



LIBRARY

Week ending: June 20, 1973

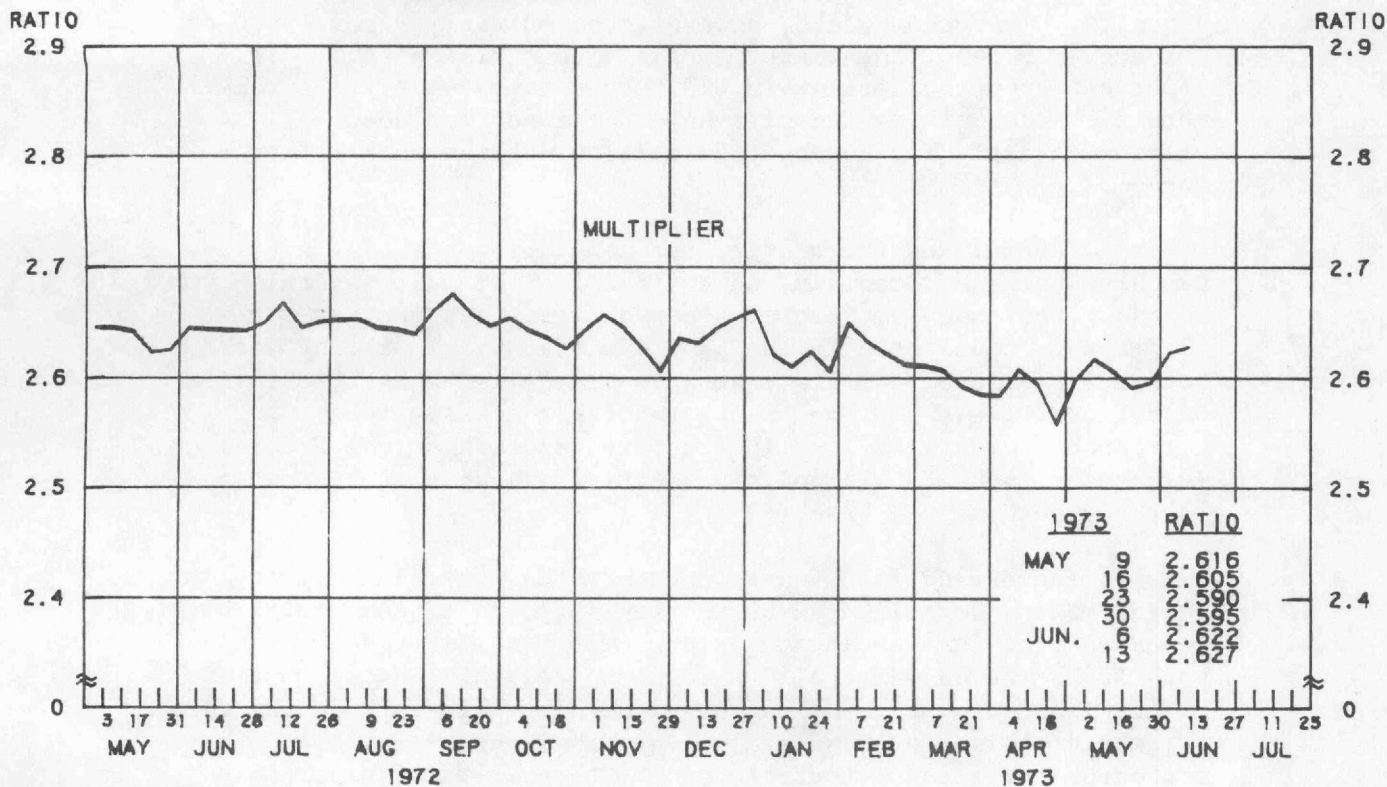
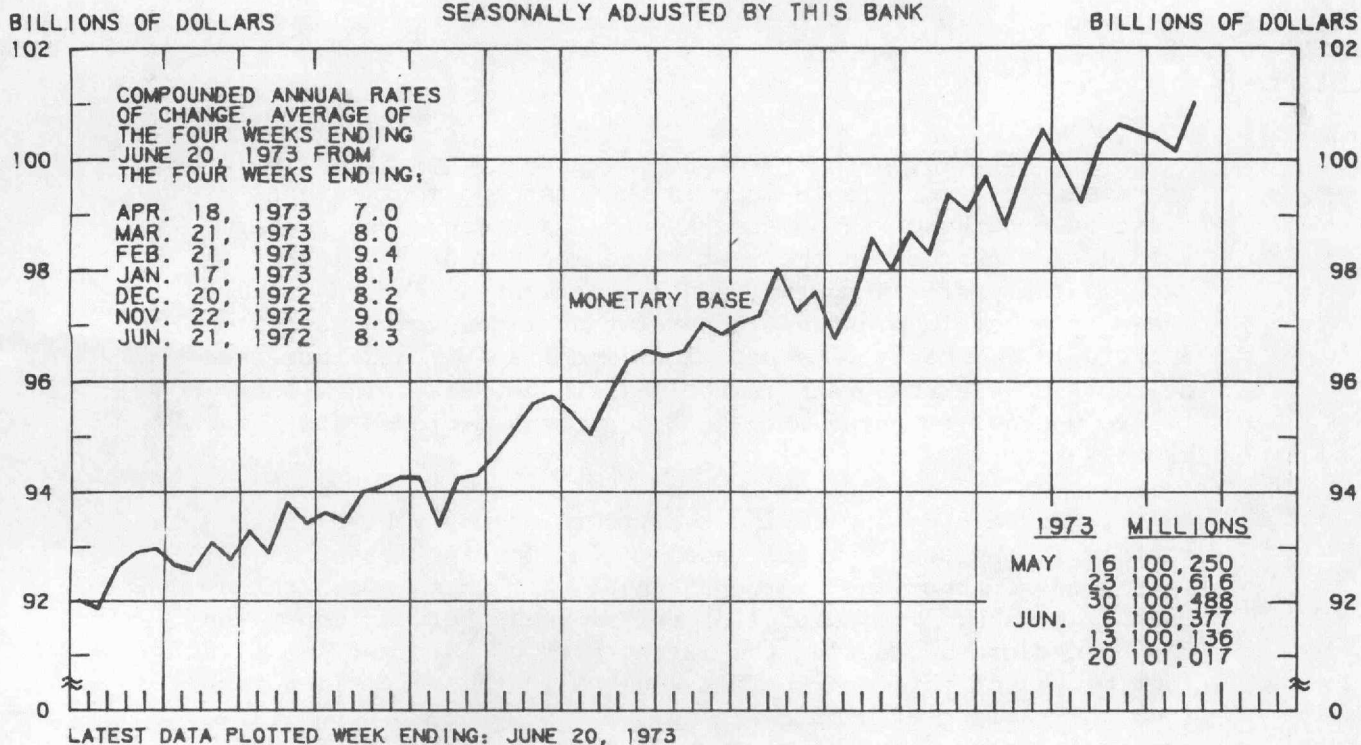
Monetary growth, as measured by the money stock (M_1), has increased at a more rapid pace in the past two months than in the first few months of this year. Money has risen at an average rate of 7.8 percent in the past three months, at a 7.1 percent rate in the past six months, and 7.2 percent in the past year. These rates are above the 6.3 percent average growth rate from 1967 to 1972. Money plus net time deposits (M_2) has increased at about a 9 percent rate in the past three, six, nine, and twelve months, compared with an 8.4 percent average growth rate from 1967 to 1972.

Aggregates underlying the growth of money have risen rapidly in the past several months. The monetary base has increased at about an 8 percent annual rate in the past three and six months. The multiplier relationship between money and the base decreased during the latter part of 1972 and the first four months of this year. This decline in the multiplier resulted from the rapid growth of currency, U.S. Government deposits at commercial banks, and total time deposits relative to demand deposits. In recent weeks, however, the multiplier has risen on balance. An important factor in the recent rise of the multiplier has been the decline in U.S. Government deposits at commercial banks. These deposits have declined from about \$11 billion in early May to about \$3 billion for the week ending June 13.

Federal Reserve credit, the main component of the base, has also increased rapidly, on average, in the past several months. For example, Federal Reserve credit has increased at a 13 percent annual rate in the past six months. In recent weeks, however, the level of this aggregate has fallen about \$2 billion on balance. This decline, which reduces the base, roughly corresponds with a decline in Treasury deposits at the Federal Reserve of about \$3 billion since early May, which contributes to the growth of the base.

The demand for credit appears to have remained strong in recent months as evidenced by the rapid growth of commercial bank loans and the further increase in market interest rates. Total bank loans increased at a 20 percent annual rate in the past two months (March to May), below the extremely rapid rate in the first quarter of this year, but still very rapid by historical standards. Yields on four- to six-month commercial paper have increased about 80 basis points since mid-May and about 2.5 percentage points since last December.

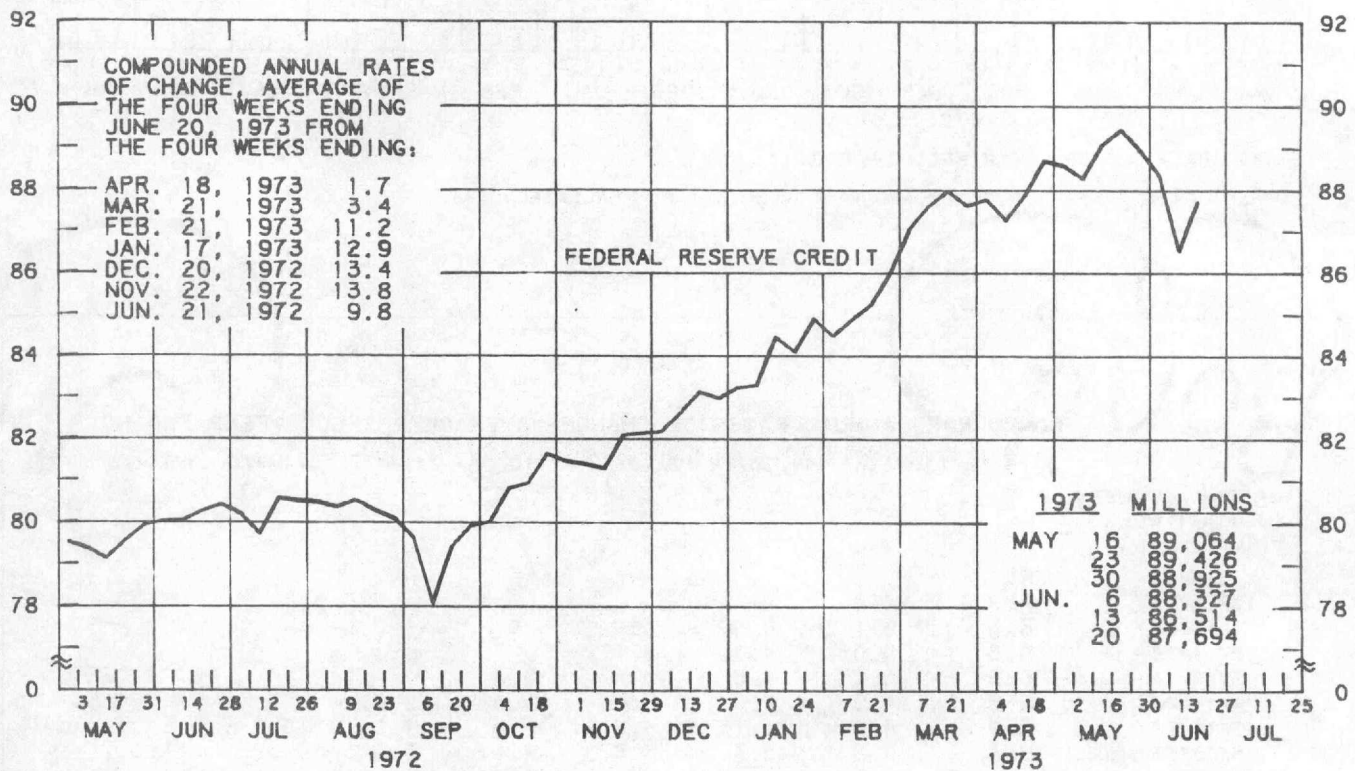
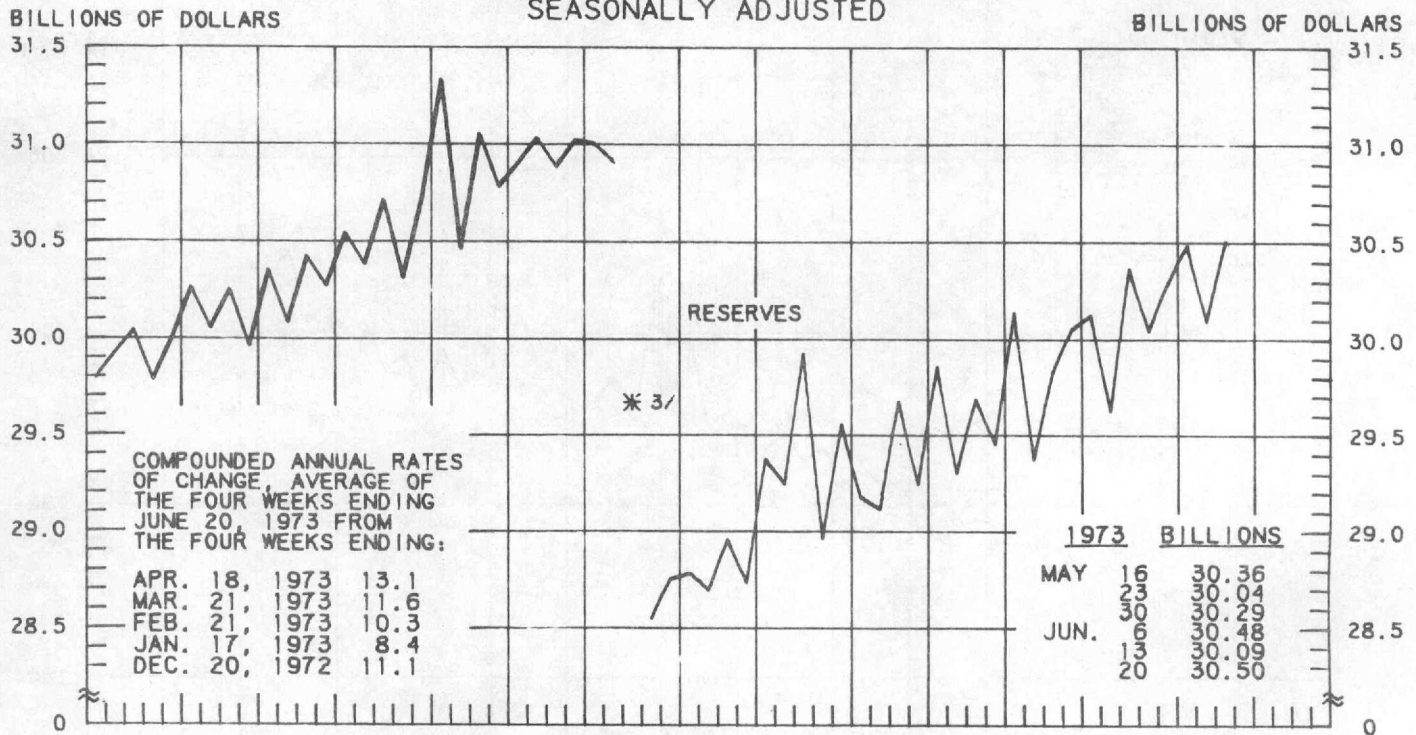
MONETARY BASE ^{1/} MULTIPLIER ^{2/} AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED BY THIS BANK



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: JUNE 20, 1973

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

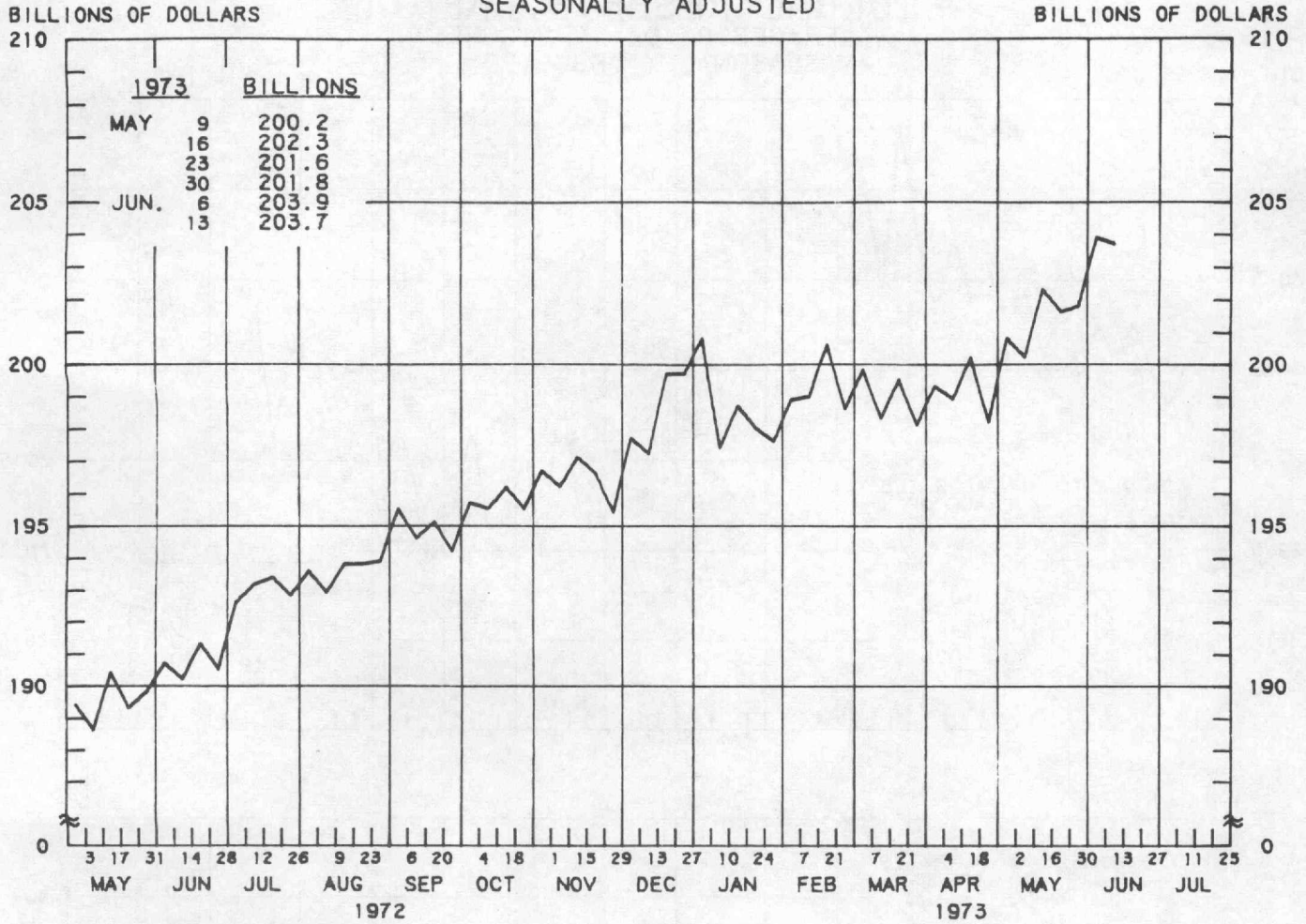
2/ DEFINED TO INCLUDE HOLDINGS OF SECURITIES, LOANS, FLOAT AND "OTHER" ASSETS, ADJUSTED FOR RESERVE REQUIREMENT CHANGES AND CHANGES IN REQUIREMENTS DUE TO SHIFTS IN DEPOSITS AMONG CLASSES OF BANKS.

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 13, 1973
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

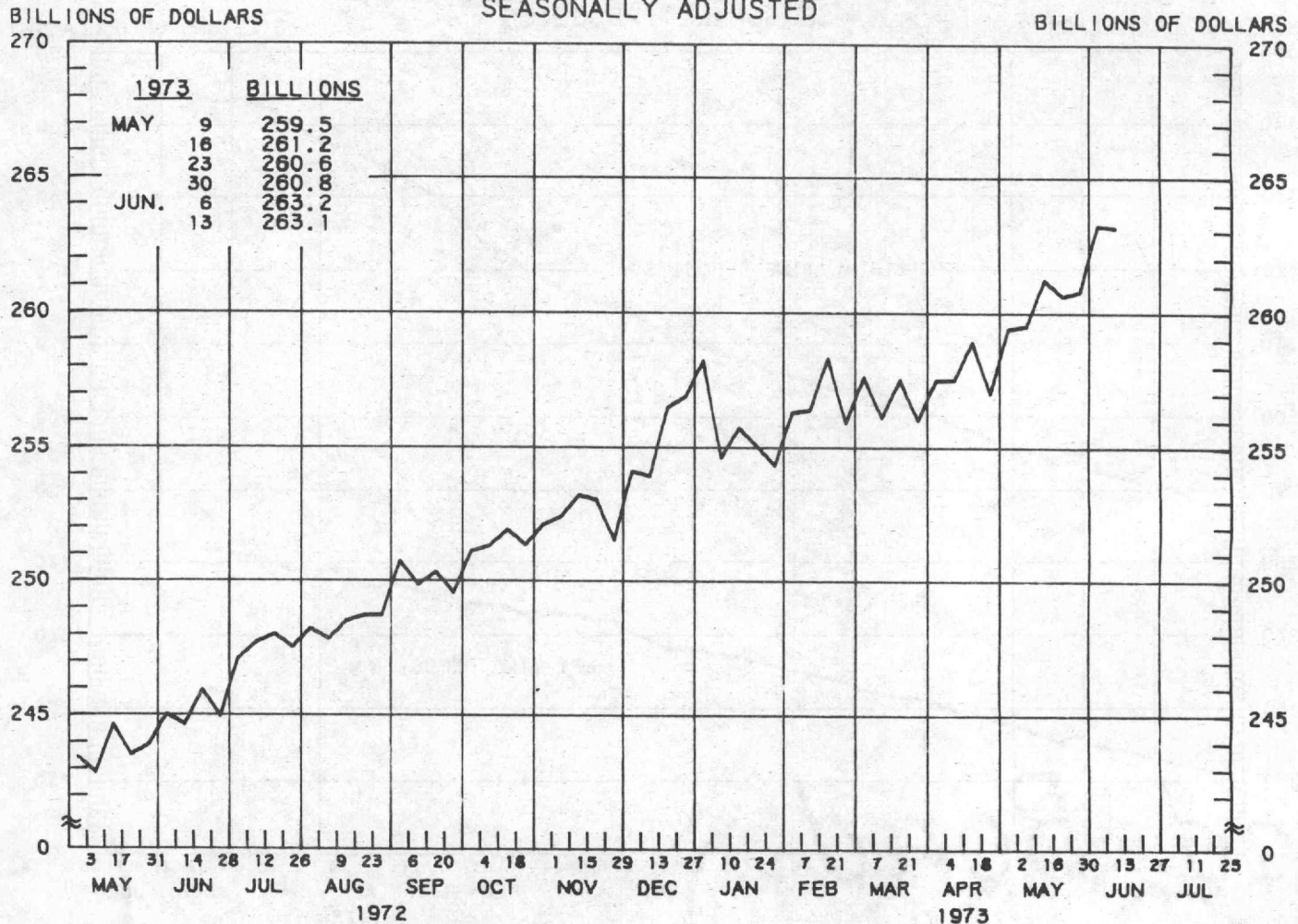
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:
6/14/72 10/11/72 11/15/72 12/13/72 1/10/73 2/14/73 3/14/73 4/11/73

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

11/15/72	8.1							
12/13/72	7.2	4.8						
1/10/73	8.7	9.1	10.4					
2/14/73	6.6	5.0	4.1	5.1				
3/14/73	6.6	5.2	4.6	5.4	-0.3			
4/11/73	5.8	4.0	3.3	3.6	-0.8	2.0		
5/18/73	5.9	4.6	4.1	4.5	1.5	4.1	3.2	
6/13/73	6.7	5.9	5.7	6.3	4.1	6.9	7.2	11.5

MONEY STOCK

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JUNE 13, 1973

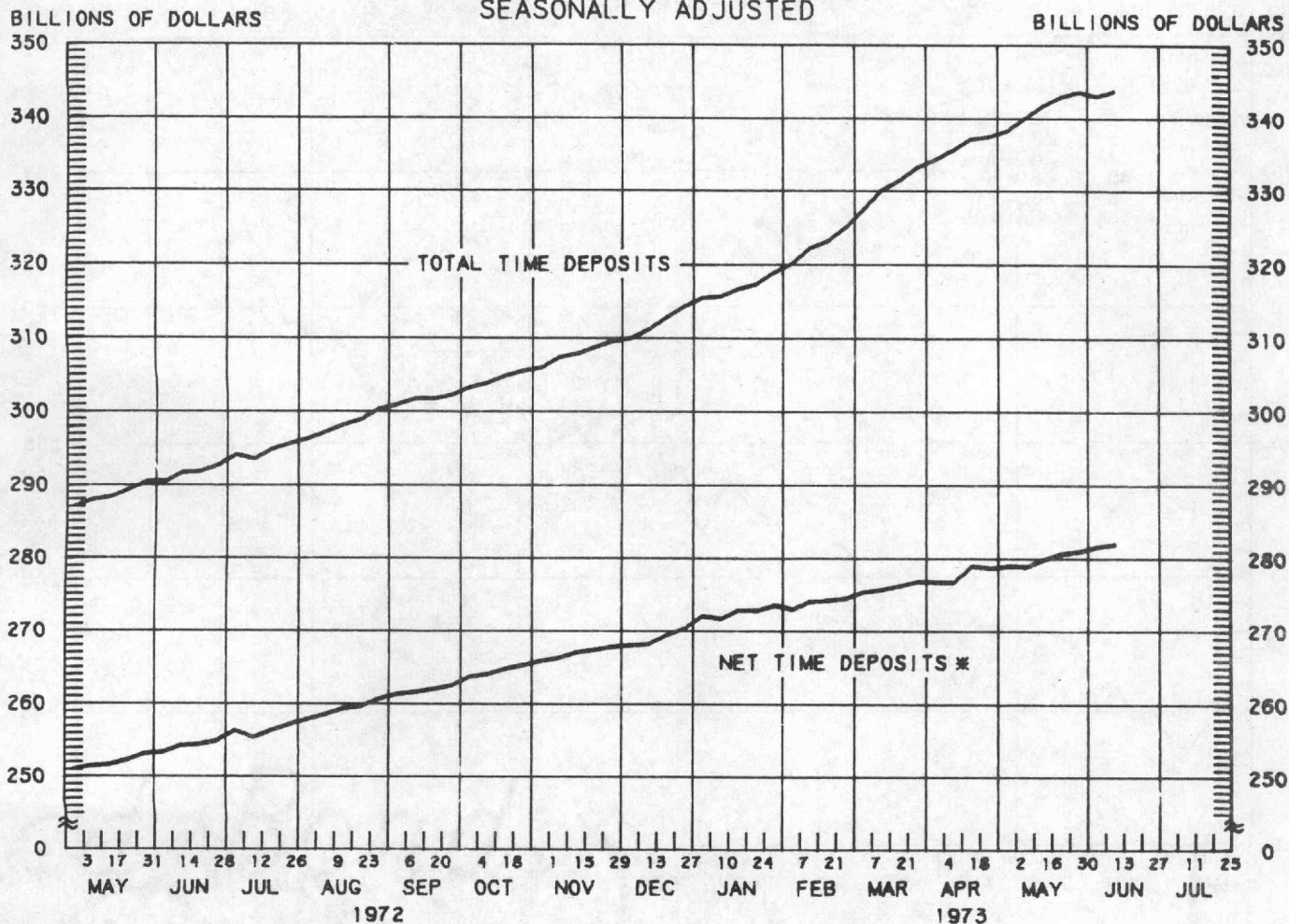
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:
6/14/72 10/11/72 11/15/72 12/13/72 1/10/73 2/14/73 3/14/73 4/11/73

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

11/15/72	7.9								
12/13/72	7.3	5.9							
1/10/73	8.9	9.9	11.6						
2/14/73	6.9	5.8	5.2	5.6					
3/14/73	7.0	6.1	5.8	6.3	0.9				
4/11/73	6.4	5.3	4.8	4.9	0.8	4.1			
5/16/73	6.7	5.9	5.6	5.9	3.1	6.1	5.3		
6/13/73	7.2	6.8	6.7	7.1	5.0	7.9	7.8	11.3	

TIME DEPOSITS
ALL COMMERCIAL BANKS
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JUNE 13, 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:

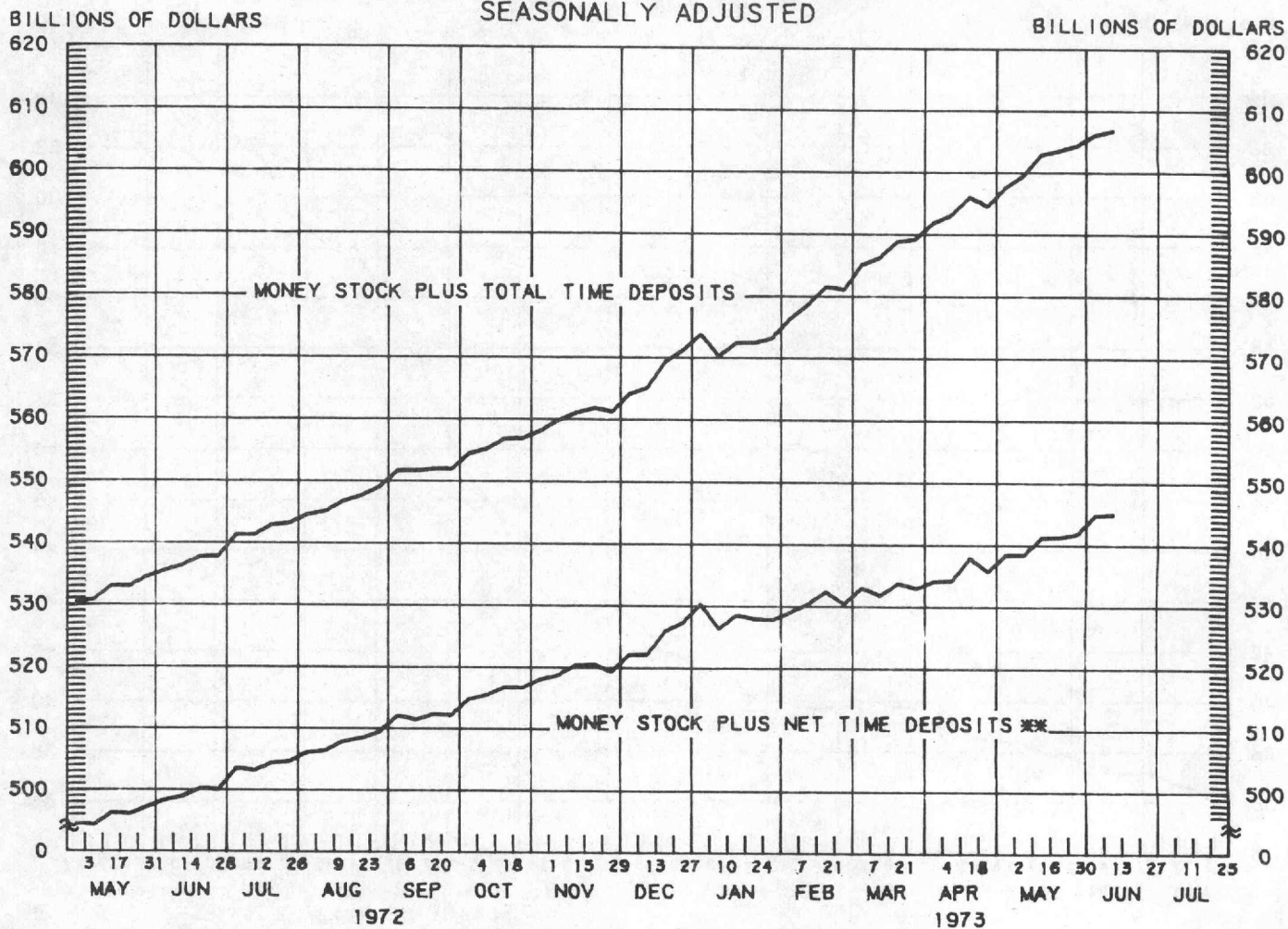
6/14/72 10/11/72 11/15/72 12/13/72 1/10/73 2/14/73 3/14/73 4/11/73

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

11/15/72	12.5								
12/13/72	11.9	11.0							
1/10/73	12.3	12.4	12.0						
2/14/73	11.9	11.5	10.9	12.0					
3/14/73	11.5	10.9	10.3	10.9	8.8				
4/11/73	11.2	10.5	10.0	10.3	8.7	8.4			
5/16/73	11.1	10.4	9.9	10.2	9.0	8.9	9.2		
6/13/73	11.1	10.4	10.0	10.3	9.3	9.3	9.6	10.2	

MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JUNE 13, 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:

6/14/72 10/11/72 11/15/72 12/13/72 1/10/73 2/14/73 3/14/73 4/11/73

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

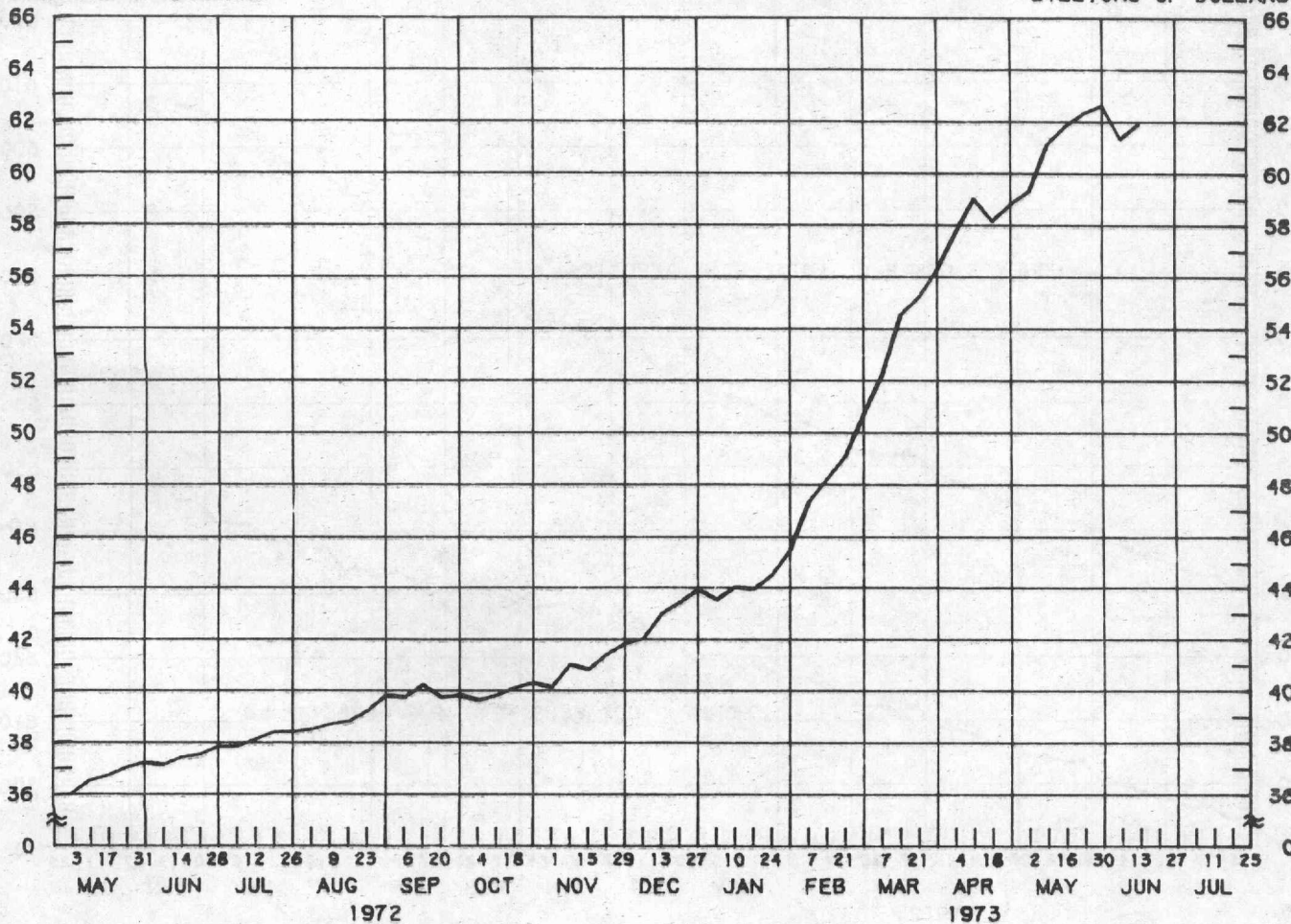
11/15/72	10.2								
12/13/72	9.6	8.5							
1/10/73	10.6	11.2	11.8						
2/14/73	9.4	8.7	8.2	9.0					
3/14/73	9.3	8.6	8.1	8.6	4.9				
4/11/73	8.8	8.0	7.5	7.7	4.9	6.3			
5/16/73	8.9	8.2	7.9	8.1	6.1	7.5	7.4		
6/13/73	9.2	8.7	8.4	8.7	7.2	8.6	8.9	10.7	

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JUNE 13, 1973

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

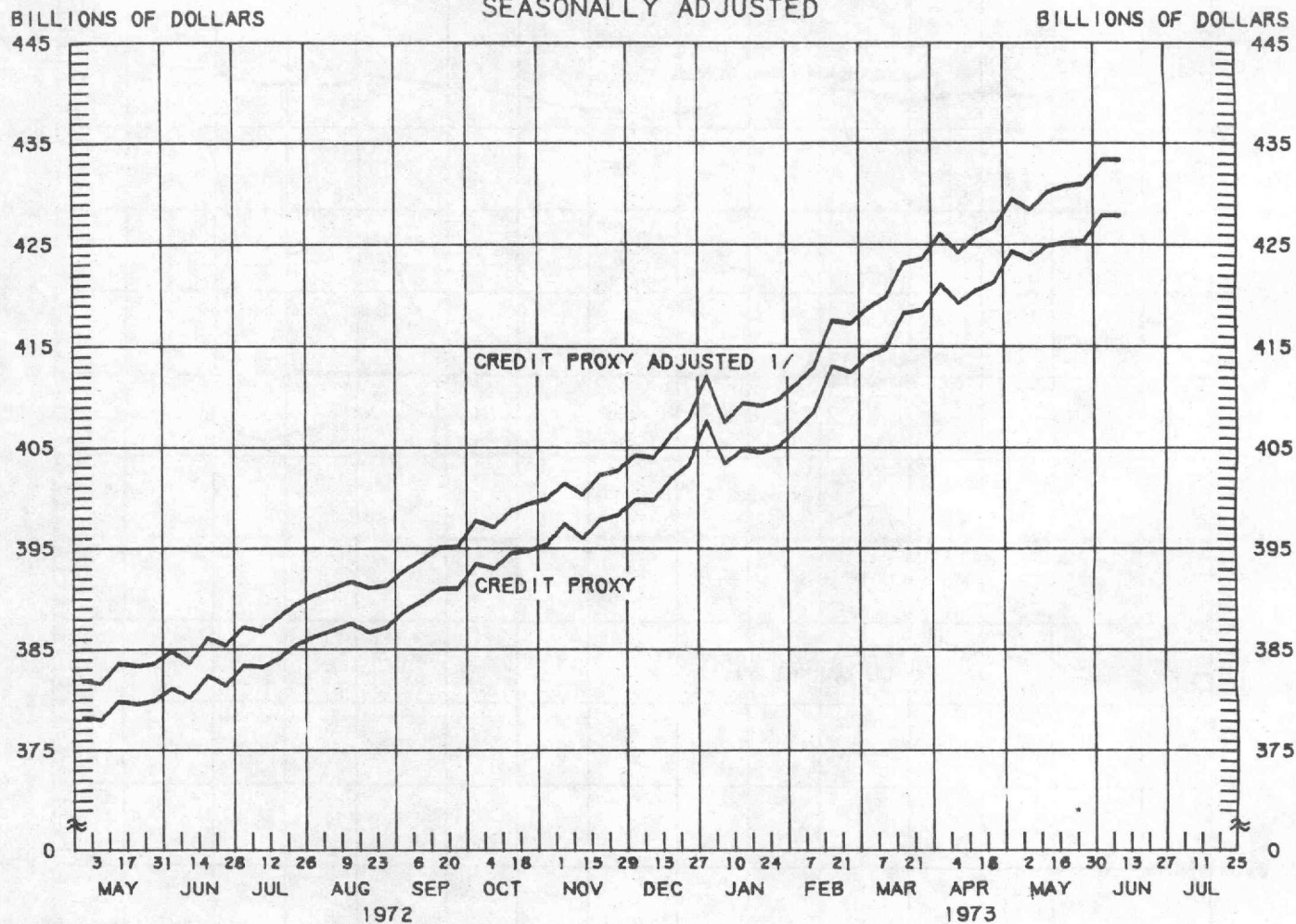
NEGOTIABLE TIME CERTIFICATES OF DEPOSIT ISSUED IN DENOMINATIONS OF \$100,000 OR MORE BY LARGE WEEKLY REPORTING COMMERCIAL BANKS.

MONEY AND TIME DEPOSIT DATA			
1973	BILLIONS		
	CERTIFICATES OF DEPOSIT	NET TIME DEPOSITS *	M 2 ***
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	281.6	544.8
13	61.9	281.9	544.9
20			
27			
JULY 4			
11			
18			
25			

* 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 13, 1973

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

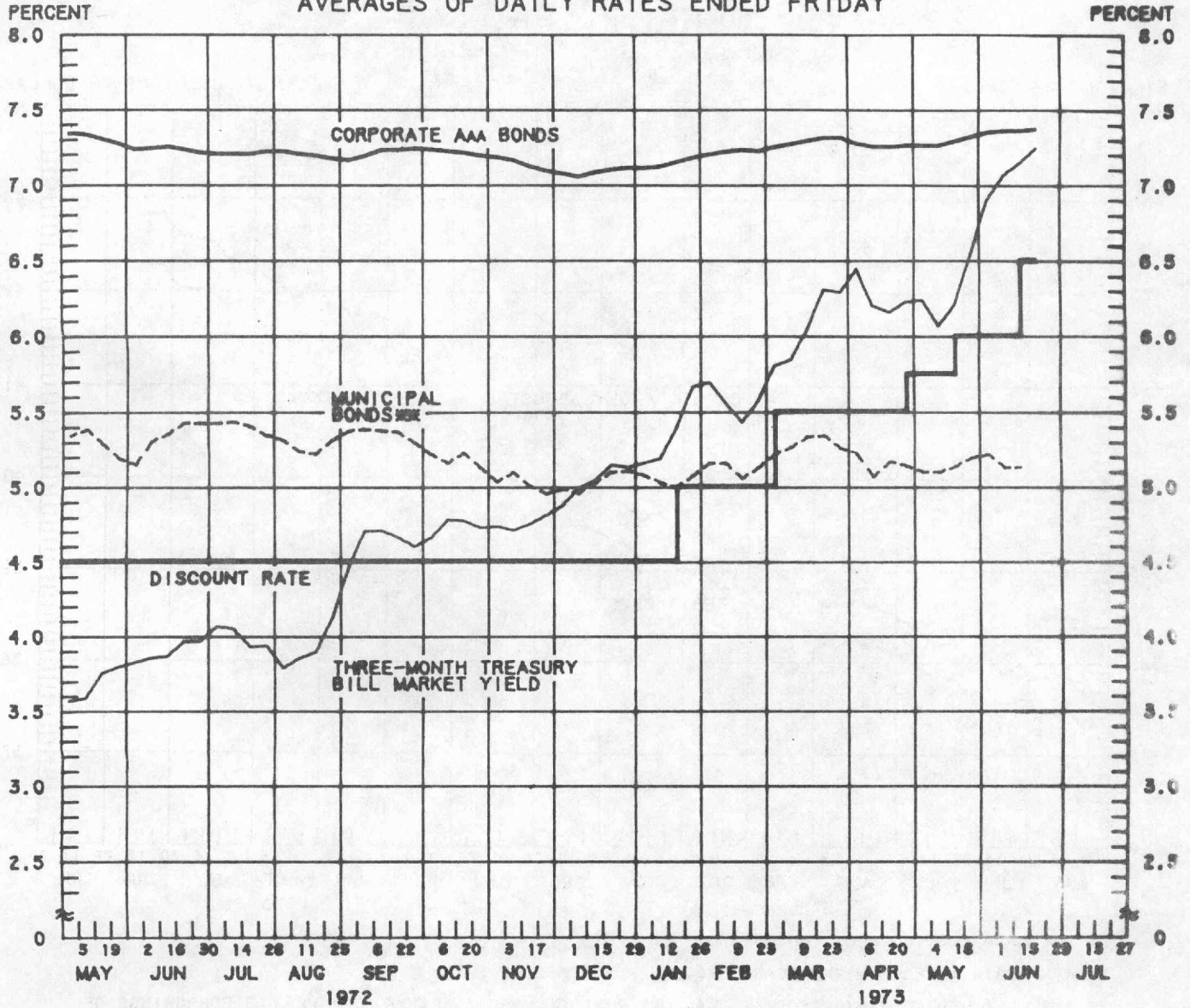
1/ INCLUDES MEMBER BANK DEPOSITS, BANK-RELATED COMMERCIAL PAPER, EURODOLLAR BORROWINGS OF U.S. BANKS, AND CERTAIN OTHER NONDEPOSIT SOURCES.

1973		BILLIONS	
		CREDIT PROXY	CREDIT PROXY ADJUSTED
MAY	9	423.4	428.4
	16	424.9	430.2
	23	425.2	430.8
JUN.	30	425.3	431.0
	6	427.9	433.4
	13	427.8	433.3

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF THE FOUR WEEKS ENDING JUNE 13, 1973 FROM THE FOUR WEEKS ENDING:			
		CREDIT PROXY	CREDIT PROXY ADJUSTED
APR.	11, 1973	10.5	11.3
MAR.	14, 1973	13.2	13.8
FEB.	14, 1973	16.2	16.7
JAN.	10, 1973	13.7	14.3
DEC.	13, 1972	14.4	14.8
NOV.	15, 1972	13.8	14.2
JUN.	14, 1972	12.2	12.6

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



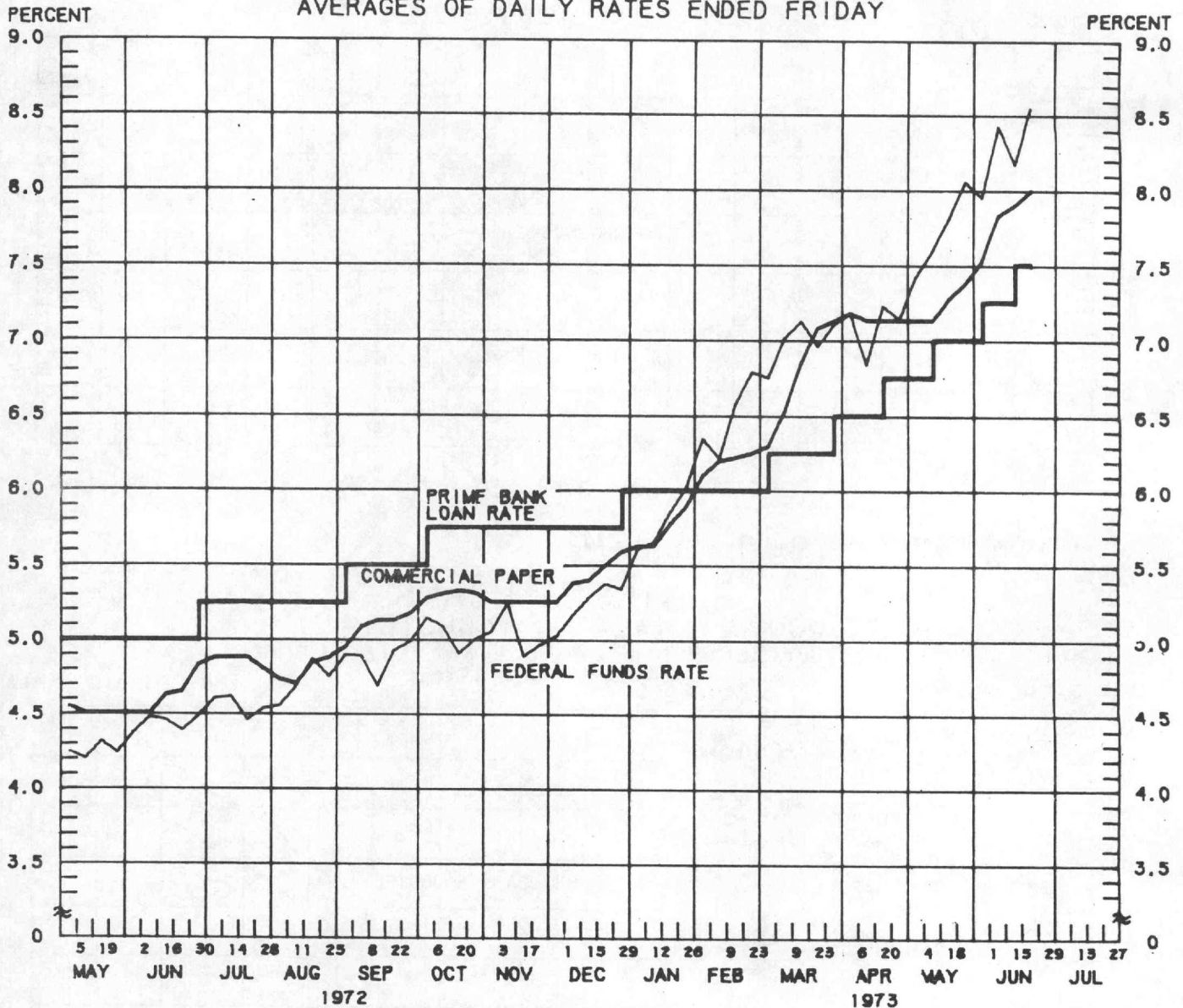
LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JUNE 22, 1973

1973	CORPORATE AAA BONDS	3-MONTH TREASURY BILLS	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES	MUNICIPAL BONDS <small>***</small>
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	7.15	6.70	6.29	5.13
22 *	7.37	7.25	6.73	6.32	N.A.
29					
JULY 6					
13					
20					
27					

* 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

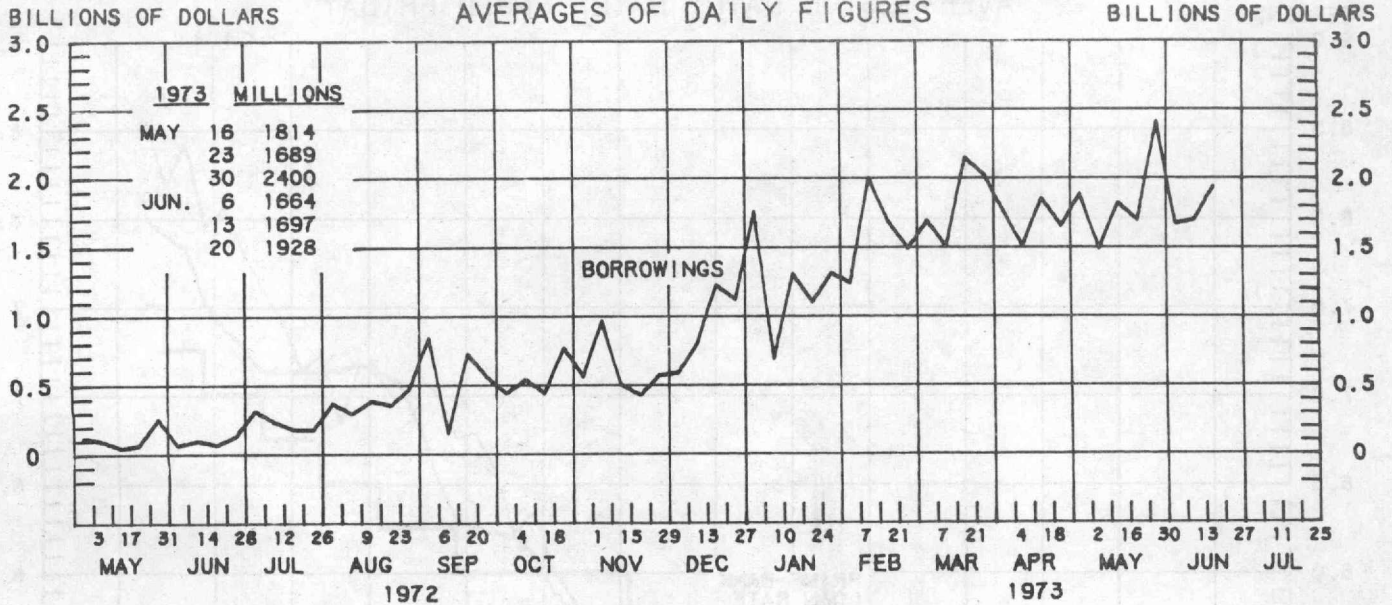


LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JUNE 22, 1973

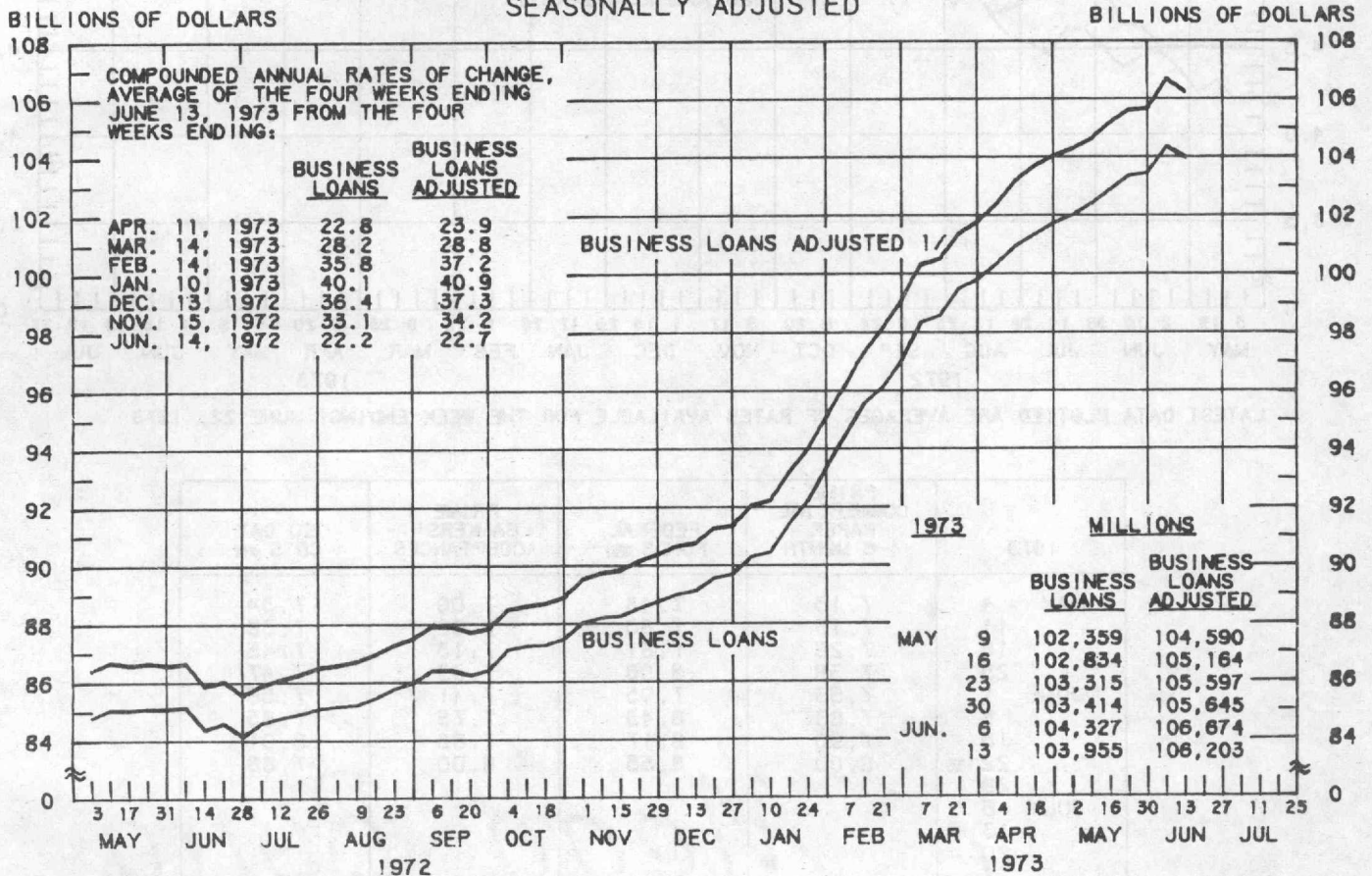
1973	PRIME COMMERCIAL PAPER 4-6 MONTH	FEDERAL FUNDS RATE	PRIME BANKERS' ACCEPTANCES	90 DAY CD'S RATE
MAY 4	7.13	7.43	7.00	7.34
11	7.13	7.60	7.00	7.38
18	7.28	7.81	7.13	7.45
25	7.38	8.06	7.33	7.47
JUNE 1	7.53	7.95	7.41	7.58
8	7.83	8.43	7.75	7.85
15	7.90	8.17	7.88	8.01
22 *	8.00	8.55	8.00	7.88
29				
JULY 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