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BANKING AND MONETARY DEVELOPMENTS IN JANUARY 1960

Bank credit. Total credit at all commercial banks showed a sharp decline of \$3.6 billion in January exceeding the large December increase by \$800 million. Loans declined \$2.5 billion offsetting the December expansion. Usually in years of rapid loan growth, such as 1955 and 1956, January loan declines are smaller than the preceding December increases. The January loan reduction reflected largely seasonal repayments by businesses, security dealers, and nonbank financial institutions.

Holdings of U. S. Government securities declined \$900 million in January following an increase of \$200 million in December. Holdings increased somewhat early in January when commercial banks initially acquired practically all of the new \$2 billion Treasury tax anticipation bills issued on January 8, but reductions at other times in the month more than offset these purchases. Banks took about \$600 million of the \$1.5 billion Treasury bills issued on January 15 for cash or in exchange for the \$2 billion bills maturing on that date. Holdings of other securities declined moderately in January.

At both weekly reporting city banks and at country member banks total credit declined more in January than it had increased in December. At each group of banks the reduction was larger than in any other recent year; this followed near-record growth in December.

Business loans<sup>1/</sup> at all commercial banks (excluding loans to sales finance companies and other nonbank financial businesses) declined \$800 million in January, slightly less than in the comparable 1957-59 periods but considerably more than in 1955 and 1956. In December, business loans had increased about \$700 million, more than in any other recent year. More than half the decline at weekly reporting banks was seasonal repayments by food processors, commodity dealers, and trade concerns. Most other industry groups also reduced their outstanding indebtedness. Loans to metals processors and textile manufacturers rose, however, as is usual in this period.

Loans to nonbank financial institutions at all commercial banks are estimated to have declined \$900 million in January. Loans to sales finance companies at weekly reporting banks (which are now included in this category) declined \$650 million, considerably more than in January of any other year. These loans had shown a record \$730 million growth in December.

<sup>1/</sup> See note at end of Report.

Security loans at all commercial banks declined \$800 million in January, somewhat more than in most other recent years. The December rise of \$600 million had been moderate. Real estate loans probably showed little further change in January, as is usual. Consumer loans are estimated to have increased moderately further.

Deposits and currency. Seasonally adjusted demand deposit and currency holdings of businesses and individuals declined \$200 million in January following an increase of \$300 million in December (after adjustment for amended definition of demand deposits). At the end of January, the seasonally adjusted money supply was about 1/2 of 1 per cent above the level a year earlier. It had increased about 1 per cent in 1959.

Seasonal adjustment factors for demand deposits adjusted and currency outside banks have been revised beginning in 1946. The above changes are based on these revised factors. A table is appended to this report showing unadjusted data, seasonal adjustment factors, and seasonally adjusted data for the two series and the total money supply, monthly, beginning in 1946. A short description of the seasonal adjustment method used is also included.

Seasonally adjusted semi-monthly averages of daily demand deposits adjusted at member banks show a decline of \$400 million between the second half of December and the second half of January. (preliminary)

U. S. Government deposits declined \$1.1 billion in January. This was a smaller reduction than in the comparable periods of most other recent years although in January 1959 these deposits had increased.

Time deposits at commercial banks declined \$400 million in January. In January 1959, these deposits (after adjustment for structure changes) had declined \$200 million while over the year 1959 they had increased \$1.5 billion. Deposits at mutual savings banks rose \$200 million in January compared with an increase of \$100 million last year (after structure adjustments).

Deposit turnover. The seasonally adjusted annual rate of turnover of demand deposits at 337 centers outside New York and other financial centers was 24.9 in January, the same as the revised December rate. During 1959, turnover had increased 5 per cent with most of the growth occurring early in the year.

Bank reserves. Net borrowed reserves of member banks averaged \$395 million in January compared with \$425 million in December. Borrowings averaged \$905 million in January, about the same as a month earlier but excess reserves at \$510 million were a little higher. Reserve positions were slightly easier at central reserve city banks in New York in January than in December but about the same at other banks.

During January, on a daily average basis, reserves were supplied principally by a \$765 million inflow of currency from circulation. A reduction in "other Federal Reserve accounts" reflecting largely a \$340 million payment to the United States Treasury as interest on Federal Reserve notes also supplied reserves. Gold stock declined moderately further but this loss of reserves was more than offset by a reduction in foreign deposits at the Reserve Banks. Reserve were absorbed mainly by a \$1.1 billion reduction in Federal Reserve System holdings of U. S. Government securities. Float declined only \$80 million, considerably less than seasonally. Required reserves declined \$100 million.

NOTE: Tables on types of loans included in this report have been revised to show loans to nonbank financial institutions separately and to exclude them from business and "other" loans. Business loans on the new basis exclude loans to sales finance companies, mortgage companies, factors, commercial finance companies, and other business financing institutions. "Other" loans now exclude loans to personal loan and finance companies, insurance companies, Federal lending agencies and building and savings and loan associations. This reporting procedure was instituted for weekly reporting banks in July 1959. Data on both the new and old basis are available for all commercial banks as of June 10, 1959. Through June 24, 1959, changes in loans to sales finance companies at weekly reporting banks have been included in all the tables; these changes have been subtracted from business loans, on the old basis, to derive some roughly comparable changes for business loans on the new basis at all commercial banks for prior years. Separate data for other financial business categories are not available. A special table is also appended showing changes in loans to sales finance companies at weekly reporting banks monthly, quarterly, semi-annually, and annually, beginning in 1952. These changes may be used to adjust business loans for other periods at either weekly reporting banks or all commercial banks.

**Estimated Changes in Loans and Investments at All Commercial Banks**  
(In billions of dollars)

Item	End of December to last Wednesday of January 2/					
	1960	1959	1958	1957	1956	1955
<b>Total loans (less bank)</b>	- 2.5	- 1.6	- 2.7	- 2.0	- 1.1	- 0.6
Business <sup>3/</sup>	- 0.8	- 1.2	- 1.7	- 1.1	- 0.5	- 0.3
Real estate	<u>1/</u>	+ 0.3	<u>1/</u>	<u>1/</u>	+ 0.1	+ 0.2
Security	- 0.8	- 0.5	- 0.6	- 0.6	- 0.4	- 0.5
Agricultural	<u>1/</u>	<u>1/</u>	+ 0.1	<u>1/</u>	- 0.1	<u>1/</u>
Consumer	+ 0.1	+ 0.1	- 0.1	- 0.1	+ 0.1	<u>1/</u>
Nonbank financial	- 0.9	<u>4/</u>	<u>4/</u>	<u>4/</u>	<u>4/</u>	<u>4/</u>
All other <sup>3/</sup>	- 0.1	- 0.2	- 0.2	- 0.1	- 0.1	<u>1/</u>
Sales finance companies	<u>5/</u>	- 0.3	- 0.6	- 0.2	- 0.2	<u>1/</u>
Business less sales finance	<u>5/</u>	- 0.9	- 1.1	- 0.9	- 0.3	- 0.3
U. S. Government securities	- 0.9	+ 1.1	- 0.5	- 0.9	- 0.7	<u>1/</u>
Other securities	- 0.2	- 0.2	<u>1/</u>	- 0.1	- 0.2	+ 0.4
<b>Total (less bank)</b>	- 3.6	- 0.6	- 3.1	- 2.9	- 2.0	- 0.2

Item	End of December to last Wednesday of January 2/					
	1954	1953	1952	1951	1950	1949
<b>Total loans (less bank)</b>	- 1.4	- 0.6	- 0.9	+ 0.1	- 0.3	- 0.1
Business	- 0.6	- 0.4	- 0.3	+ 0.4	+ 0.1	n.a.
Real estate	<u>1/</u>	+ 0.1	<u>1/</u>	+ 0.1	+ 0.2	n.a.
Security	- 0.7	- 0.5	- 0.5	- 0.3	- 0.3	n.a.
Agricultural	+ 0.1	<u>1/</u>	<u>1/</u>	<u>1/</u>	- 0.1	n.a.
Consumer	- 0.1	+ 0.1	<u>1/</u>	<u>1/</u>	<u>1/</u>	<u>1/</u>
Nonbank financial	<u>4/</u>	<u>4/</u>	<u>4/</u>	<u>4/</u>	<u>4/</u>	n.a.
All other	- 0.1	+ 0.1	- 0.2	<u>1/</u>	- 0.2	n.a.
Sales finance companies	- 0.2	- 0.1	n.a.	n.a.	n.a.	n.a.
Business less sales finance	- 0.4	- 0.3	n.a.	n.a.	n.a.	n.a.
U. S. Government securities	+ 0.8	- 0.5	+ 0.5	- 2.0	+ 1.0	+ 0.4
Other securities	<u>1/</u>	+ 0.1	<u>1/</u>	<u>1/</u>	+ 0.1	- 0.1
<b>Total (less bank)</b>	- 0.7	- 1.2	- 0.5	- 1.9	+ 0.8	+ 0.2

<sup>1/</sup> Less than \$50 million n.a. Not available

<sup>2/</sup> Except for 1959, which is for December 30, dates are for last working day of December.

<sup>3/</sup> Data for 1960 are on revised basis (beginning June 1959) and exclude loans to nonbank financial institutions. For previous years, loans to sales finance companies at weekly reporting banks have been shown separately to provide roughly comparable changes in business loans on revised basis.

<sup>4/</sup> Included in business and "other loans".

<sup>5/</sup> See above data.

**Estimated Changes in Loans and Investments at All Commercial Banks**  
(In billions of dollars)

Item	End of June to end of December 2/					
	1959 4/	1958	1957	1956	1955	1954
<u>Total loans (less bank)</u>	+ 7.0	+ 3.6	+ 1.2	+ 3.4	+ 7.3	+ 3.2
Business 5/	+ 2.1	+ 1.5	1/	+ 2.6	3/+ 4.4	+ 0.7
Real estate	+ 1.2	+ 1.6	+ 0.5	+ 0.7	3/+ 1.0	+ 1.2
Security	+ 0.6	- 1.0	+ 0.3	- 0.2	+ 0.6	+ 0.7
Agricultural	- 0.2	+ 0.4	+ 0.1	- 0.1	+ 0.1	+ 0.1
Consumer	+ 1.1	+ 0.2	+ 0.4	+ 0.4	+ 1.1	+ 0.1
Nonbank financial	+ 1.4	6/	6/	6/	6/	6/
All other 5/	+ 0.7	+ 0.9	+ 0.1	+ 0.2	+ 0.2	+ 0.4
Sales finance companies	7/	+ 0.3	- 0.1	+ 0.1	+ 0.7	1/
Business less sales finance	7/	+ 1.2	+ 0.1	+ 2.5	+ 3.7	+ 0.7
U. S. Government securities	- 2.3	+ 2.2	+ 2.7	+ 1.9	- 1.7	+ 5.5
Other securities	- 0.2	+ 0.4	+ 1.1	- 0.2	- 0.1	+ 0.8
<u>Total (less bank)</u>	+ 4.6	+ 6.2	+ 5.0	+ 5.1	+ 5.5	+ 9.5

Item	End of June to end of December 2/					
	1953	1952	1951	1950	1949	1948
<u>Total loans (less bank)</u>	+ 2.6	+ 4.9	+ 2.9	+ 7.5	+ 1.9	+ 2.7
Business 5/	- 0.2	+ 2.6	+ 2.2	+ 5.0	+ 0.6	+ 0.9
Real estate	+ 0.5	+ 0.7	+ 0.4	+ 1.1	+ 0.5	+ 0.6
Security	+ 0.8	+ 0.1	- 0.1	+ 0.1	- 0.3	1/
Agricultural	+ 1.3	+ 0.3	+ 0.3	1/	+ 0.2	+ 0.8
Consumer	+ 0.3	+ 1.1	1/	+ 0.8	+ 0.7	+ 0.3
Nonbank financial	6/	6/	6/	6/	6/	6/
All other 5/	1/	+ 0.3	+ 0.1	+ 0.6	+ 0.3	+ 0.1
Sales finance companies	- 0.1	+ 0.5	n.a.	n.a.	n.a.	n.a.
Business less sales finance	- 0.1	+ 2.1	n.a.	n.a.	n.a.	n.a.
U. S. Government securities	+ 4.8	+ 2.1	+ 3.0	- 3.7	+ 3.8	- 2.2
Other securities	+ 0.4	+ 0.1	+ 0.6	+ 1.2	+ 0.7	1/
<u>Total (less bank)</u>	+ 7.7	+ 7.2	+ 6.6	+ 4.9	+ 6.4	+ 0.5

1/ Less than \$50 million.

n.a. Not Available

2/ Dates are for June 30, for all years except 1959, 1958, and 1957 which are for last Wednesday. Dates are for December 31 except for 1959 which is for December 30.

3/ In October 1955, the level of business loans was increased by, and that of real estate decreased by, \$300 million to correct classification errors.

4/ As a result of inclusion of banks in Hawaii, in August 1959 total credit increased about \$300 million; total loans \$200 million; and U. S. Govt. securities, \$100 million.

5/ Beginning June 1959 data are on revised basis and exclude loans to nonbank financial institutions. For previous years, loans to sales finance companies at weekly reporting banks have been shown separately to provide roughly comparable changes in business loans on revised basis.

6/ Included in business and "other loans". 7/ See above data.

Estimated Changes in Loans and Investments at All Commercial Banks  
(In billions of dollars)

Item	Year Ending December					
	1959 <sup>2/</sup>	1958	1957	1956	1955	1954
<u>Total loans (less bank)</u>	+ 12.3	+ 4.3	+ 3.5	+ 7.6	+ 11.6	+ 2.9
Business <sup>3/</sup>	<u>4/</u> + 4.2	- 0.1	+ 1.8	+ 5.5	+ 6.4	- 0.3
Real estate	+ 2.8	+ 2.1	+ 0.6	+ 1.7	+ 2.4	+ 1.7
Security	<u>1/</u>	+ 0.4	- 0.1	- 0.8	+ 0.6	+ 0.9
Agricultural	- 0.2	+ 0.9	- 0.1	- 0.3	- 0.7	+ 0.2
Consumer	+ 2.6	+ 0.2	+ 1.2	+ 1.4	+ 2.3	<u>1/</u>
Nonbank financial	<u>4/</u> + 1.4	<u>5/</u>	<u>5/</u>	<u>5/</u>	<u>5/</u>	<u>5/</u>
All other <sup>3/</sup>	<u>4/</u> + 1.4	+ 1.0	+ 0.3	+ 0.4	+ 0.9	+ 0.6
Sales finance companies	<u>6/</u> + 0.3	- 0.6	+ 0.3	- 0.2	+ 1.3	- 0.1
Business less sales finance	+ 3.9	+ 0.5	+ 1.5	+ 5.7	+ 5.1	- 0.2
U. S. Government securities	- 7.8	+ 8.1	- 0.3	- 3.0	- 7.4	+ 5.6
Other securities	- 0.2	+ 2.6	+ 1.7	- 0.4	+ 0.4	+ 1.6
Total (less bank)	+ 4.4	+ 15.1	+ 4.9	+ 4.2	+ 4.6	+ 10.2

Item	Year Ending December					
	1953	1952	1951	1950	1949	1948
<u>Total loans (less bank)</u>	+ 3.4	+ 6.4	+ 5.4	+ 9.3	+ 0.5	+ 4.4
Business	- 0.7	+ 2.0	+ 4.0	+ 4.9	- 1.9	+ 0.8
Real estate	+ 1.0	+ 1.1	+ 1.0	+ 2.0	+ 0.7	+ 1.4
Security	+ 0.4	+ 0.6	- 0.3	+ 0.2	+ 0.3	+ 0.3
Agricultural	+ 1.0	+ 0.5	+ 0.5	- 0.1	+ 0.2	+ 1.2
Consumer	+ 1.5	+ 1.9	+ 0.1	+ 1.6	+ 1.0	+ 1.0
Nonbank financial	<u>5/</u>	<u>5/</u>	<u>5/</u>	<u>5/</u>	<u>5/</u>	<u>5/</u>
All other	+ 0.2	+ 0.3	+ 0.3	+ 0.9	+ 0.3	+ 0.3
Sales finance companies	- 0.2	+ 0.3	n.a.	n.a.	n.a.	n.a.
Business less sales finance	- 0.5	+ 1.7	n.a.	n.a.	n.a.	n.a.
U. S. Government securities	+ 0.1	+ 1.8	- 0.5	- 5.0	+ 4.4	- 6.6
Other securities	+ 0.5	+ 0.8	+ 0.9	+ 2.2	+ 1.0	+ 0.2
Total (less bank)	+ 4.1	+ 9.0	+ 5.9	+ 6.5	+ 5.9	- 2.0

<sup>1/</sup> Less than \$50 million.

n.a. Not available.

<sup>2/</sup> Structure changes in 1959 added about \$1 billion to total credit; \$600 million in loans; \$300 million in U. S. Govt. securities; and \$100 million in other securities. Real estate loans increased about \$300 million; business loans \$100 million; and consumer loans \$100 million. <sup>3/</sup> Beginning June 1959 data are on a revised basis and exclude loans to nonbank financial institutions. For previous years, loans to sales finance companies at weekly reporting banks have been shown separately to provide roughly comparable changes in business loans on revised basis. <sup>4/</sup> Changes in business and other loans are on old basis for first half of 1959 and new basis for second half. Changes in nonbank financial institutions are for second half only. <sup>5/</sup> Included in business and "other loans". <sup>6/</sup> First half 1959.

Changes in Loans and Investments at City and Country Banks  
(In millions of dollars)

Item	Last Wednesday in Dec. to Last Wednesday in Jan.					
	1960	1959	1958	1957	1956	1955
<u>Weekly reporting banks 1/</u>						
Total loans	-2,146	-1,497	-2,413	-2,001	- 831	- 648
U. S. Government securities	- 789	+ 232	- 500	- 553	- 647	- 461
Other securities	- 152	- 130	+ 113	- 74	- 49	+ 287
Total loans and investments	<u>-3,087</u>	<u>-1,395</u>	<u>-2,800</u>	<u>-2,628</u>	<u>-1,527</u>	<u>- 822</u>
<u>Country member banks</u>						
Total loans	- 367	- 153	- 220	- 135	+ 58	+ 47
U. S. Government securities	- 68	+ 448	- 136	- 209	- 246	+ 93
Other securities	- 49	- 3	+ 20	+ 61	- 26	+ 79
Total loans and investments	<u>- 484</u>	<u>+ 292</u>	<u>- 336</u>	<u>- 283</u>	<u>- 214</u>	<u>+ 218</u>
Item	Last Wednesday in Dec. to Last Wednesday in Jan.					
	1954	1953	1952	1951	1950	1949
<u>Weekly reporting banks 1/</u>						
Total loans	-1,660	- 746	- 671	- 58	- 315	- 289
U. S. Government securities	+ 487	- 824	+ 218	-2,170	+ 608	+ 424
Other securities	+ 62	+ 68	+ 10	- 34	+ 104	- 34
Total loans and investments	<u>-1,111</u>	<u>-1,502</u>	<u>- 443</u>	<u>-2,262</u>	<u>+ 397</u>	<u>+ 101</u>
<u>Country member banks</u>						
Total loans	- 50	+ 84	- 19	+ 85	+ 92	+ 7
U. S. Government securities	+ 77	+ 171	+ 268	- 226	+ 250	+ 36
Other securities	- 13	- 27	- 16	+ 1	- 29	- 50
Total loans and investments	<u>+ 14</u>	<u>+ 228</u>	<u>+ 233</u>	<u>- 140</u>	<u>+ 313</u>	<u>- 6</u>

1/ Beginning 1959 changes are on revised basis.

Note: Data for country banks include interbank loans, which on October 6, 1959 were about \$200 million. Data for weekly reporting banks include interbank loans prior to 1952.

Not for publication.

Table 2

Changes in Commercial and Industrial Loans 1/  
(In millions of dollars)

Business of Borrower	Last Wednesday in December to Last Wednesday in January								
	1960	3/1959	1958	1957	1956	1955	1954	1953	1952
Food processors	- 137	- 151	- 227	- 254	- 113	- 119	- 97	- 32	- 118
Commodity dealers	- 113	- 60	- 10	- 68	- 38	- 82	- 37	- 89	- 93
Trade concerns	- 103	- 94	- 206	- 233	- 68	- 116	- 108	- 51	- 155
Total	- 353	- 305	- 443	- 555	- 219	- 317	- 242	- 172	- 366
Sales finance	2/	- 264	- 571	- 186	- 221	+ 5	- 153	- 106	- 320
All other - total	- 53	- 280	- 304	- 91	+ 110	- 60	- 343	+ 59	+ 392
Metals and products	+ 84	+ 61	- 44	- 19	+ 66	+ 7	- 152	+ 90	+ 520
Textiles, apparel and leather	+ 15	- 12	+ 25	- 23	+ 6	+ 28	+ 14	+ 6	- 39
Petroleum, coal etc.	+ 4	- 71	- 22	+ 18	+ 48	----	- 104	- 2	+ 39
Other manufacturing and mining	- 20	- 14	- 28	- 21	+ 10	- 10	- 31	- 10	+ 4
Public utilities	- 24	- 109	- 81	+ 100	+ 65	- 9	- 16	+ 25	- 53
Construction	- 40	- 23	- 24	- 38	- 4	+ 4	- 11	- 4	- 30
All other types of business	- 72	- 112	- 130	- 108	- 81	- 80	- 43	- 46	- 49
Classified	- 405	- 848	- 1,318	- 833	- 331	- 371	- 737	- 219	- 293
Unclassified	- 198	- 271	- 281	- 199	- 139	4/ 58	- 142	- 160	+ 21
Total change	- 603	- 1,119	- 1,599	- 1,032	- 470	4/-429	- 878	- 379	- 272
Total change excluding sales finance	- 603	- 855	- 1,028	- 846	- 249	4/-434	- 725	- 273	+ 48

1/ Prior to week ending January 11, 1956, included changes in agricultural loans.

2/ Not included in business loans on revised basis.

3/ Data for 1959 have not been revised for additional banks and coverage.

4/ Includes CCC certificates of interest which are estimated to have declined \$85 million.

Note: Classified data are for a sample of about 210 banks reporting changes in their larger loans, these banks hold over 95 per cent of total commercial and industrial loans of all weekly reporting banks and nearly 75 per cent of those of all commercial banks.



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Table 3

Estimated Changes in Deposits and Currency  
(In billions of dollars)

Item	End of December to last Wednesday in January					
	1960	1959 <sup>4/</sup>	1958	1957	1956	1955
<u>Seasonally adjusted data</u> <sup>1/5/</sup>						
Demand deposits adjusted	- 0.4	r + 0.8 <sup>4/</sup>	r - 0.4	r + 0.1	r - 0.2	r + 1.0
Currency outside banks	+ 0.2	r - 0.1	r - 0.1	r + 0.2	r - 0.1	r + 0.1
Total	- 0.2	r + 0.7	r - 0.5	r + 0.3	r - 0.3	r + 1.1
<u>Seasonally unadjusted data</u> <sup>1/</sup>						
Demand deposits adjusted	- 2.4	- 1.7 <sup>4/</sup>	- 2.7	- 0.9	- 1.0	+ 0.5
Currency outside banks	- 0.8	- 1.1	- 1.0	- 1.9	- 1.2	- 1.1
Total	- 3.2	- 2.8	- 3.7	- 2.8	- 2.2	- 0.6
Time deposits	- 0.2	+ 0.1	+ 0.7	+ 0.7	2/	+ 0.1
Commercial banks	- 0.4	+ 0.2 <sup>4/</sup>	+ 0.5	+ 0.6	- 0.1	2/
Mutual savings banks	+ 0.2	- 0.2 <sup>4/</sup>	+ 0.2	+ 0.1	+ 0.2	+ 0.2
U. S. Government deposits	- 1.1	+ 0.4	- 1.8	- 2.0	- 1.6	- 0.9
Total	- 4.7	- 2.4	- 4.6	- 4.0	- 3.9	- 1.4
<u>Factors affecting deposits and currency</u> (signs indicate effect on deposits and currency)						
Bank loans and investments other than U.S. Govt. sec. <sup>3/</sup>	- 2.8	- 2.1	- 2.5	- 2.2	- 1.2	- 0.1
Commercial	- 2.7	- 1.8	- 2.7	- 2.0	- 1.3	- 0.2
Mutual savings	+ 0.1	- 0.1	+ 0.4	+ 0.2	+ 0.2	+ 0.2
Bank holdings of U. S. Government securities:	- 2.1	+ 0.3	- 1.5	- 2.4	- 1.9	- 1.2
Federal Reserve	- 1.4	- 0.9	- 0.9	- 1.5	- 1.3	- 1.3
Commercial	- 0.9	+ 1.1	- 0.5	- 0.9	- 0.7	2/
Mutual saving and other	+ 0.1	2/	- 0.1	2/	2/	2/
Gold stock and foreign deposits at F. R. Banks	+ 0.2	- 0.1	+ 0.1	+ 0.3	2/	+ 0.1
Other factors	2/ - 0.4	- 0.5	- 0.7	+ 0.3	- 0.8	- 0.2

1/ Seasonally adjusted data are for last Wednesday throughout; unadjusted data are for last Wednesday except in case of June and December call dates, when available. Data for 1959 are for December 30.

2/ Less than \$50 million.

3/ Total includes foreign loans on gold, holdings of bankers' acceptances at the Federal Reserve, and loans to foreign banks; changes in these items are generally relatively small. In addition even if there were no changes in these items, changes at commercial and mutual savings banks would not add to total change which is "net" because commercial banks exclude all interbank loans, domestic and foreign.

4/ As a result of the addition of all banks in Alaska, time deposits at commercial banks increased almost \$100 million and demand deposits adjusted increased about \$100 million. As the result of the absorption of a mutual savings bank by a commercial bank, time deposits at commercial banks increased \$300 million and those at mutual savings banks declined \$300 million.

5/ Seasonally adjusted data revised beginning 1946.

Table 3

Estimated Changes in Deposits and Currency  
(In billions of dollars)

Item	End of June to end of December					
	1959 <sup>4/5/</sup>	1958	1957	1956	1955	1954
<u>Seasonally adjusted data</u> <sup>1/</sup>						
Demand deposits adjusted	r - 0.8	r + 3.2	r - 1.5	r + 0.4	r + 1.0	r + 3.1
Currency outside banks	r - 0.1	r + 0.3	r 2/	r - 0.1	r + 0.4	r 1/
Total	r - 0.9	r + 3.5	r - 1.5	r + 0.3	r + 1.4	r + 3.1
<u>Seasonally unadjusted data</u> <sup>1/</sup>						
Demand deposits adjusted	+ 5.4	+ 9.8	+ 4.7	+ 6.7	+ 6.7	+ 8.5
Currency outside banks	+ 0.5	+ 0.9	+ 0.5	2/	+ 0.9	+ 0.8
Total	+ 5.9	+ 10.7	+ 5.2	+ 6.7	+ 7.6	+ 9.2
Time deposits	+ 0.3	+ 2.7	+ 2.7	+ 1.6	+ 1.3	+ 2.0
Commercial banks	2/	+ 1.6	+ 2.1	+ 0.9	+ 0.6	+ 1.1
Mutual savings banks	+ 0.4	+ 1.2	+ 0.8	+ 0.8	+ 0.8	+ 0.9
U. S. Government deposits	+ 0.3	- 5.3	- 0.5	- 1.6	- 1.4	- 1.7
Total	+ 6.4	+ 8.2	+ 7.4	+ 6.7	+ 7.5	+ 9.5
<u>Factors affecting deposits and currency</u> (signs indicate effect on deposits and currency)						
Bank loans and investments other than U. S. Govt. sec. <sup>3/</sup>	+ 8.4	+ 5.7	+ 3.7	+ 4.5	+ 8.4	+ 5.4
Commercial	+ 7.0	+ 4.5	+ 2.3	+ 3.2	+ 7.1	+ 4.0
Mutual savings	+ 1.0	+ 1.2	+ 1.1	+ 1.2	+ 1.1	+ 1.2
Bank holdings of U. S. Government securities:	- 2.0	+ 2.9	+ 3.6	+ 2.7	- 0.8	+ 5.0
Federal Reserve	+ 0.9	+ 1.3	+ 1.3	+ 1.2	+ 1.2	- 0.1
Commercial	- 2.3	+ 1.8	+ 2.7	+ 1.9	- 1.7	+ 5.5
Mutual saving and other	- 0.7	- 0.1	- 0.6	- 0.4	- 0.3	- 0.4
Gold stock and foreign deposits at F. R. Banks	- 0.4	- 0.8	+ 0.2	+ 0.1	2/	- 0.2
Other factors	+ 0.4	+ 0.4	- 0.1	- 0.6	- 0.1	- 0.7

<sup>1/</sup> Seasonally adjusted data are for last Wednesday throughout; unadjusted data are for last Wednesday except in case of June and December call dates, when available.

r Seasonally adjusted data revised beginning 1946.

<sup>2/</sup> Less than \$50 million.

<sup>3/</sup> Total includes foreign loans on gold, holdings of bankers' acceptances at the Federal Reserve, and loans to foreign banks; changes in these items are generally relatively small. In addition even if there were no changes in these items, changes at commercial and mutual savings banks would not add to total change which is "net" because commercial banks exclude all interbank loans, domestic and foreign, while total loans exclude only those to domestic banks. In addition, there is some lack of synchronization in reporting asset and liability items used in computing "loans net."

<sup>4/</sup> In August 1959, as a result of the addition of nonmember banks in Hawaii demand deposits adjusted increased \$200 million and time deposits at commercial banks increased \$200 million.

<sup>5/</sup> Demand deposits were reduced about \$400 million as a result of a change under Regulation D amending the definition of such deposits.

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Table 3

Estimated Changes in Deposits and Currency  
(In billions of dollars)

Item	Year Ending December					
	1959 <sup>1/5/</sup>	1958	1957	1956	1955	1954
<u>Seasonally adjusted data</u> <sup>1/</sup>						
Demand deposits adjusted	r + 1.1	r + 4.9	r - 1.3	r + 1.0	r + 3.0	r + 3.8
Currency outside banks	r + 0.1	r + 0.3	r + 0.4	r <u>2/</u>	r + 0.5	r - 0.4
Total	r + 1.2	r + 5.2	r - 0.9	r + 1.0	r + 3.5	r + 3.4
<u>Seasonally unadjusted data</u> <sup>1/</sup>						
Demand deposits adjusted	+ 0.6	+ 5.2	- 1.1	+ 1.5	+ 3.4	+ 4.1
Currency outside banks	+ 0.1	+ 0.4	<u>2/</u>	+ 0.1	+ 0.4	- 0.2
Total	+ 0.7	+ 5.6	- 1.2	+ 1.5	+ 3.8	+ 3.9
Time deposits	+ 3.1	+ 9.2	+ 6.9	+ 3.8	+ 3.1	+ 4.9
Commercial banks	+ 2.2	+ 7.1	+ 5.6	+ 2.2	+ 1.5	+ 3.2
Mutual savings banks	+ 1.0	+ 2.3	+ 1.7	+ 1.9	+ 1.8	+ 1.9
U. S. Government deposits	+ 0.6	+ 0.3	+ 0.2	<u>2/</u>	- 0.6	+ 0.3
Total	+ 4.3	+15.2	+ 5.9	+ 5.4	+ 6.3	+ 9.0
<u>Factors affecting deposits and currency</u>	(signs indicate effect on deposits and currency)					
Bank loans and investments other than U.S. Govt. sec. <sup>3/</sup>	+13.7	+ 9.8	+ 7.5	+ 9.9	+14.5	+ 7.3
Commercial	+12.1	+ 7.0	+ 5.2	+ 7.2	+12.0	+ 4.6
Mutual savings	+ 1.8	+ 2.8	+ 2.3	+ 2.5	+ 2.3	+ 2.5
Bank holdings of U. S. Government securities:	- 8.0	+ 9.8	- 1.8	- 3.6	- 8.1	+ 3.9
Federal Reserve	+ 0.5	+ 2.1	- 0.8	+ 0.1	- 0.1	- 1.0
Commercial	- 7.8	+ 8.1	- 0.3	- 3.0	- 7.4	+ 5.6
Mutual saving and other	- 0.7	- 0.4	- 0.8	- 0.7	- 0.5	- 0.7
Gold stock and foreign deposits at F. R. Banks	- 1.0	- 2.2	+ 0.8	+ 0.3	+ 0.1	- 0.4
Other factors	- 0.4	- 2.2	- 0.6	- 1.2	- 0.2	- 1.8

1/ Seasonally adjusted data are for last Wednesday throughout; unadjusted data are for last Wednesday except in case of June and December call dates, when available.

2/ Less than \$50 million.

3/ Total includes foreign loans on gold, holdings of bankers' acceptances at the Federal Reserve, and loans to foreign banks; changes in these items are generally relatively small. In addition even if there were no changes in these items, changes at commercial and mutual savings banks would not add to total change which is "net" because commercial banks exclude all interbank loans, domestic and foreign, while total loans exclude only those to domestic banks. In addition, there is some lack of synchronization in reporting asset and liability items used in computing "loans net".

4/ During 1959, as a result of structure changes, demand deposits adjusted increased \$400 million; time deposits at commercial banks increased \$700 million, and time deposits at mutual savings banks declined \$300 million.

5/ Demand deposits were reduced about \$100 million in December 1959 as a result of a change under Regulation D amending the definition of such deposits.

Seasonally adjusted data revised beginning 1946.

Table 4

Free Reserves

(excess reserves minus member bank borrowings;  
based on averages of daily figures; in millions of dollars)

	All member	New York	Chicago	Reserve city	Country
<u>Quarterly averages</u>					
1958: First	314	- 10	- 16	- 27	366
Second	508	18	4	63	422
Third	341	- 28	1	- 55	424
Fourth	25	- 44	- 17	- 194	280
1959: First	- 82	- 25	- 67	- 215	225
Second	- 363	- 52	- 56	- 393	137
Third	- 528	- 202	- 42	- 431	146
Fourth	- 439	- 168	- 83	- 385	196
1959: January	- 59	- 65	- 53	- 223	281
February	- 47	- 28	- 26	- 195	202
March	- 140	16	- 122	- 228	194
April	- 258	- 89	- 64	- 284	178
May	- 318	- 51	- 41	- 360	133
June	- 513	- 15	- 63	- 535	101
July	- 557	- 154	- 47	- 482	124
August	- 535	- 225	- 35	- 420	145
September	- 493	- 227	- 44	- 391	169
October	- 459	- 210	- 82	- 338	171
November	- 435	- 184	- 62	- 369	180
December	- 425	- 109	- 104	- 449	237
1960: January	- 394	- 76	- 100	- 444	226
1959: December 30	- 466	- 77	- 151	- 399	161
1960: January 6	- 507	- 215	- 156	- 499	363
13	- 339	- 91	- 72	- 417	241
20	- 340	- 77	- 126	- 514	377
27	- 446	- 32	- 26	- 399	11
February 3	- 427	- 63	- 71	- 427	133

Note: Data for second half of January and February are preliminary.

Not for publication.

Table 5

Changes in Member Bank Reserves, with Relevant Factors  
(Monthly average of daily figures; in millions of dollars)

Item	January		December		January-December	
	1960	1959	1959	1958	1959	1958
<u>Member bank reserves</u>						
Required reserves <sup>1/</sup>	- 98	+ 13	+ 274	+ 348	+ 68	- 461
Effect of reduction in requirements	---	---	---	---	---	-1,450
Effect of deposit change	- 98	+ 13	+ 274	+ 348	+ 68	+ 989
Excess reserves <sup>1/</sup>	+ 29	- 19	+ 37	+ 11	- 35	- 60
Total reserves held	- 69	- 6	+ 311	+ 359	+ 33	- 521
Cash allowed as reserves	- 9	---	+ 304	---	+ 304	---
Reserve balances	- 60	- 6	+ 7	+ 359	- 271	- 521
<u>Principal factors</u>	(signs indicate effect on reserves)					
Currency in circulation	+ 766	+ 849	- 568	- 638	- 404	- 438
Gold stock and foreign accounts	+ 63	- 89	- 143	- 71	-1,180	-2,123
Treasury operations	- 28	+ 42	- 15	- 59	+ 322	+ 77
Federal Reserve float	- 83	- 326	+ 332	+ 457	- 70	+ 53
Other factors	+ 337	+ 38	+ 40	- 74	- 32	- 262
<u>Effect of above factors on reserves</u>	+1,055	+ 514	- 354	- 385	-1,364	-2,693
Federal Reserve loans and investments:						
<u>Total</u>	-1,114	- 522	+ 362	+ 743	+1,092	+2,174
U. S. Govt. securities	-1,102	- 536	+ 304	+ 662	+ 724	+2,330
Outright	-1,079	- 493	+ 365	+ 654	+ 777	+2,601
Repurchase agreements	- 23	- 43	- 61	+ 8	- 53	- 271
Acceptances	- 10	+ 3	+ 32	+ 5	+ 21	- 4
Discounts and advances:						
To member banks	- 1	- 1	+ 28	+ 71	+ 349	- 153
To others	- 1	+ 12	- 2	+ 5	- 2	+ 1

<sup>1/</sup> Data for January 1960 are preliminary.

14 -  
Deposits and Currency  
(In billions of dollars)

Year or month	(1) Seasonally adjusted money supply 1/ *			(3) Seasonally adjusted money supply and time dep. at com'l banks (1+7)	(5) Demand deposits adjusted	(6) Time deposits				(10) U. S. Gov't. deposits 2/	(11) Cur- rency outside banks	(12) Total deposits and currency (5+6+10 +11)
	(2) Total (2+3)	Demand deposits adjusted	Cur- rency outside banks			(7) Total (7+8+9)	(8) Commer- cial	(9) Mutual savings	Postal savings			
End of Dec.												
1953	126.6 *	99.3 *	27.3 *	170.3 *	102.5	70.4	43.7	24.4	2.4	4.8	28.1	205.7
1954	130.0 *	103.1 *	26.9 *	176.8 *	106.6	75.3	46.8	26.3	2.1	5.1	27.9	214.8
1955	133.5 *	106.1 *	27.4 *	181.9 *	109.9	78.4	48.4	28.1	1.9	4.4	28.3	221.0
1956	134.5 *	107.1 *	27.4 *	185.1 *	111.4	82.2	50.6	30.0	1.6	4.5	28.3	226.4
1957	133.6 *	105.8 *	27.8 *	189.7 *	110.3	89.1	56.1	31.7	1.3	4.7	28.3	232.3
1958	138.8 *	110.7 *	28.1 *	202.0 *	115.5	98.3	63.2	34.0	1.1	4.9	28.7	247.5
1959:												
Jan. 28 3/	139.5 *	111.5 *	28.0 *	202.9 *	113.8	98.4	63.4	33.8	1.1	5.3	27.6	245.1
Feb. 25	139.6 *	111.6 *	28.0 *	203.3 *	111.3	98.7	63.7	34.0	1.1	5.0	27.7	242.7
Mar. 25	140.3 *	112.1 *	28.2 *	204.4 *	110.3	99.5	64.1	34.3	1.1	4.4	27.9	242.0
Apr. 29 4/	140.4 *	112.2 *	28.2 *	204.9 *	112.5	99.9	64.5	34.3	1.1	5.1	27.9	245.4
May 27	140.6 *	112.4 *	28.2 *	205.6 *	110.7	100.5	65.0	34.4	1.1	5.7	28.1	245.0
June 24	140.9 *	112.6 *	28.3 *	206.3 *	110.7	101.1	65.4	34.6	1.1	5.2	28.3	245.4
July 29p	141.2 *	112.9 *	28.3 *	206.5 *	112.7	100.8	65.3	34.5	1.0	5.6	28.4	247.6
Aug. 26p 5/	140.9 *	112.6 *	28.3 *	206.4 *	111.1	101.2	65.5	34.7	1.0	6.5	28.5	247.4
Sept. 30p	140.8 *	112.4 *	28.4 *	206.5 *	111.4	101.5	65.7	34.8	1.0	7.1	28.5	248.5
Oct. 28p	140.4 *	112.0 *	28.4 *	205.9 *	112.7	101.2	65.5	34.6	1.0	6.0	28.3	248.2
Nov. 25p	140.1 *	111.8 *	28.3 *	204.8 *	113.1	100.3	64.7	34.6	1.0	5.1	29.1	247.6
Dec. 30p 6/	140.0 *	111.8 *	28.2 *	205.4 *	116.1	101.3	65.4	34.9	1.0	5.5	28.8	251.7
1960:												
Jan. 27p	139.8	111.4	28.4	204.8	113.7	101.1	65.0	35.1	1.0	4.4	28.0	247.0

p Preliminary. 1/ Seasonally adjusted series begins in 1946 and is available only for last Wednesday of the month. 2/ At commercial, savings, and Federal Reserve Banks. 3/ As a result of the addition of all banks in Alaska, time deposits at commercial banks increased almost \$100 million and demand deposits adjusted increased about \$100 million. As a result of the absorption of a mutual savings bank, time deposits at commercial banks increased \$300 million and those at mutual savings banks declined \$300 million. 4/ As a result of inclusion of a national bank in Hawaii, demand deposits adjusted increased about \$100 million and time deposits at commercial banks about \$100 million. 5/ As a result of inclusion of all banks in Hawaii, demand deposits adjusted increased about \$200 million and time deposits at commercial banks about \$200 million. On balance in 1959, as a result of structure changes, demand deposits adjusted increased \$400 million, time deposits at commercial banks increased \$700 million; and time deposits at mutual savings banks declined \$300 million. 6/ Demand deposits were reduced about \$400 million as a result of a technical change under Regulation D amending the definition of such deposits. \* Seasonal adjustment factors and data revised beginning 1946.

Loans and Investments at All Commercial Banks  
(In billions of dollars)

Date	Loans and investments	U. S. Govt. securities	Other securities	Total loans	Business	Real estate	Secu-rity	Farm	Con-sumer	Nonbank financial institutions	All other
1953: Dec. 31	145.5	63.4	14.7	67.4	27.2	16.7	3.6	5.0	10.9	---	5.1
1954: Dec. 31	155.7	69.0	16.3	70.4	26.9	18.4	4.5	5.2	10.9	---	5.6
1955: Dec. 31	160.3	61.6	16.7	82.0	33.2	20.8	5.0	4.5	13.2	---	6.5
1956: Dec. 31	164.5	58.6	16.3	89.7	38.7	22.5	4.3	4.2	14.6	---	6.9
1957: Dec. 31	169.3	58.2	17.9	93.2	40.5	23.1	4.2	4.1	15.8	---	7.2
1958: Nov. 26	182.7	67.7	20.3	94.7	39.3	25.0	3.9	4.9	15.7	---	7.9
Dec. 31	184.4	66.4	20.6	97.5	40.4	25.3	4.7	5.0	15.9	---	8.2
1959: 1/ Jan. 28	183.8	67.5	20.4	95.9	39.2	25.6	4.2	5.0	16.0	---	8.0
Feb. 25	181.9	65.5	20.4	96.0	39.2	25.7	4.0	5.0	16.1	---	8.1
Mar. 25	181.1	63.2	20.6	97.4	40.2	25.9	3.9	4.8	16.3	---	8.2
2/ Apr. 29	183.8	63.6	20.9	99.3	40.6	26.3	4.3	4.9	16.7	---	8.4
May 27	183.9	62.6	20.8	100.5	41.4	26.6	4.1	4.9	17.0	---	8.6
June 24	184.2	60.9	20.6	102.8	42.5	26.9	4.1	5.0	17.4	---	8.9
June 24	184.2	60.9	20.6	102.8	37.8	26.9	4.1	5.0	17.4	5.9	7.7
July 29p	185.7	61.1	20.6	103.9	37.8	27.1	4.2	5.1	17.6	6.2	7.8
3/ Aug. 26p	186.1	60.3	20.5	105.3	38.2	27.3	4.2	5.1	17.9	6.6	8.0
Sept. 30p	186.3	59.2	20.7	106.3	38.7	27.5	4.1	5.1	18.1	6.5	8.3
Oct. 28p	186.6	59.6	20.6	106.5	38.7	27.7	4.1	5.0	18.3	6.1	8.5
Nov. 25p	186.0	58.4	20.3	107.3	39.2	27.9	4.1	4.9	18.3	6.3	8.5
Dec. 30p	188.8	58.6	20.4	109.8	39.9	28.1	4.7	4.8	18.5	7.3	8.4
1960: Jan. 27p	185.2	57.7	20.2	107.3	39.1	28.1	3.9	4.8	18.6	6.4	8.3

1/ Total credit increased over \$400 million in January as a result of bank structure changes.

2/ Total credit increased about \$200 million as a result of bank structure changes.

3/ Total credit increased about \$300 million as a result of bank structure changes. Structure changes in 1959, on balance through August, added almost \$1 billion to total credit; \$600 million in loans; \$300 million in U. S. Government securities; and \$100 million in other securities. Real estate loans increased about \$300 million; business loans \$100 million; consumer loans, \$100 million; and other loans, \$100 million. Note: Data exclude interbank loans. Total loans are after and types of loans before deductions for valuation reserves. Consumer and "other loans" are partly estimated for all dates. Other data are partly estimated on all but June and December call dates. Beginning June 24, 1959, "business loans" and "all other loans" have been revised to exclude loans to nonbank financial institutions.

Changes in Loans to Sales Finance Companies  
Weekly Reporting Member Banks  
(In millions of dollars)

Period	1952	1953	1954	1955	1956	1957	1958	1959
<u>Month</u>								
January	- 320	- 106	- 153	+ 5	- 221	- 186	- 571	- 264
February	- 59	- 15	- 83	+ 3	- 257	+ 30	- 44	- 95
March	+ 54	+ 15	+ 16	+ 98	+ 158	+ 292	+ 106	+ 235
April	+ 3	+ 105	- 11	+ 198	+ 41	+ 92	- 268	+ 139
May	+ 35	- 96	- 12	+ 47	- 101	- 176	- 133	- 30
June	+ 70	+ 8	+ 67	+ 239	+ 59	+ 315	+ 58	+ 336
July	- 32	+ 36	- 14	- 37	- 204	- 280	- 115	<u>1/</u>
August	- 37	- 60	- 44	+ 274	+ 137	+ 4	+ 48	<u>1/</u>
September	+ 141	- 29	- 84	- 126	- 107	+ 184	- 88	<u>1/</u>
October	---	- 199	- 117	- 204	- 305	- 410	- 79	<u>1/</u>
November	+ 65	- 56	+ 63	+ 315	+ 60	- 175	+ 42	<u>1/</u>
December	+ 406	+ 170	+ 228	+ 482	+ 516	+ 569	+ 486	<u>1/</u>
<u>Quarter</u>								
First	- 325	- 106	- 220	+ 106	- 320	+ 136	- 509	- 124
Second	+ 108	+ 17	+ 44	+ 484	- 1	+ 231	- 343	+ 445
Third	+ 72	- 53	- 142	+ 111	- 174	- 92	- 155	<u>1/</u>
Fourth	+ 471	- 85	+ 174	+ 593	+ 271	- 16	+ 449	<u>1/</u>
<u>Half-year</u>								
First	- 217	- 89	- 176	+ 590	- 321	+ 367	- 852	+ 321
Second	+ 543	- 138	+ 32	+ 704	+ 97	- 108	+ 294	<u>1/</u>
<u>Year</u>	+ 326	- 227	- 144	+1,294	- 224	+ 259	- 558	<u>1/</u>

1/ No longer available on strictly comparable basis. Change in loans to "sales finance, personal finance etc." at weekly reporting banks may be used to obtain roughly comparable comparisons beginning July 1959.

Note: All changes are based on last Wednesday of month.

Banking Section  
February 17, 1960



February 16, 1960

REVISED SERIES FOR SEASONALLY ADJUSTED MONEY SUPPLY

Seasonal adjustment factors for demand deposits adjusted and currency outside banks, which together constitute the active private money supply, have been revised back to the beginning of 1946, the period covered by the seasonally adjusted series. Since 1955, when the seasonal factors were first published, the pattern of seasonal movements has undergone considerable change. As additional data for the series have become available, it has been possible to improve the measurement of seasonal movements.

The revised seasonal factors were derived by the method generally used in compiling seasonally adjusted monthly data published by the Board. A feature of the revised factors is that a special adjustment is made for those months in which the seasonal movement is greatly affected by the date on which the last Wednesday falls. Since the series relate to a single day each month, namely the last Wednesday, the reporting date can vary by as much as seven days relative to the end of the month. Seasonal changes in the last few days of the month are often large.

The accompanying tables show revised seasonally adjusted data, together with the unadjusted figures, beginning with 1946, for the total private money supply and the two component series. For the component series the seasonal adjustment factors used in adjusting the data are also included.

Demand deposits adjusted. Seasonal movements in demand deposits adjusted have changed substantially in the postwar period. A major influence has been the provision for speeding up Federal corporate income tax payments, which began in 1951 and which will be completed in 1960. Another factor has been the shift from March 15 to April 15 in the date for the final settlement by individuals of their Federal income tax payments.

The months in which variations in the date of the last Wednesday appear to affect significantly the level of demand deposits adjusted are March, June, October, and December. The special adjustments for these months, expressed as percentage point changes in the seasonal factors, are shown in notes to the accompanying tables.

In March adjustments are provided when the last Wednesday falls on the 30th or the 31st of the month. These adjustments are necessary in large part because of the property tax assessment date, April 1, in Cook County, Illinois, when many individuals and businesses in the area reduce their bank deposits temporarily and put their funds in other assets, particularly short-term U. S. Government securities.

Adjustments for December cover Wednesdays affected by large withdrawals of deposits in currency over the Christmas holiday and by the sharp year-end rise in deposits, reflecting in part window dressing by businesses for statement purposes.

Small adjustments are made for June to reflect currency outflow and for October to reflect the usual substantial expansion in bank credit.

Currency outside banks. Currency outside banks also tends to vary with the date on which the last Wednesday falls. The revised series includes special adjustments for five months in which these variations are large, namely, May, June, October, November, and December.

Most of these special adjustments for currency movements are made for months in which the last Wednesday is a holiday, e.g., December 25, Thanksgiving, or Memorial Day, or is the day preceding a holiday. In November, currency outflow is much larger than normal when the last Wednesday is the day before Thanksgiving. At that time Christmas savings are being withdrawn and holiday demands for currency are large.

Demand Deposits Adjusted and Currency Outside Banks  
Before and After Adjustment for Seasonal Variation <sup>1/</sup>

(Figures are as of last Wednesday of the month)

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Unadjusted series (in billions of dollars)												
1946 <sup>2/</sup>	102.9	102.5	101.1	103.7	104.9	106.0	106.7	107.2	107.9	108.9	109.7	110.0
1947	108.6	106.8	106.5	107.4	107.6	108.5	109.0	109.4	110.4	111.6	112.4	113.6
1948	112.4	110.3	107.1	108.1	108.2	108.3	108.8	109.4	109.6	110.8	111.1	111.5
1949	110.6	108.5	106.2	107.3	107.5	107.2	108.0	108.5	108.0	109.2	110.1	111.7
1950	110.9	109.2	107.8	108.9	109.7	110.0	110.9	111.9	112.5	113.8	115.2	118.2
1951	116.2	115.2	113.4	114.1	114.4	114.5	115.8	116.7	117.4	120.7	122.1	124.4
1952	123.5	121.3	120.5	121.0	121.3	121.8	121.9	122.1	123.0	125.3	126.8	129.0
1953	127.3	125.2	124.3	125.0	124.5	124.3	124.6	124.8	125.2	127.7	128.1	131.1
1954	129.2	126.5	123.6	125.3	125.5	125.2	126.8	126.3	128.1	130.0	131.5	134.1
1955	133.8	131.3	129.1	131.2	130.1	130.3	131.0	131.2	132.1	133.4	134.8	137.7
1956	136.0	132.8	131.6	133.1	131.6	132.5	132.6	132.0	132.8	135.1	136.3	139.3
1957	136.9	134.4	132.6	134.7	132.7	133.4	134.4	132.9	133.3	135.0	135.7	138.0
1958	134.9	133.0	132.0	134.8	133.6	133.5	136.0	135.5	136.0	139.0	140.7	144.2
1959	141.4	139.0	138.2	140.4	138.8	139.0	141.1	139.6	p/139.9	p/141.0	p/142.2	p/144.9
1960	p/141.7											
Adjusted series (in billions of dollars)												
1946 <sup>2/</sup>	101.9	103.1	102.8	105.0	106.1	106.8	107.3	107.3	107.7	107.9	107.9	107.6
1947	107.5	107.5	108.3	108.8	108.9	109.3	109.6	109.6	110.2	110.2	110.3	110.5
1948	110.8	110.6	110.5	109.5	109.5	109.6	109.4	109.6	109.4	109.9	109.3	109.0
1949	109.0	108.8	108.8	108.7	108.8	108.5	108.8	108.7	108.3	108.3	108.5	108.4
1950	109.1	109.2	109.4	110.3	111.0	111.3	111.8	112.6	112.8	113.1	113.6	114.6
1951	114.2	115.2	115.1	115.6	115.6	115.9	116.8	117.4	117.8	119.1	120.4	120.2
1952	121.1	121.3	121.9	122.0	122.9	123.3	123.0	123.5	123.9	124.1	125.0	124.1
1953	124.9	125.2	125.7	126.0	126.1	125.8	125.7	126.2	126.1	126.9	126.3	126.6
1954	126.5	126.5	126.7	126.3	127.1	126.9	127.9	127.7	129.0	129.2	129.6	130.0
1955	131.1	131.3	131.5	131.7	132.1	132.1	132.0	132.6	133.2	132.8	133.1	133.5
1956	133.2	132.9	133.5	133.6	133.3	134.2	133.2	133.4	133.9	133.6	134.5	134.5
1957	134.8	134.7	134.5	134.6	134.2	135.1	135.0	134.3	134.3	133.8	133.6	133.6
1958	133.1	133.6	134.0	134.8	135.3	135.3	136.1	136.7	136.9	137.9	138.6	138.8
1959	139.5	139.6	140.3	140.4	140.6	140.9	141.2	140.9	p/140.8	p/140.4	p/140.1	p/140.0
1960	p/139.8											

p/ Preliminary

<sup>1/</sup> The figures in this table are the total of figures for demand deposits adjusted and currency outside banks shown separately.

<sup>2/</sup> Estimates as of end of month.

Demand Deposits Adjusted  
Before and After Adjustment for Seasonal Variation 1/  
(Figures are as of last Wednesday of month)

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Unadjusted series (billions of dollars)												
1946 <sup>2/</sup>	76.8	76.4	75.0	77.5	78.6	79.5	80.3	80.6	81.4	82.4	83.0	83.3
1947	82.5	80.6	80.4	81.3	81.5	82.5	83.0	83.3	84.1	85.4	85.9	87.1
1948	86.6	84.6	81.5	82.7	82.8	82.7	83.3	83.8	83.9	85.1	85.2	85.8
1949	85.4	83.4	81.1	82.4	82.5	82.2	83.1	83.4	83.1	84.3	85.0	86.7
1950	86.4	84.5	83.2	84.3	85.0	85.4	86.5	87.4	88.0	89.2	90.3	93.2
1951	91.6	90.6	89.0	89.5	89.5	89.5	90.7	91.4	92.0	95.0	96.3	98.1
1952	97.9	95.7	94.8	95.1	95.3	95.8	95.7	95.8	96.4	98.6	99.4	101.5
1953	100.5	98.3	97.4	98.0	97.5	97.2	97.4	97.5	97.7	100.3	100.2	103.3
1954	102.3	99.6	96.7	98.6	98.7	98.1	100.0	99.4	101.2	103.1	104.0	106.7
1955	107.0	104.5	102.4	104.5	103.3	103.2	103.9	103.9	104.9	106.1	106.9	109.8
1956	108.9	105.6	104.4	106.1	104.2	105.0	105.2	104.5	105.4	107.4	108.3	110.8
1957	109.5	107.0	105.2	107.3	104.8	105.6	106.6	105.1	105.5	107.2	107.2	109.1
1958	107.6	105.6	104.6	107.2	105.8	105.7	108.1	107.5	108.1	111.0	111.9	115.5
1959	113.8	111.3	110.3	112.5	110.7	110.7	112.7	111.1	p/111.4	p/112.7	p/113.1	p/116.1
1960	p/113.7											
Seasonal adjustment factors (per cent)												
1946	101.5	99.3	98.0	98.6	98.6	99.3	99.4	99.7	100.1	101.1	101.9	102.5
1947	101.5	99.3	98.0	98.6	98.6	99.3	99.4	99.7	100.1 <sup>3/</sup>	101.4	101.9	103.2
1948	102.0	99.8	<sup>3/</sup> 96.2	98.6	98.6	<sup>3/</sup> 98.3	99.4	99.7	100.1	101.0	101.5	102.5
1949	102.0	99.8	<sup>3/</sup> 97.1	98.6	98.6	<sup>2/</sup> 98.4	99.0	99.7	99.5	101.0	101.5	103.5
1950	102.3	100.1	98.3	98.6	98.6	98.6	99.0	99.2	99.5	100.8	101.5	103.5
1951	102.3	100.1	98.3	98.6	98.6	98.6	99.0	99.2	99.5	<sup>3/</sup> 101.4	101.5	103.5
1952	102.6	100.1	98.8	99.2	98.6	98.6	99.0	98.6	99.0	<sup>3/</sup> 101.1	101.2	<sup>3/</sup> 104.5
1953	102.6	100.1	98.8	99.2	98.6	98.6	99.0	98.6	99.0	100.8	101.2	<sup>3/</sup> 104.0
1954	102.8	100.1	<sup>3/</sup> 97.1	99.2	98.6	<sup>3/</sup> 98.1	99.0	98.6	99.0	100.8	101.2	103.5
1955	102.8	100.1	<sup>3/</sup> 97.9	99.7	98.3	<sup>3/</sup> 98.2	99.0	98.6	99.0	100.6	101.2	103.5
1956	102.8	100.1	98.4	99.7	98.3	98.4	99.4	98.6	99.0	<sup>3/</sup> 101.2	101.2	103.5
1957	102.1	99.9	98.4	100.3	98.5	98.4	99.4	98.6	99.1	<sup>3/</sup> 101.0	101.2	<sup>3/</sup> 103.1
1958	102.1	99.7	98.4	100.3	98.5	98.3	99.8	98.7	99.1	<sup>3/</sup> 100.9	101.2	<sup>3/</sup> 104.3
1959	102.1	99.7	98.4	100.3	98.5	98.3	99.8	98.7	99.1	100.6	101.2	<sup>3/</sup> 103.8
1960	102.1	99.7	<sup>3/</sup> 97.5	100.3	98.5	<sup>3/</sup> 98.1	99.8	98.7	99.1	100.6	101.2	103.3
Adjusted series (billions of dollars)												
1946 <sup>2/</sup>	75.7	76.9	76.5	78.6	79.7	80.1	80.8	80.8	81.3	81.5	81.5	81.3
1947	81.3	81.2	82.0	82.5	82.7	83.1	83.5	83.6	84.0	84.2	84.3	84.4
1948	84.9	84.8	84.7	83.9	84.0	84.1	83.8	84.1	83.8	84.3	83.9	83.7
1949	83.7	83.6	83.5	83.6	83.7	83.5	83.9	83.7	83.5	83.5	83.7	83.8
1950	84.5	84.4	84.6	85.5	86.2	86.6	87.4	88.1	88.4	88.5	89.0	90.0
1951	89.5	90.5	90.5	90.8	90.8	90.8	91.6	92.1	92.5	93.7	94.9	94.8
1952	95.4	95.6	96.0	95.9	96.7	97.2	96.7	97.2	97.4	97.5	98.2	97.1
1953	98.0	98.2	98.6	98.8	98.9	98.6	98.4	98.9	98.7	99.5	99.0	99.3
1954	99.5	99.5	99.6	99.4	100.1	100.0	101.0	100.8	102.2	102.3	102.8	103.1
1955	104.1	104.4	104.6	104.8	105.1	105.1	104.9	105.4	106.0	105.5	105.6	106.1
1956	105.9	105.5	106.1	106.4	106.0	106.7	105.8	106.0	106.5	106.1	107.0	107.1
1957	107.2	107.1	106.9	107.0	106.4	107.3	107.2	106.6	106.5	106.1	105.9	105.8
1958	105.4	105.9	106.3	106.9	107.4	107.5	108.3	108.9	109.1	110.0	110.6	110.7
1959	111.5	111.6	112.1	112.2	112.4	112.6	112.9	112.6	p/112.4	p/112.0	p/111.8	p/111.8
1960	p/111.4											

For footnote see reverse side of sheet

p Preliminary.

- 1/ Demand deposits adjusted are total demand deposits, other than interbank and U. S. Government, less cash items reported as in process of collection; figures are partly estimated.
- 2/ Estimates as of end of month.
- 3/ The seasonal movements in some months are strongly affected by the date on which the last Wednesday falls. The seasonal factor shown in the table for each of these months has been adjusted as indicated when the last Wednesday falls on the dates shown below:

		<u>Customary seasonal factor</u>	<u>Change in factor</u>	<u>New factor</u>
March	30 (1949)	98.2	-1.1	97.1
"	30 (1955)	98.8	-0.9	97.9
"	30 (1960)	98.4	-0.9	97.5
"	31 (1948)	98.2	-2.0	96.2
"	31 (1954)	98.8	-1.7	97.1
June	29 (1949)	98.6	-0.2	98.4
"	29 (1955)	98.4	-0.2	98.2
"	29 (1960)	98.3	-0.2	98.1
"	30 (1948)	98.6	-0.3	98.3
"	30 (1954)	98.4	-0.3	98.1
October	29 (1947)	101.1	+0.3	101.4
"	29 (1952)	100.8	+0.3	101.1
"	29 (1958)	100.6	+0.3	100.9
"	30 (1957)	100.6	+0.4	101.0
"	31 (1951)	100.8	+0.6	101.4
"	31 (1956)	100.6	+0.6	101.2
December	25 (1957)	103.5	-0.4	103.1
"	30 (1953)	103.5	+0.5	104.0
"	30 (1959)	103.3	+0.5	103.8
"	31 (1947)	102.5	+0.7	103.2
"	31 (1952)	103.5	+1.0	104.5
"	31 (1958)	103.3	+1.0	104.3

**Currency Outside Banks**  
**Before and After Adjustment for Seasonal Variation <sup>1/</sup>**  
**(Figures are as of last Wednesday of the month)**

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
<b>Unadjusted series (billions of dollars)</b>												
1946 <sup>2/</sup>	26.1	26.1	26.1	26.2	26.3	26.5	26.4	26.6	26.5	26.5	26.7	26.7
1947	26.1	26.2	26.1	26.1	26.1	26.0	26.0	26.1	26.3	26.2	26.5	26.5
1948	25.8	25.7	25.6	25.4	25.4	25.6	25.5	25.6	25.7	25.7	25.9	25.7
1949	25.2	25.1	25.1	24.9	25.0	25.0	24.9	25.1	24.9	24.9	25.1	25.0
1950	24.5	24.7	24.6	24.6	24.7	24.6	24.4	24.5	24.5	24.6	24.9	25.0
1951	24.6	24.6	24.4	24.6	24.9	25.0	25.1	25.3	25.4	25.7	25.8	26.3
1952	25.6	25.6	25.7	25.9	26.0	26.0	26.2	26.3	26.6	26.7	27.4	27.5
1953	26.8	26.9	26.9	27.0	27.0	27.1	27.2	27.3	27.5	27.4	27.9	27.8
1954	26.9	26.9	26.9	26.7	26.8	27.1	26.8	26.9	26.9	26.9	27.5	27.4
1955	26.8	26.8	26.7	26.7	26.8	27.1	27.1	27.3	27.2	27.3	27.9	27.9
1956	27.1	27.2	27.2	27.0	27.4	27.5	27.4	27.5	27.4	27.7	28.0	28.5
1957	27.4	27.4	27.4	27.4	27.9	27.8	27.8	27.8	27.8	27.8	28.5	28.9
1958	27.3	27.4	27.4	27.6	27.8	27.8	27.9	28.0	27.9	28.0	28.8	28.7
1959	27.6	27.7	27.9	27.9	28.1	28.3	28.4	28.5	p/ 28.5	p/ 28.3	p/ 29.1	p/ 28.8
1960	p/28.0											
<b>Seasonal adjustment factors (per cent)</b>												
1946	99.5	99.5	99.3	99.3	99.5	99.4	99.7	100.2	100.5	100.4	101.1	101.6
1947	99.5	99.5	99.3	99.3	99.5	99.4	99.7	100.2	100.5	2/100.8	3/101.8	101.6
1948	99.5	99.5	99.3	99.3	99.5	3/100.5	99.7	100.2	100.5	100.4	3/101.8	101.6
1949	99.5	99.5	99.3	99.3	99.5	3/100.1	99.8	100.2	100.4	100.4	101.1	101.6
1950	99.5	99.5	99.3	99.3	99.5	99.6	99.8	100.1	100.4	100.1	101.3	101.6
1951	99.5	99.5	99.3	99.3	2/100.3	99.6	99.8	100.1	100.4	2/101.2	101.3	3/103.5
1952	99.5	99.5	99.3	99.3	99.3	99.6	99.8	100.1	100.2	2/100.5	2/102.3	102.0
1953	99.5	99.5	99.3	99.3	99.3	99.6	99.8	100.1	100.2	100.1	3/102.3	102.0
1954	99.5	99.5	99.3	99.1	99.3	3/100.7	99.8	100.1	100.2	100.1	3/102.5	102.0
1955	99.2	99.5	99.3	99.1	99.3	3/100.3	100.0	100.3	100.1	100.1	101.5	102.0
1956	99.2	99.2	99.2	99.1	2/100.4	100.0	100.0	100.3	100.1	3/100.9	101.8	3/103.9
1957	99.2	99.2	99.2	99.1	3/100.4	100.0	100.0	100.3	100.1	2/100.5	3/102.8	3/103.9
1958	98.6	98.8	99.0	99.1	99.7	100.0	100.2	100.6	100.2	3/100.2	3/102.8	102.2
1959	98.6	98.8	99.0	99.1	99.7	100.0	100.2	100.6	100.2	99.8	3/102.8	102.2
1960	98.6	98.8	99.0	99.1	99.7	3/100.7	100.2	100.6	100.2	99.8	101.8	102.2
<b>Adjusted series (billions of dollars)</b>												
1946 <sup>2/</sup>	26.2	26.2	26.3	26.4	26.4	26.7	26.5	26.5	26.4	26.4	26.4	26.3
1947	26.2	26.3	26.3	26.3	26.2	26.2	26.1	26.0	26.2	26.0	26.0	26.1
1948	25.9	25.8	25.8	25.6	25.5	25.5	25.6	25.5	25.6	25.6	25.4	25.3
1949	25.3	25.2	25.3	25.1	25.1	25.0	24.9	25.0	24.8	24.8	24.8	24.6
1950	24.6	24.8	24.8	24.8	24.8	24.7	24.4	24.5	24.4	24.6	24.6	24.6
1951	24.7	24.7	24.6	24.8	24.8	25.1	25.2	25.3	25.3	25.4	25.5	25.4
1952	25.7	25.7	25.9	26.1	26.2	26.1	26.3	26.3	26.5	26.6	26.8	27.0
1953	26.9	27.0	27.1	27.2	27.2	27.2	27.3	27.3	27.4	27.4	27.3	27.3
1954	27.0	27.0	27.1	26.9	27.0	26.9	26.9	26.9	26.8	26.9	26.8	26.9
1955	27.0	26.9	26.9	26.9	27.0	27.0	27.1	27.2	27.2	27.3	27.5	27.4
1956	27.3	27.4	27.4	27.2	27.3	27.5	27.4	27.4	27.4	27.5	27.5	27.4
1957	27.6	27.6	27.6	27.6	27.8	27.8	27.8	27.7	27.8	27.7	27.7	27.8
1958	27.7	27.7	27.7	27.9	27.9	27.8	27.8	27.8	27.8	27.9	28.0	28.1
1959	28.0	28.0	28.2	28.2	28.2	28.3	28.3	28.3	p/ 28.4	p/ 28.4	p/ 28.3	p/ 28.2
1960	p/28.4											

For footnotes see reverse side of sheet.

February 16, 1960

p Preliminary.

- 1/ Currency outside banks is total currency outstanding less the amounts held by the Treasury, the Federal Reserve Banks, and vault cash at all banks; figures are partly estimated.
- 2/ Estimates as of end of month.
- 3/ The seasonal movements in some months are strongly influenced by the date on which the last Wednesday falls. The seasonal factor shown in the table for each of these months has been adjusted as indicated when the last Wednesday falls on the dates shown below:

	<u>Customary seasonal factor</u>	<u>Change in factor</u>	<u>New factor</u>
May 29 (1951)	99.5	+ 0.8	100.3
29 (1957)	99.3	+ 1.1	100.4
30 (1956)	99.3	+ 1.1	100.4
June 29 (1949)	99.4	+ 0.7	100.1
29 (1955)	99.6	+ 0.7	100.3
29 (1960)	100.0	+ 0.7	100.7
30 (1948)	99.4	+ 1.1	100.5
30 (1954)	99.6	+ 1.1	100.7
October 29 (1947)	100.4	+ 0.4	100.8
29 (1952)	100.1	+ 0.4	100.5
29 (1958)	99.8	+ 0.4	100.2
30 (1957)	99.8	+ 0.7	100.5
31 (1951)	100.1	+ 1.1	101.2
31 (1956)	99.8	+ 1.1	100.9
November 24 (1948)	101.1	+ 0.7	101.8
24 (1954)	101.5	+ 1.0	102.5
25 (1953)	101.3	+ 1.0	102.3
25 (1959)	101.8	+ 1.0	102.8
26 (1947)	101.1	+ 0.7	101.8
26 (1952)	101.3	+ 1.0	102.3
26 (1958)	101.8	+ 1.0	102.8
27 (1957)	101.8	+ 1.0	102.8
December 25 (1957)	102.0	+ 1.9	103.9
25 (1951)	101.6	+ 1.9	103.5
26 (1956)	102.0	+ 1.9	103.9