

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

During the past four weeks money market conditions have eased further, including declines in key short-term interest rates. Intermediate and long-term bond yields, however, have risen considerably. The reduction in discount rates on April 7 from $4\frac{1}{2}$ to 4 per cent had its most immediate impact, as expected, on Federal funds and dealer loan rates, on CD offering rates, and on Treasury bill yields. Since the discount rate cut, Federal funds have averaged close to 4 per cent and have often traded somewhat below the discount rate. Rates on new dealer loans in New York have moved down into a $4-1/8 - 4\frac{1}{2}$ per cent range.

In the bill market, the 3-month Treasury bill has declined about 20 basis points to around 3.75 per cent from its level just before the discount rate was cut. Longer-term bill rates have registered smaller declines, and are currently 10 - 15 basis points above the 3-month bill rate. This follows a sustained period when longer-term bill rates were below or about equal to the 3-month bill rate. The changes that have occurred within the structure of bill rates are indicative of the shift in market attitudes away from expectations of further rate declines toward a feeling that, with the discount rate reduction accomplished and with business news appearing more optimistic, rates may have eased about as much as is likely over the near term.

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	Money Supply	Time Deposits ^{2/}
	(Seasonally Adjusted)											
1966--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	439	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	5.64	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.	-235	605	5.75	5.31	4.88	5.71**	3.78	+108	- 35	-1.1	- 0.4	+ 0.1
Dec.	-196	529	5.39	4.96	4.76	5.73**	3.79	+ 21	+ 21	+0.9	+ 1.1	+ 1.2
1967--Jan.	- 60	476	4.87	4.72	4.51	5.43**	3.50 ^c	+492	+331	+3.3	- 0.7	+ 2.4
Feb.	+ 42	366	4.99	4.56	4.61	5.18**	3.38 ^c	+359	+272	+3.1	+ 0.8	+ 2.6
Mar. p	+172	196	4.50	4.26	4.56	5.31**	3.48	+537	+447	+3.2	+ 2.4	+ 2.1
Apr. p	+210	150	4.03	3.83	4.64	5.43**	3.50	+154	+ 79	+2.9	- 0.7	+ 2.0
1967--Apr. 5 p	+269	180	4.58	4.00	4.56	5.27**	3.48			-0.2	- 0.2	+ 0.5
12 p	+108	145	3.90	3.86	4.55	5.55	3.46			+1.0	- 0.6	+ 0.5
19 p	+292	178	3.90	3.87	4.63	5.50**	3.50			+0.2	- 1.3	+ 0.5
26 p	+169	98	4.00	3.74	4.72	5.38**	3.55			+0.8	- 0.3	+ 0.2
					Averages			Annual rates of increase ^{3/}				
Year 1966	-283	672	5.06	4.85	4.77	5.41**	3.67	+ 0.8*	+ 1.2*	+ 3.7*	+ 1.9	+ 8.4*
First Half 1966	-228	581	4.69	4.59	4.67	5.12	3.51	+ 3.0*	+ 4.6*	+ 7.1*	+ 4.7	+10.3*
Second Half 1966	-338	763	5.39	5.12	4.87	5.74**	3.83	- 1.5*	- 2.2*	+ 0.3*	- 0.9	+ 6.1*
<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-Apr. 26	+ 18	354	4.85	4.55	4.64	5.38**	3.53			-12.9	+ 2.9	+15.4

^{1/} Issues carry a 5-year call protection; ** includes issues carrying 5-year and 10-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.

p - Preliminary.

c - correction.

April 28, 1967.

Such a shift in market attitudes, in conjunction with the continued large corporate calendar and the sizable U.S. Government financing program, has had a pronounced influence on long-term markets. Yields on new high grade corporate bonds and long-term U.S. Government securities have risen 15 - 25 basis points since the discount rate was cut. Yields on State and local government issues have also risen, and dealer inventories of such securities have increased.

Banks have reduced rates on large denomination CD's in line with reductions in other short-term rates, and outstanding CD's have declined by almost \$600 million over the tax period (measured by the three weeks ending April 19). This decline is more than we had expected; it apparently reflects a deliberate policy of banks in light of continued rapid increases in other time and savings deposits, the ready availability of Federal funds at reduced rates, and the prospect of reduced loan demand following the mid-April tax borrowing. On average in April, total time and savings deposits rose at a 14.5 per cent annual rate accounting for the bulk of the 13.5 per cent rise in the bank credit proxy. (The rise would be about 1½ percentage points less after including a decline on average in Euro-dollar borrowings.)

Bank credit expansion moderated in the course of April. From the week ending March 29 to the week ending April 26, the proxy rose at a 9.5 per cent annual rate; bank credit outstanding is projected to decline in the current statement week ending May 3 as U.S. Government deposits begin to decline sharply.

U.S. Government deposits rose in April about in line with earlier expectations and contributed to a 6 per cent annual rate of decline in private demand deposits on average (and a 5 per cent rate of decline in the money supply). The decline in such private deposits was slightly greater than projected, as loan demands around the tax period were relatively moderate despite the large accelerated tax payments.

In general, money markets and banks accommodated tax period churning with relative ease. This may have reflected not only the availability and lower cost of reserves to banks but also probably the partial use of capital market proceeds to finance tax payments.

Nonborrowed reserves on average in April increased at a 7.5 per cent annual rate, sharply down from the previous month. There was a decline in bank excess reserves, as the effects of the March reserve requirement reductions apparently worked themselves through. Member bank borrowings also declined in April, and the increase in total reserves was even less than for nonborrowed on average during the month.

During the past four weeks, free reserves averaged \$210 million and borrowings averaged \$150 million. During the previous four weeks, free reserves had averaged \$218 million and borrowings \$203 million.

Prospective developments

Maintenance of prevailing money market conditions over the next three weeks would involve a Federal funds rate averaging 4 per cent or a shade below and a 3-month bill rate fluctuating generally in a 3.65 - 3.85 per cent range. Member bank borrowings are likely to be in the \$100 - \$200 million area. Free reserves could vary more widely, perhaps in a \$150 to \$300 million range, depending in part on bank reserve management policies, on dealer financing needs and reinvestment flows associated with the Treasury refunding, and the need to maintain an "even keel" monetary posture.

Books will be open for the current Treasury refunding and pre-refunding operation from May 1 through May 3, with settlement date on May 15. The issues were attractively priced but, as of this writing, their ultimate market reception is uncertain.

The yield outlook is even more uncertain in other capital markets. Some observers are beginning to conclude that the recent rise in long-term rates has been overdone, and that a minor bond market rally is a possibility. But others point to the continuing large supply of corporate, municipal, and Federal agency issues in the market or in prospect and to expected large Treasury financing in the second half and see the odds favoring some further yield rise. On balance, it would seem that maintenance of prevailing money market conditions could permit--but not ensure--a rally in the bond market. Such a development would be less likely if the financing calendar were

to expand further, or if money market conditions were permitted to drift toward the tight end of the ranges specified above.

With an even keel maintained in the money market, growth in nonborrowed reserves is likely to slow further in May on average. Expansion in bank credit, as measured on a daily-average basis by the proxy, may slow to an annual rate in the 1 - 4 per cent range. With the March-April tax period passed, net business loan demands in May are expected to be quite moderate. Projected needs for inventory financing are small and--given the continuing large corporate calendar and the sharp recent uptrend in use of the commercial paper market--bank loan repayment may rise. Needs of Government security dealers for bank financing will largely depend on general interest in the refunding. If bank credit expansion in May is in the range projected, the annual rate of increase in the proxy over the 6 month December-May period would be around 11 per cent (and 2 percentage points less after including the decline in Euro-dollar borrowings).

The May projections allow for a sharp reversal of the April rise in U.S. Government deposits, only partially offset by a rise in private demand deposits. The money supply is currently projected to rise in May on average at an annual rate of 8 - 10 per cent, bringing the annual rate of growth over the December-May period to around 5 per cent.

Time deposits are expected to show a somewhat slower growth rate in May, perhaps in a 10 - 13 per cent range, if commercial banks continue to exhibit only mild interest in increasing the volume of outstanding CD's. However, it is possible that attractive yields emerging in securities markets and additional indications of strong economic expansion may encourage some banks to seek additional investible funds. The rate of growth in other time and savings deposits may moderate, especially if consumer spending continues to pick up.

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
Monthly (reserves weeks ending in):					
1966--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	370	605	-235		
December	333	529	-196		
1967--January	417	476	- 59		
February	408	366	+ 42		
March p	368	196	+172		
April p	360	150	+210		
Weekly:					
1967--Jan. 4	395	565	-170	-188	-175
11	628	585	+ 43	+ 67	+ 61
18	127	217	- 90	- 39	- 53
25	516	538	- 22	- 47	- 62
Feb. 1	340	176	+164	+154*	- 50
8	289	353	- 64	- 45	- 91
15	418	456	- 38	- 7	+ 2
22	583	477	+106	+101	+117
Mar. 1	159	167	- 8	+ 4	- 17
8	359	202	+157	+165	+216
15	372	173	+199	+204	+217
22	566	302	+264	+277	+290
29	385	135	+250	+235	+253
Apr. 5 p	449	180	+269	+339	+300
12 p	253	145	+108	+154	+184
19 p	470	178	+292	+312	+305
26 p	267	98	+169	+169	+171

p - Preliminary

* - Reflects end of week statistical adjustments increasing F.R. float due to snow storms in the midwest.

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) <u>1/</u>	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	+ 0.8	+ 1.5	- 0.2	+ 3.7	+ 8.4	+ 1.9	+ 0.9
Monthly:								
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 <u>2/</u>	+ 0.2	- 0.8	+ 1.6	+ 1.3	+ 4.4	+11.8	+ 6.3	+ 7.2
July <u>2/</u>	+11.4	+ 7.1	+ 8.4	+ 2.9	+10.3	+14.8	-10.5	-16.2
August <u>2/</u>	-20.2	-15.8	-14.8	-16.9	- 3.4	+10.7	--	- 0.9
September <u>2/</u>	+ 6.6	- 0.3	- 0.2	- 3.2	- 0.5	+ 3.0	+ 6.4	+ 7.3
October <u>2/</u>	-10.0	- 7.1	- 1.1	- 2.0	- 2.9	- 2.3	- 6.3	- 8.1
November <u>2/</u>	- 1.8	+ 5.7	- 7.6	- 8.2	- 5.4	+ 0.8	- 2.8	- 4.6
December <u>2/</u>	+ 1.1	+ 1.1	+ 4.9	- 1.6	+ 3.9	+ 9.1	+ 7.8	+ 8.2
1967--January <u>2/</u>	+17.1	+26.0	+13.5	+12.7	+16.1	+18.1	- 4.9	- 9.1
February <u>2/</u>	+13.8	+18.6	+14.3	+ 8.5	+15.0	+19.3	+ 5.7	+ 5.5
March <u>2/</u> p	+22.5	+27.4	+15.2	+16.9	+15.3	+15.3	+16.9	+20.0
April <u>2/</u> p	+ 3.9	+ 7.7	+ 9.0	+10.2	+13.7	+14.4	- 4.9	- 6.3

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

p - Preliminary.

2/ Changes in reserves, total deposits, and time deposits have been adjusted for redefinition of time deposits effective June 9, 1966. Changes in reserves have been adjusted for increases in reserve requirements in July and September 1966, and reduction in reserve requirements in March 1967.

Chart 1

MEMBER BANK RESERVES

MONTHLY AVERAGES OF DAILY FIGURES

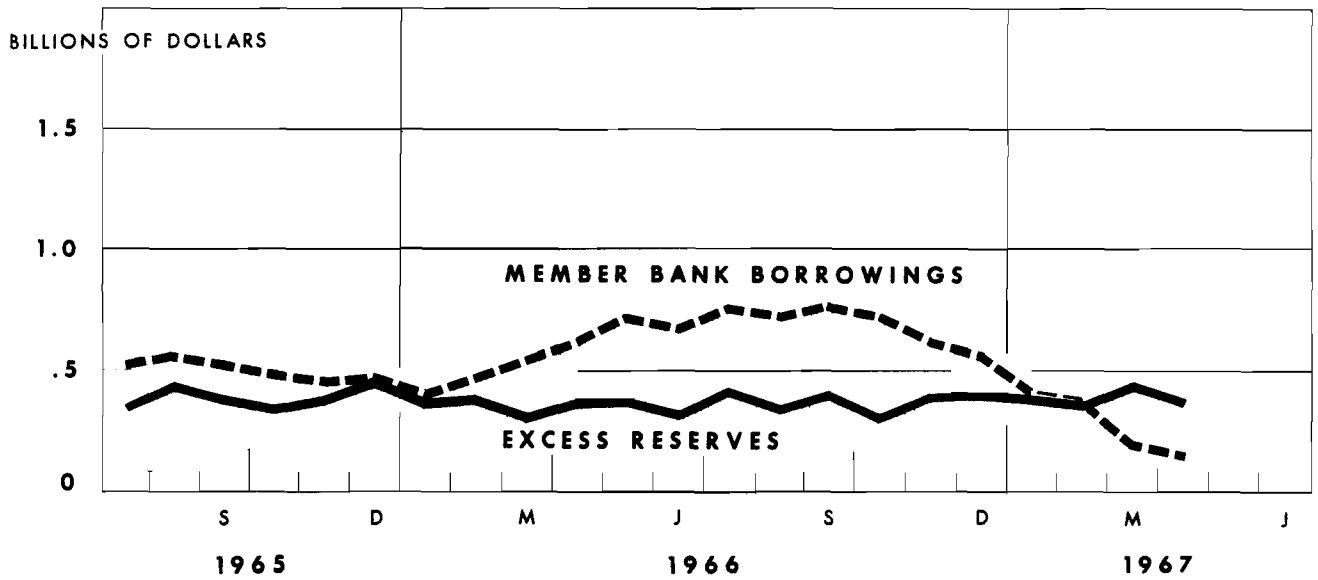
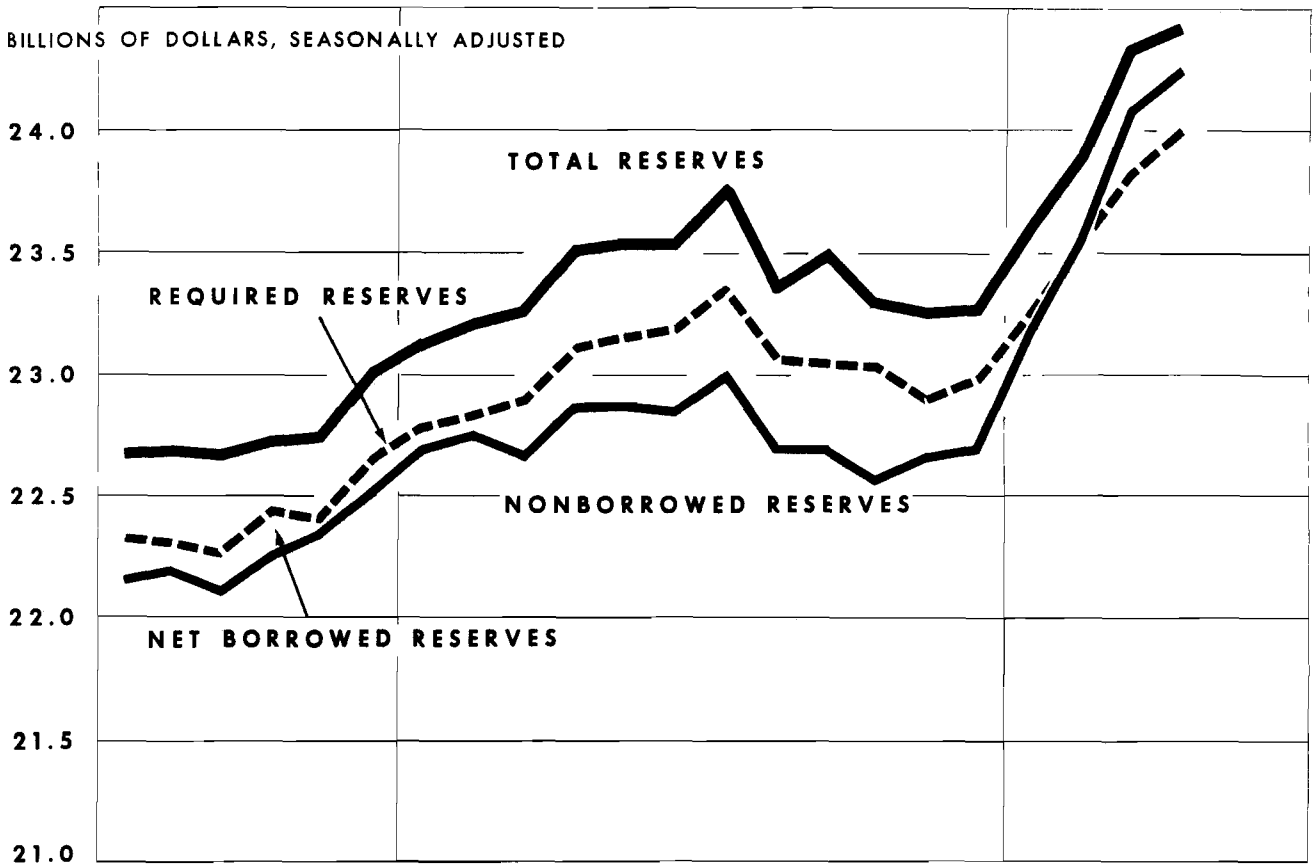


Chart 2

MEMBER BANK DEPOSITS AND LIABILITIES TO OVERSEAS BRANCHES

BILLIONS OF DOLLARS

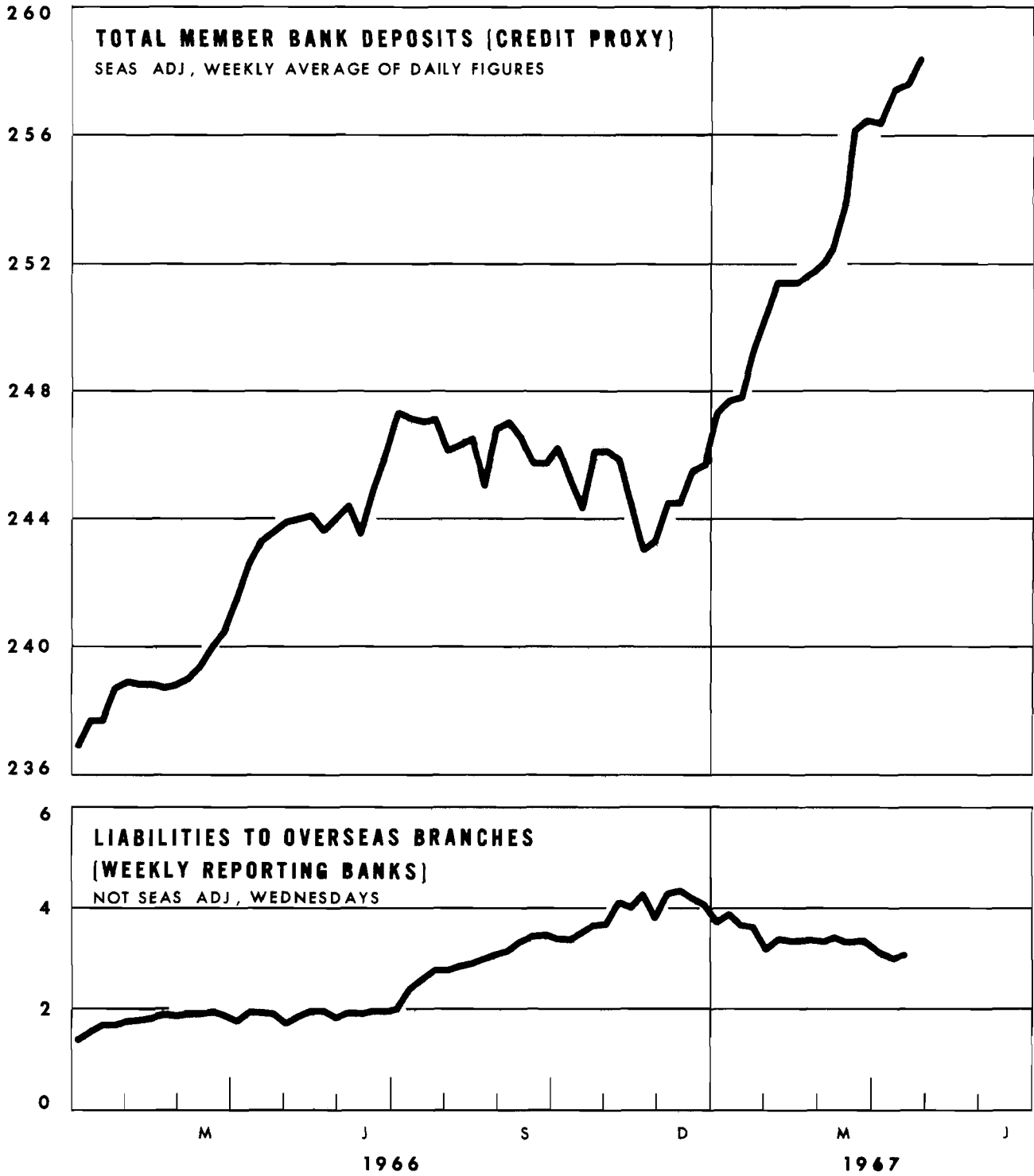
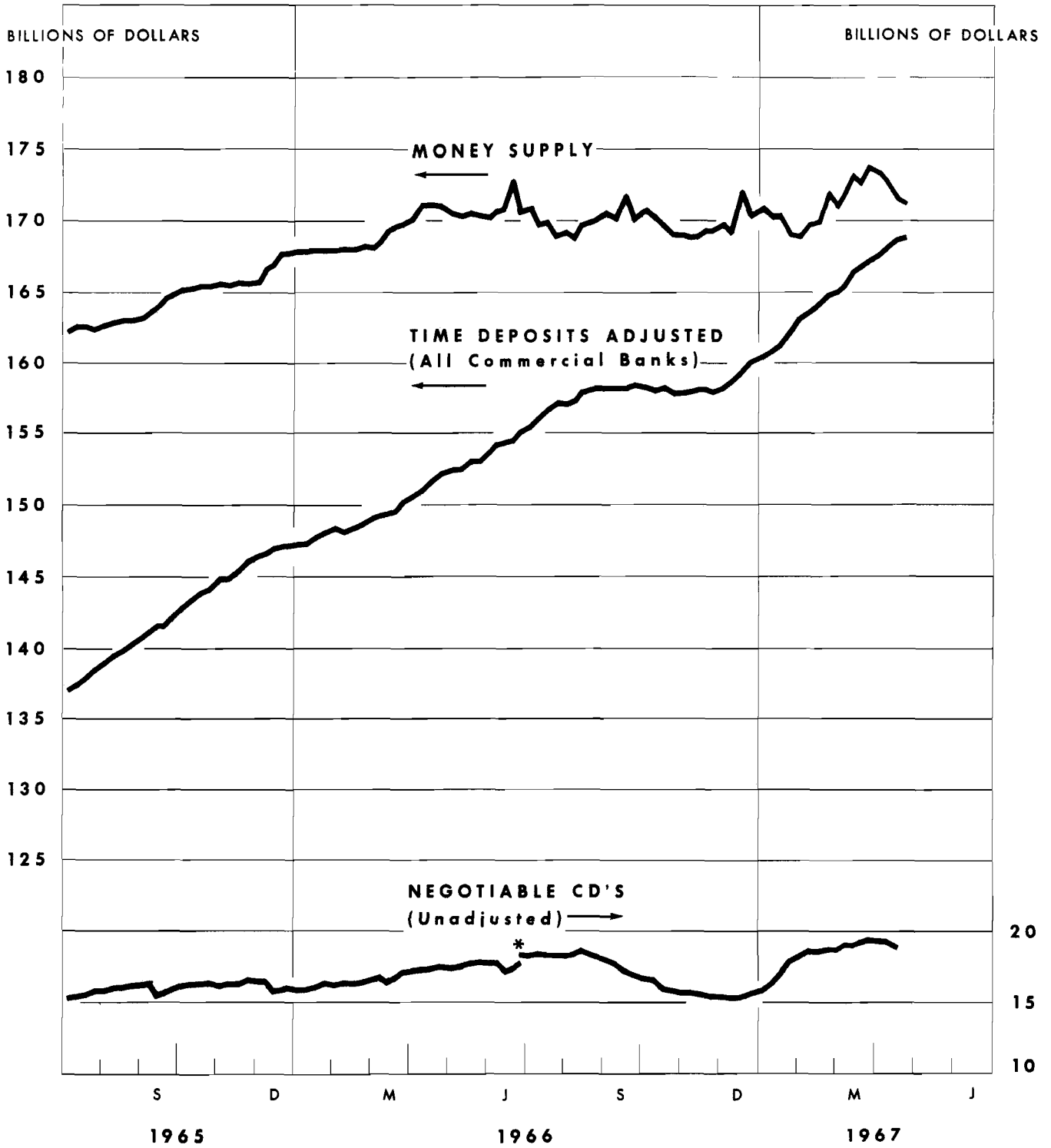


Chart 3

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

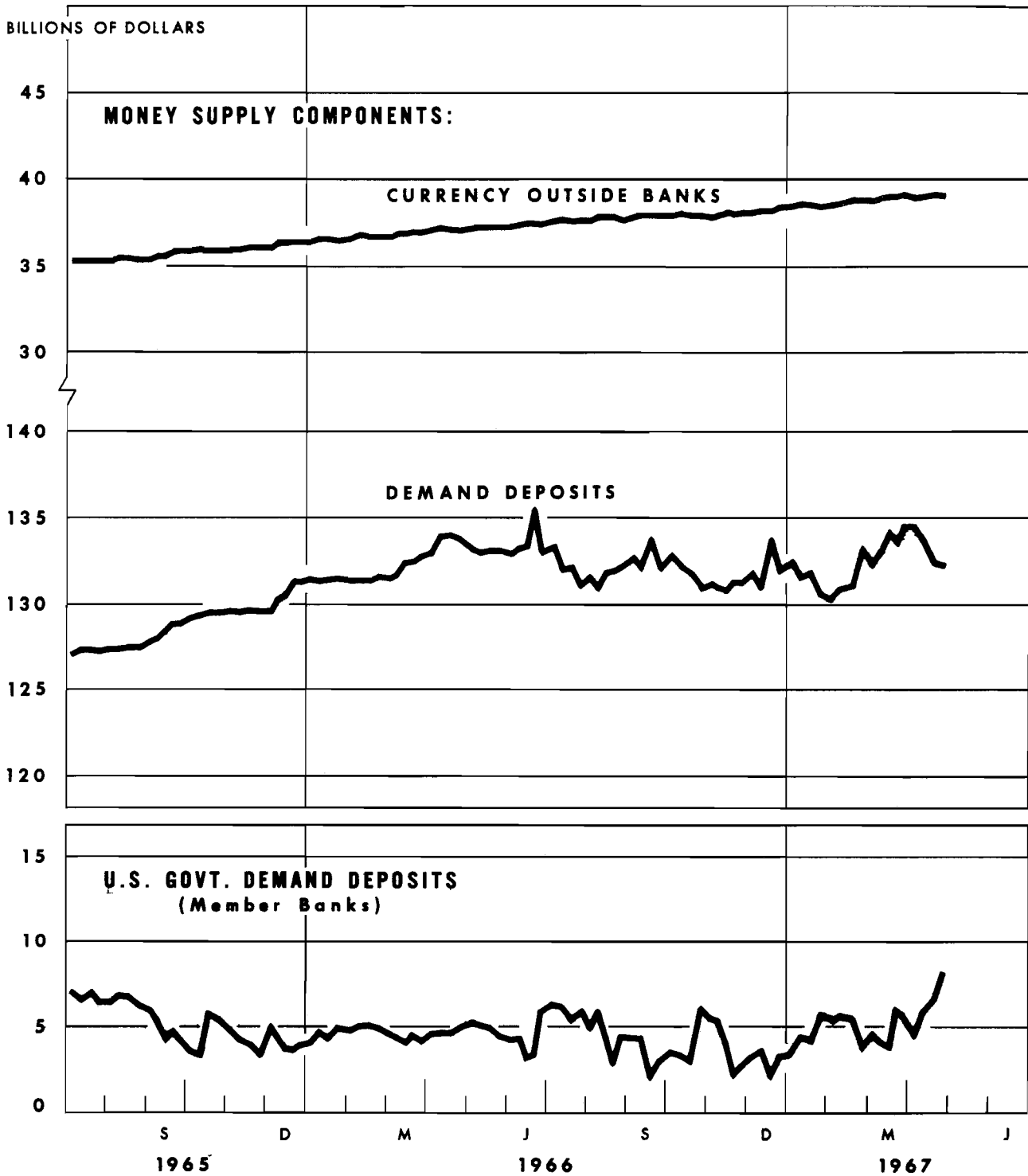


Table B-1

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>							
Year							
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	-2,243	+ 805	+1,085	+1,111	- 26
<u>Year-to-date:</u>							
(12/29/65 - 4/27/66)	- 288	- 154	+ 695	- 719	- 465	- 384	- 81
(12/28/66 - 4/26/67)	+ 690	- 51	+1,010	-2,408	- 759	- 589	- 170
<u>Weekly:</u>							
1967--Apr. 5 p	+ 402	--	- 87	- 255	+ 62	- 2	+ 64
12 p	- 22	--	- 351	+ 155	- 218	- 22	- 196
19 p	- 67	+ 1	+ 188	+ 281	+ 399	+ 182	+ 217
26 p	+ 156	- 1	- 267	- 592	- 166	+ 37	- 203
<u>PROJECTED</u> ^{4/}							
May							
3	+ 150	--	- 45	- 110	- 5	- 5	--
10	+ 455	--	- 565	+ 135	+ 25	+ 25	--
17	- 390	--	+ 175	+ 125	- 90	- 90	--
24	- 5	--	+ 60	- 160	- 105	- 105	--
31	+ 220	--	+ 5	- 350	- 125	- 125	--
June							
7	+ 520	--	- 500	+ 50	+ 70	+ 70	--
14	- 105	--	- 15	+ 125	+ 5	+ 5	--
21	- 330	--	+ 80	+ 575	+ 325	+ 325	--
28	--	--	+ 210	- 240	- 30	- 30	--

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.

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	+ 677
1966 (12/29/65 - 12/28/66)	+1,111	- 87	+1,194	- 14	- 4	- 5	+1,221 <u>1/</u>
<u>Year-to-date:</u>							
(12/29/65 - 4/27/66)	- 382	-400	+ 18	-478	+ 91	+263	+ 142
(12/28/66 - 4/26/67)	- 589	+100	- 689	-423	+ 95	+ 61	- 422
<u>Weekly:</u>							
1967--Apr. 5 p	- 2	-269	+ 267	+164	+ 4	+ 84	+ 15
12 p	- 22	-125	+ 103	+217	- 8	-137	+ 31
19 p	+ 182	- 31	+ 213	+345	- 14	-137	+ 19
26 p	+ 37	+323	- 286	-149	- 5	-139	+ 7
<u>PROJECTED</u>							
1967--May 3	- 5	+ 55	- 60	-195	--	+120	+ 15
10	+ 25	+255	- 230	-275	--	+ 30	+ 15
17	- 90	- 35	- 55	-180	+ 5	+105	+ 15
24	- 105	- 20	- 85	-270	+ 5	+165	+ 15
31	- 125	-165	+ 40	- 20	--	+ 45	+ 15
June 7	+ 70	-185	+ 255	+245	--	--	+ 10
14	+ 5	-165	+ 170	+205	--	- 45	+ 10
21	+ 325	- 80	+ 405	+280	- 5	+120	+ 10
28	- 30	+395	- 425	-460	+ 5	+ 20	+ 10

1/ Reflects reserve requirements changes in July and September 1966.

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>Y. R.:</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 - 4/27/66)	- 719	+285	- 725	+ 4	-283
(12/28/66 - 4/26/67)	-2,408	-670	-1,284	+ 49	-503
<u>Weekly:</u>					
1967--Apr. 5	- 255	+ 1	- 216	+ 17	- 57
12	+ 155	+ 48	+ 102	+ 2	+ 3
19	+ 281	-191	+ 328	+ 16	+128
26	- 592	-290	- 298	+ 5	- 9
<u>PROJECTED</u>					
1967--May 3	- 110	- 95	- 20	--	+ 5
10	+ 135	+185	- 50	--	---
17	+ 125	--	+ 200	--	- 75
24	- 160	--	+ 90	--	-250
31	- 350	--	- 350	--	--
June 7	+ 50	--	+ 50	--	--
14	+ 125	--	+ 60	--	+ 65
21	+ 575	--	+ 500	--	+ 75
28	- 240	--	- 240	--	--

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			
Year:								
1966 (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
Year-to-date:								
(12/29/56 - 4/27/66)	+ 288	- 406	- 341	+156	-221	--	+ 22	+ 96
(12/28/66 - 4/26/67)	+ 690	+1,218	+1,618	+217	-617	- 23	- 55	-450
Weekly:								
1967--Mar. 1	- 449	- 142	+ 98	--	-240	- 8	+ 11	-310
8	+ 391	+ 368	+ 313	+ 21	+ 34	- 5	- 7	+ 35
15	- 92	+ 16*	- 177	+ 29	+100	- 3	- 76	- 29
22	+ 284	+ 158*	+ 250	--	- 28	- 4	+ 1	+129
29	- 190	- 53	+ 100	+ 51	-204	- 5	+ 35	-167
Apr. 5	+ 402	+ 343	+ 209	+ 21	+113	+ 10	+ 4	+ 45
12	- 22	+ 11	- 14	+ 95	- 70	- 10	+ 12	+ 35
19	- 67	- 79	+ 48	--	-127	- 5	- 16	+ 33
26	+ 156	+ 211	+ 210	--	+ 1	+ 2	+ 23	- 80

* - Includes effect of change in special certificates of +\$64 million of the week of March 15, 1967 and -\$64 million of the week of March 22, 1967.

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
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	15,534
June <u>1/</u>	23,539	22,862	23,193	22,582	16,626
July <u>1/</u>	23,763	22,997	23,355	22,515	16,472
August <u>1/</u>	23,363	22,695	23,067	22,517	16,428
September <u>1/</u>	23,492	22,700	23,064	22,597	16,497
October <u>1/</u>	23,297	22,566	23,042	22,430	16,352
November <u>1/</u>	23,262	22,674	22,896	22,383	16,321
December <u>1/</u>	23,283	22,695	22,990	22,522	16,411
1967--January <u>1/</u>	23,614	23,187	23,248	22,525	16,317
February <u>1/</u>	23,886	23,546	23,526	22,725	16,413
March <u>1/</u> p	24,333	24,083	23,824	23,066	16,679
April <u>1/</u> p	24,412	24,237	24,002	23,058	16,584

p - Preliminary.

1/ Reserves have been adjusted for redefinition of time deposits effective June 9, 1966.

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) 1/	Time deposits	Private demand deposits 2/	U.S. Gov't. demand deposits
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	128.9	112.4	5.6
August <u>3/</u>	246.2	129.8	112.1	4.2
Sept. <u>3/</u>	246.1	130.1	112.6	3.5
Oct. <u>3/</u>	245.5	129.6	111.6	4.3
Nov. <u>3/</u>	244.4	129.3	111.4	3.7
Dec. <u>3/</u>	245.2	130.3	112.0	2.9
1967--Jan. <u>3/</u>	248.5	132.4	111.4	4.8
Feb. <u>3/</u>	251.6	134.6	112.1	4.9
Mar. <u>3/</u> p	254.8	136.2	113.9	4.8
Apr. <u>3/</u> p	257.7	138.0	113.2	6.4

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 billions, based on weekly averages of daily figures)

Week ending:	Total member bank deposits (credit) 1/ 2/	Time deposits 2/	Private demand deposits 3/	U. S. Gov't. demand deposits
1966--Nov. 2	246.1	129.5	111.2	5.4
9	245.8	129.3	111.1	5.3
16	244.5	129.3	111.2	4.0
23	243.0	129.3	111.5	2.2
30	243.2	129.2	111.3	2.7
Dec. 7	244.5	129.5	111.9	3.2
14	244.5	129.8	111.2	3.5
21	245.5	130.2	113.1	2.2
28	245.7	131.0	111.5	3.2
1967--Jan. 4	247.3	131.4	112.6	3.3
11	247.7	131.7	111.6	4.4
18	247.8	132.1	111.4	4.3
25	249.2	132.9	110.5	5.8
Feb. 1	250.3	133.7	111.1	5.5
8	251.4	134.0	111.7	5.7
15	251.4	134.5	111.5	5.5
22	251.6	134.9	113.0	3.8
Mar. 1	252.0	134.9	112.6	4.5
8	252.5	135.5	112.9	4.1
15	254.0	136.2	113.9	3.9
22	256.2	136.5	113.9	5.8
29	256.5	136.8	114.2	5.6
Apr. 5 p	256.4	137.1	114.7	4.6
12 p	257.4	137.7	113.9	5.9
19 p	257.6	138.1	112.9	6.5
26 p	258.4	138.2	112.0	8.2

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.

3/ Private demand deposits include demand deposits on individuals, partnerships and corporations and net interbank balances.

TABLE C-3
MONEY SUPPLY AND 1 / 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
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	35.7	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	156.5
August <u>3/</u>	169.6	37.8	131.8	167.8
September <u>3/</u>	170.5	37.9	132.6	158.2
October <u>3/</u>	169.6	38.0	131.7	157.9
November <u>3/</u>	169.2	38.0	131.2	158.0
December <u>3/</u>	170.3	38.3	132.1	159.2
1967--January <u>3/</u>	169.6	38.5	131.1	161.7
February <u>3/</u>	170.4	38.7	131.7	164.3
March <u>3/</u> p	172.8	39.0	133.9	166.4
April <u>3/</u> p	172.1	38.9	133.2	168.4

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 weekly averages of daily figures)

Week Ending	Money Supply	Currency <u>1/</u>	Private Demand Deposits <u>2/</u>	Time Deposits adjusted <u>3/</u>
1966--Nov. 2	168.9	37.8	131.1	157.8
9	168.8	38.0	130.9	157.9
16	169.0	38.1	130.9	158.0
23	169.3	38.0	131.3	158.0
30	169.3	38.1	131.2	157.9
Dec. 7	169.7	38.1	131.7	158.2
14	169.1	38.2	130.9	158.6
21	171.9	38.2	133.7	159.2
28	170.3	38.4	131.9	160.0
1967--Jan. 4	170.8	38.4	132.4	160.5
11	170.2	38.6	131.6	160.9
18	170.3	38.5	131.8	161.3
25	168.9	38.4	130.5	162.2
Feb. 1	168.7	38.5	130.2	163.1
8	169.6	38.7	130.9	163.5
15	169.9	38.8	131.1	164.2
22	171.8	38.8	133.1	164.8
Mar. 1	171.0	38.7	132.3	165.0
8	172.0	38.9	133.0	165.5
15	173.1	39.0	134.1	166.3
22	172.6	39.0	133.6	166.7
29	173.6	39.1	134.5	167.1
Apr. 5 p	173.4	38.9	134.5	167.6
12 p	172.8	39.0	133.7	168.1
19 p	171.5	39.1	132.4	168.6
26 p	171.2	39.0	132.2	168.8

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 of Federal Reserve Banks.

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

p - Preliminary.