

Week ending: November 12, 1969

AUG 27 1998

The money stock has been essentially unchanged in recent weeks as in the past five months, indicating that monetary restraint has continued quite intense since early summer. By comparison money grew at a 4.8 per cent annual rate in the first part of the year and 7 per cent in 1968 (page 5).

The relatively unchanged level of the money stock in recent months can be attributed to the restrictive course of bank reserves, the monetary base, and Federal Reserve credit. Member bank reserves have declined at about a 10 per cent annual rate since early June. The decline has been more rapid than earlier in year, and in marked contrast to the 8 per cent rise in 1968 (page 3).

GROWTH OF SELECTED MONETARY MAGNITUDES
(Annual Rates of Change)

	4 wks ending 12/67 to 12/68	4 wks ending 12/25/68 to 6/11/69	4 wks ending 6/11/69 to 11/12/69*
Federal Reserve credit	10.2	5.9	2.5
Monetary Base	6.5	6.0	-0.5
Member Bank Reserves	7.8	2.8	-9.7
Demand Deposits	7.1	4.4	-1.8
Money Stock	7.2	4.8	-0.1

Federal Reserve
credit
Monetary Base
Member Bank
Reserves
Demand Deposits
Money Stock

10.2
6.5
7.8
7.1
7.2

5.9
6.0
2.8
4.4
4.8

2.5
-0.5
-9.7
-1.8
-0.1

* Demand deposit and money stock rates are for the four weeks ending November 5, 1969.

The monetary base has been unchanged since early June, after rising at a 6 per cent rate from December and 6.5 per cent in 1968. Federal Reserve credit, the policy determinant of the base, has risen at a 2.5 per cent rate in the last five months, compared with a 6 per cent rate in the first part of the year and 10 per cent in 1968 (page 2).

Disintermediation as well as monetary restraint have caused a decline in money stock plus time deposits in 1969 (page 7). This decline has been at about a 5 per cent annual rate in the last five months. Channels of fund-flows from savers to borrowers have shifted as a result of high market interest rates relative to the rates banks are permitted to pay on time and savings deposits.

Market interest rates have been at very high levels since June, up dramatically from a year ago (pages 10 and 11). Yields on three-month Treasury bills averaged 7.15 per cent November 10 and 12, compared with 5.42 per cent in the comparable week of 1968. Yields on highest-grade corporate bonds averaged 7.28 per cent in the first half of this week, compared with 6.15 per cent a year earlier (pages 10 and 11).

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

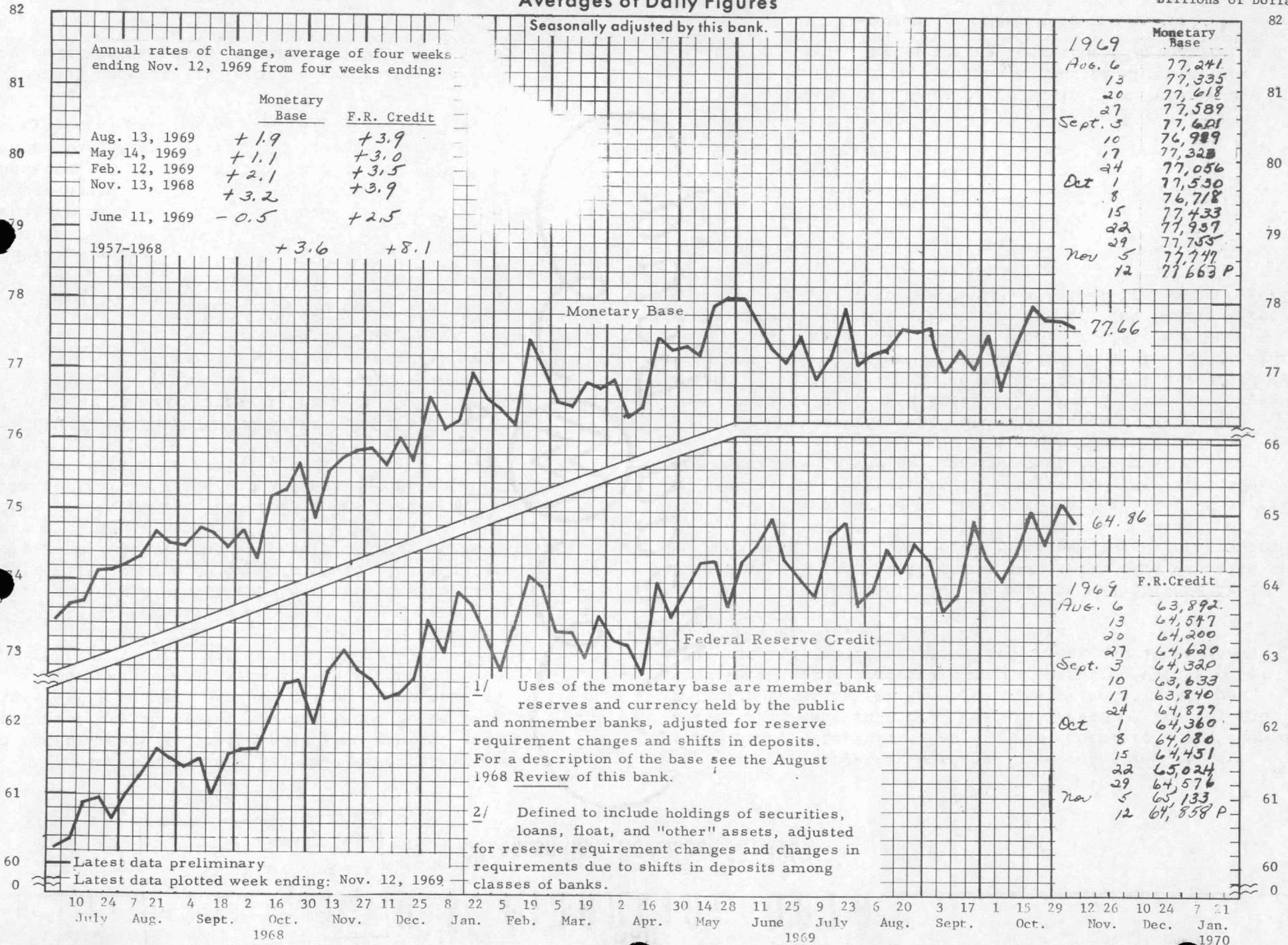
Prepared by Federal Reserve Bank of St. Louis

Released: November 14, 1969

MONETARY BASE ¹
FEDERAL RESERVE CREDIT ²
Averages of Daily Figures

Billions of Dollars

Billions of Dollars



Annual rates of change, average of four weeks ending Nov. 12, 1969 from four weeks ending:

	Monetary Base	F.R. Credit
Aug. 13, 1969	+1.9	+3.9
May 14, 1969	+1.1	+3.0
Feb. 12, 1969	+2.1	+3.5
Nov. 13, 1968	+3.2	+3.9
June 11, 1969	-0.5	+2.5
1957-1968	+3.6	+8.1

1969		Monetary Base
Aug.	6	77,241
	13	77,335
	20	77,618
	27	77,589
Sept.	3	77,621
	10	76,989
	17	77,328
	24	77,056
Oct.	1	77,530
	8	76,718
	15	77,433
	22	77,957
	29	77,753
Nov.	5	77,747
	12	77,663 P

77.66

64.86

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		F.R. Credit
Aug.	6	63,892
	13	64,547
	20	64,200
	27	64,620
Sept.	3	64,320
	10	63,633
	17	63,840
	24	64,877
Oct.	1	64,360
	8	64,080
	15	64,451
	22	65,024
	29	64,576
Nov.	5	65,133
	12	64,858 P

— Latest data preliminary
 ~ Latest data plotted week ending: Nov. 12, 1969

10 24 7 21 4 18 2 16 30 13 27 11 25 8 22 5 19 5 19 2 16 30 14 28 11 25 9 23 6 20 3 17 1 15 29 12 26 10 24 7 21
 July Aug. Sept. Oct. Nov. Dec. Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov. Dec. Jan.
 1968 1969 1970

RESERVES

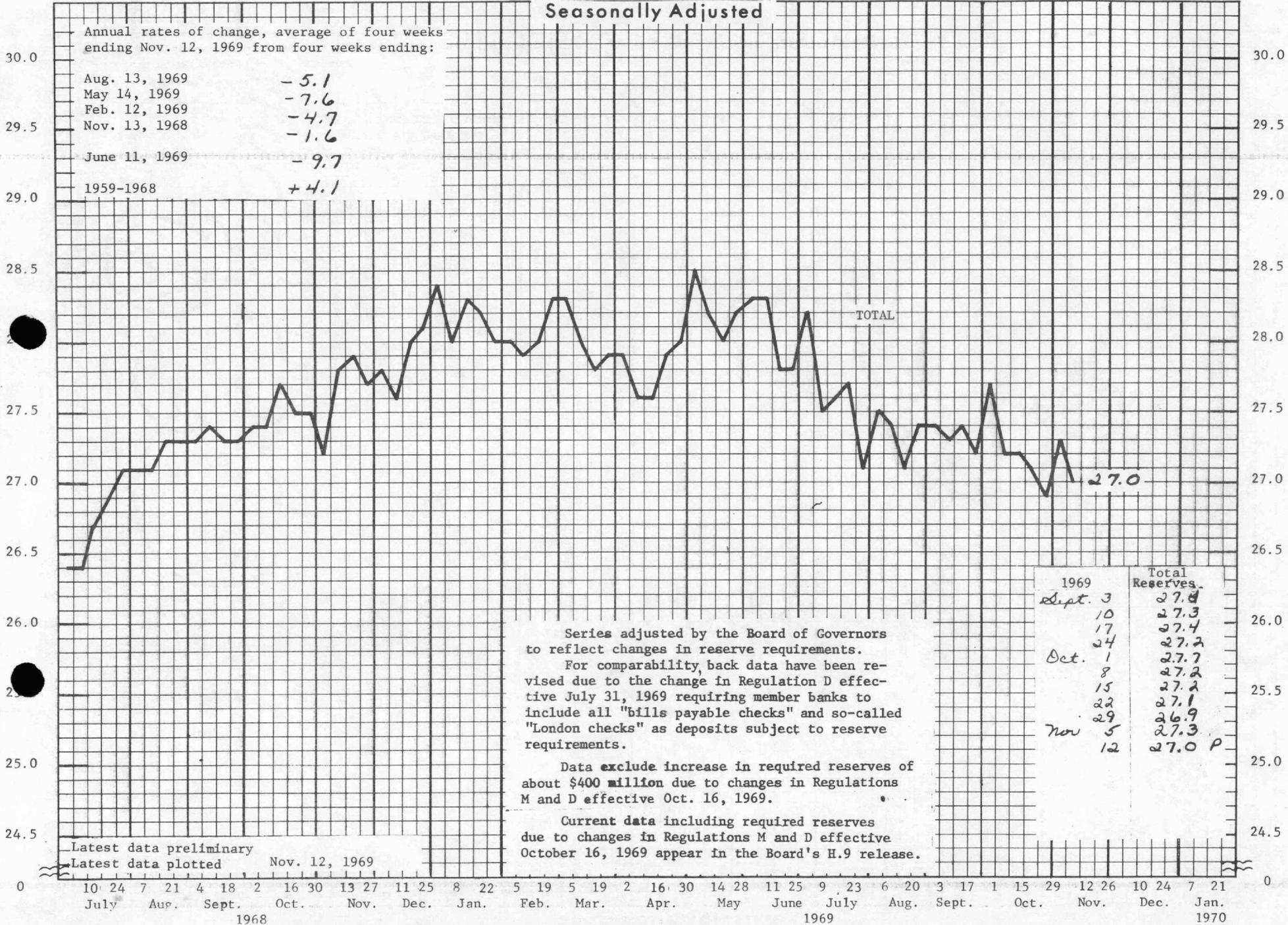
All Member Banks in the Nation

Averages of Daily Figures

Billions of Dollars

Billions of Dollars

Seasonally Adjusted



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.

Data exclude increase in required reserves of about \$400 million due to changes in Regulations M and D effective Oct. 16, 1969.

Current data including required reserves due to changes in Regulations M and D effective October 16, 1969 appear in the Board's H.9 release.

Latest data preliminary
Latest data plotted Nov. 12, 1969

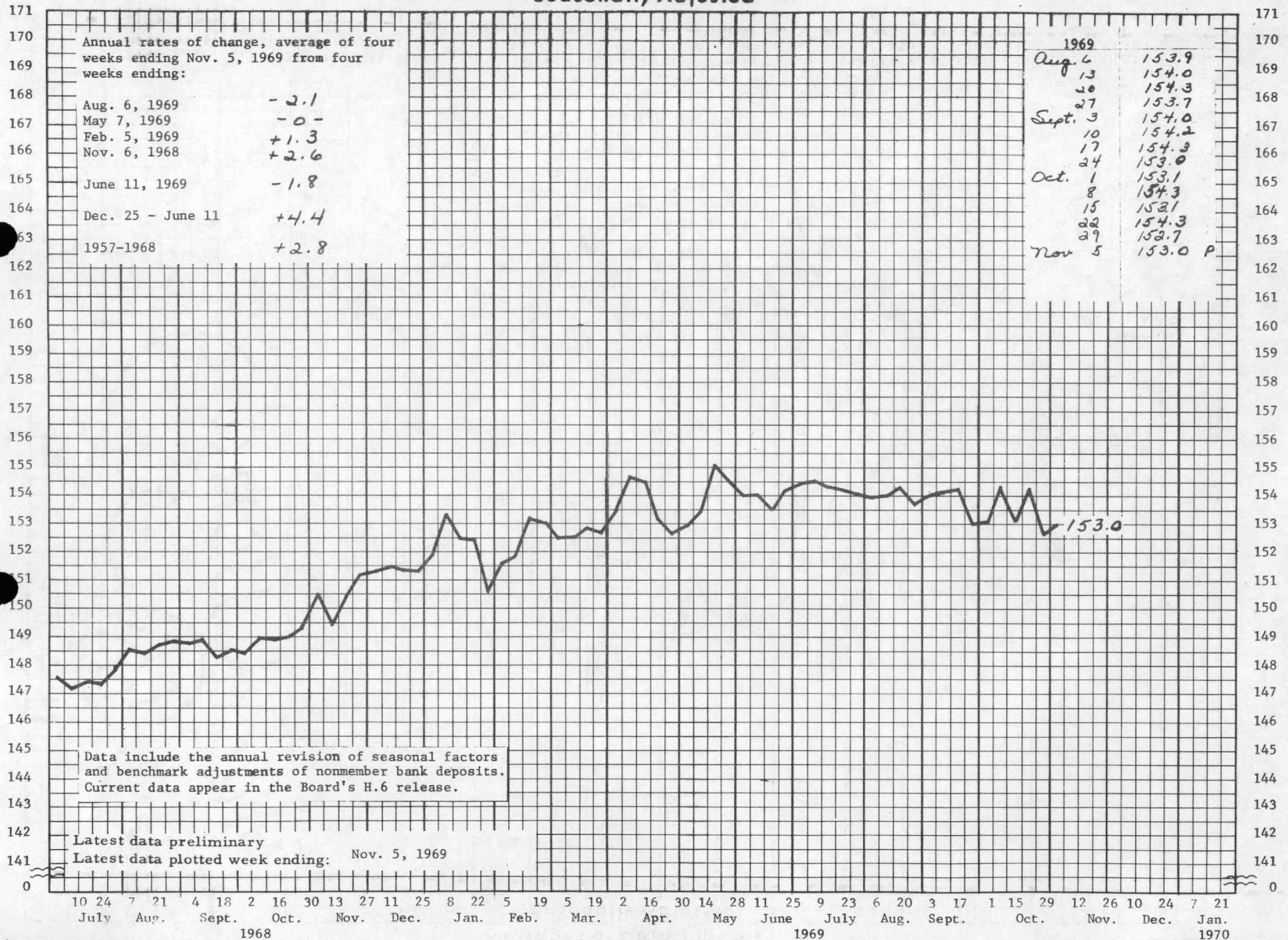
DEMAND DEPOSIT COMPONENT OF MONEY STOCK

Averages of Daily Figures

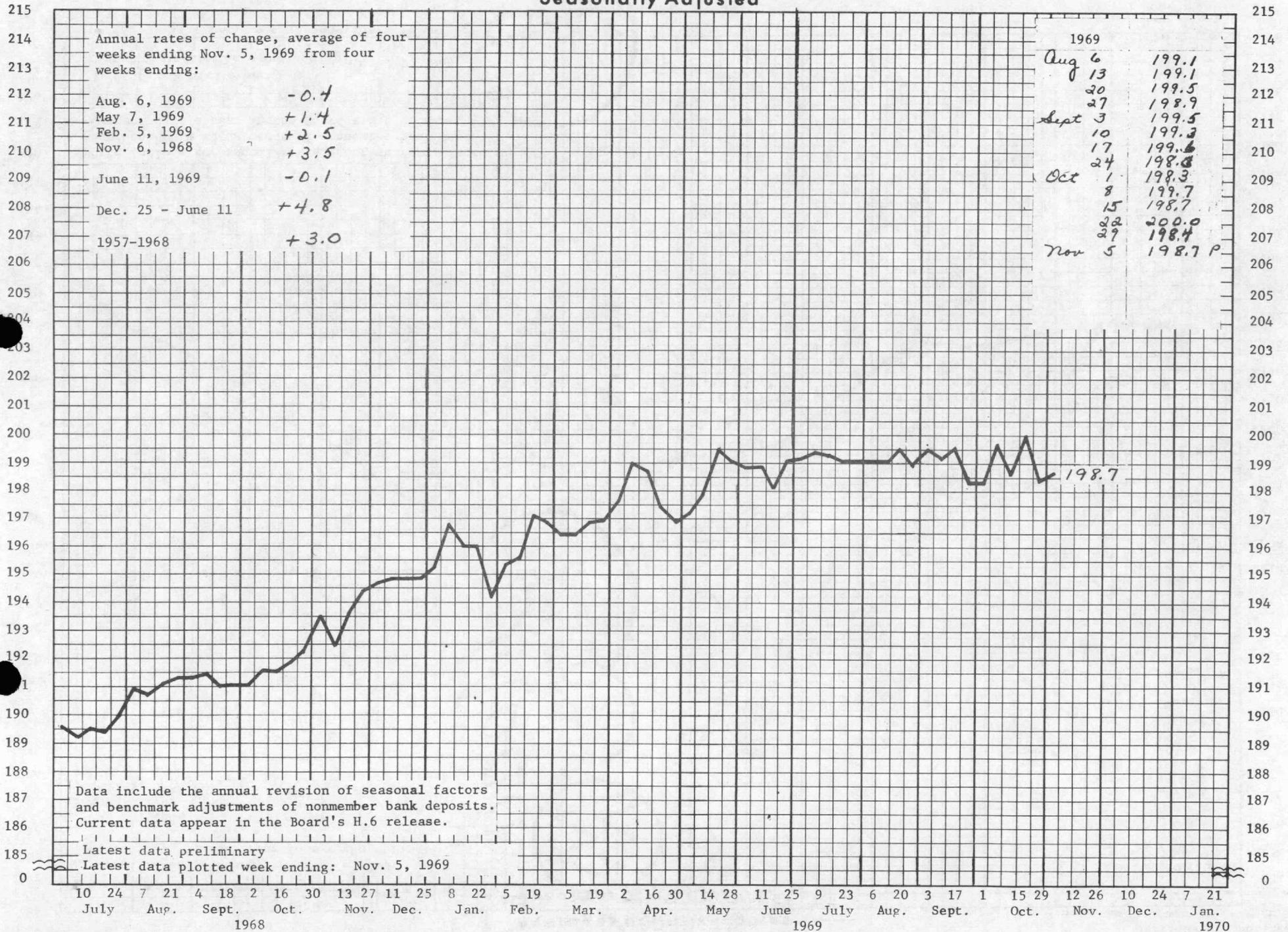
Seasonally Adjusted

Billions of Dollars

Billions of Dollars



MONEY STOCK Averages of Daily Figures Seasonally Adjusted

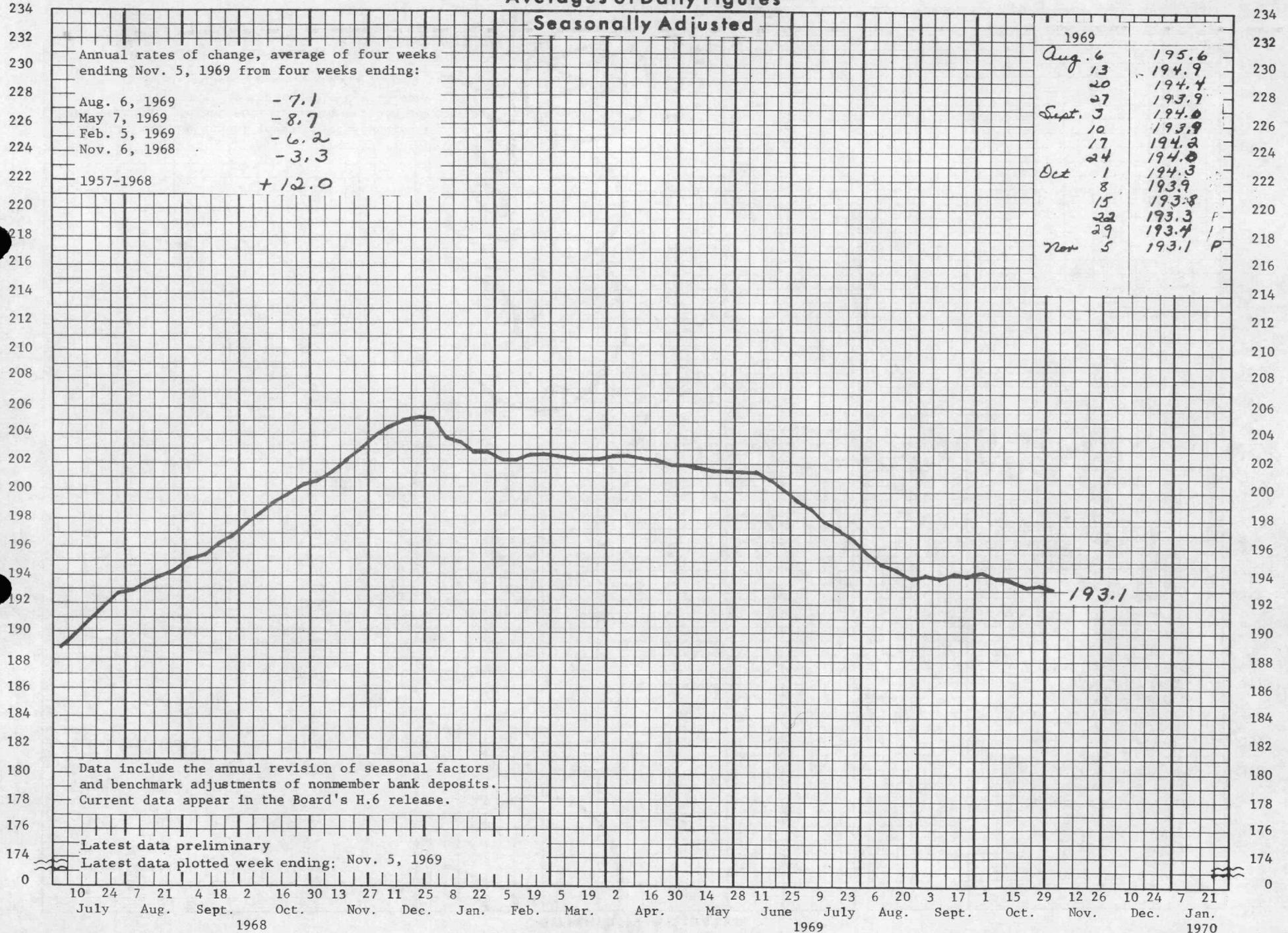


TIME DEPOSITS All Commercial Banks Averages of Daily Figures

Billions of Dollars

Billions of Dollars

Seasonally Adjusted



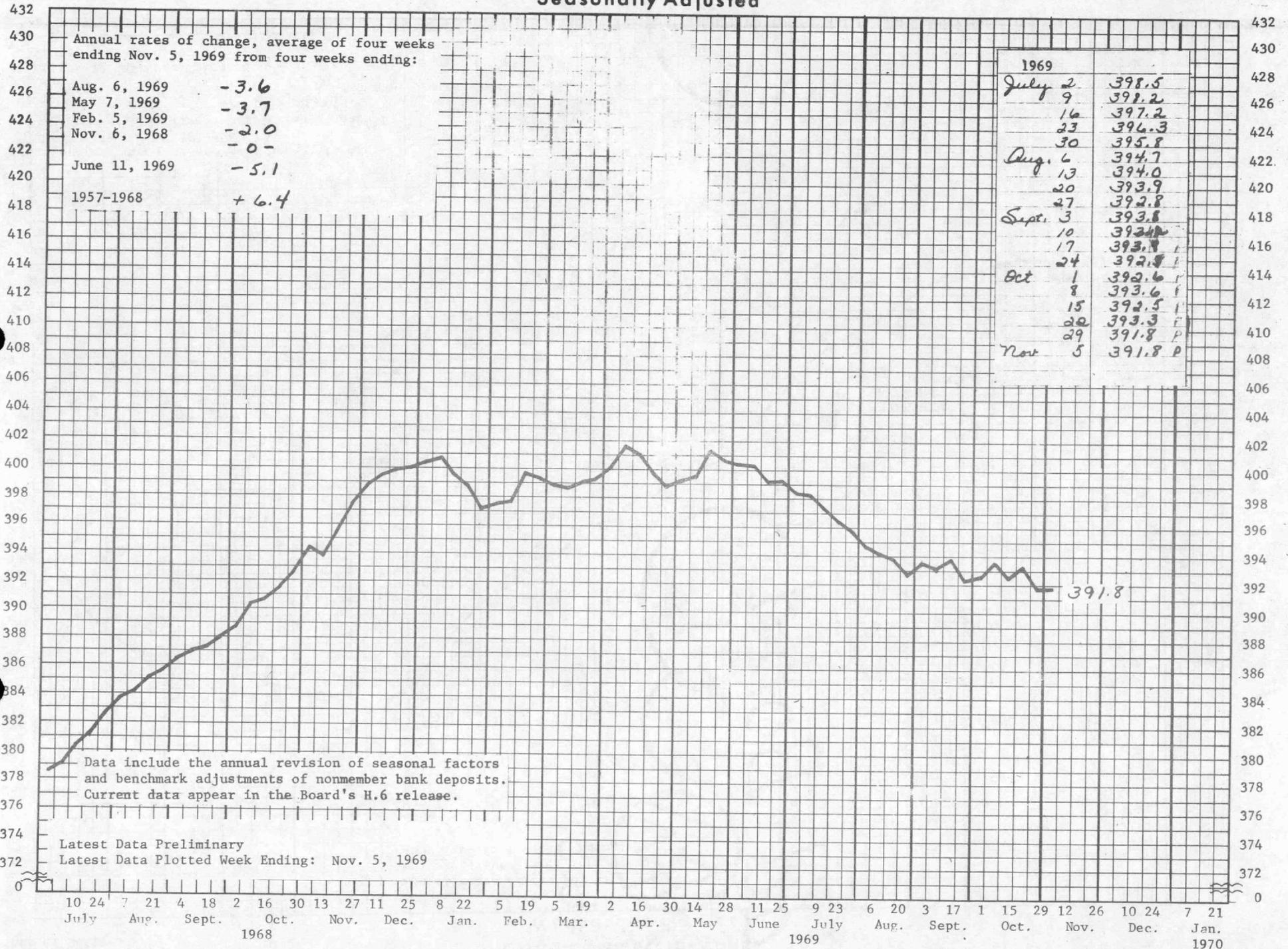
MONEY STOCK PLUS TIME DEPOSITS

Averages & Daily Figures

Seasonally Adjusted

Billions of Dollars

Billions of Dollars



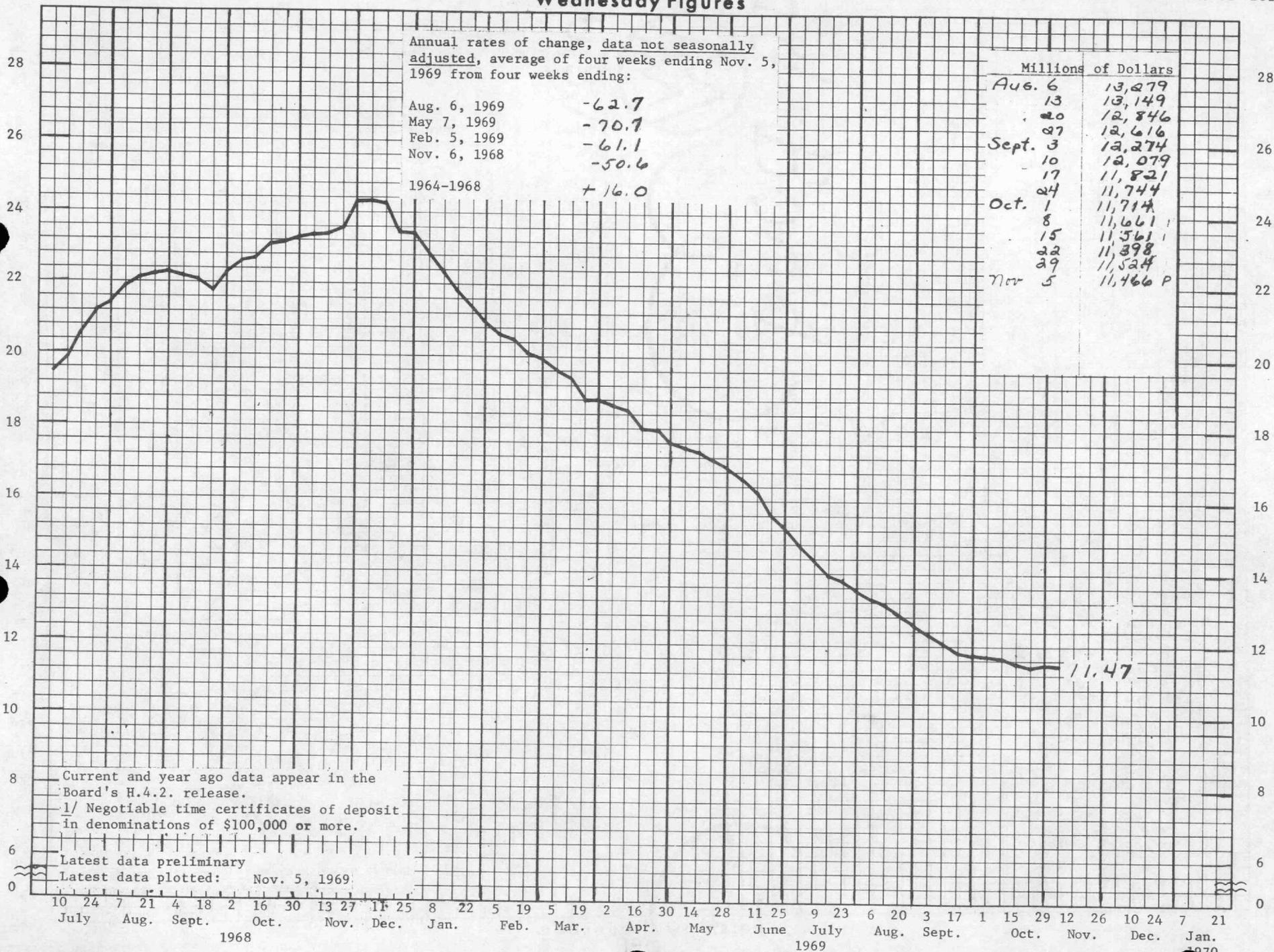
CERTIFICATES OF DEPOSIT ¹

Large Commercial Banks

Wednesday Figures

Billions of Dollars

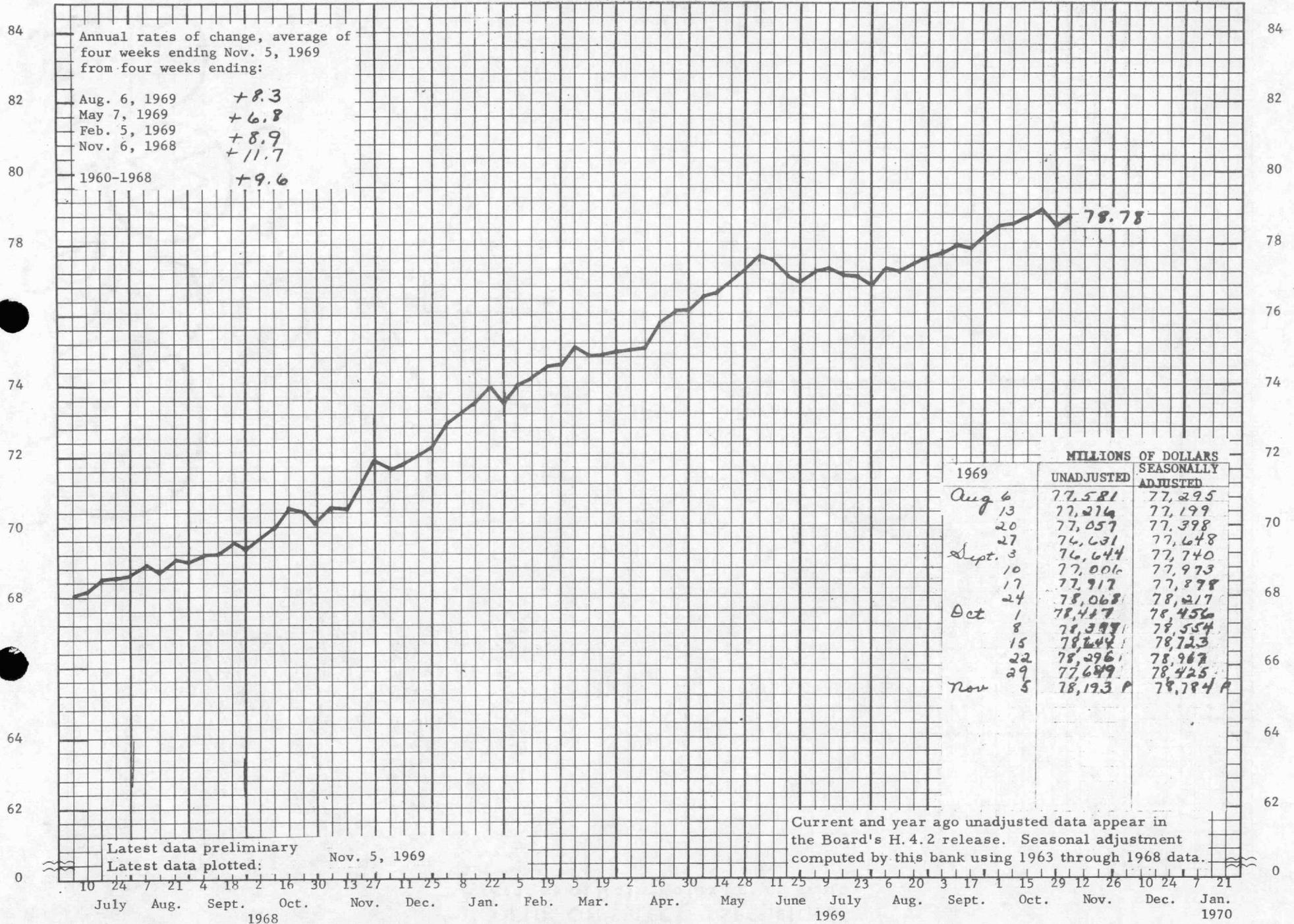
Billions of Dollars



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

Billions of Dollars

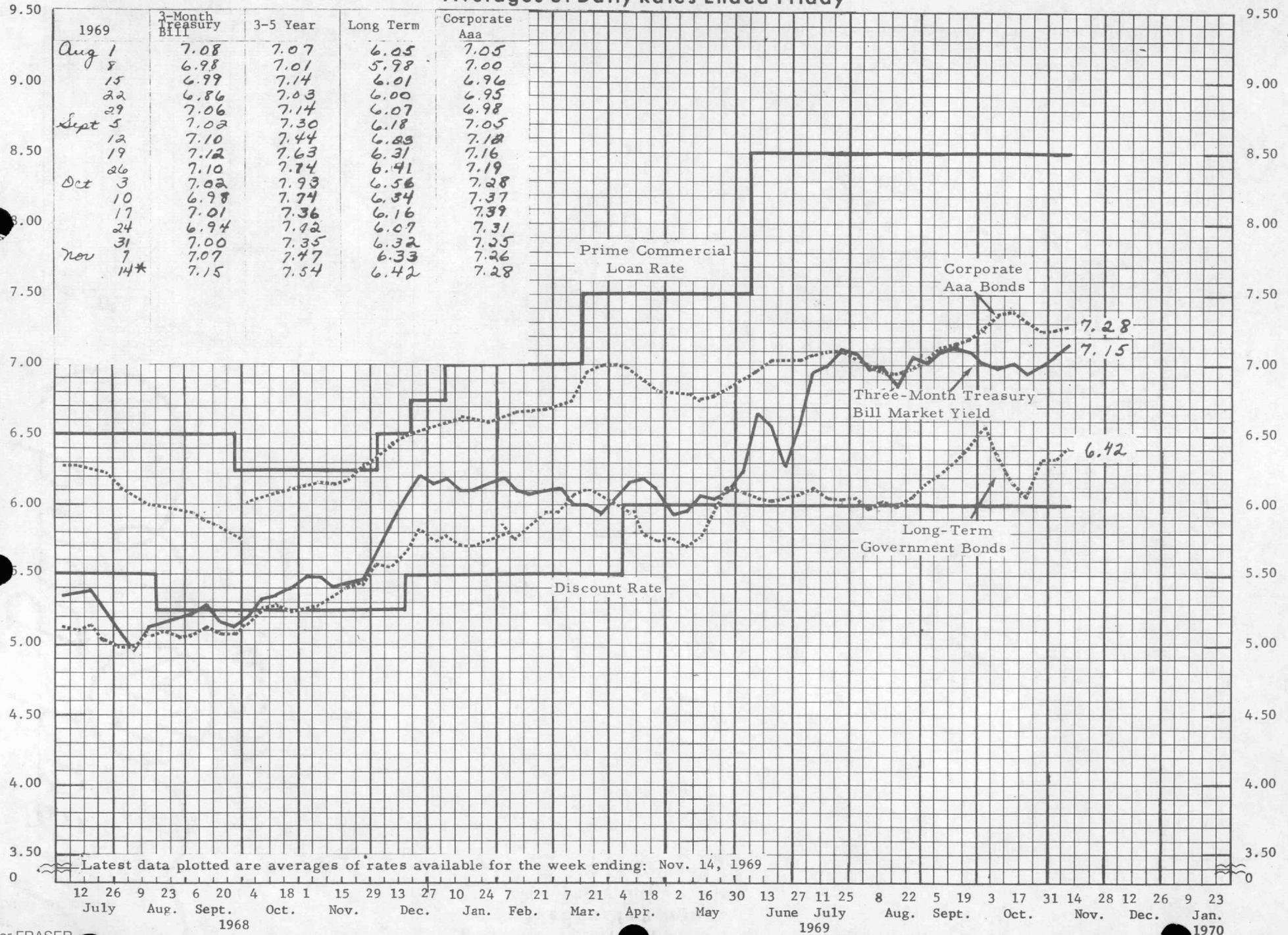
Billions of Dollars



YIELDS ON SELECTED SECURITIES Averages of Daily Rates Ended Friday

Per Cent

Per Cent



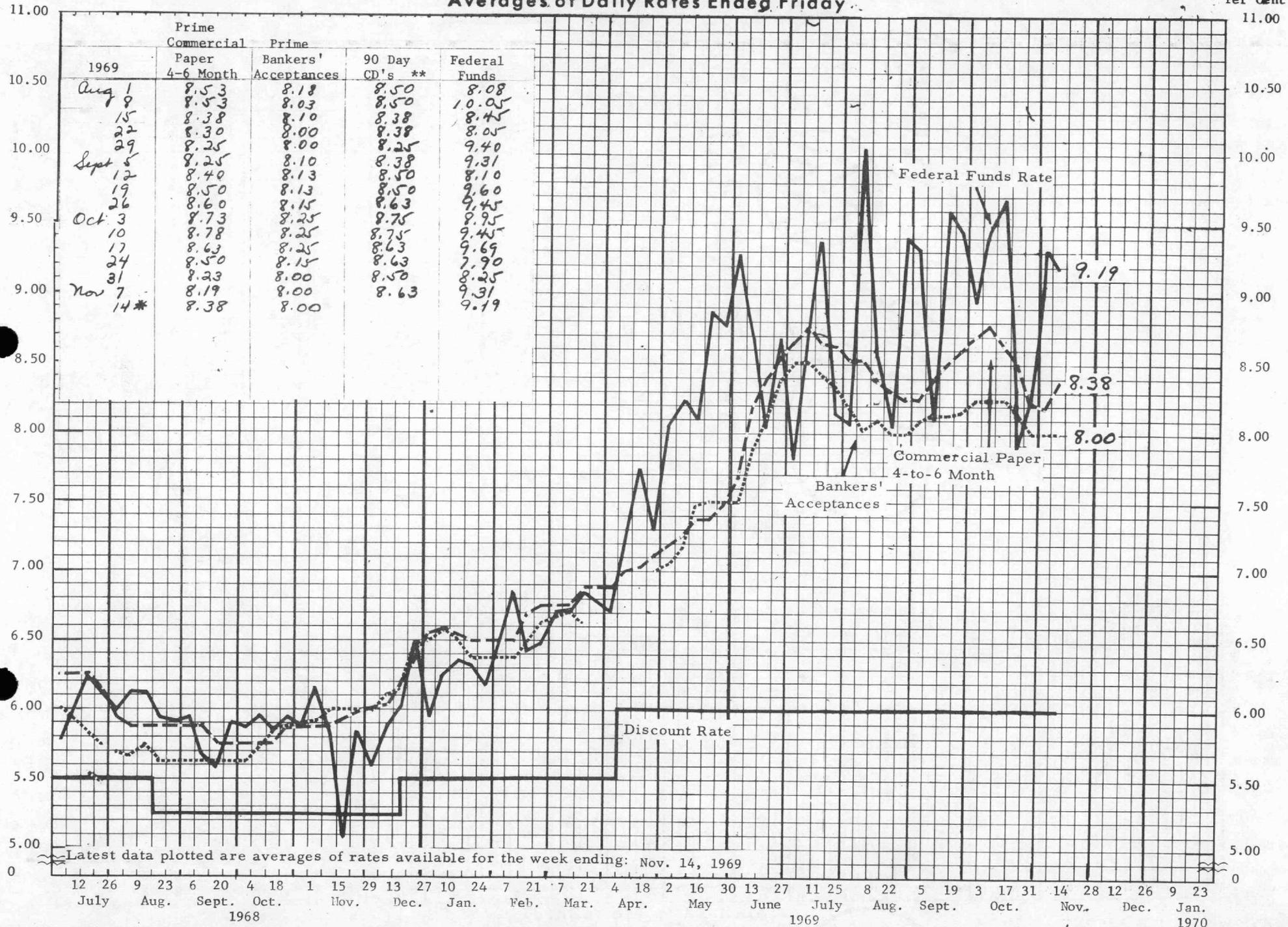
Latest data plotted are averages of rates available for the week ending: Nov. 14, 1969

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: Nov. 14, 1969

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

** SOURCE: SALOMON BROTHERS AND HUTZLER
 FEDERAL RESERVE BANK OF ST. LOUIS
 SECONDARY MARKET RATE ON 90-DAY PRIME CD'S

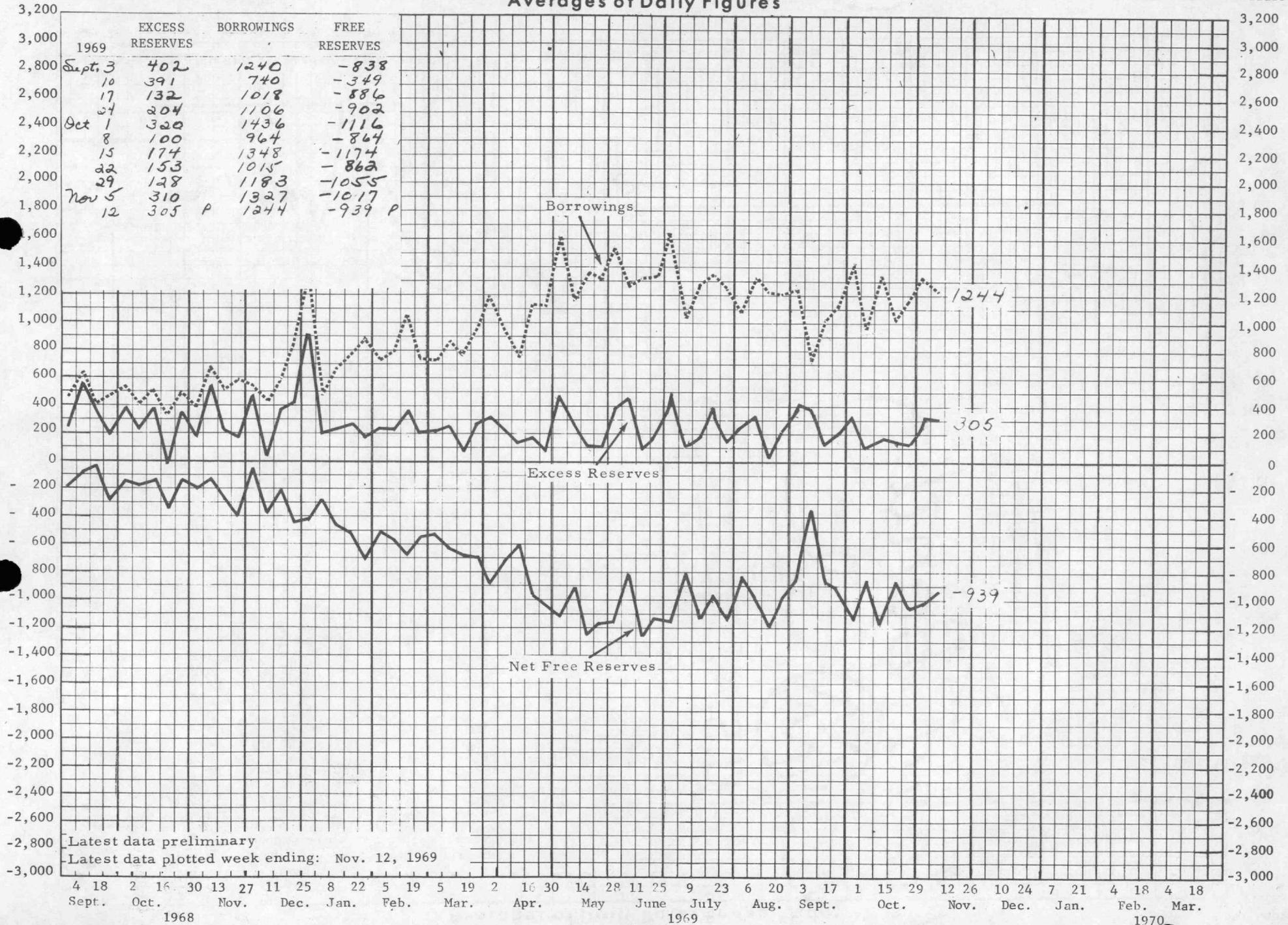
BORROWINGS AND EXCESS RESERVES

All Member Banks in the Nation

Averages of Daily Figures

Millions of Dollars

Millions of Dollars



Latest data preliminary
 Latest data plotted week ending: Nov. 12, 1969