

RESEARCH LIBRARY  
Federal Reserve Bank  
of St. Louis

Week ending: March 28, 1973

AUG 26 1998

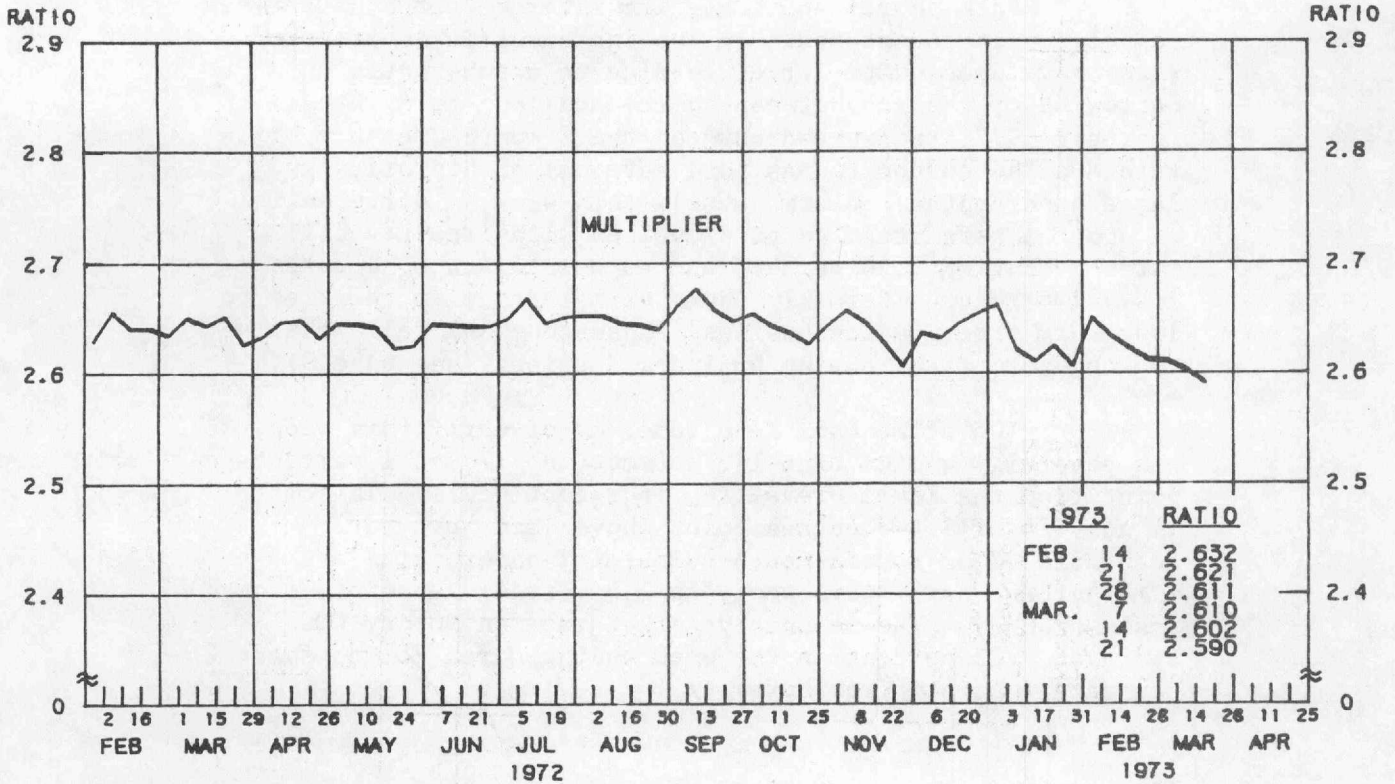
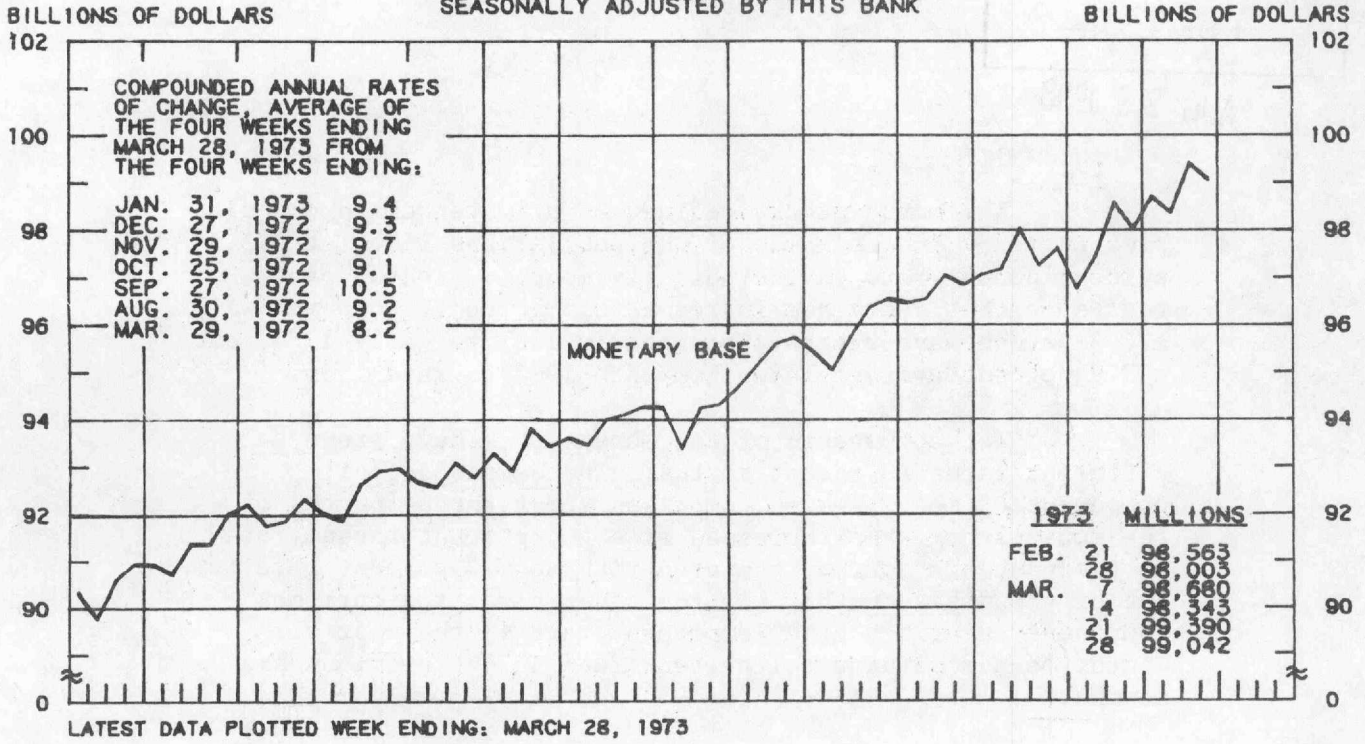
The money stock, defined as private demand deposits plus currency in the hands of the public, has risen at a 5.5 percent annual rate in the past six months. In the past twelve months, money has increased 6.6 percent, compared with a 6.2 percent average rate from early 1967 to early 1972, and a 3.9 percent average rate from late 1962 to late 1966.

The components of the money stock have grown at different rates in recent months. The demand deposit component of money, which comprises about three-fourths of the money stock, has increased at a 4.4 percent annual rate in the past six months, compared with an 8.2 percent rate in the previous six months. On the other hand, the currency component has risen at a 10 percent rate in the past six months, and rose at a 6.1 percent rate in the previous six months.

Both short- and long-term interest rates have risen on balance in recent months. The increases in short-term rates have been quite large, leading to a substantial narrowing of the gap between short- and long-term rates. In February 1972, the spread between the 3-month Treasury bill rate and the corporate Aaa bond rate was an historically large 4 percentage points. Early this week, a differential of about 1 percentage point prevailed with Treasury bill rates averaging 6.26 percent and corporate Aaa bond rates at 7.31 percent. Normally short-term rates rise relative to long-term rates during business expansions and fall relative to long-term rates during business declines (see page 9).

The prime bank loan rate, as of early this week, was generally quoted at 6-1/2 percent, up 1/4 of 1 percentage point from the level prevailing in recent weeks. This rate is now 3/4 of 1 percentage point above last November. Meanwhile, four- to six-month commercial paper rates averaged 7.13 percent early this week, up 1.9 percentage points from last November. The secondary market rate on 90-day CDs averaged 7.23 percent in the week ending March 28, up about 2 percentage points from November.

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



LATEST DATA PLOTTED WEEK ENDING: MARCH 21, 1973

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

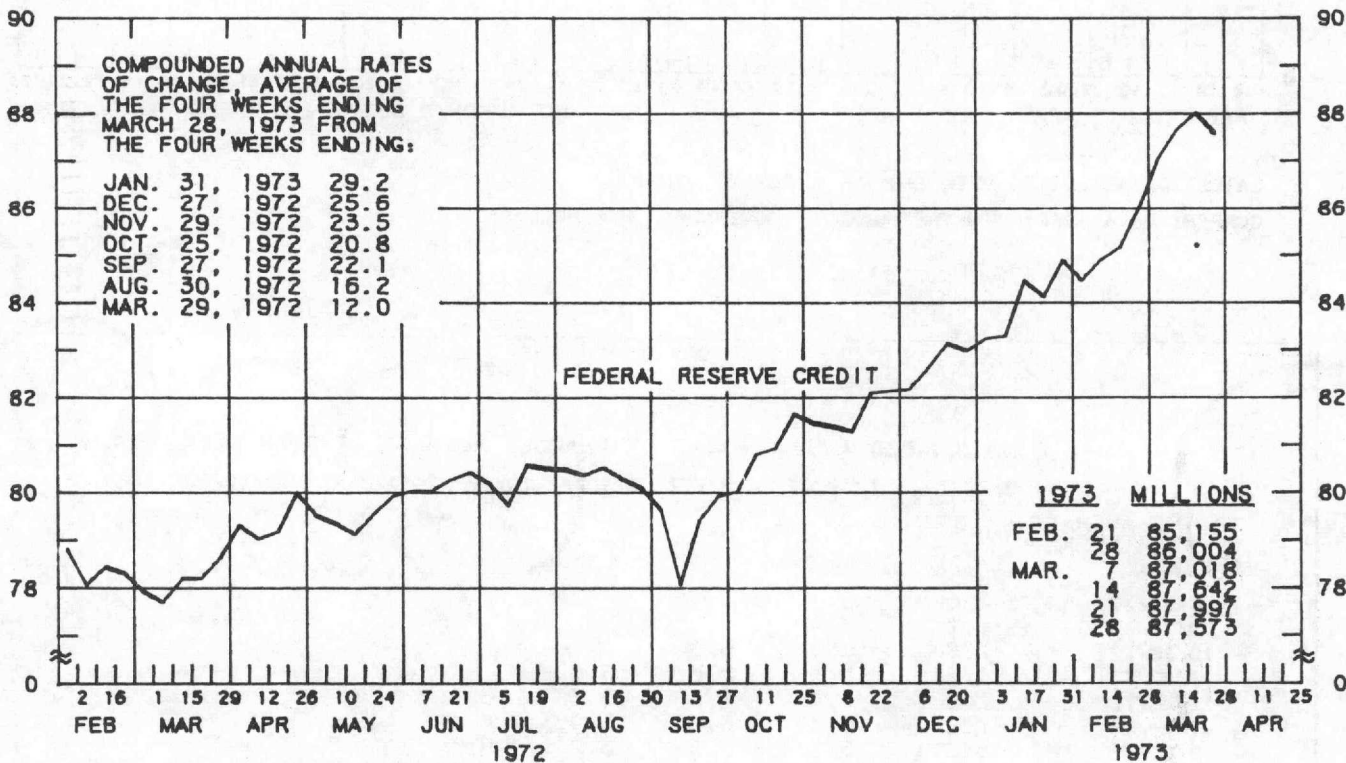
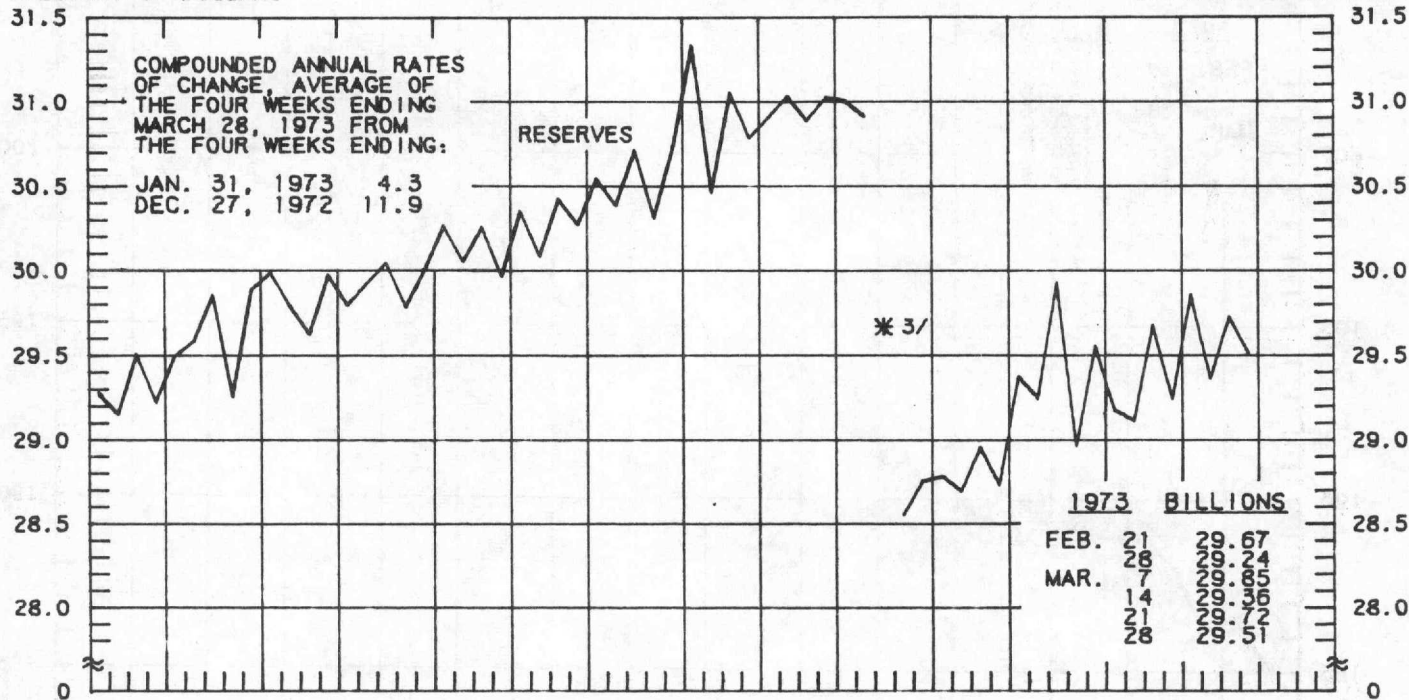
ALL MEMBER BANKS

## FEDERAL RESERVE CREDIT

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MARCH 28, 1973

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.

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

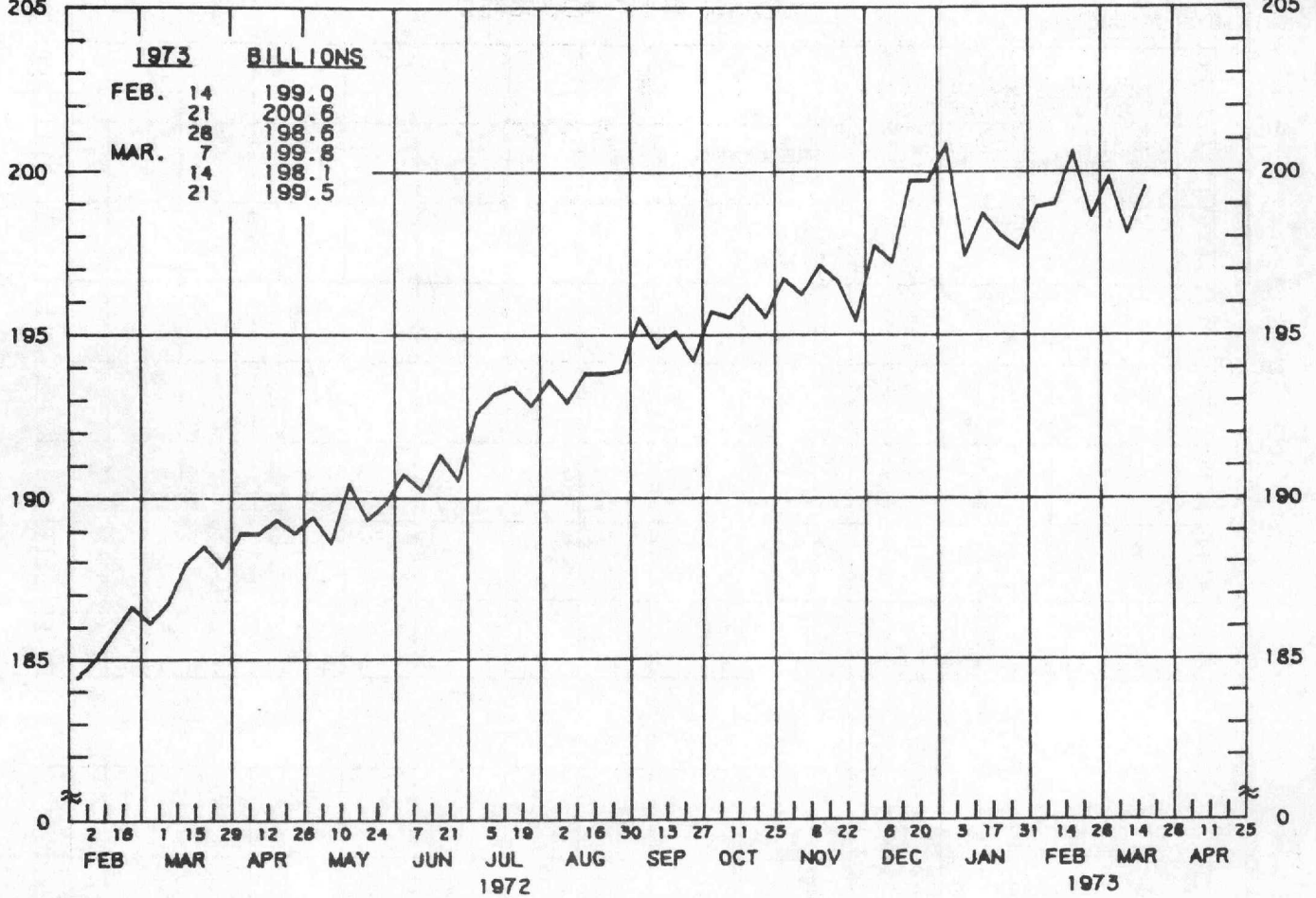
\* BREAK IN SERIES DUE TO THE EFFECT OF CHANGES IN REGULATION D.

# DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS  
205

BILLIONS OF DOLLARS  
205



LATEST DATA PLOTTED WEEK ENDING: MARCH 21, 1973

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

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

3/22/72    7/19/72    8/23/72    9/20/72    10/18/72    11/22/72    12/20/72    1/24/73

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

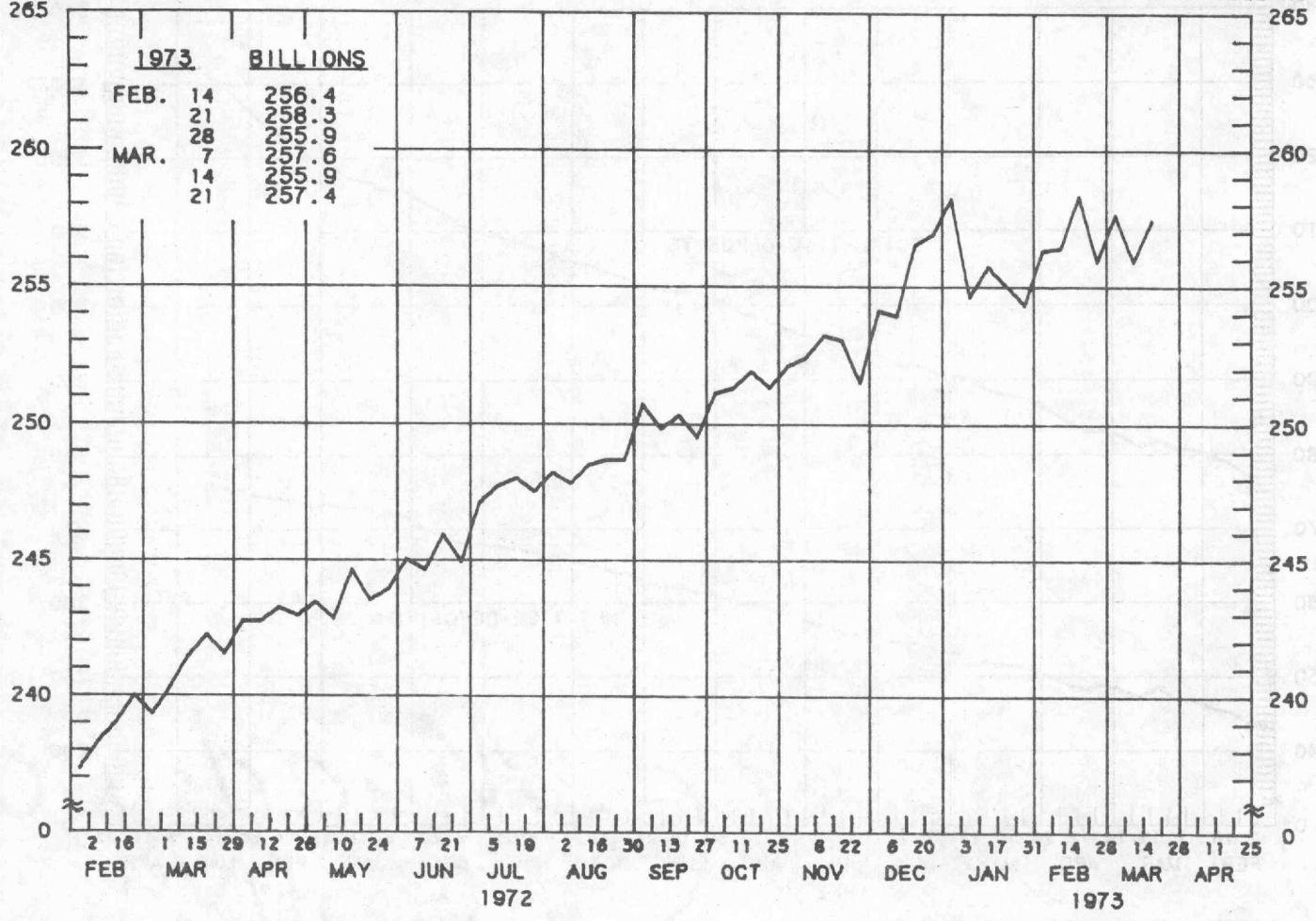
8/23/72	8.0								
9/20/72	8.2	7.4							
10/18/72	7.6	6.4	6.6						
11/22/72	7.5	6.6	6.8	5.8					
12/20/72	7.3	6.4	6.5	5.7	6.4				
1/24/73	7.2	6.4	6.5	5.9	6.4	6.0			
2/21/73	6.8	5.8	5.8	5.2	5.4	4.8	4.5		
3/21/73	6.2	5.1	5.0	4.4	4.4	3.6	3.1	1.0	

# MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MARCH 21, 1973

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

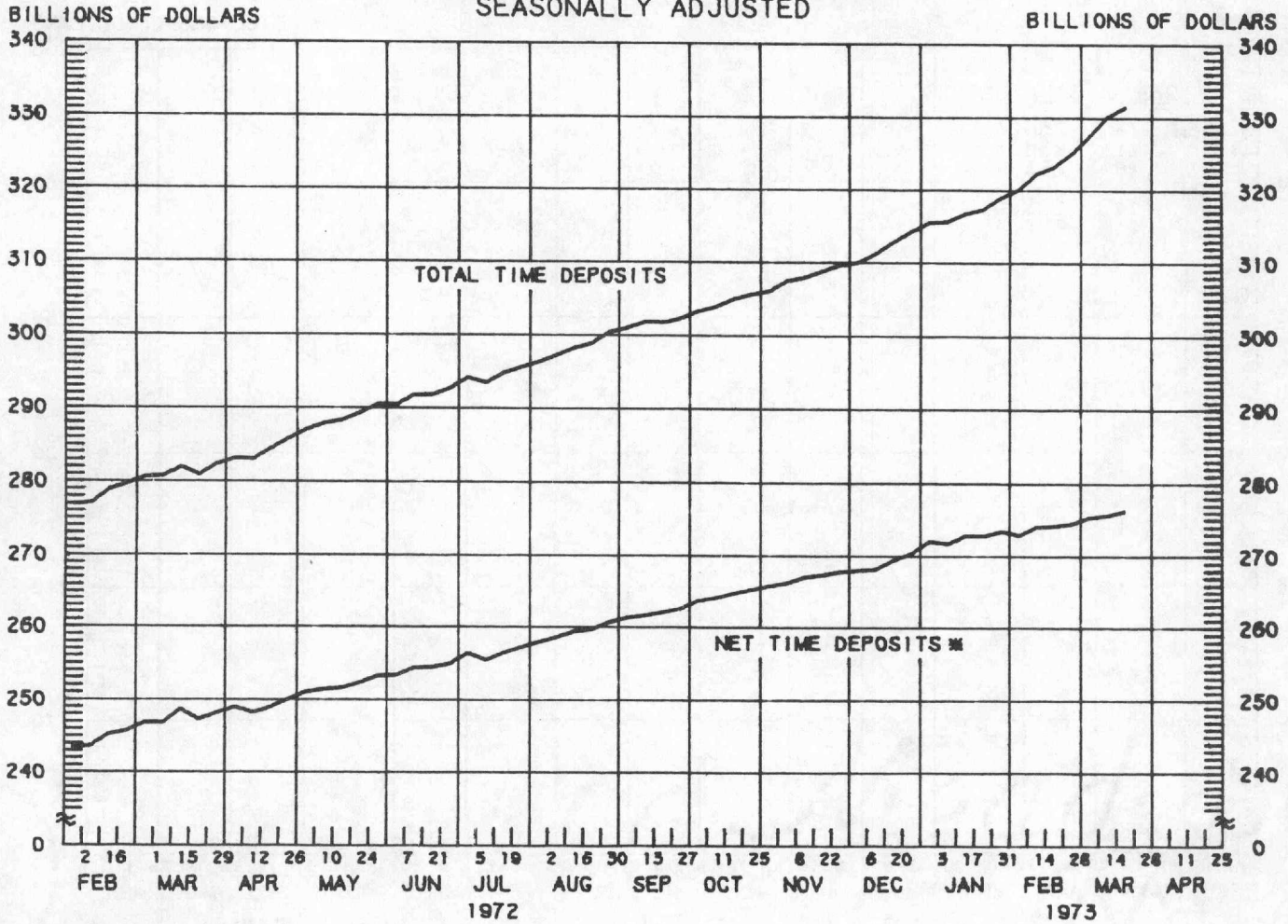
**COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:**

3/22/72    7/19/72    8/23/72    9/20/72    10/18/72    11/22/72    12/20/72    1/24/73

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

8/23/72	7.5							
9/20/72	7.7	7.2						
10/18/72	7.5	6.8	7.3					
11/22/72	7.4	6.9	7.3	6.6				
12/20/72	7.4	6.9	7.2	6.7	7.1			
1/24/73	7.5	7.1	7.4	7.1	7.4	7.5		
2/21/73	7.0	6.5	6.5	6.2	6.2	5.8	5.3	
3/21/73	6.6	6.0	5.9	5.5	5.5	4.9	4.3	2.0

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



LATEST DATA PLOTTED WEEK ENDING: MARCH 21, 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:

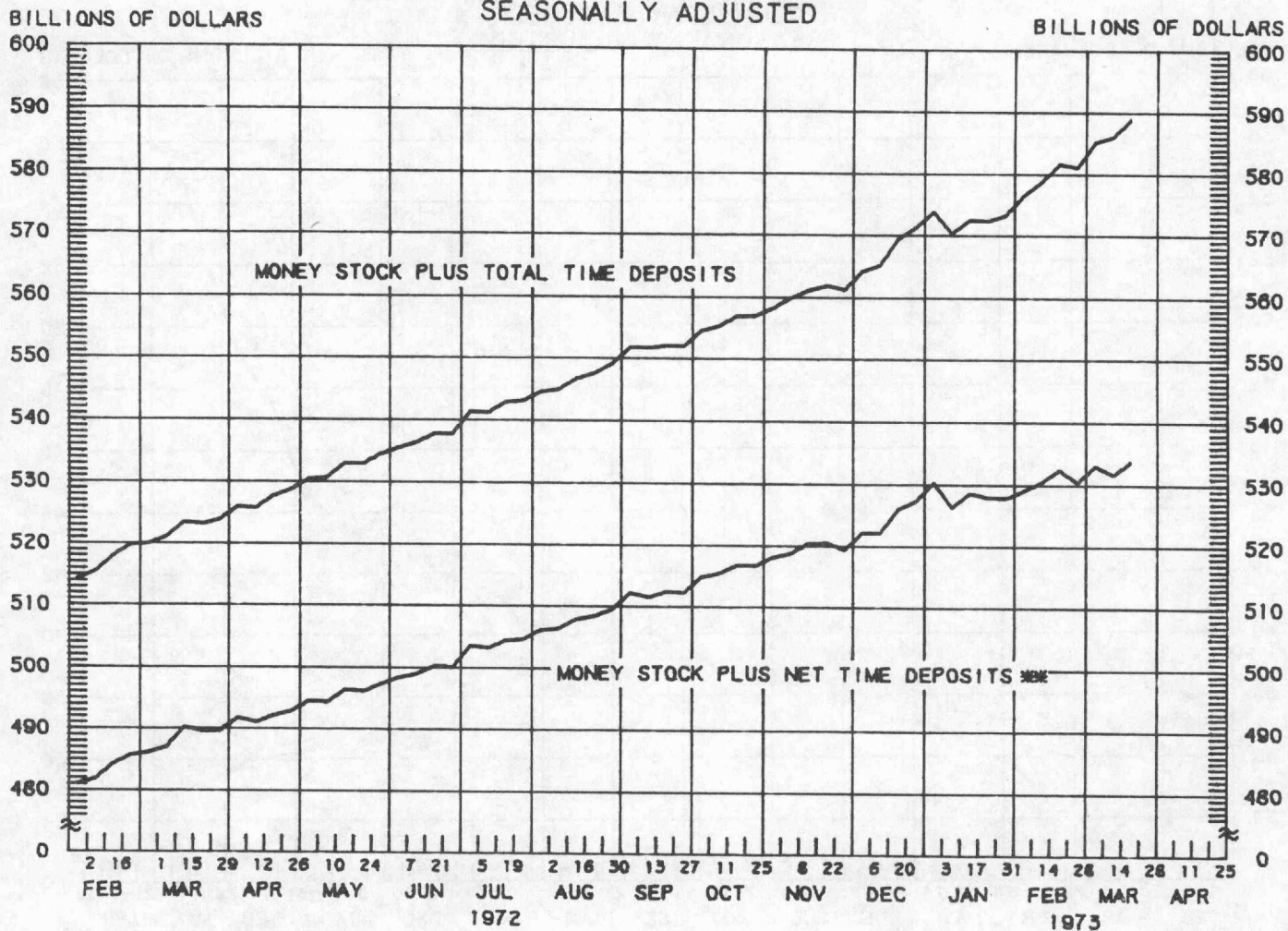
3/22/72    7/19/72    8/23/72    9/20/72    10/18/72    11/22/72    12/20/72    1/24/73

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

8/23/72	11.4							
9/20/72	11.7	13.6						
10/18/72	11.8	13.3	13.0					
11/22/72	11.9	12.9	12.6	12.3				
12/20/72	11.5	12.1	11.7	11.1	10.5			
1/24/73	12.1	12.9	12.7	12.5	12.5	12.8		
2/21/73	11.6	12.0	11.7	11.4	11.1	10.8	11.7	
3/21/73	11.4	11.7	11.3	11.0	10.7	10.3	10.8	7.6

# MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MARCH 21, 1973

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

~~M2~~ 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:

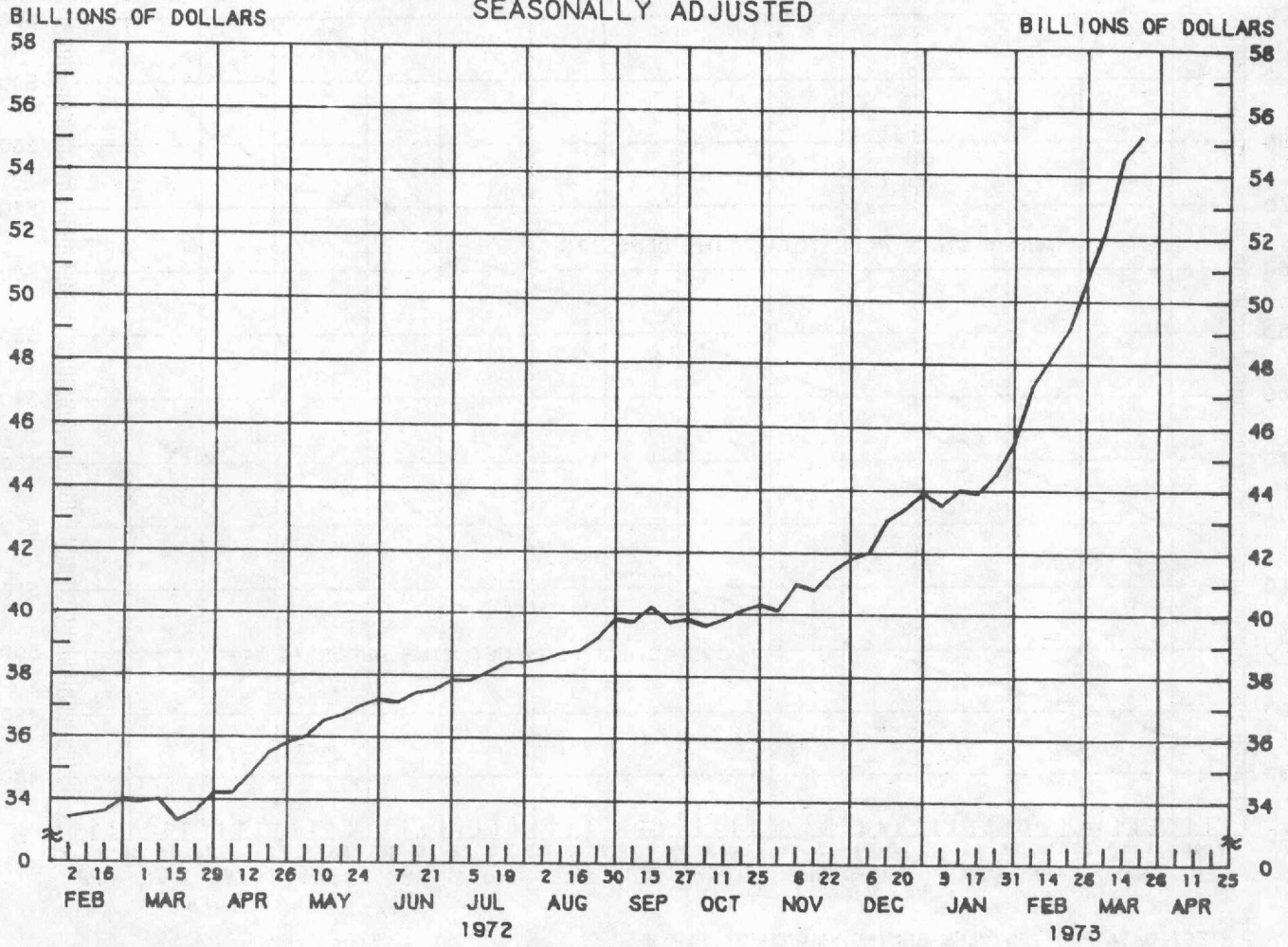
3/22/72 7/19/72 8/23/72 9/20/72 10/18/72 11/22/72 12/20/72 1/24/73

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

8/23/72	9.4								
9/20/72	9.7	10.3							
10/18/72	9.6	9.9	10.0						
11/22/72	9.6	9.9	10.0	9.5					
12/20/72	9.4	9.5	9.4	8.9	8.8				
1/24/73	9.8	10.0	10.1	9.8	10.1	10.2			
2/21/73	9.3	9.2	9.2	8.8	8.8	8.3	8.7		
3/21/73	9.0	8.8	8.7	8.3	8.2	7.7	7.7	4.9	

# CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MARCH 21, 1973

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

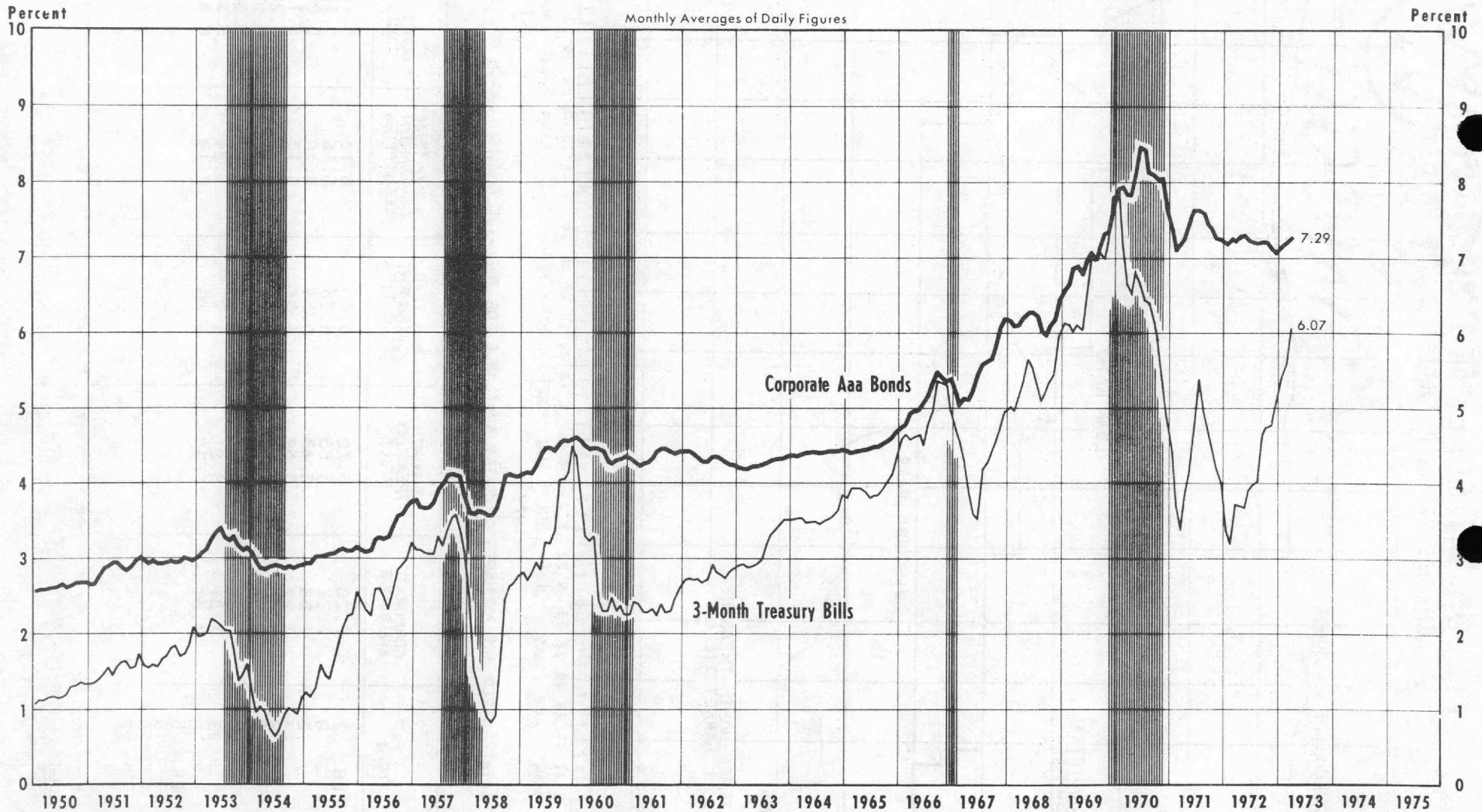
NEGOTIABLE TIME CERTIFICATES OF DEPOSIT ISSUED IN DENOMINATIONS OF \$100,000 OR MORE BY LARGE WEEKLY REPORTING COMMERCIAL BANKS.

MONEY AND TIME DEPOSIT DATA			
1973	BILLIONS		
	CERTIFICATES OF DEPOSIT	NET TIME DEPOSITS *	M 2 ***
FEB. 7	47.3	272.8	529.0
14	48.2	274.0	530.4
21	49.1	274.1	532.3
28	50.7	274.4	530.3
MAR. 7	52.2	275.3	533.0
14	54.5	275.6	531.5
21	55.2	276.2	533.6
28			
APR. 4			
11			
18			
25			

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



# Interest Rates



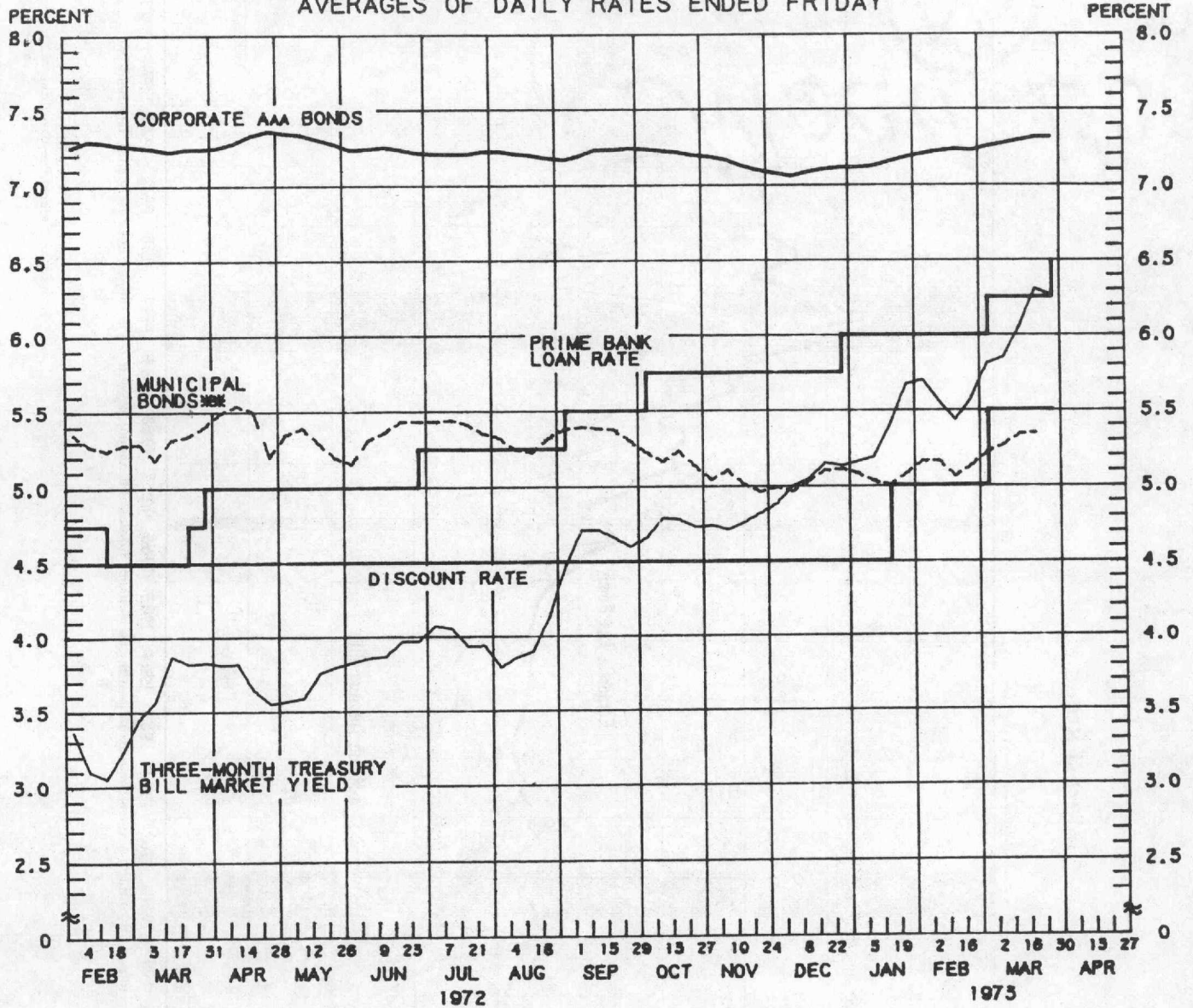
The shaded areas shown in 1953-54, 1957-58, 1960-61, and 1969-70 represent periods of business recessions as defined by the National Bureau of Economic Research. The shaded area in 1966-67 represents an "unofficial mini-recession".

Latest data plotted: March estimated

Prepared by Federal Reserve Bank of St. Louis

# YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: MARCH 30, 1973

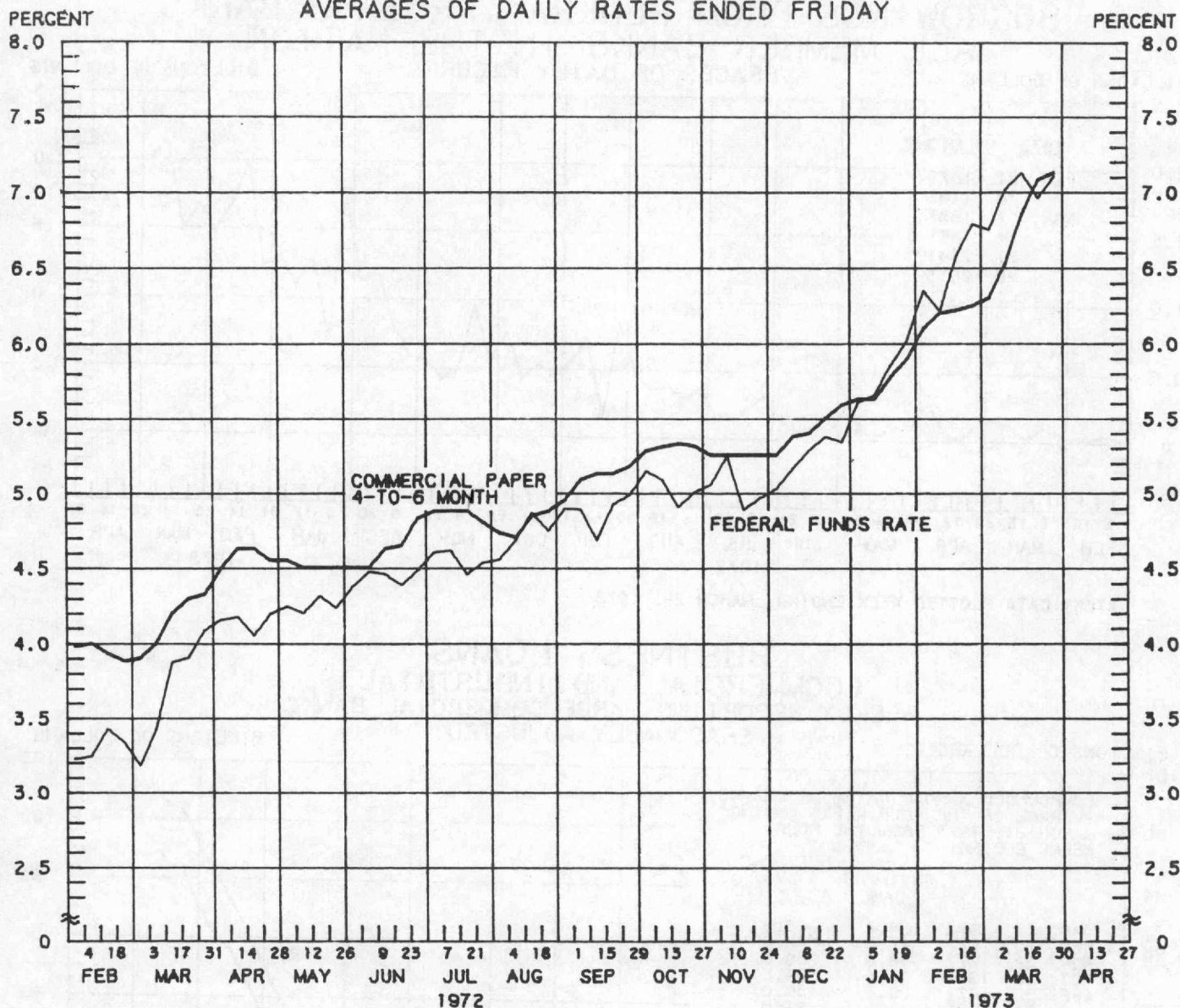
1973	CORPORATE AAA BONDS	3-MONTH TREASURY BILLS	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES	MUNICIPAL BONDS <sup>***</sup>
FEB. 2	7.20	5.70	6.50	6.13	5.16
9	7.22	5.56	6.55	6.16	5.16
16	7.23	5.43	6.53	6.10	5.06
23	7.22	5.58	6.67	6.15	5.13
MAR. 2	7.25	5.81	6.76	6.16	5.22
9	7.27	5.85	6.84	6.18	5.27
16	7.29	6.05	6.90	6.22	5.34
23	7.31	6.31	6.91	6.24	5.35
30 *	7.31	6.26	6.79	6.19	N.A.
APR. 6					
13					
20					
27					

\* AVERAGES OF RATES AVAILABLE.  
<sup>\*\*\*</sup> 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

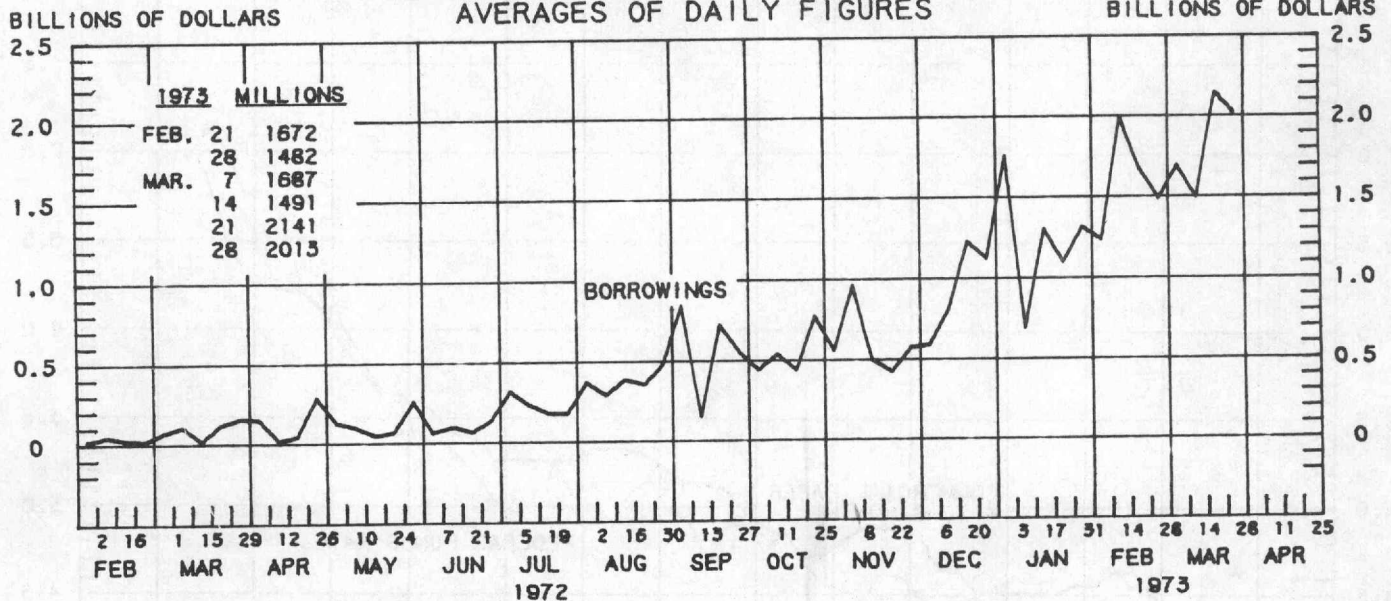


LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: MARCH 30, 1973

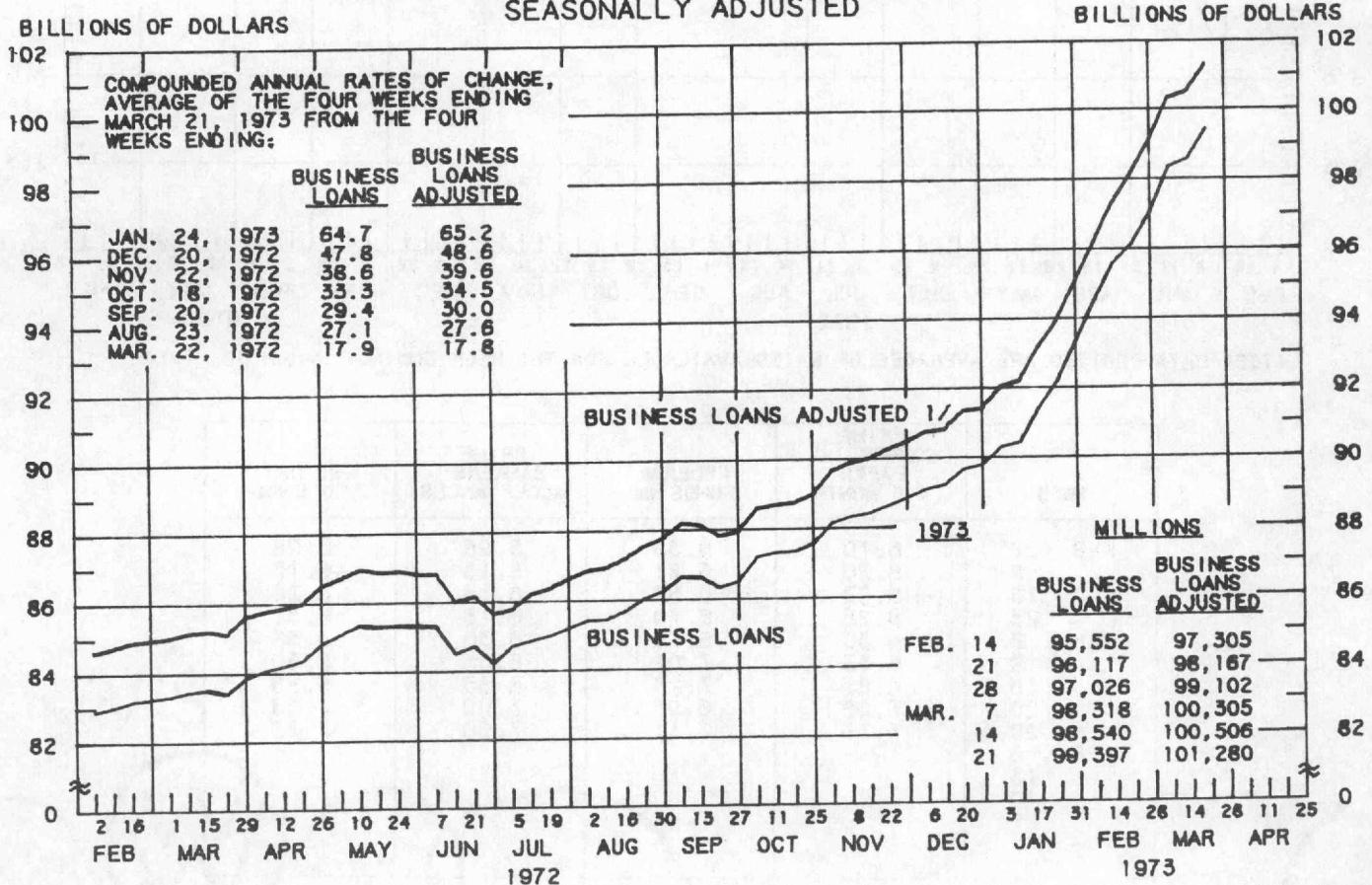
1973	PRIME COMMERCIAL PAPER 4-6 MONTH	FEDERAL FUNDS RATE	PRIME BANKERS' ACCEPTANCES	90 DAY CD'S RATE
FEB. 2	6.10	6.35	5.98	5.98
9	6.20	6.21	6.13	6.15
16	6.22	6.58	6.13	6.28
23	6.25	6.79	6.13	6.31
MAR. 2	6.30	6.75	6.30	6.38
9	6.53	7.02	6.65	6.60
16	6.85	7.13	6.83	6.85
23	7.08	6.96	7.00	7.05
30 *	7.13	7.11	7.00	7.23
APR. 6				
13				
20				
27				

\* AVERAGES OF RATES AVAILABLE.  
 \*\* FEDERAL FUNDS AND CD RATES ARE SEVEN-DAY AVERAGES FOR WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.  
 CD DATA ARE SECONDARY MARKET RATES.

## BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



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



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