The money stock has increased at a 6.7 per cent annual rate since the four weeks ending March 4 (page 5). The rate of increase from the first quarter to the three months ending September 2 was 4.8 per cent. By comparison, this magnitude changed little on balance in the eight months from June 1969 to February 1970 and rose at a 3.1 per cent trend rate from 1957 to 1969. Since the four weeks ending March 4, the demand deposit component of the money stock has increased at a 6.4 per cent rate and the currency component at a 7.8 per cent rate.

Federal Reserve credit and member bank reserves, which underlie the money stock, have increased substantially over the past six months, rising at annual rates of 8.3 per cent and 9.1 per cent, respectively (pages 2 and 3).

Time deposits at commercial banks have increased at about a 21 per cent annual rate since February, in sharp contrast to a decline at a 5.4 per cent rate from December 1968 to February (page 6). Growth of time deposits from February to June was at a 14 per cent rate compared to a 33 per cent rate since June. This rechanneling of funds through banks, often called reintermediation, reflects lower short-term market interest rates and relaxation of Regulation Q ceiling rates.

Regulation Q has been changed twice since the beginning of 1970. The first change, effective January 21, permitted banks to pay 4.5 per cent on passbook savings deposits, up from the previous 4 per cent ceiling, and ceiling rates on most other time deposits were raised either 1/2 or 3/4 of one percentage point. The second change in Regulation Q, effective June 24, suspended the ceiling for CD's of $100,000 and over maturing in 30 to 89 days. The rates on these CD's rose about 1-1/2 percentage points immediately after the ceiling suspension but have fallen about 1/2 percentage point in recent weeks.

Certificates of deposit in denomination of $100,000 or more have increased from $10.3 billion outstanding on February 4 to $20.6 billion on September 2 (page 8). Approximately $7 billion of this increase has occurred since the June 24 change in Regulation Q. The growth in CD's since February contrasts with a substantial $14 billion decline from December 1968 to February 1970.

Short-term interest rates in general have fallen about 1-1/2 percentage points since early this year, but are still higher than at any other period since the early 1920's (pages 10 and 11). Yields on 4- to 6-month commercial paper have declined from 9 per cent in January to 7-1/2 per cent. The current yield of 6.38 per cent on three-month Treasury bills compares with about an 8 per cent rate early in January. Bill rates declined mainly in the first quarter and have changed little on balance over the past 5 months.
Billions of Dollars

Annual rates of change, average of four weeks ending September 9, 1970 from four weeks ending:

<table>
<thead>
<tr>
<th>Date</th>
<th>Monetary Base</th>
<th>F.R. Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 8, 1970</td>
<td>+11.1</td>
<td>+13.1</td>
</tr>
<tr>
<td>June 10, 1970</td>
<td>+6.6</td>
<td>+7.9</td>
</tr>
<tr>
<td>May 6, 1970</td>
<td>+5.8</td>
<td>+5.5</td>
</tr>
<tr>
<td>Apr. 8, 1970</td>
<td>+7.9</td>
<td>+7.7</td>
</tr>
<tr>
<td>Mar. 11, 1970</td>
<td>+7.8</td>
<td>+8.3</td>
</tr>
<tr>
<td>Feb. 11, 1970</td>
<td>+6.5</td>
<td>+6.4</td>
</tr>
</tbody>
</table>

Yearly: +3.7 | +7.9

Uses of the monetary base are member bank reserves and currency held by the public and nonmember banks, adjusted for reserve requirement changes and shifts in deposits. For a description of the base see the August 1968 Review of this bank.

Monetary Base

Federal Reserve Credit

Latest data plotted week ending: September 9, 1970

Prepared by Federal Reserve Bank of St. Louis
RESERVES
All Member Banks in the Nation
Averages of Daily Figures

Annual rates of change, average of four weeks ending September 9, 1970 from four weeks ending:

July 8, 1970 + 21.8
June 10, 1970 + 15.0
May 6, 1970 + 5.1
Apr. 8, 1970 + 9.3
Mar. 11, 1970 + 9.1
Feb. 11, 1970 + 5.8

Seasonally Adjusted

TOTAL RESERVES

Break in series due to changes in Regulations M and D effective October 16, 1969.


Latest data plotted week ending: September 9, 1970

Prepared by Federal Reserve Bank of St. Louis

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http://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis
### Demand Deposit Component of Money Stock

**Averages of Daily Figures**

**Seasonally Adjusted**

<table>
<thead>
<tr>
<th>Date Ended</th>
<th>Billions of Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/31/69</td>
<td>174</td>
</tr>
<tr>
<td>2/4/70</td>
<td>173</td>
</tr>
<tr>
<td>3/4/70</td>
<td>172</td>
</tr>
<tr>
<td>4/1/70</td>
<td>171</td>
</tr>
<tr>
<td>4/29/70</td>
<td>170</td>
</tr>
<tr>
<td>6/3/70</td>
<td>169</td>
</tr>
<tr>
<td>7/1/70</td>
<td>168</td>
</tr>
<tr>
<td>8/5/70</td>
<td>167</td>
</tr>
<tr>
<td>9/2/70</td>
<td>166</td>
</tr>
</tbody>
</table>

#### Annual Rates of Change, Average of Four Weeks Ending:

<table>
<thead>
<tr>
<th>Week Ending</th>
<th>Rate of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/4/70</td>
<td>-1.2</td>
</tr>
<tr>
<td>4/1/70</td>
<td>+3.9</td>
</tr>
<tr>
<td>4/29/70</td>
<td>+5.1</td>
</tr>
<tr>
<td>6/3/70</td>
<td>+4.7</td>
</tr>
<tr>
<td>7/1/70</td>
<td>+2.9</td>
</tr>
<tr>
<td>8/5/70</td>
<td>+2.7</td>
</tr>
<tr>
<td>9/2/70</td>
<td>+4.5</td>
</tr>
</tbody>
</table>

**Current data appear in the Board's H.6 release.**

**Latest data plotted week ending: September 2, 1970.**

Prepared by Federal Reserve Bank of St. Louis.
MONEY STOCK
Averages of Daily Figures
Seasonally Adjusted

Billions of Dollars

Annual rates of change, average of four weeks ending:

3/4/70 + 0.3
4/1/70 + 4.4 + 3.6
4/29/70 + 5.6 + 5.4 + 10.8
6/3/70 + 5.3 + 5.4 + 9.0 + 7.1
7/1/70 + 4.0 + 3.6 + 5.9 + 3.6 + 0.9
8/5/70 + 3.9 + 3.5 + 5.3 + 3.4 + 1.6 - 0.3
9/2/70 + 5.1 + 5.0 + 6.7 + 5.5 + 4.6 + 4.3 + 8.3


Latest data plotted week ending: September 2, 1970

Prepared by Federal Reserve Bank of St. Louis
TIME DEPOSITS
All Commercial Banks
Averages of Daily Figures

Seasonally Adjusted

Annual rates of change, average of four weeks ending Sept. 2, 1970 from four weeks ending:

- July 1, 1970 +3.31
- June 3, 1970 +2.50
- Apr. 29, 1970 +2.17
- Apr. 1, 1970 +2.17
- Mar. 4, 1970 +2.07
- Feb. 4, 1970 +1.83
- 1957-1969 +1.3

Latest data plotted week ending: Sept. 2, 1970
Annual rates of change, average of four weeks ending Sept. 2, 1970 from four weeks ending:

- July 1, 1970: +20.5
- June 3, 1970: +14.5
- Apr. 29, 1970: +13.9
- Apr. 1, 1970: +13.4
- Mar. 4, 1970: +13.5
- Feb. 4, 1970: +11.5

1957-1969: +4.2

Current data appear in the Board’s H.6 release.

Latest data plotted week ending: Sept. 2, 1970
Current and year ago data appear in the Board's H.4.2 release.

1/ Negotiable time certificates of deposit in denominations of $100,000 or more.

MEMBER BANK DEPOSITS SUBJECT TO RESERVE REQUIREMENTS
(CREDIT PROXY)

Averages of Daily Figures

Seasonally Adjusted

Billions of Dollars

Credit Proxy Adjusted

July 1, 1970 +28.1 +22.4
June 3, 1970 +20.9 +14.9
Apr. 29, 1970 +14.3 +14.0
Apr. 1, 1970 +14.4 +12.7
Mar. 4, 1970 +14.9 +12.7
Feb. 4, 1970 +11.9 +10.2


Latest data plotted week ending: Sept. 2, 1970

Prepared by Federal Reserve Bank of St. Louis

Digitized for FRASER
http://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis
SELECTED SHORT-TERM INTEREST RATES
Averages of Daily Rates Ended Friday

<table>
<thead>
<tr>
<th>Date</th>
<th>Prime Commercial Paper 4-6 Month</th>
<th>Prime Bankers' Acceptances</th>
<th>90 Day CP's</th>
<th>Federal Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>29</td>
<td>7.35</td>
<td>7.58</td>
<td>7.04</td>
</tr>
<tr>
<td>Aug</td>
<td>7</td>
<td>7.40</td>
<td>7.43</td>
<td>7.45</td>
</tr>
<tr>
<td>Sep</td>
<td>31</td>
<td>7.40</td>
<td>7.70</td>
<td>7.20</td>
</tr>
<tr>
<td>Nov</td>
<td>7</td>
<td>7.50</td>
<td>7.13</td>
<td>7.55</td>
</tr>
<tr>
<td>Dec</td>
<td>11</td>
<td>7.50</td>
<td>7.13</td>
<td>7.45</td>
</tr>
</tbody>
</table>

Latest data plotted are averages of rates available for the week ending: Sept. 11, 1970.

* AVERAGES OF RATES AVAILABLE; FEDERAL FUNDS LAST FIVE DAYS AVAILABLE
** DATA ARE SECONDARY MARKET RATE, WEEKLY AVERAGES ENDING WEDNESDAY TWO DAYS EARLIER. CURRENT DATA APPEAR IN THE BOARD'S H.9 RELEASE.

Prepared by Federal Reserve Bank of St. Louis
BORROWINGS AND EXCESS RESERVES
All Member Banks in the Nation
Averages of Daily Figures

Millions of Dollars

<table>
<thead>
<tr>
<th>Date</th>
<th>Borrowings</th>
<th>Excess Reserves</th>
<th>Net Free Reserves</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1970</td>
<td>3,200</td>
<td>3,000</td>
<td>2,800</td>
</tr>
<tr>
<td>Aug 1970</td>
<td>2,700</td>
<td>2,500</td>
<td>2,300</td>
</tr>
<tr>
<td>Sept 1970</td>
<td>2,200</td>
<td>2,000</td>
<td>1,800</td>
</tr>
</tbody>
</table>

Latest data plotted week ending: Sept. 9, 1970

Prepared by Federal Reserve Bank of St. Louis