

Week ending: February 11, 1976



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In recent months Federal Reserve credit has continued to show jagged, semi-monthly movements, tending to decrease during the first half of the month and increase during the second half of the month. These movements are related primarily to efforts by the Federal Reserve to offset effects on bank reserves of movements in Treasury deposits at Federal Reserve Banks. These efforts take the form of purchases or sales of Government securities. For example, from the week ended December 31, 1975 to the week ended January 14, Treasury deposits at Federal Reserve Banks decreased by \$3.4 billion, while Federal Reserve holdings of securities decreased by \$3.8 billion on a nonseasonally adjusted basis. Then, from the week ended January 14 to the week ended February 4, Treasury deposits at Federal Reserve Banks increased by \$6.4 billion, while Federal Reserve holdings of securities increased by \$4.9 billion.

Besides holdings of securities, Federal Reserve credit includes loans to member banks. To correct reserve deficiencies, member banks can borrow short-term funds from the Federal Reserve or from other commercial banks who have funds to sell in the interbank market. The interest rate charged by the Federal Reserve on loans to member banks is called the discount rate, while the interest rate on interbank funds is referred to as the Federal funds rate. During the most recent four months the Federal funds rate has been below the discount rate making it more attractive for banks to borrow in the interbank market. Consequently, member bank borrowings from Federal Reserve Banks have averaged about \$100 million since mid-October, compared to \$300 million in the previous three months, when the Federal funds rate was above the discount rate.

Other short-term interest rates have also declined over the most recent four months. Yields on three-month Treasury bills are down 116 basis points, while rates on prime four- to six-month commercial paper have decreased by 134 basis points since mid-October. During this period the commercial bank prime lending rate has also decreased by 125 basis points.

Prepared by Federal Reserve Bank of St. Louis

Released: February 13, 1976

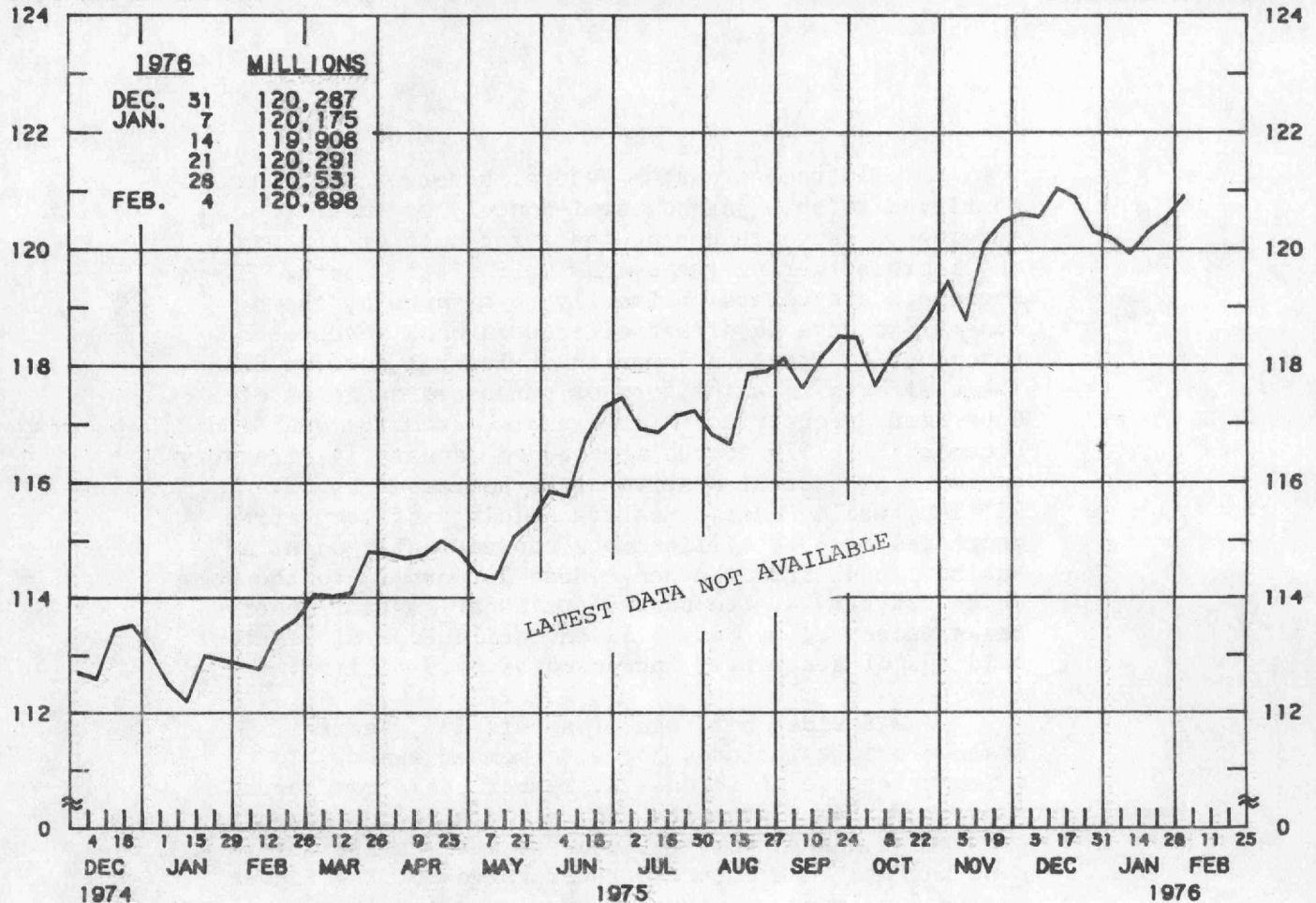
MONETARY BASE

AVERAGES OF DAILY FIGURES

SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 4, 1976

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:

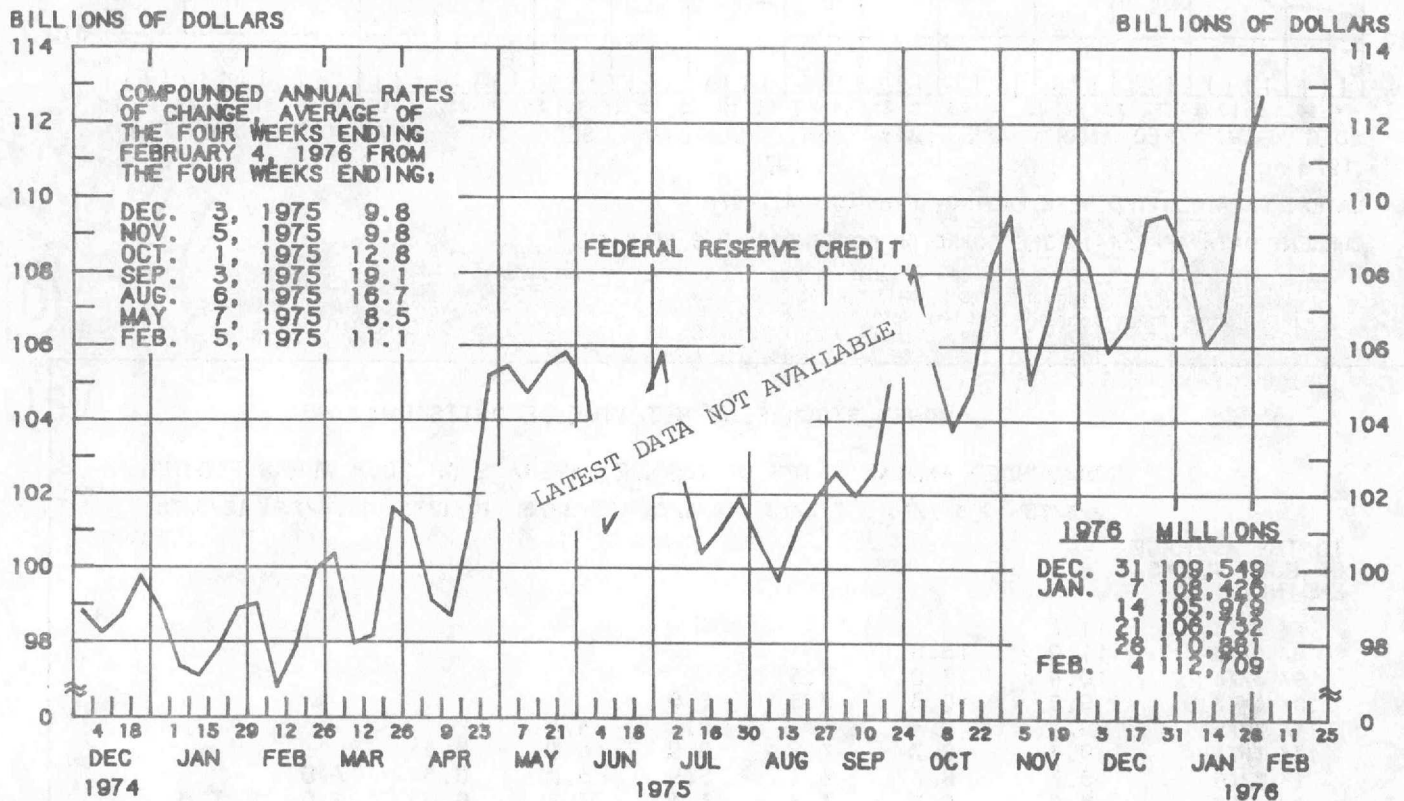
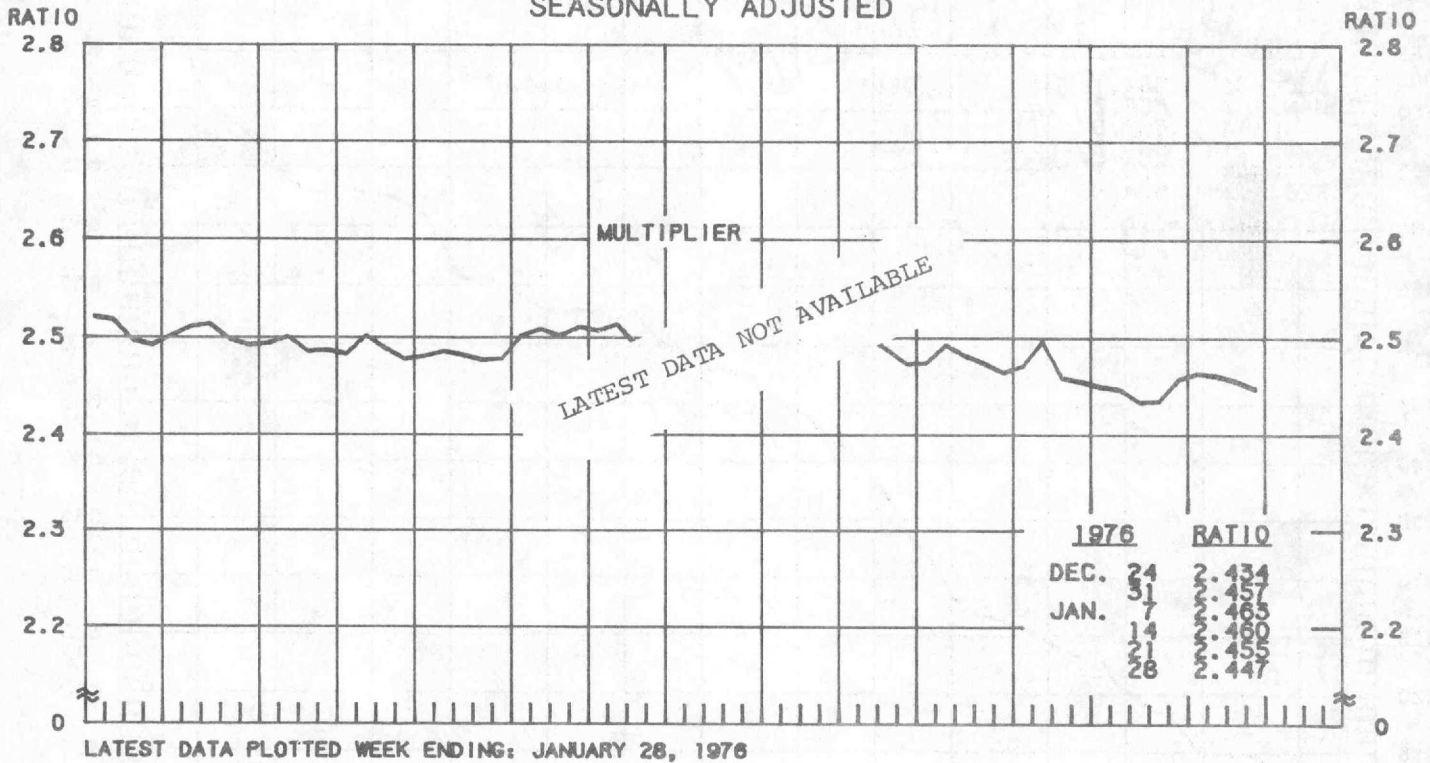
2/5/75 5/7/75 7/2/75 8/6/75 9/3/75 10/1/75 11/5/75 12/3/75

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

7/ 2/75	9.2							
8/ 6/75	7.7	8.1						
9/ 3/75	7.6	7.9	4.1					
10/ 1/75	7.5	7.8	4.8	6.7				
11/ 5/75	7.2	7.1	4.9	6.1	5.6			
12/ 3/75	7.8	8.1	6.6	8.0	8.3	9.2		
1/ 7/76	7.8	7.7	6.3	7.4	7.5	7.9	9.4	
2/ 4/76	6.8	6.6	5.2	5.9	5.7	5.6	5.7	2.1

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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.

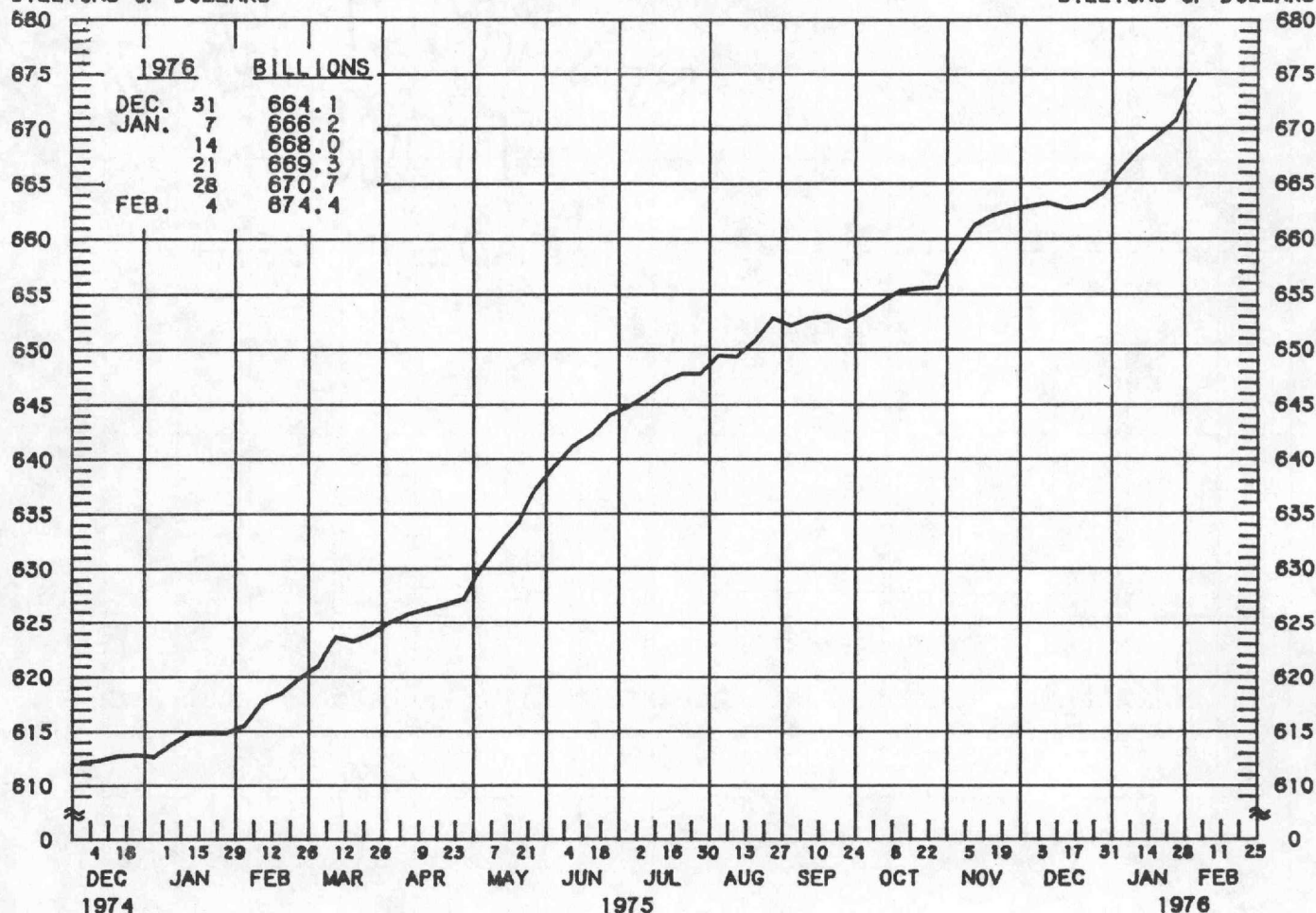
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK PLUS NET TIME DEPOSITS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 4, 1976

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

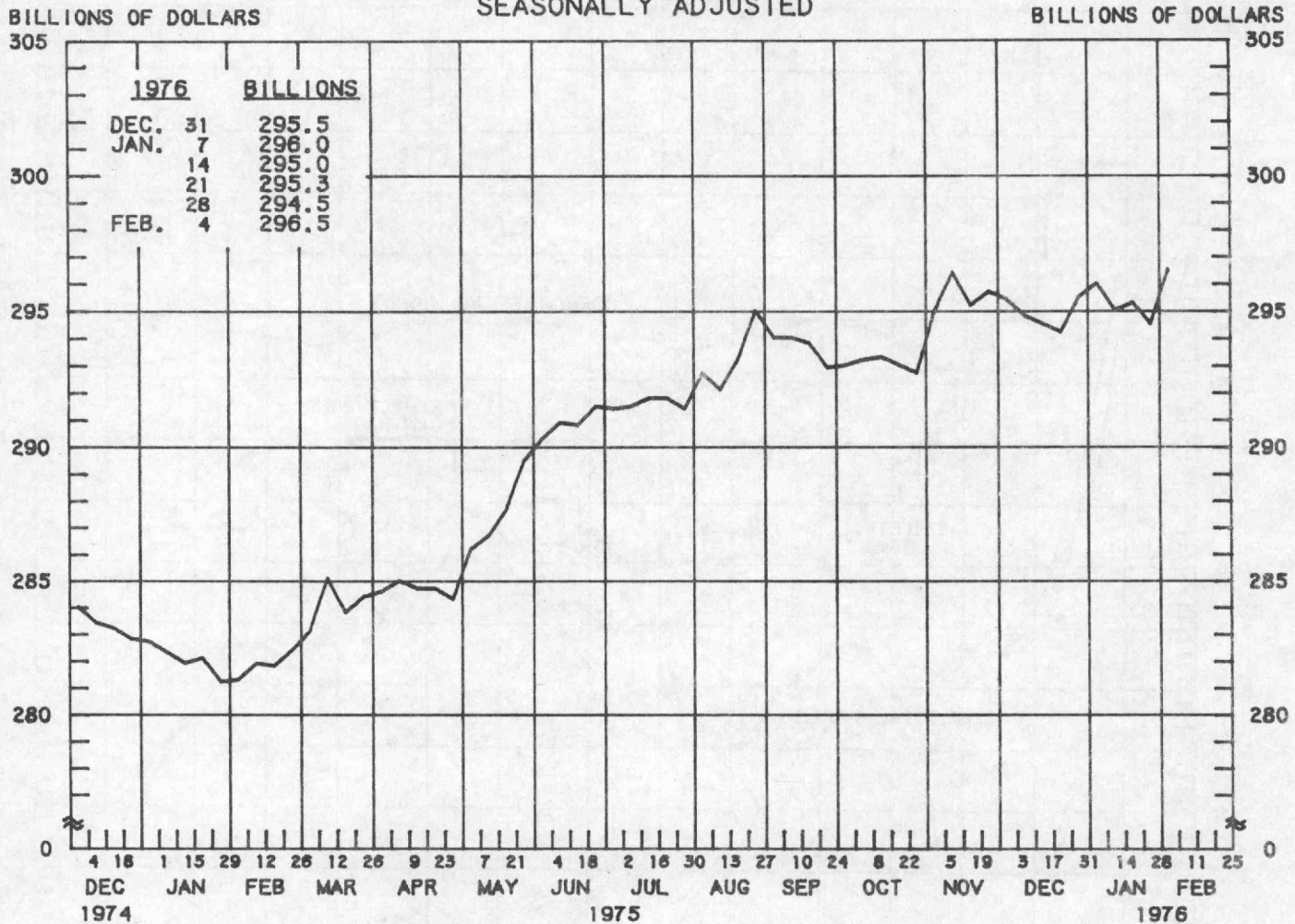
MONEY STOCK PLUS NET TIME DEPOSITS (M₂)

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

	2/5/75	5/7/75	7/2/75	8/6/75	9/3/75	10/1/75	11/5/75	12/3/75
TO THE AVERAGE OF FOUR WEEKS ENDING:								
7/ 2/75	11.7							
8/ 6/75	11.0	13.6						
9/ 3/75	10.4	12.0	7.6					
10/ 1/75	9.6	10.3	6.3	5.0				
11/ 5/75	9.1	9.4	6.1	5.2	4.6			
12/ 3/75	9.4	9.7	7.2	6.9	6.9	8.5		
1/ 7/76	8.7	8.7	6.4	5.9	5.8	6.5	7.0	
2/ 4/76	9.0	9.2	7.3	7.1	7.2	8.0	9.0	7.6

MONEY STOCK

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 4, 1976

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

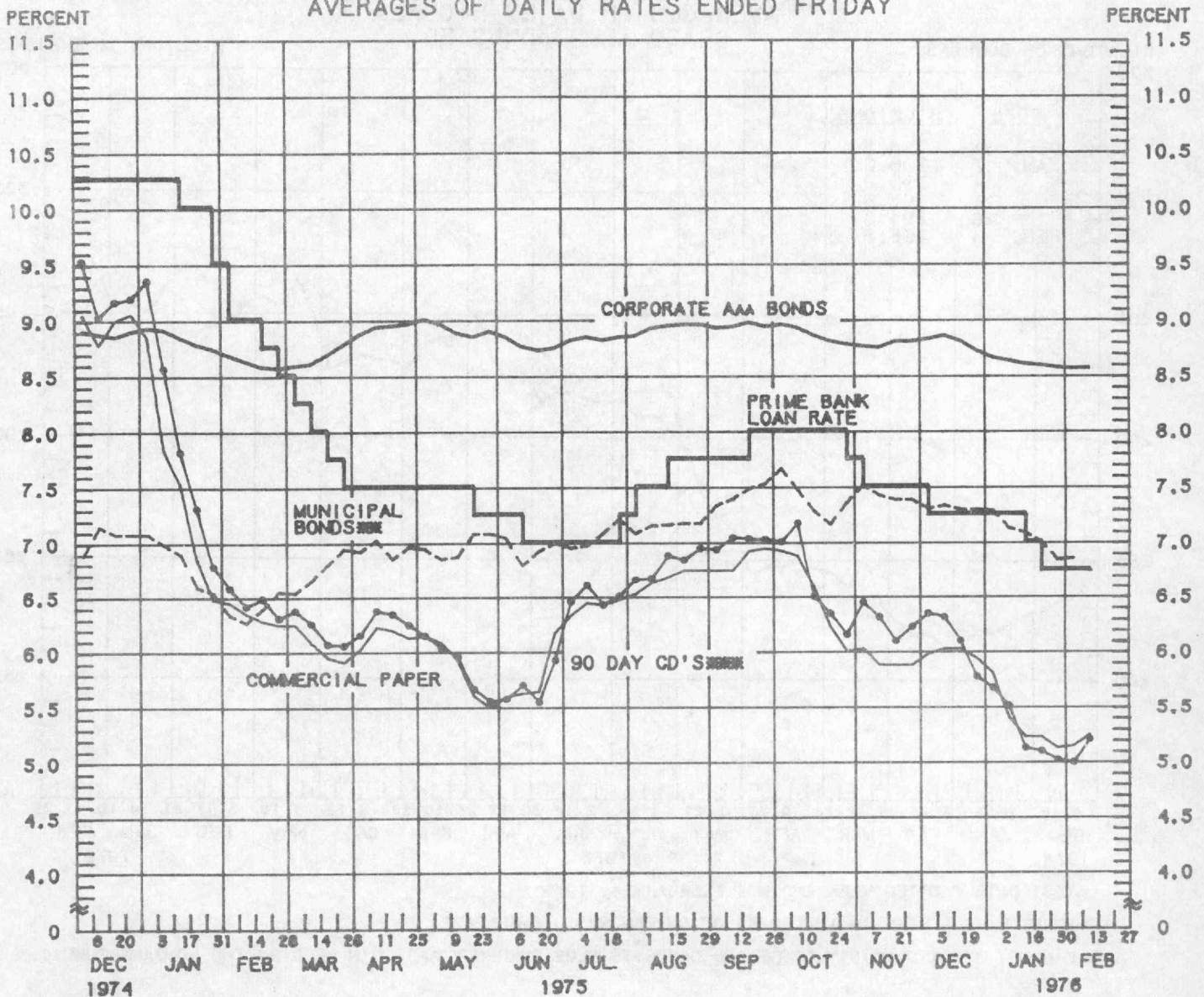
THE MONEY STOCK CONSISTS OF DEMAND DEPOSITS PLUS CURRENCY AND COIN HELD BY THE NONBANK PUBLIC.

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

	2/5/75	5/7/75	7/2/75	8/6/75	9/3/75	10/1/75	11/5/75	12/3/75
TO THE AVERAGE OF FOUR WEEKS ENDING:								
7/ 2/75	8.7							
8/ 6/75	7.4	10.0						
9/ 3/75	7.5	9.5	4.9					
10/ 1/75	6.5	7.5	3.1	3.4				
11/ 5/75	5.7	6.1	2.3	2.2	-0.2			
12/ 3/75	6.1	6.6	3.7	4.0	2.9	4.6		
1/ 7/76	5.2	5.3	2.6	2.6	1.5	2.2	3.2	
2/ 4/76	4.9	4.8	2.4	2.3	1.4	1.9	2.5	-0.8

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: FEBRUARY 13, 1976

1976	90 DAY CD'S SEMI	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS SEMI
DEC. 5	6.35	5.98	5.80	8.83	7.31
12	6.32	6.03	5.81	8.86	7.34
19	6.10	6.03	5.72	8.81	7.30
26	5.78	5.94	5.65	8.72	7.30
JAN. 2	5.68	5.81	5.52	8.66	7.29
9	5.51	5.40	5.25	8.63	7.13
16	5.13	5.23	5.04	8.60	7.09
23	5.10	5.23	5.01	8.59	7.01
30	5.02	5.13	4.94	8.57	6.85
FEB. 6	5.00	5.15	4.95	8.56	6.86
13 *	5.21	5.25	4.97	8.57	N.A.
20					
27					

* AVERAGES OF RATES AVAILABLE.

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

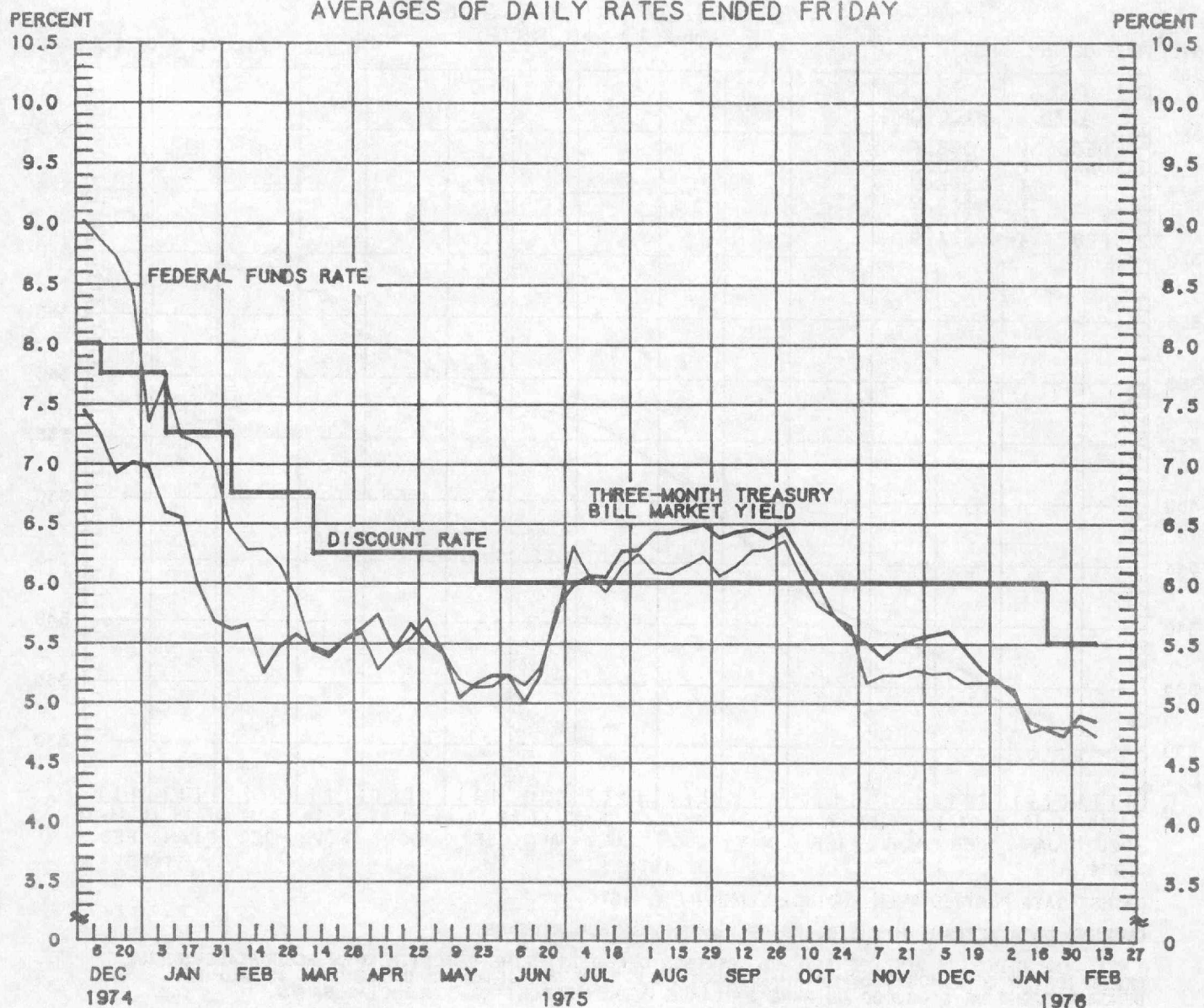
~~SEMI~~ SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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: FEBRUARY 13, 1976

1976	FEDERAL FUNDS RATE	3-MONTH TREASURY BILLS	1-YEAR TREASURY BILL	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES
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	5.44	6.20	7.50	7.17
26	5.18	5.28	5.91	7.37	7.09
JAN. 2	5.18	5.19	5.77	7.28	7.05
9	5.12	5.07	5.58	7.20	6.96
16	4.76	4.84	5.41	7.14	6.90
23	4.81	4.78	5.37	7.18	6.93
30	4.80	4.72	5.32	7.16	6.94
FEB. 6	4.82	4.90	5.45	7.16	6.93
13 *	4.73	4.85	5.46	7.19	6.96
20					
27					

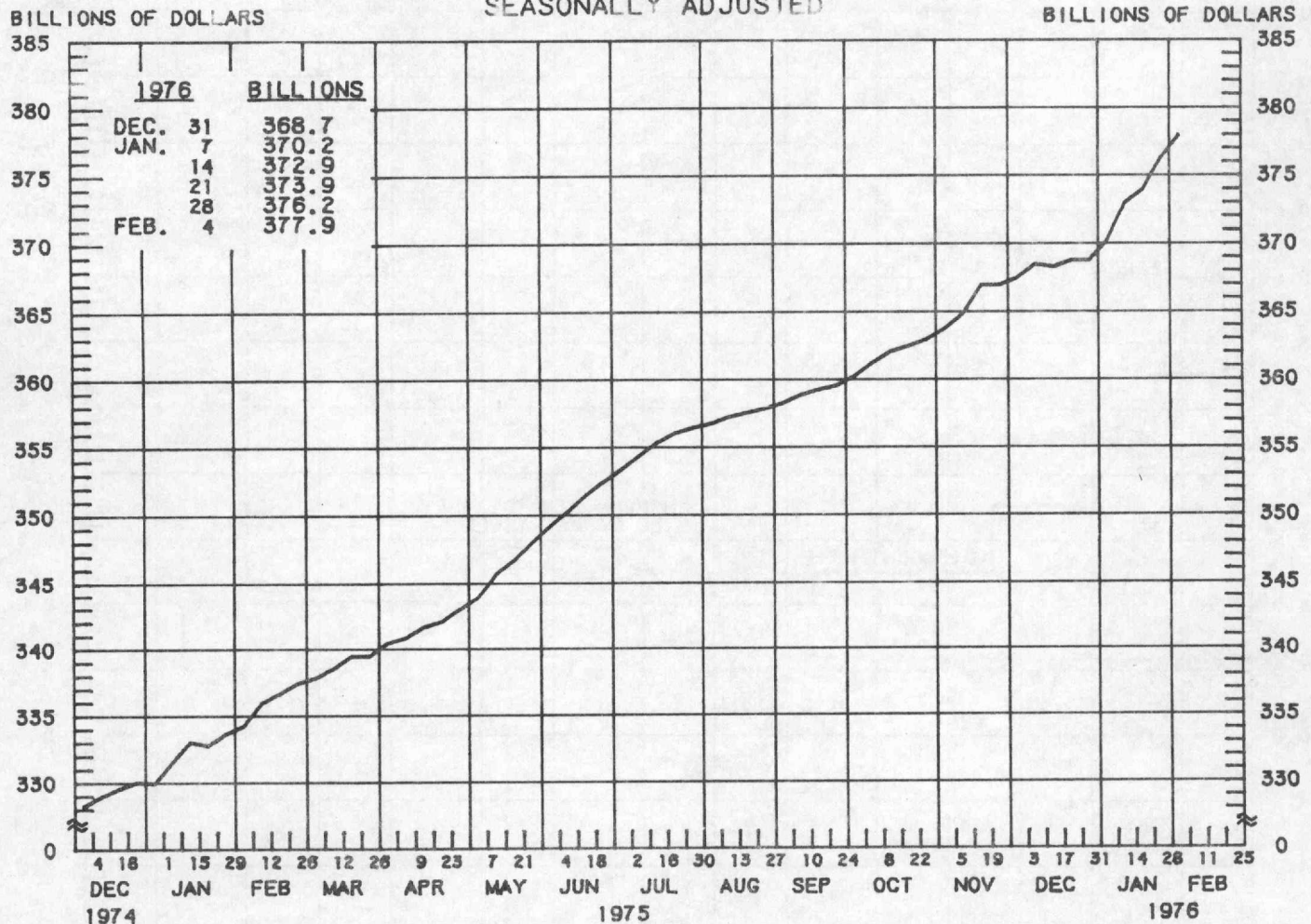
* AVERAGES OF RATES AVAILABLE.

** 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: FEBRUARY 4, 1976

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:

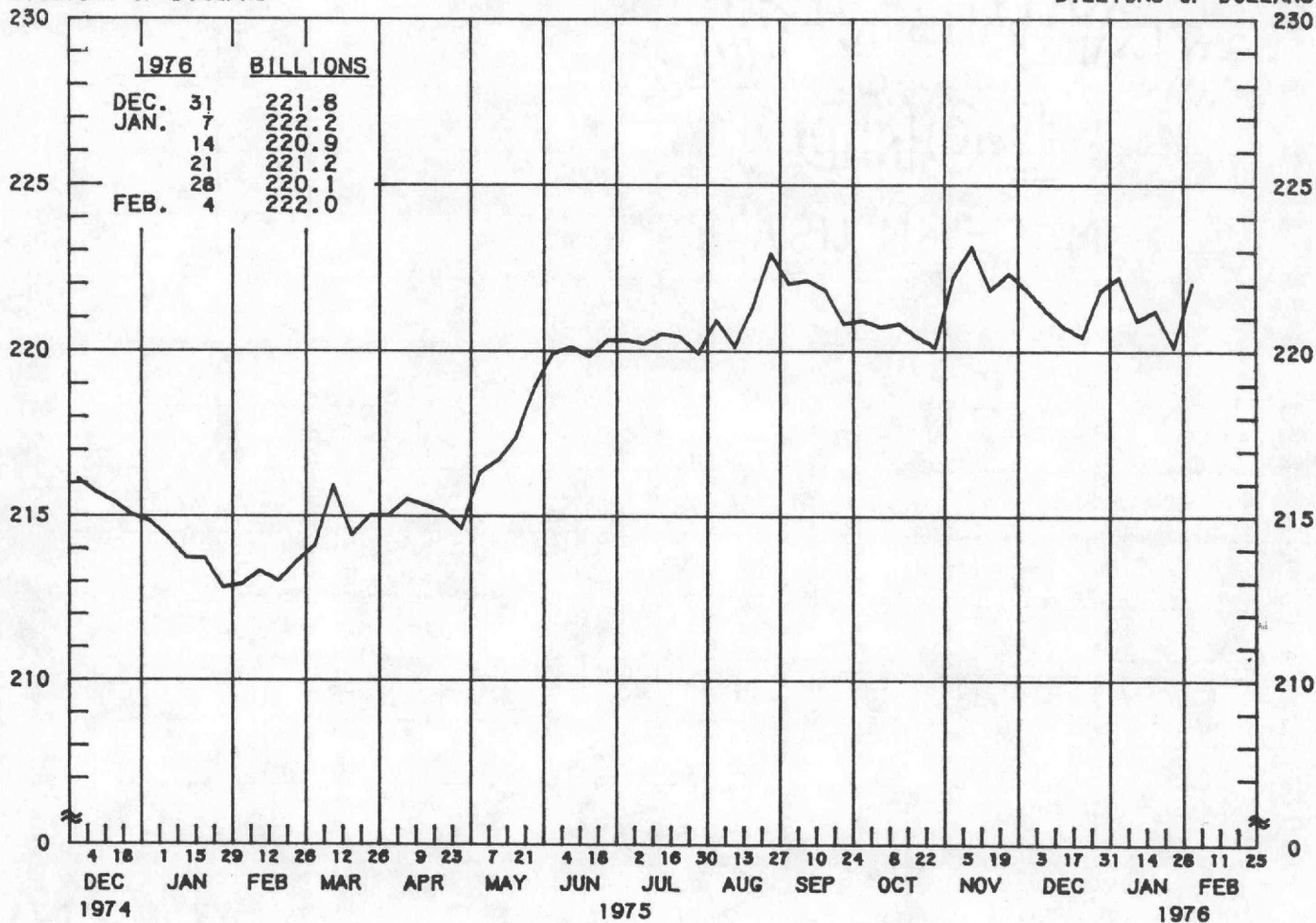
	2/5/75	5/7/75	7/2/75	8/6/75	9/3/75	10/1/75	11/5/75	12/3/75
TO THE AVERAGE OF FOUR WEEKS ENDING:								
7/ 2/75	14.2							
8/ 6/75	14.1	16.7						
9/ 3/75	13.0	14.1	10.1					
10/ 1/75	12.2	12.6	8.9	6.2				
11/ 5/75	11.9	12.1	9.3	7.7	8.5			
12/ 3/75	12.1	12.4	10.2	9.2	10.2	12.0		
1/ 7/76	11.6	11.7	9.6	8.8	9.4	10.3	10.3	
2/ 4/76	12.5	12.9	11.4	11.0	12.0	13.2	14.4	14.5

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 4, 1976

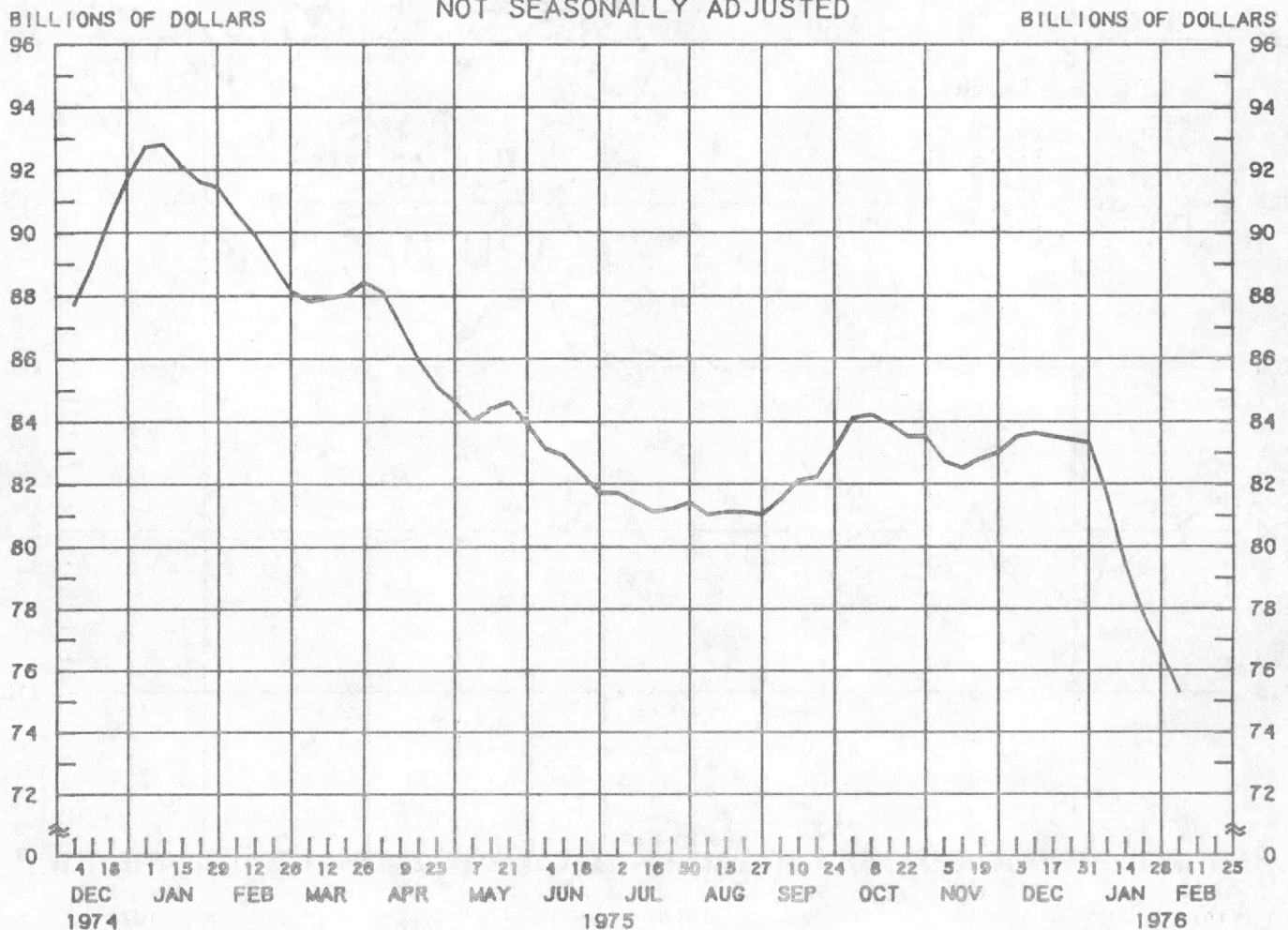
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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

	2/5/75	5/7/75	7/2/75	8/6/75	9/3/75	10/1/75	11/5/75	12/3/75
TO THE AVERAGE OF FOUR WEEKS ENDING:								
7/ 2/75	8.1							
8/ 6/75	6.8	9.8						
9/ 3/75	6.8	9.2	4.0					
10/ 1/75	5.9	7.2	2.4	3.0				
11/ 5/75	4.8	5.3	1.1	0.9	-1.8			
12/ 3/75	5.1	5.7	2.4	2.7	1.3	2.4		
1/ 7/76	4.1	4.2	1.1	1.0	-0.4	-0.2	1.1	
2/ 4/76	3.7	3.6	0.8	0.6	-0.5	-0.4	0.4	-3.1

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES
NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 4, 1976

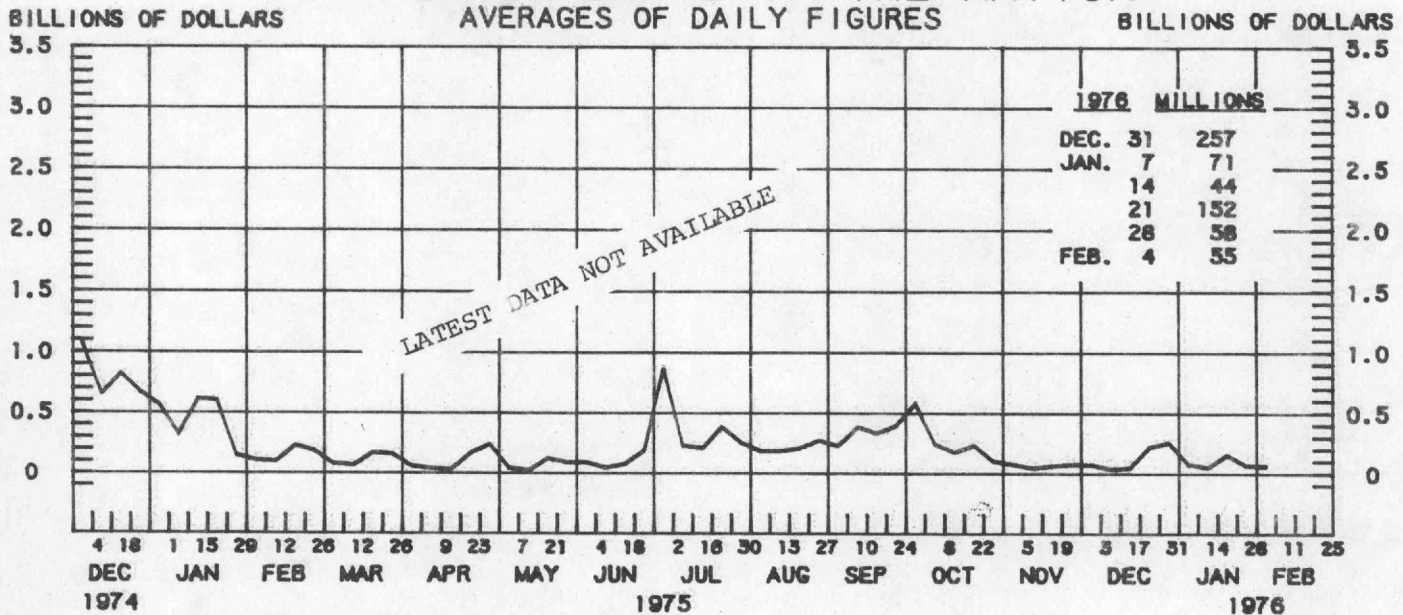
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.G. RELEASE.

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

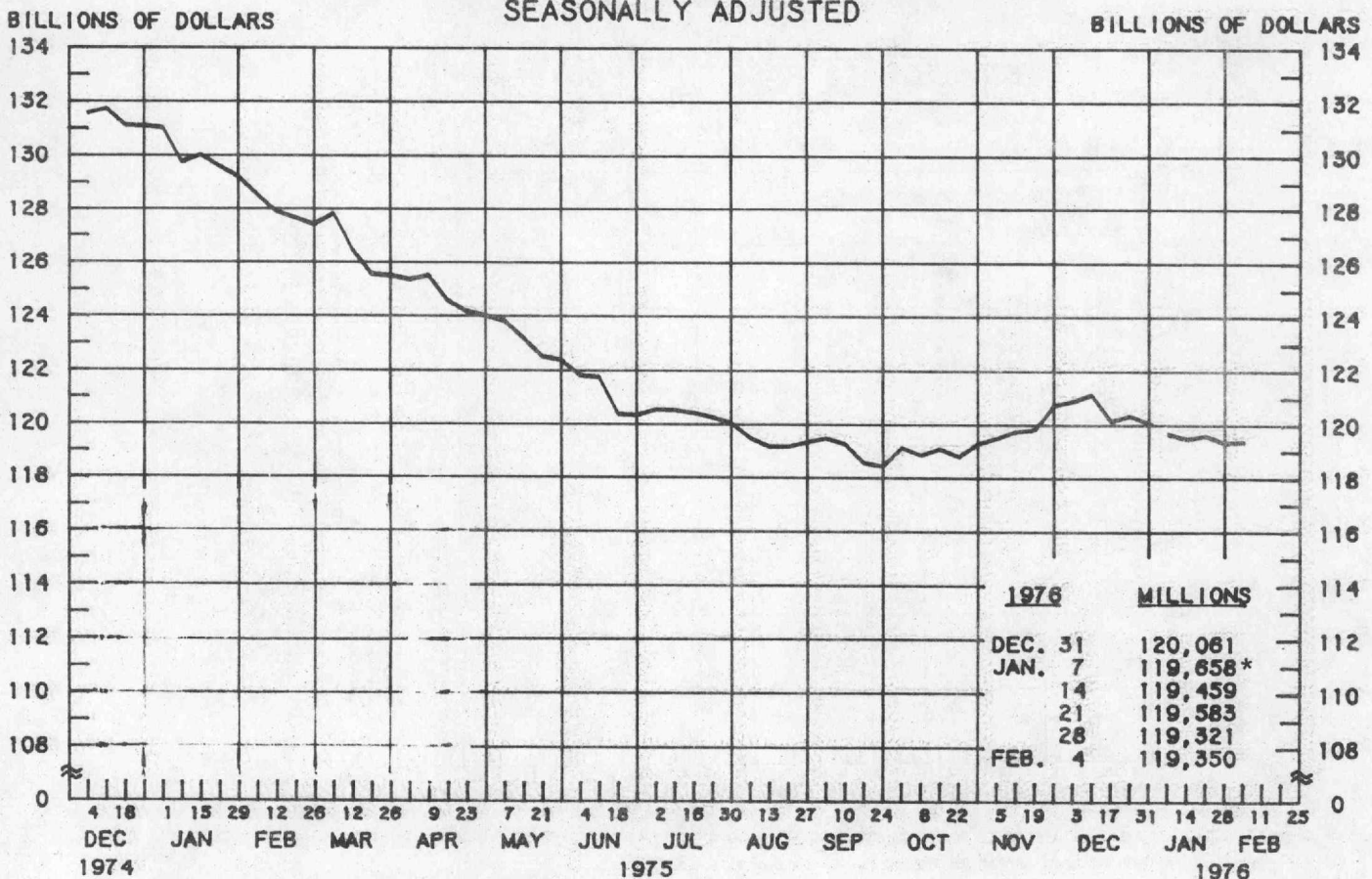
1976	CERTIFICATES OF DEPOSIT NOT SEAS. ADJ.	CERTIFICATES OF DEPOSIT SEAS. ADJ.
DEC. 3	83.5	82.6
10	83.6	82.8
17	83.5	82.9
24	83.4	82.9
31	83.3	82.8
JAN. 7	81.6	81.9
14	79.4	79.9
21	77.8	78.6
28	76.6	77.4
FEB. 4	75.3	76.7
11		
18		
25		

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION

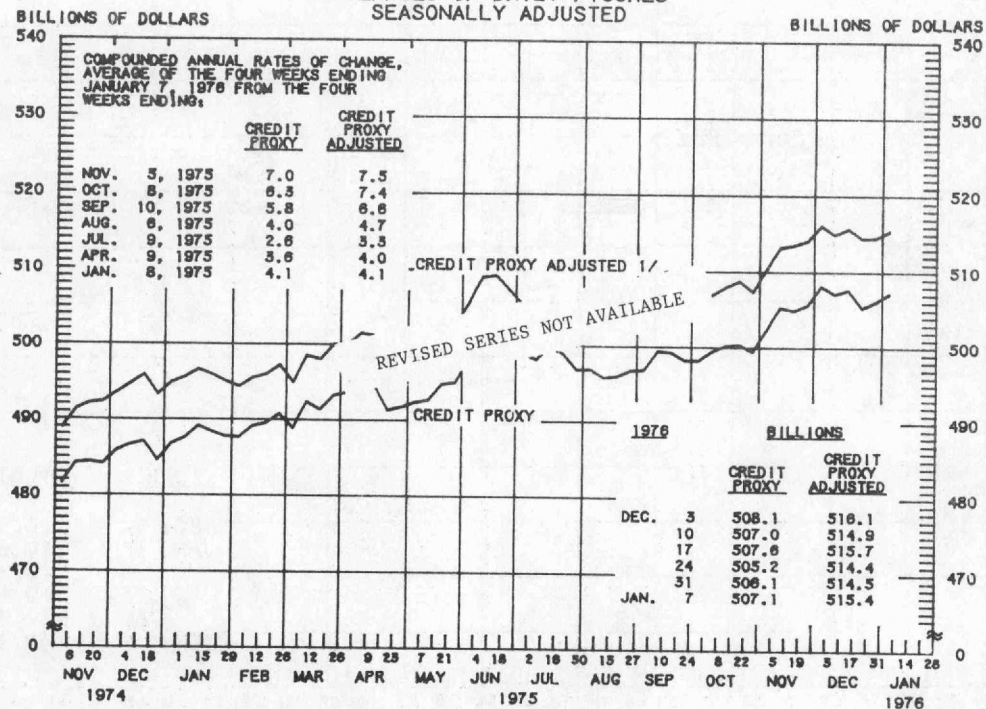


BUSINESS LOANS (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS SEASONALLY ADJUSTED



* LEVELS OF BUSINESS LOANS BEGINNING JANUARY 7 ARE NOT COMPARABLE TO PREVIOUS DATA.
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



LATEST DATA PLOTTED WEEK ENDING: JANUARY 7, 1976

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