

AUG 27 1998

Growth rates of monetary aggregates have been markedly lower since December than during the previous year. With respect to money and its demand deposit component, the past seven months can in turn be divided into a period of moderate growth followed by one of no change or decline. From December to April both of these magnitudes had increased at about a 4 per cent annual rate, down from more than 6 per cent during 1968. Since April the money stock has shown little net change (page 5), and demand deposits have declined at a 2.6 per cent rate (page 4).

Total member bank reserves have fallen from about \$27.8 billion in May and early June to about \$27 billion in the past four weeks, after about no net change over the previous five months and a 7 per cent rise in 1968 (page 3). The monetary base has grown at a 1.8 per cent rate since April, about half the rate from December to April, compared with 6.5 per cent in 1968 (page 2).

Most interest rates increased rapidly in May and June, but since late June appear to have leveled off in spite of continued monetary restraint (pages 10 and 11). Yields on prime four- to six-month commercial paper, bankers' acceptances, and secondary market certificates of deposit rose about 1-1/2 percentage points

from April to reach 8-1/2 per cent or more in late June or early July. In the week ending July 4 yields on commercial paper averaged 8.66 per cent and yields on bankers' acceptances averaged 8.50 per cent. In the three days ending July 30, these rates were 8.54 per cent and 8.21 per cent, respectively. Some long-term rates have been stable since about early June.

Bank lending has come under additional pressure from the loss of CD's as market rates have remained well above Regulation Q ceilings (page 7). Until early June, business loans at large banks (page 9) had continued to increase rapidly as banks liquidated security holdings and borrowed Eurodollars. During the past two months, these loans have declined slightly. The volumes of outstanding commercial paper and bankers' acceptances in June showed a marked increase. From December to June, a period in which negotiable CD's declined \$8 billion, commercial paper increased \$4 billion (page 6). Bankers' acceptances increased from \$4.4 billion in December to \$4.9 billion in June, while the percentage of these acceptances held by commercial banks declined from 35 per cent to 31 per cent.

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: August 1, 1969

MONETARY BASE ¹ FEDERAL RESERVE CREDIT ² Averages of Daily Figures

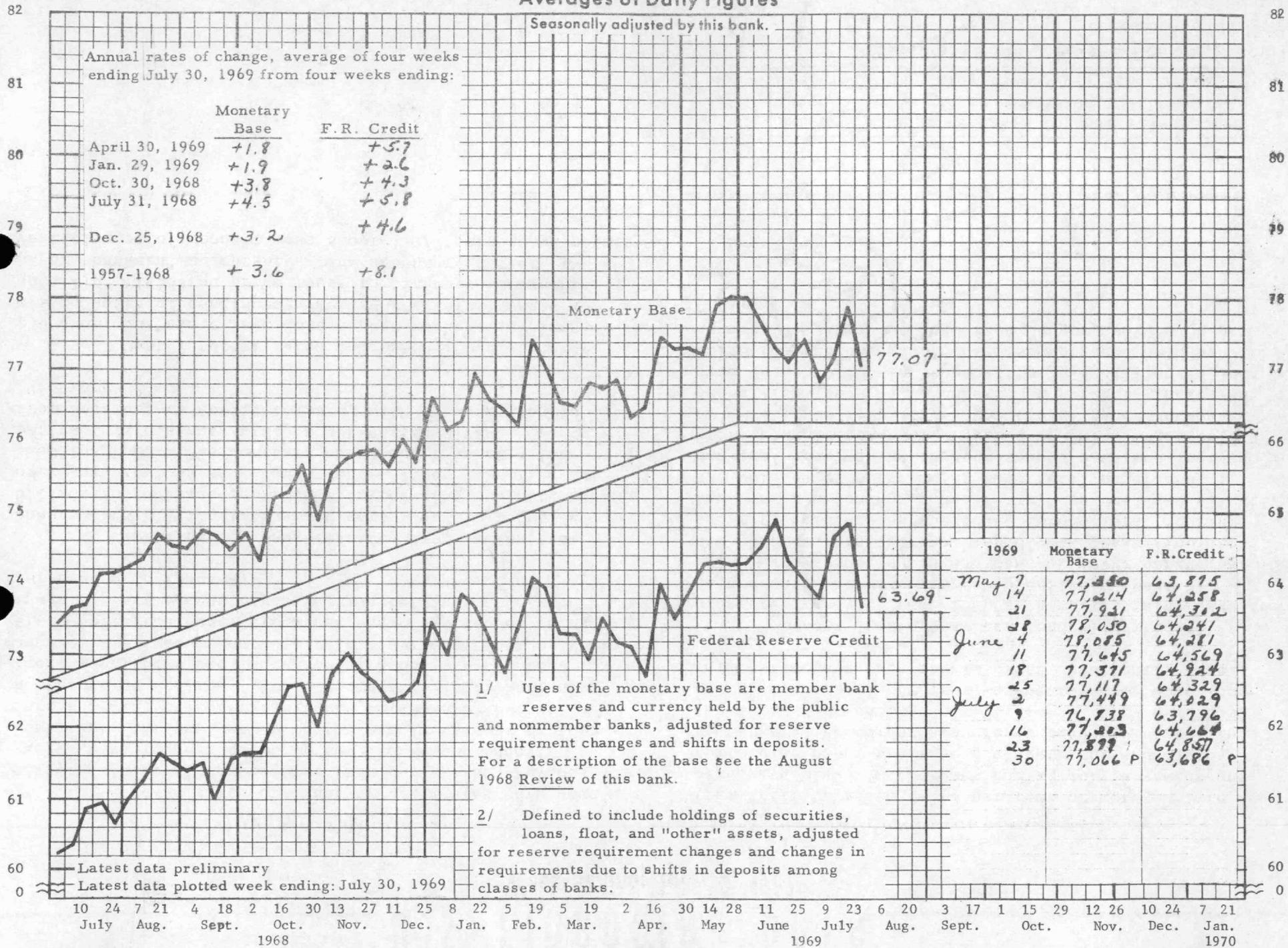
Billions of Dollars

Billions of Dollars

Seasonally adjusted by this bank.

Annual rates of change, average of four weeks ending July 30, 1969 from four weeks ending:

	Monetary Base	F. R. Credit
April 30, 1969	+1.8	+5.7
Jan. 29, 1969	+1.9	+2.6
Oct. 30, 1968	+3.8	+4.3
July 31, 1968	+4.5	+5.8
Dec. 25, 1968	+3.2	+4.6
1957-1968	+3.6	+8.1



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, float, and "other" assets, adjusted for reserve requirement changes and changes in requirements due to shifts in deposits among classes of banks.

1969	Monetary Base	F.R. Credit
May 7	77,450	63,875
14	77,024	64,258
21	77,921	64,302
28	78,050	64,241
June 4	78,085	64,281
11	77,645	64,569
18	77,371	64,824
25	77,117	64,329
July 2	77,449	64,029
9	76,838	63,796
16	77,203	64,664
23	77,899	64,857
30	77,066 P	63,686 P

— Latest data preliminary
 ~ Latest data plotted week ending: July 30, 1969

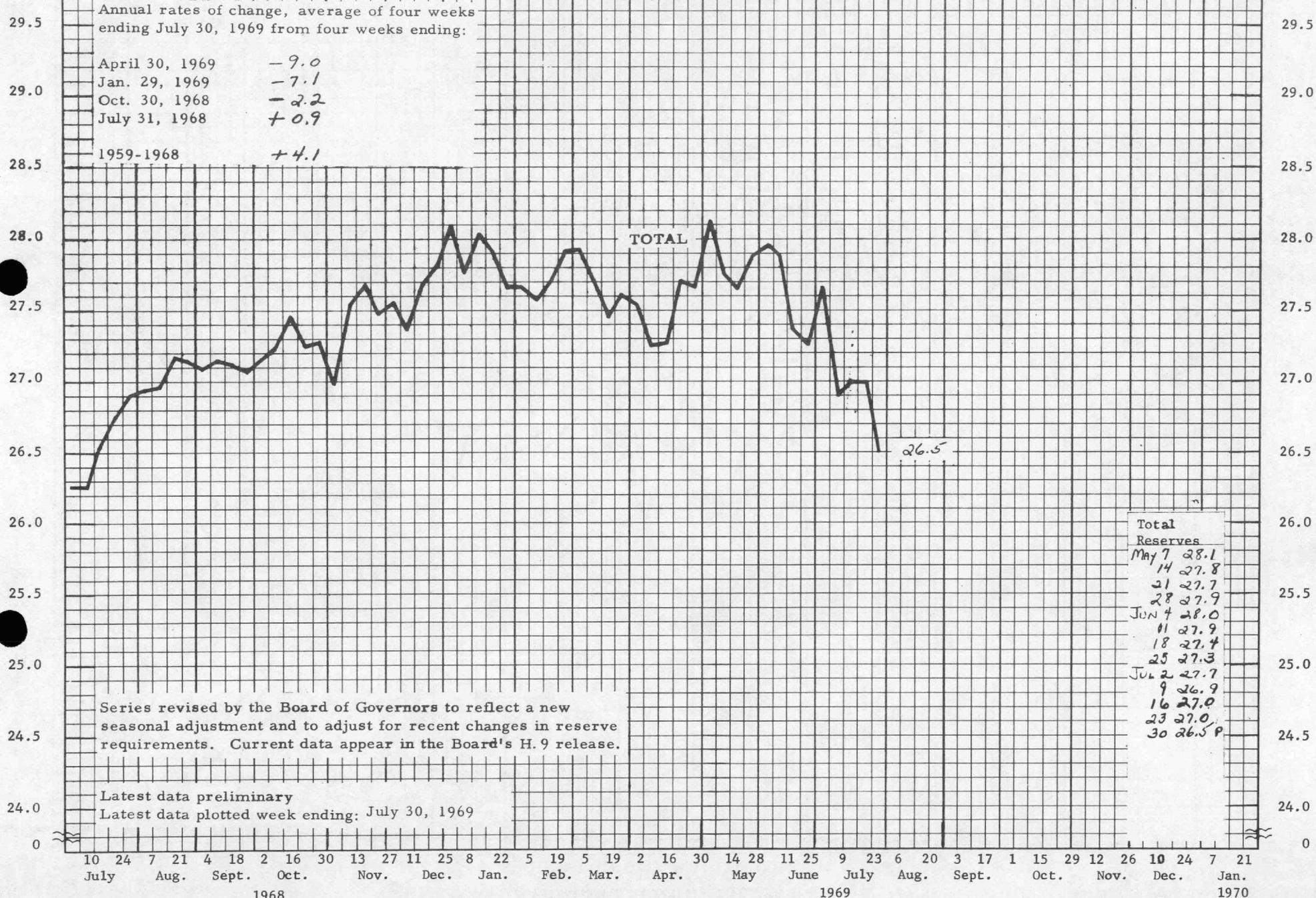
RESERVES

All Member Banks in the Nation

Averages of Daily Figures

Billions of Dollars

Billions of Dollars



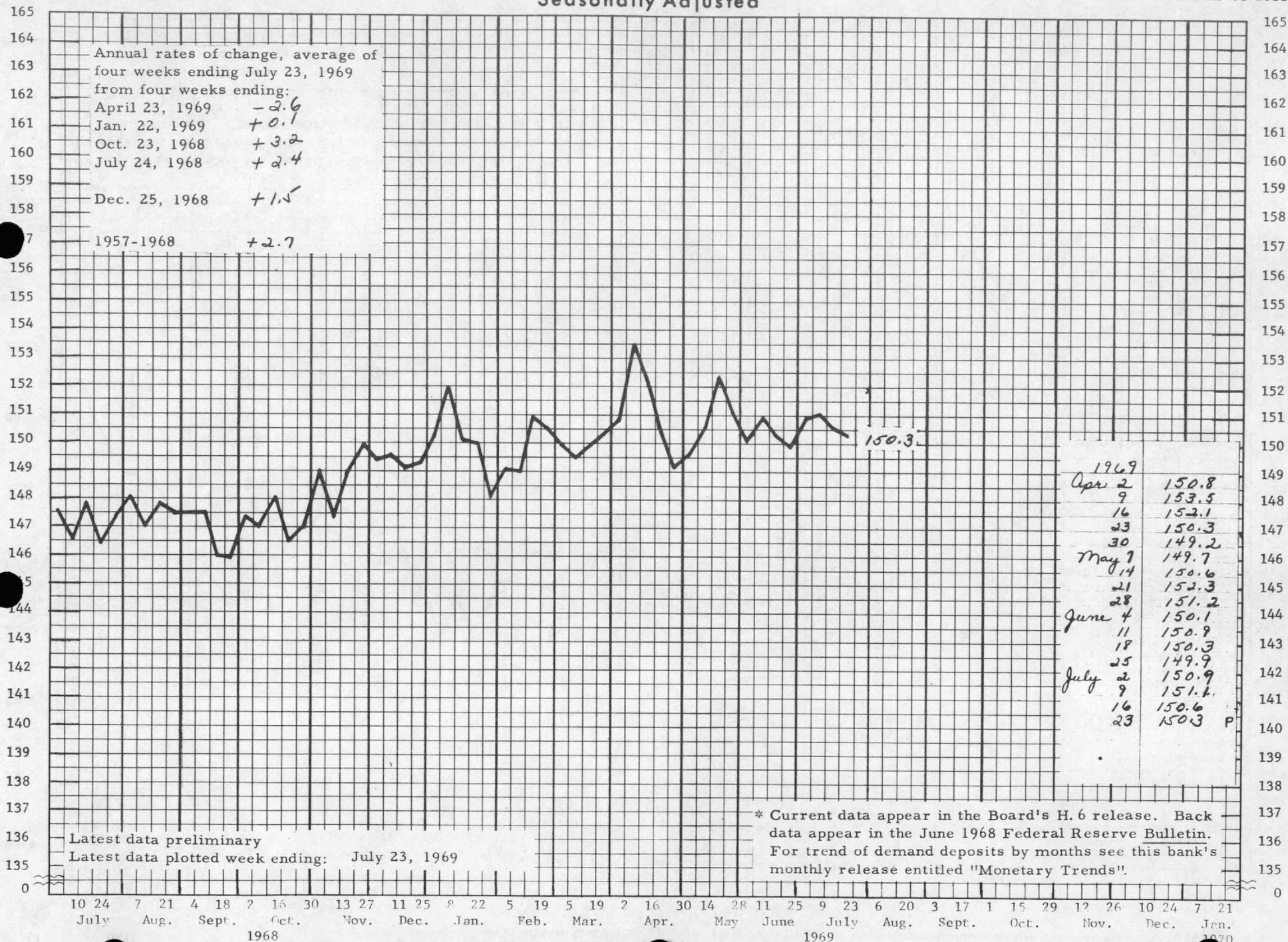
DEMAND DEPOSIT COMPONENT OF MONEY STOCK*

Averages of Daily Figures

Seasonally Adjusted

Billions of Dollars

Billions of Dollars



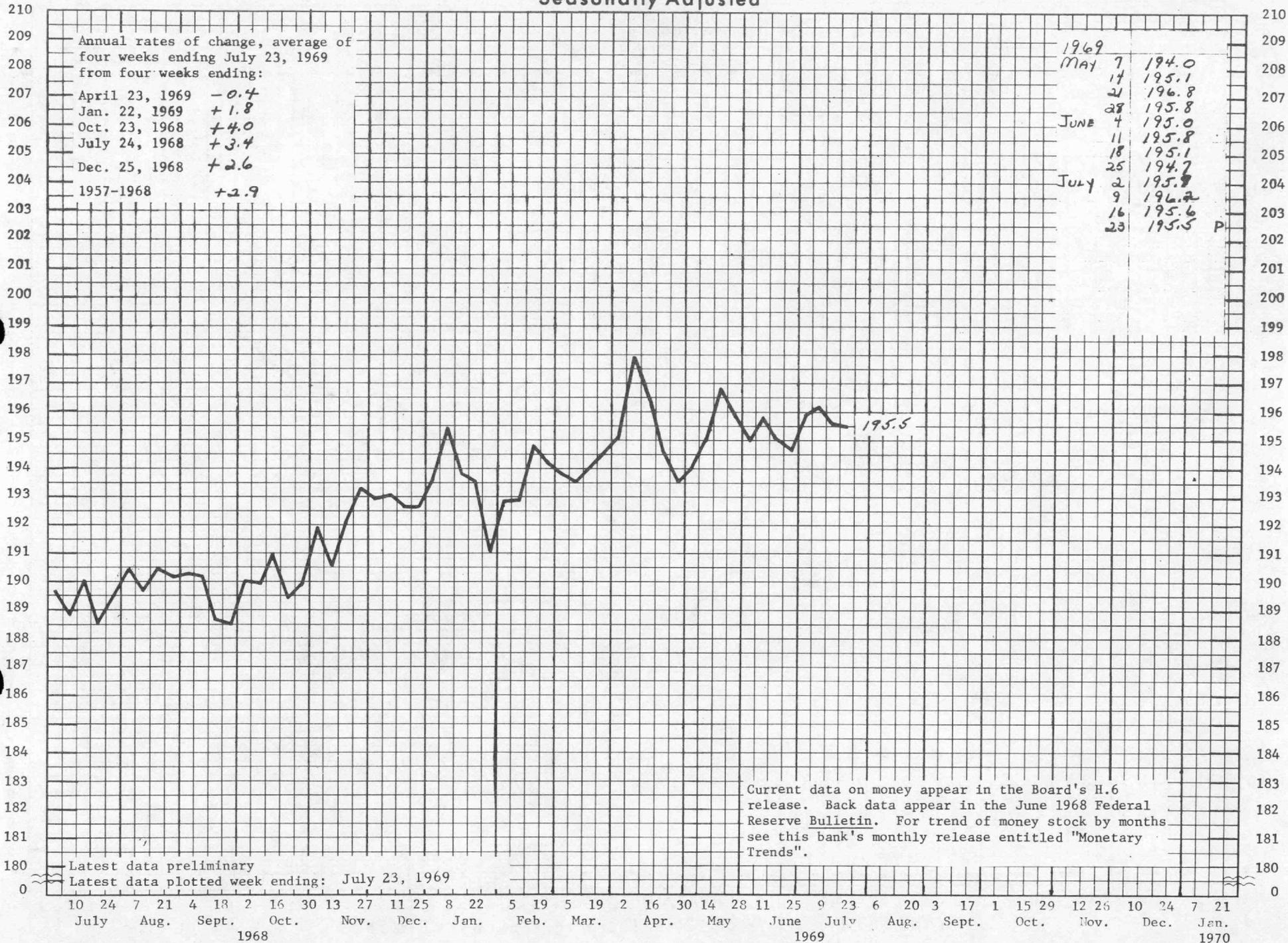
MONEY STOCK

Averages of Daily Figures

Seasonally Adjusted

Billions of Dollars

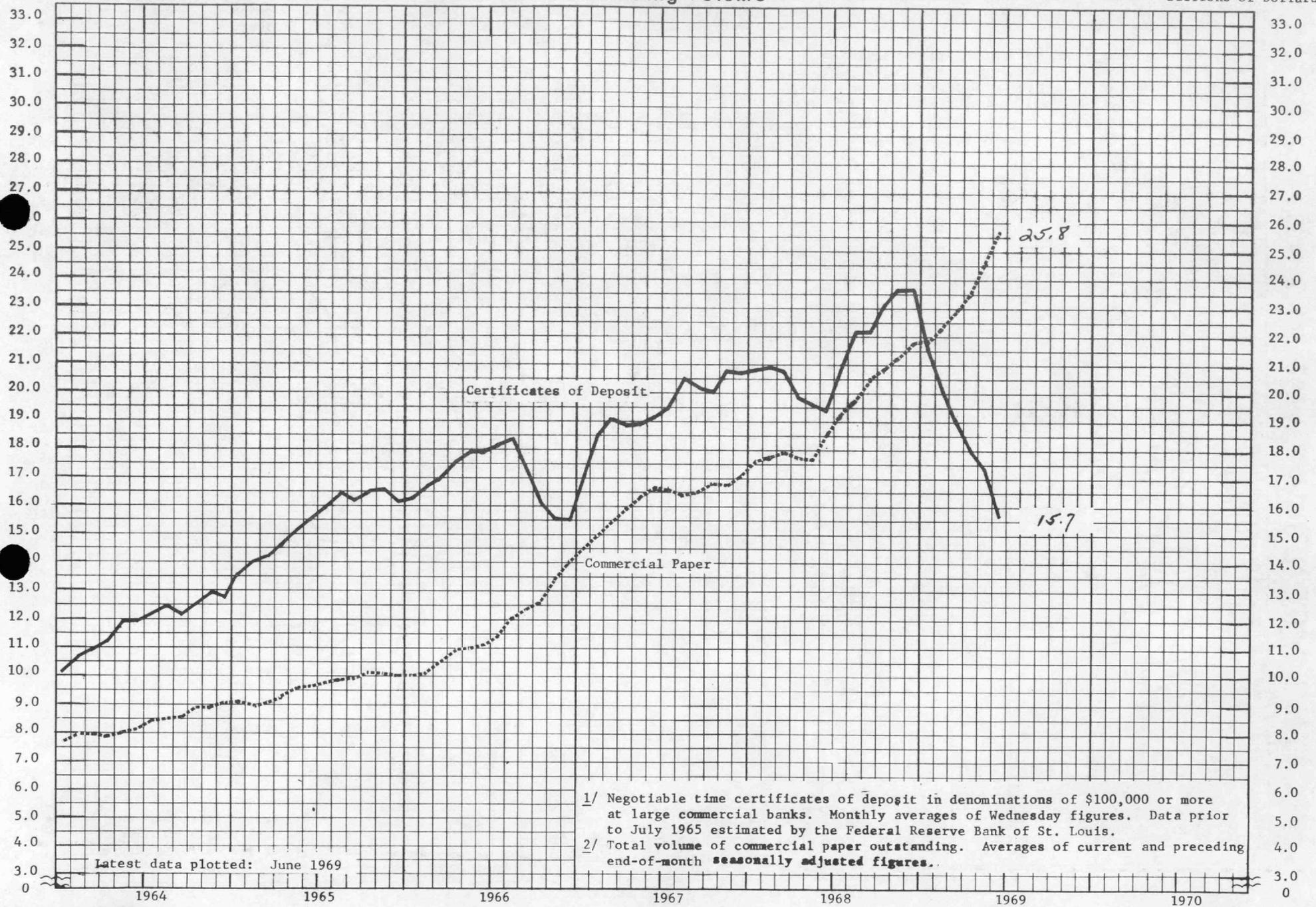
Billions of Dollars



CERTIFICATES OF DEPOSIT ¹ AND COMMERCIAL PAPER ² Outstanding Volume

Billions of Dollars

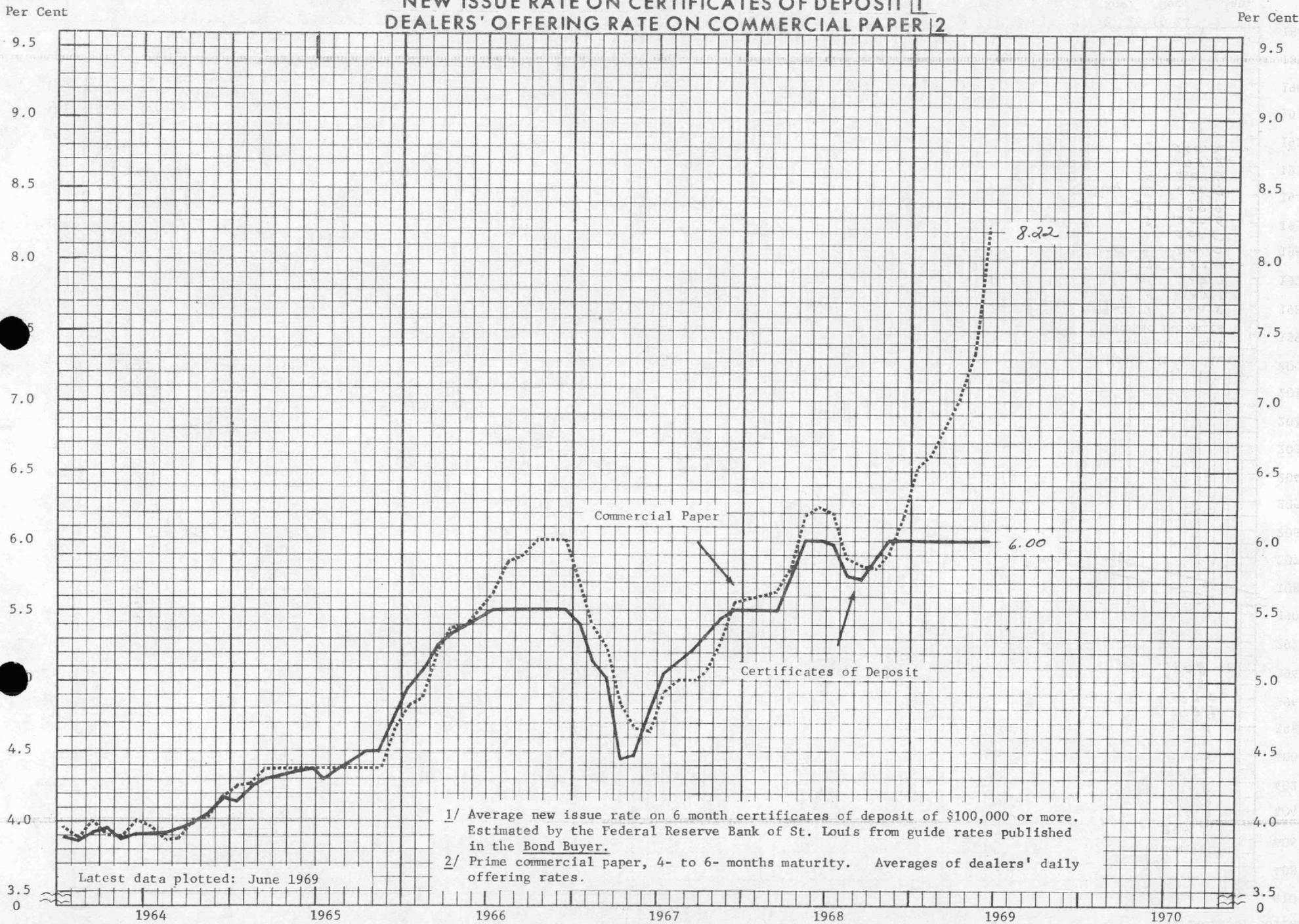
Billions of Dollars



Latest data plotted: June 1969

- 1/ Negotiable time certificates of deposit in denominations of \$100,000 or more at large commercial banks. Monthly averages of Wednesday figures. Data prior to July 1965 estimated by the Federal Reserve Bank of St. Louis.
- 2/ Total volume of commercial paper outstanding. Averages of current and preceding end-of-month seasonally adjusted figures.

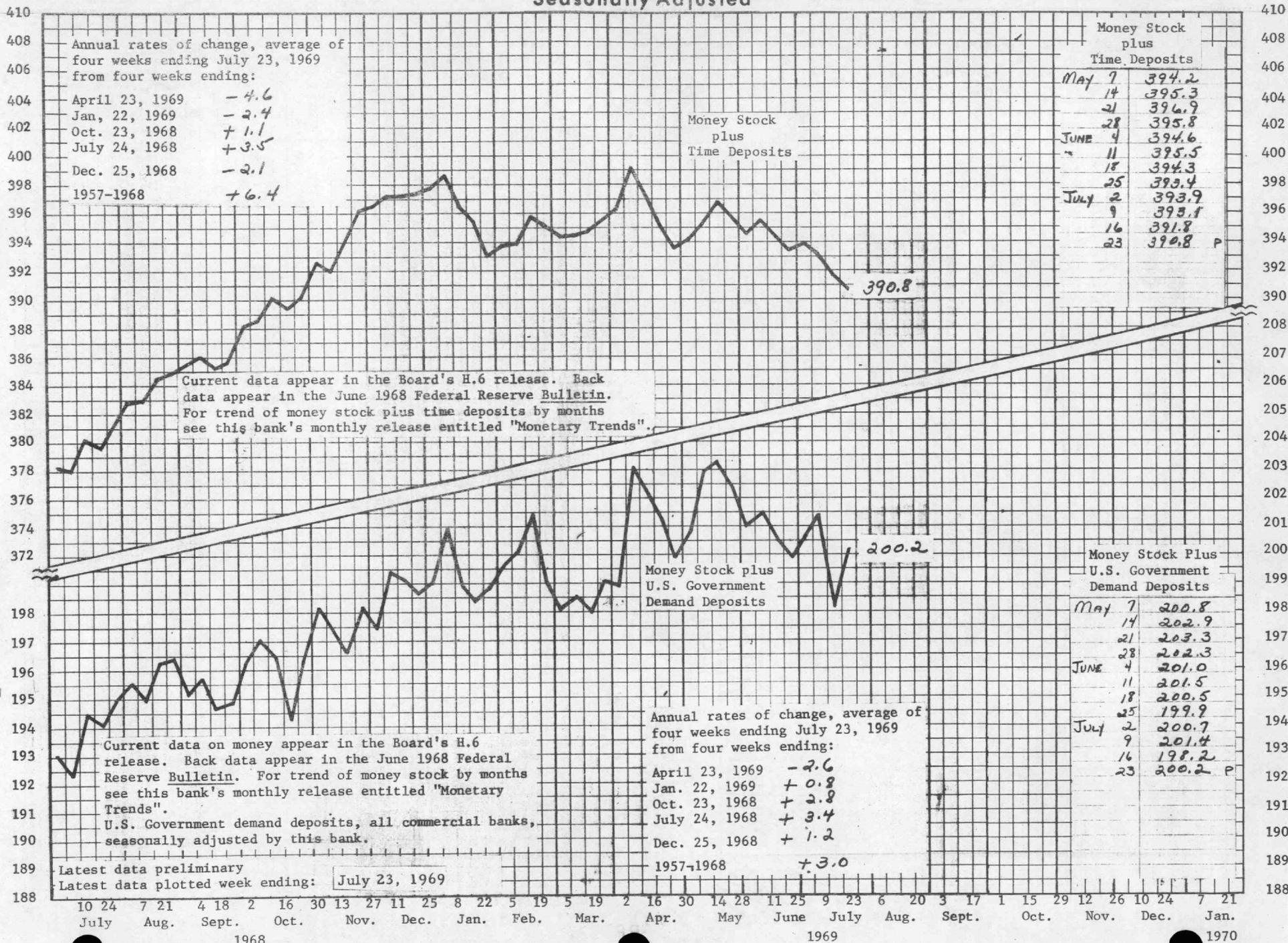
NEW ISSUE RATE ON CERTIFICATES OF DEPOSIT ¹ DEALERS' OFFERING RATE ON COMMERCIAL PAPER ²



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

Billions of Dollars

Billions of Dollars



BUSINESS LOANS

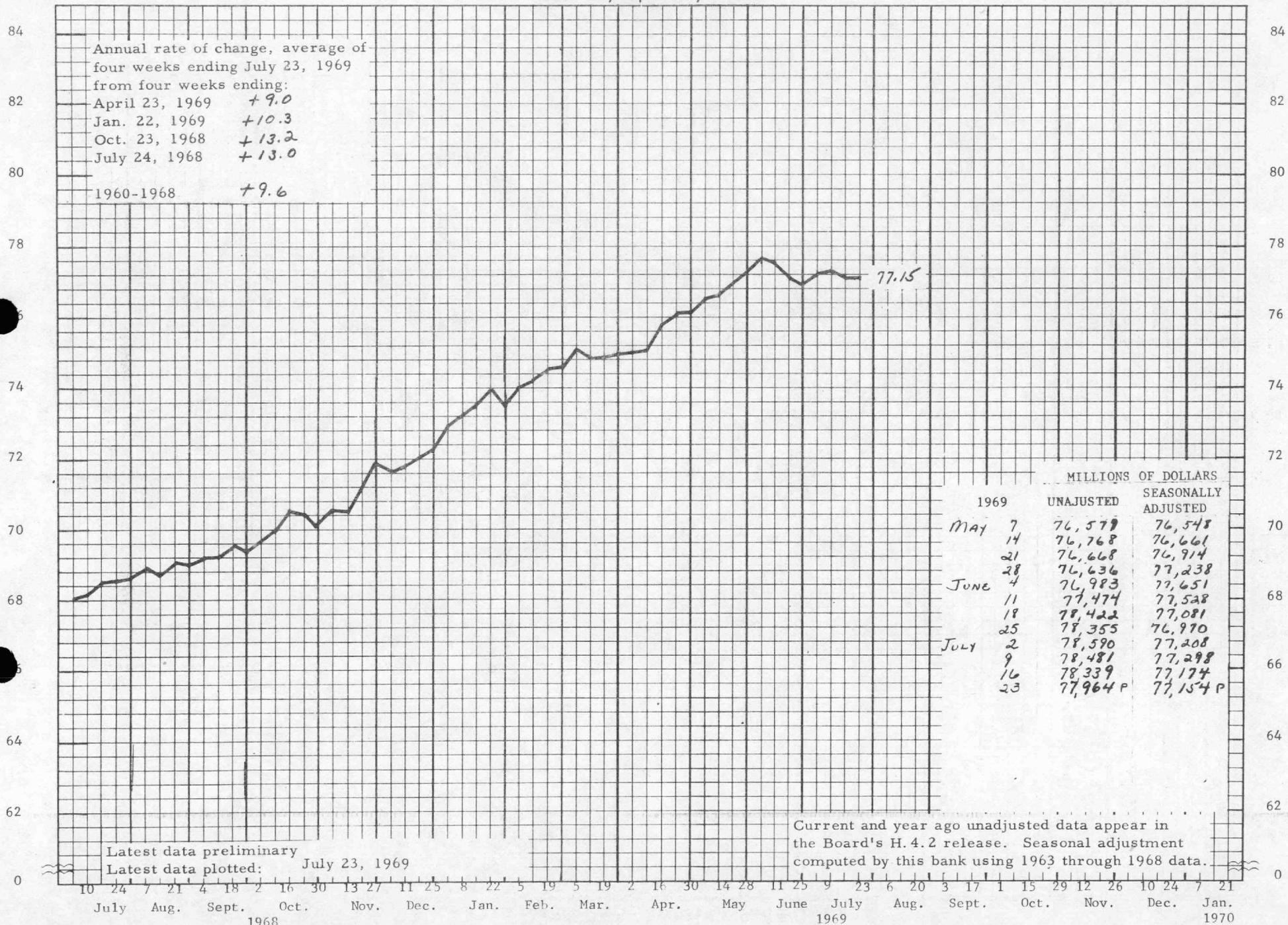
Large Commercial Banks

Wednesday Figures

Seasonally adjusted by this bank.

Billions of Dollars

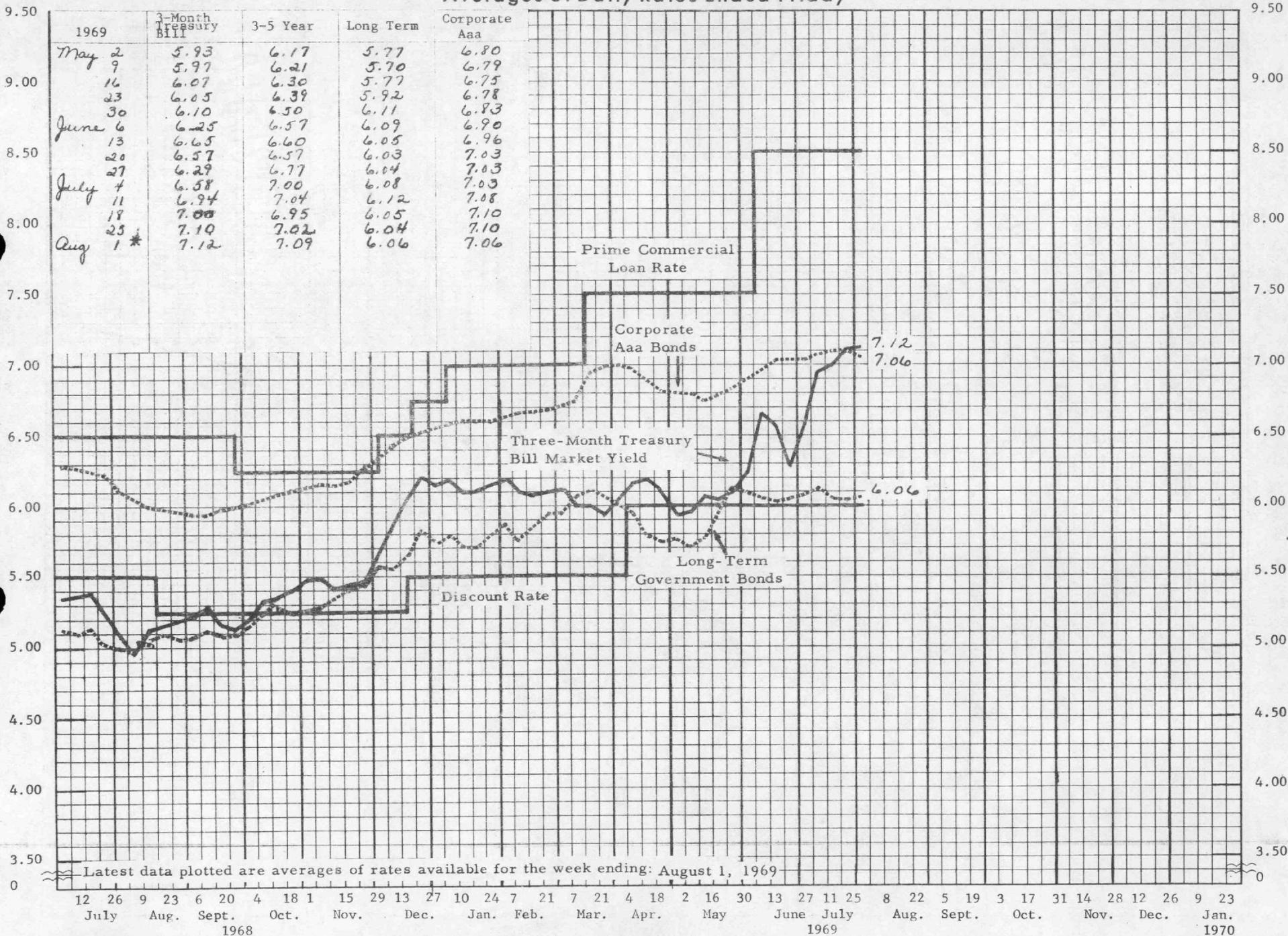
Billions of Dollars



YIELDS ON SELECTED SECURITIES Averages of Daily Rates Ended Friday

Per Cent

Per Cent



*AVERAGES OF RATES AVAILABLE

Prepared by Federal Reserve Bank of St. Louis

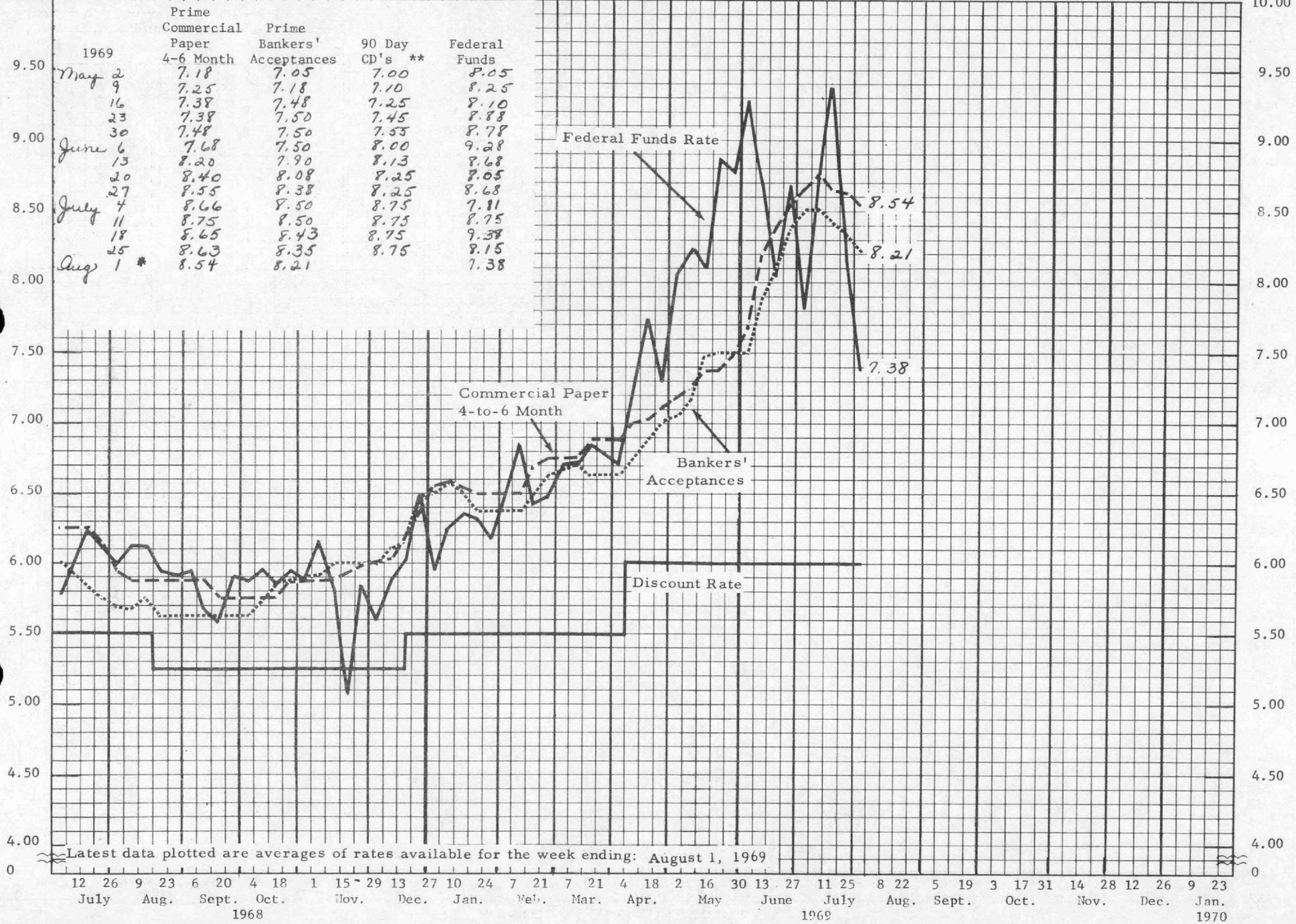
SELECTED SHORT-TERM INTEREST RATES Averages of Daily Rates Ended Friday

Per Cent

Per Cent

10.00

10.00



Latest data plotted are averages of rates available for the week ending: August 1, 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

Prepared by Federal Reserve Bank of St. Louis

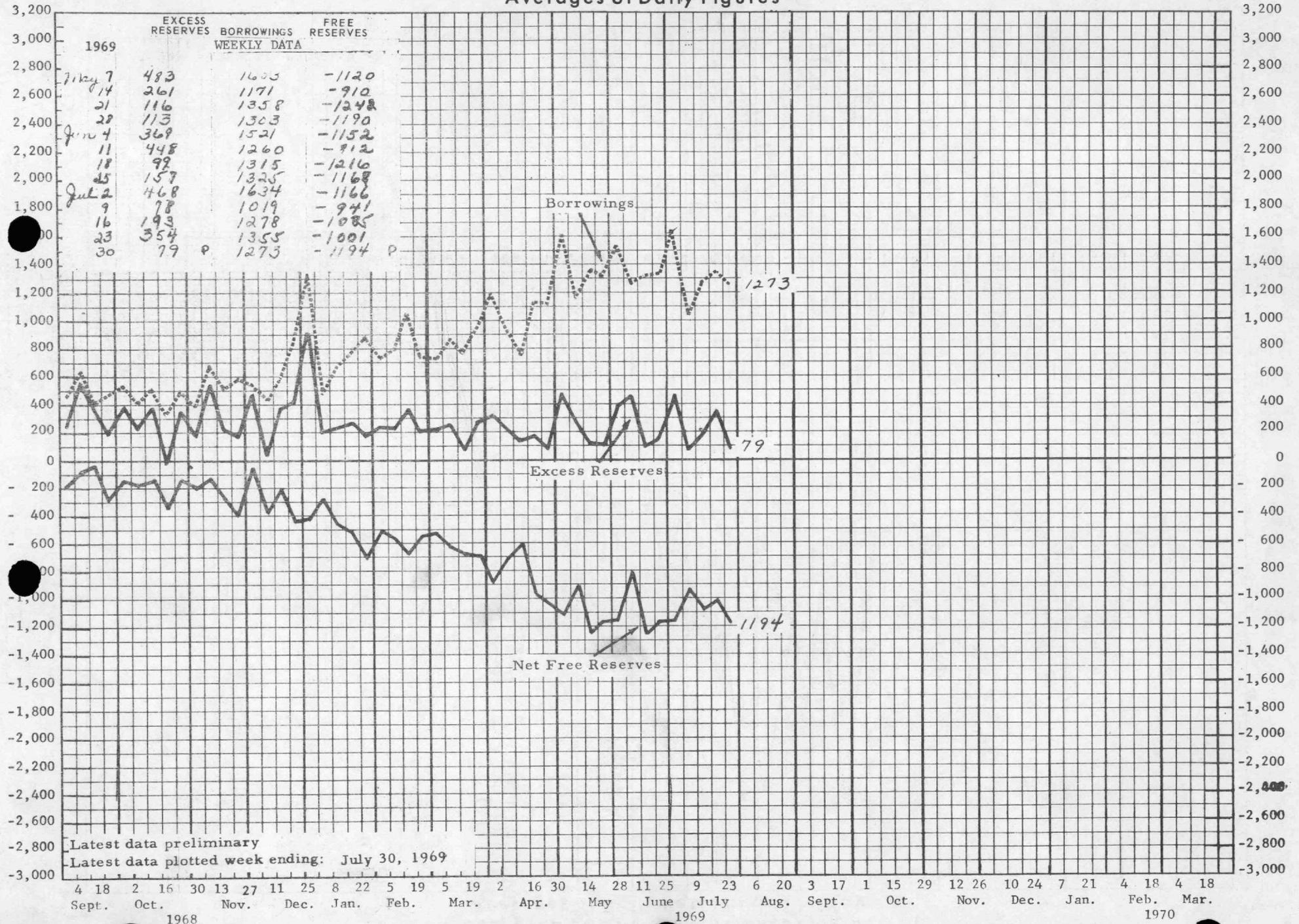
BORROWINGS AND EXCESS RESERVES

All Member Banks in the Nation

Averages of Daily Figures

Millions of Dollars

Millions of Dollars



Latest data preliminary
 Latest data plotted week ending: July 30, 1969