

Week ending: April 7, 1976



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Over the past seven months the narrowly defined money stock (M1) has increased at about a 3 percent annual rate, compared to a 7.7 percent rate of increase over the previous five months. On balance, M1 has increased about 5 percent over the year. The more broadly defined money stock (M2) has been increasing more rapidly than M1 over these periods. Since mid-August M2 has increased at an 8.3 percent annual rate, after increasing at a 10.7 percent rate over the previous five months. Over the past year M2 increased 9.3 percent.

The more rapid increase of M2 relative to M1 is the result of the faster growth of net time deposits relative to demand deposits. Net time deposits, which are not included in M1, account for over 50 percent of M2, while demand deposits account for about one third of M2, but nearly 75 percent of M1. In the last twelve months net time deposits increased 13 percent and demand deposits increased 3.5 percent. A large difference in growth rates also occurred over the most recent seven months when net time deposits increased at about a 13 percent rate, compared to the 0.9 percent rate of increase in demand deposits. Net time deposits also increased at about a 13 percent annual rate over the previous five months, while demand deposits increased at a 7.3 percent rate.

Over the last seven months, while monetary growth has been relatively slow, many short-term interest rates have decreased. For example, rates on prime four- to six-month commercial paper and three-month Treasury bills are now 137 and 147 basis points, respectively, below their levels seven months ago. Long-term interest rates have also fallen. Yields on corporate Aaa bonds are now 49 basis points below their level in late August.

Member bank borrowings from Federal Reserve Banks have averaged only \$78 million over the last five months, compared to \$256 million over the previous four months. The decline in borrowings can be related to changes in relative interest rates. Over the last five months the discount rate (the interest rate at which member banks borrow reserves from the Federal Reserve) has averaged 76 basis points above the Federal funds rate (the rate at which banks borrow reserves from other commercial banks). Over most of the previous four months, the discount rate had been slightly below the Federal funds rate.

Prepared by Federal Reserve Bank of St. Louis

Released April 9 1976

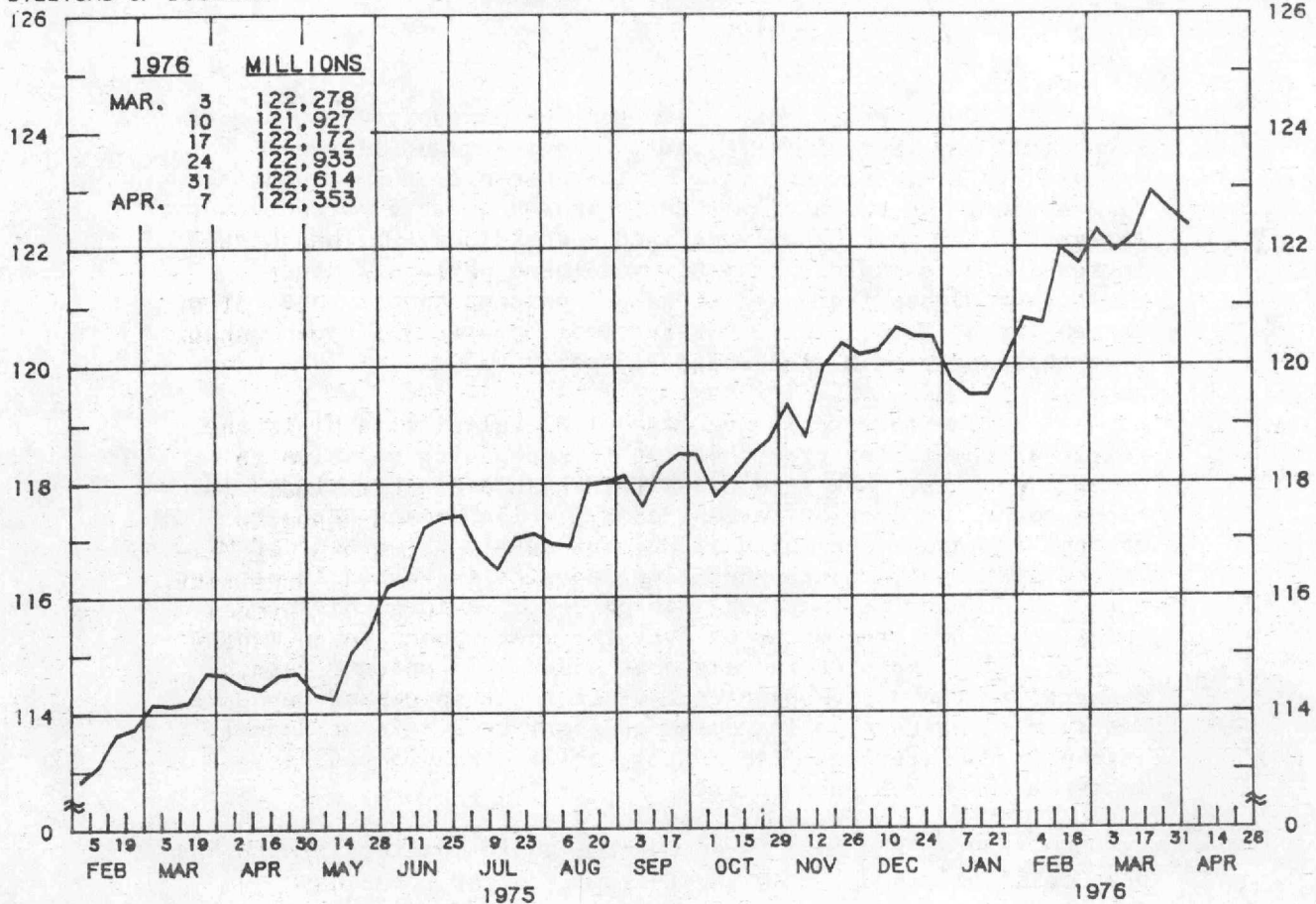
# MONETARY BASE

## AVERAGES OF DAILY FIGURES

### SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: APRIL 7, 1976

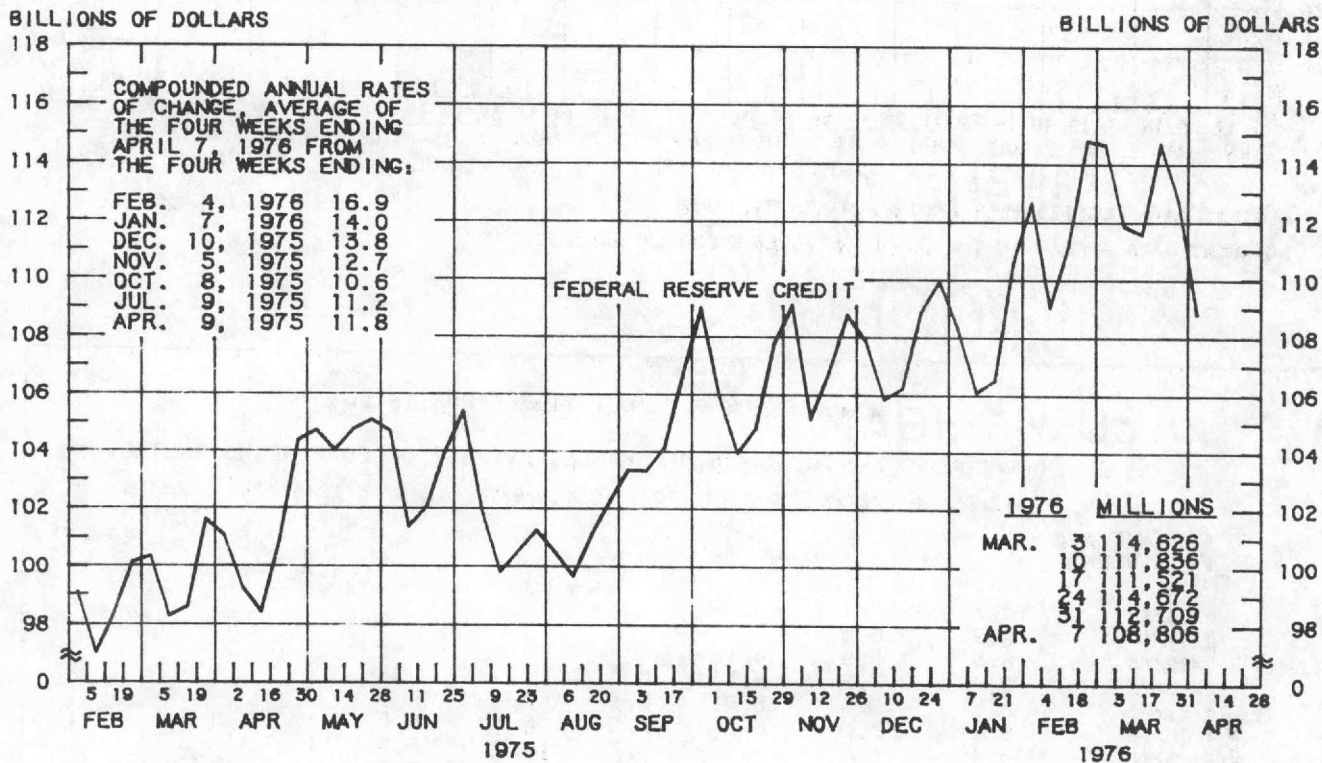
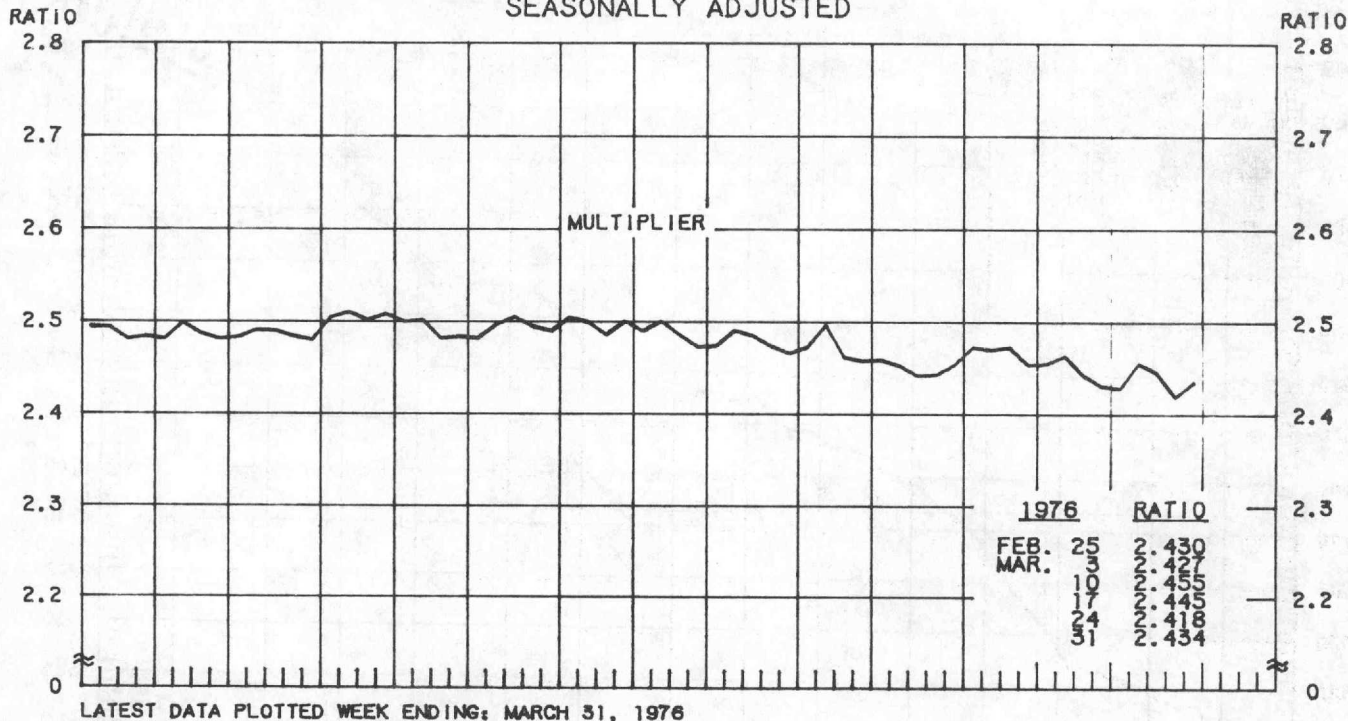
THE MONETARY BASE CONSISTS OF MEMBER BANK RESERVES AT THE FEDERAL RESERVE BANKS AND CURRENCY IN CIRCULATION (CURRENCY HELD BY THE PUBLIC AND IN THE VAULTS OF COMMERCIAL BANKS), ADJUSTED FOR RESERVE REQUIREMENT RATIO CHANGES AND SHIFTS IN THE SAME TYPE OF DEPOSITS BETWEEN BANKS WHERE DIFFERENT RESERVE 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:

	4/9/75	7/9/75	9/10/75	10/8/75	11/5/75	12/10/75	1/7/76	2/4/76
TO THE AVERAGE OF FOUR WEEKS ENDING:								
9/10/75	7.2							
10/ 8/75	6.6	3.6						
11/ 5/75	6.4	3.8	4.1					
12/10/75	7.5	6.1	7.9	9.9				
1/ 7/76	6.8	5.4	6.4	7.3	8.4			
2/ 4/76	5.8	4.1	4.3	4.5	4.5	-1.2		
3/10/76	7.1	6.1	7.0	7.6	8.3	6.1	8.2	
4/ 7/76	7.0	6.1	6.9	7.4	7.9	6.1	7.5	13.0

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: APRIL 7, 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.

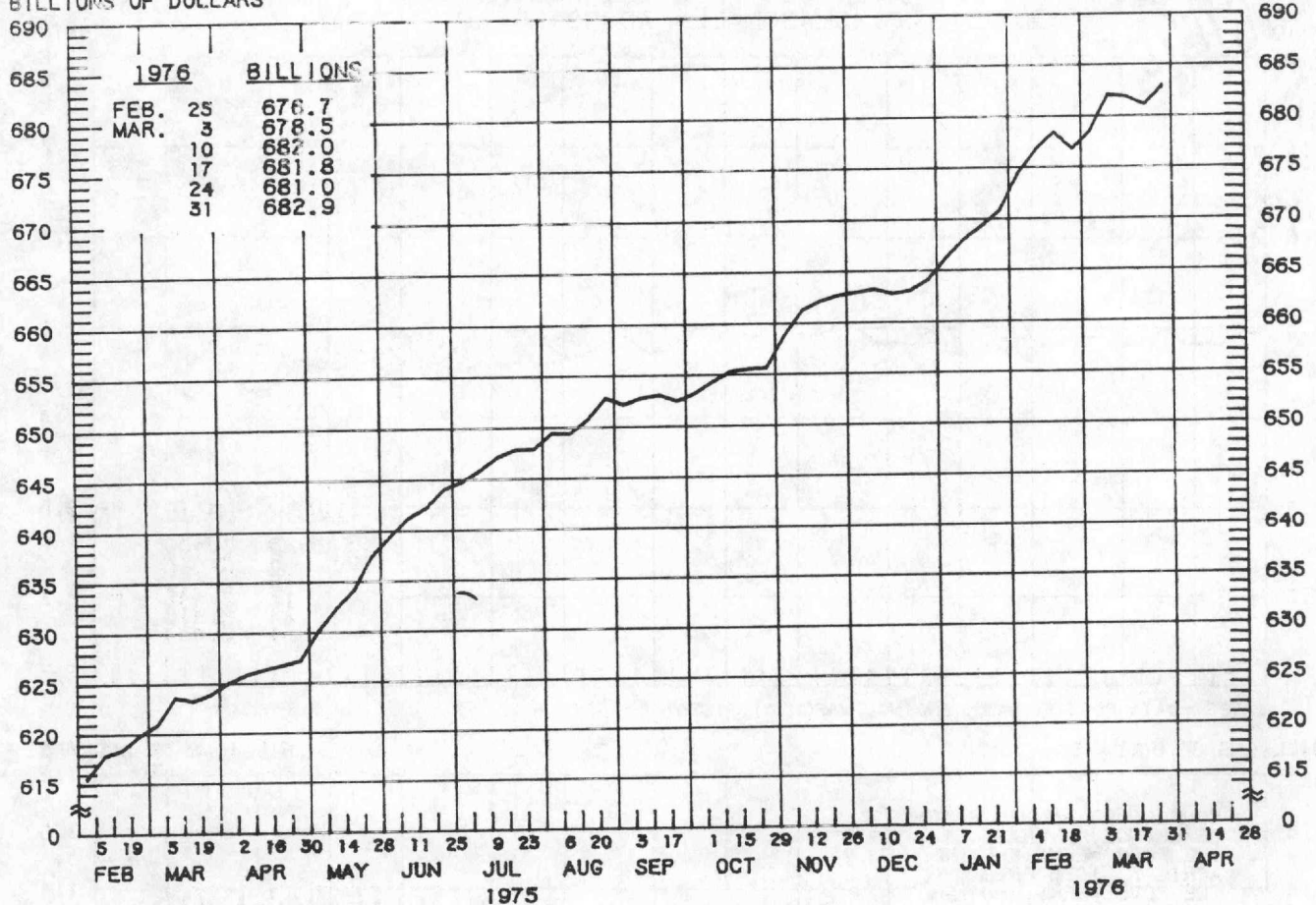
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

# MONEY STOCK PLUS NET TIME DEPOSITS

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MARCH 31, 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:

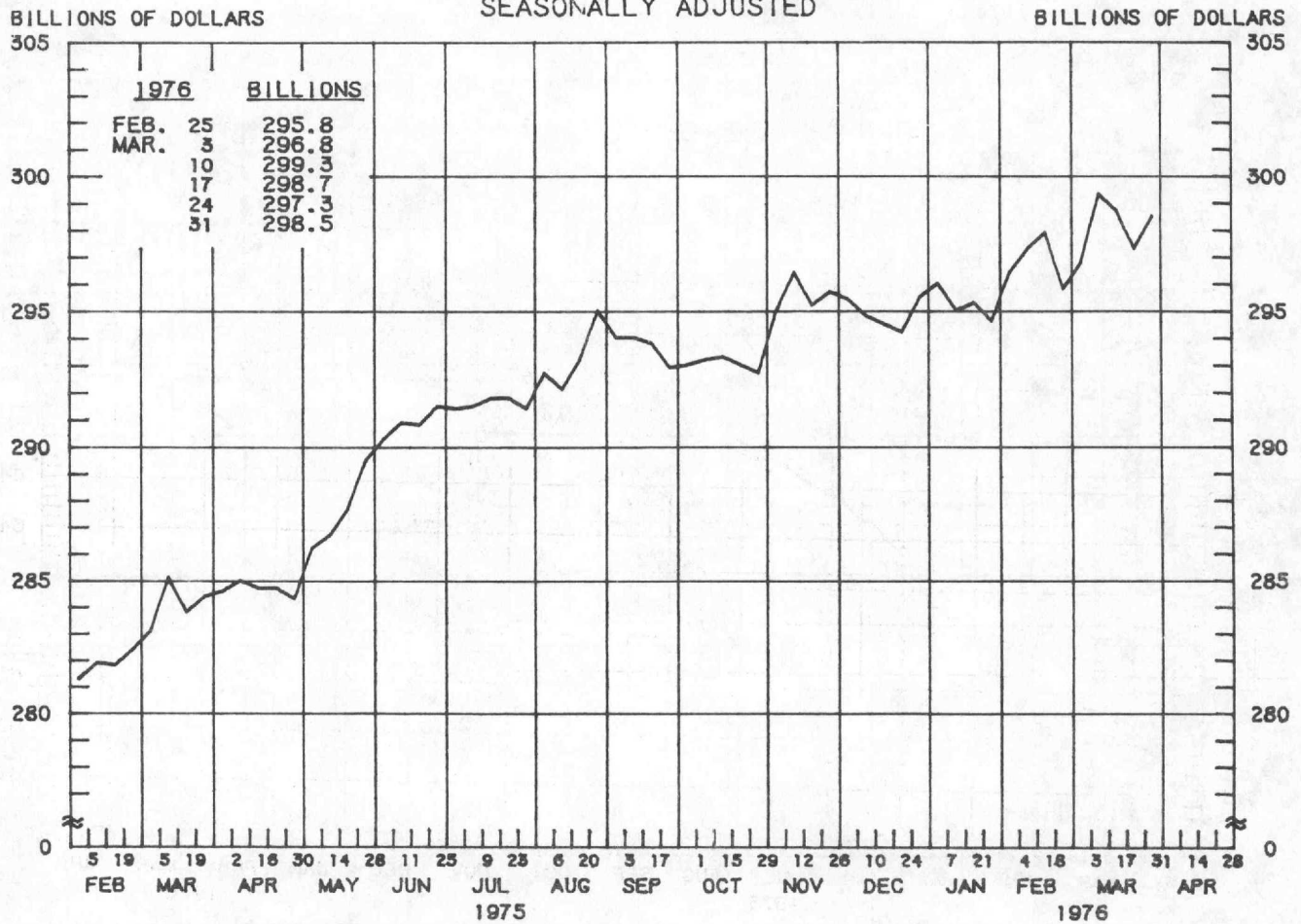
4/2/75 7/2/75 9/3/75 10/1/75 10/29/75 12/3/75 12/31/75 1/28/76

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

9/ 3/75	10.7								
10/ 1/75	9.5	6.3							
10/29/75	8.9	5.9	4.1						
12/ 3/75	9.3	7.2	6.9	8.5					
12/31/75	8.5	6.4	5.8	6.5	7.4				
1/28/76	8.7	7.0	6.7	7.5	8.4	6.5			
3/ 3/76	9.4	8.1	8.3	9.2	10.2	9.6	13.1		
3/31/76	9.3	8.1	8.3	9.1	9.9	9.4	11.7	12.1	

# MONEY STOCK

## AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MARCH 31, 1976

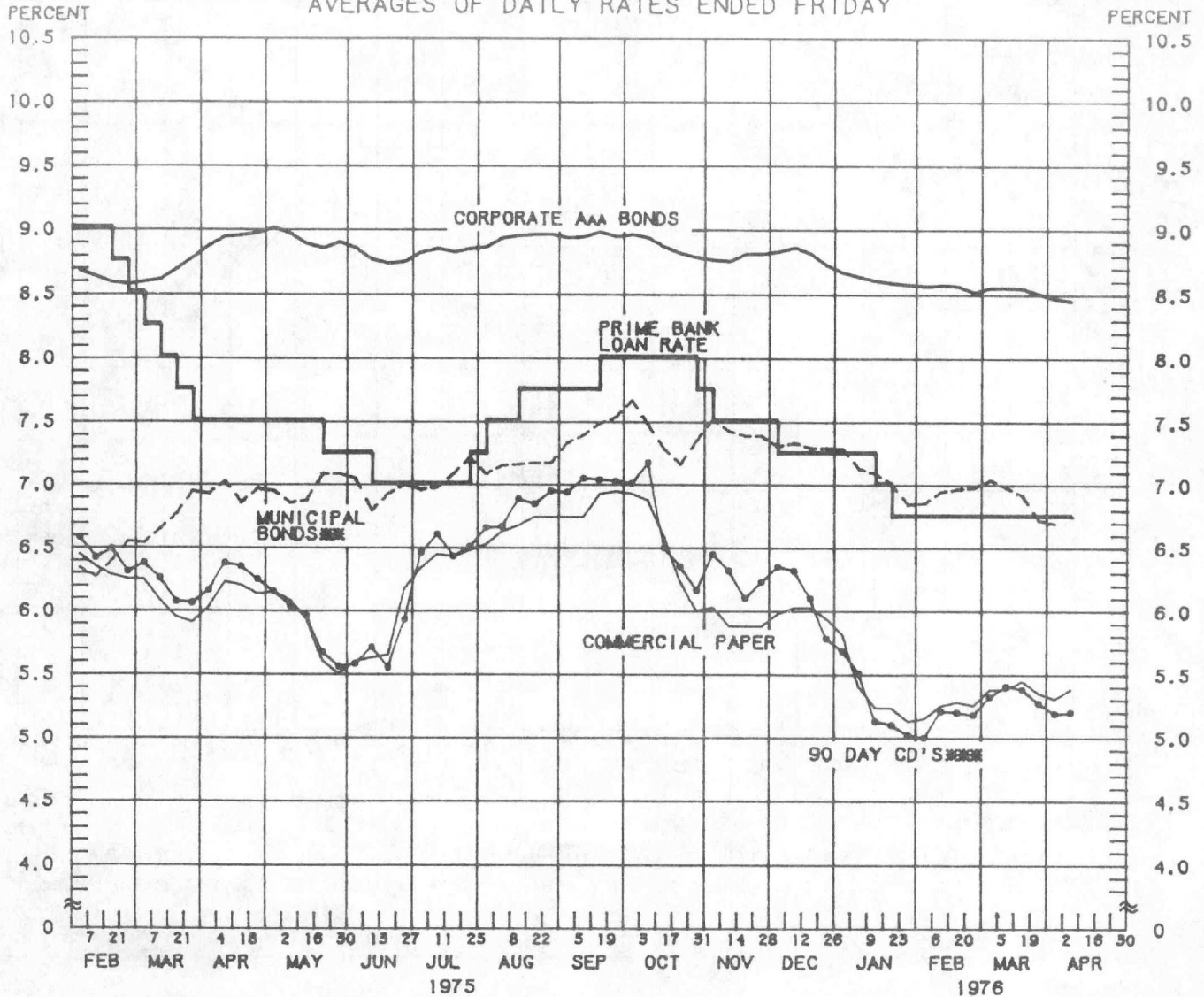
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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:									
TO THE AVERAGE OF FOUR WEEKS ENDING:									
	4/2/75	7/2/75	9/3/75	10/1/75	10/29/75	12/3/75	12/31/75	1/28/76	
9/ 3/75	7.7								
10/ 1/75	6.4	3.1							
10/29/75	5.3	2.0	-1.1						
12/ 3/75	5.9	3.7	2.9	4.6					
12/31/75	4.9	2.5	1.3	1.9	3.4				
1/28/76	4.6	2.4	1.4	1.9	2.9	-1.1			
3/ 3/76	4.8	3.0	2.3	2.9	3.9	1.8	4.4		
3/31/76	4.9	3.4	2.9	3.5	4.4	2.9	5.1	6.6	

# YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: APRIL 9, 1976

1976	90 DAY CD'S	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS
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	5.21	8.55	6.98
19	5.38	5.45	5.19	8.54	6.92
26	5.27	5.35	5.12	8.50	6.72
APR. 2	5.19	5.30	5.10	8.46	6.69
9 *	5.20	5.38	5.06	8.44	N.A.
16					
23					
30					

\* AVERAGES OF RATES AVAILABLE.

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

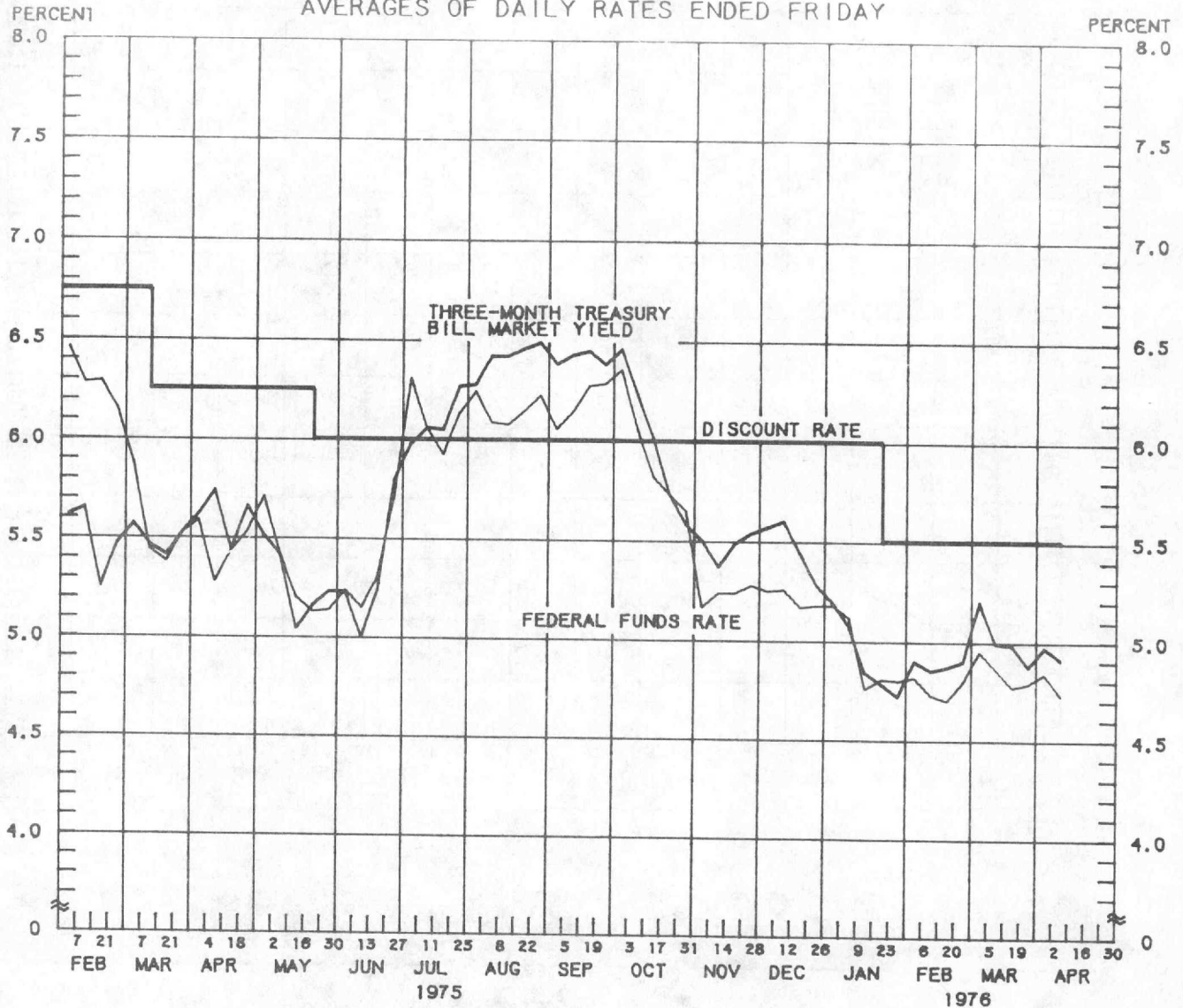
\*\*\* SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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: APRIL 9, 1976

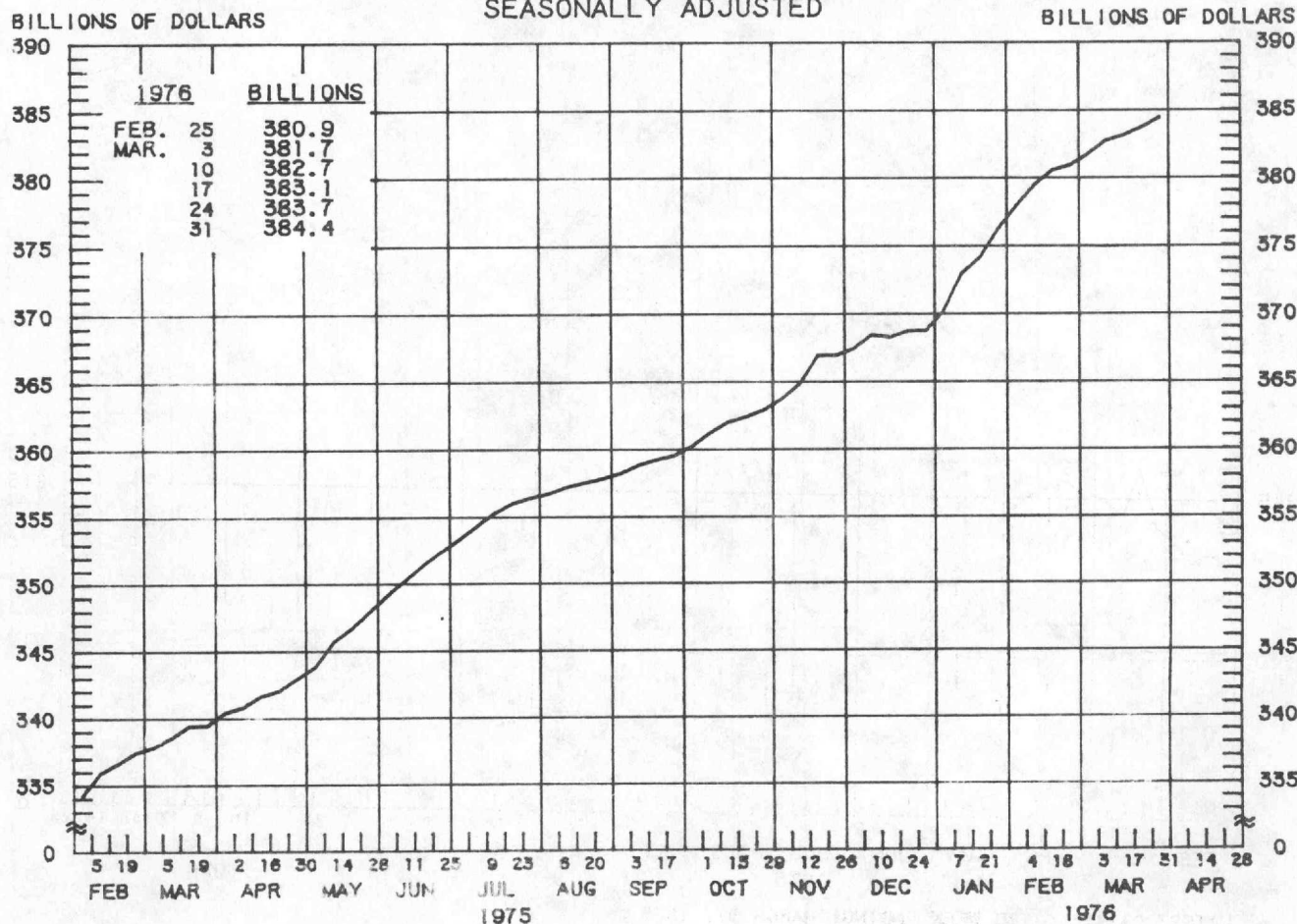
1976	FEDERAL FUNDS <sup>***</sup>	3-MONTH TREASURY BILLS	1-YEAR TREASURY BILL	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES
FEB. 6	4.82	4.90	5.45	7.16	6.93
13	4.73	4.85	5.47	7.17	6.96
20	4.70	4.87	5.58	7.20	6.94
27	4.80	4.90	5.62	7.18	6.88
MAR. 5	4.95	5.20	5.98	7.36	6.96
12	4.86	4.99	5.86	7.30	6.91
19	4.77	4.98	5.82	7.25	6.89
26	4.79	4.87	5.67	7.14	6.80
APR. 2	4.84	4.97	5.76	7.14	6.78
9 <sup>*</sup>	4.73	4.91	5.62	7.07	6.74
16					
23					
30					

<sup>\*</sup> AVERAGES OF RATES AVAILABLE.

<sup>\*\*</sup> 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 31, 1976

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

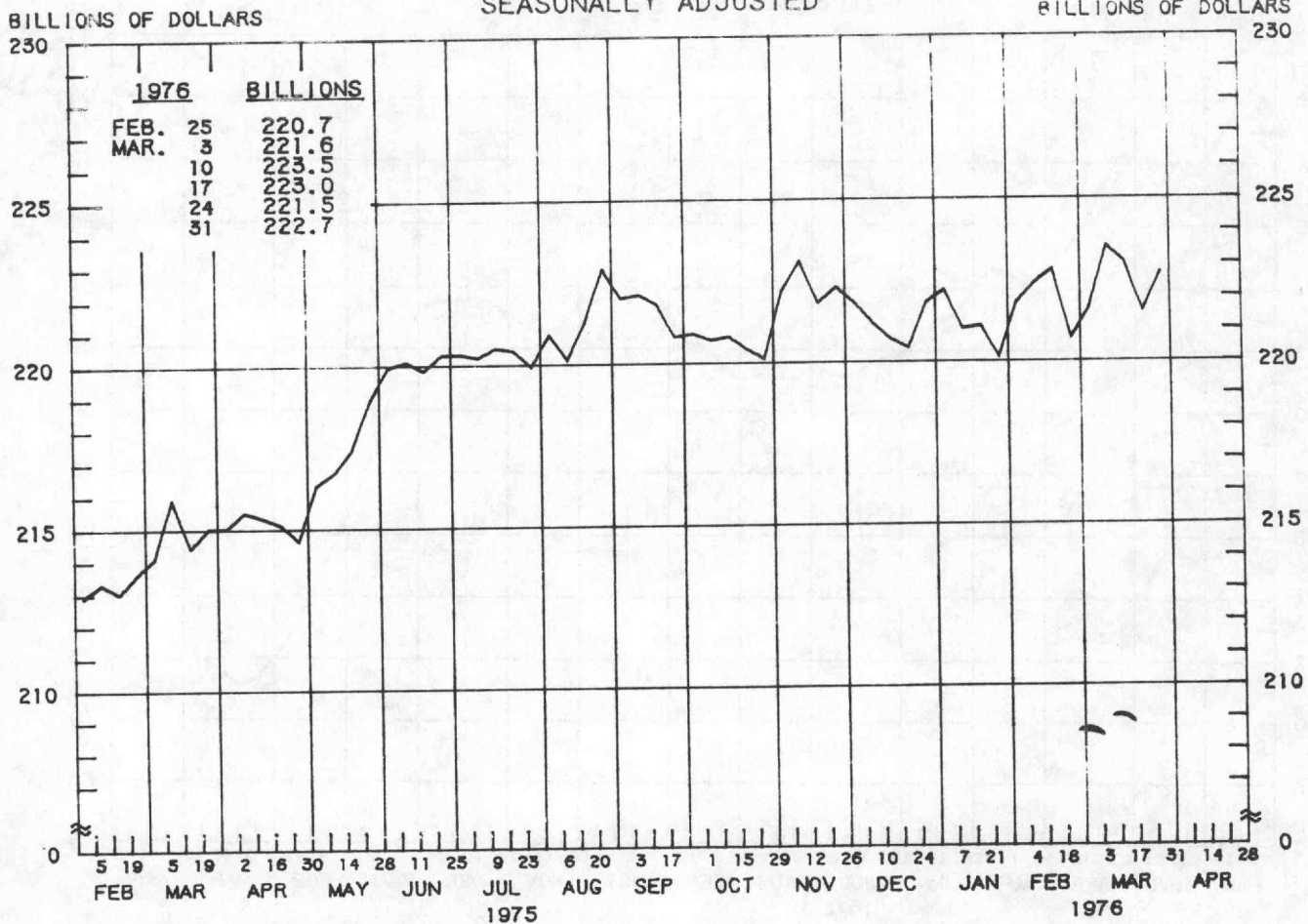
\* NET TIME DEPOSITS ARE DEFINED AS: SAVINGS DEPOSITS, TIME DEPOSITS OPEN ACCOUNT PLUS TIME CERTIFICATES OF DEPOSIT OTHER THAN NEGOTIABLE TIME CERTIFICATES OF DEPOSIT ISSUED IN DENOMINATIONS OF \$100,000 OR MORE BY LARGE WEEKLY REPORTING COMMERCIAL BANKS.

NET TIME DEPOSITS									
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:									
	4/2/75	7/2/75	9/3/75	10/1/75	10/29/75	12/3/75	12/31/75	1/28/76	
TO THE AVERAGE OF FOUR WEEKS ENDING:									
9/ 3/75	13.2								
10/ 1/75	12.1	8.9							
10/29/75	11.9	9.2	8.3						
12/ 3/75	12.1	10.2	10.2	12.0					
12/31/75	11.6	9.7	9.5	10.5	10.7				
1/28/76	12.2	10.9	11.2	12.4	13.1	12.9			
3/ 3/76	13.2	12.4	13.2	14.5	15.5	16.3	20.5		
3/31/76	13.0	12.2	12.8	13.9	14.5	14.9	17.3	16.7	



# DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED

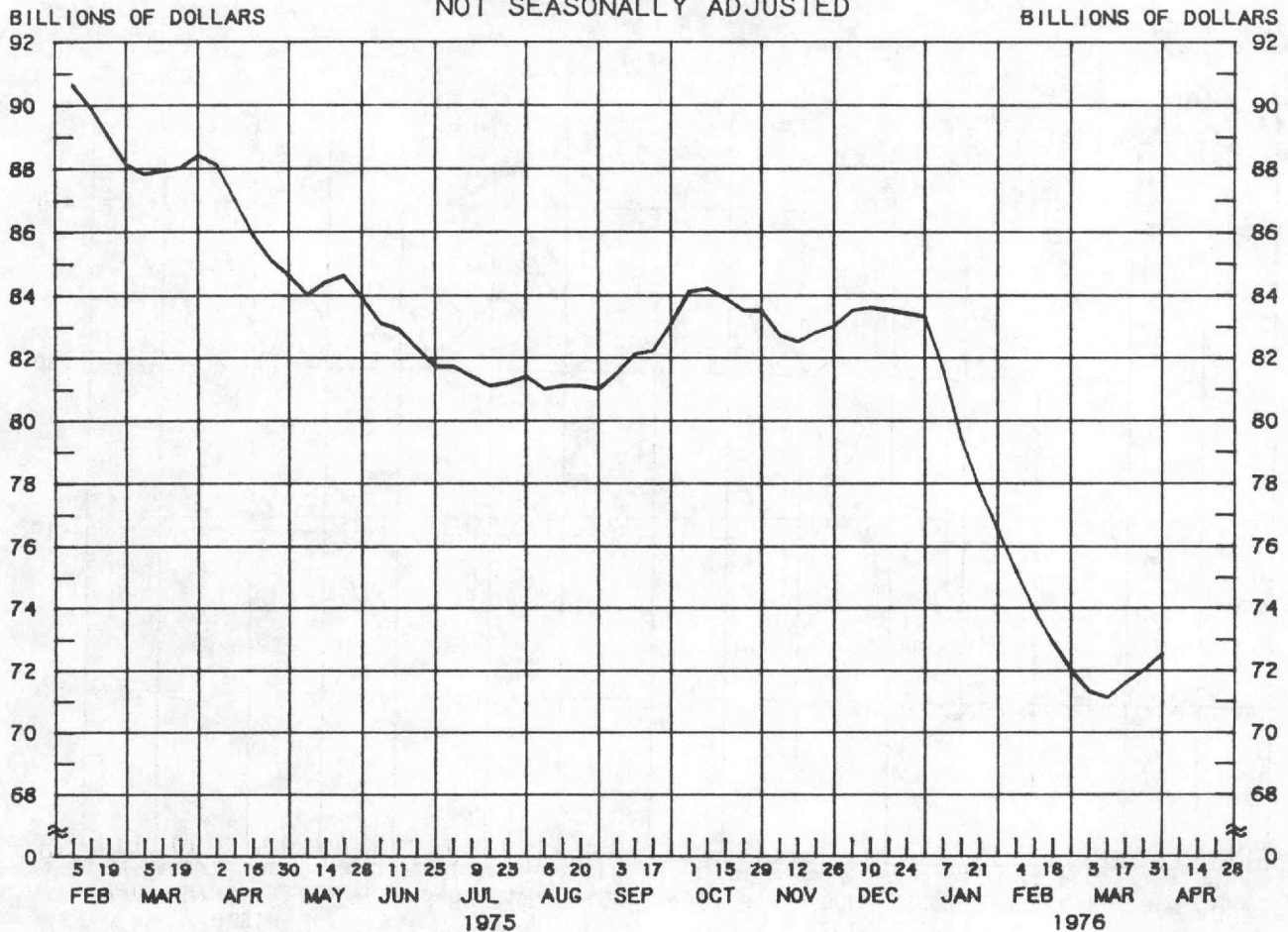


LATEST DATA PLOTTED WEEK ENDING: MARCH 31, 1976  
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:									
	4/2/75	7/2/75	9/3/75	10/1/75	10/29/75	12/3/75	12/31/75	1/28/76	
TO THE AVERAGE OF FOUR WEEKS ENDING:									
9/ 3/75	7.3								
10/ 1/75	5.9	2.4							
10/29/75	4.4	0.6	-3.2						
12/ 3/75	5.0	2.4	1.3	2.4					
12/31/75	3.7	0.8	-0.8	-0.7	1.3				
1/28/76	3.4	0.8	-0.6	-0.4	1.1	-3.5			
3/ 3/76	3.4	1.2	0.3	0.5	1.8	-0.7	2.4		
3/31/76	3.5	1.6	0.9	1.2	2.4	0.6	3.1	4.3	

# CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES  
NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MARCH 31, 1976

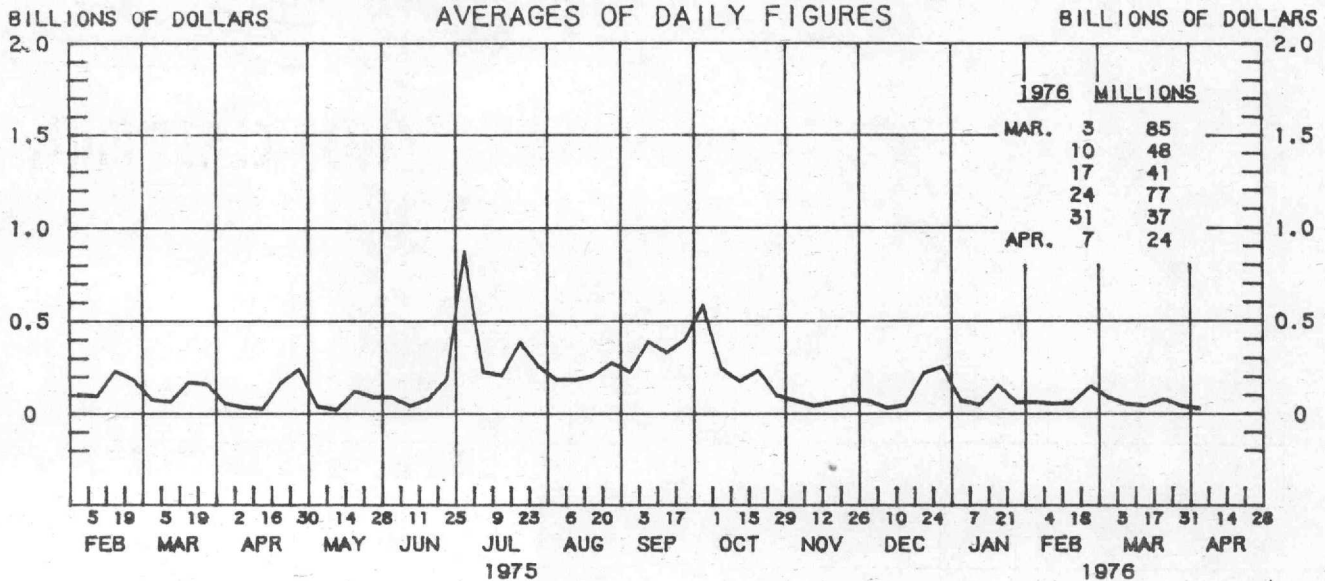
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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.
FEB. 4	75.2	76.7
11	73.9	75.8
18	72.9	75.3
25	72.0	74.8
MAR. 3	71.3	73.8
10	71.1	73.0
17	71.6	73.0
24	72.0	72.9
31	72.5	73.4
APR. 7		
14		
21		
28		

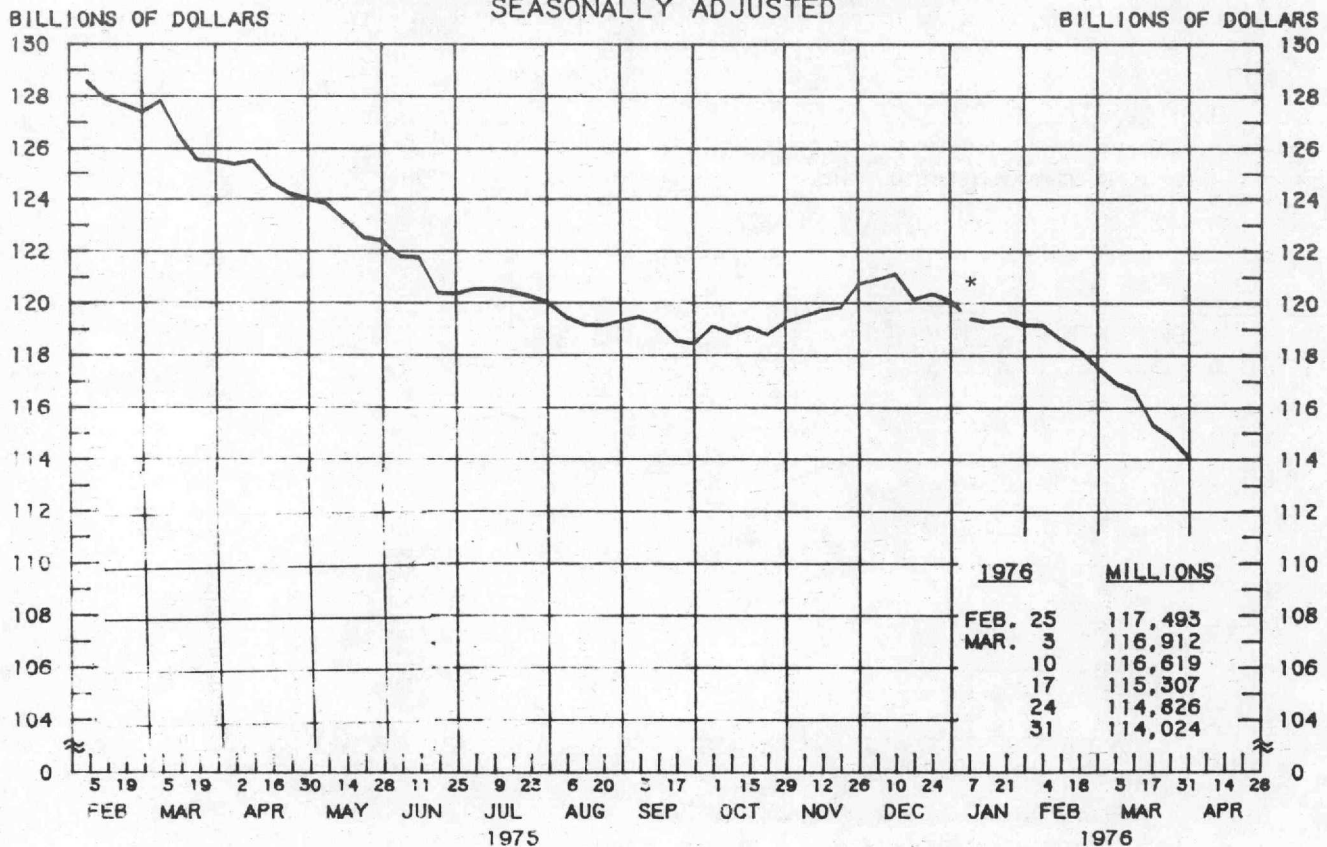
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



LATEST DATA PLOTTED WEEK ENDING: APRIL 7, 1976

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



LATEST DATA PLOTTED WEEK ENDING: MARCH 31, 1976

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

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

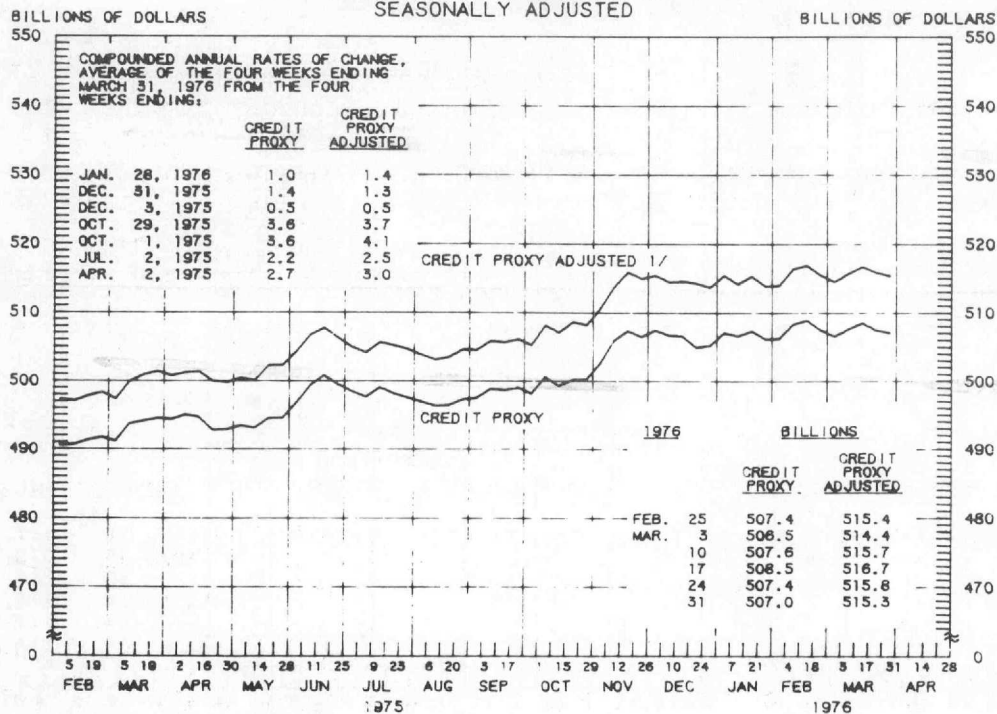
FEDERAL RESERVE BANK OF ST. LOUIS  
 P O BOX 442  
 ST. LOUIS, MISSOURI 63166

RETURN POSTAGE GUARANTEED



FIRST CLASS MAIL

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



LATEST DATA PLOTTED WEEK ENDING: MARCH 31, 1976

CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

✓ INCLUDES MEMBER BANK DEPOSITS, BANK-RELATED COMMERCIAL PAPER, EURODOLLAR BORROWINGS OF U.S. BANKS, AND CERTAIN OTHER NONDEPOSIT SOURCES.

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