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U.S. FINANCIAL DATA

Week ending: December 30, 1970

The money stock, consisting of private demand deposits and currency in the hands of the public, has increased at a 5.4 per cent annual rate from December 1969 to the four weeks ending December 23, 1970 (page 5). In contrast, money grew at a 3 per cent rate during 1969. The slow growth in money in 1969 probably fostered the reduced rate of growth in total spending in 1970. Similarly, the monetary expansion during 1970 may foster an increase in the rate of growth in total spending in 1971.

Private demand deposits, the component of money that is most responsive to current policy actions of the Federal Reserve, has increased at a 5.1 per cent annual rate since December 1969, compared with a 2.4 per cent rate in the previous twelve months (page 4).

Total member bank deposits subject to reserve requirements, sometimes referred to as the bank credit proxy, has risen at a 15.1 per cent annual rate since the four weeks ending February 25, a period of ten months (page 9). This rate compares with a decline at a 4.7 per cent rate in the previous thirteen months. The proxy, adjusted to include nondeposit sources of funds, has increased at a 10.6 per cent rate in these past ten months. The credit proxy has been heavily influenced by the flow of time deposits from banks into other channels in 1969 and by the rapid reflow in 1970. To the extent that funds have been shifted between banks and nonbank channels,

this proxy has not represented a decrease or increase in the total credit of the economy and may be of little general economic significance.

The Federal funds rate, the rate charged on very short-term lending from one bank to another, averaged about 5 per cent in December (page 11). In comparison, this rate averaged about 6 per cent in late September and October and about 9 per cent in January a year ago.

Member bank borrowings from Federal Reserve banks have averaged about \$320 million in the four weeks ending December 30 (page 12). By way of comparison, borrowings averaged approximately \$1.2 billion in the last half of 1969, a period of slow monetary and time deposit growth and strong demand for loan funds. In this earlier period, borrowings were an attractive way of obtaining short-term funds since the discount rate was from 2 to 4 percentage points below the Federal funds rate and from 1 to 2 percentage points below the 3-month Treasury bill rate. Undoubtedly, borrowings would have been much higher then had it not been for the strict administration of the discount window. During 1970, borrowings have declined in response to monetary expansion, an inflow of time deposits to banks, and less demand for loan funds. Borrowings are now much less attractive as short-term money market rates have fallen substantially more than the discount rate.

Prepared by Federal Reserve Bank of St. Louis

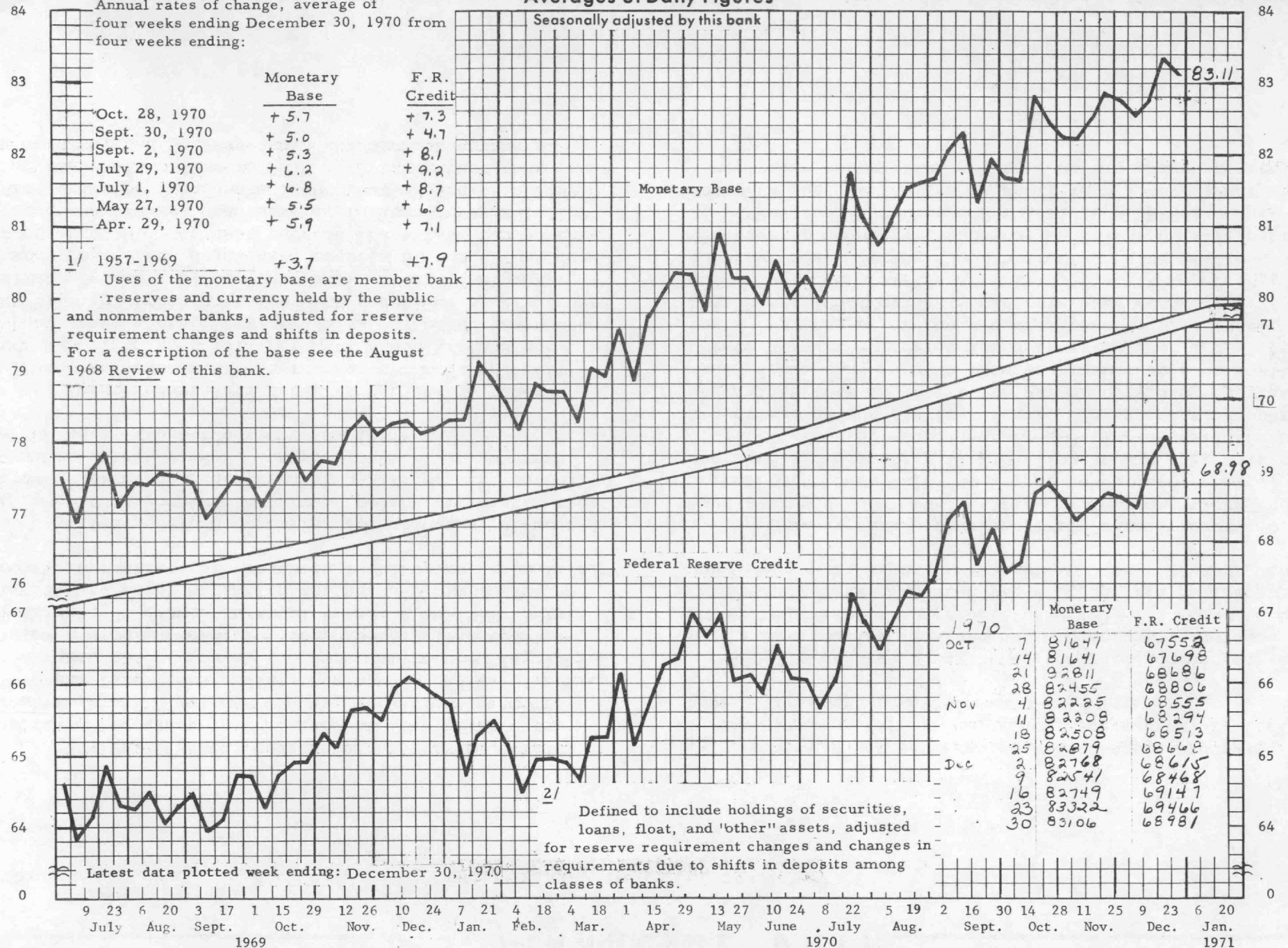
Released: January 4, 1971

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

2

Billions of Dollars

Billions of Dollars

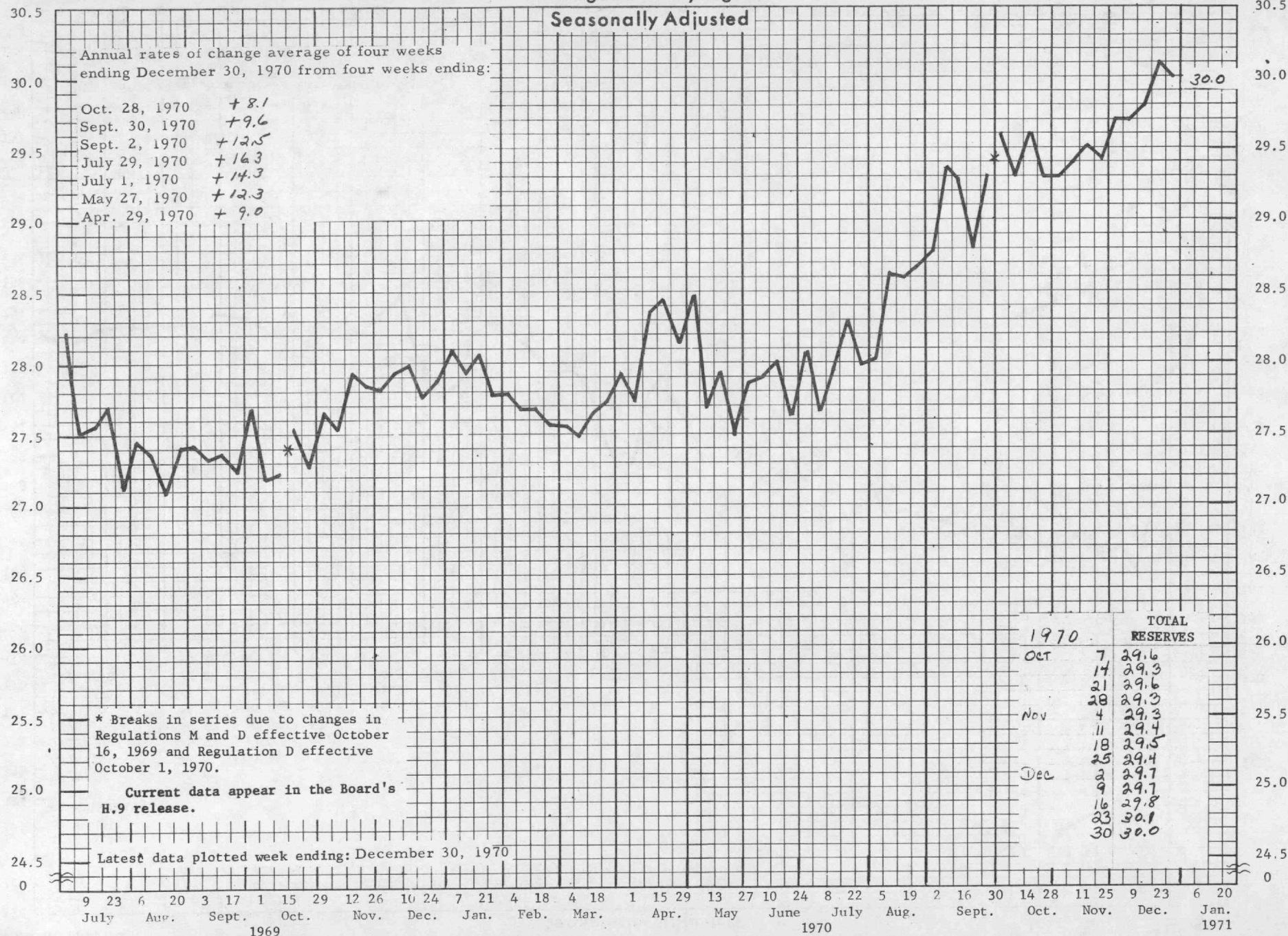


RESERVES All Member Banks in the Nation Averages of Daily Figures

3

Billions of Dollars

Billions of Dollars



DEMAND DEPOSIT COMPONENT OF MONEY STOCK

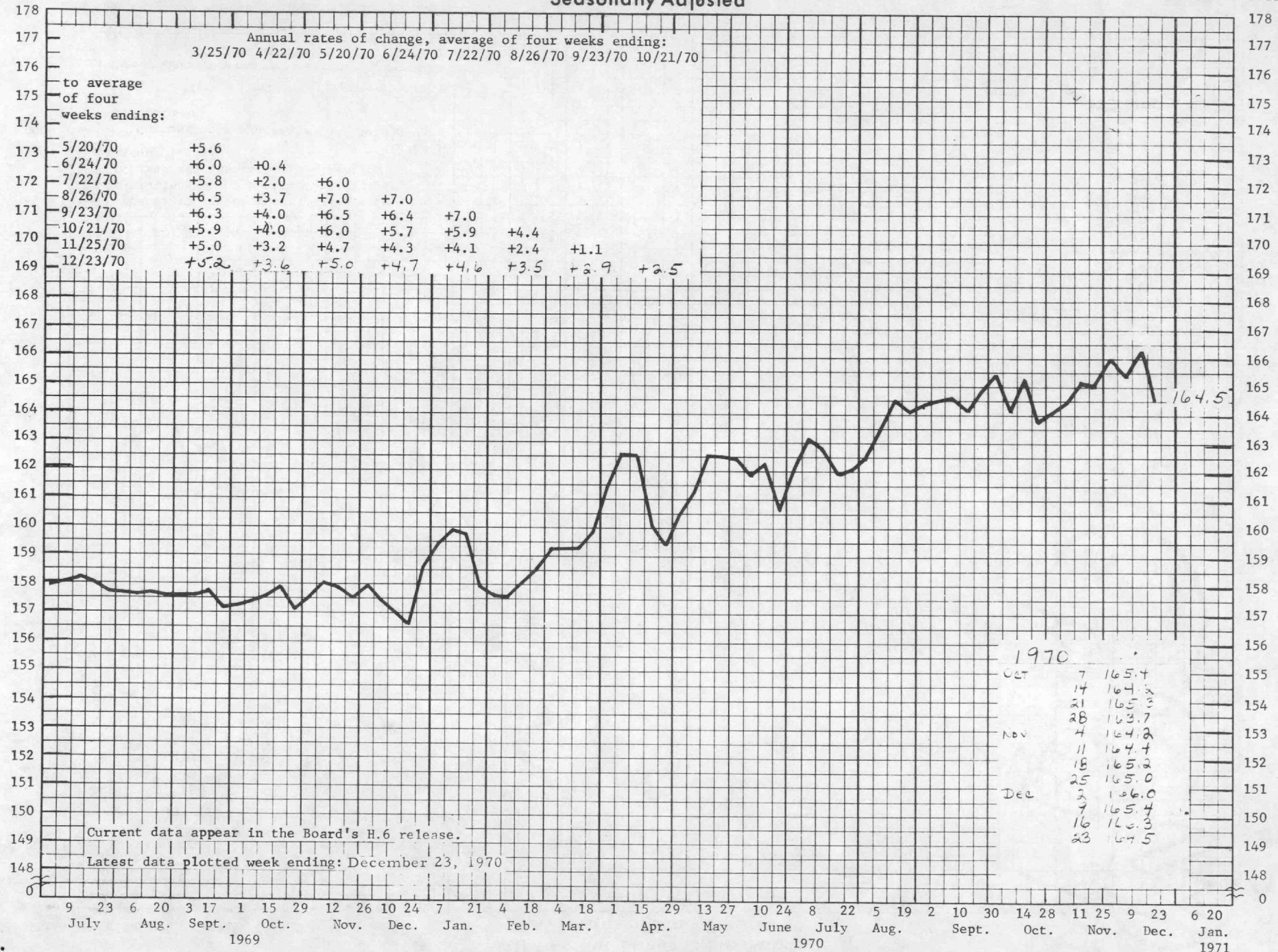
Averages of Daily Figures

Seasonally Adjusted

4

Billions of Dollars

Billions of Dollars

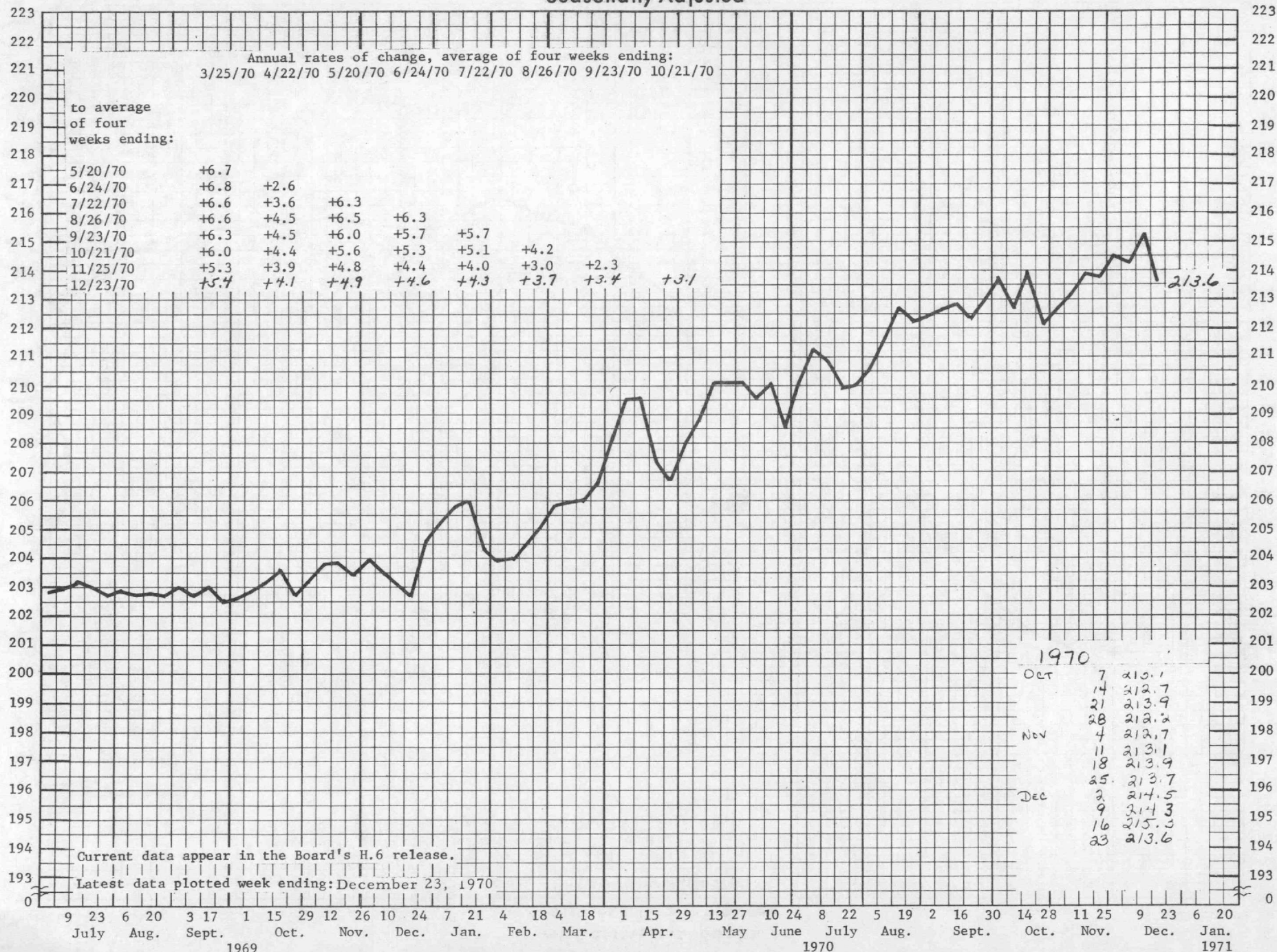


MONEY STOCK Averages of Daily Figures Seasonally Adjusted

5

Billions of Dollars

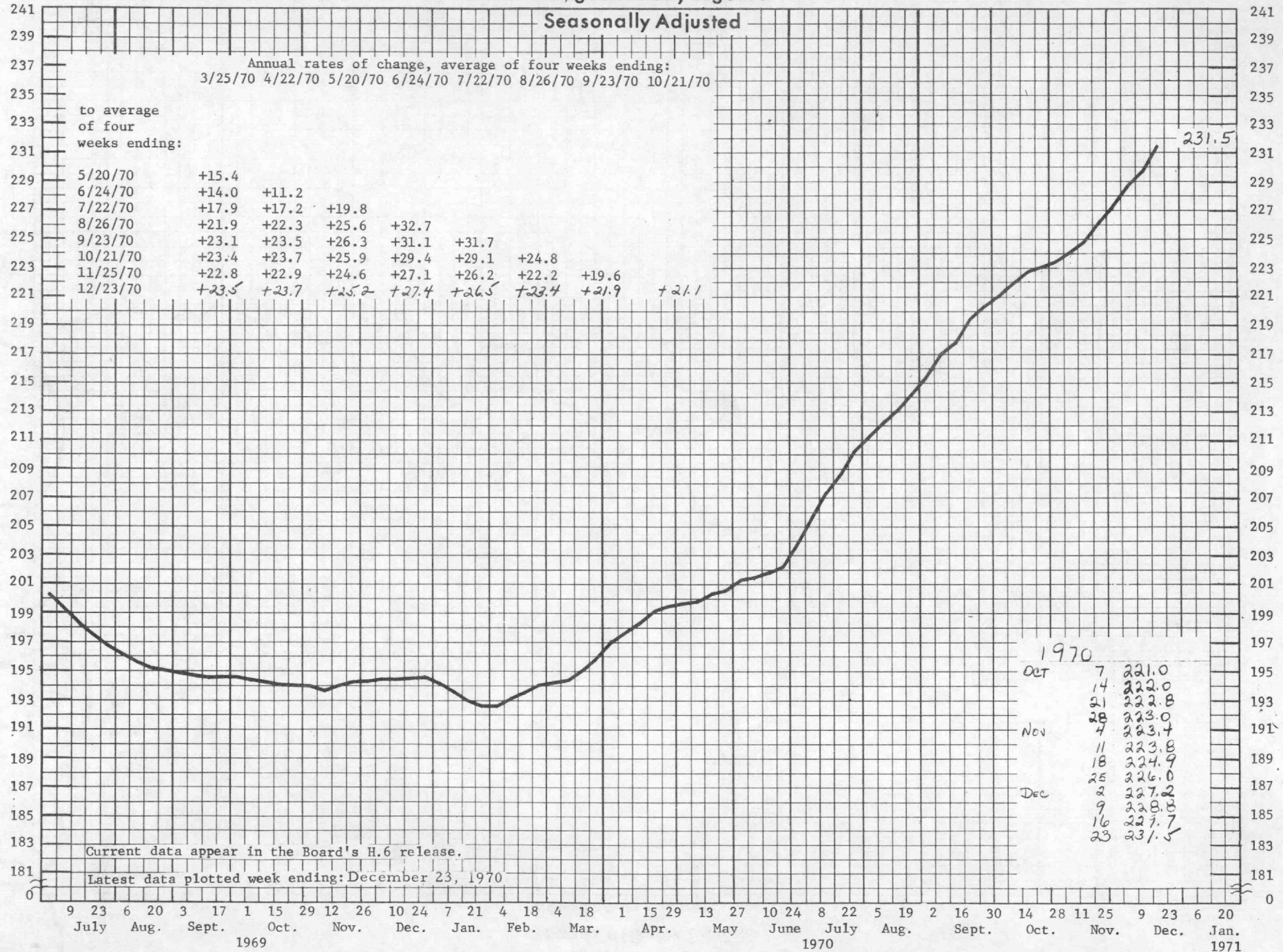
Billions of Dollars



TIME DEPOSITS
All Commercial Banks
Averages of Daily Figures

Billions of Dollars

Billions of Dollars



MONEY STOCK PLUS TIME DEPOSITS

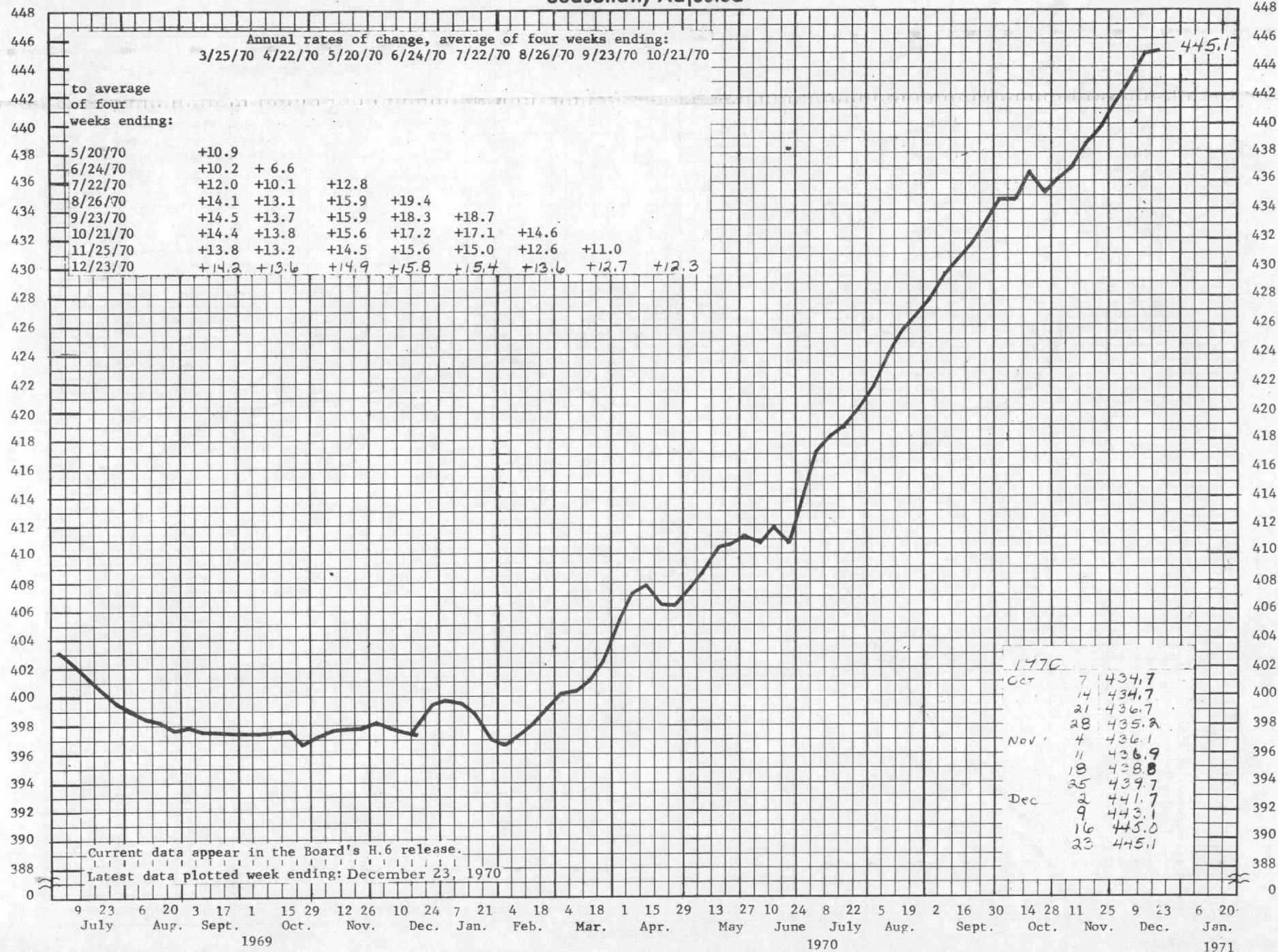
Averages of Daily Figures

Seasonally Adjusted

7

Billions of Dollars

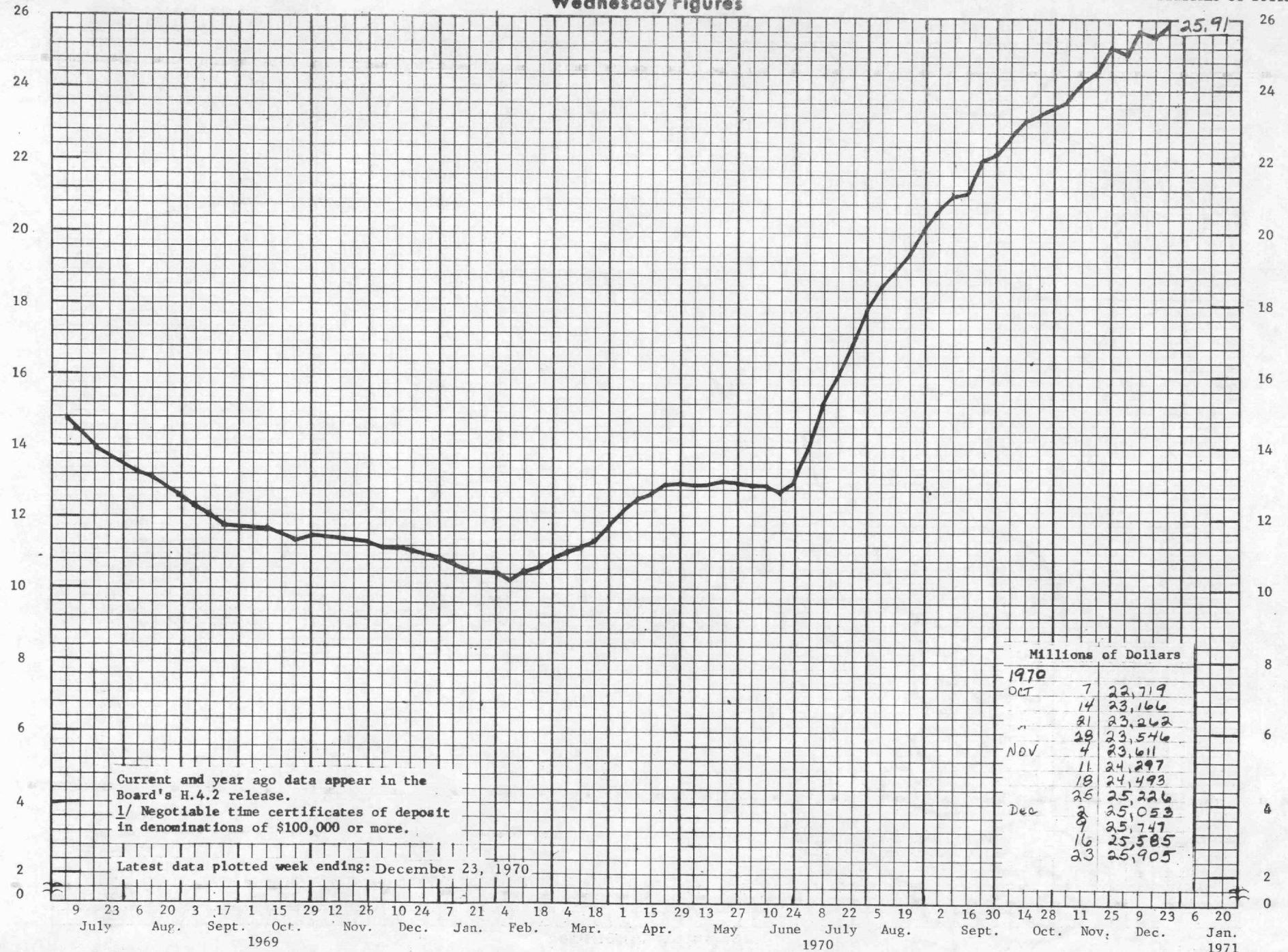
Billions of Dollars



CERTIFICATES OF DEPOSIT ^{1/} **Large Commercial Banks** **Wednesday Figures**

Billions of Dollars

Billions of Dollars



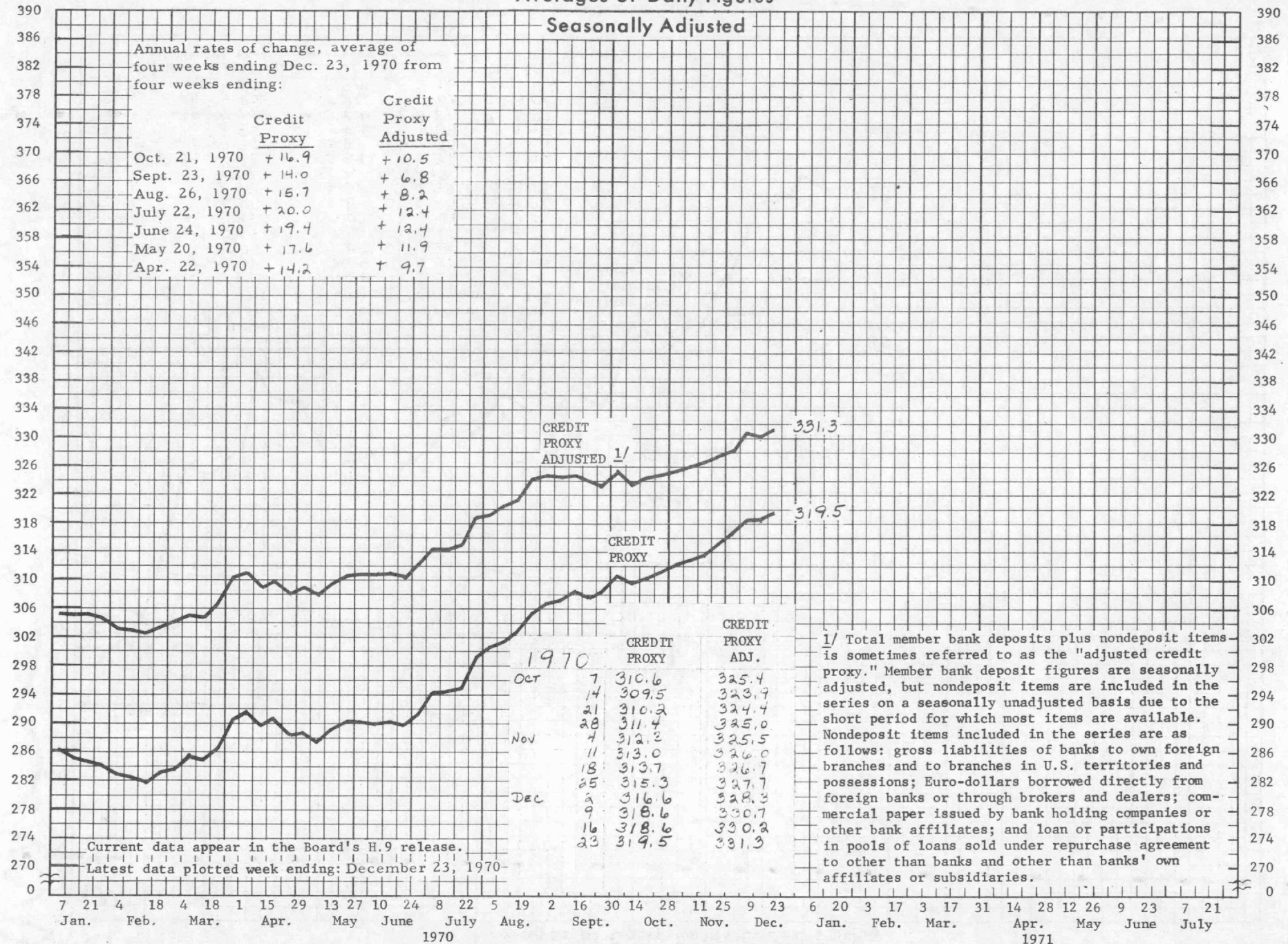
MEMBER BANK DEPOSITS SUBJECT TO RESERVE REQUIREMENTS (CREDIT PROXY)

9

Billions of Dollars

Averages of Daily Figures

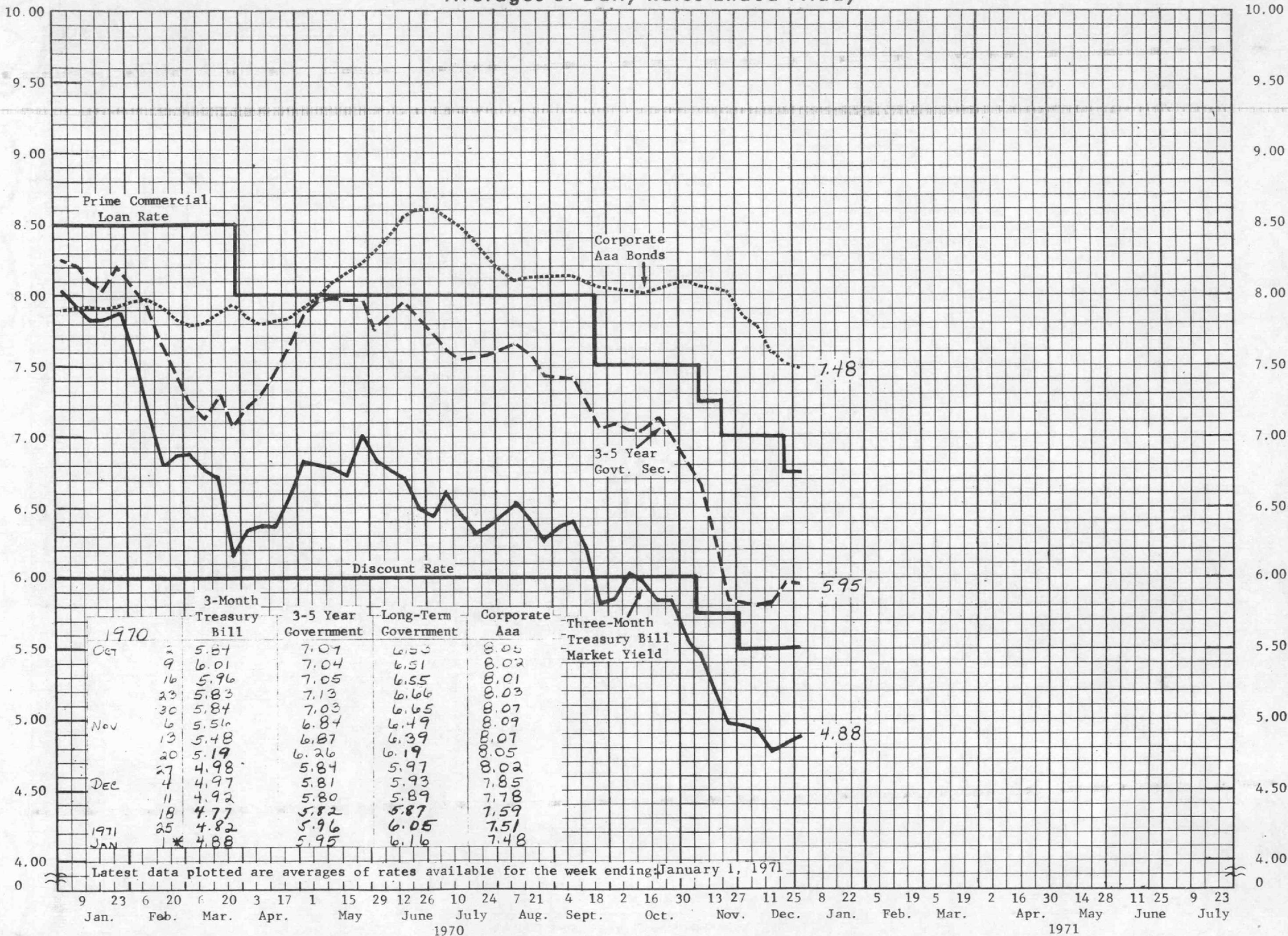
Billions of Dollars



YIELDS ON SELECTED SECURITIES Averages of Daily Rates Ended Friday

Per Cent

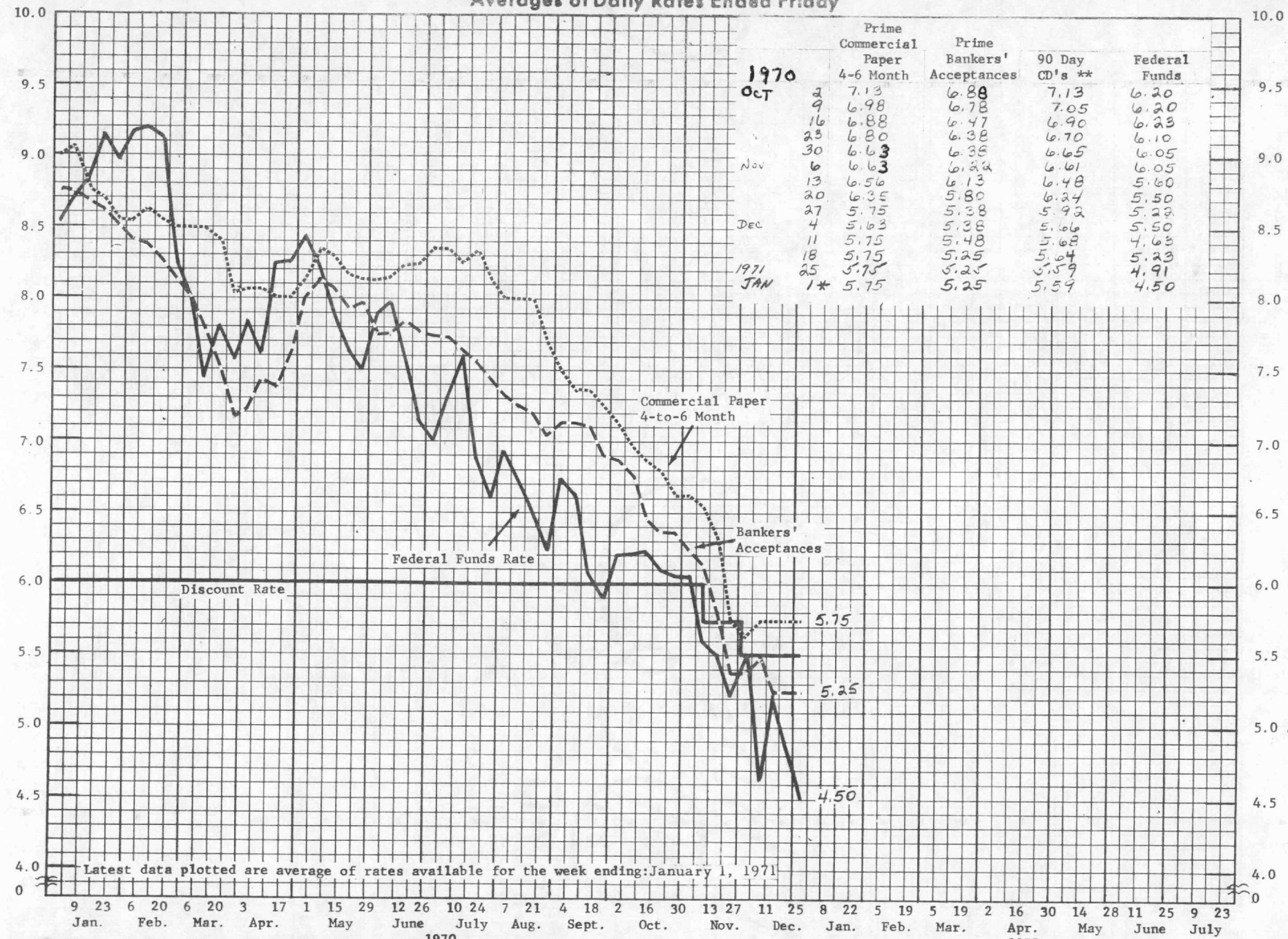
Per Cent



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

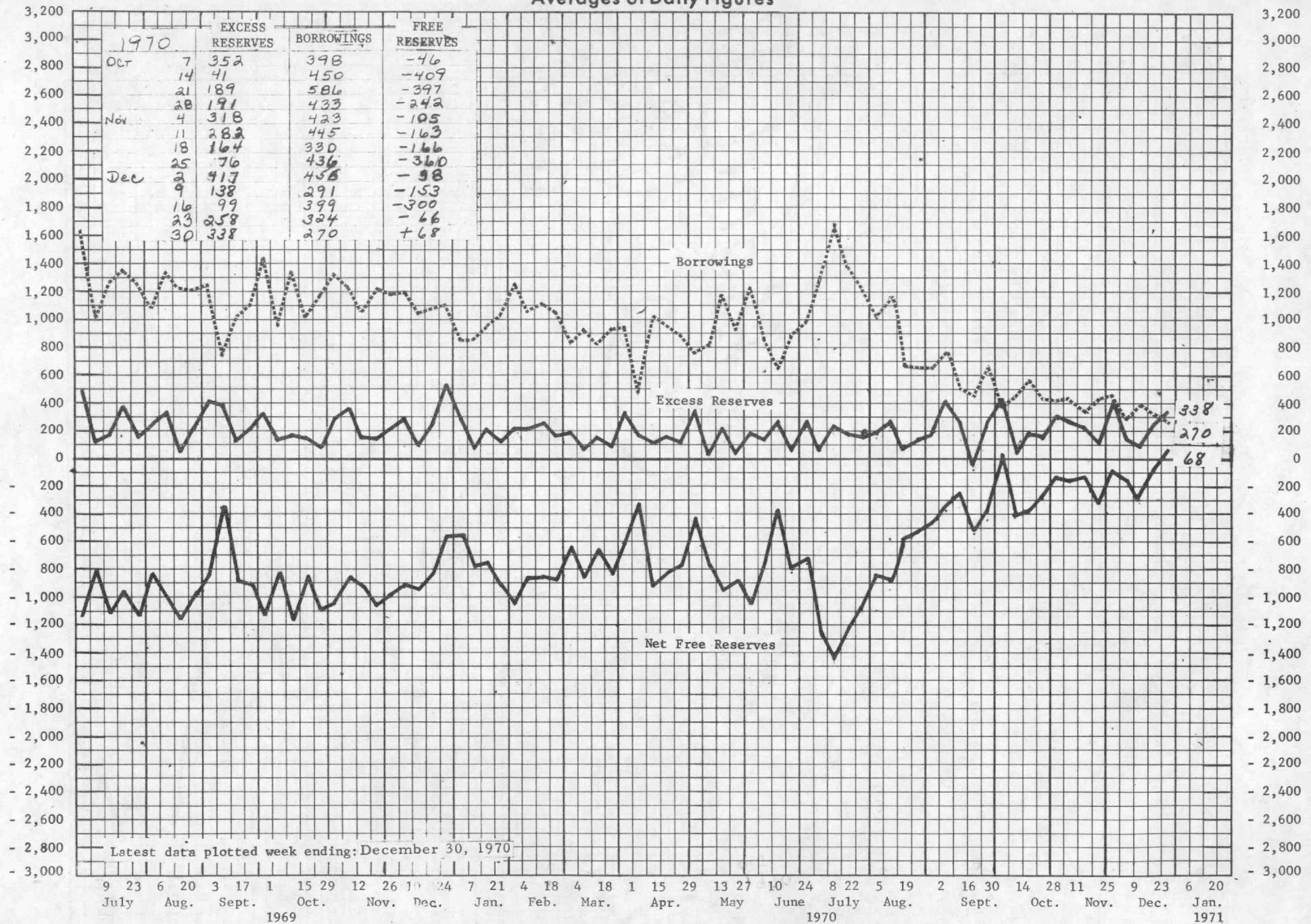
All Member Banks in the Nation

Averages of Daily Figures

12

Millions of Dollars

Millions of Dollars



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