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MONEY MARKET AND RESERVE RELATIONSHIPSMoney markets

Recent developments. Since early February, short-term interest rates have moved somewhat higher. In the bill market, the largest increases have occurred in the longest maturities. Demand for Treasury bills has been seasonally strong, but mostly concentrated in the shortest maturities.

The reserve position of central money market banks has been relatively comfortable during recent weeks -- in contrast to January -- partly because of a sizable drop in funds absorbed in dealer operations. Dealers have had relatively light financing needs because of their reduced positions in bills and their net short positions in intermediate- and long-term coupon issues.

Despite the easier position of major money market banks the banking system as a whole has been under greater reserve pressure. In the three statement weeks ending February 23 net borrowed reserves averaged about \$120 million, and member bank borrowings close to \$500 million -- each up about \$70 million from their January average. And the Federal funds market has been somewhat tauter, with trading generally at 4-5/8 per cent and some at 4-3/4 per cent.

Prospective developments. Assuming net borrowed reserves work somewhat deeper so as to average around \$150 million over the next three weeks, the 3-month bill rate is likely to average within

FINANCIAL MARKET RELATIONSHIPS IN PERSPECTIVE

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

Period	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.)	Corporate New Issues (Aaa)	Municipal (Aaa)	Non-borrowed Reserves	Total Reserves	Bank Credit Proxy	Money Supply	Time Deposits ^{2/}	
1965--Jan.	115	303	3.85	3.81	4.19	4.42	2.97	- 25	+ 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	
Nov.	- 79	418	4.09	4.08	4.40	4.72	3.34	+ 58	- 45	+ 759	+ 100	+1,900	
Dec.	- 24	452	4.28	4.37	4.50	4.85	3.39	+361	+333	+2,147	+1,700	+1,500	
1966--Jan.	- 51	431	4.32	4.58	4.52	4.84	3.39	+107	+122	+1,793	+1,000	+1,000	
Feb. p	-108	474	4.58	4.65	4.71	5.00	3.48	+ 25	+ 56	+ 871	--	+ 900	
Jan. 12	98	590	4.58	4.56	4.50	4.89	3.40				- 500	--	
19	- 10	218	3.55	4.62	4.50	4.84	3.39				-1,000	+ 300	
26	- 47	352	4.52	4.58	4.52	4.85	3.39				- 700	+ 200	
Feb. 2	- 70	418	4.50	4.61	4.58	4.91	3.39				+ 500	+ 200	
9 p	-133	503	4.62	4.62	4.63	4.98	3.39				+ 200	--	
16 p	-125	453	4.58	4.66	4.74	5.02	3.51				+ 200	+ 400	
23 p	-102	520	4.62	4.67	4.75	5.10	3.62				--	+ 400	
			<u>Averages</u>						<u>Annual Rates of Increase</u> ^{1/}				
Year 1964	107	295	3.47	3.55	4.19	4.44	3.09	+ 4.6	+4.2	+7.6	+4.3	+12.8	
Year 1965	- 93	467	4.05	3.95	4.27	4.58	3.16	+ 4.2	+5.1	+9.1	+4.8	+16.1	
Aug. 1965-Nov. 1965	-132	505	4.05	3.96	4.32	4.68	3.26	+ 0.5	-0.5	+6.8	+5.9	+17.2	
Dec. 1965-Feb. 1966	- 58	452	4.39	4.53	4.58	4.90	3.42	+ 9.2	+9.4	+8.2	+6.5	+ 9.3	

^{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.

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a 4.65-4.75 per cent range. While bill demand from the System and continuing demand from liquidity-seeking investors may serve to hold bill rates down in the early part of the period, short-term markets probably will be strained over the March tax and dividend date, and it is possible that the pressure will be greater and more extended than usual. Bank and corporate liquidity remains low, with banks faced by sizable CD maturities in the weeks immediately ahead. In addition, by the end of March or early April the Treasury is likely to be raising a small amount of cash in the short-term area and by mid-April corporations are likely to need extra cash to meet accelerated tax payments.

To some extent, however, the money market has begun to prepare for a sizable increase in the demand for funds. Dealers have maintained bill positions at relatively low levels, and the more comfortable reserve position of some major money market banks was partly developed in anticipation of an expansion in loan demand. The maturing March tax bill, amounting to \$3 billion, is larger relative to tax liabilities than was the case a year ago, which will tend to moderate some portion of market pressures.

Even so, banks will have to bid for sizable blocks of CD money over the coming weeks simply in order to keep from losing ground. And this raises the possibility of repercussions on the bill market, the long-term sector of which may already have been affected by recent increases in CD offering rates.

Interest rates in bond markets are likely to be subject to further upward pressure in the weeks ahead. Corporate and municipal sectors will be absorbing a large volume of new issues. Pressure in the municipal market may also be compounded by lessened bank participation. But the sharp recent adjustments in bond yields may to some extent have already discounted prospective credit demands. Neither is it clear to what degree anticipatory borrowing has been a factor in the long-term rate adjustment.

While some further shift in monetary policy may also have been discounted in recent market rate movements, a further lessening of reserve availability in the period ahead to net borrowed reserves staying around \$200 million or somewhat above would likely lead to greater upward yield movements in both short- and long-term markets. Partly these would reflect the coincidence of lessened reserve availability with seasonal money market pressures, which would likely lead to immediate effects particularly on Federal funds and CD rates. Moreover, a consistently deeper net borrowed level and tauter money market conditions might lead to more pervasive expectations of rises in the prime loan rate and the discount rate.

Reserve flows, bank credit, and money

Recent developments. Growth in total and nonborrowed reserves slowed substantially further in February on a monthly average basis. And expansion in total member bank deposits is

estimated at about 4.5 per cent (annual rate), as compared with 9 per cent in January and 11 per cent in December.

The small increases in reserve aggregates and member bank deposits for February in part belatedly reflect the reversal of the extremely large reserve expansion that peaked during the first week of January (as judged by weekly figures for reserves against private deposits). Aggregate required reserves against private deposits declined through January after the first week and have shown only a relatively small expansion thus far in February.

Prospective developments. Some supply of reserves from System open market operations is projected the statement week ending March 9. But an about offsetting reserve absorption will be required after midmonth because an increase in float and inflow of currency are projected to more than offset a tax period expansion in required reserves.

In March, U.S. Government deposits are projected to decline on average, reaching very low levels by around midmonth prior to the tax date and then recovering. This pattern suggests that money supply will be expanding early in March. Its continued growth as spring progresses will depend in large part on the extent of bank loan demands. With such demands expected to be strong, the growth in the private demand deposit component of the money supply is very likely to accelerate from its recent reduced pace perhaps to an annual rate averaging 5 per cent over the next few months.

Growth in time and savings deposits thus far in 1966 has remained at a considerably reduced pace (8 per cent annual rate). In the months immediately ahead, there is little reason to expect growth to accelerate. Expansion of total time and savings deposits has been relatively strong at country banks, and this may continue. City banks, however, are likely to find it difficult to obtain CD funds in the coming March-April period. And this may be a period when their need for CD money will rise if they find loan demand very strong and asset liquidation more difficult.

Deposit movements such as those described above would add up to only a moderate expansion in bank credit over the months ahead, perhaps in the order of 5-6 per cent on average. This would also imply only moderate growth in total and nonborrowed reserves.

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		
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 - 2/23/66	368	491	- 123		
<u>Monthly (reserve weeks ending in):</u>					
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	339	418	- 79		
December	427	452	- 25		
1966--January	380	431	- 51		
February p	366	474	-108		
<u>Weekly</u>					
1965--Dec. 1	424	534	-110	-153	-147
8	455	478	- 23	9	20
15	563	486	77	71	57
22	234	218	16	17	4
29	461	546	- 85	- 79	- 69
1966--Jan. 5	319	562	-243	-179	-174
12	688	590	98	88	106
19	208	218	- 10	- 21	- 1
26	305	352	- 47	- 34	- 50
Feb. 2	348	418	- 70	- 17	- 22
9 p	370	503	-133	-120	-121
16 p	328	453	-125	-122	- 99
23 p	418	520	-102	-102	- 95

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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>Annually:</u>							
1963	+ 3.5	+ 3.5	+15.4	+ 1.7	+ 2.4	+ 7.5	+ 3.8
1964	+ 4.2	+ 4.6	+12.8	+ 3.1	+ 3.2	+ 7.6	+ 4.3
1965	+ 5.2	+ 4.2	+16.3	+ 2.4	+ 3.5	+ 9.1	+ 4.8
<u>Policy Period:</u>							
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 - 11/65	+ 2.2	+ 2.4	+15.7	+ 0.6	+ 3.5	+ 8.0	+ 5.1
11/65 - 2/66	+ 9.4	+ 9.2	+ 7.6	+ 8.8	+ 5.2	+ 8.2	+ 6.5
<u>Monthly:</u>							
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	+ 3.1	+ 5.5	+18.7	+ 8.1	+ 8.4	+13.5	+ 9.5
November	- 2.5	+ 3.3	+14.4	- 6.9	- 1.7	+ 3.9	+ 0.7
December	+18.3	+20.2	+10.7	+11.2	+11.7	+11.0	+12.3
1966--January	+ 6.6	+ 5.9	+ 6.2	+12.0	+ 4.1	+ 9.1	+ 7.2
February p	+ 3.0	+ 1.4	+ 5.7	+ 3.1	- 0.1	+ 4.4	--

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

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Chart 1

MEMBER BANK RESERVES

SEASONALLY ADJUSTED MONTHLY AVERAGES OF DAILY FIGURES

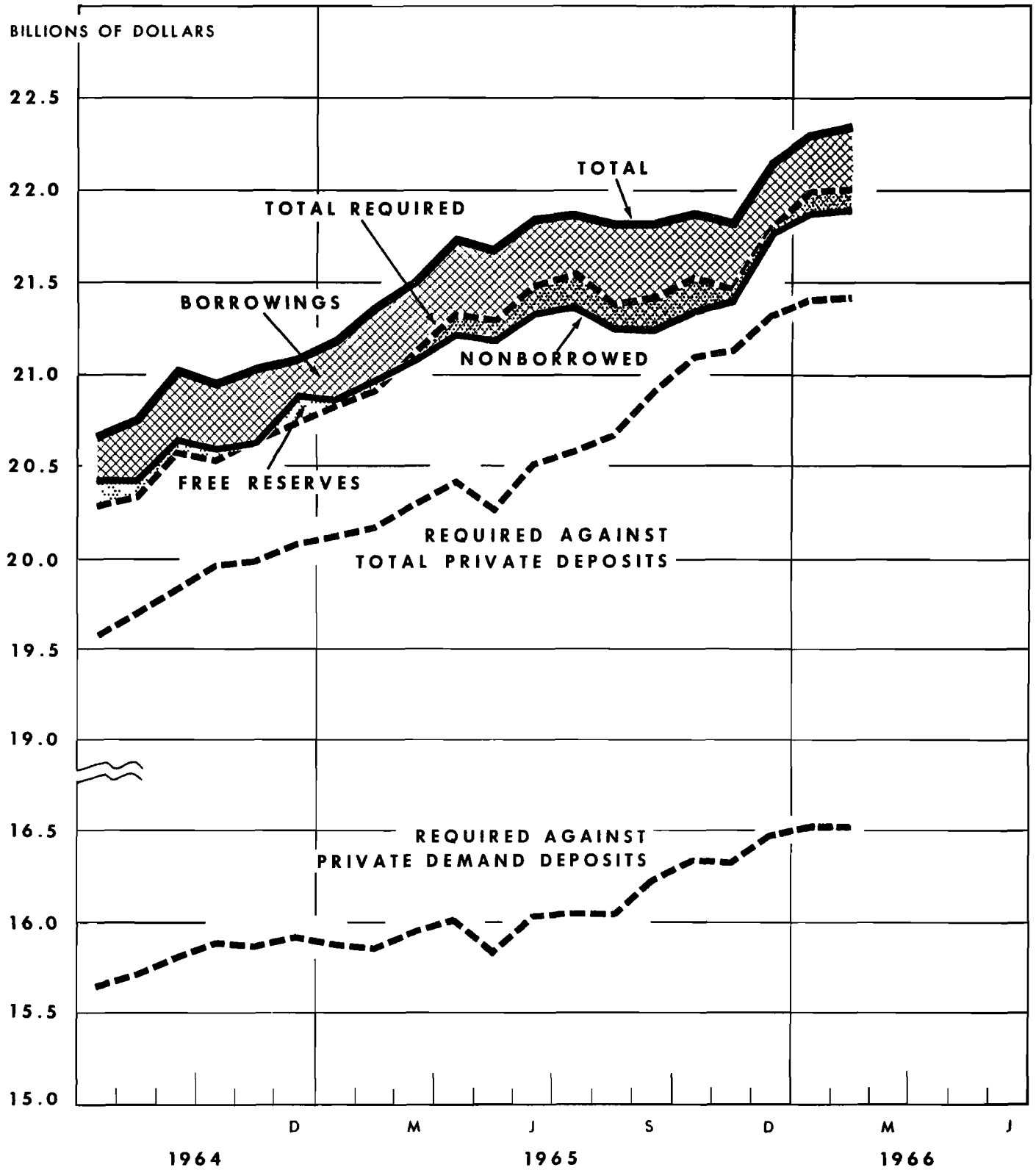


Chart 2

MEMBER BANK DEPOSITS SUPPORTED BY REQUIRED RESERVES

SEASONALLY ADJUSTED MONTHLY AVERAGES OF DAILY FIGURES

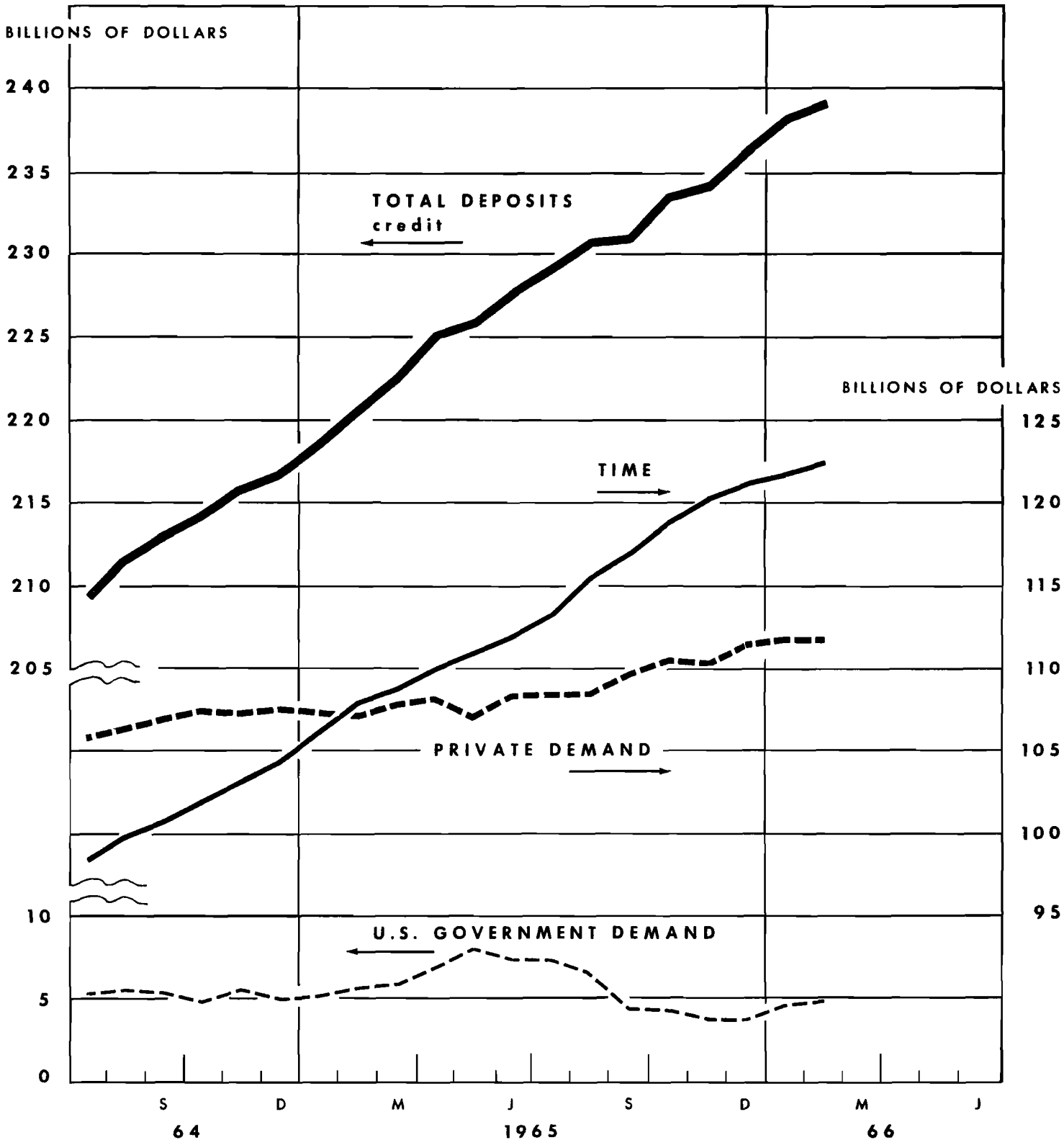


Chart 3

MONEY SUPPLY BY COMPONENTS

SEASONALLY ADJUSTED MONTHLY AND WEEKLY AVERAGES OF DAILY FIGURES

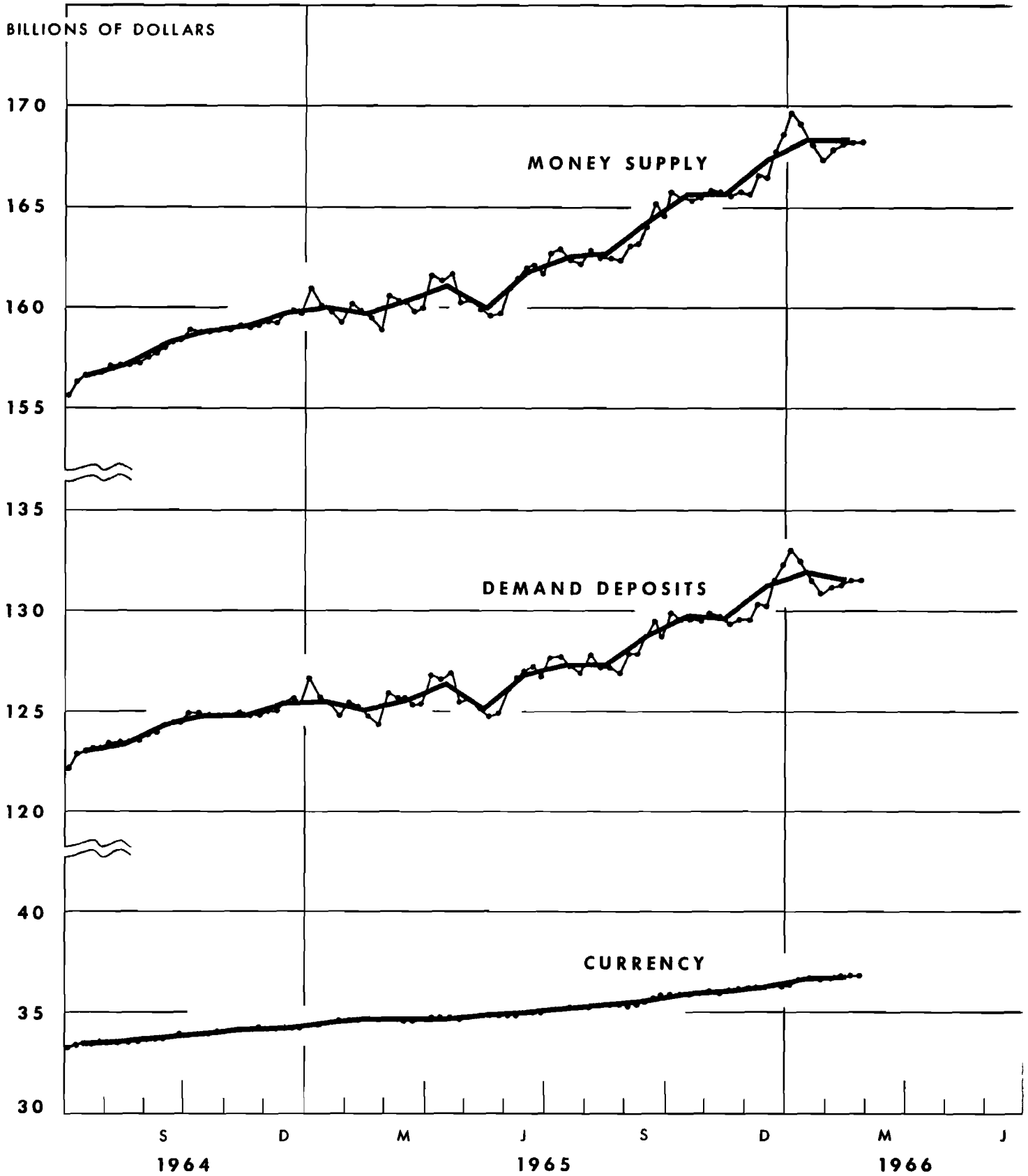


Table B-1

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>							
(12/30/64 - 2/24/65)	- 108	-450	+1,028	-1,277	-805	-779	- 26
(12/29/65 - 2/23/66)	- 678	- 53	+ 926	-1,143	-948	-905	- 43
<u>Weekly:</u>							
1965--Dec. 22	- 325	+ 1	- 143	+ 812	+344	+673	-329
29	+ 369	- 23	+ 40	- 114	+273	+ 46	+227
1966--Jan. 5	+ 247	- 53	+ 336	- 341	+190	+332	-142
12	+ 118	+ 1	- 16	- 140	- 38	-407	+369
19	-1,232	- 1	+ 412	+ 57	-765	-285	-480
26	+ 45	--	+ 339	- 401	- 16	-113	+ 97
Feb. 2	+ 369	- 1	+ 59	- 339	+ 87	+ 44	+ 43
9	+ 657	+ 2	- 430	- 417	-188	-210	+ 22
16 p	- 363	- 1	+ 133	+ 23	-208	-166	- 42
23 p	- 519	--	+ 93	+ 415	- 10	-100	+ 90
<u>PROJECTED 4/</u>							
Mar. 2	+ 200	--	- 90	- 60	+ 50	+ 50	--
9	+ 235	- 10	- 415	+ 35	-155	-155	--
16	--	- 10	+ 50	- 55	- 15	- 15	--
23	- 285	- 10	+ 110	+ 400	+215	+215	--
30	+ 40	- 10	+ 185	- 450	-235	-235	--
Apr. 6	+ 270	- 10	- 290	- 20	- 50	- 50	--
13	- 65	- 10	- 110	+ 130	- 55	- 55	--
20	- 475	- 10	+ 190	+ 400	+105	+105	--

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

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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 \$500 million.
4. Projected changes in gold stock reflect assumed outflow after March 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: a \$100 million increase in the weekly Treasury bill auction from March 3 to March 31; \$0.1 billion, March 10; \$0.4 billion, April 4.

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							
Year:							
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:							
(12/30/64 - 2/24/65)	-779	+ 70	-849	-863	+ 55	-178	+137
(12/29/65 - 2/23/66)	-905	- 50	-885	-828	+ 54	-132	+ 51
Weekly:							
1965--Dec. 22	+673	+245	+428	+226	- 8	+211	- 1
29	+ 46	+217	-171	-176	+ 8	- 13	+ 10
1966--Jan. 5	+332	- 89	+421	+269	+ 27	+122	+ 3
12	-407	-200	-207	- 82	- 9	-131	+ 15
19	-285	-181	-104	- 21	+ 9	-102	+ 10
26	-113	+171	-284	-267	+ 9	- 36	+ 10
Feb. 2	+ 44	+ 65	- 21	-169	+ 9	+141	- 2
9 p	-210	+ 22	-232	-212	+ 9	- 22	- 7
16 p	-166	+ 18	-184	-148	- 9	- 48	+ 21
23 p	-100	+144	-244	-198	+ 9	- 56	+ 1
PROJECTED							
Mar. 2	+ 50	- 50	+100	+ 30	+ 20	+ 60	- 10
9	-155	-195	+ 40	+ 20	+ 20	--	--
16	- 15	-175	+160	+180	- 20	--	--
23	+215	+465	-250	-230	- 20	--	--
30	-235	- 75	-160	-170	+ 10	--	--
Apr. 6	- 50	-190	+140	+150	- 10	--	--
13	- 55	-330	+275	+265	+ 10	--	--
20	+105	-100	+205	+215	- 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
<u>ACTUAL</u>		(Sign indicates effect on reserves)			
<u>Year:</u>					
1963 (12/26/62 - 12/25/63)	- 76	-216	+149	+ 88	- 97
1964 (12/25/63 - 12/23/64)	-365	-470	- 84	+ 11	+178
<u>Year-to-date:</u>					
(12/30/64 - 2/24/65)	-1,277	+ 7	-1,154	+ 96	-226
(12/29/65 - 2/23/66)	-1,143	+ 58	-672	- 4	+533
<u>Weekly:</u>					
1965--Dec. 22	+812	- 66	+823	+ 9	+ 46
29	-114	+ 31	-163	+ 4	+ 14
1966--Jan. 5	-341	+ 87	-347	- 15	- 66
12	-140	- 56	+ 24	- 27	- 81
19	+ 57	- 38	+ 51	+ 43	+ 1
26	-401	- 44	-356	- 10	+ 9
Feb. 2	-339	- 63	-178	- 35	- 63
9	-417	- 33	-236	+ 25	-173
16	+ 23	- 29	+ 68	+ 17	- 33
23	+415	+234	+302	+ 6	-127
<u>PROJECTED</u>					
Mar. 2	- 60	+ 95	-150	- 10	+ 5
9	+ 35	+ 85	- 50	--	--
16	- 55	--	-100	--	+ 45
23	+400	--	+340	--	+ 60
30	-450	--	-450	--	--
Apr. 6	- 20	--	- 50	--	+ 30
13	+130	--	+ 50	--	+ 80
20	+400	--	+400	--	--

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				
<u>Year:</u>								
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	
<u>Year-to-date:</u>								
(12/30/64 - 2/24/65)	- 108	- 124	+ 130	+ 18	-272	--	+ 16	
(12/29/65 - 2/23/66)	- 678	- 628	- 449	+ 42	-221	- 24	- 26	
<u>Weekly:</u>								
1965--Nov 17	- 72	- 205	- 201	--	- 4	- 22	+155	
24	- 380	- 260	- 260	--	--	+ 8	-128	
Dec. 1	+ 979	+ 747	+ 747	--	--	+ 59	+173	
8	+ 441	+ 479	+ 376	--	+103	+ 18	- 56	
15	- 138	- 135	- 87	--	- 48	- 11	+ 8	
22	+ 325	- 55	- 22	--	- 33	- 2	-268	
29	+ 369	+ 28	- 171	--	+199	+ 13	+328	
1966--Jan. 5	+ 247	+ 178	- 24	--	+202	+ 53	+ 16	
12	+ 118	+ 115	+ 216	--	-101	- 25	+ 28	
19	-1,232	- 812	- 490	--	-322	- 48	-372	
26	+ 45	- 123	- 123	--	--	+ 34	+134	
Feb. 2	+ 369	+ 338	+ 89	--	+249	- 35	+ 66	
9	+ 657	+ 569	+ 409	--	+160	+ 3	+ 85	
16	- 363	- 308	- 166	--	-142	- 5	- 50	
23	- 519	- 585	- 360	+ 42	-267	- 1	+ 67	

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
1964--January	20,248	19,977	19,884	19,185	15,442
February	20,268	19,982	19,872	19,245	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	21,872	21,341	21,532	21,090	16,341
November	21,827	21,399	21,459	21,124	16,318
December	22,160	21,760	21,793	21,326	16,477
1966--January	22,282	21,867	21,994	21,407	16,533
February p	22,338	21,892	22,001	21,429	16,532

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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/
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	233,505	118,718	4,298	110,489
November	234,264	120,152	3,785	110,327
December	236,411	121,220	3,782	111,409
1966--January	238,204	121,861	4,556	111,787
February p	239,075	122,432	4,862	111,781

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.

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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>
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	165.6	129.7	35.9
November	165.7	129.6	36.1
December	167.4	131.2	36.3
1966--January	168.4	131.8	36.7
February p	168.4	131.5	36.8
<u>Weekly</u>			
1965--Dec. 1	165.7	129.6	36.2
8	166.6	130.3	36.3
15	166.5	130.2	36.3
22	167.8	131.5	36.4
29	168.6	132.3	36.3
1966--Jan. 5	169.6	133.1	36.4
12	169.1	132.5	36.6
19	168.1	131.5	36.7
26	167.4	130.8	36.6
Feb. 2	167.9	131.2	36.7
9 p	168.1	131.3	36.8
16 p	168.3	131.5	36.8
23 p	168.3	131.5	36.8

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.

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