

RESEARCH LIBRARY
Federal Reserve Bank
of St. Louis

Week ending: June 23, 1971

AUG 27 1971

The nation's money stock averaged \$225.3 billion in the four weeks ending June 16, up at a rapid 12 per cent annual rate in the past five months (page 5). The increase in money of about \$11 billion so far in 1971, is the same as the increase during all of 1970. Demand deposits, which comprise about three-fourths of the money stock, have risen at a 13 per cent rate in the past five months, compared with 5 per cent in 1970 (page 4). The currency component of money has risen at a 9.4 per cent rate in the past five months, compared with 6.3 per cent in 1970.

Broader measures of money also have risen rapidly in recent months. Money stock plus net time deposits, defined as money stock plus total time deposits minus large certificates of deposit, has risen at a 17 per cent annual rate in the past five months, compared with a 10 per cent rate in the previous ten months. From December 1968 to February 1970, this measure increased at about a 2 per cent rate. Money stock plus total time deposits also has risen at a 17 per cent rate in the past five months. In the previous ten months, this measure of money rose at a 14 per cent rate, after declining at a 1 per cent rate from December 1968 to February 1970.

The movements of these broader measures of money have been influenced by disintermediation and reintermediation of funds out of and into banks, reflecting the changing relationship between interest rate ceilings and short-term market interest rates. These large outflows and inflows of time deposits from banks make the interpretation of the growth of money stock plus total time deposits difficult. Large certificates of deposit have been particularly sensitive to the changing relationship between Regulation Q ceilings and short-term interest rates (page 8). For instance, when interest rates rose above Regulation Q ceilings in 1969, the outstanding volume of large CDs declined from \$24 billion in December 1968 to \$11 billion in February 1970. In 1970, Regulation Q ceilings were relaxed and short-term interest rates fell below ceiling rates, allowing CDs to increase from the February 1970 level to \$28 billion at present. Some analysts believe the exclusion of large CDs from money stock plus total time deposits make the measure more useful.

Beginning this week, two additional series will be reported in this release.* Net time deposits, defined as total time deposits minus large certificates of deposit, appears on page 6, along with total time deposits at commercial banks. Money stock plus net time deposits appears on page 7, along with money stock plus total time deposits. In addition, the series on certificates of deposit in denominations of \$100,000 or more (often referred to in our releases as large certificates of deposit, or large CDs) is now seasonally adjusted. Current data for these series are obtained from the Federal Reserve Board of Governors', Money Stock Measures, H.6 release. Back data are available from this Bank upon request.

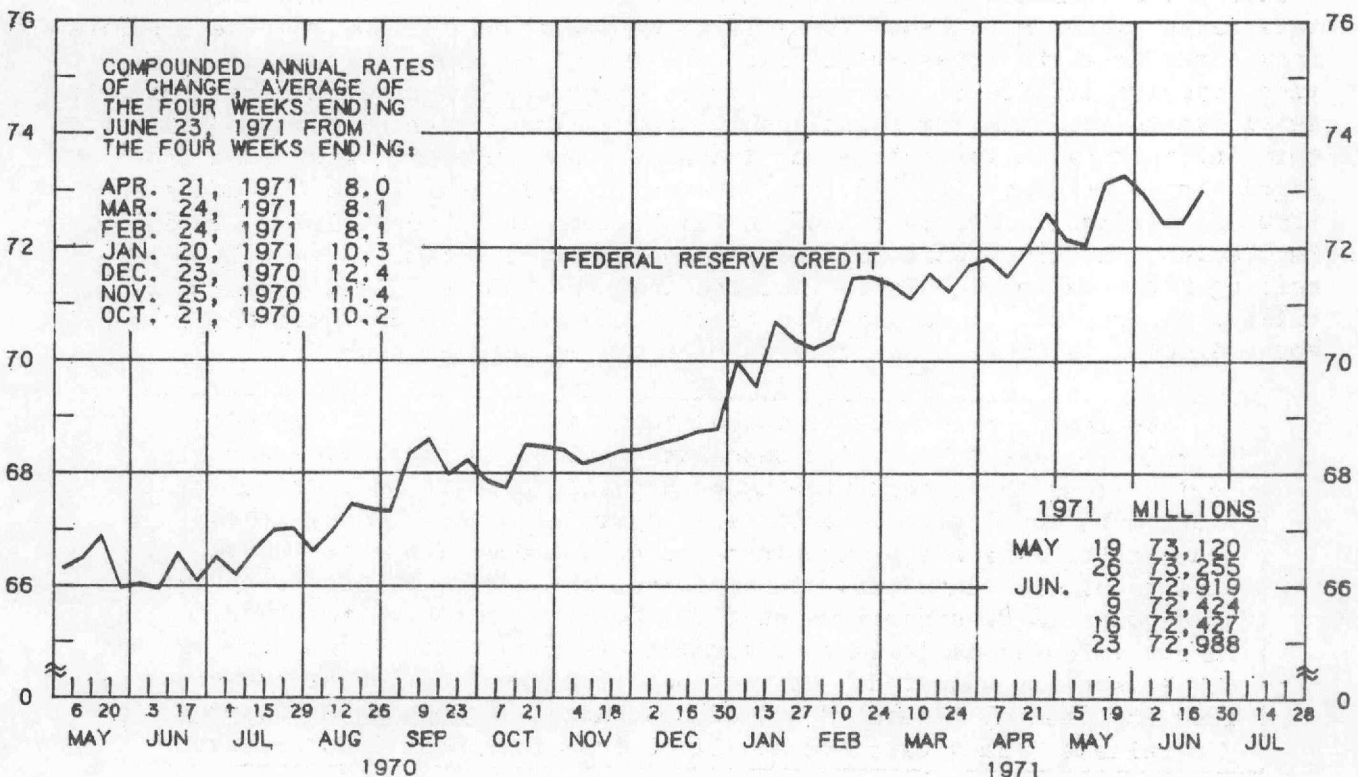
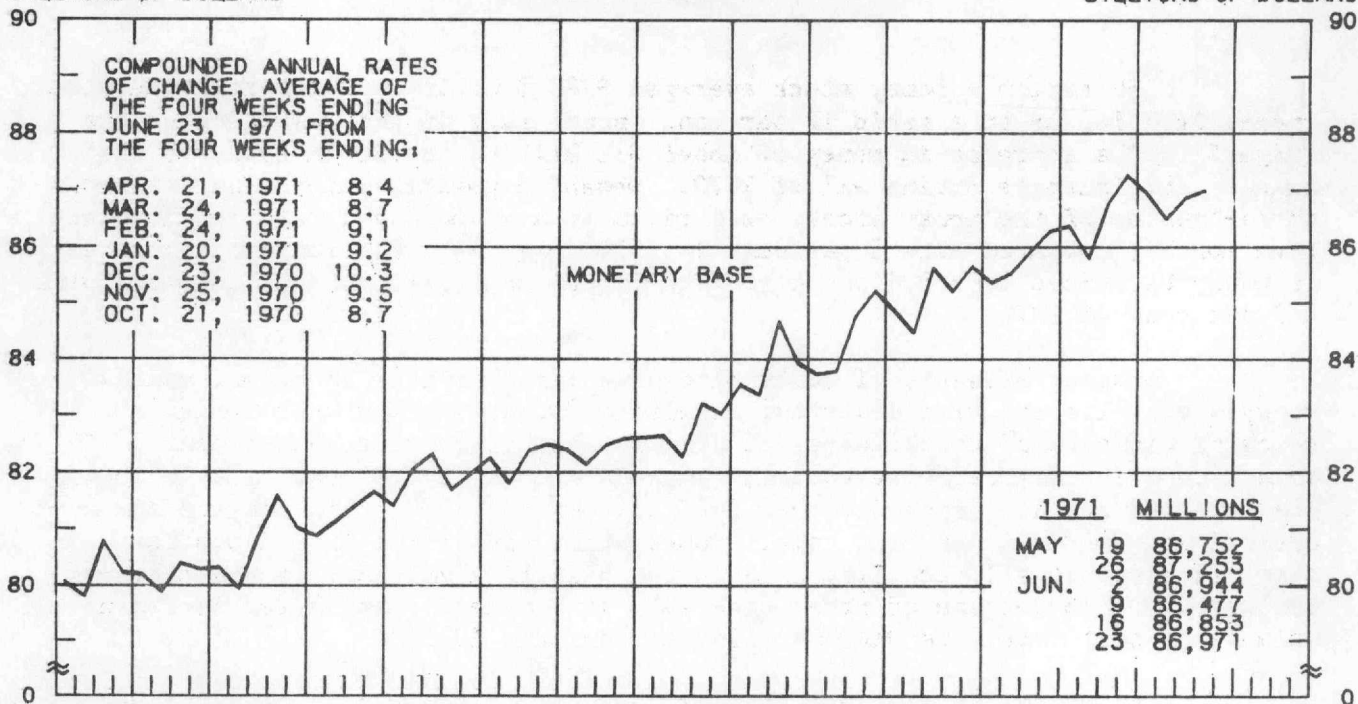
* Monthly data for these series are published in this Bank's Monetary Trends, beginning with the June 1971 release.

MONETARY BASE ^{1/} FEDERAL RESERVE CREDIT ^{2/}

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS

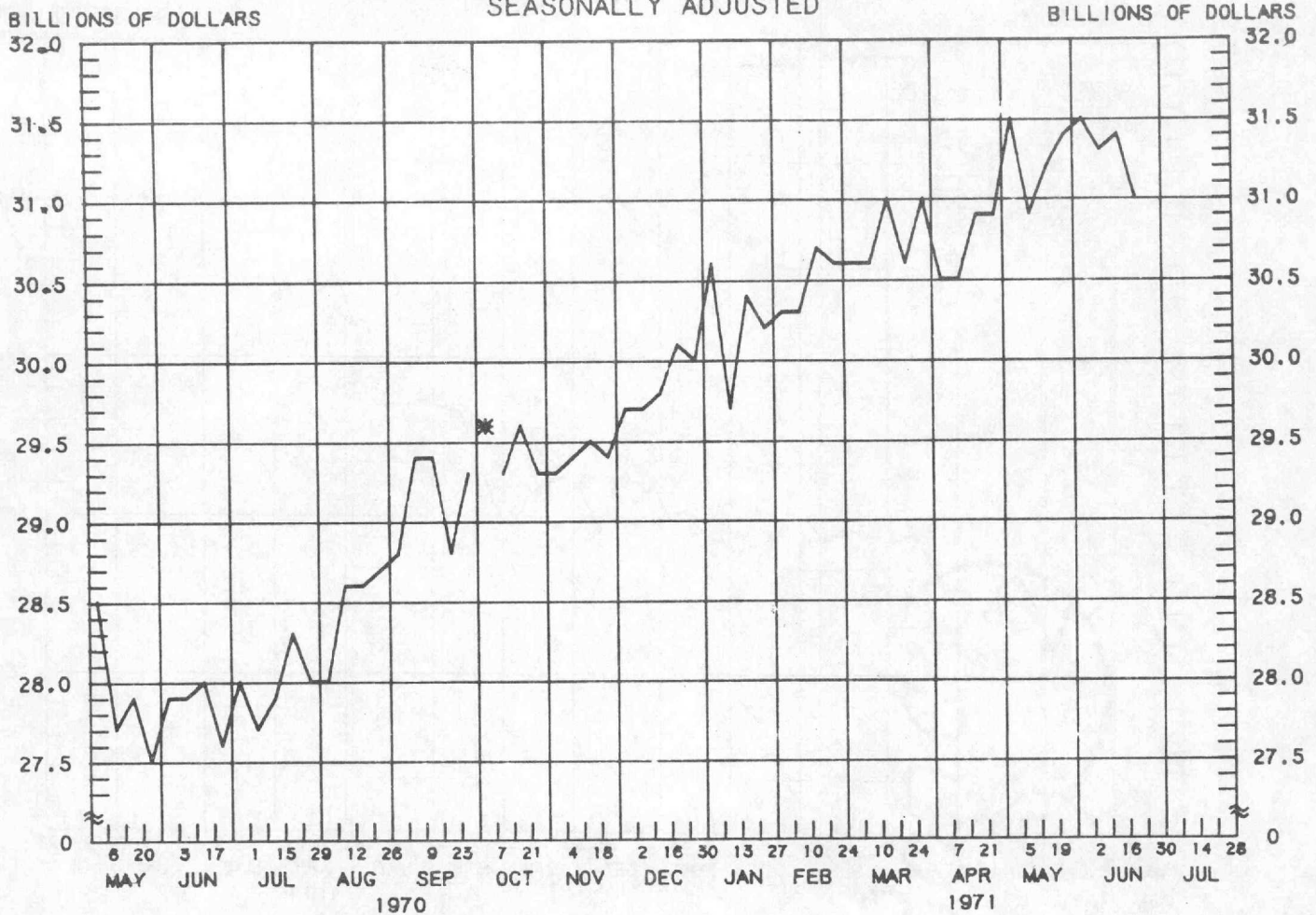


LATEST DATA PLOTTED WEEK ENDING: JUNE 23, 1971

- 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 23, 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.

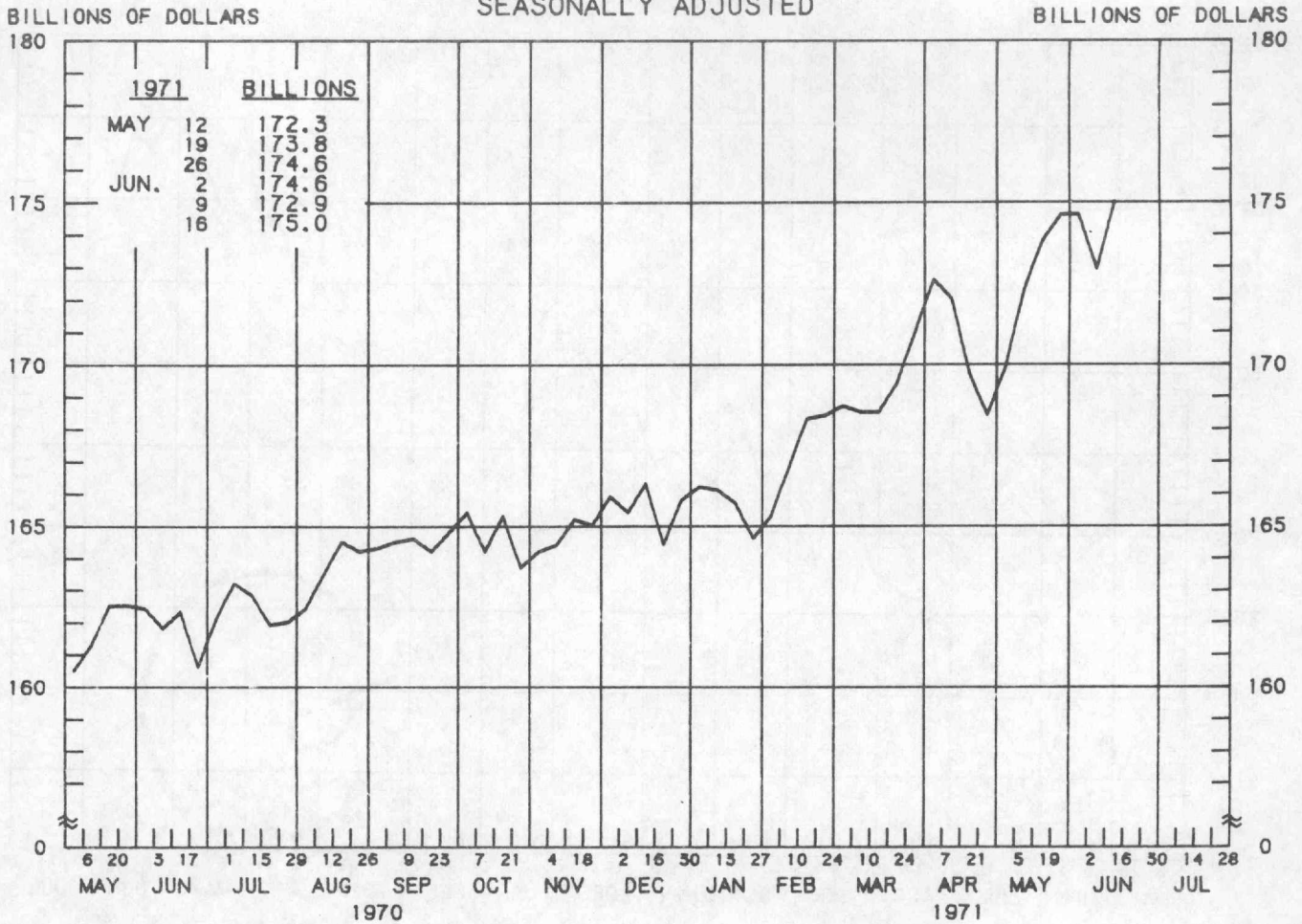
1971	BILLIONS
MAY 19	31.2
26	31.4
JUN. 2	31.5
9	31.3
16	31.4
23	31.0

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF THE FOUR WEEKS ENDING JUNE 23, 1971 FROM THE FOUR WEEKS ENDING:

APR. 21, 1971	11.8
MAR. 24, 1971	8.0
FEB. 24, 1971	8.2
JAN. 20, 1971	8.8
DEC. 23, 1970	10.3
NOV. 25, 1970	11.5
OCT. 21, 1970	9.2

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



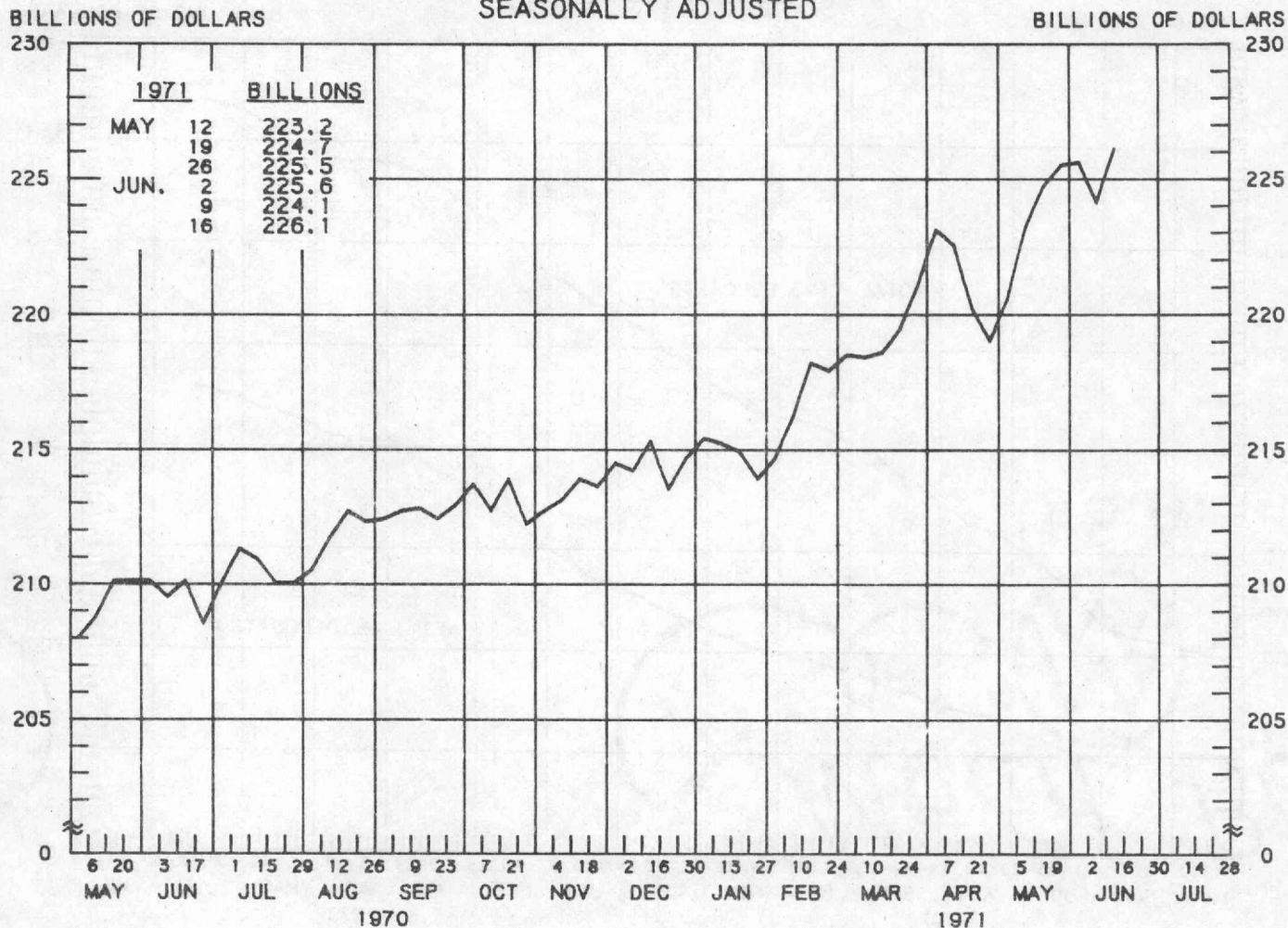
LATEST DATA PLOTTED WEEK ENDING: JUNE 16, 1971
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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

	6/17/70	10/14/70	11/18/70	12/16/70	1/13/71	2/17/71	3/17/71	4/14/71
TO THE AVERAGE OF FOUR WEEKS ENDING:								
11/18/70	3.1							
12/16/70	4.2	3.6						
1/13/71	3.6	2.2	4.8					
2/17/71	3.7	2.8	4.7	2.1				
3/17/71	5.1	5.5	7.8	6.9	10.6			
4/14/71	6.7	8.2	10.7	10.7	14.5	21.2		
5/19/71	5.9	6.6	8.3	7.9	9.9	12.1	9.3	
6/16/71	7.4	8.8	10.7	10.6	12.9	15.5	14.5	10.6

MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JUNE 16, 1971

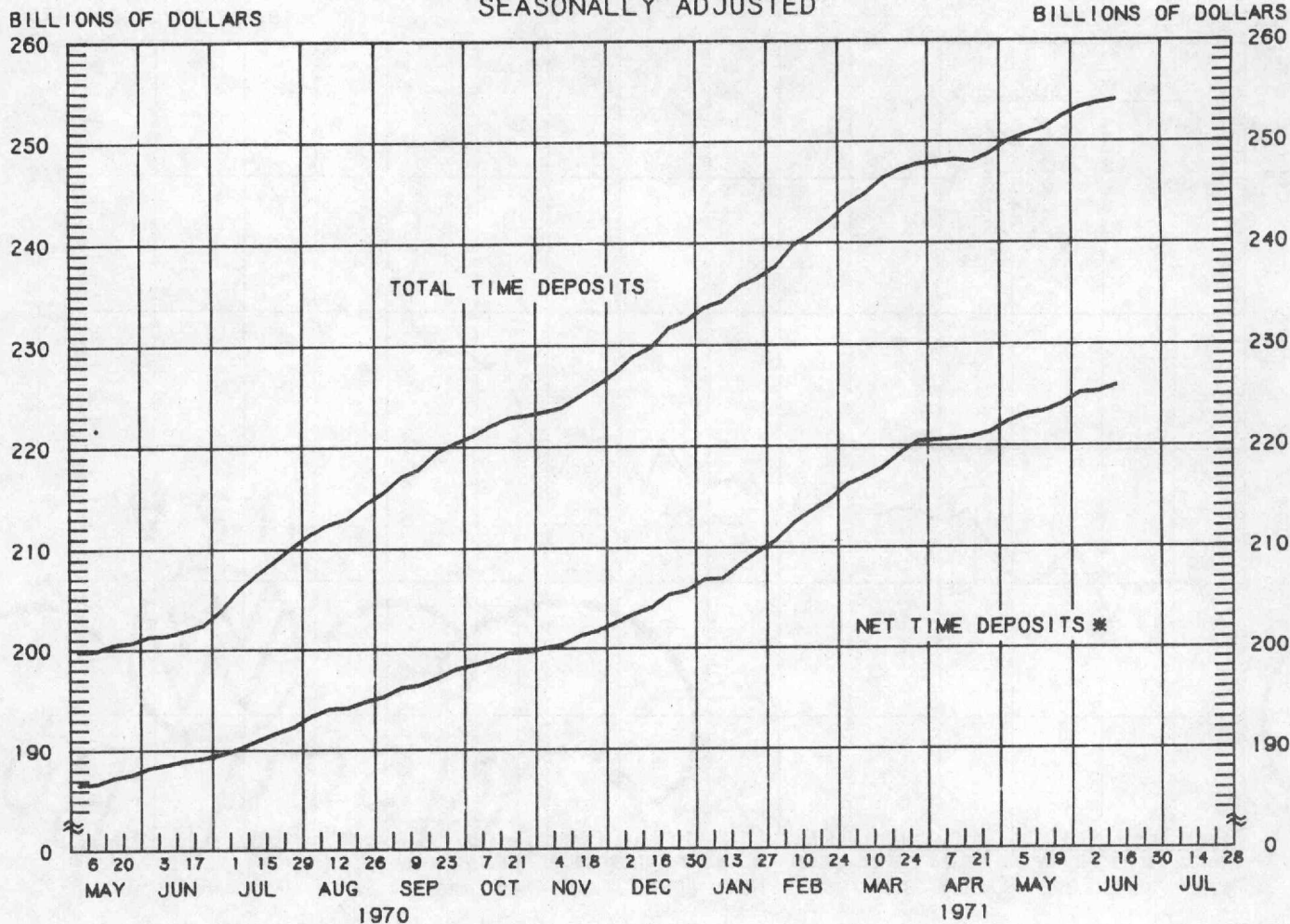
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:
6/17/70 10/14/70 11/18/70 12/16/70 1/13/71 2/17/71 3/17/71 4/14/71

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

11/18/70	3.4								
12/16/70	4.2	4.1							
1/13/71	3.9	3.4	5.3						
2/17/71	4.1	4.0	5.4	3.8					
3/17/71	5.4	6.2	8.0	7.7	10.4				
4/14/71	6.7	8.3	10.3	10.6	13.5	18.8			
5/19/71	6.2	7.2	8.5	8.5	10.0	11.8	9.6		
6/16/71	7.3	8.8	10.2	10.4	12.1	14.1	13.2	10.0	

TIME DEPOSITS ALL COMMERCIAL BANKS AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JUNE 16, 1971

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

* NET TIME DEPOSITS ARE DEFINED AS: SAVINGS DEPOSITS, TIME DEPOSITS OPEN ACCOUNT PLUS TIME CERTIFICATES OF DEPOSIT OTHER THAN NEGOTIABLE TIME CERTIFICATES OF DEPOSIT ISSUED IN DENOMINATIONS OF \$100,000 OR MORE BY LARGE WEEKLY REPORTING COMMERCIAL BANKS.

NET TIME DEPOSITS

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

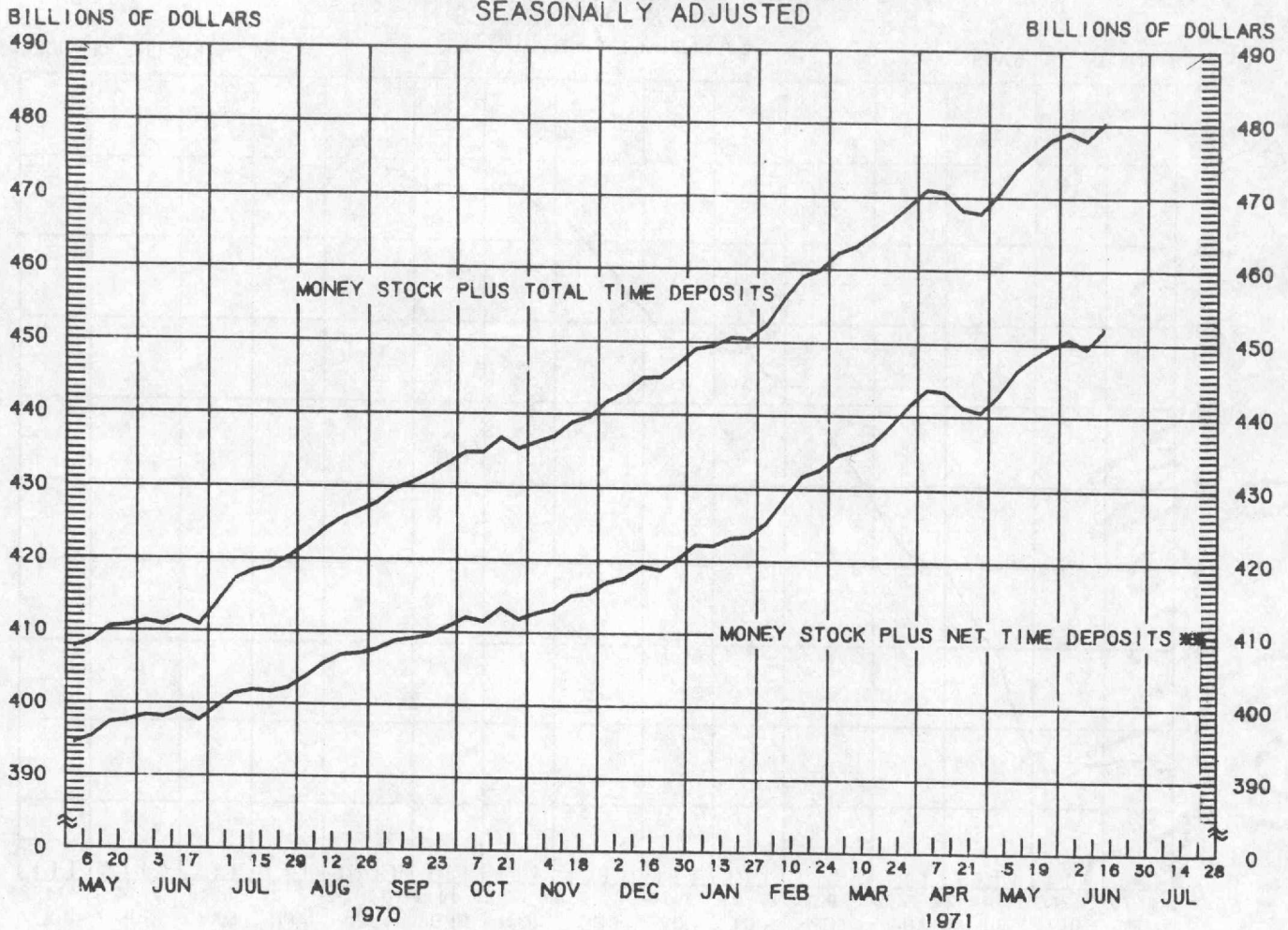
6/17/70 10/14/70 11/18/70 12/16/70 1/13/71 2/17/71 3/17/71 4/14/71

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

11/18/70	15.7							
12/16/70	16.1	15.2						
1/13/71	16.9	17.4	20.4					
2/17/71	18.8	21.0	24.3	27.1				
3/17/71	20.4	23.4	26.7	29.4	32.5			
4/14/71	20.8	23.7	26.4	28.4	30.3	30.0		
5/19/71	19.8	21.6	23.4	24.4	24.8	22.5	17.4	
6/16/71	19.5	20.9	22.3	23.0	23.0	20.8	16.9	13.3

MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JUNE 16, 1971

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

*% M₂ IS DEFINED AS: CURRENCY, DEMAND DEPOSITS PLUS NET TIME DEPOSITS (SEE PAGE 6).

MONEY STOCK PLUS NET TIME DEPOSITS (M₂)

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

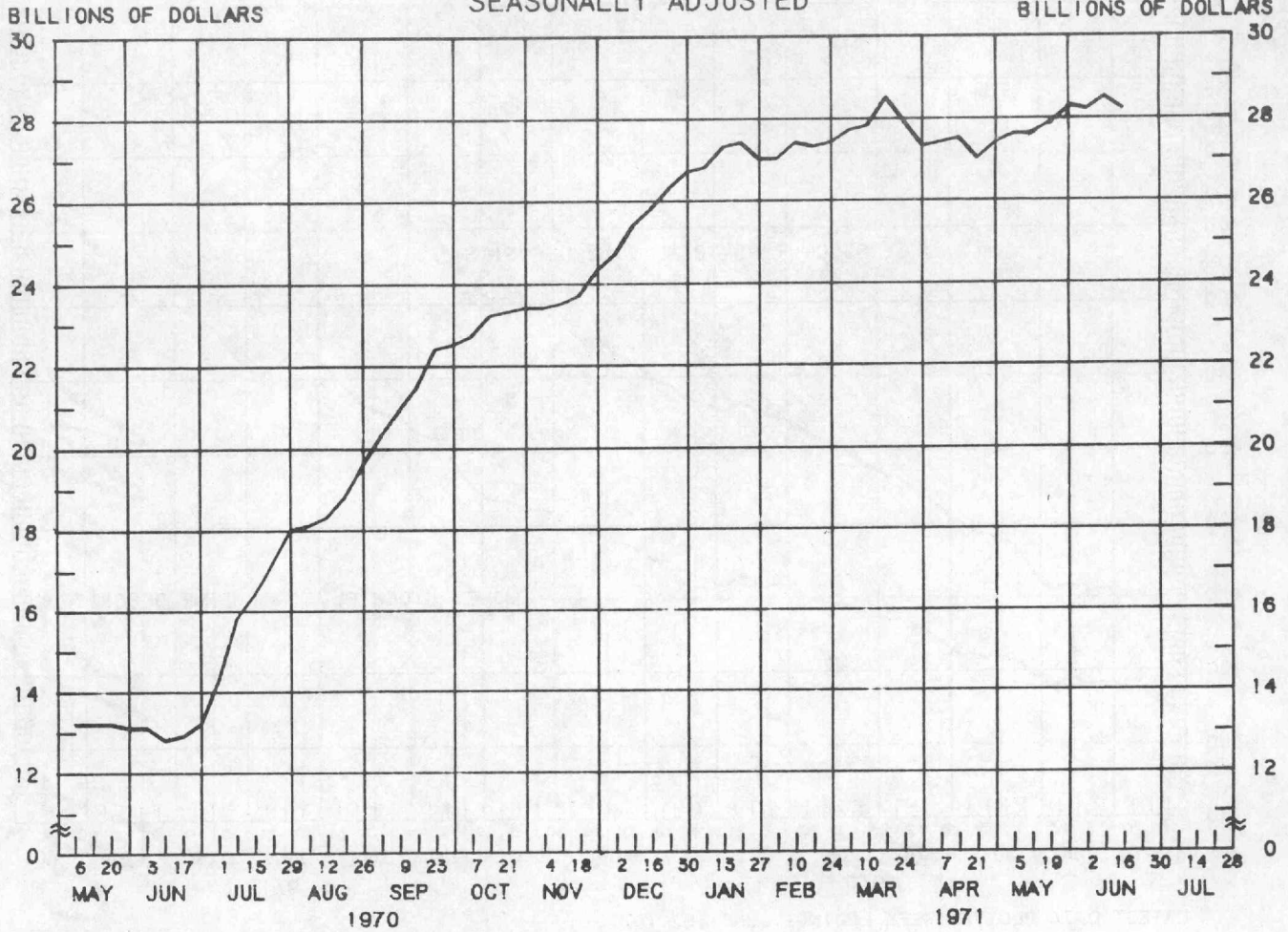
6/17/70 10/14/70 11/18/70 12/16/70 1/13/71 2/17/71 3/17/71 4/14/71

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

11/18/70	9.1								
12/16/70	9.8	9.2							
1/13/71	10.0	9.9	12.6						
2/17/71	11.0	11.9	14.4	14.7					
3/17/71	12.4	14.2	16.8	17.8	20.7				
4/14/71	13.4	15.5	18.0	19.1	21.5	24.2			
5/19/71	12.6	14.0	15.7	16.0	17.1	17.0	13.6		
6/16/71	13.1	14.6	16.1	16.5	17.4	17.5	15.2	11.8	

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JUNE 16, 1971

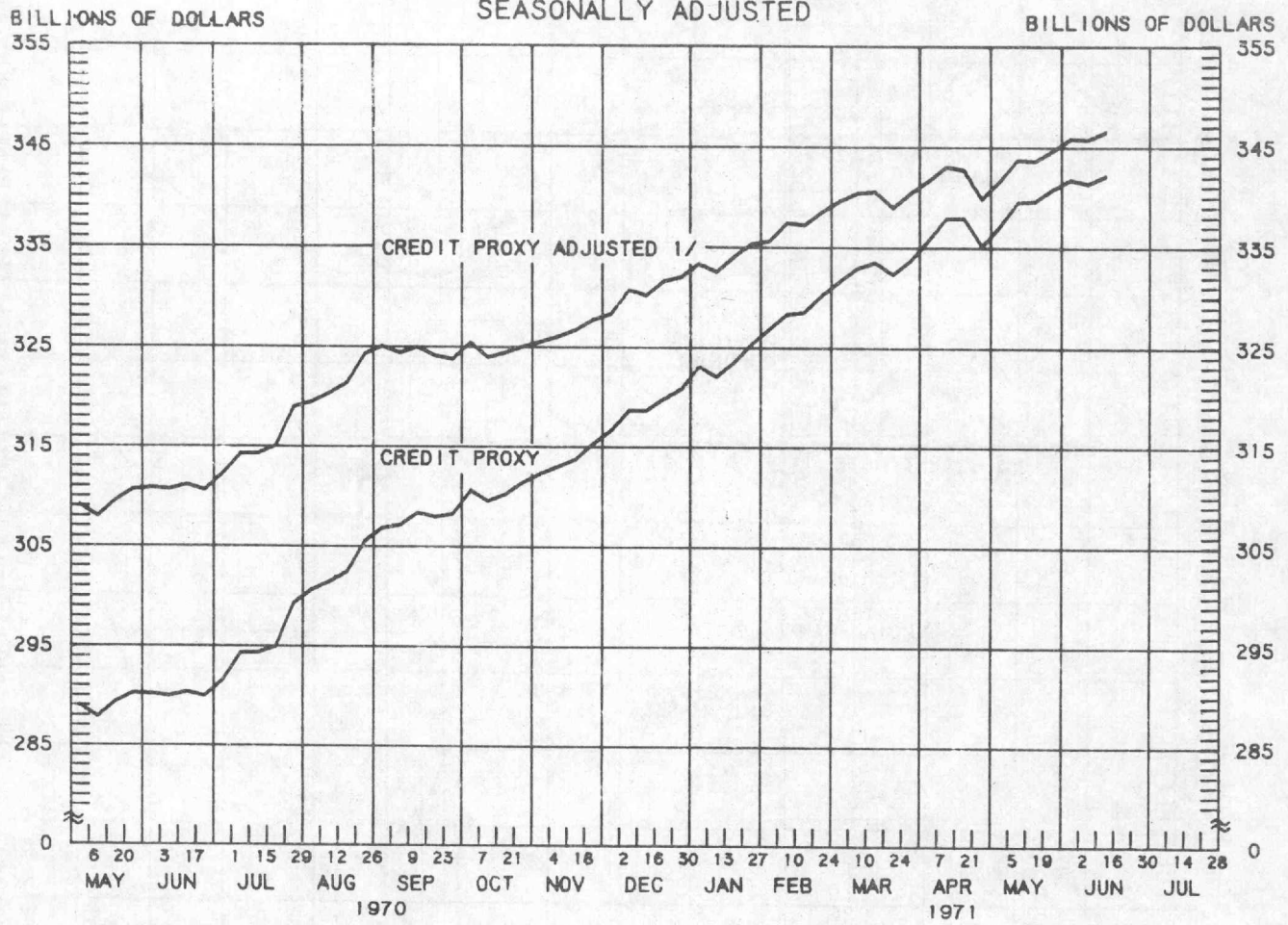
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

NEGOTIABLE TIME CERTIFICATES OF DEPOSIT ISSUED IN DENOMINATIONS OF \$100,000 OR MORE BY LARGE WEEKLY REPORTING COMMERCIAL BANKS.

MONEY AND TIME DEPOSIT DATA				
1971		BILLIONS		
		CERTIFICATES OF DEPOSIT	NET TIME DEPOSITS *	M 2 ***
MAY	5	27.6	222.3	442.9
	12	27.6	223.0	446.2
	19	27.9	223.3	448.0
	26	28.3	224.0	449.5
JUNE	2	28.2	225.1	450.6
	9	28.5	225.2	449.3
	16	28.2	225.8	452.0
	23			
JULY	30			
	7			
	14			
	21			
	28			

* SEE FOOTNOTE PAGE 6.
*** SEE FOOTNOTE PAGE 7.

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

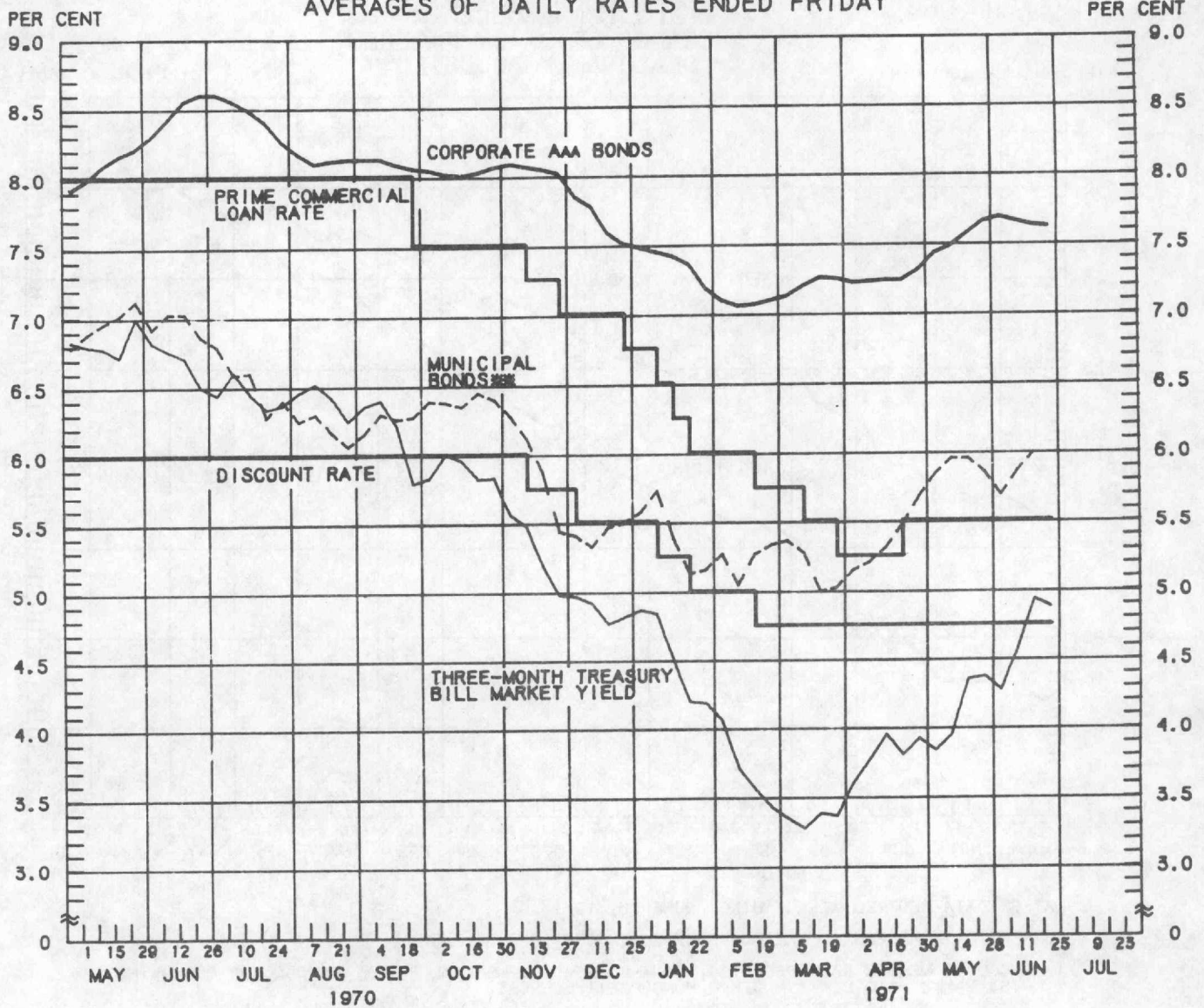
1/ INCLUDES MEMBER BANK DEPOSITS, BANK-RELATED COMMERCIAL PAPER, EURODOLLAR BORROWINGS OF U.S. BANKS, AND CERTAIN OTHER NONDEPOSIT SOURCES.

1971		BILLIONS	
		CREDIT PROXY	CREDIT PROXY ADJUSTED
MAY	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
	16	342.1	346.5

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF THE FOUR WEEKS ENDING JUNE 16, 1971 FROM THE FOUR WEEKS ENDING:			
		CREDIT PROXY	CREDIT PROXY ADJUSTED
APR.	14, 1971	11.9	8.2
MAR.	17, 1971	11.8	7.1
FEB.	17, 1971	14.0	8.7
JAN.	13, 1971	15.4	9.7
DEC.	16, 1970	15.8	10.3
NOV.	18, 1970	16.6	10.8
OCT.	14, 1970	16.0	10.0

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



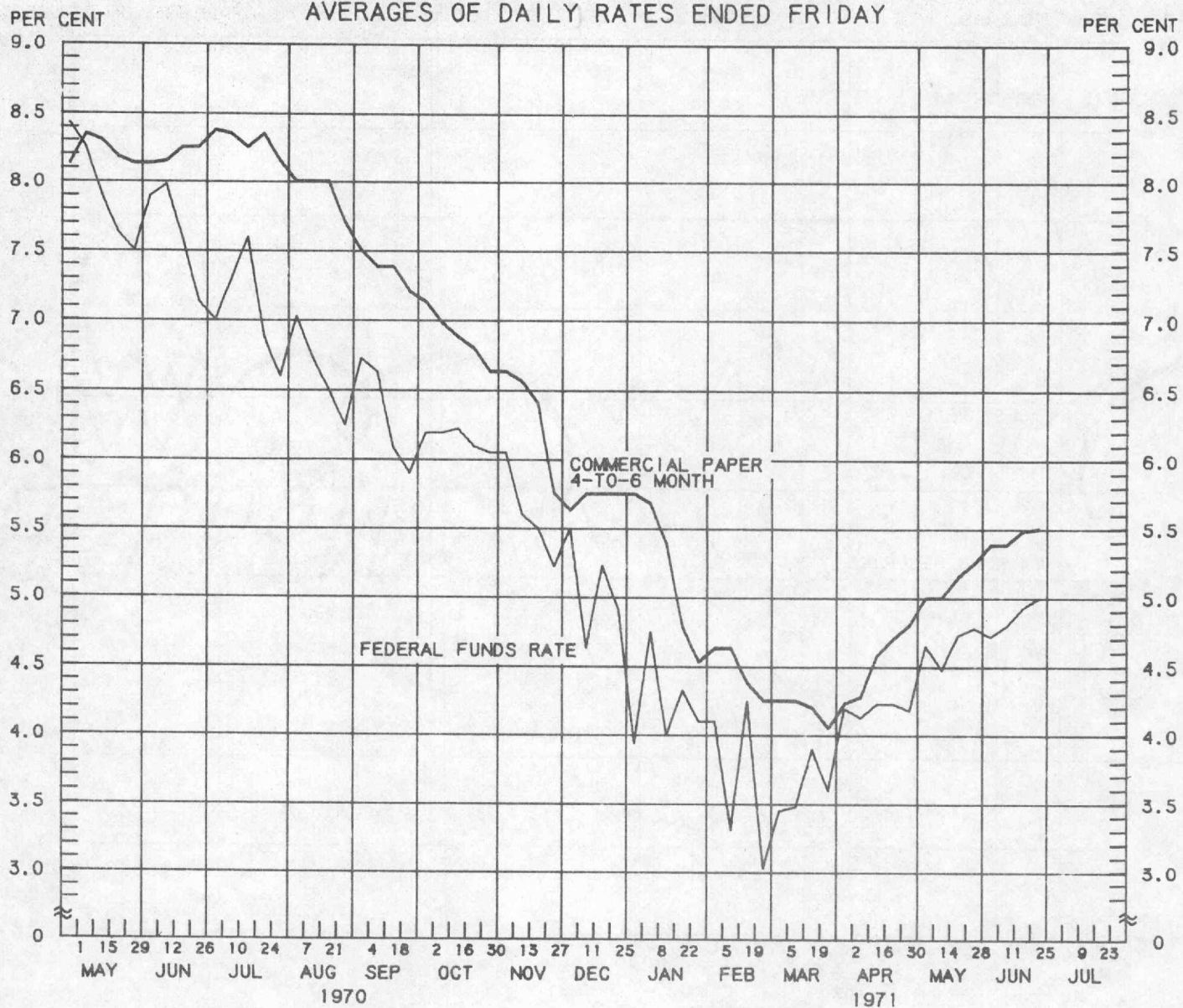
LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JUNE 25, 1971

1971	CORPORATE AAA BONDS	3-MONTH TREASURY BILLS	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES	MUNICIPAL BONDS ^{***}
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	4.94	6.54	6.06	6.00
25 *	7.62	4.88	6.44	5.98	N.A.
JULY 2					
9					
16					
23					
30					

* 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 25, 1971

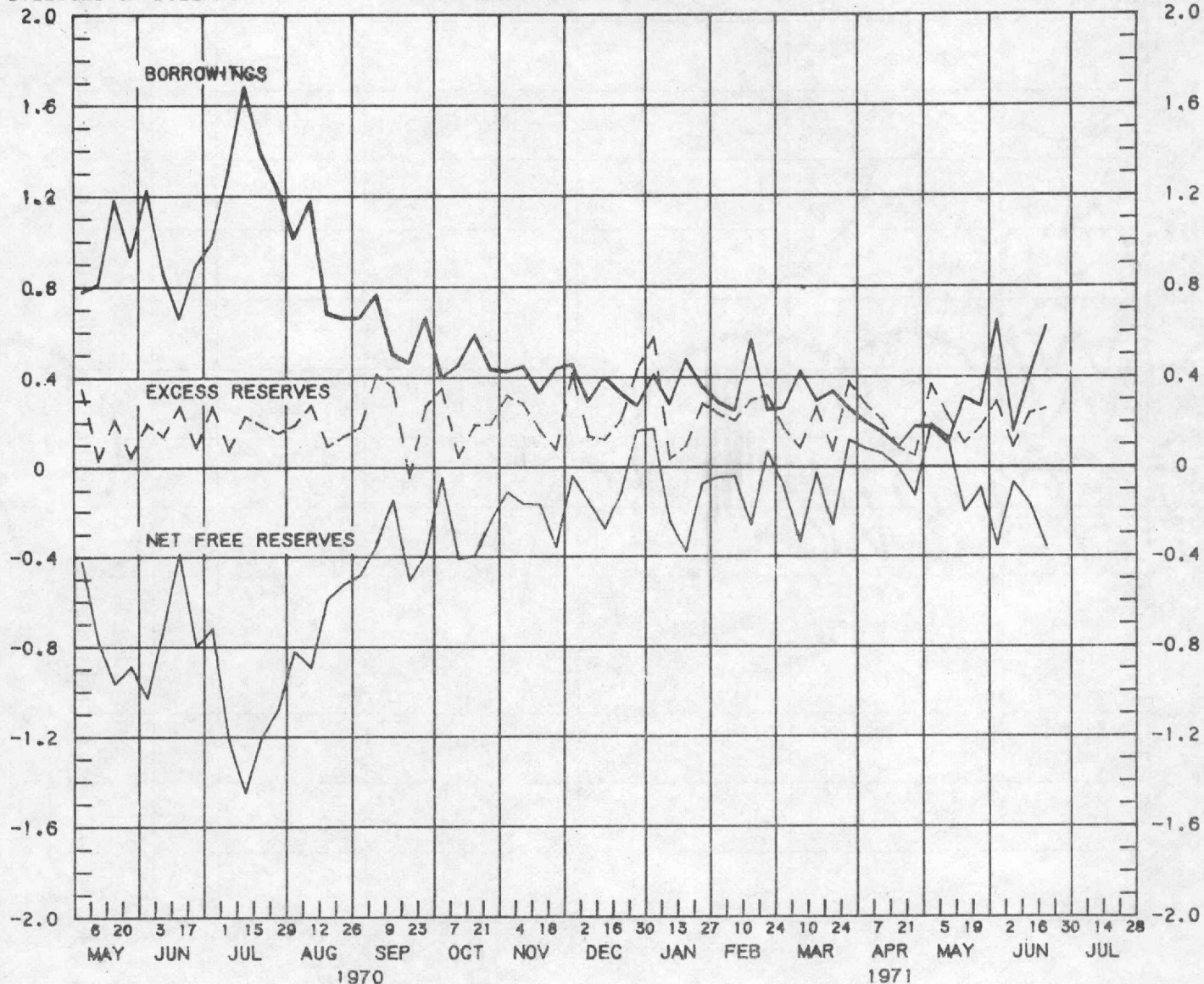
1971	PRIME COMMERCIAL PAPER 4-6 MONTH	FEDERAL FUNDS	PRIME BANKERS' ACCEPTANCES	90 DAY CD'S ***
MAY 7	5.00	4.65	4.83	4.82
14	5.00	4.48	4.88	4.83
21	5.15	4.73	4.95	4.91
28	5.25	4.78	5.00	5.12
JUNE 4	5.38	4.72	5.00	5.25
11	5.38	4.80	5.18	5.28
18	5.48	4.93	5.43	5.33
25 *	5.50	5.00	5.50	5.43
JULY 2				
9				
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.

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 23, 1971

1971	MILLIONS		
	EXCESS RESERVES	BORROWINGS	FREE RESERVES
MAY 5	365	174	191
12	230	99	131
19	102	306	- 204
26	174	267	- 93
JUNE 2	291	645	- 354
9	85	154	- 69
16	238	403	- 165
23	258	618	- 360
JULY 30			
7			
14			
21			
28			

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS