

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.

MONEY MARKET AND RESERVE RELATIONSHIPS

Recent developments

(1) Interest rates and monetary aggregates have moved in diverse, and to some extent unanticipated ways, since the System's recent policy actions. Treasury bill rates generally rose after the increases in the discount rate and in reserve requirements were announced on April 3, and reached a peak on the mid-April tax date. Subsequently bill rates have drifted back. The 3-month bill was most recently quoted 6.08 per cent, about its level at the time of the April 3 policy actions, while longer-term bills have dropped below those earlier levels. Most short-term rates outside the bill area have risen, on balance, since early April.

(2) Expectations of future Treasury debt repayment and greater market convictions that monetary and fiscal policies will slow inflation were factors tending to press lower the longer-end of the yield curve in the Treasury bill market. These same factors, together with peace hopes, also affected interest rates in bond markets. And yields on U.S. Government, State and local, and corporate long-term issues moved 15-25 basis points below their early April levels. Most recently, this rally in bond markets has faded in face of a continued sizable volume of corporate and municipal offerings and in anticipation of the sizable Treasury mid-May refunding.

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 (In billions of dollars)	Money Supply	Time Deposits 2/
	(Seasonally Adjusted)											
1968--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	r 6.51*	4.12	+304	+107	+ 2.1	+ 2.0	+ 2.2
Aug.	-240	577	6.03	5.23	5.22	r 6.15	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	r 6.50	4.33	- 51	+122	+ 2.7	+ 1.7	+ 2.4
Dec.	r -300	r 744	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	+302	+217	- 1.5**	+ 0.6	- 1.8
Feb.	-580	836	6.64	6.12	6.11	6.91*	4.74	- 53	+ 16	- 0.3	+ 0.1	- 1.5
Mar. p	-635	837	6.79	6.02	6.22	7.35	4.97	-279	=171	- 2.5	+ 0.2	--
Apr. p	-821	1,009	n.a.	n.a.	n.a.	n.a.	5.01	-194	-110	+ 1.6	+ 2.4	- 0.2
1969--Mar. 12	-627	875	6.75	6.03	6.20	--	4.92			+ 0.2	- 0.2	+ 0.2
19	-691	776	6.82	6.02	6.29	7.57	5.02			- 1.7	+ 0.4	- 0.2
26	-696	964	6.88	5.94	6.22	7.37	5.02			- 0.9	+ 0.6	+ 0.2
Apr. 2	-886	1,195	6.66	5.99	6.20	7.28	5.00			+ 0.6	+ 0.6	+ 0.2
9 p	-756	947	7.04	6.13	6.15	7.30**	5.08			+ 2.3	+ 2.8	+ 0.1
16 p	-646	760	7.63	6.19	5.99	7.02	5.00			- 0.5	- 1.6	- 0.3
23 p	-997	1,134	7.48	6.18	5.97	--	4.95			+ 0.8	- 0.3	- 0.3
	Averages							Annual rates of increase 3/				
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
Recent variation in growth												
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	+ 2.3	+18.1
12/18/68-4/23/69	-609	876	6.70	6.12	6.08	7.05*	4.78			- 2.1	+ 5.0	- 5.5

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.

April 25, 1969.

nominal amounts before the tax date. And for a week at mid-month the Treasury borrowed an average of \$723 million a day directly from the Federal Reserve, resulting in an enlarged need for System absorbing operations. Also, in meeting cash payments prior to mid-month tax receipts, the Treasury made unusually large C-bank calls. Partly as a result of the Treasury cash management policy, the reserve position of major money market banks came under severe pressure. The basic reserve deficits of major banks have fluctuated in a \$3.5 - \$5.0 billion range, with deficits in New York running \$1.5 - \$2.0 billion, substantially deeper than in March. Trading in Federal funds since the last Committee meeting has frequently been at, or above, 7-1/2 per cent with some activity as high as 8 per cent, particularly in the tax period. The average rate has been around 7-1/4 per cent thus far in April. Loan rates to dealers have tended mostly to a 7-1/2 - 8 per cent range.

(6) Net borrowed reserves for all member banks rose to \$995 million and borrowings to an average of \$1.1 billion in the most recent statement week, the first week affected by the higher reserve requirements. In the preceding three statement weeks net borrowed reserves were in a \$650 - \$900 million range, with average borrowings fluctuating between \$750 million and \$1.2 billion.

(7) The following table summarizes growth in major reserve and deposit aggregates for the second half of 1968, the first quarter, 1969, and April on a preliminary basis:

	<u>July '68</u> <u>Dec. '68</u>	<u>Jan. '69-</u> <u>Mar. '69</u>	<u>April '69</u> _p
Total reserves	9.0	0.9	- 4.9 ^{1/}
Nonborrowed reserves	8.1	-0.5	- 8.9 ^{1/}
Bank credit, as indicated by:			
Proxy	12.8	-5.4	6.6
Proxy plus Euro-dollars	13.0	-2.4	7.2
Total loans and investments (as of last Wednesday of month)	14.9	1.5	7.2
Money supply	6.1	1.9	14.8
Time and savings deposits	17.1	-6.5	- 1.2
Savings accounts at thrift institutions	6.4	6.0	n.a.

NOTE: Dates are inclusive.

p--preliminary.

n.a. Not available.

^{1/} Aggregate reserve series reflect reserve requirements based on deposits lagged two weeks. Thus the decline shown reflects the sharp drop in demand deposits at member banks in the latter part of March and early April.

Prospective developments

(8) The sharp average annual rates of expansion in money supply and the bank credit proxy for April are not likely to be repeated in May--and some reversal could develop--given prevailing money market conditions. These conditions can be taken to comprise a Federal funds rate generally fluctuating in a 7 - 7-3/4 per cent range, member bank

borrowings \$900 million to \$1.2 billion, and net borrowed reserves \$800 million to \$1 billion. The 3-month Treasury bill may fluctuate in a 5.90 - 6.20 per cent range.

(9) It is possible that bill rates will come under some further downward pressure in the period ahead. The System is expected to supply a substantial amount of reserves over the next three weeks. Moreover, the mid-May refunding could generate additional demand for bills, with the amount depending on the nature of the exchange and market attitudes at the time. The refunding will probably be announced the afternoon of April 30, and at the moment many market participants are expecting a "rights" exchange involving about \$6 billion of publicly held May and June maturities. These potential demands may press on a relatively limited current and expected market supply of bills. Dealer bill positions have recently declined; the Treasury has just paid off \$2 billion of April tax bills as well as \$200 million of monthly bills; and further substantial net debt repayment will develop by the end of June.

(10) Given these demand-supply conditions in the bill market, it could require relatively high dealer loan rates and a Federal funds rate fluctuating around the upper end of the specified range to avert a decline in the 3-month bill rate to, or below, the lower end of the range in paragraph (8). Even if the 3-month bill rate is maintained in that range, longer-term bill rates (on a discount basis) could remain below the 3-month bill. In particular, the yield on the 1-year bill

might possibly be low enough relative to the Regulation Q ceiling to enable banks to increase sales of longer-term CD's somewhat.

(11) Actual CD attrition in May is expected to drop to a \$250 - \$500 million range. But because May is a month when CD's seasonally show a \$500 - \$700 million increase, seasonally adjusted CD experience would be a significant inhibiting factor on bank credit growth. Consumer-type time and savings deposits are expected to grow quite modestly, recovering somewhat from the tax-induced April weakness. All in all, total time and savings deposits in May are likely to decline on average in a 0 to 3 per cent annual rate range.

(12) Private demand deposits are expected to rise from the end of April to the end of May, mainly reflecting an expected \$1-1/2 billion decline in U.S. Government deposits over the course of the month, a sizable portion of which represents attrition of the maturing mid-May Treasury issue. The average level of the money supply in May, however, is likely to be slightly below that of the April average level.

(13) The bank credit proxy (including Euro-dollars) may decline in May in a 2 - 5 per cent, annual rate, range. Loan demands from business and nonbank financial institutions may moderate some from their April pace, which was influenced by tax period borrowing. However, security loans could rise more than last month in view of the Treasury financing, and particularly if temporary holders participate in the financing to a sizable extent. Given these loan demands, with member bank deposits tending to contract on average, banks are likely

to remain inactive in the municipal market, to redeem a sizable portion of their \$2 billion holding of the maturing mid-May Treasury issues, and to sell the "rights" to the June Treasury maturity. At the same time, banks are not likely to be very willing lenders on security loans, and interest rates on these loans will probably be at a substantial penalty relative to the securities to be financed.

(14) Under the circumstances, it would appear that intermediate and longer-term interest rates are likely to move up over the next few weeks, unless expectations of a weakening economy, or peace, were to become more prevalent. Should a sizable market interest develop in new Treasury issues and new corporate and municipal bonds--say, for expectational reasons--it is quite possible that a strong demand pull would be exerted on monetary aggregates. In this event, bank credit and money supply in May could turn out to be stronger than projected unless the Federal Reserve--through the workings of a proviso clause or otherwise--operates to hold back on reserves relative to demand, thereby tightening conditions in the money market toward or beyond the tight end of specifications in paragraph (8).

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	256	836	-580		
March p	202	837	-635		
April p	188	1,009	-821		
Weekly:					
1968--Dec.	4	531	-52	-114	-203
	11	434	-382	-443	-446
	18	575	-207	-274	-256
	25	859	-439	-525	-369
1969--Jan.	1	1,320	-419	-488	-473
	8	498	-296	-365	-349
	15	687	-455	-542	-533
	22	782	-509	-572	-610
	29	891	-703	-758	-779
Feb.	5	744	-509	-568	-615
	12	799	-578	-631	-716
	19	1,044	-681	-721	-726
	26	757	-553	-592	-641
Mar.	5	734	-527	-577	-625
	12	875	-627	-666	-608
	19	776	-691	-719	-725
	26	964	-696	-737	-754
Apr.	2	1,195	-886	-954	-1,003
	9 p	947	-756	-789	-793
	16 p	760	-646	-655	-629
	23 p	1,134	-997	-997	-991

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)

	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:									
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
Monthly:									
1968--Jan.	+16.6	+16.7	+11.4	+15.3	+ 6.6	(+ 6.5)	+ 3.9	+ 6.6	+ 6.6
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.	+ 9.7	+13.9	+14.5	+10.8	+ 4.9	(- 2.0)	-10.6	+ 3.7	+ 4.0
Feb.	+ 0.7	- 1.0	--	+17.3	- 1.2	(+ 2.0)	- 8.9	+ 0.6	- 1.6
Mar. p	- 7.5	-12.7	- 9.2	-18.4	-10.2	(- 7.1)	--	+ 1.2	- 0.8
Apr. proj.	- 4.9	- 8.9	- 7.4	+18.4	+ 6.6	(+ 7.2)	- 1.2	+14.8	+18.1

^{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

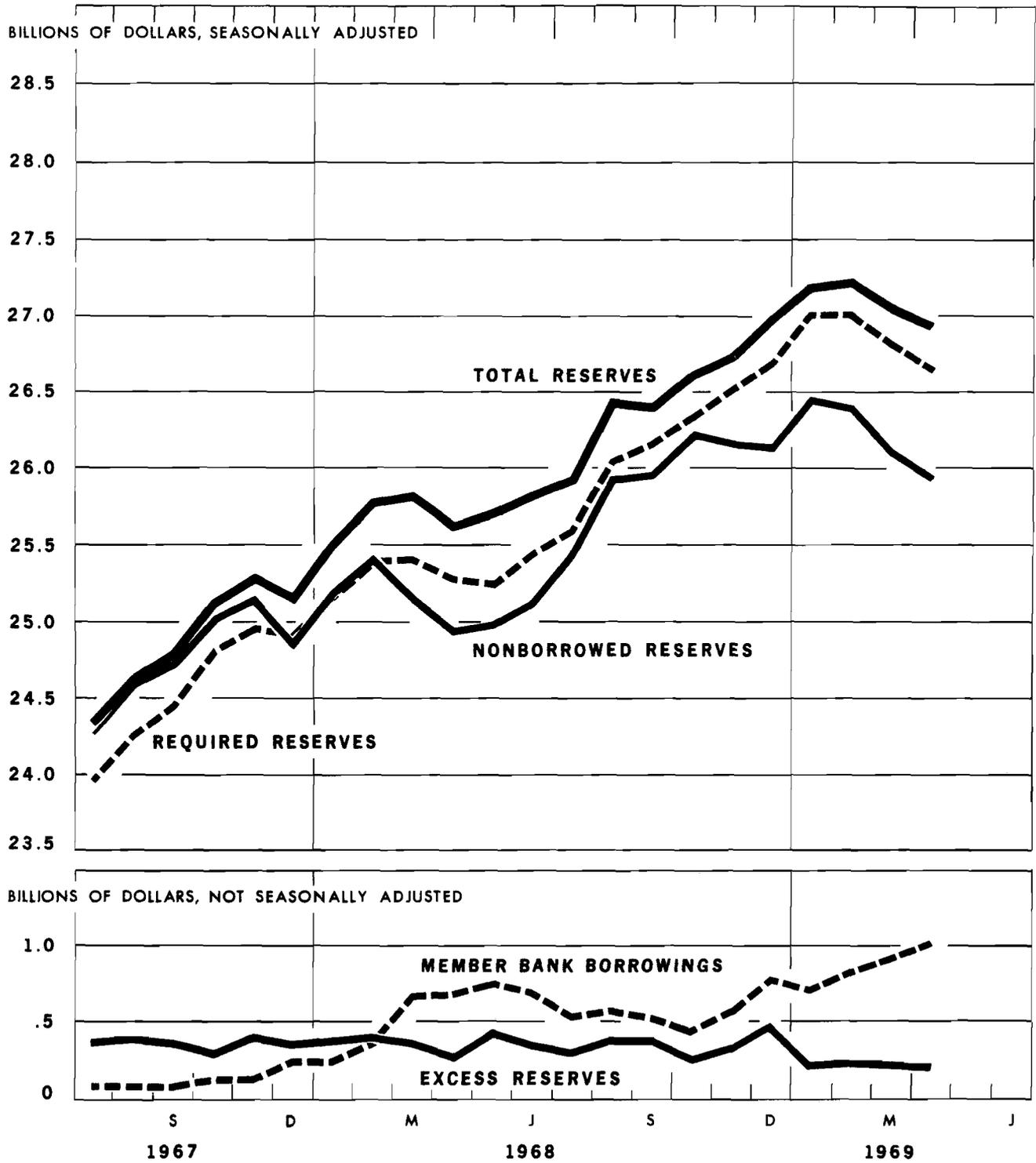


Chart 2

MEMBER BANK DEPOSITS AND LIABILITIES TO OVERSEAS BRANCHES

BILLIONS OF DOLLARS

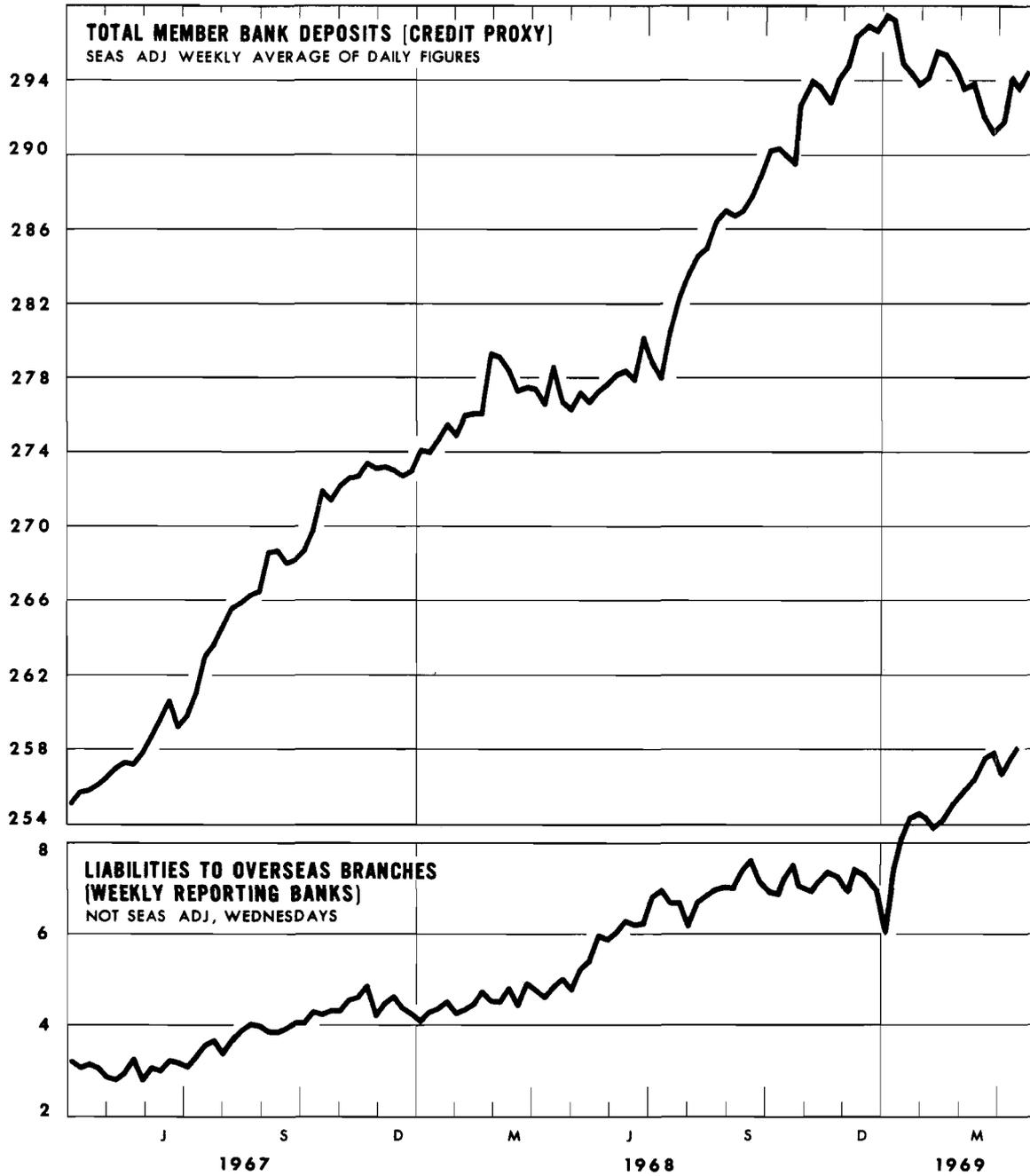


Chart 3

MONEY SUPPLY AND BANK DEPOSITS

SEASONALLY ADJUSTED WEEKLY AVERAGES OF DAILY FIGURES

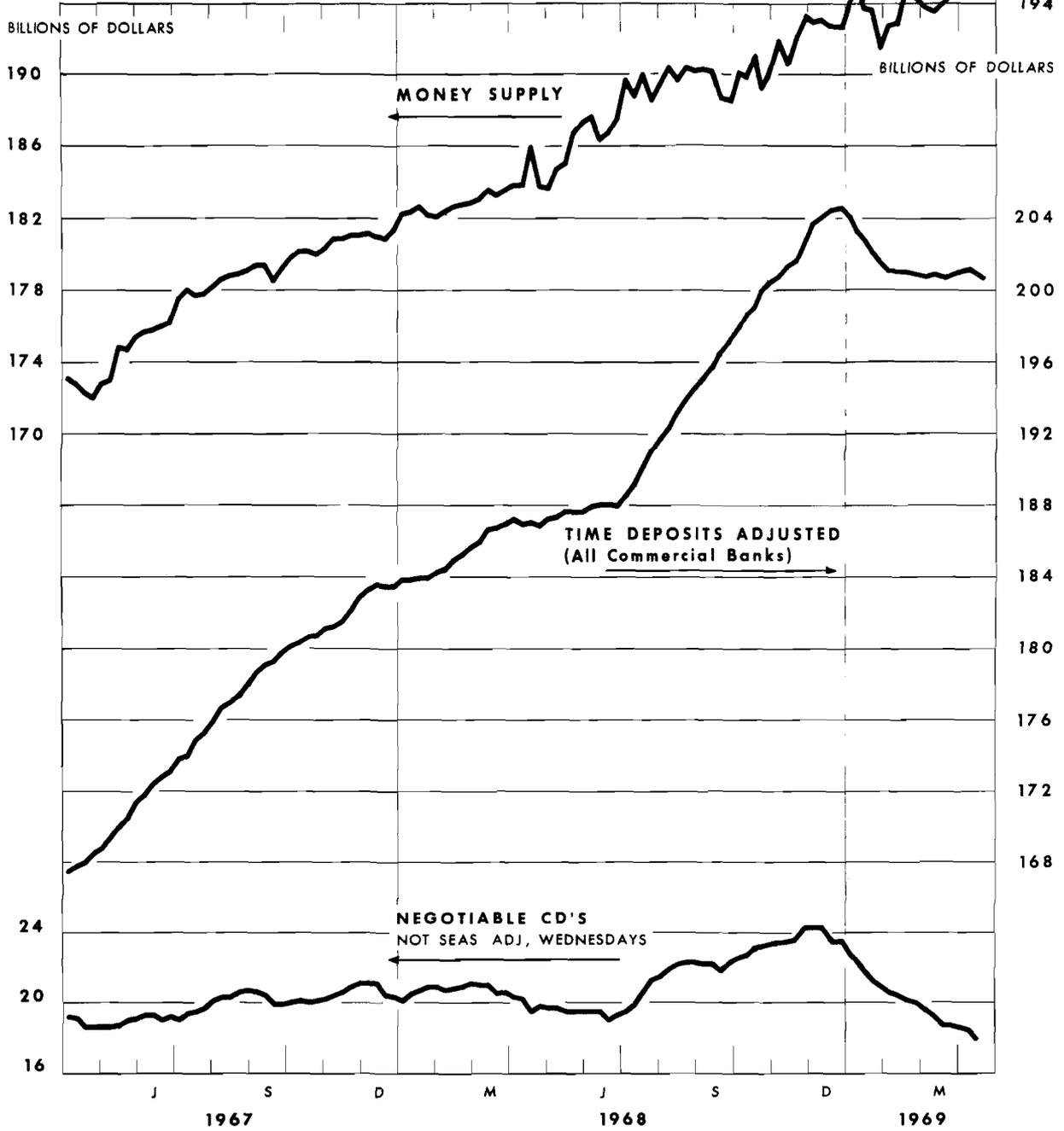


Chart 4

DEMAND DEPOSITS AND CURRENCY

SEASONALLY ADJUSTED WEEKLY AVERAGES OF DAILY FIGURES

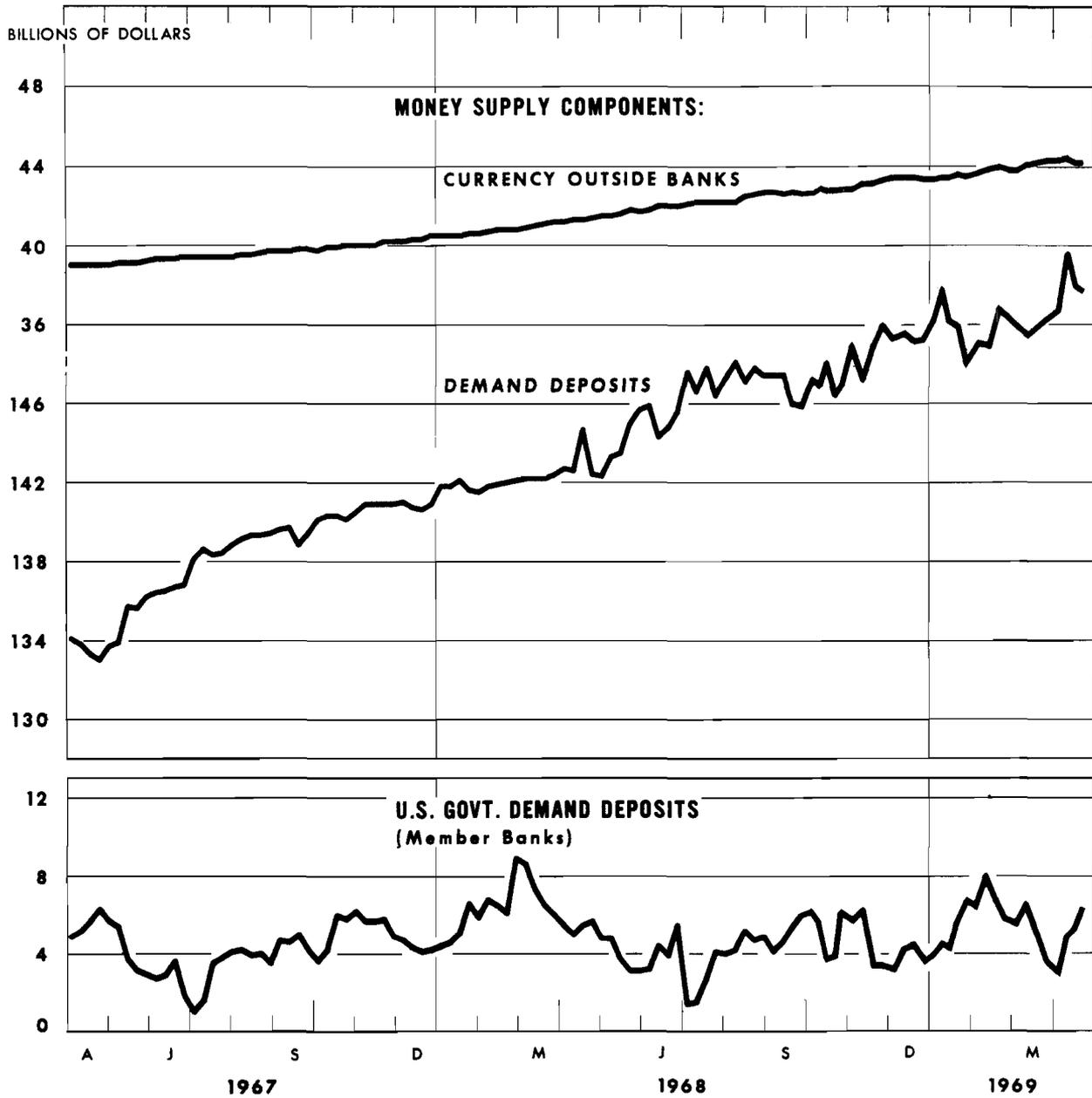


Table B-1

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>Year:</u>								
67 (12/28/66 - 12/27/67) 5/	+4,718	- 725	-2,305	- 165	+1,522	+1,517	+ 5	
1968 (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 - 4/24/68) 5/	+1,237	-1,950	+ 838	- 308	- 184	+ 132	- 316	
(12/25/68 - 4/23/69) 5/	+ 601	--	+ 632	- 917	+ 315	+ 598	- 283	
<u>Weekly:</u>								
1969--Mar.	12	+ 34	--	- 226	- 24	- 217	- 258	+ 41
	19	+ 45	--	- 431	+ 327	- 58	+ 105	- 163
	26	+ 70	--	+ 90	- 248	- 88	- 271	+ 183
Apr.	2	+ 357	--	+ 56	- 294	+ 121	+ 80	+ 41
	9 p	- 113	--	- 91	+ 36	- 171	- 53	- 118
	16 p	- 379	--	- 189	+ 580	+ 12	+ 89	- 77
	23 p 5/	+ 771	--	- 160	+ 352	+ 963	+ 940	+ 23
<u>PROJECTED</u> 4/								
1969--Apr.	30	+ 270	--	+ 545	- 645	+ 170	+ 170	--
May	7	+ 230	--	- 50	+ 85	+ 265	+ 265	--
	14	- 10	--	- 250	+ 90	- 170	- 170	--
	21	+ 525	--	- 400	- 150	- 25	- 25	--
	28	- 175	--	+ 210	- 300	- 265	- 265	--

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.

5/ Reflects reserve requirement changes in March 1967, January 1968, and April 1969.

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 \$50 million per week.
3. Projected effects of Treasury operations, included in "technical factors," reflect scheduled and assumed calls in current two weeks and maintenance of Treasury balances with Federal Reserve at \$0.5 billion, thereafter.
4. Projected changes in required reserves assume the existing net reserve position of banks and the structure of interest rates in the market, as well as the current economic outlook. On the basis of these assumptions, projections reflect expected movements in bank credit and money in the period ahead, including the effects of such elements as the public's loan demand, repayments of previous loans, banks' investment preferences and willingness to supply loans, banks' desires and abilities to obtain time and savings deposits, and the Government's financing needs. The projections thus encompass normal seasonal developments, temporary bursts of loans demand and expected associated repayments not currently reflected by the seasonals, and whatever cyclical and growth demands for money and credit are expected in the projection period. Assumed Treasury financing operations include: \$-0.2 billion, April 30; \$-0.4 billion, May 15.

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
Year:							
1967 (12/28/66 - 12/27/67) <u>1/</u>	+1,517	+ 261	+1,256	+ 59	+ 6	+1,023	+ 163
1968 (12/27/67 - 12/25/68) <u>1/</u>	+1,563	- 558	+2,121	- 382	+ 25	+1,647	+ 831
Year-to-date:							
(12/27/67 - 4/24/68) <u>1/</u>	+ 132	- 287	+ 419	- 19	+ 220	+ 267	- 49
(12/25/68 - 4/23/69) <u>1/</u>	+ 598	+ 67	+ 531	- 368	+ 120	+1,079	- 300
Weekly:							
1969--Mar.							
12	- 258	- 29	- 229	- 258	+ 6	+ 31	- 8
19	+ 105	- 184	+ 289	+ 320	+ 7	- 21	- 17
26	- 271	- 143	- 128	+ 48	- 7	- 173	+ 4
Apr.							
2	+ 80	+ 43	+ 37	+ 63	--	- 10	- 16
9 p	- 53	+ 169	- 222	- 255	- 12	+ 43	+ 2
16 p	+ 89	- 280	+ 369	+ 144	+ 12	+ 235	- 22
23 p <u>1/</u>	+ 940	+ 19	+ 921	+ 194	- 6	+ 736	- 3
PROJECTED							
1969--Apr.							
30	+ 170	- 50	+ 220	+ 330	- 5	- 95	- 00
May							
7	+ 265	+ 415	- 150	- 125	- 15	- 5	- 5
14	- 170	+ 340	- 510	- 240	+ 5	- 250	- 25
21	- 25	+ 210	- 235	- 270	--	+ 40	- 5
28	- 265	- 135	- 130	- 160	+ 5	+ 35	- 10

1/ Reflects reserve requirement changes in March 1967, January 1968, and April 1969.

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
ACTUAL		(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 - 4/24/68)	- 308	- 34	- 547	+ 5	+ 268
(12/25/68 - 4/23/69)	- 917	+ 10	- 790	+ 96	- 233
<u>Weekly:</u>					
1969--Mar.					
12	- 24	+ 97	- 118	- 31	+ 28
19	+ 327	- 20	+ 125	- 5	+ 227
26	- 248	- 116	- 229	- 4	+ 101
Apr.					
2	- 294	+ 50	- 272	+ 25	- 97
9 p	+ 36	+ 119	+ 202	- 15	- 270
16 p	+ 580	+ 380	+ 41	+ 29	+ 130
23 p	+ 352	- 427	+ 655	+ 5	+ 119
PROJECTED					
1969--Apr.					
30	- 645	- 145	- 600	--	+ 100
May					
7	+ 85	+ 80	--	--	+ 5
14	+ 90	--	--	--	+ 90
21	- 150	--	+ 370	--	+ 520
28	- 300	--	- 300	--	--

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 - 4/24/68)	+1,237	+ 997	+ 504	+ 574	- 81	- 7	- 59	+ 306
(12/25/68 - 4/23/69)	+ 601	+ 264	- 151	+ 252	+ 163	+ 16	+ 46	+ 275
<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	+ 242	+ 146	--	--	+ 146	+ 13	+ 28	+ 55
19	+ 631	+ 306	+ 55	--	+ 251	+ 15	+ 65	+ 245
26	- 638	- 292	- 69	+ 85	- 308	- 20	- 39	- 287
Mar.								
5	- 120	- 63	- 69	--	+ 6	+ 2	- 36	- 23
12	+ 34	- 87	- 89	+ 74	- 72	- 7	- 13	+ 141
19	+ 45	+ 105	- 123	+ 82	+ 146	+ 9	+ 30	- 99
26	+ 70	- 109	- 109	+ 11	- 11	+ 2	- 11	+ 188
Apr.								
2	+ 357	+ 103	+ 51	--	+ 52	+ 10	+ 13	+ 231
9 p	- 113	+ 146*	+ 57	--	- 7	- 9	- 2	- 248
16 p	- 379	- 143*	- 559	--	- 211	- 15	- 34	- 187
23 p	+ 771	+ 319*	+ 819	--	+ 223	+ 20	+ 58	+ 374

* - Includes effect of change in special certificates of \$+96 million of the week of April 9, \$+627 million of the week of April 16, and \$-723 million of the week of April 23.

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--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.	27,193	26,441	27,009	25,921	19,066
Feb.	27,209	26,388	27,009	25,911	19,150
Mar. p	27,038	26,109	26,801	25,859	19,117
Apr. proj.	26,928	25,915	26,636	25,989	19,263

p - Preliminary.

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.	294.8	161.0	127.2	6.7
Mar.	292.3	160.5	126.9	4.8
Apr. proj.	293.9	160.1	127.9	5.9

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.

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--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	160.1	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	295.5	161.1	126.3	8.0
19	295.3	160.8	127.7	6.8
26	294.4	160.6	128.1	5.8
Mar. 5	293.6	160.4	127.6	5.6
12	293.8	160.6	126.7	6.5
19	292.1	160.5	126.6	5.1
26	291.2	160.7	126.9	3.6
Apr. 2	291.8	160.7	128.1	3.0
9 p	294.1	160.6	128.7	4.9
16 p	293.6	160.3	128.1	5.3
23 p	294.4	160.1	127.9	6.4

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.

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
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	142.7	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.	r 193.7	43.6	150.1	202.5
Feb.	r 193.8	43.9	149.9	201.0
Mar.	194.0	44.2	149.8	201.0
Apr. proj.	196.4	44.3	152.1	200.8

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.

r - Revised.