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October 20, 1967.

MONEY MARKET AND RESERVE RELATIONSHIPS

Recent developments

Thus far in October Treasury bill yields have fluctuated fairly widely, and on balance have risen somewhat further along with most other short-term rates. The 3-month bill reached a peak of 4.70 per cent and declined to just under 4.60 per cent recently, up almost 20 basis points since the beginning of the month, but much of this net rise reflects the change in the maturity date of the bill from December to January. Longer-term bill yields have risen a few basis points since early October.

In bond markets, both Treasury and private, upward yield adjustments were more marked, as expectations of a tax increase waned and the corporate calendar began to build up again. In the corporate market, distribution of a number of new issues was slow, and syndicates were terminated with substantial concessions in yield. Interest rates in the intermediate-term sector of the Treasury market also rose in anticipation of the mid-November refunding. Very recently, the re-appearance of investor demand, particularly for corporate issues, has led to some declines in yields in both the corporate and Treasury markets.

Market absorption of the recent \$4.5 billion tax bill financing was the principal influence on bill rates during the past three weeks, but anticipations of a rise in British bank rate were also a factor. (Bank rate was increased from 5½ to 6 per cent on October 19.) Relatively favorable financing costs to dealers moderated upward bill rate pressures

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 (In billions of dollars)	Time Deposits ^{2/}
	(Seasonally Adjusted)											
1966--Sept.	-390	765	5.30	5.36	4.94	5.82**	3.93	- 36	+ 84	- 0.1	+ 0.4	+ 0.7
Oct.	-425	766	5.46	5.33	4.83	5.70**	3.82	-116	-131	- 0.9	- 0.4	+ 0.2
Nov.	-235	605	5.75	5.31	4.88	5.71	3.78	+150	- 59	- 0.6	--	- 0.3
Dec.	-196	529	5.39	4.96	4.76	5.73	3.79	- 13	- 16	+ 0.4	+ 0.3	+ 1.3
1967--Jan.	- 59	476	4.87	4.72	4.51	5.43	3.50	+475	+359	+ 3.3	- 0.1	+ 2.2
Feb.	42	366	4.99	4.56	4.61	5.18	3.38	+325	+218	+ 3.3	+ 1.2	+ 2.6
Mar.	172	196	4.50	4.26	4.56	5.31	3.47	+555	+415	+ 3.0	+ 1.6	+ 2.6
Apr.	199	150	4.03	3.84	4.64	5.38	3.50	+ 92	+ 49	+ 2.1	- 0.3	+ 2.0
May	275	94	3.94	3.60	4.90	5.62	3.71	+ 96	- 8	+ 1.2	+ 1.6	+ 1.9
June	257	88	3.97	3.53	4.99	5.79	3.80	+ 95	+164	+ 2.0	+ 1.7	+ 2.5
July	311	132	3.78	4.20	5.01	5.78	3.86	+307	+223	+ 3.2	+ 1.7	+ 2.2
Aug.	270	86	3.88	4.26	5.12	5.89**	3.78	+291	+269	+ 3.7	+ 1.2	+ 2.5
Sept. p	252	82	3.99	4.42	5.16	5.88**	3.81	+100	+197	+ 2.3	+ 0.2	+ 1.7
1967--Sept. 20 p	308	106	4.00	4.46	5.16	5.82	3.82			- 0.9	- 2.1	+ 0.2
27 p	131	74	4.00	4.55	5.22	5.89**	3.83			+ 0.4	+ 1.5	+ 0.2
Oct. 4 p	277	144	4.05	4.42	5.21	6.14	3.83			+ 0.7	+ 0.8	+ 0.5
11 p	153	145	4.05	4.53	5.25	6.07	3.83			+ 1.1	+ 0.5	+ 0.5
18 p	378	216	4.00	4.63	5.37	6.34	3.82			+ 2.3	+ 0.2	+ 0.7
	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*	+ 2.2	+ 8.8*
Second Half 1966	-338	763	5.39	5.12	4.87	5.74	3.83	- 1.3*	- 2.3*	+ 0.3*	- 0.2	+ 6.5*
First Half 1967	153	222	4.38	4.09	4.70	5.45	3.56	+15.0	+10.7	+12.1	+ 6.8	+17.3
<u>Recent variations in growth</u>												
Mar. 29-June 28	245	110	4.00	3.66	4.83	5.63	3.68			+18.8	+ 6.9	+14.3
Jun. 28-Aug. 16	280	123	3.85	4.17	5.05	5.83	3.82			+19.4	+11.8	+18.4
Aug. 16-Oct. 18	271	103	3.95	4.44	5.19	6.00	3.81			+14.1	+ 5.5	+12.0

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

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

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as dealers took into position sizable commercial bank sales of the new tax bills. In the process, average dealer bill holdings rose by about \$750 million to almost \$2.7 billion during the two weeks ending October 18.

The System did not make any outright bill purchases in the market after early October, as reserve projections indicated that no sustained reserve supply was needed, but the Desk did make sizable repurchase agreements in the first half of October to counteract day-to-day tendencies toward market tightness. The amounts of such agreements outstanding averaged around \$400 million per day in the two statement weeks ending October 18. New RP's were made on all but three business days during that period as the Federal funds market showed a tendency to tighten, with trading as high as $4\frac{1}{2}$ per cent. During the first two statement weeks of October, the Federal funds rate averaged 4.05 per cent, up a few basis points from earlier weeks, and averaged 4 per cent during the week just past. Financing costs to dealers became slightly more expensive.

On the demand side of the Federal funds market, Government security dealer financing demands pressed on the market and the major banks in New York had a greater need for funds as their basic reserve position worsened after early October. This change in position of major banks was in part a seasonal phenomenon, and most recently their position has improved. On the supply side, the availability of funds may have been held back by the somewhat larger than expected expansion in required reserves during recent weeks, particularly at country banks.

With the Federal funds rate drifting up, member banks, particularly large banks, appeared to show a greater inclination to borrow from the System. Member bank borrowings averaged \$145 million during the first two statement weeks of October and rose to \$215 million in the latest statement week. In addition large banks also increased their borrowings in the Euro-dollar market and raised CD rates particularly on longer maturities.

Free reserves averaged \$205 million in those first two weeks, but rose to \$378 million in the week of October 18 when country banks added large amounts to their excess reserves, as they have in the past during the third week of October. This excess reserve build-up led to some easing of money market rates as these funds moved into the central money market.

Prospective developments

Setting aside the extremes of recent fluctuations, prevailing money market conditions might be thought of as including a Federal funds rate ranging around 4 per cent; member bank borrowings averaging around \$100 million; and free reserves in a \$150 - \$300 million range. Given these money market conditions, the 3-month Treasury bill rate is expected to remain in a 4.40 - 4.70 per cent range over the balance of October and into the first half of November. Relatively low dealer financing costs should continue to exert some moderating effect on the bill market. In

addition, in the current uncertain financial environment liquidity demands from corporations and others will probably relieve the current market supply of bills. Finally, the Federal Reserve is projected to supply about \$700 million of reserves through open market operations during the three statement weeks ending November 16.

With prevailing conditions in money and short-term markets, and in light of recent developments affecting the demand for reserve funds by banks, earlier projections for October of the bank credit proxy need to be revised up a bit--from the 10 - 13 per cent average annual rate range of the last Blue Book to a 12 - 15 per cent range (13 - 16 per cent after including the \$200 million increase in Euro-dollar borrowings by U.S. banks thus far in October). In addition to Governmental and security dealer credit demands, the expansion in bank credit also reflects a relatively moderate growth in business loans at weekly reporting banks after mid-September following sizable net repayments in earlier weeks. This business loan growth was in good part related to corporate payments of their income taxes and transfers of withheld personal income taxes to the Treasury. Time and savings deposits are anticipated to grow a little more rapidly than earlier expected, perhaps in a 12 - 14 per cent range, and the money supply much more rapidly, in a 7 - 9 per cent range.

In November, the rate of growth in the bank credit proxy may be somewhat lower than in October, given the money market conditions specified above, some moderation in over-all credit demands from the October pace (largely because of lower Federal Government borrowing on

average), and banks' continued ability to attract the public's savings. The most likely growth rate at the moment appears to be in a 7 - 10 per cent range, but there are major uncertainties with respect to the magnitude of business credit demands and how much will fall on banks as well as with respect to the amount of new cash the Treasury will raise in the mid-November refunding.

Our best guess is that business loans will not show more than moderate strength in the period ahead, but they could spurt if the recent somewhat unsettled conditions in financial markets continue and lead borrowers to anticipate their needs for bank financing as well as for capital market funds. The Treasury may wish to raise as much cash as possible in connection with the mid-November refunding (in which the maturing issues in the hands of the public total only \$2.6 billion), perhaps \$2 billion or so if market conditions warrant. Our projections allow for \$2 billion of new cash, with banks holding part of the net new issues in portfolio and providing security loans to help finance distribution of the other securities.

Time and savings deposits are expected to continue to be a principal source of bank credit expansion despite the recent rise in market rates, and may continue to grow in a 12 - 14 per cent annual rate range. However, any further rise in interest rates on competitive instruments, including new attractive issues in the Treasury financing would divert some flows from institutions. While growth in large CD's

outstanding at banks is expected to continue at the moderate October pace, when they are projected to increase by \$300 million, banks are likely to have to pay ceiling rates for large blocs of funds with maturities of 6 months or more.

Government demand deposits are expected to decline on average, seasonally adjusted, in November, partly reversing their sizable October increase. With Government deposits declining in November, private demand deposits are expected to rise in a 5 - 7 per cent annual rate range, with the money supply growing by 4 - 6 per cent.

Expansion of banks' total reserves in November is expected to be in a 6 - 9 per cent range, down sharply from October, as time deposits come to account for the great bulk of the November expansion. The recent apparently greater inclination for banks to borrow, given the widening spread of other short-term rates above the discount rate, may tend to support a somewhat more rapid reserve expansion than would otherwise be the case as the System attempts to keep the level of borrowings from rising. The projections for October and November, and for the two months together, can be summarized as follows:

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	Money market variables				Banking aggregates			
	Free reserves (Mill. dollars)	Borrowings (dollars)	Fed. funds rate (Per cent)	3-month bill rate (Per cent)	Bank credit proxy (Annual rates)	Time deposits (Annual rates)	Money supply (Annual rates)	Total reserves (Annual rates)
October	150 to 300	around 100	around 4	4.40 to 4.70	12-15	12-14	7-9	17-20
November					7-10	12-14	4-6	6-9

The projected reserve and bank credit expansion is likely to be accompanied by some further rise in intermediate- and long-term rates in the weeks ahead if the Treasury raises substantial amounts of cash in mid-November partly through an issue in the intermediate-term area, unless prospects for fiscal restraint wax instead of wane. While a diversion of funds to new Treasury issues by institutional investors and possibly individuals will exert over-all pressure on capital markets, the sharp recent rise in corporate and municipal bond yields may have brought them to levels already sufficiently high so that they could be partly sheltered from such developments. However, bond markets remain very sensitive, and could be adversely affected by further announcements of large new private issues. Long-term markets could also be put under further pressure as the investors begin to focus on the possibility that the U.S. Government might soon announce an issue of participation certificates to raise further cash.

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):					
1966--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	368	196	172		
April	349	150	199		
May	369	94	275		
June	345	88	257		
July	44 ^a	132	317		
August	35 ^b	86	270		
September p	334	82	252		
<u>Weekly:</u>					
1967--June 7	331	77	254	284	290
14	355	43	312	325	339
21	261	91	170	198	229
28	431	141	290	304	292
July 5	46 ^c	353	109	152	168
12	643	69	574	597	604
19	236	51	185	195	214
26	453	54	399	403	417
Aug. 2	295	116	179	206	188
9	37 ^d	91	280	324	319
16	38 ^e	129	253	258	269
23	473	47	426	422	438
30	260	46	214	182	202
Sept. 6	332	79	253	288	219
13	386	70	316	275	293
20 p	414	106	308	336	350
27 p	205	74	131	185	217
Oct. 4 p	421	144	277	298	271
11 p	278	145	133	151	186
18 p	594	216	378	378	379

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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/} / _{2/}	Time Deposits (comm. banks) ^{2/}	Money Supply	
			Total	Against Demand Deposits			Total	Private Demand Deposits
Annually:								
1965	+ 5.2	+ 4.2	+ 5.1	+ 2.3	+ 9.1	+16.0	+ 4.7	+ 4.3
1966	+ 1.2	+ 0.8	+ 1.4	+ 0.9	+ 3.7	+ 8.8	+ 2.2	+ 1.2
Monthly:								
1966--Jul.	+ 8.1	+ 6.0	+ 4.9	+ 5.9	+ 9.3	+16.3	- 4.9	- 8.1
Aug.	-15.2	-13.0	- 8.4	-11.5	- 1.0	+ 9.2	+ 1.4	+ 0.9
Sept.	+ 4.5	- 2.0	- 1.0	- 4.5	- 0.5	+ 3.8	+ 2.8	+ 1.8
Oct.	- 6.9	- 6.4	- 3.0	- 7.2	- 4.4	+ 1.5	- 2.8	- 4.5
Nov.	- 3.1	+ 8.3	- 3.1	- 0.5	- 3.4	- 2.3	--	- 0.9
Dec.	- 0.9	- 0.7	+ 1.8	- 6.7	+ 2.0	+ 9.8	+ 2.1	+ 0.9
1967--Jan.	+19.2	+26.0	+14.4	+14.0	+16.1	+16.5	- 0.7	- 2.7
Feb.	+11.5	+17.4	+12.0	+11.6	+15.9	+19.3	+ 8.5	+ 9.1
Mar.	+21.6	+29.4	+15.3	+ 9.8	+14.3	+19.0	+11.2	+12.7
Apr.	+ 2.5	+ 4.7	+ 8.1	+ 5.0	+ 9.9	+14.4	- 2.8	- 5.4
May	- 0.4	+ 4.9	- 1.2	- 2.1	0.0	+13.5	+12.5	+15.3
June	+ 8.4	+ 4.9	+ 4.8	- 2.8	+ 8.8	+17.5	+11.7	+13.3
Jul.	+11.3	+15.2	+16.0	+16.1	+15.2	+15.2	+11.6	+14.0
Aug.	+13.5	+14.7	+15.6	+13.7	+16.4	+17.1	+ 8.1	+10.4
Sept. p	+ 9.8	+ 5.0	+ 8.8	+ 7.4	+10.3	+11.4	+ 1.3	- 0.9

^{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, 1966.

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Chart 1

MEMBER BANK RESERVES

MONTHLY AVERAGES OF DAILY FIGURES

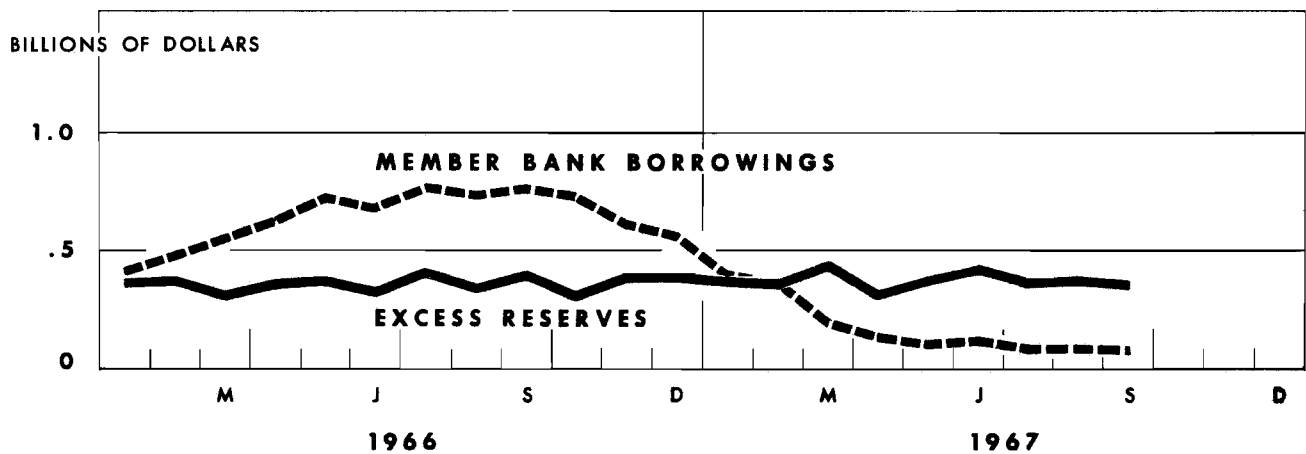
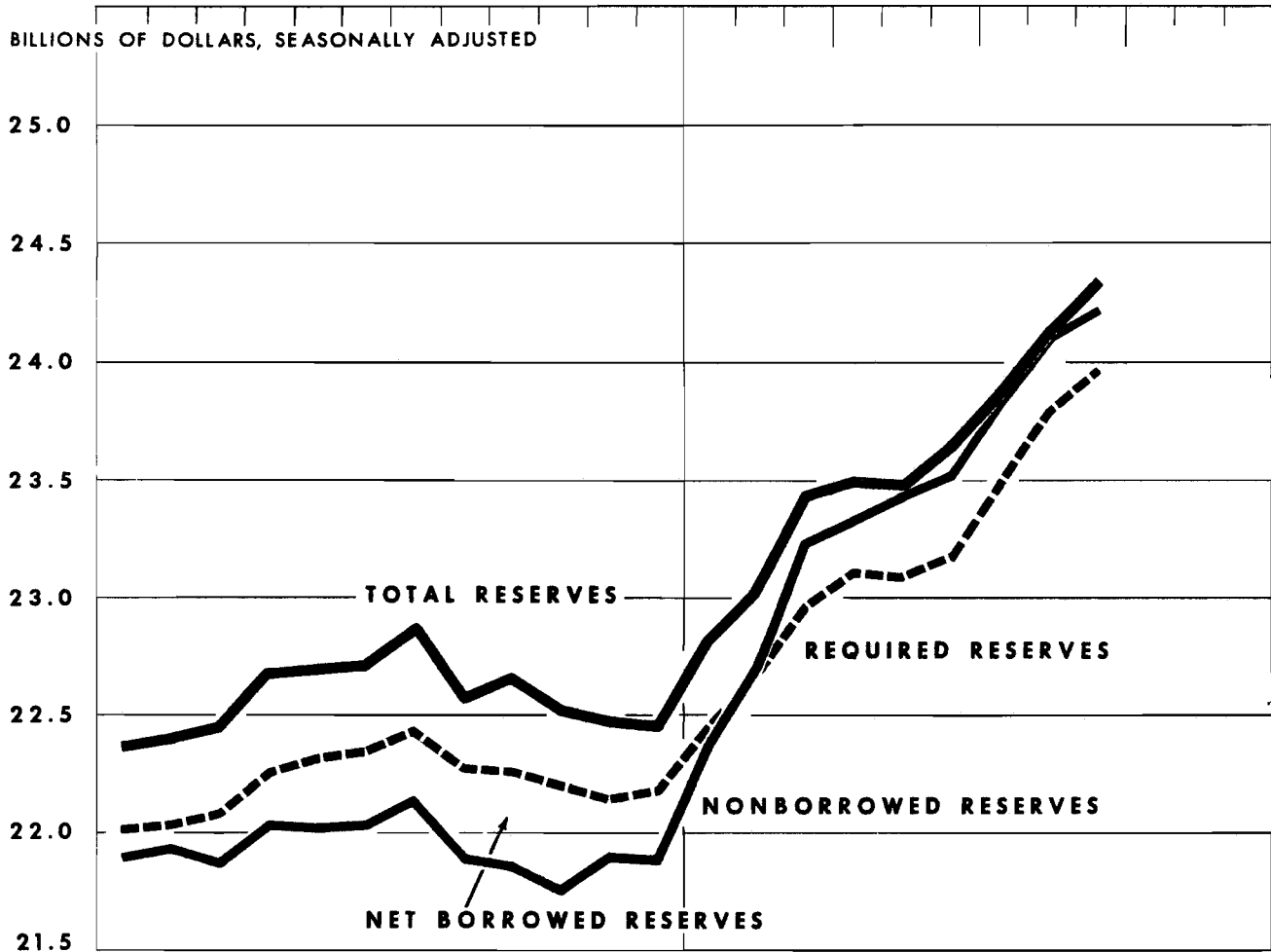


Chart 2

MEMBER BANK DEPOSITS AND LIABILITIES TO OVERSEAS BRANCHES

BILLIONS OF DOLLARS

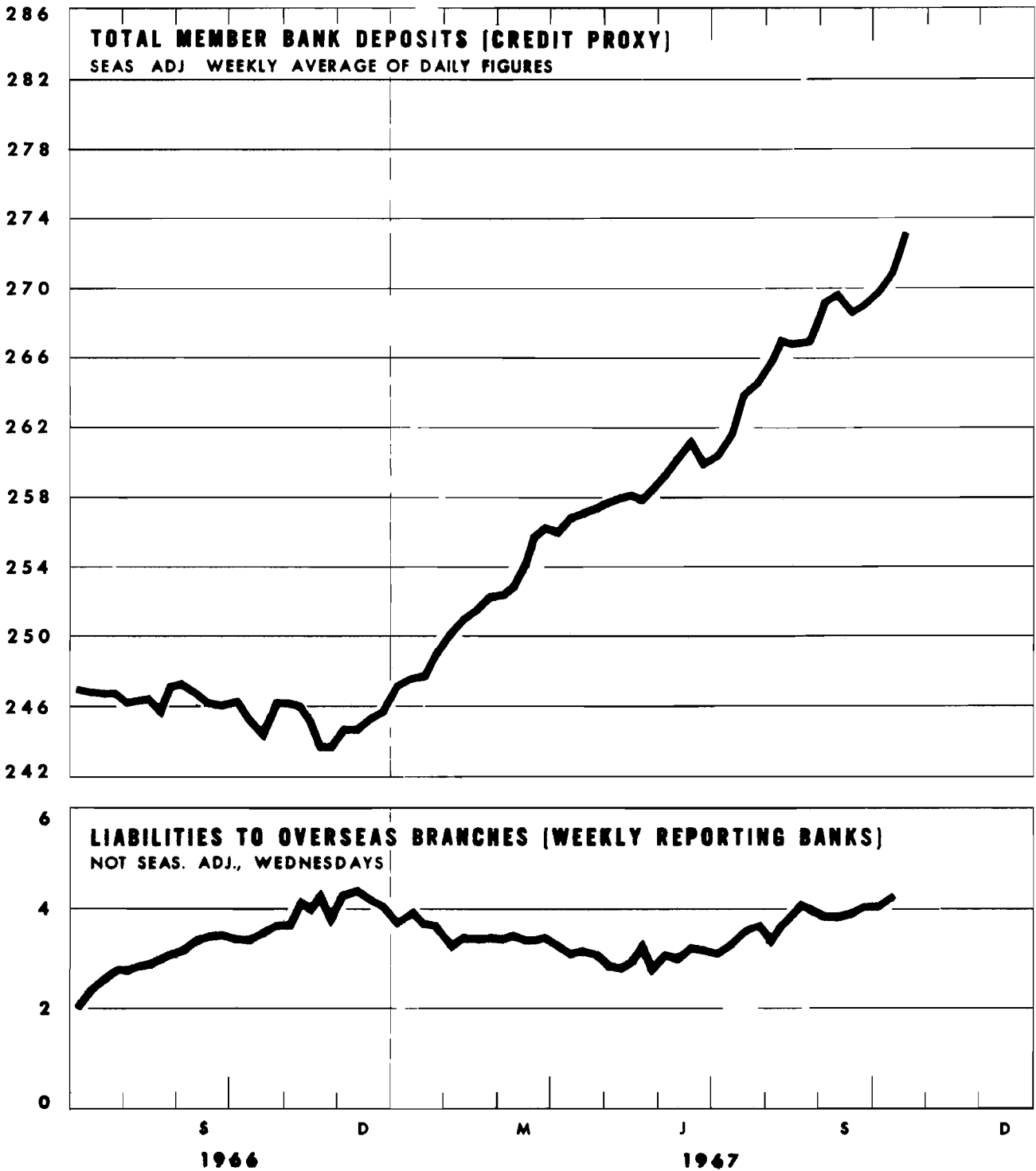
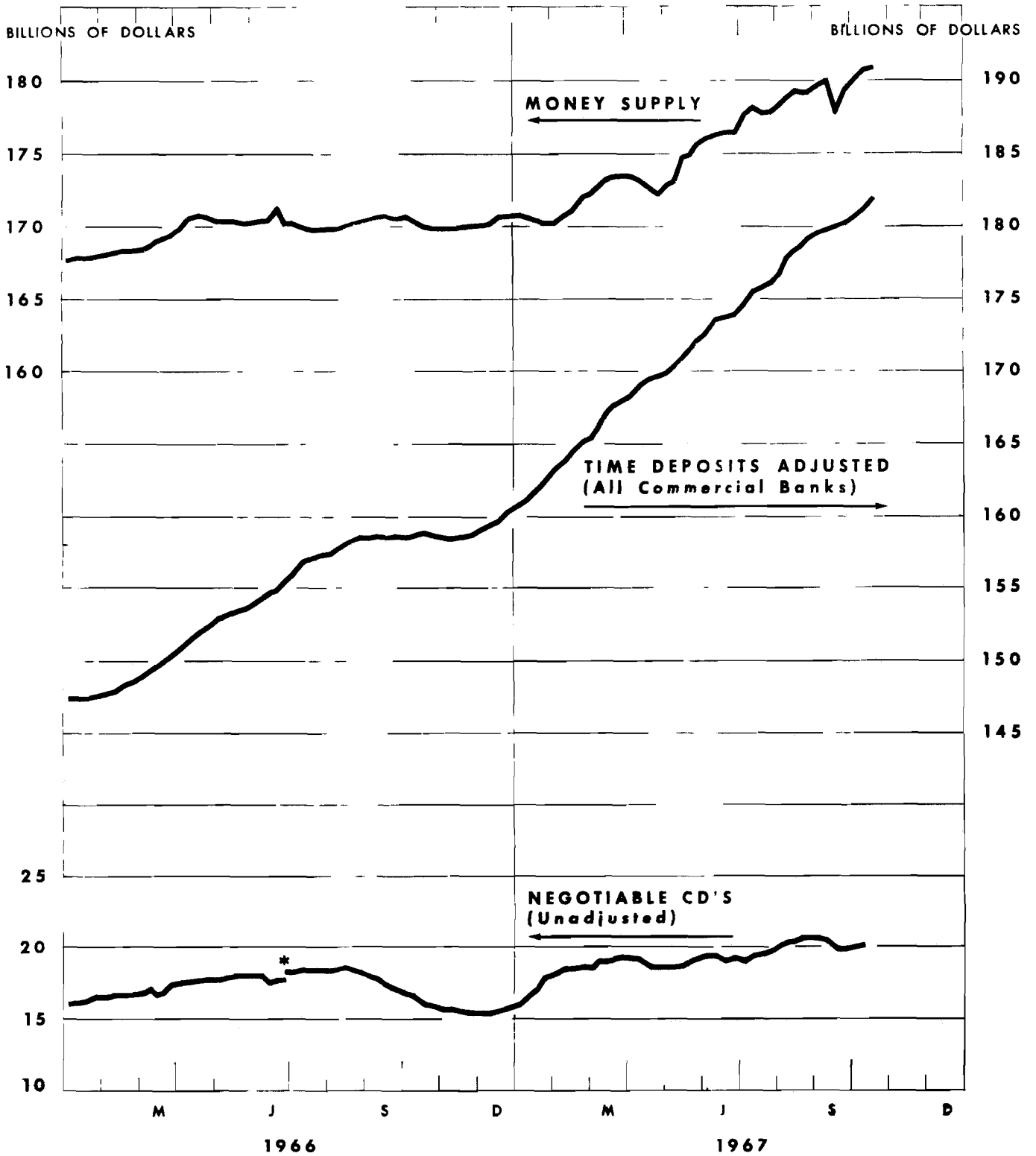


Chart 3

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

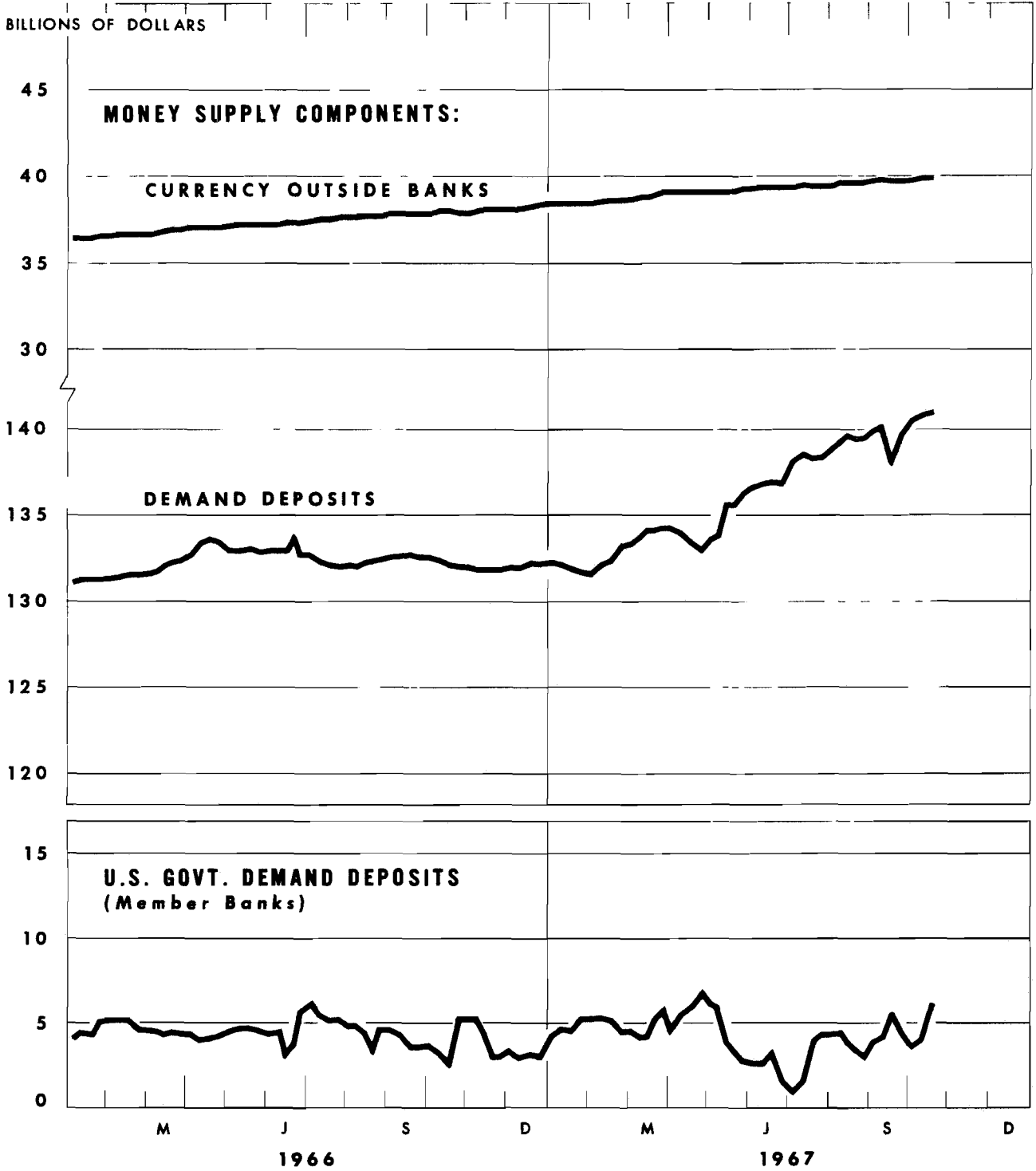


Table B-1

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	= Bank use of reserves		
	Federal Reserve credit (excl. float) 1/	Gold stock	Currency outside banks	Technical factors net 2/	in total reserves	Required reserves 3/	Excess reserves	
<u>ACTUAL</u>								
<u>Year:</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	-2,243	+ 805	+1,085	+1,111	- 26	
<u>Year-to-date:</u>								
(12/29/65 - 10/19/66)	+1,832	- 530	- 916	- 148	+ 238	+ 212	+ 26	
(12/28/66 - 10/18/67)	+3,434	- 152	- 720	-1,683	+ 878	+ 721	+ 167	
<u>Weekly:</u>								
1967--September	13	- 501	- 1	- 32	+ 648	+ 114	+ 60	+ 54
	20 p	- 119	--	+ 232	+ 156	+ 268	+ 240	+ 28
	27 p	+ 446	- 1	+ 238	- 781	- 97	+ 112	- 209
October	4 p	+ 616	--	- 167	+ 4	+ 444	+ 228	+ 216
	11 p	+ 551	+ 1	- 544	+ 248	- 238	- 95	- 143
	18 p	+ 283	--	+ 105	- 240	+ 627	+ 311	+ 316
<u>PROJECTED 4/</u>								
1967--October	25	- 365	--	+ 170	+ 180	- 15	- 15	--
November	1	+ 155	--	+ 20	- 285	- 110	- 110	--
	8	+ 290	--	- 220	- 100	- 30	- 30	--
	15	+ 185	--	- 350	+ 95	- 70	- 70	--
	22	+ 200	--	- 130	+ 95	+ 165	+ 165	--
	29	+ 385	--	- 175	- 200	+ 10	+ 10	--
December	6	+ 460	--	- 190	- 185	+ 85	+ 85	--

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	+ 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 - 10/19/66)	+ 212	- 377	+ 589	- 570	+ 49	- 59	+1,169
(12/28/66 - 10/18/67)	+ 721	+ 208	+ 513	- 587	+ 48	+1,008	+ 44 <u>2/</u>
<u>Weekly:</u>							
1967--Sept. 13	+ 60	- 136	+ 196	+ 219	--	- 26	+ 3
20 p	+ 240	+ 195	+ 45	+ 367	- 25	- 292	- 5
27 p	+ 112	+ 311	- 199	- 425	+ 6	+ 218	+ 3
Oct. 4 p	+ 228	- 90	+ 318	+ 117	+ 5	+ 184	+ 12
11 p	- 95	- 125	+ 30	+ 15	- 5	+ 8	+ 12
18 p	+ 311	+ 206	+ 105	+ 117	- 6	- 21	+ 15
<u>PROJECTED</u>							
1967--Oct. 25	- 15	+ 85	- 100	--	+ 5	- 120	+ 15
Nov. 1	- 110	- 215	+ 105	+ 105	- 5	+ 15	+ 20
8	- 30	- 60	+ 30	- 45	- 5	+ 60	+ 20
15	- 70	- 165	+ 95	+ 60	- 15	+ 30	+ 20
22	+ 165	+ 90	+ 75	- 60	- 20	+ 135	+ 20
29	+ 10	+ 30	- 20	- 45	+ 5	--	+ 20
Dec. 6	+ 85	- 120	+ 205	+ 145	- 5	+ 45	+ 20

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

2/ Reflects reserve requirements changes in March 1967.

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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)	+ 605	+ 573	+ 64	30	+ 98
<u>Year-to-date:</u>					
(12/29/65 - 10/19/66)	- 148	+ 238	- 558	- 20	+ 192
(12/28/66 - 10/18/67)	-1,683	- 399	-1,381	+ 12	+ 85
<u>Weekly:</u>					
1967--September					
13	+ 648	+ 520	+ 134	+ 7	- 13
20	+ 156	- 151	+ 210	--	+ 97
27	- 781	- 560	- 224	- 3	+ 6
October					
4	- 4	+ 67	- 35	+ 4	- 40
11	- 248	- 105	- 77	- 2	- 64
18	+ 240	+ 12	- 72	- 4	+ 204
<u>PROJECTED</u>					
1967--October					
25	+ 180	- 150	+ 200	+ 5	+ 125
November					
1	- 285	+ 95	- 380	--	--
8	- 100	--	- 100	--	--
15	+ 95	--	+ 80	--	+ 15
22	+ 95	--	+ 485	--	- 390
29	- 200	--	- 200	--	--
December					
6	- 185	--	- 185	--	--

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:								
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
Year-to-date:								
(12/29/65 - 10/19/66)	+1,832	+1,669	+1,451	+439	-221	--	- 81	+244
(12/28/66 - 10/18/67)	+3,434	+3,854	+3,085	+967	-198	+ 1	- 89	-332
Weekly:								
1967--September								
6	+ 475	+ 438	+ 299	+ 52	+ 87	+ 6	- 2	+ 33
13	- 501	- 480	- 393	--	- 87	- 6	- 6	- 9
20	- 119	- 152	- 152	--	--	--	- 3	+ 36
27	+ 446	+ 397	+ 393	+ 4	--	--	+ 81	- 32
October								
4	+ 616	+ 524	+ 402	+122	--	--	+ 22	+ 70
11	+ 551	+ 580	+ 330	+ 13	+237	+ 7	- 37	+ 1
18	+ 283	+ 219	- 4	--	+223	+ 20	- 27	+ 71

Chart Reference Table C-1

TOTAL, NONBORROWED AND REQUIRED RESERVES ^{1/}

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--Jul.	21,857	21,356	21,488	20,626	15,921
Aug.	21,923	21,417	21,533	20,719	15,943
Sept.	21,869	21,318	21,494	20,904	16,065
Oct.	21,986	21,533	21,645	21,073	16,147
Nov.	21,976	21,589	21,671	21,170	16,196
Dec.	22,186	21,722	21,861	21,285	16,266
1966--Jan.	22,358	21,899	22,007	21,411	16,375
Feb.	22,401	21,943	22,028	21,464	16,413
Mar.	22,452	21,873	22,077	21,600	16,506
Apr.	22,679	22,027	22,252	21,771	16,605
May	22,703	22,020	22,308	21,782	16,562
June	22,707	22,030	22,339	21,883	16,606
Jul.	22,861	22,140	22,431	21,841	16,512
Aug.	22,571	21,900	22,274	21,842	16,473
Sept.	22,655	21,864	22,256	21,860	16,475
Oct.	22,524	21,748	22,200	21,741	16,365
Nov.	22,465	21,898	22,142	21,716	16,364
Dec.	22,449	21,885	22,175	21,772	16,378
1967--Jan.	22,808	22,360	22,442	22,803	16,328
Feb.	23,026	22,685	22,666	22,044	16,478
Mar.	23,441	23,240	22,955	22,297	16,647
Apr.	23,490	23,332	23,110	22,293	16,578
May	23,482	23,428	23,086	22,559	16,786
June	23,646	23,523	23,178	22,890	17,024
Jul.	23,869	23,830	23,488	23,053	17,119
Aug.	24,138	24,121	23,794	23,271	17,242
Sept. p	24,335	24,221	23,969	23,327	17,235

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/ 2/	Time deposits 2/	Private demand deposits 3/	U.S. Gov't. demand deposits
1965--Jul.	229.1	113.6	108.6	6.8
Aug.	230.4	115.4	108.8	6.3
Sept.	231.4	116.9	109.6	4.9
Oct.	233.5	119.0	110.1	4.4
Nov.	234.8	120.2	110.5	4.1
Dec.	236.4	121.2	111.0	4.2
1966--Jan.	238.0	121.7	111.7	4.7
Feb.	239.0	122.0	112.0	5.0
Mar.	239.8	123.0	112.6	4.2
Apr.	242.2	124.8	113.3	4.1
May	243.6	126.1	113.0	4.8
June	244.8	127.5	113.3	4.0
Jul.	246.7	128.7	112.6	5.3
Aug.	246.5	129.7	112.4	4.4
Sept.	246.4	130.1	112.4	3.9
Oct.	245.5	129.9	111.6	4.0
Nov.	244.8	129.3	111.6	4.0
Dec.	245.2	130.3	111.7	3.2
1967--Jan.	248.5	132.2	111.4	4.9
Feb.	251.8	134.4	112.4	5.0
Mar.	254.8	136.5	113.6	4.8
Apr.	256.9	138.0	113.1	5.8
May	258.1	139.4	114.5	4.1
June	260.0	141.7	116.1	2.2
Jul.	263.3	143.3	116.8	3.2
Aug.	266.9	145.6	117.6	3.7
Sept. p	269.2	147.1	117.6	4.5

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/ Deposits have been adjusted for redefinition of time deposits effective June 9, 1967.

3/ Private demand deposits include demand deposits of individual, partnerships and corporations and net interbank balances.

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
1967--Apr. 5	256.0	137.5	113.9	4.7
12	256.8	137.9	113.5	5.5
19	257.1	138.1	112.9	6.0
26	257.4	138.3	112.4	6.7
May 3	257.7	138.5	113.1	6.1
10	258.0	138.8	113.3	5.9
17	258.1	139.3	114.9	3.9
24	257.9	139.8	114.9	3.2
31	258.4	140.3	115.4	2.7
June 7	259.3	140.9	115.9	2.6
14	260.2	141.6	116.1	2.6
21	261.2	141.8	116.2	3.2
28	259.9	142.1	116.2	1.6
Jul. 5	260.4	142.5	116.9	1.0
12	261.7	142.9	117.2	1.6
19	263.9	143.4	116.6	4.0
26	264.6	143.7	116.6	4.3
Aug. 2	265.8	144.4	117.2	4.3
9	267.0	145.0	117.5	4.4
16	266.7	145.4	117.4	3.9
23	266.8	145.8	117.6	3.4
30	267.0	146.5	117.6	3.0
Sept. 6	269.3	146.9	118.3	4.1
13	269.6	147.0	118.3	4.3
20 p	268.7	147.1	116.1	5.5
27 p	269.1	147.2	117.5	4.4
Oct. 4 p	269.8	147.6	118.5	3.7
11 p	270.9	148.0	118.8	4.1
18 p	273.2	148.3	118.6	6.2

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/ Deposits have been adjusted for redefinition of time deposits effective June 9, 1967.

3/ 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 <u>3/</u>
1965--Jul.	162.4	35.3	127.2	137.9
Aug.	163.2	35.5	127.8	139.8
Sept.	164.0	35.7	128.4	141.6
Oct.	165.2	36.0	129.3	143.8
Nov.	165.7	36.1	129.6	145.5
Dec.	166.8	36.3	130.5	146.9
1966--Jan.	167.9	36.6	131.4	147.5
Feb.	168.3	36.7	131.6	148.3
March	169.2	36.9	132.3	149.8
Apr.	170.5	37.1	133.4	151.8
May	170.2	37.3	132.9	153.4
June	170.6	37.4	133.2	154.8
Jul.	169.9	37.7	132.3	156.9
Aug.	170.1	37.8	132.4	158.1
Sept.	170.5	37.9	132.6	158.6
Oct.	170.1	38.0	132.1	158.8
Nov.	170.1	38.1	132.0	158.5
Dec.	170.4	38.3	132.1	159.8
1967--Jan.	170.3	38.5	131.8	162.0
Feb.	171.5	38.7	132.8	164.6
Mar.	173.1	38.9	134.2	167.2
Apr.	172.7	39.1	133.6	169.2
May	174.5	39.2	135.3	171.1
June	176.2	39.3	136.8	173.6
Jul.	177.9	39.5	138.4	175.8
Aug.	179.1	39.6	139.6	178.3
Sept. p	179.3	39.8	139.5	180.0

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>
1967--Apr. 5	173.4	39.1	134.3	168.3
12	173.1	39.1	134.0	169.0
19	172.6	39.1	133.5	169.5
26	172.1	39.1	133.0	169.6
May 3	172.8	39.1	133.7	169.9
10	173.0	39.1	133.9	170.4
17	174.7	39.1	135.6	171.0
24	174.8	39.2	135.6	171.5
31	175.6	39.3	136.3	172.2
June 7	176.0	39.3	136.7	172.6
14	176.3	39.4	136.9	173.6
21	176.4	39.4	137.0	173.7
28	176.4	39.4	136.9	173.9
July 5	177.6	39.4	138.2	174.6
12	178.1	39.5	138.6	175.4
19	177.7	39.4	138.3	175.8
26	177.8	39.4	138.4	176.1
Aug. 2	178.3	39.4	138.9	176.8
9	178.8	39.6	139.3	177.8
16	179.2	39.6	139.7	178.2
23	179.1	39.6	139.5	178.5
30	179.1	39.6	139.5	179.2
Sept. 6	179.7	39.7	139.9	179.6
13	180.0	39.8	140.2	179.8
20 p	177.9	39.7	138.1	180.0
27 p	179.4	39.7	139.7	180.2
Oct. 4 p	180.2	39.7	140.5	180.7
11 p	180.7	39.9	140.8	181.2
18 p	180.9	39.9	141.0	181.9

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 of Federal Reserve Banks.

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

p - Preliminary.