



Week ending: July 3, 1974

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JUN 08 1979

Most short-term market interest rates have risen in recent weeks after a pause, from mid-May to early June, in the sharp upward movements which began in late February. Declines in some short-term rates of about one-half of a percentage point in the few weeks following mid-May fostered conjectures that 1974 peaks in short-term market interest rates were past and that yields would be declining in the balance of the year. In the last two weeks, however, many market rates have averaged above their levels in mid-May. Recent yields on prime four- to six-month commercial paper, for example, averaged 11.79 percent, up from 10.80 percent in mid-May. Only yields on Treasury issues, influenced by extraordinary demand for high quality securities, remain below their mid-May levels. Yields on three-month Treasury bills averaged 7.46 percent in recent days, down from 8 percent in mid-May.

Demand pressures have been a major factor underlying the rising levels of most short-term interest rates. With strong demand for bank loans, the prime bank loan rate was adjusted upward at very short intervals from 8.75 percent in late March to 11.5 percent by mid-May. After maintaining that rate for about six weeks, many large banks raised their prime rate to 11.75 percent effective June 27; subsequently, a few banks have raised it to 12 percent. Bank demand for reserves has also increased with the rising level of deposits. Consequently, the Federal funds rate has climbed from about 9 percent in late February to an average of 13.55 percent in the past week.

The money stock and monetary base have continued to rise rapidly in recent months. Since mid-December, for example, the money stock has risen at a 7.3 percent annual rate and the monetary base at an 8.4 percent rate. Over the longer-term from early 1972, the money stock has risen at a 7.6 percent average annual rate and the monetary base at a 7.8 percent rate.

Prepared by Federal Reserve Bank of St. Louis

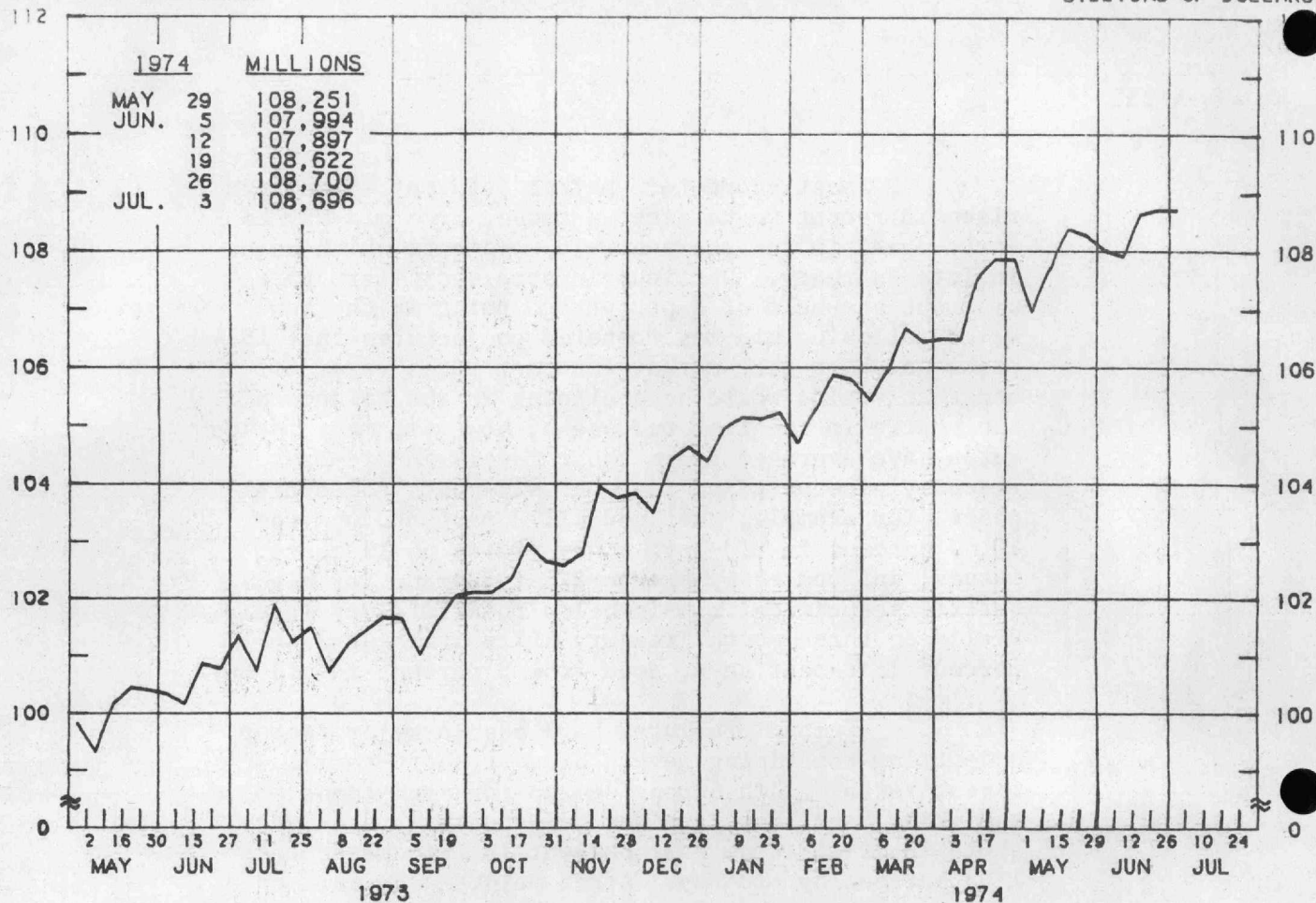
Released: July 5, 1974

MONETARY BASE

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



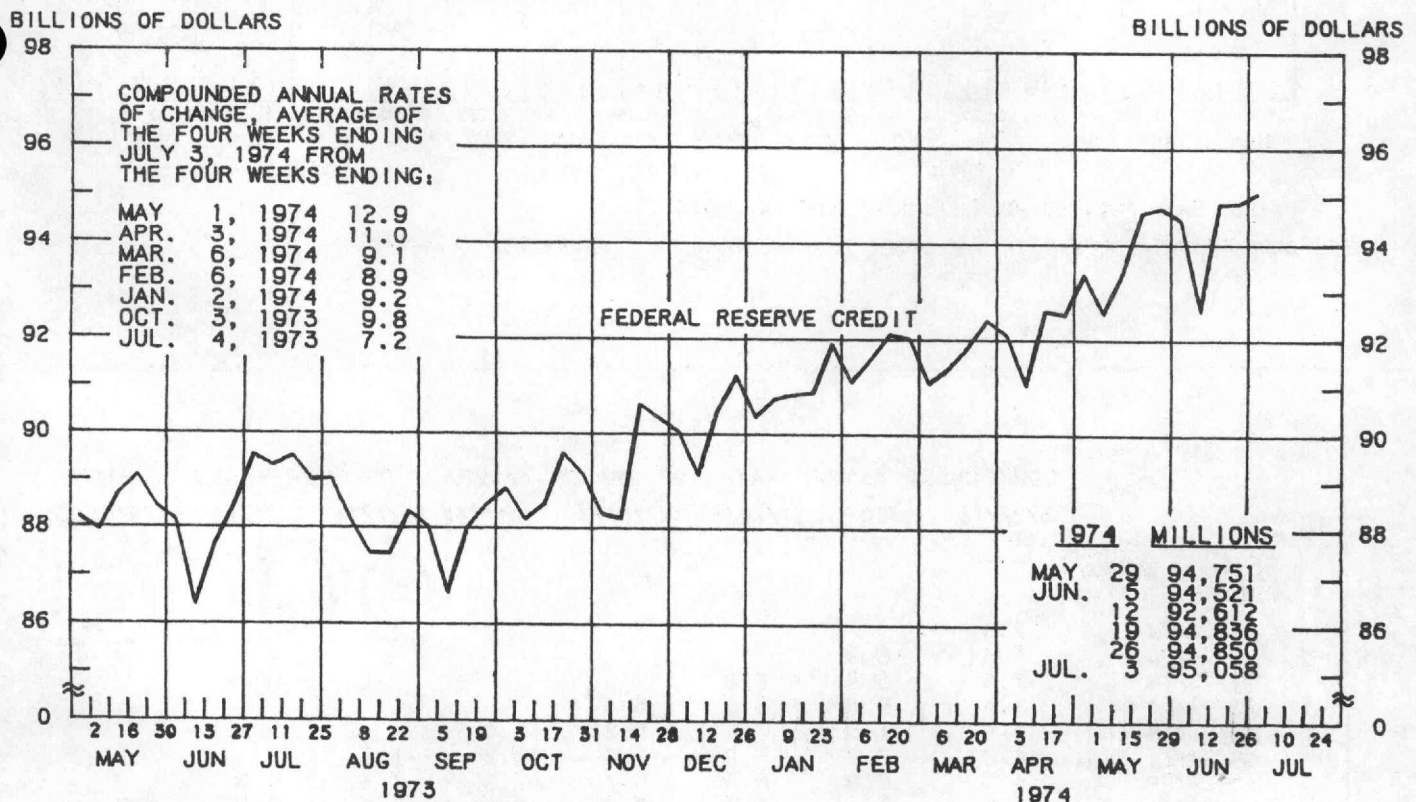
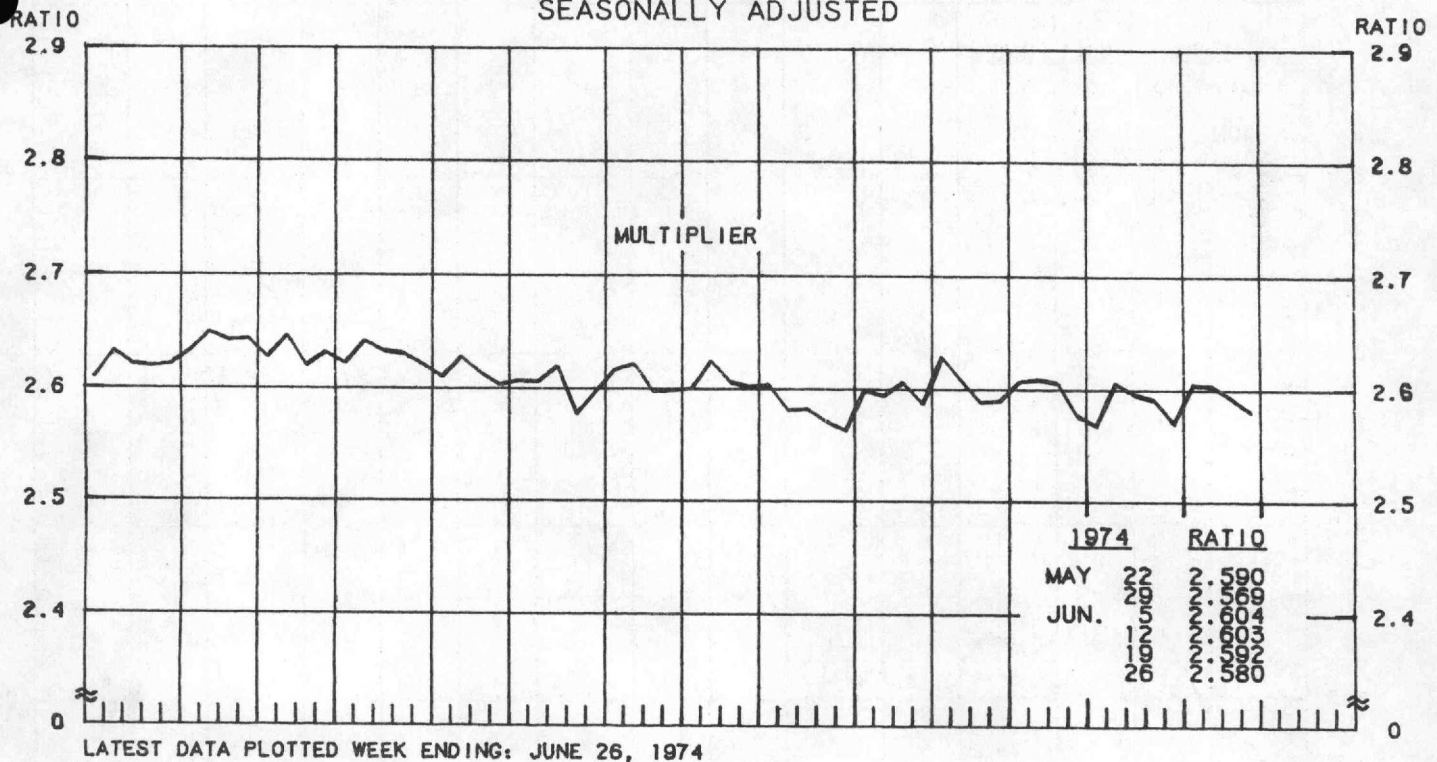
LATEST DATA PLOTTED WEEK ENDING: JULY 3, 1974

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:

	7/4/73	10/3/73	12/5/73	1/2/74	2/6/74	3/6/74	4/3/74	5/1/74
TO THE AVERAGE OF FOUR WEEKS ENDING:								
12/ 5/73	6.7							
1/ 2/74	6.9	10.3						
2/ 6/74	7.2	9.8	8.5					
3/ 6/74	7.2	9.3	8.0	7.8				
4/ 3/74	7.5	9.4	8.6	8.6	8.6			
5/ 1/74	8.0	10.0	9.5	9.7	10.3	11.9		
6/ 5/74	7.9	9.5	8.9	9.0	9.1	9.8	9.6	
7/ 3/74	7.6	9.0	8.4	8.4	8.3	8.6	8.1	5.8

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



LATEST DATA PLOTTED WEEK ENDING: JULY 3, 1974

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

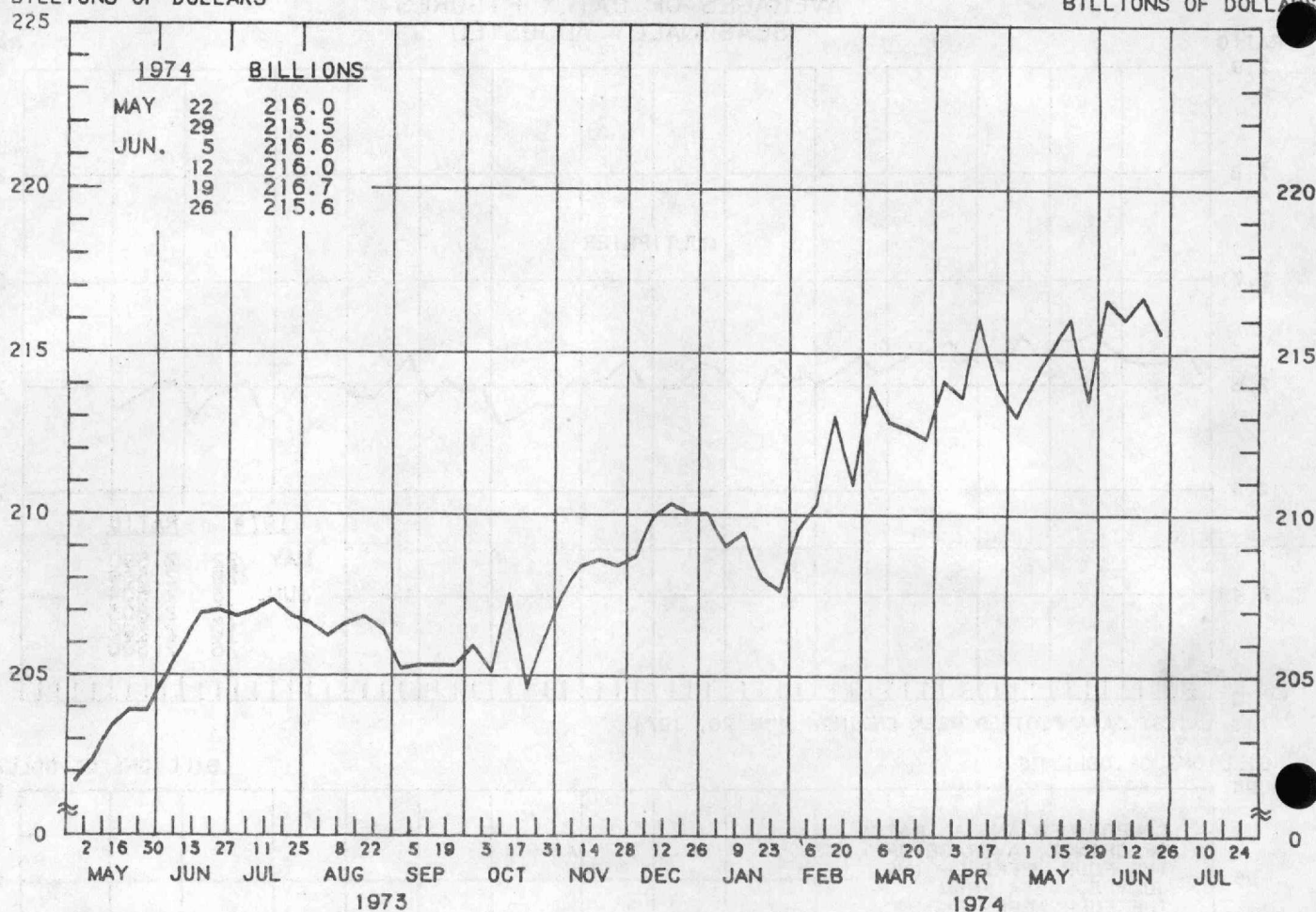
2/ DEFINED TO INCLUDE HOLDINGS OF SECURITIES, LOANS, FLOAT AND "OTHER" ASSETS, ADJUSTED FOR RESERVE REQUIREMENT CHANGES AND CHANGES IN REQUIREMENTS DUE TO SHIFTS IN DEPOSITS AMONG CLASSES OF BANKS. DATA ARE SEASONALLY ADJUSTED BY THIS BANK.

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



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

6/27/73 9/26/73 11/28/73 12/26/73 1/23/74 2/27/74 3/27/74 4/24/74

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

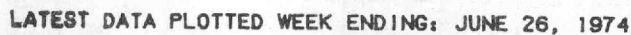
11/28/73	2.3							
12/26/73	3.4	8.9						
1/23/74	2.5	5.8	2.8					
2/27/74	3.4	6.6	5.3	3.4				
3/27/74	4.4	7.5	7.1	6.2	11.0			
4/24/74	4.8	7.8	7.5	7.0	10.5	11.3		
5/29/74	4.5	6.9	6.3	5.7	7.9	7.4	5.0	
6/26/74	4.8	7.1	6.8	6.3	8.2	7.9	6.3	4.9

BILLIONS OF DOLLARS

285

BILLIONS OF DOLLARS

285



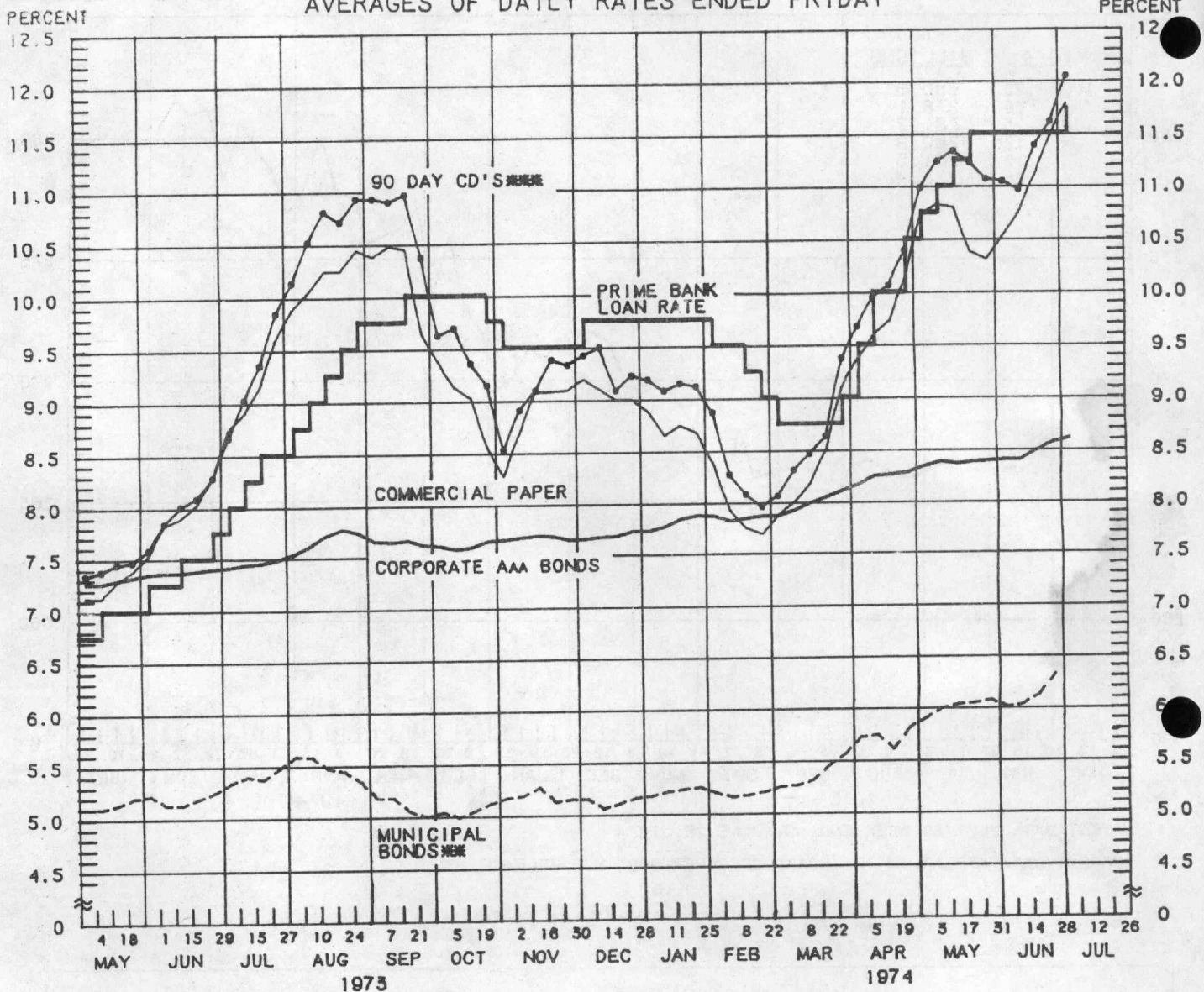
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

6/27/73 9/26/73 11/28/73 12/26/73 1/23/74 2/27/74 3/27/74 4/24/74

11/28/73	3.3								
12/26/73	4.4	9.2							
1/23/74	3.6	6.6	4.4						
2/27/74	4.6	7.5	6.7	5.0					
3/27/74	5.4	8.3	8.2	7.4	11.6				
4/24/74	5.9	8.6	8.6	8.1	11.2	11.7			
5/29/74	5.6	7.8	7.6	7.0	9.0	8.4	6.4		
6/26/74	5.8	7.9	7.7	7.3	8.9	8.5	7.1	5.7	

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JULY 5, 1974

1974	90 DAY CD'S ***	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS ***
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	10.31	10.75	8.39	6.08
JUNE 7	11.05	10.53	10.75	8.40	6.01
14	10.97	10.75	10.75	8.40	6.04
21	11.39	11.10	10.75	8.49	6.13
28	11.62	11.48	10.90	8.57	6.33
JULY 5 *	12.05	11.79	11.25	8.61	N.A.
12					
19					
26					

* AVERAGES OF RATES AVAILABLE.

*** BOND BUYER'S AVERAGE INDEX OF 20 MUNICIPAL BONDS, THURSDAY DATA.

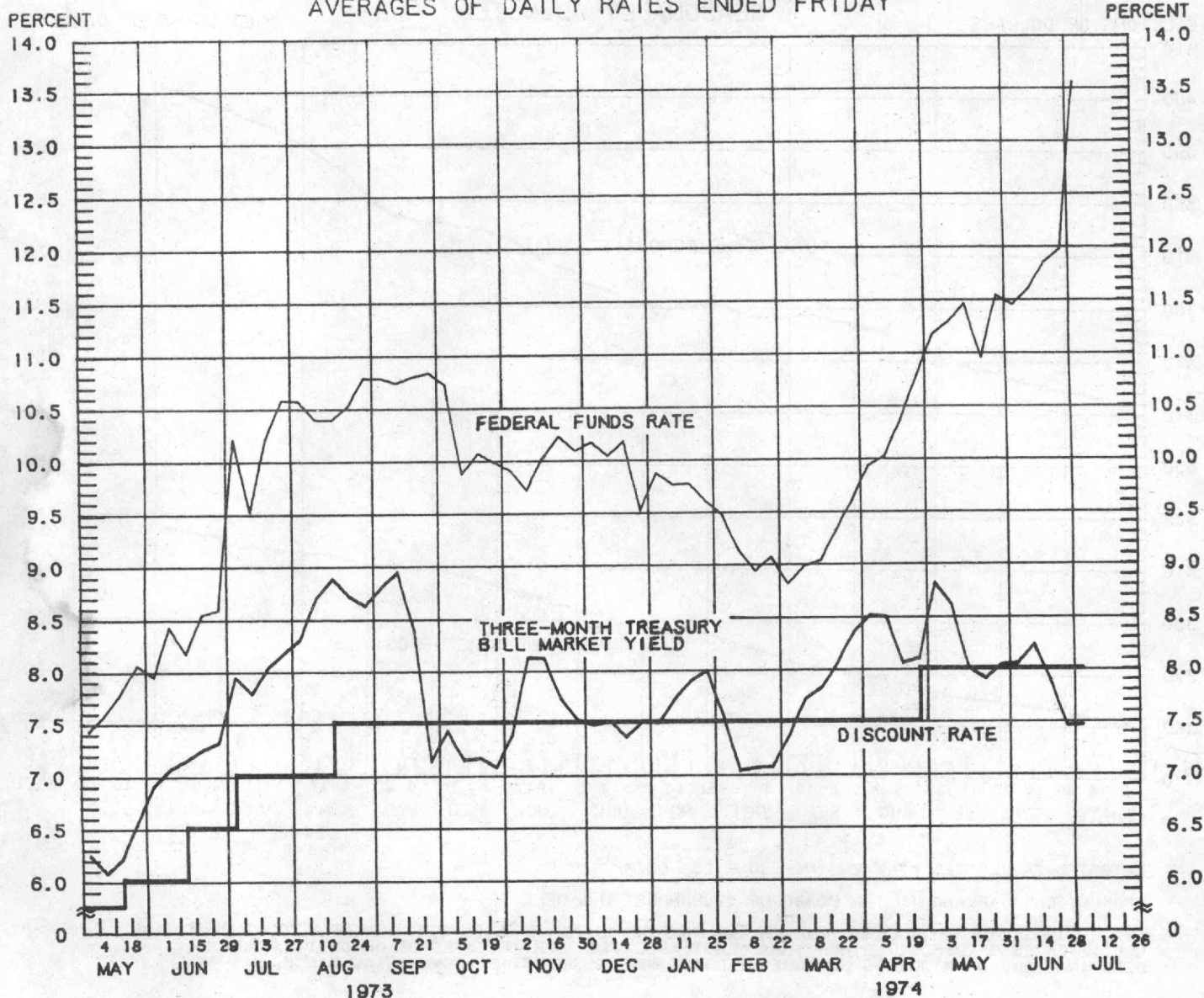
SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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: JULY 5, 1974

1974	FEDERAL FUNDS %	3-MONTH TREASURY BILLS	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES
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	8.23	8.06	6.99
21	11.85	7.88	8.09	7.01
28	11.97	7.45	8.33	7.07
JULY 5 *	13.55	7.46	8.45	7.10
12				
19				
26				

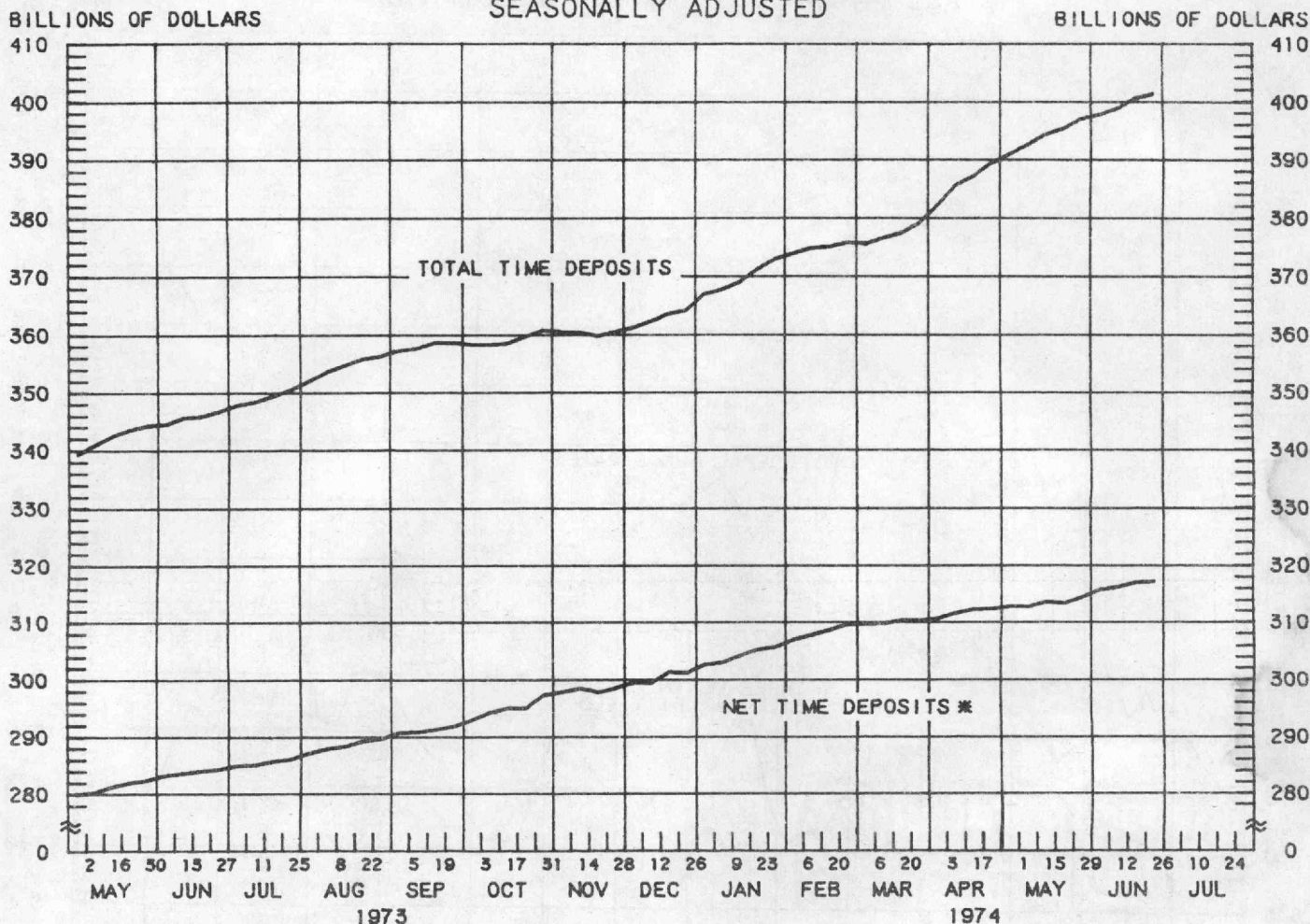
* AVERAGES OF RATES AVAILABLE.

** 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 26, 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:

6/27/73 9/26/73 11/28/73 12/26/73 1/23/74 2/27/74 3/27/74 4/24/74

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

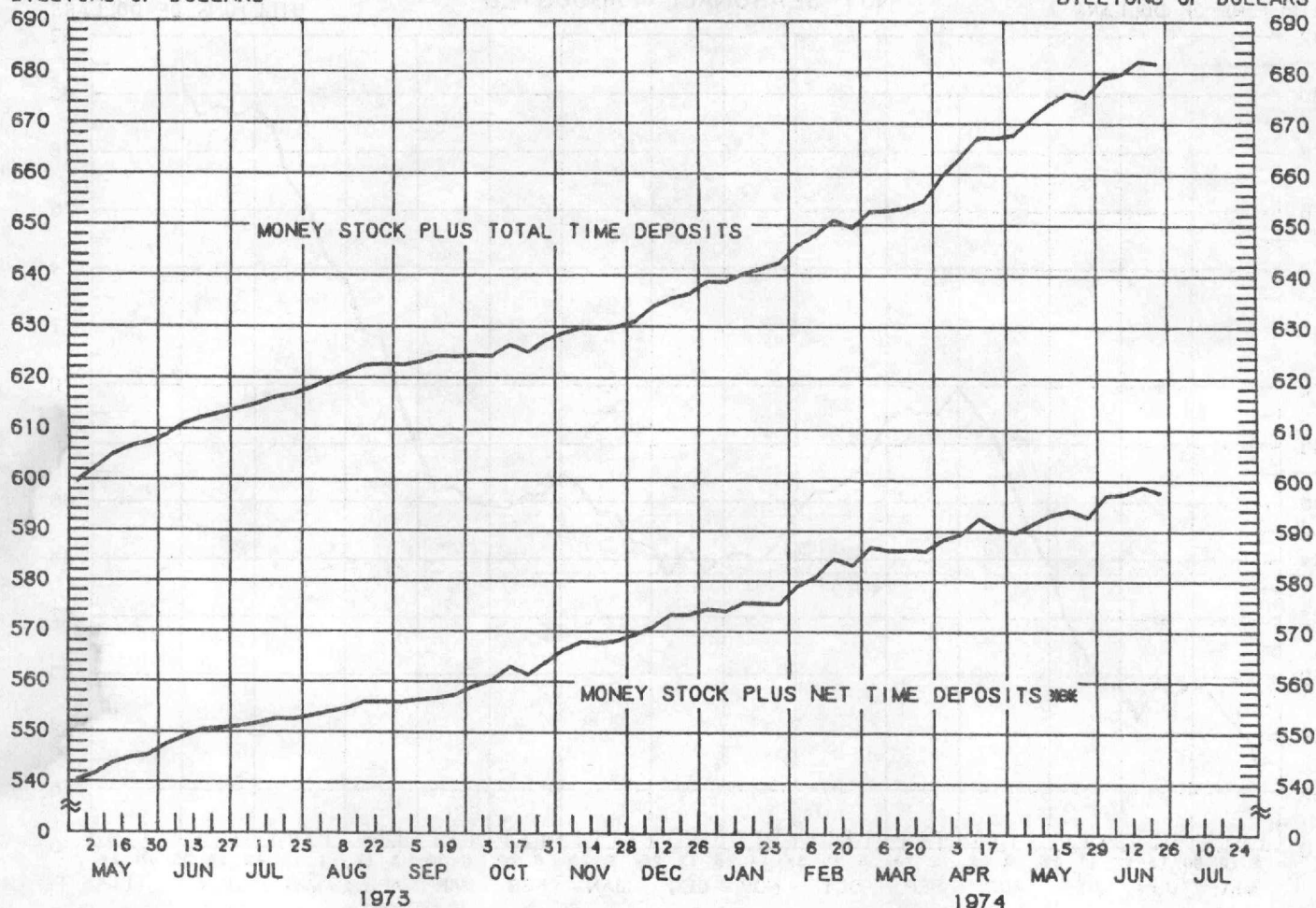
11/28/73	12.3							
12/26/73	12.0	13.3						
1/23/74	12.5		13.1					
2/27/74	13.0	14.4	14.3	16.2				
3/27/74	12.4	13.3	12.6	13.4	12.2			
4/24/74	12.0	12.5	11.6	12.0	10.7	7.4		
5/29/74	11.4	11.6	10.6	10.7	9.5	7.1	6.9	
6/26/74	11.5	11.8	10.9	11.1	10.2	8.5	8.8	9.4

MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JUNE 26, 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 8).

MONEY STOCK PLUS NET TIME DEPOSITS (M2)

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

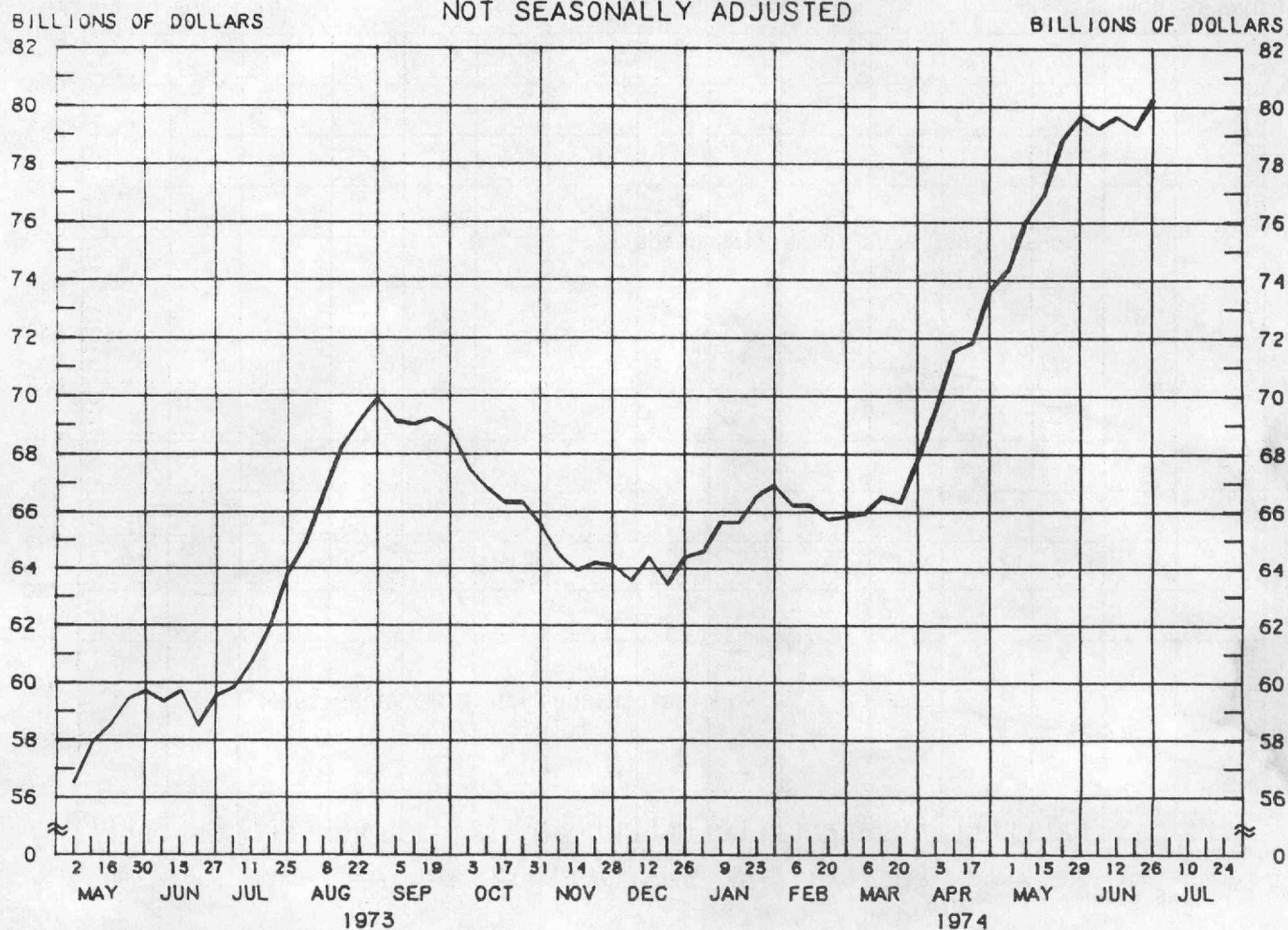
6/27/73 9/26/73 11/28/73 12/26/73 1/23/74 2/27/74 3/27/74 4/24/74

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

11/28/73	8.0							
12/26/73	8.3	11.2						
1/23/74	8.2	10.3	8.8					
2/27/74	8.9	11.0	10.5	10.8				
3/27/74	9.0	10.9	10.4	10.5	11.9			
4/24/74	9.0	10.6	10.2	10.2	11.0	9.5		
5/29/74	8.6	9.8	9.1	8.9	9.3	7.7	6.7	
6/26/74	8.8	9.9	9.4	9.3	9.6	8.5	8.0	7.6

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES
NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JUNE 26, 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.

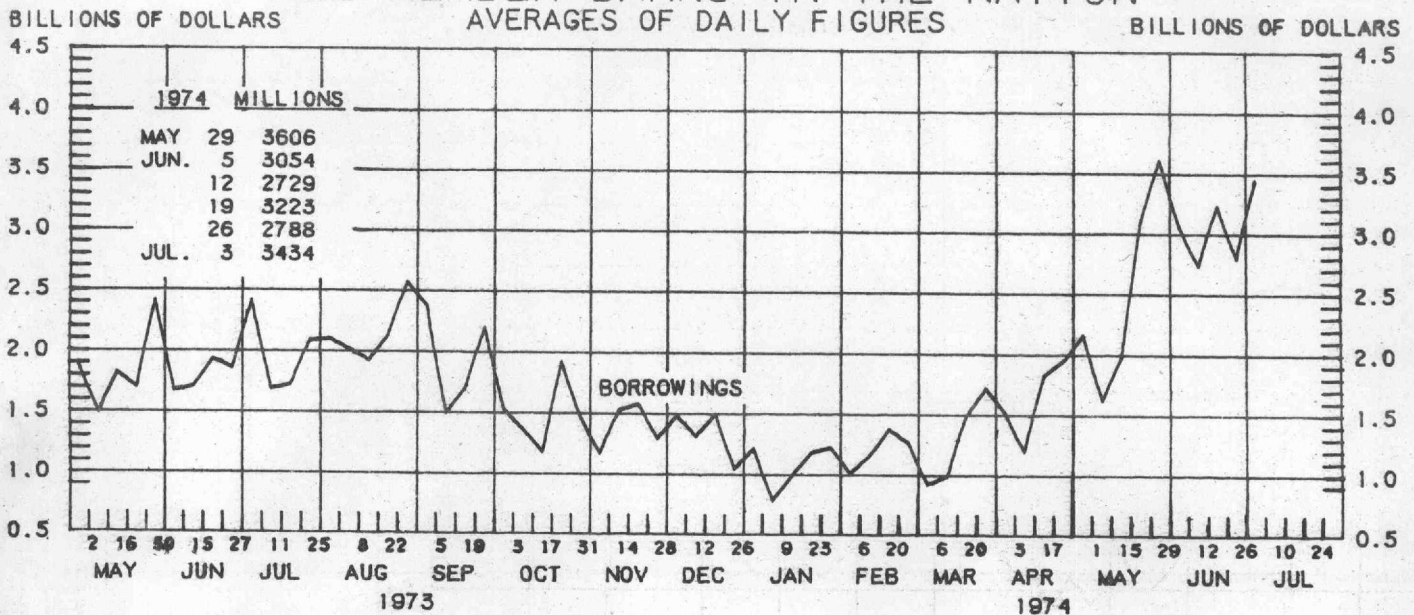
MONEY AND TIME DEPOSIT DATA				
1974	BILLIONS			
	CERTIFICATES OF DEPOSIT NOT SEAS. ADJ.	CERTIFICATES OF DEPOSIT	NET TIME DEPOSITS *	M 2 **
MAY 1	74.3	78.0	312.8	589.6
8	76.0	79.7	312.7	591.3
15	76.9	80.6	313.6	593.1
22	78.8	82.0	313.3	593.9
29	79.6	82.5	314.4	592.5
JUNE 5	79.2	81.9	315.7	596.9
12	79.6	82.5	316.2	597.2
19	79.2	83.5	317.0	598.6
26	80.2	84.1	317.1	597.4
JULY 3				
10				
17				
24				
31				

* SEE FOOTNOTE PAGE 8.

** SEE FOOTNOTE PAGE 9.

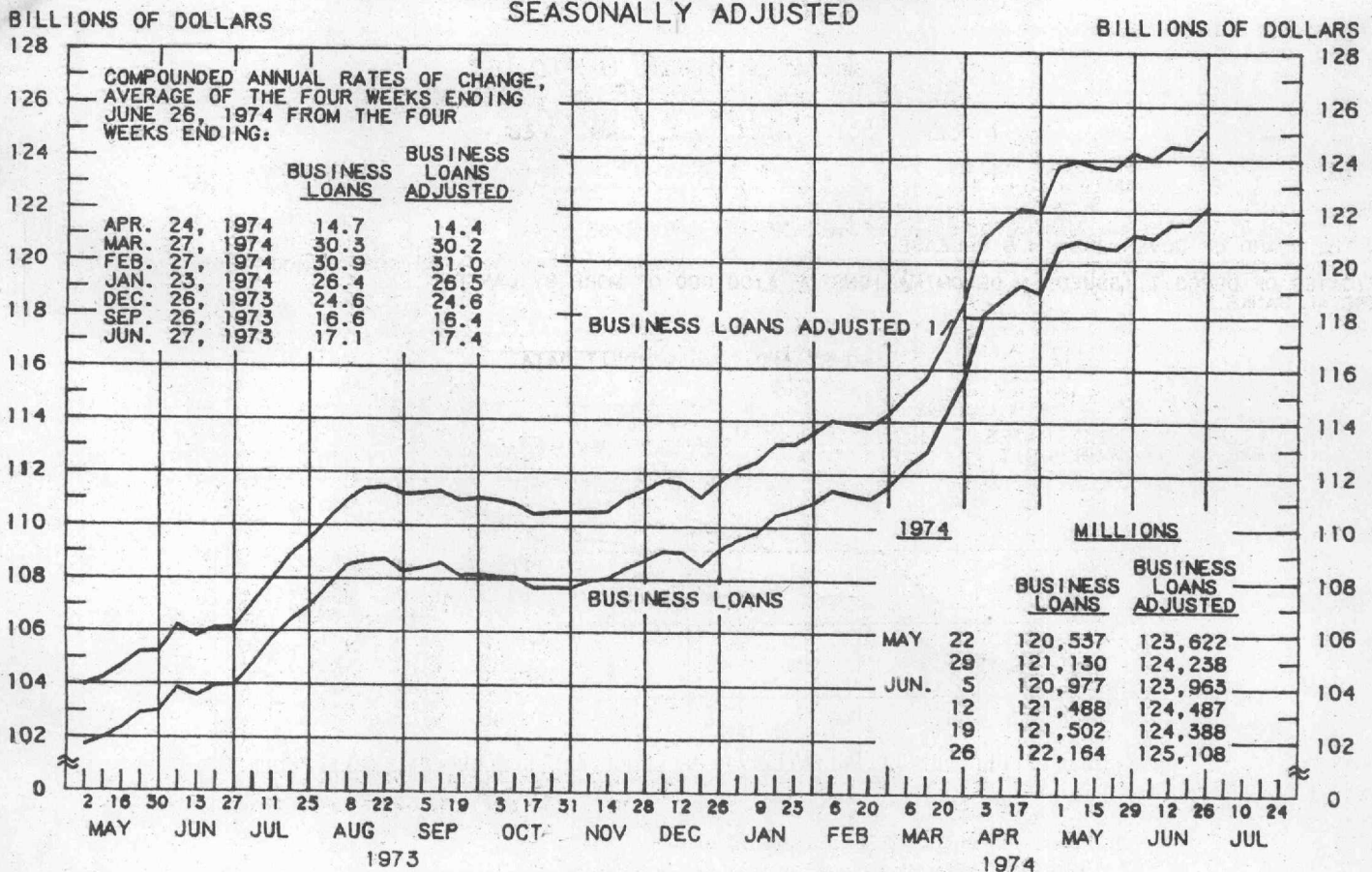
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



LATEST DATA PLOTTED WEEK ENDING: JULY 3, 1974

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

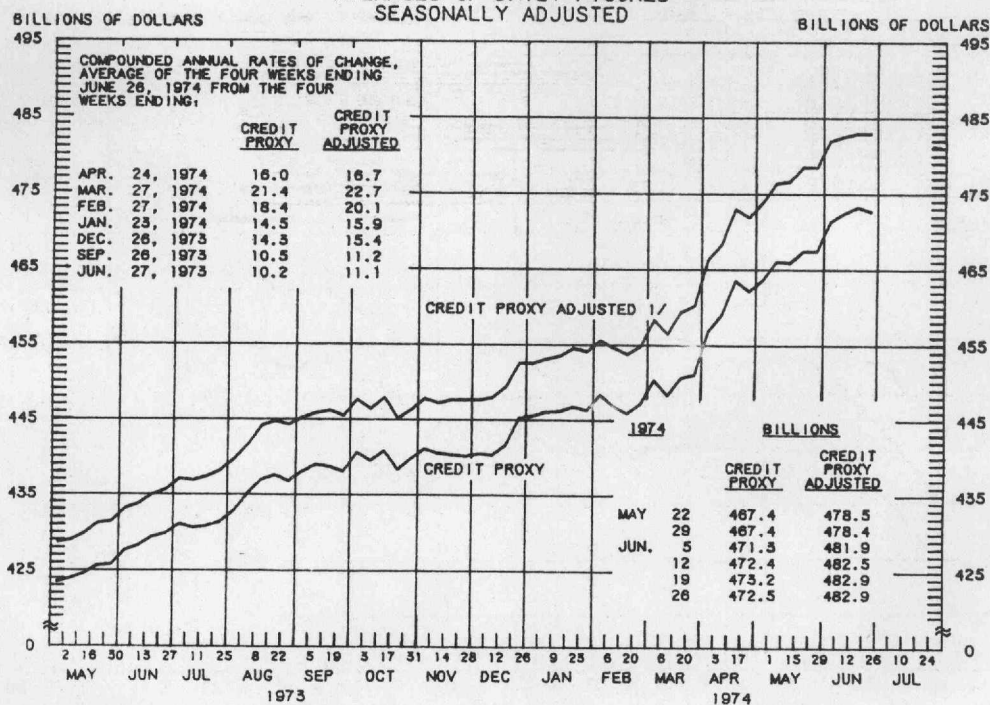


LATEST DATA PLOTTED WEEK ENDING: JUNE 26, 1974

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 26, 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.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS