

Week ending: March 3, 1971



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The money stock averaged \$216.9 billion in the four weeks ending February 24, up at a 4.9 per cent annual rate in the past five months (page 5). Since February 1970 money has grown at a 6.1 per cent annual rate, which is as great or greater than 92 per cent of all other consecutive twelve month periods since January 1950. By comparison, money grew 3 per cent in 1969 and at a 3.1 per cent trend rate from 1957 to 1968.

Other aggregates, which largely determine the growth trend of money, have risen more rapidly than money in the past twelve months. The monetary base has increased at a 7.5 per cent annual rate since February 1970, while its largest source component, Federal Reserve credit, has increased at a 9.0 per cent rate (page 2). For short periods of time the base may grow at a different rate than money. Since February 1970 the rapid growth of time deposits has lowered the base multiplier, resulting in the slower growth in money than the base.

Most short-term market interest rates have continued to decline in recent weeks, and in general are at their lowest levels in six to seven years (pages 10 and 11). Yields on three-month Treasury bills averaged 3.35 per cent in the three days ending March 3, compared with 4.84 per cent in early January 1971 and 7.87 per cent in January 1970. Secondary market 90-day CD's rates averaged 4.04 per cent in the week ending March 3, down from 5.64 per cent in early January 1971 and 8.44 per cent a year earlier.

The Federal funds rate, the interest rate charged on very short-term lending from one bank to another, averaged about 3.20 per cent over the past two weeks. In comparison, this rate averaged about 4 per cent from mid-January through early February, about 5 per cent in December 1970, and about 9 per cent a year ago.

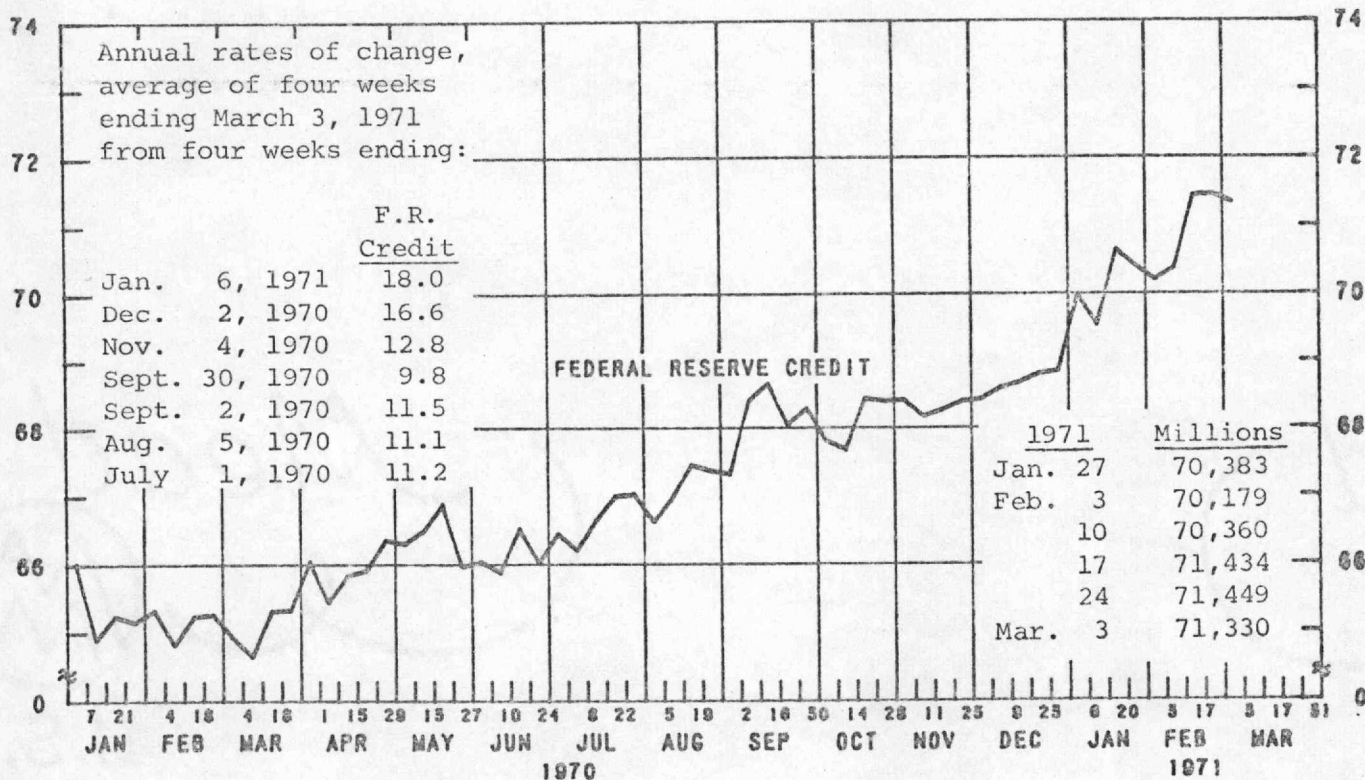
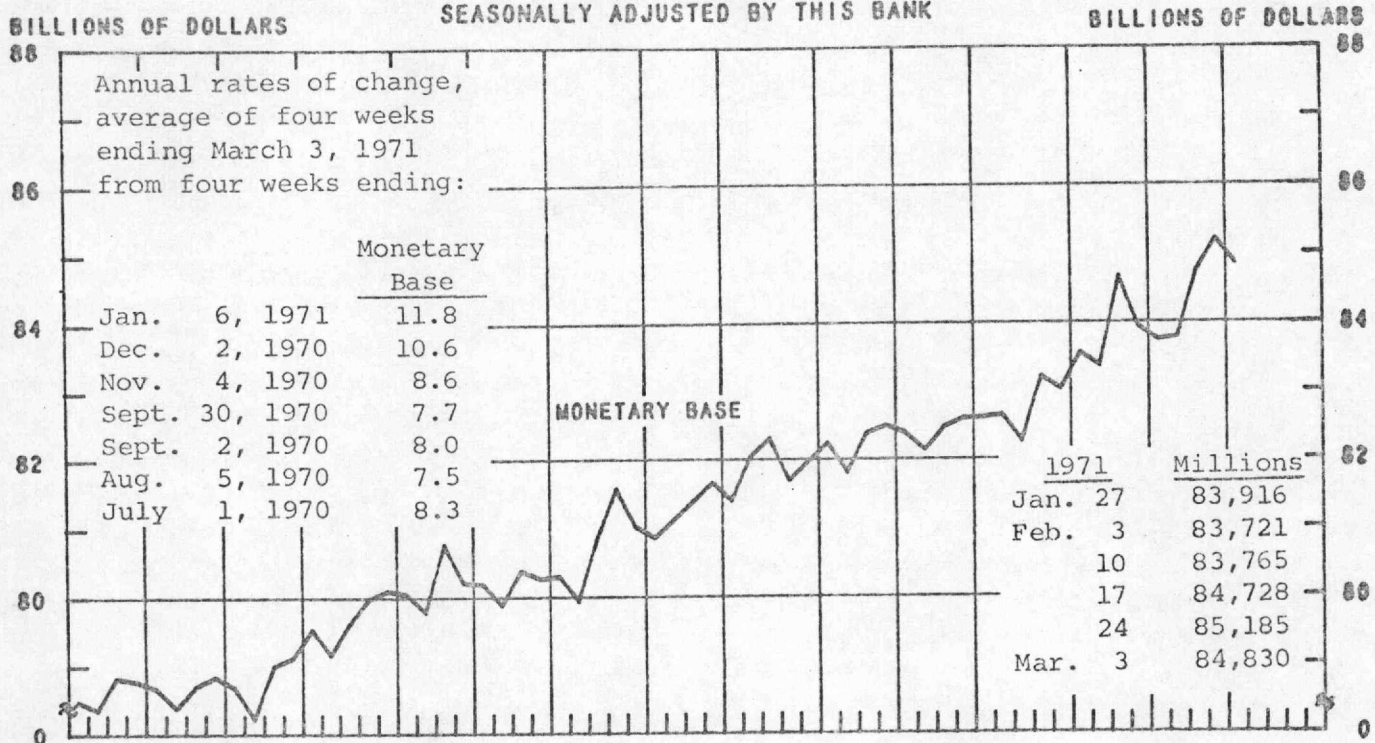
Long-term interest rates, however, have stopped declining in recent weeks, and some have risen slightly. Yields on seasoned corporate Aaa bonds averaged 7.12 per cent in the three days ending March 3, compared with 7.06 per cent three weeks earlier. Rates on new corporate issues have risen even more in recent weeks. Long-term Government bond rates averaged 5.94 per cent this week, 16 basis points above three weeks earlier.

Weekly data on Federal Reserve credit and monetary base have been revised. The revision resulted from the annual review of weekly seasonal adjustment factors. Back data of these series are available from this Bank on request.

Prepared by Federal Reserve Bank of St. Louis

Released: March 5, 1971

# MONETARY BASE 1/ FEDERAL RESERVE CREDIT 2/ AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED BY THIS BANK



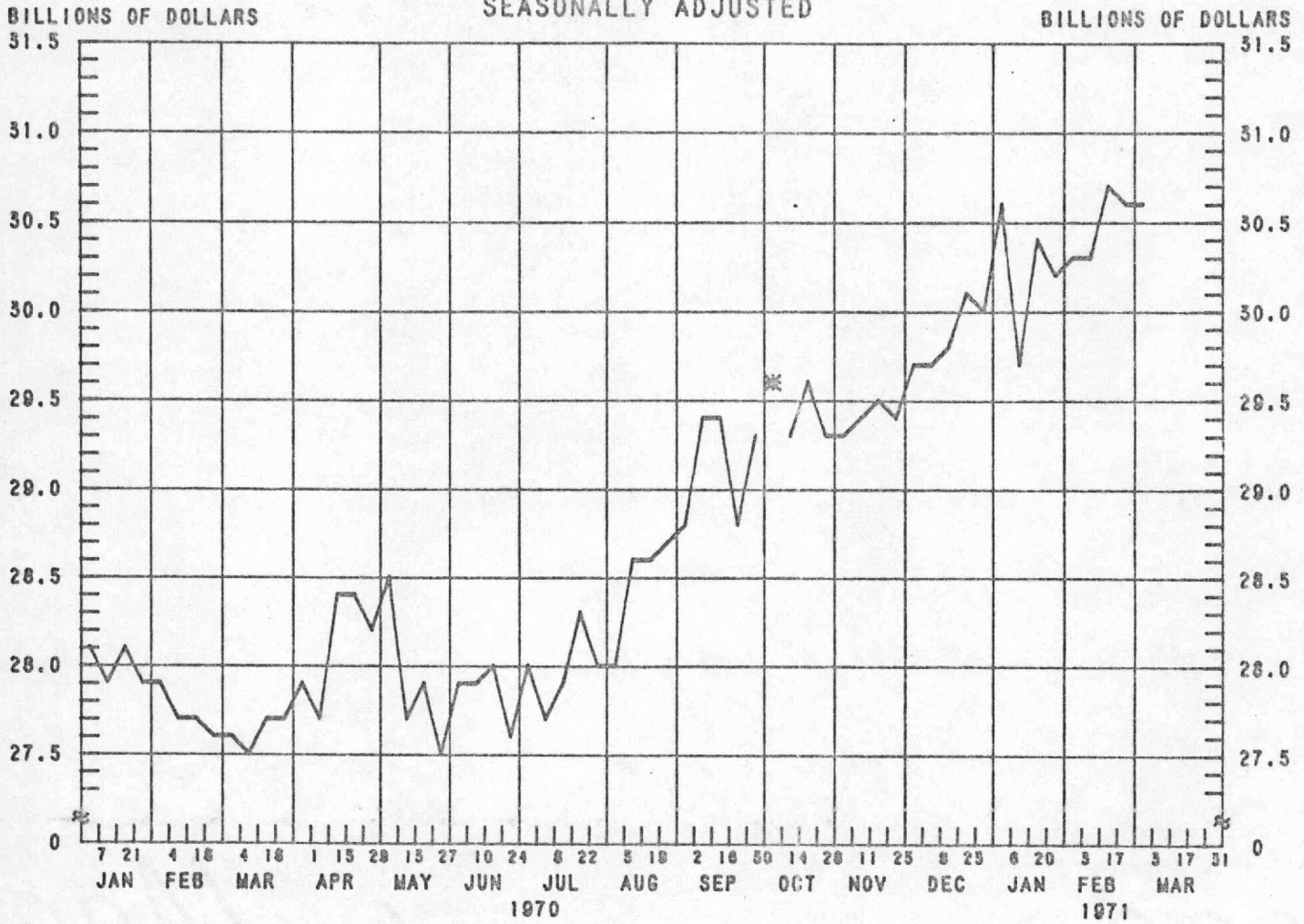
LATEST DATA PLOTTED WEEK ENDING: MARCH 3, 1971

- 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: MARCH 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>1971</u>	<u>Billions</u>
Jan. 27	30.2
Feb. 3	30.3
10	30.3
17	30.7
24	30.6
Mar. 3	30.6

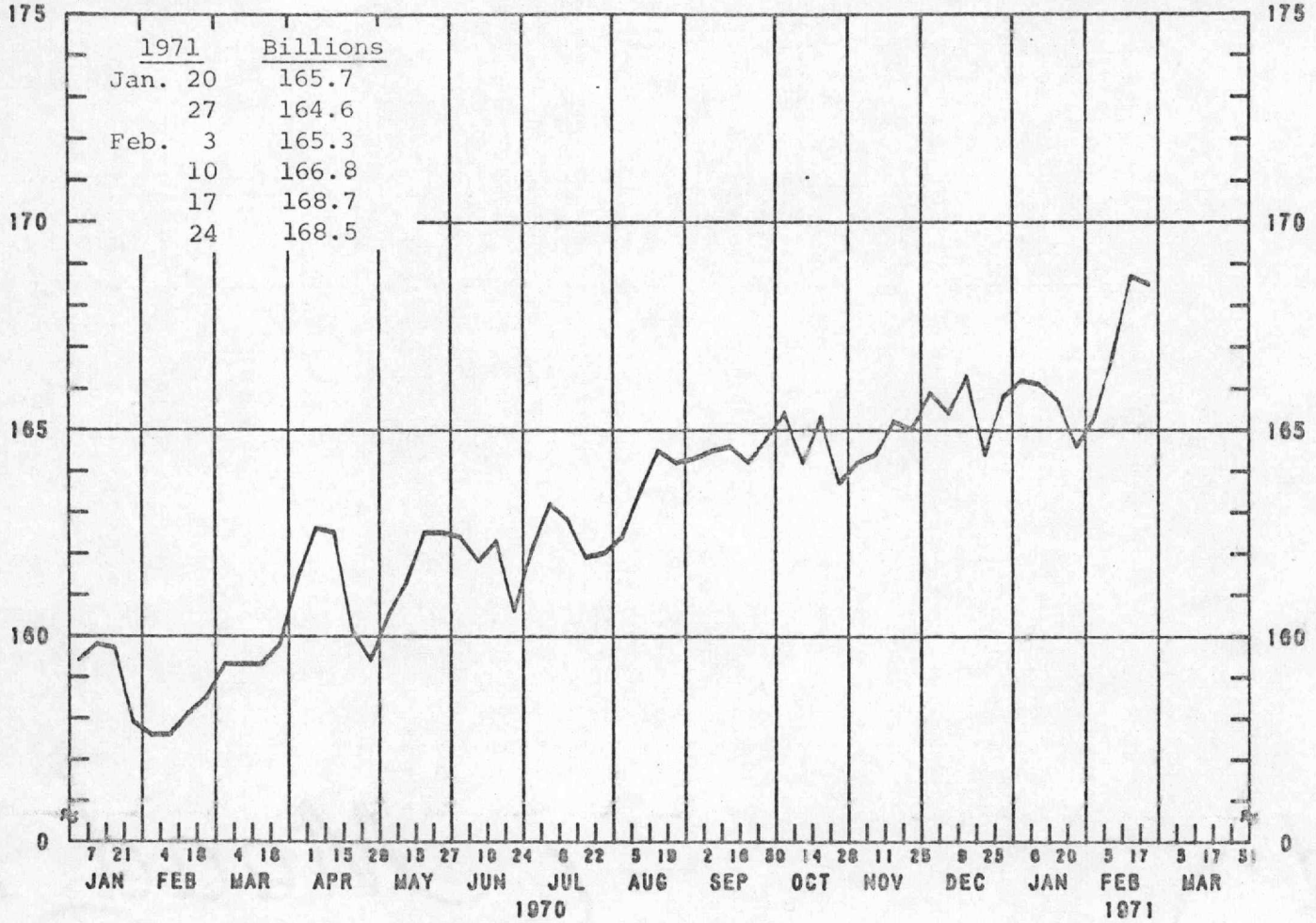
Annual rates of change, average of four weeks ending March 3, 1971 from four weeks ending:		
Jan. 6, 1971		10.0
Dec. 2, 1970		14.9
Nov. 4, 1970		12.2
Sept. 30, 1970		11.5
Sept. 2, 1970		13.2
Aug. 5, 1970		15.3
July 1, 1970		14.5

# DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 24, 1971

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

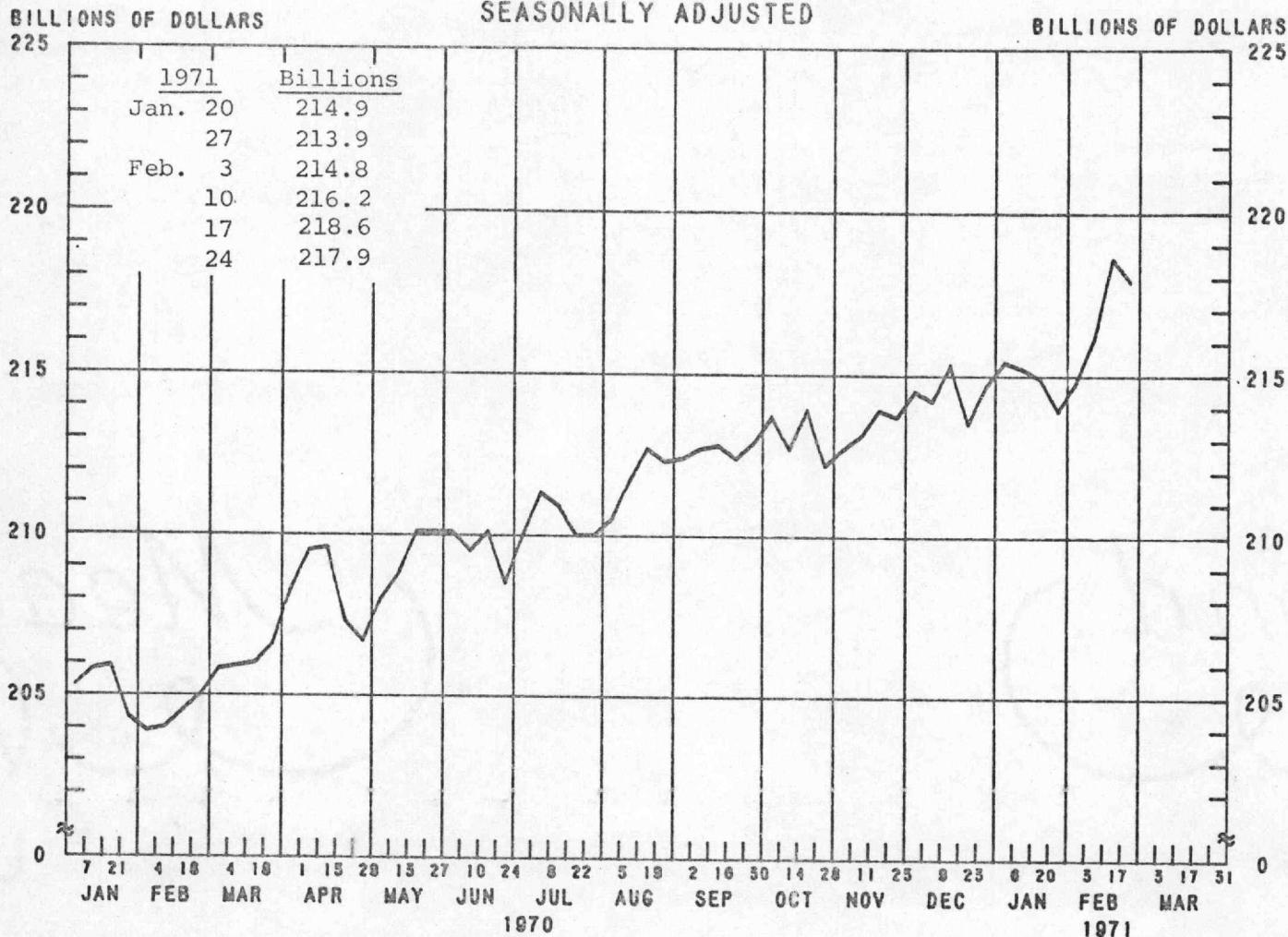
Annual rates of change, average of four weeks ending:  
5/27/70 6/24/70 7/22/70 8/26/70 9/23/70 10/21/70 11/25/70 12/23/70

to average  
of four  
weeks ending:

7/22/70	3.0							
8/26/70	4.9	7.0						
9/23/70	5.0	6.4	7.0					
10/21/70	4.7	5.7	5.9	4.4				
11/25/70	3.7	4.3	4.1	2.4	1.1			
12/23/70	4.0	4.6	4.4	3.3	2.7	2.2		
1/27/71	3.7	4.1	3.9	2.9	2.4	1.9	3.6	
2/24/71	4.6	5.1	5.1	4.4	4.2	4.4	6.3	6.5

# MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 24, 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 7/22/70 8/26/70 9/23/70 10/21/70 11/25/70 12/23/70

to average  
 of four  
 weeks ending:

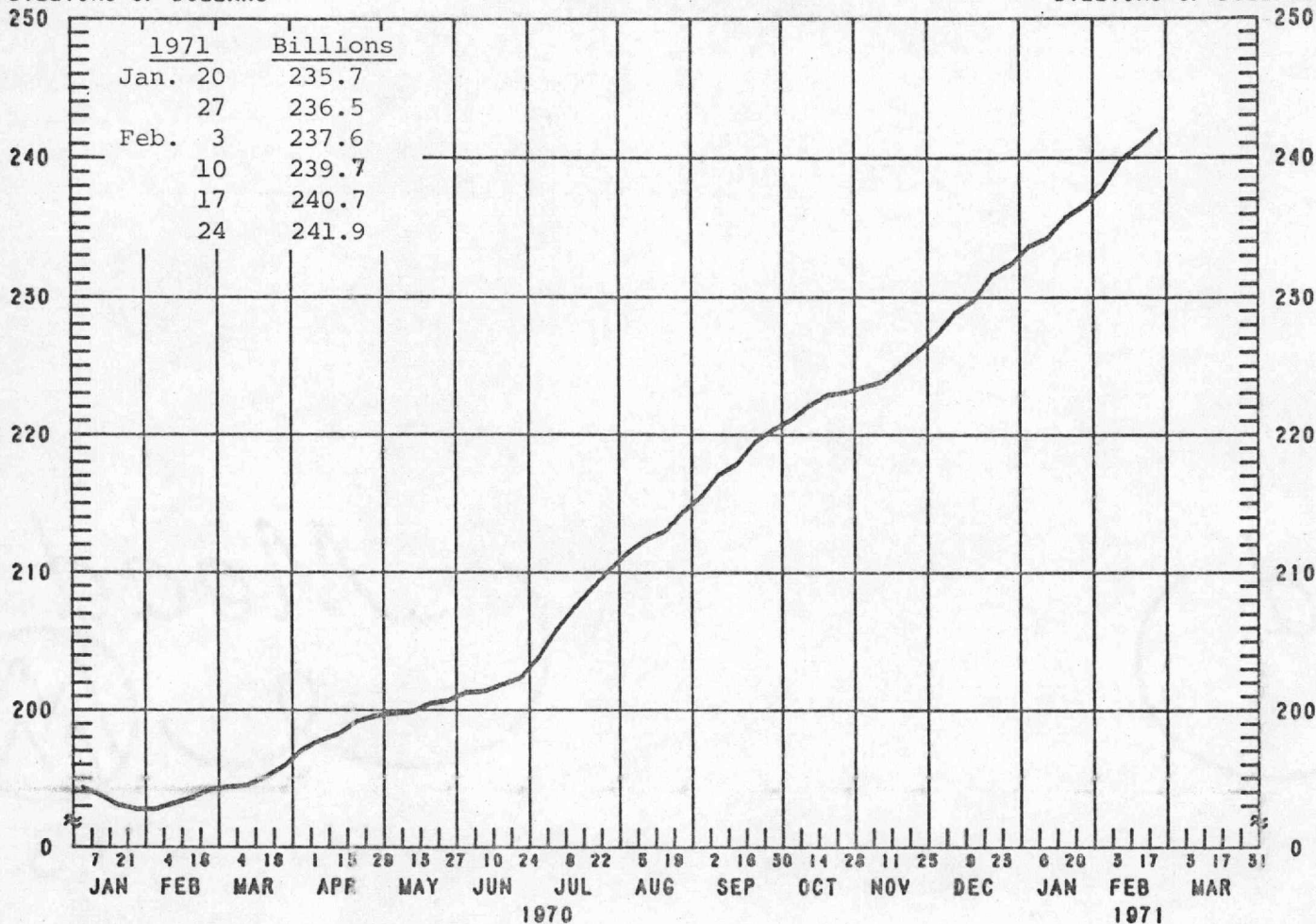
7/22/70	6.3	7.5						
8/26/70	6.2	7.2						
9/23/70	6.1	7.0	5.7					
10/21/70	6.0	6.7	5.1	4.2				
11/25/70	5.4	5.9	4.0	3.0	2.3			
12/23/70	5.5	5.9	4.3	3.7	3.4	3.1		
1/27/71	5.2	5.6	4.1	3.5	3.2	3.0	4.2	
2/24/71	5.7	6.1	5.1	4.8	4.9	5.1	6.6	7.0

# TIME DEPOSITS ALL COMMERCIAL BANKS

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 24, 1971

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

Annual rates of change, average of four weeks ending:  
5/27/70 6/24/70 7/22/70 8/26/70 9/23/70 10/21/70 11/25/70 12/23/70

to average  
of four  
weeks ending:

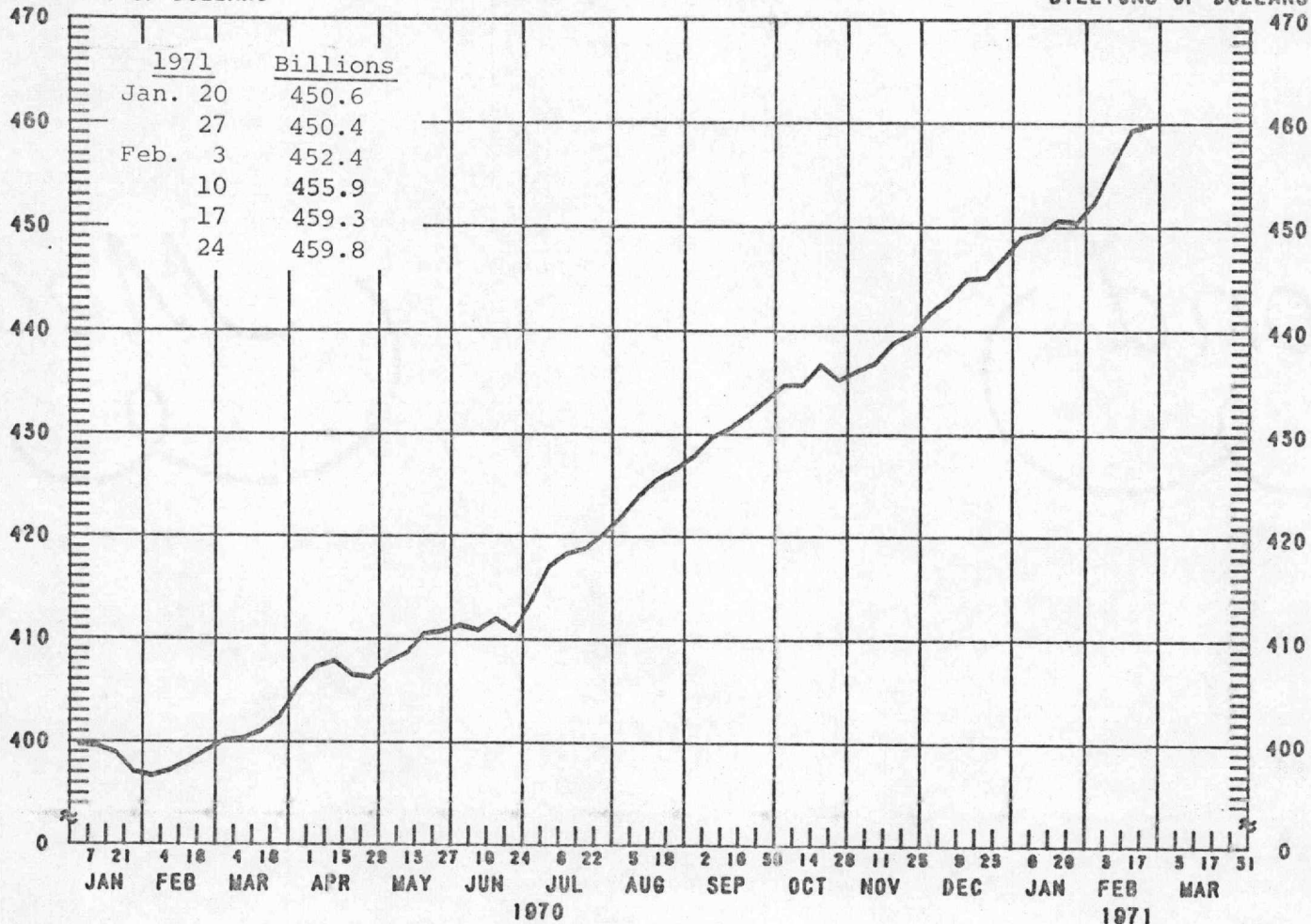
7/22/70	19.2							
8/26/70	25.2	32.7						
9/23/70	25.9	31.1	31.7					
10/21/70	25.7	29.4	29.1	24.8				
11/25/70	24.4	27.1	26.2	22.2	19.6			
12/23/70	25.0	27.4	26.5	23.4	21.9	21.1		
1/27/71	26.2	28.3	27.6	25.2	24.3	24.4	28.1	
2/24/71	26.6	28.5	27.8	25.7	25.0	25.1	27.6	28.0

# MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 24, 1971

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

Annual rates of change, average of four weeks ending:  
5/27/70 6/24/70 7/22/70 8/26/70 9/23/70 10/21/70 11/25/70 12/23/70

to average  
of four  
weeks ending:

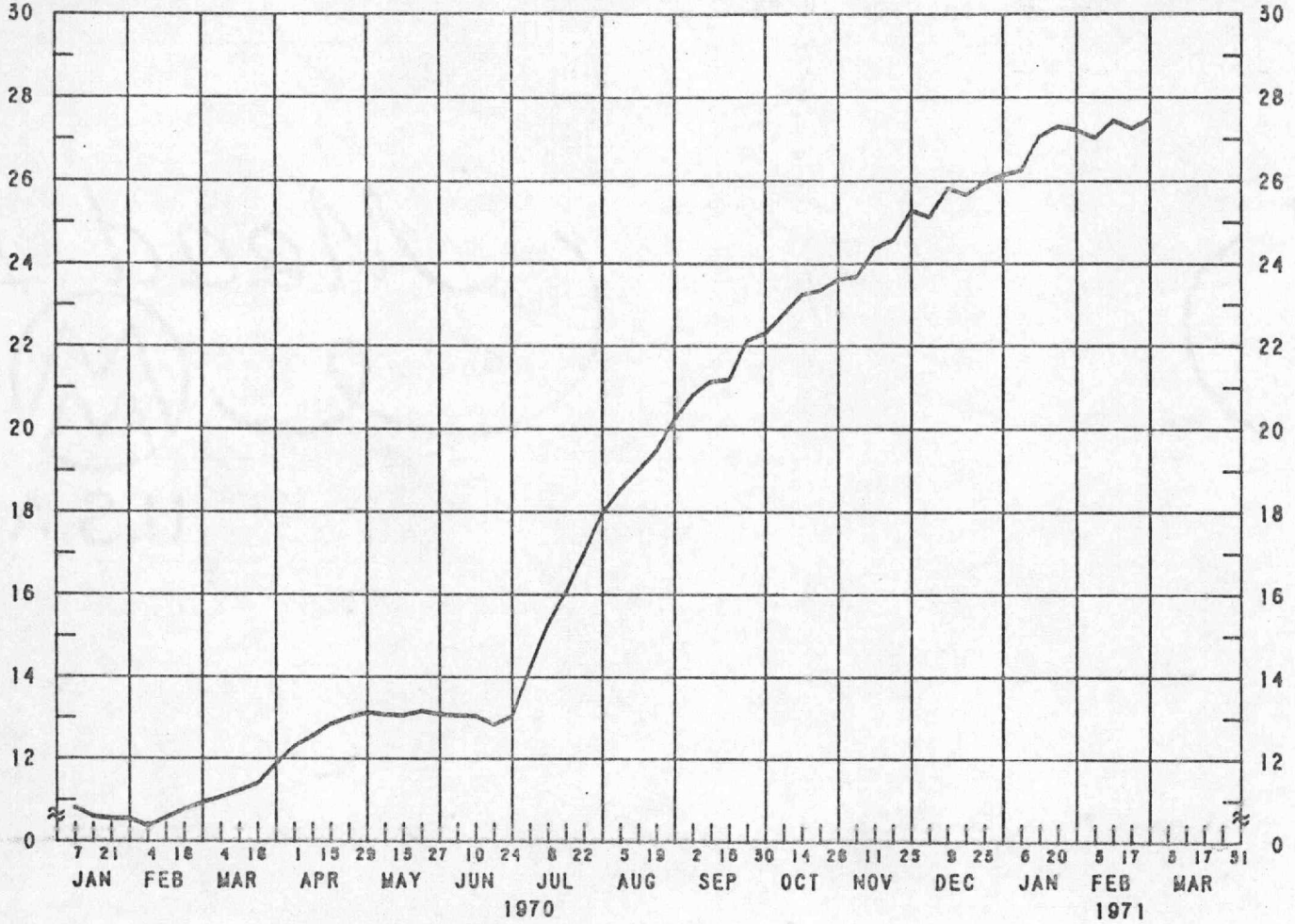
7/22/70	11.1								
8/26/70	14.8	19.4							
9/23/70	15.1	18.3	18.7						
10/21/70	14.9	17.2	17.1	14.6					
11/25/70	13.9	15.6	15.0	12.6	11.0				
12/23/70	14.4	15.8	15.4	13.6	12.7	12.3			
1/27/71	14.8	16.1	15.8	14.4	13.9	13.9	16.4		
2/24/71	15.5	16.7	16.4	15.3	15.0	15.2	17.4	17.8	

# CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

BILLIONS OF DOLLARS

WEDNESDAY FIGURES

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 24, 1971

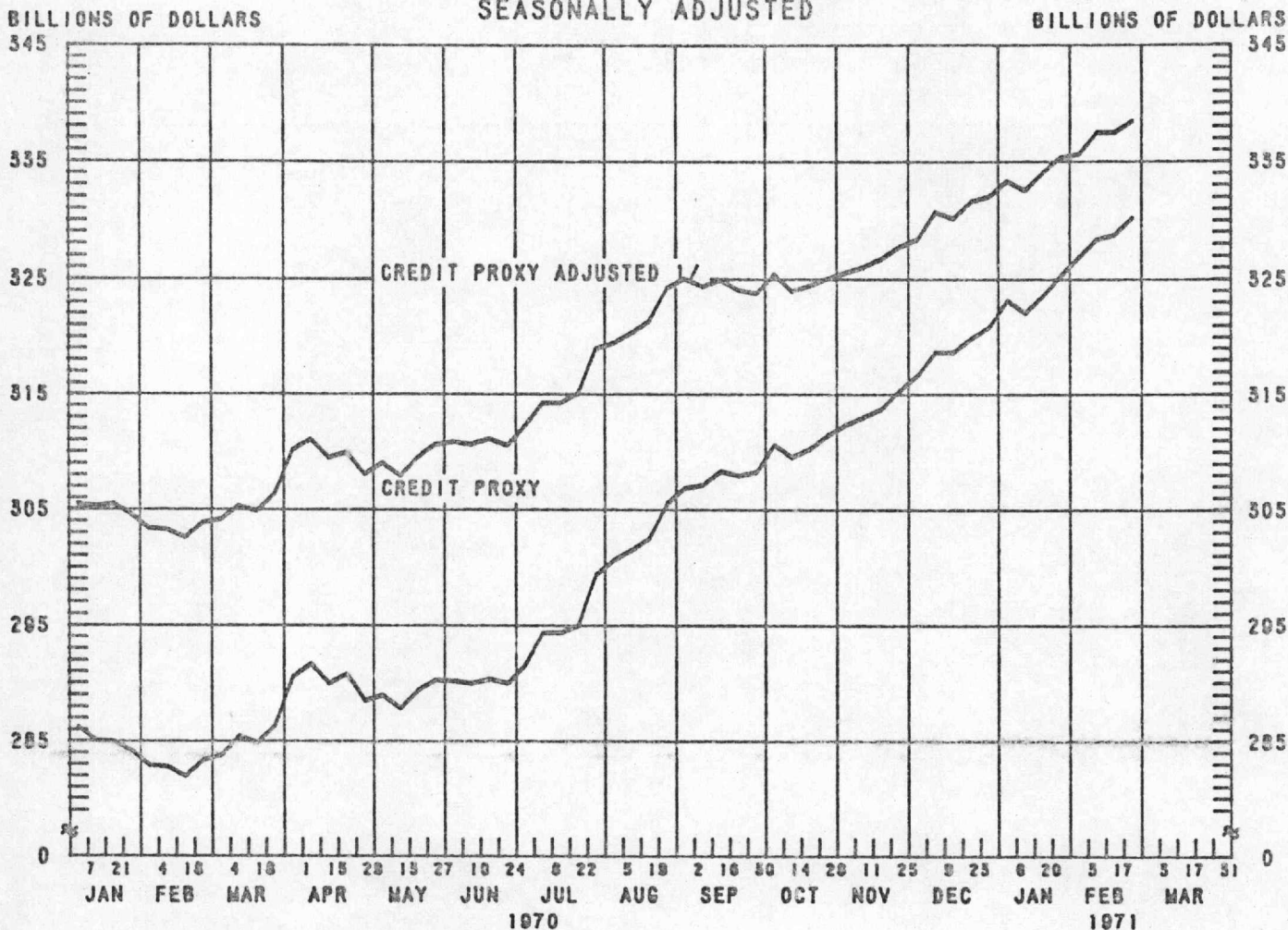
CURRENT AND YEAR AGO DATA APPEAR IN THE BOARD OF GOVERNORS' H.4.2 RELEASE.

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

1971	Millions
Jan. 20	27,278
27	27,190
Feb. 3	26,999
10	27,419
17	27,225
24	27,471



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



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 24, 1971

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

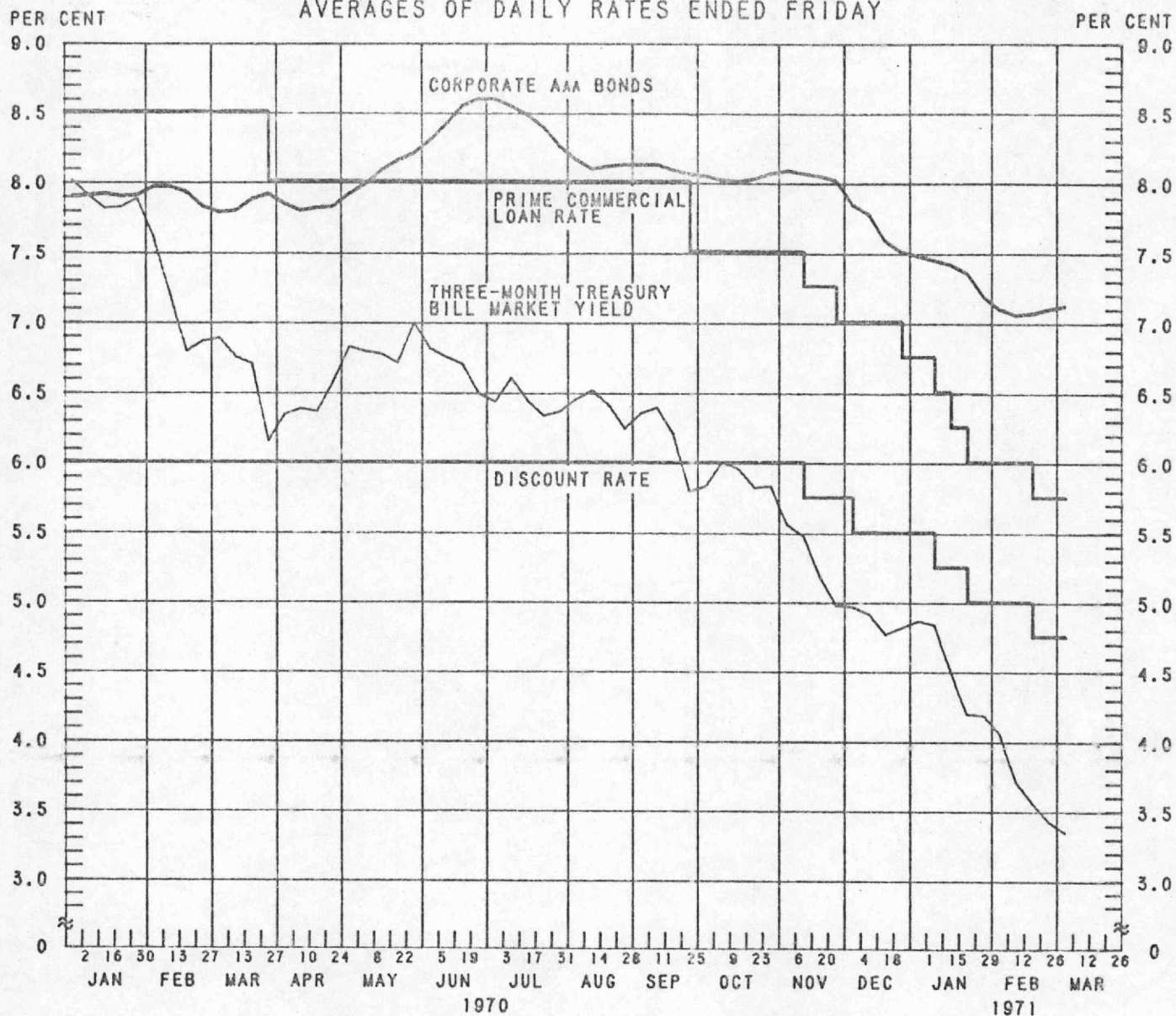
1/ INCLUDES MEMBER BANK DEPOSITS, BANK-RELATED COMMERCIAL PAPER, EURODOLLAR BORROWINGS OF U.S. BANKS, AND CERTAIN OTHER NONDEPOSIT SOURCES.

1971	Billions	
	Credit Proxy	Credit Proxy Adjusted
Jan. 20	323.5	334.0
27	325.3	335.3
Feb. 3	326.8	335.6
10	328.3	337.4
17	328.7	337.4
24	330.2	338.4

Annual rates of change, average of four weeks ending February 24, 1971 from four weeks ending:		
	Credit Proxy	Credit Proxy Adjusted
Dec. 23, 1970	19.0	12.7
Nov. 25, 1970	19.0	13.1
Oct. 21, 1970	18.3	11.8
Sept. 23, 1970	16.4	9.3
Aug. 26, 1970	17.2	9.9
July 22, 1970	20.2	12.7
June 24, 1970	19.9	12.7

# YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



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

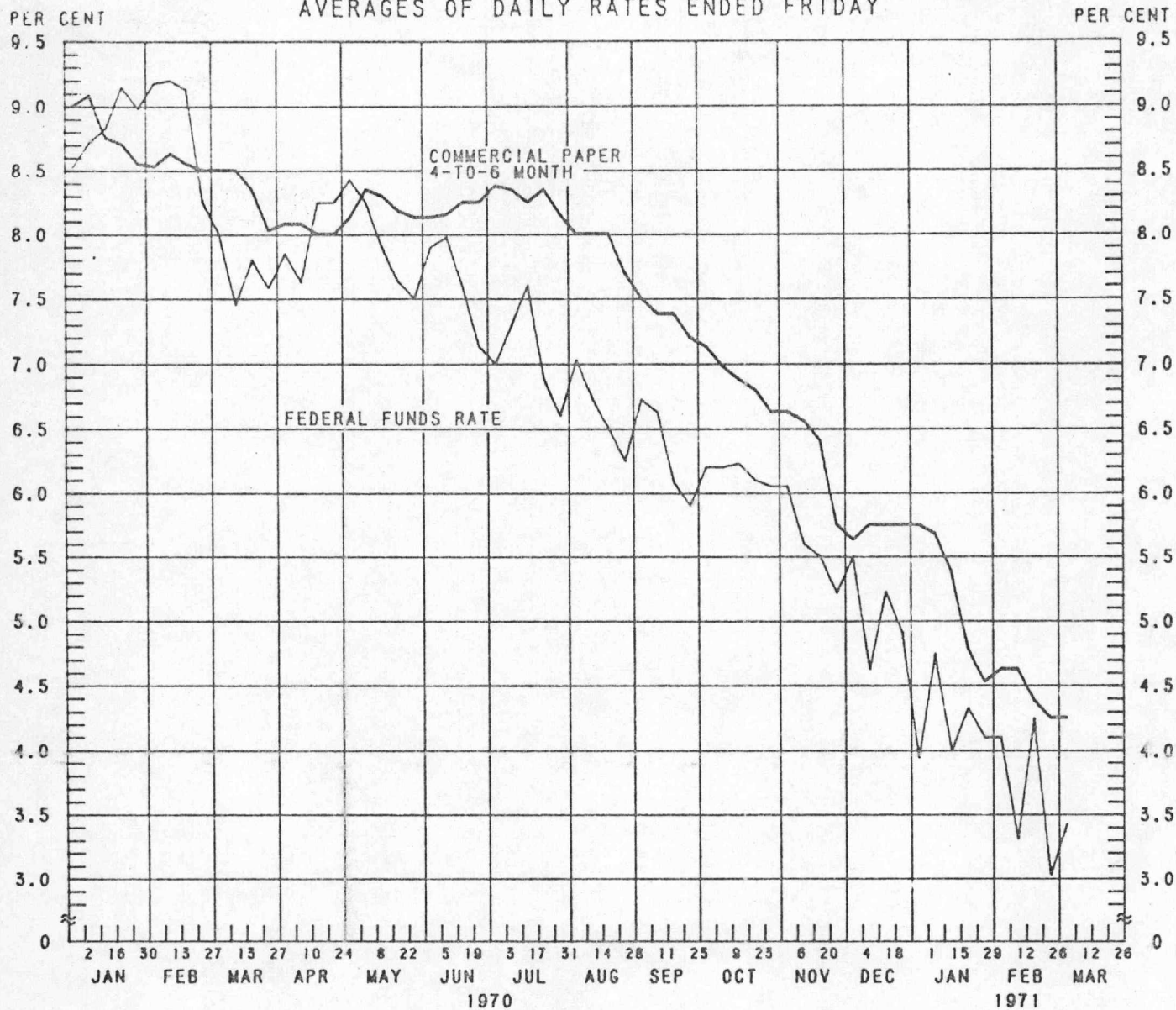
1971	CORPORATE AAA BONDS	3-MONTH TREASURY BILLS	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES
JAN. 1	7.48	4.87	5.94	6.16
8	7.45	4.84	5.99	6.09
15	7.42	4.51	5.78	5.96
22	7.36	4.20	5.58	5.83
29	7.19	4.19	5.54	5.78
FEB. 5	7.10	4.06	5.49	5.80
12	7.06	3.71	5.33	5.78
19	7.07	3.56	5.24	5.83
26	7.10	3.43	5.15	5.92
MAR. 5*	7.12	3.35	5.09	5.94
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: MARCH 5, 1971

1971	PRIME COMMERCIAL PAPER 4-6 MONTH	FEDERAL FUNDS	PRIME BANKERS' ACCEPTANCES	90 DAY CD'S <sup>***</sup>
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	4.53	4.10	4.45	4.64
FEB. 5	4.63	4.10	4.35	4.73
12	4.63	3.31	4.13	4.55
19	4.38	4.25	4.03	4.42
26	4.25	3.03	3.85	4.21
MAR. 5 <sup>**</sup>	4.25	3.43	3.75	4.04
12				
19				
26				

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

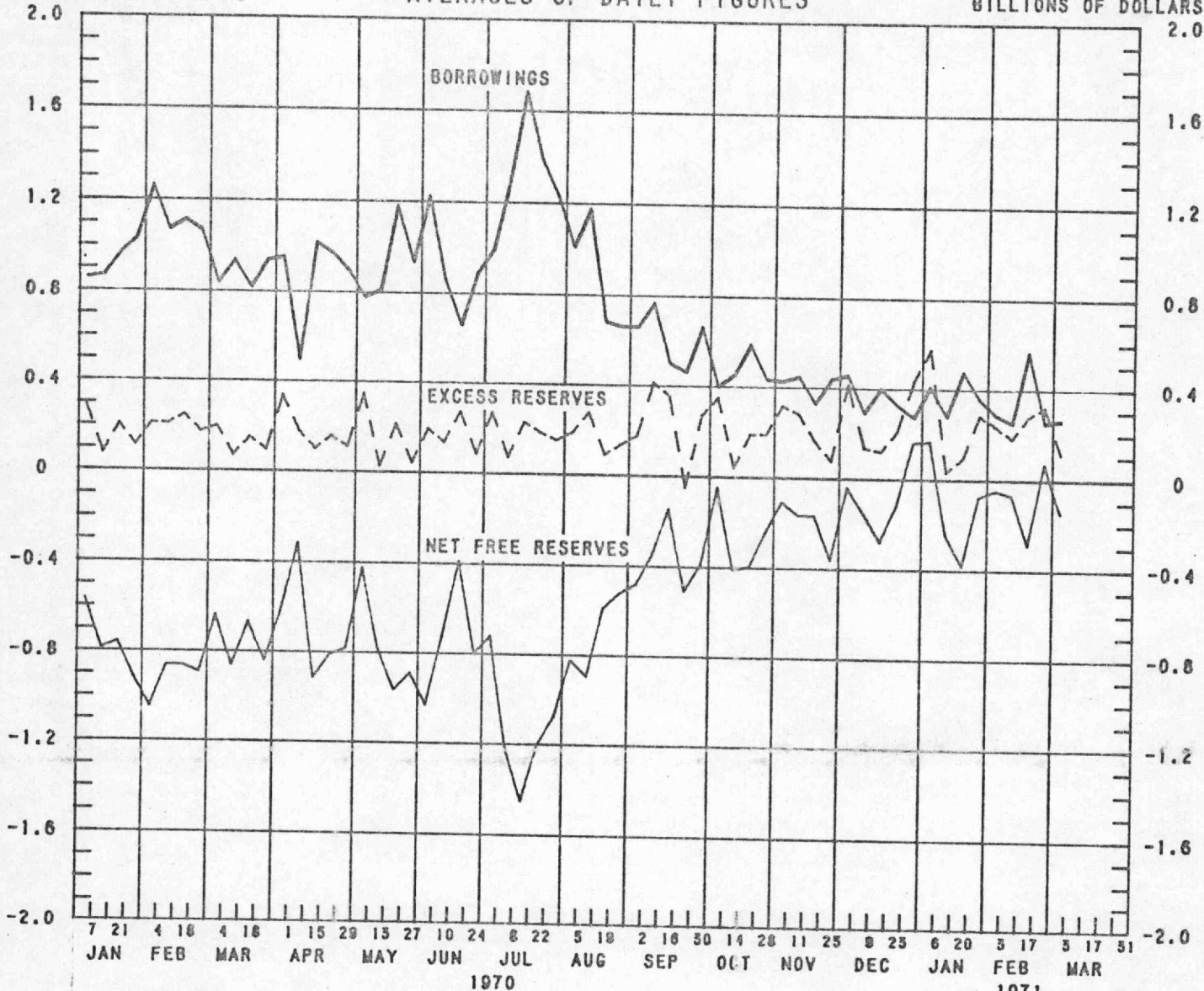
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

# BORROWINGS AND EXCESS RESERVES ALL MEMBER BANKS IN THE NATION

BILLIONS OF DOLLARS

AVERAGES OF DAILY FIGURES

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MARCH 3, 1971

1971	MILLIONS		
	EXCESS RESERVES	BORROWINGS	FREE RESERVES
JAN. 6	576	407	169
13	52	277	- 245
20	92	472	- 380
27	282	354	- 72
FEB. 3	237	283	- 46
10	185	248	- 65
17	279	564	- 285
24	322	248	- 73
MAR. 3	114	260	- 146
10			
17			
24			
31			

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS