U.S. FINANCIAL DATA

Week ending: August 19, 1970

The money stock, consisting of private demand deposits and currency in the hands of the public, has increased at a 5.3 per cent annual rate since the four weeks ending March 11 (page 5). By comparison, money rose at only about a 1 per cent rate from June 1969 to early March. The demand deposit component of money has risen at a 4.4 per cent rate in the last five months, following little net change in the previous nine (page 4).

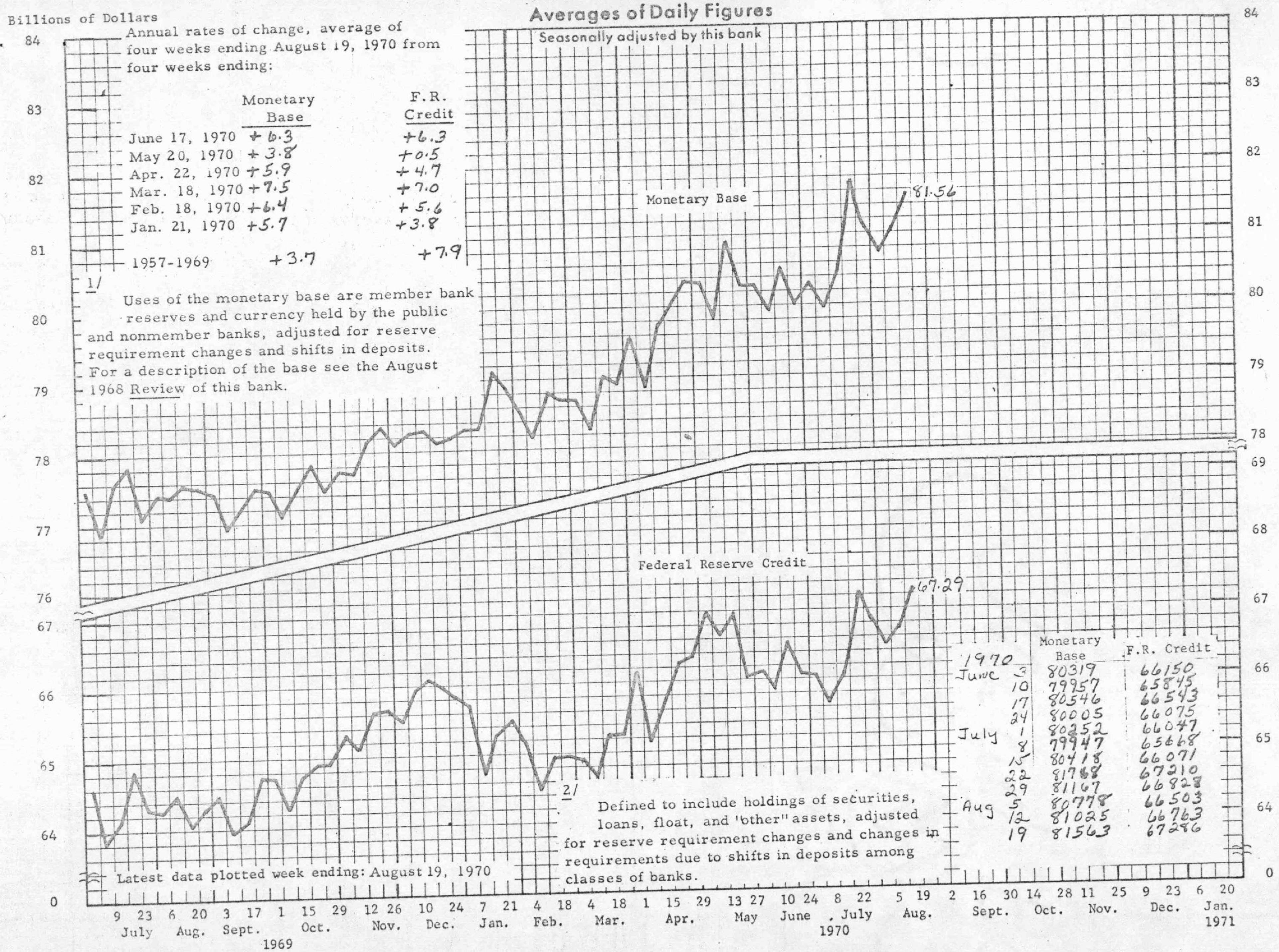
Since early March, Federal Reserve credit has increased at a 7 per cent rate and the monetary base at a 7.5 per cent rate (page 2). From June 1969 to early March they rose at rates of about 1 per cent and 2 per cent, respectively. These magnitudes are the major influence on member bank reserves, which have increased at a 6.4 per cent rate since early March (page 3).

Commercial bank time deposits have rebounded during the past six months from the disintermediation experienced during 1969 (page 6). Since early February time deposits have risen at a 19 per cent annual rate, compared with decline at a 5.4 per cent rate from December 1968 to last February. The rapid increase in time deposits stems from declines in short-term market interest rates since January and relaxation of Regulation Q in late January and again in late June. Such an influx of funds to banks, sometimes called reintermediation, absorbs reserves which might otherwise support private demand deposits. The Federal Reserve Board has announced a reduction in reserve requirements from 6 per cent to 5 per cent on that part of a member bank's total time deposits in excess of $5 million, effective October 1, 1970. A 5 per cent reserve requirement on commercial paper issued by bank affiliates will take effect at the same time. These two actions are expected to result in a net $350 million reduction of required reserves for the banking system.

Market interest rates in general have recently moved lower (pages 10 and 11). Yields on highest-grade corporate bonds averaged 8.11 per cent in the three days ending August 19, after climbing from about 7.90 per cent in the first four months of the year to a high of 8.60 per cent in late June. The rate on prime commercial paper has averaged 8 per cent since the beginning of August, down from the slightly higher level maintained from May through July and 9 per cent at the turn of the year. Yields on three-month Treasury bills and on bankers' acceptances have declined since early June and are about one and one-half percentage points below early January levels.

Prepared by Federal Reserve Bank of St. Louis
Released: August 21, 1970

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



Annual rates of change, average of four weeks ending August 19, 1970 from four weeks ending:

	Monetary Base	F.R. Credit
June 17, 1970	+6.3	+6.3
May 20, 1970	+3.8	+0.5
Apr. 22, 1970	+5.9	+4.7
Mar. 18, 1970	+7.5	+7.0
Feb. 18, 1970	+6.4	+5.6
Jan. 21, 1970	+5.7	+3.8
1957-1969	+3.7	+7.9

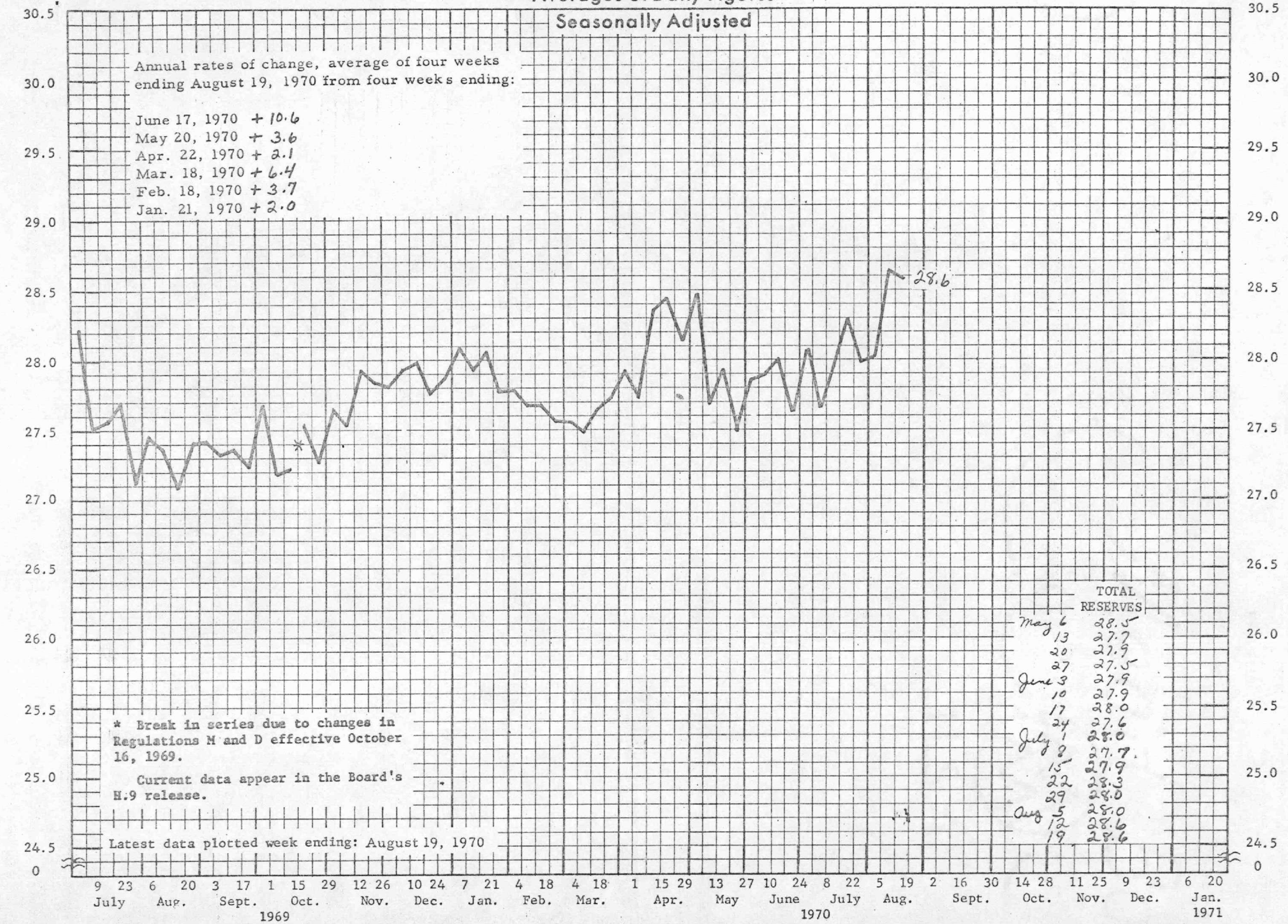
1970		Monetary Base	F.R. Credit
June	3	80319	66150
	10	79957	65845
	17	80546	66543
	24	80005	66075
July	1	80252	66047
	8	79947	65668
	15	80418	66071
	22	81768	67210
	29	81167	66828
Aug	5	80778	66503
	12	81025	66763
	19	81563	67286

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.

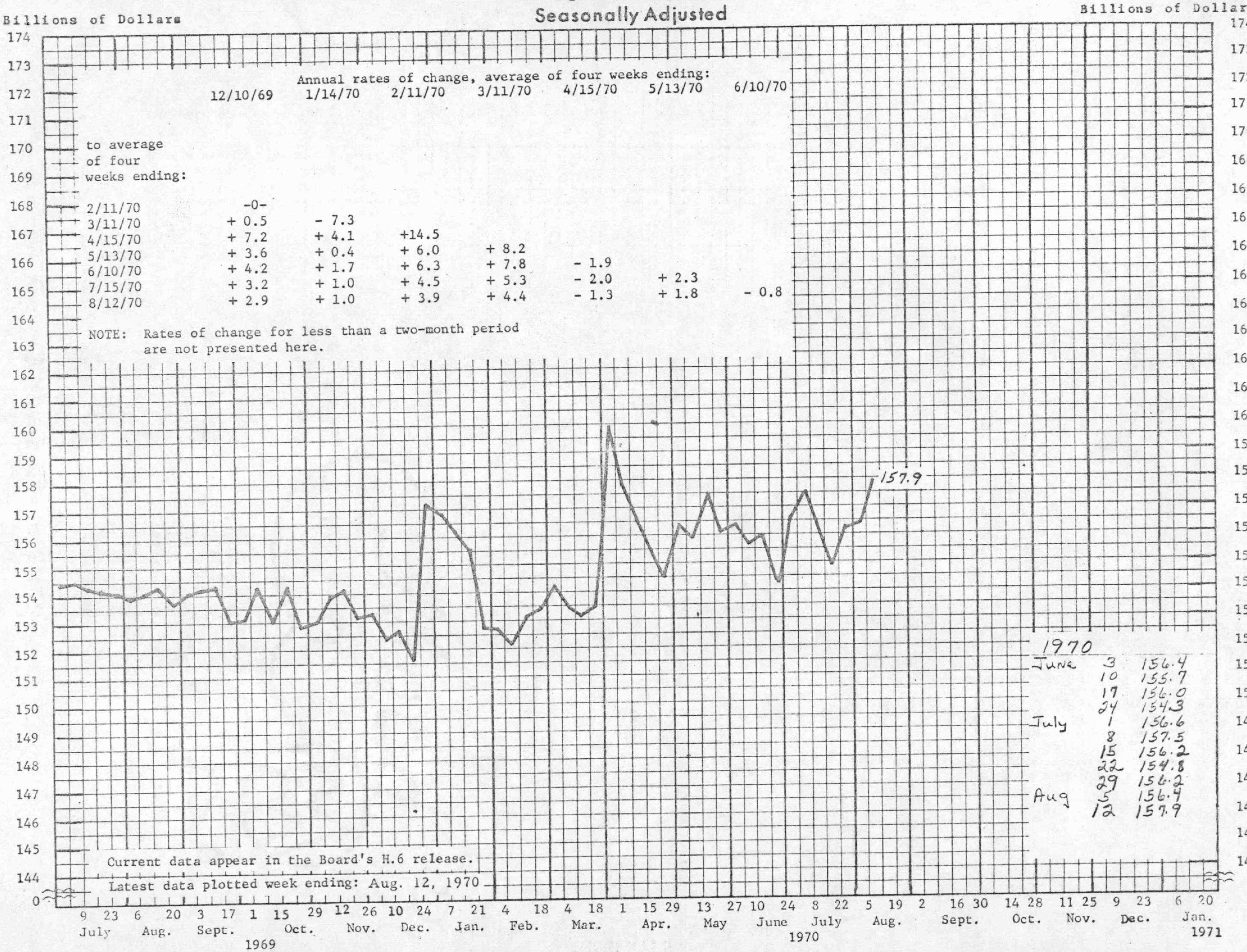
2/ Defined to include holdings of securities, loans, float, and "other" assets, adjusted for reserve requirement changes and changes in requirements due to shifts in deposits among classes of banks.

Prepared by Federal Reserve Bank of St. Louis

RESERVES
All Member Banks in the Nation
Averages of Daily Figures



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



Annual rates of change, average of four weeks ending:

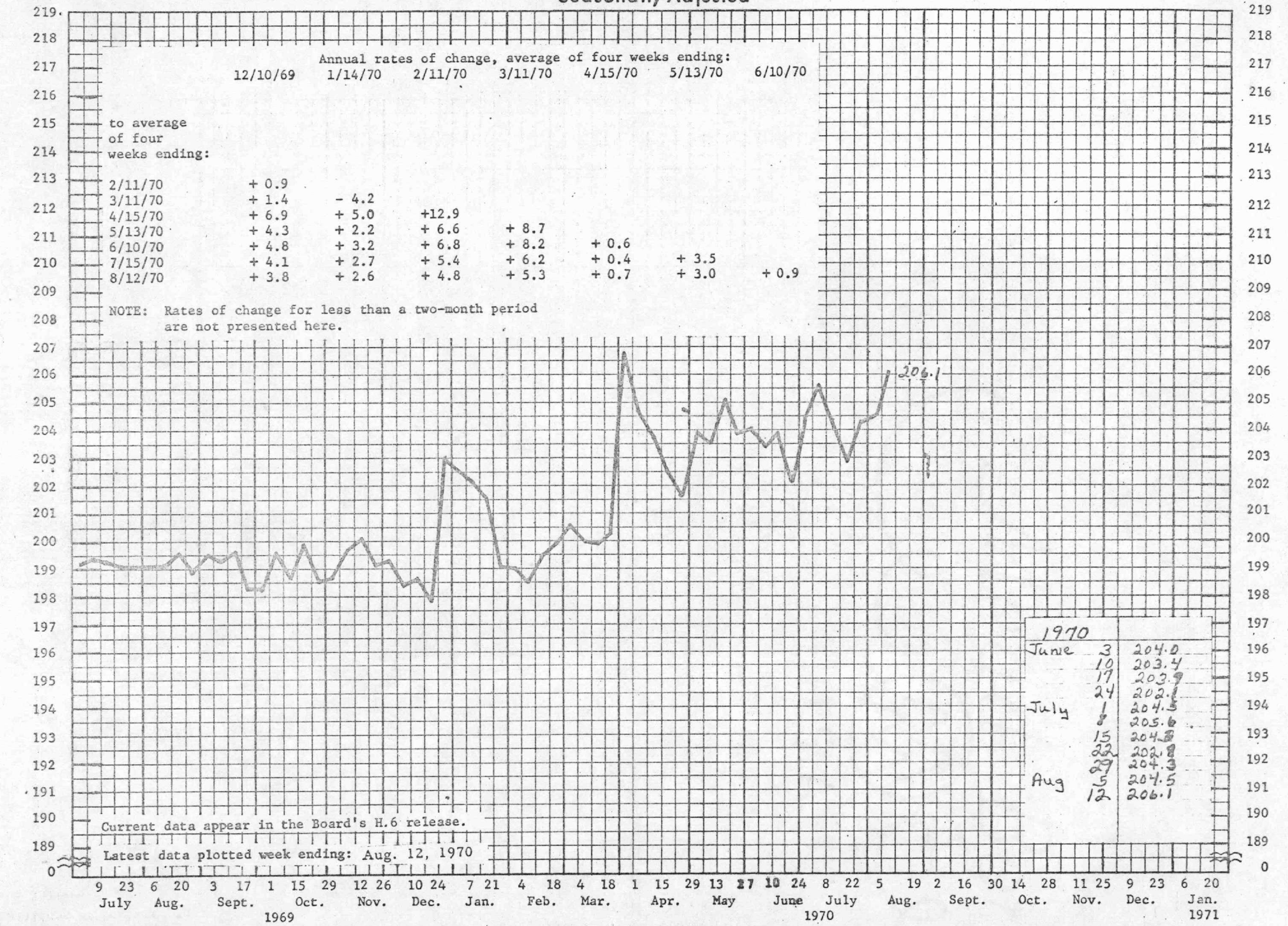
to average of four weeks ending:	12/10/69	1/14/70	2/11/70	3/11/70	4/15/70	5/13/70	6/10/70
2/11/70	-0-						
3/11/70	+ 0.5	- 7.3					
4/15/70	+ 7.2	+ 4.1	+14.5				
5/13/70	+ 3.6	+ 0.4	+ 6.0	+ 8.2			
6/10/70	+ 4.2	+ 1.7	+ 6.3	+ 7.8	- 1.9		
7/15/70	+ 3.2	+ 1.0	+ 4.5	+ 5.3	- 2.0	+ 2.3	
8/12/70	+ 2.9	+ 1.0	+ 3.9	+ 4.4	- 1.3	+ 1.8	- 0.8

NOTE: Rates of change for less than a two-month period are not presented here.

1970		
June	3	156.4
	10	155.7
	17	156.0
	24	154.3
July	1	156.6
	8	157.5
	15	156.2
	22	154.8
	29	156.2
Aug	5	156.4
	12	157.9

Prepared by Federal Reserve Bank of St. Louis

MONEY STOCK
Averages of Daily Figures
Seasonally Adjusted



Annual rates of change, average of four weeks ending:

to average of four weeks ending:	12/10/69	1/14/70	2/11/70	3/11/70	4/15/70	5/13/70	6/10/70
2/11/70	+ 0.9						
3/11/70	+ 1.4	- 4.2					
4/15/70	+ 6.9	+ 5.0	+12.9				
5/13/70	+ 4.3	+ 2.2	+ 6.6	+ 8.7			
6/10/70	+ 4.8	+ 3.2	+ 6.8	+ 8.2	+ 0.6		
7/15/70	+ 4.1	+ 2.7	+ 5.4	+ 6.2	+ 0.4	+ 3.5	
8/12/70	+ 3.8	+ 2.6	+ 4.8	+ 5.3	+ 0.7	+ 3.0	+ 0.9

NOTE: Rates of change for less than a two-month period are not presented here.

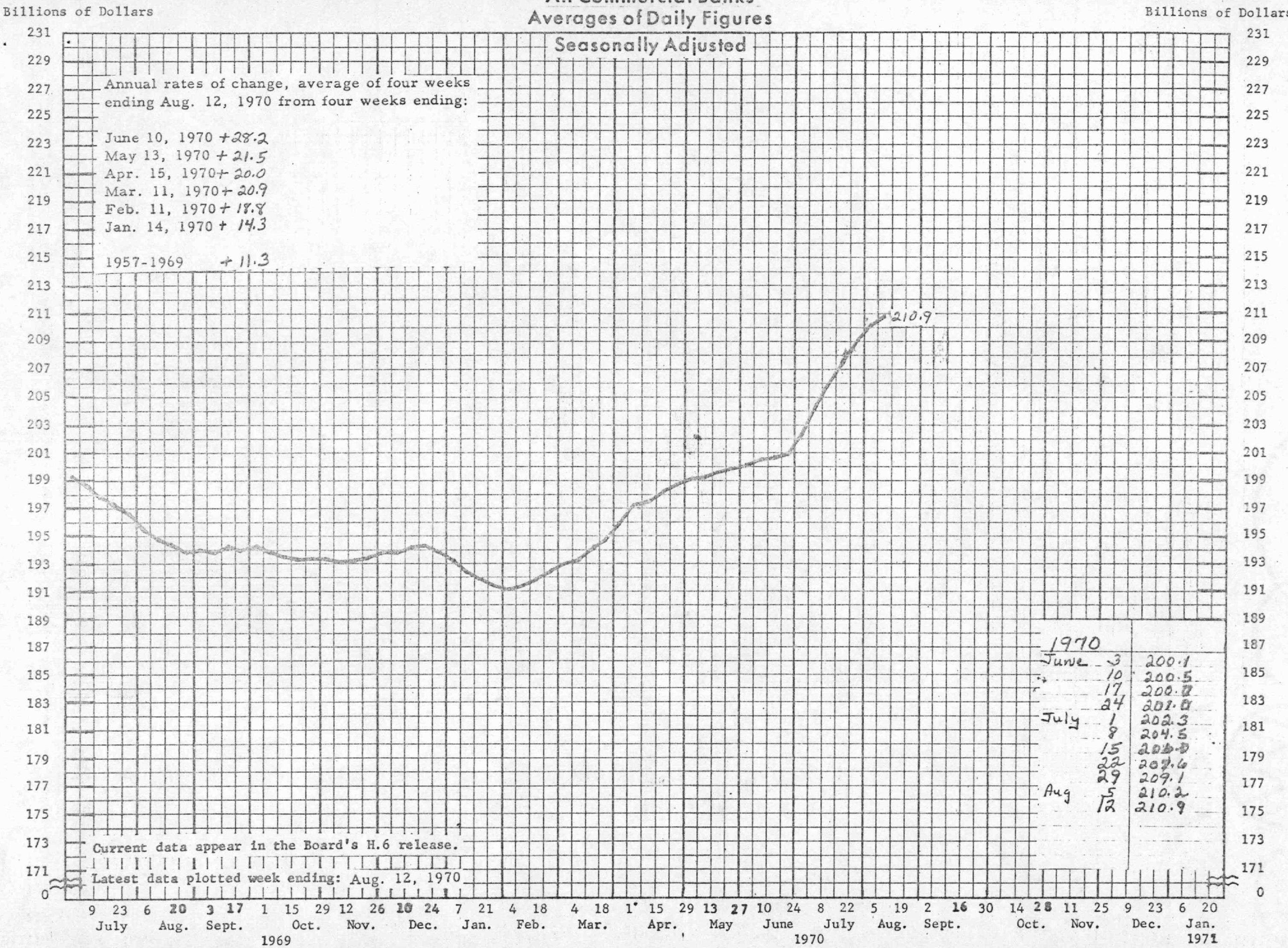
1970		
June	3	204.0
	10	203.4
	17	203.9
	24	202.1
July	1	204.3
	8	205.6
	15	204.3
	22	202.8
	29	204.3
Aug	5	204.5
	12	206.1

Current data appear in the Board's H.6 release.

Latest data plotted week ending: Aug. 12, 1970

Prepared by Federal Reserve Bank of St. Louis

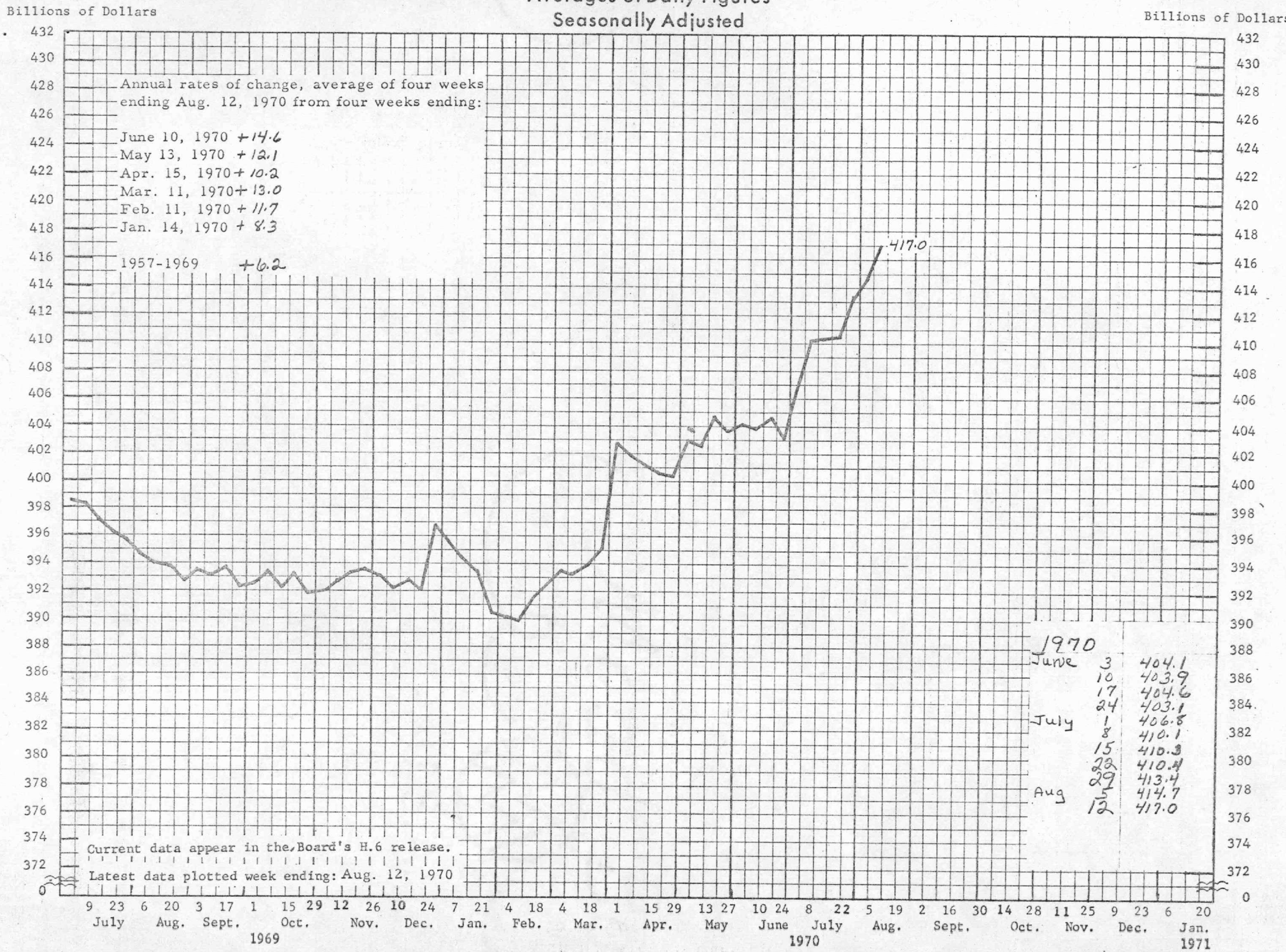
TIME DEPOSITS
All Commercial Banks
Averages of Daily Figures
Seasonally Adjusted



1970		
June	3	200.1
	10	200.5
	17	200.[illegible]
	24	201.[illegible]
July	1	202.3
	8	204.5
	15	[illegible]
	22	207.6
	29	209.1
Aug	5	210.2
	12	210.9

Prepared by Federal Reserve Bank of St. Louis

MONEY STOCK PLUS TIME DEPOSITS
Averages of Daily Figures
Seasonally Adjusted



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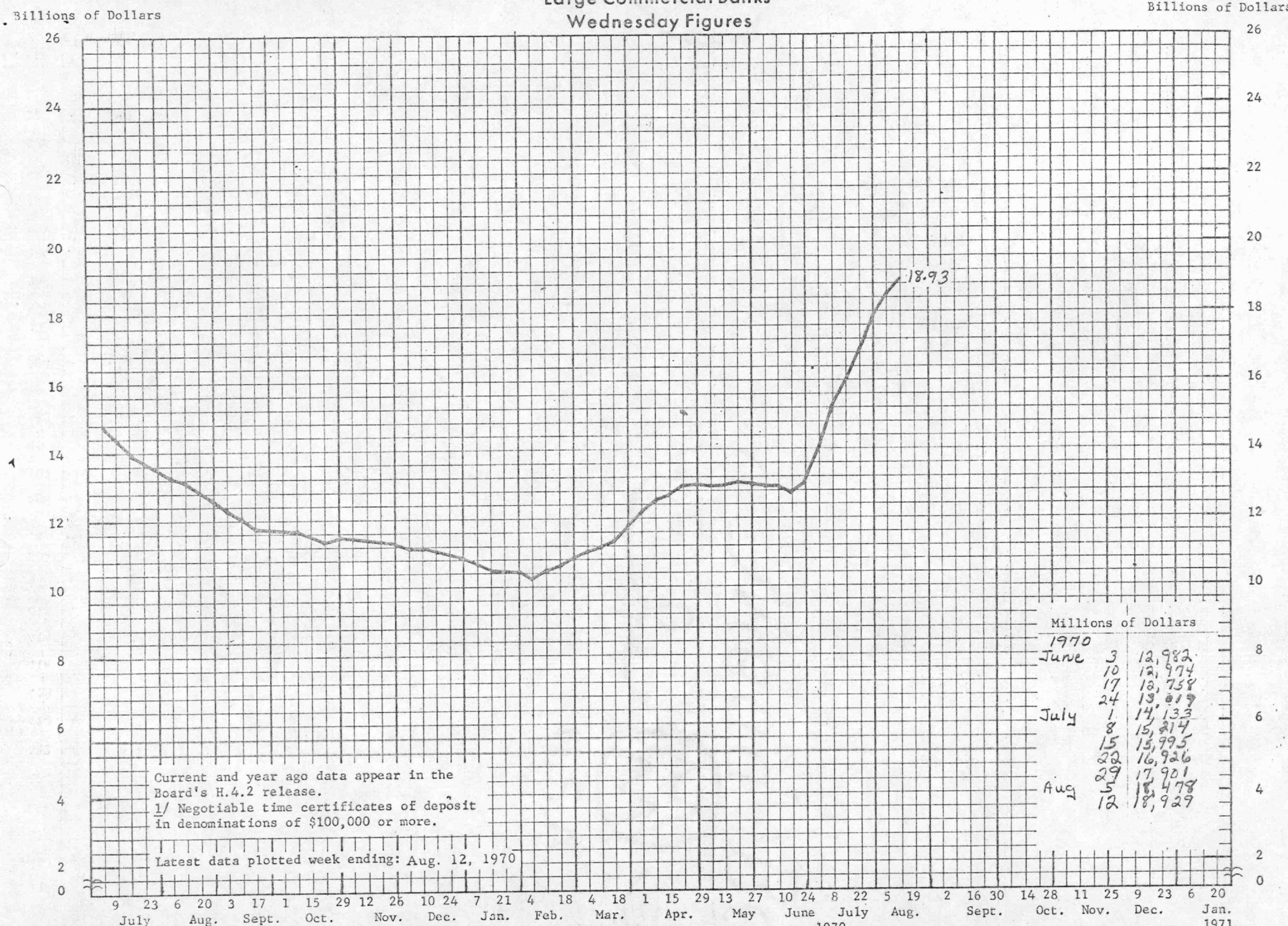
CERTIFICATES OF DEPOSIT 1/
Large Commercial Banks
Wednesday Figures



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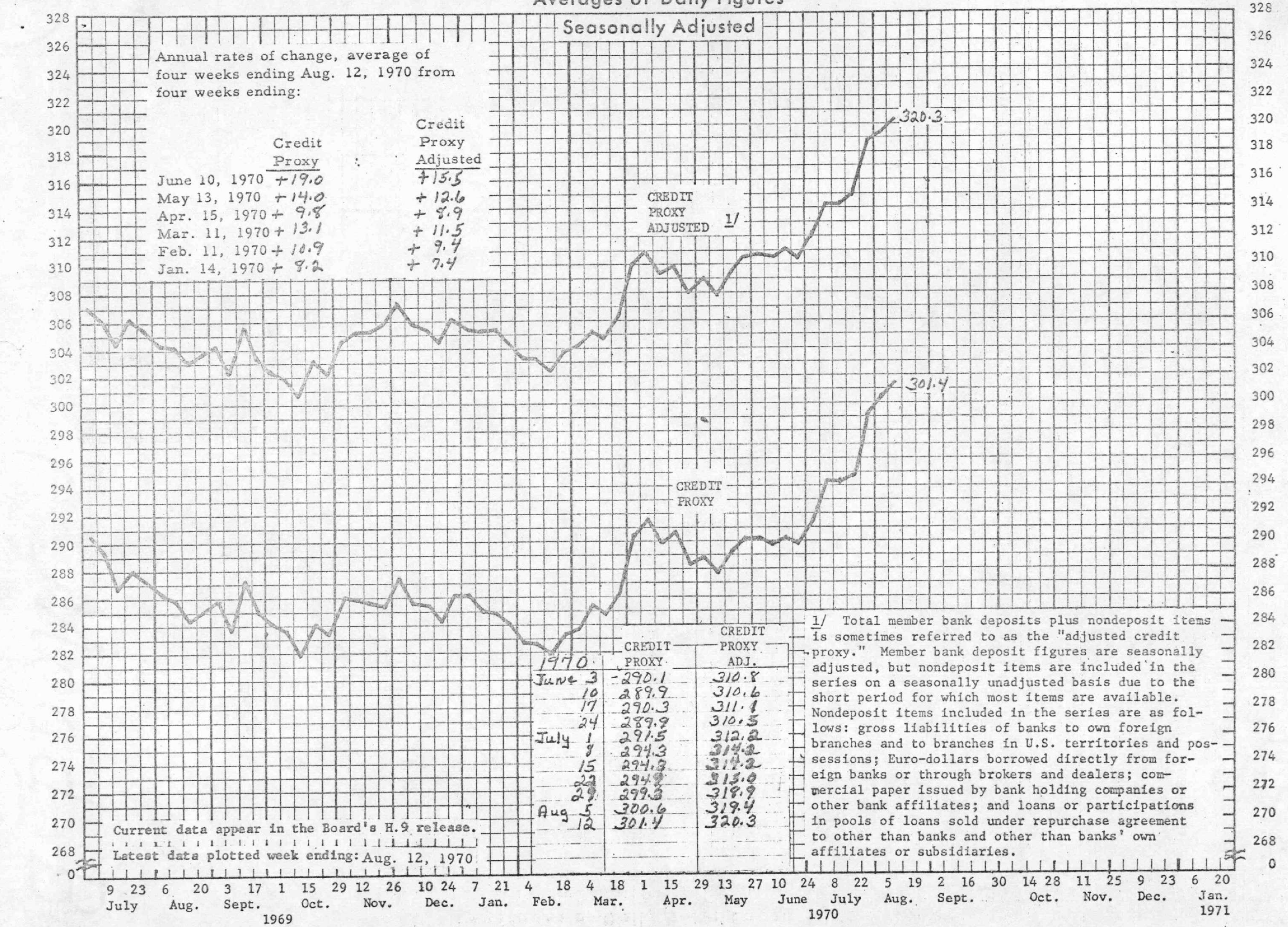
MEMBER BANK DEPOSITS SUBJECT TO RESERVE REQUIREMENTS
(CREDIT PROXY)
Averages of Daily Figures

Seasonally Adjusted



Annual rates of change, average of four weeks ending Aug. 12, 1970 from four weeks ending:

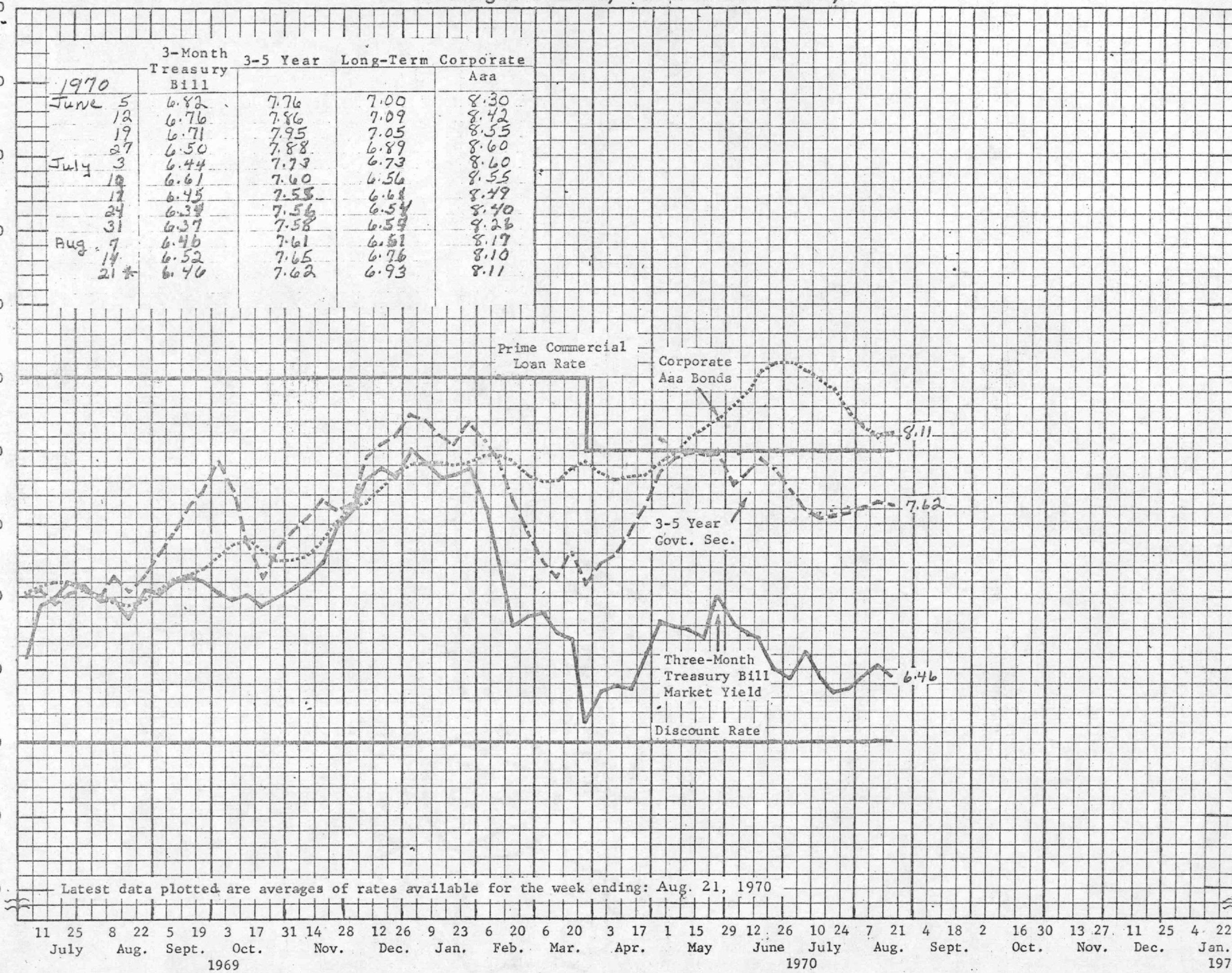
	Credit Proxy	Credit Proxy Adjusted
June 10, 1970	+19.0	+15.5
May 13, 1970	+14.0	+12.6
Apr. 15, 1970	+ 9.8	+ 8.9
Mar. 11, 1970	+13.1	+11.5
Feb. 11, 1970	+10.9	+ 9.4
Jan. 14, 1970	+ 8.2	+ 7.4

1970	CREDIT PROXY	CREDIT PROXY ADJ.
June 3	290.1	310.8
10	289.9	310.6
17	290.3	311.1
24	289.9	310.5
July 1	291.5	312.2
8	294.3	314.2
15	294.3	314.2
22	294.9	315.0
29	299.3	318.9
Aug 5	300.6	319.4
12	301.4	320.3

1/ Total member bank deposits plus nondeposit items is sometimes referred to as the "adjusted credit proxy." Member bank deposit figures are seasonally adjusted, but nondeposit items are included in the series on a seasonally unadjusted basis due to the short period for which most items are available. Nondeposit items included in the series are as follows: gross liabilities of banks to own foreign branches and to branches in U.S. territories and possessions; Euro-dollars borrowed directly from foreign banks or through brokers and dealers; commercial paper issued by bank holding companies or other bank affiliates; and loans or participations in pools of loans sold under repurchase agreement to other than banks and other than banks' own affiliates or subsidiaries.

Prepared by Federal Reserve Bank of St. Louis

YIELDS ON SELECTED SECURITIES
Averages of Daily Rates Ended Friday



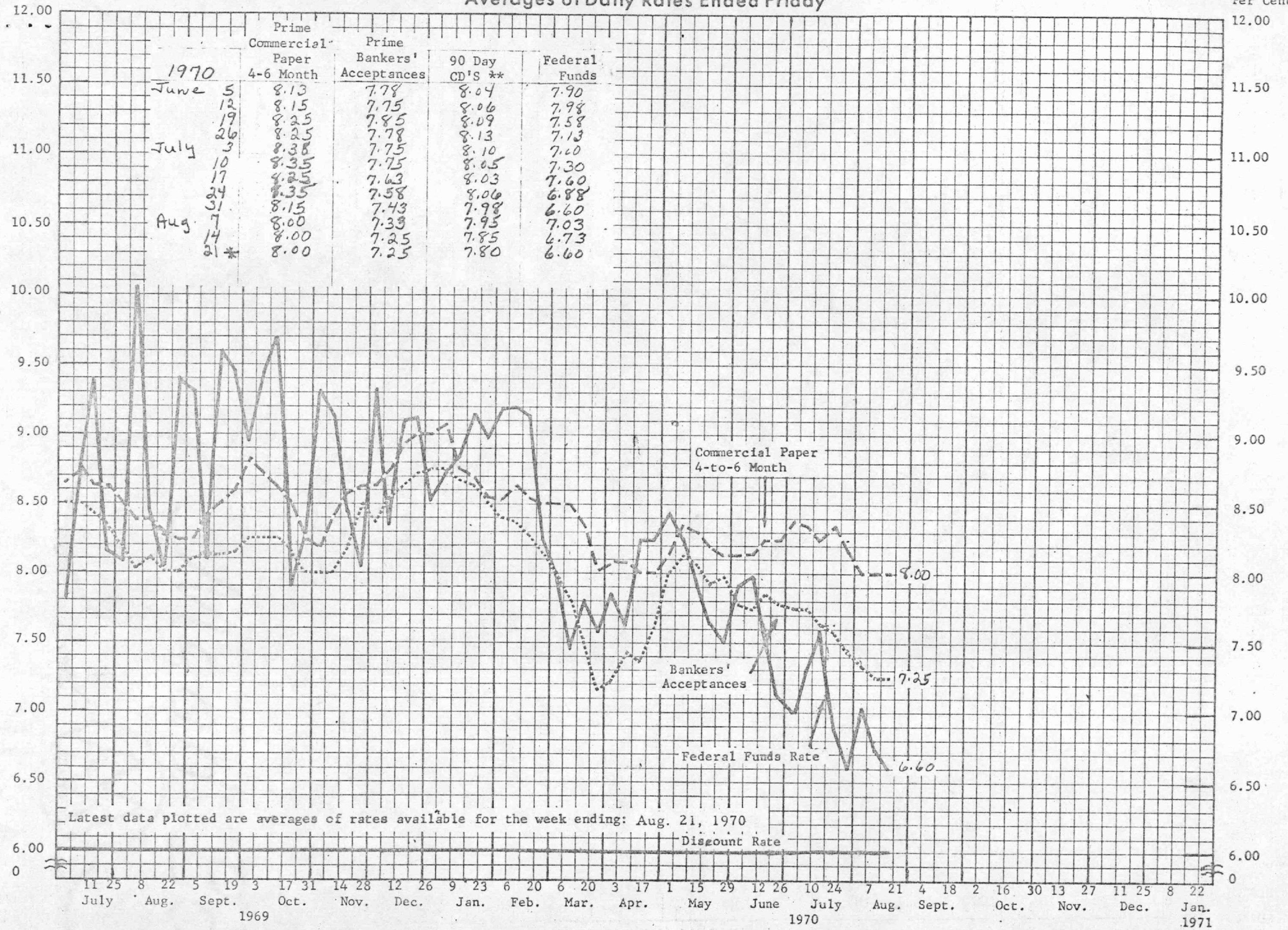
1970	3-Month Treasury Bill	3-5 Year	Long-Term	Corporate Aaa
June 5	6.82	7.76	7.00	8.30
12	6.76	7.86	7.09	8.42
19	6.71	7.95	7.05	8.55
27	6.50	7.88	6.89	8.60
July 3	6.44	7.73	6.73	8.60
10	6.61	7.60	6.56	8.55
17	6.45	7.55	6.68	8.49
24	6.34	7.56	6.54	8.40
31	6.37	7.58	6.59	8.26
Aug. 7	6.46	7.61	6.61	8.17
14	6.52	7.65	6.76	8.10
21 *	6.46	7.62	6.93	8.11

* AVERAGES OF RATES AVAILABLE

Prepared by Federal Reserve Bank of St. Louis

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

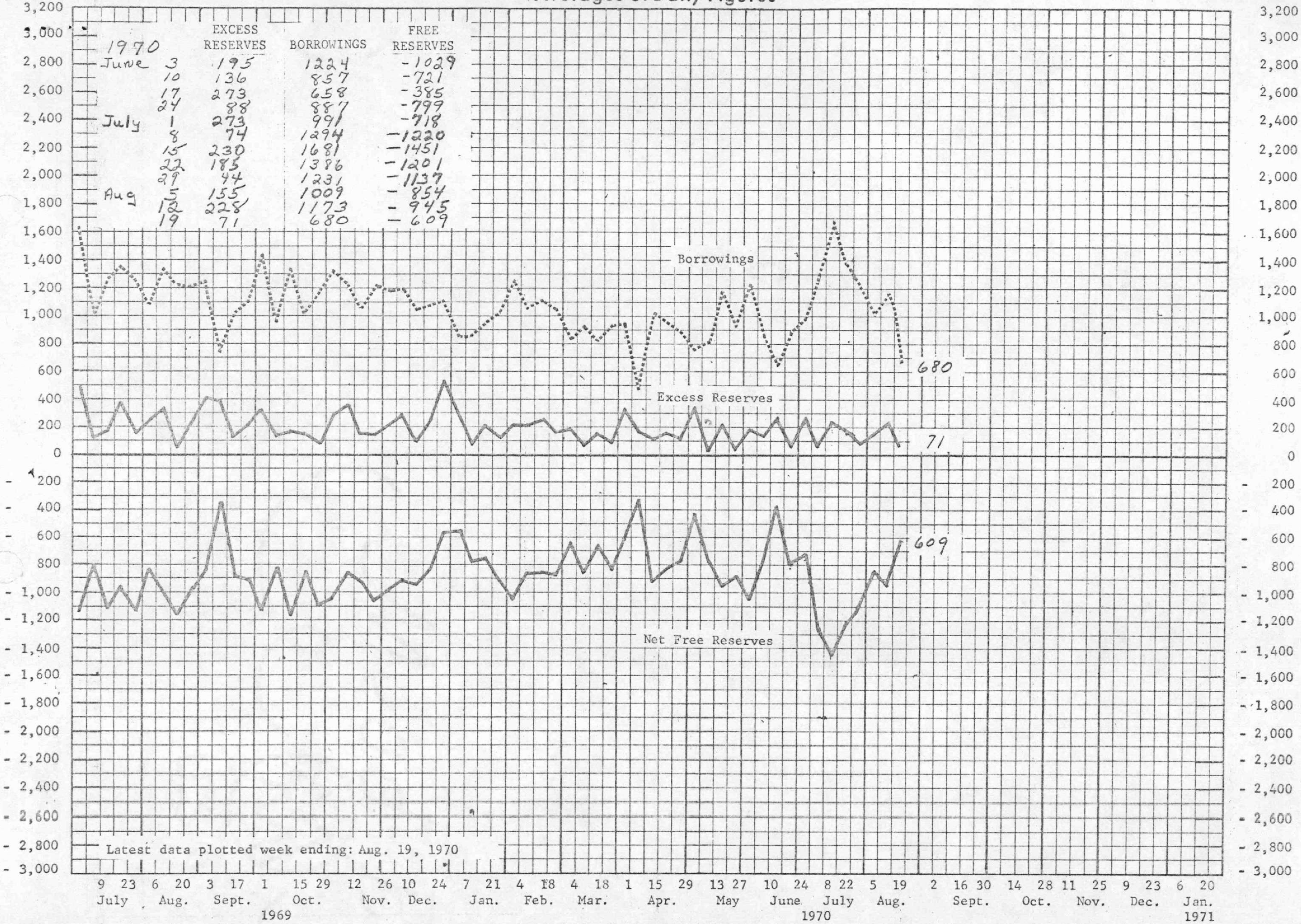
1970		Prime Commercial Paper 4-6 Month	Prime Bankers' Acceptances	90 Day CD'S **	Federal Funds
June	5	8.13	7.78	8.04	7.90
	12	8.15	7.75	8.06	7.98
	19	8.25	7.85	8.09	7.58
	26	8.25	7.78	8.13	7.13
July	3	8.38	7.75	8.10	7.60
	10	8.35	7.75	8.05	7.30
	17	8.25	7.63	8.03	7.60
	24	8.35	7.58	8.06	6.88
	31	8.15	7.43	7.98	6.60
Aug.	7	8.00	7.33	7.95	7.03
	14	8.00	7.25	7.85	6.73
	21 *	8.00	7.25	7.80	6.60



* AVERAGES OF RATES AVAILABLE; FEDERAL FUNDS LAST FIVE DAYS AVAILABLE
** RATES ARE SECONDARY MARKET RATE, WEEKLY AVERAGES ENDING WEDNESDAY TWO DAYS EARLIER. CURRENT DATA APPEAR IN THE BOARD'S H.9 RELEASE.

Prepared by Federal Reserve Bank of St. Louis

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



1970		EXCESS RESERVES	BORROWINGS	FREE RESERVES
June	3	195	1224	-1029
	10	136	857	-721
	17	273	658	-385
	24	88	887	-799
July	1	273	991	-718
	8	74	1294	-1220
	15	230	1681	-1451
	22	185	1386	-1201
	29	44	1231	-1137
Aug	5	155	1009	-854
	12	228	1173	-945
	19	71	680	-609

Prepared by Federal Reserve Bank of St. Louis