

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.

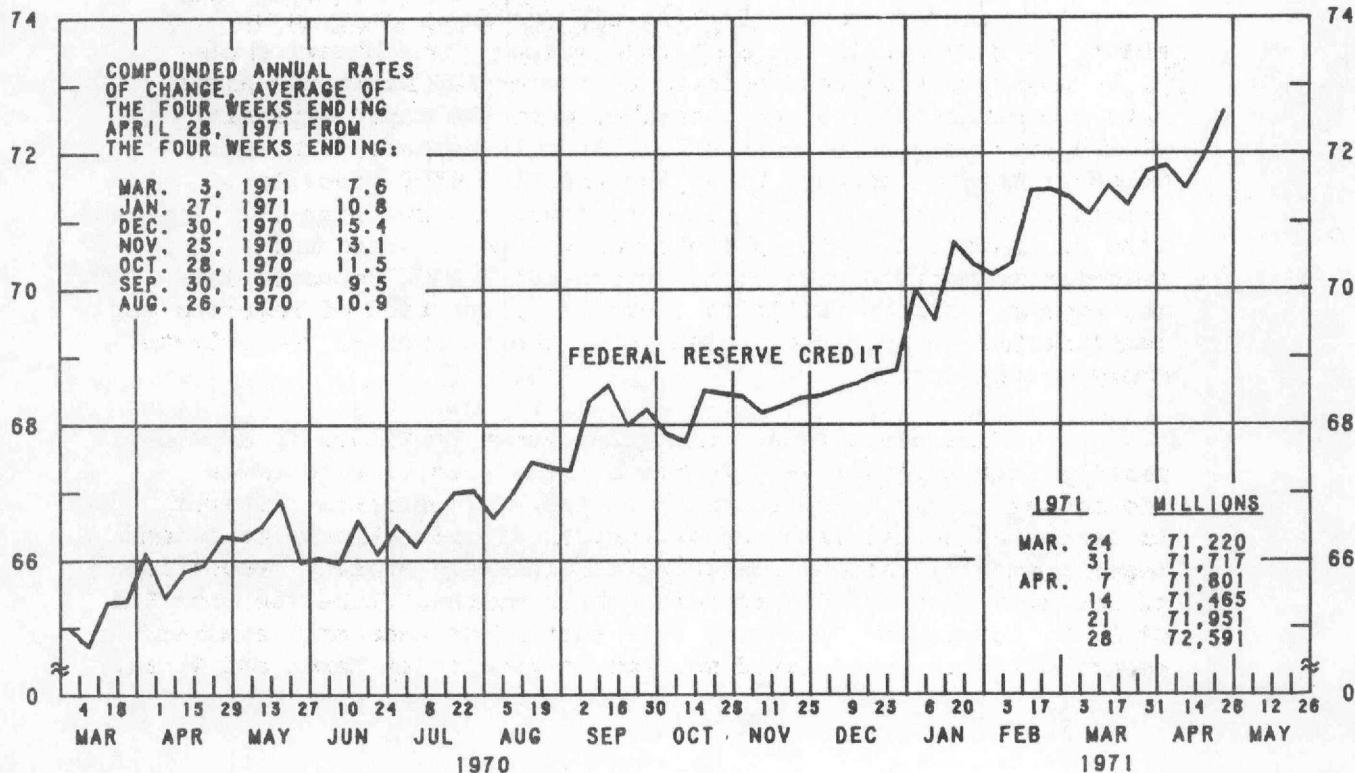
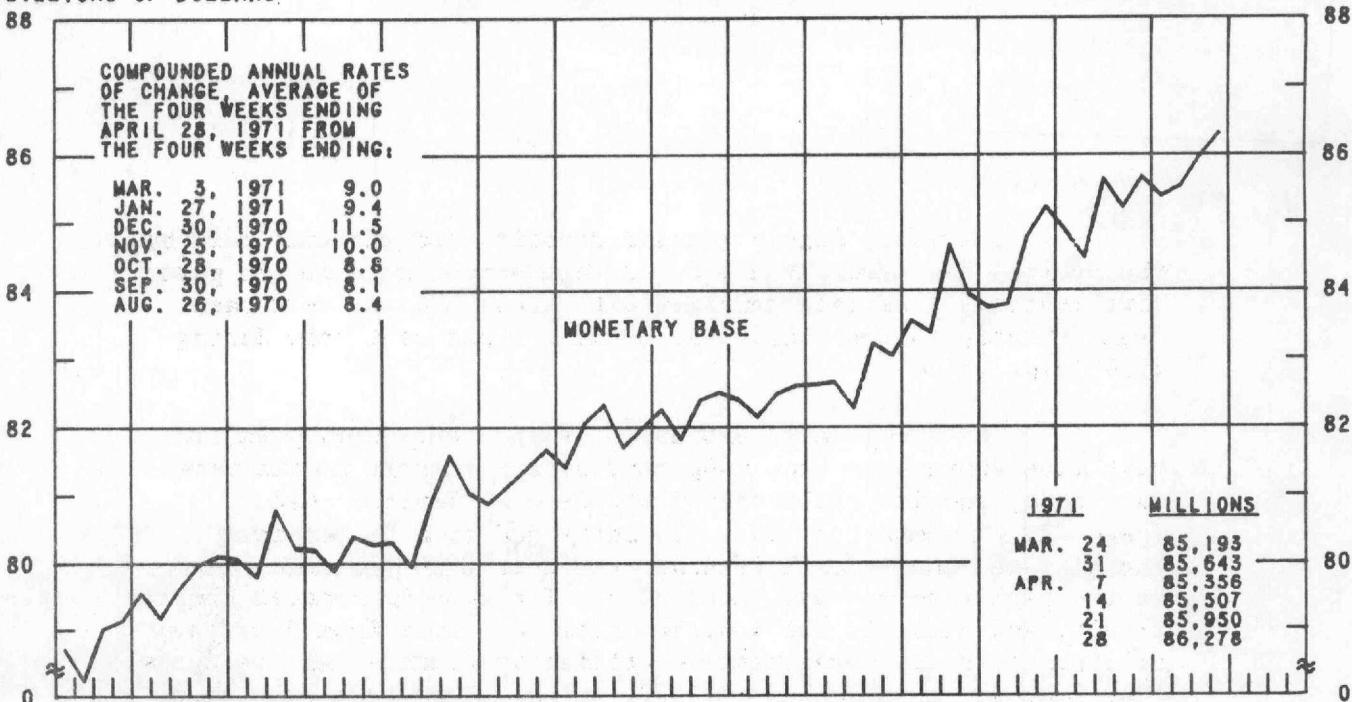
Prepared by Federal Reserve Bank of St. Louis
Released: April 30, 1971

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

BILLIONS OF DOLLARS.

SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS



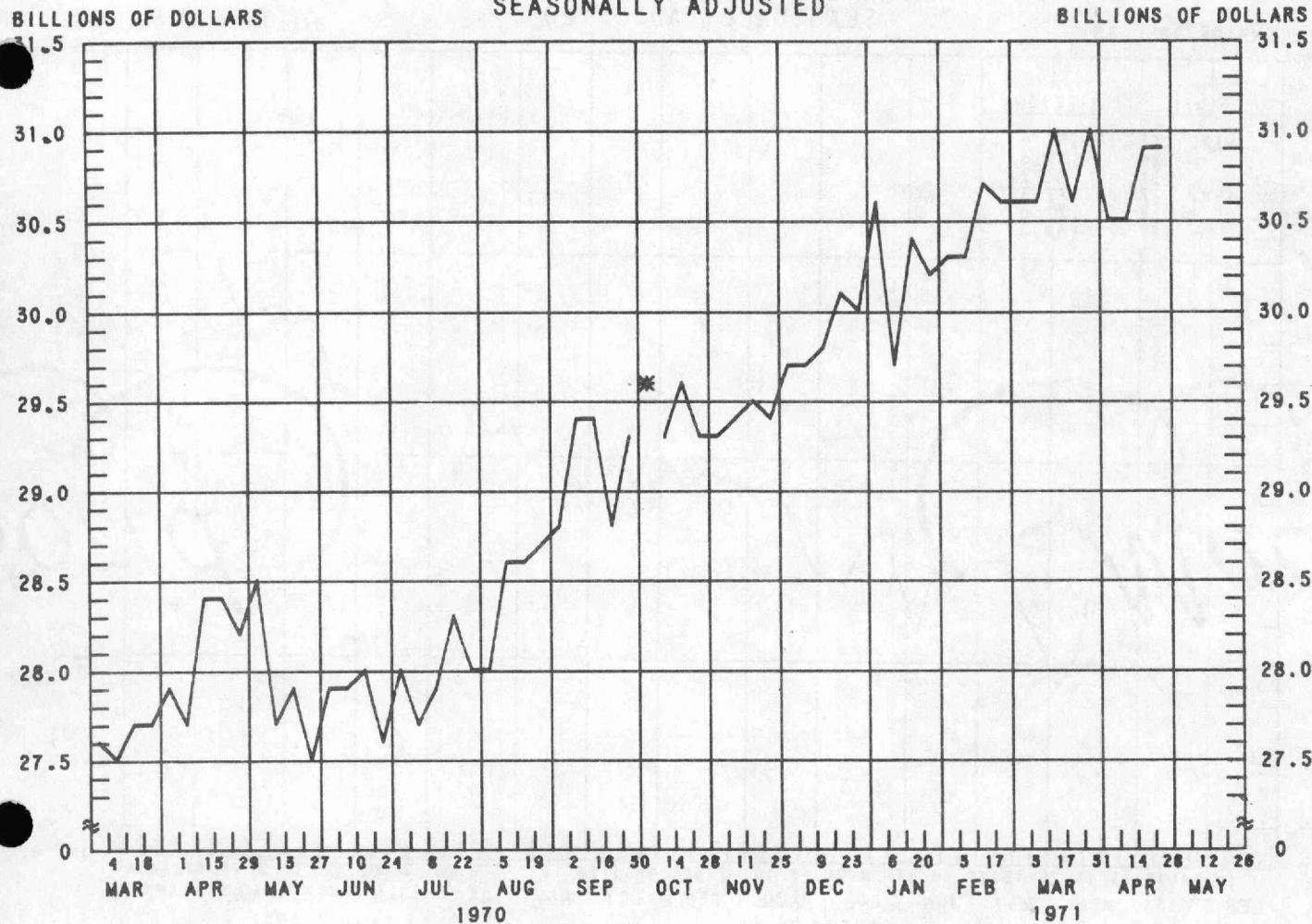
LATEST DATA PLOTTED WEEK ENDING: APRIL 28, 1971

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

3



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.

<u>1971</u>	<u>BILLIONS</u>
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

175

175

1971 BILLIONS

MAR.	17	168.4
24	169.3	
31	170.7	
APR.	7	172.5
14	171.9	
21	169.6	

170

170

165

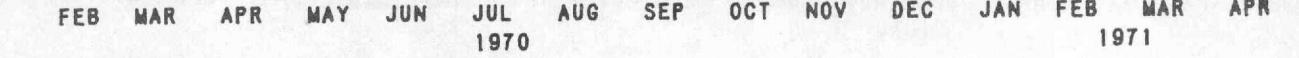
165

160

160

0

0



LATEST DATA PLOTTED WEEK ENDING: APRIL 21, 1971

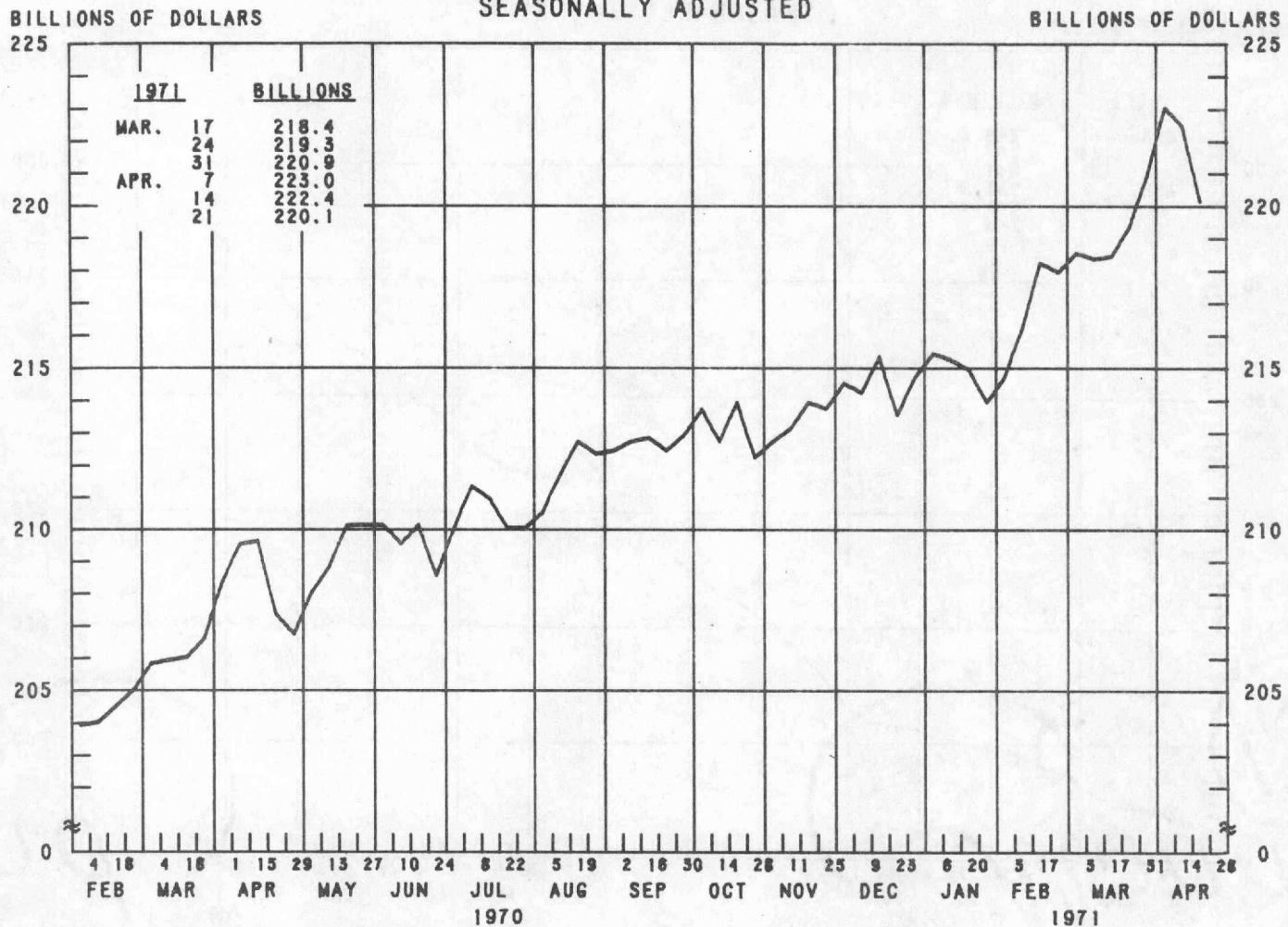
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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	5.2	0.0					
12/23/70	4.4	4.3	2.7	2.1				
1/20/71	4.4	4.3	3.0	2.7	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



LATEST DATA PLOTTED WEEK ENDING: APRIL 21, 1971

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

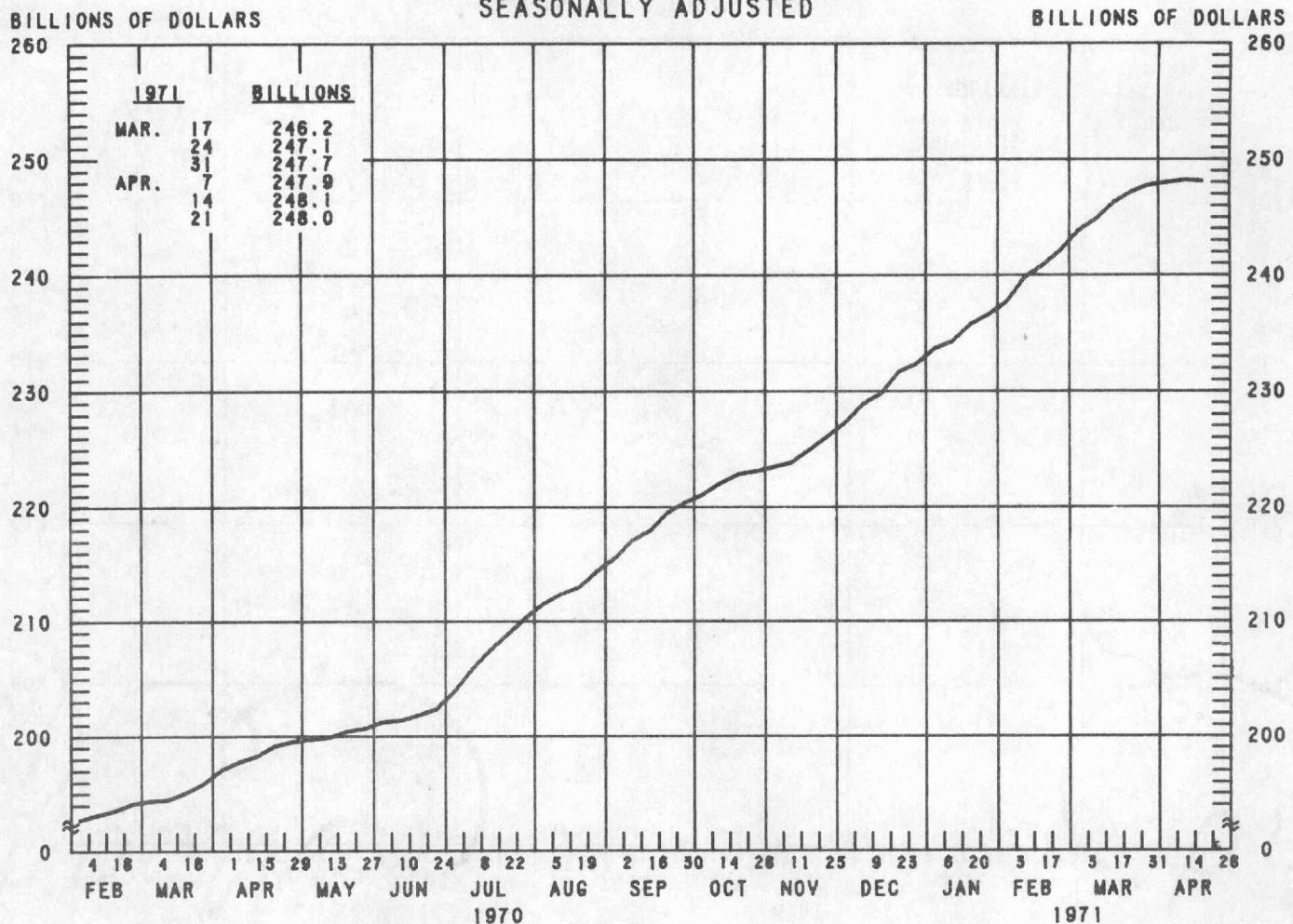
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

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

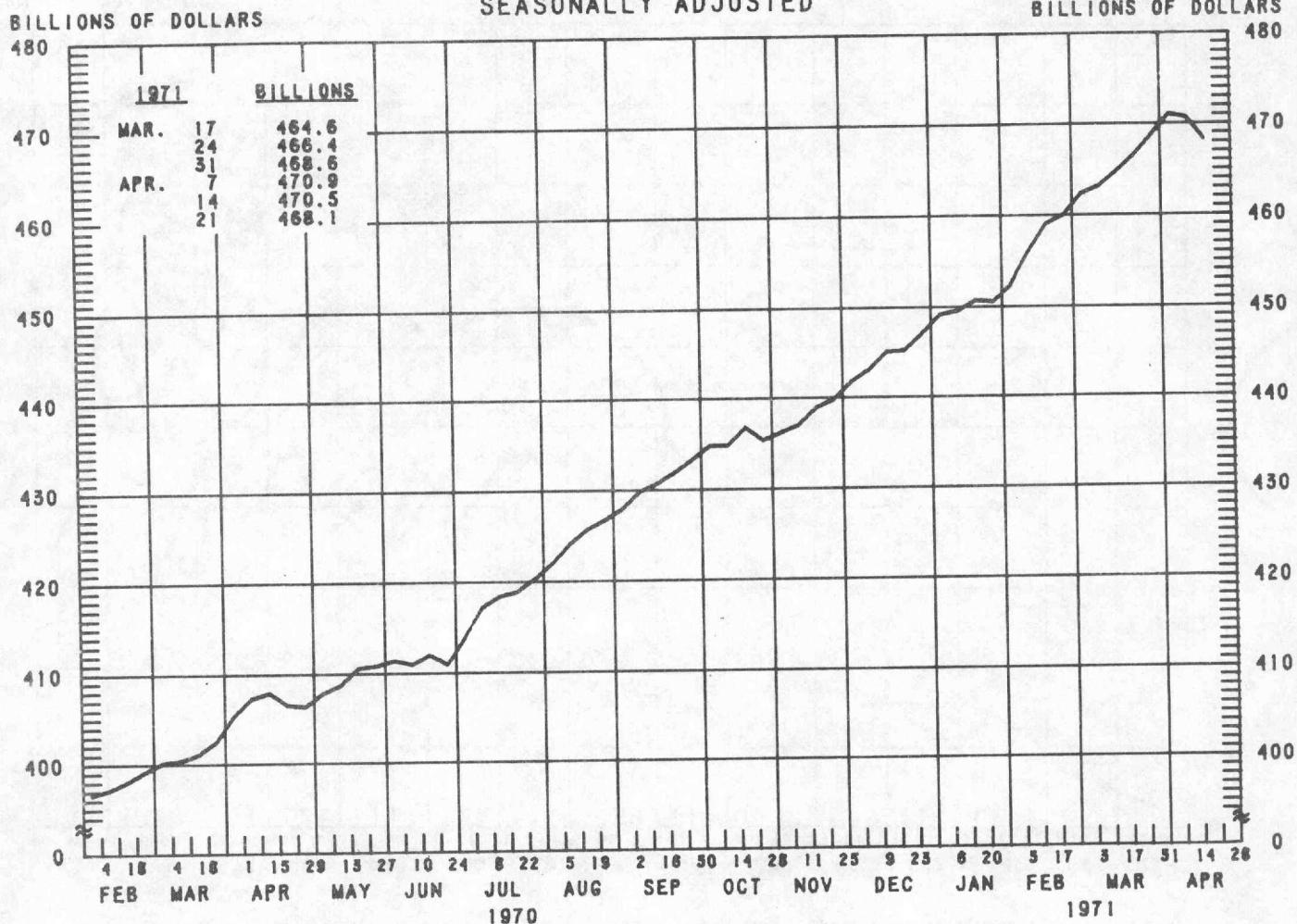
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' M.6 RELEASE.

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.

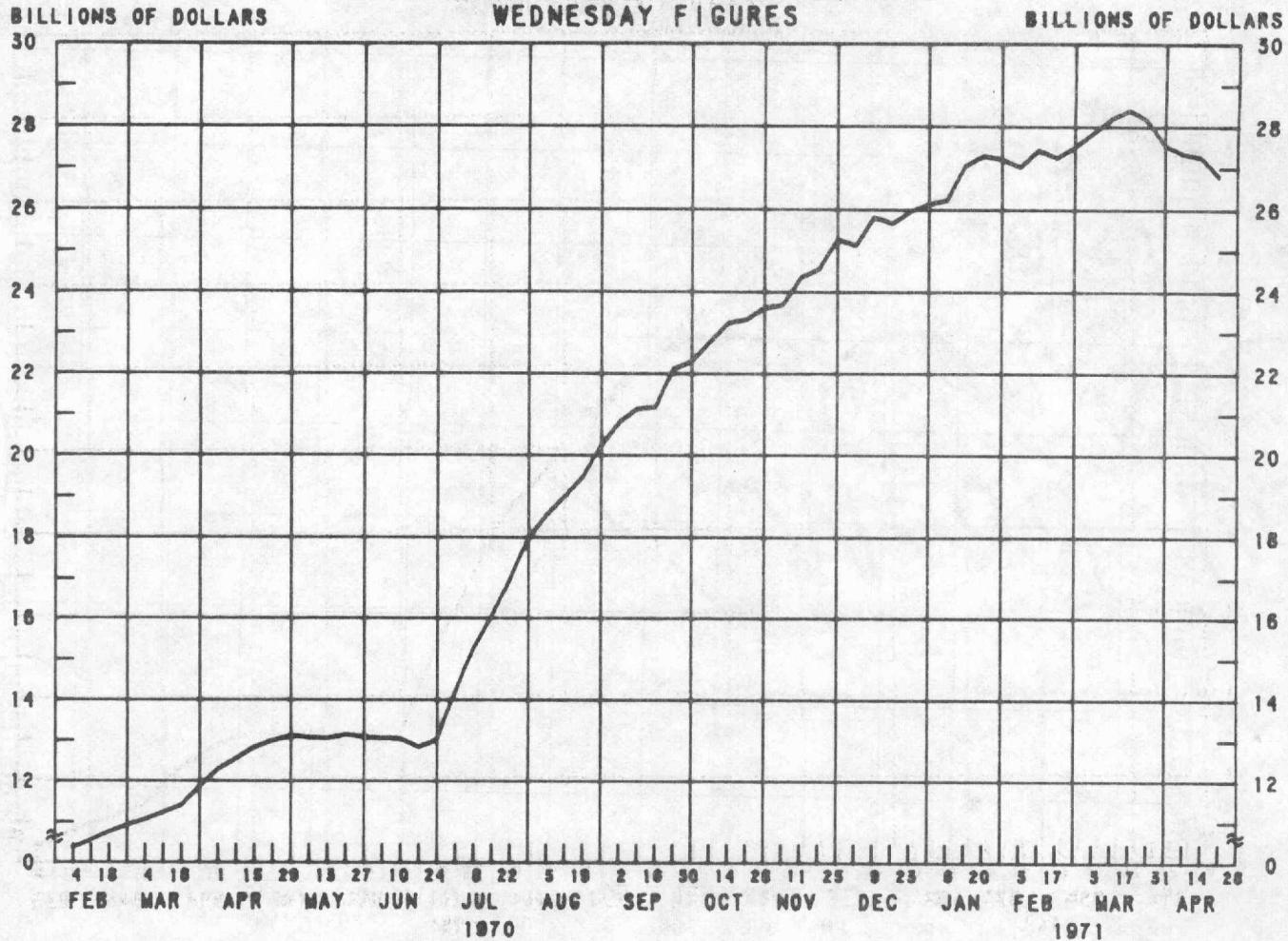
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:
 7/22/70 8/19/70 9/23/70 10/21/70 11/18/70 12/23/70 1/20/71 2/24/71

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	19.5

**CERTIFICATES OF DEPOSIT
LARGE COMMERCIAL BANKS**

WEDNESDAY FIGURES



LATEST DATA PLOTTED WEEK ENDING: APRIL 21, 1971

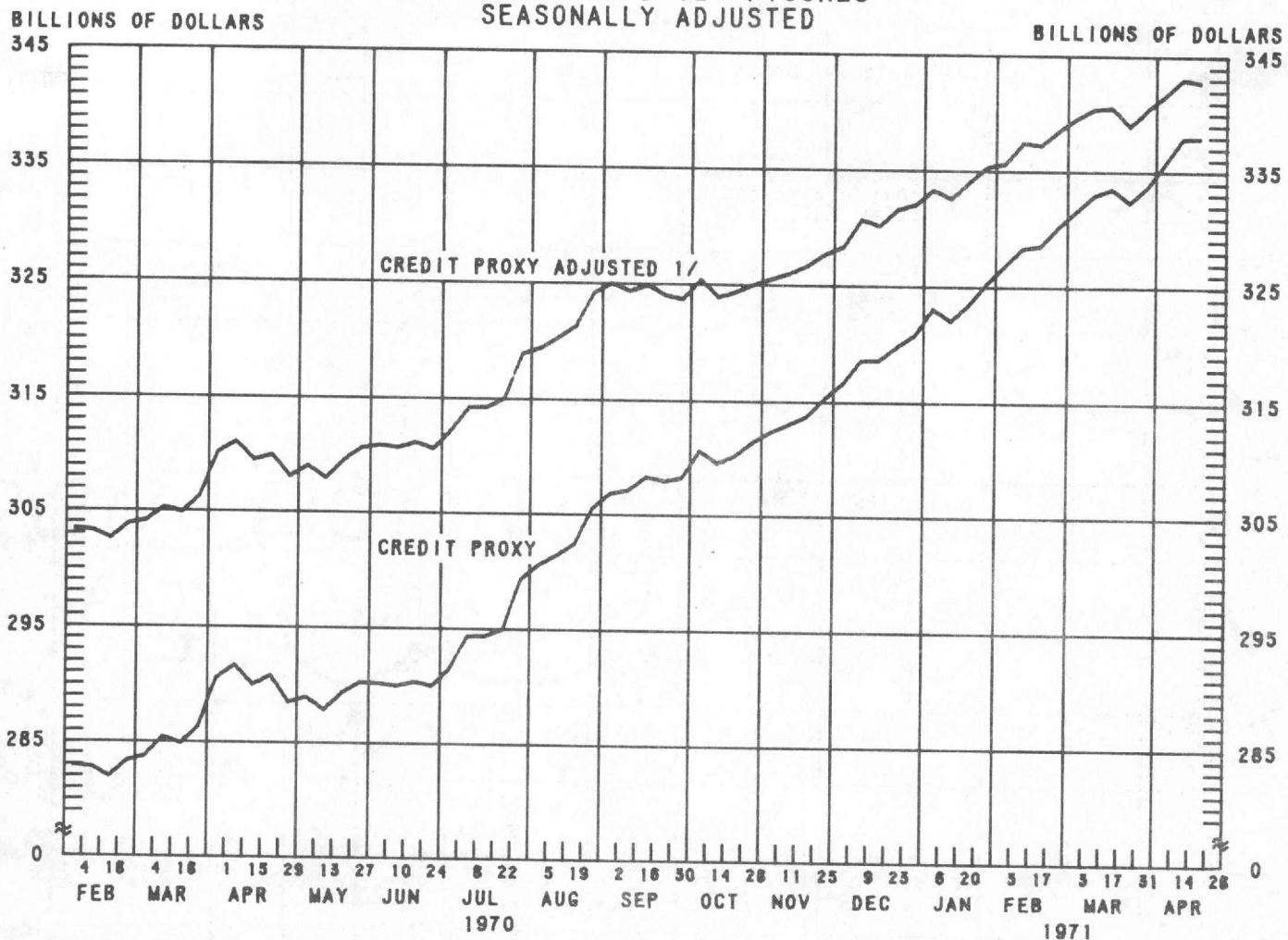
CURRENT AND YEAR AGO DATA APPEAR IN THE BOARD OF GOVERNORS' H.4.2 RELEASE.

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

<u>1971</u>		<u>MILLIONS</u>
MAR.	17	28,391
	24	28,128
	31	27,523
APR.	7	27,315
	14	27,287
	21	26,770

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**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

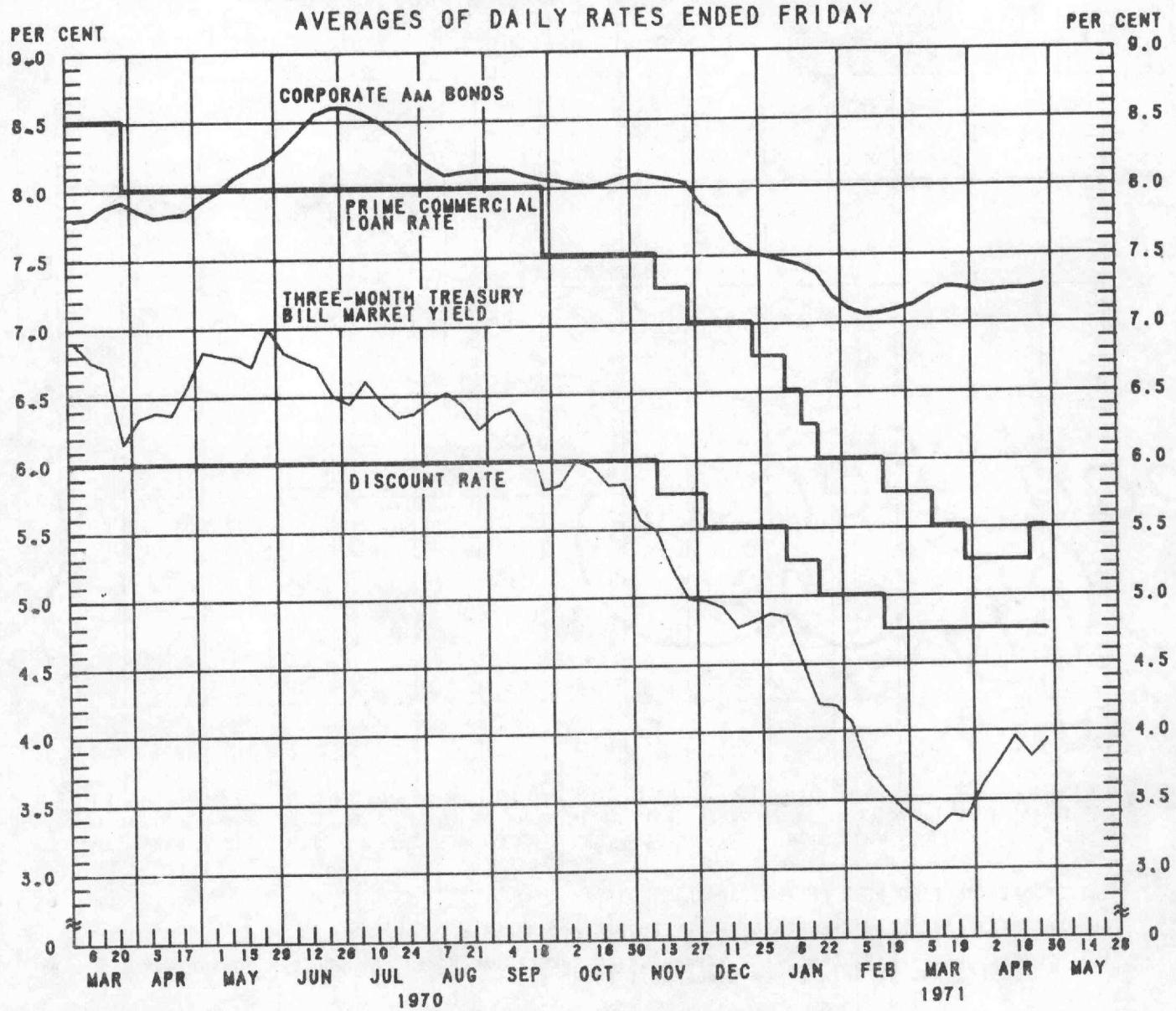
	CREDIT PROXY	PROXY ADJUSTED
MAR. 17	333.5	340.5
24	332.3	338.9
31	333.7	340.4
APR. 7	335.7	341.6
14	337.9	343.0
21	337.9	342.7

COMPOUNDED ANNUAL RATES OF CHANGE,
AVERAGE OF THE FOUR WEEKS ENDING
APRIL 21, 1971 FROM
THE FOUR WEEKS ENDING:

	CREDIT PROXY	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

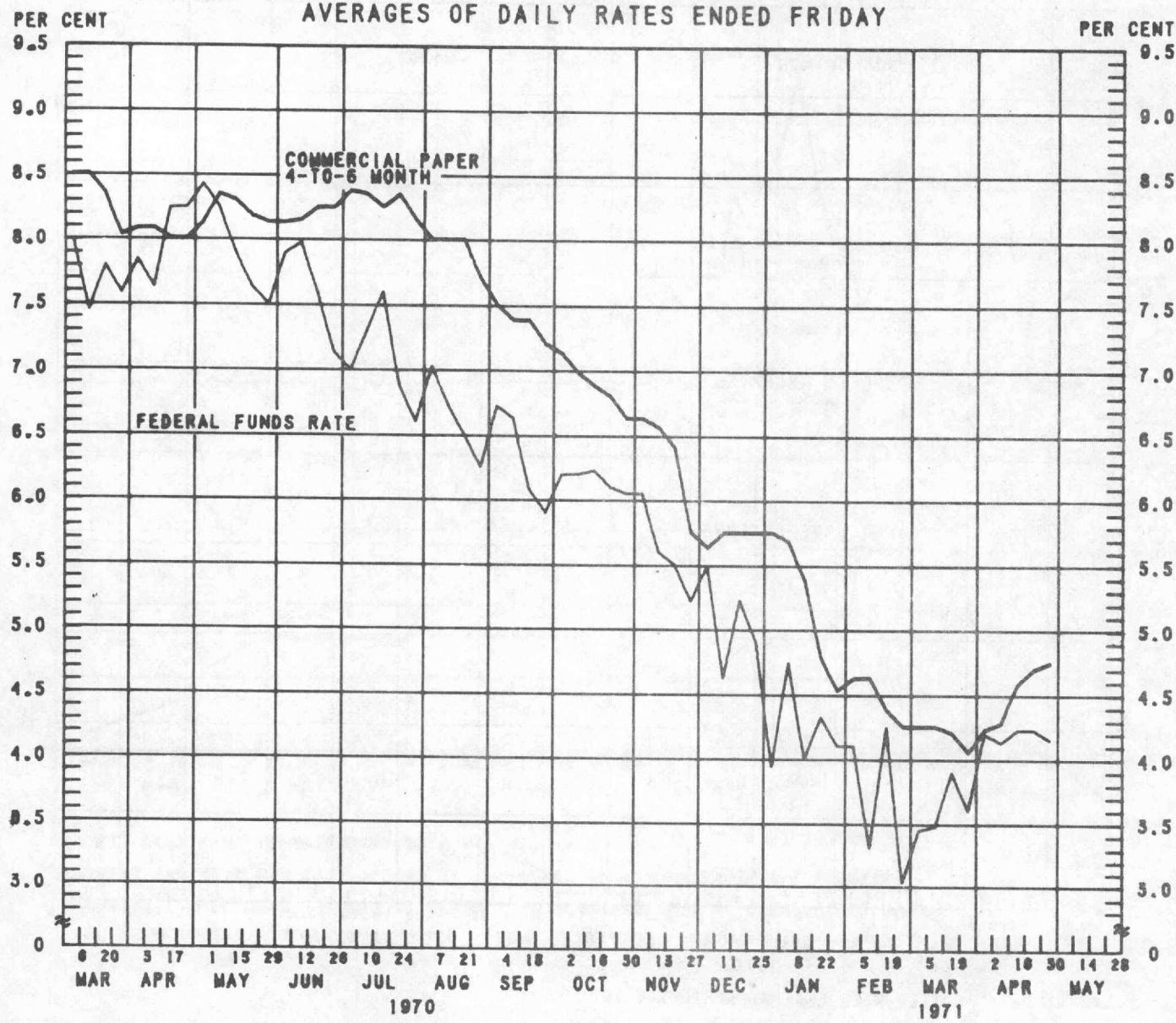
1971	CORPORATE AAA BONDS	3-MONTH TREASURY BILLS	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES
MAR. 5	7.13	5.35	5.07	5.94
12	7.20	5.28	4.75	5.77
19	7.26	5.39	4.55	5.65
26	7.25	5.37	4.56	5.54
APR. 2	7.22	5.61	4.85	5.64
9	7.23	5.78	5.08	5.66
16	7.24	3.96	5.37	5.75
23	7.24	5.81	5.59	5.82
MAY 30*	7.27	5.94	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

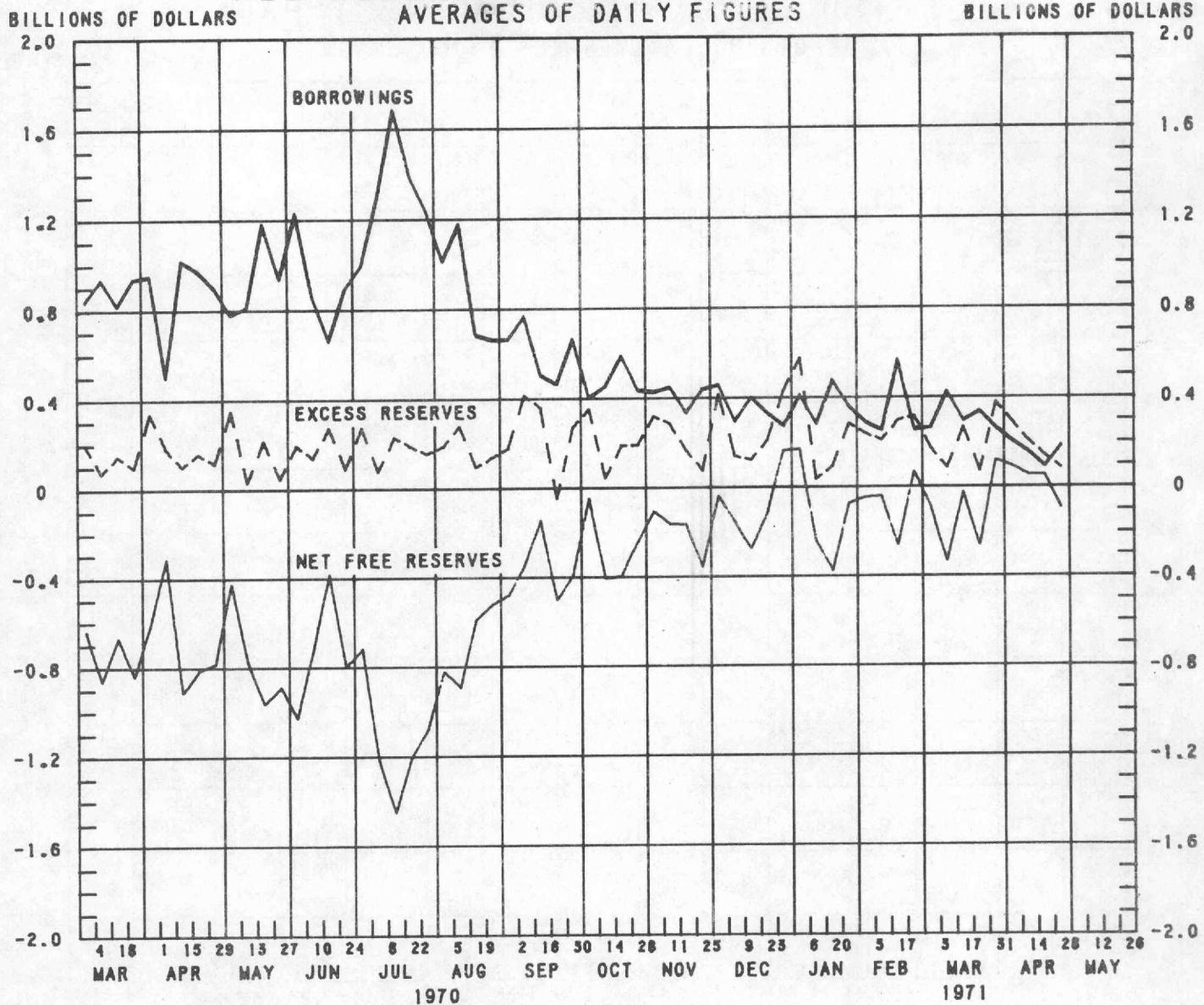


LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: APRIL 30, 1971

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
MAY 30 *	4.75	4.15	4.54	4.72
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' M.9 RELEASE.

BORROWINGS AND EXCESS RESERVES ALL MEMBER BANKS IN THE NATION



LATEST DATA PLOTTED WEEK ENDING: APRIL 28, 1971

1971	EXCESS RESERVES	MILLIONS BORROWINGS	FREE RESERVES
MAR. 5	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