

RESEARCH LIBRARY  
Federal Reserve Bank  
of St. Louis

Week ending: February 3, 1971

AUG 27 1990

The nation's money stock averaged \$215.1 billion in the four weeks ending January 27, up at a 5.3 per cent annual rate in the thirteen months since December 1969 and at a slightly slower 4.5 per cent rate in the seven months since the four weeks ending June 24 (page 5). In comparison, money grew at a 3.1 per cent rate in 1969.

Private demand deposits, the component of money which is most responsive to current policy actions, has increased at a 5 per cent rate in the past thirteen months, and at a 4.3 per cent rate in the past seven months (page 4). In comparison, these deposits increased at a 2.4 per cent rate in 1969. The currency component of money has increased at a 6.5 per cent rate in the past thirteen months, compared with a 6 per cent rate in 1969.

Short-term market interest rates have fallen rapidly since January 1970 (pages 10 and 11). Yields on 3-month Treasury bills averaged 4.09 per cent in the three days ending February 3, down 3.78 percentage points since January 1970. Over the same period, four- to six-month commercial paper rates declined 4.15 percentage points to an average of 4.63 per cent. Aaa corporate bond rates averaged 7.10 per cent in the first half of this week, down 1.38 percentage points since June. These declines are larger than in any period since 1945.

The percentage declines in interest rates, however, have not been so great, in general, as in some other postwar periods (see table below). Three-month Treasury bill rates, for example, have declined 44 per cent since their peak in early 1970, less than the 77 per cent fall in 1957-1958 and the 71 per cent decrease in 1953-1954, and approximately the same as in 1959-1961. The percentage decline of long-term rates has been as great or greater than other postwar declines except 1953-1954. For instance, Aaa corporate bond rates have declined 13 per cent in the current decline, more than the 8 per cent decline in 1966-1967 and in 1959-1961, the same as in the 1957-1958 fall, but slower than the 16 per cent decrease in 1953-54.

### SELECTED INTEREST RATES

	<u>Per Cent Decline from Peak Month to Trough Month</u>					
	Peak	1953	1957	1959	1966	1970
	Trough	1954	1958	1961	1967	1971*
Federal Funds		N.A.	82%	71%	34%	52%
3-month Treasury Bills		71%	77	50	34	44
4- to 6-month Commercial Paper		52	63	44	23	42
3- to 5-year Government Bonds		42	44	34	21	29
Aaa Municipal Bonds		28	22	13	14	25
Aaa Corporate Bonds		16	13	8	8	13

\* January 1971.

N.A. - not available.

Prepared by Federal Reserve Bank of St. Louis

Released: February 5, 1971

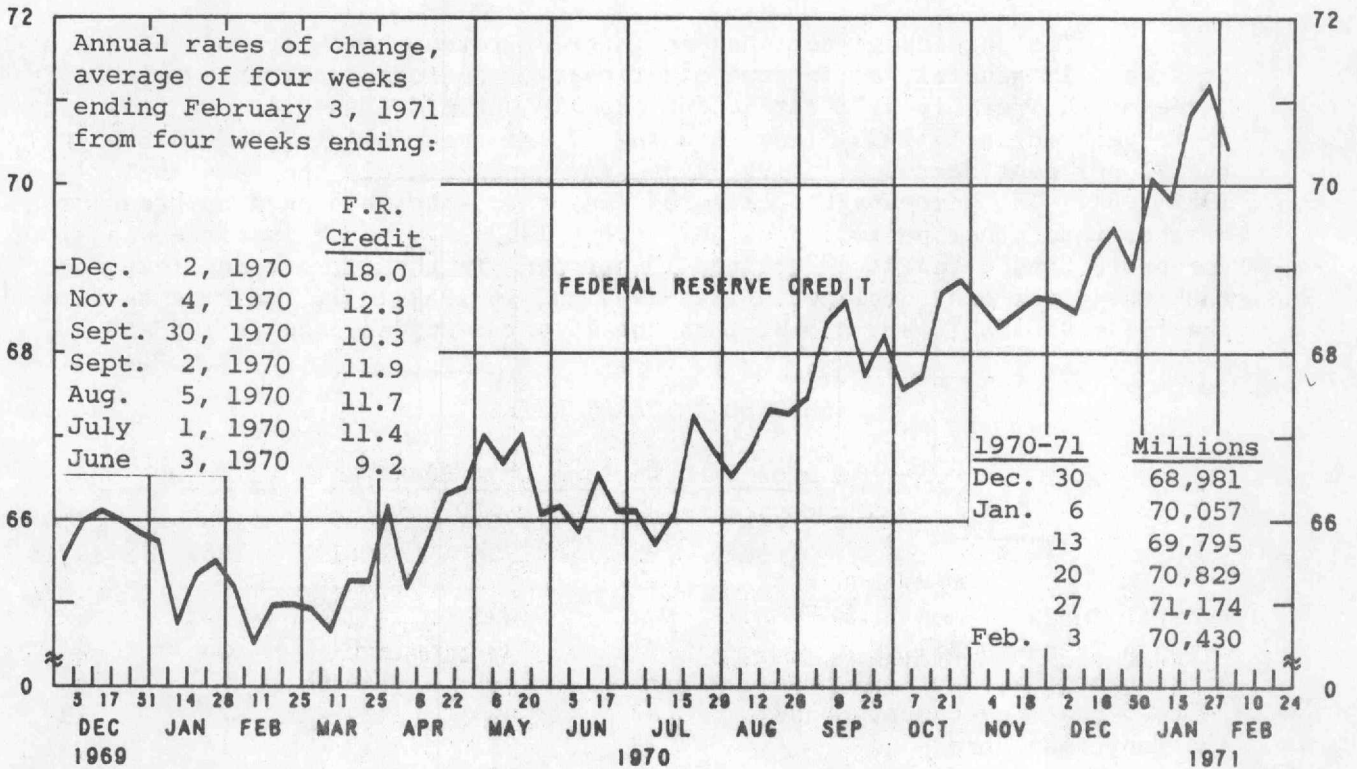
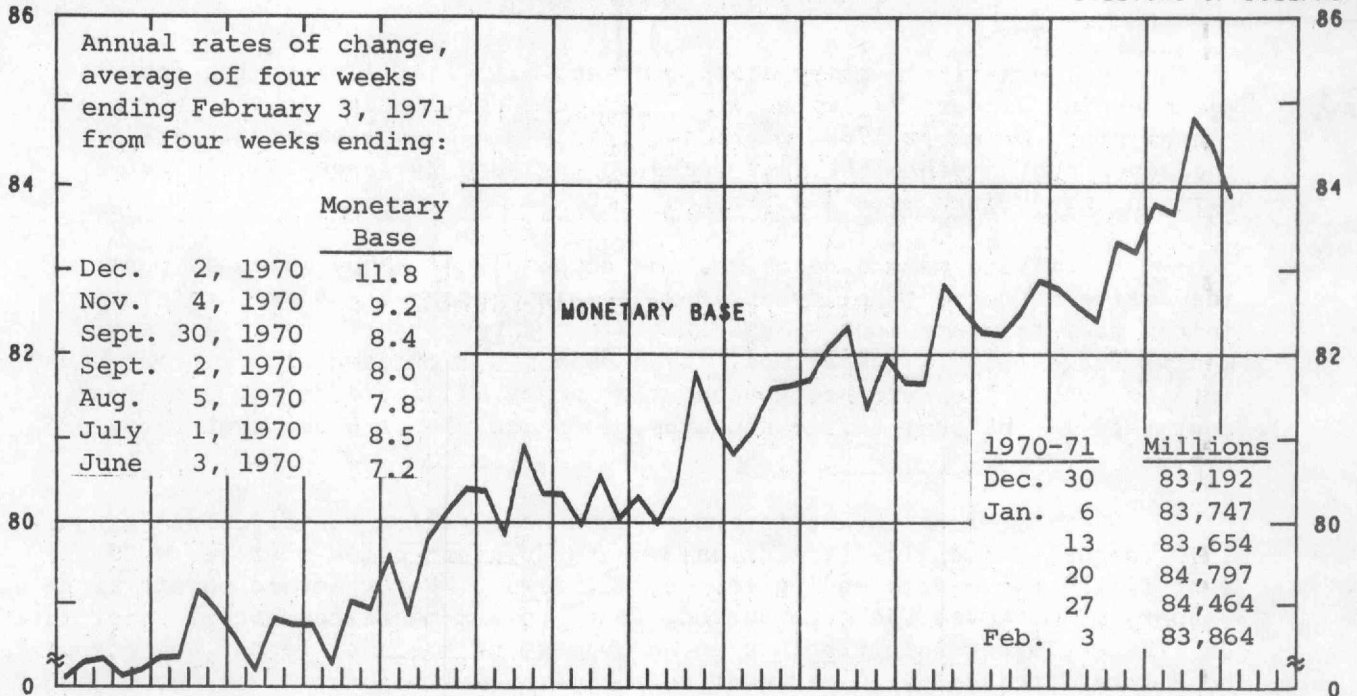
2

# MONETARY BASE <sup>1/</sup> FEDERAL RESERVE CREDIT <sup>2/</sup>

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS

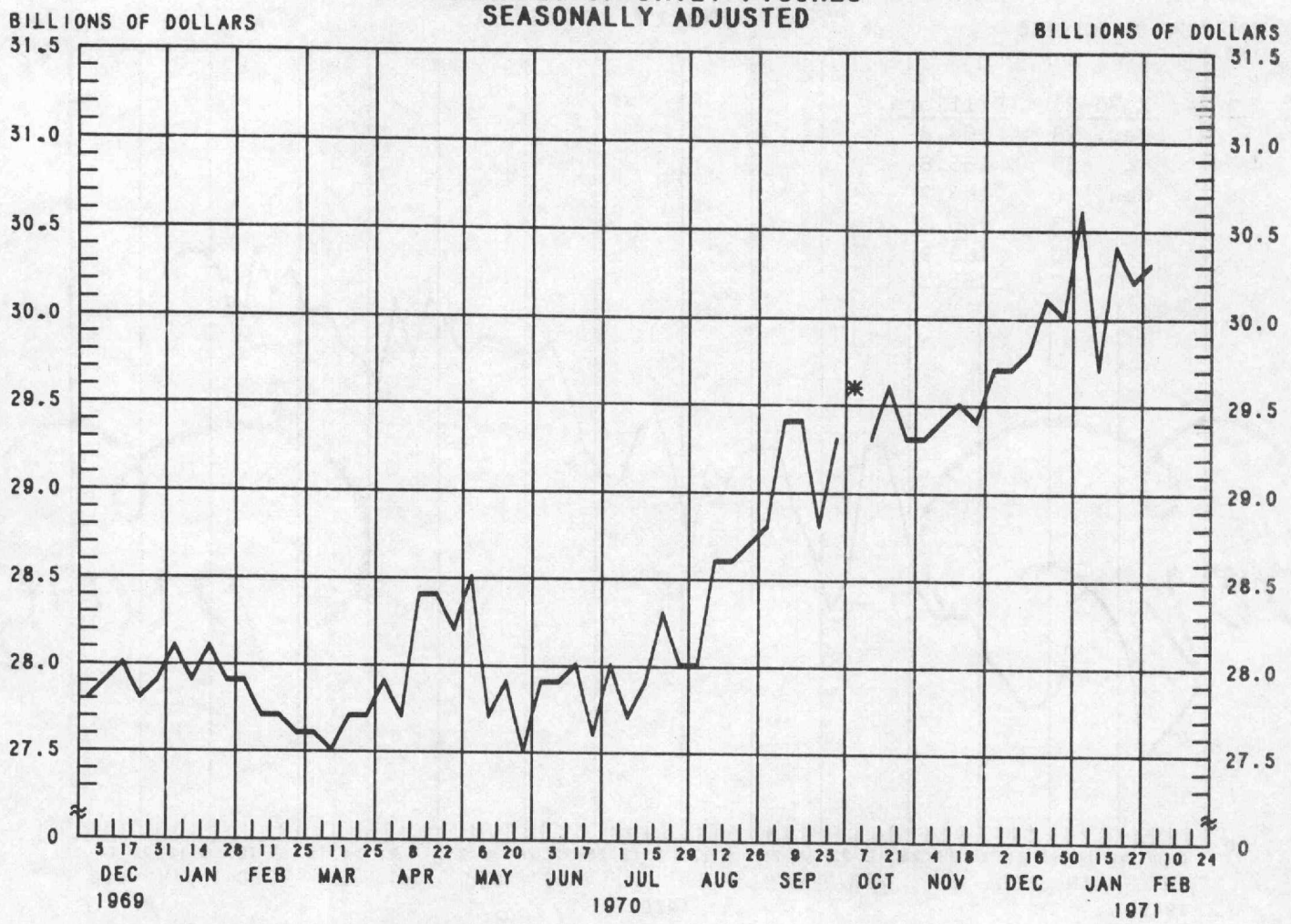


LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 3, 1971

- 1/ USES OF 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.

# RESERVES ALL MEMBER BANKS IN THE NATION

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 3, 1971  
 CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.  
 \* BREAK IN SERIES DUE TO CHANGES IN REGULATION D EFFECTIVE OCTOBER 1, 1970.

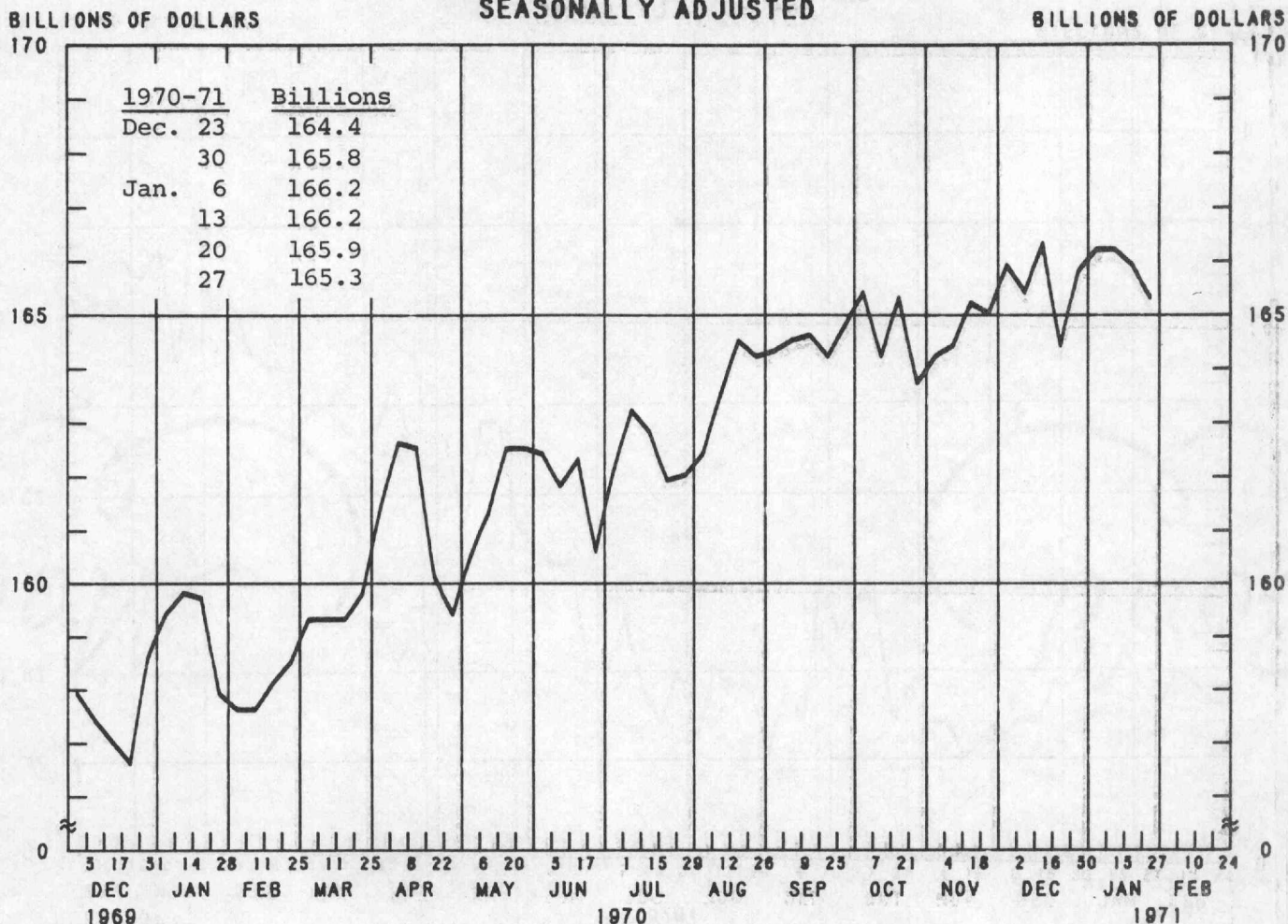
<u>1970-71</u>	<u>Billions</u>
Dec. 30	30.0
Jan. 6	30.6
13	29.7
20	30.4
27	30.2
Feb. 3	30.3

Annual rates of change,  
average of four weeks  
ending February 3, 1971  
from four weeks ending:

Dec. 2, 1970	14.2
Nov. 4, 1970	10.9
Sept. 30, 1970	10.3
Sept. 2, 1970	12.5
Aug. 5, 1970	14.9
July 1, 1970	14.1
June 3, 1970	12.9

# DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JANUARY 27, 1971  
 CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

Annual rates of change, average of four weeks ending;  
 4/29/70 5/27/70 6/24/70 7/29/70 8/26/70 9/30/70 10/28/70 11/25/70

to average  
 of four  
 weeks ending:

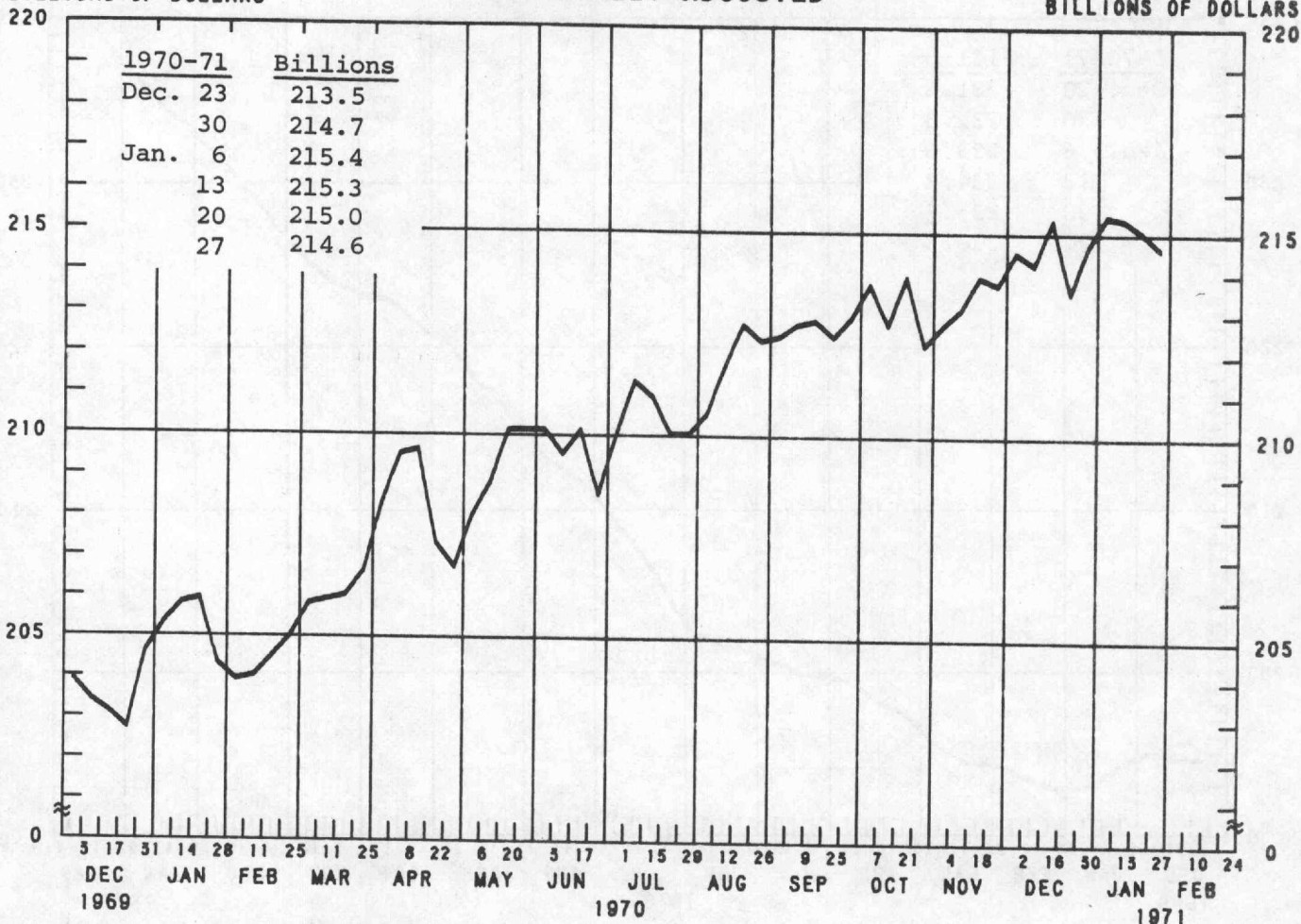
6/24/70	2.2							
7/29/70	3.2	3.0						
8/26/70	4.7	4.9	7.0					
9/30/70	4.9	5.2	6.7	7.4				
10/28/70	4.3	4.5	5.4	5.4	3.7			
11/25/70	3.7	3.7	4.3	4.1	2.4	0.7		
12/30/70	4.0	4.0	4.6	4.4	3.3	2.4	2.9	
1/27/71	3.9	3.9	4.3	4.2	3.2	2.6	2.9	4.4

# MONEY STOCK

## AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



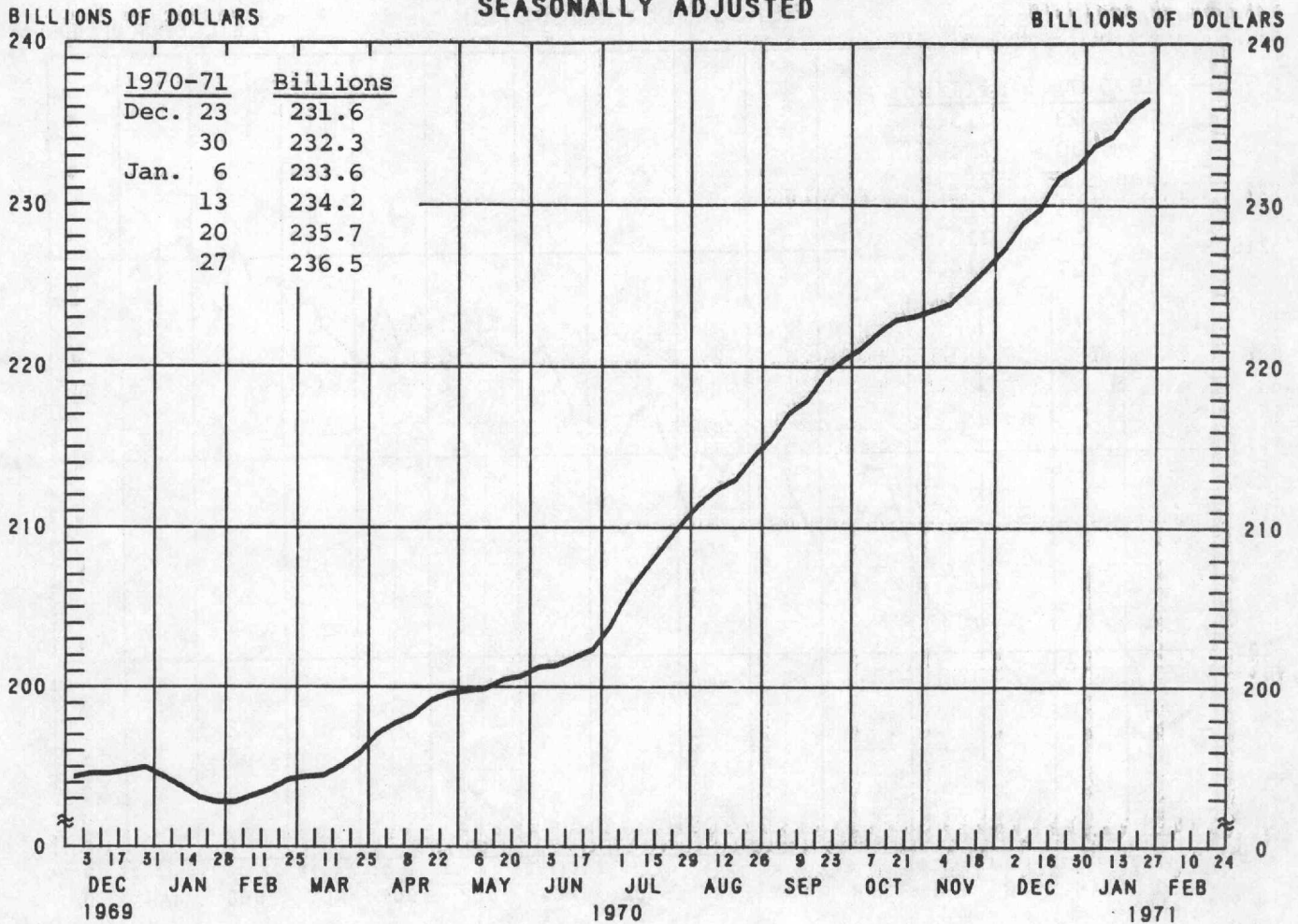
LATEST DATA PLOTTED WEEK ENDING: JANUARY 27, 1971  
 CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

Annual rates of change, average of four weeks ending:  
 12/31/69 2/25/70 6/24/70 7/29/70 8/26/70 9/30/70 10/28/70 11/25/70

to average  
of four  
weeks ending:

6/24/70	6.2	7.6							
7/29/70	6.0	7.3							
8/26/70	6.2	7.2	6.3						
9/30/70	6.0	7.0	5.9	6.0					
10/28/70	5.7	6.4	5.0	4.7	3.7				
11/25/70	5.4	5.9	4.4	4.0	3.0	2.0			
12/30/70	5.4	5.9	4.6	4.3	3.7	3.2	3.7		
1/27/71	5.3	5.7	4.5	4.3	3.7	3.4	3.8	4.8	

# TIME DEPOSITS ALL COMMERCIAL BANKS AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JANUARY 27, 1971

CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

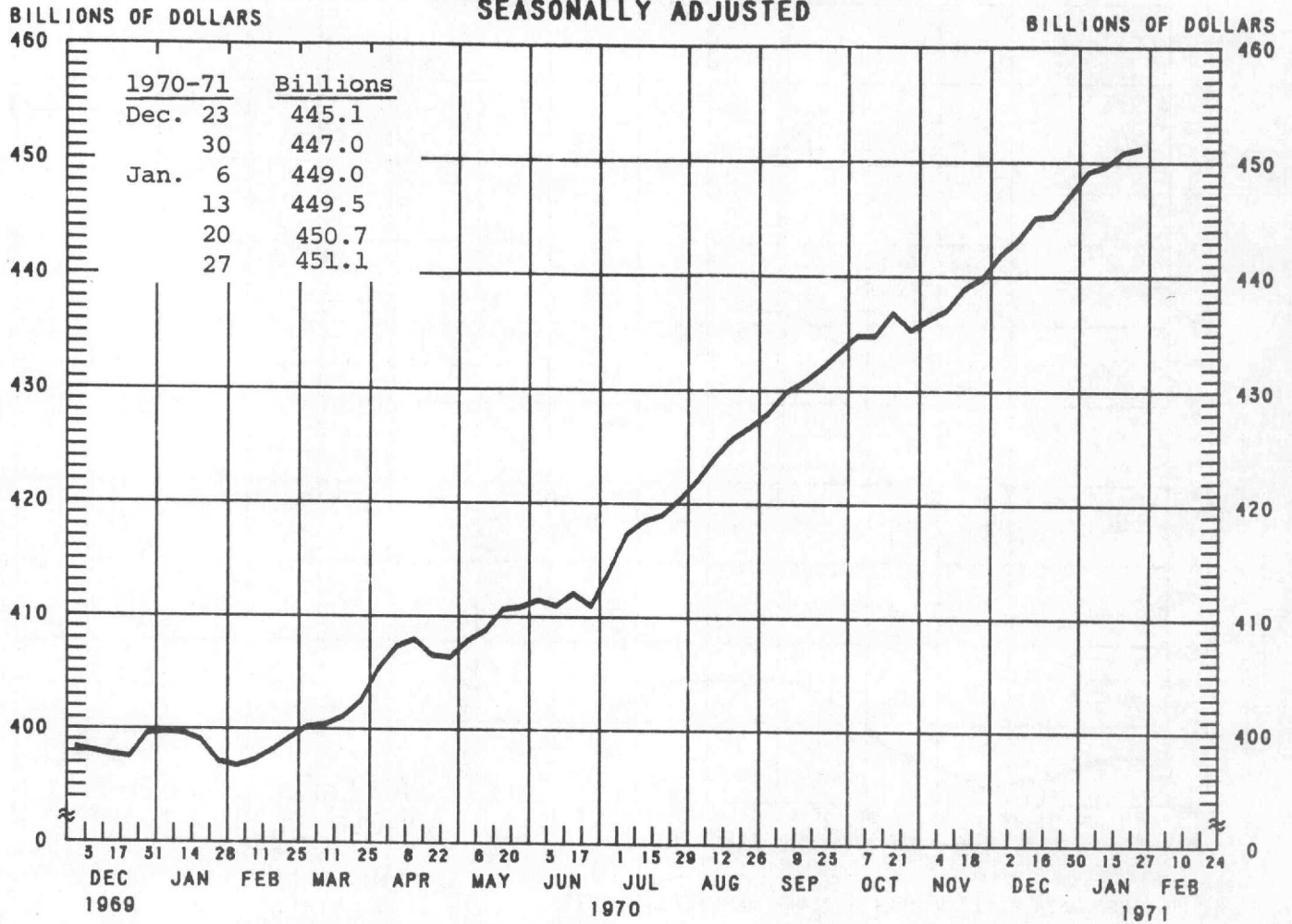
Annual rates of change, average of four weeks ending:  
4/29/70 5/27/70 6/24/70 7/29/70 8/26/70 9/30/70 10/28/70 11/25/70

to average  
of four  
weeks ending:

6/24/70	9.4								
7/29/70	19.1	24.0							
8/26/70	21.3	25.2	32.7						
9/30/70	24.2	27.7	33.5	30.3					
10/28/70	23.8	26.5	30.5	27.1	26.8				
11/25/70	22.4	24.4	27.1	23.6	22.2	16.2			
12/30/70	24.2	26.1	28.7	25.9	25.2	22.0	22.7		
1/27/71	24.4	26.2	28.3	25.9	25.2	22.5	23.0	28.1	

# MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



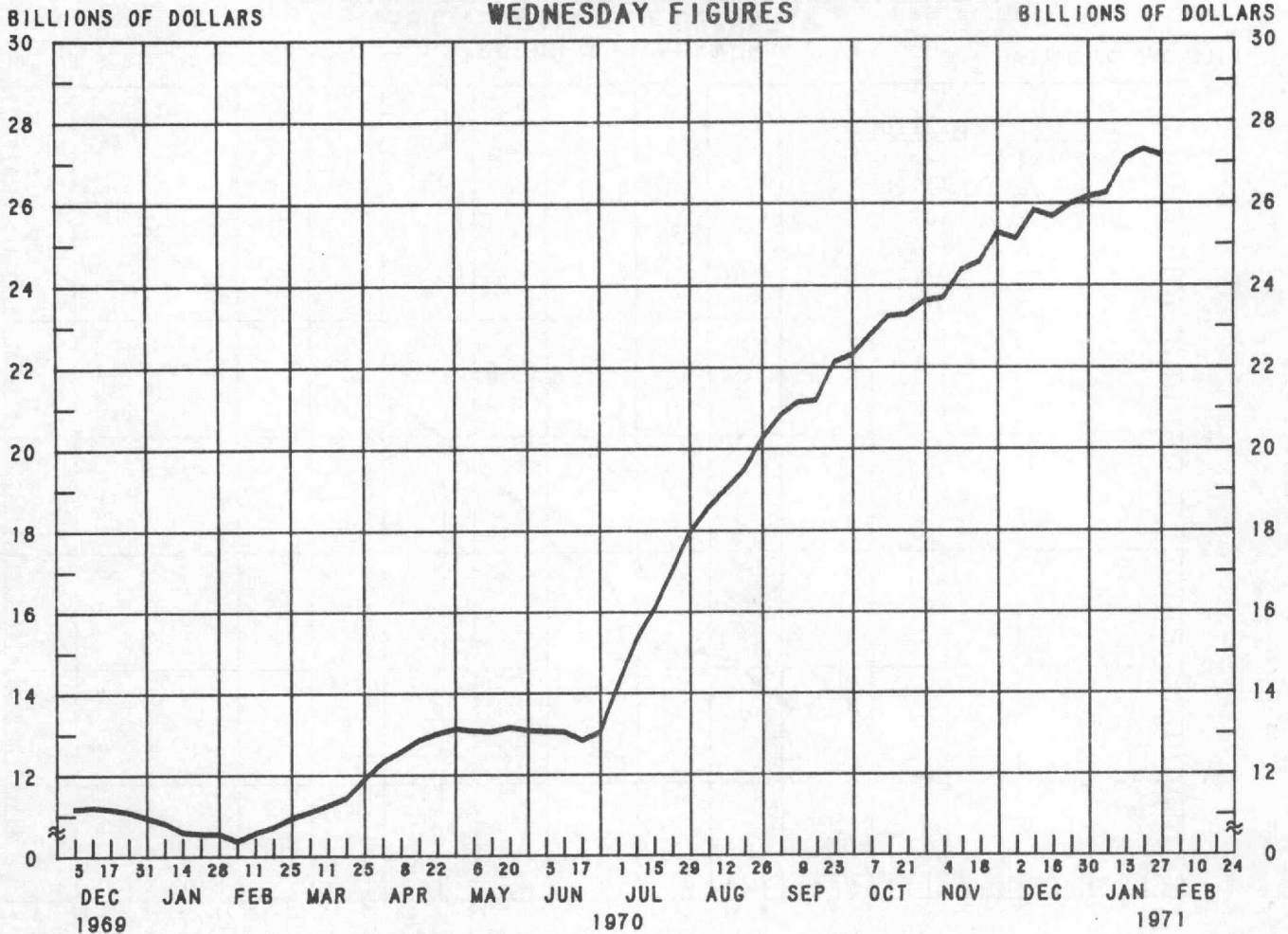
LATEST DATA PLOTTED WEEK ENDING: JANUARY 27, 1971  
 CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

Annual rates of change, average of four weeks ending:

	4/29/70	5/27/70	6/24/70	7/29/70	8/26/70	9/30/70	10/28/70	11/25/70
to average of four weeks ending:								
6/24/70		6.3						
7/29/70		11.5	13.5					
8/26/70		13.0	14.8	19.4				
9/30/70		14.4	16.0	19.6	18.2			
10/28/70		14.0	15.2	17.6	16.0	15.3		
11/25/70		13.1	13.9	15.6	13.8	12.6	9.2	
12/30/70		14.0	14.9	16.4	15.1	14.5	12.7	13.4
1/27/71		14.2	14.9	16.2	15.1	14.5	13.1	13.6
								16.7

# CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES



LATEST DATA PLOTTED WEEK ENDING: JANUARY 27, 1971

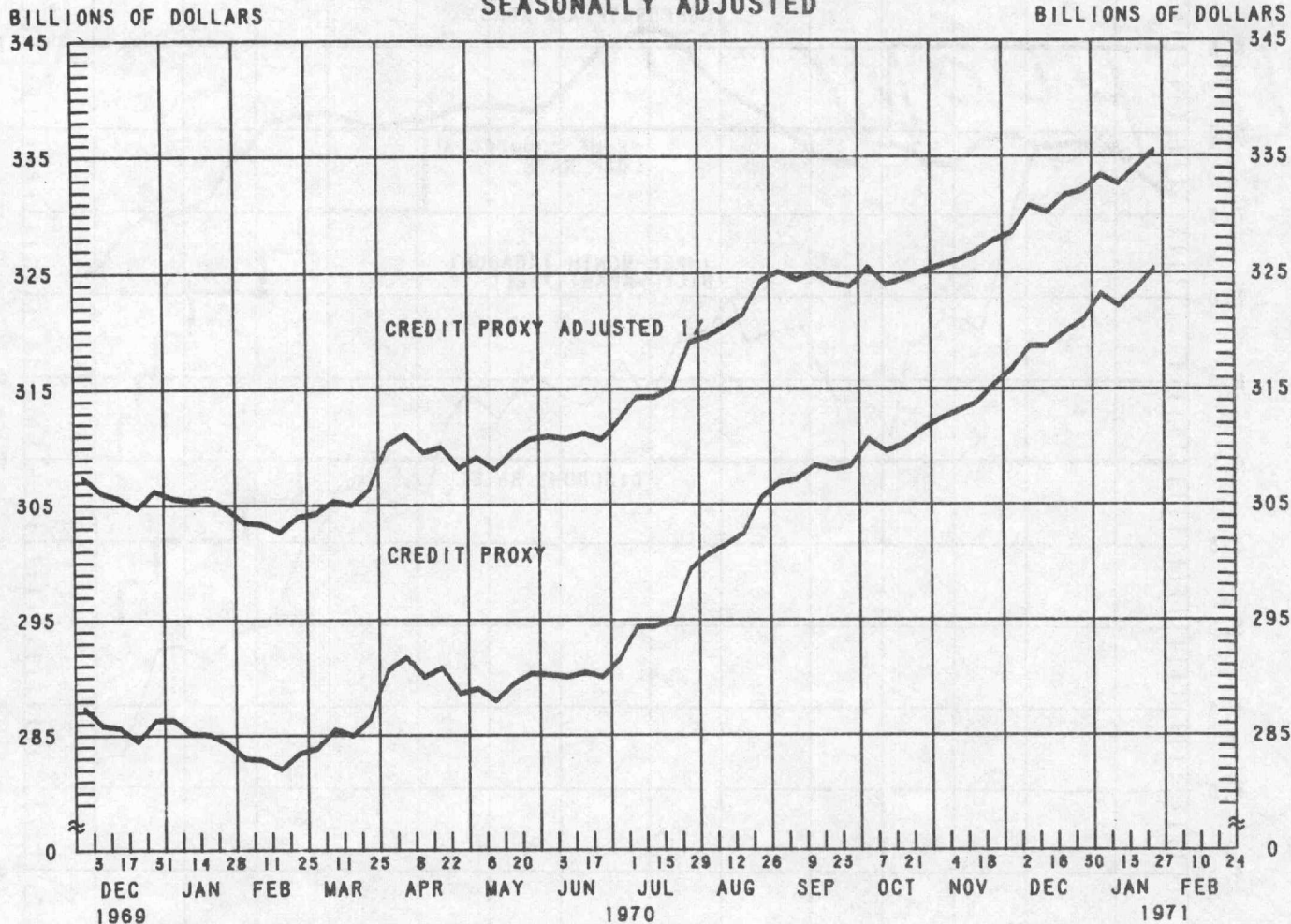
CURRENT AND YEAR AGO DATA APPEAR IN THE BOARD OF GOVERNORS' H.4.2 RELEASE.

NEGOTIABLE TIME CERTIFICATES OF DEPOSIT IN DENOMINATIONS OF \$100,000 OR MORE.

<u>1970-71</u>	<u>Millions</u>
Dec. 23	25,945
30	26,126
Jan. 6	26,217
13	27,046
20	27,278
27	27,138



# MEMBER BANK DEPOSITS SUBJECT TO RESERVE REQUIREMENTS (CREDIT PROXY) AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JANUARY 27, 1971

CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

1/ INCLUDES MEMBER BANK DEPOSITS, BANK-RELATED COMMERCIAL PAPER, EURODOLLAR BORROWINGS OF U.S. BANKS, AND CERTAIN OTHER NONDEPOSIT SOURCES.

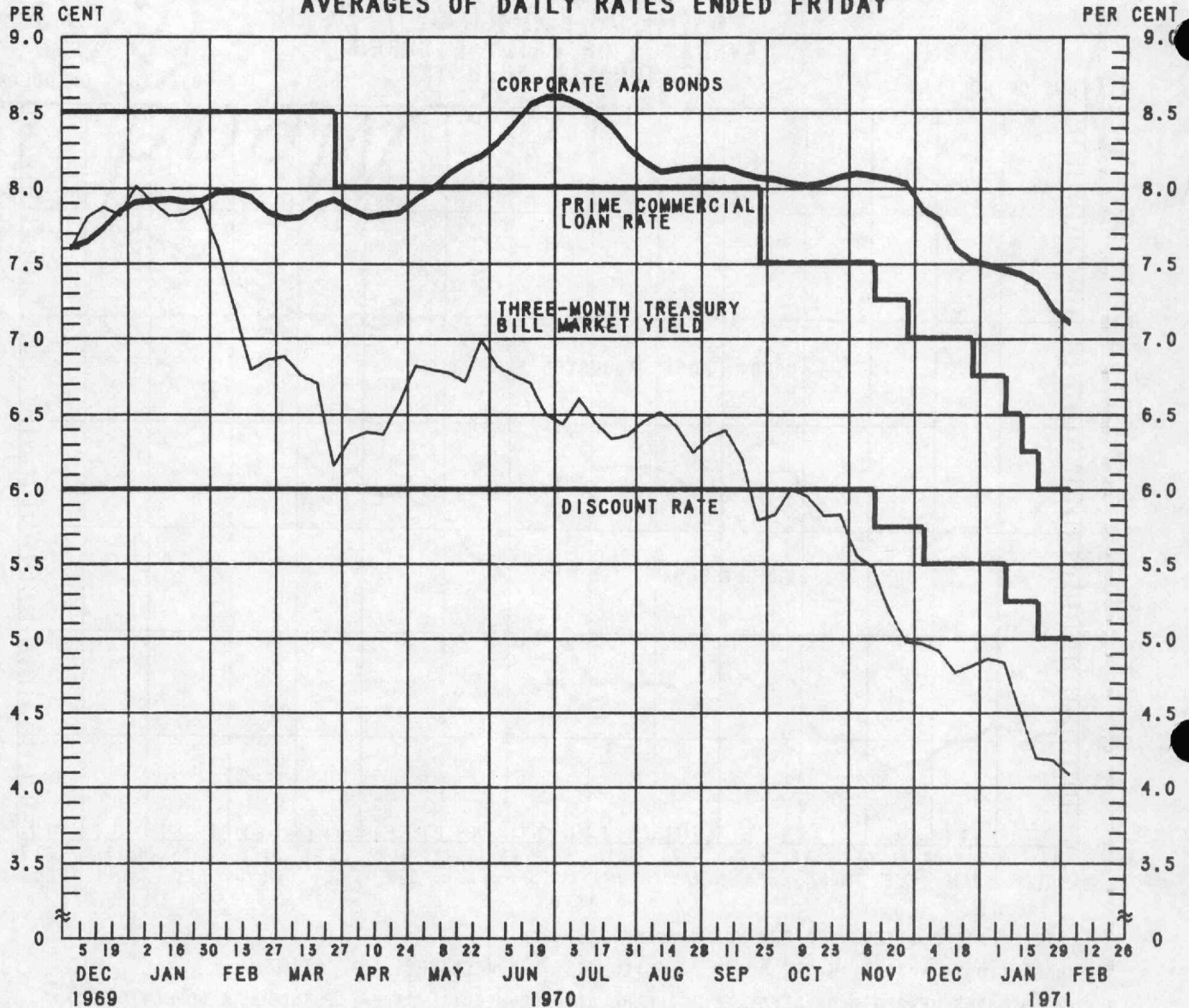
1970-71	Billions	
	Credit Proxy	Credit Proxy Adjusted
Dec. 23	319.8	331.6
30	320.8	332.0
Jan. 6	323.1	333.3
13	322.0	332.5
20	323.5	334.0
27	325.3	335.4

Annual rates of change, average of four weeks ending January 27, 1971 from four weeks ending:

	Credit Proxy	Credit Proxy Adjusted
Nov. 25, 1970	18.9	13.4
Oct. 28, 1970	16.9	11.2
Sept. 30, 1970	15.2	8.9
Aug. 26, 1970	16.7	9.3
July 29, 1970	18.8	11.5
June 24, 1970	19.7	12.7
May 27, 1970	17.8	11.9

# YIELDS ON SELECTED SECURITIES

## AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: FEBRUARY 5, 1971

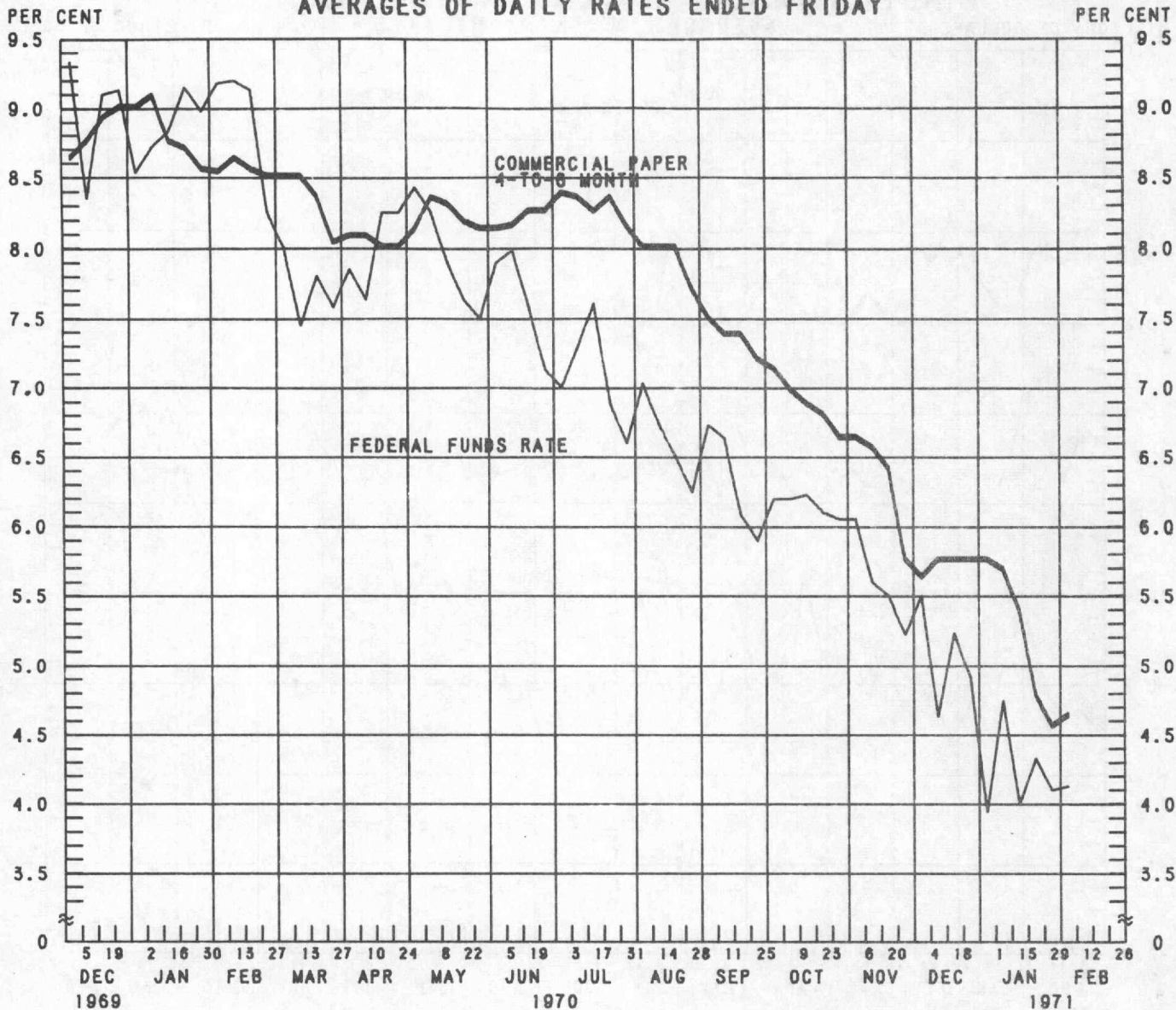
1970-71	CORPORATE AAA BONDS	3-MONTH TREASURY BILLS	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES
DEC. 4	7.85	4.97	5.81	5.93
11	7.78	4.92	5.80	5.89
18	7.59	4.77	5.82	5.87
25	7.51	4.82	5.96	6.05
JAN. 1	7.48	4.87	5.94	6.16
8	7.45	4.84	5.99	6.09
15	7.42	4.51	5.78	5.96
22	7.36	4.20	5.58	5.83
29	7.19	4.19	5.54	5.78
FEB. 5*	7.10	4.09	5.52	5.82
12				
19				
26				

\* AVERAGES OF RATES AVAILABLE.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

# SELECTED SHORT-TERM INTEREST RATES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: FEBRUARY 5, 1971

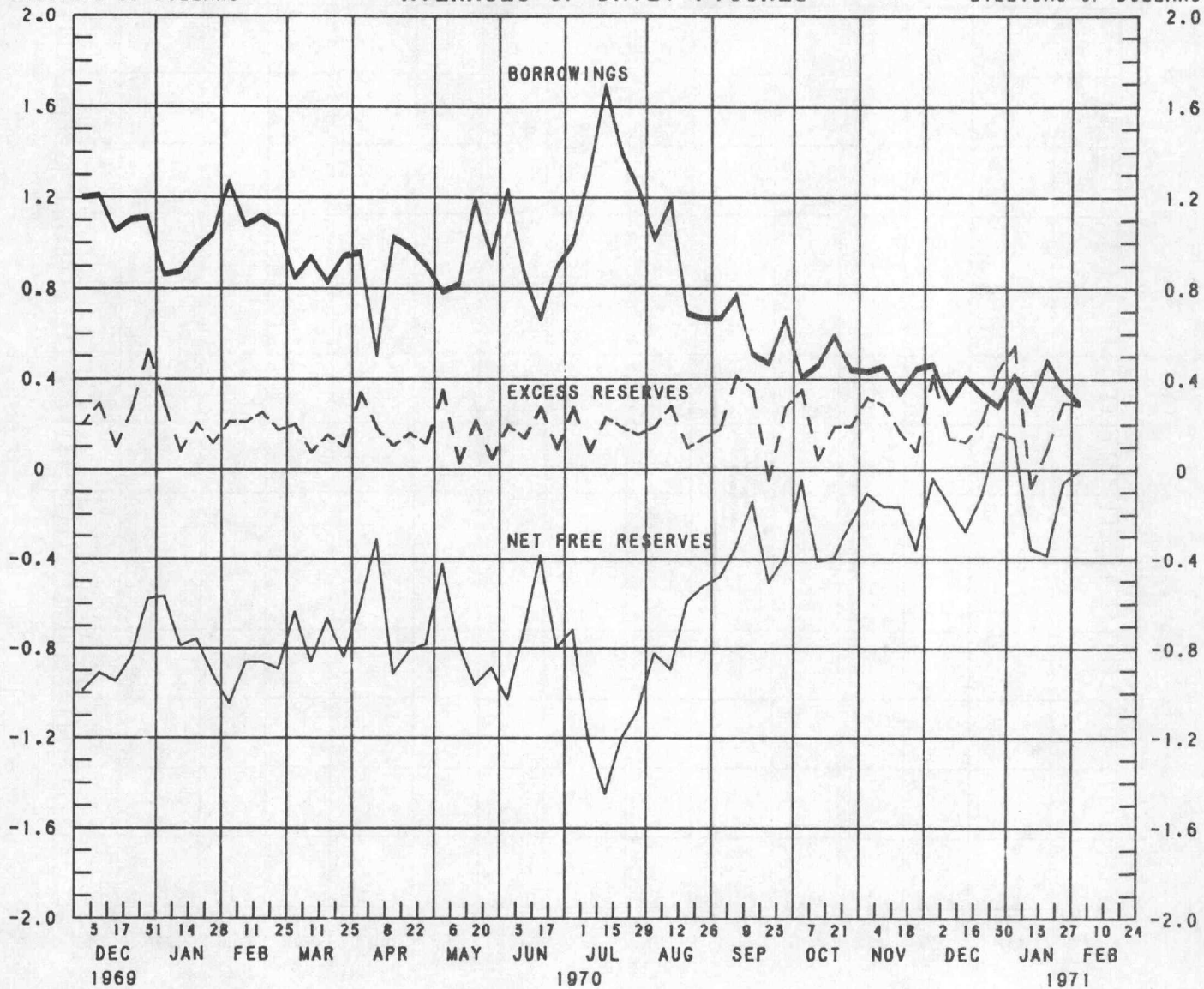
1970-71	PRIME COMMERCIAL PAPER 4-6 MONTH	FEDERAL FUNDS	PRIME BANKERS' ACCEPTANCES	90 DAY CD'S **
DEC. 4	5.63	5.50	5.38	5.66
11	5.75	4.63	5.48	5.68
18	5.75	5.23	5.25	5.64
25	5.75	4.91	5.25	5.59
JAN. 1	5.75	3.94	5.25	5.59
8	5.68	4.75	5.23	5.64
15	5.38	4.00	4.88	5.45
22	4.78	4.33	4.48	5.06
29	4.55	4.10	4.45	4.84
FEB. 5*	4.63	4.13	4.42	4.73
12				
19				
26				

\* AVERAGES OF RATES AVAILABLE. FEDERAL FUNDS LAST FIVE DAYS AVAILABLE  
 \*\* DATA ARE SECONDARY MARKET RATES, WEEKLY AVERAGES ENDING WEDNESDAY TWO DAYS EARLIER. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

# BORROWINGS AND EXCESS RESERVES ALL MEMBER BANKS IN THE NATION

BILLIONS OF DOLLARS      AVERAGES OF DAILY FIGURES      BILLIONS OF DOLLARS



1970-71	MILLIONS		
	EXCESS RESERVES	BORROWINGS	FREE RESERVES
DEC. 2	417	455	- 38
9	136	290	- 154
16	120	399	- 279
23	210	325	- 115
30	434	270	164
JAN. 6	545	407	138
13	82	275	- 357
20	88	471	- 383
27	295	354	- 59
FEB. 3	282	283	- 1
10			
17			
24			

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