



Week ending: September 19, 1973

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The money stock has increased at a 5.4 percent annual rate in the past six months. Within this period money grew at a 2.9 percent rate of increase in the past three months and at an 8 percent rate in the previous three months. Money has increased 5.8 percent in the past year, somewhat below the 6.3 percent average rate from 1967 to 1972.

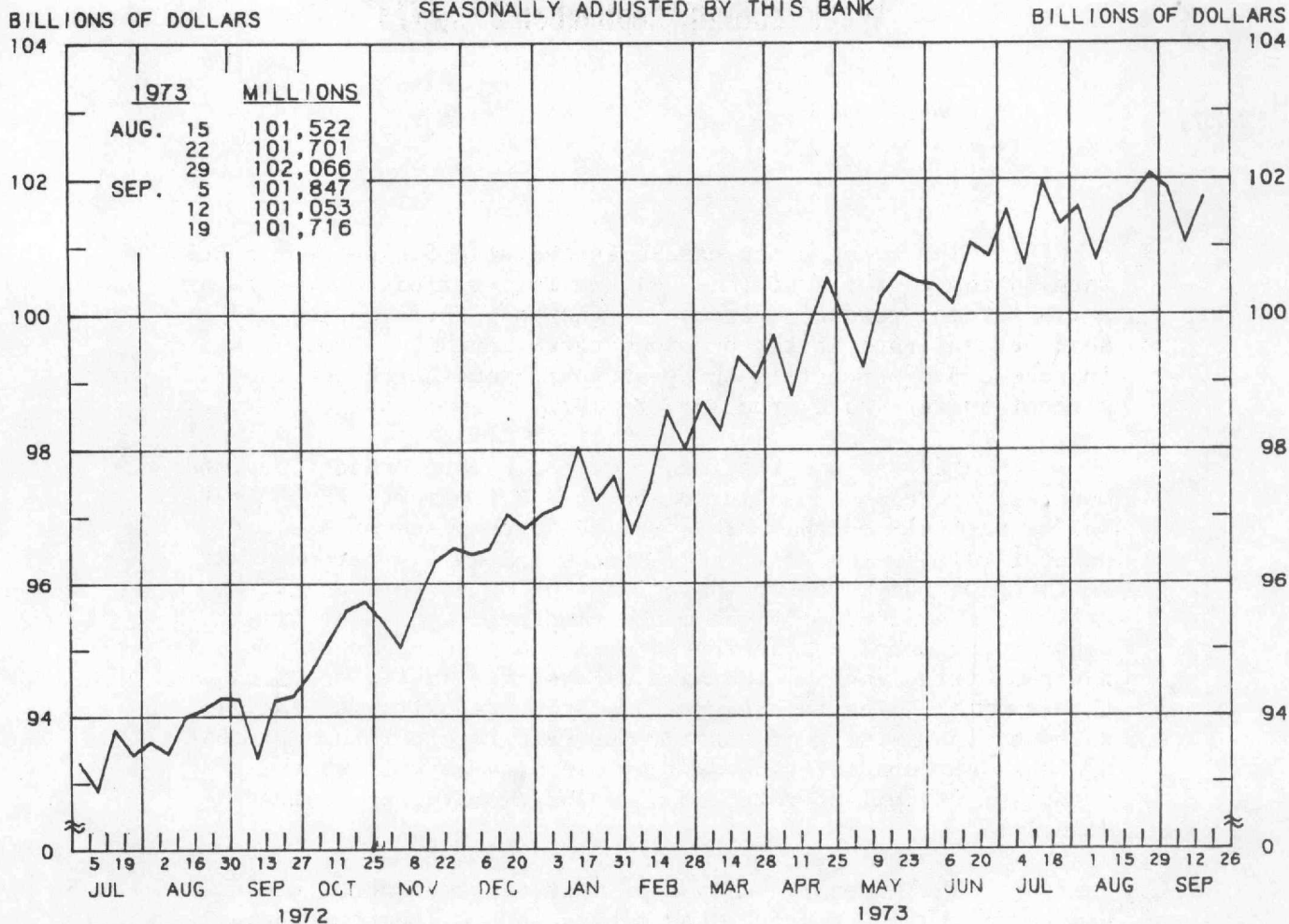
Money plus net time deposits, a more broadly defined monetary aggregate, has increased at a 7.6 percent annual rate in the past six months. This period is composed of a 6.3 percent rate in the past three months and an 8.9 percent rate in the previous three months. The slowing in this aggregate reflects the slowing of the money component. The net time deposit component has increased at a 9.6 percent annual rate in the past three months, the same as the rate in the previous three months. The recent growth of time deposits was facilitated by the raising of maximum interest rate ceilings payable by banks on consumer-type savings deposits as well as the exemption of ceiling rates on some longer maturity savings deposits.

The monetary base, a primary determinant of the trend growth of the money stock, has slowed to a 4.7 percent annual rate in the past three months, as compared with an 8.1 percent rate in the previous three months. Federal Reserve credit has actually declined in recent months. The recent contraction of this aggregate has tended to offset the influence on the base of the large decline in Treasury deposits at the Federal Reserve. These deposits have declined from \$3 billion in late June to only \$0.2 billion in the week ending September 12.

The prime bank loan rate is now quoted at a record level of 10 percent at a number of commercial banks. This rate compares with a peak of 8-1/2 percent in 1969-1970. Despite this latest change, the prime rate remains 50 basis points below the four- to six-month commercial paper rate. In addition the cost of bank funds through the issuance of 90-day large CD's is nearly 11 percent and is slightly over 11 percent for 90-day Eurodollars. The effective cost of these funds is even higher after reserve requirements are taken into account.

MONETARY BASE

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 19, 1973

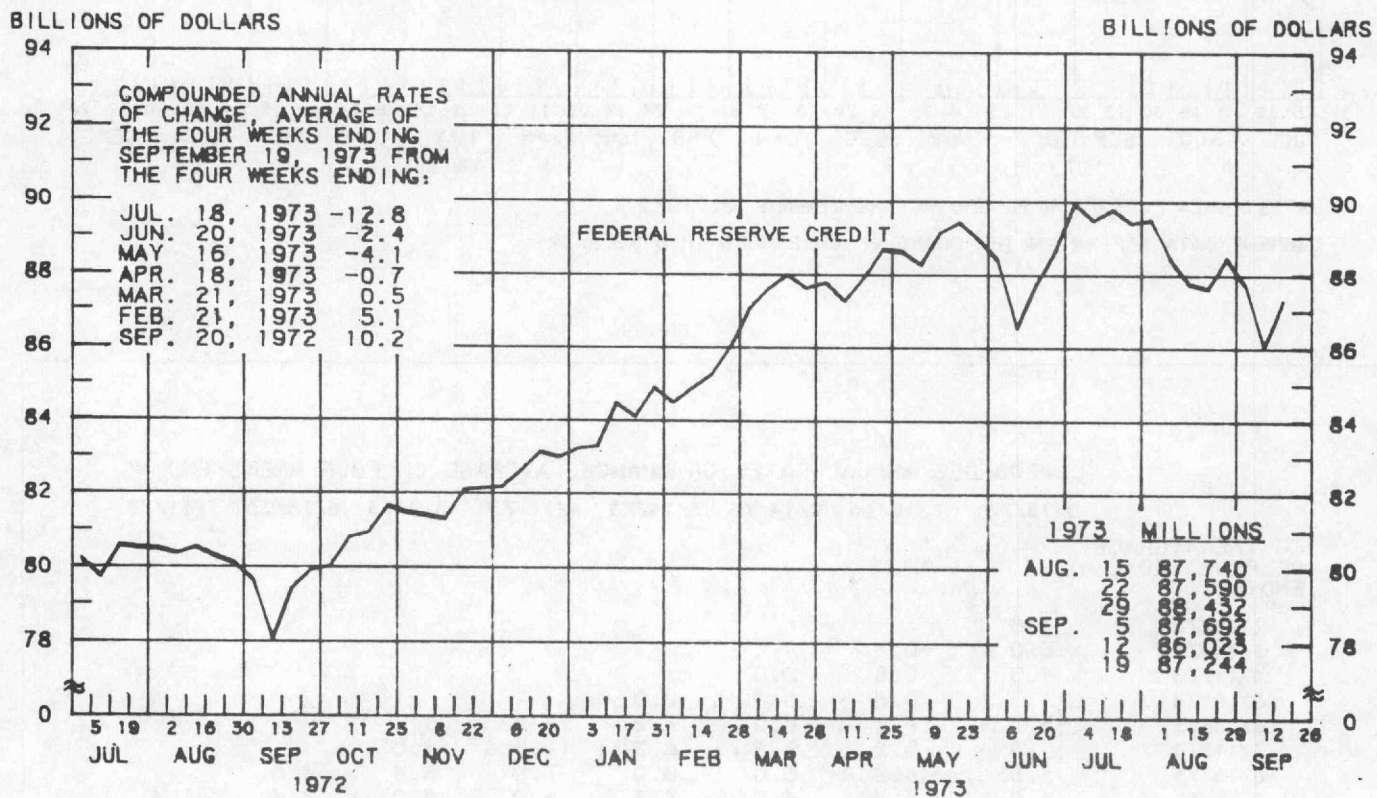
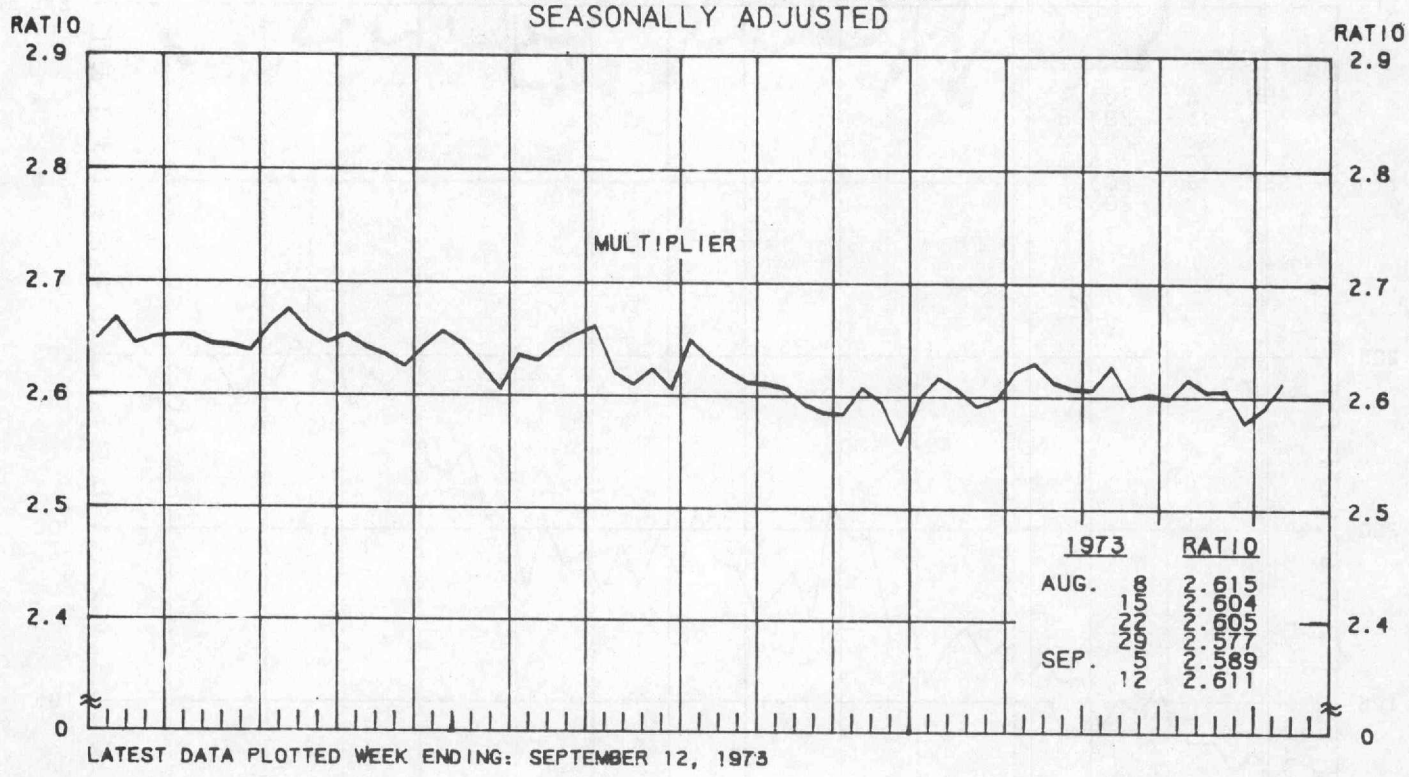
USES OF MONETARY BASE ARE MEMBER BANK RESERVES AND CURRENCY HELD BY THE PUBLIC AND NONMEMBER BANKS, ADJUSTED FOR RESERVE REQUIREMENT CHANGES AND SHIFTS IN DEPOSITS. FOR A DESCRIPTION OF THE BASE SEE THE AUGUST 1968 "REVIEW" OF THIS BANK.

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:
9/20/72 1/17/73 2/21/73 3/21/73 4/18/73 5/16/73 6/20/73 7/18/73

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

2/21/73	9.2							
3/21/73	9.9	8.1						
4/18/73	10.0	8.8	12.2					
5/16/73	9.8	8.8	11.0	9.5				
6/20/73	9.3	8.1	9.5	8.1	7.1			
7/18/73	9.4	8.4	9.6	8.6	8.0	7.7		
8/22/73	8.5	7.2	8.0	6.9	6.1	5.4	5.2	
9/19/73	8.1	6.8	7.4	6.4	5.7	5.0	4.7	2.3

MULTIPLIER ^{1/} FEDERAL RESERVE CREDIT ^{2/} AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



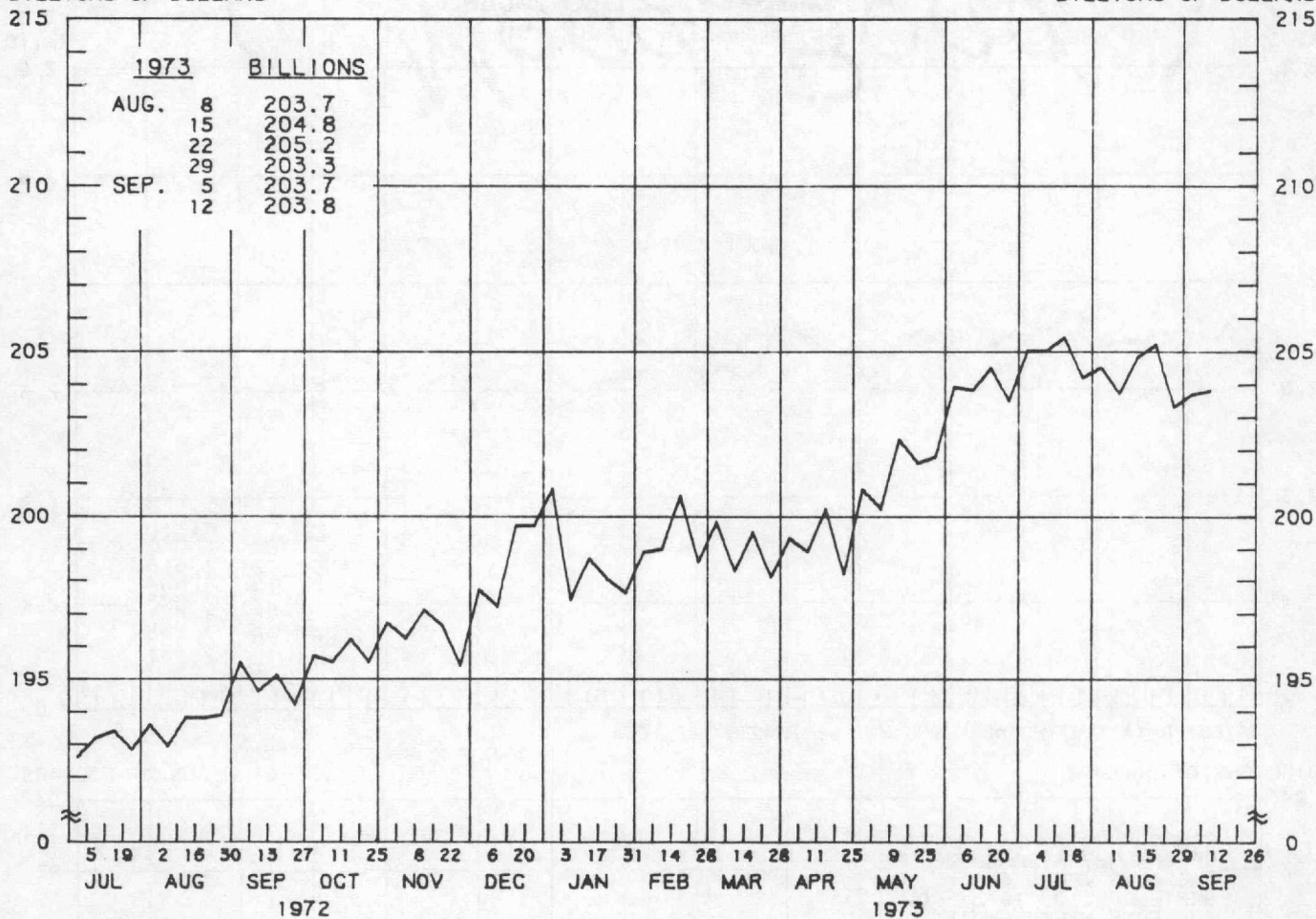
1/ RATIO OF MONEY STOCK (M1) / MONETARY BASE.
 2/ DEFINED TO INCLUDE HOLDINGS OF SECURITIES, LOANS, FLOAT AND "OTHER" ASSETS, ADJUSTED FOR RESERVE REQUIREMENT CHANGES AND CHANGES IN REQUIREMENTS DUE TO SHIFTS IN DEPOSITS AMONG CLASSES OF BANKS. DATA ARE SEASONALLY ADJUSTED BY THIS BANK.

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 12, 1973
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:
9/13/72 1/10/73 2/14/73 3/14/73 4/11/73 5/9/73 6/13/73 7/11/73

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

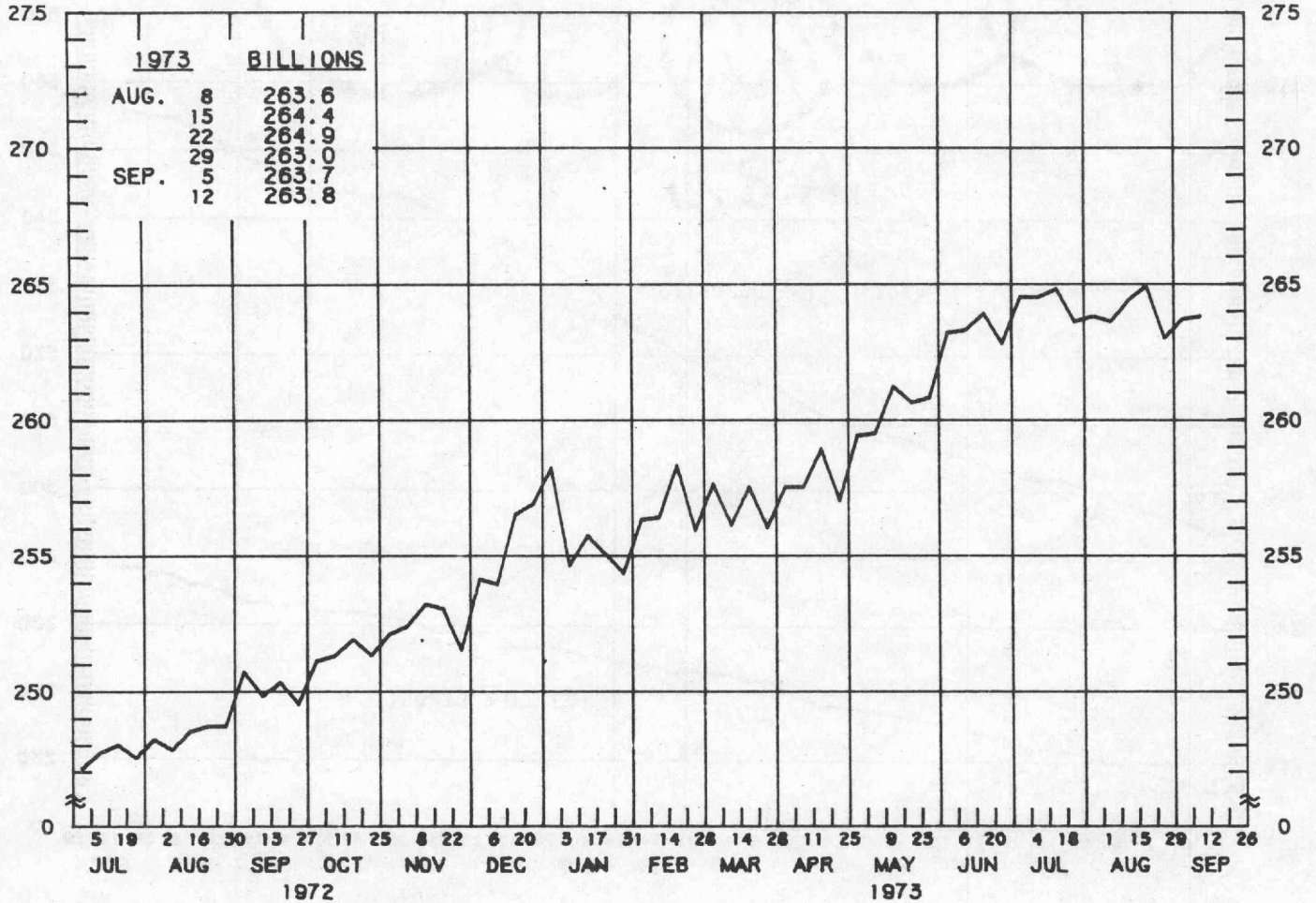
2/14/73	4.8								
3/14/73	5.0	-0.3							
4/11/73	4.0	-0.8	2.0						
5/9/73	4.3	0.8	3.3	2.0					
6/13/73	5.7	4.1	6.9	7.2	11.5				
7/11/73	6.3	5.2	7.8	8.2	11.5	14.0			
8/15/73	5.5	4.2	6.0	6.0	7.9	8.4	4.3		
9/12/73	4.9	3.4	4.9	4.8	6.0	6.0	2.4	-1.4	

MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 12, 1973

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

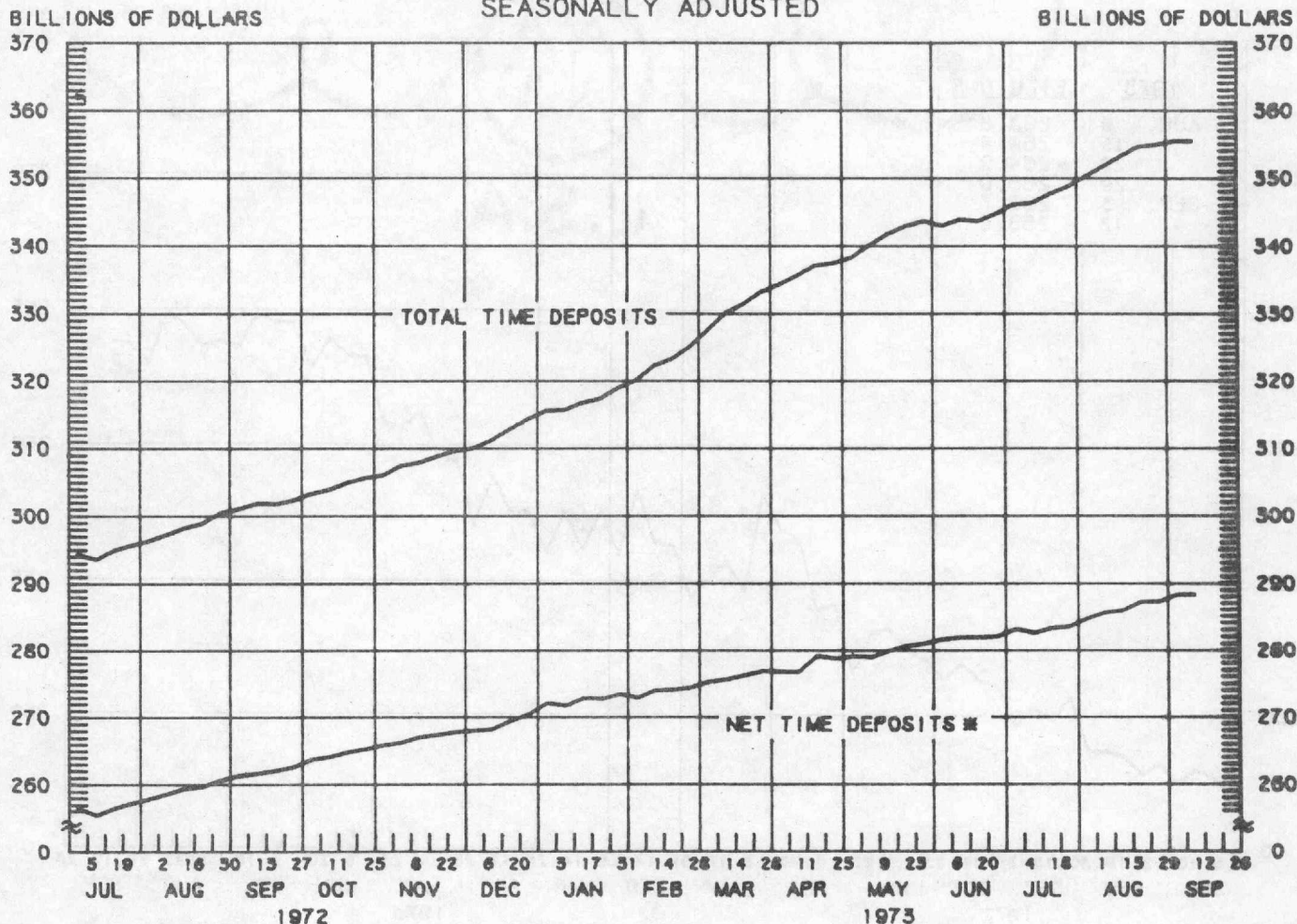
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

9/13/72 1/10/73 2/14/73 3/14/73 4/11/73 5/9/73 6/13/73 7/11/73

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

2/14/73	5.8							
3/14/73	6.1	0.9						
4/11/73	5.3	0.8	4.1					
5/ 9/73	5.7	2.5	5.5	4.4				
6/13/73	6.7	5.0	8.0	8.0	11.5			
7/11/73	7.0	5.8	8.3	8.4	11.0	12.2		
8/15/73	6.3	4.8	6.7	6.5	7.8	7.7	4.3	
9/12/73	5.8	4.3	5.8	5.4	6.4	5.9	2.9	0.0

TIME DEPOSITS ALL COMMERCIAL BANKS AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 12, 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:

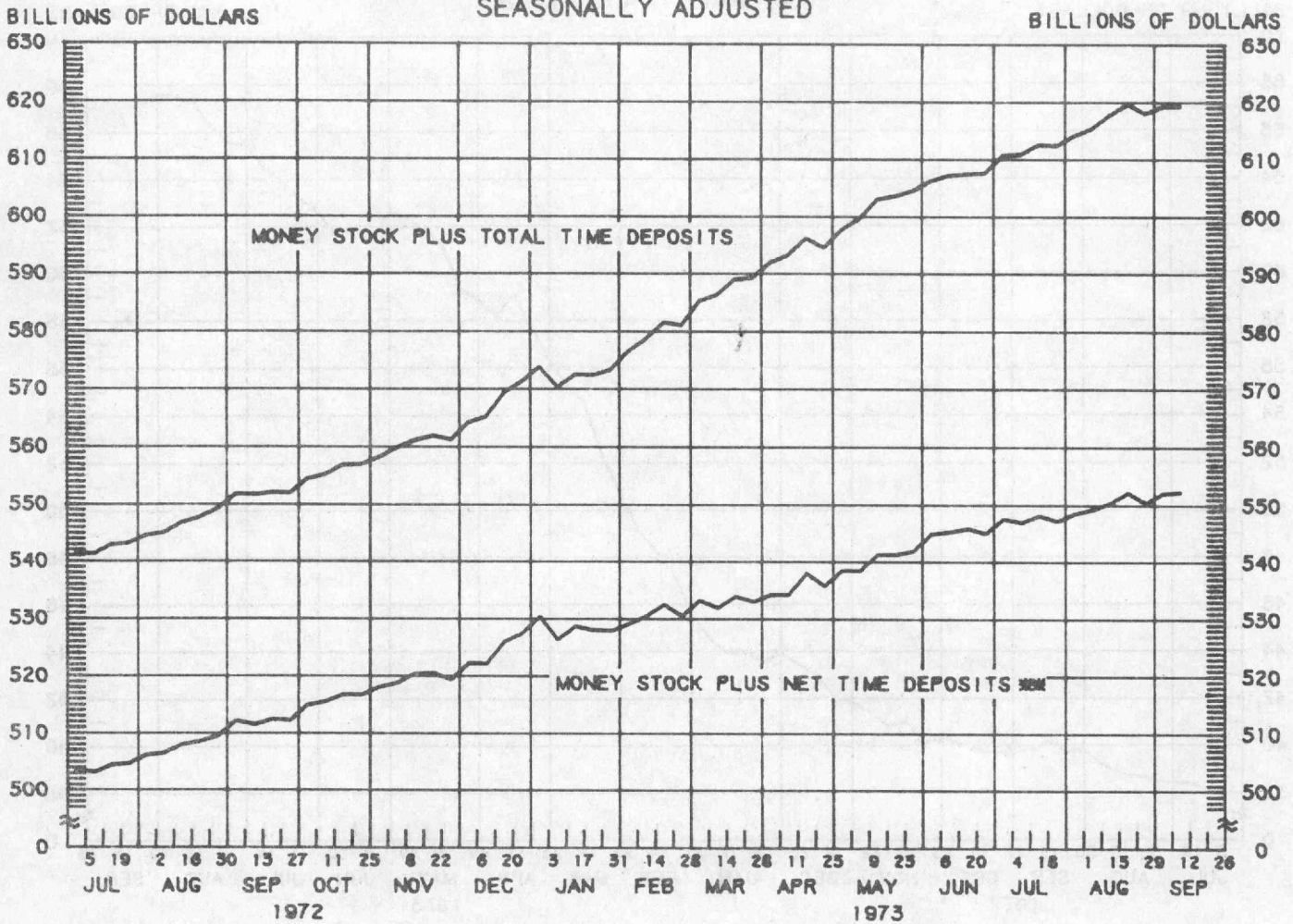
9/13/72 1/10/73 2/14/73 3/14/73 4/11/73 5/9/73 6/13/73 7/11/73

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

2/14/73	11.6						
3/14/73	11.1	8.8					
4/11/73	10.7	8.7	8.4				
5/9/73	10.8	9.3	9.4	9.8			
6/13/73	10.6	9.3	9.3	9.6	10.2		
7/11/73	10.1	8.6	8.5	8.5	8.5	7.3	
8/15/73	10.0	8.8	8.7	8.8	8.9	8.2	7.6
9/12/73	10.4	9.4	9.4	9.6	9.8	9.5	9.6
							11.8

MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 12, 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:

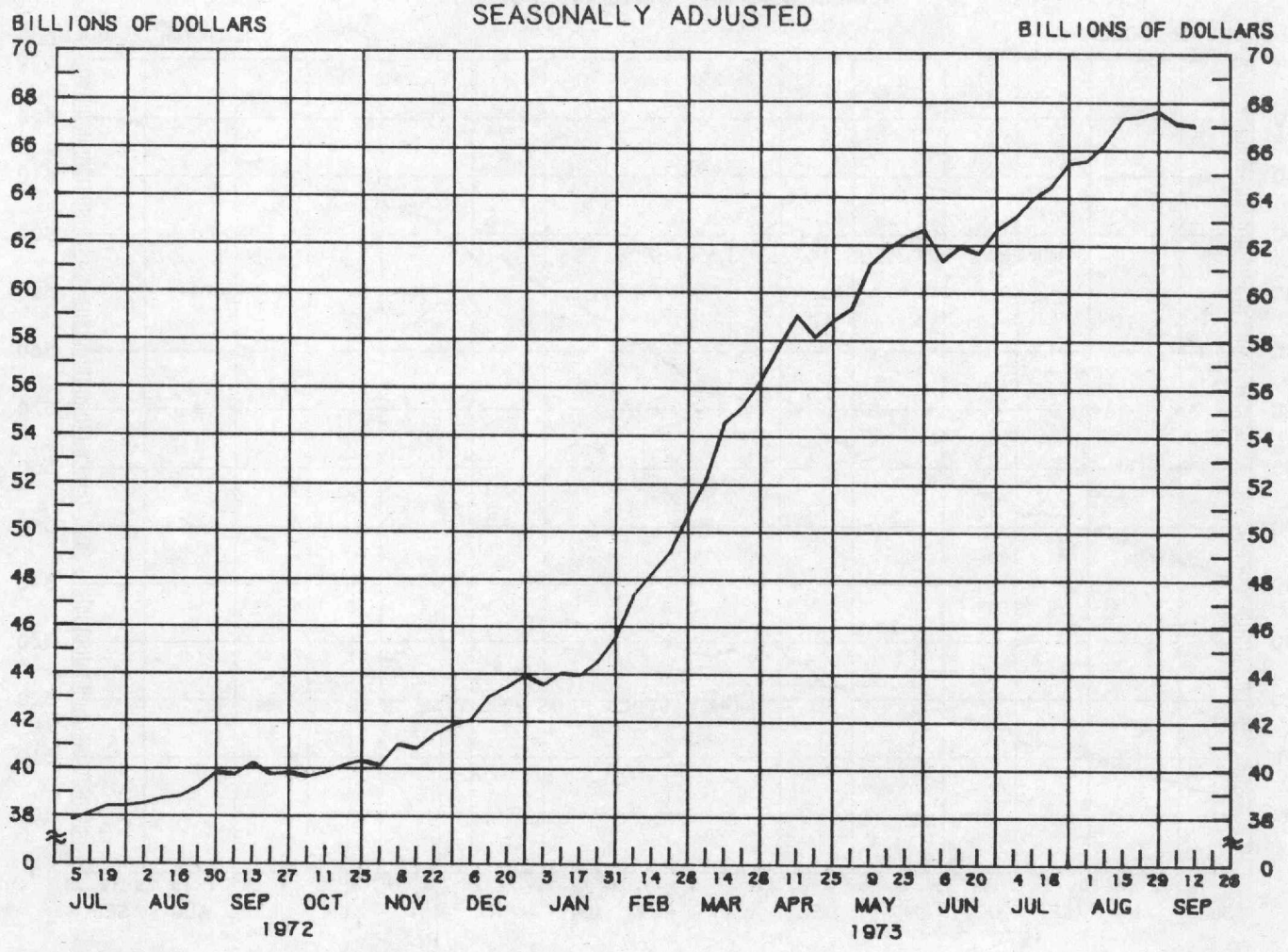
9/13/72 1/10/73 2/14/73 3/14/73 4/11/73 5/9/73 6/13/73 7/11/73

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

2/14/73	8.7							
3/14/73	8.6	4.9						
4/11/73	8.1	4.9	6.3					
5/9/73	8.3	6.0	7.5	7.3				
6/13/73	8.7	7.3	8.7	8.9	10.8			
7/11/73	8.6	7.3	8.4	8.5	9.7	9.6		
8/15/73	8.2	6.9	7.7	7.7	8.3	7.9	5.9	
9/12/73	8.1	6.9	7.6	7.6	8.1	7.7	6.3	5.8

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 12, 1973

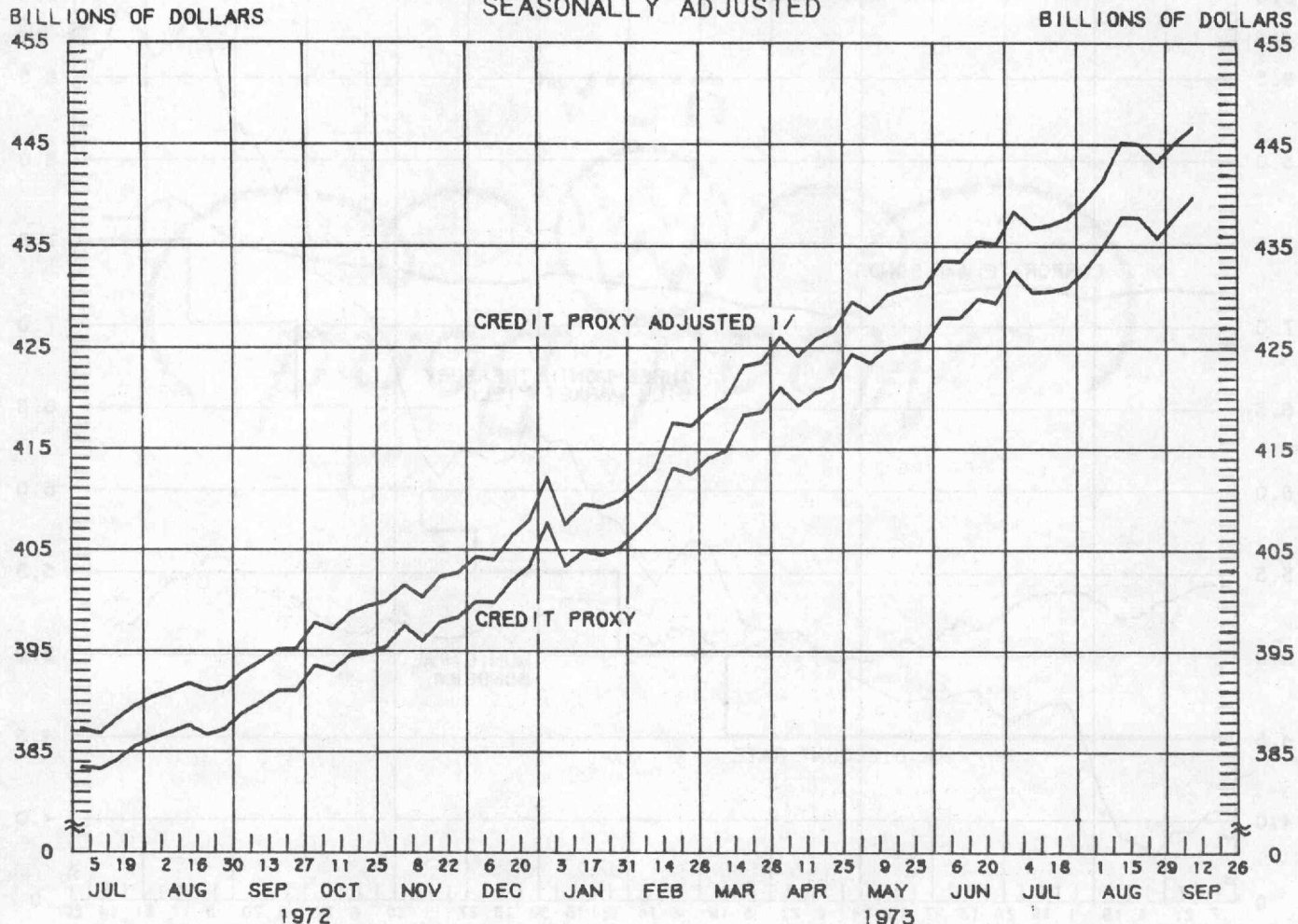
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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	549.1
15	67.3	285.9	550.3
22	67.4	287.2	552.1
29	67.6	287.3	550.2
SEP. 5	67.1	288.3	552.0
12	67.0	288.3	552.2
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: SEPTEMBER 12, 1973

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

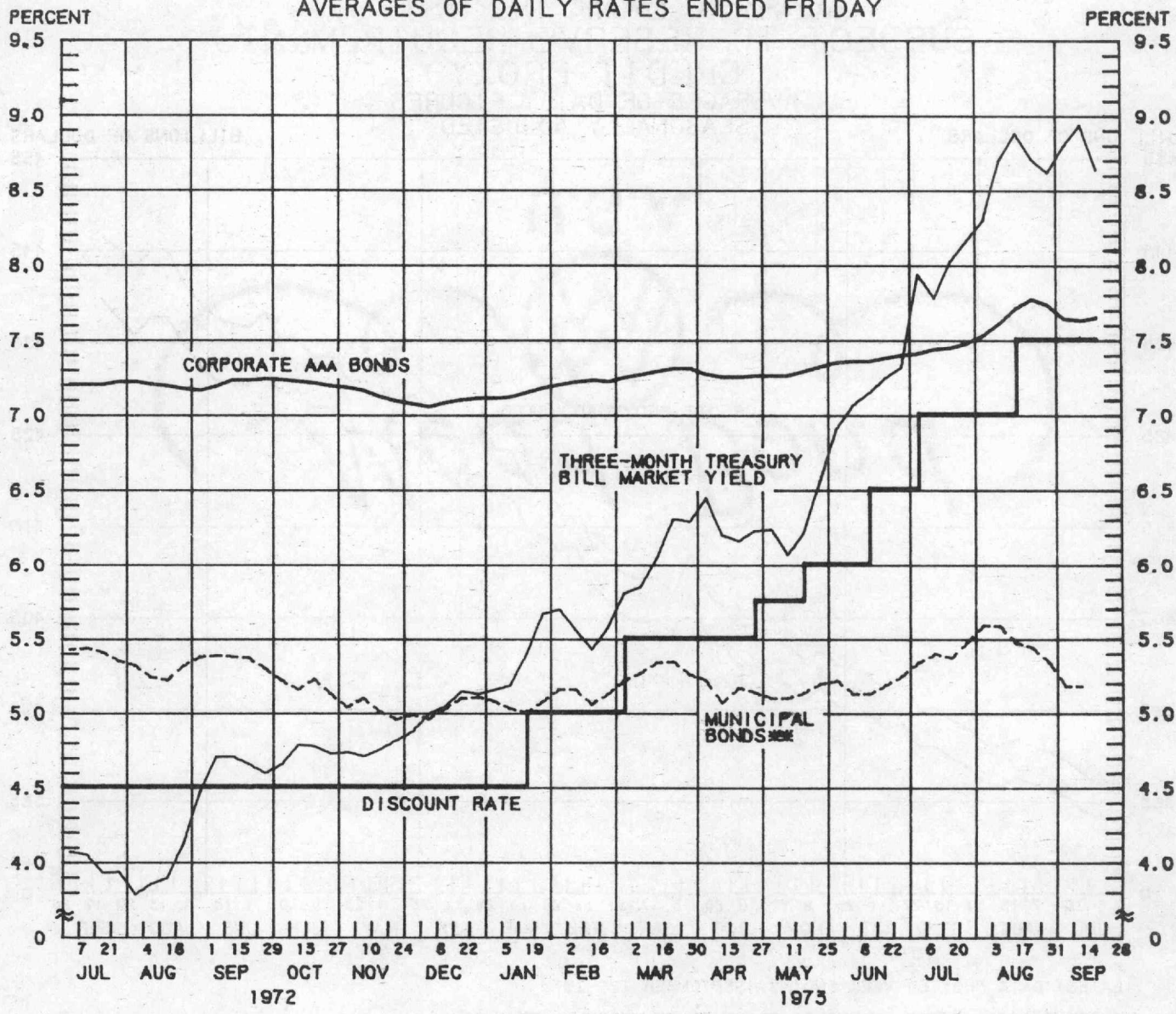
1/ INCLUDES MEMBER BANK DEPOSITS, BANK-RELATED COMMERCIAL PAPER, EURODOLLAR BORROWINGS OF U.S. BANKS, AND CERTAIN OTHER NONDEPOSIT SOURCES.

1973		BILLIONS	
		CREDIT PROXY	CREDIT PROXY ADJUSTED
AUG.	8	435.0	441.5
	15	437.8	445.1
	22	437.7	444.9
	29	435.7	443.2
SEP.	5	437.8	445.1
	12	439.7	446.6

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF THE FOUR WEEKS ENDING SEPTEMBER 12, 1973 FROM THE FOUR WEEKS ENDING:			
		CREDIT PROXY	CREDIT PROXY ADJUSTED
JUL.	11, 1973	10.1	11.9
JUN.	13, 1973	10.8	12.4
MAY	9, 1973	10.8	12.2
APR.	11, 1973	10.7	12.0
MAR.	14, 1973	12.0	13.1
FEB.	14, 1973	13.8	14.9
SEP.	13, 1972	12.8	13.4

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: SEPTEMBER 21, 1973

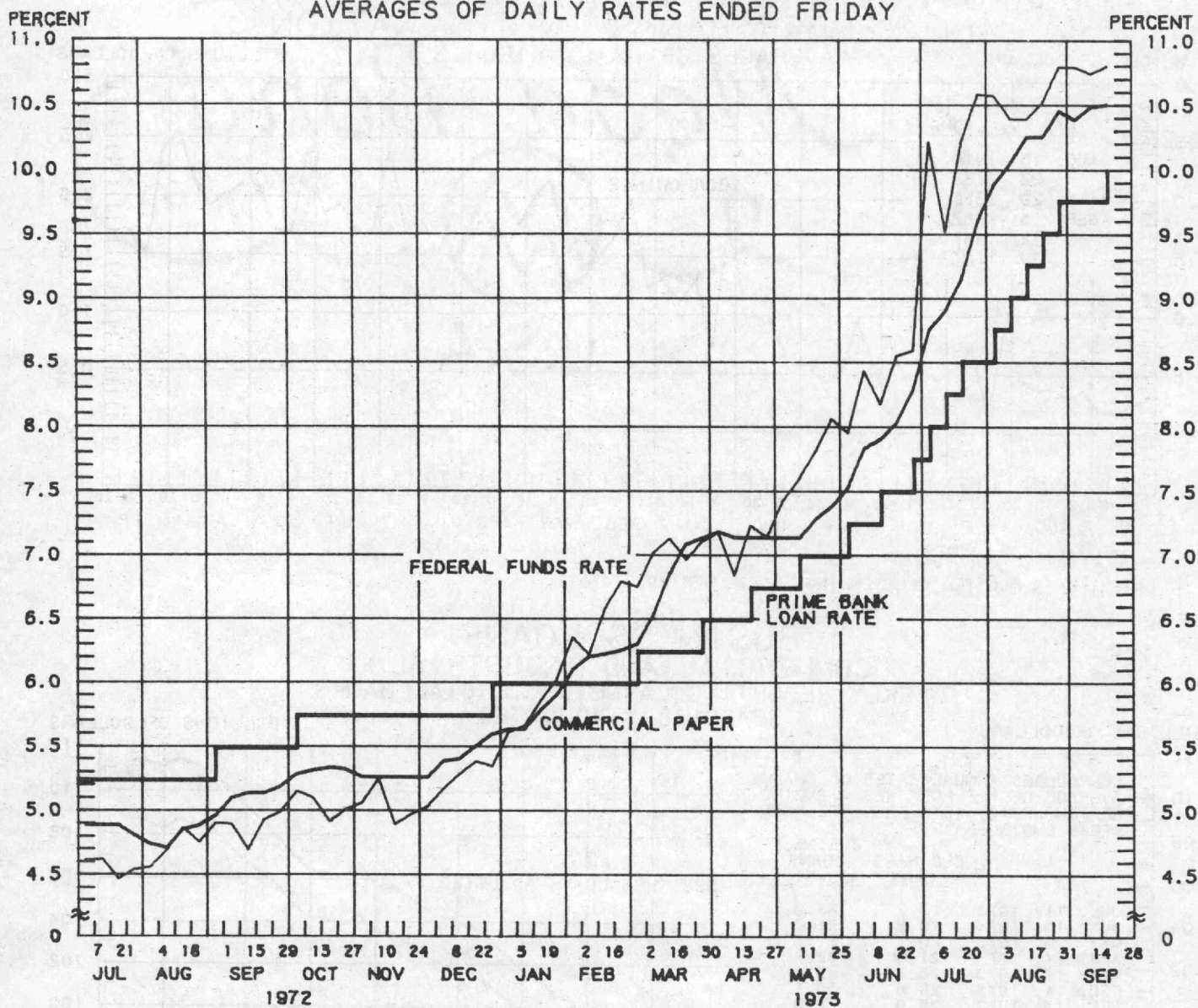
1973	CORPORATE AAA BONDS	3-MONTH TREASURY BILLS	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES	MUNICIPAL BONDS <small>***</small>
JULY 6	7.41	7.94	7.15	6.44	5.34
13	7.44	7.78	7.29	6.43	5.40
20	7.45	8.03	7.48	6.50	5.37
27	7.48	8.17	7.76	6.64	5.48
AUG. 3	7.53	8.30	8.02	6.90	5.59
10	7.61	8.70	8.16	6.97	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	7.73	8.62	7.35	6.62	5.34
SEP. 7	7.64	8.80	7.27	6.45	5.18
14	7.63	8.94	7.45	6.52	5.18
21 *	7.65	8.64	7.18	6.45	N.A.
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

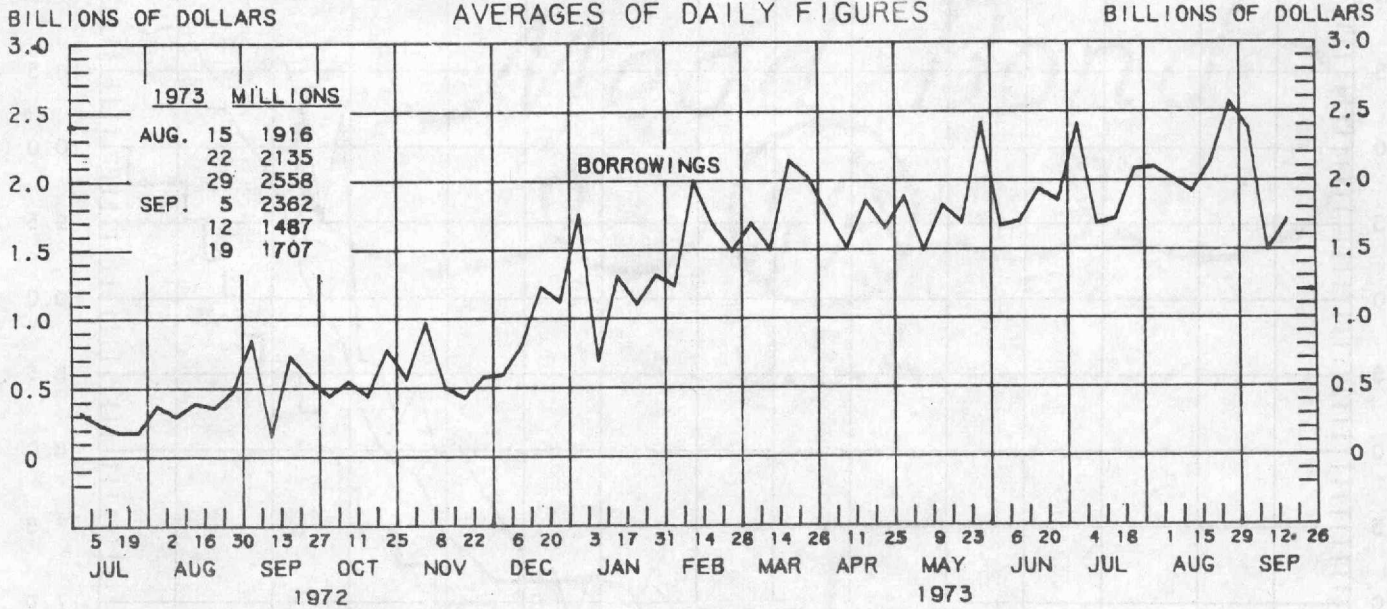


LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: SEPTEMBER 21, 1973

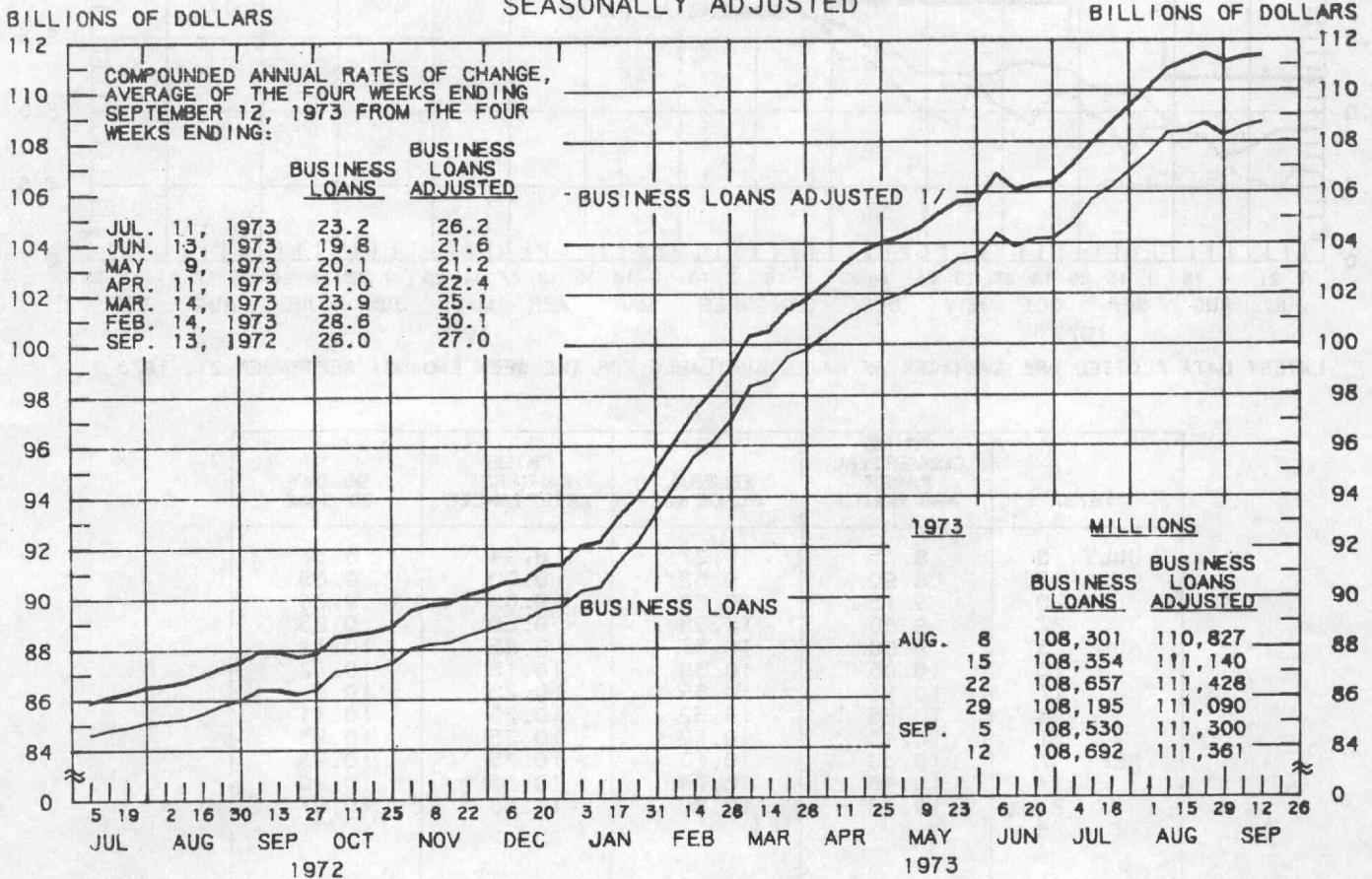
1973	PRIME COMMERCIAL PAPER 4-6 MONTH	FEDERAL FUNDS <small>***</small>	PRIME BANKERS' ACCEPTANCES	90 DAY CD'S <small>***</small>
JULY 6	8.75	10.21	8.94	8.67
13	8.90	9.52	9.00	9.03
20	9.15	10.22	9.05	9.36
27	9.60	10.58	9.50	9.85
AUG. 3	9.88	10.57	9.85	10.14
10	10.05	10.39	10.15	10.52
17	10.25	10.39	10.25	10.81
24	10.25	10.52	10.25	10.71
31	10.45	10.79	10.25	10.93
SEP. 7	10.38	10.79	10.25	10.93
14	10.48	10.74	10.35	10.90
21 *	10.50	10.80	10.50	10.97
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.