

RESEARCH LIBRARY  
Federal Reserve Bank  
of St. Louis

Week ending: March 31, 1971

AUG 27 1998

The money supply (demand deposits plus currency) averaged \$218.7 billion in the four weeks ending March 24, up at a 7.5 per cent annual rate in the past four months, compared to a 5.9 per cent rate of increase in the previous nine months (page 5). From January 1969 to February 1970, the money stock increased at a rate of 3.0 per cent, and from 1957 to 1969 it grew at a 3.3 per cent trend rate.

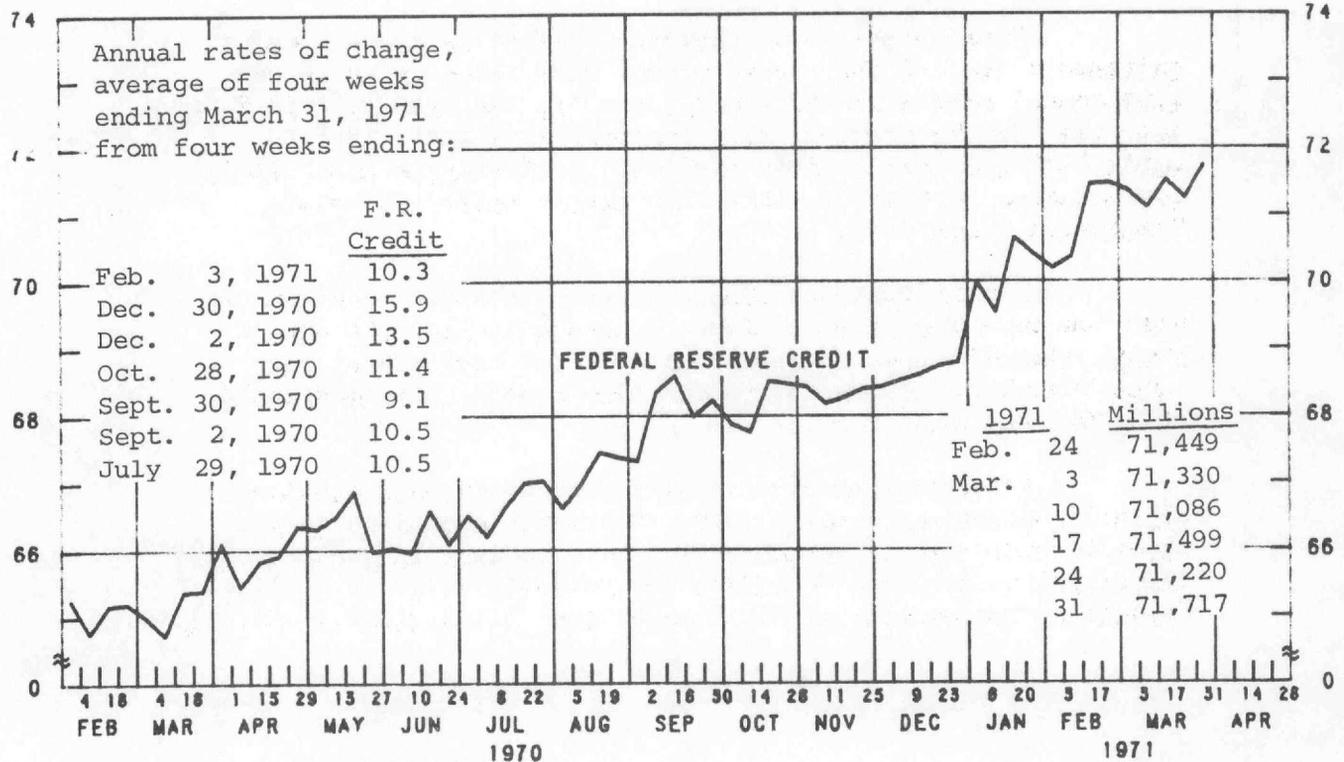
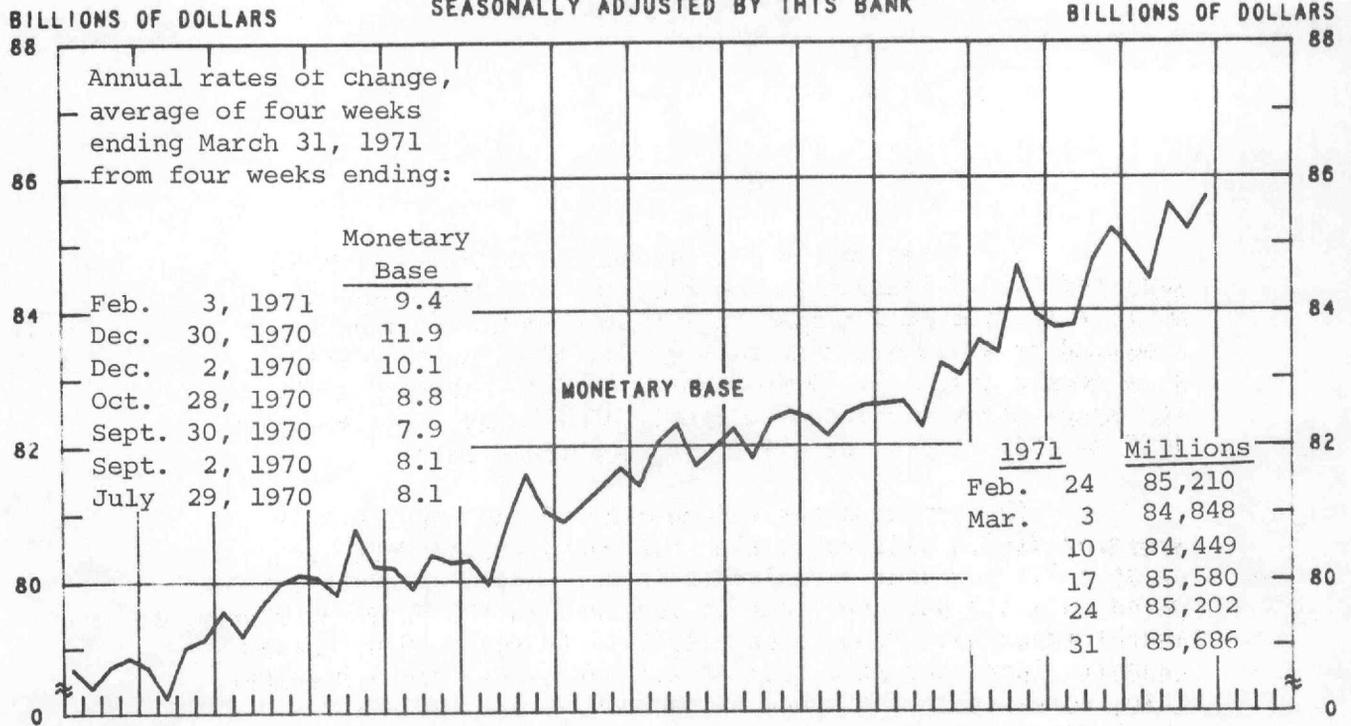
The demand deposit component of the money supply averaged \$168.8 billion in the four weeks ending March 24, up at a 7.5 per cent annual rate in the past four months, compared to a 5.7 per cent rate of increase in the previous nine months (page 4). From January 1969 to February 1970, demand deposits increased at a rate of 2.1 per cent. Since November 1970, currency in the hands of the public has increased at about the same rate as the demand deposit component of the money supply.

Total member bank deposits subject to reserve requirements (called the credit proxy) have risen at an 18 per cent annual rate since November (page 9), and rose at a 14.9 per cent rate in the previous nine months. From early 1969 to early 1970 the credit proxy declined, reflecting a large disintermediation of time deposits when market rates rose above Regulation Q ceilings.

Member bank deposits subject to reserve requirements plus nondeposit sources of funds to banks (called the credit proxy adjusted) have increased at a 12 per cent annual rate since November. In the preceding nine months, they increased at a 10.4 per cent rate.

Nondeposit sources of funds to banks have declined \$13 billion since February 1970. Most of the decline in nondeposit funds can be accounted for by a decline in bank-related commercial paper from \$6 billion to \$2 billion, and a decline in Eurodollar borrowings of U. S. banks from \$14 billion to \$5 billion.

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



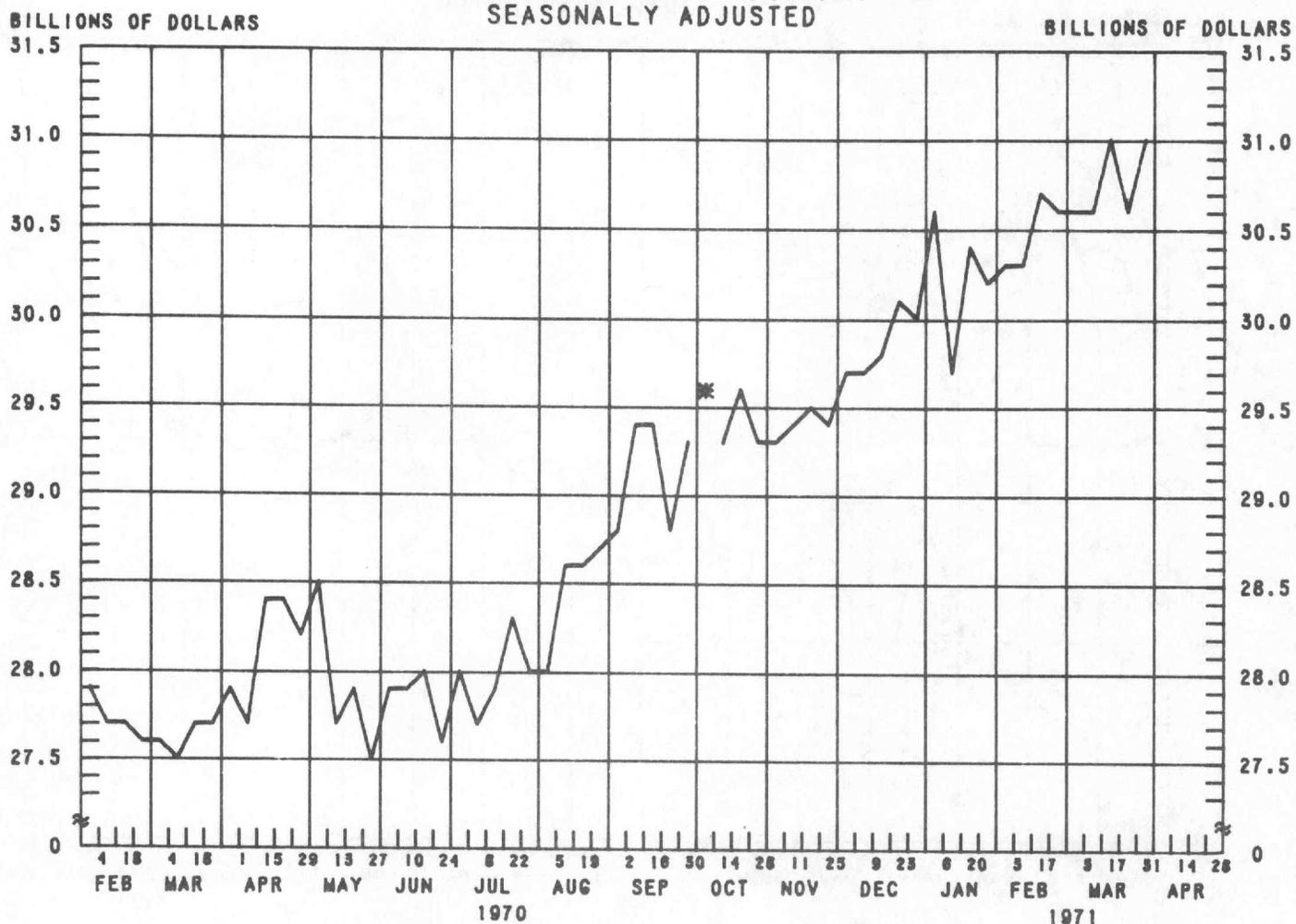
LATEST DATA PLOTTED WEEK ENDING: MARCH 31, 1971

- 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 31, 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.

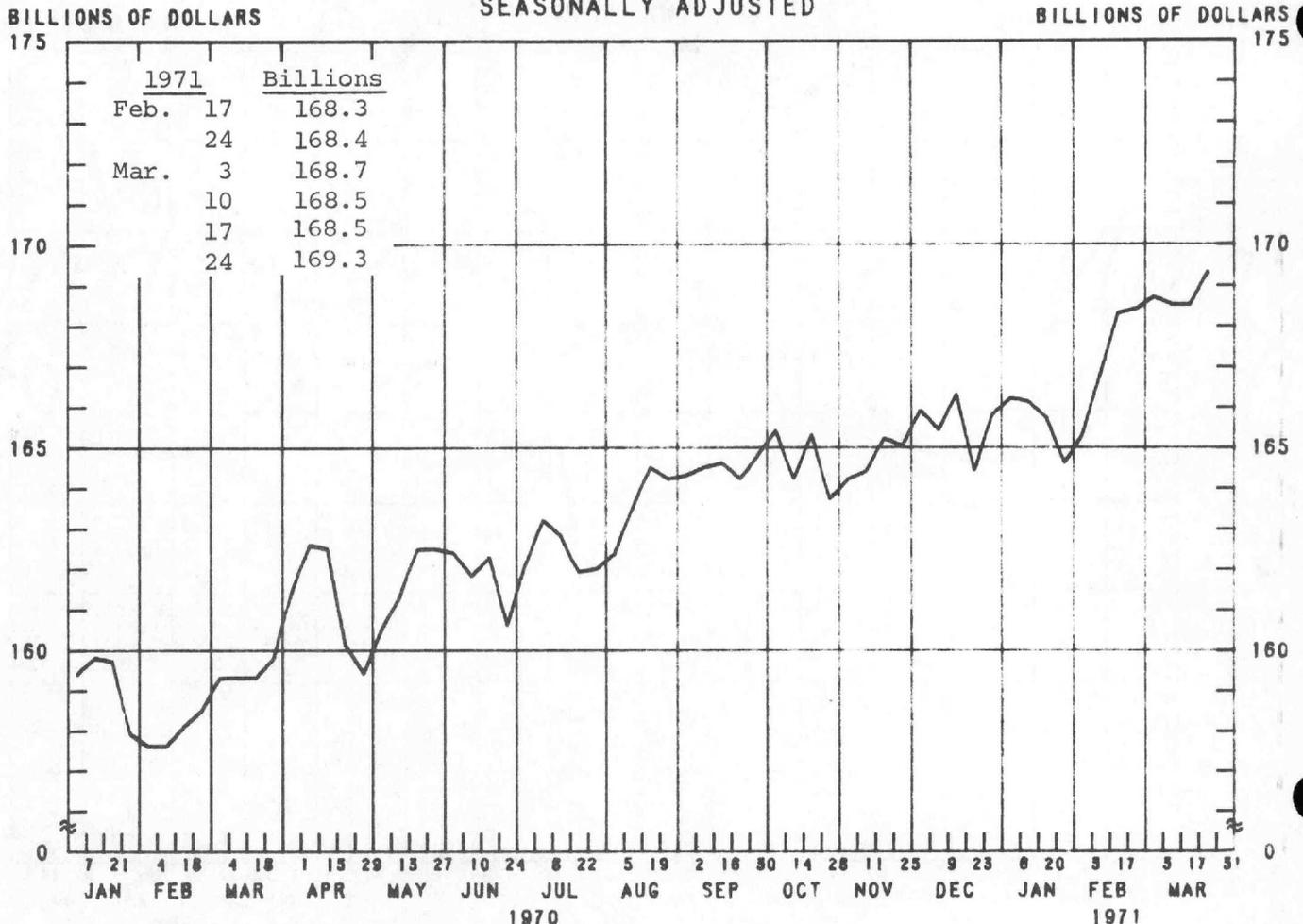
1971	Billions
Feb. 24	30.6
Mar. 3	30.6
10	30.6
17	31.0
24	30.6
31	31.0

Annual rates of change, average of four weeks ending March 31, 1971 from four weeks ending:

Feb. 3, 1971	11.9
Dec. 30, 1970	12.0
Dec. 2, 1970	13.2
Oct. 28, 1970	10.6
Sept. 30, 1970	11.0
Sept. 2, 1970	12.5
July 29, 1970	15.0

# DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MARCH 24, 1971  
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

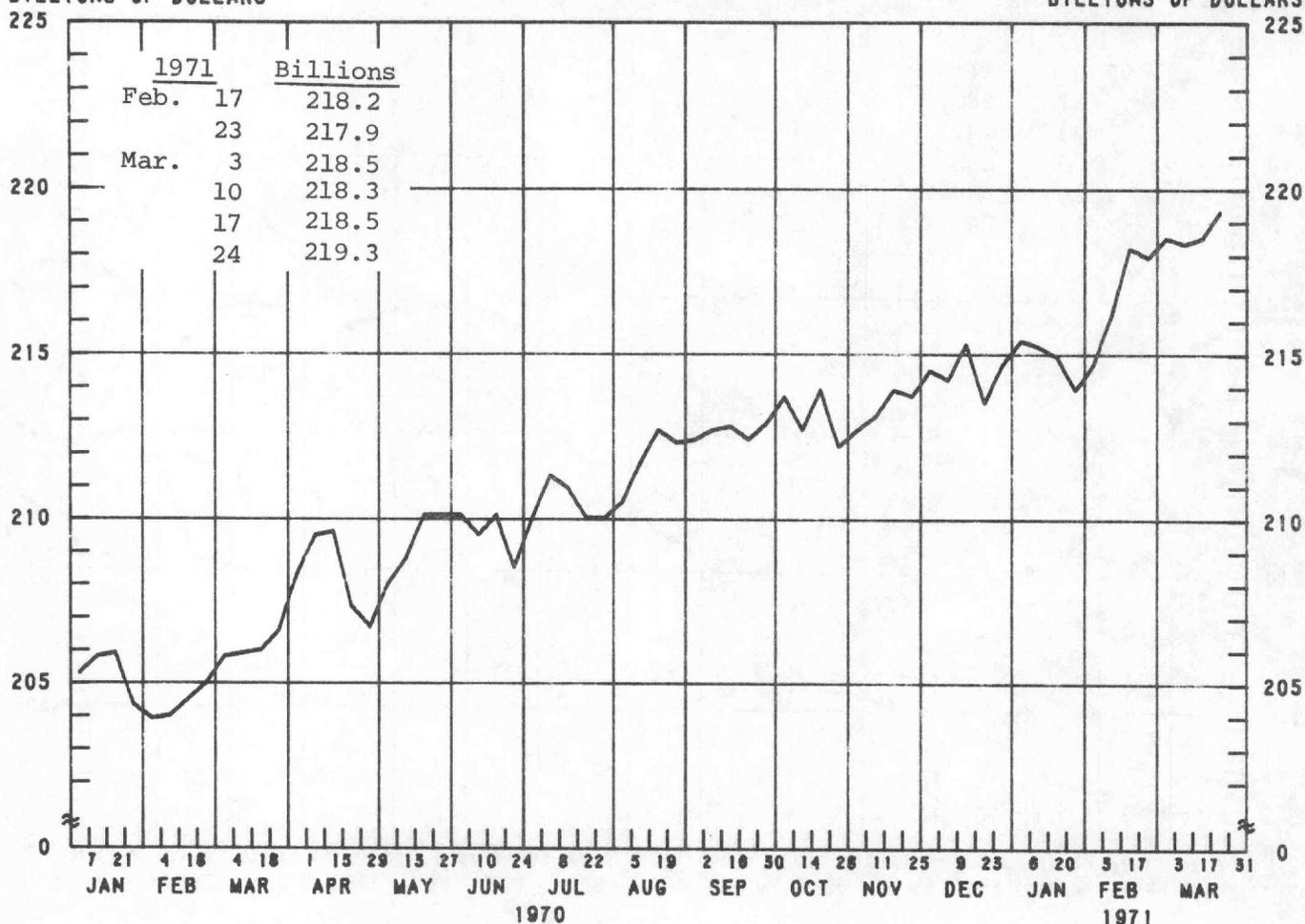
Annual rates of change, average of four weeks ending:									
	6/24/70	7/22/70	8/26/70	9/23/70	10/21/70	11/25/70	12/23/70	1/27/71	
to average of four weeks ending:									
8/26/70	7.0								
9/23/70	6.4	7.0							
10/21/70	5.7	5.9	4.4						
11/25/70	4.3	4.1	2.4	1.1					
12/23/70	4.6	4.4	3.3	2.7	2.2				
1/27/71	4.1	3.9	2.9	2.4	1.9	3.6			
2/24/71	5.0	5.0	4.3	4.1	4.2	6.1	6.2		
3/24/71	5.8	5.8	5.3	5.4	5.7	7.5	8.0	11.2	

# MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING, MARCH 24, 1971

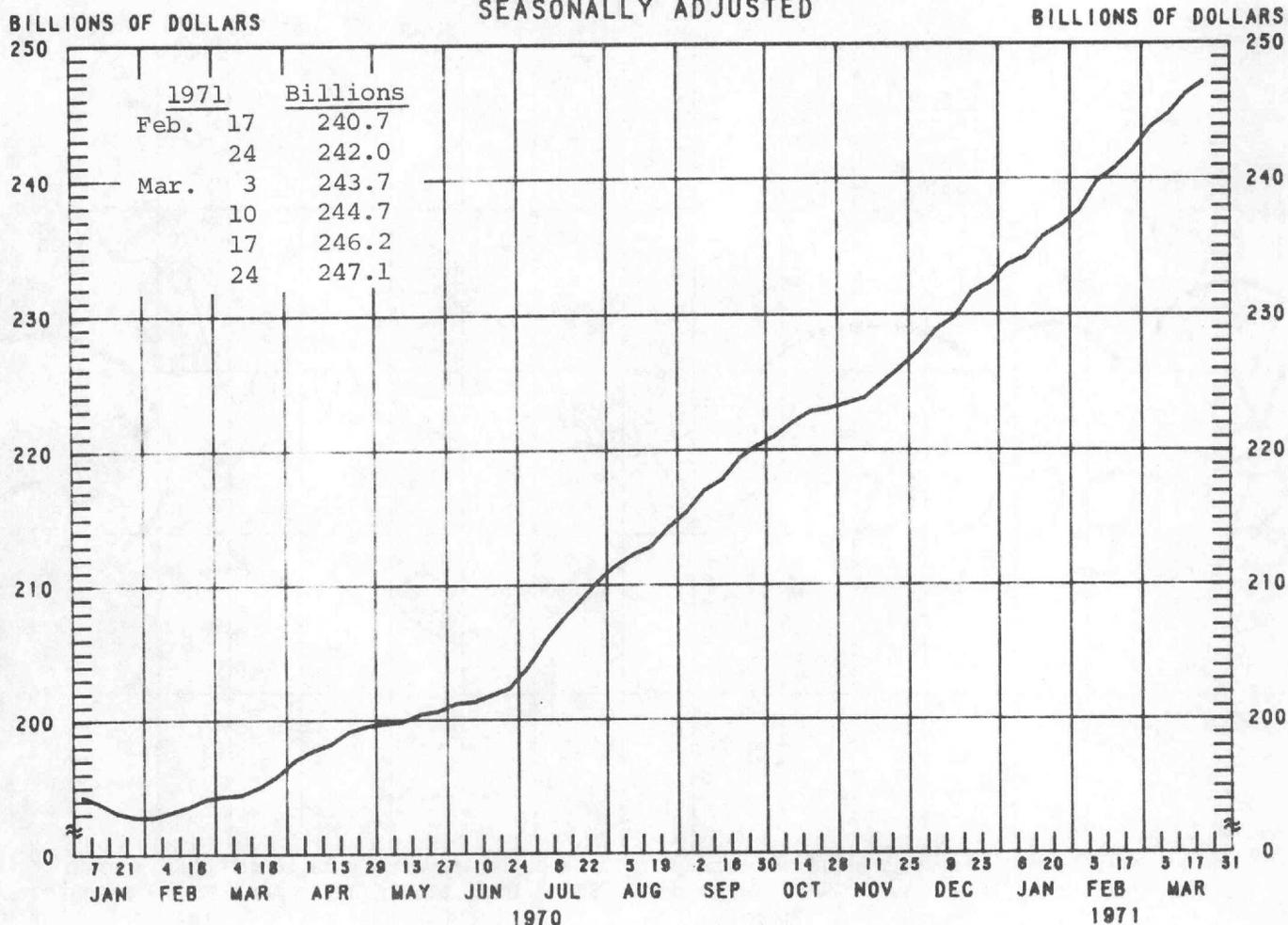
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

Annual rates of change, average of four weeks ending:  
 2/25/70    7/22/70    8/26/70    9/23/70    10/21/70    11/25/70    12/23/70    1/27/71

to average  
of four  
weeks ending:

8/26/70	7.2							
9/23/70	7.0	5.7						
10/21/70	6.7	5.1	4.2					
11/25/70	5.9	4.0	3.0	2.3				
12/23/70	5.9	4.3	3.7	3.4	3.1			
1/27/71	5.6	4.1	3.5	3.2	3.0	4.2		
2/24/71	6.1	5.0	4.7	4.7	4.9	6.4	6.7	
3/24/71	6.5	5.8	5.6	5.7	6.1	7.5	8.0	10.6

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



LATEST DATA PLOTTED WEEK ENDING: MARCH 24, 1971

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

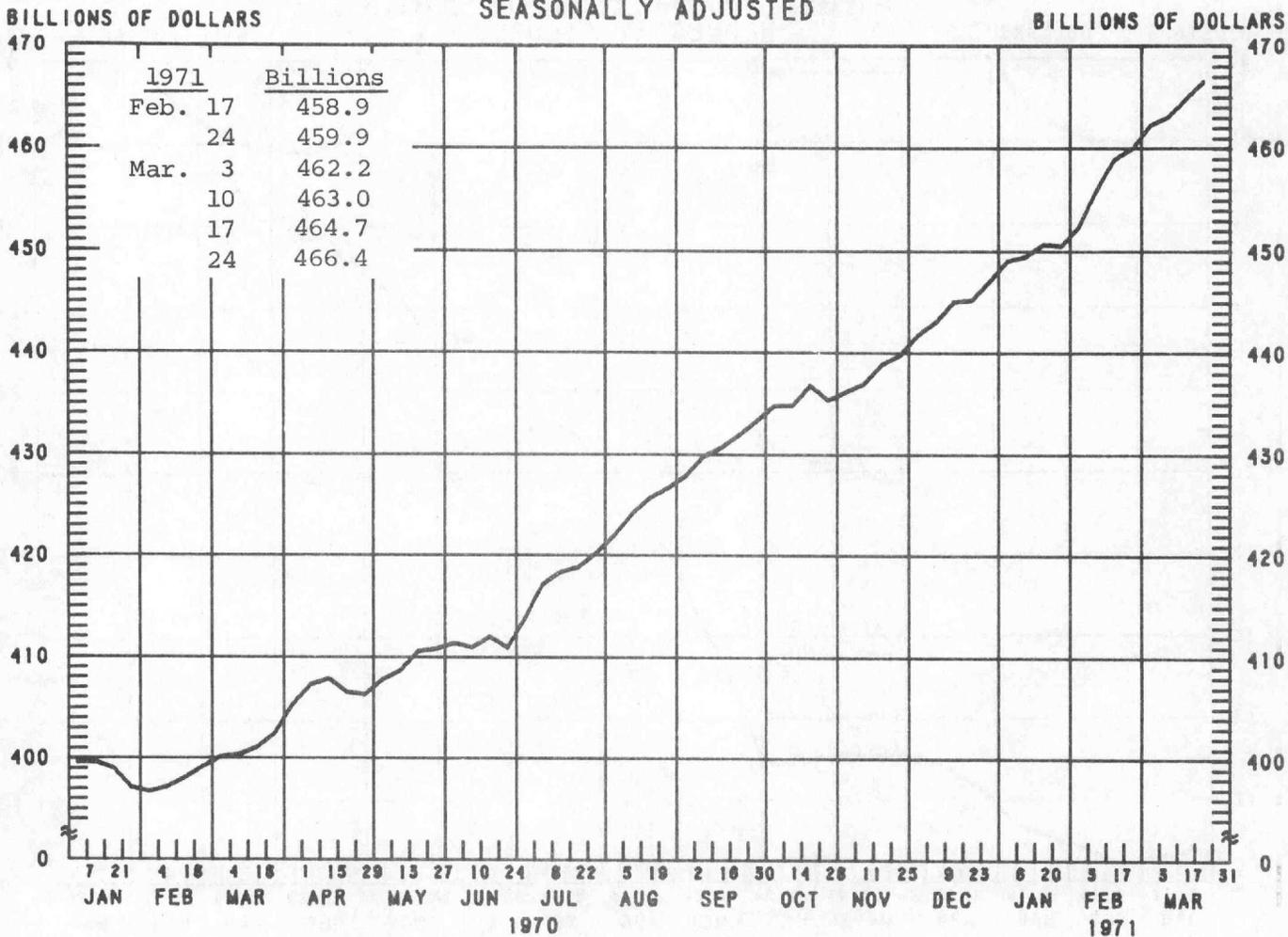
Annual rates of change, average of four weeks ending:  
 6/24/70 7/22/70 8/26/70 9/23/70 10/21/70 11/25/70 12/23/70 1/27/71

to average  
 of four  
 weeks ending:

8/26/70	32.7							
9/23/70	31.1	31.7						
10/21/70	29.4	29.1	24.8					
11/25/70	27.1	26.2	22.2	19.6				
12/23/70	27.4	26.5	23.4	21.9	21.1			
1/27/71	28.3	27.6	25.2	24.3	24.4	28.1		
2/24/71	28.5	27.8	25.7	24.9	25.1	27.6	28.0	
3/24/71	28.9	28.3	26.4	25.8	25.9	27.9	28.1	26.6

# MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MARCH 24, 1971

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

Annual rates of change, average of four weeks ending:  
6/24/70 7/22/70 8/26/70 9/23/70 10/21/70 11/25/70 12/23/70 1/27/71

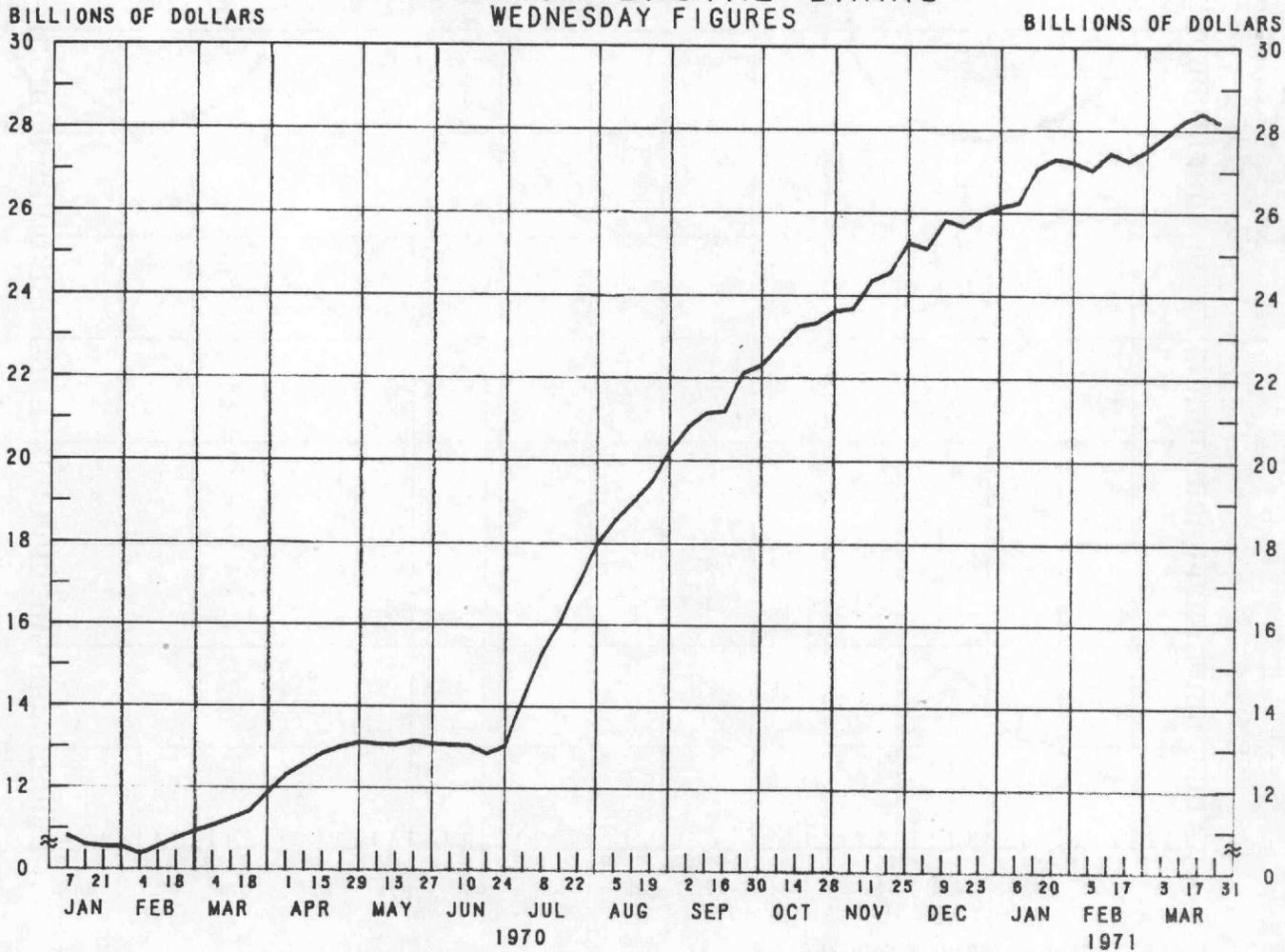
to average  
of four  
weeks ending:

8/26/70	19.4							
9/23/70	18.3	18.7						
10/21/70	17.2	17.1	14.6					
11/25/70	15.6	15.0	12.6	11.0				
12/23/70	15.8	15.4	13.6	12.7	12.3			
1/27/71	16.1	15.8	14.4	13.9	13.9	16.4		
2/24/71	16.6	16.4	15.2	15.0	15.2	17.3	17.7	
3/24/71	17.2	16.9	16.0	15.9	16.2	17.9	18.4	18.9

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# CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES



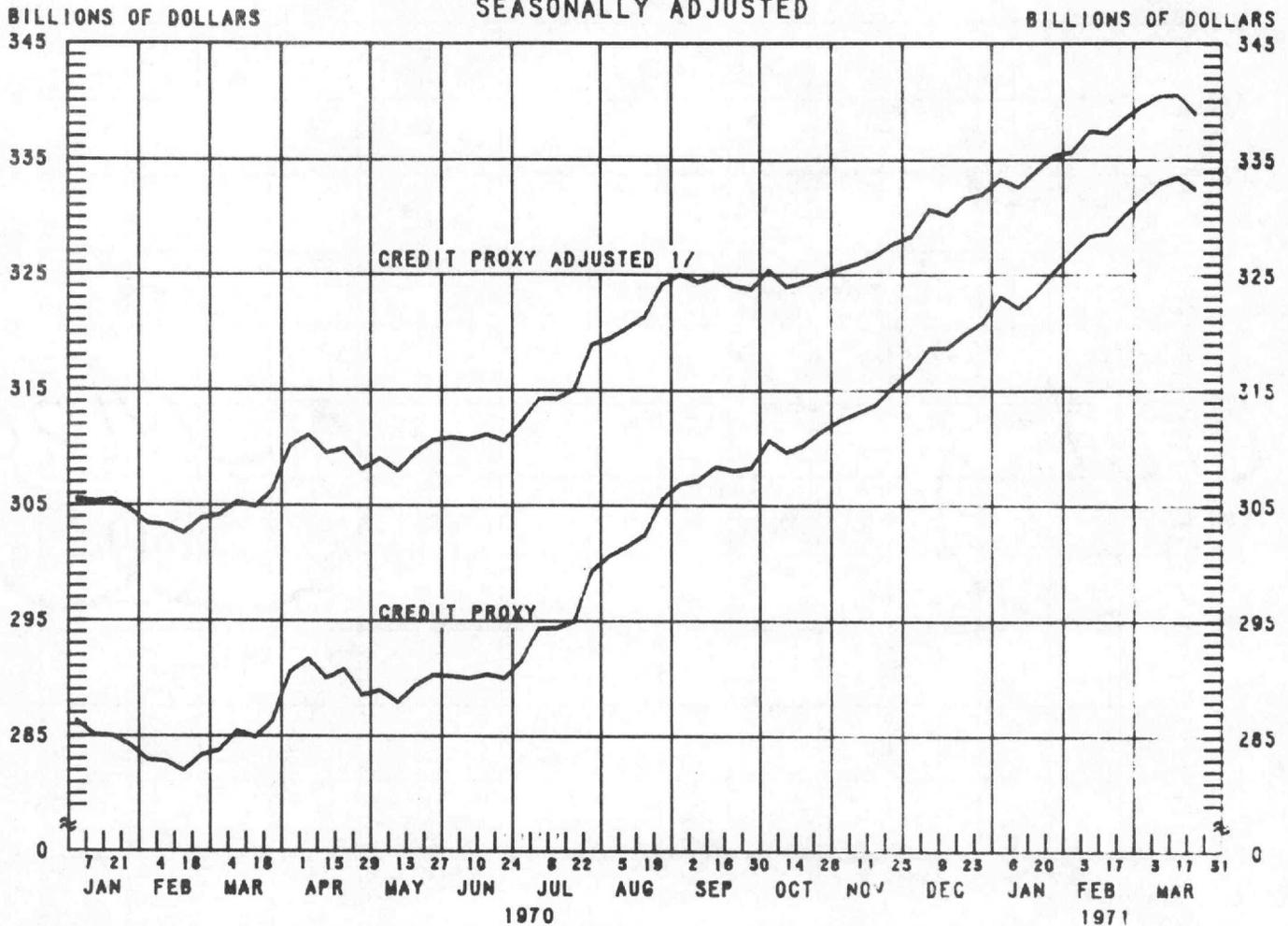
LATEST DATA PLOTTED WEEK ENDING: MARCH 24, 1971

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.

	<u>1971</u>	<u>Millions</u>
Feb.	17	27,225
	24	27,489
Mar.	3	27,824
	10	28,179
	17	28,391
	24	28,145

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



LATEST DATA PLOTTED WEEK ENDING: MARCH 24, 1971

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

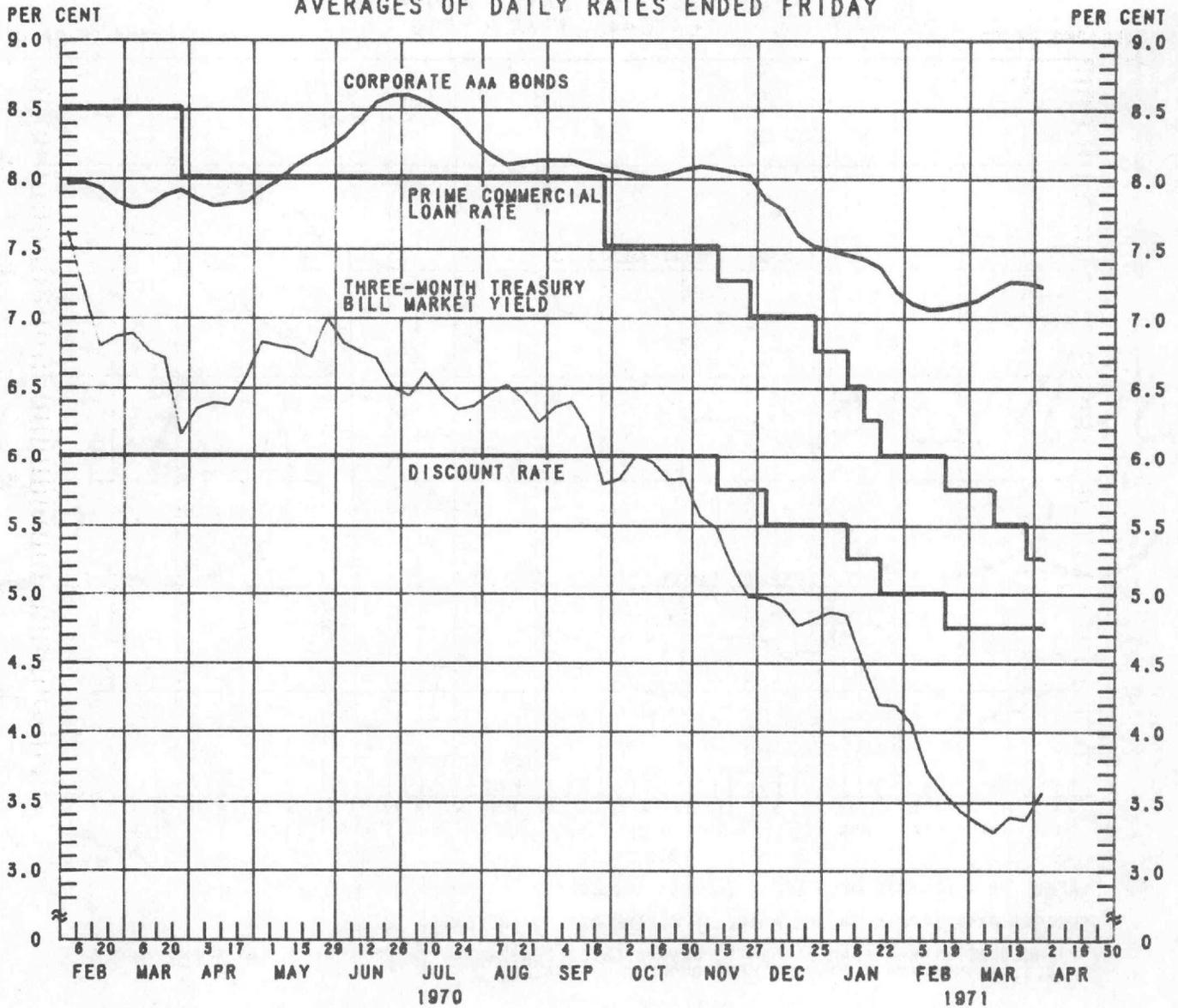
1/ INCLUDES MEMBER BANK DEPOSITS, BANK-RELATED COMMERCIAL PAPER, EURO-DOLLAR BORROWINGS OF U.S. BANKS, AND CERTAIN OTHER NONDEPOSIT SOURCES.

<u>1971</u>		<u>Billions</u>	
		<u>Credit Proxy</u>	<u>Credit Proxy Adjusted</u>
Feb.	17	328.5	337.2
	24	330.2	338.5
Mar.	3	331.6	339.6
	10	332.9	340.4
	17	333.5	340.5
	24	332.4	338.9

Annual rates of change, average of four weeks ending March 24, 1971 from four weeks ending:			
		<u>Credit Proxy</u>	<u>Credit Proxy Adjusted</u>
Jan.	27, 1971	16.9	11.0
Dec.	23, 1970	17.8	11.8
Nov.	25, 1970	18.2	12.3
Oct.	21, 1970	17.8	11.5
Sept.	23, 1970	16.3	9.4
Aug.	26, 1970	17.1	9.9
July	22, 1970	19.8	12.4

# YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



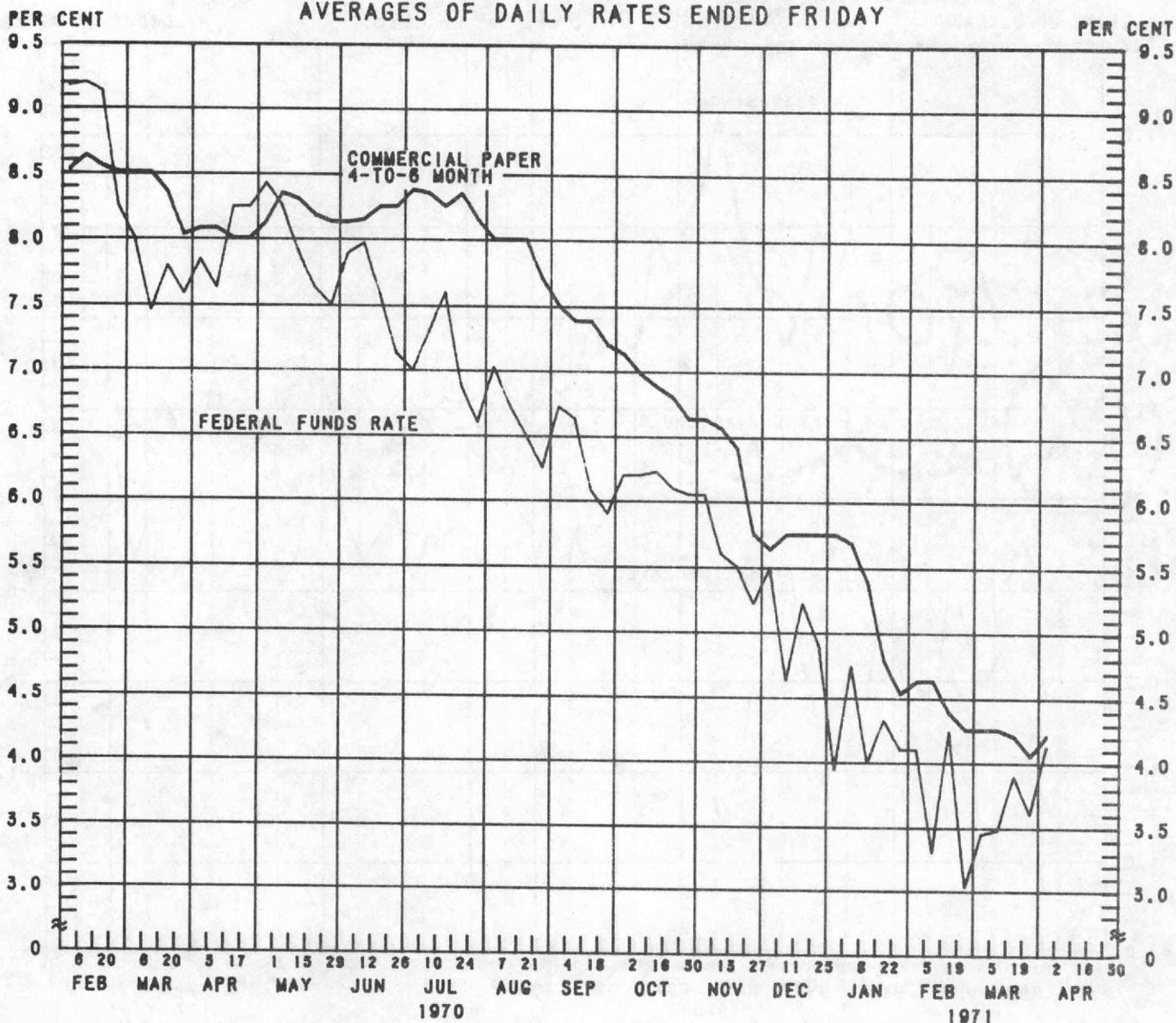
LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: APRIL 2, 1971

1971	CORPORATE AAA BONDS	3-MONTH TREASURY BILLS	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES
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	7.13	3.35	5.07	5.94
12	7.20	3.28	4.75	5.77
19	7.26	3.39	4.55	5.85
26	7.25	3.37	4.56	5.54
APR. 2*	7.22	3.57	4.83	5.63
9				
16				
23				
30				

\* AVERAGES OF RATES AVAILABLE.

## SELECTED SHORT-TERM INTEREST RATES

AVERAGES OF DAILY RATES ENDED FRIDAY



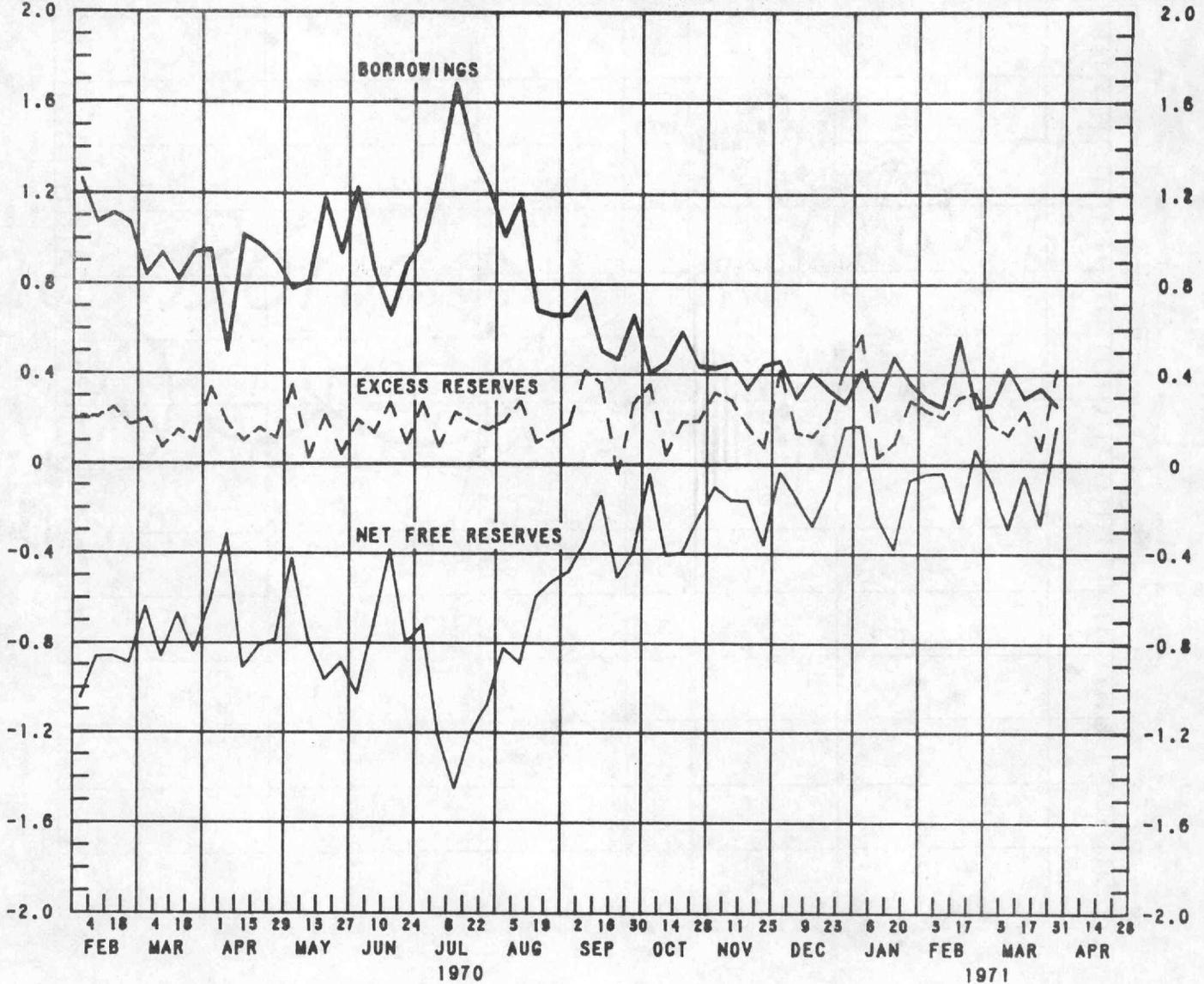
LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: APRIL 2, 1971

1971	PRIME COMMERCIAL PAPER 4-6 MONTH	FEDERAL FUNDS	PRIME BANKERS' ACCEPTANCES	90 DAY CD'S <small>90/90</small>
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	4.25	3.45	3.75	4.04
12	4.25	3.48	3.70	3.89
19	4.20	3.90	3.83	3.81
26	4.05	3.60	3.80	3.83
APR. 2 <small>*</small>	4.21	4.13	4.00	3.87
9				
16				
23				
30				

\* 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.

# 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 31, 1971

1971	MILLIONS		
	EXCESS RESERVES	BORROWINGS	FREE RESERVES
FEB. 3	237	283	- 46
10	205	247	- 42
17	297	561	- 264
24	317	250	- 67
MAR. 3	170	258	- 88
10	130	421	- 291
17	234	290	- 56
24	63	333	- 270
31	420	257	163
APR. 7			
14			
21			
28			

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS