U.S. FINANCIAL DATA

Week ending March 19, 1969

Interest rates have followed a strong upward trend for the past several years. After a brief pause last summer, the trend continued this past fall and winter. The yield on long-term U.S. Government securities (page 8) averaged 6.15 per cent in the three days ending March 19, up from an interim low of about 5 per cent last summer. Market rates on seasoned corporate Aaa bonds averaged 6.91 per cent early this week, up from 6 per cent in the summer. This long upward trend has been the result of the increase in the demand for funds relative to the supply over the whole period. The rapidly growing demand is related to the excessive growth in total spending and the resulting inflation and, in turn, the excessive growth of total spending may be attributed to the Government deficit and monetary expansion in these past years.

The most notable change in short-term interest rates this week was the jump in the rate on commercial bank loans to prime business customers from 7 to 7½ per cent (page 8). With this recent increase, the banks' prime loan rate has risen 1¼ percentage points since September, while the market rate on commercial paper has risen about 1 percentage point. During the same six-month period the discount rate charged by the Federal Reserve on reserves borrowed by member banks has increased only one quarter of one percentage point (page 9).

Interest rates charged by commercial banks have been under exceptional pressure in the last couple of months because of limitations on the supply of funds to banks in the face of the continued strong demand for loans. Maximum rates which the banks may pay on time deposits have been unchanged during the last six months of upward demand pressure on loan funds; consequently, funds have been diverted from banks into other channels. Since early December large certificates of deposit issued at the banks have fallen from $24.3 billion to $19.4 billion (page 6). Total time deposits have declined since late December from $204.6 billion to $201 billion (page 7).

The monetary base has risen at a 3.6 per cent annual rate in the past three months, compared with 6 per cent during the past year (page 2). The major factor resulting in the recent slower growth of the monetary base has been a substantially slower growth in Federal Reserve credit since late fall. Federal Reserve credit has increased at only a 3.3 per cent rate in the past three months, compared with 7 per cent in the past year. Total member bank reserves have grown at a 5 per cent annual rate in the past three months, about the same as during the past year.

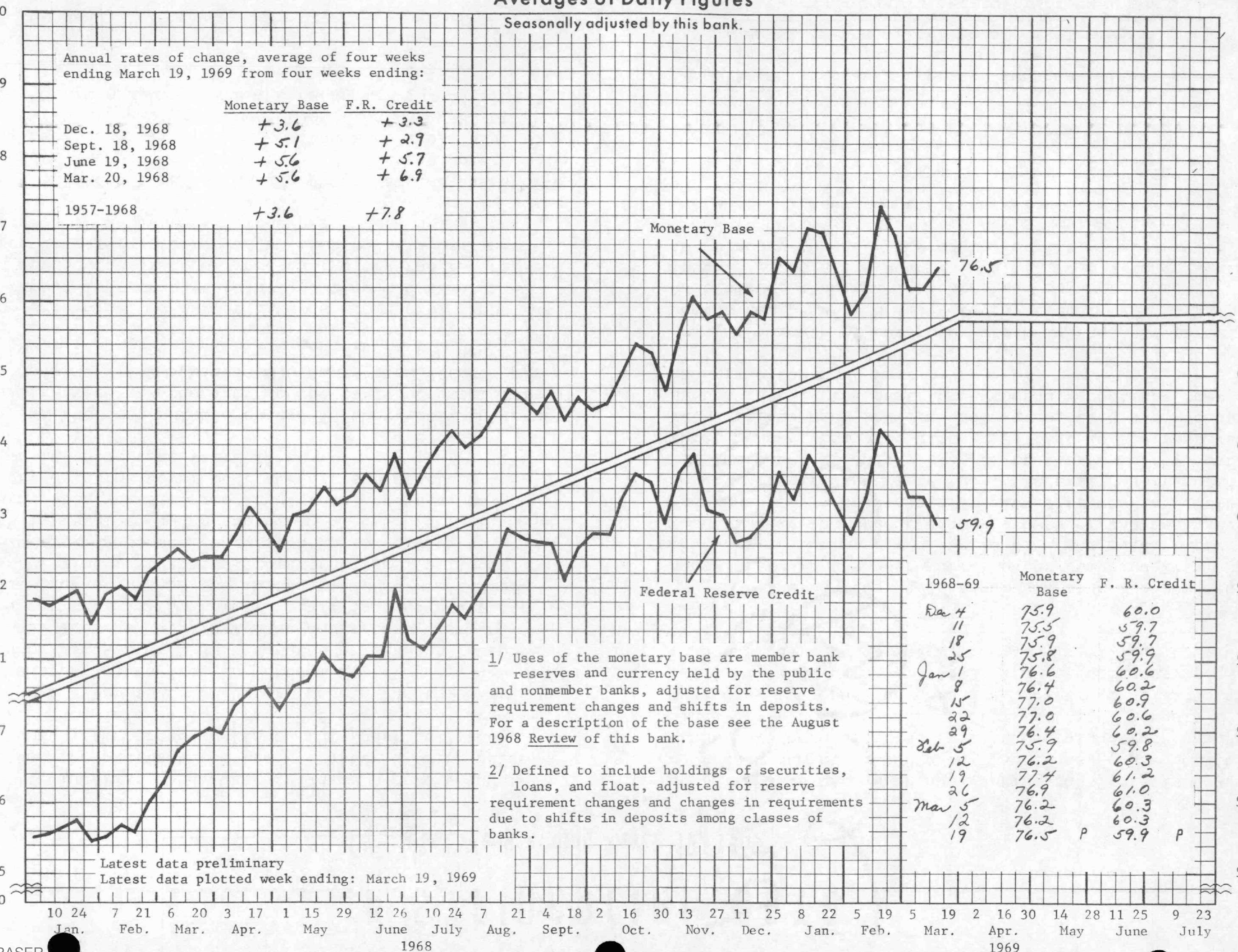
Growth of the money stock in the past three months has been at a 2.5 per cent annual rate, somewhat slower than the growth of the monetary base (page 3). This has been due mainly to a strong growth in currency in the hands of the public. This factor tends to decrease the multiplier relationship between the monetary base and the money stock.

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 21, 1969

MONETARY BASE 1/
FEDERAL RESERVE CREDIT 2/
Averages of Daily Figures

Seasonally adjusted by this bank.



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

	Monetary Base	F.R. Credit
Dec. 18, 1968	+3.6	+3.3
Sept. 18, 1968	+5.1	+2.9
June 19, 1968	+5.6	+5.7
Mar. 20, 1968	+5.6	+6.9
1957-1968	+3.6	+7.8

1968-69	Monetary Base	F. R. Credit
Dec 4	75.9	60.0
11	75.5	59.7
18	75.9	59.7
25	75.8	59.9
Jan 1	76.6	60.6
8	76.4	60.2
15	77.0	60.9
22	77.0	60.6
29	76.4	60.2
Feb 5	75.9	59.8
12	76.2	60.3
19	77.4	61.2
26	76.9	61.0
Mar 5	76.2	60.3
12	76.2	60.3
19	76.5 P	59.9 P

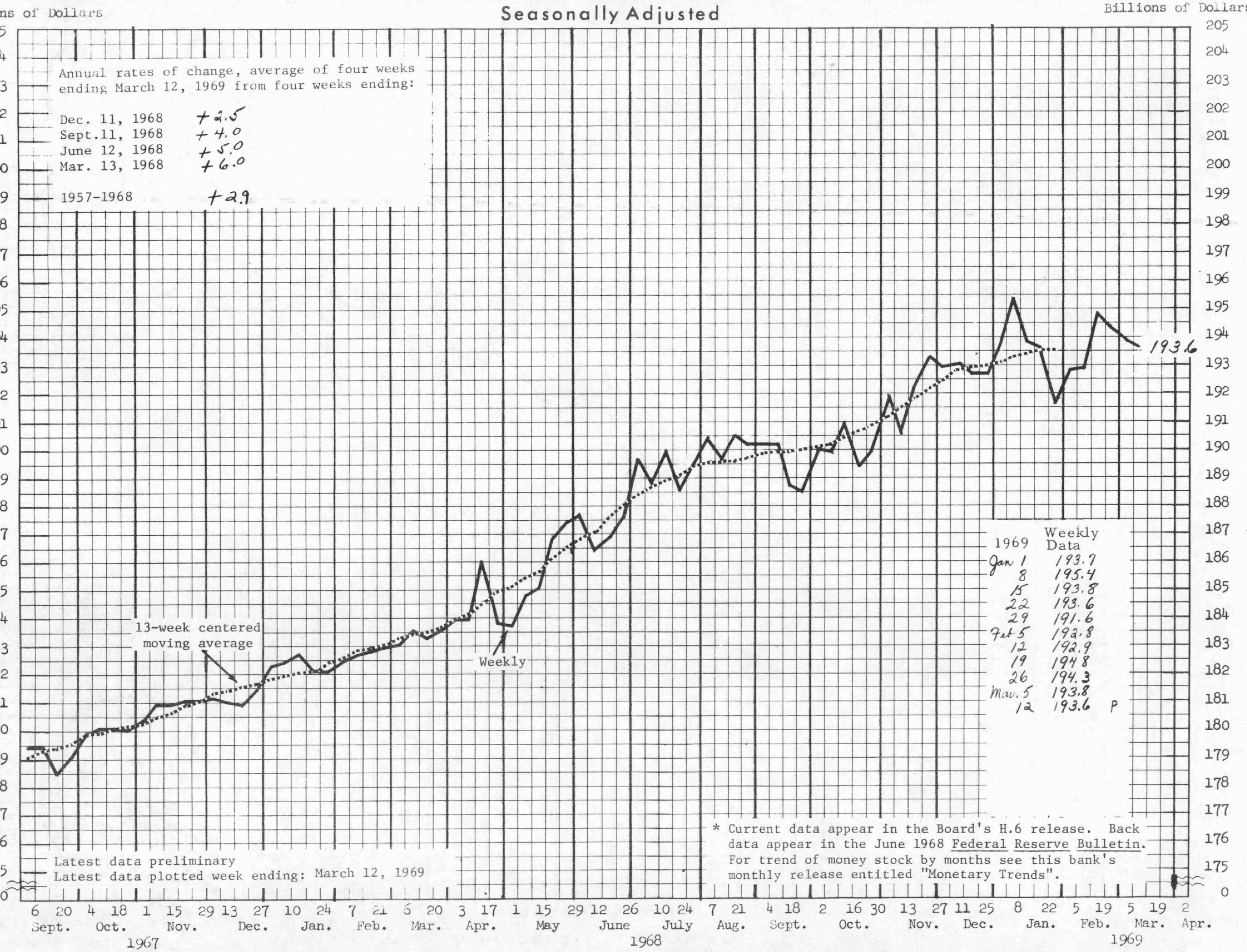
1/ Uses of the monetary base are member bank reserves and currency held by the public and nonmember banks, adjusted for reserve requirement changes and shifts in deposits. For a description of the base see the August 1968 Review of this bank.

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.

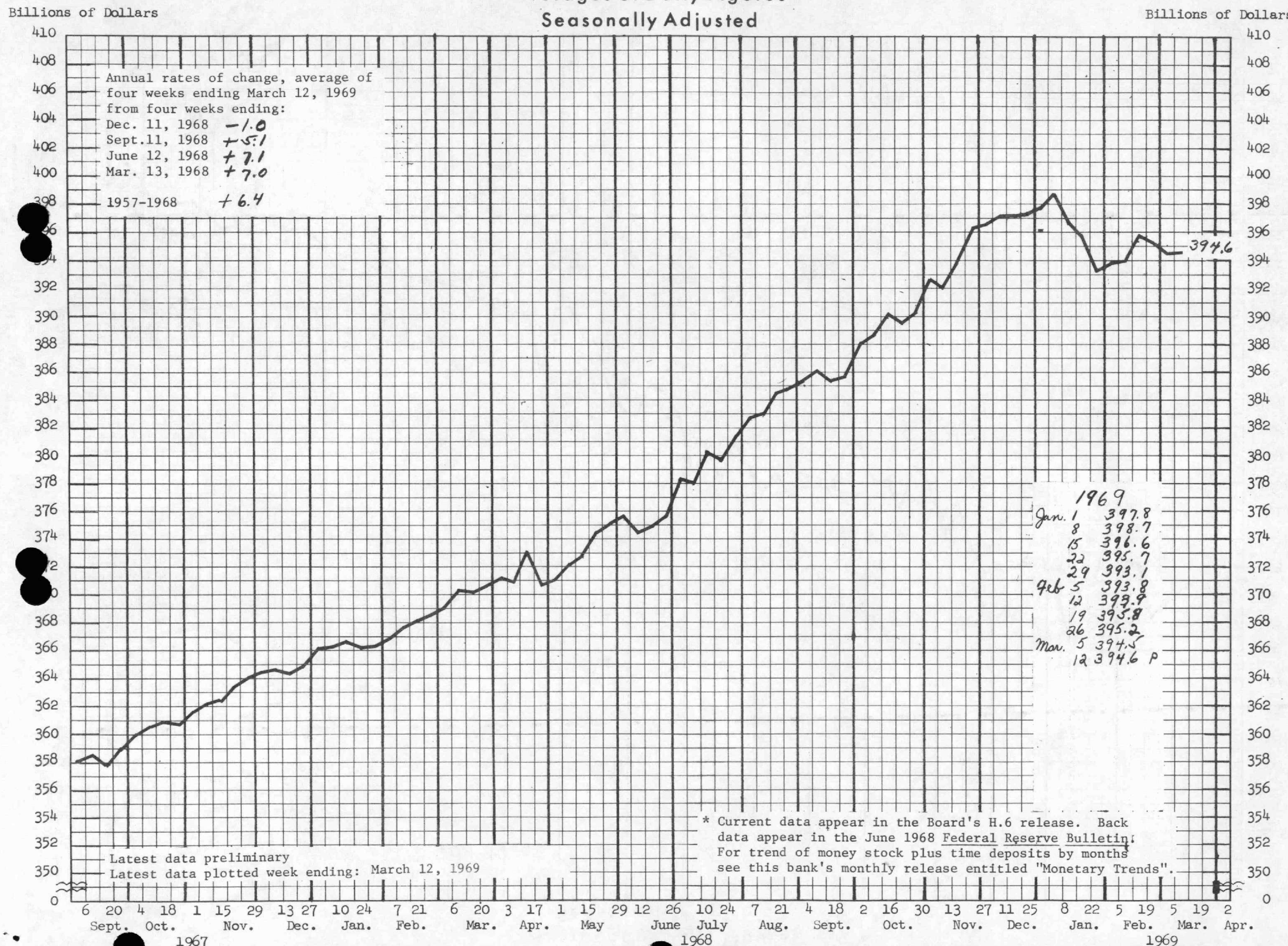
Latest data preliminary
Latest data plotted week ending: March 19, 1969

Prepared by Federal Reserve Bank of St. Louis

MONEY STOCK*
Averages of Daily Figures
Seasonally Adjusted



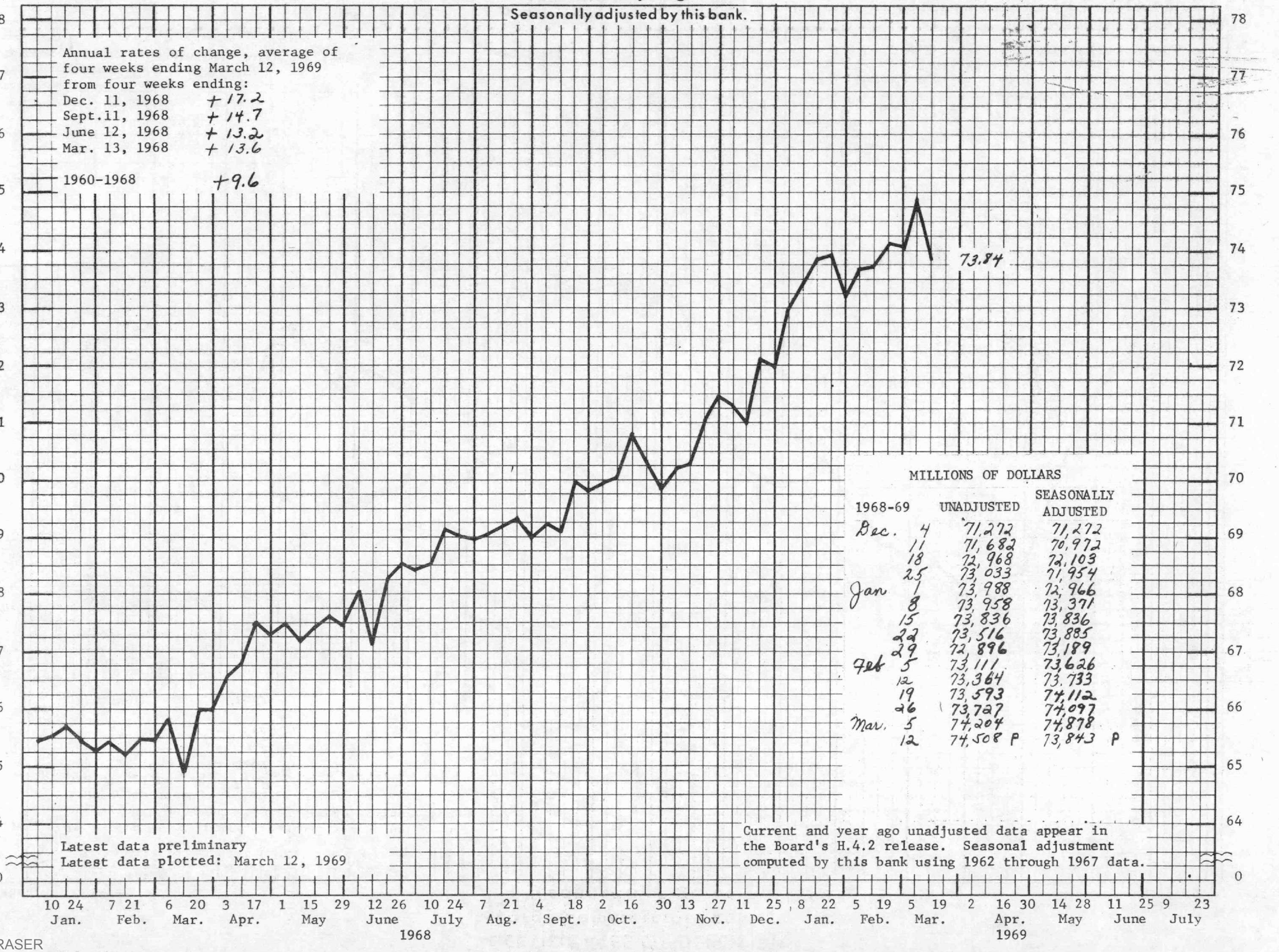
MONEY STOCK PLUS TIME DEPOSITS*
Averages of Daily Figures
Seasonally Adjusted



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 March 12, 1969 from four weeks ending:

Dec. 11, 1968	+ 17.2
Sept. 11, 1968	+ 14.7
June 12, 1968	+ 13.2
Mar. 13, 1968	+ 13.6
1960-1968	+ 9.6

MILLIONS OF DOLLARS

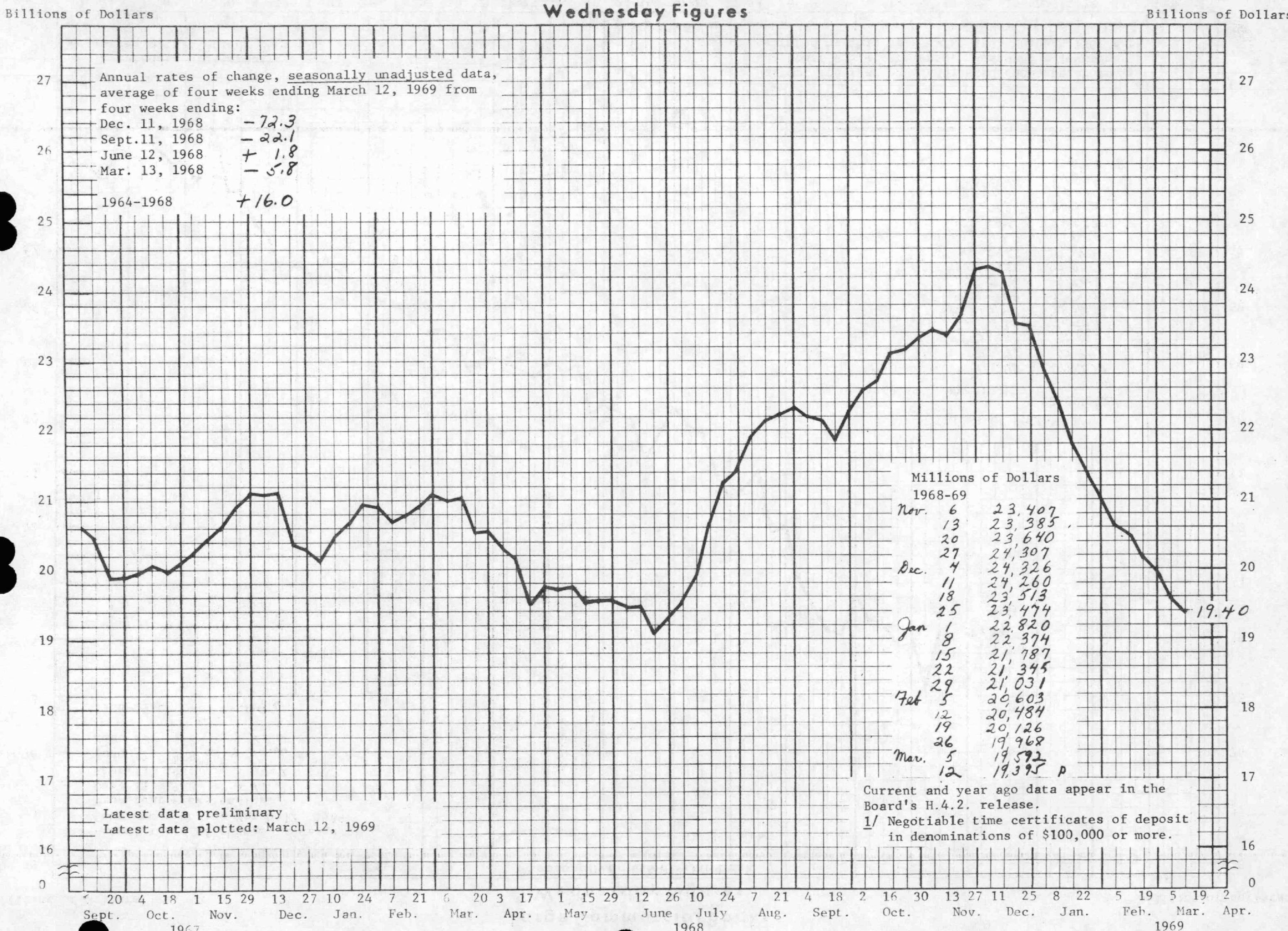
1968-69		UNADJUSTED	SEASONALLY ADJUSTED
Dec.	4	71,272	71,272
	11	71,682	70,972
	18	72,968	72,103
	25	73,033	71,954
Jan	1	73,988	72,966
	8	73,958	73,371
	15	73,836	73,836
	22	73,516	73,885
	29	72,896	73,189
Feb	5	73,111	73,626
	12	73,364	73,733
	19	73,593	74,112
	26	73,727	74,097
Mar.	5	74,204	74,878
	12	74,508 P	73,843 P

Latest data preliminary
Latest data plotted: March 12, 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 1/
Large Commercial Banks
Wednesday Figures



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.

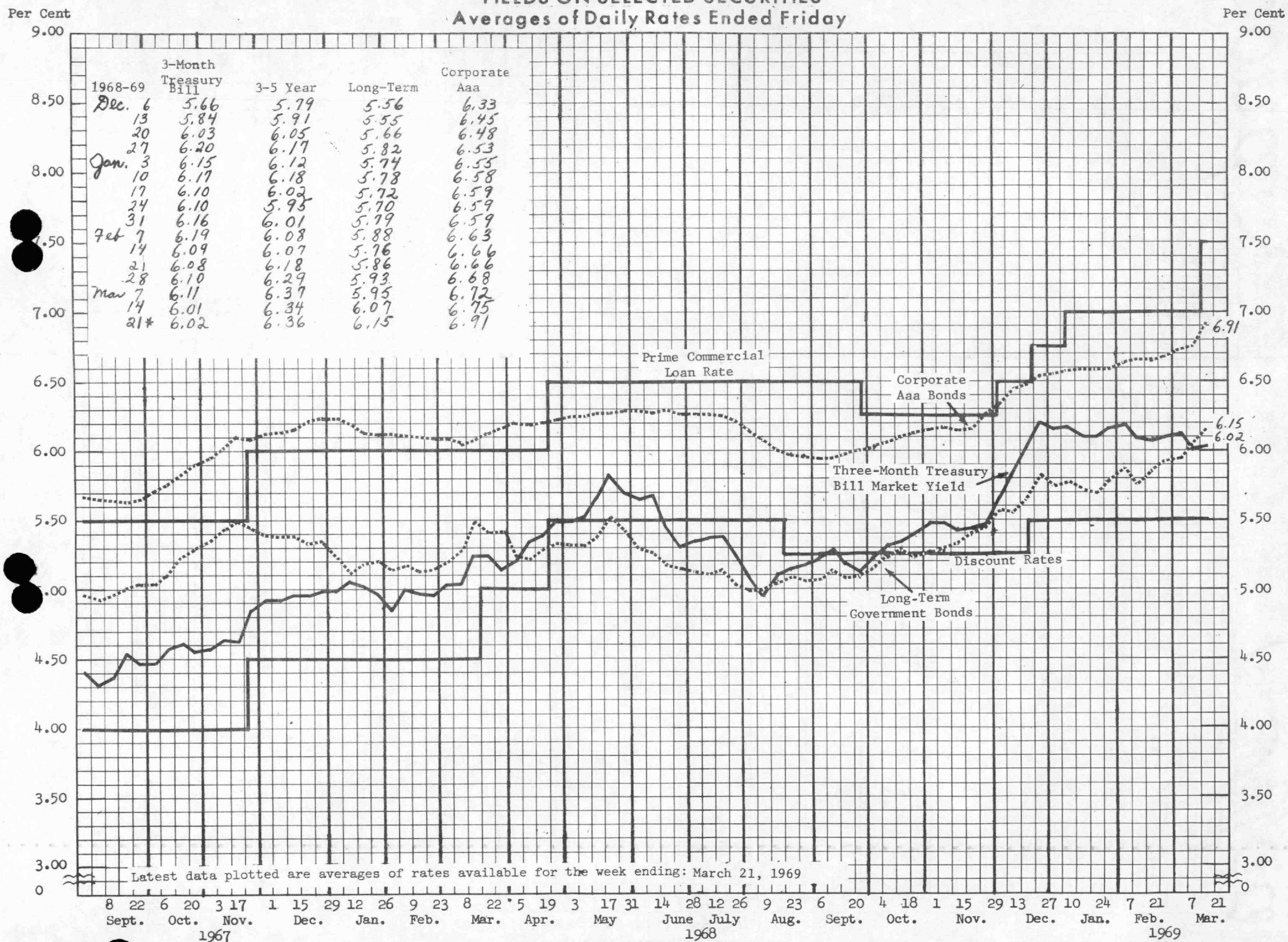
Prepared by Federal Reserve Bank of St. Louis

TIME DEPOSITS*
All Commercial Banks
Averages of Daily Figures
Seasonally Adjusted

Prepared by Federal Reserve Bank of St. Louis

YIELDS ON SELECTED SECURITIES
Averages of Daily Rates Ended Friday

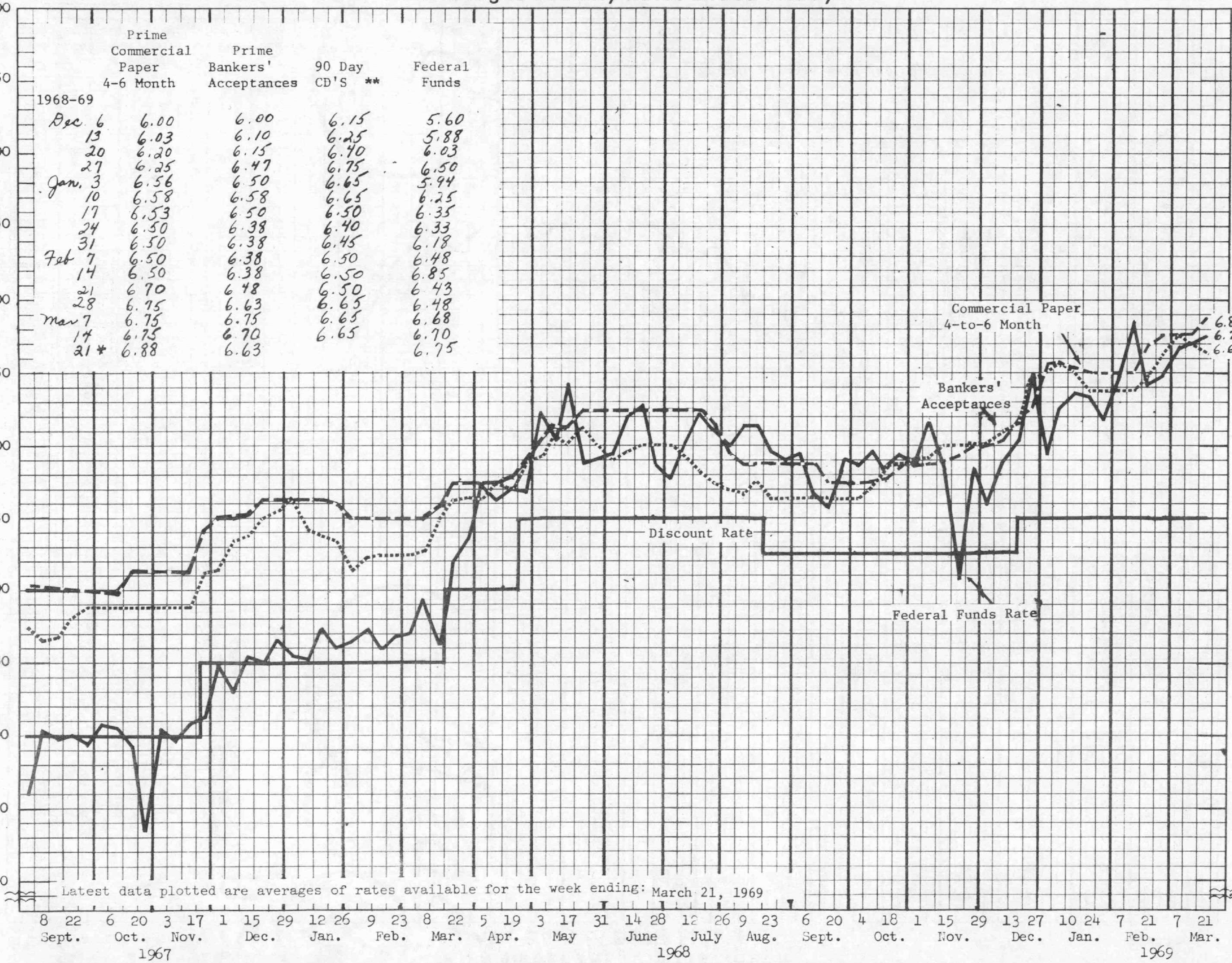
1968-69	3-Month Treasury Bill	3-5 Year	Long-Term	Corporate Aaa
Dec. 6	5.66	5.79	5.56	6.33
13	5.84	5.91	5.55	6.45
20	6.03	6.05	5.66	6.48
27	6.20	6.17	5.82	6.53
Jan. 3	6.15	6.12	5.74	6.55
10	6.17	6.18	5.78	6.58
17	6.10	6.02	5.72	6.59
24	6.10	5.95	5.70	6.59
31	6.16	6.01	5.79	6.59
Feb 7	6.19	6.08	5.88	6.63
14	6.09	6.07	5.76	6.66
21	6.08	6.18	5.86	6.66
28	6.10	6.29	5.93	6.68
Mar 7	6.11	6.37	5.95	6.72
14	6.01	6.34	6.07	6.75
21*	6.02	6.36	6.15	6.91



*AVER[illegible]S OF RATES AVAILABLE

Prepared by Federal Reserve Bank of St[illegible]uis

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

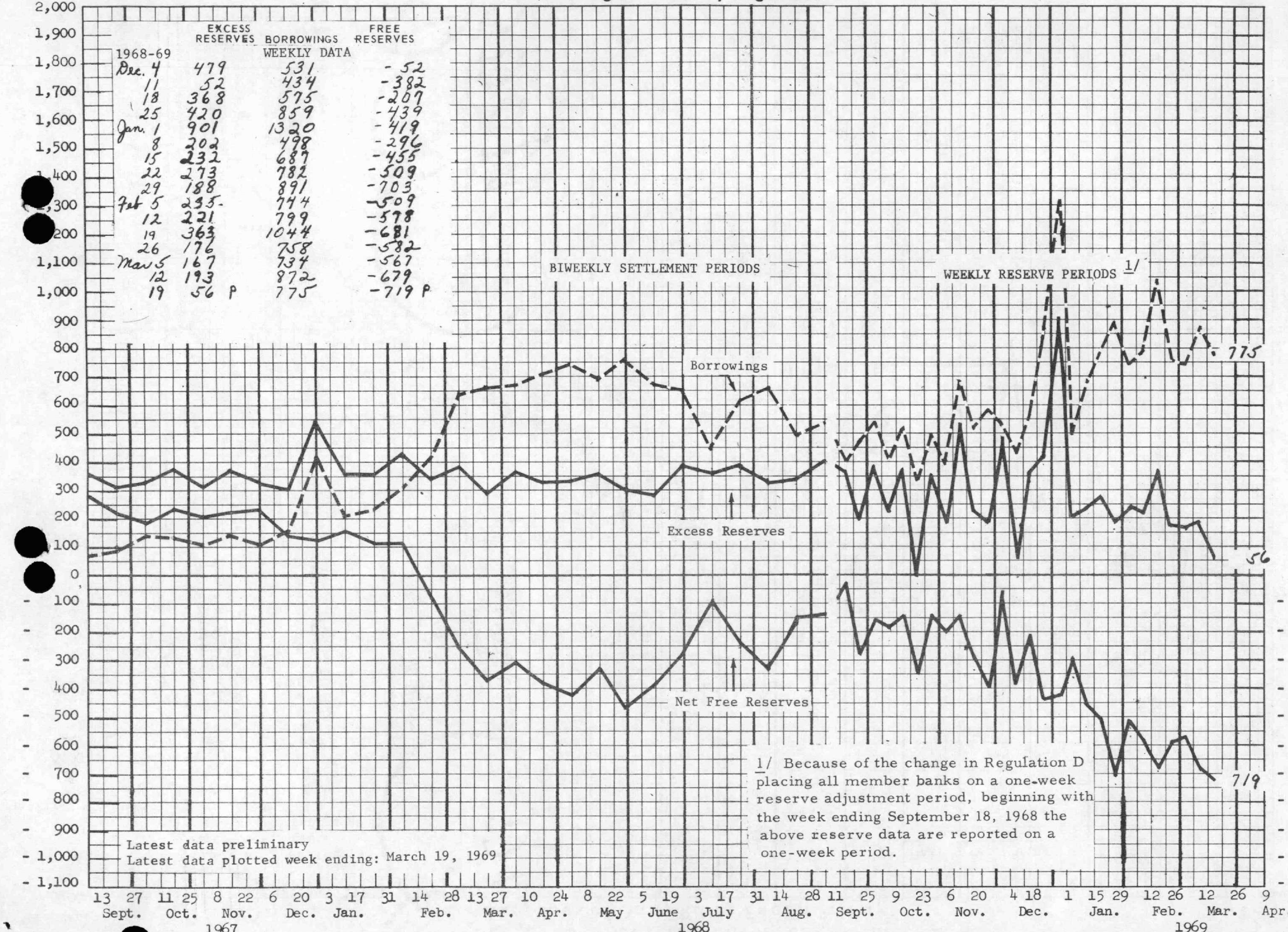


1968-69	Prime Commercial Paper 4-6 Month	Prime Bankers' Acceptances	90 Day CD'S **	Federal Funds
Dec. 6	6.00	6.00	6.15	5.60
13	6.03	6.10	6.25	5.88
20	6.20	6.15	6.40	6.03
27	6.25	6.47	6.75	6.50
Jan. 3	6.56	6.50	6.65	5.94
10	6.58	6.58	6.65	6.25
17	6.53	6.50	6.50	6.35
24	6.50	6.38	6.40	6.33
31	6.50	6.38	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	6.65	6.68
14	6.75	6.70	6.65	6.70
21 *	6.88	6.63		6.75

*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



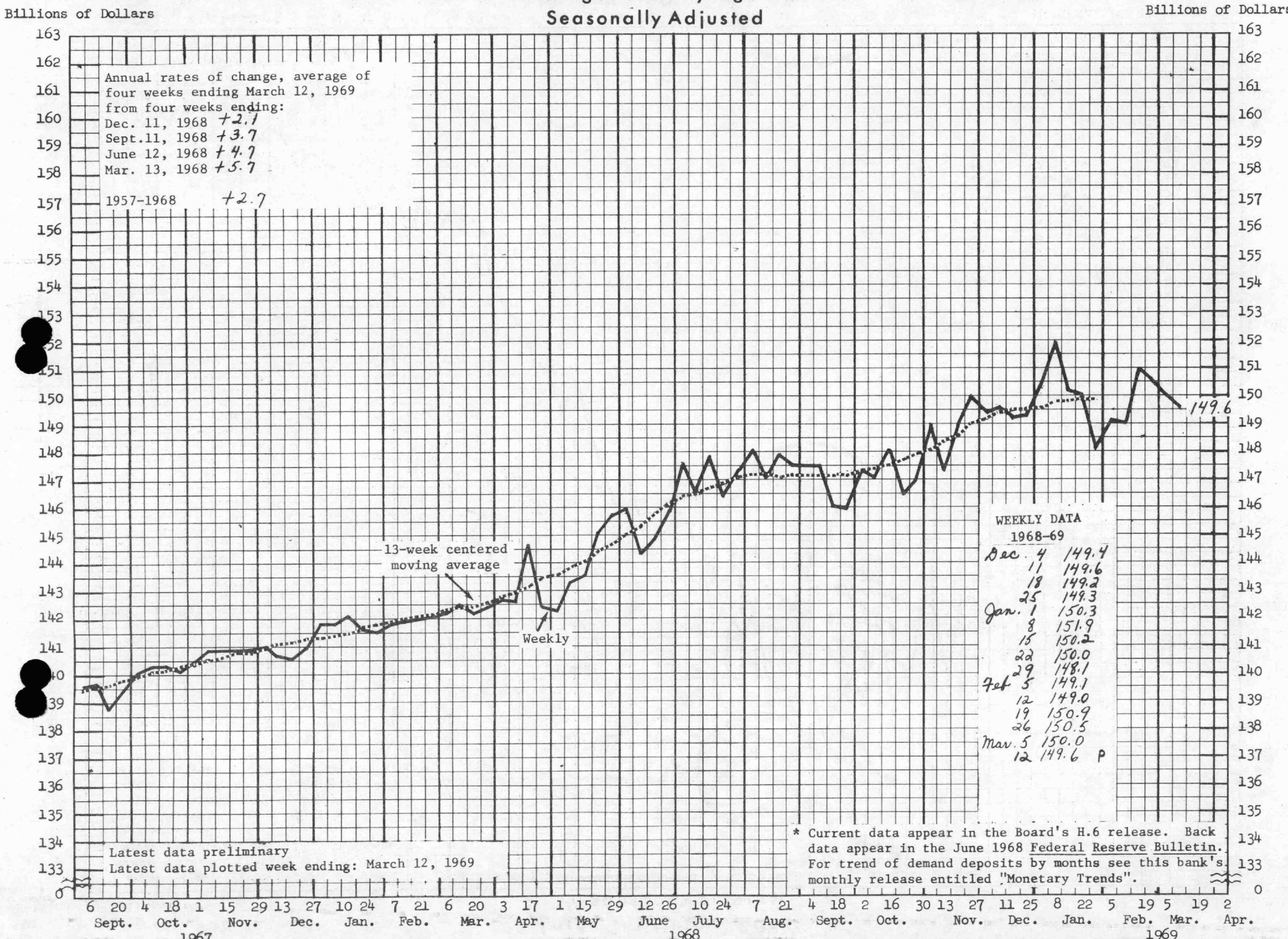
WEEKLY DATA

1968-69	EXCESS RESERVES	BORROWINGS	FREE RESERVES
Dec. 4	479	531	- 52
11	52	434	-382
18	368	575	-207
25	420	859	-439
Jan. 1	901	1320	-419
8	202	498	-296
15	232	687	-455
22	273	782	-509
29	188	891	-703
Feb 5	235	744	-509
12	221	799	-578
19	363	1044	-681
26	176	758	-582
Mar 5	167	734	-567
12	193	872	-679
19	56 P	775	-719 P

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.

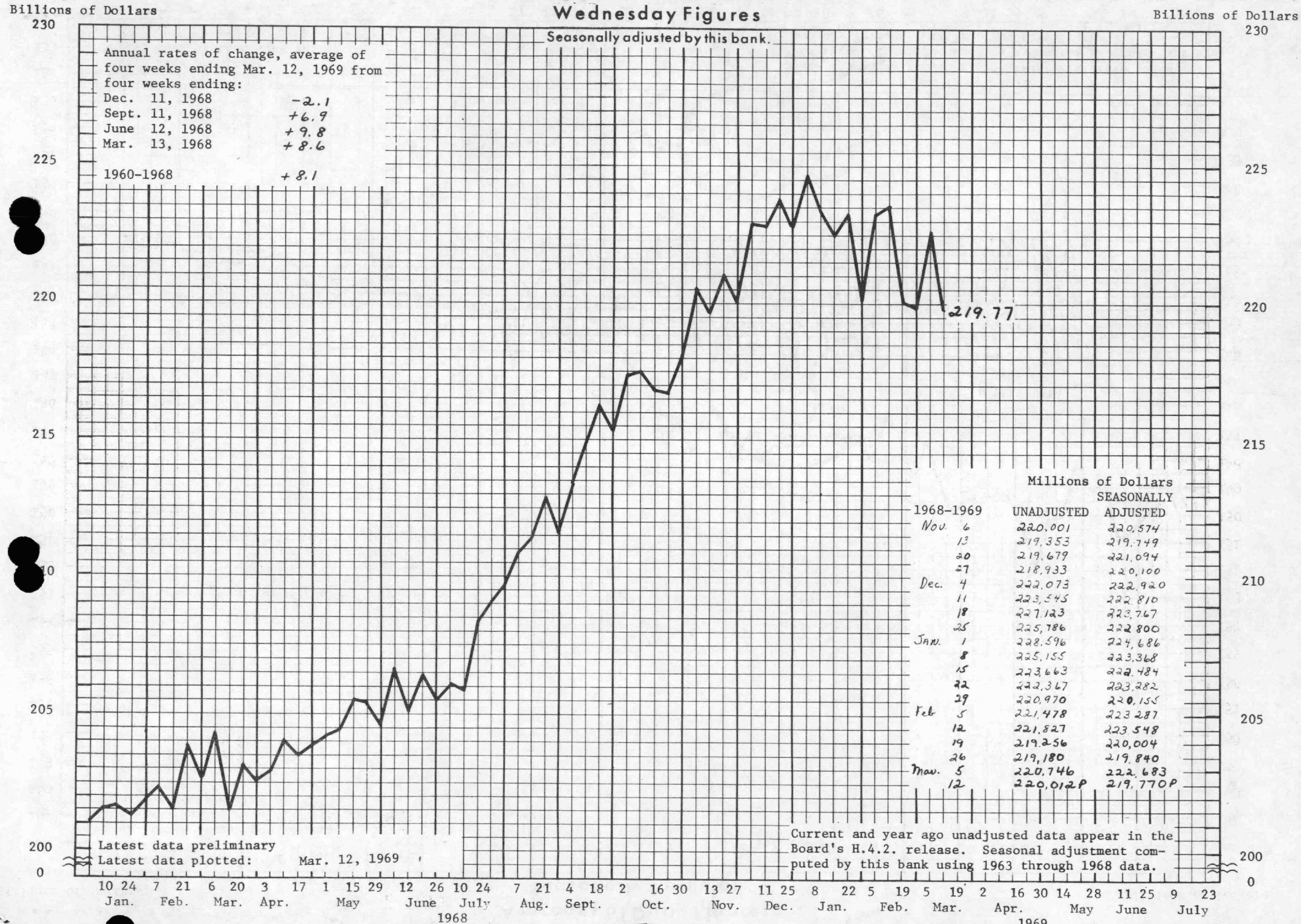
Prepared by Federal Reserve Bank of St. Louis

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



Prepared by Federal Reserve Bank of St. Louis

TOTAL CREDIT
Large Commercial Banks
Wednesday Figures



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

Dec. 11, 1968	-2.1
Sept. 11, 1968	+6.9
June 12, 1968	+9.8
Mar. 13, 1968	+8.6
1960-1968	+8.1

Millions of Dollars

1968-1969		UNADJUSTED	SEASONALLY 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	219,180	219.840
Mar.	5	220.746	222.683
	12	220,012P	219.770P

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

Current and year ago unadjusted data appear in the Board's H.4.2. release. Seasonal adjustment computed by this bank using 1963 through 1968 data.

Prepared by Federal Reserve Bank of St. Louis