

RESEARCH LIBRARY  
Federal Reserve Bank  
of St. Louis

Week ending: January 17, 1973

AUG 26 1998

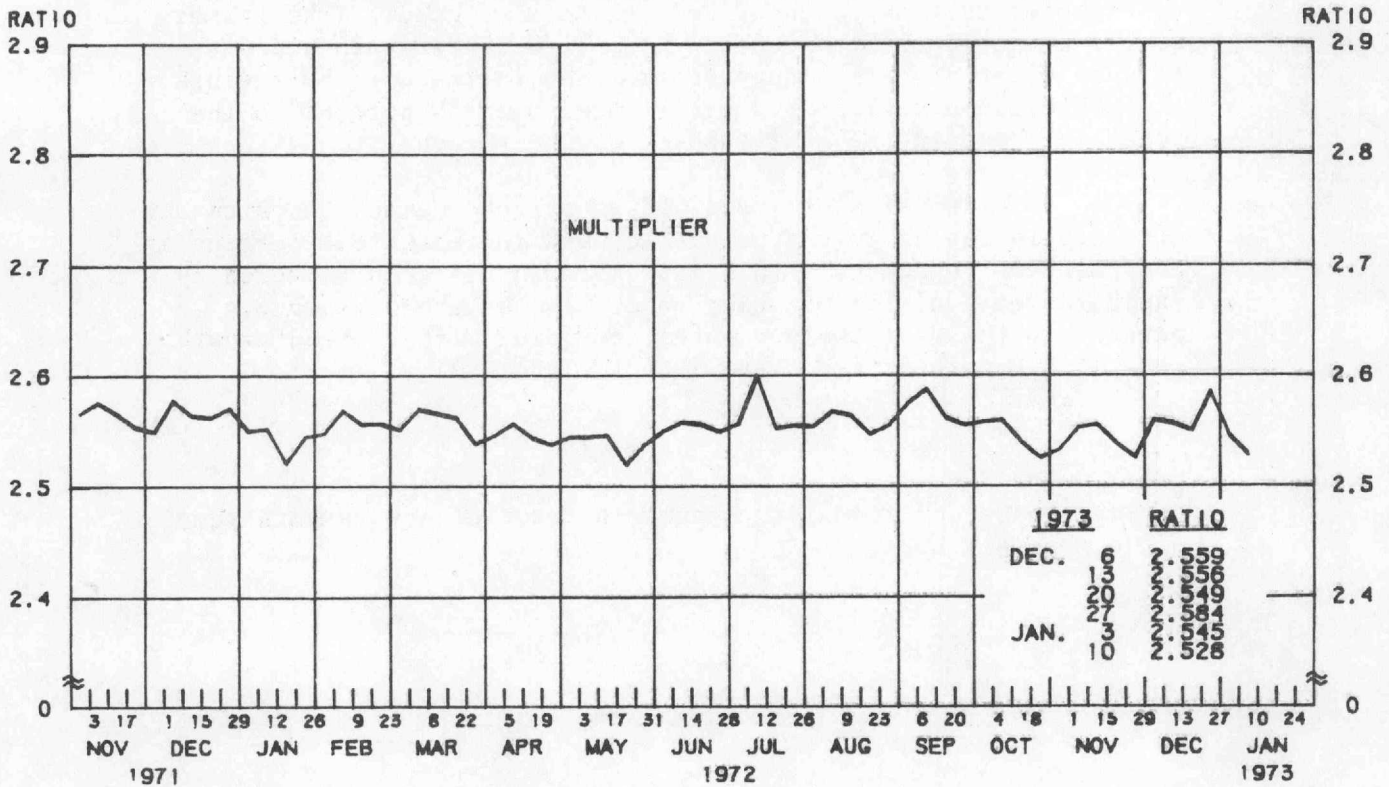
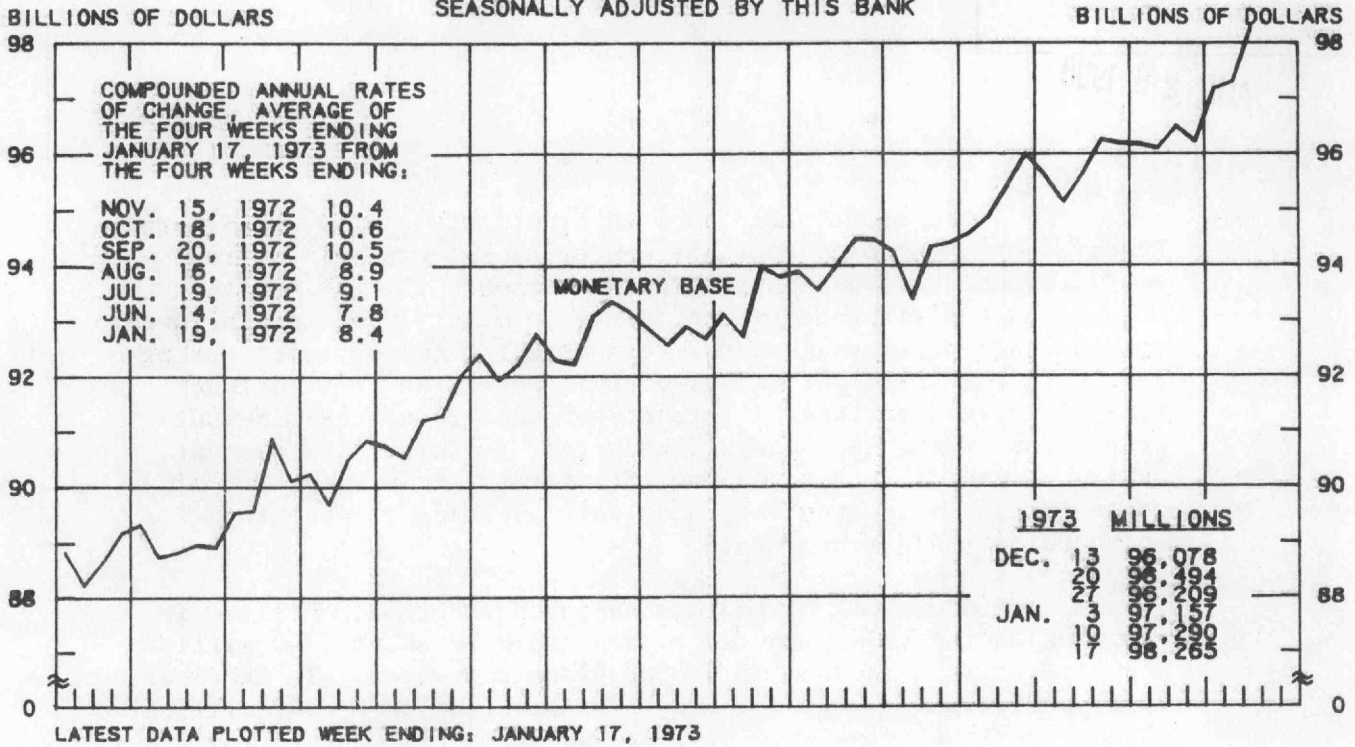
The discount rate, the interest rate charged by Federal Reserve Banks on loans to their member banks, was raised from 4-1/2 percent to 5 percent, effective January 15. This rate change was the first adjustment since December 1971, and followed substantial increases in short-term market interest rates during 1972. In the first three days of this week, the Federal funds rate averaged 6 percent, 1 percentage point above the discount rate. Last week, the Federal funds rate averaged 5.63 percent, over one percentage point above the discount rate. For comparison, a year ago the Federal funds rate averaged 1 percentage point below the discount rate.

Member bank borrowings averaged about \$1.3 billion in the week ending this Wednesday, compared with about \$700 million and \$1.8 billion in each of the previous two weeks. In December 1972, borrowings averaged about \$1 billion, up from \$107 million in the previous December. An increase in member bank borrowings contributes to the growth of Federal Reserve credit (the primary source component of the monetary base), which in turn has expansionary effects on the money stock. The increase in borrowings of \$900 million during 1972 contributed over 20 percent to the total increase in the source base\* during the year.

The money stock, defined as private demand deposits and currency in the hands of the public, has increased 8.2 percent in the past twelve months. This rapid growth has been fostered by a rapid increase of the monetary base. The base has risen 8.4 percent in the past twelve months, compared with a trend growth rate of 5.8 percent from late 1966 to late 1971.

\* Source base adjusted for changes in reserve requirements equals the monetary base.

# 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<sup>1/</sup>

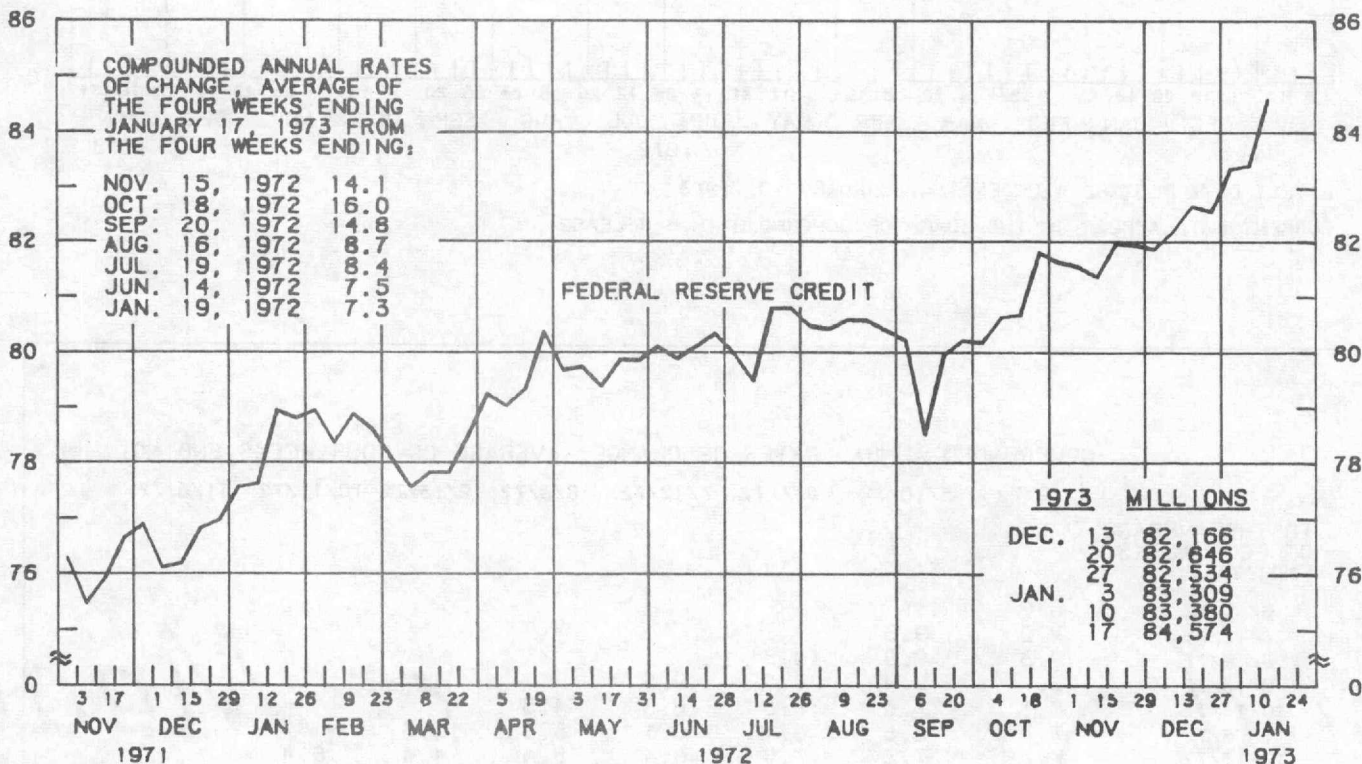
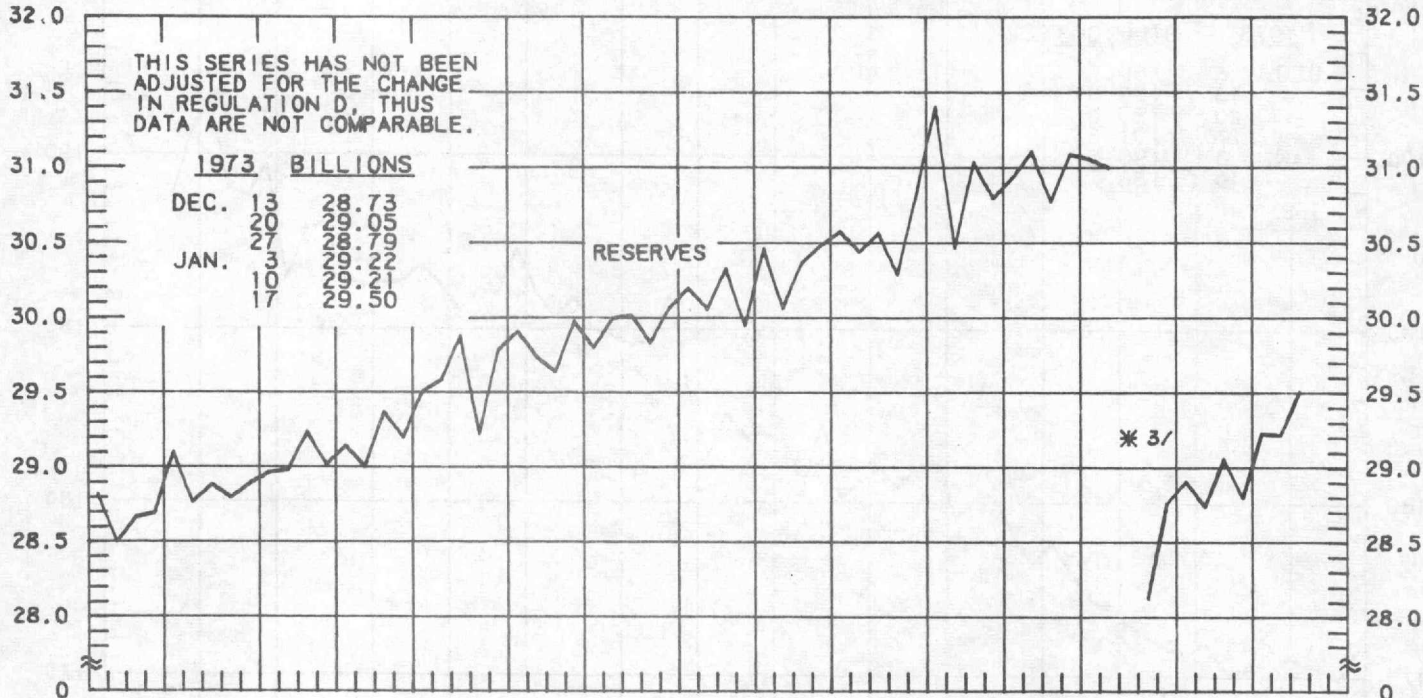
ALL MEMBER BANKS

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

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JANUARY 17, 1973

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

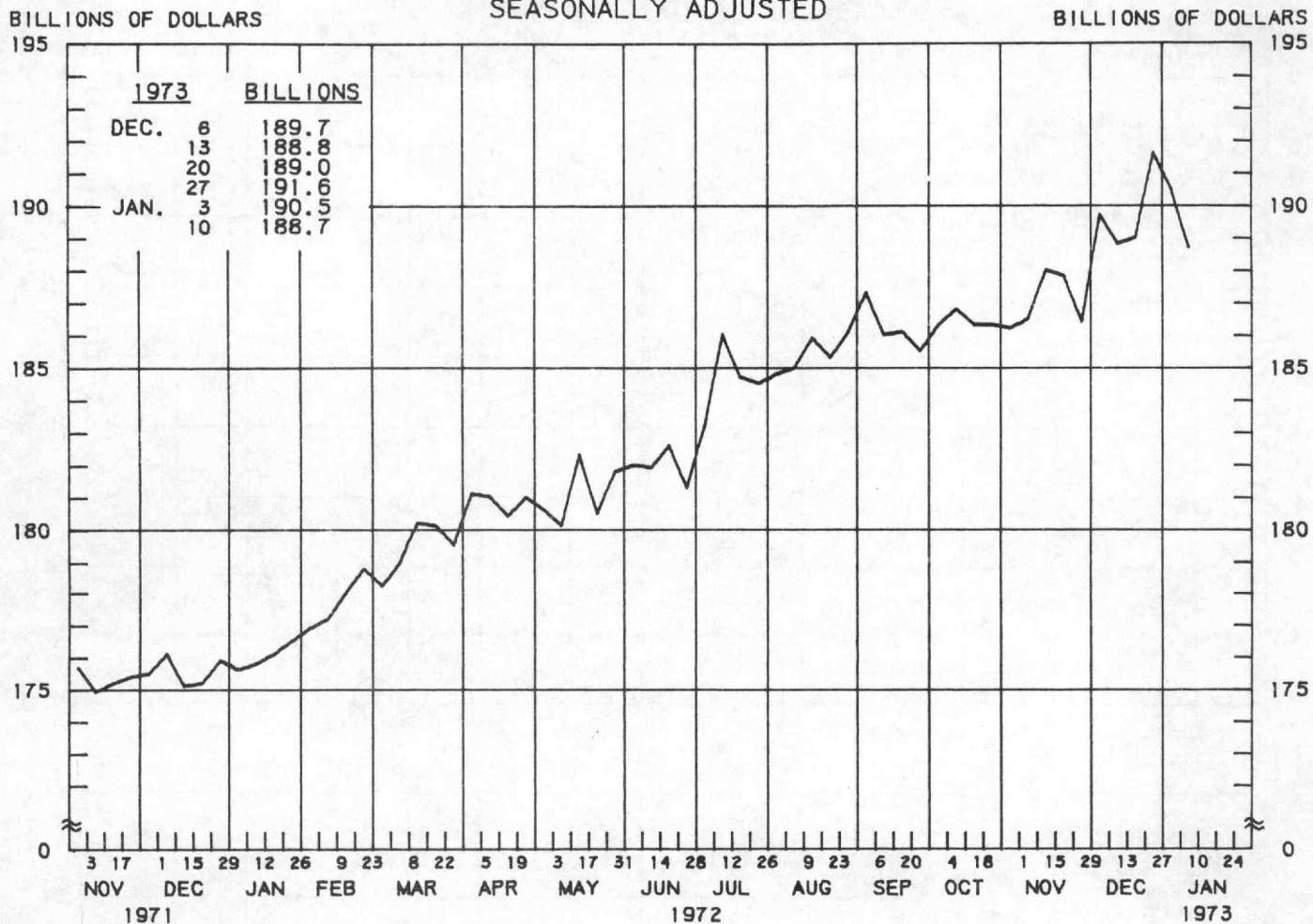
<sup>2/</sup> DEFINED TO INCLUDE HOLDINGS OF SECURITIES, LOANS, FLOAT AND 'OTHER' ASSETS, ADJUSTED FOR RESERVE REQUIREMENT CHANGES AND CHANGES IN REQUIREMENTS DUE TO SHIFTS IN DEPOSITS AMONG CLASSES OF BANKS.

<sup>3/</sup> BEGINNING NOVEMBER 9, 1972 DATA ARE ADJUSTED DUE TO WAIVERS ASSOCIATED WITH THE EFFECTS OF A CHANGE IN REGULATION J.

\* BREAK IN SERIES DUE TO THE EFFECT OF CHANGES IN REGULATION D.

# DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JANUARY 10, 1973

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

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:  
1/12/72    5/10/72    6/7/72    7/12/72    8/9/72    9/13/72    10/11/72    11/8/72

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

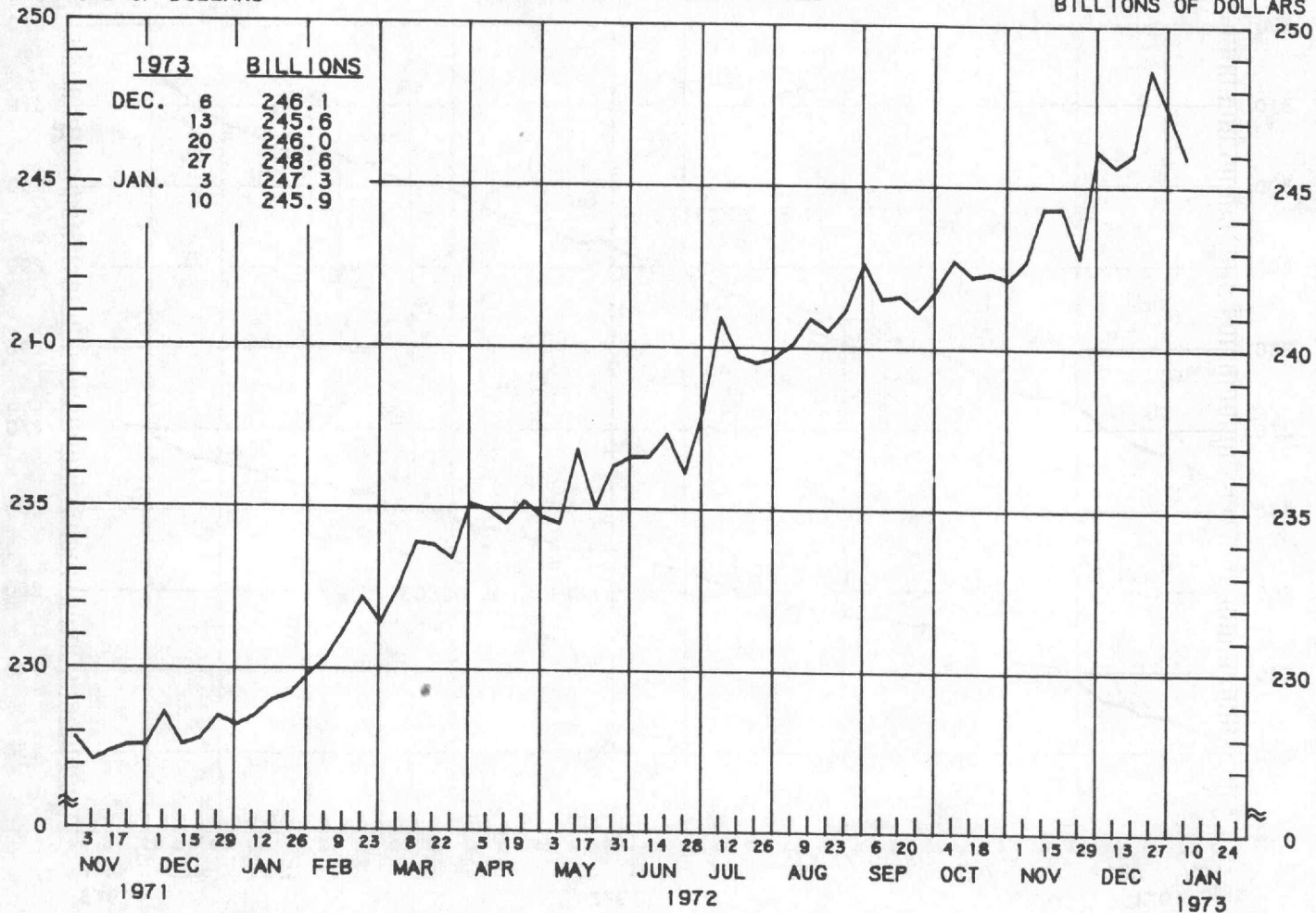
6/ 7/72	8.8							
7/12/72	9.0	9.3						
8/ 9/72	9.3	9.9	10.3					
9/13/72	9.1	9.4	9.5	9.5				
10/11/72	8.1	7.6	7.3	6.5	4.5			
11/ 8/72	7.4	6.5	6.1	5.1	3.3	0.3		
12/13/72	7.8	7.3	7.0	6.4	5.4	4.4	6.4	
1/10/73	8.2	7.9	7.8	7.4	6.8	6.4	8.4	12.0

# MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JANUARY 10, 1973

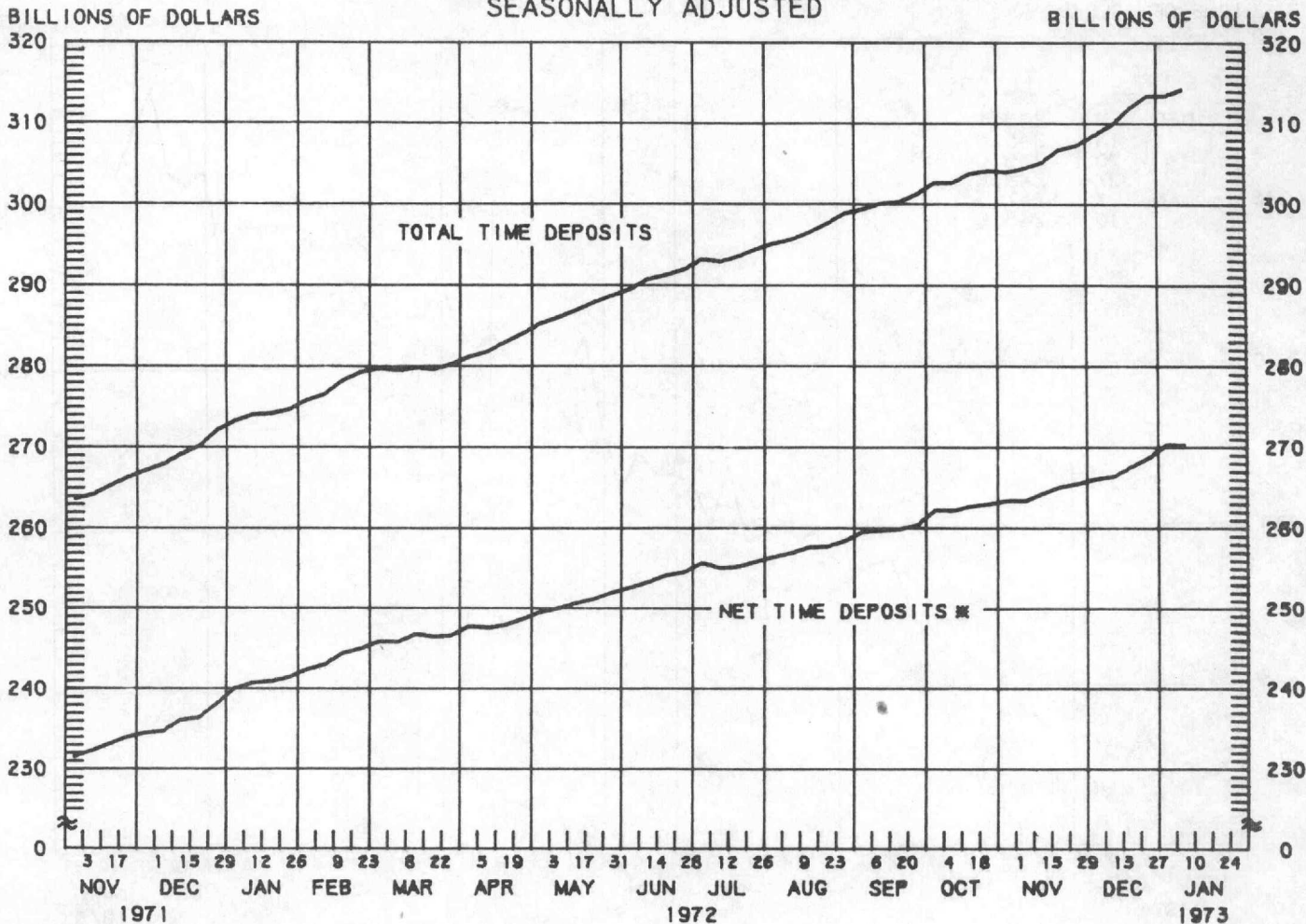
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

	1/12/72	5/10/72	6/7/72	7/12/72	8/9/72	9/13/72	10/11/72	11/8/72
8/ 7/72	8.8							
7/12/72	8.8	8.7						
8/ 9/72	8.9	9.0	9.1					
9/13/72	8.7	8.6	8.6	8.5				
10/11/72	8.0	7.3	7.0	6.4	4.9			
11/ 8/72	7.5	6.6	6.2	5.5	4.2	2.2		
12/13/72	7.8	7.2	7.0	6.7	6.0	5.4	7.1	
1/10/73	8.2	7.9	7.8	7.6	7.2	7.1	8.9	11.7

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



LATEST DATA PLOTTED WEEK ENDING: JANUARY 10, 1973

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.

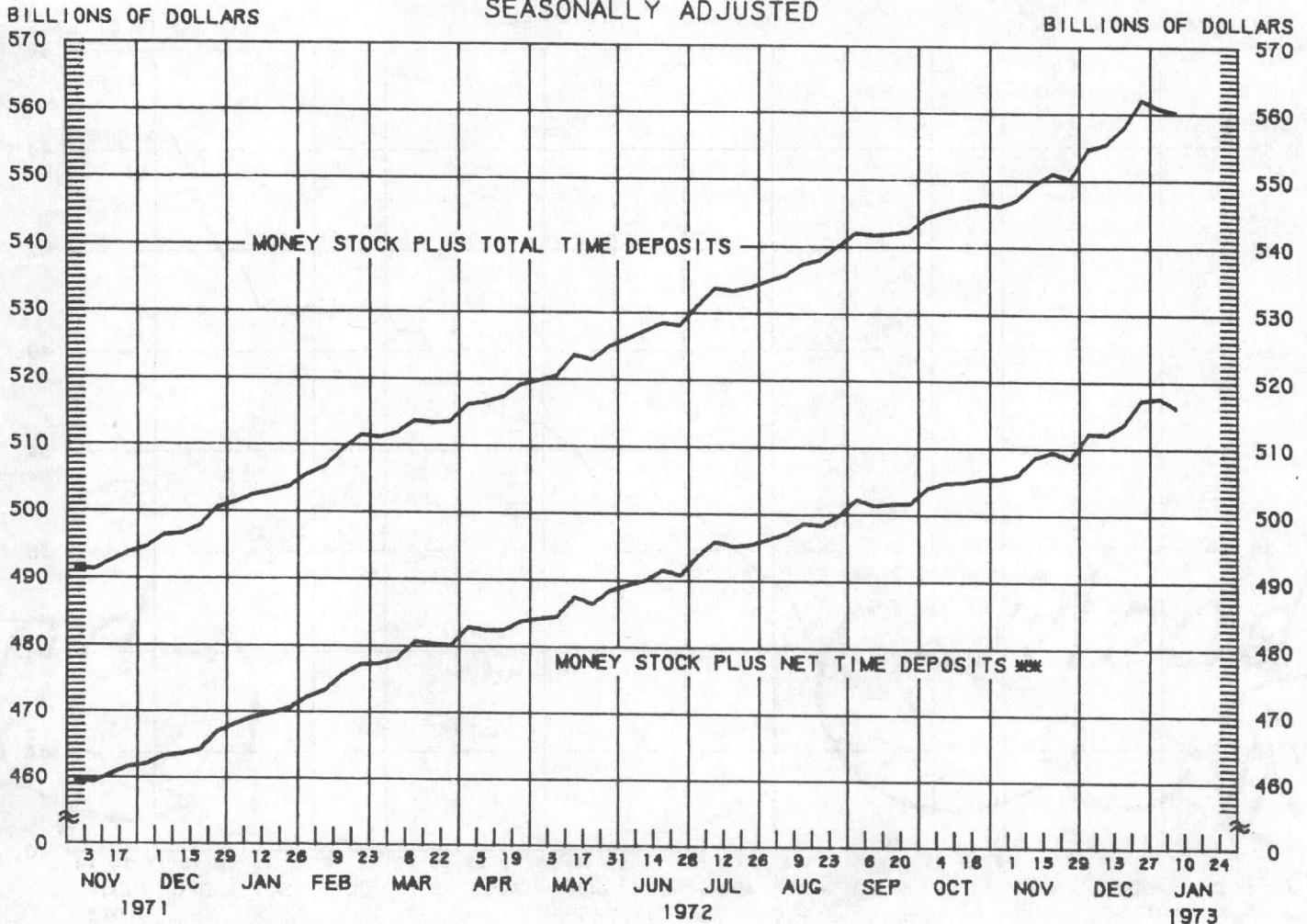
### NET TIME DEPOSITS

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

	1/12/72	5/10/72	6/7/72	7/12/72	8/9/72	9/13/72	10/11/72	11/8/72
TO THE AVERAGE OF FOUR WEEKS ENDING:								
6/ 7/72	13.9							
7/12/72	13.9	14.5						
8/ 9/72	13.0	12.1	10.8					
9/13/72	12.8	11.9	11.0	9.4				
10/11/72	12.7	12.0	11.3	10.3	11.8			
11/ 8/72	12.4	11.6	11.0	10.2	11.2	11.0		
12/13/72	12.3	11.6	11.1	10.4	11.2	11.1	10.6	
1/10/73	12.7	12.3	11.9	11.5	12.4	12.7	12.8	14.2

# MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JANUARY 10, 1973

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

~~M2~~ 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:

1/12/72    5/10/72    6/7/72    7/12/72    8/9/72    9/13/72    10/11/72    11/8/72

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

8/ 7/72	11.3								
7/12/72	11.3	11.5							
8/ 9/72	10.9	10.5	9.9						
9/13/72	10.7	10.3	9.9	9.1					
10/11/72	10.3	9.7	9.2	8.5	8.6				
11/ 8/72	10.0	9.2	8.7	8.0	7.9	6.7			
12/13/72	10.1	9.5	9.1	8.6	8.7	8.3	8.9		
1/10/73	10.5	10.1	9.9	9.6	9.9	9.9	10.8	12.9	

# CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JANUARY 10, 1973

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

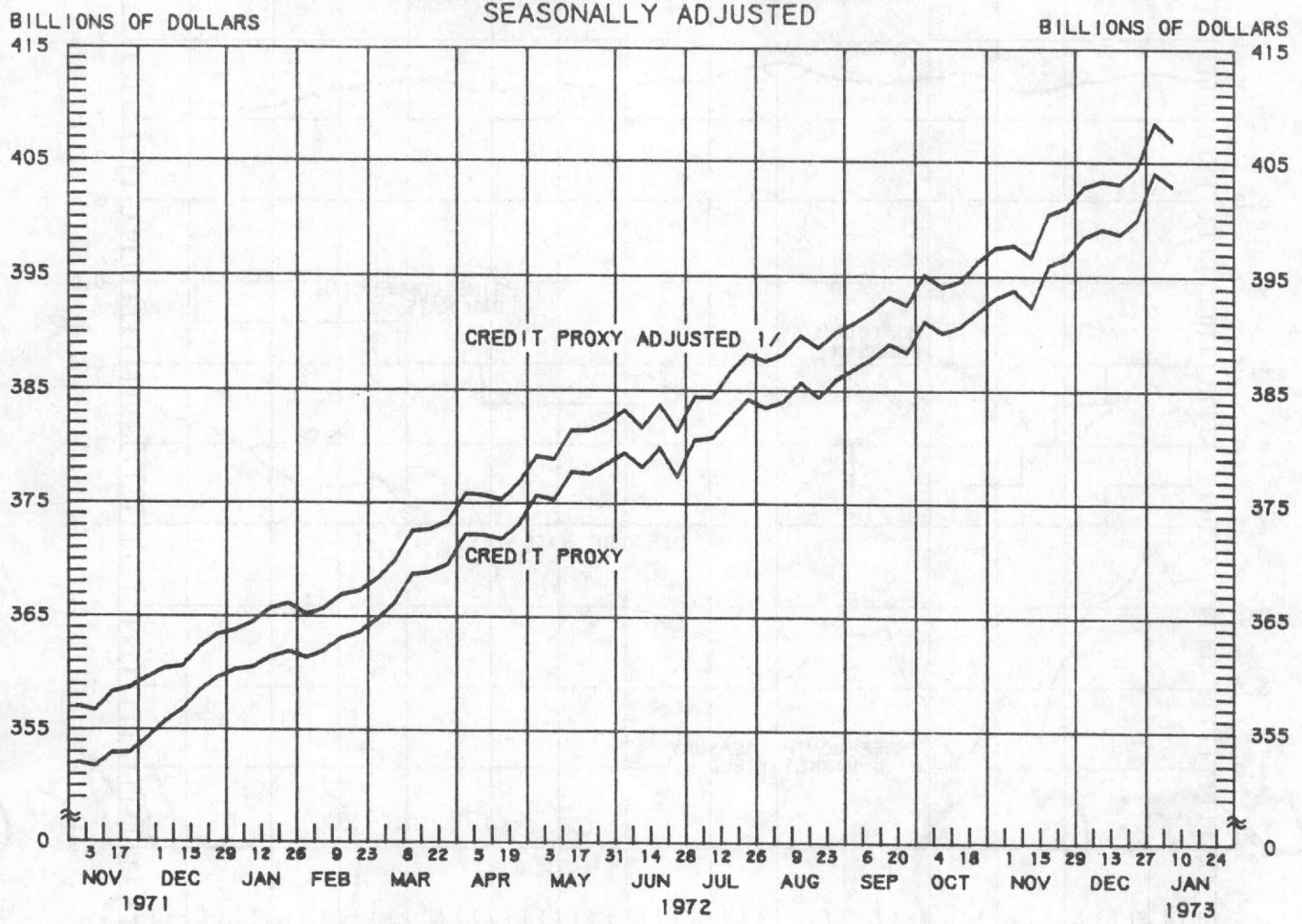
NEGOTIABLE TIME CERTIFICATES OF DEPOSIT ISSUED IN DENOMINATIONS OF \$100,000 OR MORE BY LARGE WEEKLY REPORTING COMMERCIAL BANKS.

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	512.0
20	44.3	267.6	513.6
27	44.7	268.7	517.3
JAN. 3	43.1	270.3	517.6
10	44.1	270.1	516.0
17			
24			
31			

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



# MEMBER BANK DEPOSITS SUBJECT TO RESERVE REQUIREMENTS (CREDIT PROXY) AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JANUARY 10, 1973

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

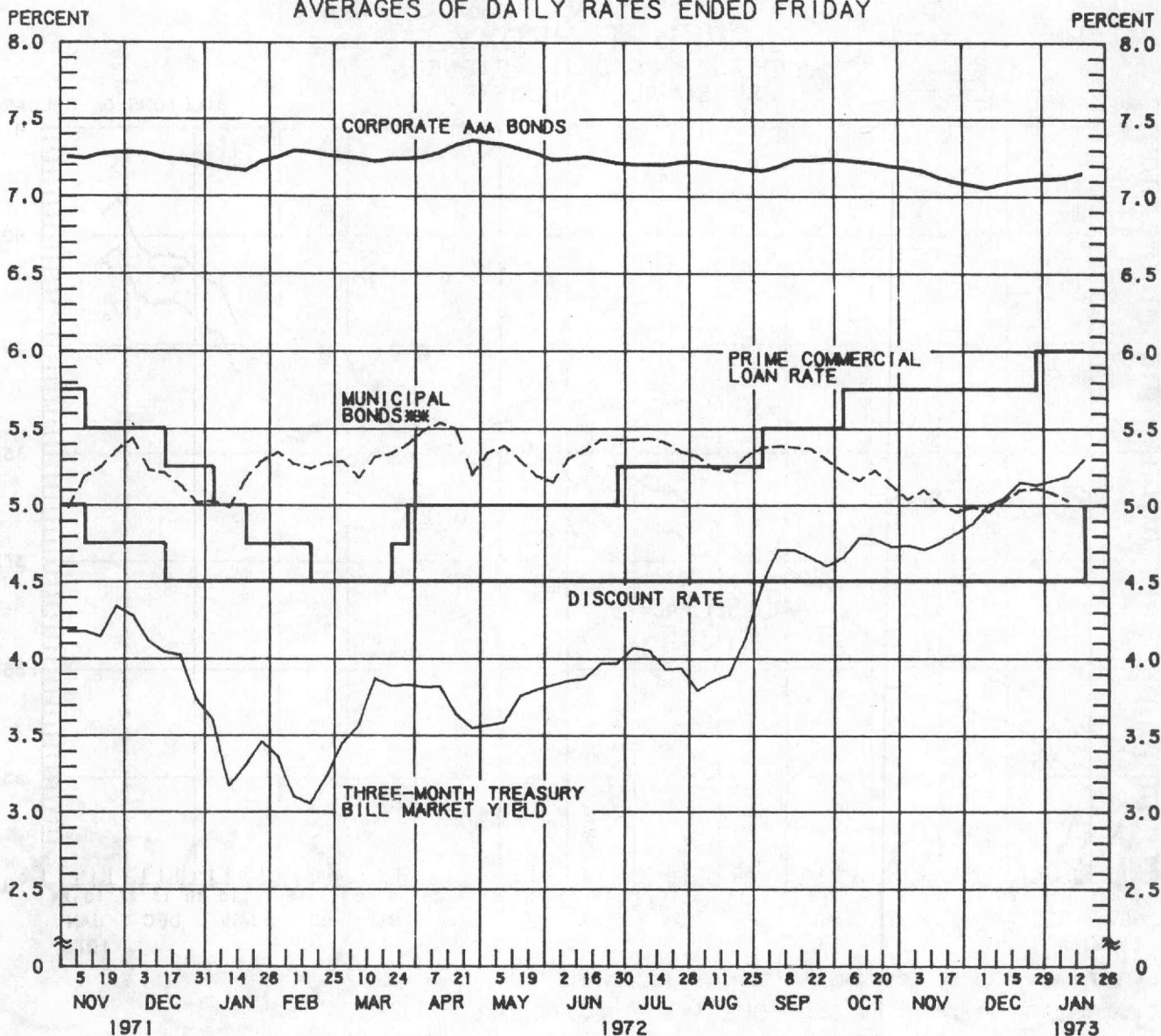
1/ INCLUDES MEMBER BANK DEPOSITS, BANK-RELATED COMMERCIAL PAPER, EURODOLLAR BORROWINGS OF U.S. BANKS, AND CERTAIN OTHER NONDEPOSIT SOURCES.

1973		BILLIONS	
		CREDIT PROXY	CREDIT PROXY ADJUSTED
DEC.	6	398.4	402.8
	13	399.1	403.3
	20	398.6	403.0
	27	400.0	404.5
JAN.	3	404.0	408.4
	10	402.8	406.9

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF THE FOUR WEEKS ENDING JANUARY 10, 1973 FROM THE FOUR WEEKS ENDING:			
		CREDIT PROXY	CREDIT PROXY ADJUSTED
NOV.	8, 1972	14.0	14.2
OCT.	11, 1972	12.7	12.8
SEP.	13, 1972	12.4	12.5
AUG.	9, 1972	11.4	11.4
JUL.	12, 1972	11.8	11.9
JUN.	7, 1972	10.5	10.6
JAN.	12, 1972	11.6	11.6

# YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JANUARY 19, 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	5.16	6.16	5.72	5.08
12	7.12	5.19	6.22	5.83	5.03
19 *	7.15	5.30	6.25	5.91	N.A.
26					

\* AVERAGES OF RATES AVAILABLE.

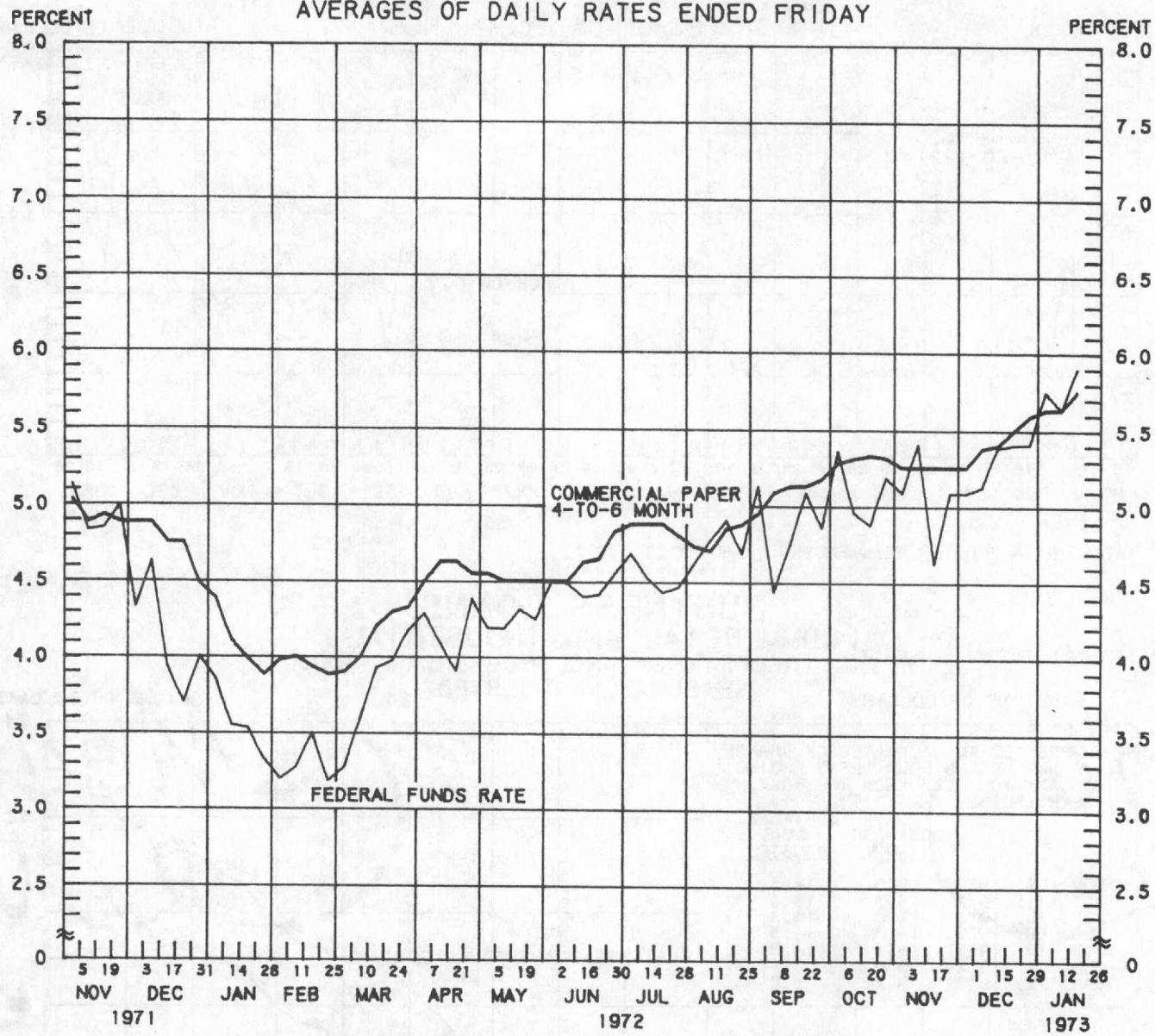
\*\*\* BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA.

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 19, 1973

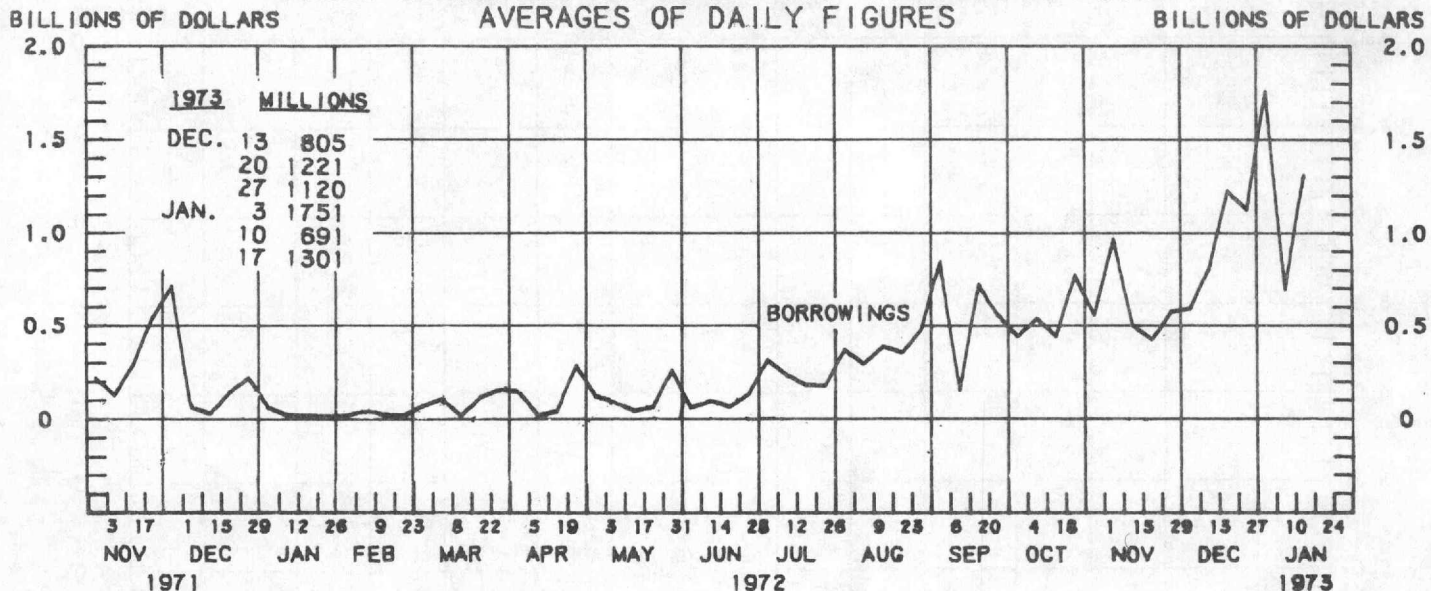
1973	PRIME COMMERCIAL PAPER 4-6 MONTH	FEDERAL FUNDS	PRIME BANKERS' ACCEPTANCES	90 DAY CD'S <small>***</small>
NOV. 3	5.25	5.09	5.10	5.21
10	5.25	5.41	5.00	5.19
17	5.25	4.63	5.00	5.21
24	5.25	5.09	5.00	5.25
DEC. 1	5.25	5.09	5.00	5.21
8	5.38	5.13	5.10	5.23
15	5.40	5.39	5.13	5.31
22	5.50	5.41	5.20	5.40
29	5.59	5.41	5.25	5.50
JAN. 5	5.63	5.75	5.38	5.60
12	5.63	5.63	5.43	5.68
19 *	5.75	5.90	5.54	5.72
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.

## BORROWINGS

### ALL MEMBER BANKS IN THE NATION

AVERAGES OF DAILY FIGURES

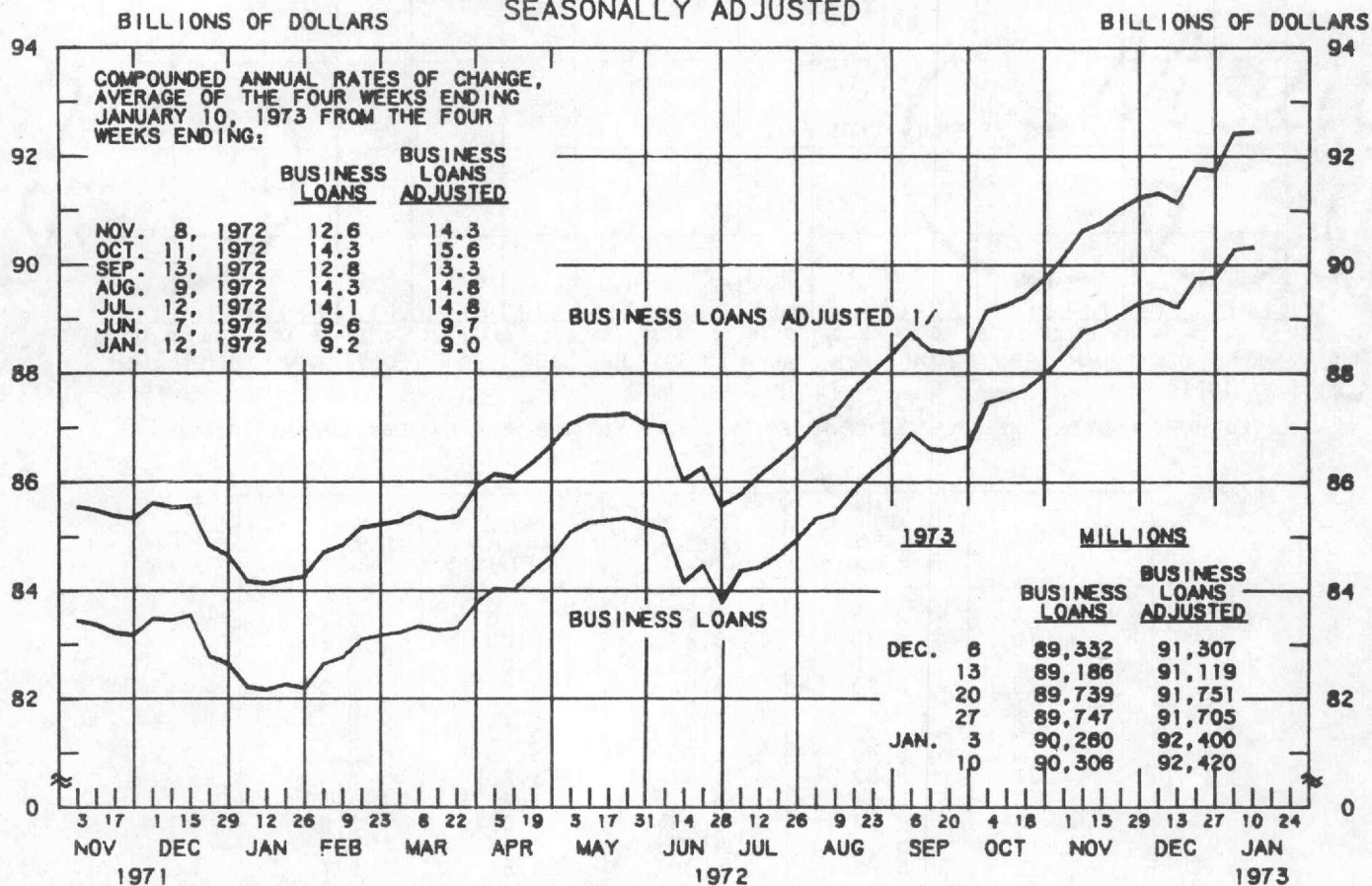


LATEST DATA PLOTTED WEEK ENDING: JANUARY 17, 1973

## BUSINESS LOANS

### (COMMERCIAL AND INDUSTRIAL)

WEEKLY REPORTING LARGE COMMERCIAL BANKS  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JANUARY 10, 1973

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

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS