

Week ending: August 9, 1972

RESEARCH LIBRARY  
Federal Reserve Bank  
of St. Louis

AUG 27 1972

The nation's money stock, defined as private demand deposits plus currency in the hands of the public, has increased at a 9.3 percent annual rate since the four weeks ending January 5. This seven-month period may be separated into two periods -- during the past four months money has risen at a 7.9 percent annual rate, somewhat slower than the 11 percent rate in the previous three months. For comparison, these growth rates are above the 5.9 percent trend rate from late 1966 to late 1971.

Market interest rates have remained relatively steady since April, after increasing in the first part of the year. The lack of significant change in interest rates since April has occurred despite strong gains in economic activity, which are usually accompanied by increased loan demand which places upward pressure on interest rates. Three-month Treasury bill rates averaged 3.86 percent in the first half of this week, only 16 basis points above last April. This rate remains considerably below the 4.93 percent of August 1971. Yields on four- to six-month commercial paper averaged 4.67 percent in the first three days of this week, about 10 basis points above last April, but still below the 5.73 percent of a year ago.

Long-term market rates have tended to decline since last April, probably reflecting some reduction in price expectations by market participants. For example, yields on seasoned Aaa corporate securities averaged 7.21 percent in the first part of this week, down slightly from April, and 38 basis points below last August.

### Selected Market Interest Rates

	3 days ending 8/9/72	April 1972	August 1971	1969-71 Average
3-month Treasury Bill	3.86%	3.70%	4.93%	5.80%
4- to 6-month Commercial Paper	4.67	4.58	5.73	6.89
Federal Funds	4.72	4.17	5.57	6.68
3- to 5-year Government Securities	5.85	6.01	6.39	6.66
Bond Buyer's Index of 20 Municipal Bonds	5.32*	5.43	5.83	5.85
Aaa Corporate Bonds	7.21	7.30	7.59	7.49

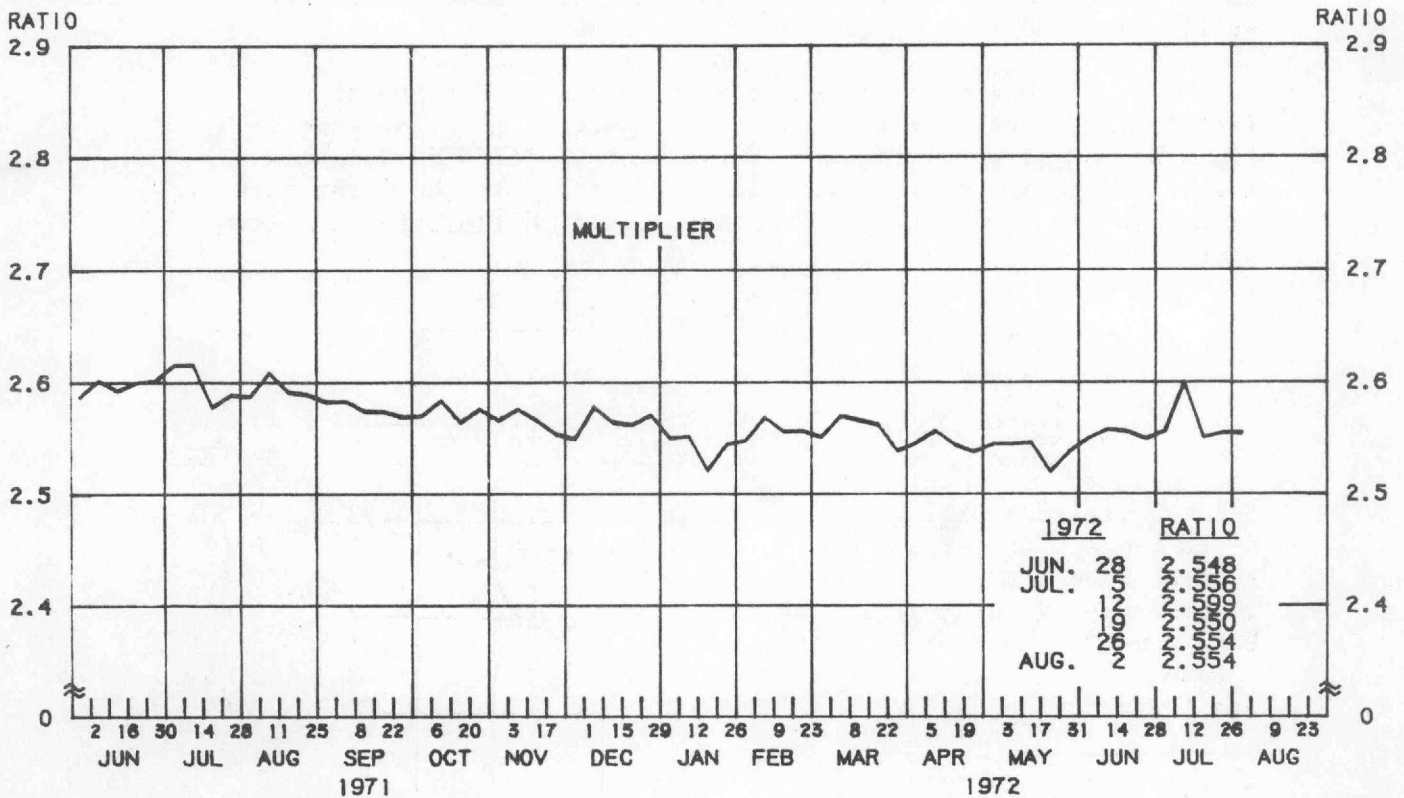
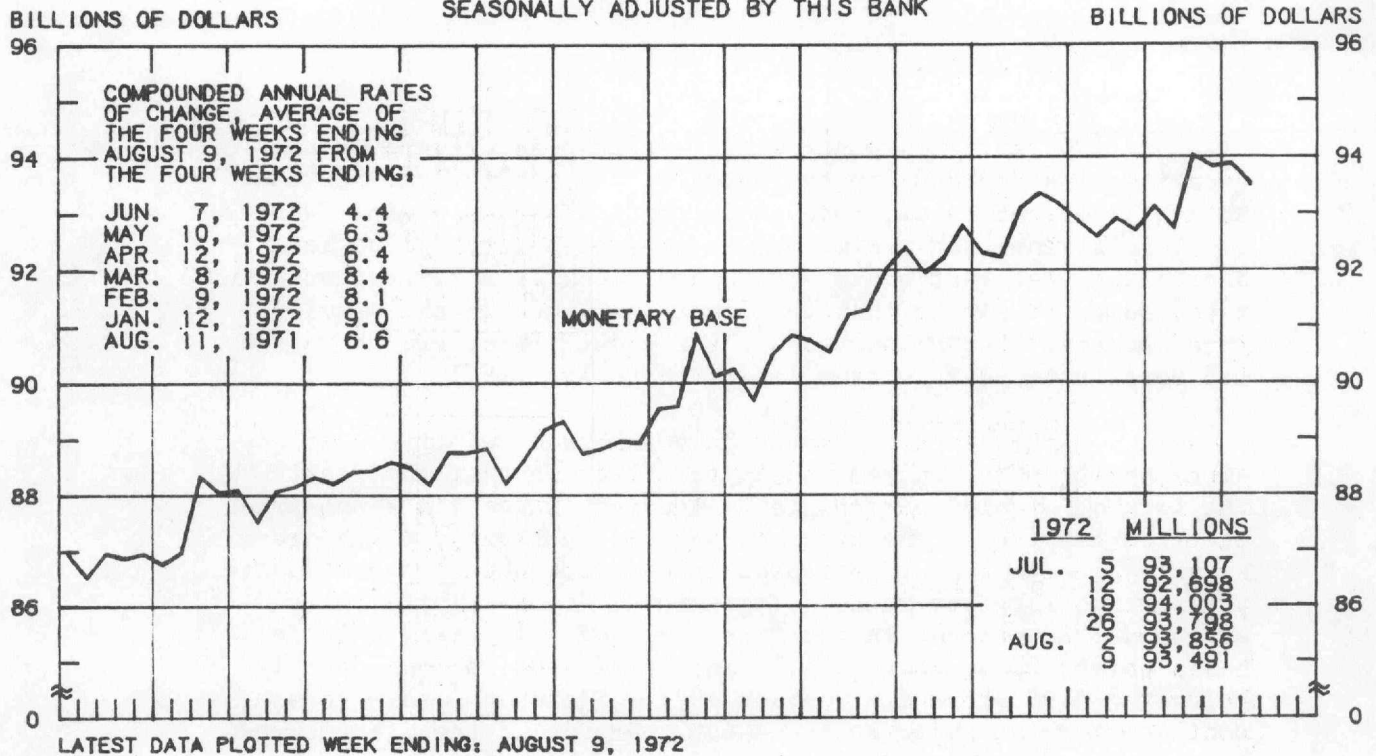
\* week ending 8/3/72

Prepared by Federal Reserve Bank of St. Louis

Released: August 11, 1972

# 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 1968 'REVIEW' OF THIS BANK.

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

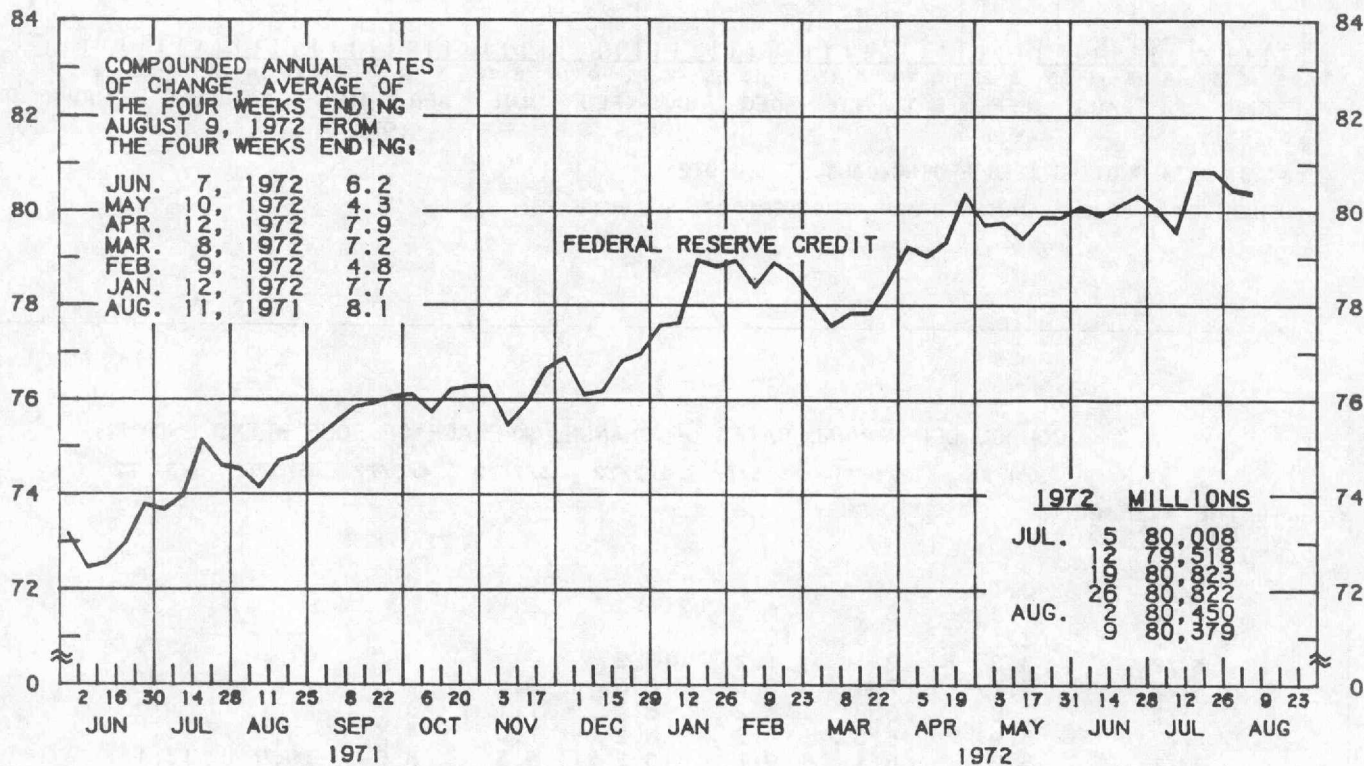
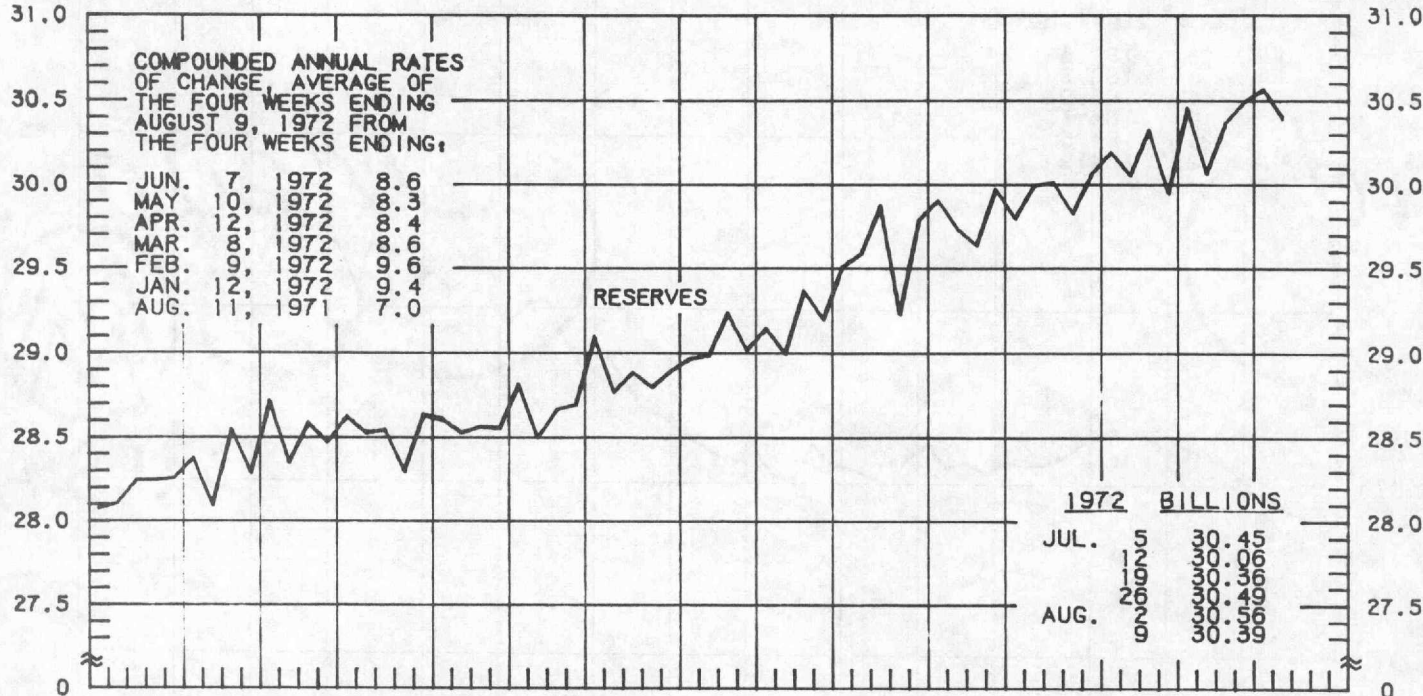
# RESERVES AVAILABLE TO SUPPORT PRIVATE NONBANK DEPOSITS

## ALL MEMBER BANKS FEDERAL RESERVE CREDIT

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: AUGUST 9, 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.

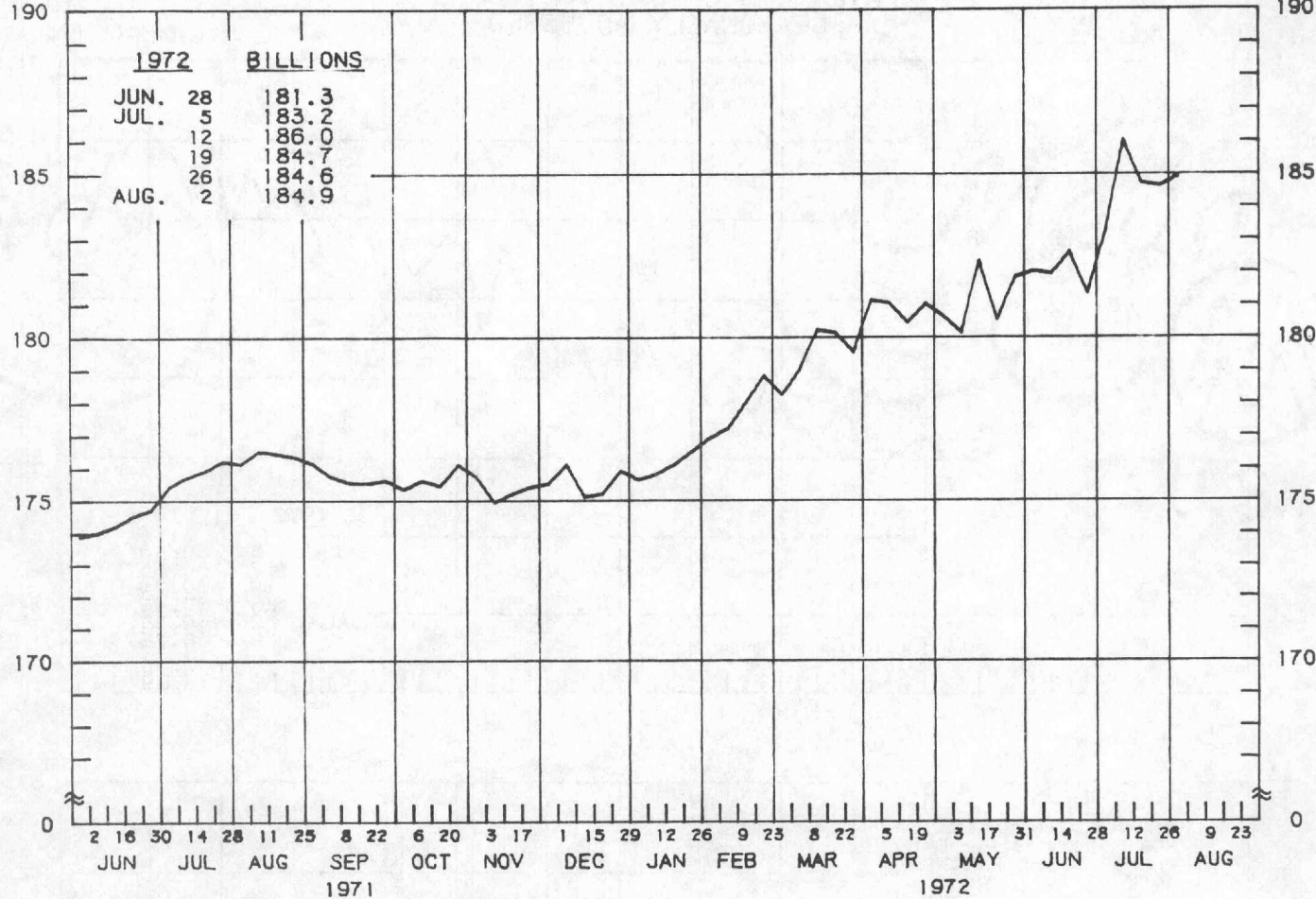


# DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



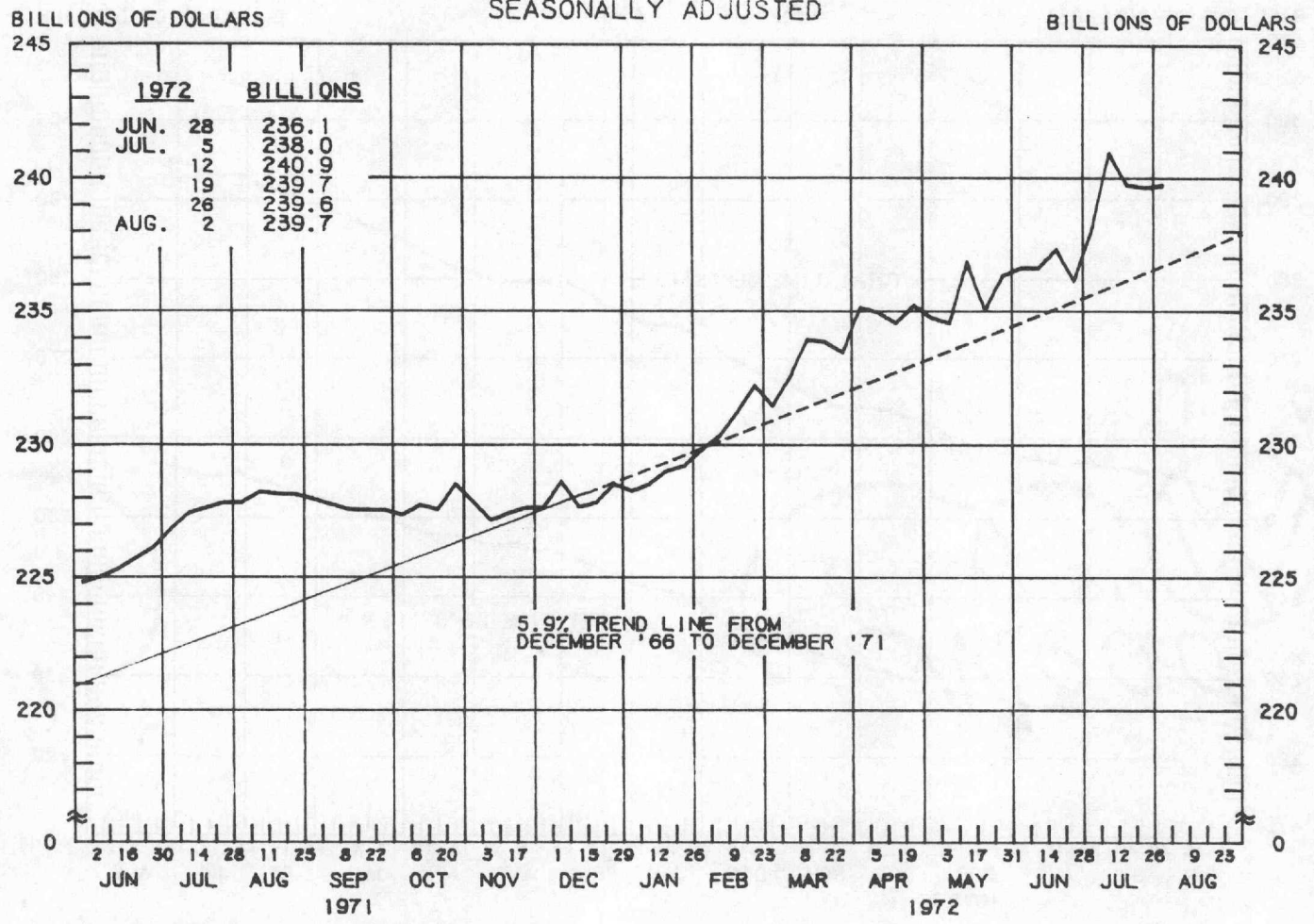
LATEST DATA PLOTTED WEEK ENDING: AUGUST 2, 1972  
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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

	8/4/71	12/1/71	1/5/72	2/2/72	3/1/72	4/5/72	5/3/72	5/31/72
TO THE AVERAGE OF FOUR WEEKS ENDING:								
1/ 5/72	-0.7							
2/ 2/72	0.3	3.3						
3/ 1/72	2.1	6.5	10.0					
4/ 5/72	3.6	8.3	11.2	13.5				
5/ 3/72	3.7	7.6	9.5	10.6	9.1			
5/31/72	3.6	6.8	8.2	8.7	7.1	3.7		
7/ 5/72	3.9	6.8	7.9	8.2	7.0	4.7	4.9	
8/ 2/72	5.2	8.4	9.7	10.2	9.5	8.6	9.9	13.1

# MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 2, 1972  
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

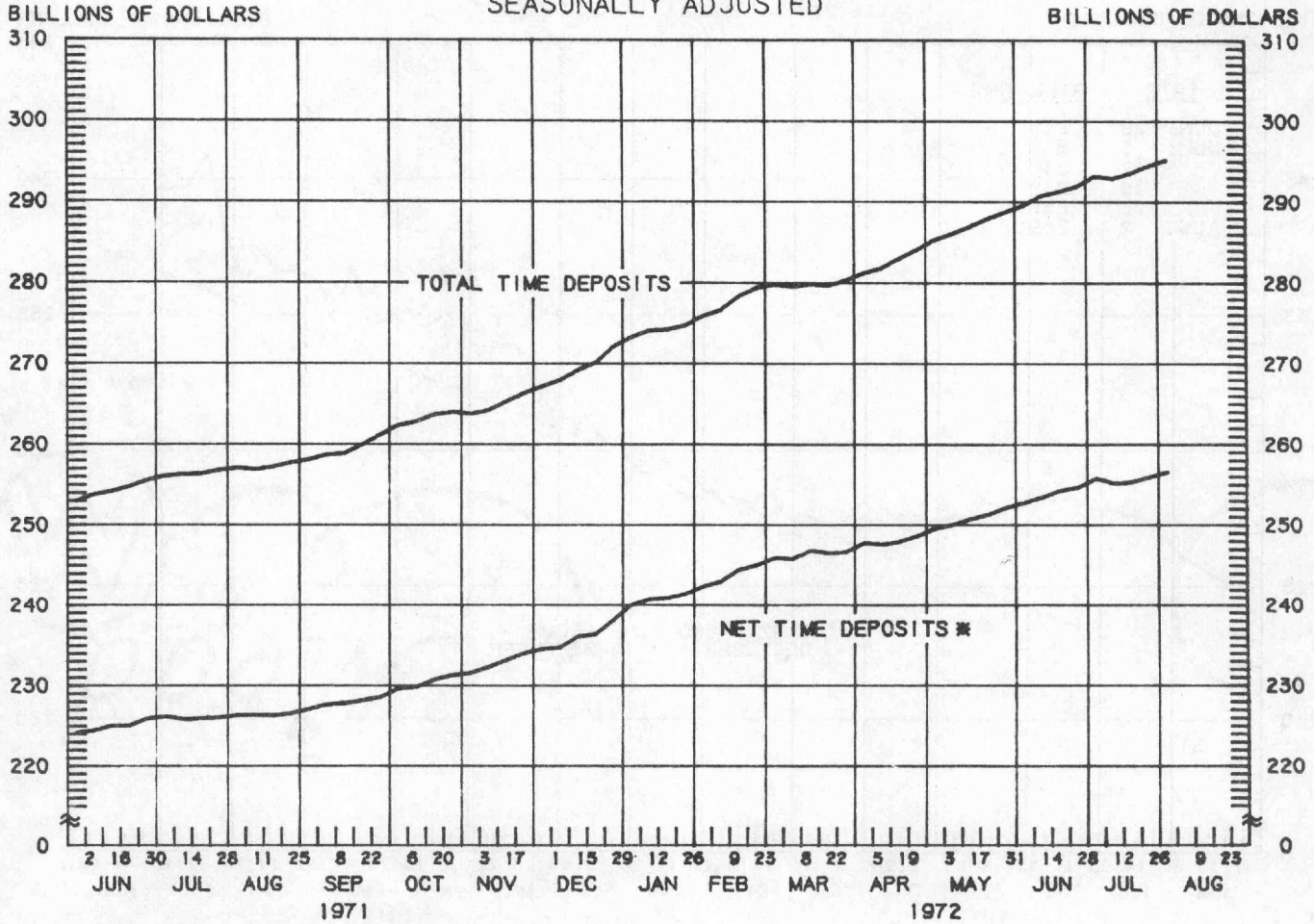
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

	8/4/71	12/1/71	1/5/72	2/2/72	3/1/72	4/5/72	5/3/72	5/31/72
TO THE AVERAGE OF FOUR WEEKS ENDING:								
1/ 5/72	0.3							
2/ 2/72	1.2	4.4						
3/ 1/72	2.8	7.0	9.8					
4/ 5/72	4.2	8.8	11.1	13.3				
5/ 3/72	4.2	7.9	9.4	10.3	9.1			
5/31/72	4.3	7.4	8.6	9.1	7.8	4.5		
7/ 5/72	4.4	7.2	8.1	8.3	7.3	5.0	5.5	
8/ 2/72	5.4	8.3	9.3	9.7	9.1	7.9	9.2	11.0

# TIME DEPOSITS

## ALL COMMERCIAL BANKS

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 2, 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

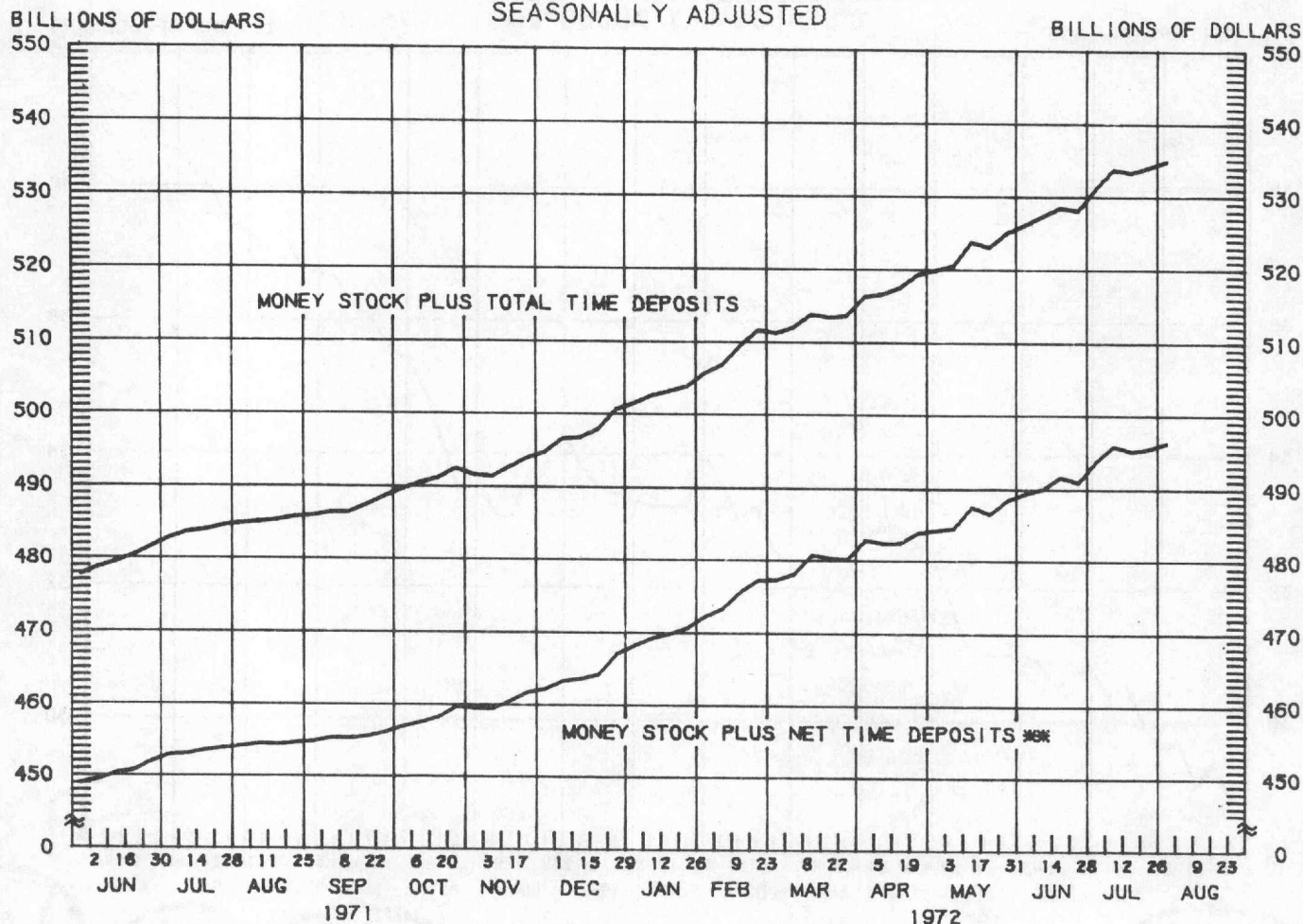
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

	8/4/71	12/1/71	1/5/72	2/2/72	3/1/72	4/5/72	5/3/72	5/31/72
TO THE AVERAGE OF FOUR WEEKS ENDING:								
1/ 5/72	12.7							
2/ 2/72	14.1	21.2						
3/ 1/72	14.7	20.4	20.4					
4/ 5/72	14.0	17.5	16.4	13.9				
5/ 3/72	13.4	15.7	14.4	12.1	9.3			
5/31/72	13.5	15.6	14.4	12.7	10.9	11.3		
7/ 5/72	13.7	15.5	14.6	13.3	12.1	12.9	15.0	
8/ 2/72	13.1	14.4	13.5	12.2	11.1	11.3	12.3	11.3



# MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 2, 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:

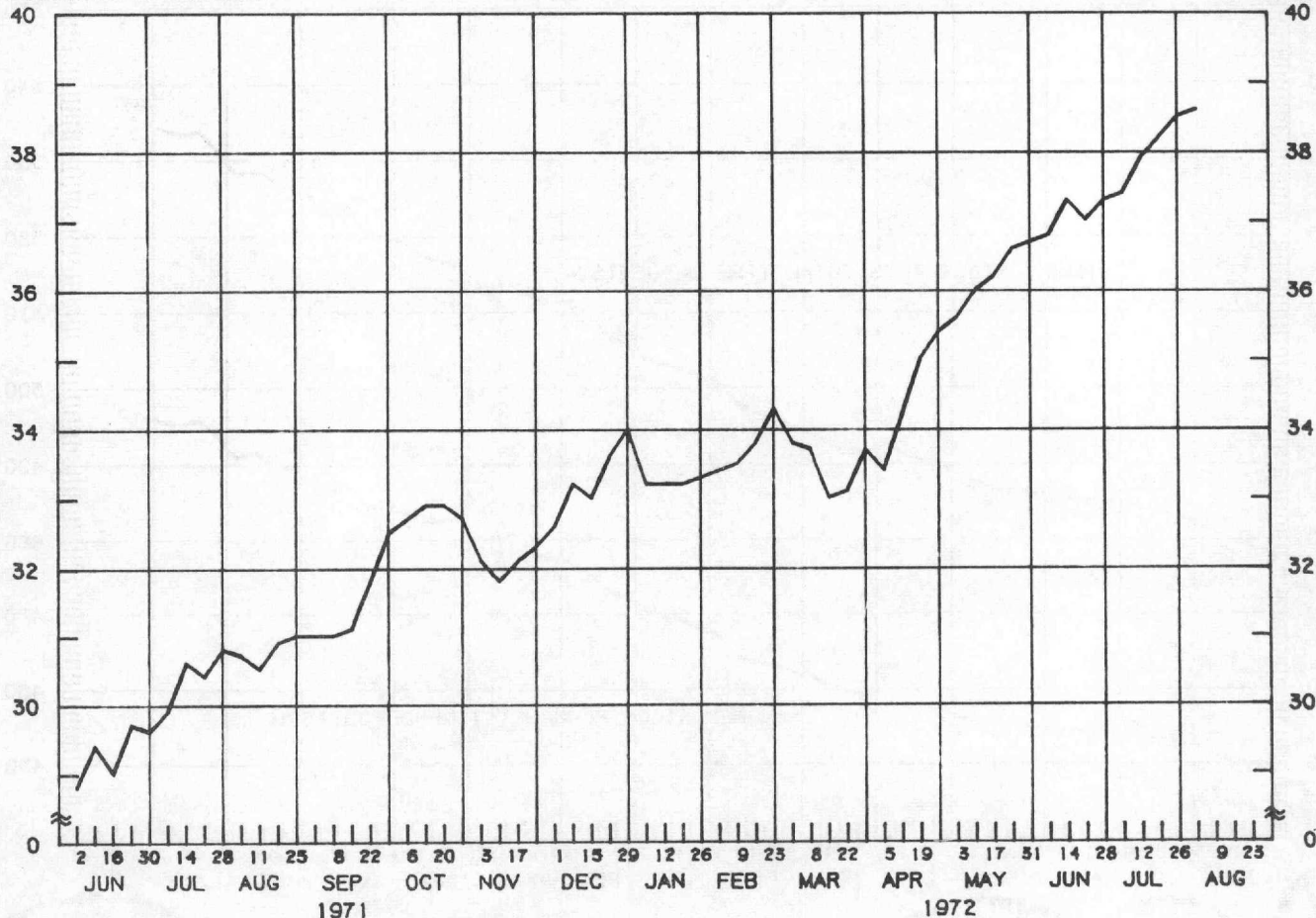
	8/4/71	12/1/71	1/5/72	2/2/72	3/1/72	4/5/72	5/3/72	5/31/72
TO THE AVERAGE OF FOUR WEEKS ENDING:								
1/ 5/72	6.5							
2/ 2/72	7.6	12.6						
3/ 1/72	8.7	13.7	15.0					
4/ 5/72	9.1	13.1	13.6	13.5				
5/ 3/72	8.8	11.8	11.9	11.2	9.2			
5/31/72	8.9	11.5	11.5	10.9	9.4	8.1		
7/ 5/72	9.1	11.4	11.3	10.9	9.8	9.1	10.3	
8/ 2/72	9.3	11.4	11.3	11.0	10.1	9.6	10.7	11.0

# CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES  
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: AUGUST 2, 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.

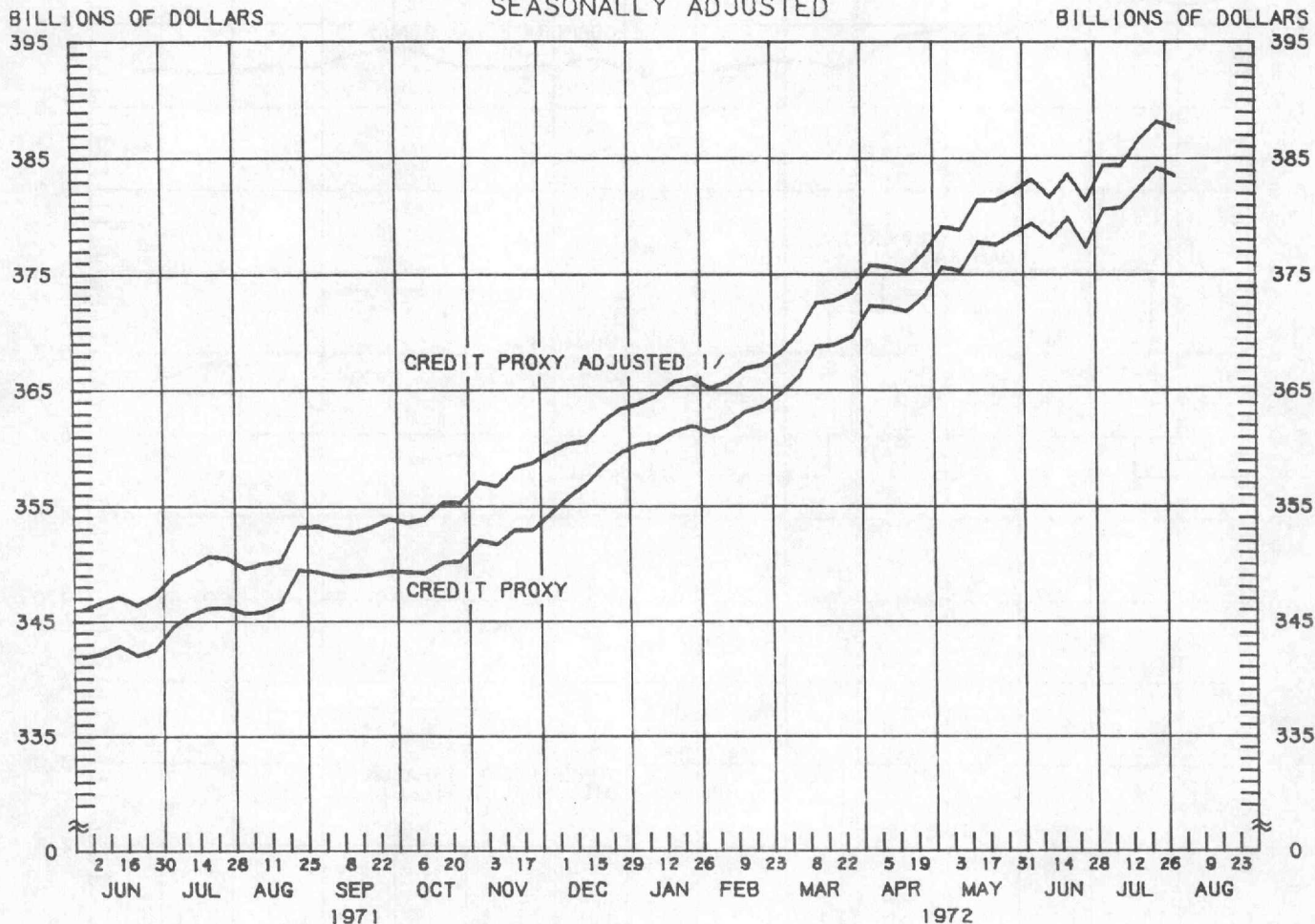
MONEY AND TIME DEPOSIT DATA			
1972	BILLIONS		
	CERTIFICATES OF DEPOSIT	NET TIME DEPOSITS *	M 2 ***
JUNE 7	36.8	252.7	489.3
14	37.3	253.4	490.0
21	37.0	254.2	491.5
28	37.3	254.6	490.7
JULY 5	37.4	255.7	493.7
12	37.9	255.0	495.8
19	38.2	255.3	495.0
26	38.5	255.9	495.5
AUG. 2	38.6	256.5	496.2
9			
16			
23			
30			

\* 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: AUGUST 2, 1972

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

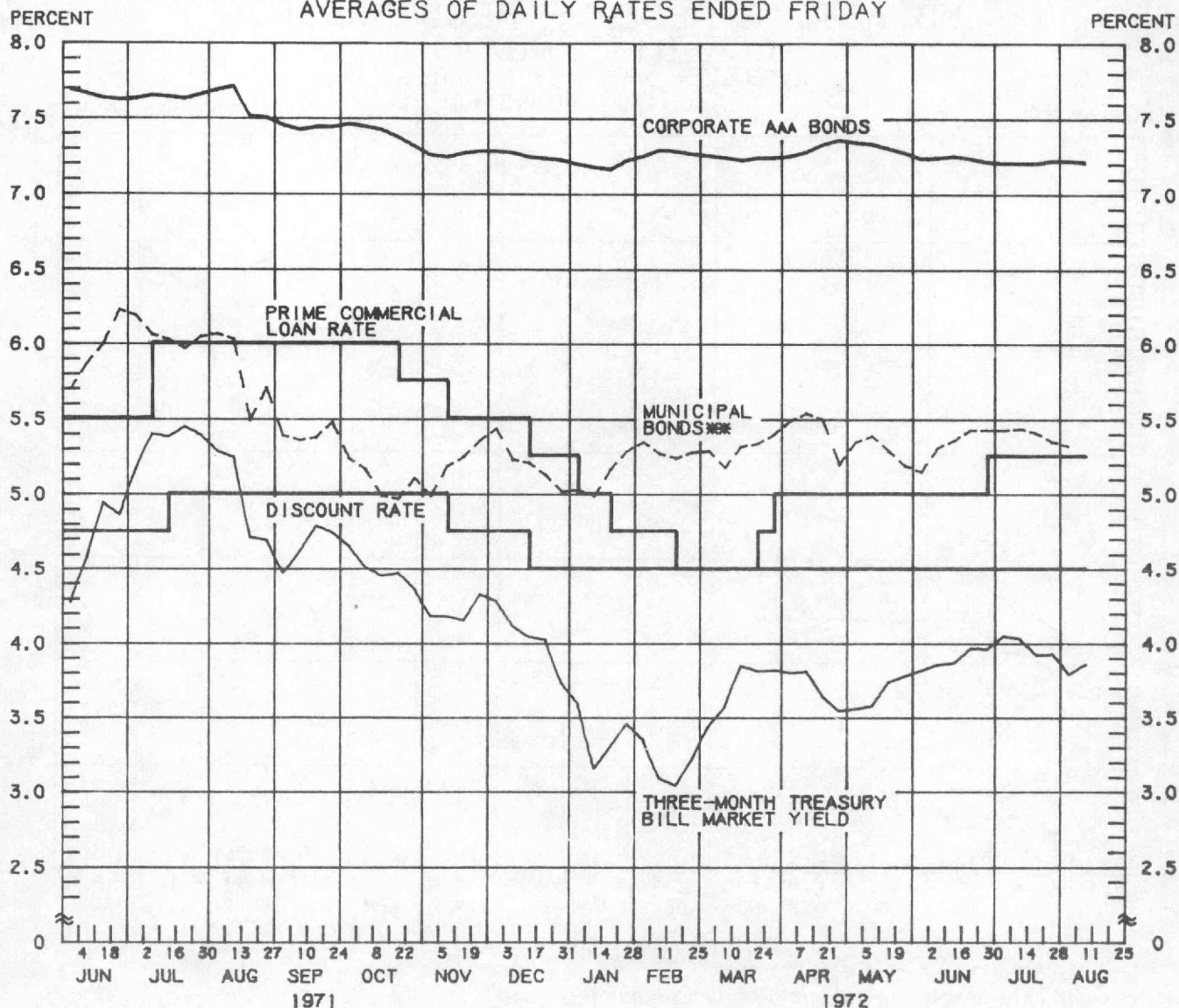
1/ INCLUDES MEMBER BANK DEPOSITS, BANK-RELATED COMMERCIAL PAPER, EURODOLLAR BORROWINGS OF U.S. BANKS, AND CERTAIN OTHER NONDEPOSIT SOURCES.

1972		BILLIONS	
		CREDIT PROXY	CREDIT PROXY ADJUSTED
JUN.	28	377.3	381.3
JUL.	5	380.6	384.4
	12	380.8	384.4
	19	382.5	386.6
	26	384.2	388.2
AUG.	2	383.5	387.6

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF THE FOUR WEEKS ENDING AUGUST 2, 1972 FROM THE FOUR WEEKS ENDING:			
		CREDIT PROXY	CREDIT PROXY ADJUSTED
MAY	31, 1972	8.9	9.0
MAY	3, 1972	10.8	11.0
APR.	5, 1972	11.1	11.1
MAR.	1, 1972	13.1	13.2
FEB.	2, 1972	12.3	12.0
JAN.	5, 1972	11.9	11.9
AUG.	4, 1971	10.7	10.5

# YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: AUGUST 11, 1972

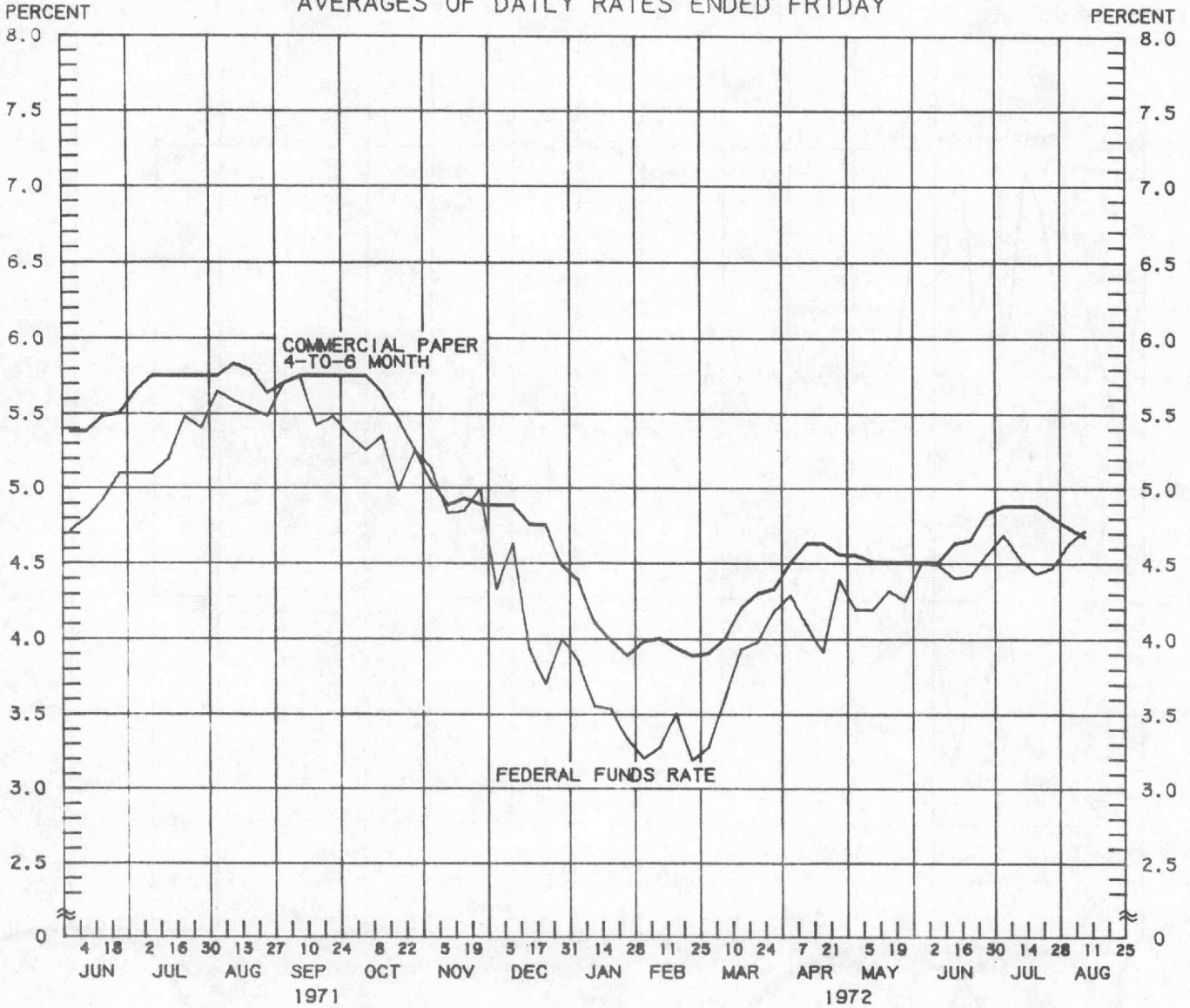
1972	CORPORATE AAA BONDS	3-MONTH TREASURY BILLS	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES	MUNICIPAL BONDS ***
JUNE 2	7.23	3.82	5.64	5.58	5.15
9	7.24	3.86	5.71	5.59	5.31
16	7.25	3.87	5.73	5.59	5.36
23	7.23	3.97	5.81	5.58	5.43
30	7.21	3.96	5.87	5.61	5.43
JULY 7	7.20	4.05	5.86	5.61	5.43
14	7.20	4.03	5.85	5.59	5.44
21	7.20	3.92	5.84	5.56	5.41
28	7.22	3.93	5.87	5.54	5.35
AUG. 4	7.22	3.79	5.85	5.51	5.32
11 *	7.21	3.86	5.85	5.49	N.A.
18					
25					

\* 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: AUGUST 11, 1972

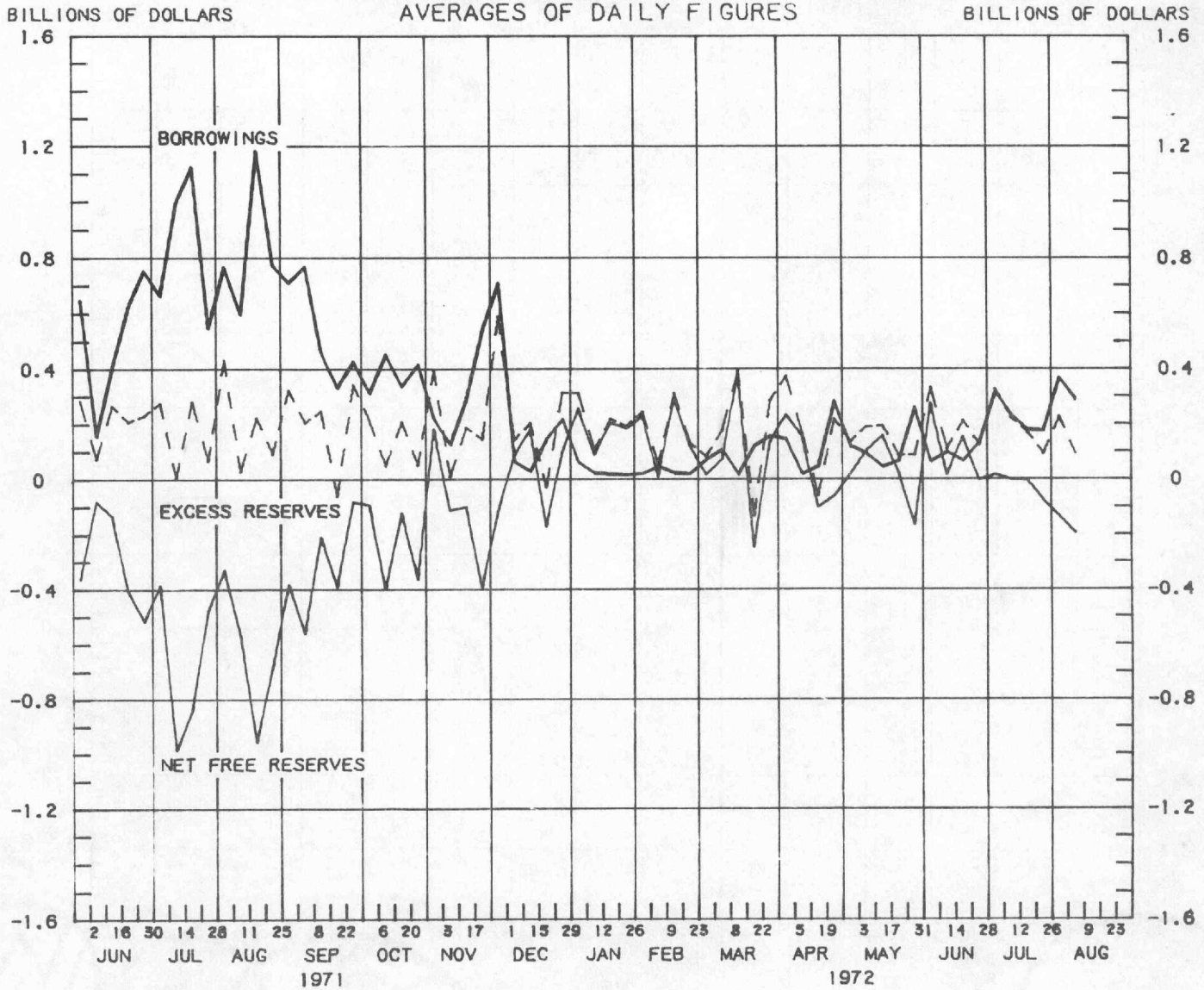
1972	PRIME COMMERCIAL PAPER 4-6 MONTH	FEDERAL FUNDS	PRIME BANKERS' ACCEPTANCES	90 DAY CD'S **
JUNE 2	4.50	4.50	4.25	4.40
9	4.50	4.49	4.35	4.43
16	4.63	4.40	4.38	4.56
23	4.65	4.42	4.53	4.61
30	4.83	4.56	4.70	4.67
JULY 7	4.88	4.69	4.75	4.78
14	4.88	4.53	4.75	4.93
21	4.88	4.43	4.75	4.89
28	4.80	4.47	4.68	4.80
AUG. 4	4.73	4.63	4.63	4.72
11 *	4.67	4.72	4.63	4.70
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.

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# BORROWINGS AND EXCESS RESERVES ALL MEMBER BANKS IN THE NATION



1972	MILLIONS		
	EXCESS RESERVES	BORROWINGS	FREE RESERVES
JUNE 7	331	58	273
14	109	94	15
21	212	59	153
28	124	129	- 5
JULY 5	328	312	16
12	223	227	- 4
19	169	175	- 6
26	92	171	- 79
AUG. 2	227	364	- 137
9	90	287	- 197
16			
23			
30			

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