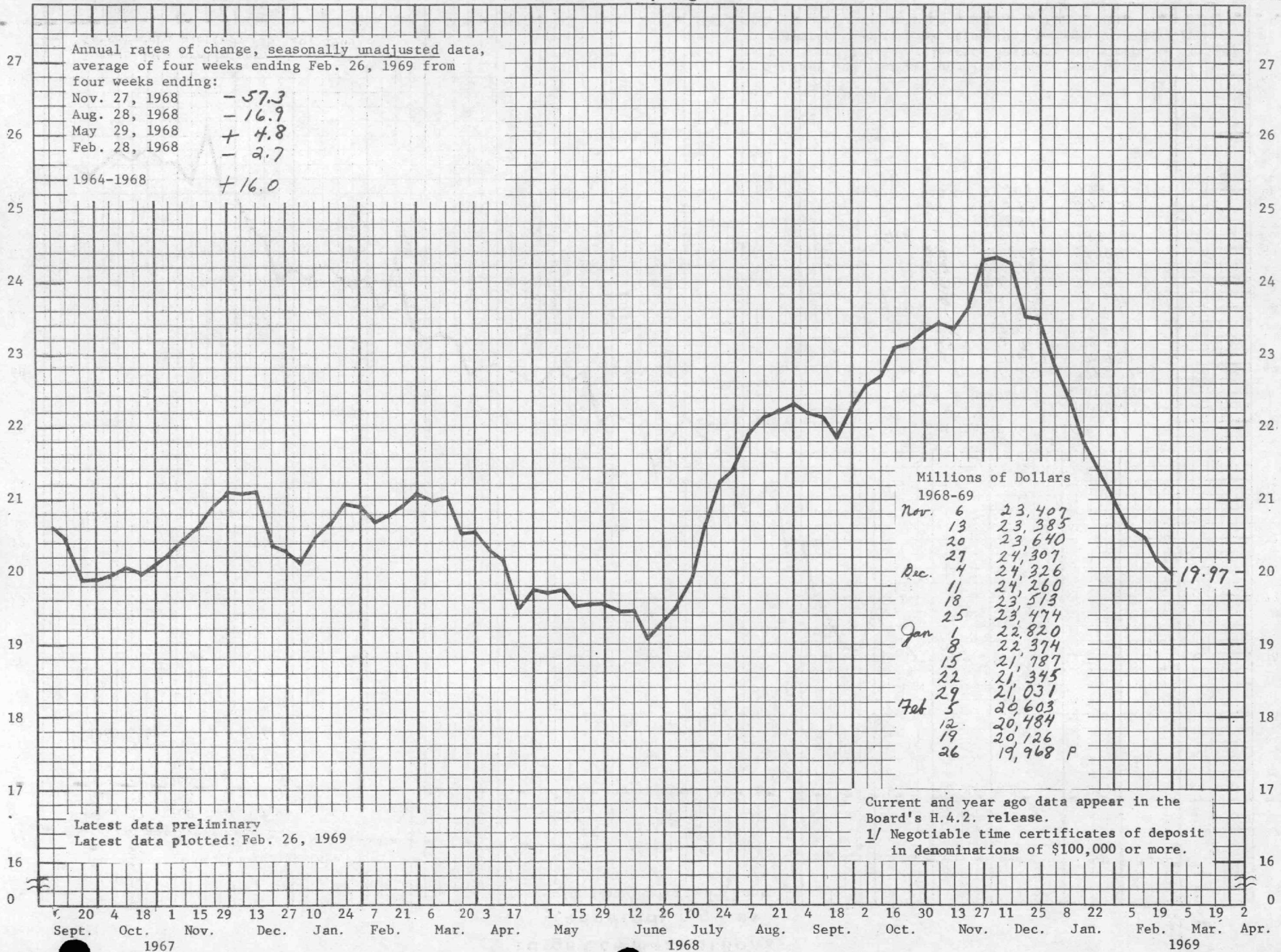
**CERTIFICATES OF DEPOSIT [1]
Large Commercial Banks
Wednesday Figures**

Billions of Dollars

Billions of Dollars

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	- 2.7
1964-1968	+ 16.0



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	21,031
Feb. 5	20,603
12	20,484
19	20,126
26	19,968 P

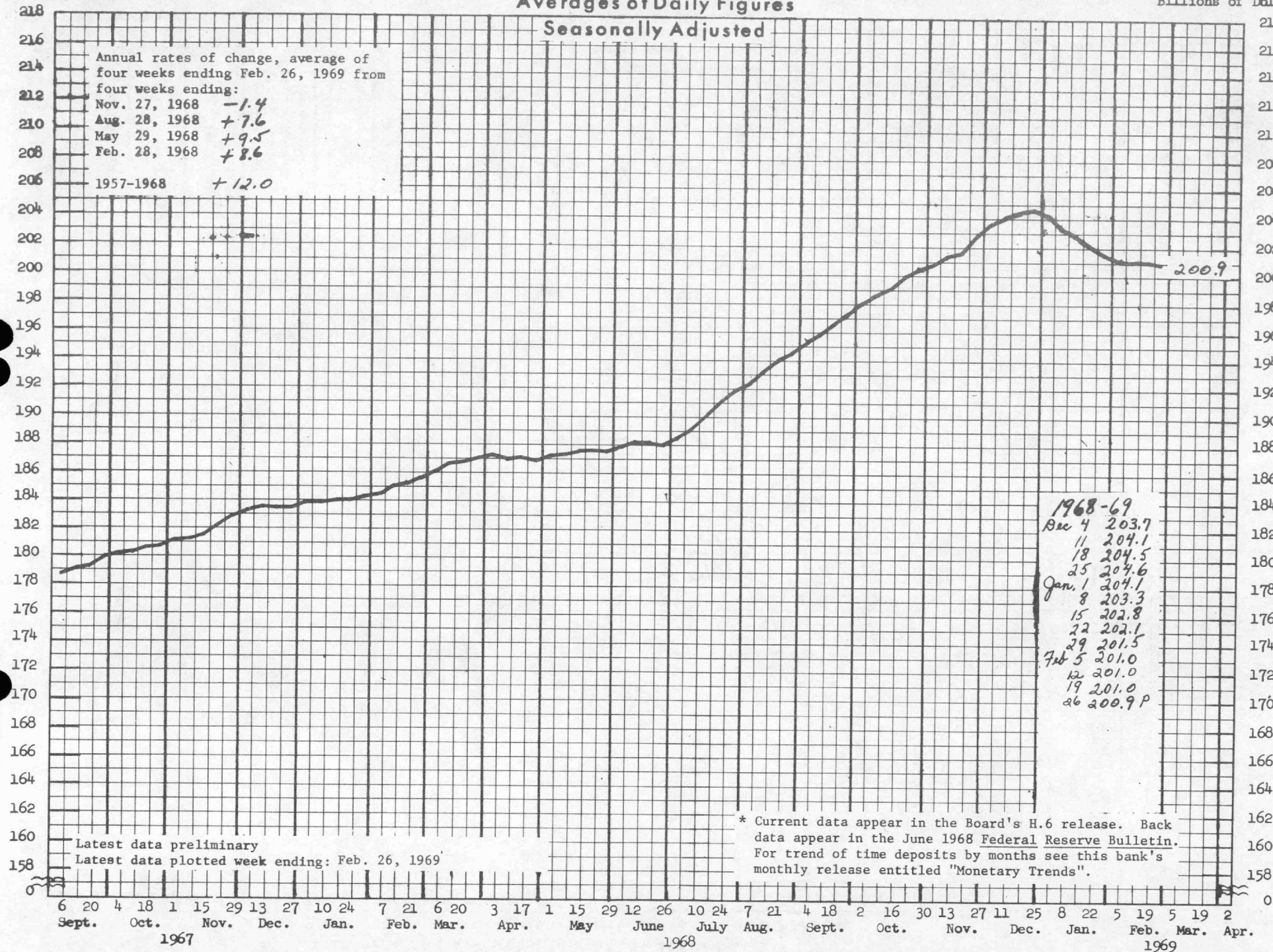
Latest data preliminary
Latest data plotted: Feb. 26, 1969

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.

TIME DEPOSITS*
All Commercial Banks
Averages of Daily Figures

Billions of Dollars

Billions of Dollars



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

Nov. 27, 1968	-1.4
Aug. 28, 1968	+7.6
May 29, 1968	+9.5
Feb. 28, 1968	+8.6
1957-1968	+12.0

1968-69

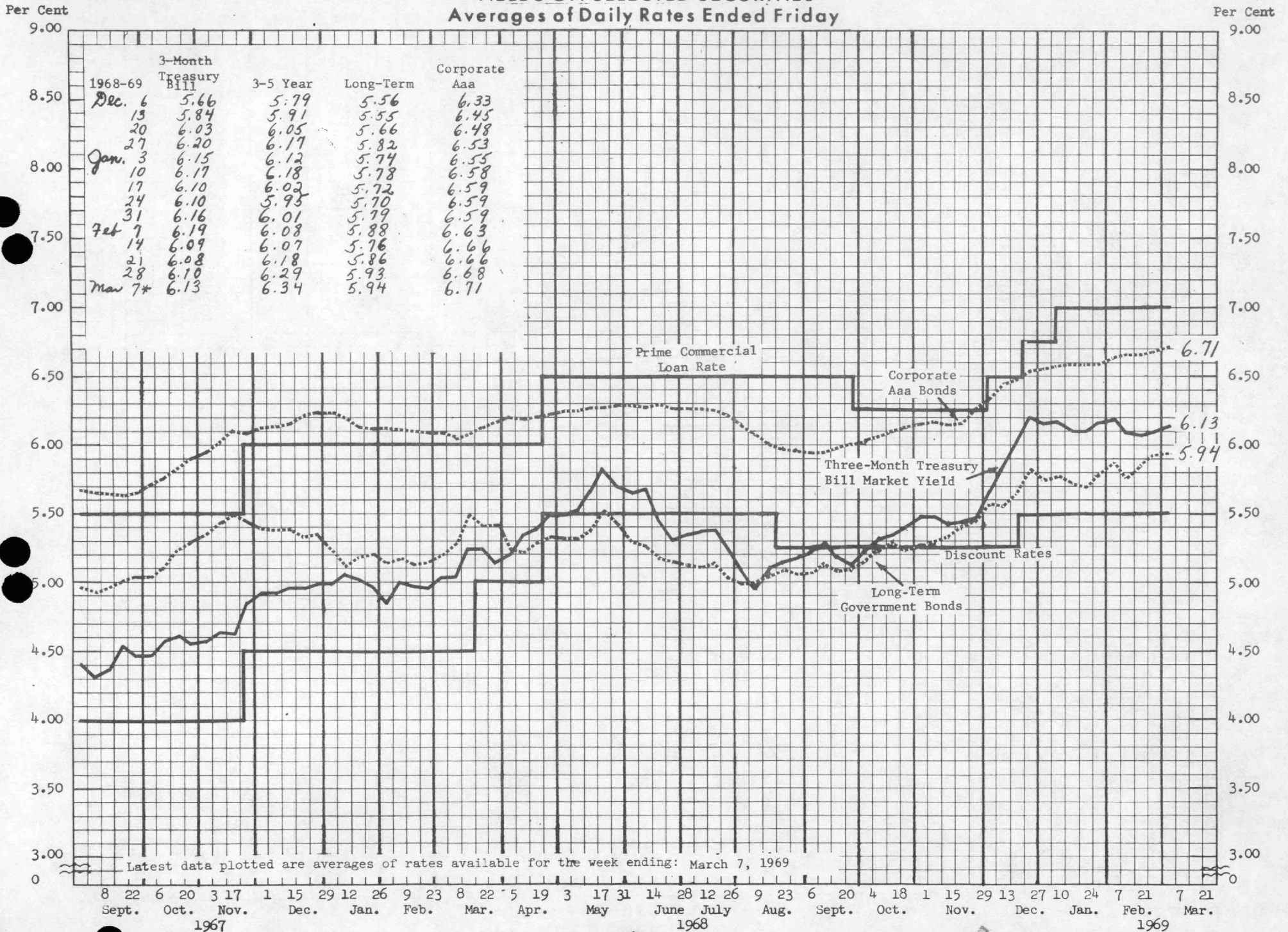
Dec 4	203.7
11	204.1
18	204.5
25	204.6
Jan. 1	204.1
8	203.3
15	202.8
22	202.1
29	201.5
Feb 5	201.0
12	201.0
19	201.0
26	200.9 P

Latest data preliminary
 Latest data plotted week ending: Feb. 26, 1969

* Current data appear in the Board's H.6 release. Back data appear in the June 1968 Federal Reserve Bulletin. For trend of time deposits by months see this bank's monthly release entitled "Monetary Trends".

200.9

YIELDS ON SELECTED SECURITIES Averages of Daily Rates Ended Friday

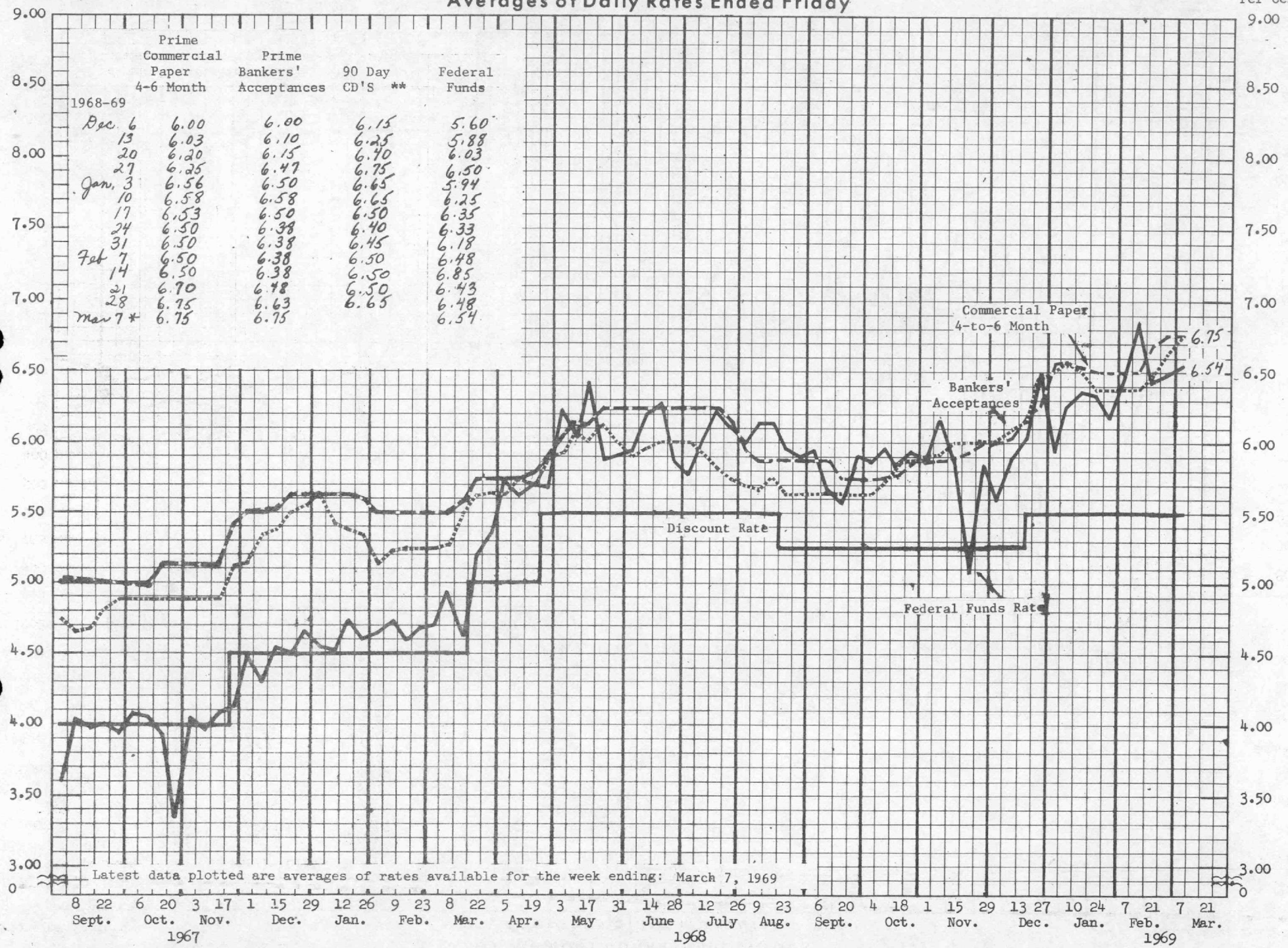


Latest data plotted are averages of rates available for the week ending: March 7, 1969

SELECTED SHORT TERM INTEREST RATES Averages of Daily Rates Ended Friday

Per Cent

Per Cent



1968-69	Prime Commercial Paper 4-6 Month	Prime Bankers' Acceptances	90 Day CD'S **	Federal Funds
Dec. 6	6.00	6.00	6.15	5.60
13	6.03	6.10	6.25	5.88
20	6.20	6.15	6.70	6.03
27	6.25	6.47	6.75	6.50
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	6.40	6.33
31	6.50	6.38	6.45	6.18
Feb. 7	6.50	6.38	6.50	6.48
14	6.50	6.38	6.50	6.85
21	6.70	6.48	6.50	6.43
28	6.75	6.63	6.65	6.48
Mar. 7*	6.75	6.75		6.54

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

*AVERAGES OF RATES AVAILABLE
 **SOURCE: SALOMON BROTHERS AND HUTZLER
 †SECONDARY MARKET RATE ON 90-DAY PRIME CD'S.
 Federal Reserve Bank of St. Louis

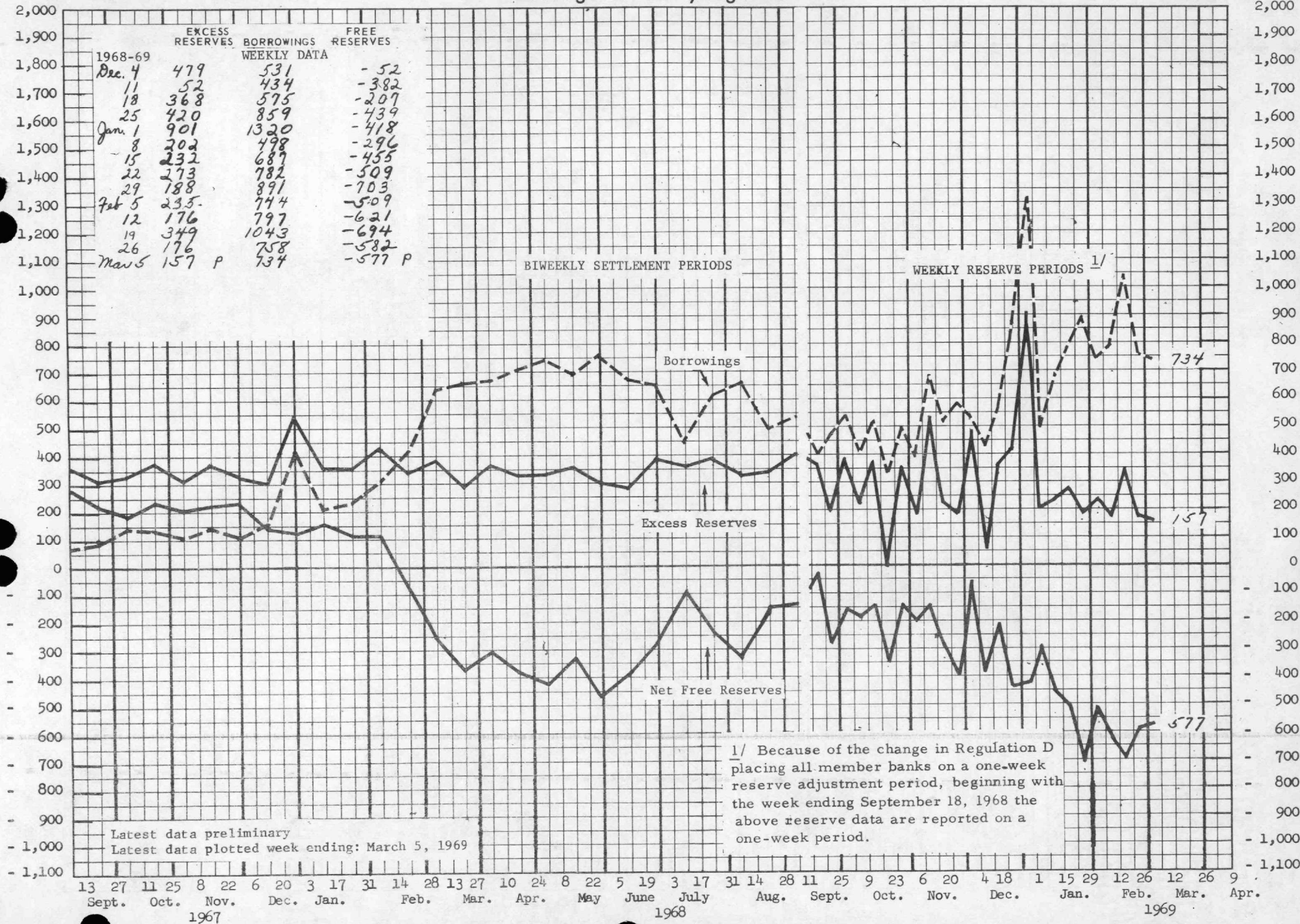
BORROWINGS AND EXCESS RESERVES

All Member Banks in the Nation

Averages of Daily Figures

Millions of Dollars

Millions of Dollars



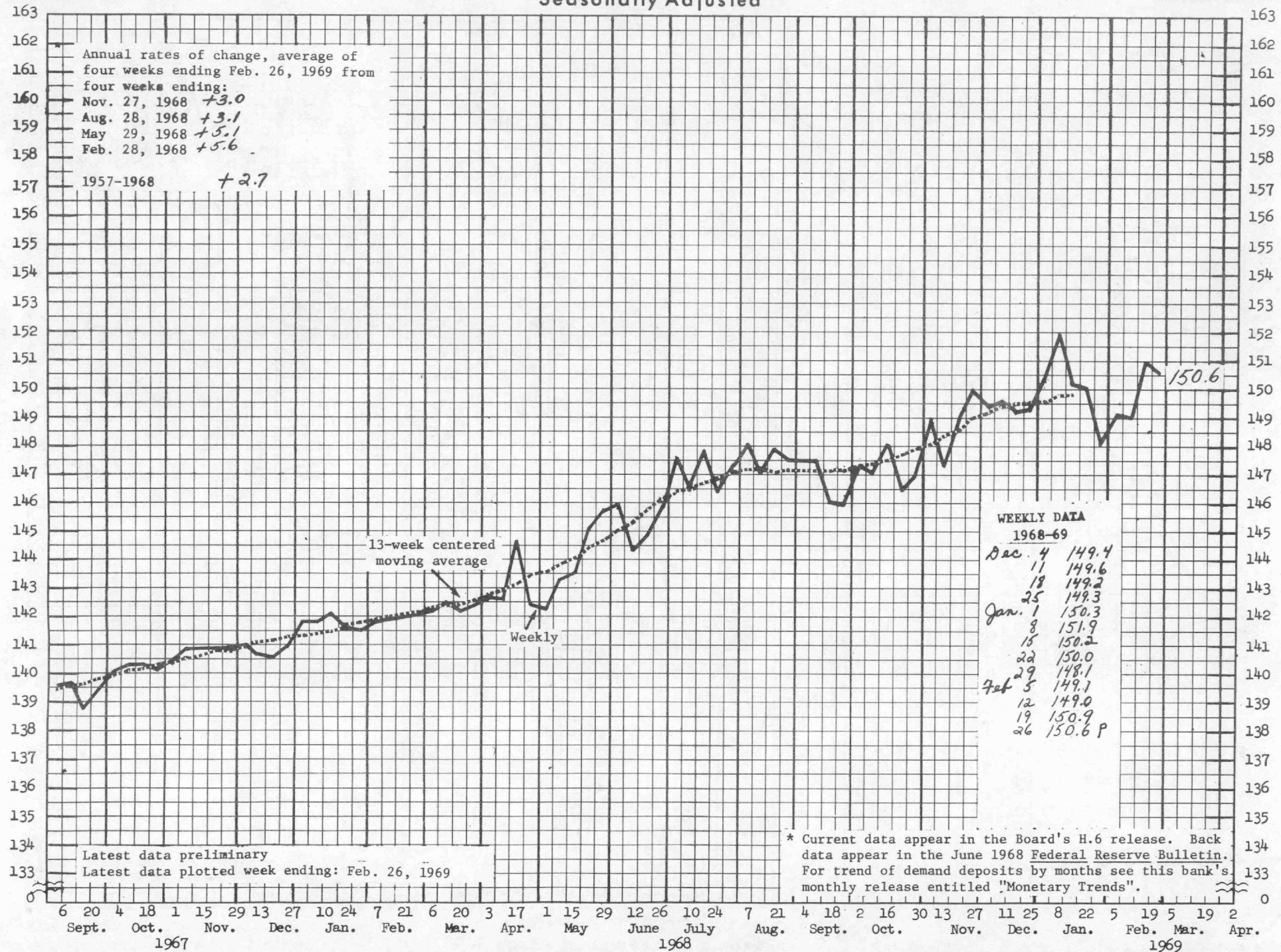
Latest data preliminary
Latest data plotted week ending: March 5, 1969

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*
Averages of Daily Figures
Seasonally Adjusted

Billions of Dollars

Billions of Dollars



TOTAL CREDIT Large Commercial Banks Wednesday Figures

Billions of Dollars

Billions of Dollars

230

230

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

225

225

220

220

215

215

210

210

205

205

200

200

0

0

		Millions of Dollars	
		SEASONALLY	
1968-1969		UNADJUSTED	ADJUSTED
Nov.	6	220,001	220,574
	13	219,353	219,749
	20	219,679	221,094
	27	218,933	220,100
Dec.	4	222,073	222,920
	11	223,545	222,810
	18	227,123	223,767
	25	225,786	222,800
Jan.	1	228,596	224,686
	8	225,155	223,368
	15	223,663	222,484
	22	222,367	223,282
	29	220,970	220,155
Feb.	5	221,478	223,287
	12	221,827	223,548
	19	219,256	220,004
	26	219,198 P	219,858 P

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.

Latest data preliminary
Latest data plotted: Feb. 26, 1969

10 24 7 21 6 20 3 17 1 15 29 12 26 10 24 7 21 4 18 2 16 30 13 27 11 25 8 22 5 19 5 19 2 16 30 14 28 11 25 9 23
Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov. Dec. Jan. Feb. Mar. Apr. May June July
1968 1969