



Week ending: January 2, 1974

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The monetary base has increased sharply in the last three months. Since mid-September the base has risen at an 8.5 percent annual rate, somewhat faster than the 6.9 percent rate in the previous nine months. Over periods of twelve months or more, growth rates of the monetary base have usually been similar to those for the nation's money stock, measured as demand deposits and currency in the hands of the public. In the past year the monetary base has increased 7.3 percent.

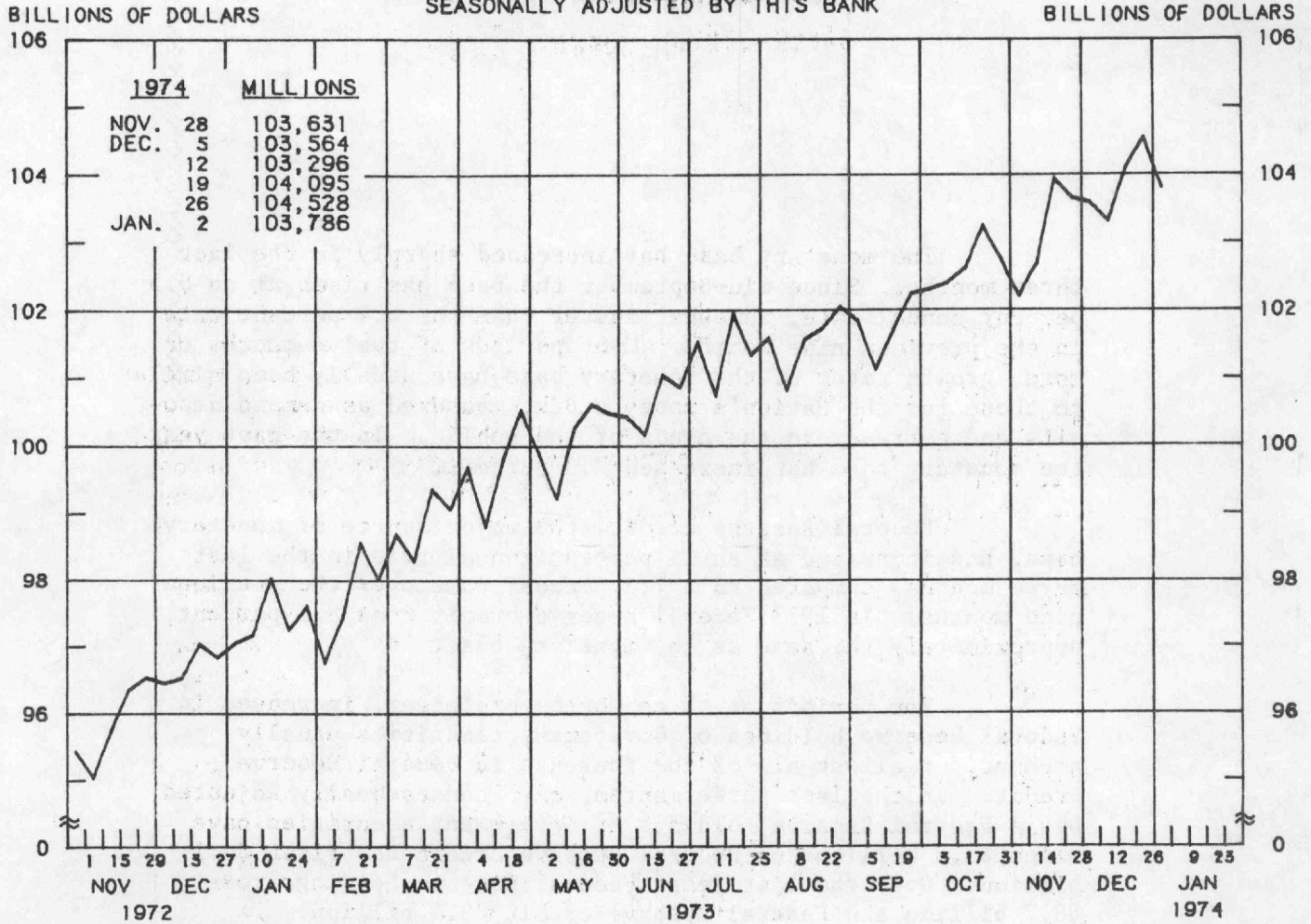
Federal Reserve credit, the major source of monetary base, has increased at an 11 percent annual rate in the last three months, compared to a 7.3 percent rate over the previous nine months. In 1973 Federal Reserve credit rose 8.1 percent, approximately the same as the monetary base.

For periods of three months or longer, increases in Federal Reserve holdings of Government securities usually account for almost all of the increase in Federal Reserve credit. In the last three months, on a nonseasonally adjusted basis Federal Reserve holdings of Government securities have risen \$3.8 billion and Federal Reserve credit has risen \$4.1 billion. Over the last year, Federal Reserve holdings rose \$8.7 billion and Federal Reserve credit \$8.5 billion.

A change in Regulation D, reducing marginal reserve requirements on large denomination certificates of deposit and certain other bank liabilities from 6 percent to 3 percent, became effective in the reserve computation week ended January 2. The lower required reserve ratio on this category of bank liabilities, if not offset, is estimated to make available between \$350-\$375 million in reserves to support bank deposits. The effect of the lower marginal reserve requirement appears in the reserve adjustment magnitude used in the computation of the monetary base. Taking other factors affecting the reserve adjustment magnitude into account, it is estimated by this Bank that the reserve adjustment magnitude increased by about \$240 million in the week ended January 2.

MONETARY BASE

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK



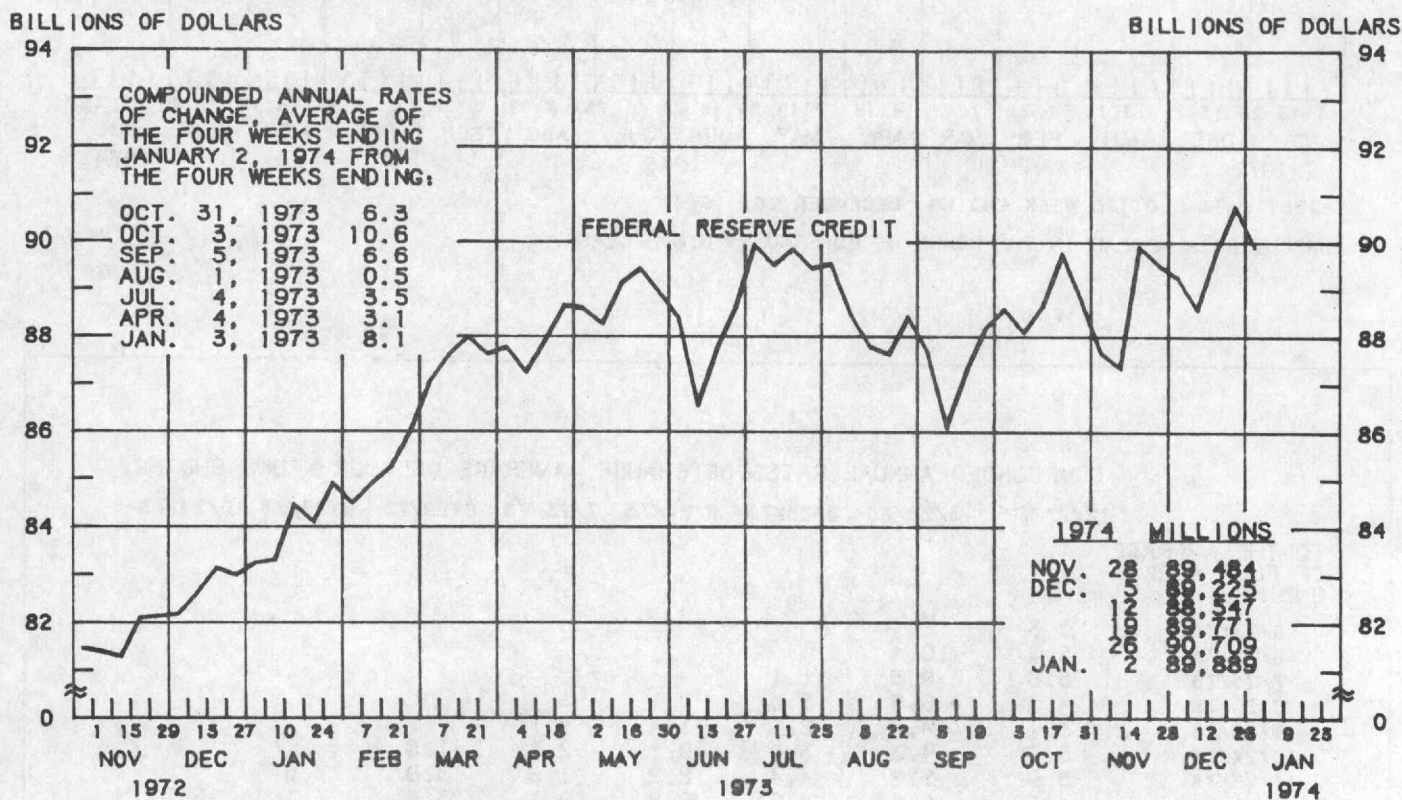
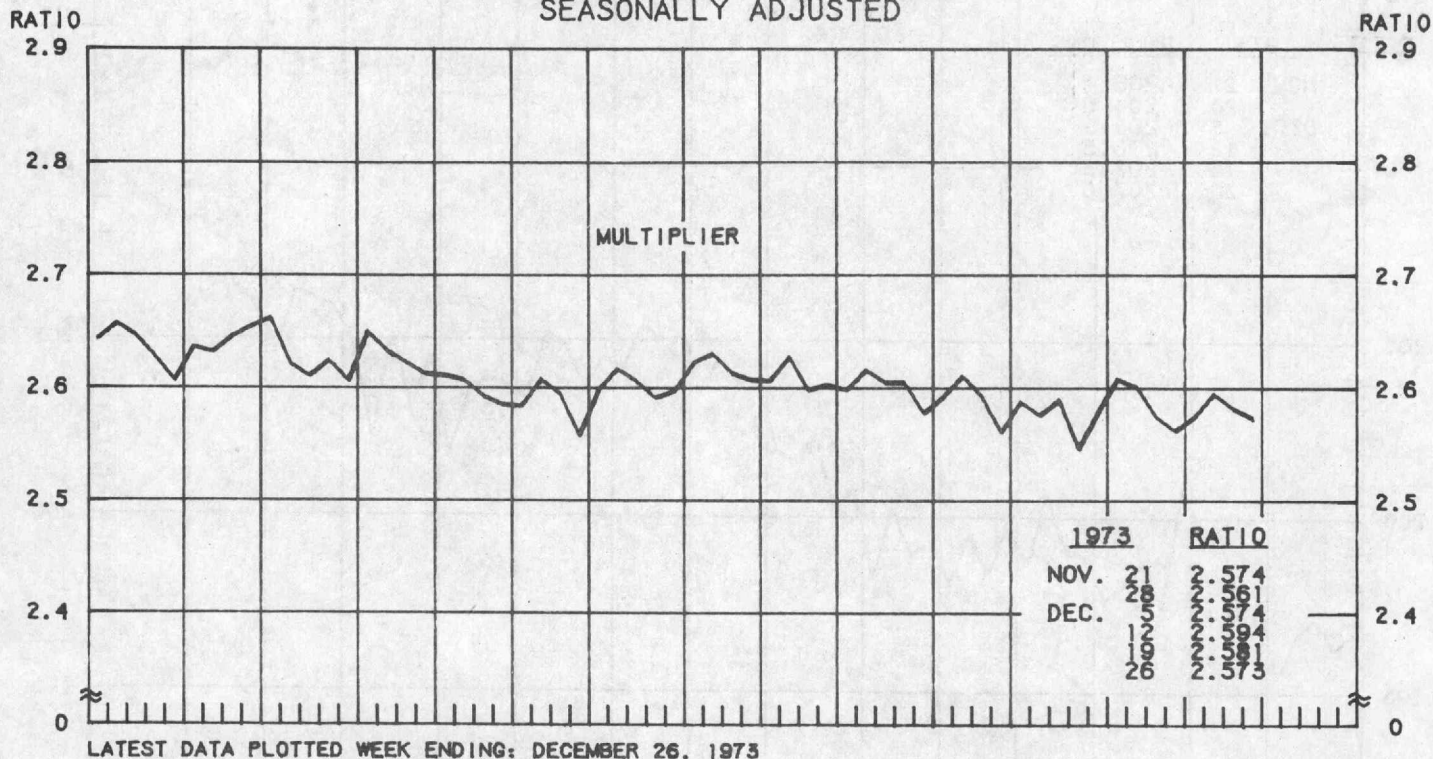
LATEST DATA PLOTTED WEEK ENDING: JANUARY 2, 1974

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:

TO THE AVERAGE OF FOUR WEEKS ENDING:	1/3/73	4/4/73	5/30/73	7/4/73	8/1/73	9/5/73	10/3/73	10/31/73
5/30/73	8.6							
7/ 4/73	8.5	7.5						
8/ 1/73	8.3	7.3	7.5					
9/ 5/73	7.7	6.5	6.2	5.2				
10/ 3/73	6.9	5.6	5.0	3.8	2.5			
10/31/73	7.4	6.5	6.2	5.7	5.4	6.3		
12/ 5/73	7.4	6.6	6.5	6.1	6.0	6.7	9.5	
1/ 2/74	7.3	6.6	6.4	6.1	6.0	6.6	8.5	6.9

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



LATEST DATA PLOTTED WEEK ENDING: JANUARY 2, 1974

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

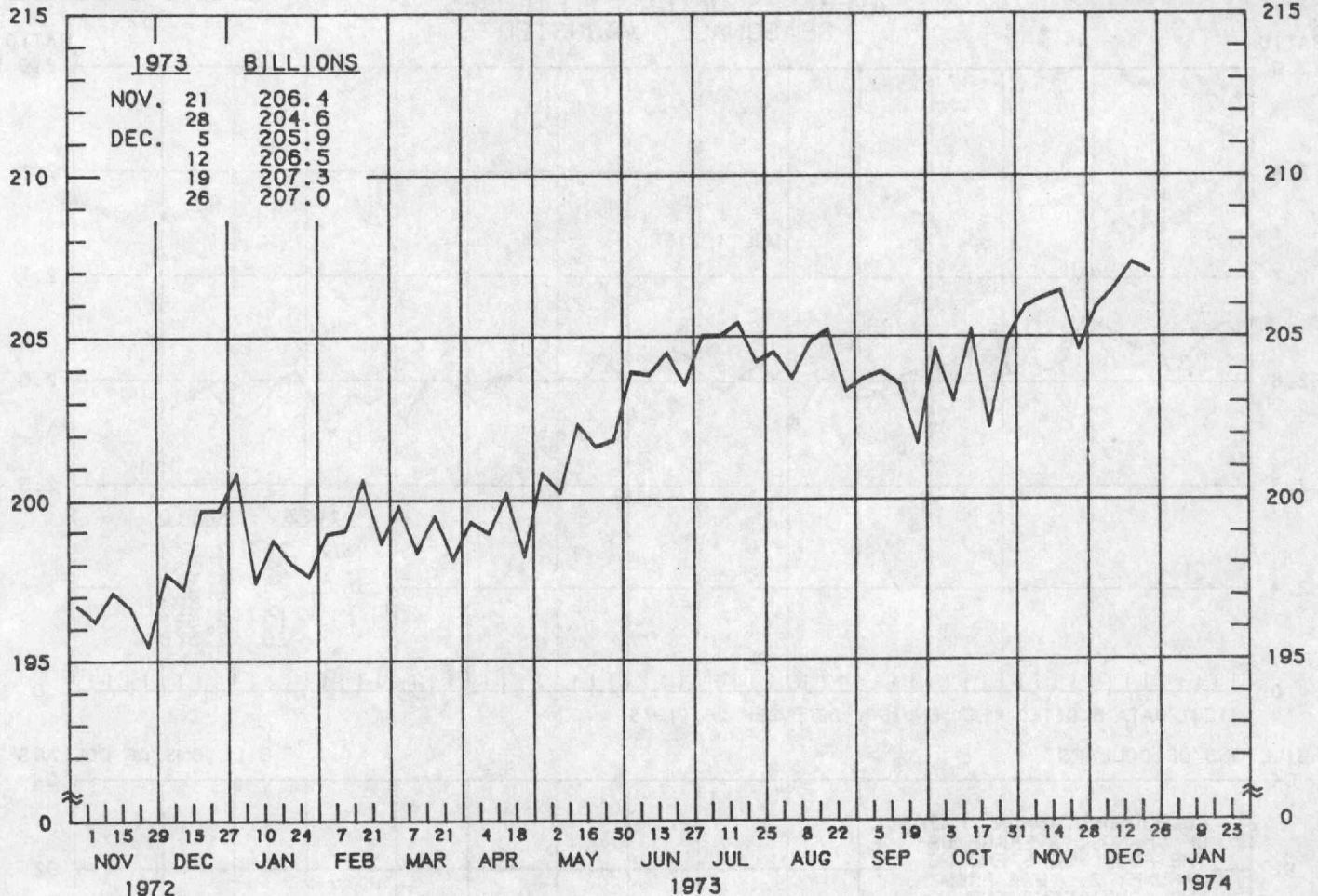
2/ DEFINED TO INCLUDE HOLDINGS OF SECURITIES, LOANS, FLOAT AND "OTHER" ASSETS, ADJUSTED FOR RESERVE REQUIREMENT CHANGES AND CHANGES IN REQUIREMENTS DUE TO SHIFTS IN DEPOSITS AMONG CLASSES OF BANKS. DATA ARE SEASONALLY ADJUSTED BY THIS BANK.

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 26, 1973

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

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

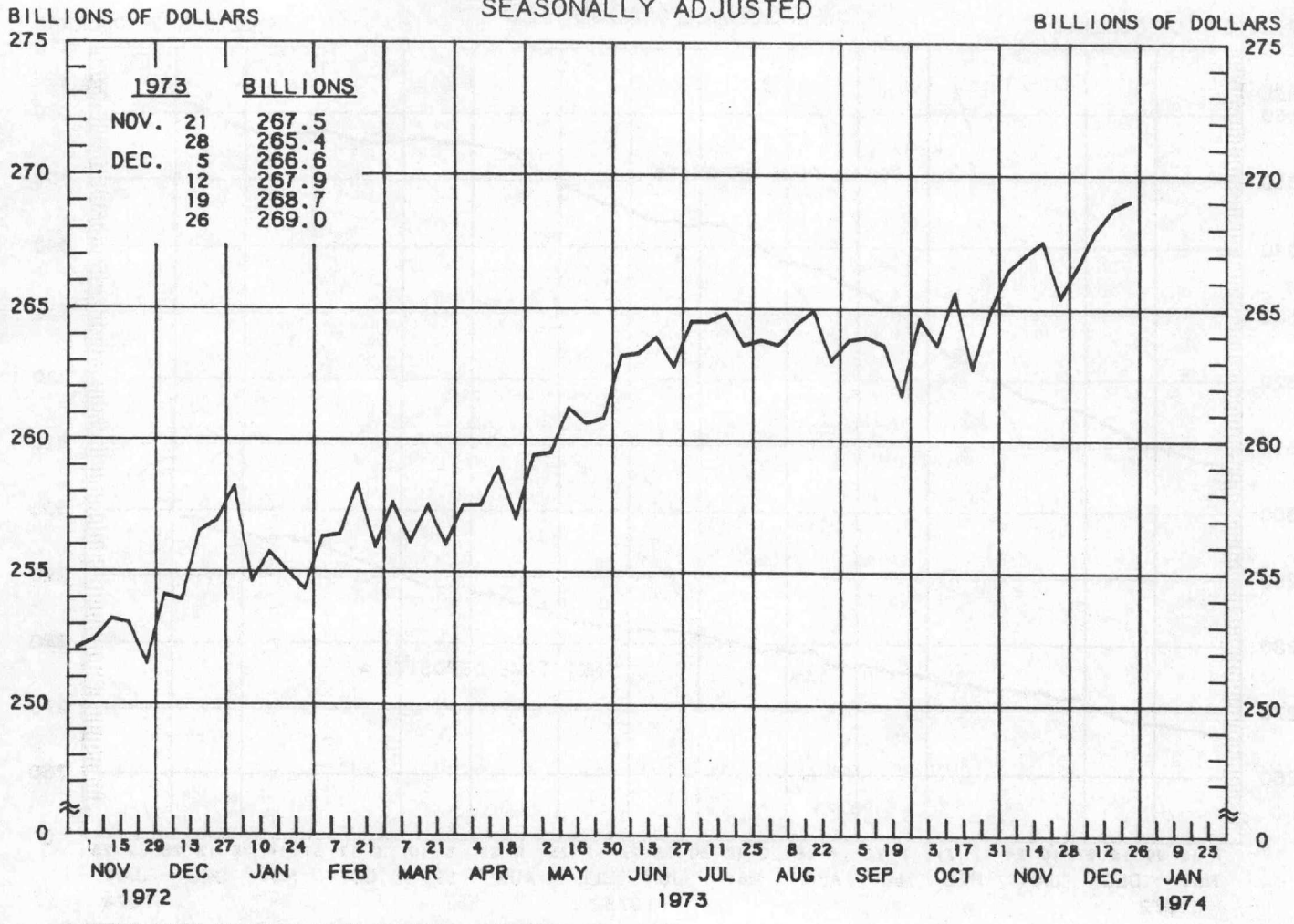
12/27/72 3/28/73 5/23/73 6/27/73 7/25/73 8/29/73 9/26/73 10/24/73

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

5/23/73	3.3								
6/27/73	5.4	10.4							
7/25/73	5.6	9.5	11.1						
8/29/73	4.3	6.5	5.8	1.1					
9/26/73	3.1	4.4	2.9	-1.4	-4.7				
10/24/73	3.2	4.3	3.1	-0.1	-2.1	-1.6			
11/28/73	3.9	5.2	4.4	2.2	1.3	3.0	7.6		
12/26/73	4.1	5.3	4.6	2.8	2.1	3.6	7.1	8.5	

MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 26, 1973
 CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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

	12/27/72	3/28/73	5/23/73	6/27/73	7/25/73	8/29/73	9/26/73	10/24/73
TO THE AVERAGE OF FOUR WEEKS ENDING:								
5/23/73	4.7							
6/27/73	6.3	10.5						
7/25/73	6.2	9.3	9.7					
8/29/73	5.0	6.8	5.5	1.5				
9/26/73	4.1	5.1	3.5	0.0	-2.4			
10/24/73	4.1	5.0	3.6	0.9	-0.5	0.2		
11/28/73	4.8	5.7	4.8	3.0	2.4	4.0	7.5	
12/26/73	5.0	5.9	5.1	3.7	3.3	4.8	7.5	9.1

TIME DEPOSITS ALL COMMERCIAL BANKS AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 26, 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.

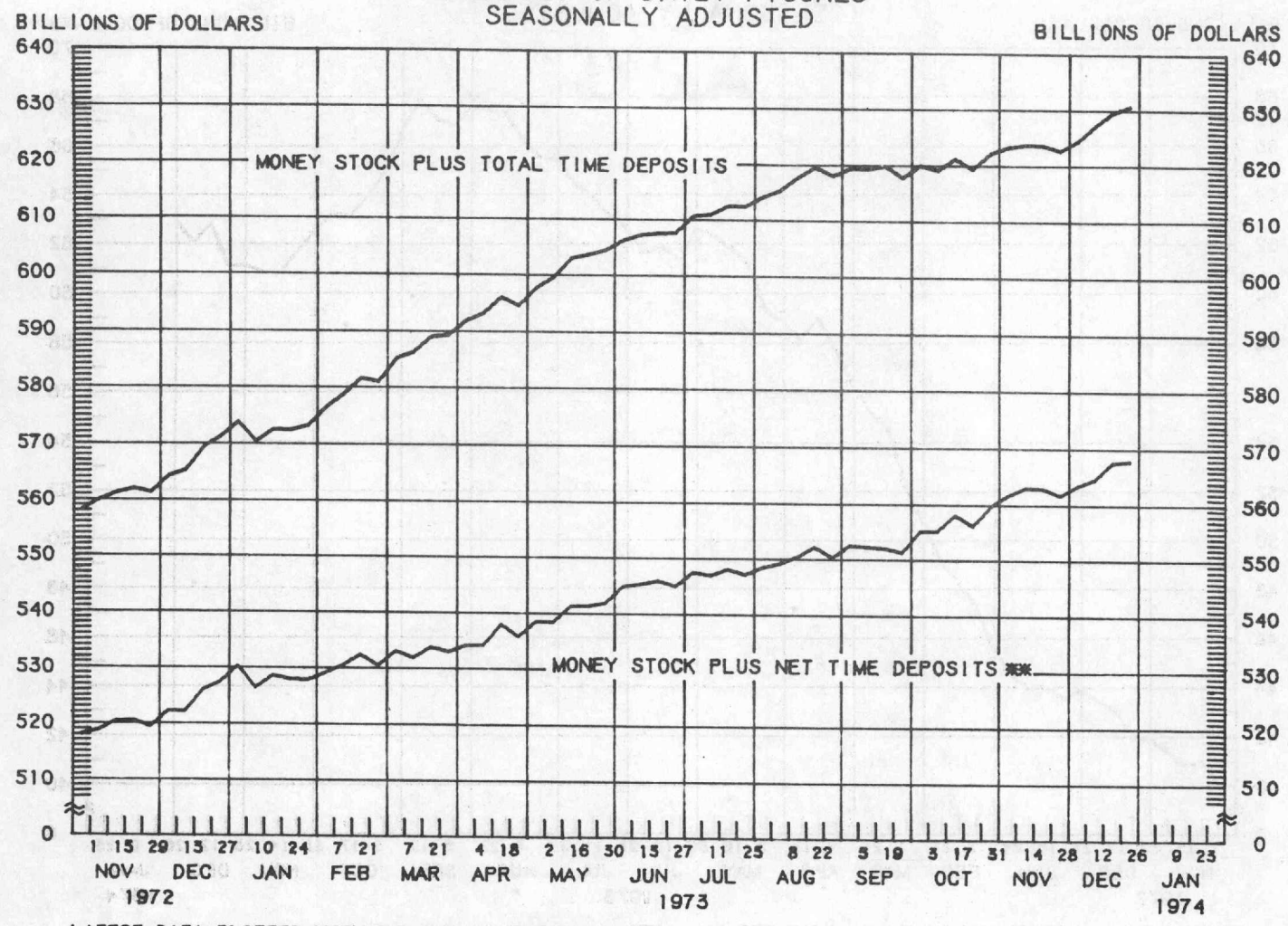
NET TIME DEPOSITS

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

TO THE AVERAGE OF FOUR WEEKS ENDING:	12/27/72	3/28/73	5/23/73	6/27/73	7/25/73	8/29/73	9/26/73	10/24/73
5/23/73	10.0							
6/27/73	9.8	8.8						
7/25/73	9.2	8.0	7.2					
8/29/73	9.8	9.2	9.5	9.8				
9/26/73	9.8	9.3	9.6	9.9	12.0			
10/24/73	10.4	10.2	10.7	11.3	13.2	12.9		
11/28/73	10.8	10.7	11.3	11.9	13.4	13.3	14.9	
12/26/73	10.7	10.6	11.1	11.5	12.7	12.4	13.2	12.0

MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 26, 1973

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

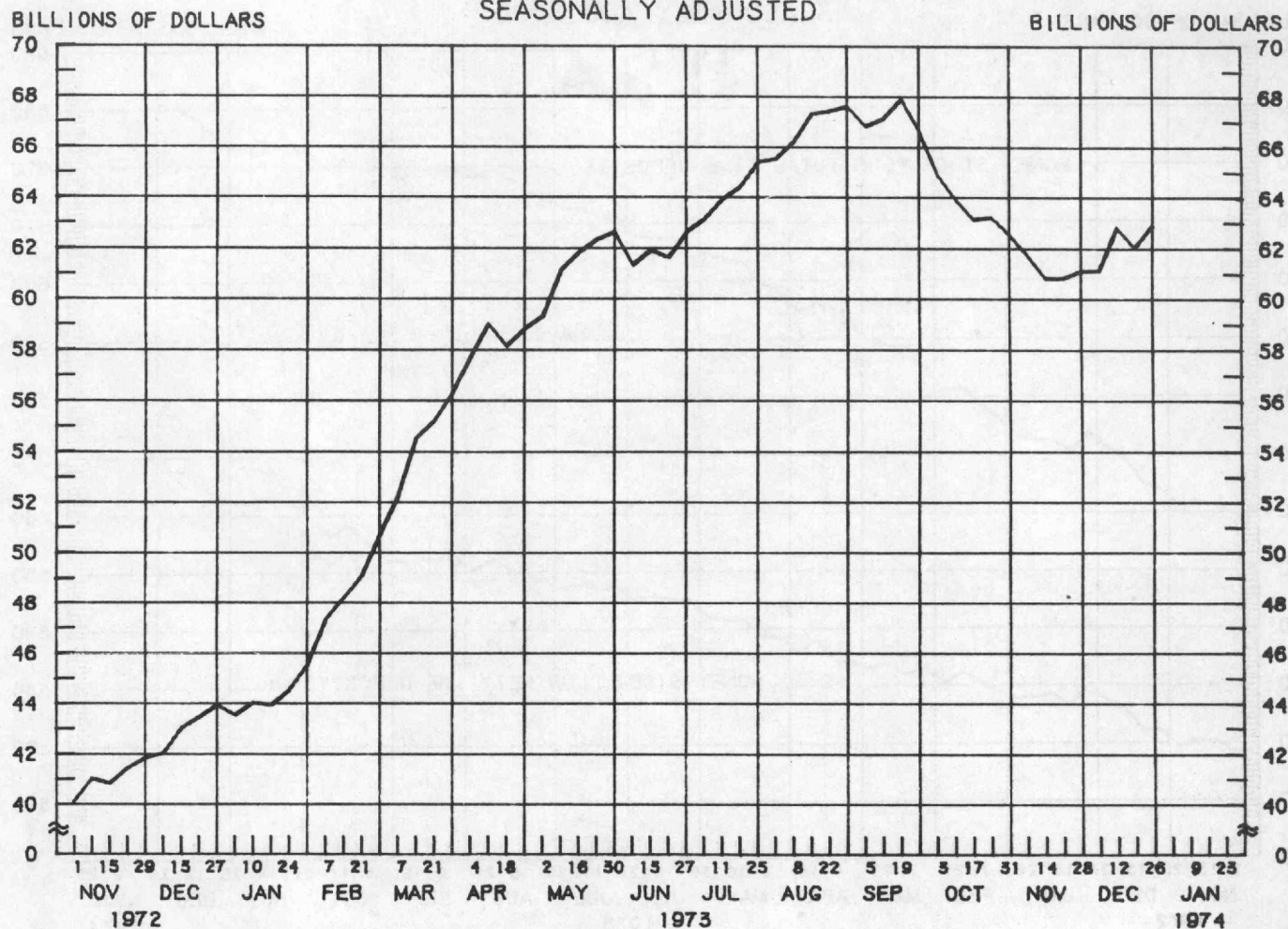
*M₂ IS DEFINED AS: CURRENCY, DEMAND DEPOSITS PLUS NET TIME DEPOSITS (SEE PAGE 6).

MONEY STOCK PLUS NET TIME DEPOSITS (M₂)

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

	12/27/72	3/28/73	5/23/73	6/27/73	7/25/73	8/29/73	9/26/73	10/24/73
TO THE AVERAGE OF FOUR WEEKS ENDING:								
5/23/73	7.5							
6/27/73	8.1	9.6						
7/25/73	7.7	8.6	8.3					
8/29/73	7.5	8.0	7.5	5.6				
9/26/73	7.1	7.3	6.6	5.0	5.0			
10/24/73	7.4	7.7	7.3	6.2	6.6	6.9		
11/28/73	7.9	8.3	8.1	7.5	8.1	8.9	11.3	
12/26/73	7.9	8.3	8.2	7.7	8.1	8.7	10.4	10.4

**CERTIFICATES OF DEPOSIT
LARGE COMMERCIAL BANKS
WEDNESDAY FIGURES
SEASONALLY ADJUSTED**



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 26, 1973

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

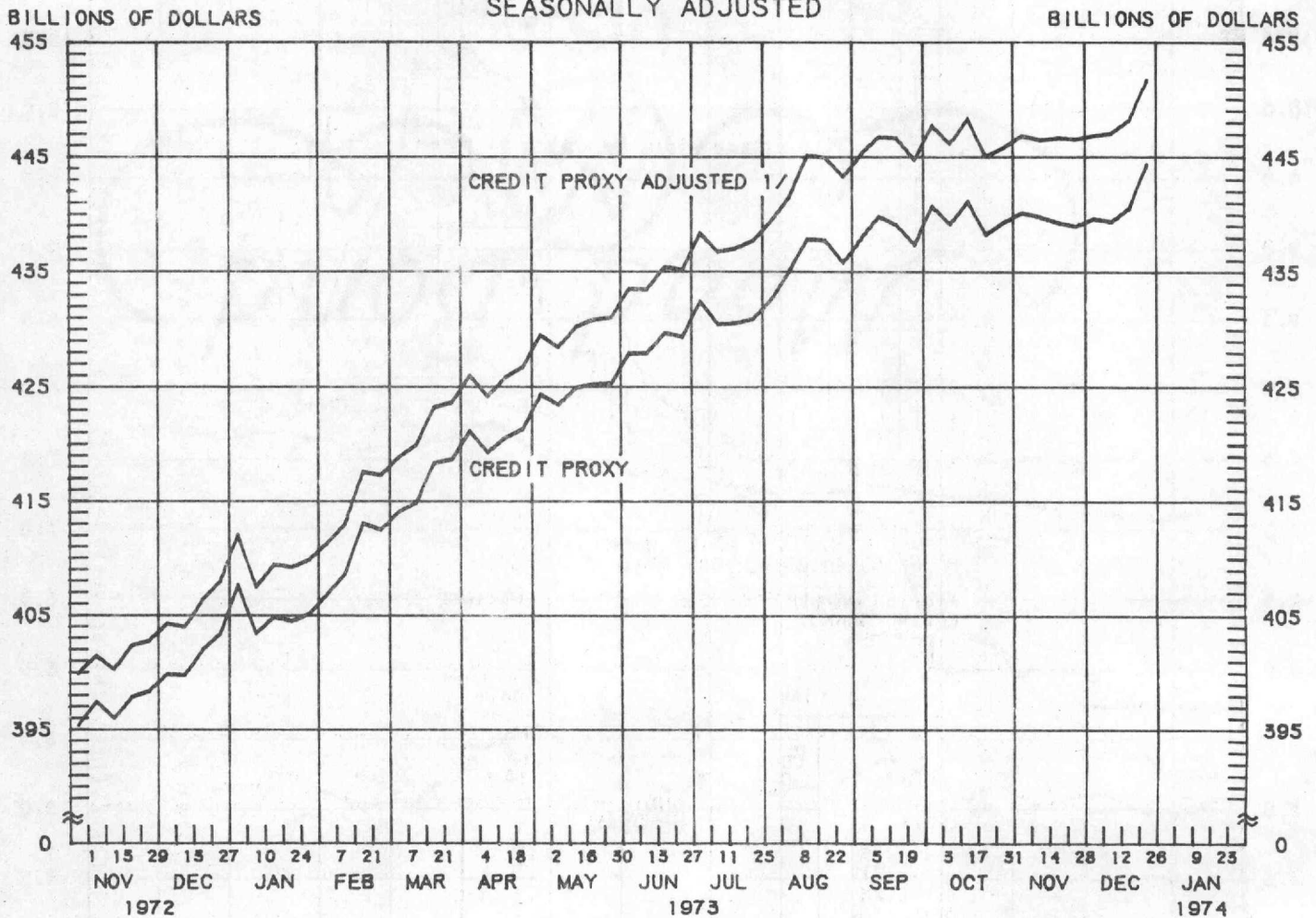
NEGOTIABLE TIME CERTIFICATES OF DEPOSIT ISSUED IN DENOMINATIONS OF \$100,000 OR MORE BY LARGE WEEKLY REPORTING COMMERCIAL BANKS.

MONEY AND TIME DEPOSIT DATA			
1974	BILLIONS		
	CERTIFICATES OF DEPOSIT	NET TIME DEPOSITS *	M 2 **
NOV. 7	61.7	295.1	561.5
14	60.8	295.9	562.9
21	60.8	295.3	562.8
28	61.1	296.1	561.5
DEC. 5	61.1	296.7	563.3
12	62.8	296.5	564.5
19	62.0	298.7	567.4
26	62.9	298.7	567.7
JAN. 2			
9			
16			
23			
30			

* 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: DECEMBER 26, 1973

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

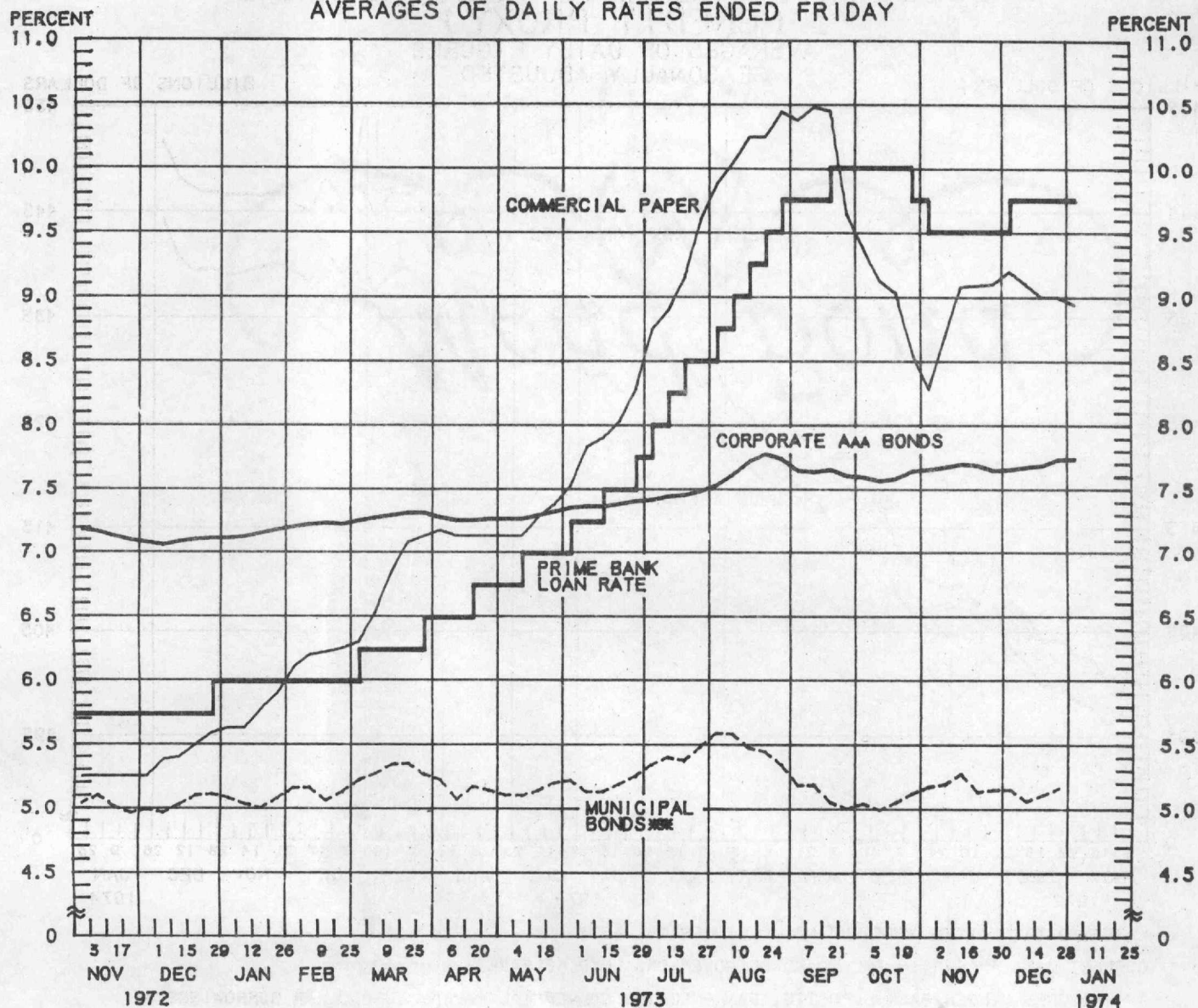
1/ INCLUDES MEMBER BANK DEPOSITS, BANK-RELATED COMMERCIAL PAPER, EURODOLLAR BORROWINGS OF U.S. BANKS, AND CERTAIN OTHER NONDEPOSIT SOURCES.

1973		BILLIONS	
		CREDIT PROXY	CREDIT PROXY ADJUSTED
NOV.	21	439.2	446.6
	28	438.9	446.5
DEC.	5	439.6	446.8
	12	439.3	447.0
	19	440.5	448.1
	26	444.3	451.6

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF THE FOUR WEEKS ENDING DECEMBER 26, 1973 FROM THE FOUR WEEKS ENDING:			
		CREDIT PROXY	CREDIT PROXY ADJUSTED
OCT.	24, 1973	1.5	2.1
SEP.	26, 1973	2.2	2.4
AUG.	29, 1973	3.0	3.3
JUL.	25, 1973	5.5	6.0
JUN.	27, 1973	5.8	6.5
MAR.	28, 1973	7.9	8.6
DEC.	27, 1972	9.9	10.6

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



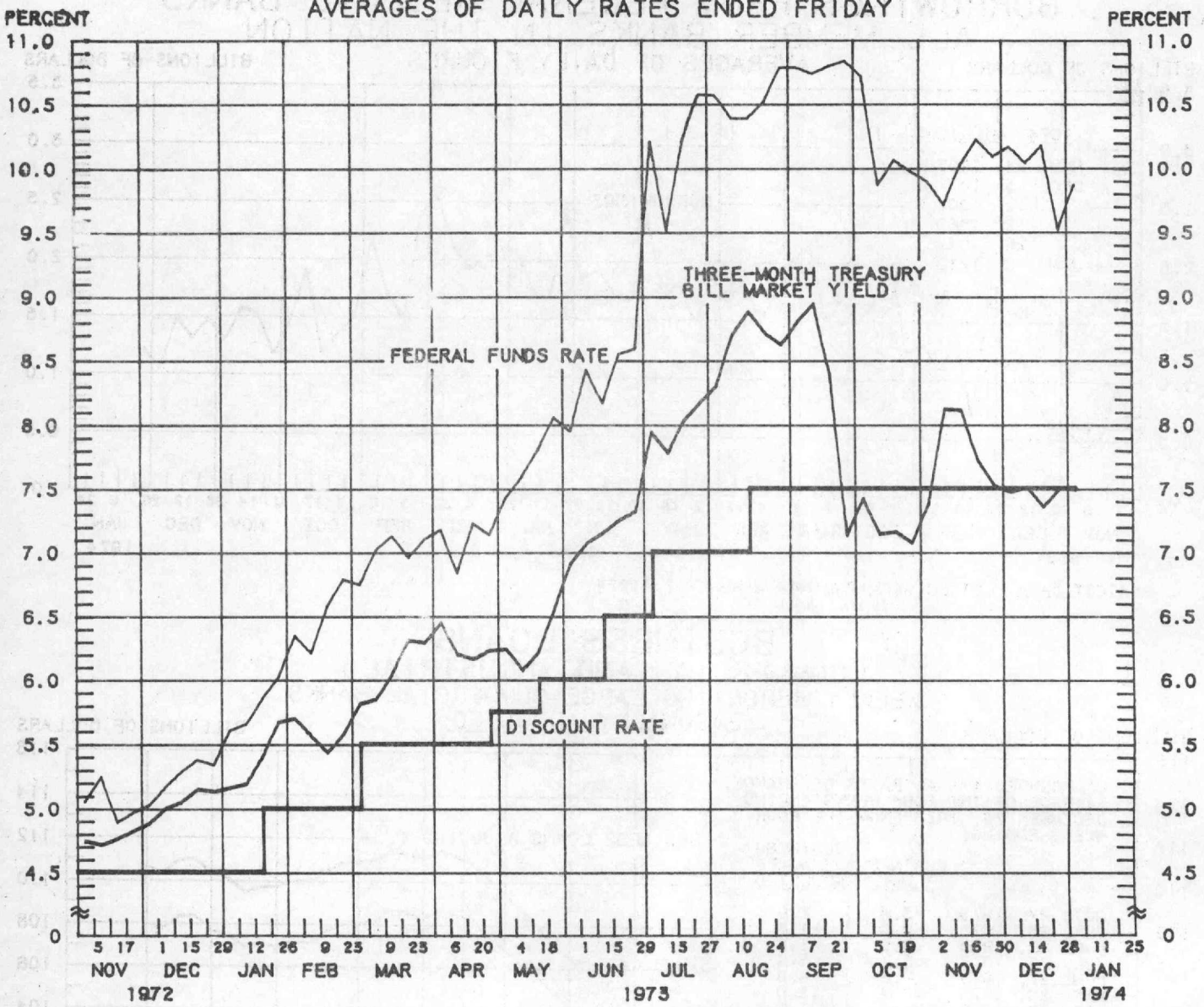
LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JANUARY 4, 1974

1974	CORPORATE AAA BONDS	PRIME COMMERCIAL PAPER 4-6 MONTH	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES	MUNICIPAL BONDS
NOV. 2	7.65	8.28	6.83	6.27	5.17
9	7.67	8.69	7.03	6.33	5.19
16	7.69	9.08	7.16	6.35	5.27
23	7.68	9.09	6.90	6.29	5.13
30	7.64	9.10	6.79	6.27	5.15
DEC. 7	7.65	9.20	6.90	6.31	5.15
14	7.67	9.10	6.76	6.30	5.06
21	7.68	9.00	6.73	6.34	5.11
28	7.73	9.00	6.83	6.47	5.16
JAN. 4 *	7.73	8.94	6.84	6.51	N.A.
11					
18					
25					

* 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

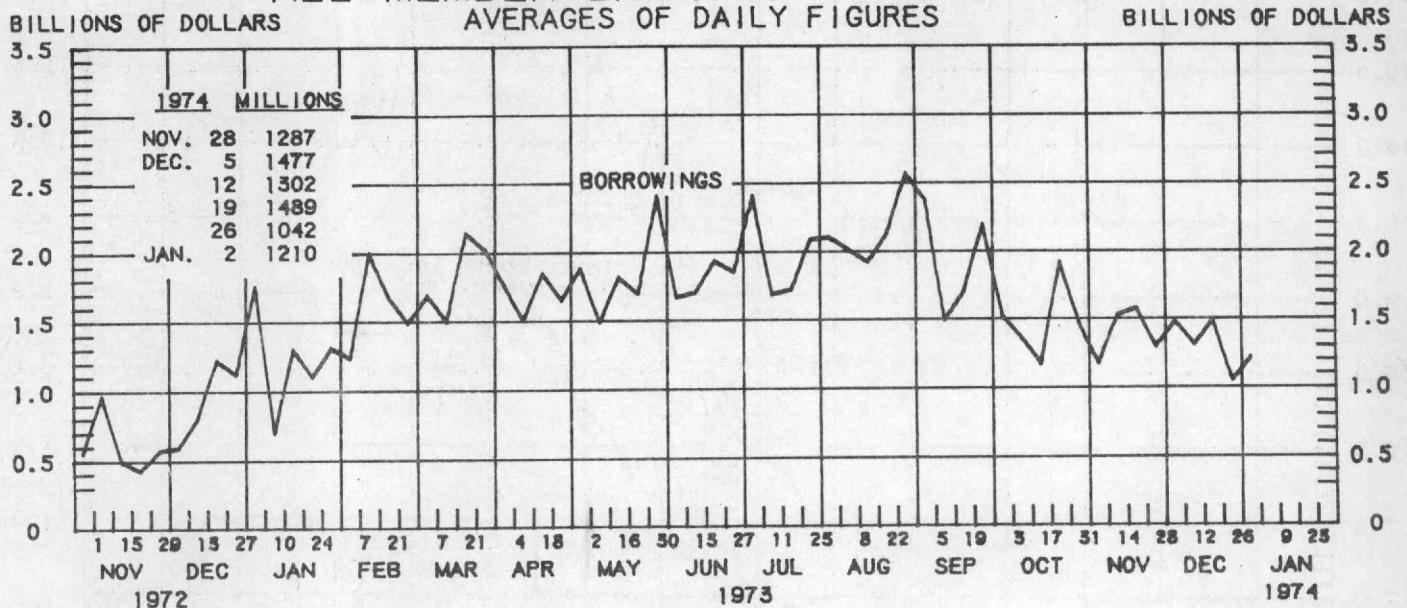


LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JANUARY 4, 1974

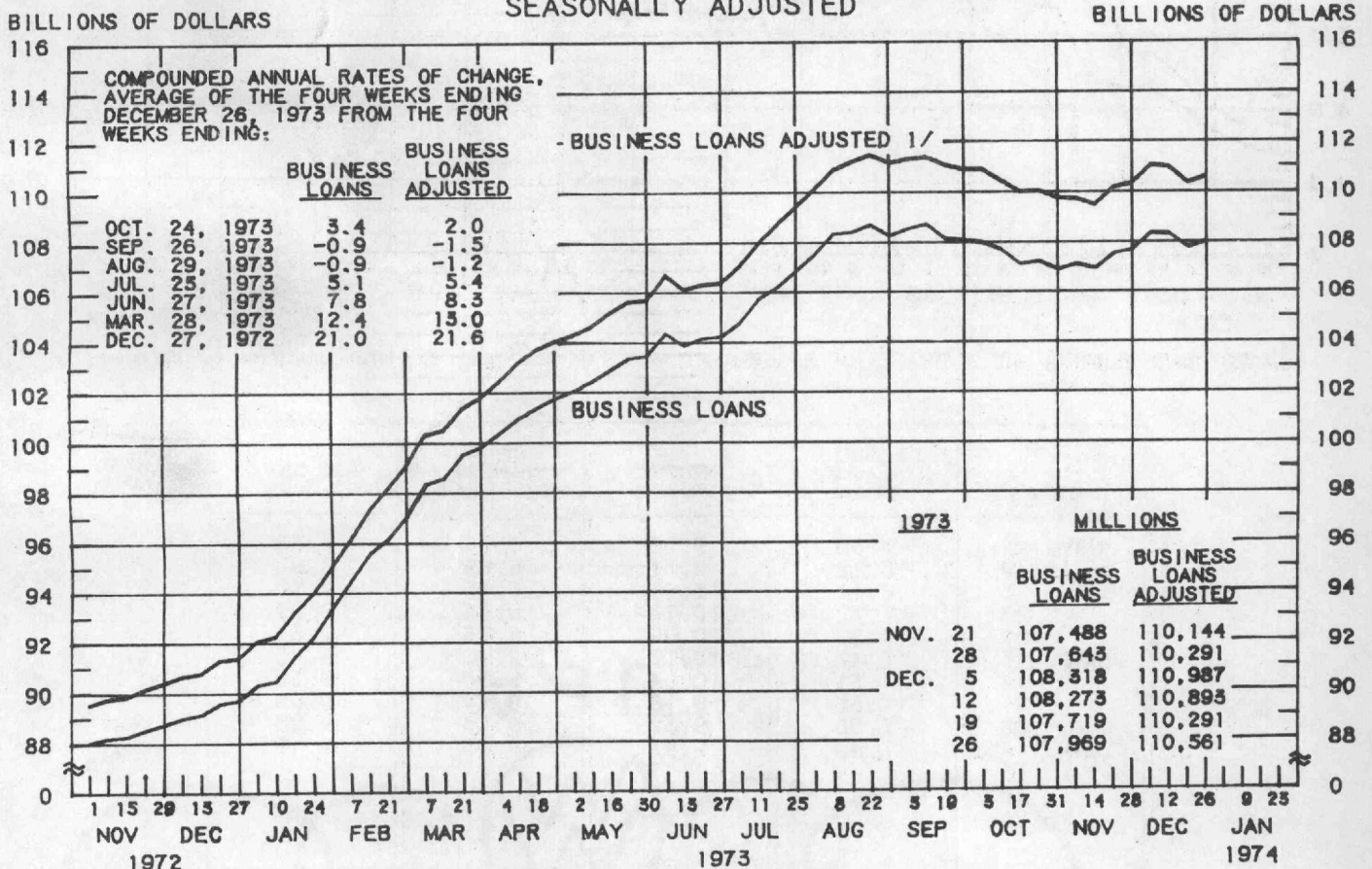
1974	3-MONTH TREASURY BILLS	FEDERAL FUNDS RATE	PRIME BANKERS' ACCEPTANCES	90 DAY CD'S RATE
NOV. 2	7.38	9.90	8.50	8.53
9	8.12	9.71	8.69	8.91
16	8.11	10.03	8.75	9.10
23	7.72	10.23	8.75	9.39
30	7.52	10.09	8.75	9.34
DEC. 7	7.47	10.17	9.10	9.43
14	7.51	10.04	9.15	9.50
21	7.35	10.18	8.75	9.09
28	7.50	9.52	8.75	9.23
JAN. 4 *	7.49	9.87	8.75	9.19
11				
18				
25				

* 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