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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.

Prepared by Federal Reserve Bank of St. Louis

Released: December 11, 1970

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

Billions of Dollars

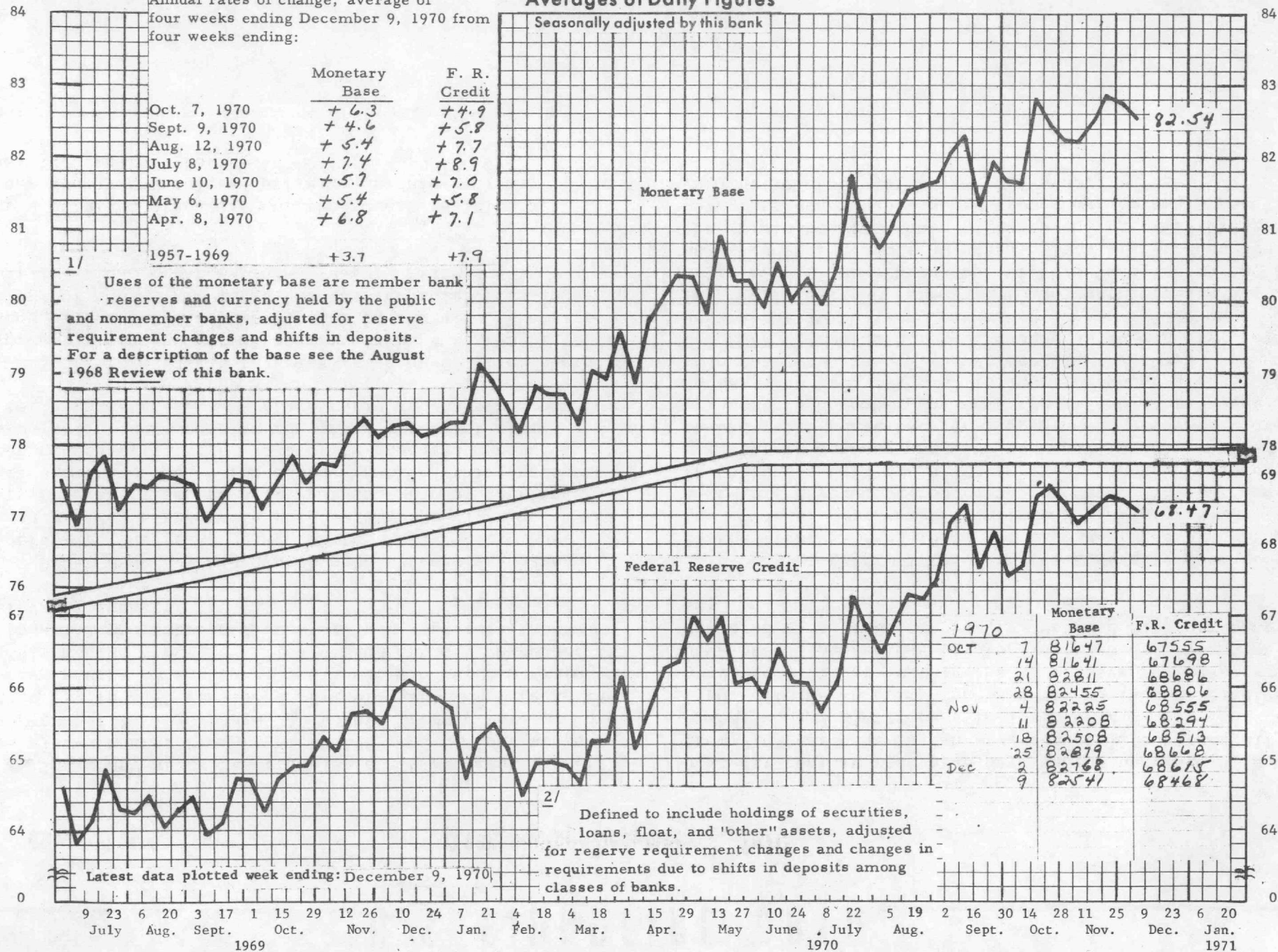
Billions of Dollars

Annual rates of change, average of four weeks ending 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

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.

Seasonally adjusted by this bank



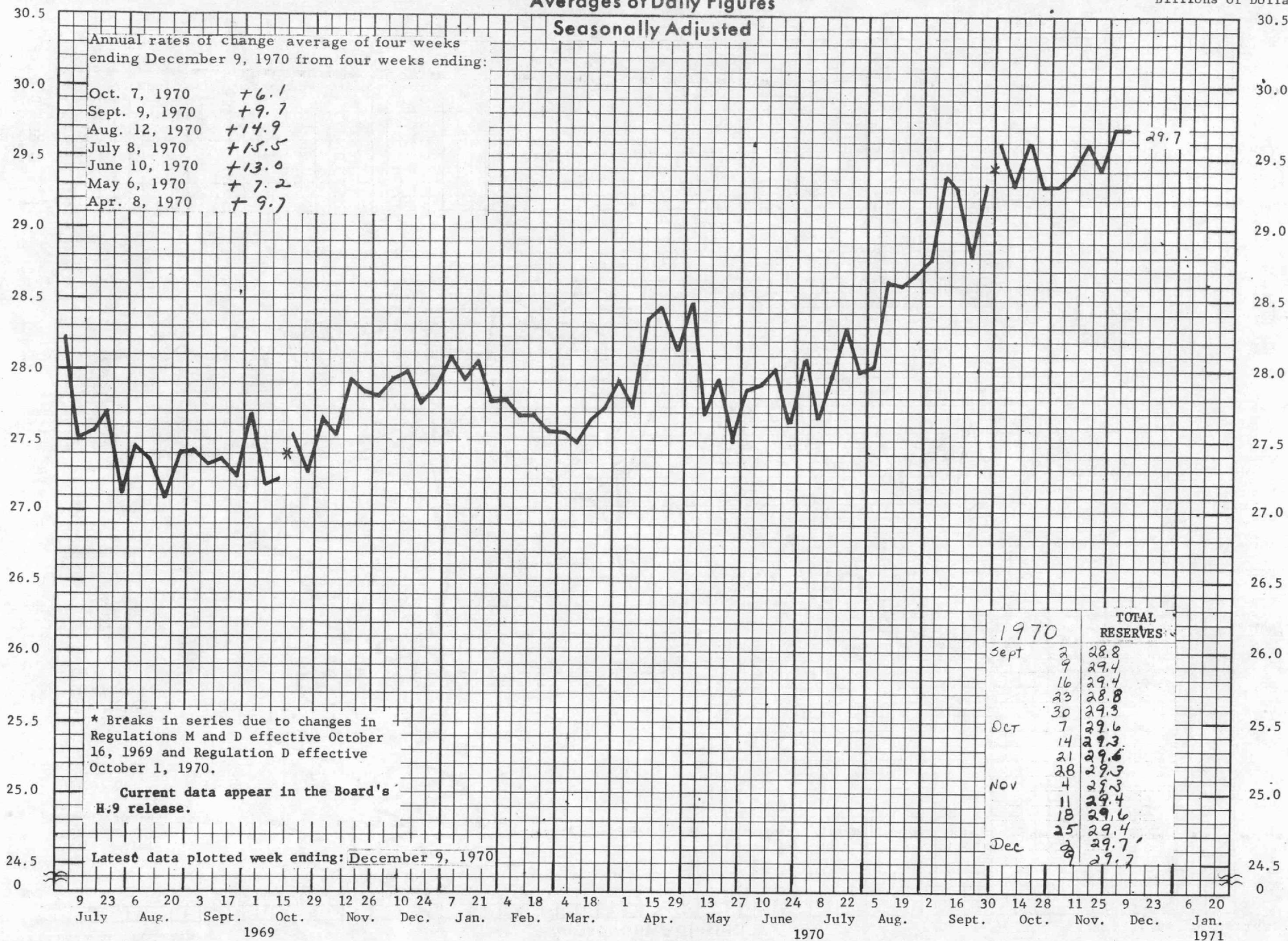
RESERVES

All Member Banks in the Nation

Averages of Daily Figures

Billions of Dollars

Billions of Dollars



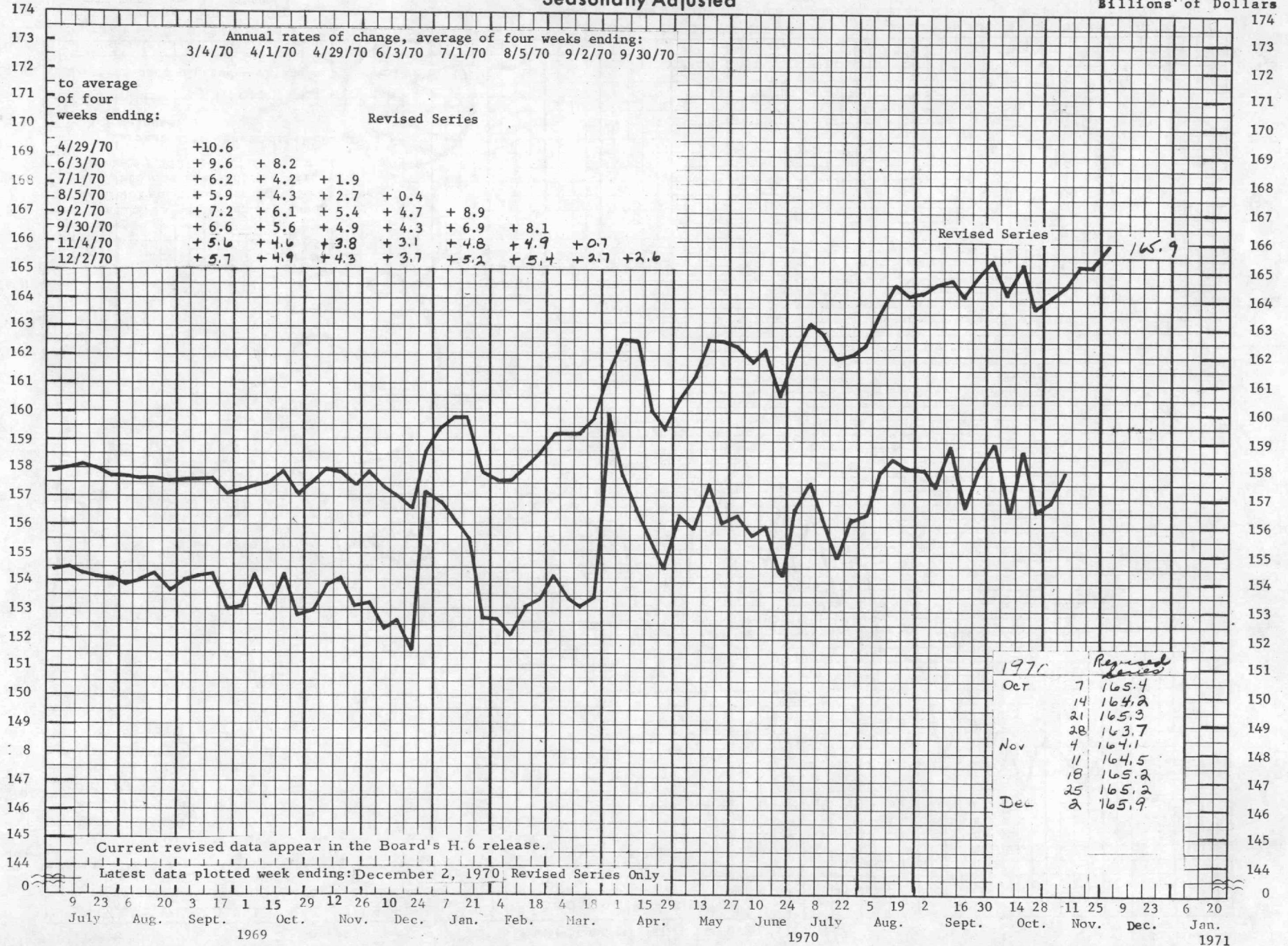
DEMAND DEPOSIT COMPONENT OF MONEY STOCK

Averages of Daily Figures

Seasonally Adjusted

Billions of Dollars

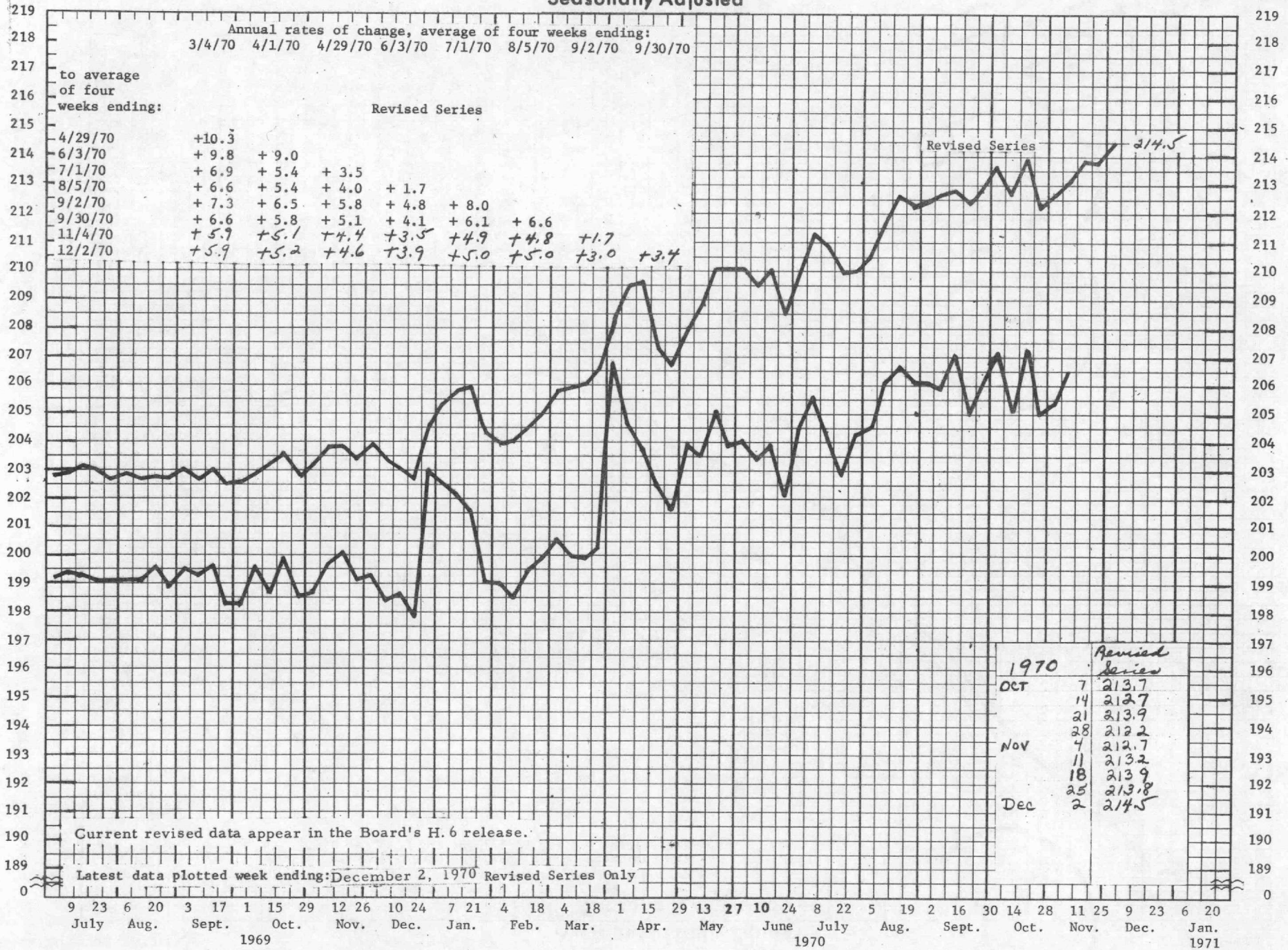
Billions of Dollars



MONEY STOCK Averages of Daily Figures Seasonally Adjusted

Billions of Dollars

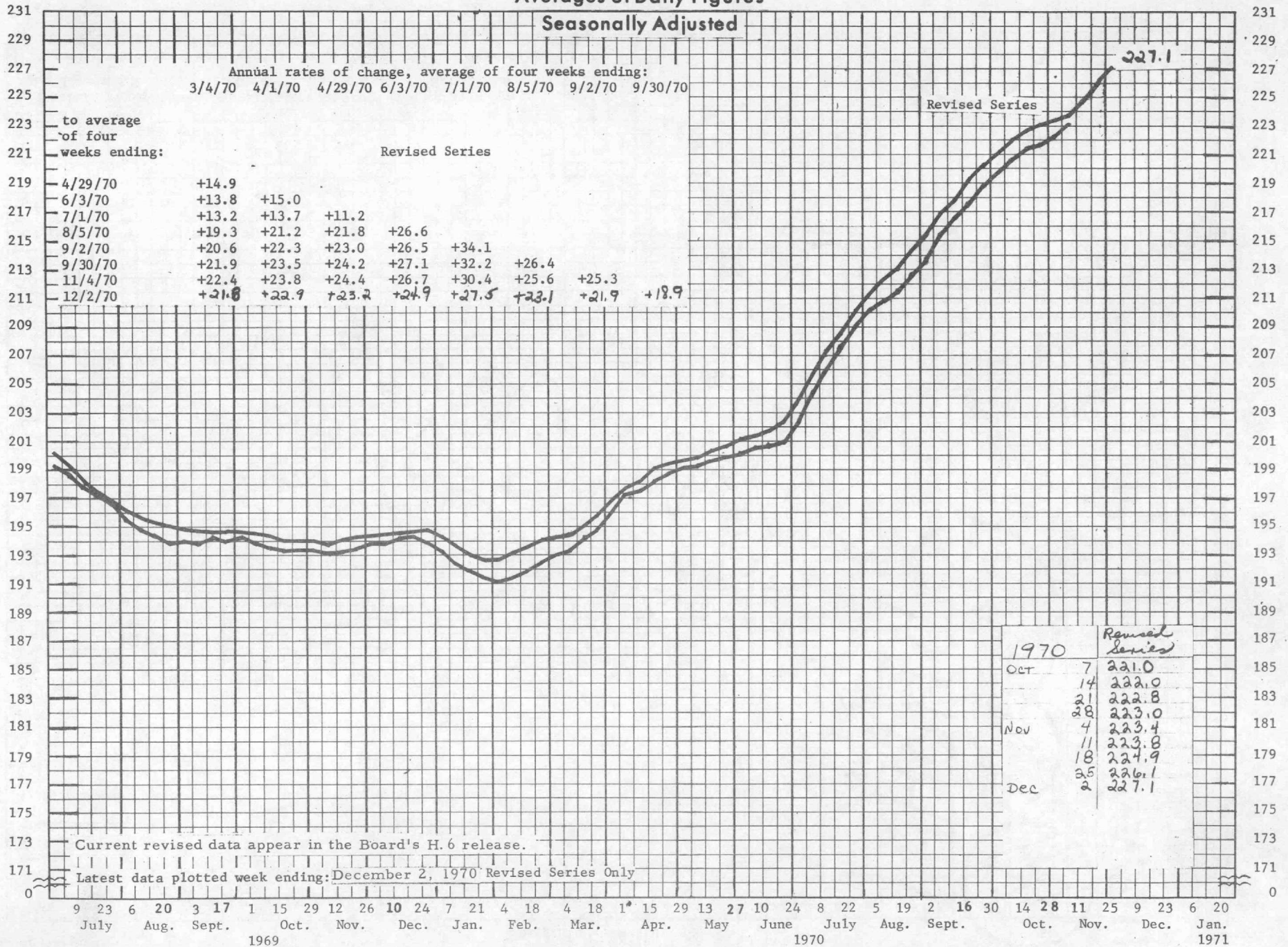
Billions of Dollars



TIME DEPOSITS All Commercial Banks Averages of Daily Figures Seasonally Adjusted

Billions of Dollars

Billions of Dollars



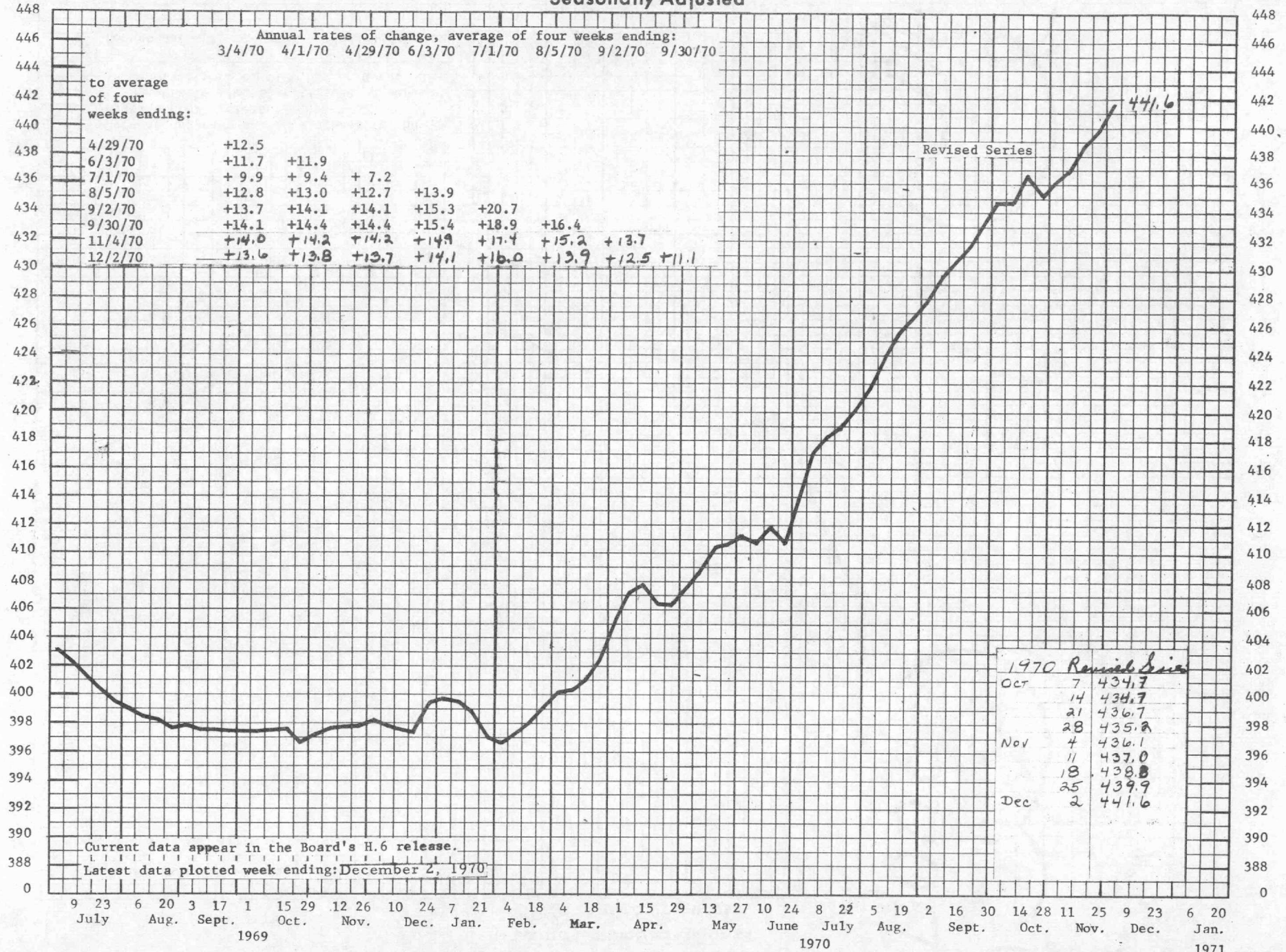
MONEY STOCK PLUS TIME DEPOSITS

Averages of Daily Figures

Seasonally Adjusted

Billions of Dollars

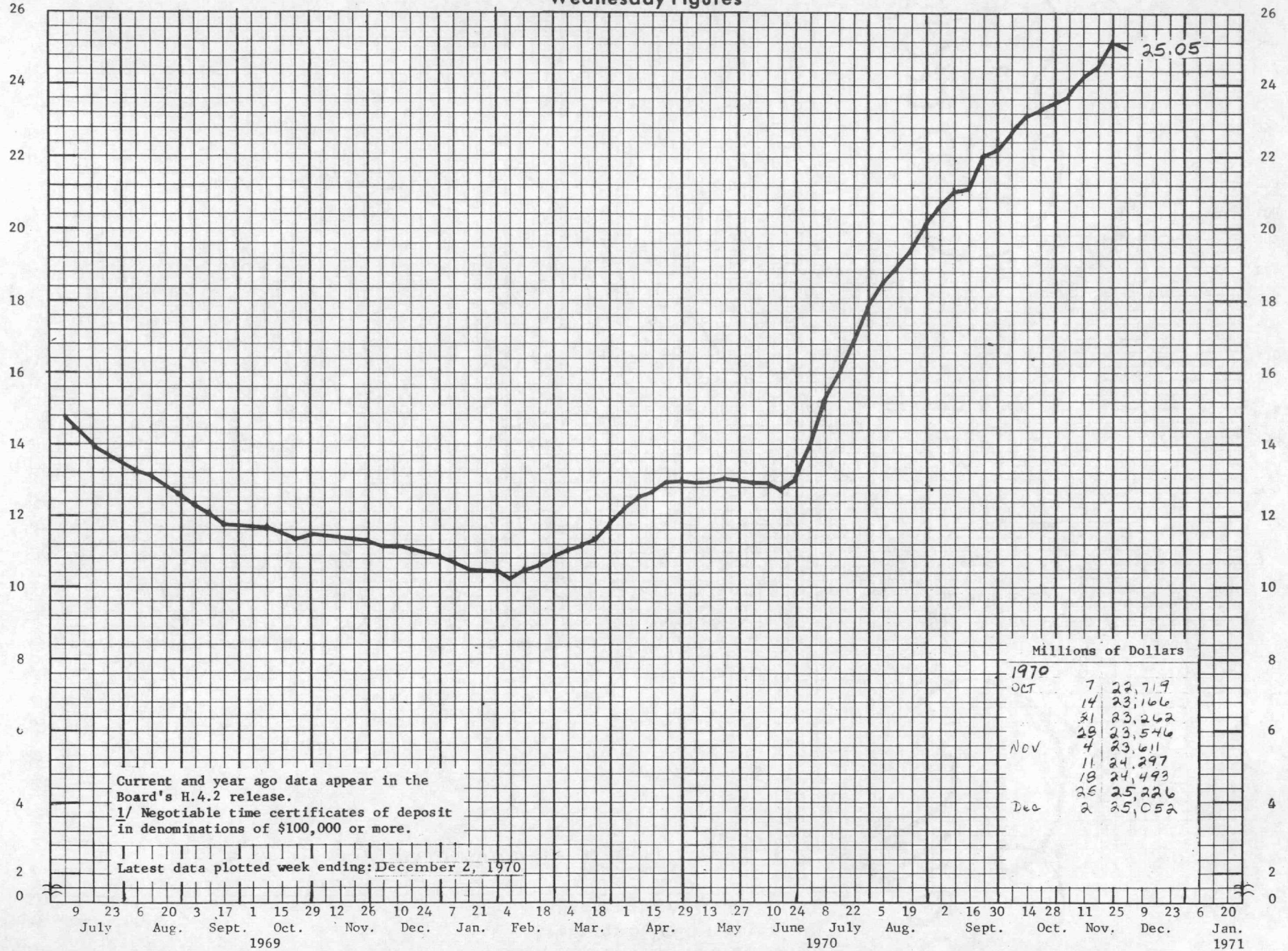
Billions of Dollars



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

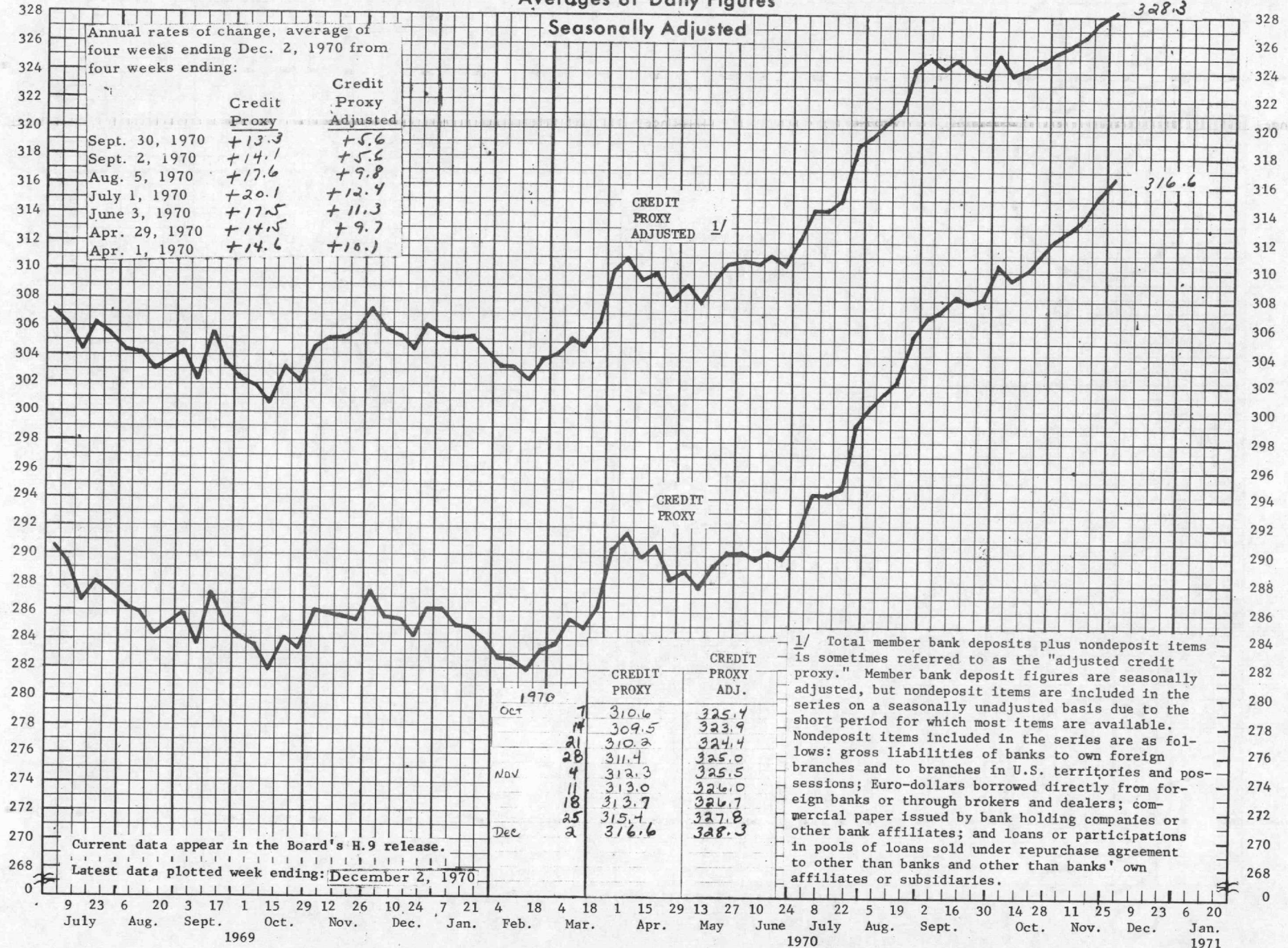
Billions of Dollars

Averages of Daily Figures

Seasonally Adjusted

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



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

Latest data plotted week ending: December 2, 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.

YIELDS ON SELECTED SECURITIES Averages of Daily Rates Ended Friday

Per Cent

Per Cent

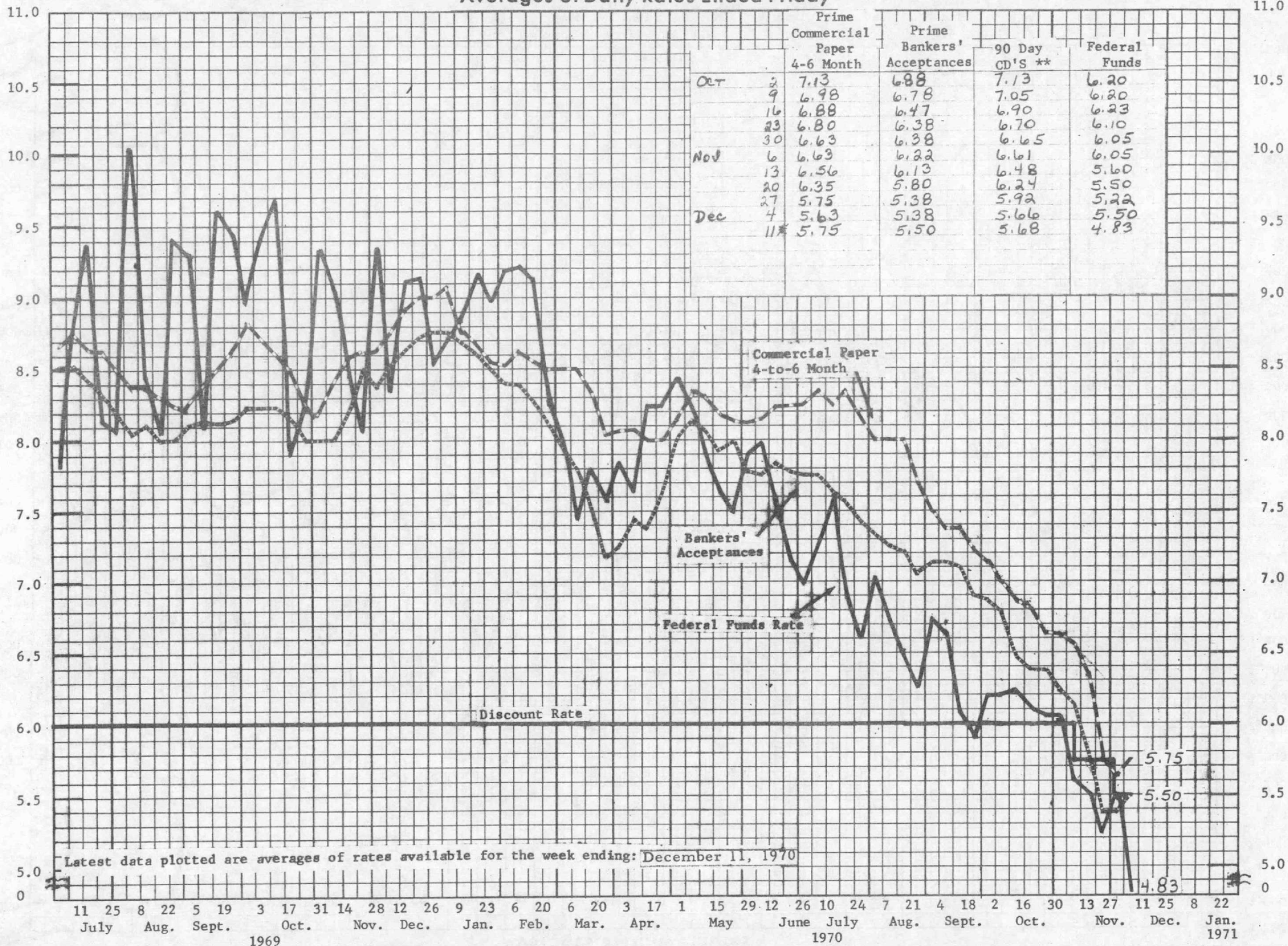


Latest data plotted are averages of rates available for the week ending: December 11, 1970

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

Millions of Dollars

Millions of Dollars

