

Week ending: June 7, 1972



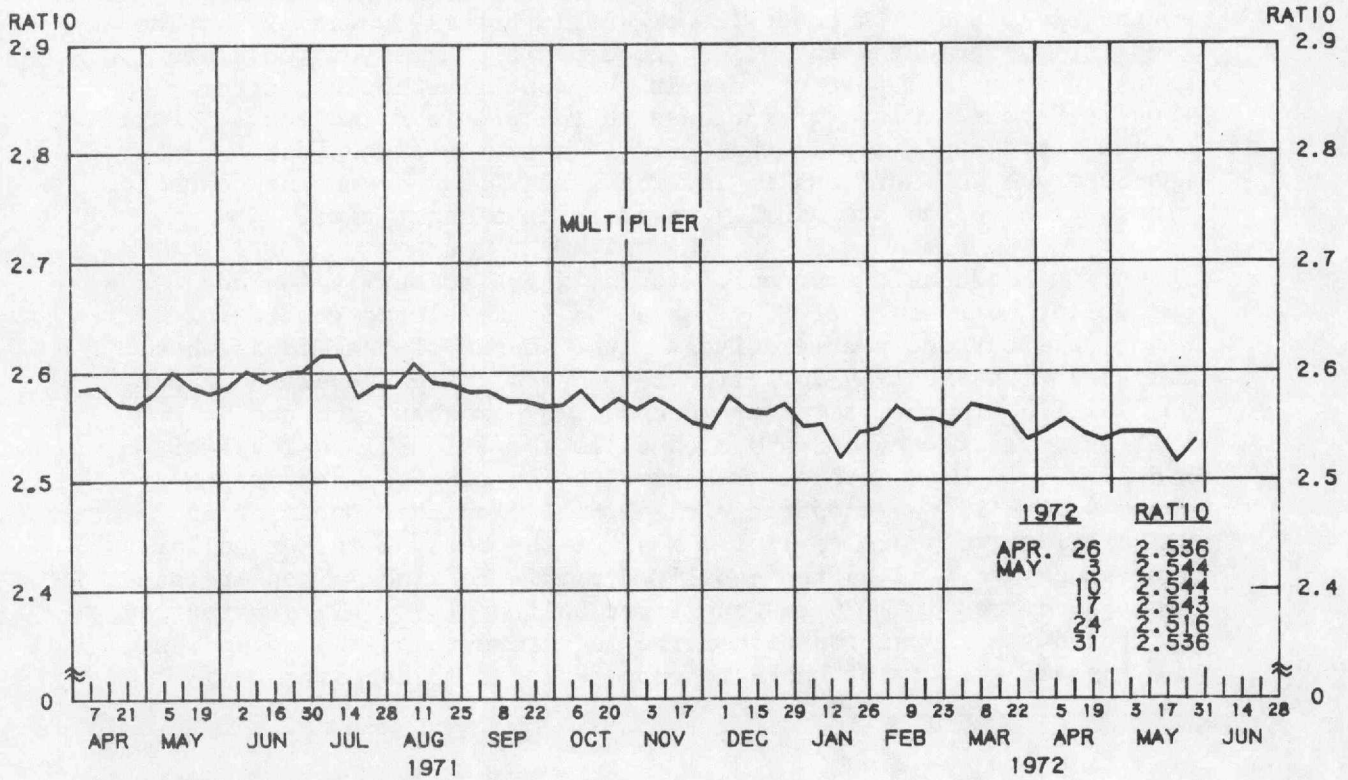
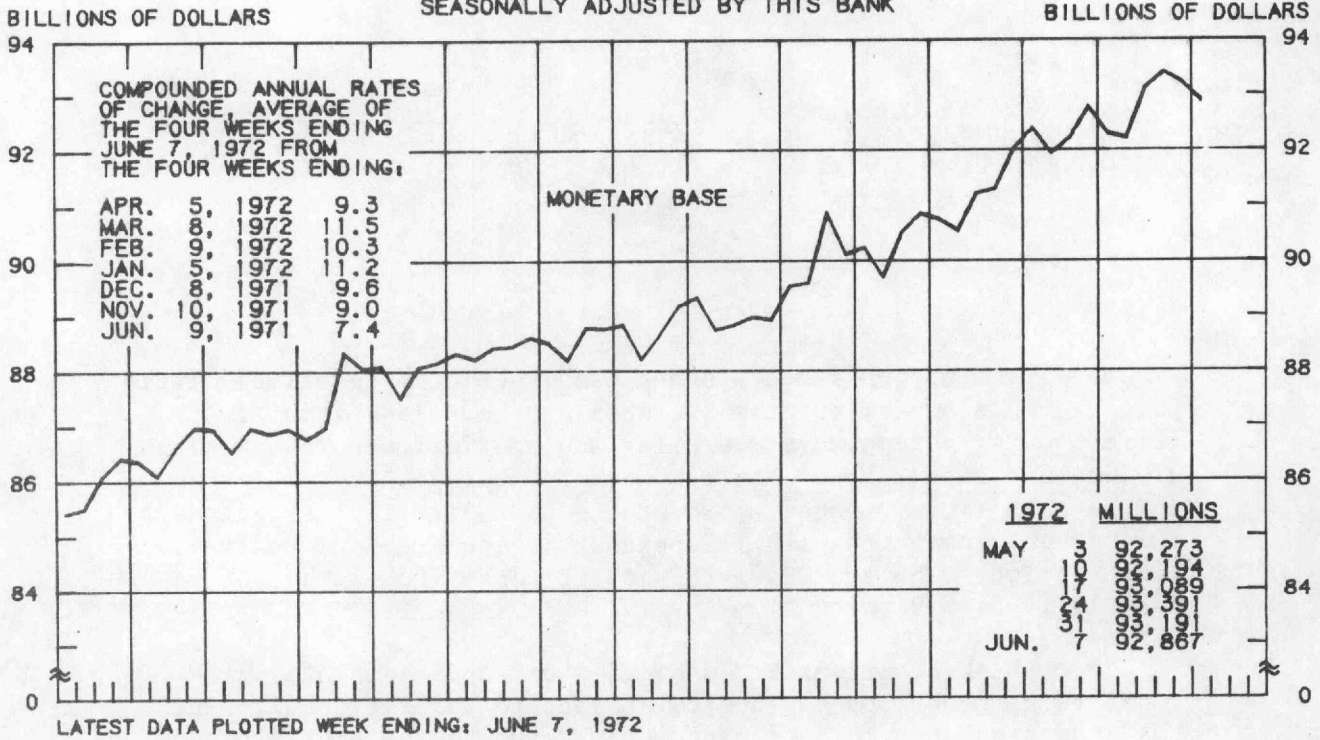
LIBRARY

The nation's money stock has risen at a relatively rapid pace since December, but the increase has been less than in the corresponding period a year earlier and has followed five months of little change. Money has risen at an average 5.9 percent annual rate since October and over the past year it has expanded 5.1 percent, compared with 7.2 percent in the previous twelve-month period. The trend growth rate of money from late 1966 to late 1971 was 5.9 percent.

Bank credit proxy, a broadly defined aggregate which consists of member bank deposits subject to reserve requirements, has increased at a 13.5 percent annual rate in the past five months, compared with about 12 percent in both 1970 and 1971. The credit proxy adjusted to include nondeposit sources of funds has expanded at a 13.1 percent rate in the past five months, after about a 9 percent rate of increase in the previous two years. Part of the rapid expansion in these credit measures since last December has been due to increases in interbank and U.S. Government deposits, fluctuations which are usually reversed in a short time.

Nondeposit sources of funds, which primarily include Eurodollar borrowings of U.S. banks and bank-related commercial paper, are currently a relatively minor source of bank funds when compared with the 1969-70 period. Nondeposit items averaged about \$3.7 billion in the past four weeks, down somewhat from the \$4 billion of last December and much below the \$21 billion level of mid-1970. In May, Eurodollar borrowings by U.S. banks averaged about \$1.4 billion, compared with \$1.6 billion last December and \$14 billion two years earlier. Most of the decline in Eurodollar borrowings, as well as the equally dramatic decline in bank-related paper, occurred in 1970 and the first half of 1971. This primarily reflected the imposition of reserve requirements on these funds and the renewed ability of banks to compete for time deposits.

# MONETARY BASE <sup>1/</sup> MULTIPLIER <sup>2/</sup> AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED BY THIS BANK



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 "REVIEW" OF THIS BANK.

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

# RESERVES AVAILABLE TO SUPPORT PRIVATE NONBANK DEPOSITS <sup>1/</sup>

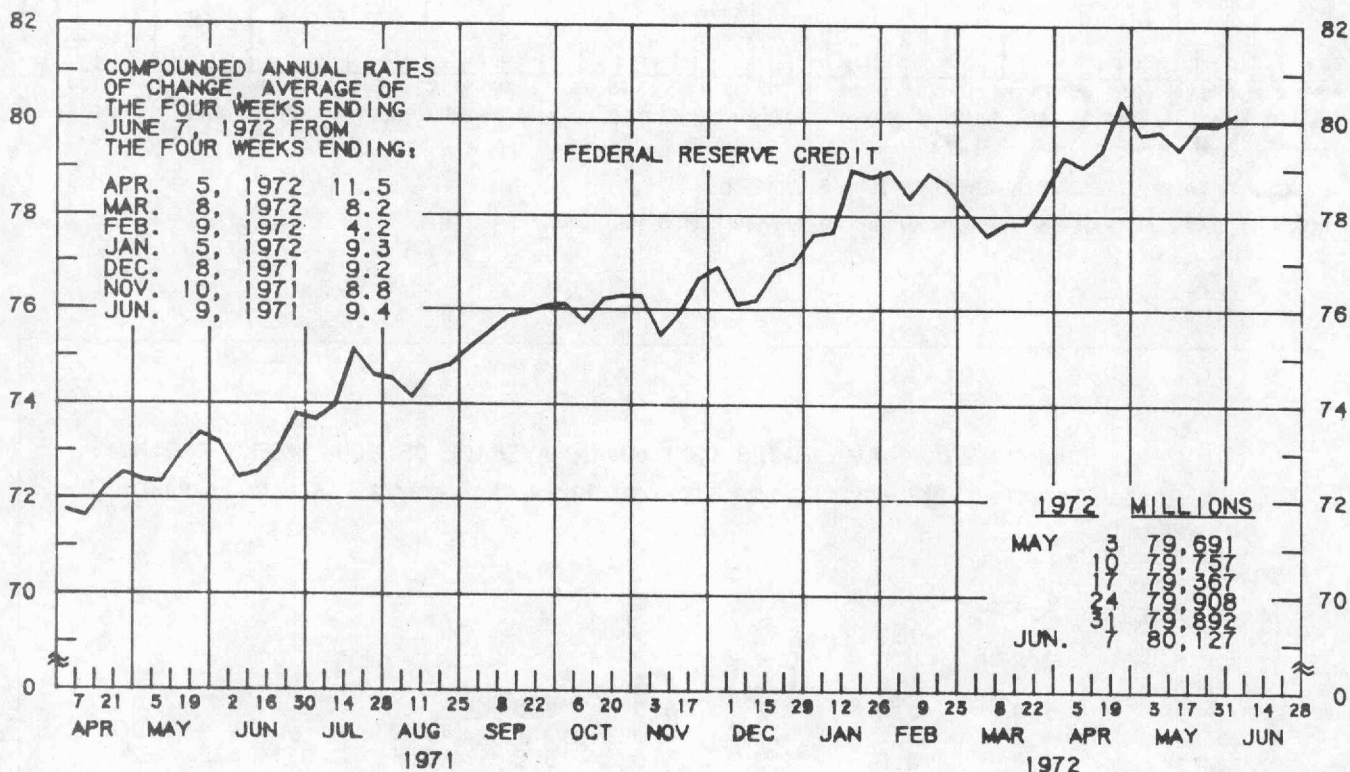
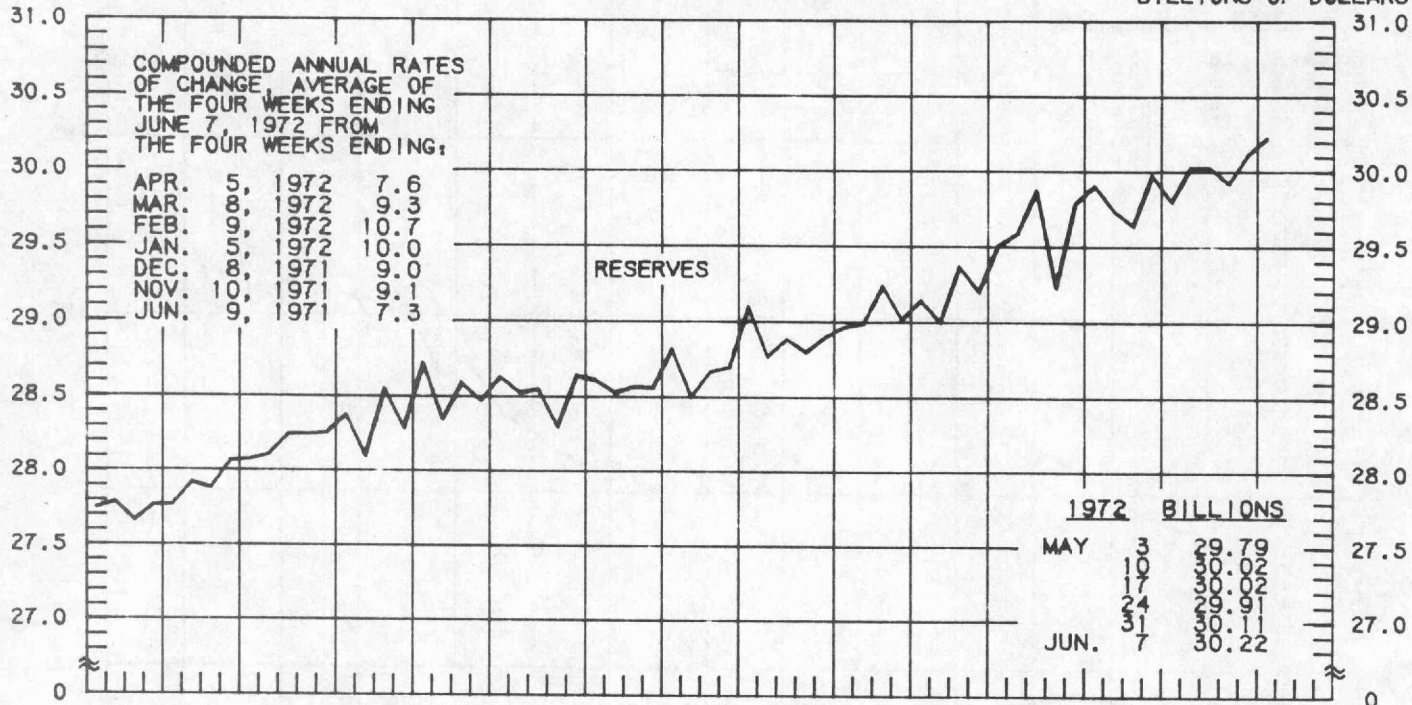
ALL MEMBER BANKS

## FEDERAL RESERVE CREDIT <sup>2/</sup>

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



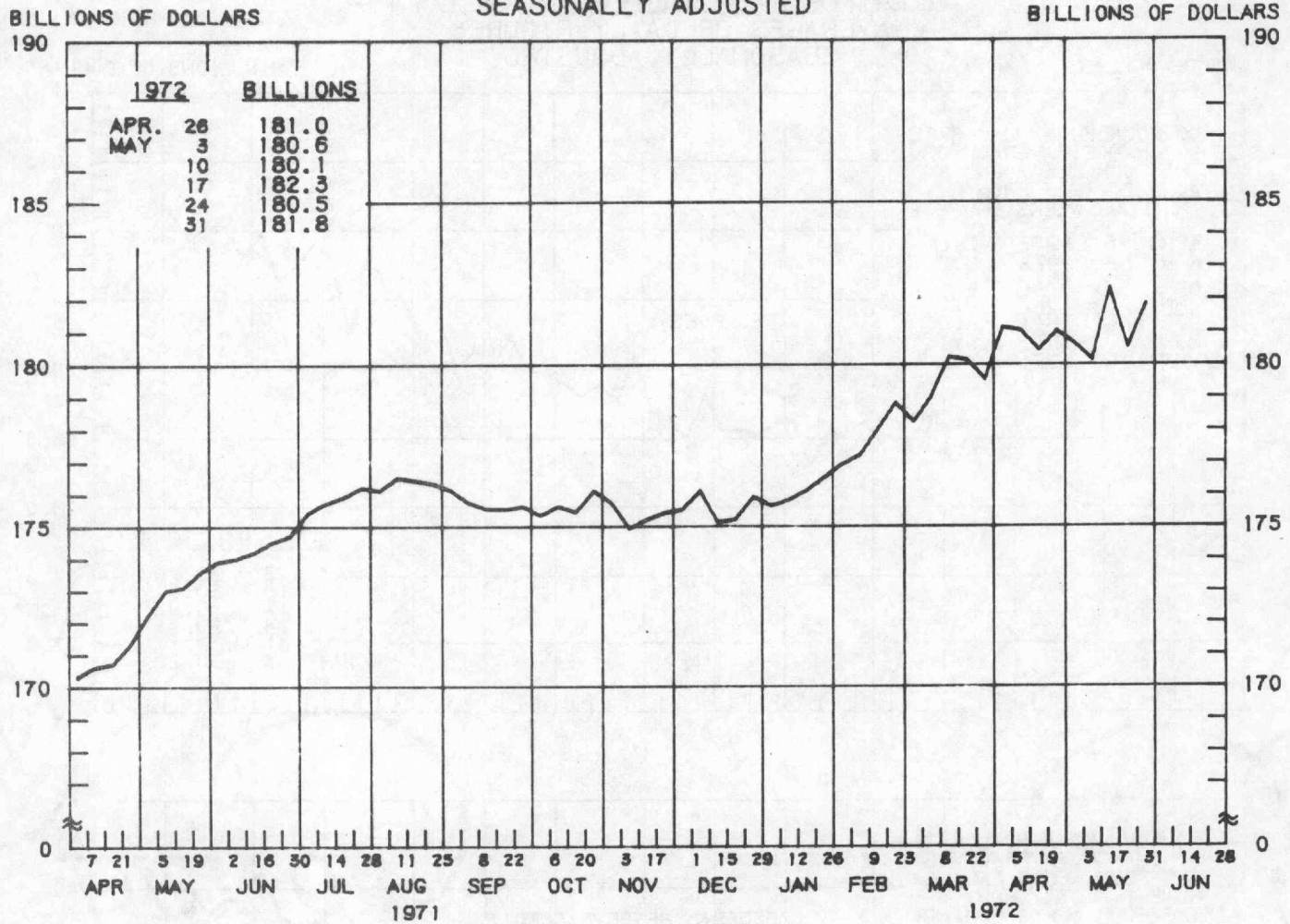
LATEST DATA PLOTTED WEEK ENDING: JUNE 7, 1972

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



LATEST DATA PLOTTED WEEK ENDING: MAY 31, 1972

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

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

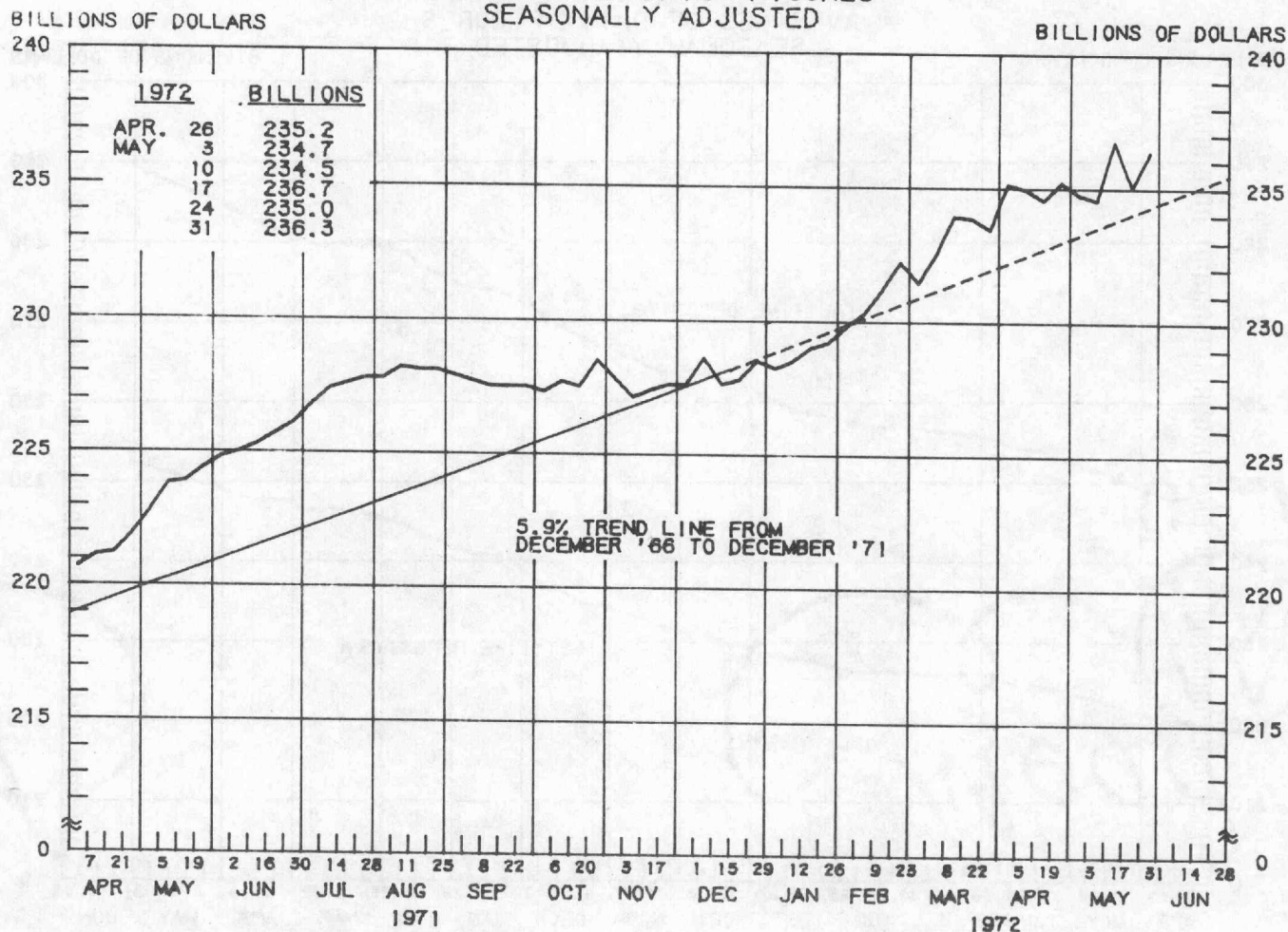
6/2/71    9/29/71    11/3/71    12/1/71    12/29/71    2/2/72    3/1/72    3/29/72

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

11/ 3/71	3.2							
12/ 1/71	2.2	-1.0						
12/29/71	2.2	0.0	-0.4					
2/ 2/72	2.5	1.2	1.4	3.3				
3/ 1/72	3.6	3.4	4.2	6.5	8.5			
3/29/72	4.4	4.7	5.7	7.9	9.7	13.2		
5/ 3/72	4.6	5.0	5.9	7.6	8.8	10.6	9.1	
5/31/72	4.5	4.8	5.5	6.8	7.7	8.7	7.1	4.9

# MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 31, 1972

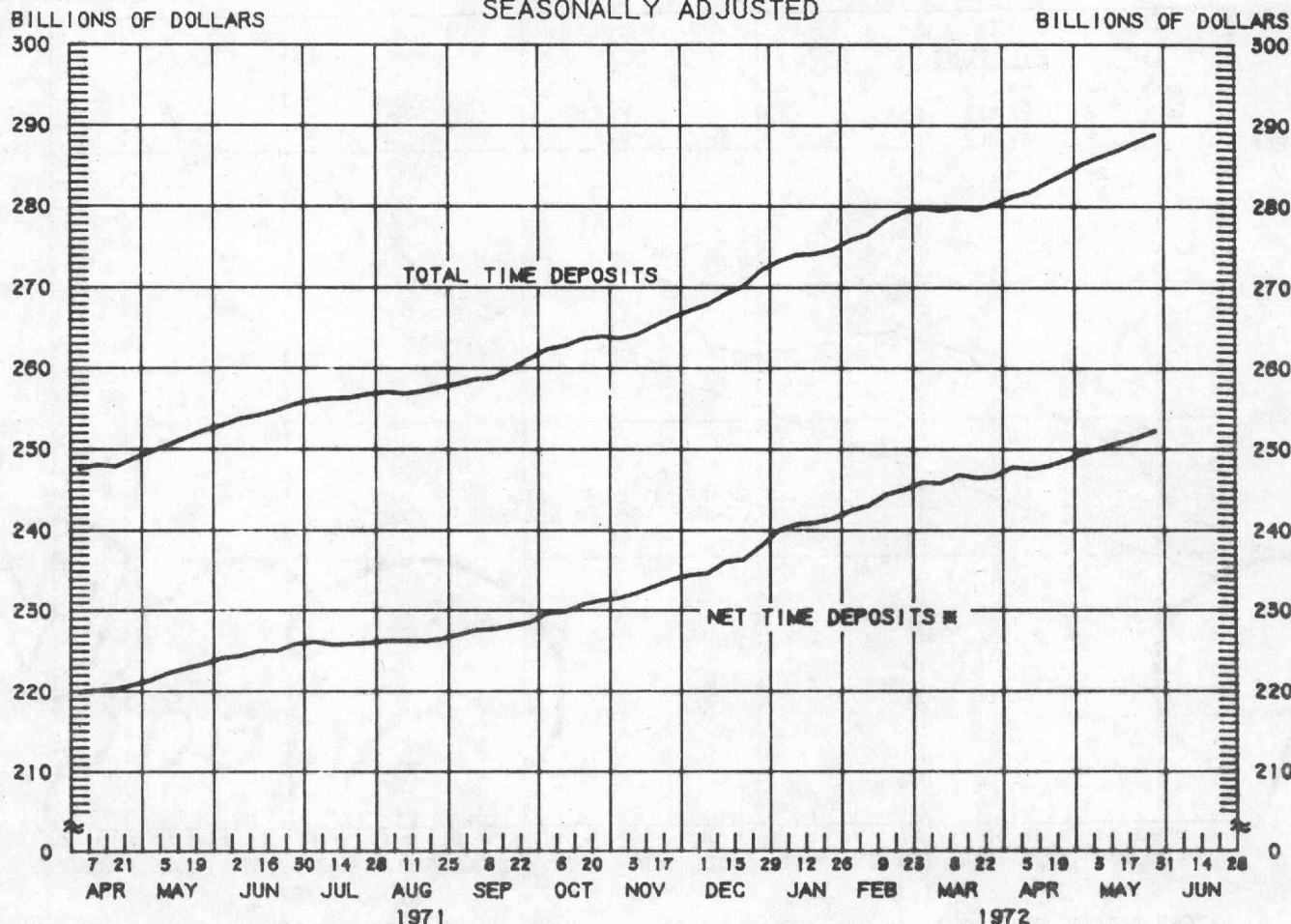
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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

	6/2/71	9/29/71	11/3/71	12/1/71	12/29/71	2/2/72	3/1/72	3/29/72
TO THE AVERAGE OF FOUR WEEKS ENDING:								
11/ 3/71	3.9							
12/ 1/71	2.9	-0.5						
12/29/71	3.0	0.9	0.6					
2/ 2/72	3.3	1.9	2.1	4.4				
3/ 1/72	4.2	3.9	4.6	7.0	8.4			
3/29/72	5.0	5.2	6.1	8.3	9.6	12.8		
5/ 3/72	5.1	5.4	6.1	7.9	8.7	10.3	9.1	
5/31/72	5.1	5.3	5.9	7.3	7.9	8.9	7.6	5.6

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



LATEST DATA PLOTTED WEEK ENDING: MAY 31, 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:

6/2/71    9/29/71    11/3/71    12/1/71    12/29/71    2/2/72    3/1/72    3/29/72

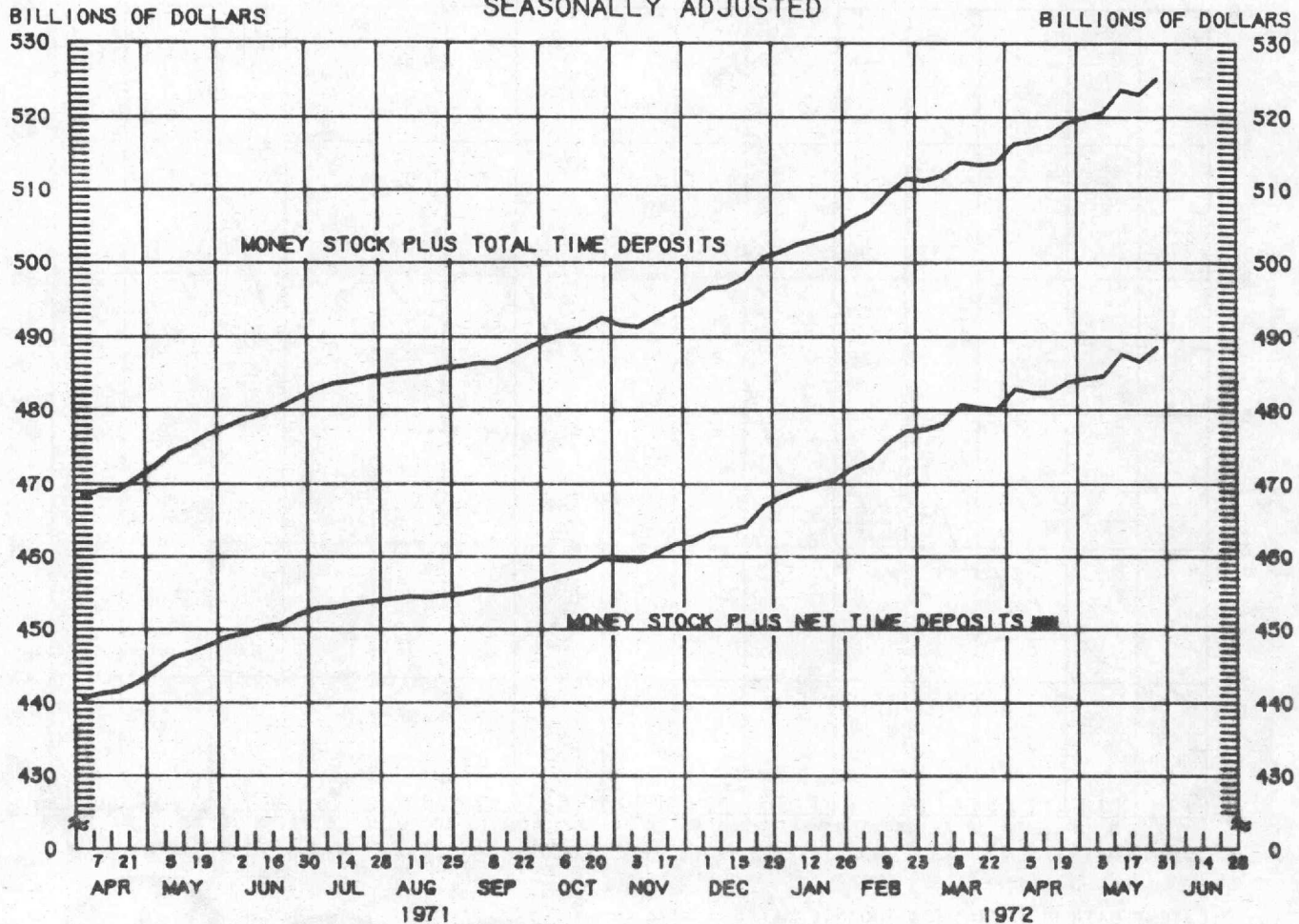
TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

11/ 3/71	8.2							
12/ 1/71	9.4	14.8						
12/29/71	10.4	15.4	16.5					
2/ 2/72	12.4	17.9	19.7	21.2				
3/ 1/72	13.0	18.1	19.4	20.4	22.1			
3/29/72	12.7	16.8	17.6	17.9	18.2	14.3		
5/ 3/72	12.3	15.5	15.8	15.7	15.5	12.1	9.3	
5/31/72	12.5	15.4	15.7	15.6	15.4	12.8	11.1	11.5

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# MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 31, 1972

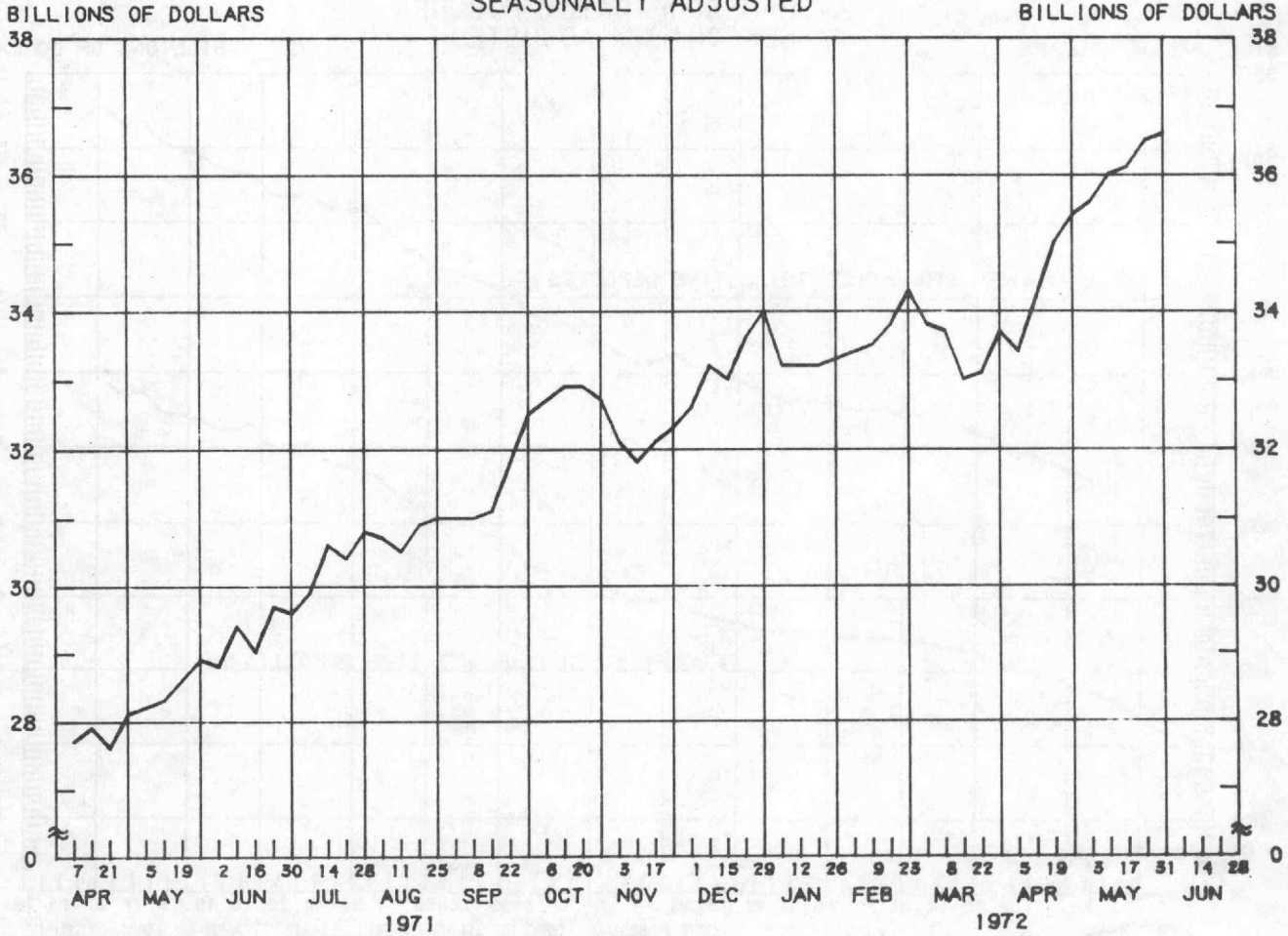
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

M<sub>2</sub> IS DEFINED AS: CURRENCY, DEMAND DEPOSITS PLUS NET TIME DEPOSITS (SEE PAGE 6).

MONEY STOCK PLUS NET TIME DEPOSITS (M <sub>2</sub> )									
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:									
	6/2/71	9/29/71	11/8/71	12/1/71	12/29/71	2/2/72	3/1/72	3/29/72	
TO THE AVERAGE OF FOUR WEEKS ENDING:									
11/ 3/71	6.1								
12/ 1/71	6.1	7.0							
12/29/71	6.7	8.1	8.5						
2/ 2/72	7.8	9.8	10.7	12.6					
3/ 1/72	8.6	10.9	11.9	13.7	15.0				
3/29/72	8.8	11.0	11.8	13.1	13.8	13.6			
5/ 3/72	8.7	10.4	11.0	11.8	12.1	11.2	9.2		
5/31/72	8.8	10.4	10.9	11.6	11.7	11.0	9.5	8.7	

# CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 31, 1972

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

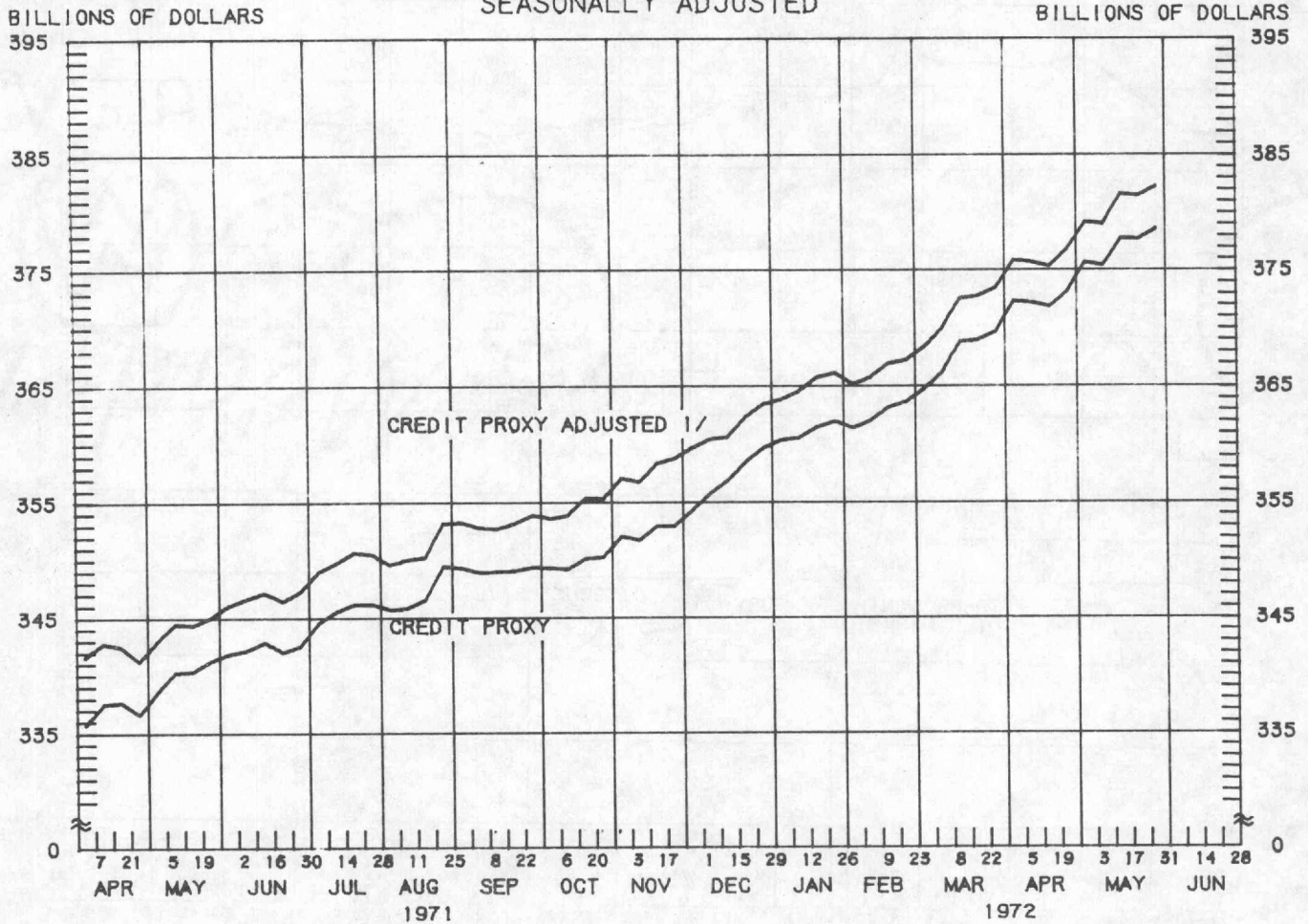
NEGOTIABLE TIME CERTIFICATES OF DEPOSIT ISSUED IN DENOMINATIONS OF \$100,000 OR MORE BY LARGE WEEKLY REPORTING COMMERCIAL BANKS.

MONEY AND TIME DEPOSIT DATA			
1972	BILLIONS		
	CERTIFICATES OF DEPOSIT	NET TIME DEPOSITS *	M2 **
APR. 5	33.4	247.7	482.8
12	34.2	247.5	482.3
19	35.0	247.9	482.4
26	35.4	248.6	483.8
MAY 3	35.6	249.5	484.2
10	36.0	250.1	484.6
17	36.1	250.8	487.5
24	36.5	251.4	486.4
31	36.6	252.2	488.5
JUNE 7			
14			
21			
28			

\* 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: MAY 31, 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.

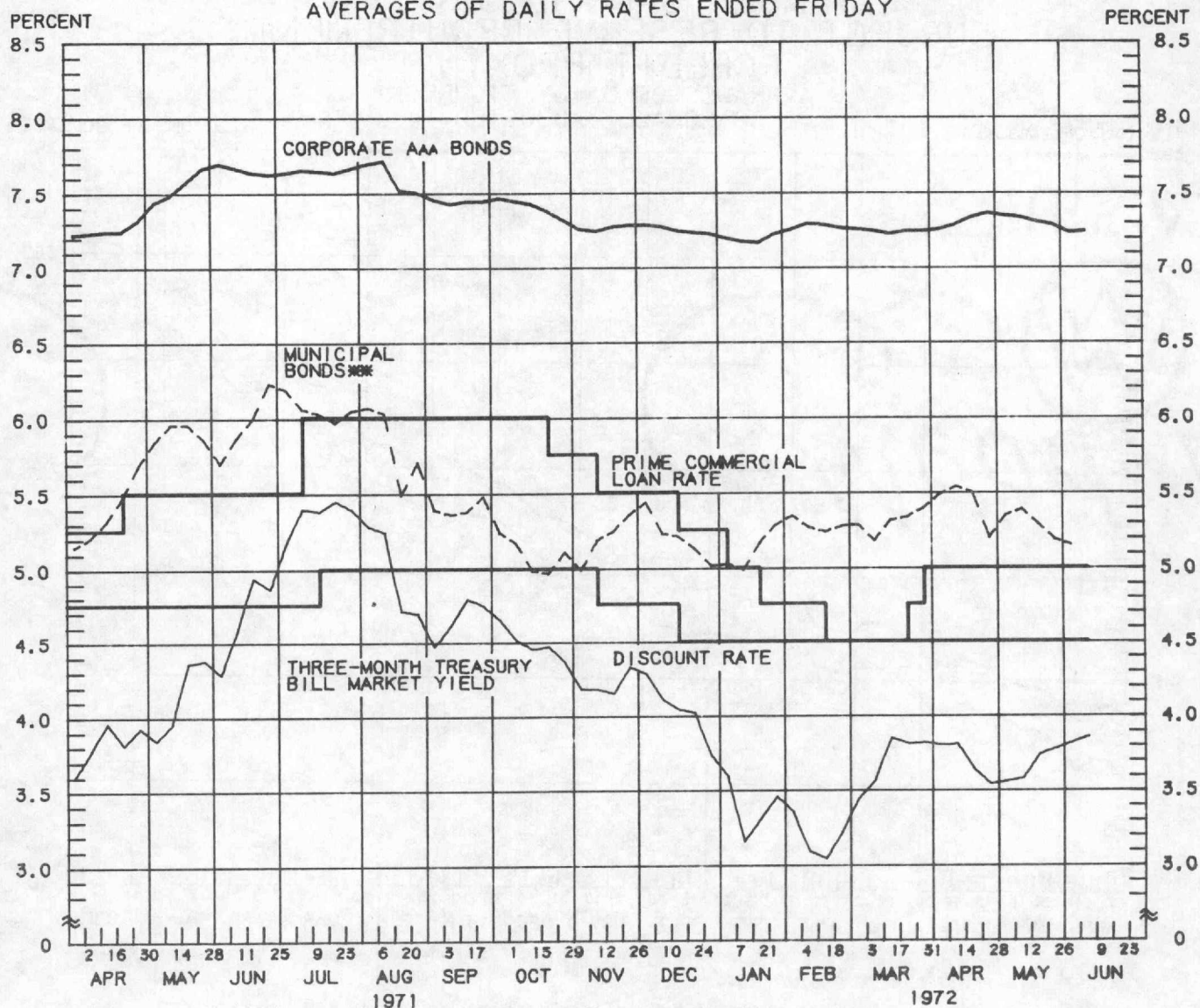
1972		BILLIONS	
		CREDIT PROXY	CREDIT PROXY ADJUSTED
APR.	26	373.1	376.8
MAY	3	375.6	379.1
	10	375.3	378.9
	17	377.7	381.5
	24	377.6	381.4
	31	378.5	382.2

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF THE FOUR WEEKS ENDING MAY 31, 1972 FROM THE FOUR WEEKS ENDING:			
		CREDIT PROXY	CREDIT PROXY ADJUSTED
MAR.	29, 1972	14.8	14.6
MAR.	1, 1972	16.2	16.2
FEB.	2, 1972	14.2	13.6
DEC.	29, 1971	13.5	13.1
DEC.	1, 1971	14.3	13.1
NOV.	3, 1971	13.7	12.9
JUN.	2, 1971	10.7	10.5

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# YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JUNE 9, 1972

1972	CORPORATE AAA BONDS	3-MONTH TREASURY BILLS	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES	MUNICIPAL BONDS**
APR. 7	7.25	3.80	6.07	5.73	5.49
14	7.28	3.81	6.08	5.76	5.54
21	7.33	3.64	6.02	5.76	5.50
28	7.36	3.54	5.86	5.71	5.20
MAY 5	7.34	3.56	5.72	5.69	5.35
12	7.33	3.58	5.73	5.69	5.39
19	7.30	3.74	5.71	5.64	5.29
26	7.28	3.78	5.62	5.57	5.19
JUNE 2	7.23	3.82	5.64	5.56	5.15
9 *	7.24	3.86	5.73	5.60	N.A.
16					
23					
30					

\* AVERAGES OF RATES AVAILABLE.

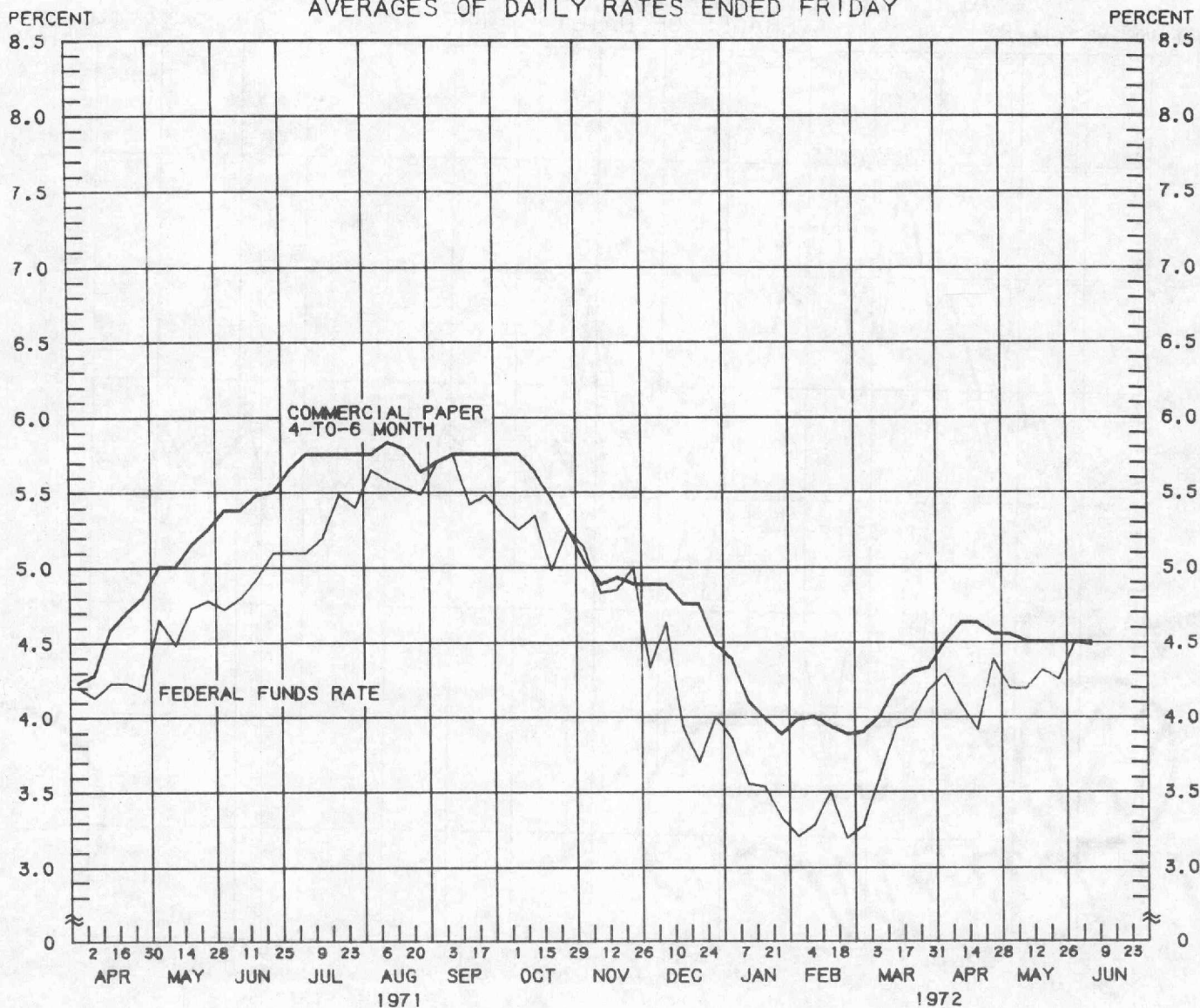
\*\* BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA.

N.A. - NOT AVAILABLE

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# SELECTED SHORT-TERM INTEREST RATES

AVERAGES OF DAILY RATES ENDED FRIDAY



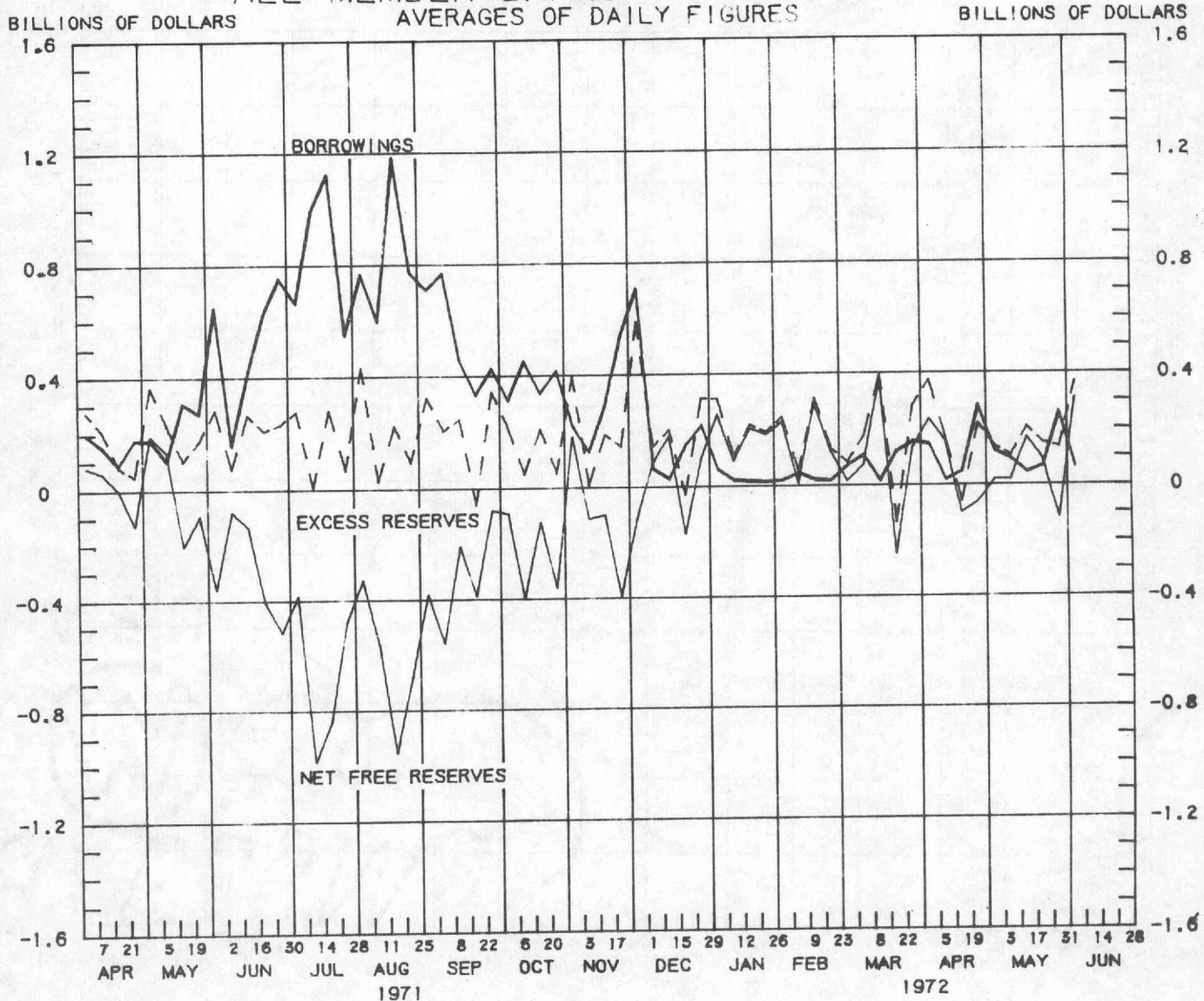
LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JUNE 9, 1972

1972	PRIME COMMERCIAL PAPER 4-6 MONTH	FEDERAL FUNDS	PRIME BANKERS' ACCEPTANCES	90 DAY CD'S ***
APR. 7	4.50	4.29	4.40	4.39
14	4.63	4.09	4.50	4.56
21	4.63	3.91	4.48	4.68
28	4.55	4.39	4.33	4.60
MAY 5	4.55	4.19	4.25	4.49
12	4.50	4.19	4.25	4.46
19	4.50	4.32	4.25	4.41
26	4.50	4.25	4.25	4.40
JUNE 2	4.50	4.50	4.25	4.40
9 *	4.50	4.48	4.34	4.43
16				
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.

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# BORROWINGS AND EXCESS RESERVES ALL MEMBER BANKS IN THE NATION



1972	MILLIONS		
	EXCESS RESERVES	BORROWINGS	FREE RESERVES
APR. 5	374	141	233
12	166	14	152
19	- 59	43	- 102
26	218	279	- 61
MAY 3	136	117	19
10	104	87	17
17	205	39	166
24	149	63	86
31	133	254	- 121
JUNE 7	367	60	307
14			
21			
28			

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