



Week ending: December 17, 1975

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Under Regulation Q the maximum interest rate payable by commercial banks on savings deposits and time deposits of less than \$100,000 maturing in less than 90 days is limited to 5 percent. Time deposits of less than \$100,000 maturing in 90 days to 1 year and those maturing in 1 to 2 1/2 years are limited to yields of 5 1/2 and 6 percent, respectively. These categories of time and savings deposits generally account for over 70 percent of net time deposits. The level of other short-term interest rates relative to the Regulation Q ceilings has a significant impact on the growth rate of net time deposits. For example, from February through June short-term market interest rates, such as the three-month Treasury bill rate, were below 6 percent. During this period net time deposits increased at a 15.6 percent annual rate. In contrast, from July through mid-October short-term interest rates rose above 6 percent and the growth of net time deposits slowed to an 8.8 percent rate. Recently, short-term interest rates have fallen below 6 percent and the growth rate of net time deposits has increased to 13.8 percent.

In a similar manner the level of the Federal funds rate relative to the Federal Reserve discount rate influences the volume of member bank borrowings from the Federal Reserve. When the Federal funds rate is below the discount rate, it is more attractive for banks to borrow reserves in the Federal funds market than from the Federal Reserve. This was the situation which prevailed from February through June of this year, during which time member bank borrowings from Federal Reserve banks averaged \$105 million. In contrast, from July through mid-October the Federal funds rate rose above the discount rate and average member bank borrowings rose to over \$300 million. Since mid-October the Federal funds rate has dropped below the discount rate and member bank borrowings have averaged below \$100 million.

Since late October the commercial bank prime lending rate has been lowered from 8 percent to 7.25 percent. Business loans at weekly reporting large commercial banks have increased by about \$1.6 billion during this period. However, business credit demands at commercial banks remain at very low levels with business loans about \$10.5 billion below their peak of last December.

THIS RELEASE WILL NOT BE PUBLISHED ON FRIDAY DECEMBER 26, 1975
BECAUSE MONEY STOCK AND RELATED DATA WILL NOT BE AVAILABLE.

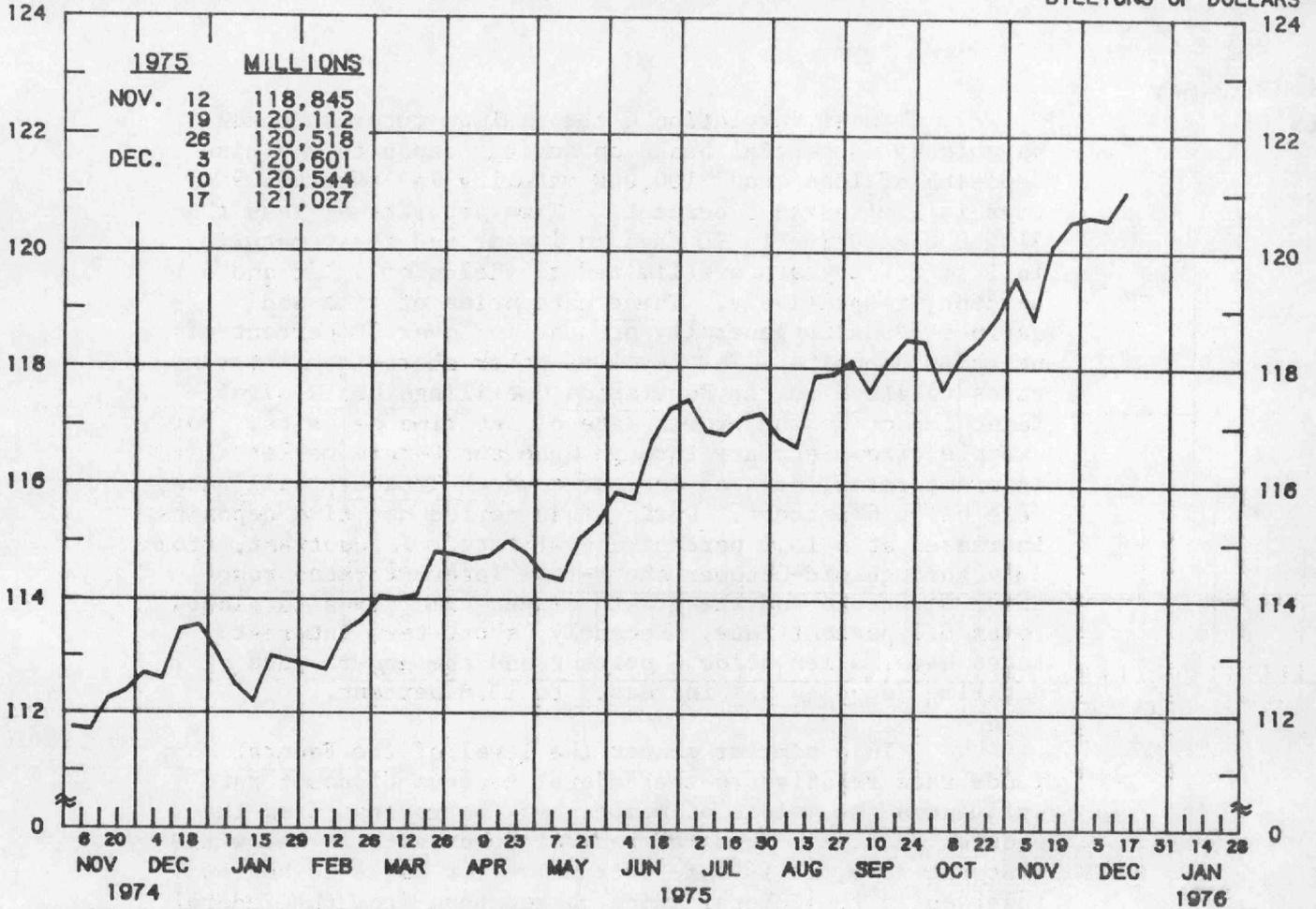
Prepared by Federal Reserve Bank of St. Louis
Released: December 19, 1975

MONETARY BASE

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 17, 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.

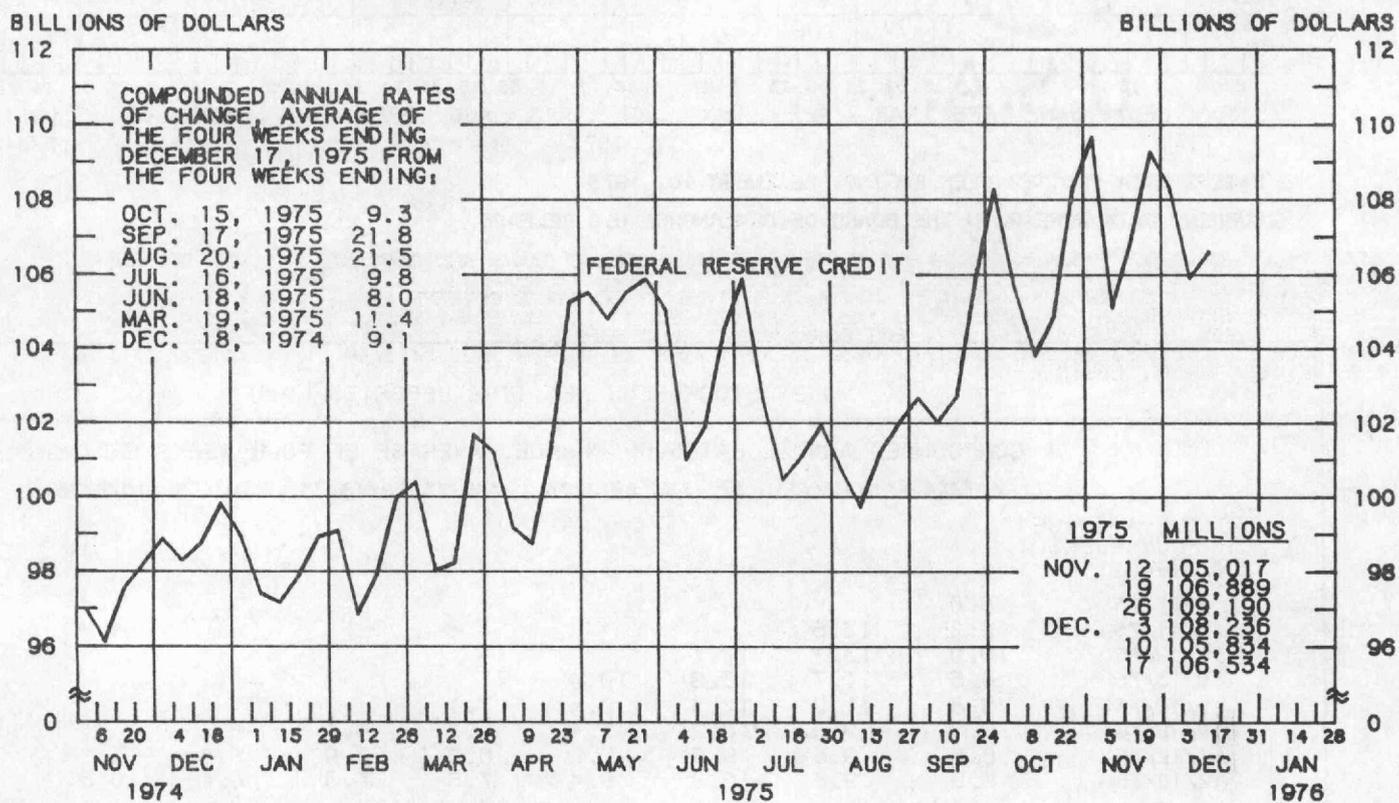
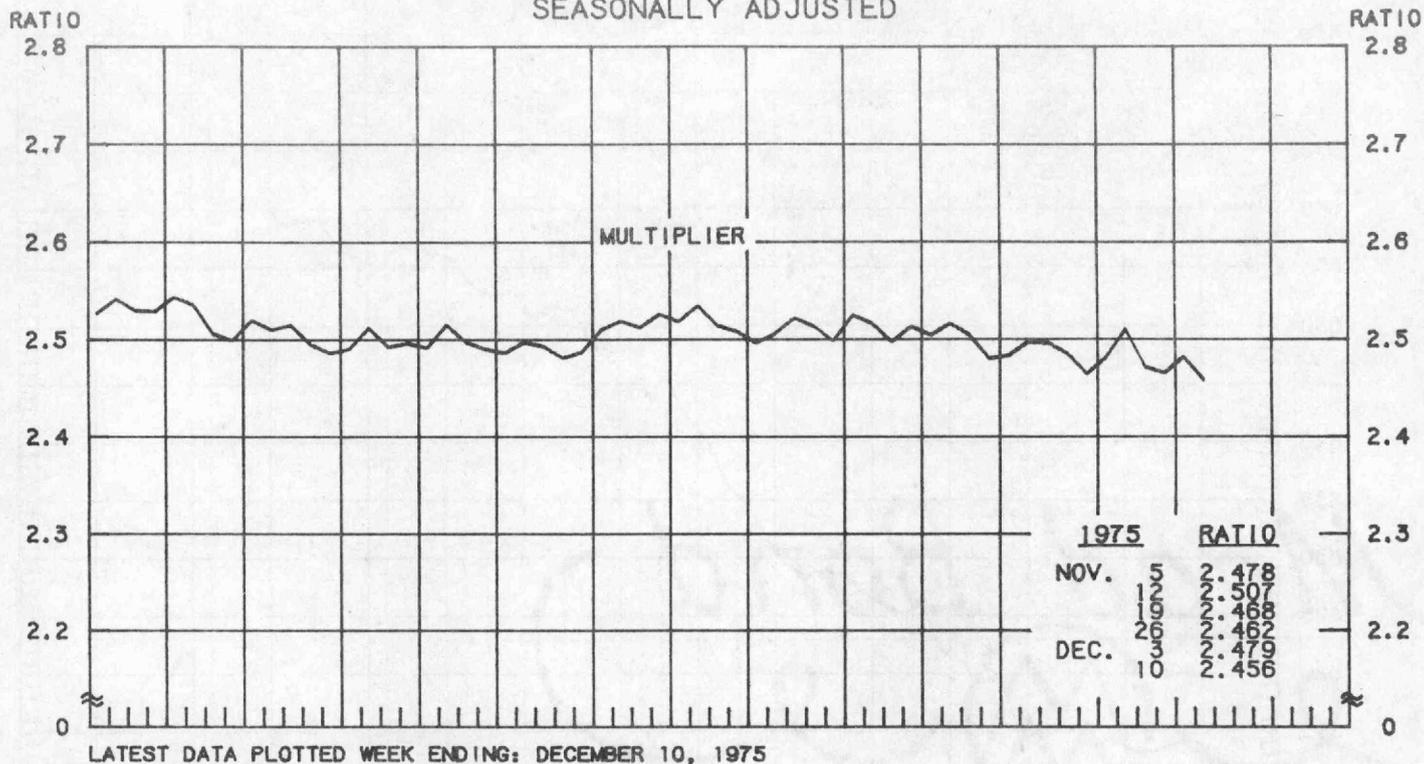
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

12/18/74 3/19/75 5/14/75 6/18/75 7/16/75 8/20/75 9/17/75 10/15/75

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

5/14/75	4.1							
6/18/75	5.6	7.1						
7/16/75	6.8	8.8	13.1					
8/20/75	5.8	6.7	8.3	6.2				
9/17/75	6.1	7.1	8.5	7.1	4.1			
10/15/75	5.8	6.6	7.5	6.1	3.7	6.1		
11/19/75	6.3	7.1	8.1	7.2	5.6	7.8	7.2	
12/17/75	7.0	8.0	9.0	8.4	7.3	9.6	9.6	12.7

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



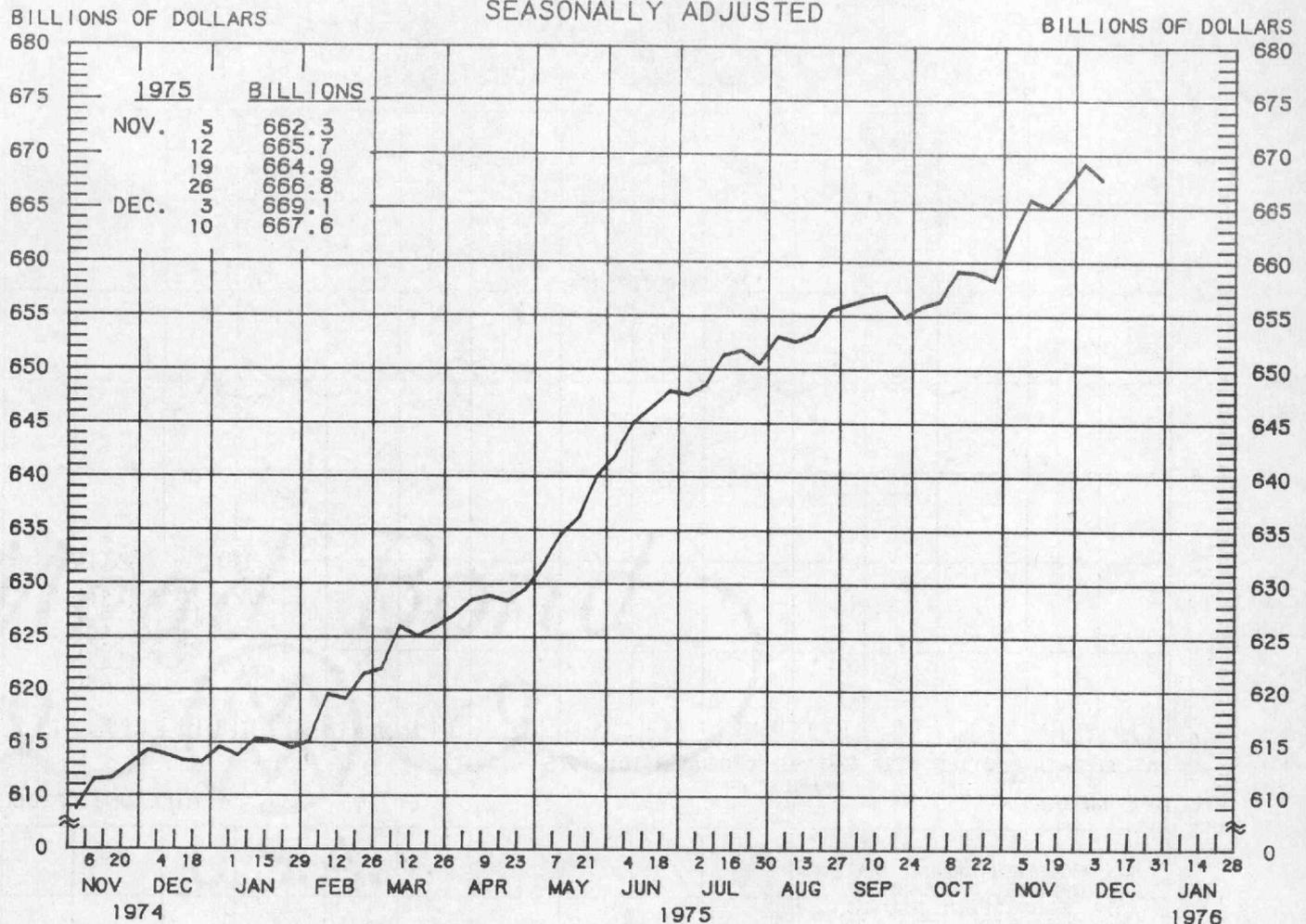
1/ RATIO OF MONEY STOCK (M1) / MONETARY BASE.

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



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 10, 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:
12/11/74 3/12/75 5/7/75 6/11/75 7/9/75 8/13/75 9/10/75 10/8/75

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

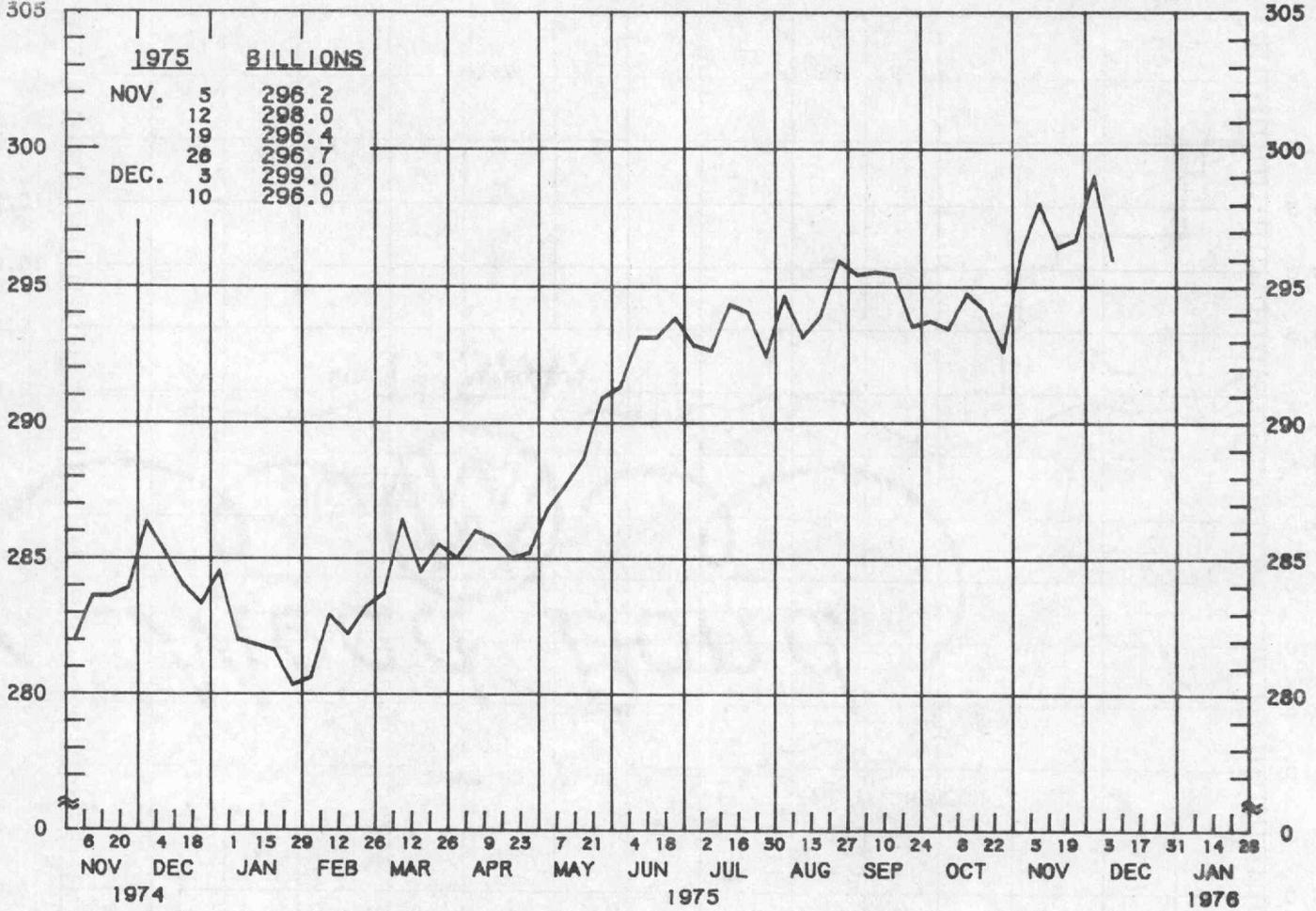
5/ 7/75	6.8							
6/11/75	9.2	12.6						
7/ 9/75	10.0	13.1	17.7					
8/13/75	9.5	11.7	13.8	10.4				
9/10/75	9.3	11.0	12.3	9.4	7.1			
10/ 8/75	8.5	9.6	10.2	7.4	5.2	4.1		
11/12/75	8.5	9.5	9.9	7.7	6.2	5.9	5.4	
12/10/75	8.8	9.8	10.2	8.4	7.3	7.3	7.4	10.3

MONEY STOCK

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 10, 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.

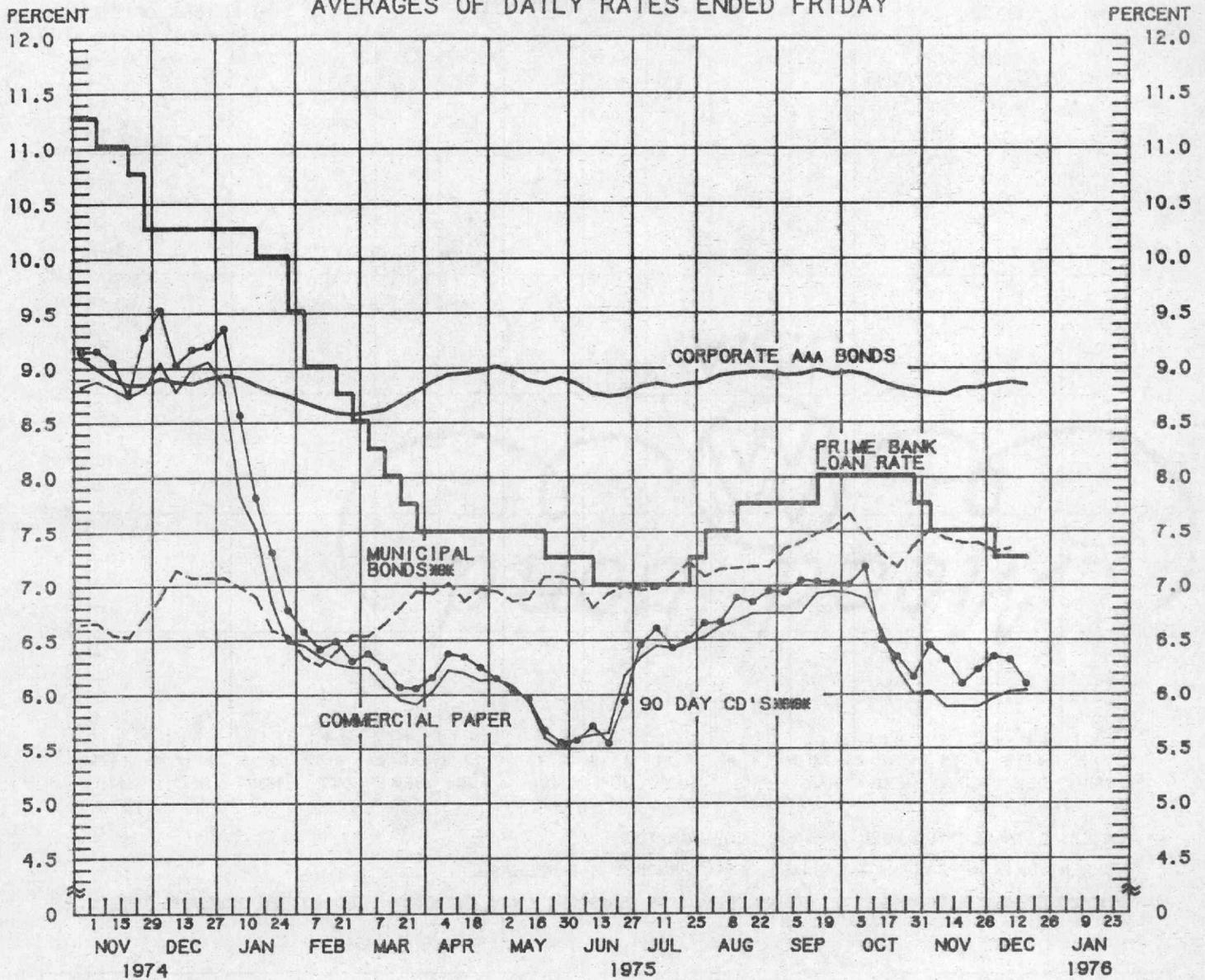
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

	12/11/74	3/12/75	5/7/75	6/11/75	7/9/75	8/13/75	9/10/75	10/8/75
5/ 7/75	0.8							
6/11/75	4.4	10.4						
7/ 9/75	5.1	10.2	15.9					
8/13/75	4.6	8.2	10.5	5.1				
9/10/75	4.9	8.1	9.9	5.9	4.2			
10/ 8/75	3.9	6.2	7.0	3.2	1.2	1.1		
11/12/75	4.0	6.0	6.5	3.4	2.1	2.3	0.0	
12/10/75	4.3	6.2	6.7	4.2	3.2	3.7	2.5	6.0

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: DECEMBER 19, 1975

1976	90 DAY CD'S <small>***</small>	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS <small>**</small>
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	5.80	8.81	7.39
DEC. 5	6.35	5.96	5.80	8.84	7.31
12	6.32	6.03	5.81	8.86	7.34
19 *	6.10	6.04	5.75	8.84	N.A.
JAN. 2					
9					
16					
23					
30					

* AVERAGES OF RATES AVAILABLE.

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

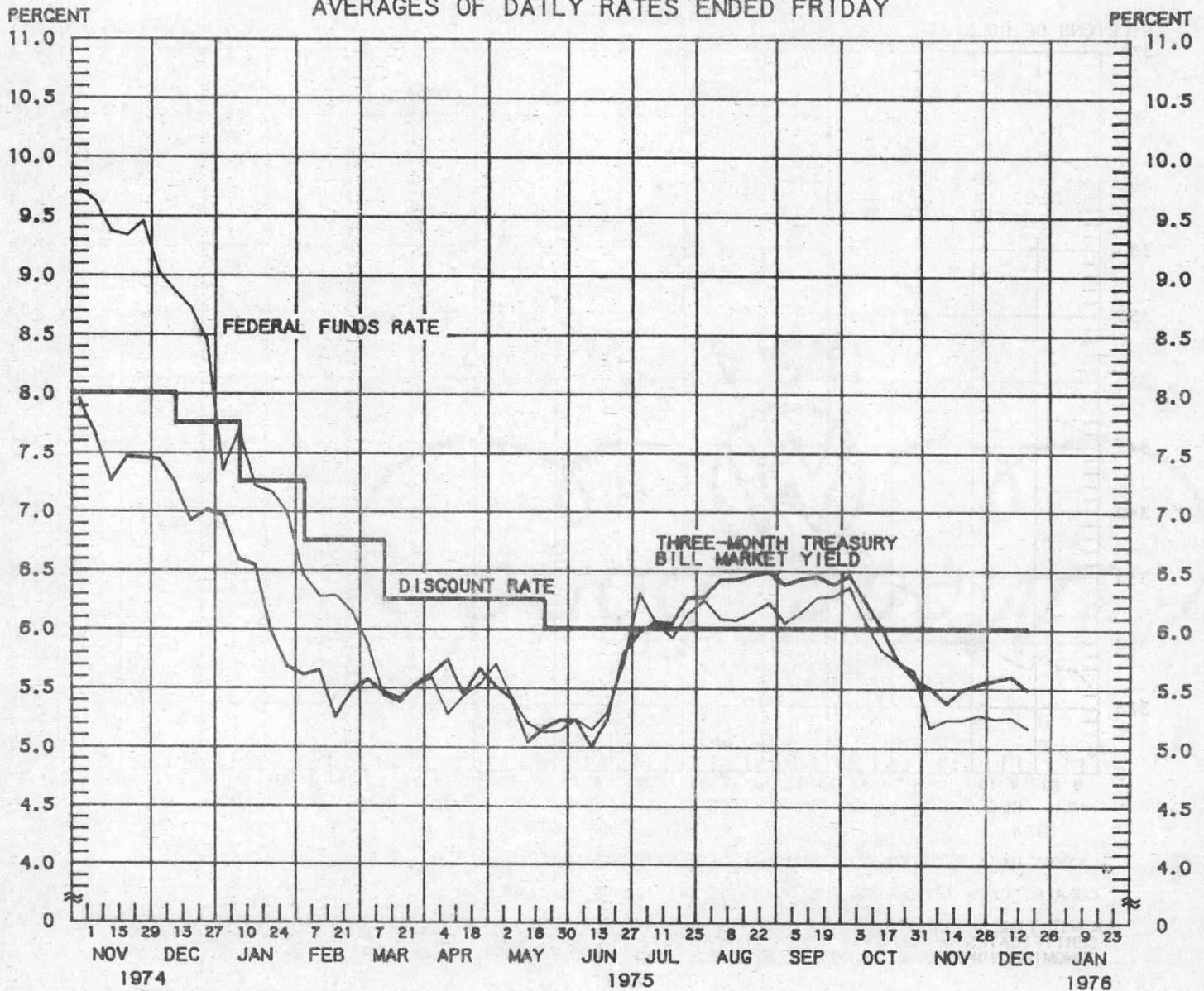
*** SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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: DECEMBER 19, 1975

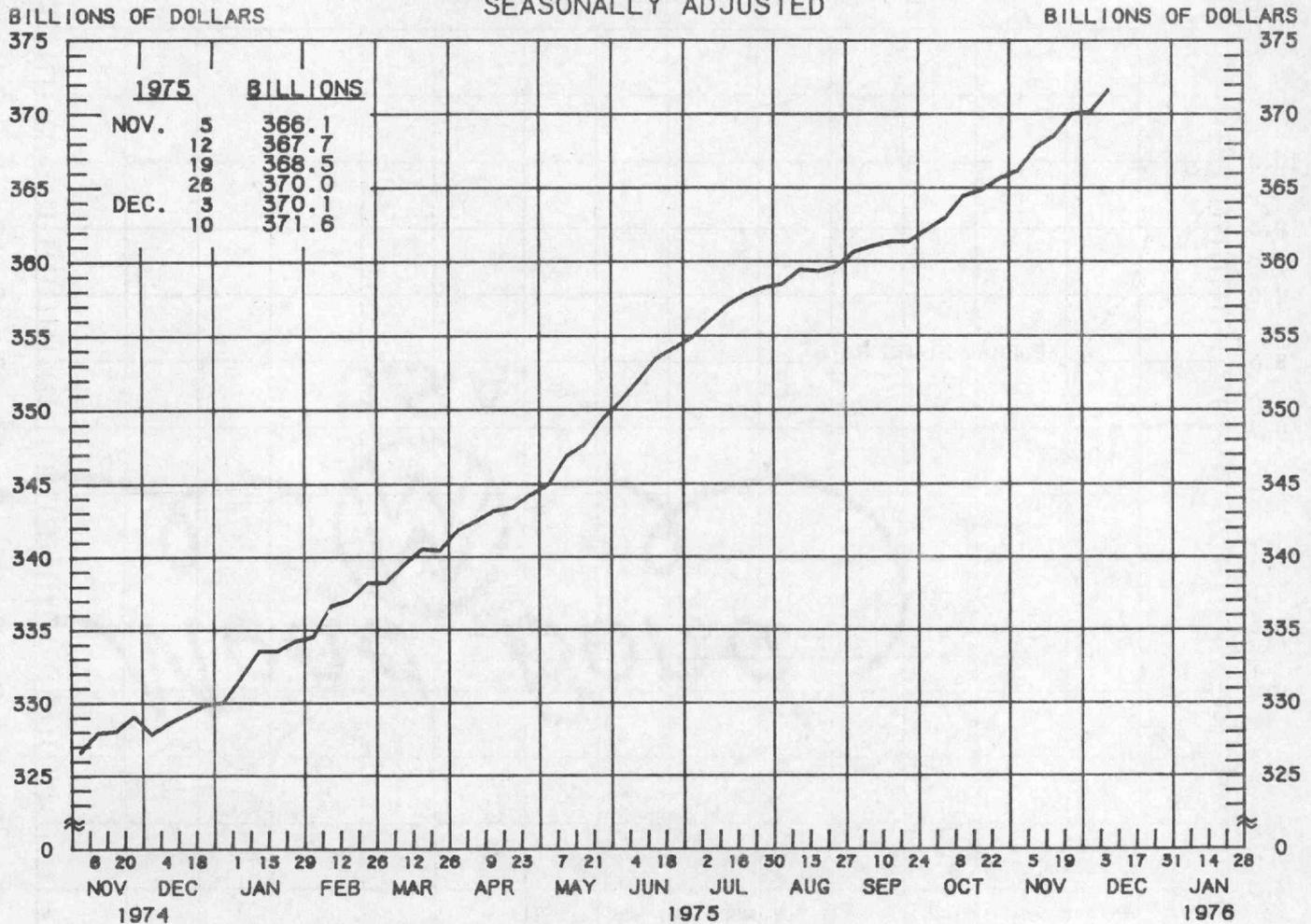
1976	FEDERAL FUNDS ***	3-MONTH TREASURY BILLS	1-YEAR TREASURY BILL	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES
NOV. 7	5.17	5.50	5.89	7.41	7.17
14	5.24	5.37	5.96	7.38	7.17
21	5.24	5.49	6.17	7.60	7.25
28	5.28	5.54	6.24	7.62	7.24
DEC. 5	5.25	5.57	6.30	7.59	7.23
12	5.26	5.60	6.43	7.67	7.26
19 *	5.17	5.49	6.26	7.52	7.19
26					
JAN. 2					
9					
16					
23					
30					

* 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: DECEMBER 10, 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:

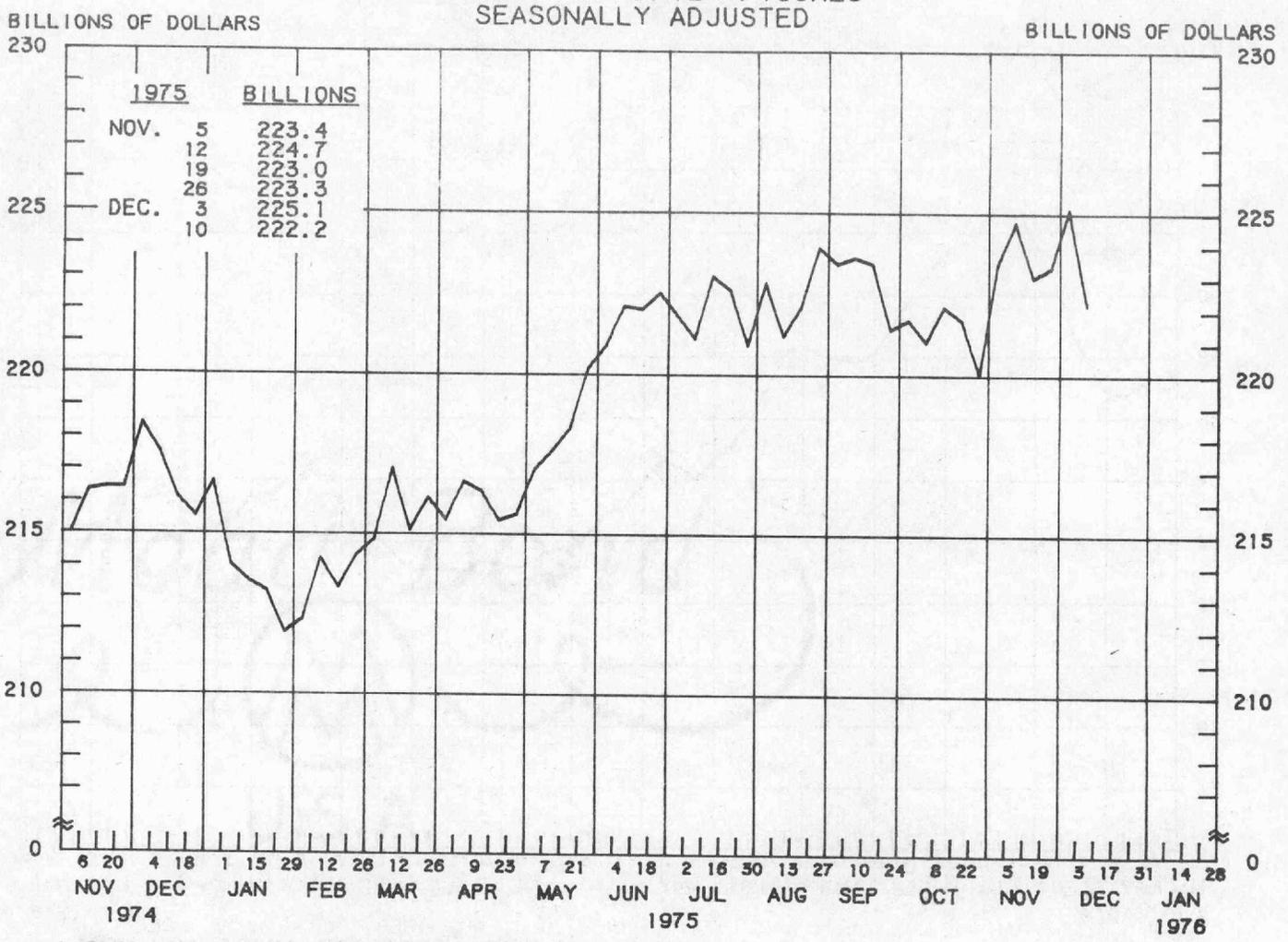
12/11/74 3/12/75 5/7/75 6/11/75 7/9/75 8/13/75 9/10/75 10/8/75

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

5/ 7/75	12.1							
6/11/75	13.5	14.4						
7/ 9/75	14.2	15.6	19.4					
8/13/75	13.9	14.7	16.6	15.1				
9/10/75	13.1	13.4	14.2	12.3	9.3			
10/ 8/75	12.5	12.5	12.8	11.0	8.5	6.5		
11/12/75	12.5	12.5	12.8	11.4	9.7	8.9	10.0	
12/10/75	12.7	12.8	13.1	11.9	10.6	10.3	11.6	13.8

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 10, 1975
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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

	12/11/74	3/12/75	5/7/75	6/11/75	7/9/75	8/13/75	9/10/75	10/8/75
TO THE AVERAGE OF FOUR WEEKS ENDING:								
5/ 7/75	-1.2							
6/11/75	3.0	10.6						
7/ 9/75	3.8	10.3	16.5					
8/13/75	3.2	7.9	10.3	4.0				
9/10/75	3.8	8.0	9.9	5.4	3.7			
10/ 8/75	2.6	5.7	6.5	2.1	0.0	0.0		
11/12/75	2.6	5.3	5.8	2.3	0.8	1.1	-2.1	
12/10/75	2.9	5.3	5.7	2.7	1.6	2.1	0.2	4.0

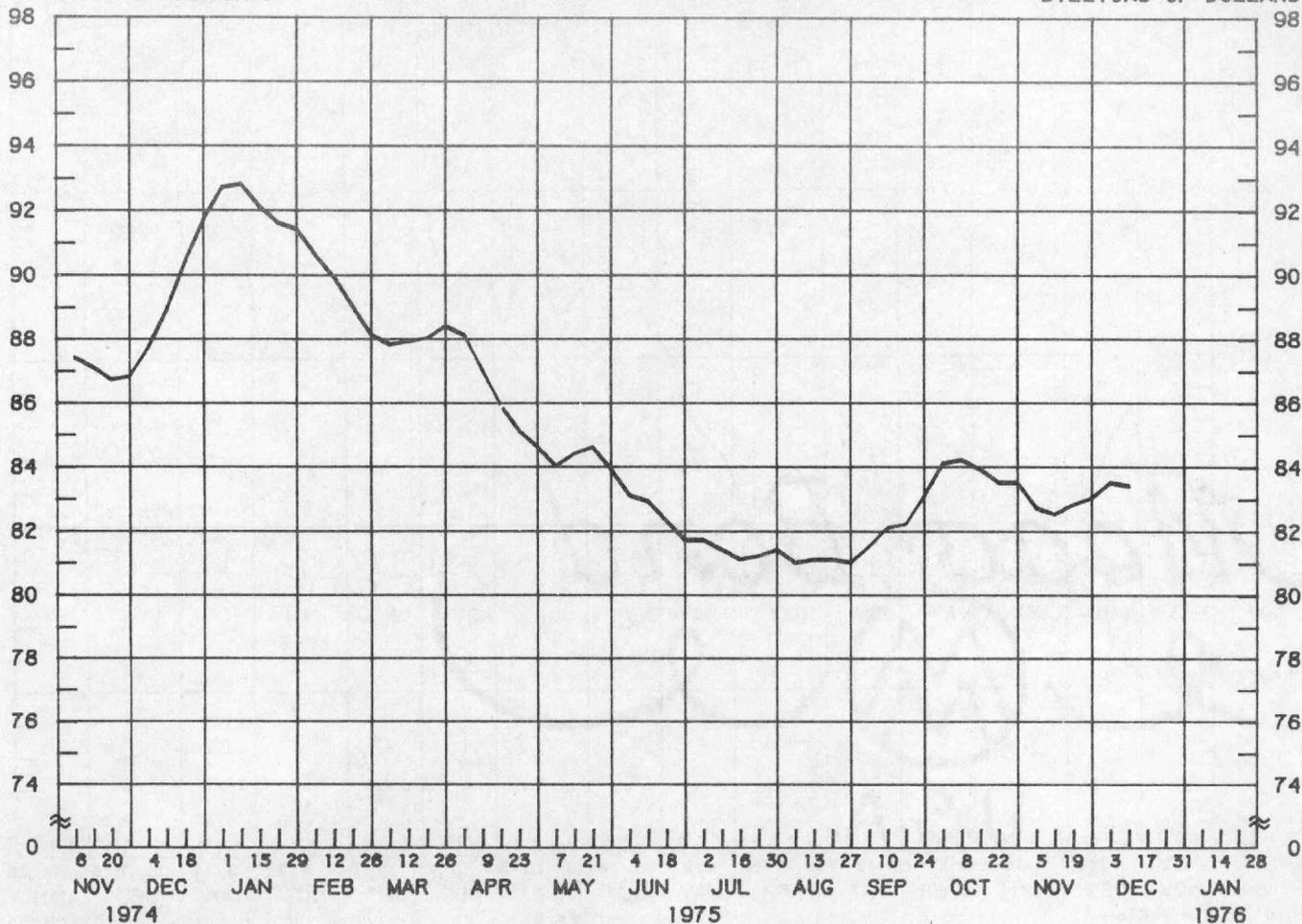
CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES

NOT SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 10, 1975

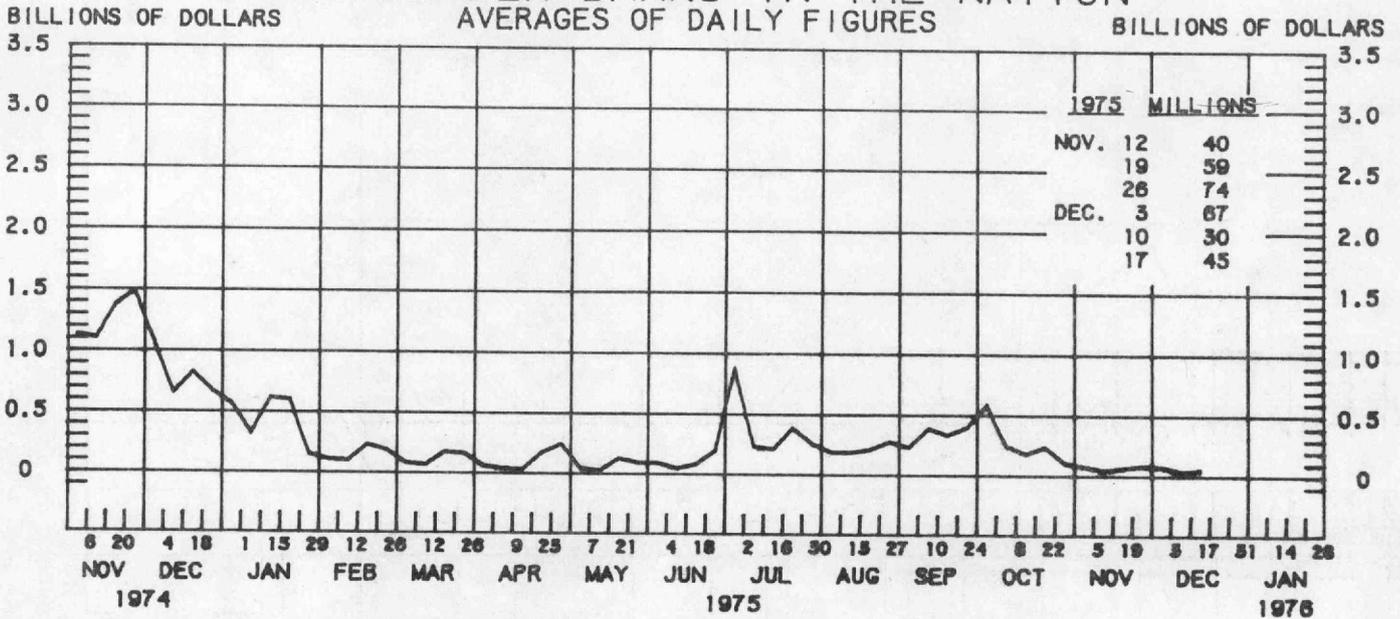
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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

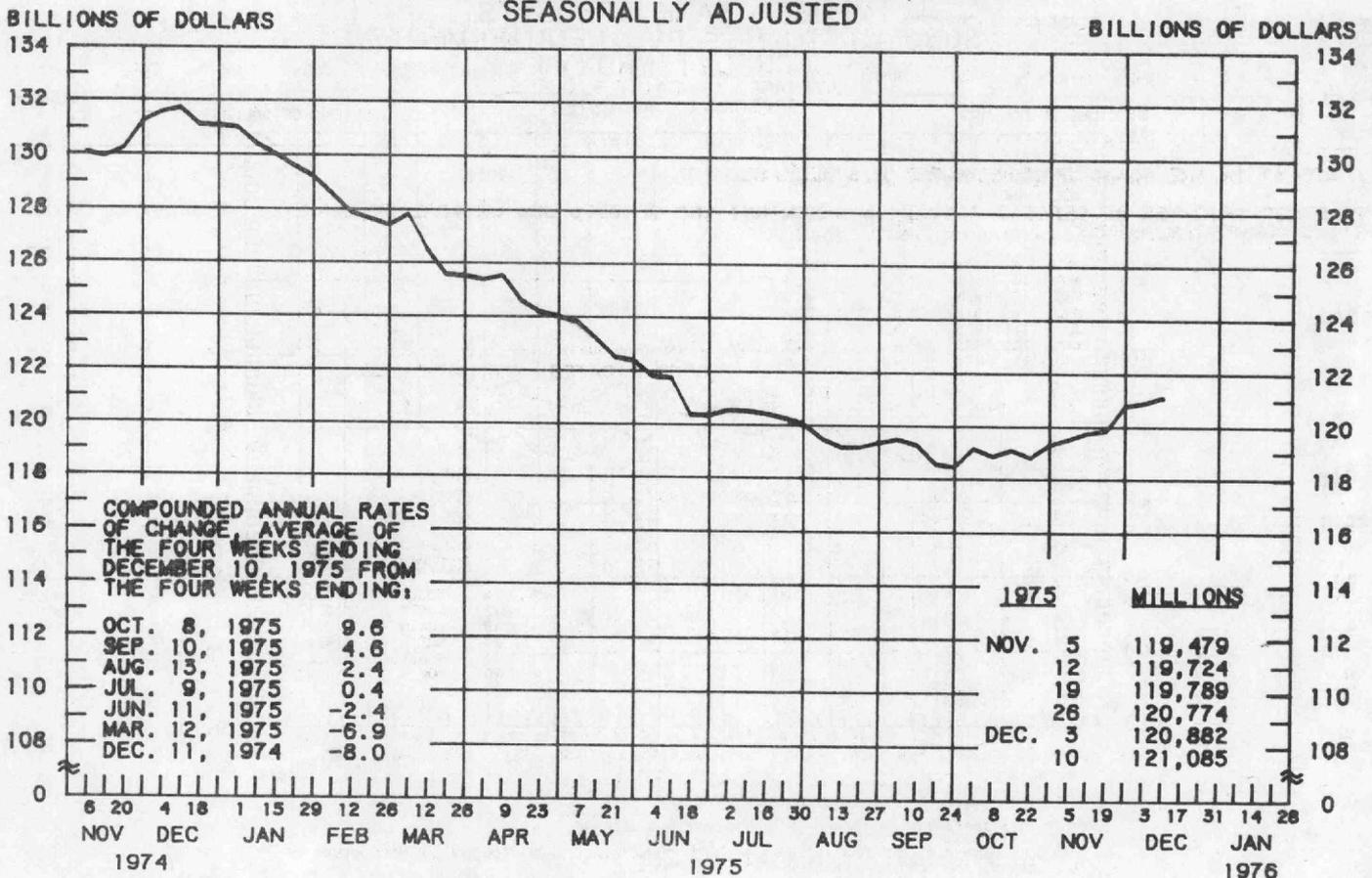
1976	CERTIFICATES OF DEPOSIT NOT SEAS. ADJ.	CERTIFICATES OF DEPOSIT SEAS. ADJ.
NOV. 5	82.7	81.0
12	82.5	80.9
19	82.8	81.2
26	83.0	81.5
DEC. 3	83.5	82.4
10	83.4	82.9
17		
24		
31		
JAN. 7		
14		
21		
28		

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

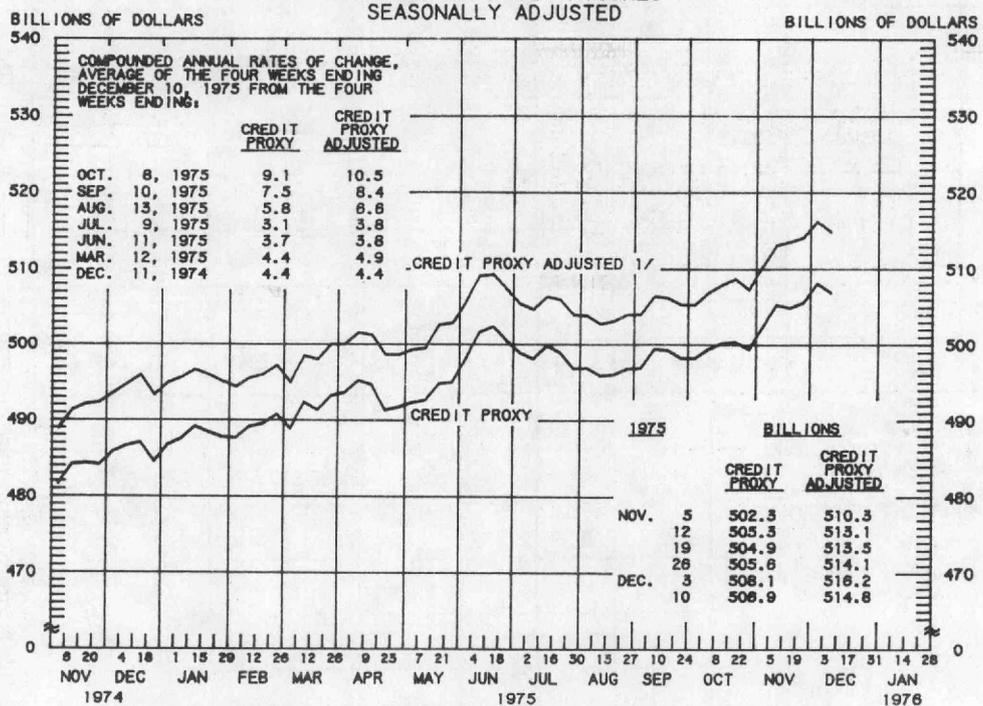
BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



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: DECEMBER 10, 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