



LIBRARY

13
Week ending: June 8, 1973

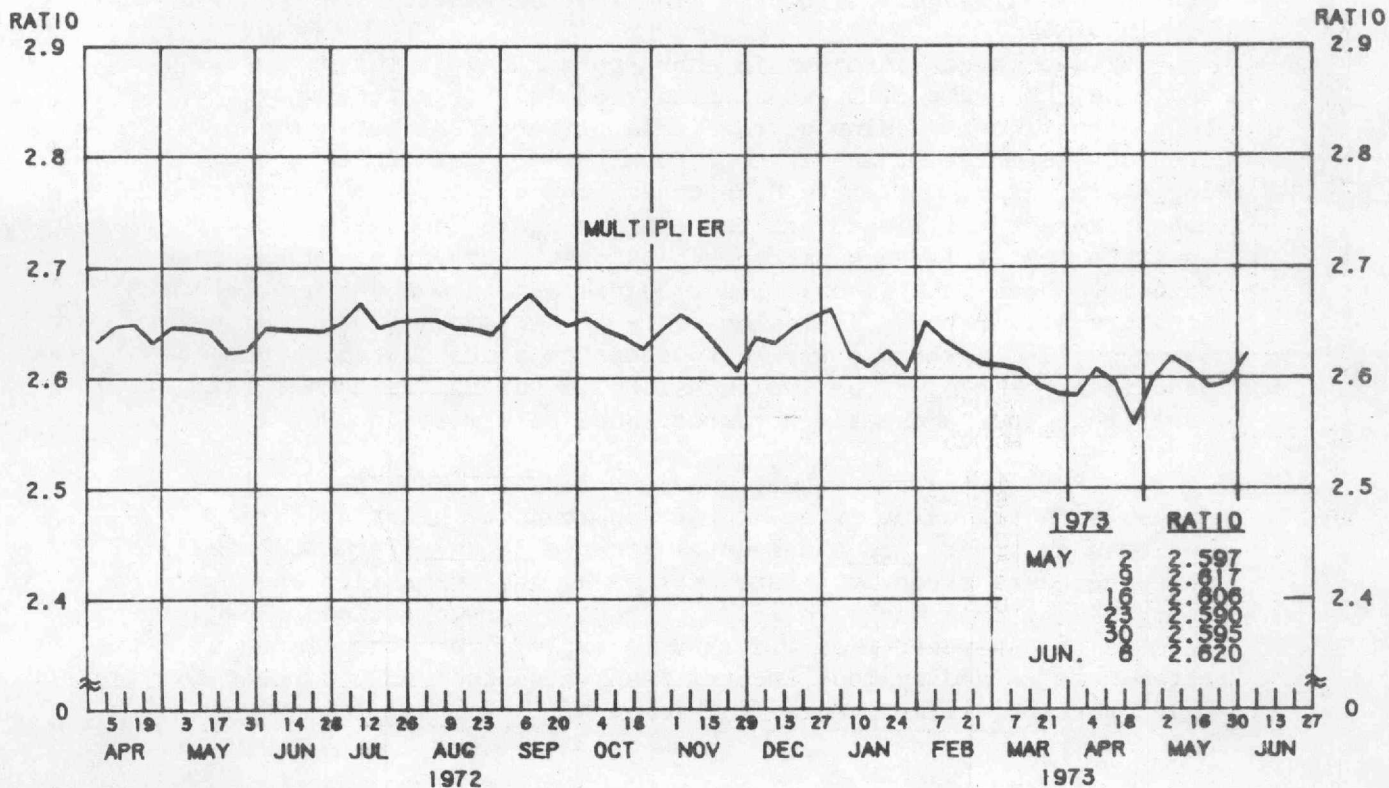
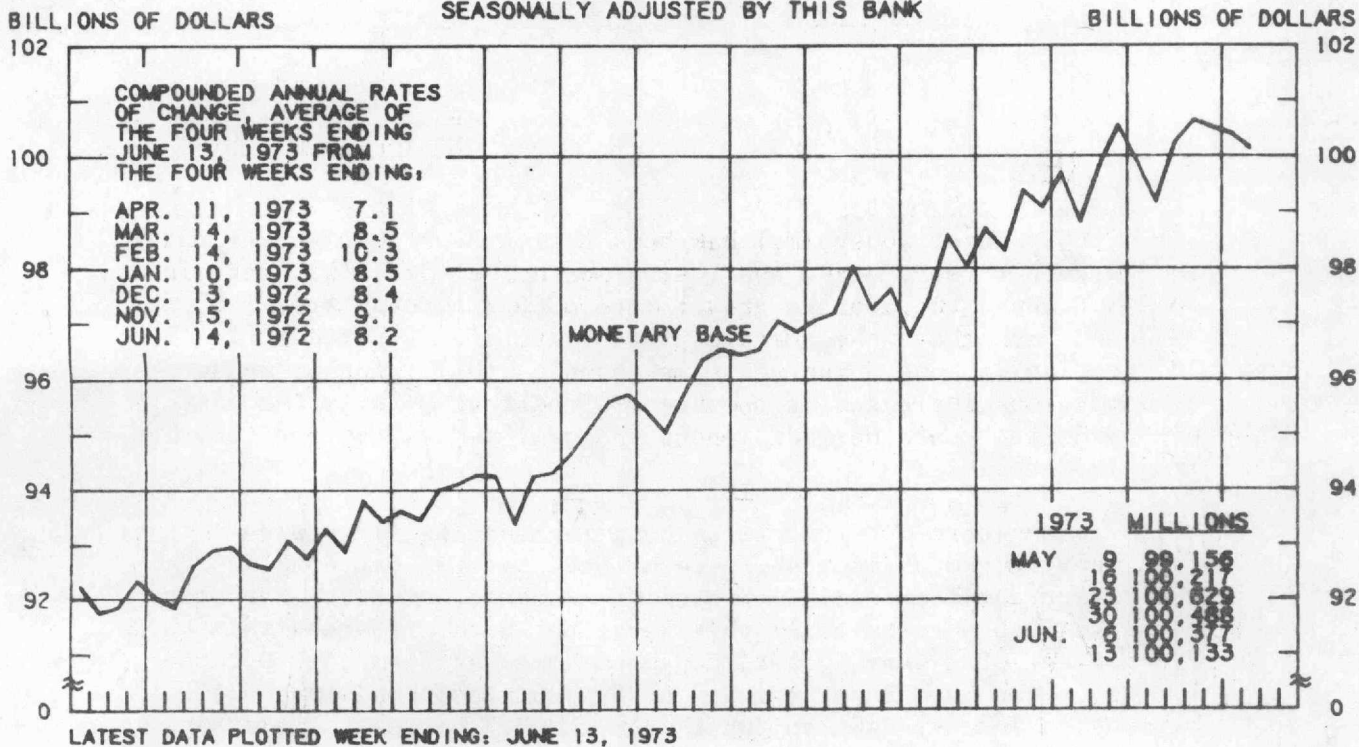
Growth of money (M_1) has been near a 7 percent annual rate in the past three-, six-, and twelve-month periods. This rate is somewhat above the average growth rate of 6.3 percent from 1967 to 1972 and much above the average growth rate of 2.9 percent from 1957 to 1967. Money plus net time deposits (M_2), another measure of money, has increased at about an 8.5 percent rate in the past six- and nine-month periods, about the same as the average growth from 1967 to 1972.

Long-term interest rates have remained fairly steady in the past year, although many short-term rates have almost doubled from their year-earlier levels. Yields on seasoned corporate Aaa bonds averaged 7.36 percent early this week, not much different than the 7.2 percent of a year ago, although up somewhat from last December. Yields on the Bond Buyer's index of 20 municipal bonds was 5.13 percent on June 7, down somewhat from the 5.3 percent of last June, and not significantly different from last December.

The large increases in short-term rates in the past year and a half and the relative stability of long-term rates have led to a significant closing of the yield differential between short- and long-term rates, and in some cases, short-term rates now exceed long-term rates. A year ago February, the gap between the three-month Treasury bill rate and the Aaa corporate bond rate stood at an historically large 4 percentage points. Currently, the average corporate bond rate is only about 30 basis points above short-term Treasury bill rates. Yields on four- to six-month commercial paper averaged 7.88 percent early this week, now above the corporate Aaa bond rate. The previous two occasions in which this commercial paper rate rose above the corporate bond rate were in 1966 and 1969.

Reflecting the recent sharp increases in short-term interest rates, both the prime interest rate on loans by banks to large business customers and the Federal Reserve Banks' discount rates were increased recently. Late last week, the prime rate was increased by many banks to 7-1/2 percent. For comparison, the prime rate was 8.5 percent from mid-1969 to early 1970. The discount rates were raised by most Federal Reserve Banks from 6 percent to 6-1/2 percent, effective early this week.

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



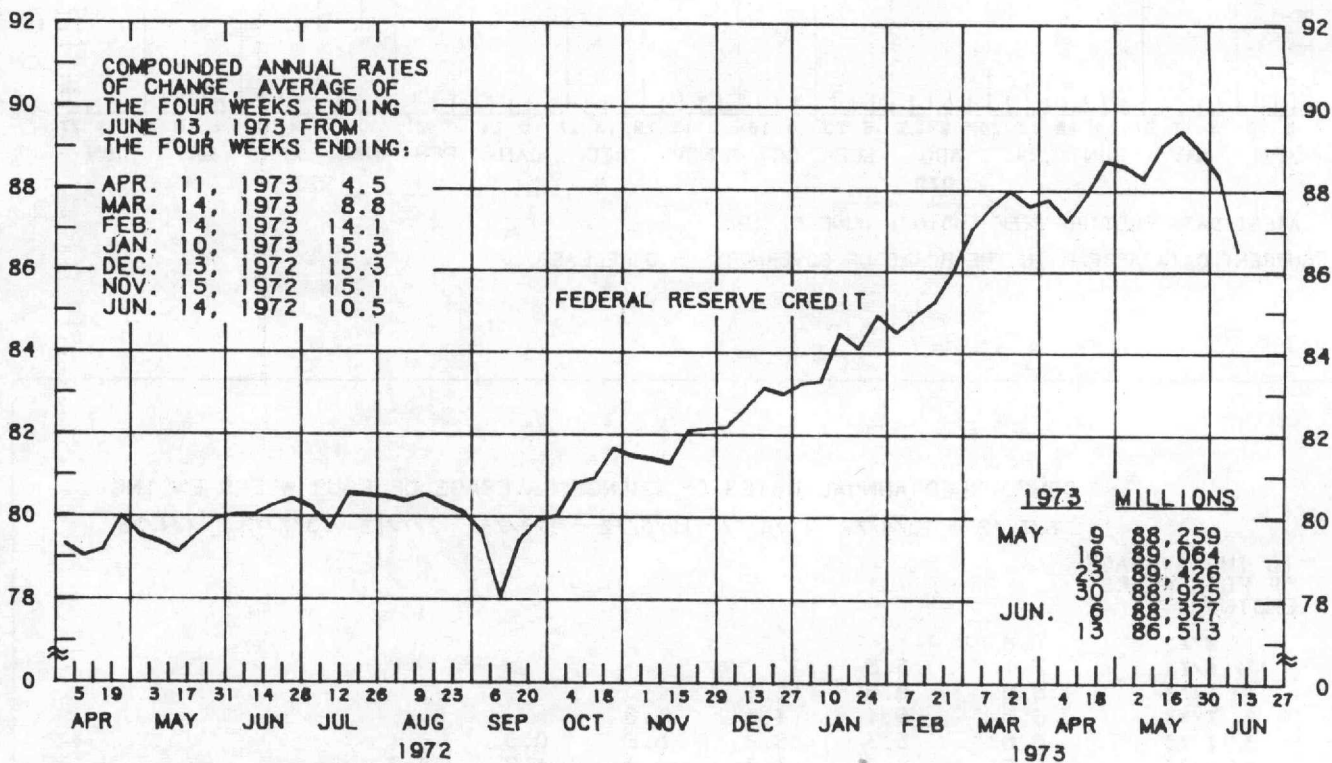
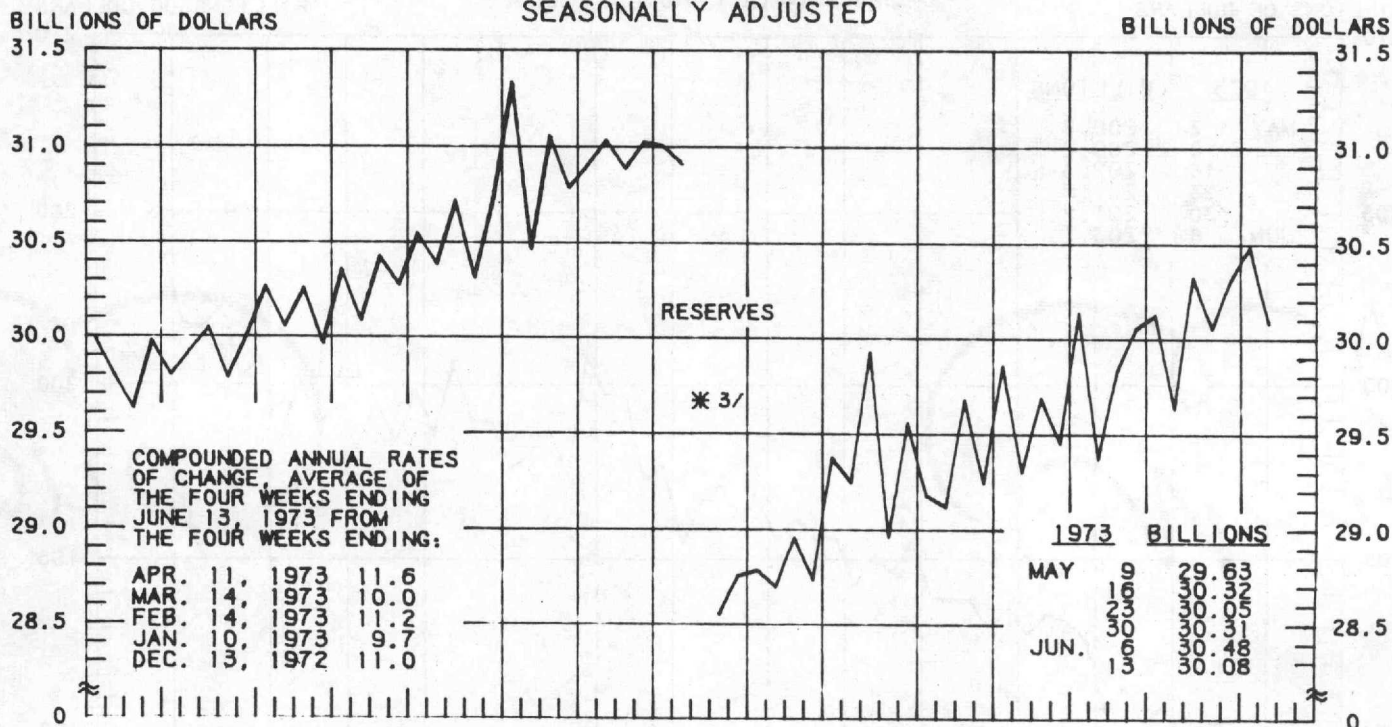
1/ USES OF MONETARY BASE ARE MEMBER BANK RESERVES AND CURRENCY HELD BY THE PUBLIC AND NONMEMBER BANKS, ADJUSTED FOR RESERVE REQUIREMENT CHANGES AND SHIFTS IN DEPOSITS. FOR A DESCRIPTION OF THE BASE SEE THE AUGUST 1968 "REVIEW" OF THIS BANK.

2/ RATIO OF MONEY STOCK (M1) / MONETARY BASE.

RESERVES AVAILABLE TO SUPPORT PRIVATE NONBANK DEPOSITS

ALL MEMBER BANKS
FEDERAL RESERVE CREDIT

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JUNE 13, 1973

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

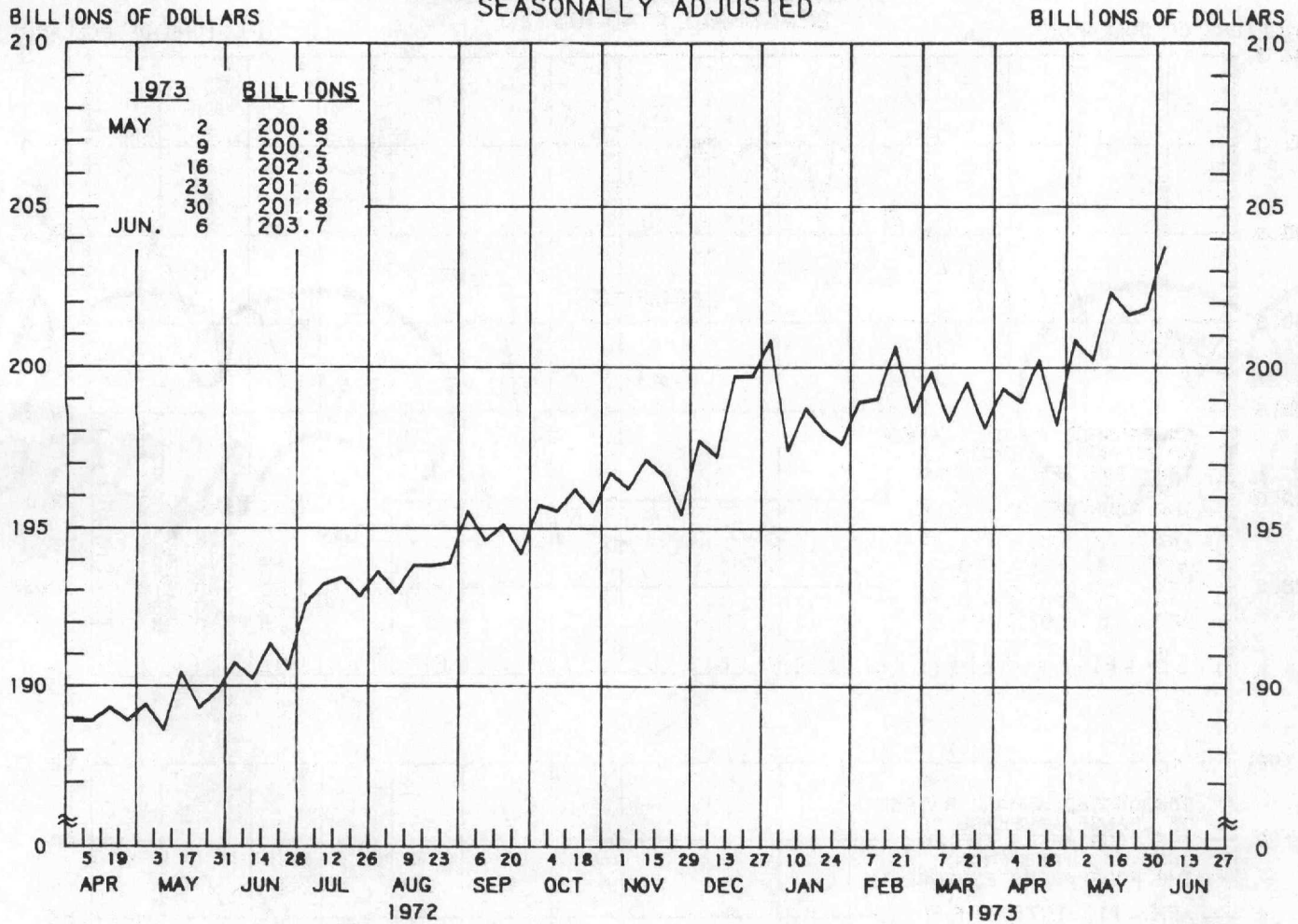
2/ DEFINED TO INCLUDE HOLDINGS OF SECURITIES, LOANS, FLOAT AND "OTHER" ASSETS, ADJUSTED FOR RESERVE REQUIREMENT CHANGES AND CHANGES IN REQUIREMENTS DUE TO SHIFTS IN DEPOSITS AMONG CLASSES OF BANKS.

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



LATEST DATA PLOTTED WEEK ENDING: JUNE 6, 1973
 CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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

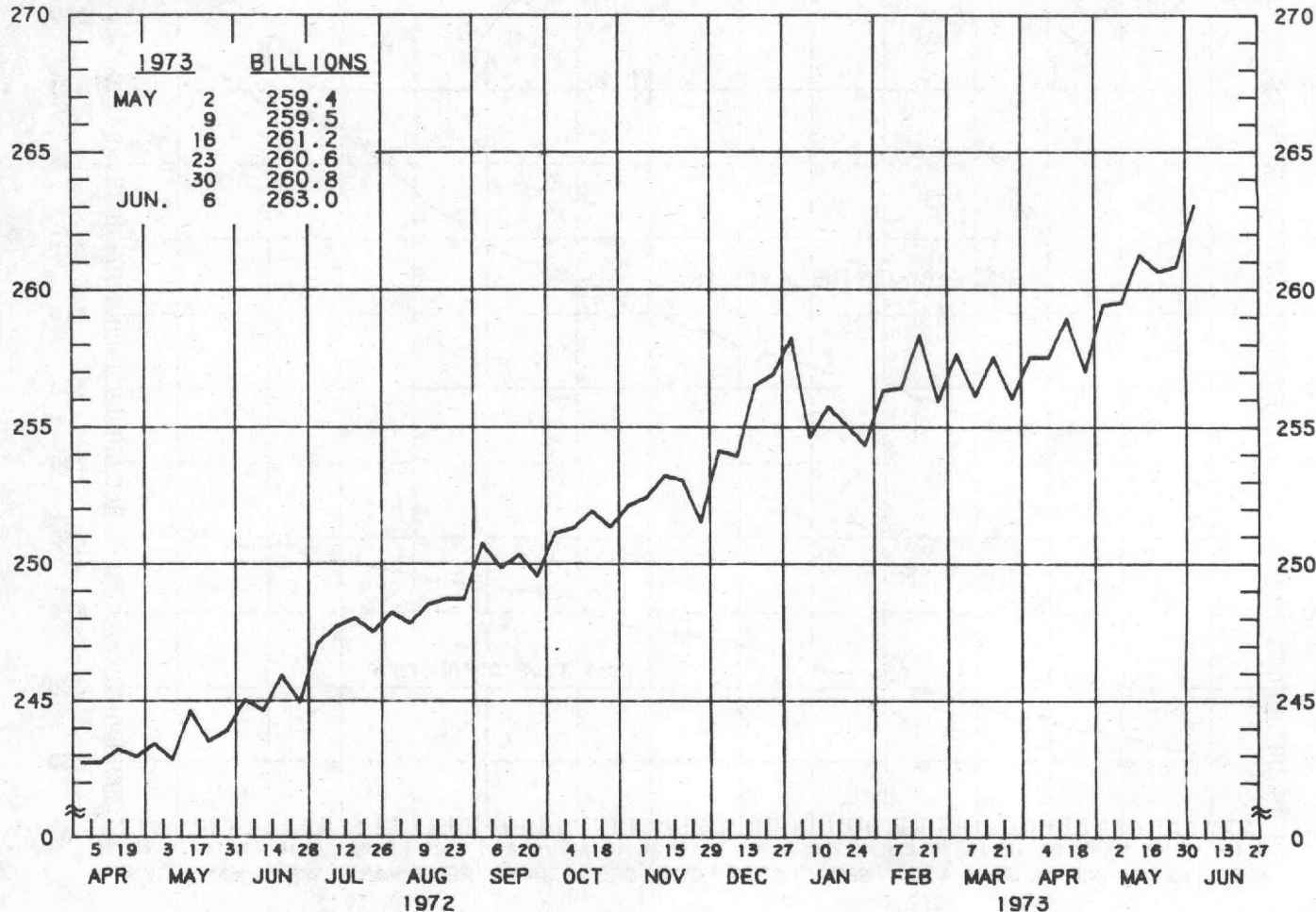
	6/7/72	10/4/72	11/8/72	12/6/72	1/3/73	2/7/73	3/7/73	4/4/73
TO THE AVERAGE OF FOUR WEEKS ENDING:								
11/ 8/72	7.8							
12/ 6/72	7.1	5.5						
1/ 3/73	8.6	9.6	11.1					
2/ 7/73	6.5	5.1	4.4	4.8				
3/ 7/73	6.6	5.7	5.2	5.8	0.3			
4/ 4/73	5.6	4.0	3.3	3.3	-1.2	1.7		
5/ 9/73	5.6	4.3	3.8	3.9	0.7	3.3	1.2	
6/ 6/73	6.5	5.8	5.5	5.9	3.6	6.5	5.9	10.9

MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



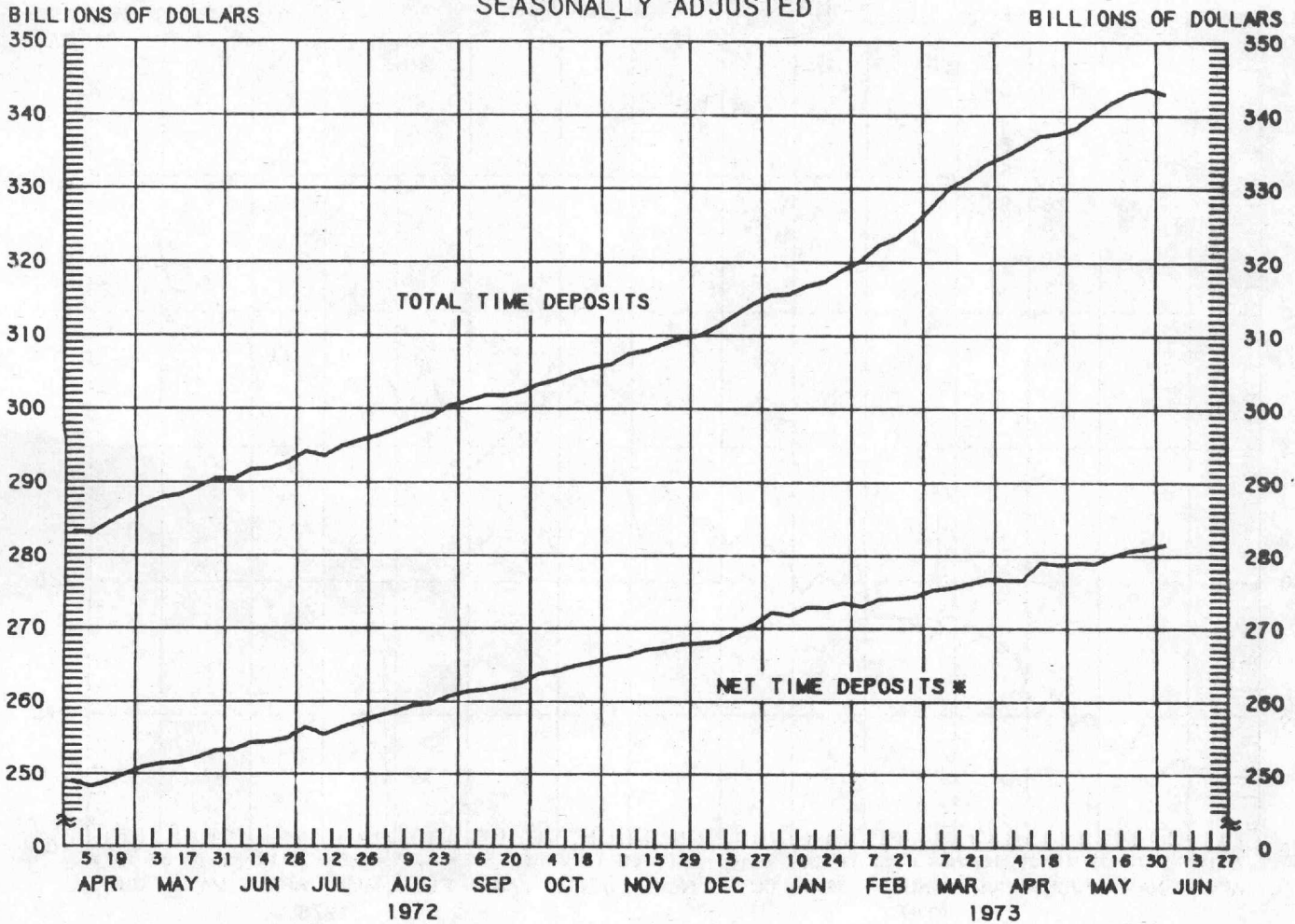
LATEST DATA PLOTTED WEEK ENDING: JUNE 6, 1973

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

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

	6/7/72	10/4/72	11/8/72	12/8/72	1/3/73	2/7/73	3/7/73	4/4/73
TO THE AVERAGE OF FOUR WEEKS ENDING:								
11/ 8/72	7.5							
12/ 8/72	7.2	6.6						
1/ 3/73	8.7	10.3	12.2					
2/ 7/73	6.8	6.0	5.5	5.4				
3/ 7/73	7.0	6.6	6.4	6.6	1.6			
4/ 4/73	6.2	5.3	4.9	4.7	0.6	3.9		
5/ 9/73	6.4	5.8	5.5	5.4	2.6	5.4	3.6	
6/ 6/73	7.0	6.7	6.6	6.8	4.7	7.5	6.9	10.8

TIME DEPOSITS ALL COMMERCIAL BANKS AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

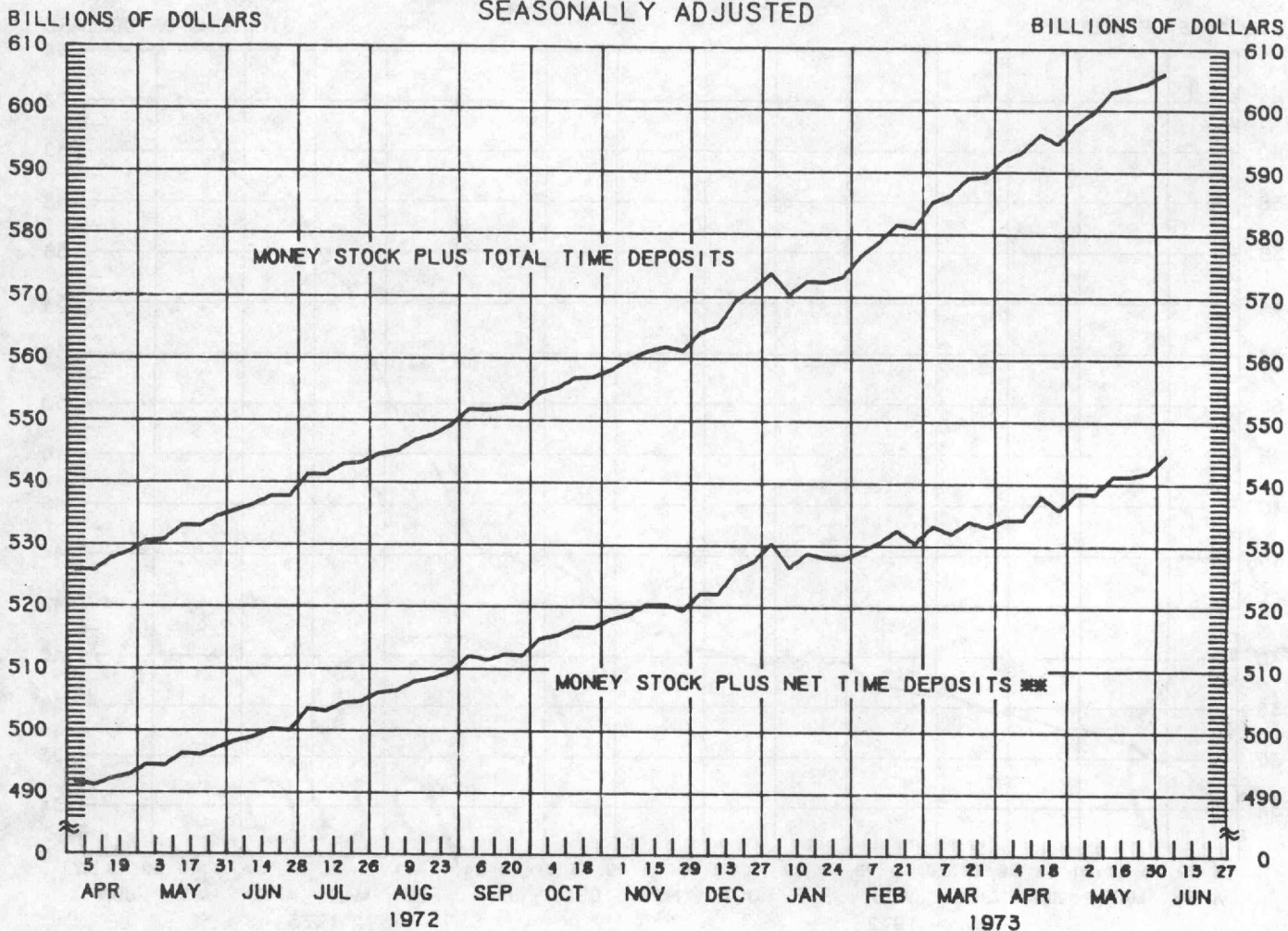


* NET TIME DEPOSITS ARE DEFINED AS: SAVINGS DEPOSITS, TIME DEPOSITS OPEN ACCOUNT PLUS TIME CERTIFICATES OF DEPOSIT OTHER THAN NEGOTIABLE TIME CERTIFICATES OF DEPOSIT ISSUED IN DENOMINATIONS OF \$100,000 OR MORE BY LARGE WEEKLY REPORTING COMMERCIAL BANKS.

NET TIME DEPOSITS									
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:									
	6/7/72	10/4/72	11/8/72	12/6/72	1/3/73	2/7/73	3/7/73	4/4/73	
TO THE AVERAGE OF FOUR WEEKS ENDING:									
11/ 8/72	12.6								
12/ 6/72	12.2	11.8							
1/ 3/73	12.2	11.9	11.3						
2/ 7/73	12.2	11.9	11.5	12.0					
3/ 7/73	11.7	11.1	10.6	10.7	10.0				
4/ 4/73	11.5	10.8	10.3	10.3	9.7	8.4			
5/ 9/73	11.3	10.7	10.3	10.3	9.8	9.1	9.6		
6/ 6/73	11.2	10.5	10.1	10.1	9.7	9.1	9.5	9.8	

MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JUNE 6, 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).

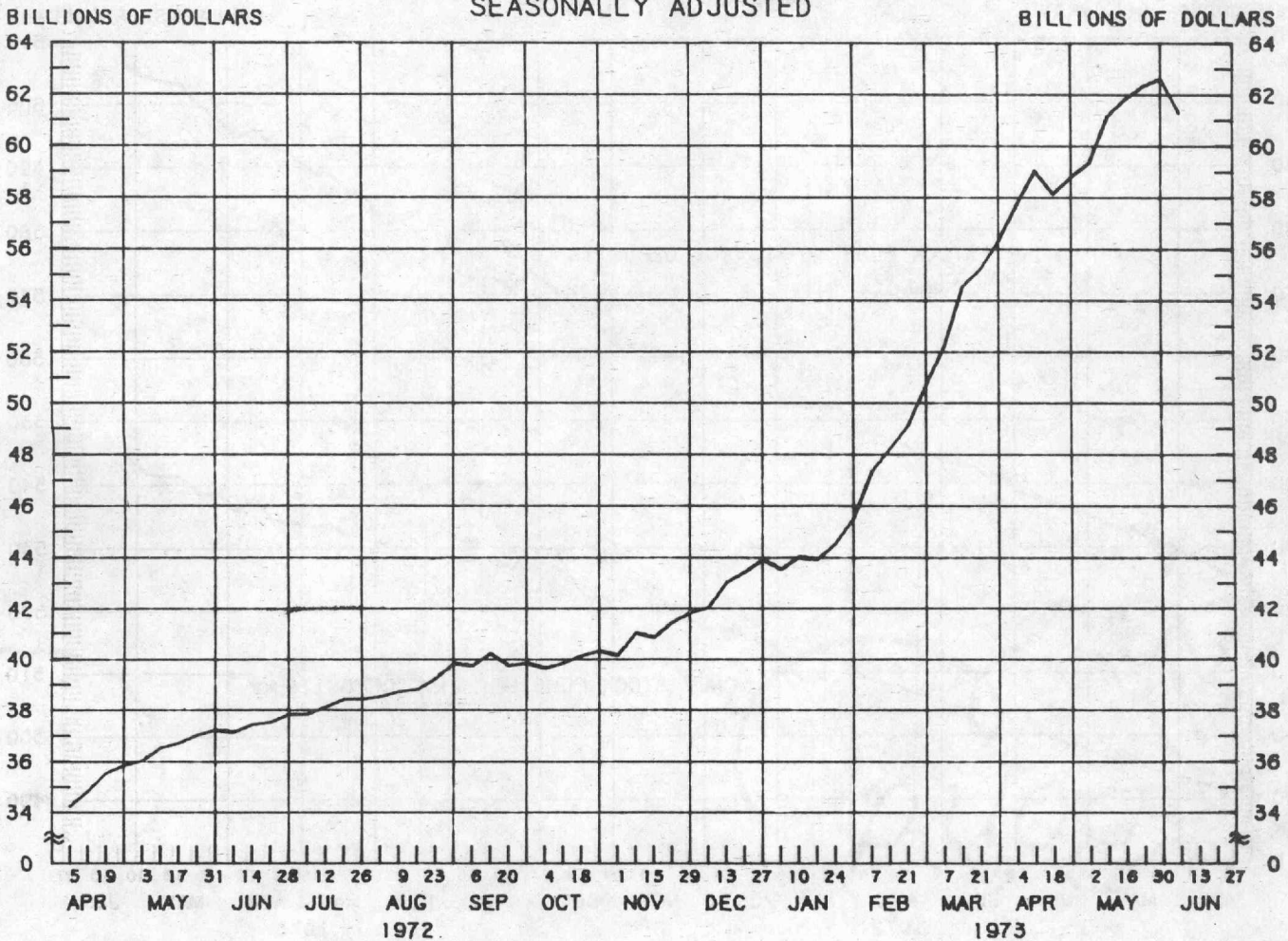
MONEY STOCK PLUS NET TIME DEPOSITS (M₂)

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

	6/7/72	10/4/72	11/8/72	12/6/72	1/3/73	2/7/73	3/7/73	4/4/73
TO THE AVERAGE OF FOUR WEEKS ENDING:								
11/ 8/72	10.1							
12/ 6/72	9.7	9.2						
1/ 3/73	10.5	11.2	11.7					
2/ 7/73	9.5	9.1	8.6	9.0				
3/ 7/73	9.4	8.9	8.5	8.7	5.7			
4/ 4/73	8.9	8.2	7.6	7.6	5.2	6.1		
5/ 9/73	8.9	8.3	7.9	7.9	6.3	7.2	6.8	
6/ 6/73	9.1	8.7	8.4	8.5	7.2	8.3	8.3	10.3

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JUNE 6, 1973

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

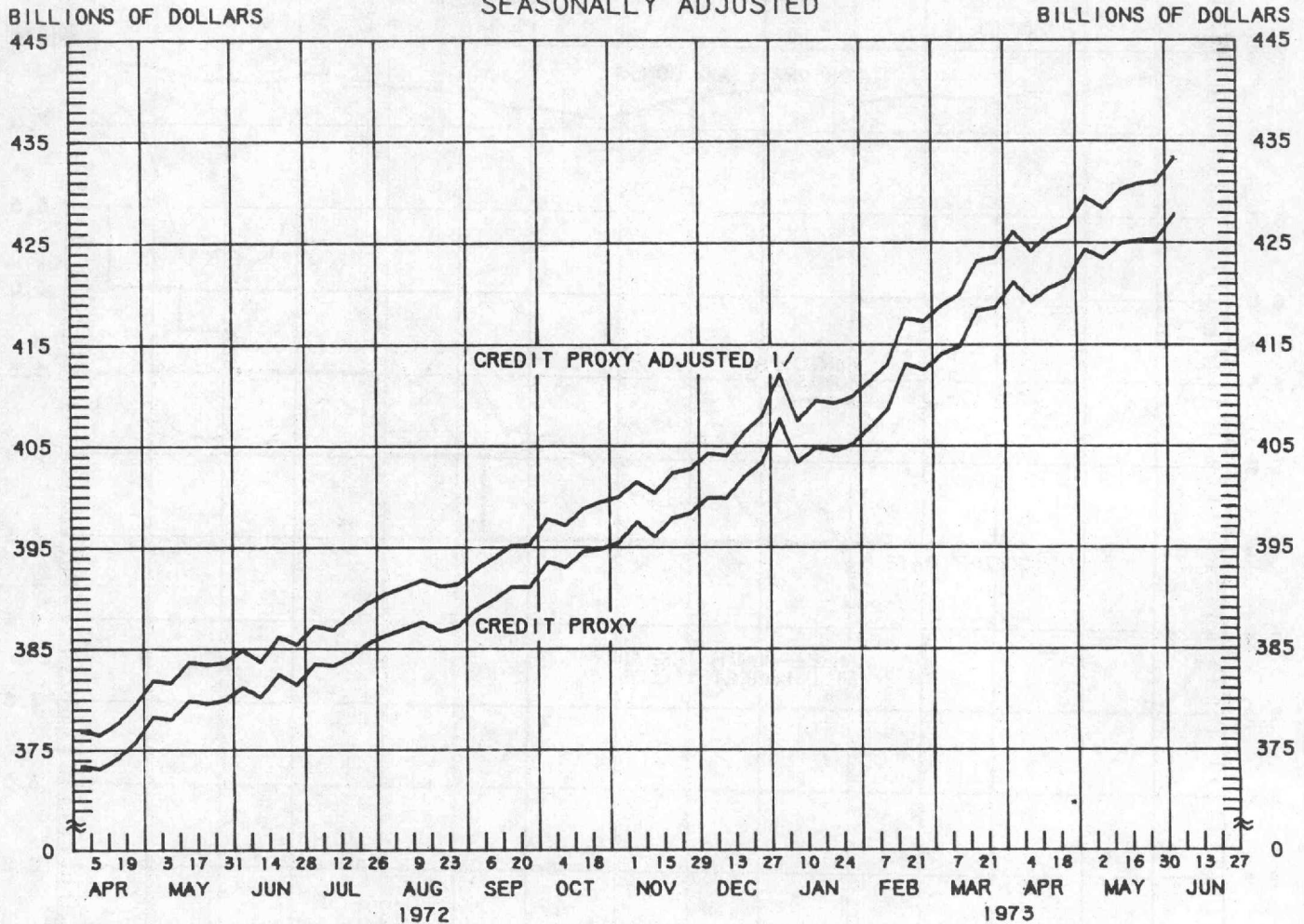
NEGOTIABLE TIME CERTIFICATES OF DEPOSIT ISSUED IN DENOMINATIONS OF \$100,000 OR MORE BY LARGE WEEKLY REPORTING COMMERCIAL BANKS.

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	62.3	280.7	541.2
30	62.6	281.0	541.8
JUNE 6	61.3	281.5	544.5
13			
20			
27			

* 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: JUNE 6, 1973

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

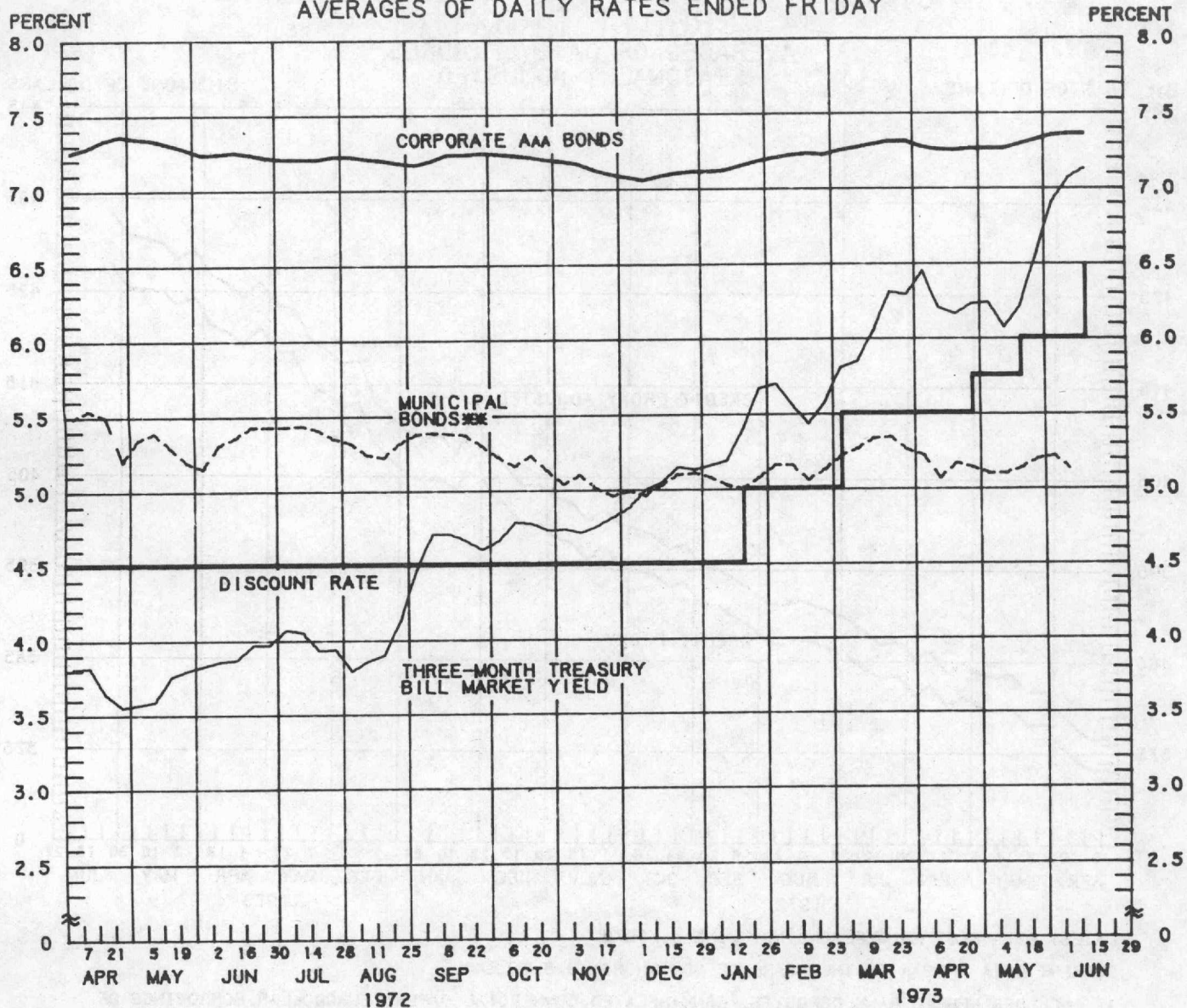
1/ INCLUDES MEMBER BANK DEPOSITS, BANK-RELATED COMMERCIAL PAPER, EURODOLLAR BORROWINGS OF U.S. BANKS, AND CERTAIN OTHER NONDEPOSIT SOURCES.

1973		BILLIONS	
		CREDIT PROXY	CREDIT PROXY ADJUSTED
MAY	2	424.3	429.5
	9	423.4	428.4
	16	424.9	430.2
	23	425.2	430.8
	30	425.3	431.0
JUN.	6	427.8	433.3

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF THE FOUR WEEKS ENDING JUNE 6, 1973 FROM THE FOUR WEEKS ENDING:			
		CREDIT PROXY	CREDIT PROXY ADJUSTED
APR.	4, 1973	11.0	11.6
MAR.	7, 1973	14.1	14.9
FEB.	7, 1973	16.3	16.8
JAN.	3, 1973	13.8	14.4
DEC.	6, 1972	14.5	14.9
NOV.	8, 1972	13.6	14.0
JUN.	7, 1972	12.0	12.4

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



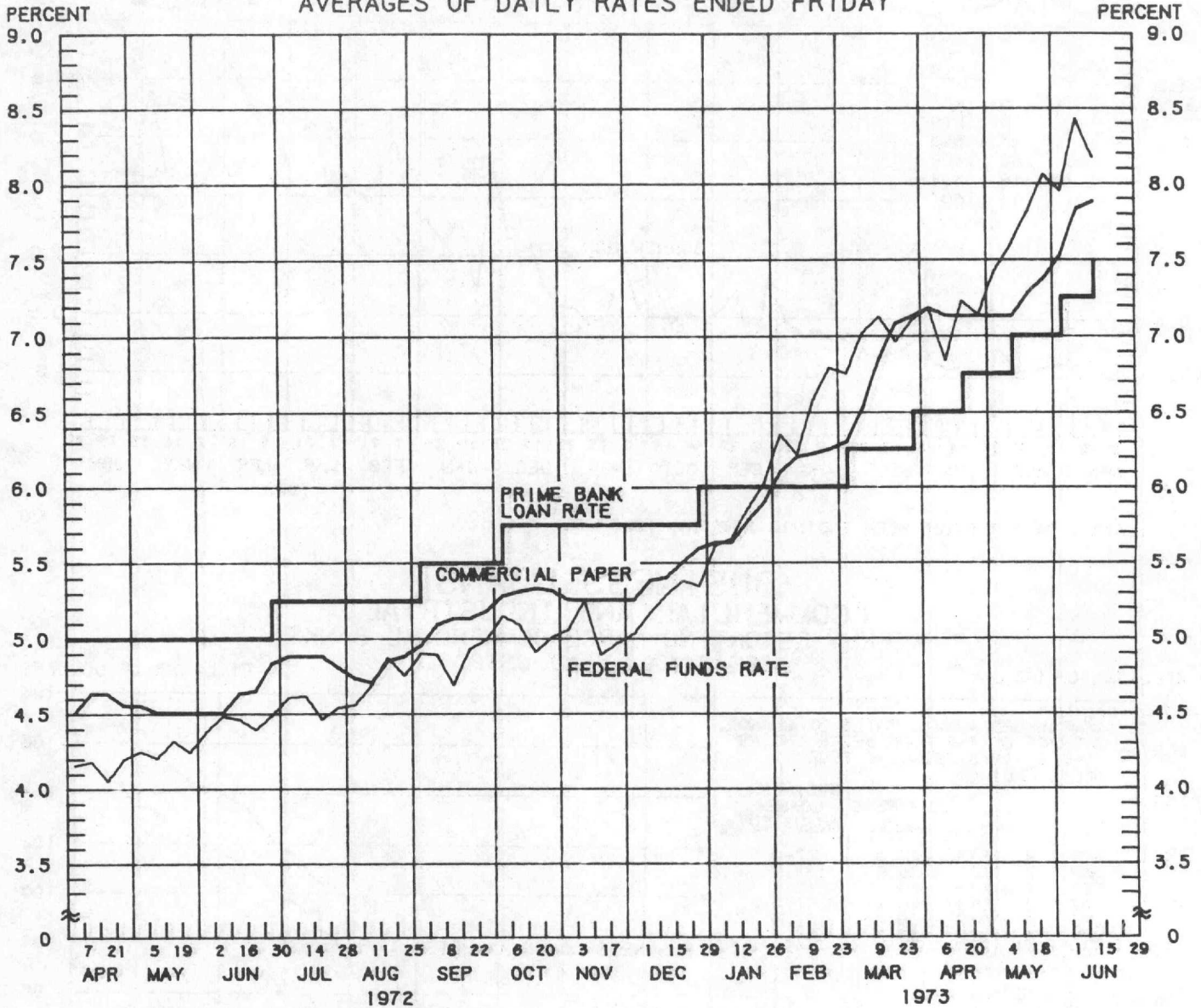
LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JUNE 15, 1973

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	7.26	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	7.35	6.91	6.79	6.31	5.22
8	7.36	7.07	6.72	6.31	5.13
15 *	7.36	7.13	6.69	6.29	N.A.
22					
29					

* AVERAGES OF RATES AVAILABLE.
^{***} BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA.
 N.A. - NOT AVAILABLE

SELECTED SHORT-TERM INTEREST RATES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JUNE 15, 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	7.53	7.95	7.41	7.58
8	7.83	8.43	7.75	7.85
15 *	7.88	8.17	7.88	8.01
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.

