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## MONEY MARKET AND RESERVE RELATIONSHIPS

Recent developments

(1) Evidence of the System's current firm policy posture has become more widespread in the four weeks since the last Committee meeting. Apart from yields on short-term bills, both short- and long-term interest rates have generally edged higher on balance. The 3-month bill rate, at near 6.20 per cent, is at about the same level as four weeks ago. It dropped to a low of around 6 per cent in the third week of February, given the relative scarcity of supply and strong liquidity demands by investors. Subsequently the bill rate recovered, reflecting partly anticipations of further prime rate and/or monetary policy moves and partly market reaction to the rise in the British bank rate to 8 per cent.

(2) The Treasury's February refunding resulted in an attrition of \$2 billion, or 36 per cent of public holdings of the maturing issues, with only \$800 million of such holdings being exchanged for the 6-1/4 per cent 7 year note. Thus, a sizeable demand for bills from the attrition in the refunding was added to other bill demands. The Treasury's announcement in February of a \$1 billion bill "strip," consisting of \$200 million additions to the monthly bills maturing in April-August, provided some relief for the scarcity conditions in the bill market.

(3) Demands for Federal funds in the market increased during the period as the basic reserve position of major New York banks swung

## 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 4/	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	Money Supply	Time Deposits 2/
1967--Dec.	143	185	4.51	4.96	5.59	6.51	4.15	-294	-122	+ 0.2	+ 0.3	+ 1.5
1968--Jan.	142	275	4.60	5.00	5.39	6.22*	4.06	+345	+347	+ 1.5	+ 1.0	+ 0.6
Feb.	21	368	4.72	4.98	5.38	6.25*	4.01	+208	+265	+ 2.3	+ 0.4	+ 1.1
Mar.	-312	649	5.05	5.17	5.59	6.57*	4.28	-266	+ 47	+ 1.0	+ 0.7	+ 1.5
Apr.	-341	689	5.76	5.38	5.46	6.50*	4.13	-197	-189	- 1.1	+ 0.9	+ 0.4
May	-374	728	6.12	5.66	5.55	6.64	4.28	+ 46	+ 88	+ 0.4	+ 1.8	+ 0.5
June	-386	727	6.07	5.52	5.40	6.65	4.26	+137	+105	+ 1.5	+ 1.3	+ 0.6
July	-192	523	6.02	5.31	5.29	6.50*	4.12	+304	+107	+ 2.1	+ 2.0	+ 2.2
Aug.	-240	577	6.03	5.23	5.22	6.16	4.00	+493	+508	+ 5.0	+ 0.9	+ 3.4
Sept.	-146	492	5.78	5.19	5.28	6.27	4.23	+ 29	- 36	+ 2.0	- 0.8	+ 2.8
Oct.	-192	458	5.92	5.35	5.44	6.47	4.21	+264	+215	+ 3.0	+ 0.7	+ 2.9
Nov.	-255	541	5.81	5.45	5.56	6.57	4.33	- 51	+122	+ 2.7	+ 1.7	+ 2.4
Dec.	-327	743	6.02	5.96	5.88	6.79	4.50	- 21	+244	+ 3.1	+ 1.2	+ 2.4
1969--Jan.	-491	715	6.30	6.14	5.99	6.92	4.58	+273	+185	- 1.5**	+ 0.5	- 1.8
Feb. p	-604	836	n.a.	n.a.	n.a.	6.92*	4.74	-166	+ 29	- 0.2	+ 0.4	- 1.6
1969--Jan. 29	-703	891	6.27	6.15	5.99	6.92	4.60			- 0.6	- 2.0	- 0.6
Feb. 5	-509	744	6.32	6.19	6.13	6.97	4.72			+ 0.3	+ 1.2	- 0.5
12	-621	797	6.35	6.14	6.07	6.91*	4.72			+ 1.3	+ 0.2	--
19	-694	1,043	6.75	6.10	6.05	6.90	4.70			--	+ 2.0	+ 0.1
26	-592	758	6.43	6.06	6.14	6.93*	4.80			- 0.9	--	- 0.5
				<u>Averages</u>					<u>Annual rates of increase</u> <sup>3/</sup>			
Year 1968	-210	548	5.58	5.36	5.45	6.47	4.20	+ 5.2	+ 7.2	+ 8.6	+ 6.5	+11.3
First Half 1968	-201	567	5.39	5.29	5.46	6.47	4.16	+ 2.2	+ 5.3	+ 4.1	+ 6.7	+ 5.1
Second Half 1968	-218	529	5.77	5.42	5.44	6.50	4.22	+ 8.1	+ 9.0	+12.8	+ 6.1	+17.1
<u>Recent variation in growth</u>												
11/29/67-7/3/68	-159	515	5.25	5.24	5.48	6.47	4.15			+ 3.5	+ 8.0	+ 5.2
7/3/68-12/18/68	-203	516	5.90	5.34	5.40	6.47	4.21			+14.1	+ 3.4	+18.1
12/18/68-2/26/69	-524	838	6.44	6.14	6.04	6.92*	4.64			- 4.0	+ 6.2	- 9.9

1/ Includes issues carrying 5-year and 10-year call protection, \* - issues carry a 10-year call protection.

2/ Time deposits adjusted at all commercial banks.

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

4/ Average of total number of days in period. p - Preliminary n.a. - Not available.

\*\* - Reflects \$400 million reduction in member bank deposits resulting from withdrawal of a large country bank from System membership. Percentage annual rates are adjusted to eliminate this break in series.

February 28, 1969.

from a small surplus in the last week of January and early February to a sizeable deficit on average in the past three weeks. During this period banks were unable to build up Euro-dollar borrowings much further, although paying increasingly high interest rates. Under the pressure of market demands, and in view of the tendency for short bill rates to decline throughout much of February, the Federal funds rate was permitted to rise, with the daily effective rate often 6-3/4 per cent and occasionally higher--though the average rate was around 6-1/2 per cent.

(4) Member bank borrowings in the last four statement weeks have ranged roughly between \$750 million and \$1 billion, but were closer to the lower number in three of the four weeks. The average level of borrowings during the period--\$836 million--was about \$120 million above that of the preceding four weeks. The increase took place mainly at reserve city banks outside New York and Chicago and to a lesser extent at country banks. Excess reserves during the recent four weeks remained near earlier reduced levels, and net borrowed reserves were generally in a \$500 - \$700 million range.

(5) Bank credit in February, as measured by the proxy plus Euro-dollar borrowings through foreign branches, is now estimated to have increased at about a 2 per cent annual rate, compared to a 0 to 3 per cent rate of decline projected in the last Blue Book. The relative strength in the proxy reflects primarily a stronger-than-anticipated performance of private demand deposits at member banks, including inter-bank deposits. The money supply is estimated to have grown at a 2-1/2 per

cent annual rate, instead of declining. Currency grew more than expected, and the larger-than-anticipated attrition in the mid-February refunding led to a higher average level of private demand deposits.

(6) Time and savings deposits declined at about a 9-1/2 per cent annual rate on average in February, impelled mainly by continued attrition of CD's, estimated at around \$1 billion over the course of the month. Other time and savings deposits, after contracting in January, began to rise in February in about seasonal proportions.

(7) The following table summarizes annual rates of change in major reserve and deposit aggregates for 1968 and for the first two months of 1969:

	<u>Dec. '67- June '68</u>	<u>July '68- Dec. '68</u>	<u>Jan. '69- Feb. '69<sup>P</sup></u>
Total reserves	3.7	9.0	4.8
Nonborrowed reserves	-0.1	8.1	4.8
Bank credit, as indicated by:			
Proxy	3.7	12.8	-2.8
Proxy plus Euro-dollars	4.7	13.0	--
Total loans and investments (as of last Wednesday of month)	6.7	14.9	2.8
Money supply	6.1	6.1	2.8
Time and savings deposits	5.8	17.1	-10.0
Savings accounts at thrift institutions	6.1	6.3	4.4 <sup>1/</sup>

NOTE: Dates are inclusive.  
p--preliminary.  
<sup>1/</sup> January only.

Prospective developments

(8) Over the coming four weeks, the relationships among day-to-day money market rates, marginal reserve measures, and other short-term market variables may continue roughly in track with experience of the past two months, as best can be gauged at this point. A 3-month bill in a 6 - 6.25 per cent range might be consistent with a Federal funds rate averaging in a 6-3/8 - 6-5/8 per cent range, with member bank borrowings in a \$700 - \$900 million range, and net borrowed reserves in a \$500 - \$700 million range. However, both the Federal funds and member bank borrowings could move higher at times in reflection of shifting borrowing tactics by banks as they adapt to potential and actual money market strains--for example, in connection with tax dates.

(9) In addition to the possibility of a prime loan rate increase and the high cost of Euro-dollar funds, two other influences may tend to sustain bill rates in the projected range over the period immediately ahead. One is the Treasury's stated need to raise around \$2 billion of new cash for payment in early April, which presumably will be in the short-term area. The other is possible large demands by business for short-term financing from banks or in the market to meet relatively large March-April corporate income tax payments at a time when there may still be a relatively large, even though diminishing, need to finance additional inventories.

(10) However, there is some probability that the 3-month Treasury bill rate may drop below the lower end of the range as March progresses,

even within a generally unchanged constellation of other money market conditions. Such a decline would hinge on the effects of the beginnings of seasonal repayment of Federal debt, in combination with continuation of recent pattern of very limited market supplies of short bills and sizeable market demands for short-term instruments. These demands may reflect in part liquidity desires of institutional investors and individuals who may be uncertain about, among other things, future stock market trends. The bill rate may also tend to decline if the much-rumored prime loan rate increase does not develop.

(11) Demands for day-to-day borrowings by banks are likely to be reinforced in the weeks ahead by continued attrition in outstanding CD's at a time of expected strong seasonal loan demands and reduced bank liquidity. In March, outstanding large CD's at banks are expected to decline by about a further \$1 billion, assuming a bill rate at around the mid-point of the range noted in paragraph (8). Other time and savings at banks are expected to show a little more than seasonal growth. Overall, total time and savings deposits are likely to decline in a 3 - 6 per cent, annual rate, range.

(12) The money supply is likely to show a marked bulge in March--to expansion in a 6 - 9 per cent annual rate range--as U.S. Government deposits are drawn down sharply, on average, following a build-up, seasonally adjusted, in the previous two months. The March rate of money supply growth is not expected to be sustained into spring, since it is anticipated that transactions demands for cash will be

moderating in line with slower GNP growth and that Government cash balances will be rising from their average level in March.

(13) With time deposits continuing to contract on average, with total demand deposits showing little net change (as U.S. Government deposit declines offset private demand deposit increases), and with borrowings abroad costly and perhaps limited in availability, outstanding bank credit is expected to decline somewhat, on average, in March. As measured on a daily-average basis by total member bank deposits, the bank credit proxy is expected to decline in a 4 - 7 per cent annual rate range. If Euro-dollar borrowings remain at about current levels, the adjusted bank credit proxy is likely to decline in a 3 - 6 per cent annual rate range. This decline is not expected to persist into April; continued CD attrition may be roughly offset by a build up in U.S. Government deposits and growth in other time and savings deposits at somewhat more than a seasonal pace, assuming the bulk of interest-sensitive funds in this category of deposits have already been withdrawn.

(14) The expected continued strength of loan demands at banks in the face of reduced availabilities of funds suggests that banks will be forced to continue liquidating U.S. Government securities, to withdraw further from the municipal market, and perhaps to begin reducing their advances to the mortgage market. Thus, long-term interest rates are expected to continue under upward pressure. Any reduction in over-all credit demands either because of the high cost of borrowing generally or because of a slowing in economic expansion would tend to counteract the upward rate pressures generated by the immediate impact of monetary policy on bank reserves and credit.

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):					
1968--February	389	368	21		
March	337	649	-312		
April	348	689	-341		
May	354	728	-374		
June	341	727	-386		
July	331	523	-192		
August	337	577	-240		
September	346	492	-146		
October	267	458	-191		
November	286	541	-255		
December	444	744	-300		
1969--January	224	715	-491		
February p	232	836	-604		
<u>Weekly:</u>					
1968--Dec. 4	479	531	- 52	-114	-203
11	52	434	-382	-443	-446
18	368	575	-207	-274	-256
25	420	859	-439	-525	-369
1969--Jan. 1	901	1,320	-419	-488	-473
8	202	498	-296	-365	-349
15	232	687	-455	-542	-533
22	273	782	-509	-572	-610
29	188	891	-703	-758	-779
Feb. 5	235	744	-509	-568	-615
12 p	176	797	-621	-631	-716
19 p	349	1,043	-694	-721	-726
26 p	166	758	-592	-592	-641

p - Preliminary

TABLE A-2

## AGGREGATE RESERVES AND RELATED MEASURES

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

	R e s e r v e   A g g r e g a t e s				M o n e t a r y   V a r i a b l e s				
	Total Reserves	Nonborrowed Reserves	Required reserves		Total Member Bank Deposits (credit) <u>1/</u>	Time Deposits (comm. banks)	Money Supply		
			Total	Against Demand Deposits			Total	Private Demand Deposits	
<b>Annually:</b>									
1967	+ 9.9	+11.5	+10.2	+ 7.0	+11.7	(+11.5)	+16.1	+ 6.4	+ 6.7
1968	+ 7.2	+ 5.2	+ 7.1	+ 6.3	+ 8.6	(+ 9.4)	+11.3	+ 6.5	+ 6.2
<b>Monthly:</b>									
1968--Jan.	+16.6	+16.7	+11.4	+15.3	+ 6.6	(+ 6.5)	+ 3.9	+ 6.6	+ 6.8
Feb.	+12.5	+ 9.9	+11.4	+19.2	+10.0	(+10.8)	+ 7.2	+ 2.6	+ 1.7
Mar.	+ 2.2	-12.6	+ 0.6	+ 0.1	+ 4.3	(+ 4.7)	+ 9.7	+ 4.6	+ 2.5
Apr.	- 8.8	- 9.4	- 6.0	-11.1	- 4.7	(- 3.8)	+ 2.6	+ 5.9	+ 6.8
May	+ 4.1	+ 2.2	- 1.9	+ 1.5	+ 1.7	(+ 5.1)	+ 3.2	+11.7	+12.6
June	+ 4.9	+ 6.6	+ 9.6	+12.2	+ 6.5	(+ 9.3)	+ 3.8	+ 8.4	+ 7.5
July	+ 5.0	+14.5	+ 7.7	+ 0.1	+ 9.0	(+10.1)	+14.0	+12.8	+14.9
Aug.	+23.5	+23.3	+21.2	+21.8	+21.4	(+22.1)	+21.4	+ 5.7	+ 3.3
Sept.	- 1.6	+ 1.3	+ 4.8	- 3.5	+ 8.4	(+ 9.4)	+17.3	- 5.0	- 7.3
Oct.	+ 9.8	+12.2	+ 8.5	+ 4.1	+12.5	(+11.8)	+17.7	+ 4.4	+ 5.7
Nov.	+ 5.5	- 2.3	+ 8.2	+ 6.0	+11.1	(+11.3)	+14.4	+10.7	+10.6
Dec.	+11.0	- 1.0	+ 7.3	+ 7.7	+12.7	(+11.6)	+14.3	+ 7.5	+ 7.3
1969--Jan.	+ 8.2	+12.5	+14.0	+10.8	- 4.9	(- 2.0)	-10.6	+ 3.1	+ 4.0
Feb. p	+ 1.3	- 3.0	+ 0.7	+18.7	- 1.0	(+ 2.0)	- 9.5	+ 2.5	+ 0.8

1/ Includes all deposits subject to reserve requirements. Movements in this aggregate correspond closely with movements in total member bank credit, on a daily average basis. Figures in parenthesis include Euro-dollar borrowings.

p - Preliminary.

Chart 1

# MEMBER BANK RESERVES

MONTHLY AVERAGES OF DAILY FIGURES

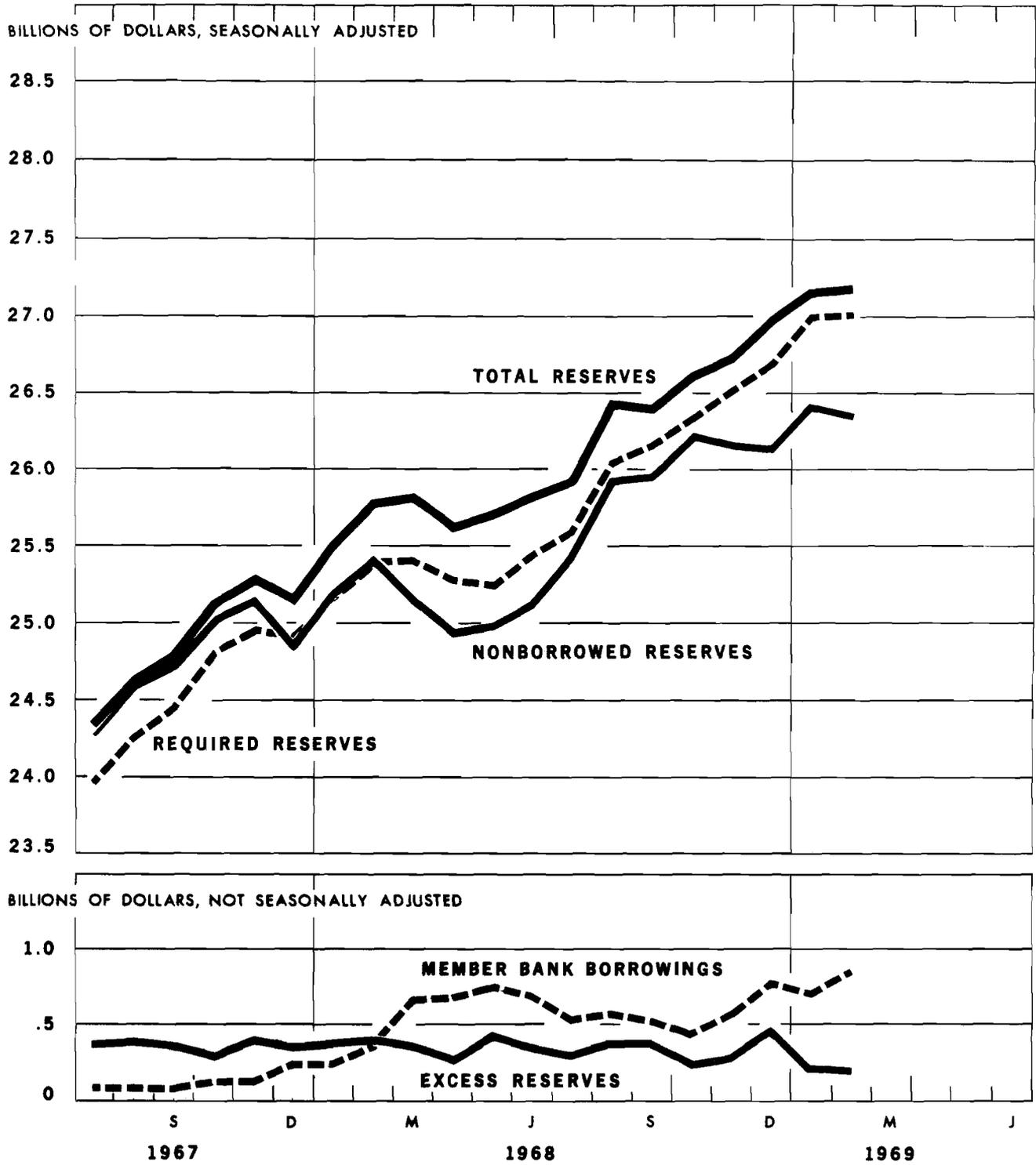


Chart 2

# MEMBER BANK DEPOSITS AND LIABILITIES TO OVERSEAS BRANCHES

BILLIONS OF DOLLARS

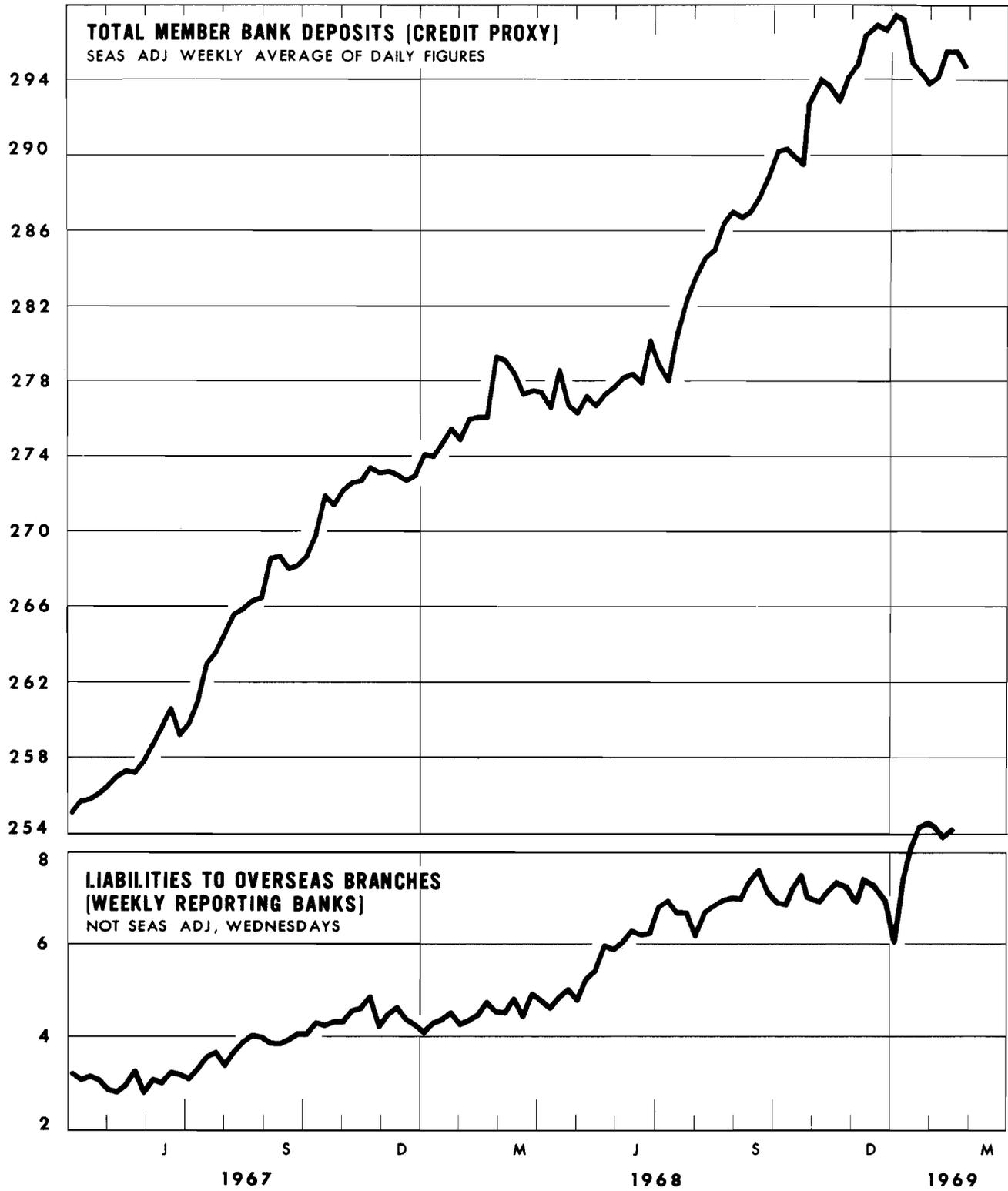


Chart 3

# MONEY SUPPLY AND BANK DEPOSITS

SEASONALLY ADJUSTED WEEKLY AVERAGES OF DAILY FIGURES

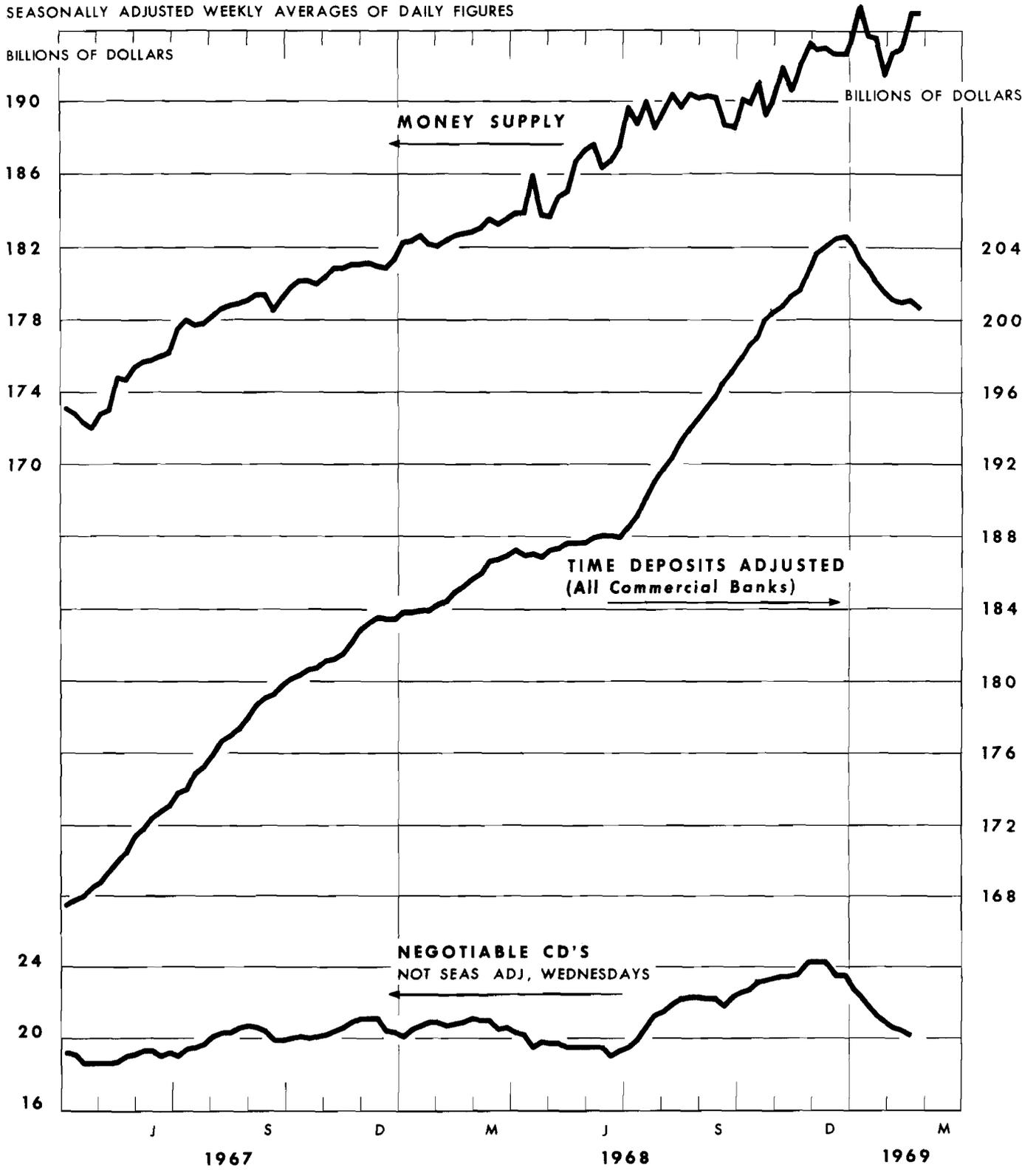
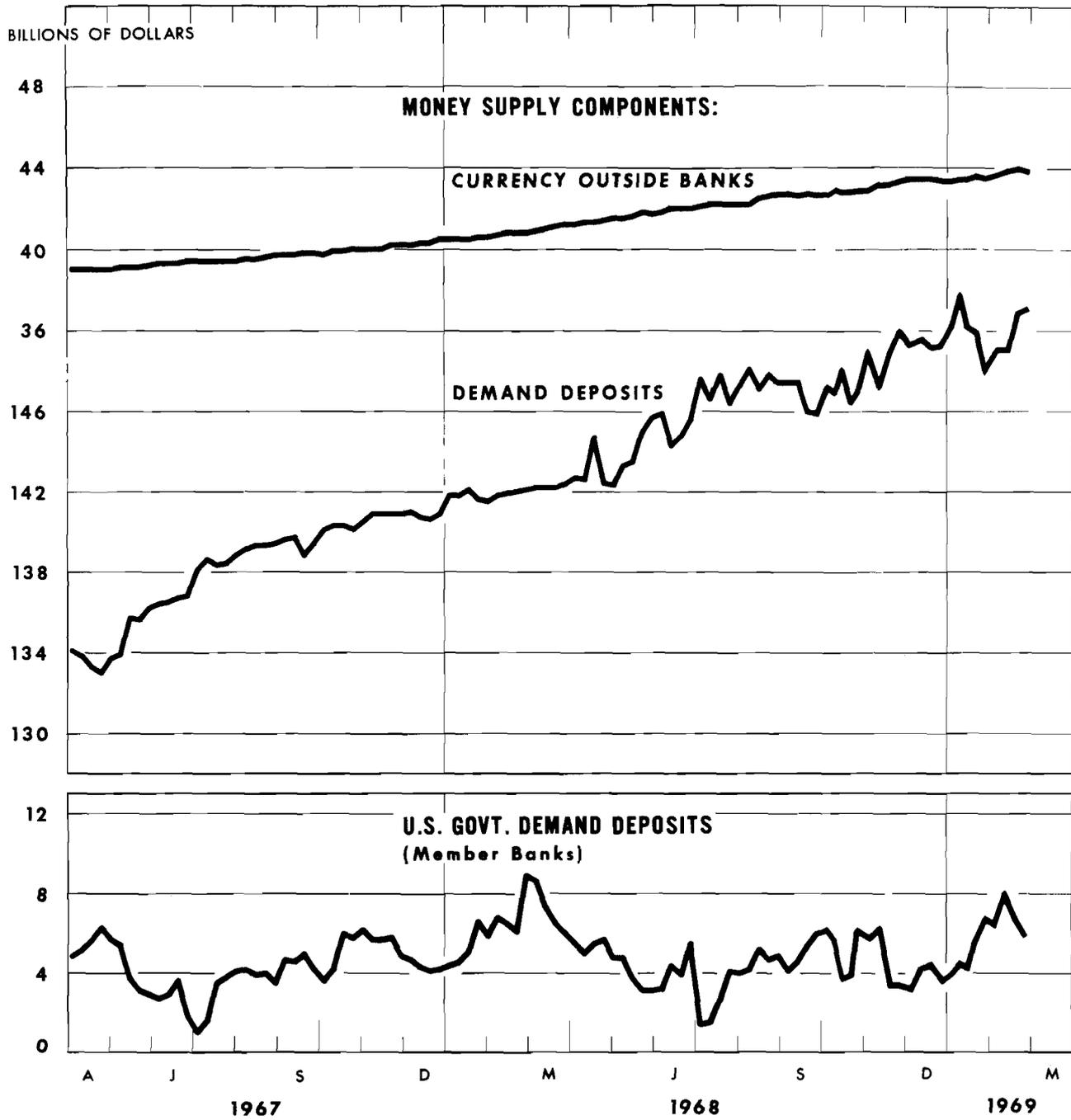


Chart 4

# DEMAND DEPOSITS AND CURRENCY

SEASONALLY ADJUSTED WEEKLY AVERAGES OF DAILY FIGURES



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>Year:</u>							
1967 (12/28/66 - 12/27/67)	+4,718	- 725	-2,305	- 165	+1,522	+1,517	+ 5
1 } (12/27/67 - 12/25/68) 5/	+3,757	-2,067	-3,221	+3,039	+1,508	+1,563	- 55
<u>Year-to-date:</u>							
12/27/67 - 2/28/68) 5/	- 173	- 551	+1,572	- 899	51	+ 78	- 129
12/25/68 - 2/26/69)	- 63	--	+1,417	-1,523	- 168	+ 86	- 254
<u>Weekly:</u>							
1969--Jan.							
1	+1,230	--	+ 88	- 211	+1,108	+ 627	+ 481
8	- 470	--	+ 354	- 380	- 385	+ 314	- 699
15	- 205	--	+1,164	- 346	+ 612	+ 582	+ 30
22	- 389	--	- 8	+ 179	- 218	- 259	+ 41
29	- 396	--	+ 396	- 776	- 777	- 692	- 85
Feb.							
5	- 69	--	- 122	+ 55	- 135	- 182	+ 47
12 p	+ 240	--	- 187	- 265	- 212	- 153	- 26
19 p	+ 632	--	- 461	+ 187	+ 357	+ 184	+ 173
26 p	- 636	--	+ 194	- 76	- 518	- 335	- 183
	<b>PROJECTED</b> <sup>4/</sup>						
1969--Mar.							
5	- 145	--	+ 125	- 70	- 90	- 90	--
12	- 35	--	- 145	- 25	- 205	- 205	--
19	+ 15	--	- 320	+ 415	+ 110	+ 110	--
26	+ 70	--	+ 85	- 80	- 75	- 75	--

1/ For retrospective details, see 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.

5/ Includes increase in reserve requirements of \$360 million effective Jan. 11, 1968, and \$190 million effective Jan. 18, 1968.

p - Preliminary.

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	
<b>Year:</b>								
67 (12/28/66 - 12/27/67) <u>1/</u>	+1,517	+ 261	+1,256	+ 59	+ 6	+1,023	+ 168	
1968 (12/27/67 - 12/25/68) <u>1/</u>	+1,563	- 558	+2,121	- 382	+ 25	+1,647	+ 831	
<b>Year-to-date:</b>								
(12/27/67 - 2/28/68)	+ 78	+ 354	- 276	- 720	+ 233	+ 260	- 49	
(12/25/68 - 2/26/69)	+ 86	+ 545	- 459	- 384	+ 114	+ 39	- 228	
<b>Weekly:</b>								
1969--Jan.								
1	+ 627	+ 200	+ 427	+ 332	--	+ 89	+ 6	
8	+ 314	+ 300	+ 14	+ 2	- 6	+ 21	- 3	
15	+ 582	- 207	+ 789	+ 514	+ 25	+ 284	- 34	
22	- 259	- 110	- 149	- 174	+ 19	+ 55	- 49	
29	- 692	- 247	- 445	- 114	+ 13	- 325	- 19	
Feb.								
5	- 182	+ 258	- 440	- 289	+ 19	- 128	- 42	
12 p	- 153	+ 324	- 477	- 307	+ 18	- 150	- 38	
19 p	+ 184	+ 73	+ 111	- 96	+ 13	+ 228	- 34	
26 p	- 335	- 46	- 289	- 252	+ 13	- 35	- 15	
<b>PROJECTED</b>								
1969--Mar.								
5	- 90	- 55	- 35	- 225	+ 5	+ 195	- 10	
12	- 205	- 10	- 195	- 240	+ 5	+ 60	- 20	
19	+ 110	- 180	+ 290	+ 300	+ 5	- 5	- 10	
26	- 75	- 65	- 10	+ 45	- 5	- 40	- 10	

1/ Reflects reserve requirement changes in March 1967 and January 1968.

p - Preliminary.

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>					
1967 (12/28/66 - 12/27/67)	- 165	- 85	- 389	- 7	+ 316
1968 (12/27/67 - 12/25/68)	+3,039	+ 928	+1,309	- 67	+ 869
<u>Year-to-date:</u>					
(12/27/67 - 2/28/68)	- 899	- 214	- 832	+ 3	+ 144
(12/25/68 - 2/26/69)	-1,523	- 109	-1,104	+ 88	- 398
<u>Weekly:</u>					
1969--Jan.					
1	- 211	- 119	+ 26	+ 2	- 120
8	- 380	- 19	- 372	- 2	+ 123
15	- 346	+ 16	- 321	+ 1	- 42
22	+ 179	+ 18	+ 68	+ 15	+ 78
29	- 776	- 166	- 584	+ 69	- 95
Feb.					
5	+ 55	+ 223	- 10	+ 3	- 161
12 p	- 265	- 335	+ 65	- 4	+ 41
19 p	+ 187	+ 161	+ 44	--	- 18
26 p	- 76	+ 112	+ 12	+ 4	- 204
<u>PROJECTED</u>					
1969--Mar.					
5	- 70	- 45	--	+ 10	- 35
12	- 25	+ 105	- 160	--	+ 30
19	+ 415	--	+ 240	--	+ 175
26	- 80	--	- 80	--	--

p - Preliminary.

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>								
1967 (12/28/66 - 12/27/67)	+4,718	+5,009	+4,433	+1,153	- 577	- 19	- 69	- 203
1968 (12/27/67 - 12/25/68)	+3,757	+3,298	+2,143	+1,176	- 21	- 3	- 52	+ 514
<u>Year-to-date:</u>								
(12/27/67 - 2/28/68)	- 173	- 206	- 224	+ 99	- 81	- 7	- 57	+ 97
(12/25/68 - 2/26/69)	- 63	- 7	- 129	+ 85	+ 37	+ 4	+ 41	- 101
<u>Weekly:</u>								
1969--Jan.								
1	+1,230	+ 742	+ 576	--	+ 166	+ 7	+ 20	+ 461
8	- 470	+ 344	+ 398	--	- 54	+ 5	+ 3	- 822
15	- 205	- 347	- 175	--	- 172	- 16	- 31	+ 189
22	- 389	- 480	- 480	--	--	--	- 4	+ 95
29	- 396	- 503	- 503	--	--	--	- 2	+ 109
Feb.								
5	- 69	+ 77	+ 69	--	+ 8	--	+ 1	- 147
12 p	+ 240	+ 146	--	--	+ 146	+ 13	+ 28	+ 53
19 p	+ 632	+ 306	+ 55	--	+ 251	+ 15	+ 65	+ 246
26 p	- 636	- 292	- 69	+ 85	- 308	- 20	- 39	- 285

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
1966--Jan.	22,785	22,325	22,456	21,936	16,822
Feb.	22,857	22,376	22,507	21,996	16,877
Mar.	22,888	22,331	22,512	22,115	16,957
Apr.	23,118	22,490	22,714	22,283	17,043
May	23,192	22,486	22,773	22,331	17,030
June <u>1/</u>	23,149	22,472	22,780	22,361	17,043
July	23,293	22,552	22,864	22,344	16,963
Aug.	23,029	22,336	22,687	22,320	16,908
Sept.	23,065	22,319	22,712	22,349	16,922
Oct.	22,954	22,243	22,629	22,229	16,827
Nov.	22,915	22,303	22,593	22,198	16,810
Dec.	22,895	22,286	22,600	22,262	16,825
1967--Jan.	23,217	22,770	22,875	22,298	16,774
Feb.	23,471	23,107	23,134	22,559	16,959
Mar.	23,869	23,668	23,383	22,785	17,101
Apr.	23,910	23,775	23,529	22,779	17,015
May	23,952	23,874	23,531	23,071	17,244
June	24,105	23,982	23,660	23,387	17,472
July	24,342	24,279	23,960	23,578	17,582
Aug.	24,627	24,586	24,234	23,776	17,701
Sept.	24,786	24,721	24,476	23,850	17,704
Oct.	25,121	25,020	24,810	23,995	17,805
Nov.	25,275	25,142	24,947	24,122	17,879
Dec.	25,153	24,848	24,914	24,157	17,860
1968--Jan.	25,500	25,193	25,151	24,270	17,974
Feb.	25,765	25,401	25,389	24,333	18,025
Mar.	25,812	25,135	25,402	24,431	18,082
Apr.	25,623	24,938	25,276	24,487	18,133
May	25,711	24,984	25,236	24,751	18,387
June	25,816	25,121	25,438	24,925	18,550
July	25,923	25,425	25,601	25,188	18,727
Aug.	26,431	25,918	26,053	25,340	18,765
Sept.	26,395	25,947	26,158	25,294	18,621
Oct.	26,610	26,211	26,344	25,528	18,746
Nov.	26,732	26,160	26,524	25,749	18,883
Dec.	26,976	26,139	26,686	26,050	19,088
1969--Jan.	27,161	26,412	26,998	25,921	19,066
Feb. p	27,190	26,346	27,014	25,927	19,167

p - Preliminary.

1/ Break in series due to redefinition of time deposits effective June 9, 1966, which reduced required reserves by \$34 million.

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)

Period	Total member bank deposits (credit 1/)	Time deposits	Private demand deposits 2/	U.S. Gov't. demand deposits
1966--July	245.8	128.1	112.6	5.1
Aug.	245.6	128.8	112.3	4.5
Sept.	245.5	129.2	112.4	4.0
Oct.	244.4	128.6	111.7	4.0
Nov.	244.0	128.3	111.6	4.1
Dec.	244.6	129.4	111.7	3.5
1967--Jan.	247.7	131.5	111.4	4.8
Feb.	251.0	133.3	112.6	5.1
Mar.	254.0	135.3	113.6	5.1
Apr.	255.8	137.2	113.0	5.6
May	257.2	138.7	114.5	4.0
June	259.5	140.8	116.0	2.6
July	262.4	142.8	116.7	2.9
Aug.	266.1	144.6	117.5	4.0
Sept.	268.4	146.3	117.6	4.5
Oct.	270.8	147.4	118.2	5.2
Nov.	272.9	148.6	118.7	5.6
Dec.	273.2	149.9	118.6	4.6
1968--Jan.	274.7	149.9	119.4	5.4
Feb.	277.0	150.2	119.7	7.1
Mar.	278.0	151.2	120.1	6.7
Apr.	276.9	151.3	120.4	5.2
May	277.3	151.5	122.1	3.7
June	278.8	151.8	123.2	3.9
July	280.9	153.8	124.3	2.7
Aug.	285.9	156.5	124.6	4.8
Sept.	287.9	158.9	123.6	5.3
Oct.	290.9	161.5	124.5	5.0
Nov.	293.6	163.5	125.4	4.7
Dec.	296.7	165.8	126.7	4.2
1969--Jan.	295.1	163.2	126.6	5.3
Feb. p	294.9	160.9	127.3	6.7

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.

TABLE C-2a

## DEPOSITS SUPPORTED BY REQUIRED RESERVES AT ALL MEMBER BANKS

Seasonally adjusted

(Dollar amounts in billions, 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
1968--Aug. 7	284.7	155.5	125.0	4.2
14	285.0	156.0	123.9	5.2
21	286.4	156.8	124.9	4.7
28	287.0	157.4	124.7	4.9
Sept. 4	286.7	157.9	124.7	4.1
11	287.0	158.3	124.1	4.6
18	287.8	158.9	123.5	5.4
25	288.8	159.4	123.4	6.0
Oct. 2	290.3	160.4	124.0	6.2
9	290.4	160.8	123.9	5.7
16	289.9	161.1	125.1	3.7
23	289.5	161.9	123.7	3.9
30	292.7	162.2	124.3	6.2
Nov. 6	293.9	162.6	125.5	5.8
13	293.6	163.0	124.2	6.3
20	292.9	163.6	125.9	3.4
27	294.1	164.7	126.1	3.4
Dec. 4	294.8	165.3	126.3	3.2
11	296.4	165.9	126.3	4.2
18	296.9	166.1	126.4	4.4
25	296.7	166.1	126.9	3.7
1969--Jan. 1	297.4	165.5	127.9	4.0
8	297.2	164.4	128.2	4.5
15	294.9	163.9	126.7	4.3
22	294.4	162.8	126.0	5.6
29	293.8	162.1	124.9	6.8
Feb. 5	294.1	161.4	126.2	6.5
12 p	295.5	161.1	126.4	8.0
19 p	295.5	160.9	127.8	6.8
26 p	294.6	160.5	128.2	5.9

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.

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
1966--July	169.9	37.6	132.3	155.9
Aug.	170.0	37.8	132.2	156.9
Sept.	170.5	37.9	132.6	157.7
Oct.	170.2	38.0	132.1	157.3
Nov.	170.2	38.2	132.0	156.9
Dec.	170.4	38.3	132.1	158.1
1967--Jan.	170.3	38.5	131.8	161.0
Feb.	171.8	38.7	133.0	163.5
Mar.	173.2	38.9	134.3	165.9
Apr.	172.5	39.0	133.5	168.1
May	174.4	39.1	135.3	170.1
June	176.0	39.3	136.7	172.6
July	177.8	39.4	138.4	174.8
Aug.	178.9	39.5	139.4	177.2
Sept.	179.1	39.7	139.4	179.4
Oct.	180.2	39.9	140.2	180.6
Nov.	181.0	40.1	141.0	182.0
Dec.	181.3	40.4	140.9	183.5
1968--Jan.	182.3	40.6	141.7	184.1
Feb.	182.7	40.7	141.9	185.2
Mar.	183.4	41.1	142.2	186.7
Apr.	184.3	41.4	143.0	187.1
May	186.1	41.6	144.5	187.6
June	187.4	42.0	145.4	188.2
July	189.4	42.2	147.2	190.4
Aug.	190.3	42.6	147.6	193.8
Sept.	189.5	42.7	146.7	196.6
Oct.	190.2	42.8	147.4	199.5
Nov.	191.9	43.2	148.7	201.9
Dec.	193.1	43.4	149.6	204.3
1969--Jan.	193.6	43.6	150.1	202.5
Feb. p	194.0	43.9	150.2	200.9

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.

p - Preliminary.

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

Seasonally Adjusted

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

Week Ending	Money Supply	Currency <u>1/</u>	Private Demand Deposits <u>2/</u>	Time Deposits adjusted
1968--Aug. 7	190.4	42.2	148.1	192.5
14	189.7	42.5	147.1	193.3
21	190.4	42.6	147.8	194.0
28	190.2	42.7	147.5	194.6
Sept. 4	190.3	42.7	147.5	195.2
11	190.2	42.6	147.5	195.8
18	188.7	42.7	146.0	196.6
25	188.5	42.6	145.9	197.2
Oct. 2	190.0	42.7	147.3	198.1
9	189.9	42.9	147.0	198.7
16	191.0	42.8	148.1	199.1
23	189.4	42.8	146.5	200.0
30	189.9	42.9	147.0	200.4
Nov. 6	191.9	42.9	149.0	200.8
13	190.6	43.2	147.3	201.4
20	192.2	43.2	149.0	201.7
27	193.3	43.4	149.9	202.9
Dec. 4	192.9	43.5	149.4	203.7
11	193.1	43.5	149.6	204.1
18	192.7	43.4	149.2	204.5
25	192.7	43.4	149.3	204.6
1969--Jan. 1	193.7	43.4	150.3	204.1
8	195.4	43.5	151.9	203.3
15	193.8	43.5	150.2	202.8
22	193.6	43.6	150.0	202.1
29	191.6	43.5	148.1	201.5
Feb. 5	192.8	43.7	149.1	201.0
12 p	193.0	43.9	149.1	201.0
19 p	195.0	44.0	151.0	201.1
26 p	195.0	43.8	151.2	200.6

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.

p - Preliminary.