



Week ending: November 26, 1975

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Business credit demands at commercial banks have fallen off since the first of the year, although the decline has moderated since late June. Since mid-January business loans at weekly reporting large commercial banks have decreased by about \$11 billion, with over \$7 billion of the decline occurring between mid-January and late June. This decline in business loans over the first ten months of 1975 is in sharp contrast to their movements in the previous two years. Over comparable periods in 1973 and 1974 business loans increased by \$16 billion and \$18 billion, respectively.

Paralleling the decline in business loans in the first half of the year was a substantial reduction in the volume of negotiable time certificates of deposit (large CDs) issued by weekly reporting commercial banks. From mid-January through late June large CDs decreased by about \$10 billion. Since late June the decline in large CDs has levelled off and shown some indications of an upturn. The decline in large CDs, on balance, in the first ten months of 1975 also contrasts sharply with the movements in large CDs in the previous two years when they increased by \$20.2 billion and \$22.6 billion during comparable periods in 1973 and 1974, respectively.

The decline in business credit demands has caused banks to shift more of their earning assets into investments, particularly U. S. Treasury securities. Since mid-January holdings of U. S. Treasury securities at large commercial banks have increased by about \$12 billion. This is in contrast to movements during comparable periods in 1973 and 1974 when holdings of U. S. Government securities decreased by about \$5 billion and \$4 billion, respectively.

Consistent with the slower growth of business credit demands, short-term interest rates are lower than they were a year ago. The commercial bank prime lending rate is 275 basis points below its level of a year ago. The rate on 90-day certificates of deposit, which gives an indication of the price commercial banks are willing to pay to obtain funds, is 330 basis points below its level of last year.

Prepared by Federal Reserve Bank of St. Louis

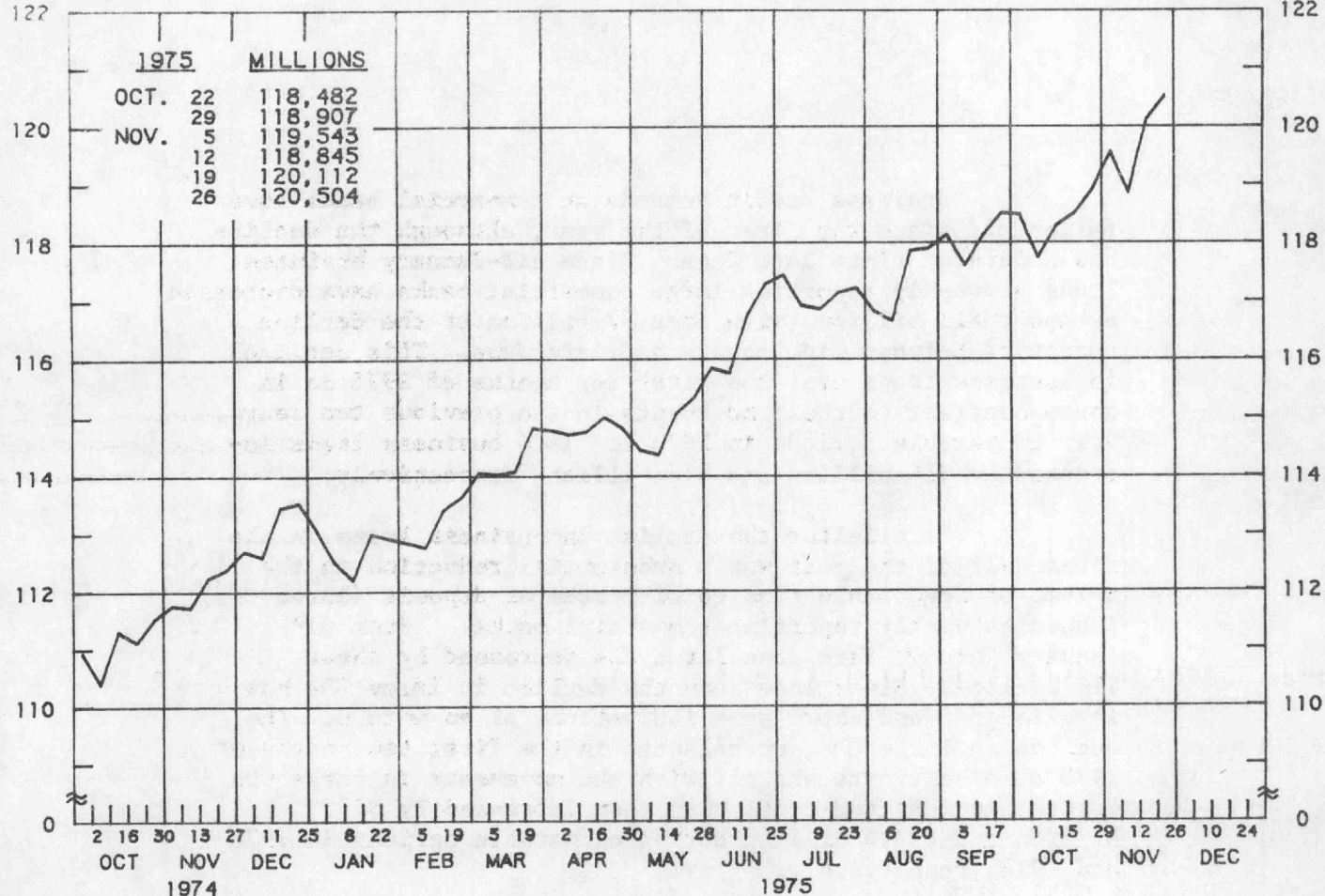
Released: November 28, 1975

MONETARY BASE

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS
122

BILLIONS OF DOLLARS
122



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 26, 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.

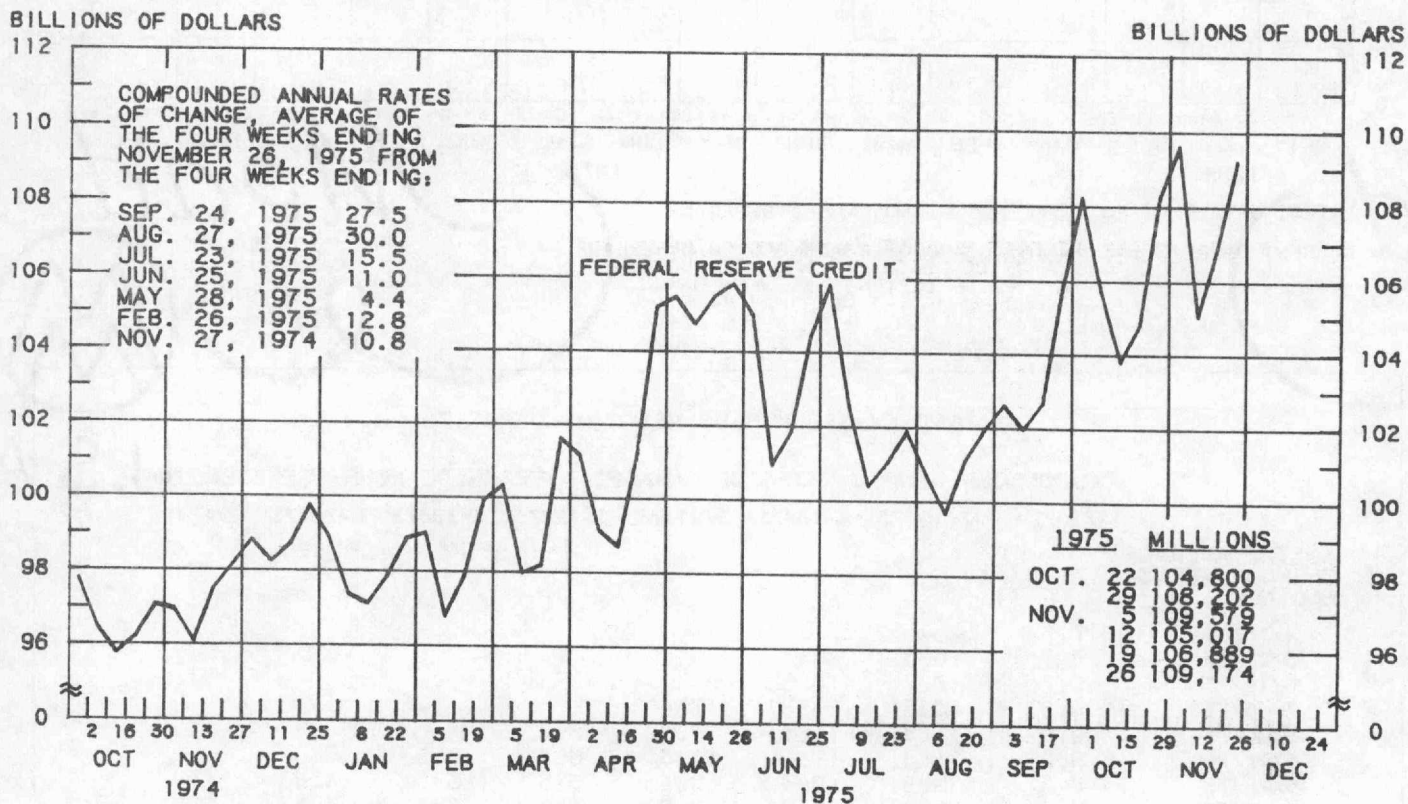
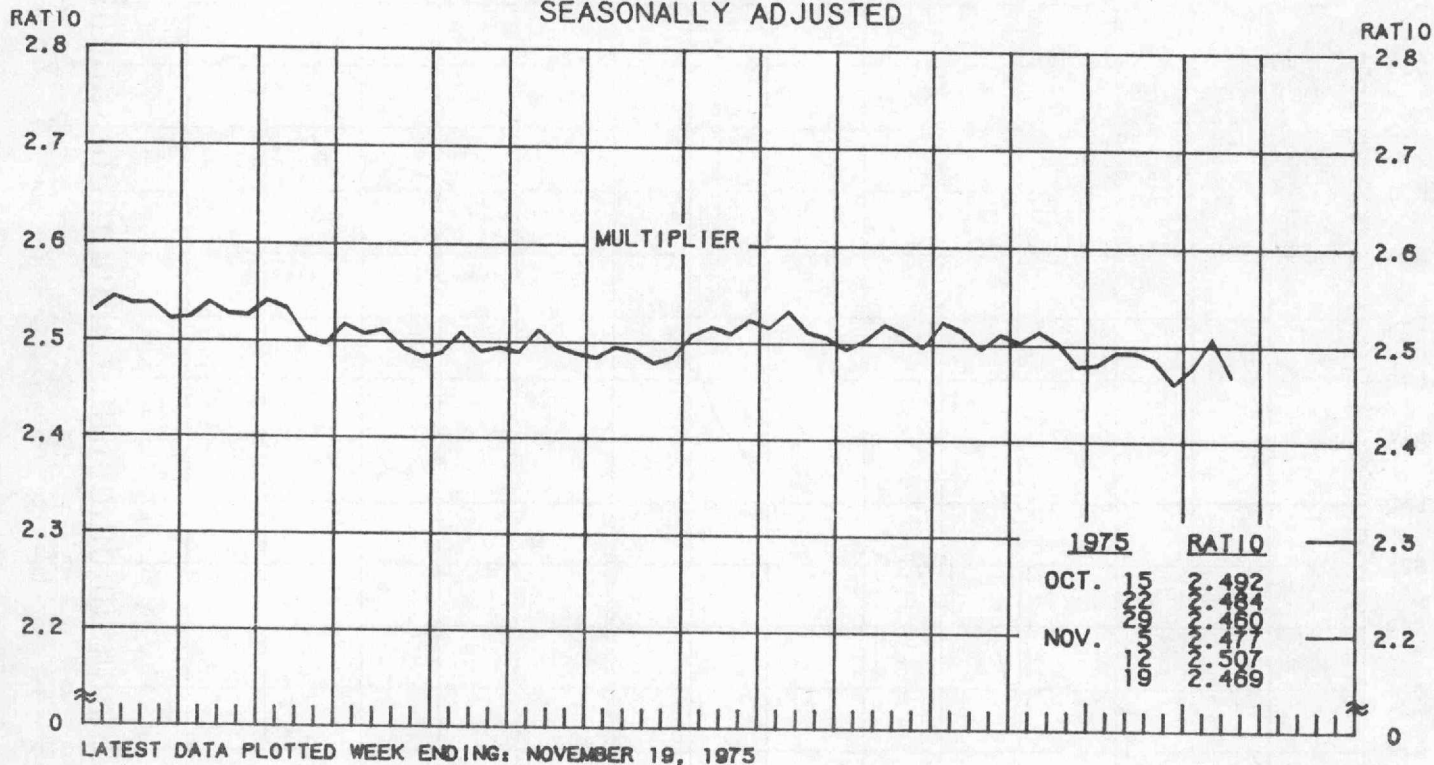
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

11/27/74 2/26/75 4/23/75 5/28/75 6/25/75 7/23/75 8/27/75 9/24/75

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

4/23/75	6.3								
5/28/75	5.0	5.9							
6/25/75	6.9	9.1	8.3						
7/23/75	7.0	8.8	8.2	13.7					
8/27/75	6.3	7.5	6.4	9.0	4.5				
9/24/75	6.6	7.7	6.9	9.0	5.9	5.1			
10/29/75	6.1	6.9	6.0	7.5	4.9	4.1	5.3		
11/26/75	6.9	7.9	7.3	8.8	6.9	6.7	8.7	8.5	

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



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 26, 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.

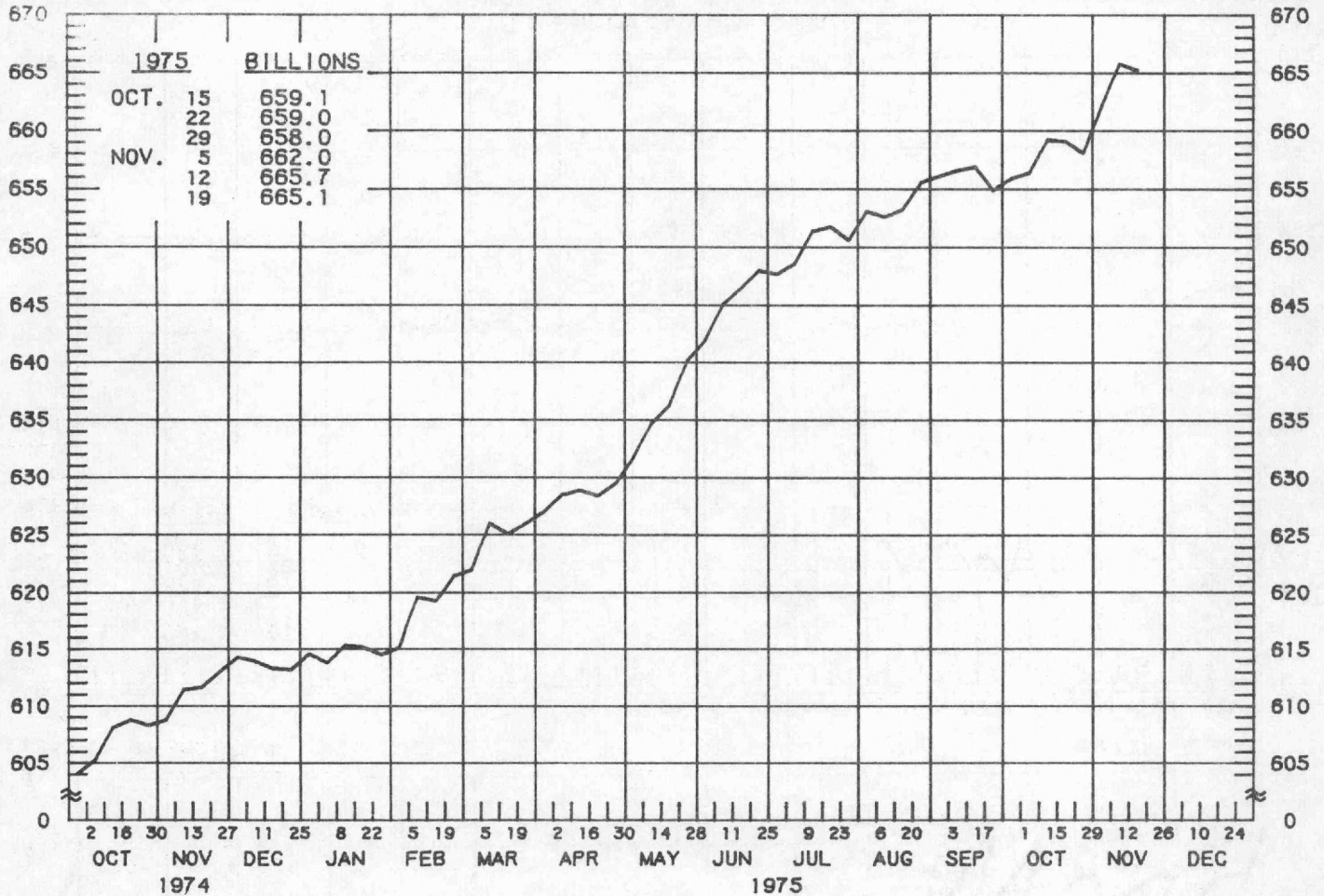
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK PLUS NET TIME DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 19, 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:

11/20/74 2/19/75 4/16/75 5/21/75 6/18/75 7/16/75 8/20/75 9/17/75

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

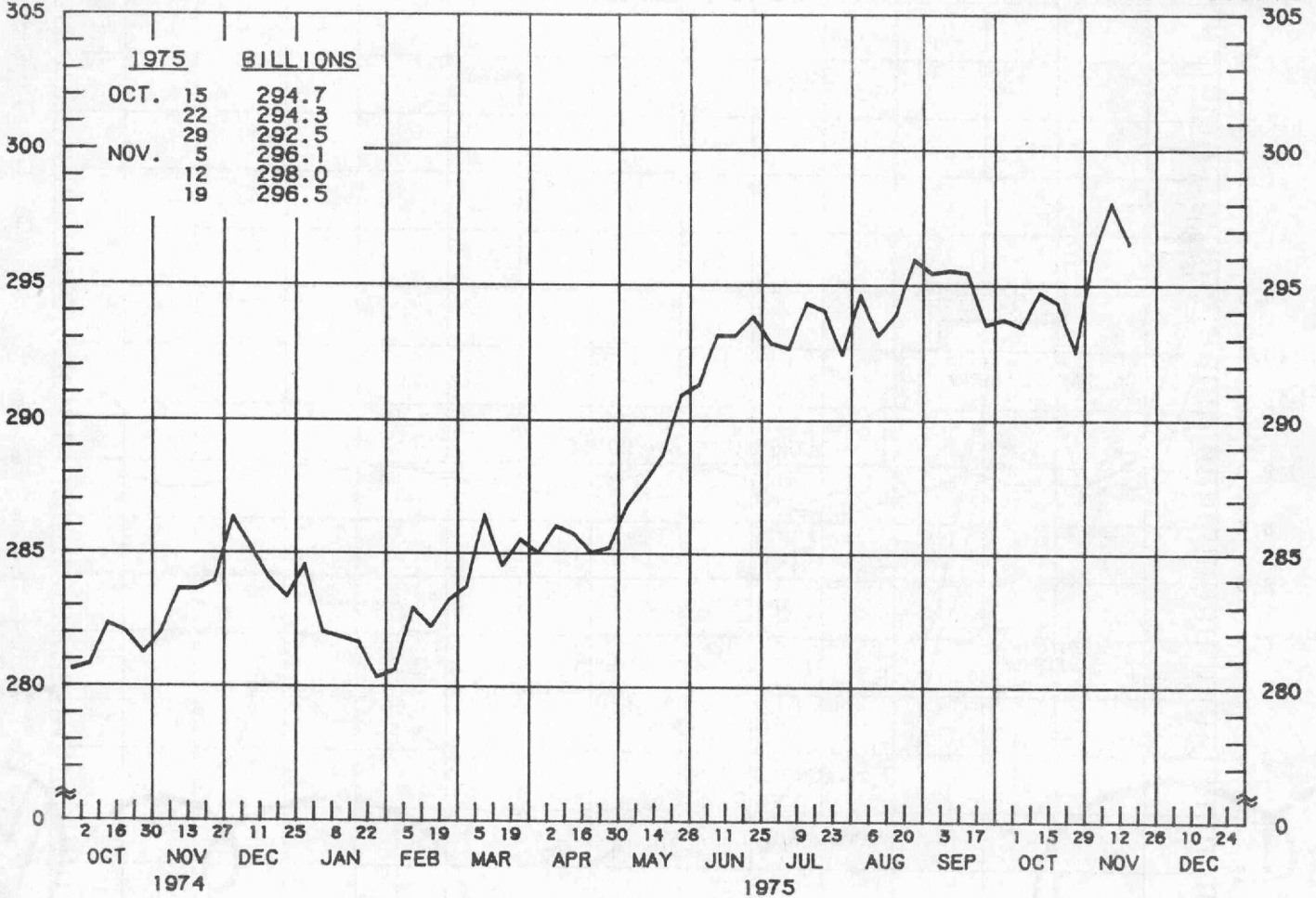
4/16/75	7.3							
5/21/75	7.7	10.8						
6/18/75	9.7	13.7	15.6					
7/16/75	9.9	13.3	14.3	17.4				
8/20/75	9.4	11.8	11.8	12.8	8.3			
9/17/75	9.2	11.3	11.1	11.6	8.2	6.8		
10/22/75	8.5	9.9	9.4	9.4	6.5	5.1	4.8	
11/19/75	8.6	10.0	9.6	9.6	7.2	6.3	6.5	5.9

MONEY STOCK

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 19, 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.

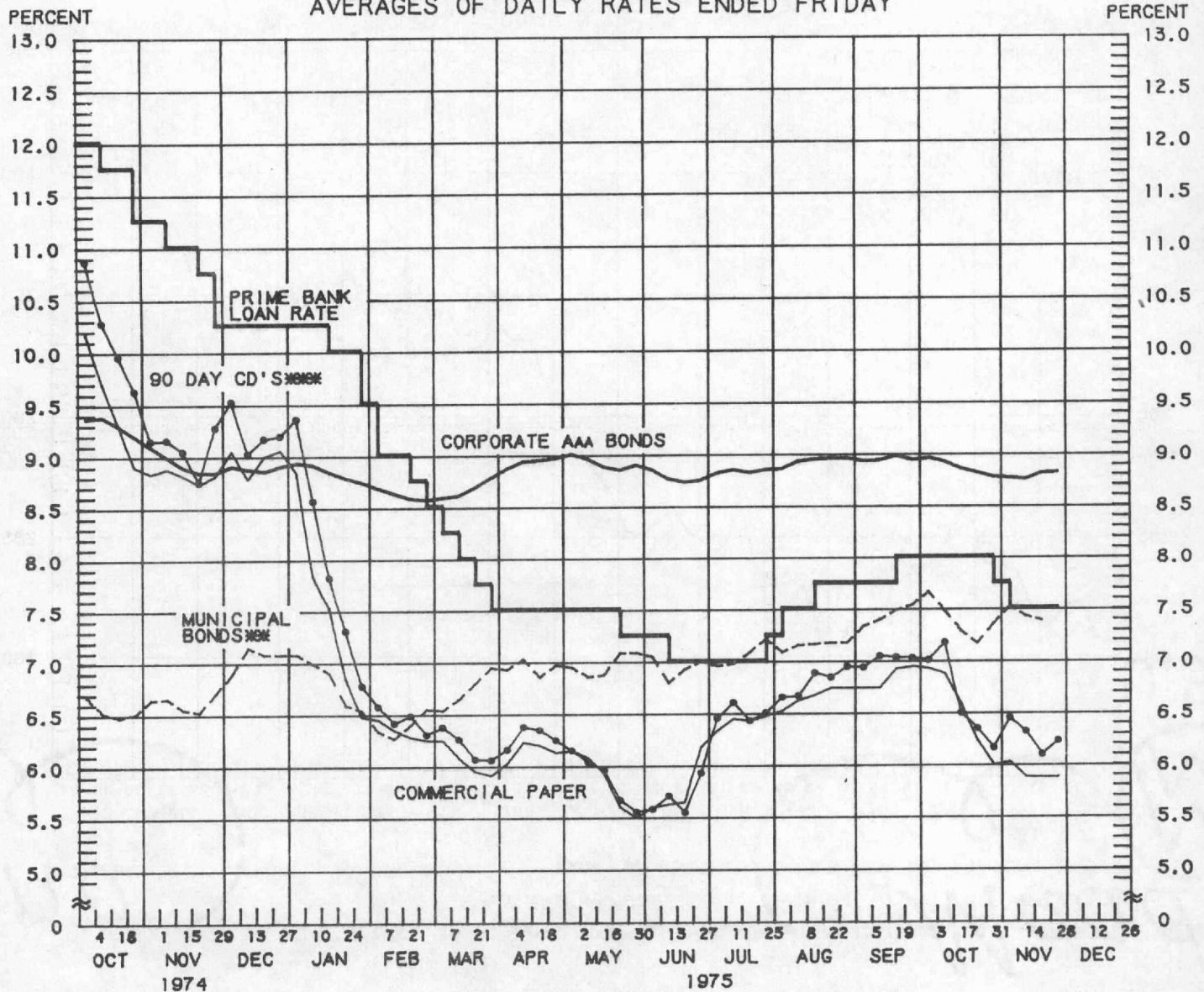
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

	11/20/74	2/19/75	4/16/75	5/21/75	6/18/75	7/16/75	8/20/75	9/17/75
4/16/75	2.6							
5/21/75	3.2	8.2						
6/18/75	5.9	12.0	13.9					
7/16/75	5.9	10.8	11.4	15.2				
8/20/75	5.2	8.7	8.2	9.2	2.8			
9/17/75	5.6	8.8	8.5	9.3	4.9	4.4		
10/22/75	4.4	6.7	5.7	5.8	1.9	0.8	1.0	
11/19/75	4.7	6.8	6.1	6.2	3.0	2.4	3.2	0.4

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: NOVEMBER 28, 1975

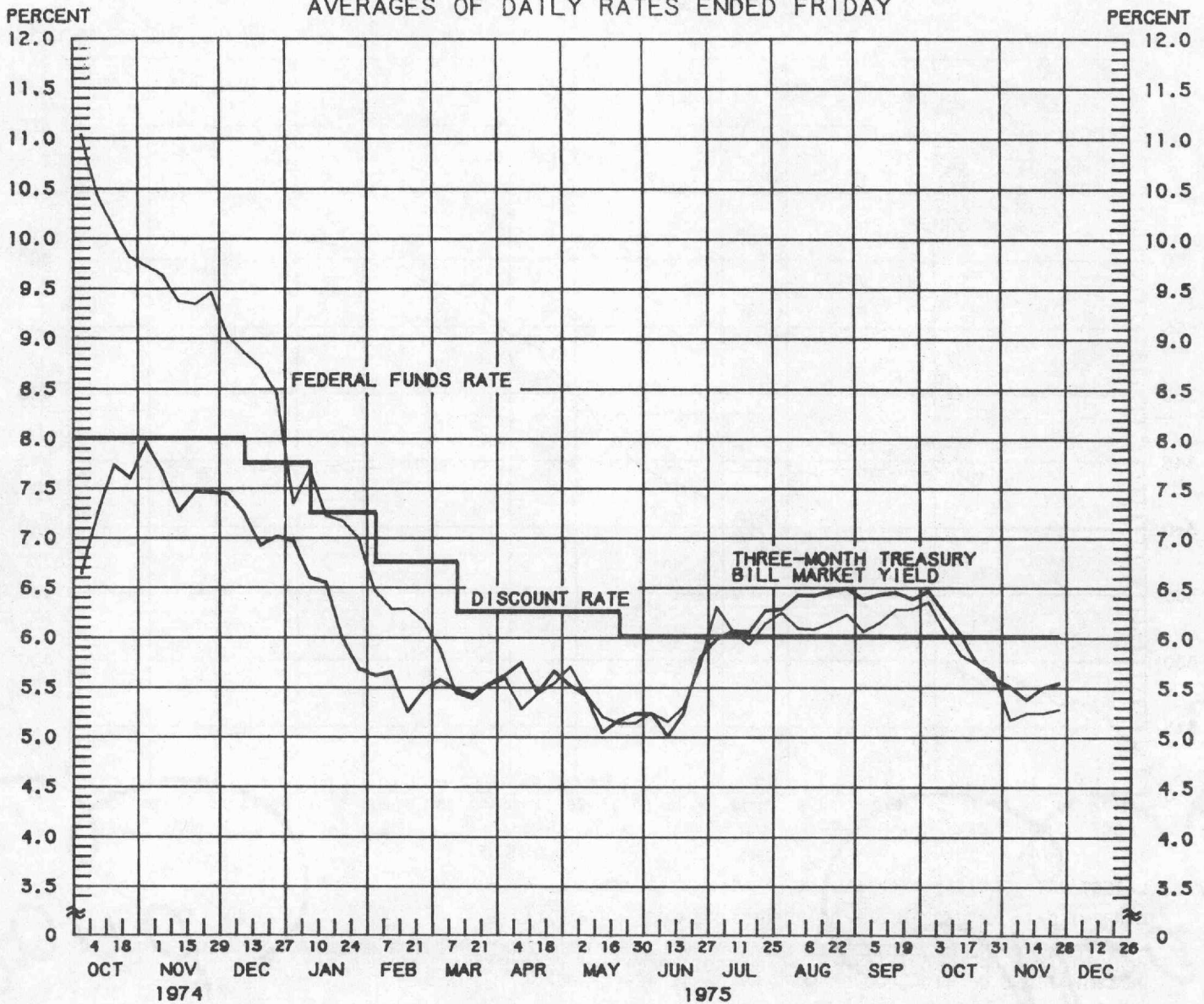
1975	90 DAY CD'S	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS
OCT. 3	7.01	6.93	6.79	8.96	7.67
10	7.18	6.88	6.59	8.92	7.48
17	6.50	6.59	6.38	8.85	7.29
24	6.35	6.23	6.04	8.81	7.17
31	6.16	6.00	5.83	8.77	7.36
NOV. 7	6.45	6.03	5.79	8.76	7.52
14	6.32	5.88	5.77	8.75	7.43
21	6.10	5.88	5.79	8.81	7.39
28 *	6.23	5.88	5.81	8.82	N.A.
DEC. 5					
12					
19					
26					

* 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: NOVEMBER 28, 1975

1975	FEDERAL FUNDS ***	3-MONTH TREASURY BILLS	1-YEAR TREASURY BILL	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES
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	5.65	5.58	6.02	7.50	7.18
NOV. 7	5.17	5.50	5.89	7.41	7.17
14	5.24	5.37	5.96	7.38	7.17
21	5.24	5.49	6.17	7.60	7.25
28 *	5.28	5.54	6.24	7.62	7.25
DEC. 5					
12					
19					
26					

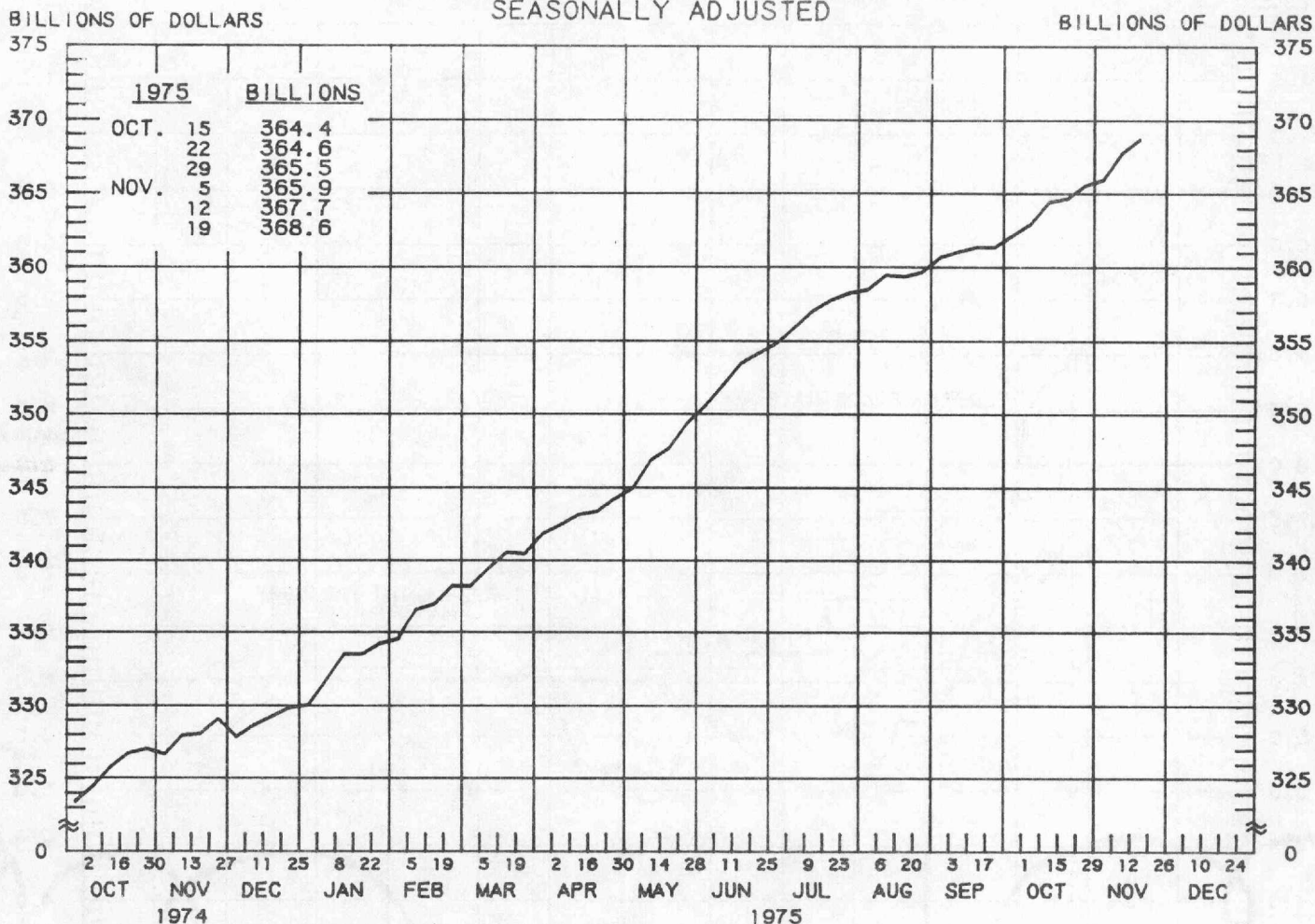
* AVERAGES OF RATES AVAILABLE.

** 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: NOVEMBER 19, 1975

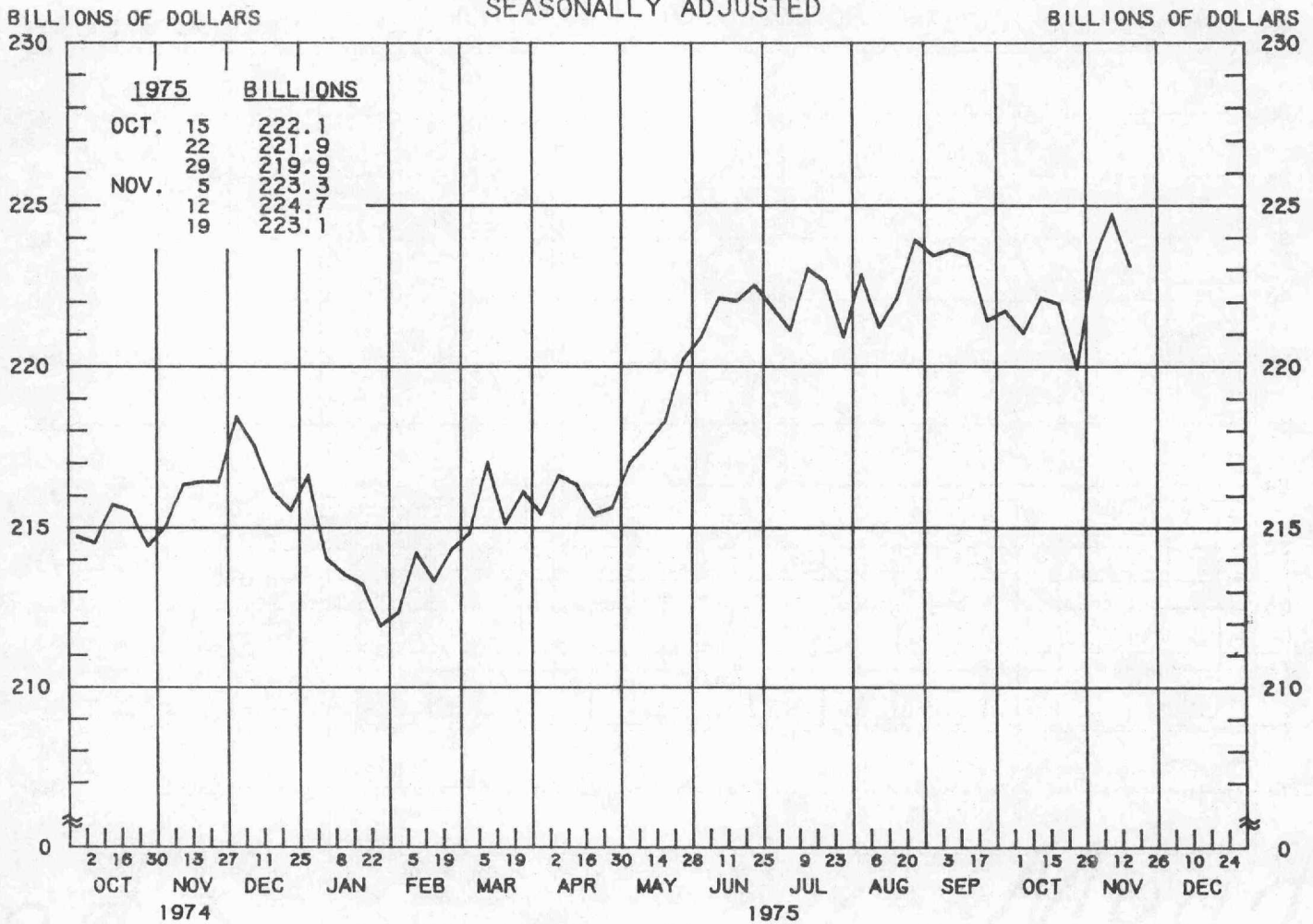
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

* 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:									
	11/20/74	2/19/75	4/16/75	5/21/75	6/18/75	7/16/75	8/20/75	9/17/75	
TO THE AVERAGE OF FOUR WEEKS ENDING:									
4/16/75	11.3								
5/21/75	11.6	12.9							
6/18/75	13.0	15.0	17.0						
7/16/75	13.4	15.3	16.9	19.5					
8/20/75	13.0	14.3	15.0	15.8	13.0				
9/17/75	12.4	13.3	13.4	13.6	11.0	8.6			
10/22/75	12.0	12.6	12.5	12.4	10.4	8.6	7.8		
11/19/75	12.1	12.6	12.6	12.5	10.8	9.5	9.3	10.5	

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 19, 1975
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:
11/20/74 2/19/75 4/16/75 5/21/75 6/18/75 7/16/75 8/20/75 9/17/75

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

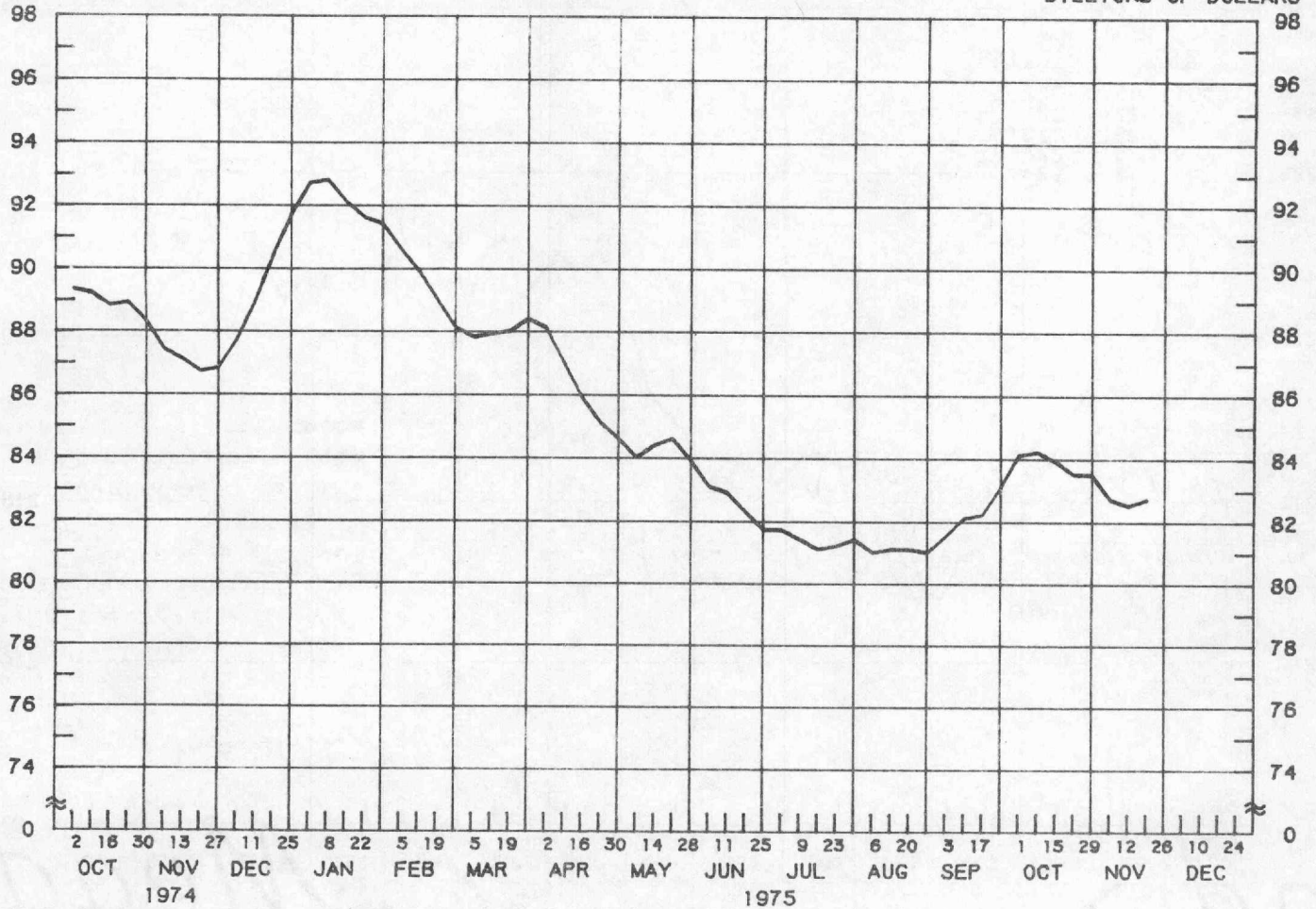
4/16/75	0.7							
5/21/75	1.5	8.1						
6/18/75	4.7	12.6	14.7					
7/16/75	4.7	11.0	11.6	16.0				
8/20/75	3.9	8.5	7.8	8.9	1.3			
9/17/75	4.6	8.9	8.4	9.4	4.2	4.0		
10/22/75	3.1	6.2	5.1	5.1	0.5	-0.7	-0.3	
11/19/75	3.4	6.2	5.3	5.3	1.6	0.9	1.8	-2.0

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES
NOT SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 19, 1975

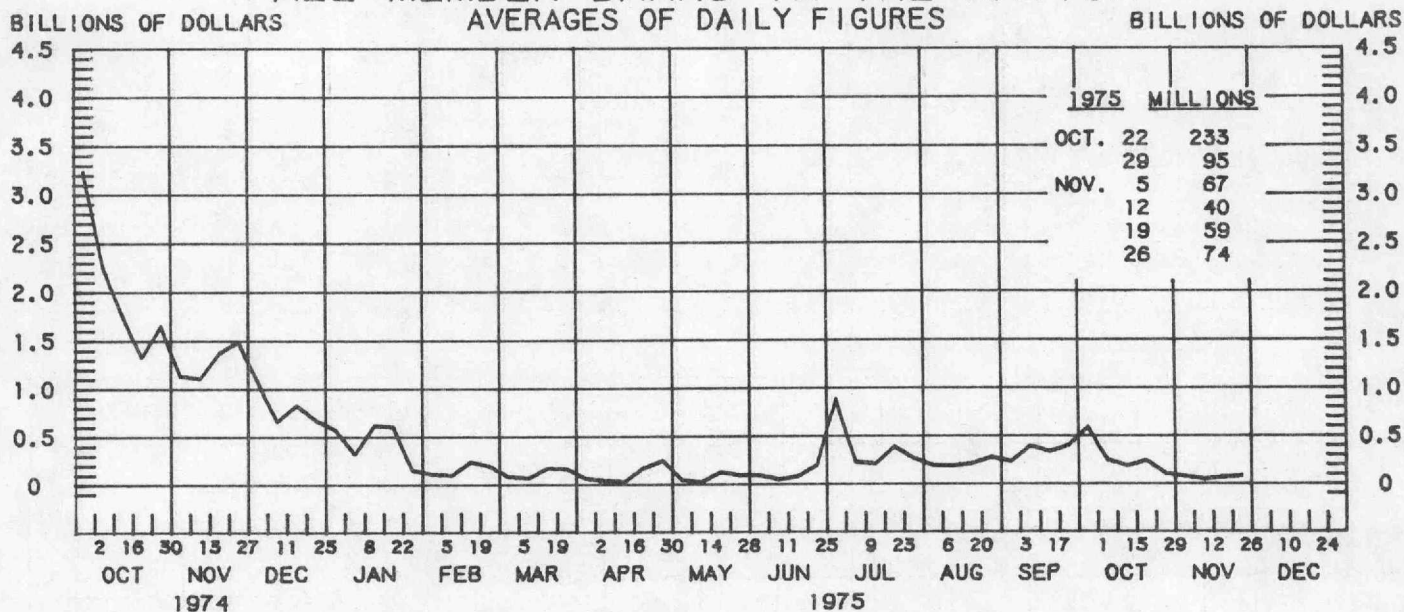
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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

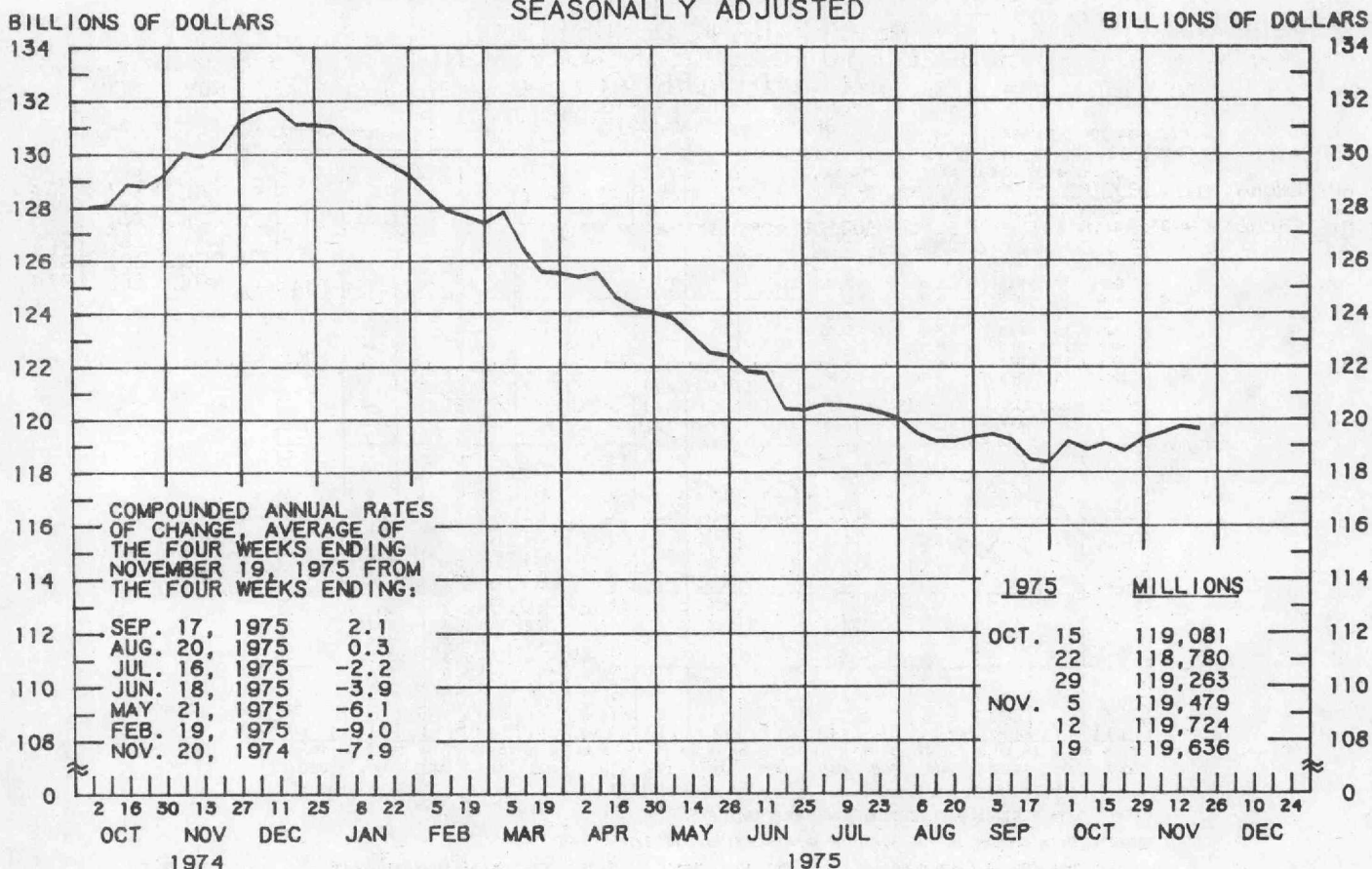
1975	CERTIFICATES OF DEPOSIT NOT SEAS. ADJ.	CERTIFICATES OF DEPOSIT SEAS. ADJ.
OCT. 1	84.1	80.9
8	84.2	81.6
15	83.9	81.4
22	83.5	81.0
29	83.5	81.3
NOV. 5	82.7	81.0
12	82.5	80.9
19	82.7	81.2
26		
DEC. 3		
10		
17		
24		
31		

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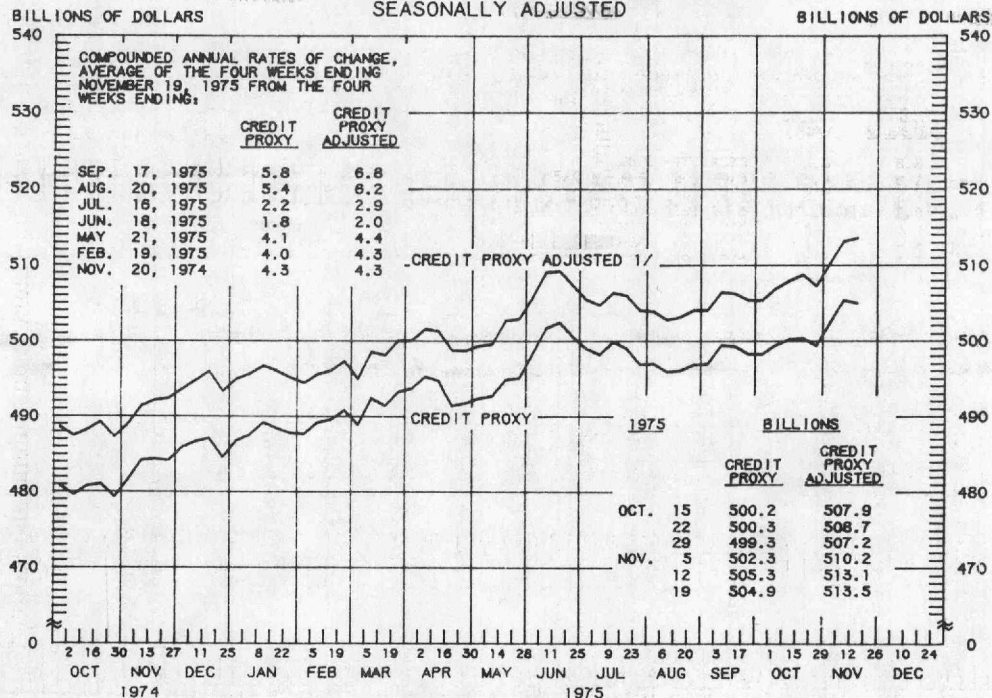
BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



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: NOVEMBER 19, 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