



Week ending: May 29, 1974

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Monetary expansion has been rapid in recent months as indicated by growth rates of the money stock and the monetary base. Since mid-October the money stock has risen at an 8.3 percent annual rate. Within this period, money has grown at a 9.6 percent rate in the most recent three months, compared to a 7.4 percent rate in the previous four months. All of these recent growth rates exceed the 6 percent growth of money in the year October 1972 to October 1973.

The recent acceleration in money growth has been accompanied by acceleration in the growth of the monetary base, without which the rapid growth of money could not be sustained. Since mid-October the base has risen fairly steadily at about a 9 percent annual rate, compared with a 7.6 percent rate in the previous year. Federal Reserve credit, the main source of the monetary base, has risen at a 10 percent annual rate since mid-October, continuing the rapid growth of about 9.5 percent which occurred on balance in the previous year.

Demands for credit have been strong and credit aggregates, along with market interest rates, have risen sharply in recent months. The bank credit proxy adjusted has risen at about a 21 percent annual rate in the past three months, following growth at a 6.6 percent rate in the previous three months. Business loans at commercial banks similarly have jumped sharply in the last three months.

Since late February yields on 90-day certificates of deposit (CDs) have risen three percentage points and yields on four- to six-month commercial paper have risen about two and one-half percentage points on balance. Rates on 90-day CDs averaged 11.07 percent recently, while rates on commercial paper averaged 10.25 percent and the prime bank lending rate was 11.5 percent. Long-term interest rates also have risen substantially since late February. Yields on corporate Aaa bonds averaged 8.38 percent recently, up from 7.87 percent in late February.

Prepared by Federal Reserve Bank of St. Louis

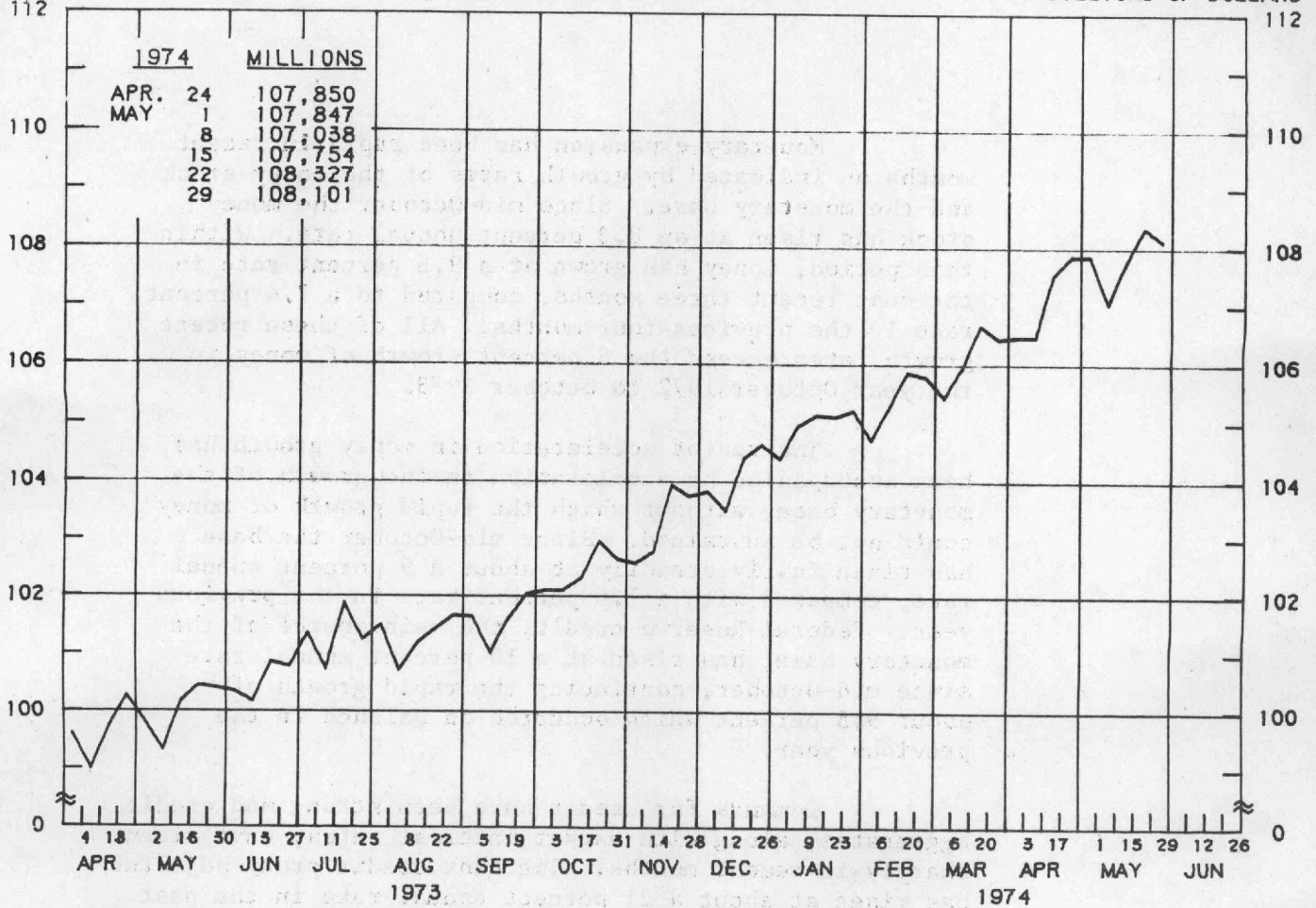
Released: May 31, 1974

MONETARY BASE

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS

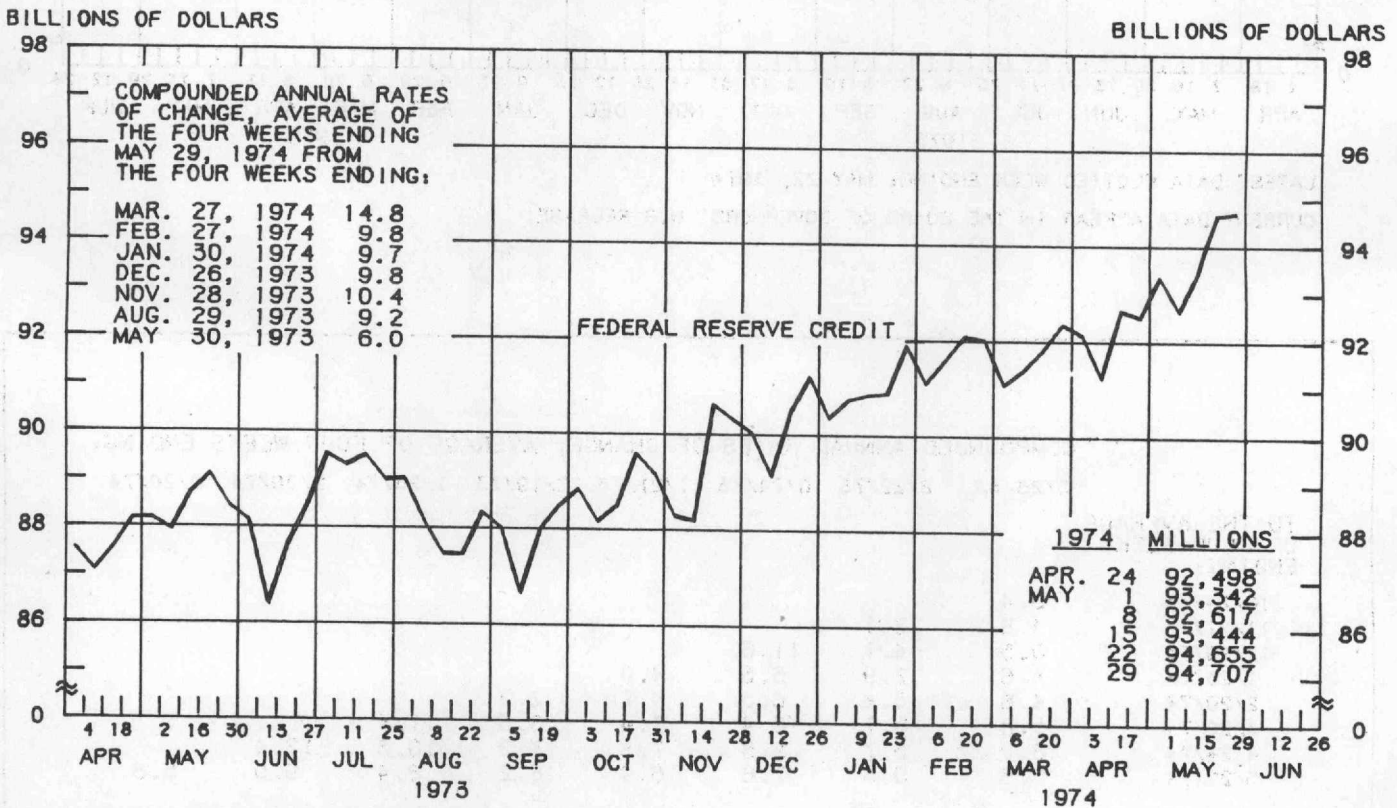
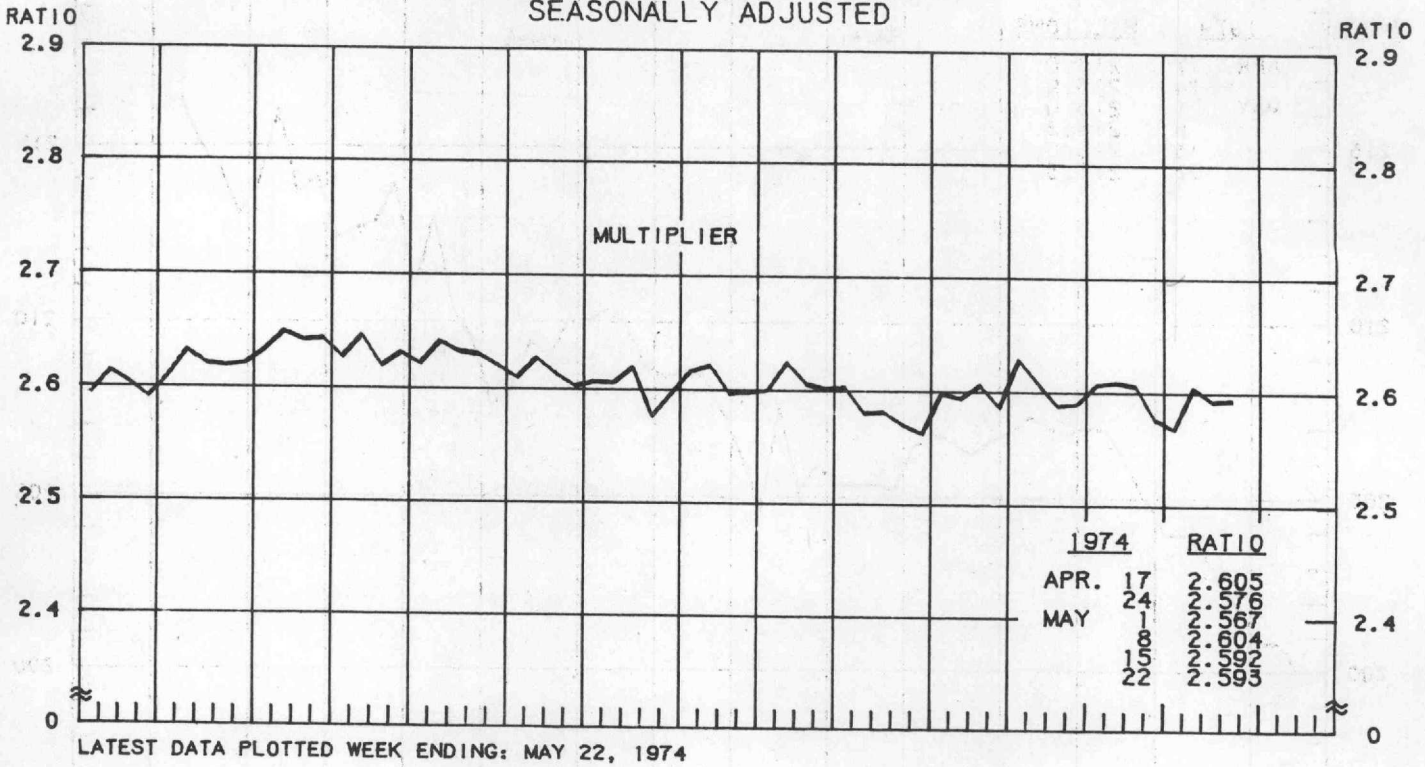


LATEST DATA PLOTTED WEEK ENDING: MAY 29, 1974

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:	5/30/73	8/29/73	10/31/73	11/28/73	12/26/73	1/30/74	2/27/74	3/27/74	
10/31/73	5.8								
11/28/73	6.5	8.2							
12/26/73	7.0	8.8	10.4						
1/30/74	7.5	9.2	10.5	10.7					
2/27/74	7.2	8.4	8.9	8.6	7.6				
3/27/74	7.3	8.5	9.0	8.7	8.1	6.5			
5/ 1/74	8.0	9.2	9.8	9.8	9.6	9.2	11.6		
5/29/74	7.7	8.7	9.1	9.0	8.7	8.1	9.5	9.6	

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



LATEST DATA PLOTTED WEEK ENDING: MAY 29, 1974

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

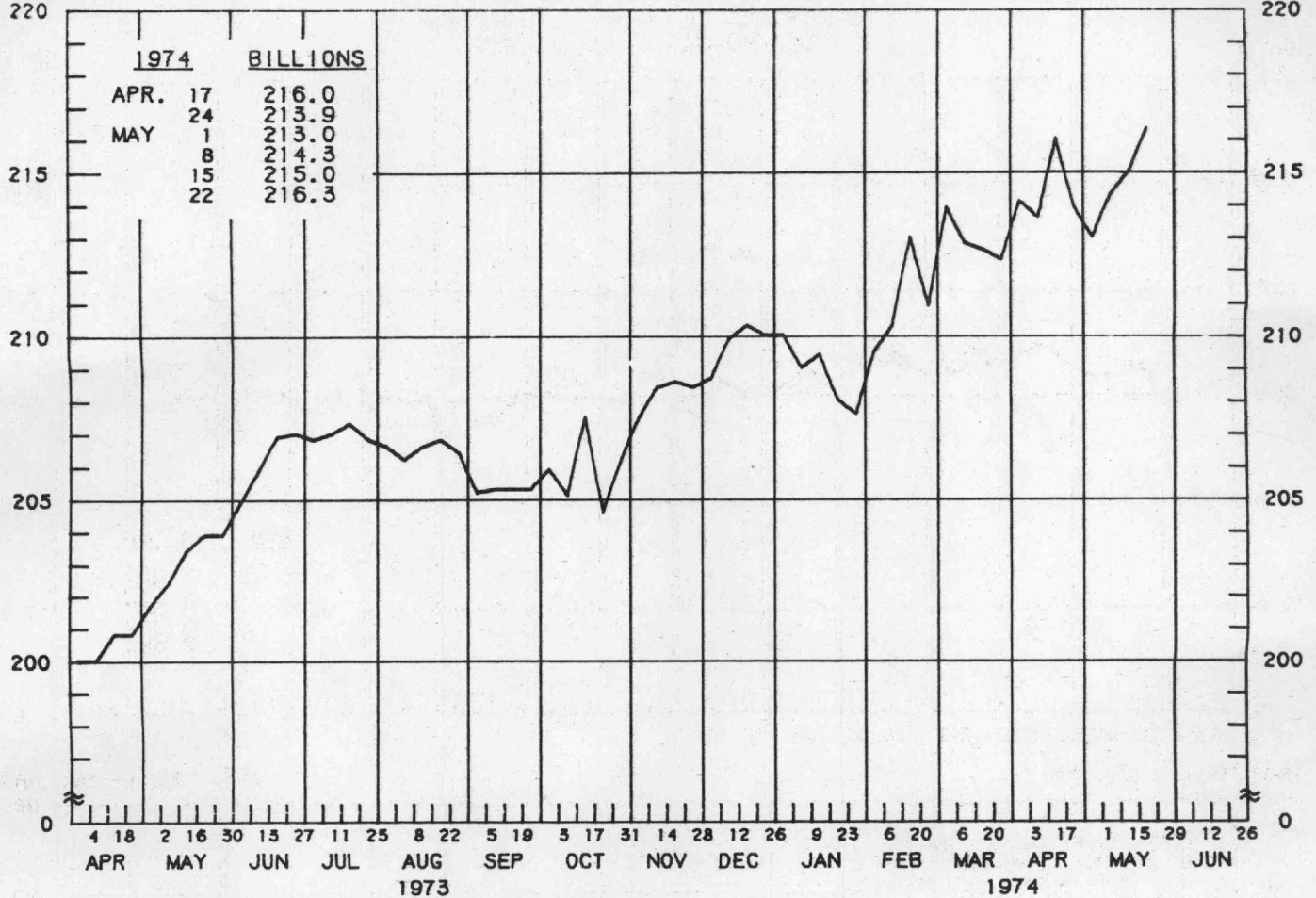
2/ DEFINED TO INCLUDE HOLDINGS OF SECURITIES, LOANS, FLOAT AND "OTHER" ASSETS, ADJUSTED FOR RESERVE REQUIREMENT CHANGES AND CHANGES IN REQUIREMENTS DUE TO SHIFTS IN DEPOSITS AMONG CLASSES OF BANKS. DATA ARE SEASONALLY ADJUSTED BY THIS BANK.

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MAY 22, 1974

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

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

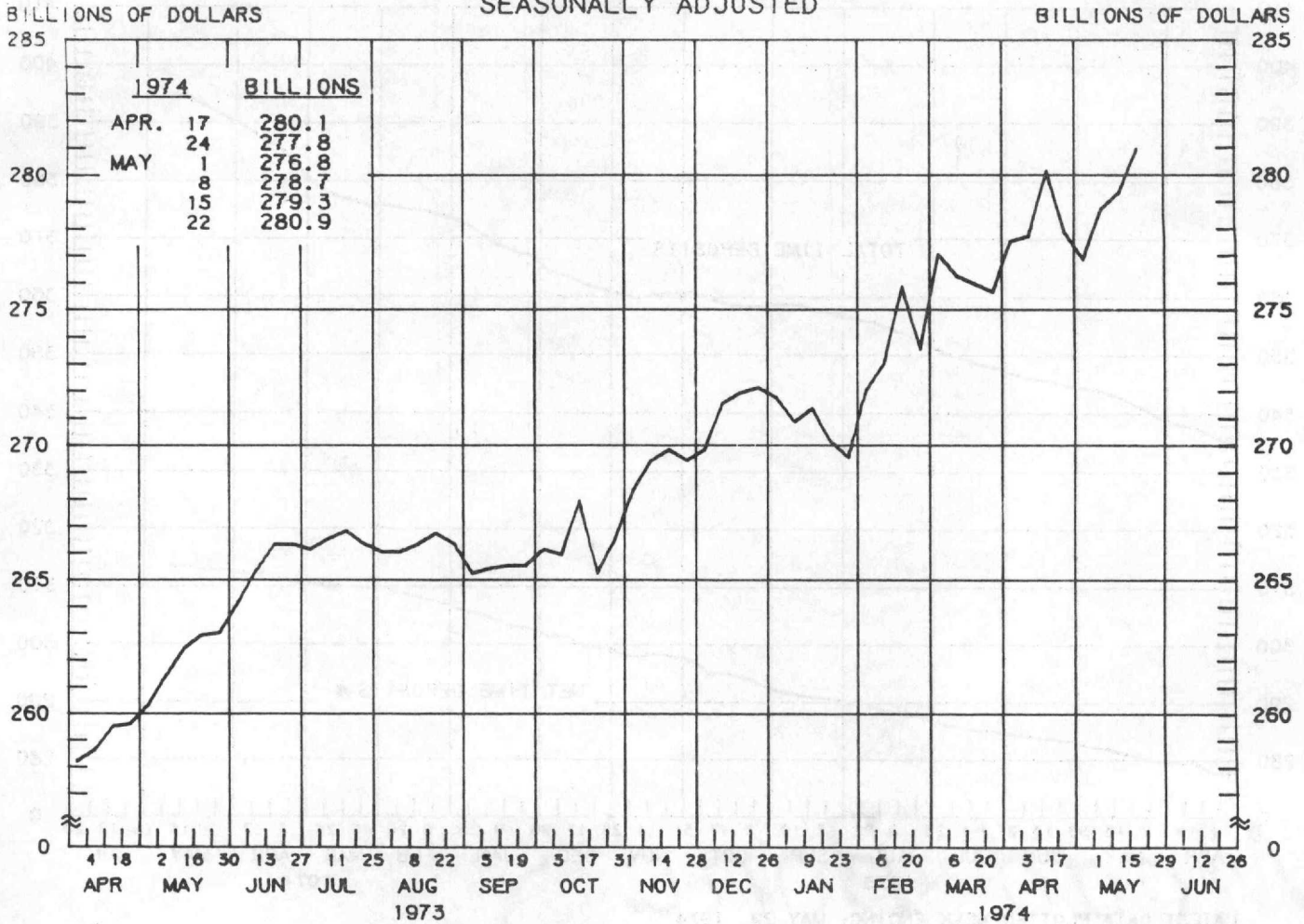
5/23/73 8/22/73 10/24/73 11/21/73 12/19/73 1/23/74 2/20/74 3/20/74

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

10/24/73	3.4							
11/21/73	4.8	2.1						
12/19/73	5.5	4.1	11.6					
1/23/74	4.6	2.9	6.6	4.0				
2/20/74	4.8	3.4	6.5	4.7	2.2			
3/20/74	5.8	5.1	8.4	7.4	6.5	11.4		
4/24/74	6.2	5.7	8.5	7.8	7.2	10.5	12.4	
5/22/74	5.8	5.3	7.6	6.9	6.2	8.4	9.0	5.8

MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 22, 1974

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

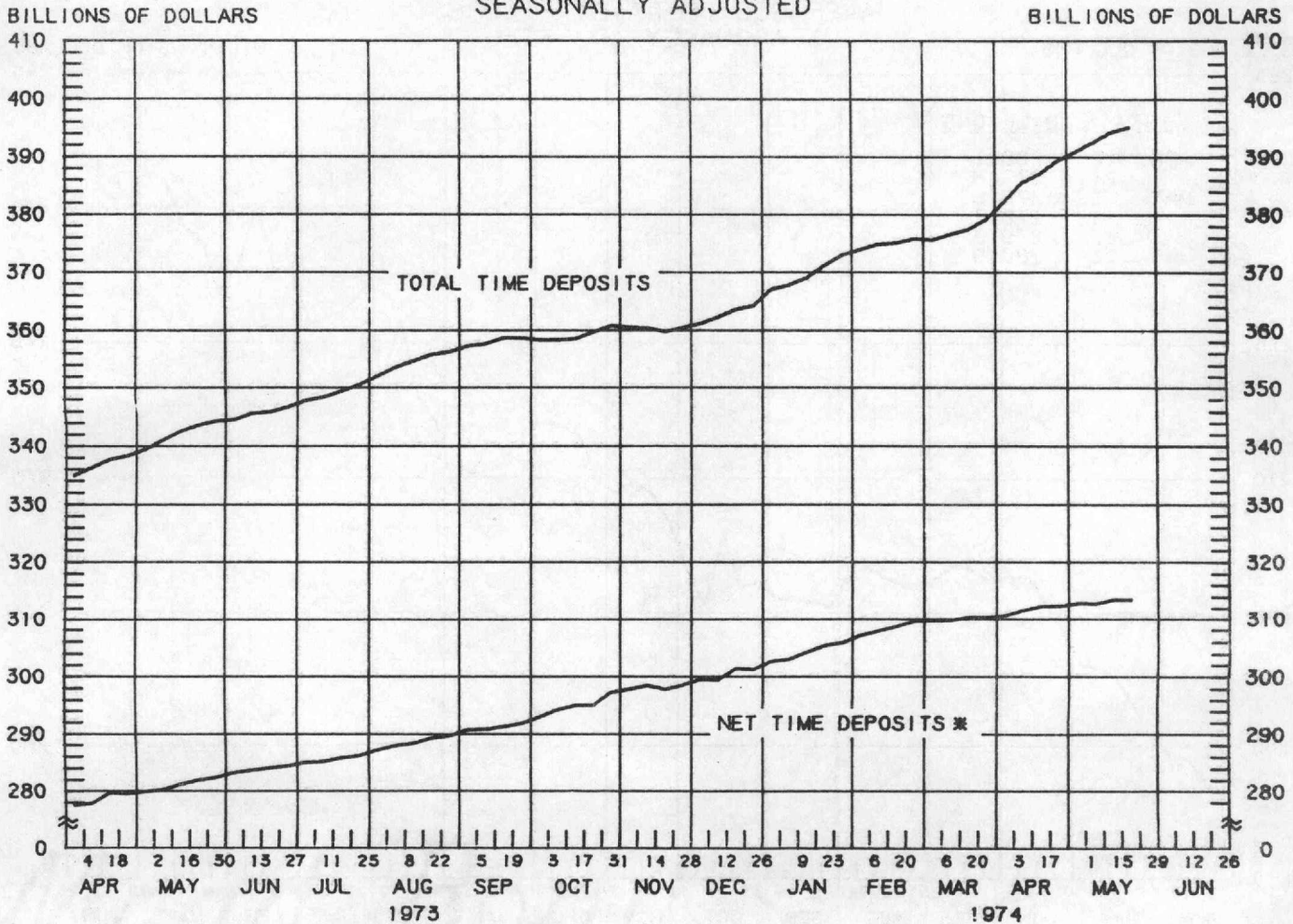
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

5/23/73 8/22/73 10/24/73 11/21/73 12/19/73 1/23/74 2/20/74 3/20/74

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

10/24/73	4.1							
11/21/73	5.2	3.3						
12/19/73	6.0	5.1	11.2					
1/23/74	5.3	4.2	7.2	5.5				
2/20/74	5.5	4.8	7.4	6.2	4.1			
3/20/74	6.5	6.2	9.0	8.4	7.6	11.8		
4/24/74	6.8	6.8	9.2	8.8	8.3	11.2	12.7	
5/22/74	6.5	6.4	8.3	7.9	7.3	9.2	9.6	6.9

TIME DEPOSITS
ALL COMMERCIAL BANKS
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 22, 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:

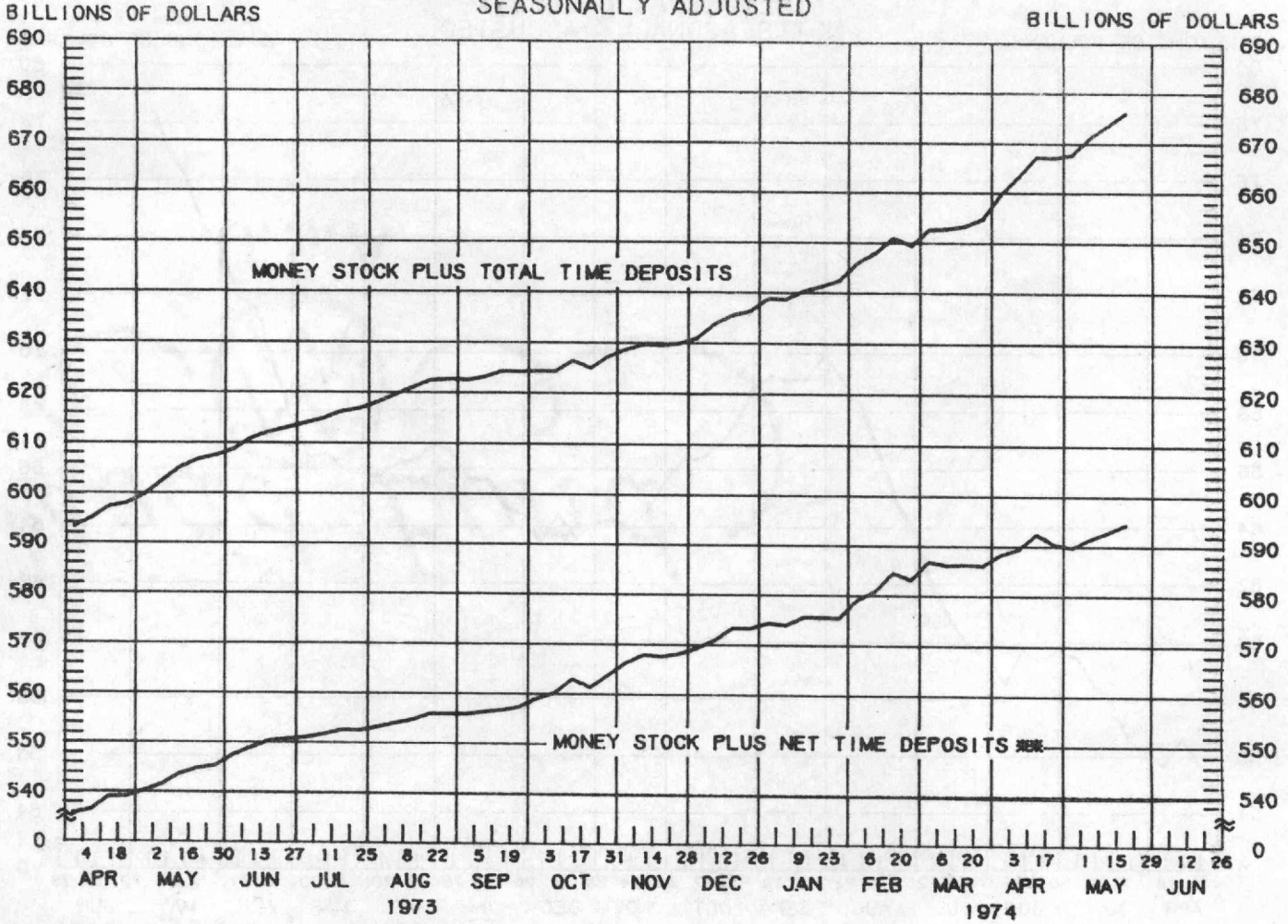
5/23/73 8/22/73 10/24/73 11/21/73 12/19/73 1/23/74 2/20/74 3/20/74

TO THE AVERAGE
 OF FOUR WEEKS
 ENDING:

10/24/73	11.7							
11/21/73	12.5	14.2						
12/19/73	11.9	12.7	12.3					
1/23/74	12.4	13.4	13.6	12.2				
2/20/74	12.8	13.8	14.1	13.4	15.8			
3/20/74	12.6	13.4	13.6	12.8	14.3	13.6		
4/24/74	11.9	12.4	12.1	11.3	12.0	10.7	8.4	
5/22/74	11.5	11.7	11.3	10.5	11.0	9.7	7.8	6.3

MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 22, 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:

5/23/73 8/22/73 10/24/73 11/21/73 12/19/73 1/23/74 2/20/74 3/20/74

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

10/24/73	8.1								
11/21/73	8.9	8.9							
12/19/73	9.0	9.0	11.5						
1/23/74	8.9	8.9	10.4	9.0					
2/20/74	9.3	9.4	10.8	10.0	10.1				
3/20/74	9.6	9.9	11.2	10.7	11.0	12.6			
4/24/74	9.5	9.7	10.7	10.2	10.3	11.0	10.5		
5/22/74	9.1	9.1	9.8	9.3	9.2	9.4	8.6	6.7	

CERTIFICATES OF DEPOSIT
LARGE COMMERCIAL BANKS
WEDNESDAY FIGURES
NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 22, 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.

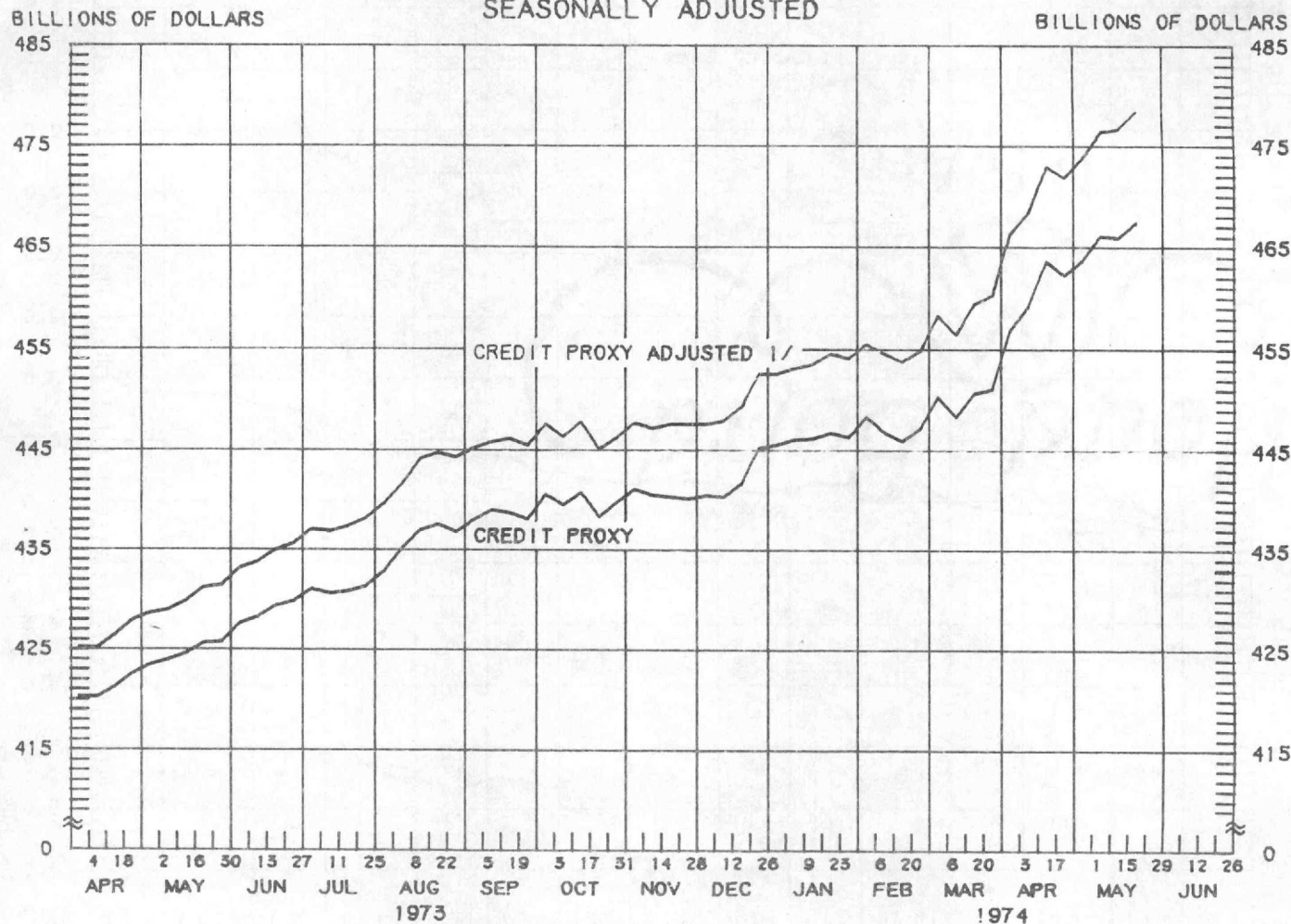
MONEY AND TIME DEPOSIT DATA					
1974	BILLIONS				
	CERTIFICATES OF DEPOSIT NOT SEAS. ADJ.	CERTIFICATES OF DEPOSIT	NET TIME DEPOSITS *	M 2 **	
APR.	3	69.5	71.5	310.5	588.1
	10	71.5	73.9	311.5	589.3
	17	71.8	74.8	312.2	592.3
	24	73.6	76.9	312.3	590.2
MAY	1	74.3	78.0	312.8	589.6
	8	76.0	79.7	312.7	591.4
	15	77.0	80.7	313.4	592.8
	22	78.5	81.6	313.4	594.3
JUNE	5				
	12				
	19				
	26				

* 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: MAY 22, 1974

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

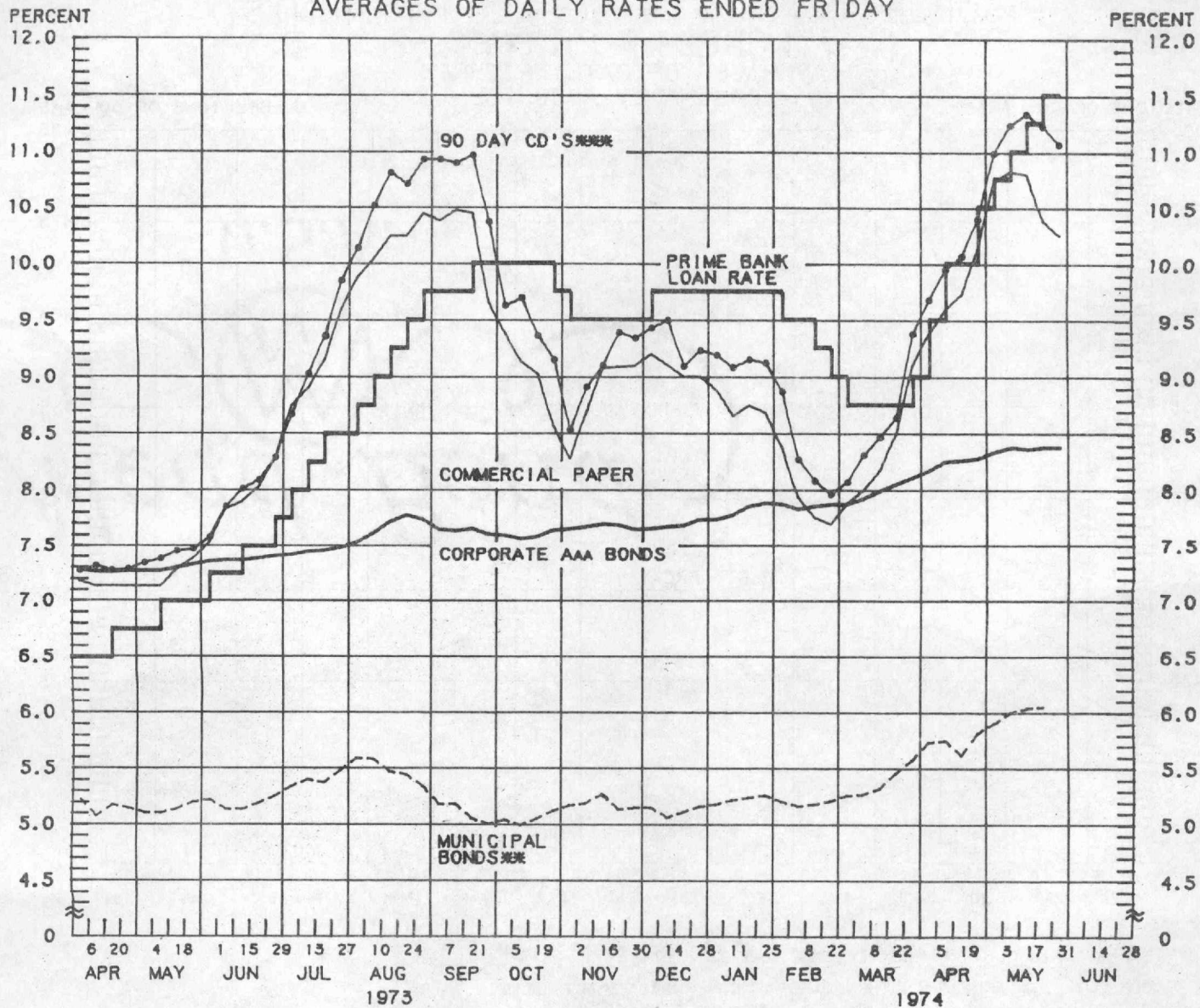
1/ INCLUDES MEMBER BANK DEPOSITS, BANK-RELATED COMMERCIAL PAPER, EURODOLLAR BORROWINGS OF U.S. BANKS, AND CERTAIN OTHER NONDEPOSIT SOURCES.

1974		BILLIONS	
		CREDIT PROXY	CREDIT PROXY ADJUSTED
APR.	17	463.5	472.9
	24	462.1	471.8
MAY	1	463.6	473.8
	8	466.0	476.4
	15	465.8	476.6
	22	467.3	478.4

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF THE FOUR WEEKS ENDING MAY 22, 1974 FROM THE FOUR WEEKS ENDING:			
		CREDIT PROXY	CREDIT PROXY ADJUSTED
MAR.	20, 1974	23.5	26.7
FEB.	20, 1974	18.0	20.7
JAN.	23, 1974	14.1	16.3
DEC.	19, 1973	14.0	15.5
NOV.	21, 1973	11.9	13.4
AUG.	22, 1973	9.3	10.3
MAY	23, 1973	9.7	10.9

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: MAY 31, 1974

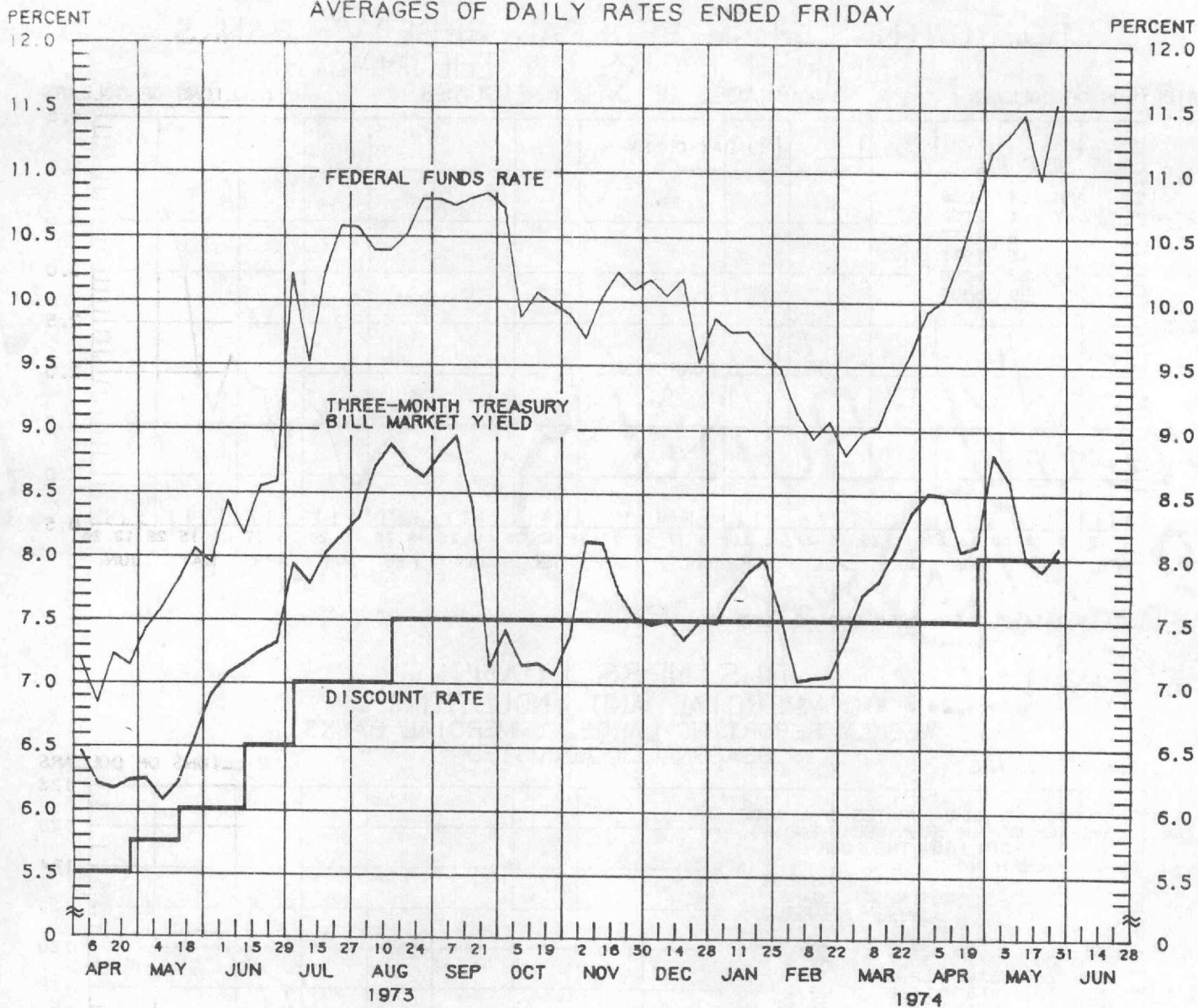
1974	90 DAY CD'S	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS
APR. 5	9.68	9.38	9.30	8.17	5.73
12	9.95	9.60	9.50	8.25	5.75
19	10.07	9.73	9.50	8.26	5.61
26	10.40	10.13	9.85	8.28	5.82
MAY 3	10.99	10.73	10.40	8.34	5.91
10	11.24	10.83	10.70	8.38	6.00
17	11.34	10.80	10.75	8.36	6.04
24	11.23	10.38	10.75	8.38	6.05
31 *	11.07	10.25	10.75	8.38	N.A.
JUNE 7					
14					
21					
28					

* 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

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: MAY 31, 1974

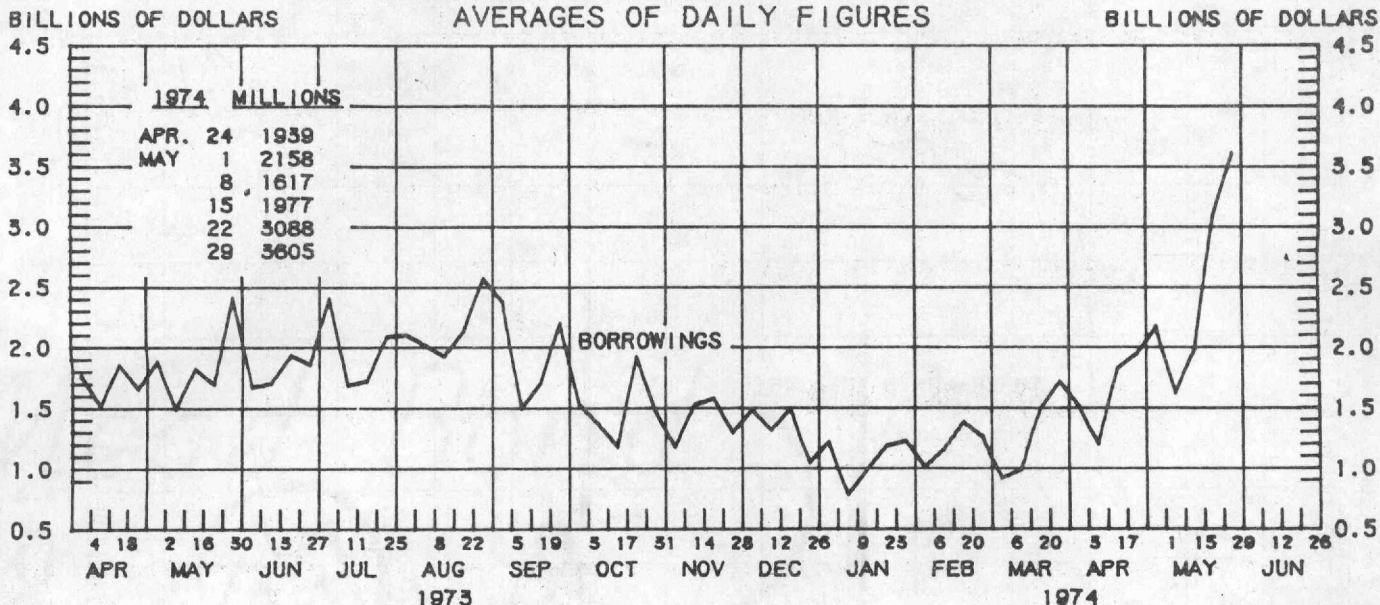
1974	FEDERAL FUNDS ***	3-MONTH TREASURY BILLS	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES
APR. 5	9.93	8.51	7.91	7.02
12	10.02	8.49	7.98	7.04
19	10.36	8.05	7.94	6.99
26	10.78	8.10	8.04	7.07
MAY 3	11.17	8.81	8.29	7.11
10	11.29	8.60	8.51	7.09
17	11.46	8.00	8.20	7.02
24	10.95	7.90	8.09	7.08
31 *	11.54	8.08	8.09	7.08
JUNE 7				
14				
21				
28				

* AVERAGES OF RATES AVAILABLE.

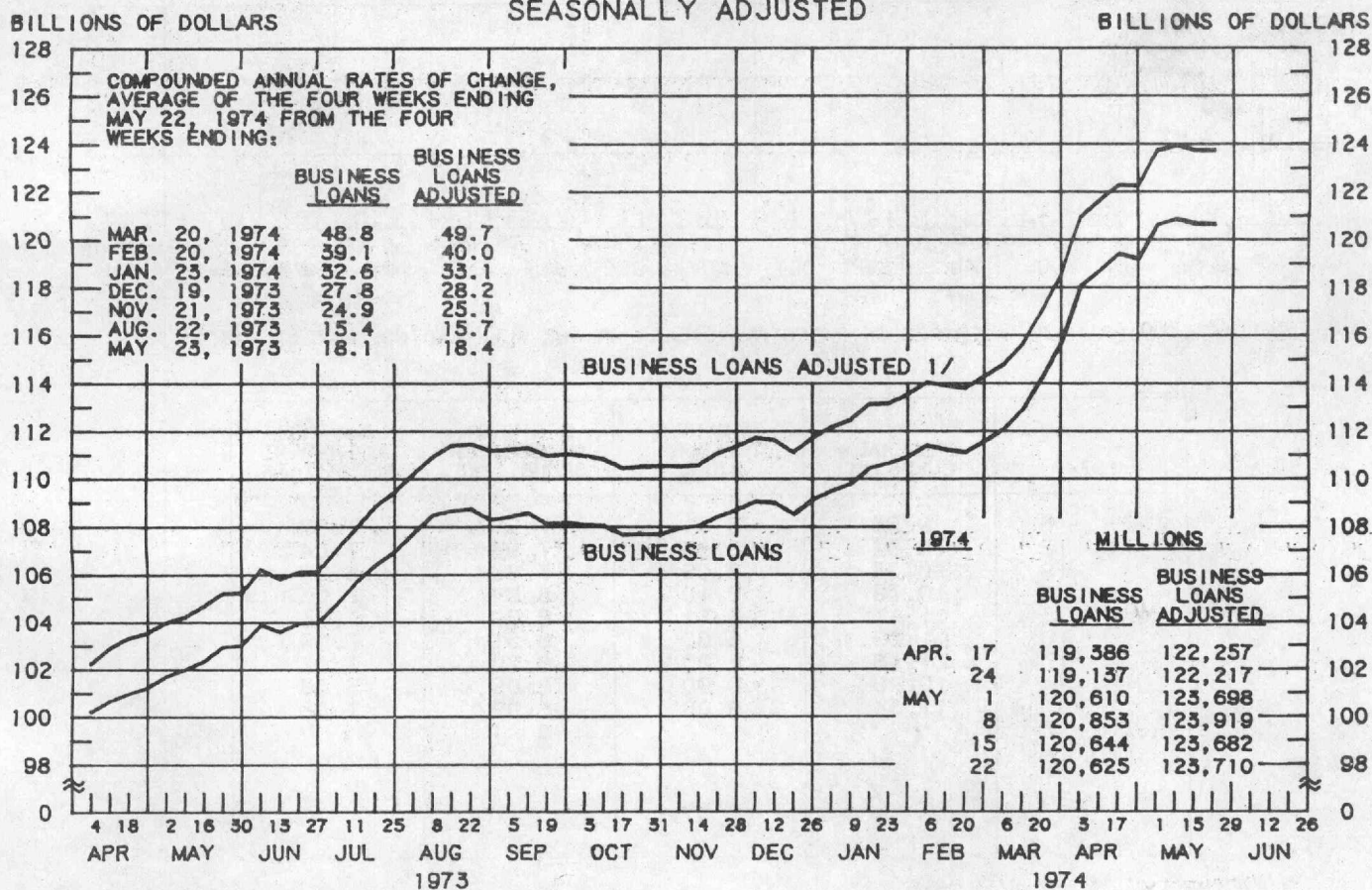
** SEVEN-DAY AVERAGES FOR WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATE SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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.