



Week ending: November 3, 1971

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Growth of most monetary aggregates has slowed in recent months, however, the period has been relatively short. The money stock has risen at a 2 per cent annual rate in the past four months, after rising at a very rapid 10.5 per cent rate in the first six months of 1971 (page 5). For comparison, money grew at a trend rate of 3.3 per cent from 1957 to 1969 and increased 5.4 per cent in 1970.

Deceleration in the expansion of the monetary base accounts for a substantial portion of the recent slowing of the money stock. The base has risen at a 2.5 per cent rate in the past three months, after growing at a 10.2 per cent rate in the previous seven months (page 2). In comparison, the base rose at a 3.7 per cent rate from 1957 to 1969 and increased 6.2 per cent in 1970.

Market interest rates have continued to decline in recent weeks (pages 10 and 11). Yields on three-month Treasury bills averaged 4.21 per cent in the first part of this week, about 1.1 percentage points below the early August level. The Federal funds rate, the interest rate banks charge on overnight interbank loans and a key short-run indicator of money market conditions, has declined somewhat less than the Treasury bill rate since early August. This rate averaged 5.19 per cent in the week ending November 3, about 45 basis points below early August. Reflecting the declines of market rates, the prime lending rate was reduced this week from 5-3/4 per cent to 5-1/2 per cent, the second decline in recent weeks.

Yields on seasoned highest-grade corporate bonds averaged 7.27 per cent early this week, down from 7.70 per cent in early August. The Bond Buyer's index of 20 municipal bonds was at 5.11 per cent on October 29, down about 1 percentage point since early August. The recent declines in market rates probably reflect a downward revision of price expectations by market participants due to the new economic program and some improvements shown in price indices, as well as a large foreign demand for U.S. Government securities.

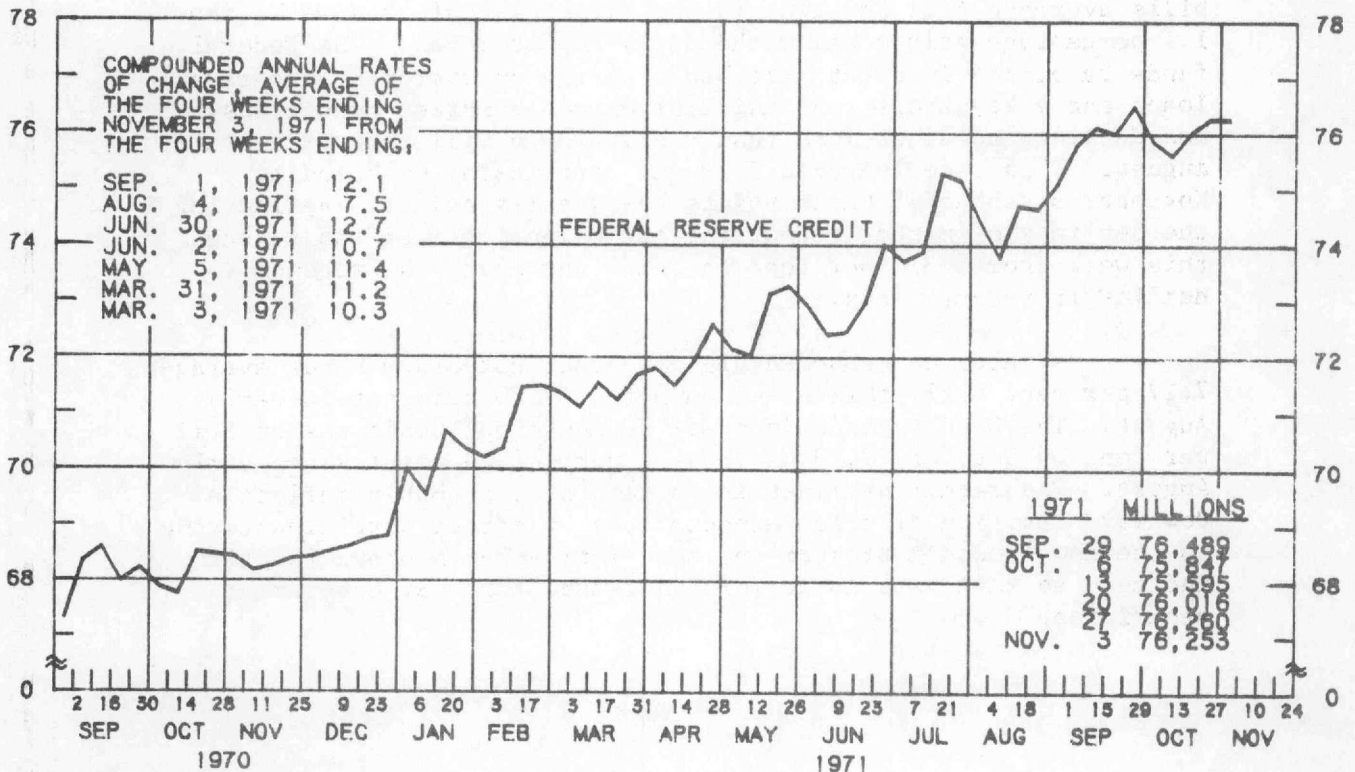
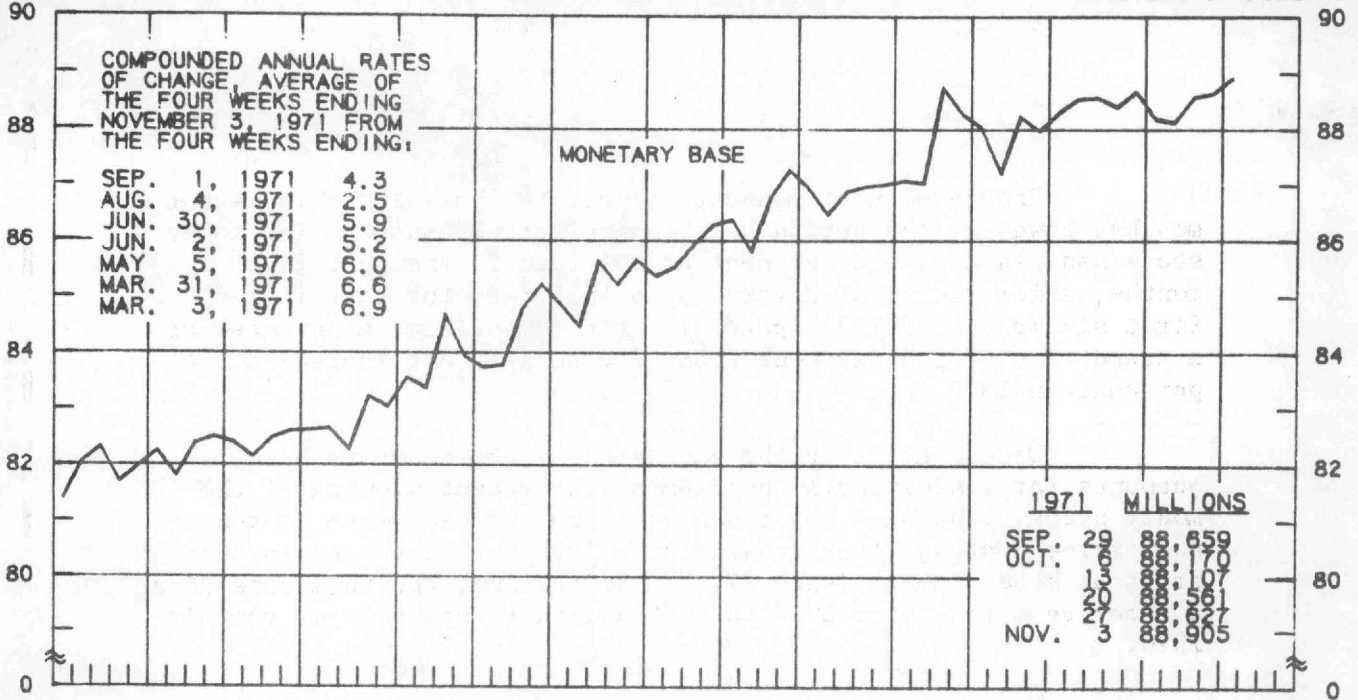
Prepared by Federal Reserve Bank of St. Louis  
Released: November 5, 1971

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

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS

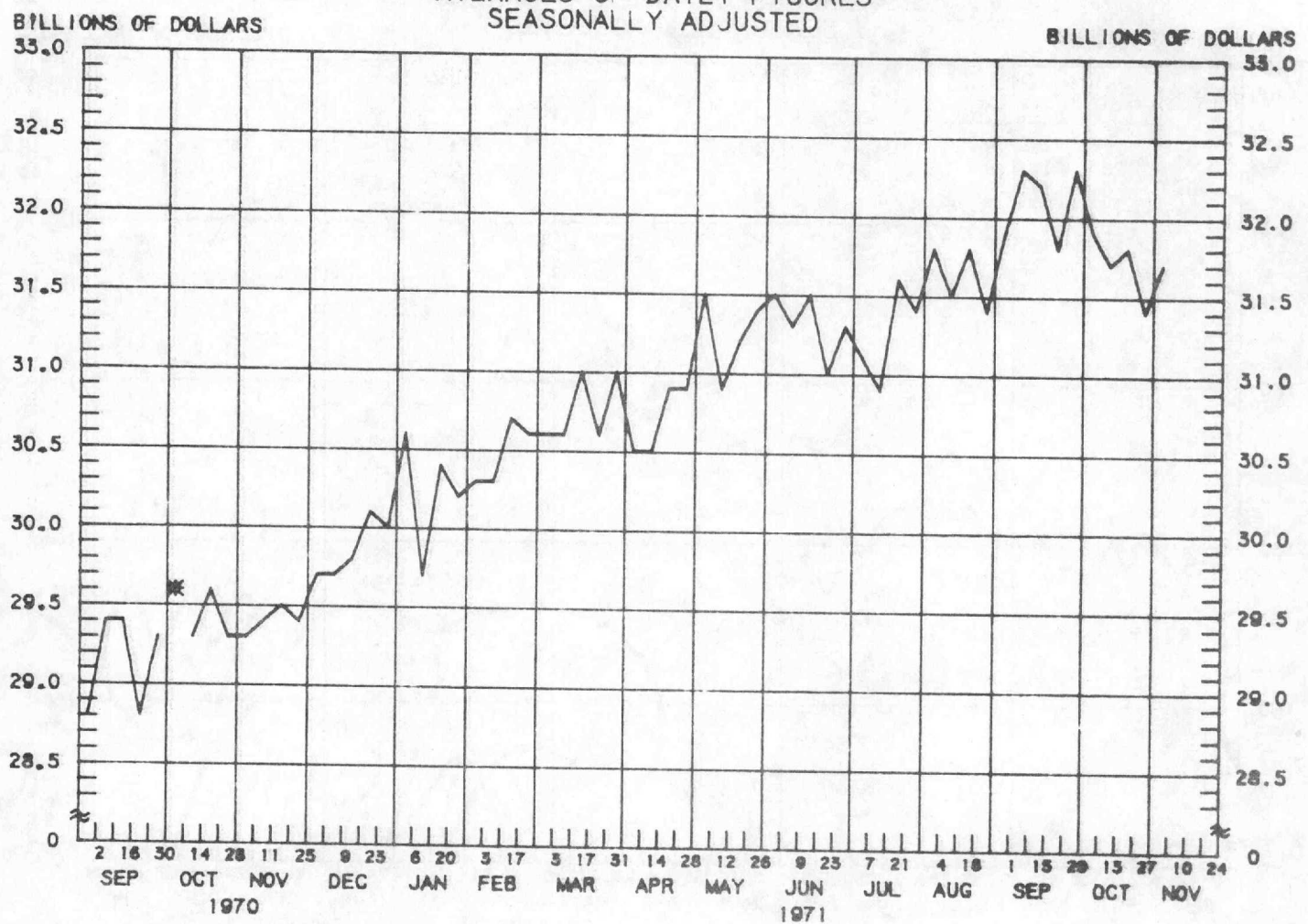


LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 3, 1971

- 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



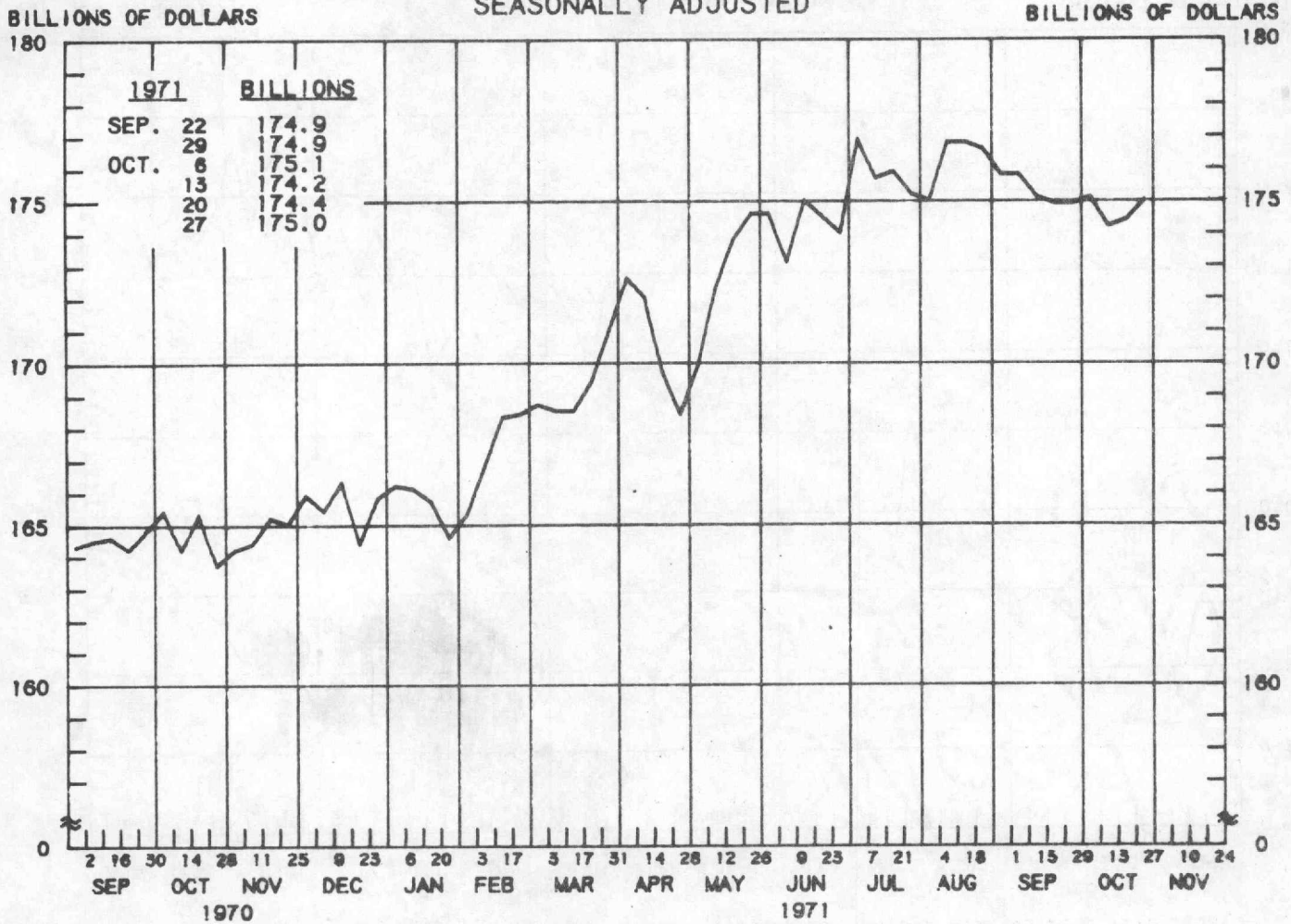
LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 3, 1971  
 CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.  
 \* BREAK IN SERIES DUE TO CHANGES IN REGULATION D EFFECTIVE OCTOBER 1, 1970.

1971	BILLIONS
SEP. 29	32.3
OCT. 6	31.9
13	31.7
20	31.8
27	31.4
NOV. 3	31.7

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF THE FOUR WEEKS ENDING NOVEMBER 3, 1971 FROM THE FOUR WEEKS ENDING:	
SEP. 1, 1971	0.0
AUG. 4, 1971	3.9
JUN. 30, 1971	3.7
JUN. 2, 1971	3.0
MAY 5, 1971	4.6
MAR. 31, 1971	4.9
MAR. 3, 1971	5.4

# DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 27, 1971

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

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:  
10/28/70    2/24/71    3/24/71    4/28/71    5/26/71    6/30/71    7/28/71    8/25/71

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

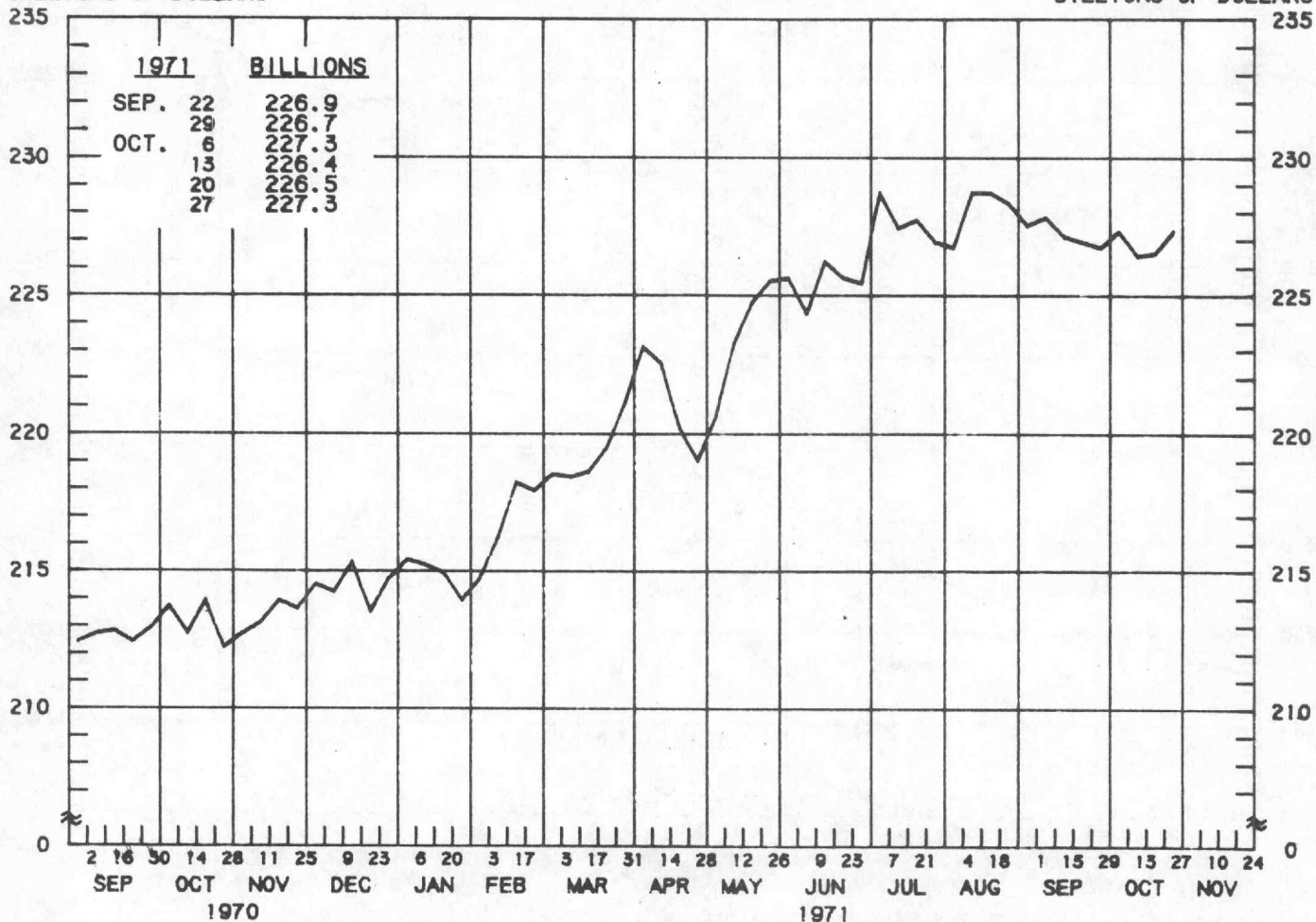
3/24/71	6.3							
4/28/71	7.4	12.7						
5/26/71	8.6	13.8	14.1					
6/30/71	8.7	12.6	12.4	12.4				
7/28/71	9.2	12.7	12.6	12.8	11.2			
8/25/71	8.6	11.2	10.8	10.4	8.6	8.1		
9/29/71	6.9	8.2	7.4	6.3	4.2	2.3	-2.3	
10/27/71	6.1	6.7	5.9	4.7	2.8	0.9	-2.7	-5.1

# MONEY STOCK

## AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 27, 1971

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

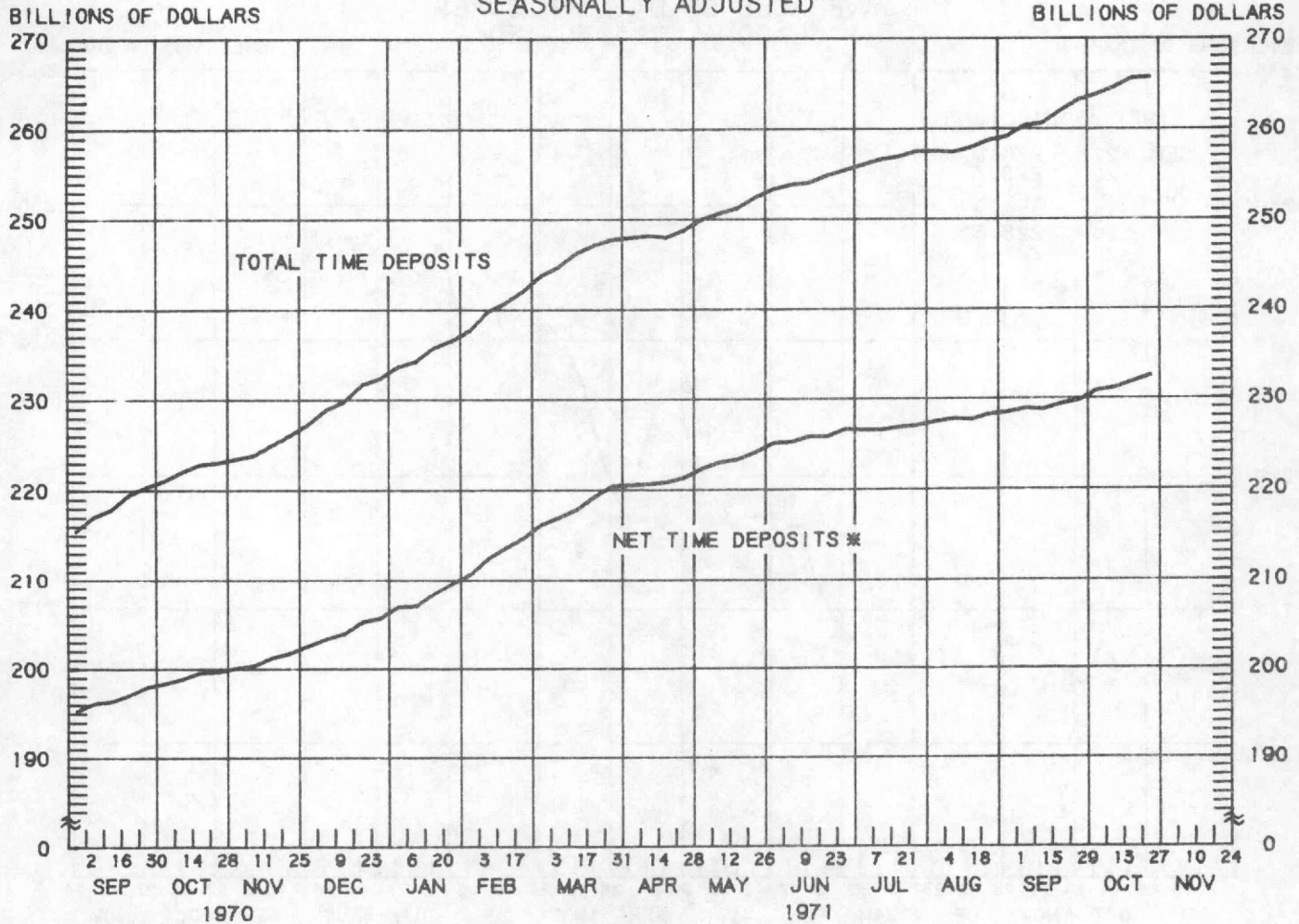
### COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

10/28/70    2/24/71    3/24/71    4/28/71    5/26/71    6/30/71    7/28/71    8/25/71

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

3/24/71	6.8							
4/28/71	7.7	12.3						
5/26/71	8.6	12.9	13.1					
6/30/71	8.7	11.9	11.7	11.5				
7/28/71	9.2	12.3	12.2	12.3	11.4			
8/25/71	8.6	10.7	10.3	9.9	8.5	8.0		
9/29/71	7.1	8.1	7.4	6.4	4.7	3.1	-1.5	
10/27/71	6.5	7.0	6.3	5.2	3.6	2.0	-1.4	-3.0

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



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 27, 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:

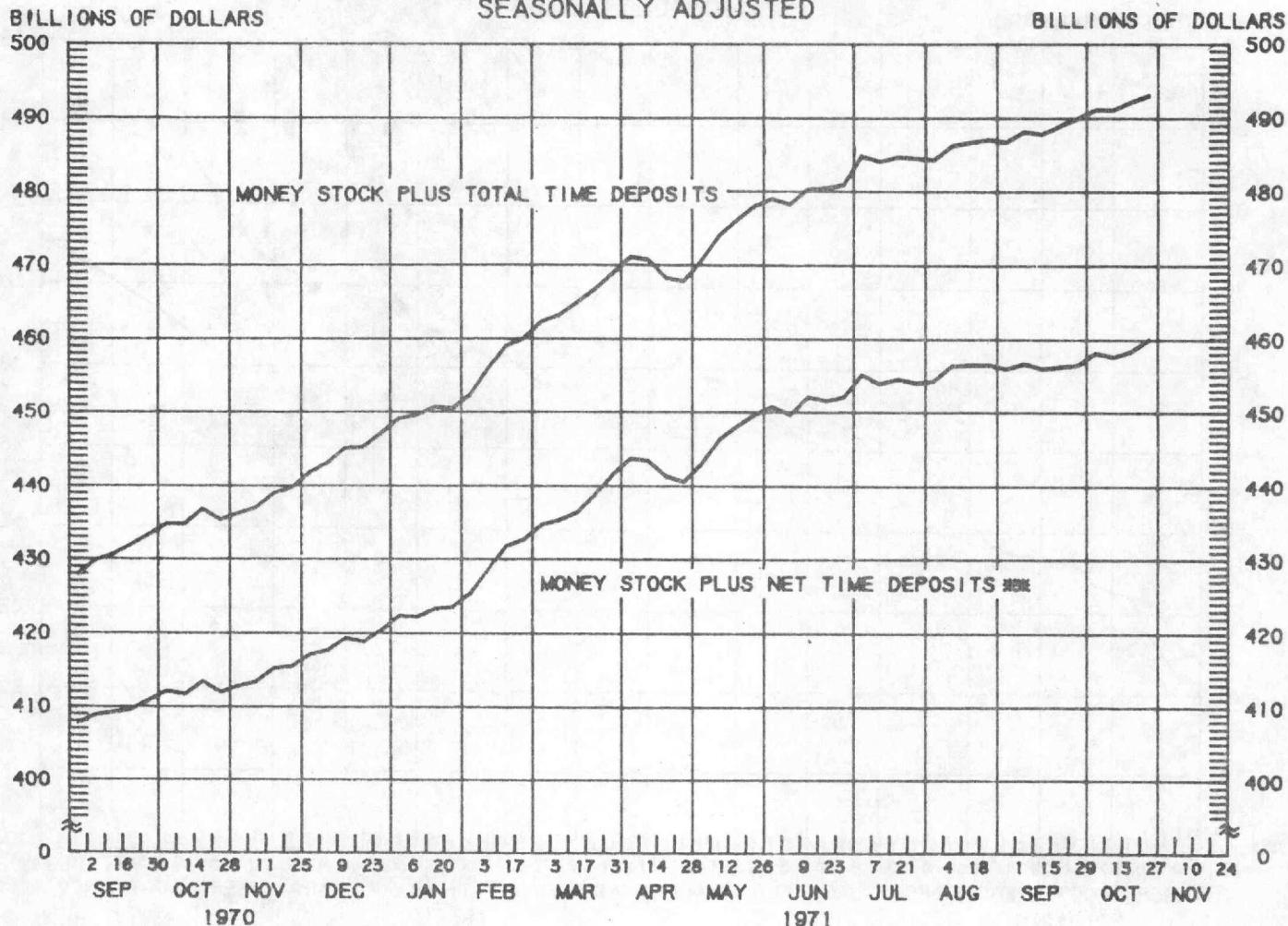
10/28/70    2/24/71    3/24/71    4/28/71    5/26/71    6/30/71    7/28/71    8/25/71

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

3/24/71	24.5							
4/28/71	23.0	23.8						
5/26/71	21.9	21.0	16.1					
6/30/71	20.6	18.8	15.1	14.1				
7/28/71	18.9	16.1	12.7	11.1	9.4			
8/25/71	17.6	14.5	11.4	9.9	8.3	5.3		
9/29/71	16.4	13.2	10.5	9.1	7.8	5.8	6.3	
10/27/71	16.3	13.4	11.1	10.0	9.1	7.9	8.9	10.3

# MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 27, 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:

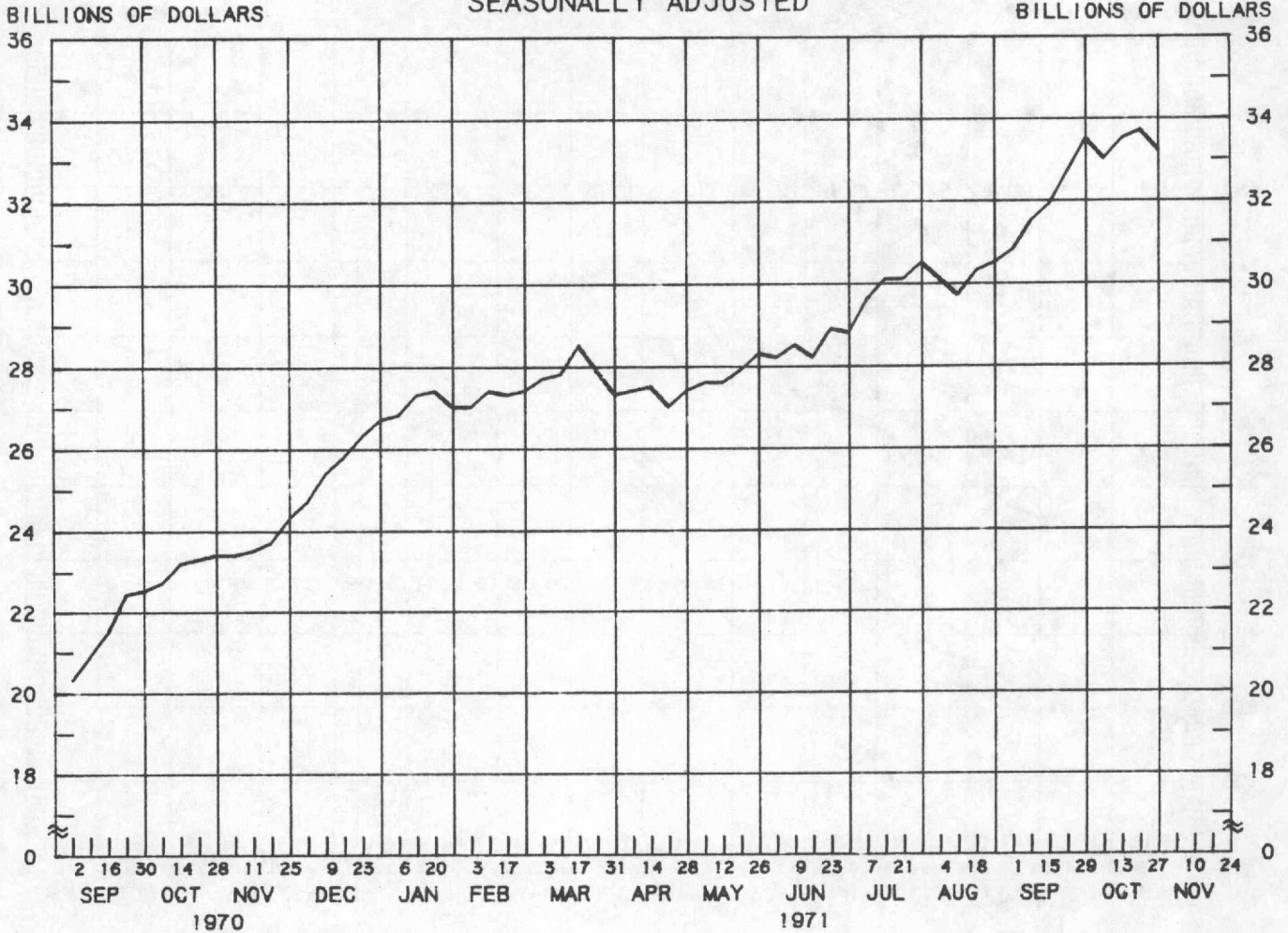
10/28/70 2/24/71 3/24/71 4/28/71 5/26/71 6/30/71 7/28/71 8/25/71

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

3/24/71	15.0								
4/28/71	15.1	18.2							
5/26/71	14.9	16.9	14.7						
6/30/71	14.4	15.3	13.5	12.5					
7/28/71	13.8	14.1	12.5	11.4	10.2				
8/25/71	12.9	12.6	10.9	9.7	8.4	6.7			
9/29/71	11.6	10.6	9.1	7.7	6.3	4.5	2.6		
10/27/71	11.2	10.2	8.7	7.5	6.4	5.0	3.7	3.5	

# CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 27, 1971

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

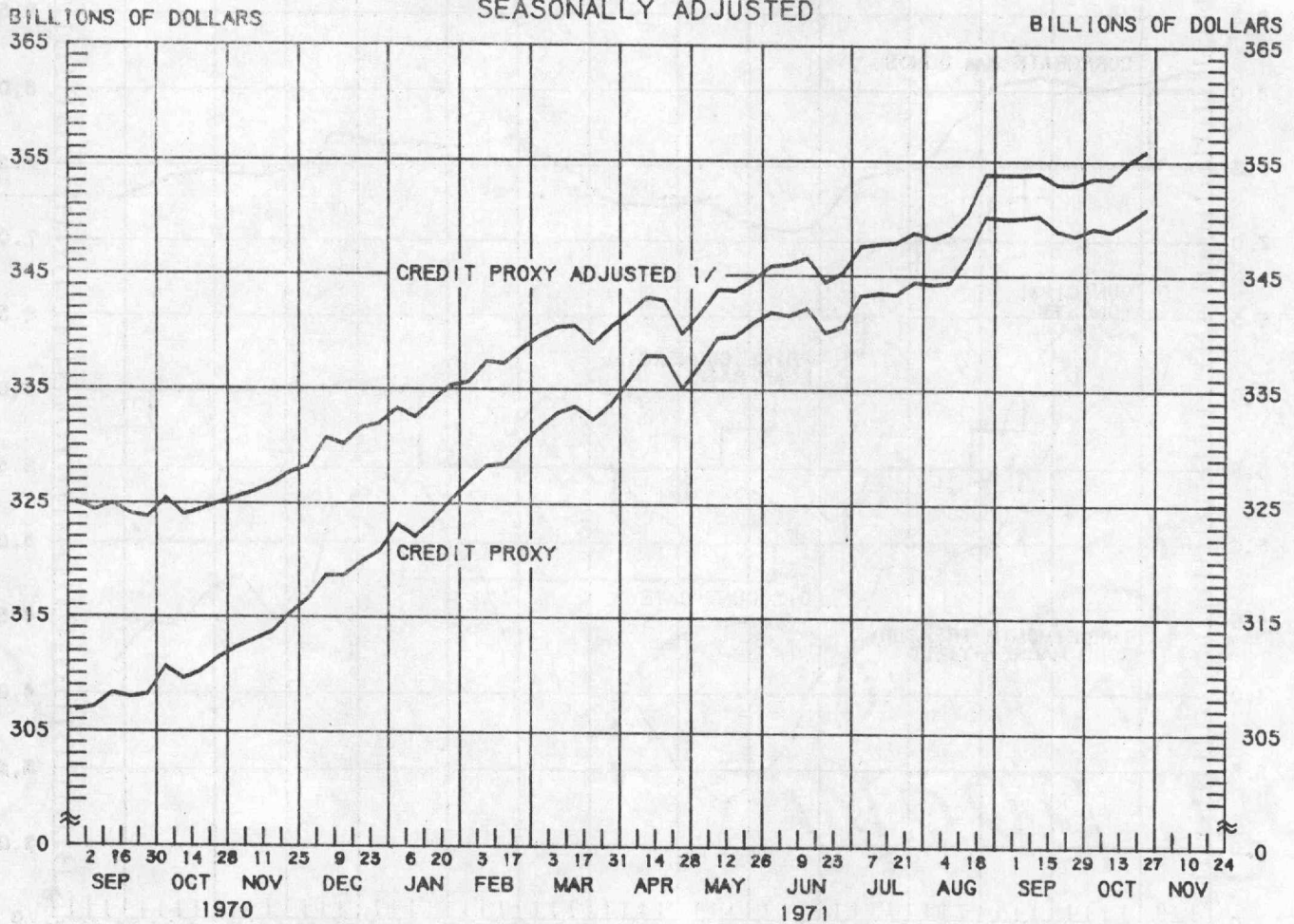
NEGOTIABLE TIME CERTIFICATES OF DEPOSIT ISSUED IN DENOMINATIONS OF \$100,000 OR MORE BY LARGE WEEKLY REPORTING COMMERCIAL BANKS.

MONEY AND TIME DEPOSIT DATA			
1971	BILLIONS		
	CERTIFICATES OF DEPOSIT	NET TIME DEPOSITS *	M 2 ***
SEP. 1	30.8	228.4	455.9
8	31.5	228.8	456.6
15	31.9	228.7	455.9
22	32.7	229.3	456.2
29	33.5	229.7	456.4
OCT. 6	33.0	230.8	458.1
13	33.5	231.1	457.5
20	33.7	231.8	458.3
27	33.2	232.5	459.9
NOV. 3			
10			
17			
24			

\* 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: OCTOBER 27, 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.

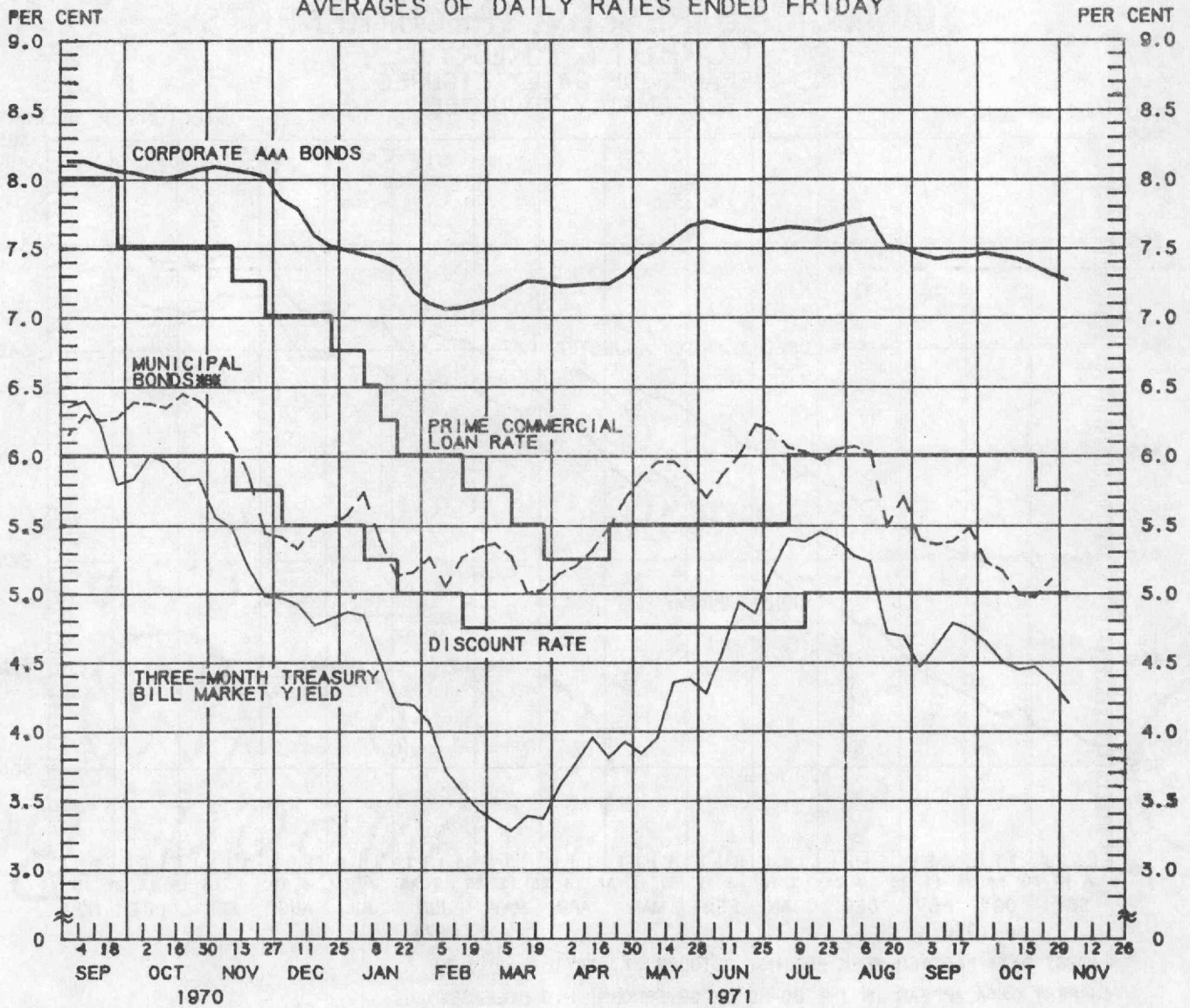
1971		BILLIONS	
	CREDIT PROXY	CREDIT PROXY ADJUSTED	
SEP. 22	348.8	352.9	
29	348.4	352.9	
OCT. 6	349.1	353.5	
13	348.8	353.4	
20	349.7	354.9	
27	350.8	355.9	

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF THE FOUR WEEKS ENDING OCTOBER 27, 1971 FROM THE FOUR WEEKS ENDING:			
		CREDIT PROXY	CREDIT PROXY ADJUSTED
AUG. 25, 1971		5.5	7.0
JUL. 28, 1971		7.2	7.7
JUN. 30, 1971		7.9	8.1
MAY 26, 1971		7.3	7.7
APR. 28, 1971		7.8	7.5
MAR. 24, 1971		8.7	7.3
FEB. 24, 1971		9.7	7.7

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: NOVEMBER 5, 1971

1971	CORPORATE AAA BONDS	3-MONTH TREASURY BILLS	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES	MUNICIPAL BONDS
SEP. 3	7.45	4.47	5.89	5.58	5.39
SEP. 10	7.42	4.62	5.94	5.51	5.36
SEP. 17	7.44	4.79	6.00	5.59	5.38
SEP. 24	7.44	4.74	6.01	5.59	5.48
OCT. 1	7.46	4.65	5.91	5.52	5.24
OCT. 8	7.44	4.51	5.84	5.47	5.17
OCT. 15	7.42	4.45	5.68	5.44	4.99
OCT. 22	7.37	4.47	5.62	5.47	4.97
OCT. 29	7.31	4.36	5.53	5.43	5.11
NOV. 5 *	7.27	4.21	5.40	5.33	N.A.
NOV. 12					
NOV. 19					
NOV. 26					

\* AVERAGES OF RATES AVAILABLE.

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

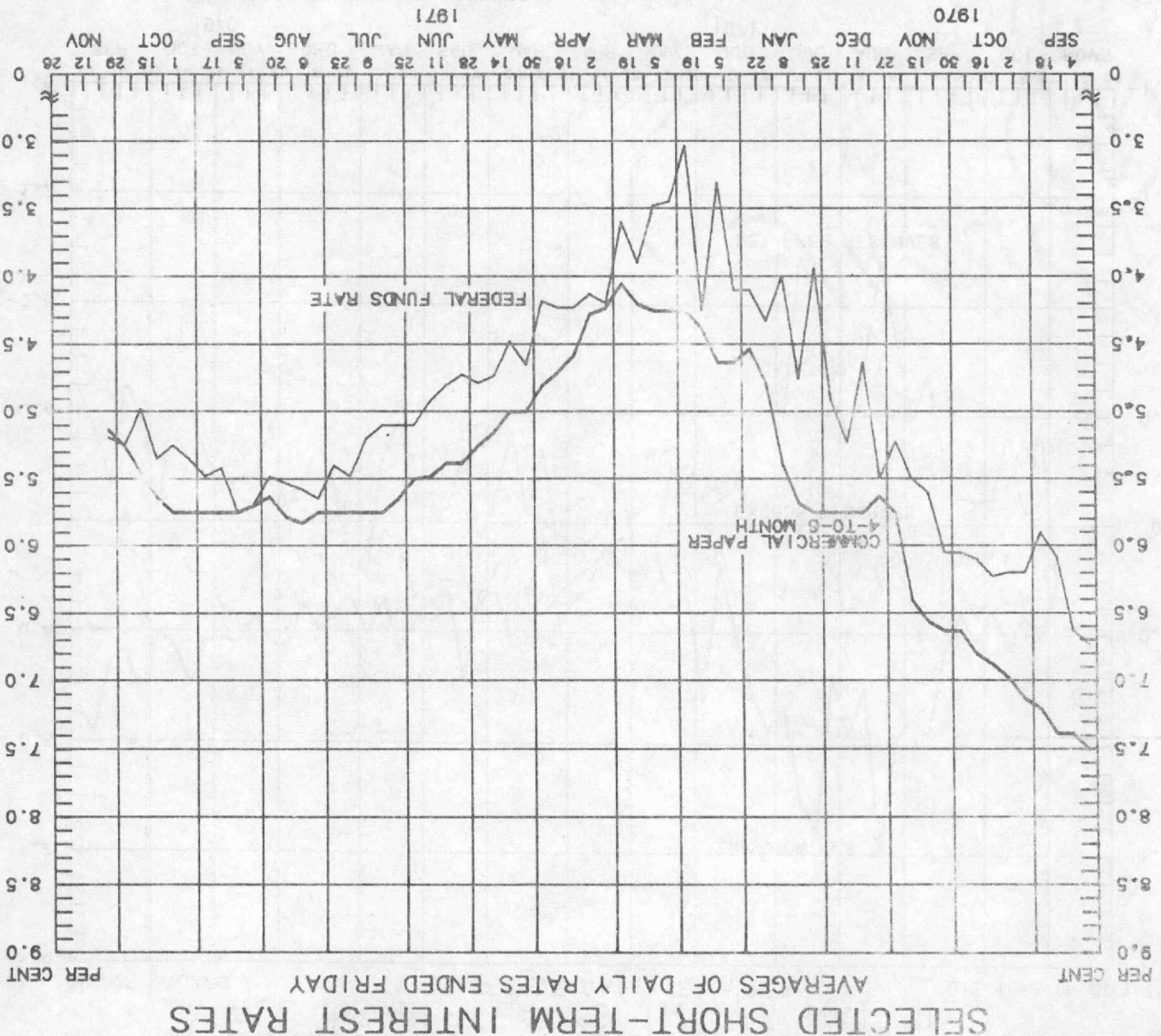
N.A. - NOT AVAILABLE

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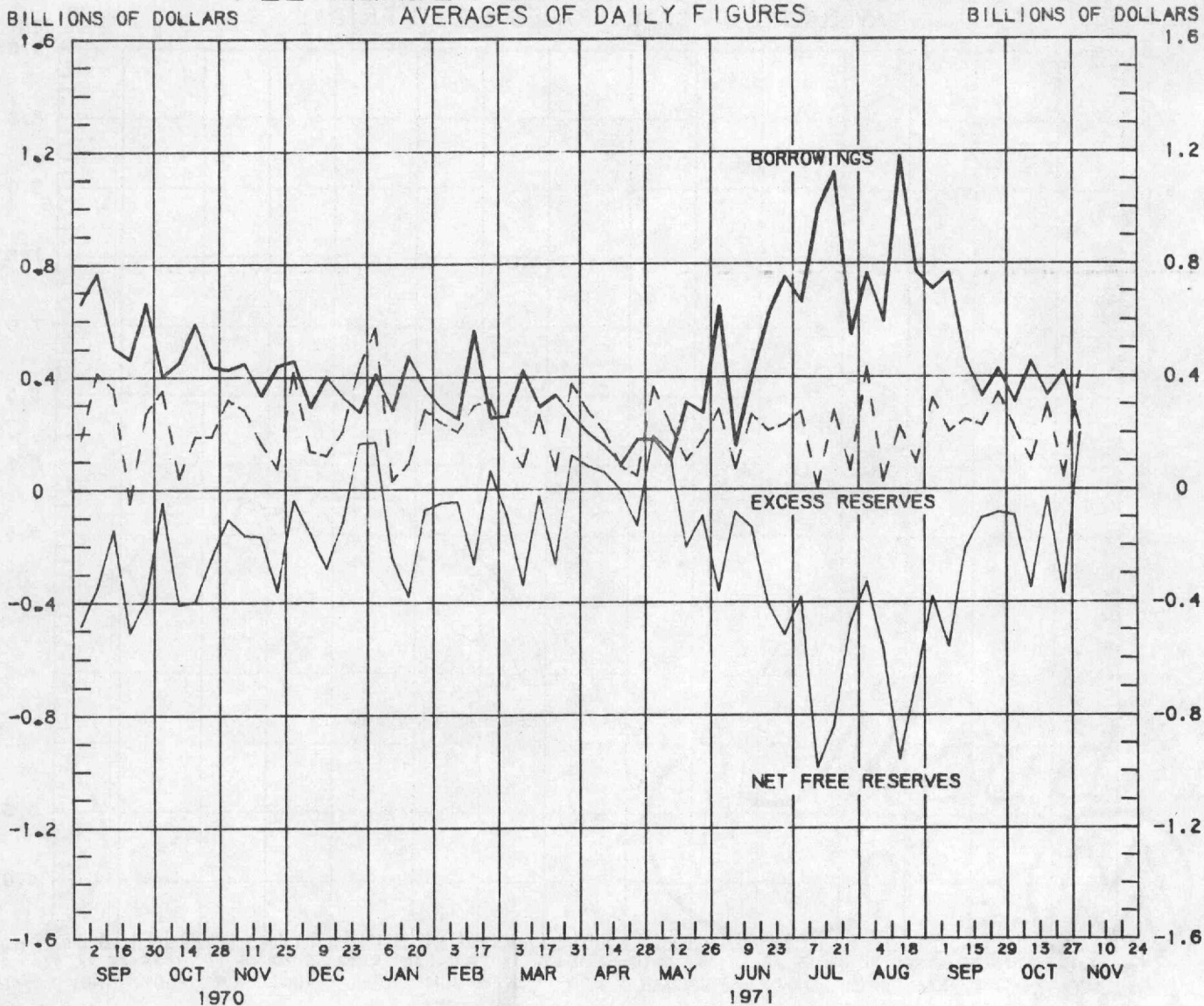
\* AVERAGES OF RATES AVAILABLE. FEDERAL FUNDS LAST FIVE DAYS AVAILABLE  
 \*\* DATA ARE SECONDARY MARKET RATES, WEEKLY AVERAGES ENDING WEDNESDAY TWO  
 \*\*\* DAYS EARLIER. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

				SEP. 3
				10
				17
				24
				1
				8
				15
				22
				29
				5*
				12
				19
				26
				NOV.
				5.70
				5.75
				5.75
				5.75
				5.48
				5.42
				5.50
				5.50
				5.50
				5.55
				5.55
				5.66
				5.62
				5.53
				5.44
				5.29
				5.18
				4.99
PRIME COMMERCIAL PAPER 4-6 MONTH	FEDERAL FUNDS	PRIME BANKERS' ACCEPTANCES	90 DAY CD'S ***	1971

LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING, NOVEMBER 5, 1971



# BORROWINGS AND EXCESS RESERVES ALL MEMBER BANKS IN THE NATION



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 3, 1971

1971	MILLIONS		
	EXCESS RESERVES	BORROWINGS	FREE RESERVES
SEP. 1	324	706	- 382
8	205	765	- 560
15	247	457	- 210
22	227	329	- 102
29	343	424	- 81
OCT. 6	214	309	- 95
13	101	450	- 349
20	304	332	- 28
27	44	414	- 370
NOV. 3	413	215	198
10			
17			
24			

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