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
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.

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.
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

Series adjusted by the Board of Governors to reflect changes in reserve requirements. For comparability back data have been revised due to the change in Regulation D effective July 31, 1969 requiring member banks to include all "bills payable checks" and so-called "London checks" as deposits subject to reserve requirements.

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

Billions of Dollars

Annual rates of change, average of four weeks ending Oct. 15, 1969 from four weeks ending:

- July 16, 1969: -2.6
- Apr. 16, 1969: -0.6
- Jan. 15, 1969: +1.0
- Oct. 16, 1968: +3.2
- June 11, 1969: -1.9
- Dec. 25 - June 11, 1957-1968: +4.4

1957-1968: +2.8

Data include the annual revision of seasonal factors and benchmark adjustments of nonmember bank deposits. Current data appear in the Board's H.6 release.

Latest data preliminary
Latest data plotted week ending: Oct. 15, 1969

Prepared by Federal Reserve Bank of St. Louis

Digitized for FRASER
http://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis
Annual rates of change, average of four weeks ending Oct. 15, 1969 from four weeks ending:

- July 16, 1969: -1.0
- Apr. 16, 1969: +0.7
- Jan. 15, 1969: +2.0
- Oct. 16, 1968: +3.9
- June 11, 1969: -0.4
- Dec. 25 - June 11: +4.8
- 1957-1968: +3.0

Data include the annual revision of seasonal factors and benchmark adjustments of nonmember bank deposits. Current data appear in the Board’s H.6 release.

Latest data preliminary

Latest data plotted week ending: Oct. 15, 1969

Prepared by Federal Reserve Bank of St. Louis
INCOME VELOCITY OF MONEY
GNP/Money Stock


Prepared by Federal Reserve Bank of St. Louis
Annual rates of change, average of four weeks ending Oct. 15, 1969 from four weeks ending:

- July 16, 1969: -5.5
- Apr. 16, 1969: -3.8
- Jan. 15, 1969: -2.5
- Oct. 16, 1968: +0.9
- June 11, 1969: -5.7
- 1957-1968: +6.4

Data include the annual revision of seasonal factors and benchmark adjustments of nonmember bank deposits. Current data appear in the Board's H.6 release.
CERTIFICATES OF DEPOSIT
Large Commercial Banks
Wednesday Figures

Annual rates of change, data not seasonally adjusted, average of four weeks ending Oct. 15, 1969 from four weeks ending:

July 16, 1969  - 78.2
Apr. 16, 1969  - 29.1
Jan. 15, 1969  - 44.2
Oct. 16, 1968  - 48.3

1964-1968  + 16.0

Current and year ago data appear in the Board's H.4.2. release.

1/ Negotiable time certificates of deposit in denominations of $100,000 or more.

Latest data preliminary
Latest data plotted: Oct. 15, 1969

Prepared by Federal Reserve Bank of St. Louis
YIELDS ON SELECTED SECURITIES
Averages of Daily Rates Ended Friday

<table>
<thead>
<tr>
<th>Date</th>
<th>3-Month Treasury Bill</th>
<th>3-5 Year</th>
<th>Long Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aug 1</td>
<td>7.08</td>
<td>7.07</td>
<td>6.08</td>
</tr>
<tr>
<td>15</td>
<td>6.91</td>
<td>7.01</td>
<td>6.11</td>
</tr>
<tr>
<td>22</td>
<td>6.86</td>
<td>7.03</td>
<td>6.00</td>
</tr>
<tr>
<td>29</td>
<td>7.06</td>
<td>7.14</td>
<td>6.07</td>
</tr>
<tr>
<td>Sept 5</td>
<td>7.02</td>
<td>7.30</td>
<td>6.18</td>
</tr>
<tr>
<td>12</td>
<td>7.10</td>
<td>7.44</td>
<td>6.48</td>
</tr>
<tr>
<td>19</td>
<td>7.12</td>
<td>7.63</td>
<td>6.31</td>
</tr>
<tr>
<td>26</td>
<td>7.13</td>
<td>7.67</td>
<td>6.61</td>
</tr>
<tr>
<td>Oct 3</td>
<td>7.08</td>
<td>7.93</td>
<td>6.38</td>
</tr>
<tr>
<td>10</td>
<td>6.91</td>
<td>7.74</td>
<td>6.34</td>
</tr>
<tr>
<td>17</td>
<td>7.01</td>
<td>7.36</td>
<td>6.16</td>
</tr>
<tr>
<td>24</td>
<td>6.90</td>
<td>7.05</td>
<td>6.00</td>
</tr>
</tbody>
</table>

Latest data plotted are averages of rates available for the week ending: Oct. 24, 1969

Prepared by Federal Reserve Bank of St. Louis
SELECTED SHORT-TERM INTEREST RATES
Averages of Daily Rates Ended Friday

<table>
<thead>
<tr>
<th>Date</th>
<th>Prime 4-6 Month</th>
<th>Prime Bankers' Acceptances</th>
<th>90 Day CP's</th>
<th>Federal Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 4</td>
<td>8.44</td>
<td>8.50</td>
<td>9.75</td>
<td>7.81</td>
</tr>
<tr>
<td>11</td>
<td>8.45</td>
<td>8.13</td>
<td>8.75</td>
<td>9.38</td>
</tr>
<tr>
<td>18</td>
<td>8.45</td>
<td>8.35</td>
<td>8.75</td>
<td>8.15</td>
</tr>
<tr>
<td>Aug 25</td>
<td>8.53</td>
<td>8.18</td>
<td>8.50</td>
<td>8.08</td>
</tr>
<tr>
<td>1</td>
<td>8.53</td>
<td>8.03</td>
<td>8.50</td>
<td>10.05</td>
</tr>
<tr>
<td>8</td>
<td>8.38</td>
<td>8.10</td>
<td>8.50</td>
<td>8.45</td>
</tr>
<tr>
<td>15</td>
<td>8.30</td>
<td>8.00</td>
<td>8.50</td>
<td>8.05</td>
</tr>
<tr>
<td>22</td>
<td>8.25</td>
<td>8.00</td>
<td>8.50</td>
<td>9.40</td>
</tr>
<tr>
<td>Sept 5</td>
<td>8.25</td>
<td>8.10</td>
<td>8.50</td>
<td>8.81</td>
</tr>
<tr>
<td>12</td>
<td>8.40</td>
<td>8.13</td>
<td>8.50</td>
<td>8.10</td>
</tr>
<tr>
<td>19</td>
<td>8.50</td>
<td>8.13</td>
<td>8.50</td>
<td>8.60</td>
</tr>
<tr>
<td>24</td>
<td>8.60</td>
<td>8.15</td>
<td>8.63</td>
<td>9.40</td>
</tr>
<tr>
<td>Oct 6</td>
<td>8.73</td>
<td>8.25</td>
<td>8.75</td>
<td>9.46</td>
</tr>
<tr>
<td>13</td>
<td>8.78</td>
<td>8.25</td>
<td>8.75</td>
<td>9.46</td>
</tr>
<tr>
<td>20</td>
<td>8.63</td>
<td>8.45</td>
<td>8.63</td>
<td>9.19</td>
</tr>
</tbody>
</table>
| Latest data plotted are averages of rates available for the week ending: Oct. 24, 1969

Federal Funds Rate
Bankers' Acceptances
Commercial Paper 4-to-6 Month
Discount Rate

* AVERAGE OF RATES AVAILABLE; FEDERAL FUNDS LAST FIVE DAYS AVAILABLE
** SOURCE: SALOMON BROTHERS AND HUTZLER
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

EXCESS RESERVES
BORROWINGS
FREE RESERVES

<table>
<thead>
<tr>
<th>Date</th>
<th>Excess</th>
<th>Borrowings</th>
<th>Free</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sept. 3</td>
<td>380</td>
<td>1240</td>
<td>-560</td>
</tr>
<tr>
<td>10</td>
<td>391</td>
<td>1200</td>
<td>-549</td>
</tr>
<tr>
<td>17</td>
<td>132</td>
<td>1018</td>
<td>-536</td>
</tr>
<tr>
<td>14</td>
<td>300</td>
<td>1106</td>
<td>-136</td>
</tr>
<tr>
<td>Oct. 1</td>
<td>100</td>
<td>944</td>
<td>-844</td>
</tr>
<tr>
<td>15</td>
<td>174</td>
<td>1348</td>
<td>-174</td>
</tr>
<tr>
<td>22</td>
<td>120</td>
<td>1015</td>
<td>-895</td>
</tr>
</tbody>
</table>

Latest data preliminary
Latest data plotted week ending: Oct. 22, 1969

Prepared by Federal Reserve Bank of St. Louis

Digitized for FRASER
http://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis