



Week ending: March 13, 1974

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The money stock has increased by 6 percent in the past year. The net monetary expansion over the past twelve months consists of some short periods of sharp increase and others of decline or little change. For example, the money stock increased \$4.0 billion dollars from the four weeks ended February 6 to the four weeks ended March 6, following a decline of \$0.8 billion from the four weeks ended January 9 to the four weeks ended February 6.

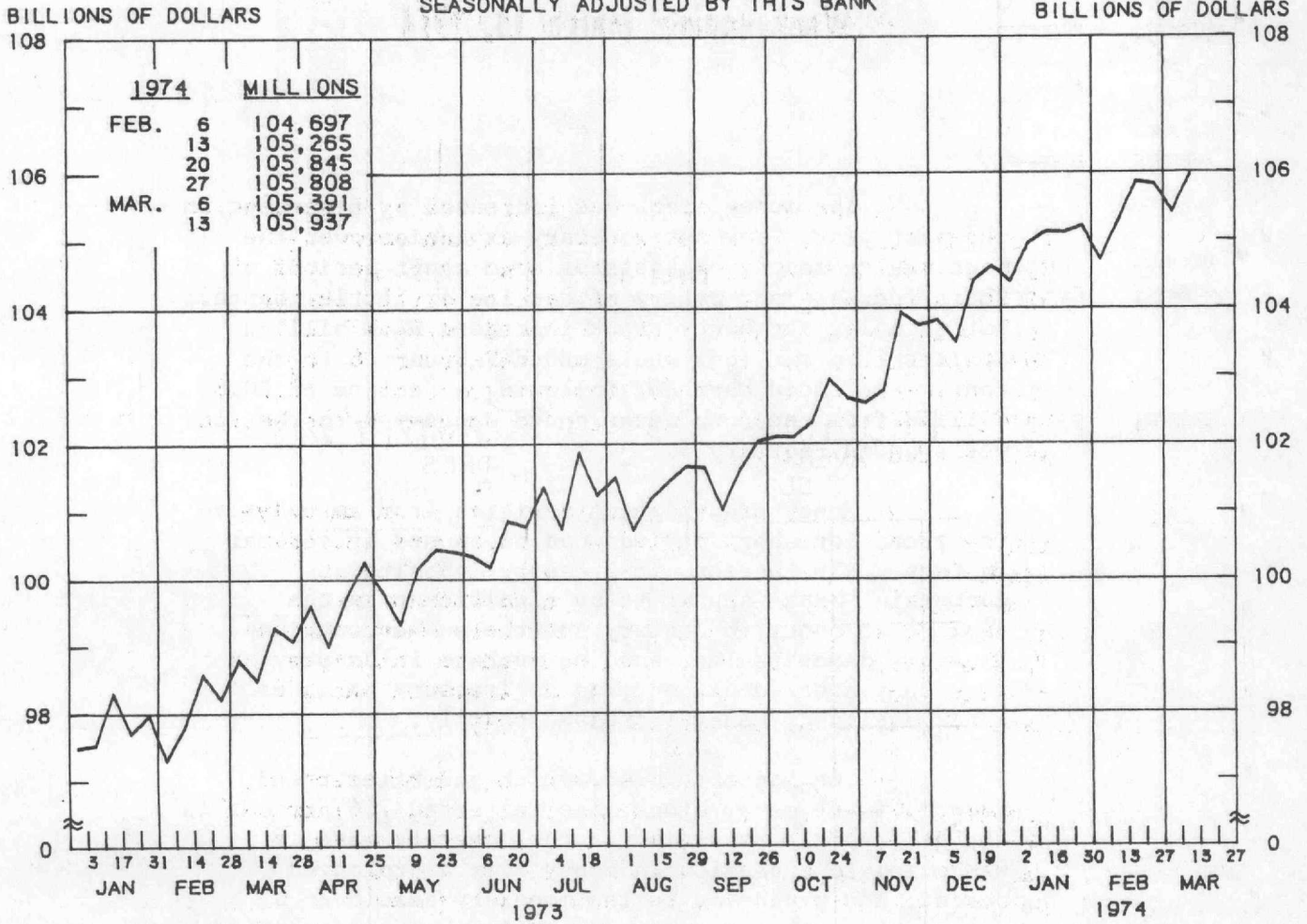
Money growth which deviates from an underlying trend for short periods can be caused by several factors. Fluctuations in Treasury deposits at commercial banks appear to be significant in the decline of money in January and the subsequent jump. Treasury deposits increased on average in January as the money stock declined, and as Treasury balances later declined, money increased sharply.

The monetary base, which underlies trend growth of the money stock, has increased 7.4 percent in the past year. Expansion in the monetary base is essential to expansion in money over a prolonged period, and expansion in the monetary base over a period of a year or more has usually been accompanied by a similar rate of money expansion over the period.

Yields on prime four- to six-month commercial paper averaged 8.13 percent in the first part of this week, up about 40 basis points since mid-February. However, these rates have declined on balance about two and one-half percentage points since mid-September. Yields on three-month Treasury bill rates averaged 7.84 percent in the early part of this week, compared to about 7 percent in mid-February and a high of about 8.90 percent last September. Some longer-term rates have been about unchanged or have moved upward gradually over recent months in contrast to the net declines in short-term rates. Yields on long-term Government securities averaged 6.72 percent in the three days ending March 13 up from about 6.30 percent in November after declining from a high of about 7 percent early last August. Yields on Aaa corporate bonds averaged 7.98 percent recently, somewhat higher than the level reached in late summer.

MONETARY BASE

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED BY THIS BANK



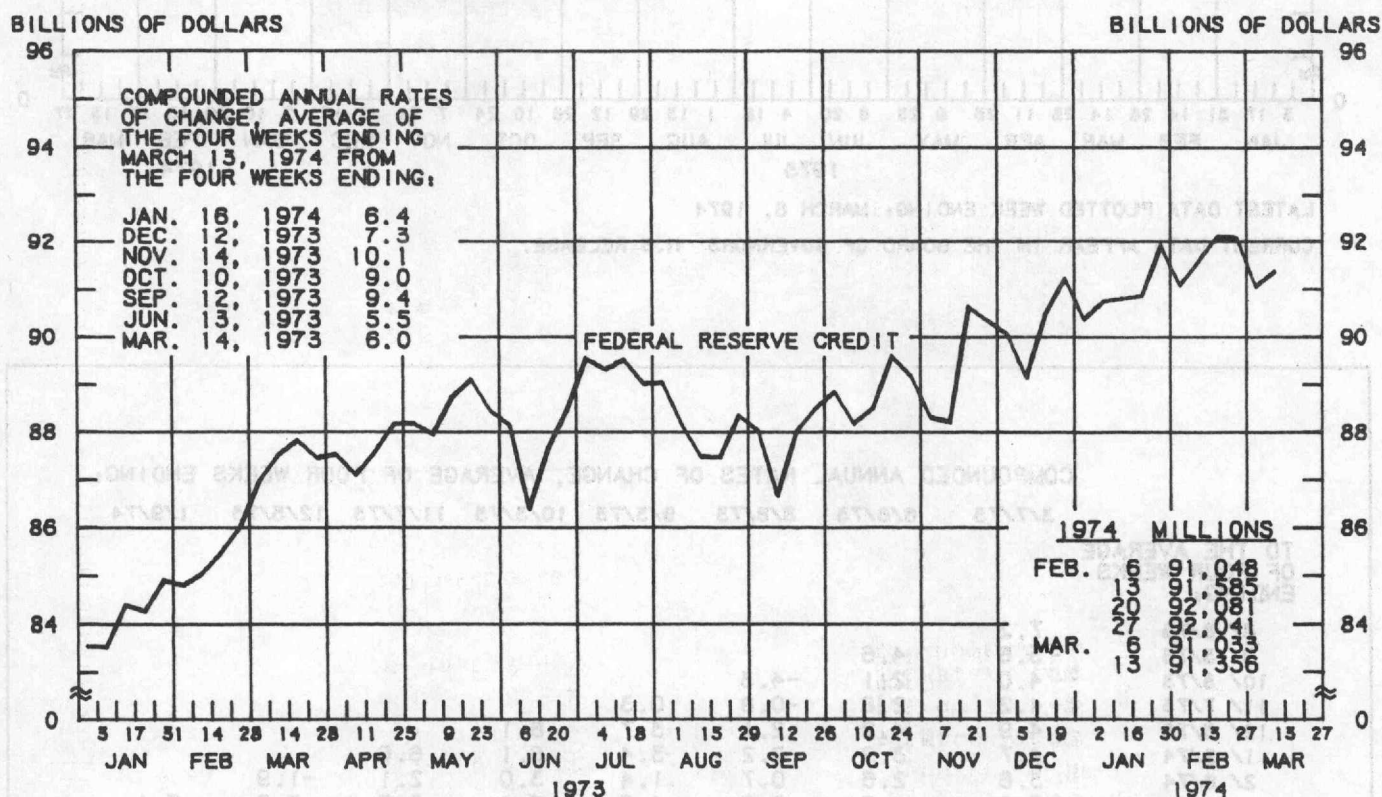
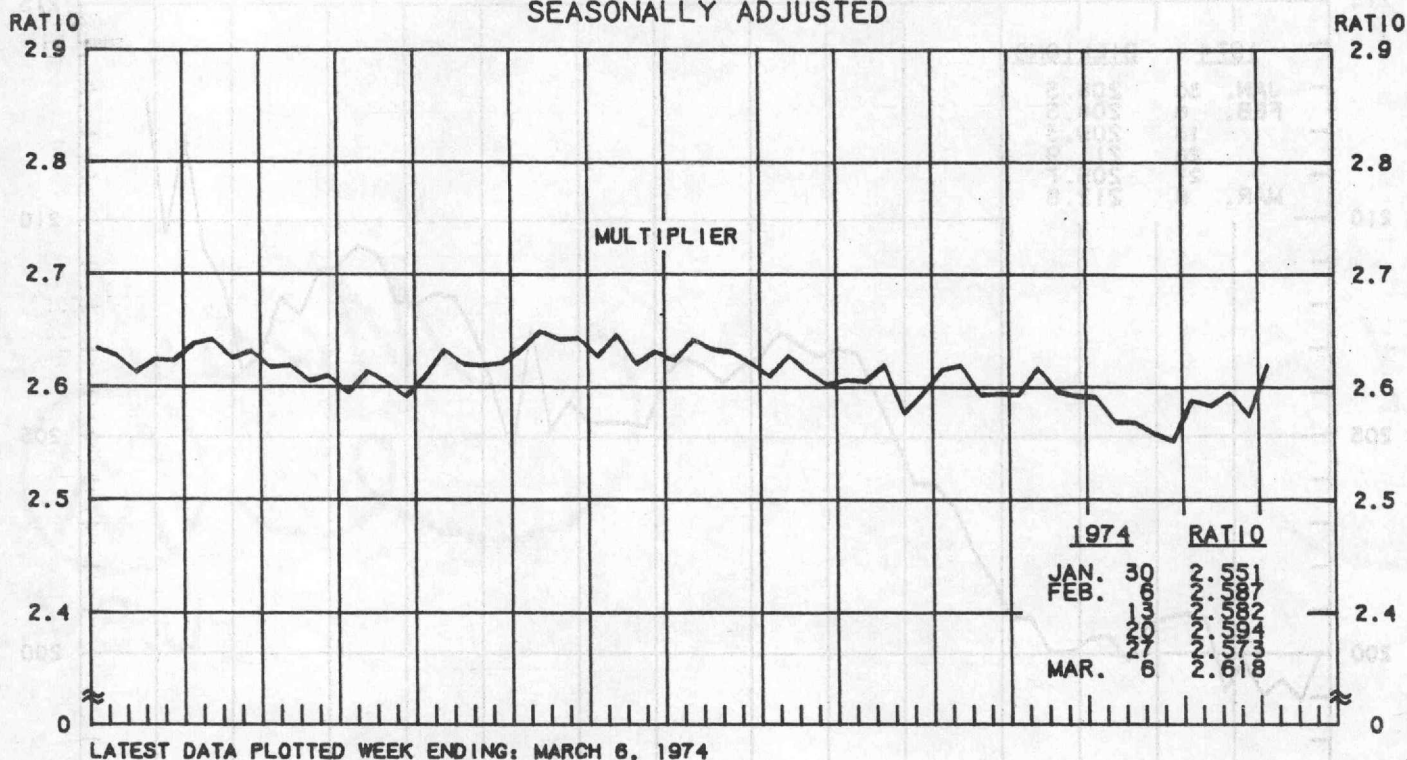
LATEST DATA PLOTTED WEEK ENDING: MARCH 13, 1974

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:

	3/14/73	6/13/73	8/15/73	9/12/73	10/10/73	11/14/73	12/12/73	1/16/74
TO THE AVERAGE OF FOUR WEEKS ENDING:								
8/15/73	6.5							
9/12/73	6.0	4.5						
10/10/73	6.2	5.1	5.3					
11/14/73	6.5	5.8	6.4	7.7				
12/12/73	7.2	6.9	8.0	9.4	10.5			
1/16/74	7.6	7.5	8.7	9.8	10.6	12.0		
2/13/74	7.2	7.1	7.9	8.7	9.1	9.4	7.7	
3/13/74	7.4	7.3	8.0	8.7	9.0	9.2	8.0	6.2

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



LATEST DATA PLOTTED WEEK ENDING: MARCH 13, 1974

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

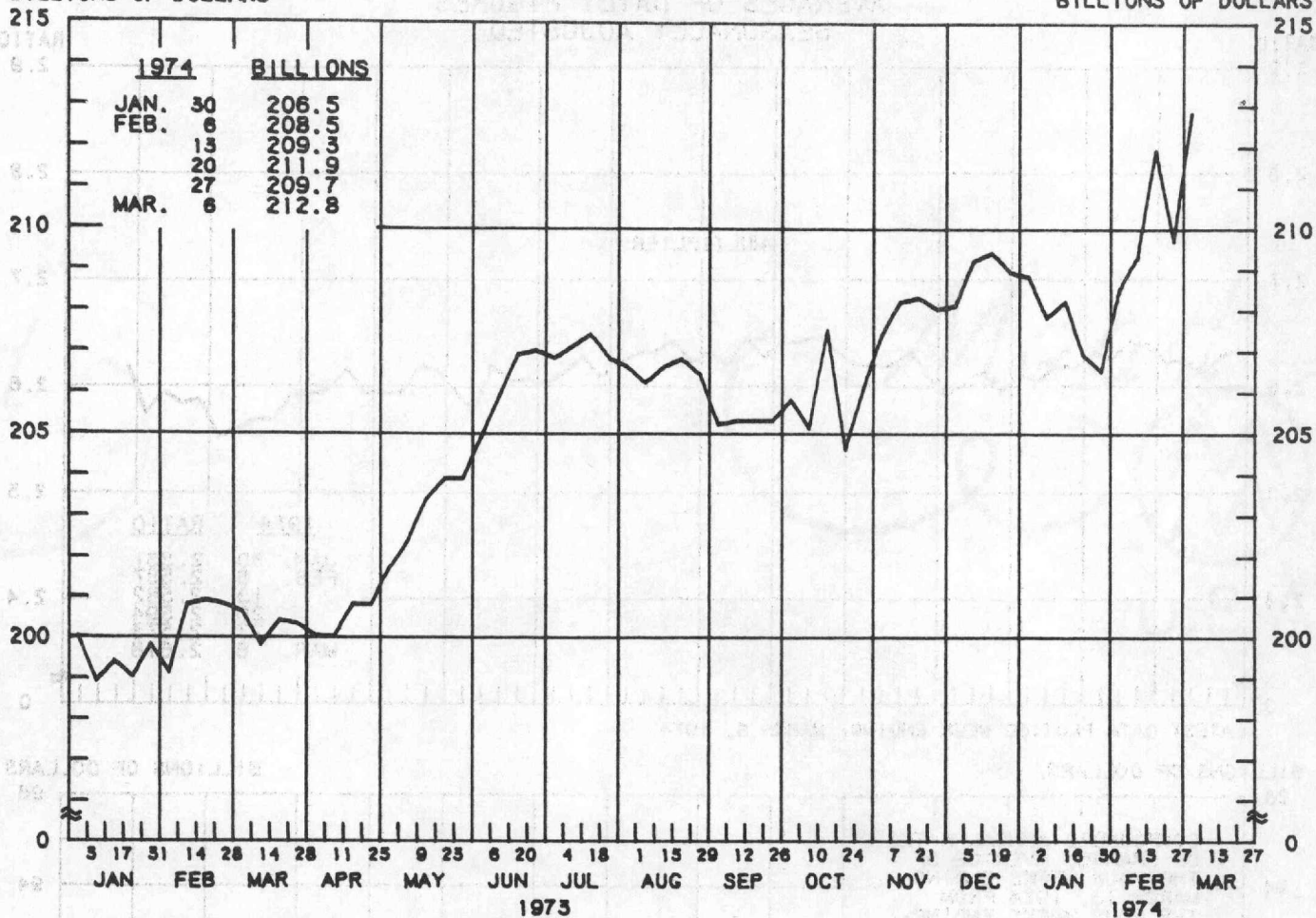
2/ DEFINED TO INCLUDE HOLDINGS OF SECURITIES, LOANS, FLOAT AND "OTHER" ASSETS, ADJUSTED FOR RESERVE REQUIREMENT CHANGES AND CHANGES IN REQUIREMENTS DUE TO SHIFTS IN DEPOSITS AMONG CLASSES OF BANKS. DATA ARE SEASONALLY ADJUSTED BY THIS BANK.

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MARCH 6, 1974

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

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

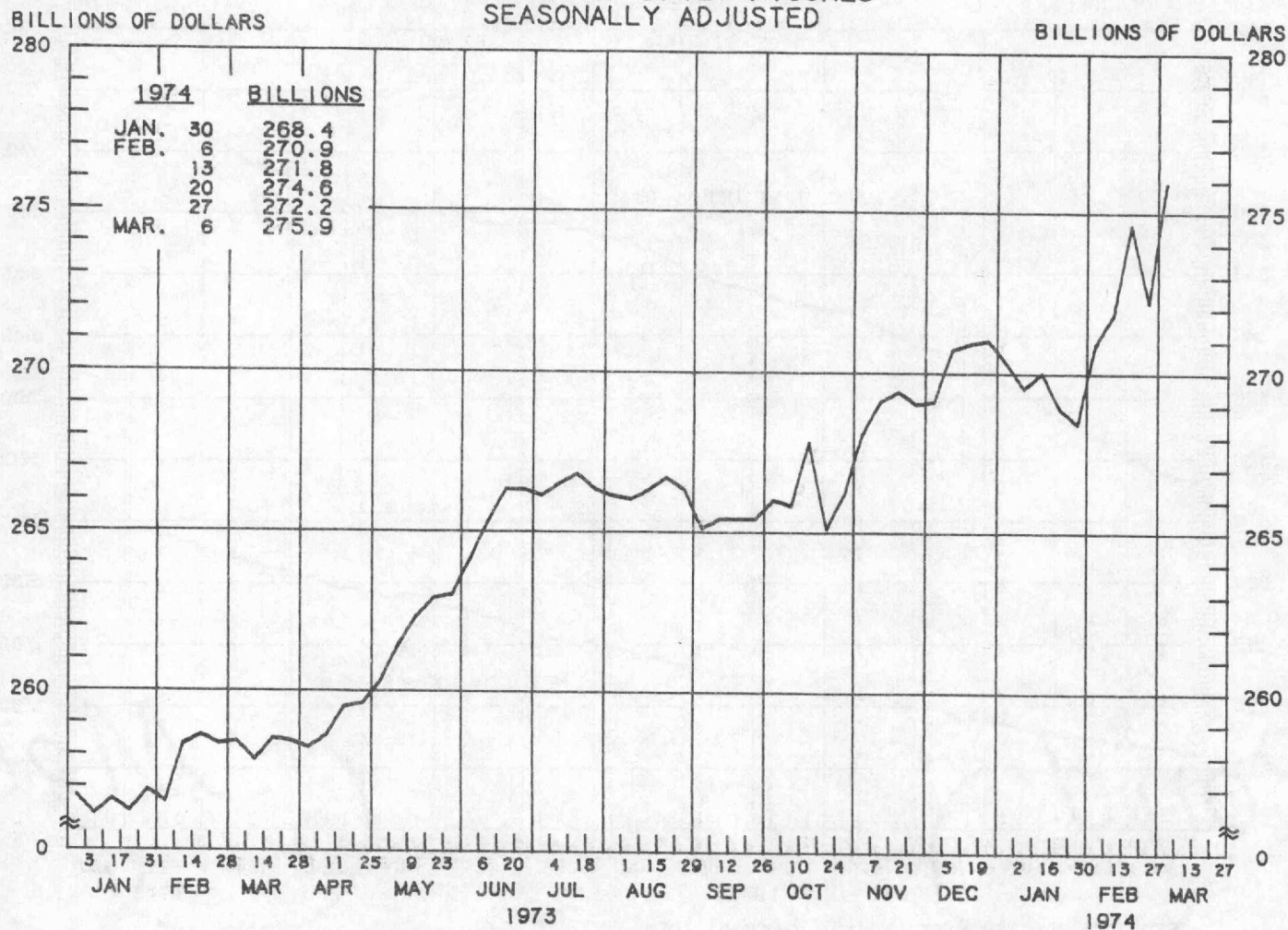
3/7/73 6/6/73 8/8/73 9/5/73 10/3/73 11/7/73 12/5/73 1/9/74

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

8/ 8/73	7.2								
9/ 5/73	5.6	4.6							
10/ 3/73	4.0	2.1	-4.3						
11/ 7/73	4.2	2.8	-0.8	0.3					
12/ 5/73	4.9	4.2	2.1	3.7	8.1				
1/ 9/74	4.7	3.9	2.2	3.4	6.1	6.6			
2/ 6/74	3.6	2.6	0.7	1.4	3.0	2.1	-1.9		
3/ 6/74	5.0	4.5	3.5	4.5	6.4	6.8	5.3	7.1	

MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



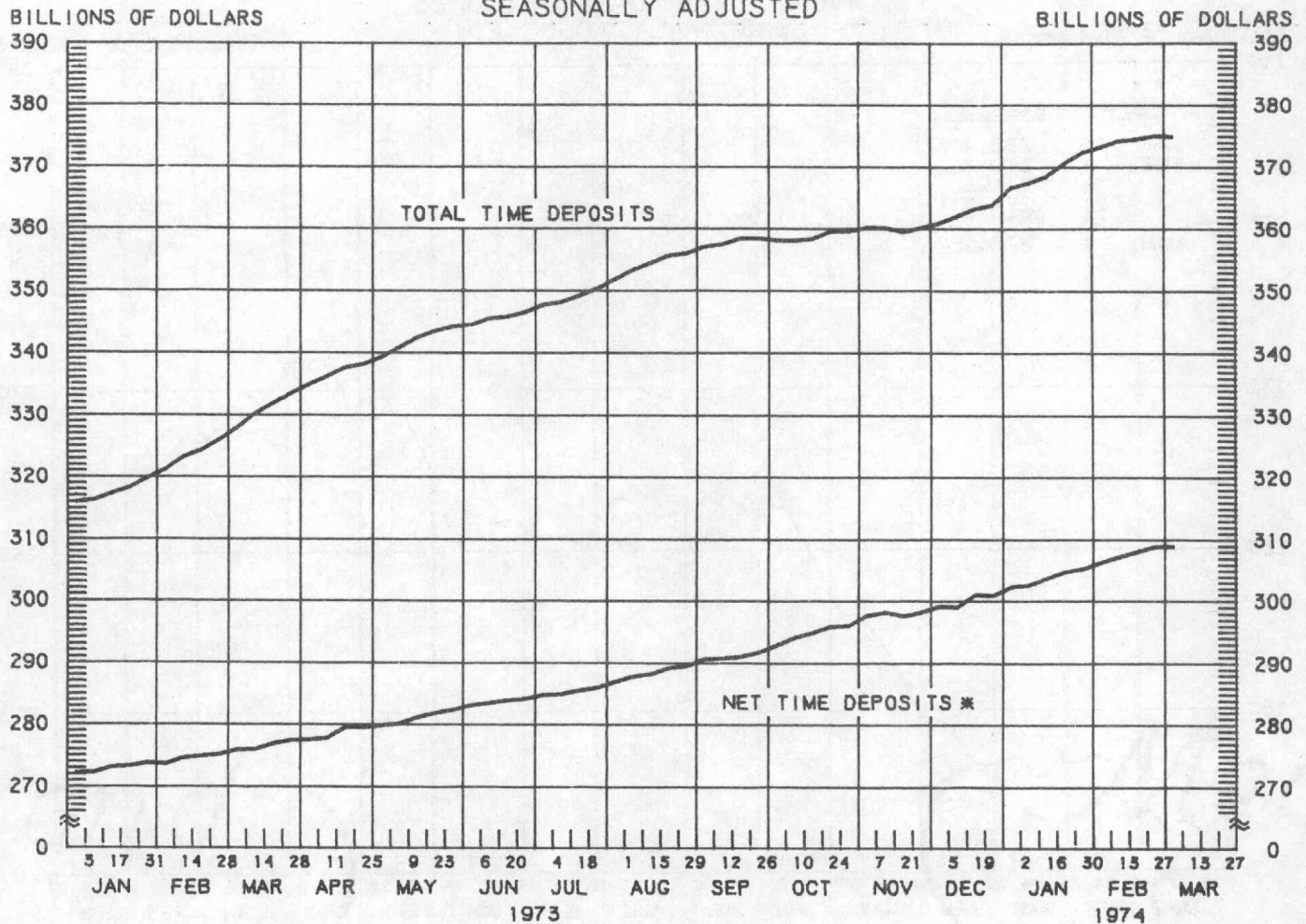
LATEST DATA PLOTTED WEEK ENDING: MARCH 6, 1974

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

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

	3/7/73	6/6/73	8/8/73	9/5/73	10/3/73	11/7/73	12/5/73	1/9/74
TO THE AVERAGE OF FOUR WEEKS ENDING:								
8/ 8/73	7.4							
9/ 5/73	6.0	4.6						
10/ 3/73	4.9	2.9	-1.7					
11/ 7/73	4.9	3.4	0.8	1.5				
12/ 5/73	5.6	4.7	3.4	4.7	8.1			
1/ 9/74	5.5	4.7	3.7	4.7	6.9	8.1		
2/ 6/74	4.7	3.7	2.5	3.1	4.4	4.3	0.9	
3/ 6/74	5.9	5.4	4.8	5.7	7.3	8.0	6.7	7.9

TIME DEPOSITS
ALL COMMERCIAL BANKS
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MARCH 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.

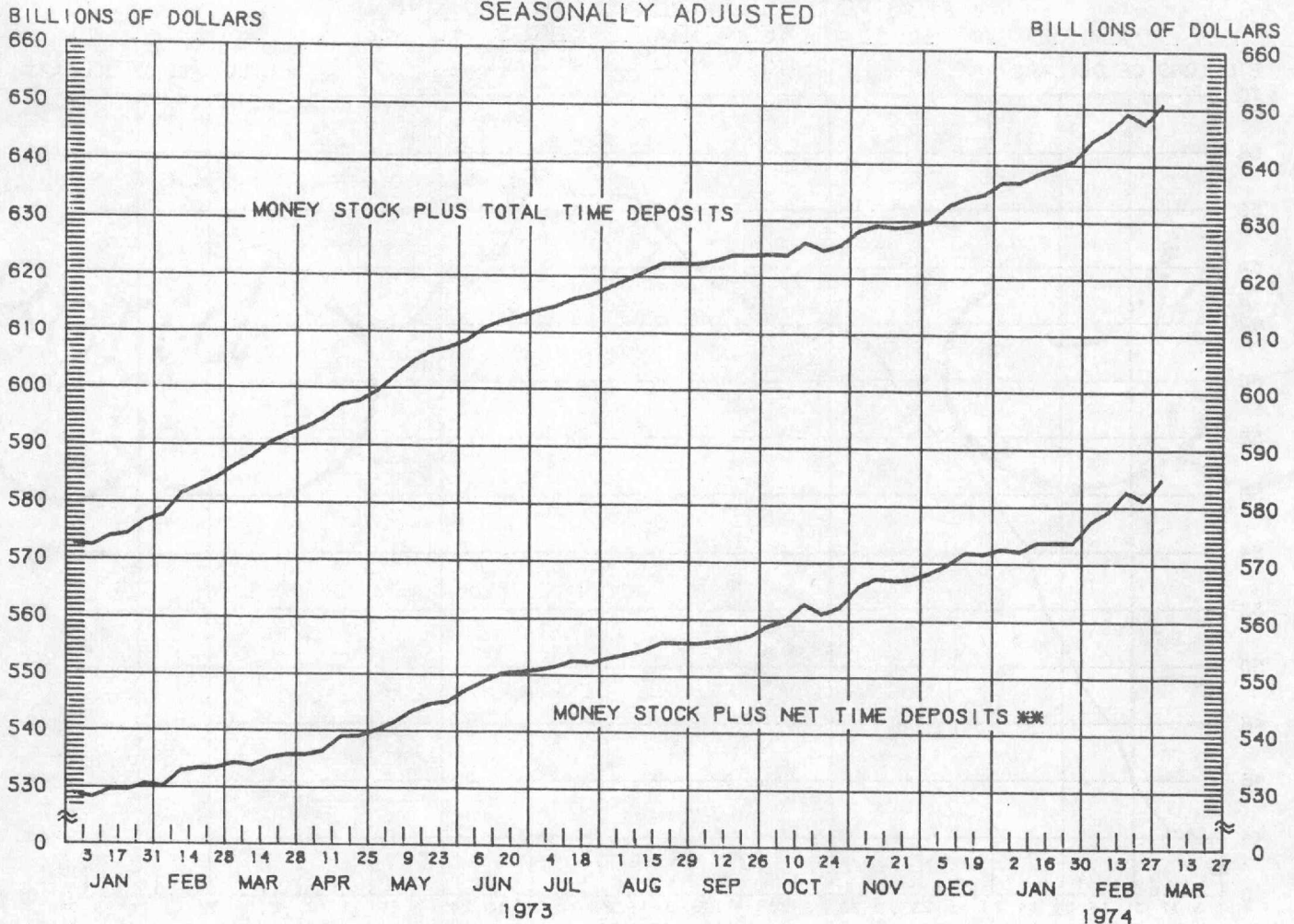
NET TIME DEPOSITS

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

	3/7/73	6/6/73	8/8/73	9/5/73	10/3/73	11/7/73	12/5/73	1/9/74
TO THE AVERAGE OF FOUR WEEKS ENDING:								
8/ 8/73	10.1							
9/ 5/73	10.6	10.6						
10/ 3/73	10.6	10.7	12.2					
11/ 7/73	11.5	12.1	14.1	14.4				
12/ 5/73	11.3	11.7	13.0	12.9	13.8			
1/ 9/74	11.5	11.9	12.9	12.8	13.3	11.2		
2/ 6/74	11.9	12.3	13.4	13.4	14.0	12.7	14.1	
3/ 6/74	12.0	12.5	13.5	13.5	14.0	13.0	14.1	15.1

MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MARCH 6, 1974

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).

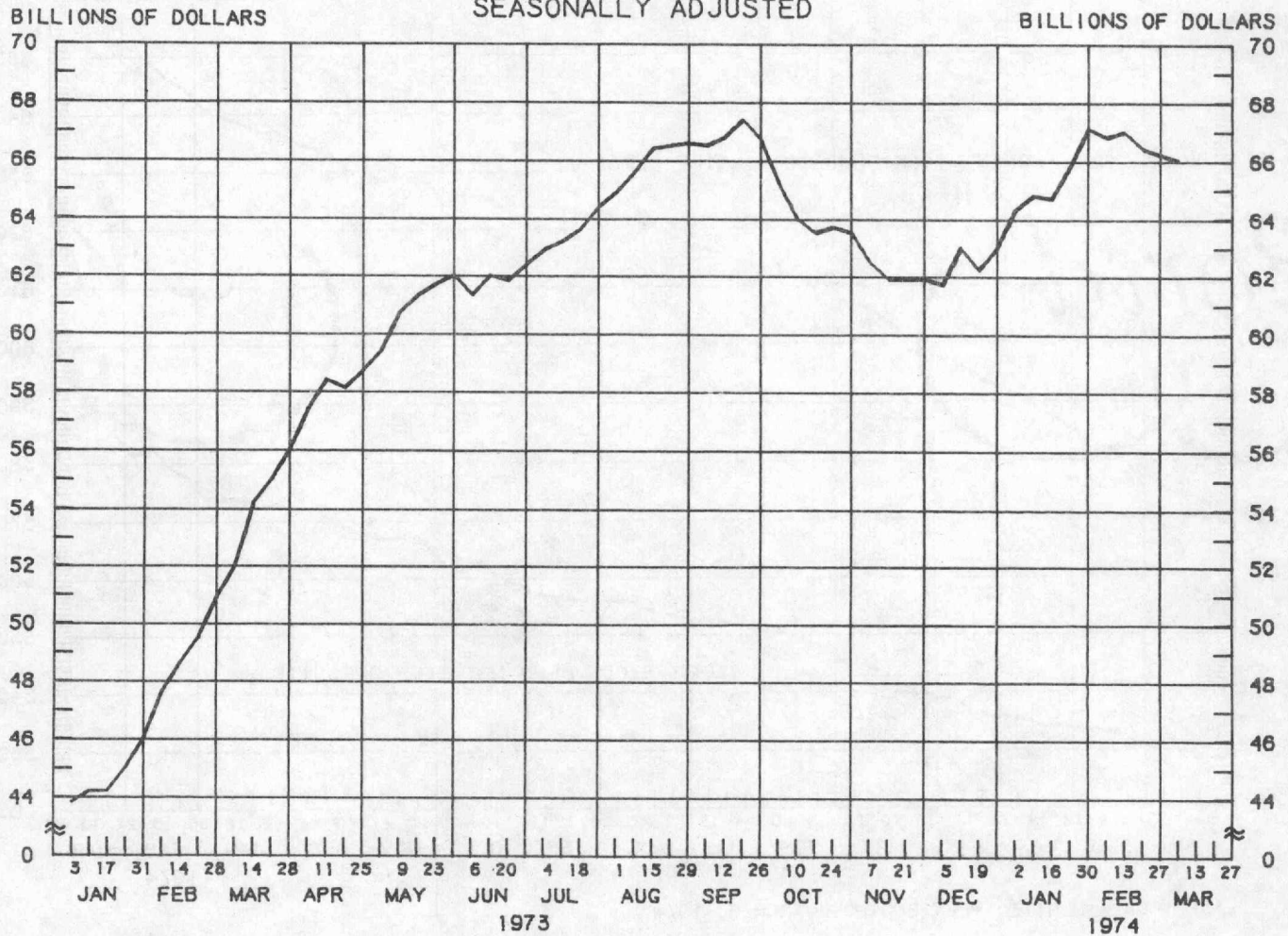
MONEY STOCK PLUS NET TIME DEPOSITS (M₂)

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

	3/7/73	6/6/73	8/8/73	9/5/73	10/3/73	11/7/73	12/5/73	1/9/74
TO THE AVERAGE OF FOUR WEEKS ENDING:								
8/ 8/73	8.8							
9/ 5/73	8.4	7.7						
10/ 3/73	7.8	6.8	5.2					
11/ 7/73	8.3	7.8	7.5	8.1				
12/ 5/73	8.6	8.3	8.3	8.9	11.2			
1/ 9/74	8.6	8.4	8.4	8.9	10.3	9.7		
2/ 6/74	8.4	8.1	8.0	8.4	9.3	8.6	7.6	
3/ 6/74	9.1	9.1	9.3	9.8	10.8	10.7	10.6	11.8

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MARCH 6, 1974

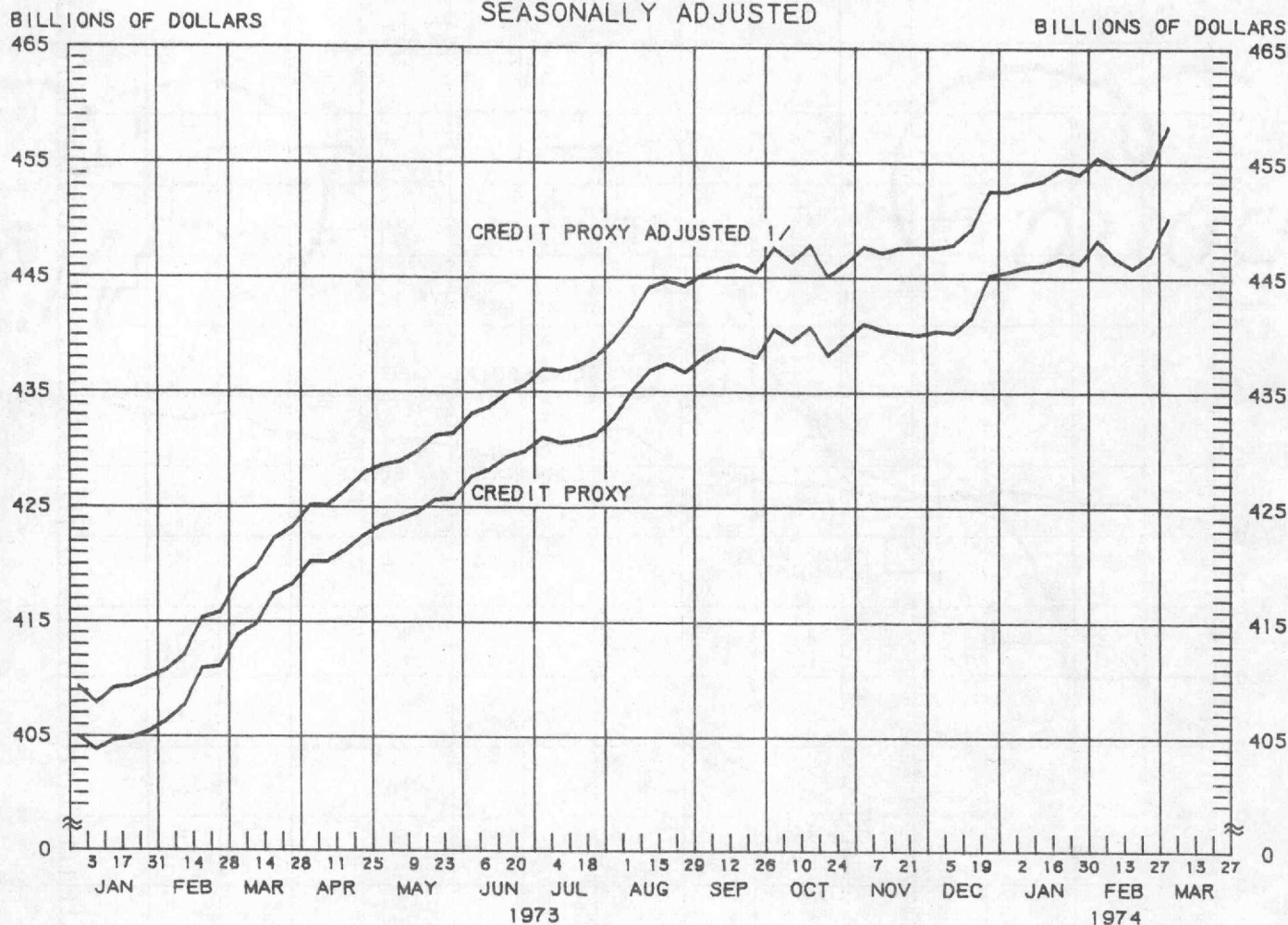
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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 **
JAN. 2	64.3	302.2	572.5
9	64.8	302.5	572.0
16	64.7	303.7	573.7
23	65.8	304.8	573.7
30	67.1	305.3	573.7
FEB. 6	66.8	306.4	577.3
13	67.0	307.2	579.1
20	66.4	308.0	582.6
27	66.2	308.8	581.0
MAR. 6	66.0	308.8	584.7
13			
20			
27			

* 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: MARCH 6, 1974

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

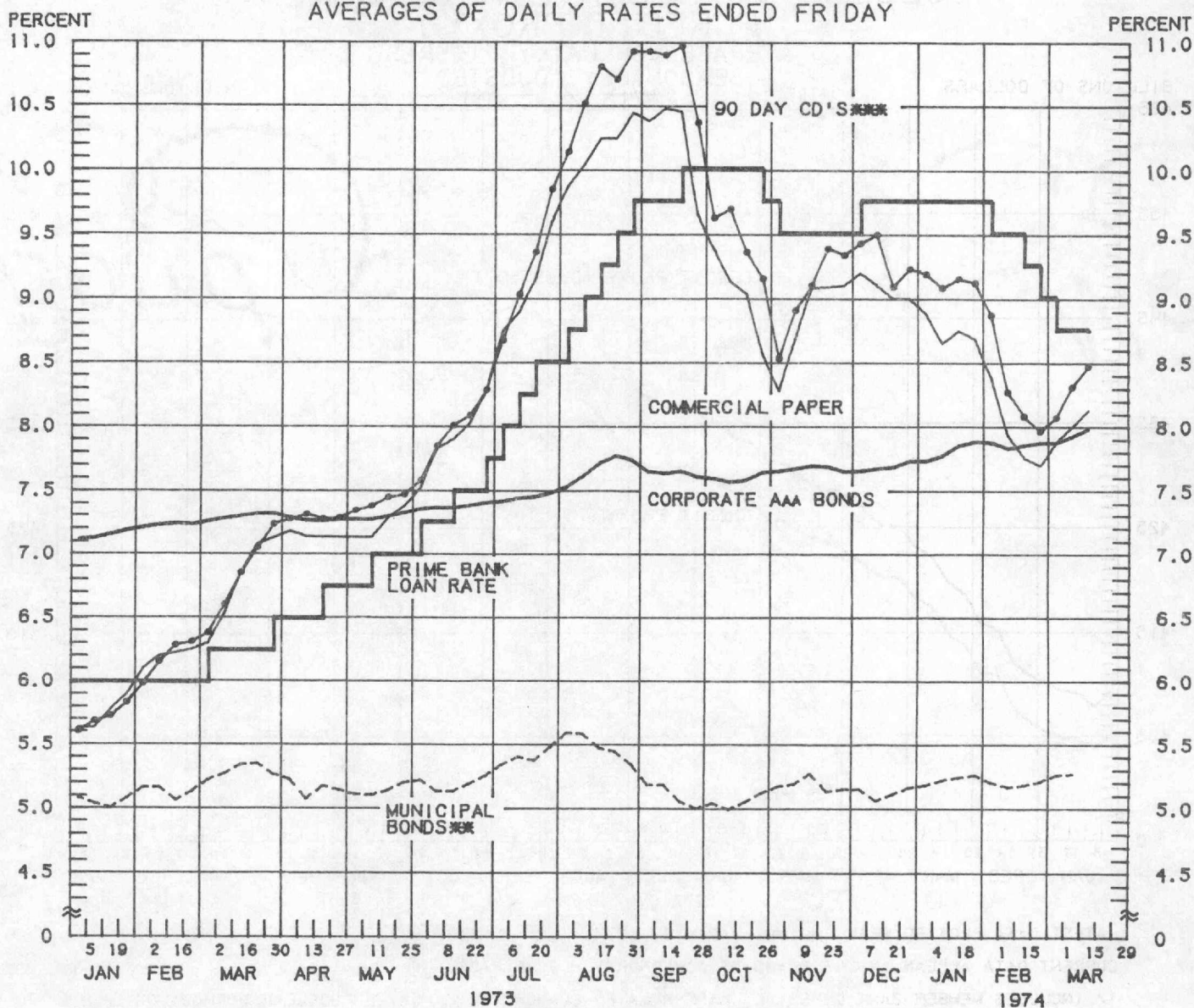
1/ INCLUDES MEMBER BANK DEPOSITS, BANK-RELATED COMMERCIAL PAPER, EURODOLLAR BORROWINGS OF U.S. BANKS, AND CERTAIN OTHER NONDEPOSIT SOURCES.

1974		BILLIONS	
		CREDIT PROXY	CREDIT PROXY ADJUSTED
JAN.	30	446.2	454.0
FEB.	6	448.3	455.5
	13	446.7	454.5
	20	445.8	453.7
	27	447.0	454.7
MAR.	6	450.1	458.1

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF THE FOUR WEEKS ENDING MARCH 6, 1974 FROM THE FOUR WEEKS ENDING:			
		CREDIT PROXY	CREDIT PROXY ADJUSTED
JAN.	9, 1974	4.2	5.0
DEC.	5, 1973	6.6	7.2
NOV.	7, 1973	5.3	6.0
OCT.	3, 1973	4.6	4.9
SEP.	5, 1973	4.7	4.9
JUN.	6, 1973	6.8	7.5
MAR.	7, 1973	8.9	9.6

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



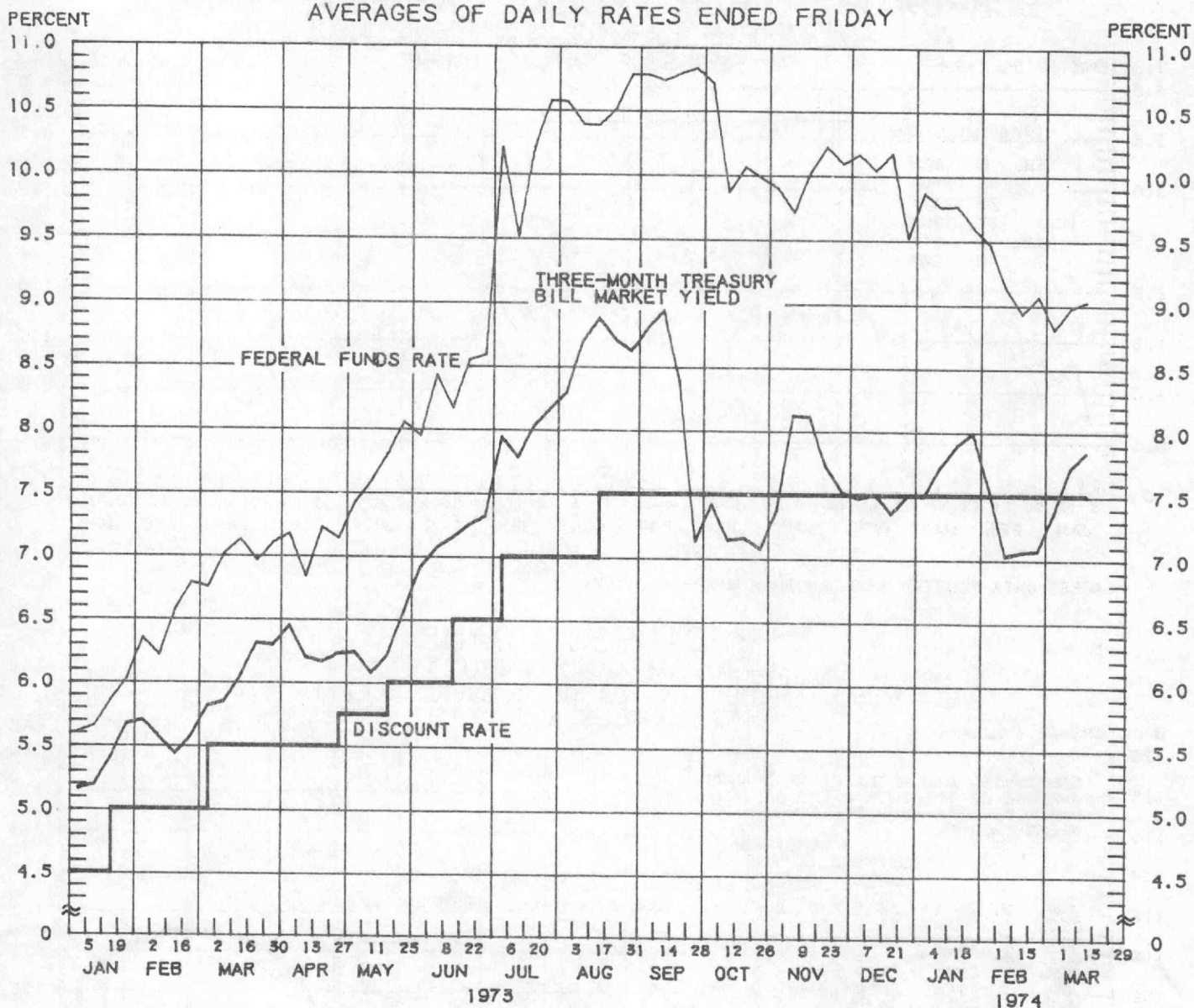
LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: MARCH 15, 1974

1974	90 DAY CD'S ***	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS ***
JAN. 4	9.19	8.88	8.75	7.73	5.18
11	9.08	8.65	8.75	7.77	5.22
18	9.15	8.75	8.75	7.85	5.24
25	9.12	8.68	8.75	7.88	5.26
FEB. 1	8.87	8.38	8.55	7.87	5.20
8	8.27	7.93	7.85	7.82	5.16
15	8.08	7.75	7.75	7.85	5.18
22	7.96	7.69	7.75	7.87	5.21
MAR. 1	8.07	7.88	7.85	7.87	5.26
8	8.31	8.00	8.00	7.92	5.27
15 *	8.47	8.13	8.04	7.98	N.A.
22					
29					

* AVERAGES OF RATES AVAILABLE.
 *** BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA.
 **** SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.
 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: MARCH 15, 1974

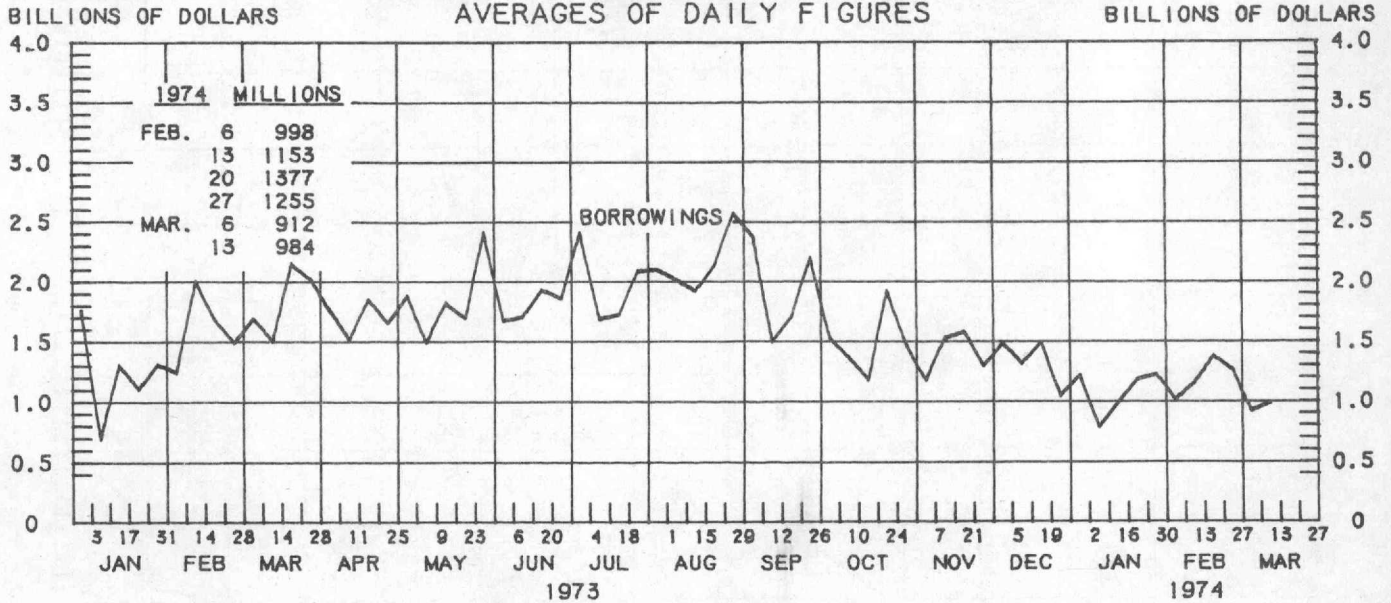
1974	FEDERAL FUNDS ***	3-MONTH TREASURY BILLS	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES
JAN. 4	9.87	7.49	6.83	6.52
11	9.76	7.72	6.88	6.57
18	9.77	7.89	6.94	6.57
25	9.60	7.99	7.06	6.57
FEB. 1	9.47	7.55	6.94	6.55
8	9.13	7.03	6.74	6.50
15	8.93	7.06	6.70	6.50
22	9.07	7.07	6.76	6.56
MAR. 1	8.81	7.36	6.93	6.62
8	8.98	7.71	7.06	6.71
15 *	9.03	7.84	7.14	6.72
22				
29				

* AVERAGES OF RATES AVAILABLE.

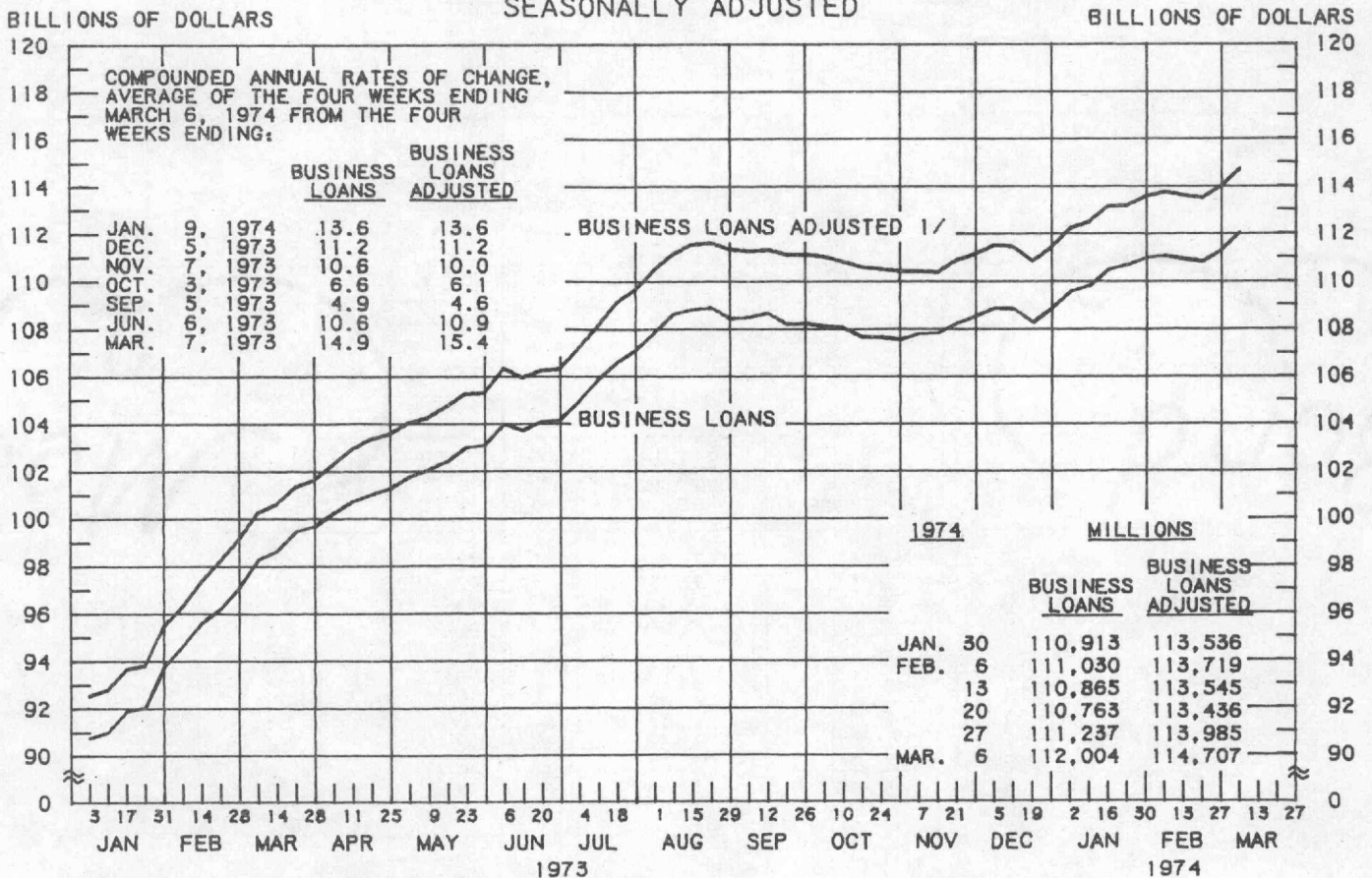
*** SEVEN-DAY AVERAGES FOR WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATE SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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.