



Week ending: October 24, 1973

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The money stock averaged \$263.9 billion in the four weeks ending October 17, little changed from three months earlier. The monetary base has grown more rapidly than the money stock in the last three months. During short comparison periods growth rates of money and the base sometimes differ due primarily to short-term fluctuations in the distribution of deposits between demand deposits included in the money stock and time deposits or U.S. Government demand deposits at commercial banks. In the last three months a rise in the ratio of time deposits to demand deposits has been a major element influencing the relationship between the growth rates of the base and money. Since time deposits absorb reserves, an increase in the ratio of time to demand deposits lowers the amount of demand deposits that can be supported with a given amount of monetary base.

Effective November 1, new commercial bank time deposits with a minimum denomination of \$1,000 and a minimum maturity of four years will be subject to a maximum interest rate of 7.25 percent. Since early July banks have been able to compete for deposits of this type without restrictions on the rates they could pay until the amount of these deposits reached 5 percent of the bank's total time and savings deposits. The limit on the amount of this category of deposits will be eliminated with imposition of the rate ceiling. The recent ruling does not affect rates payable on certificates of deposit (CDs) of \$100,000 or more on which rate ceilings were suspended in June 1970 for maturities of 30 to 89 days and in May 1973 for longer maturities.

Growth of net time deposits, that is, time deposits other than large CDs, has been at a 12 percent rate in the past three months, compared to an 8.3 percent rate from early January to early July and 13 percent in the previous year. The outstanding volume of large CDs has declined since mid-August following a sharp expansion from late last year.

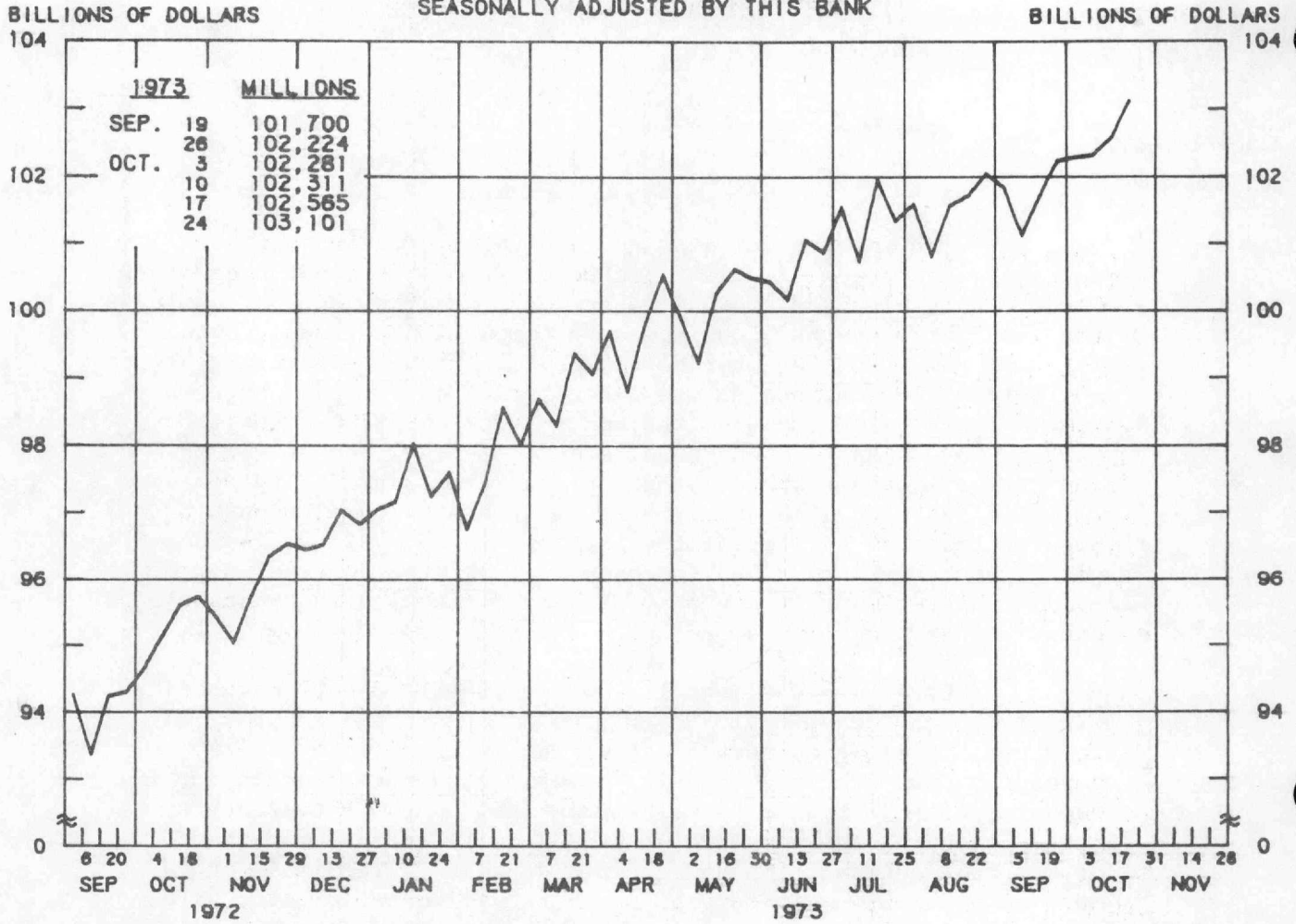
Market interest rates have declined on balance since August. Yields on three-month Treasury bills, for example, averaged 7.03 percent in the first half of this week, down from an 8.67 percent average in August. Yields on 90-day CDs averaged 9.15 percent in the current week, down from highs near 11 percent from late August through mid-September.

Prepared by Federal Reserve Bank of St. Louis

Released: October 26, 1973

MONETARY BASE

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK

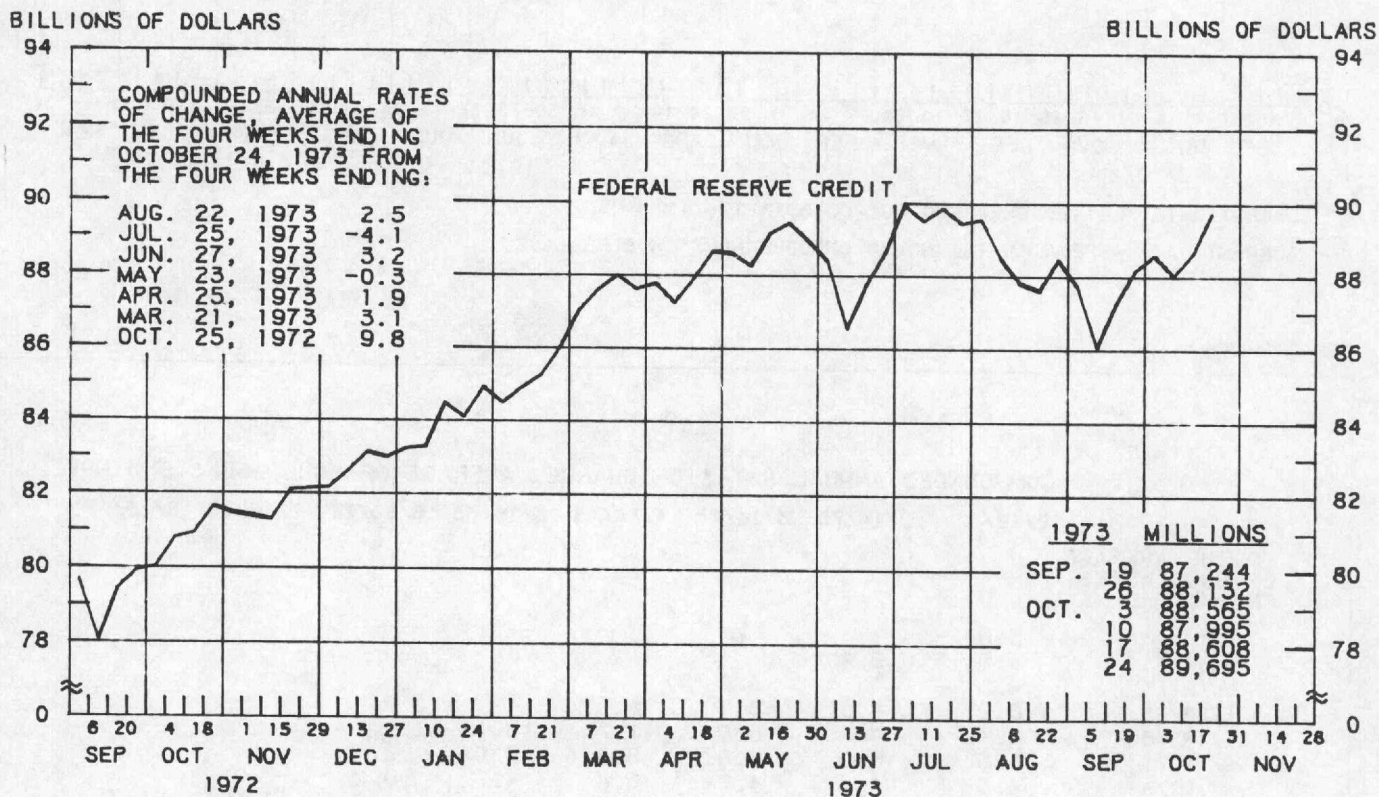
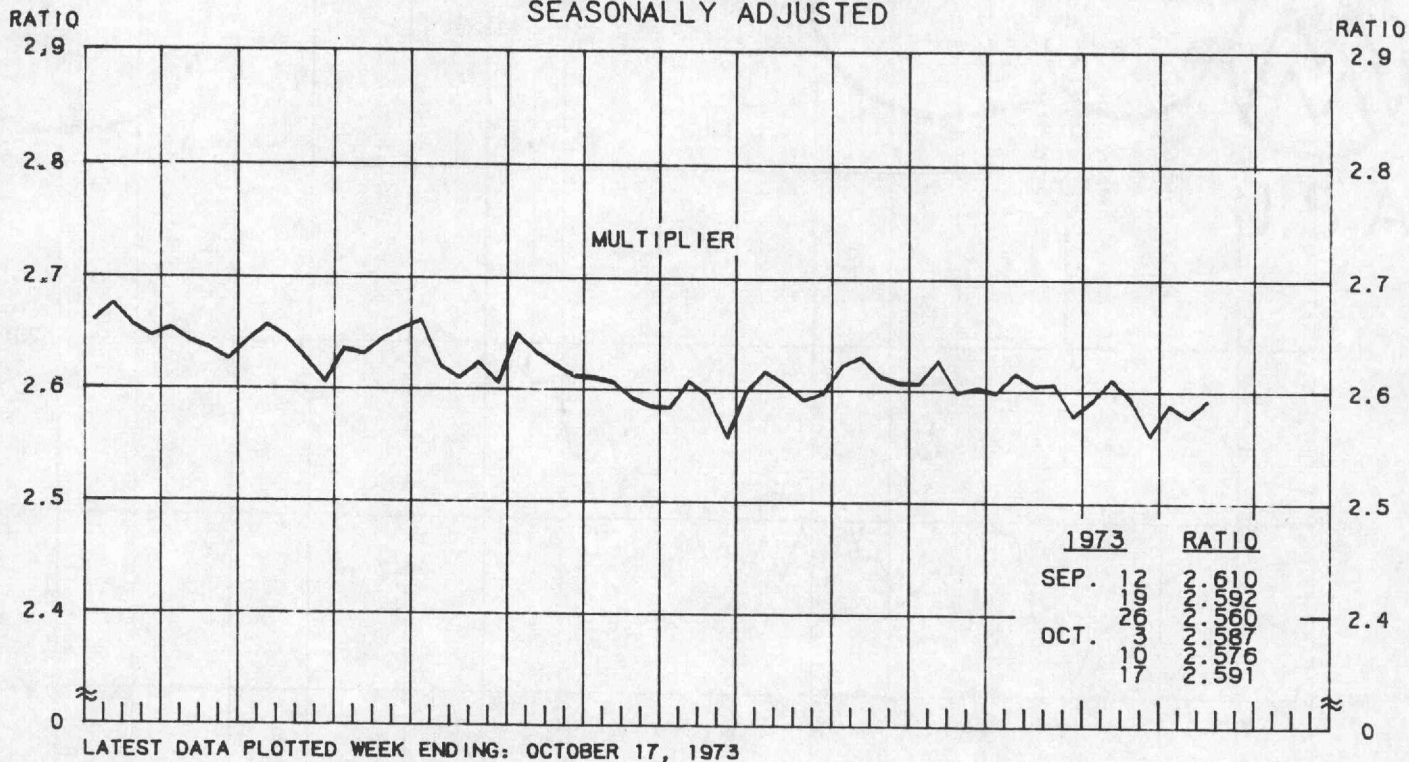


LATEST DATA PLOTTED WEEK ENDING: OCTOBER 24, 1973

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:								
	10/25/72	2/21/73	3/21/73	4/25/73	5/23/73	6/27/73	7/25/73	8/22/73
TO THE AVERAGE OF FOUR WEEKS ENDING:								
3/21/73	8.8							
4/25/73	9.5	13.2						
5/23/73	8.7	10.2	8.5					
6/27/73	8.5	9.2	7.9	5.4				
7/25/73	8.6	9.4	8.4	6.9	8.3			
8/22/73	7.8	8.0	6.9	5.3	5.8	5.2		
9/26/73	7.3	7.2	6.2	4.8	5.1	4.4	1.9	
10/24/73	7.7	7.7	6.9	5.8	6.2	6.0	4.7	6.8

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



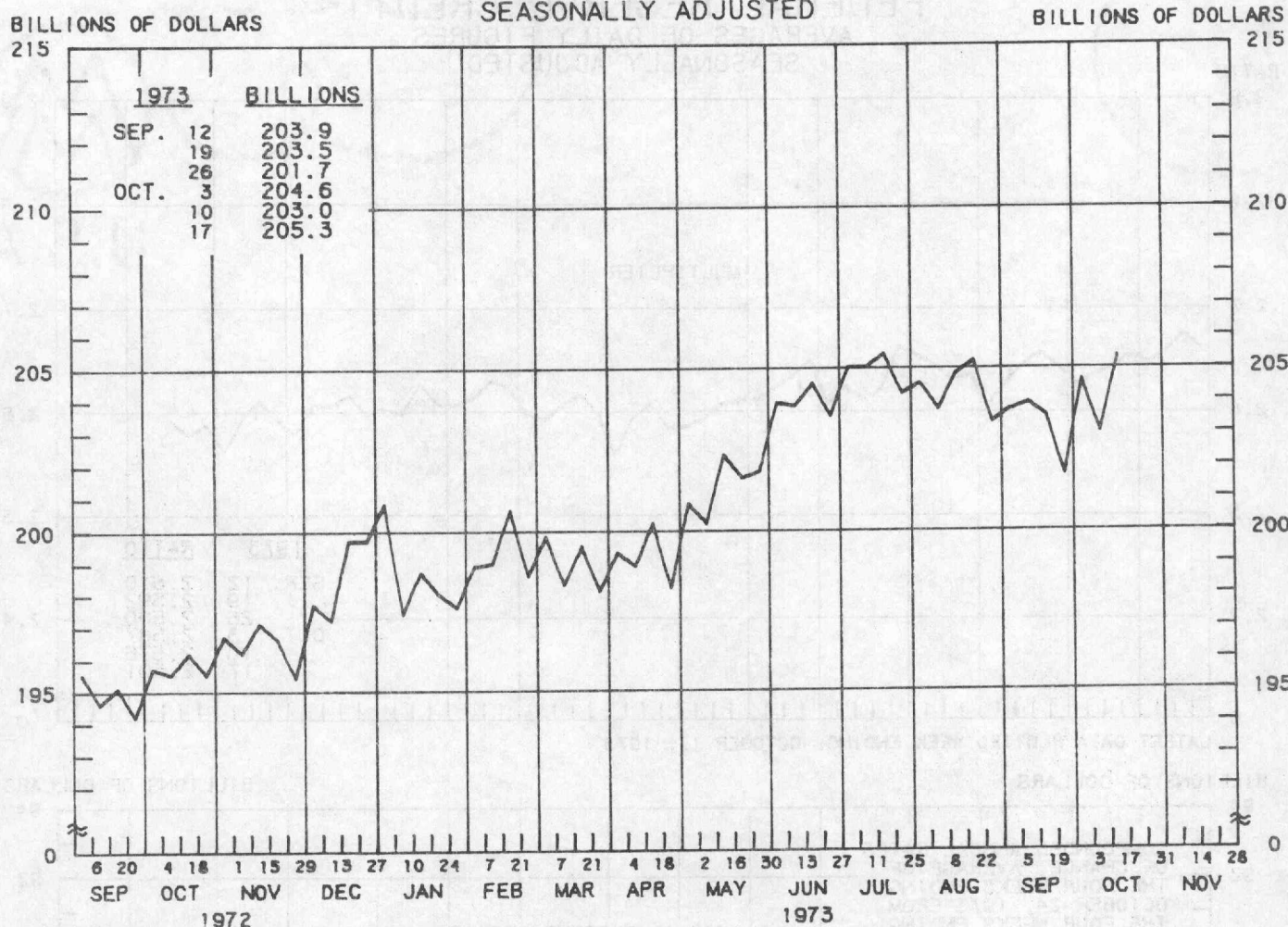
LATEST DATA PLOTTED WEEK ENDING: OCTOBER 24, 1973

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: OCTOBER 17, 1973
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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

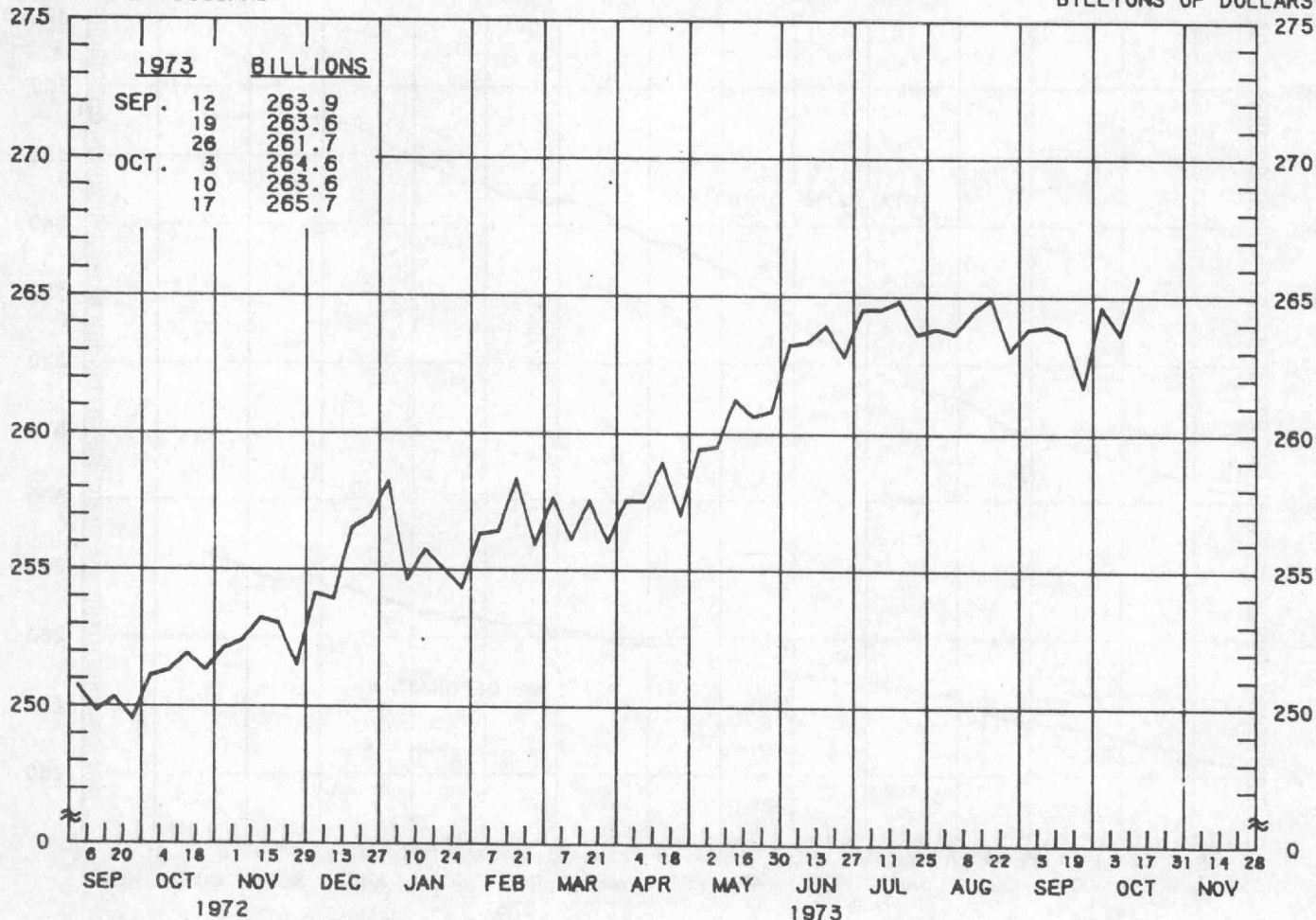
	10/18/72	2/14/73	3/14/73	4/18/73	5/16/73	6/20/73	7/18/73	8/15/73
TO THE AVERAGE OF FOUR WEEKS ENDING:								
3/14/73	5.0							
4/18/73	3.8	2.1						
5/16/73	4.5	4.1	3.2					
6/20/73	6.2	7.6	8.1	13.5				
7/18/73	6.4	7.7	8.0	11.7	13.1			
8/15/73	5.5	6.0	6.0	8.2	8.0	2.6		
9/19/73	4.6	4.4	4.2	5.4	4.7	0.2	-3.1	
10/17/73	4.2	4.0	3.7	4.7	3.9	0.3	-1.9	-1.7

MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 17, 1973

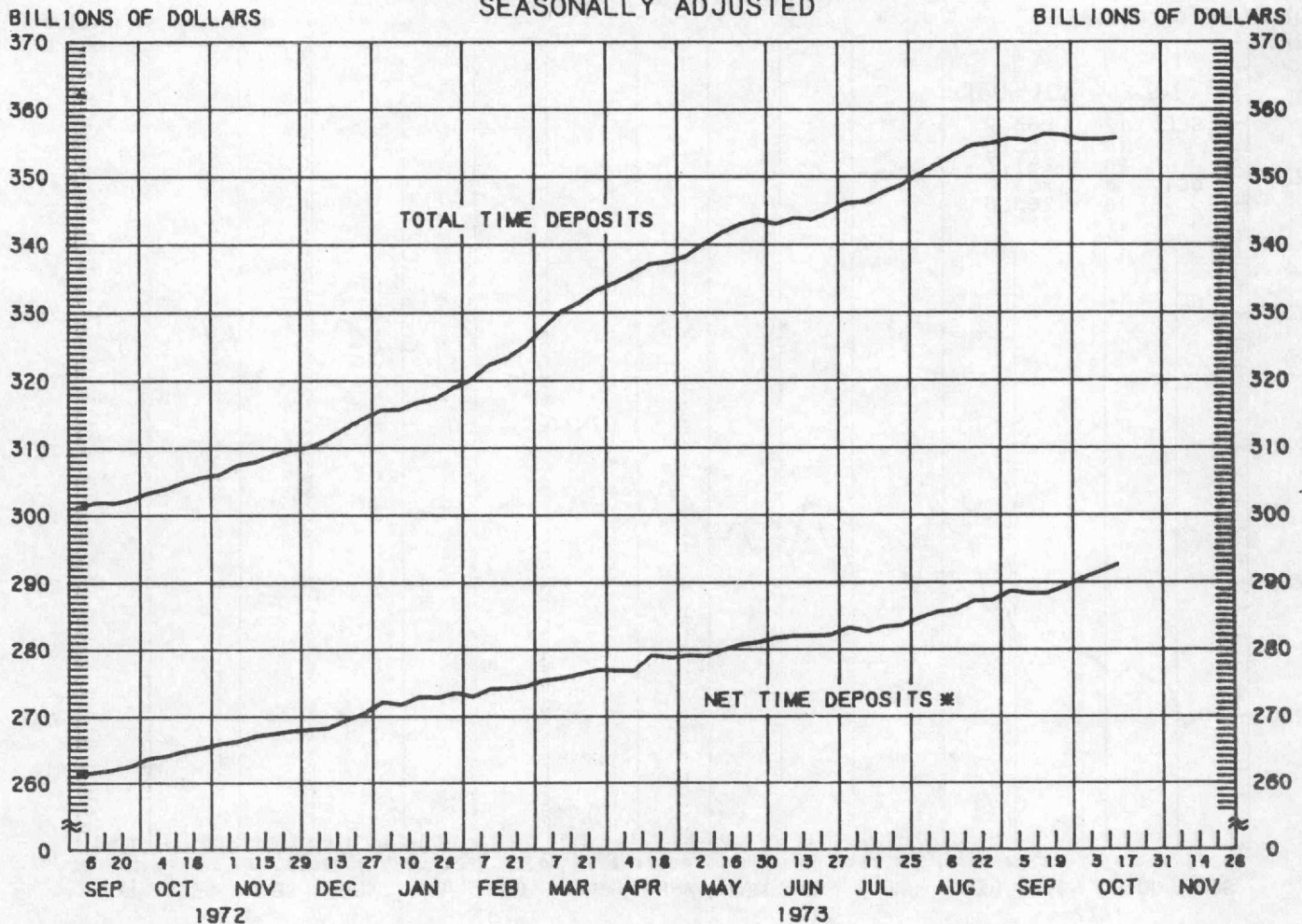
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

	10/18/72	2/14/73	3/14/73	4/18/73	5/16/73	6/20/73	7/18/73	8/15/73
3/14/73	6.0							
4/18/73	5.2	4.6						
5/16/73	5.8	6.1	5.3					
6/20/73	7.1	8.5	8.6	12.5				
7/18/73	7.1	8.2	8.3	10.8	11.4			
8/15/73	6.2	6.7	6.5	7.8	7.3	2.8		
9/19/73	5.4	5.4	5.0	5.7	4.9	1.2	-1.3	
10/17/73	5.1	4.9	4.5	5.0	4.2	1.3	-0.5	0.0

TIME DEPOSITS
ALL COMMERCIAL BANKS
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 17, 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:

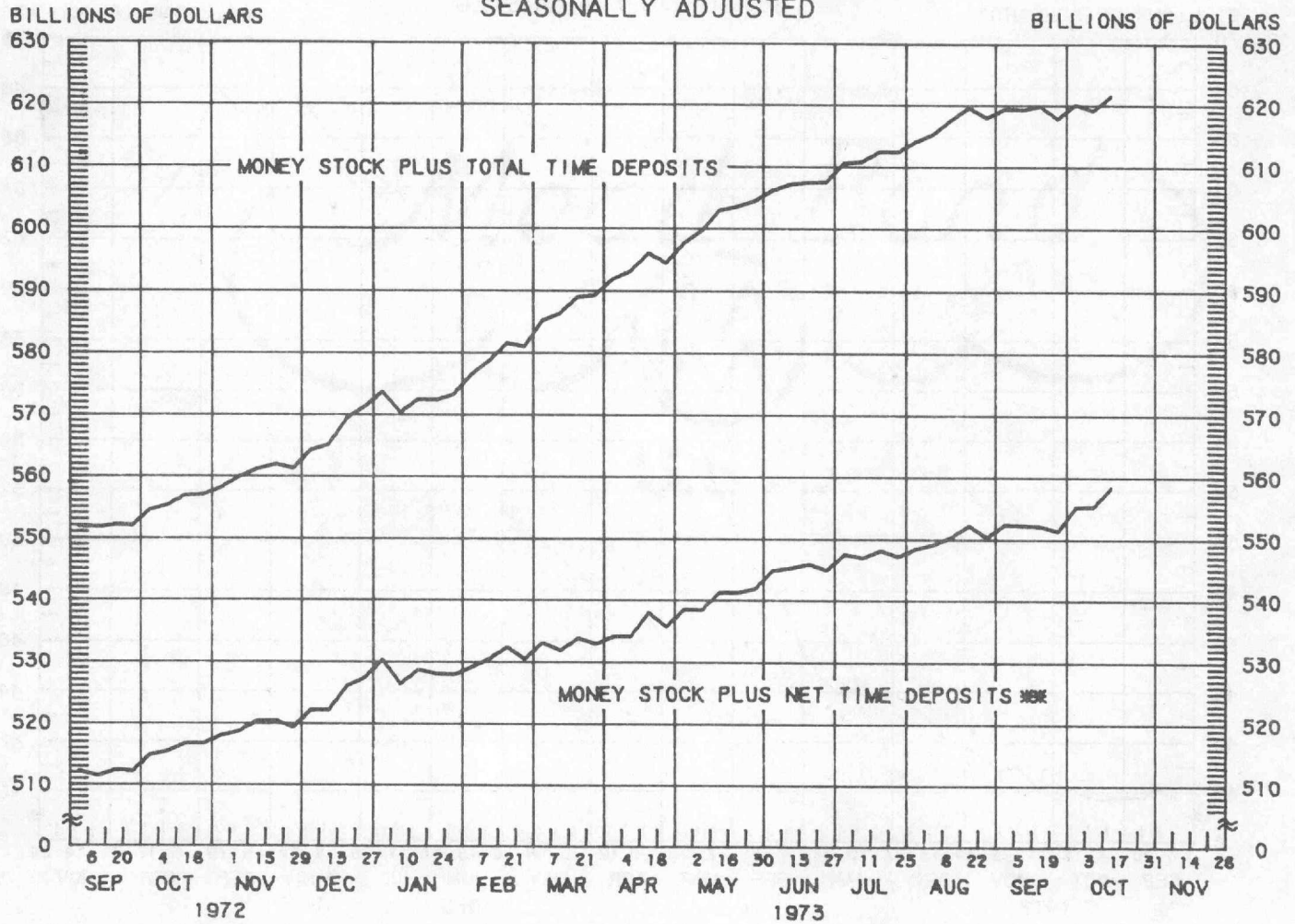
10/18/72 2/14/73 3/14/73 4/18/73 5/16/73 6/20/73 7/18/73 8/15/73

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

3/14/73	10.7								
4/18/73	10.5	9.0							
5/16/73	10.3	8.9	9.2						
6/20/73	10.2	9.1	9.4	9.3					
7/18/73	9.7	8.4	8.4	8.0	7.7				
8/15/73	9.8	8.7	8.8	8.6	8.6	7.9			
9/19/73	10.0	9.3	9.5	9.5	9.6	9.6	11.6		
10/17/73	10.3	9.8	10.0	10.1	10.4	10.6	12.3	13.0	

MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 17, 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:

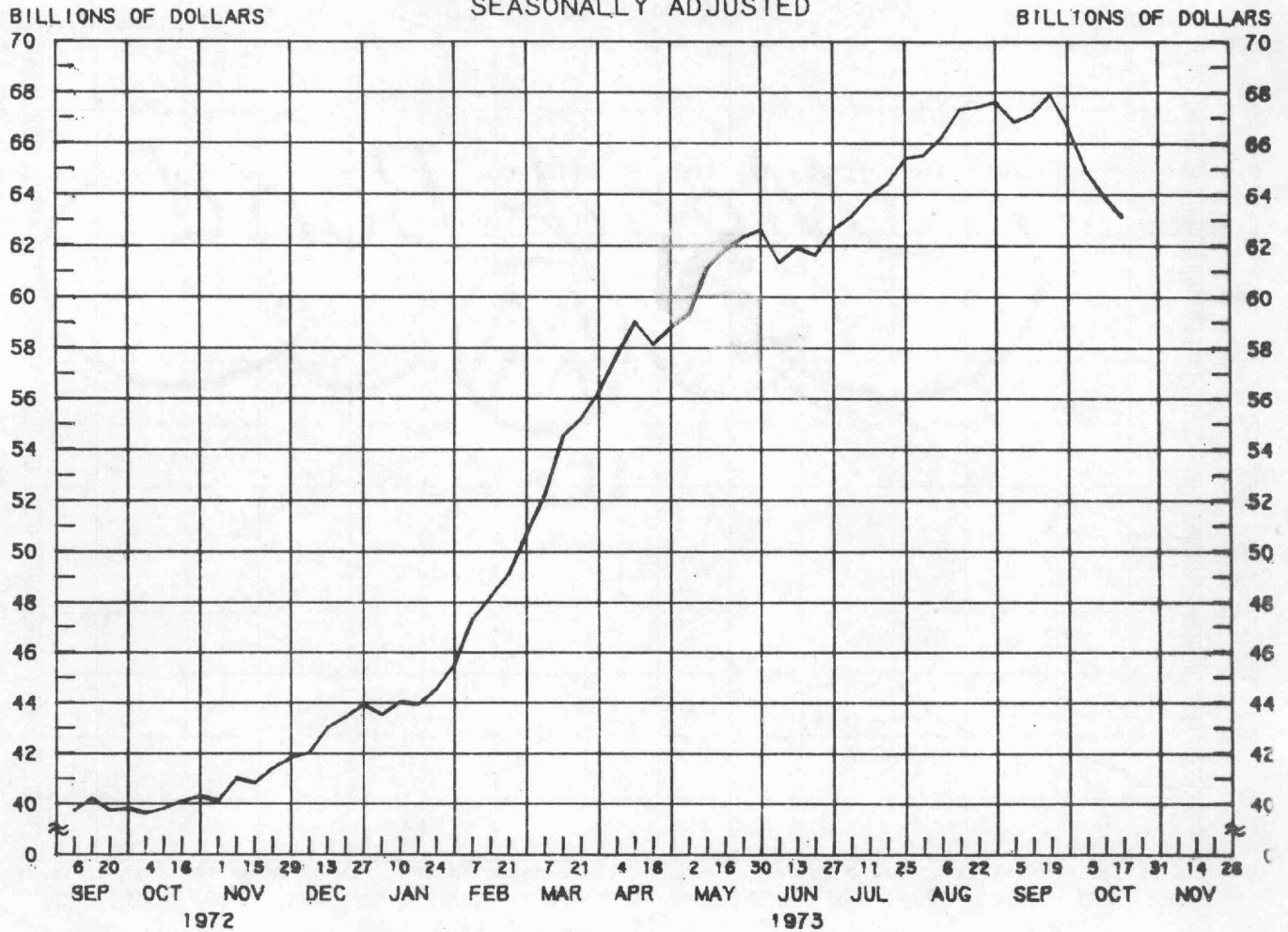
10/18/72 2/14/73 3/14/73 4/18/73 5/16/73 6/20/73 7/18/73 8/15/73

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

3/14/73	8.4							
4/18/73	7.9	6.7						
5/16/73	8.1	7.5	7.4					
6/20/73	8.7	8.8	9.1	10.9				
7/18/73	8.4	8.3	8.4	9.4	9.4			
8/15/73	8.0	7.7	7.7	8.2	7.9	5.2		
9/19/73	7.8	7.4	7.3	7.6	7.2	5.4	5.2	
10/17/73	7.8	7.5	7.4	7.7	7.4	6.0	6.1	6.7

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 17, 1973

CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.8 RELEASE.

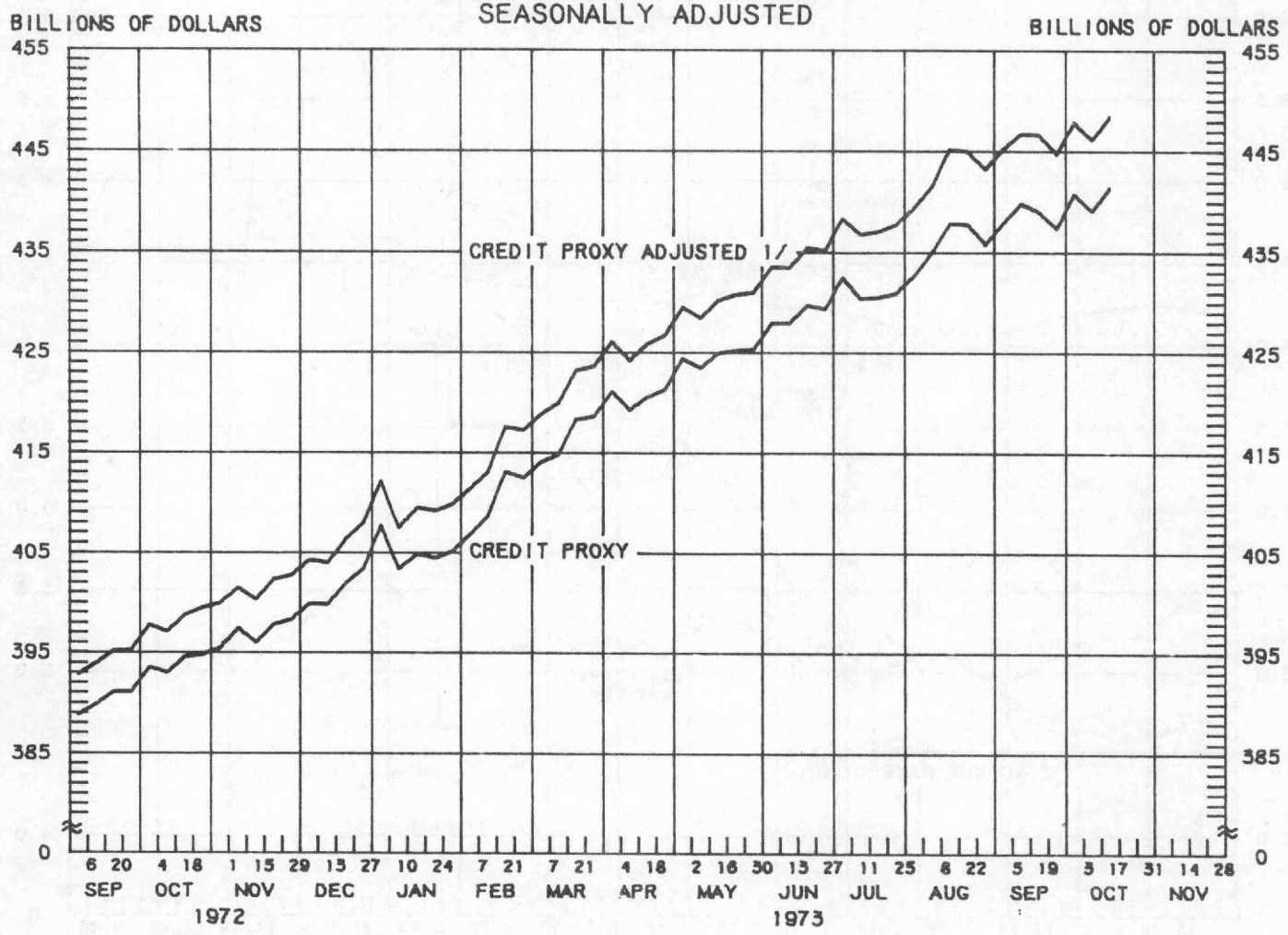
NEGOTIABLE TIME CERTIFICATES OF DEPOSIT ISSUED IN DENOMINATIONS OF \$100,000 OR MORE BY LARGE WEEKLY REPORTING COMMERCIAL BANKS.

MONEY AND TIME DEPOSIT DATA			
1973	BILLIONS		
	CERTIFICATES OF DEPOSIT	NET TIME DEPOSITS *	M2 **
SEP. 5	66.8	288.6	552.2
12	67.1	288.2	552.1
19	67.9	288.3	551.9
26	66.6	289.3	551.1
OCT. 3	64.9	290.5	555.1
10	63.9	291.5	555.2
17	63.1	292.6	558.3
24			
31			
NOV. 7			
14			
21			
28			

* 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: OCTOBER 17, 1973

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

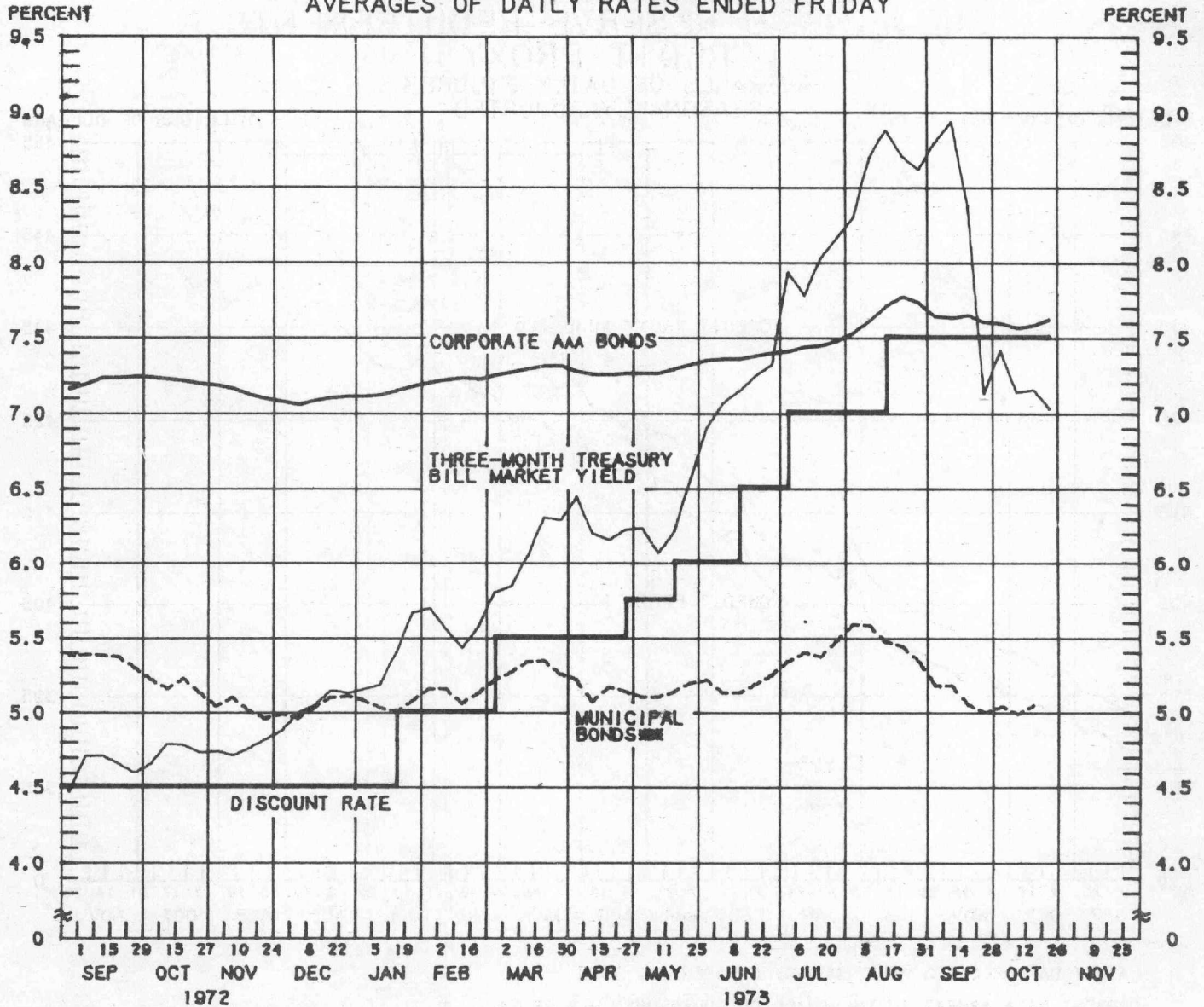
1/ INCLUDES MEMBER BANK DEPOSITS, BANK-RELATED COMMERCIAL PAPER, EURODOLLAR BORROWINGS OF U.S. BANKS, AND CERTAIN OTHER NONDEPOSIT SOURCES.

1973		BILLIONS	
		CREDIT PROXY	CREDIT PROXY ADJUSTED
SEP.	12	439.8	446.7
	19	439.0	446.6
	26	437.3	444.7
OCT.	3	440.7	447.8
	10	439.1	446.1
	17	441.3	448.4

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF THE FOUR WEEKS ENDING OCTOBER 17, 1973 FROM THE FOUR WEEKS ENDING:			
		CREDIT PROXY	CREDIT PROXY ADJUSTED
AUG.	15, 1973	7.5	8.0
JUL.	18, 1973	8.5	9.5
JUN.	20, 1973	8.8	9.8
MAY	16, 1973	9.2	10.3
APR.	18, 1973	9.6	10.6
MAR.	14, 1973	10.8	11.6
OCT.	18, 1972	11.9	12.5

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: OCTOBER 26, 1973

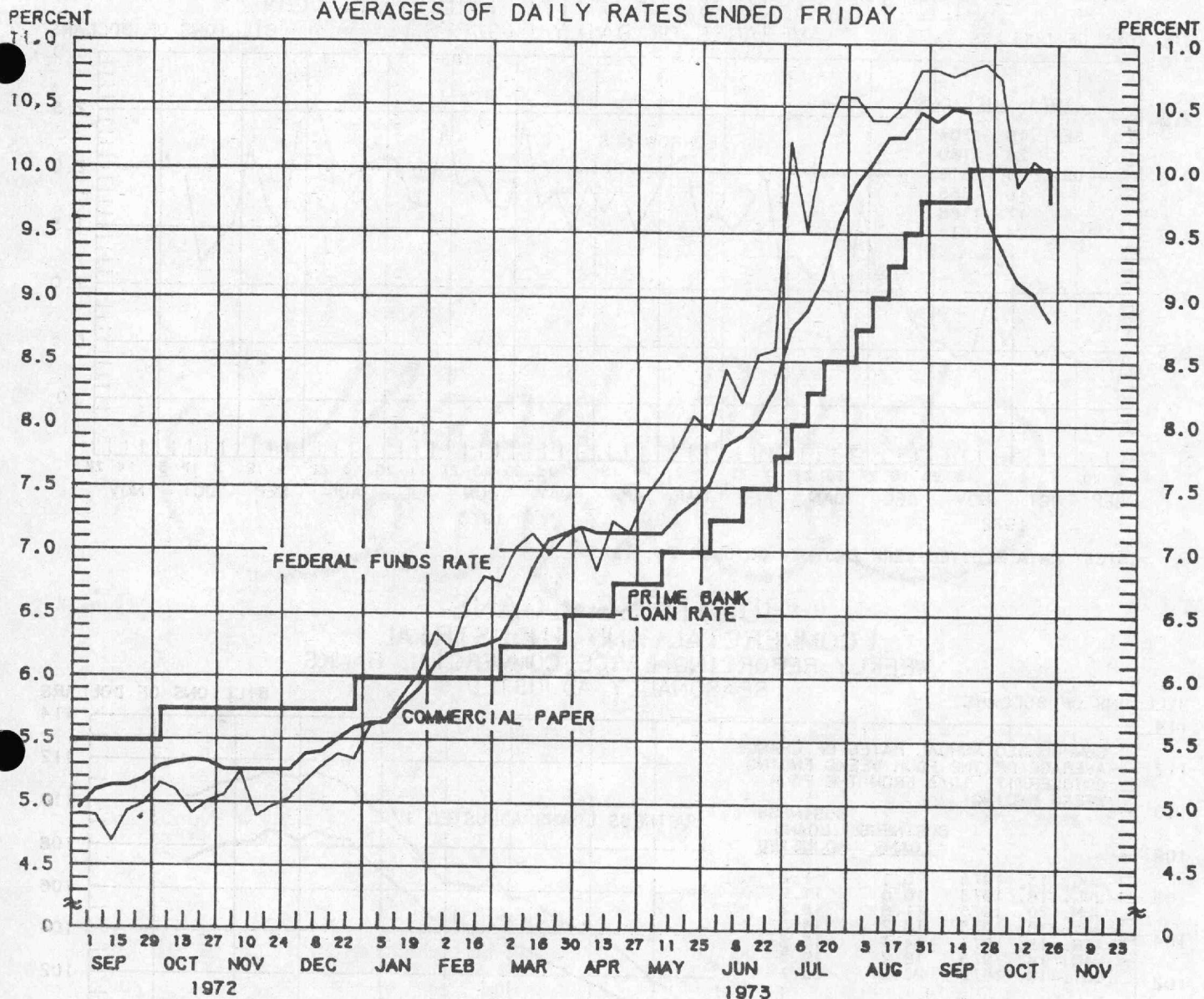
1973	CORPORATE AAA BONDS	3-MONTH TREASURY BILLS	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES	MUNICIPAL BONDS <small>INDEX</small>
SEP. 7	7.64	8.80	7.27	6.45	5.18
14	7.63	8.94	7.45	6.52	5.18
21	7.65	8.38	7.10	6.43	5.05
28	7.60	7.13	6.85	6.28	5.00
OCT. 5	7.59	7.42	6.89	6.27	5.04
12	7.56	7.14	6.77	6.20	4.99
19	7.58	7.16	6.80	6.27	5.05
26 *	7.62	7.03	6.82	6.28	N.A.
NOV. 2					
9					
16					
23					
30					

* AVERAGES OF RATES AVAILABLE.
INDEX 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

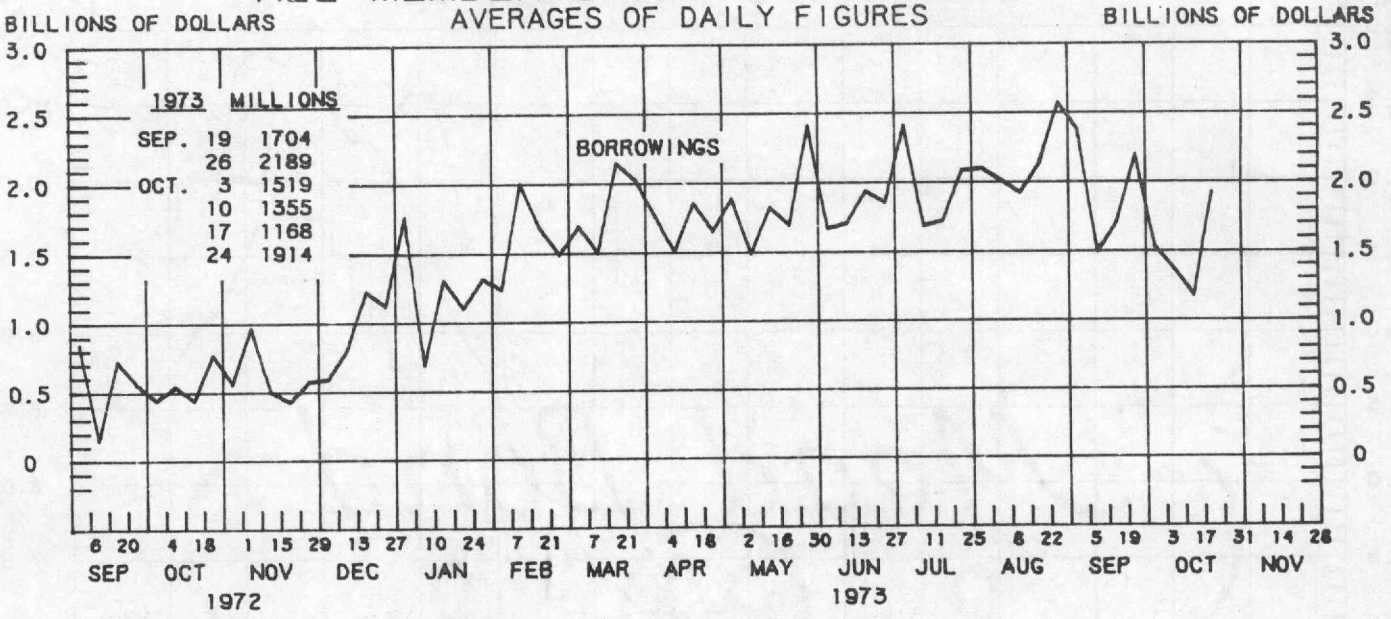


LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: OCTOBER 26, 1973

1973	PRIME COMMERCIAL PAPER 4-6 MONTH	FEDERAL FUNDS RATE	PRIME BANKERS' ACCEPTANCES	90 DAY CD'S RATE
SEP. 7	10.38	10.79	10.25	10.93
14	10.48	10.74	10.35	10.90
21	10.45	10.80	10.43	10.97
28	9.65	10.84	9.75	10.37
OCT. 5	9.38	10.72	9.50	9.63
12	9.13	9.87	9.28	9.70
19	9.03	10.07	9.00	9.36
26 *	8.82	9.98	8.88	9.15
NOV. 2				
9				
16				
23				
30				

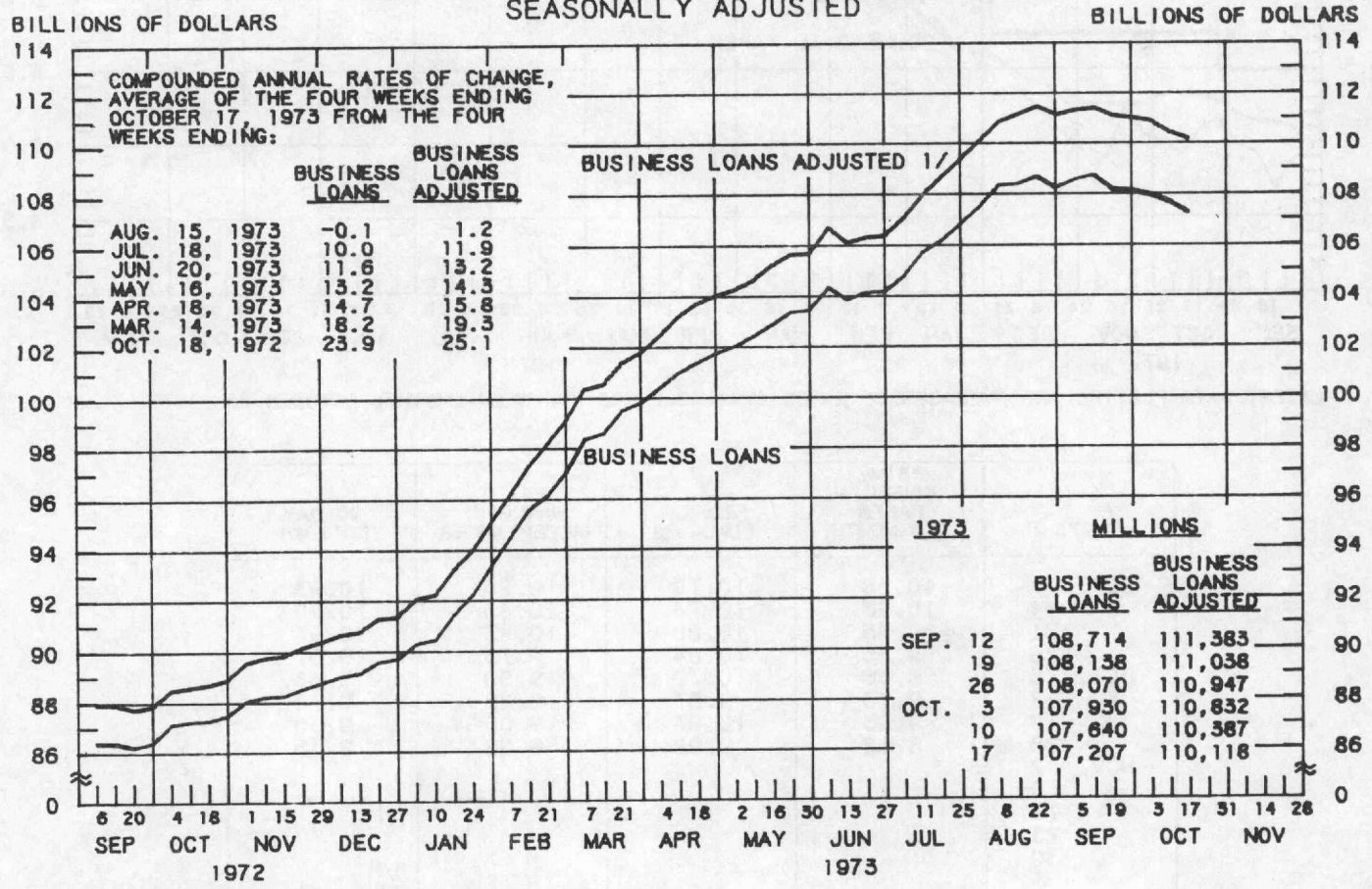
* AVERAGES OF RATES AVAILABLE.
 ** FEDERAL FUNDS AND CD RATES ARE SEVEN-DAY AVERAGES FOR WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.
 CD DATA ARE SECONDARY MARKET RATES.

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 24, 1973

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



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 17, 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