

RESEARCH LIBRARY
Federal Reserve Bank
of St. Louis

Week ending: May 16, 1973

AUG 26 1998

The nation's money stock, defined to include private demand deposits and currency in the hands of the nonbank public, averaged \$258.7 billion in the four weeks ending May 9. The money stock has risen at a 5.5 percent annual rate in the last six months and has increased 6.4 percent during the past year. For comparison, the money stock grew at a 6.3 percent rate from 1967 to 1972.

Effective May 17, the Federal Reserve Board suspended Regulation Q interest rate ceilings on certificates of deposit (CDs) of \$100,000 or more that mature in 90 days or more. At the same time, it was announced that, effective in June, a marginal reserve requirement of 8 percent will be charged on further increases in large CDs and bank-related commercial paper. The 8 percent reserve requirement will apply to increases in large CDs and bank-related commercial paper above the total level existing during the week ending May 16, or above \$10 million, whichever is larger. Reserve requirements on Eurodollar borrowings were reduced from 20 percent to 8 percent. Regulation Q interest rate ceilings on deposits of \$100,000 or more had been 6.75 percent on maturities of 90-179 days, 7 percent for 180 days to one year, and 7.5 percent for one year or longer. Interest rates on CDs of \$100,000 or more with maturities of 30-89 days have been suspended since June 1970.

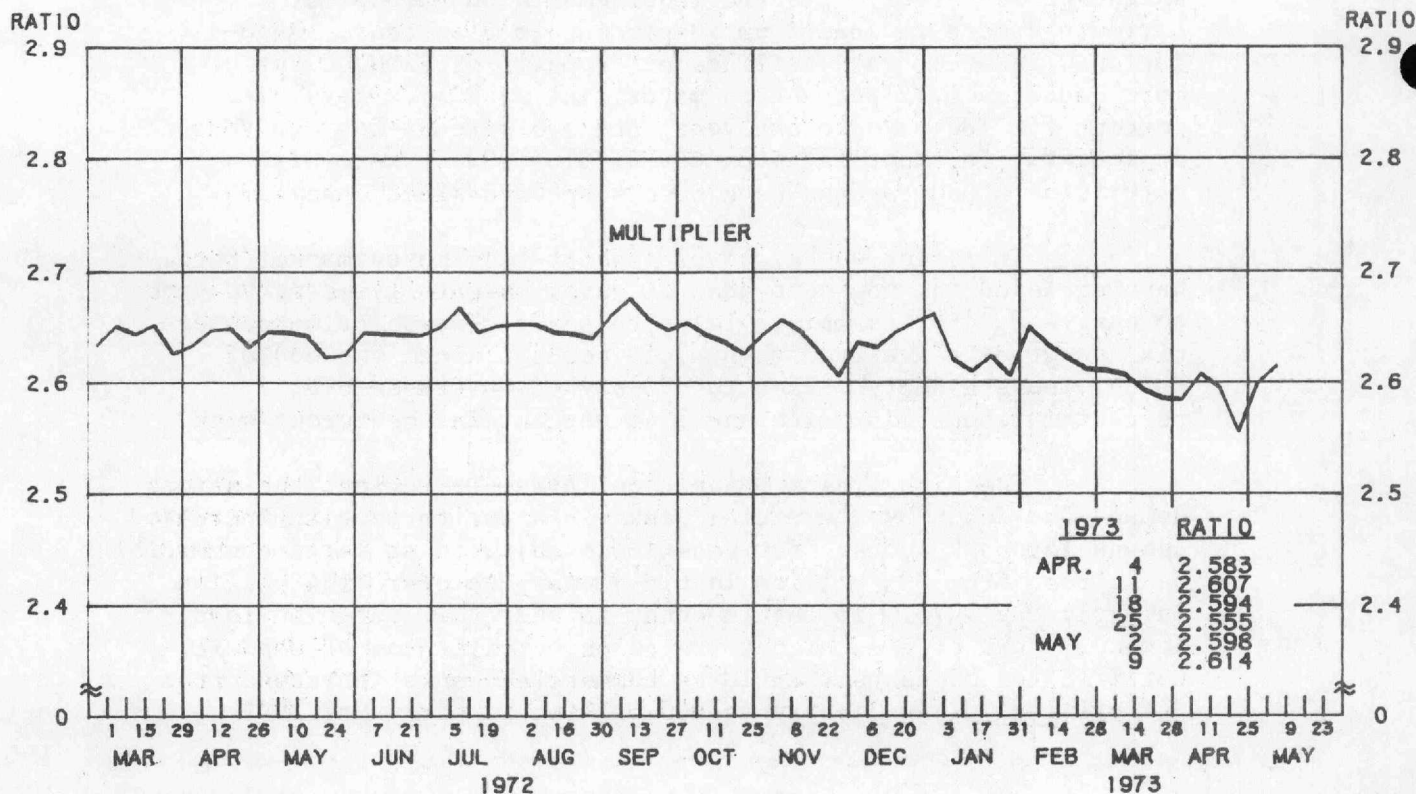
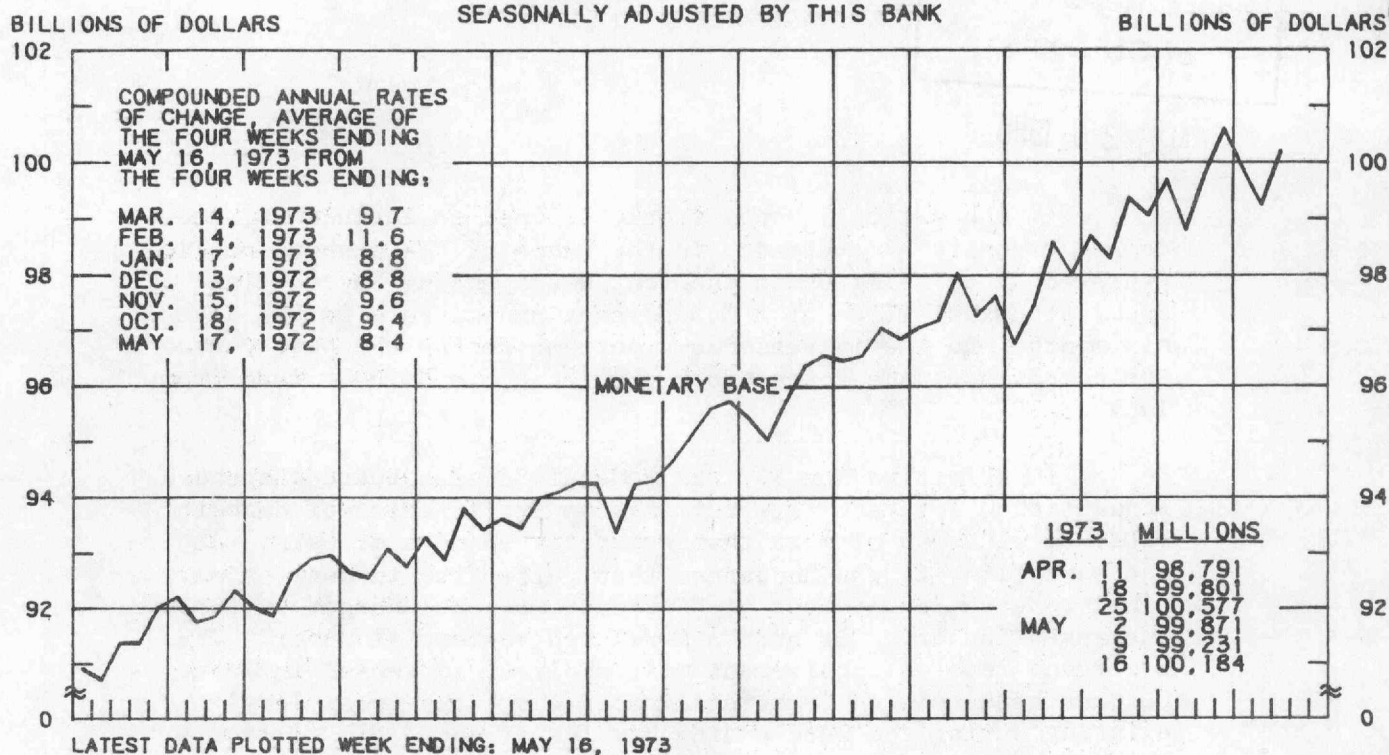
In recent weeks, several short-term money market rates have exceeded the now suspended CD rates on maturities of 90 days to one year. For example, yields on 4- to 6-month prime commercial paper have averaged about 7.13 percent since the end of March; the secondary market for 90-day CDs averaged over 7 percent in about mid-March and 7.45 percent in the recent week.

The high yields payable on large CDs reflect the strong demand for funds by commercial banks in order to meet an increased demand for bank loans. Business loans adjusted at large commercial banks rose from \$93 billion in mid-January to over \$104 billion in early May 1973. To obtain funds to meet this surge in loan demand, banks offered higher yields on certificates of deposit. Certificates of deposit at large commercial banks increased from \$44 billion in mid-January to \$60 billion in early May 1973.

Prepared by Federal Reserve Bank of St. Louis

Released: May 18, 1973

MONETARY BASE ^{1/} MULTIPLIER ^{2/} AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED BY THIS BANK

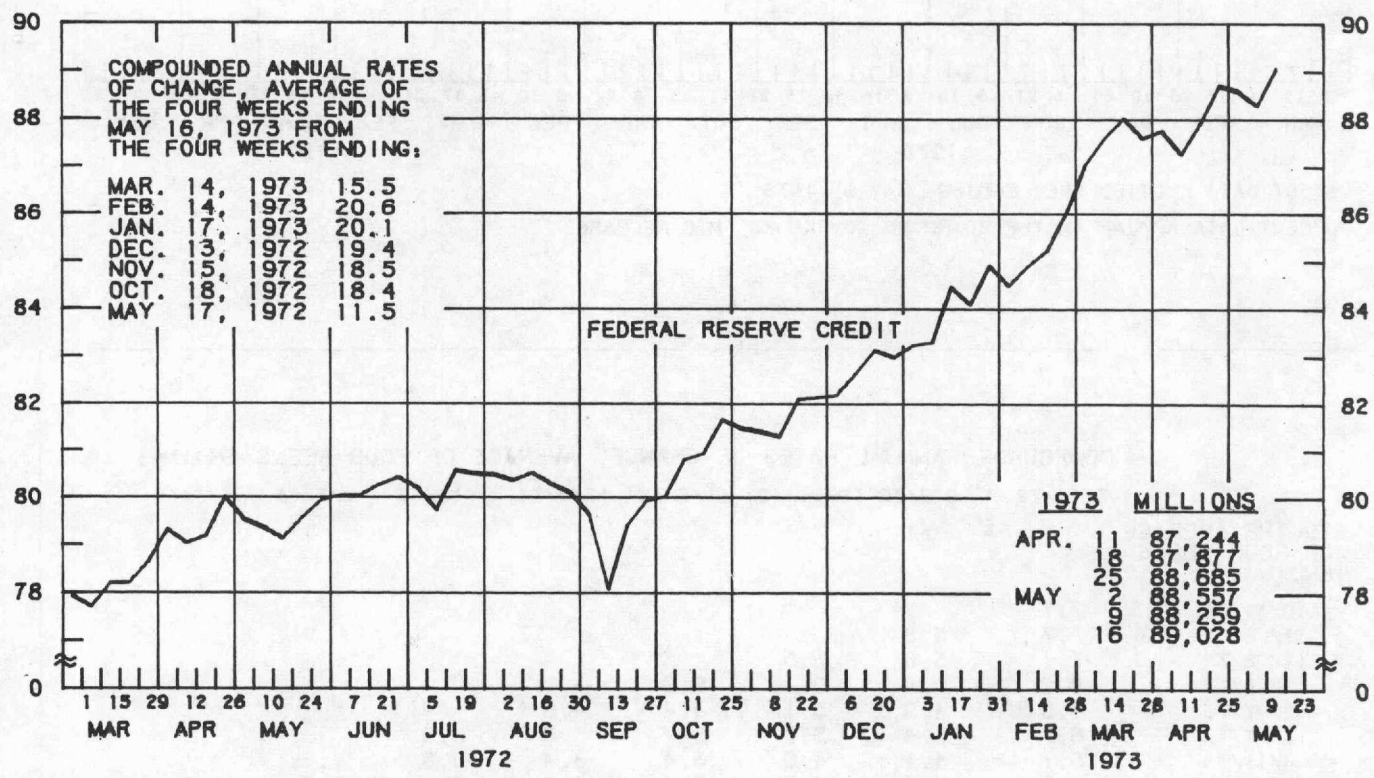
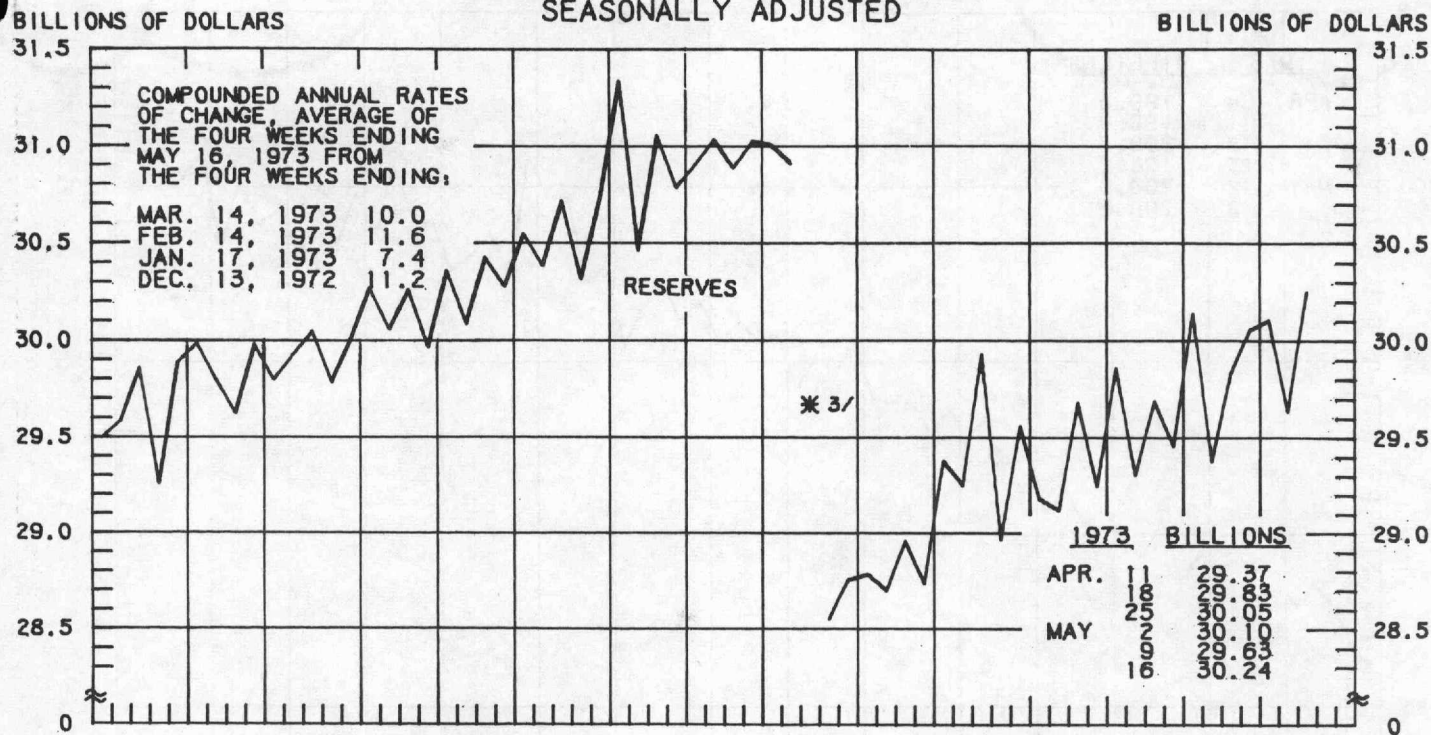


LATEST DATA PLOTTED WEEK ENDING: MAY 9, 1973

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^{1/} ALL MEMBER BANKS FEDERAL RESERVE CREDIT^{2/} AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 16, 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.

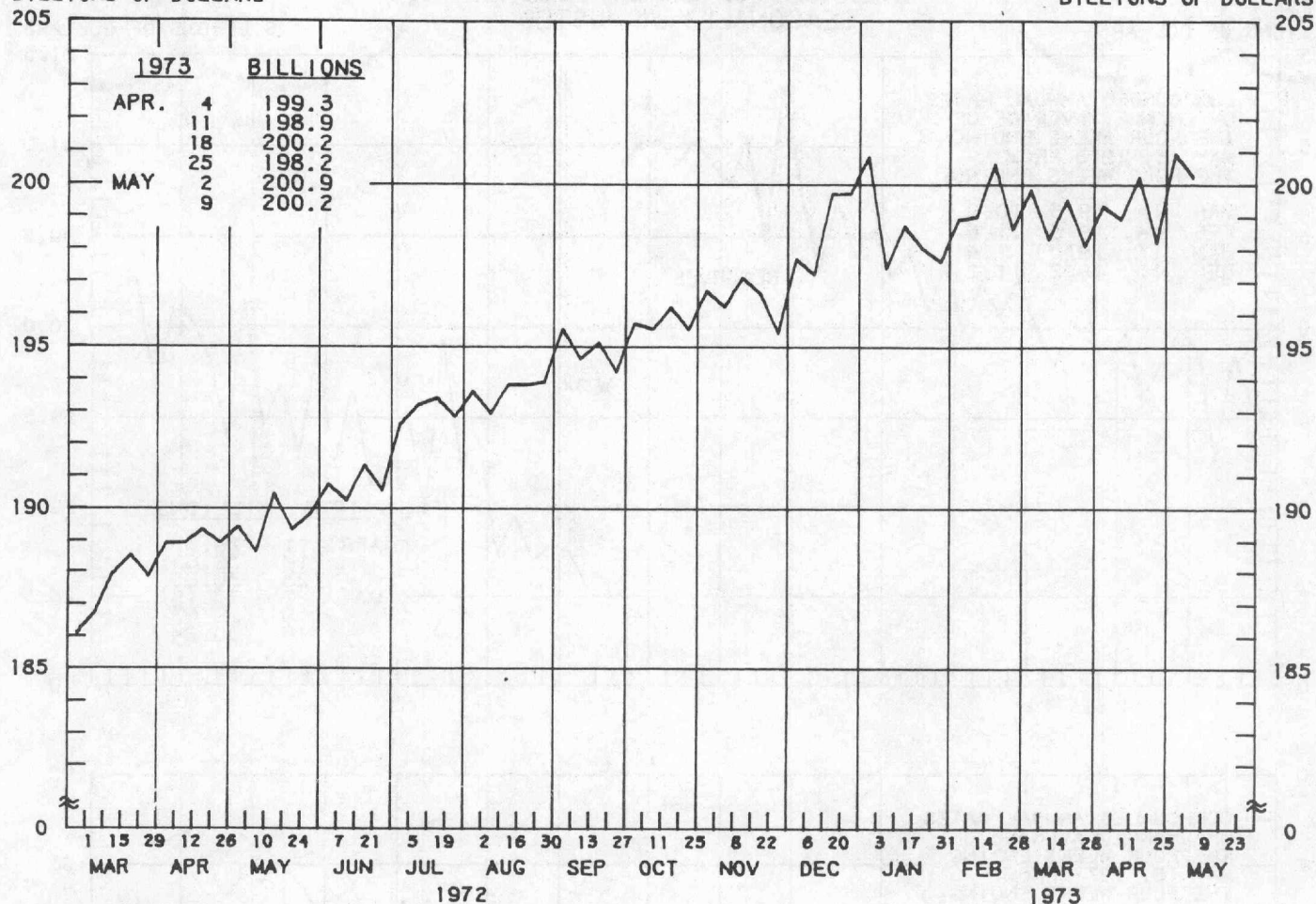
* BREAK IN SERIES DUE TO THE EFFECT OF CHANGES IN REGULATION D.

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MAY 9, 1973

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

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

5/10/72 9/6/72 10/11/72 11/8/72 12/6/72 1/10/73 2/7/73 3/7/73

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

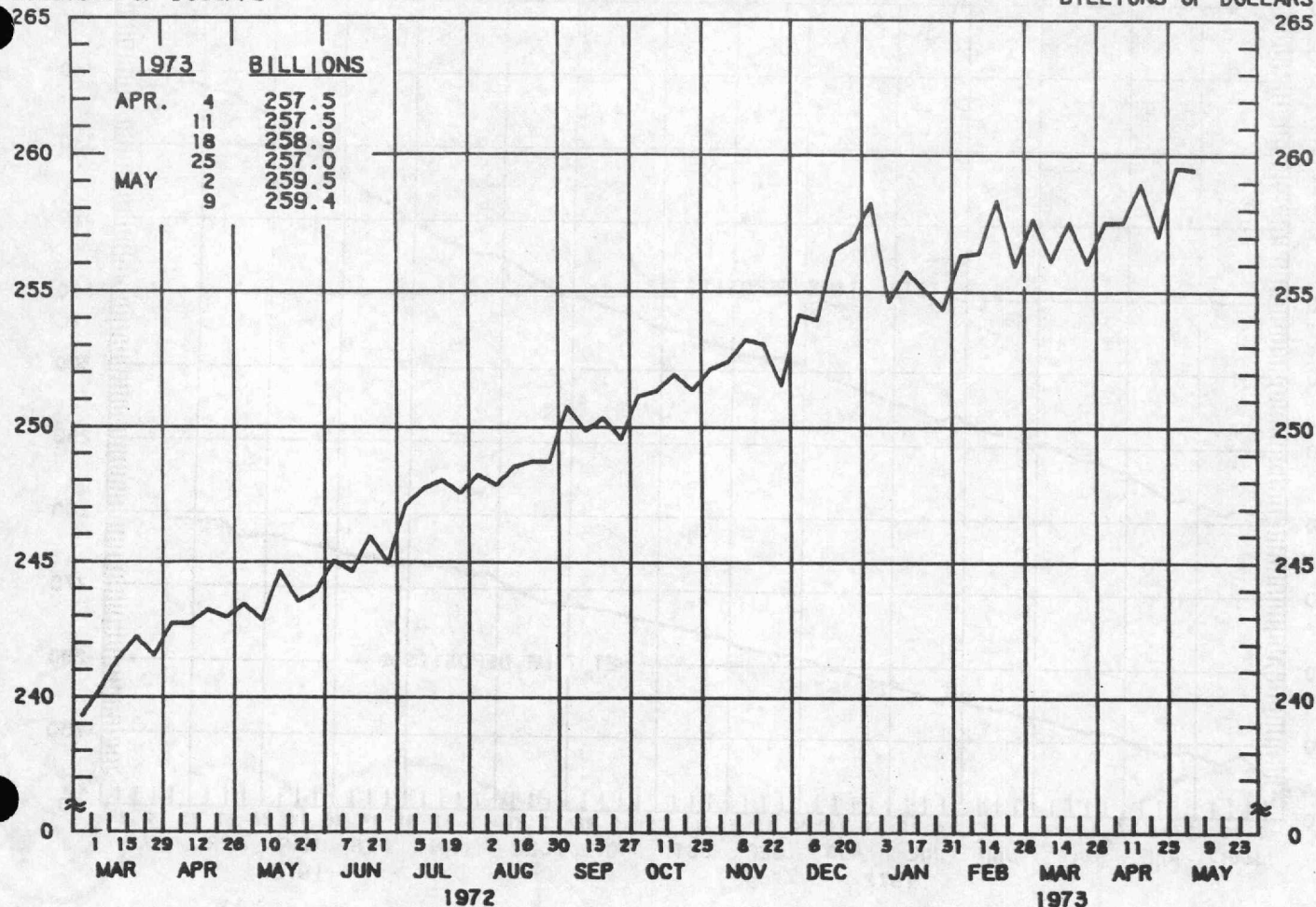
10/11/72	7.7							
11/ 8/72	7.7	5.8						
12/ 6/72	7.1	5.0	5.5					
1/10/73	8.2	7.8	9.1	9.8				
2/ 7/73	6.5	4.9	5.1	4.4	4.8			
3/ 7/73	6.7	5.4	5.7	5.2	5.8	0.3		
4/11/73	5.7	4.1	4.0	3.4	3.4	-0.8	2.1	
5/ 9/73	5.7	4.3	4.3	3.8	3.9	0.8	3.3	1.2

MONEY STOCK

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MAY 9, 1973

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

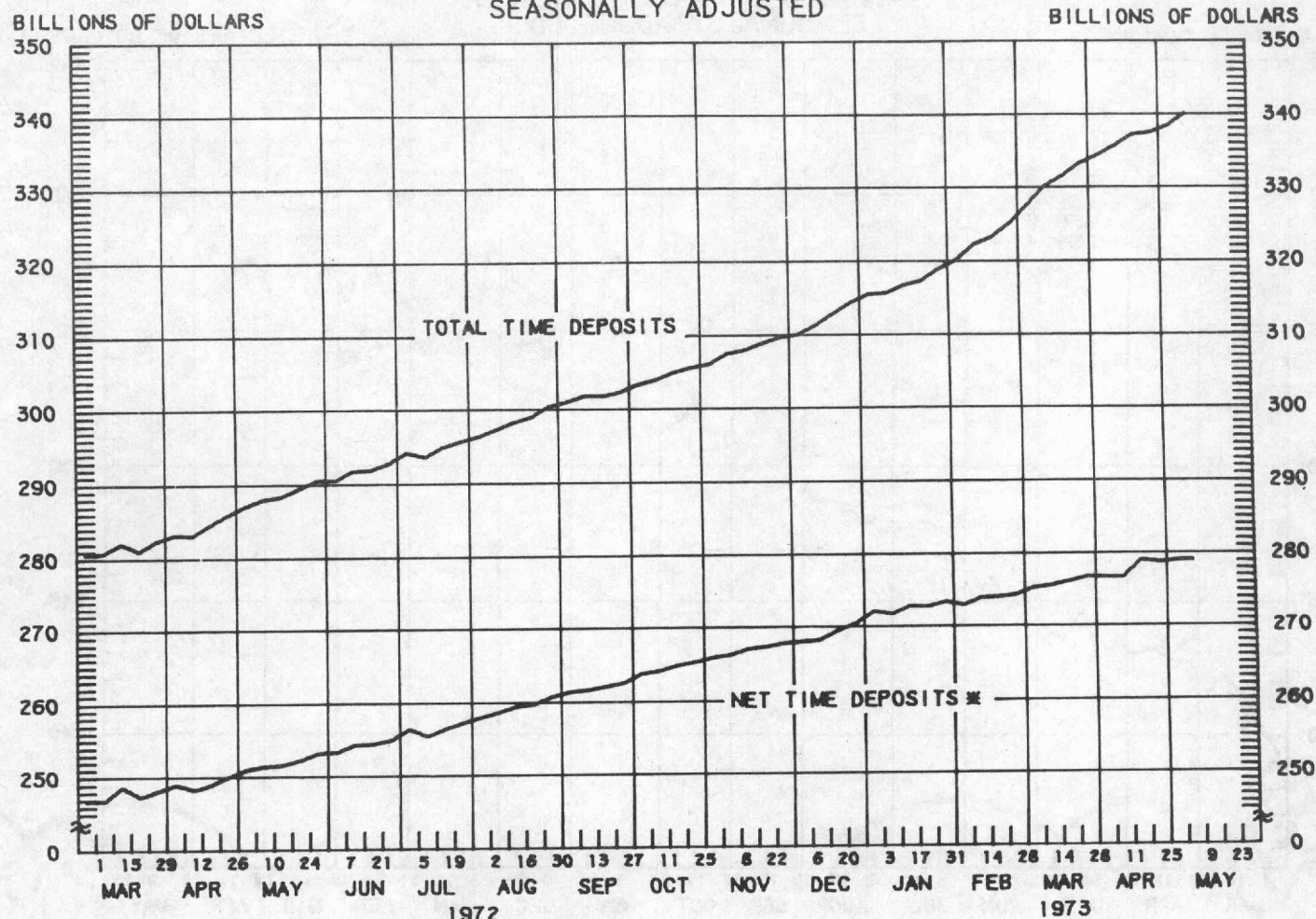
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

5/10/72 9/8/72 10/11/72 11/8/72 12/6/72 1/10/73 2/7/73 3/7/73

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

10/11/72	7.4							
11/ 8/72	7.4	6.4						
12/ 6/72	7.2	6.2	6.4					
1/10/73	8.4	8.8	9.9	11.3				
2/ 7/73	6.7	5.9	5.8	5.5	5.4			
3/ 7/73	7.0	6.4	6.5	6.4	6.6	1.3		
4/11/73	6.3	5.4	5.3	4.9	4.8	0.8	4.1	
5/ 9/73	6.4	5.7	5.7	5.5	5.4	2.5	5.4	3.6

TIME DEPOSITS ALL COMMERCIAL BANKS AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 9, 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:

5/10/72 9/8/72 10/11/72 11/8/72 12/6/72 1/10/73 2/7/73 3/7/73

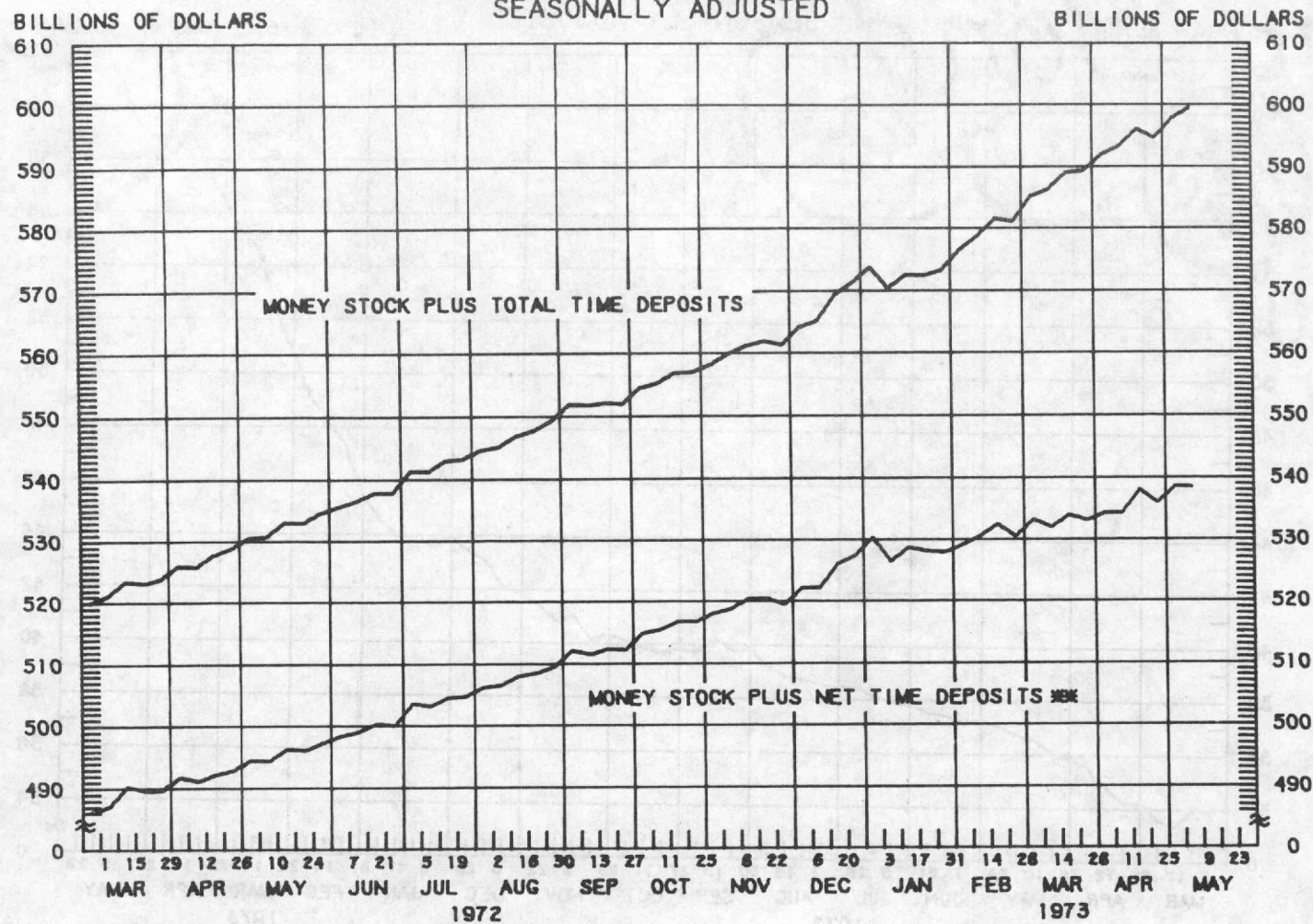
TO THE AVERAGE
OF FOUR WEEKS
ENDING:

10/11/72	12.5							
11/ 8/72	12.6	12.4						
12/ 6/72	12.3	11.7	11.7					
1/10/73	12.5	12.2	12.4	12.1				
2/ 7/73	12.2	11.8	11.8	11.5	12.0			
3/ 7/73	11.8	11.2	11.1	10.6	10.7	9.0		
4/11/73	11.4	10.7	10.5	10.1	10.0	8.7	8.1	
5/ 9/73	11.4	10.8	10.6	10.3	10.3	9.3	9.1	9.6

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 9, 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:

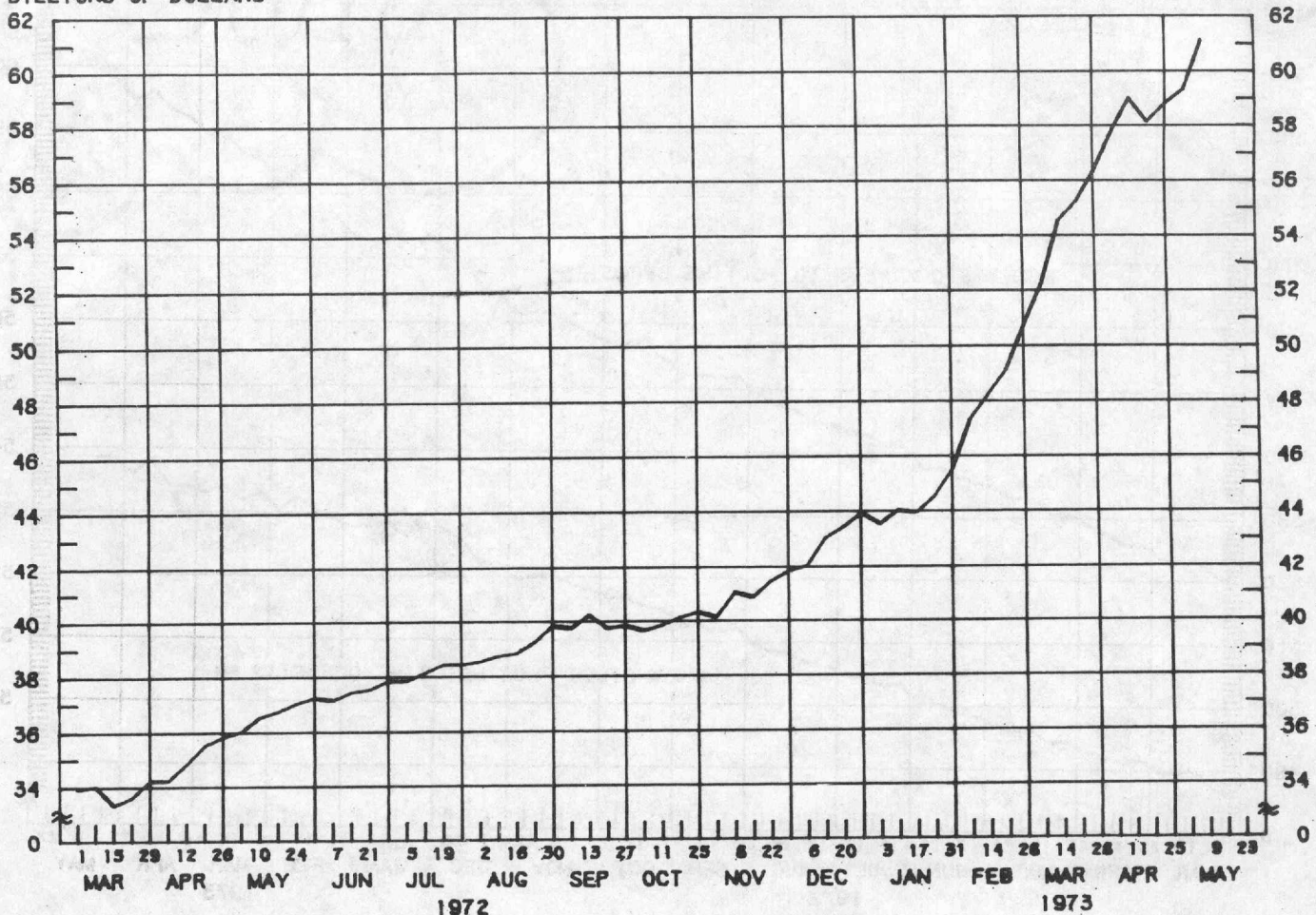
	5/10/72	9/8/72	10/11/72	11/8/72	12/8/72	1/10/73	2/7/73	3/7/73
TO THE AVERAGE OF FOUR WEEKS ENDING:								
10/11/72	9.9							
11/ 8/72	10.0	9.5						
12/ 8/72	9.7	9.0	9.1					
1/10/73	10.4	10.6	11.2	11.6				
2/ 7/73	9.5	9.0	9.0	8.6	9.0			
3/ 7/73	9.4	8.9	8.9	8.5	8.7	5.2		
4/11/73	8.9	8.1	8.0	7.6	7.5	4.9	6.1	
5/ 9/73	9.0	8.3	8.2	7.9	7.9	6.0	7.2	6.8

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MAY 9, 1973

CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.8 RELEASE.

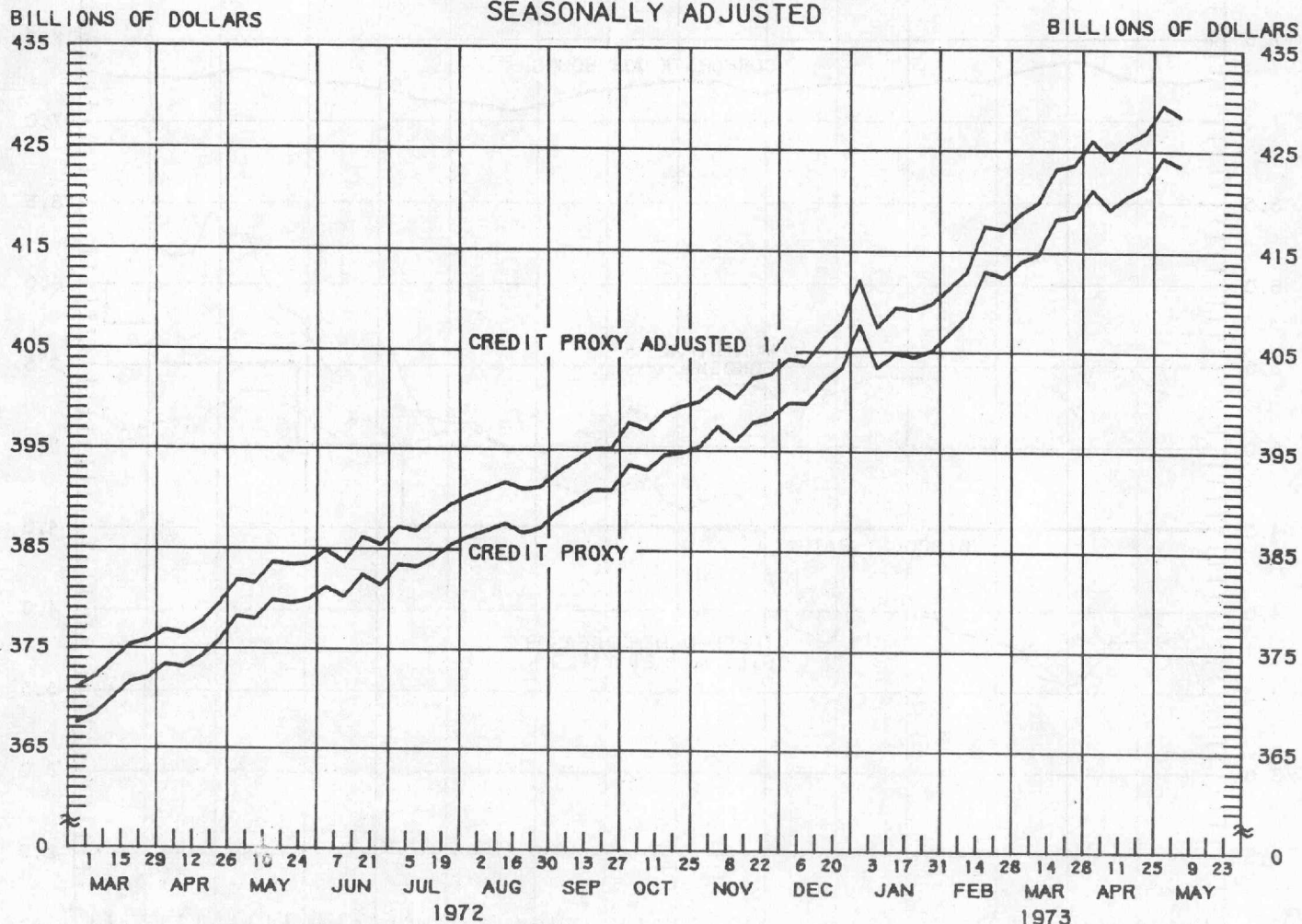
NEGOTIABLE TIME CERTIFICATES OF DEPOSIT ISSUED IN DENOMINATIONS OF \$100,000 OR MORE BY LARGE WEEKLY REPORTING COMMERCIAL BANKS.

MONEY AND TIME DEPOSIT DATA			
1973	BILLIONS		
	CERTIFICATES OF DEPOSIT	NET TIME DEPOSITS *	M 2 ***
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	278.6	535.7
MAY 2	59.3	279.0	538.5
9	61.1	278.9	538.3
16			
23			
30			

* 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: MAY 9, 1973

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

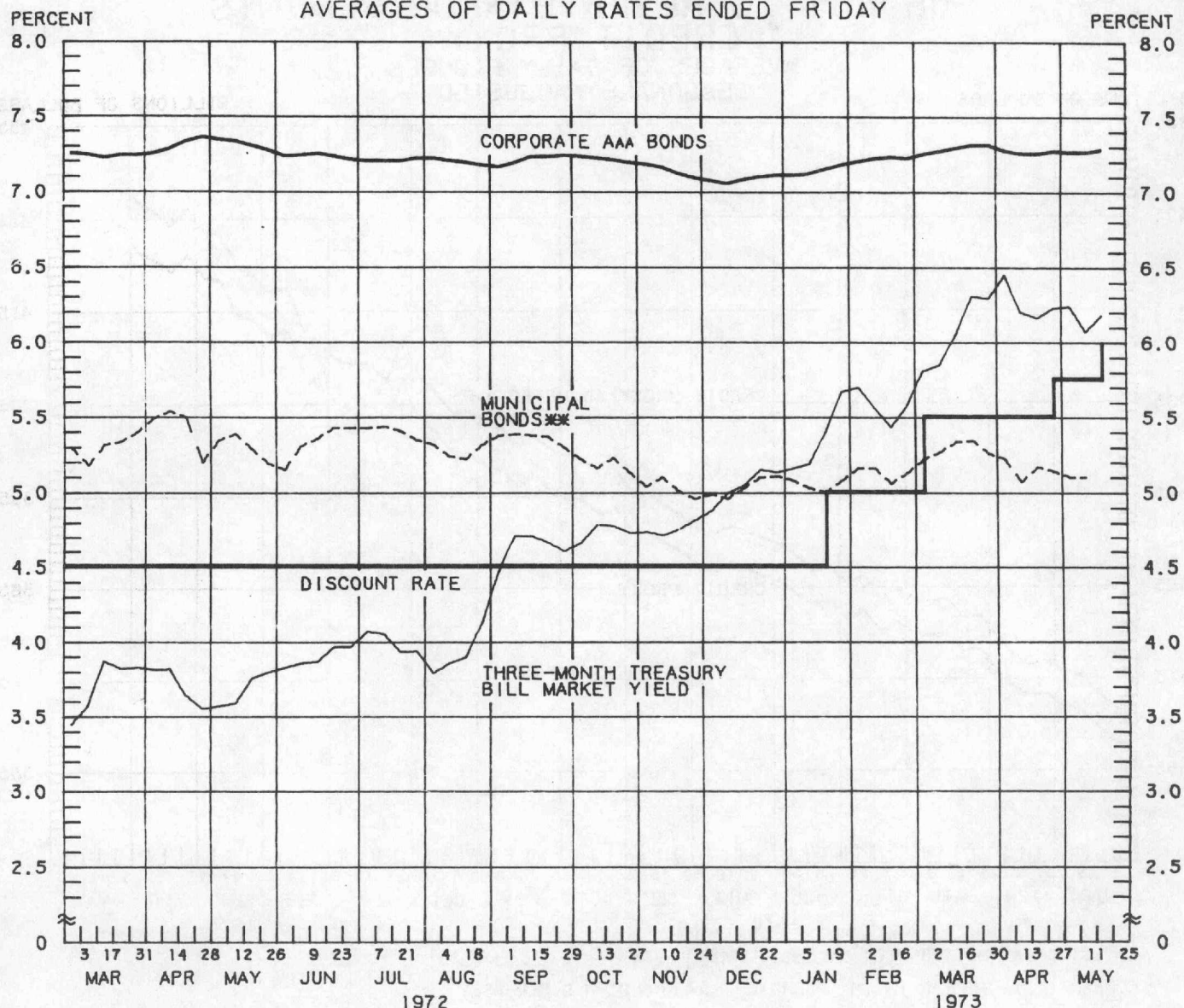
1/ INCLUDES MEMBER BANK DEPOSITS, BANK-RELATED COMMERCIAL PAPER, EURODOLLAR BORROWINGS OF U.S. BANKS, AND CERTAIN OTHER NONDEPOSIT SOURCES.

1973		BILLIONS	
		CREDIT PROXY	CREDIT PROXY ADJUSTED
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
	9	423.4	428.4

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF THE FOUR WEEKS ENDING MAY 9, 1973 FROM THE FOUR WEEKS ENDING:			
		CREDIT PROXY	CREDIT PROXY ADJUSTED
MAR.	7, 1973	15.5	16.3
FEB.	7, 1973	18.0	18.4
JAN.	10, 1973	14.6	15.1
DEC.	6, 1972	15.1	15.4
NOV.	8, 1972	14.1	14.3
OCT.	11, 1972	13.8	14.1
MAY	10, 1972	12.2	12.5

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: MAY 18, 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	6.07	6.76	6.15	5.10
18 *	7.28	6.18	6.75	6.15	N.A.
25					

* AVERAGES OF RATES AVAILABLE.

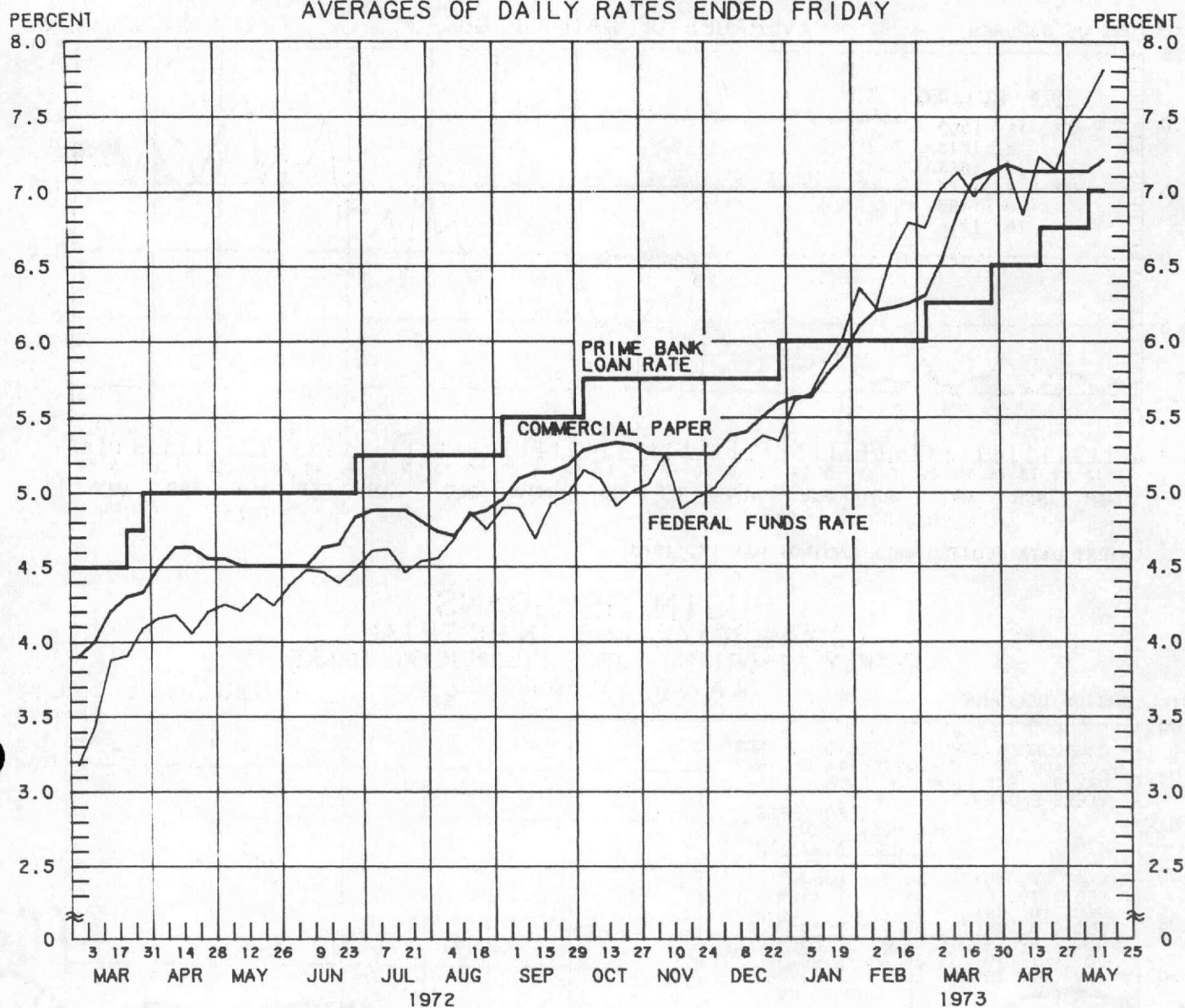
** BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS. THURSDAY DATA.

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: MAY 18, 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 *	7.21	7.81	7.09	7.45
25				

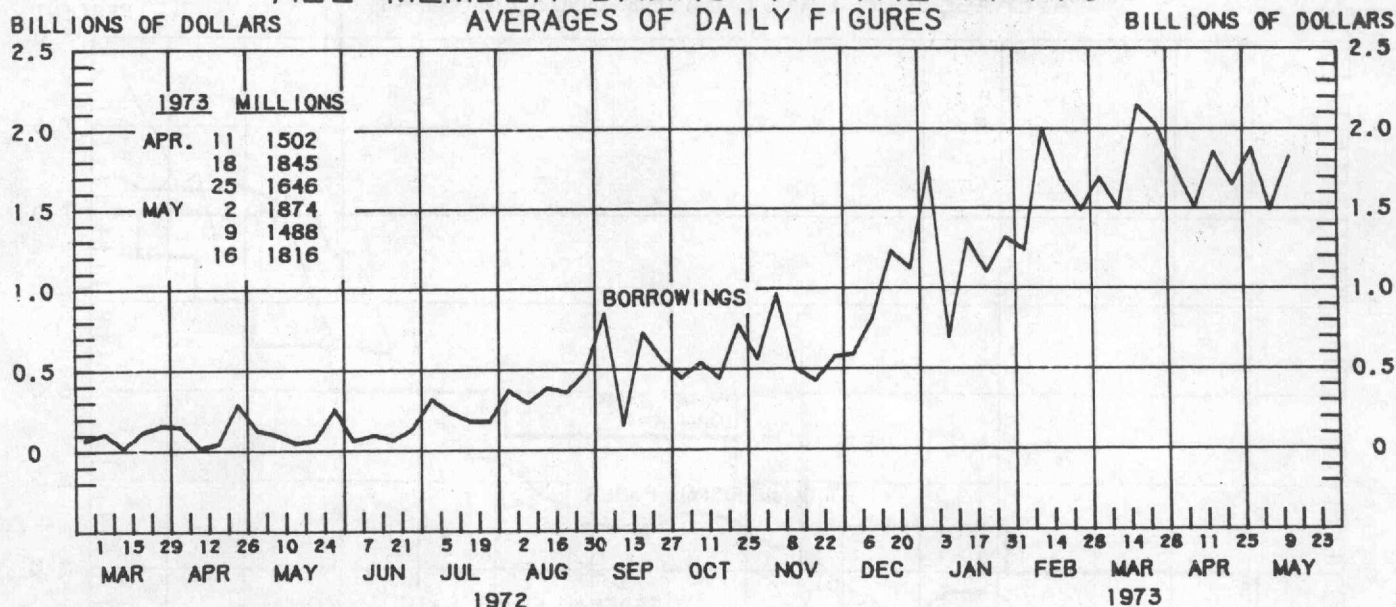
* AVERAGES OF RATES AVAILABLE.

** 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.

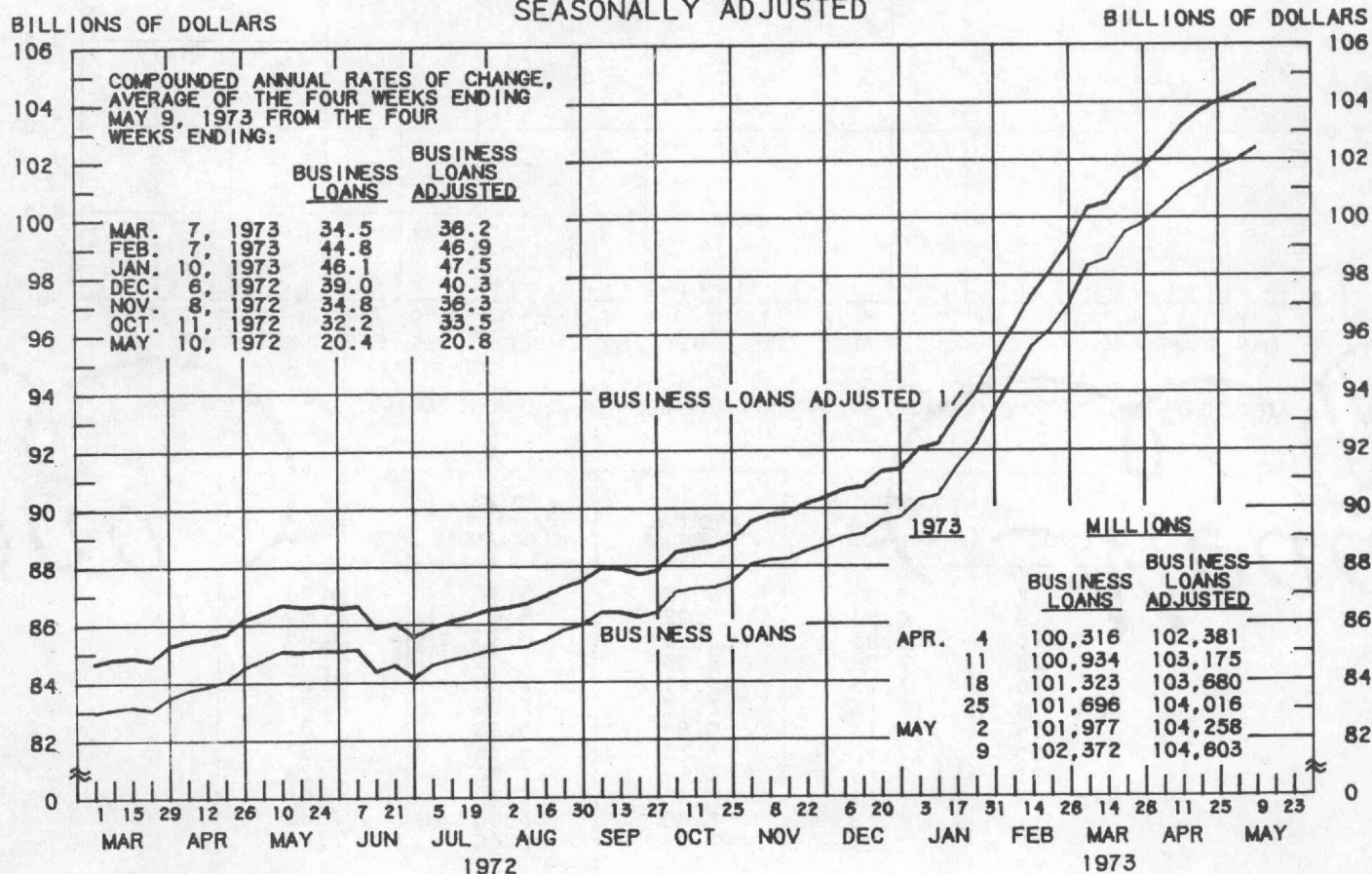
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BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



LATEST DATA PLOTTED WEEK ENDING: MAY 16, 1973

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



LATEST DATA PLOTTED WEEK ENDING: MAY 9, 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