

Week ending: June 27, 1973



The nation's money stock has increased at a substantial rate of 9.7 percent in the past three months. This rate ranks in the 97th percentile of all three-month periods since 1948. In the past six and twelve months, this aggregate has grown at a rapid 7 percent rate, compared with a 6.3 percent average rate from 1967 to 1972. The demand deposit component of money, which comprises about three-fourths of the total money stock, has risen at a 9.1 percent rate in the past three months, after no growth in the first quarter (December to March). On average, demand deposits have increased at a 6.2 percent rate in the past six months and 6.8 percent in the past twelve months.

Reserve requirement changes announced in May became effective in the statement week ending June 27. In the reserve computation period ending this Wednesday, a marginal reserve requirement of 8 percent (the regular 5 percent plus a supplemental 3 percent) was charged on increases in the total volume of large CDs and bank-related commercial paper above the level existing during the week ending May 16, or above \$10 million, whichever is larger. Also, reserve requirements were reduced on Euro-dollar borrowings above the reserve-free base from 20 percent to 8 percent.

The effect of these reserve requirement changes had only a minor impact on aggregate required reserves. The reserve adjustment magnitude in the monetary base and Federal Reserve credit (which transforms these series to an "effective" basis) was decreased by less than \$100 million due to these reserve requirement changes.

Also recently announced, funds raised by member banks through the sale of finance bills will become subject to reserve requirements in the reserve computation period ending July 18. The reserve requirements on these bills will be treated in a manner similar to those in large CDs and bank-related commercial paper.

Finance bills, or working capital acceptances, are a type of banker's acceptance which is ineligible for rediscount by the Federal Reserve. In general, banker's acceptances are negotiable time drafts which are "accepted" by a commercial bank, thereby guaranteeing to pay the face value of the instrument on its maturity date. The "accepted" paper can either be held by the accepting bank or sold in the open market like commercial paper. In the latter case, the bank, in effect, has lent its name, but not the bank's own funds. Finance bills outstanding have increased from about \$360 million in late last December to \$1.5 billion in mid-June.

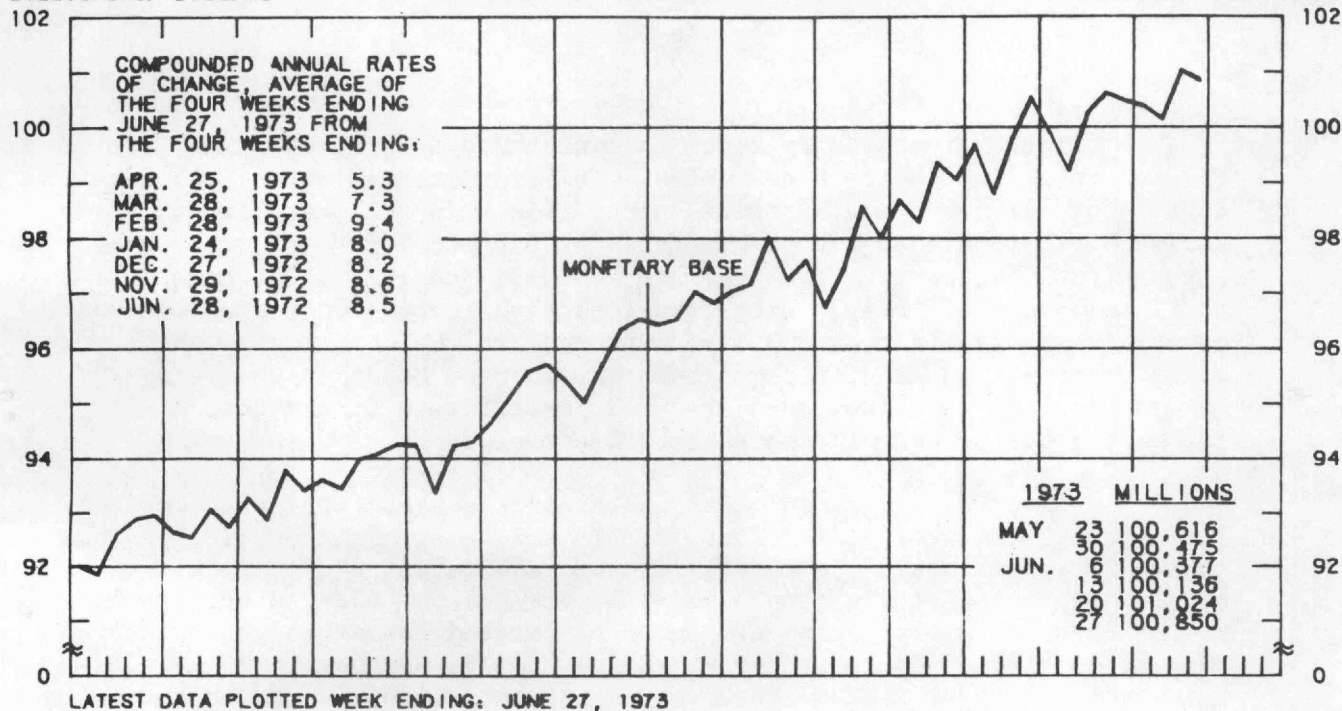
Prepared by Federal Reserve Bank of St. Louis

Released: June 29, 1973

# MONETARY BASE <sup>1/</sup> MULTIPLIER <sup>2/</sup> AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED BY THIS BANK

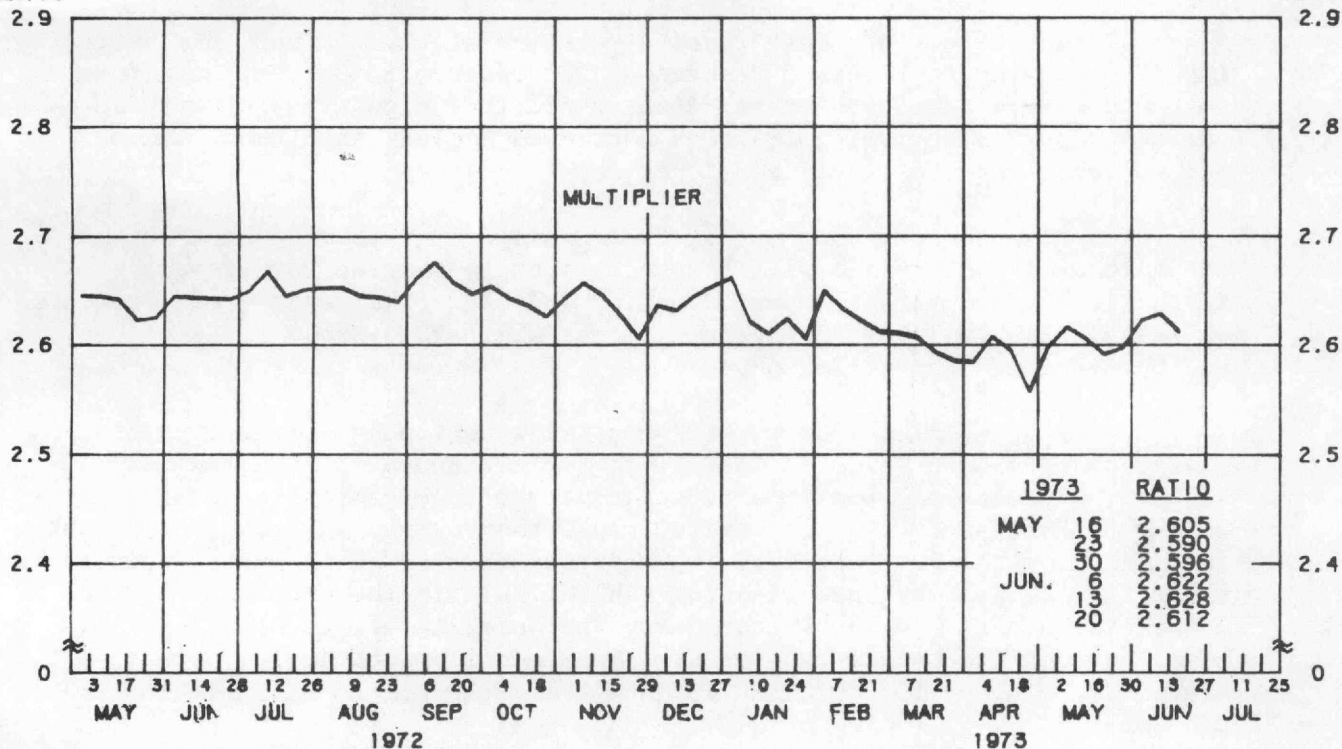
BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



RATIO

RATIO



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.

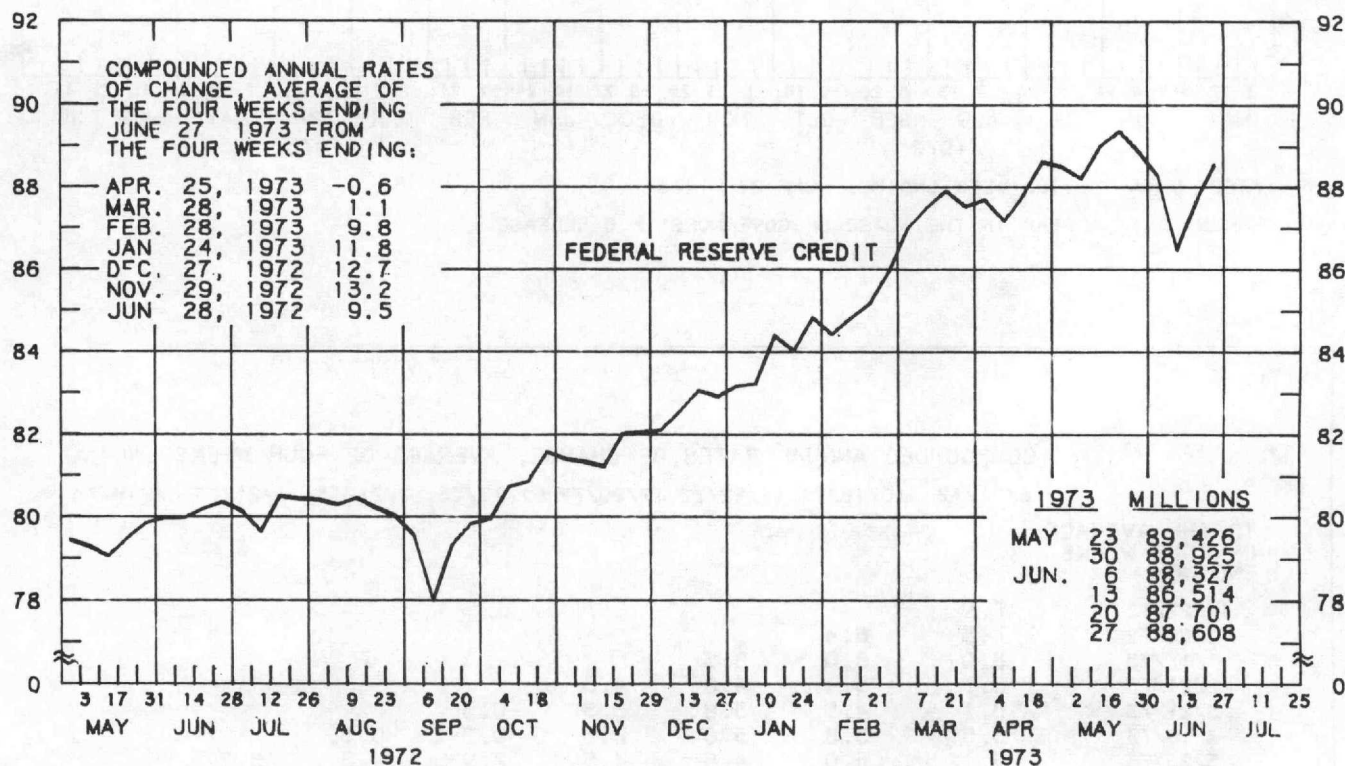
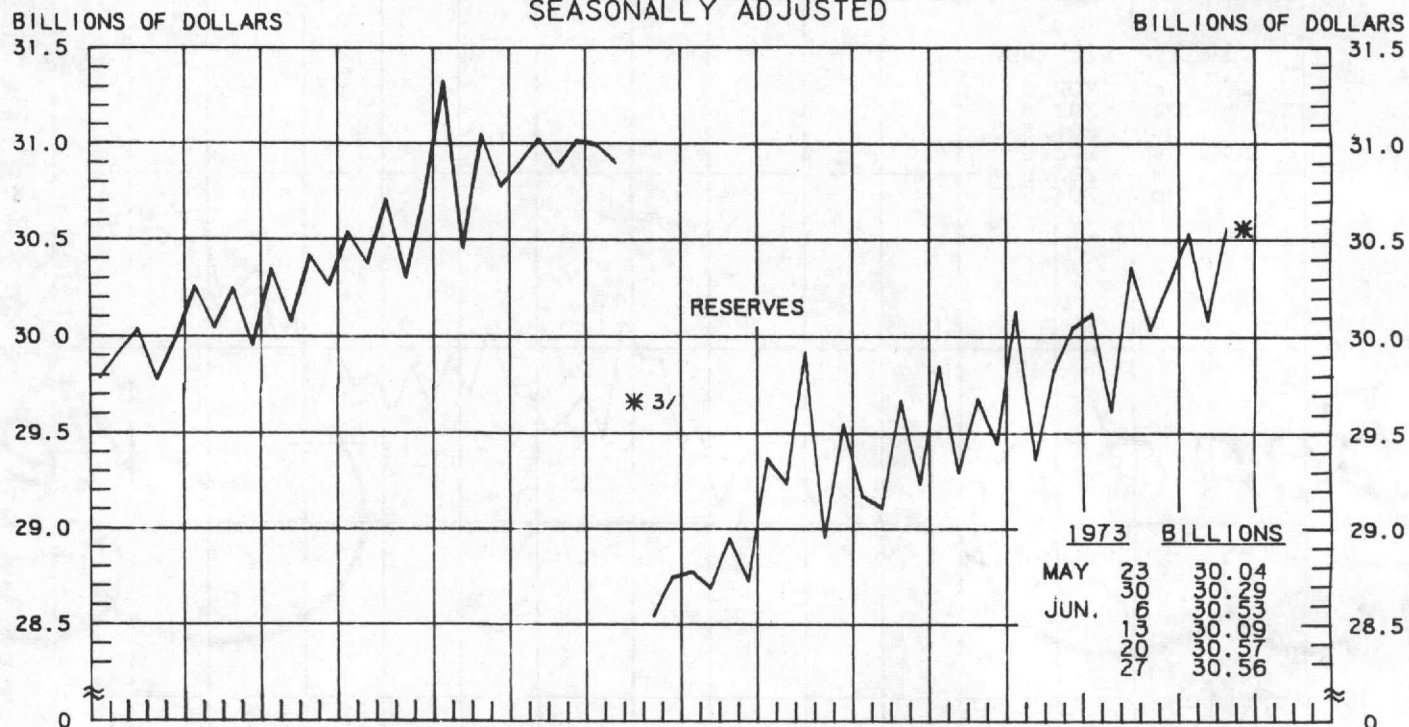
2/ RATIO OF MONEY STOCK (M1) / MONETARY BASE.

# RESERVES AVAILABLE TO SUPPORT PRIVATE NONBANK DEPOSITS <sup>1/</sup>

3

## ALL MEMBER BANKS FEDERAL RESERVE CREDIT <sup>2/</sup>

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JUNE 27, 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.

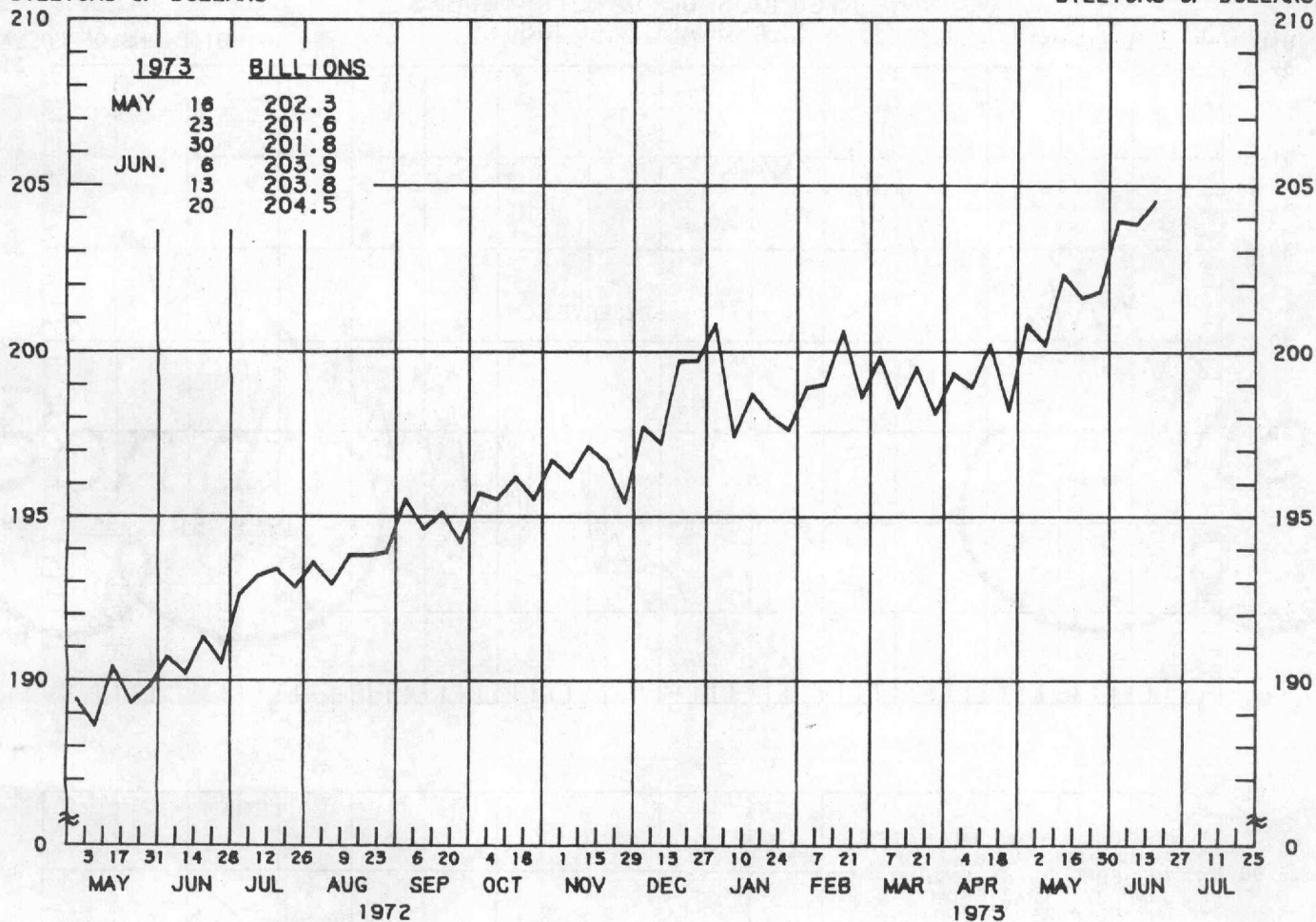


# DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JUNE 20, 1973

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

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

6/21/72 10/18/72 11/22/72 12/20/72 1/17/73 2/21/73 3/21/73 4/18/73

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

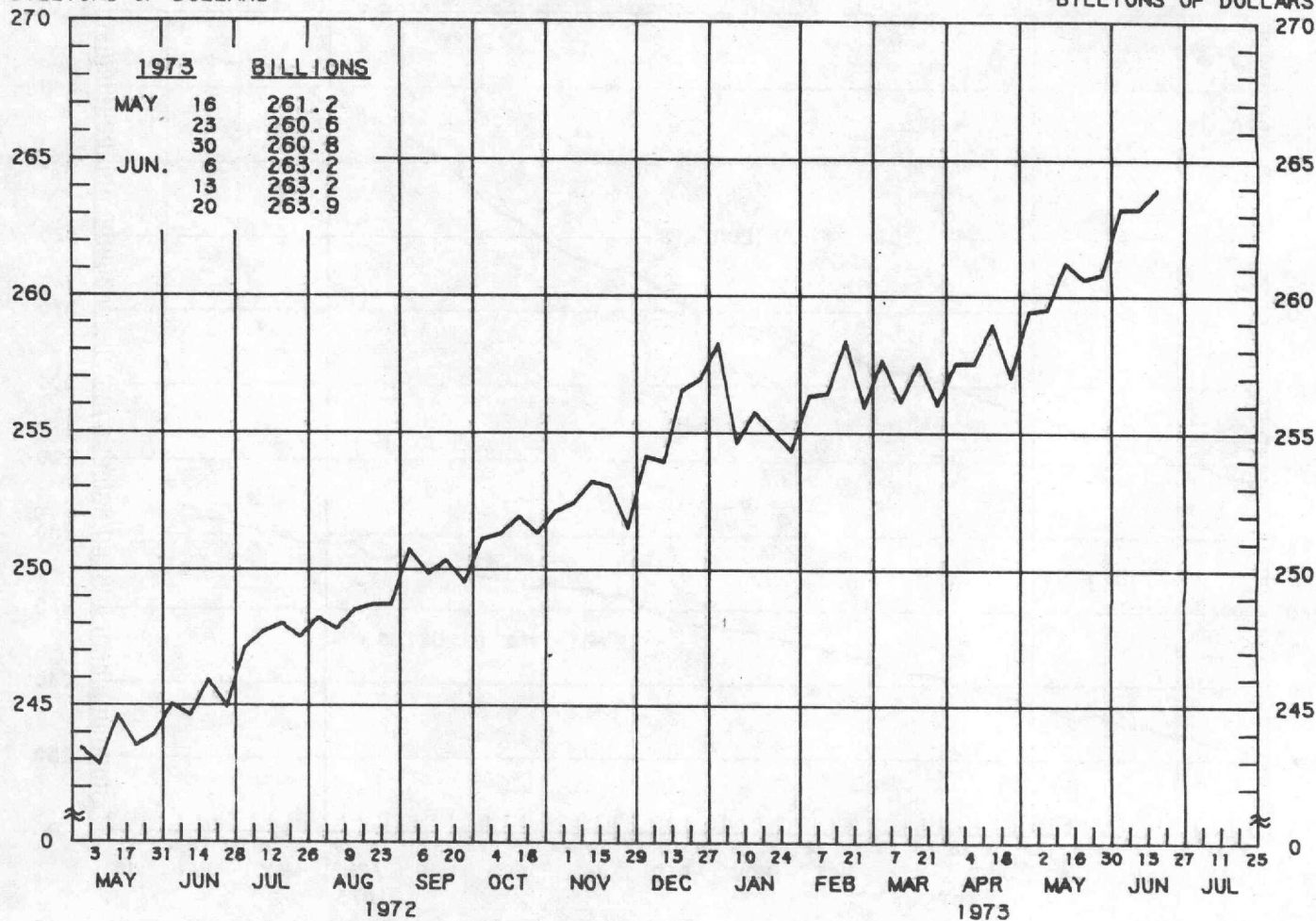
11/22/72	7.9						
12/20/72	7.5	6.4					
1/17/73	8.0	8.0	8.6				
2/21/73	6.7	5.4	4.8	4.5			
3/21/73	6.1	4.5	3.8	3.3	-0.3		
4/18/73	5.5	3.8	3.0	2.5	-0.2	0.3	
5/23/73	6.1	5.0	4.6	4.5	2.9	4.5	6.2
6/20/73	6.8	6.2	6.1	6.2	5.2	7.1	9.1 13.5

# MONEY STOCK

## AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JUNE 20, 1973

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

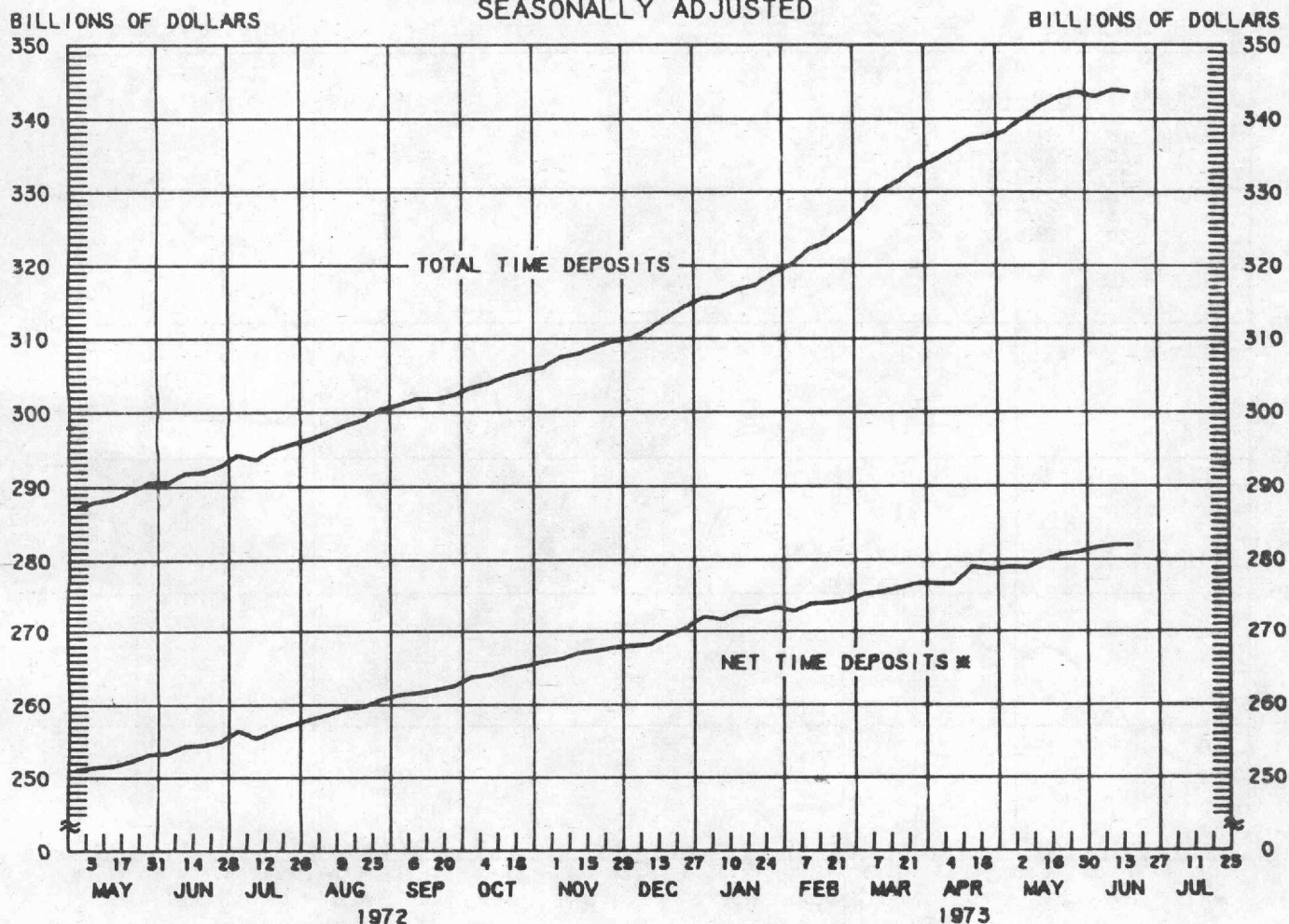
## COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

6/21/72 10/18/72 11/22/72 12/20/72 1/17/73 2/21/73 3/21/73 4/18/73

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

11/22/72	7.7						
12/20/72	7.6	7.1					
1/17/73	8.3	8.9	9.9				
2/21/73	7.0	6.2	5.8	5.3			
3/21/73	6.5	5.5	5.0	4.5	0.9		
4/18/73	6.3	5.2	4.8	4.3	1.7	3.1	
5/23/73	6.8	6.2	6.0	5.9	4.3	6.2	7.9
6/20/73	7.3	7.1	7.0	7.0	6.0	8.0	9.7 12.5

# TIME DEPOSITS ALL COMMERCIAL BANKS AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JUNE 20, 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:

6/21/72 10/18/72 11/22/72 12/20/72 1/17/73 2/21/73 3/21/73 4/18/73

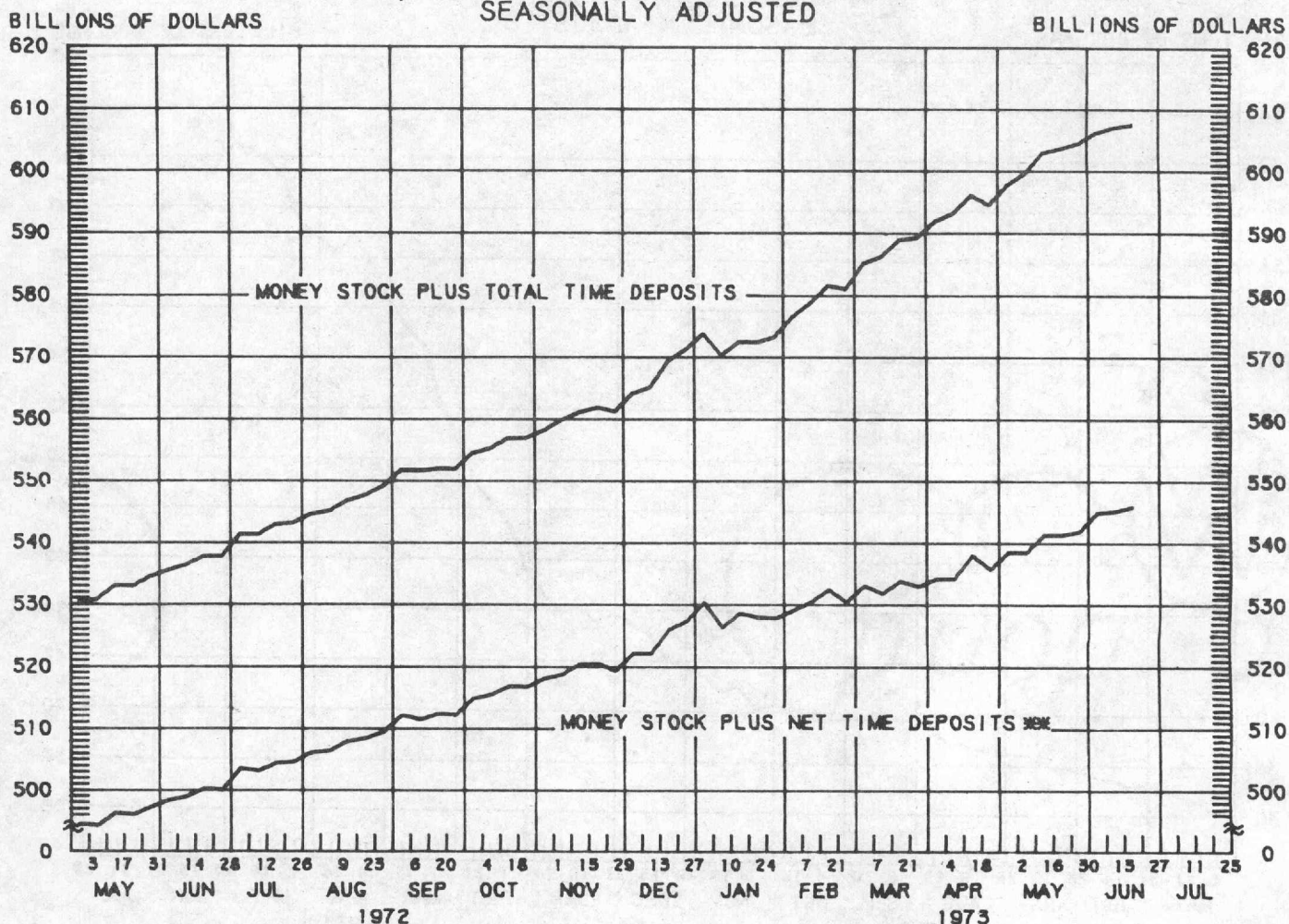
TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

11/22/72	12.4							
12/20/72	11.8	10.5						
1/17/73	12.5	12.5	12.8					
2/21/73	11.8	11.1	10.8	11.7				
3/21/73	11.5	10.7	10.3	10.8	8.1			
4/18/73	11.3	10.5	10.1	10.5	8.5	9.1		
5/23/73	11.1	10.2	9.9	10.1	8.6	9.1	9.1	
6/20/73	11.0	10.2	9.9	10.1	8.8	9.2	9.3	9.3



# MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JUNE 20, 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:

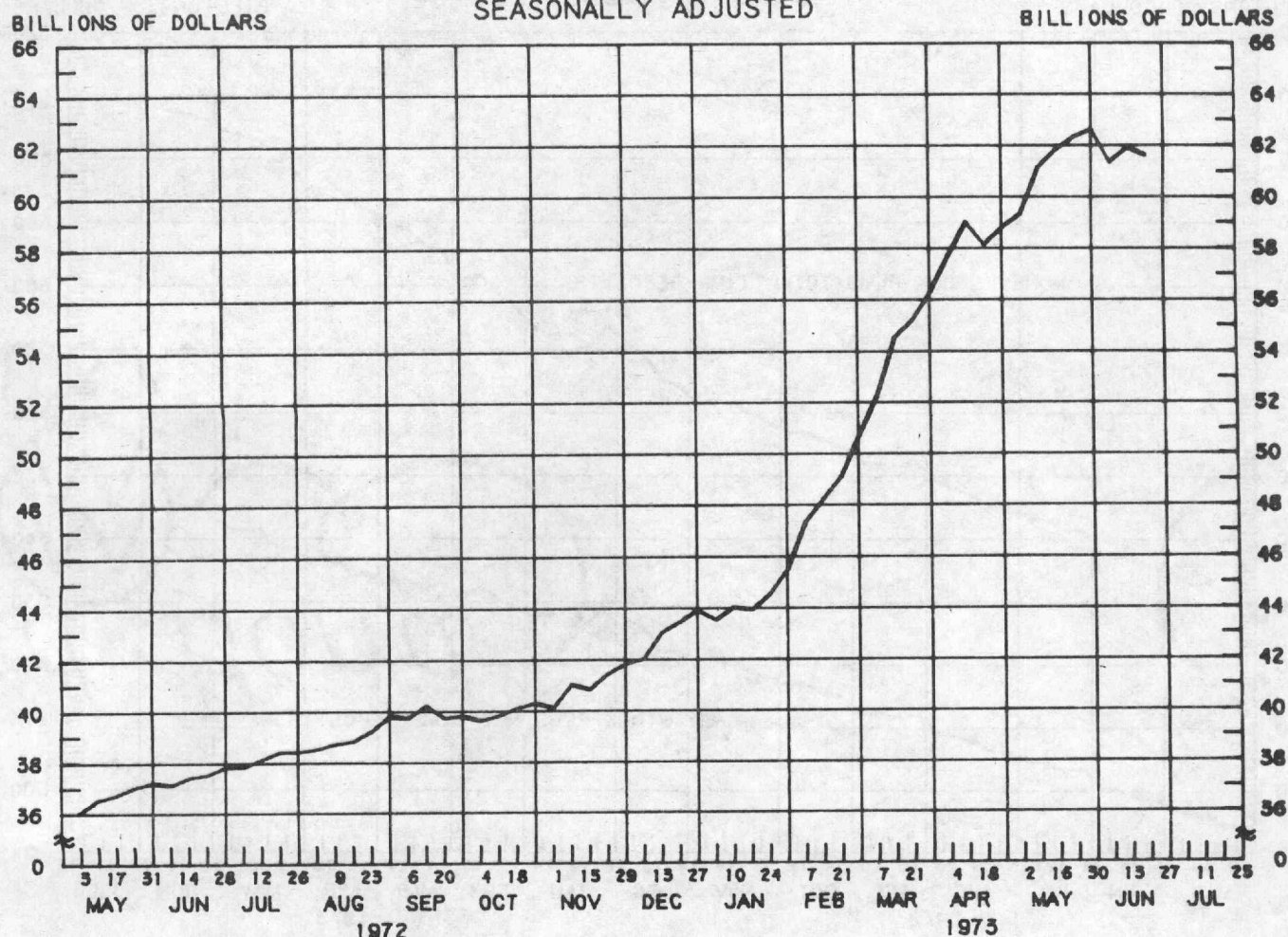
6/21/72 10/18/72 11/22/72 12/20/72 1/17/73 2/21/73 3/21/73 4/18/73

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

11/22/72	10.1								
12/20/72	9.7	8.8							
1/17/73	10.4	10.8	11.4						
2/21/73	9.4	8.8	8.3	8.7					
3/21/73	9.1	8.2	7.7	7.8	4.6				
4/18/73	8.8	7.9	7.5	7.4	5.1	6.0			
5/23/73	9.0	8.3	8.0	8.1	6.5	7.7	8.5		
6/20/73	9.2	8.7	8.5	8.6	7.4	8.6	9.5	10.9	

# CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JUNE 20, 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.

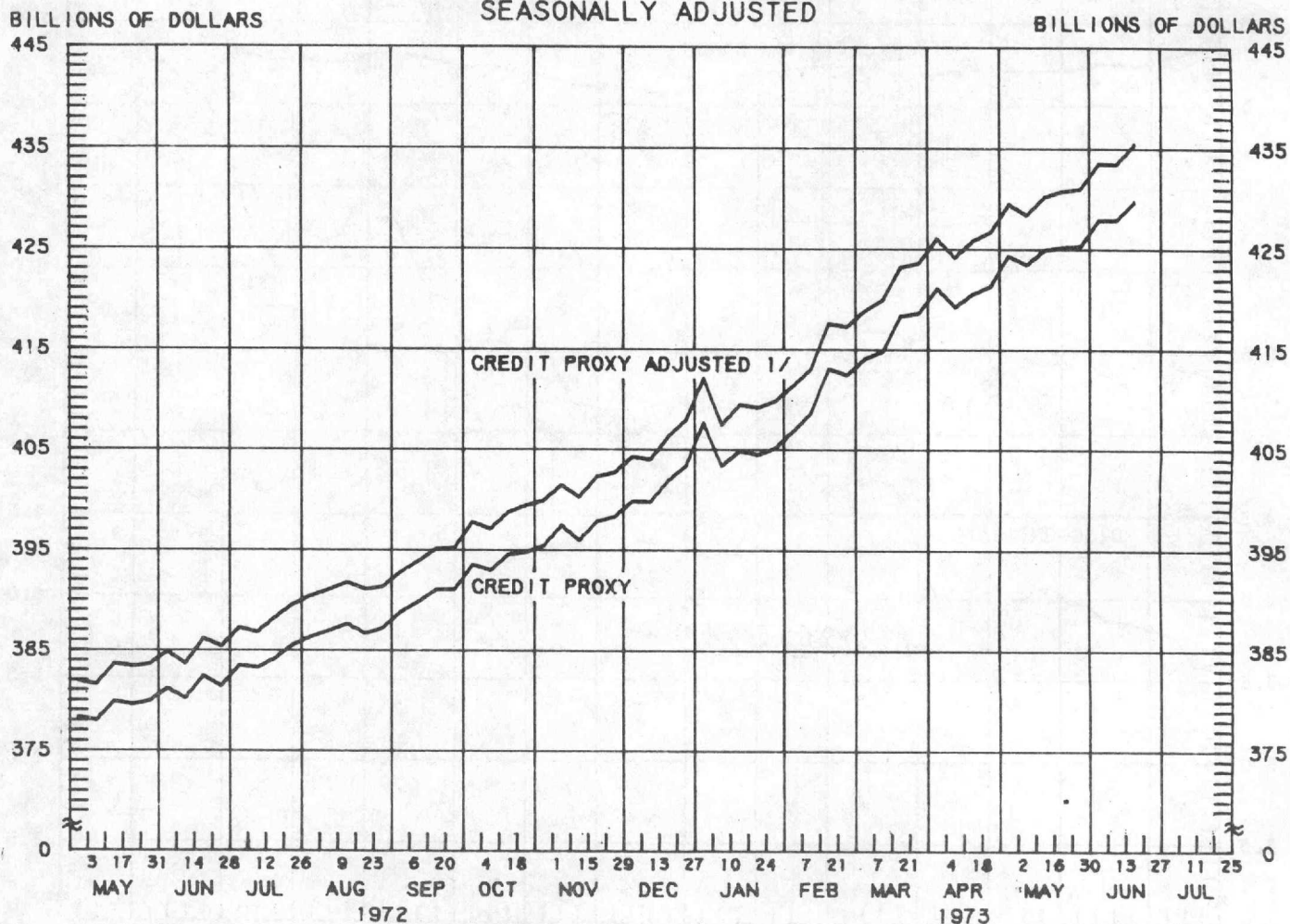
MONEY AND TIME DEPOSIT DATA			
1973	BILLIONS		
	CERTIFICATES OF DEPOSIT	NET TIME DEPOSITS *	M2 ***
MAY 2	59.3	279.0	538.4
9	61.1	278.8	538.3
16	61.8	279.9	541.2
23	62.3	280.7	541.2
30	62.6	281.0	541.8
JUNE 6	61.3	281.6	544.8
13	61.9	281.9	545.1
20	61.6	281.8	545.8
27			
JULY 4			
11			
18			
25			

\* 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 20, 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

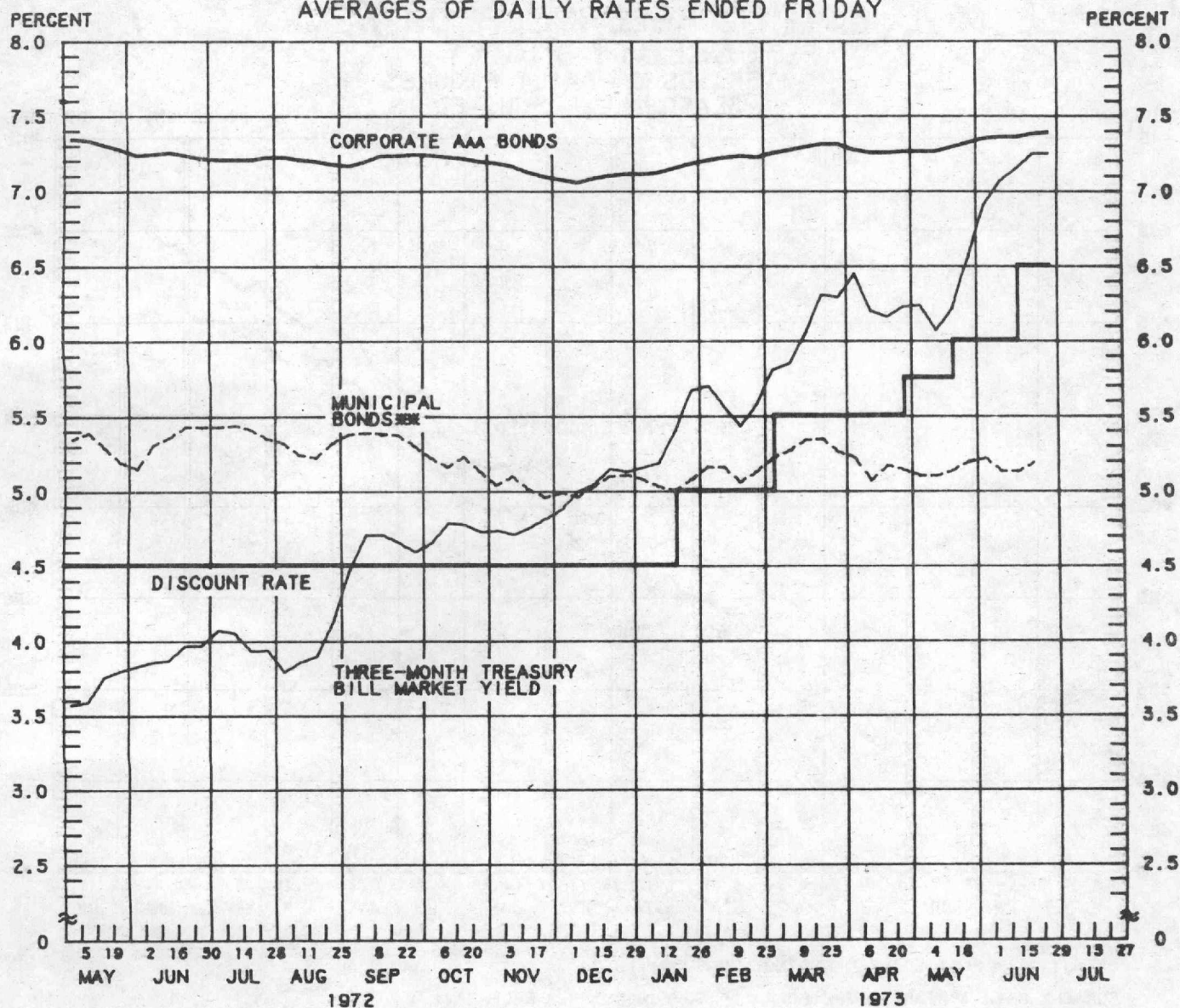
		<u>CREDIT PROXY</u>	<u>CREDIT PROXY ADJUSTED</u>
MAY	16	424.9	430.2
	23	425.2	430.8
	30	425.3	431.0
JUN.	6	427.9	433.5
	13	427.9	433.4
	20	429.7	435.4

COMPOUNDED ANNUAL RATES OF CHANGE,  
AVERAGE OF THE FOUR WEEKS ENDING  
JUNE 20, 1973 FROM THE FOUR  
WEEKS ENDING:

	<u>CREDIT PROXY</u>	<u>CREDIT PROXY ADJUSTED</u>
APR. 18, 1973	11.2	12.0
MAR. 21, 1973	12.9	13.5
FEB. 21, 1973	15.2	15.9
JAN. 17, 1973	13.9	14.5
DEC. 20, 1972	14.4	14.9
NOV. 22, 1972	14.0	14.4
JUN. 21, 1972	12.3	12.7

# YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JUNE 29, 1973

1973	CORPORATE AAA BONDS	3-MONTH TREASURY BILLS	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES	MUNICIPAL BONDS
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	7.38	7.25	6.74	6.32	5.19
29 *	7.39	7.25	6.84	6.34	N.A.
JULY 6					
13					
20					
27					

\* AVERAGES OF RATES AVAILABLE.

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

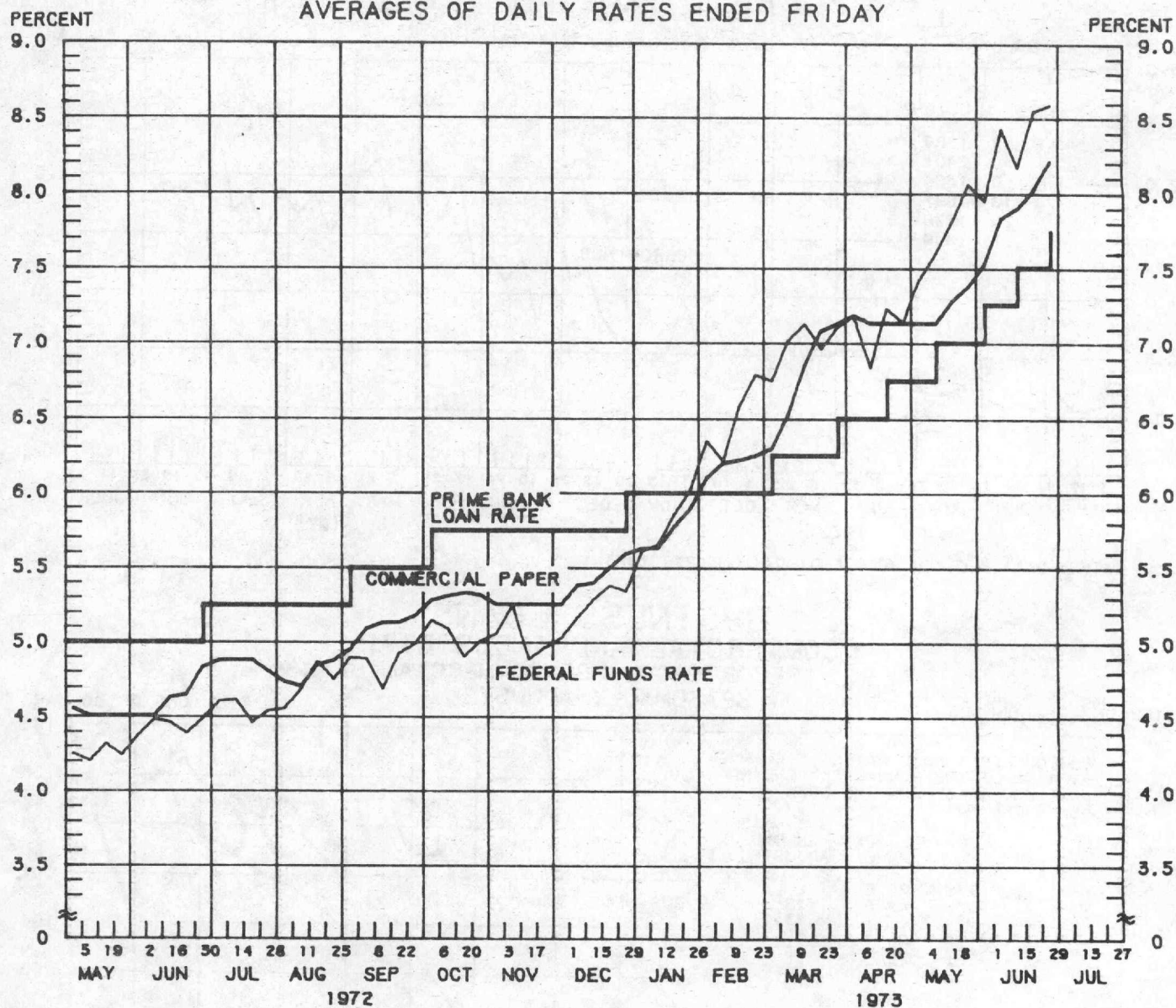
N.A. - NOT AVAILABLE

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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: JUNE 29, 1973

1973	PRIME COMMERCIAL PAPER 4-6 MONTH	FEDERAL FUNDS %	PRIME BANKERS' ACCEPTANCES	90 DAY CD'S %
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	8.03	8.55	8.05	7.88
29 *	8.21	8.59	8.29	8.29
JULY 6				
13				
20				
27				

\* AVERAGES OF RATES AVAILABLE.

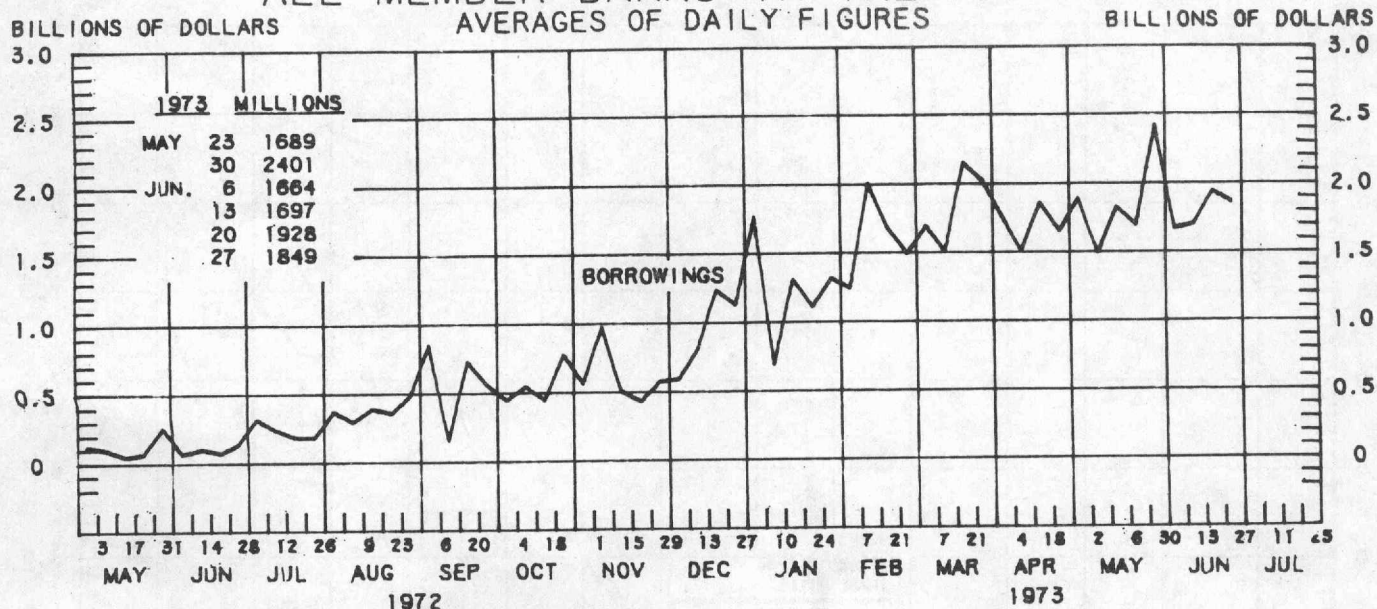
% FEDERAL FUNDS AND CD RATES ARE SEVEN-DAY AVERAGES FOR WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

CD DATA ARE SECONDARY MARKET RATES.

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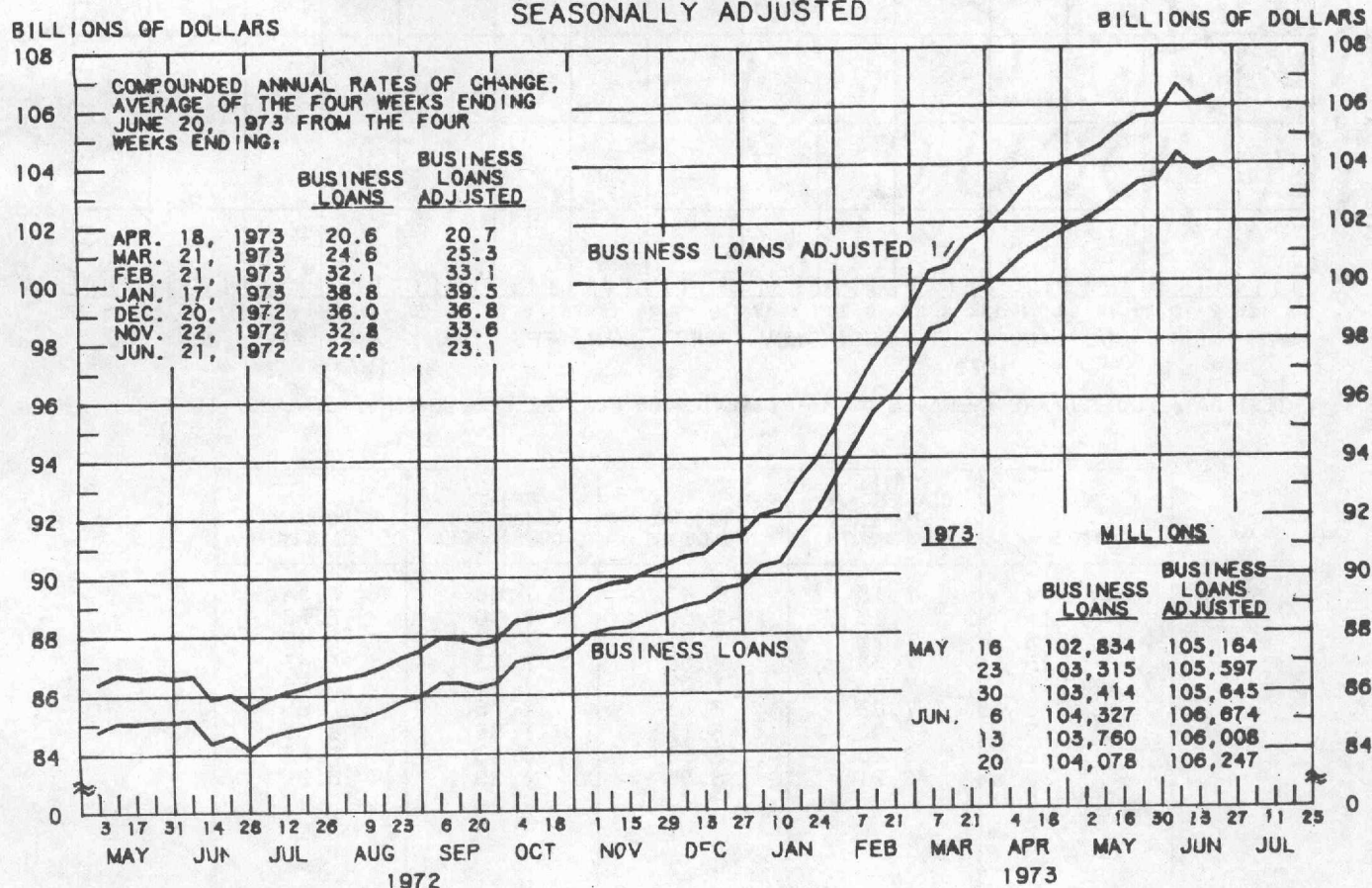


# BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



LATEST DATA PLOTTED WEEK ENDING: JUNE 27, 1973

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



LATEST DATA PLOTTED WEEK ENDING: JUNE 20, 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