



Week ending: June 12, 1974

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Monetary and financial developments in recent months include sharp rises in interest rates and rapid increases in the money stock and bank credit. Underlying these developments are rapid expansion in Federal Reserve credit and the monetary base and a rise in the demand for credit.

Most short-term interest rates, though little changed in the past few weeks, have risen several percentage points on balance since late February. Yields on prime four- to six-month commercial paper averaged 10.59 percent in the first part of this week, compared to about 7.7 percent in late February. Yields on three-month Treasury bills averaged 8.16 percent recently, a net increase of about one percentage point since late February. Rises in long-term interest rates since late February have also been considerable, compared to the net change from the spring of 1973 to last February. In recent days yields on corporate Aaa bonds averaged 8.38 percent, a rise of about 50 basis points in little less than four months, following the same net increase over the previous eight months.

The money stock has risen at a 7.5 percent annual rate in the past three months following about an 8 percent rate in the previous three months. These rates are faster than the 5 percent rate from late May 1973 to late November, and the average growth rate of 6.9 percent per year since early 1970. The bank credit proxy adjusted has risen at a 22 percent annual rate in the past three months, following a 7.2 percent rate in the previous three months and a 7.6 percent rate from a year ago to November.

Expansion in the monetary base, which is essential to sustained expansion of the money stock and bank credit, has been at a 9 percent annual rate in the past three months. In the previous three months, the monetary base grew at an 8 percent rate and from a year ago to late November, it grew at about a 7 percent rate. Federal Reserve credit, the main source of the base, has risen at an 11.4 percent rate in the last three months, following a 7.3 percent rate in the previous three months and a 4.6 percent rise in the prior six months.

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Borrowings from F.R. and Business Loans	page 11
Member Bank Deposits	page 12

Prepared by Federal Reserve Bank of St. Louis

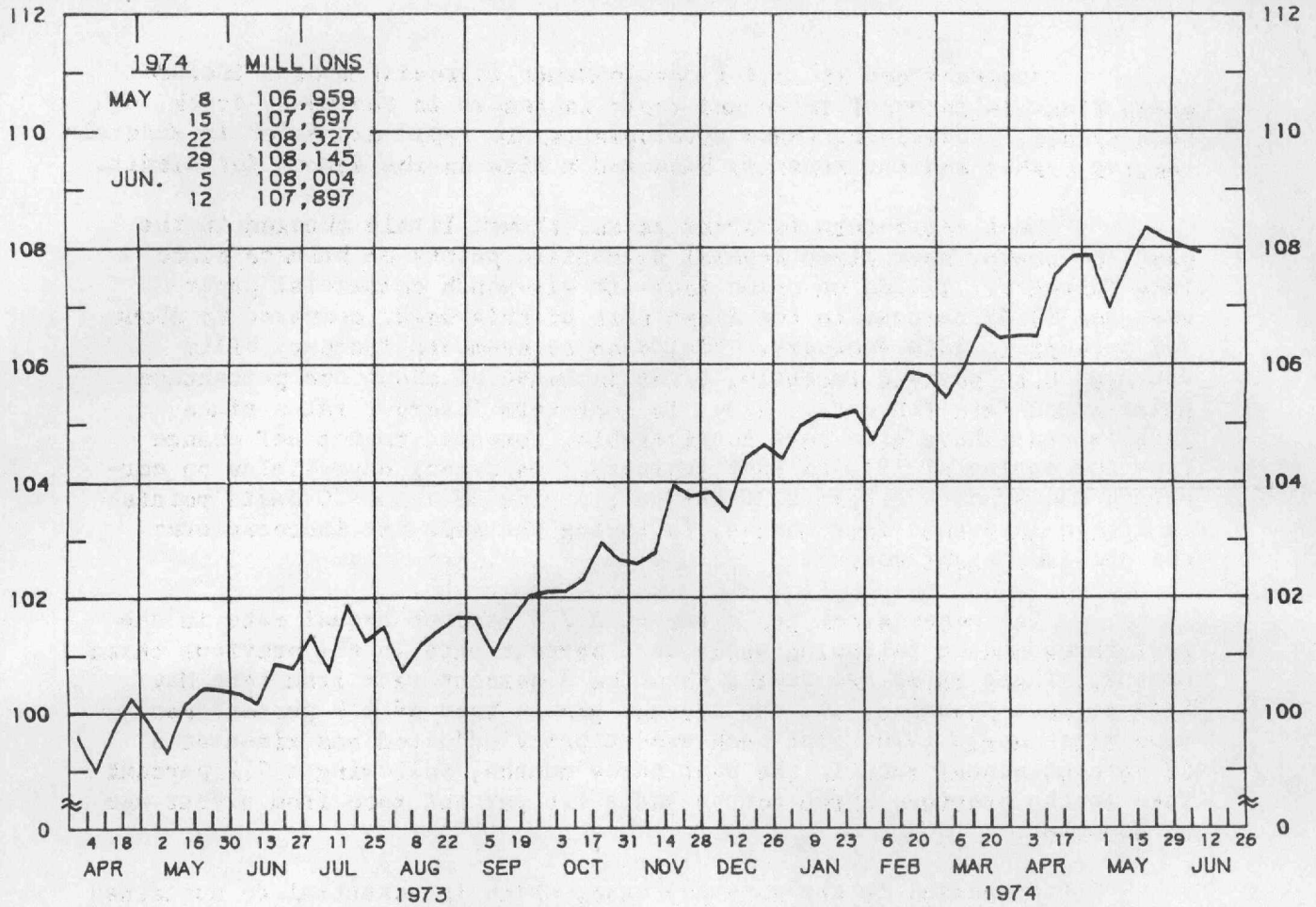
Released: June 14, 1974

MONETARY BASE

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JUNE 12, 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:

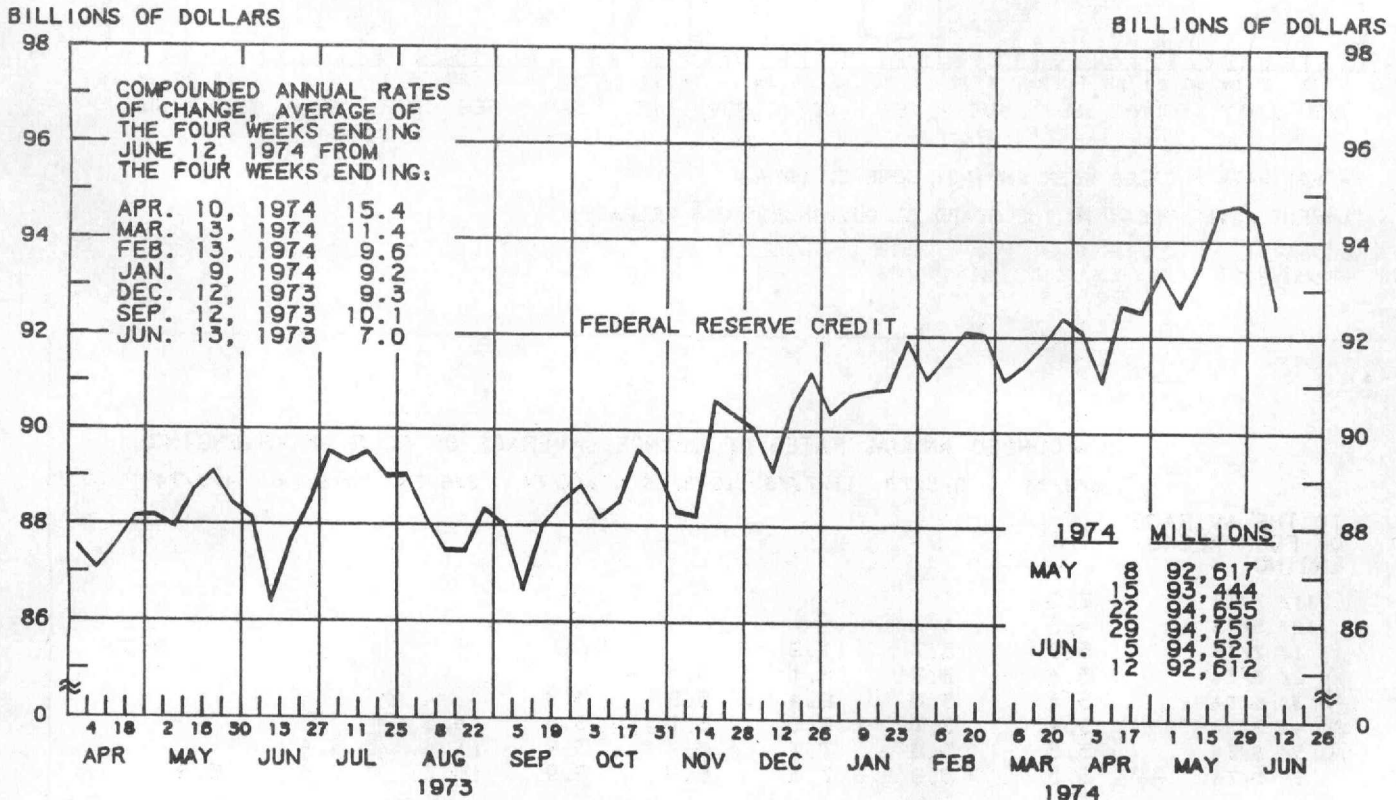
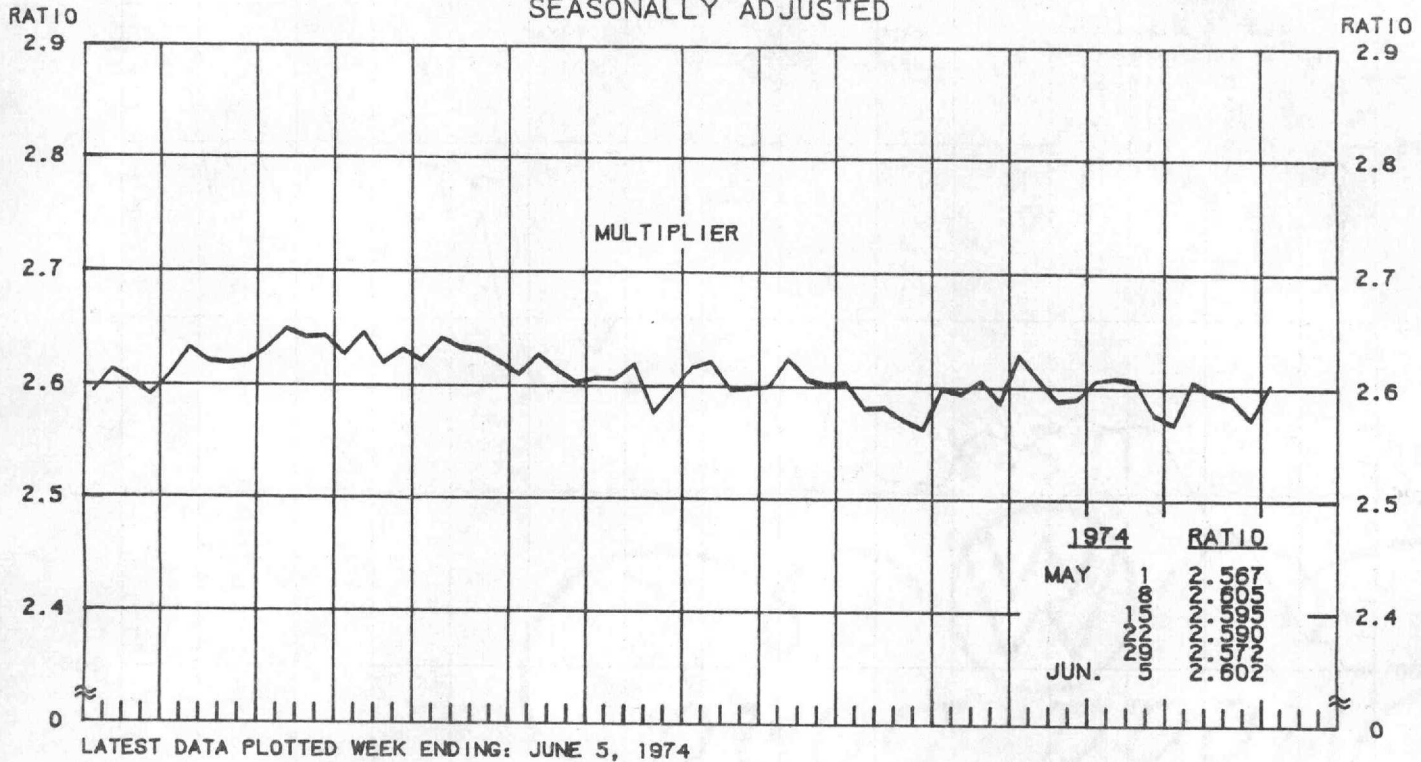
6/13/73 9/12/73 11/14/73 12/12/73 1/9/74 2/13/74 3/13/74 4/10/74

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

11/14/73	5.8								
12/12/73	6.9	9.4							
1/9/74	7.5	9.8	12.3						
2/13/74	7.1	8.7	9.4	7.6					
3/13/74	7.3	8.7	9.2	8.0	6.6				
4/10/74	7.5	8.8	9.3	8.4	7.6	9.3			
5/15/74	7.9	9.2	9.7	9.0	8.5	10.0	10.5		
6/12/74	7.7	8.9	9.2	8.6	8.1	9.1	9.2	8.9	

MULTIPLIER ^{1/} FEDERAL RESERVE CREDIT ^{2/}

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JUNE 12, 1974

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

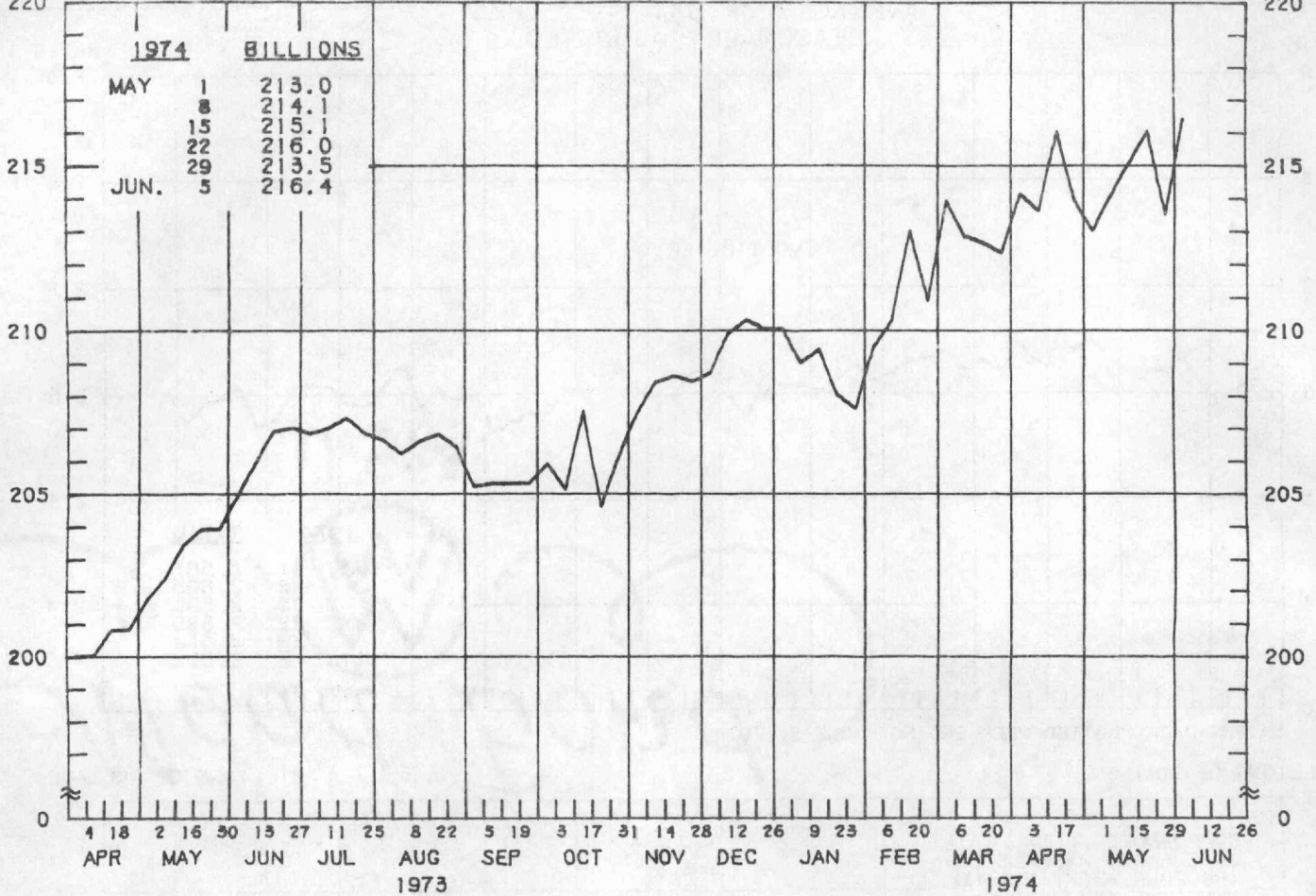
2/ DEFINED TO INCLUDE HOLDINGS OF SECURITIES, LOANS, FLOAT AND "OTHER" ASSETS, ADJUSTED FOR RESERVE REQUIREMENT CHANGES AND CHANGES IN REQUIREMENTS DUE TO SHIFTS IN DEPOSITS AMONG CLASSES OF BANKS. DATA ARE SEASONALLY ADJUSTED BY THIS BANK.

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS
220

BILLIONS OF DOLLARS
220



LATEST DATA PLOTTED WEEK ENDING: JUNE 5, 1974

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

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

6/6/73 9/5/73 11/7/73 12/5/73 1/2/74 2/6/74 3/6/74 4/3/74

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

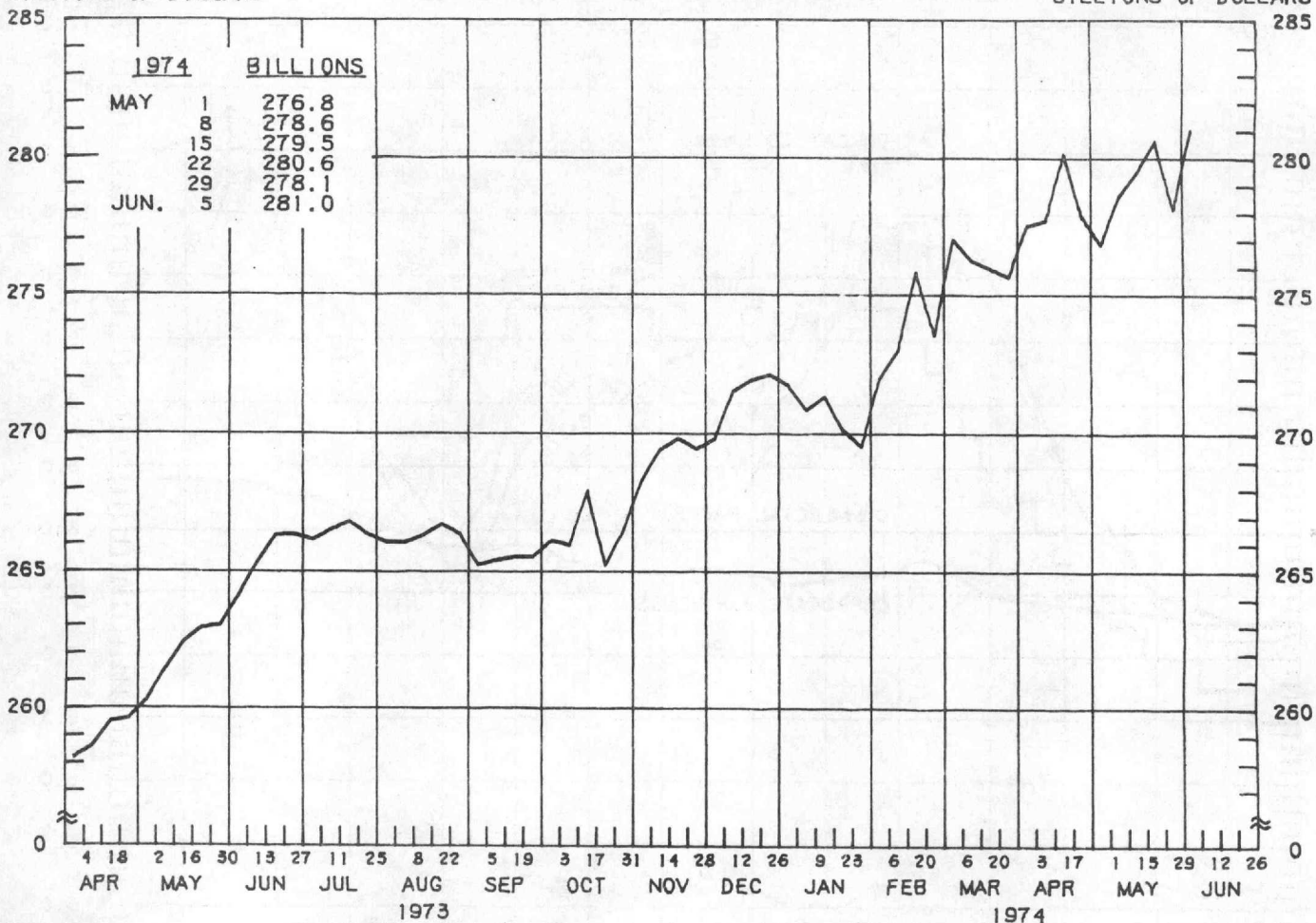
11/ 7/73	2.9								
12/ 5/73	4.5	4.3							
1/ 2/74	5.2	5.7	11.9						
2/ 6/74	3.4	2.7	4.1	0.3					
3/ 6/74	5.3	5.6	8.4	6.9	5.3				
4/ 3/74	5.4	5.7	8.0	6.7	5.6	14.5			
5/ 8/74	5.5	5.8	7.7	6.7	5.9	11.4	6.4		
6/ 5/74	5.5	5.9	7.5	6.6	5.9	10.2	6.4	6.4	

MONEY STOCK

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JUNE 5, 1974

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

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

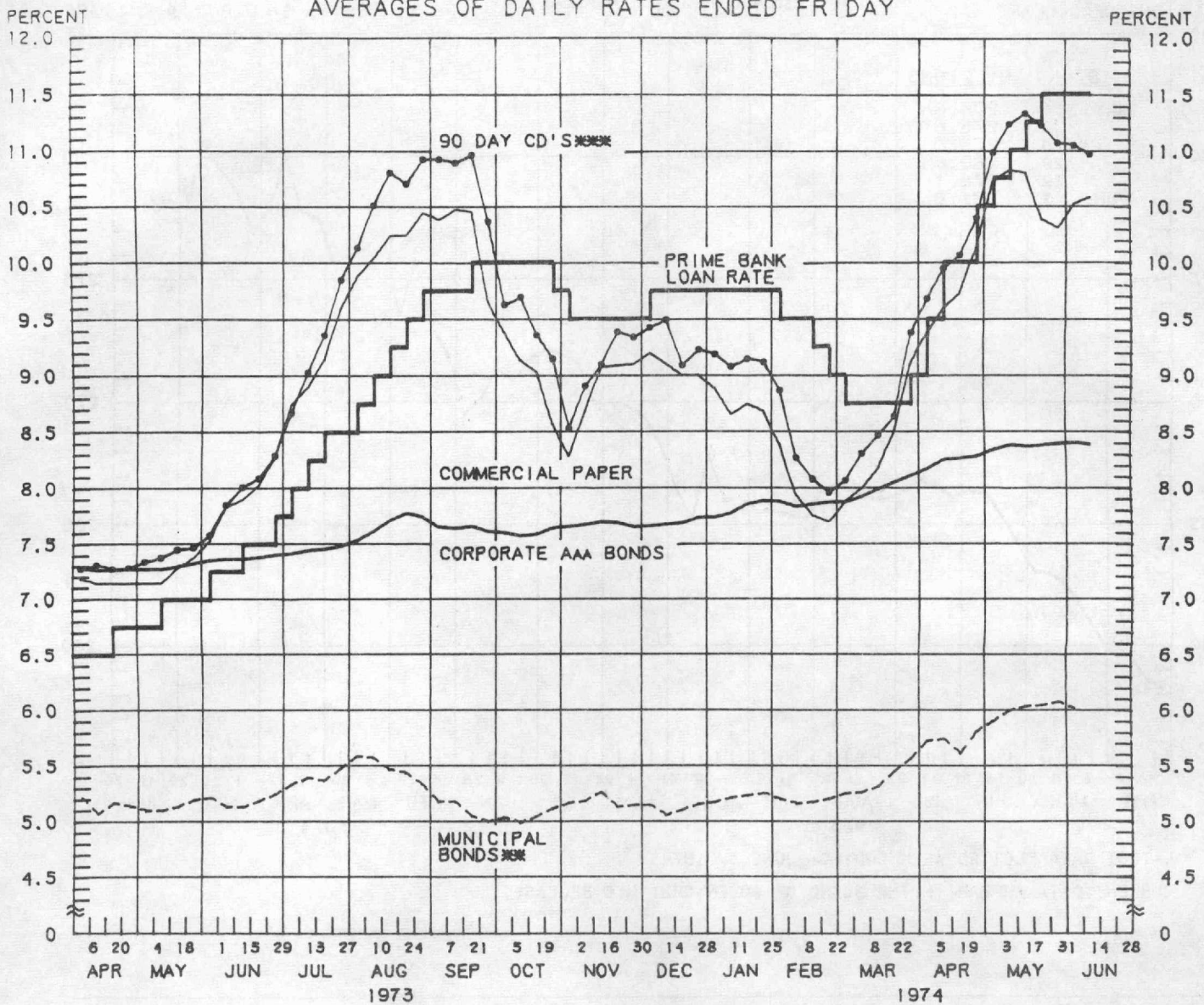
6/6/73 9/5/73 11/7/73 12/5/73 1/2/74 2/6/74 3/6/74 4/3/74

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

11/ 7/73	3.5							
12/ 5/73	5.0	5.4						
1/ 2/74	5.8	6.7	12.3					
2/ 6/74	4.3	4.1	5.7	2.4				
3/ 6/74	6.0	6.6	9.2	7.9	6.5			
4/ 3/74	6.1	6.7	8.8	7.8	6.8	14.2		
5/ 8/74	6.3	6.9	8.6	7.8	7.1	11.7	7.6	
6/ 5/74	6.3	6.9	8.5	7.7	7.1	10.6	7.5	7.5

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JUNE 14, 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
MAY 26	10.40	10.13	9.85	8.28	5.82
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	10.31	10.75	8.39	6.08
JUNE 7	11.05	10.53	10.75	8.40	6.01
14 *	10.97	10.59	10.75	8.38	N.A.
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

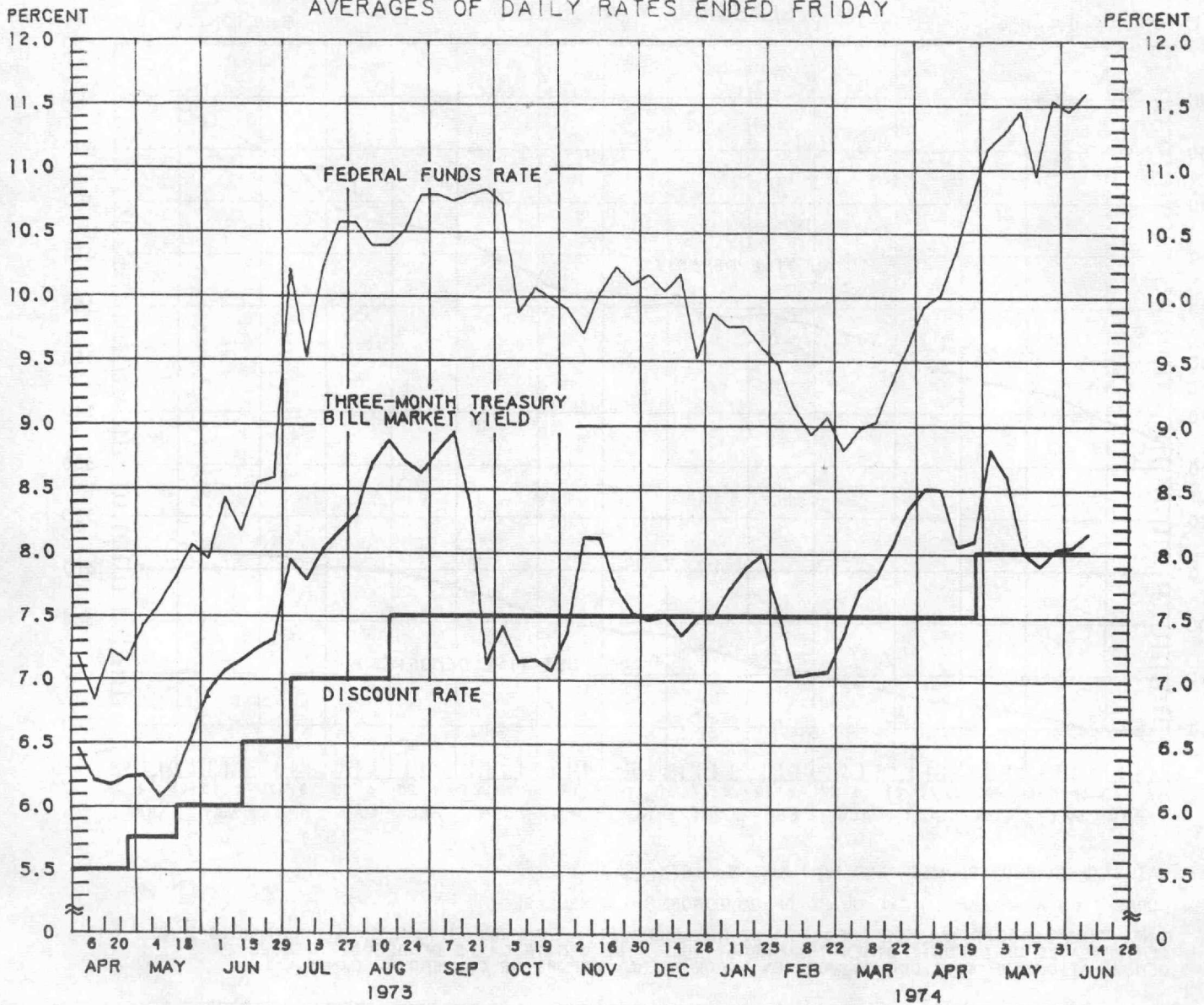
EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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: JUNE 14, 1974

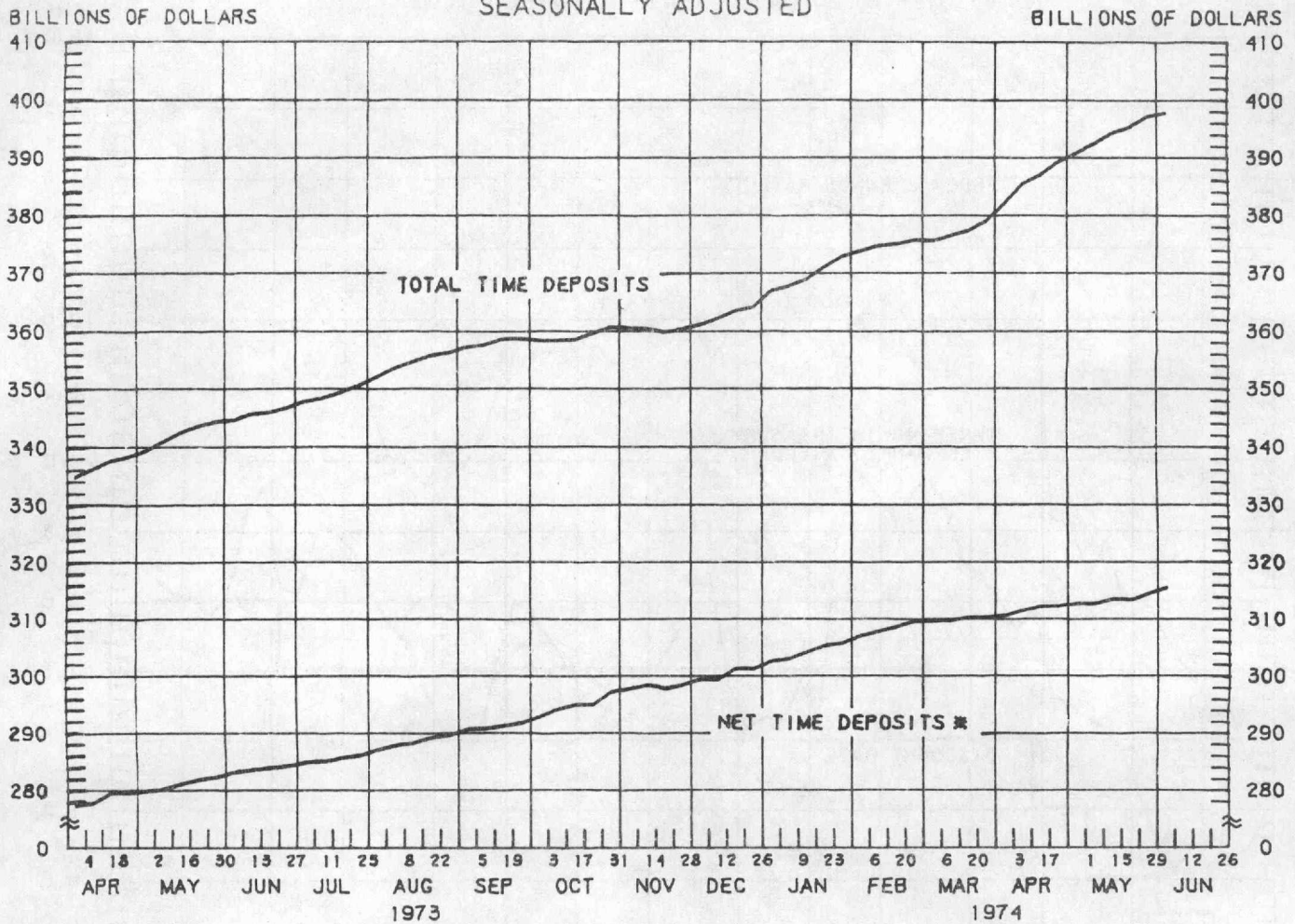
1974	FEDERAL FUNDS ***	3-MONTH TREASURY BILLS	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES
APR. 5	9.93	8.51	7.91	7.02
12	10.02	8.49	7.98	7.04
19	10.36	8.05	7.94	6.99
26	10.78	8.10	8.04	7.07
MAY 3	11.17	8.81	8.29	7.11
10	11.29	8.60	8.51	7.09
17	11.46	8.00	8.20	7.02
24	10.95	7.90	8.09	7.08
31	11.54	8.04	8.07	7.06
JUNE 7	11.45	8.05	8.06	7.04
14 *	11.60	8.16	8.01	6.98
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

TIME DEPOSITS
ALL COMMERCIAL BANKS
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JUNE 5, 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:

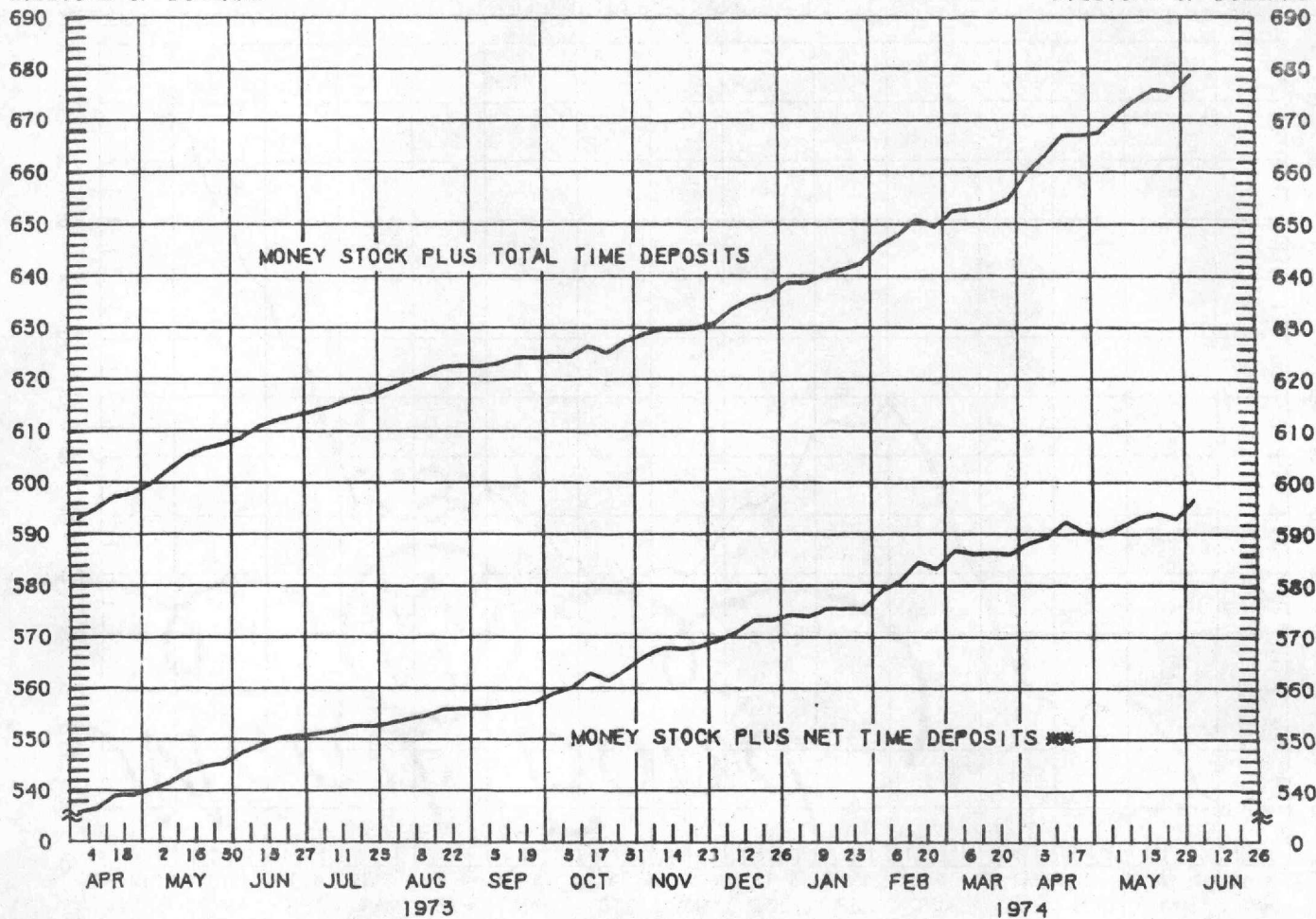
	6/6/73	9/5/73	11/7/73	12/5/73	1/2/74	2/6/74	3/6/74	4/3/74
TO THE AVERAGE OF FOUR WEEKS ENDING:								
11/ 7/73	12.2							
12/ 5/73	11.9	13.0						
1/ 2/74	11.9	12.8	11.0					
2/ 6/74	12.6	13.6	13.2	14.5				
3/ 6/74	12.8	13.9	13.6	14.7	15.9			
4/ 3/74	12.1	12.7	12.0	12.5	12.6	10.2		
5/ 8/74	11.7	12.0	11.2	11.4	11.3	9.3	6.9	
6/ 5/74	11.4	11.6	10.8	10.9	10.7	9.0	7.2	7.9

MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JUNE 5, 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:

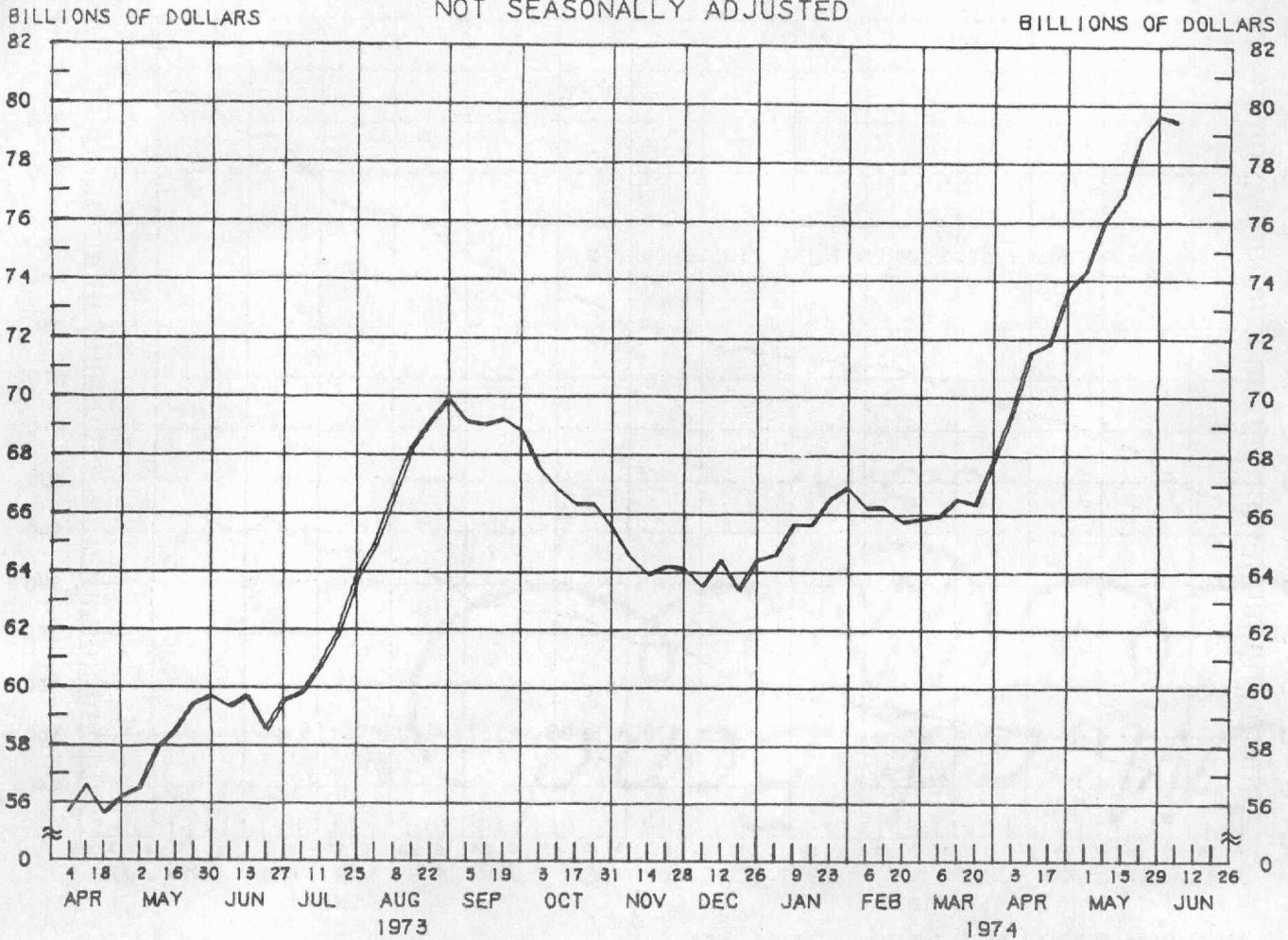
6/6/73 9/5/73 11/7/73 12/5/73 1/2/74 2/6/74 3/6/74 4/3/74

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

11/ 7/73	8.1								
12/ 5/73	8.5	9.3							
1/ 2/74	8.9	9.8	11.4						
2/ 6/74	8.6	9.0	9.4	8.6					
3/ 6/74	9.5	10.4	11.4	11.4	11.4				
4/ 3/74	9.2	9.8	10.4	10.2	9.8	12.1			
5/ 8/74	9.1	9.6	10.0	9.7	9.3	10.5	7.3		
6/ 5/74	8.9	9.3	9.6	9.3	8.9	9.7	7.2	7.6	

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES
NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JUNE 5, 1974

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

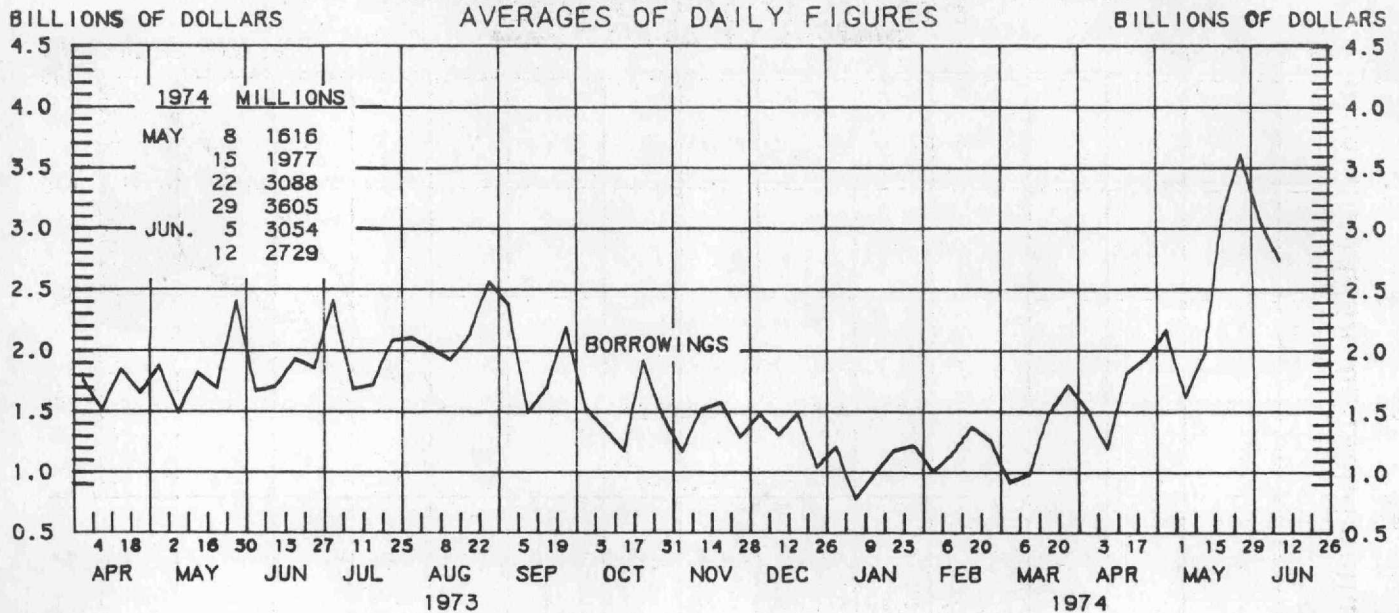
NEGOTIABLE TIME CERTIFICATES OF DEPOSIT ISSUED IN DENOMINATIONS OF \$100,000 OR MORE BY LARGE WEEKLY REPORTING COMMERCIAL BANKS.

MONEY AND TIME DEPOSIT DATA				
BILLIONS				
1974	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	591.3
15	76.9	80.6	313.6	593.1
22	78.8	82.0	313.3	593.8
29	79.6	82.5	314.6	592.7
JUNE 5	79.4	82.2	315.6	596.5
12				
19				
26				

* SEE FOOTNOTE PAGE 6.
** SEE FOOTNOTE PAGE 7.

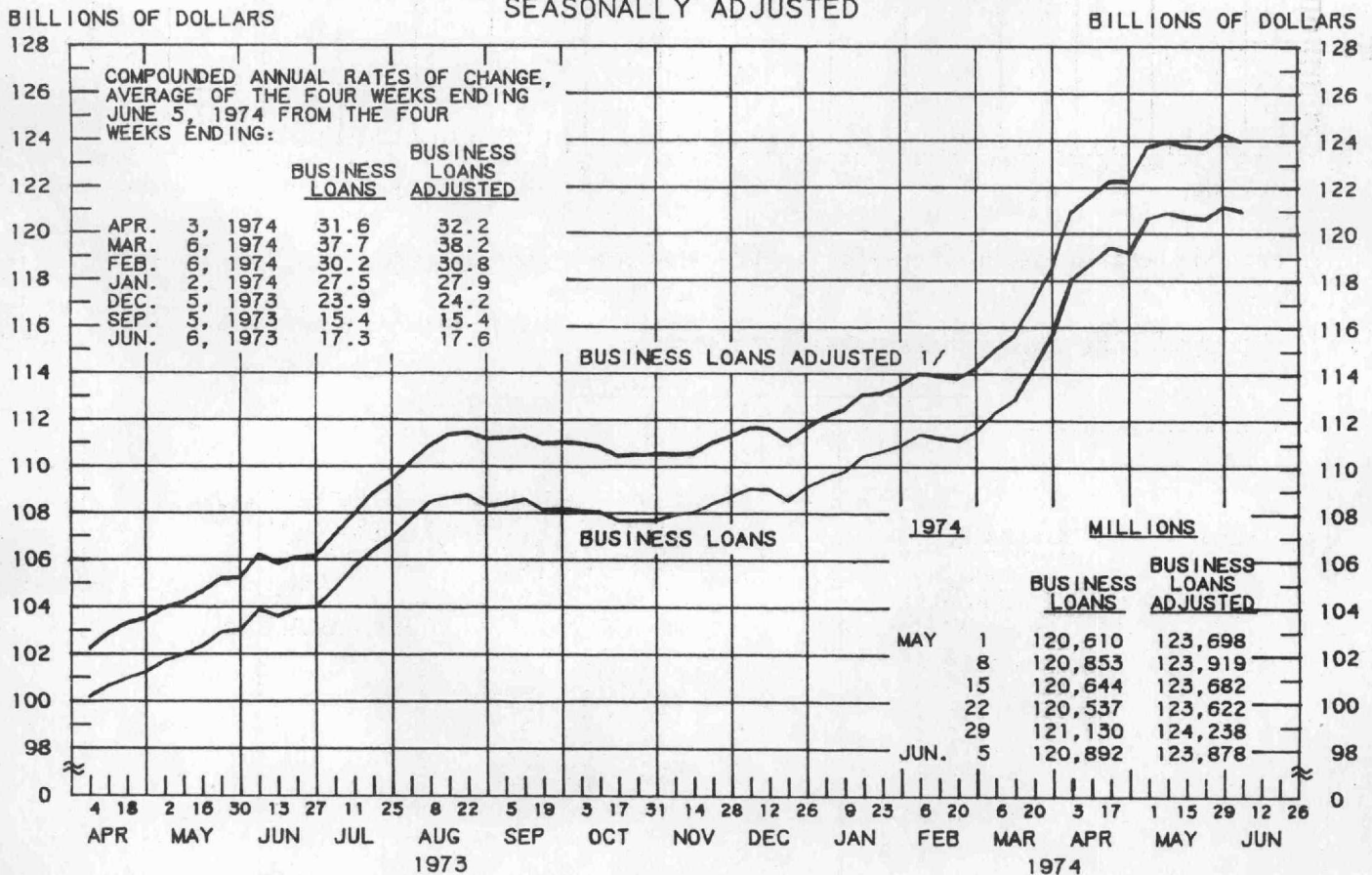
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



LATEST DATA PLOTTED WEEK ENDING: JUNE 12, 1974

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

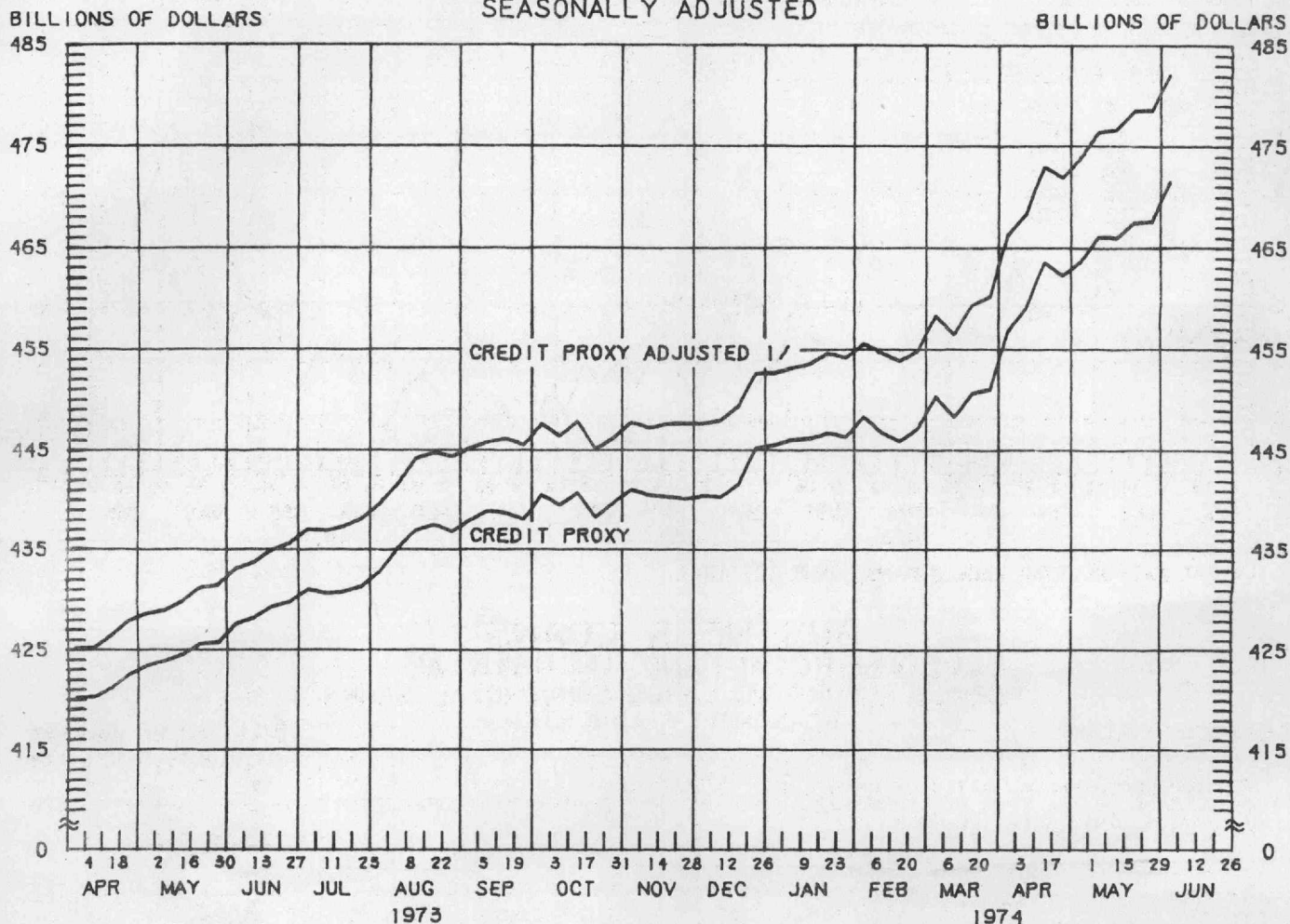


LATEST DATA PLOTTED WEEK ENDING: JUNE 5, 1974

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

**MEMBER BANK DEPOSITS
SUBJECT TO RESERVE REQUIREMENTS
(CREDIT PROXY)
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED**



LATEST DATA PLOTTED WEEK ENDING: JUNE 5, 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
MAY	1	463.6	473.8
	8	466.0	476.4
	15	465.8	476.6
	22	467.4	478.5
	29	467.5	478.5
JUN.	5	471.4	482.0

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF THE FOUR WEEKS ENDING JUNE 5, 1974 FROM THE FOUR WEEKS ENDING:			
		CREDIT PROXY	CREDIT PROXY ADJUSTED
APR.	3, 1974	22.7	25.2
MAR.	6, 1974	19.6	22.4
FEB.	6, 1974	15.2	17.4
JAN.	2, 1974	13.8	15.5
DEC.	5, 1973	13.0	14.5
SEP.	5, 1973	9.5	10.4
JUN.	6, 1973	9.9	11.0