

AUG 27 1968

Week ending: May 21, 1969

Federal Reserve credit, adjusted for the April increase in reserve requirements, has grown at a 4 per cent rate since early February and since early November (page 2). These rates represent a marked slowdown from the 10 per cent average rate in the two years ending last November.

Beginning this week, the current and back data reported here for total Federal Reserve credit include estimates of "Other Federal Reserve assets." These other assets, which averaged \$2.9 billion in the week ending May 21 (about 5 per cent of total Federal Reserve credit), consist of assets denominated in foreign currencies, IMF gold deposited with the Federal Reserve, Federal Reserve Bank premises, and a few miscellaneous accounts. As explained in the April 17, 1969 edition of the Board of Governor's H.4.1 release, "Factors Affecting Bank Reserves and Condition Statement of Federal Reserve Banks," these accounts were previously netted together with "Other Federal Reserve liabilities" and shown as "Other Federal Reserve accounts (net)." The net amount was then treated as a factor absorbing reserves, but not as a part of Federal Reserve credit.

From last October to April, for example, these other assets increased \$678 million, chiefly reflecting Federal Reserve swap transactions at the initiative of foreign central banks. These assets, a source of the

monetary base, were a factor contributing to growth in total reserves and other monetary aggregates. However, no corresponding increase was indicated by Federal Reserve credit, as formerly measured.^{1/} The former measure, not seasonally adjusted, showed an increase of \$189 million; this was the net effect of changes in Federal Reserve holdings of securities, discounts and advances, and float. The revised measure shows a total change of \$867 million, and reflects more completely the monetary actions of the Federal Reserve System.

Total reserves of member banks have shown a small net decline since early February, but have grown at a 3.6 per cent rate since November (page 3). In the preceding two years, they grew at an 8 per cent rate. The monetary base has grown at a 5 per cent rate since early February and since November, compared with a 6.3 per cent rate in the two years ending last November (page 2).

Money stock, consisting of demand deposits and currency held by the public, has grown at a 3.3 per cent annual rate since early February and at a 4 per cent rate since November (page 5). In the preceding two years, money grew at an average rate of 6.2 per cent, well above its 3 per cent trend rate from 1957 to 1968.

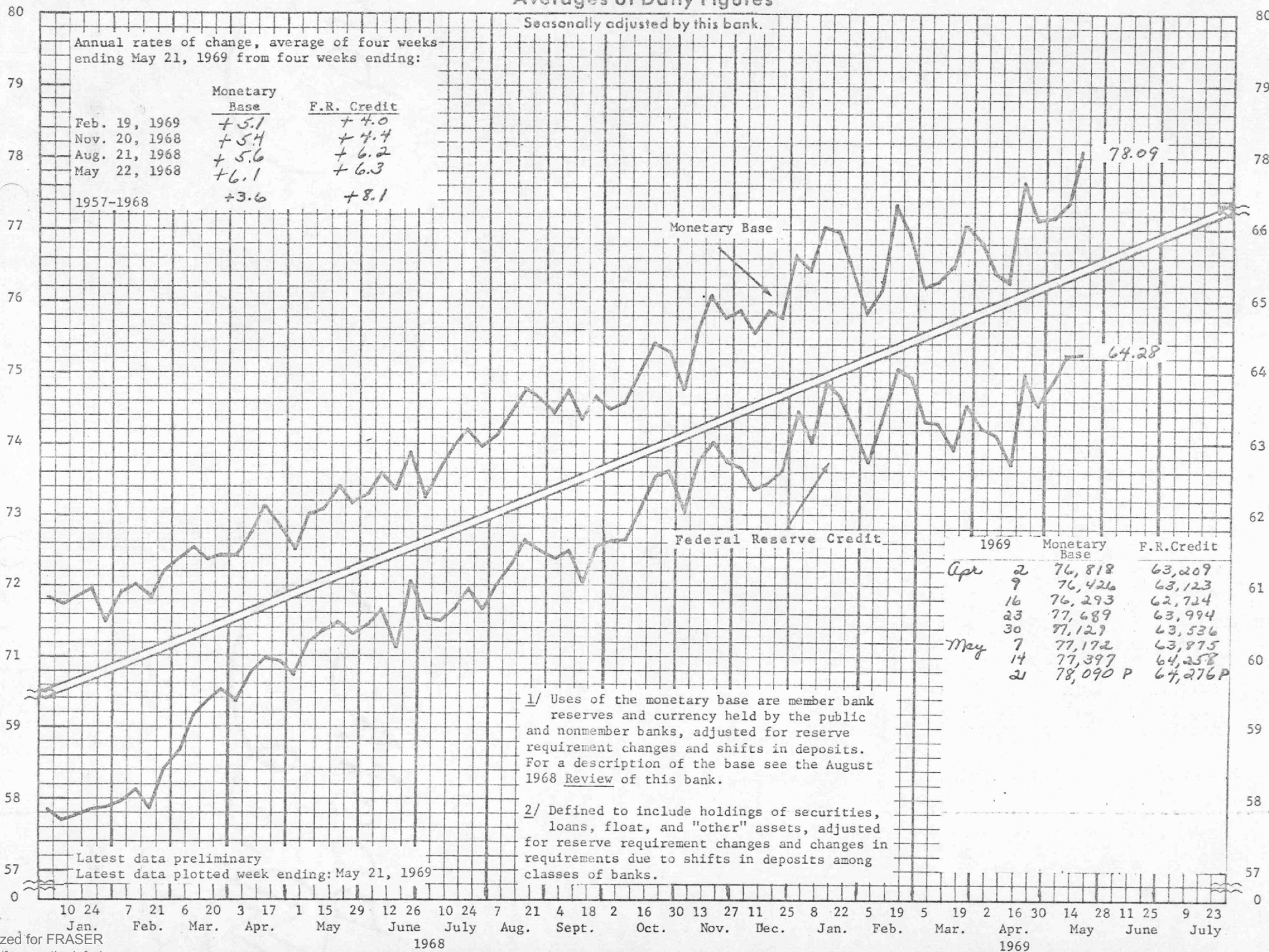
^{1/} See the December 11, 1968 issue of this release for a more detailed explanation of the effect of November swap transactions on Federal Reserve credit and the monetary base.

Rates of change reported in this release are intended to serve as summaries which may be useful in analyzing recent developments.

MONETARY BASE ¹ FEDERAL RESERVE CREDIT ² Averages of Daily Figures

Billions of Dollars

Billions of Dollars



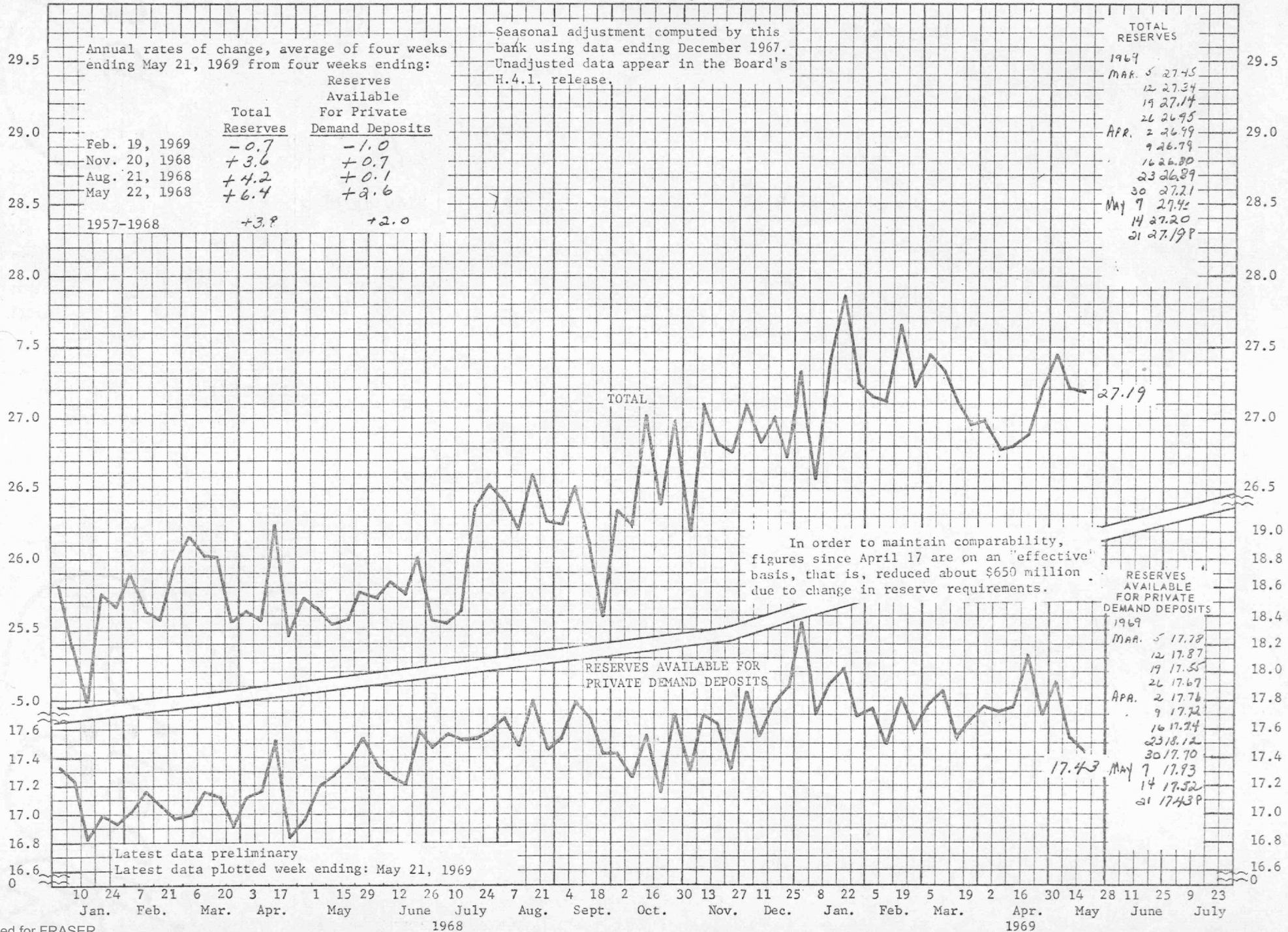
RESERVES

All Member Banks in the Nation

Averages of Daily Figures

Billions of Dollars

Billions of Dollars



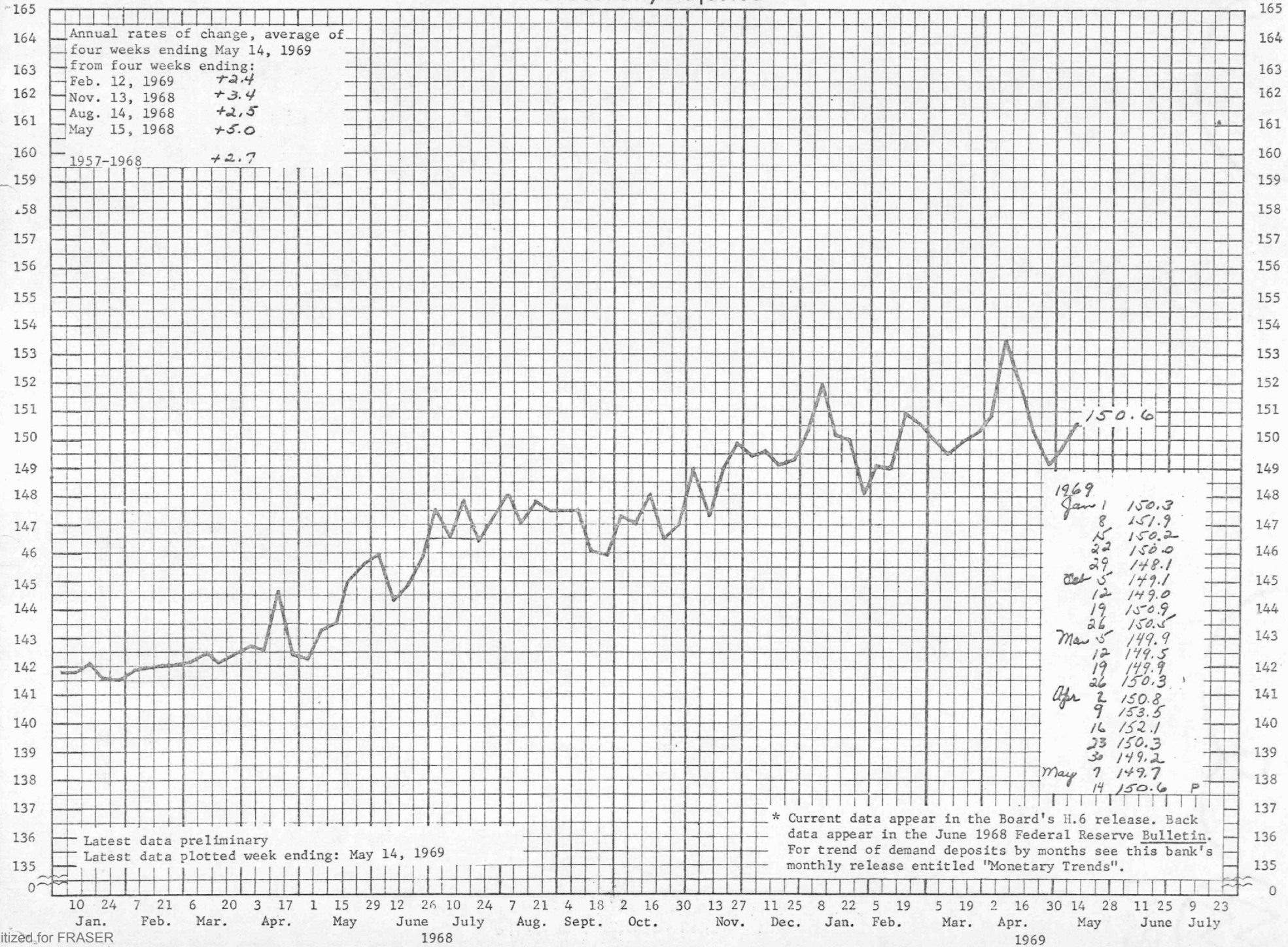
DEMAND DEPOSIT COMPONENT OF MONEY STOCK*

Averages of Daily Figures

Seasonally Adjusted

Billions of Dollars

Billions of Dollars

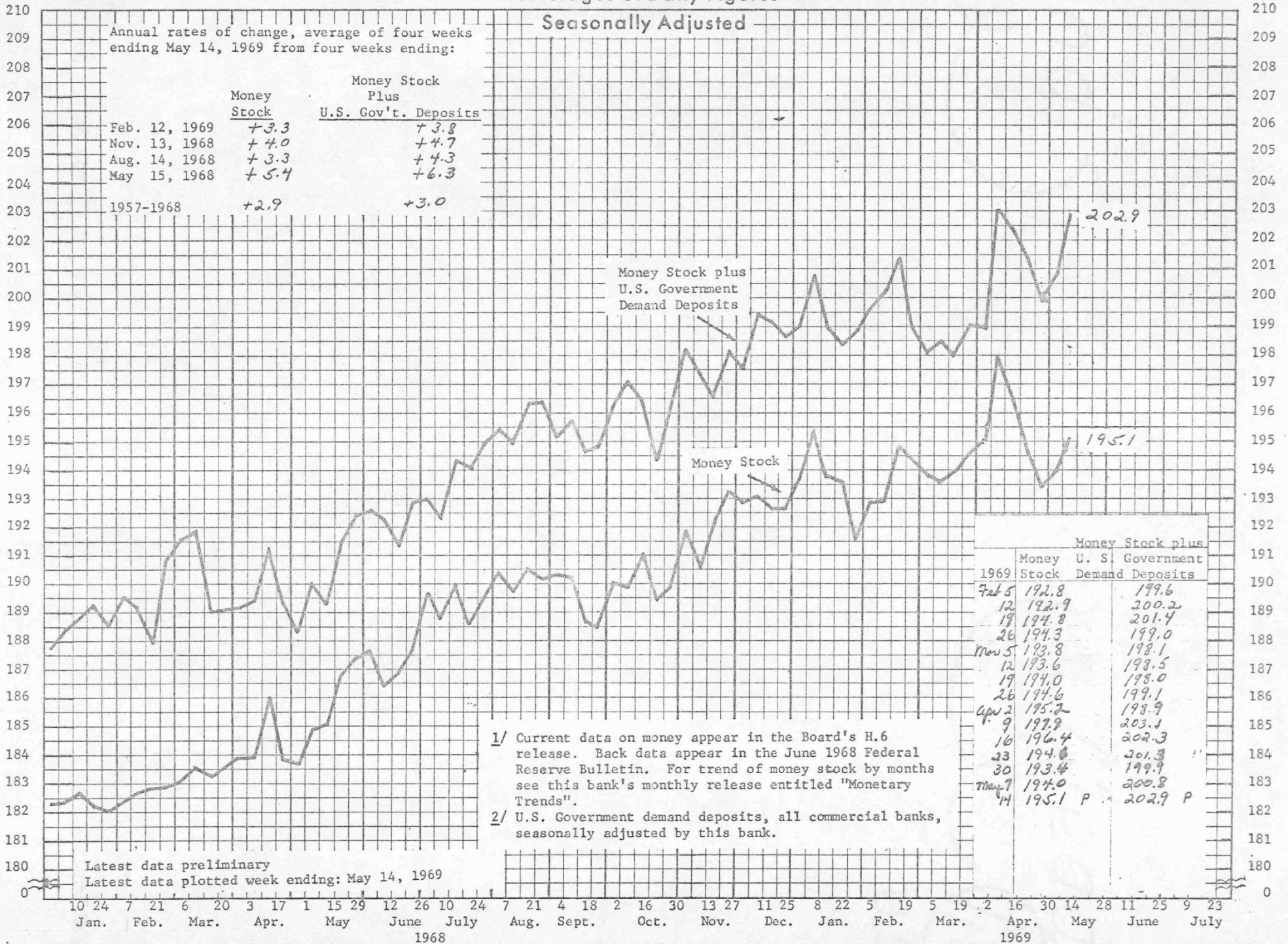


MONEY STOCK ¹ PLUS U.S. GOVERNMENT DEMAND DEPOSITS ²

Billions of Dollars

Averages of Daily Figures

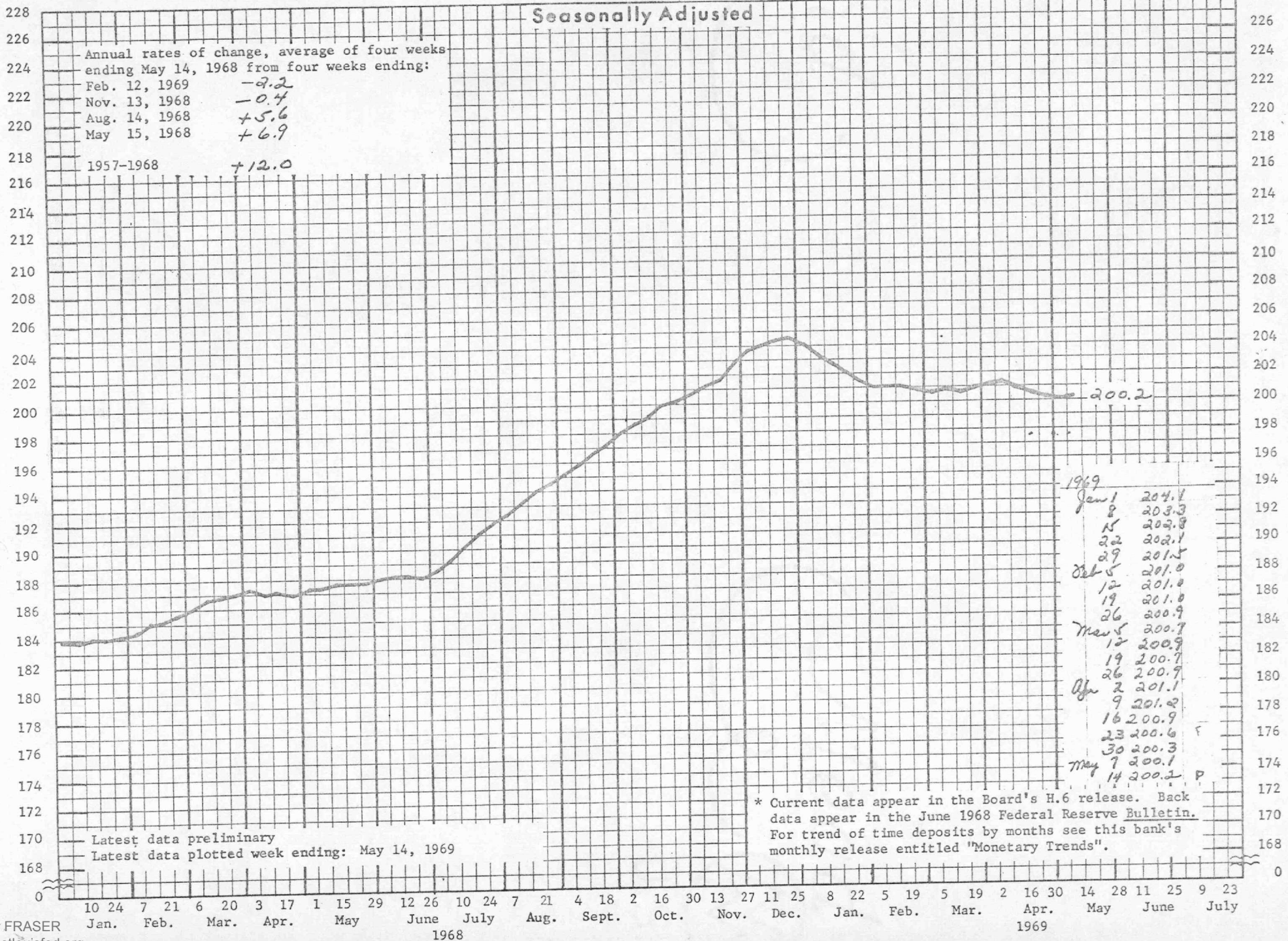
Billions of Dollars



TIME DEPOSITS*
All Commercial Banks
Averages of Daily Figures

Billions of Dollars

Billions of Dollars



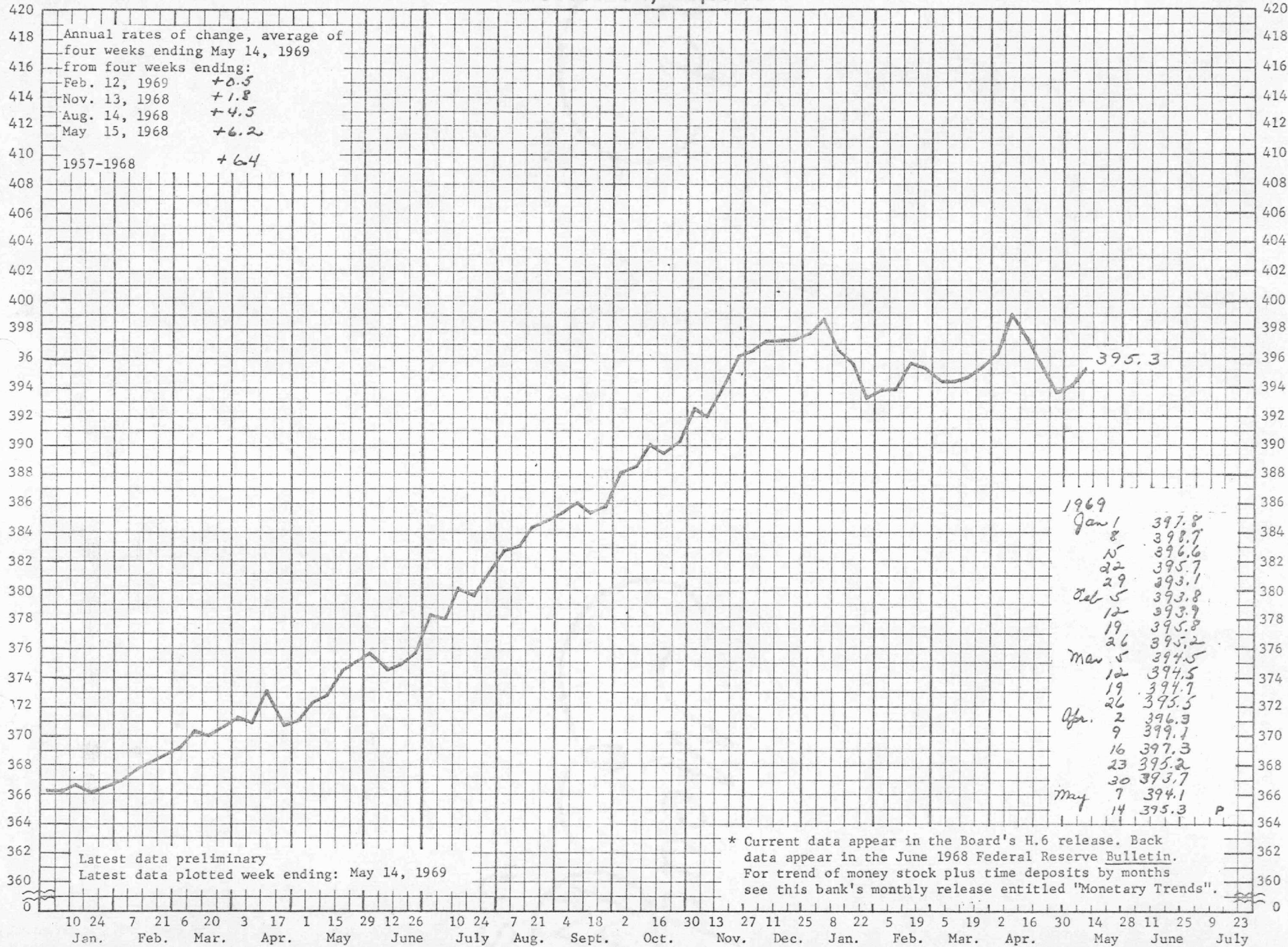
MONEY STOCK PLUS TIME DEPOSITS*

Averages of Daily Figures

Seasonally Adjusted

Billions of Dollars

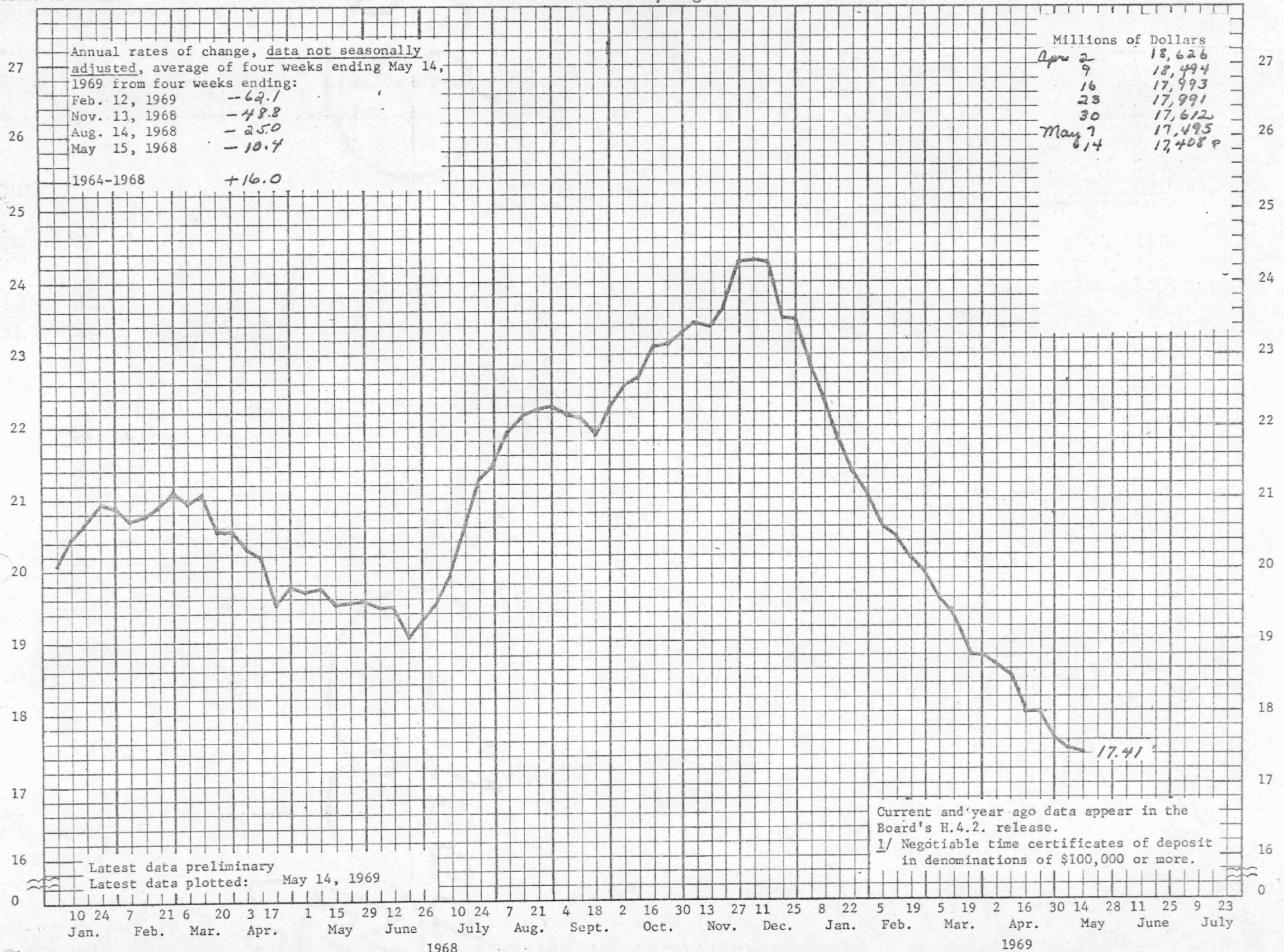
Billions of Dollars



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

Billions of Dollars

Billions of Dollars



BUSINESS BANKS Large Commercial Banks Wednesday Figures

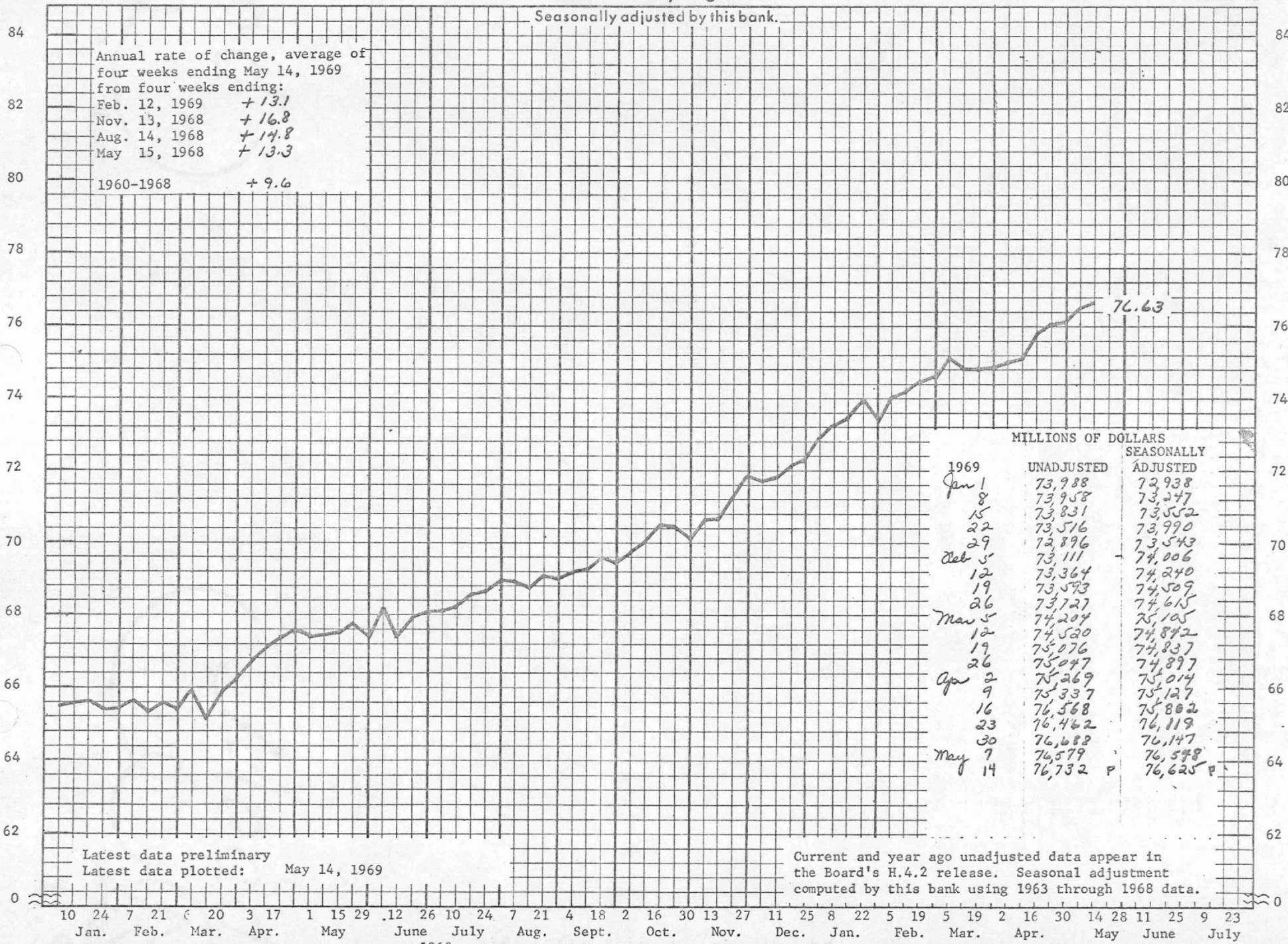
Billions of Dollars

Billions of Dollars

Seasonally adjusted by this bank.

Annual rate of change, average of
four weeks ending May 14, 1969
from four weeks ending:

Feb. 12, 1969	+ 13.1
Nov. 13, 1968	+ 16.8
Aug. 14, 1968	+ 14.8
May 15, 1968	+ 13.3
1960-1968	+ 9.6



MILLIONS OF DOLLARS

1969	UNADJUSTED	SEASONALLY ADJUSTED
Jan 1	73,988	72,938
8	73,958	73,247
15	73,831	73,552
22	73,516	73,990
29	72,896	73,543
Feb 5	73,111	74,006
12	73,364	74,240
19	73,593	74,509
26	73,727	74,615
Mar 5	74,204	75,105
12	74,520	74,842
19	75,076	74,837
26	75,047	74,897
Apr 2	75,269	75,014
9	75,337	75,127
16	76,568	75,802
23	76,462	76,119
30	76,688	76,147
May 7	76,579	76,598
14	76,732	76,625

Latest data preliminary
Latest data plotted: May 14, 1969

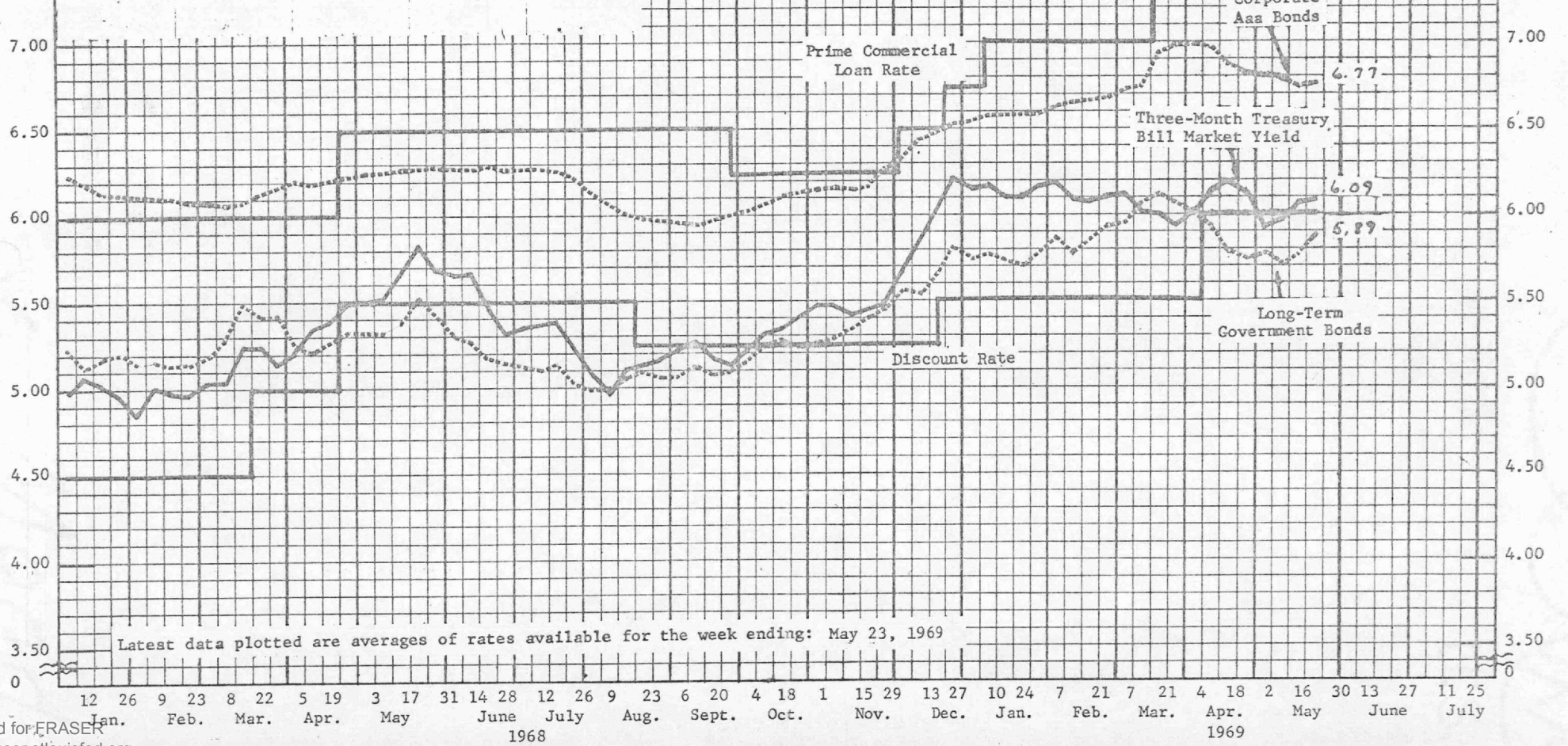
Current and year ago unadjusted data appear in
the Board's H.4.2 release. Seasonal adjustment
computed by this bank using 1963 through 1968 data.

YIELDS ON SELECTED SECURITIES Averages of Daily Rates Ended Friday

Per Cent
9.50

Per Cent
9.50

1969	3-Month Treasury Bill	3-5-Year	Long-Term	Corporate Aaa
Jan 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
Feb 7	6.11	6.37	5.95	6.72
14	6.01	6.34	6.07	6.75
21	6.00	6.34	6.11	6.94
28	5.94	6.30	6.07	6.99
Mar 4	6.04	6.26	6.01	6.99
11	6.15	6.19	5.98	6.97
18	6.19	6.10	5.79	6.88
25	6.13	6.11	5.75	6.81
Apr 2	5.93	6.17	5.79	6.80
9	5.97	6.21	5.70	6.79
16	6.07	6.30	5.77	6.75
23*	6.09	6.41	5.89	6.77



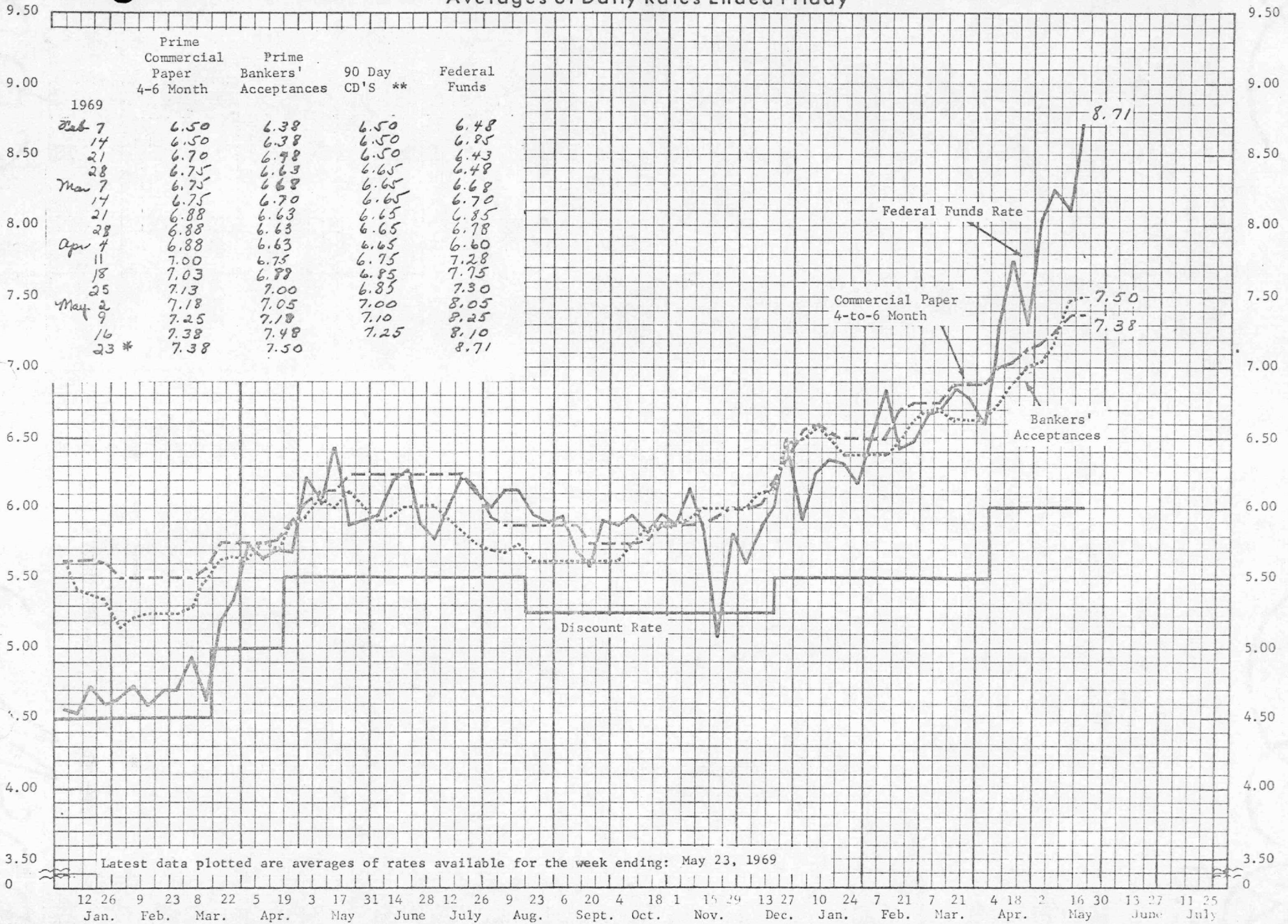
Latest data plotted are averages of rates available for the week ending: May 23, 1969

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: May 23, 1969

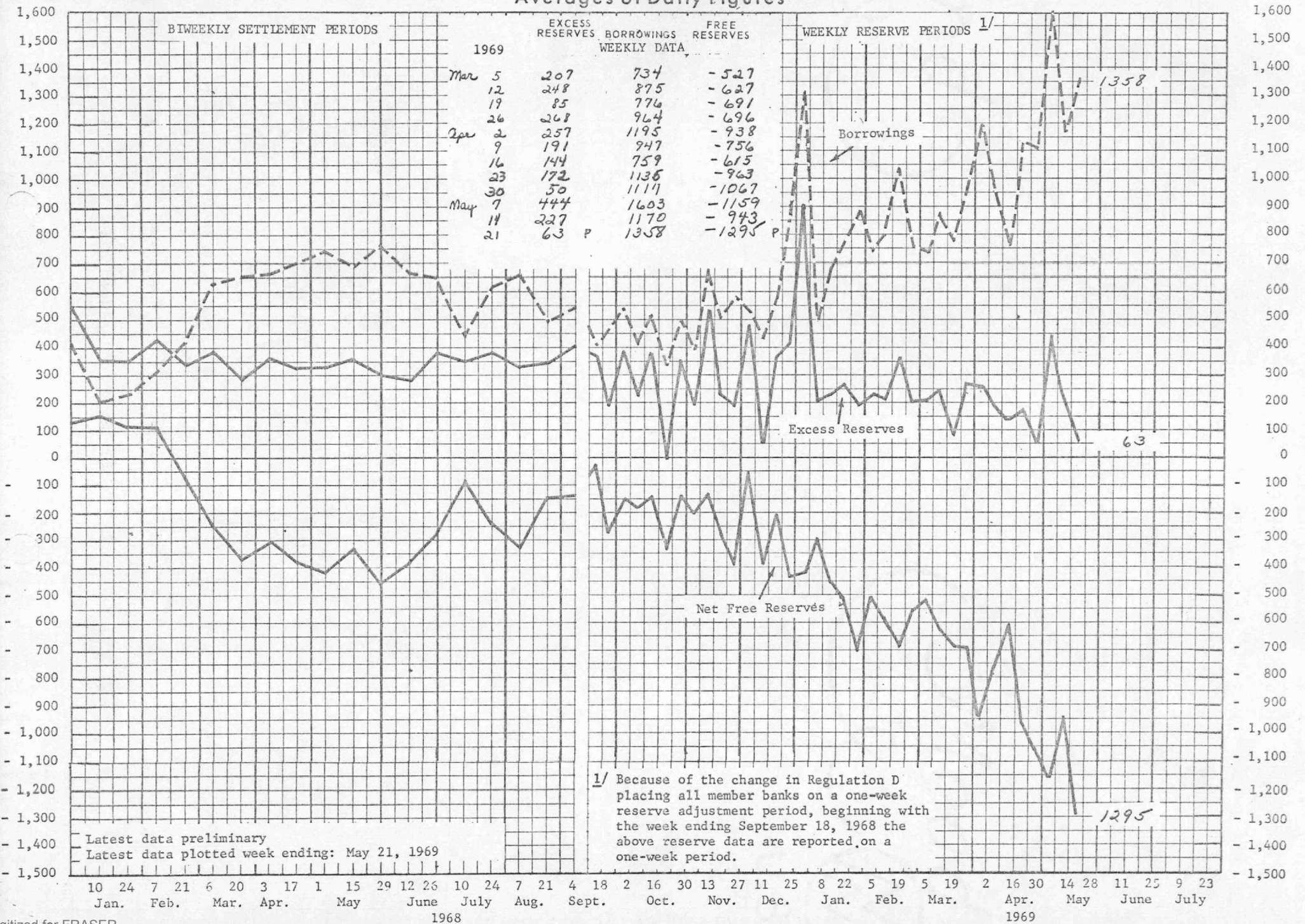
BORROWINGS AND EXCESS RESERVES

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.

Latest data preliminary
 Latest data plotted week ending: May 21, 1969