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MONEY MARKET AND RESERVE RELATIONSHIPS

Recent developments

With bill rates declining further and other money market conditions easing slightly, total member bank deposits (bank credit proxy) expanded at an annual rate of 3.4 per cent in December, the first monthly increase since July; after considering bank borrowing abroad, the proxy rose by about 5 per cent. Yields on Treasury bills of all maturities have fallen below 5 per cent, with the 3-month bill recently hovering around 4.80 per cent. Yields available on short-term Federal agencies also declined sharply, while rates on bankers' acceptances and finance company paper were reduced moderately.

The recent declines in bill rates have apparently contained a large expectational component, particularly since market demand for bills tended to taper off after mid-December when funds appeared to be diverted increasingly to CD's and other short-term instruments. Dealer bill positions have risen further from earlier high levels; dealers also continue to carry a sizable amount of coupon issues maturing in over a year, and have built up holdings of Federal agency issues and CD's.

Conditions in the Federal funds and dealer loan markets eased only modestly in December; indeed, they tightened briefly in connection with year-end money market churning. Very large dealer

FINANCIAL MARKET RELATIONSHIPS IN PERSPECTIVE

(Monthly averages, and, where available, weekly averages of daily figures)

Period	Money Market Indicators				Bond Yields			Flow of Reserves, Bank Credit and Money				
	Free Reserves (In millions of dollars)	Borrowings	Federal Funds Rate	3-month Treasury Bill	U.S. Gov't. (20 yr.)	Corporate New Issues (Aaa) ^{1/}	Municipal (Aaa)	Non-borrowed Reserves (In millions of dollars)	Total Reserves	Bank Credit Proxy (In billions of dollars)	Money Supply	Time Deposits ^{2/}
1965--Dec.	- 22	452	4.28	4.37	4.50	4.85	3.39	+182	+262	+ 1.8	+ 1.6	+ 1.4
1966--Jan.	- 51	431	4.32	4.58	4.52	4.81	3.40	+173	+129	+ 1.6	+ 0.8	+ 0.9
Feb.	-117	474	4.58	4.65	4.71	4.96	3.48	+ 58	+ 78	+ 0.7	+ 0.2	+ 0.7
Mar.	-210	545	4.64	4.58	4.72	5.09	3.55	- 88	+ 57	+ 1.1	+ 0.9	+ 1.0
Apr.	-277	638	4.64	4.61	4.65	5.03	3.46	+206	+256	+ 3.1	+ 1.6	+ 1.9
May	-339	653	4.83	4.63	4.69	5.16	3.53	+ 1	+ 6	+ 1.0	- 0.7	+ 1.6
June	-352	722	5.13	4.50	4.73	5.35	3.60	- 16*	+ 3*	+ 0.9*	+ 0.9	+ 1.5*
July	-359	739	5.18	4.78	4.84	5.48	3.77	+135*	+224*	+ 2.1*	- 1.5	+ 1.9*
Aug.	-374	740	5.45	4.95	4.95	5.54	3.91	-302	-400	- 0.7	--	+ 1.4
Sept.	-390	765	5.30	5.36	4.94	5.82	3.93	+ 5	+129	- 0.1	+ 0.9	+ 0.4
Oct.	-425	766	5.46	5.33	4.83	5.70	3.82	-134	-195	- 0.7	- 0.9	- 0.3
Nov. p	-243	605	5.75	5.31	4.88	5.71	3.78	+104	- 39	- 1.1	- 0.4	+ 0.1
Dec. p	-187	529	5.39	4.96	4.76	5.74	3.79	+ 18	+ 18	+ 0.8	+ 1.1	+ 1.1
Dec. 7 p	-250	449	5.30	5.16	5.24	5.77	3.84			+ 1.1	+ 0.2	- 0.1
14 p	-129	647	5.40	5.07	5.12	5.63	3.74			--	- 0.6	+ 0.6
21 p	-276	472	5.25	4.85	4.88	--	3.74			+ 1.0	+ 2.8	+ 0.5
28 p	- 93	548	5.62	4.79	4.83	--	3.74			+ 0.2	- 1.6	+ 0.8
1967--Jan. 4 p	-188	565	5.25	4.82	4.81	5.51	3.72			+ 1.4	+ 0.8	+ 0.2
					<u>Averages</u>					<u>Annual rates of increase ^{3/}</u>		
Year 1966	-275	635	5.06	4.85	4.77	5.41	3.67	+ 0.7	+ 1.4	+ 3.7	+ 1.9	+ 8.3
First Half 1966	-228	581	4.69	4.59	4.67	5.12	3.51	+ 3.0	+ 4.7	+ 7.1*	+ 4.7	+10.3*
Second Half 1966	-322	694	5.39	5.12	4.87	5.74	3.83	- 1.5	- 1.9	+ 0.2	- 0.9	+ 5.6
<u>Recent variations in growth</u>												
July 6-Aug. 10	-345	738	5.32	4.81	4.85	5.55	3.80			- 4.2	-13.4	+12.7
Aug. 10-Nov. 16	-320	638	5.46	5.27	4.91	5.78	3.87			- 2.7	+ 0.4	+ 1.4
Nov. 16-Jan. 4	-199	537	5.43	5.04	4.79	5.70	3.79			+ 7.0	+ 9.2	+10.3

^{1/} From January 1966 to date, issues carry a 5-year call protection.

^{2/} Time deposits adjusted at all commercial banks.

^{3/} Base is average for month preceding specified period or in case of weekly periods, the first week shown.

* - Changes have been adjusted for redefinition of time deposits effective June 9, 1966.

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financing requirements during the past month have contributed not only to maintenance of pressure on the money markets, but also to expansion in bank credit since a good part of these financing needs have been accommodated through increased lending by money market banks. Partly in consequence, these banks have experienced an enlarged basic reserve deficiency, which they have financed by actively bidding for Federal funds and in some cases coming to the discount window for temporary assistance.

Federal funds traded over a fairly wide range of rates during the past four weeks and have averaged about 5-3/8 per cent as compared with an average of about 5.60 per cent in the preceding four weeks. Net borrowed reserves fluctuated between \$93 million and \$276 million in the latest 4-week period, but averaged about \$170 million, down from an average of \$215 million in the preceding four weeks. Member bank borrowings averaged \$560 million in the latest period, unchanged from four weeks ago.

The decline in bill rates last month enabled banks to bid more successfully for CD's, and the total outstanding rose contra-seasonally by \$150 million during the month. Total time and savings deposits began to grow rapidly in the second week of December, and contributed importantly to the continuing week to week increases in bank credit proxy during the month. Between the last statement weeks of November and December, the bank credit proxy expanded by almost

13 per cent annual rate, after having declined by about 12 per cent from the end of October to the end of November. The December rise in bank credit included substantial additions to bank holdings of short-term U.S. Government securities, as banks made efforts to restore their liquidity position; business loans of banks showed no net expansion in December.

Expansion in the money supply, which resumed in mid-November, continued in December. Private demand deposits rose by about 9 per cent during the month on average, but this increase in large part represented a short-run response to declines in U.S. Government deposits. With respect to reserve aggregates, both nonborrowed and total reserves showed only a very slight expansion in December, as banks economized on excess reserves (after seasonal adjustment) during the month.

Prospective developments

Bank credit expansion is likely to continue in January, but at a slower pace than indicated by the large recent week to week increases. The increase in the January average of outstanding bank credit over the December average may be in a 7-9 per cent (annual rate) range, but this includes the carry-over effect on the monthly averages of the strength in the latter part of December. From the end of December through the end of January, a growth rate in the 4-6 per cent range appears likely.

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These projections assume that the 3-month bill rate stays roughly within the recent 4.75-4.85 per cent range over the period ahead, that net borrowed reserves fluctuate around \$100 million, and that Federal funds and dealer loan rates back down somewhat from recent high levels of around year-end. The 3-month bill rate might move toward the upper limits of the range assumed if dealer attitudes should lead to a reversal of the large build-up in bill positions that was recently an important factor pulling bill rates down relative to other short-term rates. Upward bill rate pressures are most likely to develop if dealer financing costs do not come down from recent levels (when they were generally in a 5-3/4 - 6-1/2 per cent range in New York and around 5-1/2 per cent outside New York), and if the usual seasonal reflow of corporate money into bills does not come up to expected proportions. However, market psychology will remain an important influence on bill rates, with the continuance of bullish market attitudes dependent partly on interpretations of monetary policy and of the fiscal implications of the forthcoming Federal budget.

With respect to credit demands, it is assumed that business loans resume a moderate growth related in part to accelerated payments by corporations of withheld individual income tax payments in January; and, as a partial offset, that banks become less active in lending to dealers as the latter's positions are reduced somewhat and as

financing from corporations through repurchase agreements becomes more available.

The interest rate and credit demand assumptions appear consistent with expansion of time and savings deposits at all commercial banks by about 12 per cent in January on a monthly average basis. This projection assumes that banks will be able to add about \$500 million to outstanding CD's despite the large \$5.5 billion of maturities in January and that the somewhat more rapid increase in other time deposits that has recently developed will continue. It further assumes that banks generally will not move to reduce interest rates paid on CD's until their liquidity positions are more comfortable or until they are more convinced that loan demand is fading.

Money supply in January is expected to show little or no net change on average. Private demand deposits may decline somewhat, partly because of a projected rise of almost \$1 billion in U.S. Government deposits. But private demand deposits are not assumed to decline by as much as Government deposits rise, in contrast to what has often been their past short-run behavior. The decline in private demand deposits is likely to be limited by renewed business loan growth.

These deposit projections imply a sizable expansion in aggregate reserves in January on average--in the order of 10-12 per cent for nonborrowed and total reserves. For December-January

together, nonborrowed reserves may show an increase around the 5-7 per cent range. The December-January increase in such reserves, together with related monetary variables, is shown in the table below in comparison with other periods (all figures being annual rates of increase for the period including terminal months).

	Dec. '66- Jan. '67 (projected)	Aug. '66- Nov. '66	Feb. '66- July '66	Aug. '65- Jan. '66	Calendar years 1966	1965
Bank credit proxy	5-7	-3.0	+ 7.5	+ 7.8	+3.7	+ 9.1
Time deposits	9-11	+3.1	+11.6	+14.4	+8.3	+16.0
Money supply	3-5	-0.7	+ 1.9	+ 6.9	+1.9	+ 4.7
Nonborrowed reserves	5-7	-4.3	+ 2.6	+ 4.9	+0.7	+ 4.3

If the Committee wishes to continue a gradual reduction in the degree of monetary restraint, it might call for open market operations to achieve a set of money market conditions that might include a net borrowed reserve position averaging close to zero and Federal funds averaging near 5 per cent. This would, in all likelihood, bring the 3-month bill rate down to a 4.60-4.75 per cent range. It would also encourage gradual relaxation of bank loan policies.

Such an easing of money market conditions--given the current economic outlook indicated in the Green Book--would be likely to encourage further bank credit expansion through the winter months, although possibly not at a trend rate much above the December-January average indicated in the table. Long-term yields would be more likely

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to decline further as banks increased their acquisitions of municipals and long Governments. And, with long-term rate declines, mortgages would become increasingly attractive to institutional investors.

Finally, it should be noted that if further signs of substantial economic weakness are noted by the market, the level of interest rates could move sharply down, even if net borrowed reserves are not very different from their recent range. But such a movement of interest rates might not necessarily be accompanied by any greater expansion of bank credit than projected--and possibly less--as banks might begin reducing CD rates and might see some immediate sizable declines in demand deposits associated with loan repayment. Maintenance of bank credit expansion would under the circumstances depend on a relatively rapid growth in nonborrowed reserves, which would permit banks to repay debt to the Federal Reserve and perhaps to others and to liberalize portfolio investment policies and lending terms markedly.

Table A-1

MARGINAL RESERVE MEASURES

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

Period	Excess reserves	Member banks borrowings	Free reserves		
	As revised to date			As first published each week	As expected at conclusion of each week's open market operations
Monthly (reserves weeks ending in):					
1965--December	430	452	- 22		
1966--January	380	431	- 51		
February	357	474	-117		
March	335	545	-210		
April	361	638	-277		
May	315	653	-339		
June	370	722	-352		
July	380	739	-359		
August	366	740	-374		
September	375	765	-390		
October	341	766	-425		
November p	362	605	-243		
December p	342	529	-187		
Weekly:					
1966--Oct. 5	314	828	-514	-439	-439
12	413	928	-515	-511	-489
19	489	790	-301	-297	-308
26	147	518	-371	-366	-376
Nov. 2	279	594	-315	-301	-302
9	378	646	-268	-249	-224
16	547	711	-164	-227	-244
23	184	439	-255	-261	-236
30 p	438	636	-198	-207	-221
Dec. 7 p	199	449	-250	-245	-194
14 p	518	647	-129	-152	-143
21 p	196	472	-276	-264	-248
28 p	455	548	- 93	-112	- 39
1967--Jan. 4 p	377	565	-188	-188	-175

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TABLE A-2

AGGREGATE RESERVES AND RELATED MEASURES

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

	Reserve Aggregates				Monetary Variables			
	Total Reserves	Nonborrowed Reserves	Required reserves		Total Member Bank Deposits (credit) ^{1/}	Time Deposits (comm. banks)	Money Supply	
			Total	Against Demand Deposits			Total	Private Demand Deposits
Annually:								
1965	+ 5.3	+ 4.3	+ 5.3	+ 2.3	+ 9.1	+16.0	+ 4.7	+ 4.4
1966	+ 1.2	+ 0.7	+ 1.4	+ 0.5	+ 3.7	+ 8.3	+ 1.9	+ 0.8
Monthly:								
1965--July	+ 3.7 ¹	+ 4.1	+ 4.8	- 2.0	+ 7.4	+15.0	+ 5.2	+ 4.7
August	+ 0.4	+ 1.5	- 1.8	- 4.0	+ 6.8	+18.3	+ 4.4	+ 2.8
September	- 1.2	- 3.9	- 2.2	- 6.8	+ 3.6	+13.7	+ 8.1	+ 9.4
October	+ 3.7	+ 7.3	+ 9.7	+ 5.1	+12.5	+17.8	+ 8.0	+ 7.5
November	+ 0.6	+ 5.0	- 2.0	- 3.9	+ 5.1	+15.0	+ 2.9	+ 1.9
December	+13.8	+ 9.8	+13.7	+ 8.2	+ 9.7	+11.5	+11.6	+13.0
1966--January	+ 6.7	+ 9.5	+ 6.9	+11.3	+ 8.1	+ 7.4	+ 5.7	+ 4.6
February	+ 4.0	+ 3.1	+ 2.9	+ 3.8	+ 3.5	+ 5.7	+ 1.4	--
March	+ 2.9	- 4.6	+ 2.7	+ 4.0	+ 5.5	+ 8.1	+ 7.8	+ 8.2
April	+13.2	+10.9	+11.9	+11.7	+15.5	+15.3	+11.3	+12.7
May	+ 0.3	+ 0.1	+ 2.1	- 4.8	+ 4.9	+12.7	- 4.9	- 7.2
June ^{2/}	+ 0.2	- 0.8	+ 1.6	+ 1.3	+ 4.4	+11.8	+ 6.3	+ 7.2
July ^{2/}	+11.4	+ 7.1	+ 8.4	+ 2.5	+10.3	+14.8	-10.5	-16.2
August ^{2/}	-20.2	-15.8	-14.8	-16.9	- 3.4	+10.7	--	- 0.9
September ^{2/}	+ 6.6	- 0.3	- 0.2	- 3.0	--	+ 3.0	+ 6.4	+ 7.3
October ^{2/}	-10.0	- 7.1	- 1.1	- 2.1	- 3.4	- 2.3	- 6.3	- 8.1
November ^{2/p}	- 2.0	+ 5.5	- 7.9	- 8.6	- 5.4	+ 0.8	- 2.8	- 4.6
December ^{2/p}	+ 0.9	+ 1.0	+ 4.5	- 1.6	+ 3.4	+ 8.4	+ 7.8	+ 7.3

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

^{2/} Changes in reserves, total deposits, and time deposits have been adjusted for redefinition of time deposits effective June 9. Changes in reserves have been adjusted for increases in reserve requirements in July and September.

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Chart 1

MEMBER BANK RESERVES

MONTHLY AVERAGES OF DAILY FIGURES

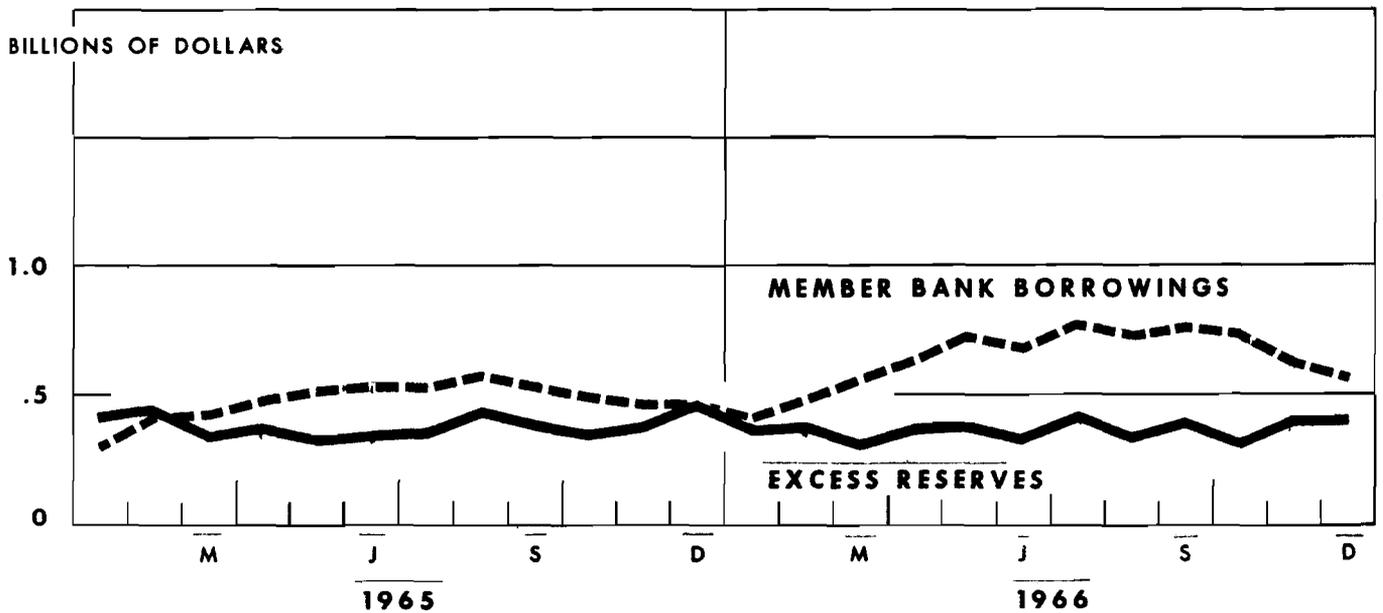
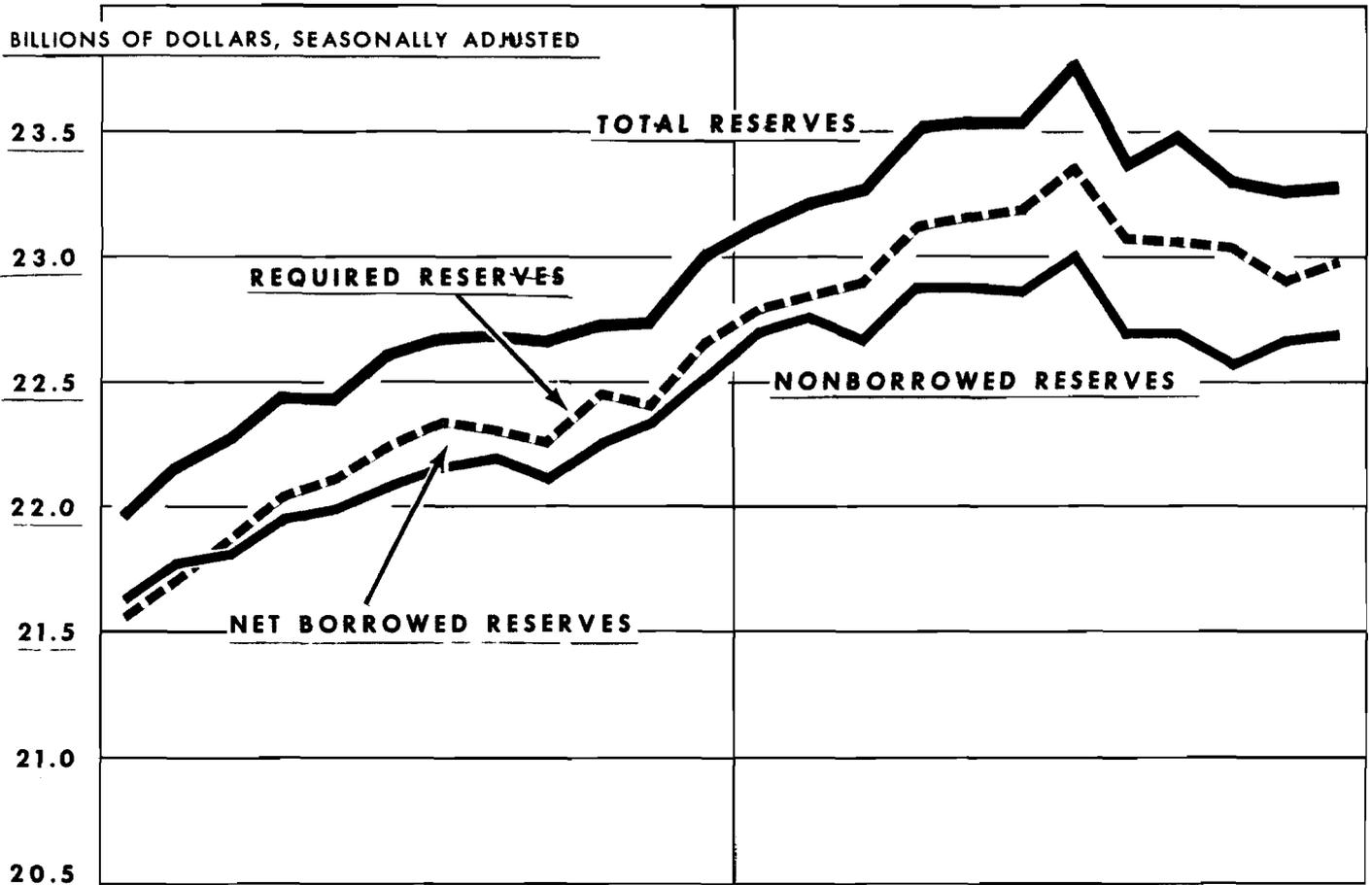


Chart 2

MEMBER BANK DEPOSITS AND LIABILITIES TO OVERSEAS BRANCHES

BILLIONS OF DOLLARS

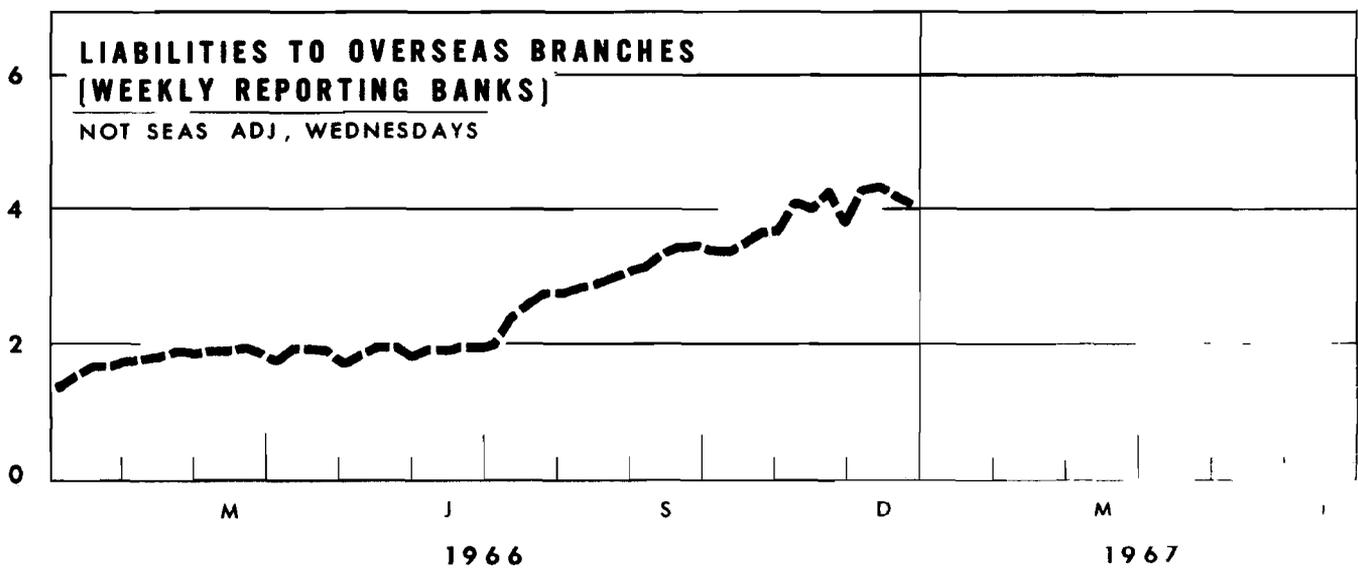
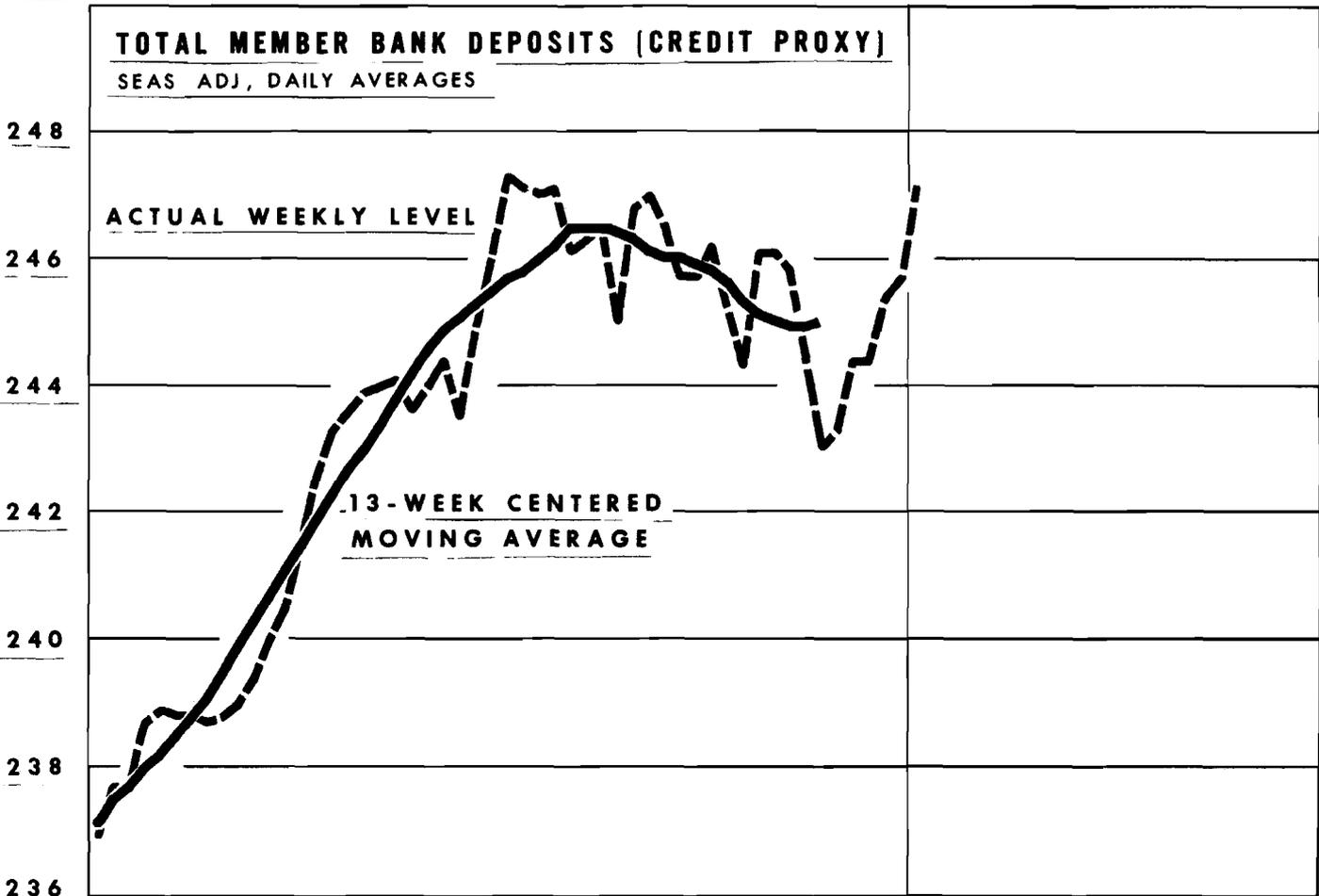
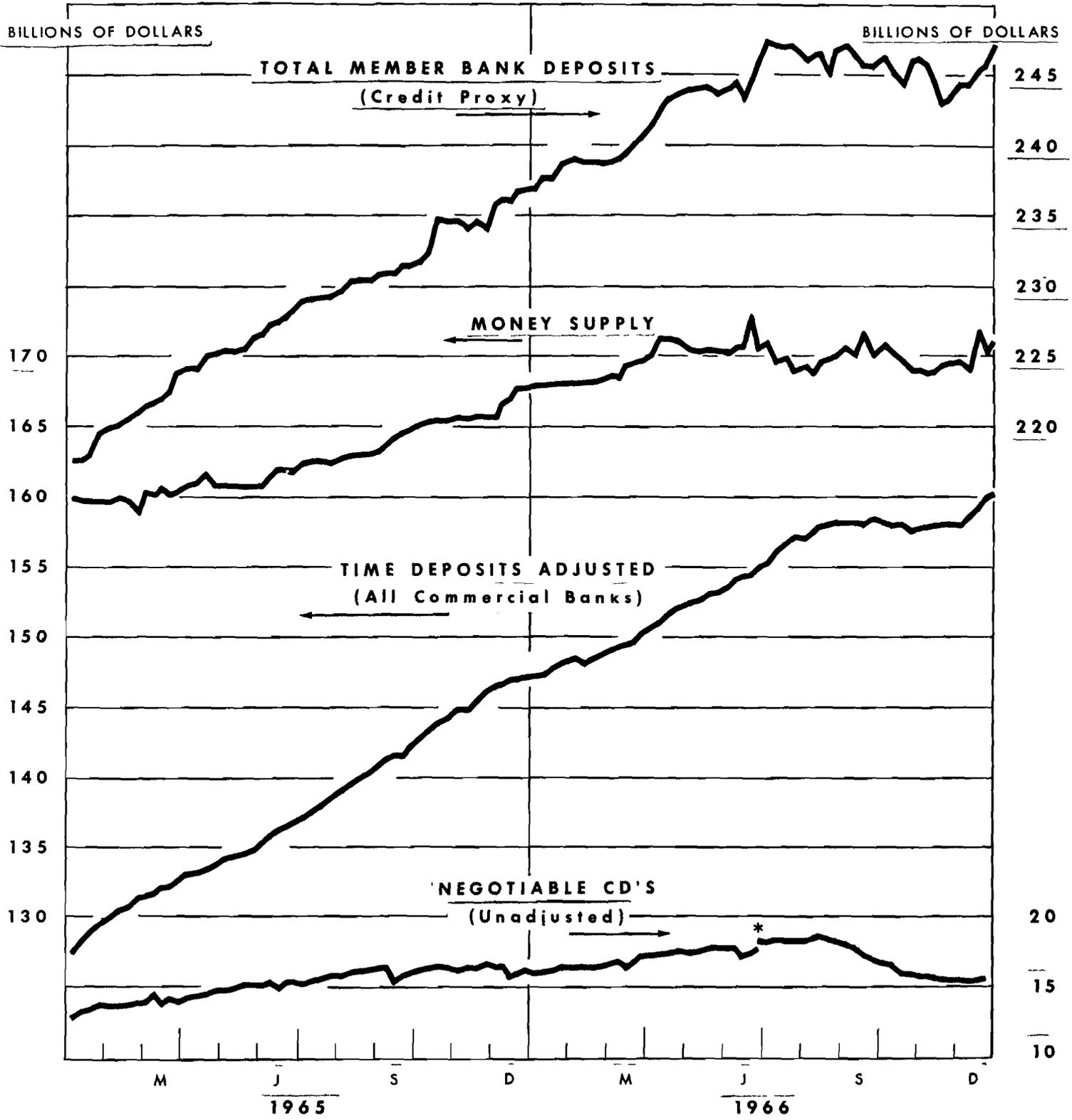


Chart 3

MONEY SUPPLY AND BANK DEPOSITS

SEASONALLY ADJUSTED WEEKLY AVERAGES OF DAILY FIGURES



* CHANGE IN SERIES

Chart 4

DEMAND DEPOSITS AND CURRENCY

SEASONALLY ADJUSTED WEEKLY AVERAGES OF DAILY FIGURES

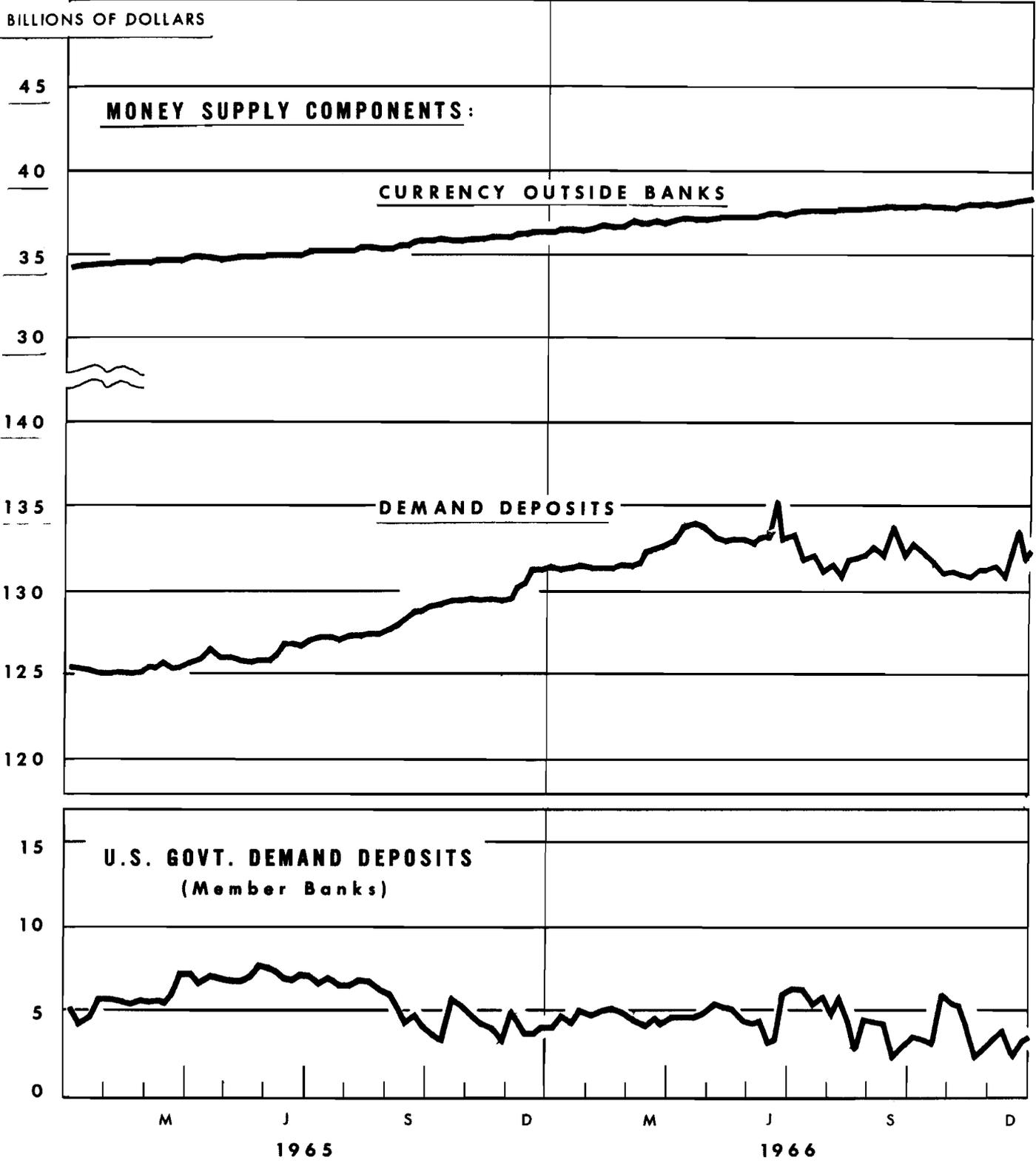


Table B-1

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>yr:</u>							
1965 (12/30/64 - 12/29/65)	+4,035	-1,602	-2,143	+798	+1,089	+1,188	- 99
1966 (12/29/65 - 12/28/66)	+3,149	-627	-2,232	+805	+1,096	+1,104	- 8
<u>Year-to-date:</u>							
(12/29/65 - 1/5/66)	+247	- 53	+336	-341	+190	+332	-142
(12/28/66 - 1/4/67)	+319	--	+397	-294	+419	+497	- 78
<u>Weekly:</u>							
1966--Nov. 30 p	+775	- 27	- 17	-439	+291	+ 20	+271
Dec. 7 p	+ 97	- 72	-289	+252	- 12	+227	-239
14 p	- 19	--	-214	+547	+315	- 4	+319
21 p	-231	--	- 35	+627	+363	+685	-322
28 p	+556	+ 1	-186	- 70	+301	+ 42	+259
1967--Jan. 4 p	+319	--	+397	-294	+419	+497	- 78
<u>PROJECTED 4/</u>							
1967--Jan. 11	+ 85	--	--	-500	-415	-415	--
18	-660	--	+420	- 80	-320	-320	--
25	-225	--	+245	-225	-205	-205	--
Feb. 1	+180	--	+200	-400	- 20	- 20	--
8	+325	--	-315	-100	- 90	- 90	--
15	-235	--	+ 95	- 40	-180	-180	--
22	-420	--	+ 75	+150	-195	-195	--
Mar. 1	-235	--	+105	- 50	-180	-180	--
8	+525	--	-475	-100	- 50	- 50	--
15	- 75	--	+ 70	- 5	- 10	- 10	--

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

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.

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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
<u>ACTUAL</u>							
<u>Year:</u>							
1965 (12/30/64 - 12/29/65)	+1,188	- 89	+1,277	+115	- 4	+499	+667
1966 (12/29/65 - 12/28/66)	+1,104	- 90	+1,194	- 14	- 4	- 7	+1,219
<u>Year-to-date:</u>							
(12/29/65 - 1/5/66)	+425	- 26	+451	+425	+ 24	- 8	+ 10 ^{1/}
(12/28/66 - 1/4/67)	+497	- 20	+517	+334	+ 24	+146	+ 13
<u>Weekly:</u>							
1966--Nov. 30 p	+ 32	+ 52	- 20	- 19	+ 5	- 5	- 1
Dec. 7 p	+227	- 8	+235	+132	+ 2	+ 95	+ 6
14 p	- 4	-178	+174	+295	- 5	-138	+ 22
21 p	+685	+ 13	+672	+311	- 15	+356	+ 20
28 p	+ 42	+402	-360	-176	+ 5	-234	+ 45
1967--Jan. 4 p	+497	- 20	+517	+334	+ 24	+146	+ 13
<u>PROJECTED</u>							
1967--Jan. 11	-415	-200	-215	-140	+ 15	-100	+ 10
18	-320	-250	- 70	-115	+ 15	+ 15	+ 15
25	-205	+170	-375	-230	+ 10	-165	+ 10
Feb. 1	- 20	+ 40	- 60	- 80	+ 10	--	+ 10
8	- 90	+ 95	-185	-190	+ 10	- 15	+ 10
15	-180	- 40	-140	-160	+ 5	+ 5	+ 10
22	-195	- 10	-185	-340	--	+145	+ 10
Mar. 1	-180	- 75	-135	-140	+ 10	+ 15	+ 10
8	- 50	- 60	+ 10	+ 20	+ 10	- 30	+ 10
15	- 10	- 50	+ 40	+ 70	+ 5	- 45	+ 10

^{1/} Reflects reserve requirement changes in July and September.

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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>					
1965 (12/30/64 - 12/29/65)	+798	+294	-171	+ 77	+598
1966 (12/29/65 - 12/28/66)	+805	+673	+ 64	- 30	+ 98
<u>Year-to-date:</u>					
(12/29/65 - 1/5/66)	-341	+ 87	-347	- 15	- 66
(12/28/66 - 1/4/67)	-294	- 27	-284	- 23	+ 40
<u>Weekly:</u>					
1966--Nov. 30	-439	+154	-548	- 16	- 29
Dec. 7	+252	+115	+112	- 1	+ 26
14	+547	+345	+ 18	- 11	+195
21	+627	- 57	+639	+ 18	+ 27
28	- 70	-146	+106	- 1	- 29
1967--Jan. 4	-294	- 27	-284	- 23	+ 40
<u>PROJECTED</u>					
1967--Jan. 11	-500	--	-365	- 15	-120
18	- 80	-130	+ 50	--	- 15
25	-225	--	-225	--	--
Feb. 1	-400	--	-400	--	--
8	-100	--	-100	--	--
15	- 40	--	- 60	--	+ 20
22	+150	--	+300	--	-150
Mar. 1	- 50	--	- 50	--	--
8	-100	--	-100	--	--
15	- 5	--	- 60	--	+ 55

Table B-4

SOURCE OF FEDERAL RESERVE CREDIT

Retrospective Changes

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

Period	Total Federal Reserve credit (Excl. float)	U.S. Government securities				Federal Agency Securities	Bankers' acceptances	Member banks borrowings
		Total holdings	Bills	Other	Repurchase agreements			
<u>Year:</u>								
1965 (12/30/64 - 12/29/65)	+4,035	+3,916	+3,145	+916	-145	--	+ 77	+ 42
1966 (12/29/65 - 12/28/66)	+3,149	+3,069	+2,158	+474	+437	+ 26	+ 52	+ 2
<u>Year-to-date:</u>								
(12/29/65 - 1/5/66)	+ 247	+ 178	- 24	--	+202	--	+ 53	+ 16
(12/28/66 - 1/4/67)	+ 319	+ 282	+ 434	--	-152	+ 1	+ 19	+ 17
<u>Weekly:</u>								
1966--Oct. 5	+ 692	+ 506	+ 496	--	+ 10	--	+ 8	+178
12	+ 110	- 30	- 20	--	- 10	--	+ 40	+100
19	- 630	- 448	- 448	--	--	--	- 44	-138
26	+ 20	+ 273	+ 194	--	+ 79	--	+ 19	-272
Nov. 2	+ 304	+ 225	+ 243	--	- 18	--	+ 3	+ 76
9	+ 509	+ 455	+ 323	--	+132	--	+ 2	+ 52
16	+ 5	- 59	- 16	--	- 43	--	- 1	+ 65
23	- 699	- 438	- 306	--	-132	--	+ 11	-272
30	+ 755	+ 550	+ 212	--	+338	--	+ 28	+197
Dec. 7	+ 97	+ 256	+ 141	--	+115	+ 9	+ 19	-187
14	- 19	- 202*	- 120	--	-154	+ 7	- 22	+198
21	- 231	- 112*	- 69	+ 3	+ 26	+ 7	+ 49	-175
28	+ 556	+ 452	+ 105	+ 32	+315	+ 3	+ 25	+ 76
1967--Jan. 4	+ 319	+ 282	+ 434	--	-152	+ 1	+ 19	+ 17

* - Includes effect of change in special certificates of +\$72 million of the week of December 14, 1966, and -\$72 million of the week of December 21, 1966.

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	20,964	20,673	20,542	19,679	15,295
February	20,996	20,711	20,601	19,748	15,321
March	21,179	20,875	20,754	19,796	15,344
April	21,209	20,931	20,783	19,855	15,364
May	21,105	20,911	20,765	19,910	15,371
June	21,385	21,135	20,972	19,993	15,409
July	21,436	21,150	21,015	20,118	15,495
August	21,551	21,256	21,172	20,247	15,575
September	21,776	21,422	21,333	20,387	15,665
October	21,739	21,409	21,346	20,486	15,709
November	21,872	21,487	21,499	20,547	15,713
December	21,843	21,585	21,526	20,634	15,746
1965--January	21,960	21,625	21,563	20,702	15,730
February	22,157	21,771	21,713	20,765	15,717
March	22,279	21,814	21,868	20,881	15,789
April	22,449	21,953	22,036	20,985	15,831
May	22,436	21,994	22,109	20,962	15,750
June	22,612	22,082	22,243	21,138	15,877
July	22,682	22,158	22,332	21,247	15,912
August	22,689	22,186	22,299	21,331	15,916
September	22,667	22,114	22,259	21,553	16,071
October	22,737	22,248	22,439	21,720	16,151
November	22,748	22,341	22,402	21,803	16,168
December	23,010	22,523	22,657	21,970	16,285
1966--January	23,139	22,701	22,788	22,075	16,364
February	23,217	22,759	22,844	22,084	16,356
March	23,274	22,671	22,896	22,269	16,510
April	23,530	22,877	23,123	22,477	16,625
May	23,536	22,878	23,163	22,453	16,534
June <u>1/</u>	23,539	22,862	23,193	22,582	16,626
July <u>1/</u>	23,763	22,997	23,355	22,511	16,468
August <u>1/</u>	23,363	22,695	23,067	22,517	16,428
September <u>1/</u>	23,492	22,700	23,064	22,598	16,498
October <u>1/</u>	23,297	22,566	23,042	22,430	16,403
November p <u>1/</u>	23,258	22,670	22,891	22,381	16,317
December p <u>1/</u>	23,276	22,688	22,977	22,512	16,403

p - Preliminary.

1/ Reserves have been adjusted for redefinition of time deposits effective June 9.

Table C-2

DEPOSITS SUPPORTED BY REQUIRED RESERVES AT ALL MEMBER BANKS

Seasonally Adjusted

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

Monthly	Total member bank deposits (credit) <u>1/</u>	Time deposits	Private demand deposits <u>2/</u>	U.S. Gov't. demand deposits
1964--January	202.8	93.5	104.4	4.9
February	203.8	94.4	104.6	4.8
March	205.1	94.9	104.7	5.4
April	206.0	95.8	104.9	5.3
May	206.6	96.8	104.9	4.9
June	208.7	97.7	105.2	5.8
July	209.3	98.6	105.8	5.0
August	211.3	99.6	106.3	5.4
September	213.1	100.8	106.9	5.5
October	214.1	101.9	107.2	5.0
November	216.1	103.1	107.3	5.7
December	216.7	104.2	107.5	5.0
1965--January	218.4	106.0	107.4	5.0
February	220.4	107.6	107.3	5.5
March	222.5	108.6	107.8	6.1
April	224.6	109.9	108.1	6.7
May	225.8	111.1	107.5	7.2
June	227.7	112.2	108.4	7.1
July	229.1	113.8	108.6	6.7
August	230.4	115.5	108.6	6.3
September	231.1	116.9	109.7	4.6
October	233.5	118.7	110.2	4.5
November	234.5	120.2	110.4	4.0
December	236.4	121.2	111.2	4.0
1966--January	238.0	121.8	111.7	4.5
February	238.7	122.1	111.6	5.0
March	239.8	122.8	112.7	4.3
April	242.9	124.8	113.5	4.7
May	243.9	126.2	112.9	4.8
June <u>3/</u>	244.8	127.0	113.5	4.3
July <u>3/</u>	246.9	128.8	112.4	5.6
August <u>3/</u>	246.2	129.8	112.1	4.2
Sept. <u>3/</u>	246.2	130.1	112.6	3.5
Oct. <u>3/</u>	245.5	129.6	111.6	4.3
Nov. <u>3/</u> p	244.4	129.3	111.4	3.7
Dec. <u>3/</u> p	245.1	130.2	112.0	2.9

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.

3/ Deposits have been adjusted for redefinition of time deposits effective June 9, 1966.

p - Preliminary.

TABLE C-2a

DEPOSITS SUPPORTED BY REQUIRED RESERVES AT ALL MEMBER BANKS

Seasonally adjusted

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

Week ending:	Total member bank deposits (credit) 1/	Time deposits	Private demand deposits 2/	U. S. Gov't. demand deposits
1966--July 6*	247.3	127.9	113.0	6.3
13*	247.1	128.7	112.2	6.2
20*	247.0	129.0	112.6	5.4
27*	247.1	129.2	112.1	5.8
Aug. 3*	246.1	129.2	112.1	4.8
10*	246.3	129.4	111.1	5.7
17*	246.5	129.9	112.3	4.3
24*	245.0	130.1	112.1	2.8
31*	246.8	130.3	112.2	4.4
Sept. 7*	247.0	130.2	112.5	4.3
14*	246.5	130.2	112.1	4.2
21*	245.7	129.8	113.7	2.2
28*	245.7	130.0	112.8	2.9
Oct. 5*	246.2	129.8	112.8	3.5
12*	245.2	129.8	112.1	3.3
19*	244.3	129.8	111.5	3.0
26*	246.1	129.3	111.0	5.9
Nov. 2*	246.1	129.5	111.2	5.4
9*	245.8	129.3	111.1	5.3
16*	244.4	129.3	111.1	4.0
23*	243.0	129.3	111.1	2.2
30p*	243.3	129.3	111.3	2.7
Dec. 7p*	244.4	129.4	111.8	3.2
14p*	244.4	129.8	111.1	3.6
21p*	245.4	130.2	113.0	2.2
28p*	245.7	131.0	111.5	3.2
1967--Jan. 4p*	247.1	131.1	112.5	3.4

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 on individuals, partnerships and corporations and net interbank balances.

* - Deposits have been adjusted for redefinition of time deposits effective June 9, 1966.

TABLE C-3
MONEY SUPPLY AND TIME DEPOSITS AT ALL COMMERCIAL BANKS

Seasonally adjusted

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

Monthly	Money Supply	Currency <u>1/</u>	Private Demand Deposits <u>2/</u>	Time Deposits Adjusted
1964--October	158.8	34.0	124.8	123.5
November	159.0	34.1	124.8	125.1
December	159.7	34.2	125.4	126.6
1965--January	159.7	34.5	125.3	128.7
February	159.8	34.6	125.2	130.7
March	160.3	34.7	125.6	132.0
April	161.0	34.8	126.2	133.3
May	160.7	34.9	125.8	134.6
June	161.7	35.0	126.7	136.2
July	162.4	35.3	127.2	137.9
August	163.0	35.5	127.5	140.0
September	164.1	37.7	128.5	141.6
October	165.2	36.0	129.3	143.7
November	165.6	36.1	129.5	145.5
December	167.2	36.3	130.9	146.9
1966--January	168.0	36.6	131.4	147.8
February	168.2	36.8	131.4	148.5
March	169.3	36.9	132.3	149.5
April	170.9	37.2	133.7	151.4
May	170.2	37.3	132.9	153.0
June <u>3/</u>	171.1	37.4	133.7	154.5
July <u>3/</u>	169.6	37.7	131.9	156.4
August <u>3/</u>	169.6	37.8	131.8	157.8
September <u>3/</u>	170.5	37.9	132.6	158.2
October <u>3/</u>	169.6	37.9	131.7	157.9
November <u>3/p</u>	169.2	38.0	131.2	158.0
December <u>3/p</u>	170.3	38.2	132.0	159.1

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

2/ 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.

3/ Deposits have been adjusted for redefinition of time deposits effective June 9, 1966.

p - Preliminary.

TABLE C-3a
MONEY SUPPLY AND TIME DEPOSITS AT ALL COMMERCIAL BANKS
Seasonally Adjusted
(Dollar amounts in billions, based
on monthly averages of daily figures)

Week Ending	Money Supply	Currency <u>1/</u>	Private Demand Deposits <u>2/</u>	Time Deposits adjusted
1966--July 6	170.9	37.6	133.3	155.5*
13	169.6	37.7	132.0	156.1*
20	169.8	37.7	132.1	156.6*
27	168.9	37.7	131.2	157.1*
Aug. 3	169.2	37.7	131.6	157.0*
10	168.7	37.8	130.9	157.4*
17	169.7	37.8	131.9	157.9*
24	169.8	37.8	132.0	158.0*
31	170.0	37.7	132.2	158.2*
Sept. 7	170.5	37.8	132.6	158.2*
14	170.1	38.0	132.1	158.2*
21	171.7	38.0	133.7	158.1*
28	170.0	37.9	132.1	158.4*
Oct. 5	170.7	37.9	132.8	158.2*
12	170.2	38.0	132.2	158.0*
19	169.6	37.9	131.7	158.1*
26	168.9	37.9	131.0	157.7*
Nov. 2	168.9	37.8	131.1	157.8*
9	168.8	38.0	130.9	157.9*
16	168.9	38.1	130.8	158.0*
23	169.3	38.0	131.3	158.0*
30 p	169.4	38.1	131.3	158.1*
Dec. 7 p	169.6	38.0	131.5	158.0*
14 p	169.0	38.2	130.8	158.6*
21 p	171.8	38.3	133.5	159.2*
28 p	170.2	38.4	131.8	160.0*
1967--Jan. 4 p	171.0	38.5	132.5	160.2*

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

2/ 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 of Federal Reserve Banks.

* - Deposits have been adjusted for redefinition of time deposits effective June 9, 1966.

p - Preliminary.