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MONEY MARKET AND RESERVE RELATIONSHIPS

Money market

After being around 4 per cent at the time of last FOMC meeting, the 3-month Treasury bill rate has risen to around 4.05 per cent, but longer-term bill rates have shown relatively little change. Short-term bill rates in the early part of October had reflected a temporary depletion of the available supply of bills in dealer hands as a result of sizable System and private buying. Dealers have since rebuilt their inventory, and private buying has recently tapered off. The System was also a small net seller of bills during the middle part of October.

The recent advance in rates has been dampened by the availability of dealer financing at relatively attractive rates and by expectations of sizable System buying in late October and early November. The availability of dealer financing has reflected an increase in repurchase money from corporations and the absence of any sustained pressure on money market banks, especially those in New York. Concurrently, the Federal funds market has been somewhat less taut than earlier, with funds trading at an effective rate below 4-1/8 per cent on four trading days during the last two weeks of October. Especially in the last week of October, funds were very readily available and banks were able to reduce their borrowings at the discount window to the lowest level since March.

Prospects. With net borrowed reserves in the neighborhood of \$100 to \$150 million, bill rates can be expected to remain within a narrow range until around mid-November; the 3-month bill should hold in

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 Re-serves	Bank Credit Proxy	Money Supply	Time Deposits ^{2/}	
1964 - Oct.	89	305	3.29	3.57	4.20	4.46	3.11	- 38	- 63	+1,260	+ 600	+1,400	
Nov.	2	413	3.51	3.64	4.17	--	3.08	+ 26	+ 84	+1,886	+ 300	+1,600	
Dec.	127	278	3.81	3.84	4.18	4.47	3.01	+260	+ 49	+1,265	+ 600	+1,500	
1965 - Jan.	115	303	3.85	3.81	4.19	4.42	2.97	- 25	+ 92	+1,520	+ 300	+2,200	
Feb.	26	406	3.96	3.93	4.21	4.41	2.97	+108	+181	+2,321	- 300	+2,200	
Mar.	- 50	395	4.04	3.93	4.20	4.45	3.09	+ 95	+151	+1,787	+ 600	+1,100	
Apr.	-133	471	4.09	3.93	4.20	4.46	3.09	+140	+216	+3,206	+ 800	+1,400	
May	-159	490	4.08	3.89	4.21	4.51	3.09	- 21	- 51	- 494	-1,100	+1,100	
June	-178	534	4.01	3.80	4.21	4.58	3.15	+147	+169	+1,683	+1,800	+1,300	
July	-178	526	4.07	3.83	4.21	4.61	3.16	+ 32	+ 25	+1,622	+ 700	+1,700	
Aug.	-167	549	4.11	3.84	4.25	4.63	3.16	-115	- 49	+1,253	+ 200	+2,500	
Sept.	-144	552	3.95	3.92	4.30	4.67	3.25	- 4	--	+ 905	+1,600	+1,500	
Oct. ^{e/}	-134	490	4.04	4.02	4.32	4.69	3.31	+123	+106	+2,585	+1,200	+2,100	
1965 - Sept. 15	- 94	558	4.12	3.88	4.30	4.67	3.21				+ 900	+ 500	
22	-194	627	4.12	3.90	4.30	4.64	3.25				+1,100	+ 100	
29	-219	553	3.50	4.00	4.32	--	3.31				- 600	+ 200	
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	-107	591	4.05	4.02	4.31	--	3.31				--	+ 500	
27	-137	338	3.95	4.04	4.33	4.63	3.31				- 200	+ 400	
				<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	+4.7	+6.1	+ 9.6	+3.5	+16.0	
Apr. 1965--Oct. 1965	-156	516	4.05	3.89	4.24	4.59	3.17	+2.5	+3.3	+ 8.3	+5.5	+15.0	
Aug. 1965--Oct. 1965	-148	530	4.03	3.93	4.29	4.66	3.24	+0.1	+1.0	+ 8.3	+7.4	+17.7	
October 1965	-134	490	4.04	4.02	4.32	4.69	3.31	+6.9	+5.8	+13.4	+8.8	+17.8	

^{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.

^{e/} Estimated.

a 4.00 to 4.10 per cent band. The Treasury's cash refunding of mid-November maturities with an 18-month note is not likely to have much net effect on the bill market, although the announcement of a cash rather than a "rights" refunding did cause bill rates to back up 1 basis point. In early November, a moderating factor will be further System purchases perhaps abetted by some seasonal pickup in private demands.

After mid-November, the money market will enter a period of seasonal pressure generally extending at least through the mid-December tax period. The 3-month bill rate could perhaps penetrate the upper-end of the range noted above, even if net borrowed reserves show no significant rise. But this will depend importantly on the strength of late fall credit demands. The Treasury's expected bill financing in late November (to be announced probably in mid-November) may also put some upward pressure on bill rates, although the possibility exists that such bill financing may turn out to be as much as \$1 billion smaller than the \$3 billion earlier anticipated.

With respect to bond yields, the market remains cautious and thin. The Treasury November refunding announcement did not disturb the market initially, but a disappointly high allotment ratio would have adverse effects on the market. Bond markets still appear vulnerable to a sizable build-up in the corporate calendar, any further diminution in bank demand for municipals, or developments in bill rates, prices, or balance of payments which might lead to expectations of a shift in monetary policy.

Reserve flows, bank credit and money

The moderation in October of the sharp rise in interest rates that had developed in August and September was accompanied by a sizable increase in nonborrowed reserves during the month. After declining during the last two months of summer, such reserves in October rose by nearly 7 per cent (annual rate), and thereby just about offset the reductions of the two previous months. Total reserves, too, increased in October, after declining in summer. Fluctuations in reserve growth over the last three months has been importantly influenced by the timing of recent Treasury financings.

Prospects. In the coming weeks nonborrowed reserves may continue to grow, although at slower pace than in October. Growth in nonborrowed reserves, given the current level of free reserves, could continue to average about the 2.5 per cent annual rate that has prevailed since the March policy change. Factors affecting such growth will be the vigor of loan demand, the amount of additional Treasury financing and the relationship between the discount and market rates.

The System can be expected to supply nearly \$1 billion of non-borrowed reserves in the first two statement weeks ending in November, of which about two-thirds has already been supplied. Declines in required reserves are projected to supply some free reserves in this period, but an expected \$700 million outflow of currency into circulation will absorb reserves as will a decline in float projected at almost \$400 million. In the last half of November the System will return to the selling side of the market, although to the extent of only about half its purchases, as reserves are supplied by the usual rise in float.

Bank credit growth (on a monthly average basis) is likely to slow from its rapid October pace, but probably remain around the 8 per cent annual rate that has prevailed since March. Money supply growth is also likely to fall from its high September and October rates, with the demand deposit component continuing to average around the 4 per cent rate that has obtained since the March policy shift. Time deposit growth is likely to slow from its high October rate between now and the end of the year.

Effect of alternative policies

Money market and reserve relationships that are likely to be consistent with alternative policy postures have not been considered at this time because an even keel policy associated with the current Treasury financing appears to preclude policy action, at least until after mid-November.

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 - 10/27/65	361	517	-156		
<u>Monthly (reserve weeks ending in):</u>					
1964--October	394	305	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 p	356	490	-134		
<u>Weekly</u>					
1965--July 7	349	582	-233	-185	-152
14	529	620	- 91	-104	-127
21	192	425	-233	-234	-217
28	323	479	-156	-154	-164
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 p	484	591	-107	- 97	-128
27 p	201	338	-137	-137	-136

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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>Policy period</u>							
12/62 - 5/63	+ 3.8	+ 4.7	+14.5	+ 2.1	+ 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	+ 1.9	+ 2.7	+ 7.3	+ 3.7
8/64 - 1/65	+ 4.9	+ 5.2	+15.3	+ 2.6	+ 2.6	+ 8.6	+ 4.4
1/65 - 3/65	+ 9.4	+ 5.8	+15.1	+ 7.7	+ 2.5	+11.3	+ 1.1
3/65 -10/65	+ 3.3	+ 2.5	+15.7	+ 1.1	+ 4.2	+ 8.3	+ 5.5
<u>Monthly:</u>							
1964--July	- 1.0	- 0.6	+ 8.9	+ 3.3	+ 8.3	+ 5.9	+ 8.5
August	+ 5.1	- 0.2	+17.7	+ 2.6	+ 4.5	+ 9.7	+ 3.8
September	+15.0	+13.0	+11.4	+ 7.4	+ 7.6	+ 9.3	+ 8.4
October	- 3.6	- 2.2	+14.0	+ 0.9	+ 6.1	+ 7.1	+ 4.6
November	+ 4.8	+ 1.5	+14.7	+ 6.9	- 1.7	+10.6	+ 2.3
December	+ 2.8	+15.1	+13.1	+ 1.4	+ 3.6	+ 7.0	+ 4.5
1965--January	+ 5.2	- 1.4	+21.6	- 3.9	- 2.6	+ 8.4	+ 2.3
February	+10.3	+ 6.2	+19.8	+ 6.3	- 2.0	+12.7	- 2.3
March	+ 8.5	+ 5.4	+10.3	+ 9.0	+ 6.9	+ 9.7	+ 4.5
April	+12.1	+ 8.0	+13.5	+20.9	+ 5.0	+17.3	+ 6.0
May	- 2.8	- 1.2	+ 9.8	-14.4	-14.0	- 2.6	- 8.2
June	+ 9.4	+ 8.3	+11.4	+ 6.5	+15.6	+ 9.0	+13.5
July	+ 1.4	+ 1.8	+14.5	+ 2.9	+ 1.4	+ 8.6	+ 5.2
August	- 2.7	- 6.5	+24.4	-10.8	- 0.4	+ 6.6	+ 1.5
September	--	- 0.2	+13.5	- 4.3	+14.0	+ 4.7	+11.8
October est.	+ 5.8	+ 6.9	+19.2	+ 7.3	+ 7.8	+13.4	+ 8.8

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

est.- Estimated.

Chart 1

MEMBER BANK RESERVES

SEASONALLY ADJUSTED MONTHLY AVERAGES OF DAILY FIGURES

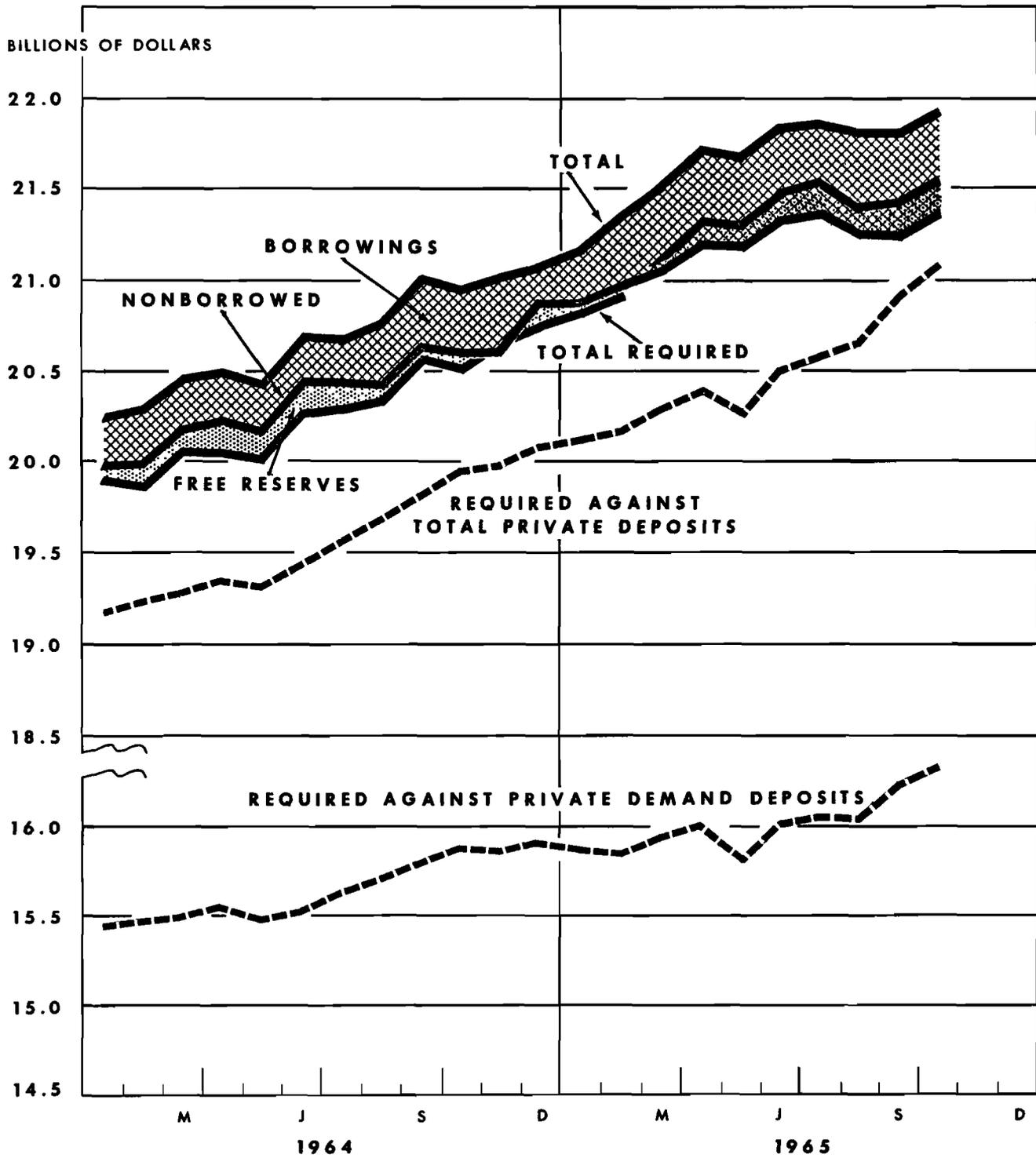


Chart 2

MEMBER BANK DEPOSITS SUPPORTED BY REQUIRED RESERVES

SEASONALLY ADJUSTED MONTHLY AVERAGES OF DAILY FIGURES

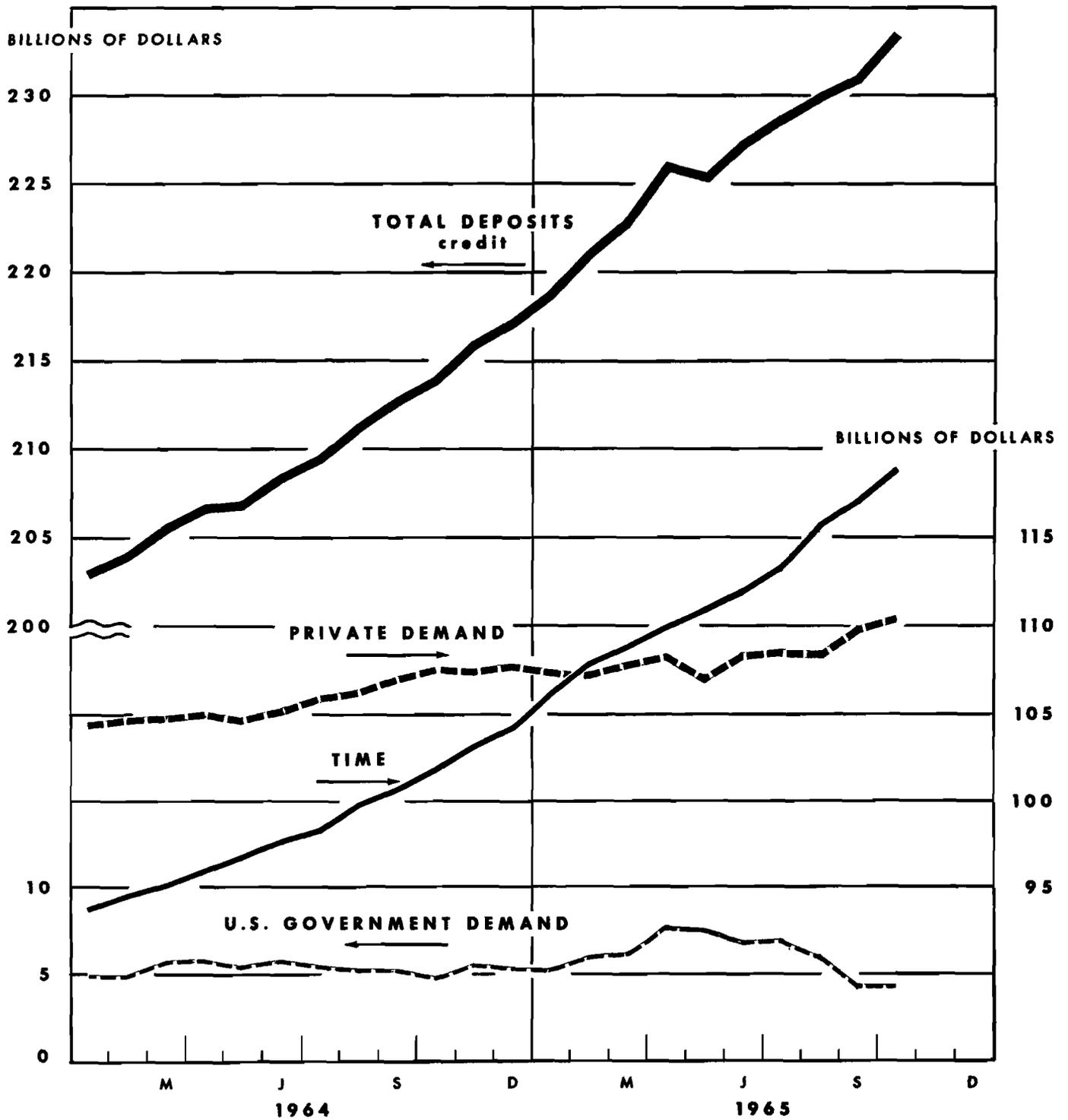


Chart 3

MONEY SUPPLY BY COMPONENTS

SEASONALLY ADJUSTED MONTHLY AND WEEKLY AVERAGES OF DAILY FIGURES

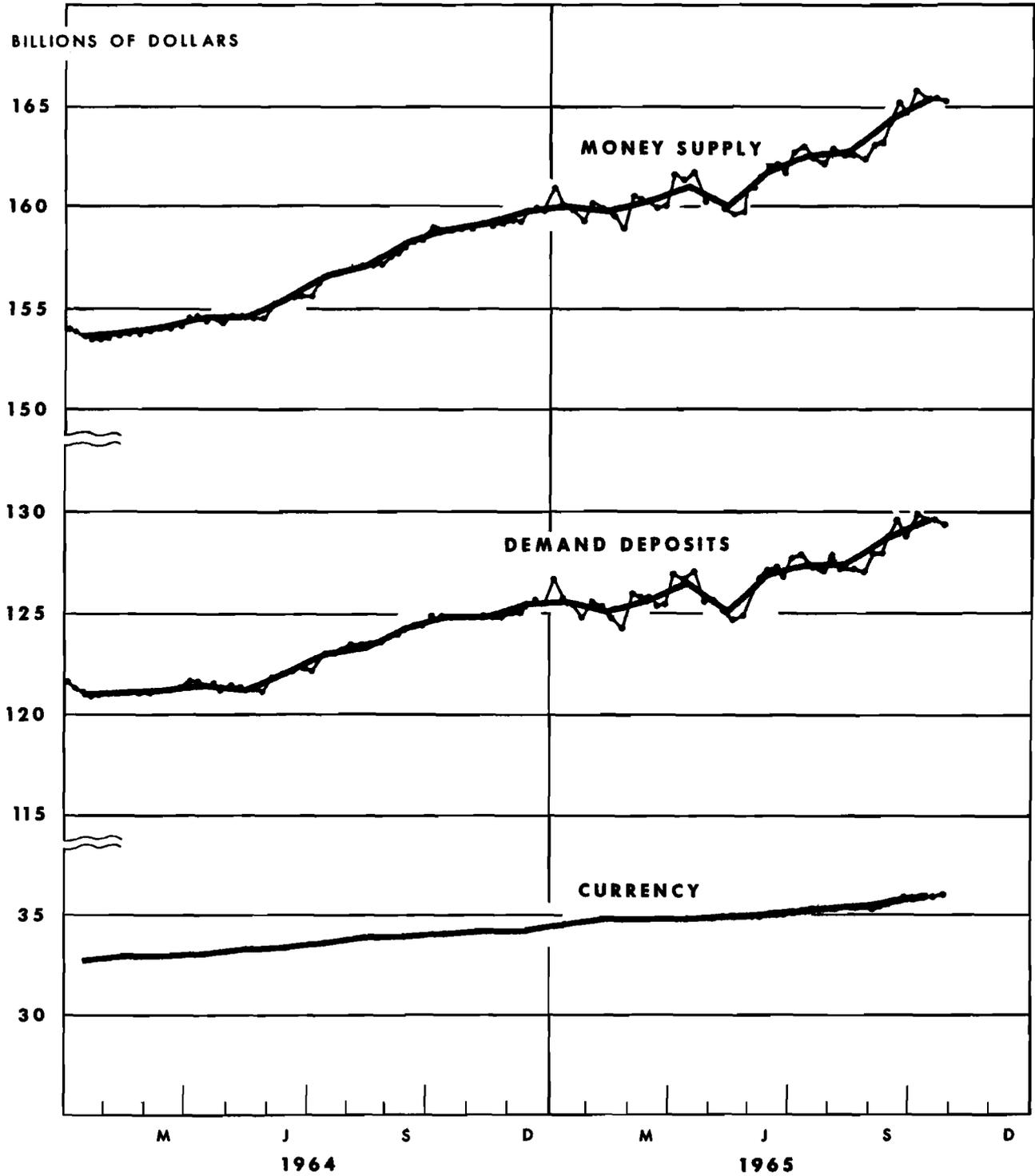


Table B-1

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	= Bank use of reserves	
	Federal Reserve credit (excl. float) 1/	Gold stock	Currency outside banks	Technical factors net 2/	in total reserves	Required reserves 3/	Excess reserves
<u>ACTUAL</u>							
Year:							
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
Year-to-date:							
(12/25/63 - 10/28/64)	+1,189	- 90	-578	-753	-232	- 62	-170
(12/23/64 - 10/27/65)	+2,456	-1,530	-772	-137	+ 20	+223	-203
Weekly:							
1965--Aug. 25	+ 54	--	+168	-219	+ 5	- 73	+ 78
Sept. 1	+ 28	--	+162	-128	+ 59	+ 30	+ 29
8	+290	--	-652	+198	-164	-104	- 60
15	-353	- 1	+235	+288	+170	+ 79	+ 91
22	-311	+ 1	+ 57	+782	+530	+561	- 31
29	+303	--	+ 55	-582	-224	-125	- 99
Oct. 6	+790	- 1	-363	-263	+163	+ 57	+106
13	-131	--	-293	+ 77	-347	-205	-142
20 p	-215	+ 1	+165	+616	+567	+381	+186
27 p	-426	- 1	+193	-178	-412	-129	-283
<u>PROJECTED</u>							
1965--Nov. 3	+560	--	-115	-440	+ 5	+ 5	--
10	+440	--	-555	- 25	-140	-140	--
17	-280	- 10	- 10	+255	- 45	- 45	--
24	-235	- 10	- 5	+250	--	--	--
Dec. 1	+365	- 10	- 40	-290	+ 25	+ 25	--
8	+665	- 10	-300	- 60	+295	+295	--
15	-175	- 10	+ 20	+215	+ 50	+ 50	--
22	-320	- 10	- 70	+915	+515	+515	--
29	-125	- 10	+ 35	+ 50	- 50	- 50	--

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 \$900 million.
4. Projected changes in gold stock reflect assumed outflow after August 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 \$0.2 billion, November 15; \$0.2 billion, November 24; \$2.5 billion, November 30.

Table B-4

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:							
(12/25/63 - 10/28/64)	- 62	-315	+253	-544	- 49	+372	+474
(12/23/64 - 10/27/65)	+216	- 85	+301	-576	+ 39	+238	+600
Weekly:							
1965--Aug. 25	- 73	+ 54	-127	-129	- 8	- 12	+ 22
Sept. 1	+ 30	-154	+184	+ 79	- 8	+ 88	+ 25
8	-104	-186	+ 82	+ 81	+ 8	- 10	+ 3
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 p	+381	+230	+151	+161	--	- 22	+ 12
27 p	-129	-110	- 19	- 34	--	- 1	+ 16
PROJECTED							
1965--Nov. 3	+ 5	-100	+105	+ 80	- 10	+ 25	+ 10
10	-140	-175	+ 35	+ 35	--	--	--
17	- 45	- 35	- 10	+ 15	- 25	--	--
24	--	+140	-140	-130	- 10	--	--
Dec. 1	+ 25	- 30	+ 55	+ 45	+ 10	--	--
8	+295	+180	+115	+115	--	--	--
15	+ 50	-250	+300	+300	--	--	--
22	+515	+300	+215	+225	- 10	--	--
29	- 50	+125	-175	-175	--	--	--

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

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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>					
(12/25/63 - 10/28/64)	-753	- 52	-996	- 13	+308
(12/23/64 - 10/27/65)	-137	- 92	-991	- 17	+963
<u>Weekly:</u>					
1965--Aug. 25	-219	- 57	- 78	+ 16	-100
Sept. 1	-128	- 21	-265	- 23	+181
8	+198	+ 69	+125	- 3	+ 7
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
<u>PROJECTED</u>					
1965--Nov. 3	-440	+ 10	-380	+ 10	- 80
10	- 25	+ 65	- 10	- 15	- 65
17	+255	--	+250	--	+ 5
24	+250	--	+400	--	+150
Dec. 1	-290	--	-290	--	--
8	- 60	--	- 60	--	--
15	+215	--	+130	--	+ 85
22	+915	--	+860	--	+ 55
29	+ 50	--	- 50	--	--

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 - 10/28/64)	+1,189	+1,325	+ 444	+915	- 34	- 49	- 87	
(12/23/64 - 10/27/65)	+2,456	+2,366	+1,716	+916	-266	+ 9	+ 81	
Weekly:								
1965--July 28	+201	+149	+ 33	--	+116	- 2	+ 54	
Aug. 4	+451	+387	+104	--	+283	- 1	+ 65	
11	+324	+251	+356	--	-105	+ 1	+ 72	
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	

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 est.	21,922	21,366	21,539	21,084	16,333

est. - Estimated.

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	189,122	81,146	5,675	102,301
February	190,235	82,139	5,778	102,318
March	191,124	83,139	5,534	102,451
April	192,376	84,232	5,573	102,571
May	193,116	84,961	5,491	102,664
June	193,959	85,732	5,516	102,711
July	195,585	86,528	5,853	103,204
August	196,315	88,145	4,960	103,210
September	197,631	89,139	5,126	103,366
October	198,262	90,159	4,322	103,781
November	199,873	91,428	3,962	104,483
December	201,645	92,426	4,944	104,275
1964--January	202,883	93,563	4,913	104,407
February	203,912	94,495	4,848	104,569
March	205,362	95,011	5,602	104,749
April	206,452	95,852	5,613	104,987
May	206,625	96,677	5,339	104,609
June	208,310	97,542	5,702	105,066
July	209,338	98,273	5,282	105,783
August	211,035	99,725	5,121	106,189
September	212,664	100,670	5,126	106,868
October	213,924	101,850	4,664	107,410
November	215,810	103,090	5,461	107,259
December	217,075	104,215	5,269	107,591
1965--January	218,595	106,107	5,135	107,353
February	220,916	107,843	5,895	107,178
March	222,703	108,778	6,130	107,795
April	225,909	109,996	7,670	108,243
May	225,415	110,898	7,542	106,975
June	227,098	111,955	6,771	108,372
July	228,720	113,306	6,917	108,497
August	229,973	115,594	5,923	108,456
September	230,878	116,900	4,261	109,717
October ^a	233,463	118,787	4,240	110,436

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.

a - Estimated.

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 est.	165.5	129.5	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	35.8
13	165.5	129.6	35.9
20 p	165.5	129.6	35.9
27 p	165.3	129.3	36.0

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.

est. - Estimated.