



Week ending: March 10, 1971

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The money stock, consisting of private demand deposits and currency in the hands of the public, has risen at a 5.6 per cent annual rate since the four weeks ending September 30 (page 5). Since February 1970, money has grown at a 6.4 per cent annual rate, compared with a trend rate of 3.1 per cent from 1957 to 1968.

The demand deposit component of money has increased at a 5.3 per cent annual rate in the past five months and at a 6.3 per cent rate since February 1970, compared with 1.7 per cent in the previous twelve months (page 4). The currency component has increased at a 7 per cent rate since February 1970, compared with 6 per cent in the previous year.

Time deposits at commercial banks have increased at a 24 per cent annual rate since February 1970, after declining at a 4.7 per cent rate in the previous fourteen months (page 6). One component of total time deposits, large CD's, has risen to more than 2.5 times its February 1970 level, increasing from \$10.6 billion to \$27.9 billion (page 8). Time deposits other than large CD's, called net time deposits, have increased at a 17 per cent rate since February 1970. Large CD's have grown less rapidly over recent months, compared with immediately after the suspension of Regulation Q ceilings on 30- to 89-day maturity CD's in late June, while the growth of net time deposits has accelerated in recent months. The rapid growth of net time deposits is partially because of the more attractive yields on these types of deposits relative to other short-term instruments and partially to increased consumer saving. Interest rates on most passbook savings and small consumer-type CD's are still at their maximum Regulation Q ceilings, while rates on many short-term instruments have fallen below these ceilings, resulting in an interest rate differential in favor of time deposits. Interest rates on large CD's, however, are more responsive to market interest rates, thus the interest rate differential is less favorable.

Short-term market interest rates have continued to decline in recent weeks, while long-term market rates have tended to rise (pages 10 and 11). Three-month Treasury bill rates averaged 3.31 per cent in the three days ending March 10, down about 1.5 percentage points since early January 1971, while yields on the four- to six-month commercial paper averaged 4.25 per cent early this week, about 1.4 percentage points below early January 1971. Yields on seasoned Aaa corporate bonds averaged 7.19 per cent in the first half of this week, up from 7.06 per cent four weeks earlier. Yields on new corporate issues have risen about 3/4 of 1 percentage point recently, responding to a heavy calendar of corporate offerings.

On March 11 the interest rate on loans to prime business customers was lowered by several banks from 1/4 to 1/2 of 1 percentage point, according to early announcements. This ninth reduction since mid-September brings the rate into closer alignment with short-term market interest rates.

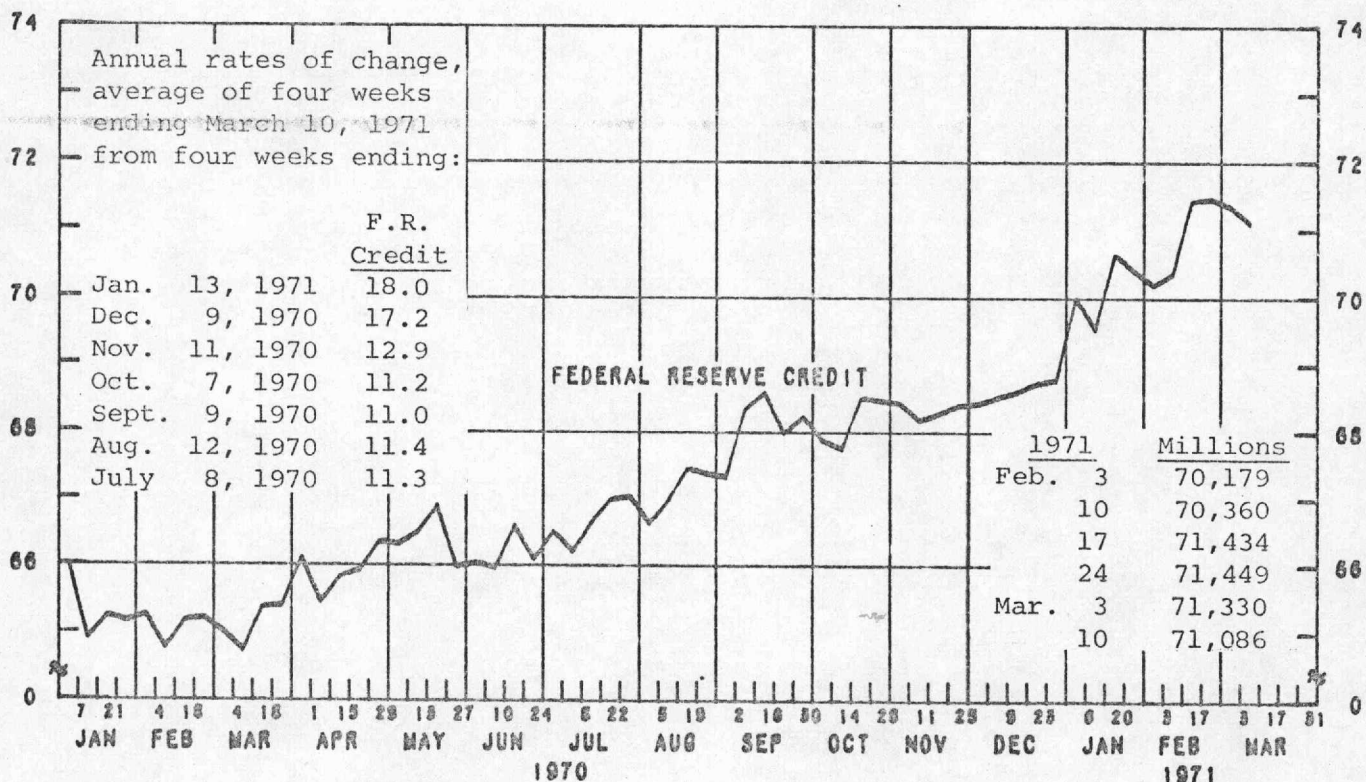
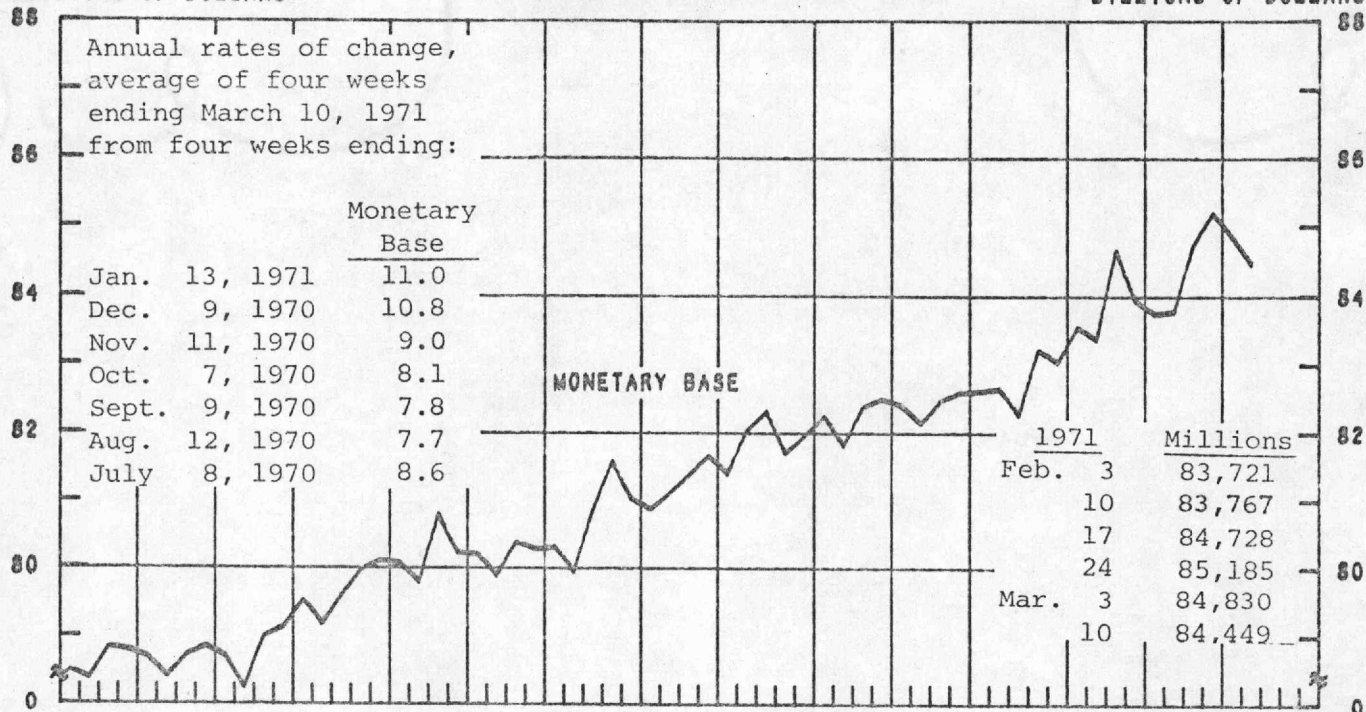
Prepared by Federal Reserve Bank of St. Louis

Released: March 12, 1971

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

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



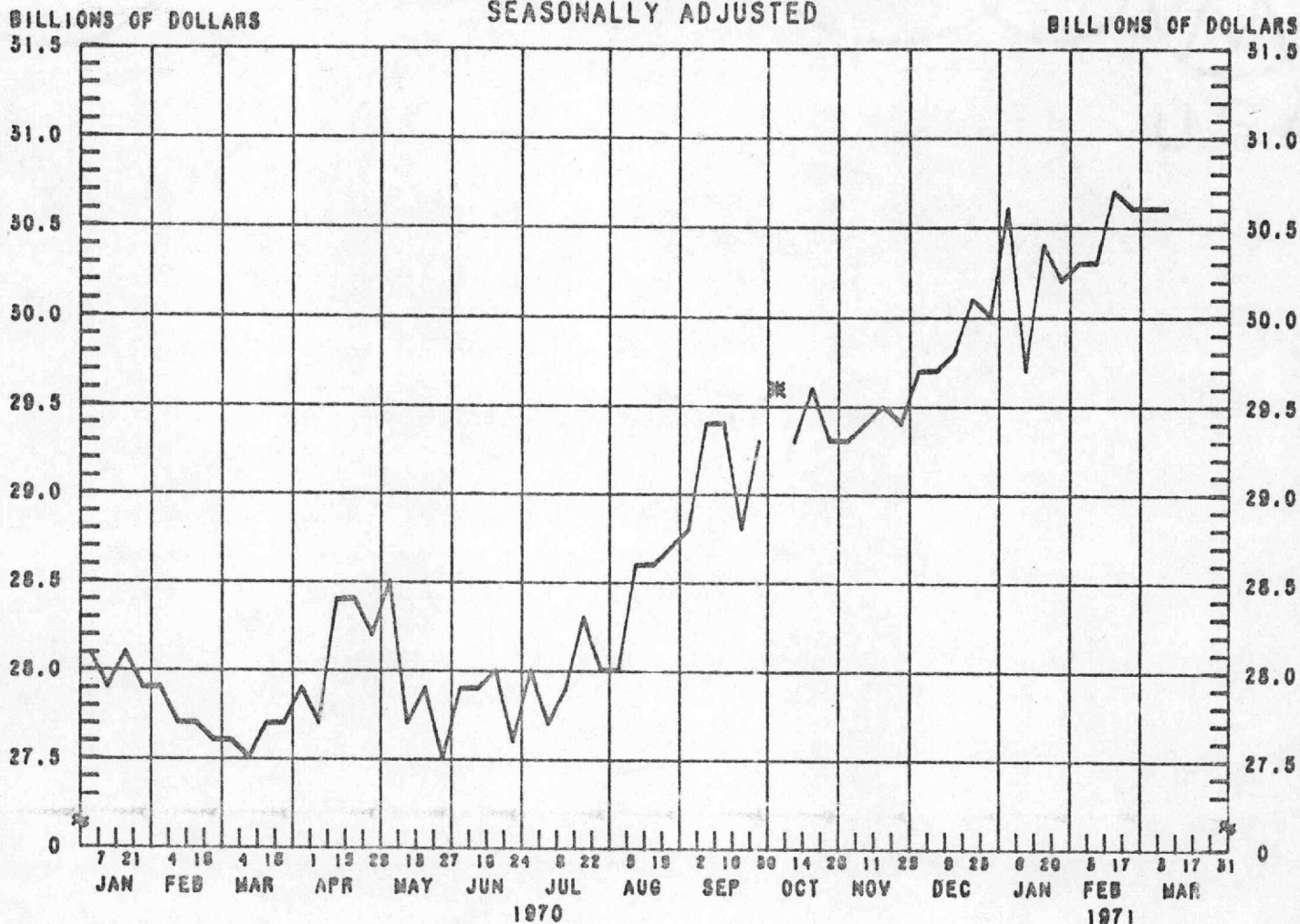
LATEST DATA PLOTTED WEEK ENDING, MARCH 10, 1971

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.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

RESERVES ALL MEMBER BANKS IN THE NATION AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING, MARCH 10, 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.

1971	Billions
Feb. 3	30.3
10	30.3
17	30.7
24	30.6
Mar. 3	30.6
10	30.6

Annual rates of change,
average of four weeks
ending March 10, 1971
from four weeks ending:

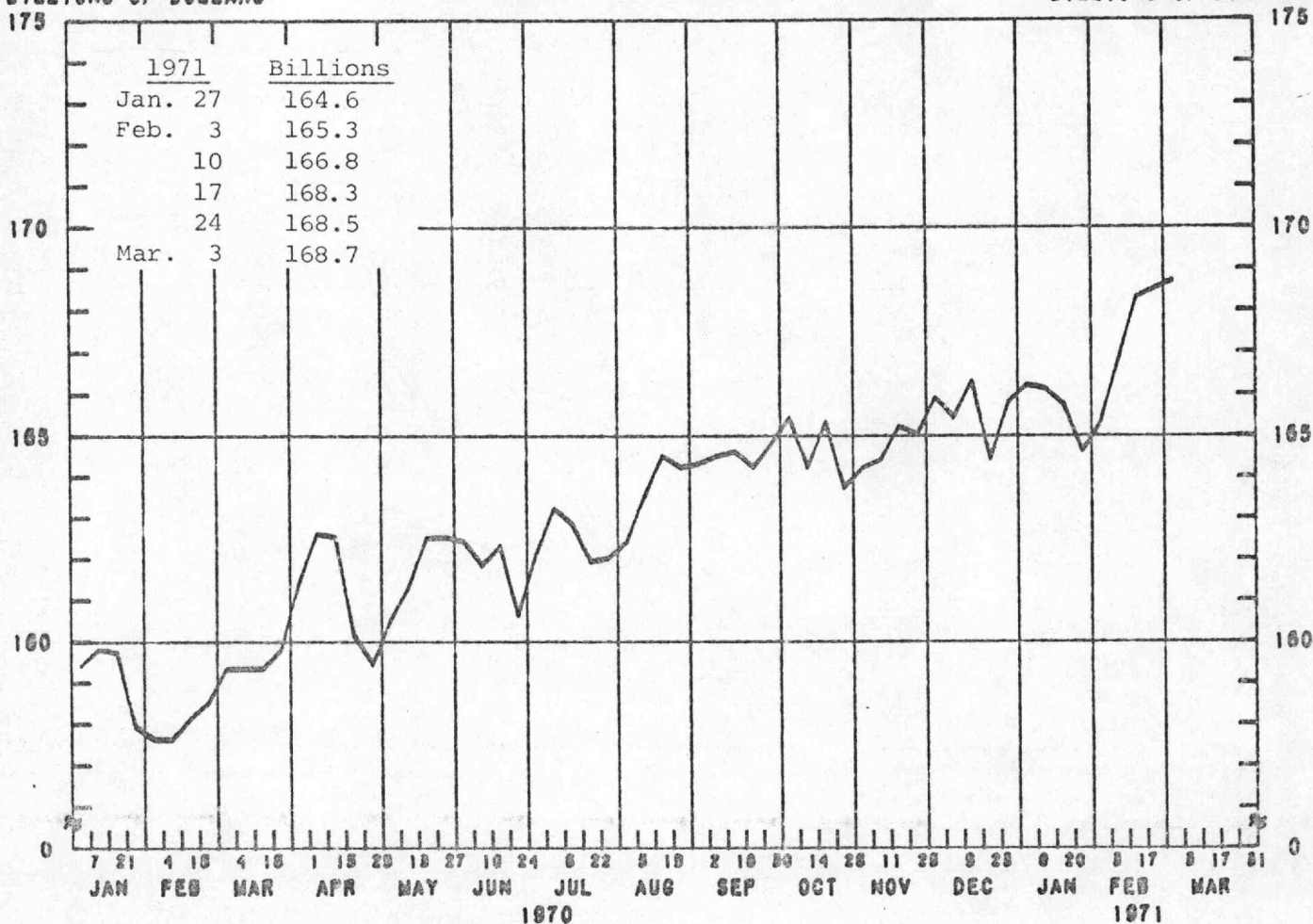
Jan. 13, 1971	10.0
Dec. 9, 1970	13.5
Nov. 11, 1970	12.2
Oct. 7, 1970	10.6
Sept. 9, 1970	11.8
Aug. 12, 1970	14.6
July 8, 1970	15.1

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MARCH 3, 1971

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

Annual rates of change, average of four weeks ending:
6/3/70 7/1/70 8/5/70 9/2/70 9/30/70 11/4/70 12/2/70 1/6/71

to average
of four
weeks ending:

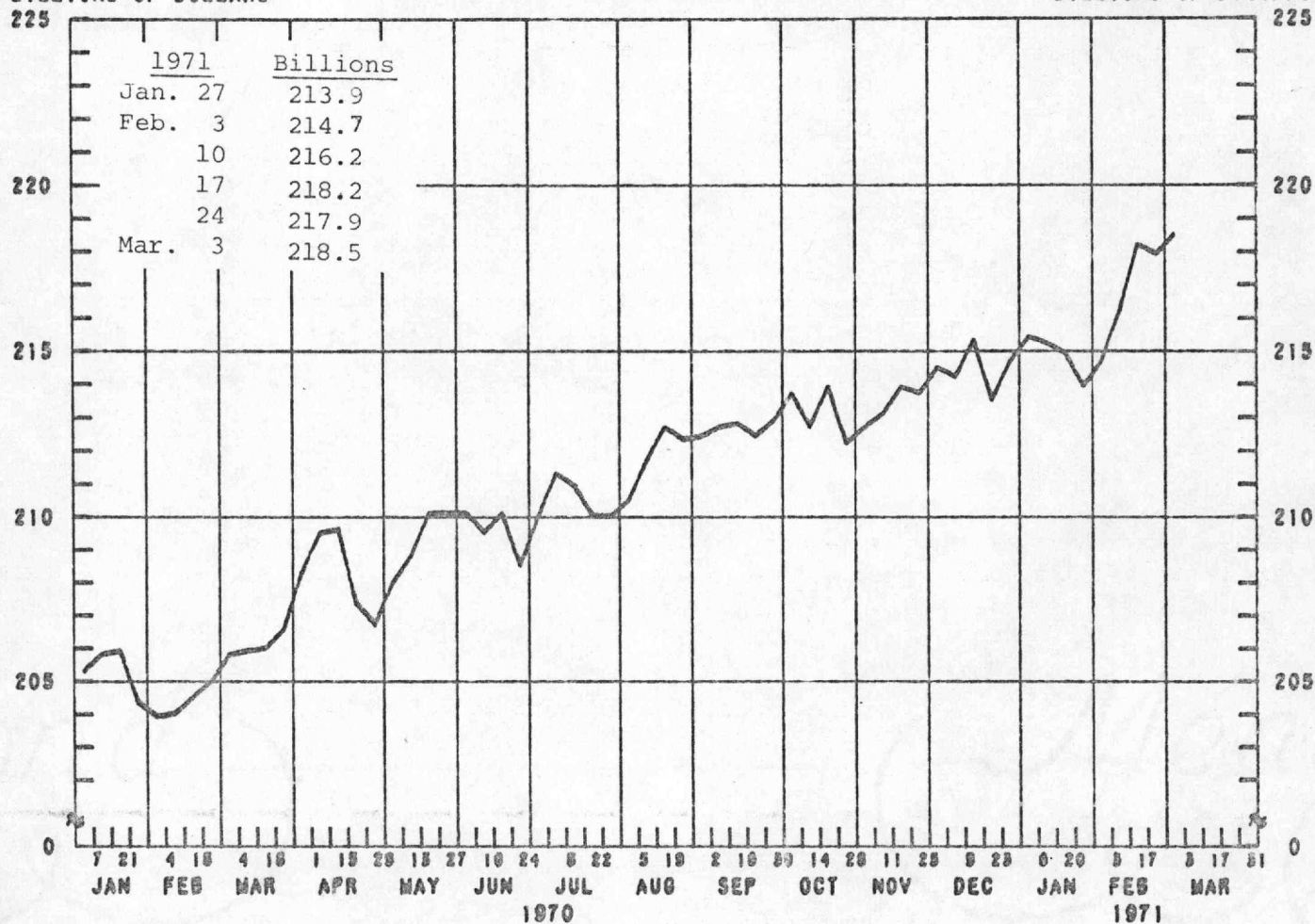
8/ 5/70	0.4						
9/ 2/70	4.7	8.9					
9/30/70	4.3	6.9	8.1				
11/ 4/70	3.1	4.8	4.9	0.7			
12/ 2/70	3.6	5.0	5.2	2.4	2.2		
1/ 6/71	3.7	4.9	5.0	2.9	2.9	5.1	
2/ 3/71	3.0	3.9	3.8	1.9	1.6	2.7	1.1
3/ 3/71	4.8	5.9	6.1	4.9	5.3	6.9	7.3
							8.7

MONEY STOCK

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MARCH 3, 1971

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

Annual rates of change, average of four weeks ending:
 12/31/69 2/25/70 8/5/70 9/2/70 9/30/70 11/4/70 12/2/70 1/6/71

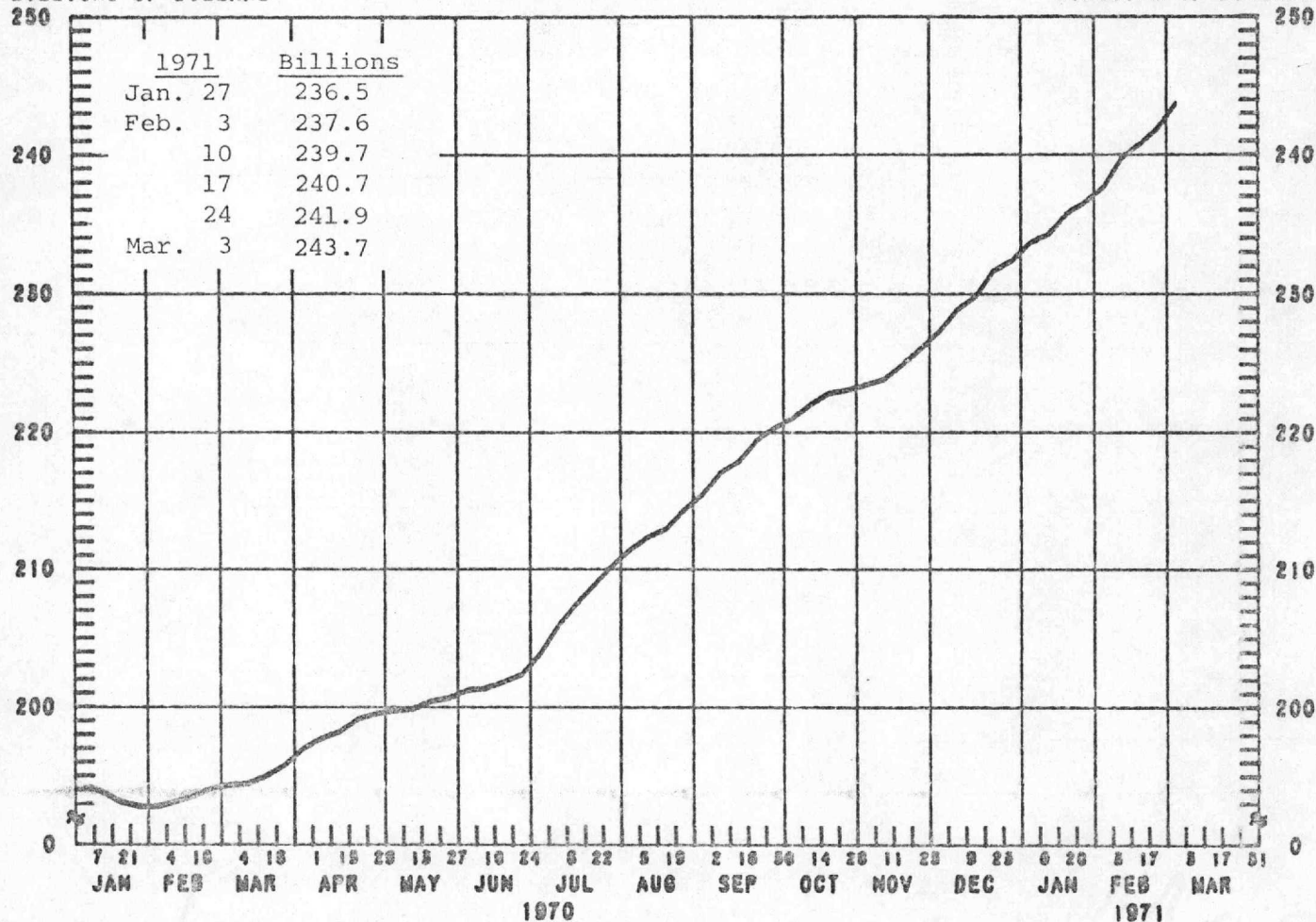
to average
of four
weeks ending:

8/ 5/70	5.7	6.6						
9/ 2/70	6.4	7.4						
9/30/70	6.0	6.8	6.6					
11/ 4/70	5.5	6.0	4.8	1.7				
12/ 2/70	5.5	6.0	4.8	2.8	3.1			
1/ 6/71	5.4	5.8	4.9	3.4	3.8	5.1		
2/ 3/71	5.0	5.3	4.1	2.7	2.8	3.4	2.5	
3/ 3/71	5.9	6.4	5.9	5.1	5.6	6.8	7.3	8.4

TIME DEPOSITS ALL COMMERCIAL BANKS AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MARCH 3, 1971

CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' N.O. RELEASE.

Annual rates of change, average of four weeks ending:
6/3/70 7/1/70 8/5/70 9/2/70 9/30/70 11/4/70 12/2/70 1/6/71

to average
of four
weeks ending:

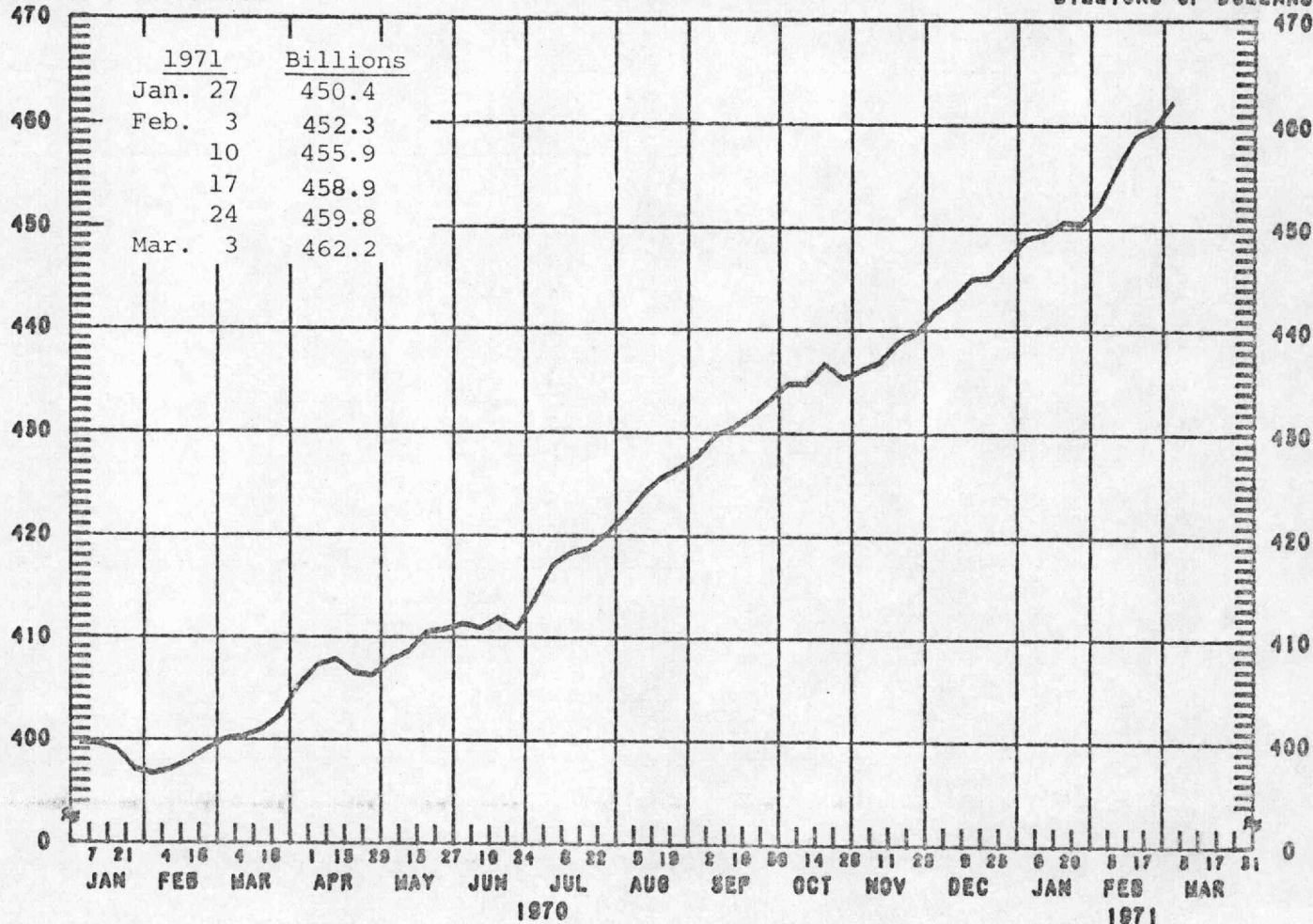
8/ 5/70	26.9						
9/ 2/70	26.3	33.8					
9/30/70	27.1	32.2	26.1				
11/ 4/70	26.7	30.4	25.4	25.5			
12/ 2/70	24.9	27.5	22.9	22.1	18.9		
1/ 6/71	26.8	29.2	25.5	25.4	24.2	24.2	
2/ 3/71	26.6	28.6	25.3	25.0	23.9	23.7	27.9
3/ 3/71	27.3	29.1	26.2	26.0	25.1	25.2	28.4
							25.1

MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MARCH 3, 1971

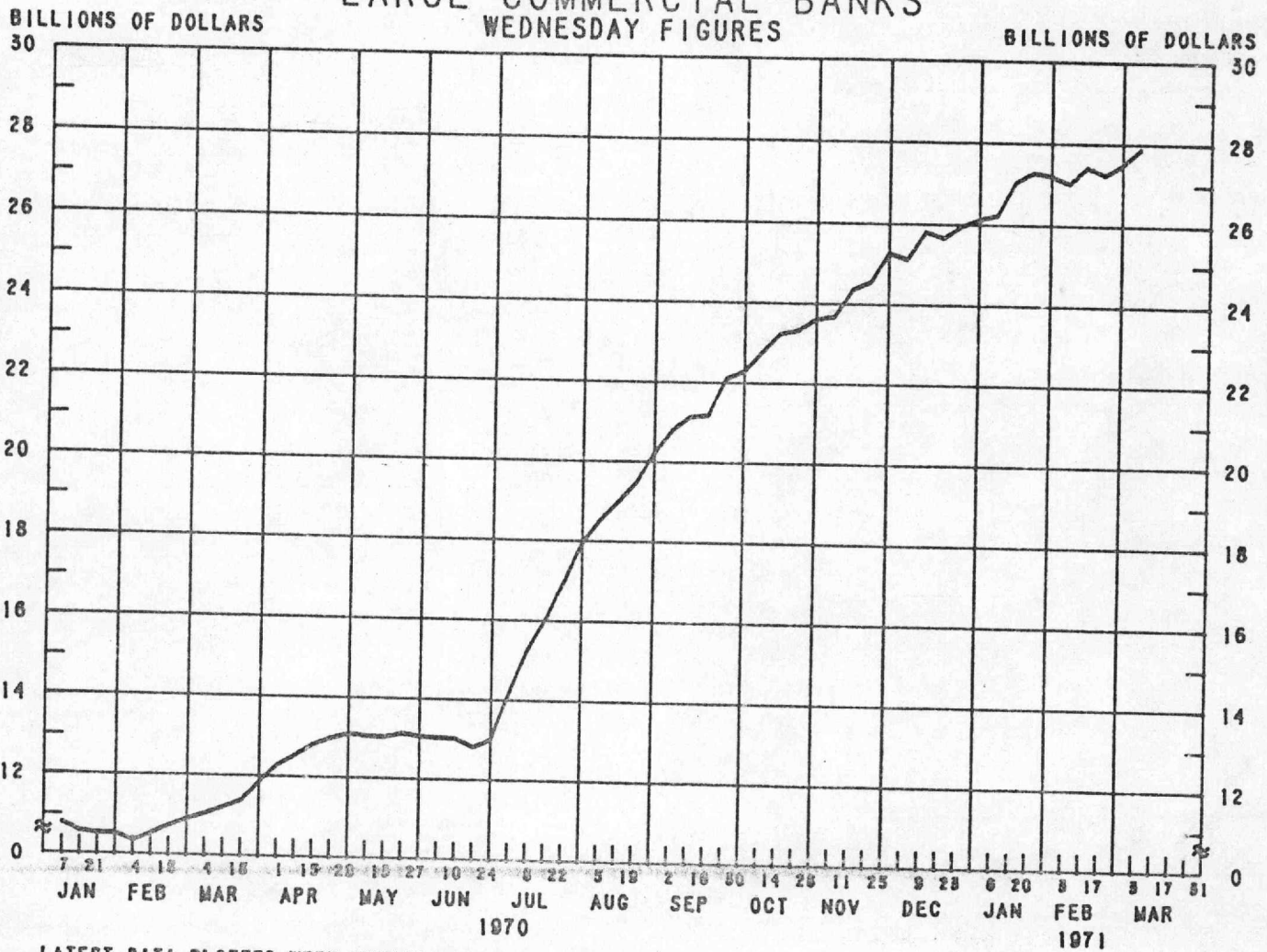
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

Annual rates of change, average of four weeks ending:
6/3/70 7/1/70 8/5/70 9/2/70 9/30/70 11/4/70 12/2/70 1/6/71

to average
of four
weeks ending:

8/ 5/70	13.9							
9/ 2/70	15.3	20.7						
9/30/70	15.4	18.9	16.4					
11/ 4/70	14.9	17.4	15.2	13.7				
12/ 2/70	14.1	16.0	13.9	12.5	11.1			
1/ 6/71	15.1	16.9	15.3	14.4	14.1	14.9		
2/ 3/71	14.8	16.2	14.7	13.9	13.5	13.8	15.6	
3/ 3/71	15.9	17.3	16.1	15.6	15.5	16.2	18.1	17.1

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS WEDNESDAY FIGURES



LATEST DATA PLOTTED WEEK ENDING: MARCH 3, 1971

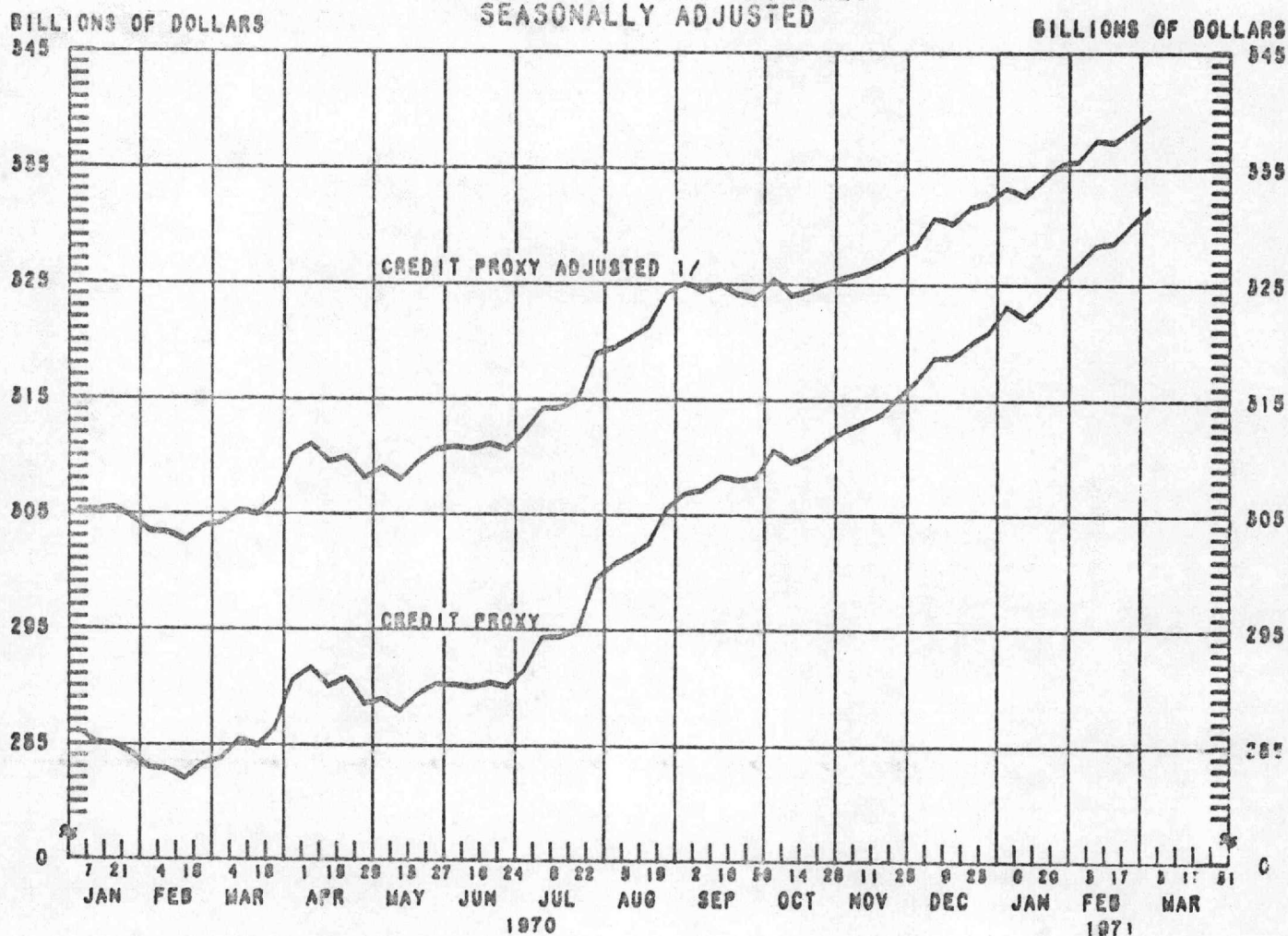
CURRENT AND YEAR AGO DATA APPEAR IN THE BOARD OF GOVERNORS' H.4.2 RELEASE.

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

<u>1971</u>	<u>Millions</u>
Jan. 27	27,190
Feb. 3	26,999
10	27,419
17	27,225
24	27,489
Mar. 3	27,868

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

**MEMBER BANK DEPOSITS
SUBJECT TO RESERVE REQUIREMENTS
(CREDIT PROXY)
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.

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

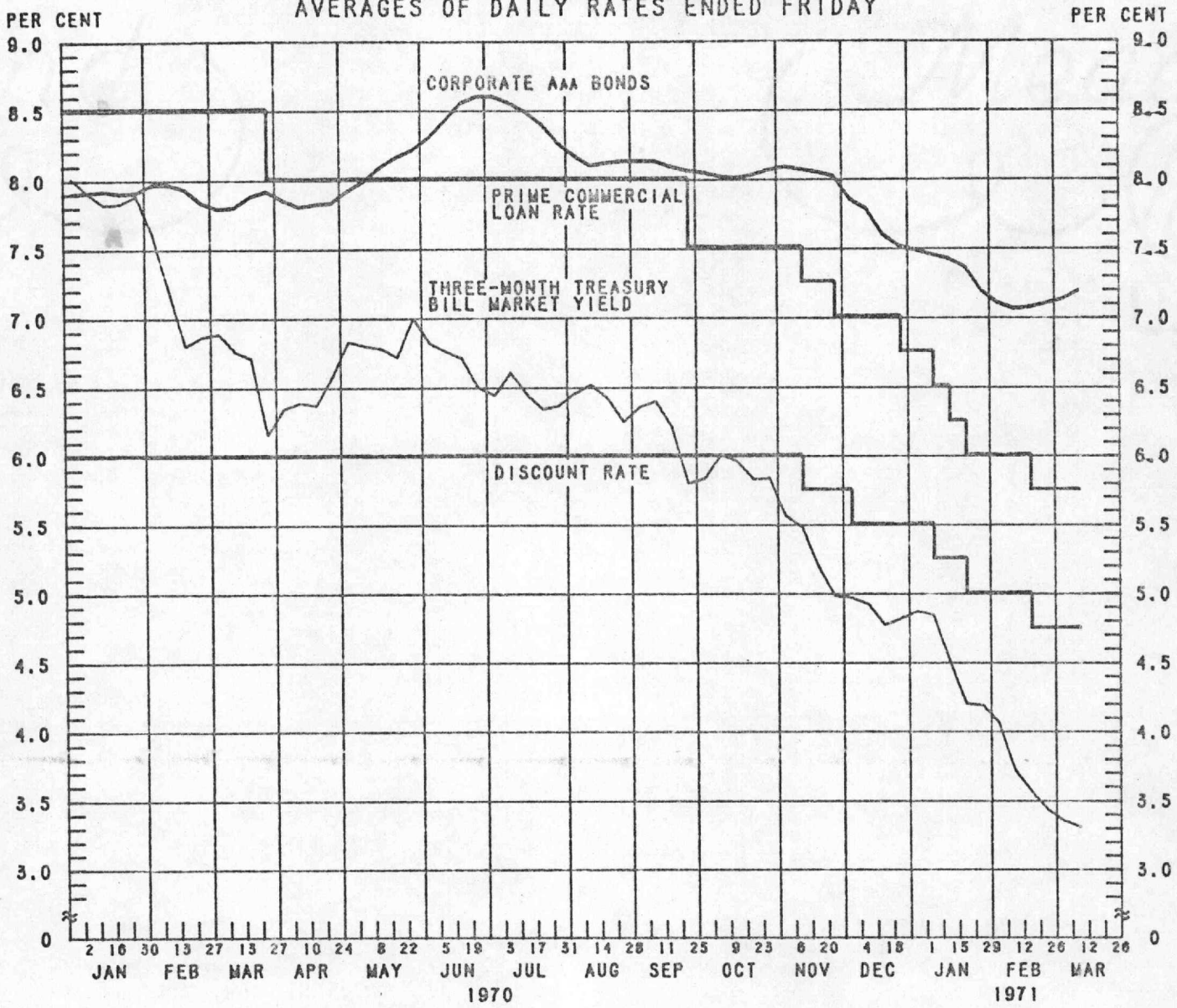
<u>1971</u>	<u>Billions</u>	
	<u>Credit Proxy</u>	<u>Credit Proxy Adjusted</u>
Jan. 27	325.3	335.3
Feb. 3	326.8	335.6
10	328.3	337.4
17	328.5	337.2
24	330.2	338.4
Mar. 3	331.6	339.5

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

	<u>Credit Proxy</u>	<u>Credit Proxy Adjusted</u>
Jan. 6, 1971	17.0	11.4
Dec. 2, 1970	19.1	13.3
Nov. 4, 1970	18.1	12.4
Sept. 30, 1970	17.0	10.3
Sept. 2, 1970	16.9	9.5
Aug. 5, 1970	18.7	11.5
July 1, 1970	20.3	13.0

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: MARCH 12, 1971

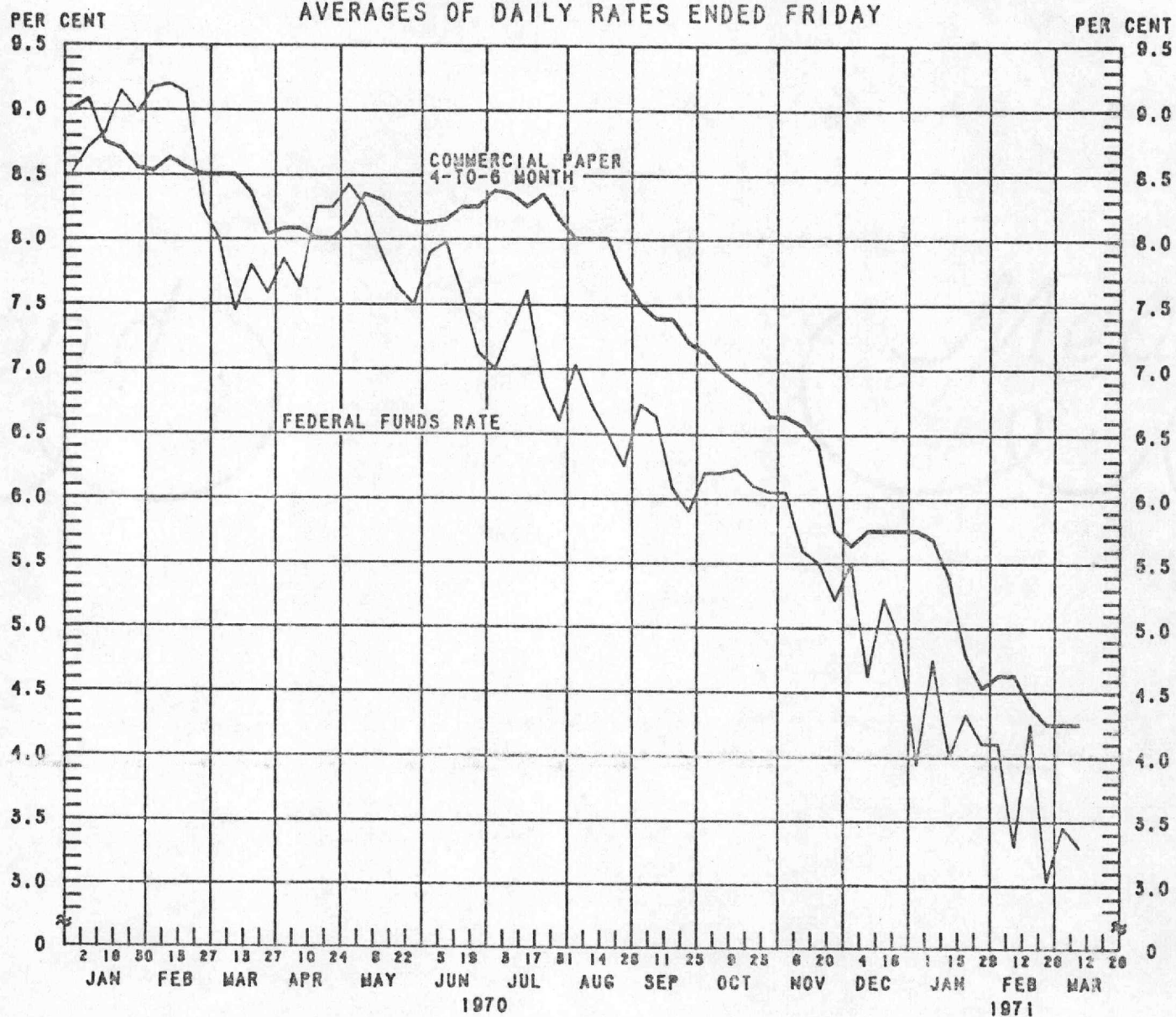
1971	CORPORATE AAA BONDS	3-MONTH TREASURY BILLS	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES
JAN. 1	7.48	4.87	5.94	6.16
8	7.45	4.84	5.99	6.09
15	7.42	4.51	5.78	5.96
22	7.36	4.20	5.58	5.83
29	7.19	4.19	5.54	5.78
FEB. 5	7.10	4.06	5.49	5.60
12	7.06	3.71	5.33	5.78
19	7.07	3.56	5.24	5.83
26	7.10	3.43	5.15	5.92
MAR. 5	7.13	3.35	5.07	5.94
12	7.19	3.31	4.81	5.83
19				
26				

⌘ AVERAGES OF RATES AVAILABLE.

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SELECTED SHORT-TERM INTEREST RATES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: MARCH 12, 1971

1971	PRIME COMMERCIAL PAPER 4-6 MONTH	FEDERAL FUNDS	PRIME BANKERS' ACCEPTANCES	90 DAY CD'S
JAN. 1	5.75	3.94	5.25	5.59
8	5.68	4.73	5.25	5.64
15	5.38	4.00	4.88	5.45
22	4.78	4.53	4.48	5.08
29	4.53	4.10	4.45	4.84
FEB. 5	4.63	4.10	4.35	4.73
12	4.63	3.81	4.13	4.55
19	4.58	4.25	4.03	4.42
26	4.25	3.03	3.85	4.21
MAR. 5	4.23	3.45	3.75	4.04
12	4.25	3.50	3.73	3.88
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.

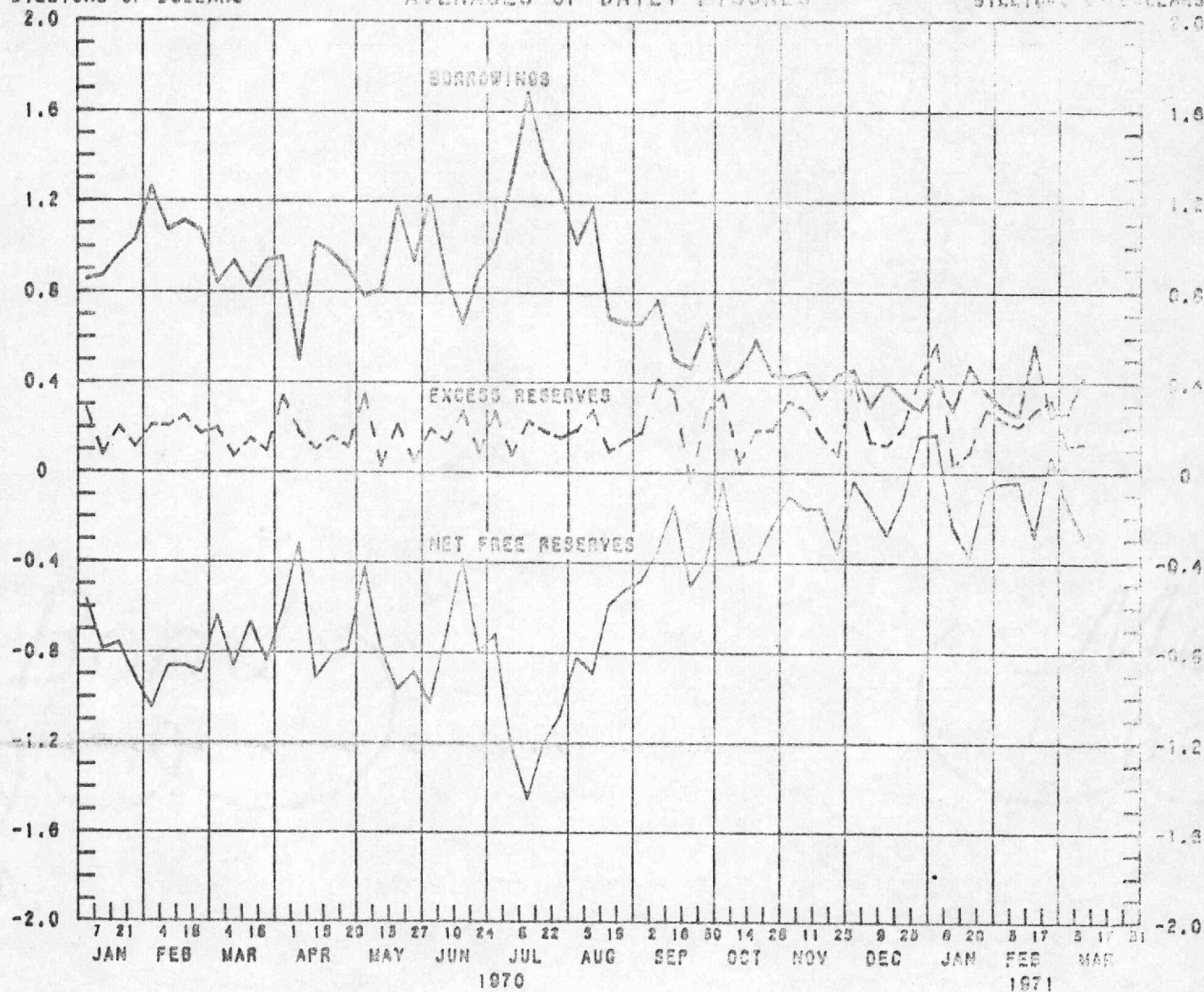
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BORROWINGS AND EXCESS RESERVES ALL MEMBER BANKS IN THE NATION

BILLIONS OF DOLLARS

AVERAGES OF DAILY FIGURES

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING, MARCH 10, 1971

1971	EXCESS RESERVES	MILLIONS	
		BORROWINGS	NET FREE RESERVES
JAN. 6	576	467	169
13	522	477	165
20	592	478	114
27	2800	483	2317
FEB. 3	2807	288	469
10	2205	241	2364
17	2722	235	2487
24	522	240	70
MAR. 3	114	230	140
10	180	421	201

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