

Week ending: May 12, 1976



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Although many indicators of economic activity have picked up in recent months, the level of business loans at commercial banks has continued to drop. Since the beginning of the year these loans at large commercial banks have declined by about \$6 billion on a nonseasonally adjusted basis. This decline is a continuation of the fairly steady decrease that began in December 1974. Despite the continued decline in business loans since January, the prime bank loan rate at most banks has remained at 6.75 percent over the greater part of this period. Recently, a few banks have announced a 6.50 percent prime loan rate.

Over the last four months the spread between the prime bank loan rate and the interest rate on prime four-to six-month commercial paper, an alternative source of short-term credit for business, has been wider than over the previous four months. Since January the prime rate has averaged around 150 basis points above the prime commercial paper rate, compared to an average spread of 135 basis points from September to December 1975. The volume of commercial paper has increased slightly since the beginning of the year as businesses have taken advantage of the more attractive price on this type of credit.

In contrast to the pattern of business loan volume, other types of bank loans have shown some increase since the beginning of the year. On a nonseasonally adjusted basis consumer loans at large commercial banks have increased by \$118 million and real estate loans have risen by \$561 million.

In the face of relatively weak bank credit demands and some uncertainty about the future levels of short-term interest rates, commercial banks have not been aggressively seeking short-term funds to expand their loan portfolios. Large certificates of deposit have decreased by about \$14 billion since the beginning of the year, compared to a \$9.4 billion decline during all of 1975. Likewise, member bank borrowings from the Federal Reserve Banks have averaged only \$62 million since January, compared to about \$200 million during 1975. The low level of member bank borrowings is attributable in part to the fact that since January the Federal funds rate has averaged about 70 basis points below the discount rate.

Prepared by Federal Reserve Bank of St. Louis

Released: May 14, 1976

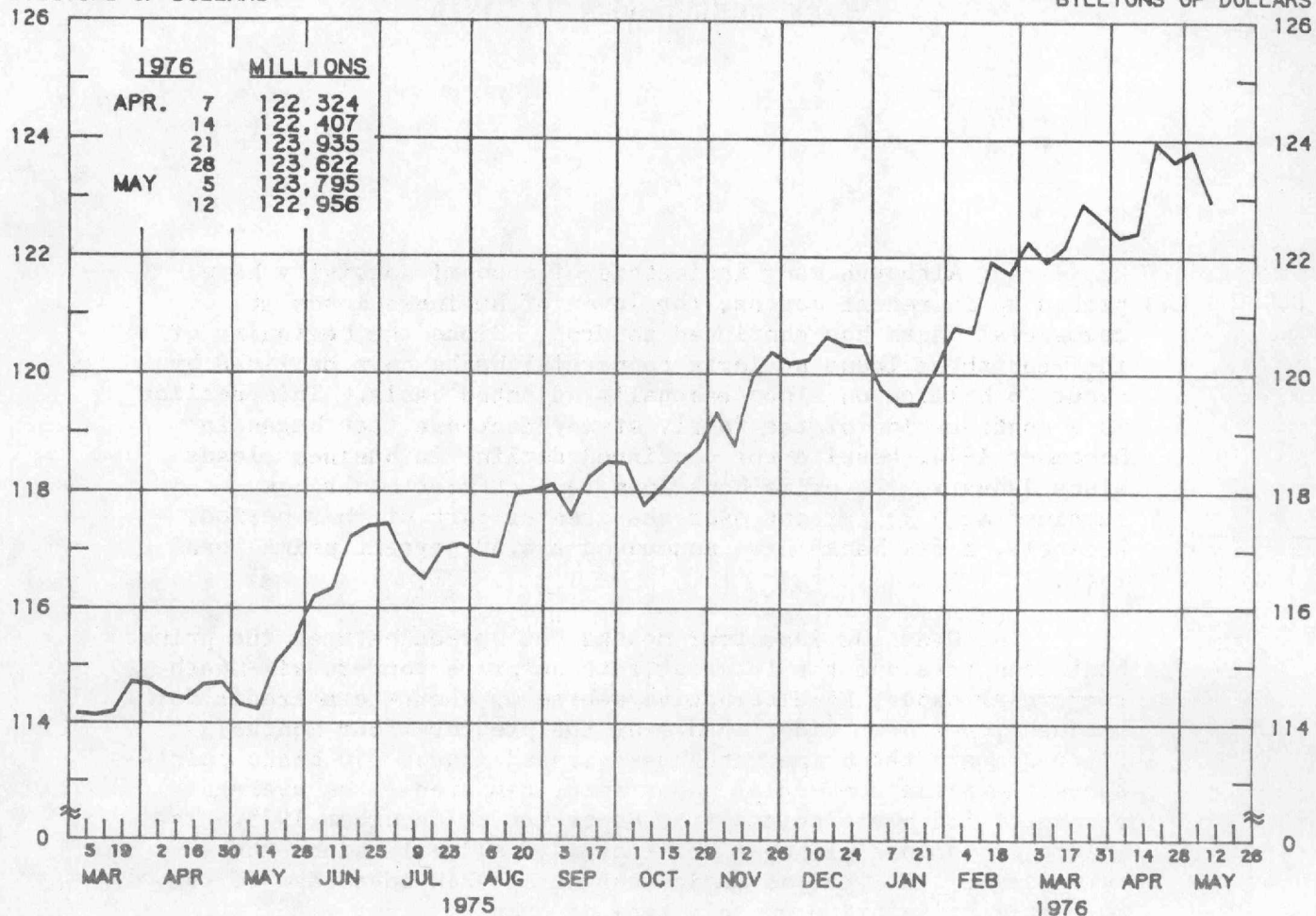
# MONETARY BASE

## AVERAGES OF DAILY FIGURES

### SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MAY 12, 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.

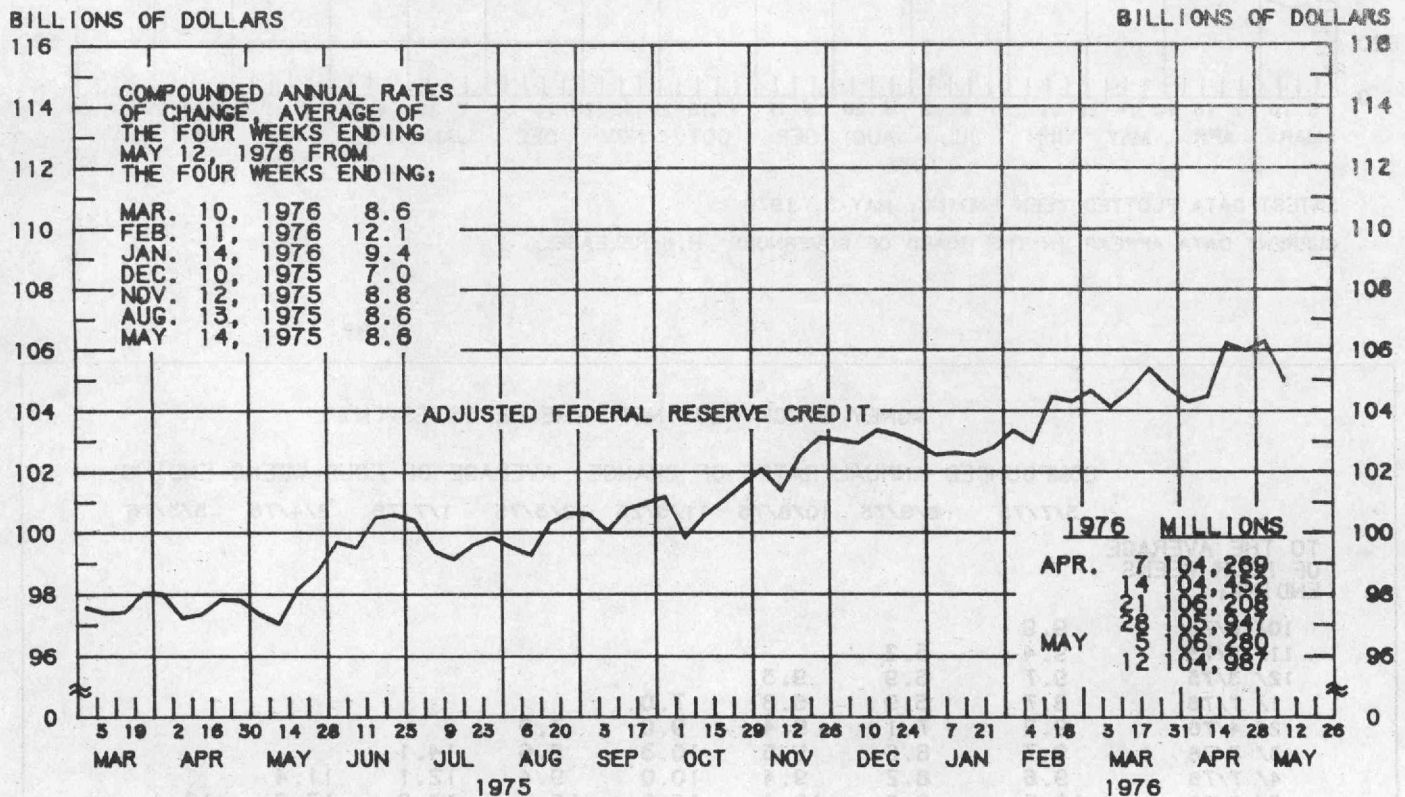
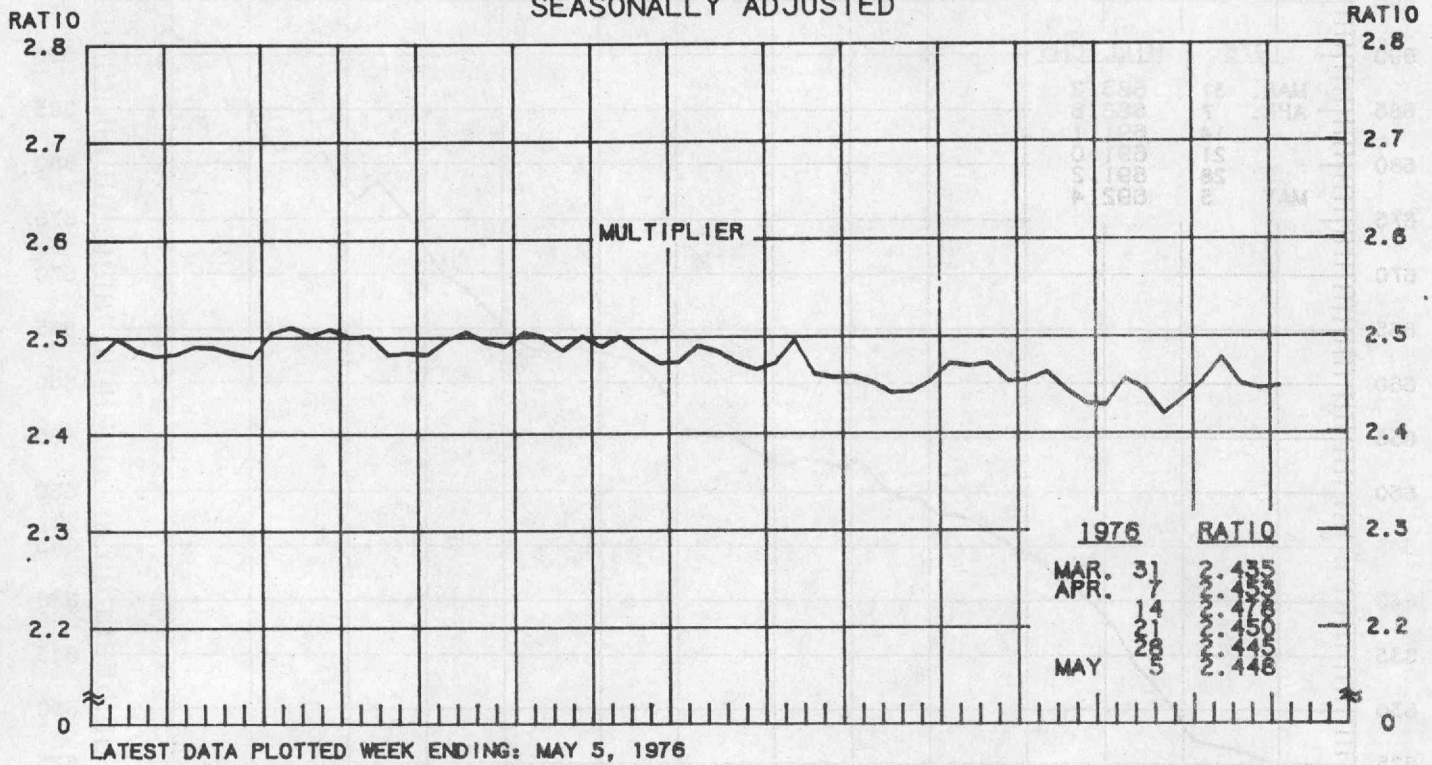
#### COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

5/14/75    8/13/75    10/15/75    11/12/75    12/10/75    1/14/76    2/11/76    3/10/76

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

10/15/75	7.9							
11/12/75	7.8	6.5						
12/10/75	8.8	8.6	11.4					
1/14/76	7.3	6.3	6.4	6.1				
2/11/76	6.8	5.7	5.4	4.9	0.4			
3/10/76	7.9	7.5	8.0	8.2	6.0	10.7		
4/14/76	7.7	7.2	7.5	7.6	5.8	8.7	11.6	
5/12/76	8.0	7.6	8.0	8.2	6.8	9.3	11.5	8.0

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



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

2/ FEDERAL RESERVE CREDIT CONSISTS OF FEDERAL RESERVE HOLDINGS OF SECURITIES, LOANS, FLOAT AND OTHER ASSETS. ADJUSTED FEDERAL RESERVE CREDIT IS COMPUTED BY SUBTRACTING TREASURY DEPOSITS AT FEDERAL RESERVE BANKS FROM THIS SERIES, AND ADJUSTING THE SERIES FOR RESERVE REQUIREMENT RATIO CHANGES AND SHIFTS IN THE SAME TYPE OF DEPOSITS BETWEEN BANKS WHERE DIFFERENT RESERVE REQUIREMENT RATIOS APPLY. DATA ARE COMPUTED BY THIS BANK.

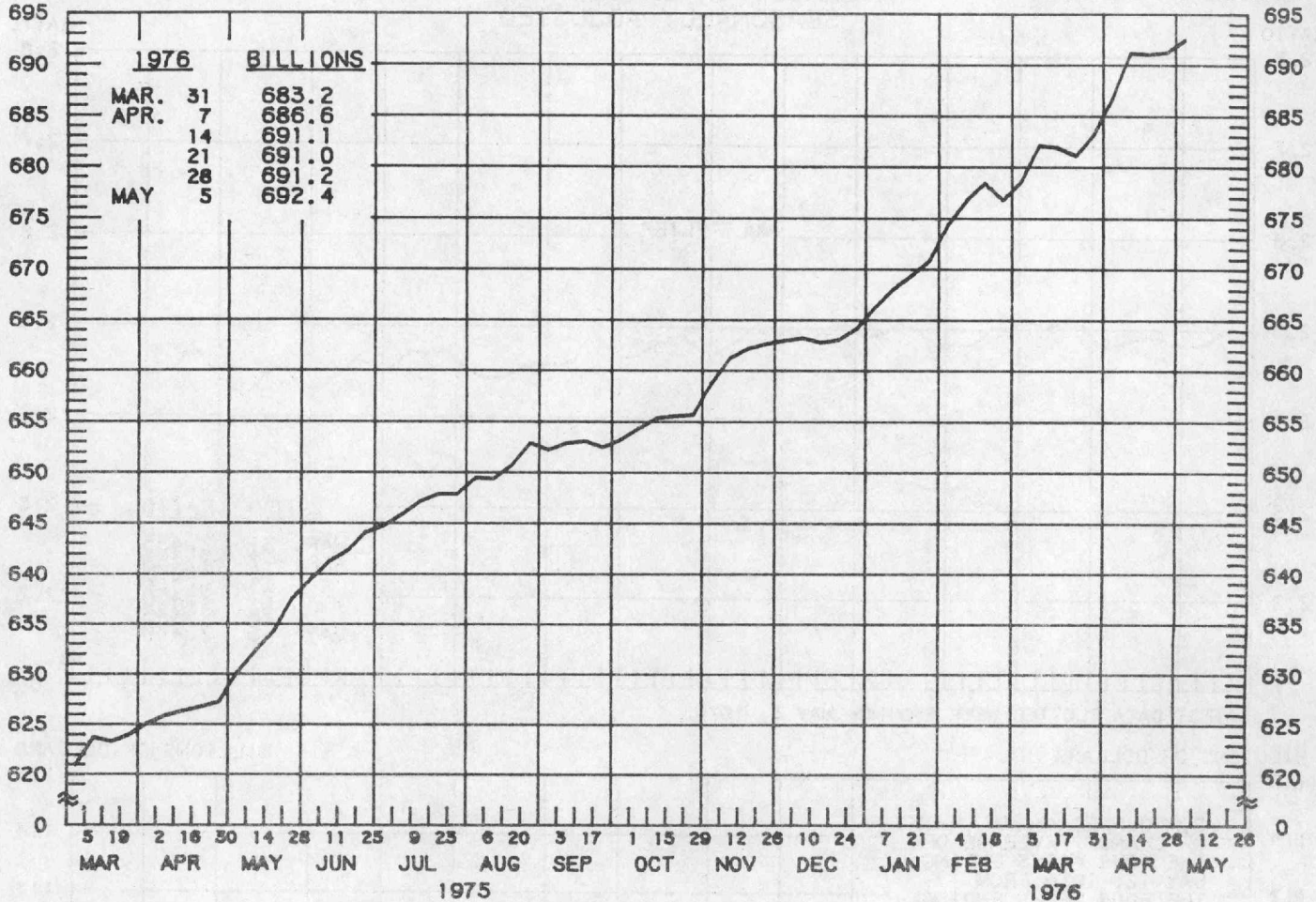


# MONEY STOCK PLUS NET TIME DEPOSITS

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MAY 5, 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:

5/7/75 8/8/75 10/8/75 11/5/75 12/3/75 1/7/76 2/4/76 3/3/76

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

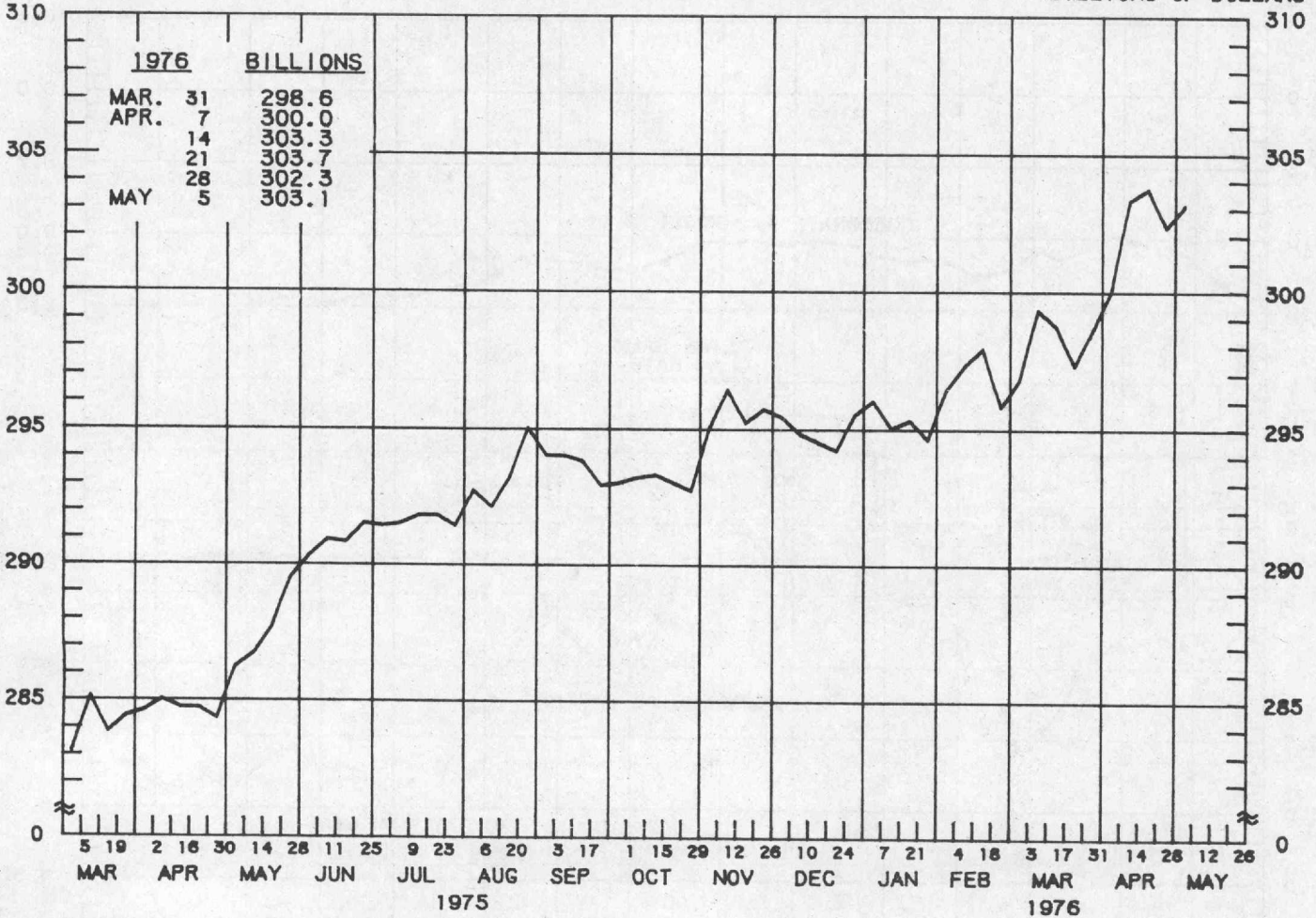
10/ 8/75	9.9						
11/ 5/75	9.4	5.2					
12/ 3/75	9.7	6.9	9.3				
1/ 7/76	8.7	5.9	6.8	7.0			
2/ 4/76	9.2	7.1	8.4	9.0	7.6		
3/ 3/76	9.7	8.0	9.5	10.3	9.6	14.1	
4/ 7/76	9.6	8.2	9.4	10.0	9.4	12.1	11.4
5/ 5/76	10.2	9.0	10.4	11.0	10.7	13.2	13.0 12.4

# MONEY STOCK

## AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MAY 5, 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.

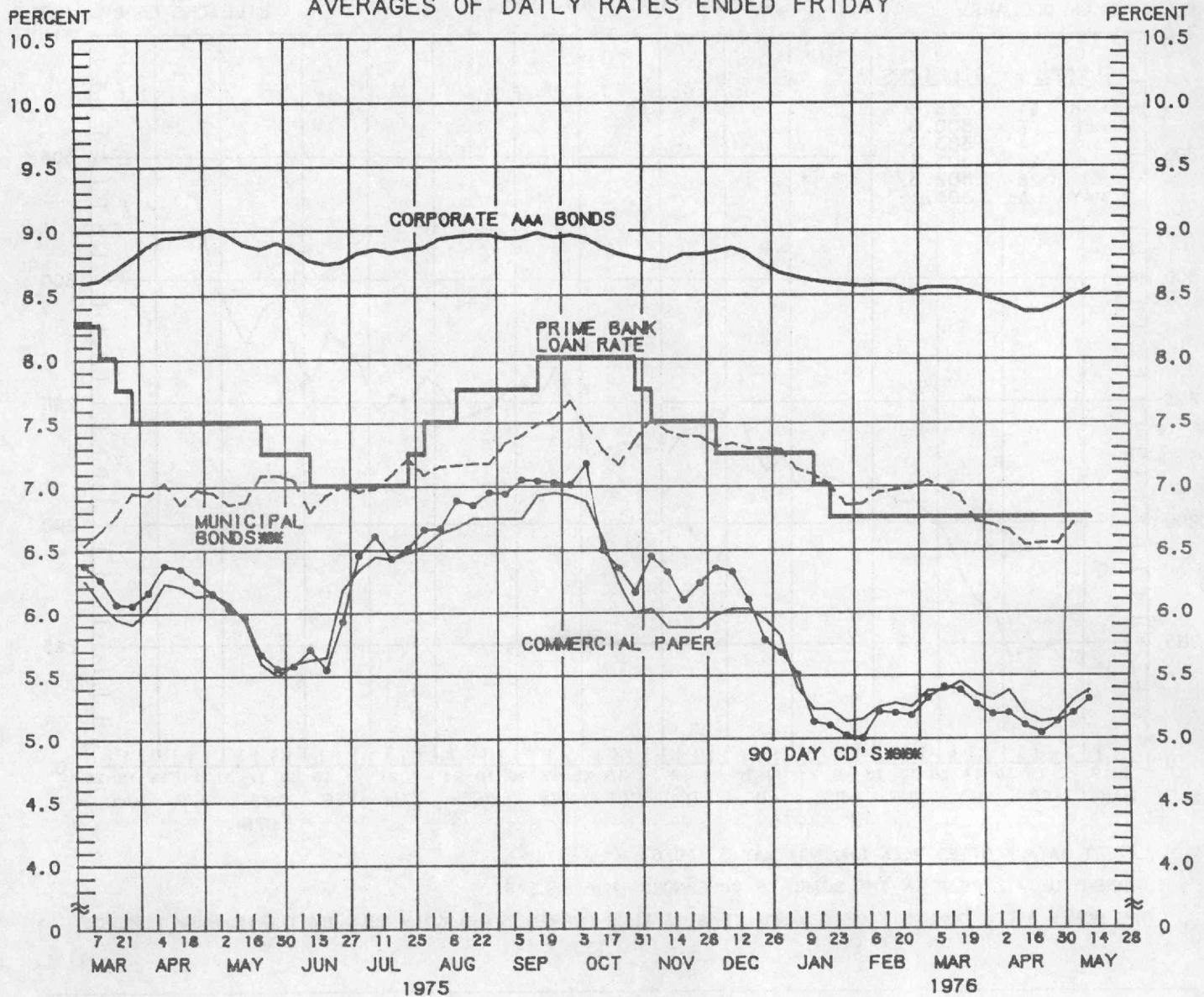
### COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

	5/7/75	8/6/75	10/8/75	11/5/75	12/3/75	1/7/76	2/4/76	3/3/76
TO THE AVERAGE OF FOUR WEEKS ENDING:								
10/ 8/75	6.9							
11/ 5/75	6.1	2.2						
12/ 3/75	6.6	4.0	5.7					
1/ 7/76	5.3	2.6	2.6	3.2				
2/ 4/76	4.8	2.3	2.2	2.5	-0.8			
3/ 3/76	5.1	3.0	3.2	3.7	1.8	4.3		
4/ 7/76	5.2	3.5	3.8	4.2	3.0	5.0	6.8	
5/ 5/76	6.4	5.1	5.9	6.6	6.0	8.5	11.0	12.5



# YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: MAY 14, 1976

1976	90 DAY CD'S	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS
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	5.05	8.42	6.65
16	5.10	5.19	5.01	8.36	6.54
23	5.04	5.13	4.94	8.36	6.55
30	5.13	5.15	5.07	8.41	6.55
MAY 7	5.20	5.30	5.21	8.48	6.71
14 *	5.31	5.38	5.34	8.54	N.A.
21					
28					

\* AVERAGES OF RATES AVAILABLE.

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

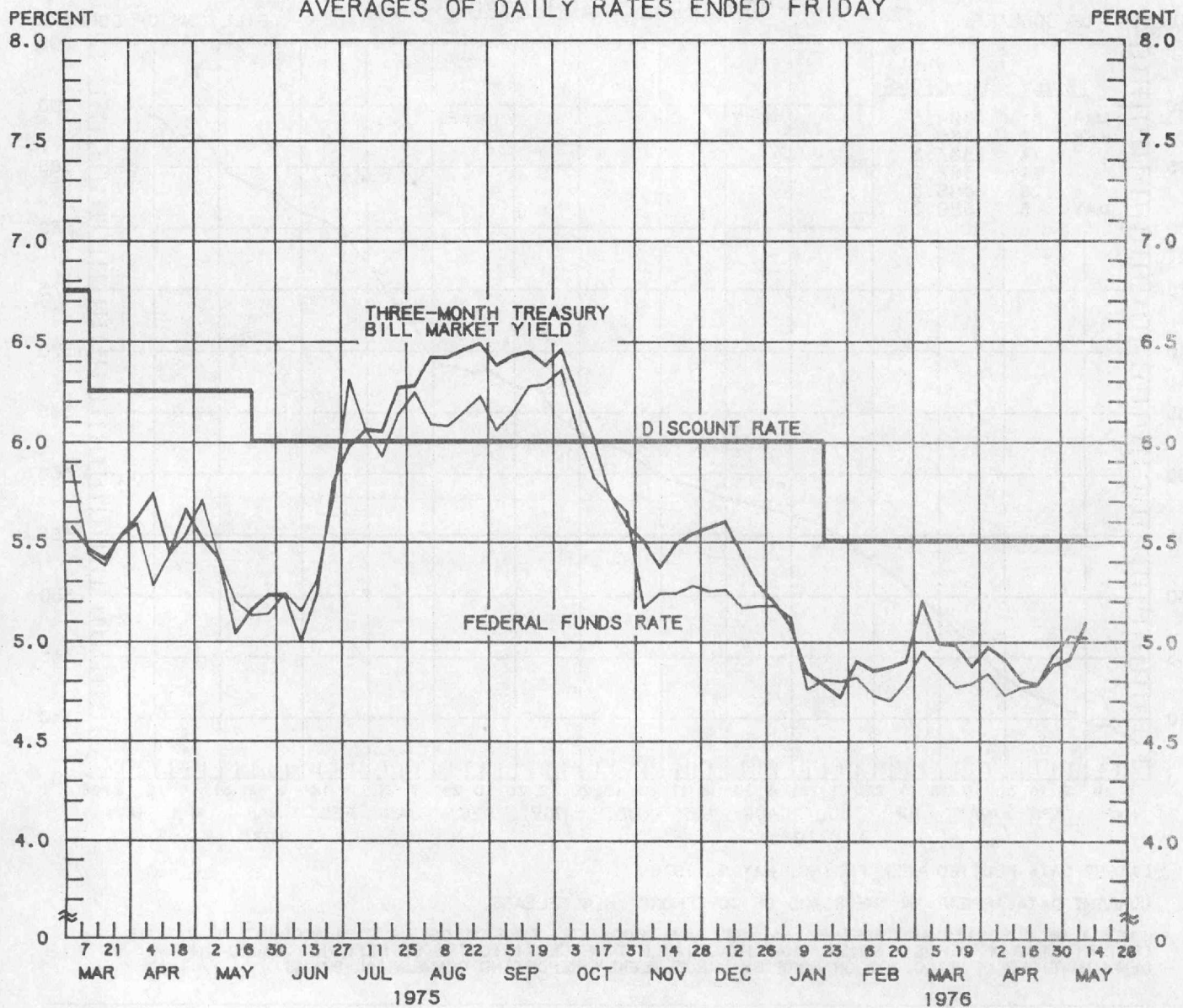
\*\*\* SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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: MAY 14, 1976

1976	FEDERAL FUNDS %*	3-MONTH TREASURY BILLS	1-YEAR TREASURY BILL	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES
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	4.73	4.91	5.59	7.04	6.72
16	4.77	4.80	5.36	6.88	6.65
23	4.78	4.78	5.47	6.92	6.70
30	4.93	4.88	5.61	7.04	6.80
MAY 7	5.03	4.91	5.68	7.11	6.88
14 *	5.02	5.09	5.85	7.26	6.98
21					
28					

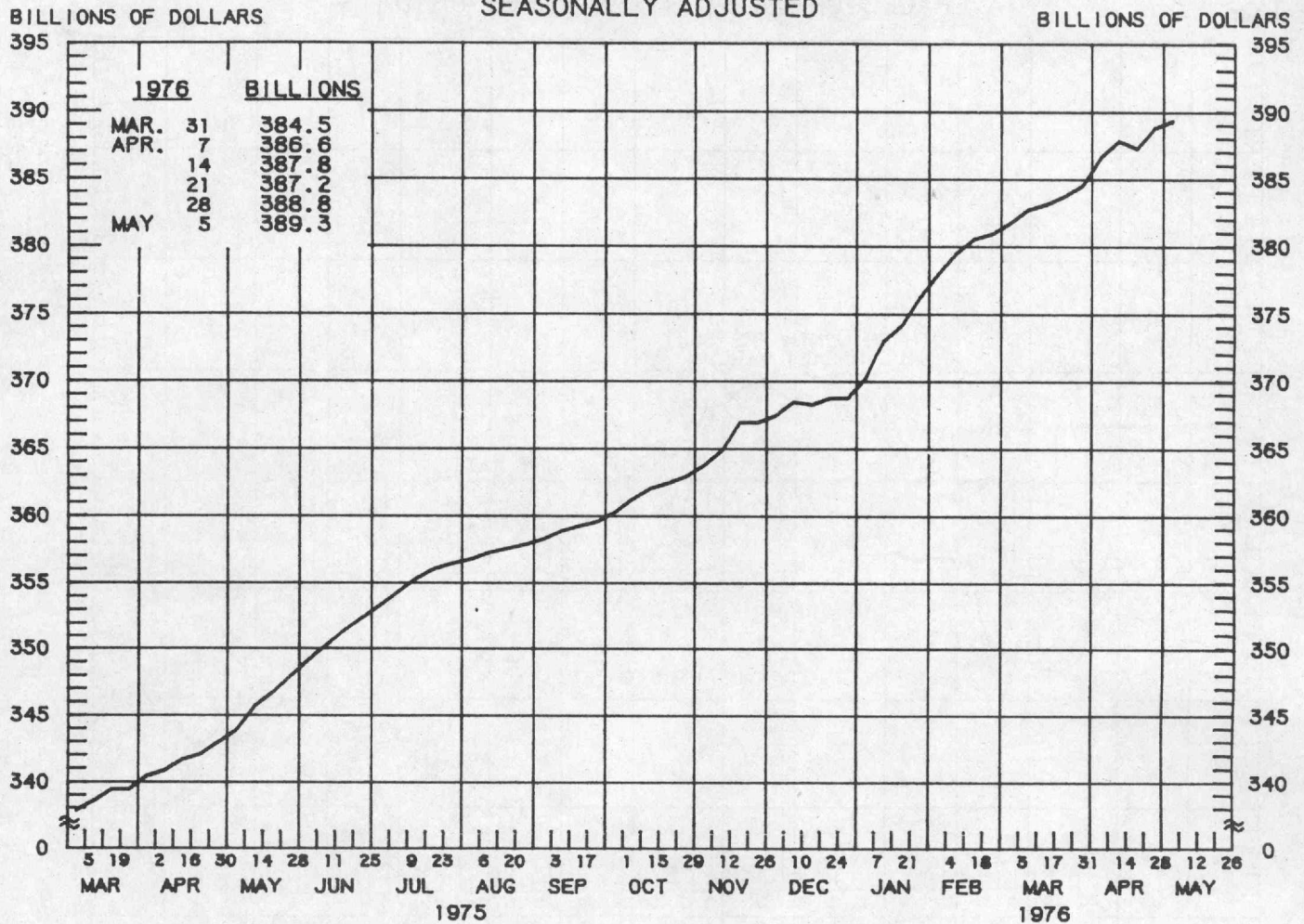
\* AVERAGES OF RATES AVAILABLE.

\*\* 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: MAY 5, 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:

	5/7/75	8/8/75	10/8/75	11/5/75	12/3/75	1/7/76	2/4/76	3/3/76
TO THE AVERAGE OF FOUR WEEKS ENDING:								
10/ 8/75	12.4							
11/ 5/75	12.1	7.7						
12/ 3/75	12.4	9.2	12.3					
1/ 7/76	11.7	8.8	10.4	10.3				
2/ 4/76	12.9	11.1	13.6	14.5	14.7			
3/ 3/76	13.6	12.2	14.8	15.8	16.3	22.3		
4/ 7/76	13.3	12.1	14.1	14.7	14.9	17.9	15.0	
5/ 5/76	13.3	12.2	14.0	14.6	14.6	16.9	14.6	12.3

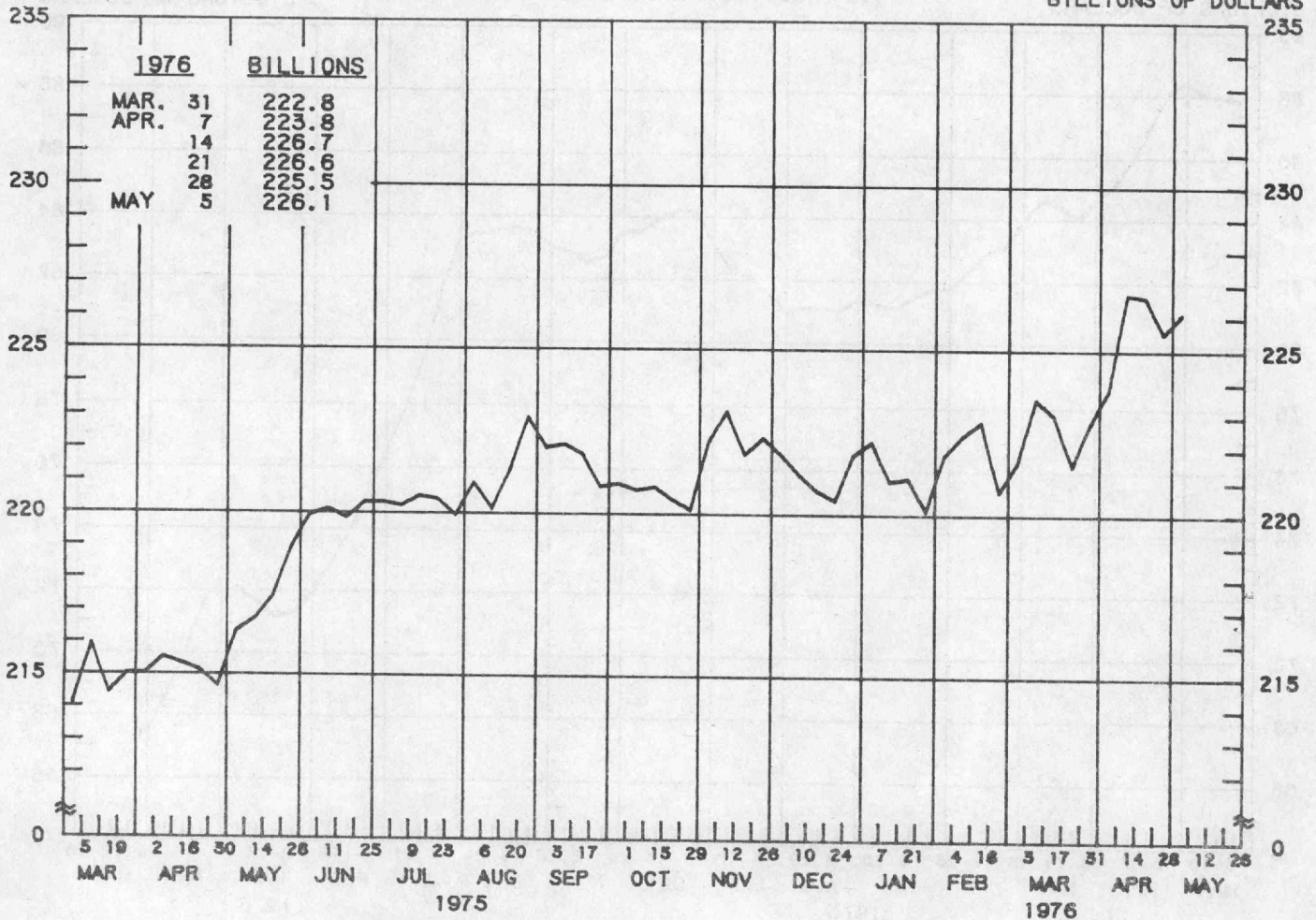


# DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



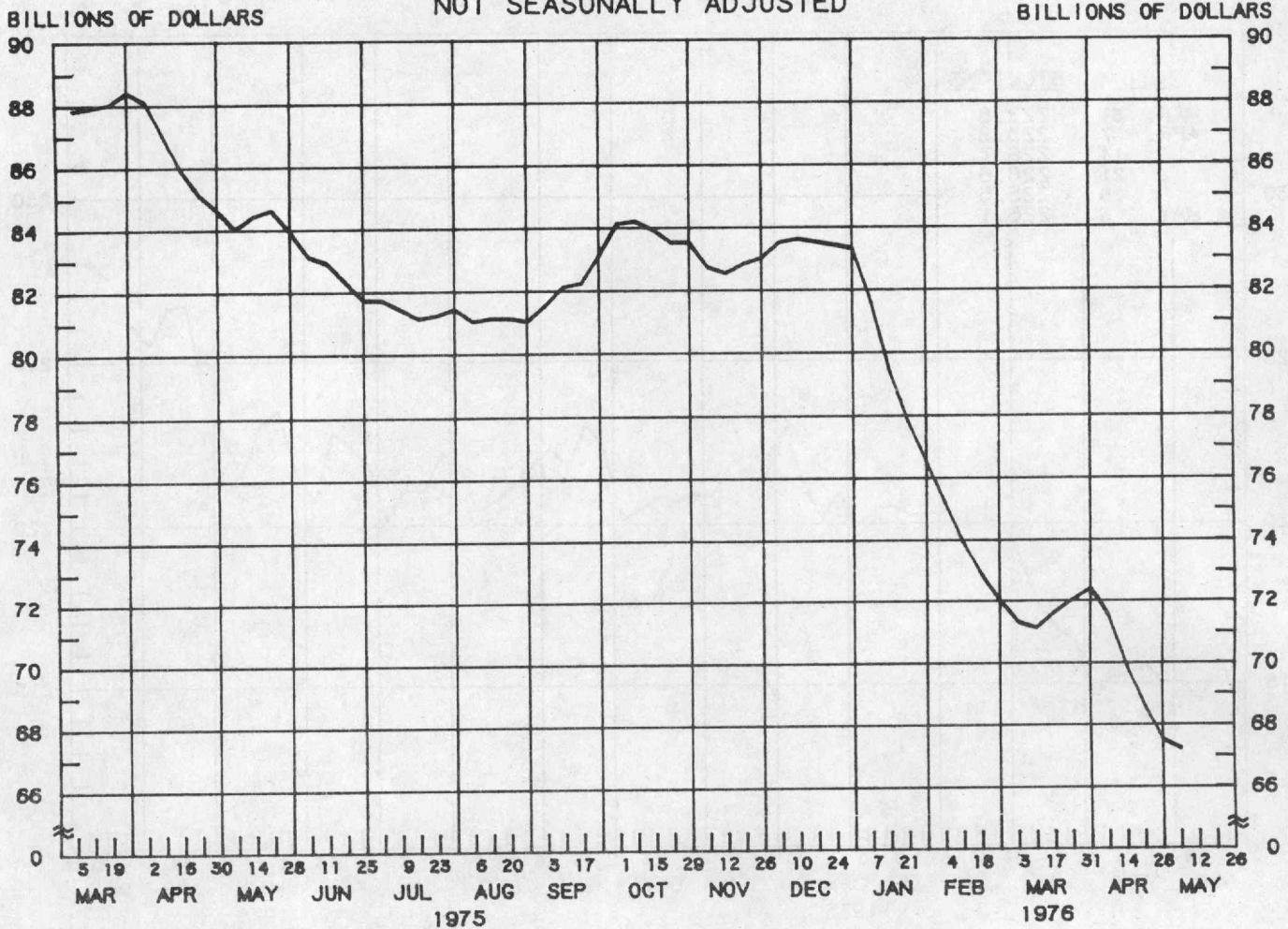
LATEST DATA PLOTTED WEEK ENDING: MAY 5, 1976  
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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

	5/1/75	8/6/75	10/8/75	11/5/75	12/3/75	1/1/76	2/4/76	3/3/76
TO THE AVERAGE OF FOUR WEEKS ENDING:								
10/ 8/75	6.5							
11/ 5/75	5.3	0.9						
12/ 3/75	5.7	2.7	3.6					
1/ 7/76	4.2	1.0	0.4	1.1				
2/ 4/76	3.5	0.5	-0.1	0.2	-3.3			
3/ 3/76	3.7	1.2	0.9	1.4	-0.7	1.8		
4/ 7/76	3.8	1.6	1.5	2.0	0.7	2.7	4.8	
5/ 5/76	5.1	3.5	4.0	4.9	4.2	6.9	9.7	11.7

# CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES  
NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 5, 1976

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

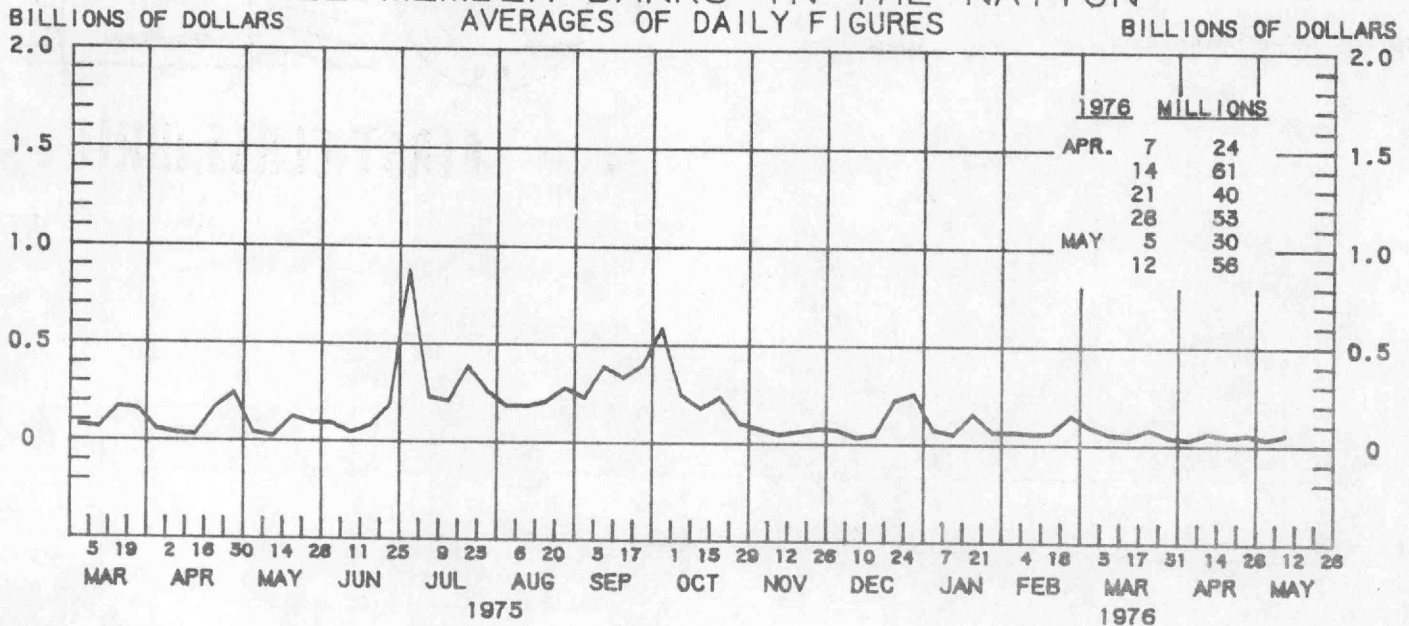
NEGOTIABLE TIME CERTIFICATES OF DEPOSIT ISSUED IN DENOMINATIONS OF \$100,000 OR MORE BY LARGE WEEKLY REPORTING COMMERCIAL BANKS.

1976	CERTIFICATES OF DEPOSIT NOT SEAS. ADJ.	CERTIFICATES OF DEPOSIT SEAS. ADJ.
MAR. 3	71.3	73.8
10	71.1	73.0
17	71.6	73.0
24	72.0	73.0
31	72.4	73.3
APR. 7	71.5	73.2
14	69.9	72.0
21	68.6	70.8
28	67.5	69.7
MAY 5	67.2	69.1
12		
19		
26		

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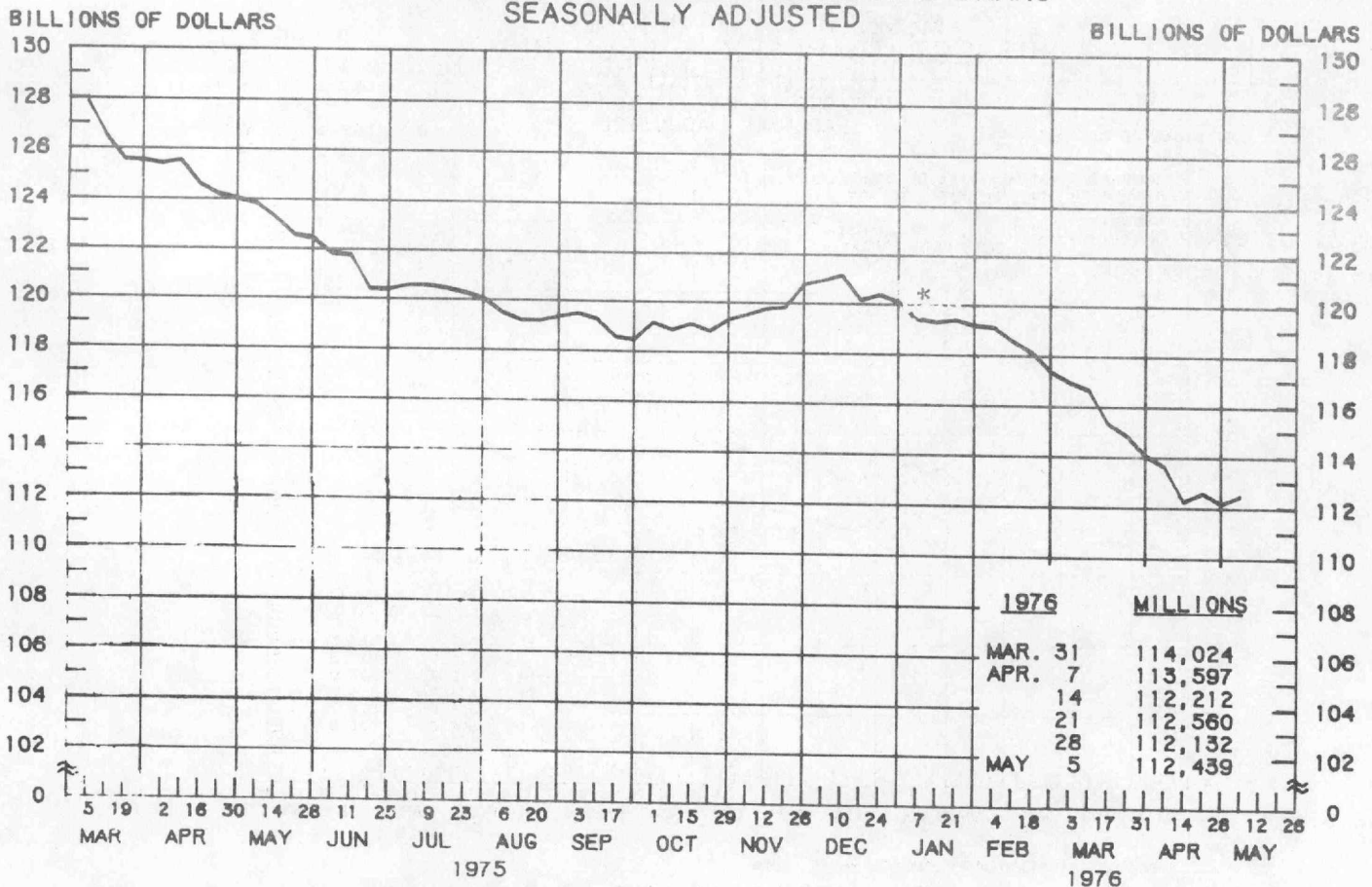


# BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



LATEST DATA PLOTTED WEEK ENDING: MAY 12, 1976

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

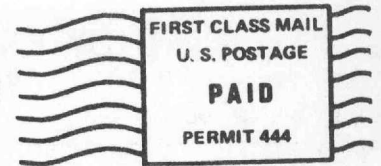


LATEST DATA PLOTTED WEEK ENDING: MAY 5, 1976

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

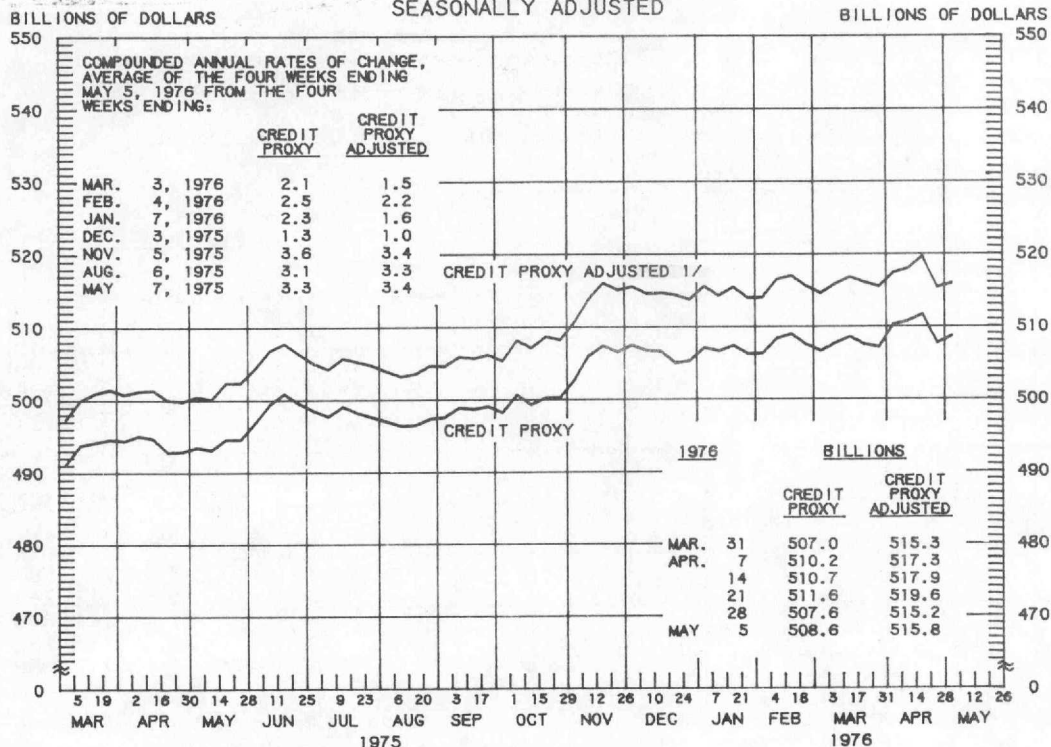
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 ST. LOUIS, MISSOURI 63166

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: MAY 5, 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