



Week ending: December 18, 1974

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Since one year ago the money stock has increased about 5 percent. Within the last twelve months, money growth has been uneven. From late November of last year to late June, the money stock rose at a 6 percent annual rate. Then, from late June to late September, money rose at only a 1 percent rate, and since late September it has risen at about an 8 percent rate.

Reaccelerated growth of the monetary base has accompanied the recent rise in the growth rate of the money stock. The monetary base has risen at about a 13 percent annual rate in the last two months, compared with a 5.6 percent rate in the previous three months. The monetary base has risen more rapidly than the money stock in the past year. As discussed previously in recent issues of this release, increases in currency in the hands of the public and increases in large negotiable certificates of deposit at commercial banks for part of the past year reduced the portion of the change in the base available to support expansion of demand deposits.

In the week ended December 18, Federal Reserve credit adjusted (page 3) increased \$705 million and the monetary base increased \$704 million. These increases include the effect of changes in required reserve ratios, which took effect on deposits in the week ended December 4, which was to release about \$750 million of reserves.

The level of member bank borrowings has decreased from about \$1.7 billion in mid-October to \$821 million last week. During this period the spread between the discount rate and the Federal funds rate has narrowed. In the week ended October 18, the Federal funds rate was 211 basis points above the discount rate; in the current week the spread is 97 basis points.

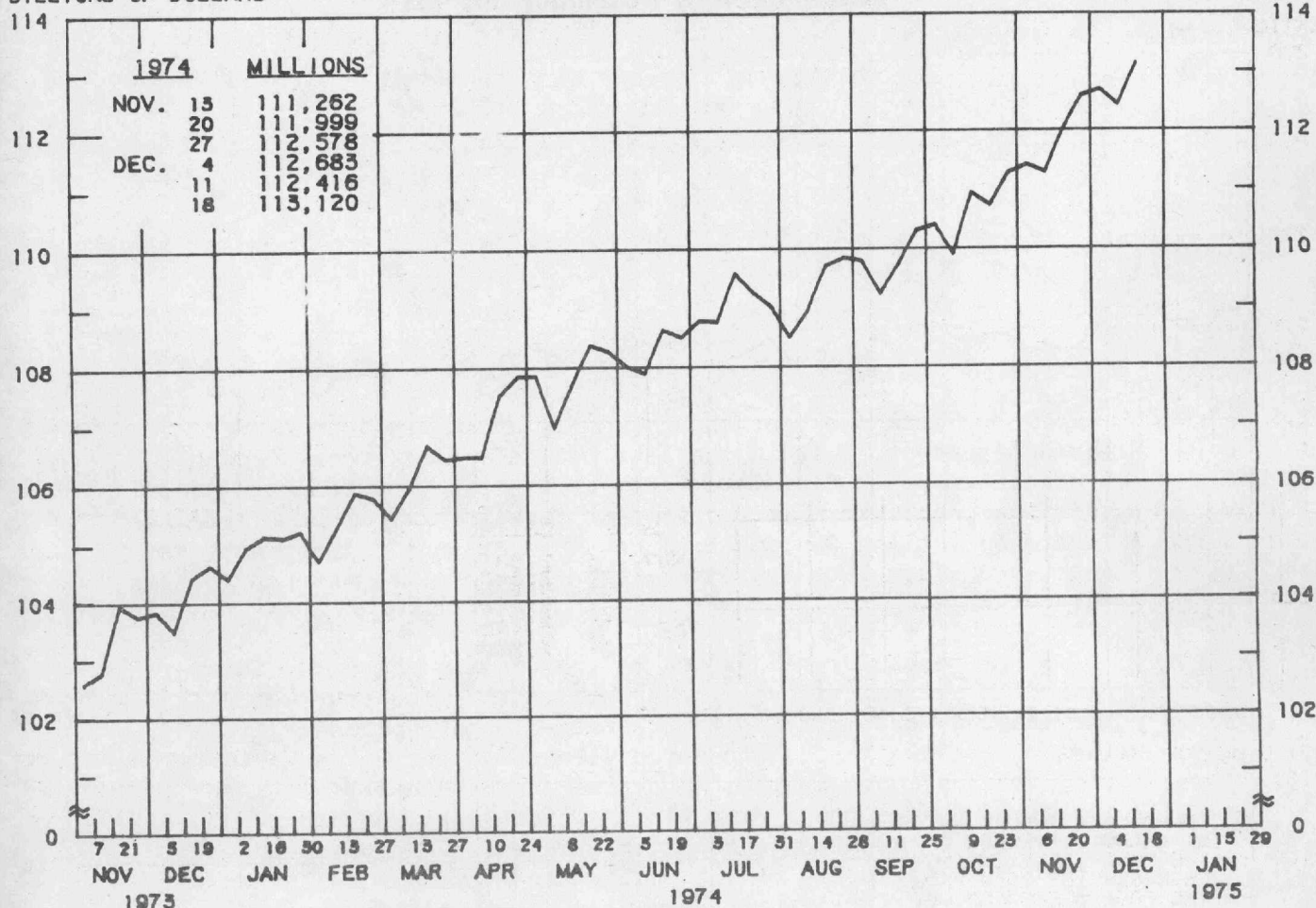
MONETARY BASE

AVERAGES OF DAILY FIGURES

SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 18, 1974

THE MONETARY BASE CONSISTS OF MEMBER BANK DEPOSITS AT THE FEDERAL RESERVE AND CURRENCY IN CIRCULATION (CURRENCY HELD BY THE PUBLIC AND IN THE VAULTS OF COMMERCIAL BANKS), ADJUSTED FOR RESERVE REQUIREMENT CHANGES AND SHIFTS IN DEPOSITS. THE MAJOR SOURCES OF THE MONETARY BASE ARE FEDERAL RESERVE CREDIT AND THE GOLD STOCK. DATA ARE COMPUTED BY THIS BANK. A DETAILED DESCRIPTION OF THE SOURCES AND USES OF THE MONETARY BASE IS AVAILABLE AS REPRINT NO. 31 FROM THE FEDERAL RESERVE BANK OF ST. LOUIS.

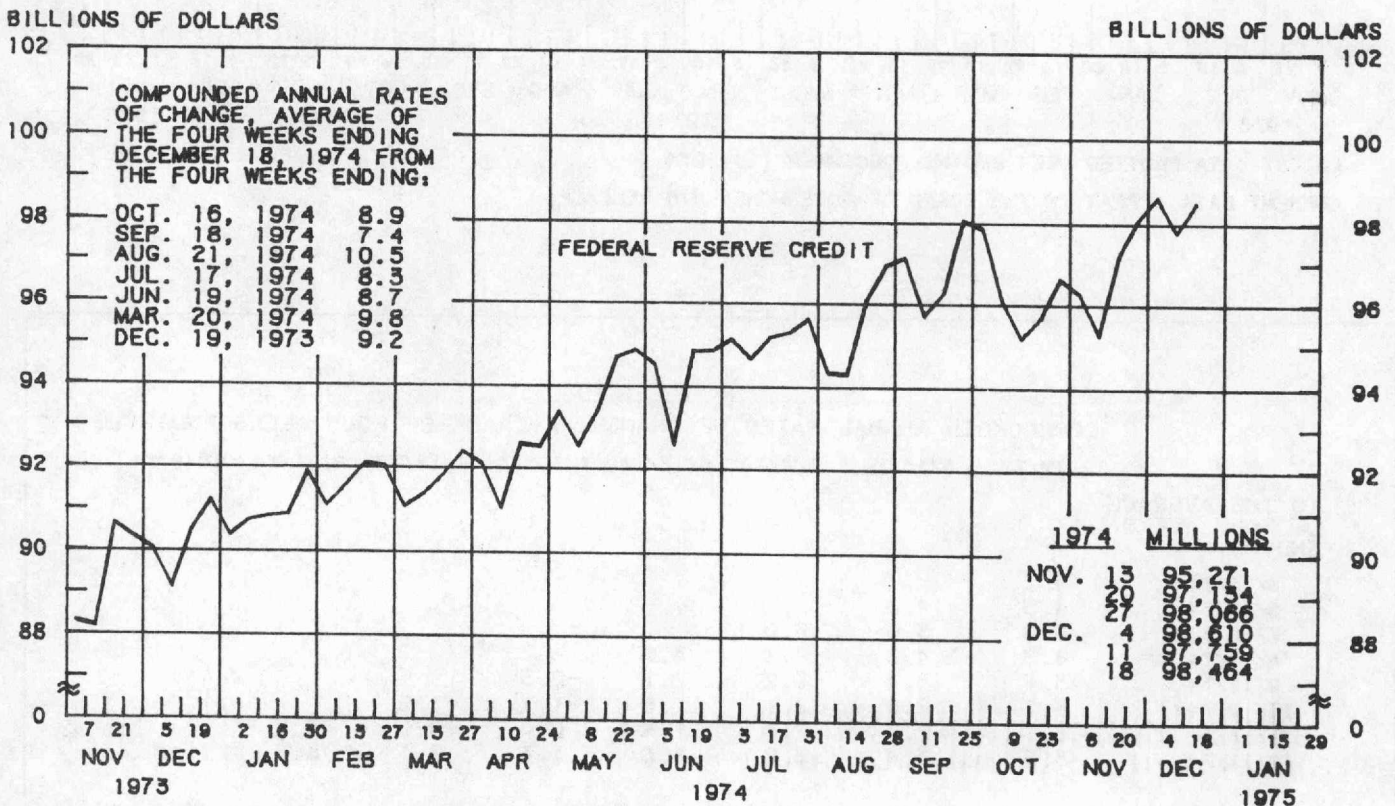
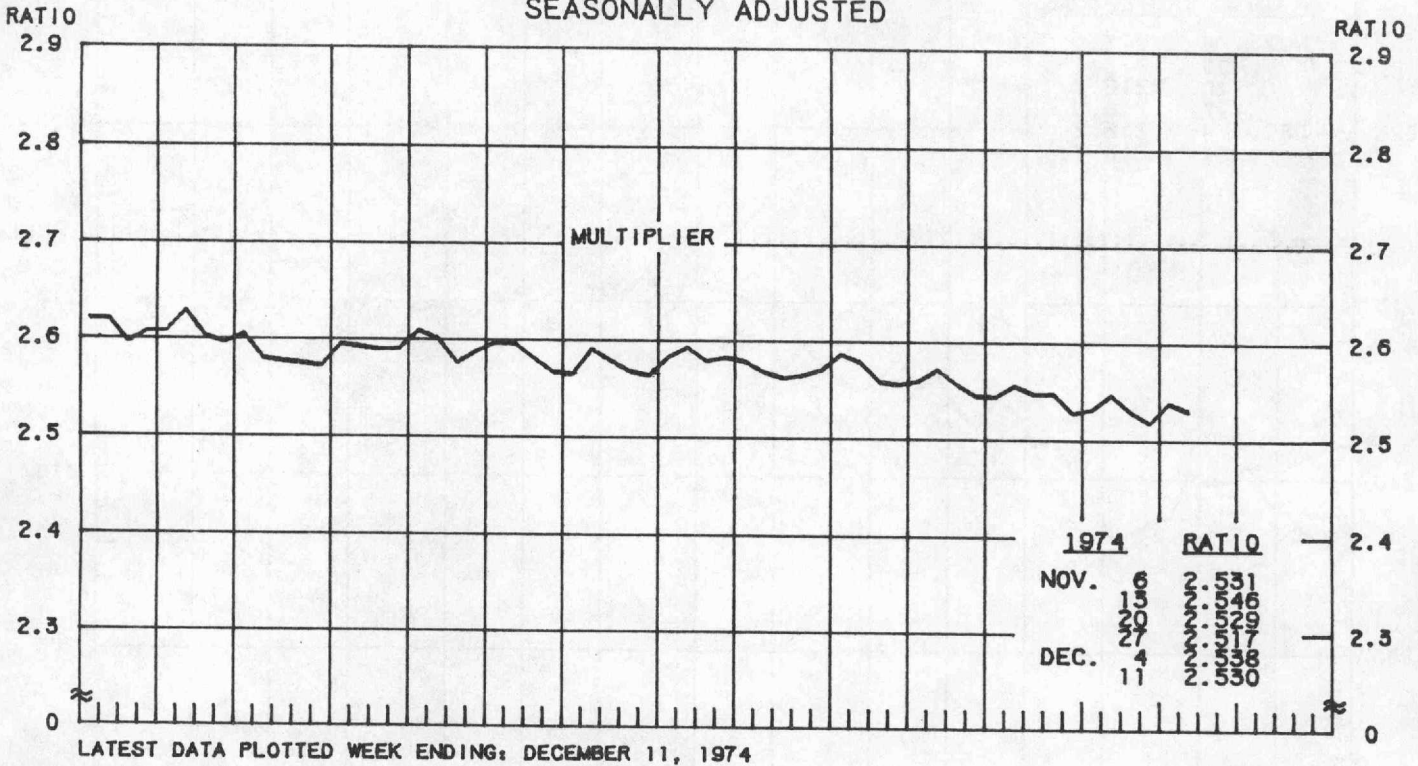
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

12/19/73 3/20/74 5/15/74 6/19/74 7/17/74 8/21/74 9/18/74 10/16/74

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

5/15/74	9.1								
6/19/74	8.5	8.7							
7/17/74	8.6	8.7	7.2						
8/21/74	7.5	7.0	5.1	4.6					
9/18/74	7.5	7.1	5.6	5.5	4.0				
10/16/74	7.6	7.4	6.2	6.3	5.6	8.3			
11/20/74	8.0	7.9	7.1	7.4	7.0	9.3	10.1		
12/18/74	8.5	8.6	8.1	8.5	8.5	10.7	11.7	12.8	

**MULTIPLIER 1/
FEDERAL RESERVE CREDIT 2/
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED**



COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF THE FOUR WEEKS ENDING DECEMBER 18, 1974 FROM THE FOUR WEEKS ENDING:

OCT. 16, 1974	8.9
SEP. 18, 1974	7.4
AUG. 21, 1974	10.5
JUL. 17, 1974	8.3
JUN. 19, 1974	8.7
MAR. 20, 1974	9.8
DEC. 19, 1973	9.2

LATEST DATA PLOTTED WEEK ENDING: DECEMBER 18, 1974

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

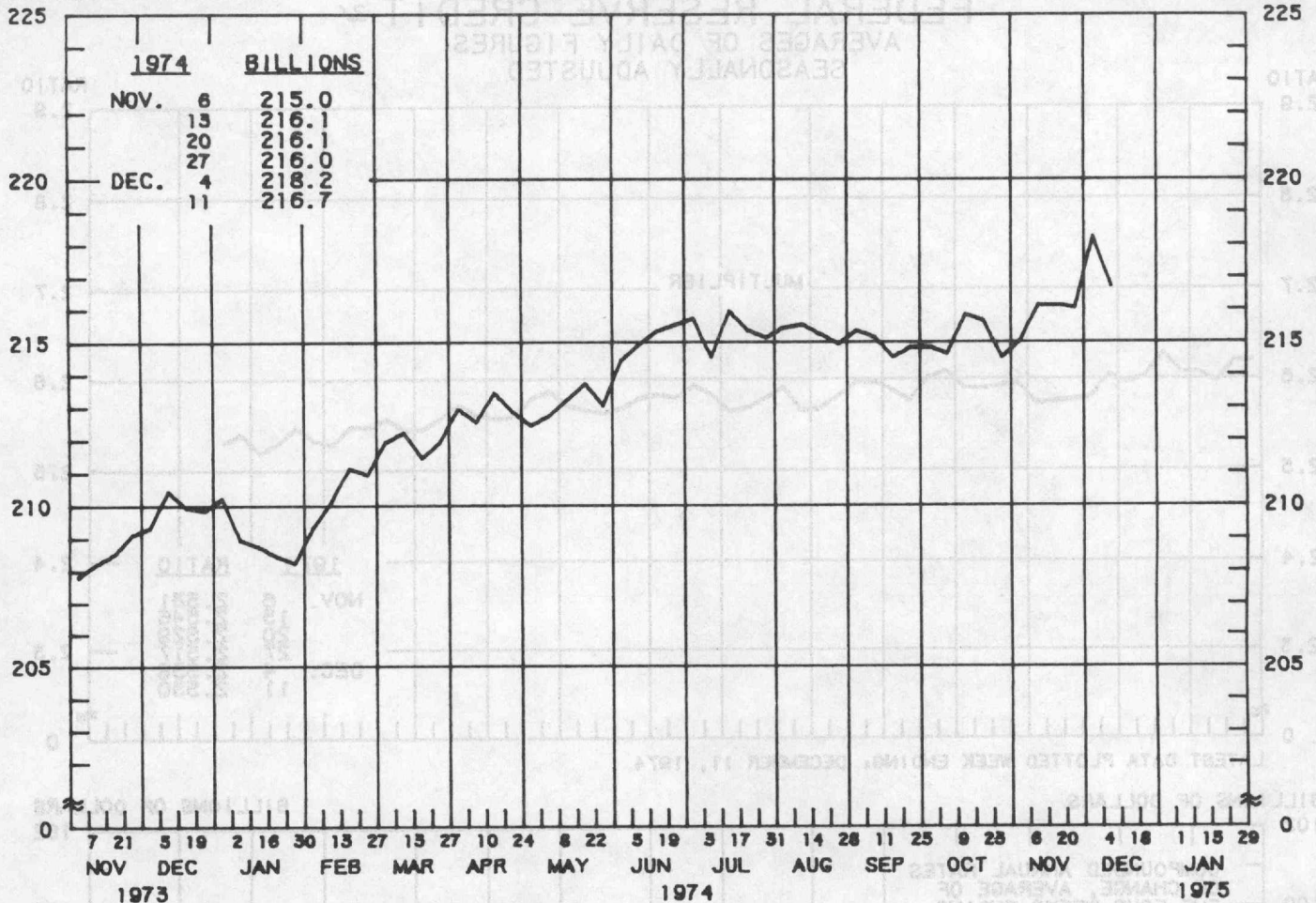
2/ DEFINED TO INCLUDE HOLDINGS OF SECURITIES, LOANS, FLOAT AND "OTHER" ASSETS, ADJUSTED FOR RESERVE REQUIREMENT CHANGES AND CHANGES IN REQUIREMENTS DUE TO SHIFTS IN DEPOSITS AMONG CLASSES OF BANKS. DATA ARE SEASONALLY ADJUSTED BY THIS BANK.

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 11, 1974

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

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:								
	12/12/73	3/13/74	5/8/74	6/12/74	7/10/74	8/14/74	9/11/74	10/9/74
TO THE AVERAGE OF FOUR WEEKS ENDING:								
5/ 8/74	4.2							
6/12/74	4.5	4.8						
7/10/74	5.0	5.6	7.0					
8/14/74	4.3	4.3	4.4	3.6				
9/11/74	3.7	3.4	3.2	2.1	-0.5			
10/ 9/74	3.1	2.6	2.1	1.0	-1.1	-1.8		
11/13/74	3.1	2.7	2.3	1.4	0.0	0.0	0.5	
12/11/74	3.6	3.4	3.2	2.6	1.7	2.1	3.2	5.8

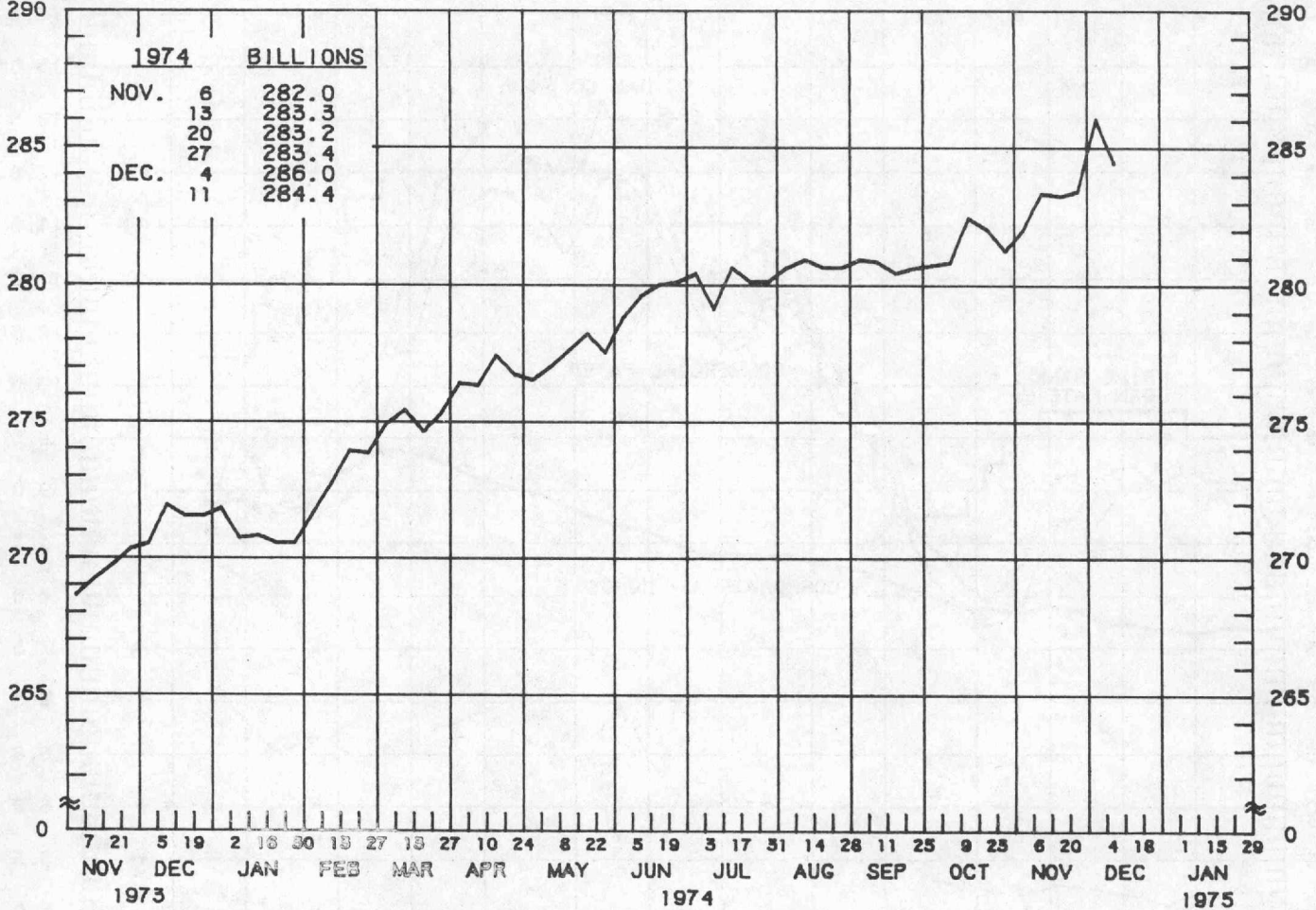
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 11, 1974

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

THE MONEY STOCK CONSISTS OF DEMAND DEPOSITS PLUS CURRENCY AND COIN HELD BY THE NONBANK PUBLIC.

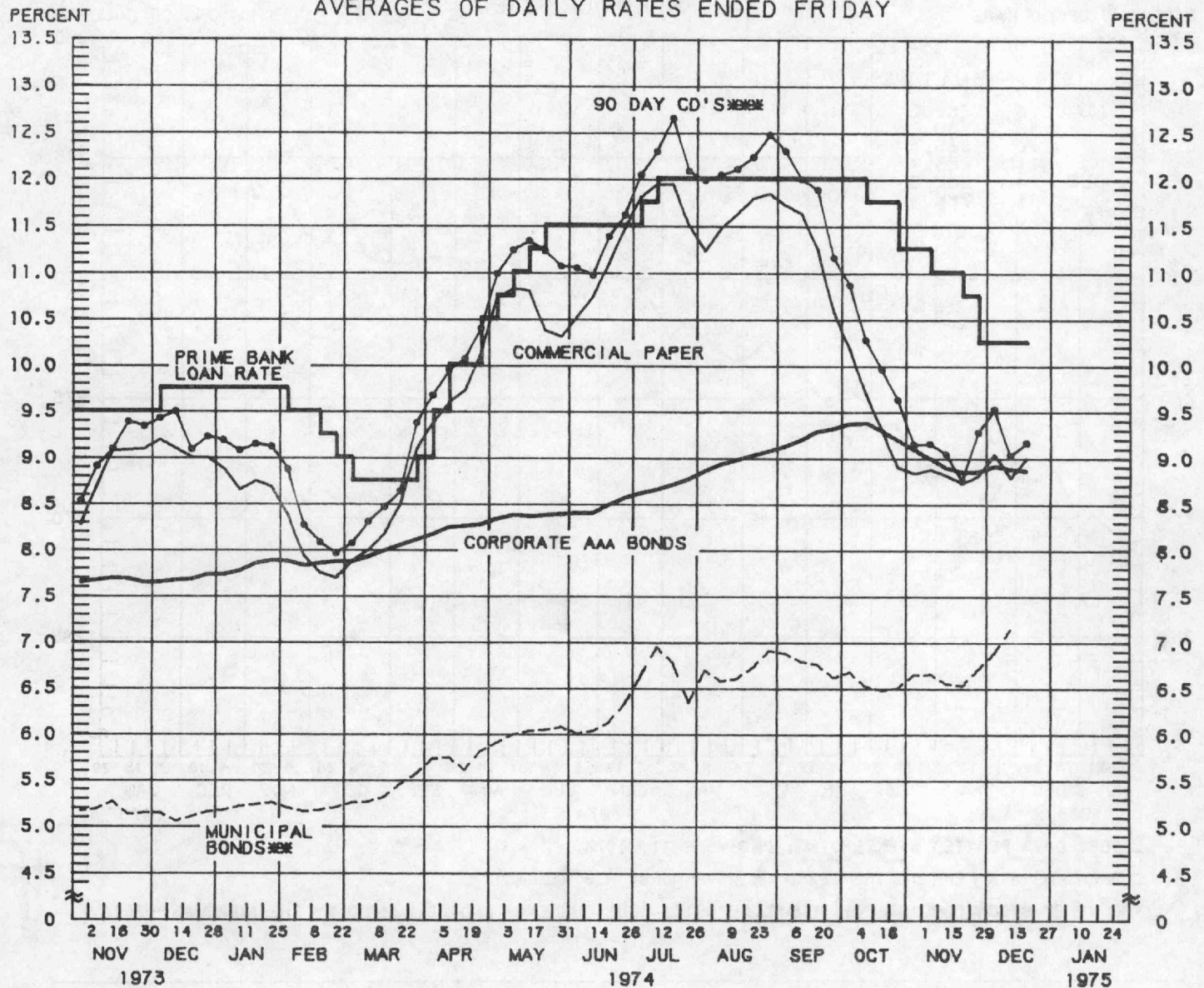
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

	12/12/73	3/13/74	5/8/74	6/12/74	7/10/74	8/14/74	9/11/74	10/9/74
5/ 8/74	5.9							
6/12/74	5.9	6.0						
7/10/74	6.0	6.1	6.4					
8/14/74	5.4	5.2	4.8	4.0				
9/11/74	5.0	4.6	4.0	3.2	1.7			
10/ 9/74	4.5	3.9	3.2	2.3	1.0	0.5		
11/13/74	4.6	4.1	3.6	3.1	2.3	2.4	2.9	
12/11/74	5.1	4.8	4.5	4.2	3.8	4.3	5.2	7.9

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: DECEMBER 20, 1974

1975	90 DAY CD'S ***	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS ***
NOV. 1	9.15	8.83	8.95	9.09	6.65
8	9.16	8.88	8.83	8.99	6.66
15	9.05	8.81	8.94	8.89	6.55
22	8.75	8.73	9.00	8.84	6.53
29	9.28	8.81	9.41	8.85	6.71
DEC. 6	9.53	9.05	9.55	8.91	6.89
13	9.03	8.78	9.03	8.87	7.15
20 *	9.17	9.00	9.03	8.85	N.A.
27					
JAN. 3					
10					
17					
24					
31					

* AVERAGES OF RATES AVAILABLE.

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

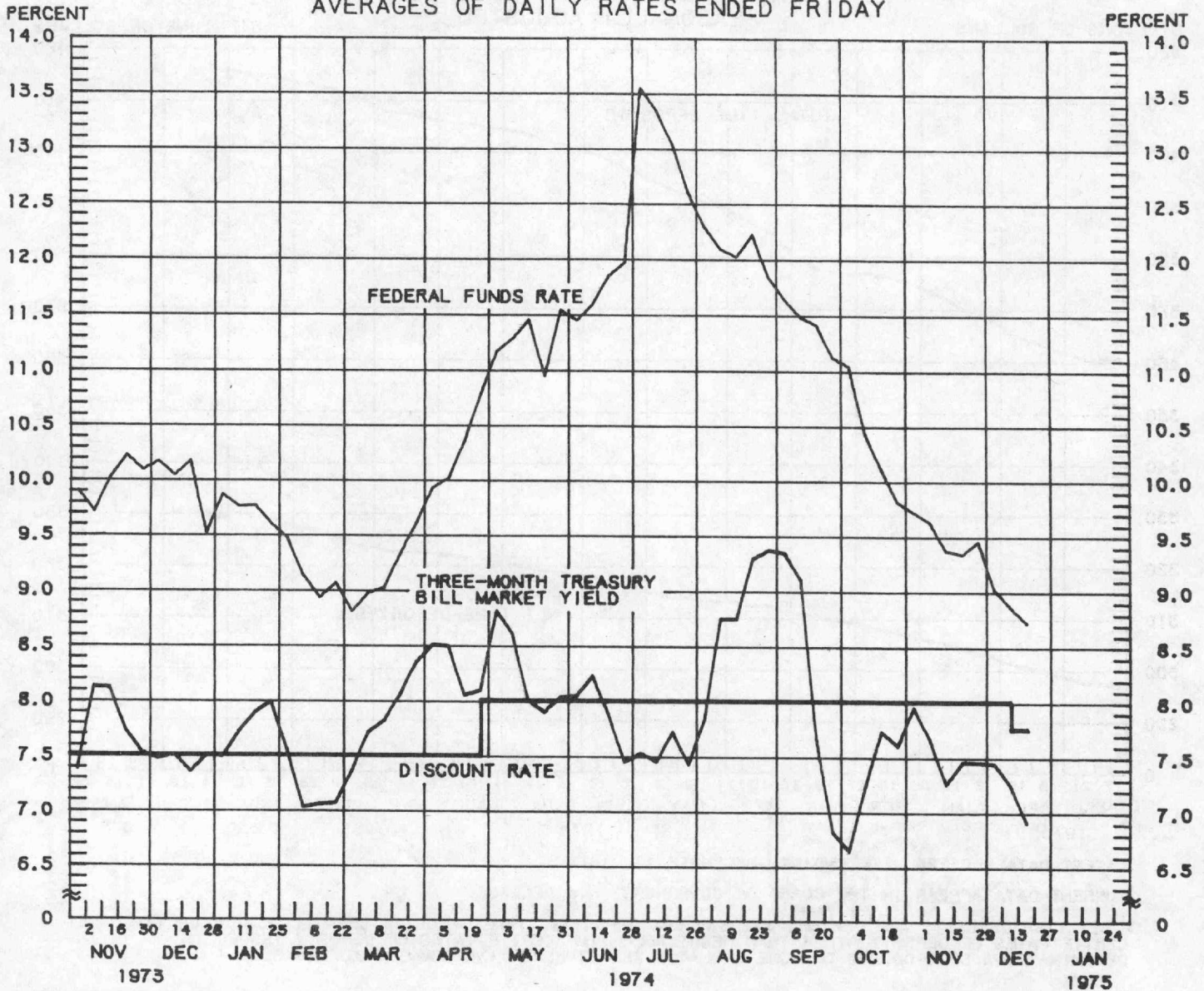
~~***~~ SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

N.A. - NOT AVAILABLE

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

SELECTED SHORT-TERM INTEREST RATES

AVERAGES OF DAILY RATES ENDED FRIDAY

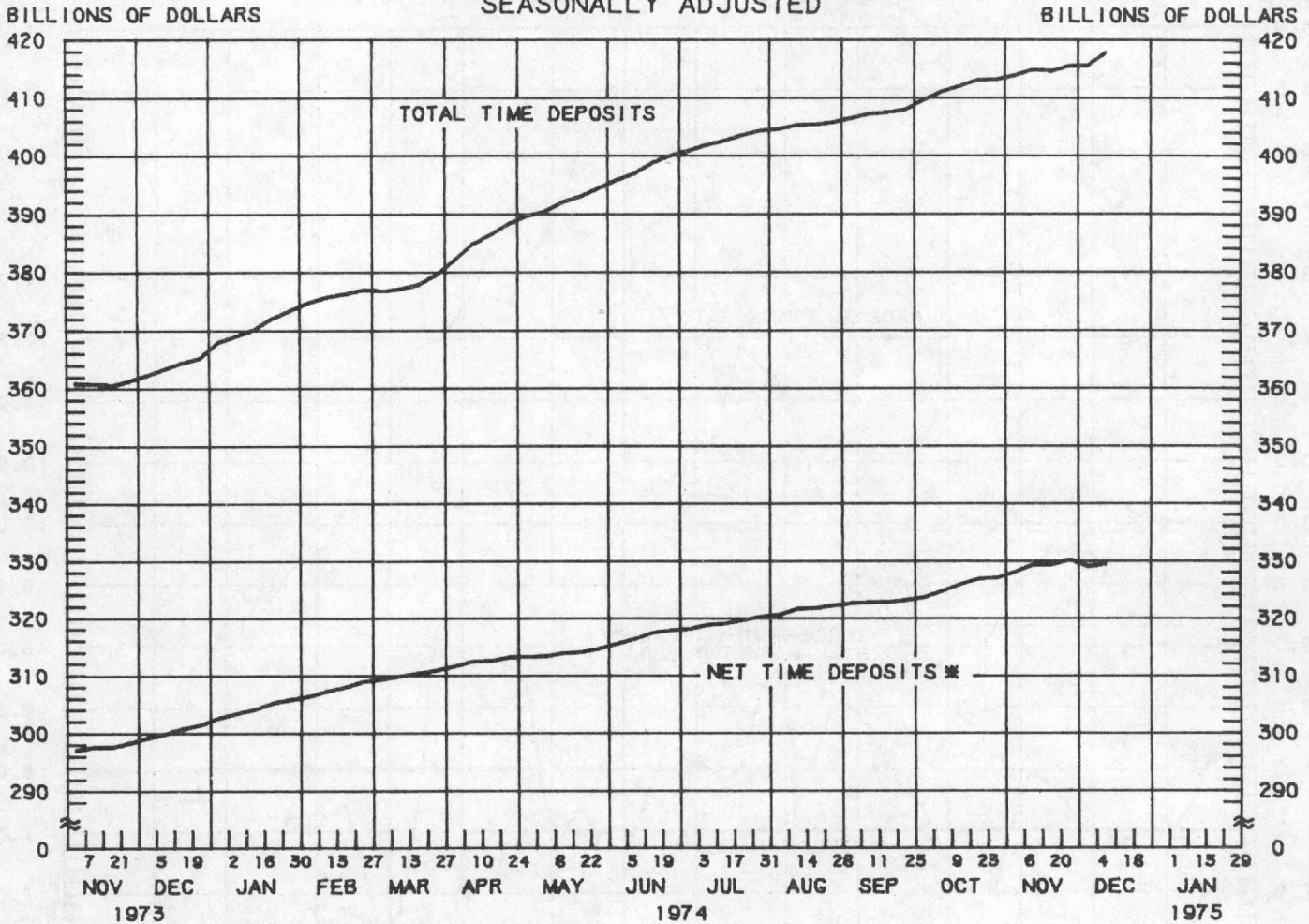


LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: DECEMBER 20, 1974

1975	FEDERAL FUNDS ^{***}	3-MONTH TREASURY BILLS	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES
NOV. 1	9.72	7.95	7.98	7.12
8	9.63	7.66	7.83	7.04
15	9.37	7.26	7.67	6.92
22	9.34	7.46	7.53	6.87
29	9.46	7.45	7.50	6.88
DEC. 6	9.02	7.44	7.46	6.89
13	8.86	7.24	7.16	6.75
20 *	8.72	6.91	7.08	6.70
27				
JAN. 3				
10				
17				
24				
31				

* 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.

TIME DEPOSITS ALL COMMERCIAL BANKS AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 11, 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:

12/12/73 3/13/74 5/8/74 6/12/74 7/10/74 8/14/74 9/11/74 10/9/74

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

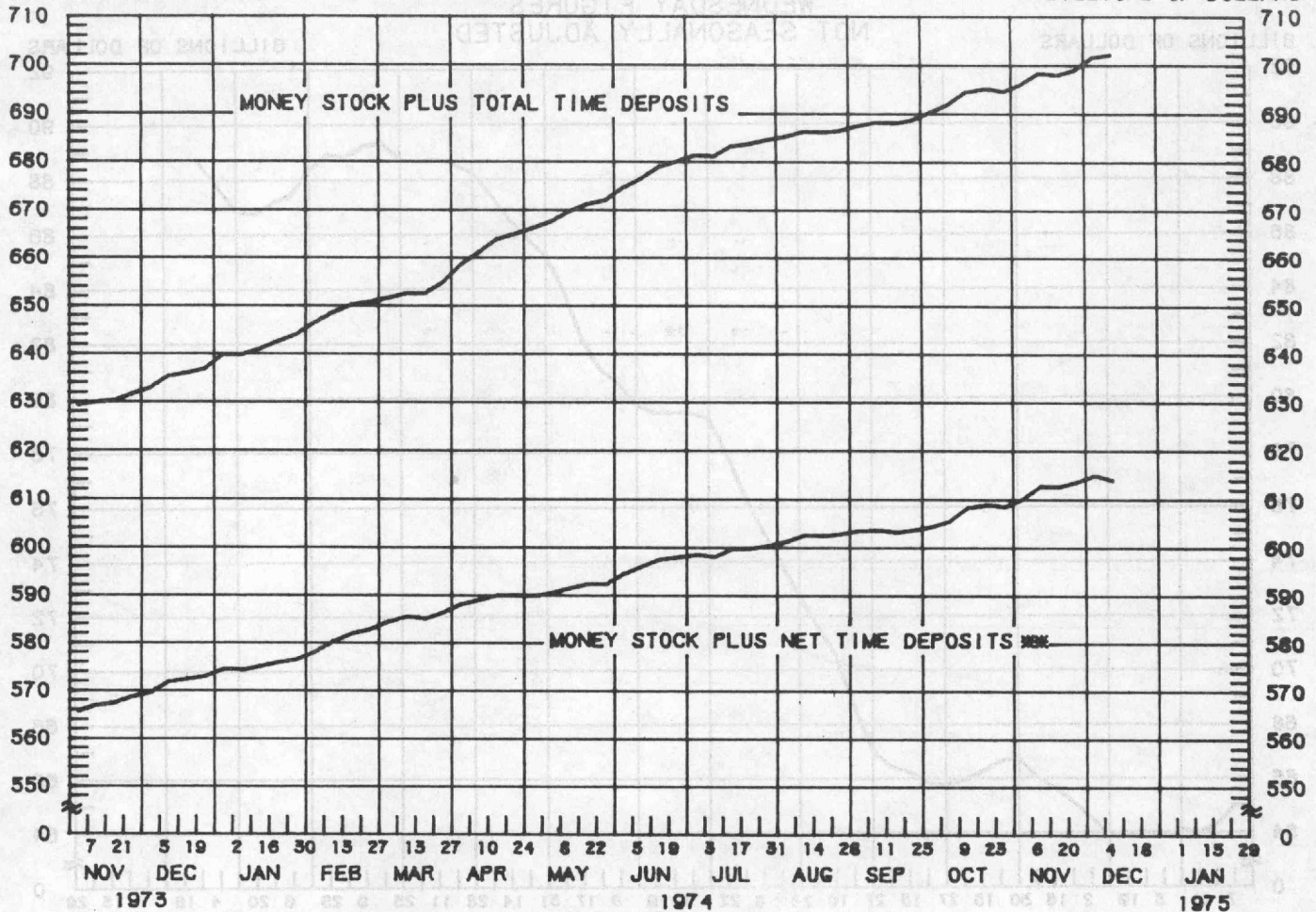
5/ 8/74	12.3								
6/12/74	11.3	8.1							
7/10/74	11.5	9.2	9.6						
8/14/74	11.0	9.0	9.2	10.3					
9/11/74	10.6	8.7	8.7	9.3	7.9				
10/ 9/74	10.1	8.2	8.0	8.3	7.0	6.0			
11/13/74	10.6	9.2	9.3	9.8	9.2	9.4	10.5		
12/11/74	10.3	8.9	9.0	9.3	8.8	8.8	9.4	11.4	

MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 11, 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:

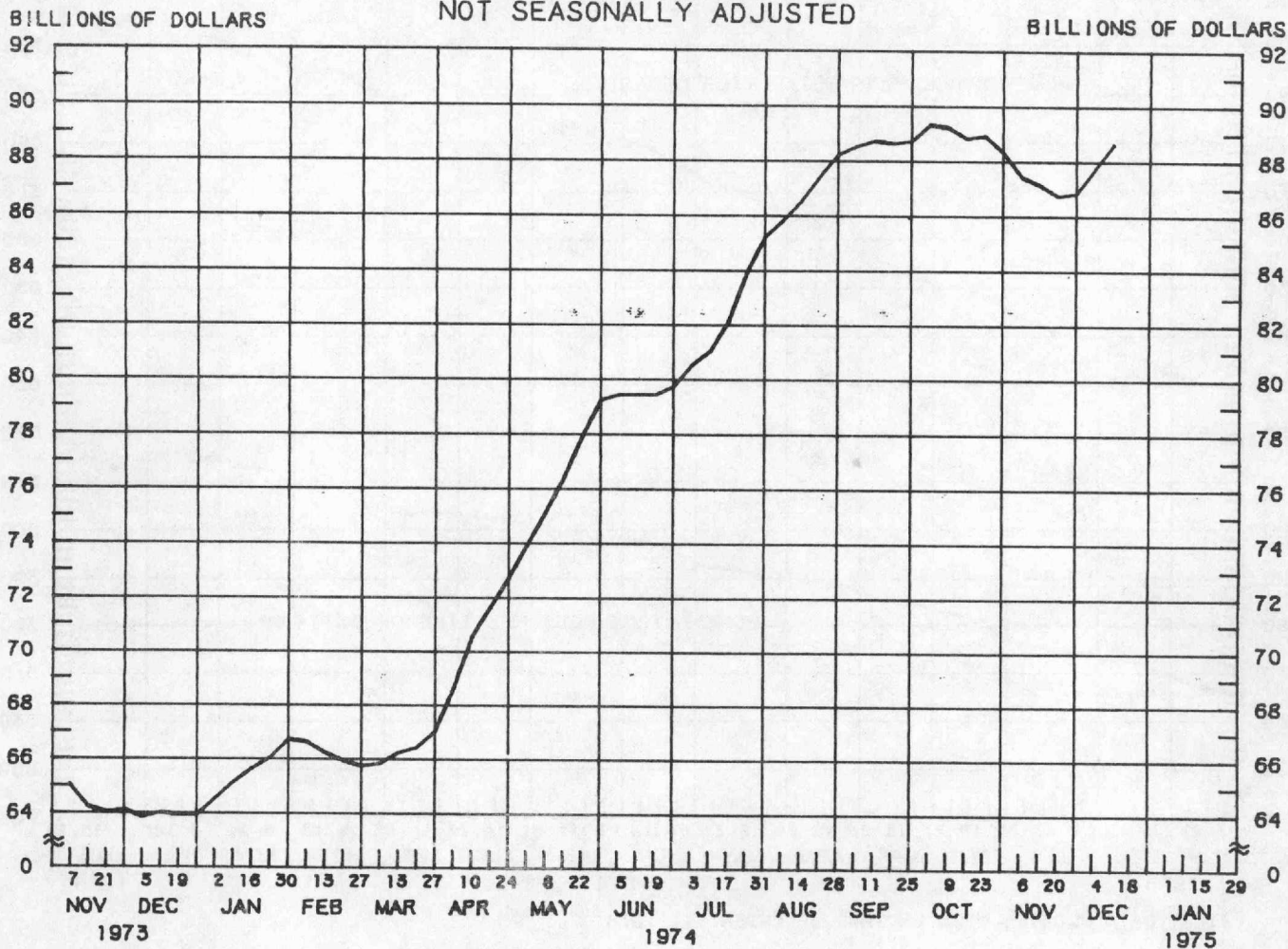
12/12/73 3/13/74 5/8/74 8/12/74 7/10/74 8/14/74 9/11/74 10/9/74

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

5/ 8/74	9.2							
8/12/74	8.7							
7/10/74	8.9		8.1					
8/14/74	8.4		7.1	7.3				
9/11/74	8.0	6.8	6.6	6.5	5.0			
10/ 9/74	7.4	6.2	5.8	5.5	4.2	3.5		
11/13/74	7.7	6.8	6.6	6.6	5.9	6.1	6.8	
12/11/74	7.8	7.0	6.9	6.9	6.4	6.7	7.3	9.5

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES
NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 11, 1974

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

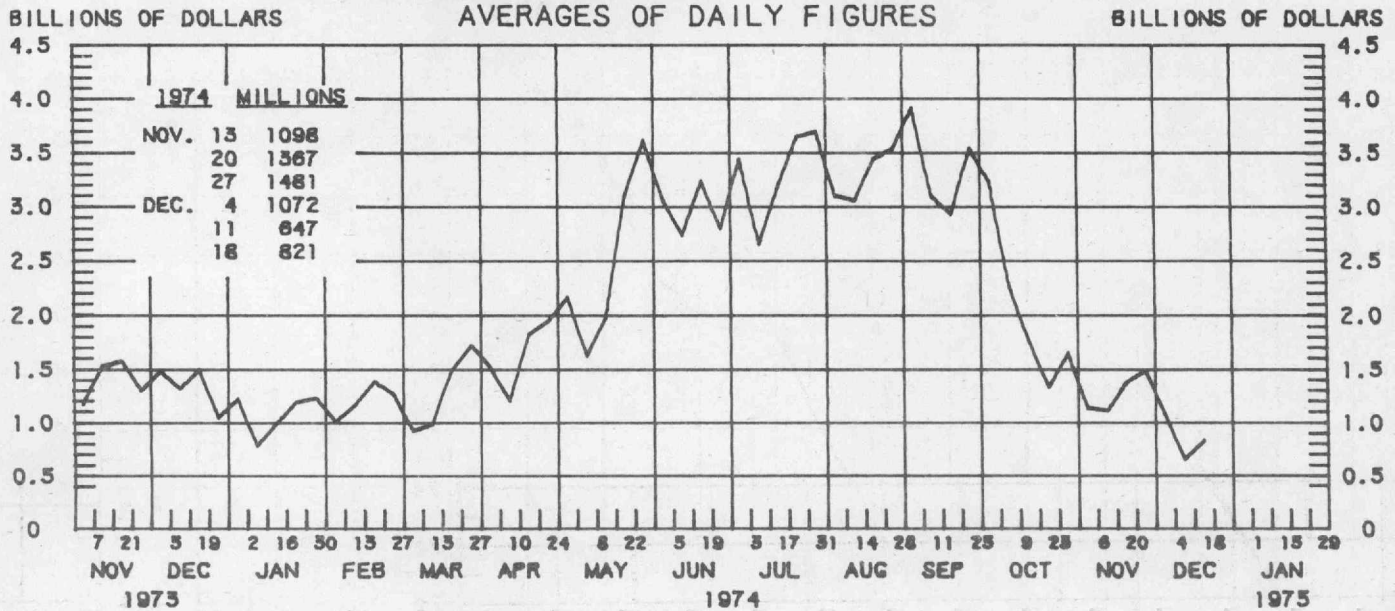
NEGOTIABLE TIME CERTIFICATES OF DEPOSIT ISSUED IN DENOMINATIONS OF \$100,000 OR MORE BY LARGE WEEKLY REPORTING COMMERCIAL BANKS.

MONEY AND TIME DEPOSIT DATA				
1975	BILLIONS			
	CERTIFICATES OF DEPOSIT NOT SEAS. ADJ.	CERTIFICATES OF DEPOSIT	NET TIME DEPOSITS*	M 2**
NOV. 6	87.4	85.7	328.1	610.0
13	87.1	85.5	329.3	612.6
20	86.7	85.1	329.3	612.5
27	86.8	85.3	330.2	613.6
DEC. 4	87.7	86.7	328.9	614.9
11	88.6	88.2	329.5	613.8
18				
25				
JAN. 1				
8				
15				
22				
29				

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

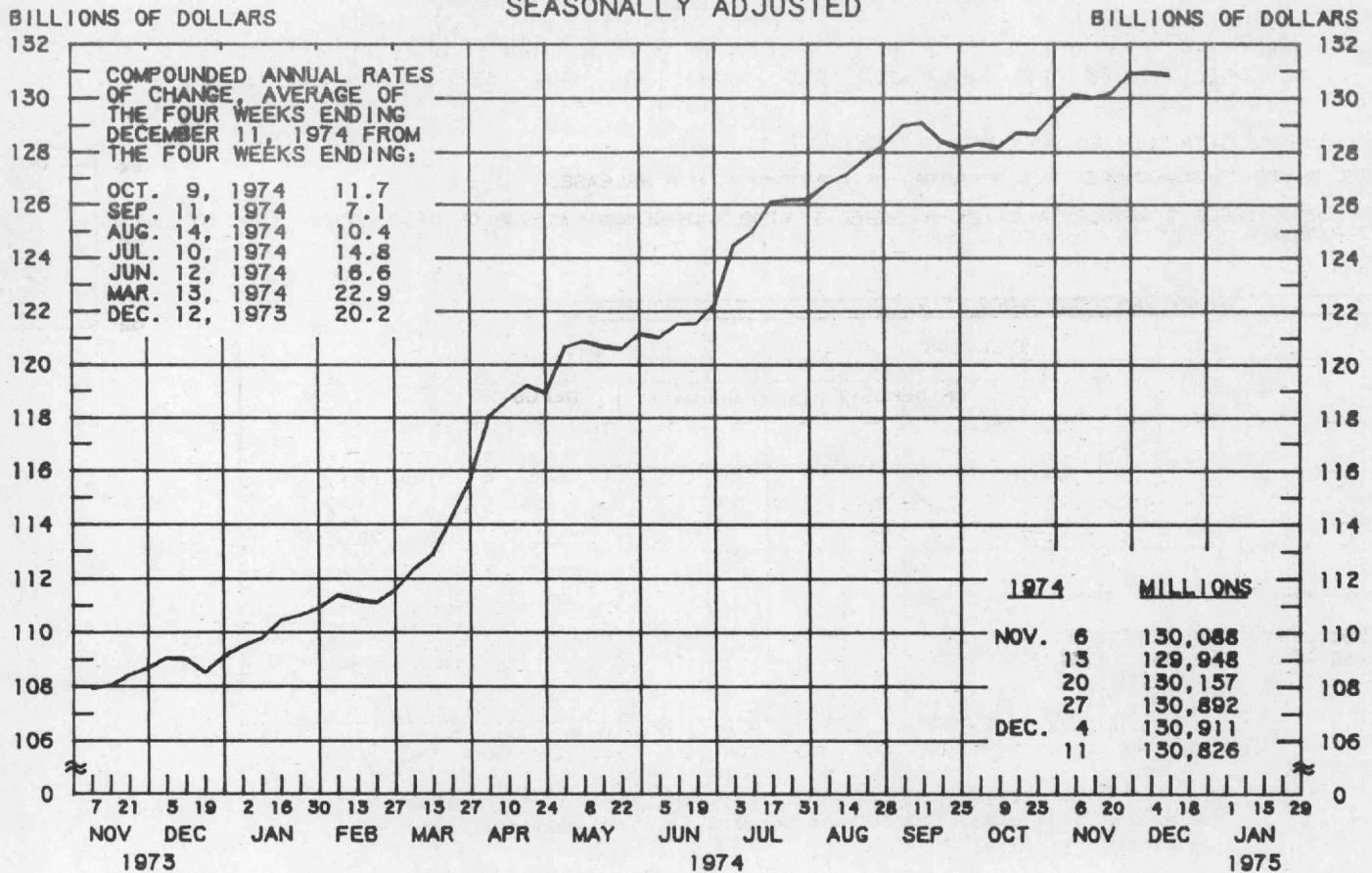
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



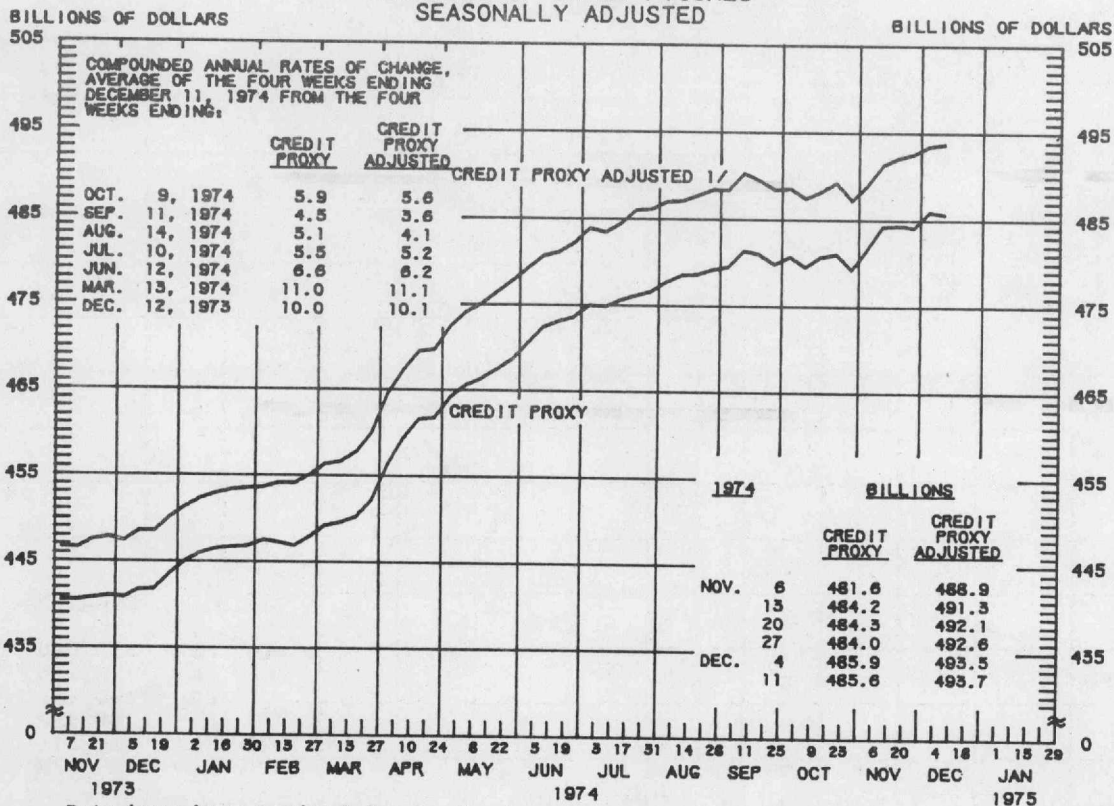
LATEST DATA PLOTTED WEEK ENDING: DECEMBER 18, 1974

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



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 11, 1974

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



Data have been revised due to the incorporation of the June 1974 nonmember bank call of condition reports, and new seasonal adjustment factors.

LATEST DATA PLOTTED WEEK ENDING: DECEMBER 11, 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