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Week ending: May 30, 1973

The money stock has risen at a 6.2 percent annual rate in the past three months. This rate is not significantly different from the growth rate in the past six, nine, and twelve month periods, and is also about the same as the long-run average growth rate of 6.3 percent from 1967 to 1972. Money stock plus net time deposits has risen at about an 8 percent rate in the past three and six months, compared with an 8.4 percent average rate from 1967 to 1972.

Member bank borrowings averaged \$2.4 billion in the past week, up from an average of \$1.7 billion in the previous four weeks. Until this week, borrowings had fluctuated around \$1.7 billion on average since mid-February, ranging from a high of \$2.1 billion to a low of \$1.5 billion during this period. For comparison, borrowings increased substantially in the second half of 1972 and early 1973. In general, the level of borrowings reflects the gap between short-term money market interest rates and the discount rate. Currently, the prospective higher costs of an increased volume of outstanding large CDs funds, reflecting the recently announced increase in marginal reserve requirements, has resulted in a lower relative cost of member bank borrowing from Reserve Banks.

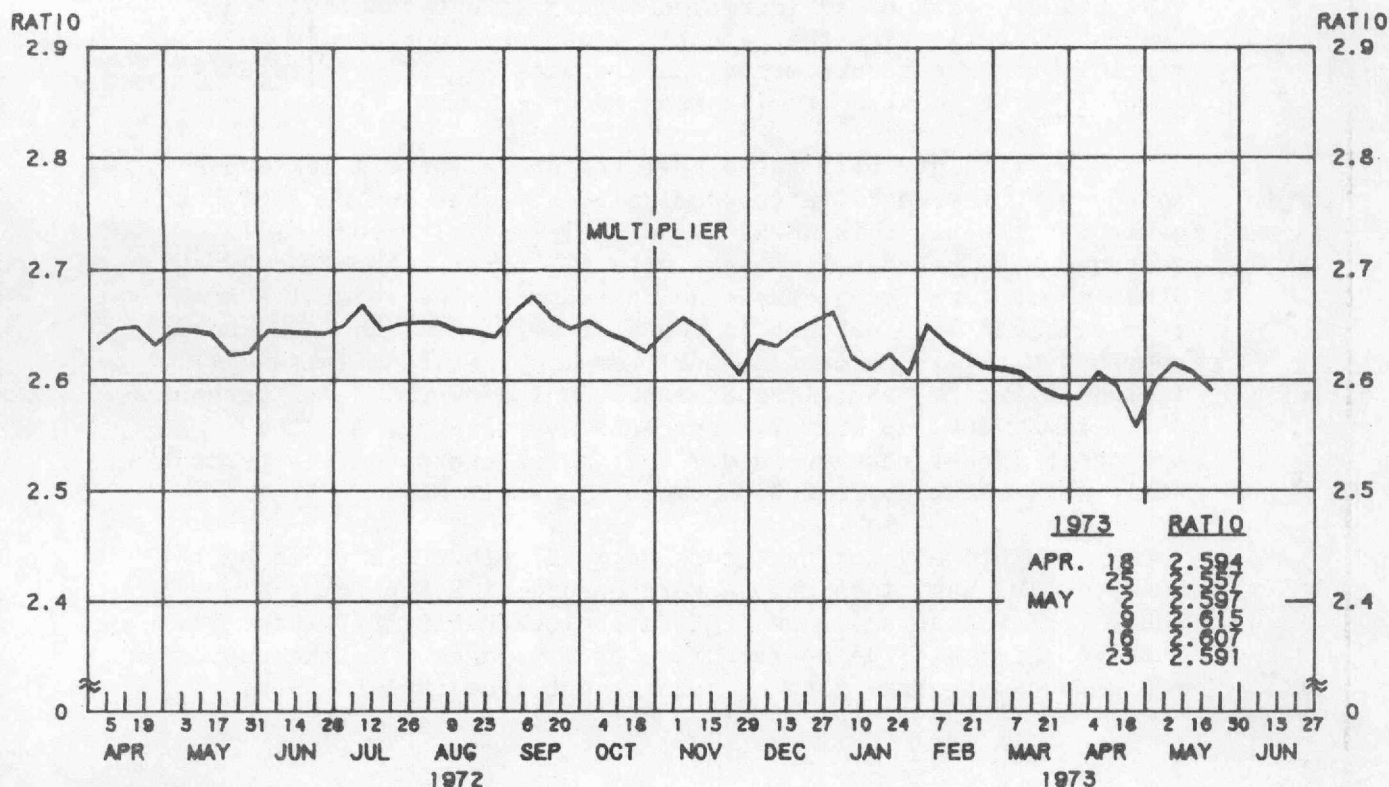
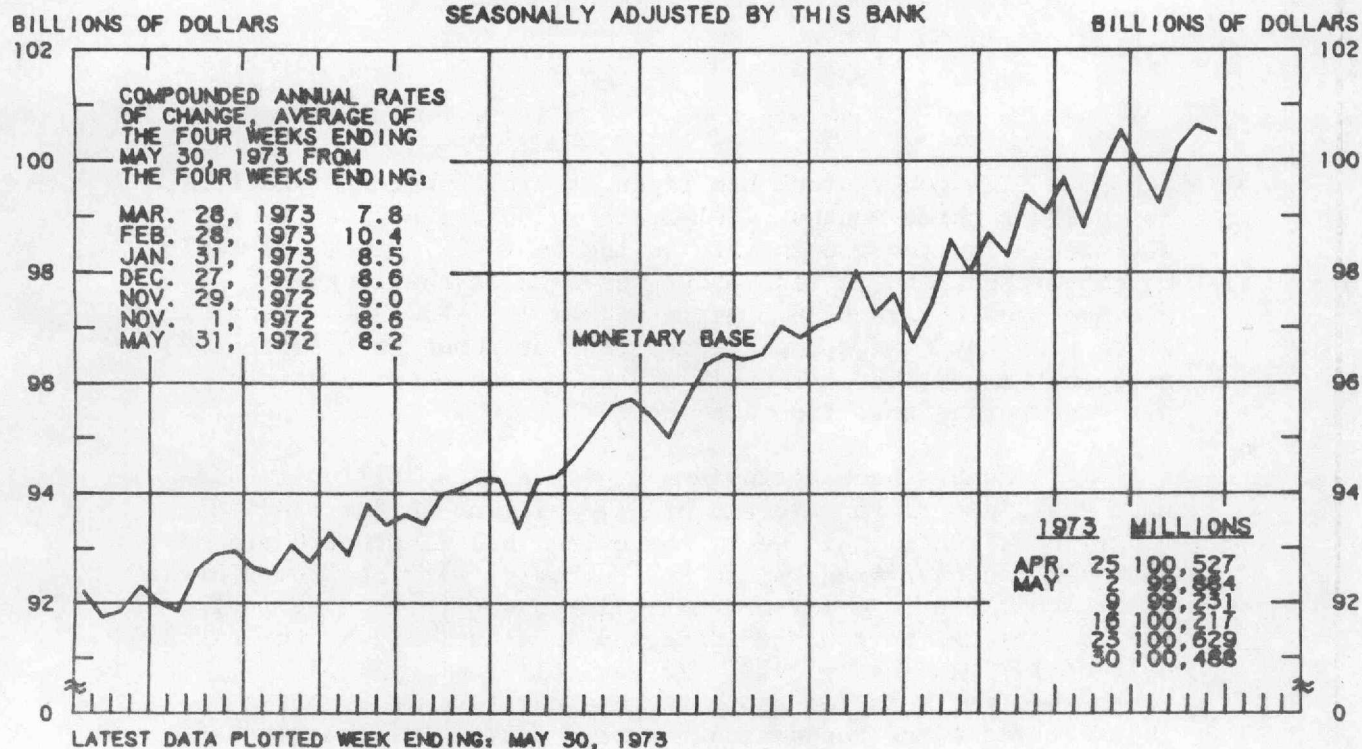
Treasury bill rates have registered strong increases in the past few weeks, after declining somewhat during April and early May. Early this week, rates on 3-month Treasury bills averaged 6.88 percent, compared with 6.1 percent three weeks ago. Other short-term rates have also increased. The Federal Funds rate averaged 7.95 percent in the statement week ending Wednesday, compared with 7.6 percent in early May. Other rate increases include prime commercial paper rates, which averaged 7.5 percent early this week, up from 7.1 percent in early May, and the secondary market rate on 90-day CDs, which averaged 7.75 percent early this week, up from 7.4 percent in early May.

Income velocity (gross national product divided by the money stock) has risen at an average rate of 2.8 percent since early 1971 and at a 4.1 percent rate since early 1972 (page 9). This compares with an average rate of 1.6 percent in the past six years and an average rate of 3.2 percent from 1952 to 1966.

Prepared by Federal Reserve Bank of St. Louis

Released: June 1, 1973

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



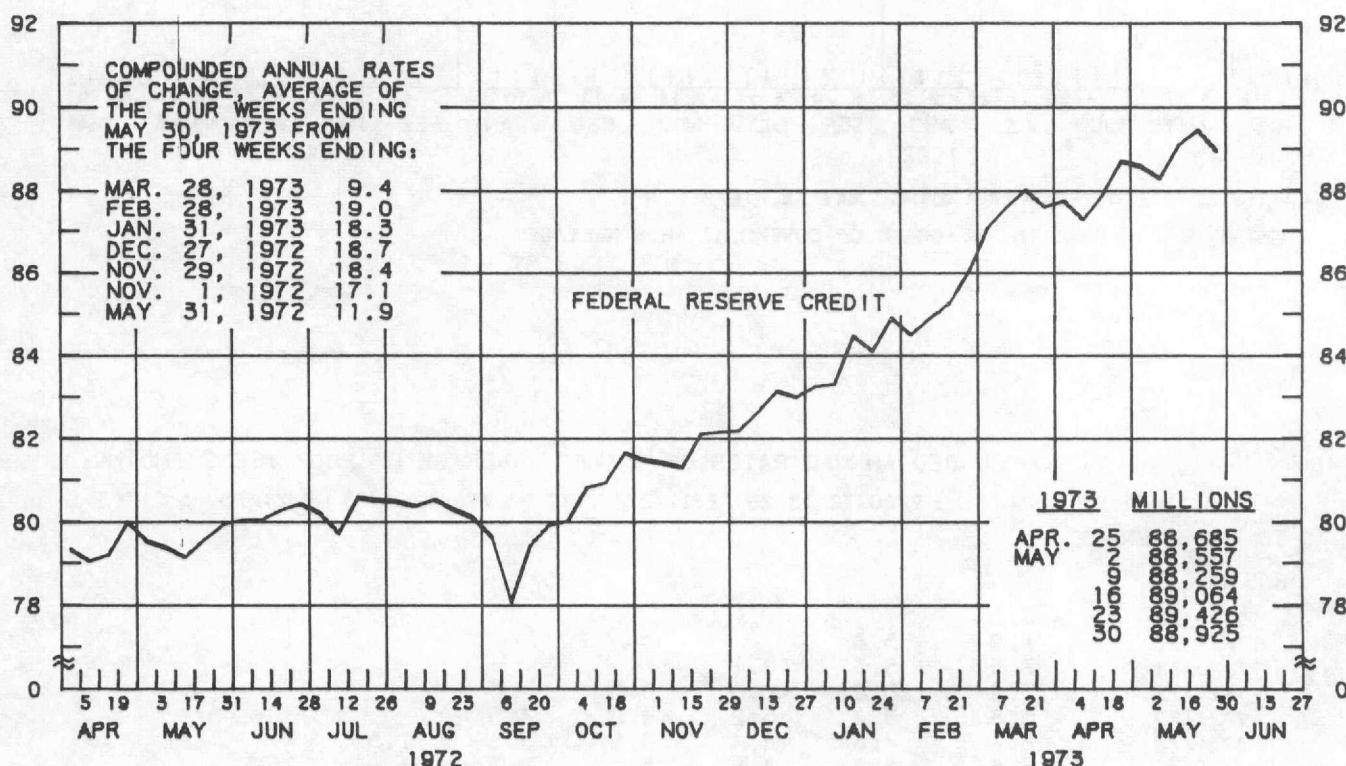
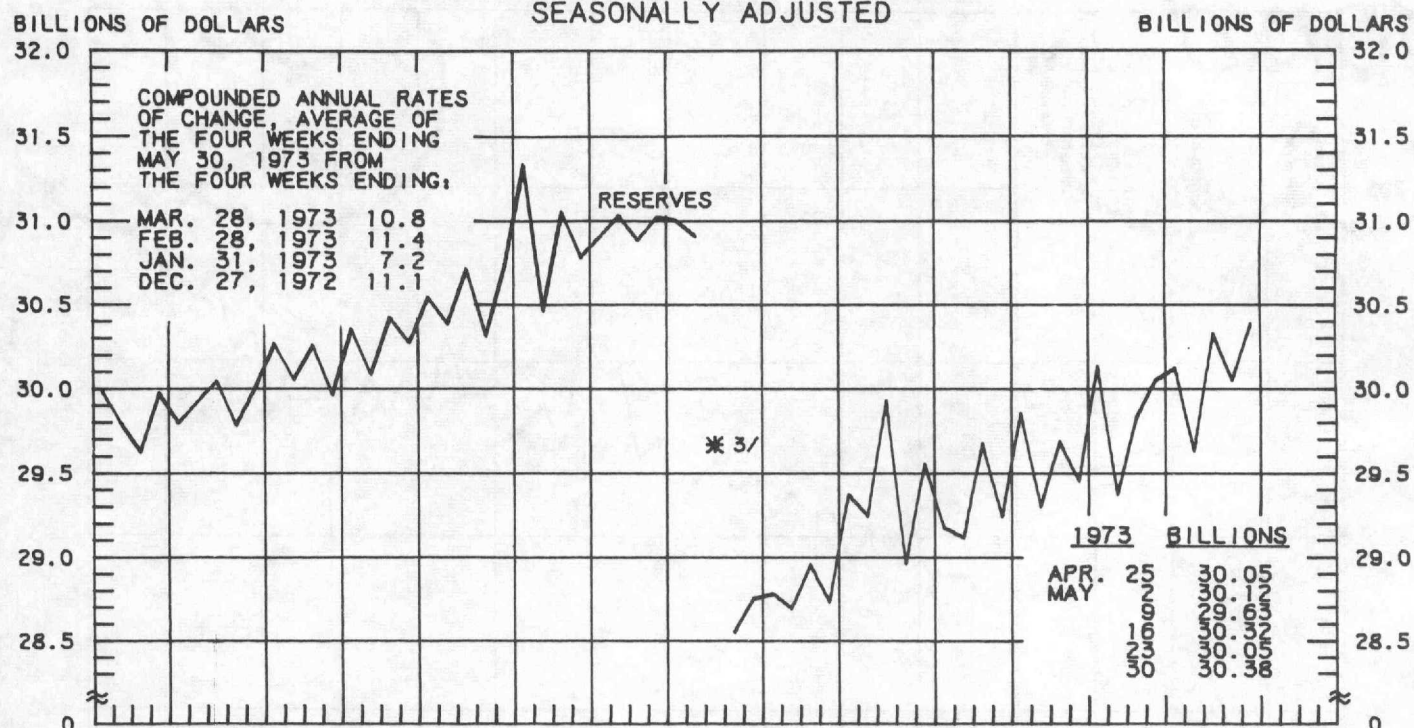
1/ USES OF MONETARY BASE ARE MEMBER BANK RESERVES AND CURRENCY HELD BY THE PUBLIC AND NONMEMBER BANKS, ADJUSTED FOR RESERVE REQUIREMENT CHANGES AND SHIFTS IN DEPOSITS. FOR A DESCRIPTION OF THE BASE SEE THE AUGUST 1968 "REVIEW" OF THIS BANK.

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



LATEST DATA PLOTTED WEEK ENDING: MAY 30, 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.

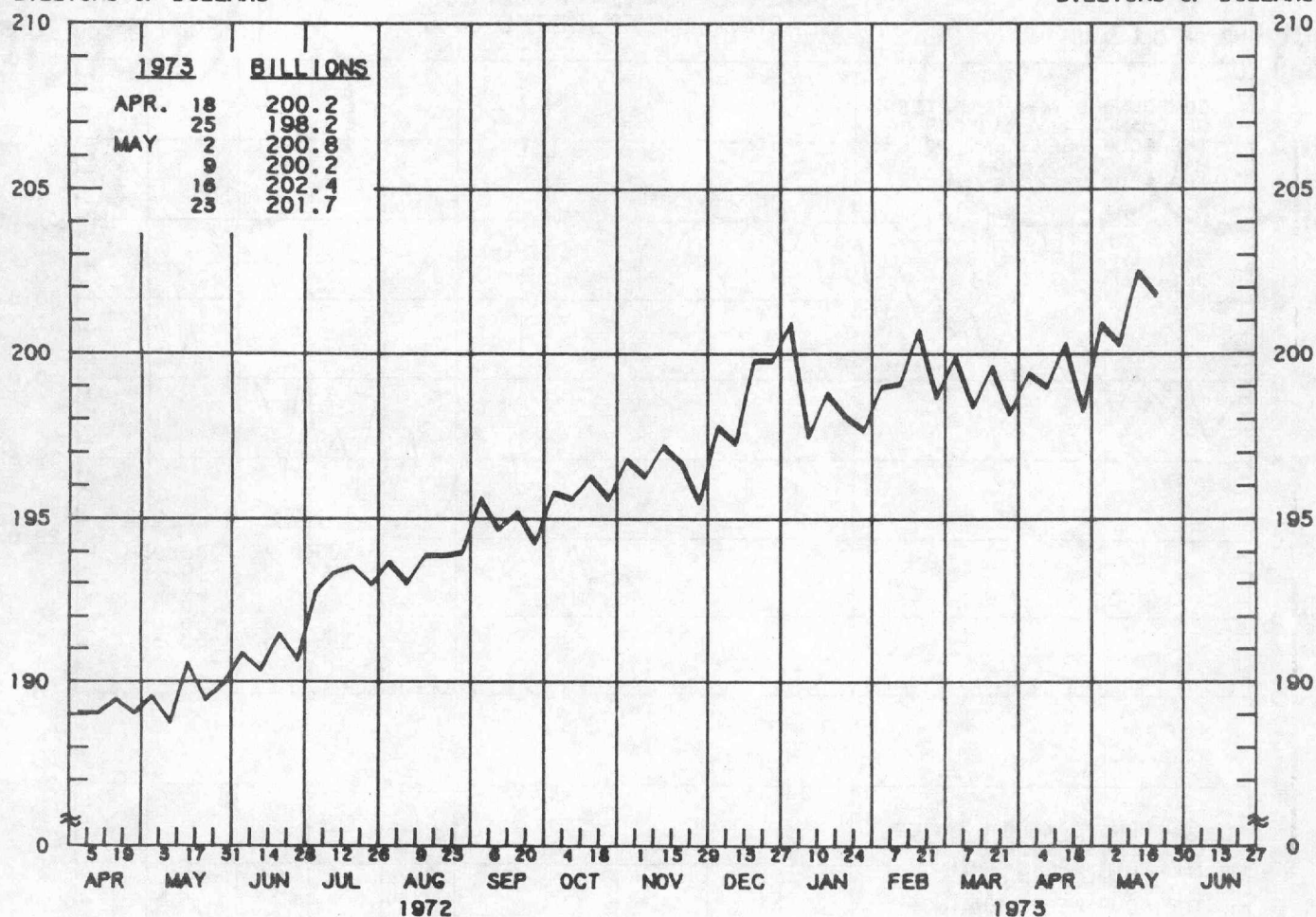
* BREAK IN SERIES DUE TO THE EFFECT OF CHANGES IN REGULATION D.

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:

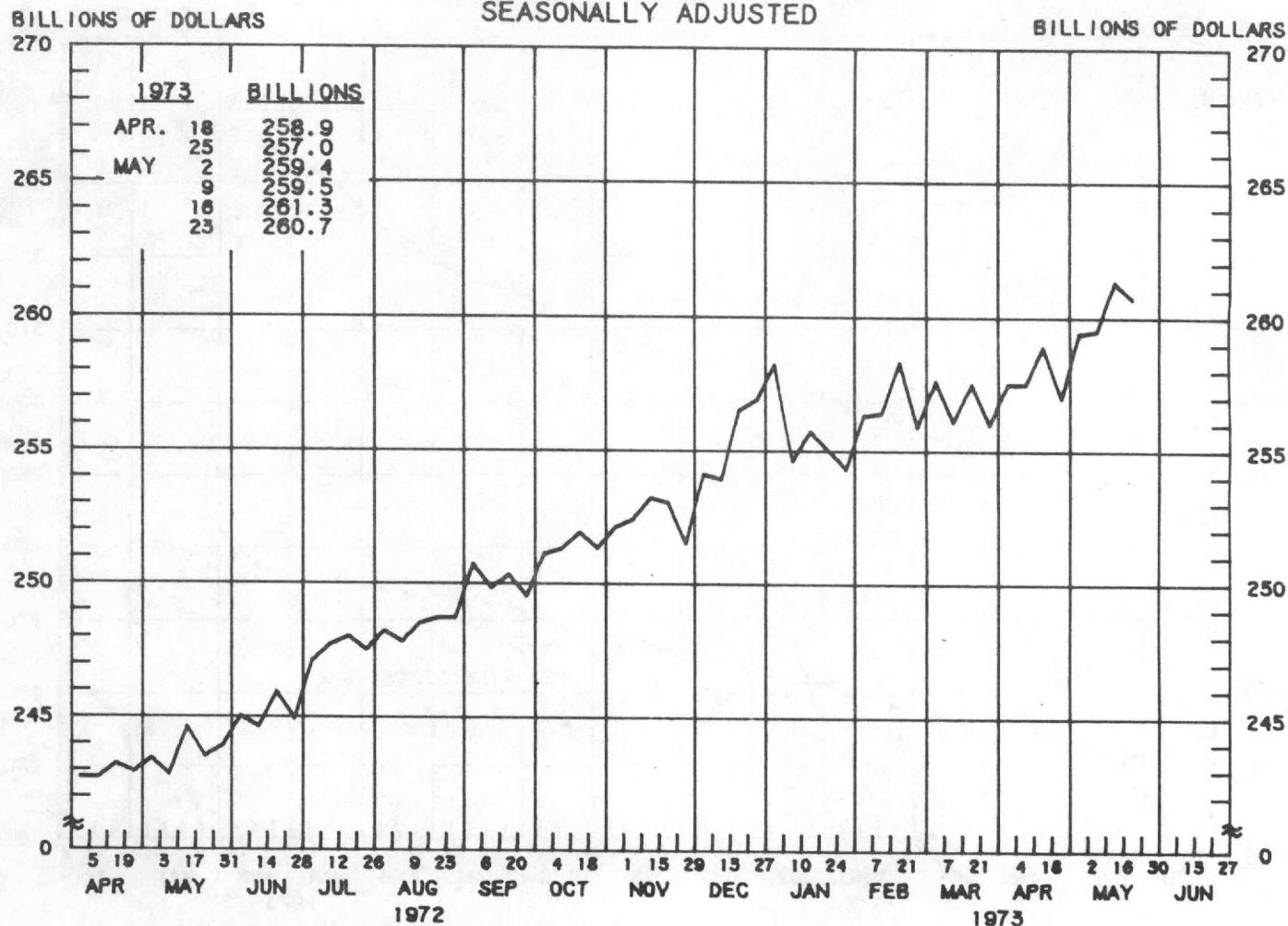
5/24/72 9/20/72 10/25/72 11/22/72 12/20/72 1/24/73 2/21/73 3/21/73

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

10/25/72	8.0							
11/22/72	7.9	5.8						
12/20/72	7.5	5.7	6.1					
1/24/73	7.4	5.9	6.3	6.0				
2/21/73	6.8	5.2	5.2	4.8	4.5			
3/21/73	6.2	4.5	4.4	3.8	3.3	1.3		
4/25/73	5.6	3.8	3.6	3.0	2.5	1.0	0.6	
5/23/73	6.3	5.0	5.0	4.7	4.6	4.1	4.7	6.6

MONEY STOCK

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 23, 1973

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

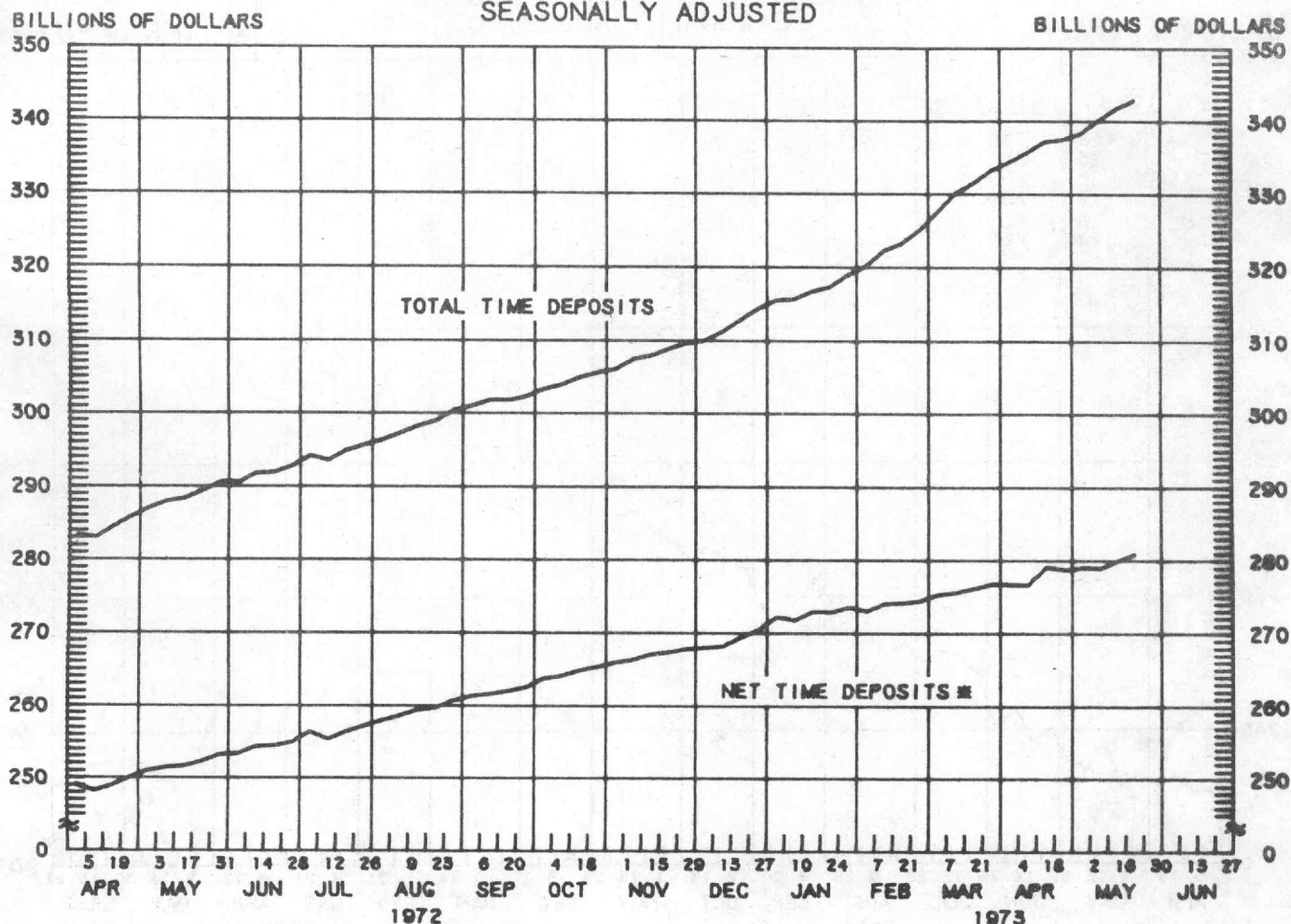
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

5/24/72 9/20/72 10/25/72 11/22/72 12/20/72 1/24/73 2/21/73 3/21/73

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

10/25/72	7.7							
11/22/72	7.6	6.6						
12/20/72	7.5	6.7	6.9					
1/24/73	7.6	7.1	7.4	7.5				
2/21/73	7.0	6.2	6.1	5.8	5.3			
3/21/73	6.6	5.6	5.4	5.0	4.5	2.3		
4/25/73	6.3	5.3	5.1	4.7	4.3	2.8	3.2	
5/23/73	6.8	6.2	6.1	6.0	5.9	5.2	6.2	7.9

TIME DEPOSITS ALL COMMERCIAL BANKS AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 23, 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

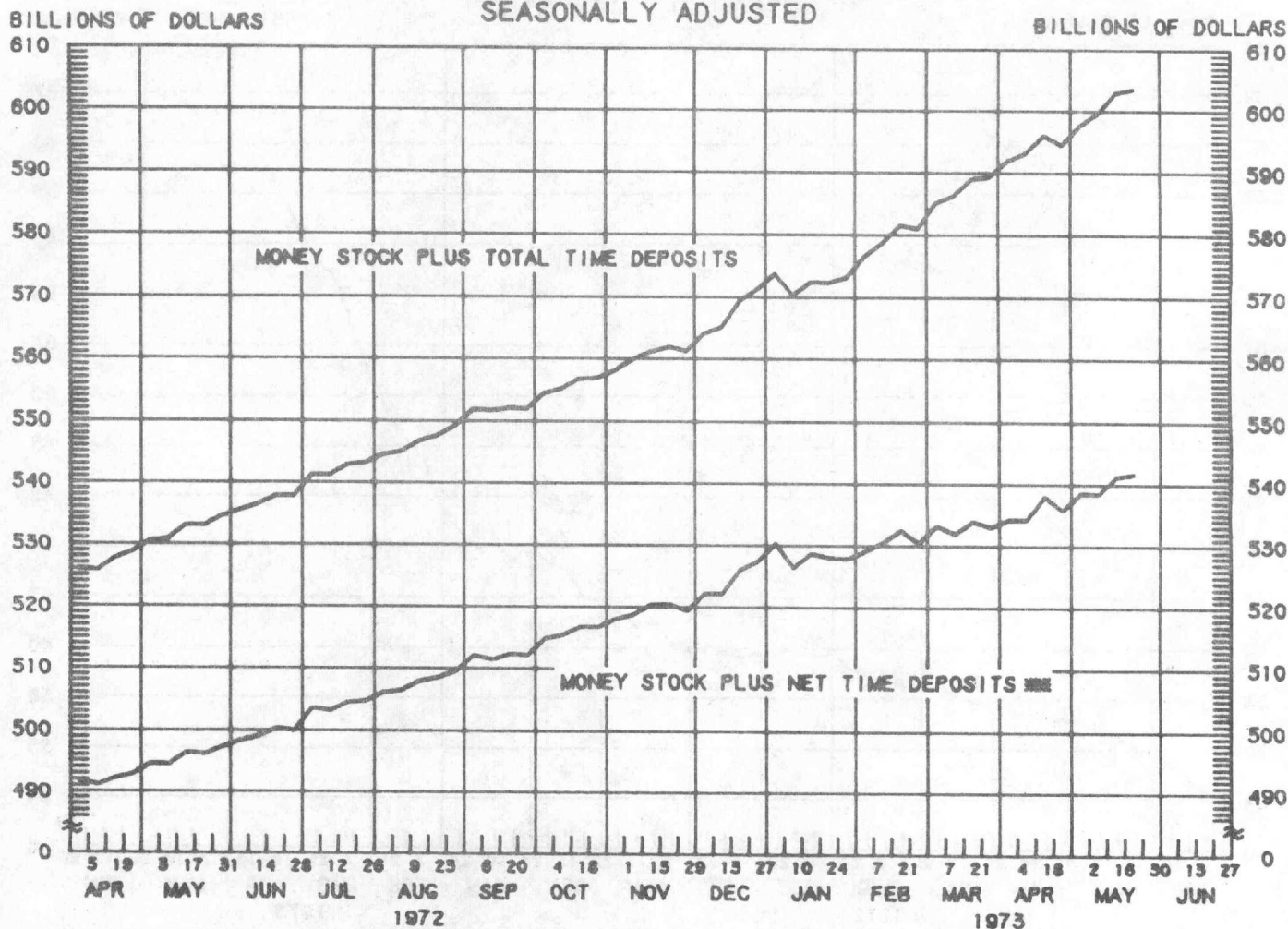
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:
5/24/72 9/20/72 10/25/72 11/22/72 12/20/72 1/24/73 2/21/73 3/21/73

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

10/25/72	12.5							
11/22/72	12.4	12.3						
12/20/72	11.9	11.1	10.0					
1/24/73	12.5	12.5	12.3	12.8				
2/21/73	11.8	11.4	10.9	10.8	11.7			
3/21/73	11.5	11.0	10.5	10.3	10.8	7.6		
4/25/73	11.3	10.7	10.2	10.0	10.3	8.2	9.0	
5/23/73	11.2	10.6	10.2	10.0	10.2	8.5	9.2	9.4

MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 23, 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:

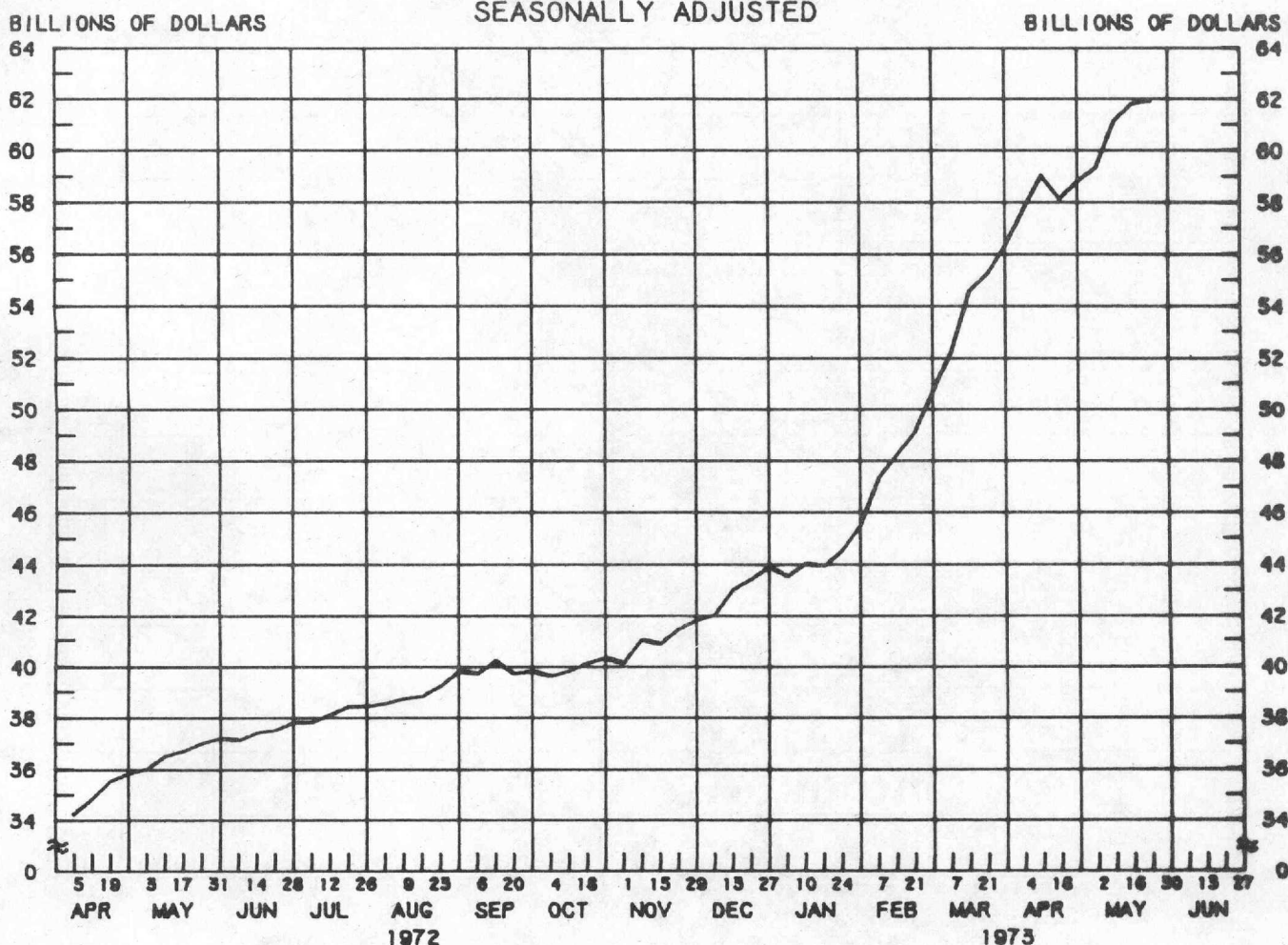
5/24/72 9/20/72 10/25/72 11/22/72 12/20/72 1/24/73 2/21/73 3/21/73

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

10/25/72	10.2							
11/22/72	10.0	9.5						
12/20/72	9.7	8.9	8.3					
1/24/73	10.1	9.8	9.9	10.2				
2/21/73	9.5	8.8	8.5	8.3	8.7			
3/21/73	9.1	8.3	8.0	7.7	7.8	5.0		
4/25/73	8.8	8.0	7.7	7.4	7.4	5.6	6.1	
5/23/73	9.0	8.4	8.2	8.0	8.1	6.9	7.8	8.7

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 23, 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 ***
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	535.6
MAY 2	59.3	279.0	538.4
9	61.1	278.8	538.3
16	61.8	279.9	541.2
23	61.9	280.9	541.6
30			
JUNE 6			
13			
20			
27			

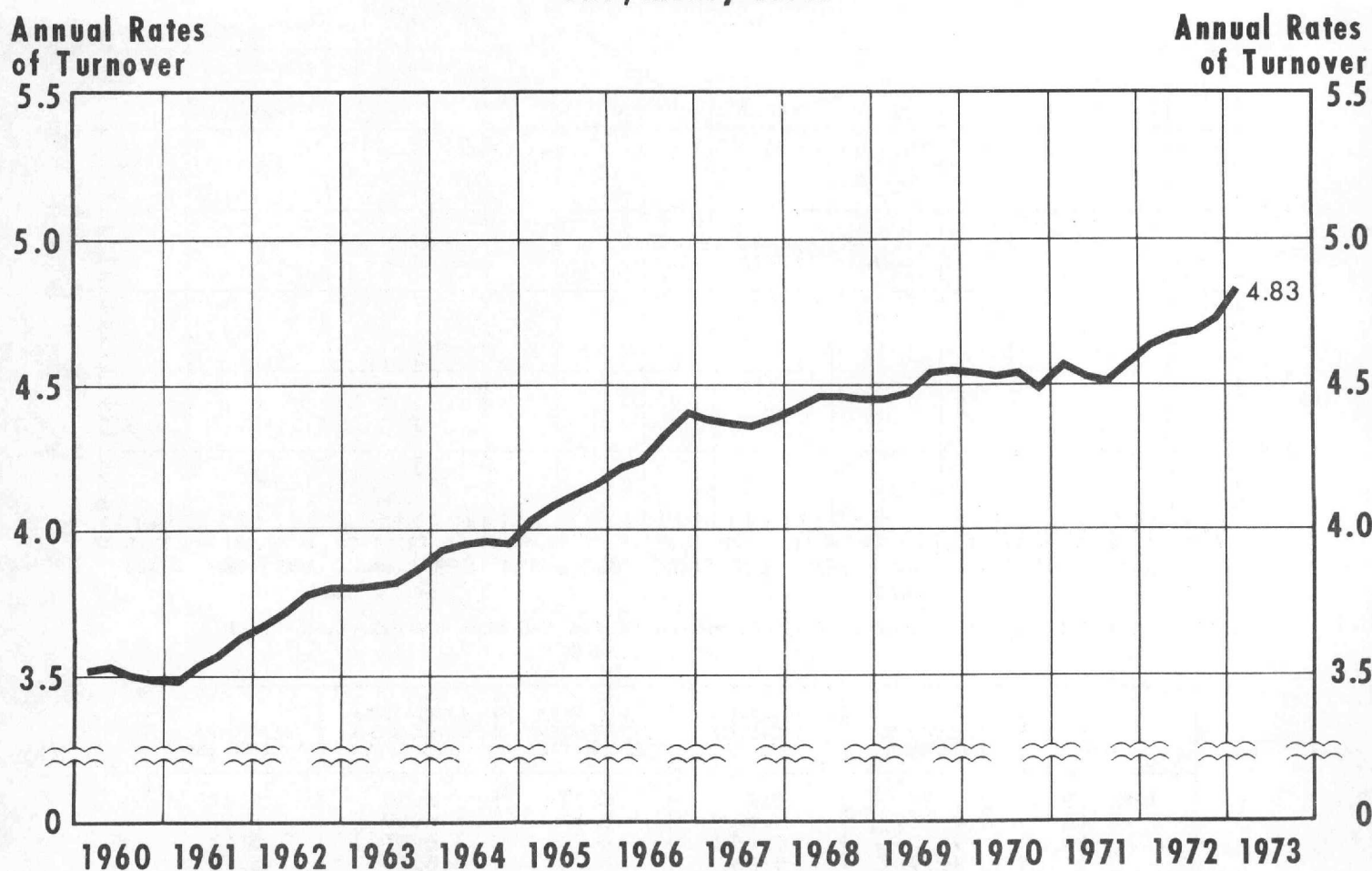
* SEE FOOTNOTE PAGE 6.

*** SEE FOOTNOTE PAGE 7.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

Income Velocity of Money

GNP/Money Stock



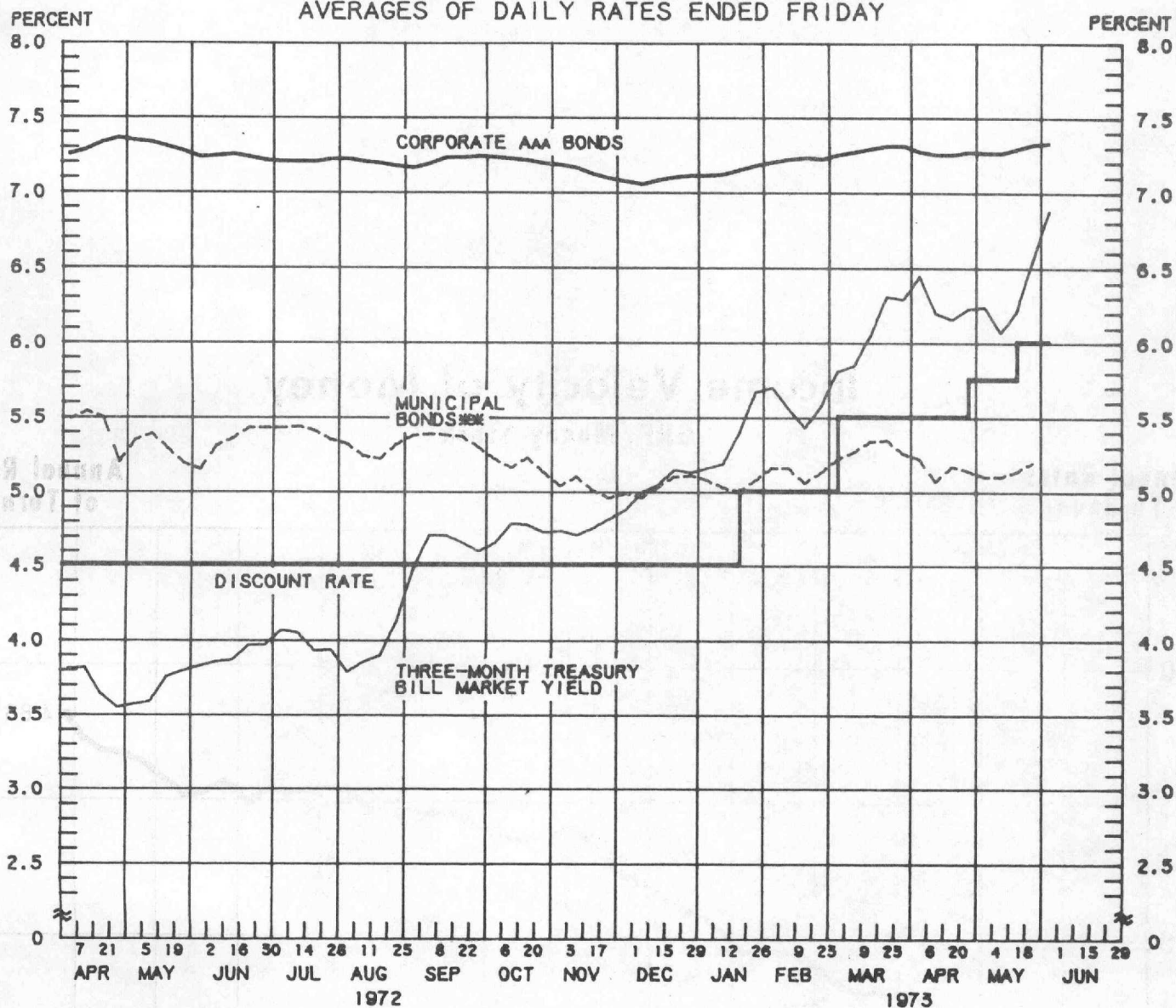
Annual rates of turnover computed with quarterly GNP (current dollars) at seasonally adjusted annual rates, and seasonally adjusted monthly averages of daily money stock.

Latest data plotted: 1st quarter

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: JUNE 1, 1973

1973	CORPORATE AAA BONDS	3-MONTH TREASURY BILLS	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES	MUNICIPAL BONDS ***
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	7.29	6.22	6.76	6.21	5.14
25	7.32	6.56	6.82	6.31	5.20
JUNE 1 *	7.33	6.88	6.81	6.30	N.A.
8					
15					
22					
29					

* AVERAGES OF RATES AVAILABLE.

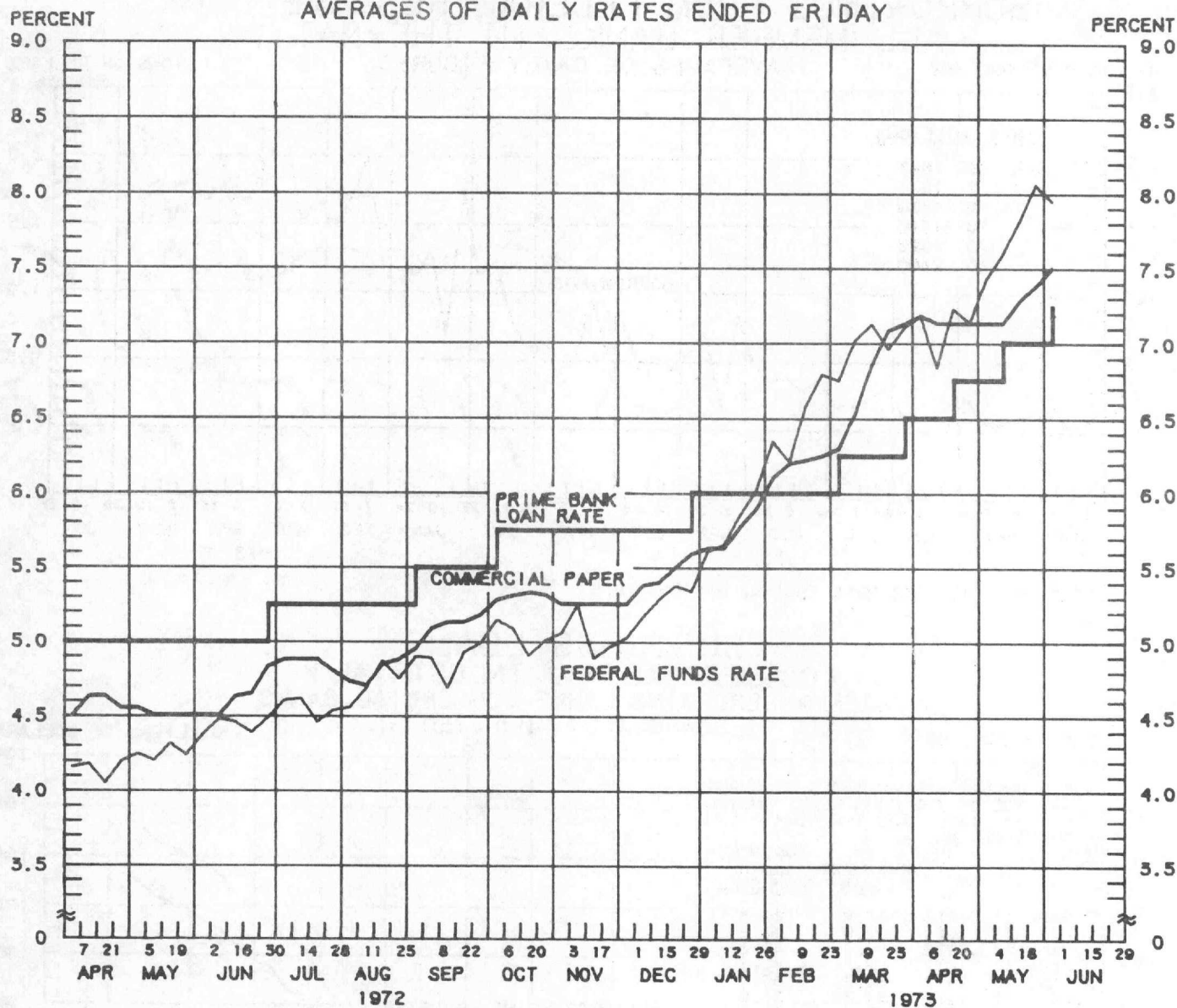
*** BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA.

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: JUNE 1, 1973

1973	PRIME COMMERCIAL PAPER 4-6 MONTH	FEDERAL FUNDS %	PRIME BANKERS' ACCEPTANCES	90 DAY CD'S %
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	7.28	7.81	7.13	7.45
25	7.38	8.06	7.33	7.47
JUNE 1 *	7.50	7.95	7.38	7.57
8				
15				
22				
29				

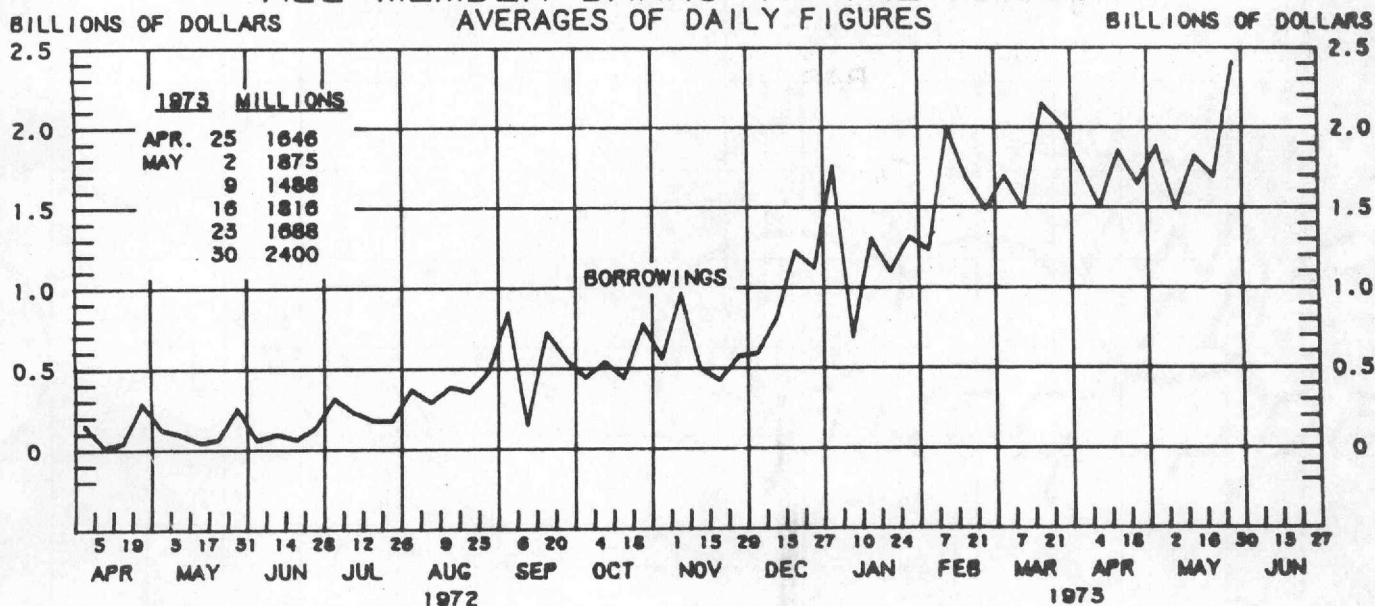
* AVERAGES OF RATES AVAILABLE.

** 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.

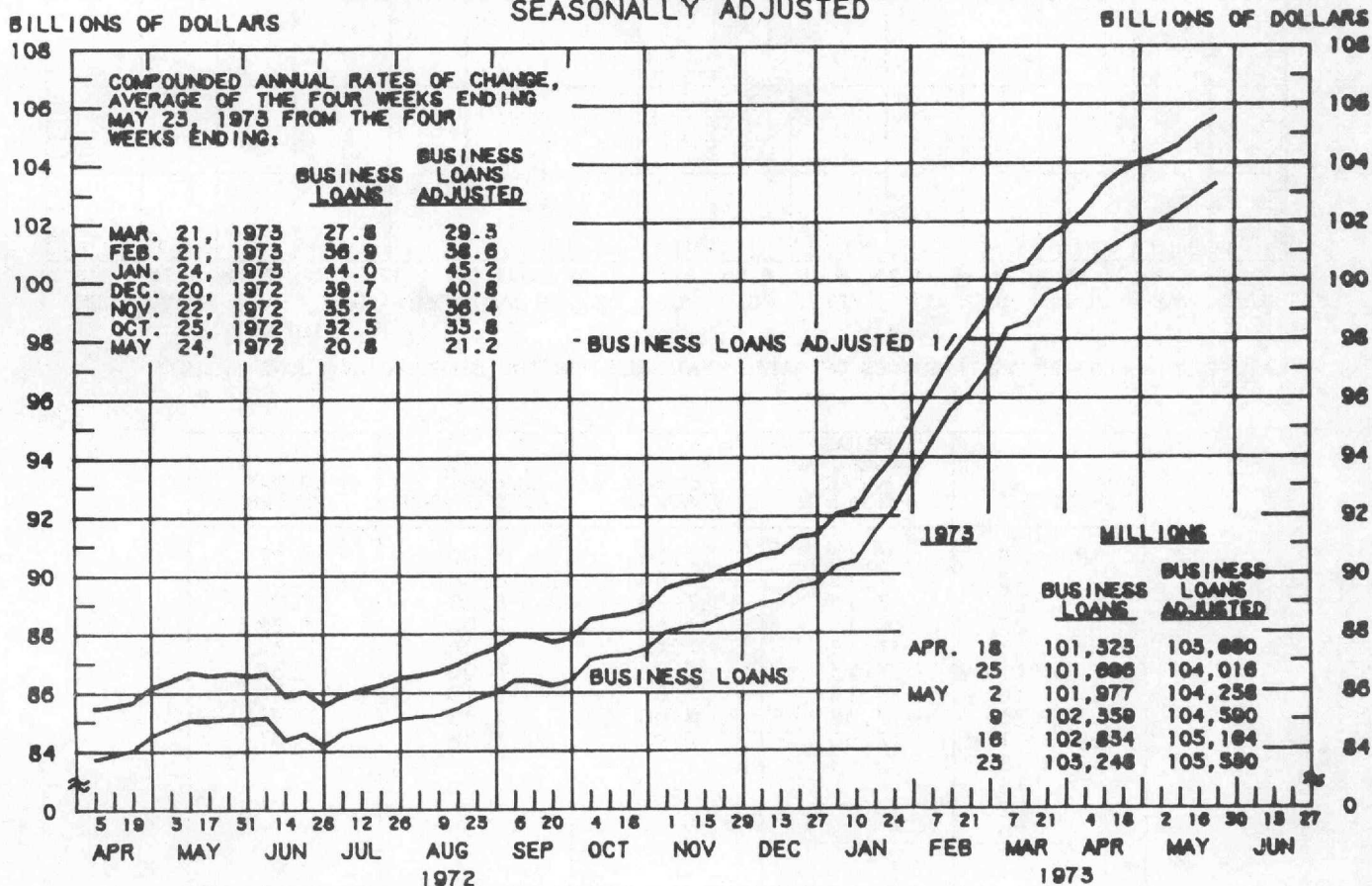
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



LATEST DATA PLOTTED WEEK ENDING: MAY 30, 1973

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



LATEST DATA PLOTTED WEEK ENDING: MAY 23, 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