U.S. FINANCIAL DATA

Week ending: September 30, 1970

The money stock has risen at a 5.7 per cent annual rate since the four weeks ending March 25, a period of six months. From the first quarter to the three months ending September 23 the rate of increase was about 5 per cent. By comparison, this magnitude changed little on balance over the eight months ending with February. From 1957 to 1965 money grew at a 2.2 per cent trend rate, but a somewhat faster rate may now be appropriate. Even though monetary expansion is at a rate which may stimulate a faster rise in :al spending than before 1965, downward pressure may be placed on the current rapid trend of prices. Velocity of money, which has risen at an average 3.2 per cent per year rate since 1957, may not rise so rapidly now that liquidity has been substantially reduced, and because the upward trend of interest rates may not continue.

Federal Reserve credit has increased at an 8.7 per cent annual rate over the past six months and member bank reserves at a 10.8 per cent rate. These rates are substantially higher than in the previous eight months, but a substantial portion of the increase has been absorbed by the reintermediation of time deposits.

Effective October 1, reserve requirements were reduced from 6 per cent to 5 per cent on that part of a -mber bank's total time deposits in excess of $5 million, .d a 5 per cent reserve requirement was placed on funds obtained by member banks through the issuance of commercial paper by their affiliates. Anticipation of this latter change, together with lower short-term interest rates and relaxation of Regulation Q, has induced a substantial run-off of bank-related commercial paper. The two actions together are expected to reduce required reserves about $350 million for all member banks.

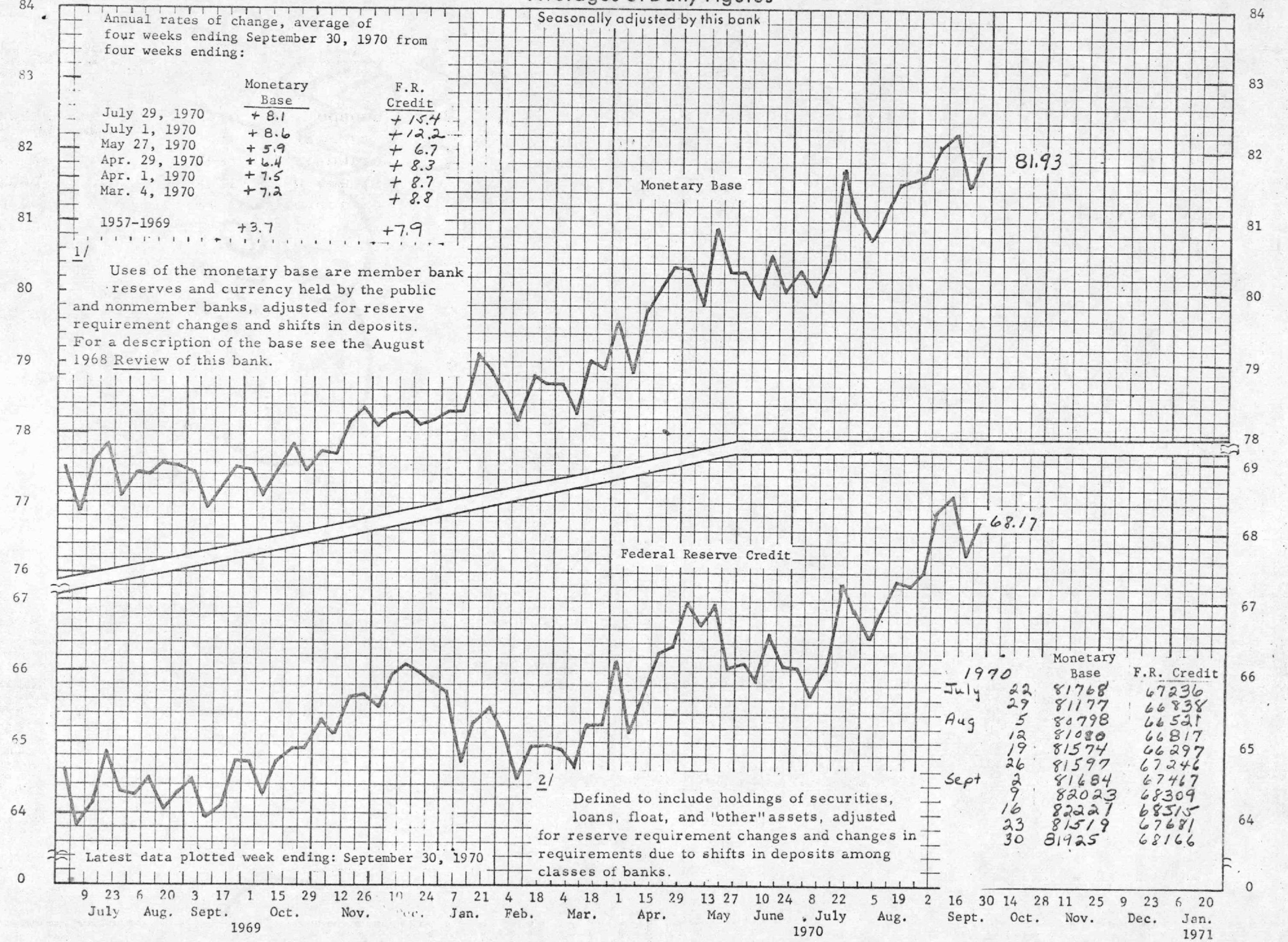
Short-term interest rates have fallen substantially from their January levels, while longer-term rates have declined more moderately or not at all, resulting in a considerable spread between long- and short-term rates. Yields on 4- to 6-month commercial paper averaged 7.13 per cent for the three days ending September 30, down from 9 per cent in early January. The three-month Treasury bill rate has averaged under 6 per cent for the past two weeks, down from about 8 per cent in January.

Yields on highest-grade seasoned corporate bonds averaged 8.05 per cent for the three days ending September 30, not much changed from the January average of 7.91 per cent. Rates on state and local government securities were 5.95 per cent on September 24, down from 6.50 per cent in early January. Yields on 3- to 5-year Government securities averaged 7.06 per cent in the first three days of this week, compared with 8.25 per cent in early January.

As a result of declining market interest rates, the current 6 per cent discount rate (the interest rate charged by Federal Reserve banks for reserves borrowed by member banks) is more nearly in touch with market interest rates than in either the second half of 1969 or the first half of 1970.

Prepared by Federal Reserve Bank of St. Louis
Released: October 2, 1970

MONETARY BASE 1/
FEDERAL RESERVE CREDIT 2/
Averages of Daily Figures



Annual rates of change, average of four weeks ending September 30, 1970 from four weeks ending:

	Monetary Base	F.R. Credit
July 29, 1970	+ 8.1	+ 15.4
July 1, 1970	+ 8.6	+ 12.2
May 27, 1970	+ 5.9	+ 6.7
Apr. 29, 1970	+ 6.4	+ 8.3
Apr. 1, 1970	+ 7.5	+ 8.7
Mar. 4, 1970	+ 7.2	+ 8.8
1957-1969	+3.7	+7.9

1/ 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.

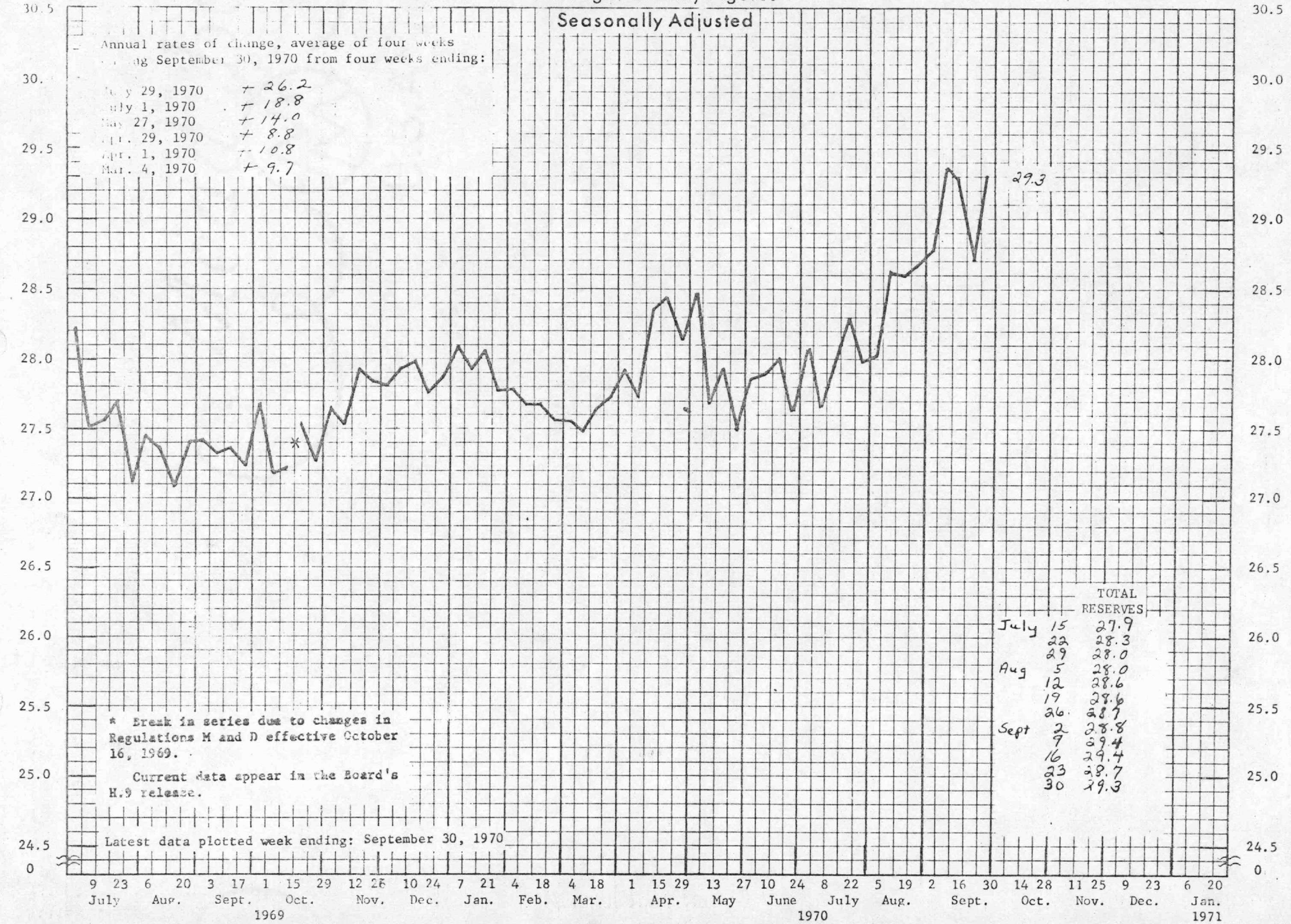
2/ Defined to include holdings of securities, loans, float, and "other" assets, adjusted for reserve requirement changes and changes in requirements due to shifts in deposits among classes of banks.

Latest data plotted week ending: September 30, 1970

1970		Monetary Base	F.R. Credit
July	22	81768	67236
	29	81177	66838
Aug	5	80798	66521
	12	81080	66817
	19	81574	66297
	26	81597	67246
Sept	2	81684	67467
	9	82023	68309
	16	82221	68315
	23	81519	67681
	30	81925	68166

Prepared by Federal Reserve Bank of St. Louis

RESERVES
All Member Banks in the Nation
Averages of Daily Figures



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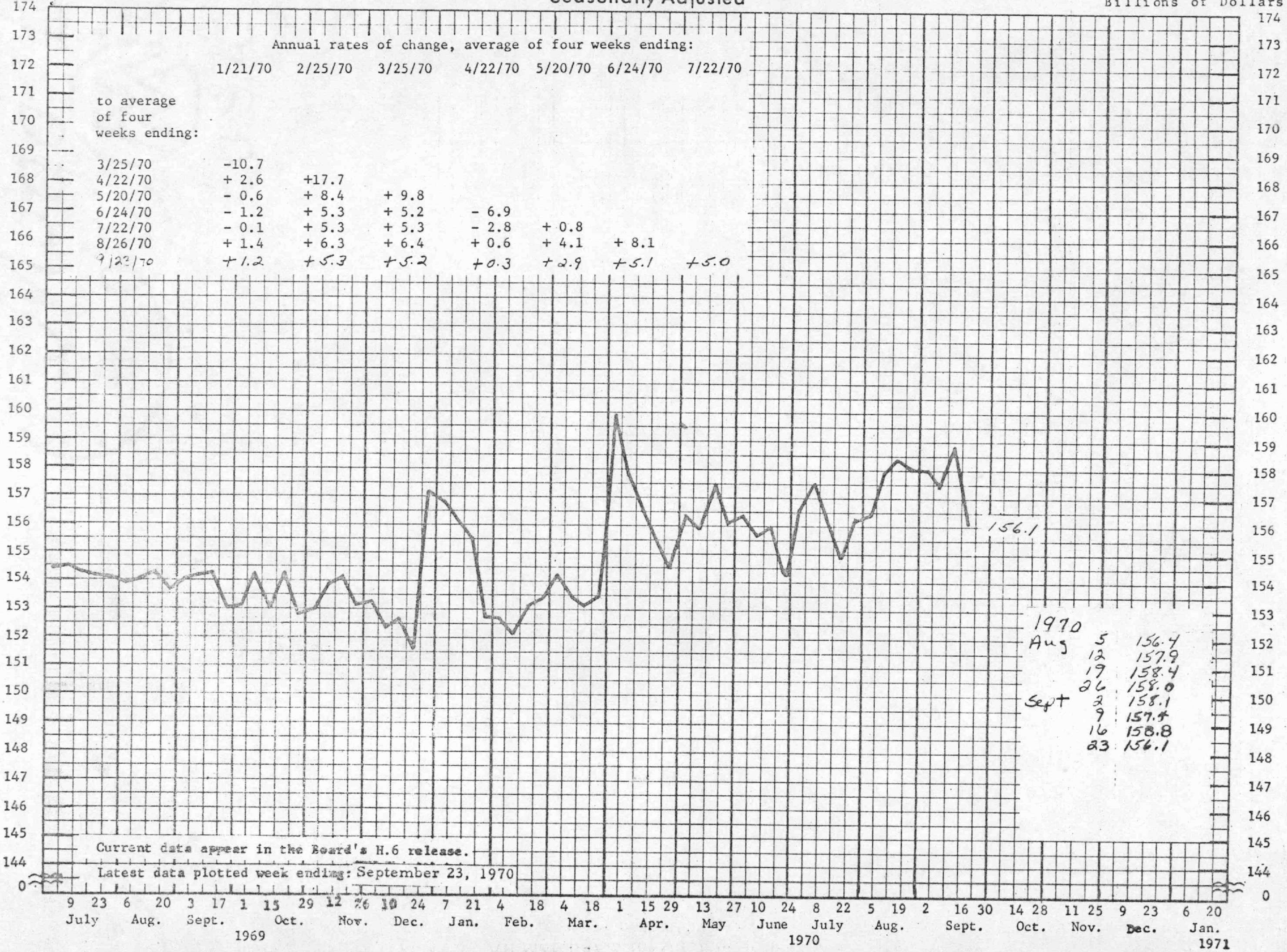
DEMAND DEPOSIT COMPONENT OF MONEY STOCK
Averages of Daily Figures
Seasonally Adjusted

Annual rates of change, average of four weeks ending:

to average of four weeks ending:	1/21/70	2/25/70	3/25/70	4/22/70	5/20/70	6/24/70	7/22/70
3/25/70	-10.7						
4/22/70	+ 2.6	+17.7					
5/20/70	- 0.6	+ 8.4	+ 9.8				
6/24/70	- 1.2	+ 5.3	+ 5.2	- 6.9			
7/22/70	- 0.1	+ 5.3	+ 5.3	- 2.8	+ 0.8		
8/26/70	+ 1.4	+ 6.3	+ 6.4	+ 0.6	+ 4.1	+ 8.1	
9/23/70	+1.2	+5.3	+5.2	+0.3	+2.9	+5.1	+5.0



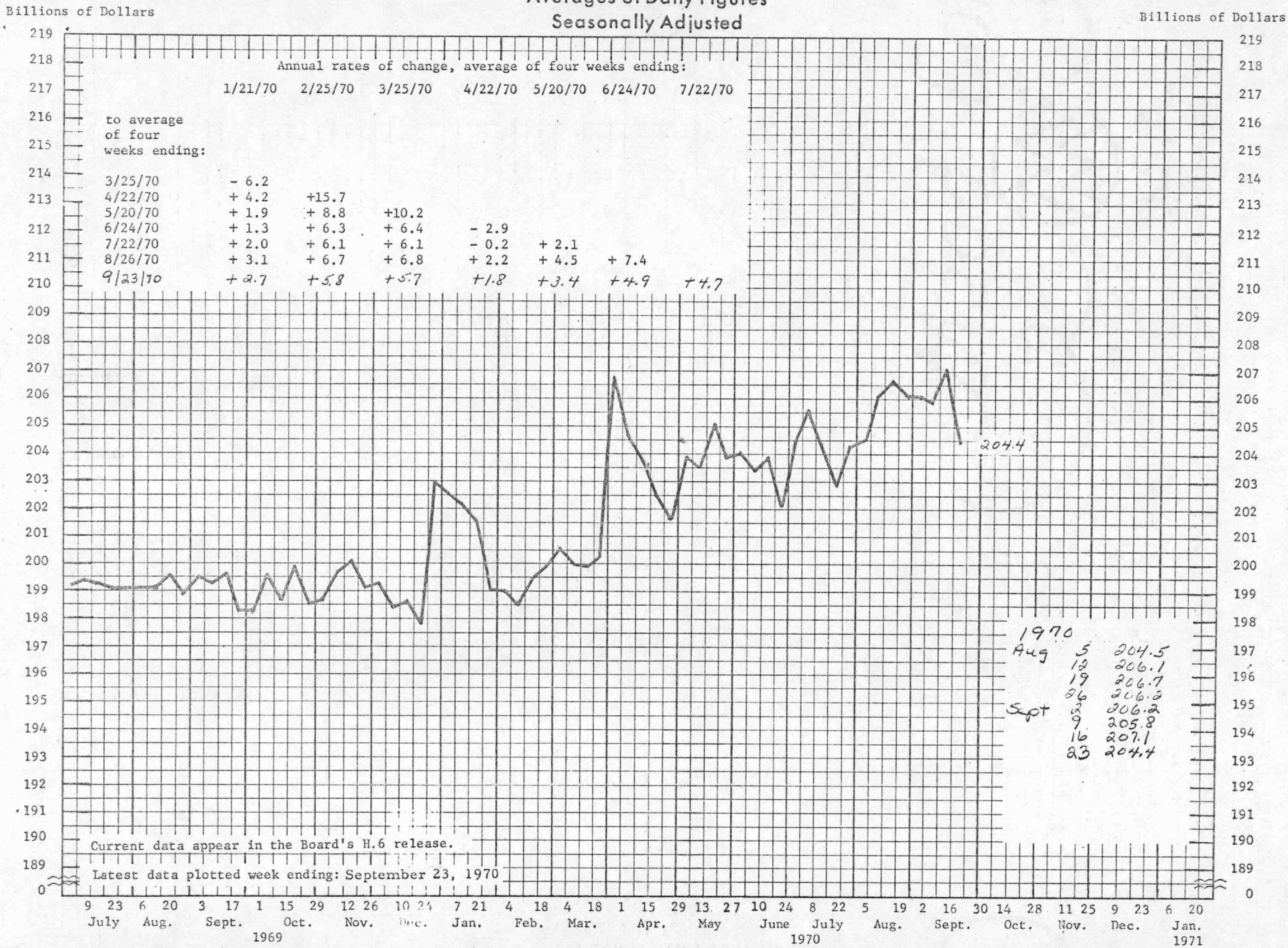
1970		
Aug	5	156.4
	12	157.9
	19	158.4
	26	158.0
Sept	2	158.1
	9	157.4
	16	158.8
	23	156.1

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

Latest data plotted week ending: September 23, 1970

Prepared by Federal Reserve Bank of St. Louis

MONEY STOCK
Averages of Daily Figures
Seasonally Adjusted



Annual rates of change, average of four weeks ending:

to average of four weeks ending:	1/21/70	2/25/70	3/25/70	4/22/70	5/20/70	6/24/70	7/22/70
3/25/70	- 6.2						
4/22/70	+ 4.2	+15.7					
5/20/70	+ 1.9	+ 8.8	+10.2				
6/24/70	+ 1.3	+ 6.3	+ 6.4	- 2.9			
7/22/70	+ 2.0	+ 6.1	+ 6.1	- 0.2	+ 2.1		
8/26/70	+ 3.1	+ 6.7	+ 6.8	+ 2.2	+ 4.5	+ 7.4	
9/23/70	+2.7	+5.8	+5.7	+1.8	+3.4	+4.9	+4.7

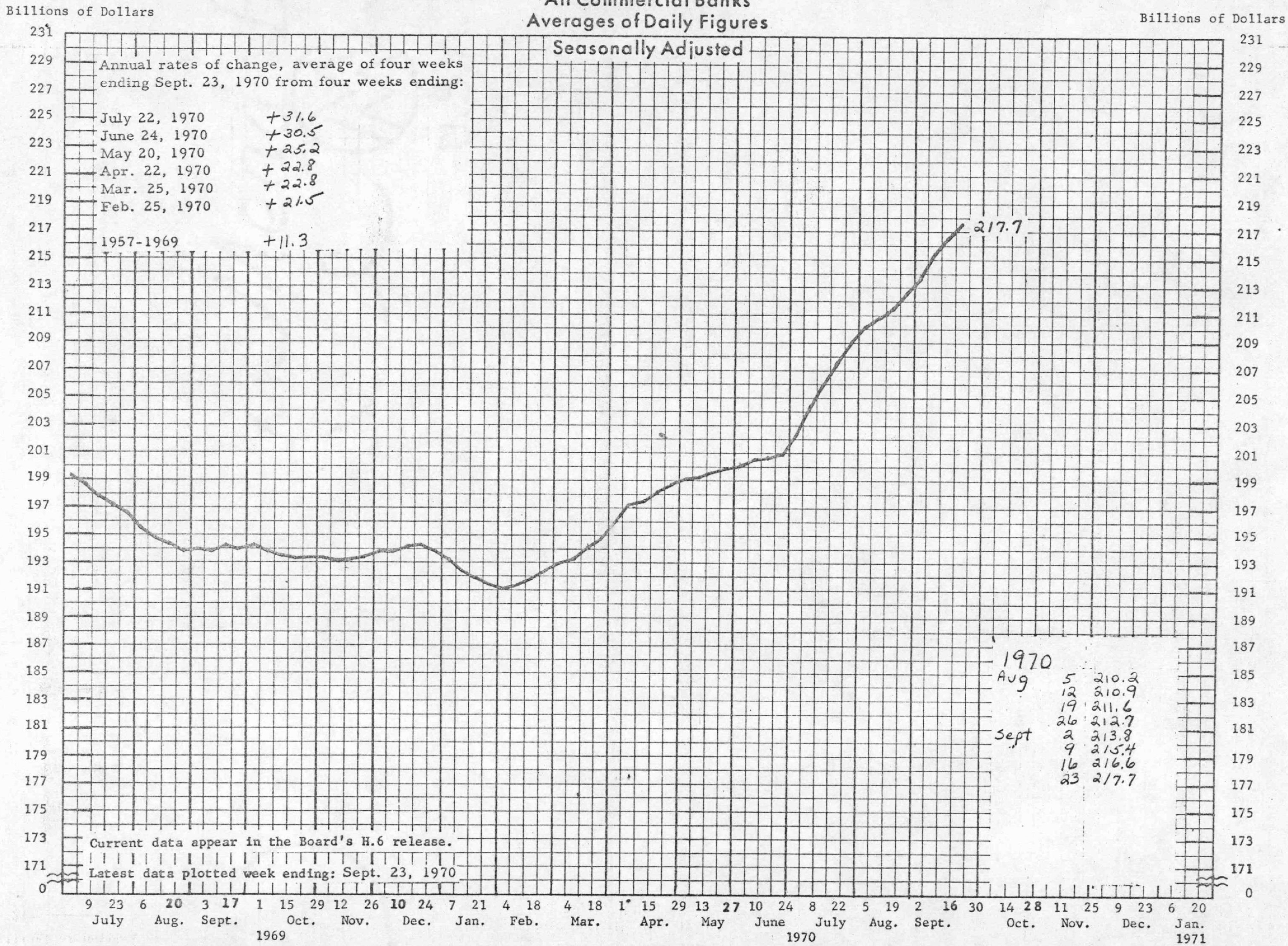
1970		
Aug	5	204.5
	12	206.1
	19	206.7
	26	206.2
Sept	2	206.2
	9	205.8
	16	207.1
	23	204.4

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

Latest data plotted week ending: September 23, 1970

Prepared by Federal Reserve Bank of St. Louis

TIME DEPOSITS
All Commercial Banks
Averages of Daily Figures



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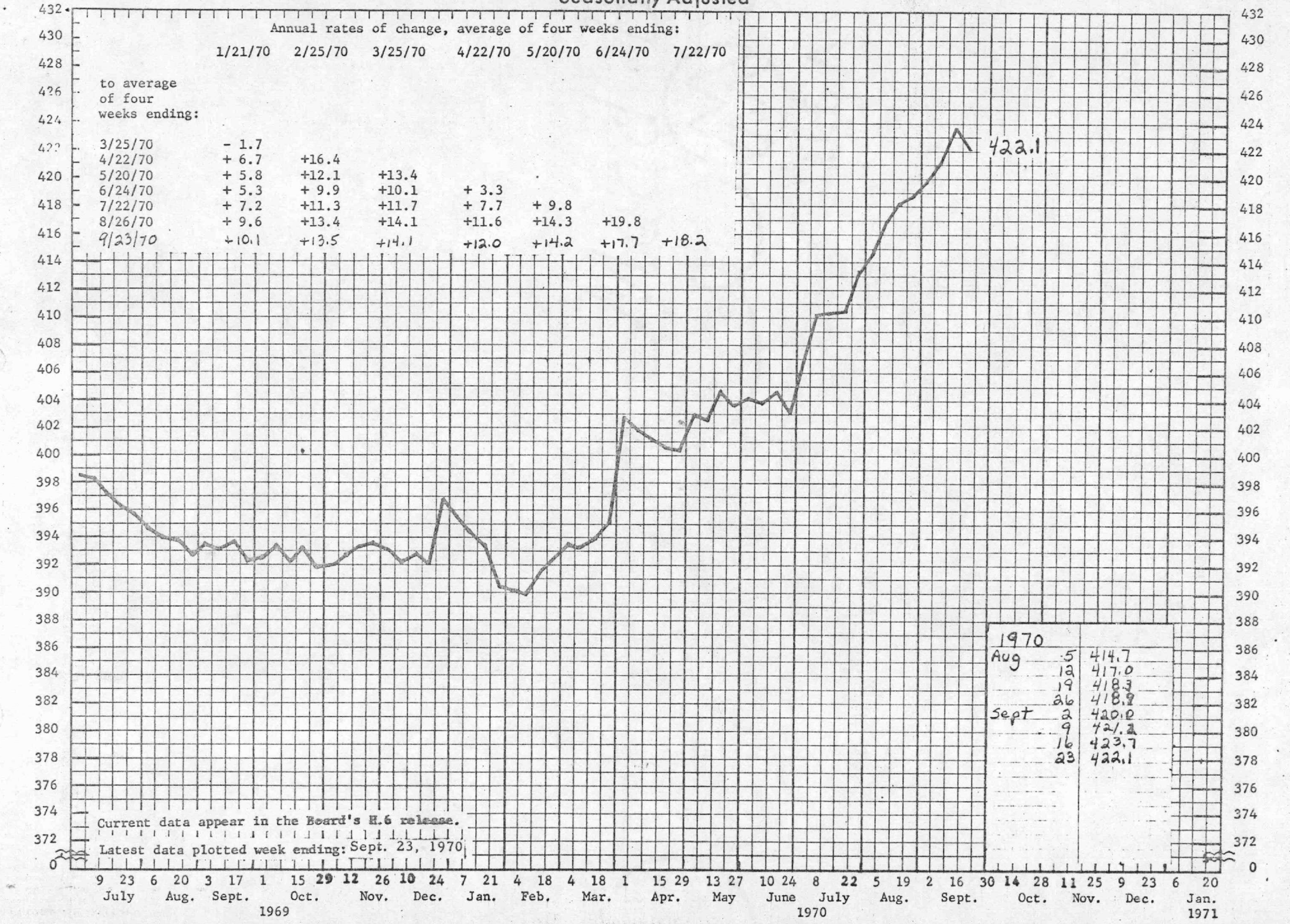
MONEY STOCK PLUS TIME DEPOSITS

Averages of Daily Figures

Seasonally Adjusted



Annual rates of change, average of four weeks ending:

to average of four weeks ending:	1/21/70	2/25/70	3/25/70	4/22/70	5/20/70	6/24/70	7/22/70
3/25/70	- 1.7						
4/22/70	+ 6.7	+16.4					
5/20/70	+ 5.8	+12.1	+13.4				
6/24/70	+ 5.3	+ 9.9	+10.1	+ 3.3			
7/22/70	+ 7.2	+11.3	+11.7	+ 7.7	+ 9.8		
8/26/70	+ 9.6	+13.4	+14.1	+11.6	+14.3	+19.8	
9/23/70	+10.1	+13.5	+14.1	+12.0	+14.2	+17.7	+18.2

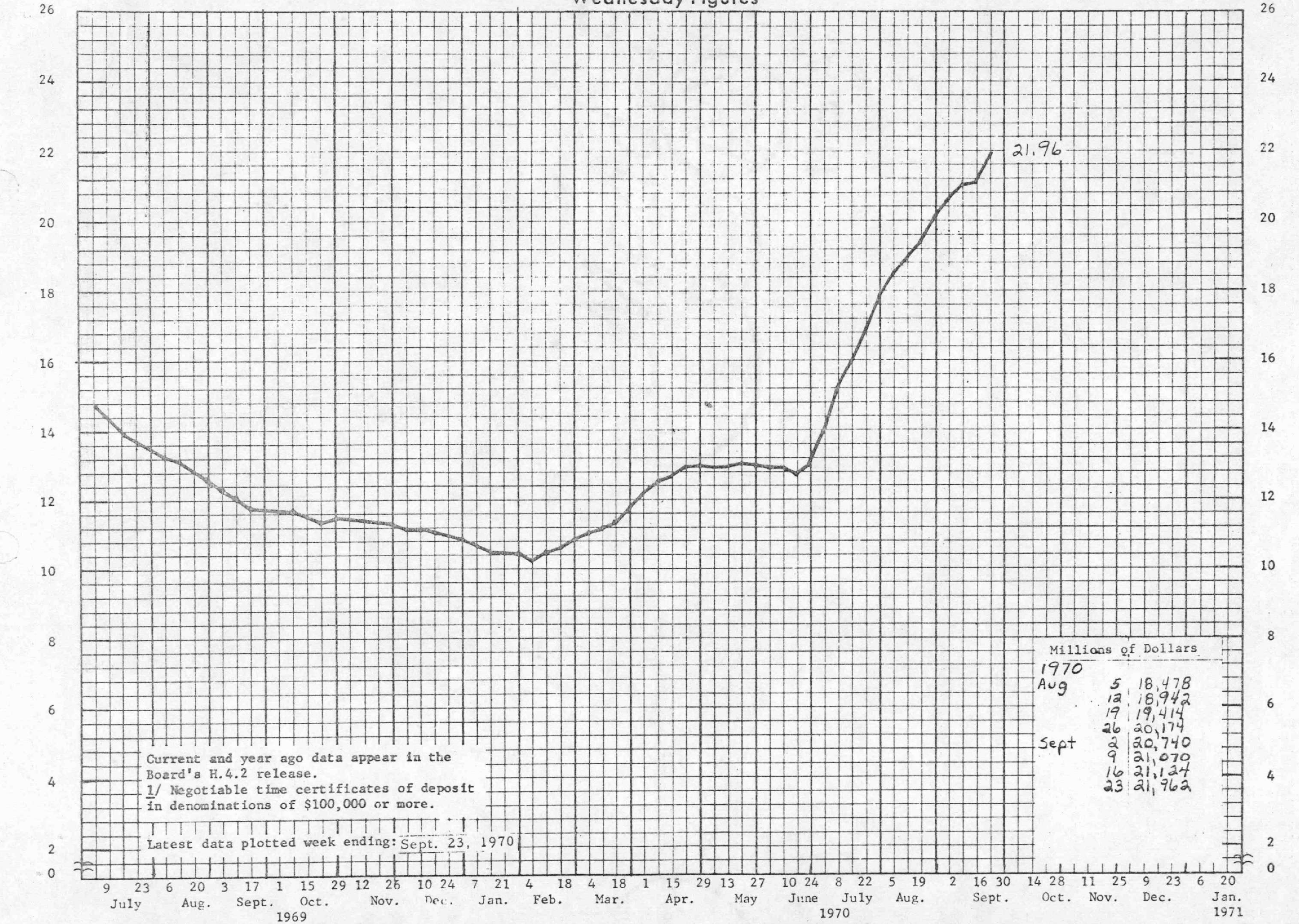
1970		
Aug	5	414.7
	12	417.0
	19	418.3
	26	418.9
Sept	2	420.0
	9	421.2
	16	423.7
	23	422.1

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

Latest data plotted week ending: Sept. 23, 1970

Prepared by Federal Reserve Bank of St. Louis

CERTIFICATES OF DEPOSIT 1/
Large Commercial Banks
Wednesday Figures



Millions of Dollars

1970		
Aug	5	18,478
	12	18,942
	19	19,414
	26	20,174
Sept	2	20,740
	9	21,070
	16	21,124
	23	21,962

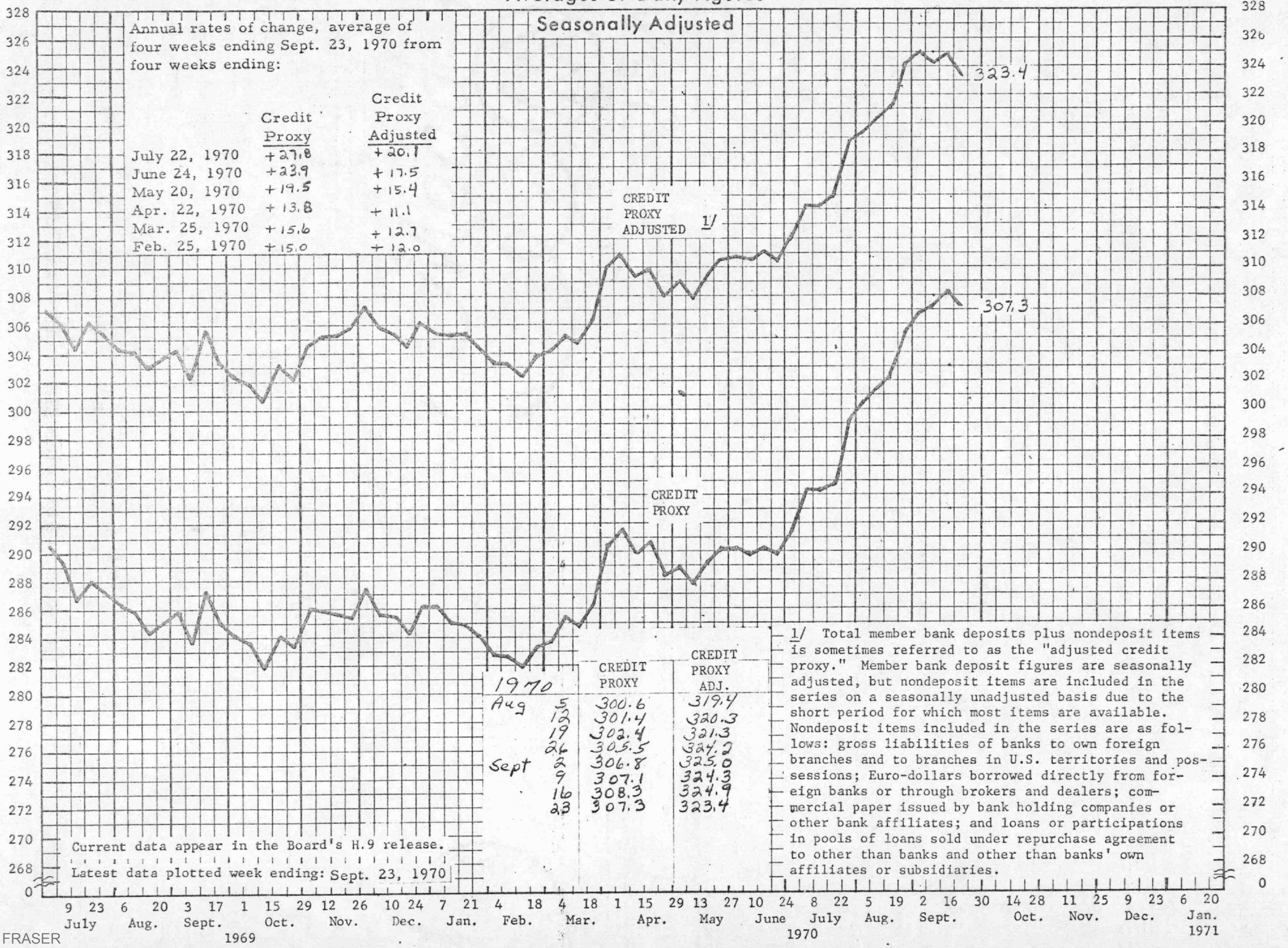
Current and year ago data appear in the Board's H.4.2 release.

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

Latest data plotted week ending: Sept. 23, 1970

Prepared by Federal Reserve Bank of St. Louis

MEMBER BANK DEPOSITS SUBJECT TO RESERVE REQUIREMENTS
(CREDIT PROXY)
Averages of Daily Figures



Annual rates of change, average of four weeks ending Sept. 23, 1970 from four weeks ending:

	Credit Proxy	Credit Proxy Adjusted
July 22, 1970	+27.8	+20.1
June 24, 1970	+23.9	+17.5
May 20, 1970	+19.5	+15.4
Apr. 22, 1970	+13.8	+11.1
Mar. 25, 1970	+15.6	+12.7
Feb. 25, 1970	+15.0	+12.0

1970		CREDIT PROXY	CREDIT PROXY ADJ.
Aug	5	300.6	319.4
	12	301.4	320.3
	19	302.4	321.3
	26	305.5	324.2
Sept	2	306.8	325.0
	9	307.1	324.3
	16	308.3	324.9
	23	307.3	323.4

Current data appear in the Board's H.9 release.

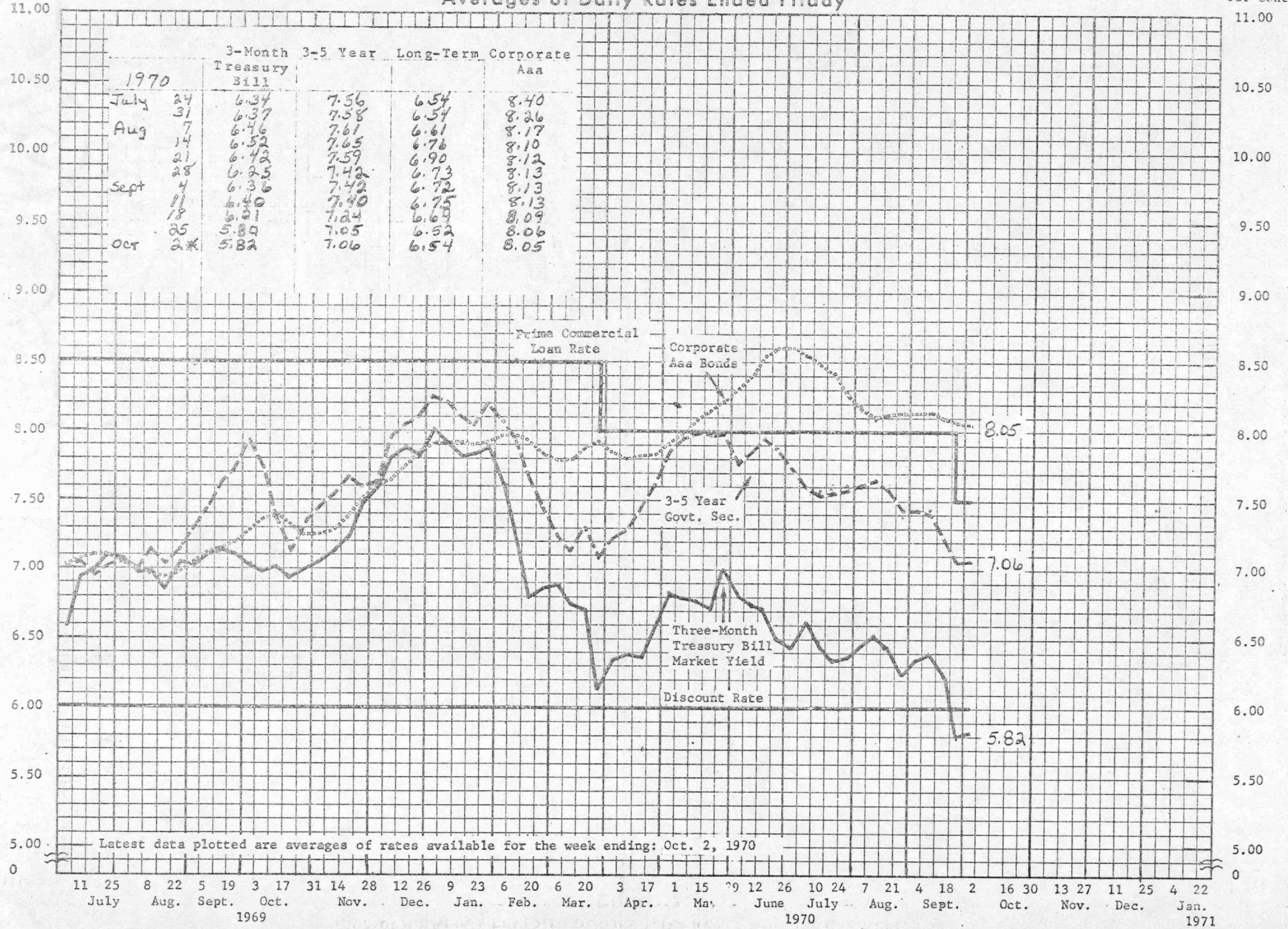
Latest data plotted week ending: Sept. 23, 1970

1/ Total member bank deposits plus nondeposit items is sometimes referred to as the "adjusted credit proxy." Member bank deposit figures are seasonally adjusted, but nondeposit items are included in the series on a seasonally unadjusted basis due to the short period for which most items are available. Nondeposit items included in the series are as follows: gross liabilities of banks to own foreign branches and to branches in U.S. territories and possessions; Euro-dollars borrowed directly from foreign banks or through brokers and dealers; commercial paper issued by bank holding companies or other bank affiliates; and loans or participations in pools of loans sold under repurchase agreement to other than banks and other than banks' own affiliates or subsidiaries.

Prepared by Federal Reserve Bank of St. Louis

YIELDS ON SELECTED SECURITIES
Averages of Daily Rates Ended Friday

1970		3-Month Treasury Bill	3-5 Year	Long-Term	Corporate Aaa
July	24	6.34	7.56	6.54	8.40
	31	6.37	7.58	6.54	8.26
Aug	7	6.46	7.61	6.61	8.17
	14	6.52	7.65	6.76	8.10
	21	6.42	7.59	6.90	8.12
	28	6.25	7.42	6.73	8.13
Sept	4	6.36	7.42	6.72	8.13
	11	6.40	7.40	6.75	8.13
	18	6.21	7.24	6.69	8.09
	25	5.80	7.05	6.52	8.06
Oct	2*	5.82	7.06	6.54	8.05



* AVERAGES OF RATES AVAILABLE

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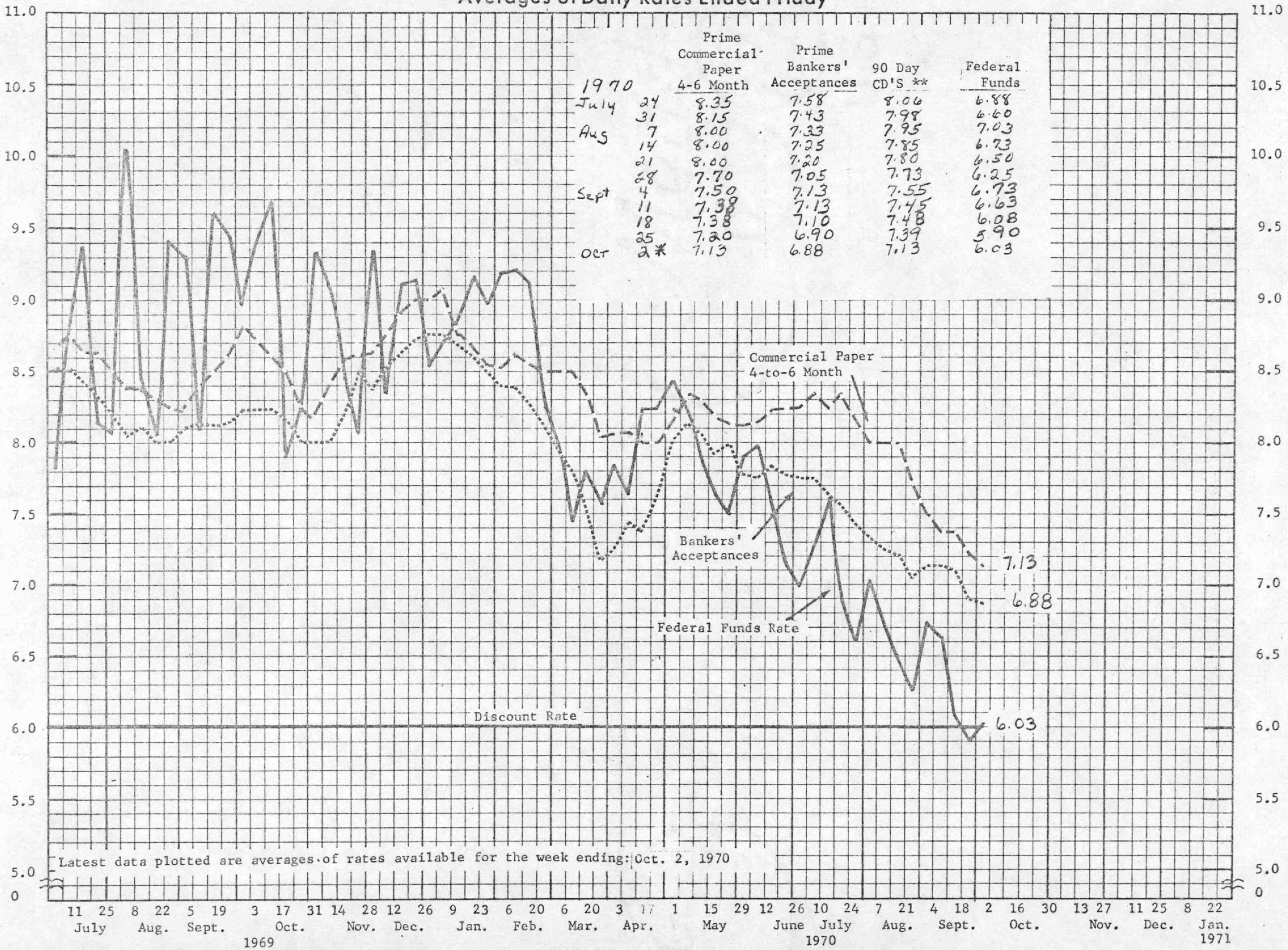
SELECTED SHORT-TERM INTEREST RATES
Averages of Daily Rates Ended Friday

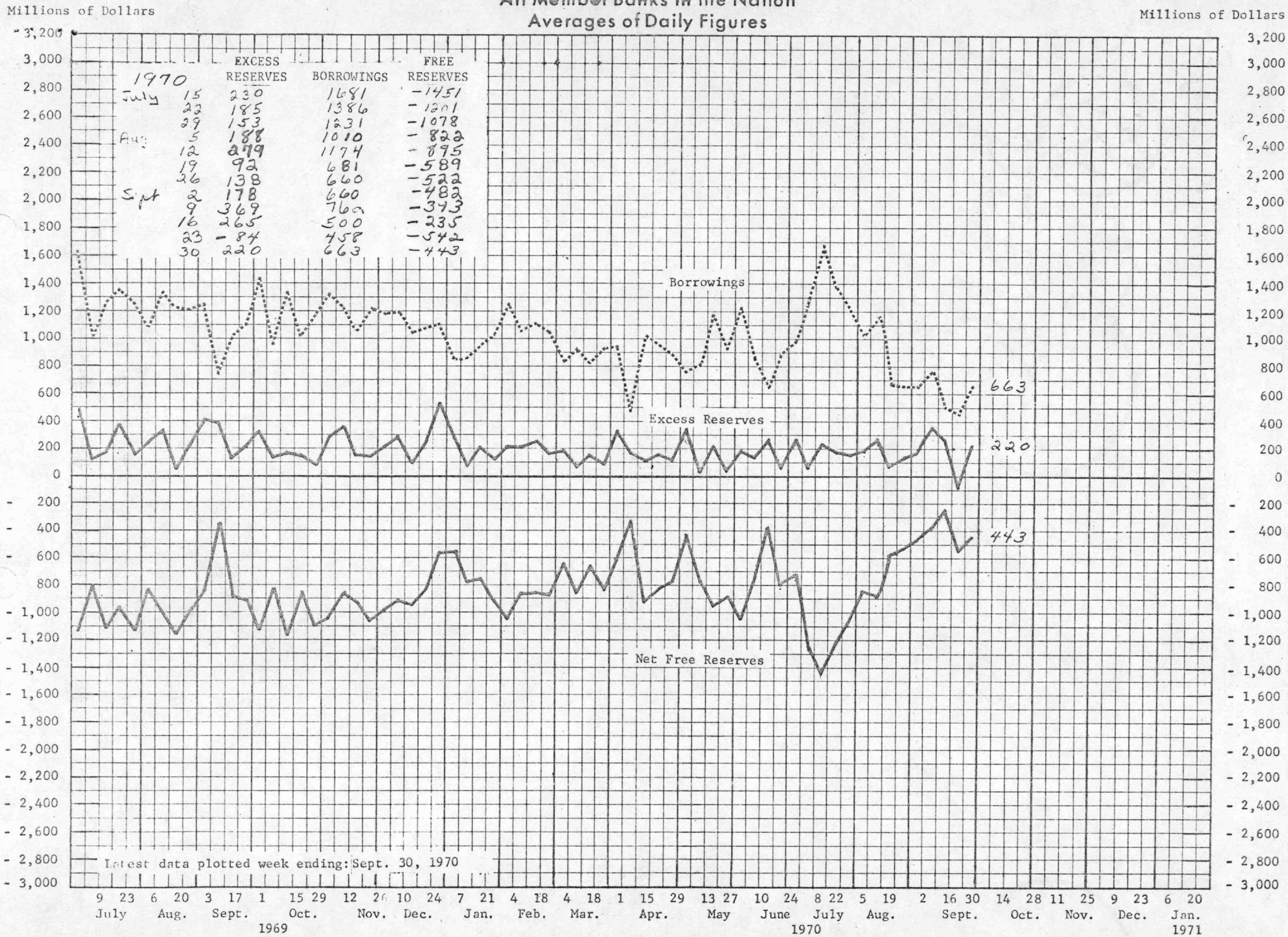


1970		Prime Commercial Paper 4-6 Month	Prime Bankers' Acceptances	90 Day CD'S **	Federal Funds
July	24	8.35	7.58	8.06	6.88
	31	8.15	7.43	7.98	6.60
Aug	7	8.00	7.33	7.95	7.03
	14	8.00	7.25	7.85	6.73
	21	8.00	7.20	7.80	6.50
	28	7.70	7.05	7.73	6.25
Sept	4	7.50	7.13	7.55	6.73
	11	7.38	7.13	7.45	6.63
	18	7.38	7.10	7.48	6.08
	25	7.20	6.90	7.39	5.90
Oct	2*	7.13	6.88	7.13	6.03

* 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



1970		EXCESS RESERVES	BORROWINGS	FREE RESERVES
July	15	230	1681	-1451
	22	185	1386	-1201
	29	153	1231	-1078
Aug	5	188	1010	-822
	12	279	1174	-895
	19	92	681	-589
	26	138	660	-522
Sept	2	178	660	-482
	9	369	762	-393
	16	265	500	-235
	23	-84	458	-542
	30	220	663	-443

Prepared by Federal Reserve Bank of St. Louis