

RESEARCH LIBRARY
Federal Reserve Bank
of St. Louis

Week ending: February 2, 1972

AUG 27 1998

Growth rates of both the monetary base and Federal Reserve credit have increased in recent months. The monetary base, a primary determinant of the money stock, has risen at a 5 percent annual rate in the last six months and at a more rapid 9.7 percent rate in the last two months (page 2). Federal Reserve credit, the component of the monetary base that reflects monetary policy actions, has increased at a 10.6 percent rate in the last six months and at a 21.1 percent rate in the last two months (page 3). The more rapid growth of Federal Reserve credit than the base largely reflects an increase in Treasury deposits at the Federal Reserve from about \$2 billion in late November to about \$3 billion in the week ending February 2.

The nation's money stock, which averaged \$228.7 billion in the four weeks ending January 26, has risen at a 1.1 percent annual rate in the last six months (page 5). By comparison, the money stock rose at a 6.3 percent trend rate from late 1966 to July 1971. With the money stock growing at a slower rate than the monetary base, the money multiplier has declined in the last six months (page 2). A partial explanation for the decline in the money multiplier has been a recent increase in the rate of growth of time deposits. Since mid-summer, most market interest rates have declined, while rates paid on savings deposits and small time accounts have changed little, making such time deposits relatively more attractive. Net time deposits have risen at a 15.9 percent annual rate in the last five months, compared with an 11 percent rate of increase in the previous five months (page 6).

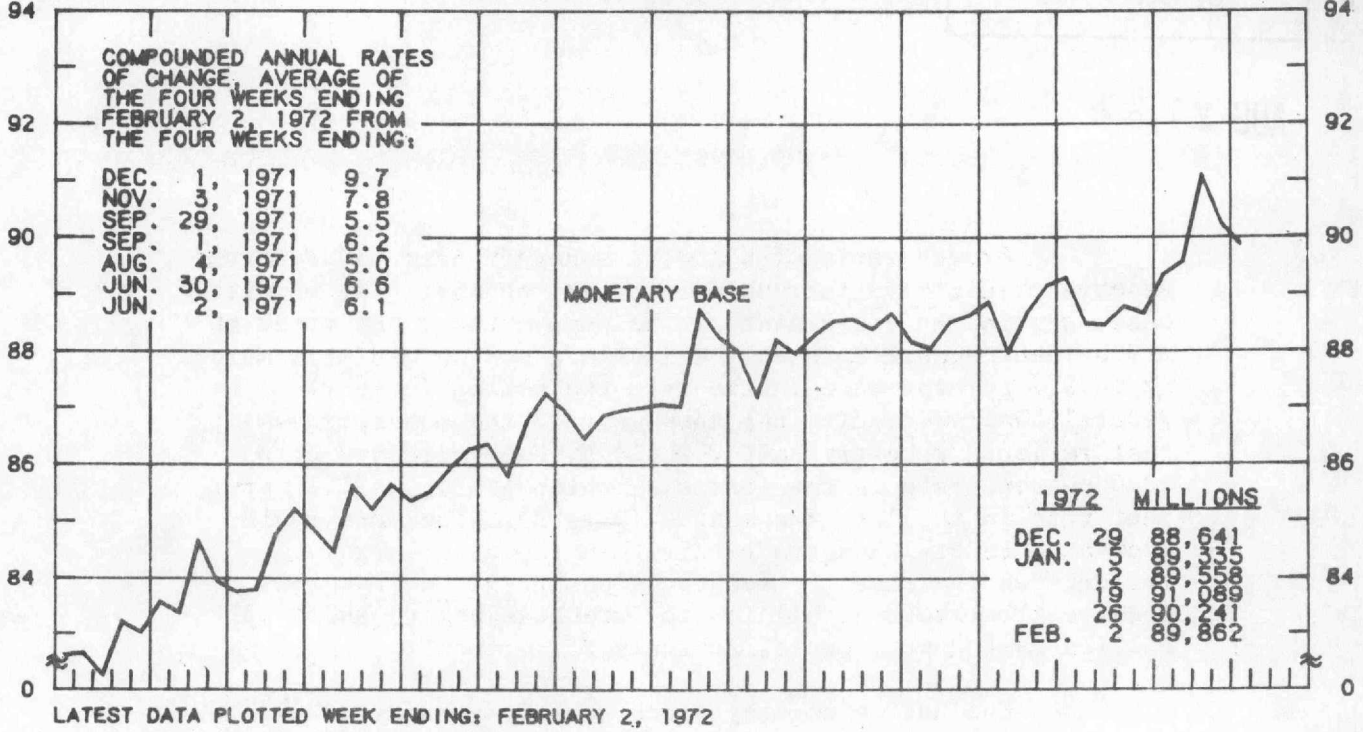
Reflecting the rapid growth of time deposits, the bank credit proxy has increased at an 11 percent annual rate in the last five months. The bank credit proxy adjusted to include nondeposit sources of funds has risen at virtually the same rate over this period (page 9).

MONETARY BASE ^{1/} MULTIPLIER ^{2/}

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK

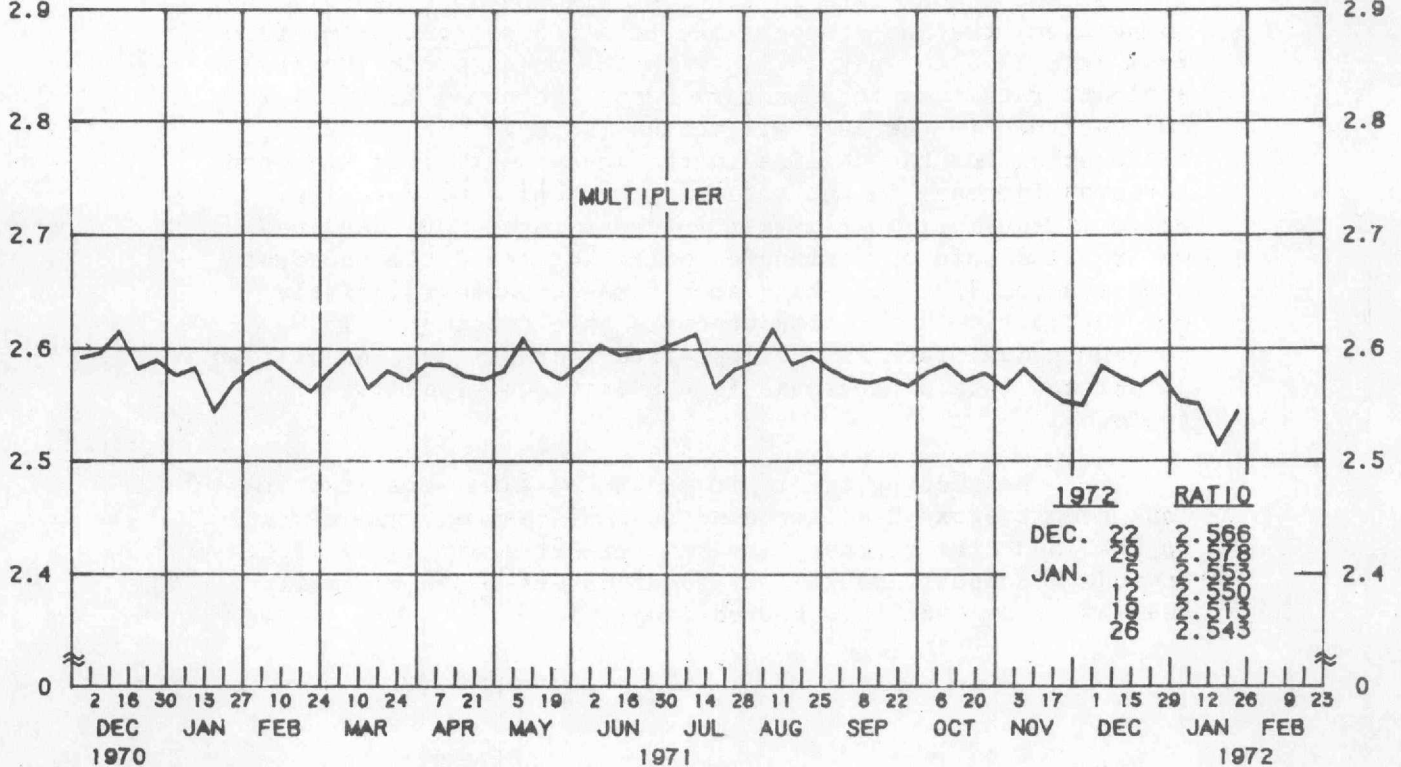
BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



RATIO

RATIO



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.

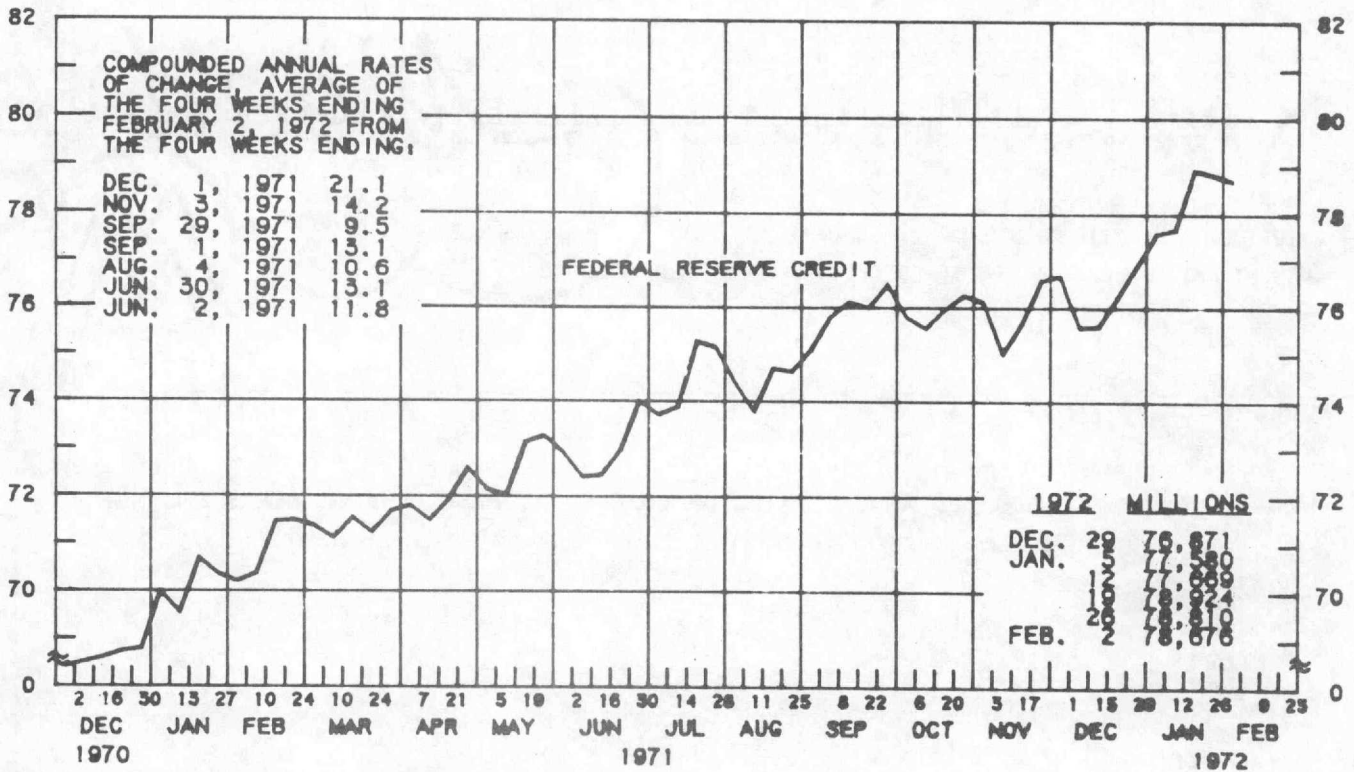
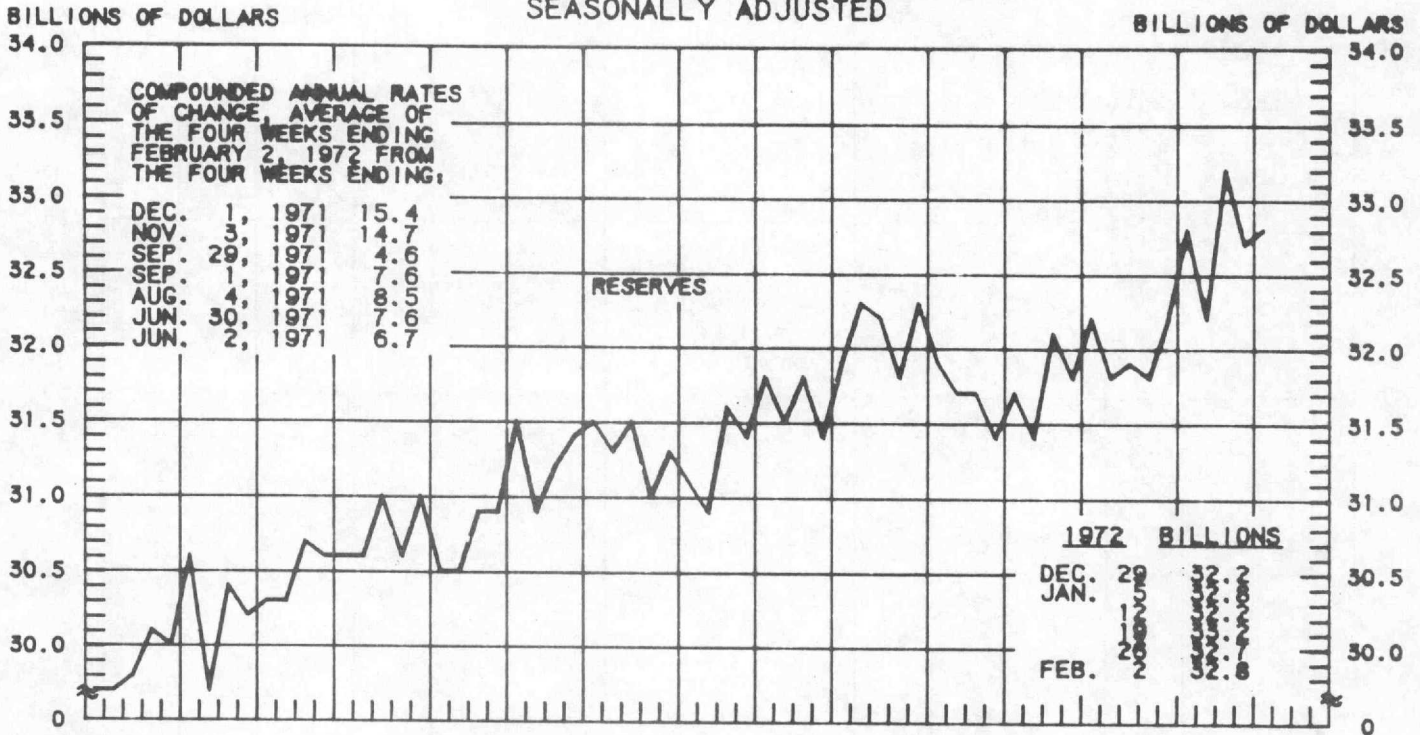
2/ RATIO OF MONEY STOCK (M1) / MONETARY BASE.

RESERVES ^{1/}

ALL MEMBER BANKS IN THE ^{2/} REGION

FEDERAL RESERVE CREDIT ^{2/}

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 2, 1972

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

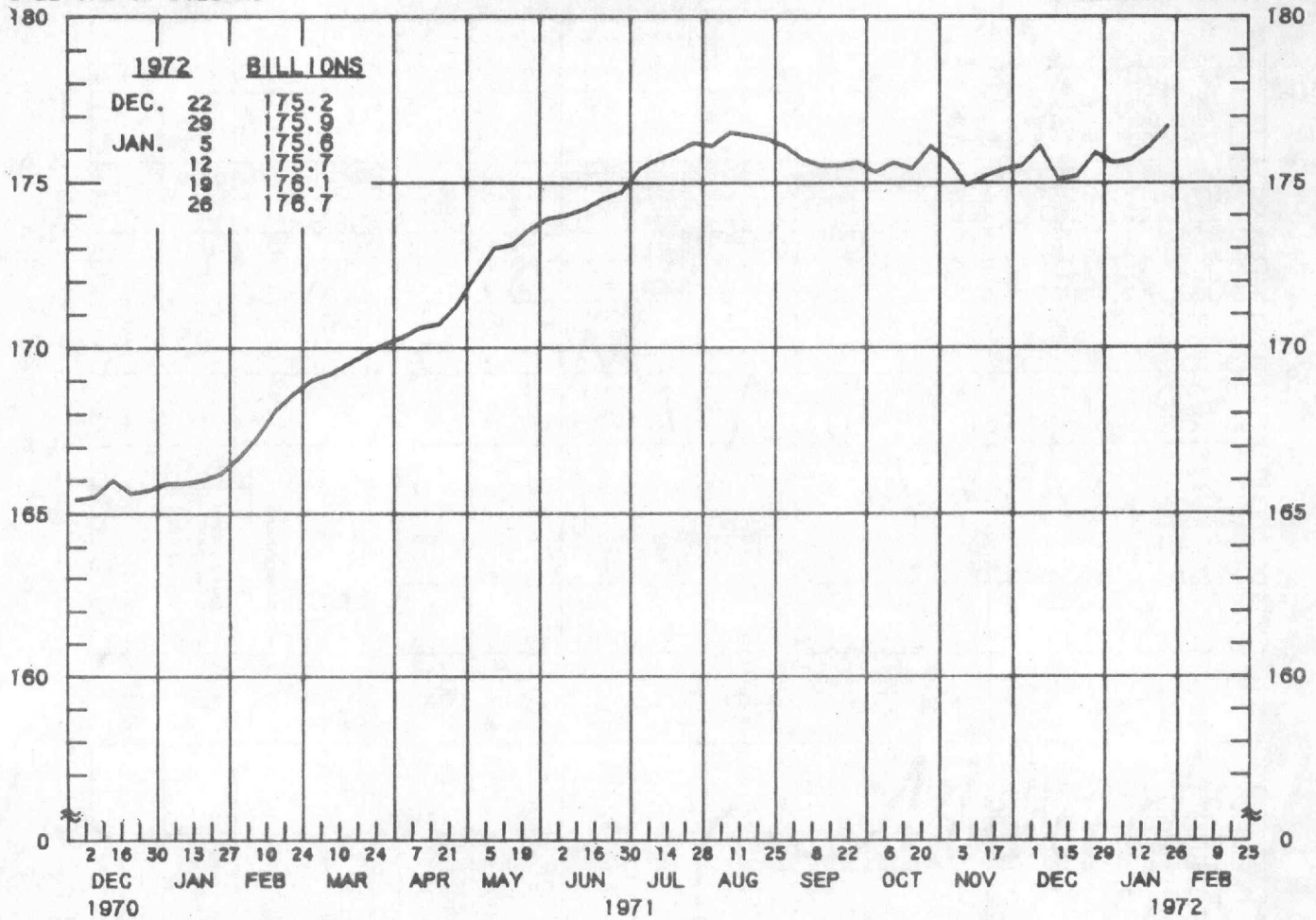
2/ DEFINED TO INCLUDE HOLDINGS OF SECURITIES, LOANS, FLOAT AND "OTHER" ASSETS, ADJUSTED FOR RESERVE REQUIREMENT CHANGES AND CHANGES IN REQUIREMENTS DUE TO SHIFTS IN DEPOSITS AMONG CLASSES OF BANKS.

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JANUARY 26, 1972

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

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

1/27/71 5/26/71 6/23/71 7/28/71 8/25/71 9/29/71 10/27/71 11/24/71

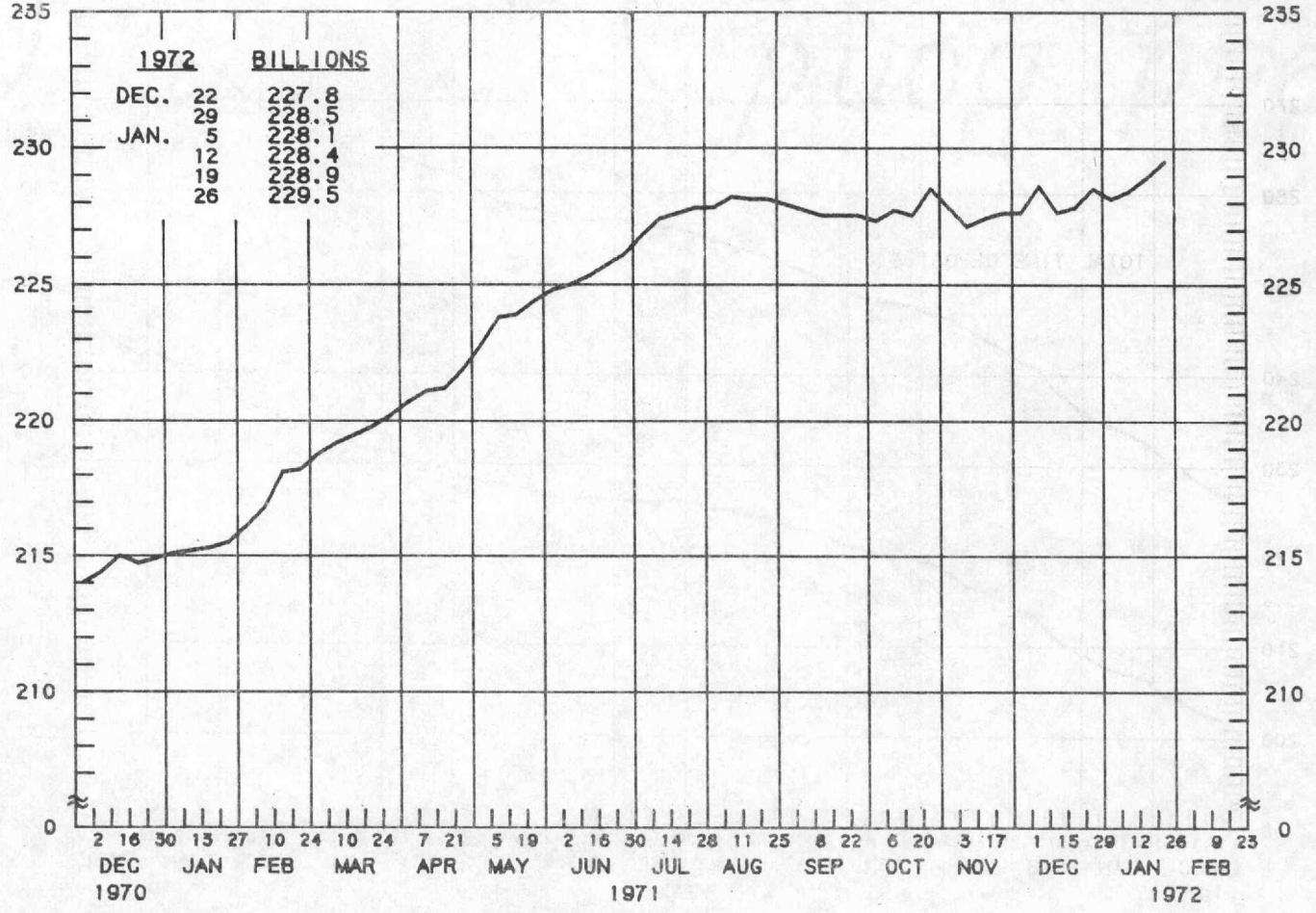
TO THE AVERAGE
OF FOUR WEEKS
ENDING:

6/23/71	12.7							
7/28/71	12.2	9.7						
8/25/71	11.0	7.9	7.2					
9/29/71	8.7	4.4	3.0	-0.7				
10/27/71	7.8	3.6	2.3	-0.5	-2.3			
11/24/71	6.8	2.7	1.5	-0.9	-2.2	-1.1		
12/29/71	6.3	2.5	1.6	-0.3	-1.1	0.0	0.0	
1/26/72	6.0	2.6	1.7	0.2	-0.4	0.7	0.9	2.3

MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS BILLIONS OF DOLLARS



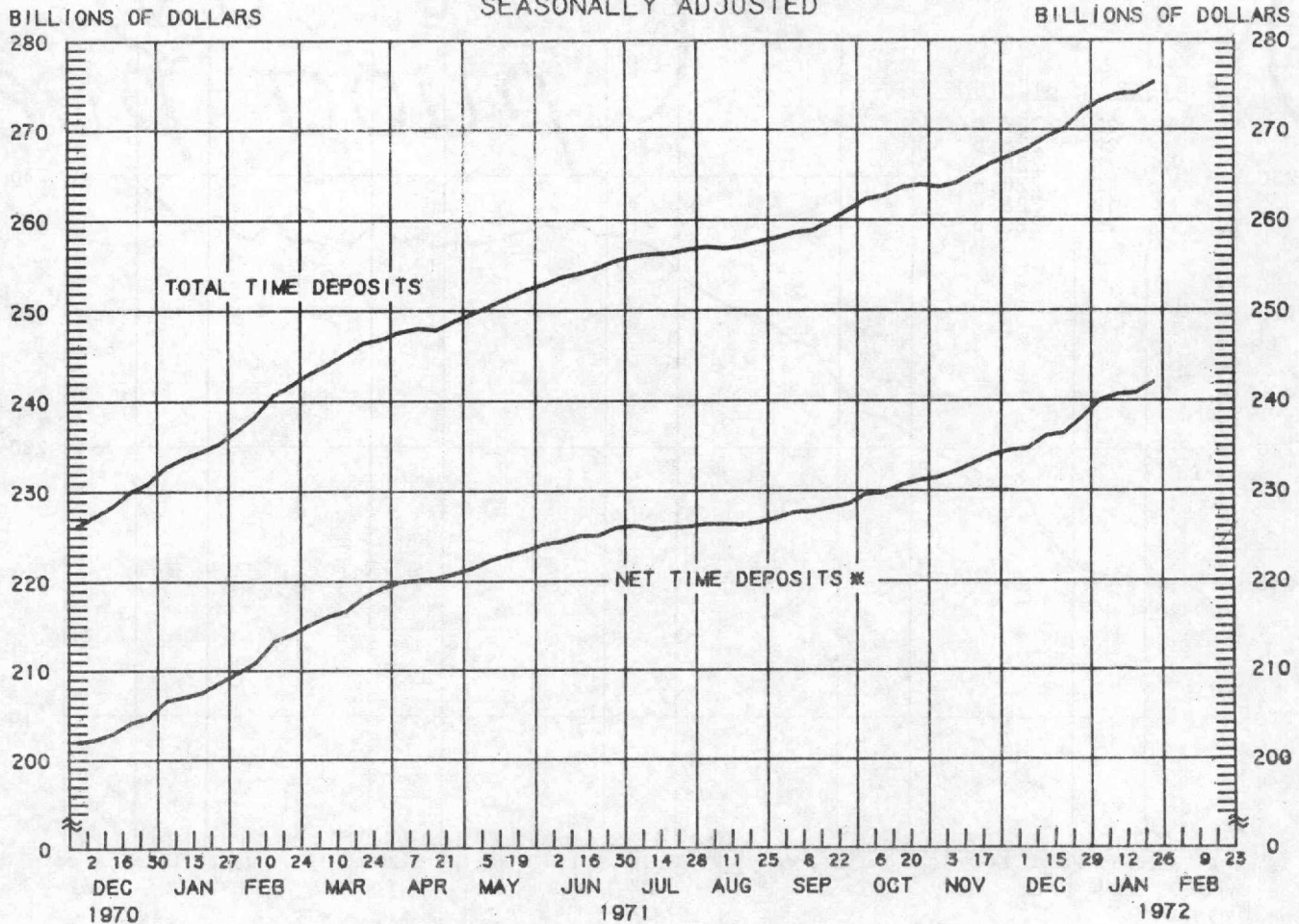
LATEST DATA PLOTTED WEEK ENDING: JANUARY 26, 1972
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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

	1/27/71	5/26/71	6/23/71	7/28/71	8/25/71	9/29/71	10/27/71	11/24/71
TO THE AVERAGE OF FOUR WEEKS ENDING:								
6/23/71	11.8							
7/28/71	11.6	9.9						
8/25/71	10.5	8.1	7.7					
9/29/71	8.6	5.1	4.0	0.5				
10/27/71	7.8	4.4	3.4	0.7	-0.8			
11/24/71	6.9	3.4	2.4	0.1	-1.0	-0.3		
12/29/71	6.5	3.3	2.5	0.7	0.0	0.9	0.8	
1/26/72	6.2	3.3	2.6	1.1	0.6	1.5	1.6	3.1

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

TIME DEPOSITS ALL COMMERCIAL BANKS AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JANUARY 26, 1972

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

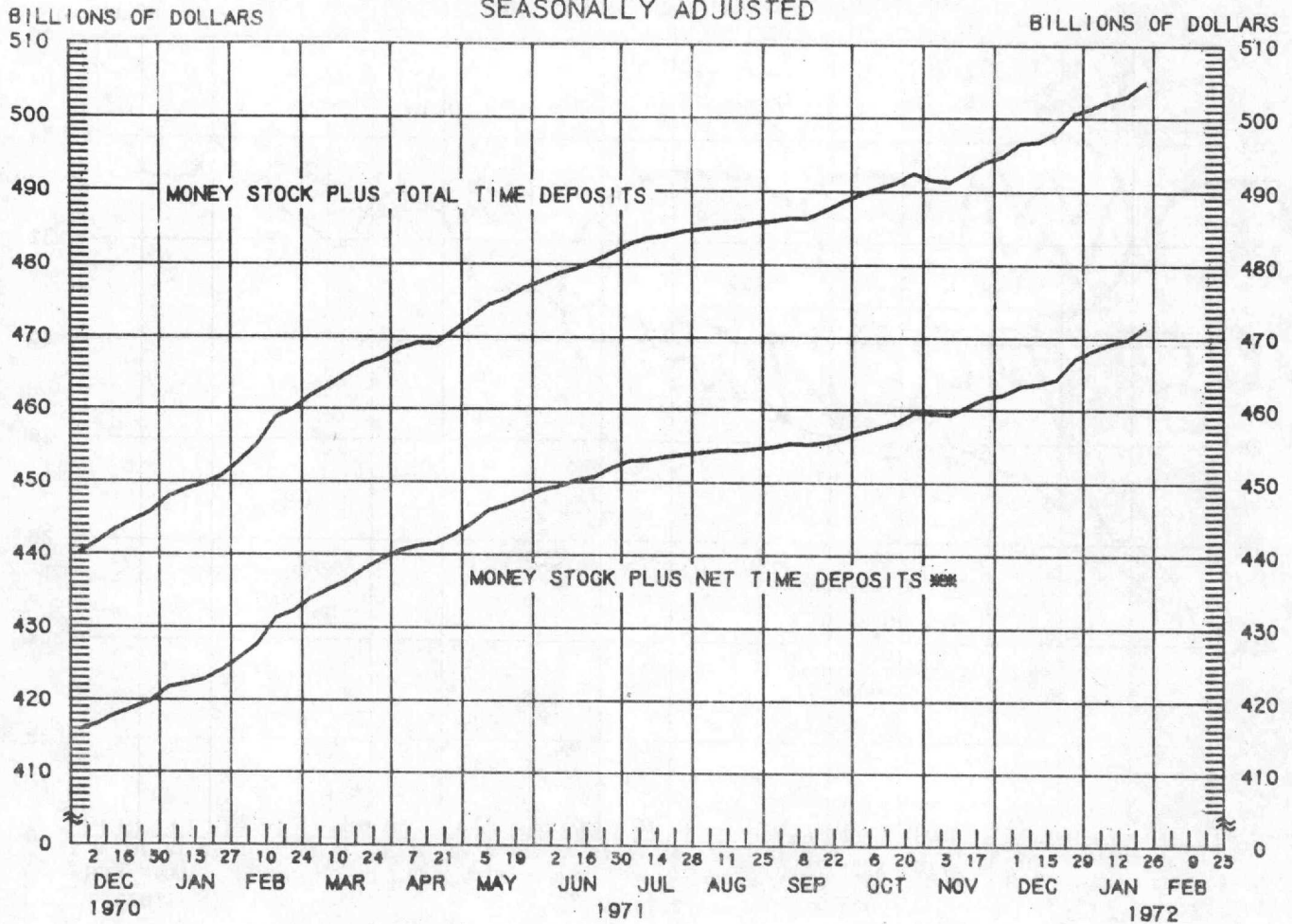
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

	1/27/71	5/26/71	6/23/71	7/28/71	8/25/71	9/29/71	10/27/71	11/24/71
TO THE AVERAGE OF FOUR WEEKS ENDING:								
6/23/71	21.8							
7/28/71	18.6	9.2						
8/25/71	16.3	7.0	4.5					
9/29/71	15.1	7.3	5.7	5.5				
10/27/71	15.0	8.5	7.5	8.0	10.7			
11/24/71	14.9	9.4	8.7	9.5	11.8	14.2		
12/29/71	15.2	10.6	10.3	11.2	13.3	15.4	16.0	
1/26/72	16.2	12.5	12.5	13.7	15.9	18.3	19.7	22.2

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JANUARY 26, 1972

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:

1/27/71 5/26/71 6/23/71 7/28/71 8/25/71 9/29/71 10/27/71 11/24/71

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

6/23/71	16.6								
7/28/71	15.0	9.6							
8/25/71	13.4	7.6	6.1						
9/29/71	11.7	6.1	4.8	2.8					
10/27/71	11.3	6.4	5.4	4.3	4.8				
11/24/71	10.8	6.4	5.6	4.7	5.2	6.9			
12/29/71	10.8	7.0	6.4	5.9	6.6	8.1	8.3		
1/26/72	11.1	7.9	7.5	7.4	8.1	9.8	10.5	12.5	

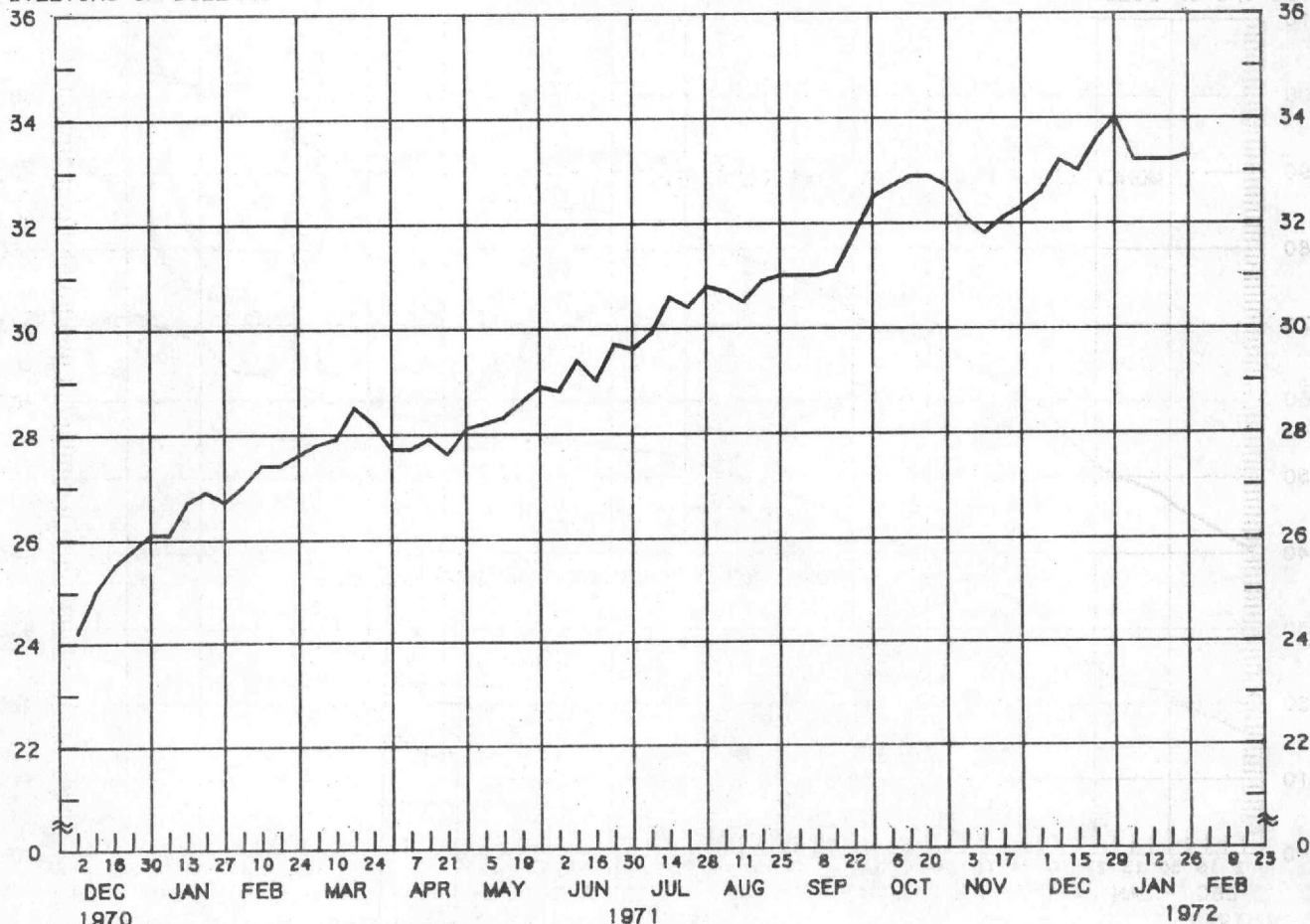
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JANUARY 26, 1972

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

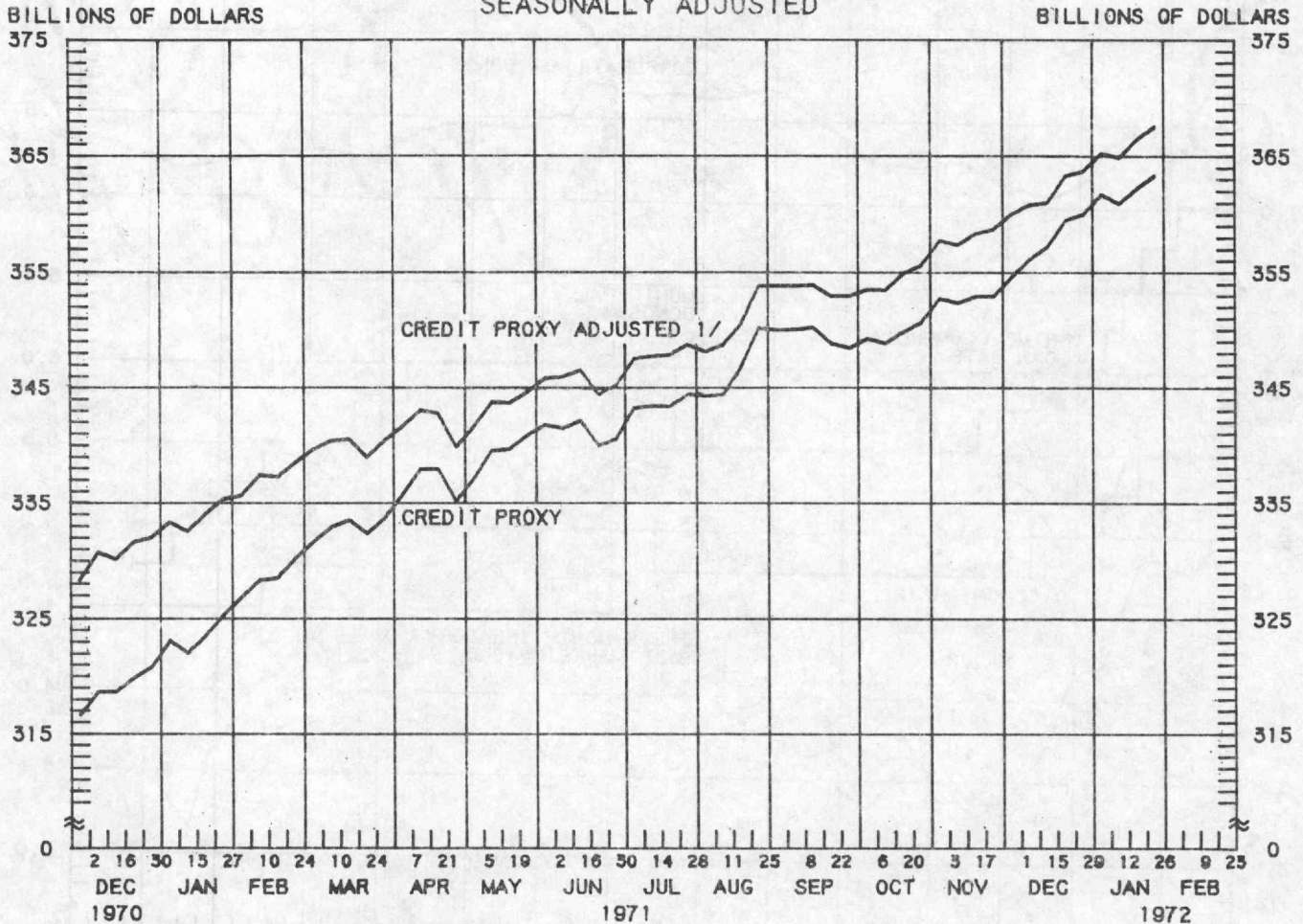
NEGOTIABLE TIME CERTIFICATES OF DEPOSIT ISSUED IN DENOMINATIONS OF \$100,000 OR MORE BY LARGE WEEKLY REPORTING COMMERCIAL BANKS.

MONEY AND TIME DEPOSIT DATA			
1972	BILLIONS		
	CERTIFICATES OF DEPOSIT	NET TIME DEPOSITS *	M 2 ***
DEC. 1	32.6	234.5	462.1
8	33.2	234.7	463.3
15	33.0	236.1	463.6
22	33.6	236.4	464.2
29	34.0	238.1	467.0
JAN. 5	33.2	240.0	468.2
12	33.2	240.7	469.2
19	33.2	240.8	469.8
26	33.3	242.0	471.5
FEB. 2			
9			
16			
23			

* 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: JANUARY 26, 1972

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.

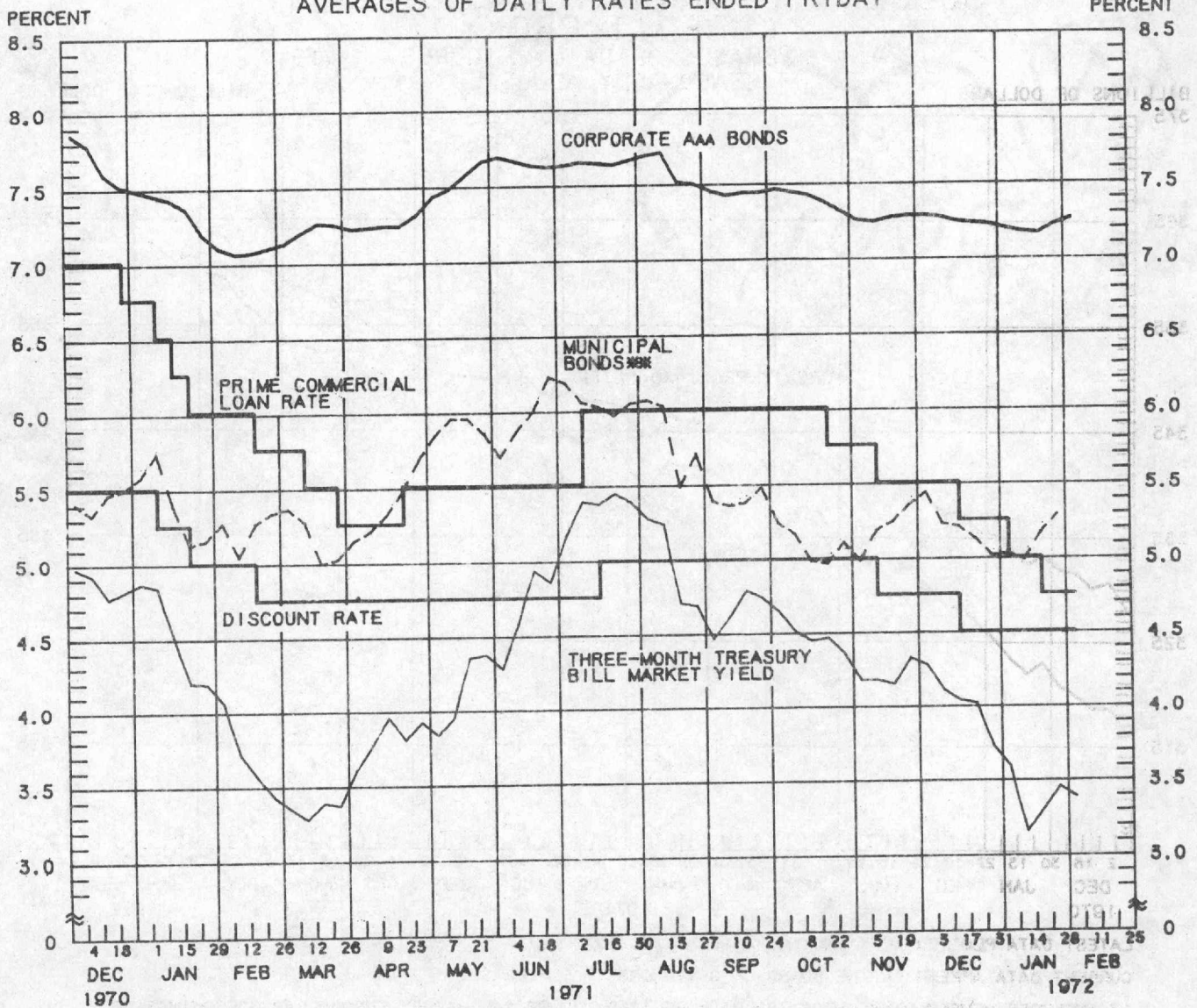
1972		BILLIONS	
		CREDIT PROXY	CREDIT PROXY ADJUSTED
DEC.	22	359.5	363.3
	29	360.0	363.7
JAN.	5	361.7	365.2
	12	360.9	364.8
	19	362.2	366.4
	26	363.3	367.5

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF THE FOUR WEEKS ENDING JANUARY 26, 1972 FROM THE FOUR WEEKS ENDING:			
		CREDIT PROXY	CREDIT PROXY ADJUSTED
NOV.	24, 1971	16.2	13.6
OCT.	27, 1971	15.0	13.7
SEP.	29, 1971	11.4	11.3
AUG.	25, 1971	11.0	10.9
JUL.	28, 1971	11.0	10.7
JUN.	23, 1971	10.4	10.1
MAY	26, 1971	10.1	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: FEBRUARY 4, 1972

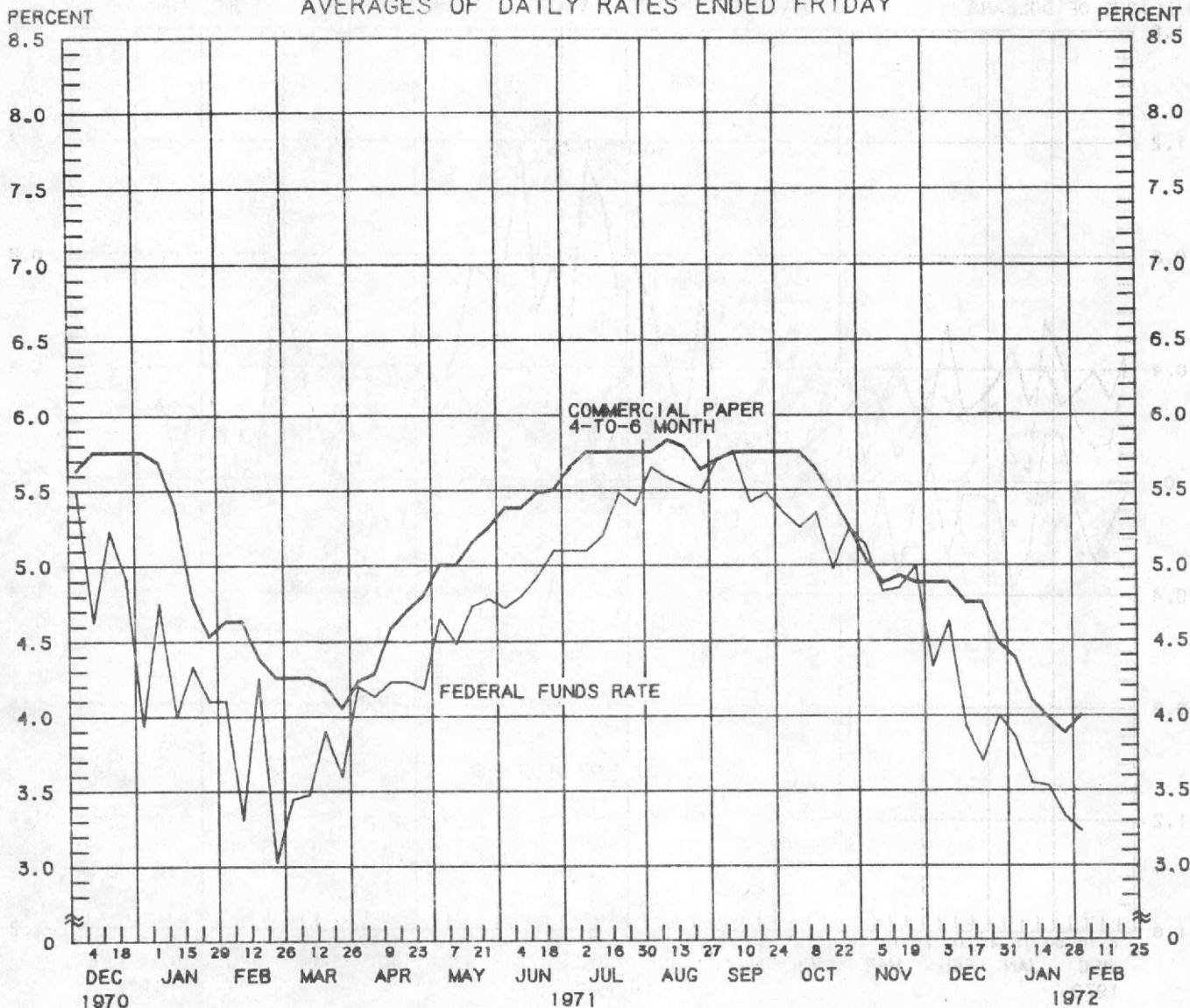
1972	CORPORATE AAA BONDS	3-MONTH TREASURY BILLS	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES	MUNICIPAL BONDS ***
DEC. 3	7.28	4.28	5.52	5.58	5.44
10	7.27	4.11	5.48	5.59	5.23
17	7.24	4.04	5.45	5.63	5.21
24	7.23	4.02	5.43	5.68	5.13
31	7.22	3.73	5.27	5.60	5.02
JAN. 7	7.19	3.59	5.31	5.61	5.03
14	7.17	3.16	5.20	5.57	4.99
21	7.16	3.31	5.32	5.61	5.17
28	7.22	3.46	5.47	5.67	5.29
FEB. 4 *	7.26	3.39	5.55	5.71	N.A.
11					
18					
25					

* 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



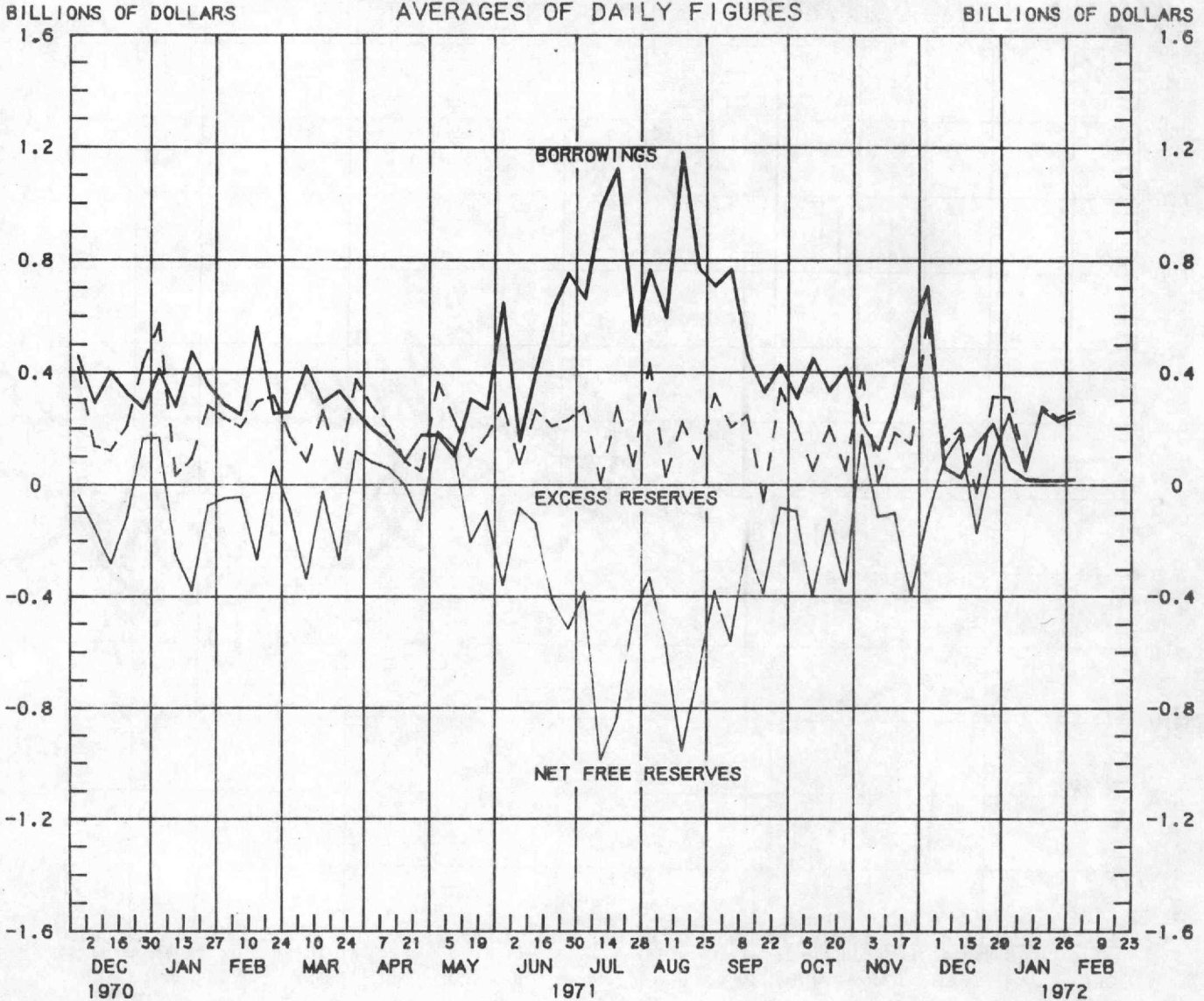
LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: FEBRUARY 4, 1972

1972	PRIME COMMERCIAL PAPER 4-6 MONTH	FEDERAL FUNDS	PRIME BANKERS' ACCEPTANCES	90 DAY CD'S **
DEC. 3	4.88	4.33	4.75	4.89
10	4.88	4.63	4.58	4.84
17	4.75	3.93	4.50	4.75
24	4.75	3.70	4.40	4.66
31	4.48	4.00	4.18	4.58
JAN. 7	4.38	3.85	4.10	4.34
14	4.10	3.55	3.88	4.10
21	3.98	3.53	3.88	4.02
28	3.88	3.33	3.85	3.97
FEB. 4 *	4.00	3.23	3.75	3.82
11				
18				
25				

* 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



1972	MILLIONS		
	EXCESS RESERVES	BORROWINGS	FREE RESERVES
DEC. 1	590	705	- 115
8	143	59	84
15	204	25	179
22	- 29	141	- 170
29	314	216	98
JAN. 5	312	57	255
12	66	17	49
19	279	13	266
26	239	13	226
FEB. 2	264	18	246
9			
16			
23			

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS