

Week ending: April 28, 1971

RESEARCH LIBRARY  
Federal Reserve Bank  
of St. Louis

AUG 27 1998

The money supply (demand deposits and currency held by the public) has grown at a 9.8 per cent annual rate in the past five months. This rate compares with about a 6 per cent rate from February to November of 1970 and a 3 per cent rate during 1969 (page 5).

The accelerated expansion of the money supply in the past five months has been supported by an increase in the monetary base, and its chief component, Federal Reserve credit (page 2). The monetary base has increased at a 10 per cent annual rate, and Federal Reserve credit at a 13 per cent rate in the past five months. Most of the increase in Federal Reserve credit, and hence in the monetary base, has come from increased holdings of U. S. Government securities by Federal Reserve Banks. From February to November of 1970, the monetary base grew at a 6 per cent rate, and Federal Reserve credit at a 7 per cent rate.

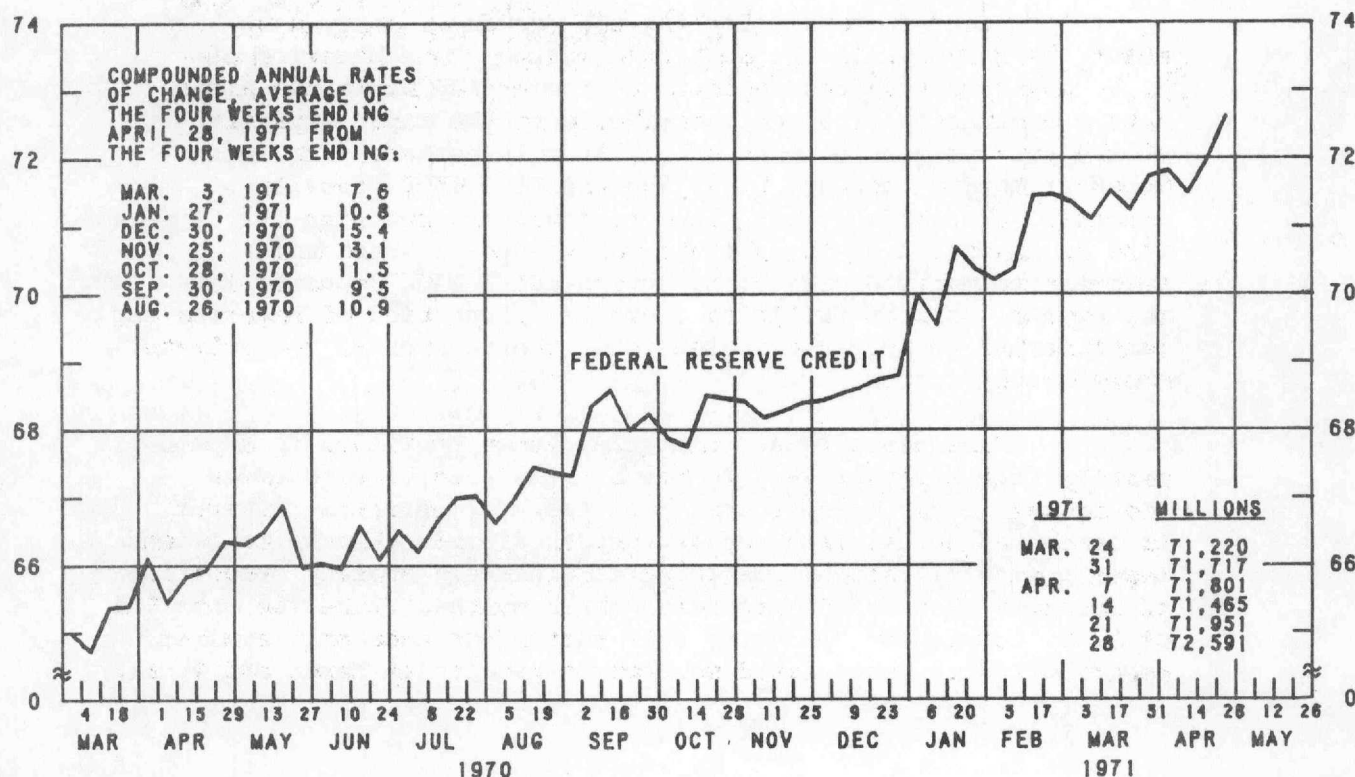
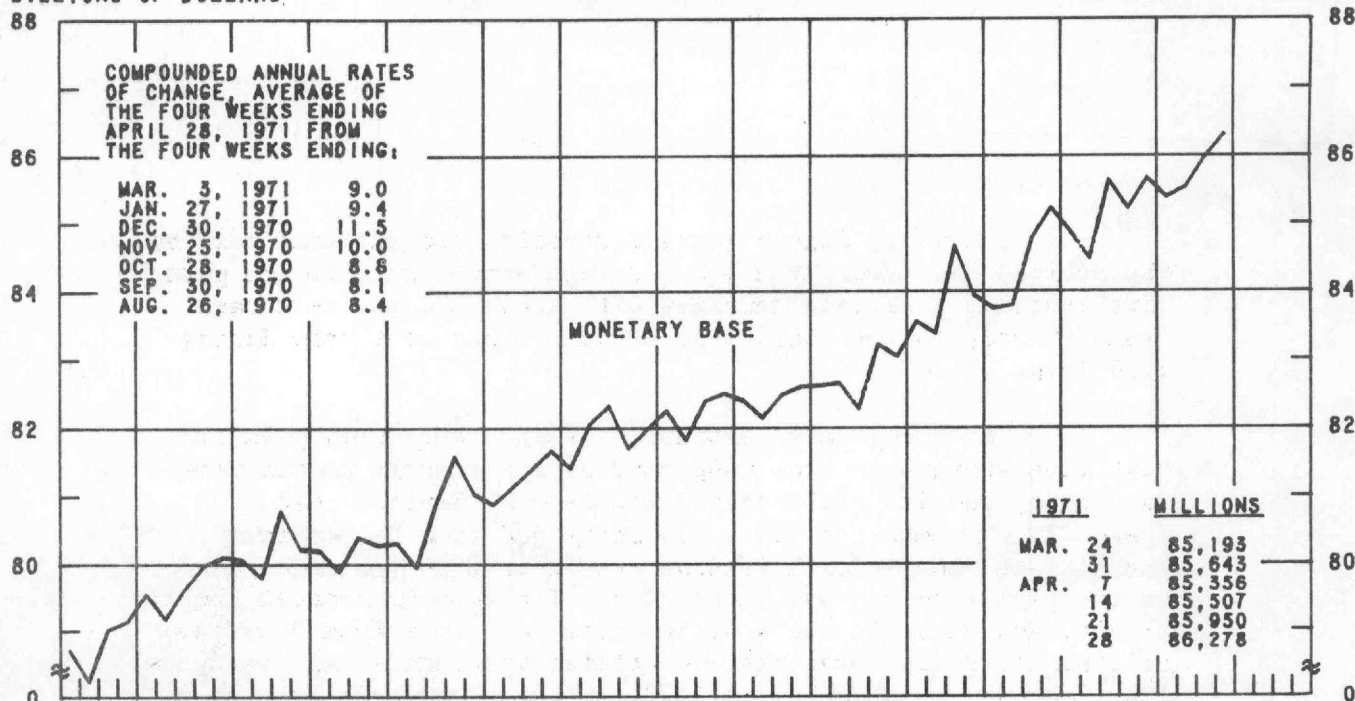
Other factors affecting the growth of money have been minor, on balance, in the past five months. The behavior of U. S. Government demand deposits at commercial banks has alternately subtracted from and contributed to the rapid expansion of the privately held money supply in this period. From mid-December to mid-February U. S. Government demand deposits expanded, thereby absorbing bank reserves and reducing the rate of expansion of the private money supply. From mid-February to early April, U. S. Government demand deposits did not expand, thereby utilizing a smaller proportion of reserves and facilitating an increase in the rate of expansion of the private money supply.

Time deposits at commercial banks continued to expand rapidly from November 1970 to March 1971, absorbing reserves and acting to restrain expansion of the money supply. However, in March and April, time deposit growth slowed relative to demand deposit growth, thereby absorbing a relatively smaller proportion of reserves than in the preceding three months. Like the behavior of U. S. Government deposits, this factor has made only a minor contribution to accelerated monetary expansion in March and April.

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: APRIL 28, 1971

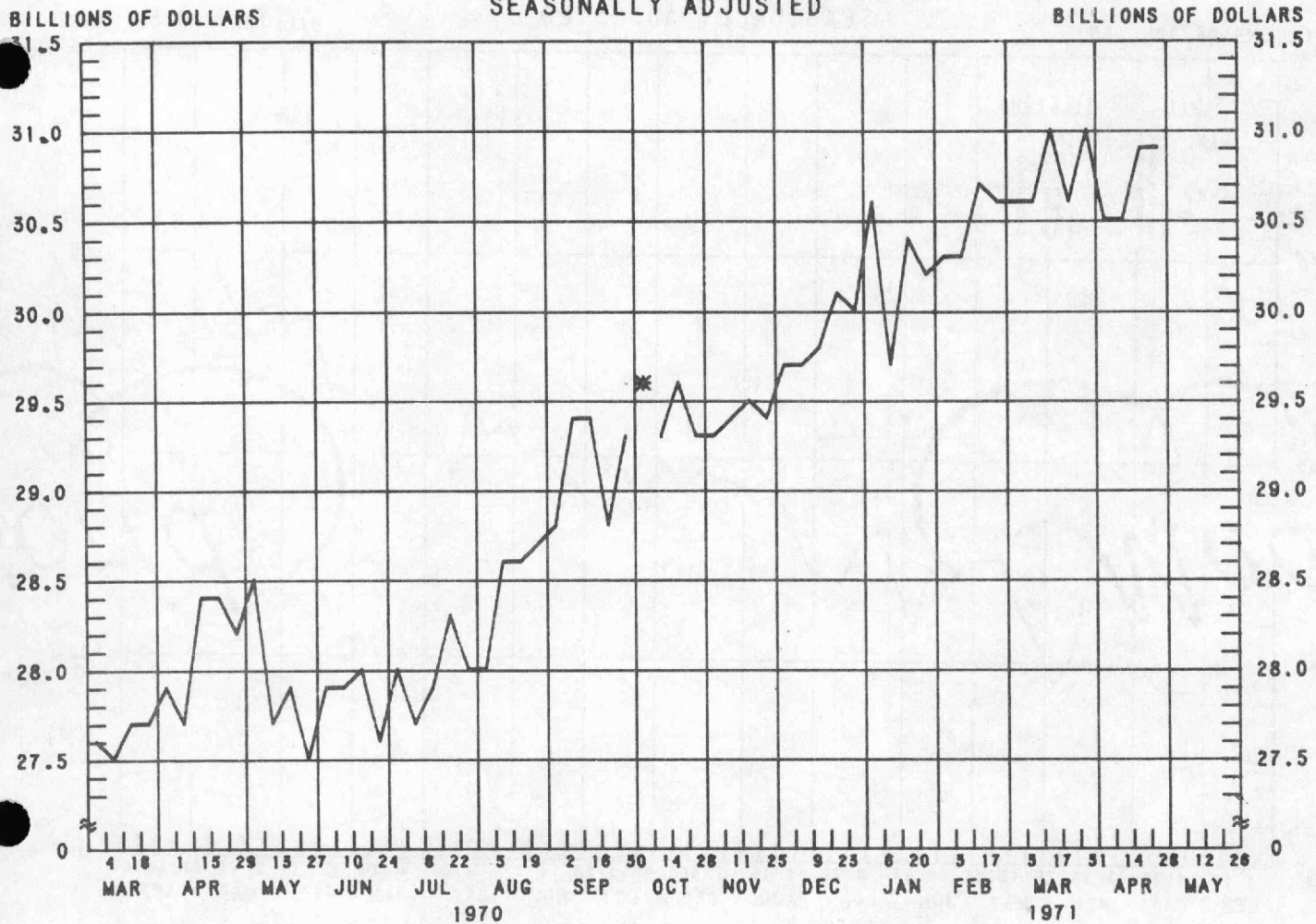
1/ USES OF MONETARY BASE ARE MEMBER BANK RESERVES AND CURRENCY HELD BY THE PUBLIC AND NONMEMBER BANKS, ADJUSTED FOR RESERVE REQUIREMENT CHANGES AND SHIFTS IN DEPOSITS. FOR A DESCRIPTION OF THE BASE SEE THE AUGUST 1968 "REVIEW" OF THIS BANK.

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: APRIL 28, 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
MAR. 24	30.6
31	31.0
APR. 7	30.5
14	30.5
21	30.9
28	30.9

COMPOUNDED ANNUAL RATES  
OF CHANGE, AVERAGE OF  
THE FOUR WEEKS ENDING  
APRIL 28, 1971 FROM  
THE FOUR WEEKS ENDING:

MAR. 3, 1971	2.1
JAN. 27, 1971	6.8
DEC. 30, 1970	8.4
NOV. 25, 1970	10.8
OCT. 28, 1970	8.3
SEP. 30, 1970	9.1
AUG. 26, 1970	11.7

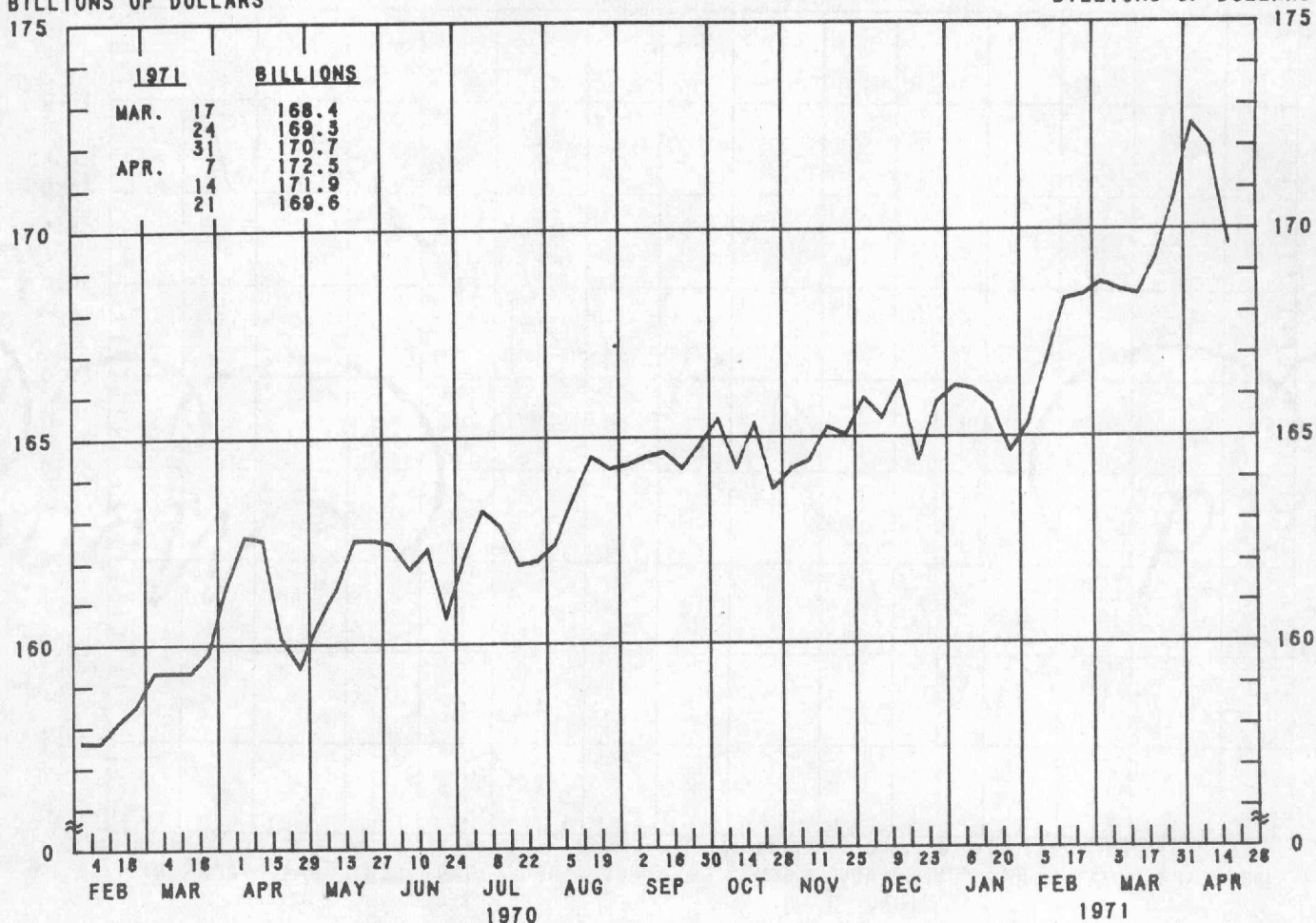


# DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: APRIL 21, 1971

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

## COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

7/22/70 8/19/70 9/23/70 10/21/70 11/18/70 12/23/70 1/20/71 2/24/71

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

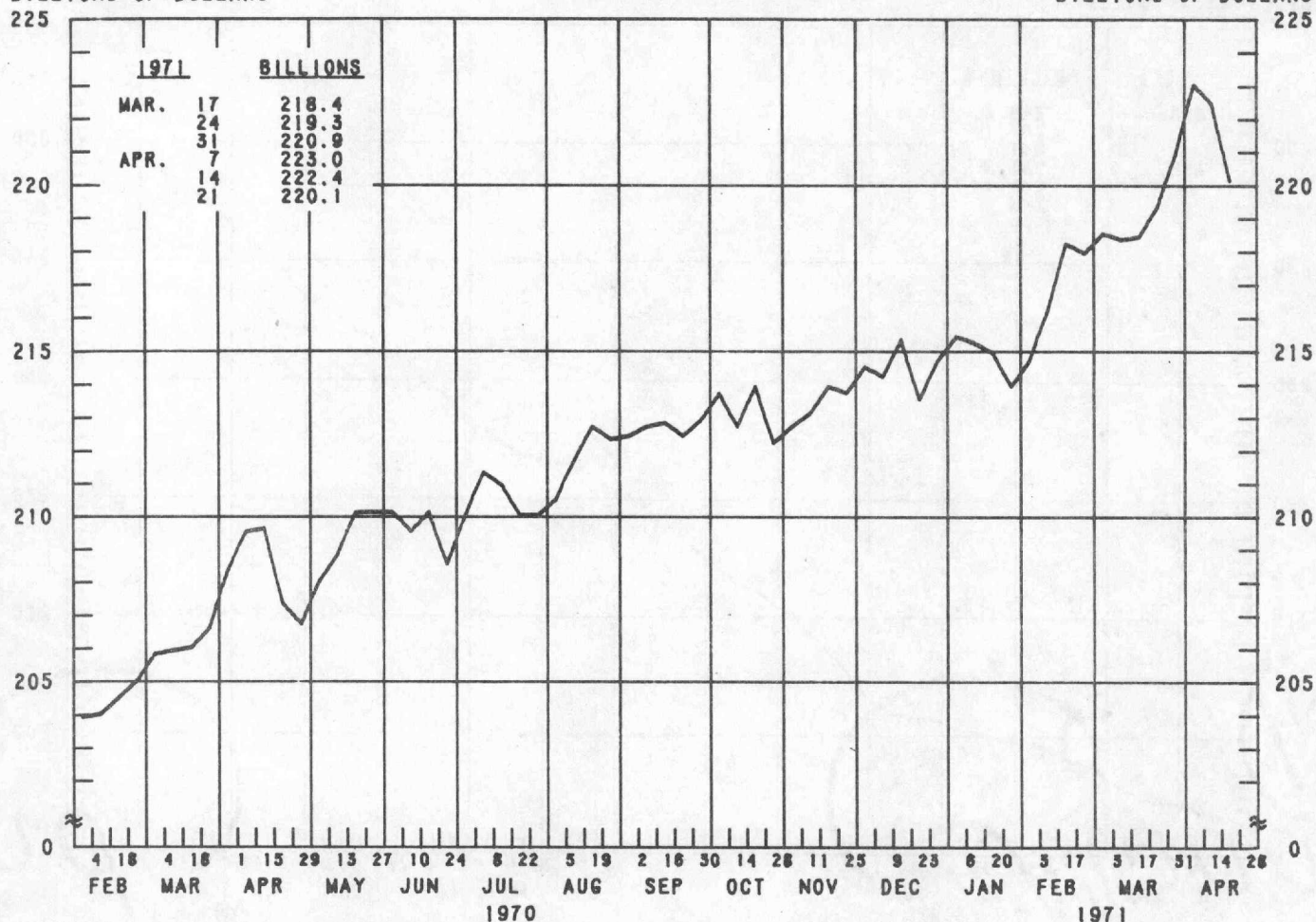
9/23/70	7.0							
10/21/70	6.0	6.6						
11/18/70	3.6	3.2	0.0					
12/23/70	4.4	4.3	2.7					
1/20/71	4.4	4.3	3.0	2.1	5.8			
2/24/71	4.9	4.9	4.1	4.1	6.5	6.1		
3/24/71	5.7	5.8	5.3	5.5	7.7	8.0	9.8	
4/21/71	7.2	7.5	7.3	7.8	10.1	10.9	13.1	16.6

# MONEY STOCK

## AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



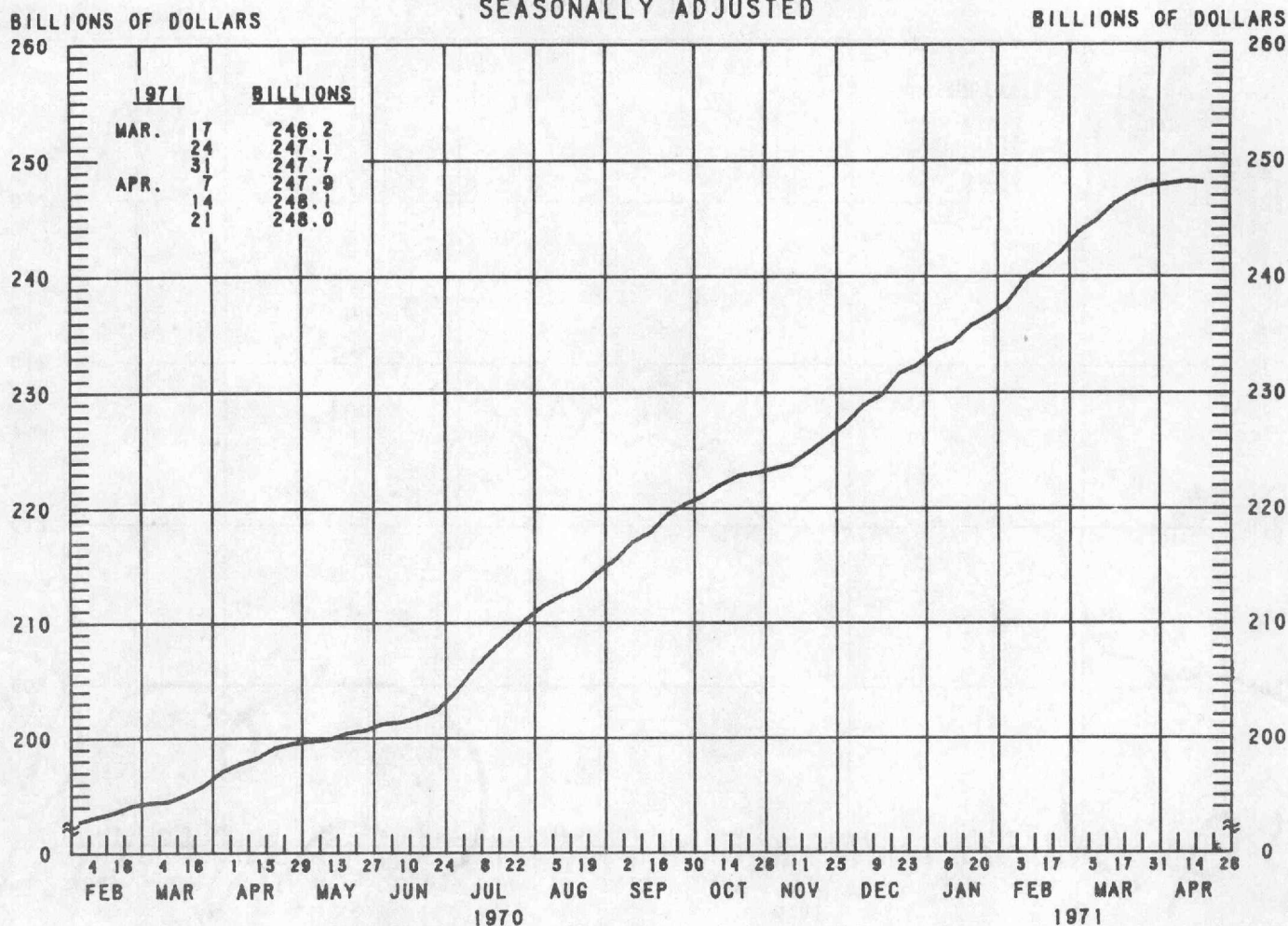
### COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

2/25/70    8/19/70    9/23/70    10/21/70    11/18/70    12/23/70    1/20/71    2/24/71

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

9/23/70	3.8						
10/21/70	5.6	5.9					
11/18/70	5.2	3.5	1.2				
12/23/70	3.5	4.4	3.4	3.0			
1/20/71	4.3	4.4	3.6	3.4	5.8		
2/24/71	4.3	5.2	4.7	4.8	6.8	6.6	
3/24/71	5.0	6.0	5.7	6.0	7.8	8.1	9.8
4/21/71	5.7	7.4	7.5	7.9	9.8	10.6	12.7
							15.3

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



LATEST DATA PLOTTED WEEK ENDING: APRIL 21, 1971

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

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:  
7/22/70 8/19/70 9/23/70 10/21/70 11/18/70 12/23/70 1/20/71 2/24/71

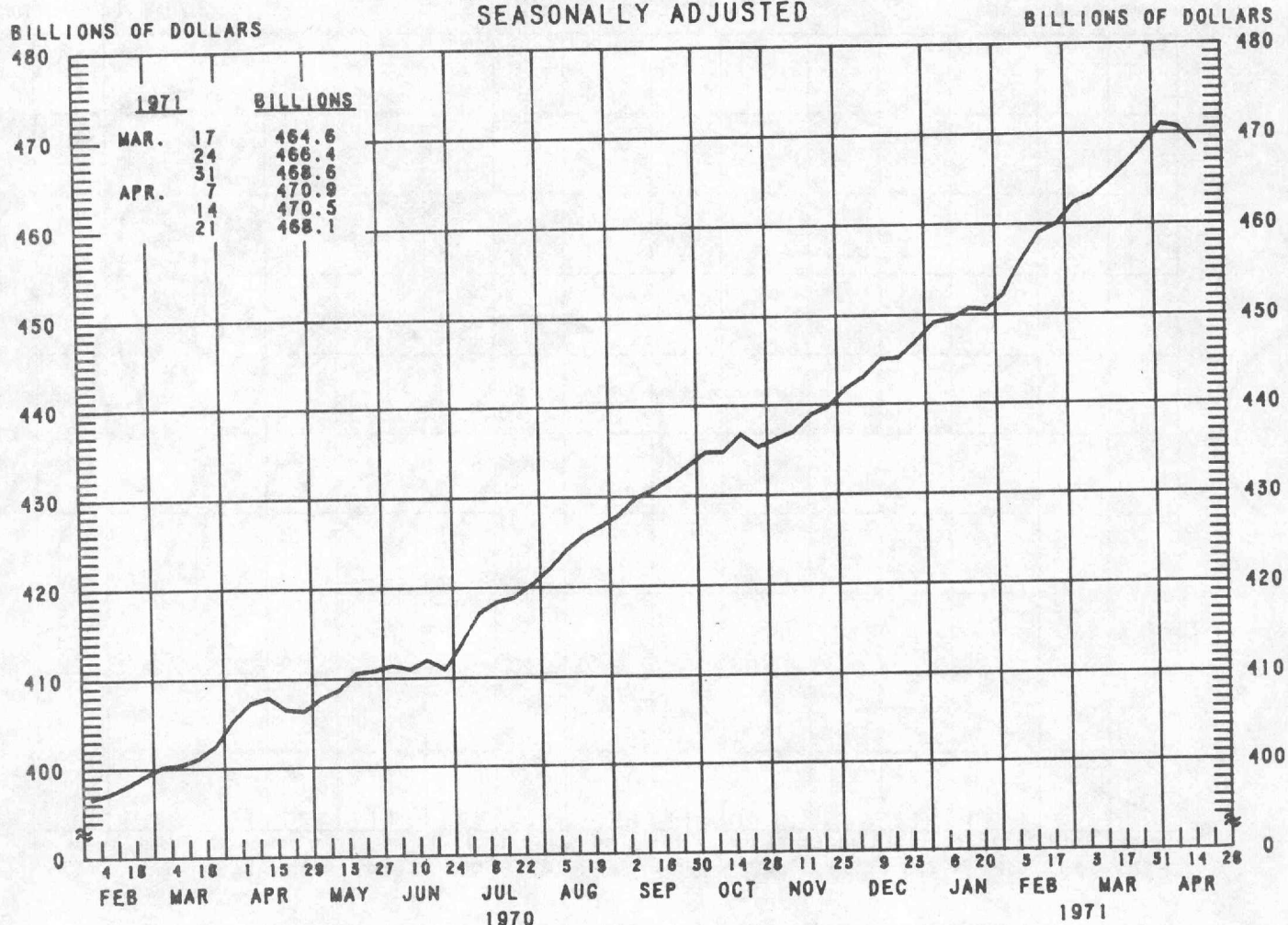
TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

9/23/70	34.6							
10/21/70	32.4	29.9						
11/18/70	27.9	24.9	20.8					
12/23/70	28.1	26.0	23.8	22.1				
1/20/71	28.4	26.7	25.2	24.6	29.4			
2/24/71	28.7	27.3	26.3	26.1	29.6	30.2		
3/24/71	29.2	28.1	27.4	27.4	30.5	31.2	31.6	
4/21/71	27.6	26.4	25.6	25.3	27.4	26.9	26.0	23.4



# MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: APRIL 21, 1971

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

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:  
7/22/70 8/19/70 9/23/70 10/21/70 11/18/70 12/23/70 1/20/71 2/24/71

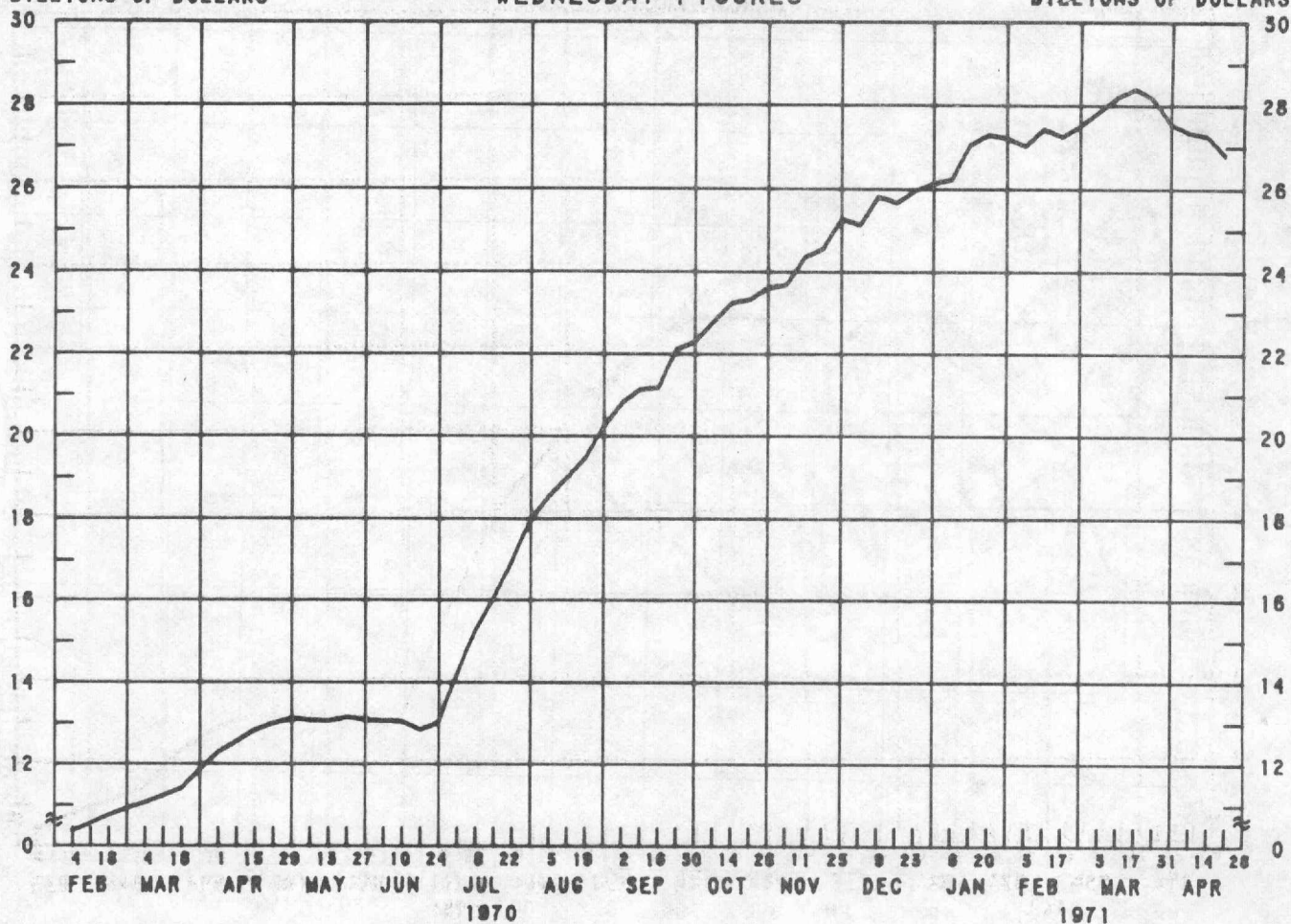
TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

9/23/70	19.4								
10/21/70	18.2	17.4							
11/18/70	15.3	13.8	10.7						
12/23/70	15.8	14.9	13.4	12.4					
1/20/71	15.9	15.2	14.1	13.7	17.3				
2/24/71	16.5	16.0	15.4	15.3	18.1	18.3			
3/24/71	17.2	16.9	16.5	16.7	19.1	19.7	21.1		
4/21/71	17.1	16.8	16.5	16.6	18.6	18.9	19.6	19.5	

# CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS WEDNESDAY FIGURES

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: APRIL 21, 1971

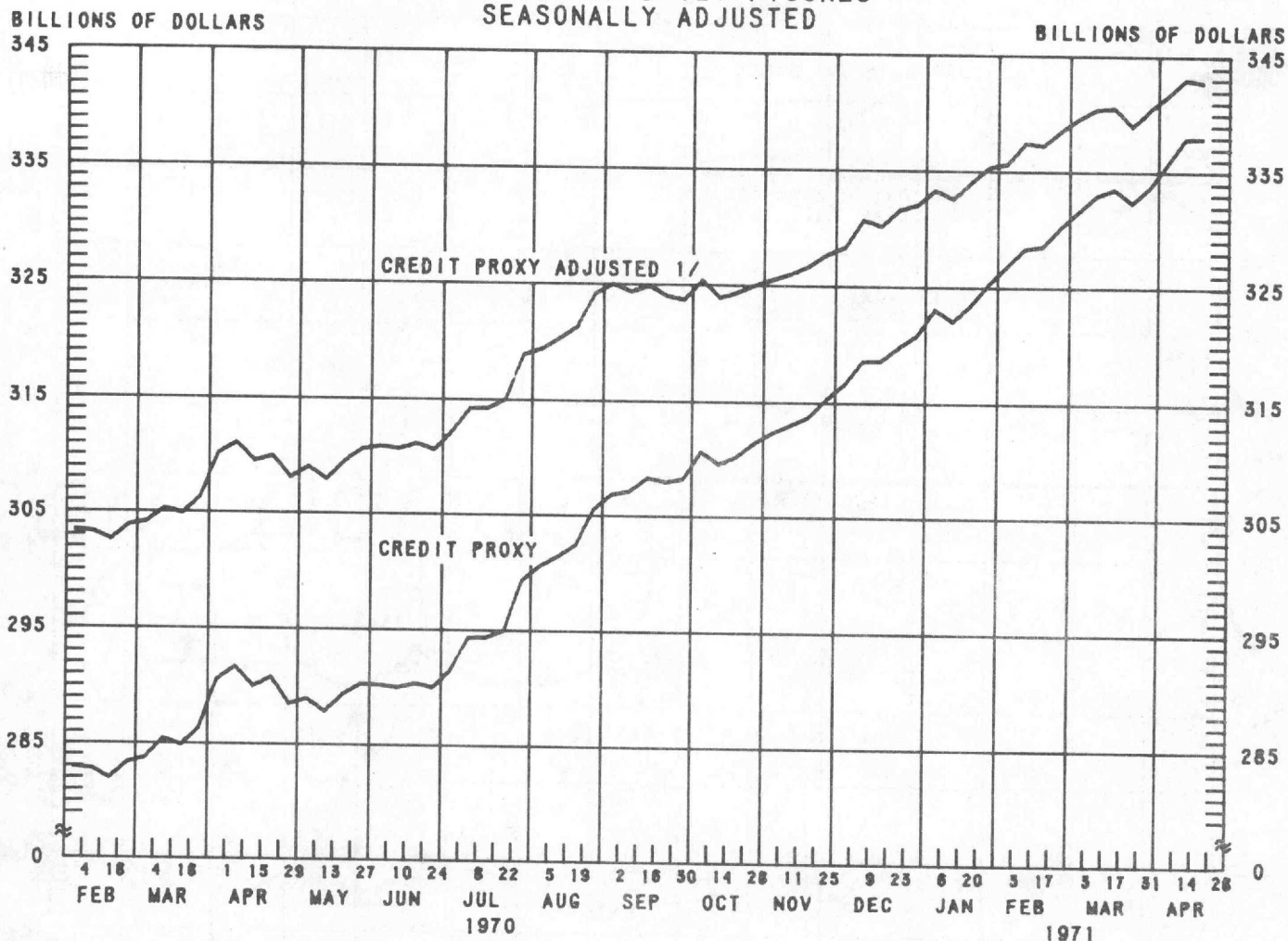
CURRENT AND YEAR AGO DATA APPEAR IN THE BOARD OF GOVERNORS' H.4.2 RELEASE.

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

1971		MILLIONS
MAR.	17	28,591
	24	28,128
	31	27,523
APR.	7	27,315
	14	27,237
	21	26,770



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



LATEST DATA PLOTTED WEEK ENDING: APRIL 21, 1971

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

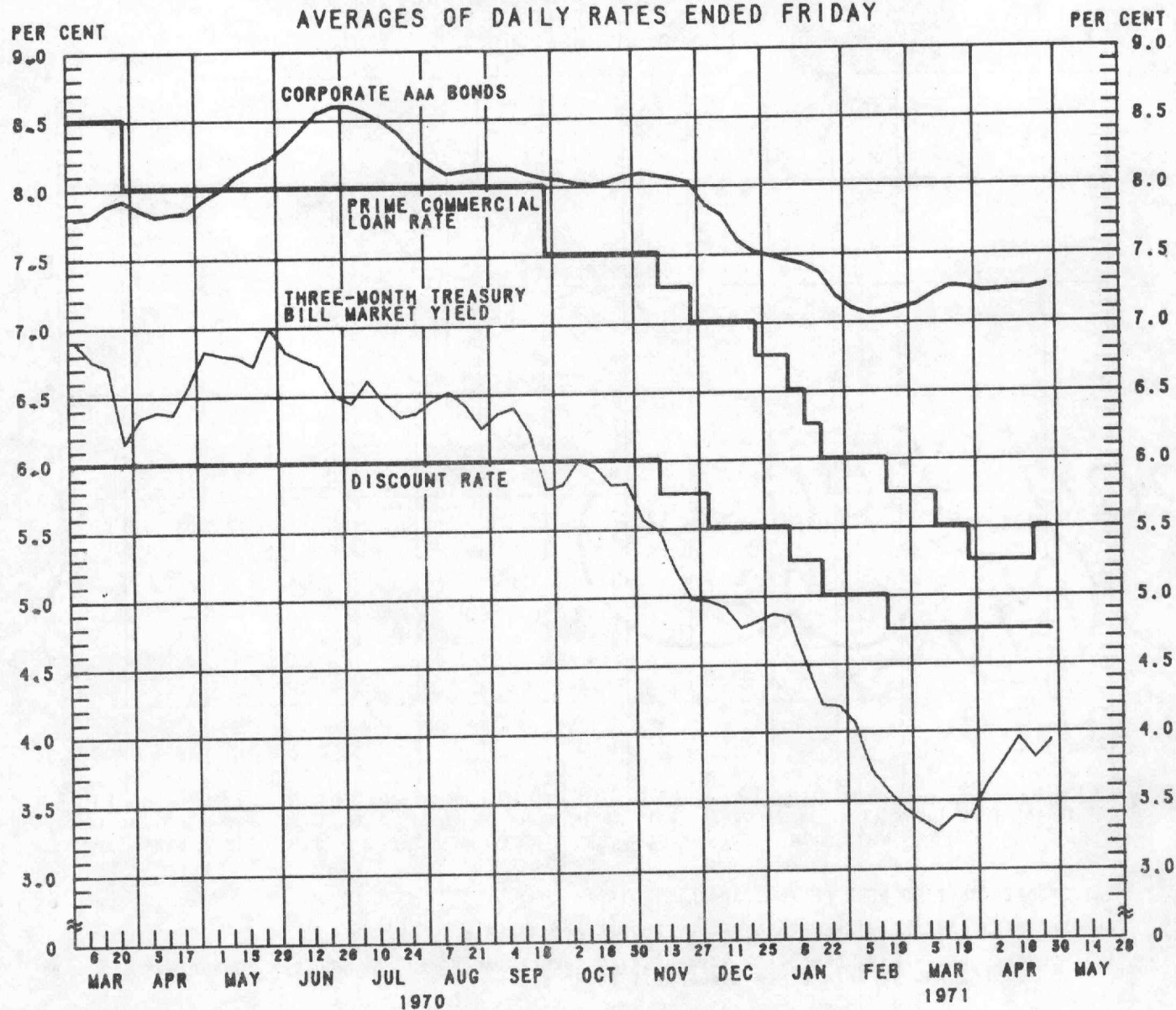
1/ INCLUDES MEMBER BANK DEPOSITS, BANK-RELATED COMMERCIAL PAPER, EURODOLLAR BORROWINGS OF U.S. BANKS, AND CERTAIN OTHER NONDEPOSIT SOURCES.

1971		BILLIONS	
		CREDIT PROXY	CREDIT PROXY ADJUSTED
MAR.	17	333.5	340.5
	24	332.3	338.9
	31	333.7	340.4
APR.	7	335.7	341.6
	14	337.9	343.0
	21	337.9	342.7

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF THE FOUR WEEKS ENDING APRIL 21, 1971 FROM THE FOUR WEEKS ENDING:		
	CREDIT PROXY	CREDIT PROXY ADJUSTED
FEB. 24	16.5	9.4
JAN. 20	18.4	11.1
DEC. 23	18.2	11.2
NOV. 18	18.9	12.1
OCT. 21	18.0	11.1
SEP. 23	16.8	9.4
AUG. 19	18.0	10.3

# YIELDS ON SELECTED SECURITIES

## AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: APRIL 30, 1971

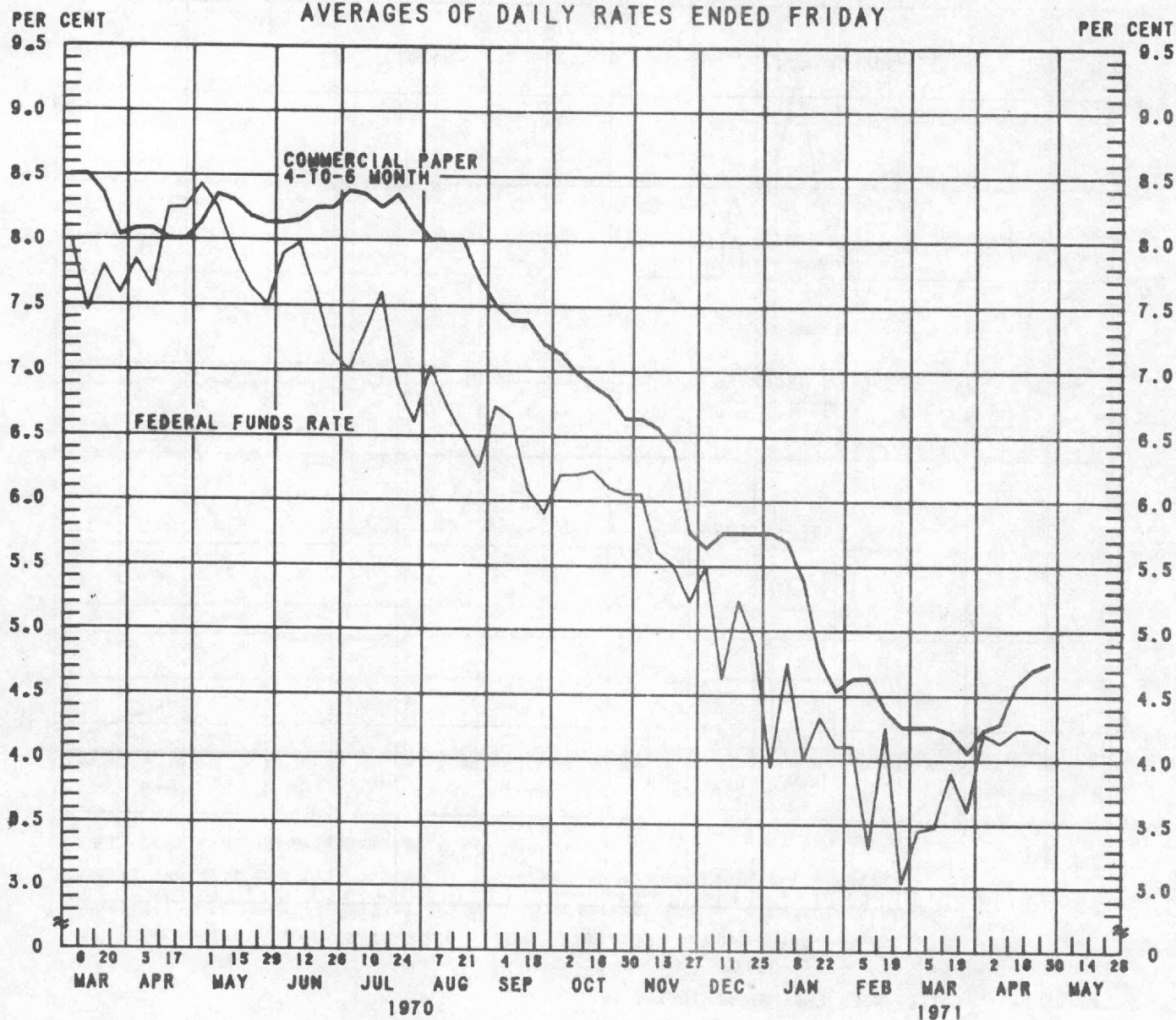
1971	CORPORATE AAA BONDS	3-MONTH TREASURY BILLS	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES
MAR. 5	7.13	3.35	5.07	5.94
12	7.20	3.28	4.75	5.77
19	7.26	3.39	4.55	5.65
26	7.23	3.37	4.56	5.54
APR. 2	7.22	3.61	4.85	5.64
9	7.23	3.78	5.08	5.66
16	7.24	3.96	5.37	5.75
23	7.24	3.81	5.59	5.82
30*	7.27	3.94	5.72	5.80
MAY 7				
14				
21				
28				

\* 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: APRIL 30, 1971

1971	PRIME COMMERCIAL PAPER 4-6 MONTH	FEDERAL FUNDS	PRIME BANKERS' ACCEPTANCES	90 DAY CD'S
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	4.23	4.20	4.00	3.87
9	4.28	4.13	4.13	3.94
16	4.58	4.23	4.38	4.13
23	4.70	4.23	4.45	4.46
30*	4.75	4.15	4.54	4.72
MAY 7				
14				
21				
28				

\* 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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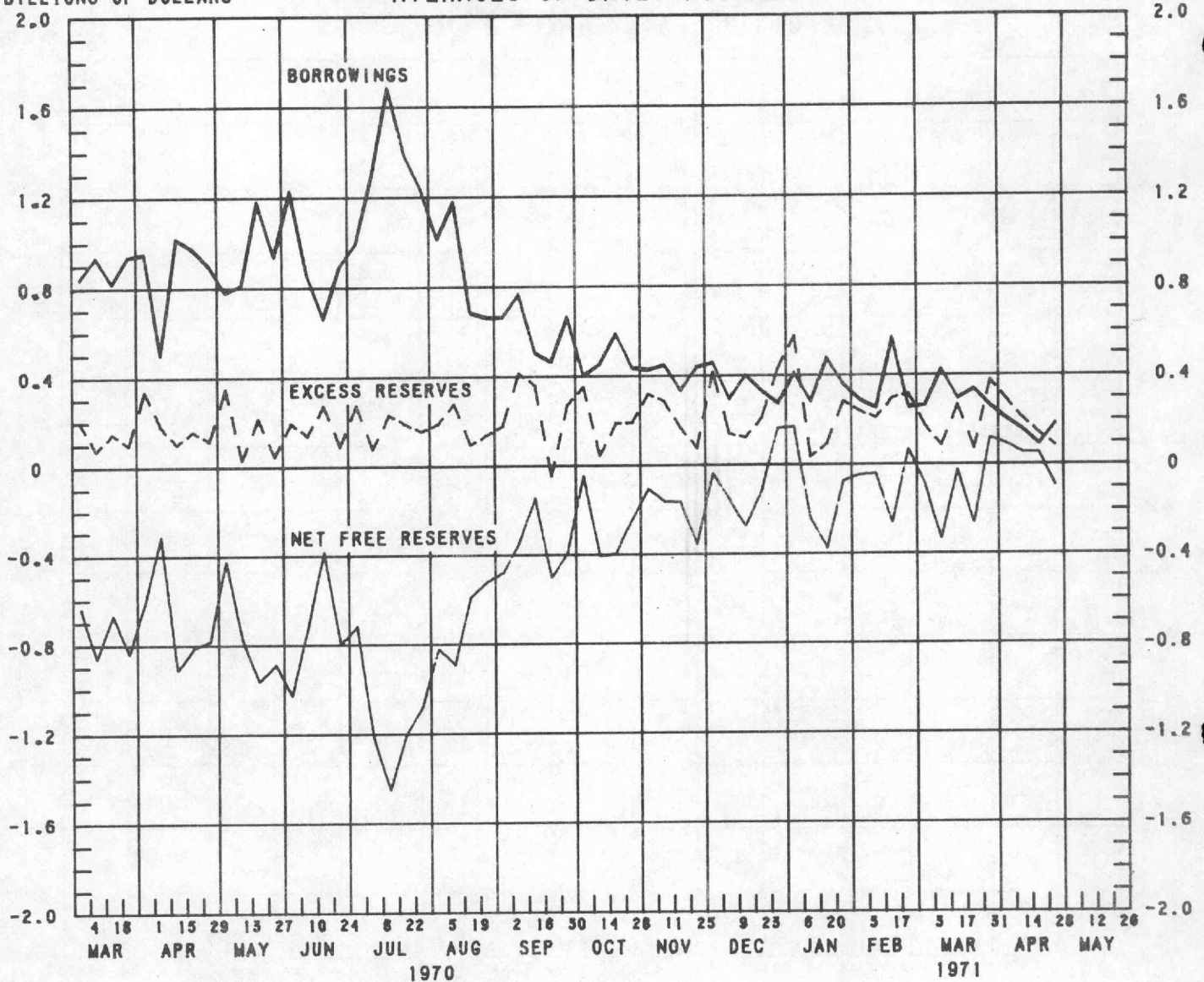


# BORROWINGS AND EXCESS RESERVES ALL MEMBER BANKS IN THE NATION

BILLIONS OF DOLLARS

AVERAGES OF DAILY FIGURES

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: APRIL 28, 1971

1971	EXCESS RESERVES	MILLIONS BORROWINGS	FREE RESERVES
MAR. 3	170	258	- 88
10	82	421	- 339
17	265	290	- 25
24	68	333	- 265
31	376	257	- 119
APR. 7	287	198	- 89
14	201	150	- 51
21	136	85	- 51
28	82	177	- 95
MAY 5			
12			
19			
26			

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS