

Week ending: October 22, 1969

AUG 27 1998

Monetary magnitudes continue to indicate considerable restraint. Since early June the money stock has been about unchanged. Earlier in the year money increased at a 4.4 per cent rate, compared with a 7 per cent increase in 1968 (page 5).

The income velocity of money (the annual rate of turnover of the money stock with respect to income) increased more sharply from the second to the third quarter of 1969 than it had in any other quarter since 1966, when for a period of nine months, from April to January 1967, there was no growth in the money stock (page 6). Velocity increased from 4.61 in the fourth quarter of 1968 to 4.66 in the second quarter of 1969 to 4.73 in the third quarter.

Changes in Federal Reserve Regulations M and D require member banks to hold reserves behind some borrowing and lending involving their foreign branches or other foreign banks beginning the week ending October 22. Activities subject to the new requirements are: (1) borrowing between a member bank and its foreign branch; (2) lending by a foreign branch of a member bank to a U.S. resident; and (3) borrowing by a member bank from a foreign bank. In the first two cases the reserve requirement is 10 per cent of borrowing or lending in excess of the level at that bank in a specified period last spring. In the case of borrowing from a

foreign bank, the reserve requirement is 10 per cent, unless the borrowings amount to less than 4 per cent of the bank's average deposits subject to reserve requirements, in which case the reserve requirement on the borrowings is 3 per cent.

As a result of these new reserve requirements, in the week ending October 22 required reserves of member banks averaged about \$405 million higher than the amount required on the basis of time and demand deposits. Total member bank reserves, which are adjusted for changes in reserve requirements and for seasonal factors and include excess reserves, were \$27.1 billion. These reserves have declined at an 8.8 per cent annual rate since early June after remaining about unchanged on balance during the first half of the year (page 3).

Banker's acceptances outstanding increased \$87 million in September to \$5.2 billion. Since last December these acceptances have increased about \$800 million, compared with about a \$100 million increase in the previous year. The volume of both bankers' acceptances and commercial paper have increased rapidly since last December. In contrast, outstanding large negotiable certificates of deposit at large commercial banks are less than one half their December level, due to Regulation Q ceilings which prevent banks from offering competitive returns (page 8).

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

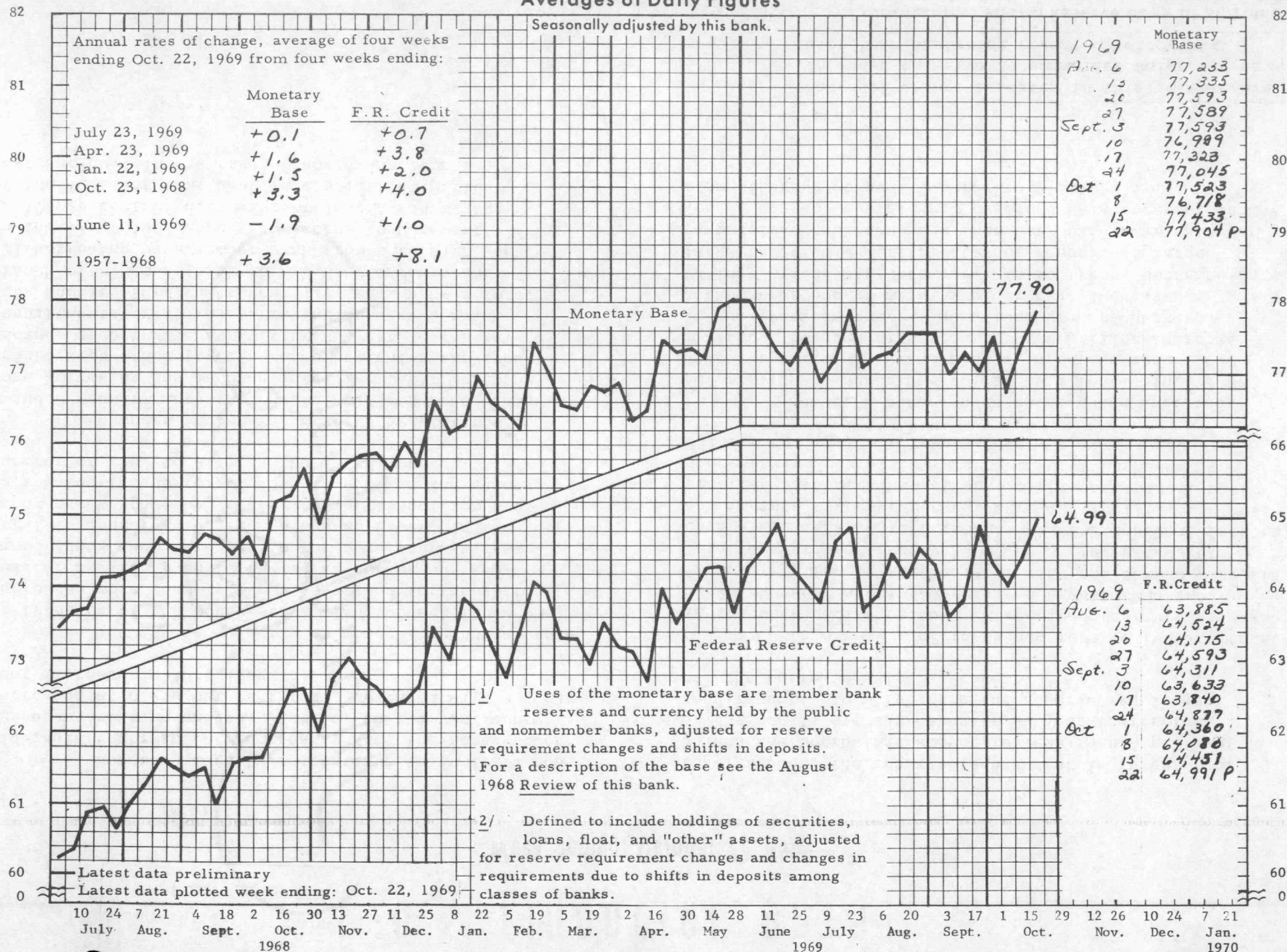
Prepared by Federal Reserve Bank of St. Louis

Released: October 24, 1969

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

Billions of Dollars

Billions of Dollars



1969

	Monetary Base
Aug. 6	77,253
13	77,335
20	77,593
27	77,589
Sept. 3	77,593
10	76,989
17	77,323
24	77,045
Oct 1	77,523
8	76,718
15	77,433
22	77,904 P

1969

	F. R. Credit
Aug. 6	63,885
13	64,524
20	64,175
27	64,593
Sept. 3	64,311
10	63,633
17	63,840
24	64,877
Oct 1	64,360
8	64,080
15	64,451
22	64,991 P



# RESERVES

## All Member Banks in the Nation

### Averages of Daily Figures

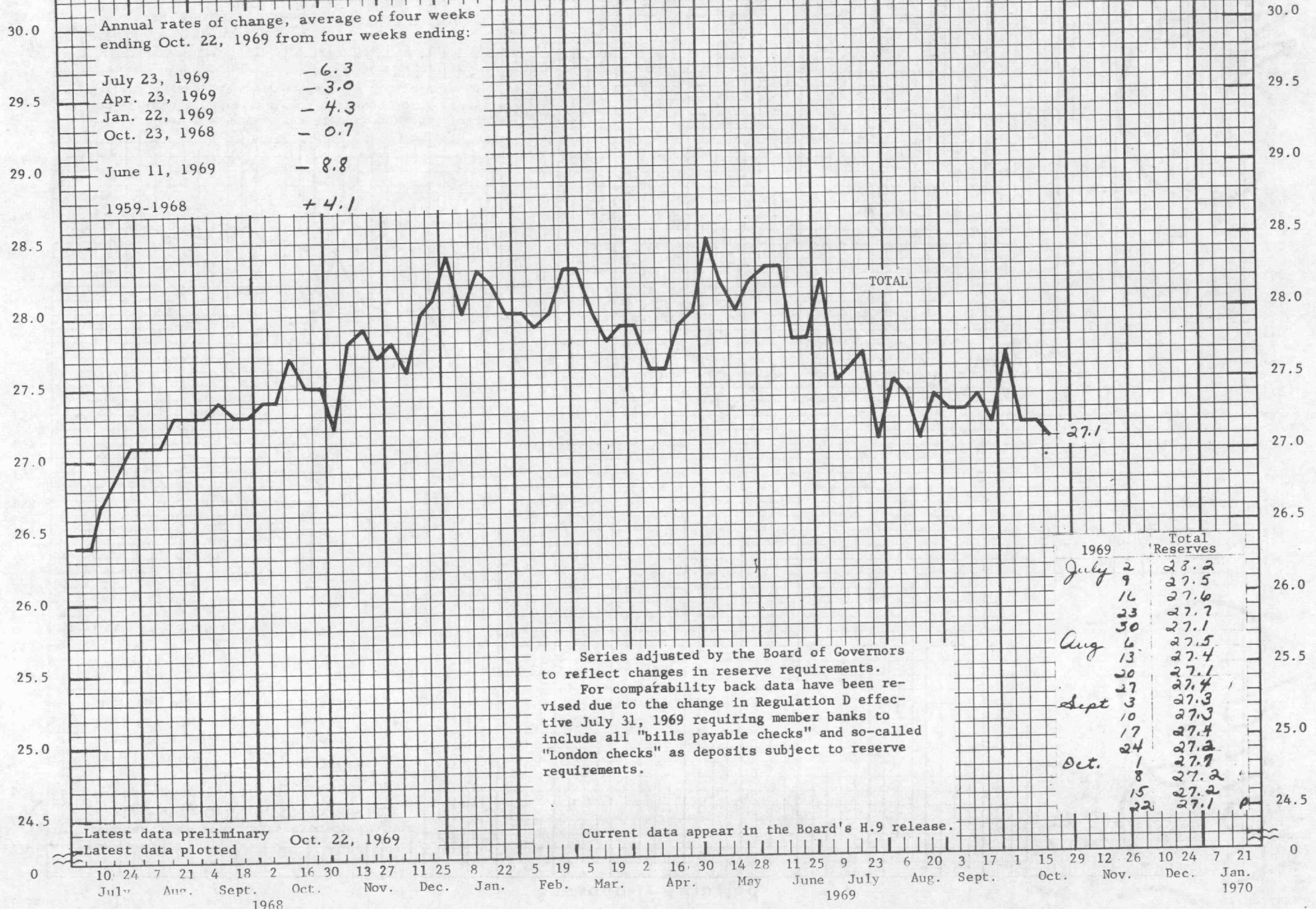
#### Seasonally Adjusted

Billions of Dollars

Billions of Dollars

Annual rates of change, average of four weeks ending Oct. 22, 1969 from four weeks ending:

- July 23, 1969 -6.3
- Apr. 23, 1969 -3.0
- Jan. 22, 1969 -4.3
- Oct. 23, 1968 -0.7
- June 11, 1969 -8.8
- 1959-1968 +4.1



# DEMAND DEPOSIT COMPONENT OF MONEY STOCK

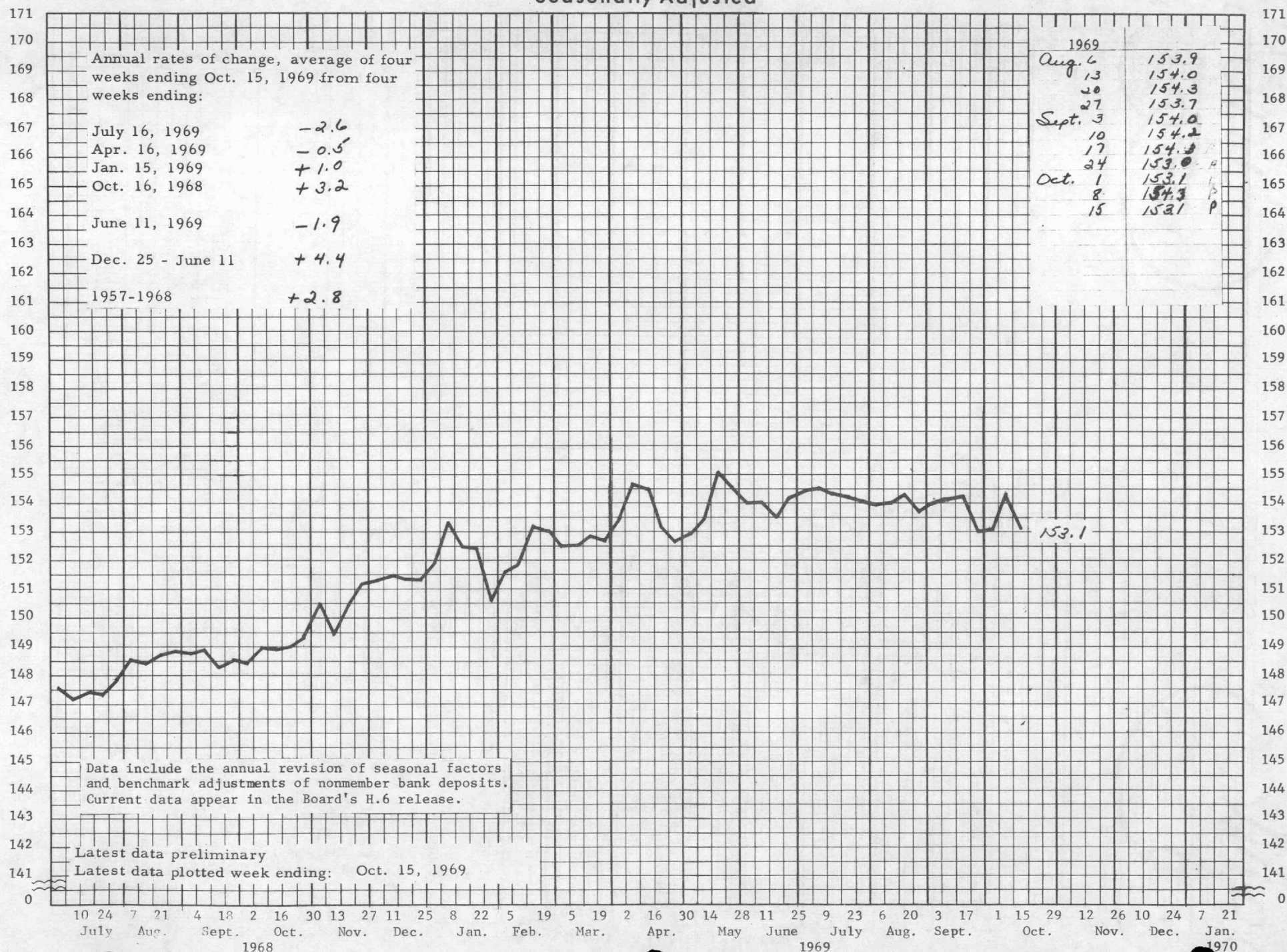
## Averages of Daily Figures

### Seasonally Adjusted

4

Billions of Dollars

Billions of Dollars

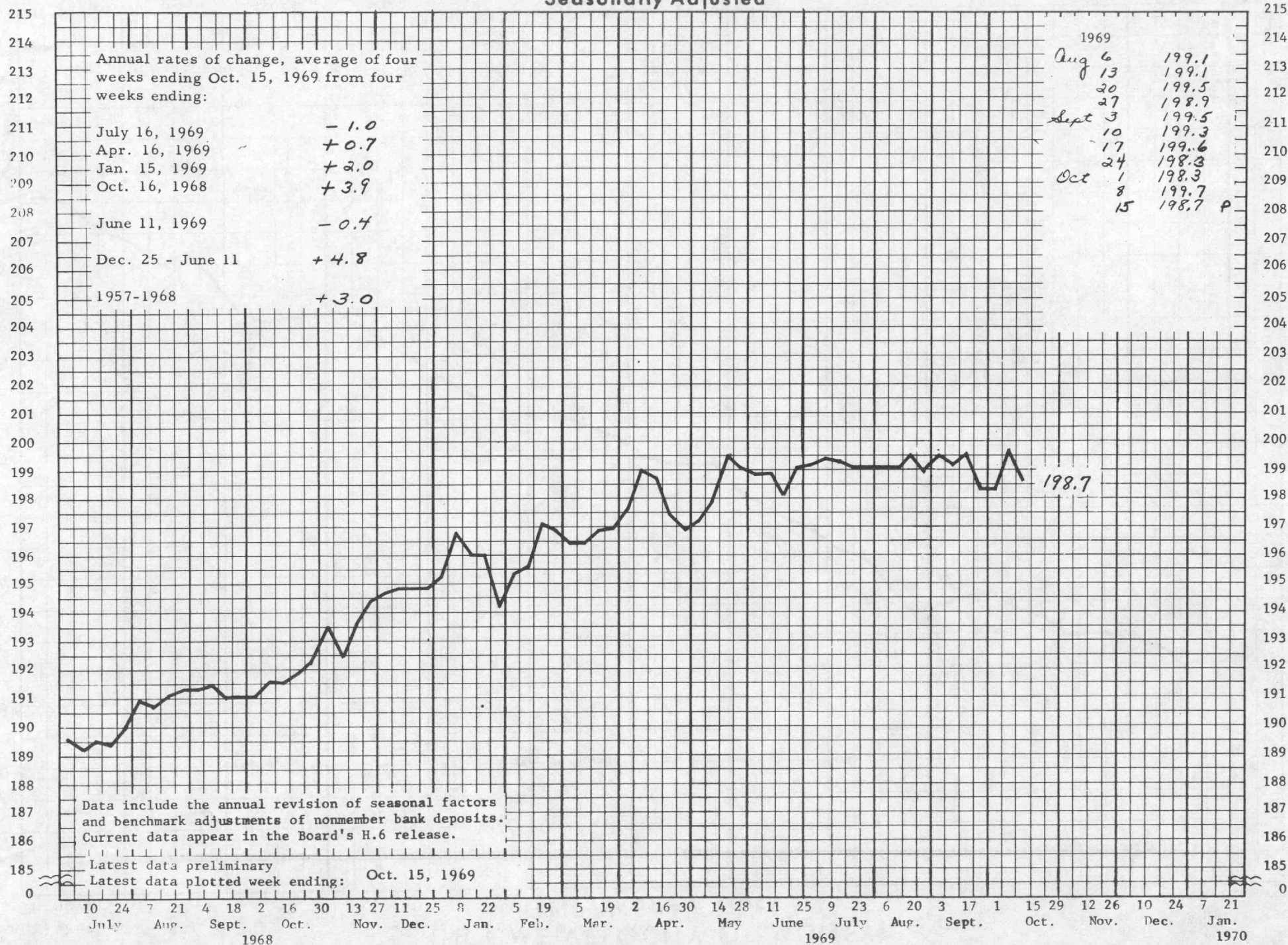




# MONEY STOCK

## Averages & Daily Figures

### Seasonally Adjusted



# INCOME VELOCITY OF MONEY GNP/Money Stock

6

Annual Rates  
of Turnover

Annual Rates  
of Turnover



Latest data plotted: third quarter 1969 preliminary.



# MONEY STOCK PLUS TIME DEPOSITS

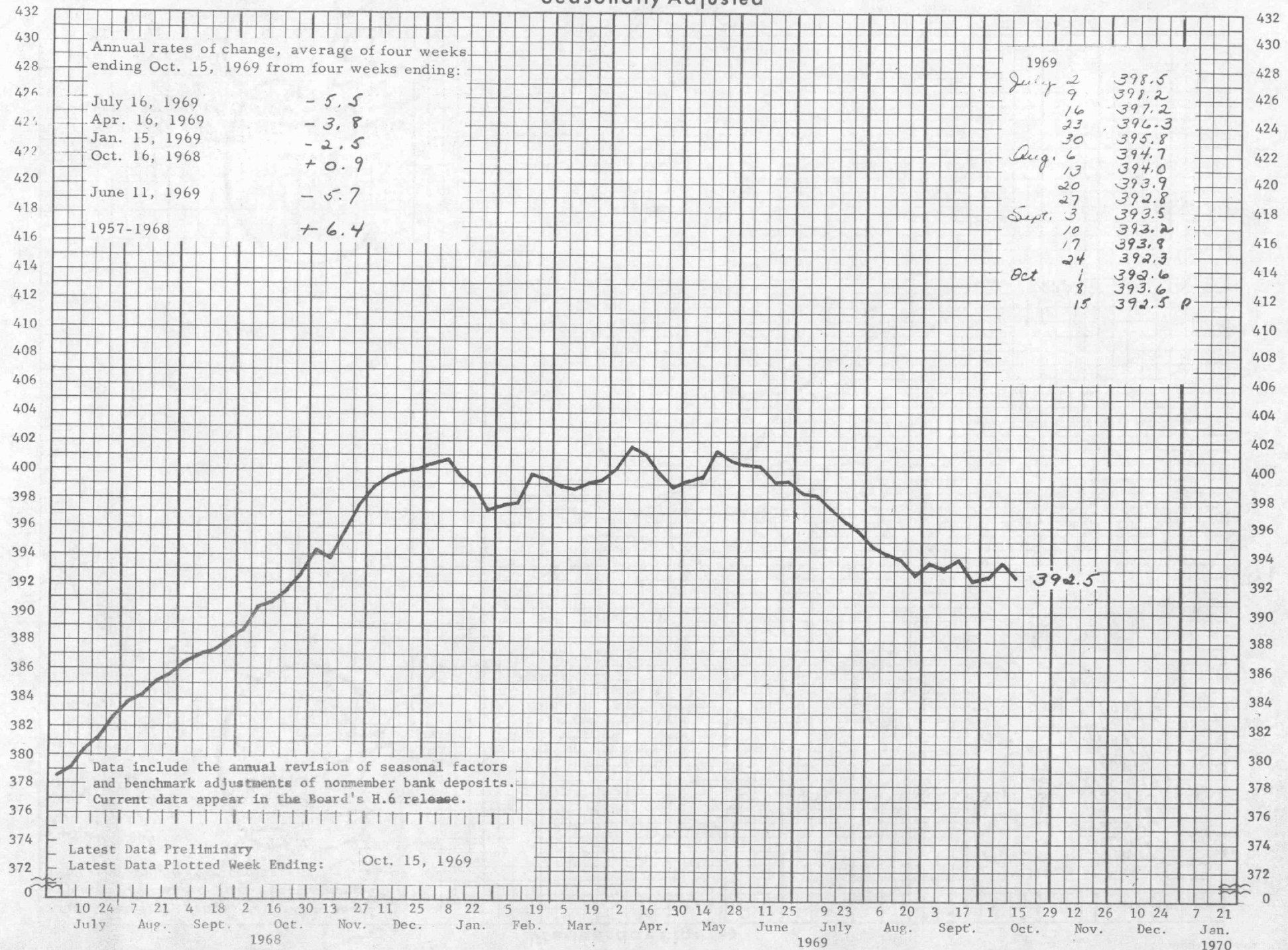
## Average Daily Figures

### Seasonally Adjusted

7

Billions of Dollars

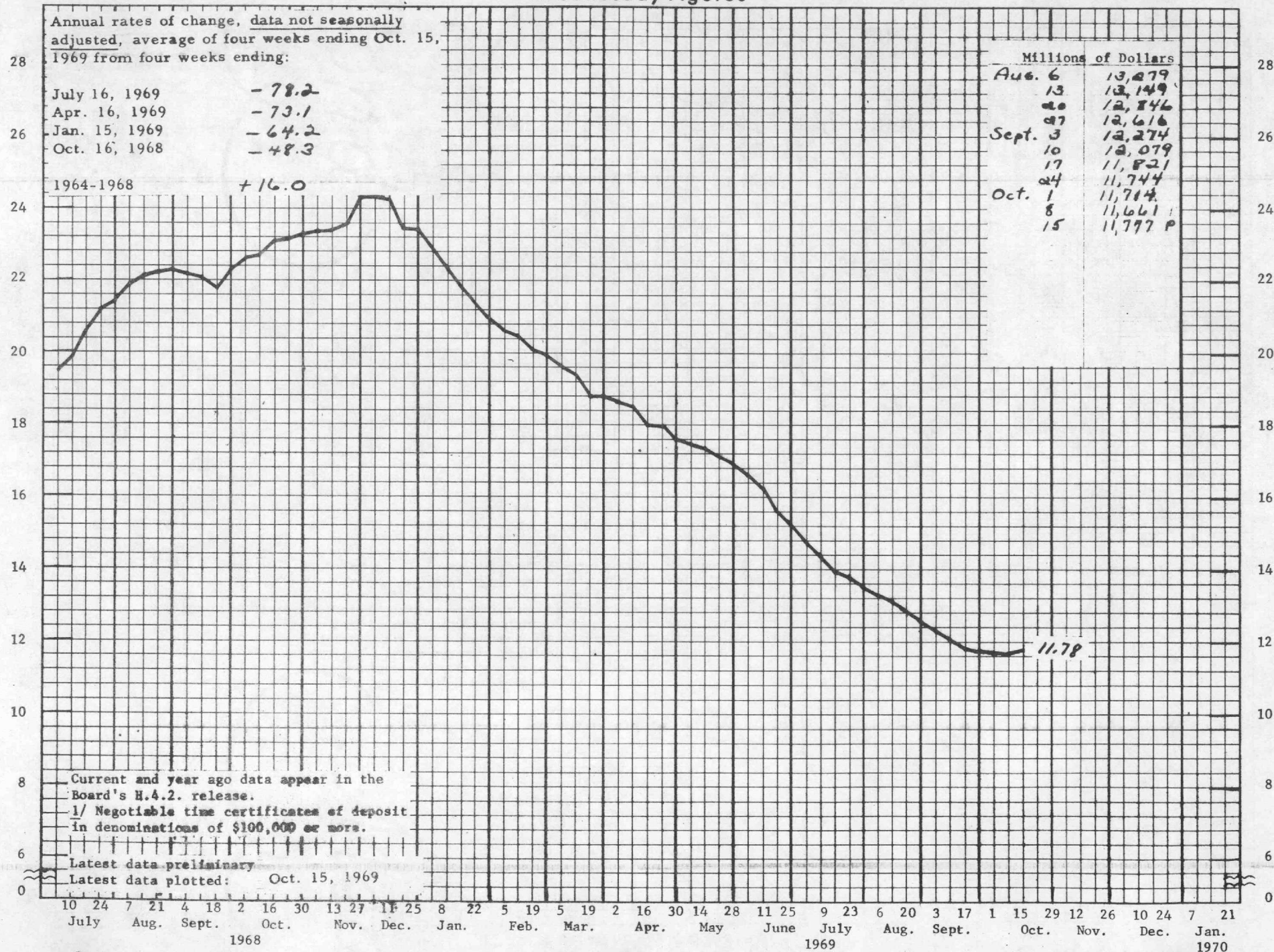
Billions of Dollars



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

Billions of Dollars

Billions of Dollars

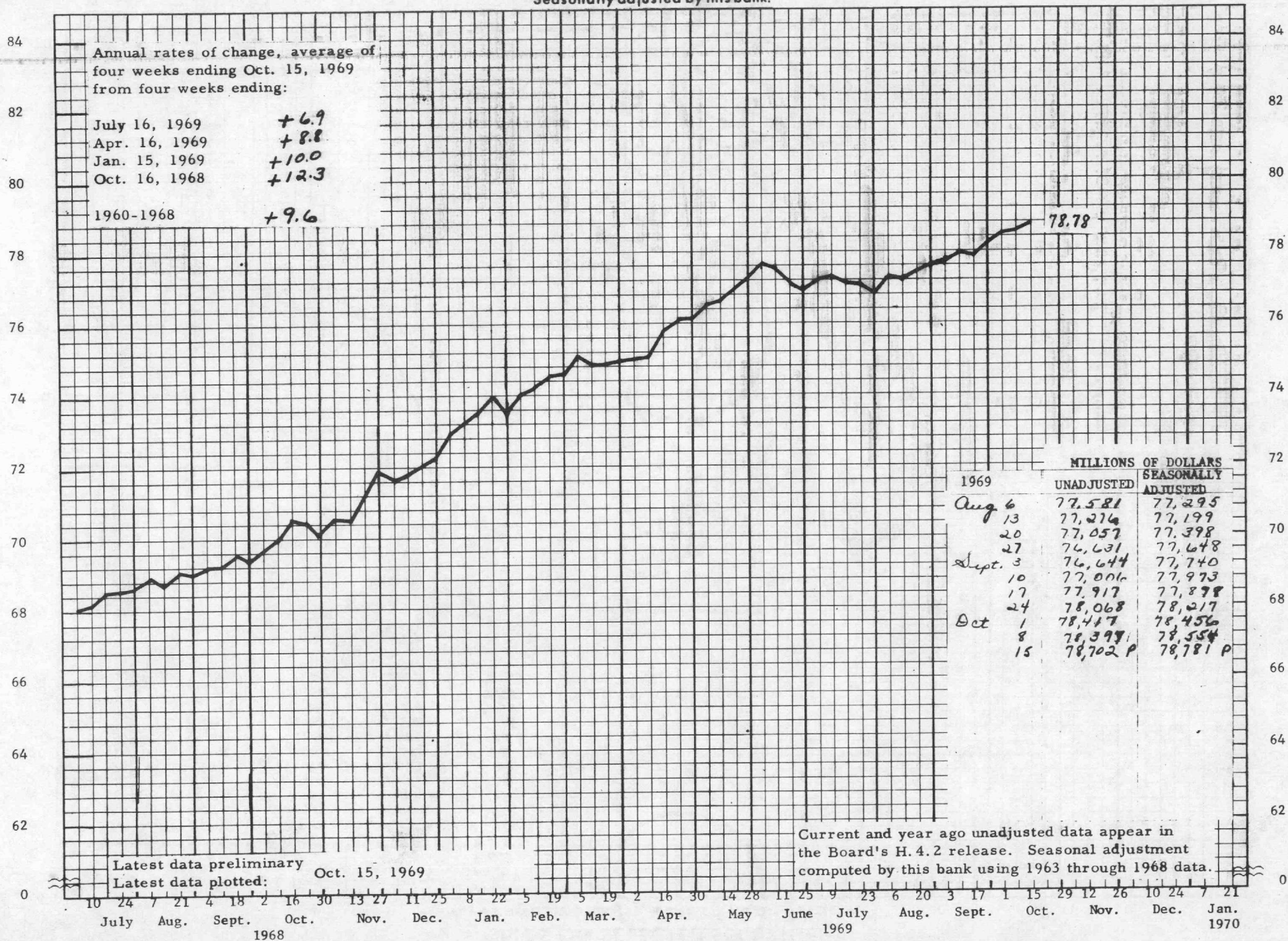




Billions of Dollars

**BUSINESS LOANS**  
**Large Commercial Banks**  
**Wednesday Figures**  
 Seasonally adjusted by this bank.

Billions of Dollars

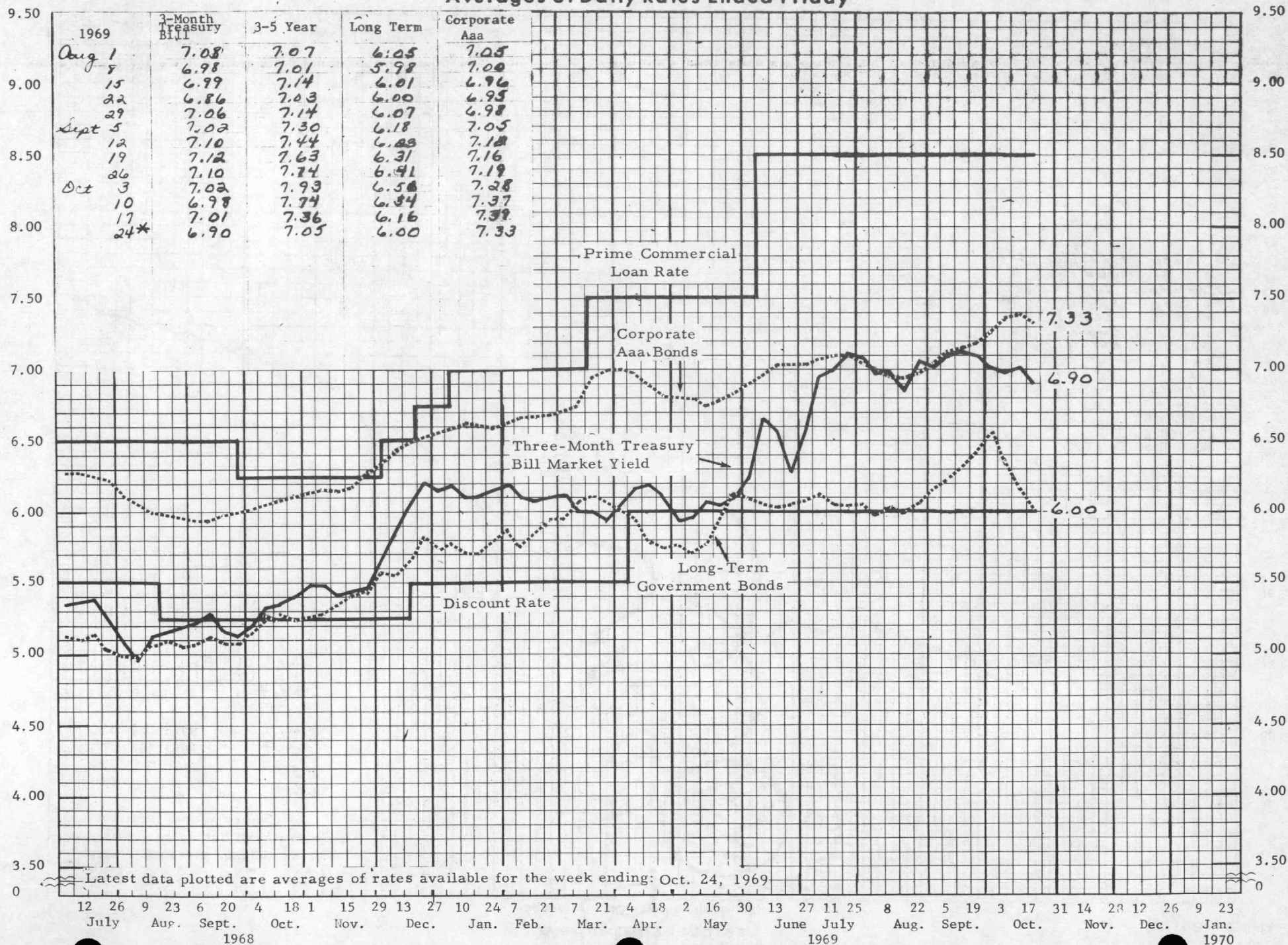


Per Cent

Per Cent

# YIELDS ON SELECTED SECURITIES

## Averages of Daily Rates Ended Friday



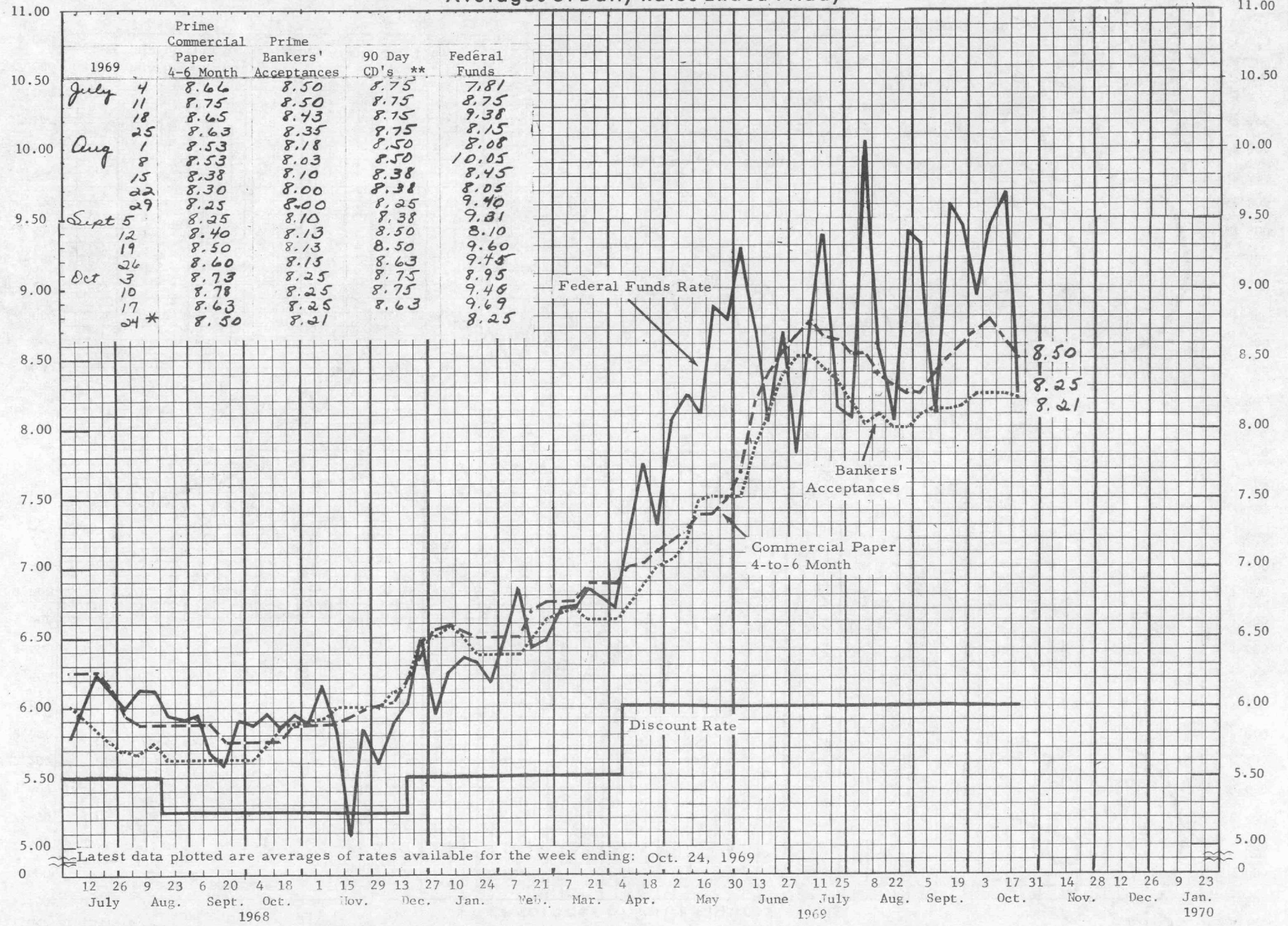


# SELECTED SHORT-TERM INTEREST RATES Averages of Daily Rates Ended Friday

11

Per Cent

Per Cent



\* AVERAGES OF RATES AVAILABLE; FEDERAL FUNDS LAST FIVE DAYS AVAILABLE

# BORROWINGS AND EXCESS RESERVES

## All Member Banks in the Nation

### Averages of Daily Figures

12

Millions of Dollars

Millions of Dollars

