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U.S. FINANCIAL DATA

Week ending: December 9, 1970

The money stock has risen at a 5.5 per cent annual rate in eleven months from December 1969 to the four weeks ending December 2, 1970 (page 5). This average rate of money growth so far in 1970 consisted of a 6.7 per cent rate in the first five months of the year, and about a 4 per cent rate in the six months since May. The demand deposit component of money (page 4) has increased at a 5.2 per cent rate in the past eleven months. */

Other monetary aggregates such as monetary base which determine the trend growth of the money stock, have increased rapidly since early this year (page 2). The monetary base has risen at a 6.2 per cent annual rate in the past eleven months. The rapid growth of this aggregate has been necessary in order to provide adequate money expansion while accommodating the rapid growth of time deposits in commercial banks since early in the year.

Short-term market interest rates have fallen sharply in 1970, but yields are still relatively high by the historical standards of the past 20 years (pages 10 and 11). The rate of decline of short-term rates has been especially rapid since mid-year. Yields on three-month Treasury bills averaged

4.95 per cent in the three days ending December 9, down from 7.87 per cent in January, but still substantially higher than 3.95 per cent in 1965 and 2.87 per cent in 1960. Yields on prime four- to six-month commercial paper averaged 5.75 per cent in the three days ending December 9, down over 3 percentage points since January, yet high compared with 4.38 per cent in 1965 and 3.85 per cent in 1960.

Long-term interest rates generally rose somewhat in the first half of 1970, but have declined since the end of June, particularly in recent weeks (page 10). Long-term government bond rates averaged 5.89 per cent in the three days ending December 9, compared with 6.86 per cent in January and 6.99 per cent in June. Yields on Aaa-rated state and local government bonds were 5.35 per cent on November 26, compared with 6.38 per cent in January and 6.81 per cent in June. Highest-grade corporate bond rates averaged 7.80 per cent in the three days ending December 9, approximately the same as in January, but down about 70 basis points since June. Yields on intermediate-grade corporate bonds averaged 9.24 per cent in the first three days of this week, about the same as in June, and about 40 basis points higher than January. The spread between these highest- and intermediate grade corporate bonds has widened from about 80 basis points in June to about 145 basis points now.

*/ For a detailed discussion of the recent revision of the money supply and related series, see this Bank's December 1970 monthly Review.

MONETARY BASE [1]
FEDERAL RESERVE CREDIT [2]
Averages of Daily Figures

2

Billions of Dollars

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

	Monetary Base	F. R. Credit
Oct. 7, 1970	+6.3	+4.9
Sept. 9, 1970	+4.6	+5.8
Aug. 12, 1970	+5.4	+7.7
July 8, 1970	+7.4	+8.9
June 10, 1970	+5.7	+7.0
May 6, 1970	+5.4	+5.8
Apr. 8, 1970	+6.8	+7.1
1/ 1957-1969	+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.

Seasonally adjusted by this bank

Billions of Dollars

84

83

82

81

80

79

78

77

76

75

74

73

72

71

Monetary Base

Federal Reserve Credit

	Monetary Base	F.R. Credit
OCT 7	81647	67555
14	81641	67698
21	82811	68686
28	82455	68806
NOV 4	82225	68555
11	82208	68294
18	82508	68573
25	82879	68662
Dec 2	82768	68615
9	82541	68468

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: December 9, 1970

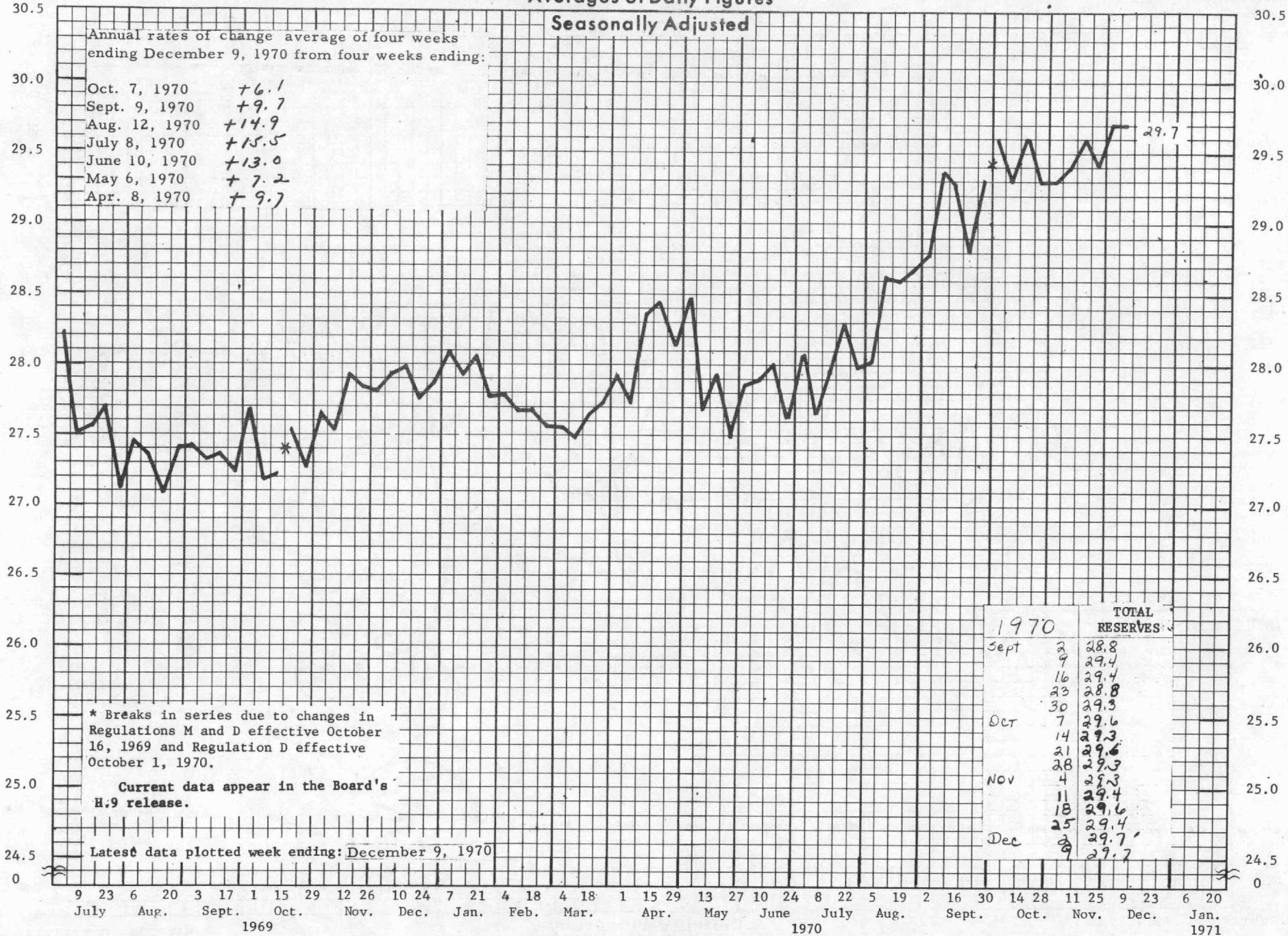
9 23 6 20 3 17 1 15 29 12 26 10 24 7 21 4 18 4 18 1 15 29 13 27 10 24 8 22 5 19 2 16 30 14 28 11 25 9 23 6 20
July Aug. Sept. Oct. Nov. Dec. Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov. Dec. Jan.
1969 1970 1971

RESERVES
All Member Banks in the Nation
Averages of Daily Figures

3

Billions of Dollars

Billions of Dollars



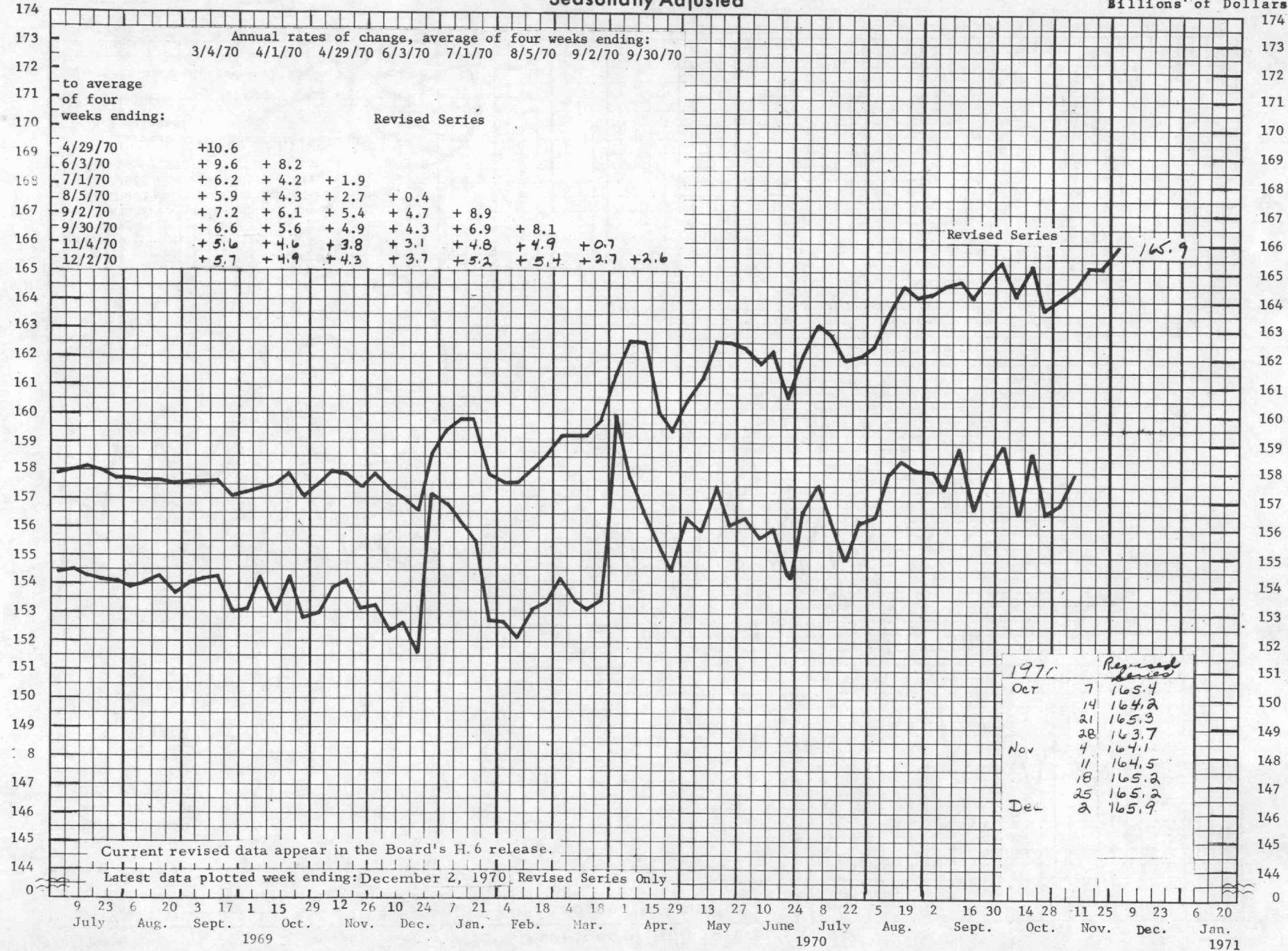
DEMAND DEPOSIT COMPONENT OF MONEY STOCK

Averages of Daily Figures

Seasonally Adjusted

Billions of Dollars

Billions of Dollars

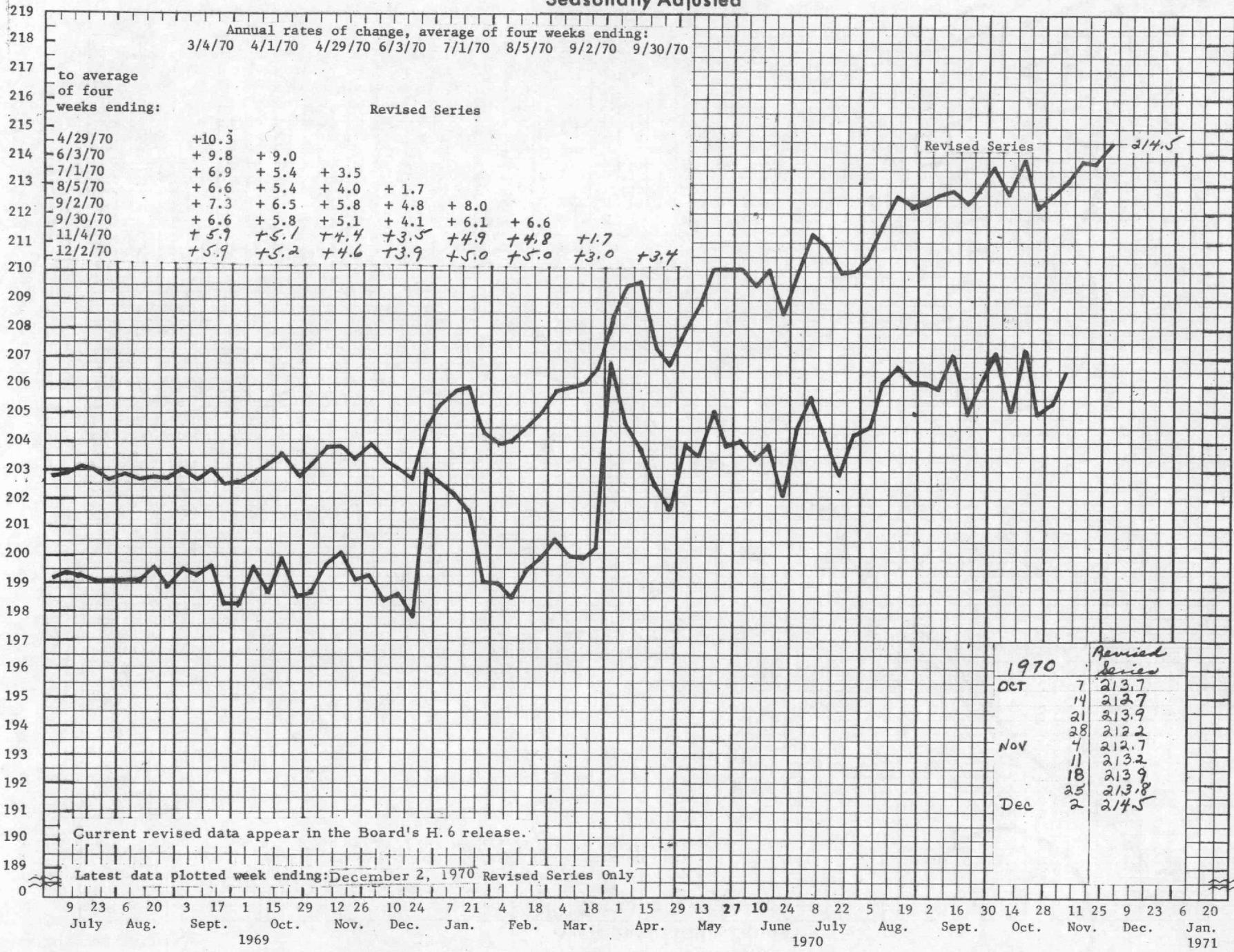


MONEY STOCK
Averages of Daily Figures
Seasonally Adjusted

5

Billions of Dollars

Billions of Dollars



TIME DEPOSITS
All Commercial Banks
Averages of Daily Figures

Billions of Dollars

Billions of Dollars

Revised Series

Seasonally Adjusted

Annual rates of change, average of four weeks ending:
3/4/70 4/1/70 4/29/70 6/3/70 7/1/70 8/5/70 9/2/70 9/30/70to average
of four
weeks ending:

Revised Series

4/29/70	+14.9
6/3/70	+13.8
7/1/70	+13.2
8/5/70	+19.3
9/2/70	+20.6
9/30/70	+21.9
11/4/70	+22.4
12/2/70	+21.6
	+22.9
	+23.7
	+24.9
	+27.5
	+23.1
	+21.9
	+18.9

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

Latest data plotted week ending: December 2, 1970 Revised Series Only

9 23 6 20 3 17 1 15 29 12 26 10 24 7 21 4 18 4 18 1* 15 29 13 27 10 24 8 22 5 19 2 16 30 14 28 11 25 6 20
July Aug. Sept. Oct. Nov. Dec. Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov. Dec. Jan.
1969 1970 1971

1970		Revised Series
Oct	7	221.0
	14	222.0
	21	222.8
	28	223.0
Nov	4	223.4
	11	223.8
	18	224.9
	25	226.1
Dec	2	227.1

MONEY STOCK PLUS TIME DEPOSITS
Averages of Daily Figures
Seasonally Adjusted

Billions of Dollars

Billions of Dollars

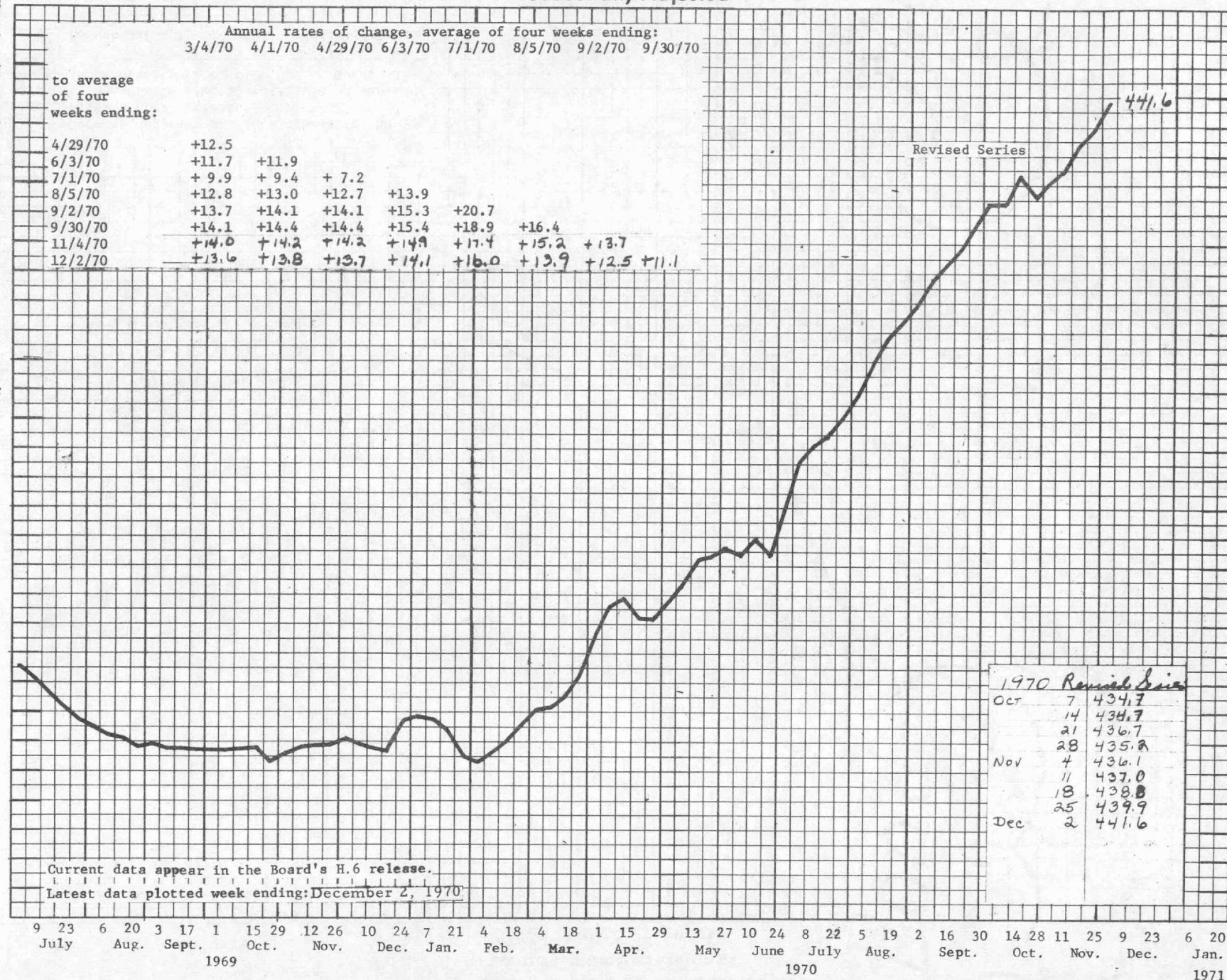
7

Annual rates of change, average of four weeks ending:
 3/4/70 4/1/70 4/29/70 6/3/70 7/1/70 8/5/70 9/2/70 9/30/70

to average
of four
weeks ending:

4/29/70	+12.5							
6/3/70	+11.7	+11.9						
7/1/70	+ 9.9	+ 9.4	+ 7.2					
8/5/70	+12.8	+13.0	+12.7	+13.9				
9/2/70	+13.7	+14.1	+14.1	+15.3	+20.7			
9/30/70	+14.1	+14.4	+14.4	+15.4	+18.9	+16.4		
11/4/70	+14.0	+14.2	+14.2	+14.9	+17.4	+15.2	+13.7	
12/2/70	+13.6	+13.8	+13.7	+14.1	+16.0	+13.9	+12.5	+11.1

Revised Series

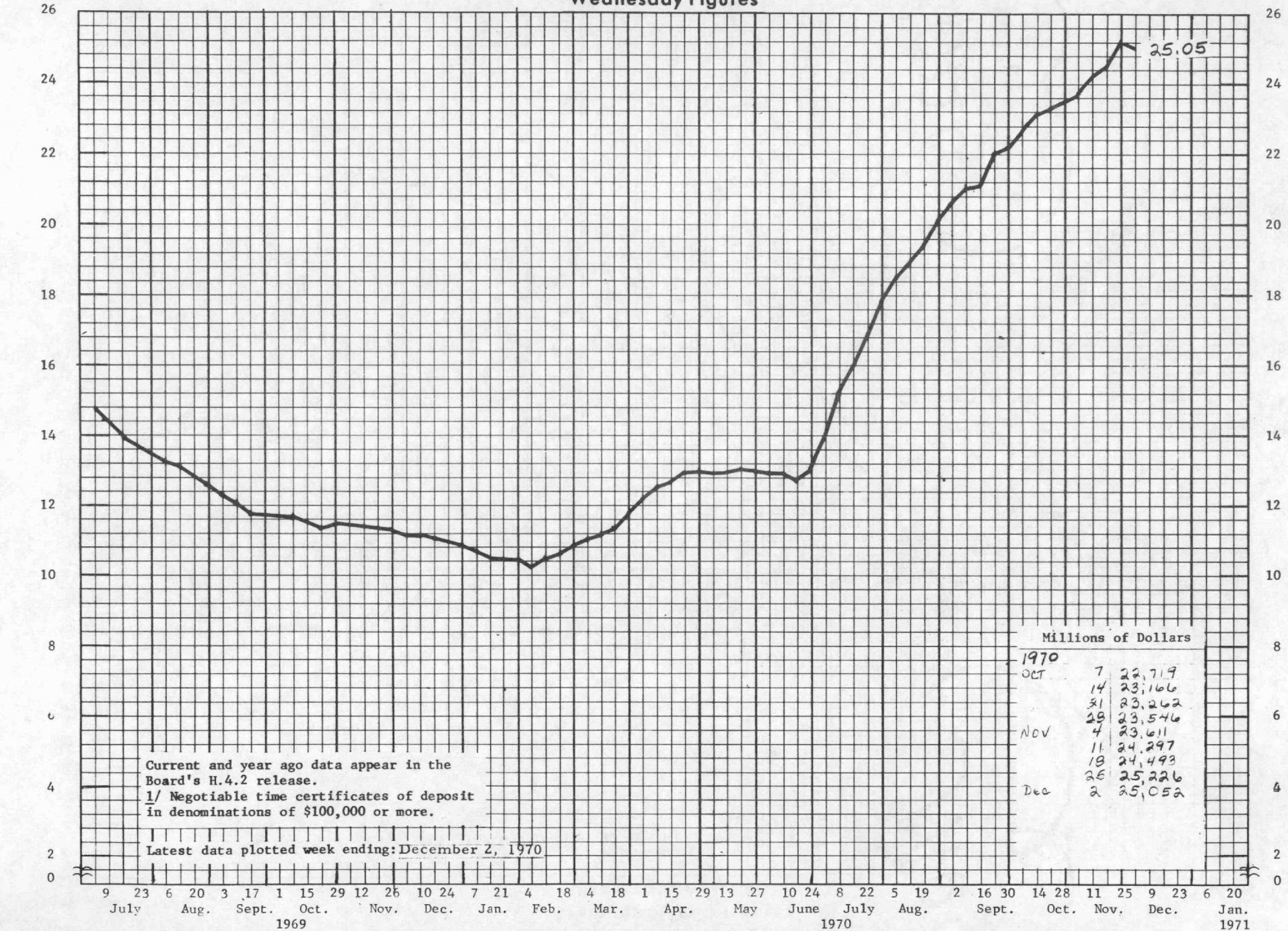


CERTIFICATES OF DEPOSIT ¹
 Large Commercial Banks
 Wednesday Figures

8

Billions of Dollars

Billions of Dollars



Millions of Dollars		
1970		
OCT	7	22,719
	14	23,166
	31	23,262
	29	23,546
	4	23,611
	11	24,297
	19	24,493
	26	25,226
NOV	2	25,052
Dec		

MEMBER BANK DEPOSITS SUBJECT TO RESERVE REQUIREMENTS
(CREDIT PROXY)

9

Billions of Dollars

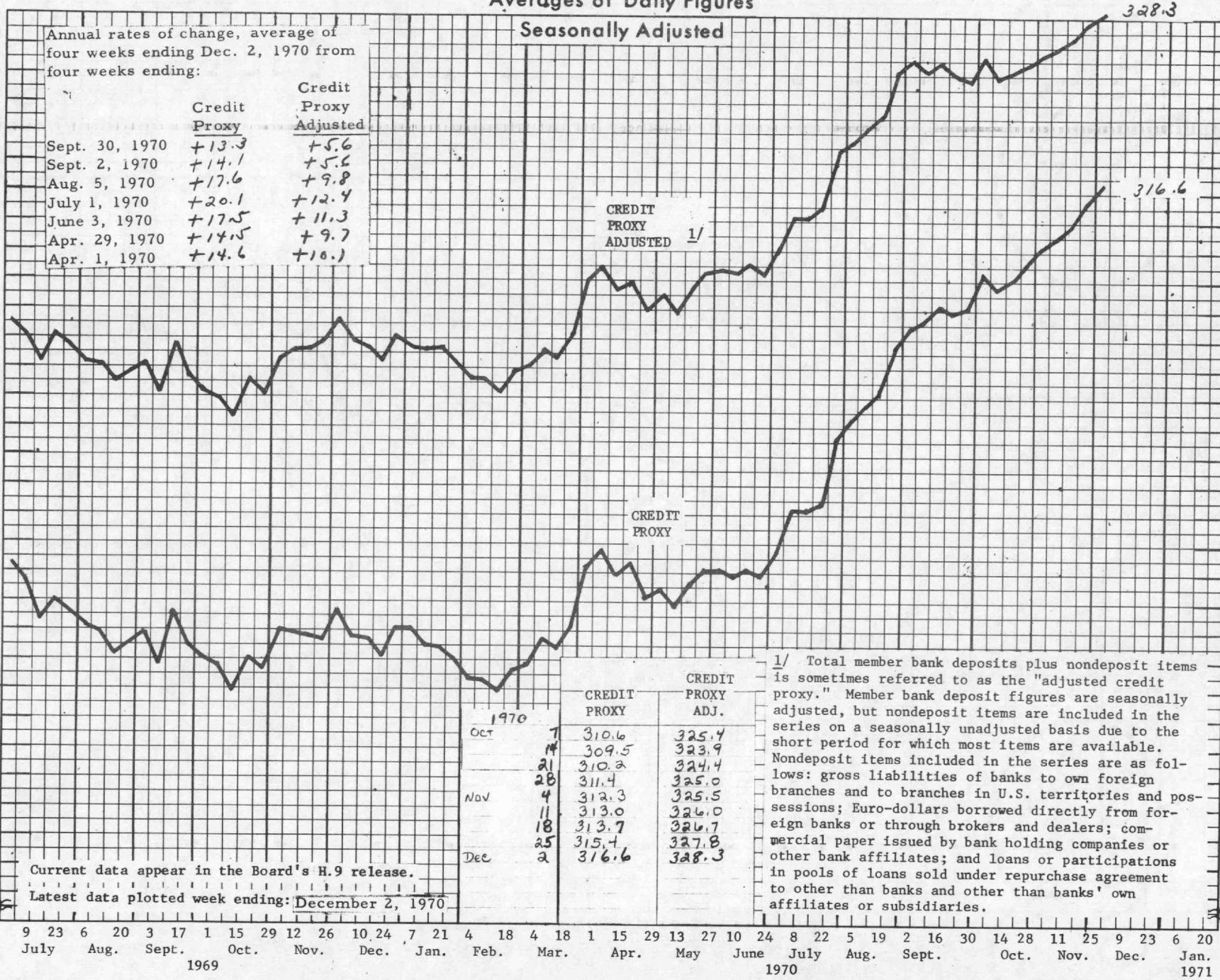
Billions of Dollars

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

	Credit Proxy	Credit Proxy Adjusted
Sept. 30, 1970	+13.3	+5.6
Sept. 2, 1970	+14.1	+5.6
Aug. 5, 1970	+17.6	+9.8
July 1, 1970	+20.1	+12.4
June 3, 1970	+17.5	+11.3
Apr. 29, 1970	+14.5	+9.7
Apr. 1, 1970	+14.6	+10.1

Averages of Daily Figures

Seasonally Adjusted



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.

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

Latest data plotted week ending: December 2, 1970

July 23 6 20 3 17 1 15 29 12 26 10 24 7 21 4 18 4 18 Mar. 1 15 29 13 27 10 24 8 22 5 19 2 16 30 14 28 11 25 9 23 6 20
 1969
 Aug. Sept. Oct. Nov. Dec. Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov. Dec. Jan.
 1970

YIELDS ON SELECTED SECURITIES
Averages of Daily Rates Ended Friday

Per Cent

11.00

1970

	3-Month Treasury Bill	3-5 Year Government	Long-Term Government	Corporate Aaa
OCT	2 5.84	7.09	6.53	8.05
9	6.01	7.04	6.51	8.02
16	5.96	7.05	6.55	8.01
23	5.83	7.13	6.66	8.03
30	5.84	7.03	6.65	8.07
1	5.56	6.84	6.49	8.09
8	5.48	6.67	6.39	8.07
15	5.19	6.26	6.19	8.05
22	4.98	5.84	5.97	8.02
29	4.97	5.81	5.93	7.85
Dec	11* 4.95	5.80	5.89	7.80

Per Cent

11.00

10.50

10.00

9.50

9.00

8.50

8.00

7.50

8.00

7.50

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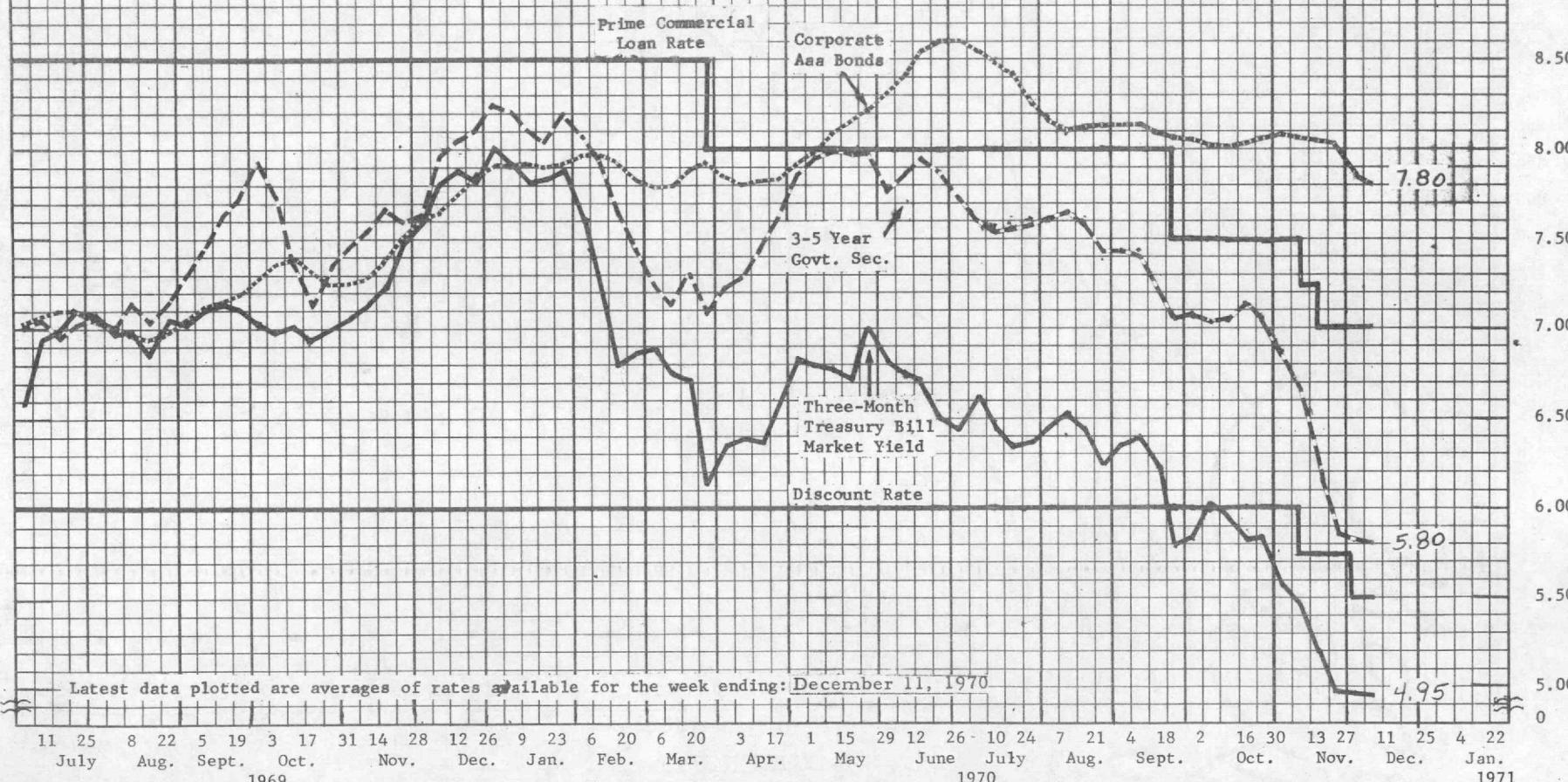
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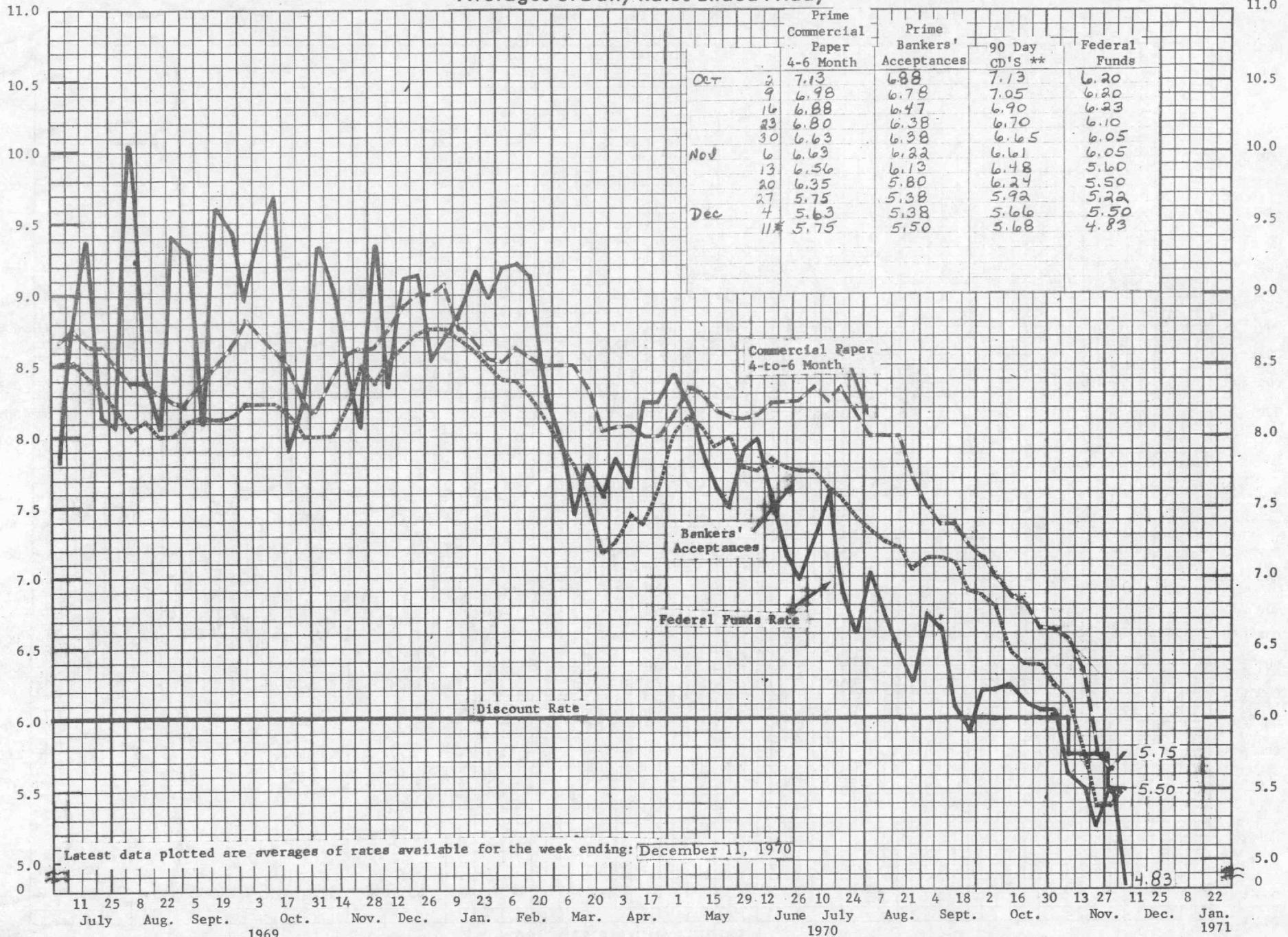


Latest data plotted are averages of rates available for the week ending: December 11, 1970

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.

Prepared by Federal Reserve Bank of St. Louis

BORROWINGS AND EXCESS RESERVES
All Member Banks in the Nation
Averages of Daily Figures

12

Millions of Dollars

Millions of Dollars

