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MONEY MARKET AND RESERVE RELATIONSHIPS

Money markets

Recent developments. Treasury bill rates have shown little net change since early November, with the 3-month issue fluctuating in a 4.04 to 4.10 per cent range, and with rates on most other short-term instruments changing little. Most recently, net investment demand for bills has improved somewhat despite continued bank selling. Banks have been sellers of bills as tax and loan balances were drawn down, but bank reserve positions were not especially taut and this has tended to moderate money market pressures.

Thus far in November, Federal funds have traded at an effective rate of 4-1/8 per cent on every day except one, but 4-1/4 per cent trading has generally been light. Member bank borrowings were quite low in the week ending November 10, but returned to almost \$500 million in the next statement week. The power failure at the end of the November 10 week added to excess reserves at that time through its effect on float, and this contributed to the free reserve figure of almost \$100 million in that period. The return to net borrowed reserves of \$200 million in the following week was not accompanied by any sharp tightening of money market conditions, partly because major money market banks carried over large cumulative reserve surpluses.

Prospective developments. With net borrowed reserves of around \$100 to \$150 million--and no change in other policy instruments--

FINANCIAL MARKET RELATIONSHIPS IN PERSPECTIVE

(Monthly averages and, where available, weekly averages of daily figures; amounts in millions of dollars)

	Money Market Indicators				Bond Yields			Flow of Reserves, Bank Credit and Money				
	Free Reserves	Borrowings	Federal Funds Rate	3-month Treasury Bill	U. S. Gov't. (20 yr. bond)	Corporate New Issues (Aaa)	Municipal (Aaa)	Non-Borrowed Reserves	Total Reserves	Bank Credit Proxy 3/	Money Supply	Time Deposits 2/
1964 - Oct.	89	305	3.29	3.57	4.20	4.46	3.11	- 38	- 63	+1,203	+ 600	+1,400
Nov.	2	413	3.51	3.64	4.17	--	3.08	+ 28	+ 84	+1,740	+ 300	+1,600
Dec.	127	278	3.81	3.84	4.18	4.47	3.01	+264	+ 49	+ 889	+ 600	+1,500
1965 - Jan.	115	303	3.85	3.81	4.19	4.42	2.97	- 30	+ 92	+1,902	+ 300	+2,200
Feb.	26	406	3.96	3.93	4.21	4.41	2.97	+108	+181	+2,023	- 300	+2,200
Mar.	- 50	395	4.04	3.93	4.20	4.45	3.09	+ 95	+151	+1,782	+ 600	+1,100
Apr.	-133	471	4.09	3.93	4.20	4.46	3.09	+140	+216	+2,623	+ 800	+1,400
May	-159	490	4.08	3.89	4.21	4.51	3.09	- 21	- 51	+ 772	-1,100	+1,100
June	-178	534	4.01	3.80	4.21	4.58	3.15	+147	+169	+1,802	+1,800	+1,300
July	-178	526	4.07	3.83	4.21	4.61	3.16	+ 32	+ 25	+1,414	+ 700	+1,700
Aug.	-167	549	4.11	3.84	4.25	4.63	3.16	-115	- 49	+1,608	+ 200	+2,500
Sept.	-144	552	3.95	3.92	4.30	4.67	3.25	- 4	--	+ 249	+1,600	+1,500
Oct.	-135	490	4.05	4.02	4.32	4.69	3.31	+ 98	+ 56	+2,592	+1,300	+2,000
1965 - Oct. 6	- 96	536	4.08	4.00	4.33	4.72	3.31				+1,200	+ 700
13	-197	495	4.12	4.00	4.30	--	3.31				- 300	+1,000
20	-101	591	4.05	4.02	4.31	--	3.31				- 100	+ 400
27	-145	338	3.95	4.04	4.33	4.63	3.31				+ 100	+ 200
Nov. 3 p	-108	486	4.12	4.07	4.37	--	3.32				+ 400	+ 400
10 p	95	334	4.00	4.06	4.40	4.73	3.32				- 200	+ 400
17 p'	-198	489	4.12	4.08	4.40	4.70	3.32 4/				+ 600	+ 600
	<u>Averages</u>							<u>Annual Rates of Increase 1/</u>				
July 1964--Mar. 1965	70	334	3.64	3.69	4.19	4.43	3.05	+4.1	+5.3	+ 8.8	+ 4.1	+15.3
Apr. 1965--Oct. 1965	-156	516	4.05	3.89	4.24	4.59	3.17	+2.2	+2.9	+ 8.5	+ 5.7	+14.9
Aug. 1965--Oct. 1965	-148	530	4.03	3.93	4.29	4.66	3.24	-0.4	+0.1	+ 7.8	+ 7.6	+17.4
October 1965	-135	490	4.05	4.02	4.32	4.69	3.31	+5.5	+3.1	+13.5	+ 9.5	+16.9

1/ Base is average for month preceding specified period.

2/ Time deposits, adjusted, at all commercial banks; differs from time deposit required reserve series in Table A-2 since latter includes only member banks.

3/ Seasonal adjustment revised.

4/ Rate was 3.36 as of November 18.

p Preliminary.

bill rates are likely to remain at the upper end of their recent band and may move slightly higher in the weeks ahead; a likely range for the 3-month bill would be 4.05 per cent to about 4.15 per cent. Some build-up in dealer bill inventories and somewhat higher dealer financing costs may occur over the next few weeks as the banking system encounters peak seasonal loan demands and banks sell off their awards in the recent \$2.5 billion auction of June tax bills. Pressures on dealers and banks will be intensified by corporate needs for funds around the mid-December tax and dividend dates, particularly if rate relationships make it difficult for banks to replace heavy CD maturities. In late November and early December pressures on short-term rates will be moderated by sizable System purchases of bills.

In the corporate and U.S. Government bond markets, there appears to be some feeling--although by no means universal--that yields may have risen to temporarily sustainable trading levels. Absent any major new addition to the financing calendar or any overt policy change or increased expectations of such a change, these bond yields may move little in the immediate weeks ahead. In the municipal market, however, upward pressure on yields persists.

Reserve flows, bank credit and money

Recent developments. Final data for October confirm that both nonborrowed and total reserves rose during the month--after declining in the two previous months--but the increases were slightly less than earlier thought. The downward revision reflects a slower pace of reserve growth in late October, which apparently continued

into early November, as Treasury deposits declined and as banks concomitantly became large net sellers of U.S. Government securities.

Prospective developments. Nonborrowed reserves, seasonally adjusted, may still be expected to expand moderately over all of November, at about a 2.5 per cent annual rate or perhaps somewhat higher. Total reserves are likely to show less expansion in November than non-borrowed--and may even decline--as banks had reduced borrowings in late October and early November.

The tax and loan account financing of the \$2.5 billion in new June tax bills will lead to a bulge in reserve expansion toward the end of November. With higher average Government deposits expected to require substantially more reserves in December, and with moderate further expansion expected in private deposits, substantial growth in both nonborrowed and total reserves is expected in the final month of the year.

The System is likely to supply about \$1 billion in reserves during the two statement weeks ending December 8 as float declines, currency flows into circulation, and required reserves expand. In the following two statement weeks the System will absorb about two-fifths of those reserves as the usual sharp holiday rise in float more than offsets the continued growth projected for required reserves.

Expansion in bank credit on a daily average basis is likely to be considerably slower in November than its unusually high October pace, although the strength of business loans in the most recent statement week and the impact on banks of this month's Treasury

financings suggest a build-up in the latter part of the month that is likely to extend into the December holiday season. In November and December, growth in the bank credit proxy may average between 8 and 10 per cent, compared with the 8.5 per cent growth rate since March. Money supply expansion, which has slackened recently, is likely to pick up in the weeks ahead, with the demand deposit component averaging about a 4-5 per cent growth through the end of the year. Time deposit growth in November appears to be below its 17 per cent October pace; maintenance of this growth rate in December will depend importantly on whether banks can replace their maturing CD's.

Effect of alternative policies

A tightening of bank reserve positions to a range of, say, \$200 to \$250 million net borrowed reserves, coming in a period of peak seasonal pressures and in the wake of Treasury financings, would have a significant impact on market rates. The staff estimates this could move the 3-month bill rate into a 4.15 - 4.25 per cent range, with funds trading often at 4-1/4 per cent and dealer loan rates at major money market banks rising above recent levels. At the long end, bond yields would be put under stronger upward pressure. The tendency of market rates to rise would be reinforced as the increases generate renewed expectations of a possible discount rate rise.

Table A-1

MARGINAL RESERVE MEASURES

(Dollar amounts in millions, based on period averages of daily figures)

Period	Excess reserves	Member bank borrowings	Free reserves		
	As revised to date			As first published each week	As expected at conclusion of each week's open market operations
<u>Policy periods</u>					
12/19/62 - 5/22/63	481	179	302	As first published each week	As expected at conclusion of each week's open market operations
5/22/63 - 7/31/63	437	276	161		
7/31/63 - 8/19/64	407	292	115		
8/19/64 - 2/3/65	413	325	88		
2/3/65 - 3/24/65	386	405	- 19		
3/24/65 - 11/17/65	362	510	-148		
<u>Monthly (reserve weeks ending in):</u>					
1964--October	394	205	89		
November	415	413	2		
December	405	278	127		
1965--January	418	303	115		
February	432	406	26		
March	345	395	-50		
April	338	471	-133		
May	331	490	-159		
June	356	534	-178		
July	348	526	-178		
August	382	549	-167		
September	408	552	-144		
October	355	490	-135		
November p	366	436	- 70		
<u>Weekly</u>					
1965--Aug. 4	378	544	-166	-160	-170
11	419	616	-197	-188	-156
18	326	491	-165	-153	-163
25	404	545	-141	-148	-160
Sept. 1	433	537	-104	- 87	- 94
8	373	483	-110	-116	-154
15	464	558	- 94	-156	-161
22	433	627	-194	-167	-165
29	334	553	-219	-213	-191
Oct. 6	440	536	- 96	- 40	- 35
13	298	495	-197	-189	-179
20	490	591	-101	- 97	-128
27	193	338	-145	-137	-136
Nov. 3 p	378	486	-108	-118	-118
10 p	429	334	95	62	+ 37
17 p	291	489	-198	-198	-189

p - Preliminary.

Table A-2

AGGREGATE RESERVES AND RESERVE RELATED MEASURES

Retrospective Changes, Seasonally Adjusted
(In per cent, annual rates based on monthly averages of daily figures)

Period	Total reserves	Nonborrowed reserves	Required reserves by type of deposit			Reserve related measures	
			Time	Demand		Total member bank deposits (credit) 1/*	Money supply
				Private + U. S. Gov't.*	Private		
<u>Policy period</u>							
12/62 - 5/63	+ 3.8	+ 4.7	+14.5	+ 2.0	+ 2.0	+ 7.4	+ 3.6
5/63 - 7/63	+ 4.9	+ 1.6	+11.1	+ 5.0	+ 3.2	+ 7.7	+ 5.2
7/63 - 8/64	+ 3.4	+ 3.3	+14.1	+ 2.3	+ 2.7	+ 7.5	+ 3.7
8/64 - 1/65	+ 4.9	+ 5.2	+15.3	+ 1.6	+ 2.6	+ 8.1	+ 4.4
1/65 - 3/65	+ 9.4	+ 5.8	+15.1	+ 6.0	+ 2.5	+10.4	+ 1.1
3/65 -10/65	+ 2.9	+ 2.2	+15.6	+ 1.7	+ 4.3	+ 8.5	+ 5.7
<u>Monthly:</u>							
1964--September	+15.0	+13.0	+11.4	+ 4.9	+ 7.6	+ 7.9	+ 8.4
October	- 3.6	- 2.2	+14.0	+ 0.3	+ 6.1	+ 6.8	+ 4.6
November	+ 4.8	+ 1.5	+14.7	+ 5.3	- 1.7	+ 9.8	+ 2.3
December	+ 2.8	+15.1	+13.1	- 2.6	+ 3.6	+ 4.9	+ 4.5
1965--January	+ 5.2	- 1.4	+21.6	+ 0.2	- 2.6	+10.5	+ 2.3
February	+10.3	+ 6.2	+19.8	+ 3.0	- 2.0	+11.1	- 2.3
March	+ 8.5	+ 5.4	+10.3	+ 9.0	+ 6.9	+ 9.7	+ 4.5
April	+12.1	+ 8.0	+13.5	+14.8	+ 5.0	+14.1	+ 6.0
May	- 2.8	- 1.2	+ 9.8	- 1.3	-14.0	+ 4.1	- 8.2
June	+ 9.4	+ 8.3	+11.4	+ 7.8	+15.6	+ 9.6	+13.5
July	+ 1.4	+ 1.8	+14.5	+ 0.7	+ 1.4	+ 7.5	+ 5.2
August	- 2.7	- 6.5	+24.4	- 7.1	- 0.4	+ 8.4	+ 1.5
September	--	- 0.2	+13.5	-11.1	+14.0	+ 1.3	+11.8
October p	+ 3.1	+ 5.5	+18.7	+ 8.1	+ 8.4	+13.5	+ 9.5

1/ Includes all deposits subject to reserve requirements. Movements in this aggregate correspond closely with movements in total member bank credit.

p - Preliminary. * Seasonal adjustment revised.

Chart 1

MEMBER BANK RESERVES

SEASONALLY ADJUSTED MONTHLY AVERAGES OF DAILY FIGURES

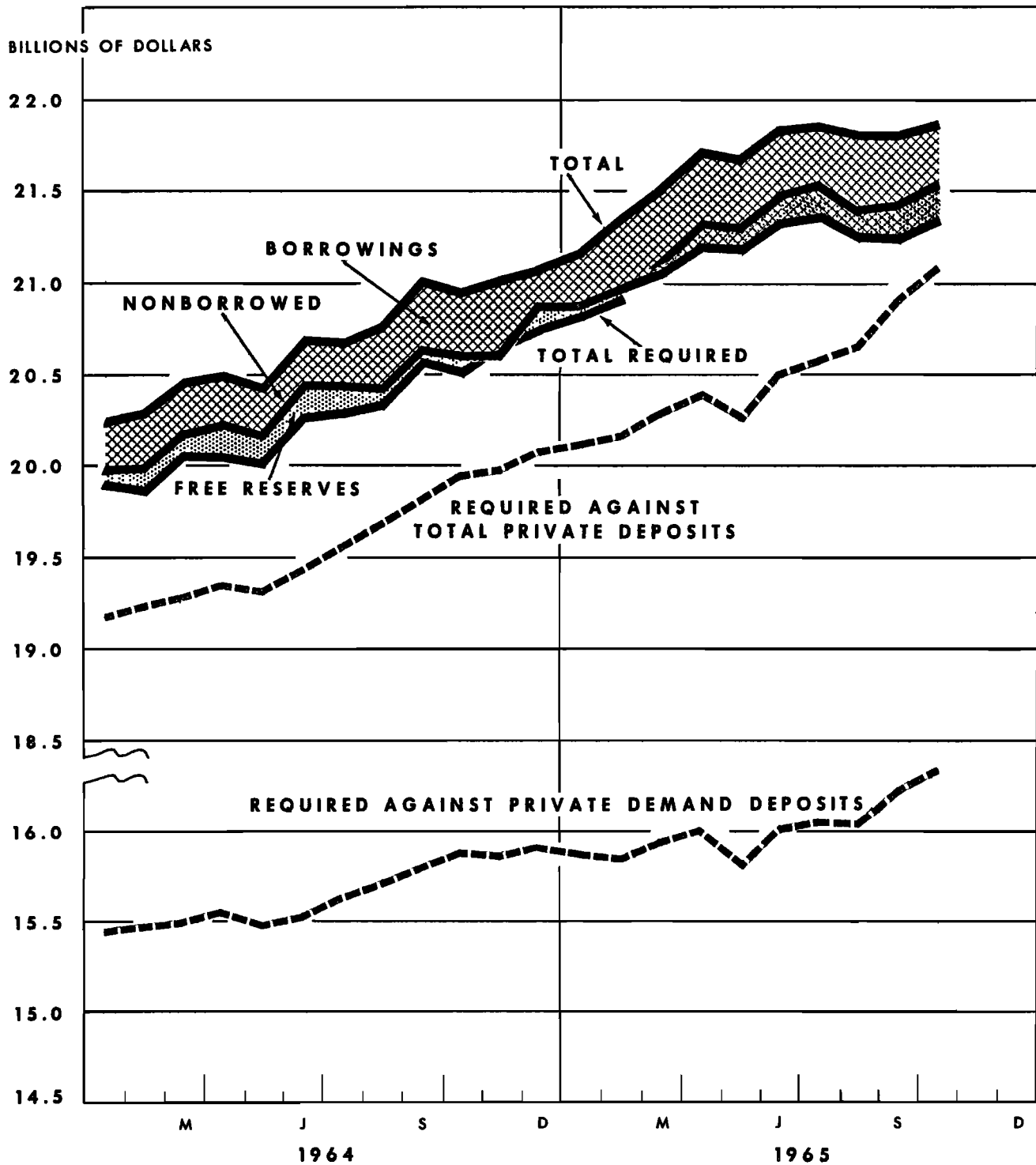


Chart 2

MEMBER BANK DEPOSITS SUPPORTED BY REQUIRED RESERVES

SEASONALLY ADJUSTED MONTHLY AVERAGES OF DAILY FIGURES

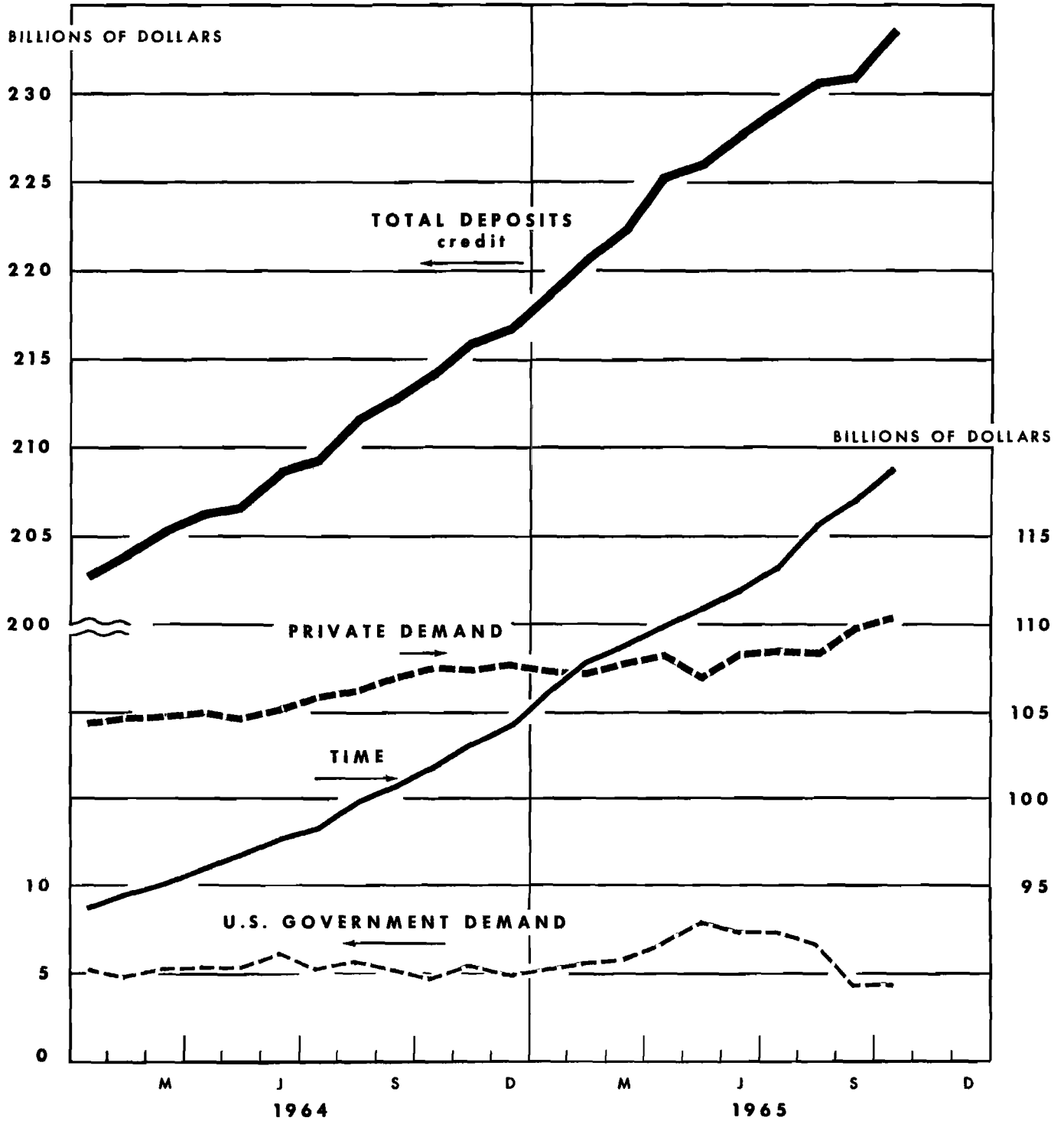


Chart 3

MONEY SUPPLY BY COMPONENTS

SEASONALLY ADJUSTED MONTHLY AND WEEKLY AVERAGES OF DAILY FIGURES

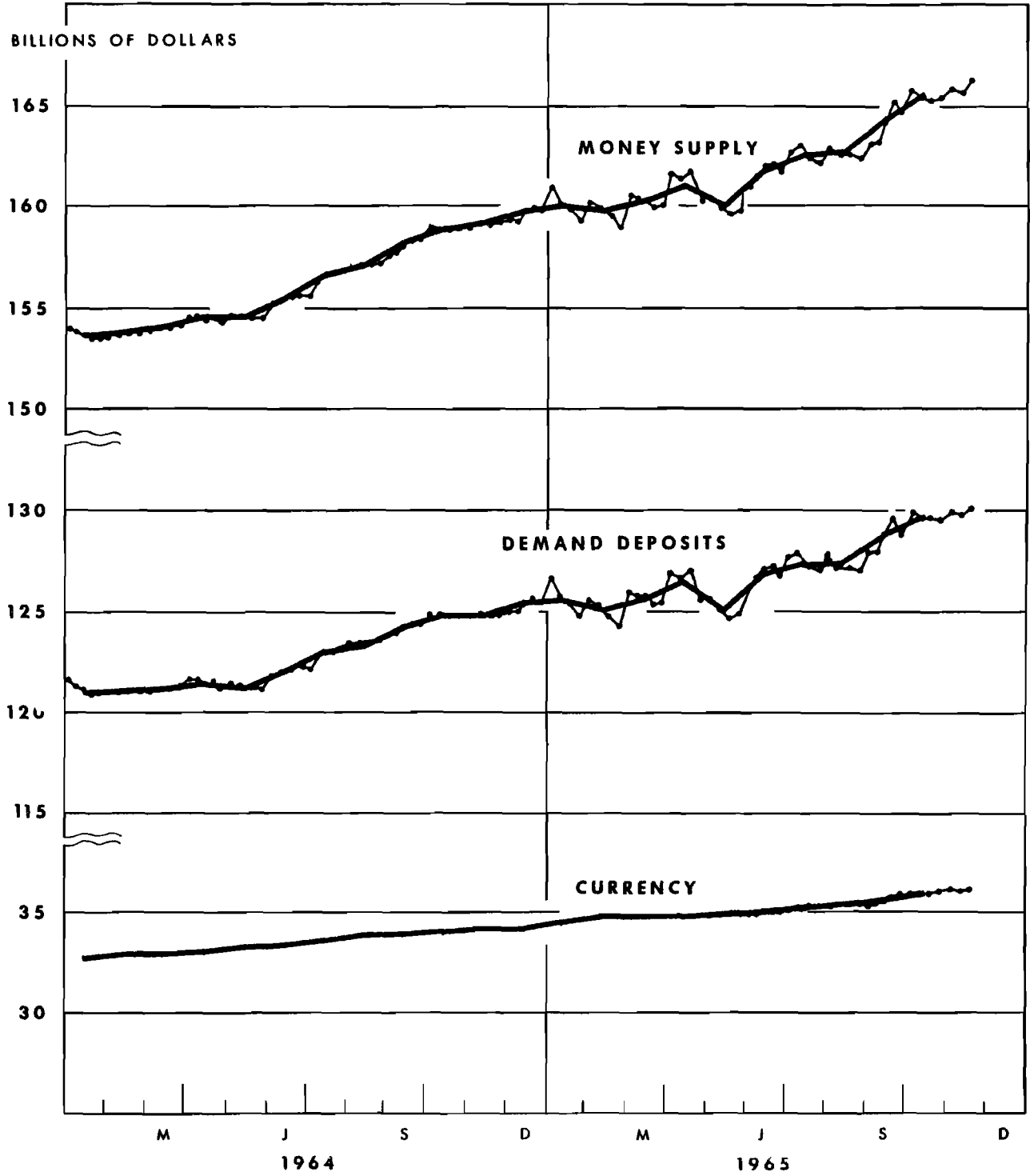


Table B-1

MAJOR SOURCES AND USES OF RESERVES

Retrospective and Prospective
(Dollar amounts in millions, based on weekly averages of daily figures)

Period	Factors affecting supply of reserves				= Change in total reserves	= Bank use of reserves	
	Federal Reserve credit (excl. float) 1/	Gold stock	Currency outside banks	Technical factors net 2/		Required reserves 3/	Excess reserves
<u>ACTUAL</u>							
<u>Year:</u>							
1963 (12/26/62 - 12/25/63)	+3,125	-426	-1,950	- 76	+676	+763	- 87
1964 (12/25/63 - 12/23/64)	+3,219	-165	-1,847	-365	+840	+910	- 70
<u>Year-to-date:</u>							
(12/25/63 - 11/18/64)	+2,550	- 90	-1,279	-868	+314	+197	+117
(12/23/64 - 11/17/65)	+3,349	-1,528	-1,500	-295	+ 28	+141	-113
<u>Weekly:</u> 1965--Sept. 15							
	- 353	- 1	+ 235	+288	+170	+ 79	+ 91
	- 311	+ 1	+ 57	+782	+530	+561	- 31
	+ 303	--	+ 55	-582	-224	-125	- 99
Oct. 6	+ 790	- 1	- 363	-263	+163	+ 57	+106
	- 131	--	- 293	+ 77	-347	-205	-142
	- 215	+ 1	+ 163	+616	+567	+375	+192
	- 426	- 1	+ 170	-178	-435	-138	-297
Nov. 3 P	+ 709	+ 1	- 128	-308	+272	+ 87	+185
	+ 256	--	- 516	+ 52	-205	-256	+ 51
	- 72	+ 1	- 61	+ 98	- 36	+102	-138
<u>PROJECTED 4/</u>							
1965--Nov. 24	- 380	--	- 95	+395	- 80	- 80	--
Dec. 1	+ 690	--	- 75	-320	+295	+295	--
	+ 350	- 10	- 260	- 60	+ 20	+ 20	--
	- 115	- 10	+ 20	+175	+ 70	+ 70	--
	- 330	- 10	- 55	+910	+515	+515	--
	+ 10	- 10	- 70	+ 50	- 20	- 20	--
1966--Jan. 5	+ 5	- 10	+ 425	-250	+170	+170	--
	+ 150	- 10	+ 200	-390	- 50	- 50	--
	- 545	- 10	+ 380	+115	- 60	- 60	--

1/ For retrospective details, see Table B-4.

p - Preliminary.

2/ For factors included, see Table B-3.

3/ For required reserves by type of deposits, see Table B-2.

4/ See reverse side for explanation of projections.

Explanation of Projections in Table B-1

1. Changes in Federal Reserve credit indicate reserves needed to offset projected changes in required reserves and factors affecting the supply of reserves.
2. Projected changes in currency outside banks reflect seasonal movements plus an allowance for growth of about \$30 million per week.
3. Projected effects of Treasury operations, included in "technical factors," reflect scheduled and assumed calls in current two weeks and thereafter, maintenance of Treasury balances with Federal Reserve at \$900 million.
4. Projected changes in gold stock reflect assumed outflow after November at the rate of about \$50 million per month.
5. Projected changes in required reserves reflect estimated seasonal movements in private deposits, except as indicated in projections in Table B-2, and projected movements in U.S. Government demand deposits. Government deposit projections are based on anticipated Treasury receipts and expenditures and the following assumed financing operations \$2.4 billion, November 24, \$3.4 billion, January 7.

Table B-2

CHANGES IN REQUIRED RESERVE COMPONENTS

Retrospective and Prospective Seasonal and Nonseasonal Changes
(Dollar amounts in millions, based on weekly averages of daily figures)

Period	Total required reserves	Supporting U. S. Gov't. demand deposits	Supporting private deposits				
			Total	Seasonal changes		Other than seasonal changes	
				Demand	Time	Demand	Time
ACTUAL							
<u>F:</u>							
1963 (12/26/62 - 12/25/63)	+763	+ 8	+755	+ 45	--	+239	+471
1964 (12/25/63 - 12/23/64)	+910	-115	+1,025	+ 16	--	+542	+467
Year-to-date:							
(12/25/63 - 11/18/64)	+197	-152	+349	-464	+14	+378	+421
(12/23/64 - 11/17/65)	+134	-351	+485	-446	+ 8	+288	+635
Weekly: 1965--Sept.							
15	+ 79	-349	+428	+338	- 8	+ 85	+ 13
22	+561	+371	+190	- 16	-16	+228	- 6
29	-125	+273	-398	-306	+ 8	-116	+ 16
Oct. 6	+ 57	-187	+244	+ 81	+ 8	+134	+ 21
13	-205	-292	+ 87	+146	- 8	- 85	+ 34
20	+375	+229	+146	+161	--	- 24	+ 9
27	-138	-125	- 13	- 34	--	+ 9	+ 12
Nov. 3 p	+ 87	- 71	+158	+ 78	- 8	+ 73	+ 15
10 p	-256	-177	- 79	+ 37	--	-118	+ 2
17 p	+102	- 2	+104	+ 15	-23	+ 87	+ 25
PROJECTED							
1965--Nov. 24	- 80	+ 60	-140	-130	-10	--	--
Dec. 1	+295	+240	+ 55	+ 45	+10	--	--
8	+ 20	- 95	+115	+115	--	--	--
15	+ 70	-230	+300	+300	--	--	--
22	+515	+300	+215	+225	-10	--	--
29	- 20	+155	-175	-175	--	--	--
1966--Jan. 5	+170	-105	+275	+235	+40	--	--
12	- 50	+ 20	- 70	- 55	-15	--	--
19	- 60	- 50	- 10	- 20	+10	--	--

1/ Reduction in percentage reserve requirements applicable to time deposits released \$780 million of reserves at the end of October 1962.

Table B-3

TECHNICAL FACTORS AFFECTING RESERVES

Retrospective and Prospective Changes

(Dollar amounts in millions, based on weekly averages of daily figures)

Period	Technical factors (net)	Treasury operations	Float	Foreign deposits and gold loans	Other nonmember deposits and F. R. accounts
ACTUAL					
(Sign indicates effect on reserves)					
Year:					
1963 (12/26/62 - 12/25/63)	- 76	-216	+149	+ 88	- 97
1964 (12/25/63 - 12/23/64)	-365	-470	- 84	+ 11	+178
Year-to-date:					
(12/25/63 - 11/18/64)	-868	+114	-1,029	- 6	+ 53
(12/23/64 - 11/17/65)	-295	-114	-919	- 37	+775
Weekly: 1965--Sept. 15	+288	- 83	+269	+ 37	+ 65
22	+782	- 39	+718	+ 27	+ 76
29	-582	+ 67	-641	- 14	+ 6
Oct. 6	-263	- 70	-177	+ 17	- 33
13	+ 77	+ 38	- 4	+ 10	+ 33
20	+616	- 32	+493	+ 16	+139
27	-178	+ 88	-294	+ 23	+ 5
Nov. 3	-308	+ 66	-281	+ 20	-113
10	+ 52	-115	+290	- 37	- 86
17	+ 98	+ 27	+ 63	- 3	+ 11
PROJECTED					
1965--Nov. 24	+395	+165	+300	- 5	- 65
Dec. 1	-320	- 25	-315	+ 20	--
8	- 60	--	- 60	--	--
15	+175	--	+130	--	+ 45
22	+910	--	+860	--	+ 50
29	+ 50	--	+ 50	--	--
1966--Jan. 5	-250	--	-300	--	+ 50
12	-390	--	-450	- 5	+ 65
19	+115	--	+115	--	--

Table B-4

SOURCES OF FEDERAL RESERVE CREDIT

Retrospective Changes

(Dollar amounts in millions, based on weekly averages of daily figures)

Period	Total Federal Reserve credit (excl. float)	U. S. Government securities				Repurchase agreements	Bankers' acceptances	Member bank borrowings
		Total holdings	Outright					
			Bills	Other				
Year:								
1963 (12/26/62 - 12/25/63)	+3,125	+3,076	+1,659	+1,404	+ 13	+ 39	+ 10	
1964 (12/25/63 - 12/23/64)	+3,219	+3,340	+2,086	+1,022	+232	- 61	- 60	
Year-to-date:								
(12/25/63 - 11/18/64)	+2,550	+2,327	+1,231	+ 915	+181	- 50	+273	
(12/23/64 - 11/17/65)	+3,349	+3,122	+2,472	+ 916	-266	- 5	+232	
Weekly:								
1965--Aug. 18	- 641	- 515	- 222	--	-293	- 1	-125	
25	+ 54	- 2	- 82	+ 16	+ 64	+ 1	+ 55	
Sept. 1	+ 28	+ 18	+ 53	+ 50	- 85	+ 19	- 9	
8	+ 290	+ 328	+ 100	+ 165	+ 63	+ 16	- 54	
15	- 353	- 392	- 277	+ 26	-141	- 36	+ 75	
22	- 311	- 380	- 467	--	+ 87	--	+ 69	
29	+ 303	+ 366	+ 453	--	- 87	+ 11	- 74	
Oct. 6	+ 790	+ 776	+ 776	--	--	+ 31	- 17	
13	- 131	- 71	- 101	--	+ 30	- 19	- 41	
20	- 215	- 293	- 325	--	+ 32	- 18	+ 96	
27	- 426	- 194	- 132	--	- 62	+ 21	-253	
Nov. 3	+ 709	+ 537	+ 537	--	--	+ 24	+148	
10	+ 256	+ 424	+ 420	--	+ 4	- 16	-152	
17	- 72	- 205	- 201	--	- 4	- 22	+155	

Chart Reference Table C-1

TOTAL, NONBORROWED AND REQUIRED RESERVES

Seasonally Adjusted

(Dollar amounts in millions, based on monthly averages of daily figures)

Period	Total reserves	Nonborrowed reserves	Required reserves		
			Total	Against private deposits	
				Total	Demand
1963--January	19,620	19,504	19,212	18,377	15,131
February	19,700	19,547	19,224	18,419	15,133
March	19,752	19,575	19,284	18,478	15,152
April	19,770	19,608	19,292	18,539	15,170
May	19,858	19,667	19,359	18,582	15,184
June	19,848	19,630	19,452	18,620	15,191
July	20,020	19,718	19,557	18,725	15,264
August	19,898	19,565	19,431	18,791	15,265
September	20,025	19,663	19,592	18,854	15,288
October	19,923	19,573	19,518	18,955	15,349
November	19,994	19,640	19,587	19,110	15,453
December	20,240	19,960	19,775	19,119	15,422
1964--January	20,248	19,977	19,884	19,185	15,442
February	20,268	19,982	19,872	19,246	15,466
March	20,459	20,176	20,056	19,292	15,492
April	20,482	20,226	20,057	19,361	15,527
May	20,404	20,167	20,023	19,338	15,471
June	20,682	20,431	20,269	19,441	15,539
July	20,665	20,420	20,285	19,577	15,646
August	20,753	20,416	20,332	19,694	15,705
September	21,012	20,638	20,570	19,832	15,805
October	20,949	20,600	20,536	19,960	15,886
November	21,033	20,626	20,639	19,988	15,864
December	21,082	20,886	20,742	20,081	15,912
1965--January	21,174	20,861	20,842	20,122	15,878
February	21,355	20,969	20,915	20,166	15,852
March	21,506	21,064	21,119	20,294	15,943
April	21,722	21,204	21,317	20,409	16,009
May	21,671	21,183	21,298	20,258	15,822
June	21,840	21,330	21,473	20,506	16,028
July	21,865	21,362	21,538	20,579	16,047
August	21,816	21,247	21,384	20,665	16,041
September	21,816	21,243	21,420	20,903	16,227
October p	21,872	21,341	21,532	21,090	16,341

p - Preliminary.

Chart Reference Table C-2

DEPOSITS SUPPORTED BY REQUIRED RESERVES

Seasonally Adjusted

(Dollar amounts in millions, based on monthly averages of daily figures)

Period	Total member bank deposits (credit 1/)*	Time deposits	U. S. Gov't. demand deposits *	Private demand deposits 2/
1963--January	189,012	81,146	5,565	102,301
February	190,044	82,139	5,587	102,318
March	191,115	83,139	5,525	102,451
April	192,013	84,232	5,210	102,571
May	193,134	84,961	5,509	102,664
June	194,259	85,732	5,816	102,711
July	195,597	86,528	5,865	103,204
August	196,513	88,145	5,158	103,210
September	197,717	89,139	5,212	103,366
October	198,339	90,159	4,399	103,781
November	200,130	91,428	4,219	104,483
December	201,505	92,426	4,804	104,275
1964--January	202,981	93,563	5,011	104,407
February	203,759	94,495	4,695	104,569
March	205,068	95,011	5,308	104,749
April	206,176	95,852	5,337	104,987
May	206,613	96,677	5,327	104,609
June	208,669	97,542	6,061	105,066
July	209,312	98,273	5,256	105,783
August	211,506	99,725	5,592	106,189
September	212,906	100,670	5,368	106,868
October	214,109	101,850	4,849	107,410
November	215,849	103,090	5,500	107,259
December	216,738	104,215	4,932	107,591
1965--January	218,640	106,107	5,180	107,353
February	220,663	107,843	5,642	107,178
March	222,445	108,778	5,872	107,795
April	225,068	109,996	6,829	108,243
May	225,840	110,898	7,967	106,975
June	227,642	111,955	7,315	108,372
July	229,056	113,306	7,253	108,497
August	230,664	115,594	6,614	108,456
September	230,913	116,900	4,296	109,717
October p	233,505	118,718	4,298	110,489

* Seasonal adjustment revised.

p - Preliminary.

1/ Includes all deposits subject to reserve requirements-- i.e., the total of time, private demand, and U.S. Government demand deposits. Movements in this aggregate correspond closely with movements in total member bank credit.

2/ Private demand deposits include demand deposits of individuals, partnerships and corporations and net interbank balances.

Chart Reference Table C-3

MONEY SUPPLY BY COMPONENTS

Seasonally Adjusted
(Dollar amounts in billions, based
on monthly averages of daily figures)

Period	Money Supply	Demand deposits <u>1/</u>	Currency <u>2/</u>
1964--July	156.6	123.0	33.6
August	157.1	123.3	33.8
September	158.2	124.3	33.9
October	158.8	124.8	34.0
November	159.1	124.8	34.2
December	159.7	125.4	34.2
1965--January	160.0	125.5	34.5
February	159.7	125.1	34.7
March	160.3	125.6	34.7
April	161.1	126.4	34.7
May	160.0	125.1	34.9
June	161.8	126.8	35.0
July	162.5	127.3	35.2
August	162.7	127.3	35.4
September	164.3	128.7	35.6
October p	165.6	129.7	35.9
<u>Weekly:</u>			
1965--Aug. 4	162.9	127.7	35.3
11	162.5	127.1	35.4
18	162.5	127.1	35.4
25	162.4	126.9	35.4
Sept. 1	163.1	127.8	35.3
8	163.2	127.8	35.4
15	164.1	128.7	35.5
22	165.2	129.5	35.7
29	164.6	128.7	35.9
Oct. 6	165.8	129.9	35.9
13	165.5	129.6	35.9
20	165.4	129.6	35.9
27	165.5	129.5	36.0
Nov. 3 p	165.9	129.9	36.1
10 p	165.7	129.7	36.0
17 est	166.3	130.1	36.1

1/ Includes (1) demand deposits at all commercial banks, other than those due to domestic commercial banks and the U.S. Government, less cash items in process of collection and Federal Reserve float; and (2) foreign demand balances at Federal Reserve Banks.

2/ Includes currency outside the Treasury, the Federal Reserve, and the vaults of all commercial banks.

e - Estimated.