

Week ending: August 29, 1973

The nation's money stock has increased at between a 6 and 6-1/2 percent annual rate in the past three-, six-, nine-, and twelve-month periods. This rate is about the same as the average rate of 6.3 percent from 1967 to 1972. The monetary base, a prime determinant of the money stock, has increased at about an 8 percent rate in the past six and twelve months, and at a slower rate of 5.3 percent in the past two months.

Federal Reserve credit, the largest source component of the base, has increased at a 7 percent annual rate in the past six months. On three occasions during the past year, the latest of which was in the first three weeks of August and the other two in late May-mid June of this year and in late August-mid September of last year, sizable fluctuations have occurred in Federal Reserve credit. These fluctuations, however, were primarily technical in nature, and have been associated with large fluctuations in Treasury deposits at the Federal Reserve (see table below). For instance, Treasury deposits at the Federal Reserve in the first three weeks in August declined about \$2 billion, while Federal Reserve credit decreased by \$1.9 billion. A decline in Treasury deposits at the Federal Reserve adds to the monetary base, other things equal, unless offset by other factors such as changes in Federal Reserve credit.

Early this week the prime bank loan rate was again increased 1/4 of 1 percentage point to a level of 9-3/4 percent. Yields on 4- to 6-month commercial paper averaged 10.46 percent early this week, up from 10.25 percent in the previous two weeks. Recently, yields on some other instruments have declined somewhat, particularly Government securities. For example, 3-month Treasury bill rates averaged 8.62 percent early this week, down from 8.88 percent of two weeks ago.

<u>Changes From</u>			
Week	to	Week	
Ending	Ending	Ending	
			<u>Treasury Deposits with Federal Reserve Banks</u>
			<u>Federal Reserve Credit (seasonally adjusted)</u>
			Averages of Daily Figures Millions of Dollars
8/23/72-9/13/72			\$ - 1,618
5/23/73-6/13/73			- 2,696
8/ 1/73-8/22/73			- 2,009
			\$ - 2,208
			- 2,899
			- 1,903

Prepared by Federal Reserve Bank of St. Louis

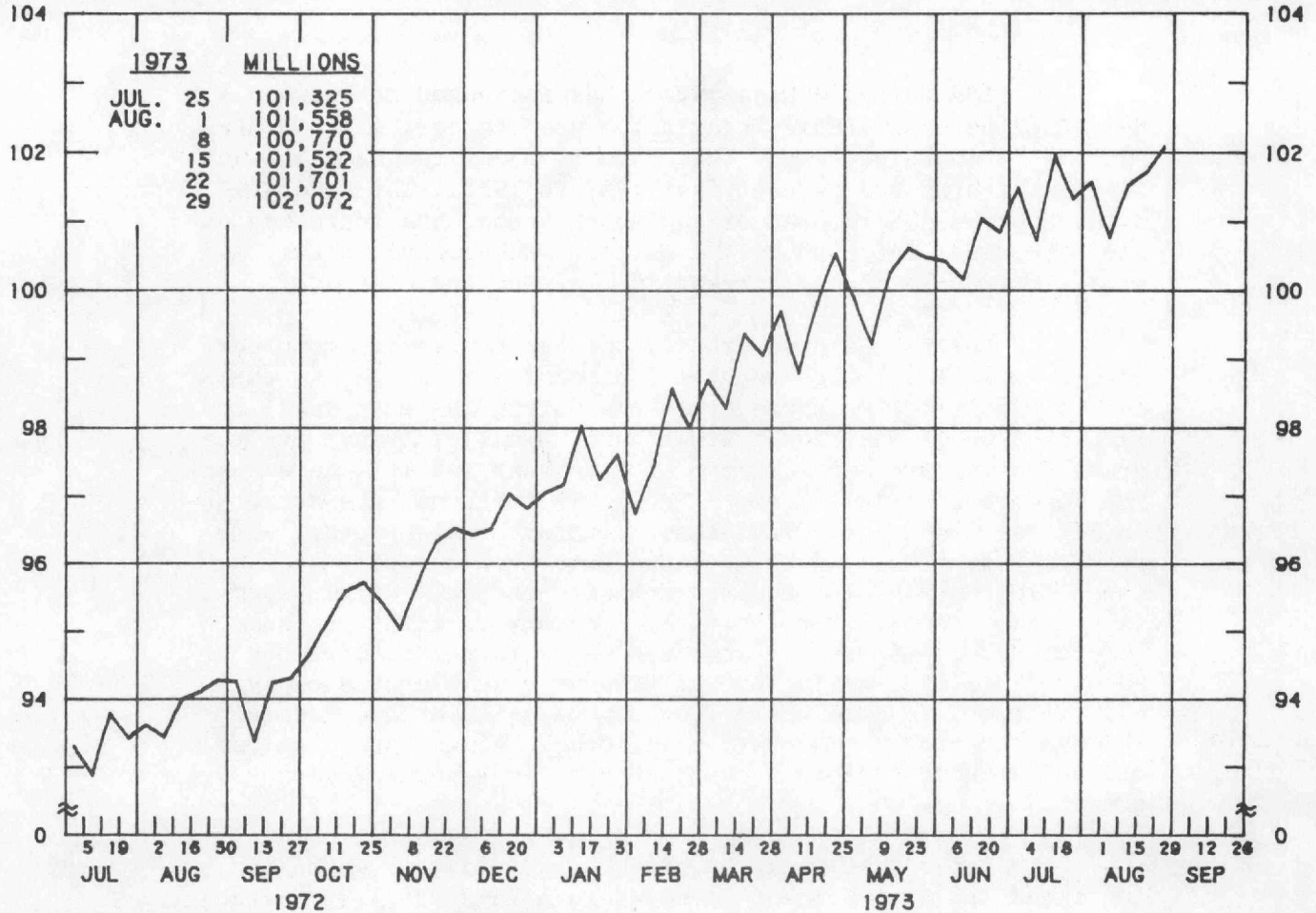
Released: August 31, 1973

# MONETARY BASE

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: AUGUST 29, 1973

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.

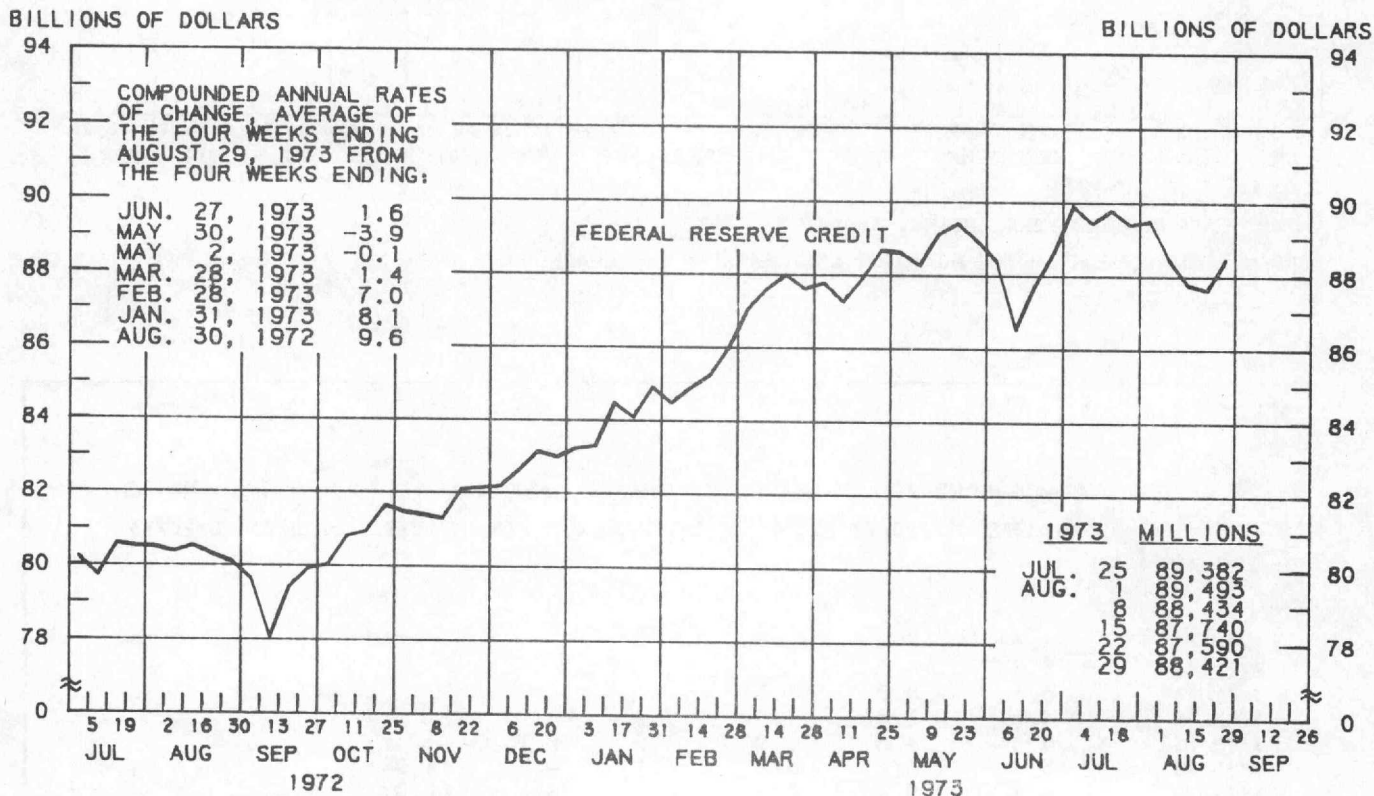
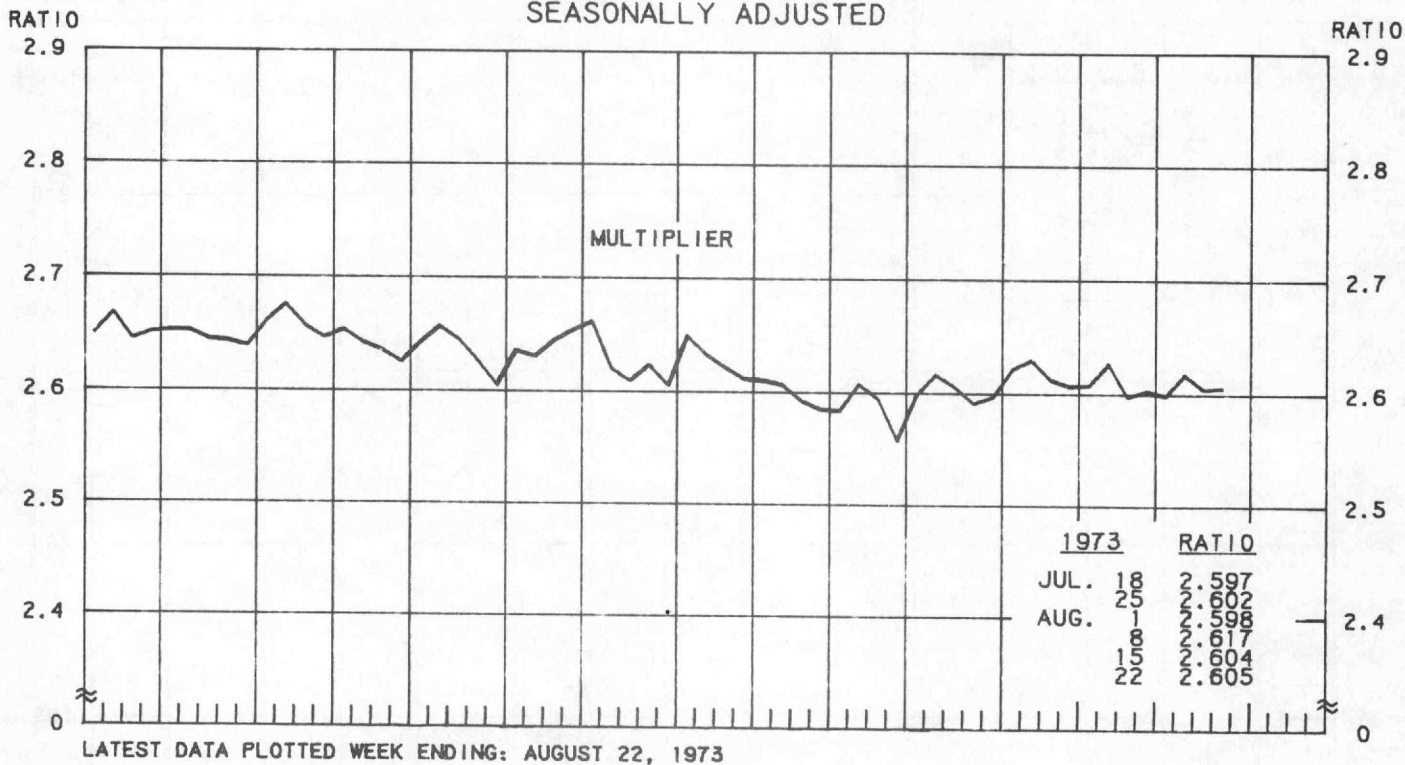
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

8/30/72   12/27/72   1/31/73   2/28/73   3/28/73   5/2/73   5/30/73   6/27/73

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

1/31/73	9.2							
2/28/73	8.1	6.0						
3/28/73	9.2	9.2	9.3					
5/ 2/73	9.3	9.4	9.5	12.9				
5/30/73	8.9	8.6	8.5	10.4	7.8			
6/27/73	8.6	8.3	8.1	9.5	7.4	5.8		
8/ 1/73	8.6	8.3	8.1	9.2	7.6	6.7	7.4	
8/29/73	8.1	7.5	7.2	8.0	6.5	5.5	5.6	5.3

# MULTIPLIER <sup>1/</sup> FEDERAL RESERVE CREDIT <sup>2/</sup> AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

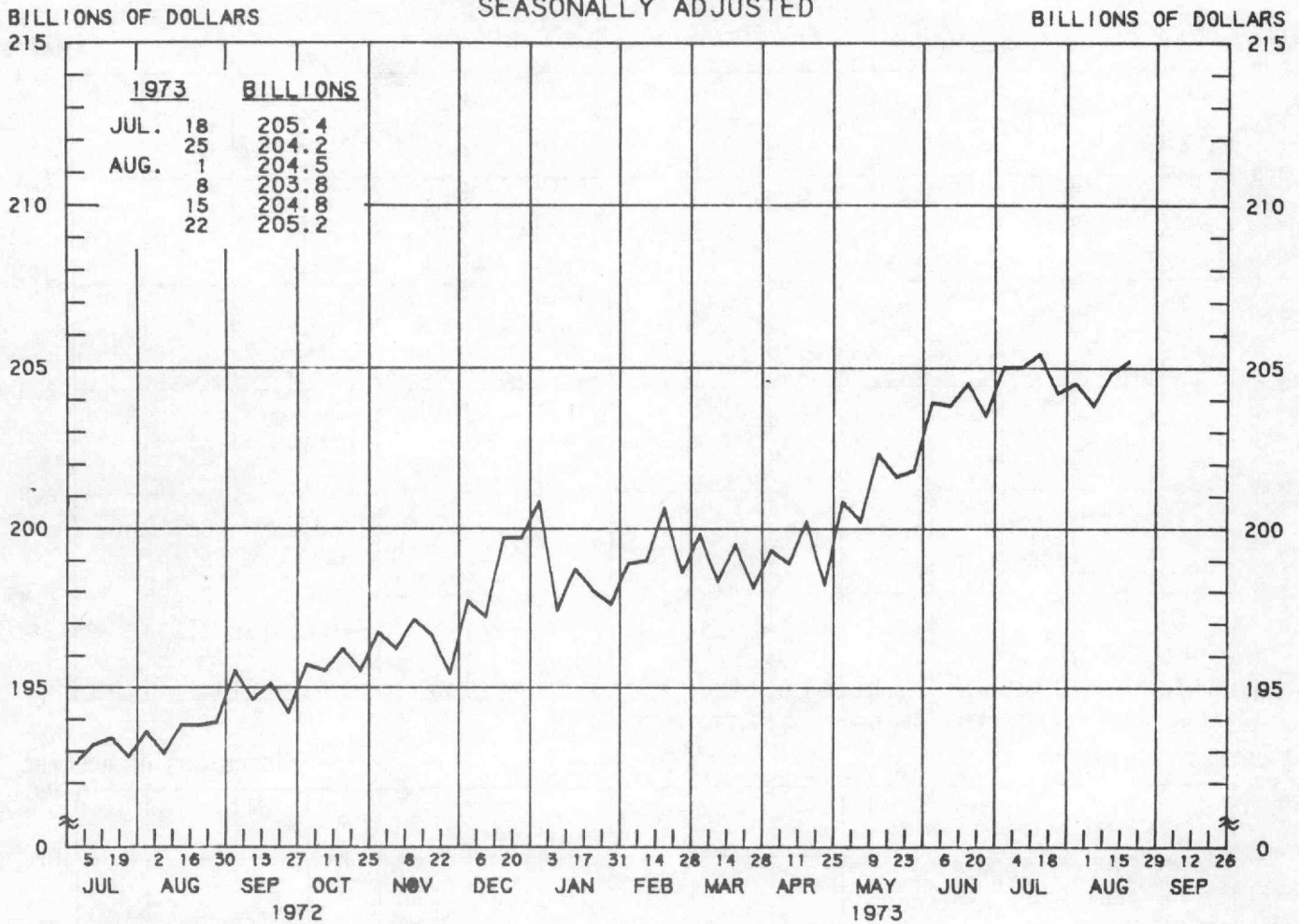


1/ RATIO OF MONEY STOCK (M1) / MONETARY BASE.

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. DATA ARE SEASONALLY ADJUSTED BY THIS BANK.

# DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 22, 1973

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

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

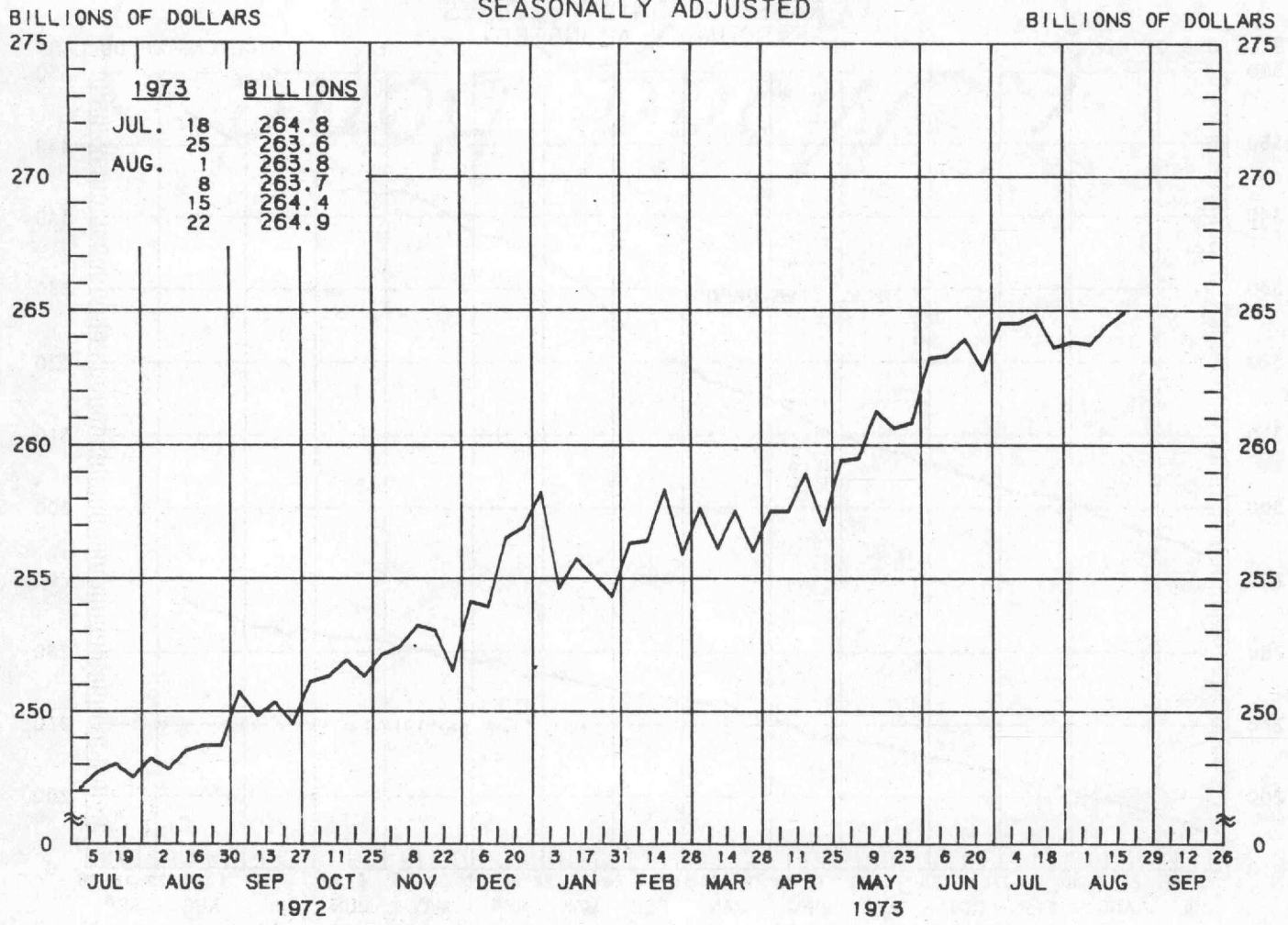
8/23/72    12/20/72    1/24/73    2/21/73    3/21/73    4/25/73    5/23/73    6/20/73

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

1/24/73	6.5								
2/21/73	5.8	4.5							
3/21/73	5.1	3.3	1.3						
4/25/73	4.4	2.5	1.0	0.6					
5/23/73	5.3	4.5	3.9	4.5	6.2				
6/20/73	6.3	6.2	6.1	7.1	9.1	14.9			
7/25/73	6.4	6.4	6.3	7.1	8.6	11.9	11.1		
8/22/73	5.7	5.4	5.2	5.7	6.7	8.5	6.9	3.2	

# MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED

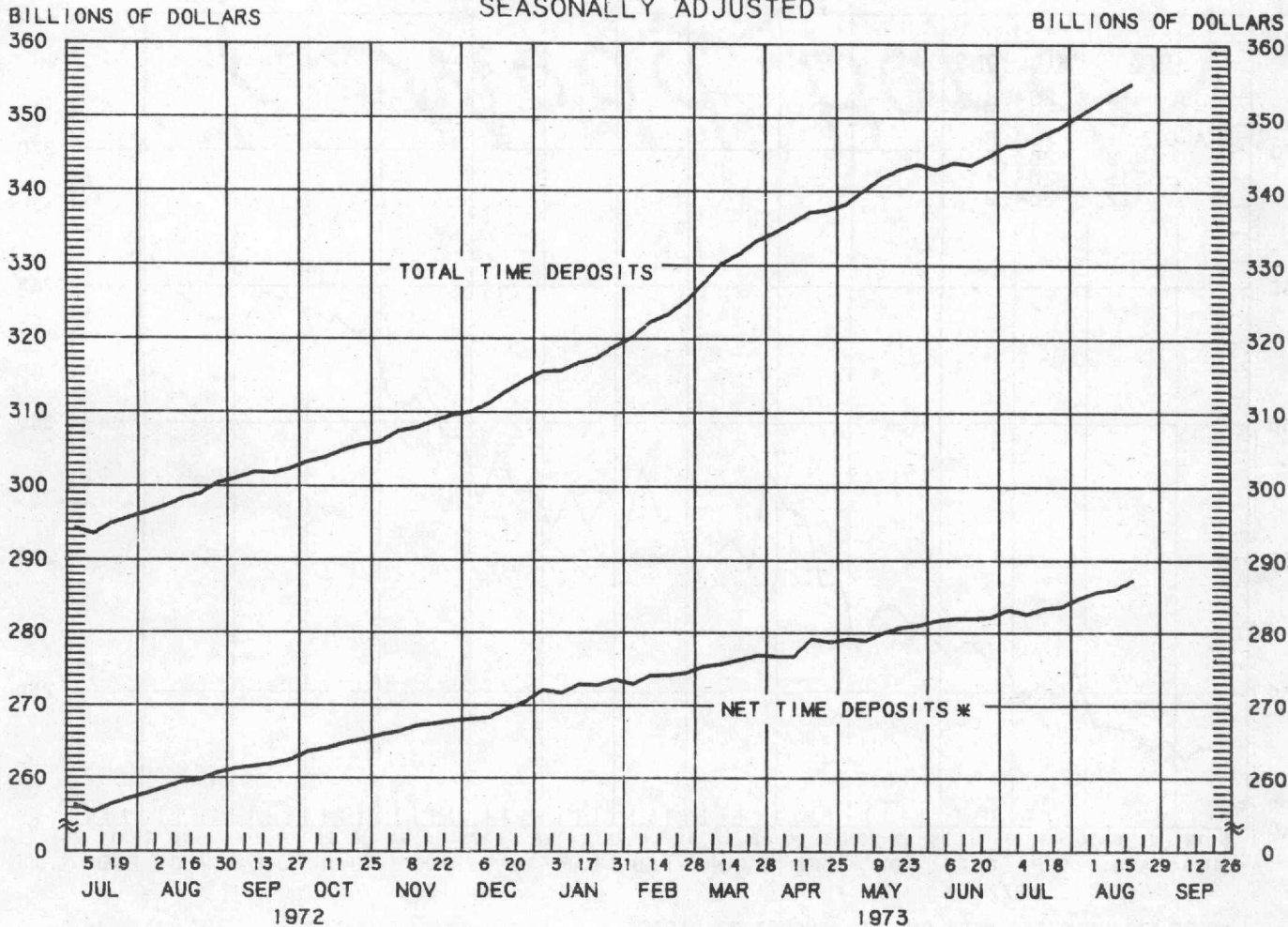


LATEST DATA PLOTTED WEEK ENDING: AUGUST 22, 1973  
 CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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

	8/23/72	12/20/72	1/24/73	2/21/73	3/21/73	4/25/73	5/23/73	6/20/73
TO THE AVERAGE OF FOUR WEEKS ENDING:								
1/24/73	7.4							
2/21/73	6.5	5.3						
3/21/73	6.0	4.5	2.3					
4/25/73	5.7	4.3	2.8	3.2				
5/23/73	6.4	5.9	5.2	6.2	7.9			
6/20/73	7.1	7.0	6.8	8.0	9.7	13.6		
7/25/73	7.0	7.0	6.8	7.6	8.8	10.8	9.7	
8/22/73	6.4	6.0	5.7	6.3	6.9	7.9	6.3	3.1

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



LATEST DATA PLOTTED WEEK ENDING: AUGUST 22, 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:

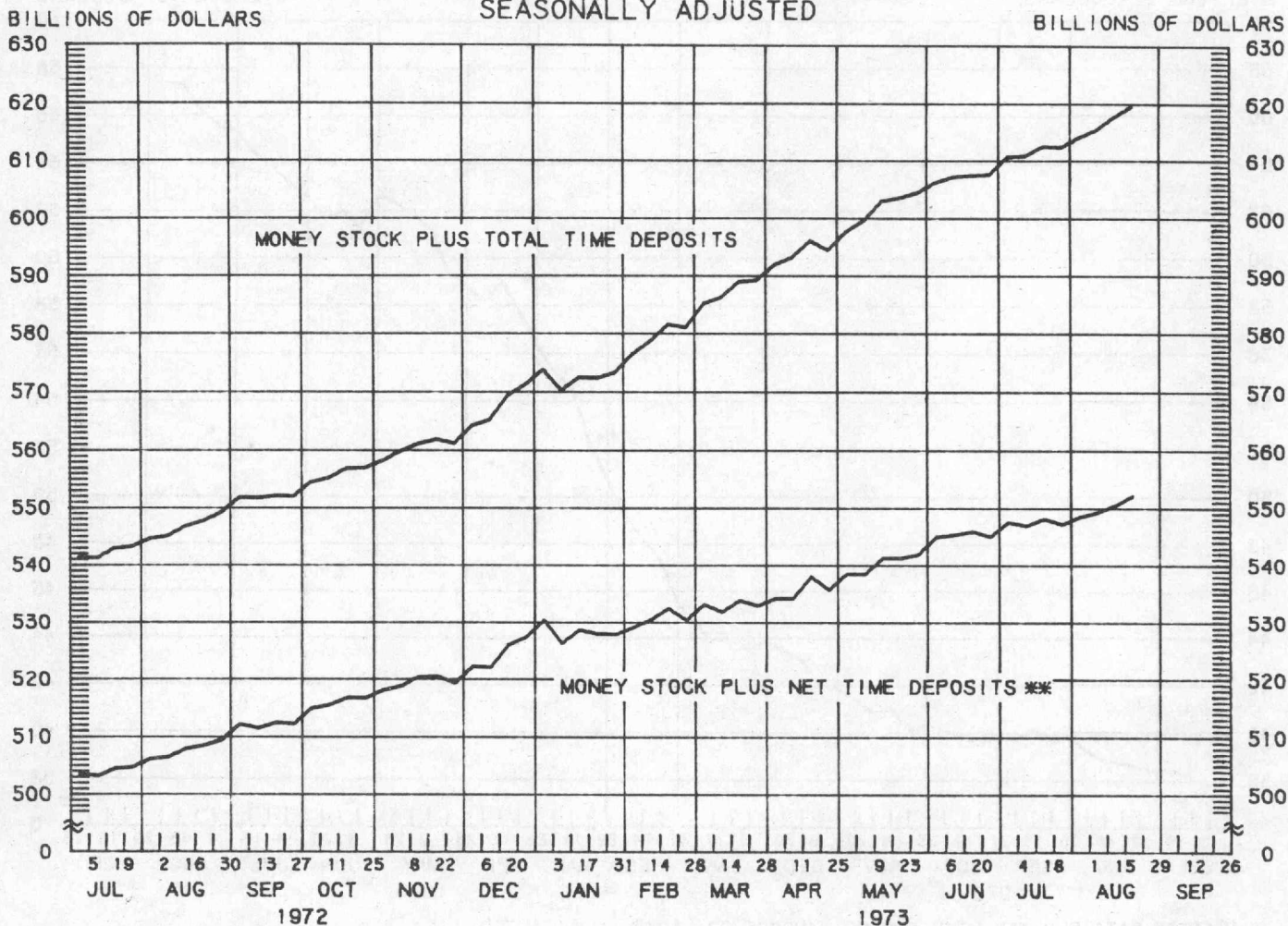
8/23/72    12/20/72    1/24/73    2/21/73    3/21/73    4/25/73    5/23/73    6/20/73

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

1/24/73	12.7								
2/21/73	11.7	11.7							
3/21/73	11.3	10.8	7.6						
4/25/73	11.0	10.3	8.2	9.0					
5/23/73	10.8	10.1	8.4	9.1	9.1				
6/20/73	10.7	10.1	8.7	9.2	9.3	9.5			
7/25/73	10.1	9.3	8.0	8.3	8.2	7.9	7.2		
8/22/73	10.4	9.8	8.7	9.1	9.2	9.2	9.2	8.9	

# MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 22, 1973

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

\*\*\* M<sub>2</sub> IS DEFINED AS: CURRENCY, DEMAND DEPOSITS PLUS NET TIME DEPOSITS (SEE PAGE 6).

### MONEY STOCK PLUS NET TIME DEPOSITS (M<sub>2</sub>)

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

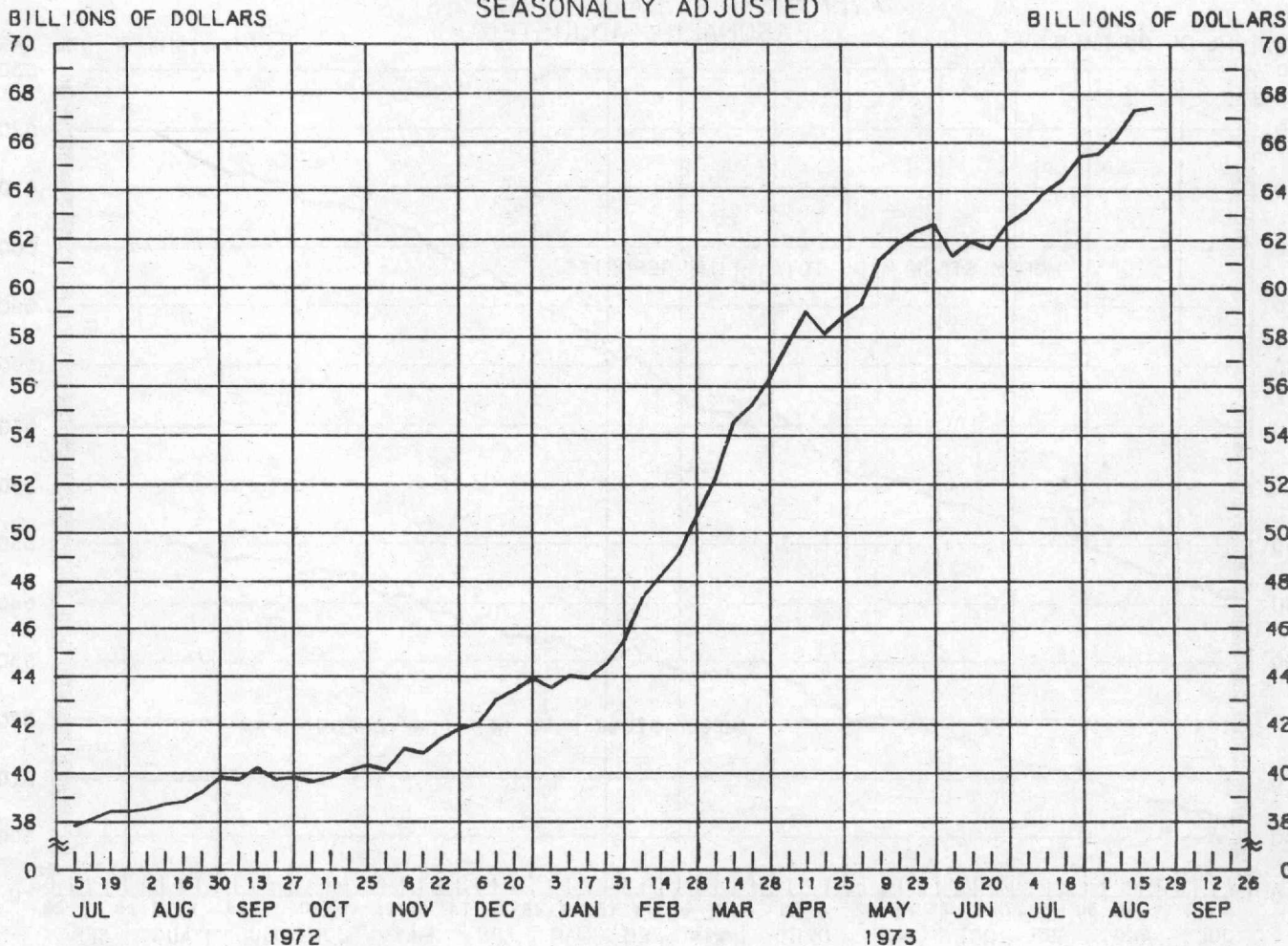
8/23/72 12/20/72 1/24/73 2/21/73 3/21/73 4/25/73 5/23/73 6/20/73

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

1/24/73	10.1								
2/21/73	9.2	8.7							
3/21/73	8.7	7.8	5.0						
4/25/73	8.4	7.4	5.6	6.1					
5/23/73	8.7	8.1	6.9	7.7	8.5				
6/20/73	8.9	8.6	7.8	8.6	9.5	11.4			
7/25/73	8.6	8.2	7.4	7.9	8.4	9.2	8.3		
8/22/73	8.4	8.0	7.3	7.7	8.1	8.6	7.8	6.1	

# CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 22, 1973

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

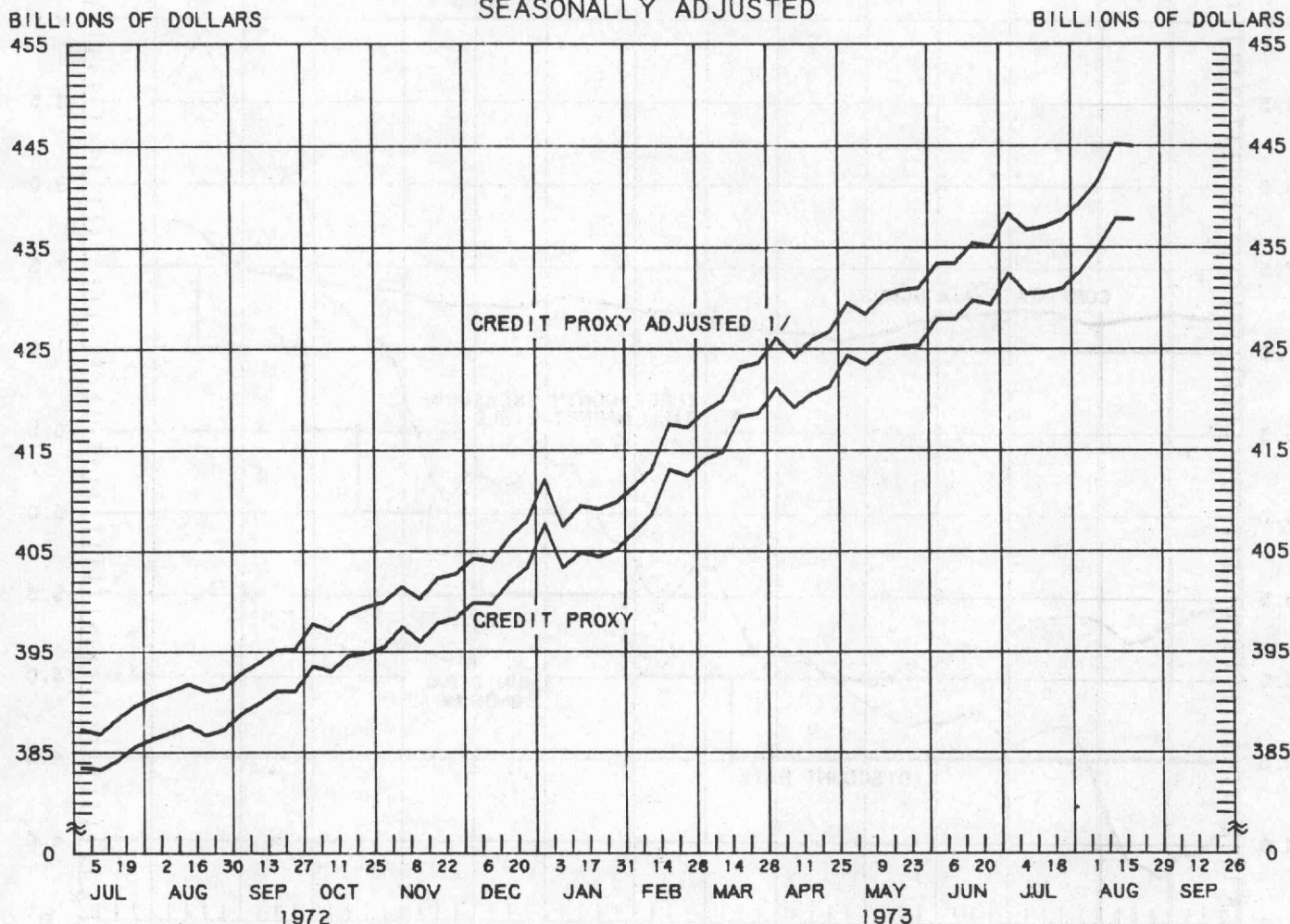
NEGOTIABLE TIME CERTIFICATES OF DEPOSIT ISSUED IN DENOMINATIONS OF \$100,000 OR MORE BY LARGE WEEKLY REPORTING COMMERCIAL BANKS.

MONEY AND TIME DEPOSIT DATA			
1973	BILLIONS		
	CERTIFICATES OF DEPOSIT	NET TIME DEPOSITS *	M 2 **
JULY 4	63.1	283.0	547.4
11	63.9	282.4	546.8
18	64.4	283.2	548.0
25	65.4	283.4	547.0
AUG. 1	65.5	284.6	548.4
8	66.2	285.5	549.2
15	67.3	285.9	550.4
22	67.4	287.2	552.1
29			
SEP. 5			
12			
19			
26			

\* SEE FOOTNOTE PAGE 6.  
\*\* SEE FOOTNOTE PAGE 7.



# MEMBER BANK DEPOSITS SUBJECT TO RESERVE REQUIREMENTS (CREDIT PROXY) AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 22, 1973

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

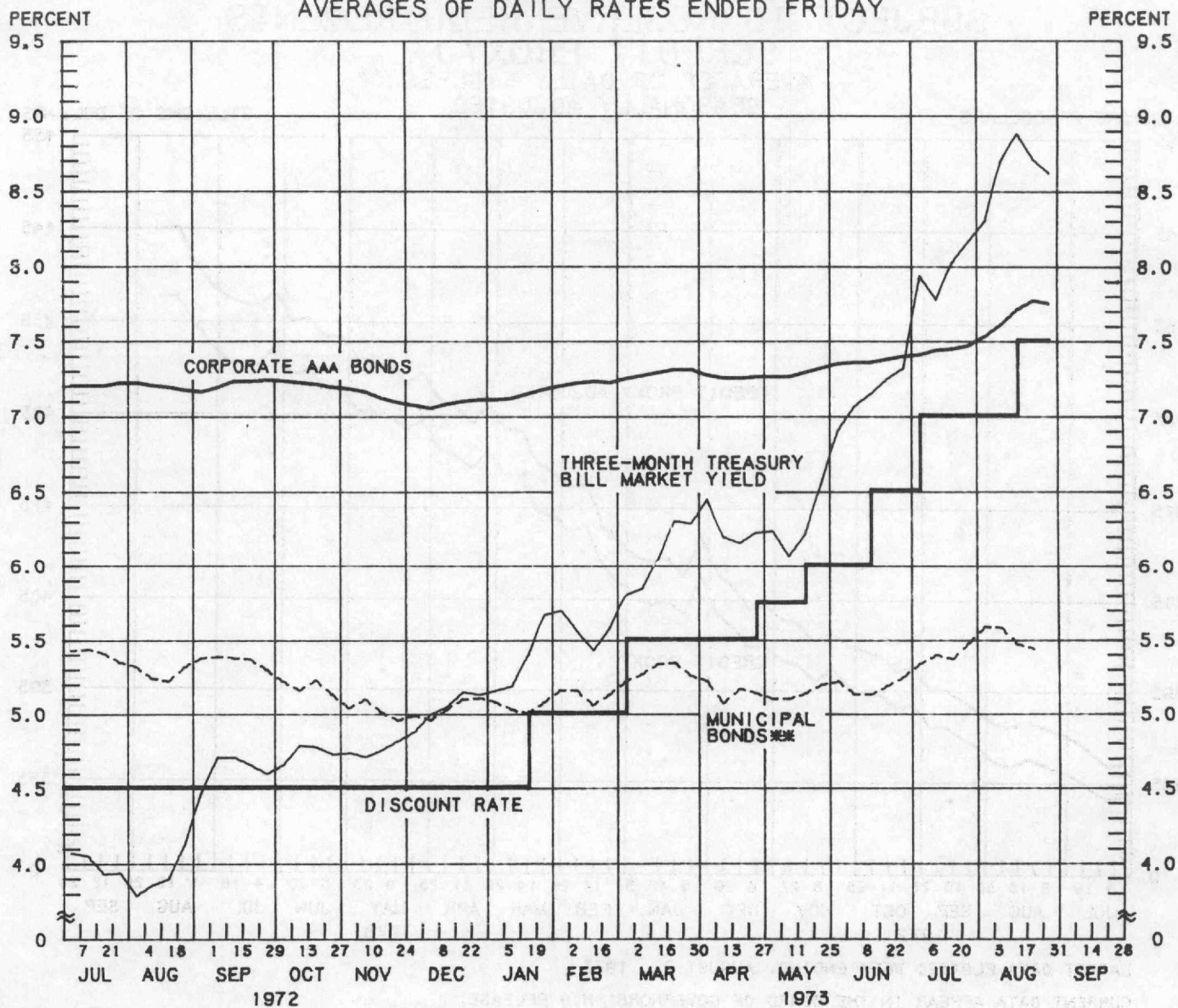
1/ INCLUDES MEMBER BANK DEPOSITS, BANK-RELATED COMMERCIAL PAPER, EURODOLLAR BORROWINGS OF U.S. BANKS, AND CERTAIN OTHER NONDEPOSIT SOURCES.

1973		BILLIONS	
		CREDIT PROXY	CREDIT PROXY ADJUSTED
JUL.	18	430.5	437.0
	25	430.9	437.7
AUG.	1	432.6	439.4
	8	435.0	441.5
	15	437.8	445.1
	22	437.7	444.9

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF THE FOUR WEEKS ENDING AUGUST 22, 1973 FROM THE FOUR WEEKS ENDING:		
	CREDIT PROXY	CREDIT PROXY ADJUSTED
JUN. 20, 1973	11.4	13.2
MAY 23, 1973	11.1	12.7
APR. 25, 1973	11.6	12.7
MAR. 21, 1973	12.3	13.4
FEB. 21, 1973	13.9	15.0
JAN. 24, 1973	13.5	14.5
AUG. 23, 1972	12.6	13.2

# YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: AUGUST 31, 1973

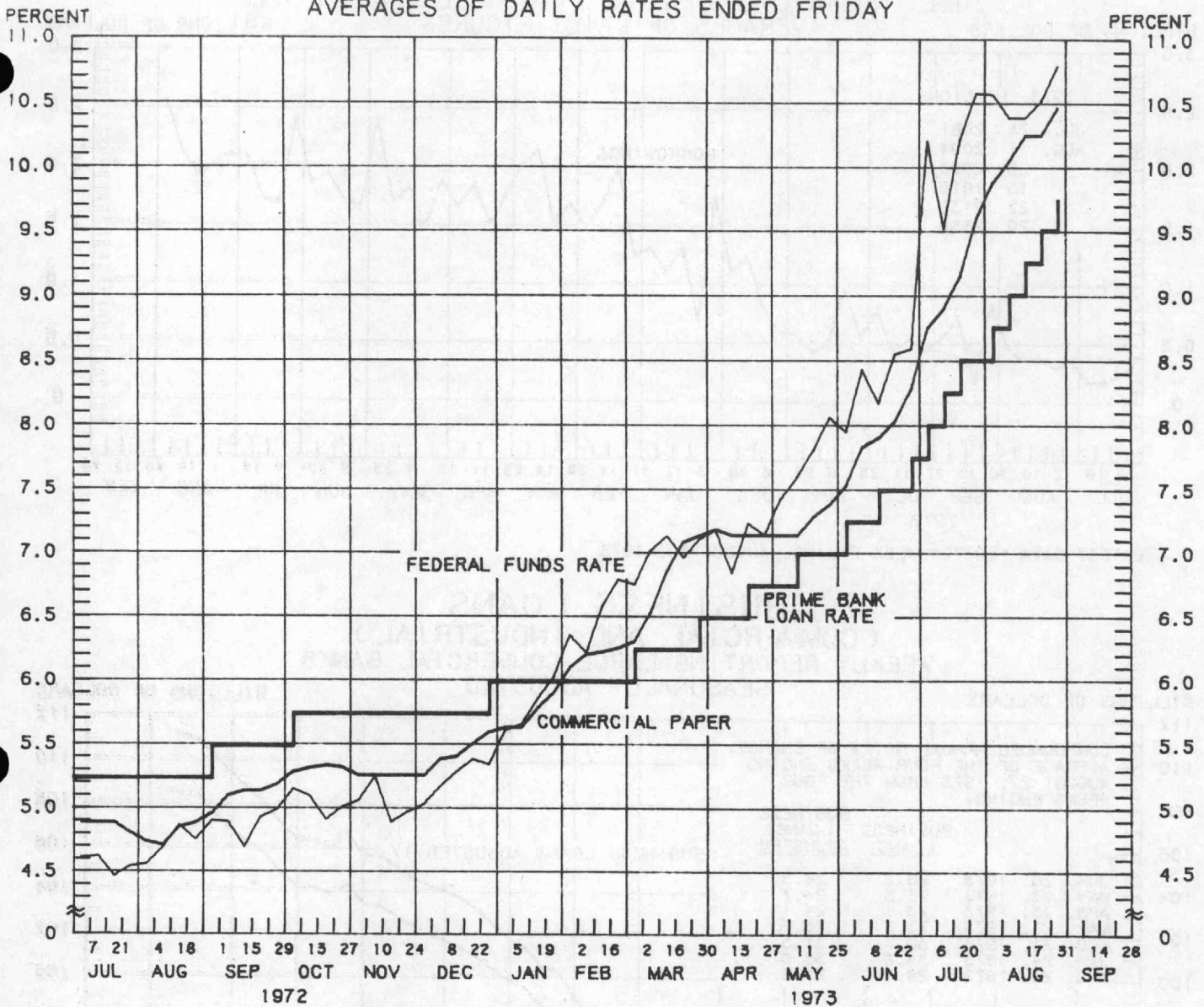
1973	CORPORATE AAA BONDS	3-MONTH TREASURY BILLS	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES	MUNICIPAL BONDS**
JULY 6	7.41	7.94	7.15	6.44	5.34
13	7.44	7.78	7.29	6.43	5.40
20	7.45	8.03	7.48	6.50	5.37
27	7.47	8.17	7.76	6.64	5.48
AUG. 3	7.53	8.30	8.02	6.90	5.59
10	7.61	8.70	8.16	6.99	5.58
17	7.71	8.88	7.80	6.83	5.47
24	7.77	8.71	7.50	6.74	5.44
31 *	7.75	8.62	7.33	6.64	N.A.
SEP. 7					
14					
21					
28					

\* 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



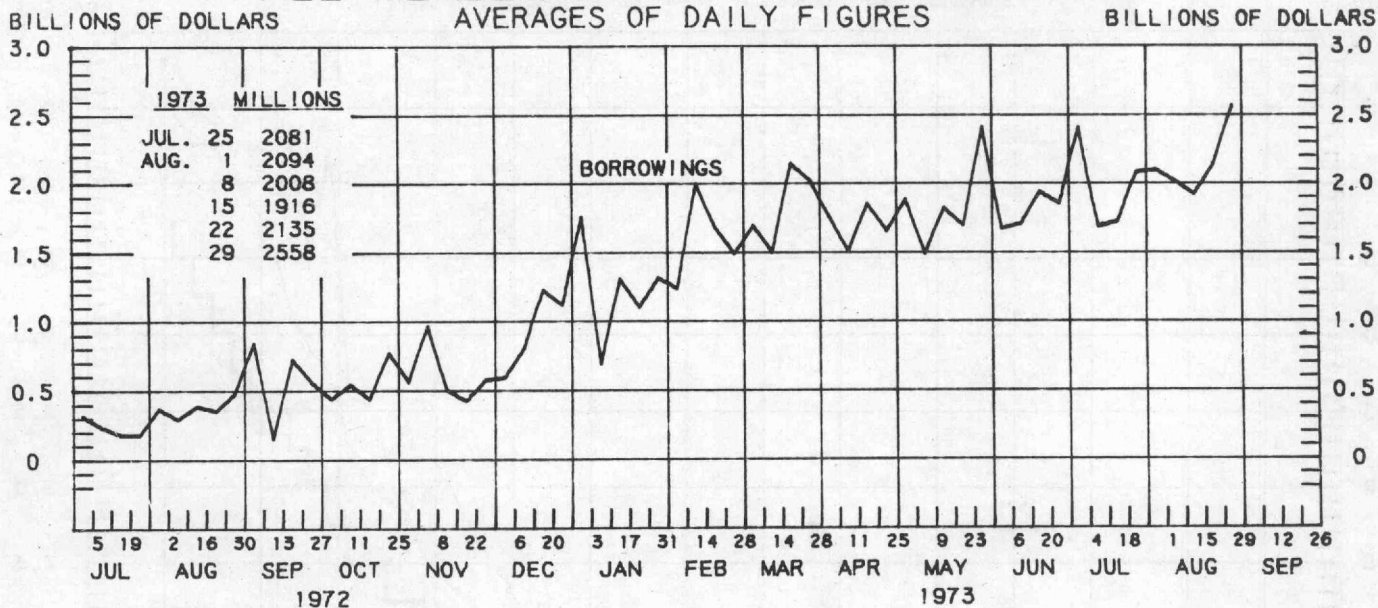
LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: AUGUST 31, 1973

1973	PRIME COMMERCIAL PAPER 4-6 MONTH	FEDERAL FUNDS **	PRIME BANKERS' ACCEPTANCES	90 DAY CD'S **
JULY 6	8.75	10.21	8.94	8.67
13	8.90	9.52	9.00	9.03
20	9.15	10.22	9.05	9.36
27	9.60	10.58	9.50	9.85
AUG. 3	9.88	10.57	9.85	10.14
10	10.05	10.39	10.15	10.52
17	10.25	10.39	10.25	10.81
24	10.25	10.52	10.25	10.71
31 *	10.46	10.79	10.25	10.93
SEP. 7				
14				
21				
28				

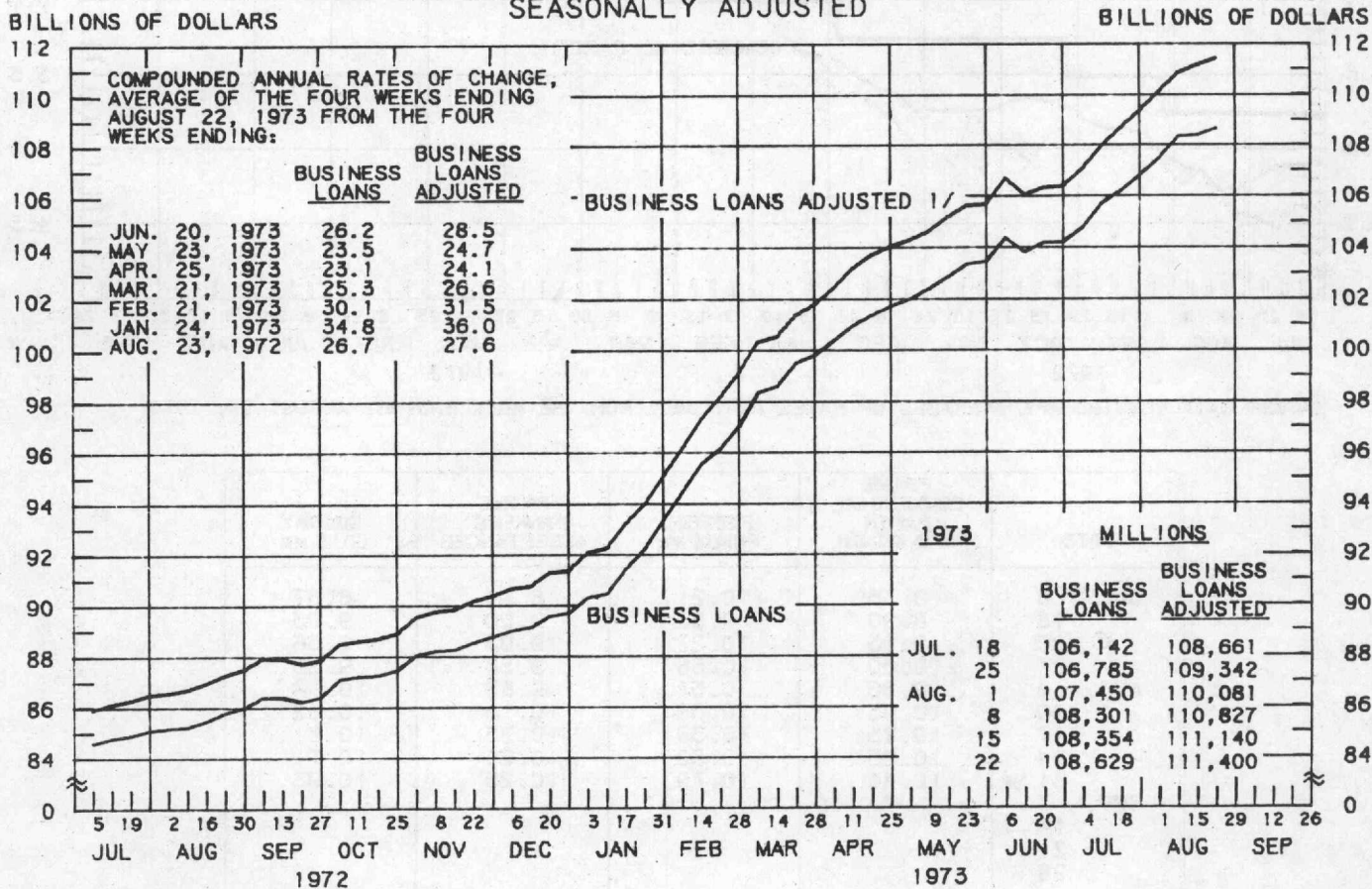
\* AVERAGES OF RATES AVAILABLE.

\*\* 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.