



U.S. FINANCIAL DATA

Week ending: October 7, 1970

LIBRARY

The money stock, consisting of private demand deposits and currency in the hands of the public, has increased at a 5.2 per cent annual rate in the seven-month period since the four weeks ending March 4. By comparison, this magnitude rose little on balance from June 1969 to February 1970. From the second quarter to the four weeks ending September 30, the rate of increase was at only a 3.1 per cent rate. However, over the same period, Treasury deposits, after a crude adjustment for seasonal influences, increased from about \$5.7 billion to about \$7.2 billion, so that the money stock adjusted (to include the unusual bulge in Treasury deposits) increased at a 5.2 per cent rate.

Underlying monetary aggregates have increased more rapidly in the past seven months than in the previous eight months. Federal Reserve credit has increased at about an 8 per cent rate and member bank reserves at about a 9 per cent rate. The different growth rates of money stock and these aggregates are largely due to the extremely rapid growth of time deposits in member banks, which absorbed reserves that otherwise could have been used to support demand deposits. If reintermediation had not occurred, the Federal Reserve would not have needed to increase these aggregates so rapidly in order to promote the recent growth in the money stock.

Short-term and intermediate interest rates are substantially below their levels at the beginning of this year, while long-term rates are little changed (see table). The prime rate has fallen twice so far in 1970, in March and more recently in September.

The discount rate, 6 per cent since April 1969, had been out of touch with other rates, but has now become more in line due to the declines in market rates.

SELECTED INTEREST RATES (Averages of daily rates)

	Week Ending			
	10/9/70*	4/10/70	1/9/70	1964
4- to 6-Month				
Commercial Paper	7.04	8.08	9.08	3.97
3-Month Treasury				
Bills	6.03	6.39	7.91	3.54
Prime Rate	7.50	8.00	8.50	4.50
Federal Funds Rate	6.30	7.63	8.72	3.50
Discount Rate	6.00	6.00	6.00	3.50
3- to 5-Year				
Governments	7.03	7.29	8.21	4.06
Long-Term Governments	6.49	6.38	6.92	4.15
Corporate Aaa	8.02	7.80	7.91	4.40
State and Local	6.15**	6.10	6.41	3.09

* Latest rates are averages of the three days ending October 7. Federal funds rate, five days ending October 7.

** Rate on October 1, 1970.

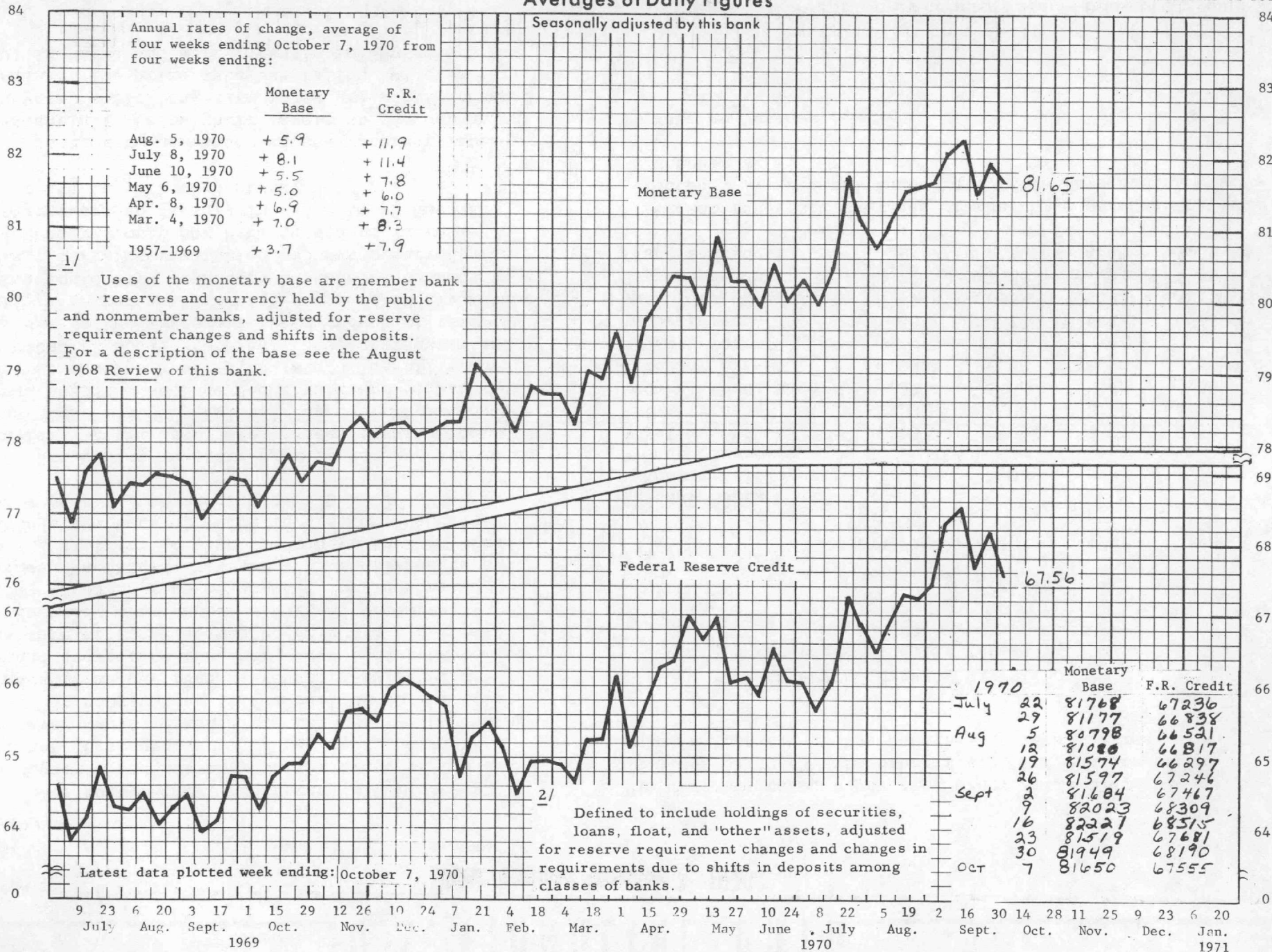
Prepared by Federal Reserve Bank of St. Louis

Released: October 9, 1970

MONETARY BASE ¹
FEDERAL RESERVE CREDIT ²
Averages of Daily Figures

Billions of Dollars

Billions of Dollars



Annual rates of change, average of four weeks ending October 7, 1970 from four weeks ending:

	Monetary Base	F.R. Credit
Aug. 5, 1970	+ 5.9	+ 11.9
July 8, 1970	+ 8.1	+ 11.4
June 10, 1970	+ 5.5	+ 7.8
May 6, 1970	+ 5.0	+ 6.0
Apr. 8, 1970	+ 6.9	+ 7.7
Mar. 4, 1970	+ 7.0	+ 8.3
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: October 7, 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	68515
23	81519	67681
30	81949	68190
Oct 7	81650	67555

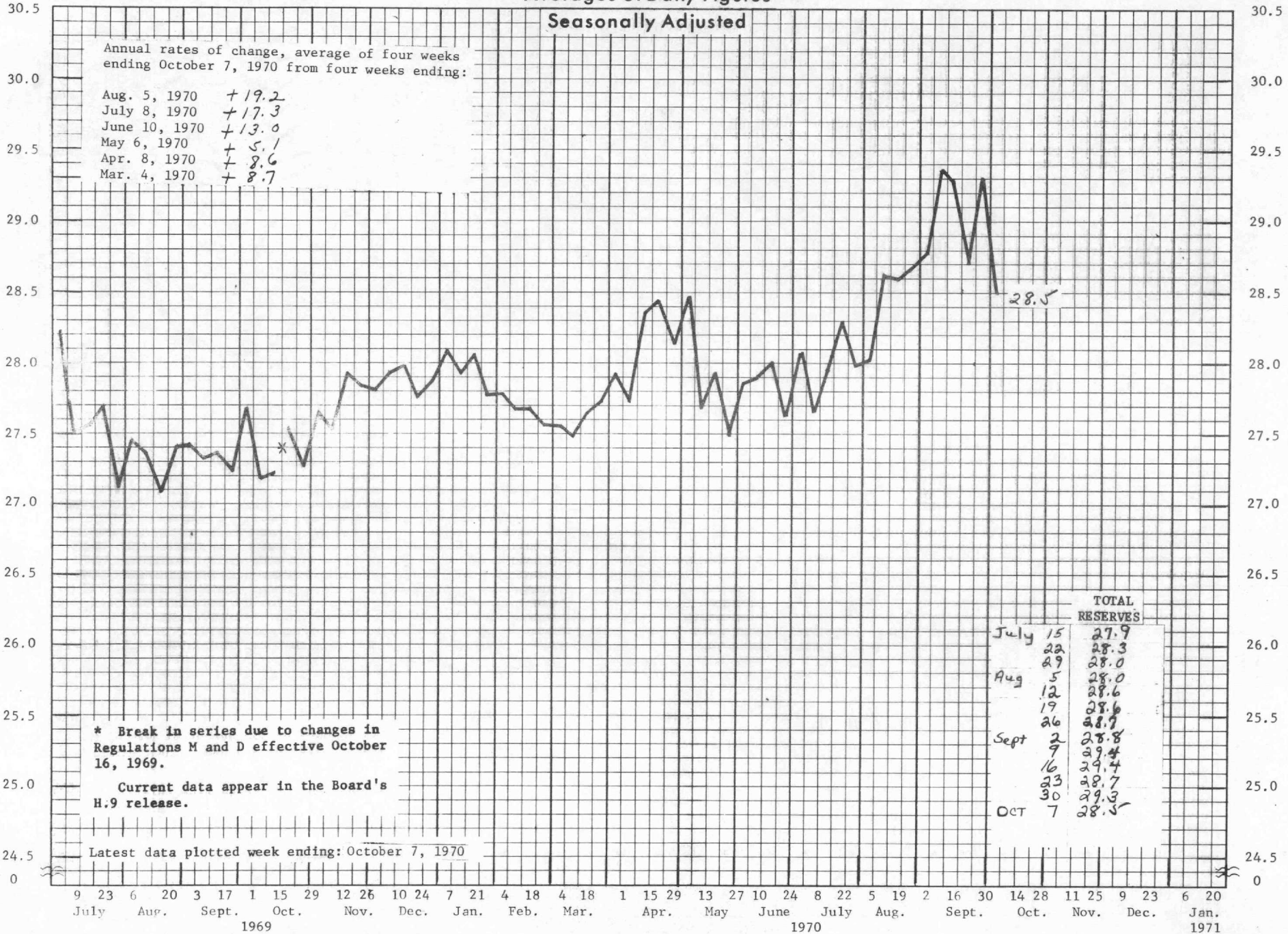
RESERVES

All Member Banks in the Nation

Averages of Daily Figures

Billions of Dollars

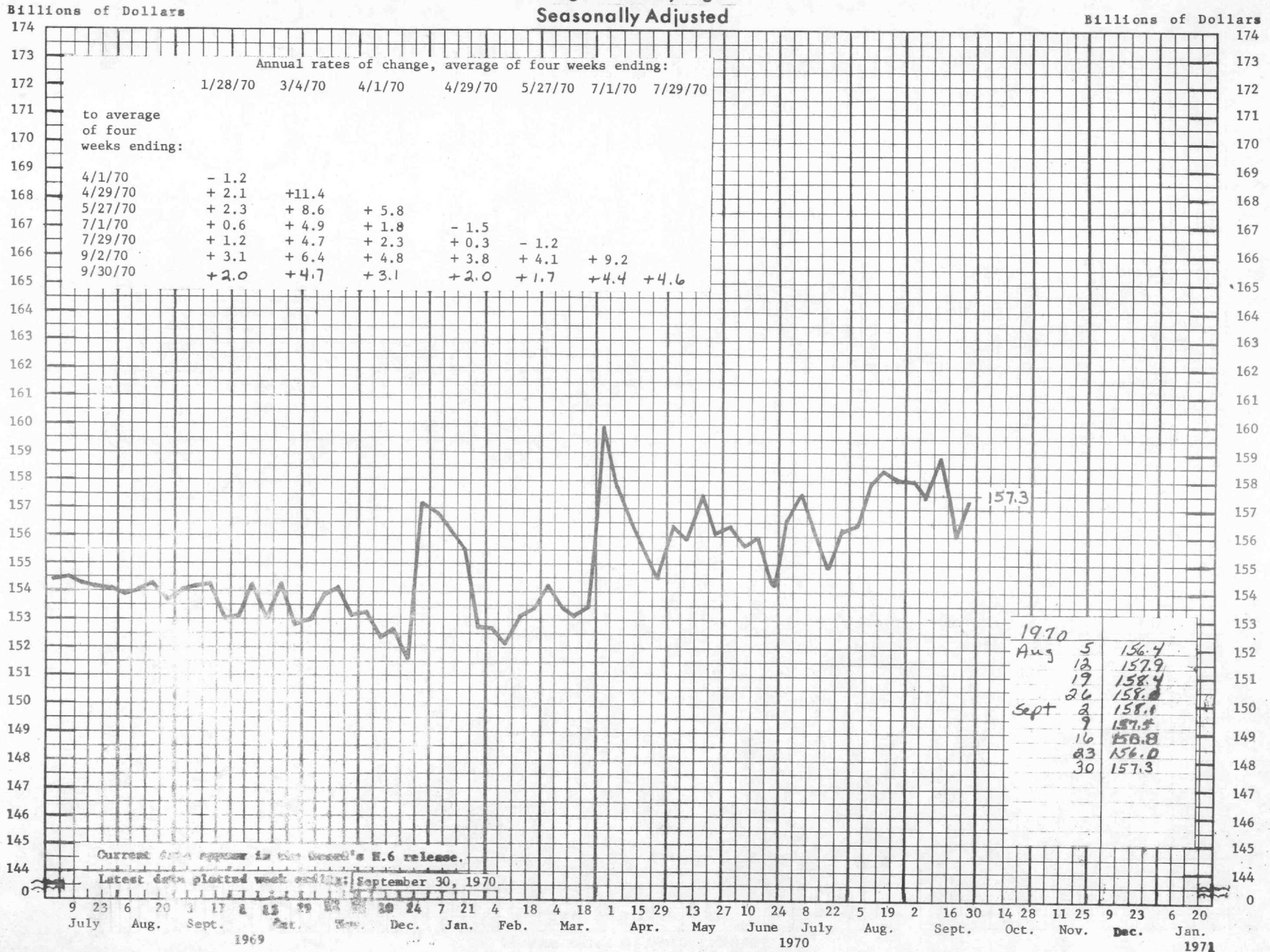
Billions of Dollars



DEMAND DEPOSIT COMPONENT OF MONEY STOCK

Averages of Daily Figures

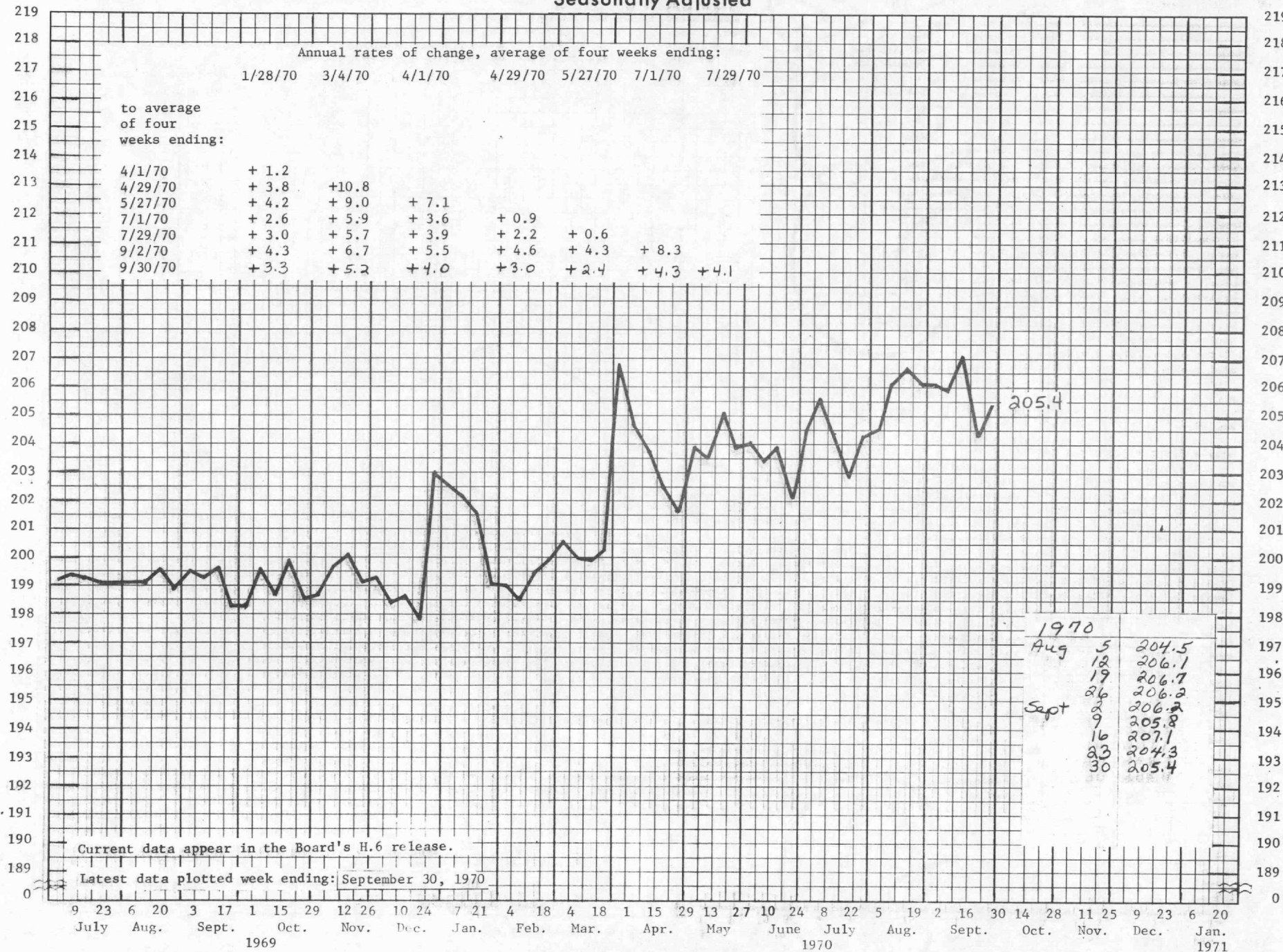
Seasonally Adjusted



MONEY STOCK Averages of Daily Figures Seasonally Adjusted

Billions of Dollars

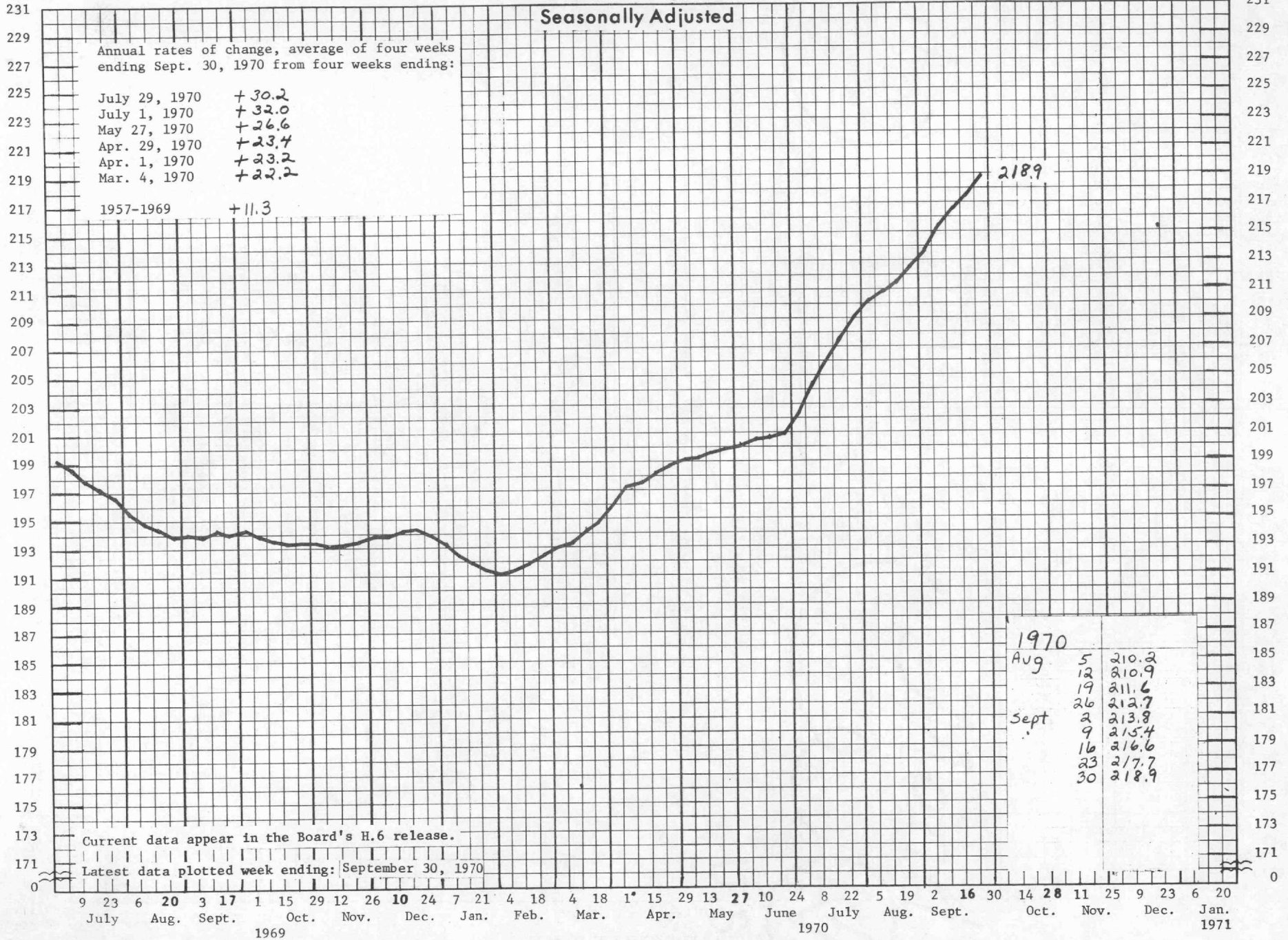
Billions of Dollars



TIME DEPOSITS All Commercial Banks Averages of Daily Figures

Billions of Dollars

Billions of Dollars

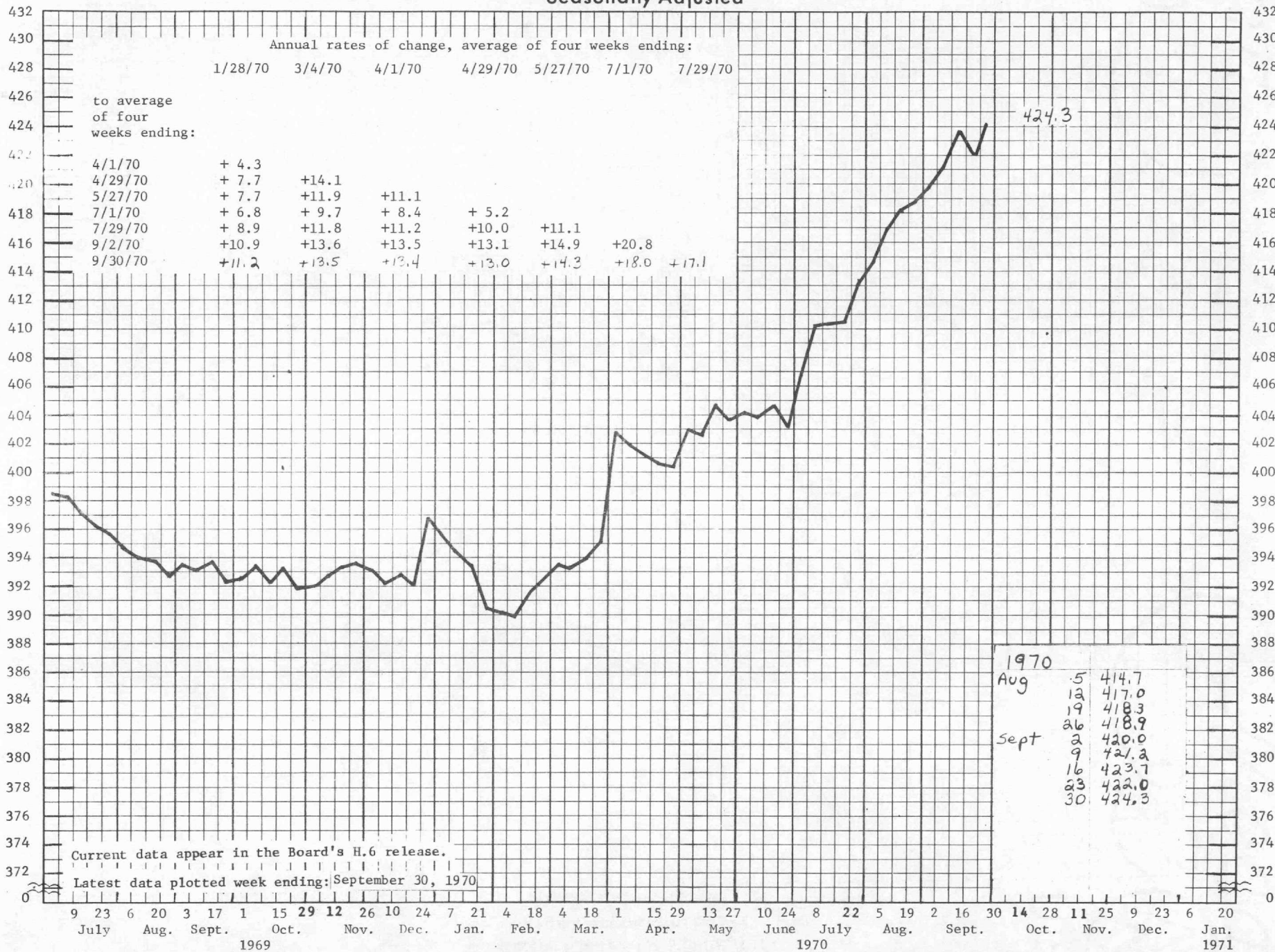


MONEY STOCK PLUS TIME DEPOSITS

Averages of Daily Figures Seasonally Adjusted

Billions of Dollars

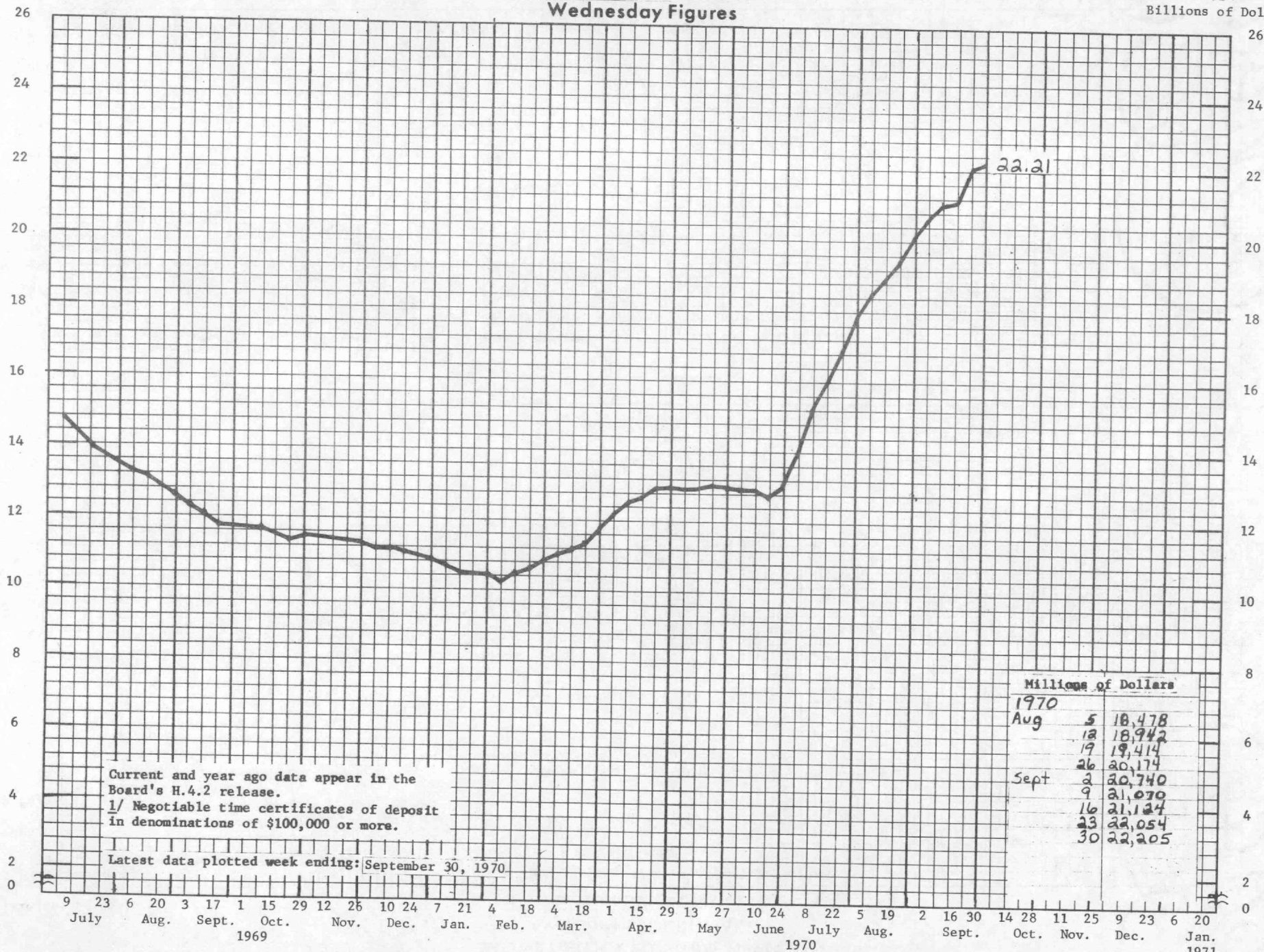
Billions of Dollars



CERTIFICATES OF DEPOSIT ¹
Large Commercial Banks
Wednesday Figures

Billions of Dollars

Billions of Dollars



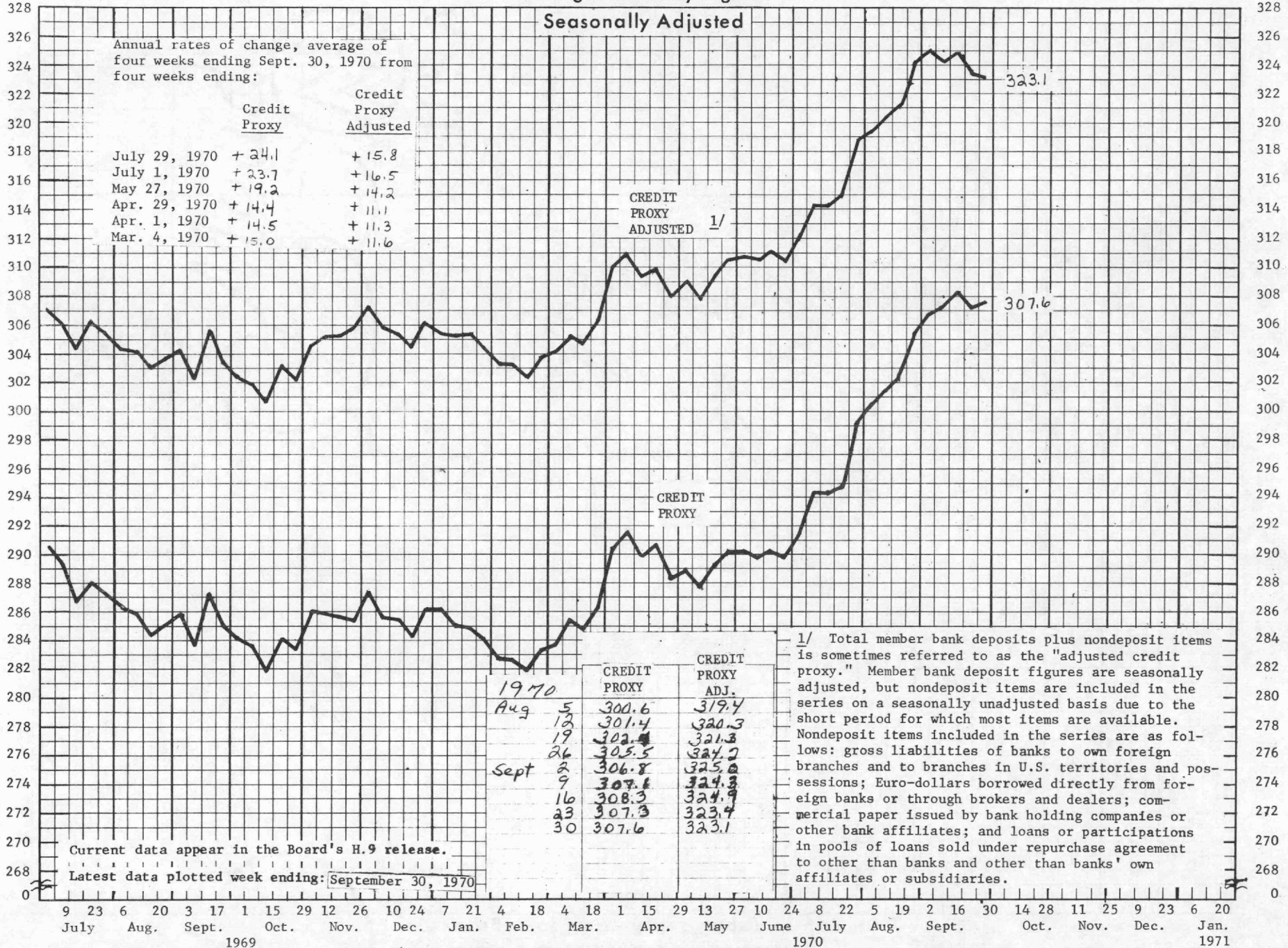
MEMBER BANK DEPOSITS SUBJECT TO RESERVE REQUIREMENTS
(CREDIT PROXY)

Billions of Dollars

Billions of Dollars

Averages of Daily Figures

Seasonally Adjusted



YIELDS ON SELECTED SECURITIES Averages of Daily Rates Ended Friday

Per Cent

Per Cent



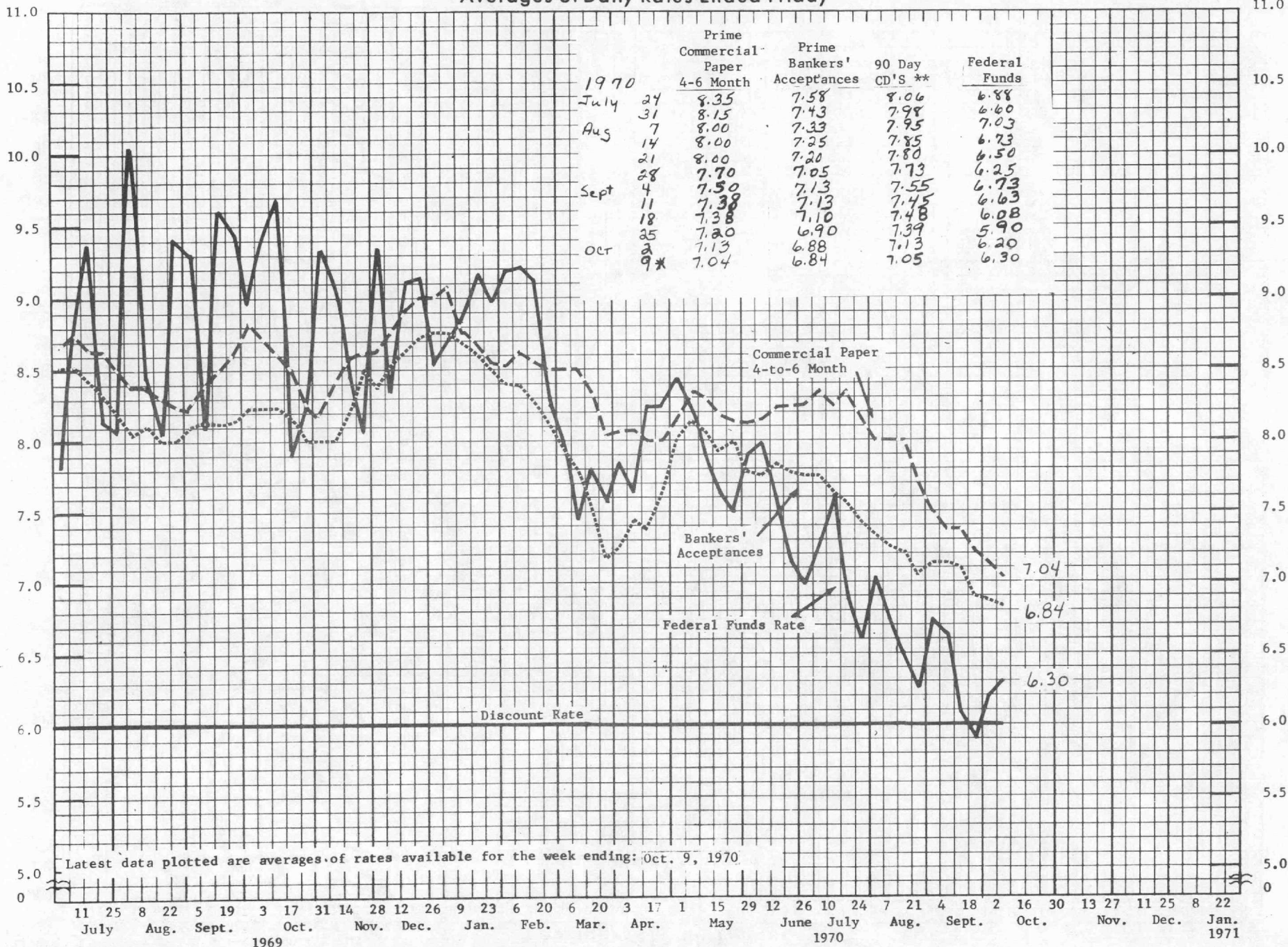
Latest data plotted are averages of rates available for the week ending: Oct. 9, 1970

* AVERAGES OF RATES AVAILABLE

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

Per Cent

Per Cent



* 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.
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<http://fraser.stlouisfed.org>
 Federal Reserve Bank of St. Louis

BORROWINGS AND EXCESS RESERVES

All Member Banks in the Nation

Averages of Daily Figures

Millions of Dollars

Millions of Dollars

