

RESEARCH LIBRARY
Federal Reserve Bank
of St. Louis

Week ending: January 3, 1973

AUG 26 1998

Monetary aggregates increased rapidly during 1972. The nation's money stock, defined as private demand deposits and currency in the hands of the public, rose 8.1 percent from December 1971 to December 1972. As can be noted from the table below, this rate is greater than in each of the previous three years and the trend growth rate of money from late 1966 to late 1971. Another aggregate, money plus net time deposits grew at a 10.6 percent rate in 1972, somewhat slower than during 1971. The growth of this aggregate was above its trend growth of 8.2 percent from late 1966 to late 1971.

The monetary base, the expansion of which underlies the growth of the money stock, has increased at rates similar to the money stock in recent years. The base increased 8.3 percent in 1972, compared with 7 percent, 6.2 percent, and 3 percent in the previous three years. The base grew at a trend rate of 5.8 percent from late 1966 to late 1971, about the same as the 5.9 percent trend rate for the money stock.

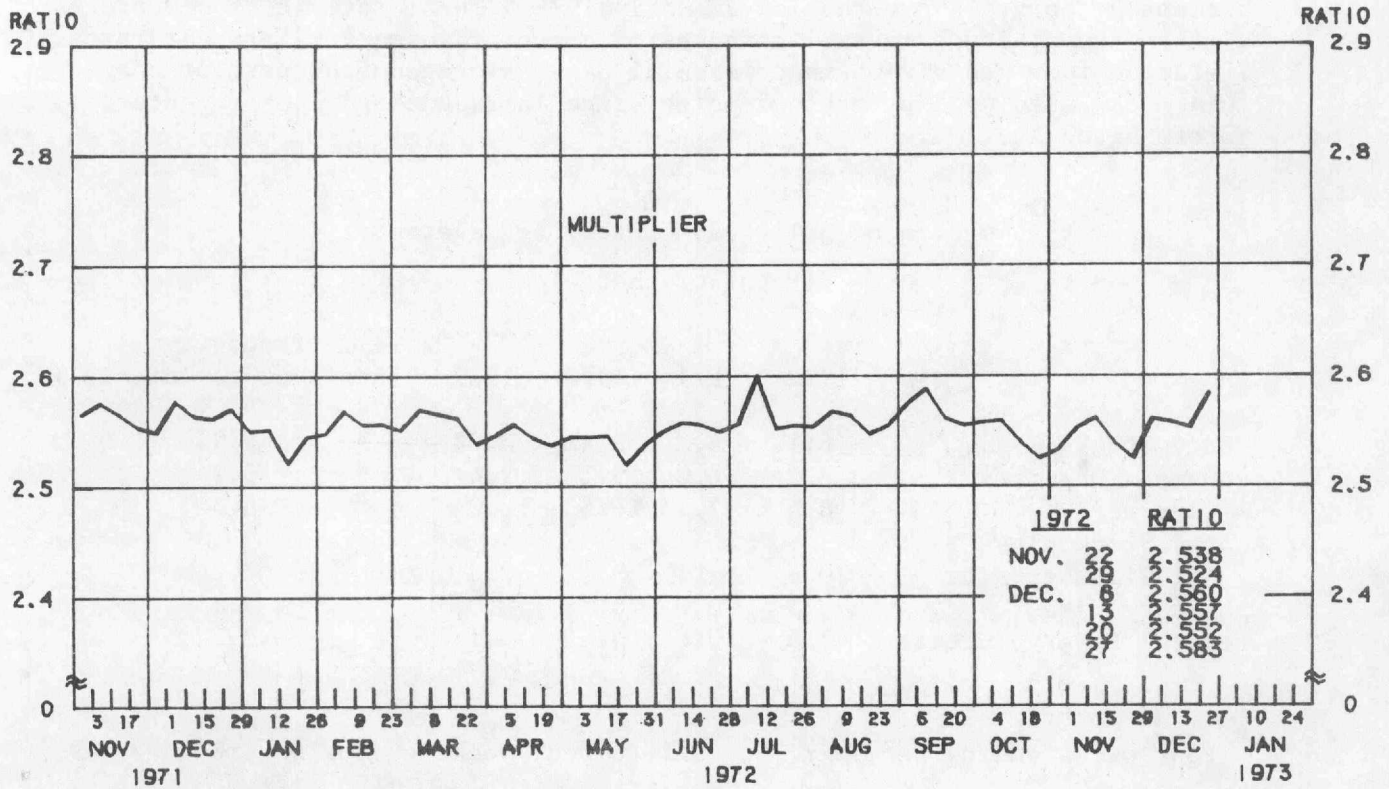
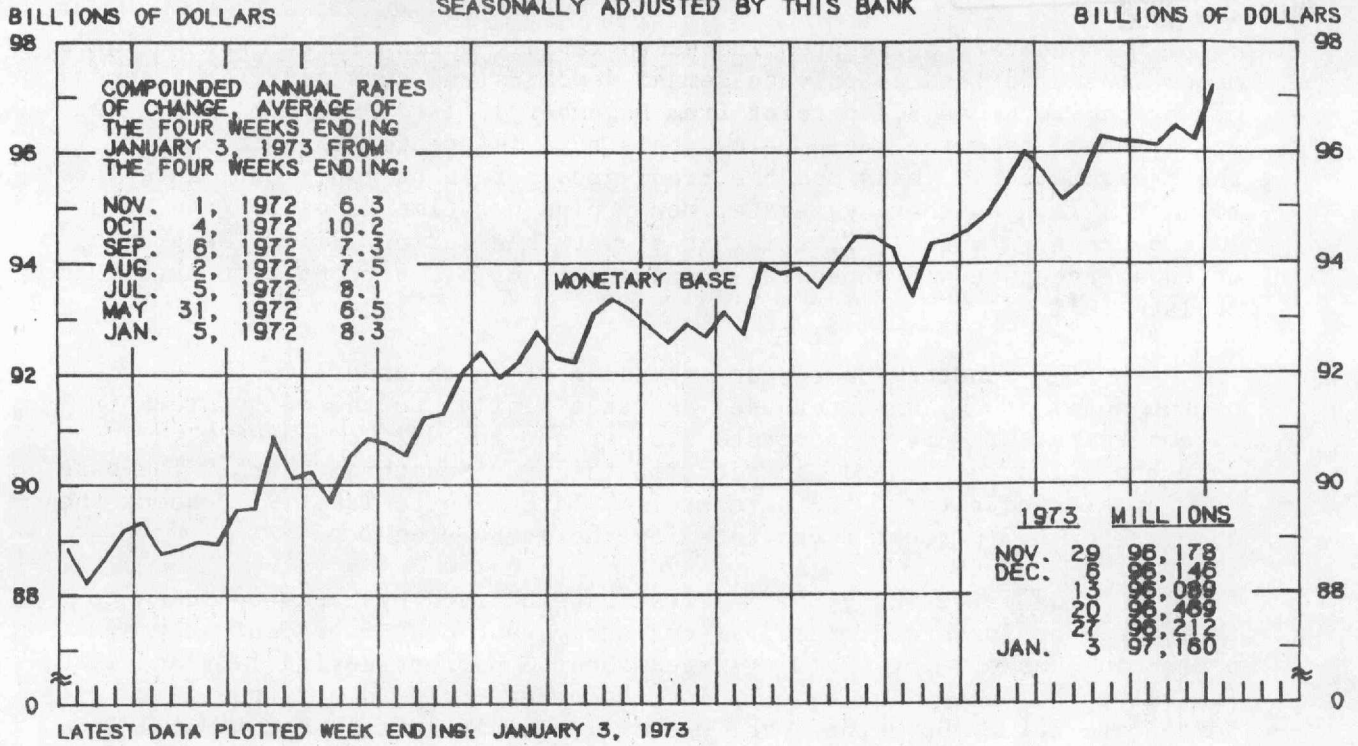
The prime rate, the interest rate charged by banks on loans to their best business customers, is currently quoted at 6 percent at most commercial banks. This rate averaged about 8 percent during 1969 and 1970. Including the recent increase in late December, this rate is now 1 percentage point above the level prevailing early last summer and 1-1/2 percentage points above the low in early 1972. These rate increases are similar in magnitude to the increases of competitive market interest rates. Yields on four- to six-month commercial paper averaged 5.63 percent early this week, also up 1 percentage point since last June and 1.5 percentage points since last March.

Growth of Selected Monetary Aggregates
(rates of change)

| | 1972 * | 1971 | 1970 | 1969 | Trend rate late 1966 to late 1971 |
|------------------------|--------|------|------|------|--------------------------------------|
| Money Stock | 8.1% | 6.2% | 5.4% | 3.2% | 5.9% |
| Demand Deposits | 8.1 | 6.0 | 5.1 | 2.4 | 5.7 |
| Currency | 8.4 | 7.1 | 6.5 | 6.0 | 6.5 |
| Money Stock plus | | | | | |
| Net Time Deposits | 10.6 | 11.1 | 8.1 | 2.3 | 8.2 |
| Monetary Base | 8.3 | 7.0 | 6.2 | 3.0 | 5.8 |
| Federal Reserve Credit | 7.6 | 10.8 | 4.8 | 5.1 | 8.3 |

* Four weeks ending December 29, 1971 to four weeks ending December 27, 1972.

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.

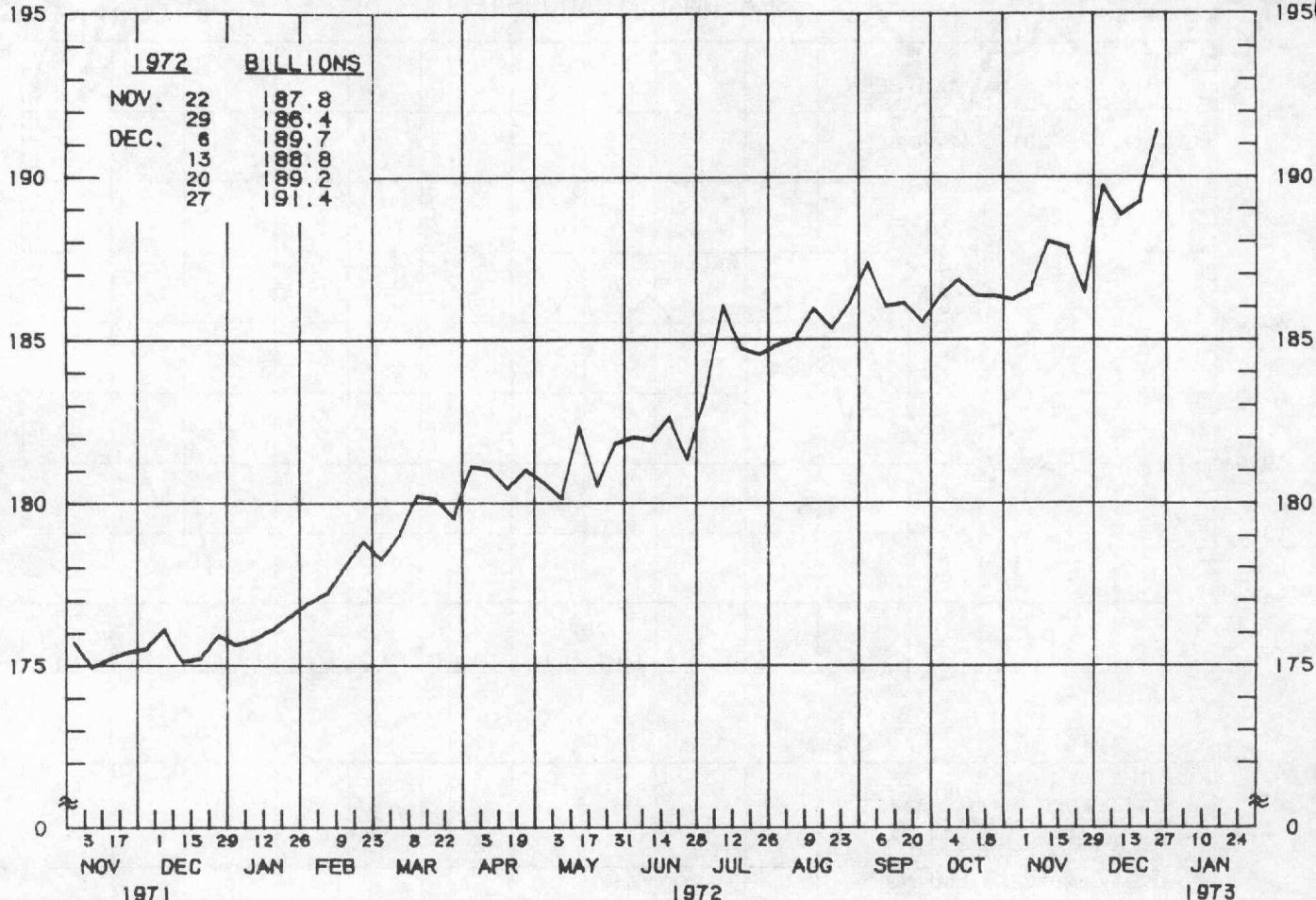
2/ RATIO OF MONEY STOCK (M1) / MONETARY BASE.

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 27, 1972

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

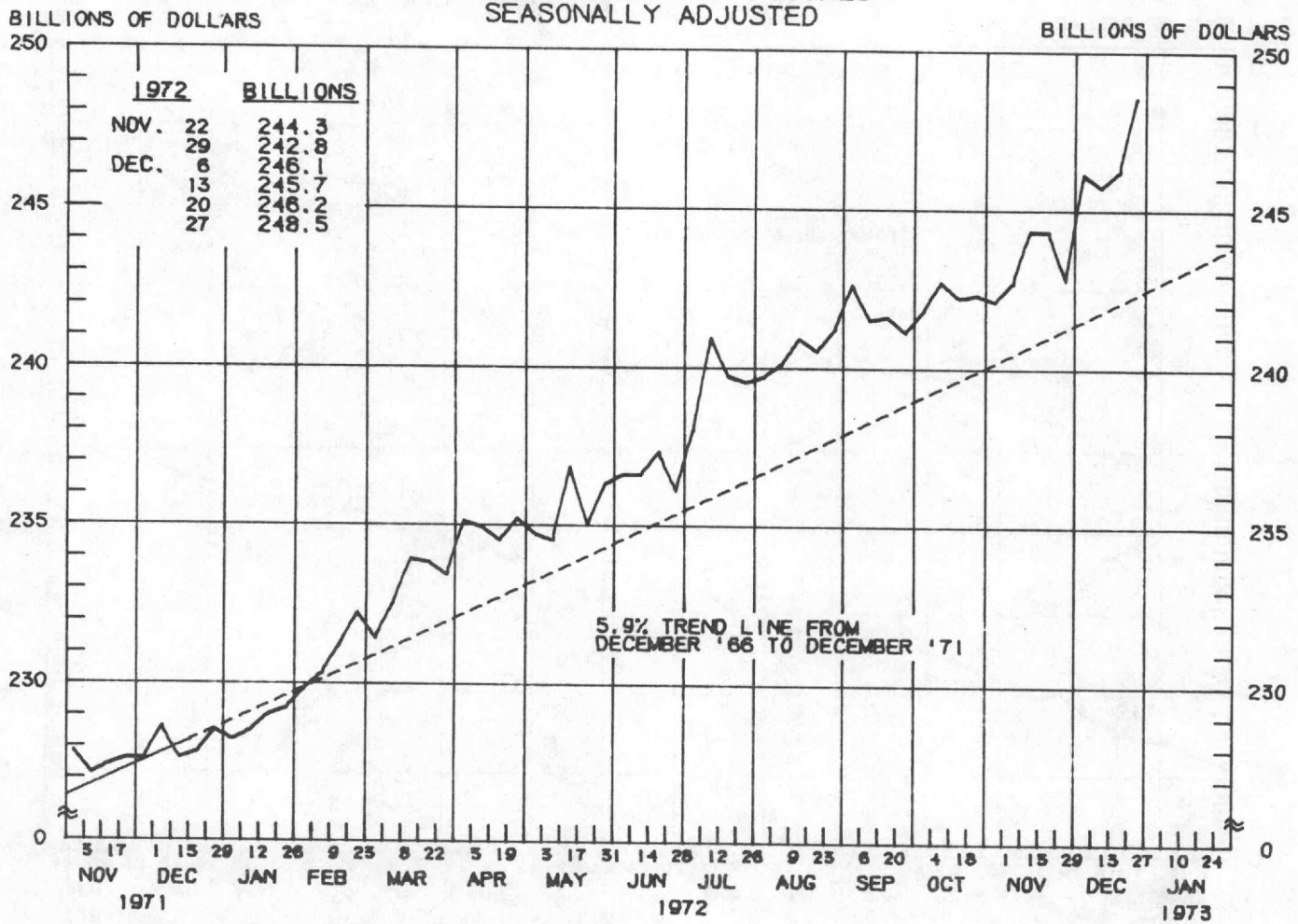
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

| | 12/29/T1 | 4/26/T2 | 5/24/T2 | 6/28/T2 | 7/26/T2 | 8/30/T2 | 9/27/T2 | 10/25/T2 | |
|----------|----------|---------|---------|---------|---------|---------|---------|----------|------|
| 5/24/T2 | | 7.6 | | | | | | | |
| 6/28/T2 | | 7.4 | 3.6 | | | | | | |
| 7/26/T2 | | 9.1 | 8.4 | 12.4 | | | | | |
| 8/30/T2 | | 8.6 | 7.7 | 10.0 | 12.0 | | | | |
| 9/27/T2 | | 8.1 | 7.1 | 8.7 | 9.6 | 5.1 | | | |
| 10/25/T2 | | 7.5 | 6.2 | 7.3 | 7.6 | 4.0 | 2.8 | | |
| 11/29/T2 | | 7.2 | 5.9 | 6.8 | 6.9 | 4.1 | 3.5 | 3.1 | |
| 12/27/T2 | | 8.1 | 7.4 | 8.4 | 8.8 | 6.8 | 7.1 | 8.0 | 11.0 |

MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 27, 1972
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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

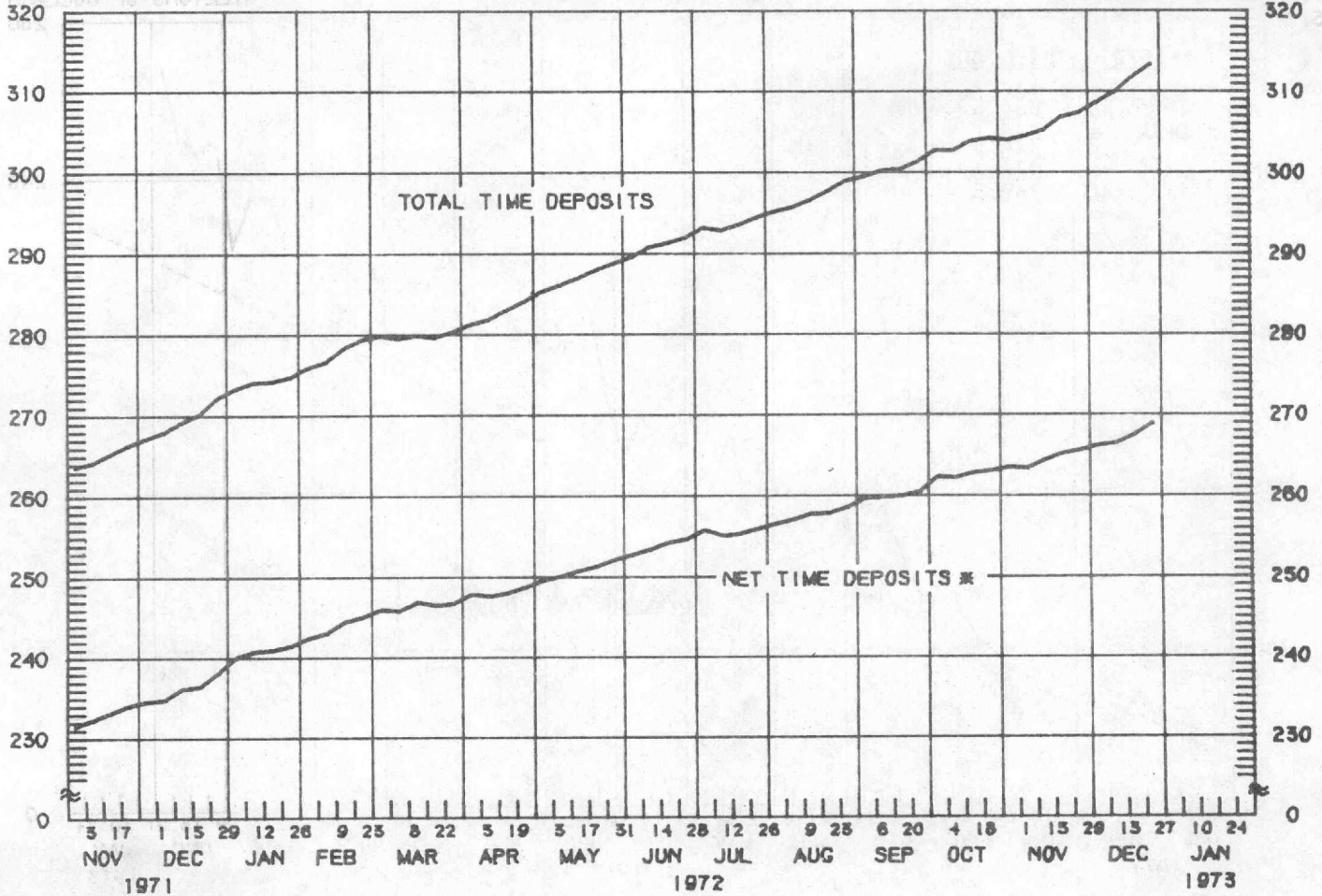
| | 12/29/T1 | 4/26/T2 | 5/24/T2 | 6/28/T2 | 7/26/T2 | 8/30/T2 | 9/27/T2 | 10/25/T2 |
|--------------------------------------|----------|---------|---------|---------|---------|---------|---------|----------|
| TO THE AVERAGE OF FOUR WEEKS ENDING: | | | | | | | | |
| 5/24/T2 | 8.0 | | | | | | | |
| 6/28/T2 | 7.7 | 4.5 | | | | | | |
| 7/26/T2 | 8.8 | 8.1 | 10.8 | | | | | |
| 8/30/T2 | 8.3 | 7.3 | 8.8 | 10.2 | | | | |
| 9/27/T2 | 8.0 | 7.0 | 8.1 | 8.7 | 5.4 | | | |
| 10/25/T2 | 7.6 | 6.4 | 7.2 | 7.4 | 4.8 | 4.4 | | |
| 11/29/T2 | 7.3 | 6.2 | 6.8 | 6.9 | 4.9 | 4.7 | 4.4 | |
| 12/27/T2 | 8.1 | 7.5 | 8.2 | 8.5 | 7.1 | 7.7 | 8.4 | 10.7 |

TIME DEPOSITS ALL COMMERCIAL BANKS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 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

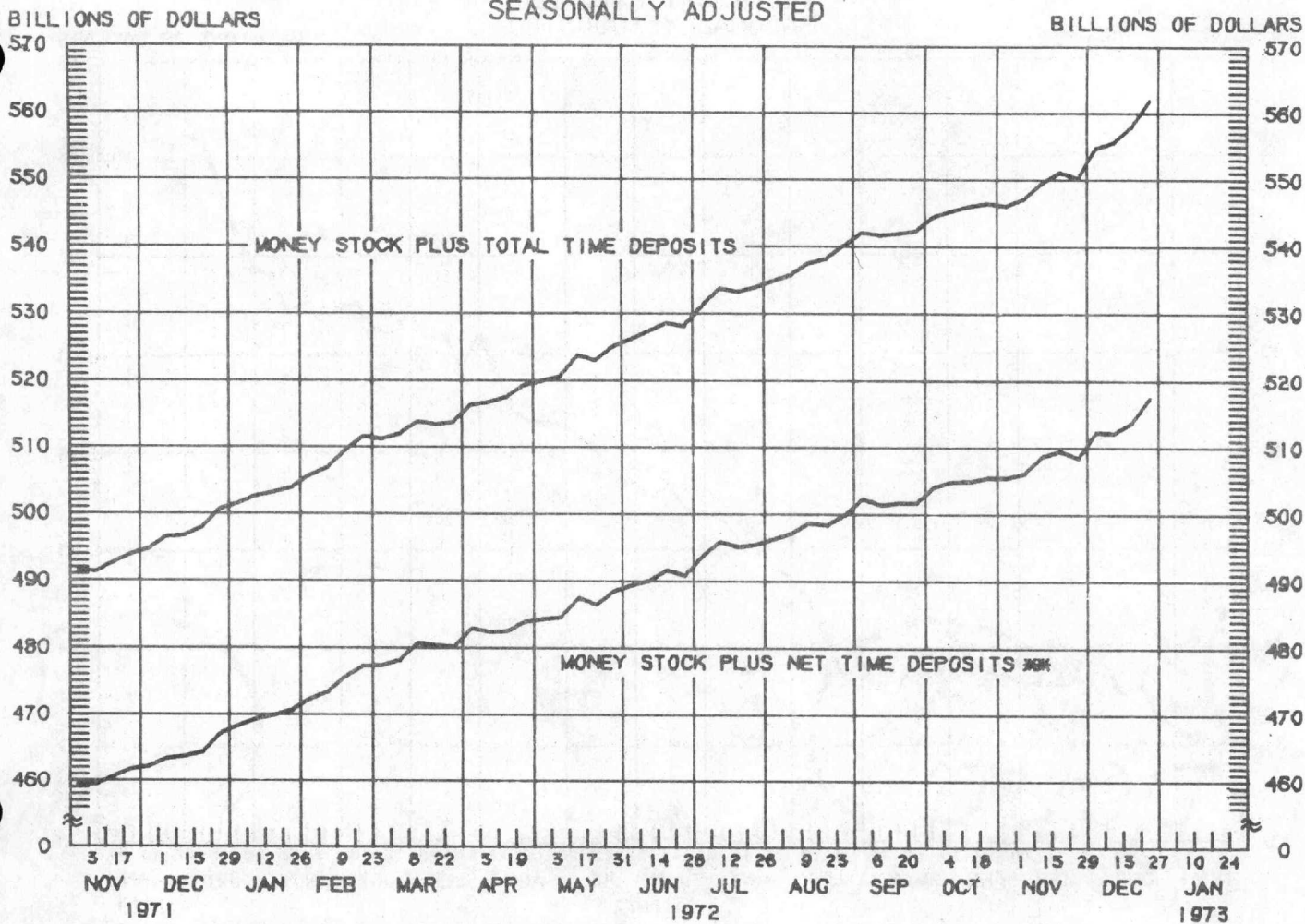
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:
12/29/71 4/26/72 5/24/72 6/28/72 7/26/72 8/30/72 9/27/72 10/25/72

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

| | | | | | | | | |
|----------|------|------|------|------|------|------|------|------|
| 5/24/72 | 15.4 | | | | | | | |
| 6/28/72 | 15.3 | 14.3 | | | | | | |
| 7/26/72 | 14.5 | 12.8 | 12.4 | | | | | |
| 8/30/72 | 13.8 | 12.0 | 11.4 | 9.7 | | | | |
| 9/27/72 | 13.5 | 11.8 | 11.4 | 10.1 | 10.4 | | | |
| 10/25/72 | 13.6 | 12.1 | 11.8 | 11.0 | 11.4 | 12.5 | | |
| 11/29/72 | 13.0 | 11.6 | 11.2 | 10.5 | 10.6 | 11.0 | 10.9 | |
| 12/27/72 | 13.1 | 11.8 | 11.5 | 10.9 | 11.2 | 11.6 | 11.7 | 10.8 |

MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 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)

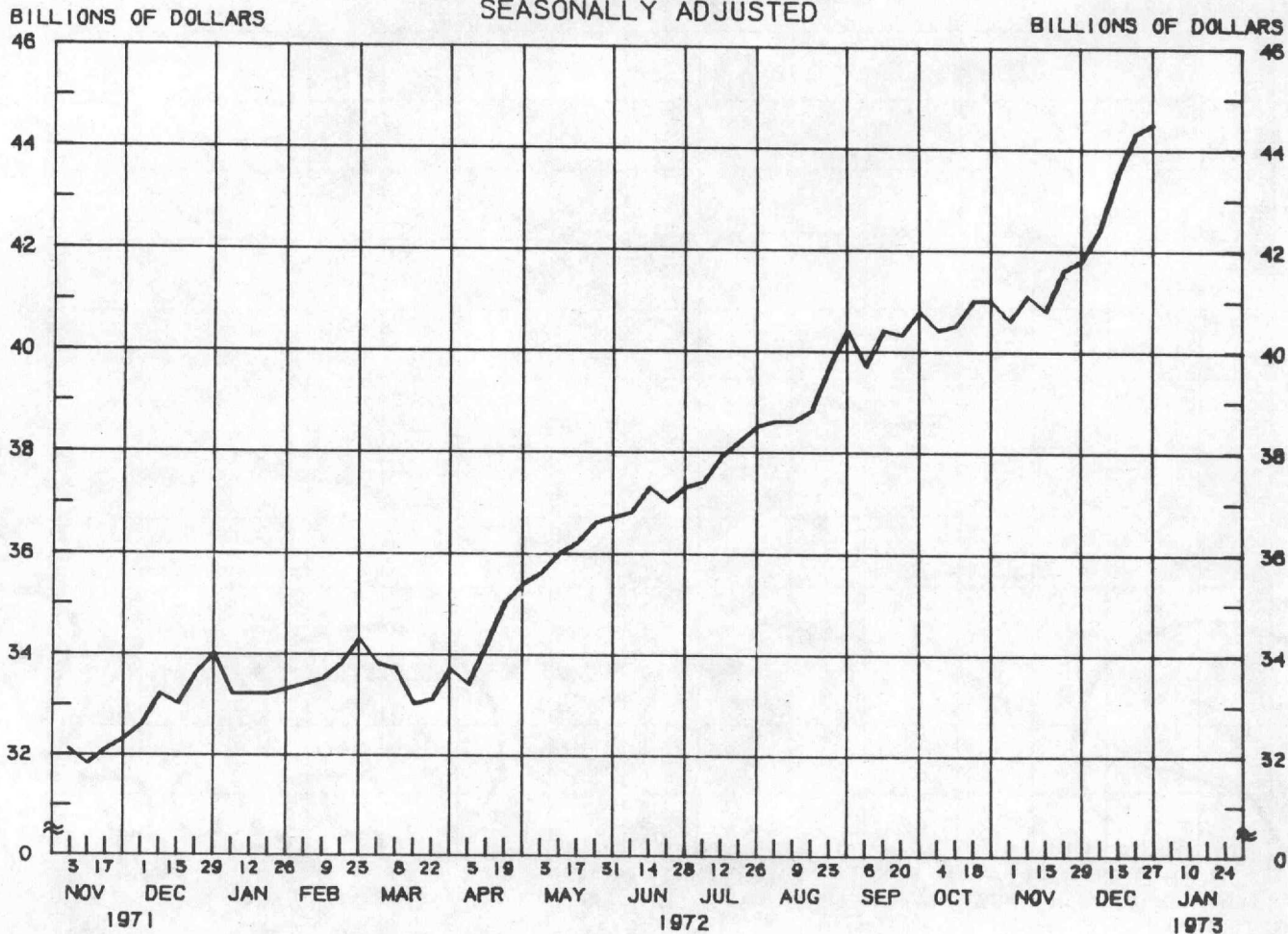
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:
12/29/T1 4/26/T2 5/24/T2 6/28/T2 7/26/T2 8/30/T2 9/27/T2 10/25/T2

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

| | | | | | | | | |
|----------|------|------|------|-----|-----|-----|------|------|
| 5/24/T2 | 11.6 | | | | | | | |
| 6/28/T2 | 11.5 | 9.4 | | | | | | |
| 7/26/T2 | 11.7 | 10.5 | 11.7 | | | | | |
| 8/30/T2 | 11.1 | 9.7 | 10.2 | 9.9 | | | | |
| 9/27/T2 | 10.8 | 9.4 | 9.8 | 9.5 | 8.0 | | | |
| 10/25/T2 | 10.6 | 9.3 | 9.6 | 9.3 | 8.2 | 8.5 | | |
| 11/29/T2 | 10.2 | 8.9 | 9.1 | 8.7 | 7.8 | 7.9 | 7.7 | |
| 12/27/T2 | 10.6 | 9.7 | 9.9 | 9.8 | 9.2 | 9.7 | 10.1 | 10.7 |

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 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 | | | |
|-----------------------------|-------------------------|--------------------|-------|
| 1973 | BILLIONS | | |
| | CERTIFICATES OF DEPOSIT | NET TIME DEPOSITS* | M 2** |
| NOV. 1 | 40.6 | 263.4 | 505.4 |
| 8 | 41.1 | 263.3 | 506.0 |
| 15 | 40.8 | 264.3 | 508.6 |
| 22 | 41.6 | 265.1 | 509.4 |
| 29 | 41.8 | 265.5 | 508.3 |
| DEC. 6 | 42.4 | 266.1 | 512.2 |
| 13 | 43.5 | 266.4 | 512.1 |
| 20 | 44.3 | 267.4 | 513.6 |
| 27 | 44.5 | 268.8 | 517.3 |
| JAN. 3 | | | |
| 10 | | | |
| 17 | | | |
| 24 | | | |
| 31 | | | |

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

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BUSINESS LOANS (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 27, 1972

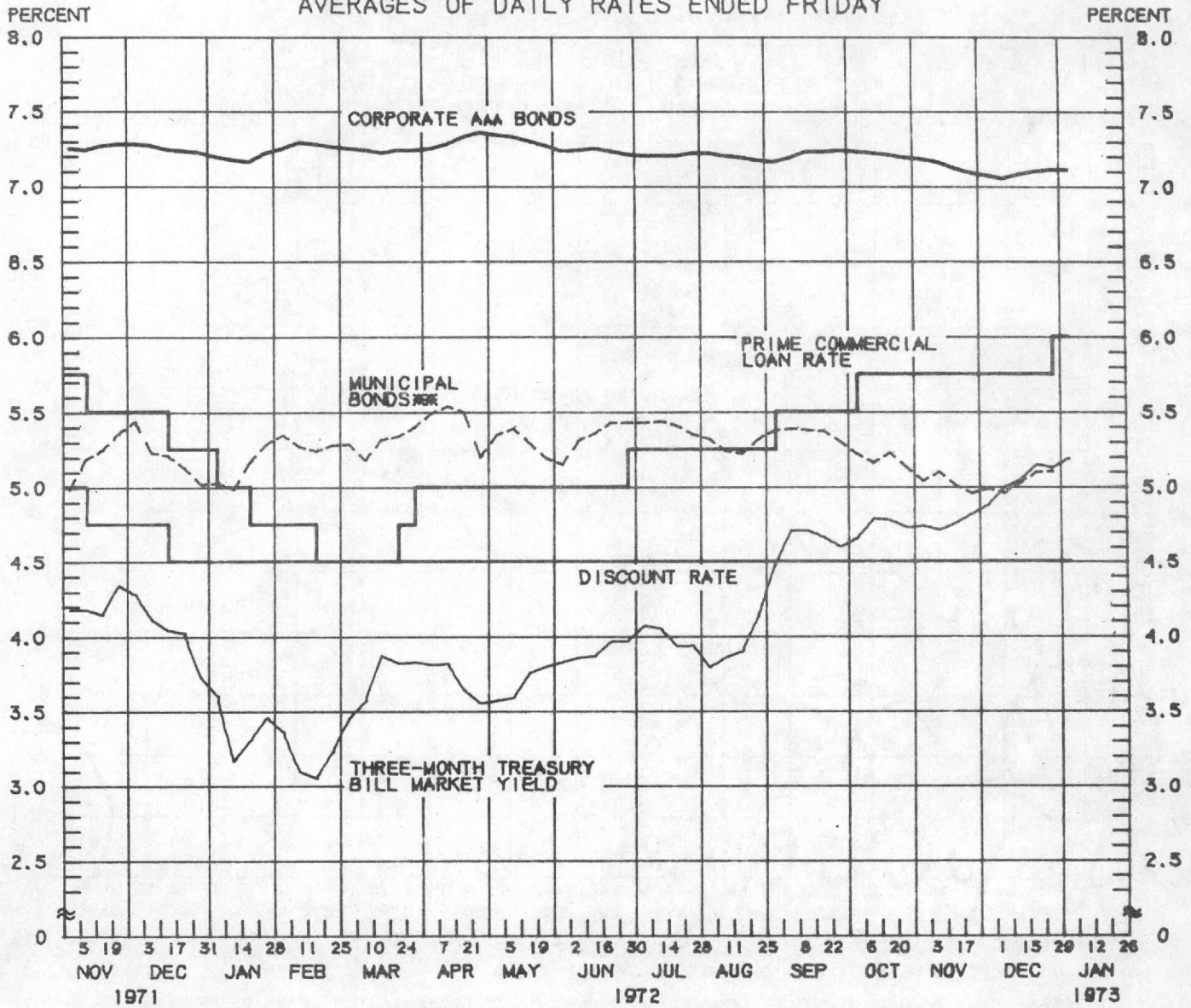
1/ INCLUDES LOANS SOLD OUTRIGHT BY COMMERCIAL BANKS TO OWN SUBSIDIARIES, FOREIGN BRANCHES, HOLDING COMPANIES, AND OTHER AFFILIATES.

| 1972 | MILLIONS | |
|---------|----------------|-------------------------|
| | BUSINESS LOANS | BUSINESS LOANS ADJUSTED |
| NOV. 22 | 89,069 | 91,024 |
| 29 | 89,273 | 91,222 |
| DEC. 6 | 89,332 | 91,307 |
| 13 | 89,186 | 91,119 |
| 20 | 89,739 | 91,751 |
| 27 | 89,800 | 91,766 |

| COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF THE FOUR WEEKS ENDING DECEMBER 27, 1972 FROM THE FOUR WEEKS ENDING: | | |
|---|----------------|-------------------------|
| | BUSINESS LOANS | BUSINESS LOANS ADJUSTED |
| OCT. 25, 1972 | 12.8 | 14.4 |
| SEP. 27, 1972 | 13.8 | 14.3 |
| AUG. 30, 1972 | 13.1 | 13.3 |
| JUL. 26, 1972 | 14.3 | 15.0 |
| JUN. 28, 1972 | 12.6 | 12.6 |
| MAY 24, 1972 | 8.6 | 8.4 |
| DEC. 29, 1971 | 7.7 | 7.5 |

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JANUARY 5, 1973

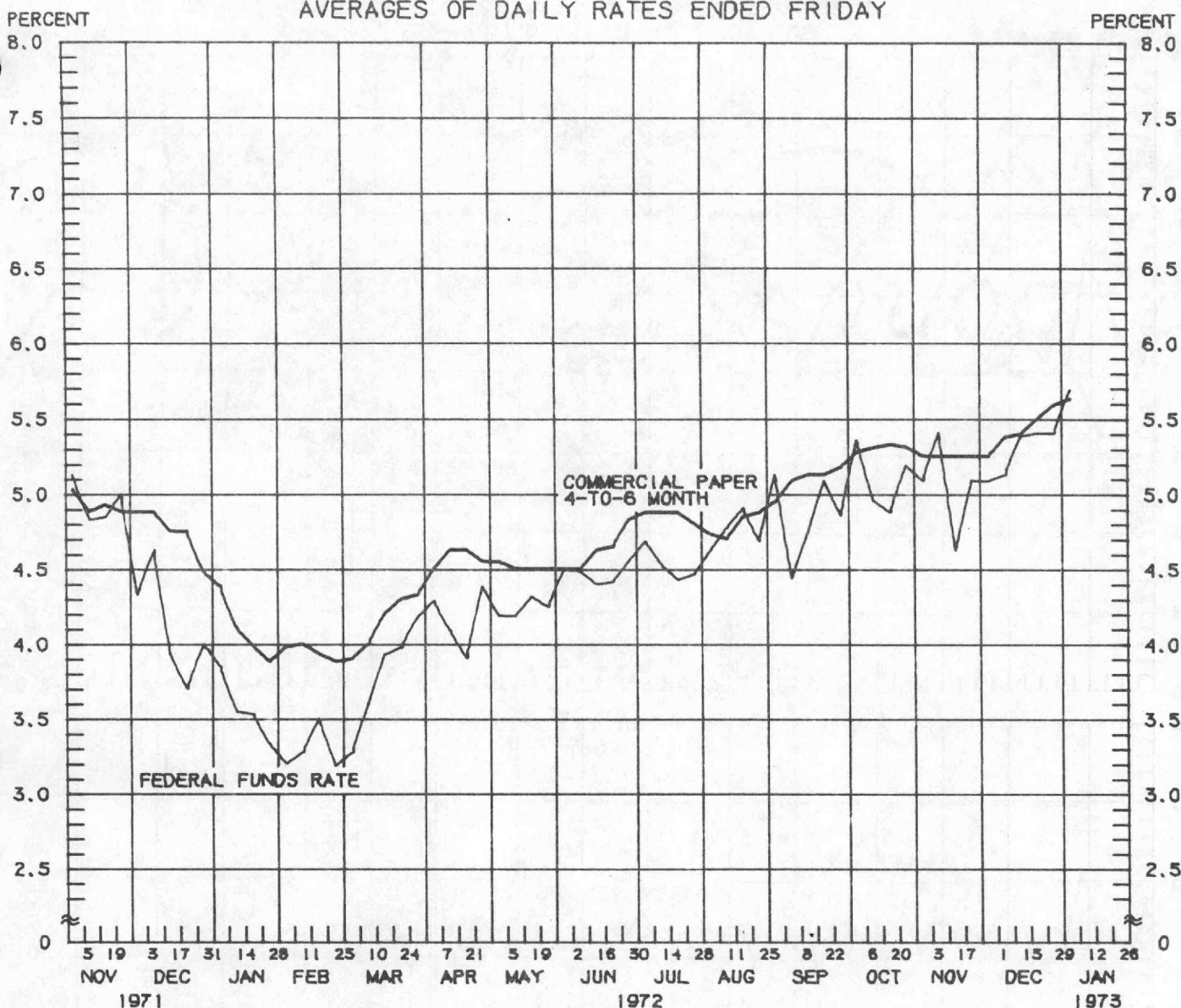
| 1973 | CORPORATE AAA BONDS | 3-MONTH TREASURY BILLS | 3-5 YEAR GOVERNMENT SECURITIES | LONG-TERM GOVERNMENT SECURITIES | MUNICIPAL BONDS ^{***} |
|---------------------|---------------------|------------------------|--------------------------------|---------------------------------|--------------------------------|
| NOV. 3 | 7.18 | 4.74 | 6.10 | 5.59 | 5.04 |
| 10 | 7.16 | 4.71 | 6.05 | 5.51 | 5.10 |
| 17 | 7.12 | 4.76 | 6.00 | 5.47 | 5.01 |
| 24 | 7.09 | 4.82 | 6.02 | 5.48 | 4.96 |
| DEC. 1 | 7.07 | 4.88 | 6.04 | 5.53 | 4.99 |
| 8 | 7.05 | 5.00 | 6.05 | 5.57 | 4.96 |
| 15 | 7.08 | 5.05 | 6.04 | 5.60 | 5.03 |
| 22 | 7.10 | 5.15 | 6.09 | 5.68 | 5.10 |
| 29 | 7.11 | 5.13 | 6.12 | 5.70 | 5.11 |
| JAN. 5 [*] | 7.11 | 5.19 | 6.19 | 5.71 | N.A. |
| 12 | | | | | |
| 19 | | | | | |
| 26 | | | | | |

^{*} 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: JANUARY 5, 1973

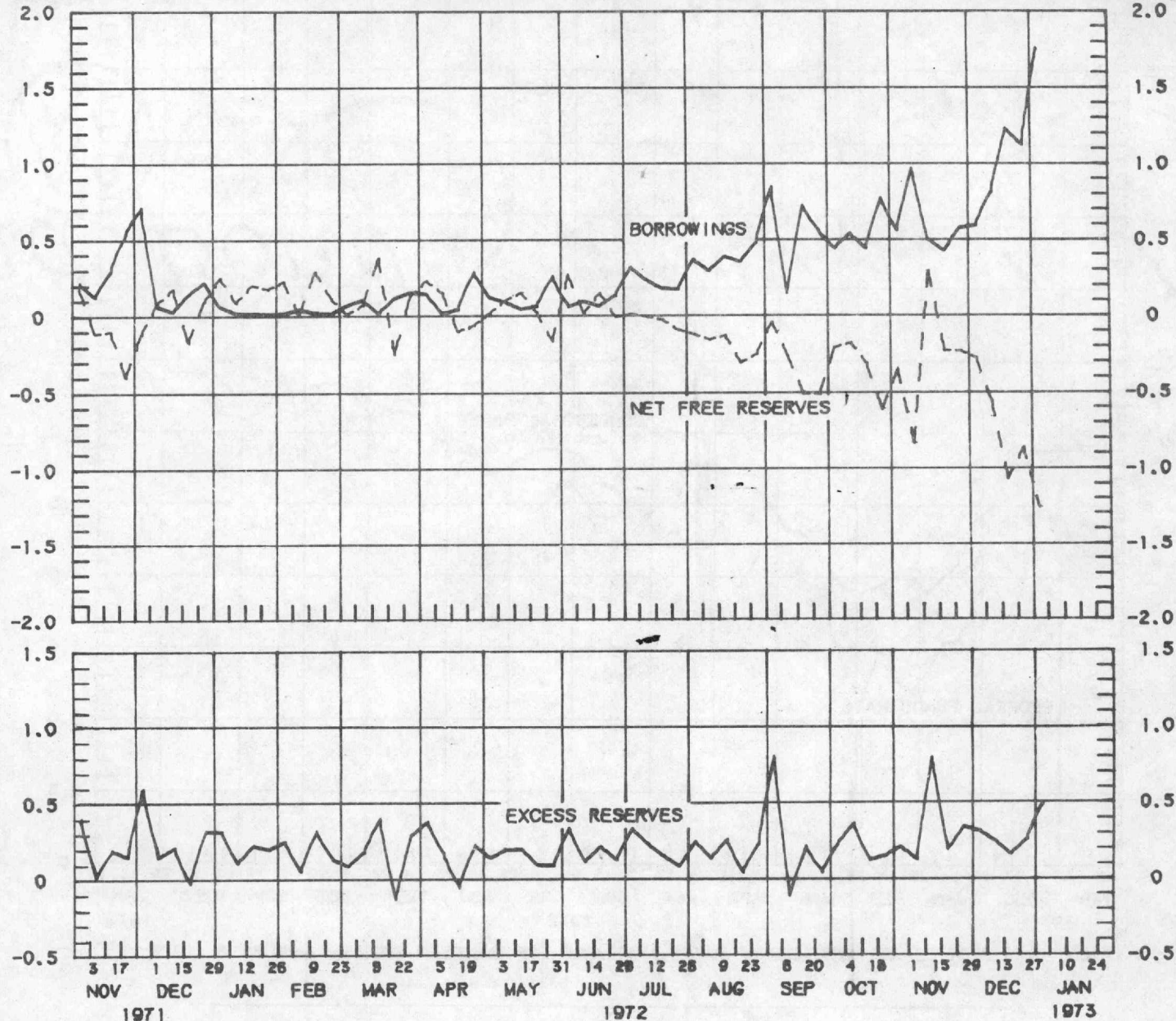
| 1973 | PRIME COMMERCIAL PAPER 4-6 MONTH | FEDERAL FUNDS | PRIME BANKERS' ACCEPTANCES | 90 DAY CD'S ** |
|----------|---|------------------|----------------------------------|-------------------|
| NOV. 3 | 5.25 | 5.09 | 5.10 | 5.21 |
| 10 | 5.25 | 5.41 | 5.00 | 5.19 |
| 17 | 5.25 | 4.63 | 5.00 | 5.21 |
| 24 | 5.25 | 5.09 | 5.00 | 5.25 |
| DEC. 1 | 5.25 | 5.09 | 5.00 | 5.21 |
| 8 | 5.38 | 5.13 | 5.10 | 5.23 |
| 15 | 5.40 | 5.39 | 5.13 | 5.31 |
| 22 | 5.50 | 5.41 | 5.20 | 5.40 |
| 29 | 5.59 | 5.41 | 5.25 | 5.50 |
| JAN. 5 * | 5.63 | 5.69 | 5.38 | 5.60 |
| 12 | | | | |
| 19 | | | | |
| 26 | | | | |

* 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

BILLIONS OF DOLLARS AVERAGES OF DAILY FIGURES BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JANUARY 3, 1973

| 1973 | MILLIONS | | |
|--------|-----------------|------------|---------------|
| | EXCESS RESERVES | BORROWINGS | FREE RESERVES |
| NOV. 1 | 205 | 555 | - 350 |
| 8 | 124 | 959 | - 835 |
| 15 | 786 | 494 | - 292 |
| 22 | 189 | 419 | - 230 |
| 29 | 340 | 572 | - 232 |
| DEC. 6 | 310 | 587 | - 277 |
| 13 | 243 | 807 | - 564 |
| 20 | 153 | 1223 | - 1070 |
| 27 | 257 | 1120 | - 863 |
| JAN. 3 | 486 | 1751 | - 1265 |
| 10 | | | |
| 17 | | | |
| 24 | | | |
| 31 | | | |