



U.S. FINANCIAL DATA

Week ending: July 14, 1971

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The money stock averaged \$226.3 billion in the four weeks ending July 7, up at an 11 per cent annual rate in the past six months (page 5). This rate of growth is the most rapid for any six-month period since World War II. In comparison, money grew 5.4 per cent in 1970, and at a trend growth rate of 3.3 per cent from 1957 to 1969. The demand deposit component (page 4) has risen at an 11.5 per cent rate in the past six months, and the currency component at a 9.6 per cent rate. In comparison, demand deposits grew 5.1 per cent in 1970, while currency grew 6.3 per cent.

The growth rates of other monetary aggregates, such as Federal Reserve credit and the monetary base, also have accelerated in 1971 (page 2). Normally over a period of several months, the growth of money is largely determined by the growth of the monetary base, which in turn, largely reflects Federal Reserve purchases and sales of securities. Federal Reserve credit, the components of which include System holdings of securities, discounts and advances, float, and other Federal Reserve assets, has increased at a 13 per cent annual rate in the past six months, compared with 5 per cent in 1970. The expansion of this aggregate in the past six months mainly resulted from the increased holdings of Government securities by the Federal Reserve. System holdings of securities rose from \$62 billion in the four weeks ending January 13 to \$65 billion in the latest four weeks, and discounts and advances increased from \$320 million to \$760 million. Over the same period, float and other Federal Reserve assets tended to decrease Federal Reserve credit. The monetary base has increased at a 9 per cent annual rate in the past six months, compared with 6 per cent in 1970.

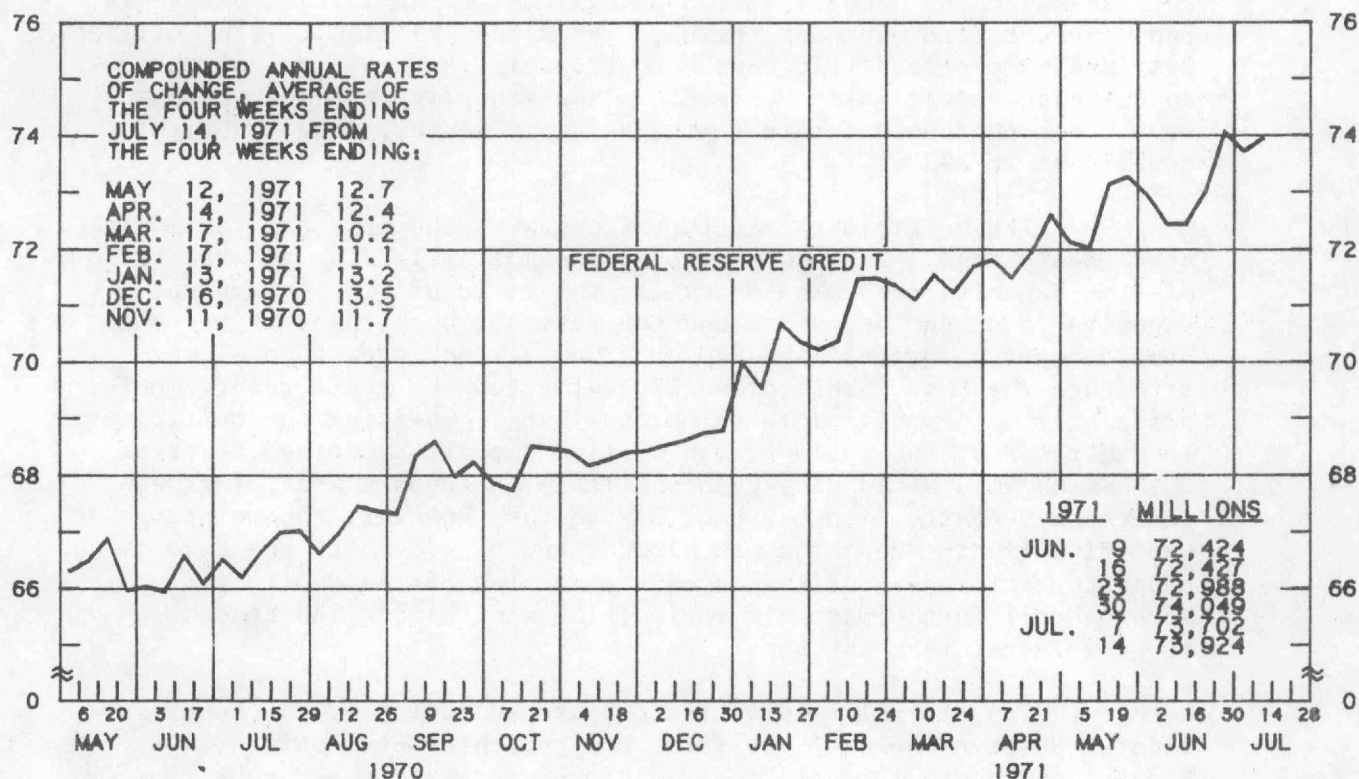
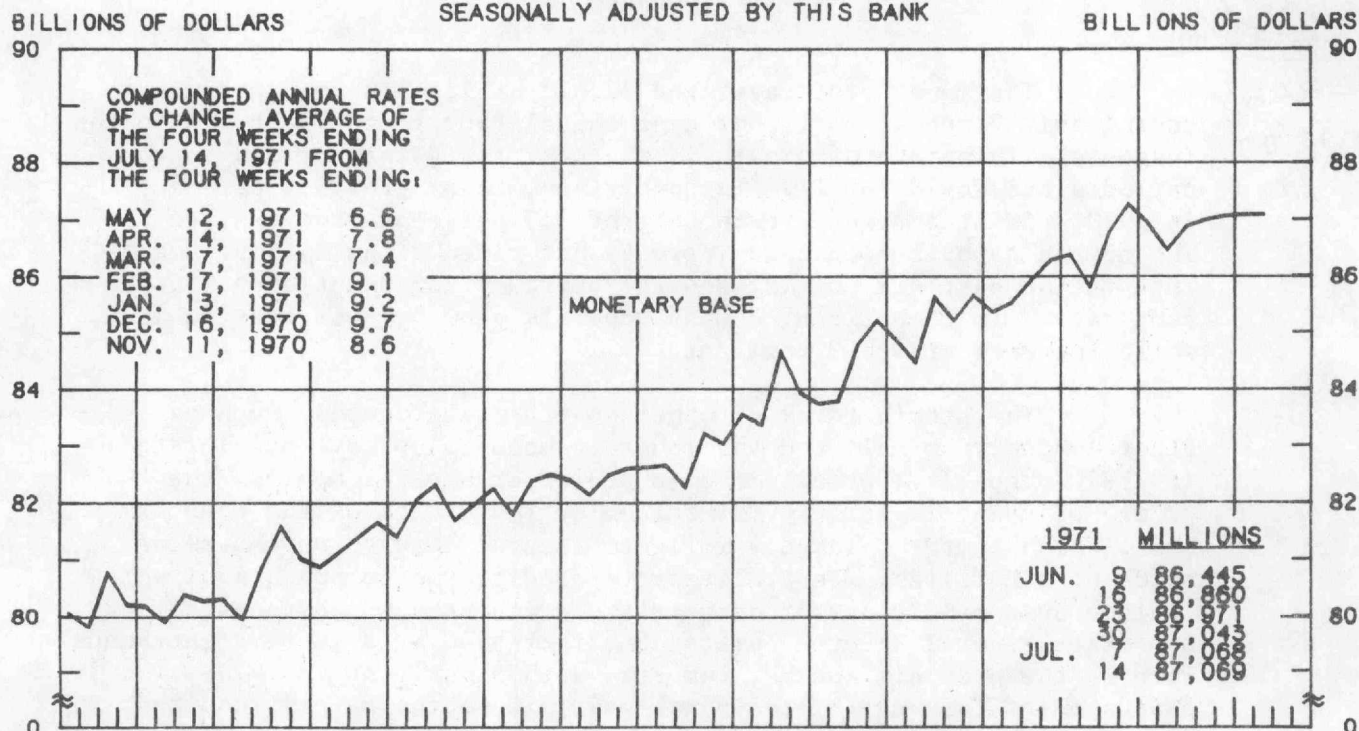
The multiplier relationship between the base and the money stock can change. Factors affecting the multiplier include the ratio of time deposits to demand deposits, the ratio of U.S. Government deposits to demand deposits, and the ratio of bank reserves to total bank deposits. Overall in 1970, the money stock grew at a slower rate than the base. This primarily reflected the rapid reintermediation of time deposits into commercial banks, lowering the multiplier. In other words, the rapid growth of time deposits absorbed reserves which otherwise would have been available to support greater growth in demand deposits. In the past six months, however, the reintermediation of time deposits has slowed, and as a result, the time deposits ratio has contributed to the raising of the multiplier. Thus overall in the past six months, the money stock has tended to grow faster than the base.

The Federal Reserve Board approved action by the four Federal Reserve banks of New York, Philadelphia, St. Louis, and San Francisco to increase their discount rates to 5 per cent from 4.75, effective on July 16. This upward adjustment brings this rate into closer alignment with short-term market interest rates.

Prepared by Federal Reserve Bank of St. Louis

Released: July 16, 1971

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

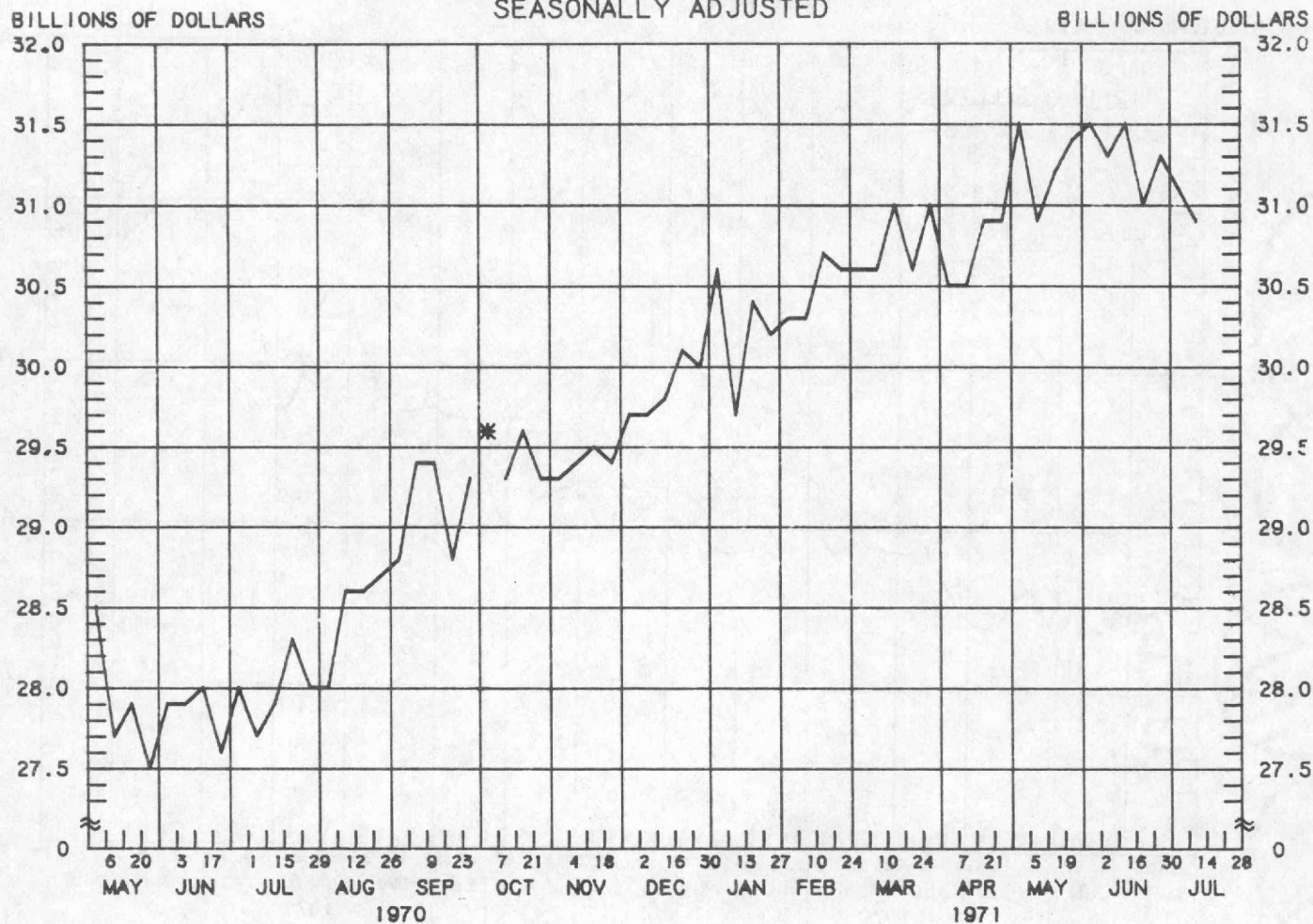


LATEST DATA PLOTTED WEEK ENDING: JULY 14, 1971

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: JULY 14, 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
JUN.	9	31.3
	16	31.5
	23	31.0
	30	31.3
JUL.	7	31.1
	14	30.9

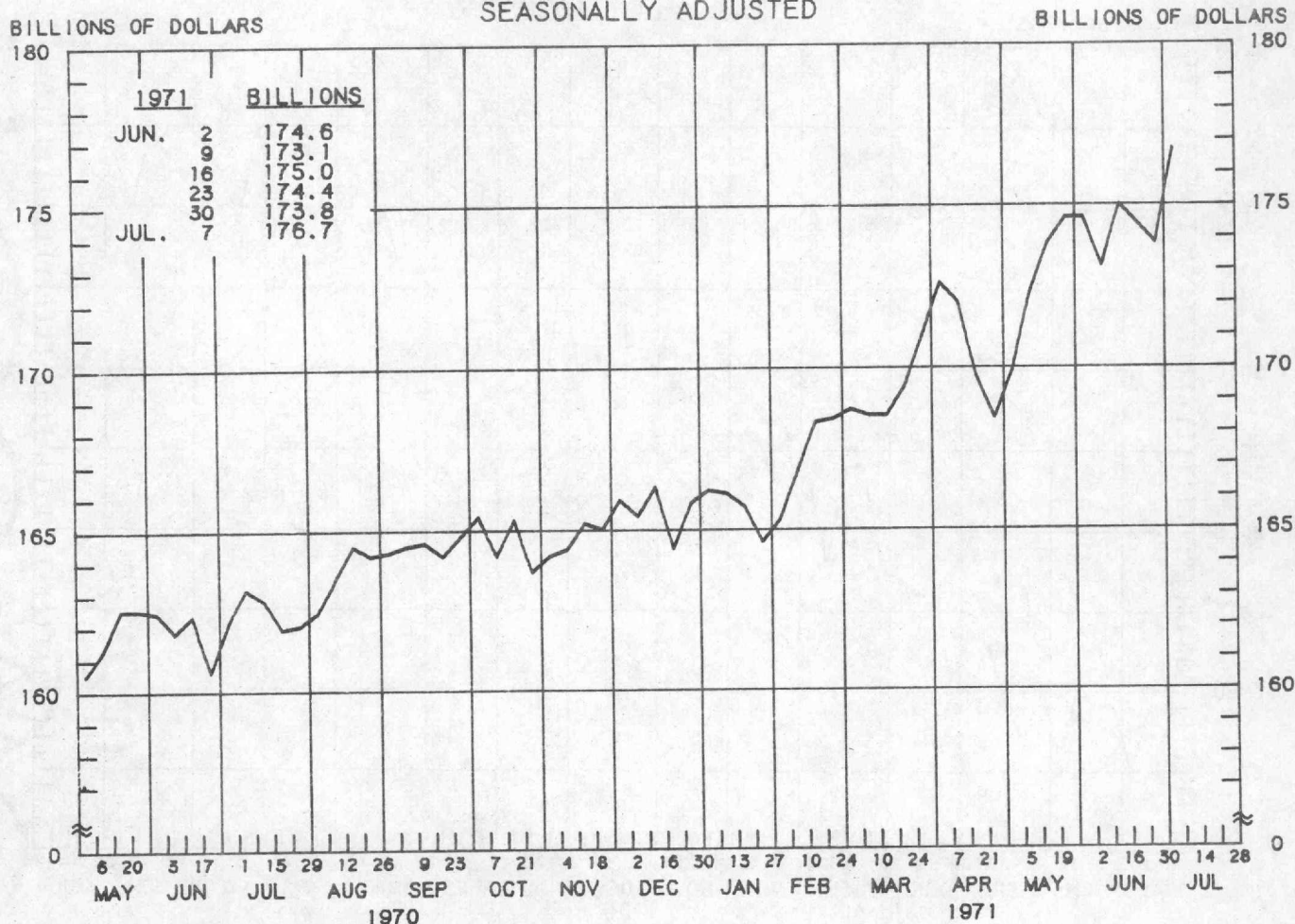
COMPOUNDED ANNUAL RATES
OF CHANGE, AVERAGE OF
THE FOUR WEEKS ENDING
JULY 14, 1971 FROM
THE FOUR WEEKS ENDING:

MAY 12, 1971	0.0
APR. 14, 1971	5.3
MAR. 17, 1971	4.0
FEB. 17, 1971	5.8
JAN. 13, 1971	6.8
DEC. 16, 1970	8.3
NOV. 11, 1970	8.7

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JULY 7, 1971

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

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

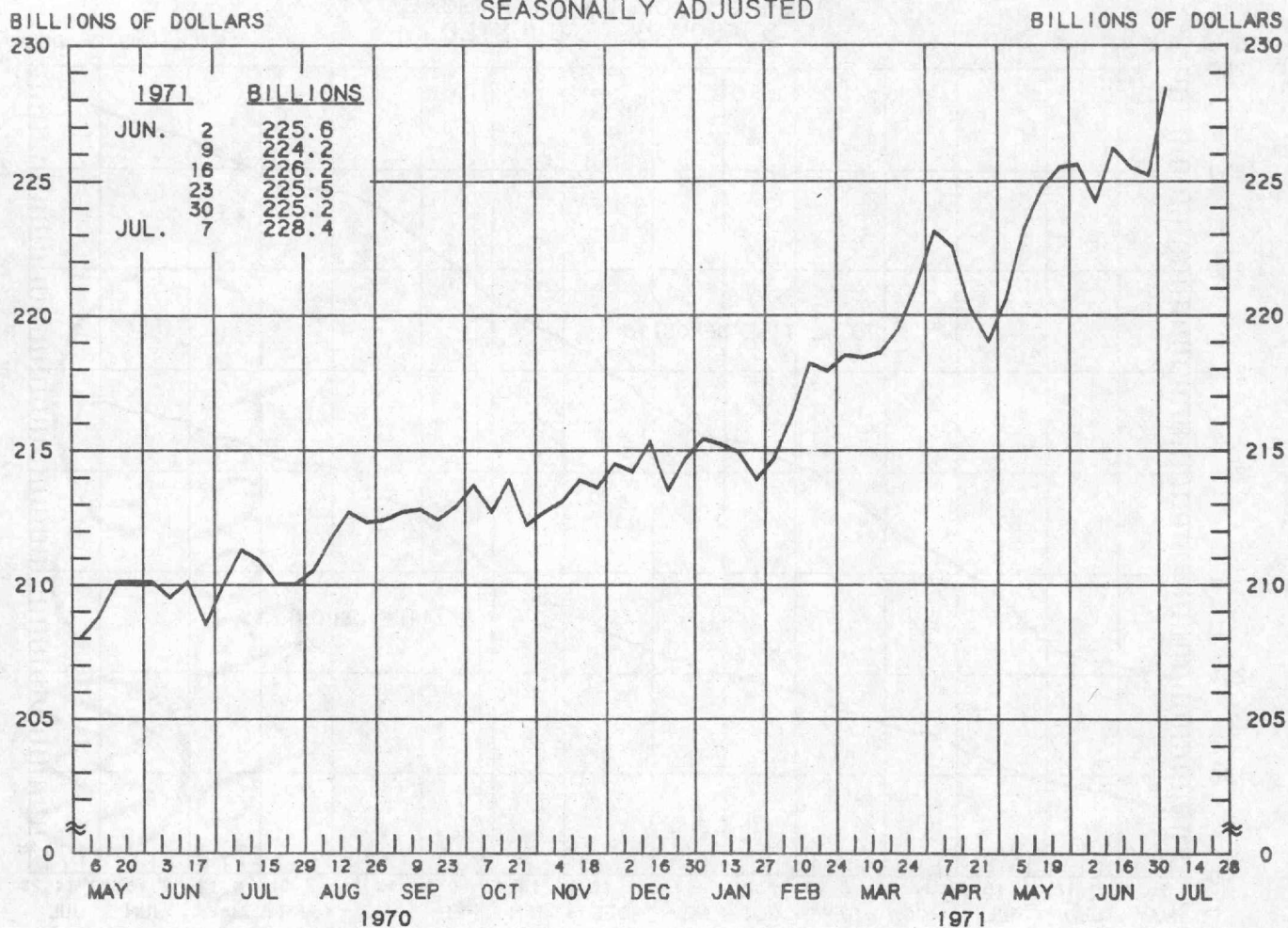
7/8/70 11/4/70 12/9/70 1/6/71 2/10/71 3/10/71 4/7/71 5/5/71

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

12/ 9/70	4.9							
1/ 6/71	4.5	4.7						
2/10/71	3.6	2.7	0.7					
3/10/71	5.9	7.4	7.7	10.2				
4/ 7/71	6.9	8.8	9.5	11.8	20.4			
5/ 5/71	5.9	6.9	7.0	8.2	12.0	5.9		
6/ 9/71	8.0	10.0	10.7	12.2	16.3	13.7	12.8	
7/ 7/71	8.0	9.7	10.3	11.5	14.6	12.3	11.2	18.2

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JULY 7, 1971

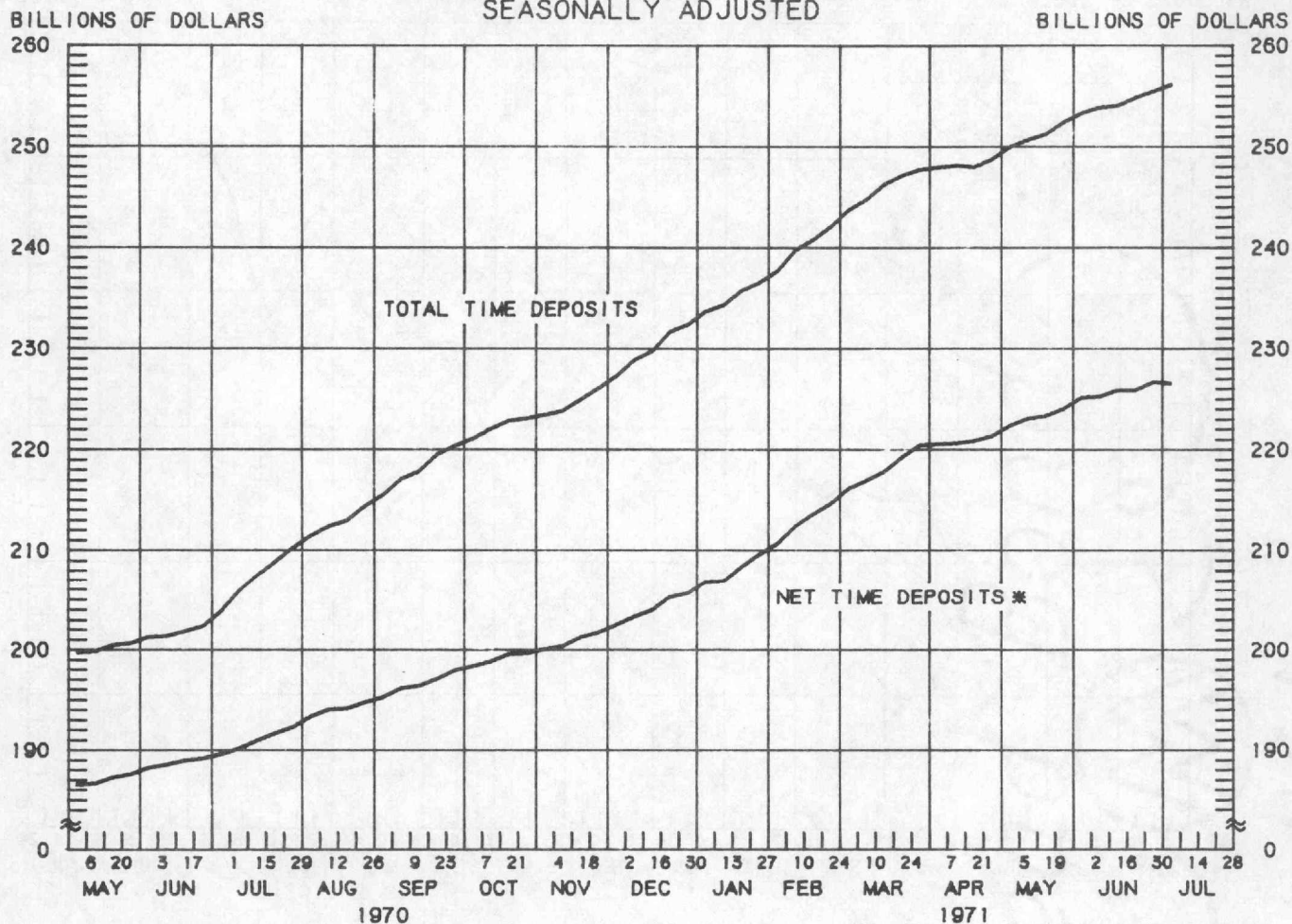
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:									
	7/8/70	11/4/70	12/9/70	1/6/71	2/10/71	3/10/71	4/7/71	5/5/71	
TO THE AVERAGE OF FOUR WEEKS ENDING:									
12/ 9/70	4.7								
1/ 6/71	4.5	5.0							
2/10/71	3.9	3.5	2.2						
3/10/71	5.9	7.5	8.1	10.1					
4/ 7/71	6.8	8.8	9.6	11.5	18.5				
5/ 5/71	6.1	7.4	7.7	8.6	12.0	7.0			
6/ 9/71	7.8	9.7	10.4	11.7	15.1	12.9	12.1		
7/ 7/71	7.8	9.5	10.1	11.1	13.7	11.6	10.7	15.9	

TIME DEPOSITS

ALL COMMERCIAL BANKS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JULY 7, 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.

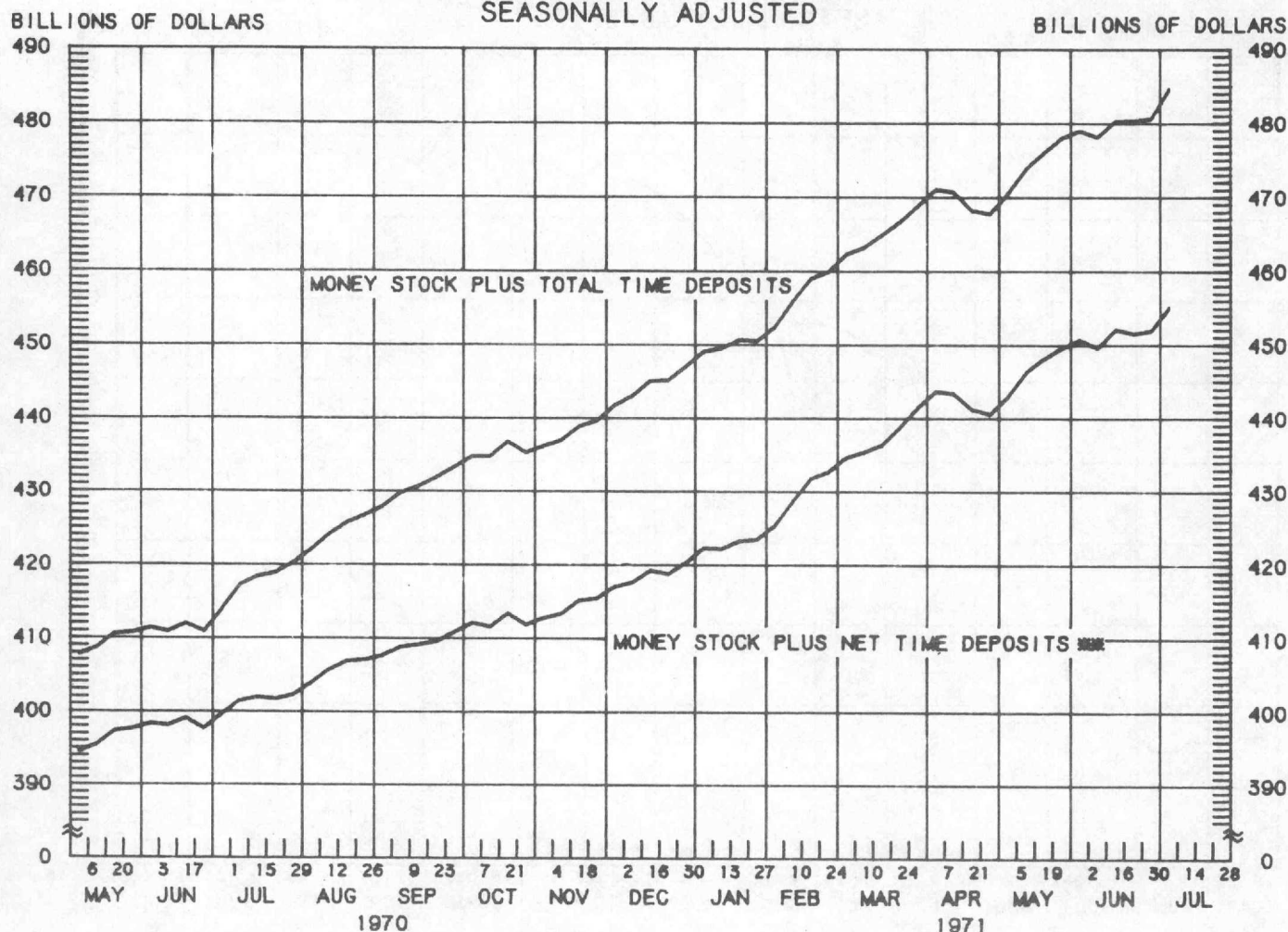
NET TIME DEPOSITS

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

	7/8/70	11/4/70	12/9/70	1/6/71	2/10/71	3/10/71	4/7/71	5/5/71
TO THE AVERAGE OF FOUR WEEKS ENDING:								
12/ 9/70	16.7							
1/ 6/71	17.6	18.3						
2/10/71	19.1	21.4	25.1					
3/10/71	21.0	24.6	28.5	31.3				
4/ 7/71	21.7	25.3	28.5	30.4	32.5			
5/ 5/71	20.7	23.0	25.0	25.6	25.0	19.6		
6/ 9/71	20.2	21.8	23.2	23.3	22.1	18.0	13.6	
7/ 7/71	19.4	20.5	21.5	21.3	19.9	16.3	12.8	13.5

MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JULY 7, 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:

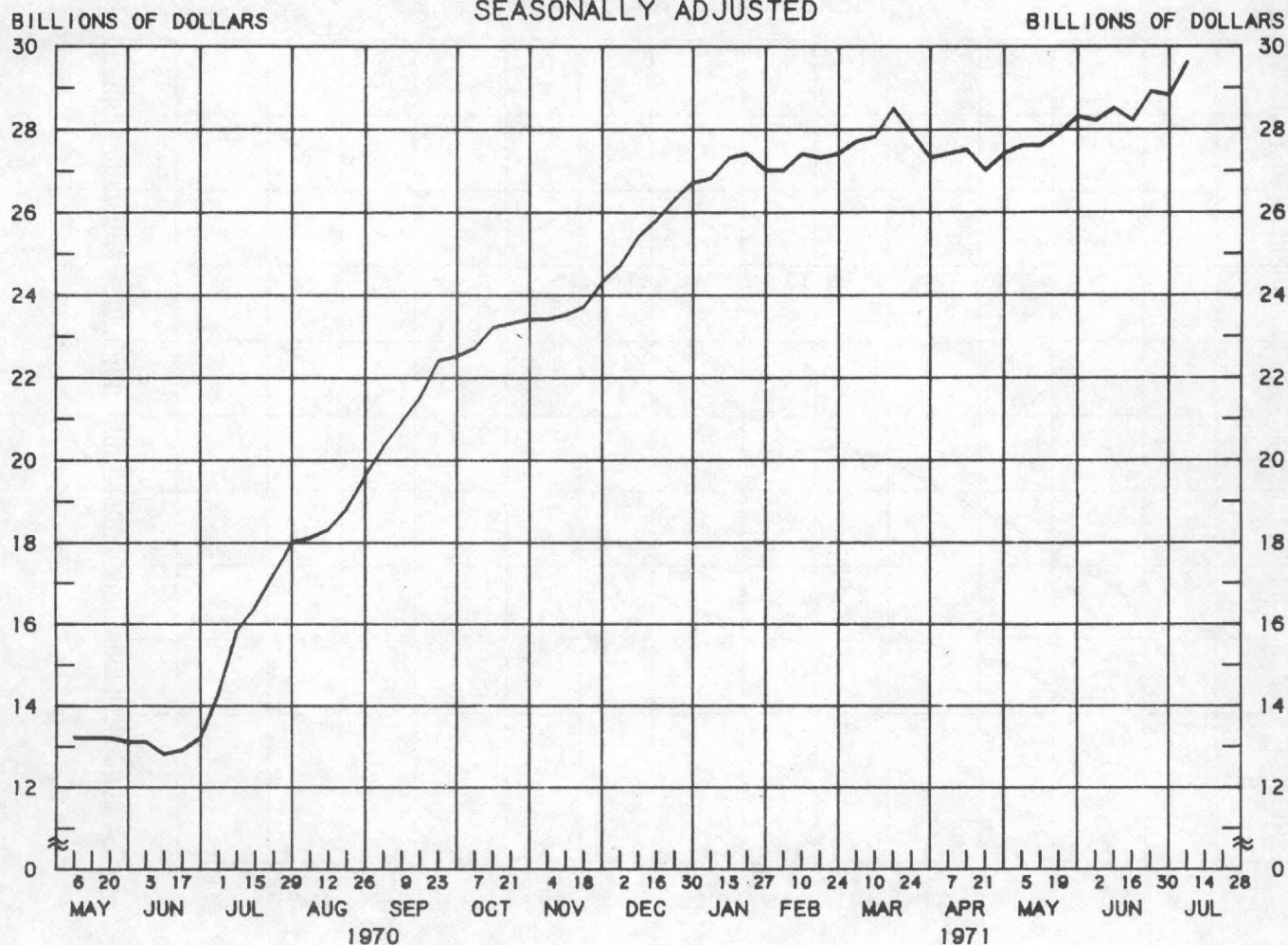
7/8/70 11/4/70 12/9/70 1/6/71 2/10/71 3/10/71 4/7/71 5/5/71

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

12/ 9/70	10.3							
1/ 6/71	10.6	11.4						
2/10/71	11.0	12.0	12.8					
3/10/71	13.0	15.7	17.7	20.1				
4/ 7/71	13.8	16.6	18.5	20.3	25.1			
5/ 5/71	13.0	14.9	16.0	16.8	18.4	13.3		
6/ 9/71	13.6	15.5	16.5	17.3	18.5	15.4	13.0	
7/ 7/71	13.3	14.9	15.6	16.1	16.8	14.0	12.0	14.7

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JULY 7, 1971

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

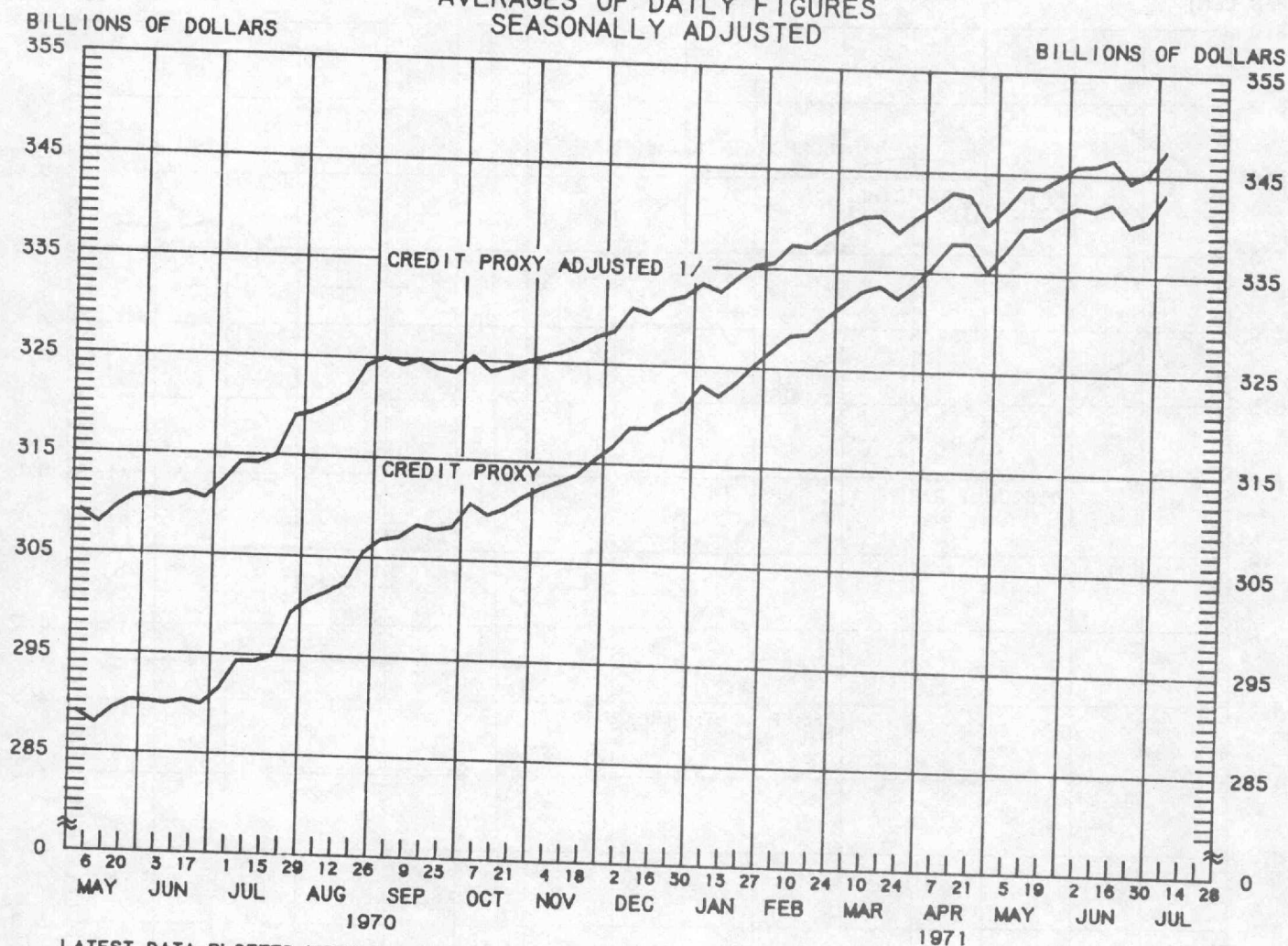
NEGOTIABLE TIME CERTIFICATES OF DEPOSIT ISSUED IN DENOMINATIONS OF \$100,000 OR MORE BY LARGE WEEKLY REPORTING COMMERCIAL BANKS.

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	449.5
16	28.2	225.8	452.0
23	28.9	225.8	451.4
30	28.8	226.6	451.8
JULY 7	29.6	226.5	455.0
14			
21			
28			

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

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



LATEST DATA PLOTTED WEEK ENDING: JULY 7, 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
JUN.	2	341.7	345.8
	9	341.4	345.9
	16	342.1	346.5
	23	339.9	344.3
	30	340.5	345.2
JUL.	7	343.2	347.4

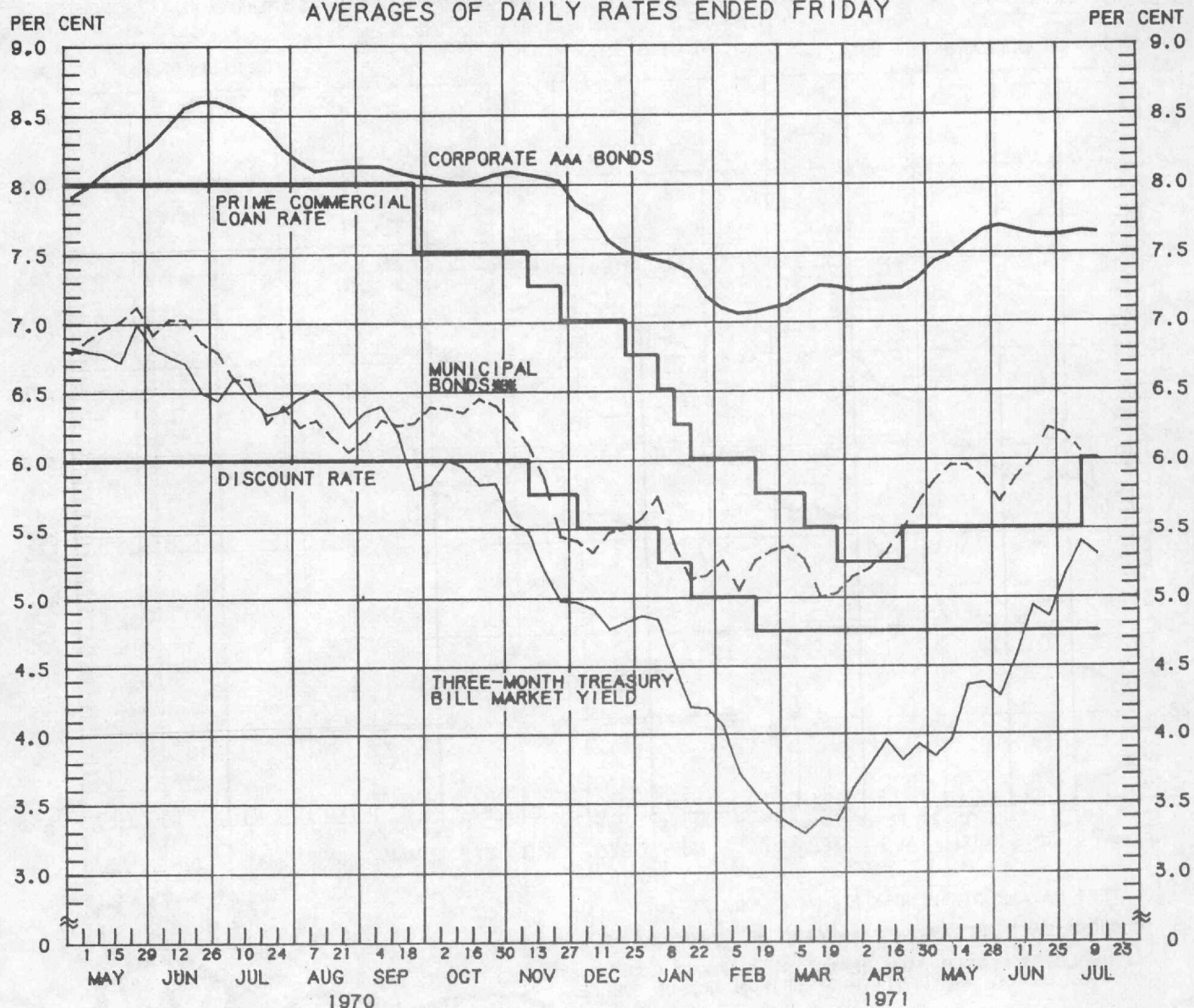
COMPOUNDED ANNUAL RATES OF CHANGE,
AVERAGE OF THE FOUR WEEKS ENDING
JULY 7, 1971 FROM THE FOUR
WEEKS ENDING:

		CREDIT PROXY	CREDIT PROXY ADJUSTED
MAY	5, 1971	7.8	7.1
APR.	7, 1971	9.4	6.6
MAR.	10, 1971	10.1	6.5
FEB.	10, 1971	12.1	7.8
JAN.	6, 1971	13.4	8.7
DEC.	9, 1970	14.3	9.4
NOV.	4, 1970	14.9	9.9

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JULY 16, 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	4.86	6.46	5.98	6.23
JULY 2	7.63	5.17	6.70	5.97	6.19
9	7.65	5.40	6.70	5.92	6.06
16 *	7.64	5.31	6.65	5.83	N.A.
23					
30					

* AVERAGES OF RATES AVAILABLE.

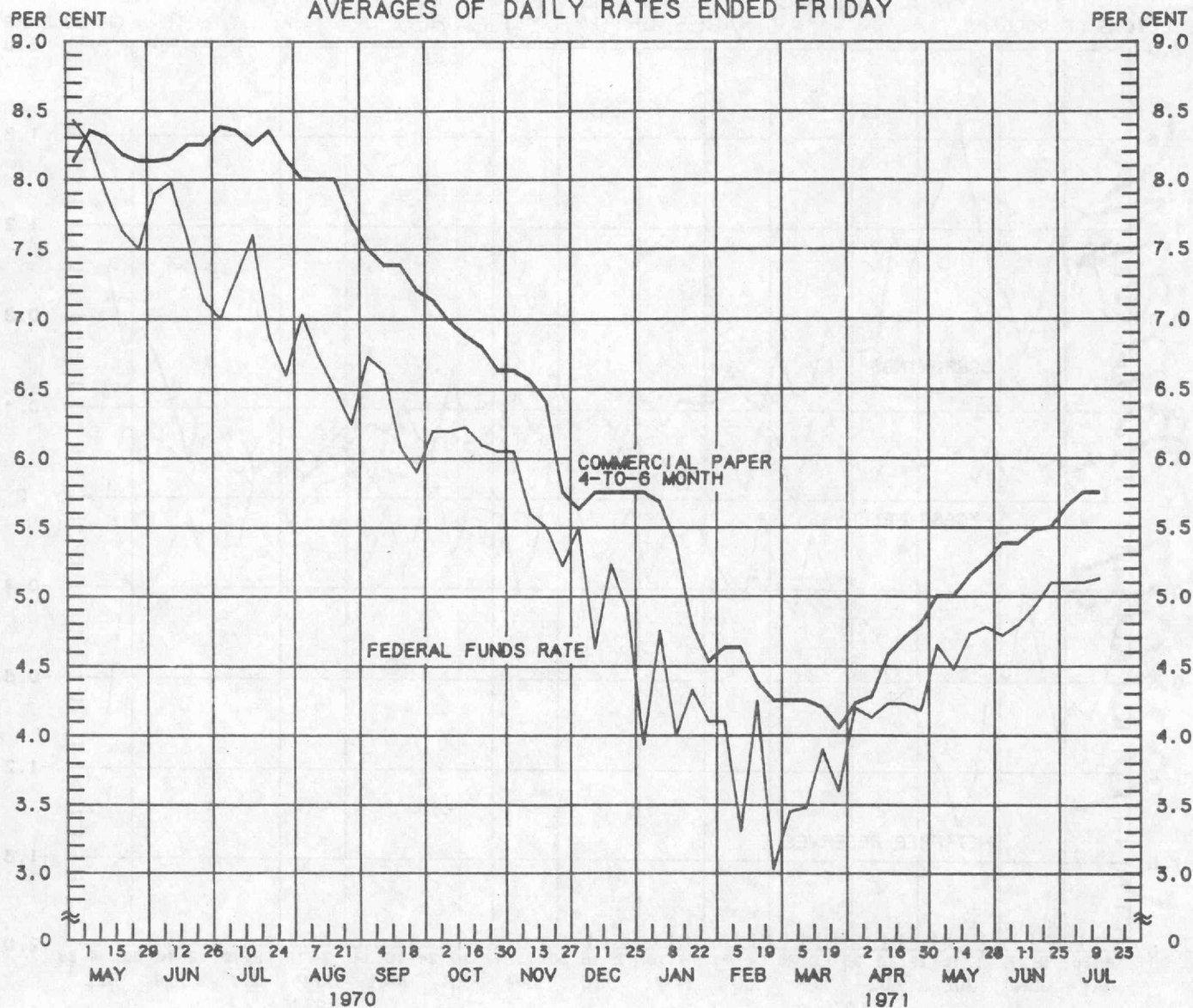
*** BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA.

N.A. - NOT AVAILABLE

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

SELECTED SHORT-TERM INTEREST RATES

AVERAGES OF DAILY RATES ENDED FRIDAY



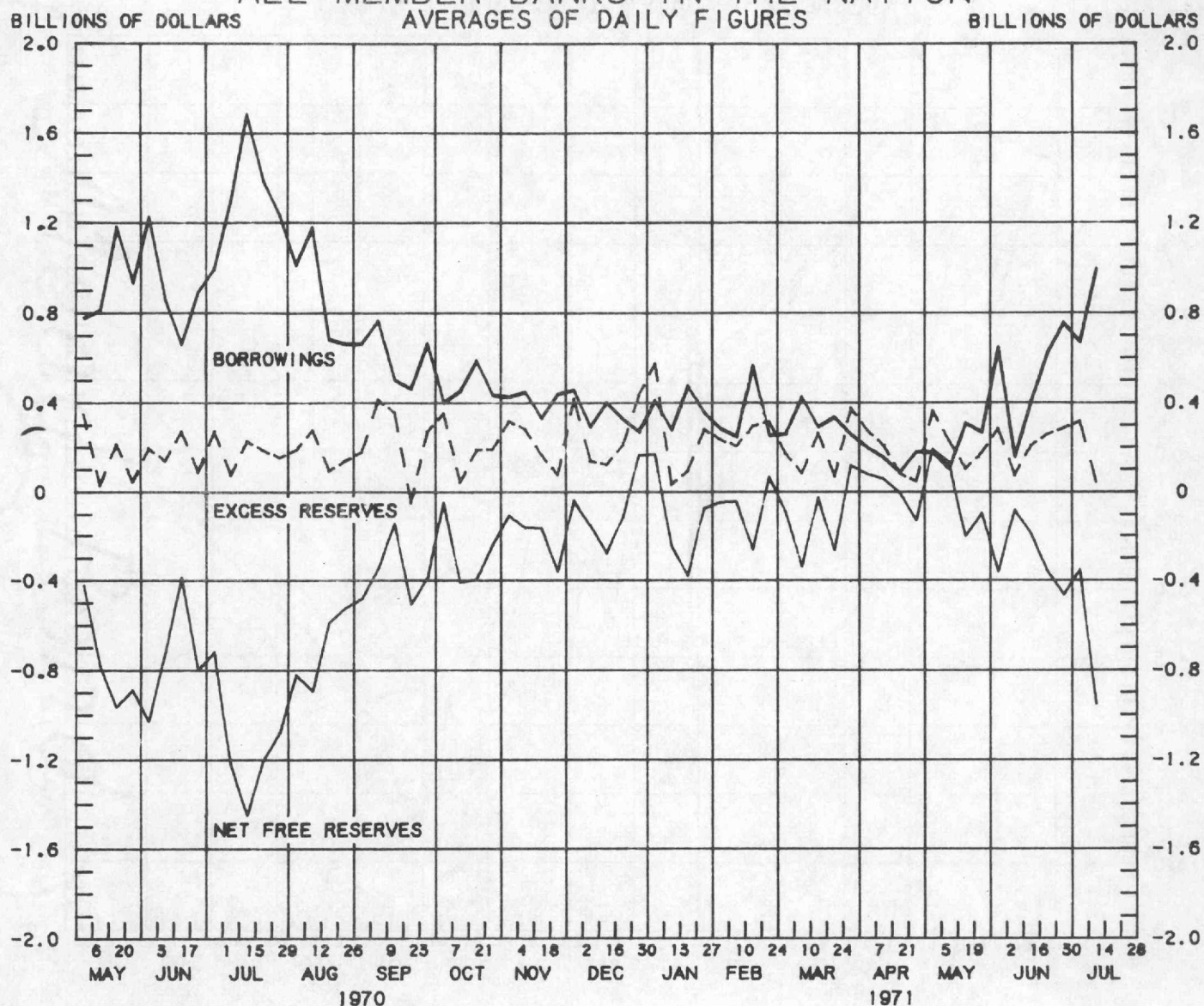
LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JULY 16, 1971

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	5.10	5.50	5.43
JULY 2	5.65	5.10	5.60	5.53
9	5.75	5.10	5.63	5.59
16 *	5.75	5.13	5.50	5.68
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



LATEST DATA PLOTTED WEEK ENDING: JULY 14, 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	285	646	- 361
9	73	153	- 80
16	208	403	- 195
23	258	618	- 360
30	286	752	- 466
JULY 7	316	667	- 351
14	41	993	- 952
21			
28			

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS