



Week ending: December 1, 1971

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The money stock of the nation has changed little in the last four months, rising at only a 0.5 percent annual rate. By comparison, money rose at an average 6.2 percent rate from the fourth quarter of 1966 to the third quarter of 1971. The two most recent periods when the money stock changed only slightly for a period of four months or longer occurred in 1969 and 1966. Money is defined to include private demand deposits and currency in the hands of the public.

Growth in the monetary base, which underlies growth in the money stock, has also slowed markedly in recent months. In the past four months the base has risen at a 2.7 percent annual rate, down from the 11 percent rate of the previous seven months.

Slower expansion of Federal Reserve credit, the major component of the base, has been the dominant factor in the recent slowing in the growth of the base. In the last four months Federal Reserve credit has increased at a 5.5 percent annual rate, after rising at a 15 percent rate in the previous seven months. Federal Reserve credit reflects primarily funds injected when the System purchases securities from the public; it also includes loans made to member banks by Federal Reserve Banks as well as a few minor transactions.

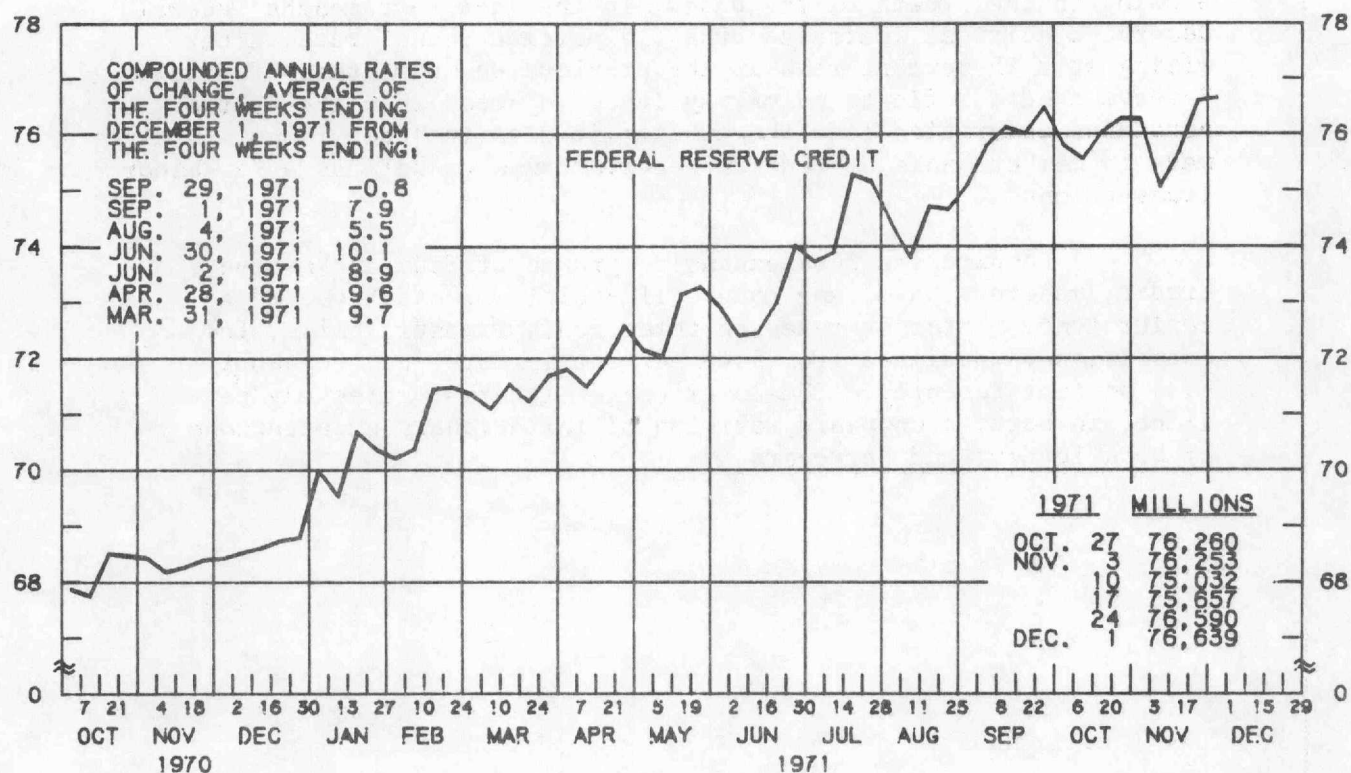
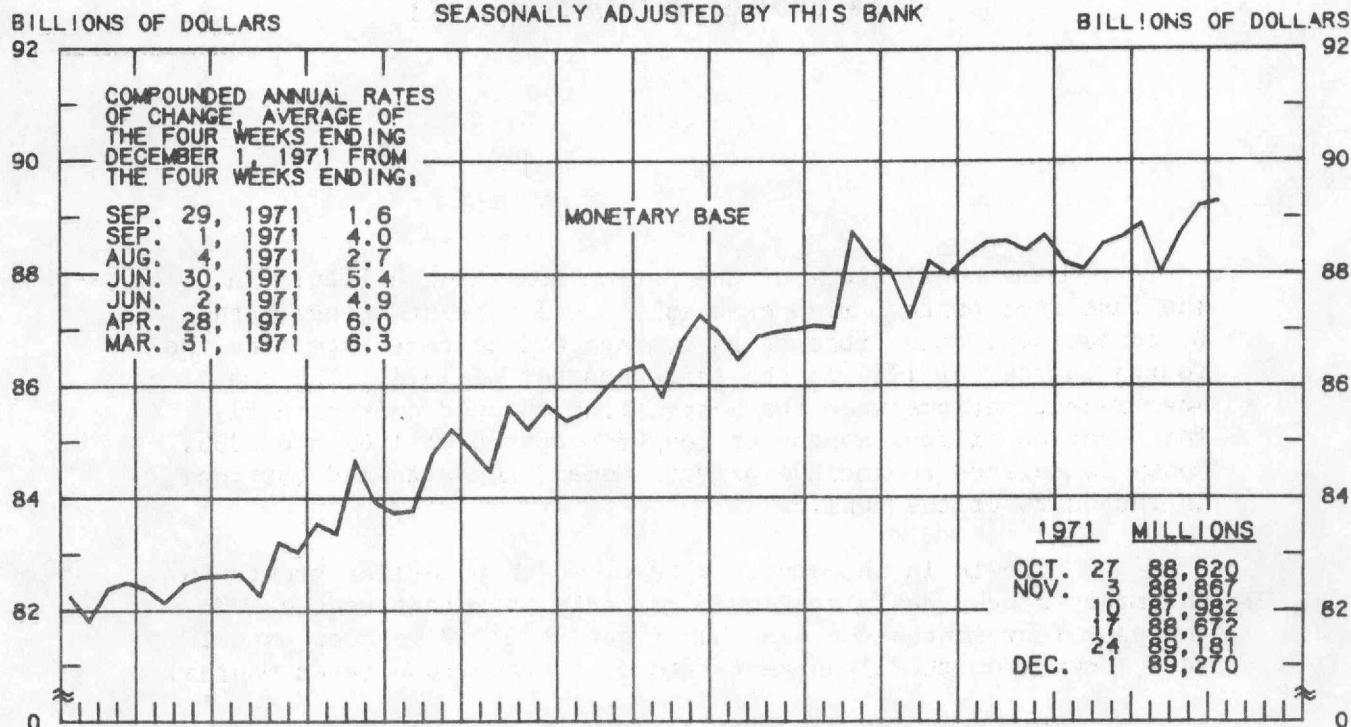
Despite the less expansive growth of Federal Reserve credit, monetary base, and money, financial markets have had an easier tone. Interest rates on three month Treasury bills, for example, have declined from 5.40 percent in late July to about 4.35 percent recently. The lower market interest rates may reflect, in part, a downward revision of inflationary expectations by both lenders and borrowers.

Prepared by Federal Reserve Bank of St. Louis

Released: December 3, 1971

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

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK



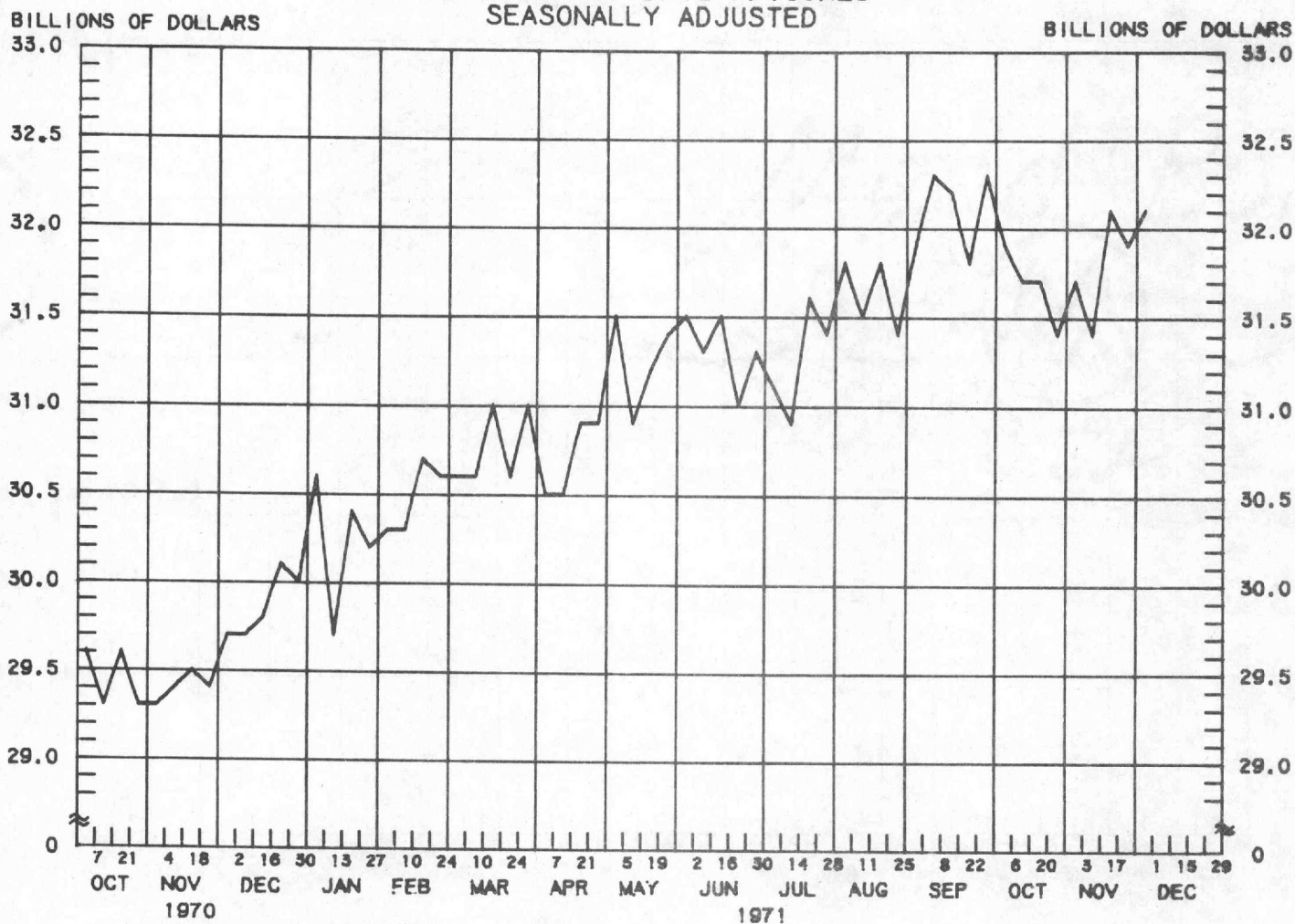
LATEST DATA PLOTTED WEEK ENDING: DECEMBER 1, 1971

- 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: DECEMBER 1, 1971

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

<u>1971</u>	<u>BILLIONS</u>
OCT. 27	31.4
NOV. 3	31.7
10	31.4
17	32.1
24	31.9
DEC. 1	32.1

COMPOUNDED ANNUAL RATES
OF CHANGE, AVERAGE OF
THE FOUR WEEKS ENDING
DECEMBER 1, 1971 FROM
THE FOUR WEEKS ENDING:

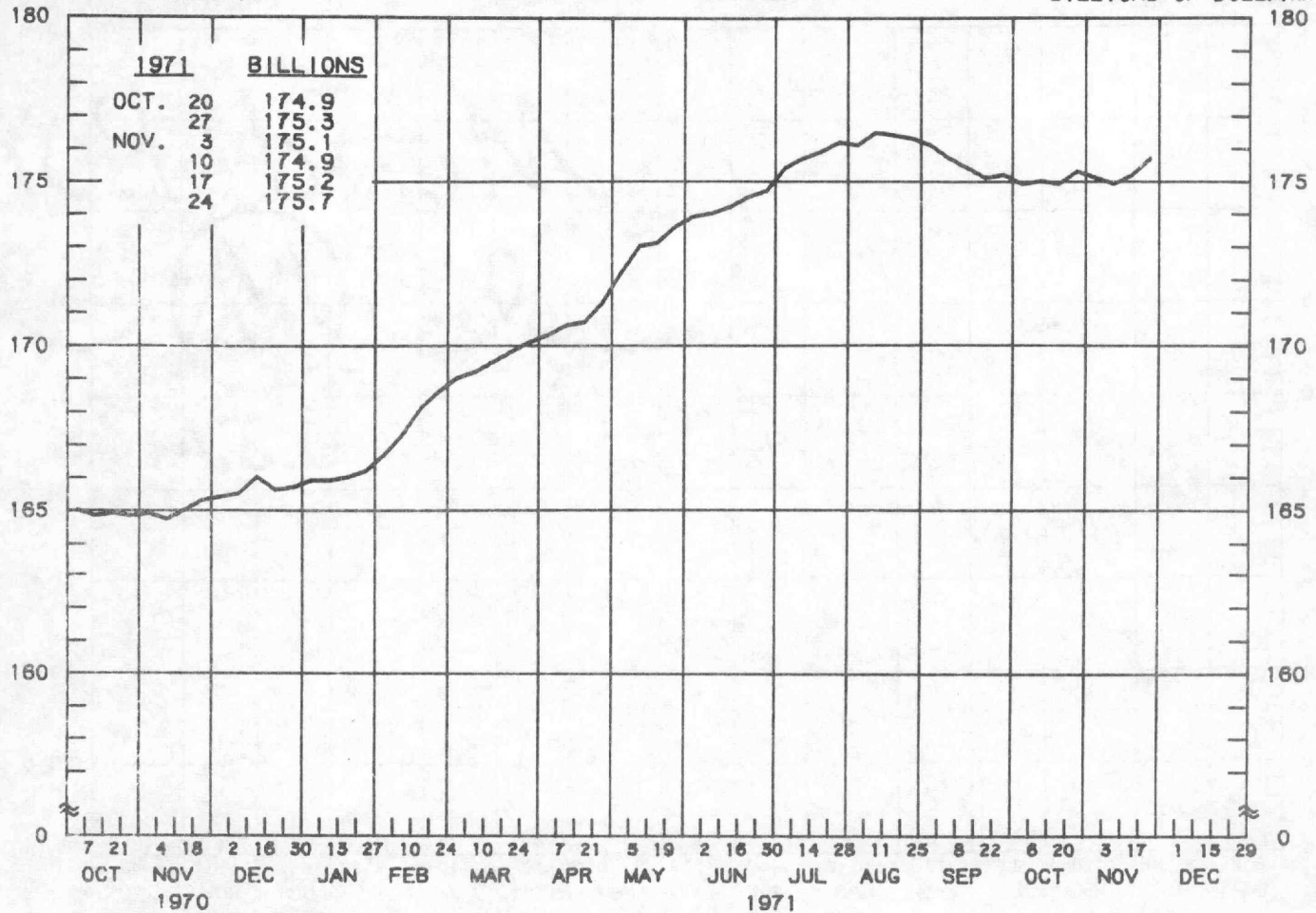
SEP. 29, 1971	-5.3
SEP. 1, 1971	2.5
AUG. 4, 1971	5.0
JUN. 30, 1971	4.6
JUN. 2, 1971	3.9
APR. 28, 1971	6.6
MAR. 31, 1971	5.4

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 24, 1971

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

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

11/25/70 3/24/71 4/21/71 5/26/71 6/23/71 7/21/71 8/25/71 9/22/71

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

4/21/71	8.3						
5/26/71	9.9	12.9					
6/23/71	9.9	11.8	13.6				
7/21/71	9.8	11.2	12.3	9.4			
8/25/71	9.2	9.9	10.3	7.9	7.2		
9/22/71	7.8	7.5	7.4	4.7	3.3	0.7	
10/27/71	6.6	5.6	5.3	2.8	1.3	-0.8	-4.2
11/24/71	6.2	5.1	4.8	2.6	1.4	-0.3	-2.5
							-1.3

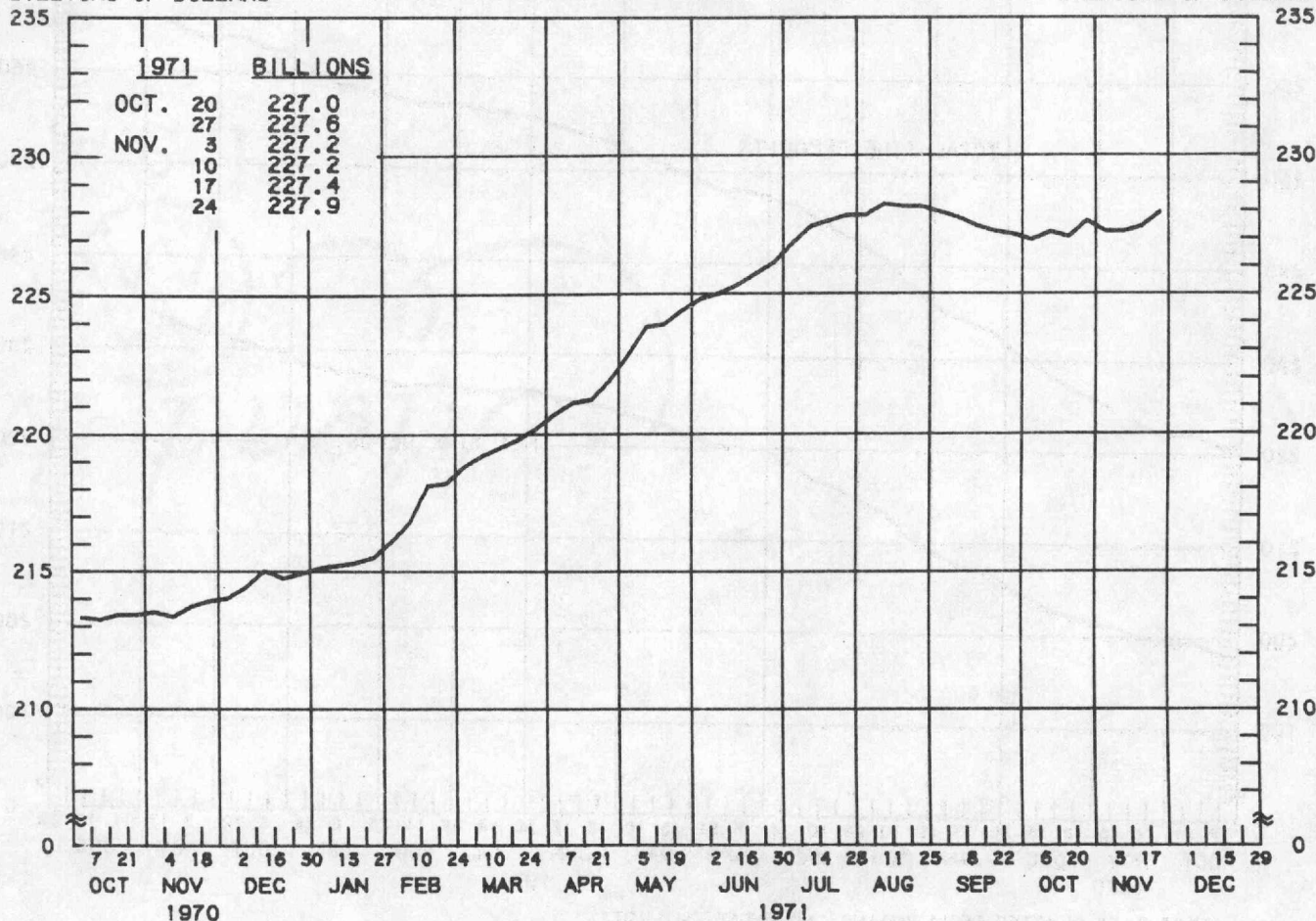
MONEY STOCK

AVERAGES OF DAILY FIGURES

SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 24, 1971

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

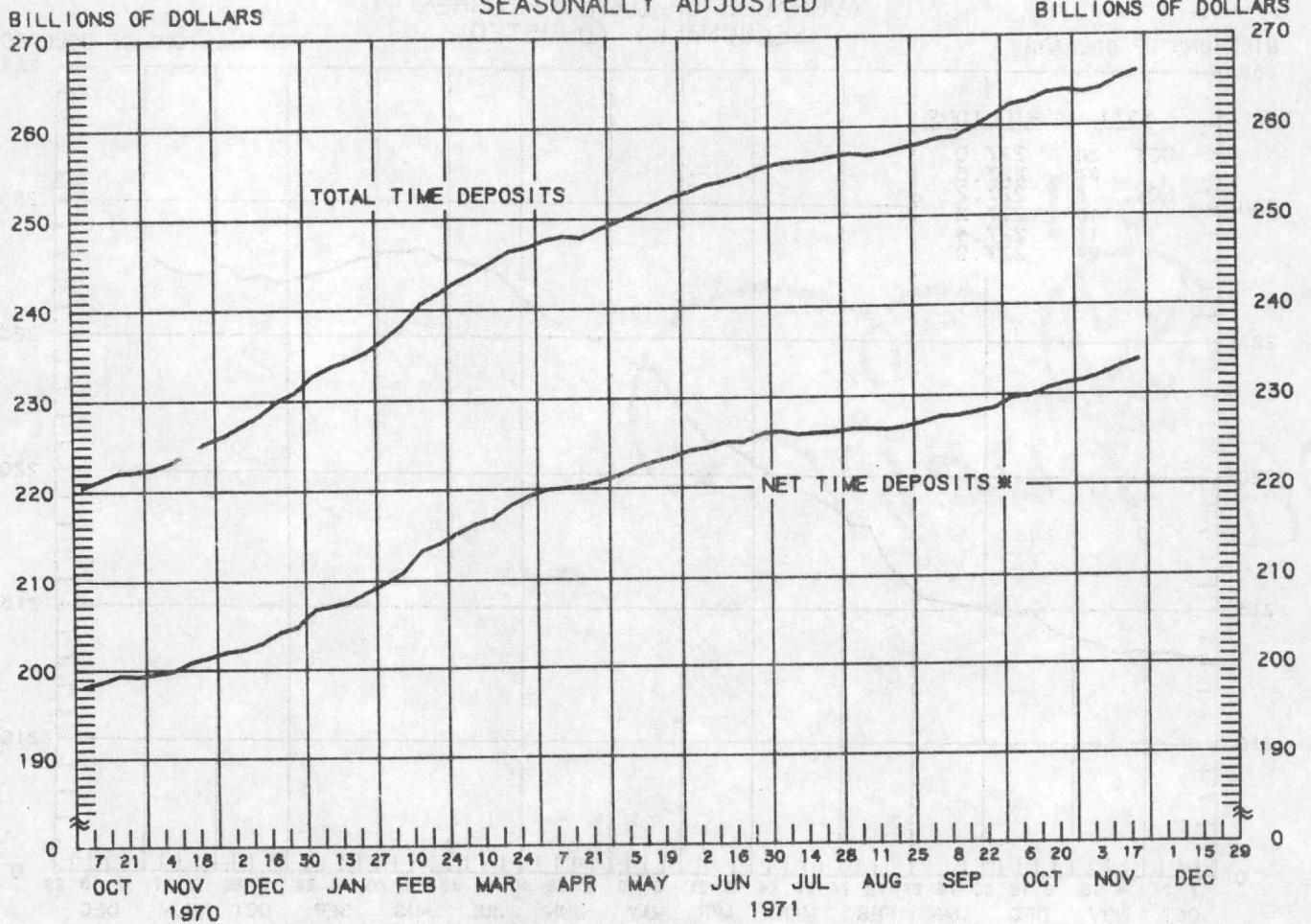
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

11/25/70 3/24/71 4/21/71 5/26/71 6/23/71 7/21/71 8/25/71 9/22/71

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

4/21/71	8.6							
5/26/71	9.7	12.2						
6/23/71	9.6	11.2	12.1					
7/21/71	9.8	11.1	11.7	10.0				
8/25/71	9.2	9.7	9.9	8.1	7.7			
9/22/71	8.0	7.7	7.4	5.4	4.3	1.5		
10/27/71	6.9	6.1	5.7	3.7	2.6	0.3	-2.3	
11/24/71	6.5	5.5	5.1	3.3	2.3	0.5	-1.2	-0.5

TIME DEPOSITS ALL COMMERCIAL BANKS AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 24, 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

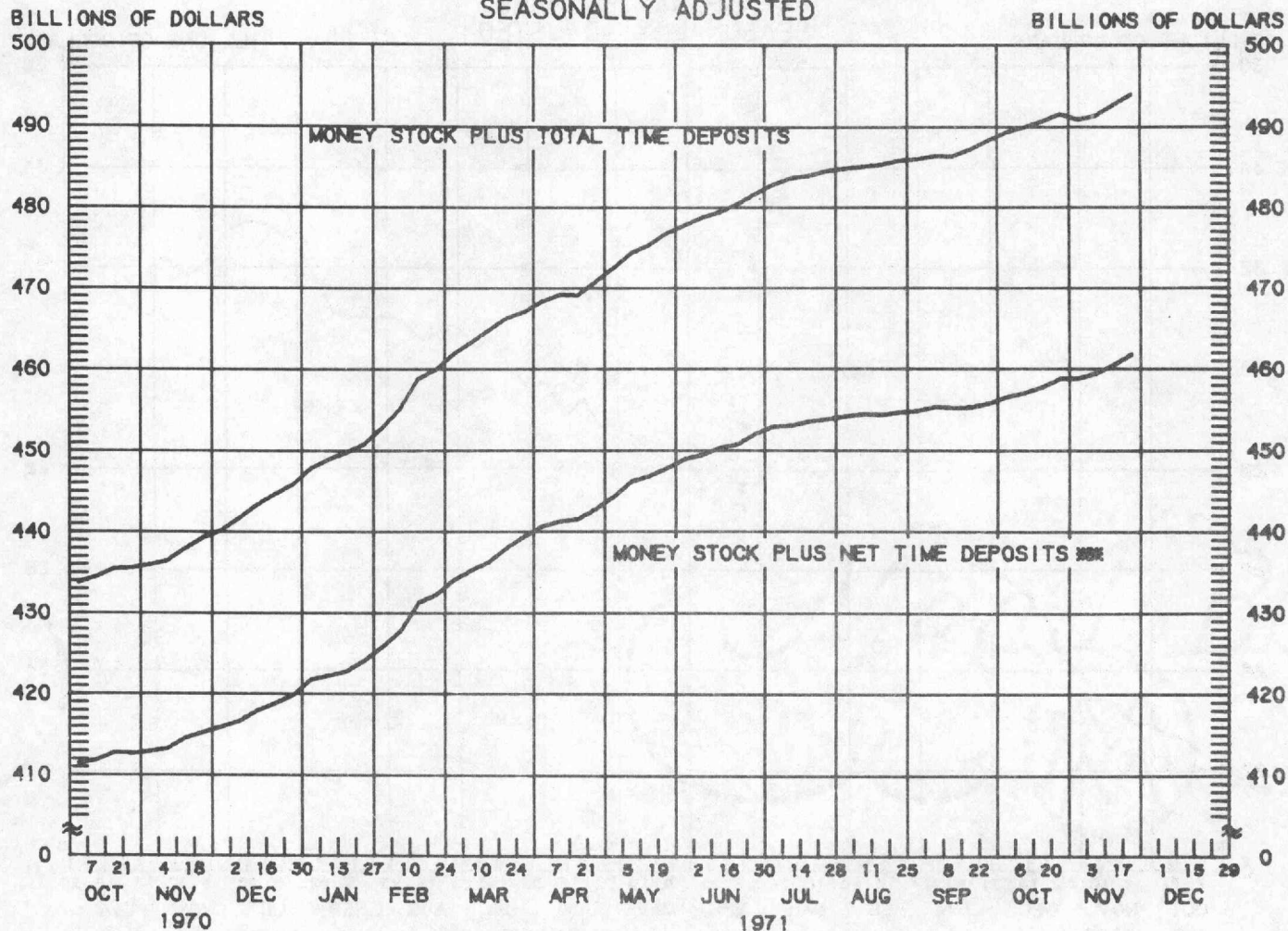
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

	11/25/70	3/24/71	4/21/71	5/26/71	6/23/71	7/21/71	8/25/71	9/22/71
TO THE AVERAGE OF FOUR WEEKS ENDING:								
4/21/71	25.9							
5/26/71	23.3	17.1						
6/23/71	21.8	15.8	13.0					
7/21/71	20.1	13.9	11.4	10.4				
8/25/71	17.6	11.0	8.6	7.0	4.5			
9/22/71	16.6	10.5	8.5	7.2	5.5	4.4		
10/27/71	16.3	10.9	9.3	8.5	7.5	7.4	10.7	
11/24/71	16.1	11.3	10.0	9.4	8.7	8.9	11.8	13.7

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 24, 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:

11/25/70 3/24/71 4/21/71 5/26/71 6/23/71 7/21/71 8/25/71 9/22/71

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

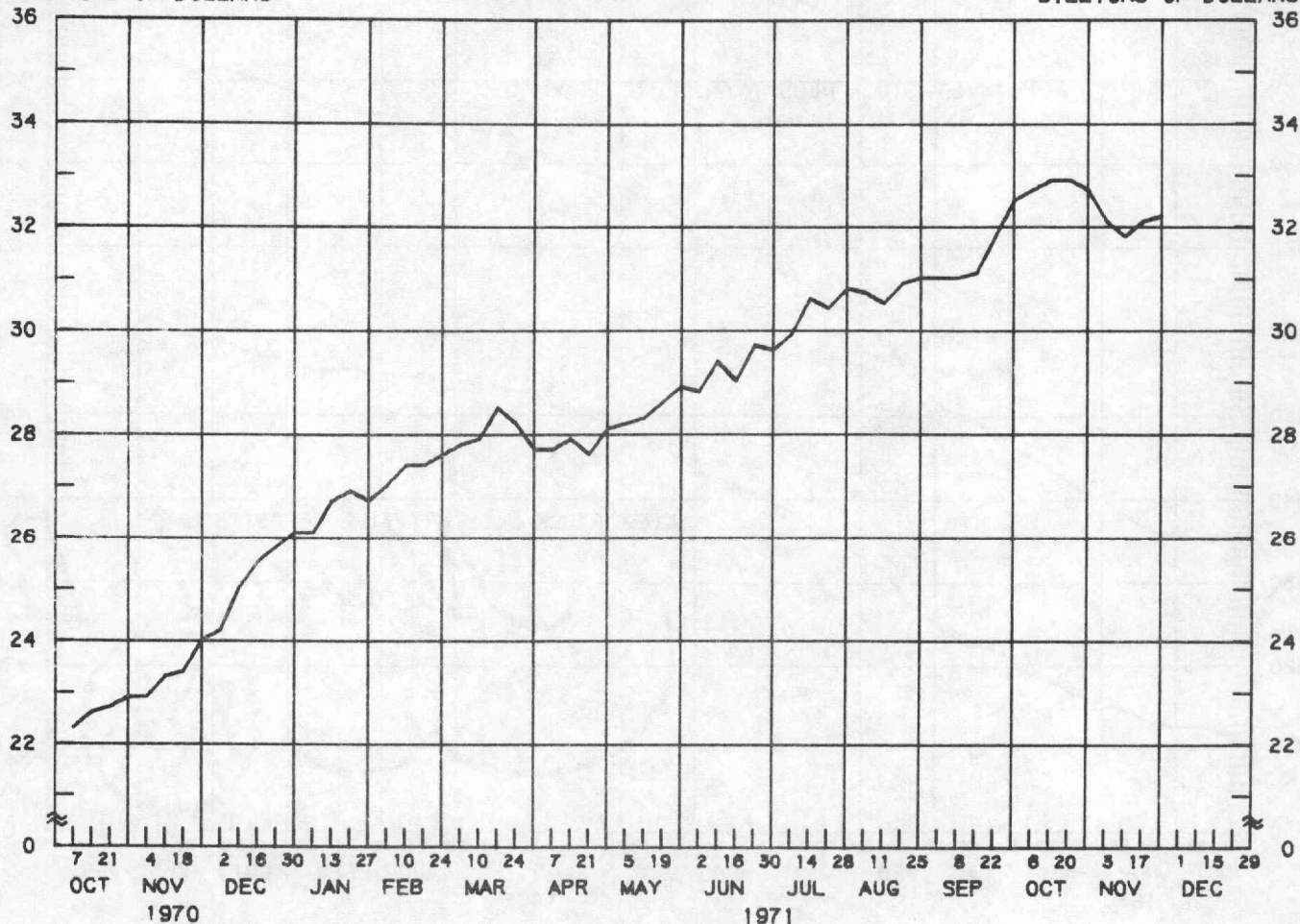
4/21/71	16.7							
5/26/71	16.2	14.4						
6/23/71	15.5	13.4	12.5					
7/21/71	14.7	12.4	11.5	10.2				
8/25/71	13.2	10.3	9.2	7.6	6.1			
9/22/71	12.1	9.0	7.9	6.2	4.8	2.8		
10/27/71	11.4	8.5	7.5	6.1	5.0	3.8	4.0	
11/24/71	11.1	8.4	7.5	6.3	5.5	4.7	5.1	6.5

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 24, 1971

CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.8 RELEASE.

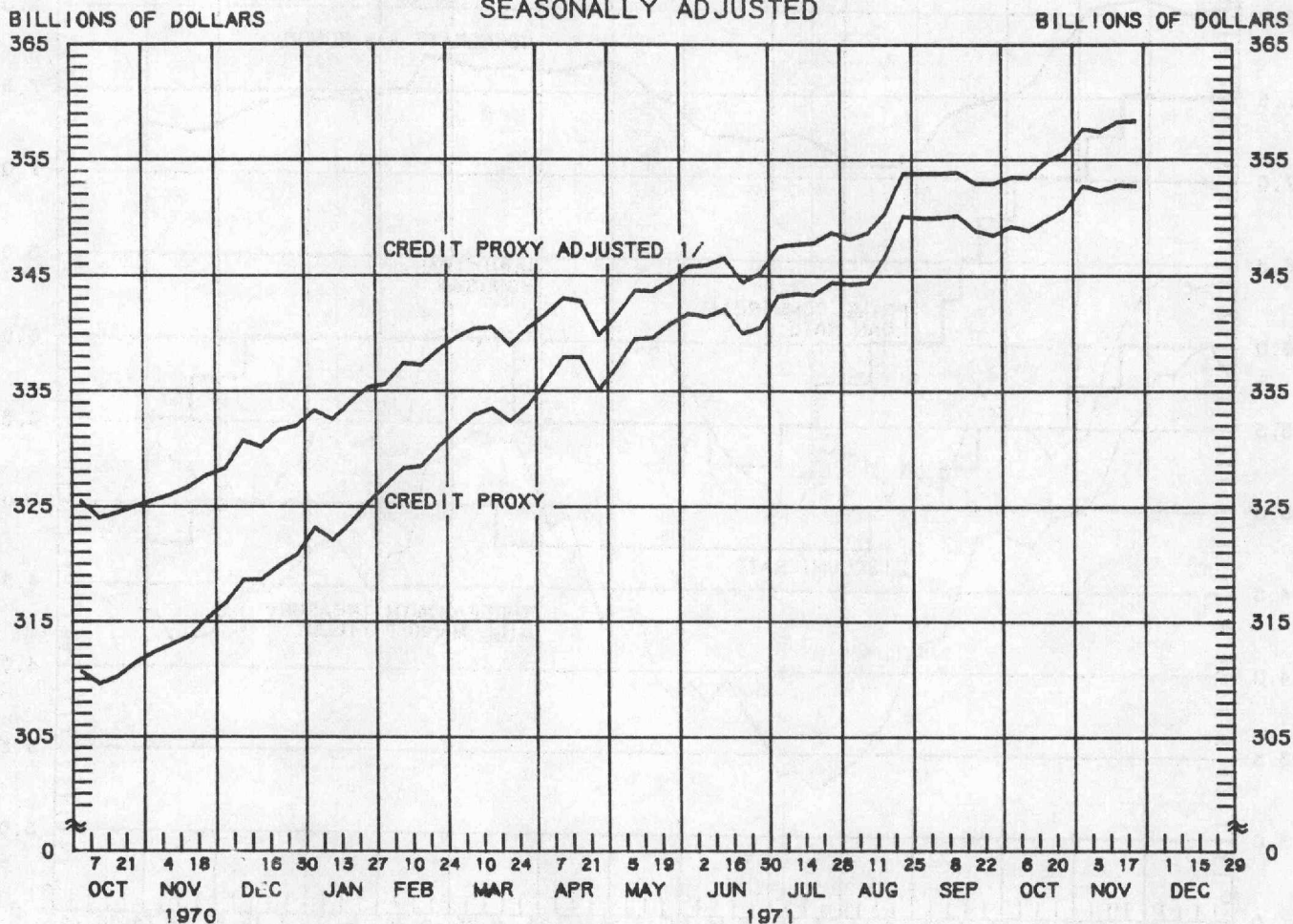
NEGOTIABLE TIME CERTIFICATES OF DEPOSIT ISSUED IN DENOMINATIONS OF \$100,000 OR MORE BY LARGE WEEKLY REPORTING COMMERCIAL BANKS.

MONEY AND TIME DEPOSIT DATA			
1971	BILLIONS		
	CERTIFICATES OF DEPOSIT	NET TIME DEPOSITS *	M 2 ***
OCT. 6	32.7	229.6	456.5
13	32.9	229.8	457.0
20	32.9	230.7	457.7
27	32.7	231.2	458.8
NOV. 3	32.1	231.5	458.8
10	31.8	232.2	459.4
17	32.1	233.1	460.5
24	32.2	233.8	461.7
DEC. 1			
8			
15			
22			
29			

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

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



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 24, 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.

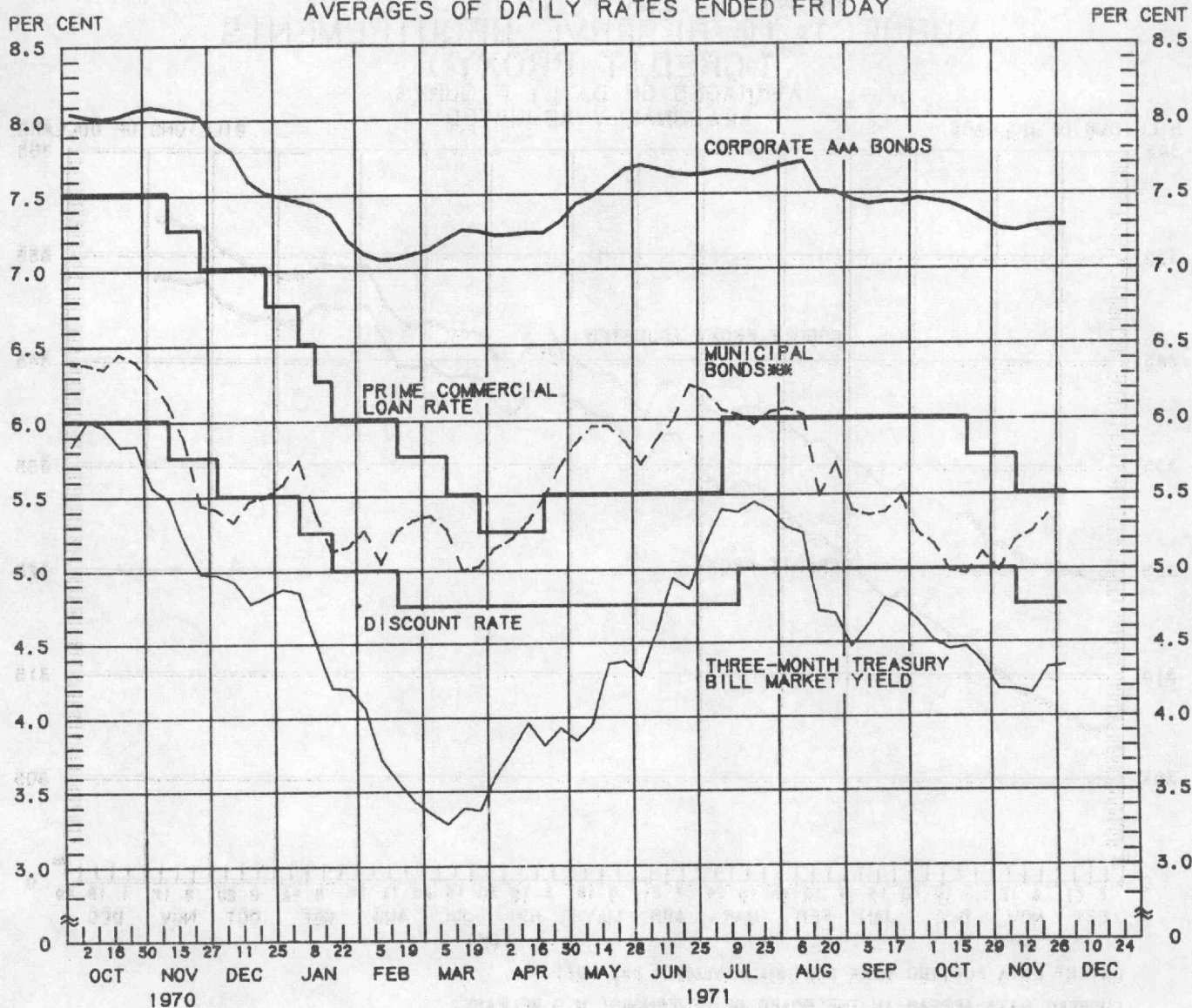
<u>1971</u>		<u>BILLIONS</u>	
		<u>CREDIT PROXY</u>	<u>CREDIT PROXY ADJUSTED</u>
OCT.	20	349.8	354.9
	27	350.6	355.6
NOV.	3	352.7	357.7
	10	352.3	357.4
	17	352.8	358.3
	24	352.7	358.4

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF THE FOUR WEEKS ENDING NOVEMBER 24, 1971 FROM THE FOUR WEEKS ENDING:		
	<u>CREDIT PROXY</u>	<u>CREDIT PROXY ADJUSTED</u>
SEP. 22, 1971	4.9	7.4
AUG. 25, 1971	7.4	9.1
JUL. 21, 1971	8.7	9.3
JUN. 23, 1971	8.0	8.7
MAY 26, 1971	8.0	8.7
APR. 21, 1971	8.3	8.0
MAR. 24, 1971	9.1	8.0

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: DECEMBER 3, 1971

1971	CORPORATE AAA BONDS	3-MONTH TREASURY BILLS	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES	MUNICIPAL BONDS ***
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	7.37	4.47	5.62	5.47	4.97
29	7.31	4.36	5.53	5.43	5.11
NOV. 5	7.25	4.18	5.41	5.33	4.99
12	7.24	4.18	5.47	5.37	5.19
19	7.27	4.15	5.47	5.46	5.25
26	7.28	4.33	5.63	5.56	5.36
DEC. 3 *	7.28	4.34	5.57	5.57	N.A.
10					
17					
24					
31					

* AVERAGES OF RATES AVAILABLE.

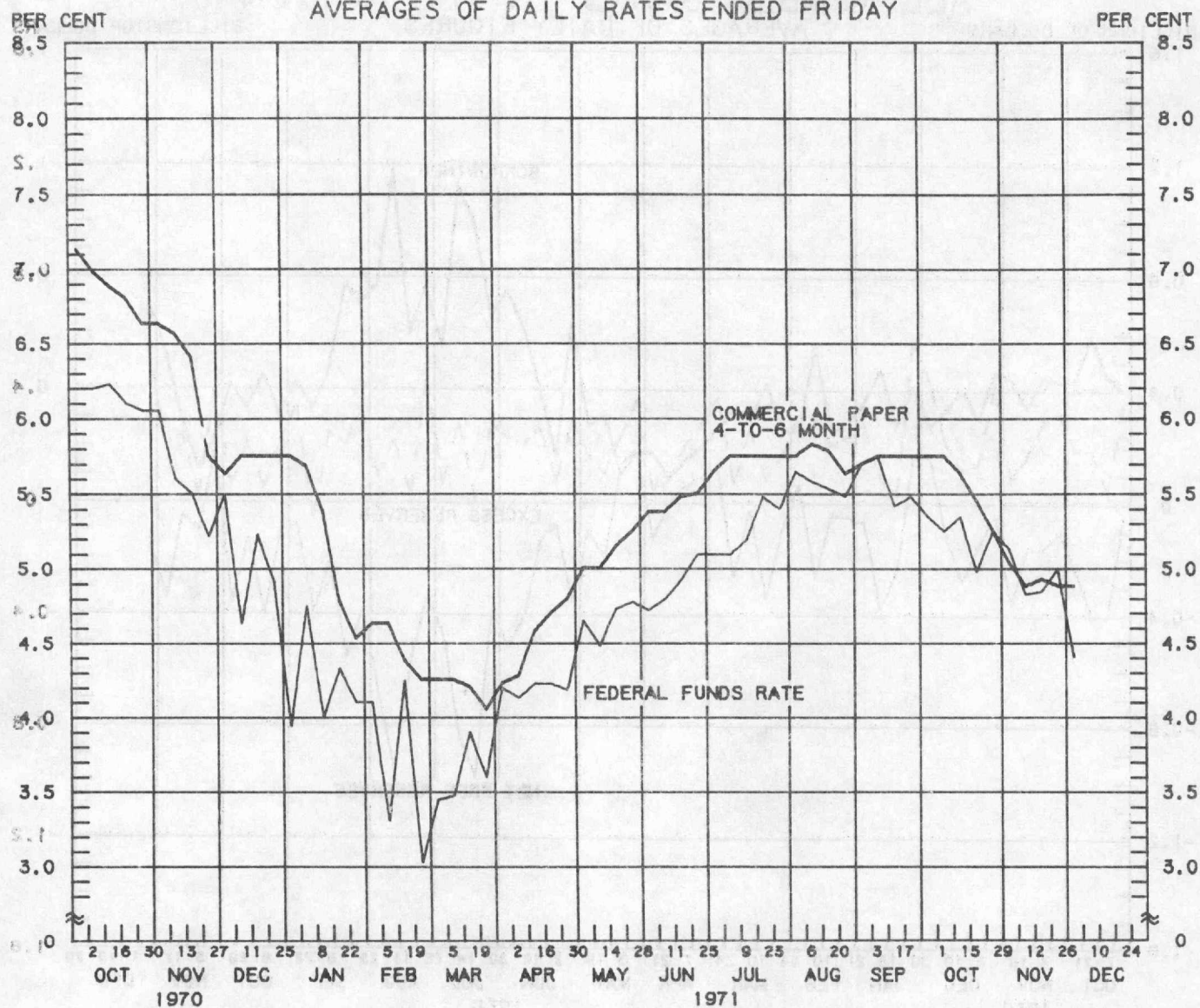
*** BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA.

N.A. - NOT AVAILABLE

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

SELECTED SHORT-TERM INTEREST RATES

AVERAGES OF DAILY RATES ENDED FRIDAY



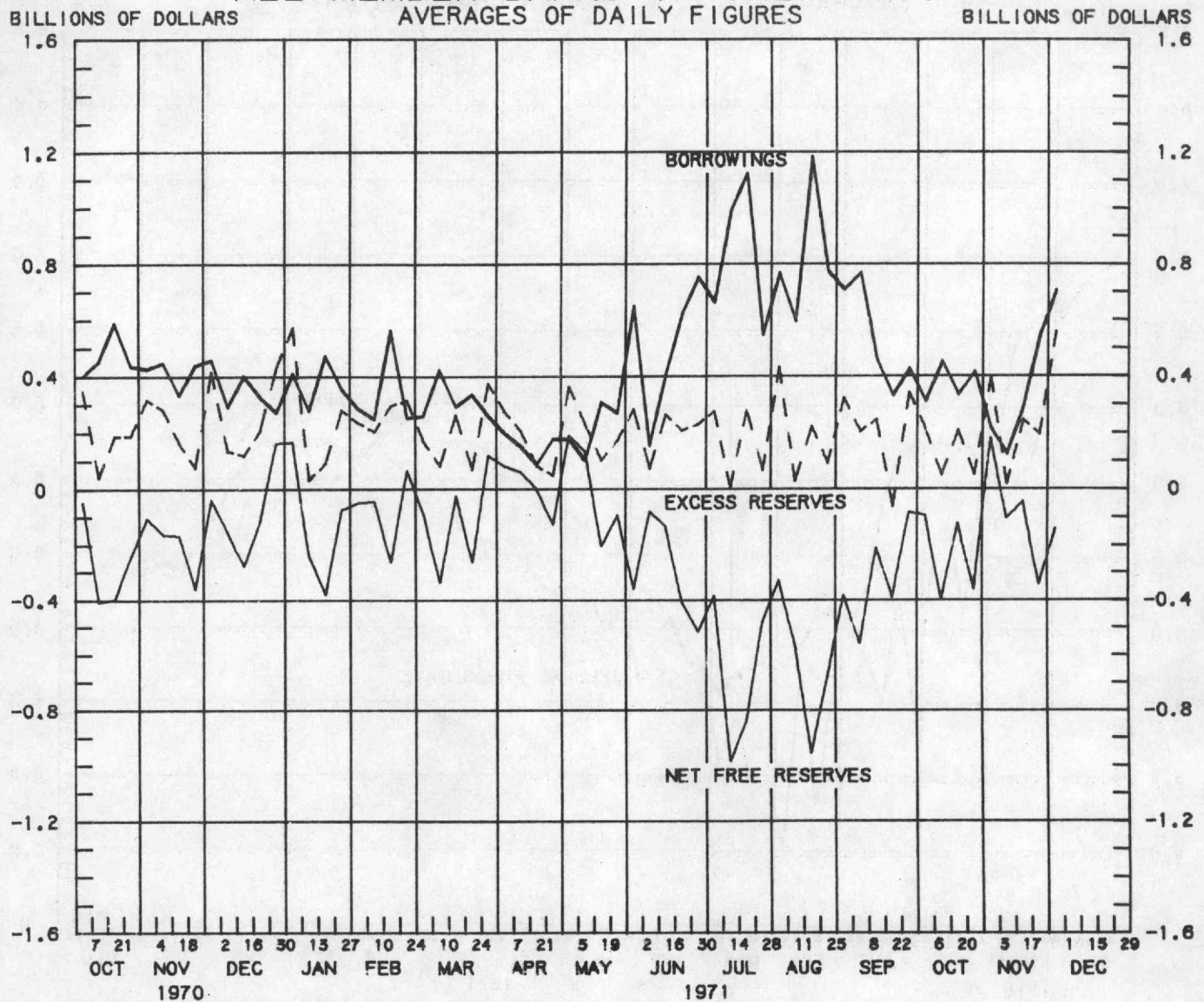
LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: DECEMBER 3, 1971

1971	PRIME COMMERCIAL PAPER 4-6 MONTH	FEDERAL FUNDS	PRIME BANKERS' ACCEPTANCES	90 DAY CD'S ***
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	5.45	4.98	4.98	5.29
29	5.25	5.25	4.88	5.18
NOV. 5	5.03	5.13	4.78	4.99
12	4.88	4.83	4.75	4.91
19	4.93	4.85	4.75	4.88
26	4.88	5.00	4.82	4.89
DEC. 3 *	4.88	4.41	4.79	4.89
10				
17				
24				
31				

* 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: DECEMBER 1, 1971

1971	MILLIONS		
	EXCESS RESERVES	BORROWINGS	FREE RESERVES
OCT. 6	214	309	- 95
13	49	449	- 400
20	210	332	- 122
27	51	413	- 362
NOV. 3	396	216	- 180
10	19	122	- 103
17	246	289	- 43
24	195	539	- 344
DEC. 1	558	701	- 143
8			
15			
22			
29			

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