

Week ending: October 4, 1972



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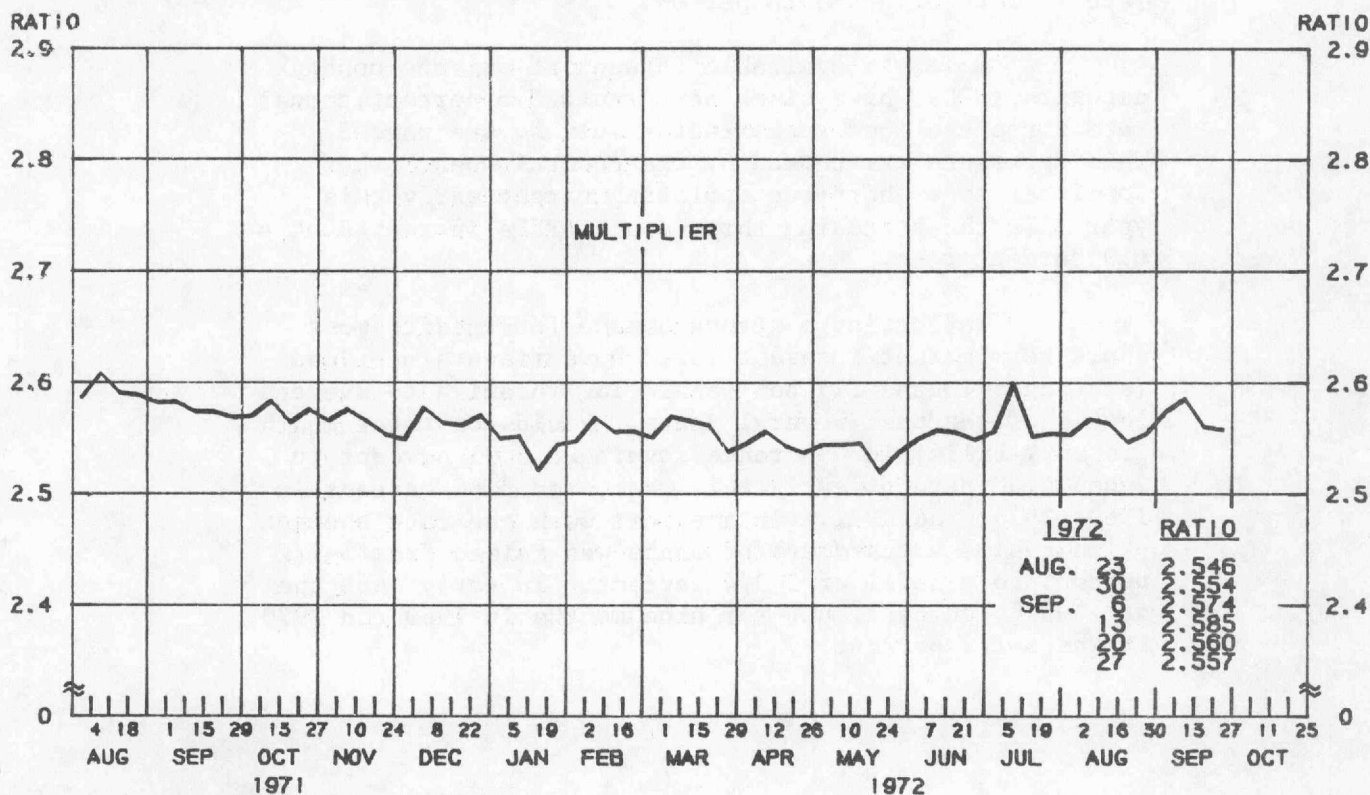
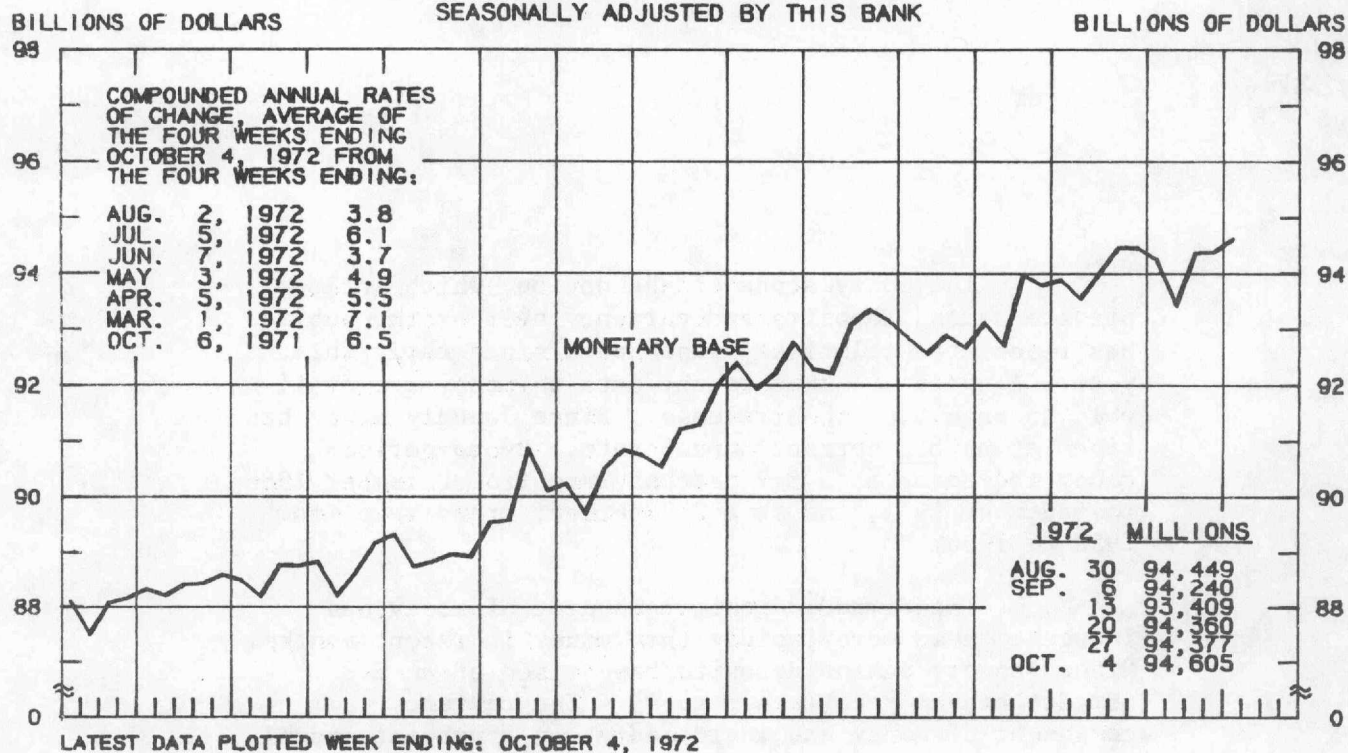
The money stock of the nation, which includes private demand deposits and currency held by the public, has risen at a relatively rapid pace since early this year. A chart and some recent data on money are available on page 5 of this release. Since January money has risen at an 8.6 percent annual rate. By comparison money increased at a 5.9 percent rate from December 1966 to December 1971, and at a 2.3 percent trend rate from 1952 to 1966.

The demand deposit component of money has increased even more rapidly than money in recent months. Since January demand deposits have risen at an 8.8 percent annual rate (see page 4). The currency component of money has increased at an 8 percent annual rate in this eight month period.

Reserves available to support private nonbank deposits (RPDs) have risen at a rapid 8.6 percent annual rate since the four weeks ending July 5, see page 3. This aggregate was chosen by the Federal Open Market Committee as a short-run operating target early this year. In the preceding three months RPDs increased at a 6.9 percent rate.

Reflecting a strong demand for credit, most short-term market interest rates have risen since June (see pages 10 and 11) but remain low relative to average levels of the past several years. Yields on three month Treasury bills, for instance, averaged 3.91 percent in June, 4.60 percent early this week, and 5.80 percent in 1969, 1970, and 1971. In the past week the rate charged prime business customers of banks was raised from 5-1/2 percent to a level of 5-3/4 percent. In early June the rate was 5 percent, but for nine months in 1969 and 1970, it was 8-1/2 percent.

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

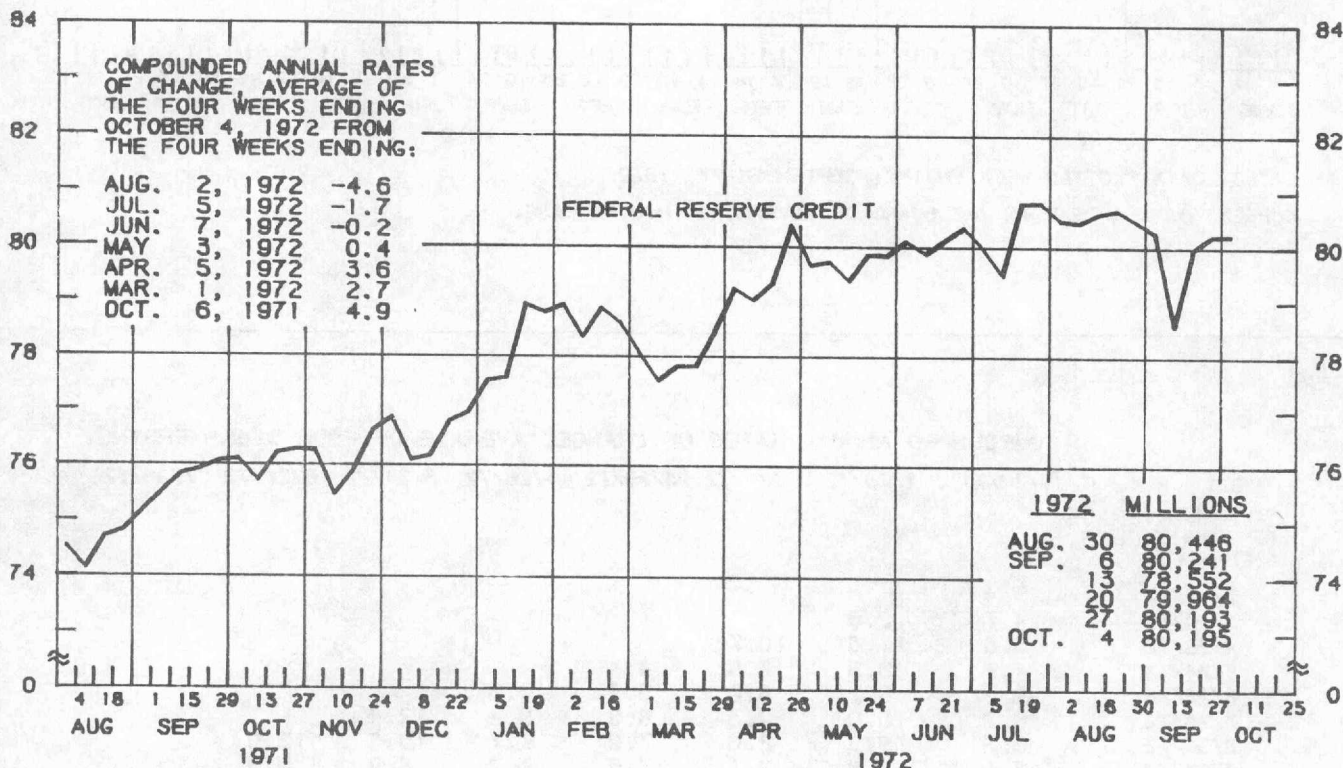
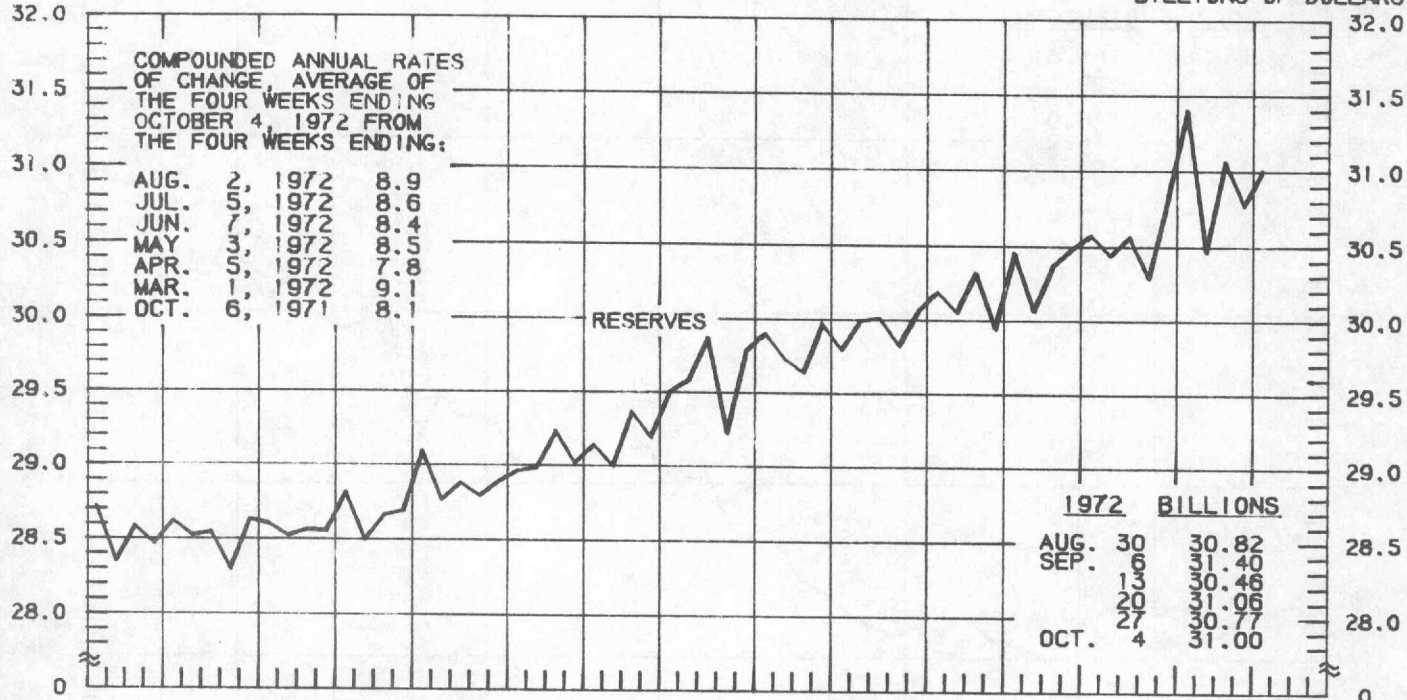
ALL MEMBER BANKS

FEDERAL RESERVE CREDIT 2/

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 4, 1972

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

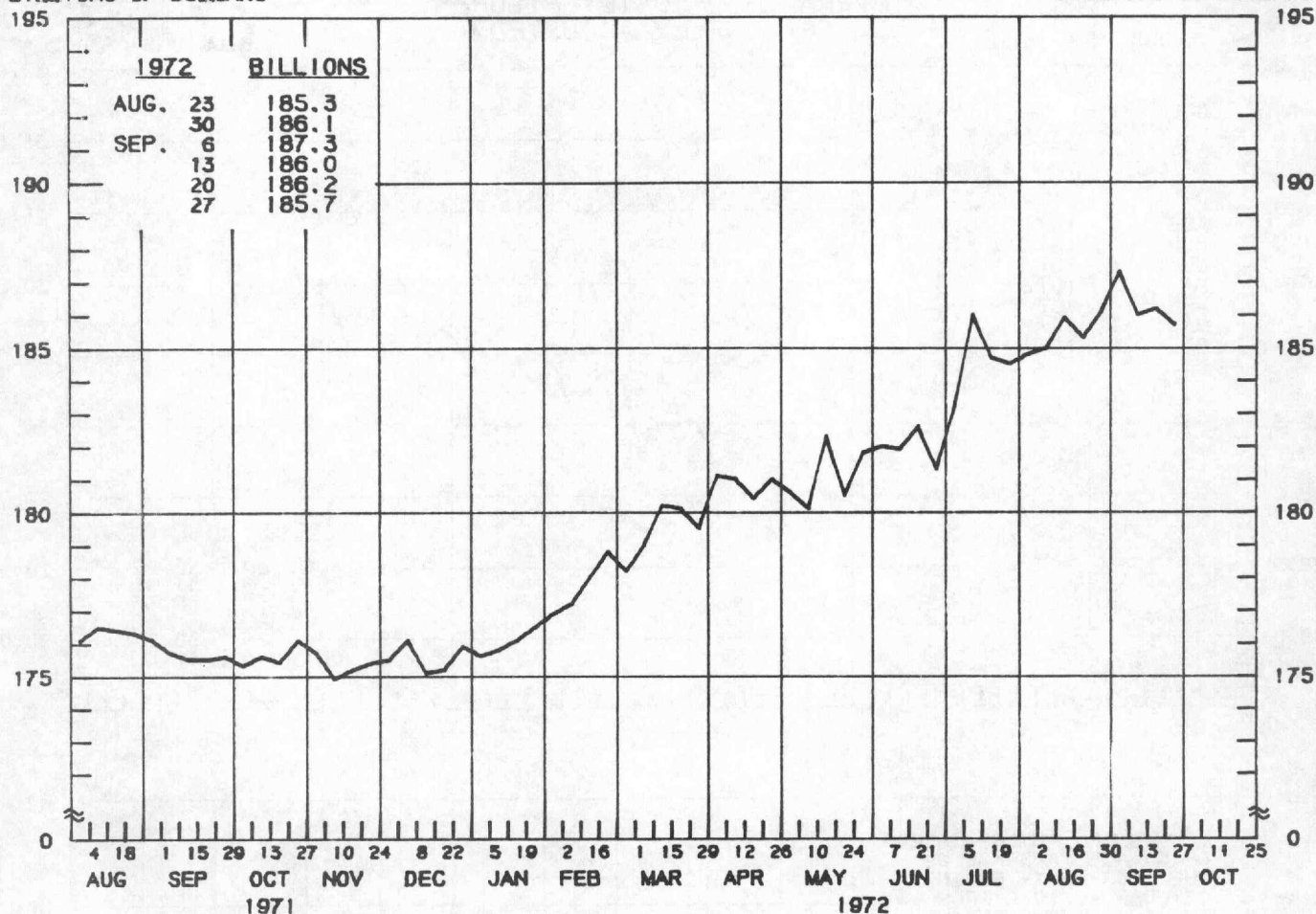
2/ DEFINED TO INCLUDE HOLDINGS OF SECURITIES, LOANS, FLOAT AND "OTHER" ASSETS, ADJUSTED FOR RESERVE REQUIREMENT CHANGES AND CHANGES IN REQUIREMENTS DUE TO SHIFTS IN DEPOSITS AMONG CLASSES OF BANKS.

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



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

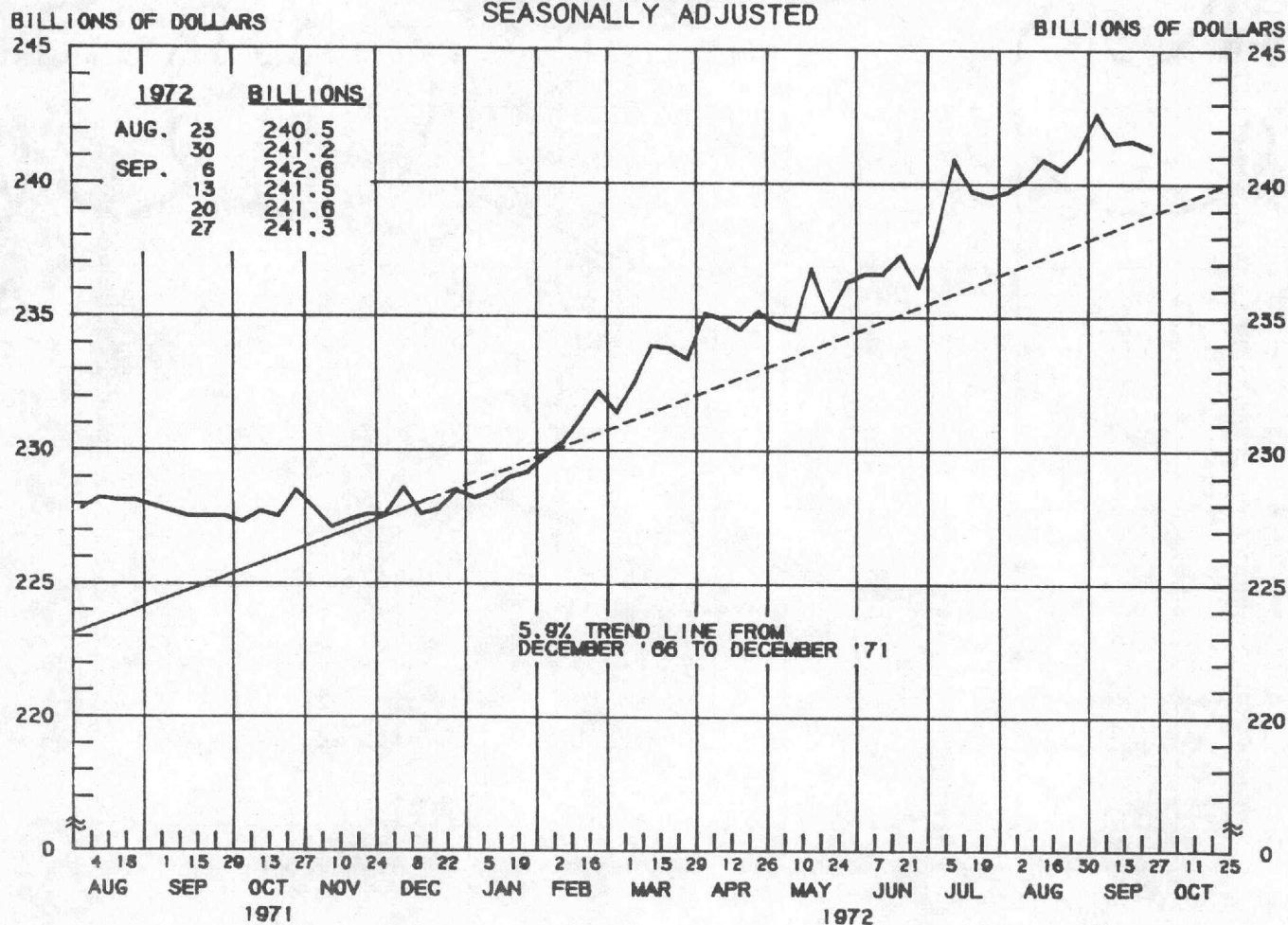
9/29/71 1/26/72 3/1/72 3/29/72 4/26/72 5/24/72 6/28/72 7/26/72

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

3/ 1/72	3.4						
3/29/72	4.7	12.8					
4/26/72	5.3	11.6	10.7				
5/24/72	4.7	8.8	7.0	4.4			
6/28/72	4.9	8.2	6.9	5.2	3.6		
7/26/72	6.2	10.0	9.3	8.6	8.4	12.4	
8/30/72	6.2	9.3	8.6	7.9	7.7	10.0	12.0
9/27/72	6.1	8.8	8.1	7.5	7.2	8.9	9.8
							5.4

MONEY STOCK

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



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

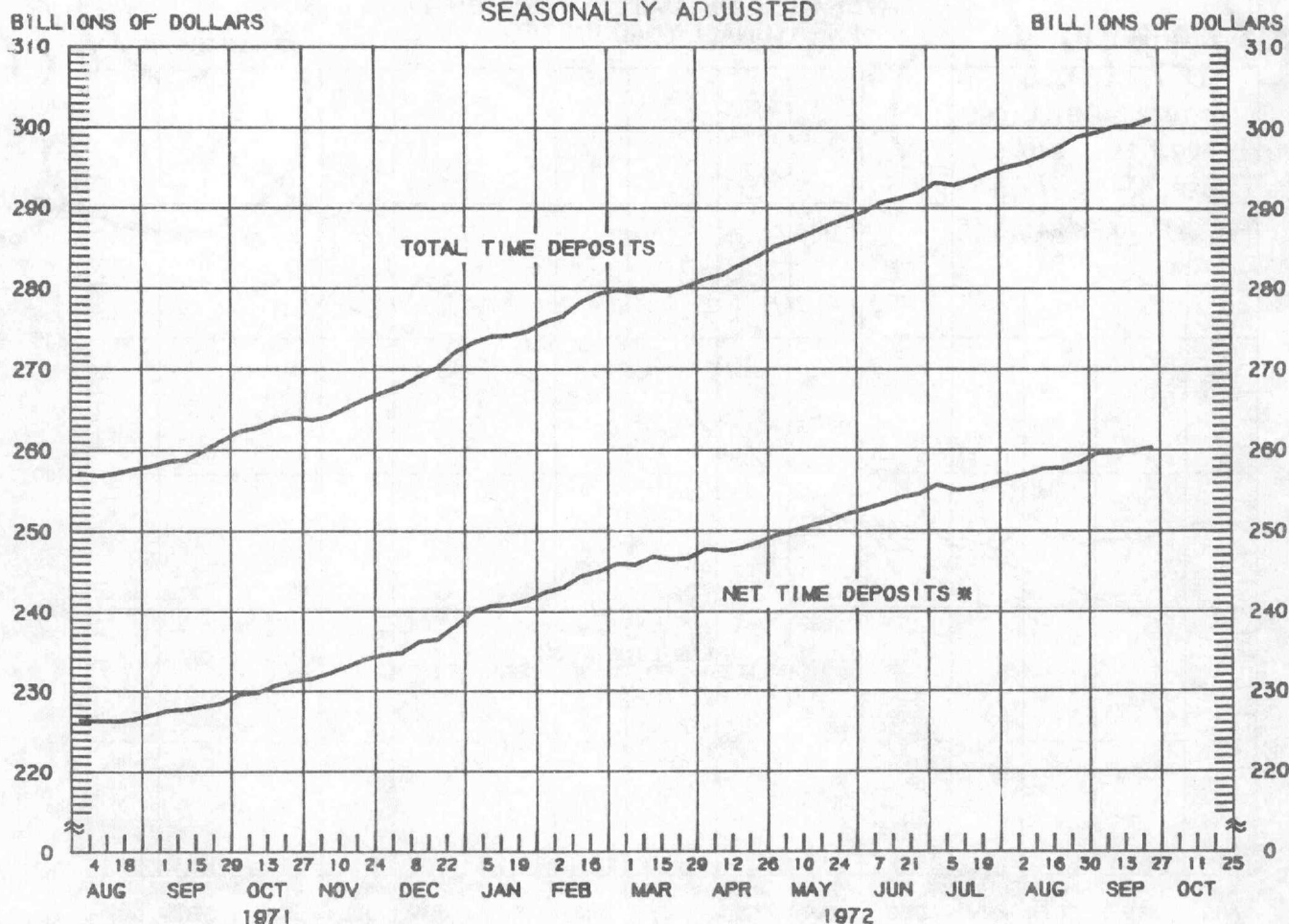
9/29/71 1/26/72 3/1/72 3/29/72 4/26/72 5/24/72 6/28/72 7/26/72

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

3/ 1/72	3.9							
3/29/72	5.2	12.5						
4/26/72	5.6	11.3	10.6					
5/24/72	5.2	9.1	7.7	5.4				
6/28/72	5.4	8.5	7.3	5.8	4.5			
7/26/72	6.4	9.7	9.0	8.2	8.1	10.8		
8/30/72	6.3	9.0	8.3	7.6	7.3	8.8	10.2	
9/27/72	6.2	8.6	8.0	7.3	7.1	8.2	8.9	5.7

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

TIME DEPOSITS ALL COMMERCIAL BANKS AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 27, 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:

9/29/71 1/26/72 3/1/72 3/29/72 4/26/72 5/24/72 6/28/72 7/26/72

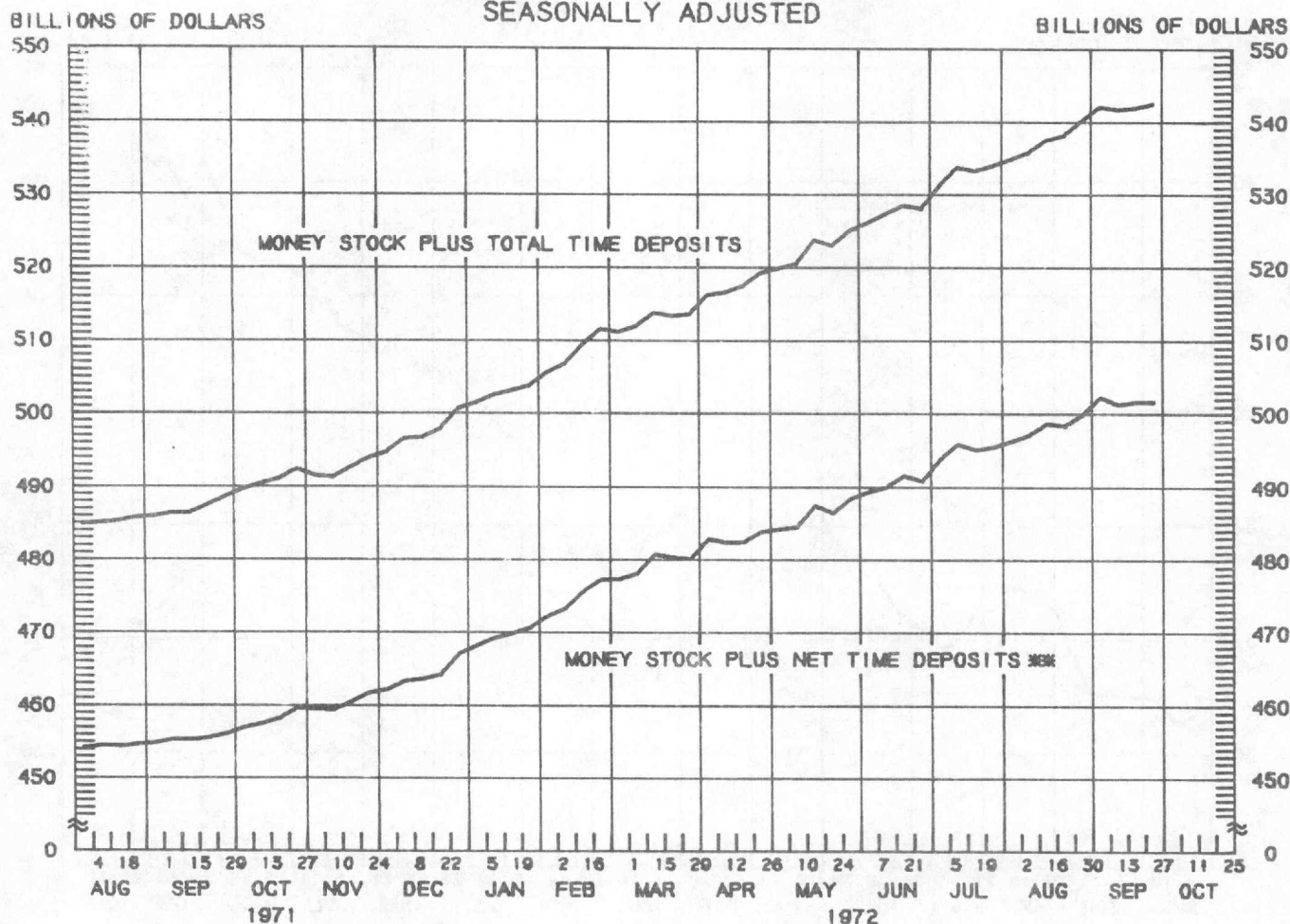
TO THE AVERAGE
OF FOUR WEEKS
ENDING:

3/1/72	18.1							
3/29/72	16.8	14.2						
4/26/72	15.6	12.3	9.1					
5/24/72	15.4	12.7	10.7	11.0				
6/28/72	15.3	13.1	11.8	12.4	14.3			
7/26/72	14.8	12.6	11.4	11.7	12.8	12.4		
8/30/72	14.2	12.1	11.1	11.3	12.0	11.4	9.7	
9/27/72	14.0	12.0	11.1	11.3	11.8	11.4	10.1	10.4

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MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 27, 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:

9/29/71 1/26/72 3/1/72 3/29/72 4/26/72 5/24/72 6/28/72 7/26/72

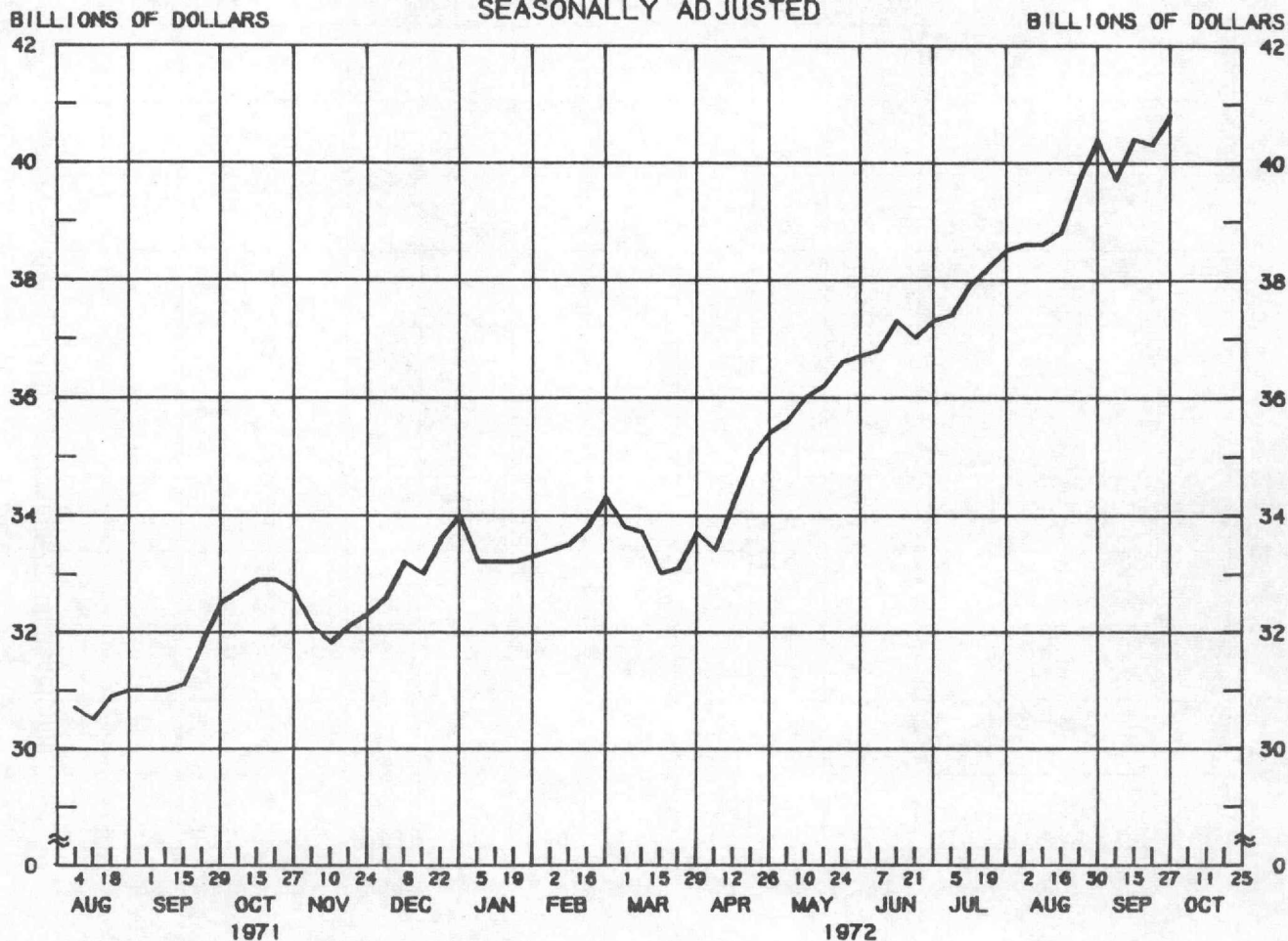
TO THE AVERAGE
OF FOUR WEEKS
ENDING:

3/ 1/72	10.9							
3/29/72	11.0	13.4						
4/26/72	10.6	11.8	9.8					
5/24/72	10.3	10.9	9.1	8.1				
6/28/72	10.3	10.8	9.6	9.1	9.4			
7/26/72	10.6	11.2	10.2	10.0	10.5	11.7		
8/30/72	10.3	10.6	9.7	9.5	9.7	10.2	9.9	
9/27/72	10.1	10.4	9.6	9.3	9.5	9.9	9.5	8.1

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CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 27, 1972

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

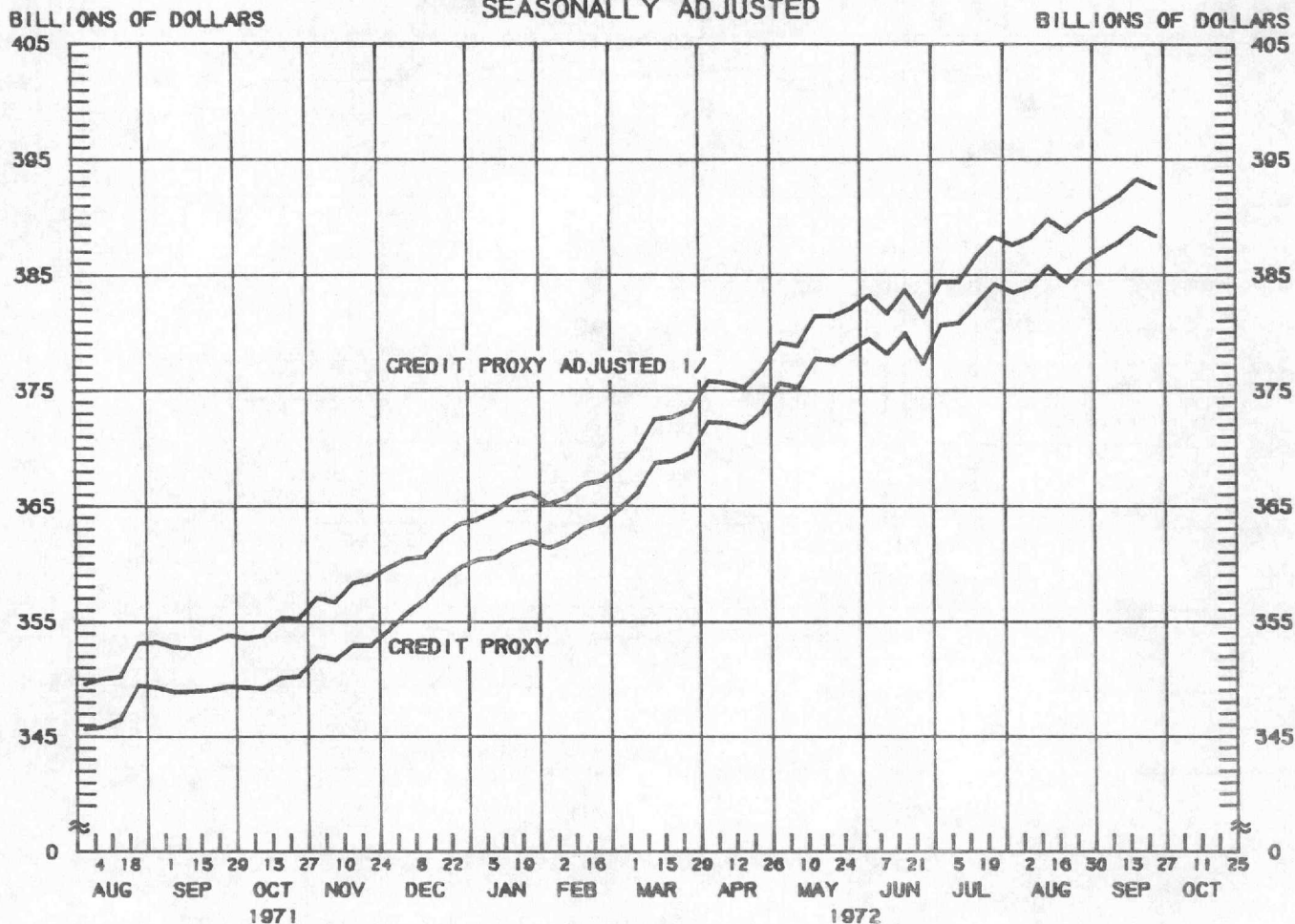
NEGOTIABLE TIME CERTIFICATES OF DEPOSIT ISSUED IN DENOMINATIONS OF \$100,000 OR MORE BY LARGE WEEKLY REPORTING COMMERCIAL BANKS.

MONEY AND TIME DEPOSIT DATA			
1972	BILLIONS		
	CERTIFICATES OF DEPOSIT	NET TIME DEPOSITS *	M 2 ***
AUG. 2	38.6	256.5	496.2
9	38.6	257.0	497.1
16	38.8	257.7	498.6
23	39.7	257.8	498.3
30	40.4	258.5	499.8
SEP. 6	39.7	259.6	502.2
13	40.4	259.7	501.2
20	40.3	259.9	501.6
27	40.8	260.3	501.6
OCT. 4			
11			
18			
25			

* 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: SEPTEMBER 27, 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

		<u>CREDIT PROXY</u>	<u>CREDIT PROXY ADJUSTED</u>
AUG.	23	384.3	388.7
	30	386.0	390.1
SEP.	6	386.9	390.9
	13	387.8	391.9
	20	389.1	393.3
	27	388.3	392.5

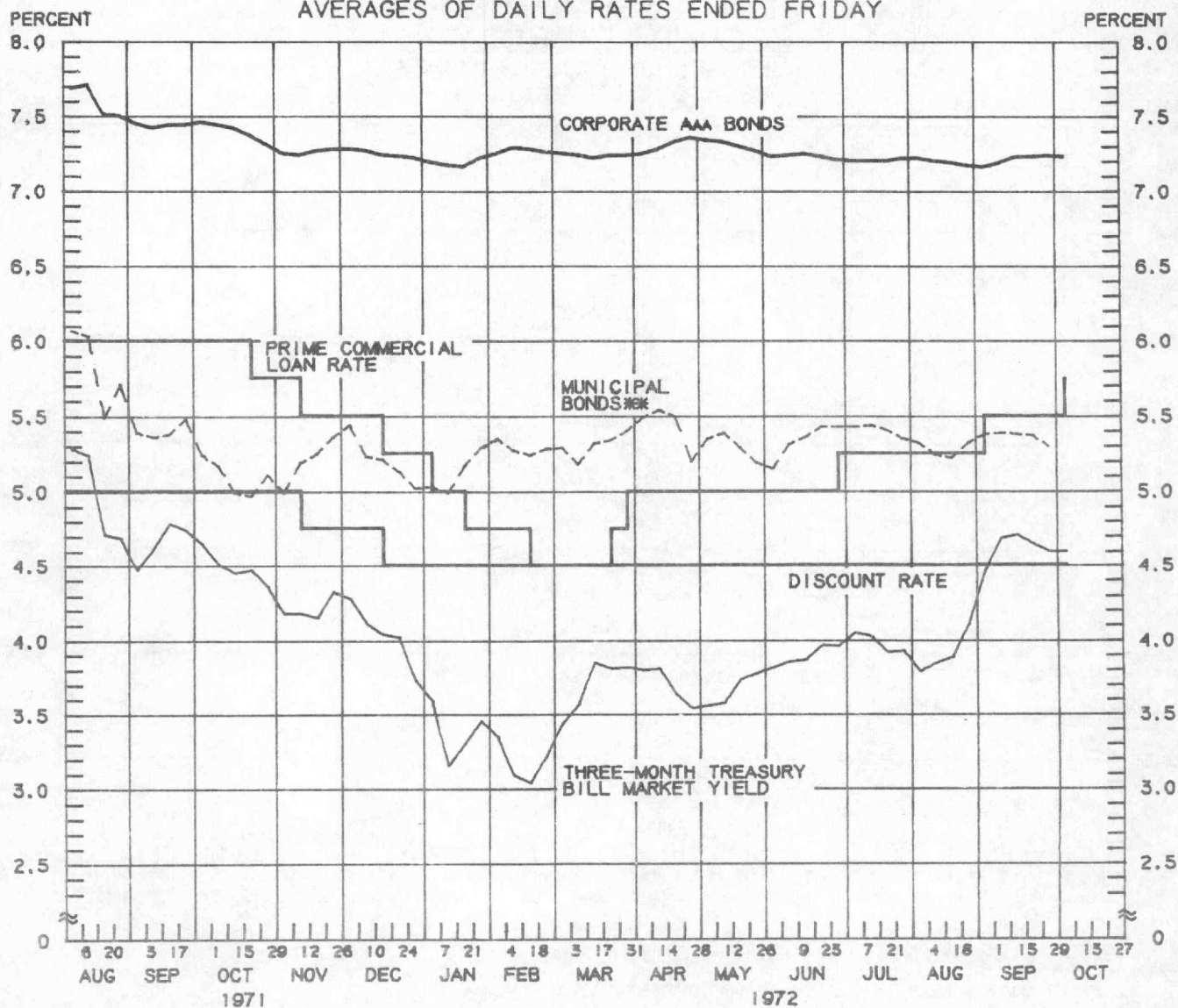
COMPOUNDED ANNUAL RATES OF CHANGE,
AVERAGE OF THE FOUR WEEKS ENDING
SEPTEMBER 27, 1972 FROM THE FOUR
WEEKS ENDING:

	<u>CREDIT PROXY</u>	<u>CREDIT PROXY ADJUSTED</u>
JUL. 26, 1972	9.4	9.8
JUN. 28, 1972	10.2	10.5
MAY 24, 1972	9.1	9.4
APR. 26, 1972	10.3	10.6
MAR. 29, 1972	10.9	11.1
MAR. 1, 1972	12.0	12.2
SEP. 29, 1971	11.2	11.1

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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: OCTOBER 6, 1972

1972	CORPORATE AAA BONDS	3-MONTH TREASURY BILLS	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES	MUNICIPAL BONDS ***
AUG. 4	7.22	3.79	5.85	5.51	5.32
11	7.20	3.85	5.85	5.48	5.24
18	7.19	3.89	5.87	5.53	5.22
25	7.17	4.11	5.94	5.56	5.32
SEP. 1	7.16	4.46	6.11	5.62	5.38
8	7.19	4.69	6.19	5.66	5.39
15	7.23	4.71	6.20	5.68	5.38
22	7.23	4.65	6.15	5.70	5.37
29	7.24	4.60	6.13	5.75	5.30
OCT. 6 *	7.23	4.60	6.11	5.74	N.A.
13					
20					
27					

* AVERAGES OF RATES AVAILABLE.

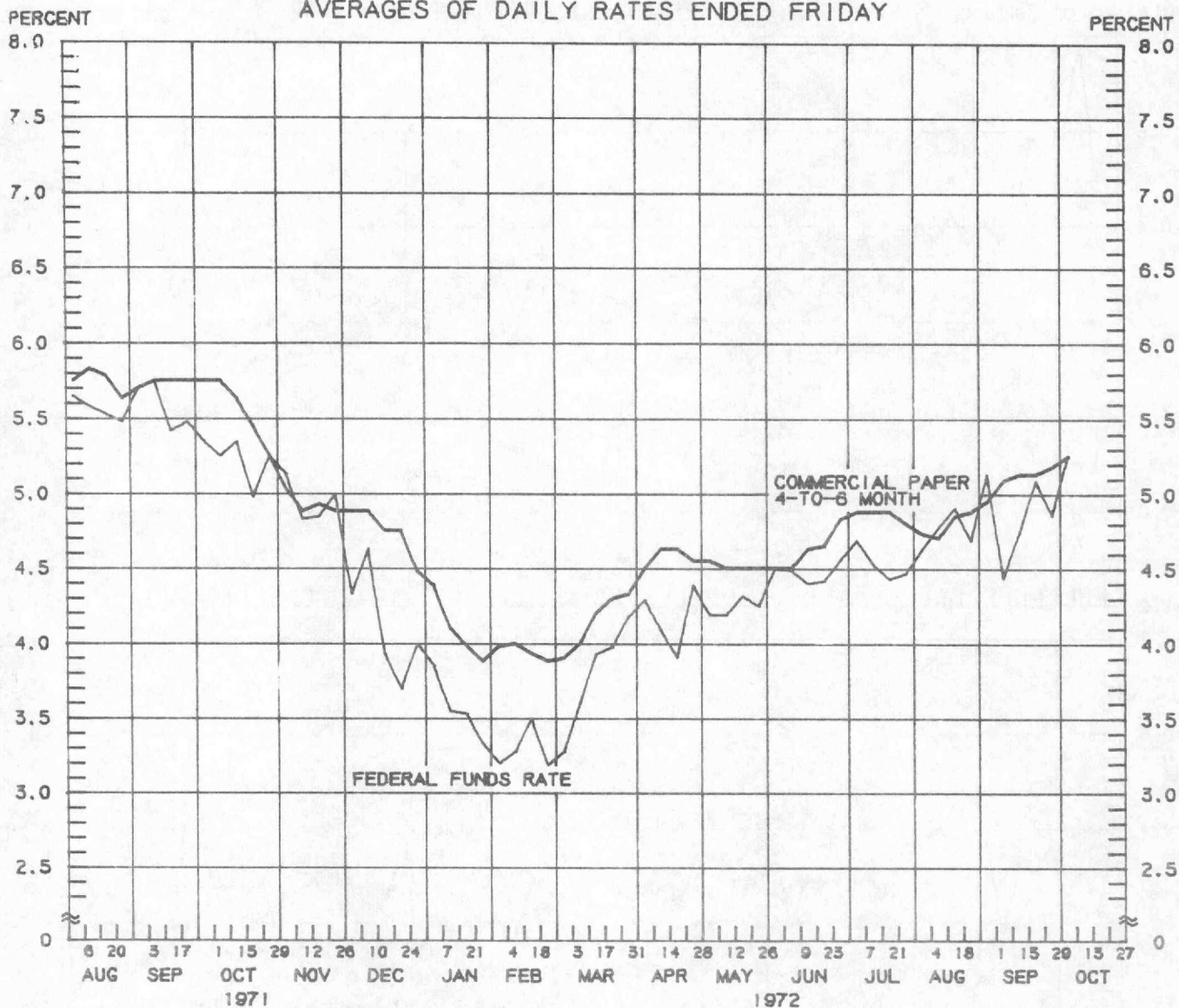
*** BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA.

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: OCTOBER 6, 1972

1972	PRIME COMMERCIAL PAPER 4-6 MONTH	FEDERAL FUNDS	PRIME BANKERS' ACCEPTANCES	90 DAY CD'S ***
AUG. 4	4.73	4.63	4.63	4.72
11	4.70	4.78	4.63	4.70
18	4.85	4.91	4.63	4.76
25	4.88	4.69	4.75	4.84
SEP. 1	4.95	5.13	4.75	4.92
8	5.09	4.44	4.75	4.98
15	5.13	4.75	4.88	5.02
22	5.13	5.09	4.88	5.11
29	5.18	4.86	4.88	5.17
OCT. 6 *	5.25	5.26	4.92	5.20
13				
20				
27				

* 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.

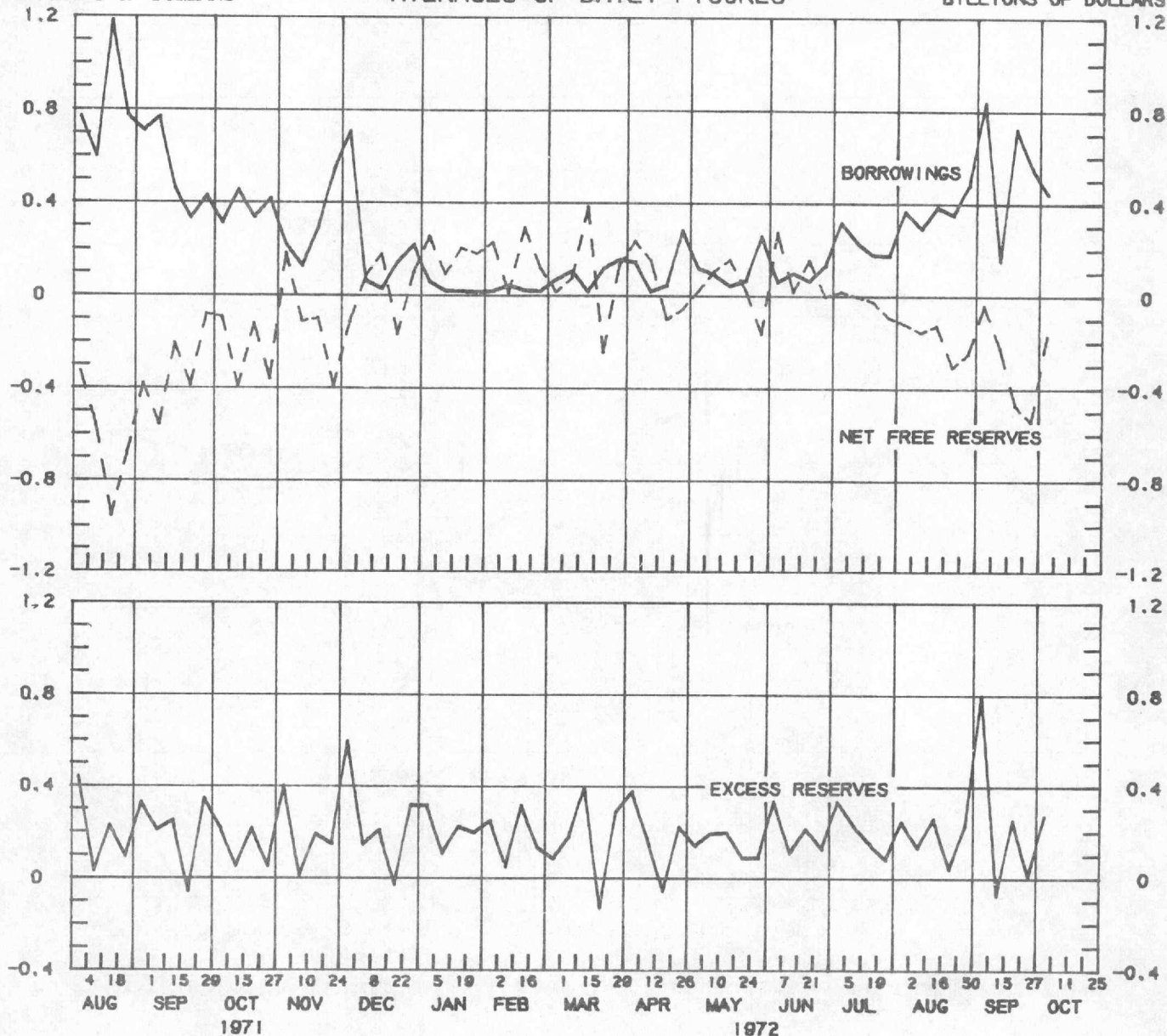
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BORROWINGS AND EXCESS RESERVES ALL MEMBER BANKS IN THE NATION

BILLIONS OF DOLLARS

AVERAGES OF DAILY FIGURES

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 4, 1972

1972	MILLIONS		
	EXCESS RESERVES	BORROWINGS	FREE RESERVES
AUG. 2	242	363	- 121
9	130	287	- 157
16	254	382	- 128
23	40	348	- 308
30	227	477	- 250
SEP. 6	796	837	- 41
13	- 74	149	- 223
20	246	719	- 473
27	7	551	- 544
OCT. 4	268	438	- 170
11			
18			
25			

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