



U.S. FINANCIAL DATA

Week ending: October 20, 1971

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Monetary actions have been stimulative in 1971. The money stock has risen at a 7.5 per cent annual rate in the past nine months, compared with a 5.4 per cent increase in 1970. Data for the past three months, however, indicate that money has not grown, in spite of continued growth of underlying aggregates such as Federal Reserve credit. This latter measure has risen at a 10 per cent rate in the past three months, compared with a 13 per cent rate in the previous six months. Several short-run factors such as an increase in Treasury deposits at commercial banks and at Federal Reserve banks, as well as a possible changing seasonal pattern, have contributed to an exaggerated slowing of money in recent months.

Borrowings by member banks from Federal Reserve Banks have averaged about \$380 million in the past four weeks, down from an average of slightly over \$800 million in July and August. For comparison, borrowings averaged \$325 million in the first six months of 1971. Changes in borrowings partly reflect changes in the discount rate relative to key market interest rates, particularly the Federal funds rate. The discount rate has been 5 per cent since mid-July, while the Federal funds rate is currently about 5.10 per cent, down 60 basis points since early September. The Federal funds rate, on average, was 65 basis points below the discount rate in the first six months of the year. In July and August, the Federal funds rate averaged 50 basis points above the discount rate, compared with 26 basis points in the past four weeks.

Bank loans and investments rose at a 10.6 per cent annual rate from February 1970 to September 1971. This rapid growth was fostered by the increase in reserves supplied by the Federal Reserve System and by the rapid reintermediation of time deposits into commercial banks. For comparison, bank loans and investments grew at only a 3.3 per cent rate in 1969, reflecting the restrictive actions of the Federal Reserve and the disintermediation of time deposits. Although total bank loans and investments rose in August and September at about the same rate as the previous 17 months, there was a substantial change in the distribution between loans and investments. From July to September, bank loans rose at an 18 per cent annual rate, compared with only a 6 per cent rate from February 1970 to July 1971. In contrast, bank investments declined slightly from July to September, compared with a 21 per cent rate in the previous 17 months. The rapid growth in bank loans in the past two months may partly reflect financing demands associated with the international situation.

The prime lending rate, which is charged by commercial banks to their best business customers, was lowered from 6 per cent to 5-3/4 per cent this week. This reduction follows the recent declines in money market rates.

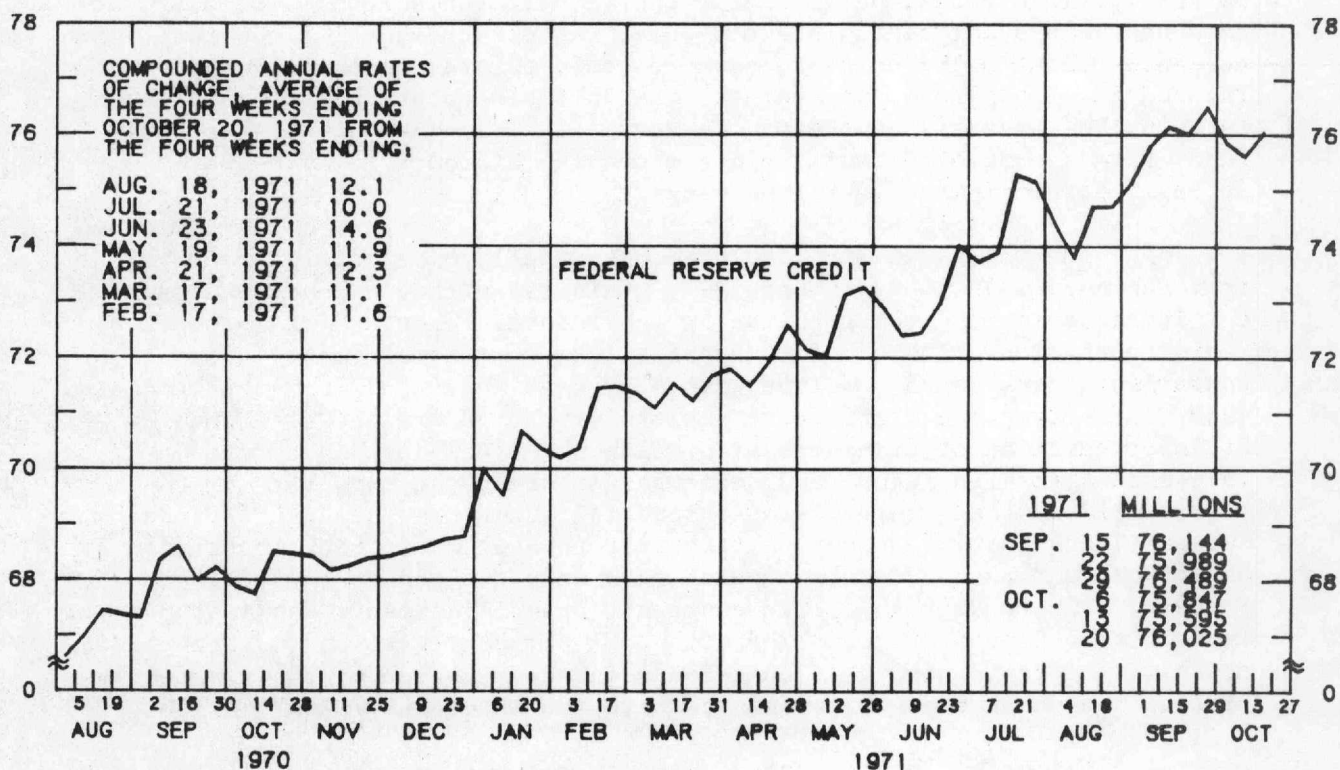
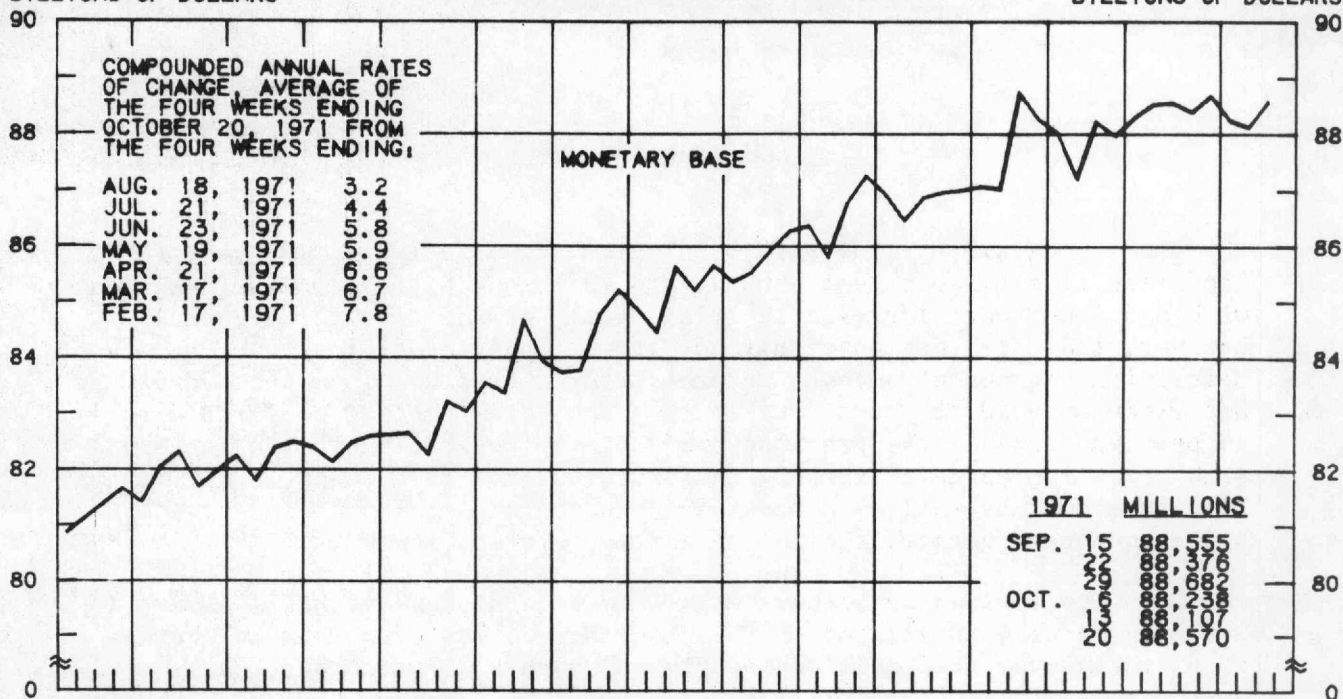
Prepared by Federal Reserve Bank of St. Louis

Released: October 22, 1971

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: OCTOBER 20, 1971

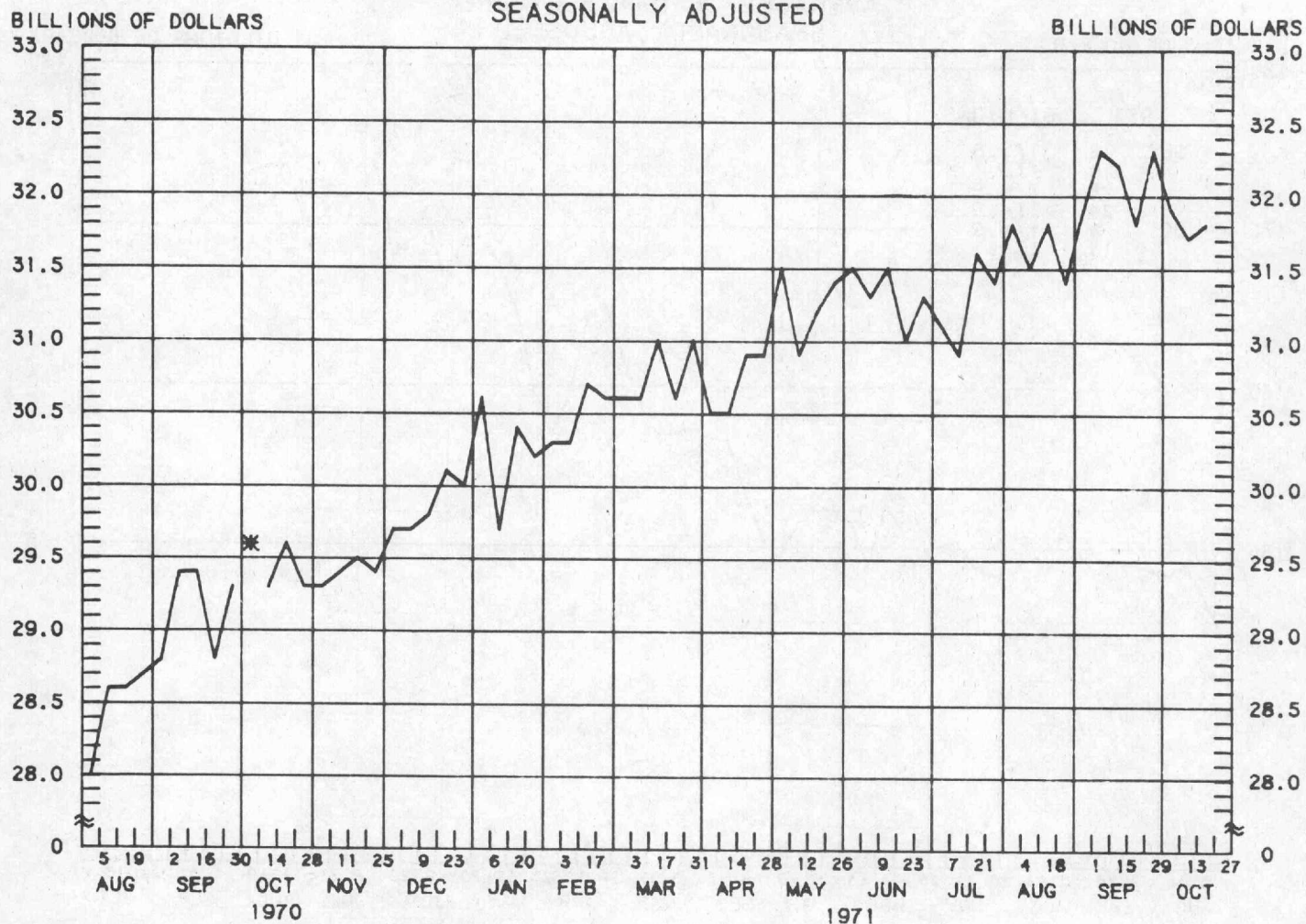
1/ USES OF MONETARY BASE ARE MEMBER BANK RESERVES AND CURRENCY HELD BY THE PUBLIC AND NONMEMBER BANKS, ADJUSTED FOR RESERVE REQUIREMENT CHANGES AND SHIFTS IN DEPOSITS. FOR A DESCRIPTION OF THE BASE SEE THE AUGUST 1968 "REVIEW" OF THIS BANK.

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: OCTOBER 20, 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.

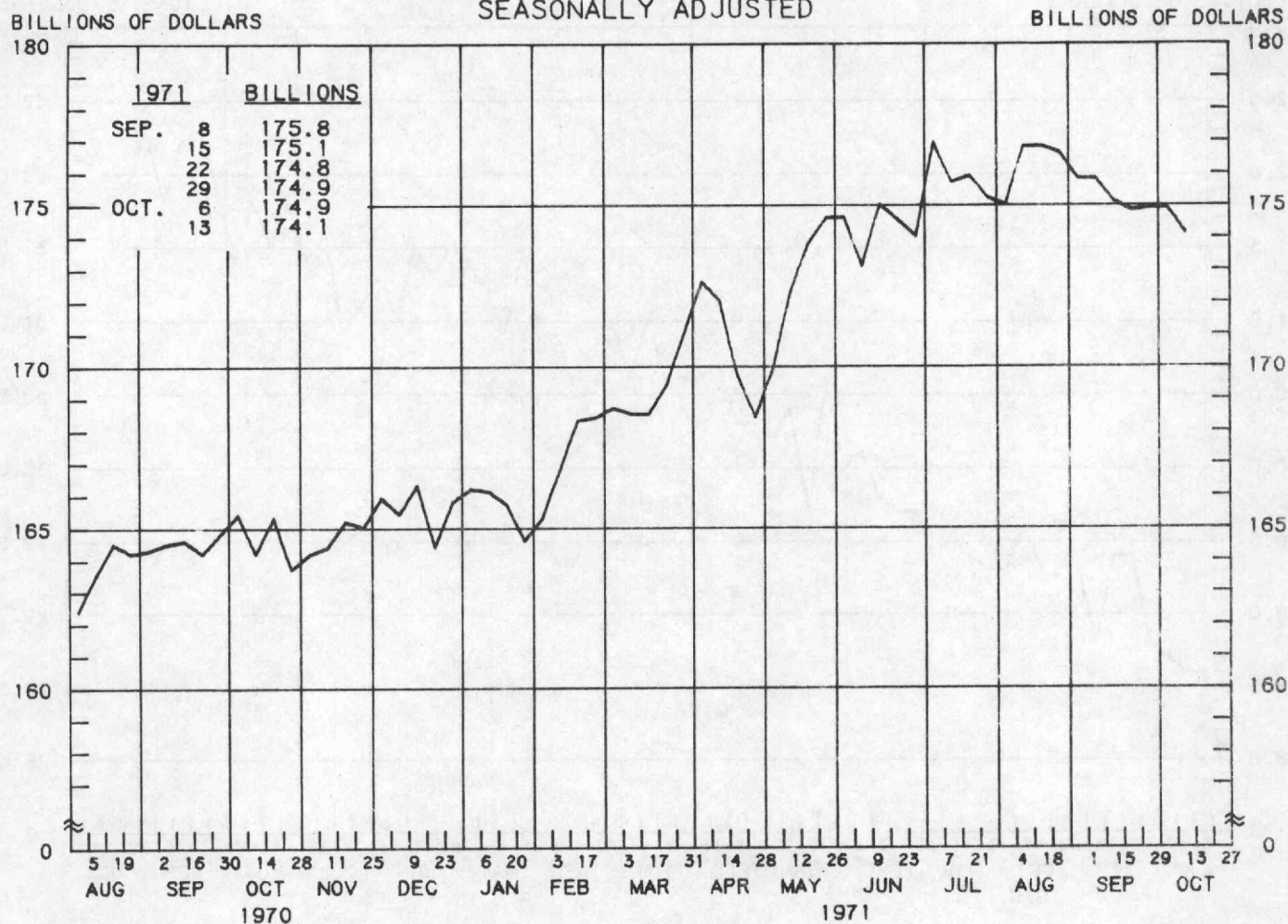
1971	BILLIONS
SEP. 15	32.2
22	31.8
29	32.3
OCT. 6	31.9
13	31.7
20	31.8

COMPOUNDED ANNUAL RATES
OF CHANGE, AVERAGE OF
THE FOUR WEEKS ENDING
OCTOBER 20, 1971 FROM
THE FOUR WEEKS ENDING:

AUG. 18, 1971	5.6
JUL. 21, 1971	9.3
JUN. 23, 1971	6.0
MAY 19, 1971	6.2
APR. 21, 1971	8.0
MAR. 17, 1971	6.6
FEB. 17, 1971	7.4

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 13, 1971

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

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

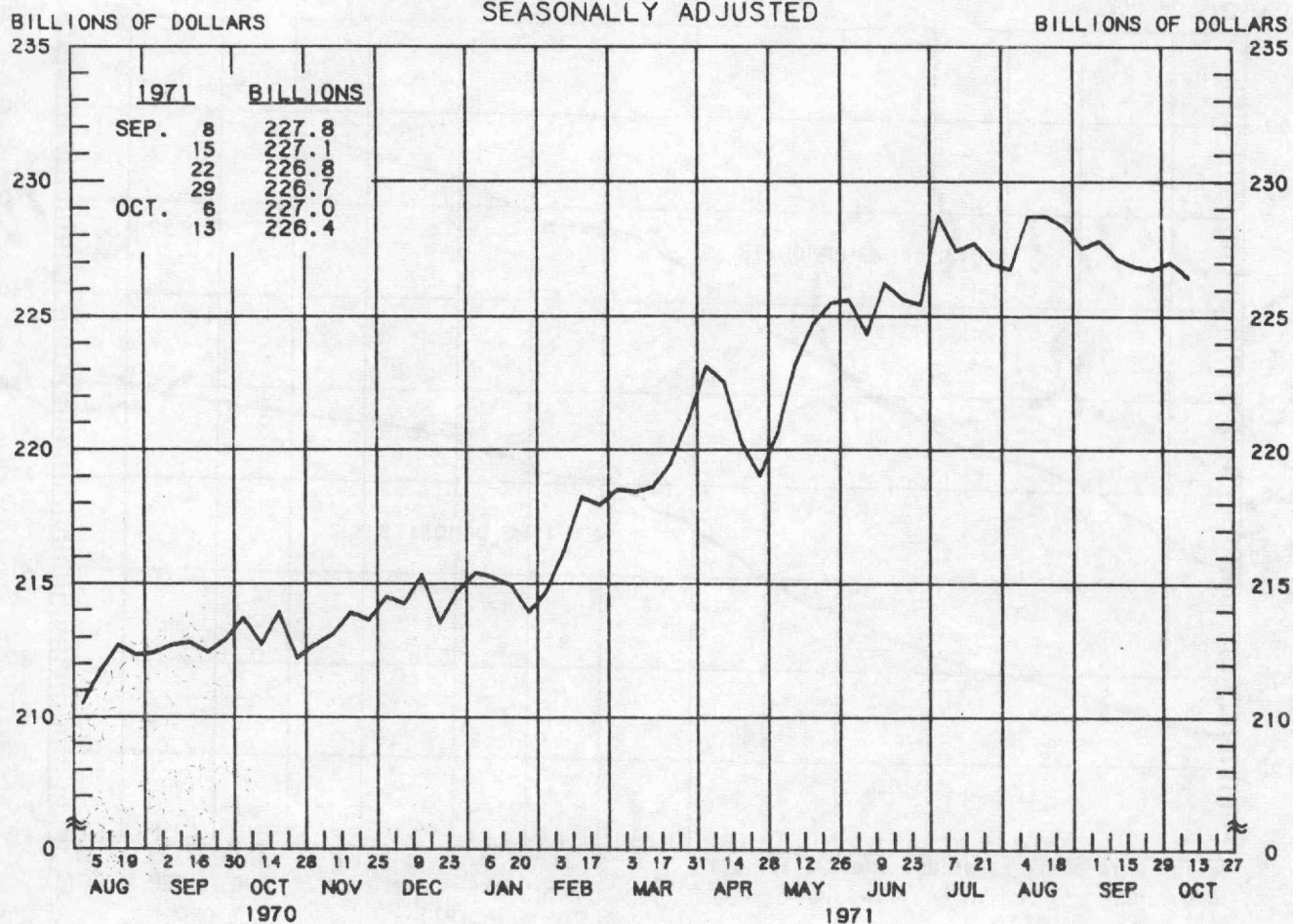
10/14/70 2/10/71 3/10/71 4/14/71 5/12/71 6/16/71 7/14/71 8/11/71

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

3/10/71	5.8						
4/14/71	8.2	21.6					
5/12/71	5.8	11.3	5.6				
6/16/71	8.8	15.9	13.4	10.6			
7/14/71	8.7	14.4	12.1	9.7	19.0		
8/11/71	8.1	12.6	10.4	8.1	13.8	5.3	
9/15/71	7.3	10.5	8.5	6.3	10.0	3.5	1.7
10/13/71	6.1	8.3	6.2	4.0	6.5	0.7	-1.4
							-3.2

MONEY STOCK

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 13, 1971

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

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

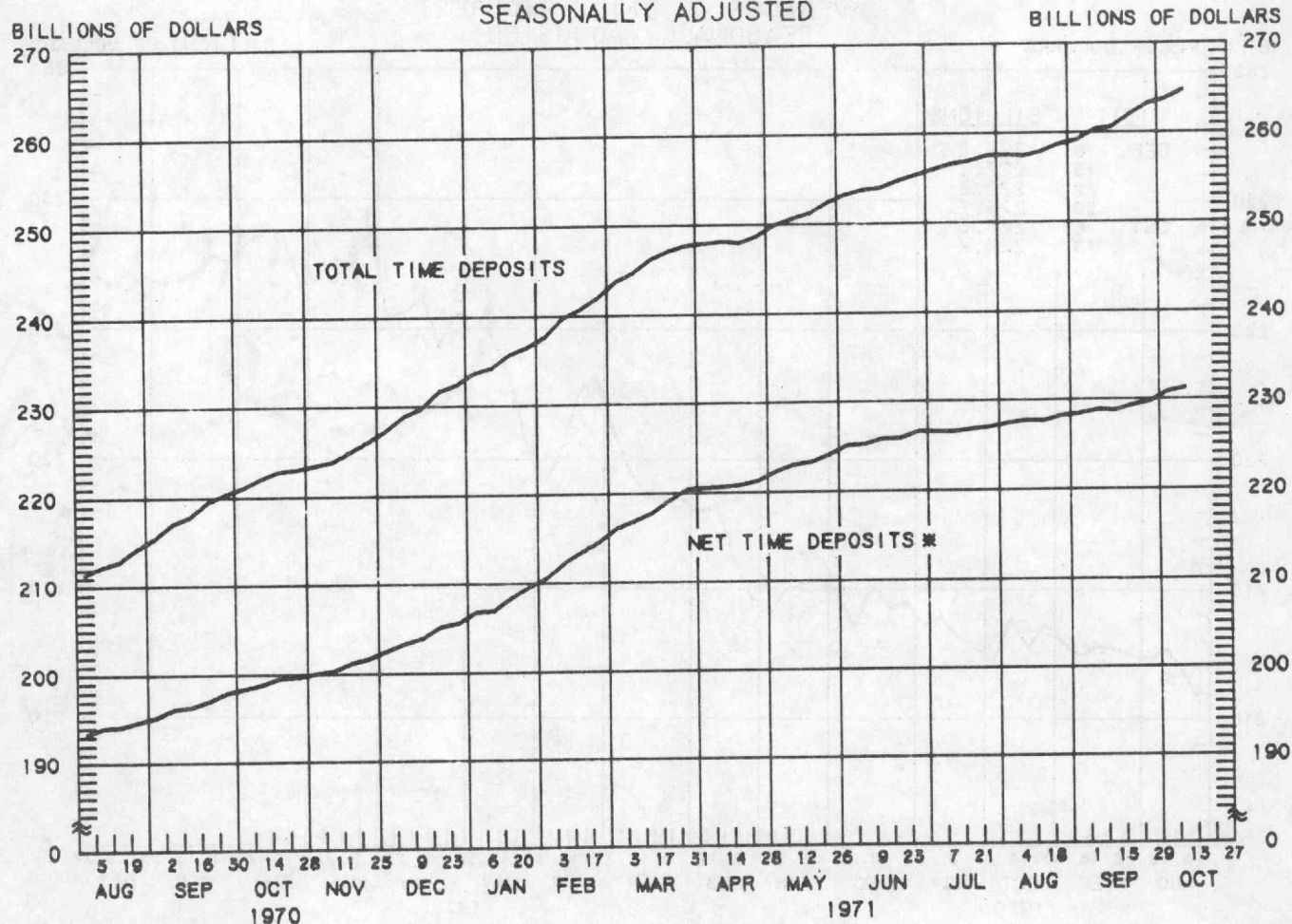
10/14/70 2/10/71 3/10/71 4/14/71 5/12/71 6/16/71 7/14/71 8/11/71

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

3/10/71	6.4						
4/14/71	8.3	19.4					
5/12/71	6.5	11.4	6.8				
6/16/71	8.8	14.8	12.6	10.3			
7/14/71	8.8	13.6	11.7	9.7	16.8		
8/11/71	8.4	12.1	10.2	8.4	12.7	6.2	
9/15/71	7.6	10.2	8.5	6.6	9.3	4.1	2.3
10/13/71	6.5	8.3	6.5	4.7	6.4	1.8	-0.2
							-2.0

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

TIME DEPOSITS ALL COMMERCIAL BANKS AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 13, 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:

10/14/70 2/10/71 3/10/71 4/14/71 5/12/71 6/16/71 7/14/71 8/11/71

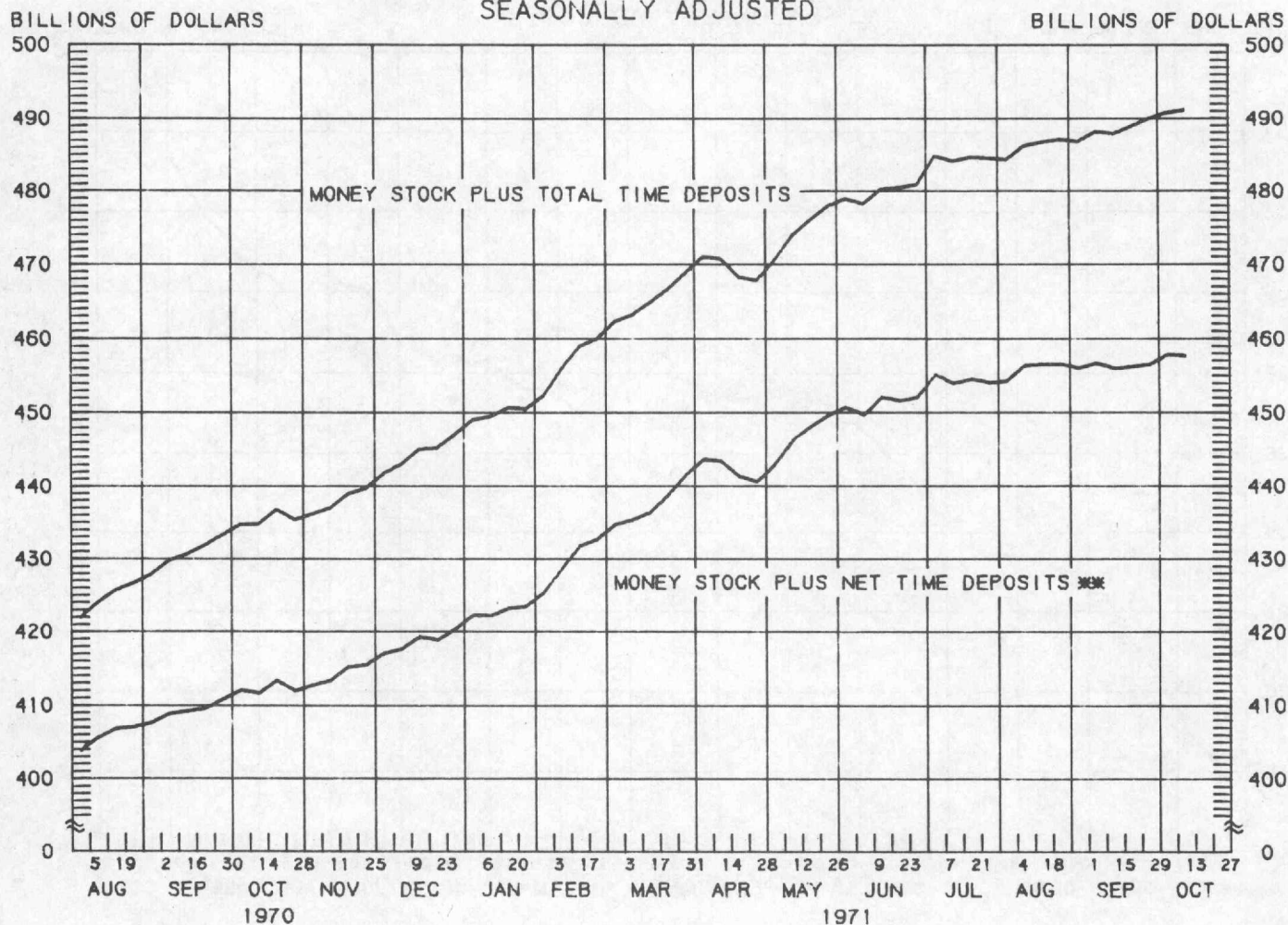
TO THE AVERAGE
OF FOUR WEEKS
ENDING:

3/10/71	23.0							
4/14/71	23.7	30.8						
5/12/71	21.8	24.2	19.1					
6/16/71	21.0	21.9	18.0	13.6				
7/14/71	19.6	19.2	15.6	11.7	12.3			
8/11/71	18.1	16.8	13.6	10.0	9.9	6.2		
9/15/71	16.8	15.0	12.1	9.1	8.8	6.2	5.5	
10/13/71	16.3	14.5	12.0	9.4	9.2	7.2	7.1	8.1

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 13, 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:

10/14/70 2/10/71 3/10/71 4/14/71 5/12/71 6/16/71 7/14/71 8/11/71

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

3/10/71	14.2						
4/14/71	15.5	24.9					
5/12/71	13.7	17.6	12.8				
6/16/71	14.6	18.2	15.2	11.8			
7/14/71	13.9	16.3	13.6	10.6	14.4		
8/11/71	13.0	14.4	11.9	9.2	11.3	6.4	
9/15/71	12.0	12.6	10.3	7.9	9.1	5.3	4.0
10/13/71	11.2	11.3	9.2	7.0	7.8	4.6	3.5
							3.0

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 13, 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.

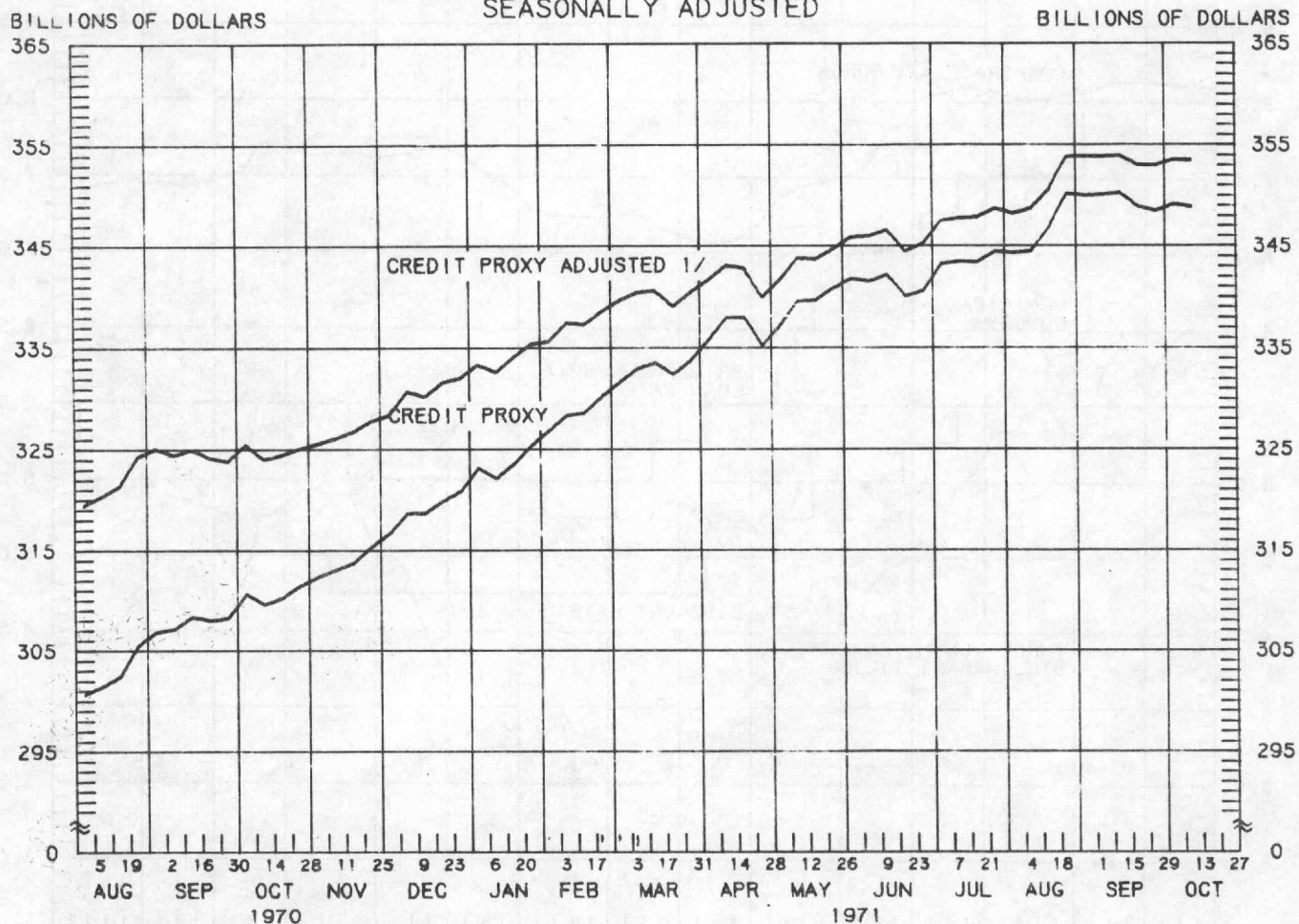
MONEY AND TIME DEPOSIT DATA			
1971	BILLIONS		
	CERTIFICATES OF DEPOSIT	NET TIME DEPOSITS *	M 2 **
AUG. 4	30.1	227.4	454.2
11	29.7	227.7	456.3
18	30.3	227.6	456.4
25	30.5	228.2	456.4
SEP. 1	30.8	228.4	455.9
8	31.5	228.8	456.6
15	31.9	228.7	455.8
22	32.7	229.3	456.1
29	33.5	229.7	456.4
OCT. 6	33.0	230.8	457.8
13	33.5	231.2	457.5
20			
27			

* 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: OCTOBER 13, 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.

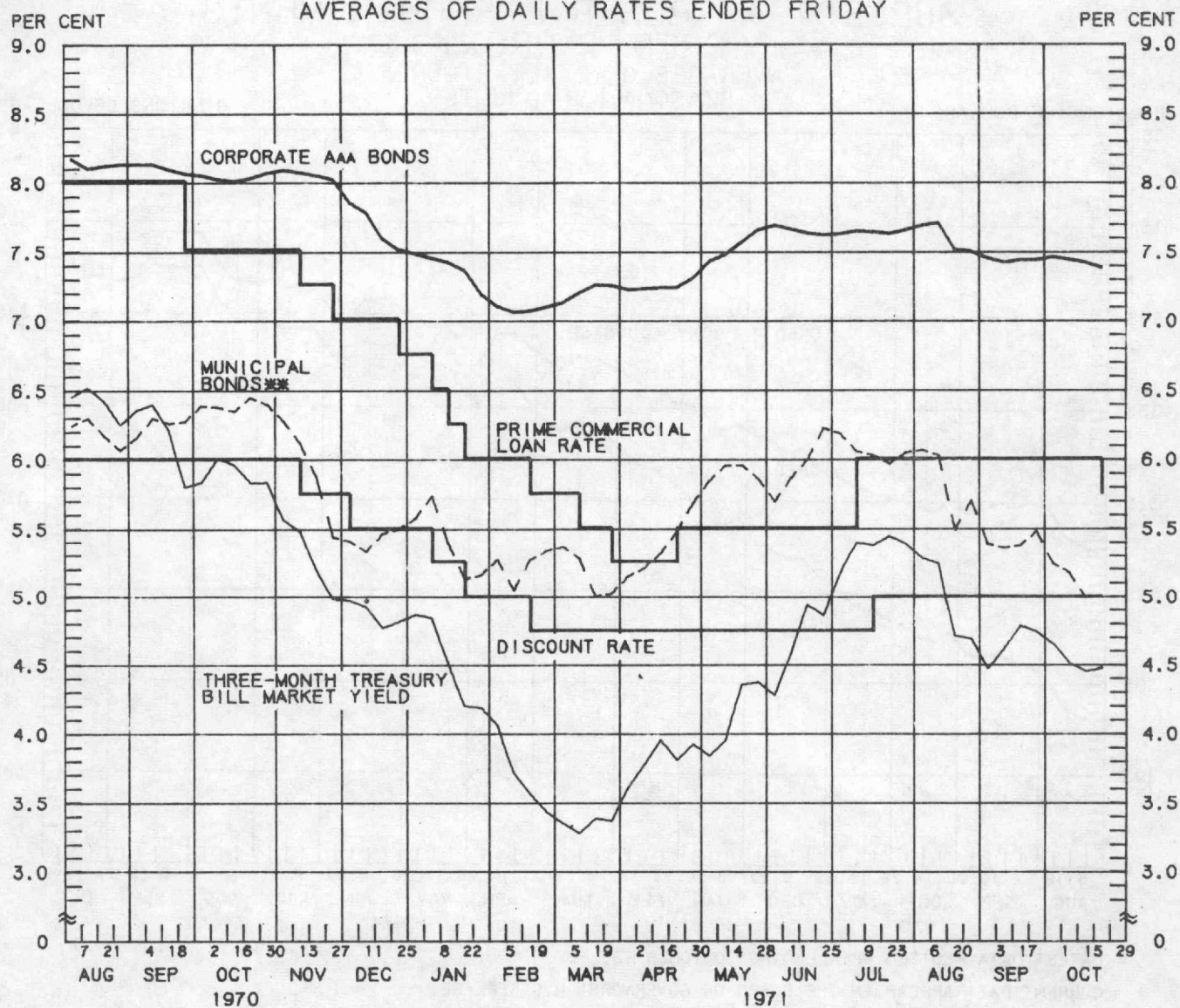
1971		BILLIONS	
		CREDIT PROXY	CREDIT PROXY ADJUSTED
SEP.	8	350.0	353.8
	15	350.2	353.9
	22	348.8	352.9
	29	348.4	352.9
OCT.	6	349.1	353.5
	13	348.8	353.4

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF THE FOUR WEEKS ENDING OCTOBER 13, 1971 FROM THE FOUR WEEKS ENDING:			
		CREDIT PROXY	CREDIT PROXY ADJUSTED
AUG.	11, 1971	8.2	8.4
JUL.	14, 1971	8.4	8.3
JUN.	16, 1971	6.7	6.8
MAY	12, 1971	8.2	7.9
APR.	14, 1971	8.5	7.3
MAR.	10, 1971	9.3	7.2
FEB.	10, 1971	10.6	7.9

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: OCTOBER 22, 1971

1971	CORPORATE AAA BONDS	3-MONTH TREASURY BILLS	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES	MUNICIPAL BONDS **
AUG. 6	7.69	5.28	6.85	5.93	6.07
13	7.71	5.24	6.81	5.90	6.03
20	7.51	4.71	6.05	5.64	5.49
27	7.50	4.69	6.06	5.70	5.71
SEP. 3	7.45	4.47	5.89	5.58	5.39
10	7.42	4.62	5.94	5.51	5.36
17	7.44	4.79	6.00	5.59	5.38
24	7.44	4.74	6.01	5.59	5.48
OCT. 1	7.46	4.65	5.91	5.52	5.24
8	7.44	4.51	5.84	5.47	5.17
15	7.42	4.45	5.68	5.44	4.99
22 *	7.38	4.48	5.65	5.49	N.A.
29					

* AVERAGES OF RATES AVAILABLE.

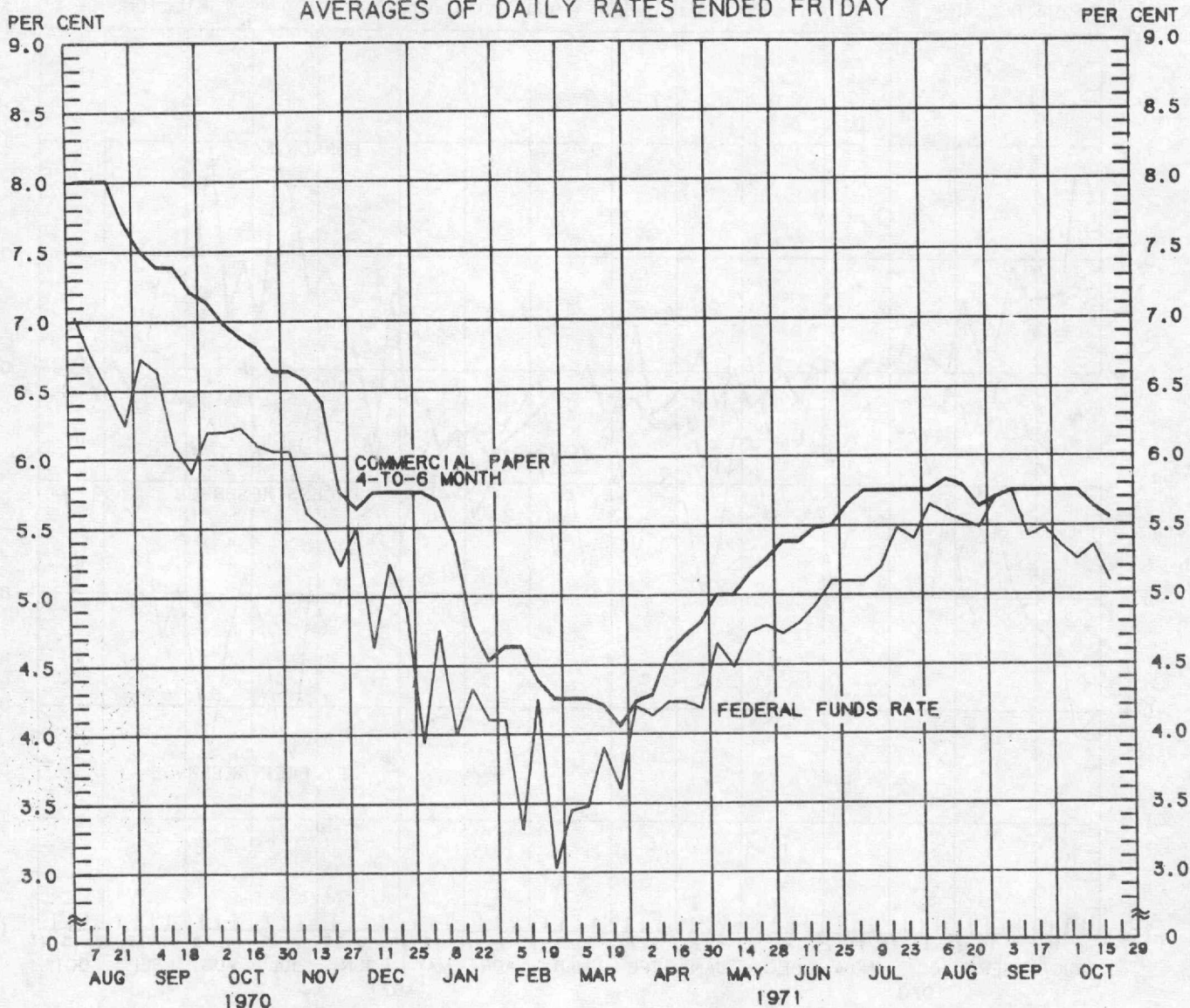
** BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA.

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: OCTOBER 22, 1971

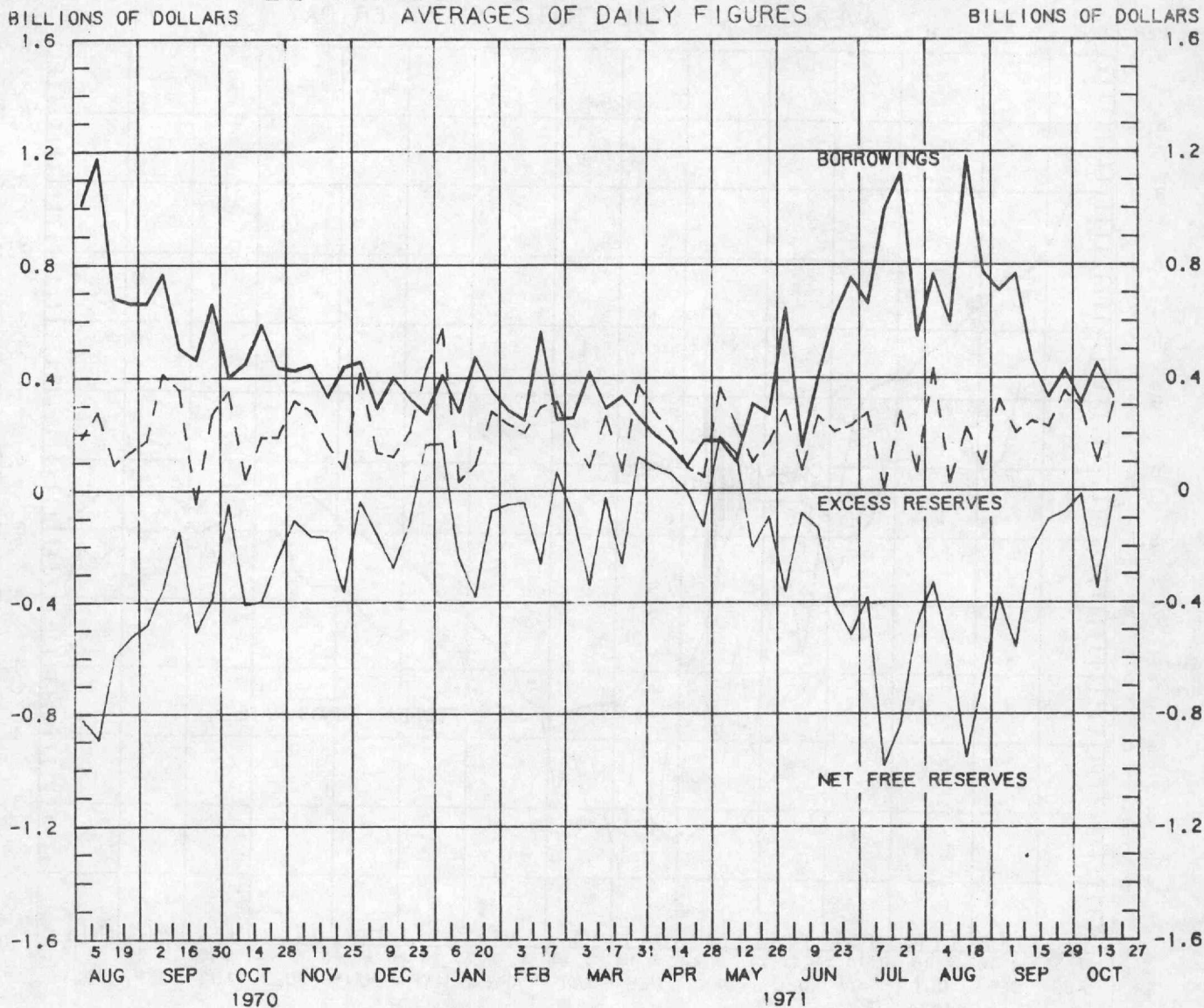
1971	PRIME COMMERCIAL PAPER 4-6 MONTH	FEDERAL FUNDS	PRIME BANKERS' ACCEPTANCES	90 DAY CD'S ***
AUG. 6	5.75	5.65	5.63	5.80
13	5.83	5.58	5.63	5.82
20	5.78	5.53	5.55	5.88
27	5.63	5.48	5.53	5.75
SEP. 3	5.70	5.70	5.50	5.56
10	5.75	5.75	5.50	5.55
17	5.75	5.42	5.50	5.60
24	5.75	5.48	5.50	5.66
OCT. 1	5.75	5.35	5.40	5.62
8	5.75	5.25	5.23	5.53
15	5.63	5.35	5.03	5.44
22 *	5.55	5.10	5.00	5.29
29				

* 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



1971	MILLIONS		
	EXCESS RESERVES	BORROWINGS	FREE RESERVES
AUG. 4	434	764	- 330
11	27	593	- 566
18	224	1179	- 955
25	91	771	- 680
SEP. 1	324	706	- 382
8	205	765	- 560
15	247	457	- 210
22	227	329	- 102
29	353	426	- 73
OCT. 6	297	310	- 13
13	101	450	- 349
20	311	332	- 21
27			

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