



Week ending: May 21, 1975

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This week the Federal Reserve Board announced revisions in money stock and related data. These revisions incorporate the regular quarterly benchmark revision based this time on the December 31, 1974 Call Report and include data for foreign agencies and branches. These revisions affect weekly and monthly data back through June 1974. The reported money stock data since the first of the year has been lowered by these revisions. For example, the average level of the money stock for the 4 weeks ended May 7 is \$287.0 billion compared to \$288.2 billion reported last week. Consequently, the reported annual growth rate of money from the four weeks ended January 8 to the four weeks ended May 7 has been reduced from 5.3 percent to 3.8 percent.

Member bank borrowings from Federal Reserve Banks totaled \$122 million during the latest week. Such borrowings have decreased steadily since their peak of \$3.9 billion in the week ended September 4, 1974. Accompanying this development has been the decline in the Federal funds rate (the rate at which member banks borrow reserves from one another) relative to the discount rate (the rate at which member banks borrow reserves from Federal Reserve Banks). During June through August of last year the Federal funds rate exceeded the discount rate by more than 350 basis points. The discount rate during this period remained at 8 percent. The discount rate has been lowered five times since late last year. However, in early January of this year the Federal funds rate declined below the discount rate for the first time since September of 1972, and since then has remained below the discount rate. Despite the Federal Reserve Board's recent approval of a further reduction in the discount rate, this time to 6 percent, during the latest week the discount rate exceeded the Federal funds rate by 87 basis points.

In the latest week many commercial banks lowered their prime lending rate to 7.25 percent. This is the tenth decline in this rate this year and brings the cumulative decline since the beginning of this year to 300 basis points. The fall in the prime rate parallels a decline in the volume of commercial and industrial loans by large weekly reporting commercial banks. During the latest week the volume of these loans was \$123.2 billion, compared to a peak of \$131.7 billion during the week ended December 11, 1974.

Prepared by Federal Reserve Bank of St. Louis

Released: May 23, 1975

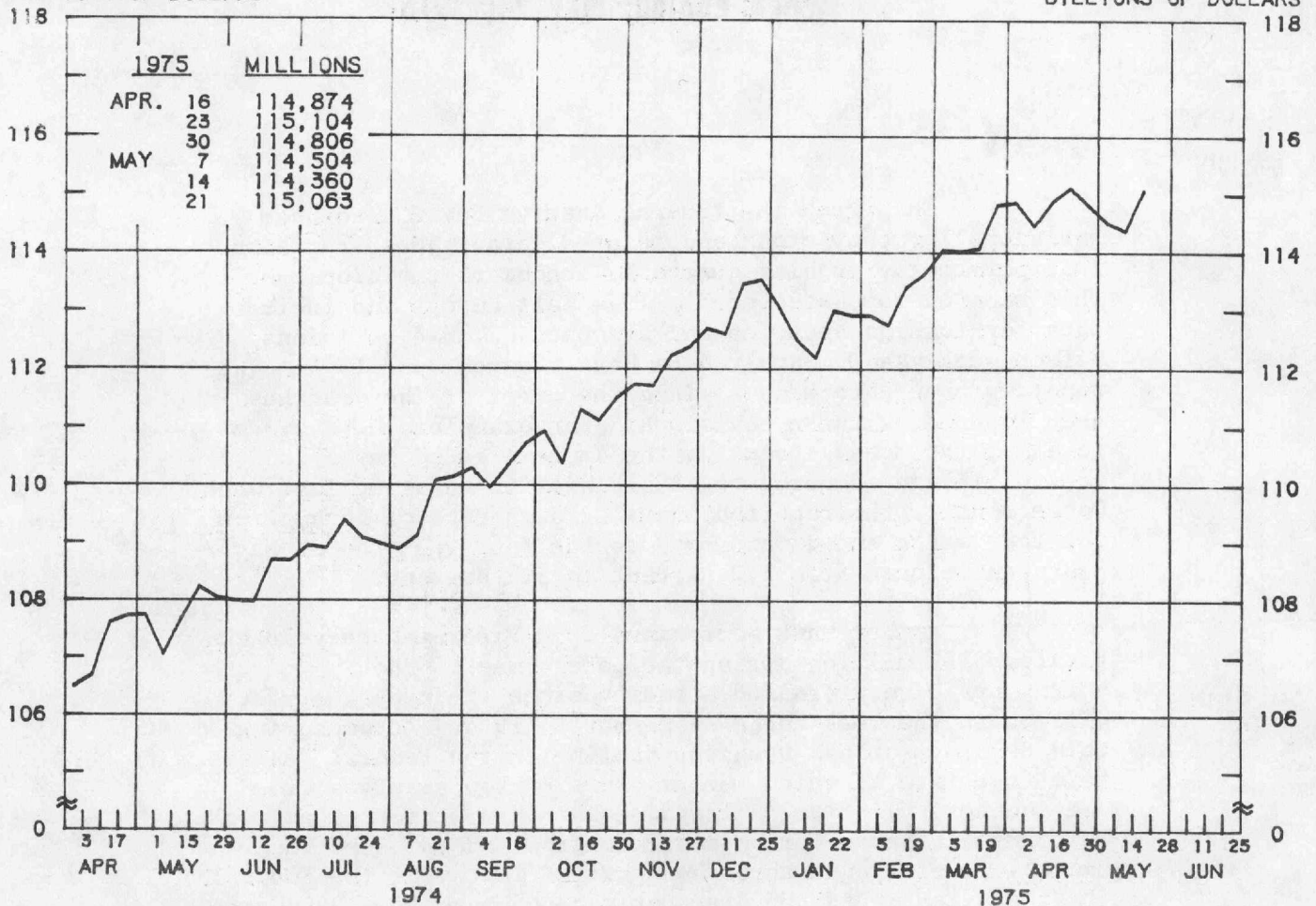
MONETARY BASE

AVERAGES OF DAILY FIGURES

SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MAY 21, 1975

THE MONETARY BASE CONSISTS OF MEMBER BANK RESERVES AT THE FEDERAL RESERVE BANKS AND CURRENCY IN CIRCULATION (CURRENCY HELD BY THE PUBLIC AND IN THE VAULTS OF COMMERCIAL BANKS), ADJUSTED FOR RESERVE REQUIREMENT RATIO CHANGES AND SHIFTS IN THE SAME TYPE OF DEPOSITS BETWEEN BANKS WHERE DIFFERENT RESERVE REQUIREMENT RATIOS APPLY. 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.

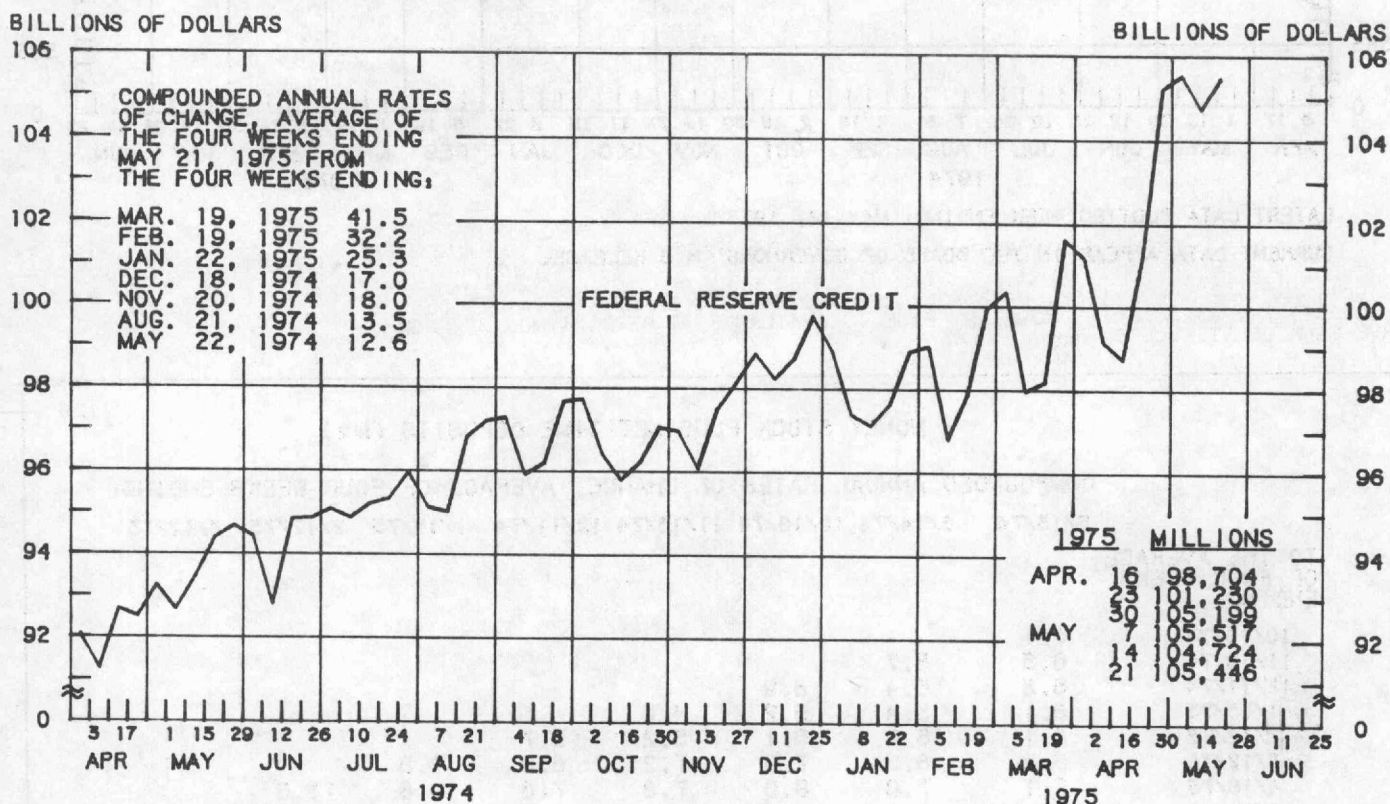
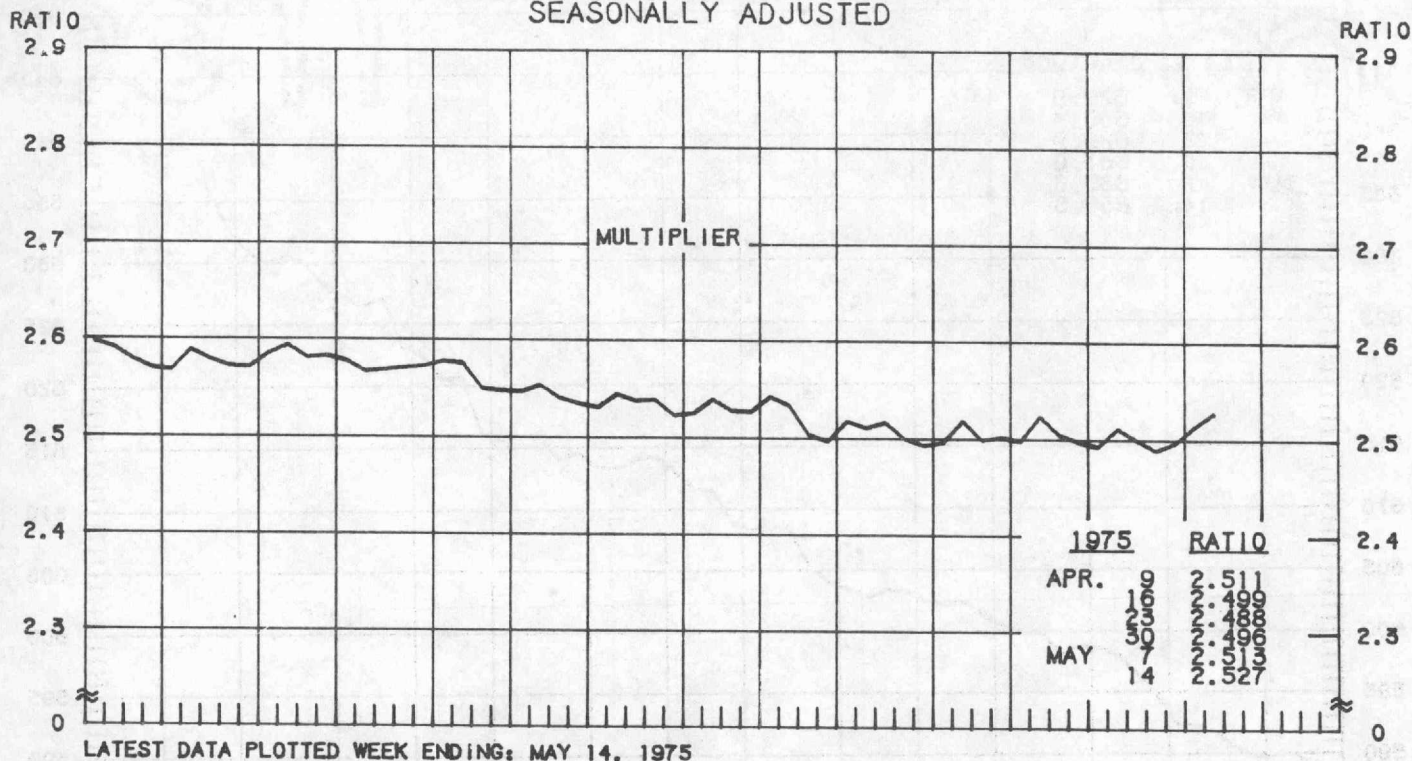
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

5/22/74 8/21/74 10/23/74 11/20/74 12/18/74 1/22/75 2/19/75 3/19/75

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

10/23/74	7.3							
11/20/74	7.8	9.6						
12/18/74	8.4	10.2	11.4					
1/22/75	7.0	7.6	6.5	4.7				
2/19/75	6.7	7.0	5.8	4.4	1.1			
3/19/75	7.1	7.5	6.9	6.0	4.2	7.5		
4/23/75	7.2	7.7	7.2	6.5	5.3	7.8	9.7	
5/21/75	6.5	6.7	6.0	5.2	4.0	5.5	6.1	3.9

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



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

2/ DEFINED TO INCLUDE HOLDINGS OF SECURITIES, LOANS, FLOAT AND "OTHER" ASSETS, ADJUSTED FOR RESERVE REQUIREMENT RATIO CHANGES AND SHIFTS IN THE SAME TYPE OF DEPOSITS BETWEEN BANKS WHERE DIFFERENT RESERVE REQUIREMENT RATIOS APPLY. DATA ARE SEASONALLY ADJUSTED BY THIS BANK.

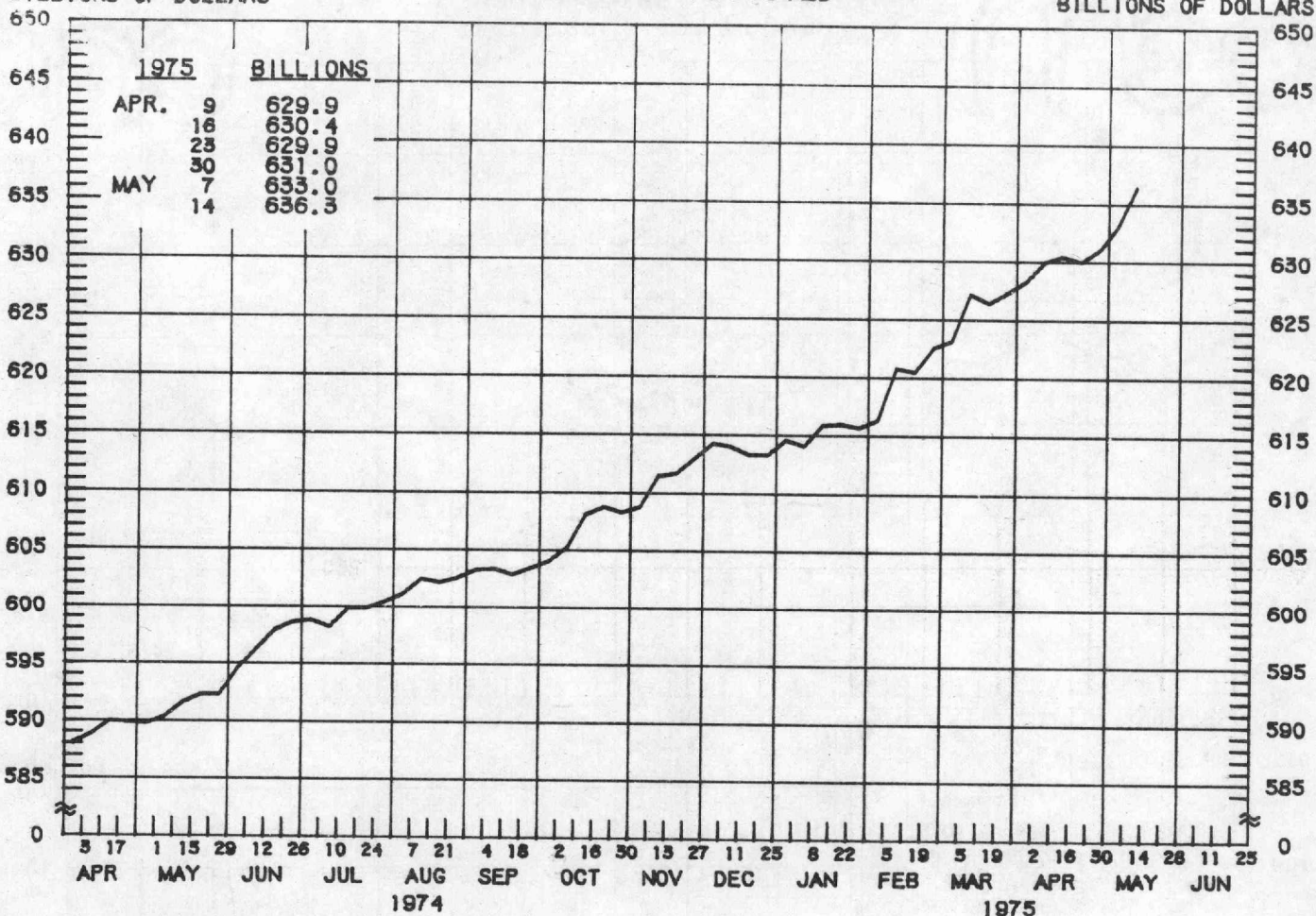
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK PLUS NET TIME DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MAY 14, 1975

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

MONEY STOCK PLUS NET TIME DEPOSITS (M2)

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

5/15/74 8/14/74 10/16/74 11/13/74 12/11/74 1/15/75 2/12/75 3/12/75

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

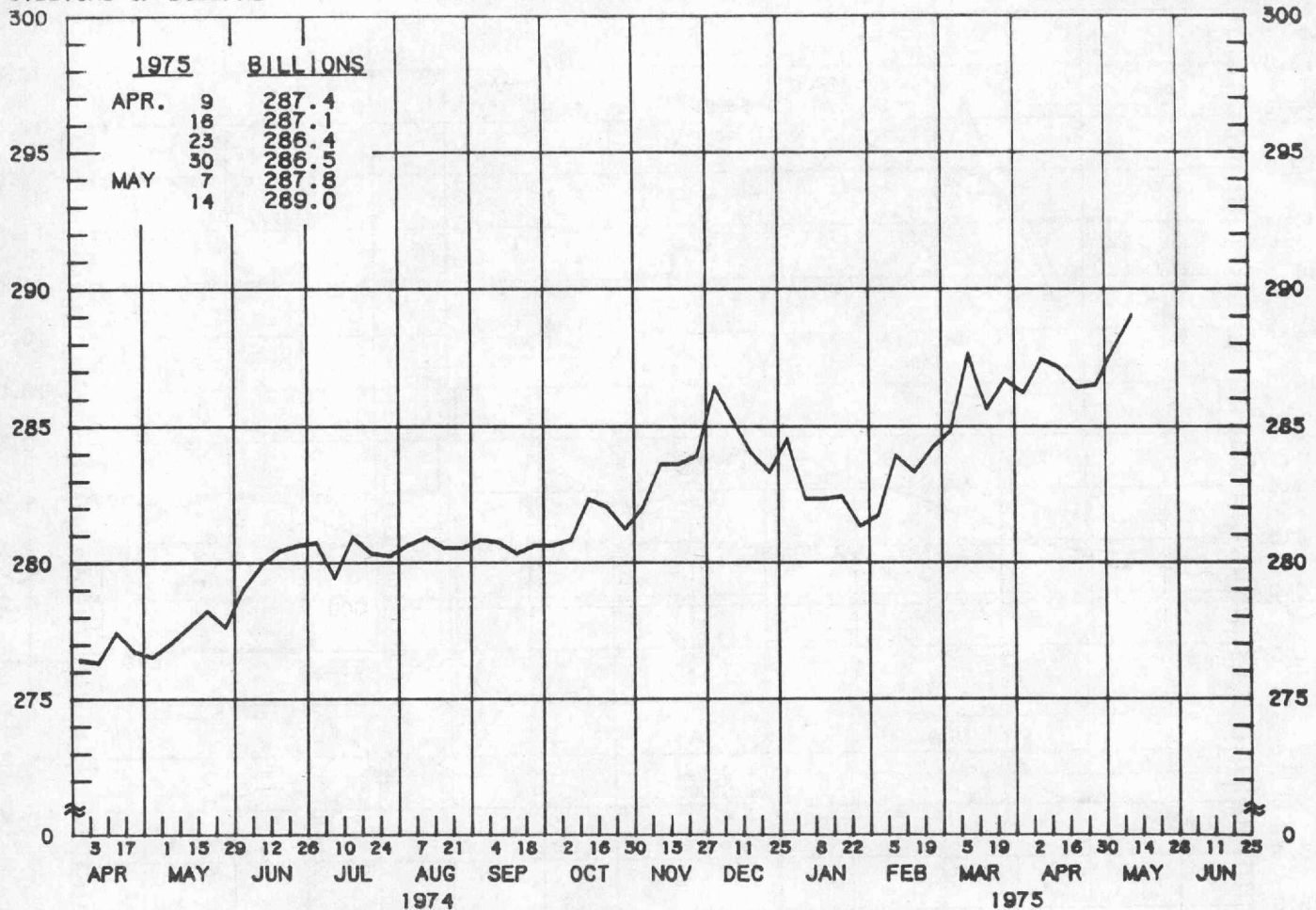
10/16/74	6.1							
11/13/74	6.5	5.7						
12/11/74	6.8	6.4	8.9					
1/15/75	6.1	5.4	6.2	4.9				
2/12/75	6.1	5.5	6.1	5.2	3.7			
3/12/75	6.8	6.5	7.6	7.2	6.8	9.8		
4/16/75	7.1	7.0	8.0	7.8	7.6	9.8	11.6	
5/14/75	7.2	7.1	8.0	7.8	7.6	9.3	10.4	8.9

MONEY STOCK

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MAY 14, 1975

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:

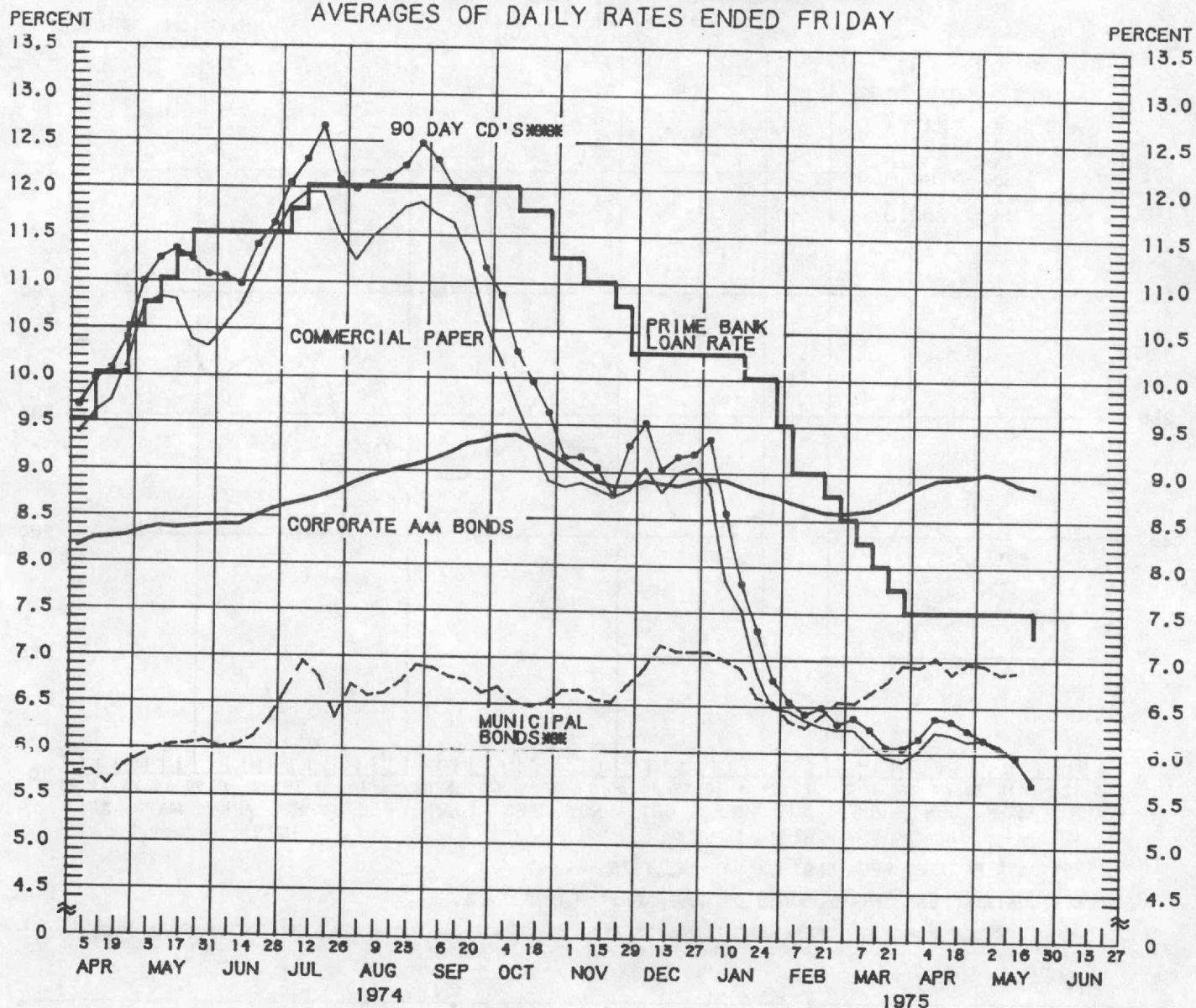
5/15/74 8/14/74 10/16/74 11/13/74 12/11/74 1/15/75 2/12/75 3/12/75

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

10/16/74	3.5							
11/13/74	3.8	2.4						
12/11/74	4.9	4.8	8.9					
1/15/75	3.3	2.2	2.9	1.9				
2/12/75	2.6	1.3	1.3	0.1	-5.0			
3/12/75	3.5	2.8	3.5	3.1	0.3	4.4		
4/16/75	3.9	3.4	4.2	4.0	2.1	5.5	9.8	
5/14/75	3.8	3.3	3.9	3.7	2.2	4.7	7.4	5.0

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: MAY 23, 1975

1975	90 DAY CD'S	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS
APR. 4	6.16	6.03	6.15	8.87	6.93
11	6.38	6.23	6.20	8.94	7.03
18	6.35	6.20	6.11	8.95	6.86
25	6.25	6.13	6.16	8.97	6.97
MAY 2	6.15	6.15	6.07	9.01	6.95
9	6.04	6.08	6.00	8.96	6.86
16	5.96	5.93	5.83	8.88	6.88
23 *	5.67	5.71	5.59	8.84	N.A.
30					
JUNE 6					
13					
20					
27					

* AVERAGES OF RATES AVAILABLE.

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

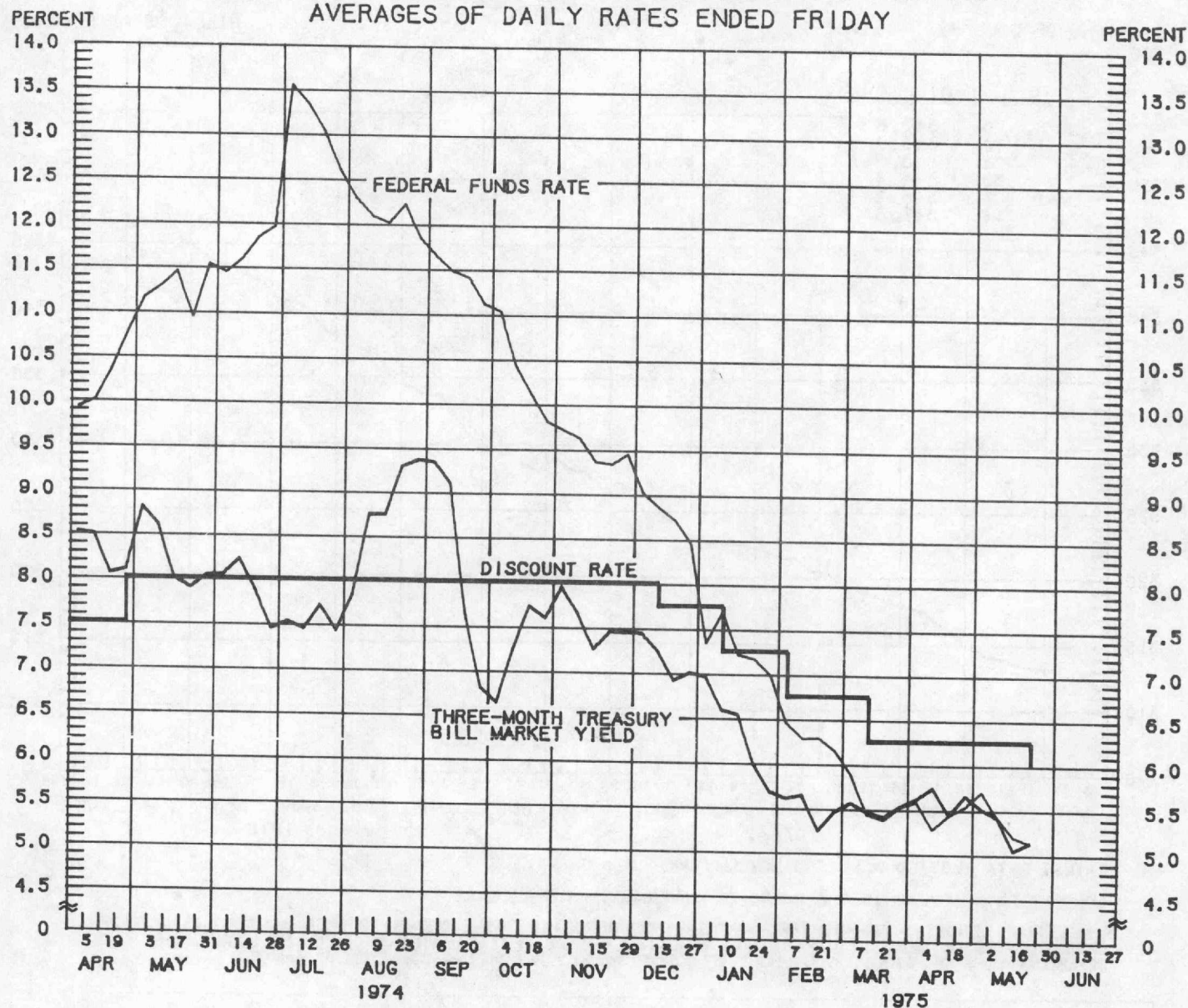
*** SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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: MAY 23, 1975

1975	FEDERAL FUNDS %	3-MONTH TREASURY BILLS	1-YEAR TREASURY BILL	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES
APR. 4	5.59	5.62	6.20	7.47	6.88
11	5.28	5.74	6.48	7.74	7.05
18	5.44	5.44	6.30	7.75	7.03
25	5.54	5.66	6.49	7.90	7.08
MAY 2	5.71	5.51	6.36	7.87	7.09
9	5.42	5.41	6.13	7.64	6.98
16	5.20	5.04	5.81	7.45	6.94
23 *	5.13	5.13	5.73	7.30	6.87
30					
JUNE 6					
13					
20					
27					

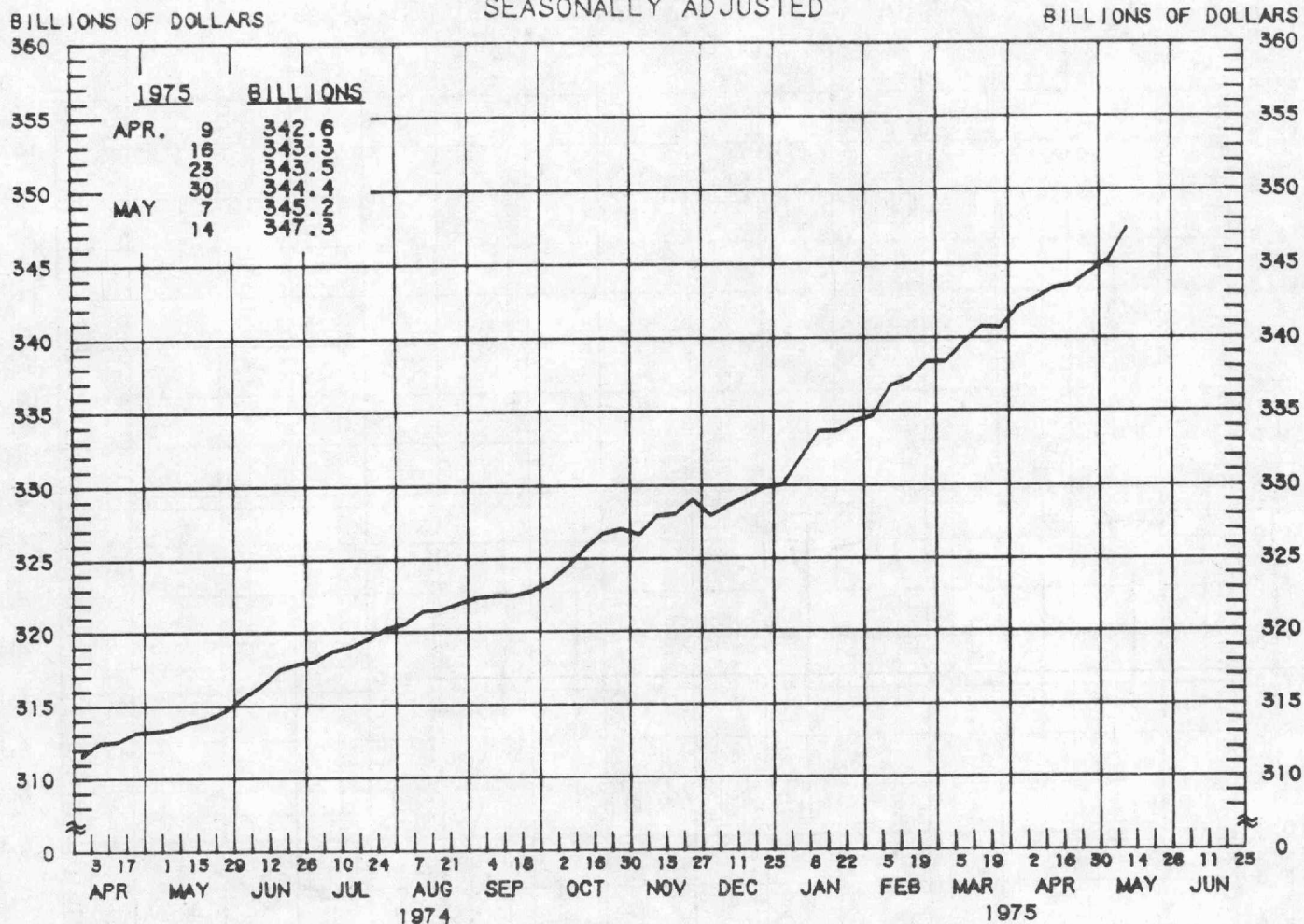
* AVERAGES OF RATES AVAILABLE.

% 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

NET TIME DEPOSITS ALL COMMERCIAL BANKS AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 14, 1975

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:

5/15/74 8/14/74 10/16/74 11/13/74 12/11/74 1/15/75 2/12/75 3/12/75

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

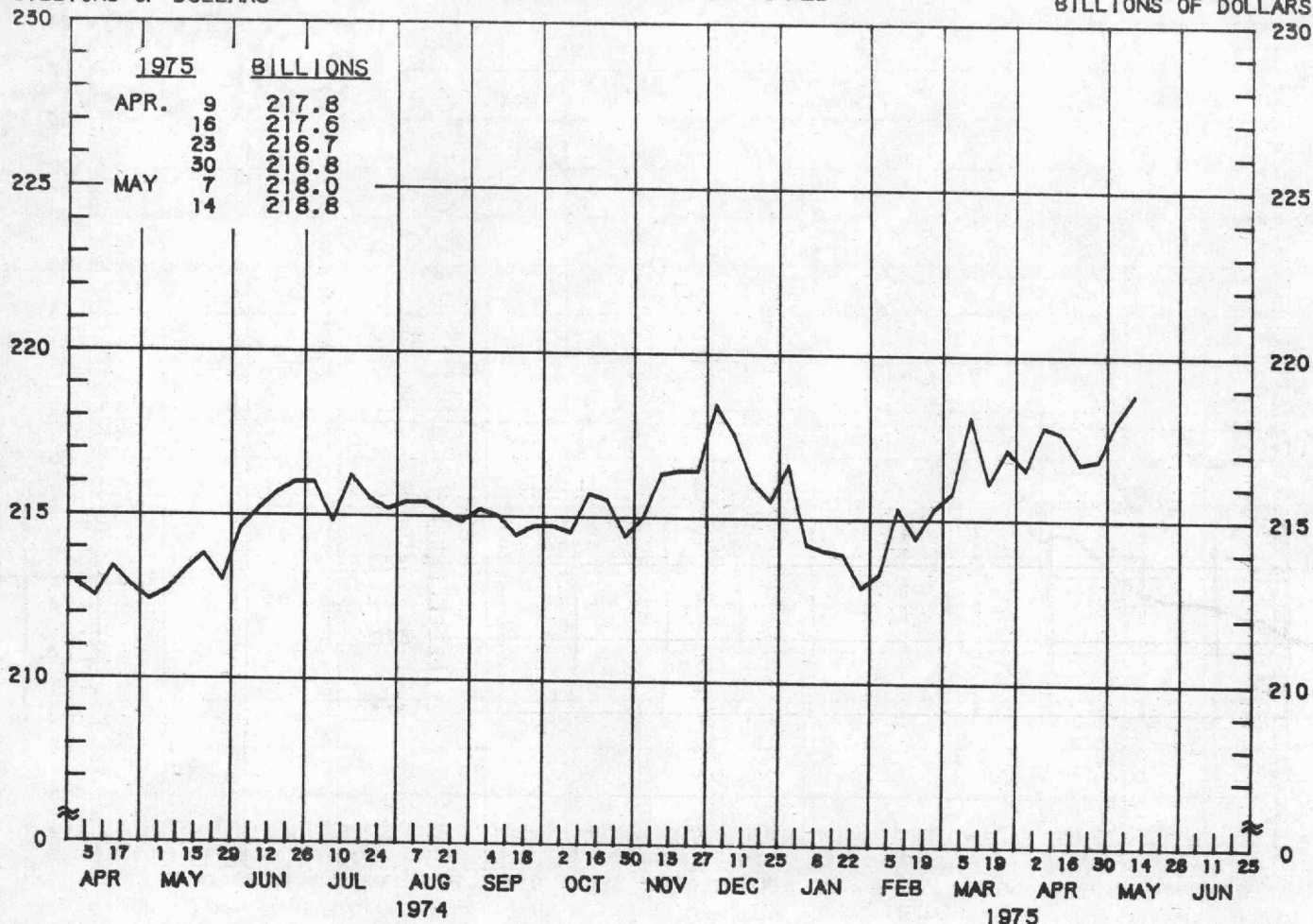
10/16/74	8.3						
11/13/74	8.9	8.6					
12/11/74	8.4	7.8	8.9				
1/15/75	8.6	8.2	9.2	7.7			
2/12/75	9.2	9.2	10.4	9.8	11.8		
3/12/75	9.7	9.9	11.2	10.8	12.6	14.6	
4/16/75	10.0	10.2	11.4	11.2	12.5	13.7	13.3
5/14/75	10.1	10.4	11.5	11.3	12.4	13.3	12.9
							12.2

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MAY 14, 1975

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

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

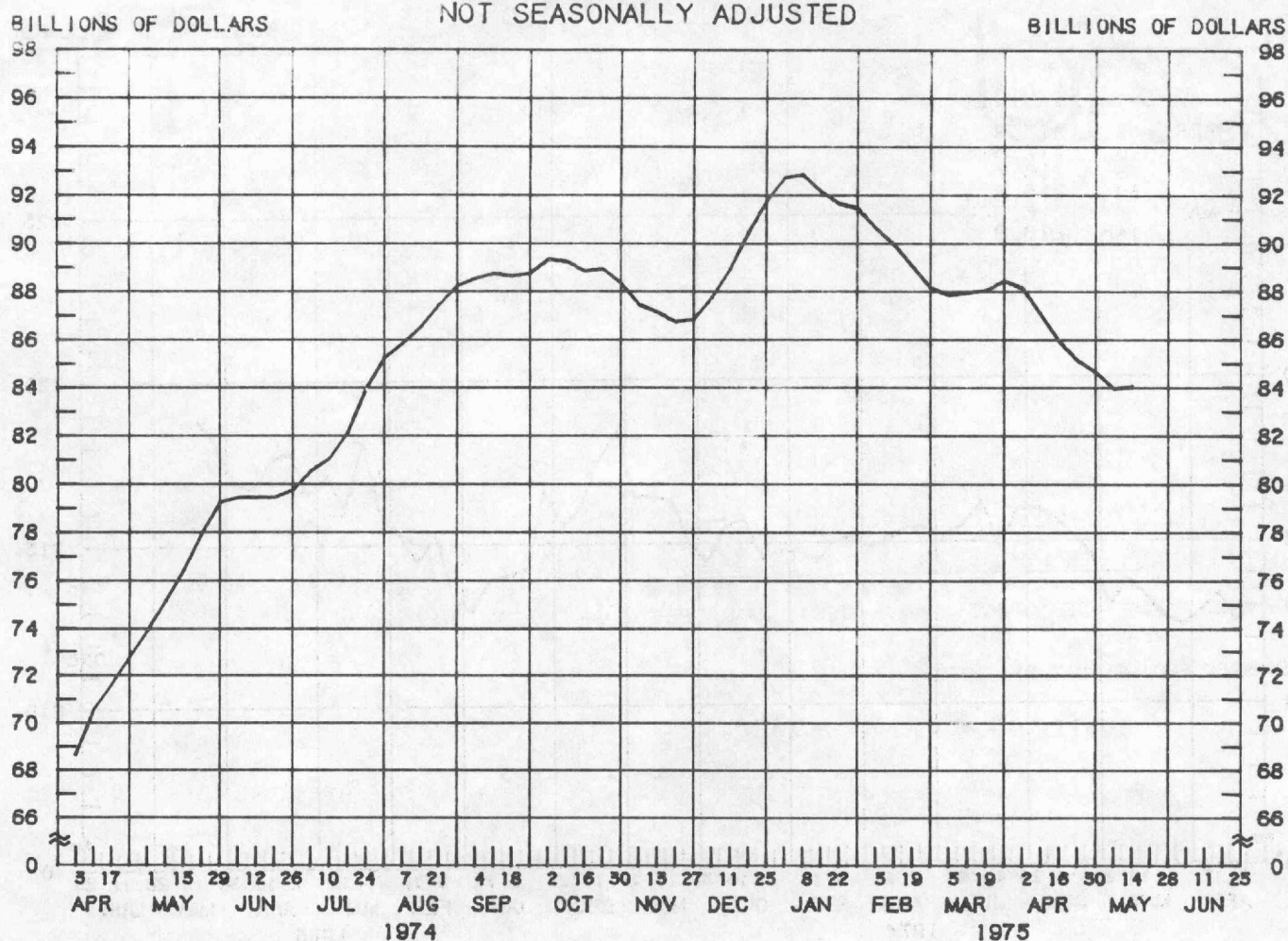
5/15/74 8/14/74 10/16/74 11/13/74 12/11/74 1/15/75 2/12/75 3/12/75

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

10/16/74	2.3						
11/13/74	2.4	-0.2					
12/11/74	3.6	2.6	7.2				
1/15/75	1.6	-0.3	0.4	-0.5			
2/12/75	0.7	-1.4	-1.4	-2.6	-8.5		
3/12/75	1.8	0.4	1.2	0.9	-2.4	2.4	
4/16/75	2.3	1.3	2.2	2.2	0.1	4.2	9.5
5/14/75	2.3	1.4	2.2	2.1	0.4	3.6	7.1
							4.6

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES
NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 14, 1975

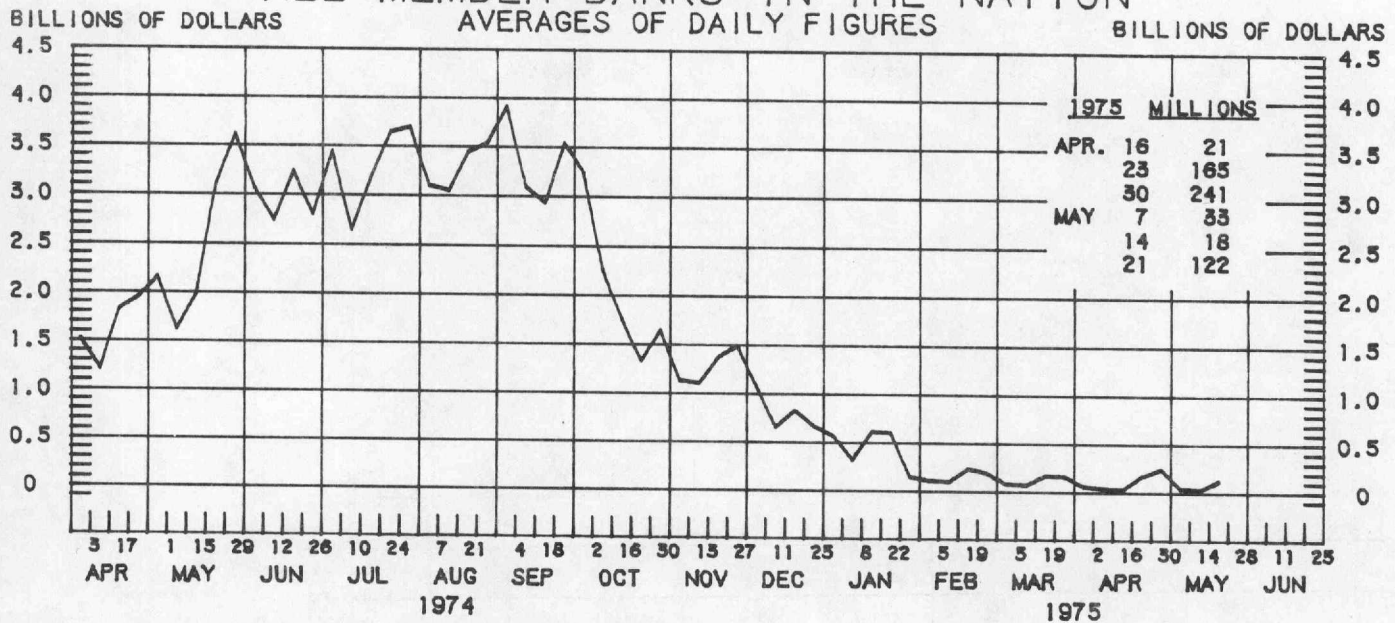
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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

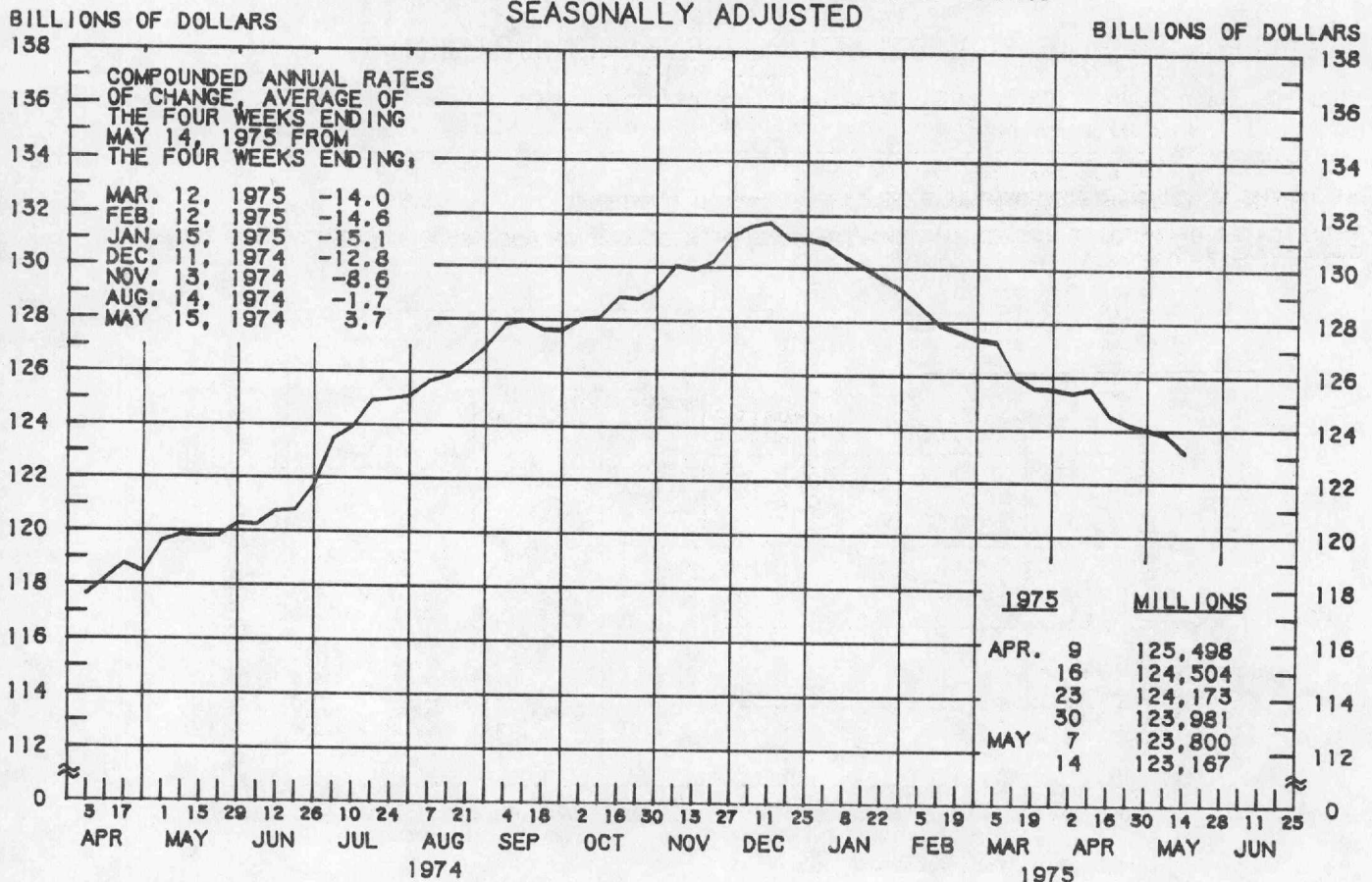
1975	CERTIFICATES OF DEPOSIT NOT SEAS. ADJ.	CERTIFICATES OF DEPOSIT SEAS. ADJ.
APR. 2	88.1	90.2
9	87.0	89.4
16	85.9	88.6
23	85.1	87.9
30	84.6	87.2
MAY 7	83.9	86.3
14	84.0	86.0
21		
28		
JUNE 4		
11		
18		
25		

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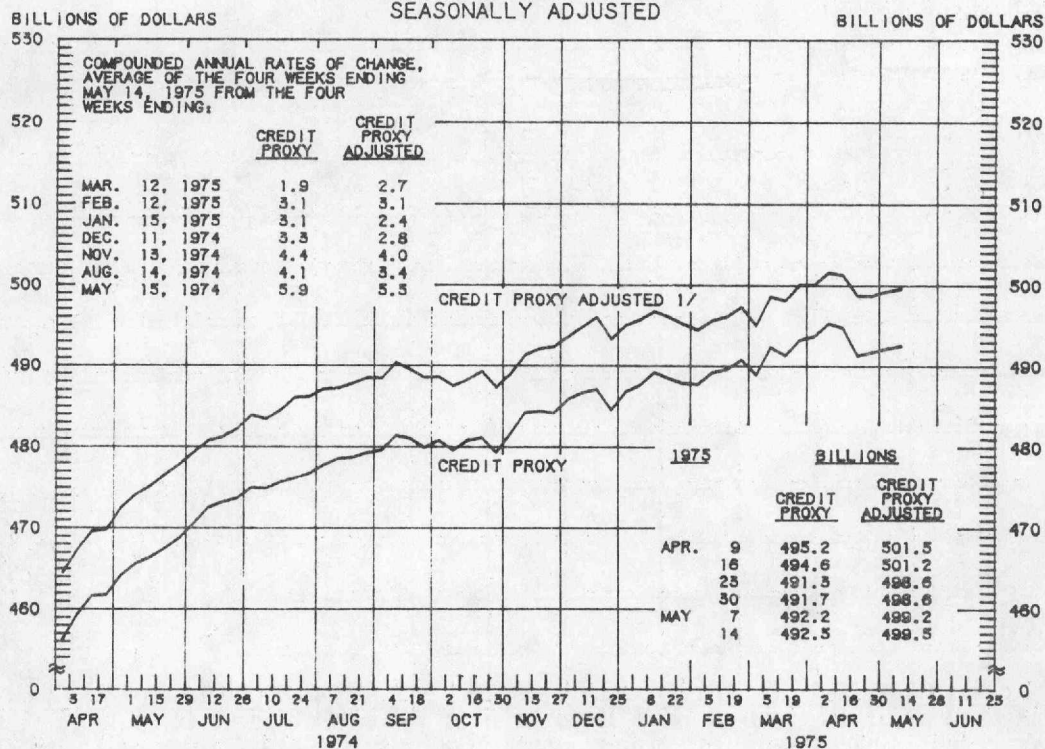
BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



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: MAY 14, 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.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS