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U.S. FINANCIAL DATA

Week ending: December 2, 1970

Data for the money stock, the demand deposit component of money, time deposits, and money plus time deposits have been revised by the Federal Reserve to reflect the annual revision of seasonal factors and new benchmarks for nonmember bank deposits. In addition, a major revision of the demand deposit component of money was made in order to correct a downward bias created by a rising volume of international financial transactions conducted by branches of foreign banks in the U. S. and by subsidiaries of U. S. banks abroad. These transactions include the writing of checks in connection with borrowing and repayment of Eurodollars and the purchase and sale of foreign exchange. While these checks are being cleared by U. S. domestic banks, they are included in "cash items in the process of collection," but they are not drawn against deposits which are included in the money stock. In computing the money stock, all "cash items" were deducted from gross demand deposits to avoid double counting, but an understatement of the demand deposit component of money resulted. In the revised series the liabilities of foreign branch banks in the U. S. and subsidiaries of U. S. banks abroad that correspond to "cash items" on the books of U. S. commercial banks have been added to eliminate the downward bias in the money stock figures.

The money stock, consisting of private demand deposits and currency in the hands of the public, has risen at a 5.9 per cent annual rate since the four

weeks ending February 25, a period of nine months (page 5). By comparison money grew at a 1.2 per cent rate from July 1969 to February 1970, a period of seven months. The revision of the money series has raised both the level and the rates of change. According to the new series, money stock averaged \$213.0 billion for October, compared with \$206.1 billion for the old series. The 6.3 per cent rate of change of money from February to October compares with 5.2 per cent using the old series.

The demand deposit component of money has increased at a 5.7 per cent rate in the past nine months, compared with no change in the previous seven months (page 4). Currency has increased at a 6.3 per cent rate in the past nine months, compared with a 5.4 per cent rate in the previous seven months.

Time deposits have increased at a 20.3 per cent rate in the past nine months, compared with a 4.7 per cent rate of decline from December 1968 to February 1970 (page 6). The revision of this series for seasonal factors and new benchmarks has raised the level of the series slightly, but had little effect on rates of change.

This week the Federal Reserve announced a decrease of $1/4$ of 1 percentage point in the discount rate at five Federal Reserve Banks, lowering the rate to $5-1/2$ per cent. The rate change comes after the sharp fall in short-term market rates in recent weeks.

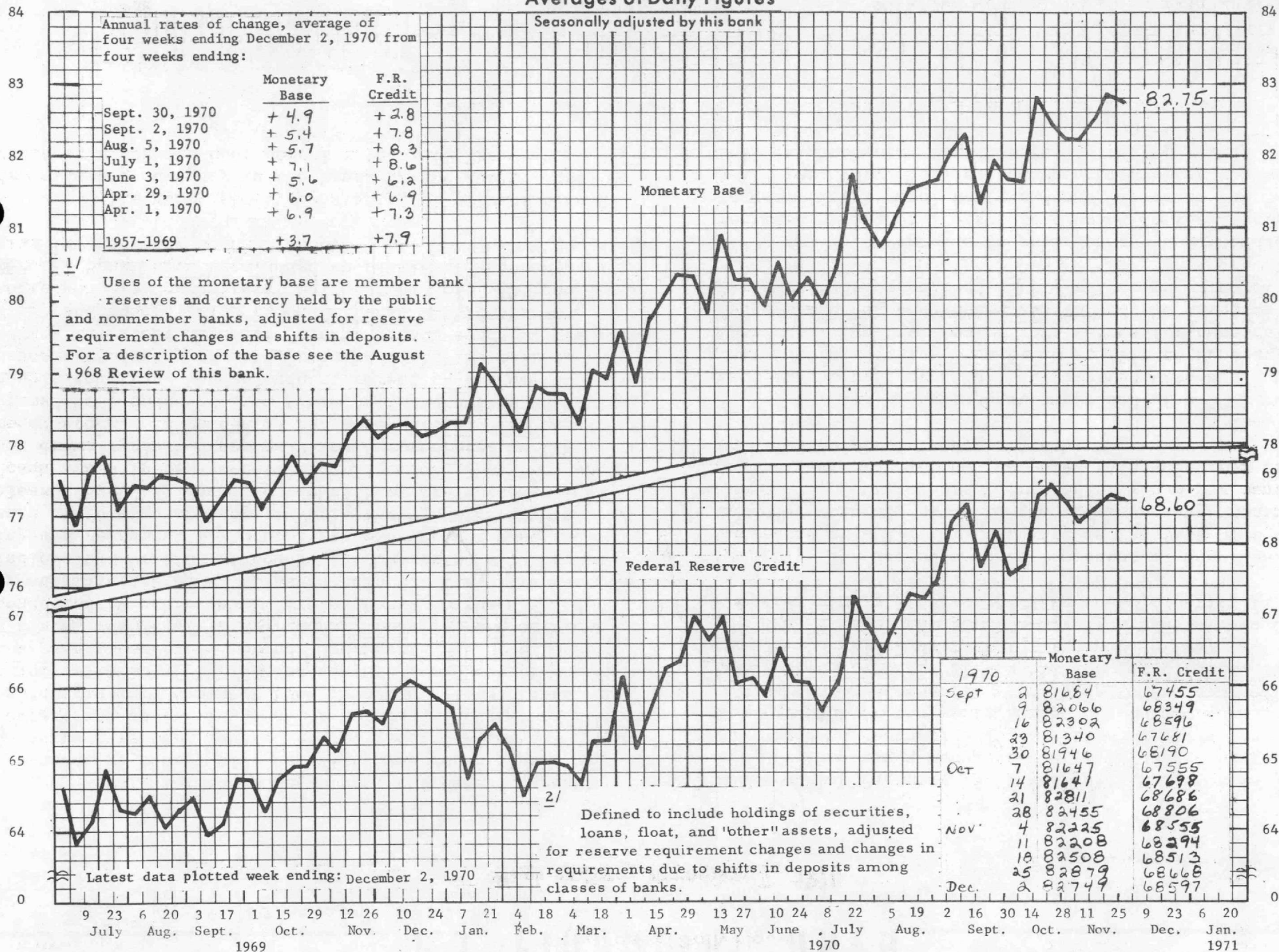
Prepared by Federal Reserve Bank of St. Louis

Released: December 4, 1970

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

Billions of Dollars

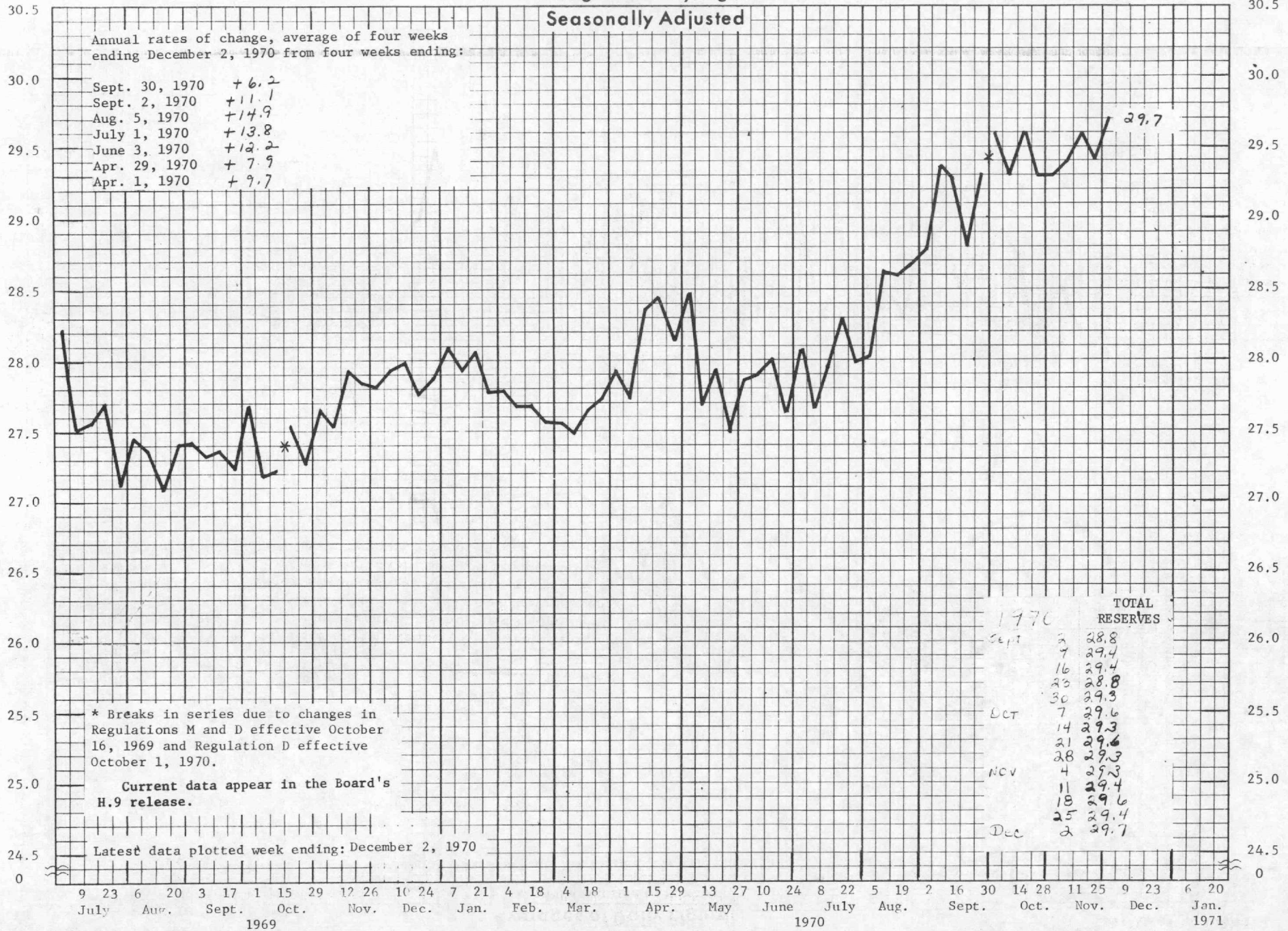
Billions of Dollars



RESERVES All Member Banks in the Nation Averages of Daily Figures

Billions of Dollars

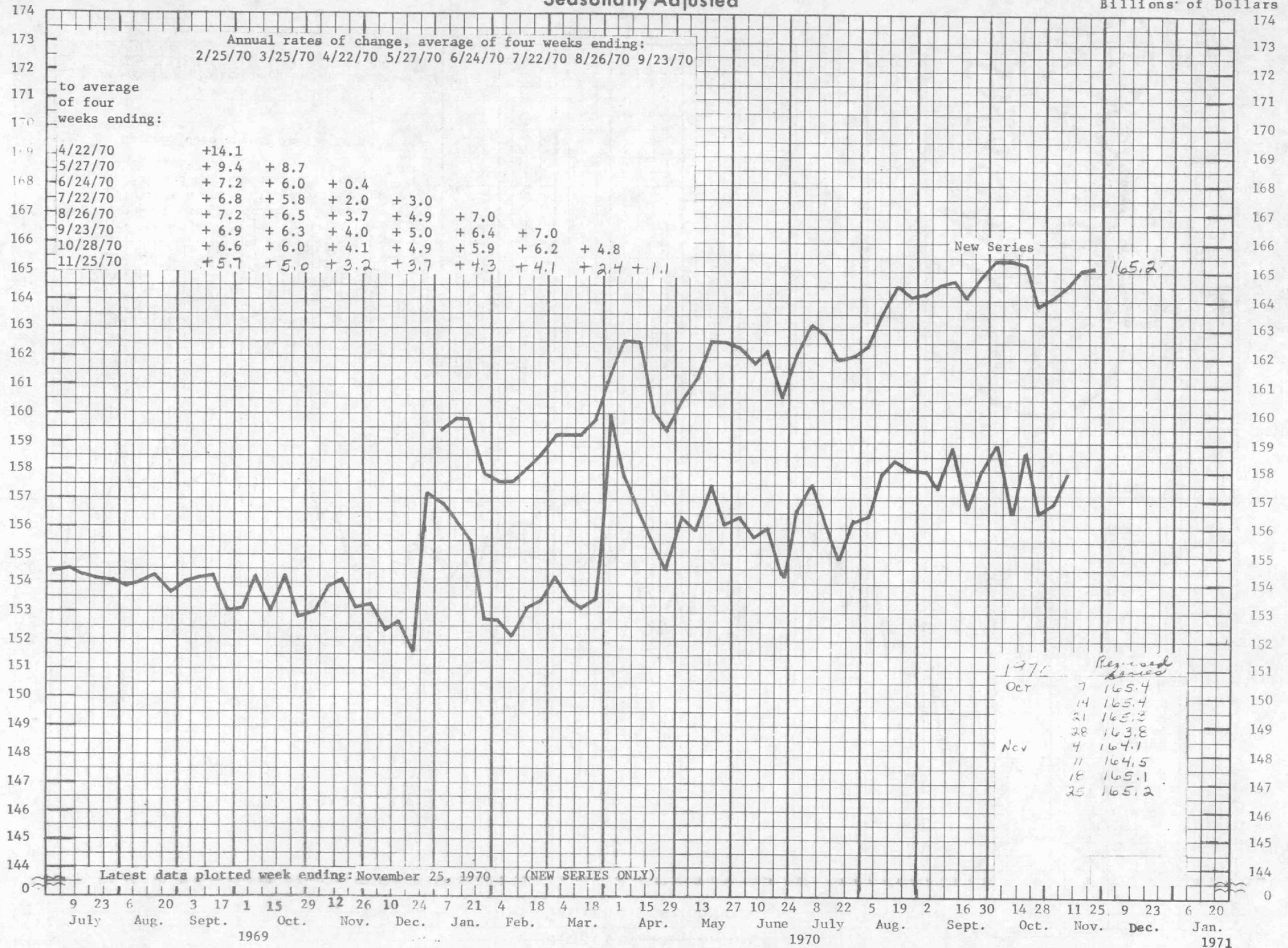
Billions of Dollars



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

Billions of Dollars

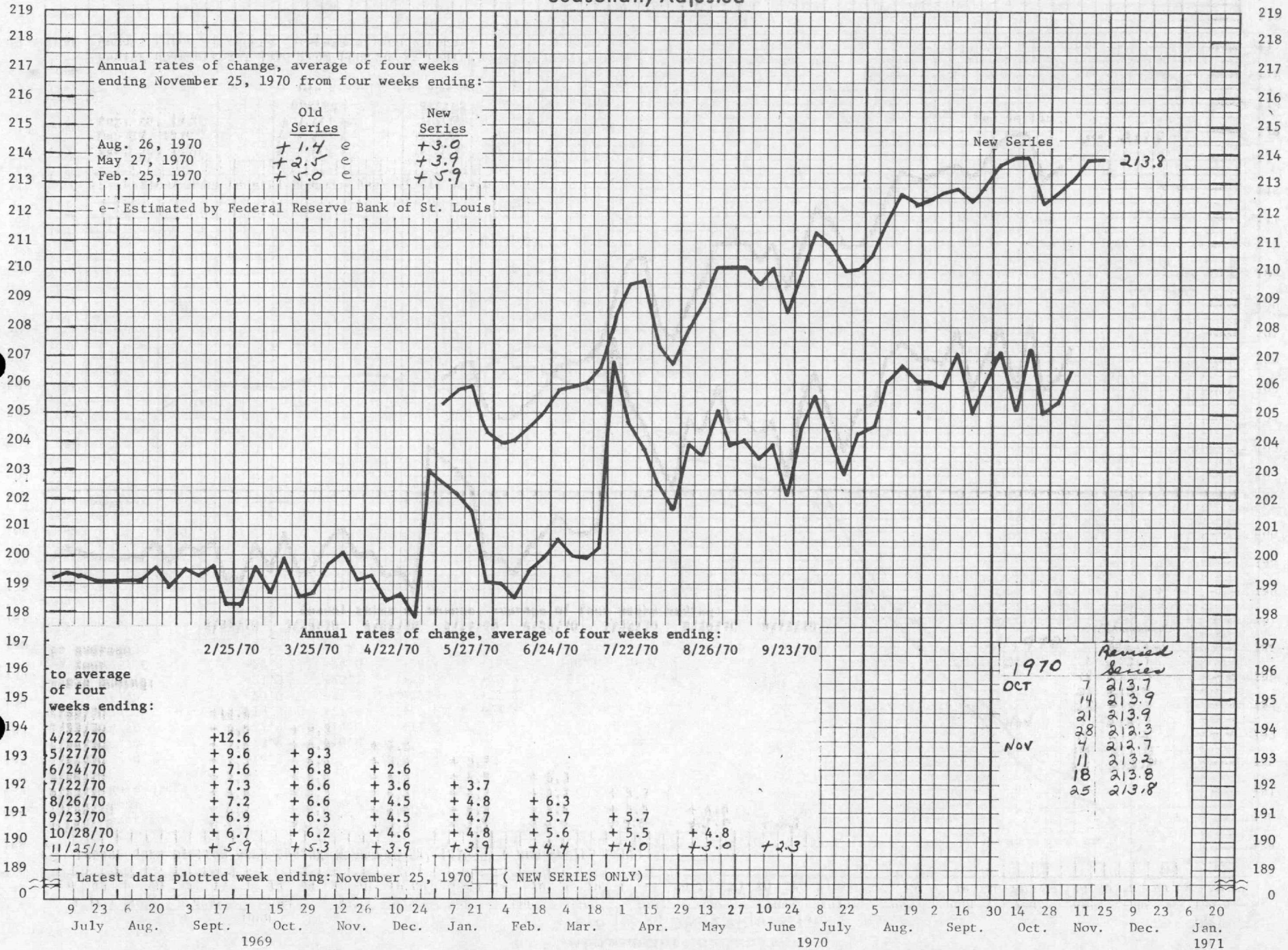
Billions of Dollars



MONEY STOCK Averages of Daily Figures Seasonally Adjusted

Billions of Dollars

Billions of Dollars

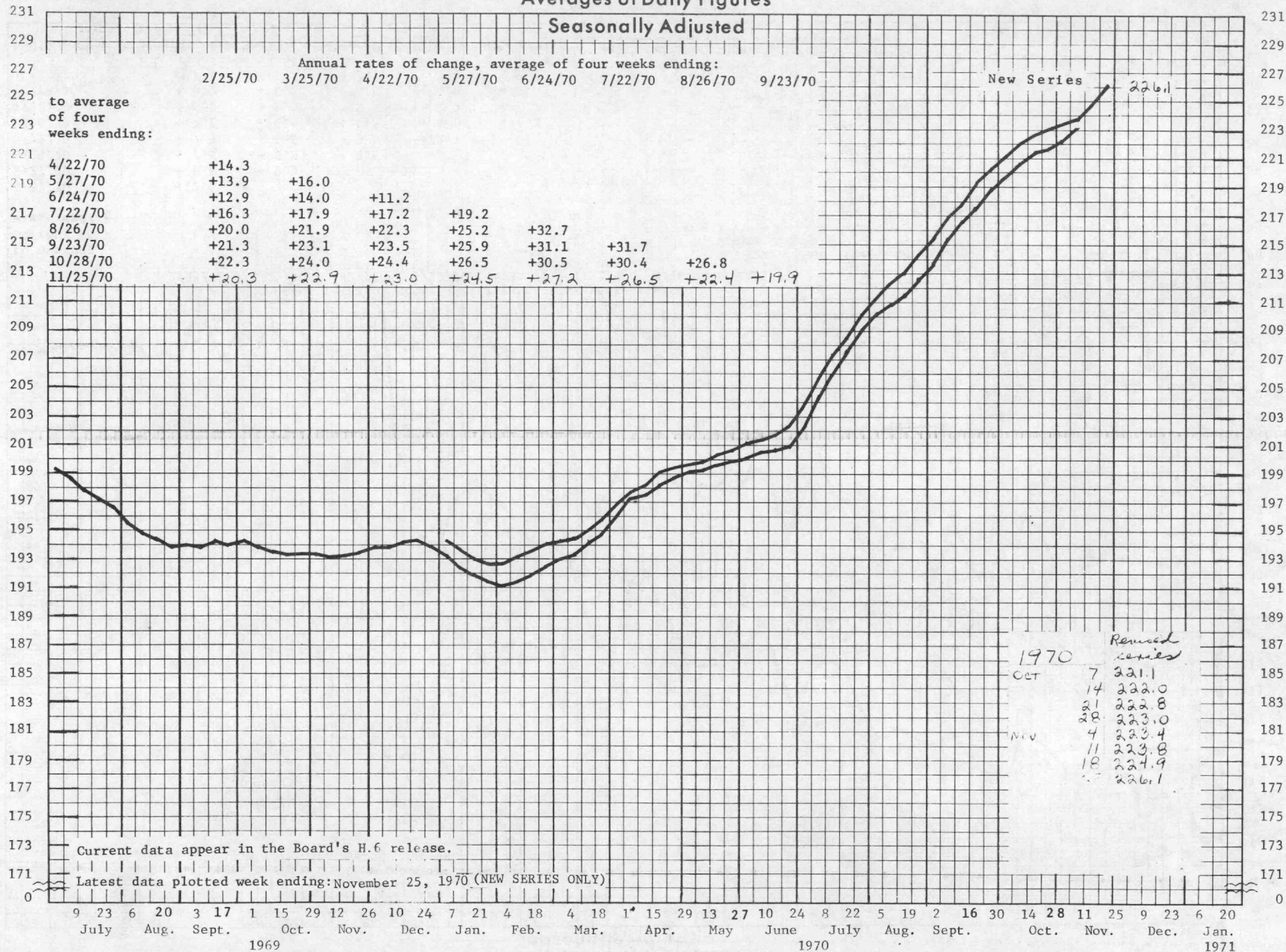


TIME DEPOSITS
All Commercial Banks
Averages of Daily Figures

Billions of Dollars

Billions of Dollars

Seasonally Adjusted



1970		Revised series
OCT	7	221.1
	14	222.0
	21	222.8
	28	223.0
NOV	4	223.4
	11	223.8
	18	224.9
	25	226.1

Current data appear in the Board's H.6 release.
 Latest data plotted week ending: November 25, 1970 (NEW SERIES ONLY)

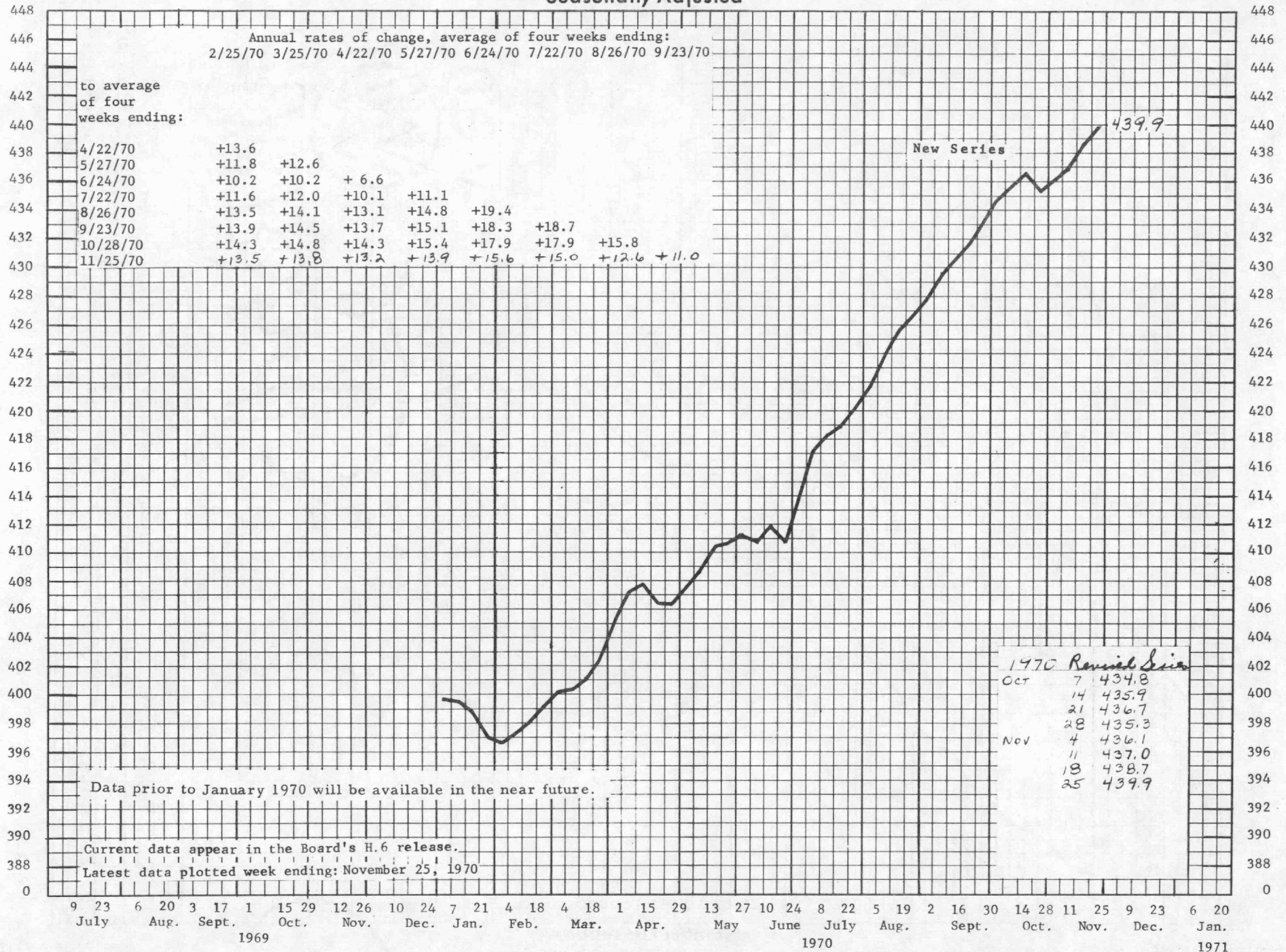
MONEY STOCK PLUS TIME DEPOSITS

Averages of Daily Figures

Seasonally Adjusted

Billions of Dollars

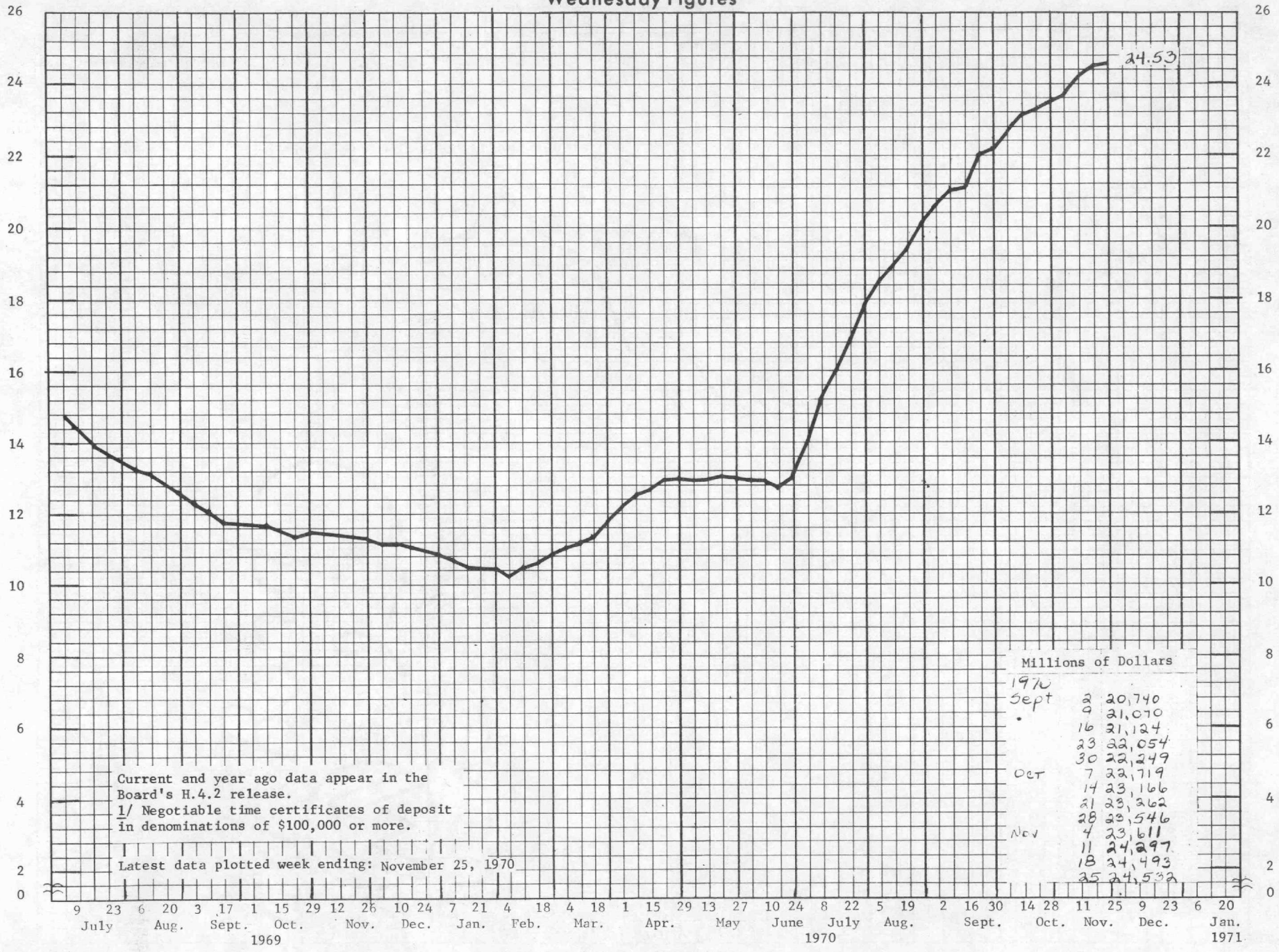
Billions of Dollars



CERTIFICATES OF DEPOSIT ¹
Large Commercial Banks
Wednesday Figures

Billions of Dollars

Billions of Dollars



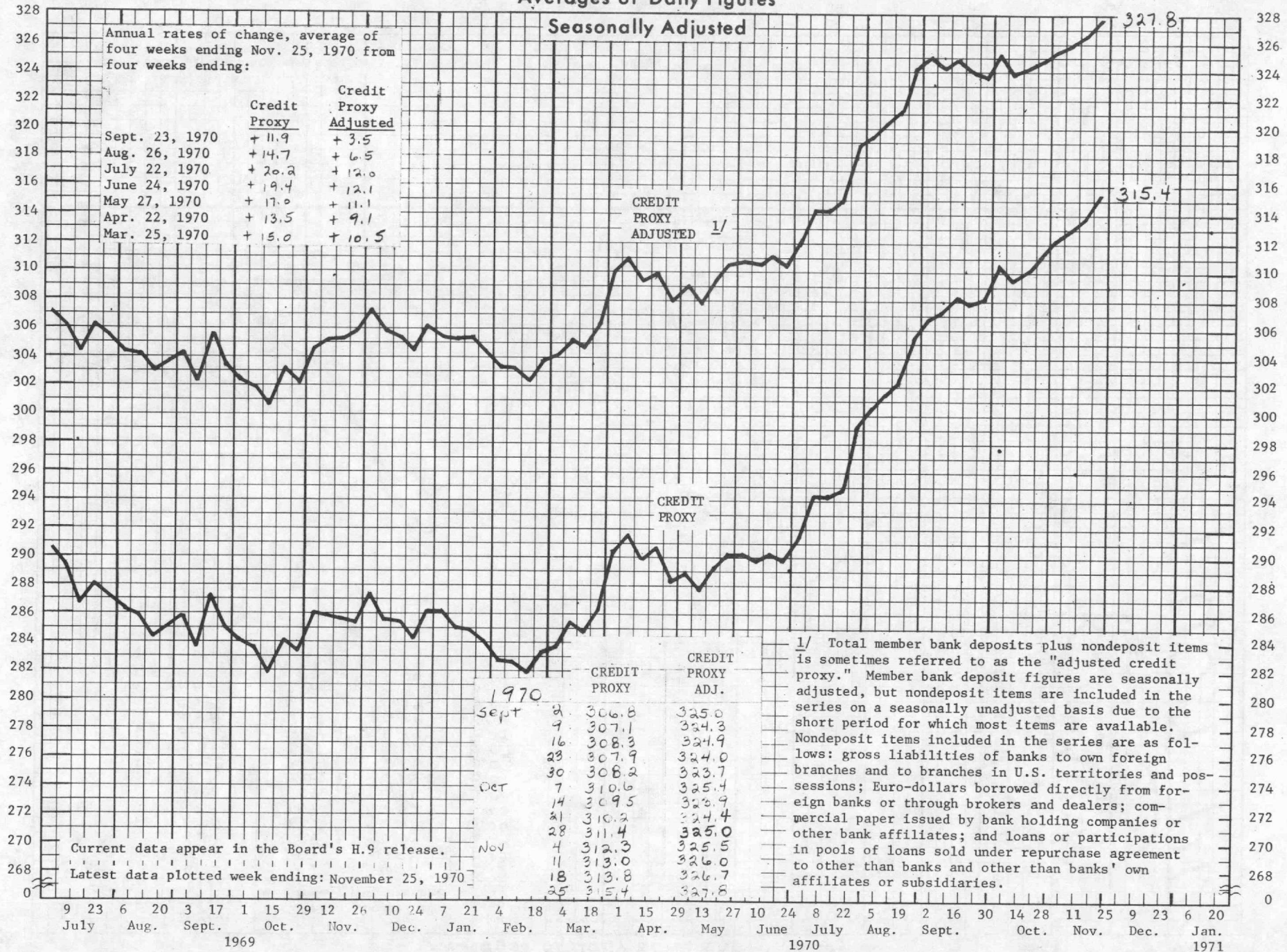
MEMBER BANK DEPOSITS SUBJECT TO RESERVE REQUIREMENTS
(CREDIT PROXY)

Billions of Dollars

Billions of Dollars

Averages of Daily Figures

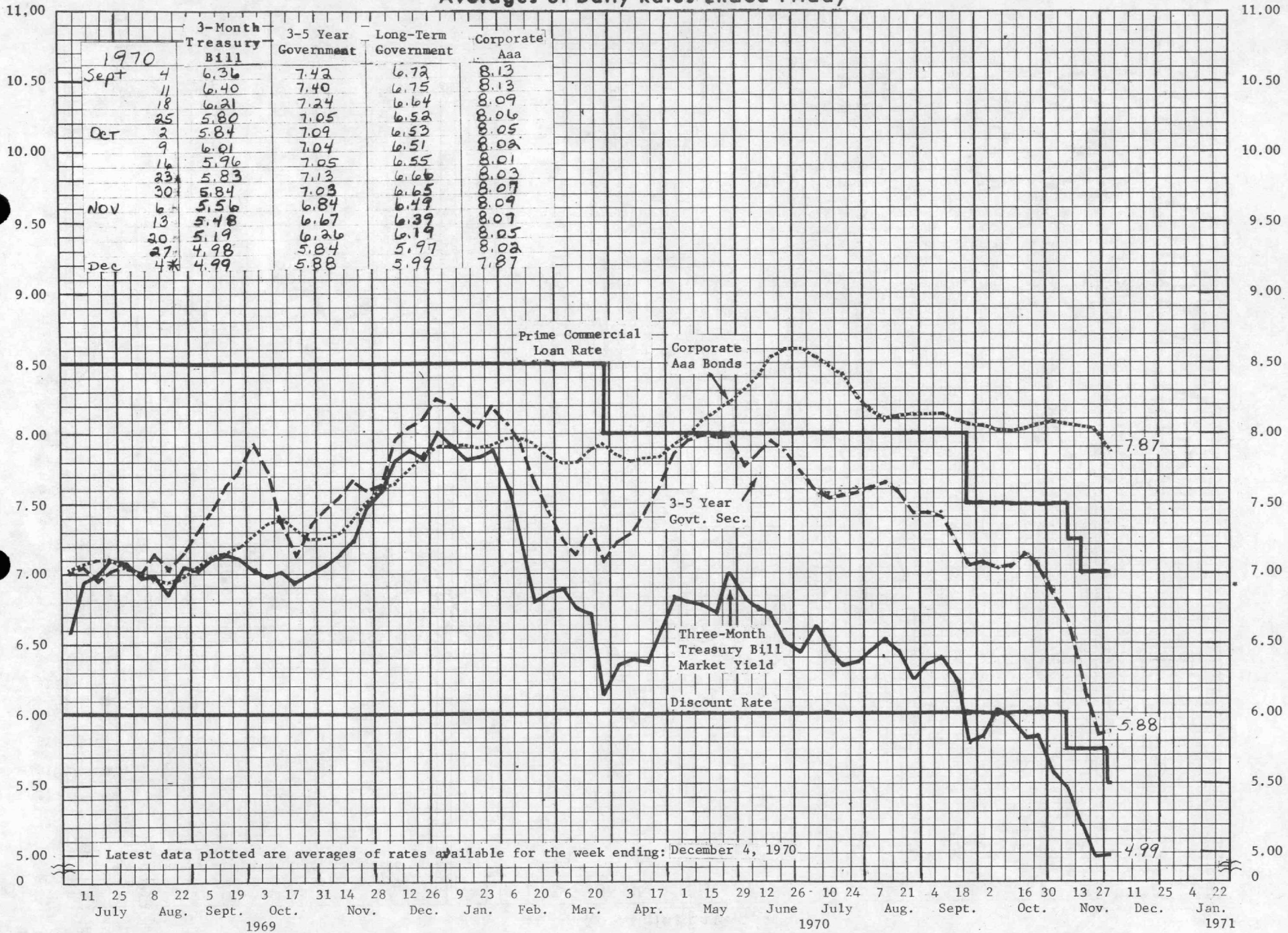
Seasonally Adjusted



YIELDS ON SELECTED SECURITIES Averages of Daily Rates Ended Friday

Per Cent

Per Cent

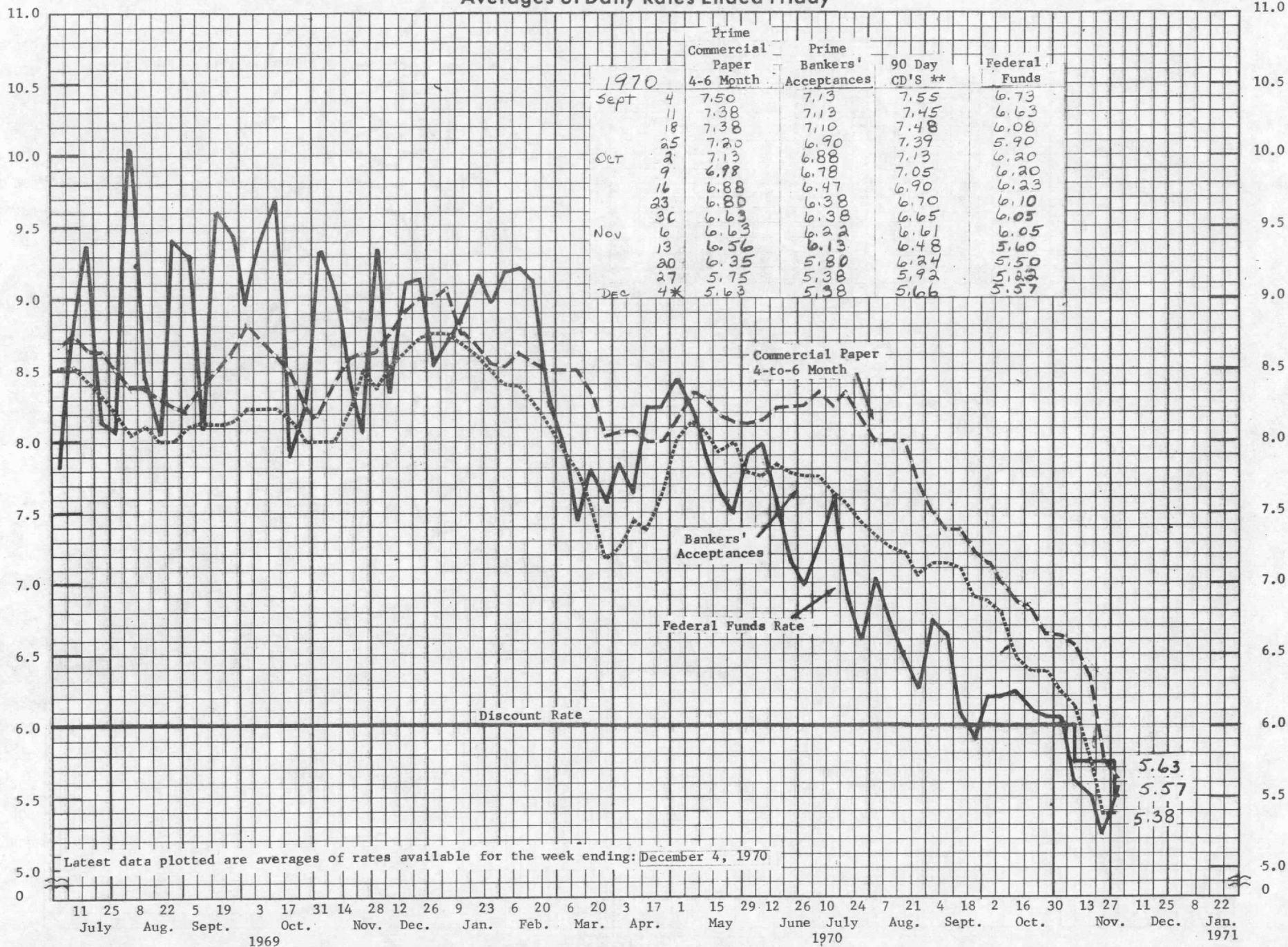


Latest data plotted are averages of rates available for the week ending: December 4, 1970

Per Cent

Per Cent

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



* AVERAGES OF RATES AVAILABLE; FEDERAL FUNDS LAST FIVE DAYS AVAILABLE
 ** FEDERAL FUNDS ARE SECONDARY MARKET RATE, WEEKLY AVERAGES ENDING WEDNESDAY
 *** 90 DAY CD'S EARLIER. CURRENT DATA APPEAR IN THE BOARD'S H.9 RELEASE.
 Federal Reserve Bank of St. Louis

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

Millions of Dollars

