



Week ending: June 16, 1971

Growth of the money stock has accelerated to an 11.6 per cent annual rate in the past five months, which is as great or greater than all other consecutive five-month periods since World War II (page 5). For comparison, the rapid rate of growth of money so far in 1971 is over twice the 5.4 per cent increase in 1970.

Growth of total time deposits at commercial banks has tended to moderate in recent months, after the extremely rapid rates during the reintermediation process in 1970 and early 1971. Total time deposits have risen at a 17 per cent annual rate in the three months since the four weeks ending March 10, after rising at a 25 per cent rate in the previous thirteen months (page 6). Net time deposits, that is, total time deposits minus large CD's, have risen at an 18 per cent rate in the past three months, about the same as in the previous thirteen months. Large CD's averaged about \$29 billion on June 9, only slightly above three months earlier (page 8). In contrast, the volume of large CD's rose 2-1/2 times from February 1970 to February 1971.

The inflow of funds into other financial intermediaries has grown rapidly since June 1970. Savings and loan shares increased at a rapid 17 per cent annual rate from June 1970 to May 1971. In comparison, these shares increased at a 5 per cent rate from January 1970 to June 1970, and a 3 per cent rate in the previous year. Mutual savings bank deposits rose at a 12.5 per cent rate since June 1970, compared with a 5 per cent rate in the previous five months. In 1969, these deposits increased only 4 per cent. The growth of deposits in both of these intermediaries, as well as the time deposits of commercial banks, reflects primarily the raising of maximum ceiling rates payable on deposits by these institutions and the decline of short-term market interest rates during 1970 and the first quarter of 1971.

Total bank loans and investments grew at a 10 per cent annual rate from February 1970 to May 1971, after rising only about 2 per cent in the previous twelve months. In comparison, loans and investments grew at a 6.5 per cent trend rate from 1951 to 1969. Since February 1970, total bank loans have increased at a 5.4 per cent rate, and total investments have risen at a rapid 21 per cent rate. In the previous twelve months bank loans grew at a 6.2 per cent rate, while investments declined at a 7 per cent rate.

The Federal funds rate, the rate charged on very short-term lending from one bank to another, averaged 4.85 per cent in the past two weeks (page 11). In comparison, the rate averaged about 4.15 in April, and 3.35 per cent in early March. The prime interest rate, the interest rate charged by banks on loans to their large high-rated business customers, is now 5-1/2 per cent at most banks, although a few banks have recently raised their rate 1/4 or 1/2 percentage point (page 10). Yields on four- to six-month commercial paper averaged 5.46 per cent in the three days ending June 16. In early April, commercial paper rates averaged 4.25 per cent, 1 percentage point below the prime rate.

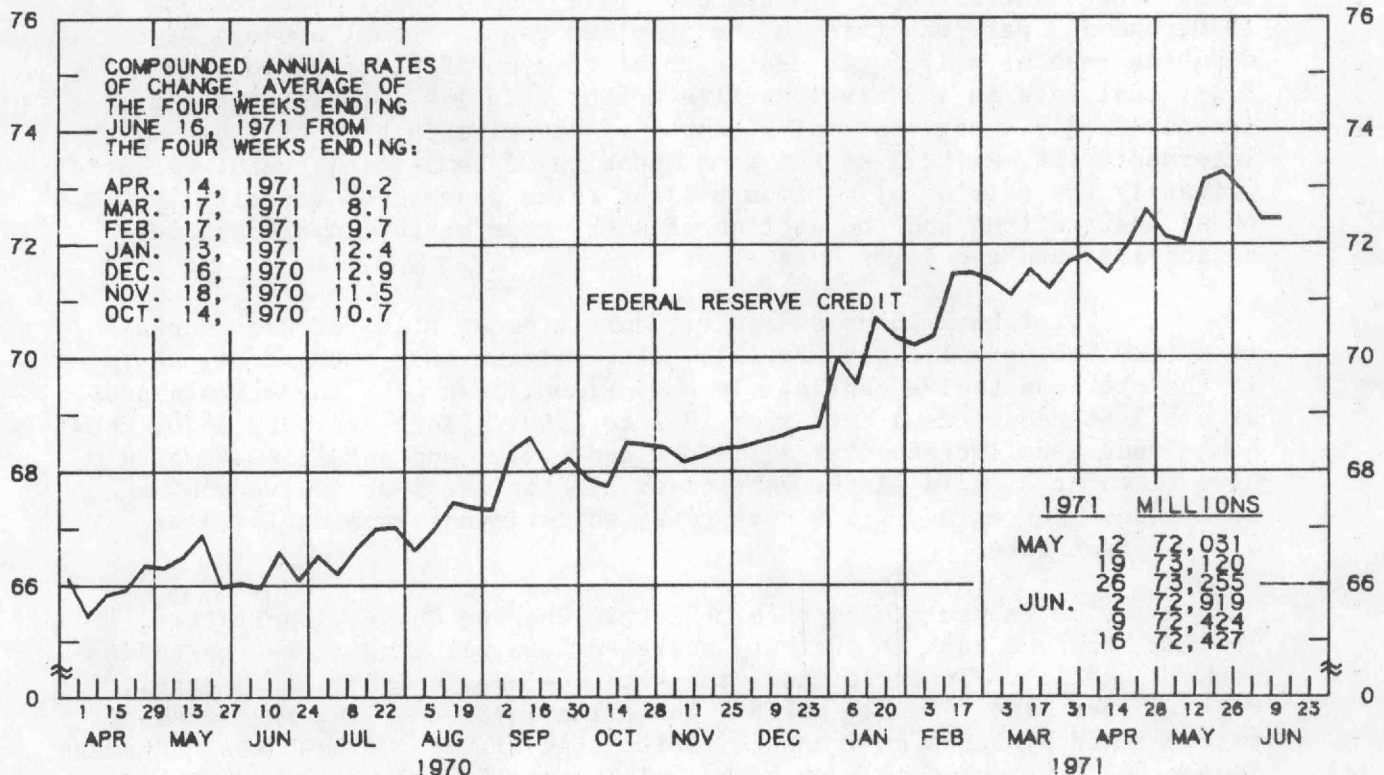
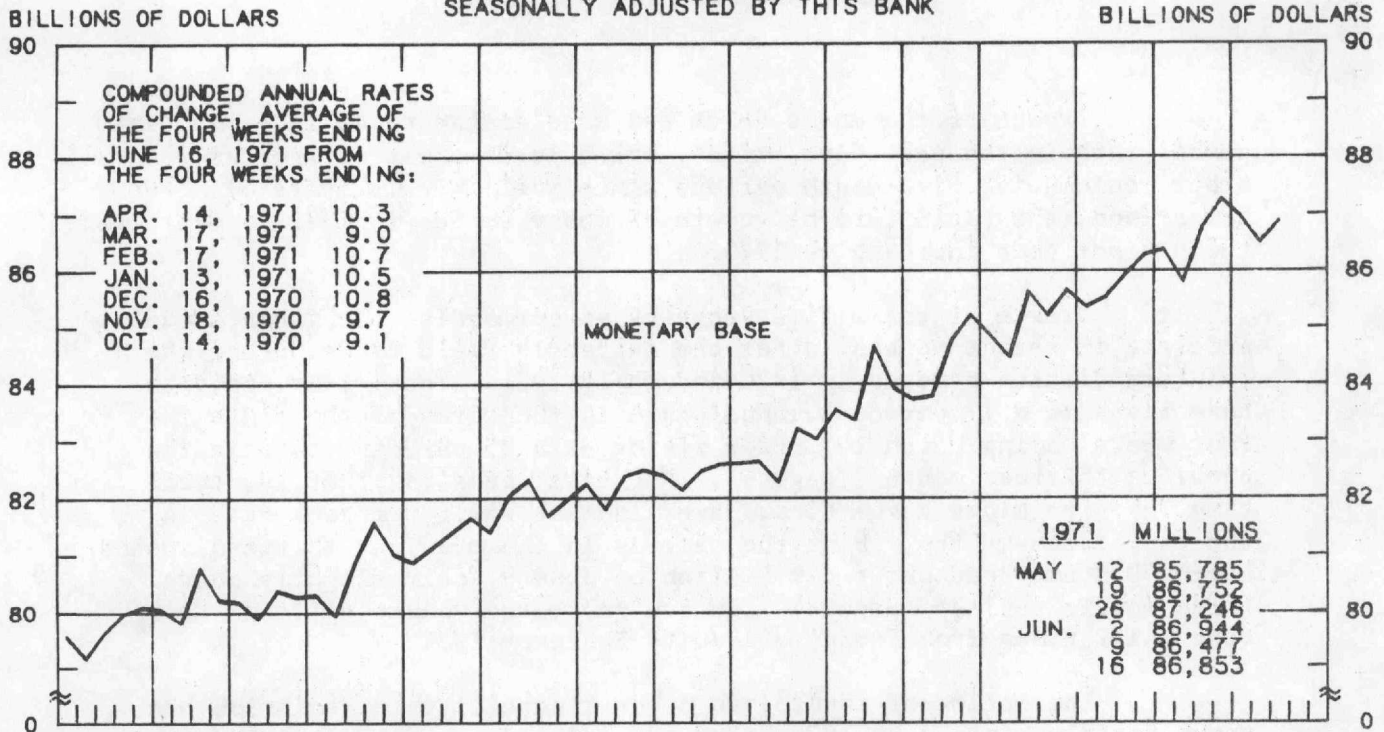
Prepared by Federal Reserve Bank of St. Louis

Released: June 18, 1971

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# MONETARY BASE <sup>1/</sup> FEDERAL RESERVE CREDIT <sup>2/</sup>

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED BY THIS BANK



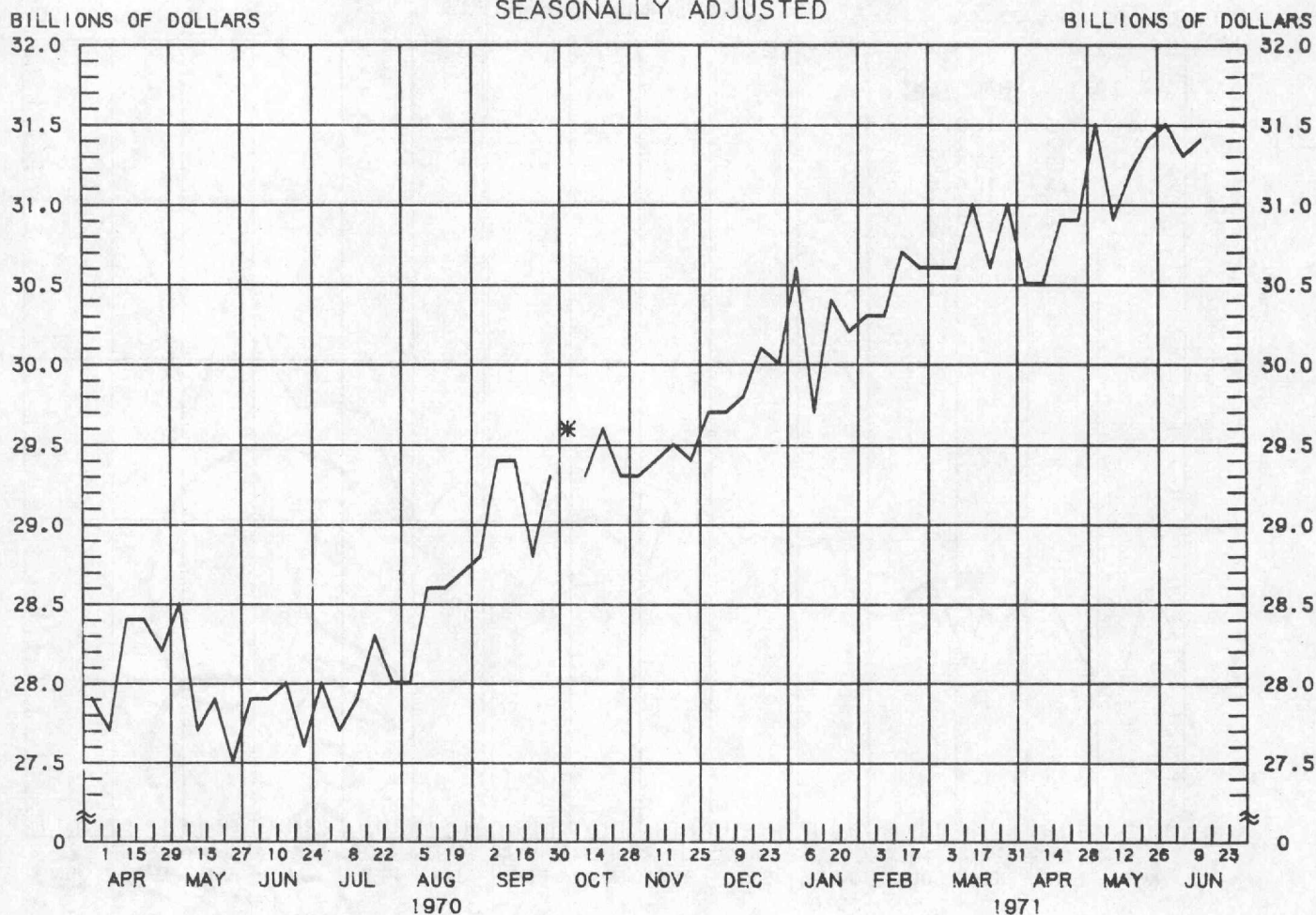
LATEST DATA PLOTTED WEEK ENDING: JUNE 16, 1971

- 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: JUNE 16, 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.

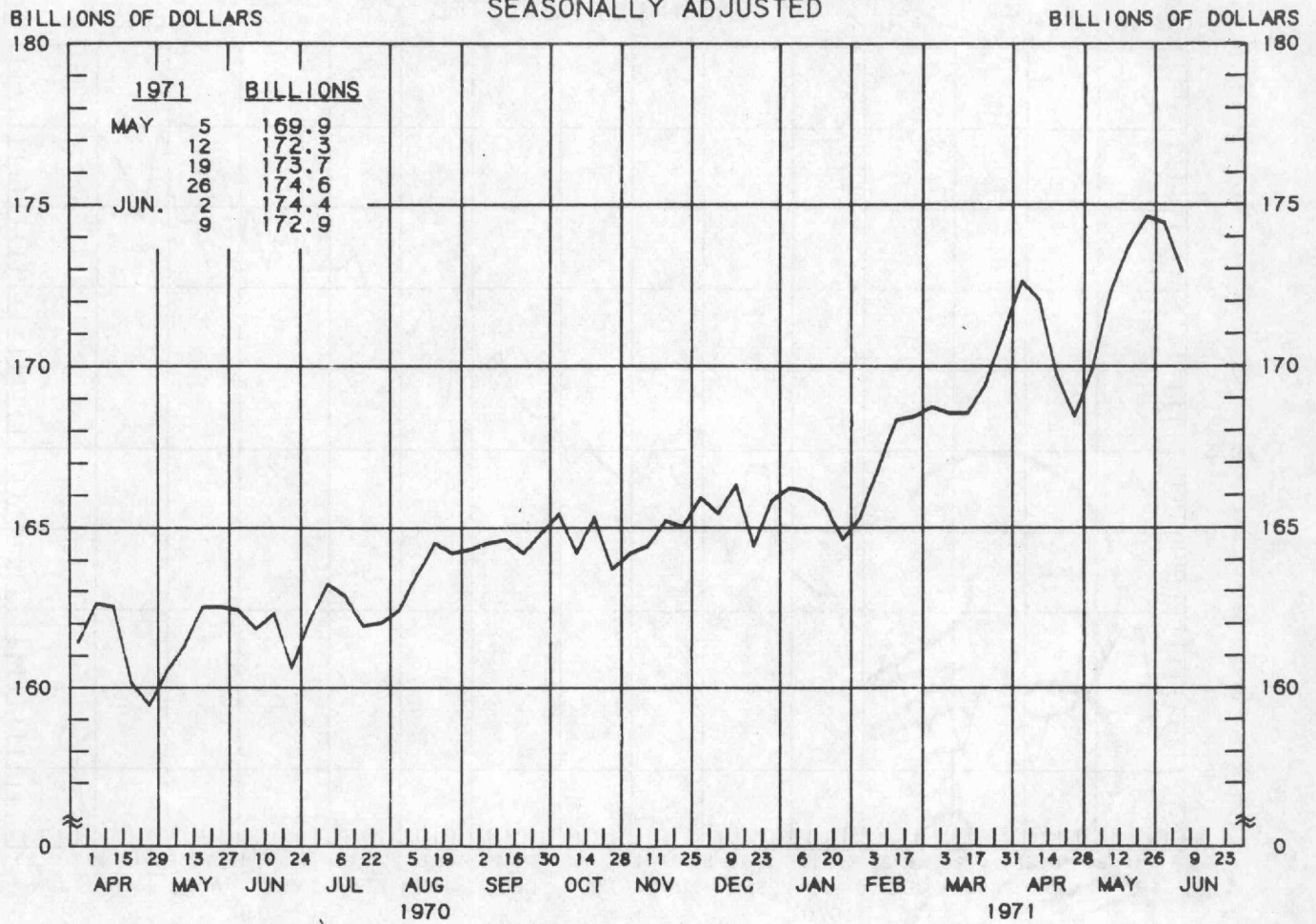
1971	BILLIONS
MAY 12	30.9
19	31.2
26	31.4
JUN. 2	31.5
9	31.3
16	31.4

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF THE FOUR WEEKS ENDING JUNE 16, 1971 FROM THE FOUR WEEKS ENDING:	
APR. 14, 1971	13.9
MAR. 17, 1971	9.4
FEB. 17, 1971	10.4
JAN. 13, 1971	10.5
DEC. 16, 1970	11.8
NOV. 18, 1970	12.1
OCT. 14, 1970	10.8



# DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JUNE 9, 1971

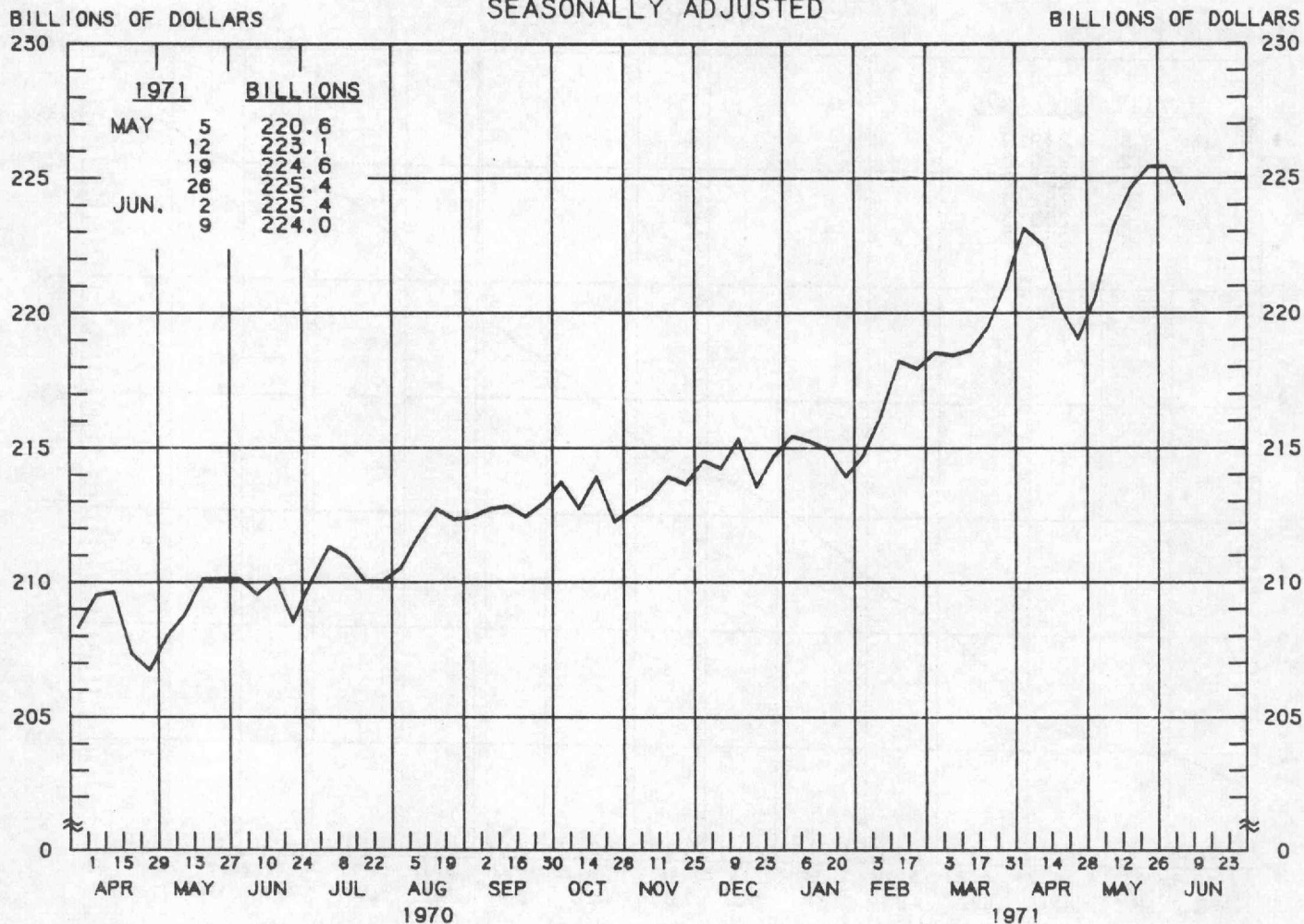
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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

	6/10/70	10/7/70	11/11/70	12/9/70	1/6/71	2/10/71	3/10/71	4/7/71
TO THE AVERAGE OF FOUR WEEKS ENDING:								
11/11/70	3.1							
12/ 9/70	3.9	2.1						
1/ 6/71	3.7	2.2	5.3					
2/10/71	3.0	1.4	3.0	0.7				
3/10/71	5.1	5.4	7.8	7.7	10.2			
4/ 7/71	6.1	6.9	9.3	9.5	11.8	20.4		
5/12/71	5.2	5.5	7.1	6.8	7.9	11.3	5.6	
6/ 9/71	7.1	8.3	10.2	10.5	12.1	16.1	13.4	12.5

# MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



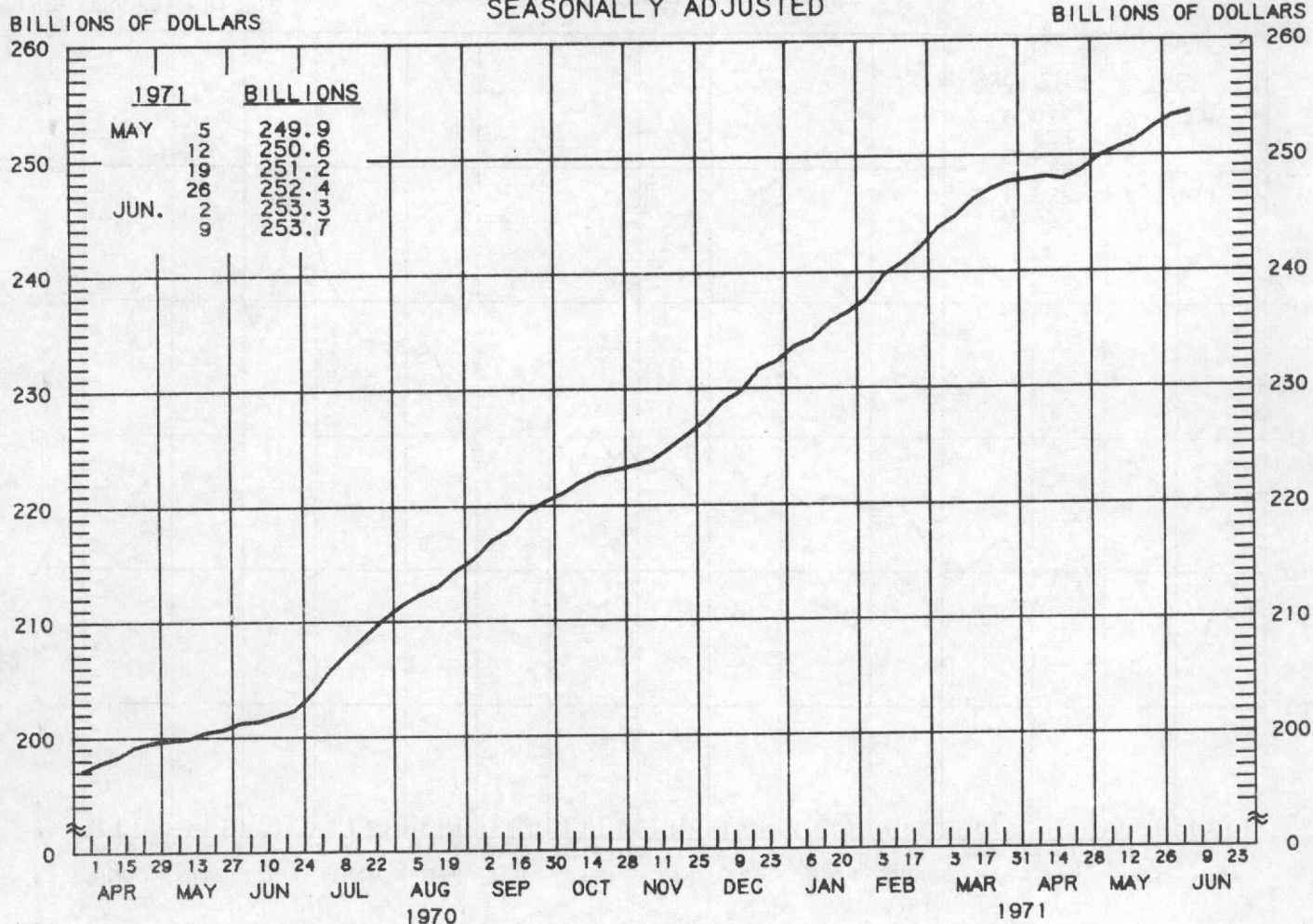
LATEST DATA PLOTTED WEEK ENDING: JUNE 9, 1971

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

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

	6/10/70	10/7/70	11/11/70	12/9/70	1/6/71	2/10/71	3/10/71	4/7/71
TO THE AVERAGE OF FOUR WEEKS ENDING:								
11/11/70	3.4							
12/ 9/70	3.9	3.0						
1/ 6/71	3.9	3.2	5.3					
2/10/71	3.5	2.6	3.6	2.2				
3/10/71	5.3	6.0	7.8	8.1	10.1			
4/ 7/71	6.1	7.3	9.1	9.6	11.5	18.5		
5/12/71	5.5	6.1	7.4	7.4	8.3	11.2	6.5	
6/ 9/71	7.1	8.4	9.9	10.3	11.6	14.9	12.7	11.8

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



LATEST DATA PLOTTED WEEK ENDING: JUNE 9, 1971

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

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

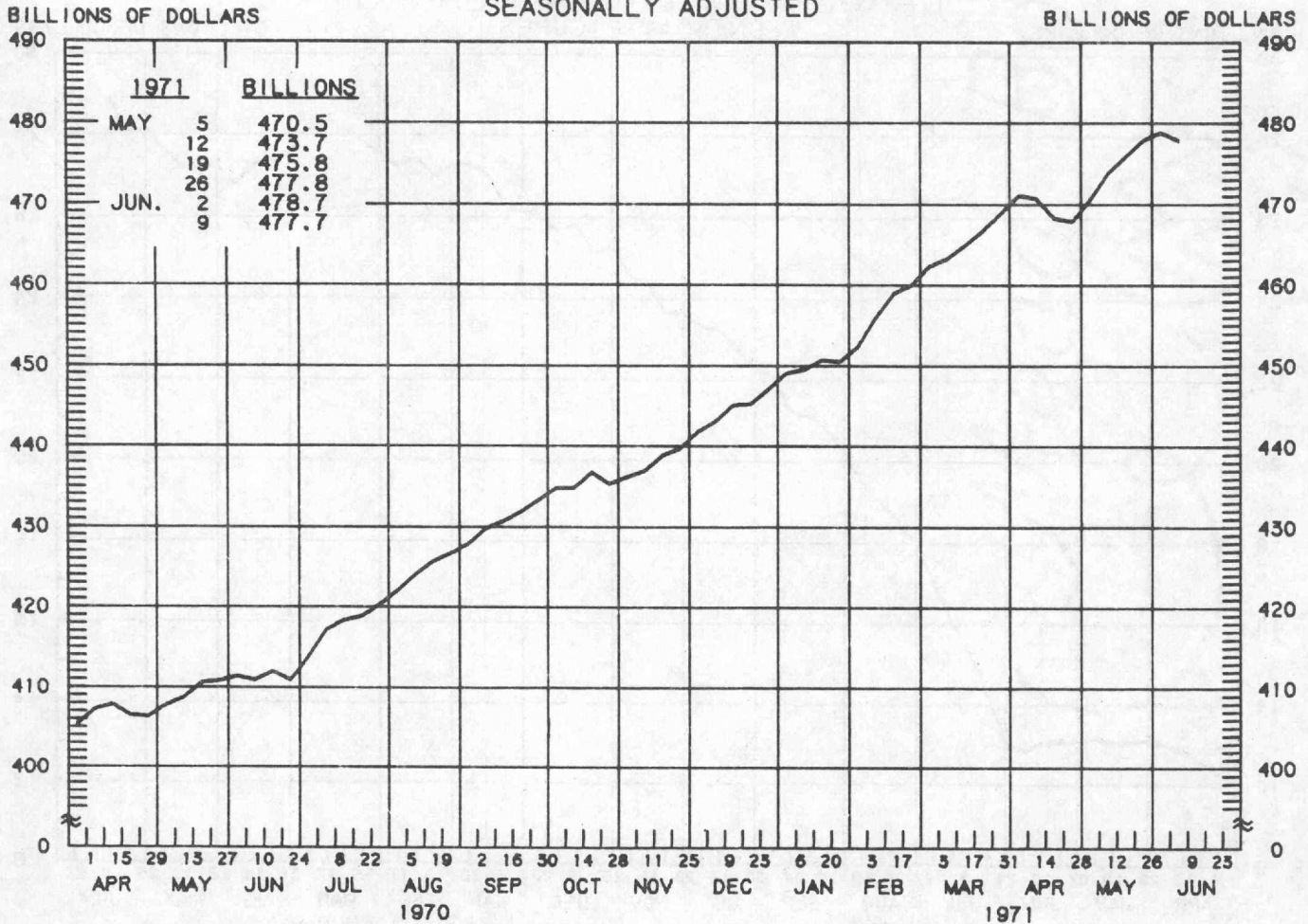
TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

	6/10/70	10/7/70	11/11/70	12/9/70	1/6/71	2/10/71	3/10/71	4/7/71
11/11/70	28.4							
12/9/70	27.3	20.2						
1/6/71	28.1	24.1	27.5					
2/10/71	28.1	25.3	27.8	30.5				
3/10/71	28.7	26.8	29.2	31.6	30.7			
4/7/71	28.5	26.7	28.6	30.3	29.3	30.1		
5/12/71	26.3	23.7	24.6	25.2	23.4	21.6	16.5	
6/9/71	25.8	23.2	23.9	24.3	22.6	21.1	17.3	13.6



# MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



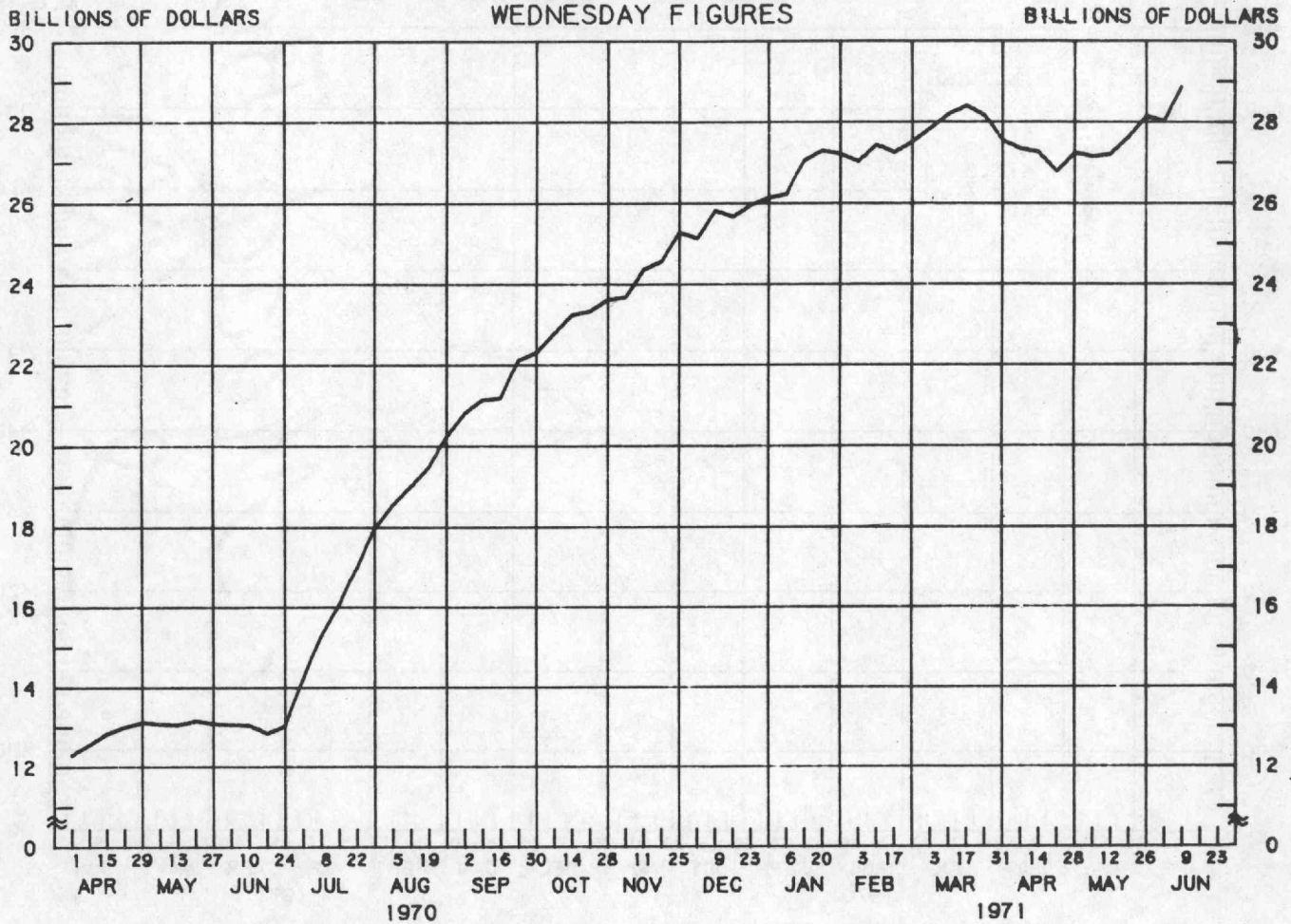
LATEST DATA PLOTTED WEEK ENDING: JUNE 9, 1971  
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

	6/10/70	10/7/70	11/11/70	12/9/70	1/6/71	2/10/71	3/10/71	4/7/71
11/11/70	15.2							
12/ 9/70	15.1	11.5						
1/ 6/71	15.5	13.5	16.4					
2/10/71	15.4	13.7	15.6	16.0				
3/10/71	16.6	16.2	18.4	19.6	20.3			
4/ 7/71	17.0	16.9	18.9	19.9	20.5	24.5		
5/12/71	15.7	14.9	16.1	16.4	16.0	16.6	11.8	
6/ 9/71	16.2	15.8	17.0	17.3	17.2	18.0	15.1	12.6

# CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS WEDNESDAY FIGURES



LATEST DATA PLOTTED WEEK ENDING: JUNE 9, 1971

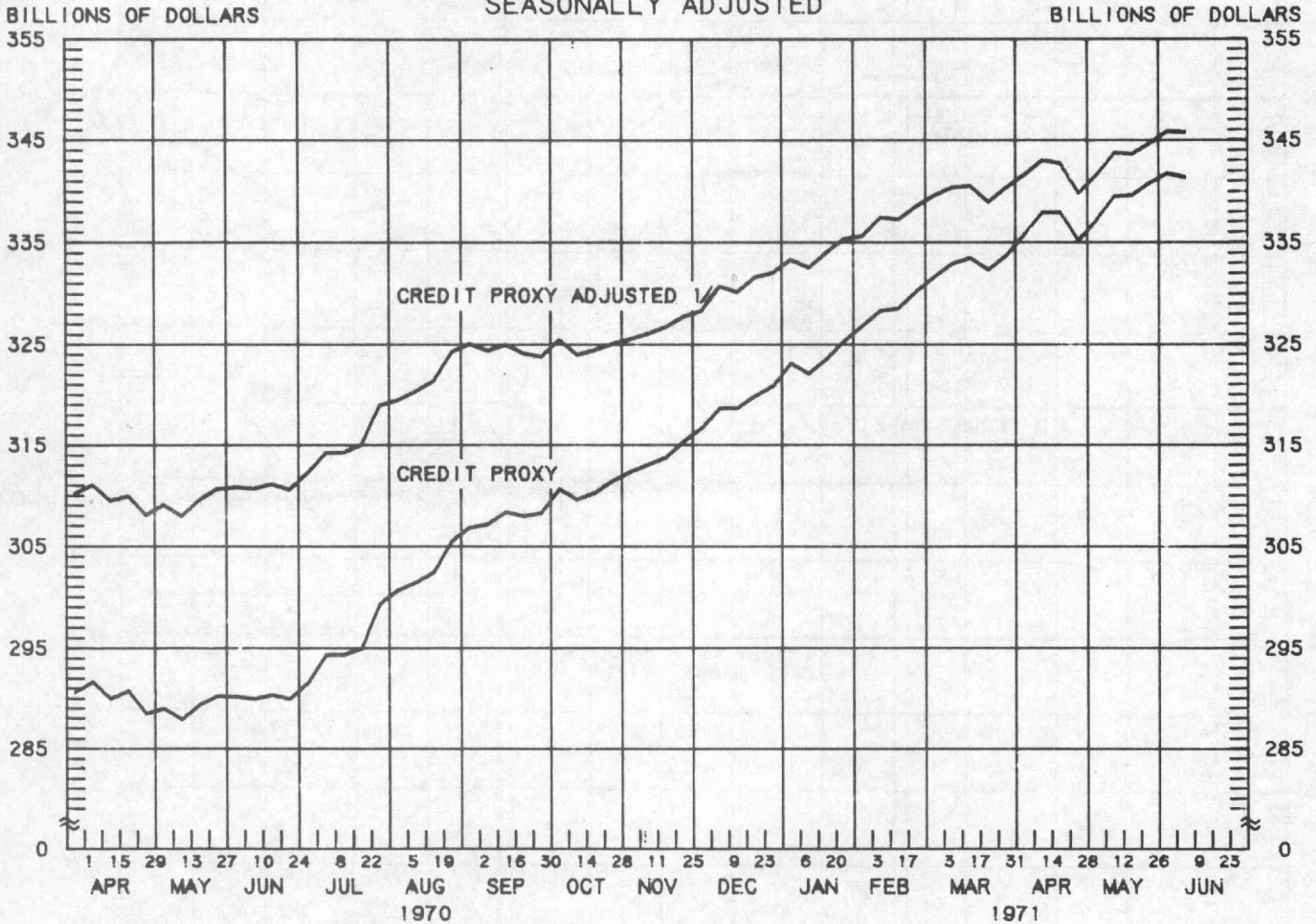
CURRENT AND YEAR AGO DATA APPEAR IN THE BOARD OF GOVERNORS' H.4.2 RELEASE.

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

1971		MILLIONS
MAY	5	27,127
	12	27,185
	19	27,606
	26	28,137
JUN.	2	27,991
	9	28,833



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



LATEST DATA PLOTTED WEEK ENDING: JUNE 9, 1971

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

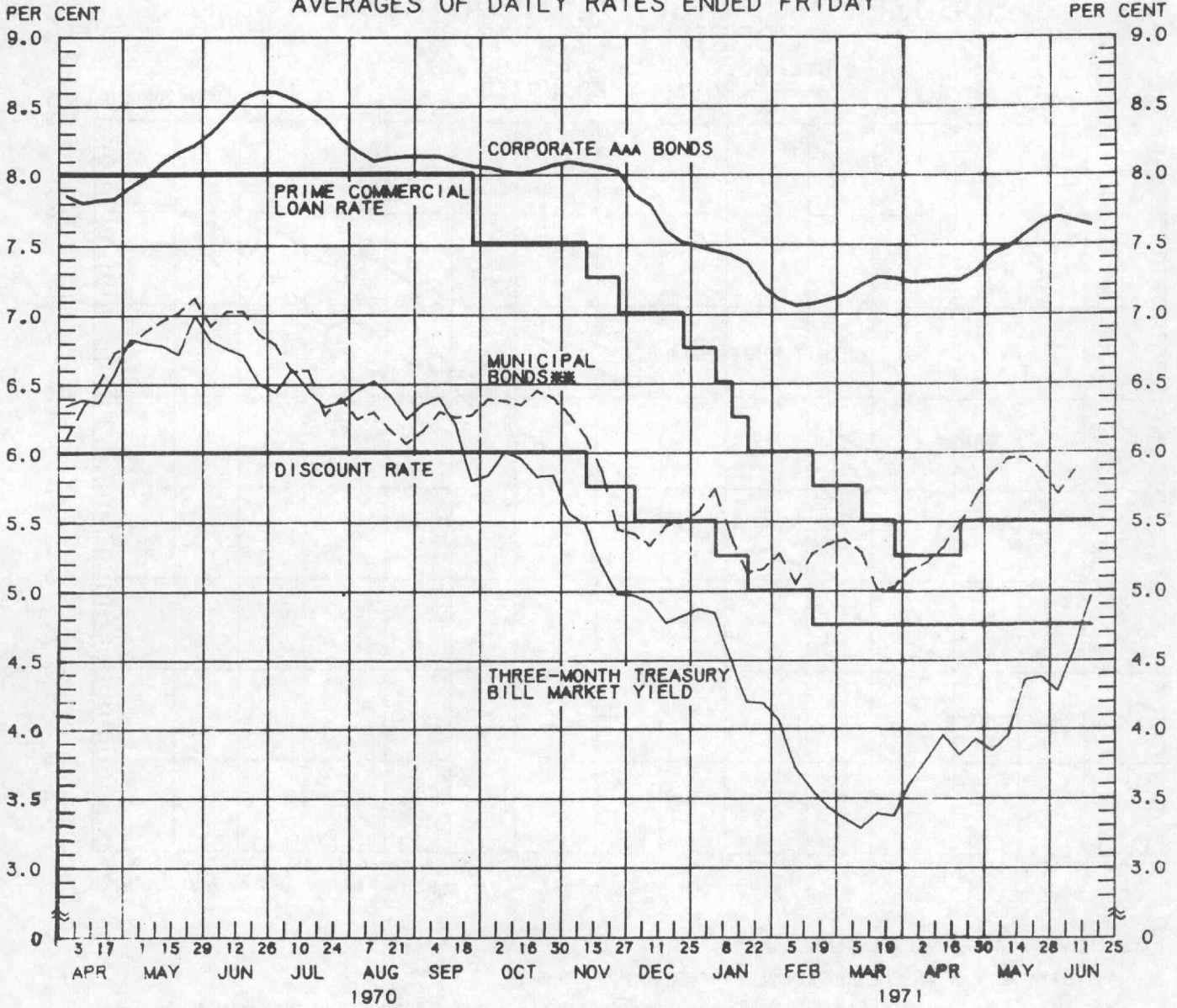
1/ INCLUDES MEMBER BANK DEPOSITS, BANK-RELATED COMMERCIAL PAPER, EURODOLLAR BORROWINGS OF U.S. BANKS, AND CERTAIN OTHER NONDEPOSIT SOURCES.

1971		BILLIONS	
		CREDIT PROXY	CREDIT PROXY ADJUSTED
MAY	5	337.1	341.6
	12	339.5	343.7
	19	339.6	343.6
	26	340.8	344.6
JUN.	2	341.7	345.8
	9	341.3	345.7

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF THE FOUR WEEKS ENDING JUNE 9, 1971 FROM THE FOUR WEEKS ENDING:		
	CREDIT PROXY	CREDIT PROXY ADJUSTED
APR. 7	12.9	7.9
MAR. 10	12.8	7.3
FEB. 10	14.6	8.7
JAN. 6	15.6	9.6
DEC. 9	16.3	10.3
NOV. 11	16.8	10.7
OCT. 7	15.8	9.5

# YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JUNE 18, 1971

1971	CORPORATE AAA BONDS	3-MONTH TREASURY BILLS	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES	MUNICIPAL BONDS **
APR. 2	7.22	3.61	4.85	5.64	5.15
9	7.23	3.78	5.08	5.66	5.21
16	7.24	3.96	5.37	5.73	5.32
23	7.24	3.81	5.59	5.82	5.48
30	7.31	3.93	5.77	5.81	5.69
MAY 7	7.43	3.84	5.92	5.92	5.85
14	7.48	3.96	5.98	5.96	5.96
21	7.57	4.36	6.20	6.04	5.96
28	7.66	4.38	5.97	5.90	5.86
JUNE 4	7.69	4.28	5.92	5.79	5.70
11	7.66	4.58	6.22	5.89	5.87
18 *	7.63	4.96	6.56	6.07	N.A.
25					

\* AVERAGES OF RATES AVAILABLE.

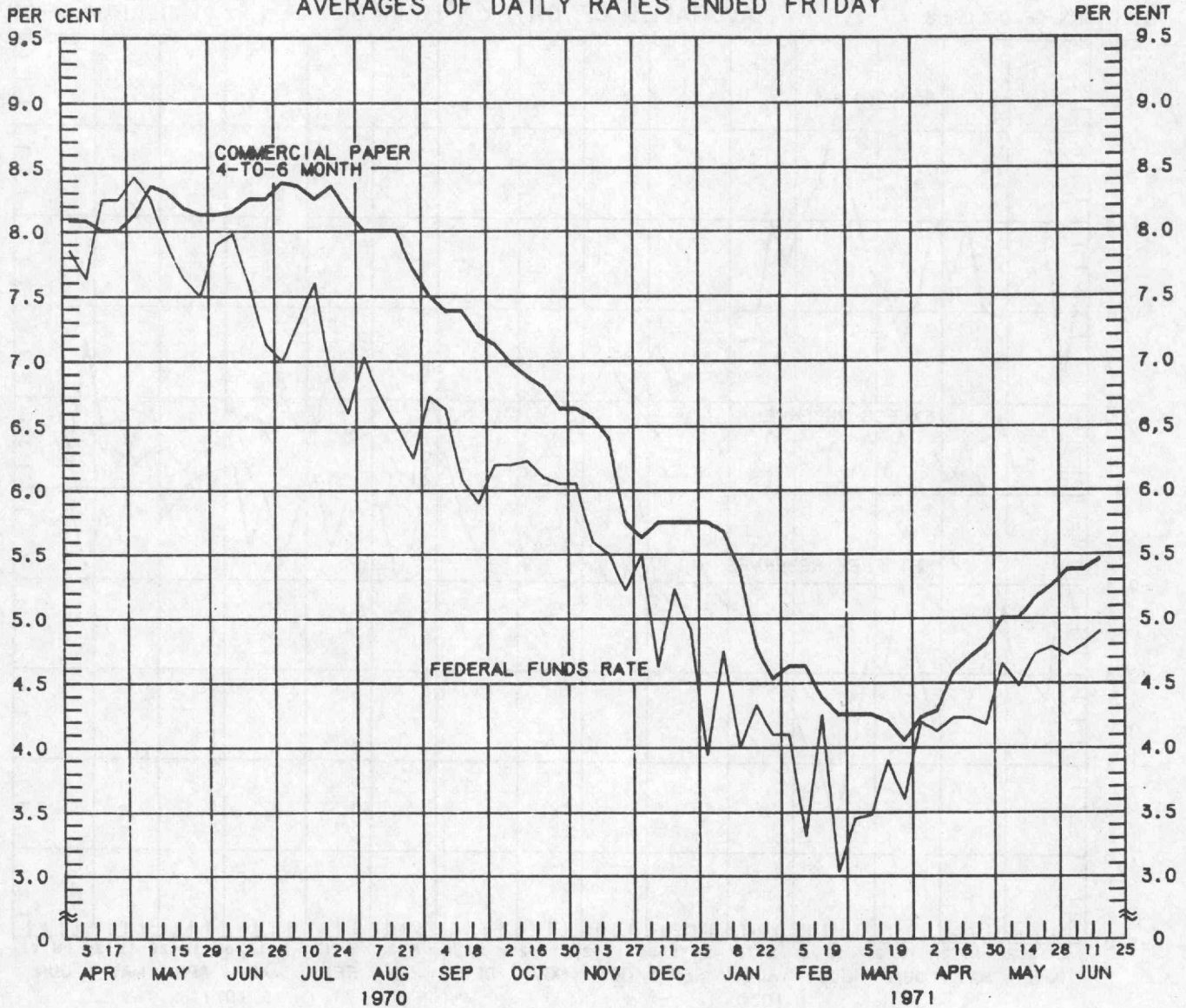
\*\* BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA.

N.A. - NOT AVAILABLE



# SELECTED SHORT-TERM INTEREST RATES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JUNE 18, 1971

1971	PRIME COMMERCIAL PAPER 4-6 MONTH	FEDERAL FUNDS	PRIME BANKERS' ACCEPTANCES	90 DAY CD'S ***
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	4.80	4.18	4.60	4.72
MAY 7	5.00	4.65	4.83	4.82
14	5.00	4.48	4.88	4.83
21	5.15	4.73	4.95	4.91
28	5.25	4.78	5.00	5.12
JUNE 4	5.38	4.72	5.00	5.25
11	5.38	4.80	5.18	5.28
18 *	5.46	4.90	5.38	5.33
25				

\* 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.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

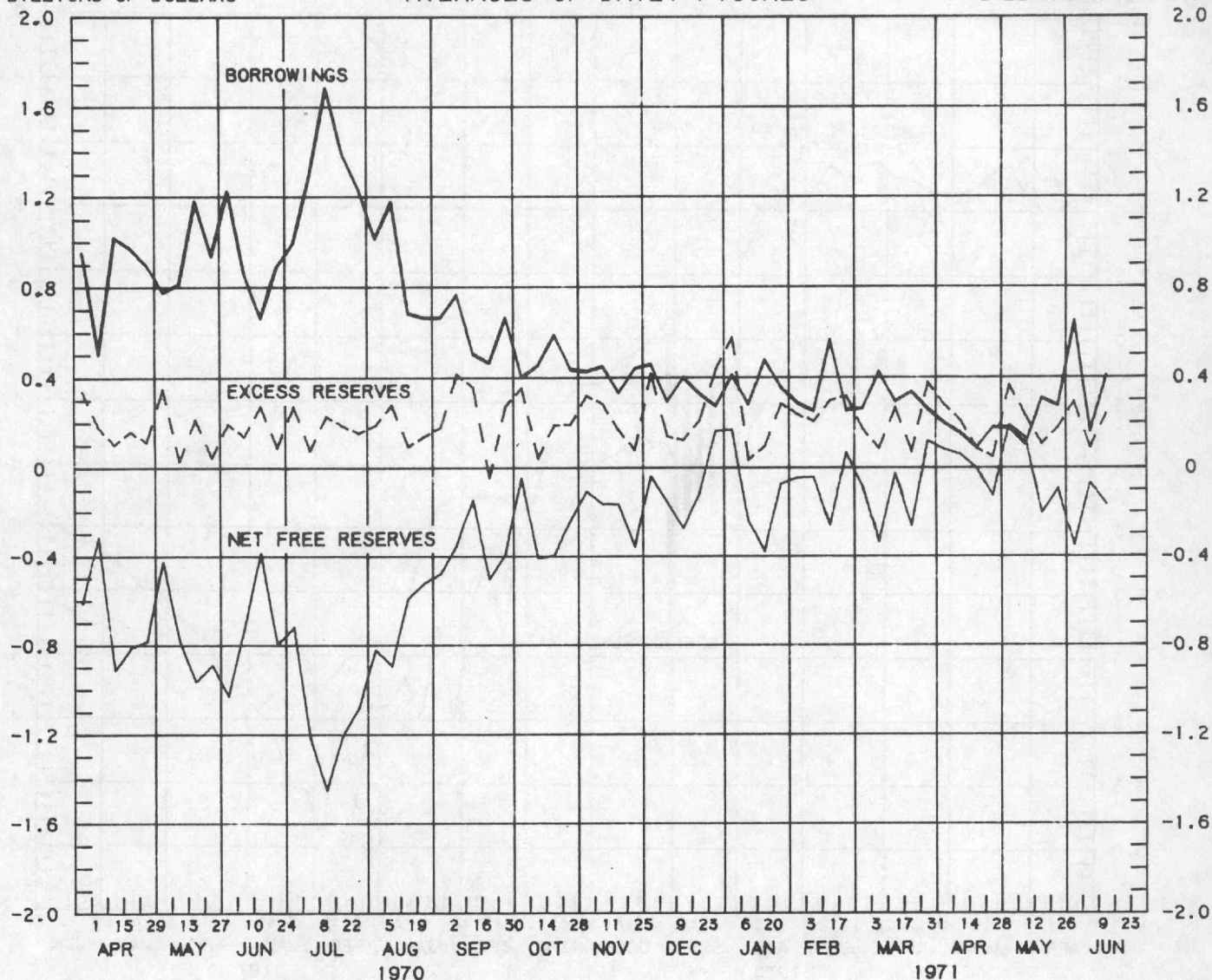


# BORROWINGS AND EXCESS RESERVES ALL MEMBER BANKS IN THE NATION

BILLIONS OF DOLLARS

AVERAGES OF DAILY FIGURES

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JUNE 16, 1971

1971	EXCESS RESERVES	MILLIONS	
		BORROWINGS	FREE RESERVES
APR. 7	277	197	80
14	208	150	58
21	81	84	- 3
28	48	176	- 128
MAY 5	365	174	191
12	230	99	131
19	102	306	- 204
26	175	269	- 94
JUNE 2	291	645	- 354
9	85	154	- 69
16	238	403	- 165
23			
30			

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS