



Week ending: October 22, 1975

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The Board of Governors of the Federal Reserve System announced last week a reduction from 3 percent to 1 percent in the reserve requirement ratio on member bank time deposits with an original maturity of four years or more. The new reserve requirement ratio is subject to the condition that in no case may the average of reserves on time and savings deposits at any member bank be less than 3 percent, the minimum level specified by law. The new reserve ratio will apply to the level of deposits beginning the week of October 16, and will affect the reserves that banks must maintain during the week of October 30 - November 5. The Board estimates that this action will release about \$350 million in reserves to the banking system. The Board stated that the purpose of this action was primarily to encourage banks to lengthen the structure of their liabilities.

The last change in the reserve requirement ratios on time deposits was announced in November 1974. At that time, the reserve requirement ratio on all time deposits with an initial maturity of six months or longer was reduced from 5 percent to 3 percent. The reserve requirement ratio on all time deposits with an initial maturity of less than six months was increased from 5 percent to 6 percent. The purpose of this action was also to encourage member banks to seek longer-term time deposits.

The monetary base has increased at a 4 percent annual rate in the last three months, compared to an 8.2 percent rate during the previous three months. However, Federal Reserve credit, a major component of the monetary base, has not followed the same pattern of growth as the monetary base. In the last three months, Federal Reserve credit increased at about a 13 percent rate. The faster growth of Federal Reserve credit in the recent period primarily reflects Federal Reserve actions to offset large movements of Treasury deposits into the Federal Reserve Banks. In the week ended November 5, the effects of the recently announced reserve requirement reduction will increase the reserve adjustment magnitude (RAM) by about \$350 million. RAM is used in computing the monetary base and Federal Reserve credit series appearing on pages 2 and 3 of this release.

Prepared by Federal Reserve Bank of St. Louis

Released: October 24, 1975

# MONETARY BASE

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 22, 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.

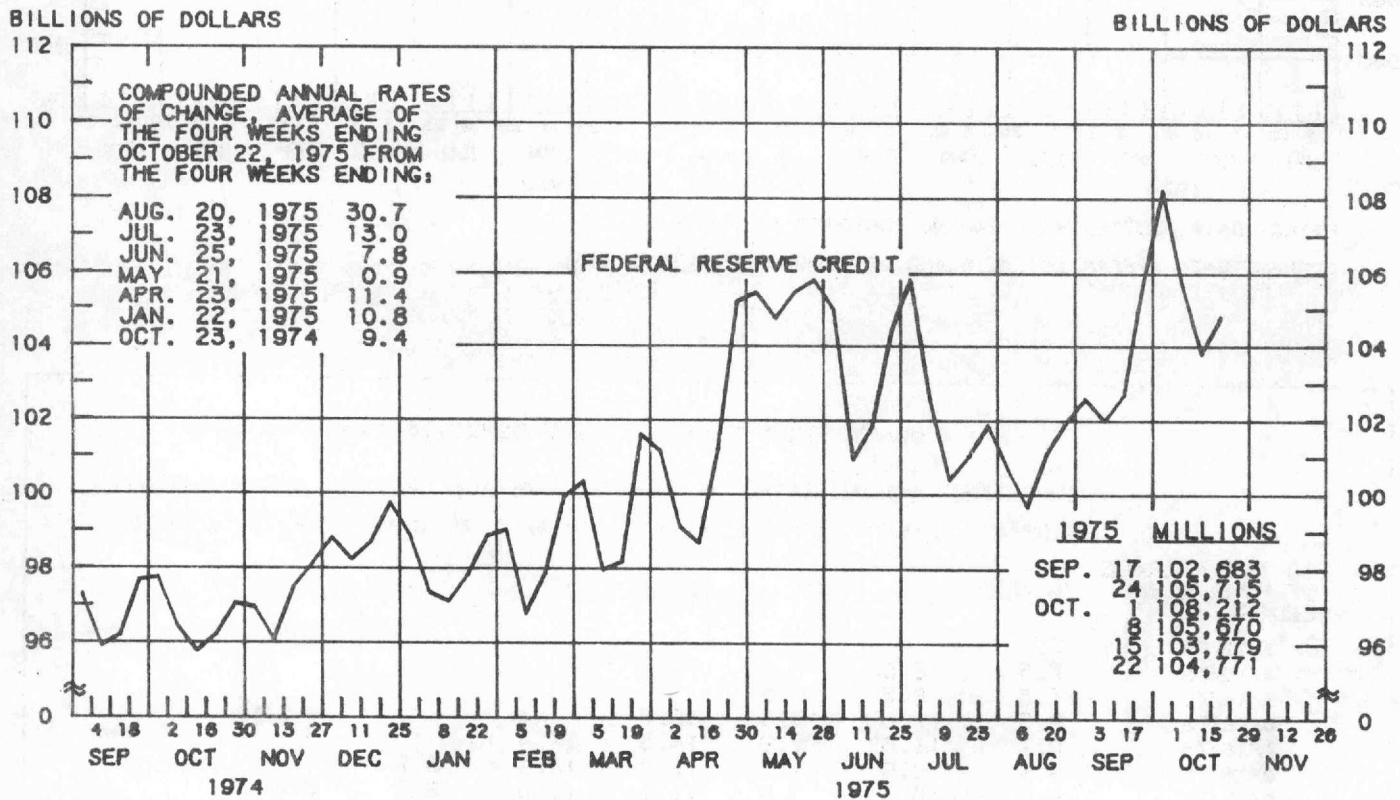
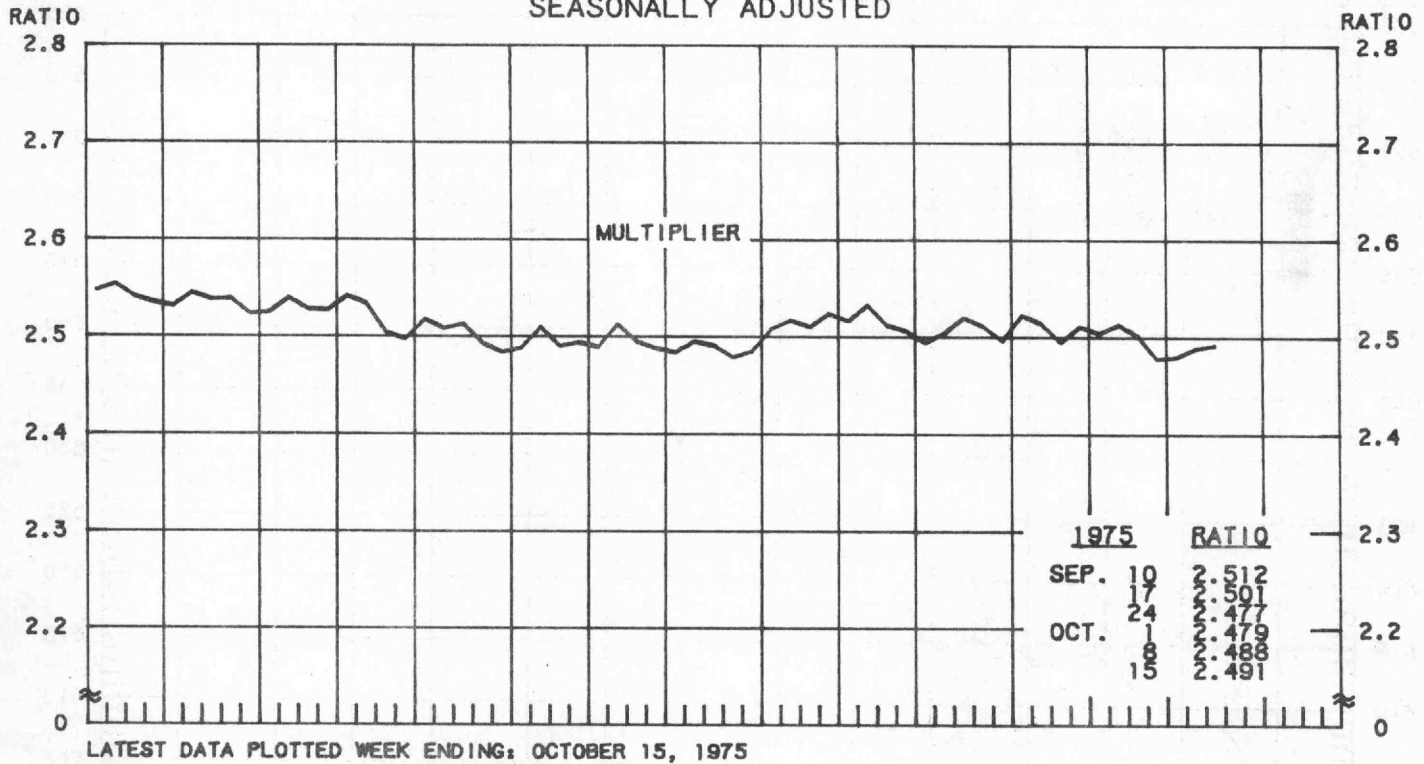
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

10/23/74    1/22/75    3/19/75    4/23/75    5/21/75    6/25/75    7/23/75    8/20/75

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

3/19/75	6.9								
4/23/75	7.1	7.8							
5/21/75	5.9	5.5	3.7						
6/25/75	7.4	8.0	8.3	8.3					
7/23/75	7.5	8.0	8.2	8.2	12.8				
8/20/75	6.8	6.9	6.7	6.3	8.9	4.1			
9/24/75	7.0	7.2	7.1	6.9	8.8	5.8	5.0		
10/22/75	6.6	6.6	6.4	6.1	7.5	4.9	4.0	5.6	

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



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 22, 1975

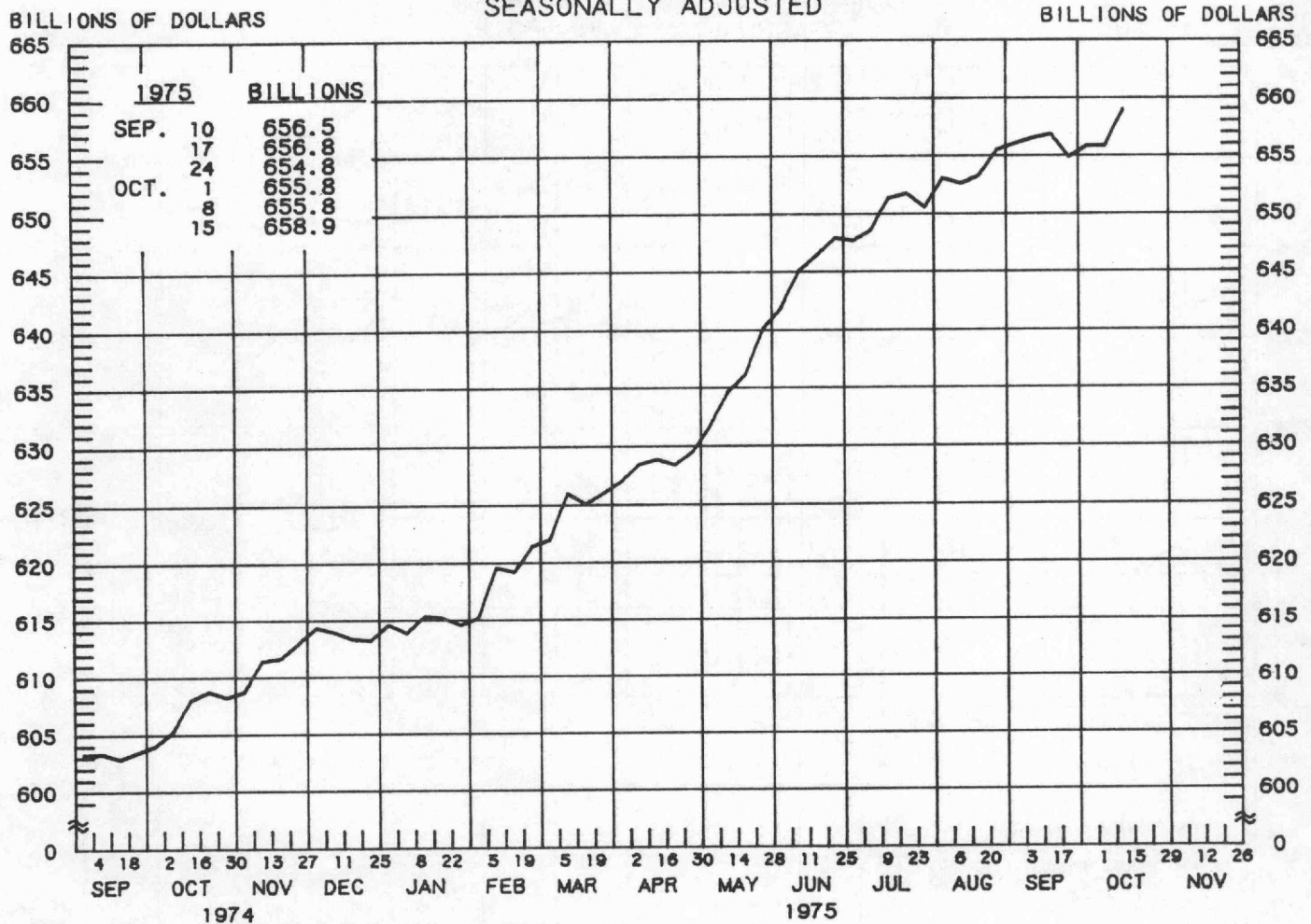
1/ RATIO OF MONEY STOCK (M1) / MONETARY BASE.

2/ DEFINED TO INCLUDE HOLDINGS OF SECURITIES, LOANS, FLOAT AND "OTHER" ASSETS, ADJUSTED FOR RESERVE REQUIREMENT 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



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 15, 1975

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

## MONEY STOCK PLUS NET TIME DEPOSITS (M<sub>2</sub>)

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

10/16/74 1/15/75 3/12/75 4/16/75 5/14/75 6/18/75 7/16/75 8/13/75

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

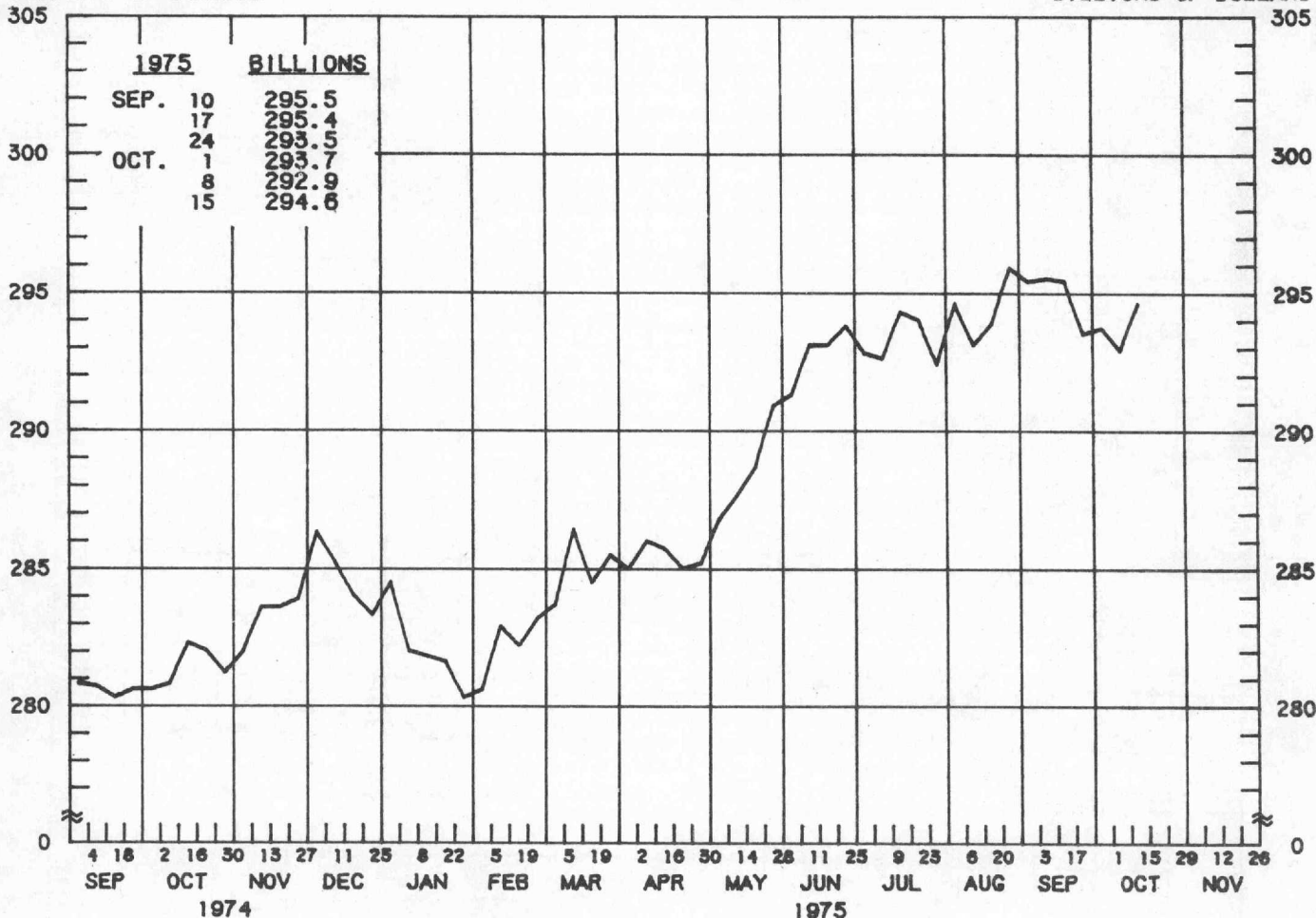
3/12/75	7.1							
4/16/75	7.5	8.9						
5/14/75	7.5	8.6	8.6					
6/18/75	9.5	11.6	13.3	15.6				
7/16/75	9.7	11.6	12.9	14.3	17.4			
8/13/75	9.4	10.9	11.7	12.4	13.9	8.9		
9/17/75	9.2	10.3	10.8	11.1	12.0	8.2	6.8	
10/15/75	8.4	9.2	9.4	9.4	9.7	6.3	4.7	4.0

# MONEY STOCK

## AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 15, 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:

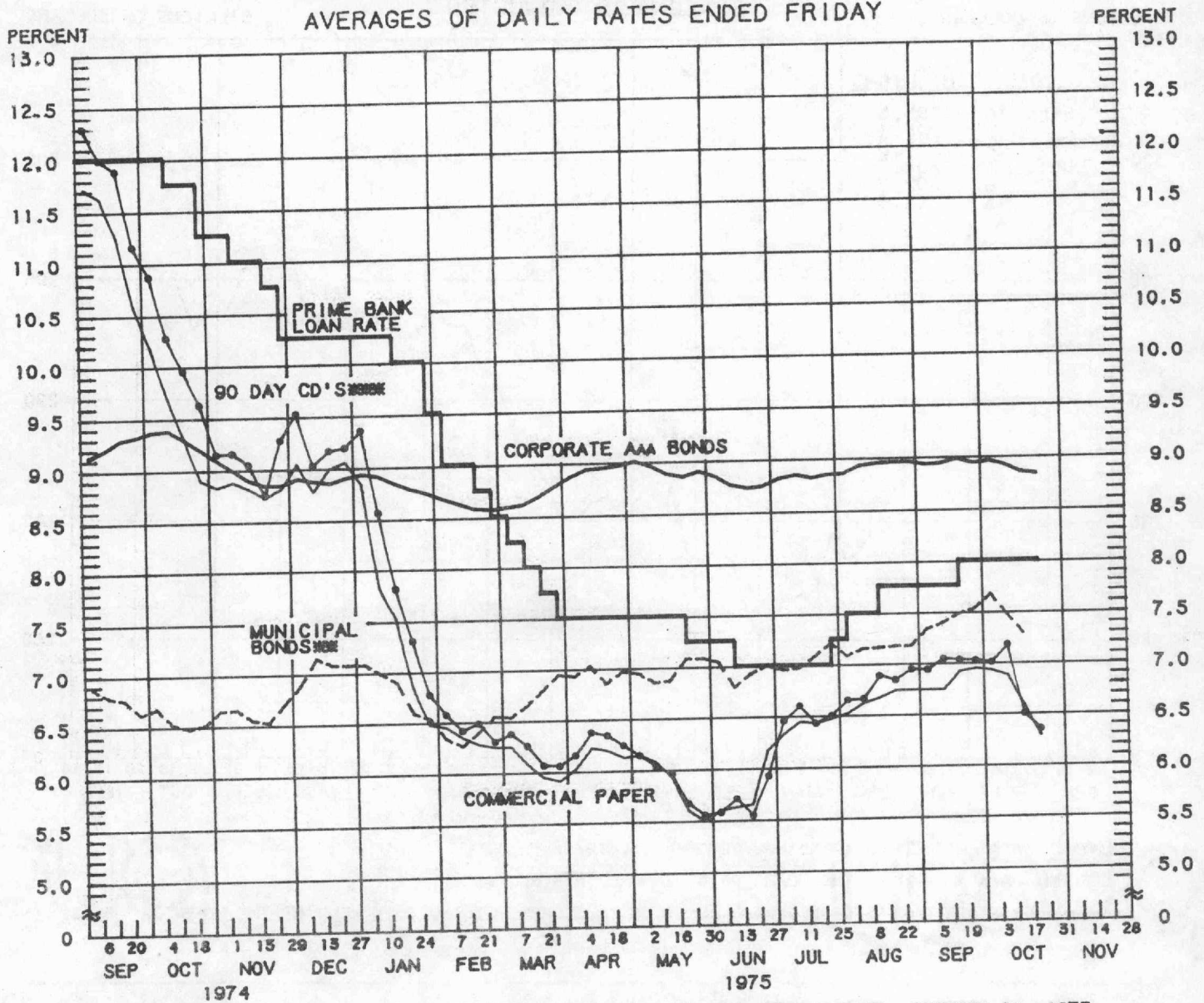
10/16/74    1/15/75    3/12/75    4/16/75    5/14/75    6/18/75    7/16/75    8/13/75

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

3/12/75	2.5							
4/16/75	3.2	3.9						
5/14/75	3.2	3.6	4.8					
6/18/75	5.9	7.9	11.2	13.9				
7/16/75	5.9	7.6	10.0	11.4	15.4			
8/13/75	5.4	6.6	8.2	8.7	10.6	3.2		
9/17/75	5.6	6.7	8.1	8.5	9.8	4.9	4.4	
10/15/75	4.5	5.1	5.9	5.8	6.3	1.7	0.4	0.4

# YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: OCTOBER 24, 1975

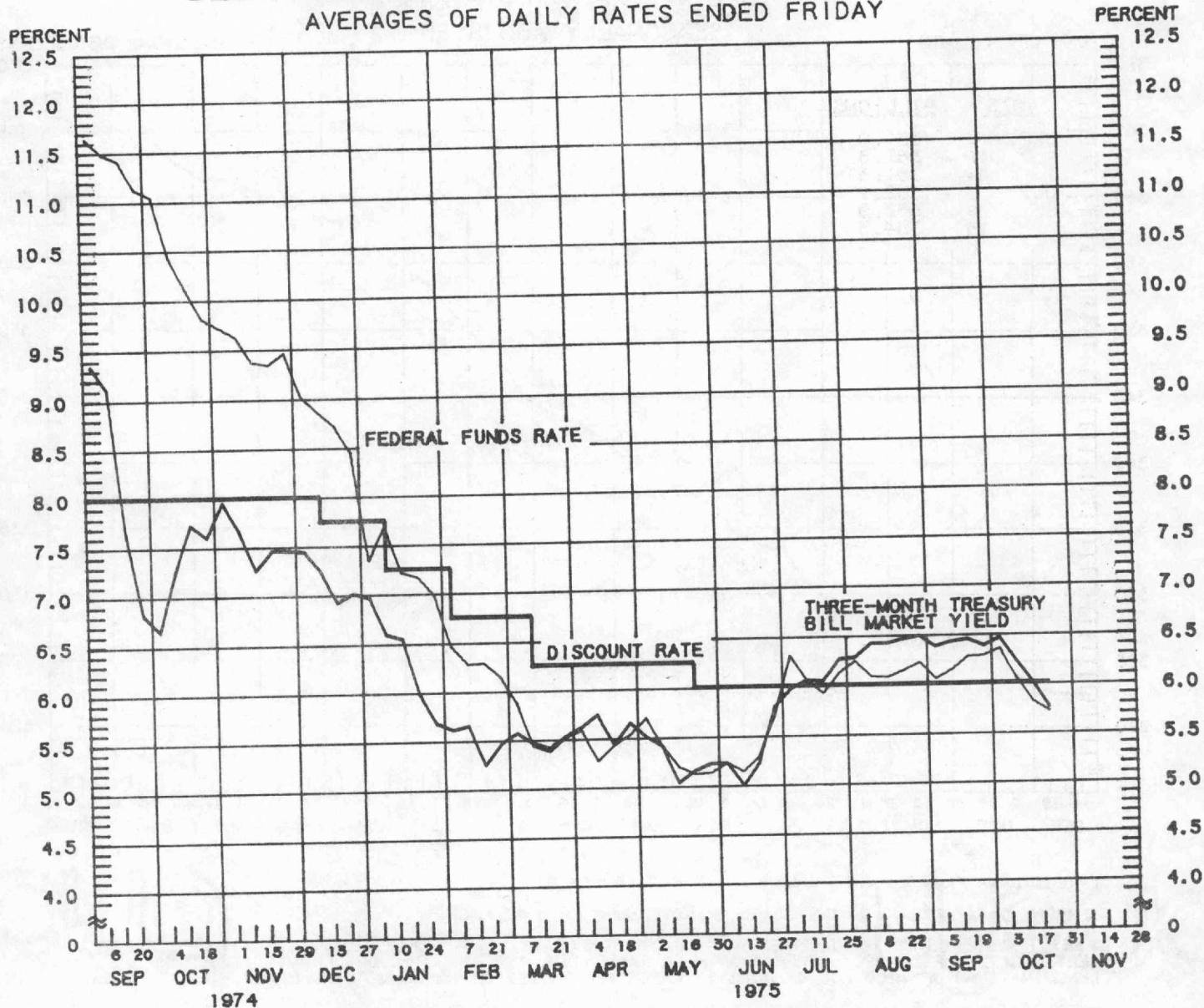
1975	90 DAY CD'S	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS
SEP. 5	6.94	6.75	6.82	8.93	7.34
12	7.05	6.75	6.85	8.94	7.40
19	7.04	6.93	6.82	8.98	7.49
26	7.03	6.95	6.81	8.94	7.54
OCT. 3	7.01	6.93	6.79	8.96	7.67
10	7.18	6.88	6.59	8.92	7.48
17	6.50	6.59	6.38	8.85	7.29
24 *	6.35	6.29	6.09	8.83	N.A.
31					
NOV. 7					
14					
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: OCTOBER 24, 1975

1975	FEDERAL FUNDS <sup>***</sup>	3-MONTH TREASURY BILLS	1-YEAR TREASURY BILL	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES
SEP. 5	6.06	6.38	7.07	8.07	7.11
12	6.15	6.43	7.14	8.26	7.25
19	6.28	6.45	7.31	8.34	7.34
26	6.29	6.58	7.21	8.18	7.35
OCT. 3	6.36	6.46	7.16	8.22	7.43
10	6.06	6.23	6.74	8.00	7.36
17	5.82	6.01	6.51	7.87	7.31
24 <sup>*</sup>	5.72	5.76	6.33	7.74	7.22
31					
NOV. 7					
14					
21					
28					

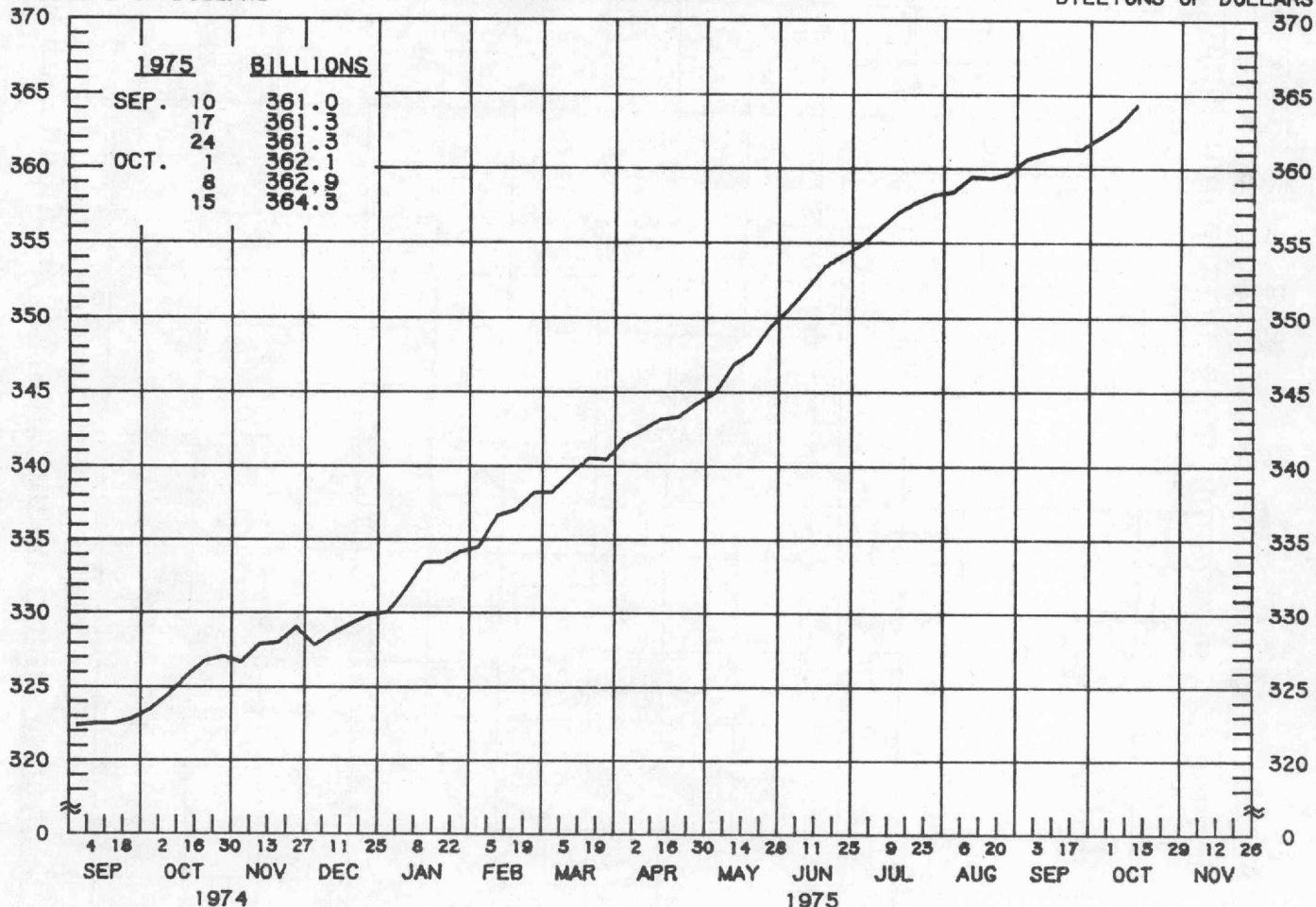
<sup>\*</sup> AVERAGES OF RATES AVAILABLE.  
<sup>\*\*</sup> SEVEN-DAY AVERAGES FOR WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATE SHOWN.  
<sup>\*\*\*</sup> CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 15, 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:

10/16/74    1/15/75    3/12/75    4/16/75    5/14/75    6/18/75    7/16/75    8/13/75

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

3/12/75	11.1						
4/16/75	11.3	13.4					
5/14/75	11.3	13.0	11.8				
6/18/75	12.7	14.9	15.2	17.0			
7/16/75	13.1	15.1	15.5	16.9	19.3		
8/13/75	12.9	14.6	14.7	15.5	16.7	13.9	
9/17/75	12.3	13.4	13.1	13.4	13.8	11.0	8.6
10/15/75	11.9	12.8	12.4	12.5	12.7	10.3	8.4    7.1

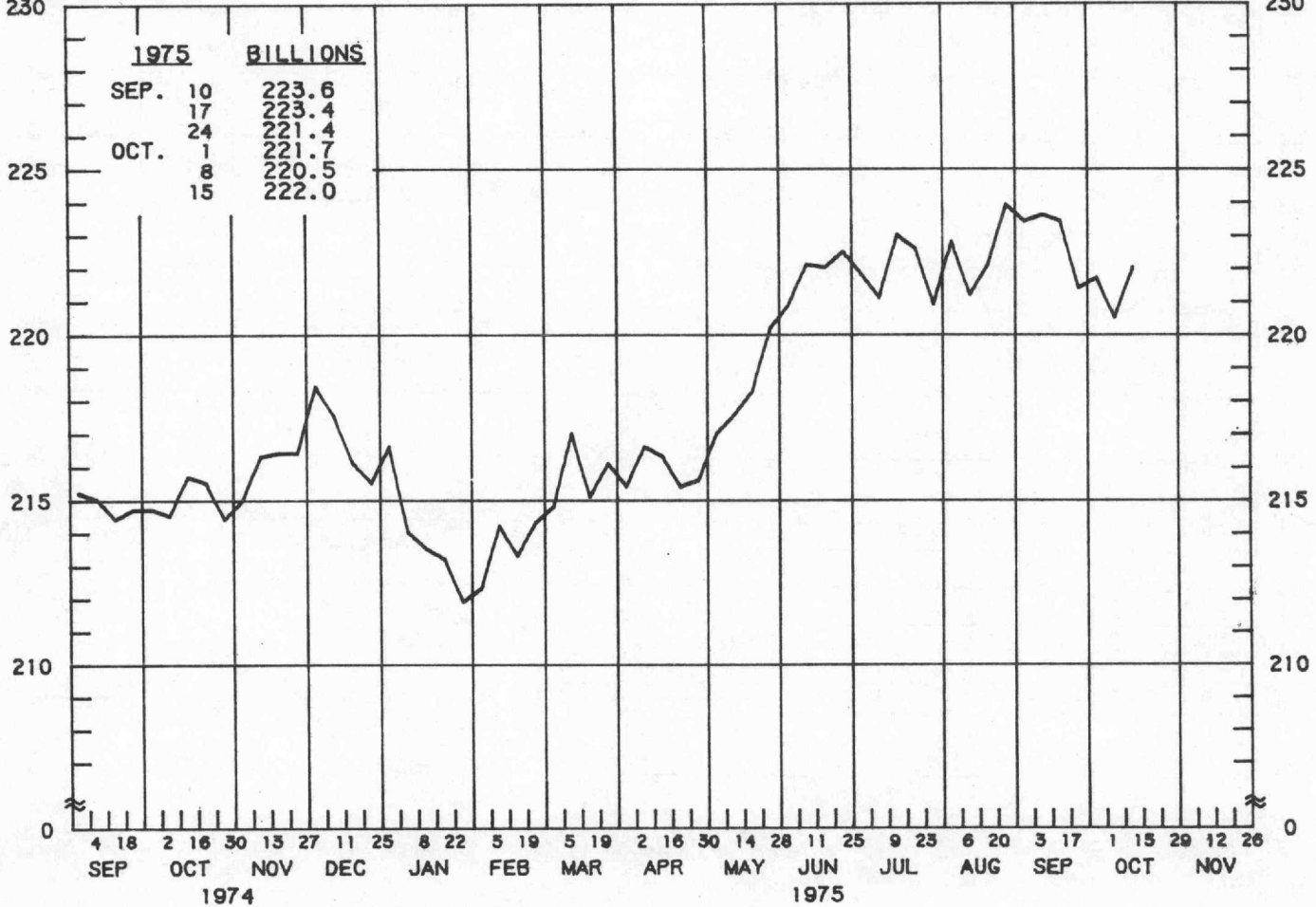


# DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS  
230

BILLIONS OF DOLLARS  
230



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 15, 1975

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

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

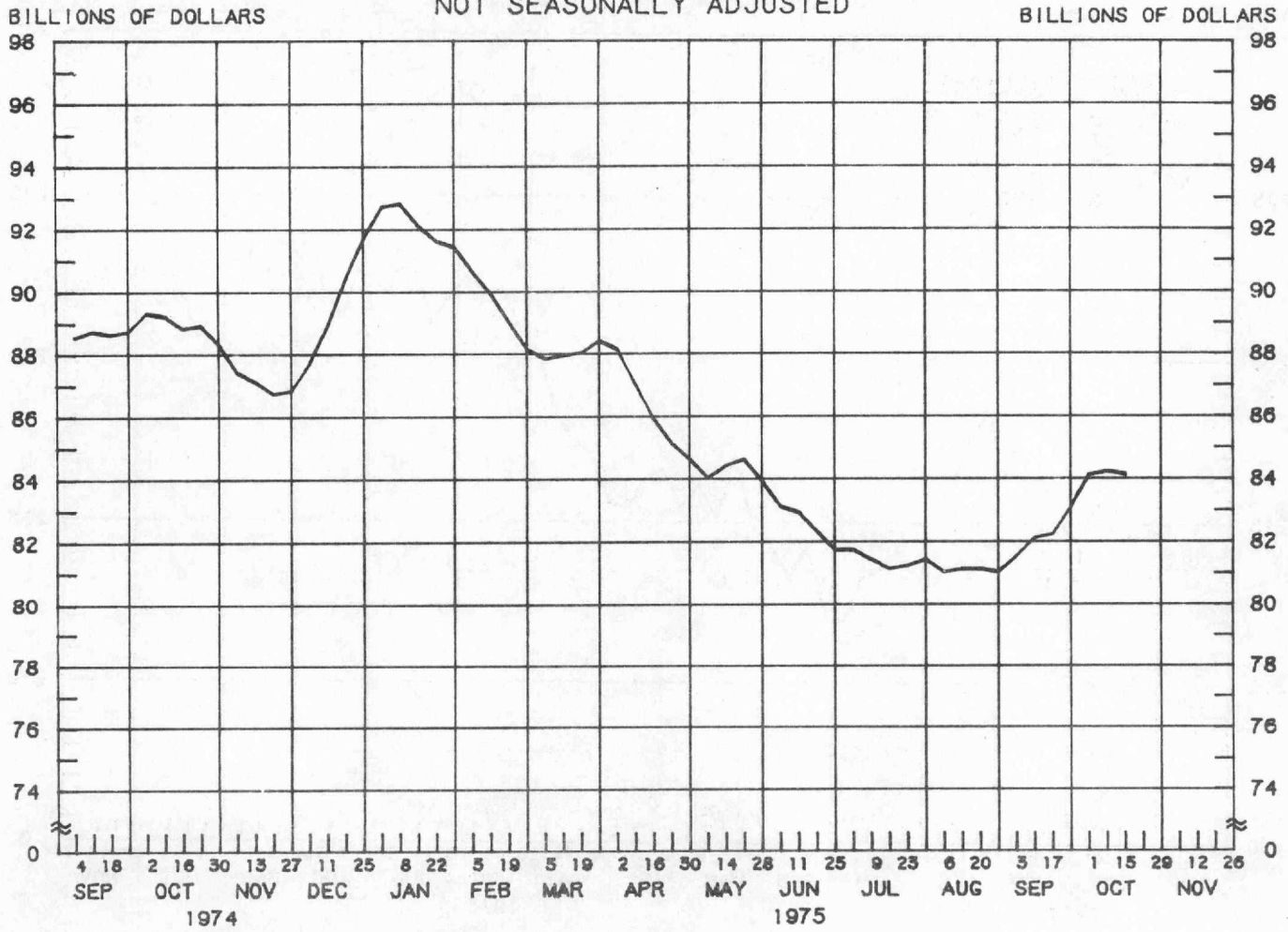
10/16/74    1/15/75    3/12/75    4/16/75    5/14/75    6/18/75    7/16/75    8/13/75

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

3/12/75	0.0							
4/16/75	1.1	2.3						
5/14/75	1.2	2.2	4.1					
6/18/75	4.5	7.2	11.5	14.7				
7/16/75	4.5	6.8	10.0	11.6	16.2			
8/13/75	4.0	5.7	7.9	8.4	10.6	1.8		
9/17/75	4.4	6.1	7.9	8.4	9.9	4.2	4.0	
10/15/75	3.0	4.1	5.1	5.0	5.5	0.1	-1.3	-1.3

# CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES  
NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 15, 1975

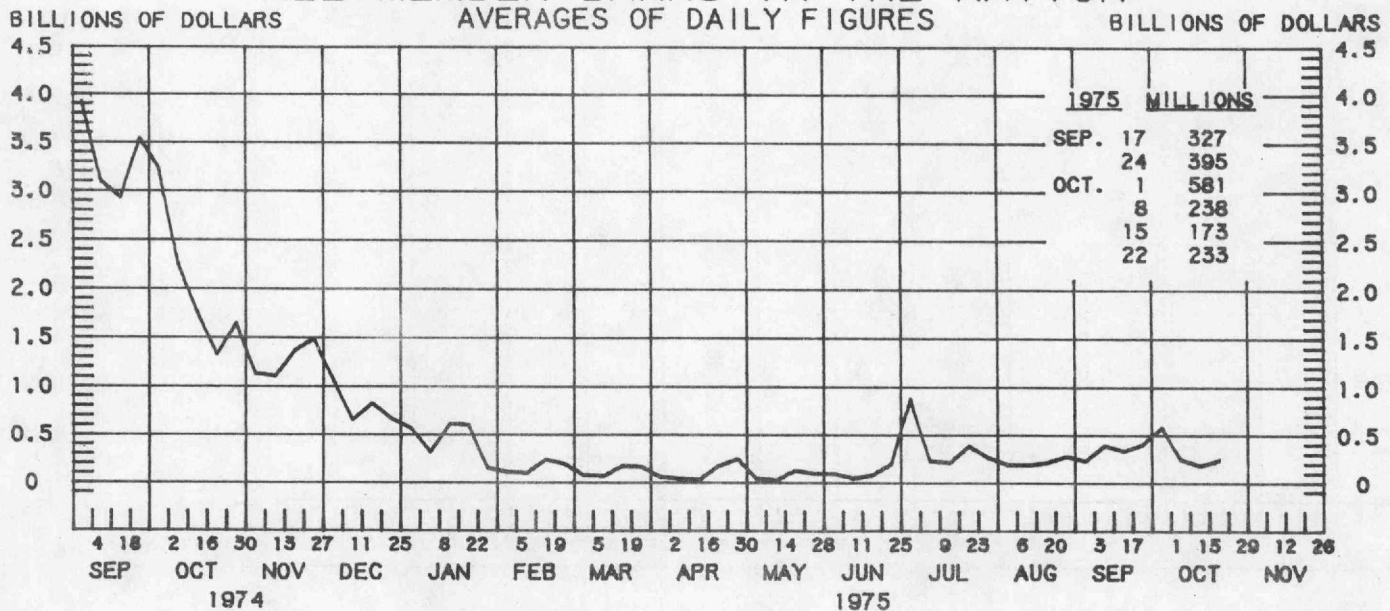
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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

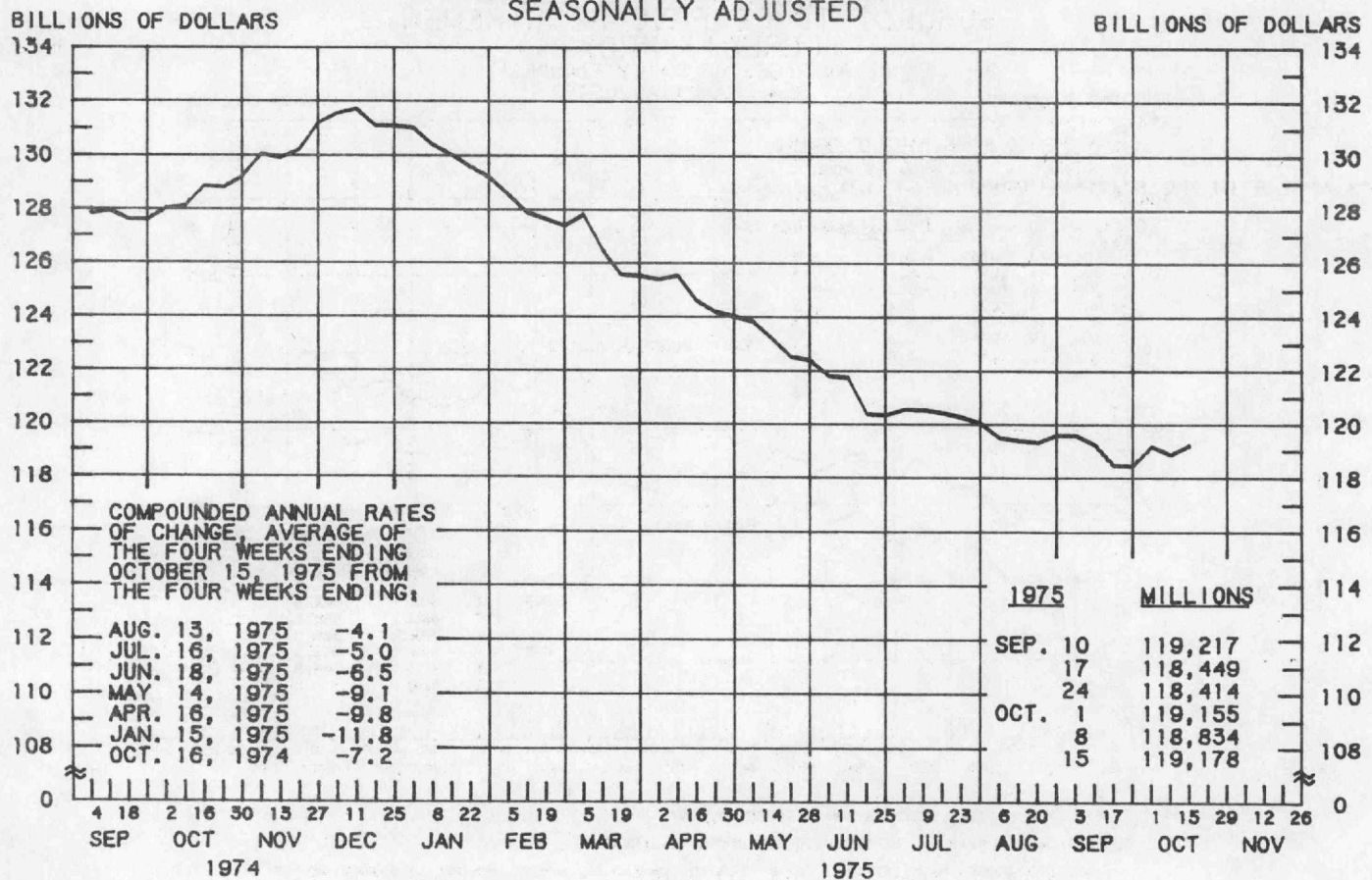
1975	CERTIFICATES OF DEPOSIT NOT SEAS. ADJ.	CERTIFICATES OF DEPOSIT SEAS. ADJ.
SEP. 3	81.5	77.1
10	82.1	78.1
17	82.2	78.7
24	83.1	79.7
OCT. 1	84.1	80.9
8	84.2	81.6
15	84.1	81.6
22		
29		
NOV. 5		
12		
19		
26		

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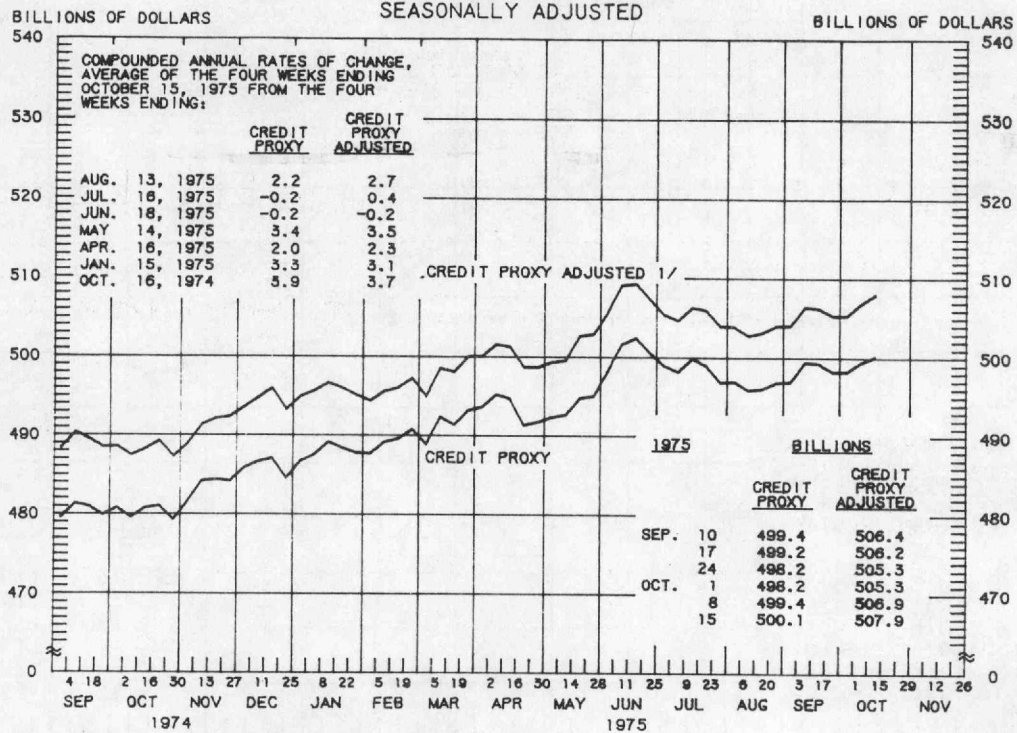
# BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



## 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: OCTOBER 15, 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