

U.S. FINANCIAL DATA



Week ending: July 22, 1970

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The money stock has increased at a 3.8 per cent annual rate since early May, after exceedingly rapid growth in the preceding three months (page 5). From the average for the first quarter to the average for the second quarter money grew at a 6 per cent annual rate.

The velocity of money (gross national product divided by the money stock) was 4.76 in the second quarter, down slightly from the previous two quarters (page 8). Velocity has had an upward trend in the past two and a half decades, since growth of total spending has generally been faster than growth of the money supply in the post World War II period. From the first to the second quarter of this year velocity declined slightly as spending rose less rapidly than the money stock.

Large certificates of deposit at large commercial banks amounted to about \$16 billion on July 15, up from a \$13 billion average in June and \$10.6 billion in January. Previously, these CD's had declined from a high of \$23.7 billion in December 1968 (page 6). From early February to late June the increase in CD's was probably due both to lower short-term market interest rates and to the higher Regulation Q ceilings on rates banks were permitted to pay effective January 21. The large jump since late June

followed suspension of ceilings on large CD's maturing in 30 to 89 days. The volume of commercial paper outstanding rose only \$117 million from May to June, considerably less than the average month-to-month increases since late 1968.

Short-term market interest rates have declined or remained about unchanged since early May and are similar to March levels (pages 10 and 11). Yields on prime four- to six-month commercial paper averaged 8.33 per cent in the three days ending July 22, about the same as in mid-March and May and down from 9 per cent in early January. Yields on bankers' acceptances, at 7.63 per cent, are down from about 8.10 per cent in early May and 8.75 per cent in early January. The three-month Treasury bill rate averaged 6.36 per cent in the three days ending July 22, down from 6.80 per cent in early May and about 8 per cent at the beginning of the year.

Long- and intermediate-term yields have also moved lower in recent weeks, but are well above levels in the early spring. Yields on seasoned highest-grade corporate bonds averaged 8.42 per cent in the first half of this week, compared with a peak of 8.60 per cent at the end of June. Rates on three- to five-year Government securities averaged 7.59 per cent in the three days ending July 22, down from about 8 per cent during May.

Prepared by Federal Reserve Bank of St. Louis

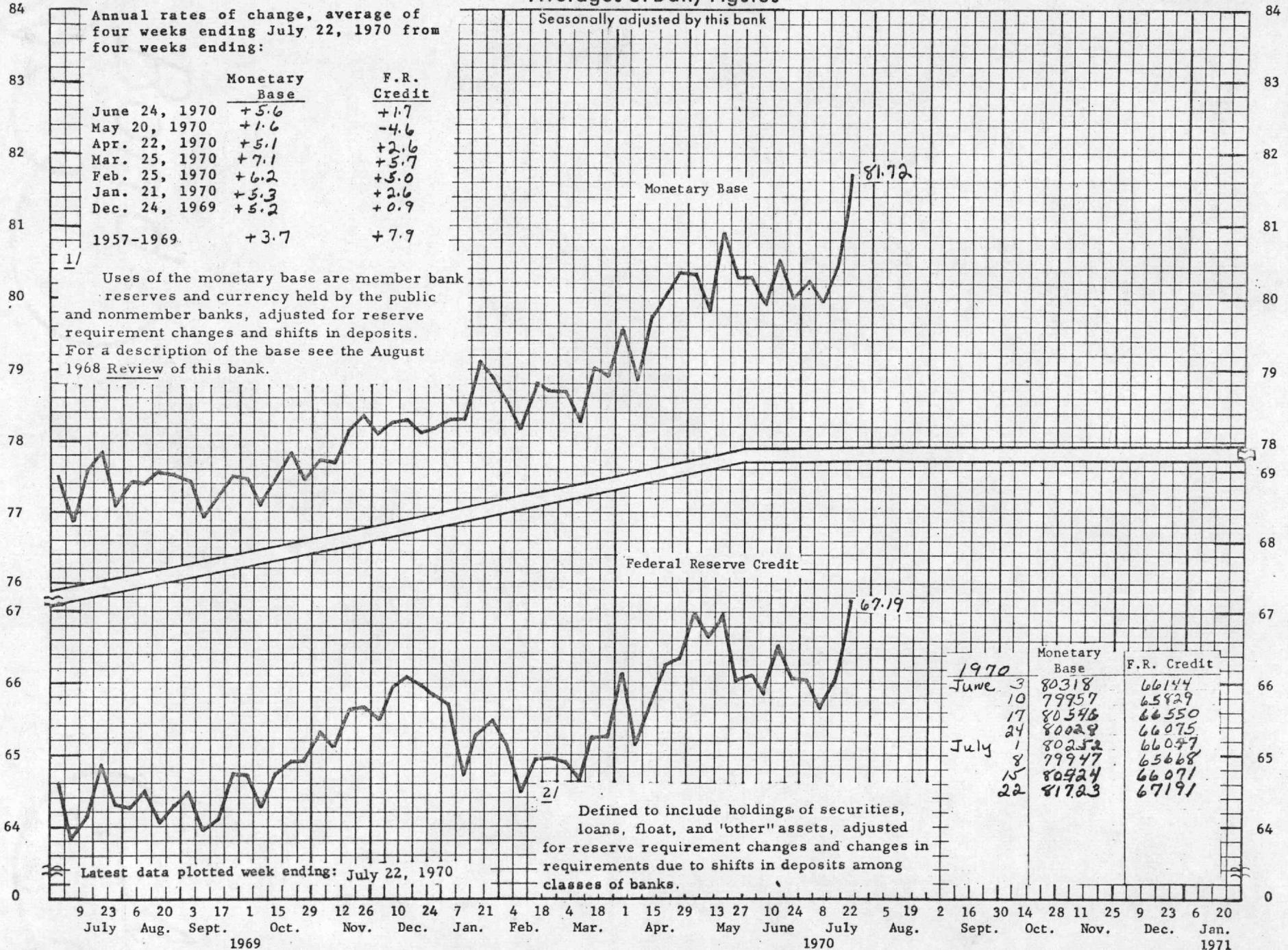
Released: July 24, 1970

MONETARY BASE ¹ FEDERAL RESERVE CREDIT ² Averages of Daily Figures

2

Billions of Dollars

Billions of Dollars

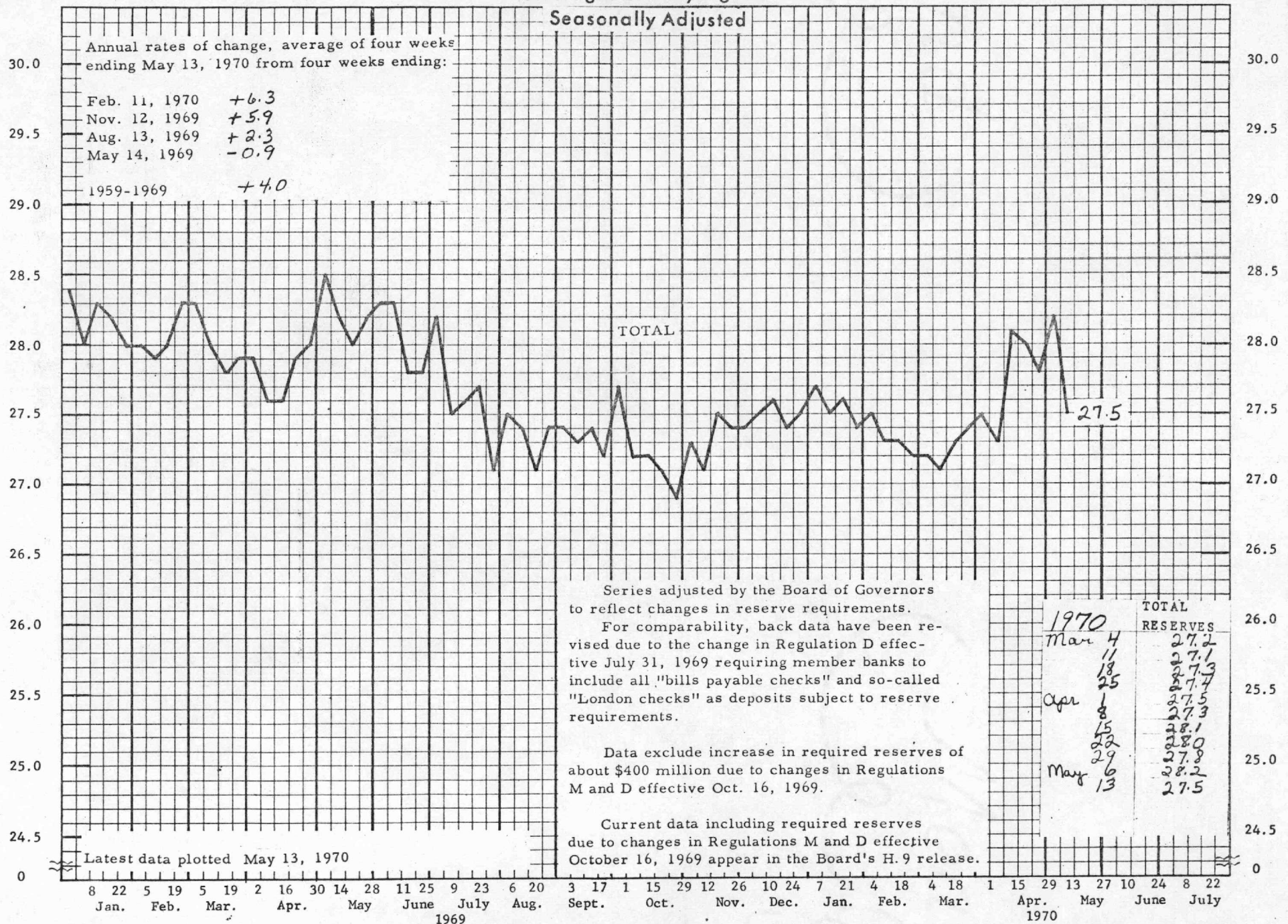


RESERVES All Member Banks in the Nation Averages of Daily Figures Seasonally Adjusted

3

Billions of Dollars

Billions of Dollars



DEMAND DEPOSIT COMPONENT OF MONEY STOCK

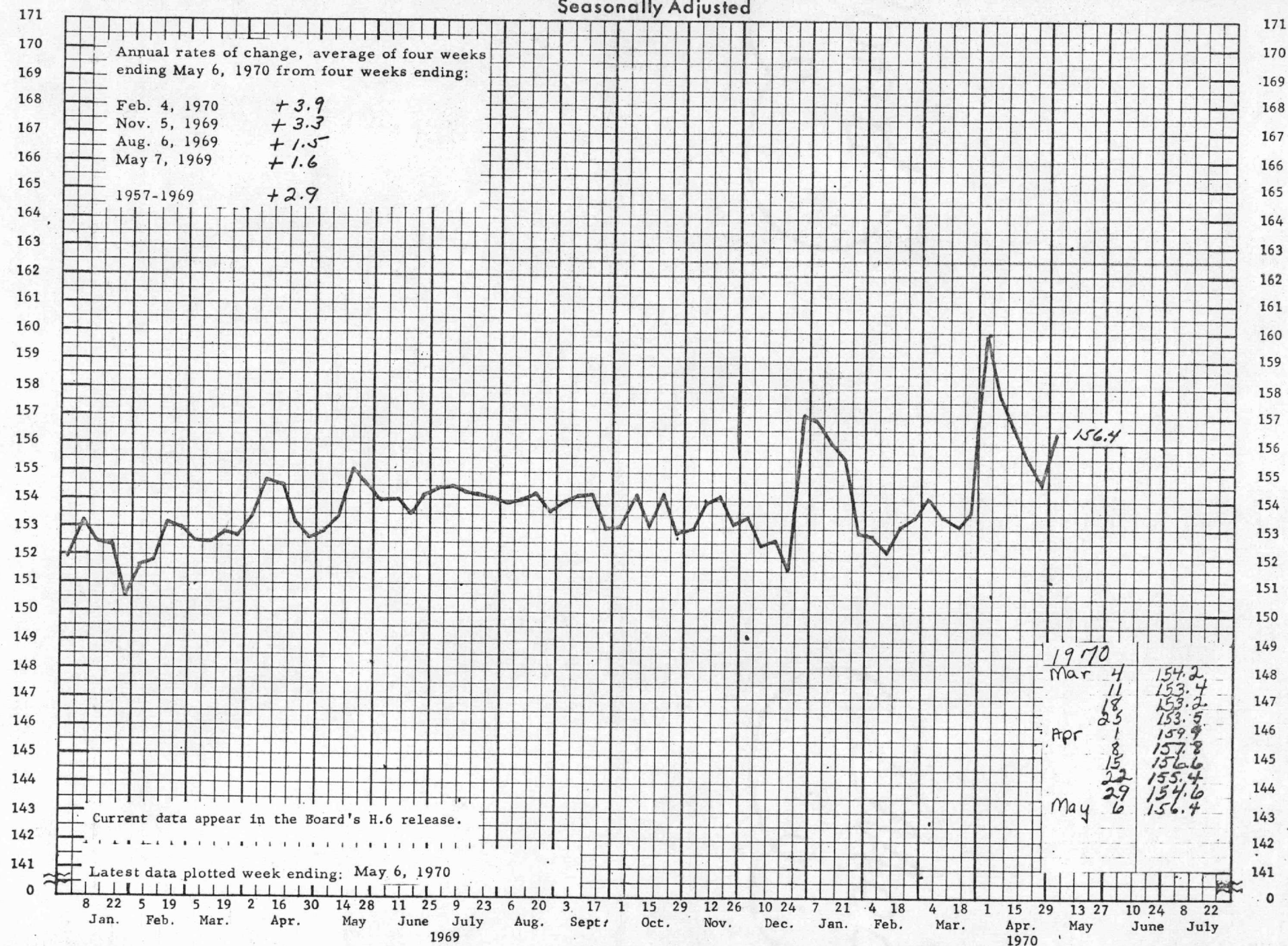
4

Billions of Dollars

Averages of Daily Figures

Seasonally Adjusted

Billions of Dollars



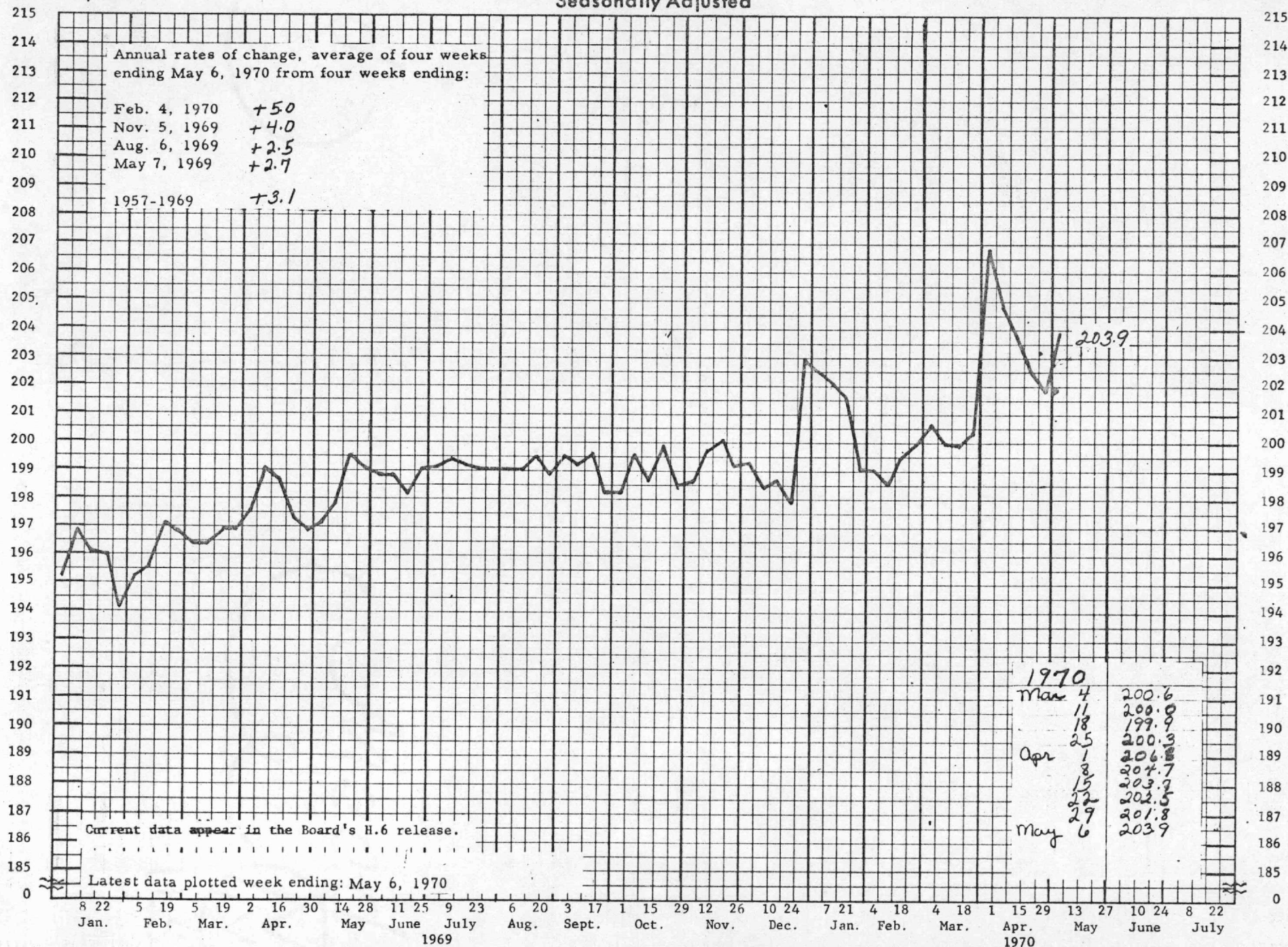
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MONEY STOCK Averages of Daily Figures Seasonally Adjusted

5

Billions of Dollars

Billions of Dollars



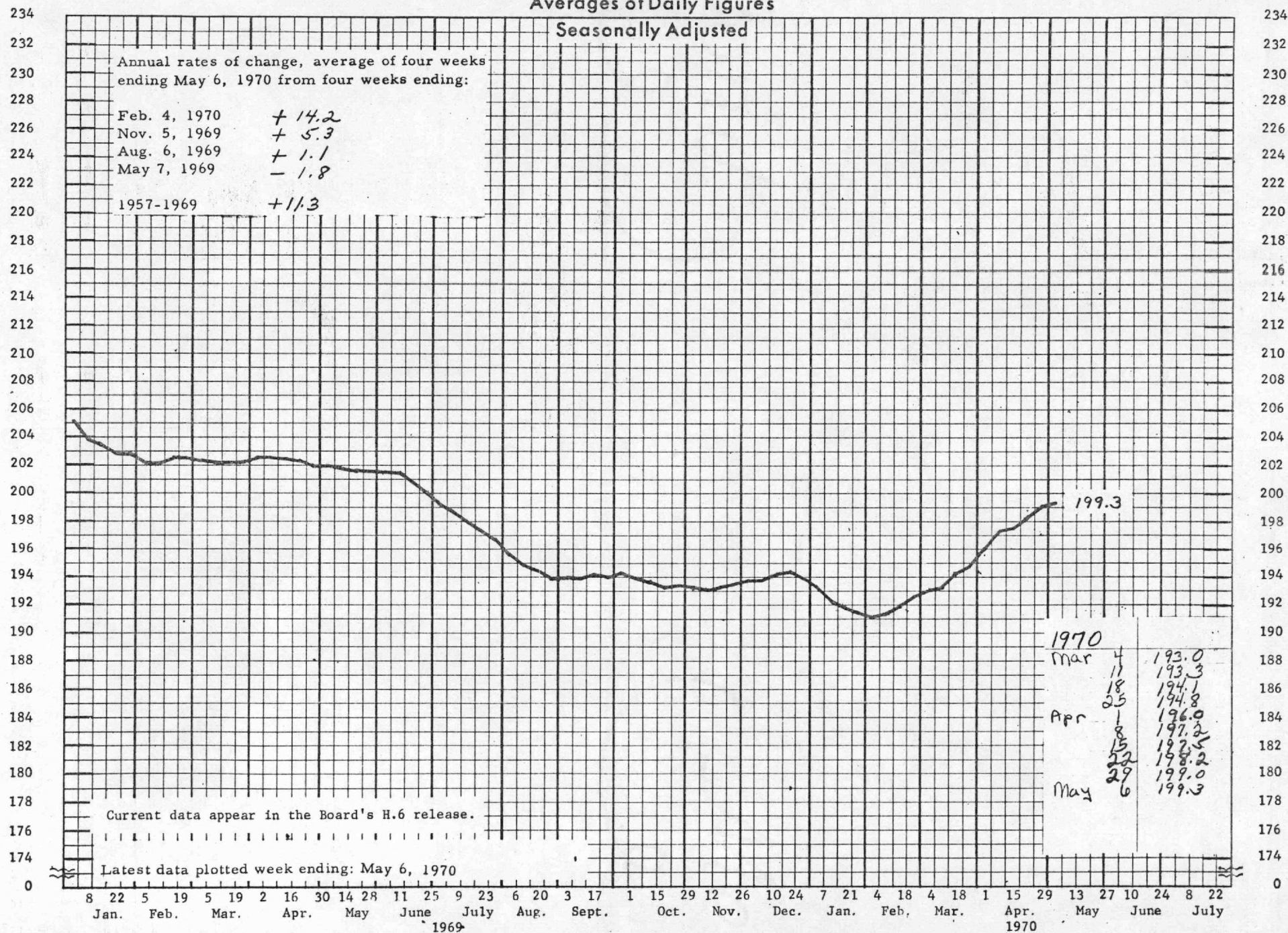
Billions of Dollars

TIME DEPOSITS

All Commercial Banks

Averages of Daily Figures

Billions of Dollars



MONEY STOCK PLUS TIME DEPOSITS

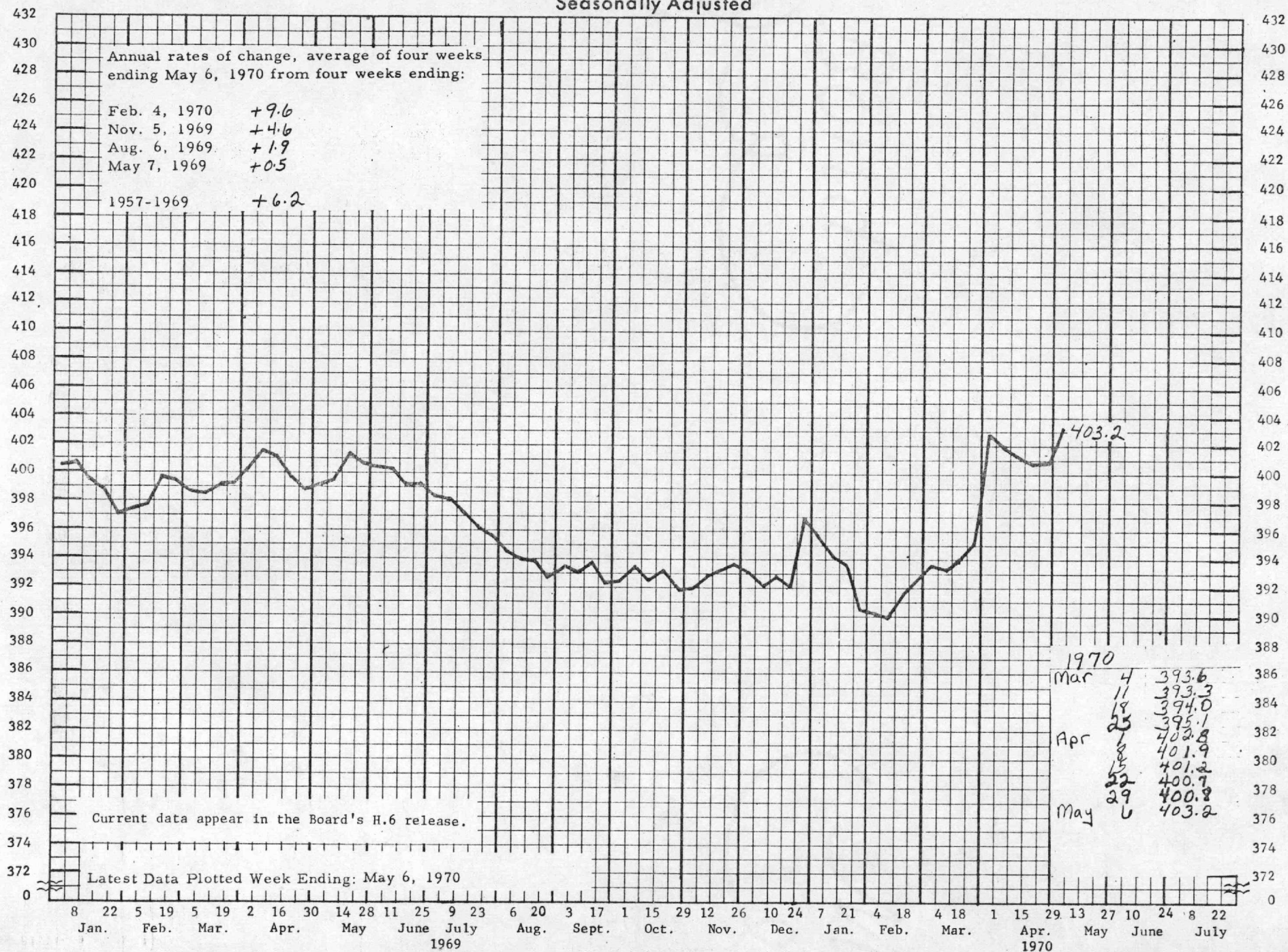
Averages of Daily Figures

Seasonally Adjusted

7

Billions of Dollars

Billions of Dollars



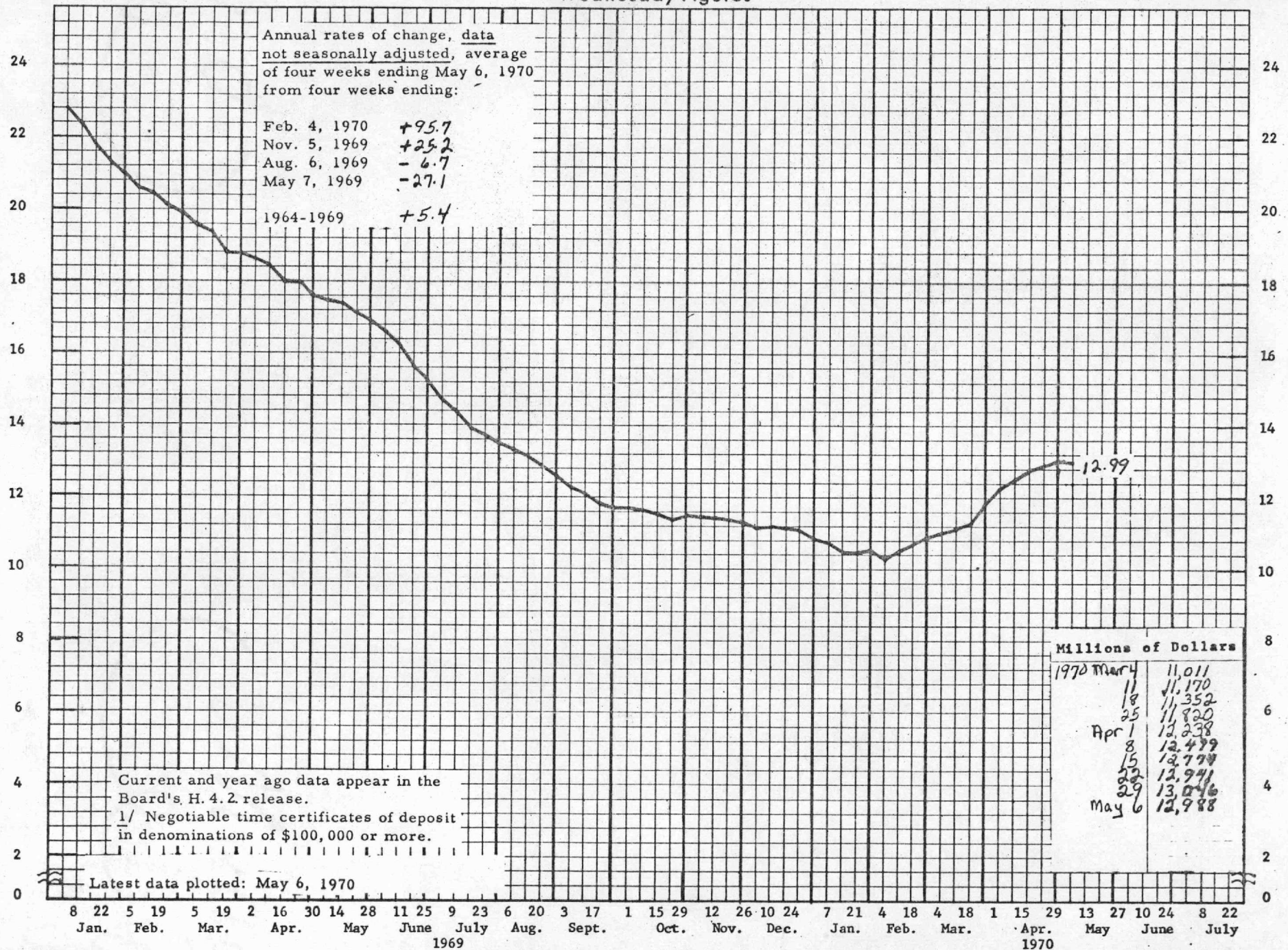
CERTIFICATES OF DEPOSIT ¹

Large Commercial Banks

Wednesday Figures

Billions of Dollars

Billions of Dollars



BUSINESS LOANS Large Commercial Banks Wednesday Figures

Billions of Dollars

Billions of Dollars

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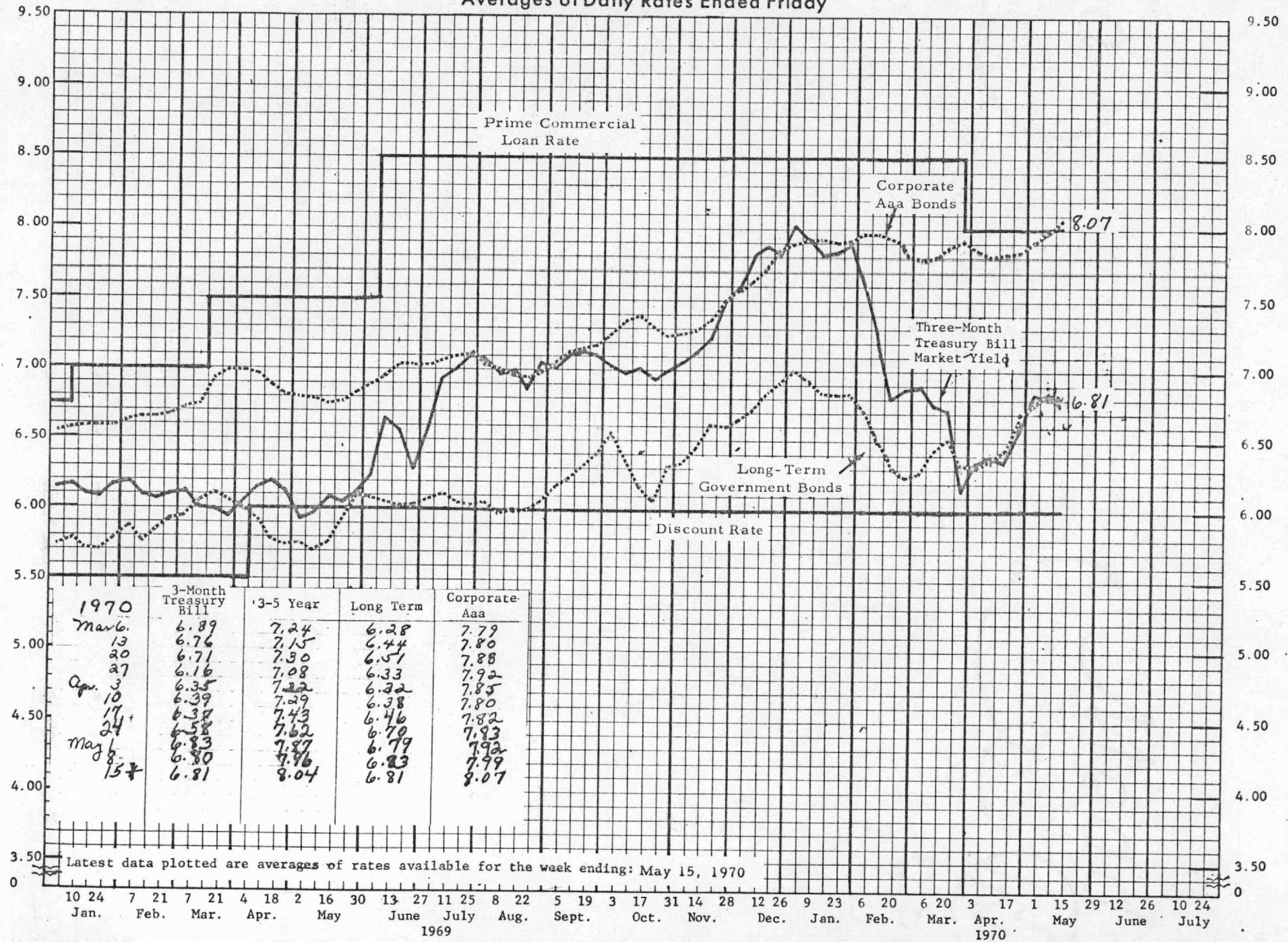


Per Cent

YIELDS ON SELECTED SECURITIES

Averages of Daily Rates Ended Friday

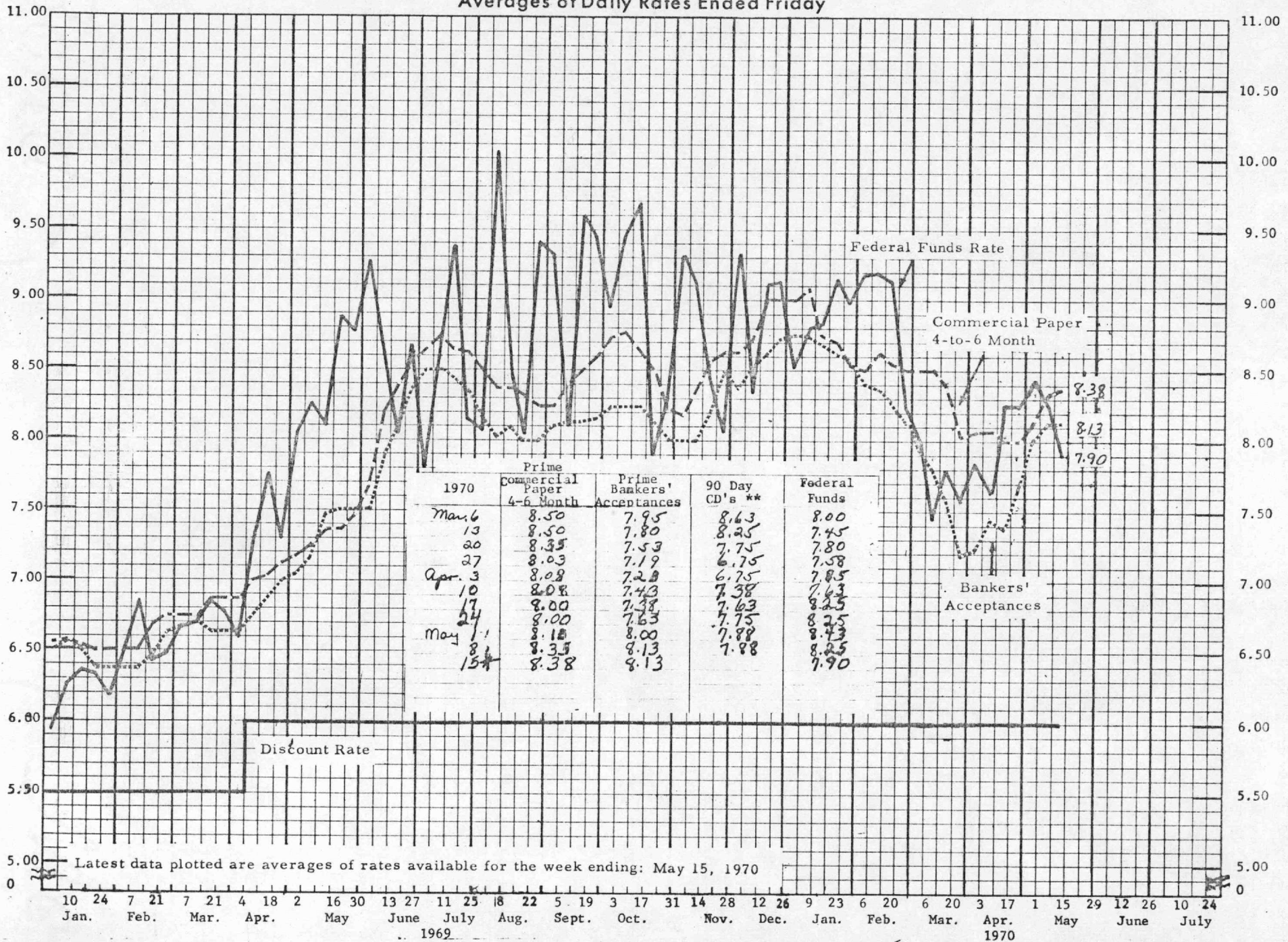
Per Cent



Per Cent

SELECTED SHORT-TERM INTEREST RATES Averages of Daily Rates Ended Friday

Per Cent



*AVERAGES OF RATES AVAILABLE; FEDERAL FUNDS LAST FIVE DAYS AVAILABLE

BORROWINGS AND EXCESS RESERVES

All Member Banks in the Nation

Averages of Daily Figures

12

Millions of Dollars

Millions of Dollars

