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MONEY MARKET AND RESERVE RELATIONSHIPS

Money markets

Recent developments. Money markets tightened further during recent weeks. Yields on commercial paper, finance company paper, bankers' acceptances, and Federal Agency issues continued to rise. Dealer loan rates posted by major New York City banks reached a new high of 6-1/2 per cent, as these banks developed large basic reserve deficiencies and were heavy buyers of Federal funds at rates ranging up to a high of 5-3/4 per cent.

In this environment and partly in anticipation of a discount rate hike, Treasury bill rates moved sharply higher to levels somewhat more in line with other short-term rates. The 3-month bill was auctioned at almost 5 per cent on July 18, although it subsequently fell back to around 4.85 per cent. At that level, the 3-month bill had risen about 50 basis points from its low of 4.33 per cent on June 27. Dealer reluctance to position bills at a time when financing costs were extremely high and when bill demand from the public had moderated was the principal cause of the rate increase.

During the past few days, the System has sold bills, partly to offset the effect on float of the airlines strike. But the interest rate impact of sales was reduced through the use of matched sale-purchase transactions. A total of \$1.8 billion of such transactions was made between July 13 and July 22. But each of these transactions was only outstanding for a few days so the bulk were in effect rollovers. In the

FINANCIAL MARKET RELATIONSHIPS IN PERSPECTIVE

(Monthly averages and, where available, weekly averages of daily figures; amounts in millions of dollars)

Period	Money Market Indicators				Bond Yields			Flow of Reserves, Bank Credit and Money				
	Free Reserves	Borrowings	Federal Funds Rate	3-month Treasury Bill	U.S. Gov't. (20 yr)	Corporate New Issues (Aaa)	Municipal (Aaa)	Non-borrowed reserves	Total Reserves	Bank Credit Proxy	Money Supply	Time Deposits 1/
1965--June	-176	534	4.01	3.80	4.21	4.58	3.15	+151	+173	+1,802	+1,800	+1,300
July	-178	527	4.07	3.83	4.21	4.61	3.16	+ 30	+ 23	+1,414	+ 700	+1,700
Aug.	-162	549	4.11	3.84	4.25	4.63	3.16	-116	- 50	+1,608	+ 200	+2,500
Sept.	-139	552	3.95	3.92	4.30	4.67	3.25	+ 11	+ 14	+ 249	+1,600	+1,500
Oct.	-132	490	4.05	4.02	4.32	4.69	3.31	+ 85	+ 44	+2,592	+1,300	+2,000
Nov.	- 77	418	4.09	4.08	4.40	4.72	3.34	+ 59	- 44	+ 759	+ 100	+1,900
Dec.	- 22	452	4.28	4.37	4.50	4.85	3.39	+365	+338	+2,147	+1,700	+1,500
1966--Jan.	- 51	431	4.32	4.58	4.52	4.84	3.39	+103	+117	+1,793	+1,000	+1,000
Feb.	-117	474	4.58	4.65	4.71	4.98	3.48	+ 41	+ 85	+ 820	- 400	+ 800
Mar.	-210	545	4.64	4.58	4.72	4.27	3.55	- 59	+ 62	+ 787	+1,200	+ 800
Apr.	-276	638	4.64	4.61	4.65	5.05	3.46	+238	+335	+3,587	+1,900	+2,000
May	-338	653	4.83	4.63	4.69	5.21	3.53	-102	- 73	+ 465	-1,600	+1,300
June p	-355	722	5.13	4.50	4.73	5.38	3.60	+ 41*	- 9*	+ 964*	+1,600	+1,200*
July proj. 2/	-343	759	4.98	4.80	4.85	5.61	3.77	+156*	+226*	+2,340*	- 900	+1,700*
June 1	-376	812	4.81	4.63	4.72	5.36	3.60			+ 269	- 100	+ 200
8	-340	547	4.88	4.56	4.71	5.34	3.60			+ 610	+1,600	+ 200
15	-323	788	5.15	4.56	4.74	5.43	3.59			+1,630*	+ 100	+ 100*
22	-409	691	5.20	4.44	4.71	5.31	3.58			+1,355	+2,200	+ 100
29 p	-324	771	5.40	4.37	4.74	5.64	3.64			+1,033	-2,000	+ 500
July 6 p	-457	827	5.25	4.64	4.82	--	3.77			+1,633	+ 400	+ 500
13 p	- 93	818	5.38	4.75	4.84	5.61	3.77			- 463	-1,700	+ 700
20 p	-479	631	4.48	4.91	4.86	--	3.77			- 124	+ 300	+ 500
					<u>Averages</u>			<u>Annual rates of increase 3/</u>				
Year 1964	107	295	3.47	3.53	4.19	4.44	3.09	+ 4.6	+ 4.2	+ 7.6	+ 4.3	+12.8
1965	- 90	467	4.05	3.95	4.27	4.58	3.16	+ 4.2	+ 5.1	+ 9.1	+ 4.8	+16.1
Recent variations in growth												
Dec. 1-Mar. 16	- 92	499	4.43	4.55	4.61	5.01	3.46			+ 5.8	+ 7.3	+ 7.3
Mar. 16-June 1	-299	644	4.72	4.61	4.67	5.17	3.50			+ 8.1	- 0.8	+13.0
June 1-July 20	-346	725	5.11	4.60	4.77	5.47	3.67			+10.0	+ 4.0	+12.6
Dec. 1-July 20	-217	595	4.67	4.58	4.66	5.15	3.52			+ 7.5	+ 3.9	+10.5

1/ Time deposits adjusted at all commercial banks.

2/ July averages of free reserves and borrowings are for the three weeks ending July 20; money market rates and bond yields are averages for the month to date; and changes in monetary variables include projections for the final two weeks of July.

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

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

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July 13-22 period, in addition, outright sales of bills to the market amounted to about \$300 million.

Net borrowed reserves have fluctuated sharply in recent weeks, with a low of \$93 million in the week of July 13 and a high of \$479 million (before revision) in the week just past. The initial impact of the airlines strike was felt in the July 13 week, and in addition the second week of July has traditionally been a period of very large country bank excess reserves. Member bank borrowings have averaged almost \$760 million so far in July.

Prospective developments. Assuming net borrowed reserves in a \$400 - \$500 million range over the next four weeks, the money market is likely to remain generally tight, although over the near-term some rates may tend to decline. Major New York City banks are likely to have a more comfortable reserve position as pressures related to recent tax payments finally subside. As a result, dealer loan rates in New York may be somewhat below recent peaks, though remaining at penalty levels. This assumes that banks do not experience further difficulties in replacing maturing CD's over the near-term. The 3-month Treasury bill rate may also decline some in the immediate future, given the continuing relatively limited market supply, the need for System purchases of about \$1.5 billion during the first half of August (on the basis of current projections), and prospective public demands for bills generated by the August refunding and by large corporate security flotations in the weeks ahead.

As the summer progresses, however, bill rates are likely to move higher. Corporate demand for bills tends to diminish in the latter part of summer, partly in consequence of the reduced cash flow during the auto change-over period. Also, the Treasury will probably be announcing a financing to raise new cash during the second week of August and may obtain \$2 - \$3 billion of funds through tax bills. It will probably raise additional cash in early fall.

The bill rate may fluctuate widely with shifting demands and supplies over the period ahead as dealers continue to maintain relatively low positions in view of their relatively high borrowing costs. The 3-month bill might drop to as low as 4.70 per cent in the weeks ahead and might rise back toward 5 per cent before the end of August.

Long-term credit markets probably will remain tight over the weeks ahead, with interest rates showing a tendency to rise. The corporate calendar is sizable in August, dominated by two large offerings. Bank participation in the municipal market has diminished. And the Treasury may offer an attractive coupon in its August refunding, to be announced July 27, which may encourage some switching out of bonds.

The public holds \$3.2 billion of the maturing Treasury issues. The reception that would be accorded the new offerings--whatever they may be--is quite uncertain in the current market atmosphere. This suggests the need for "even keel" at least through the August 15 settlement date, and possibly beyond depending on the after-market.

Reserve flows, bank credit, and money

Recent developments. Bank credit expansion appears to have been on the high side of the Staff's expected range in July. Rather sluggish growth prior to the mid-June tax date held the rate of expansion in June on average to below 5 per cent. The average rate of growth in July has apparently increased to about 11.5 per cent, mainly because growth was rapid in the three weeks ending July 6. Part of the enlarged credit expansion reflects banks' success in obtaining time deposits. After rising moderately in June, time deposits grew more rapidly in July, as banks apparently received funds transferred out of other savings institutions.

Fluctuations in bank credit and in Government and private demand deposits during June and July were unusually large because of the impact of the accelerated payments by corporations of their income taxes and of withheld individual income and social security taxes. While showing wide weekly fluctuations, private demand deposits rose sharply on average in June when Government deposits declined, and then declined almost as sharply in July when Government deposits rose. Over the two months combined, private demand deposits rose at just under a 2 per cent seasonally adjusted annual rate.

Total reserves, which had declined following their April bulge, are now expected to rise by about 12 per cent on average in July. Required reserves are expected to grow by about 10 per cent. (Both of these aggregate reserve increases are after taking out the rise due to the increase in the legal requirement against time deposits.) The difference between the increases in total and required reserves represents unusual

additions to excess reserves occasioned mainly by the airlines strike. Nonborrowed reserves in July increased somewhat more slowly than either of the other reserve aggregates.

Prospective developments. Bank credit declined in the middle weeks of July as some of the earlier borrowing was repaid and as banks made adjustments to the reserve requirement increase. Expansion is likely to resume in the weeks ahead, but the growth rate for August on average may be fairly low--perhaps in a 4 - 6 per cent range, assuming only a relatively small attrition in the refunding. The expansion is likely to be more toward the upper end of the range on the assumption of payment for a Treasury tax bill financing through tax and loan credit toward the end of August.

Time deposits are expected to grow less rapidly in August than in July, partly because of the ending of transfers out of savings institutions after the mid-year interest crediting period. On the other hand, demand deposit (and money supply) growth is expected to be resumed. Government deposits are likely to decline somewhat in August, partly because of the absence of receipts from withheld income and social security taxes that had been accelerated to June and July. Although the money supply is declining substantially in July, it is likely to rise over the next few months at a rate somewhat higher than the almost 4-1/2 per cent increase of the first half of the year.

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Only a small growth in required reserves is likely to accompany the August bank credit and monetary expansion. Demand deposits in total may show little change because of offsetting movements of Government and private deposits. As a result, the rise in required reserves would reflect mainly expansion in time deposits. Total reserves could decline slightly in August, assuming the ending of the airline strike which would bring excess reserves back to more normal levels. The projected movement of total and required reserves assumes net borrowed reserves of around \$400 - \$500 million and borrowing around \$800 million.

Table A-1

MARGINAL RESERVE MEASURES

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

Period	Excess reserves	Member banks borrowings	Free reserves		
	As revised to date			As first published each week	As expected at conclusion of each week's open market operations
Monthly (reserves weeks ending in):					
1965--June	358	534	-176		
July	349	527	-178		
August	387	549	-162		
September	413	552	-139		
October	358	490	-132		
November	341	418	- 77		
December	430	452	- 22		
1966--January	380	431	- 51		
February	357	474	-117		
March	335	545	-210		
April	362	638	-277		
May	315	653	-338		
June p	367	722	-355		
Weekly					
1966--April 6	333	623	-290	-225	-241
13	360	603	-243	-286	-282
20	373	685	-312	-281	-270
27	380	642	-262	-280	-316
May 4	286	617	-331	-280	-280
11	340	780	-340	-324	-310
18	319	663	-344	-315	-341
25	314	653	-339	-351	-370
June 1	436	812	-376	-364	-342
8	207	547	-340	-375	-360
15	465	788	-323	-341	-336
22 p	282	691	-409	-417	-394
29 p	447	771	-324	-350	-368
July 6 p	370	827	-457	-456	-473
13 p	725	818	- 93	-155	-133
20 p	152	681	-479	-479	-528

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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) <u>1/</u>	Time Deposits (comm. banks)	Money Supply	
			Total	Against Demand Deposits			Total	Private Demand Deposits
<u>Annually:</u>								
1963	+ 3.5	+ 3.5	+ 3.8	+ 1.7	+ 7.5	+14.7	+ 3.8	+ 3.2
1964	+ 4.2	+ 4.6	+ 4.9	+ 3.1	+ 7.6	+12.8	+ 4.3	+ 4.0
1965	+ 5.1	+ 4.2	+ 5.0	+ 2.4	+ 9.1	+16.1	+ 4.8	+ 4.6
<u>Monthly:</u>								
1965--January	+ 5.3	- 1.4	+ 5.7	+ 0.2	+10.5	+20.9	+ 2.3	+ 1.0
February	+10.4	+ 6.4	+ 4.3	+ 3.0	+11.1	+20.5	- 2.3	- 3.8
March	+ 8.1	+ 5.1	+11.5	+ 9.0	+ 9.7	+10.1	+ 4.5	+ 4.8
April	+12.5	+ 8.4	+11.4	+14.8	+14.1	+12.7	+ 6.0	+ 7.6
May	- 3.4	- 1.8	- 1.1	- 1.3	+ 4.1	+ 9.9	- 8.2	-12.3
June	+ 9.6	+ 8.6	+ 9.8	+ 7.8	+ 9.6	+11.6	+13.5	+16.3
July	+ 1.3	+ 1.7	+ 3.6	+ 0.7	+ 7.5	+15.0	+ 5.2	+ 4.7
August	- 2.7	- 6.5	- 8.7	- 7.1	+ 8.4	+21.8	+ 1.5	--
September	+ 0.8	+ 0.6	+ 2.3	-11.1	+ 1.3	+12.8	+11.8	+13.2
October	+ 2.4	+ 4.8	+ 6.1	+ 8.1	+13.5	+16.9	+ 9.5	+ 9.3
November	- 2.4	+ 3.3	- 3.8	- 6.9	+ 3.9	+15.9	+ 0.7	- 0.9
December	+18.6	+20.5	+18.3	+11.2	+11.0	+12.4	+12.3	+14.8
1966--January	+ 6.3	+ 5.7	+11.5	+12.0	+ 9.1	+ 8.2	+ 7.2	+ 5.5
February	+ 4.6	+ 2.2	- 0.1	+ 2.9	+ 4.1	+ 6.5	- 2.9	- 5.5
March	+ 3.3	- 3.2	+ 4.5	+ 1.5	+ 4.0	+ 6.5	+ 8.6	+10.1
April	+17.9	+13.1	+15.0	+17.7	+17.9	+16.0	+13.5	+15.4
May	- 3.8	- 5.5	- 4.2	- 6.0	+ 2.3	+10.3	-11.2	-16.1
June p <u>2/</u>	- 0.5	+ 2.2	+ 3.9	+ 1.7	+ 4.7	+ 9.4	+11.3	+14.5
July proj. <u>2/</u>	+12.0	+ 8.5	+10.1	+ 8.2	+11.5	+13.2	- 6.3	-10.8

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

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

Chart 1

MEMBER BANK RESERVES

SEASONALLY ADJUSTED MONTHLY AVERAGES OF DAILY FIGURES

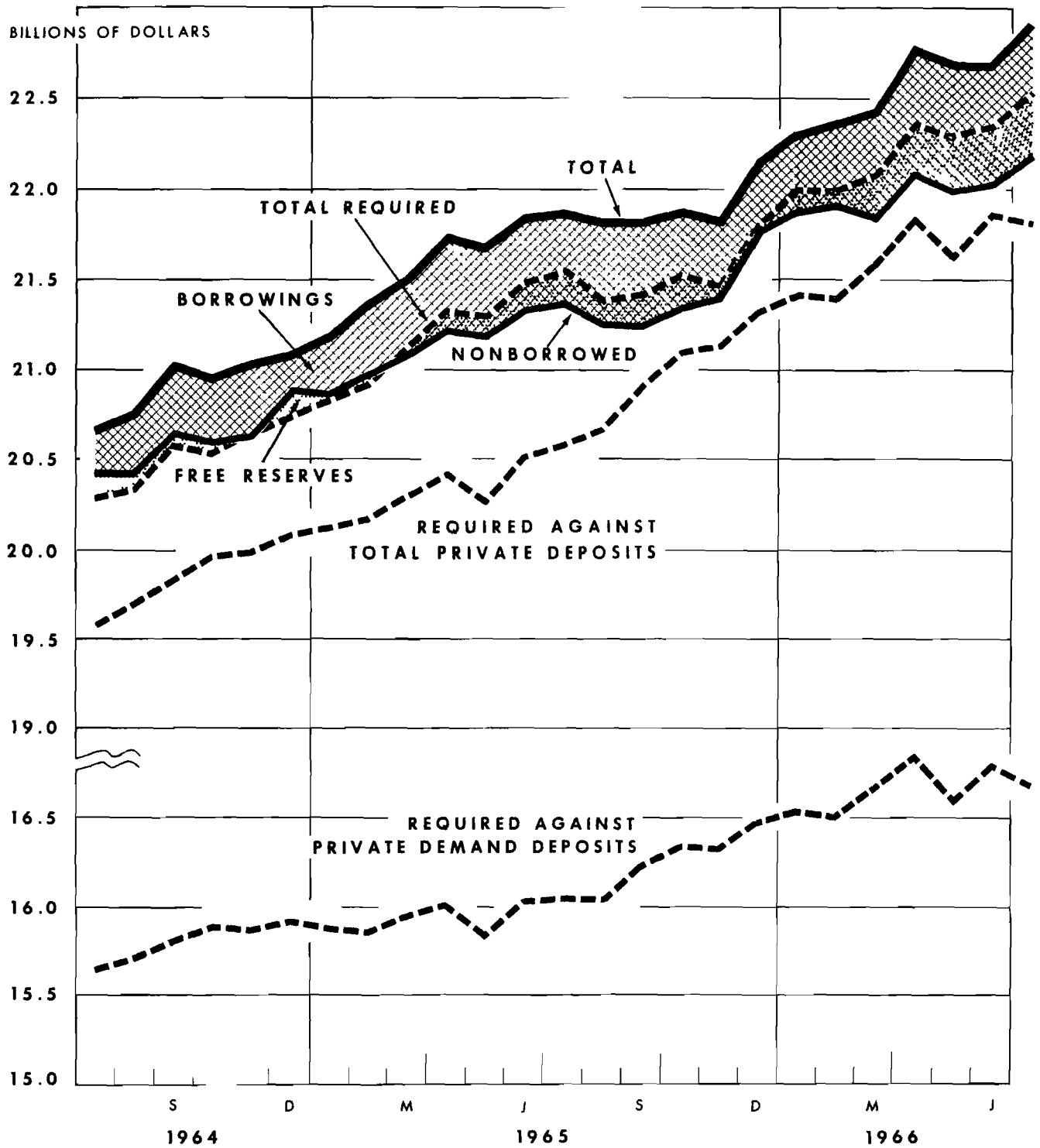
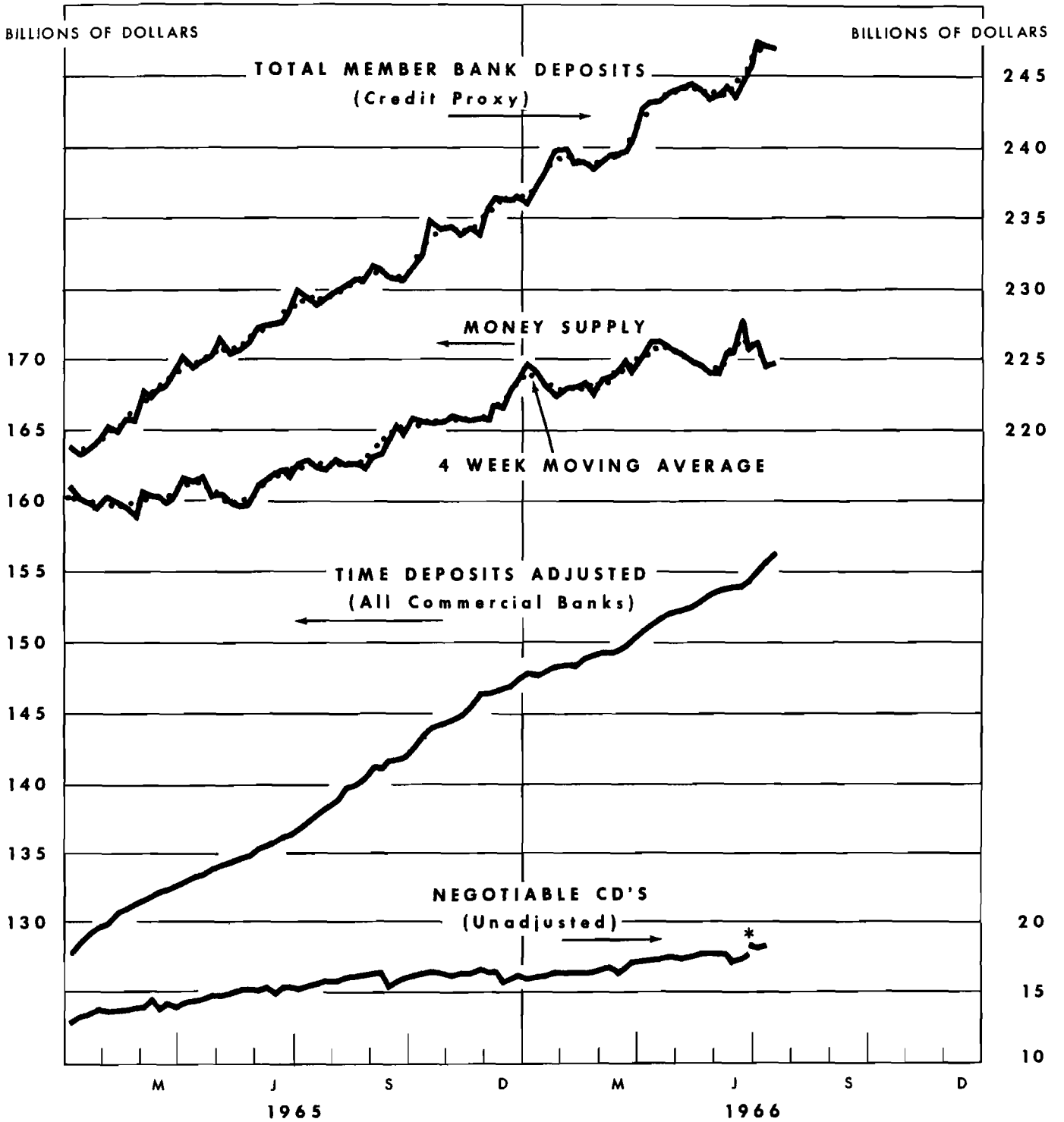


Chart 2

MONEY SUPPLY AND BANK DEPOSITS

SEASONALLY ADJUSTED WEEKLY AVERAGES OF DAILY FIGURES



* CHANGE IN SERIES

Chart 3

DEMAND DEPOSITS AND CURRENCY

SEASONALLY ADJUSTED WEEKLY AVERAGES OF DAILY FIGURES

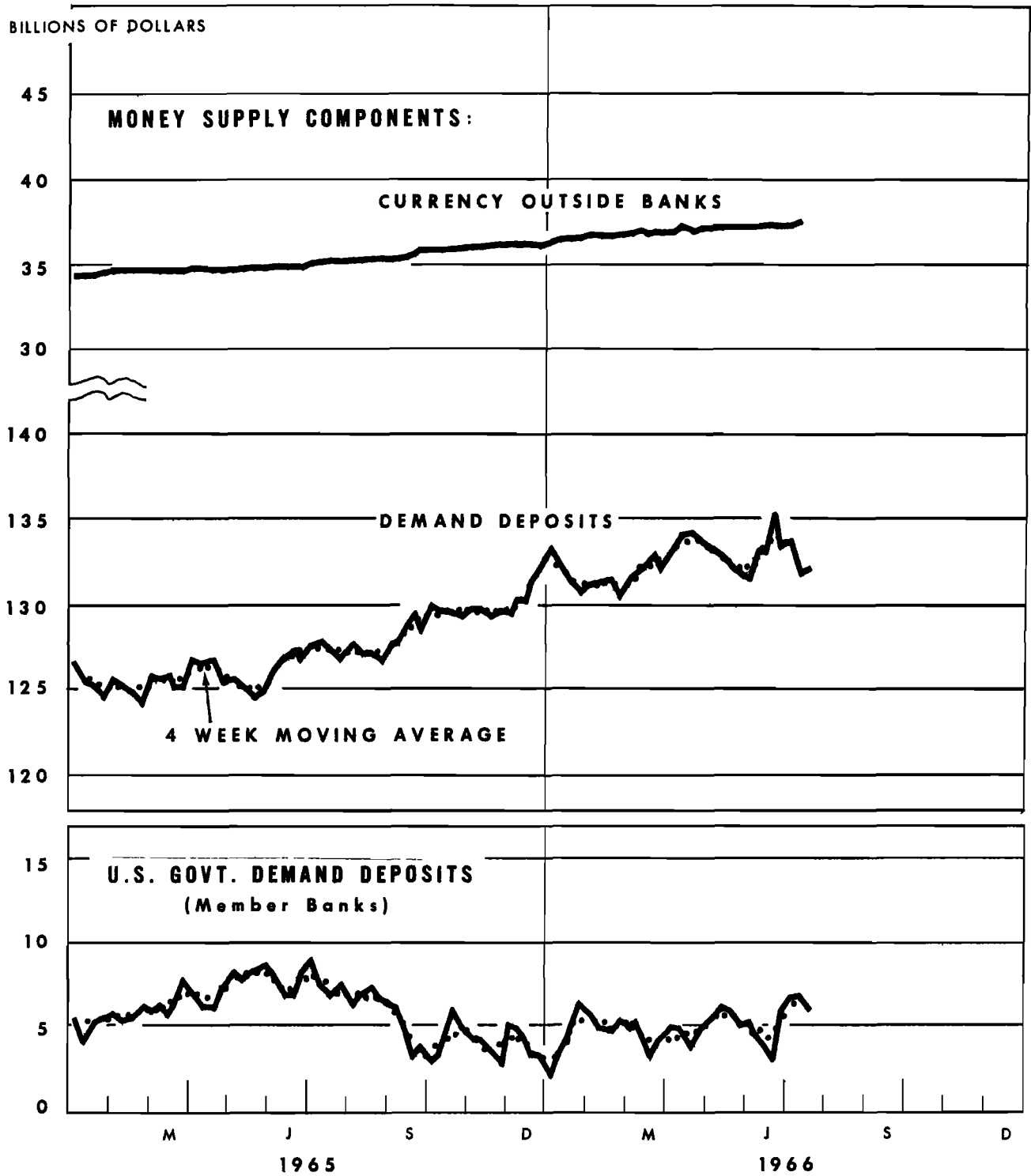


Table B-1

MAJOR SOURCES AND USES OF RESERVES

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

Period	Factors affecting supply of reserves				= Change in total reserves	= Bank use of reserves	
	Federal Reserve credit (excl. float) 1/	Gold stock	Currency outside banks	Technical factors net 2/		Required reserves 3/	Excess reserves
<u>ACTUAL</u>							
<u>Year:</u>							
1964 (12/25/63 - 12/23/64)	+3,219	-165	-1,847	-365	+840	+910	- 70
1965 (12/23/64 - 12/22/65)	+3,926	-1,578	-2,228	+845	+966	+1,136	-170
<u>Year-to-date:</u>							
(12/30/64 - 7/21/65)	+1,832	-1,454	-250	-459	-328	+ 40	-368
(12/29/65 - 7/20/66)	+863	-352	-611	- 58	-161	+148	-309
<u>Weekly:</u>							
1966--May 25	+ 99	--	+159	-490	-234	-229	- 5
June 1	+627	+ 2	-174	-327	+127	+ 5	+122
8	- 6	- 1	-400	+240	-164	+ 65	-229
15	+185	--	+ 20	- 75	+126	-132	+258
22	-224	- 28	+ 60	+578	+389	+572	-183
29 p	+393	- 73	+207	-320	+207	+ 42	+165
July 6 p	+851	+ 2	-718	+135	+267	+344	- 77
13 p	+ 5	+ 1	-162	+205	+ 52	-303	+355
20 p	-1,261	- 1	+204	+736	-326	-247	-573
<u>PROJECTED 4/</u>							
July 27	+ 35	- 30	+165	-110	+ 60	+ 60	--
Aug. 3	+675	-120	- 70	-515	- 30	- 30	--
10	+455	- 10	-465	- 80	-100	-100	--
17	+ 65	- 10	+145	-200	--	--	--
24	-220	- 10	+130	--	-100	-100	--
31	+ 70	- 10	+160	-300	- 80	- 80	--

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

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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>							
1964 (12/25/63 - 12/23/64)	+910	-115	+1,025	+ 16	--	+542	+467
1965 (12/23/64 - 12/22/65)	+1,136	-170	+1,306	+113	--	+529	+664
<u>Year-to-date:</u>							
(12/30/64 - 7/21/65)	+ 40	+232	-192	-627	+ 78	+ 3	+354
(12/29/65 - 7/20/66)	+148	+105	+ 43	-713	+ 90	+ 59	+607
<u>Weekly:</u>							
1966--May 11	-196	+ 64	-260	-214	+ 9	- 59	+ 4
18	- 97	+163	-260	-185	--	- 90	+ 15
25	-229	- 8	-221	-165	- 9	- 67	+ 20
June 1	+ 5	- 72	+ 77	+ 32	+ 9	+ 31	+ 5
8	+ 65	-200	+265	+120	- 9	+141	+ 3
15 <u>1/</u>	-132	-353	+221 <u>1/</u>	+263	+ 9	- 11	- 40
22	+572	+283	+289	- 16	- 18	+315	+ 8
29 p	+ 42	+617	-575	-298	+ 18	-299	+ 4
July 6 p	+344	+129	+215	+ 86	+ 10	+105	+ 14
13 p	-303	-233	- 70	+167	- 19	-254	+ 36
20 p <u>2/</u>	+247	-303	+550	+113	+ 9	+ 64	+364
<u>PROJECTED</u>							
July 27 <u>2/</u>	+ 60	+ 35	+ 25	- 70	--	+ 15	+ 80
Aug. 3	- 30	-190	+160	+ 80	- 20	+ 90	+ 10
10	-100	+ 15	-115	- 95	--	- 30	+ 10
17	--	+135	-135	-135	- 10	--	+ 10
24	-100	- 55	- 45	-165	- 10	+120	+ 10
31	- 80	-170	+ 90	+ 45	- 10	+ 45	+ 10

1/ Redefinition of time deposits subject to reserve requirements released \$34 million of reserve effective June 9.

2/ Increase in percentage reserve requirements against time deposits absorbed an estimated \$355 million of reserves at city banks effective July 14 and \$70 million at country banks effective July 21.

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>					
1964 (12/25/63 - 12/23/64)	-365	-470	- 84	+ 11	+178
1965 (12/23/64 - 12/22/65)	+845	+232	- 31	- 7	+651
<u>Year-to-date:</u>					
(12/30/64 - 7/21/65)	-459	- 48	-678	+ 13	+254
(12/29/65 - 7/20/66)	- 58	-333	+512	- 47	-190
<u>Weekly:</u>					
1966--May 25	-490	-259	- 42	+ 6	-195
June 1	-327	+ 17	-313	- 20	- 11
8	+240	+125	+ 95	+ 3	+ 17
15	- 75	-175	+ 44	+ 2	+ 54
22	+578	+ 96	+445	- 25	+ 62
29	-320	- 78	- 75	+ 2	+ 31
July 6	+135	+184	+ 27	- 56	- 20
13	+205	-302	+424	+ 56	+ 27
20	+736	-136	+795	- 13	+ 90
<u>PROJECTED</u>					
July 27	-110	+120	-350	+ 20	+100
Aug. 3	-515	- 35	-500	--	+ 20
10	- 80	+170	-250	--	--
17	-200	--	-200	--	--
24	--	--	--	--	--
31	-300	--	-300	--	--

Table B-4

SOURCES OF FEDERAL RESERVE CREDIT

Retrospective Changes

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

Period	Total Federal Reserve credit (excl. float)	U. S. Government securities				Repurchase agreements	Bankers' acceptances	Member bank borrowings
		Total holdings	Outright					
			Bills	Other				
<u>Year:</u>								
1964 (12/25/63 - 12/23/64)	+3,219	+3,340	+2,086	+1,022	+232	- 61	- 60	
1965 (12/23/64 - 12/22/65)	+3,926	+3,898	+3,226	+ 916	-244	+ 67	- 39	
<u>Year-to-date:</u>								
(12/30/64 - 7/21/65)	+1,832	+1,928	+1,537	+ 659	-268	- 17	- 79	
(12/29/65 - 7/20/66)	+ 863	+ 835	+ 617	+ 439	-221	- 57	+ 85	
<u>Weekly:</u>								
1966--Apr. 6	+ 512	+ 419	+ 274	--	+145	- 22	+115	
13	- 126	- 103	+ 8	--	-111	- 3	- 20	
20	- 444	- 520	- 486	--	- 34	- 6	+ 82	
27	+ 145	+ 145	+ 120	+ 25	--	+ 43	- 43	
May 4	+ 369	+ 391	+ 292	+ 17	+ 82	+ 3	- 25	
11	+ 422	+ 402	+ 185	--	+217	- 43	+ 63	
18	- 309	- 292	- 128	--	-164	--	- 17	
25	+ 99	+ 68	+ 203	--	-135	+ 41	- 10	
June 1	+ 627	+ 442	+ 411	+ 31	--	+ 26	+159	
8	- 6	+ 225	+ 166	+ 38	+ 21	+ 34	-265	
15	+ 185	- 23	- 73	+ 13	+ 37	- 33	+241	
22	- 224	- 131	- 72	- 1	- 58	+ 4	- 97	
29	+ 393	+ 267	+ 173	+ 94	--	+ 46	+ 80	
July 6	+ 851	+ 790	+ 706	+ 80	+ 4	+ 5	+ 56	
13	+ 5	+ 71	+ 61	+ 11	- 1	- 57	- 9	
20	-1,261	- 969	- 966	--	- 3	-105	-187	

Chart Reference Table C-1

TOTAL, NONBORROWED AND REQUIRED RESERVES

Seasonally Adjusted

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

Period	Total reserves	Nonborrowed reserves	Required reserves		
			Total	Against private deposits	
				Total	Demand
1964--January	20,248	19,977	19,884	19,185	15,442
February	20,268	19,982	19,872	19,246	15,466
March	20,459	20,176	20,056	19,292	15,492
April	20,482	20,226	20,057	19,361	15,527
May	20,404	20,167	20,023	19,338	15,471
June	20,682	20,431	20,269	19,441	15,539
July	20,665	20,420	20,285	19,577	15,646
August	20,753	20,416	20,332	19,694	15,705
September	21,012	20,638	20,570	19,832	15,805
October	20,949	20,600	20,536	19,960	15,886
November	21,033	20,626	20,639	19,988	15,864
December	21,082	20,886	20,742	20,081	15,912
1965--January	21,175	20,862	20,840	20,122	15,878
February	21,359	20,973	20,915	20,166	15,852
March	21,504	21,062	21,116	20,294	15,943
April	21,728	21,210	21,316	20,409	16,009
May	21,667	21,179	21,296	20,258	15,822
June	21,840	21,330	21,470	20,506	16,028
July	21,863	21,360	21,535	20,579	16,047
August	21,813	21,244	21,379	20,665	16,041
September	21,827	21,255	21,420	20,903	16,227
October	21,871	21,340	21,528	21,090	16,341
November	21,827	21,399	21,460	21,124	16,318
December	22,165	21,764	21,788	21,326	16,477
1966--January	22,282	21,867	21,996	21,407	16,533
February	22,367	21,908	21,994	21,396	16,500
March	22,429	21,849	22,076	21,588	16,666
April	22,764	22,087	22,352	21,842	16,846
May	22,691	21,985	22,273	21,628	16,590
June p <u>1</u> /	22,682	22,026	22,346	21,859	16,789
July proj. <u>1</u> /	22,908	22,182	22,535	21,803	16,672

p - Preliminary.

1/ Reserves have been adjusted for redefinition of time deposits effective June 9, and for changes in reserve requirements effective July 14 and 21.

Table C-2

DEPOSITS SUPPORTED BY REQUIRED RESERVES AT ALL MEMBER BANKS

Seasonally adjusted

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

Monthly	Total member bank deposits (credit) <u>1/</u>	Time deposits	Private demand deposits <u>2/</u>	U. S. Gov't. demand deposits
1964--January	202,981	93,563	104,407	5,011
February	203,759	94,495	104,569	4,695
March	205,068	95,011	104,749	5,308
April	206,176	95,852	104,987	5,337
May	206,613	96,677	104,609	5,327
June	208,669	97,542	105,066	6,061
July	209,312	98,273	105,783	5,256
August	211,506	99,725	106,189	5,592
September	212,906	100,670	106,868	5,368
October	214,109	101,850	107,410	4,849
November	215,849	103,090	107,259	5,500
December	216,738	104,215	107,591	4,932
1965--January	218,640	106,107	107,353	5,180
February	220,663	107,843	107,178	5,642
March	222,445	108,778	107,795	5,872
April	225,068	109,996	108,243	6,829
May	225,840	110,898	106,975	7,967
June	227,642	111,955	108,372	7,315
July	229,056	113,306	108,497	7,253
August	230,664	115,594	108,456	6,614
September	230,913	116,900	109,717	4,296
October	233,505	118,718	110,489	4,298
November	234,264	120,152	110,327	3,785
December	236,411	121,220	111,409	3,782
1966--January	238,204	121,861	111,787	4,556
February	239,024	122,401	111,562	5,061
March	239,811	123,038	112,684	4,089
April	243,398	124,898	113,905	4,595
May	243,863	125,953	112,170	5,740
June p <u>3/</u>	244,827	126,745	113,515	4,567
July proj. <u>3/</u>	247,167	128,277	112,722	6,168

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,
p - Preliminary.

TABLE C-2a

DEPOSITS SUPPORTED BY REQUIRED RESERVES AT ALL MEMBER BANKS

Seasonally adjusted

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

Week ending:	Total member bank deposits (credit) 1/	Time deposits	Private demand deposits 2/	U. S. Gov't. demand deposits
1966--Jan. 5	236,036	121,367	112,591	2,078
12	237,302	121,740	112,114	3,448
19	238,155	121,987	111,507	4,661
26	239,830	122,246	111,207	6,377
Feb. 2	239,899	122,193	112,050	5,656
9	238,866	122,026	112,003	4,837
16	238,966	122,562	111,715	4,689
23	238,542	122,490	110,694	5,358
Mar. 2	238,958	122,284	111,691	4,983
9	239,366	122,288	111,957	5,121
16	239,559	122,757	112,560	4,242
23	239,710	123,335	113,155	3,220
30	240,437	123,770	113,017	3,650
Apr. 6	242,648	124,508	113,306	4,834
13	243,216	124,684	113,764	4,768
20	243,286	125,042	114,482	3,762
27	243,882	125,311	113,810	4,761
May 4	244,178	125,369	113,407	5,402
11	244,465	125,455	112,952	6,058
18	244,091	125,815	112,372	5,904
25	243,395	126,330	111,954	5,111
June 1	243,664	126,433	112,115	5,116
8	244,274	126,778	113,137	4,359
15*	243,494	126,599	113,152	3,743
22p*	244,849	126,816	115,035	2,998
29p*	245,882	126,913	113,035	5,934
July 6p*	247,515	127,281	113,621	6,613
13p*	247,052	127,183	112,168	6,701
20p*	246,928	128,383	112,600	5,945

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 of individuals, partnerships and corporations and net interbank balances.

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

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

Seasonally Adjusted

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

Monthly	Money Supply	Currency <u>1/</u>	Private Demand Deposits <u>2/</u>	Time Deposits Adjusted
1964--January	153.6	32.6	121.0	113.5
February	153.8	32.8	121.1	114.6
March	154.1	32.9	121.2	115.3
April	154.5	33.0	121.4	116.2
May	154.5	33.3	121.2	117.3
June	155.5	33.4	122.1	118.5
July	156.6	33.6	123.0	119.4
August	157.1	33.8	123.3	121.0
September	158.2	33.9	124.3	122.1
October	158.8	34.0	124.8	123.5
November	159.1	34.2	124.8	125.1
December	159.7	34.2	125.4	126.6
1965--January	160.0	34.5	125.5	128.8
February	159.7	34.7	125.1	131.0
March	160.3	34.7	125.6	132.1
April	161.1	34.7	126.4	133.5
May	160.0	34.9	125.1	134.6
June	161.8	35.0	126.8	135.9
July	162.5	35.2	127.3	137.6
August	162.7	35.4	127.3	140.1
September	164.3	35.6	128.7	141.6
October	165.6	35.9	129.7	143.6
November	165.7	36.1	129.6	145.5
December	167.4	36.3	131.2	147.0
1966--January	168.4	36.7	131.8	148.0
February	168.0	36.8	131.2	148.8
March	169.2	36.9	132.3	149.6
April	171.1	37.1	134.0	151.6
May	169.5	37.3	132.2	152.9
June p <u>3/</u>	171.1	37.3	133.8	154.1
July proj. <u>3/</u>	170.2	37.6	132.6	155.8

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.

3/ Deposits have been adjusted for redefinition of time deposits effective June 9.
p - Preliminary.

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

Week Ending	Money Supply	Currency <u>1/</u>	Private Demand Deposits <u>2/</u>	Time Deposits adjusted
1966--Jan. 5	169.6	36.4	133.1	147.7
12	169.1	36.6	132.5	147.7
19	168.1	36.7	131.5	148.0
26	167.4	36.6	130.8	148.2
Feb. 2	167.9	36.7	131.2	148.4
9	168.1	36.9	131.3	148.4
16	168.3	36.8	131.5	148.8
23	167.5	36.9	130.6	149.0
Mar. 2	168.5	36.9	131.6	149.2
9	168.7	36.9	131.8	149.2
16	169.2	36.9	132.3	149.5
23	169.8	36.9	132.9	149.8
30	169.1	36.9	132.2	150.2
Apr. 6	170.1	36.9	133.2	150.7
13	171.2	37.2	134.0	151.2
20	171.3	37.0	134.3	151.7
27	170.8	37.1	133.7	152.1
May 4	170.4	37.2	133.2	152.3
11	170.0	37.2	132.8	152.5
18	169.7	37.3	132.3	152.9
25	169.0	37.3	131.7	153.4
June 1	168.9	37.3	131.6	153.6
8	170.5	37.3	133.2	153.8
*15	170.6	37.4	133.2	153.9
*22 p	172.8	37.4	135.4	154.0
*29 p	170.8	37.4	139.5	154.5
July *6 p	171.2	34.4	133.8	155.0
*13 p	169.5	37.6	131.9	155.7
*20 p	169.8	37.6	132.2	156.2

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

2/ Includes (1) demand deposits at all commercial banks, other than those due to domestic commercial banks and the U.S. Government, less cash items in process of collection and Federal Reserve float; and (2) foreign demand balances of Federal Reserve Banks.

p - Preliminary.

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