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Week ending: February 13, 1974

Growth of the money stock, measured as demand deposits and currency in the hands of the public, has fluctuated considerably in the past year. Marked accelerations have followed slowing in growth and vice versa. Over the first 5 months of the year ended February 6, 1974, money grew at about a 9 percent rate, then over the next three months on average from about mid-June to mid-September, the money stock was almost unchanged, and in the last four months, from the four weeks ended October 3, 1973 to the four weeks ended February 6, 1974, the money stock has risen at a 4.4 percent rate.

Over periods of a year or more the growth of money, narrowly defined, has usually been similar to that of the monetary base. However, in the last year the base has risen 7.5 percent and the money stock has increased about 5 percent. In the last five months there has been a substantial divergence between the growth rate of money and base. The base has increased at an 8.7 percent rate in the last five months while the money stock has grown at only about a 3 percent rate. By comparison, the base increased at a 6.7 percent rate over the previous seven months and the money stock grew at a 6.5 percent rate. Historical evidence suggests that a substantial spread between the growth rates of the monetary base and the money stock, such as occurred in the last five months, is not likely to persist for a prolonged period.

Most market interest rates have declined recently. Yields on prime four- to six-month commercial paper averaged 7.75 percent in the first part of this week, down from about 9.20 percent in early December. Many commercial banks reduced their prime loan rate to 9.25 percent in the past week after a reduction from 9.75 percent to 9.50 percent two weeks earlier. Secondary market rates on 90-day CDs have declined more than a percentage point since mid-December to an average of 8.08 percent in the week ended February 13.

Prepared by Federal Reserve Bank of St. Louis

Released: February 15, 1974

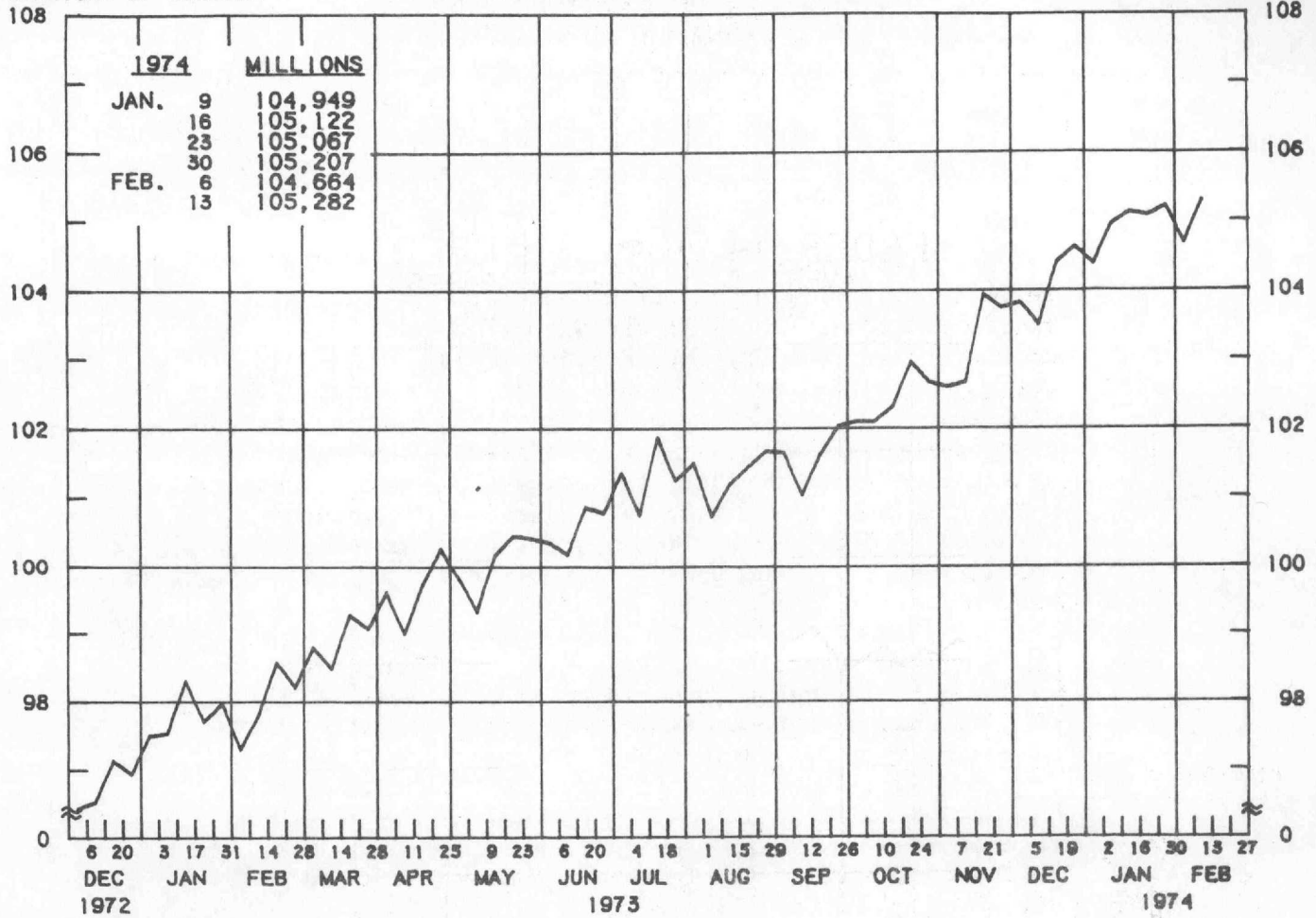
# MONETARY BASE

## AVERAGES OF DAILY FIGURES

### SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 13, 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.

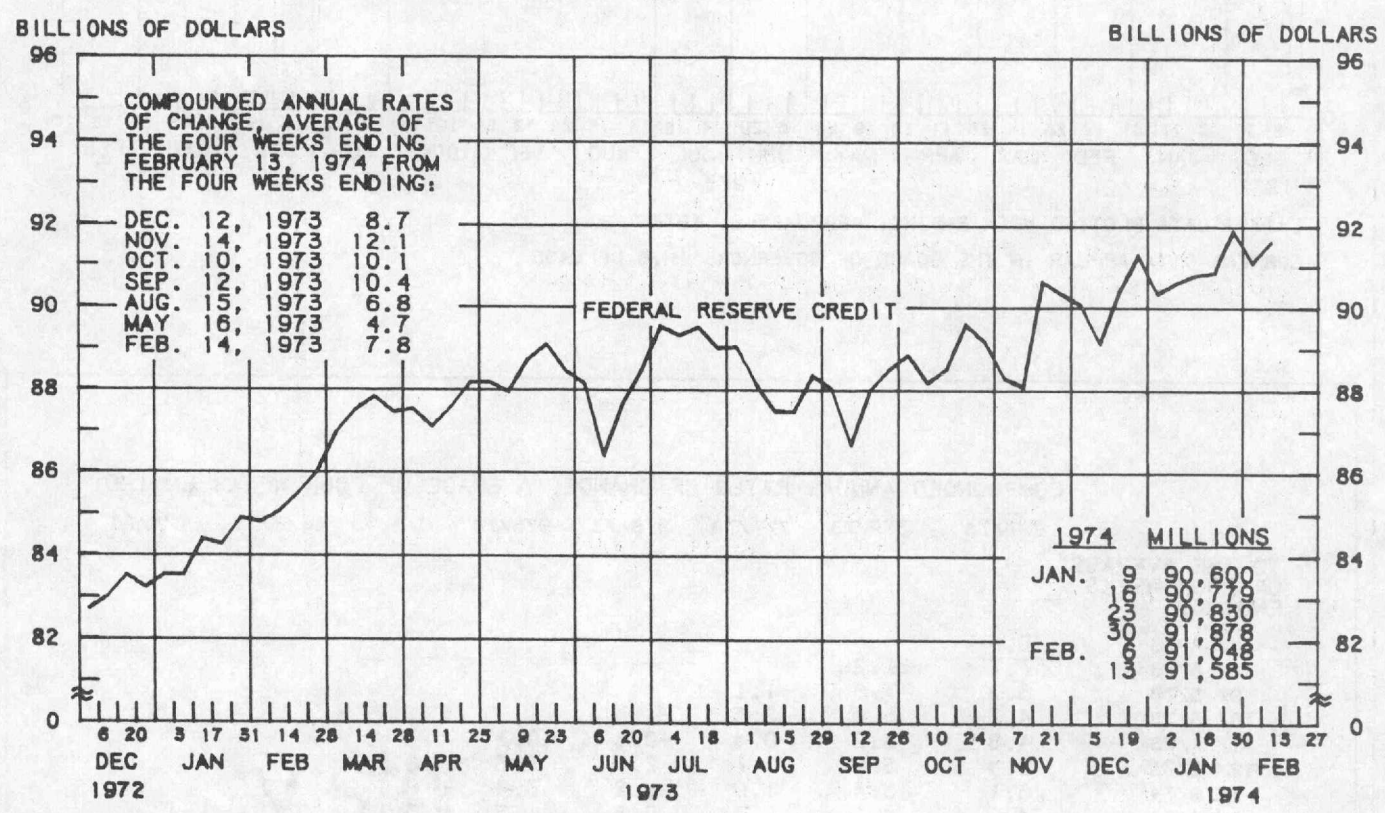
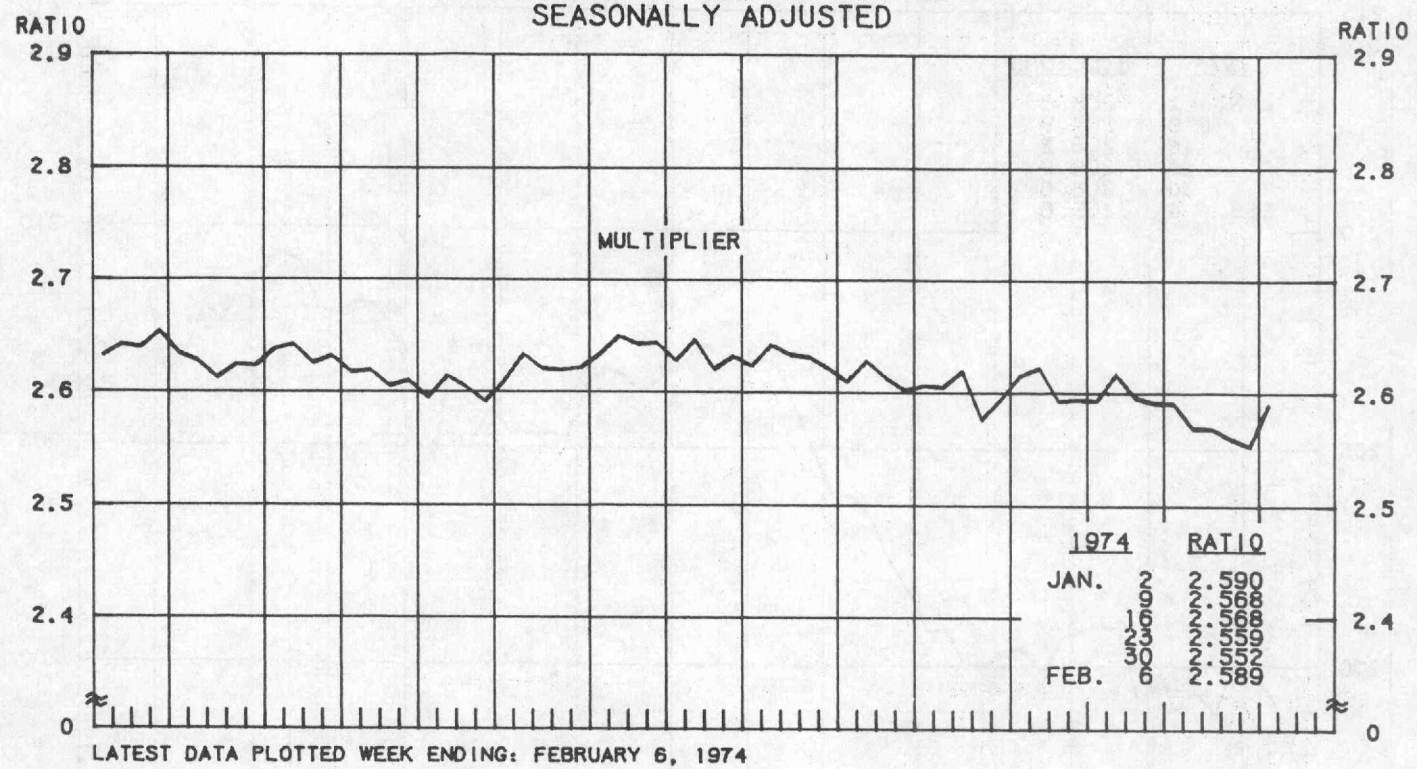
#### COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

2/14/73    5/16/73    7/11/73    8/15/73    9/12/73    10/10/73    11/14/73    12/12/73

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

7/11/73	8.4							
8/15/73	7.2	5.2						
9/12/73	6.7	4.8	3.0					
10/10/73	6.8	5.2	4.2	5.3				
11/14/73	6.9	5.7	5.2	6.3	7.5			
12/12/73	7.5	6.8	6.7	8.0	9.4	10.5		
1/16/74	7.9	7.4	7.5	8.7	9.8	10.6	12.2	
2/13/74	7.5	7.0	7.0	7.9	8.7	9.0	9.5	7.6

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



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 13, 1974

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

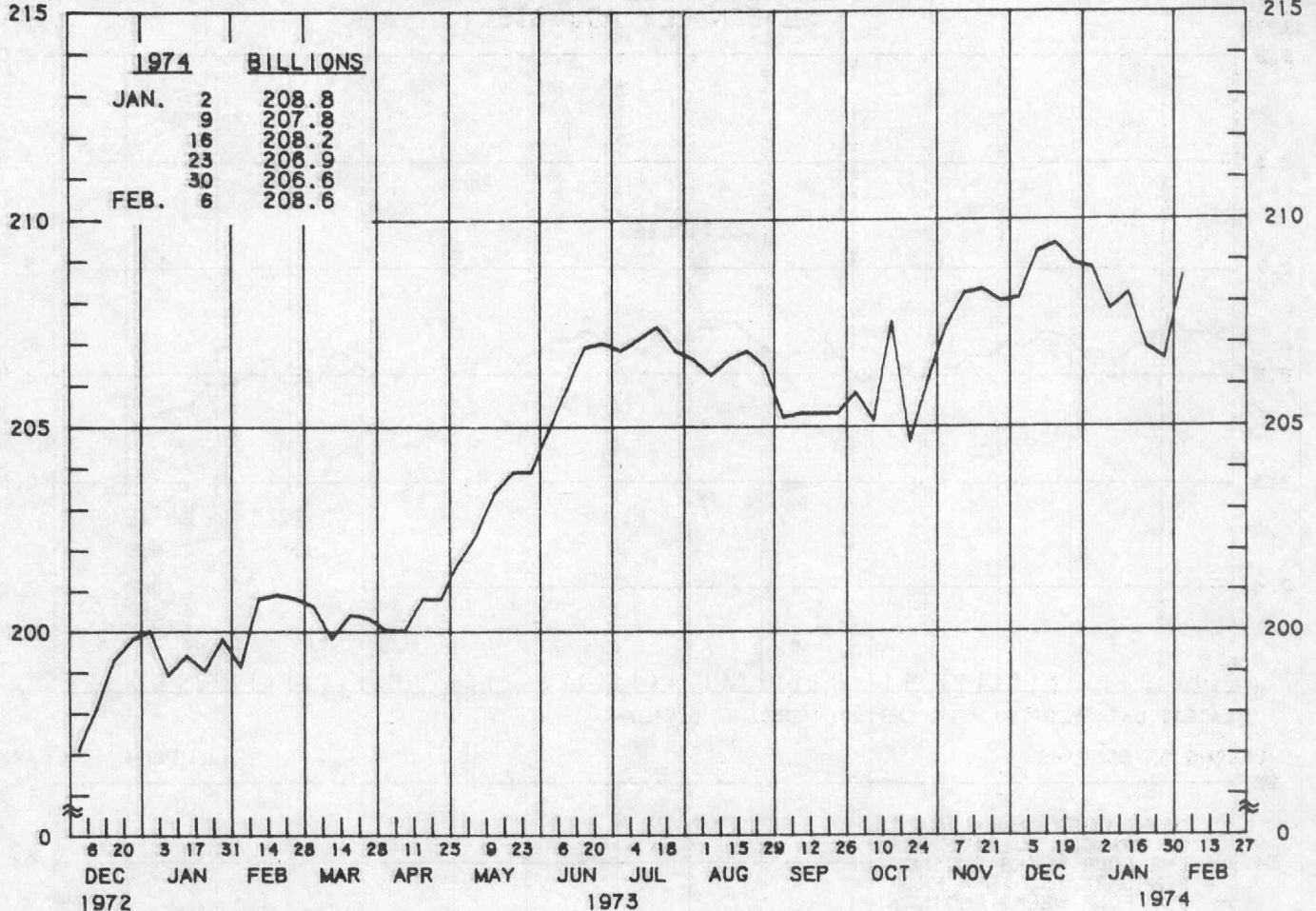
2/ DEFINED TO INCLUDE HOLDINGS OF SECURITIES, LOANS, FLOAT AND "OTHER" ASSETS, ADJUSTED FOR RESERVE REQUIREMENT CHANGES AND CHANGES IN REQUIREMENTS DUE TO SHIFTS IN DEPOSITS AMONG CLASSES OF BANKS. DATA ARE SEASONALLY ADJUSTED BY THIS BANK.

# DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 6, 1974

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

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

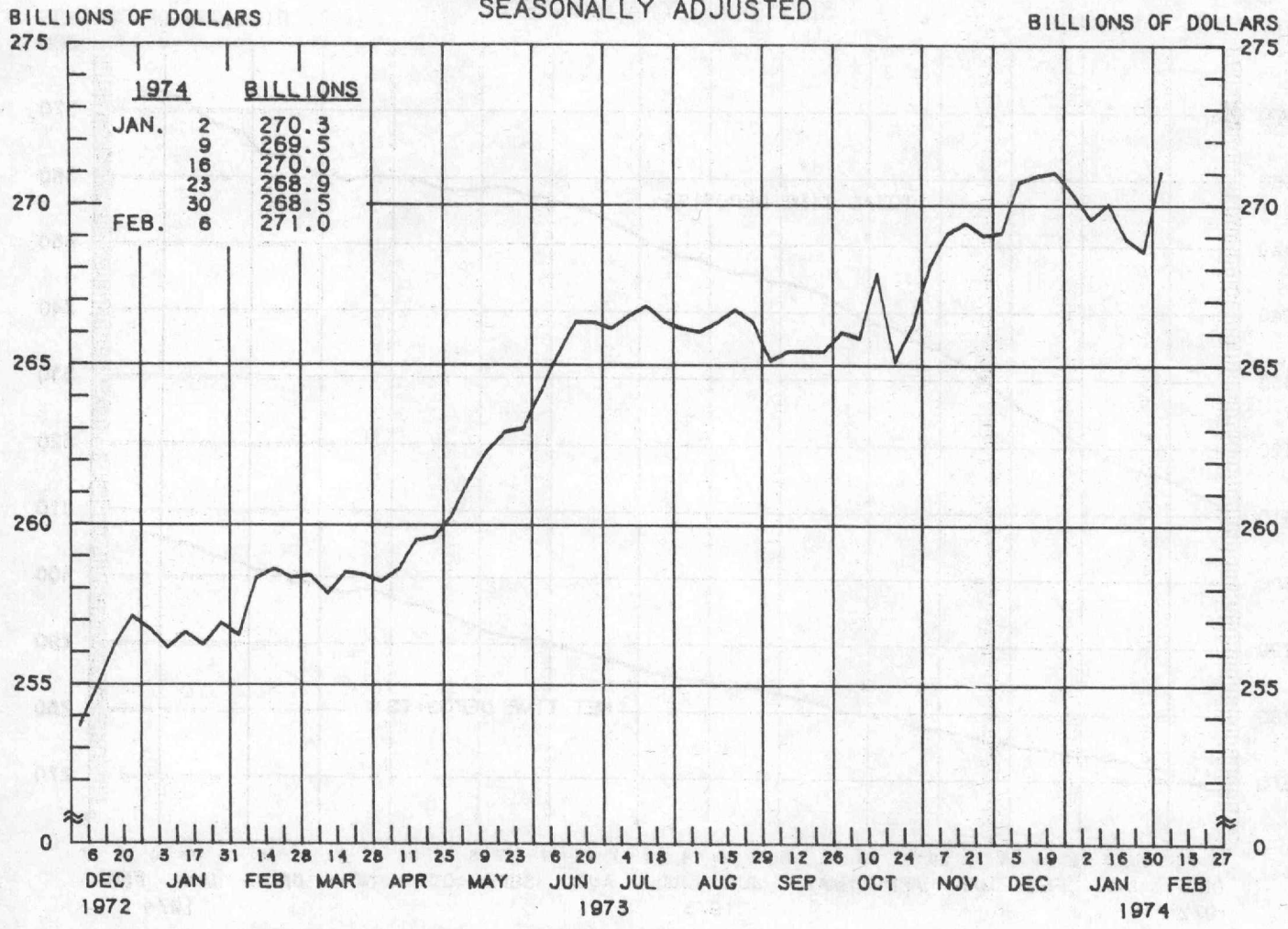
2/7/73    5/9/73    7/4/73    8/8/73    9/5/73    10/3/73    11/7/73    12/5/73

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

7/ 4/73	9.4							
8/ 8/73	7.7	11.2						
9/ 5/73	6.2	7.6	-1.1					
10/ 3/73	4.7	5.0	-2.5	-4.3				
11/ 7/73	4.8	5.0	-0.4	-0.8	0.3			
12/ 5/73	5.4	5.9	1.7	2.1	3.7	8.1		
1/ 9/74	5.1	5.4	1.9	2.2	3.4	6.1	6.6	
2/ 6/74	4.2	4.1	0.7	0.8	1.5	3.1	2.3	-1.7

# MONEY STOCK

## AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



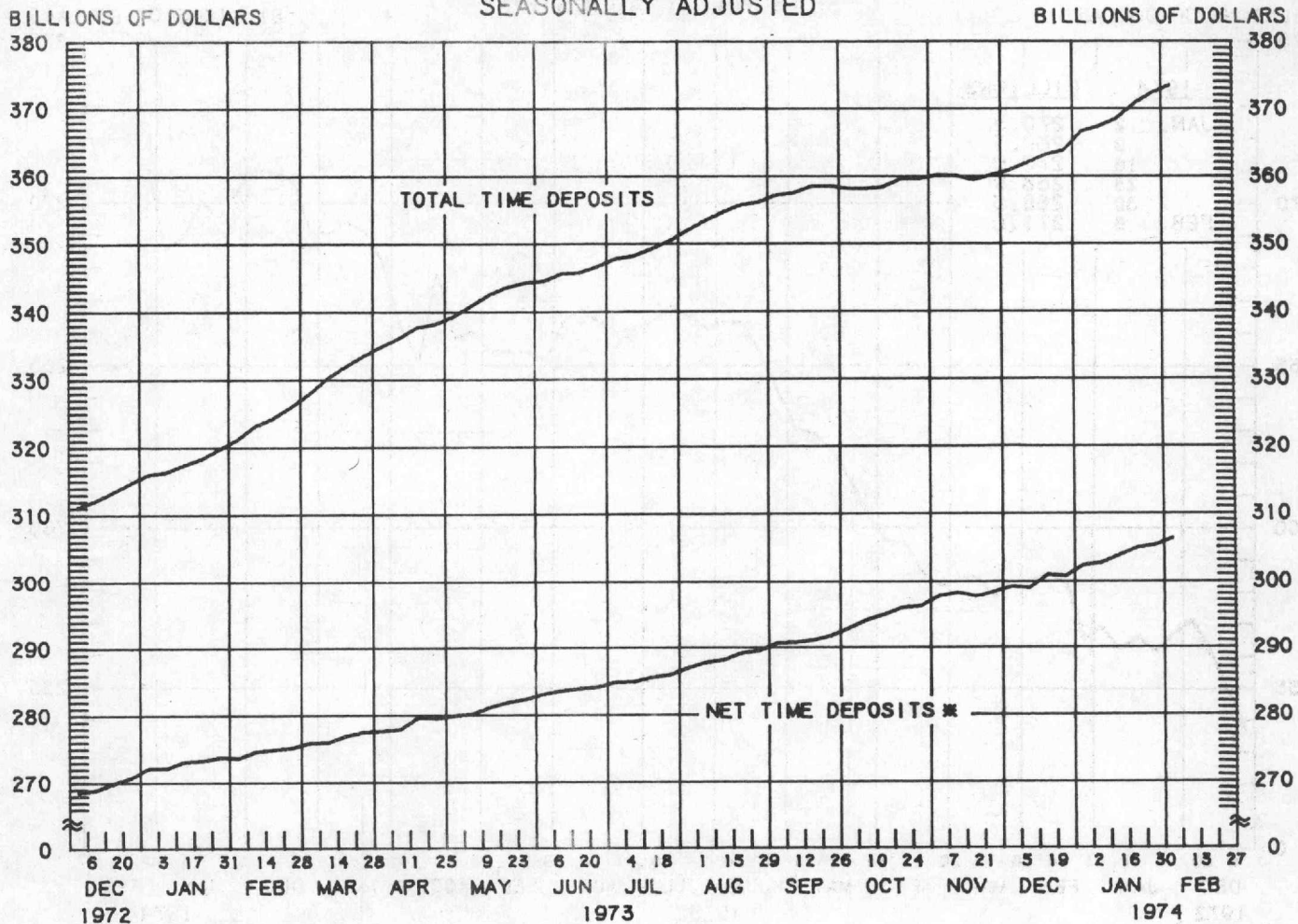
LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 6, 1974

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

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

	2/7/73	5/9/73	7/4/73	8/8/73	9/5/73	10/3/73	11/7/73	12/5/73
TO THE AVERAGE OF FOUR WEEKS ENDING:								
7/ 4/73	9.3							
8/ 8/73	7.7	9.7						
9/ 5/73	6.5	7.1	0.2					
10/ 3/73	5.4	5.2	-0.6	-1.7				
11/ 7/73	5.3	5.1	0.9	0.8	1.5			
12/ 5/73	6.0	6.1	2.9	3.4	4.7	8.1		
1/ 9/74	5.8	5.9	3.2	3.7	4.7	6.9	8.1	
2/ 6/74	5.1	4.8	2.3	2.5	3.1	4.4	4.3	0.9

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



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 6, 1974

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:

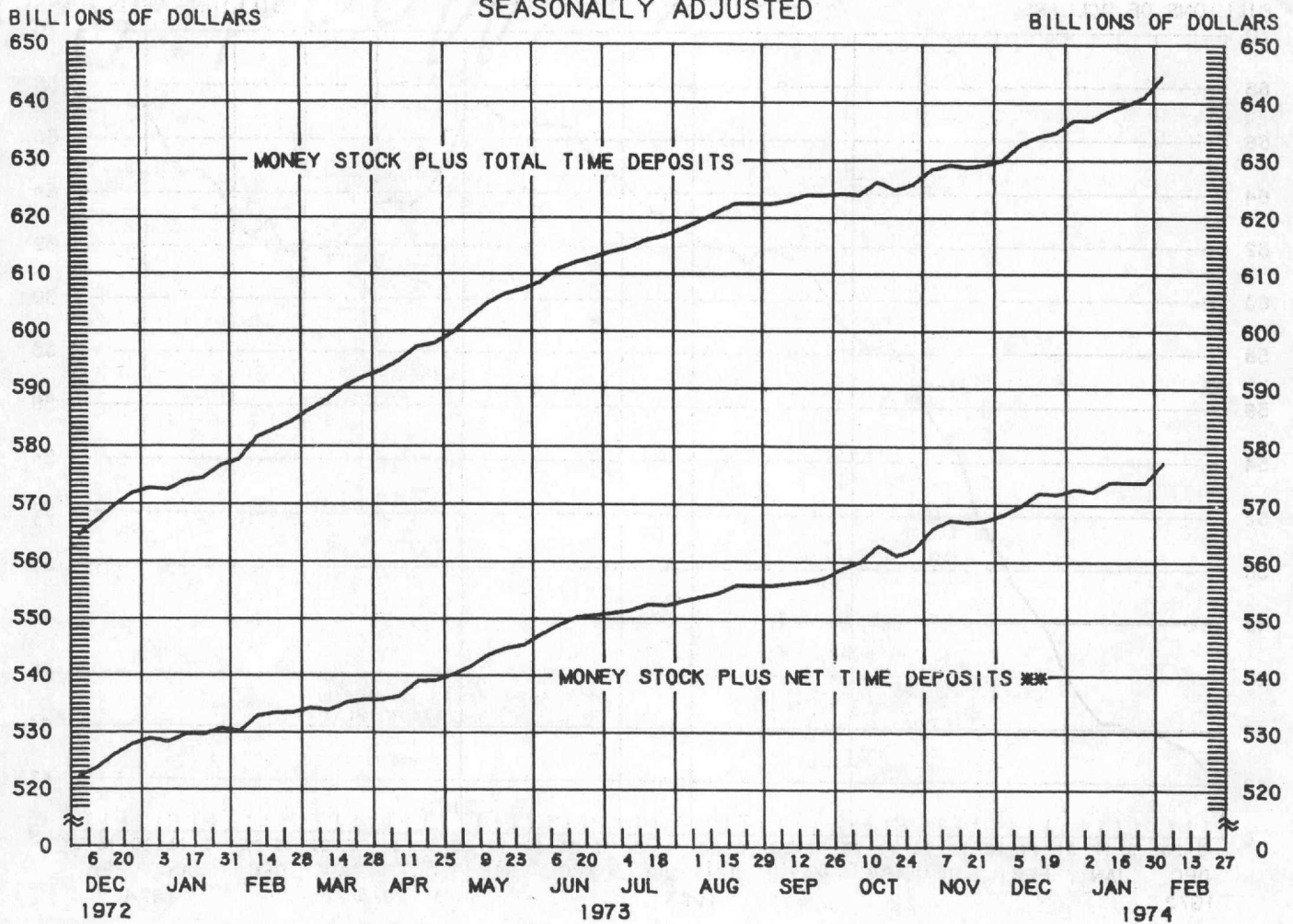
2/7/73 5/9/73 7/4/73 8/8/73 9/5/73 10/3/73 11/7/73 12/5/73

TO THE AVERAGE  
 OF FOUR WEEKS  
 ENDING:

7/ 4/73	10.0							
8/ 8/73	9.8	10.1						
9/ 5/73	10.3	10.9	11.0					
10/ 3/73	10.4	10.9	11.0	12.2				
11/ 7/73	11.2	12.1	12.7	14.1	14.4			
12/ 5/73	11.1	11.7	12.1	13.0	12.9	13.8		
1/ 9/74	11.2	11.9	12.2	12.9	12.8	13.3	11.2	
2/ 6/74	11.6	12.2	12.6	13.3	13.3	13.9	12.6	13.9

# MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 6, 1974

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:

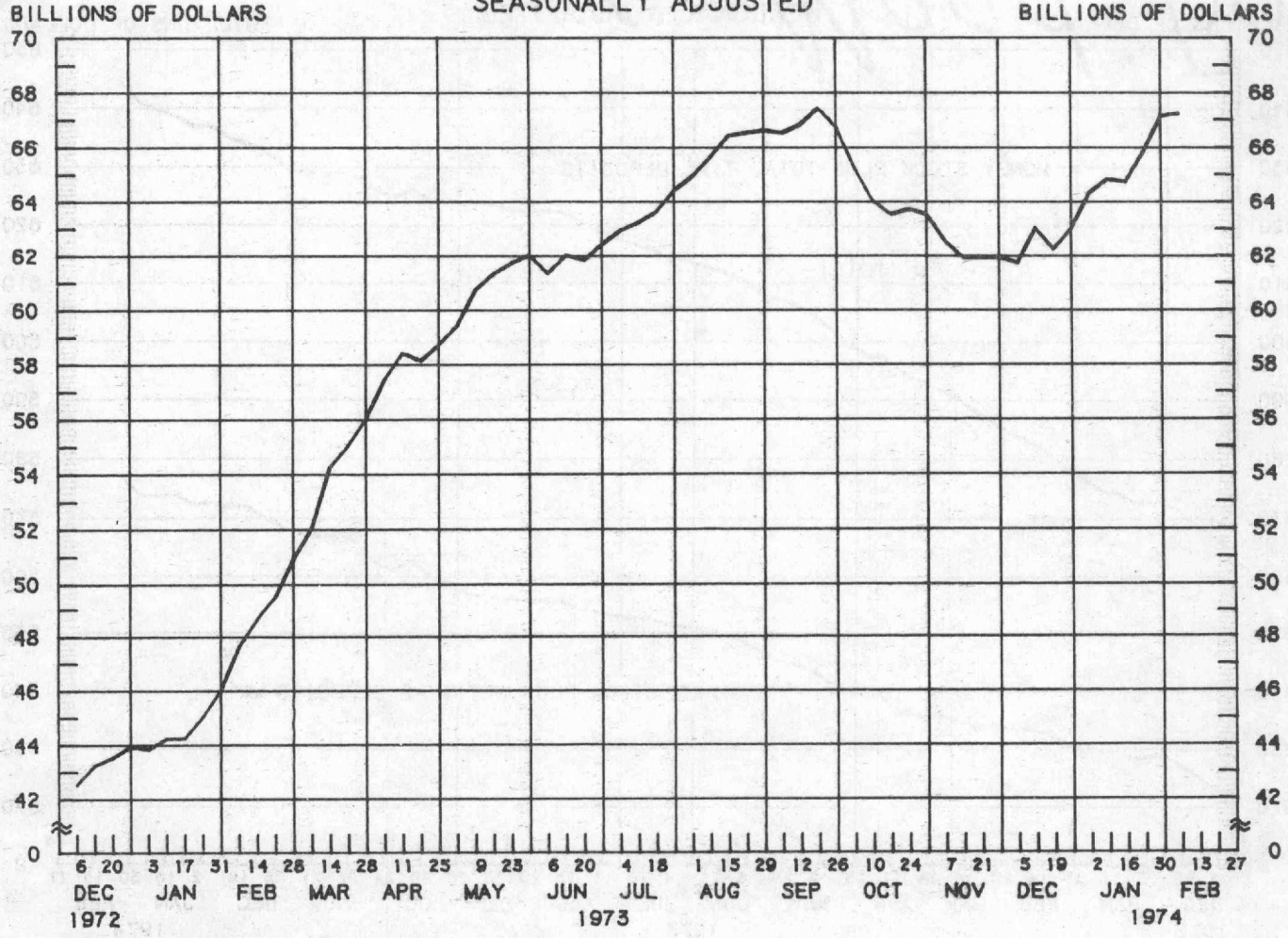
2/7/73    5/9/73    7/4/73    8/8/73    9/5/73    10/3/73    11/7/73    12/5/73

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

7/ 4/73	9.7								
8/ 8/73	8.8	9.9							
9/ 5/73	8.5	9.0	5.7						
10/ 3/73	8.0	8.1	5.2	5.2					
11/ 7/73	8.4	8.7	6.9	7.5	8.1				
12/ 5/73	8.6	9.0	7.6	8.3	8.9	11.2			
1/ 9/74	8.6	9.0	7.8	8.4	8.9	10.3	9.7		
2/ 6/74	8.4	8.7	7.6	8.0	8.4	9.3	8.6	7.6	

# CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES  
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 6, 1974

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.

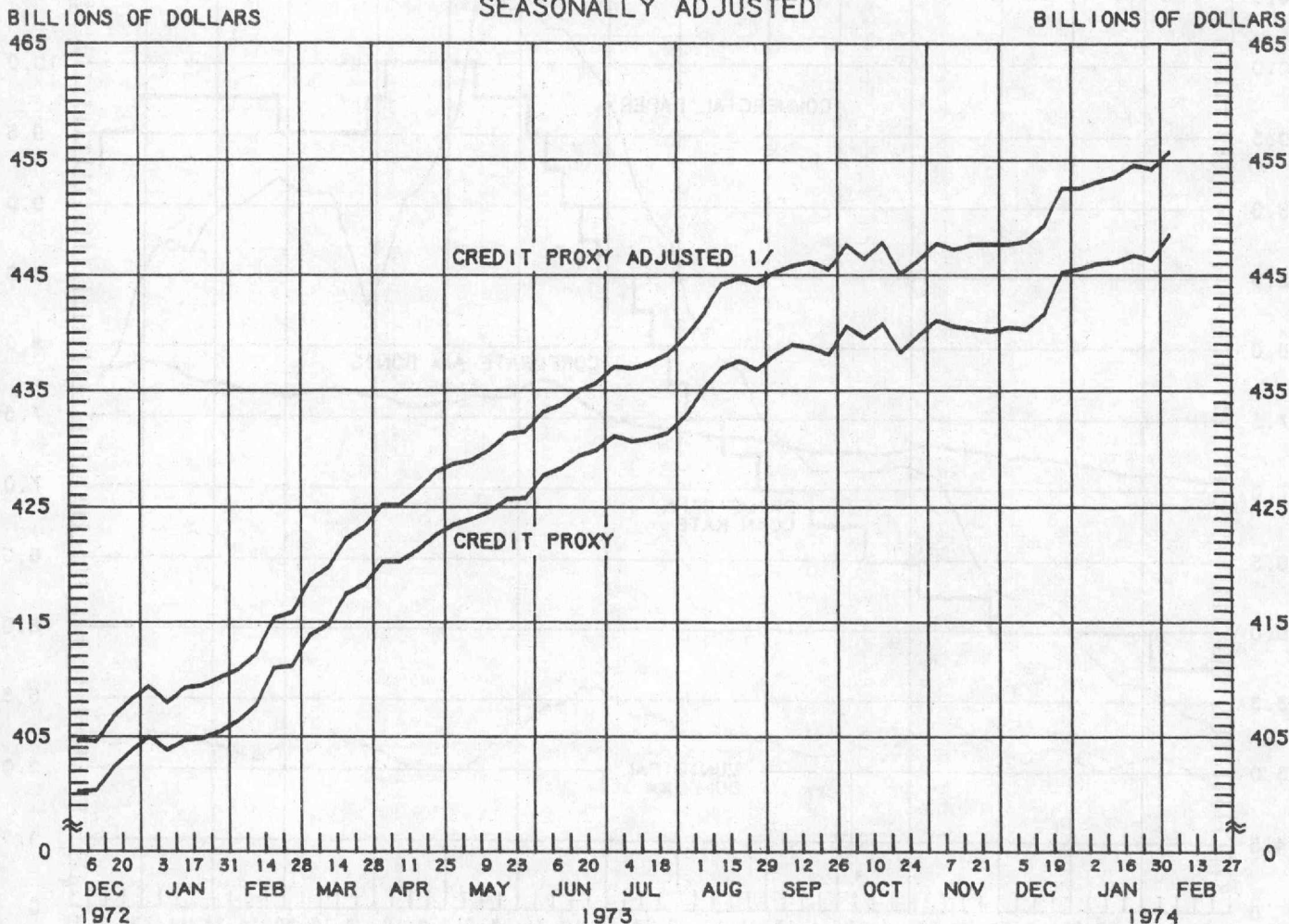
MONEY AND TIME DEPOSIT DATA			
1974	BILLIONS		
	CERTIFICATES OF DEPOSIT	NET TIME DEPOSITS *	M 2 **
DEC. 5	61.7	299.1	568.2
12	63.0	298.9	569.7
19	62.2	300.9	571.8
26	63.0	300.7	571.6
JAN. 2	64.3	302.2	572.5
9	64.8	302.5	572.0
16	64.7	303.7	573.8
23	65.8	304.8	573.7
30	67.1	305.2	573.7
FEB. 6	67.2	306.2	577.2
13			
20			
27			

\* 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: FEBRUARY 6, 1974

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

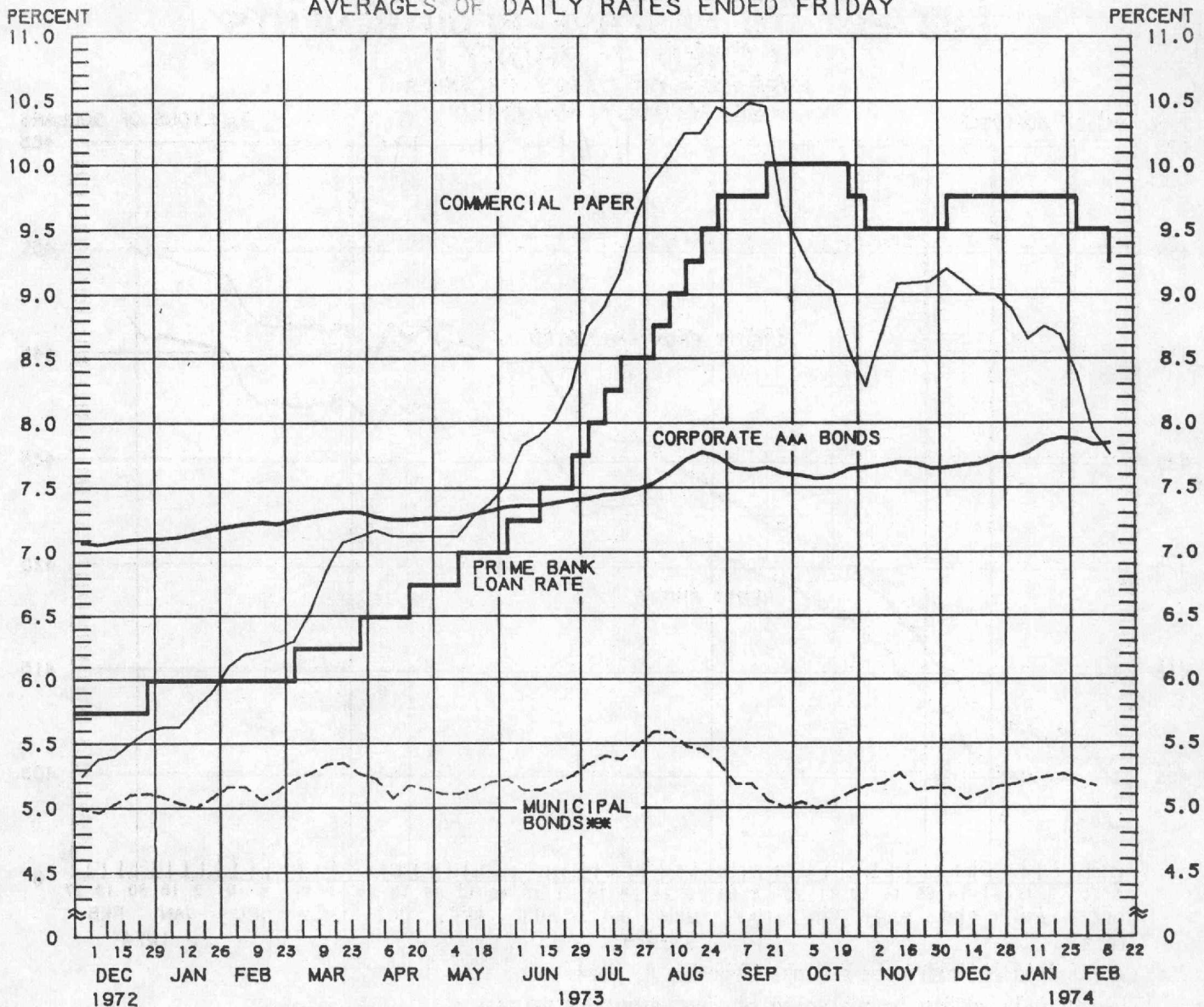
1/ INCLUDES MEMBER BANK DEPOSITS, BANK-RELATED COMMERCIAL PAPER, EURODOLLAR BORROWINGS OF U.S. BANKS, AND CERTAIN OTHER NONDEPOSIT SOURCES.

1974		BILLIONS	
		CREDIT PROXY	CREDIT PROXY ADJUSTED
JAN.	2	445.5	452.5
	9	446.0	453.1
	16	446.1	453.5
	23	446.7	454.5
	30	446.2	454.1
FEB.	6	448.5	455.7

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF THE FOUR WEEKS ENDING FEBRUARY 6, 1974 FROM THE FOUR WEEKS ENDING:			
		CREDIT PROXY	CREDIT PROXY ADJUSTED
DEC.	5, 1973	9.0	9.4
NOV.	7, 1973	6.5	7.2
OCT.	3, 1973	5.3	5.5
SEP.	5, 1973	5.3	5.3
AUG.	8, 1973	6.8	7.1
MAY	9, 1973	7.7	8.3
FEB.	7, 1973	10.3	10.9

# YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY

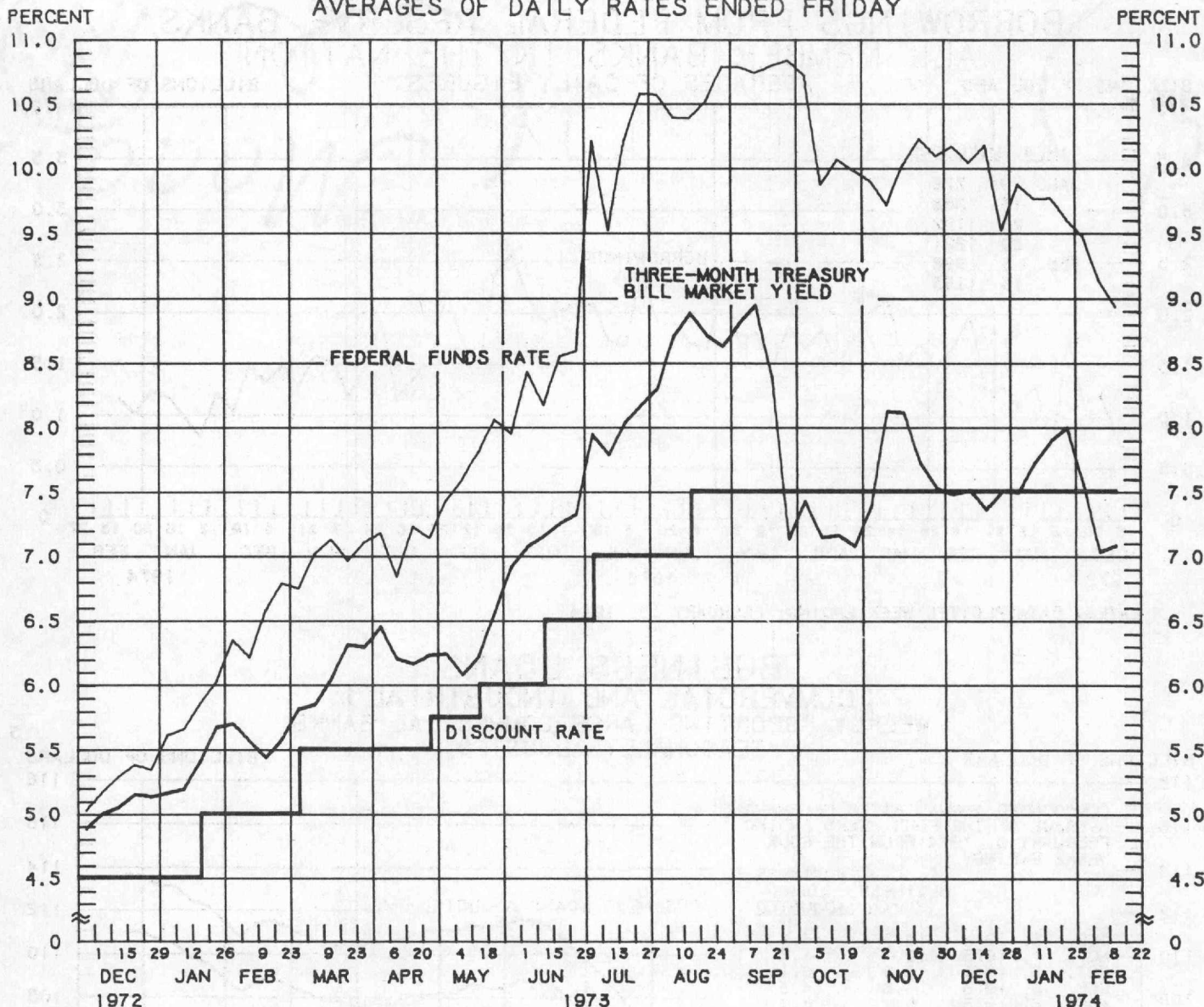


1974	CORPORATE AAA BONDS	PRIME COMMERCIAL PAPER 4-6 MONTH	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES	MUNICIPAL BONDS
DEC. 7	7.65	9.20	6.89	6.31	5.15
14	7.67	9.10	6.75	6.30	5.06
21	7.68	9.00	6.74	6.34	5.11
28	7.73	9.00	6.83	6.47	5.16
JAN. 4	7.73	8.88	6.83	6.52	5.18
11	7.77	8.65	6.88	6.57	5.22
18	7.85	8.75	6.94	6.57	5.24
25	7.88	8.68	7.06	6.57	5.26
FEB. 1	7.87	8.38	6.94	6.55	5.20
8	7.82	7.93	6.74	6.50	5.16
15 *	7.84	7.75	6.72	6.50	N.A.
22					

\* 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

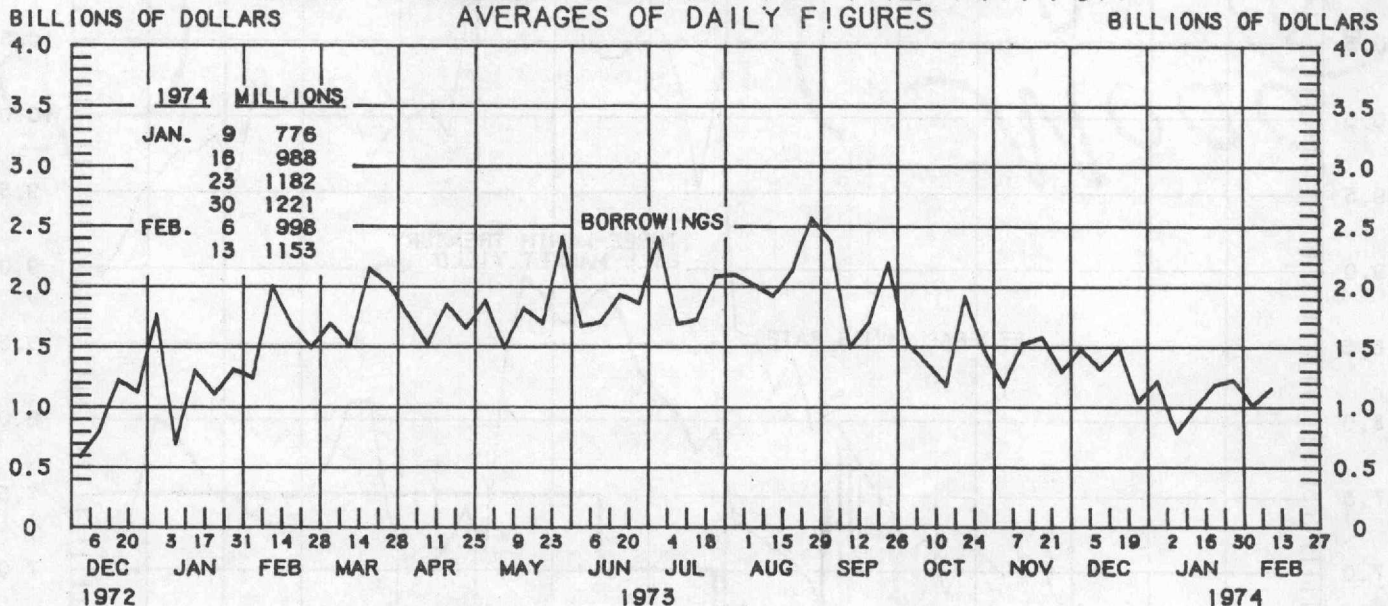


LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: FEBRUARY 15, 1974

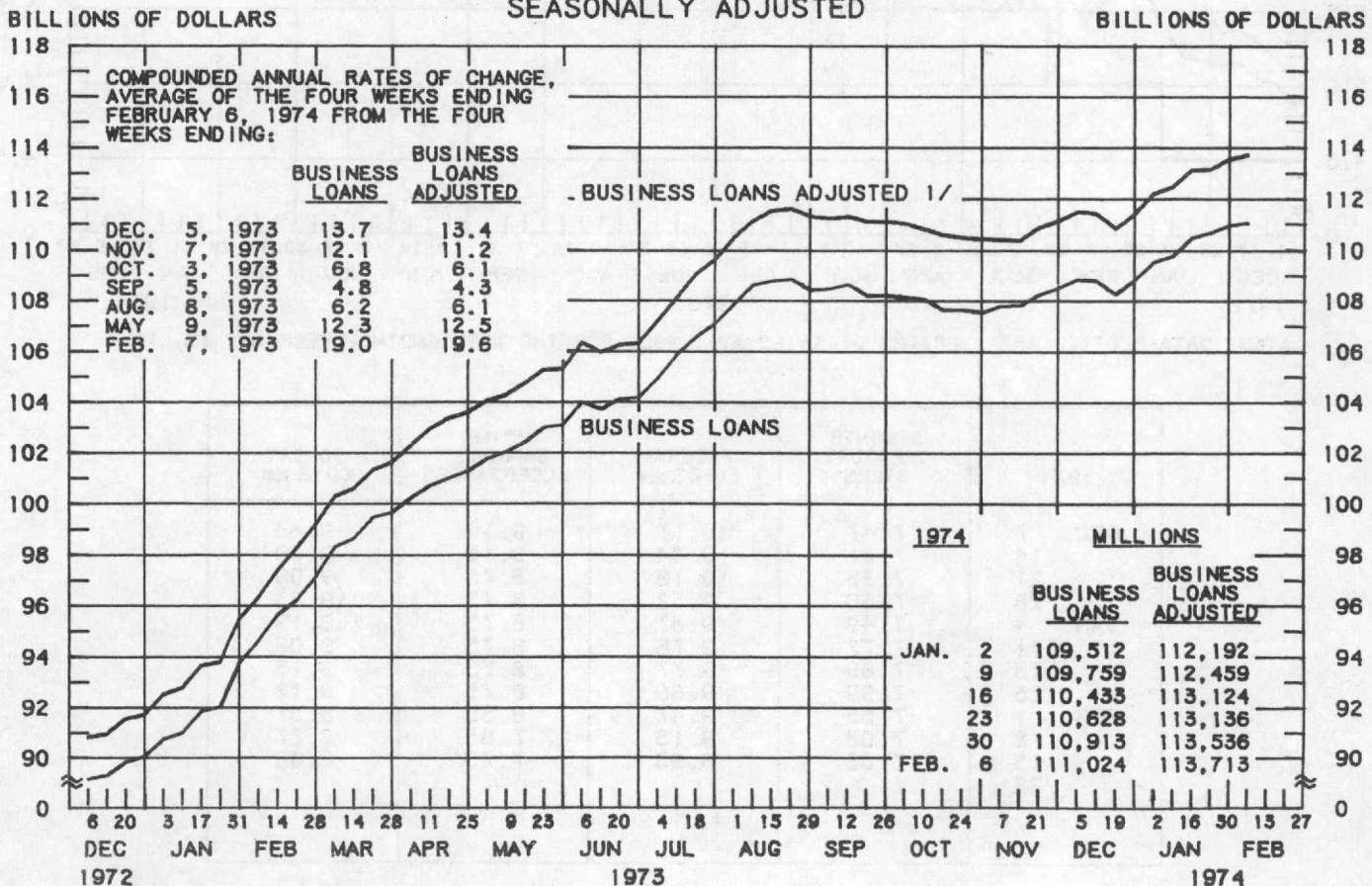
1974	3-MONTH TREASURY BILLS	FEDERAL FUNDS <sup>***</sup>	PRIME BANKERS' ACCEPTANCES	90 DAY CD'S <sup>***</sup>
DEC. 7	7.47	10.17	9.10	9.43
14	7.51	10.04	9.15	9.50
21	7.35	10.18	8.75	9.09
28	7.50	9.52	8.75	9.23
JAN. 4	7.49	9.87	8.75	9.19
11	7.72	9.76	8.75	9.08
18	7.89	9.77	8.75	9.15
25	7.99	9.60	8.75	9.12
FEB. 1	7.55	9.47	8.55	8.87
8	7.03	9.13	7.85	8.27
15 <sup>*</sup>	7.08	8.93	7.75	8.08
22				

<sup>\*</sup> AVERAGES OF RATES AVAILABLE.  
<sup>\*\*\*</sup> 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.