

Prefatory Note

The attached document represents the most complete and accurate version available based on original copies culled from the files of the FOMC Secretariat at the Board of Governors of the Federal Reserve System. This electronic document was created through a comprehensive digitization process which included identifying the best-preserved paper copies, scanning those copies,¹ and then making the scanned versions text-searchable.² Though a stringent quality assurance process was employed, some imperfections may remain.

Please note that some material may have been redacted from this document if that material was received on a confidential basis. Redacted material is indicated by occasional gaps in the text or by gray boxes around non-text content. All redacted passages are exempt from disclosure under applicable provisions of the Freedom of Information Act.

¹ In some cases, original copies needed to be photocopied before being scanned into electronic format. All scanned images were deskewed (to remove the effects of printer- and scanner-introduced tilting) and lightly cleaned (to remove dark spots caused by staple holes, hole punches, and other blemishes caused after initial printing).

² A two-step process was used. An advanced optical character recognition computer program (OCR) first created electronic text from the document image. Where the OCR results were inconclusive, staff checked and corrected the text as necessary. Please note that the numbers and text in charts and tables were not reliably recognized by the OCR process and were not checked or corrected by staff.

CONFIDENTIAL (FR)

MONEY MARKET AND RESERVE RELATIONSHIPS

Money markets

Recent developments. In late November and early December before the discount rate increase the money market was coming under seasonal pressure. Federal funds traded mostly at 4-1/8 per cent-- but also with increasing frequency at 4-1/4 per cent--dealer loan rates moved into a higher range, and bill rates continued to edge upward.

Following the discount rate advance, short-term market rates generally, including those on Treasury bills, bankers' acceptances, commercial paper, and certificates of deposit, adjusted up by 1/8 - 1/4 per cent. The Federal funds rate, after some temporary easing toward the end of the December 8 statement week, moved back to around the new discount rate and dealer lending rates have also risen to and slightly above 4-1/2 per cent.

The 3-month bill so far has fluctuated around the 4.34 per cent issuing rate in the auction that followed the discount rate announcement; this rate is apparently being influenced by the small supply of short-term bills currently in dealer hands.

CD issuing rates posted by New York banks shortly after the discount rate action ranged from 4-3/8 - 4-1/2 per cent for 30-89 day money to 4.65 - 4.75 per cent for 6-month and longer-term deposits. A national structure of CD rates has not yet taken form, but one large bank today posted a rate of 4-3/4 per cent for 90-day CD money.

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. bond)	Corporate New Issues (Aaa)	Municipal (Aaa)	Non-Borrowed Reserves	Total Reserves	Bank Credit Proxy	Money Supply	Time Deposits ^{2/}
1964 - 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
Nov.	- 79	418	4.09	4.08	4.40*	4.72	3.34	+ 57	- 46	+ 759	+ 100	+1,900
1965 - Nov. 3	-107	486	4.12	4.07	4.37	--	3.32				+ 400	+ 400
10	94	334	4.00	4.06	4.40	4.73	3.32				- 100	+ 400
17	-172	489	4.12	4.08	4.40	4.70	3.32				- 200	+ 500
24	-131	361	4.10	4.11	4.40	4.77	3.36				+ 200	+ 800
Dec. 1p	-111	534	4.12	4.12	4.41	4.79	3.37				- 100	+ 200
8p	9	478	3.50	4.25	4.48	4.80	3.37				+ 700	- 100
	<u>Averages</u>							<u>Annual Rates of Increase</u> ^{1/}				
July 1964 -- Mar. 1965	70	333	3.64	3.69	4.19	4.43	3.05	+4.1	+5.3	+ 8.8	+ 4.1	+15.3
Apr. 1965 -- Nov. 1965	-148	506	4.06	3.91	4.26	4.61	3.19	+2.4	+2.2	+ 8.0	+ 5.1	+15.2
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
November 1965	- 79	418	4.09	4.08	4.40*	4.72	3.34	+3.2	-2.5	+ 3.9	+ 0.7	+15.9

^{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.

P - Preliminary.

December 10, 1965.

In the December 8 statement week, free reserves averaged \$9 million as the System purchased a sizable amount of bills to cushion the impact of the discount rate increase. Member bank borrowings remained relatively high at \$478 million, however, in reflection of some apparent overborrowing in districts that still had a 4 per cent discount rate. In the previous five weeks, net borrowed reserves and member bank borrowings averaged about \$85 million and \$440 million, respectively.

Prospective developments. The combination of the recent discount rate action, widely fluctuating seasonal pressures over the next four weeks, and forthcoming Treasury financings make estimation of prospective interrelationships among money market variables especially difficult at this time. If it were to be the Committee's intent to moderate (but not fully offset) further adjustments of money and credit market conditions, the staff estimates that net borrowed reserves ranging around \$100 million would likely be associated with bill rates in a 4.30 to 4.45 per cent range. Some seasonal pressure on dealer loan rates is to be expected and rates in New York may climb to around 4-3/4 per cent, which may put some upward pressure on bill rates. Federal funds should commonly trade at 4-1/2 per cent and occasionally at 4-5/8 per cent. Chances of the development of a premium funds rate will be lessened if banks find it possible to obtain short-term CD money at rates around the discount rate.

The increase in CD ceiling rates seems to have eased the possibility of a serious money market bind, especially around and immediately after the tax date. But it is not yet clear how aggressive banks will be in seeking CD money, and this raises the possibility of repercussions on the bill market. In addition, the forthcoming new supply of bills from Treasury financings could be a factor offsetting the usual seasonal tendency for short-term rates to decline after tax date pressures abate and as investment funds become increasingly available early in the new year.

Long-term interest rates, like short-term rates, seem to have passed through an initial phase of their adjustment to the discount rate action. Little change in long-term rates is likely in the weeks immediately ahead, and even some small and technical rallies cannot be ruled out. On the other hand, the possibility of significant additions to the corporate calendar and disclosure of the full dimensions of the Treasury's probable cash financings in January (around \$3 billion) may disturb the current balance of market forces.

Reserve flows, bank credit, and money

Recent developments. In November, total reserves of member banks turned down by an amount almost equal to their October rise, as reserves required behind both private and Government demand deposits declined. Nonborrowed reserves increased at a somewhat slower pace than in the previous month, while borrowed reserves declined contra-seasonally.

Prospective developments. Expansion in total reserves appears likely to resume in December, encouraged by heavy year-end credit demands and by a larger than seasonal rise in Government deposits. Nonborrowed reserves should also continue to rise although, despite the discount rate increase, banks may tend to cover somewhat more of reserve needs through borrowings than they did last month, when the power failure and even keel around the mid-November refunding tended to keep borrowings down.

The System generally will be a seller of Government securities in coming weeks, as reserves are supplied by the usual Christmas float bulge and then, in January, by the return flow of currency from circulation and seasonal loan repayments.

Bank credit growth on a daily average basis will be considerably higher in December than November, reflecting in part the temporary bulge of banks' underwriting of the Treasury bill financing in late November. For the two months November-December combined, an annual growth rate of 8-9 per cent might be expected, close to the average for the year to date.

The amount of increase in bank credit in December depends partly on banks' willingness and ability to obtain additional CDs, given the flexibility under the new ceilings. In view of the large CD maturities in December, and the reduced corporate liquidity positions, the annual rate of net time deposit acquisition may drop off to around 10 per cent this month, as compared with almost 17 per

cent in the two previous months. Parallel with this, however, private demand deposits are likely to resume expansion this month, at around a 4-5 per cent annual rate. This would bring private demand deposit expansion for the year as a whole to near 4 per cent, about the same as last year.

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 - 12/8/65	364	506	-142		
<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	339	418	- 79		
<u>Weekly</u>					
1965--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	379	486	-107	-118	-118
10	428	334	94	62	37
17	317	489	-172	-198	-189
24	230	361	-131	-163	-177
Dec. 1 p	423	534	-111	-153	-147
8 p	487	478	9	9	20

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		
Policy period							
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 -11/65	+ 2.2	+ 2.4	+15.7	+ 0.6	+ 3.5	+ 8.0	+ 5.1
Monthly:							
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	+ 3.1	+ 5.5	+18.7	+ 8.1	+ 8.4	+13.5	+ 9.5
November p	- 2.5	+ 3.2	+14.4	- 6.9	- 1.7	+ 3.9	+ 0.7

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

p - Preliminary.

Chart 1

MEMBER BANK RESERVES

SEASONALLY ADJUSTED MONTHLY AVERAGES OF DAILY FIGURES

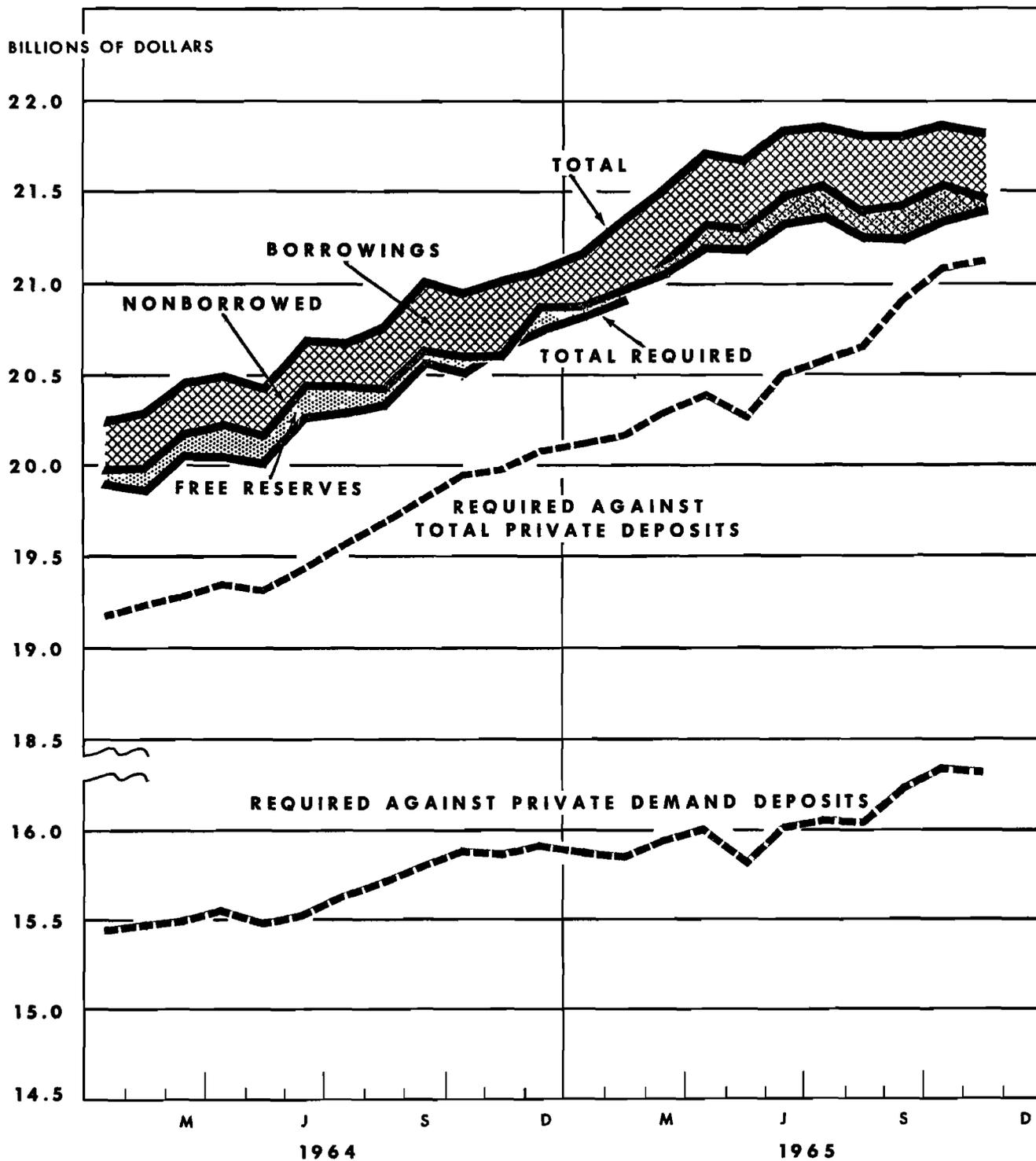


Chart 2

MEMBER BANK DEPOSITS SUPPORTED BY REQUIRED RESERVES

SEASONALLY ADJUSTED MONTHLY AVERAGES OF DAILY FIGURES

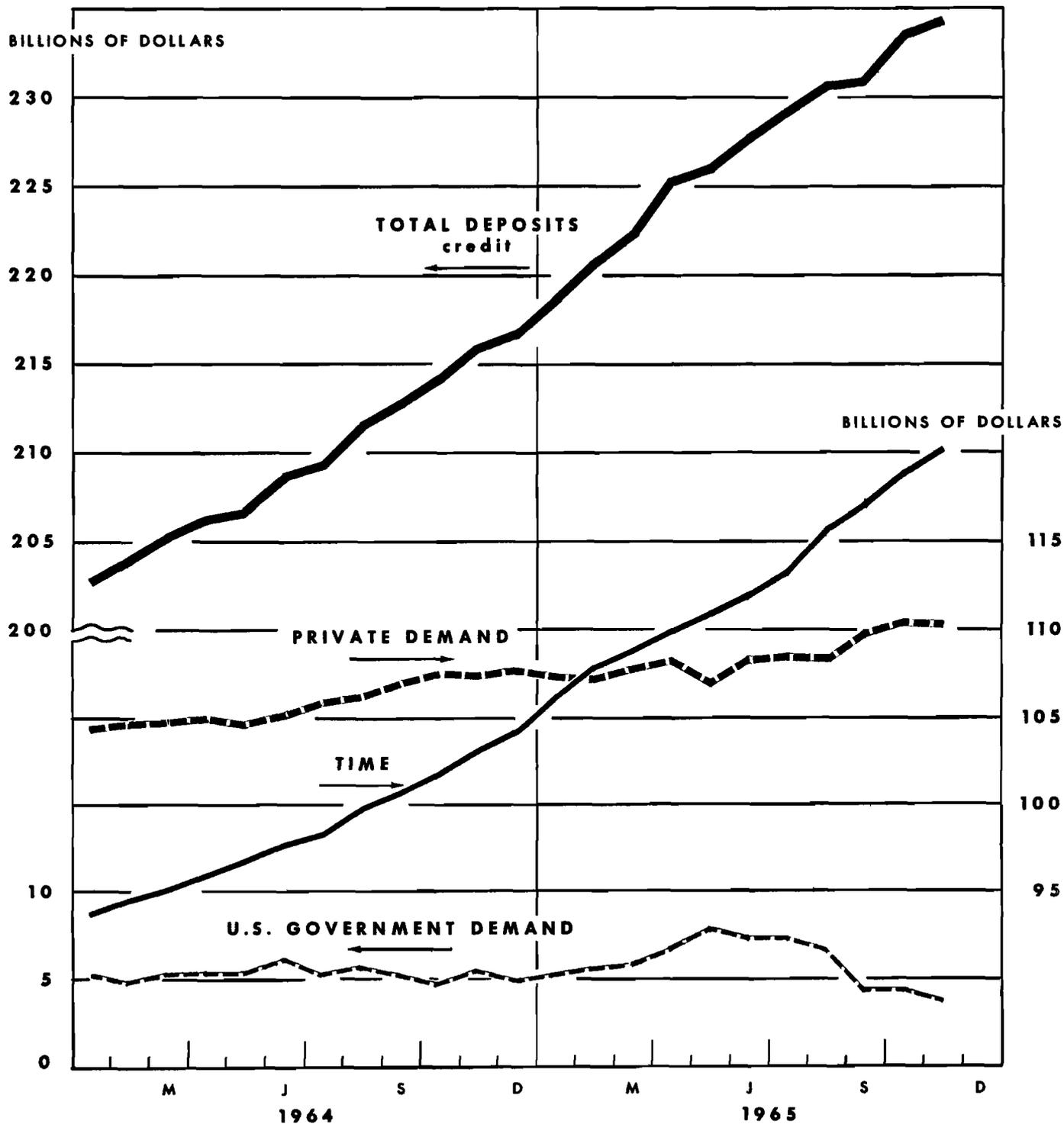


Chart 3

MONEY SUPPLY BY COMPONENTS

SEASONALLY ADJUSTED MONTHLY AND WEEKLY AVERAGES OF DAILY FIGURES

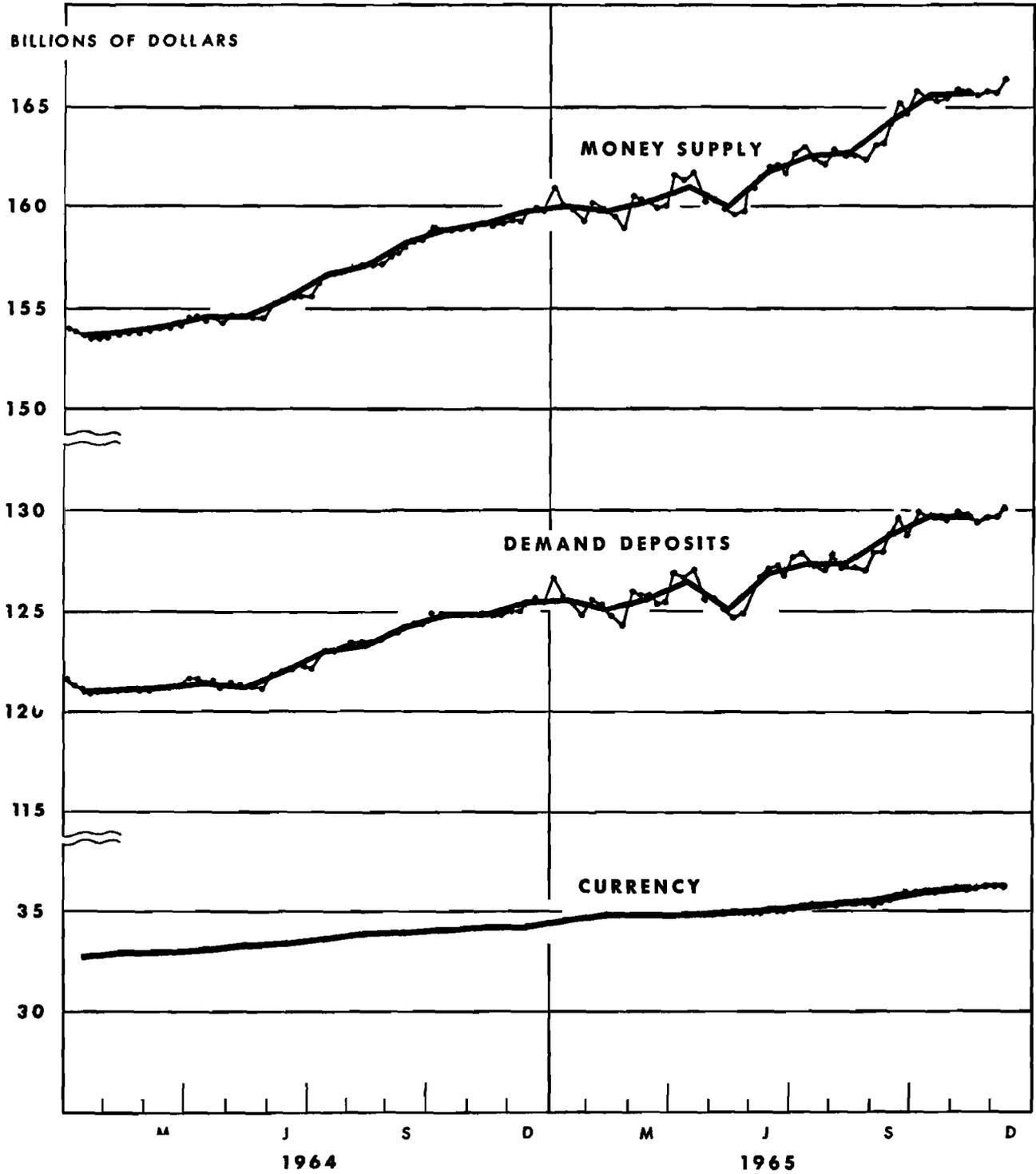


Table B-1

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
ACTUAL							
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 - 12/9/64)	+3,512	-165	-1,772	-1,435	+141	+325	-184
(12/23/64 - 12/8/65)	+4,389	-1,578	-2,020	-257	+536	+453	+ 83
Weekly:							
1965--Oct. 6	+790	- 1	-363	-263	+163	+ 57	+106
13	-131	--	-293	+ 77	-347	-205	-142
20	-215	+ 1	+163	+616	+567	+375	+192
27	-426	- 1	+170	-178	-435	-138	-297
Nov. 3	+709	+ 1	-127	-308	+273	+ 87	+186
10	+256	--	-519	+ 52	-207	-256	+ 49
17	- 72	+ 1	- 50	+ 98	- 26	+ 85	-111
24	-380	- 16	- 88	+353	-131	- 44	- 87
Dec. 1 p	+979	- 35	- 62	-441	+443	+250	+193
8 p	+441	+ 1	-379	+126	+187	+123	+ 64
PROJECTED							
Dec. 15	-270	--	- 15	+300	+ 15	+ 15	--
22	-370	- 10	- 55	+1,000	+565	+565	--
29	+ 35	- 10	- 70	+ 50	+ 5	+ 5	--
1966--Jan. 5	- 35	- 10	+500	-250	+205	+205	--
12	+ 90	- 10	+125	-385	-180	-180	--
19	-595	- 10	+380	+115	-110	-110	--
26	-295	- 10	+220	-240	-325	-325	--
Feb. 2	+175	- 10	+ 20	-320	-135	-135	--

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 \$600 million.
4. Projected changes in gold stock reflect assumed outflow after December 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 operation: \$2.2 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							
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 - 12/9/64)	+325	-150	+475	-325	+ 21	+348	+431
(12/23/64 - 12/8/65)	+446	-103	+549	-416	+ 8	+303	+654
Weekly:							
1965--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	+ 87	- 71	+158	+ 78	- 8	+ 73	+ 15
10	-256	-177	- 79	+ 37	--	-118	+ 2
17	+ 85	+ 33	+ 52	+ 15	- 23	+ 38	+ 22
24	- 44	+101	-145	-129	- 8	- 24	+ 16
Dec. 1 p	+250	+218	+ 32	+ 46	+ 8	- 22	--
8 p	+123	-106	+229	+113	--	+110	+ 6
PROJECTED							
Dec. 15	+ 15	-305	+320	+300	--	+ 10	+ 10
22	+565	+350	+215	+225	- 10	--	--
29	+ 5	+180	-175	-175	--	--	--
1966--Jan. 5	+205	- 70	+275	+235	+ 40	--	--
12	-180	-110	- 70	- 55	- 15	--	--
19	-110	-100	- 10	- 20	+ 10	--	--
26	-325	- 75	-250	-260	+ 10	--	--
Feb. 2	-135	+ 20	-155	-165	+ 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>					
(12/25/63 - 12/9/64)	-1,435	-332	-1,041	- 63	+ 1
(12/23/64 - 12/8/65)	-257	+244	-1,047	- 9	+555
<u>Weekly:</u>					
1965--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
24	+353	+148	+276	--	- 71
Dec. 1	-441	+111	-462	+ 21	-111
8	+120	+ 98	+ 55	+ 5	- 38
<u>PROJECTED</u>					
Dec. 15	+300	+ 70	+180	- 5	+ 55
22	+1,000	+ 25	+920	--	+ 55
29	+ 50	--	+ 50	--	--
1966--Jan. 5	-250	--	-300	--	+ 50
12	-385	--	-450	--	+ 65
19	+115	--	+115	--	--
26	-240	--	-240	--	--
Feb. 2	-320	--	-320	--	--

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 -12/9/64)	+3,512	+3,749	+2,761	+1,022	- 34	- 42	-195	
(12/23/64 -12/8/65)	+4,389	+4,088	+3,335	+ 916	-163	+ 80	+221	
Weekly:								
1965--Sept. 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	
24	- 380	- 260	- 260	--	--	+ 8	-128	
Dec. 1	+ 979	+ 747	+ 747	--	--	+ 59	+173	
8	+ 441	+ 479	+ 376	--	+103	+ 18	- 56	

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	21,872	21,341	21,532	21,090	16,341
November p	21,826	21,398	21,460	21,124	16,318

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	233,505	118,718	4,298	110,489
November p	234,264	120,152	3,785	110,327

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.

p - Preliminary.

rt 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	165.6	129.7	35.9
November p	165.7	129.6	36.1
<u>Weekly:</u>			
1965--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	165.9	129.9	36.1
10	165.8	129.7	36.0
17	165.6	129.4	36.1
24	165.8	129.6	36.2
Dec. 1 p	165.7	129.6	36.2
8 e	166.4	130.1	36.2

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.

p - Preliminary.

e - Estimated.