

Week ending: April 23, 1969

AUG 27 1998

An increase in the percentage of demand deposits which members of the Federal Reserve System are required to hold as reserves became effective in the reserve computation period ending April 23. Reserves required in this period are based on average deposits in the week ending two weeks earlier--April 9. With the one-half percentage point increase, reserve requirements on demand deposits over \$5 million are now 17-1/2 per cent at reserve city banks and 13 per cent at country banks.

The monetary base has changed little on balance since the first of the year, compared with about a 7 per cent annual rate of growth in the last half of 1968 (page 2). The increase in reserve requirements has lowered the reserve adjustment magnitude added to the base by about \$660 million.<sup>1/</sup>

Growth of the money stock has also slowed in recent months. The money stock averaged \$196.4 billion in the week ending April 16 (page 3). The jump of nearly \$3 billion, which occurred in the week ending April 9, was largely due to an unusual decline of about \$4 billion in cash items in process of collection. These items are subtracted from gross demand deposits; consequently

<sup>1/</sup> For a description of the reserve adjustment, see "The Monetary Base--Explanation and Analytical Use," in the August 1968 issue of this bank's Review.

net demand deposits, the principal component of the money stock, increased sharply.

In the last three months, money has risen at a 4.5 per cent annual rate, and in the previous six months money rose at a 5 per cent rate. By comparison, money rose at a 7 per cent rate from January 1967 to July 1968 and at an average 2.4 per cent rate from 1957 to 1966.

In the last few weeks market interest rates on long-term securities have declined while yields on most short-term securities have risen somewhat (pages 8 and 9). Tax payment dates probably increased the demand for short-term funds during this time. Yields on long-term Government bonds averaged 5.76 per cent during the three days ending April 23, compared with a high of 6.11 per cent in mid-March. Rates on highest grade corporate bonds have also declined slightly from about 7 per cent in late March to 6.81 per cent in the first half of this week. Yields on three-month Treasury bills averaged 6.15 per cent during the three days ending April 23 compared with about 6 per cent in mid-March, and yields on 4- to 6-month commercial paper have continued upward, averaging 7.13 per cent in the first half of this week.

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: April 25, 1969

Billions of Dollars

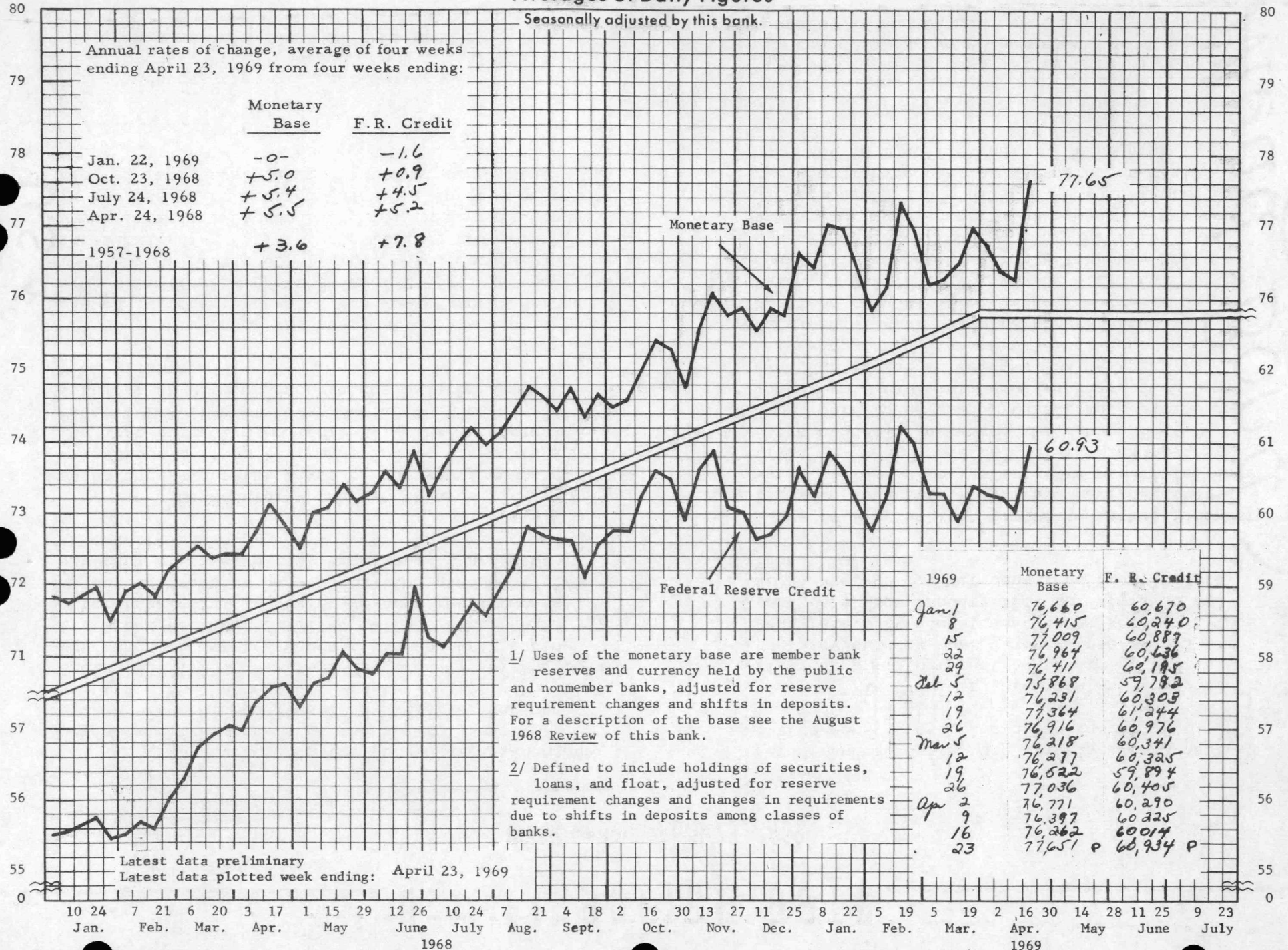
Billions of Dollars

# MONETARY BASE <sup>1</sup> FEDERAL RESERVE CREDIT <sup>2</sup> Averages of Daily Figures

Seasonally adjusted by this bank.

Annual rates of change, average of four weeks ending April 23, 1969 from four weeks ending:

	Monetary Base	F. R. Credit
Jan. 22, 1969	-0-	-1.6
Oct. 23, 1968	+5.0	+0.9
July 24, 1968	+5.4	+4.5
Apr. 24, 1968	+5.5	+5.2
1957-1968	+3.6	+7.8



77.65

60.93

1969	Monetary Base	F. R. Credit
Jan 1	76,660	60,670
8	76,415	60,240
15	77,009	60,889
22	76,964	60,636
29	76,411	60,185
Feb 5	75,868	59,782
12	76,231	60,308
19	77,364	61,244
26	76,916	60,976
Mar 5	76,218	60,341
12	76,277	60,325
19	76,522	59,894
26	77,036	60,405
Apr 2	76,771	60,290
9	76,397	60,225
16	76,262	60,014
23	77,651	60,934 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.

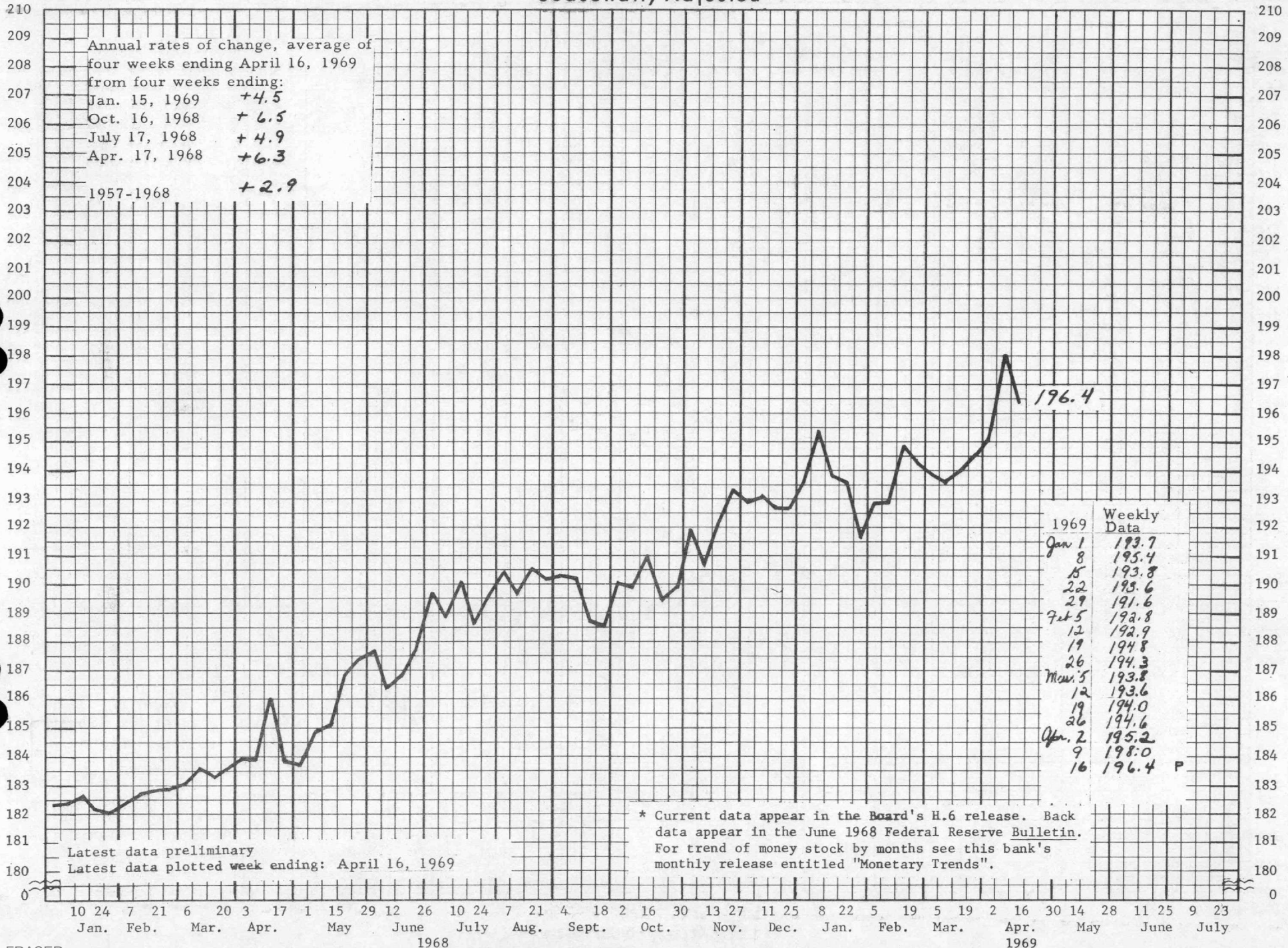
2/ Defined to include holdings of securities, loans, and float, adjusted for reserve requirement changes and changes in requirements due to shifts in deposits among classes of banks.

Latest data preliminary  
Latest data plotted week ending: April 23, 1969

**MON STOCK\***  
**Averages of Daily Figures**  
**Seasonally Adjusted**

Billions of Dollars

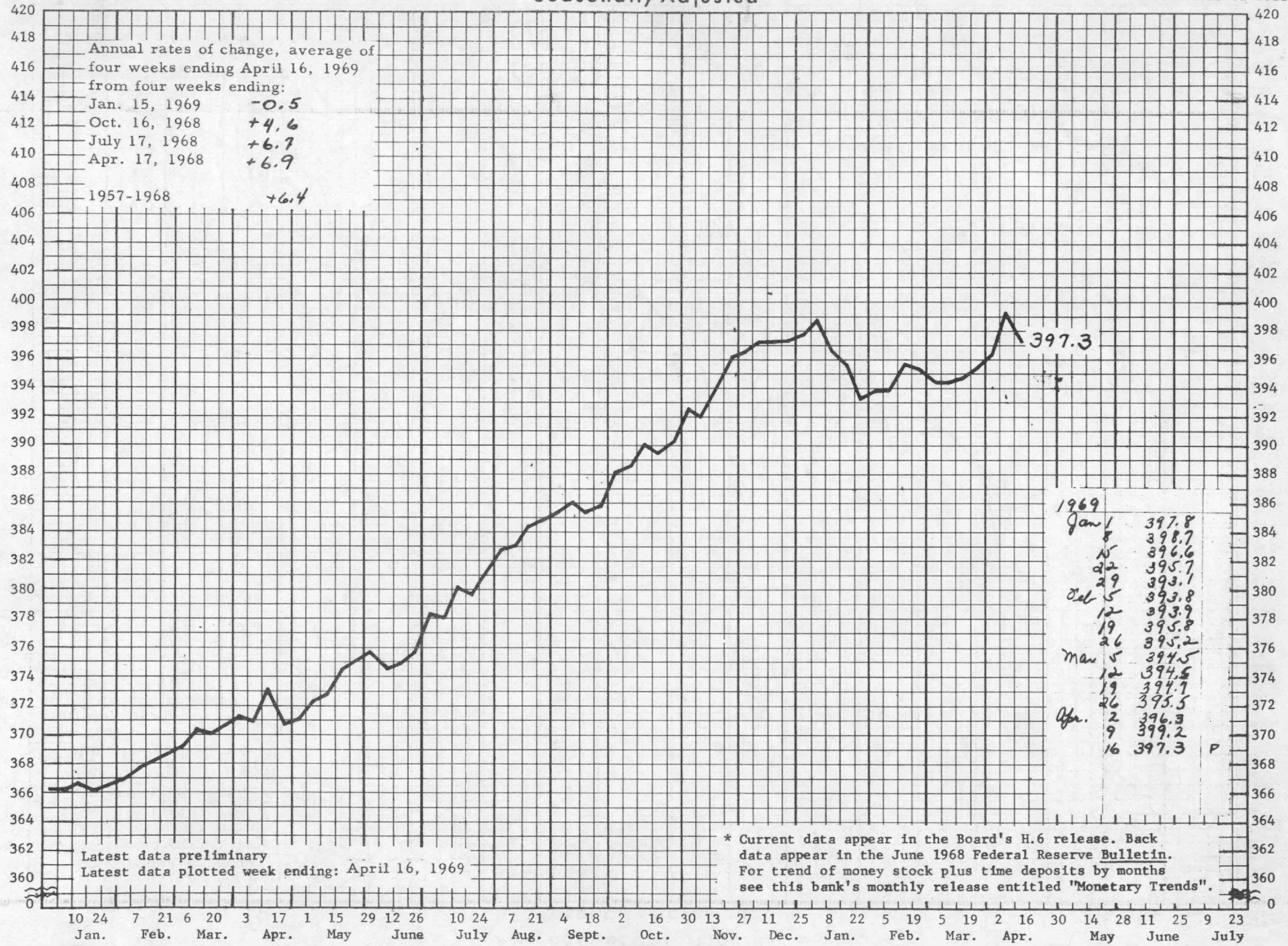
Billions of Dollars



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

Billions of Dollars

Billions of Dollars

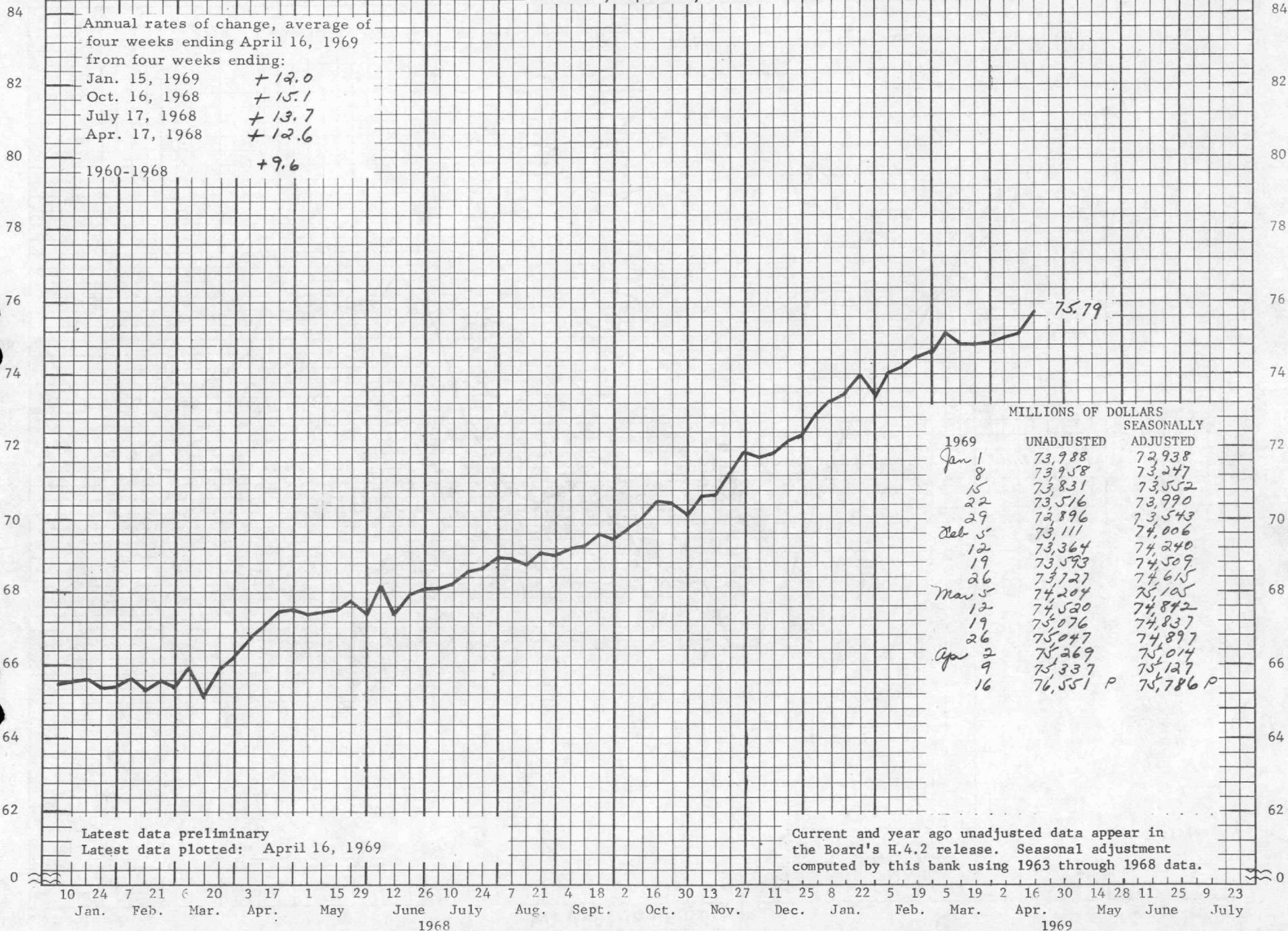


**BUSINESS LOANS**  
**Large Commercial Banks**  
**Wednesday Figures**

Billions of Dollars

Billions of Dollars

Seasonally adjusted by this bank.



**CERTIFICATES OF DEPOSIT <sup>1</sup>**  
**Large Commercial Banks**  
**Wednesday Figures**

Billions of Dollars

Billions of Dollars

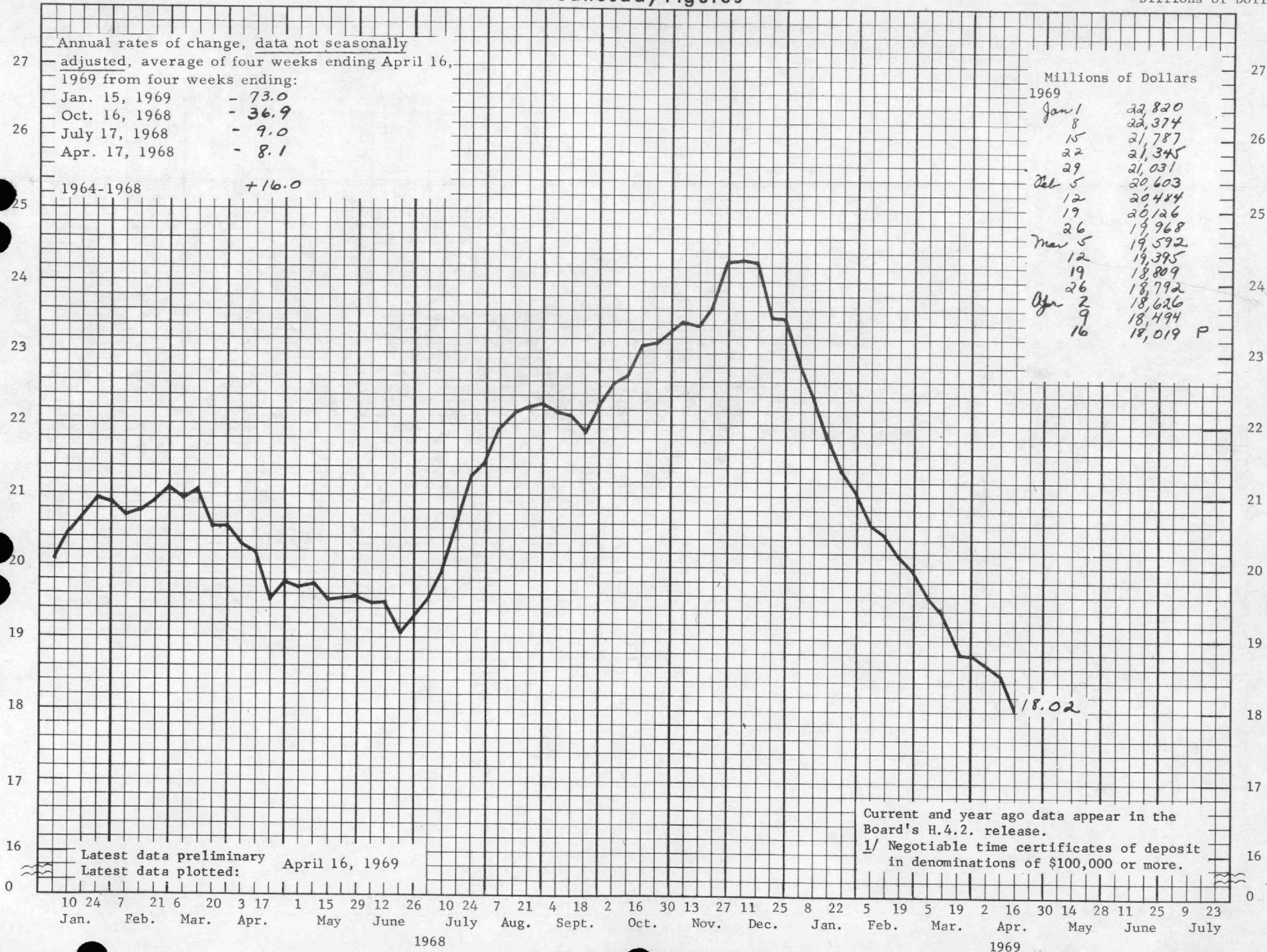
Annual rates of change, data not seasonally adjusted, average of four weeks ending April 16, 1969 from four weeks ending:

Jan. 15, 1969	- 73.0
Oct. 16, 1968	- 36.9
July 17, 1968	- 9.0
Apr. 17, 1968	- 8.1

1964-1968 +16.0

Millions of Dollars  
1969

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
Mar 5	19,592
12	19,395
19	18,809
26	18,792
Apr 2	18,626
9	18,494
16	18,019 P



Latest data preliminary April 16, 1969  
 Latest data plotted:

Current and year ago data appear in the Board's H.4.2. release.  
<sup>1</sup> Negotiable time certificates of deposit in denominations of \$100,000 or more.

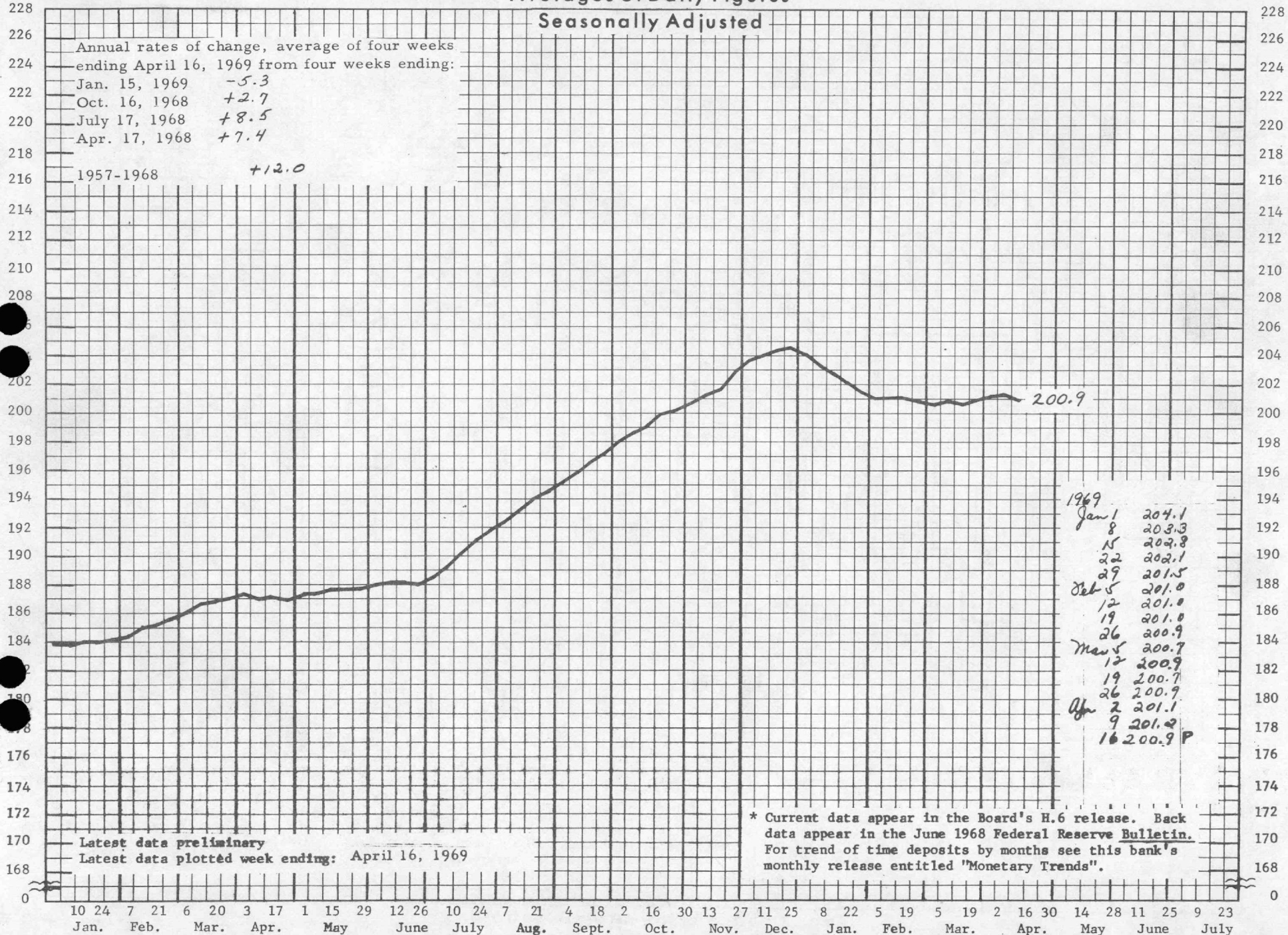
# TIME DEPOSITS\*

## All Commercial Banks

### Averages of Daily Figures

Billions of Dollars

Billions of Dollars

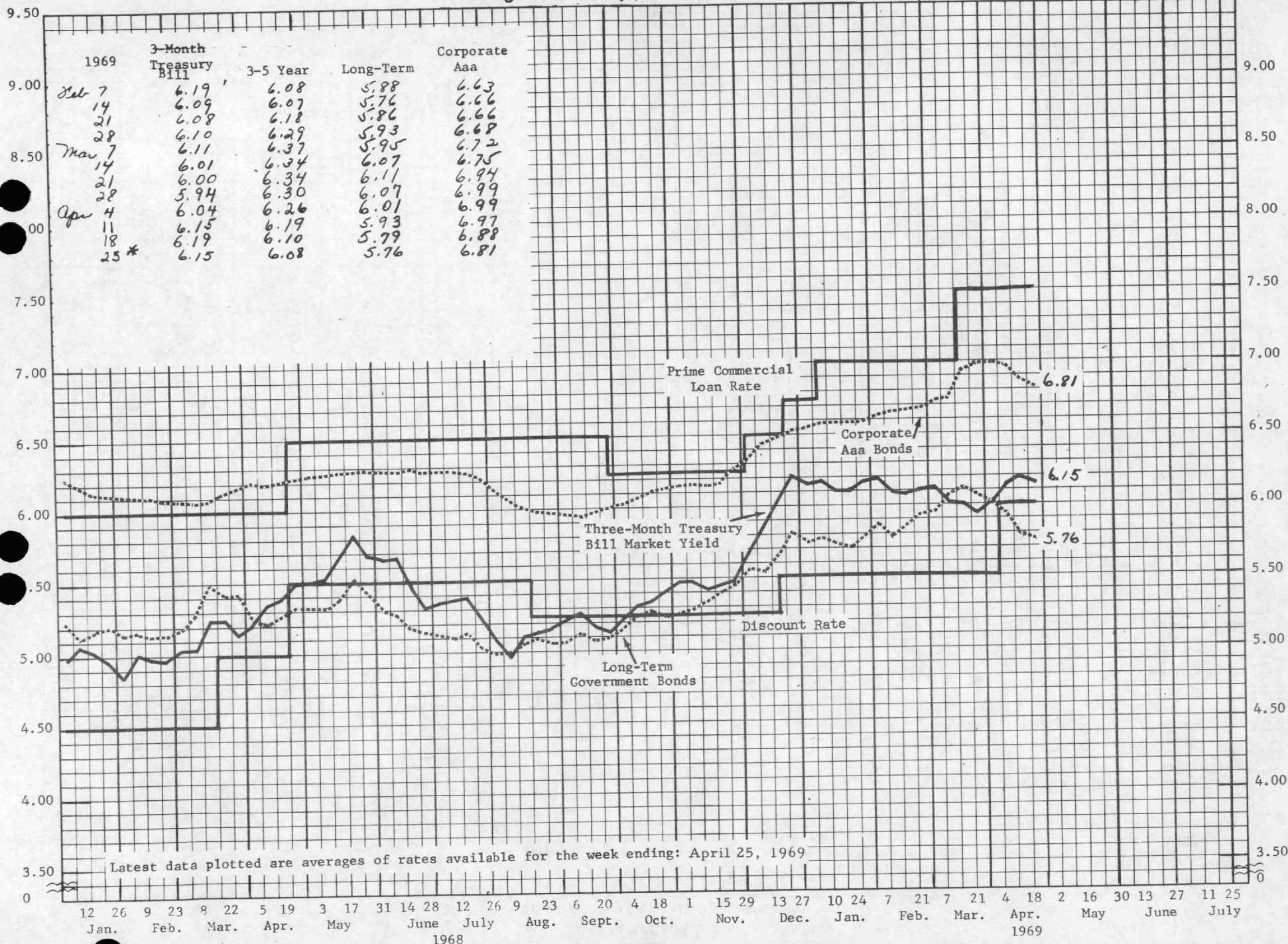


# YIELDS ON SELECTED SECURITIES

## Averages of Daily Rates Ended Friday

Per Cent  
9.50

Per Cent  
9.50



Latest data plotted are averages of rates available for the week ending: April 25, 1969



# SELECTED SHORT-TERM INTEREST RATES

## Averages of Daily Rates Ended Friday

Per Cent

Per Cent



Latest data plotted are averages of rates available for the week ending: April 25, 1969

\* AVERAGES OF RATES AVAILABLE  
 \*\* SOURCE: SALOMON BROTHERS AND HUTZLER  
 SECONDARY MARKET RATE ON 90-DAY PRIME CD'S

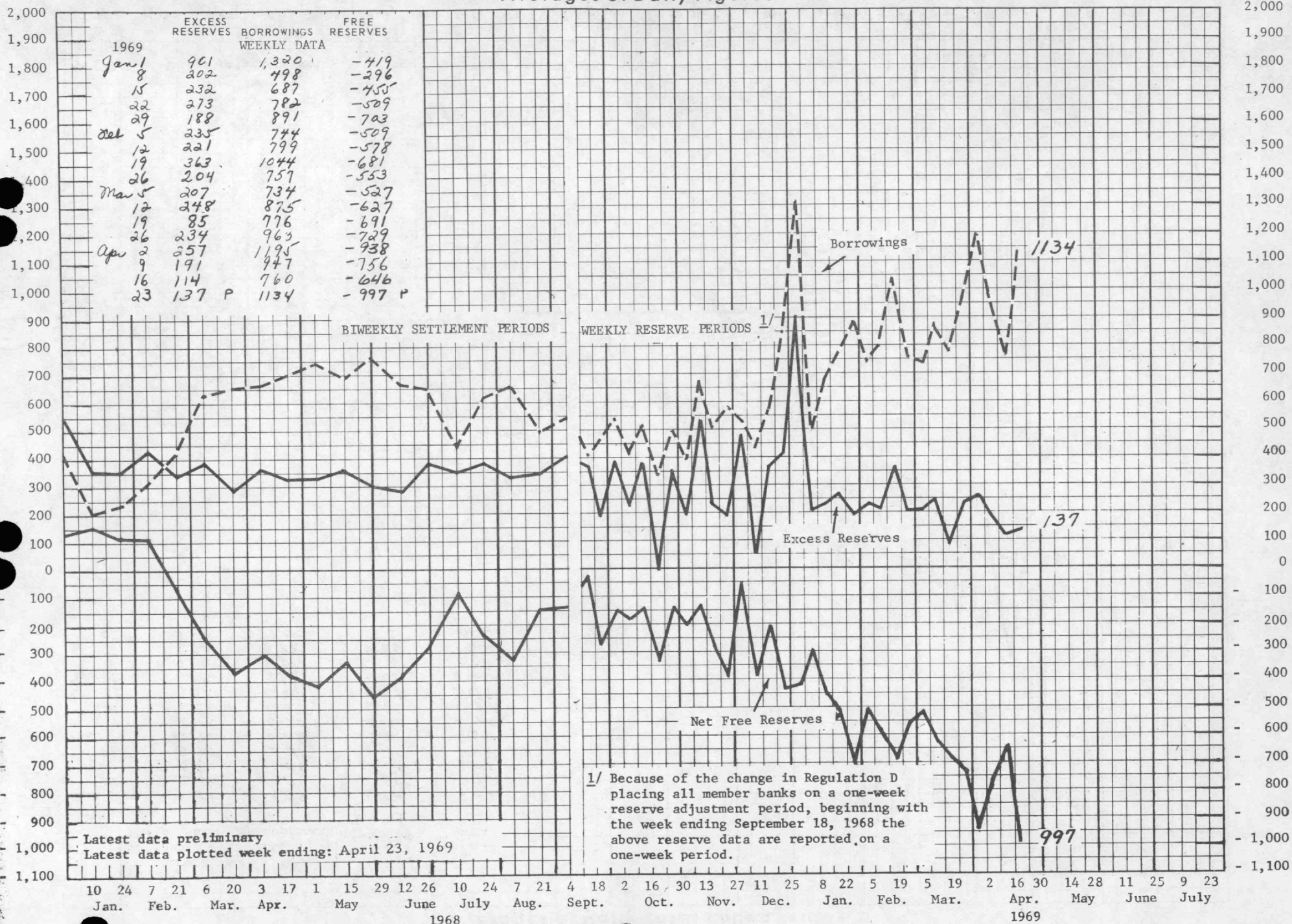
# BORROWINGS AND EXCESS RESERVES

## All Member Banks in the Nation

### Averages of Daily Figures

Millions of Dollars

Millions of Dollars



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.

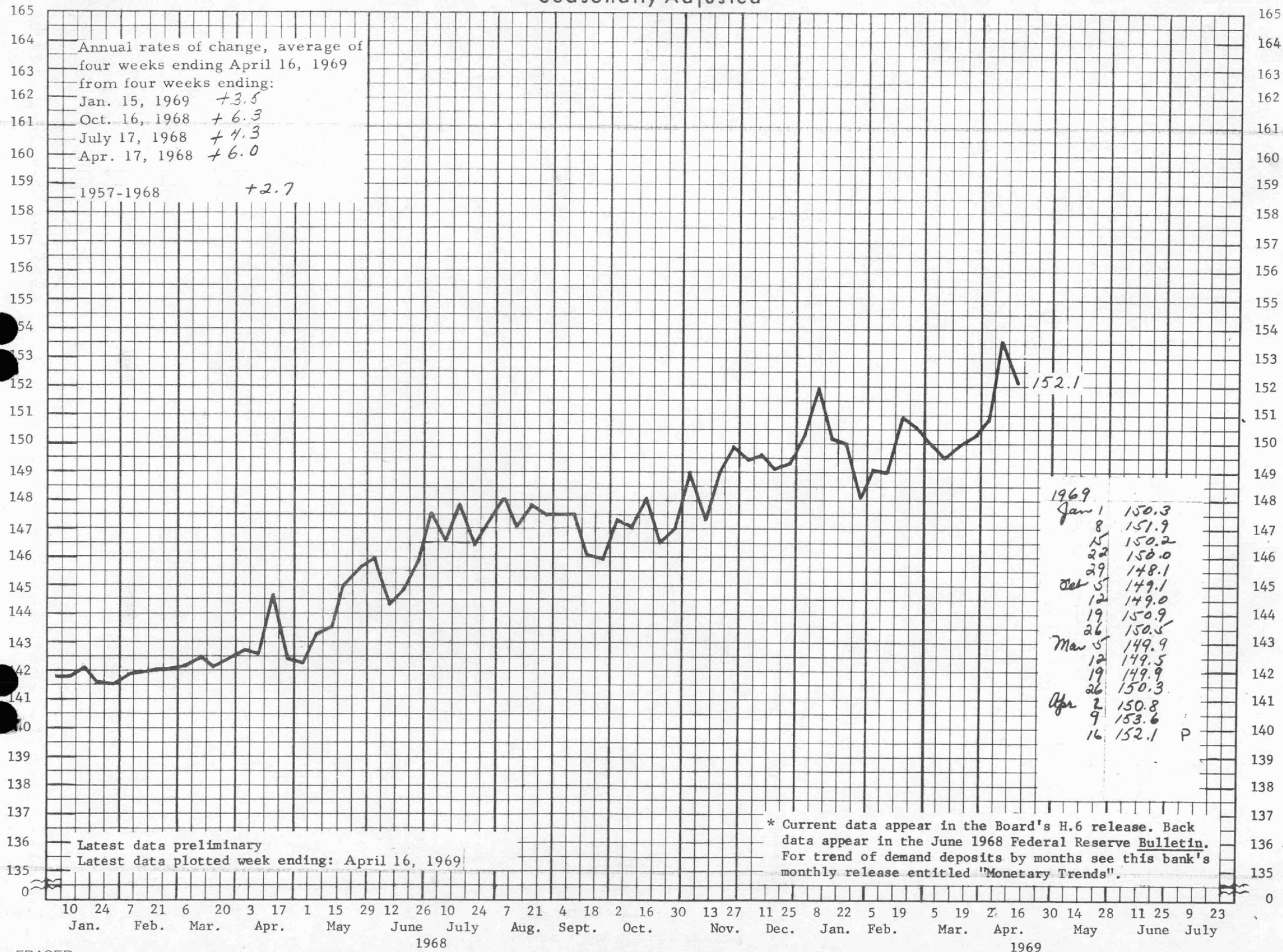
# DEMAND DEPOSIT COMPONENT OF MONEY STOCK\*

Billions of Dollars

Averages of Daily Figures

Seasonally Adjusted

Billions of Dollars



# TOTAL CREDIT Large Commercial Banks Wednesday Figures

Billions of Dollars

Billions of Dollars

230

230

225

225

220

220

215

215

205

205

200

200

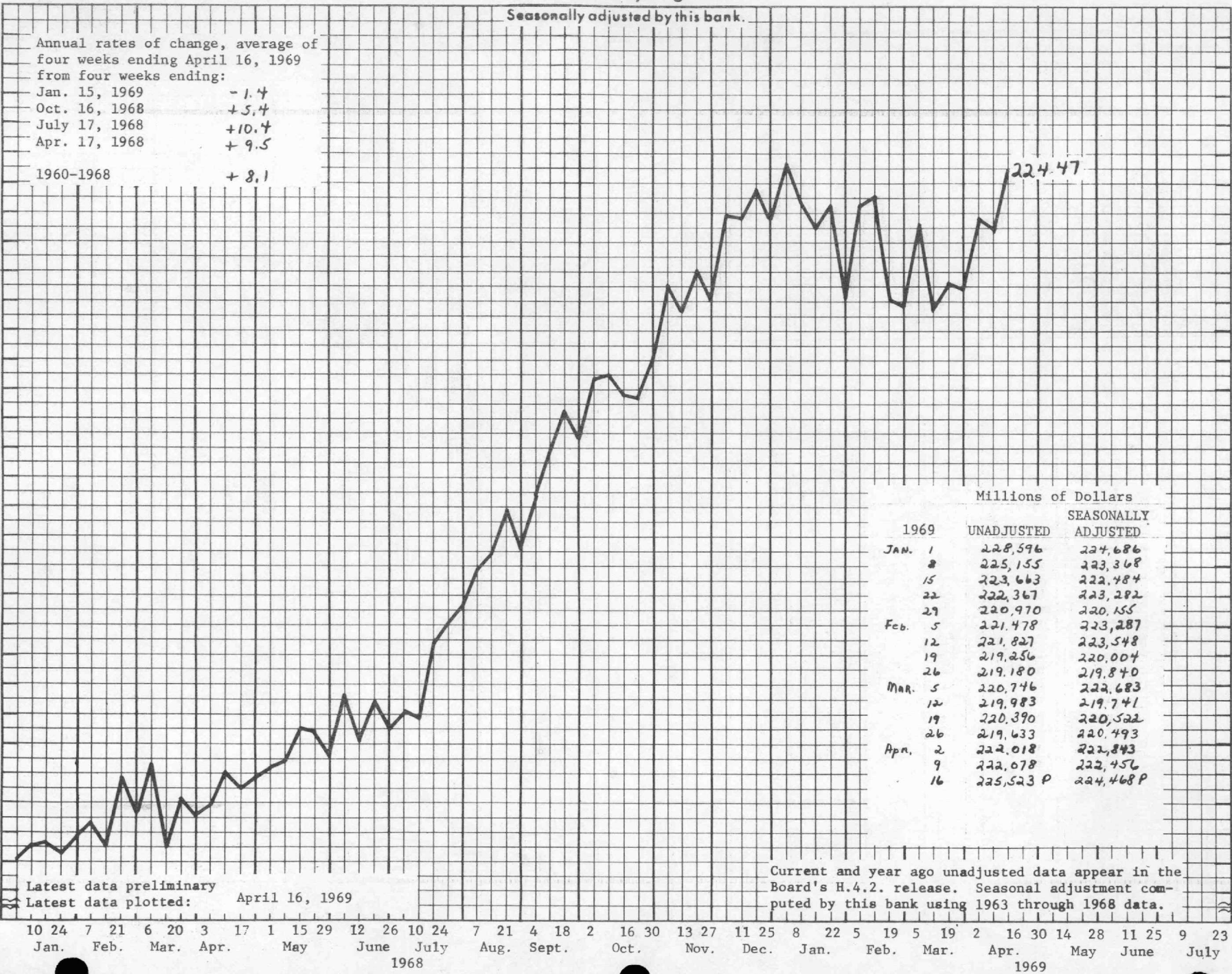
0

0

Seasonally adjusted by this bank.

Annual rates of change, average of four weeks ending April 16, 1969 from four weeks ending:

Jan. 15, 1969	- 1.4
Oct. 16, 1968	+ 5.4
July 17, 1968	+ 10.4
Apr. 17, 1968	+ 9.5
1960-1968	+ 8.1



Millions of Dollars

1969	SEASONALLY	
	UNADJUSTED	ADJUSTED
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	219,983	219,741
19	220,390	220,522
26	219,633	220,493
APR. 2	222,018	222,843
9	222,078	222,456
16	225,523 P	224,468 P

Latest data preliminary  
Latest data plotted: April 16, 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.