

RESEARCH LIBRARY
Federal Reserve Bank
of St. Louis

Week ending: May 9, 1973

AUG 26 1998

The nation's money stock has risen at a 5.2 percent annual rate in the past six months, slower than the 7.2 percent rate in the previous six months. This recent monetary growth is below the average rate of 6.2 percent from early 1967 to early 1972. Another aggregate, money plus net time deposits, has risen at a 7.8 percent rate in the past six months, slightly below its average rate from early 1967 to early 1972.

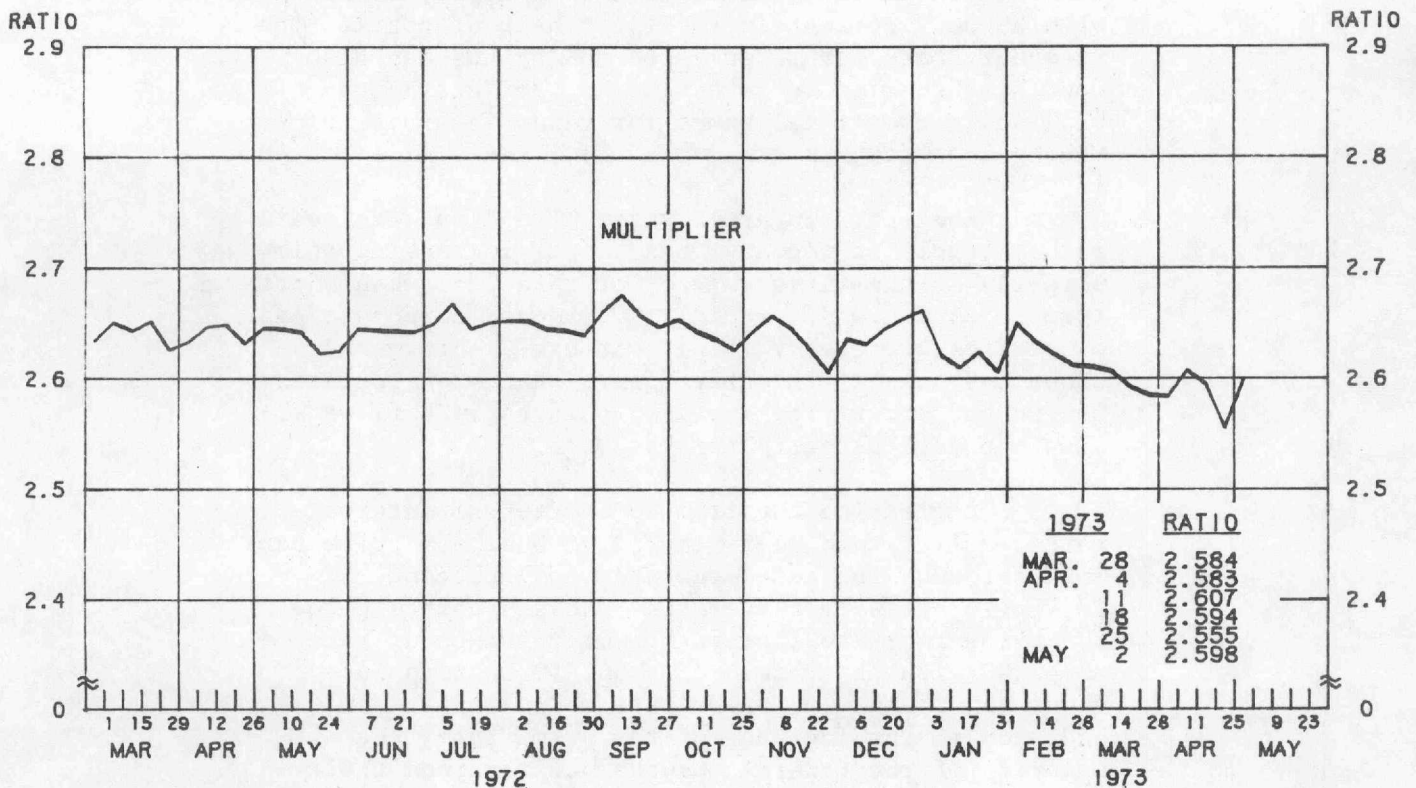
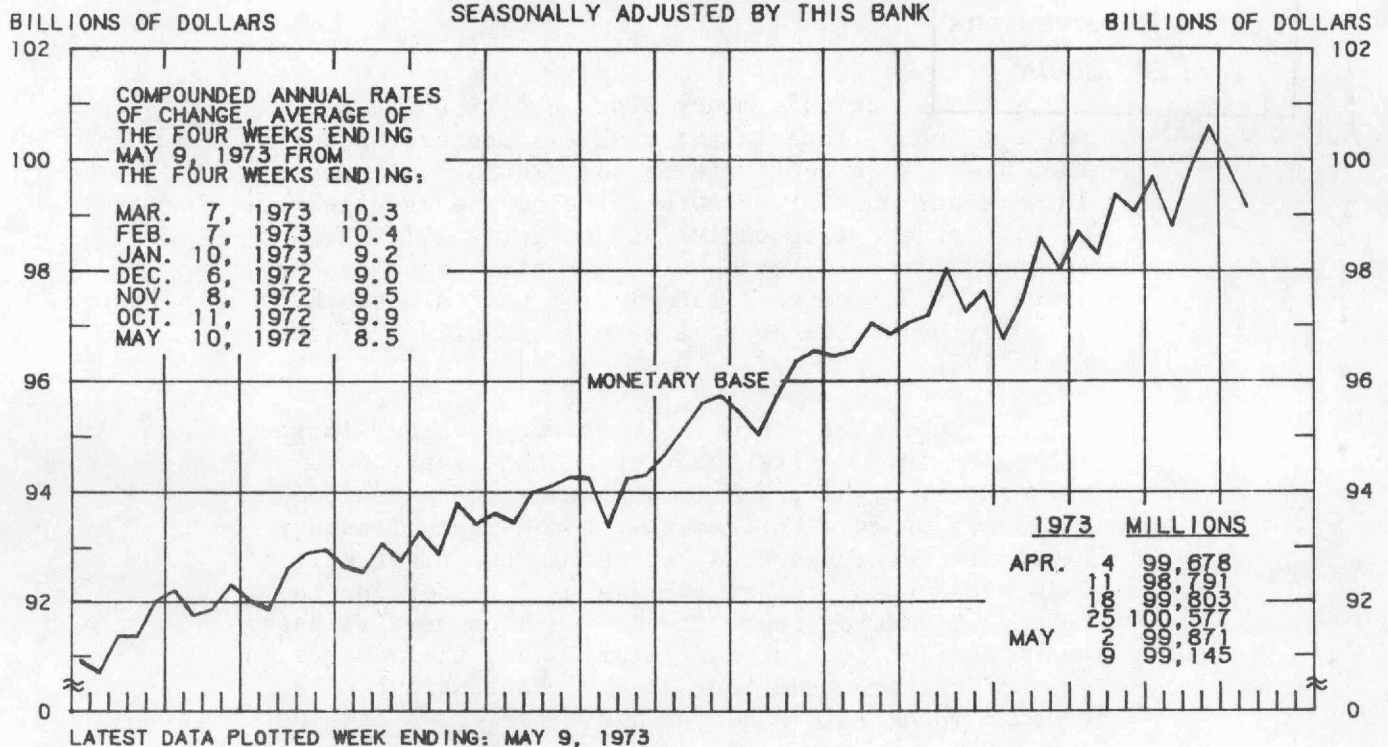
Some short-term interest rates, after large increases in the first quarter of this year, have been fairly stable, and in some cases have declined in recent weeks. For example, three-month Treasury bill rates averaged 6.04 percent in the first half of this week, down from an average of 6.26 percent in April. Yields on four- to six-month commercial paper averaged 7.13 percent early this week, the same as in each of the previous four weeks. In contrast, the Federal funds rate has continued to rise, averaging 7.6 percent in the seven days ending May 9, compared with about 7 percent in the first half of April. The secondary market rate on large 90-day CDs has also continued to rise in recent weeks, reflecting the bidding by commercial banks for funds in order to meet strong loan demands.

Long-term interest rates have also remained rather stable in recent weeks, after increasing only slightly in the first quarter of this year when short-term rates increased rapidly. Seasoned corporate Aaa bond rates averaged 7.26 percent early this week, about the same as in early April. Rates on long-term Government securities averaged 6.16 early this week, also the same as early April.

Reflecting the rise in short-term interest rates earlier this year, the large-business prime bank loan rate was increased recently to 7 percent. Currently, this rate averages 13 basis points below the prime four- to six-month commercial paper rate, compared with an average of about 50 basis points above the commercial paper rate during 1972. In addition to the increase of the prime rate, the majority of the Federal Reserve Banks raised their discount rate on loans to member banks from 5-3/4 percent to 6 percent effective May 11, 1973.

Prepared by Federal Reserve Bank of St. Louis
Released: May 11, 1973

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.

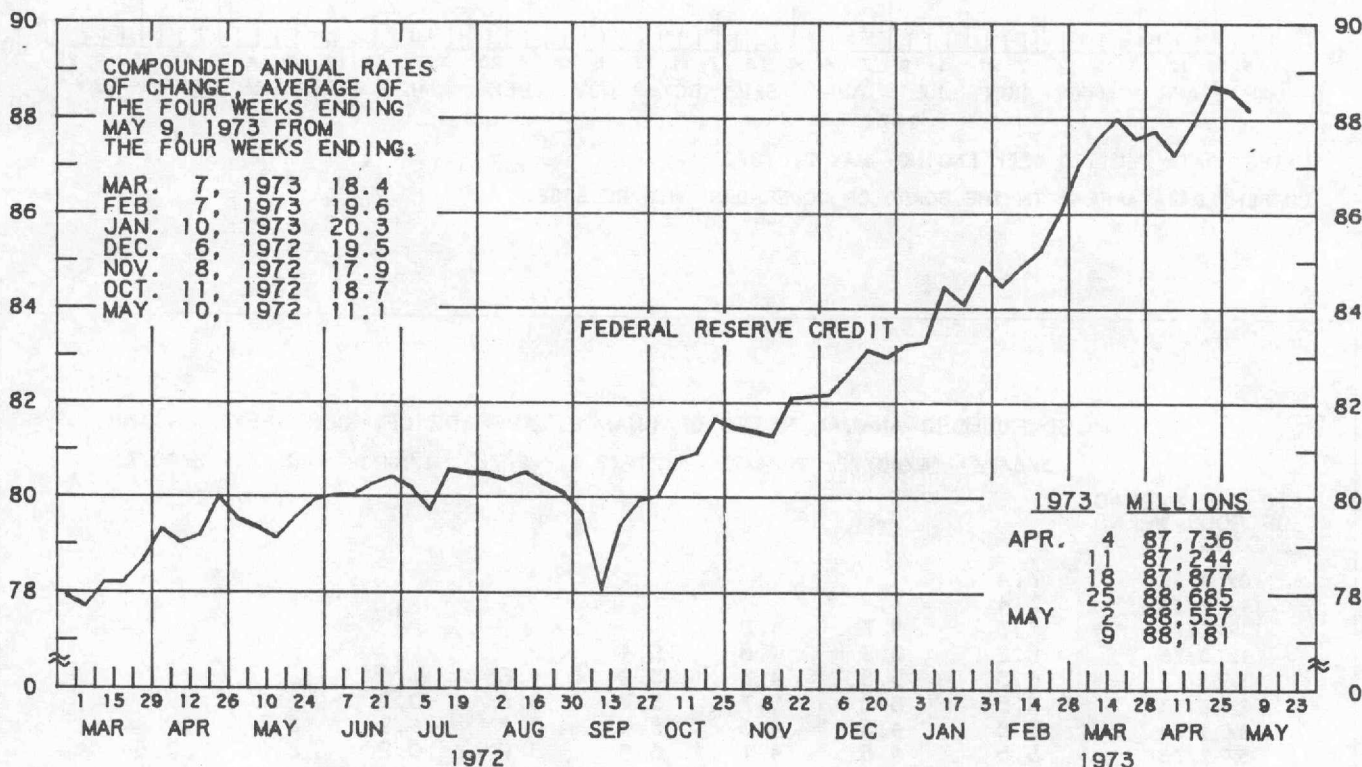
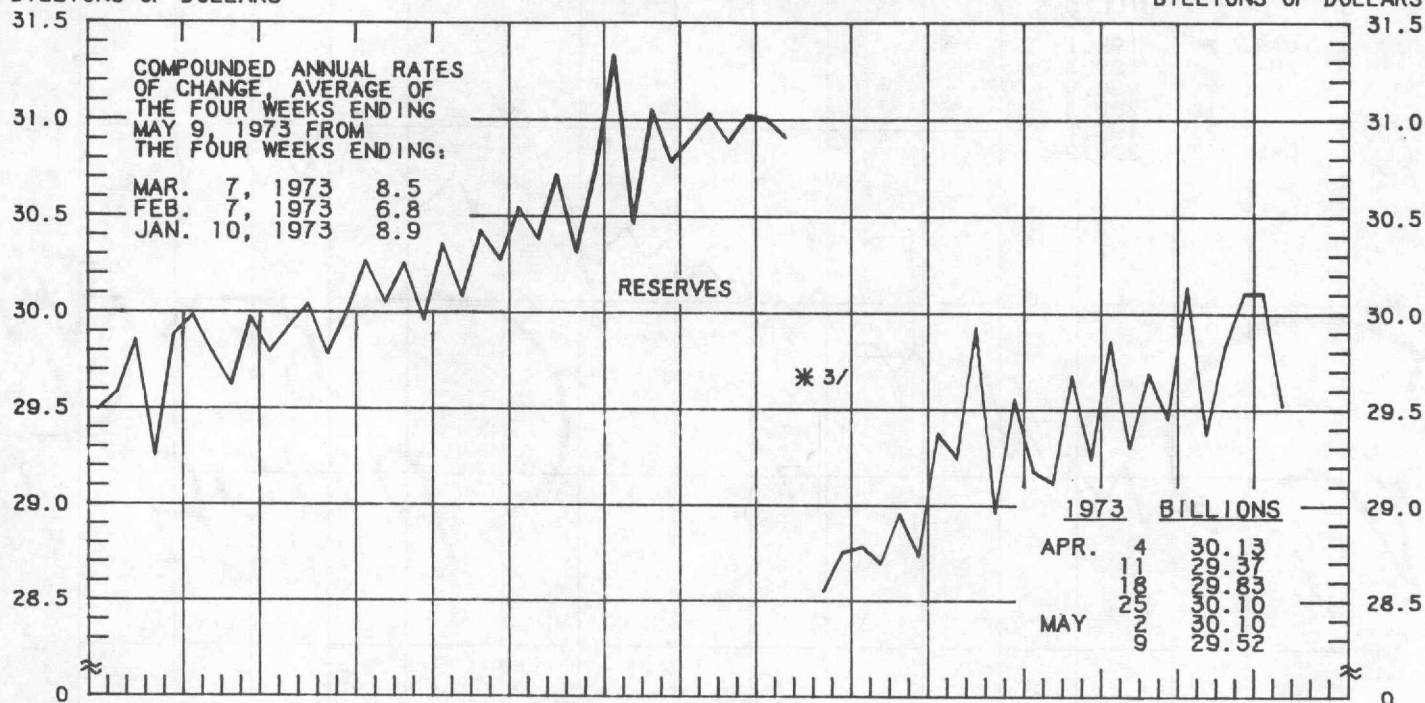
RESERVES AVAILABLE TO SUPPORT PRIVATE NONBANK DEPOSITS 1/

ALL MEMBER BANKS

FEDERAL RESERVE CREDIT 2/

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MAY 9, 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.

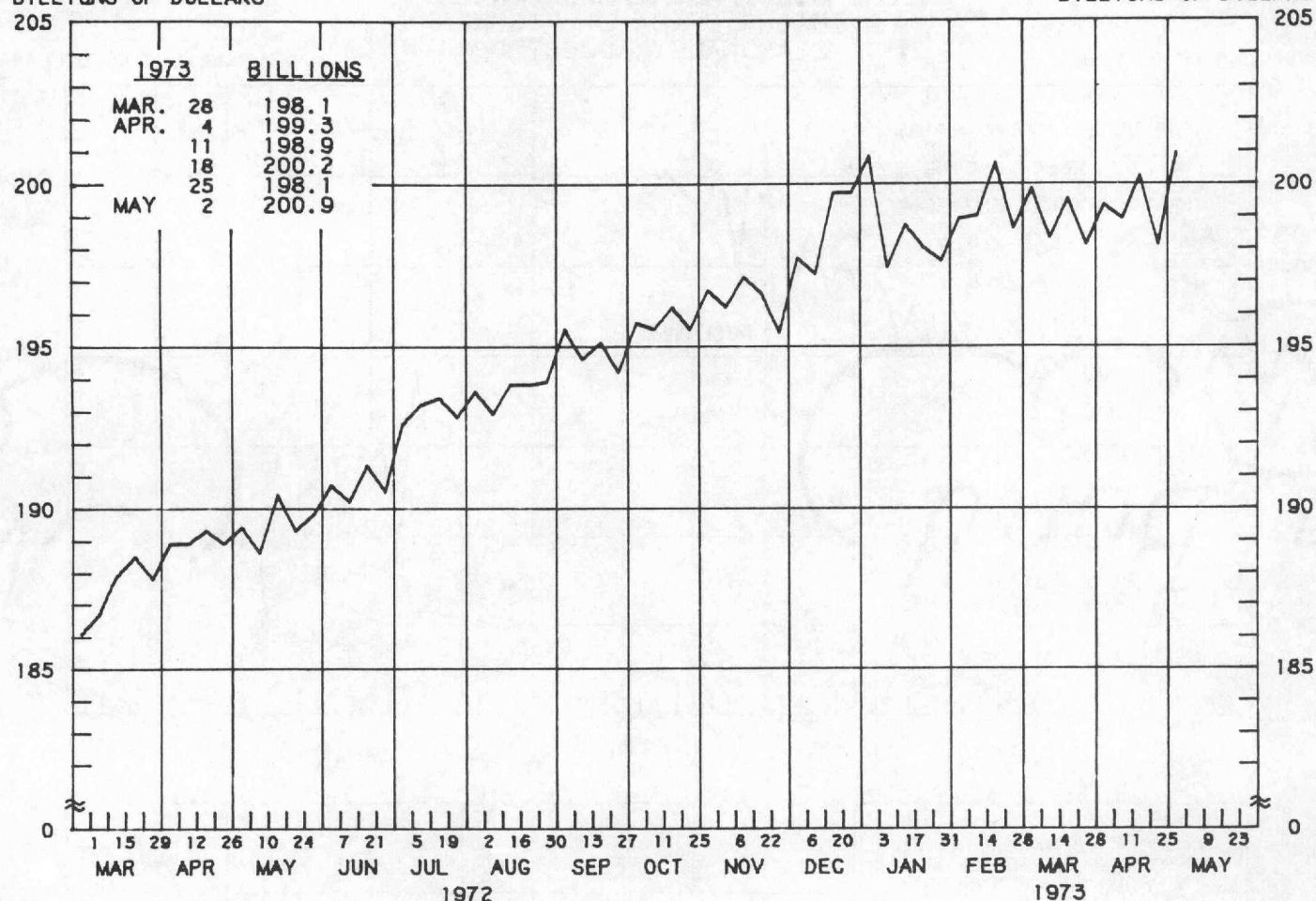
* BREAK IN SERIES DUE TO THE EFFECT OF CHANGES IN REGULATION D.

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



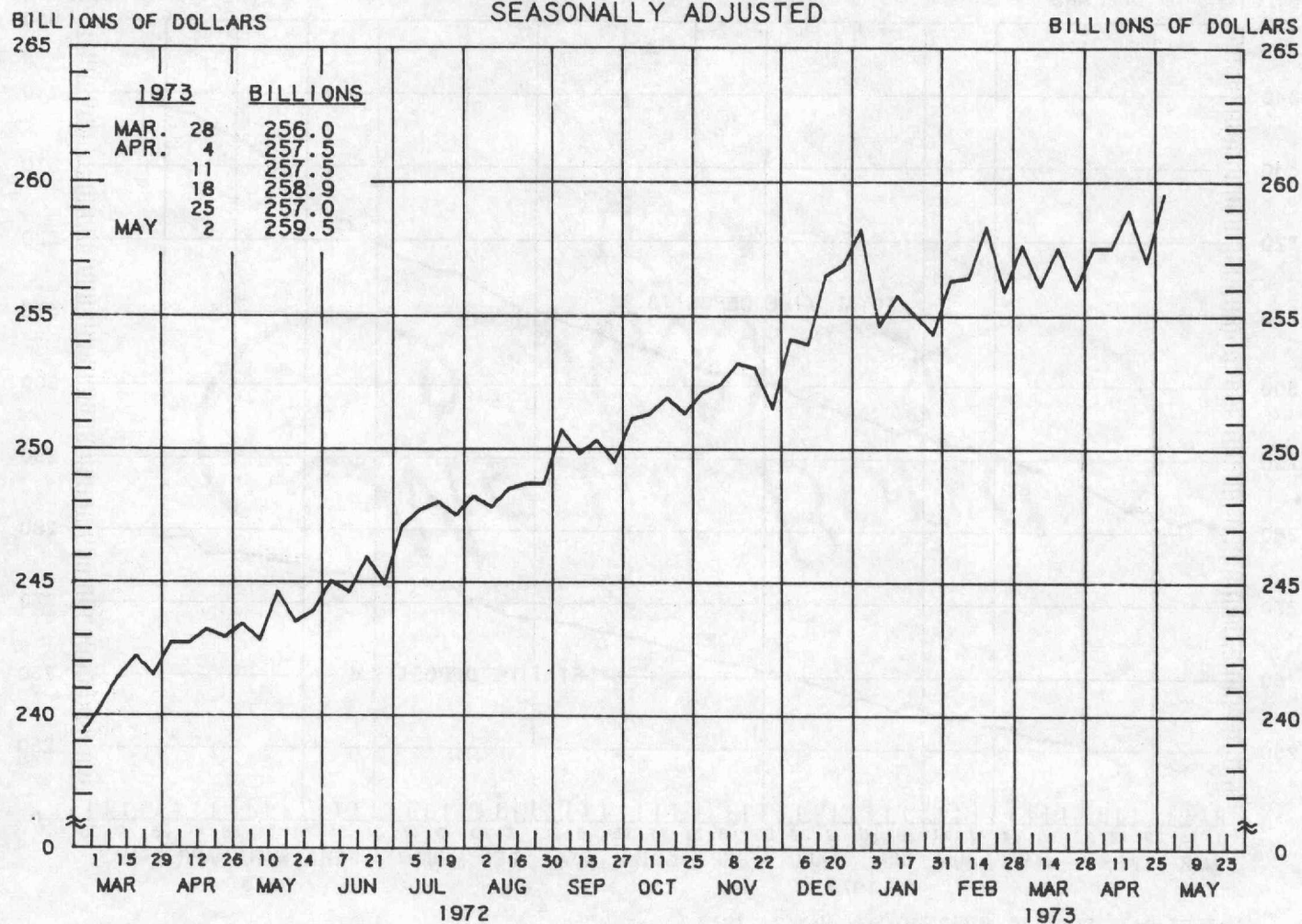
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

5/3/72 8/30/72 10/4/72 11/1/72 11/29/72 1/3/73 1/31/73 2/28/73

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

10/ 4/72	7.4							
11/ 1/72	7.4	7.4						
11/29/72	6.7	5.7	4.8					
1/ 3/73	8.2	8.9	9.6	10.4				
1/31/73	6.3	5.3	4.8	3.9	4.8			
2/28/73	6.6	6.0	5.7	5.2	6.3	-0.3		
4/ 4/73	5.6	4.5	4.0	3.4	3.7	-1.2	2.7	
5/ 2/73	5.5	4.6	4.1	3.6	3.9	0.2	3.3	0.6

MONEY STOCK
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 2, 1973

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

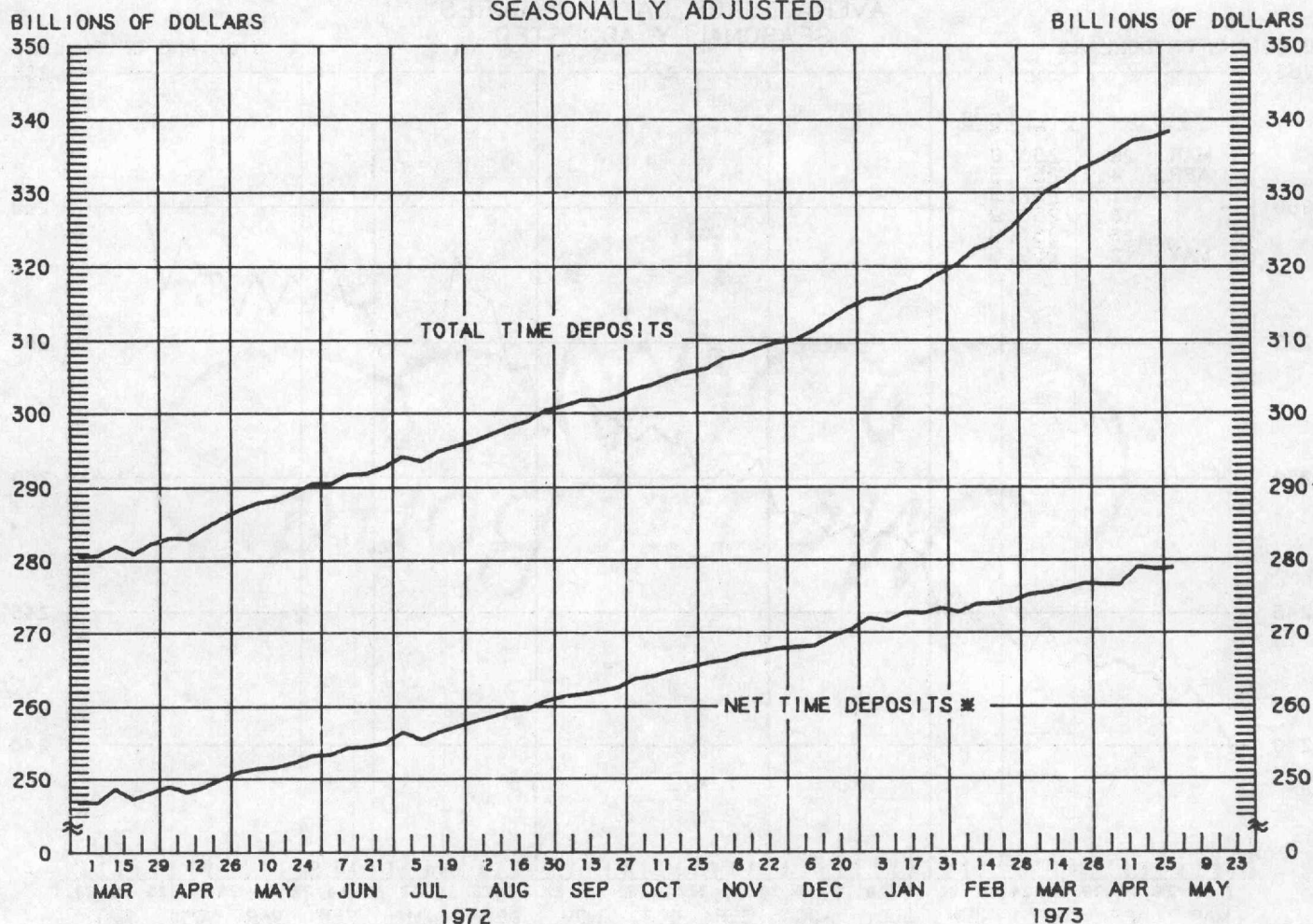
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

5/3/72 8/30/72 10/4/72 11/1/72 11/29/72 1/3/73 1/31/73 2/28/73

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

10/ 4/72	7.0								
11/ 1/72	7.2	7.9							
11/29/72	6.8	6.8	6.1						
1/ 3/73	8.2	9.6	10.3	11.3					
1/31/73	6.5	6.3	5.9	5.2	5.6				
2/28/73	6.8	6.8	6.6	6.2	6.8	0.8			
4/ 4/73	6.1	5.7	5.3	4.9	5.0	0.6	4.4		
5/ 2/73	6.2	5.9	5.6	5.2	5.4	2.2	5.3	3.4	

TIME DEPOSITS ALL COMMERCIAL BANKS AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 2, 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:

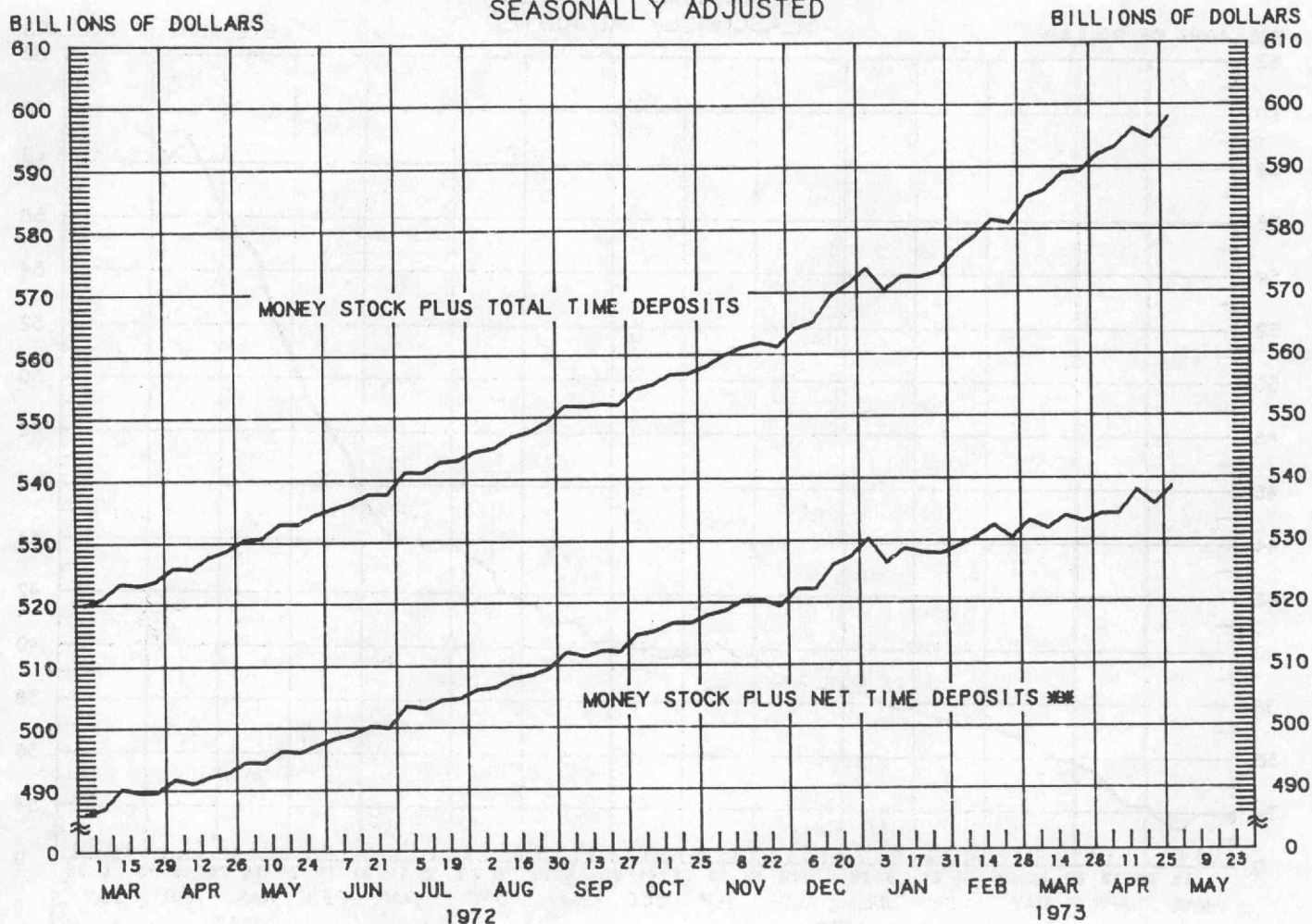
5/3/72 8/30/72 10/4/72 11/1/72 11/29/72 1/3/73 1/31/73 2/28/73

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

10/ 4/72	12.8							
11/ 1/72	12.8	12.6						
11/29/72	12.6	12.2	12.2					
1/ 3/73	12.4	12.0	11.9	11.4				
1/31/73	12.5	12.2	12.2	12.0	12.3			
2/28/73	11.9	11.2	11.0	10.5	10.3	9.5		
4/ 4/73	11.7	11.0	10.8	10.4	10.2	9.7	8.1	
5/ 2/73	11.5	10.9	10.7	10.3	10.1	9.7	8.6	9.9

MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 2, 1973

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:

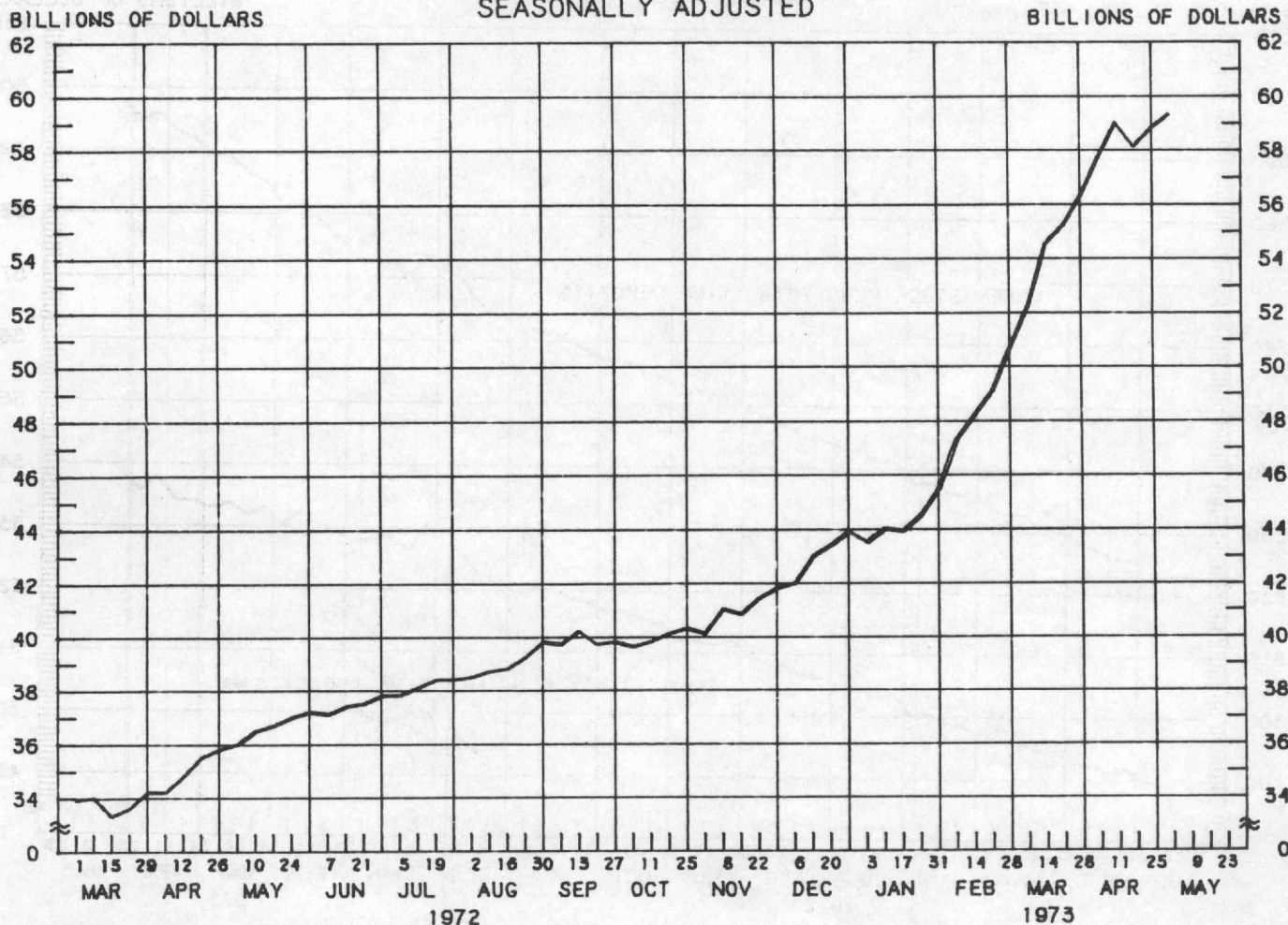
5/3/72 8/30/72 10/4/72 11/1/72 11/29/72 1/3/73 1/31/73 2/28/73

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

10/ 4/72	9.9							
11/ 1/72	10.0	10.3						
11/29/72	9.7	9.5	9.4					
1/ 3/73	10.4	10.8	11.2	11.3				
1/31/73	9.6	9.4	9.2	8.7	9.1			
2/28/73	9.4	9.1	8.9	8.4	8.6	5.2		
4/ 4/73	8.9	8.4	8.2	7.7	7.6	5.2	6.2	
5/ 2/73	8.9	8.4	8.2	7.8	7.8	6.0	6.9	6.7

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 2, 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.

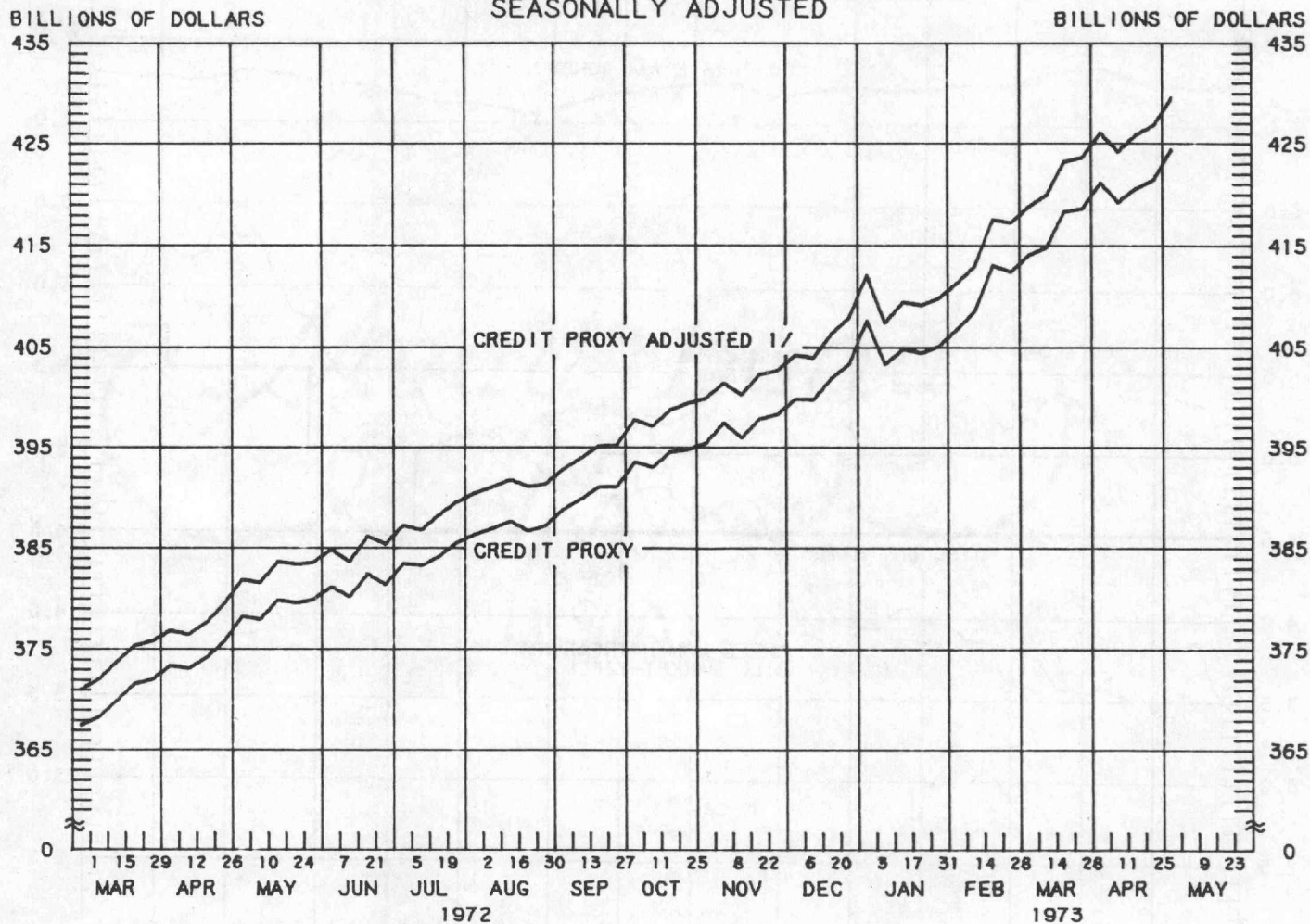
MONEY AND TIME DEPOSIT DATA			
1973	BILLIONS		
	CERTIFICATES OF DEPOSIT	NET TIME DEPOSITS *	M2 ***
MAR. 7	52.2	275.3	533.0
14	54.5	275.6	531.7
21	55.2	276.2	533.7
28	56.3	276.8	532.8
APR. 4	57.7	276.6	534.1
11	59.0	276.6	534.1
18	58.1	279.0	537.9
25	58.8	278.7	535.6
MAY 2	59.3	279.0	538.5
9			
16			
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: MAY 2, 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

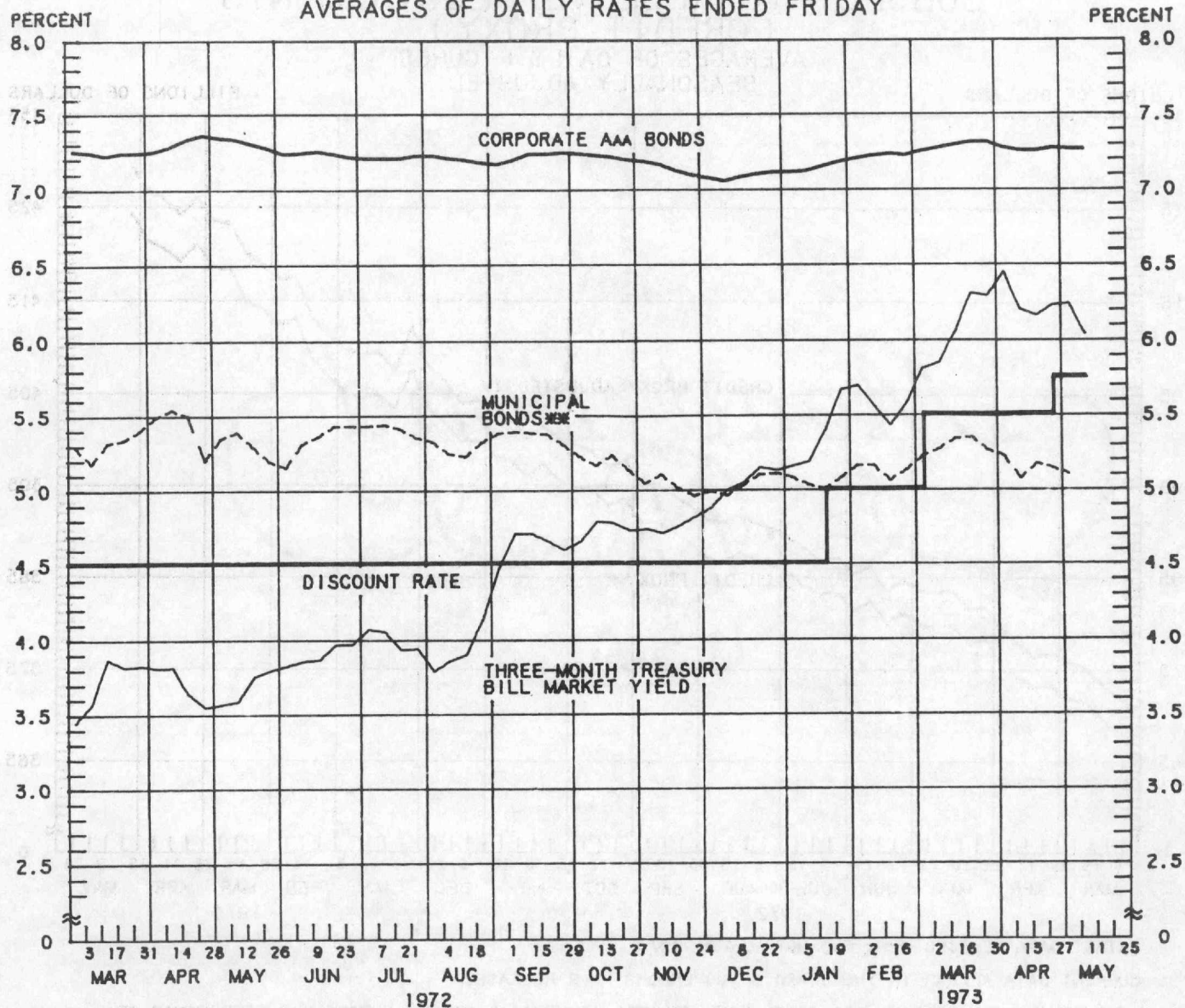
		CREDIT PROXY	CREDIT PROXY ADJUSTED
MAR.	28	418.6	423.6
APR.	4	421.1	426.0
	11	419.2	424.1
	18	420.5	425.8
	25	421.4	426.8
MAY	2	424.3	429.5

COMPOUNDED ANNUAL RATES OF CHANGE,
AVERAGE OF THE FOUR WEEKS ENDING
MAY 2, 1973 FROM THE FOUR
WEEKS ENDING:

	CREDIT PROXY	CREDIT PROXY ADJUSTED
FEB. 28, 1973	16.8	17.6
JAN. 31, 1973	17.9	18.5
JAN. 3, 1973	14.5	15.0
NOV. 29, 1972	14.9	15.3
NOV. 1, 1972	14.2	14.4
OCT. 4, 1972	13.7	14.0
MAY 3, 1972	12.3	12.6

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: MAY 11, 1973

1973	CORPORATE AAA BONDS	3-MONTH TREASURY BILLS	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES	MUNICIPAL BONDS ***
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	6.29	6.79	6.18	5.26
APR. 6	7.27	6.45	6.77	6.16	5.22
13	7.25	6.20	6.67	6.09	5.07
20	7.25	6.16	6.73	6.07	5.17
27	7.27	6.23	6.79	6.10	5.14
MAY 4	7.26	6.24	6.79	6.15	5.10
11 *	7.26	6.04	6.78	6.16	N.A.
18					
25					

* AVERAGES OF RATES AVAILABLE.

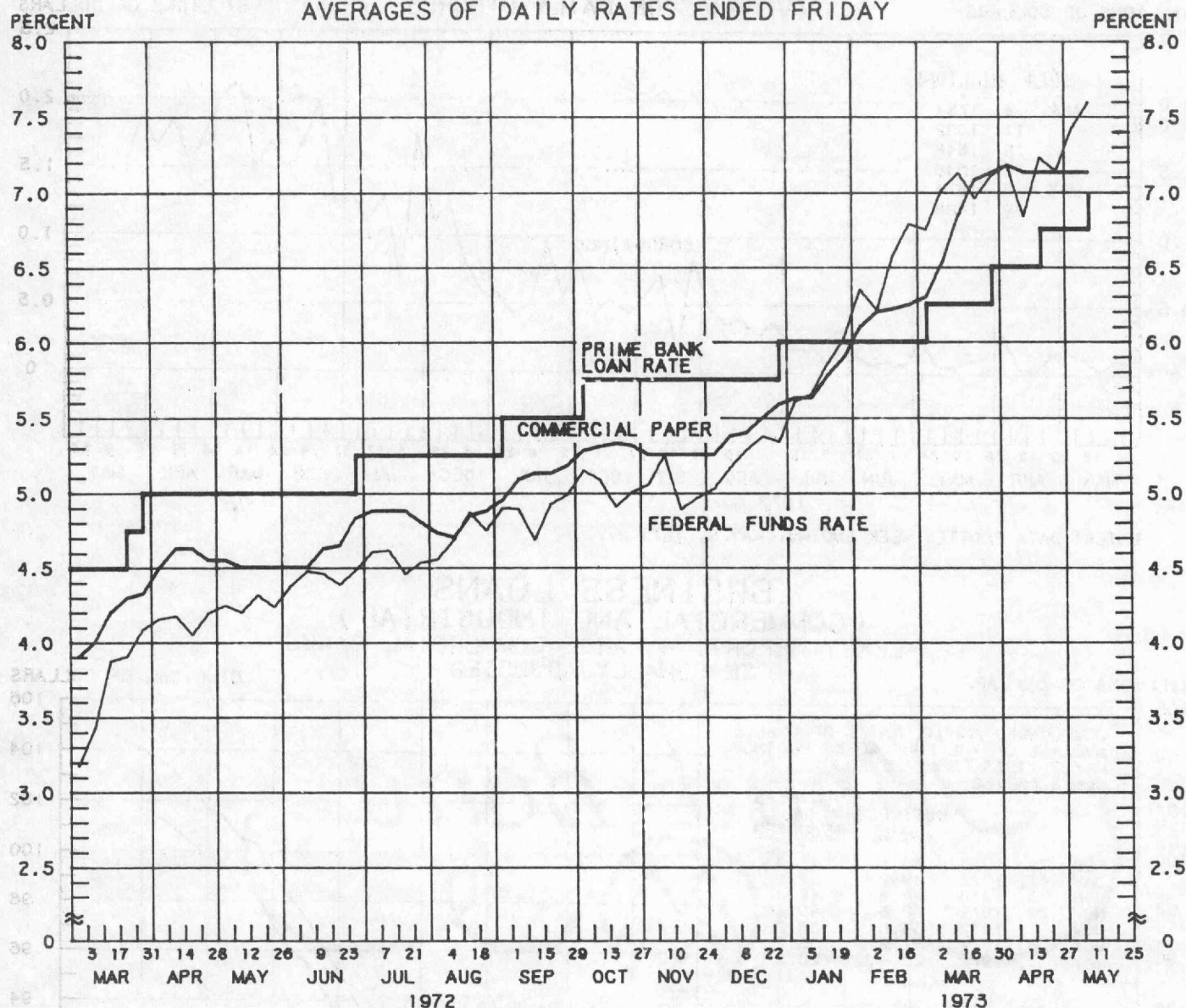
*** BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA.

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: MAY 11, 1973

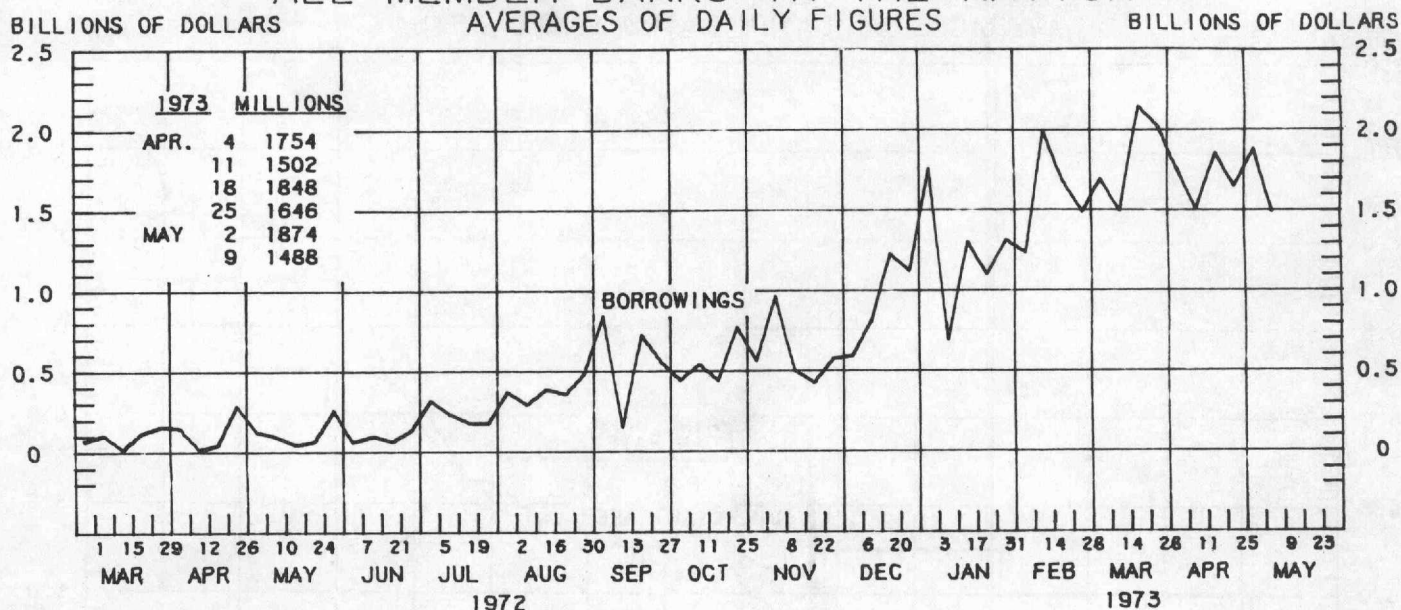
1973	PRIME COMMERCIAL PAPER 4-6 MONTH	FEDERAL FUNDS %	PRIME BANKERS' ACCEPTANCES	90 DAY CD'S %
MAR. 2	6.30	6.75	6.30	6.38
9	6.53	7.02	6.65	6.60
16	6.85	7.13	6.83	6.85
23	7.08	6.96	7.00	7.05
30	7.13	7.11	7.00	7.23
APR. 6	7.18	7.18	7.00	7.27
13	7.13	6.84	6.98	7.31
20	7.13	7.23	6.88	7.27
27	7.13	7.14	7.00	7.28
MAY 4	7.13	7.43	7.00	7.34
11 *	7.13	7.60	7.00	7.38
18				
25				

* 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.

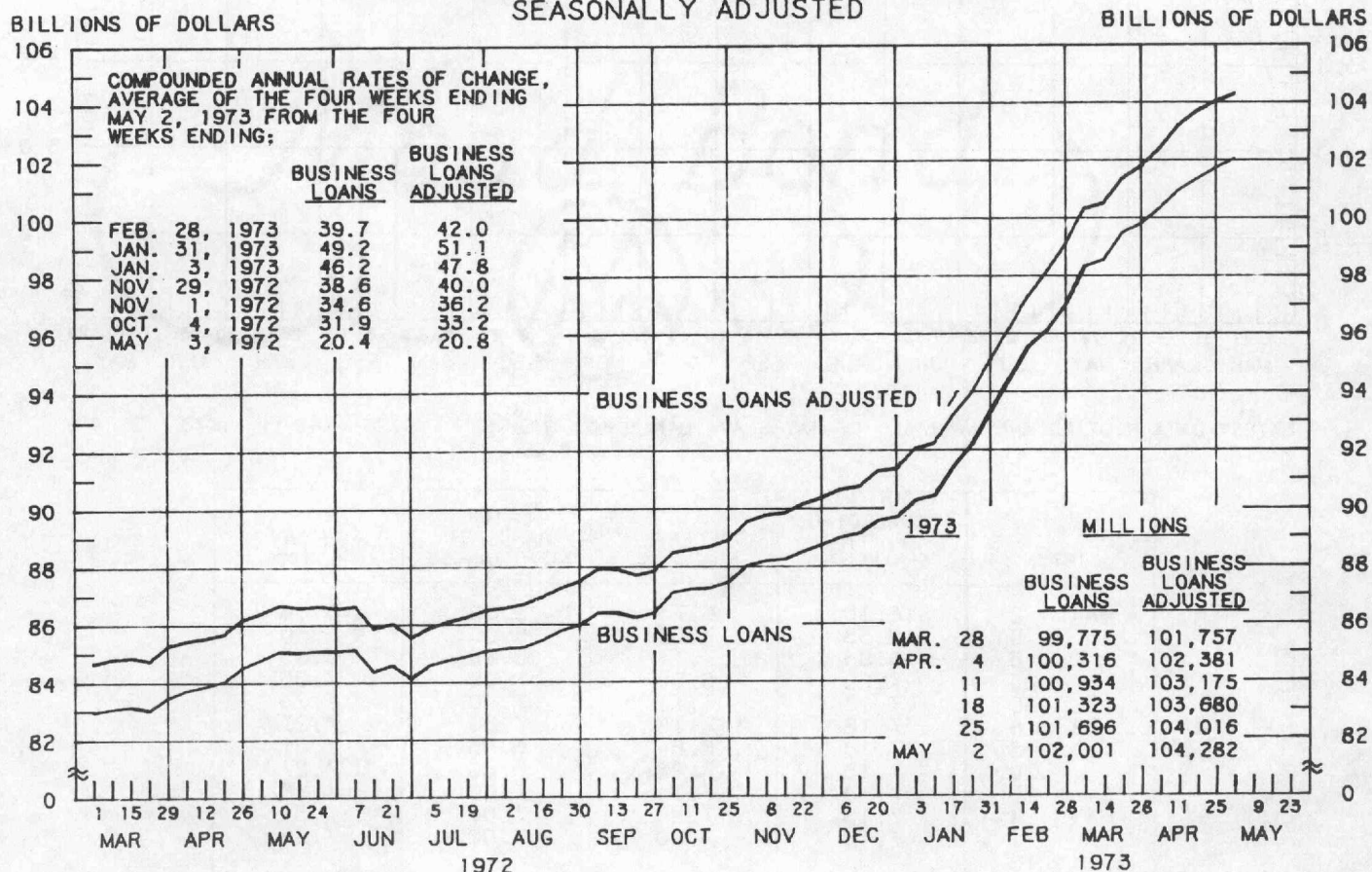
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



LATEST DATA PLOTTED WEEK ENDING: MAY 9, 1973

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



LATEST DATA PLOTTED WEEK ENDING: MAY 2, 1973

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

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS