

Week ending: October 29, 1975



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Business credit demands at commercial banks have continued to decline since June, although at a more moderate pace than during the first half of the year. In the most recent week business loans at weekly reporting large commercial banks totaled \$118.4 billion (not seasonally adjusted), \$3.5 billion below their level in late June. In contrast, consumer installment loans at large commercial banks increased by almost \$700 million during this same period.

Some commercial banks recently lowered their prime lending rate (the rate charged by commercial banks on short-term loans to large businesses with the highest credit standing) from 8 to 7.75 percent. Other short-term interest rates have also decreased in the last month. Rates on prime four-to six-month commercial paper and on 90-day CDs have fallen 93 and 85 basis points, respectively. Yields on three-month Treasury bills decreased 82 basis points over the same period.

Since late June the Federal funds rate (the rate at which banks borrow reserves from one another) has been above or very near the discount rate (the rate at which member banks borrow reserves from Federal Reserve Banks). During this period member bank borrowings averaged \$295 million. In the previous five months, when the Federal funds rate was below the discount rate making borrowing in the Federal funds market relatively more attractive, member bank borrowings from Federal Reserve Banks averaged only \$125 million.

The growth of the money stock has slowed recently, averaging less than a one percent annual rate of increase over the past three months, in contrast to about a 12 percent rate in the previous three months. The demand deposit component of the money stock has exhibited the same marked reduction in growth. The level of private demand deposits has remained essentially unchanged, on balance, over the last three months following three months of growth at a 12 percent rate.

Prepared by Federal Reserve Bank of St. Louis

Released: October 31, 1975

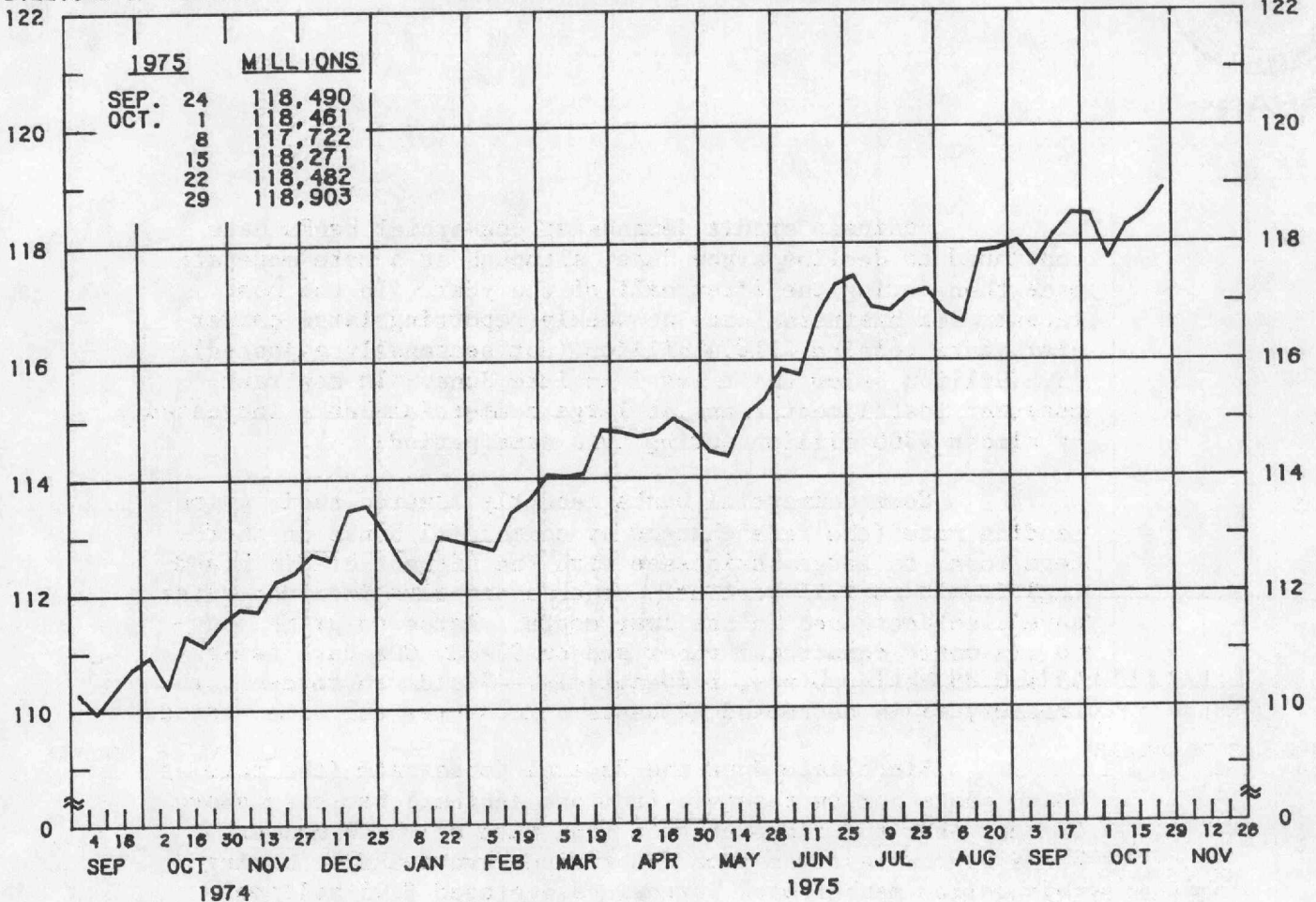
MONETARY BASE

AVERAGES OF DAILY FIGURES

SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 29, 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:

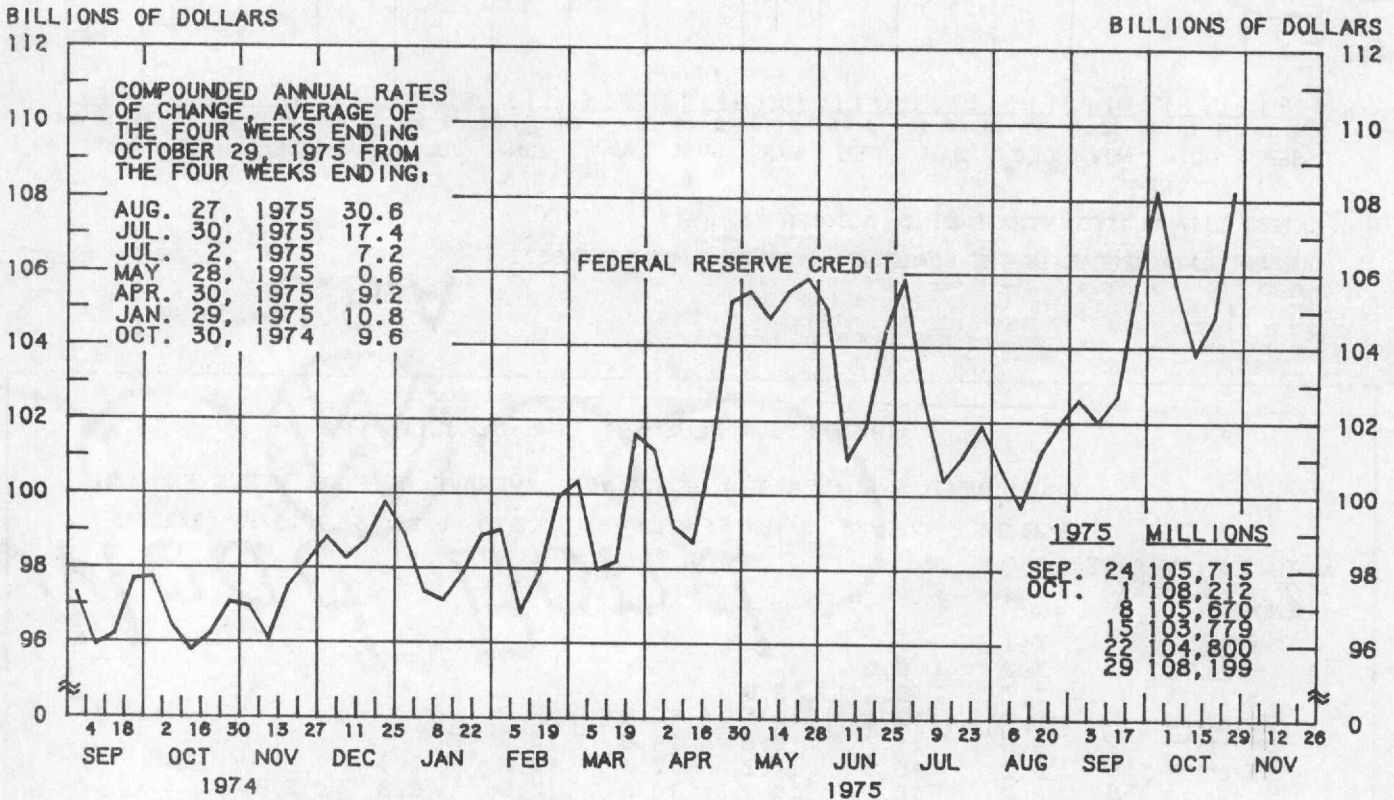
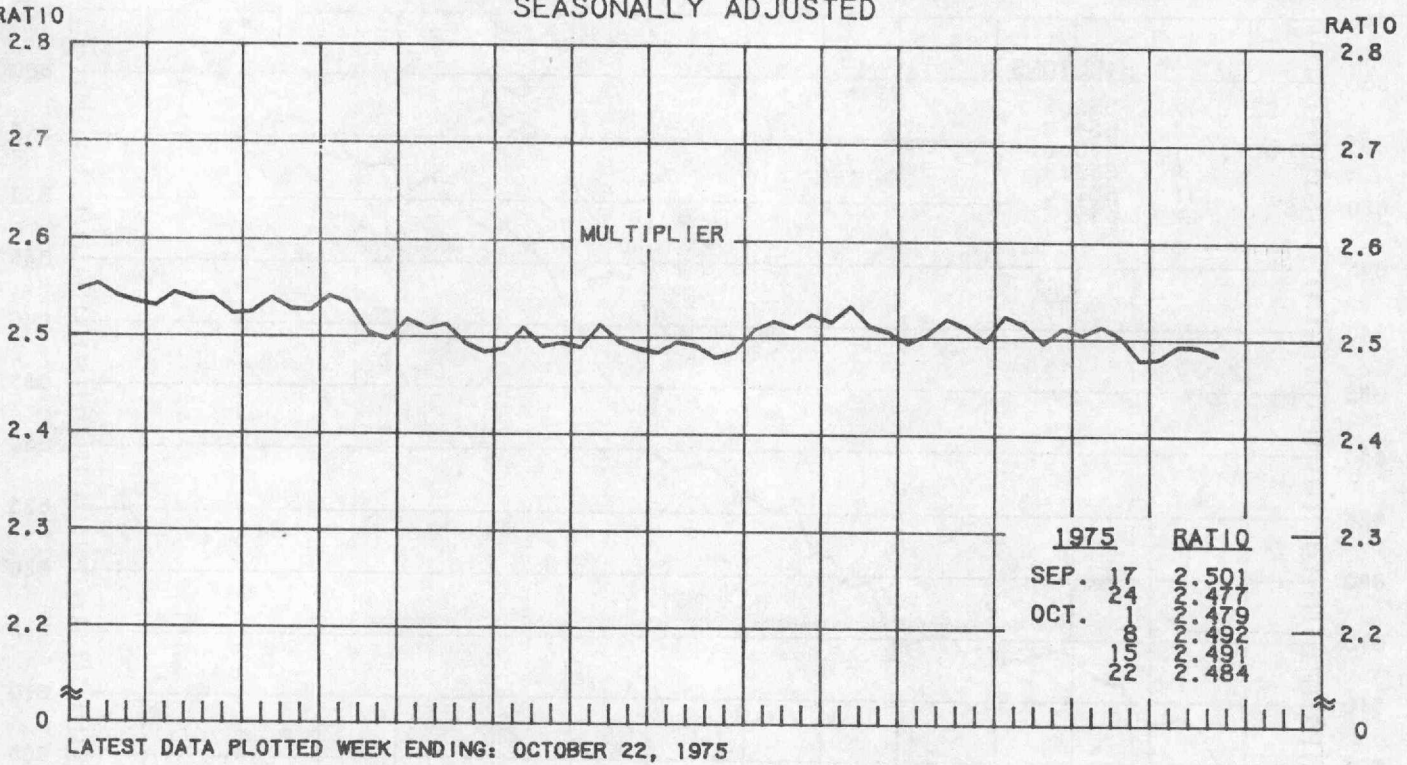
10/30/74 1/29/75 3/26/75 4/30/75 5/28/75 7/2/75 7/30/75 8/27/75

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

3/26/75	7.2							
4/30/75	6.9	7.9						
5/28/75	5.9	5.9	2.8					
7/2/75	7.8	9.0	8.6	10.5				
7/30/75	7.2	7.9	7.2	7.9	11.8			
8/27/75	6.8	7.3	6.4	6.8	9.0	2.8		
10/1/75	7.0	7.4	6.8	7.1	8.8	4.8	5.8	
10/29/75	6.6	6.8	6.1	6.3	7.5	4.1	4.6	5.3

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: OCTOBER 29, 1975

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

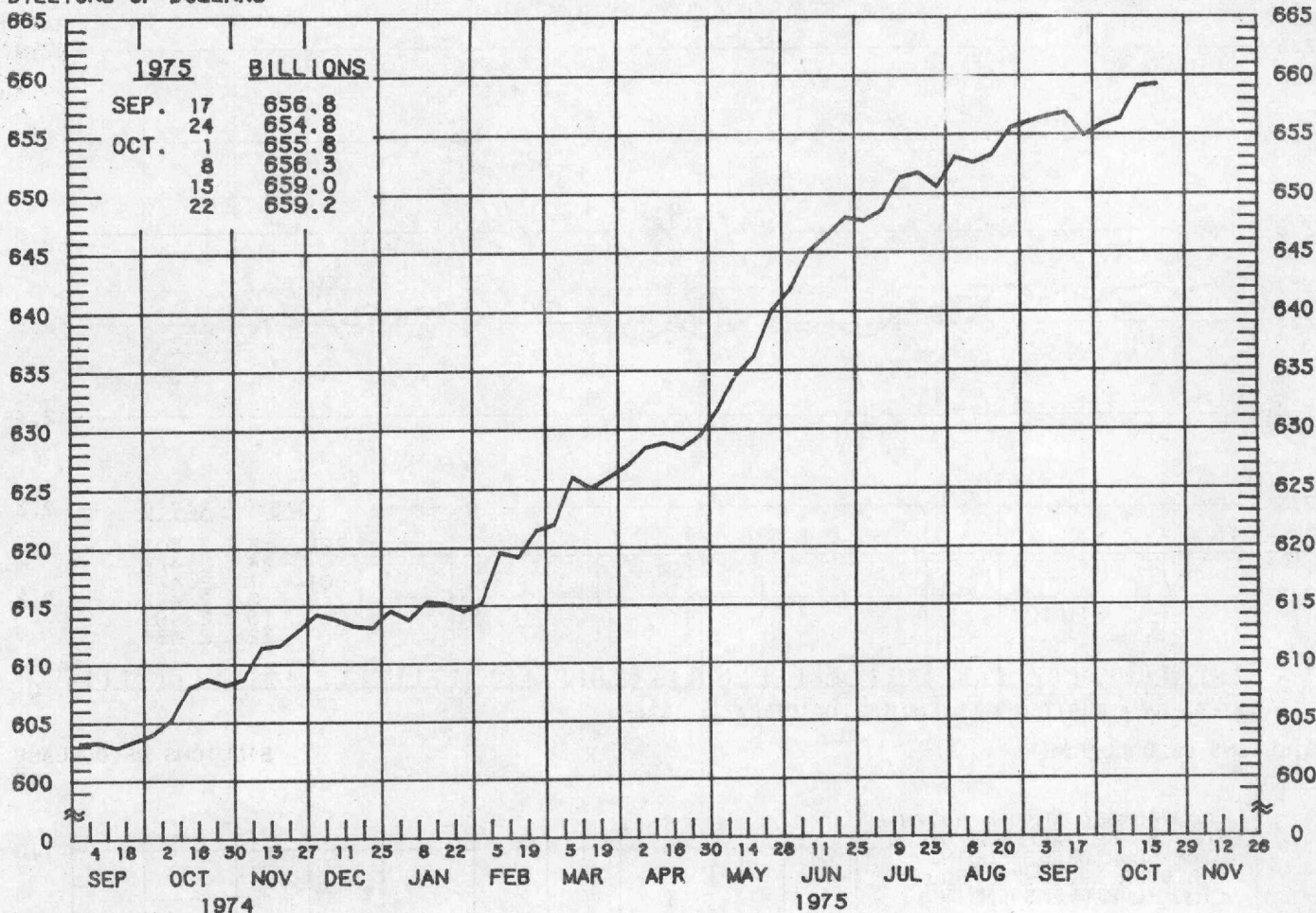
^{2/} DEFINED TO INCLUDE HOLDINGS OF SECURITIES, LOANS, FLOAT AND "OTHER" ASSETS, ADJUSTED FOR RESERVE REQUIREMENT RATIO CHANGES AND SHIFTS IN THE SAME TYPE OF DEPOSITS BETWEEN BANKS WHERE DIFFERENT RESERVE REQUIREMENT RATIOS APPLY. DATA ARE SEASONALLY ADJUSTED BY THIS BANK.

MONEY STOCK PLUS NET TIME DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 22, 1975

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

MONEY STOCK PLUS NET TIME DEPOSITS (M₂)

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:

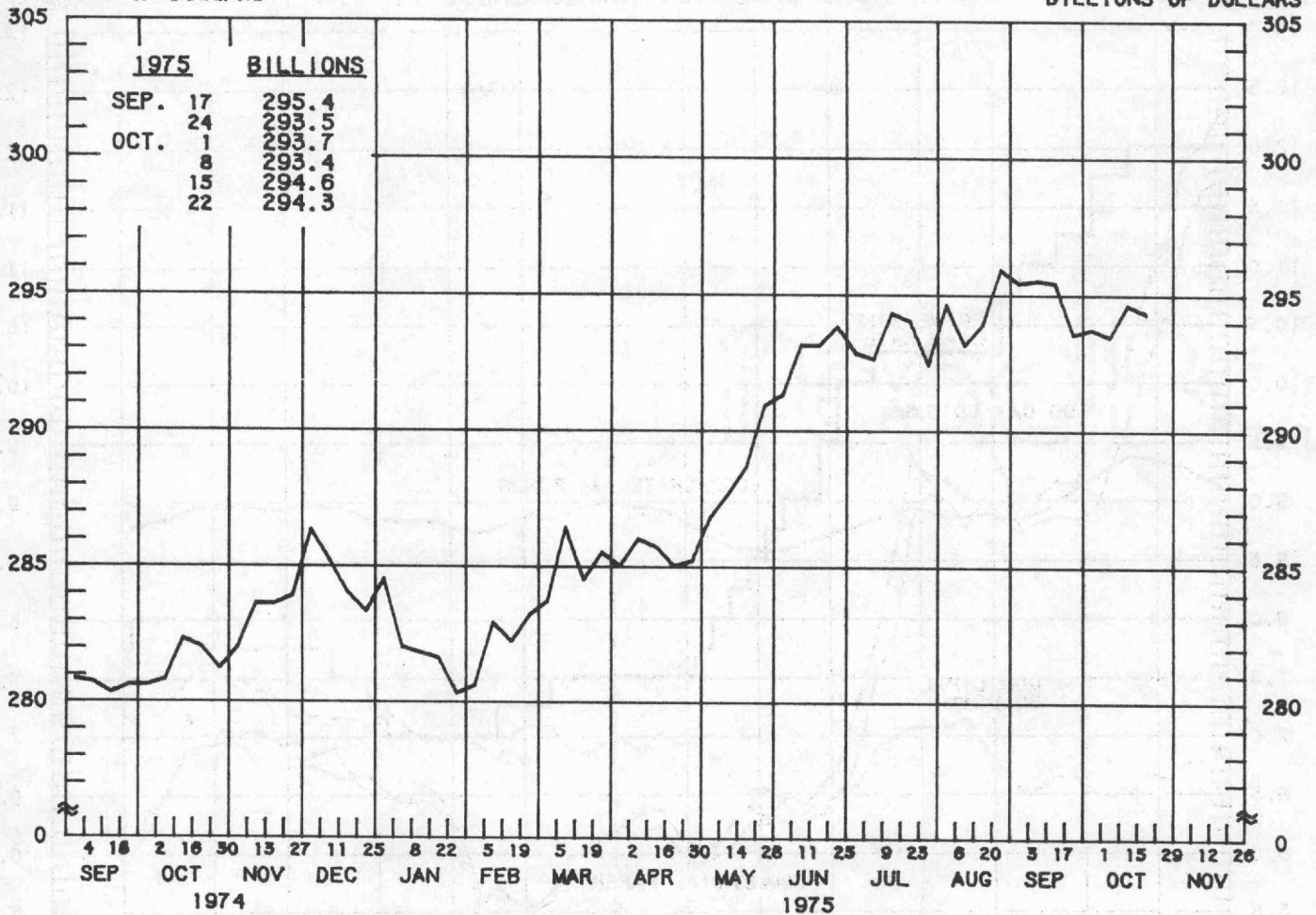
3/19/75	7.1								
4/23/75	7.2	9.0							
5/21/75	7.7	9.4	9.0						
6/25/75	9.7	12.2	13.5	16.9					
7/23/75	9.6	11.7	12.6	14.6	16.3				
8/20/75	9.2	10.8	11.2	12.3	12.8	7.3			
9/24/75	8.9	10.1	10.2	10.8	10.9	6.8	5.6		
10/22/75	8.4	9.4	9.3	9.6	9.4	5.9	4.9	4.8	

MONEY STOCK

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 22, 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:

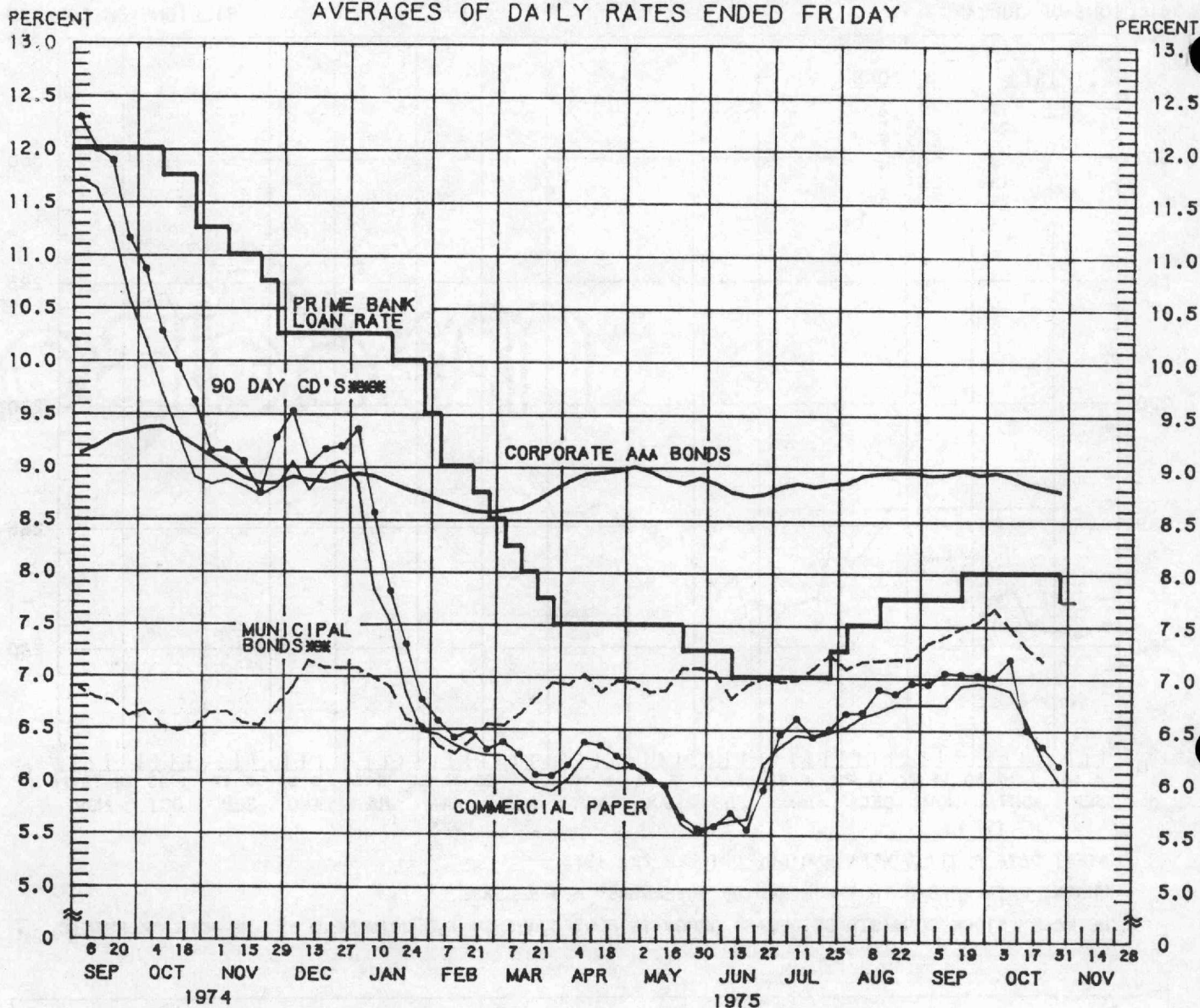
10/23/74 1/22/75 3/19/75 4/23/75 5/21/75 6/25/75 7/23/75 8/20/75

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

3/19/75	2.8								
4/23/75	2.9	4.2							
5/21/75	3.5	5.1	5.4						
6/25/75	6.1	8.8	11.3	15.9					
7/23/75	5.7	7.9	9.3	11.7	13.4				
8/20/75	5.2	6.8	7.6	8.9	9.2	1.6			
9/24/75	5.2	6.6	7.2	8.1	8.2	3.0	3.2		
10/22/75	4.5	5.5	5.7	6.1	5.8	1.3	0.8	1.0	

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING, OCTOBER 31, 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	6.23	6.02	8.81	7.17
31 *	6.16	6.00	5.85	8.78	N.A.
NOV. 7					
14					
21					
28					

* AVERAGES OF RATES AVAILABLE.

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

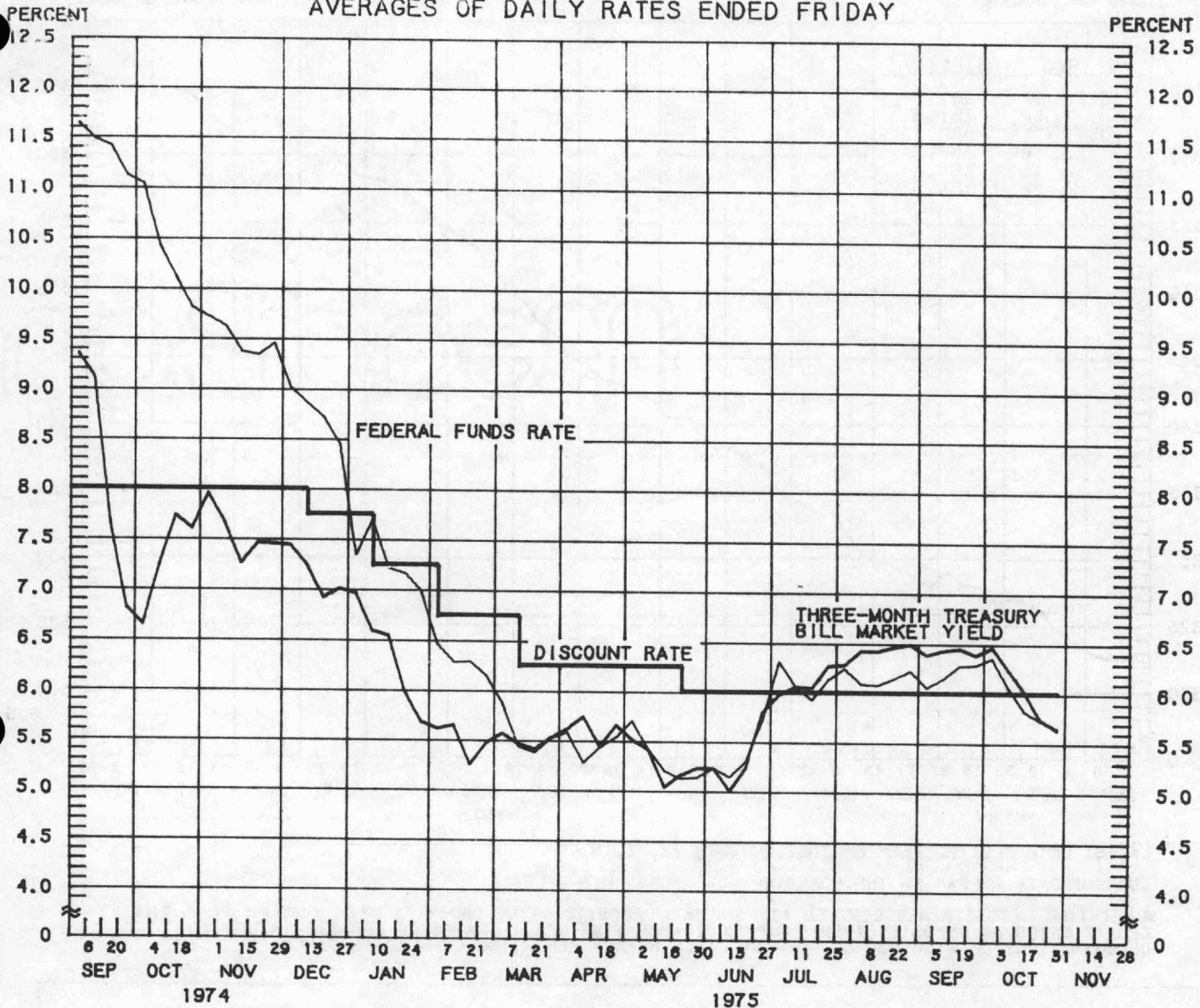
*** SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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 31, 1975

1975	FEDERAL FUNDS <small>**</small>	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	6.38	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	5.73	5.73	6.29	7.67	7.22
31 <small>*</small>	5.65	5.64	6.14	7.55	7.20
NOV. 7					
14					
21					
28					

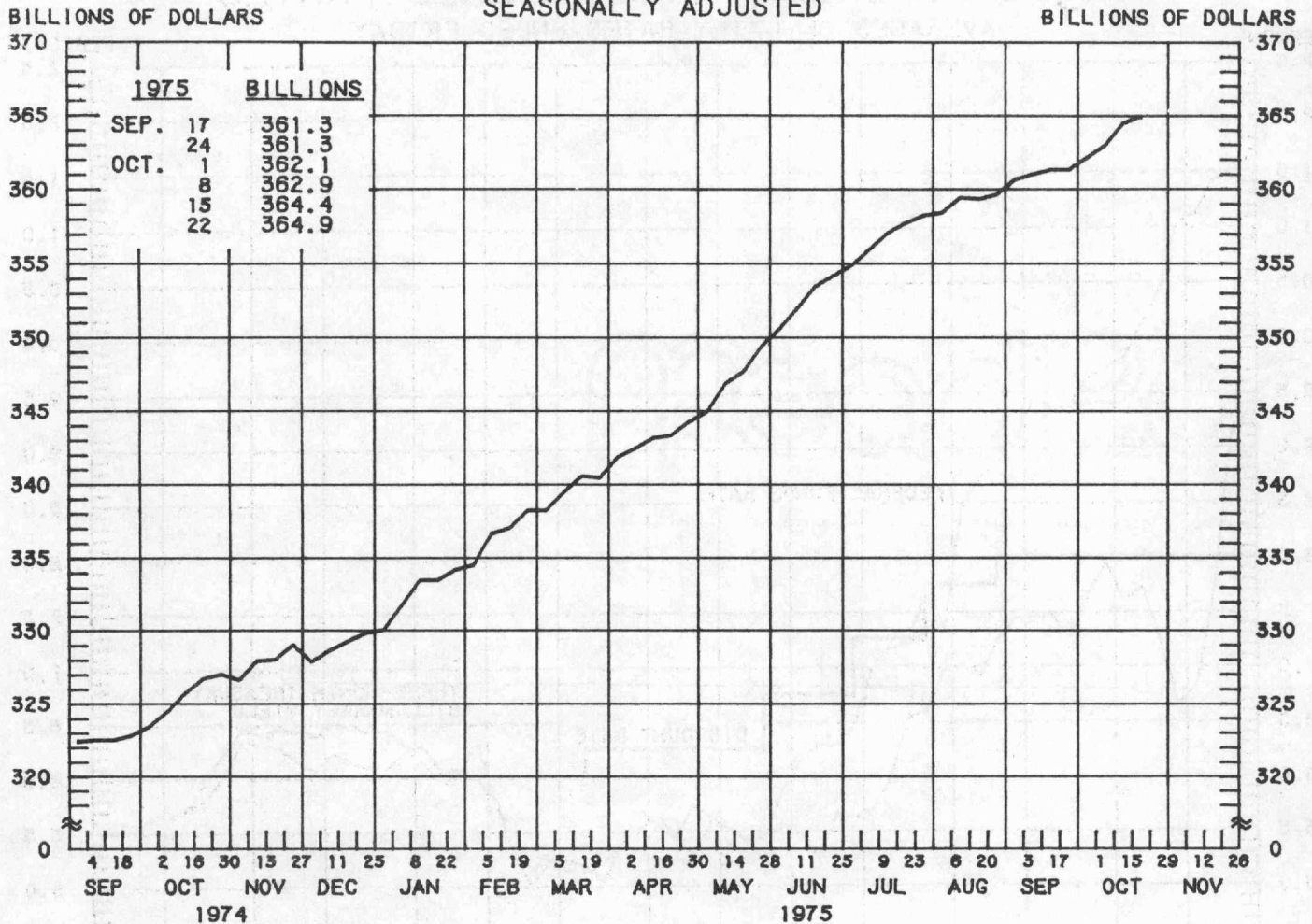
* AVERAGES OF RATES AVAILABLE.

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

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: OCTOBER 22, 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:

10/23/74 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:

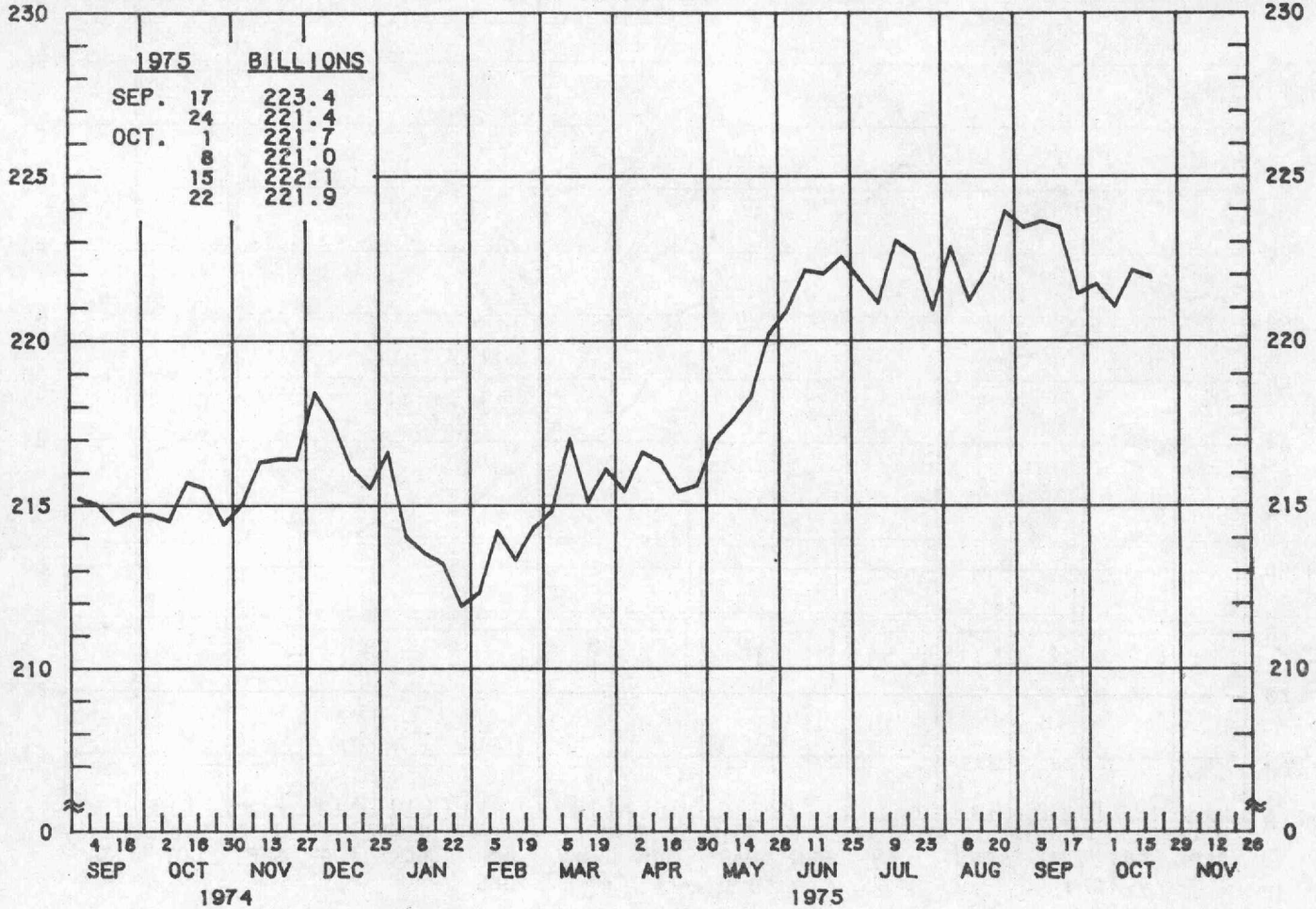
3/19/75	11.0							
4/23/75	11.1	13.3						
5/21/75	11.3	13.2	12.2					
6/25/75	12.8	15.0	15.5	17.7				
7/23/75	13.0	15.1	15.5	17.0	18.9			
8/20/75	12.7	14.3	14.3	15.1	15.8	12.2		
9/24/75	12.0	13.2	12.9	13.2	13.2	10.1	7.9	
10/22/75	11.8	12.8	12.4	12.6	12.5	9.9	8.3	8.0

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 22, 1975

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

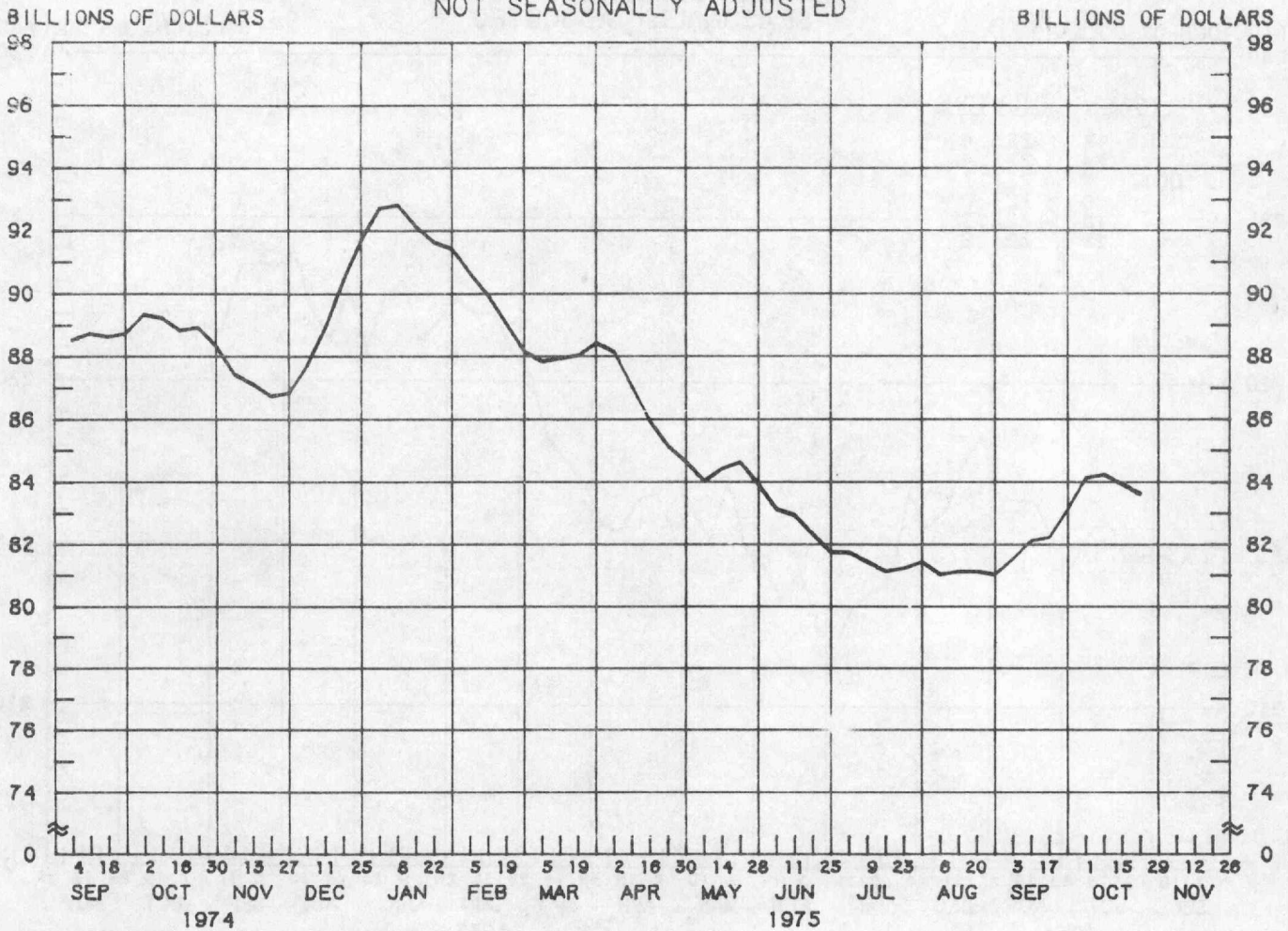
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

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	0.2						
4/23/75	0.7	3.0					
5/21/75	1.6	4.1	4.9				
6/25/75	4.7	8.6	11.9	17.2			
7/23/75	4.4	7.4	9.4	12.0	14.1		
8/20/75	3.8	6.1	7.3	8.6	8.9	-0.3	
9/24/75	4.0	6.1	7.0	7.9	8.1	2.0	2.4
10/22/75	3.1	4.6	5.0	5.4	5.1	-0.3	-0.7 -0.3

CERTIFICATES OF DEPOSIT
LARGE COMMERCIAL BANKS
 WEDNESDAY FIGURES
 NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 22, 1975

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

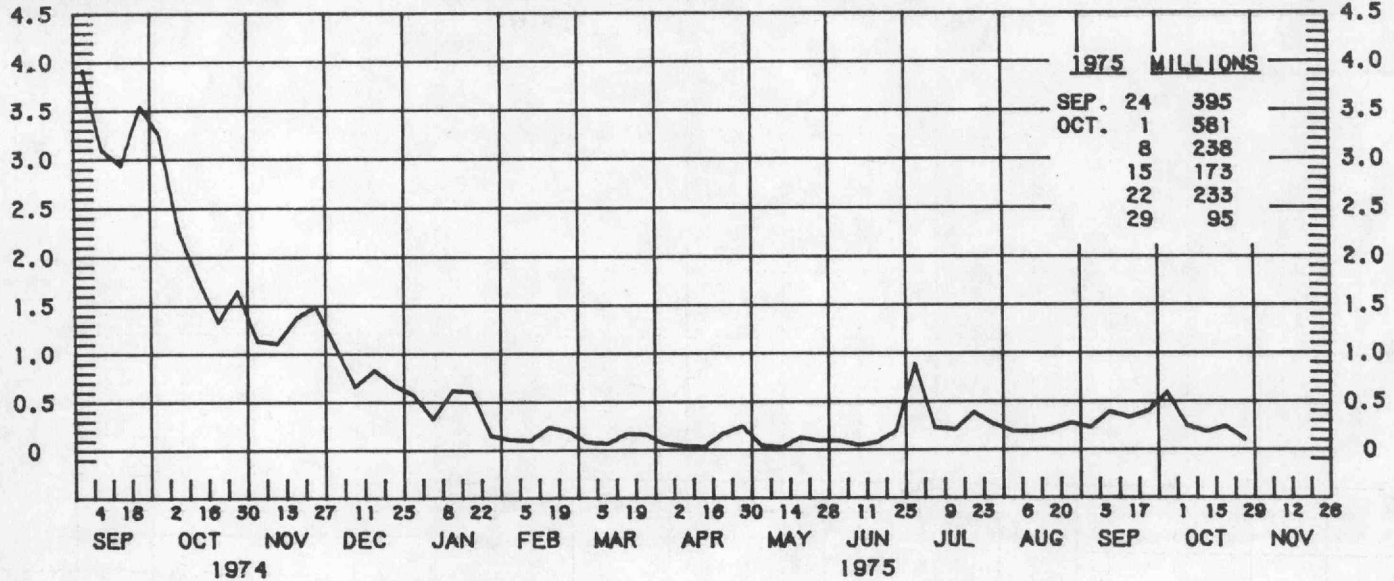
NEGOTIABLE TIME CERTIFICATES OF DEPOSIT ISSUED IN DENOMINATIONS OF \$100,000 OR MORE BY LARGE WEEKLY REPORTING COMMERCIAL BANKS.

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	83.9	81.4
22	83.6	81.1
29		
NOV. 5		
12		
19		
26		

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION

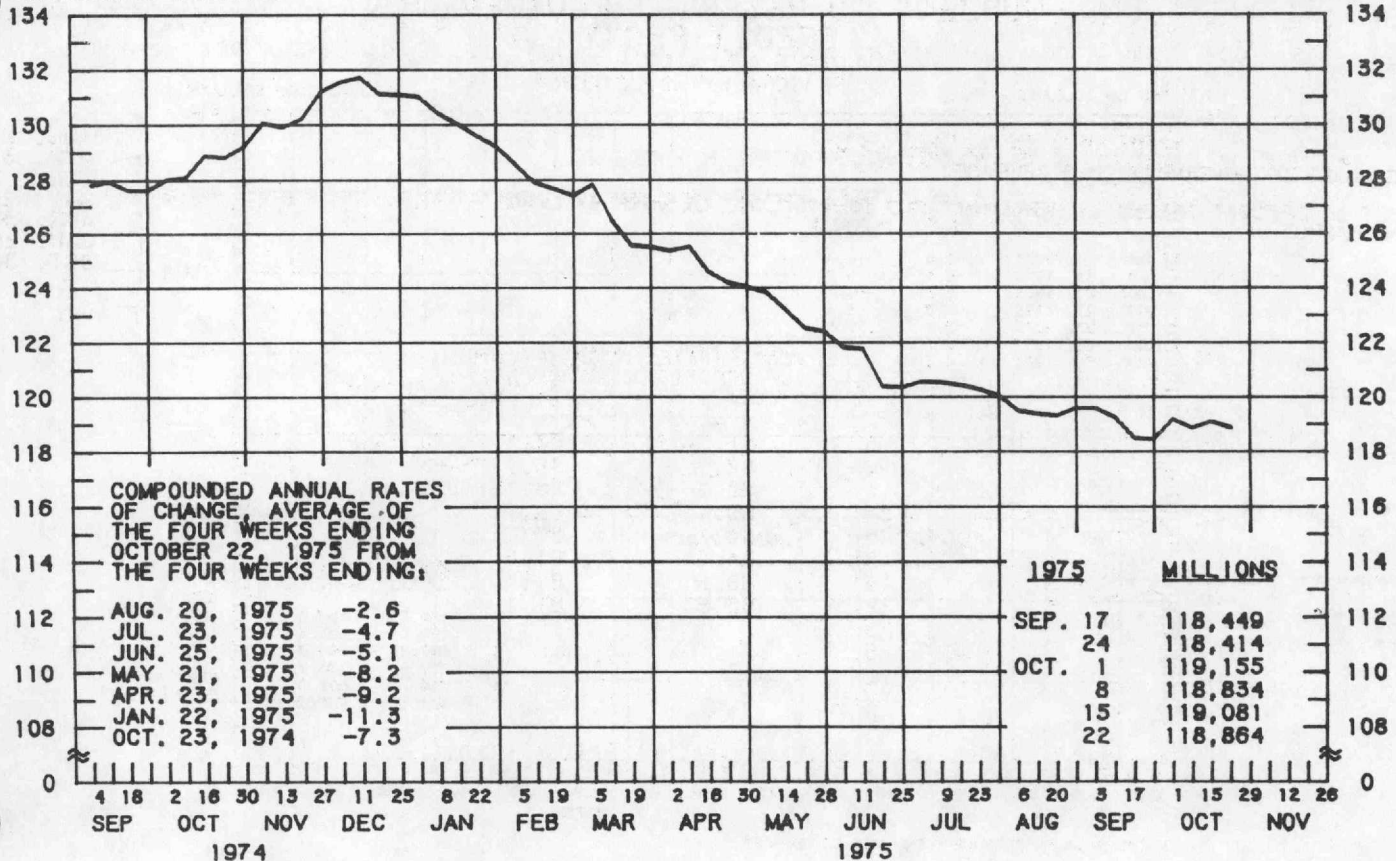
BILLIONS OF DOLLARS AVERAGES OF DAILY FIGURES BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 29, 1975

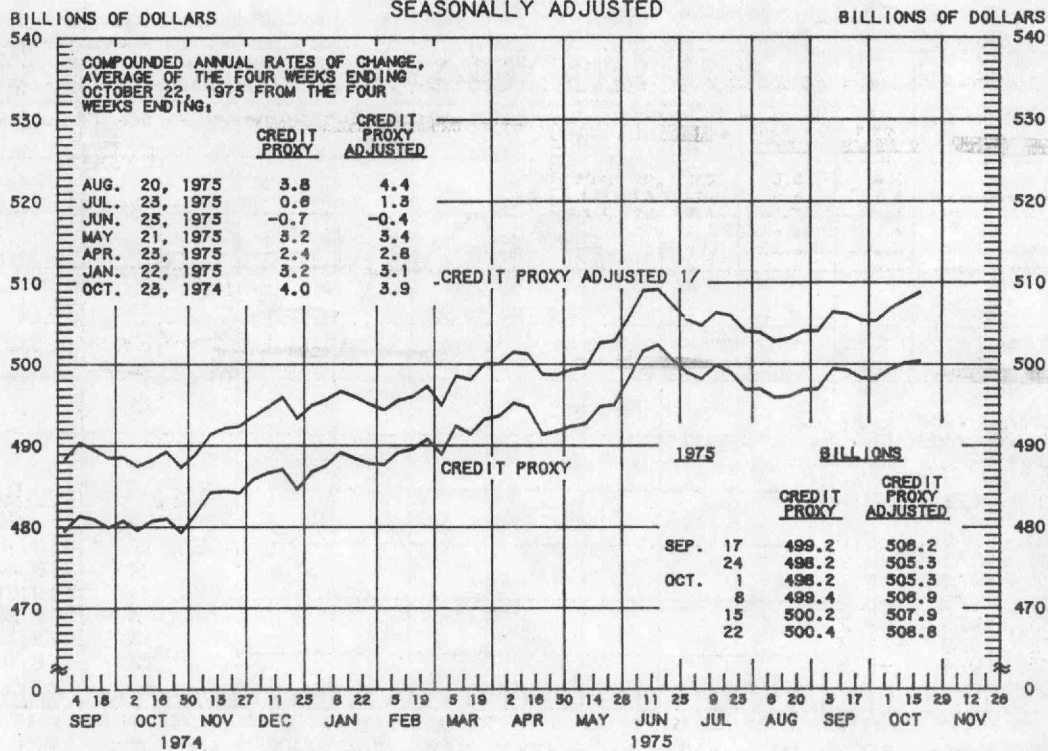
BUSINESS LOANS (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS SEASONALLY ADJUSTED

BILLIONS OF DOLLARS BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 22, 1975

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



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 22, 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