U.S. FINANCIAL DATA

Week ending: January 20, 1971

Short-term market interest rates have declined since January 1970, and have fallen quite rapidly since October except for a brief pause in December (pages 10 and 11). The declines in rates have reflected a decrease in the demand of funds relative to supply. Three-month Treasury bill rates averaged 4.23 per cent in the three days ending January 20, compared with about 6 per cent in early October. Yields on four- to six-month commercial paper averaged 5 per cent in the first half of this week, compared with 7 per cent in early October and 8 per cent in mid-August. Federal fund rates averaged 4.18 per cent in the five days ending January 20, compared with about a 5 per cent rate in mid-December, 5-1/2 per cent in the second half of November, and 6 per cent in late September and October.

The prime interest rate, the rate charged by commercial banks on loans made to large high-rated business customers, was marked down from 6-1/2 per cent to 6-1/4 per cent late last week and then to 6 per cent early this week. The latter change was the sixth reduction since early November and the eighth since early 1970, when this rate was at its historical high of 8-1/2 per cent. Even with these numerous declines in recent months, the spread between the prime rate and commercial paper rates (a major competitive rate) has increased from about 65 basis points in October to about 100 basis points now. The declines in the prime rate were necessary in order to adjust to changing supply and demand conditions. Banks have not only gained funds through monetary expansion and rapid growth of time deposits, but have also had less demand for bank loans because of the slowdown in general economic activity and refinancing with longer-term borrowing.

Early this week, six Federal Reserve banks lowered their discount rates from 5-1/4 to 5 per cent, the fourth decline of 1/4 percentage points since early November. This change brings this rate into somewhat closer alignment with market rates.

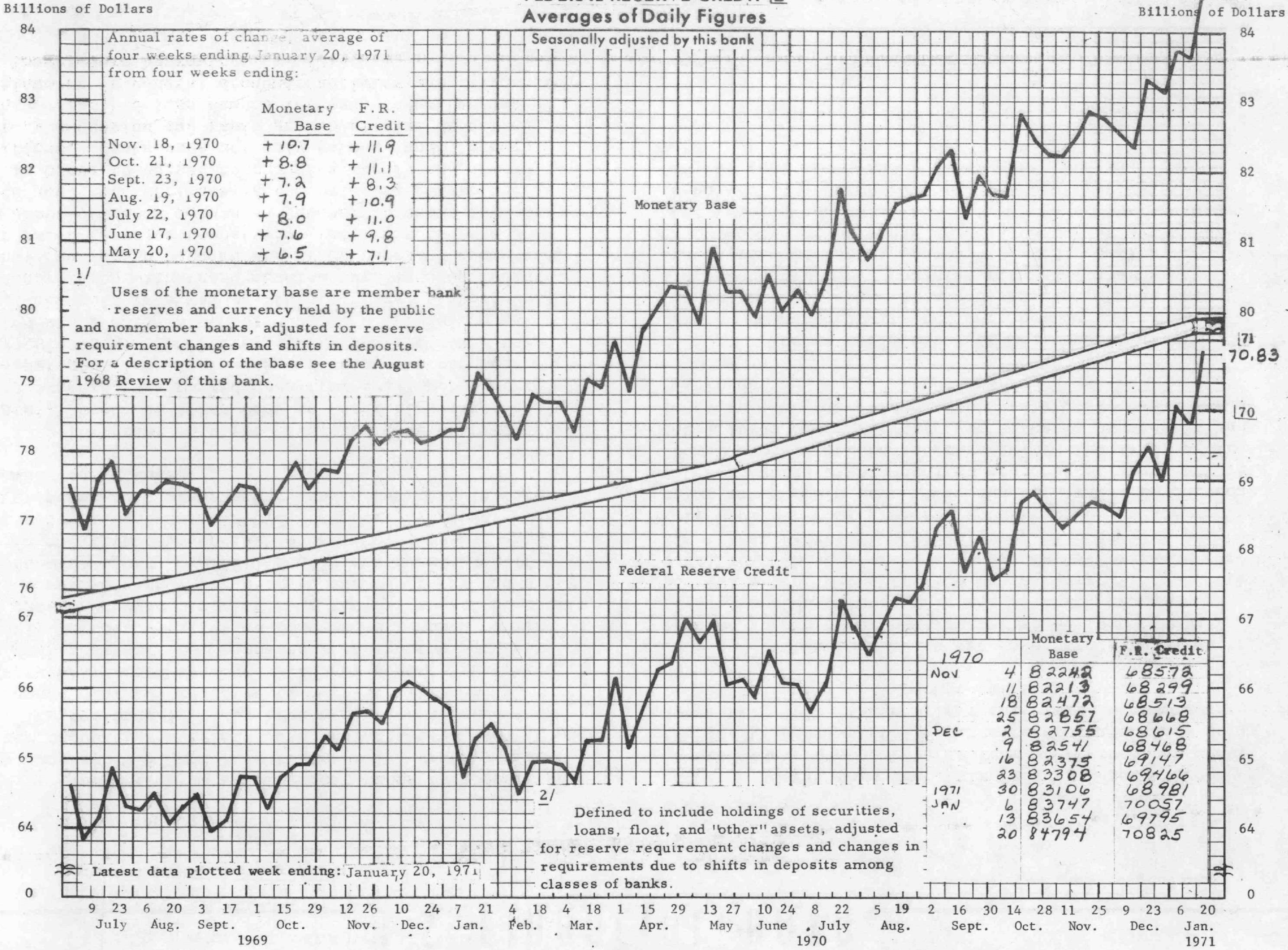
Total bank loans and investments have increased at a 9.3 per cent annual rate since February 1970, compared with an increase at a 2.4 per cent annual rate from December 1968 to February 1970. However, total loans have increased at only a 4.7 per cent rate since last February, a slower rate than the 7.1 per cent rate from December 1968 to February 1970. Since February total investments have increased at a rapid 20 per cent rate, compared with a decline at about a 7 per cent rate from December 1968 to February 1970. The small growth of total loans since February, while banks apparently had funds to lend, is evidence of a relatively weak demand for loans.

The nation's money stock, consisting of private demand deposits and currency in the hands of the public, has risen at a 5.3 per cent annual rate since December 1969, compared with a 3.1 per cent growth rate in 1969 (page 5). Demand deposits, the major component of money, has increased at a 5.0 per cent rate, compared with a 2.4 per cent rate in 1969 (page 4). The currency component has increased at a 6.5 per cent rate, and a 6 per cent rate in 1969.

Prepared by Federal Reserve Bank of St. Louis
Released: January 22, 1971

MONETARY BASE 1
FEDERAL RESERVE CREDIT 2
Averages of Daily Figures

Seasonally adjusted by this bank



Annual rates of change, average of four weeks ending January 20, 1971 from four weeks ending:

	Monetary Base	F.R. Credit
Nov. 18, 1970	+ 10.7	+ 11.9
Oct. 21, 1970	+ 8.8	+ 11.1
Sept. 23, 1970	+ 7.2	+ 8.3
Aug. 19, 1970	+ 7.9	+ 10.9
July 22, 1970	+ 8.0	+ 11.0
June 17, 1970	+ 7.6	+ 9.8
May 20, 1970	+ 6.5	+ 7.1

1970		Monetary Base	F.R. Credit
Nov	4	82242	68572
	11	82213	68299
	18	82472	68513
	25	82857	68668
Dec	2	82755	68615
	9	82541	68468
	16	82375	69147
	23	83308	69466
1971	30	83106	68981
Jan	6	83747	70057
	13	83654	69795
	20	84794	70825

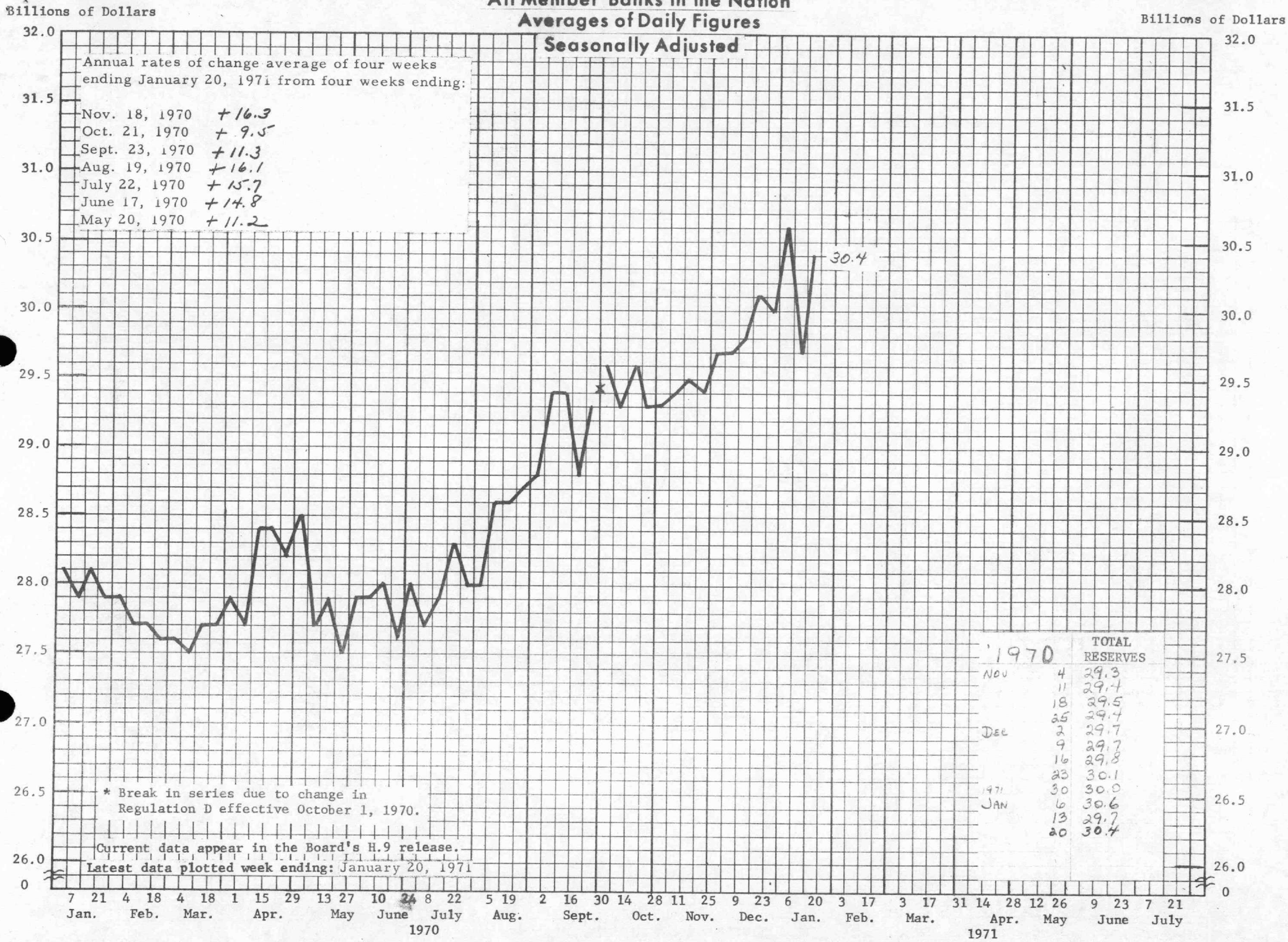
Latest data plotted week ending: January 20, 1971

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.

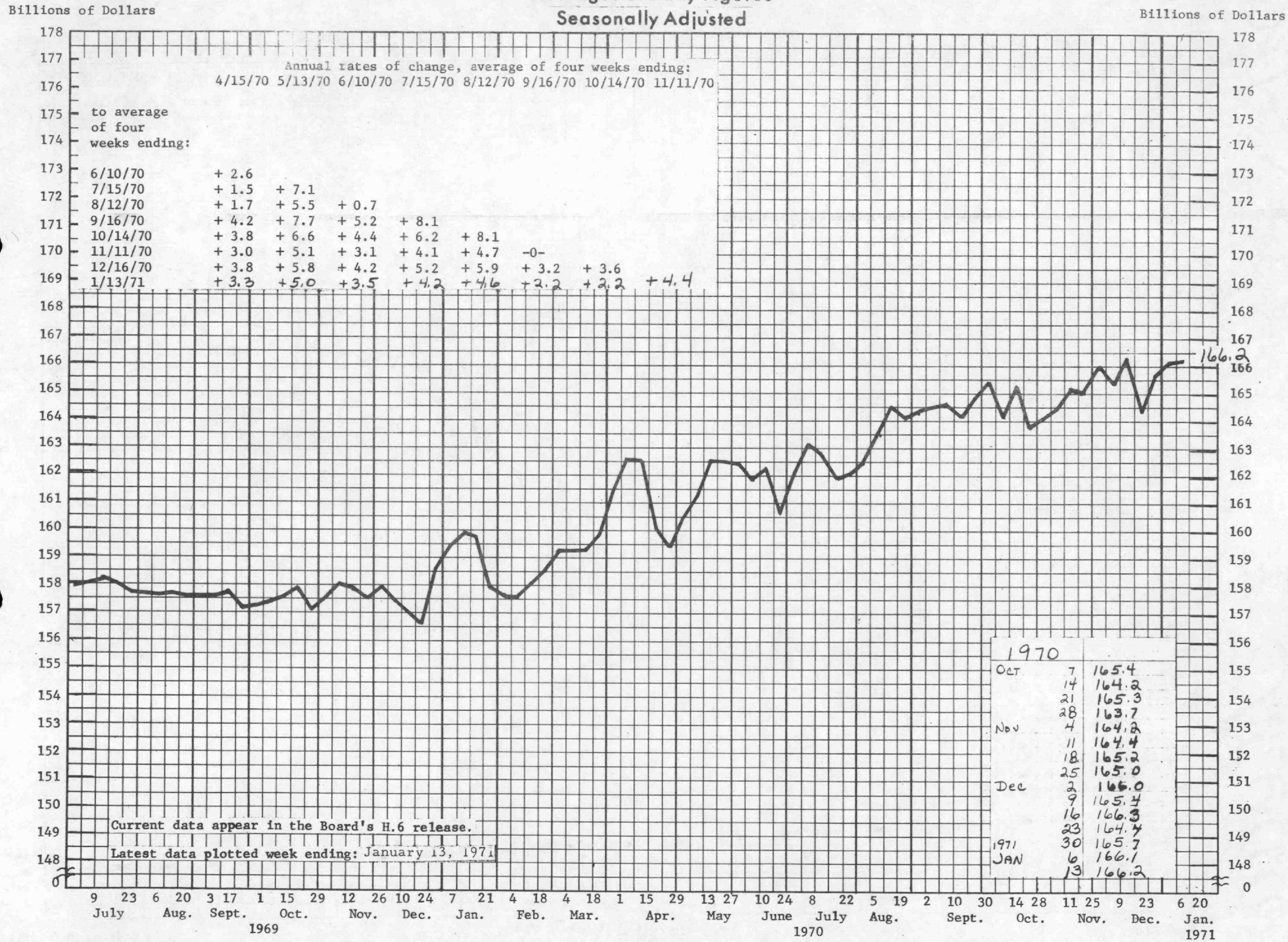
Prepared by Federal Reserve Bank of St. Louis

RESERVES
All Member Banks in the Nation
Averages of Daily Figures
Seasonally Adjusted



Prepared by Federal Reserve Bank of St. Louis

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



Annual rates of change, average of four weeks ending:

to average of four weeks ending:	4/15/70	5/13/70	6/10/70	7/15/70	8/12/70	9/16/70	10/14/70	11/11/70
6/10/70	+ 2.6							
7/15/70	+ 1.5	+ 7.1						
8/12/70	+ 1.7	+ 5.5	+ 0.7					
9/16/70	+ 4.2	+ 7.7	+ 5.2	+ 8.1				
10/14/70	+ 3.8	+ 6.6	+ 4.4	+ 6.2	+ 8.1			
11/11/70	+ 3.0	+ 5.1	+ 3.1	+ 4.1	+ 4.7	-0-		
12/16/70	+ 3.8	+ 5.8	+ 4.2	+ 5.2	+ 5.9	+ 3.2	+ 3.6	
1/13/71	+ 3.3	+ 5.0	+ 3.5	+ 4.2	+ 4.6	+ 2.2	+ 2.2	+ 4.4

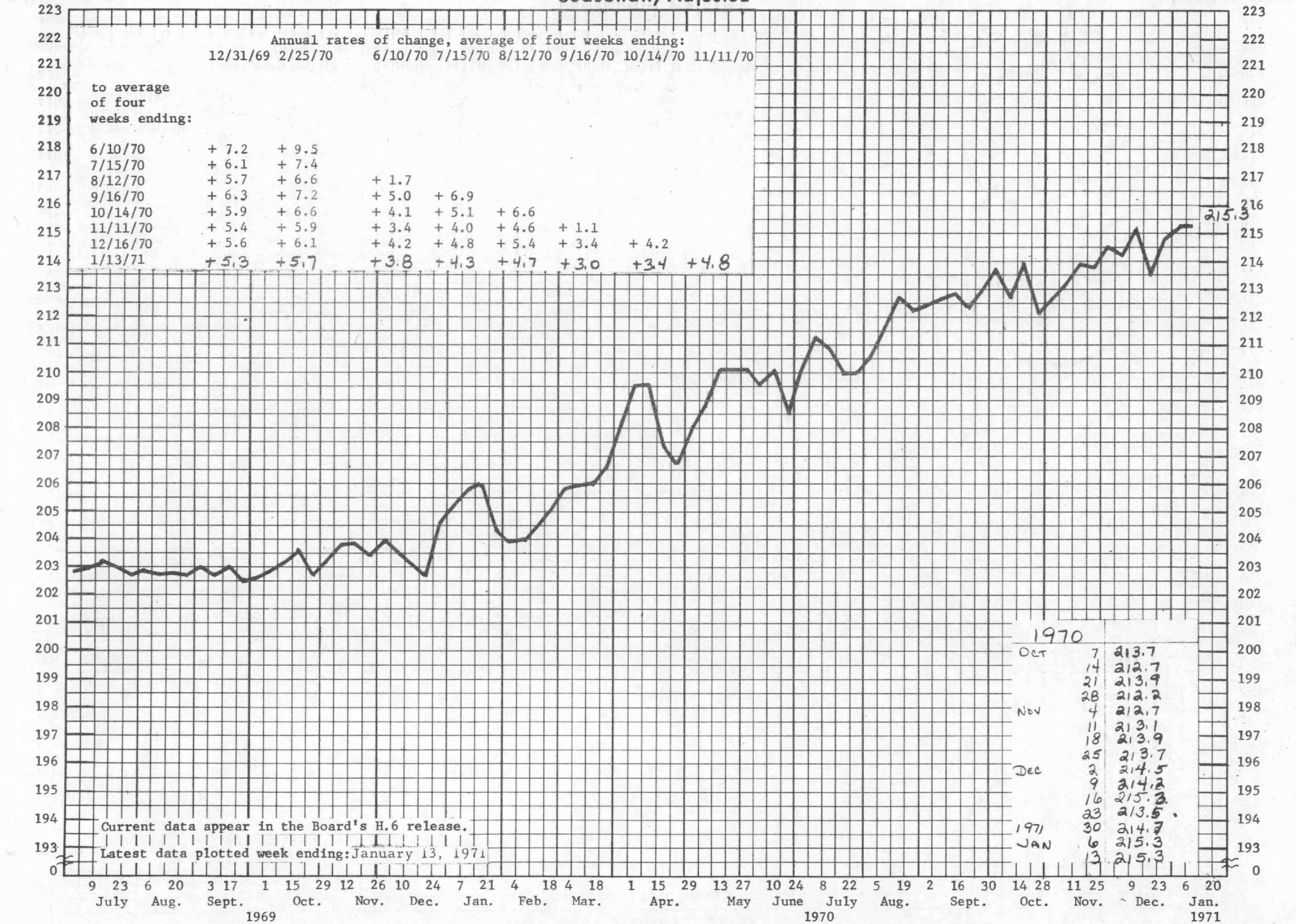
1970		
Oct	7	165.4
	14	164.2
	21	165.3
	28	163.7
Nov	4	164.2
	11	164.4
	18	165.2
	25	165.0
Dec	2	166.0
	9	165.4
	16	166.3
	23	164.7
1971	30	165.7
Jan	6	166.1
	13	166.2

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

Latest data plotted week ending: January 13, 1971

Prepared by Federal Reserve Bank of St. Louis

MONEY STOCK
Averages of Daily Figures
Seasonally Adjusted



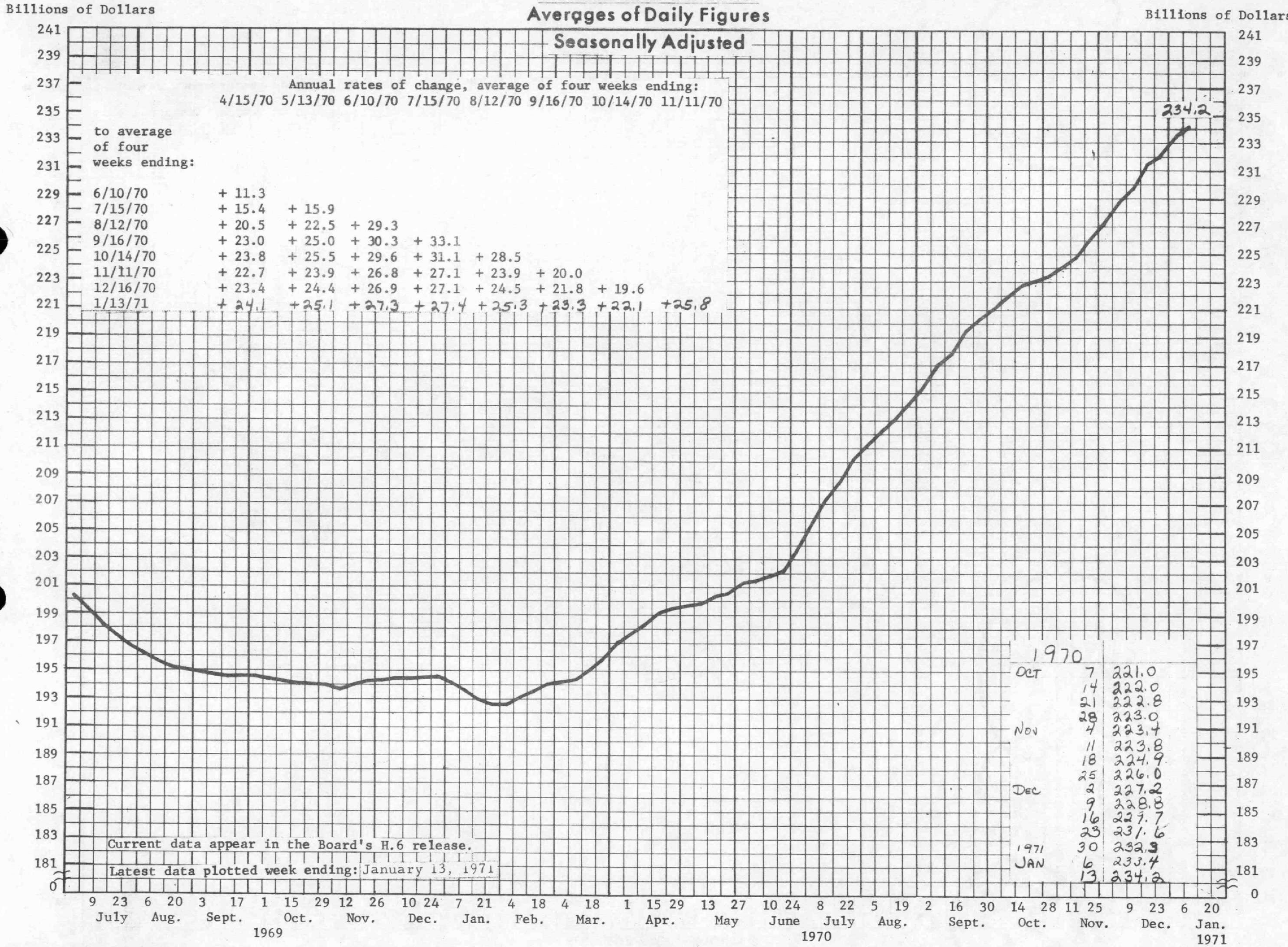
Annual rates of change, average of four weeks ending:

to average of four weeks ending:	12/31/69	2/25/70	6/10/70	7/15/70	8/12/70	9/16/70	10/14/70	11/11/70
6/10/70	+ 7.2	+ 9.5						
7/15/70	+ 6.1	+ 7.4						
8/12/70	+ 5.7	+ 6.6	+ 1.7					
9/16/70	+ 6.3	+ 7.2	+ 5.0	+ 6.9				
10/14/70	+ 5.9	+ 6.6	+ 4.1	+ 5.1	+ 6.6			
11/11/70	+ 5.4	+ 5.9	+ 3.4	+ 4.0	+ 4.6	+ 1.1		
12/16/70	+ 5.6	+ 6.1	+ 4.2	+ 4.8	+ 5.4	+ 3.4	+ 4.2	
1/13/71	+5.3	+5.7	+3.8	+4.3	+4.7	+3.0	+3.4	+4.8

1970		
Oct	7	213.7
	14	212.7
	21	213.9
	28	212.2
Nov	4	212.7
	11	213.1
	18	213.9
	25	213.7
Dec	2	214.5
	9	214.2
	16	215.3
	23	213.5
1971	30	214.7
Jan	6	215.3
	13	215.3

Prepared by Federal Reserve Bank of St. Louis

TIME DEPOSITS
All Commercial Banks
Averages of Daily Figures
Seasonally Adjusted



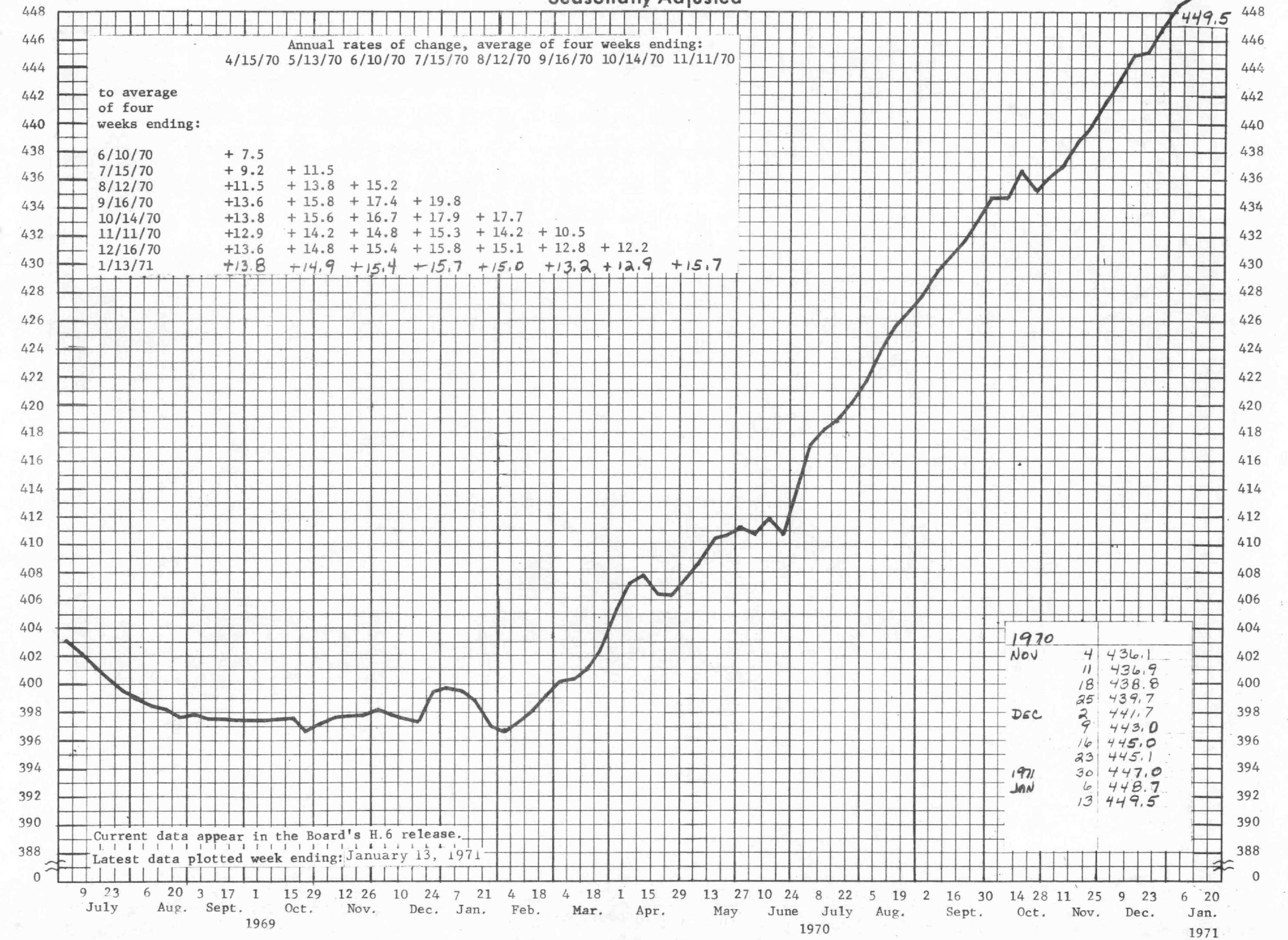
Annual rates of change, average of four weeks ending:

to average of four weeks ending:	4/15/70	5/13/70	6/10/70	7/15/70	8/12/70	9/16/70	10/14/70	11/11/70
6/10/70	+ 11.3							
7/15/70	+ 15.4	+ 15.9						
8/12/70	+ 20.5	+ 22.5	+ 29.3					
9/16/70	+ 23.0	+ 25.0	+ 30.3	+ 33.1				
10/14/70	+ 23.8	+ 25.5	+ 29.6	+ 31.1	+ 28.5			
11/11/70	+ 22.7	+ 23.9	+ 26.8	+ 27.1	+ 23.9	+ 20.0		
12/16/70	+ 23.4	+ 24.4	+ 26.9	+ 27.1	+ 24.5	+ 21.8	+ 19.6	
1/13/71	+ 24.1	+ 25.1	+ 27.3	+ 27.4	+ 25.3	+ 23.3	+ 22.1	+ 25.8

1970		
OCT	7	221.0
	14	222.0
	21	222.8
	28	223.0
NOV	4	223.4
	11	223.8
	18	224.9
	25	226.0
DEC	2	227.2
	9	228.8
	16	229.7
	23	231.6
1971	30	232.3
JAN	6	233.4
	13	234.2

Prepared by Federal Reserve Bank of St. Louis

MONEY STOCK PLUS TIME DEPOSITS
Averages of Daily Figures
Seasonally Adjusted



Annual rates of change, average of four weeks ending:

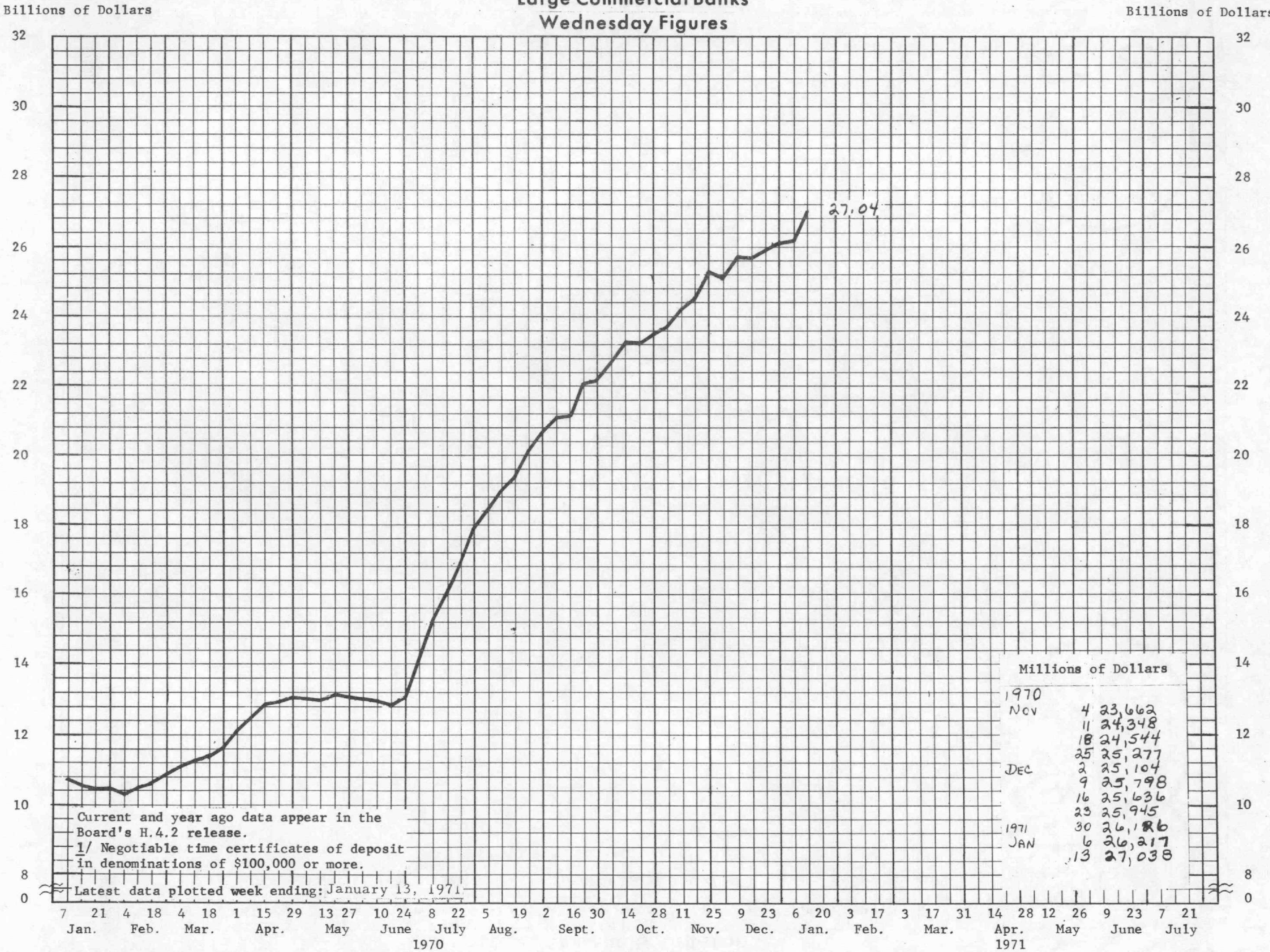
to average of four weeks ending:	4/15/70	5/13/70	6/10/70	7/15/70	8/12/70	9/16/70	10/14/70	11/11/70
6/10/70	+ 7.5							
7/15/70	+ 9.2	+ 11.5						
8/12/70	+11.5	+ 13.8	+ 15.2					
9/16/70	+13.6	+ 15.8	+ 17.4	+ 19.8				
10/14/70	+13.8	+ 15.6	+ 16.7	+ 17.9	+ 17.7			
11/11/70	+12.9	+ 14.2	+ 14.8	+ 15.3	+ 14.2	+ 10.5		
12/16/70	+13.6	+ 14.8	+ 15.4	+ 15.8	+ 15.1	+ 12.8	+ 12.2	
1/13/71	+13.8	+14.9	+15.4	+15.7	+15.0	+13.2	+12.9	+15.7

1970		
NOV	4	436.1
	11	436.9
	18	438.8
	25	439.7
DEC	2	441.7
	9	443.0
	16	445.0
	23	445.1
1971	30	447.0
JAN	6	448.7
	13	449.5

Current data appear in the Board's H.6 release.
Latest data plotted week ending: January 13, 1971

Prepared by Federal Reserve Bank of St. Louis

CERTIFICATES OF DEPOSIT 1/
Large Commercial Banks
Wednesday Figures



Millions of Dollars		
1970		
Nov	4	23,662
	11	24,348
	18	24,544
	25	25,277
Dec	2	25,104
	9	25,798
	16	25,636
	23	25,945
	30	26,186
1971 Jan	6	26,217
	13	27,038

Current and year ago data appear in the Board's H.4.2 release.

1/ Negotiable time certificates of deposit in denominations of $100,000 or more.

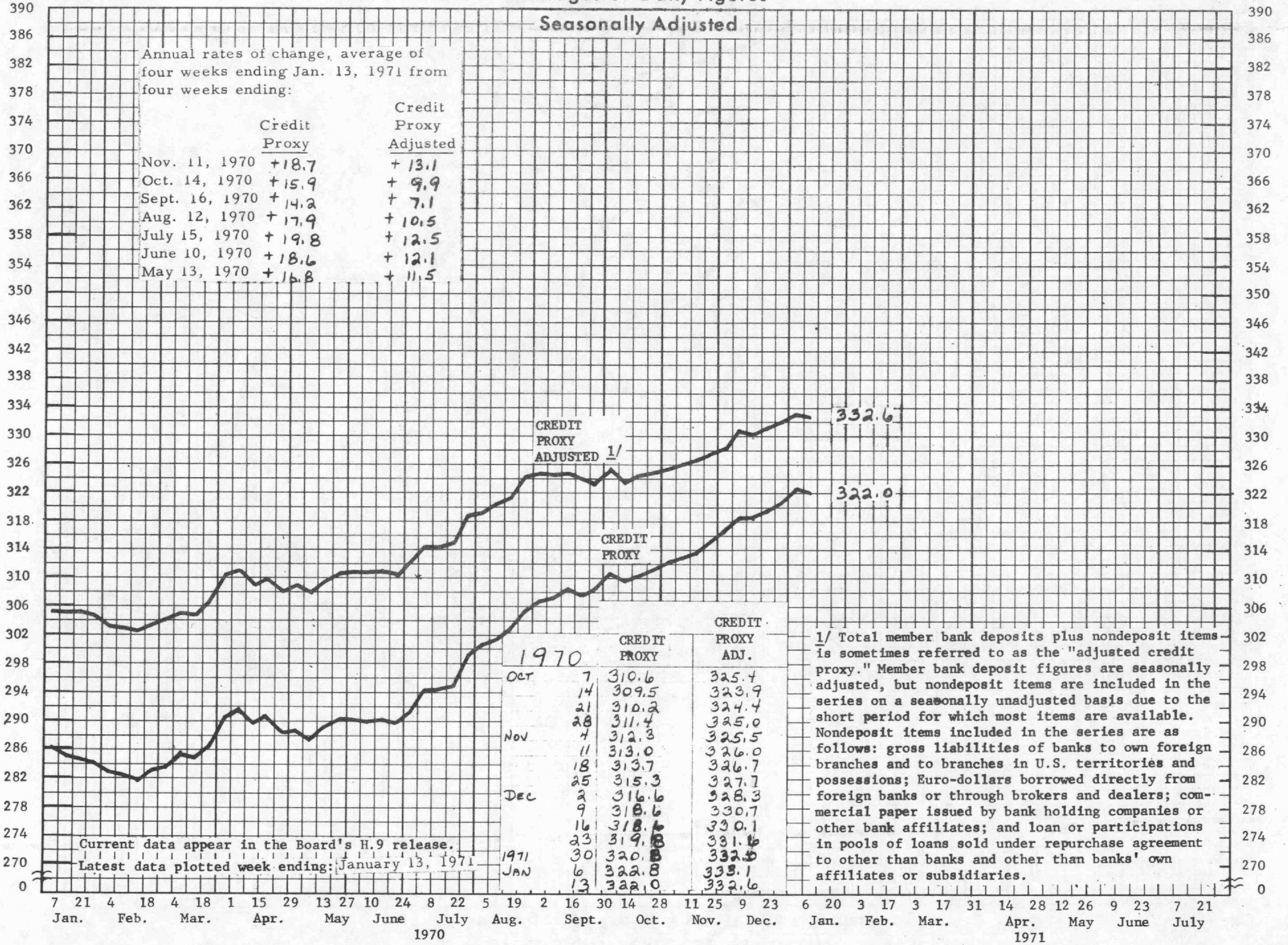
Latest data plotted week ending: January 13, 1971

Prepared by Federal Reserve Bank of St. Louis

MEMBER BANK DEPOSITS SUBJECT TO RESERVE REQUIREMENTS
(CREDIT PROXY)

Averages of Daily Figures

Seasonally Adjusted



Annual rates of change, average of four weeks ending Jan. 13, 1971 from four weeks ending:

	Credit Proxy	Credit Proxy Adjusted
Nov. 11, 1970	+18.7	+13.1
Oct. 14, 1970	+15.9	+9.9
Sept. 16, 1970	+14.2	+7.1
Aug. 12, 1970	+17.9	+10.5
July 15, 1970	+19.8	+12.5
June 10, 1970	+18.6	+12.1
May 13, 1970	+16.8	+11.5

1970		CREDIT PROXY	CREDIT PROXY ADJ.
OCT	7	310.6	325.4
	14	309.5	323.9
	21	310.2	324.4
	28	311.4	325.0
NOV	4	312.3	325.5
	11	313.0	326.0
	18	313.7	326.7
	25	315.3	327.7
DEC	2	316.6	328.3
	9	318.6	330.7
	16	318.6	330.1
	23	319.8	331.6
1971	30	320.8	332.5
JAN	6	322.8	333.1
	13	322.0	332.6

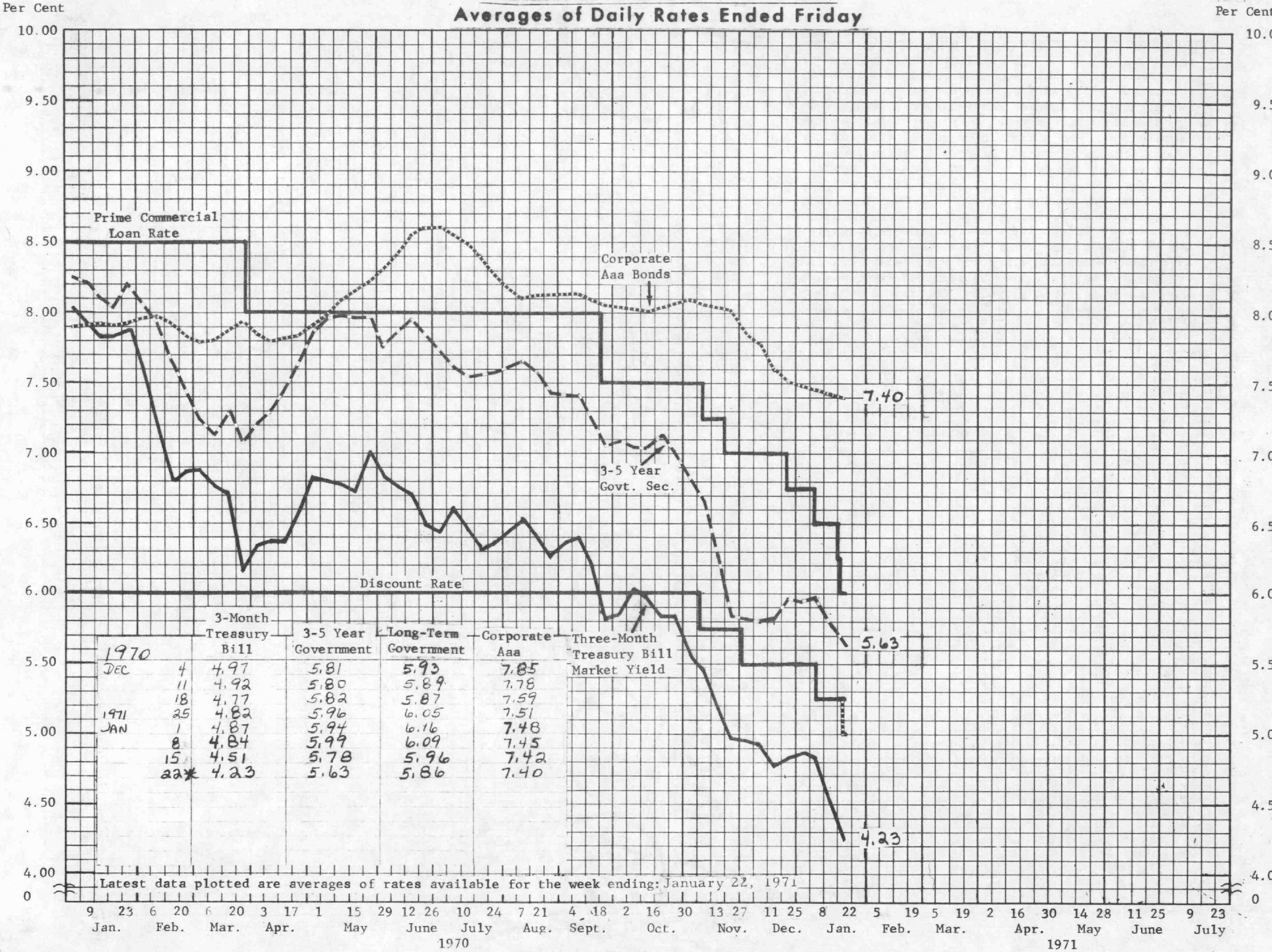
1/ Total member bank deposits plus nondeposit items is sometimes referred to as the "adjusted credit proxy." Member bank deposit figures are seasonally adjusted, but nondeposit items are included in the series on a seasonally unadjusted basis due to the short period for which most items are available. 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 loan 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: January 13, 1971

Prepared by Federal Reserve Bank of St. Louis

YIELDS ON SELECTED SECURITIES

Averages of Daily Rates Ended Friday



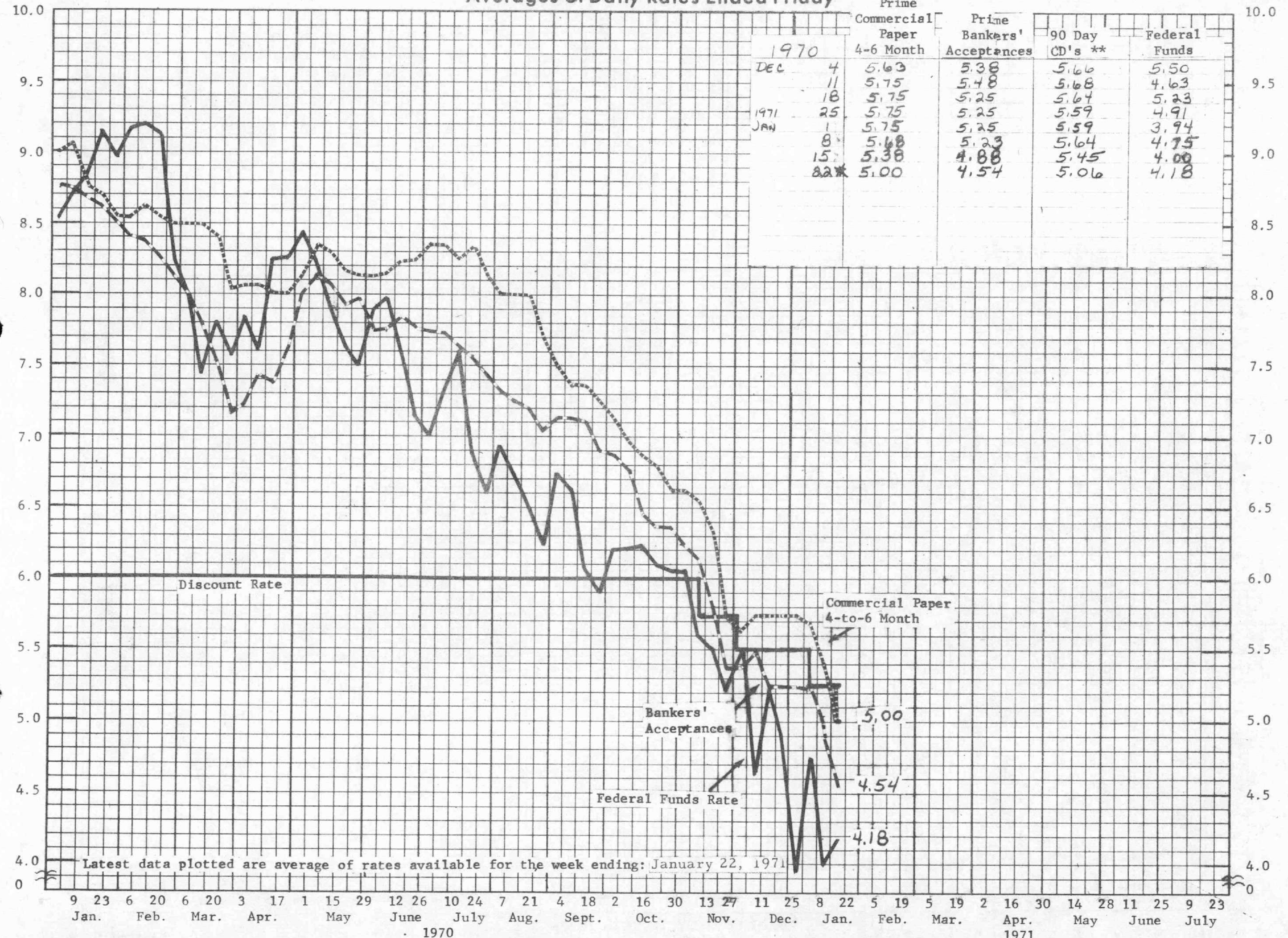
1970		3-Month Treasury Bill	3-5 Year Government	Long-Term Government	Corporate Aaa
DEC	4	4.97	5.81	5.93	7.85
	11	4.92	5.80	5.89	7.78
	18	4.77	5.82	5.87	7.59
1971	25	4.82	5.96	6.05	7.51
JAN	1	4.87	5.94	6.16	7.48
	8	4.84	5.99	6.09	7.45
	15	4.51	5.78	5.96	7.42
	22*	4.23	5.63	5.86	7.40

Latest data plotted are averages of rates available for the week ending: January 22, 1971

* AVERAGES OF RATES AVAILABLE

Prepared by Federal Reserve Bank of St. Louis

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



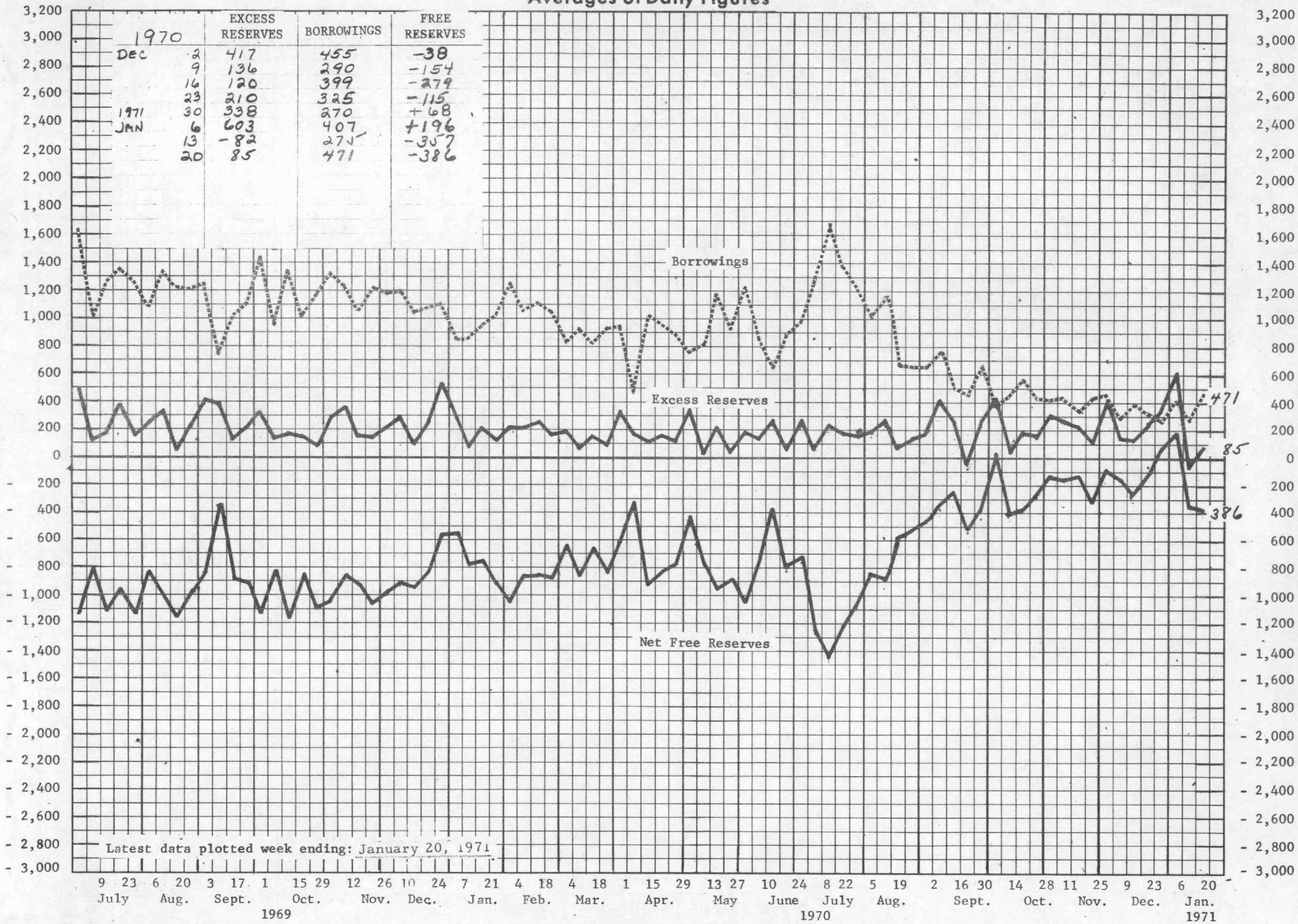
1970		Prime Commercial Paper 4-6 Month	Prime Bankers' Acceptances	90 Day CD's **	Federal Funds
DEC	4	5.63	5.38	5.66	5.50
	11	5.75	5.48	5.68	4.63
	18	5.75	5.25	5.64	5.23
1971	25	5.75	5.25	5.59	4.91
JAN	1	5.75	5.25	5.59	3.94
	8	5.68	5.23	5.64	4.75
	15	5.38	4.88	5.45	4.00
	22*	5.00	4.54	5.06	4.18

* 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

1970		EXCESS RESERVES	BORROWINGS	FREE RESERVES
DEC	2	417	455	-38
	9	136	290	-154
	16	120	399	-279
	23	210	325	-115
	30	338	270	+68
1971 JAN	6	603	407	+196
	13	-82	275	-357
	20	85	471	-386



Prepared by Federal Reserve Bank of St. Louis