U.S. FINANCIAL DATA

Week ending: January 7, 1970

The money stock, consisting of private demand deposits and currency in the hands of the public, has been essentially unchanged since early June, following a 4.8 per cent rate of growth from December 1968 to early June and a 7 per cent increase in 1968 (page 5). A large, and presumably temporary, decline in cash items in process of collection near year-end caused a jump in money in the final week of 1969. These items are subtracted from gross demand deposits; consequently, net demand deposits, the principal component of the money stock, increased sharply in that week.

A decline in the monetary base from early June to early September had a depressing impact on money growth (page 2). During the last three months the monetary base has risen at a 5.4 per cent annual rate, which would have led to a similar increase in money if the influence of other factors had been neutral. However, three other factors have had an offsetting negative impact on the growth of money:

(1) an increase in Government deposits at commercial banks relative to private demand deposits;

(2) an increase in currency relative to private demand deposits; and

(3) a rise in required reserves relative to total deposits, because of shifts in types of deposits and between classes of banks.

On balance for the past three years, the growth of money has been associated with a similar change in the monetary base, with little net effect coming from other factors. Unless the recent depressing impact of these other factors changes, only a greater rise in the monetary base will provide expansion in the money stock.

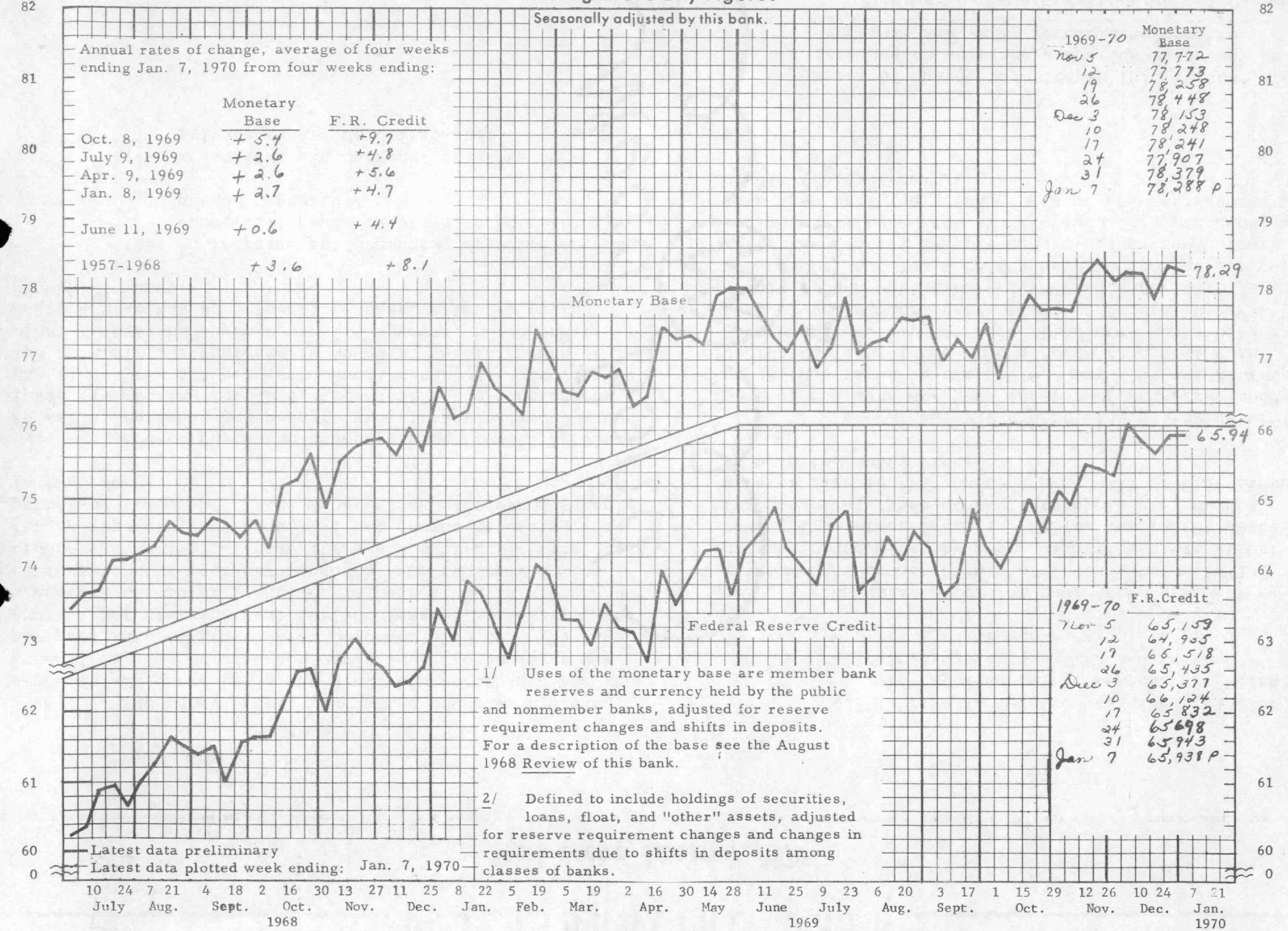
Federal Reserve credit, the policy determinant of the monetary base and therefore of the money stock, has risen at a rapid 9.7 per cent annual rate during the last three months (page 2). A rise in Government deposits at Federal Reserve banks offset some of the expansionary effect of Federal Reserve credit growth on the base during this period. It is not unusual for the monetary base to grow at a slower rate than Federal Reserve credit. The trend growth of the monetary base from 1957 to 1968 (3.6 per cent) was less than half the trend growth of Federal Reserve credit (8.1 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: January 9, 1970

MONETARY BASE 1/
FEDERAL RESERVE CREDIT 2/
Averages of Daily Figures

Seasonally adjusted by this bank.



Annual rates of change, average of four weeks ending Jan. 7, 1970 from four weeks ending:

	Monetary Base	F.R. Credit
Oct. 8, 1969	+5.4	+9.7
July 9, 1969	+2.6	+4.8
Apr. 9, 1969	+2.6	+5.6
Jan. 8, 1969	+2.7	+4.7
June 11, 1969	+0.6	+4.4
1957-1968	+3.6	+8.1

1969-70		Monetary Base
Nov	5	77,772
	12	77,773
	19	78,258
	26	78,448
Dec	3	78,153
	10	78,248
	17	78,241
	24	77,907
	31	78,379
Jan	7	78,288 P

1969-70		F.R.Credit
Nov	5	65,159
	12	64,905
	19	65,518
	26	65,435
Dec	3	65,377
	10	66,124
	17	65,832
	24	65,698
	31	65,943
Jan	7	65,938 P

— Latest data preliminary

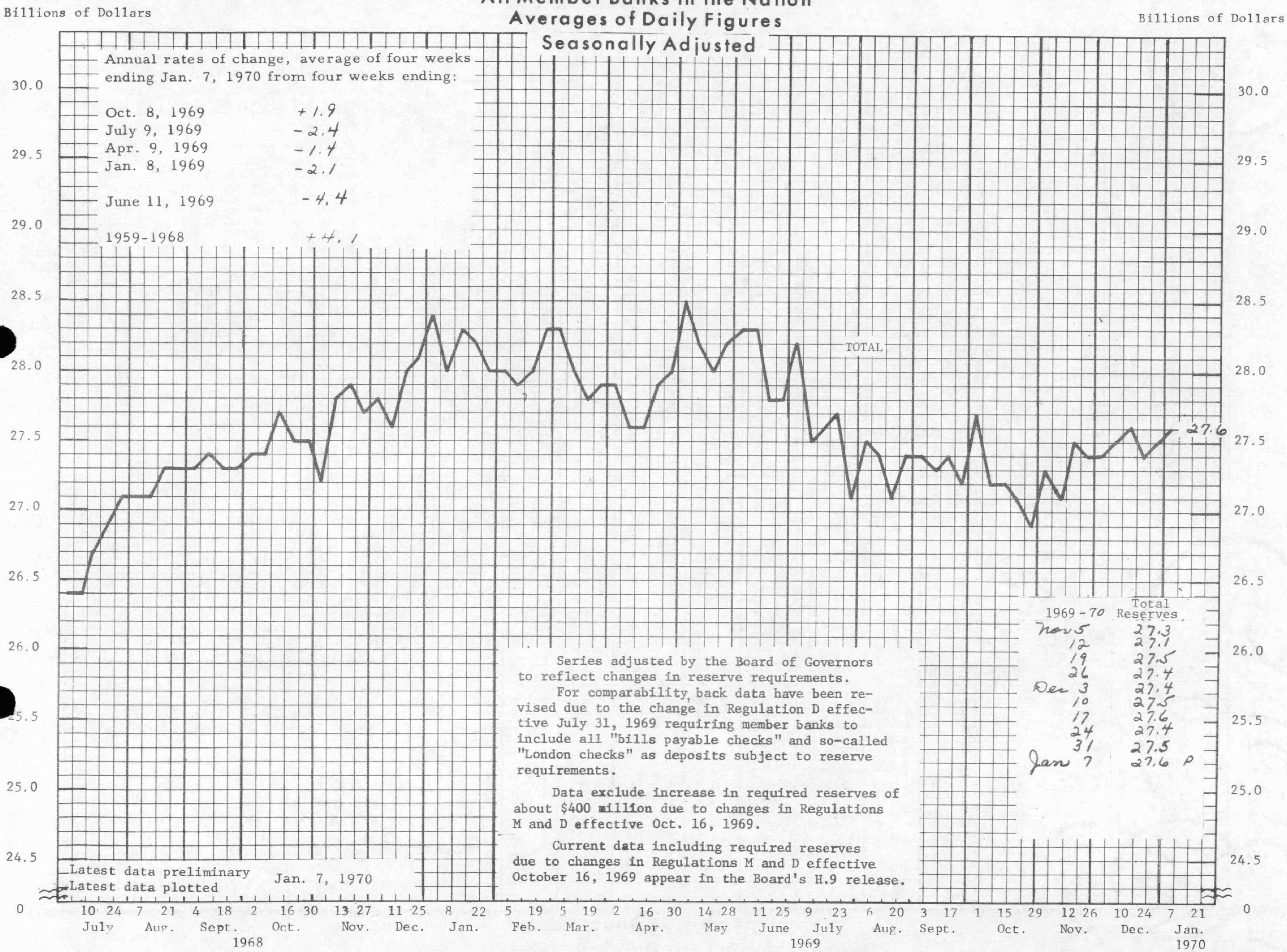
≈ Latest data plotted week ending: Jan. 7, 1970

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.

Prepared by Federal Reserve Bank of St. Louis

RESERVES
All Member Banks in the Nation
Averages of Daily Figures
Seasonally Adjusted



Annual rates of change, average of four weeks ending Jan. 7, 1970 from four weeks ending:

Oct. 8, 1969	+1.9
July 9, 1969	-2.4
Apr. 9, 1969	-1.4
Jan. 8, 1969	-2.1
June 11, 1969	-4.4
1959-1968	+4.1

1969-70	Total Reserves
Nov 5	27.3
12	27.1
19	27.5
26	27.4
Dec 3	27.4
10	27.5
17	27.6
24	27.4
31	27.5
Jan 7	27.6 P

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.

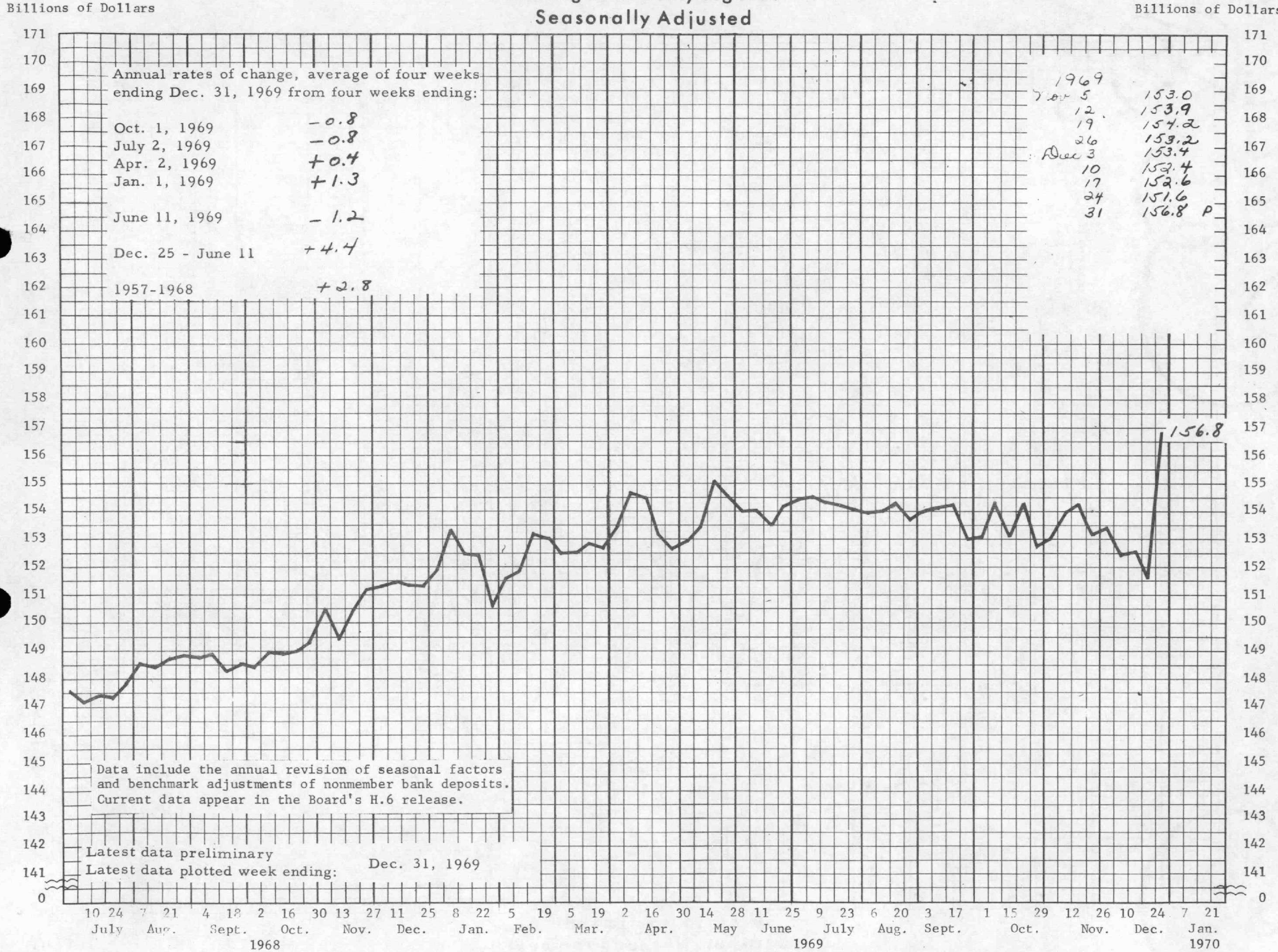
Data exclude increase in required reserves of about $400 million due to changes in Regulations M and D effective Oct. 16, 1969.

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.

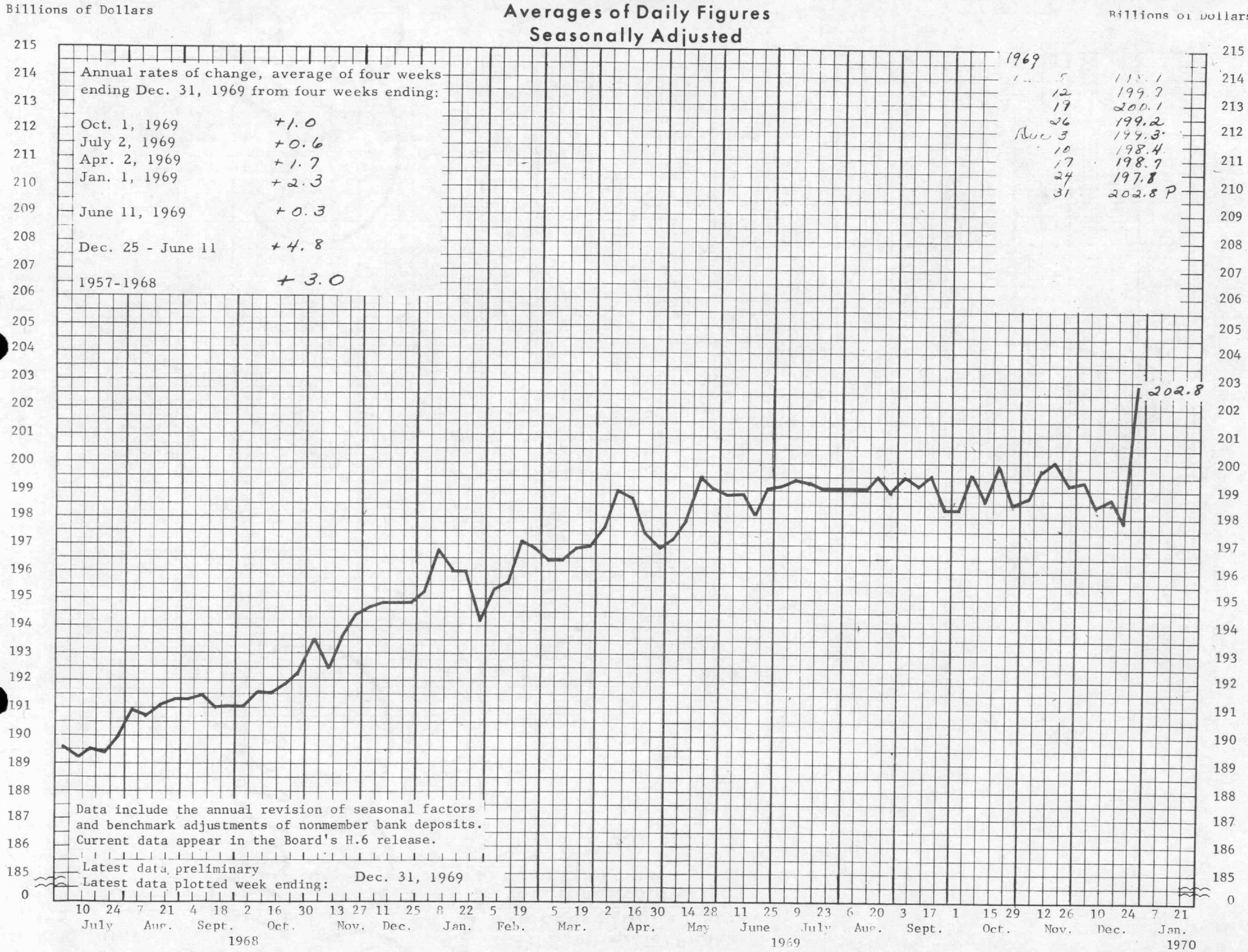
Latest data preliminary
Latest data plotted Jan. 7, 1970

Prepared by Federal Reserve Bank of St. Louis

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

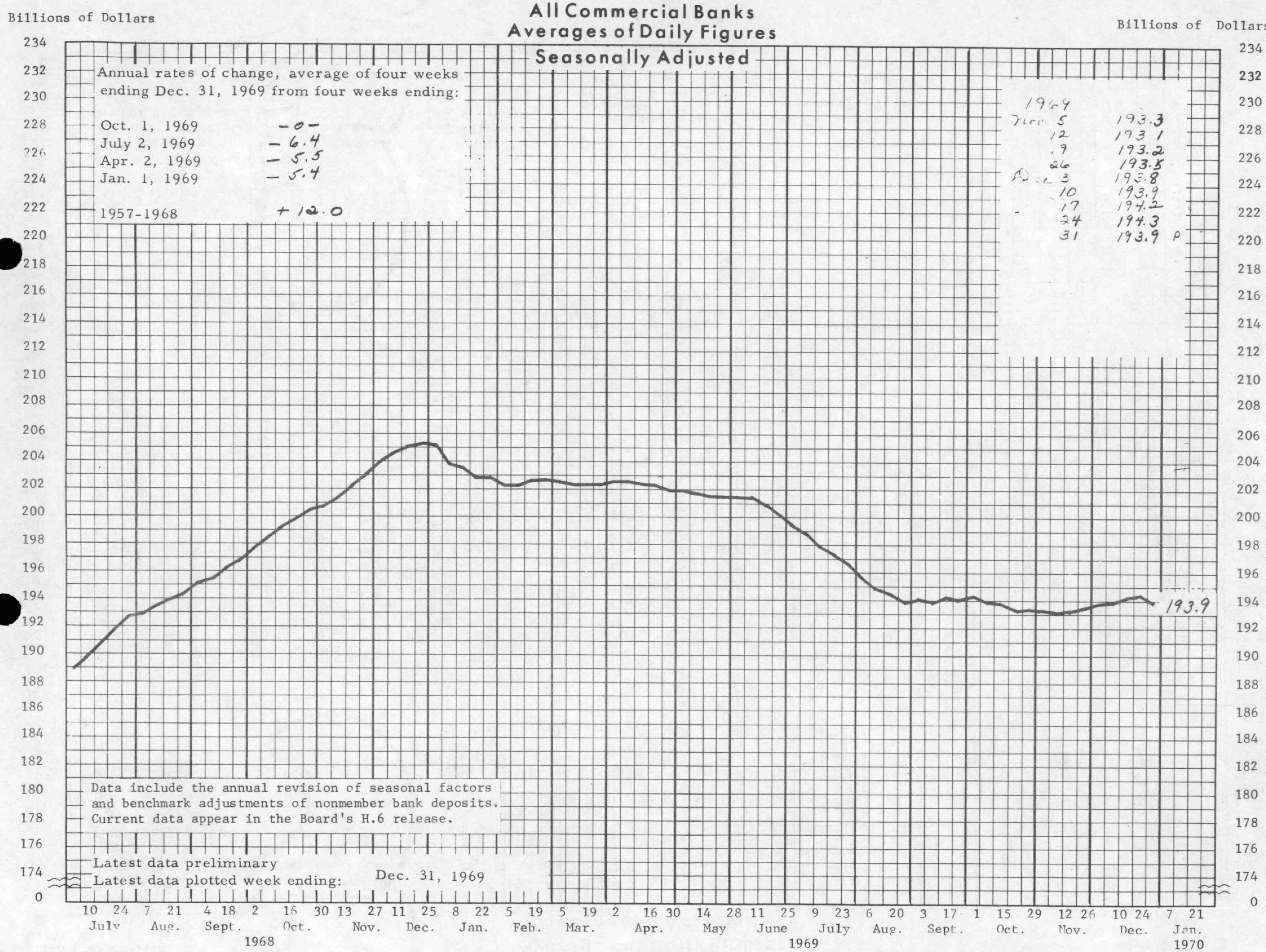


MONEY STOCK
Averages of Daily Figures
Seasonally Adjusted



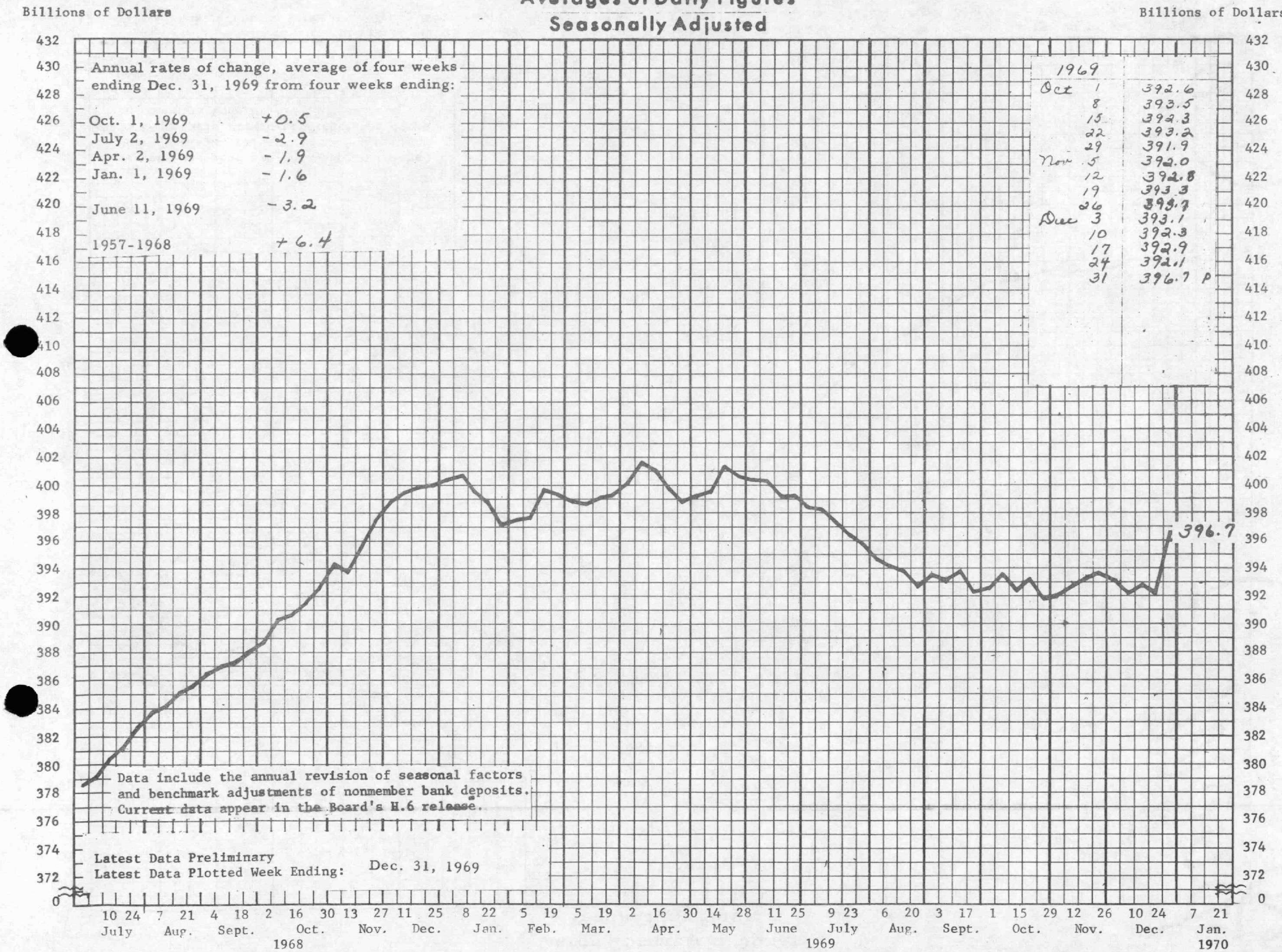
Prepared by Federal Reserve Bank of St. Louis

TIME DEPOSITS
All Commercial Banks
Averages of Daily Figures
Seasonally Adjusted



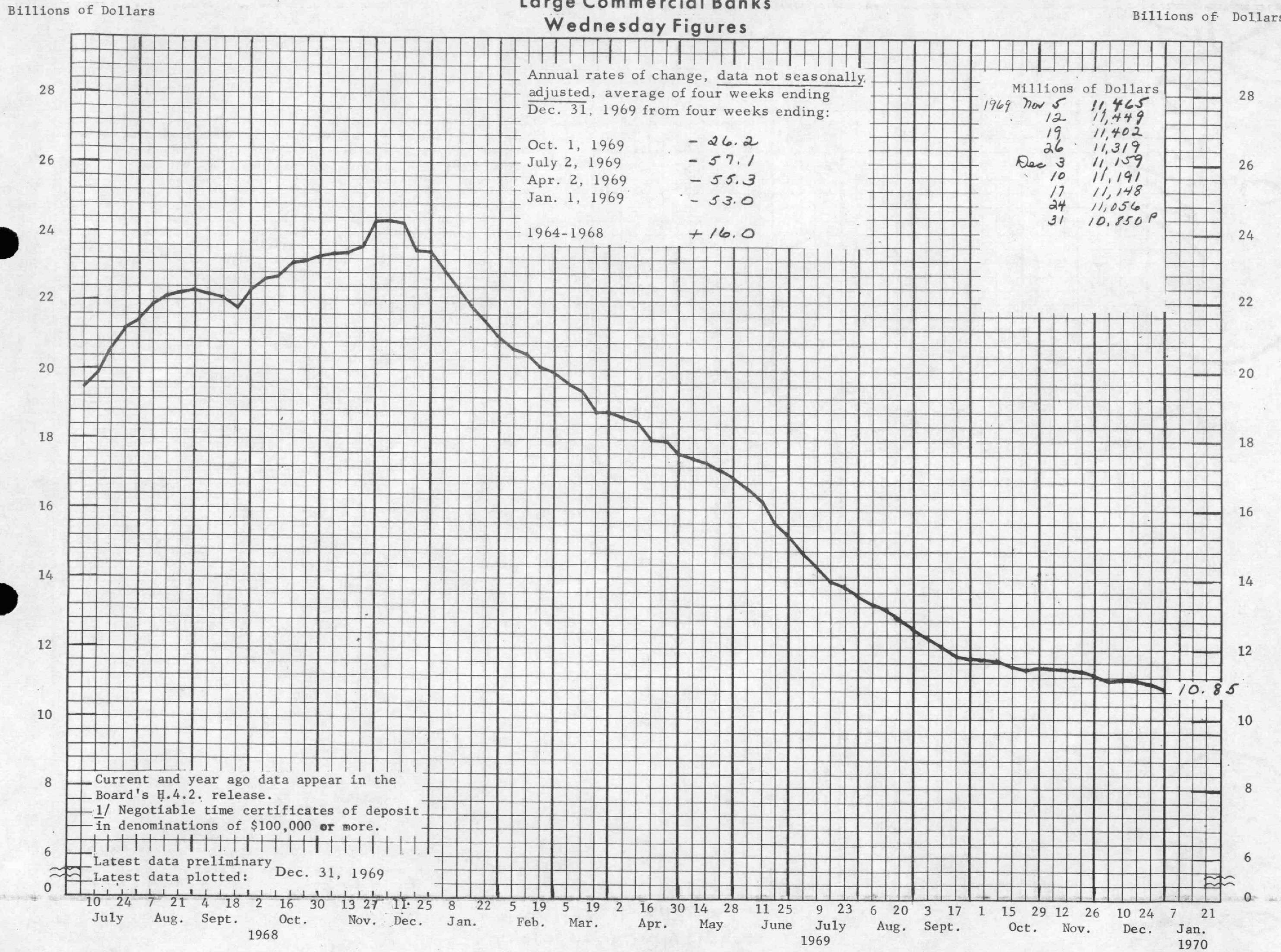
Prepared by Federal Reserve Bank of St. Louis

MONEY STOCK PLUS TIME DEPOSITS
Averages of Daily Figures
Seasonally Adjusted



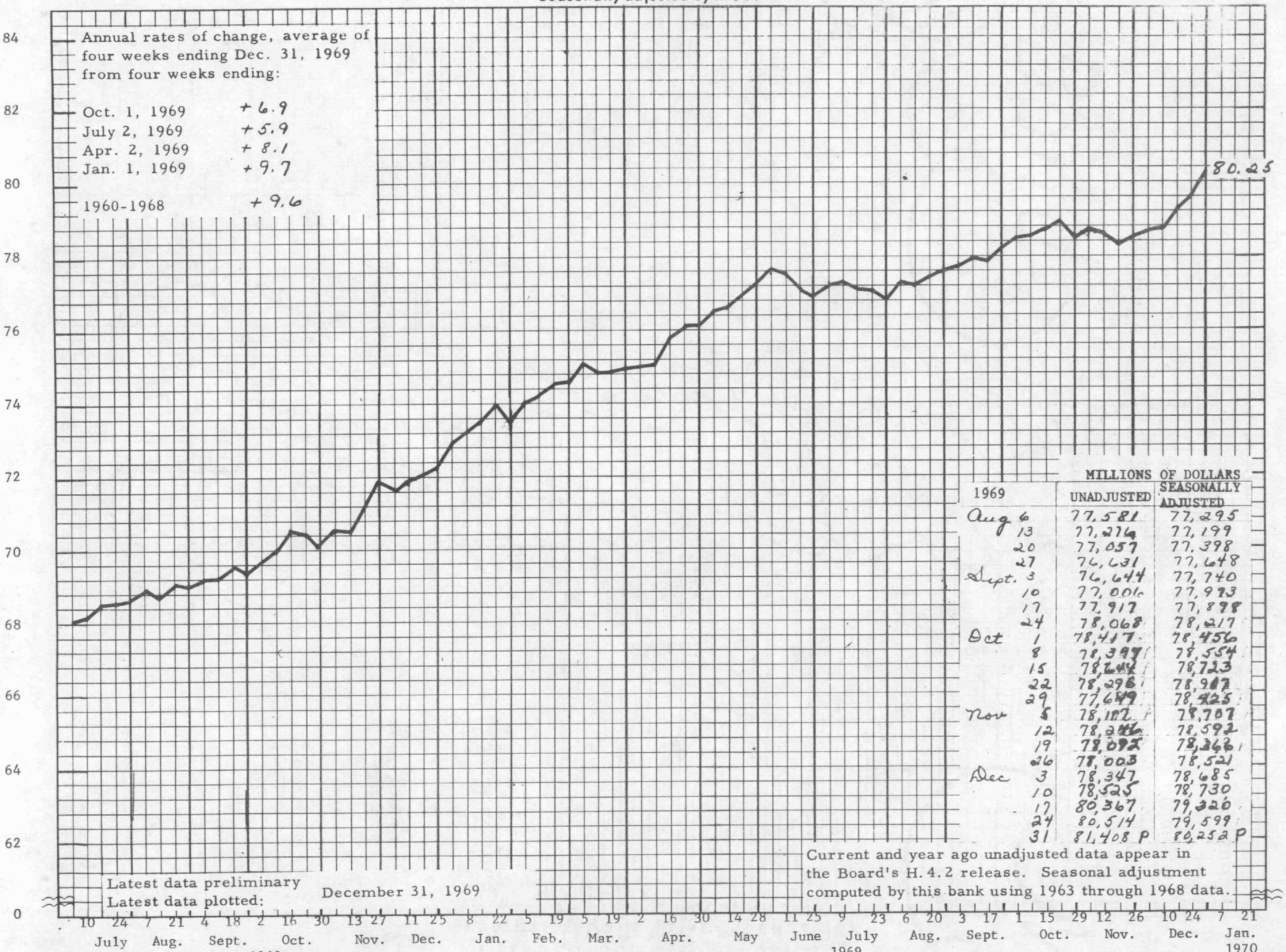
Prepared by Federal Reserve Bank of St. Louis

CERTIFICATES OF DEPOSIT 1/
Large Commercial Banks
Wednesday Figures



Prepared by Federal Reserve Bank of St. Louis

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



Annual rates of change, average of four weeks ending Dec. 31, 1969 from four weeks ending:

Oct. 1, 1969	+6.9
July 2, 1969	+5.9
Apr. 2, 1969	+8.1
Jan. 1, 1969	+9.7
1960-1968	+9.6

1969	MILLIONS OF DOLLARS UNADJUSTED	SEASONALLY ADJUSTED
Aug 6	77,581	77,295
13	77,276	77,199
20	77,057	77,398
27	76,631	77,648
Sept. 3	76,644	77,740
10	77,006	77,973
17	77,917	77,878
24	78,068	78,217
Oct 1	78,417	78,456
8	78,397	78,554
15	78,644	78,723
22	78,296	78,987
29	77,649	78,425
Nov 5	78,182	78,707
12	78,246	78,592
19	78,092	78,366
26	78,003	78,521
Dec 3	78,347	78,685
10	78,525	78,730
17	80,367	79,220
24	80,514	79,599
31	81,408 P	80,252 P

Latest data preliminary
Latest data plotted: December 31, 1969

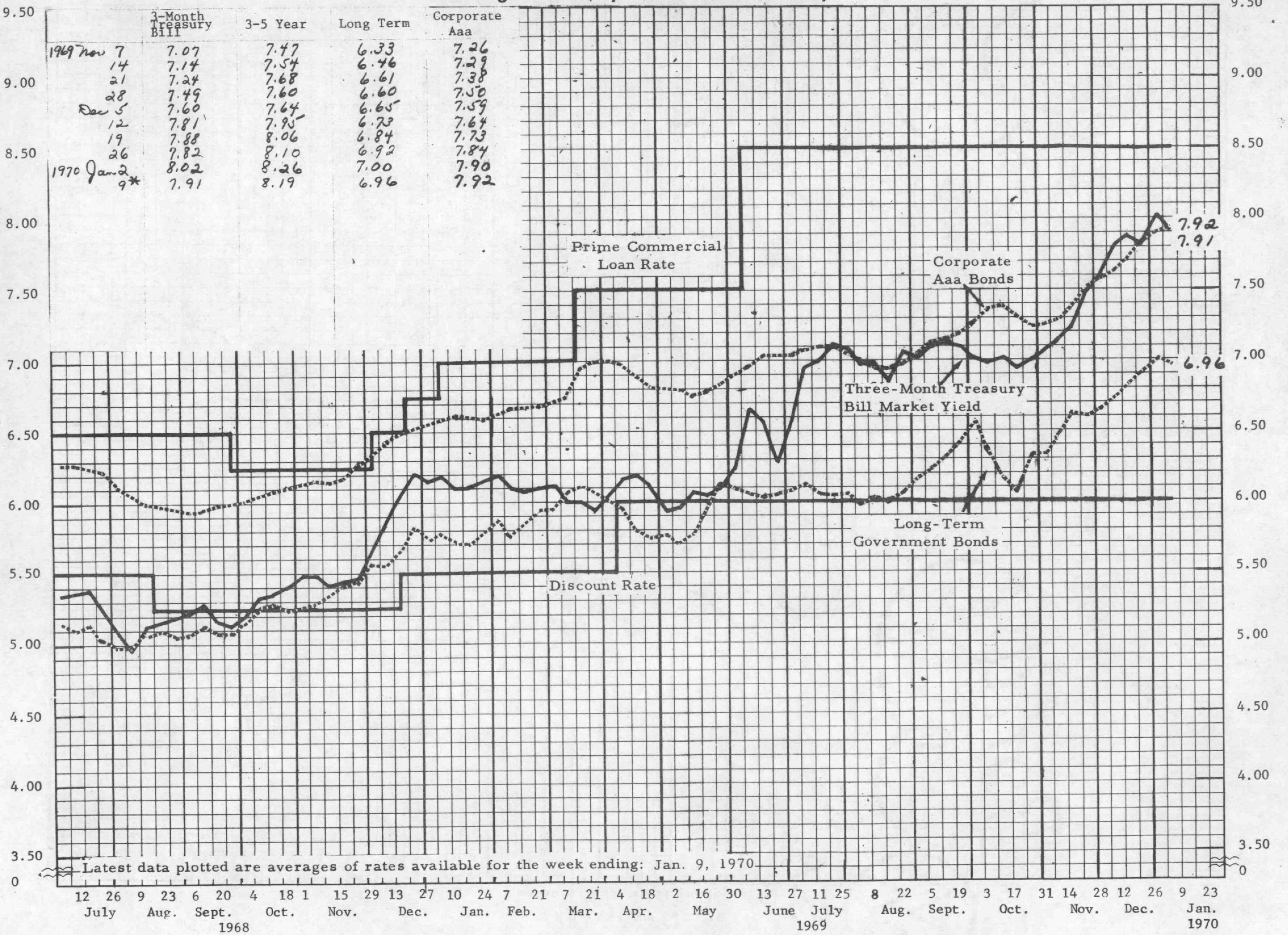
Current and year ago unadjusted data appear in the Board's H.4.2 release. Seasonal adjustment computed by this bank using 1963 through 1968 data.

Prepared by Federal Reserve Bank of St. Louis

YIELDS ON SELECTED SECURITIES

Averages of Daily Rates Ended Friday

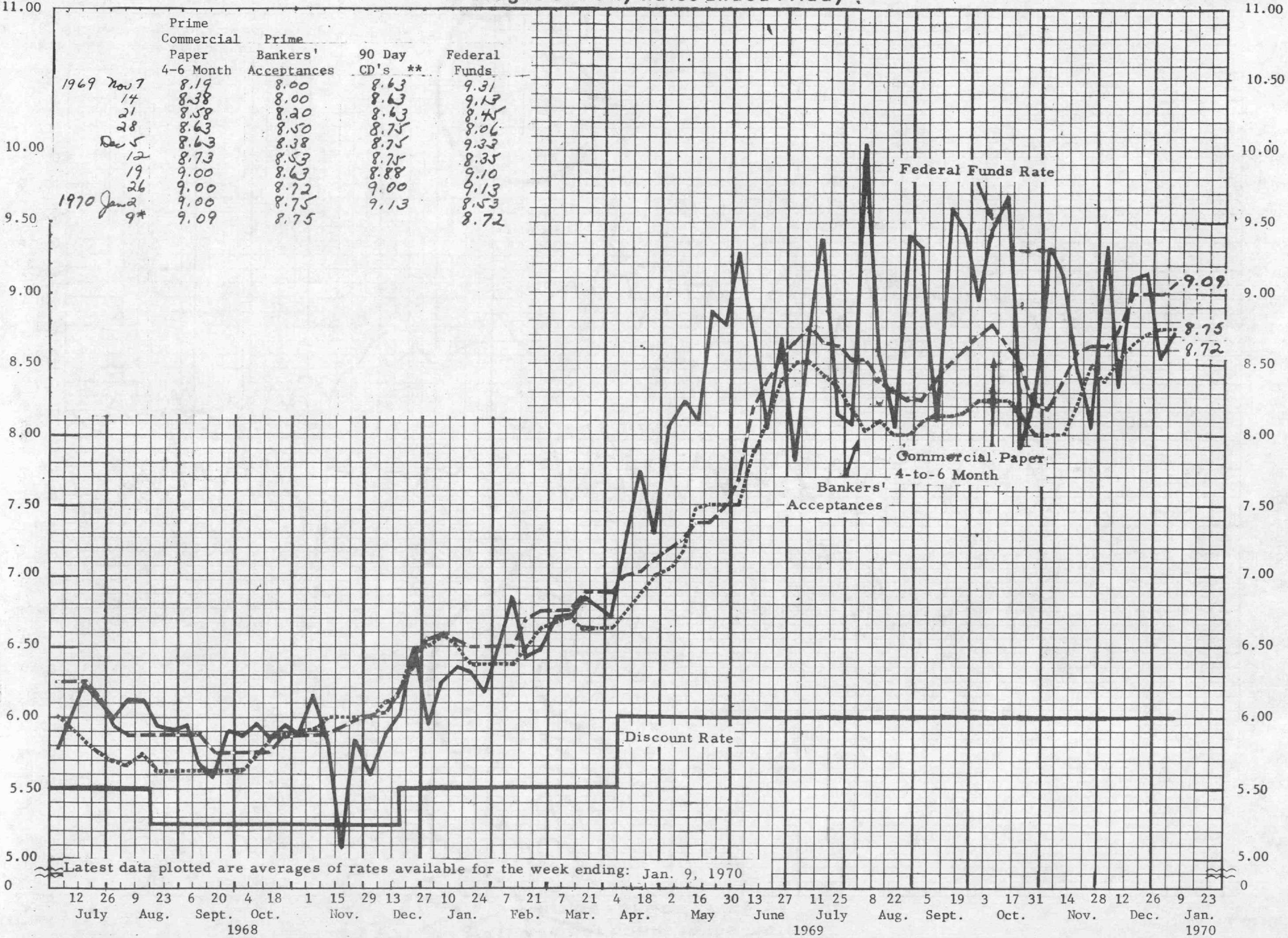
	3-Month Treasury Bill	3-5 Year	Long Term	Corporate Aaa
1969 Nov 7	7.07	7.47	6.33	7.26
14	7.14	7.54	6.46	7.29
21	7.24	7.68	6.61	7.38
28	7.49	7.60	6.60	7.50
Dec 5	7.60	7.64	6.65	7.59
12	7.81	7.95	6.73	7.64
19	7.88	8.06	6.84	7.73
26	7.82	8.10	6.92	7.84
1970 Jan 2	8.02	8.26	7.00	7.90
9*	7.91	8.19	6.96	7.92



*[illegible]GES OF RATES AVAILABLE

Prepared by Federal Reserve Bank of St. Louis

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



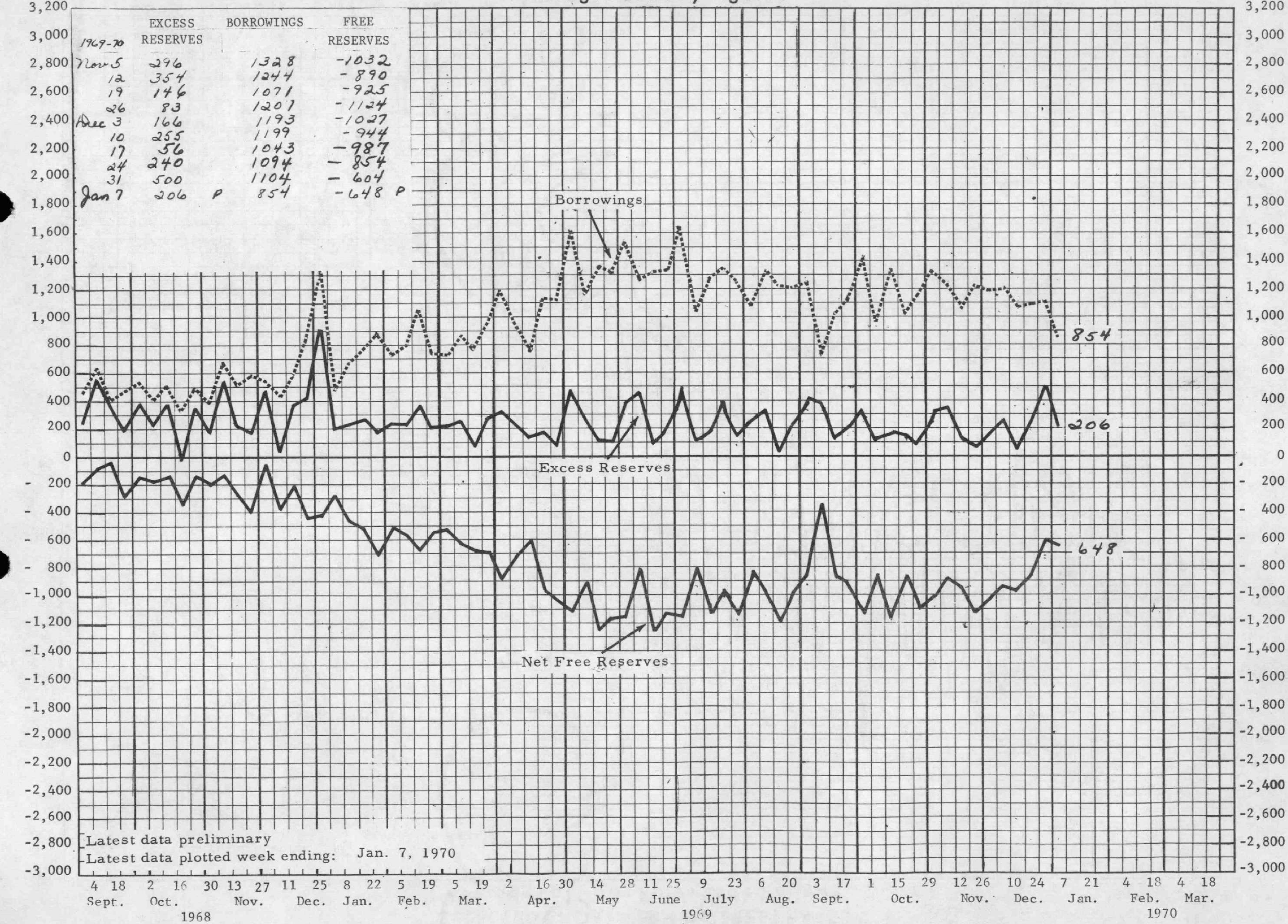
	Prime Commercial Paper 4-6 Month	Prime Bankers' Acceptances	90 Day CD's **	Federal Funds
1969 Nov 7	8.19	8.00	8.63	9.31
14	8.38	8.00	8.63	9.13
21	8.58	8.20	8.63	8.45
28	8.63	8.50	8.75	8.06
Dec 5	8.63	8.38	8.75	9.33
12	8.73	8.53	8.75	8.35
19	9.00	8.63	8.88	9.10
26	9.00	8.72	9.00	9.13
1970 Jan 2	9.00	8.75	9.13	8.53
9*	9.09	8.75		8.72

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

** SOURCE: SALOMON BROTHERS AND HUTZLER
SECONDARY MARKET RATE ON 90-DAY PRIME CD'S

Prepared by Federal Reserve Bank of St. Louis

BORROWINGS AND EXCESS RESERVES
All Member Banks in the Nation
Averages of Daily Figures



1969-70	EXCESS RESERVES	BORROWINGS	FREE RESERVES
Nov 5	296	1328	-1032
12	354	1244	-890
19	146	1071	-925
26	83	1207	-1124
Dec 3	166	1193	-1027
10	255	1199	-944
17	56	1043	-987
24	240	1094	-854
31	500	1104	-604
Jan 7	206 P	854	-648 P

Prepared by Federal Reserve Bank of St. Louis