



Week ending: October 23, 1974

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The prime lending rate at many commercial banks has declined $3/4$ of a percentage point in the past two weeks, from 12 percent to 11- $1/4$ percent. Reduction in the prime rate followed declines of short-term market interest rates, such as those on commercial paper and large certificates of deposit. Yields on prime four- to six-month commercial paper averaged 11.95 percent in mid-July, 11.85 percent in late August, and have subsequently fallen to an average of 9.00 percent in recent days. Meanwhile, yields on corporate Aaa bonds moved upward from 8.40 percent in mid-June to 9.38 percent in the week ending October 11. In the early part of the current week this rate averaged 9.22 percent.

Most monetary aggregates have risen more slowly since mid-year than in the first half of 1974. The money stock has grown at a 2.5 percent annual rate since early June, compared with a 6.3 percent rate from early December 1973 to early June of this year. The monetary base has risen at a 6.8 percent annual rate since early June, compared with a 7.6 percent rate in the previous six months.

Business loans at large weekly reporting commercial banks have declined slightly since mid-September, but, on balance, have risen at a 25 percent rate since late last year. Since early June business loans have increased at a 19 percent rate, compared with a 24 percent rate of increase in the previous six months.

Prepared by Federal Reserve Bank of St. Louis
Released: October 25, 1974

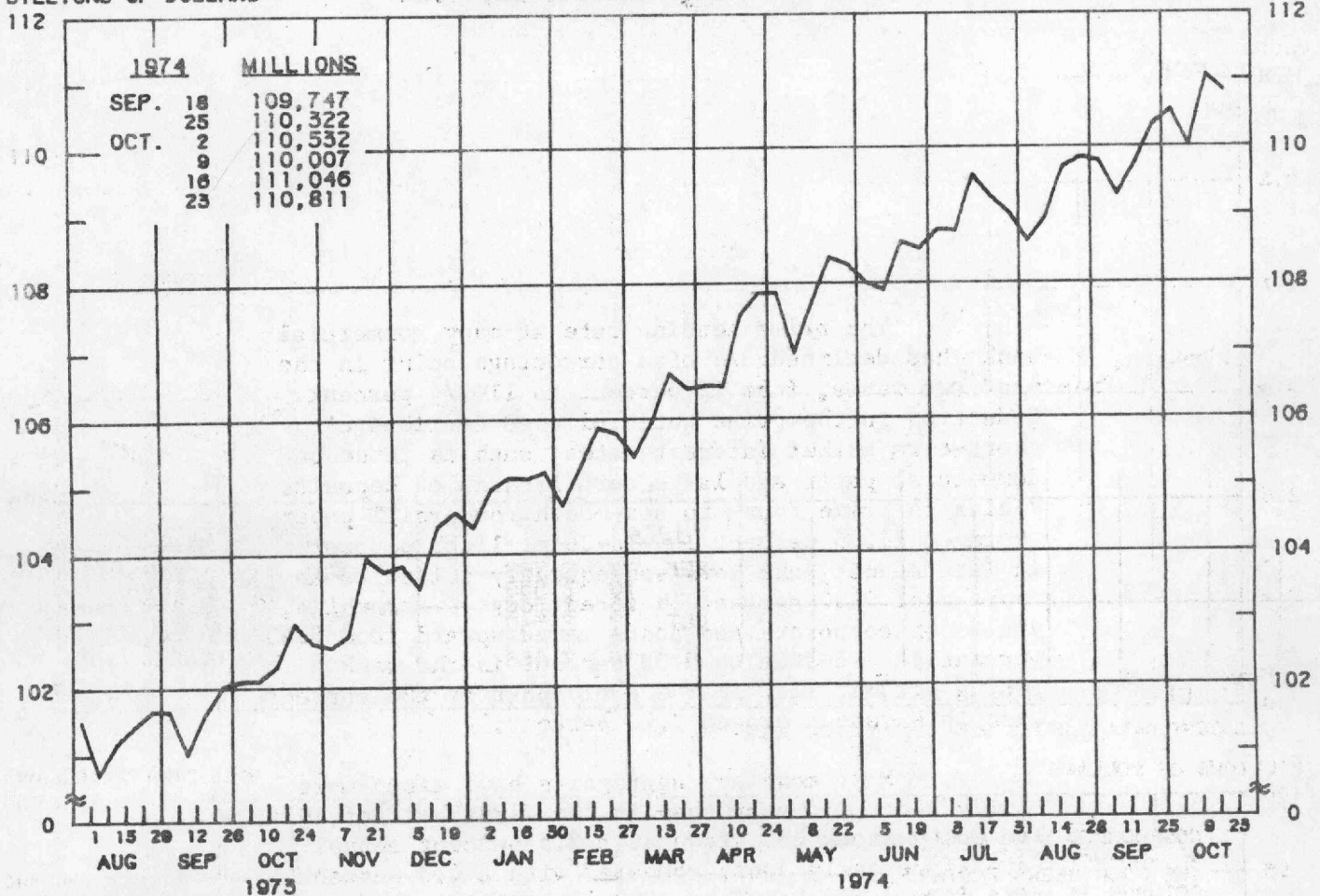
MONETARY BASE

AVERAGES OF DAILY FIGURES

SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 23, 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 1988 "REVIEW" OF THIS BANK.

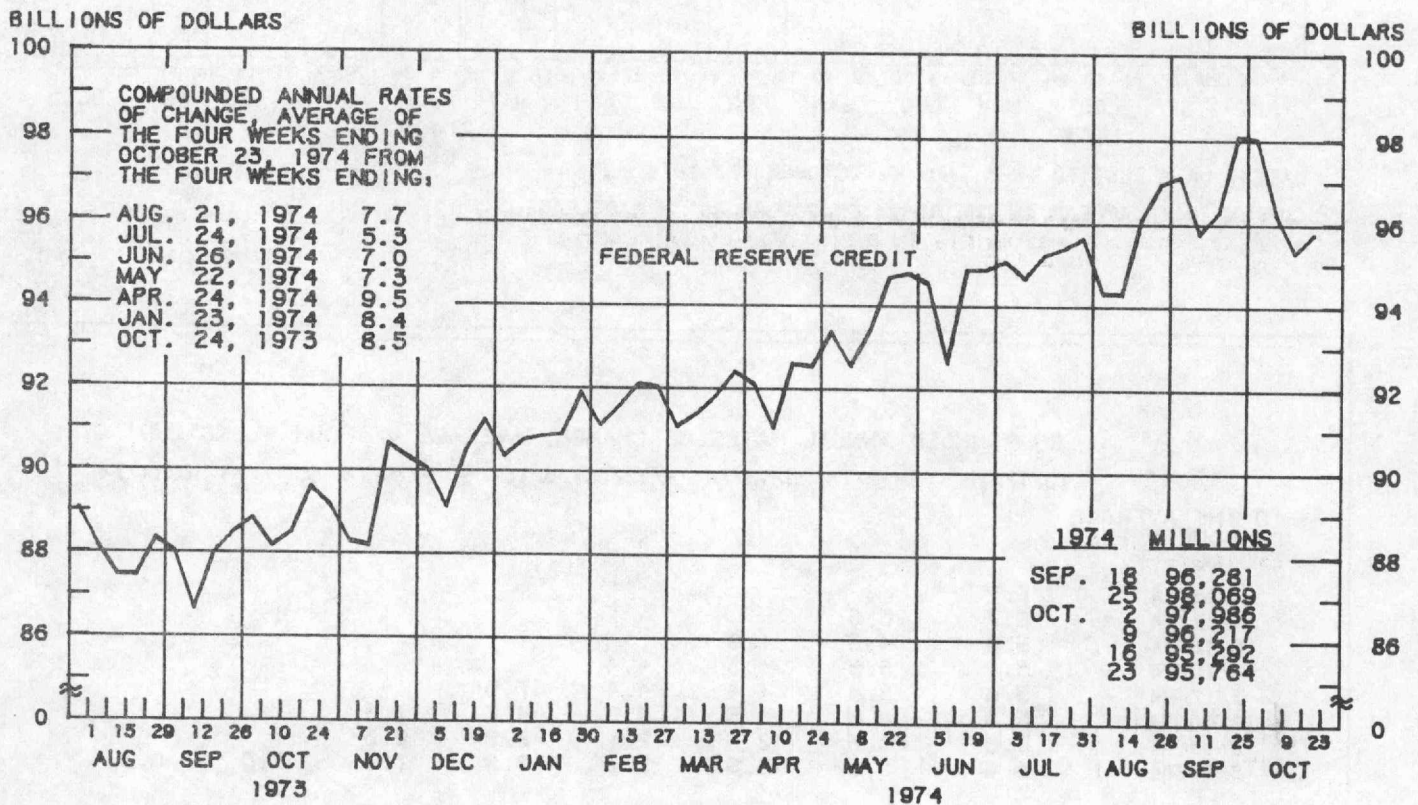
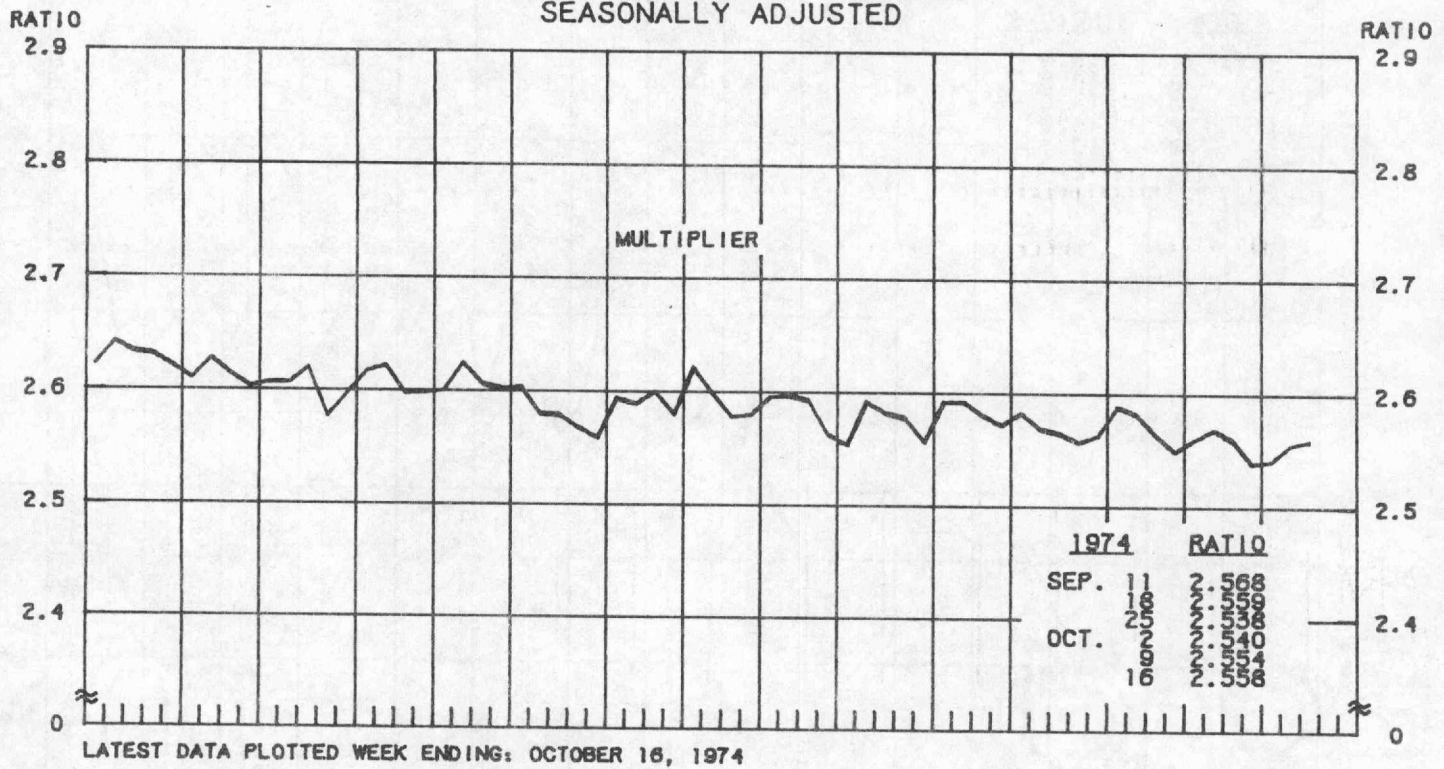
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

10/24/73 1/23/74 3/20/74 4/24/74 5/22/74 6/26/74 7/24/74 8/21/74

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

3/20/74	8.9								
4/24/74	9.4	8.6							
5/22/74	9.2	8.5	10.0						
6/26/74	8.6	7.7	8.3	6.4					
7/24/74	8.8	8.2	8.8	7.7	7.5				
8/21/74	8.0	7.0	7.1	5.8	5.1	5.0			
9/25/74	7.9	7.0	7.1	6.1	5.6	5.8	3.8		
10/23/74	8.1	7.3	7.5	6.7	6.4	6.8	5.7	6.5	

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



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 23, 1974

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

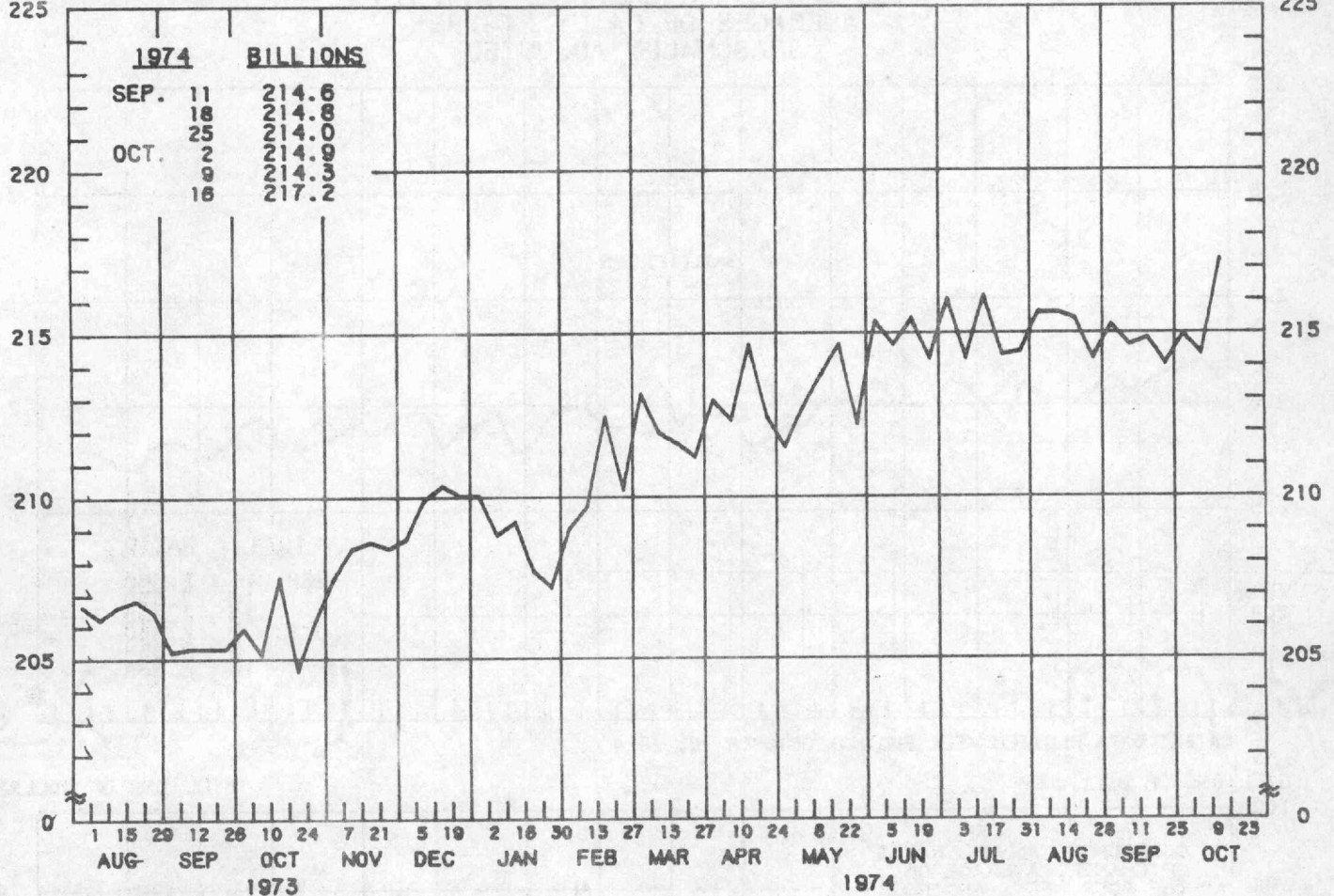
^{2/} DEFINED TO INCLUDE HOLDINGS OF SECURITIES, LOANS, FLOAT AND "OTHER" ASSETS, ADJUSTED FOR RESERVE REQUIREMENT CHANGES AND CHANGES IN REQUIREMENTS DUE TO SHIFTS IN DEPOSITS AMONG CLASSES OF BANKS. DATA ARE SEASONALLY ADJUSTED BY THIS BANK.

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS
225

BILLIONS OF DOLLARS
225



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 16, 1974

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

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:
10/17/73 1/16/74 3/13/74 4/17/74 5/15/74 6/19/74 7/17/74 8/14/74

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

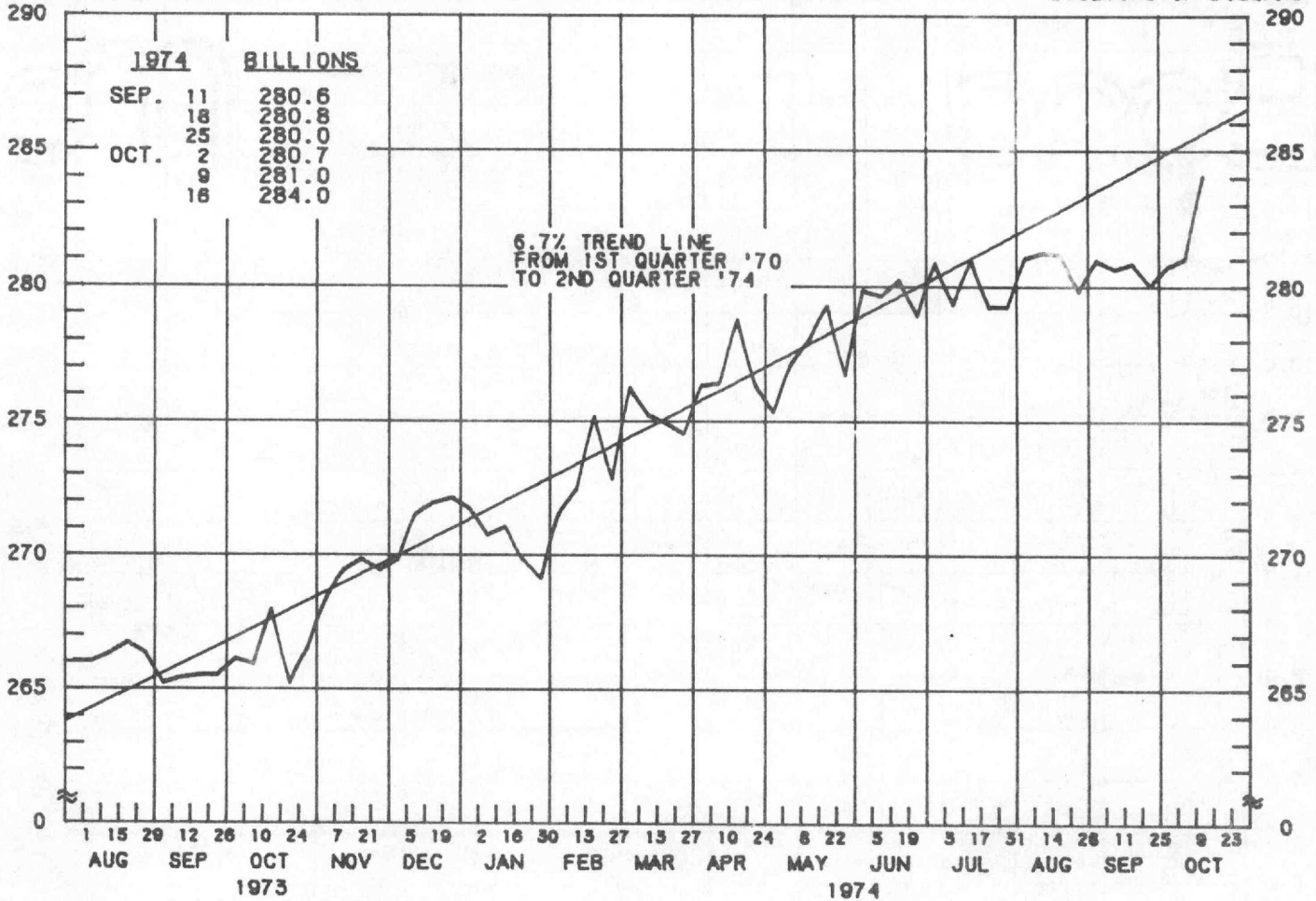
3/13/74	7.2								
4/17/74	6.7	6.5							
5/15/74	5.6	4.6	1.9						
6/19/74	6.1	5.8	4.5	4.4					
7/17/74	5.9	5.4	4.4	4.4	7.0				
8/14/74	5.3	4.6	3.5	3.2	4.6	1.8			
9/18/74	4.6	3.7	2.6	2.1	2.9	0.6	-1.1		
10/16/74	4.4	3.6	2.5	2.2	2.8	1.0	0.0	0.3	

MONEY STOCK

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 16, 1974

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

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

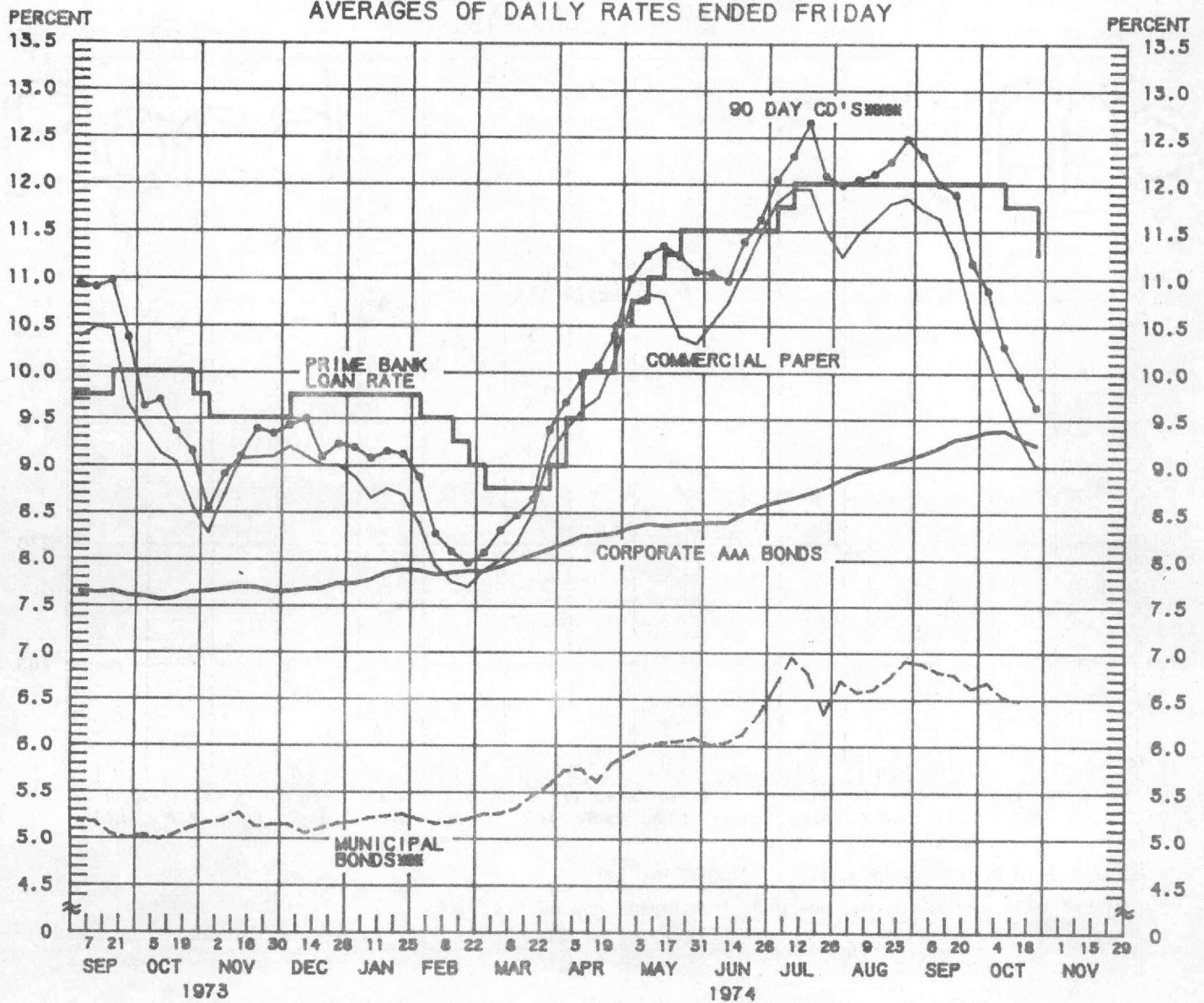
10/17/73 1/16/74 3/13/74 4/17/74 5/15/74 6/19/74 7/17/74 8/14/74

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

3/13/74	8.0								
4/17/74	7.7	7.7							
5/15/74	6.8	6.1	4.1						
6/19/74	7.2	6.8	5.9	5.6					
7/17/74	6.9	6.4	5.6	5.2	7.1				
8/14/74	6.3	5.7	4.7	4.1	5.2	2.6			
9/18/74	5.7	5.0	4.0	3.5	4.0	2.0	1.0		
10/16/74	5.6	4.9	4.1	3.6	4.1	2.5	2.0	2.5	

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: OCTOBER 25, 1974

1974	90 DAY CD'S INDEX	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS INDEX
SEP. 6	12.30	11.72	11.79	9.13	6.66
13	12.00	11.63	11.46	9.20	6.79
20	11.89	11.25	10.95	9.29	6.76
27	11.16	10.58	10.36	9.32	6.62
OCT. 4	10.87	10.18	9.79	9.37	6.68
11	10.28	9.70	9.61	9.38	6.52
18	9.96	9.31	9.31	9.29	6.48
25 *	9.63	9.00	9.16	9.22	N.A.
NOV. 1					
8					
15					
22					
29					

* AVERAGES OF RATES AVAILABLE.

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

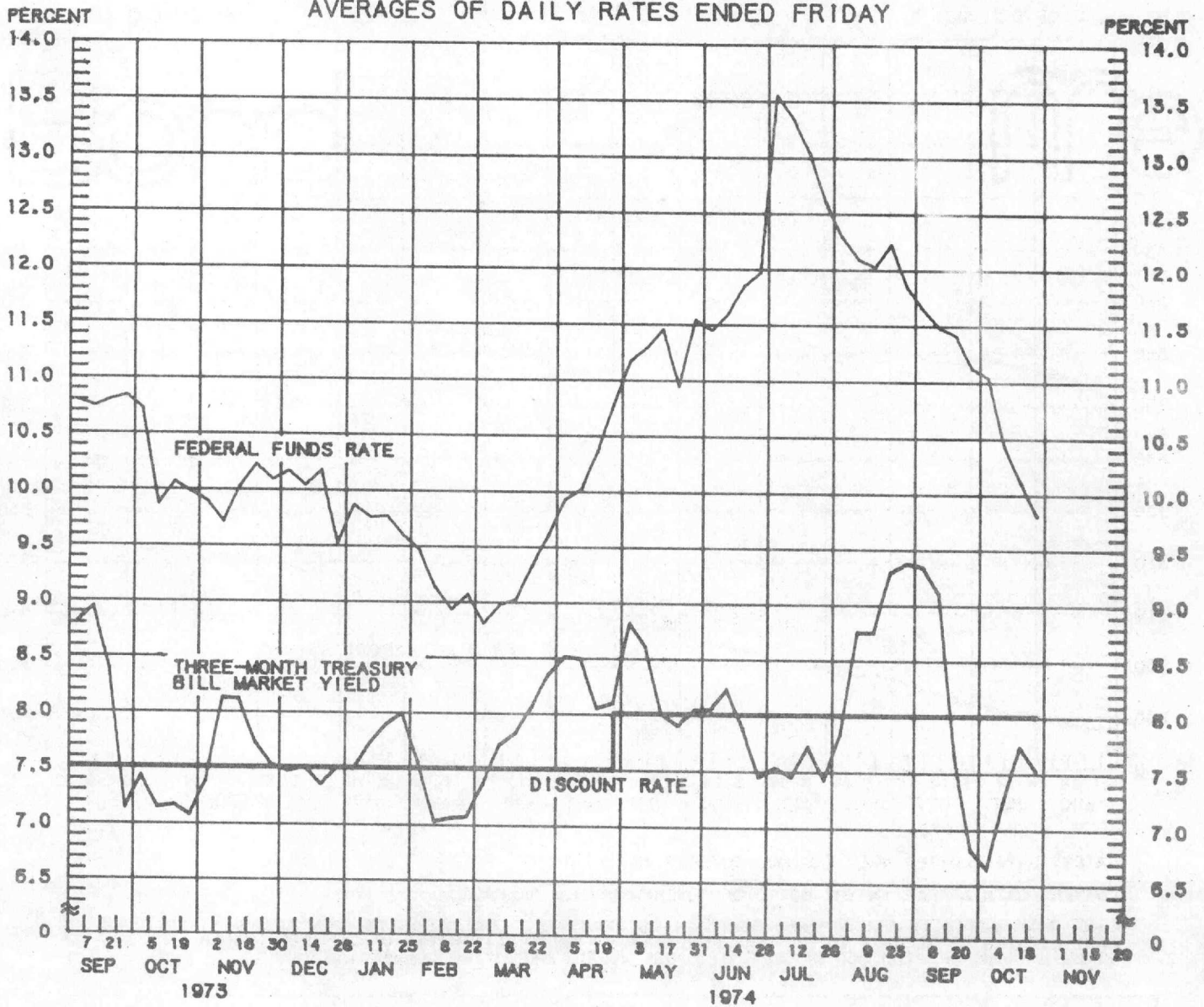
~~INDEX~~ SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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: OCTOBER 25, 1974

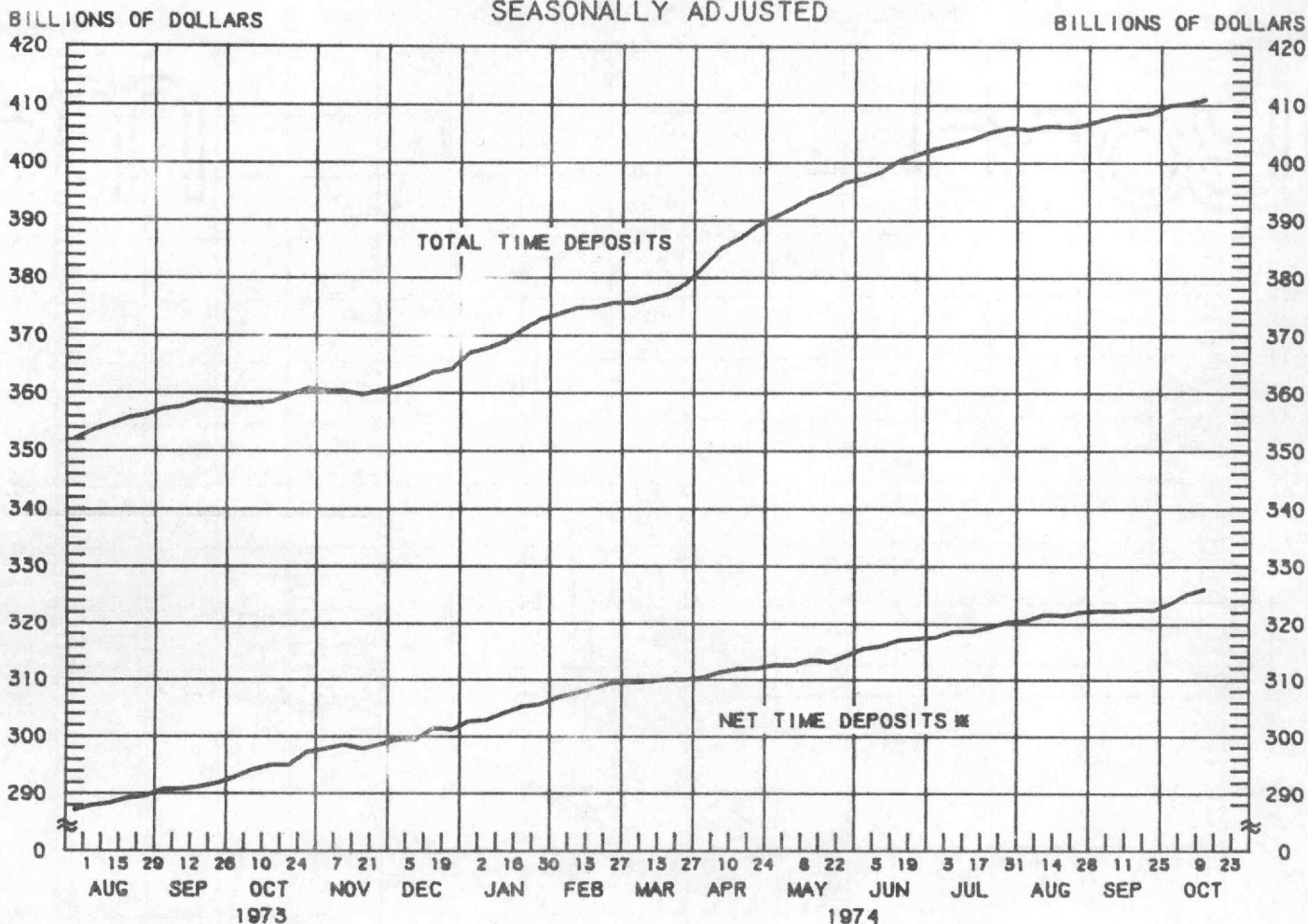
1974	FEDERAL FUNDS ***	3-MONTH TREASURY BILLS	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES
SEP. 6	11.64	9.34	8.61	7.33
13	11.48	9.10	8.52	7.31
20	11.41	7.64	8.35	7.31
27	11.12	6.81	8.14	7.27
OCT. 4	11.04	6.64	8.13	7.31
11	10.43	7.24	7.98	7.27
18	10.11	7.73	7.95	7.22
25 *	9.81	7.52	7.88	7.18
NOV. 1				
8				
15				
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

TIME DEPOSITS ALL COMMERCIAL BANKS AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 16, 1974

CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.8 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:

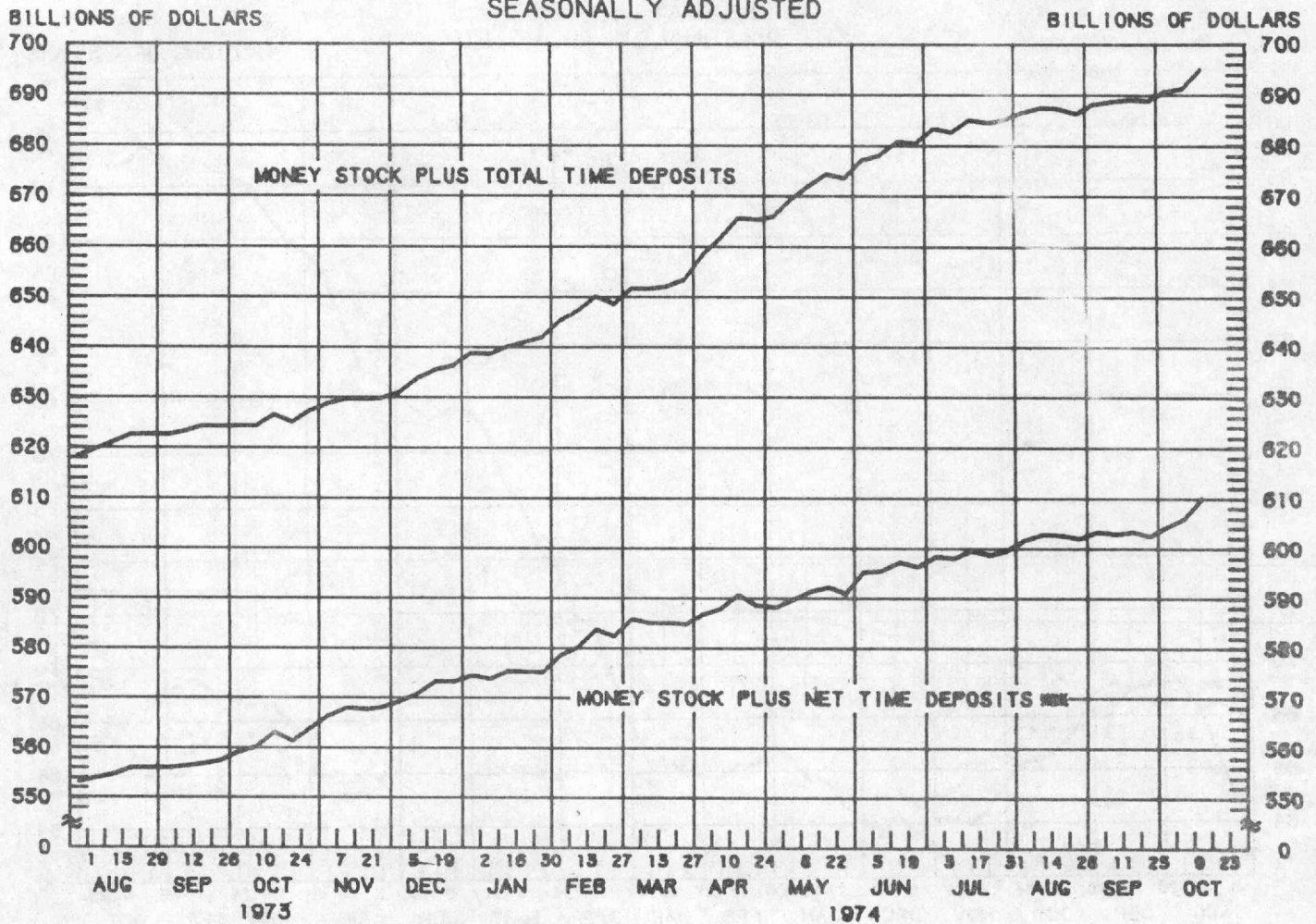
10/17/73 1/16/74 3/13/74 4/17/74 5/15/74 6/19/74 7/17/74 8/14/74

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

3/13/74	13.9							
4/17/74	12.2	11.3						
5/15/74	11.5	10.3	6.3					
6/19/74	11.3	10.3	7.7	8.9				
7/17/74	11.2	10.3	8.2	9.3	10.2			
8/14/74	11.2	10.4	8.7	9.6	10.4	10.5		
9/18/74	10.6	9.7	8.2	8.8	9.1	8.8	8.1	
10/16/74	10.5	9.6	8.2	8.7	9.0	8.7	8.2	7.0

MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 16, 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:

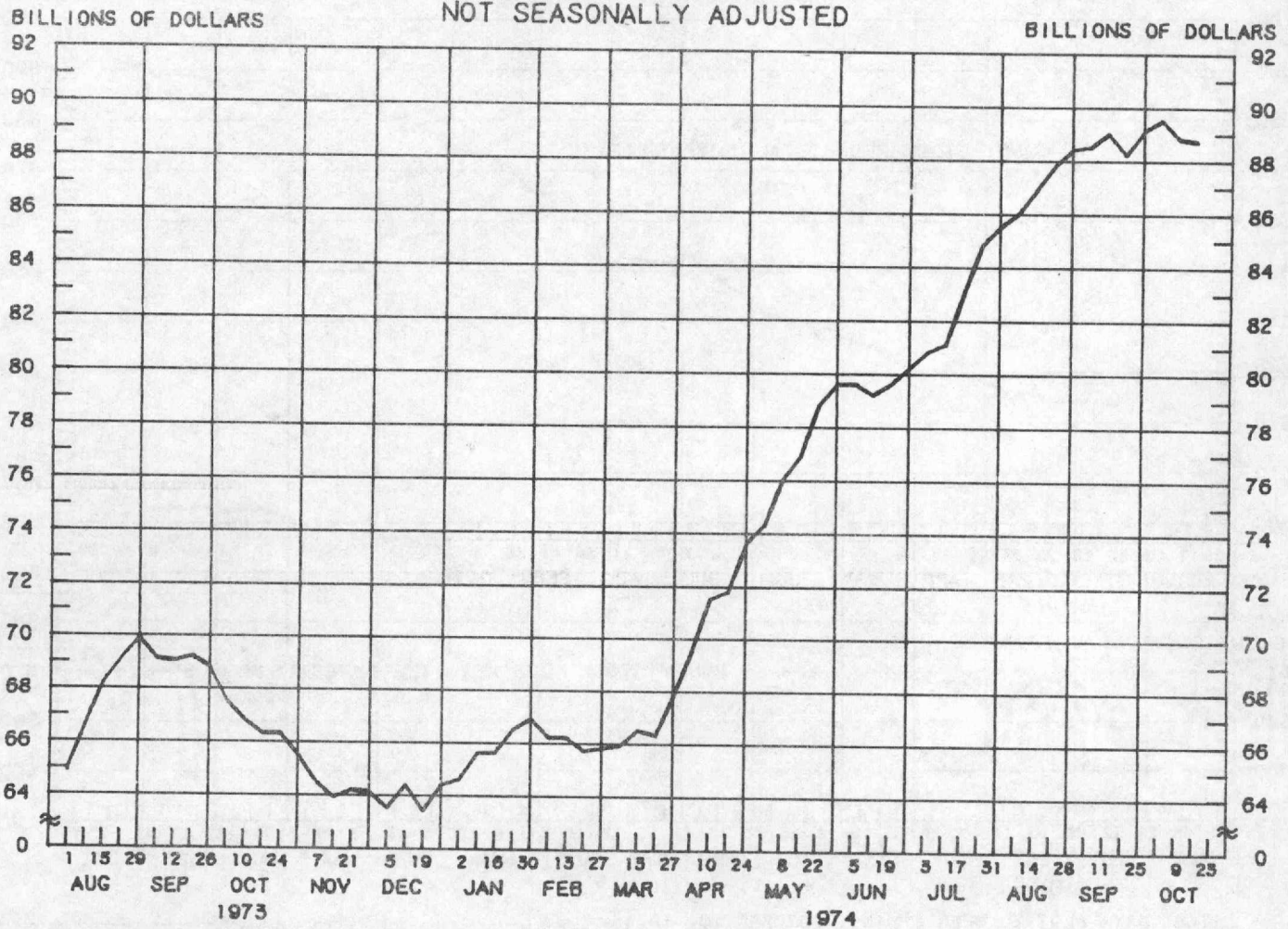
10/17/73 1/16/74 3/13/74 4/17/74 5/15/74 6/19/74 7/17/74 8/14/74

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

3/13/74	11.0							
4/17/74	10.1	9.6						
5/15/74	9.3	8.3	5.4					
6/19/74	9.4	8.6	6.9	7.3				
7/17/74	9.2	8.5	7.0	7.3	8.7			
8/14/74	8.9	8.1	6.8	7.0	7.9	6.7		
9/18/74	8.3	7.5	6.3	6.3	6.7	5.8	4.7	
10/16/74	8.2	7.4	6.3	6.3	6.7	5.8	5.3	4.9

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES
NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 16, 1974

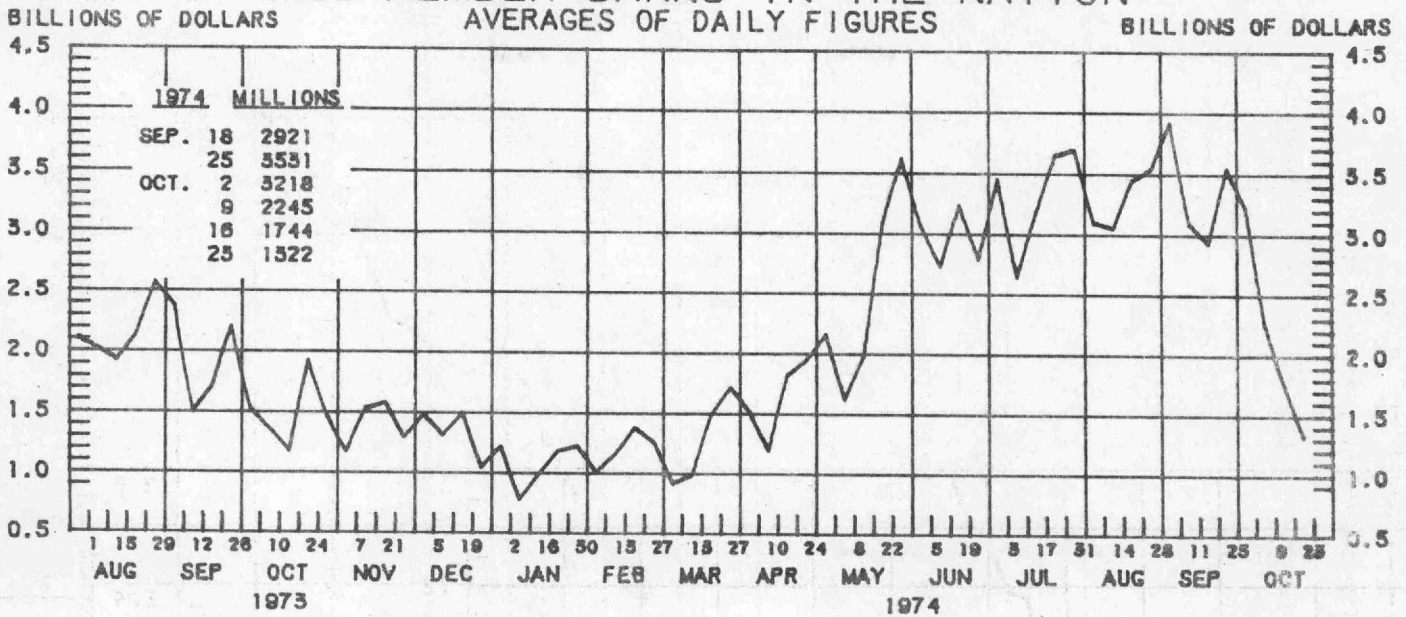
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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 **
AUG. 7	86.0	84.9	320.5	601.5
14	86.9	84.7	321.5	602.7
21	87.8	84.6	321.3	602.4
28	88.4	84.3	322.0	601.8
SEP. 4	88.5	85.0	322.2	603.1
11	89.0	86.0	322.1	602.7
18	88.2	85.8	322.4	603.2
25	89.1	86.4	322.2	602.2
OCT. 2	89.5	86.4	323.4	604.2
9	88.8	85.2	325.0	606.0
16	88.7	84.9	326.0	610.0
23				
30				

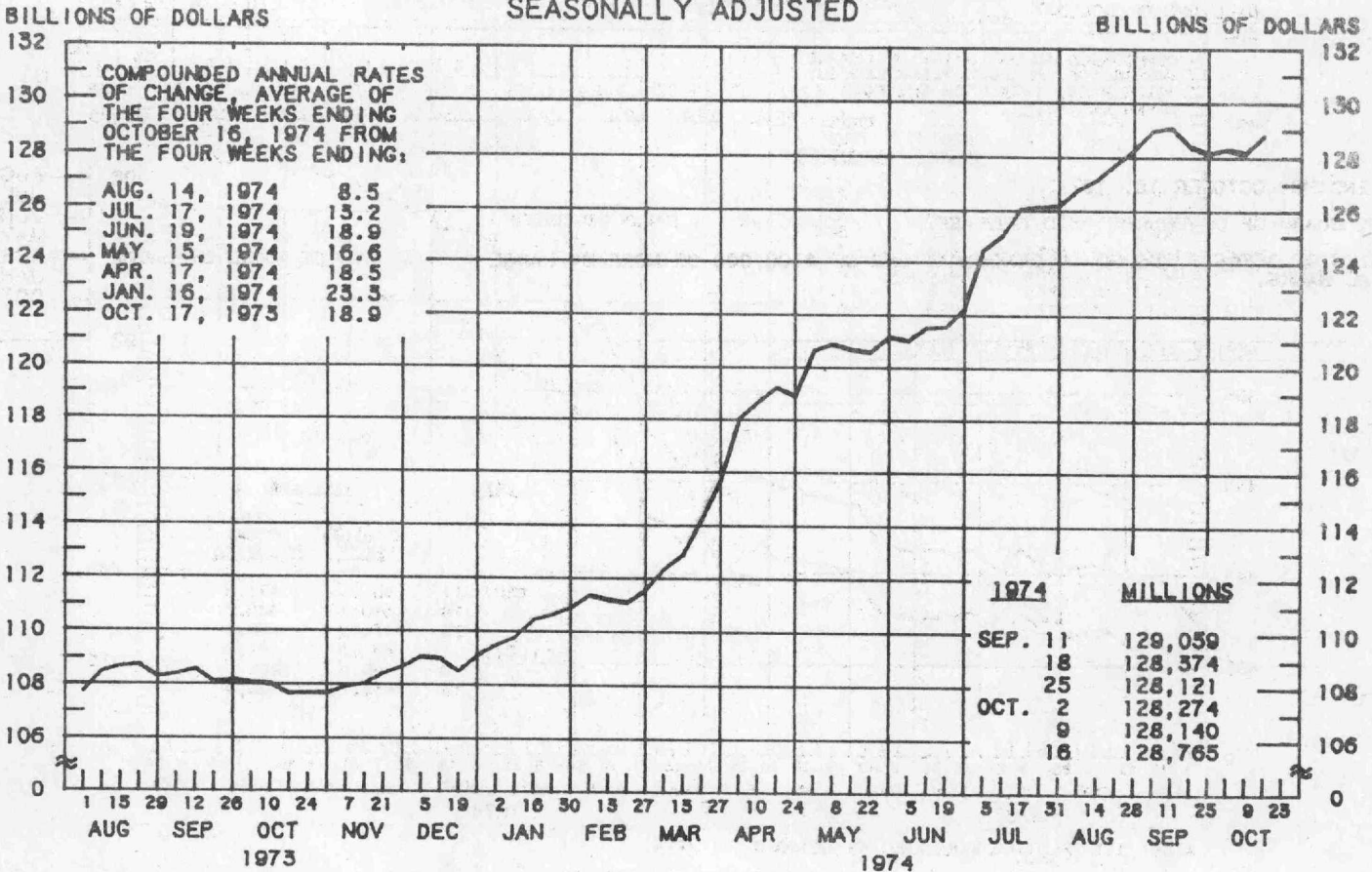
* SEE FOOTNOTE PAGE 8.
** SEE FOOTNOTE PAGE 9.

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



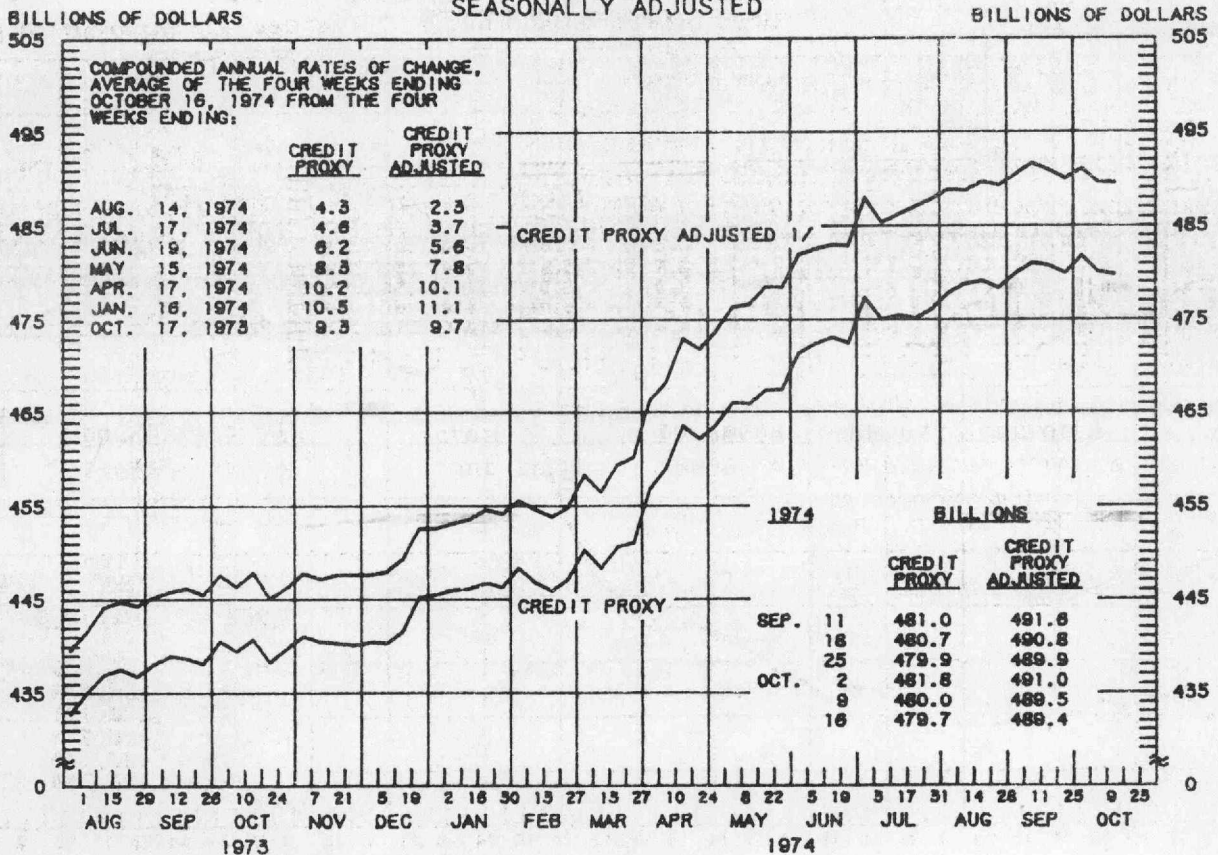
LATEST DATA PLOTTED WEEK ENDING: OCTOBER 23, 1974

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



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 16, 1974

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



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 16, 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