



Week ending: March 12, 1975

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Generally speaking, short-term interest rates have fallen during the past seven months after rising during the previous six months. At the same time there has been a marked decrease in the rate of growth of the monetary aggregates during the last seven months relative to their rates of growth during the previous six months. Thus, recent declines in short-term interest rates are a reflection of a general decrease in the demand for credit, rather than the result of an increased supply of money and credit.

Interest Rates

	<u>February 1974</u> <u>Monthly Avg.</u>	<u>August 1974</u> <u>Monthly Avg.</u>	<u>Latest</u> <u>Week</u>
4-6 Mo. Commercial Paper	7.83	11.65	6.13
3 Mo. Treasury Bill	7.12	8.96	5.57
Federal Funds	8.97	12.01	5.44
90 day CDs	8.10	12.22	6.26
Prime Rate	9.21	12.00	8.00
Corporate Aaa	7.85	9.00	8.60

Monetary Aggregates

	<u>4 weeks ended 2/6/74</u> <u>to 4 weeks ended 8/7/74</u>	<u>4 weeks ended 8/7/74</u> <u>to 4 weeks ended 3/5/75</u>
Credit Proxy Adj.	14.9	3.6
M1	7.4	2.3
M2	8.5	6.4

In the latest week many commercial banks lowered their prime lending rate to 8 percent. With this most recent decline, the prime rate has fallen 400 basis points since its peak of 12 percent in early October 1974 and 225 basis points since the beginning of this year. During the past week most Federal Reserve Banks have reduced their basic discount rates (the rates they charge to commercial banks for borrowed reserves) by 50 basis points to 6.25 percent. This is the lowest level for this rate since early June 1973 and represents a decline of 175 basis points from the recent peak of 8 percent which prevailed from late April until mid-December 1974.

Prepared by Federal Reserve Bank of St. Louis
Released: March 14, 1975

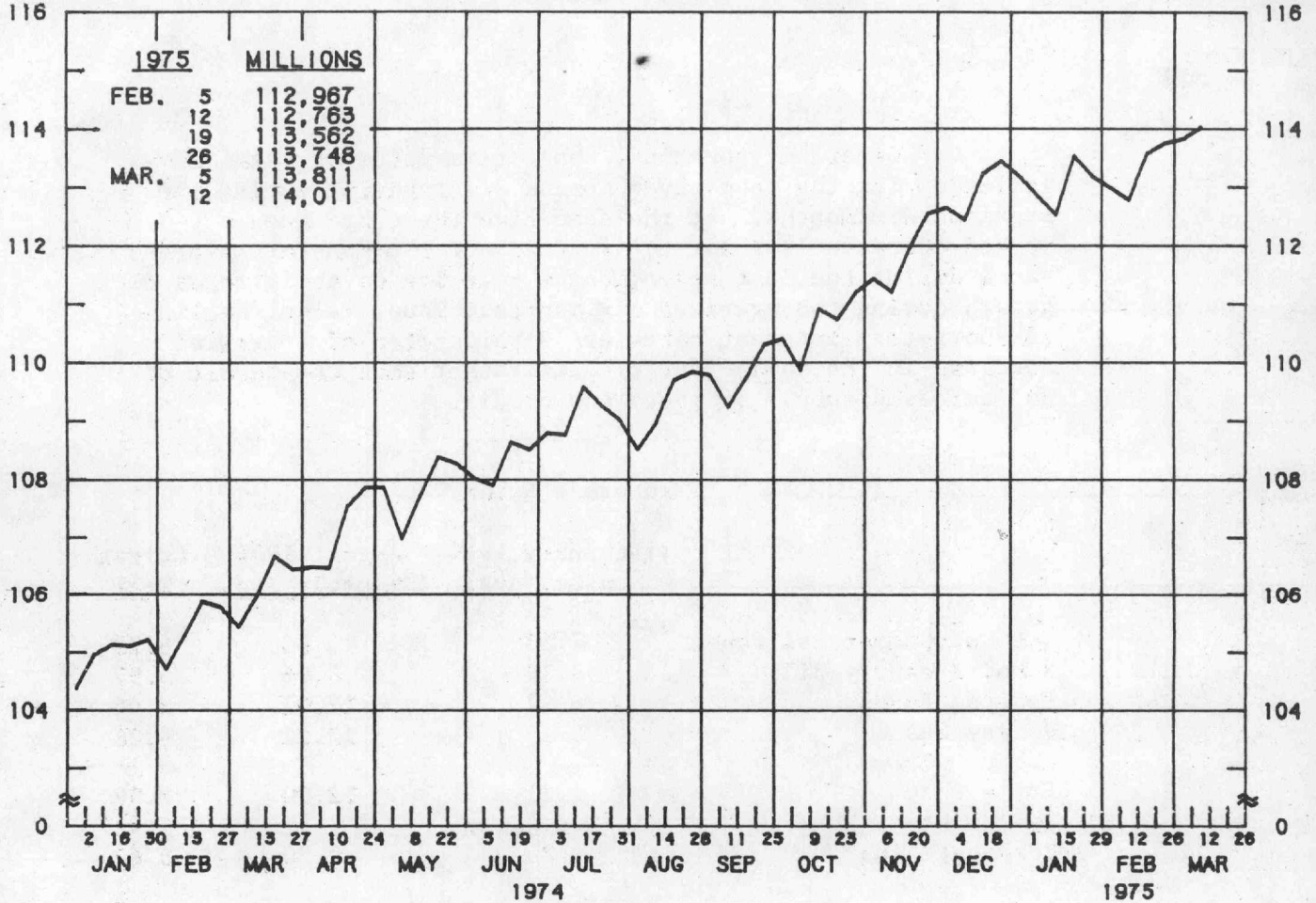
MONETARY BASE

AVERAGES OF DAILY FIGURES

SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MARCH 12, 1975

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.

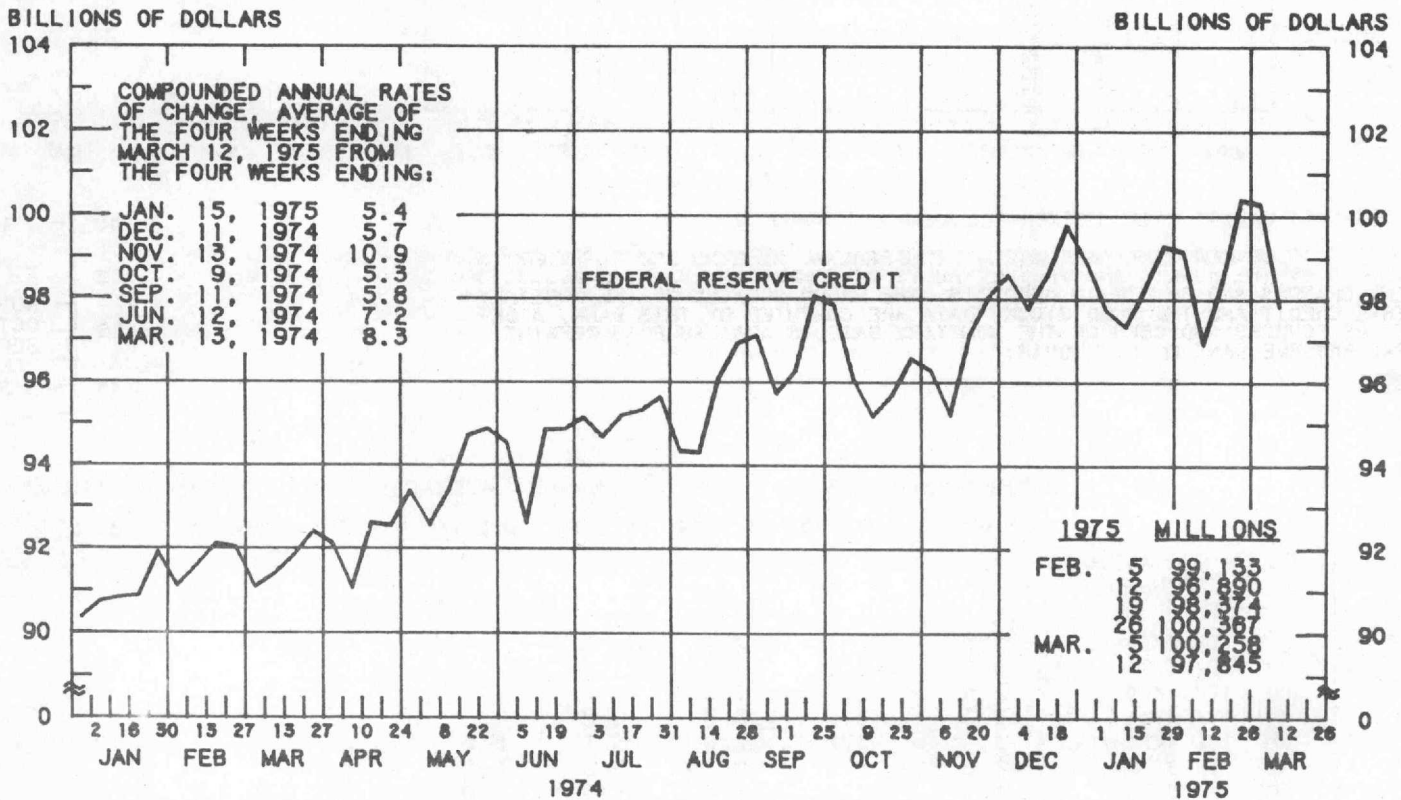
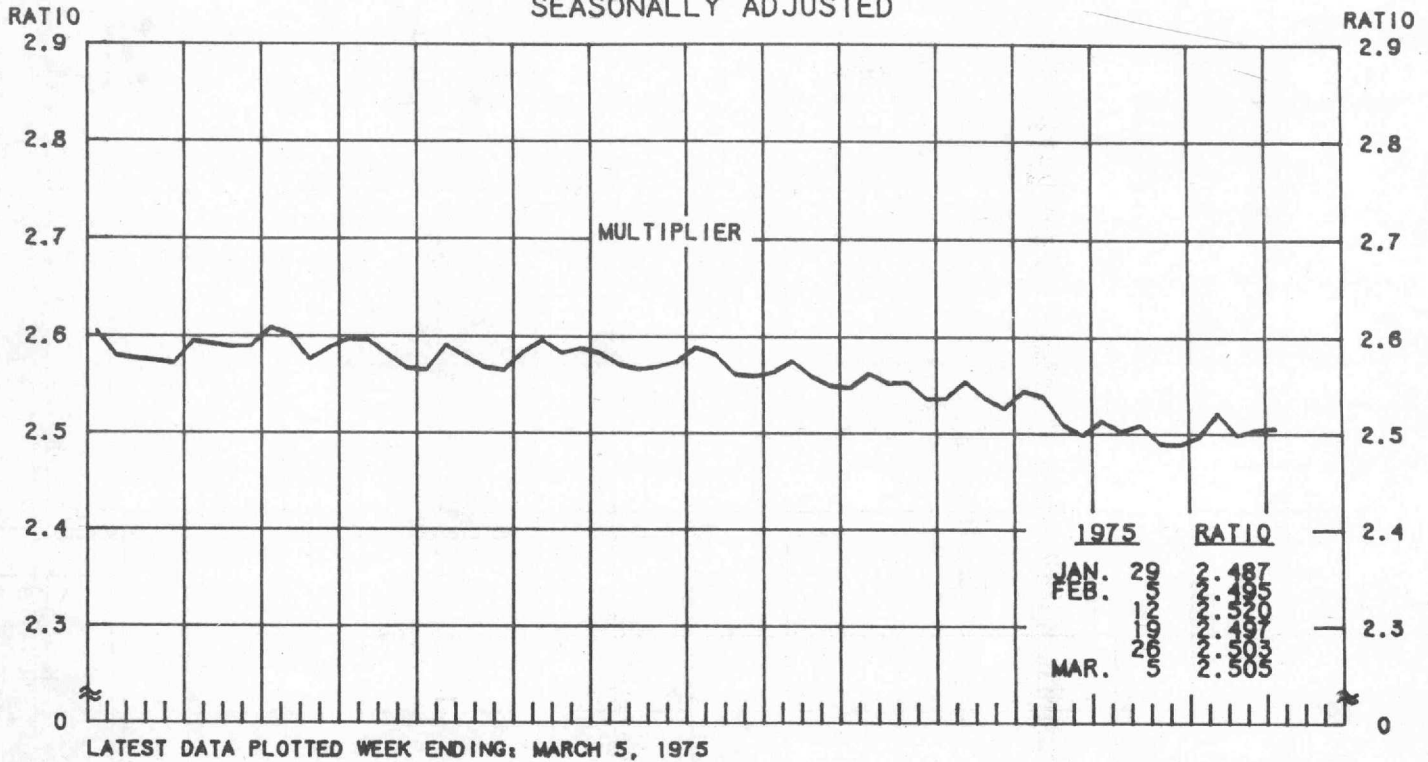
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

	3/13/74	6/12/74	8/14/74	9/11/74	10/9/74	11/13/74	12/11/74	1/15/75
8/14/74	7.2							
9/11/74	7.5	5.7						
10/9/74	7.2	5.6	7.1					
11/13/74	7.7	6.7	8.4	8.2				
12/11/74	8.5	8.1	10.1	10.5	12.8			
1/15/75	8.1	7.7	9.0	9.1	10.2	10.0		
2/12/75	7.6	6.9	7.8	7.7	8.2	7.3	3.7	
3/12/75	7.6	7.0	7.9	7.7	8.2	7.5	5.0	4.7

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



LATEST DATA PLOTTED WEEK ENDING: MARCH 12, 1975

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.

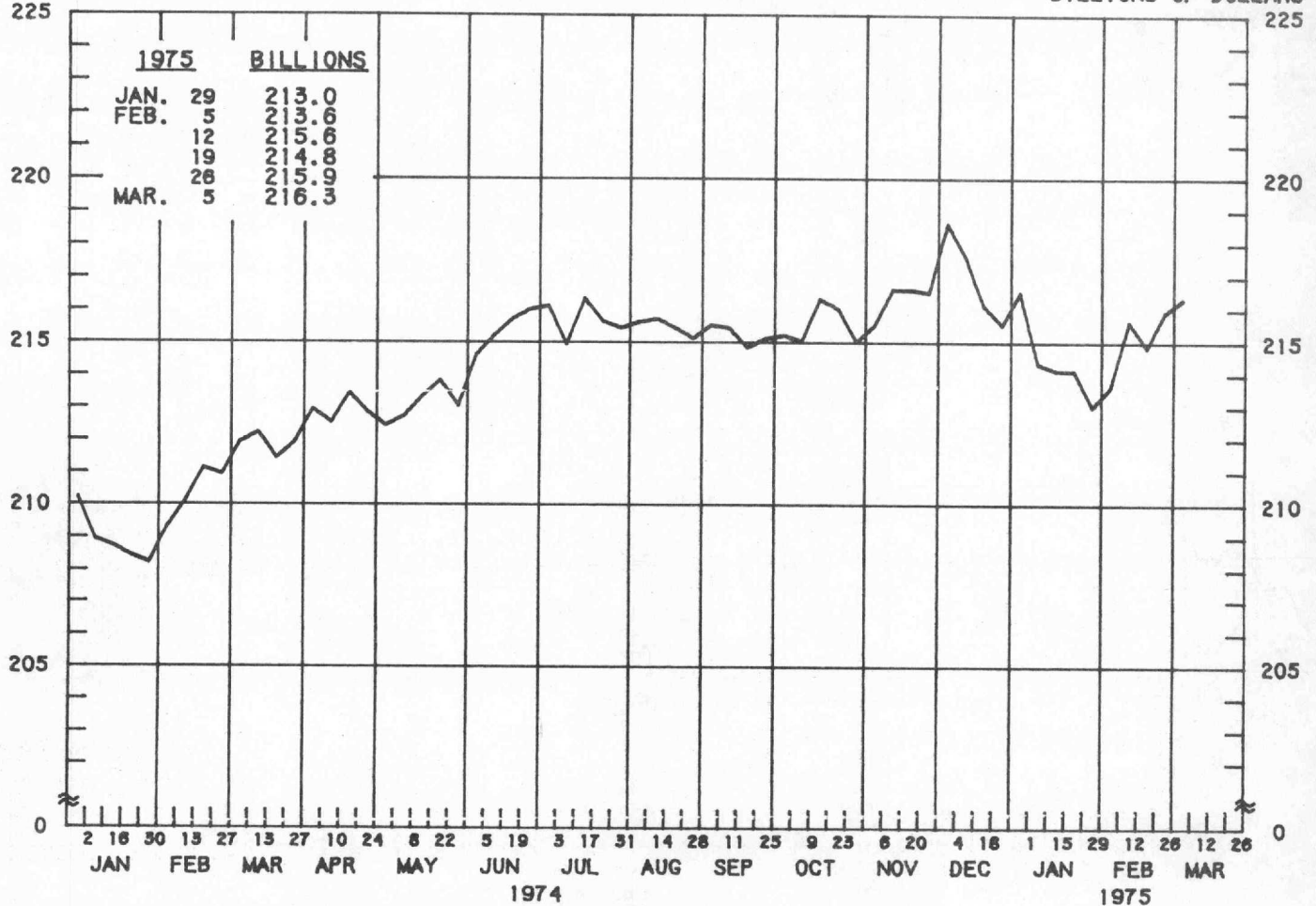
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MARCH 5, 1975

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

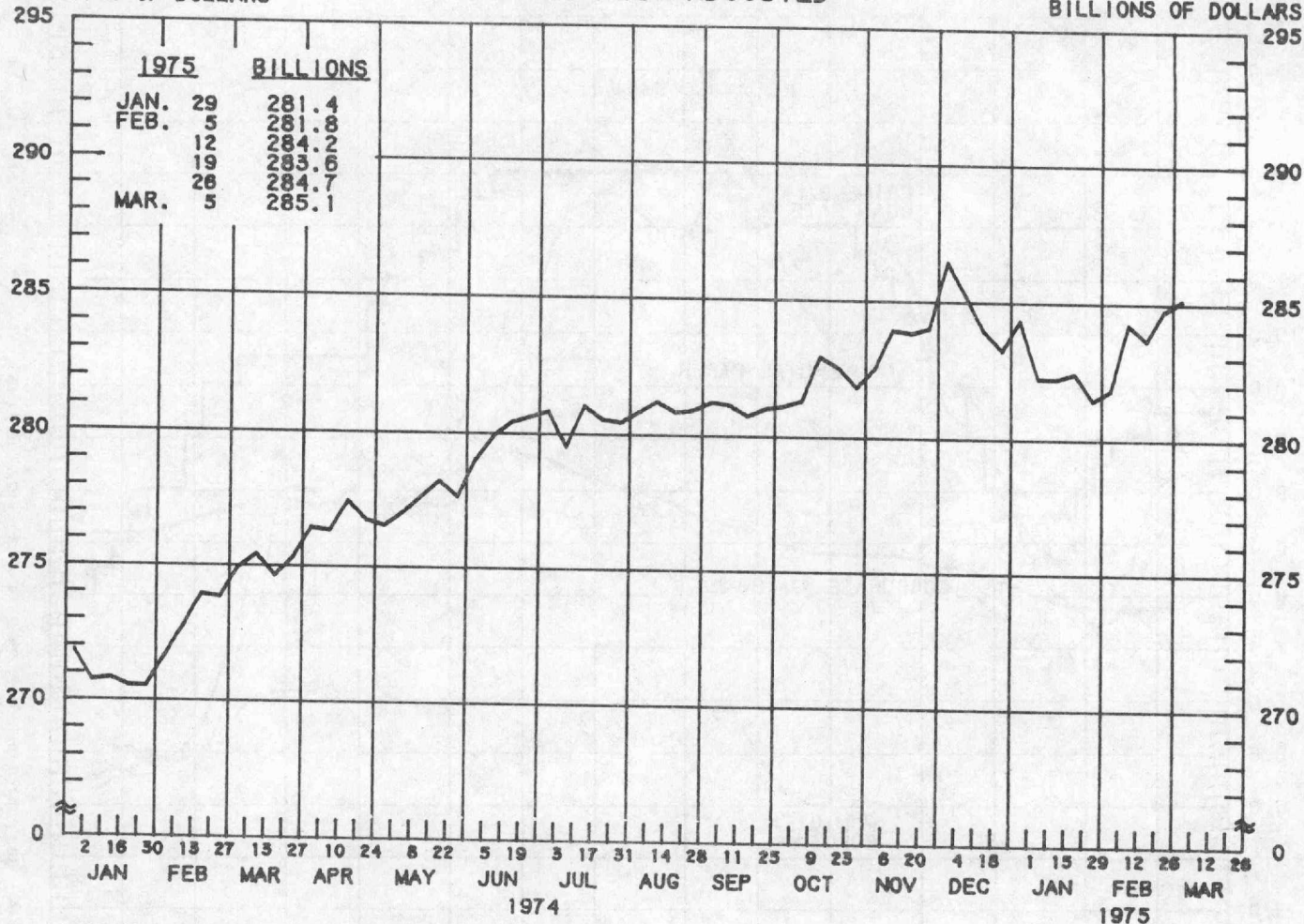
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:								
	3/6/74	6/5/74	8/7/74	9/4/74	10/2/74	11/6/74	12/4/74	1/8/75
TO THE AVERAGE OF FOUR WEEKS ENDING:								
8/ 7/74	5.3							
9/ 4/74	4.2	3.2						
10/ 2/74	3.4	2.0	-1.8					
11/ 6/74	3.3	2.2	0.0	0.8				
12/ 4/74	3.9	3.2	2.0	3.2	5.5			
1/ 8/75	2.6	1.5	-0.1	0.3	0.9	-0.3		
2/ 5/75	1.4	0.0	-1.8	-1.9	-1.9	-3.7	-8.7	
3/ 5/75	2.2	1.2	0.0	0.3	0.7	0.0	-2.6	0.3

MONEY STOCK

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MARCH 5, 1975

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

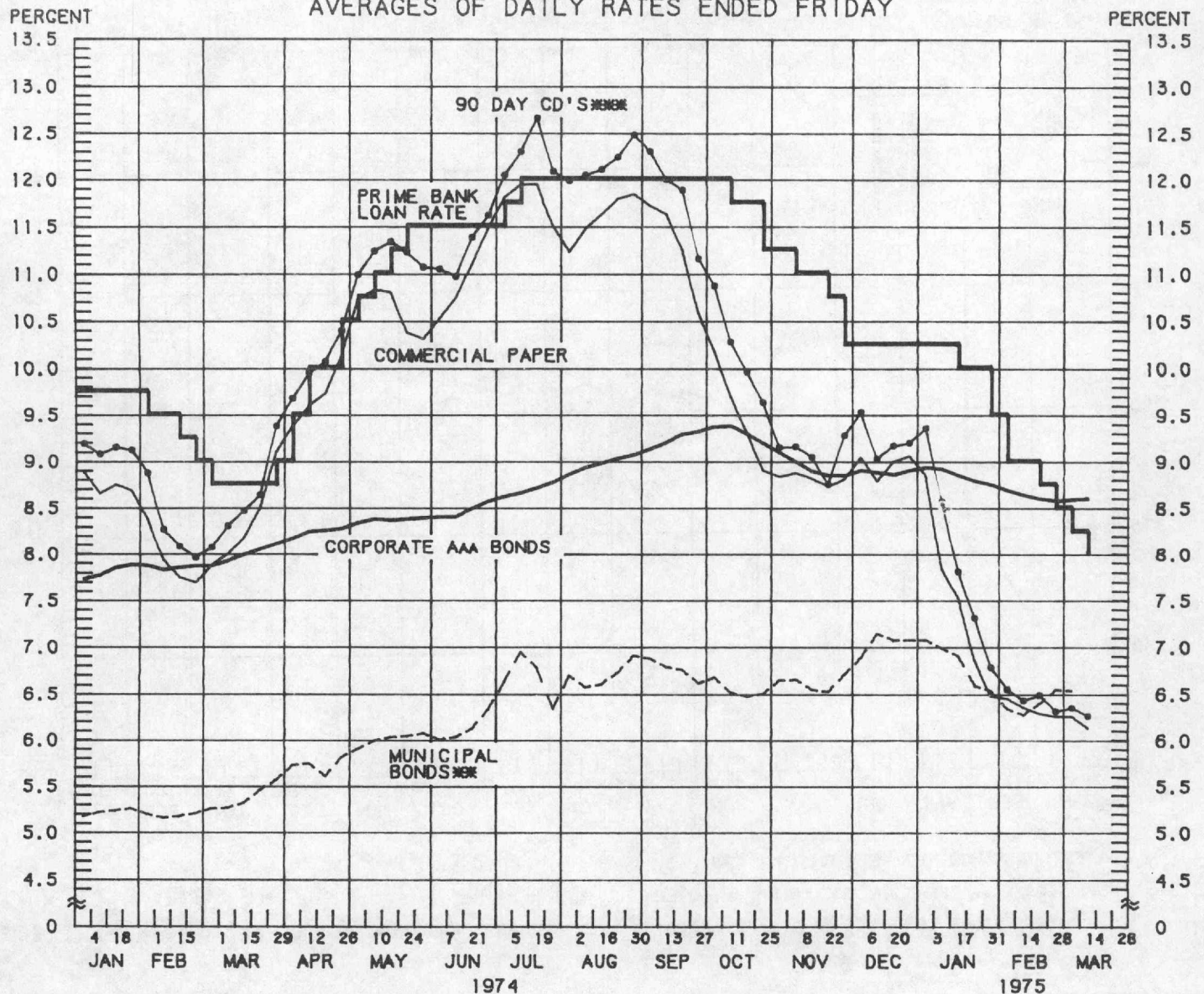
THE MONEY STOCK CONSISTS OF DEMAND DEPOSITS PLUS CURRENCY AND COIN HELD BY THE NONBANK PUBLIC.

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

	3/8/74	6/5/74	8/7/74	9/4/74	10/2/74	11/6/74	12/4/74	1/8/75
TO THE AVERAGE OF FOUR WEEKS ENDING:								
8/ 7/74	6.1							
9/ 4/74	5.3	4.2						
10/ 2/74	4.6	3.2	0.7					
11/ 6/74	4.7	3.7	2.4	2.9				
12/ 4/74	5.2	4.7	4.2	5.1	7.4			
1/ 8/75	4.2	3.2	2.3	2.5	3.2	2.1		
2/ 5/75	3.2	2.1	0.9	0.8	1.0	-0.6	-5.0	
3/ 5/75	3.9	3.0	2.3	2.4	2.9	2.2	-0.1	2.3

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: MARCH 14, 1975

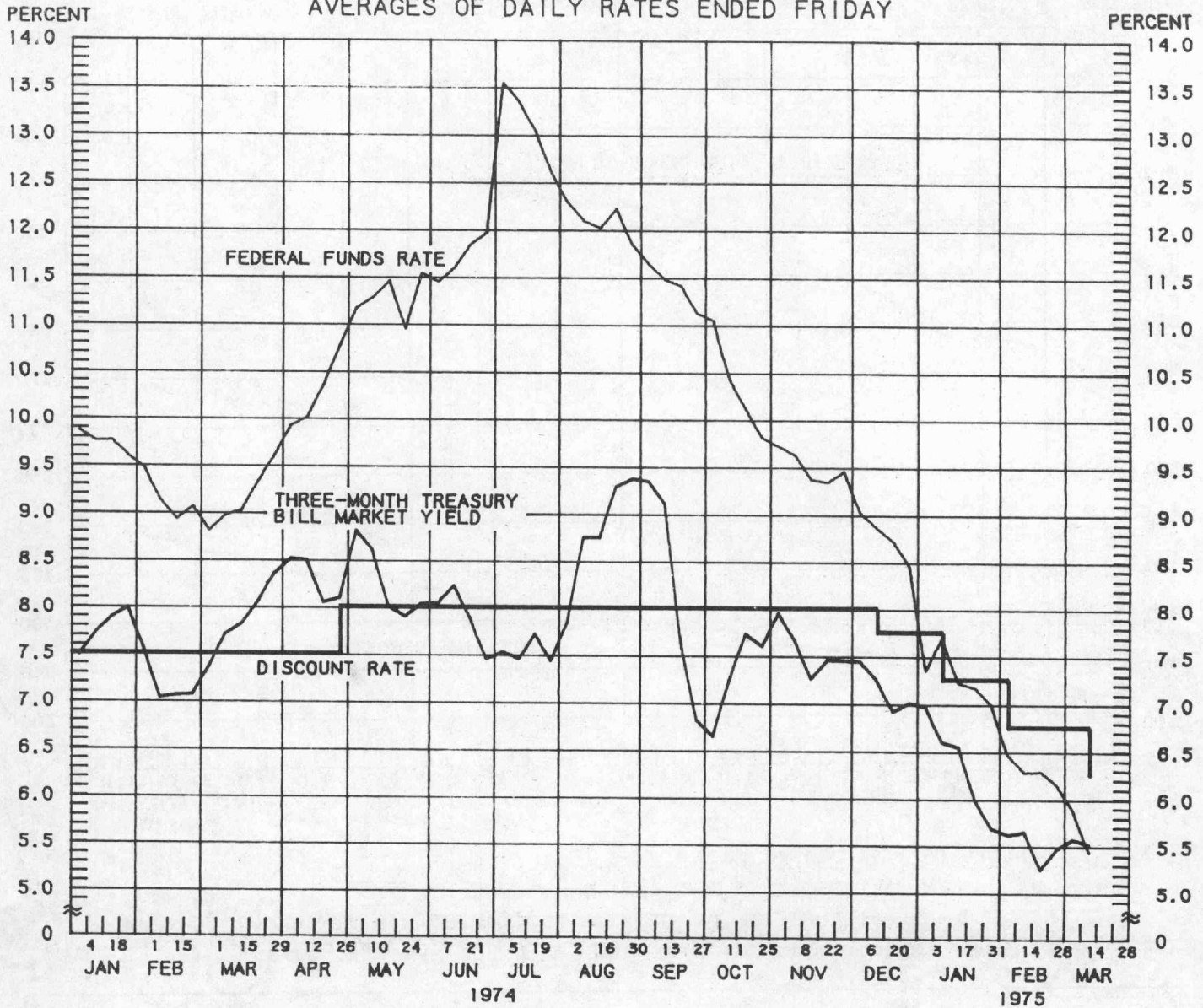
1975	90 DAY CD'S ***	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS ***
JAN. 3	9.36	8.84	9.08	8.93	7.08
10	8.57	7.83	8.33	8.91	6.99
17	7.81	7.53	7.66	8.84	6.90
24	7.31	6.85	7.03	8.78	6.59
31	6.78	6.48	6.59	8.74	6.54
FEB. 7	6.55	6.45	6.34	8.68	6.34
14	6.43	6.35	6.47	8.63	6.27
21	6.49	6.28	6.26	8.59	6.40
28	6.31	6.25	6.33	8.57	6.55
MAR. 7	6.35	6.25	6.37	8.59	6.54
14 *	6.26	6.13	6.29	8.60	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: MARCH 14, 1975

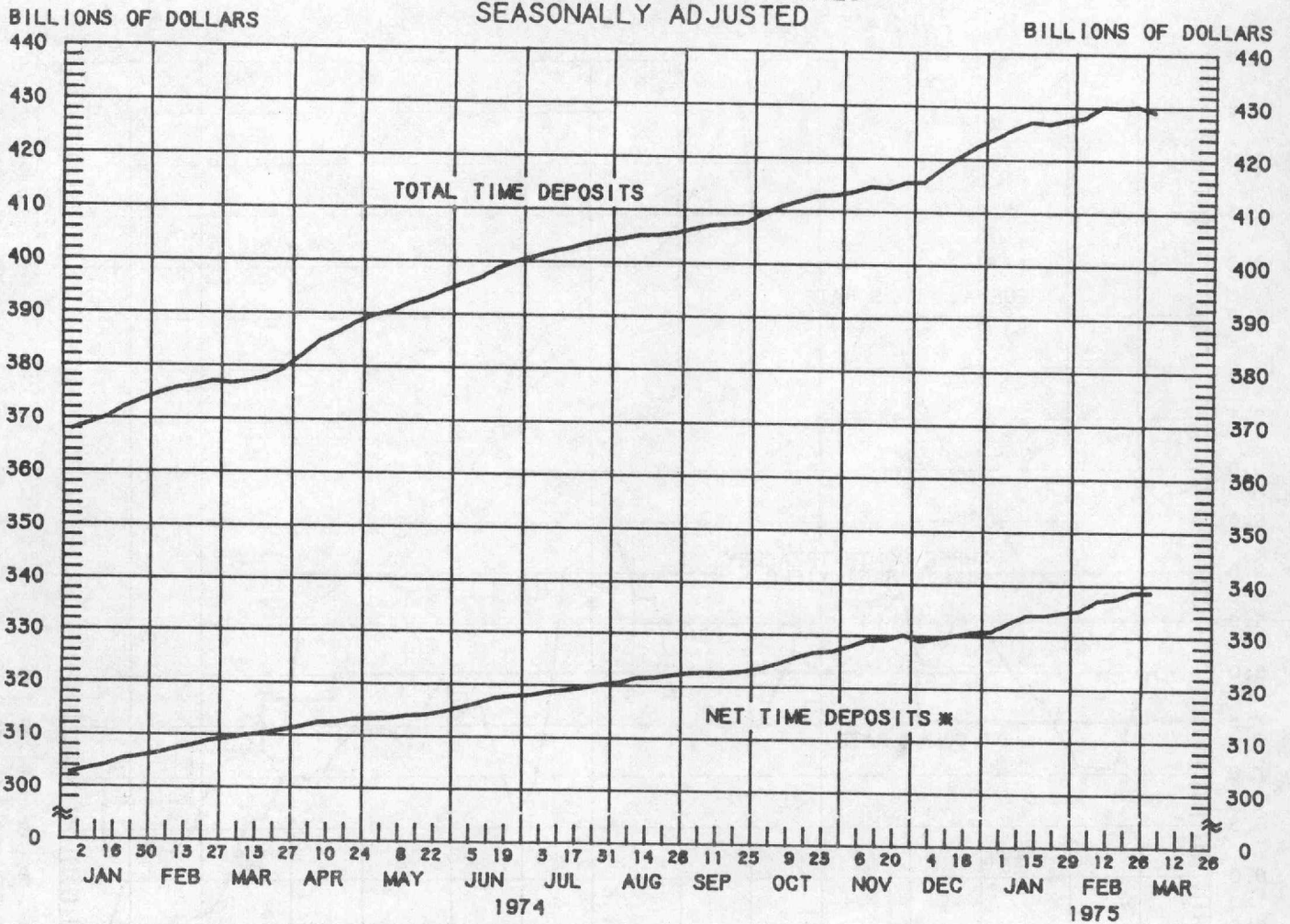
1975	FEDERAL FUNDS ***	3-MONTH TREASURY BILLS	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES
JAN. 3	7.35	6.96	7.26	6.77
10	7.70	6.59	7.23	6.68
17	7.22	6.54	7.32	6.66
24	7.17	5.98	7.36	6.69
31	6.99	5.68	7.23	6.67
FEB. 7	6.46	5.61	6.91	6.59
14	6.28	5.65	6.92	6.58
21	6.29	5.25	6.71	6.63
28	6.15	5.47	6.83	6.64
MAR. 7	5.88	5.57	6.86	6.67
14 *	5.44	5.51	6.86	6.67
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.

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TIME DEPOSITS
ALL COMMERCIAL BANKS
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED

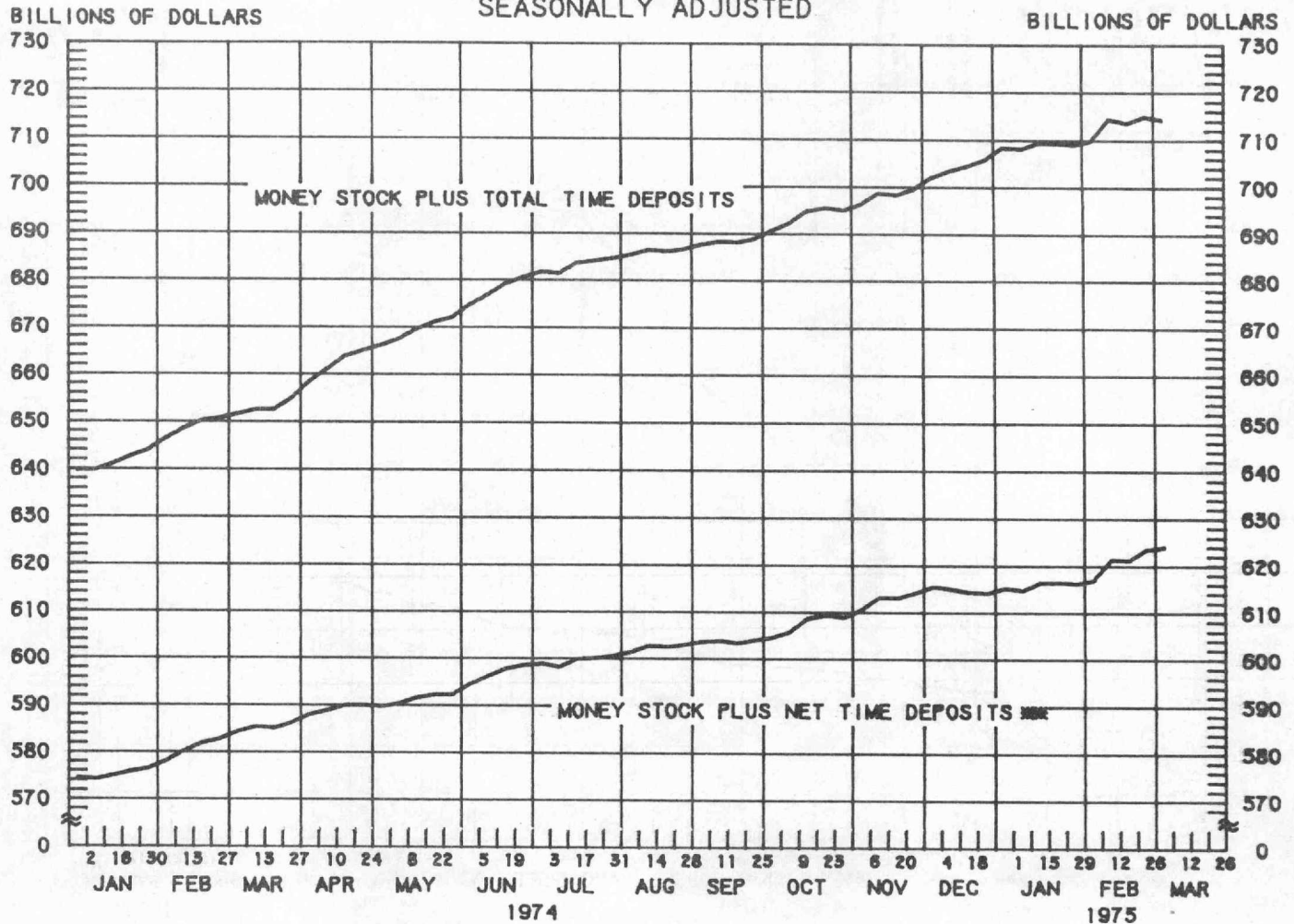


⌘ NET TIME DEPOSITS ARE DEFINED AS: SAVINGS DEPOSITS, TIME DEPOSITS OPEN ACCOUNT PLUS TIME CERTIFICATES OF DEPOSIT OTHER THAN NEGOTIABLE TIME CERTIFICATES OF DEPOSIT ISSUED IN DENOMINATIONS OF \$100,000 OR MORE BY LARGE WEEKLY REPORTING COMMERCIAL BANKS.

NET TIME DEPOSITS									
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:									
	3/8/74	6/5/74	8/7/74	9/4/74	10/2/74	11/6/74	12/4/74	1/8/75	
TO THE AVERAGE OF FOUR WEEKS ENDING:									
8/ 7/74	9.0								
9/ 4/74	8.9	9.6							
10/ 2/74	8.2	8.3	6.3						
11/ 8/74	9.0	9.5	9.0	9.3					
12/ 4/74	9.1	9.6	9.4	9.7	12.2				
1/ 8/75	8.7	9.0	8.5	8.5	9.8	7.7			
2/ 5/75	9.2	9.5	9.3	9.5	10.7	9.6	9.3		
3/ 5/75	9.6	10.1	10.1	10.3	11.5	10.9	11.0	14.6	

MONEY STOCK PLUS TIME DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MARCH 5, 1975

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

3/8/74 6/5/74 8/7/74 9/4/74 10/2/74 11/6/74 12/4/74 1/8/75

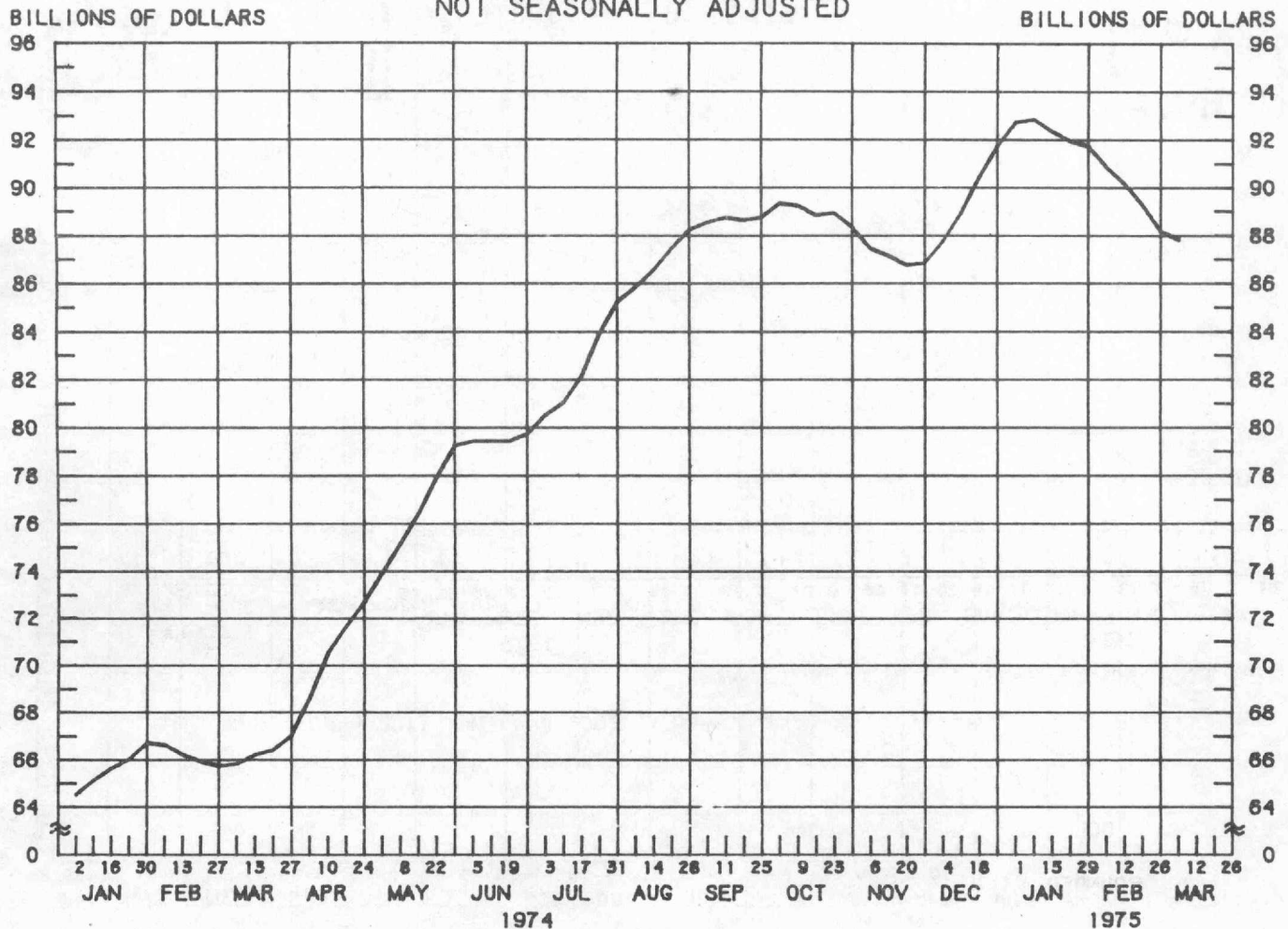
TO THE AVERAGE
OF FOUR WEEKS
ENDING:

8/ 7/74	7.5							
9/ 4/74	7.2	7.1						
10/ 2/74	6.5	5.9	3.7					
11/ 6/74	7.0	6.7	6.0	6.2				
12/ 4/74	7.3	7.3	7.0	7.4	10.0			
1/ 8/75	6.8	6.2	5.6	5.6	6.7	5.0		
2/ 5/75	6.4	6.0	5.4	5.4	6.1	4.8	2.5	
3/ 5/75	6.9	6.8	6.4	6.6	7.4	6.8	5.7	8.8

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES

NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MARCH 5, 1975

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

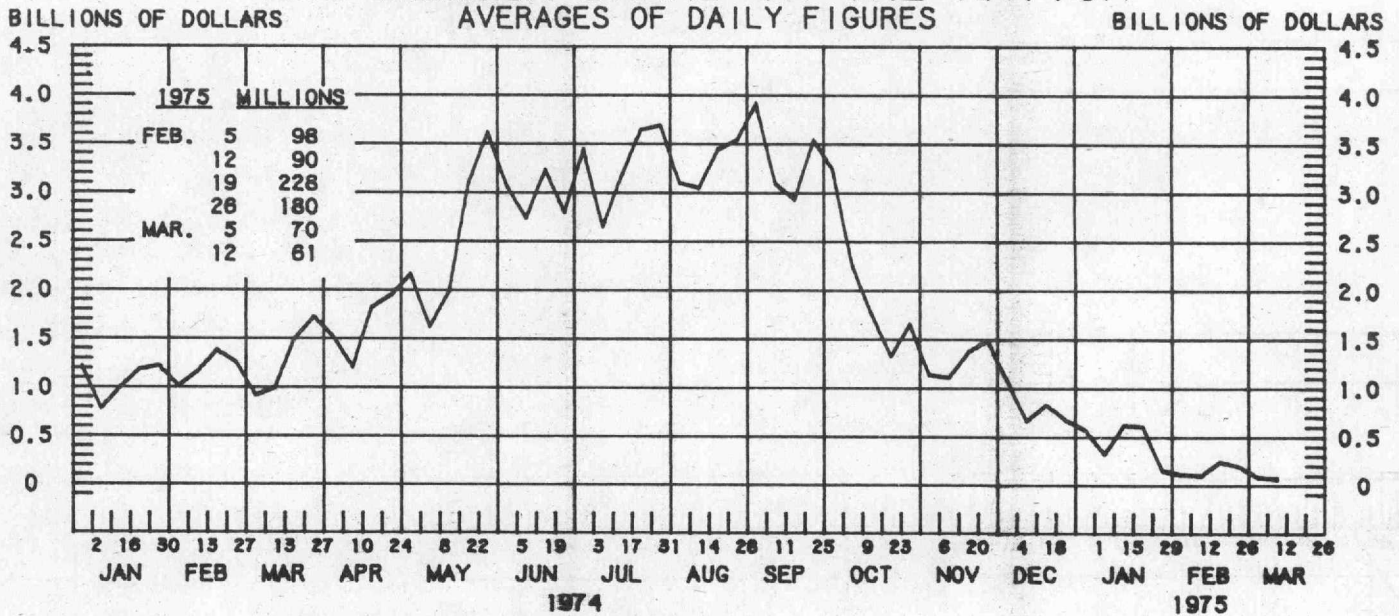
NEGOTIABLE TIME CERTIFICATES OF DEPOSIT ISSUED IN DENOMINATIONS OF \$100,000 OR MORE BY LARGE WEEKLY REPORTING COMMERCIAL BANKS.

MONEY AND TIME DEPOSIT DATA					
1975		BILLIONS			M2 ***
		CERTIFICATES OF DEPOSIT NOT SEAS. ADJ.	CERTIFICATES OF DEPOSIT	NET TIME DEPOSITS *	
JAN.	1	92.7	93.1	330.8	615.1
	8	92.8	93.3	332.4	614.5
	15	92.3	92.9	334.0	616.3
	22	91.9	92.7	334.0	616.3
FEB.	29	91.7	92.8	334.6	616.0
	5	90.8	93.0	335.0	616.8
	12	90.1	92.9	337.1	621.2
MAR.	19	89.2	92.3	337.4	621.0
	26	88.1	91.3	338.7	623.4
	5	87.8	90.2	338.7	623.9

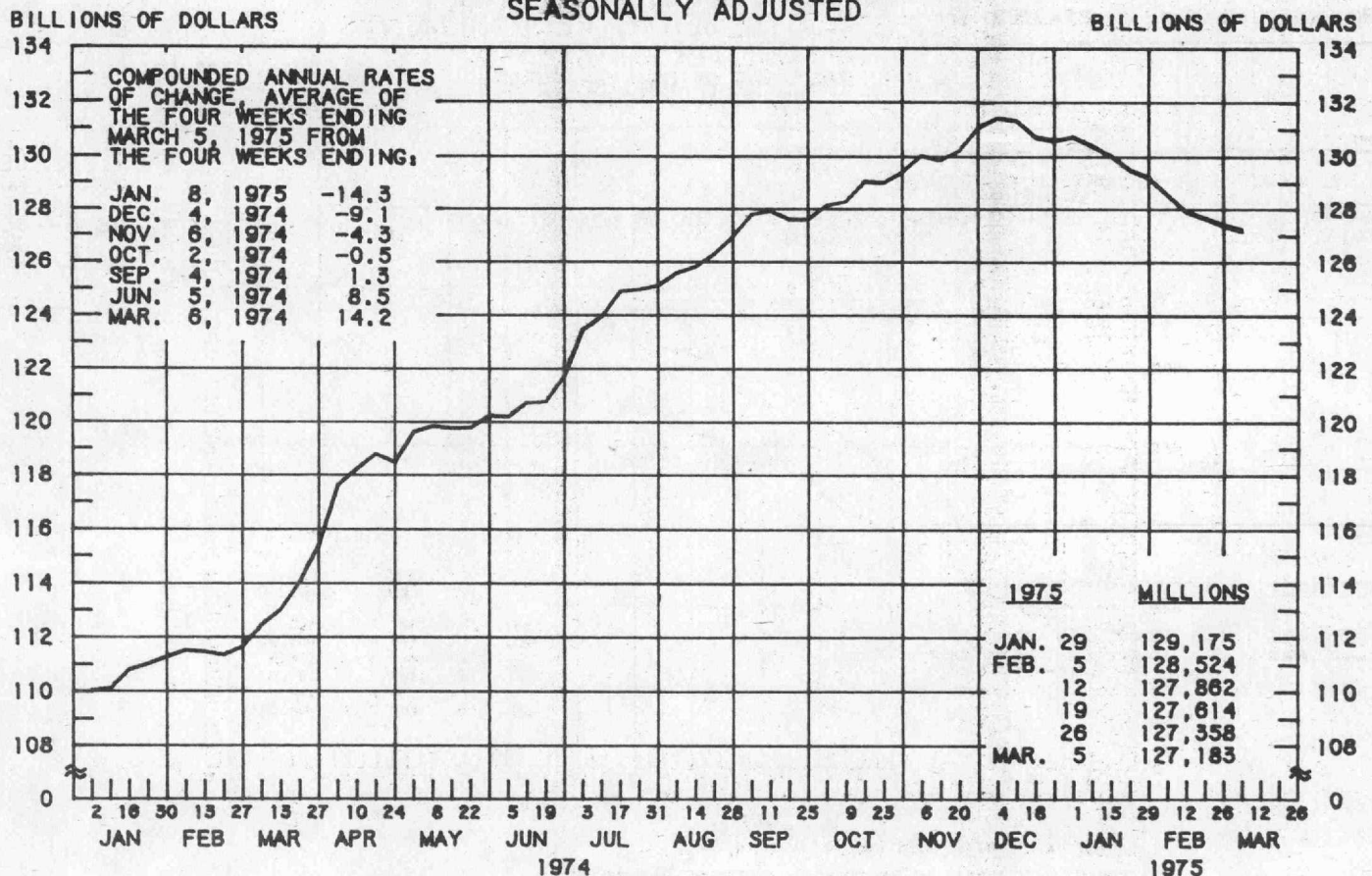
* SEE FOOTNOTE PAGE 8.
*** SEE FOOTNOTE PAGE 9.

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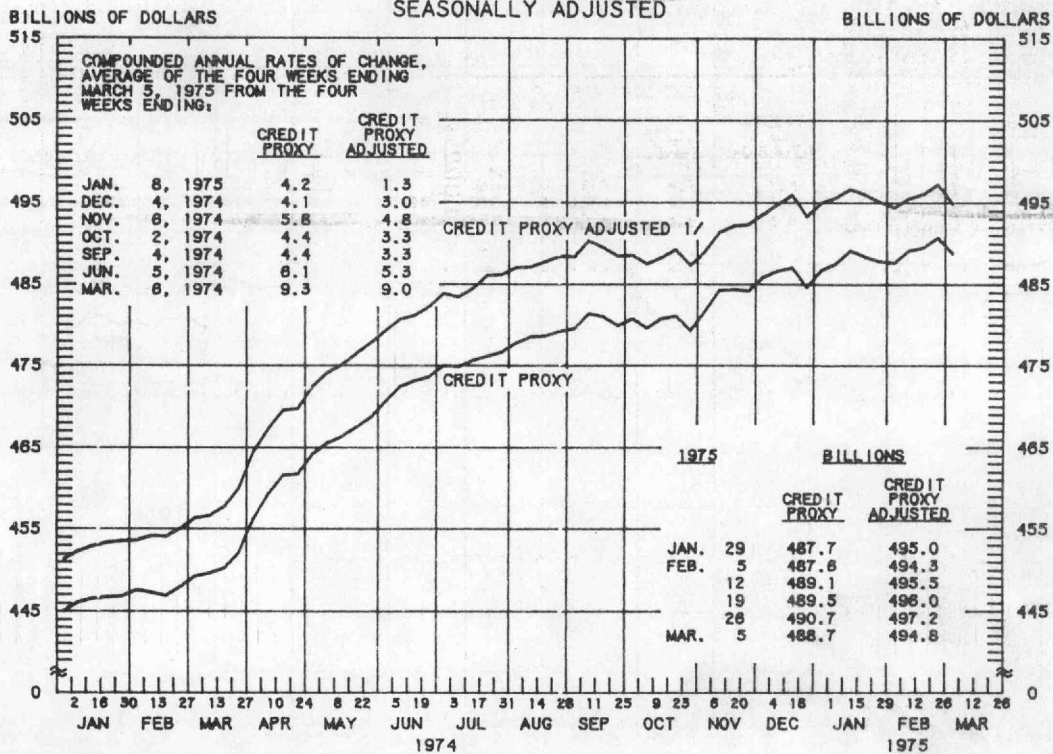
BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



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



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



LATEST DATA PLOTTED WEEK ENDING: MARCH 5, 1975

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.

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