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DEC 26 1979

Week ending: March 10, 1976

Over the last six months the narrowly defined money stock (M1) has increased at a 2.3 percent rate, compared to an 8.2 percent rate over the previous six months. The rate of growth of the demand deposit component of M1 has also slowed over the last six months to a 0.3 percent annual rate, compared to a 7.7 percent rate of increase in the previous six months.

The more broadly defined money stock (M2) has shown less of a slowing tendency over these same time periods. Since mid-August M2 has increased at an 8.2 percent annual rate, compared to a 10.6 percent rate in the previous six months. Net time deposits, which account for slightly more than half of M2, have increased at about a 13 percent rate over both the most recent six months and the previous six months.

The monetary base, the prime determinant of both M1 and M2, has increased at approximately the same rate in both halves of the most recent twelve months. The monetary base has increased at a 7 percent rate in the most recent six months, compared to a 7.2 percent rate in the previous six months.

Commercial bank profitability is affected by the spread between interest rates banks pay for funds, such as the rate on 90-day certificates of deposit (CDs) or the Federal funds rate, and rates banks charge for borrowed funds, as measured by the prime lending rate. This spread currently is narrower than it was a year ago. The prime rate is now 189 basis points above the Federal funds rate, compared to a spread of 256 basis points a year ago. Similarly, the spread between the prime rate and the rate on 90-day CDs is 134 basis points in the most recent week, compared to 174 basis points a year ago.

Prepared by Federal Reserve Bank of St. Louis

Released: March 12, 1976

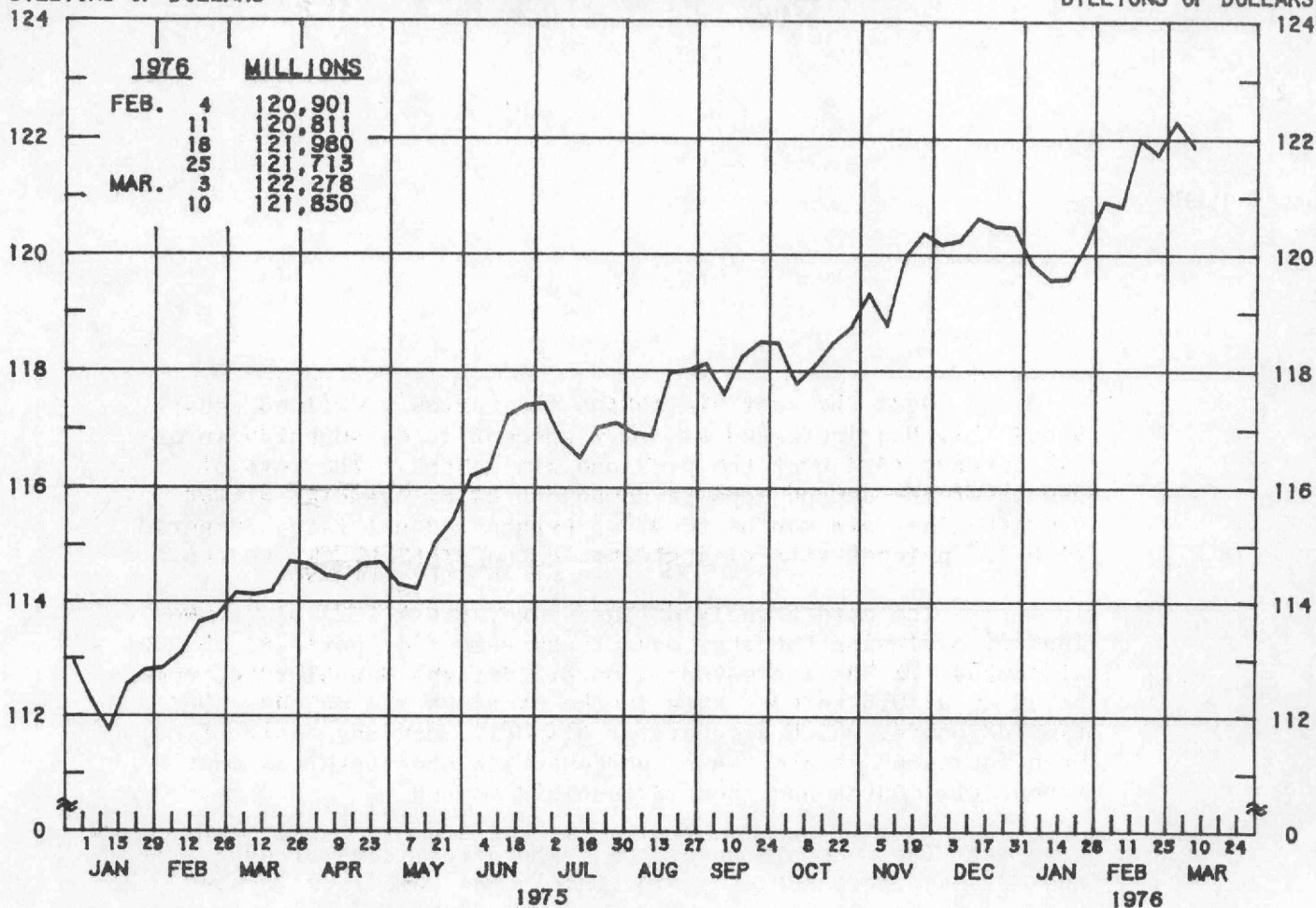
# MONETARY BASE

## AVERAGES OF DAILY FIGURES

### SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MARCH 10, 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:

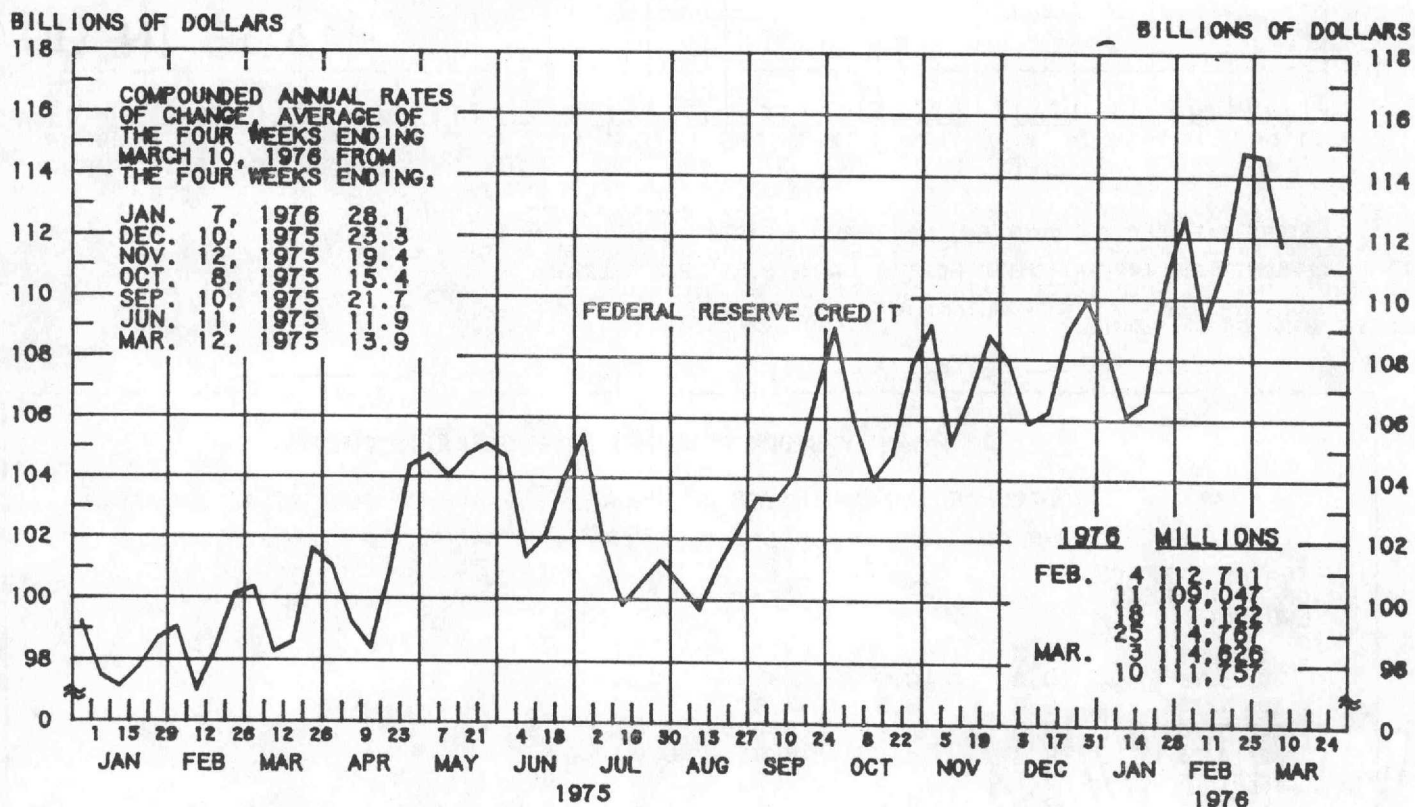
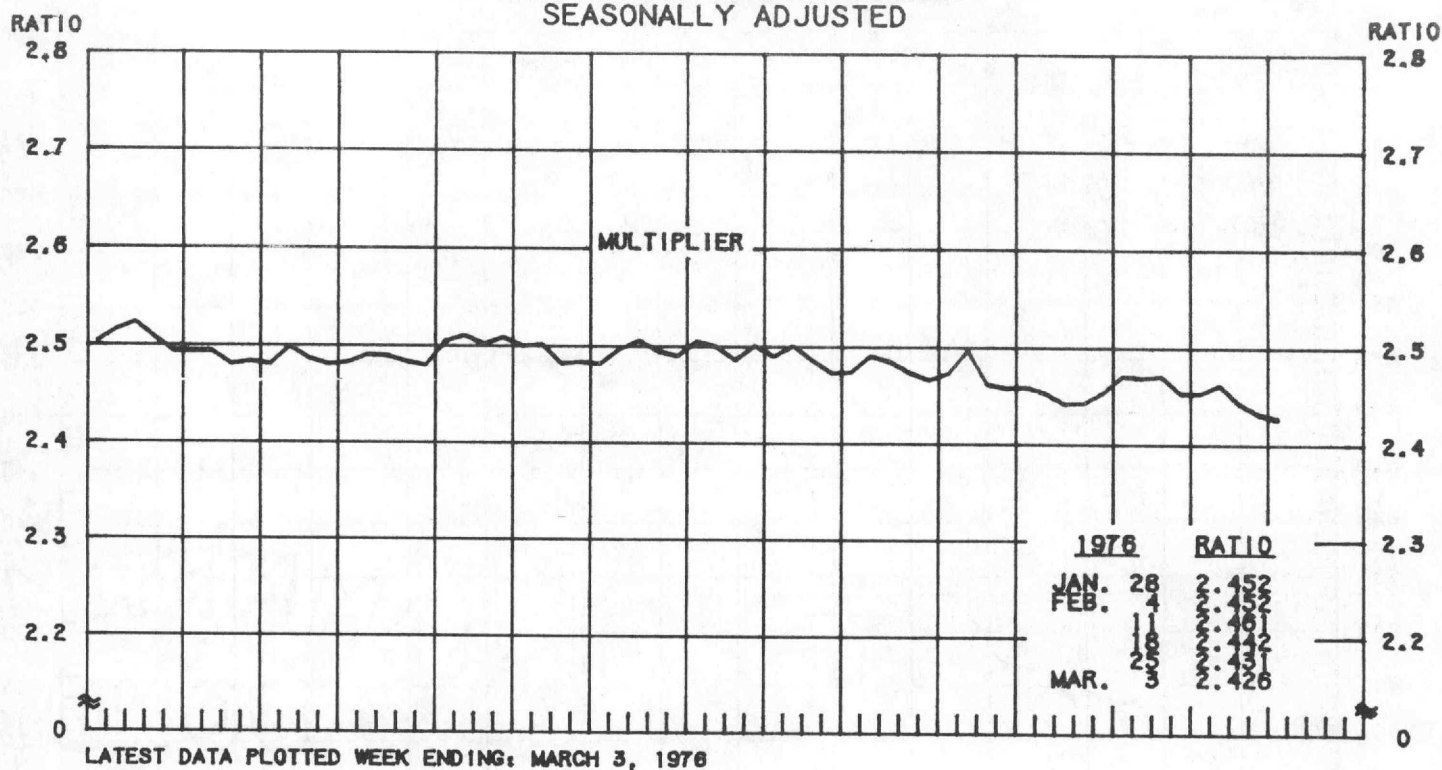
3/12/75    6/11/75    8/13/75    9/10/75    10/8/75    11/12/75    12/10/75    1/7/76

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

8/13/75	6.5							
9/10/75	7.2	7.7						
10/ 8/75	6.7	6.7	7.2					
11/12/75	6.5	6.4	6.5	4.5				
12/10/75	7.4	7.8	8.6	7.9	9.9			
1/ 7/76	6.9	7.0	7.3	6.4	7.3	8.6		
2/11/76	6.2	6.0	5.9	5.0	5.3	5.3	0.9	
3/10/76	7.1	7.2	7.5	7.0	7.6	8.3	6.0	8.0

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



LATEST DATA PLOTTED WEEK ENDING: MARCH 10, 1976

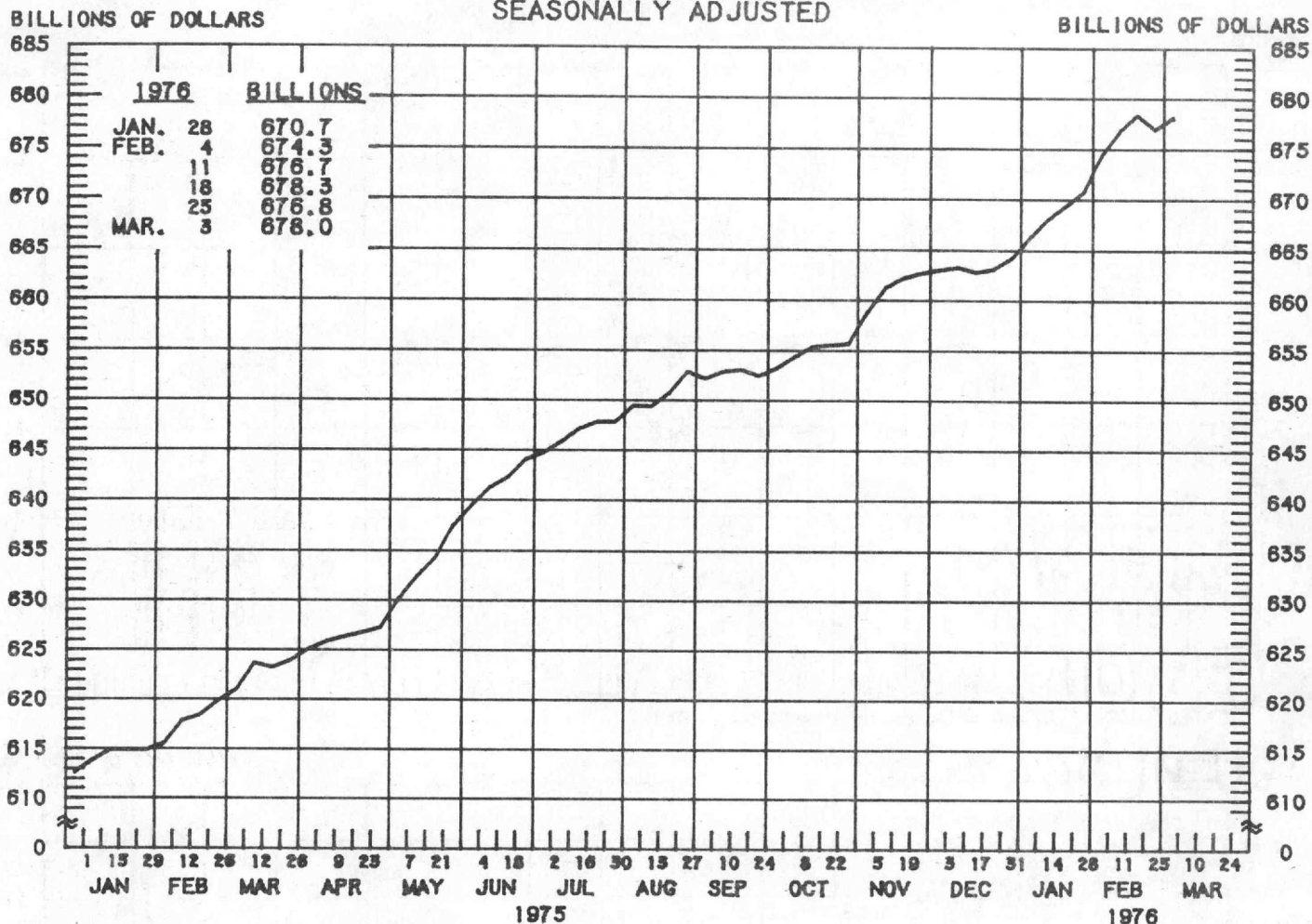
1/ RATIO OF MONEY STOCK (M1) / MONETARY BASE.

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



LATEST DATA PLOTTED WEEK ENDING: MARCH 3, 1976

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:

	3/5/75	6/4/75	8/6/75	9/3/75	10/1/75	11/5/75	12/3/75	12/31/75
TO THE AVERAGE OF FOUR WEEKS ENDING:								
8/ 6/75	11.3							
9/ 3/75	10.8	10.0						
10/ 1/75	9.6	8.5	5.0					
11/ 5/75	9.0	7.8	5.2	4.6				
12/ 3/75	9.4	8.5	6.9	6.9	8.5			
12/31/75	8.7	7.6	5.9	5.8	6.5	7.1		
2/ 4/76	9.0	8.2	7.1	7.2	8.0	9.0	7.6	
3/ 3/76	9.4	8.8	8.0	8.2	9.1	10.2	9.6	13.0

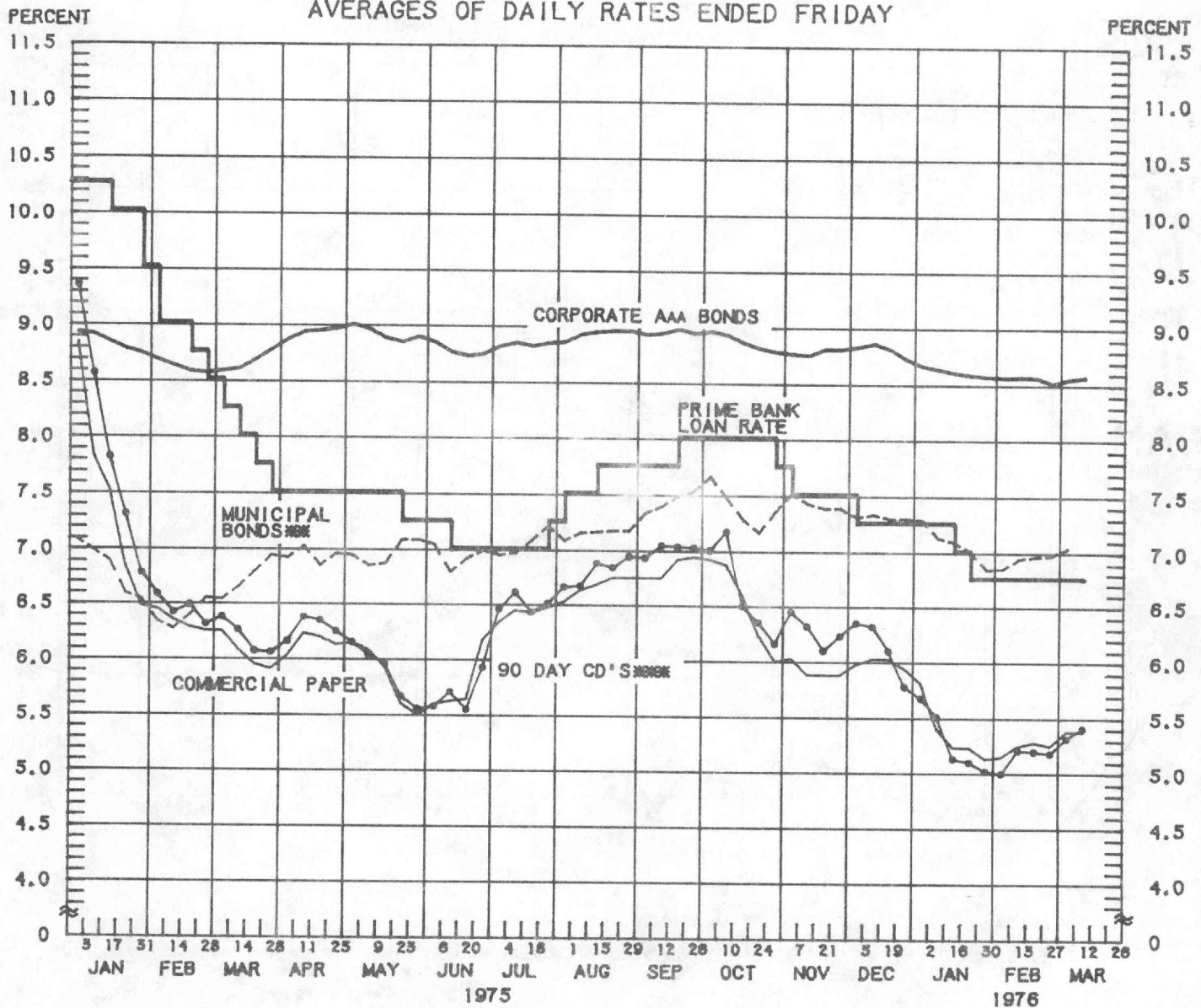
## BILLIONS OF DOLLARS

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

8/ 6/T5	8.2								
9/ 3/T5	8.2	7.1							
10/ 1/T5	6.9	5.2	3.4						
11/ 5/T5	6.0	4.1	2.2	-0.2					
12/ 3/T5	6.4	5.0	4.0	2.9	4.6				
12/31/T5	5.4	3.8	2.5	1.3	1.9	2.9			
2/ 4/T6	5.0	3.5	2.3	1.4	1.9	2.5	-0.8		
3/ 3/T6	5.2	3.9	3.0	2.3	2.9	3.7	1.8	4.4	

# YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: MARCH 12, 1976

1976	90 DAY CD'S	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS
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	8.58	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	6.95
20	5.20	5.28	5.02	8.56	6.97
27	5.18	5.25	5.04	8.51	6.98
MAR. 5	5.32	5.38	5.26	8.55	7.04
12 *	5.41	5.38	5.25	8.57	N.A.
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.

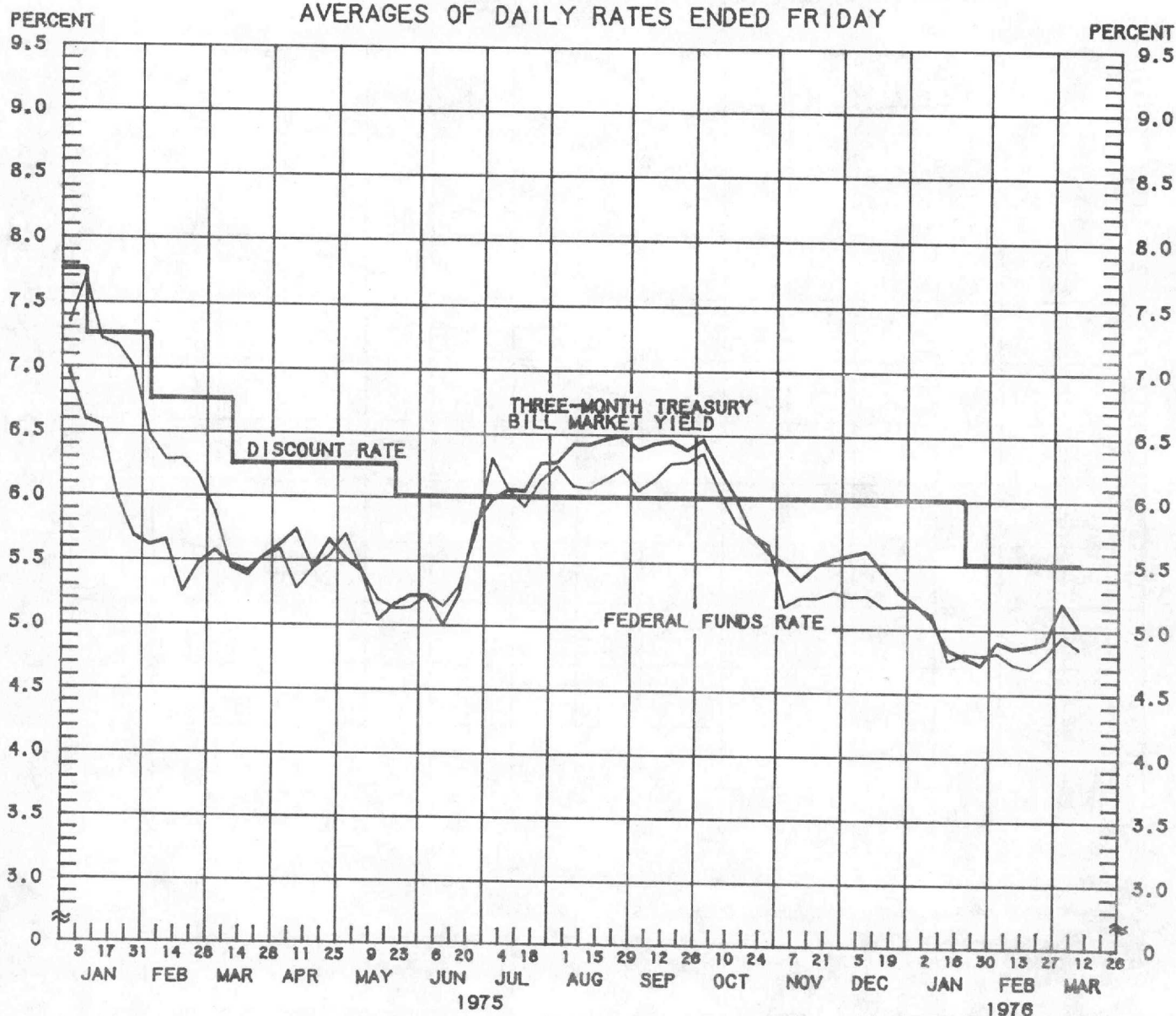
N.A. - NOT AVAILABLE

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# SELECTED SHORT-TERM INTEREST RATES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: MARCH 12, 1976

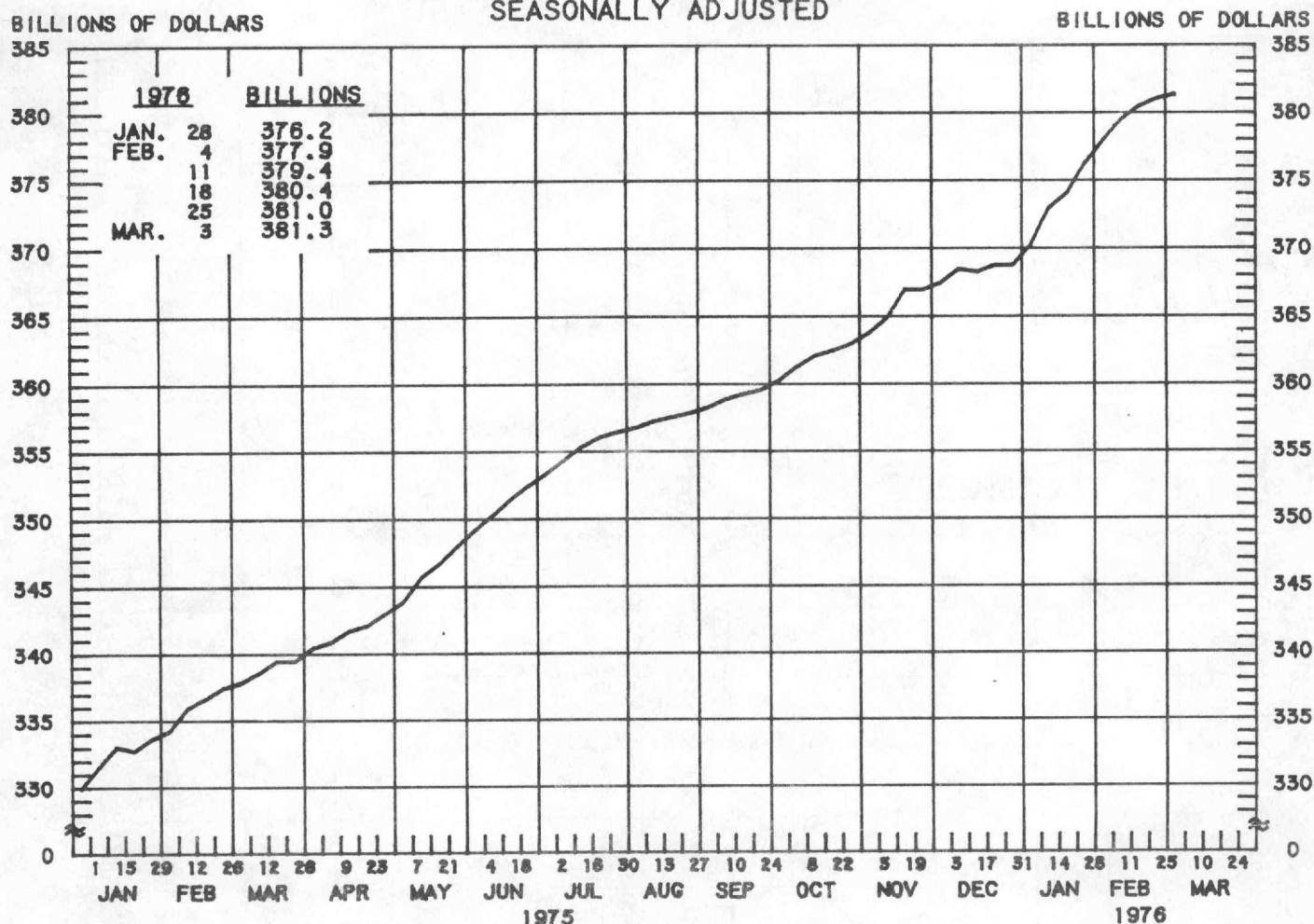
1976	FEDERAL FUNDS %	3-MONTH TREASURY BILLS	1-YEAR TREASURY BILL	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES
JAN. 2	5.18	5.19	5.77	7.28	7.05
9	5.12	5.07	5.58	7.20	6.96
16	4.76	4.84	5.41	7.14	6.90
23	4.81	4.78	5.37	7.18	6.93
30	4.80	4.72	5.32	7.16	6.94
FEB. 6	4.82	4.90	5.45	7.16	6.93
13	4.73	4.85	5.47	7.17	6.96
20	4.70	4.87	5.58	7.20	6.94
27	4.80	4.90	5.62	7.18	6.88
MAR. 5	4.95	5.20	5.98	7.36	6.96
12 *	4.86	5.01	5.87	7.29	6.93
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: MARCH 3, 1976

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

	3/5/75	6/4/75	8/6/75	9/3/75	10/1/75	11/5/75	12/3/75	12/31/75
TO THE AVERAGE OF FOUR WEEKS ENDING:								
8/ 6/75	14.0							
9/ 3/75	12.7	12.5						
10/ 1/75	11.9	11.0	6.2					
11/ 5/75	11.6	10.9	7.7	8.5				
12/ 3/75	11.9	11.4	9.2	10.2	12.0			
12/31/75	11.5	10.8	8.8	9.5	10.5	10.7		
2/ 4/76	12.4	12.2	11.1	12.0	13.3	14.5	14.7	
3/ 3/76	12.9	12.9	12.2	13.2	14.4	15.7	16.2	20.3

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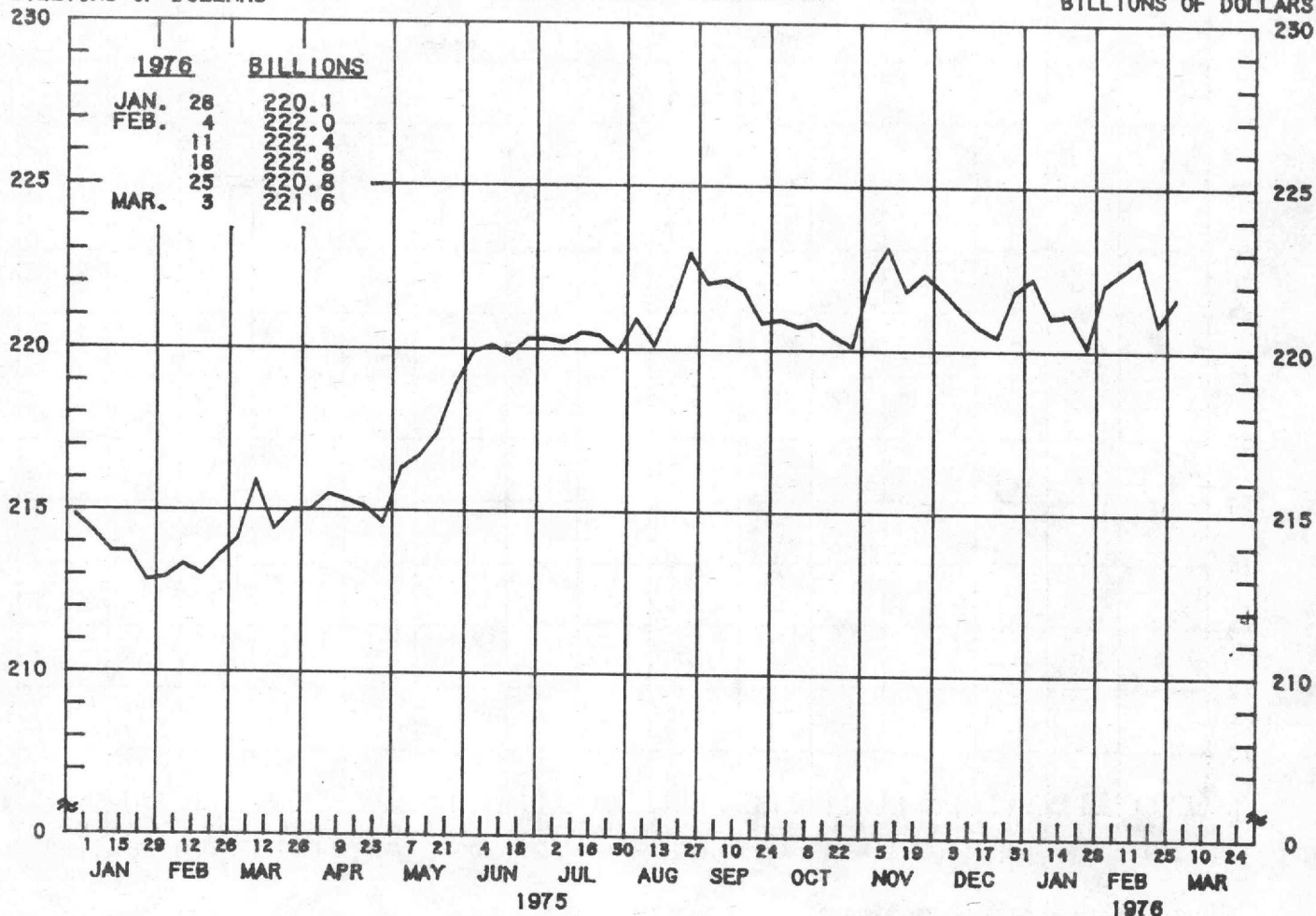


# DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MARCH 3, 1976

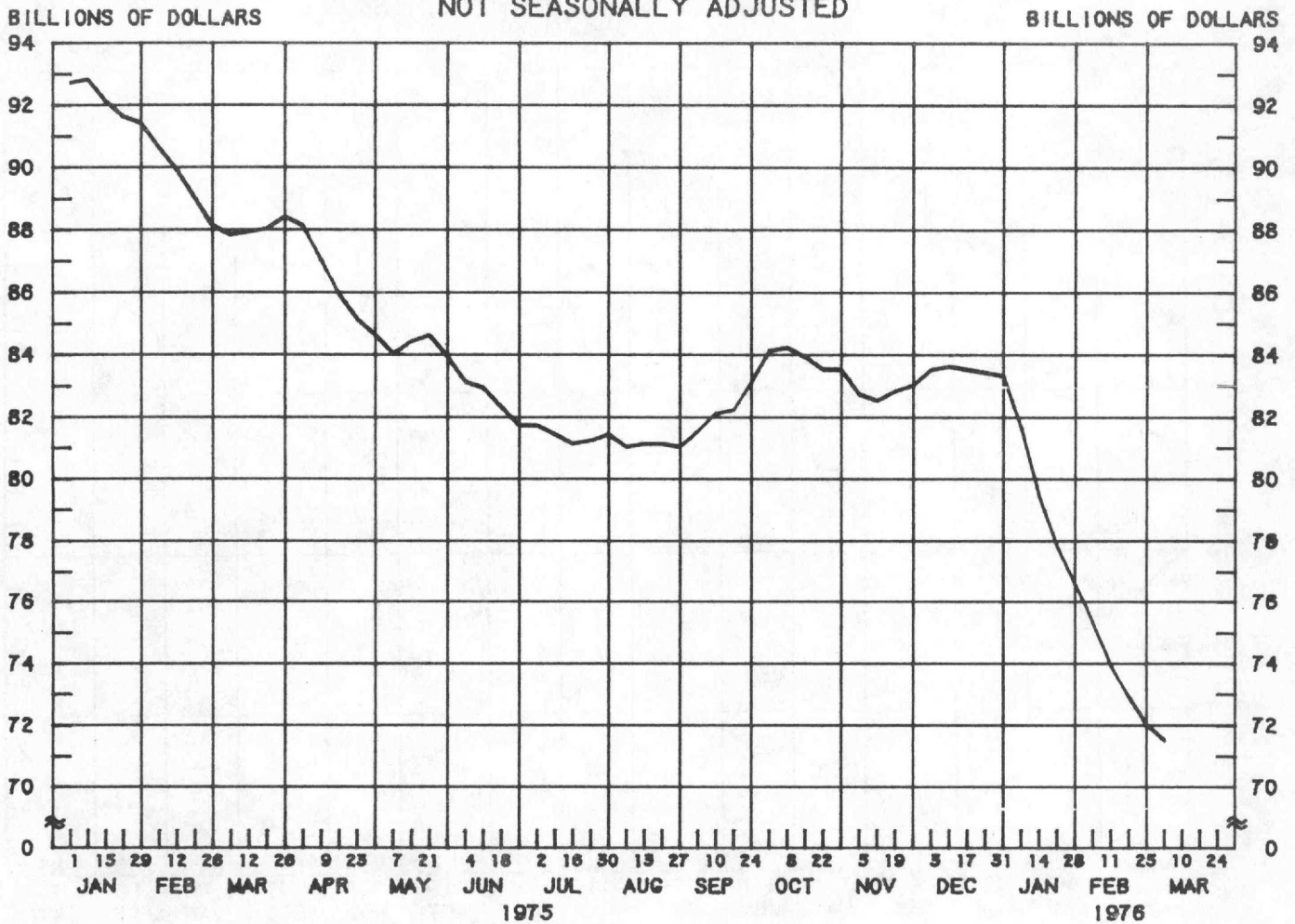
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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

	3/5/75	6/4/75	8/6/75	9/3/75	10/1/75	11/5/75	12/3/75	12/31/75
TO THE AVERAGE OF FOUR WEEKS ENDING:								
8/ 6/75	7.8							
9/ 3/75	7.7	6.4						
10/ 1/75	6.5	4.6	3.0					
11/ 5/75	5.2	2.9	0.9	-1.8				
12/ 3/75	5.5	3.8	2.7	1.3	2.4			
12/31/75	4.3	2.2	0.7	-0.8	-0.7	0.3		
2/ 4/76	3.9	2.0	0.6	-0.5	-0.4	0.4	-3.1	
3/ 3/76	3.9	2.3	1.2	0.3	0.5	1.4	-0.7	2.4

# CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES  
NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MARCH 3, 1976

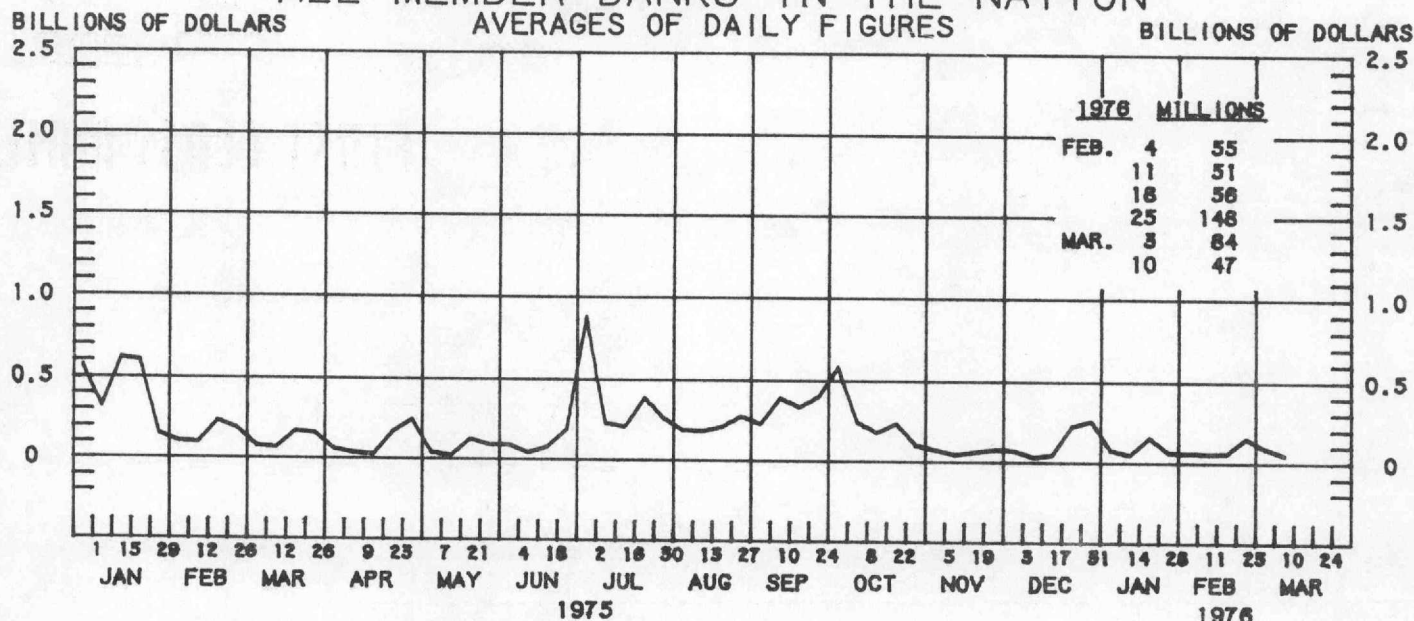
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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.
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	73.9	75.8
18	72.9	75.4
25	72.0	74.8
MAR. 3	71.5	74.0
10		
17		
24		
31		

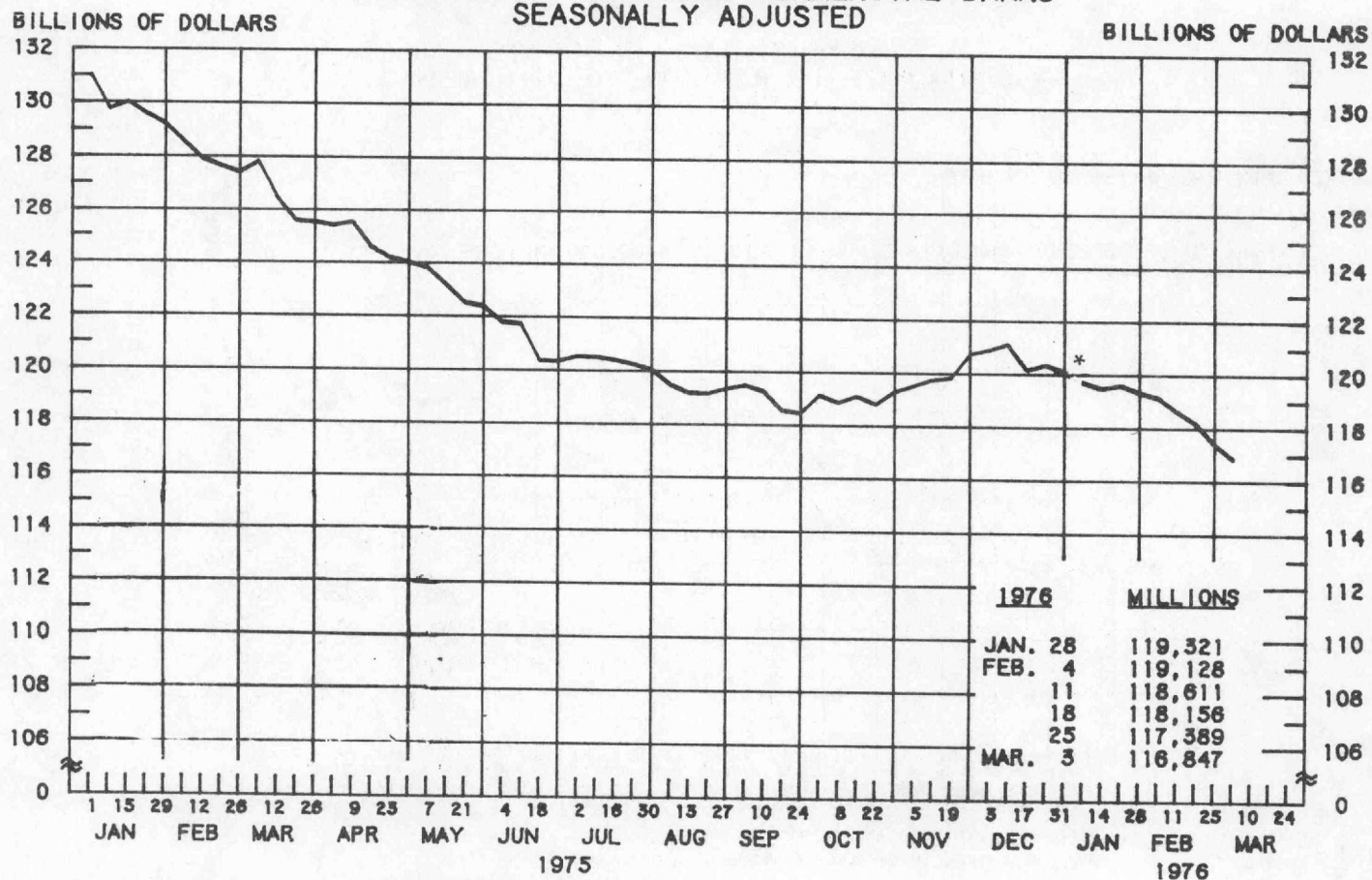
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



LATEST DATA PLOTTED WEEK ENDING: MARCH 10, 1976

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



LATEST DATA PLOTTED WEEK ENDING: MARCH 3, 1976

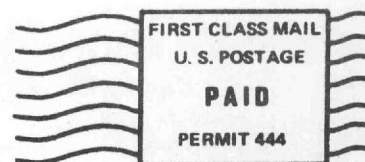
\* LEVELS OF BUSINESS LOANS BEGINNING JANUARY 7 ARE NOT COMPARABLE TO PREVIOUS DATA.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS



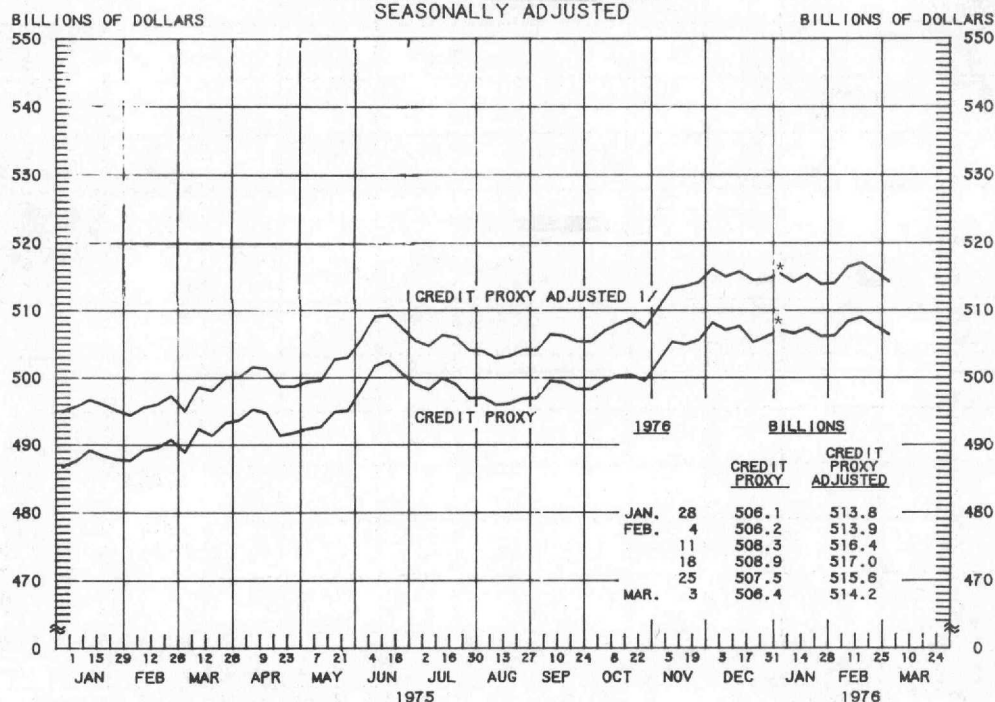
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FIRST CLASS MAIL

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



LATEST DATA PLOTTED WEEK ENDING: MARCH 3, 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.

\* DATA PRIOR TO JANUARY 7, 1976 HAVE BEEN REVISED BUT IS NOT AVAILABLE.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS