

AUG 27 1968

Week ending: June 25, 1969

Growth of the money stock, consisting of private demand deposits and currency held by the public, has slowed to a 2.5 per cent annual rate since early December from 6.5 per cent in the previous year (page 5). Growth of the monetary base has moderated to a 4.5 per cent rate since December from 6.5 per cent in 1968 (page 2). Changes in currency and Government deposits relative to private demand deposits, and other factors, have influenced the relation between the base and money, contributing to the moderate growth of money.

The money stock plus time deposits has not increased on balance in the past six months after rising 9 per cent in the previous year (page 7). This measure reflects the sharp decline in large negotiable certificates of deposit (page 8) and a leveling off in other time and savings deposits as well as the slower increase in private demand deposits in the past six months (page 4).

The high level of market interest rates relative to rates banks are permitted to pay on time deposits has hindered banks' ability to compete for time deposits. The Regulation Q ceiling rate on large CDs (\$100,000 or more) maturing in 60 to 89 days is 5.75 per cent. These CDs traded

at 8.25 per cent in the secondary market during the week ending June 20, up from about 6.4 per cent last December (page 11). Yields on three-month Treasury bills averaged 6.43 per cent in the three days ending June 25, compared with 6.65 per cent in the week ending June 13 and 6.20 per cent in late December (page 10). Yields on long-term Government bonds averaged 6.05 per cent during the first half of this week, compared with 5.32 per cent in late December.

The past year has been characterized by a strong demand for loan funds. Business loans at large commercial banks have increased at a 15 per cent rate in the past six months and 14 per cent in the past year, compared with a 9.6 per cent trend rate from 1960 to 1968 (page 9). Reflecting strong credit demand relative to deposit gains, bank liquidity positions have declined. A frequently used measure of liquidity in the banking system is the ratio of total loans to total deposits at these banks. In the week ending June 18 loans were 72 per cent of deposits, compared with 67 per cent a year ago.

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

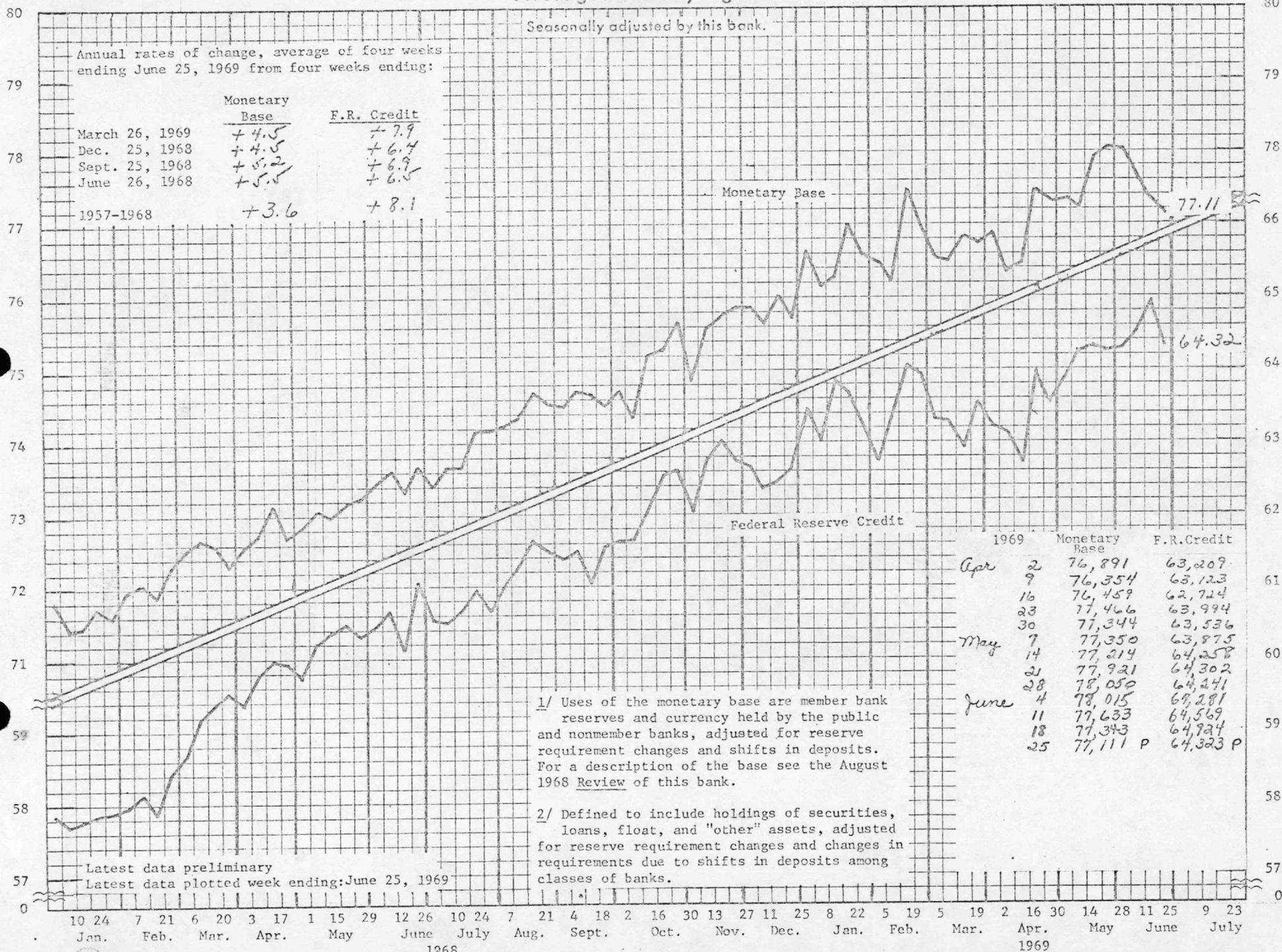
Prepared by Federal Reserve Bank of St. Louis

Released: June 27, 1969

**MONETARY BASE [1]
FEDERAL RESERVE CREDIT [2]
Averages of Daily Figures**

Billions of Dollars

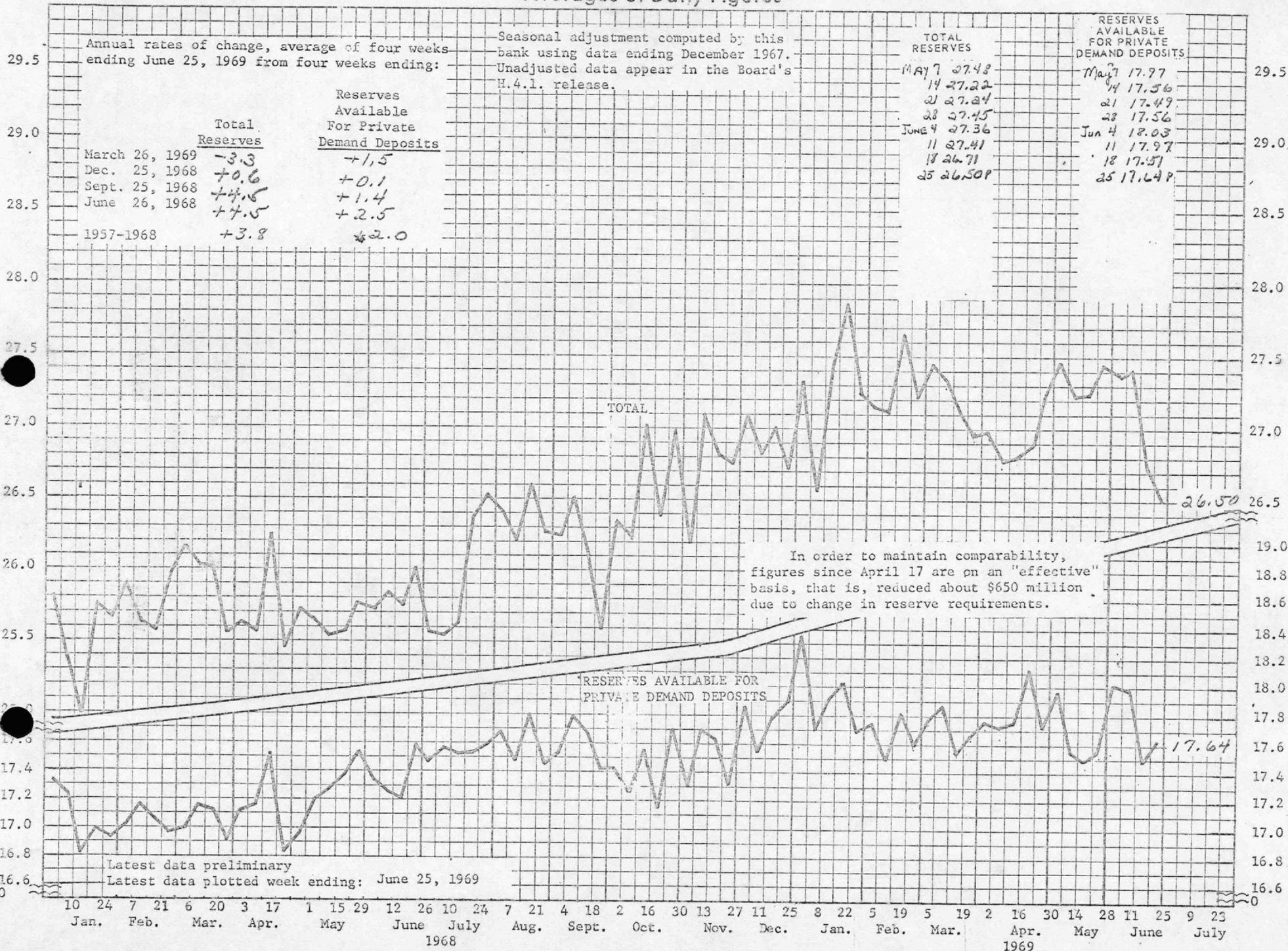
Billions of Dollars



RESERVES

All Member Banks in the Nation

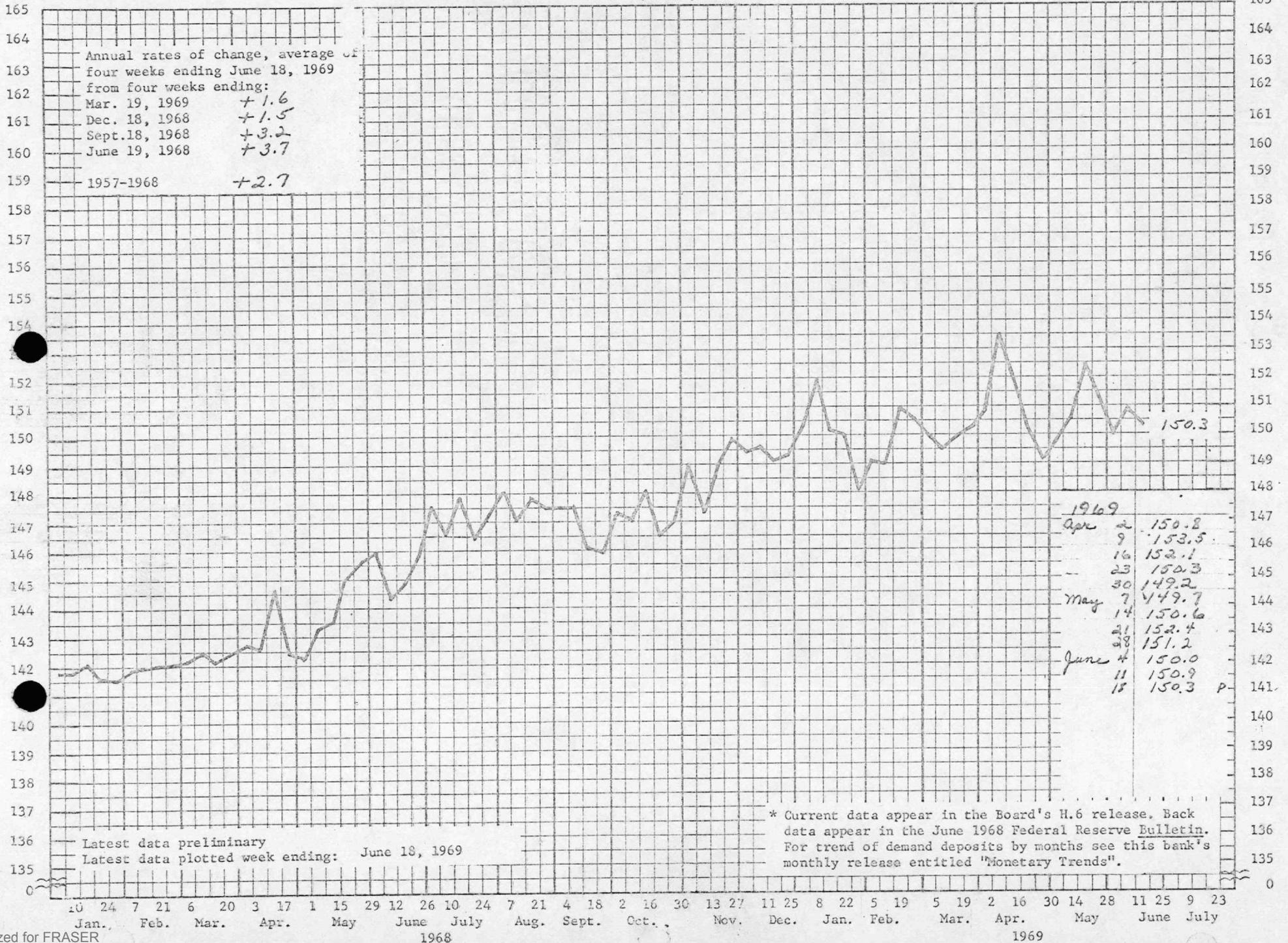
Averages of Daily Figures



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

Billions of Dollars

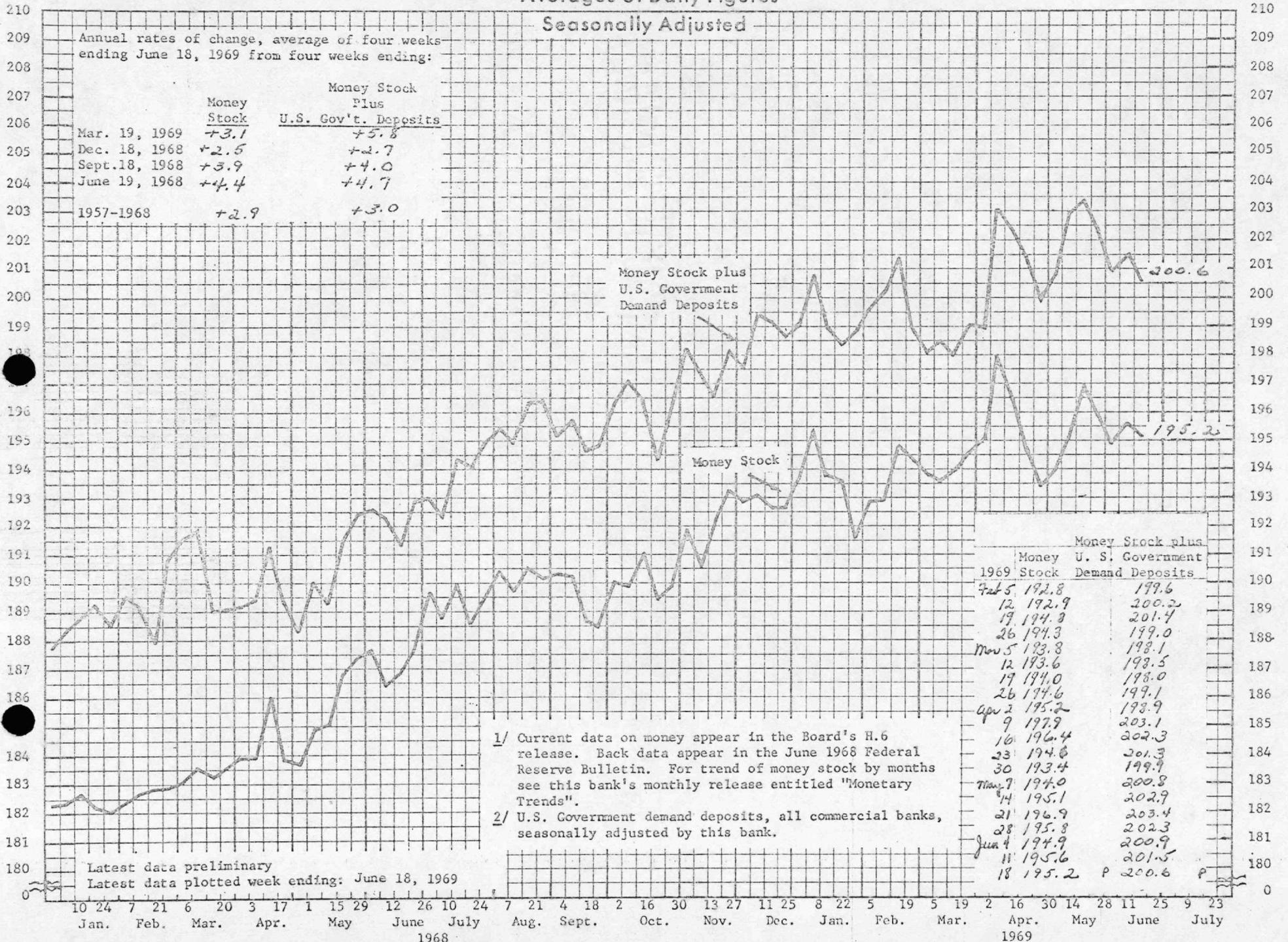
Billions of Dollars



MONEY STOCK 1
 MONEY STOCK 1 PLUS U.S. GOVERNMENT DEMAND DEPOSITS 2
 Averages of Daily Figures
 Seasonally Adjusted

Billions of Dollars

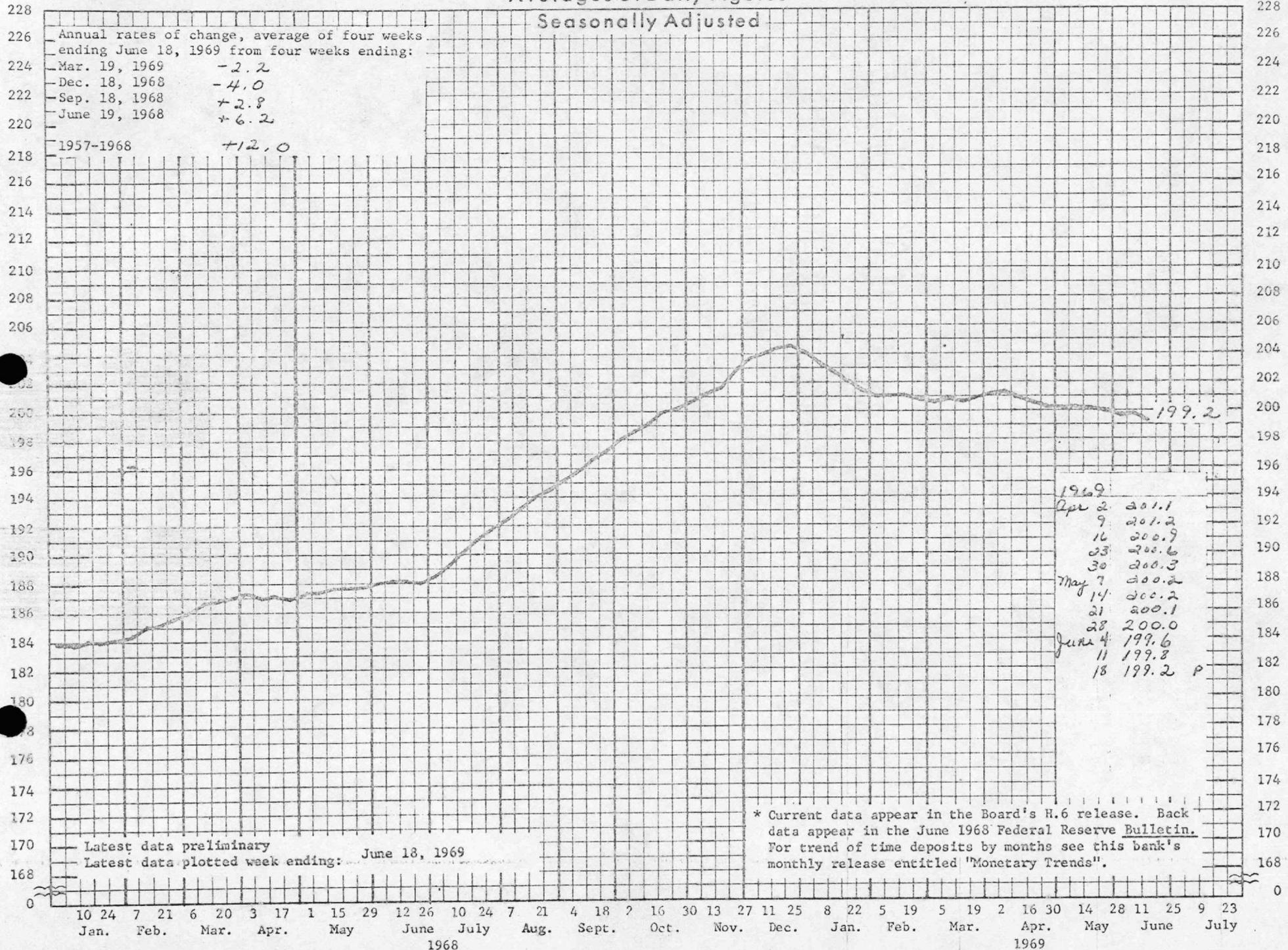
Billions of Dollars



Billions of Dollars

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

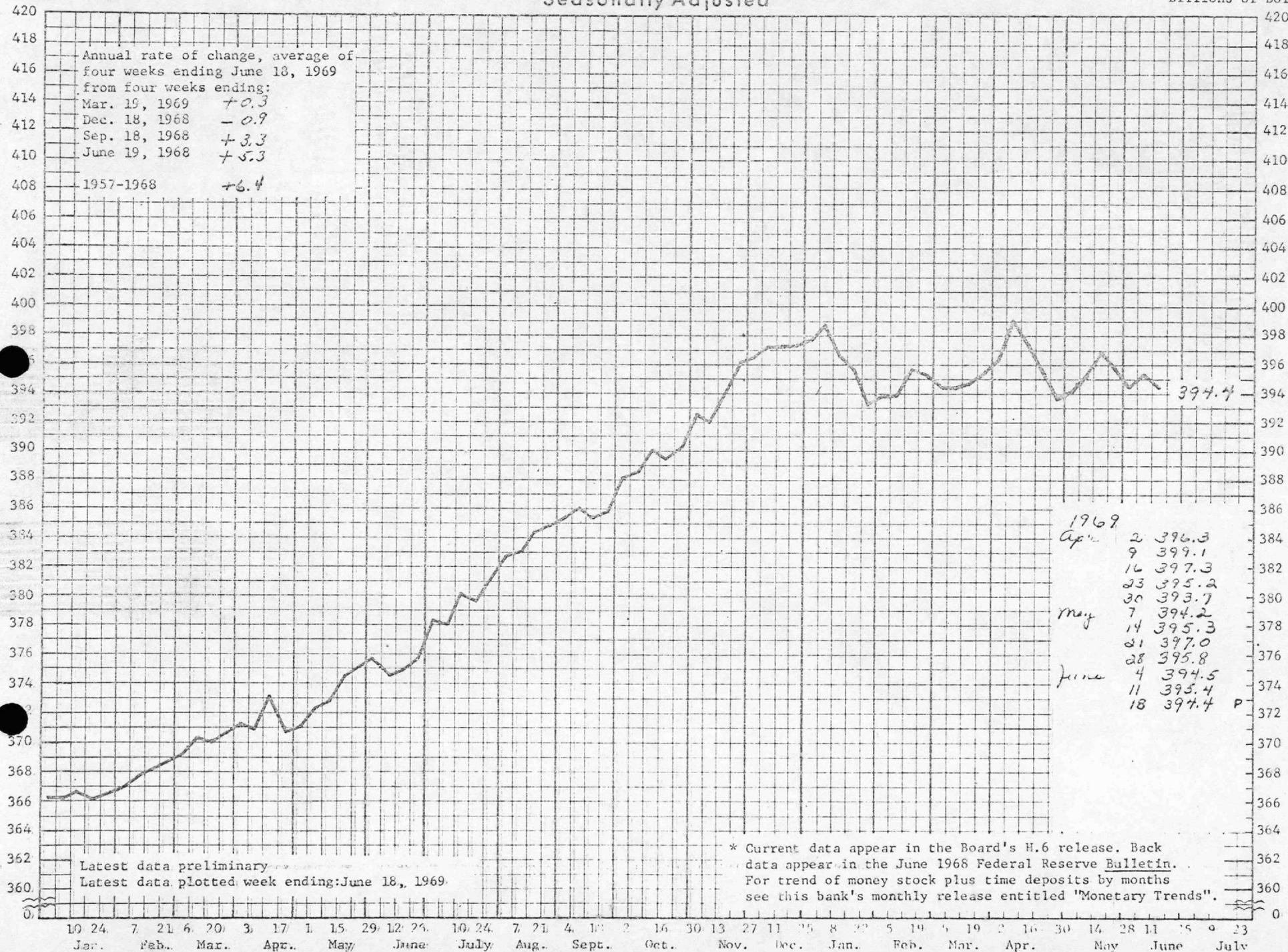
Billions of Dollars



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

Billions of Dollars

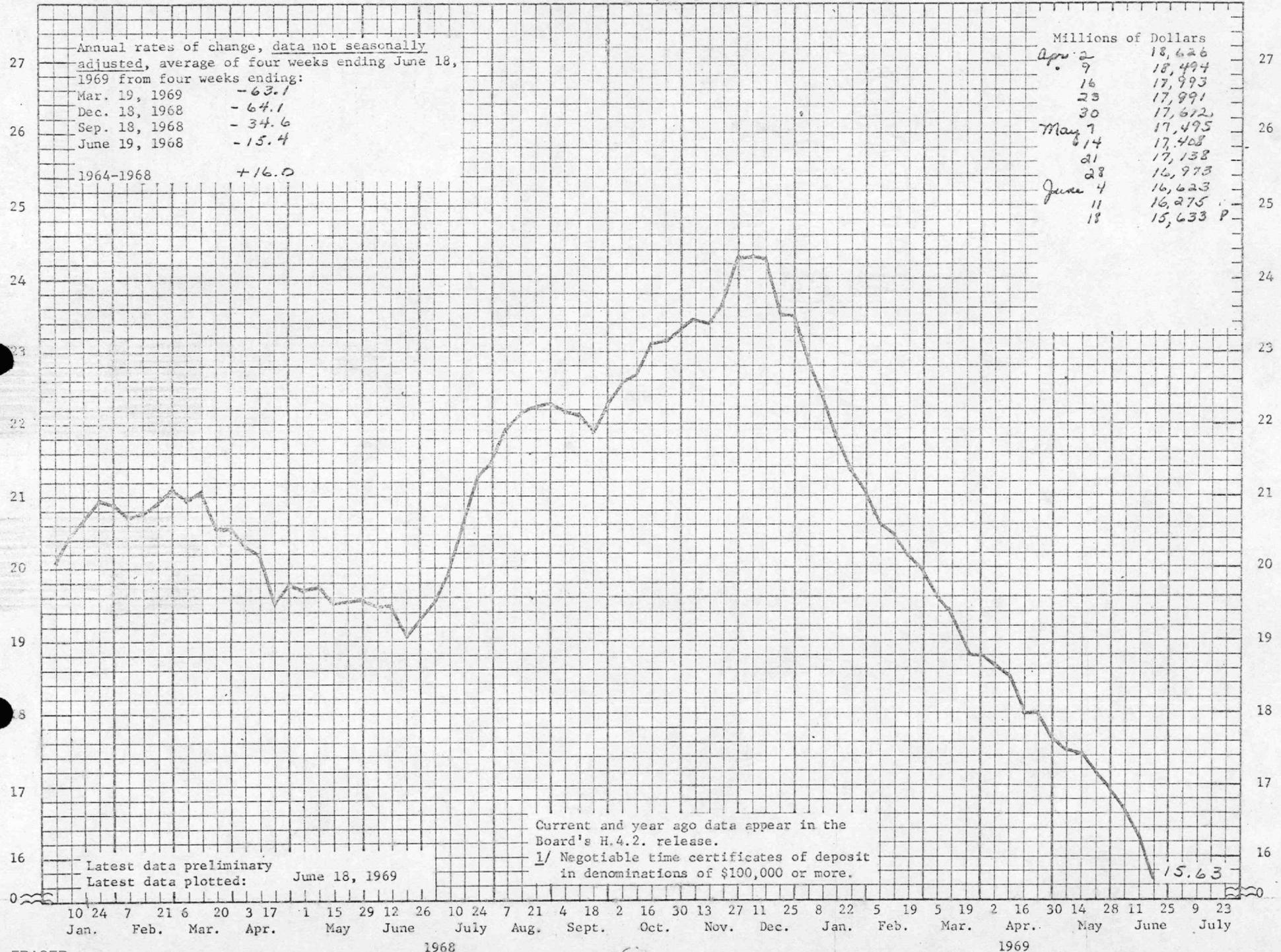
Billions of Dollars



CERTIFICATE OF DEPOSIT ¹
Large Commercial Banks
Wednesday Figures

Billions of Dollars

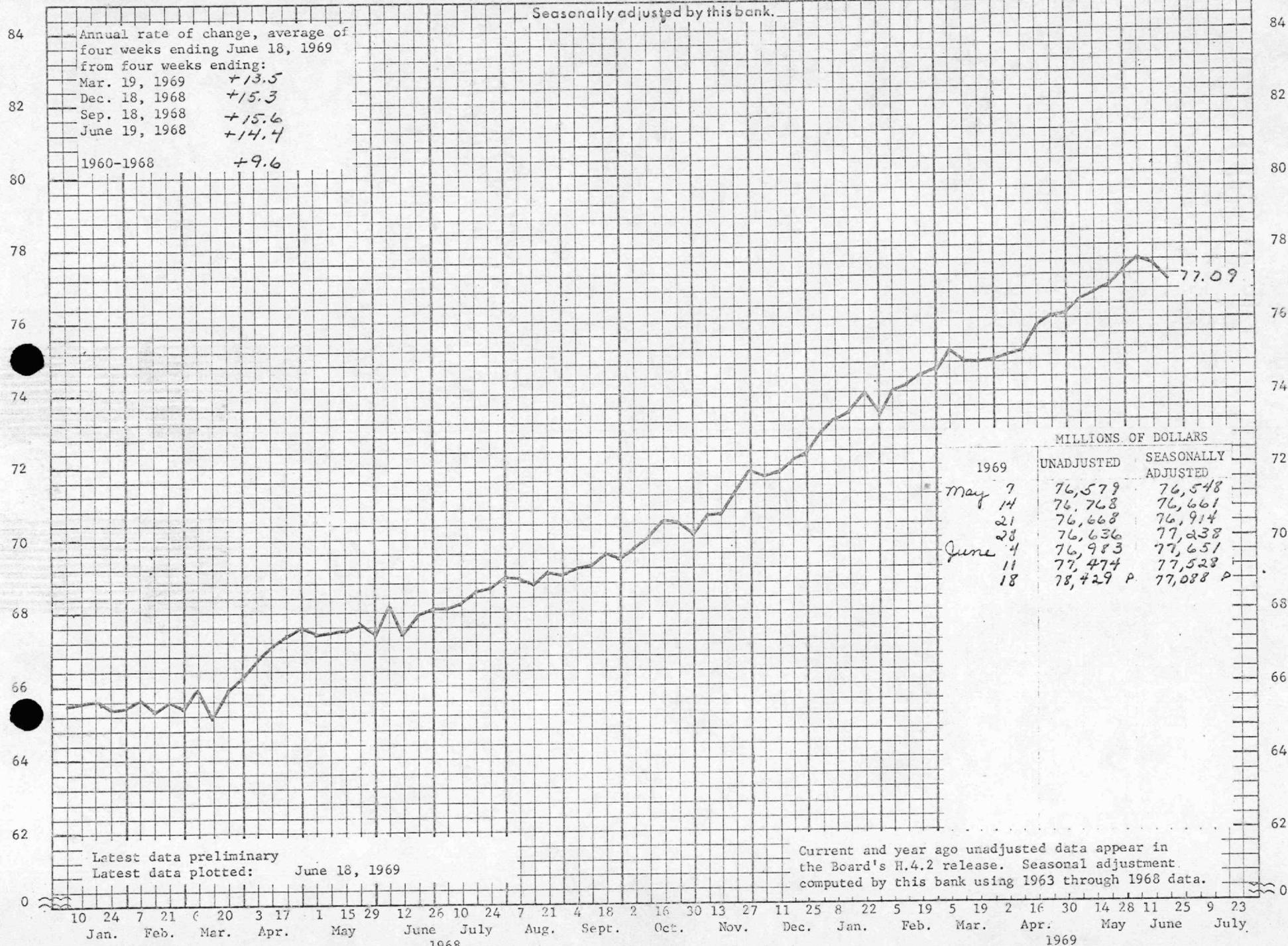
Billions of Dollars



BUSINESS BANKS
Large Commercial Banks
Wednesday Figures

Billions of Dollars

Billions of Dollars

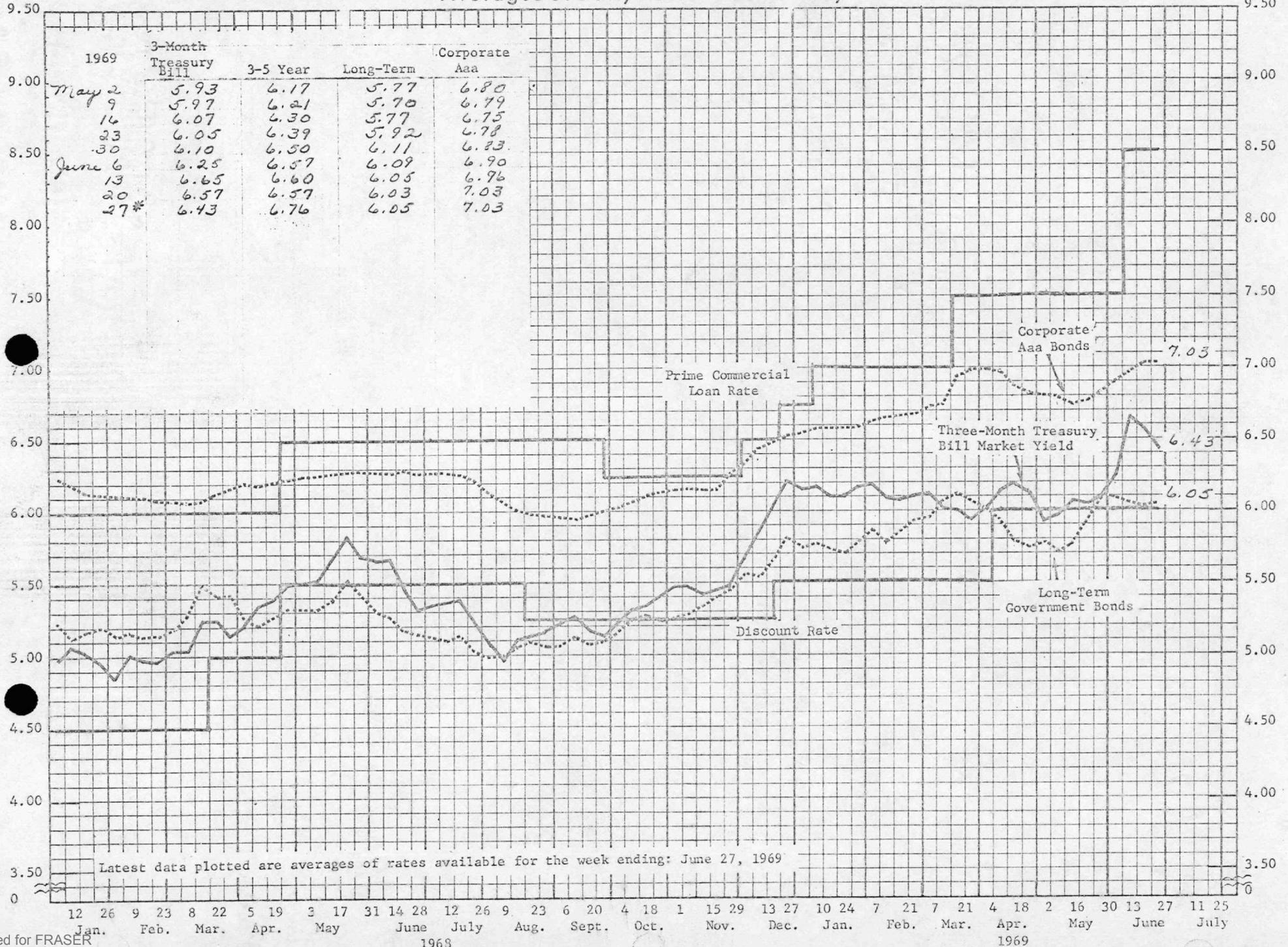


YIELDS ON SELECTED SECURITIES

Averages of Daily Rates Ended Friday

Per Cent

Per Cent



Latest data plotted are averages of rates available for the week ending: June 27, 1969

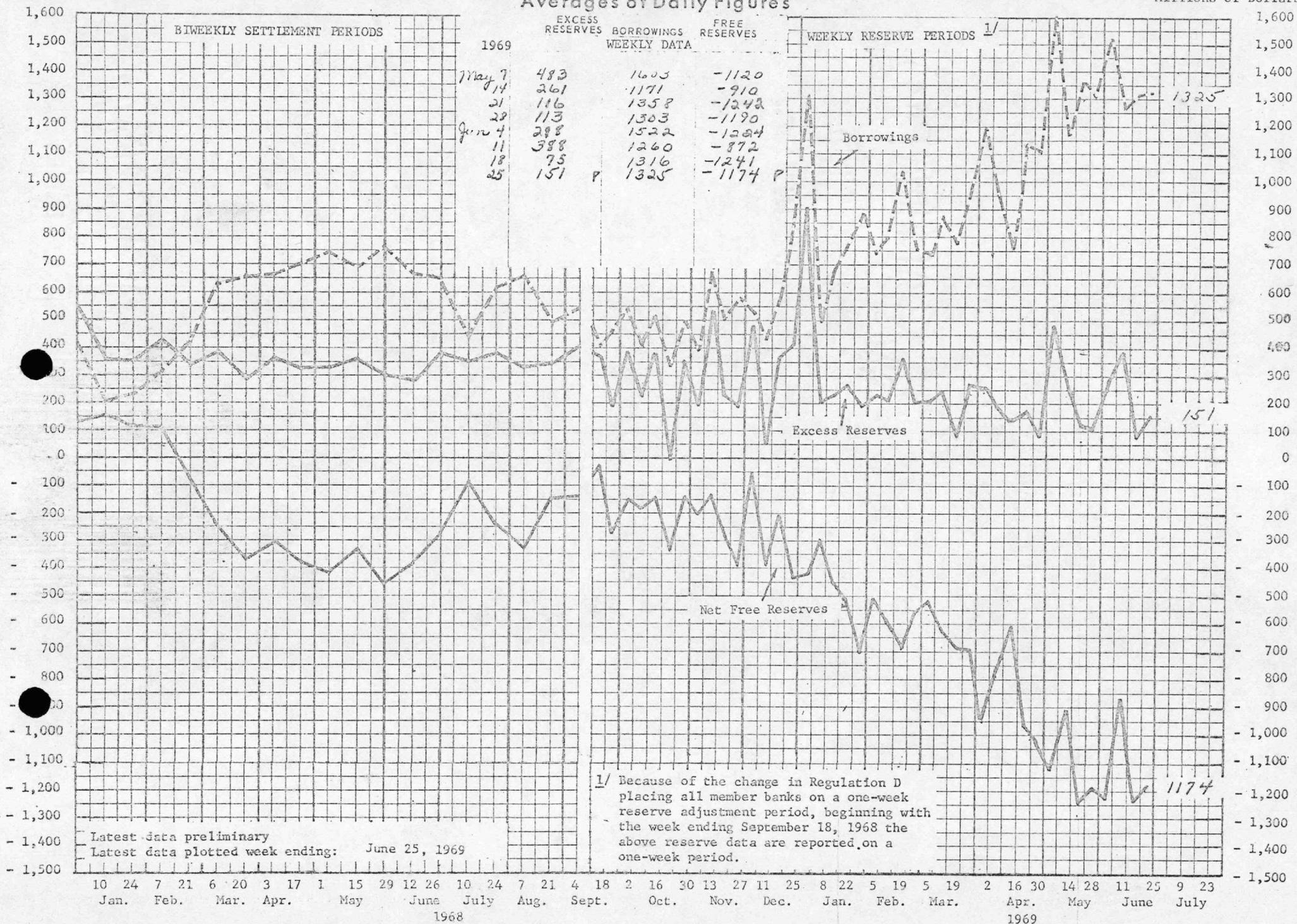
BORROWINGS AND EXCESS RESERVES

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: June 25, 1969