

Week ending: June 16, 1976



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Demand deposits and currency, which are the components of the narrowly defined money stock (M1), increased by about 3 and 10 percent, respectively, over the last year. In contrast, net time deposits, which are included in the more broadly defined money stock (M2), but not in M1, increased by 13.4 percent. Consequently, over the last year M2 has grown by 9.5 percent, compared to the 4.8 percent expansion of M1.

The growth of net time deposits is sensitive to the difference between interest yields on short-term Government securities and the interest rate ceilings established on time deposits by Regulation Q. The maximum rate payable on time deposits of less than \$100,000 maturing in 1 to 2.5 years is 6 percent, while the ceiling rates on shorter maturities range from 5 to 5.5 percent. Savings deposits are subject to a 5 percent maximum rate. Savings deposits and time deposits in amounts under \$100,000 currently maturing within 2.5 years account for over 80 percent of all net time deposits.

From late January 1975 through late June, while the rate on three-month Treasury bills was below 6 percent, net time deposits were growing at about a 14 percent annual rate. From late June through mid-October the rate on Treasury bills rose above 6 percent, and the rate of growth of net time deposits slowed to 8.5 percent. Since mid-October the yield on three-month Treasury bills has remained below 6 percent and again the growth of net time deposits has accelerated to a 15 percent rate.

In the last year total time and savings deposits, which include large CDs in addition to net time deposits, have increased by 7.1 percent. This is slower than the increase in net time deposits and is attributable to the \$16 billion decline in large CDs over the last year. While large CDs have increased slightly over the most recent three weeks, they have declined, on balance, since January 1975, as commercial banks have not been aggressively bidding for funds. Over this period yields on large CDs, which are more sensitive to market conditions than yields on other time deposits, have decreased from the 7.62 percent average for the month of January 1975 to an average of 5.82 percent in the most recent week.

Prepared by Federal Reserve Bank of St. Louis

Released: June 18, 1976

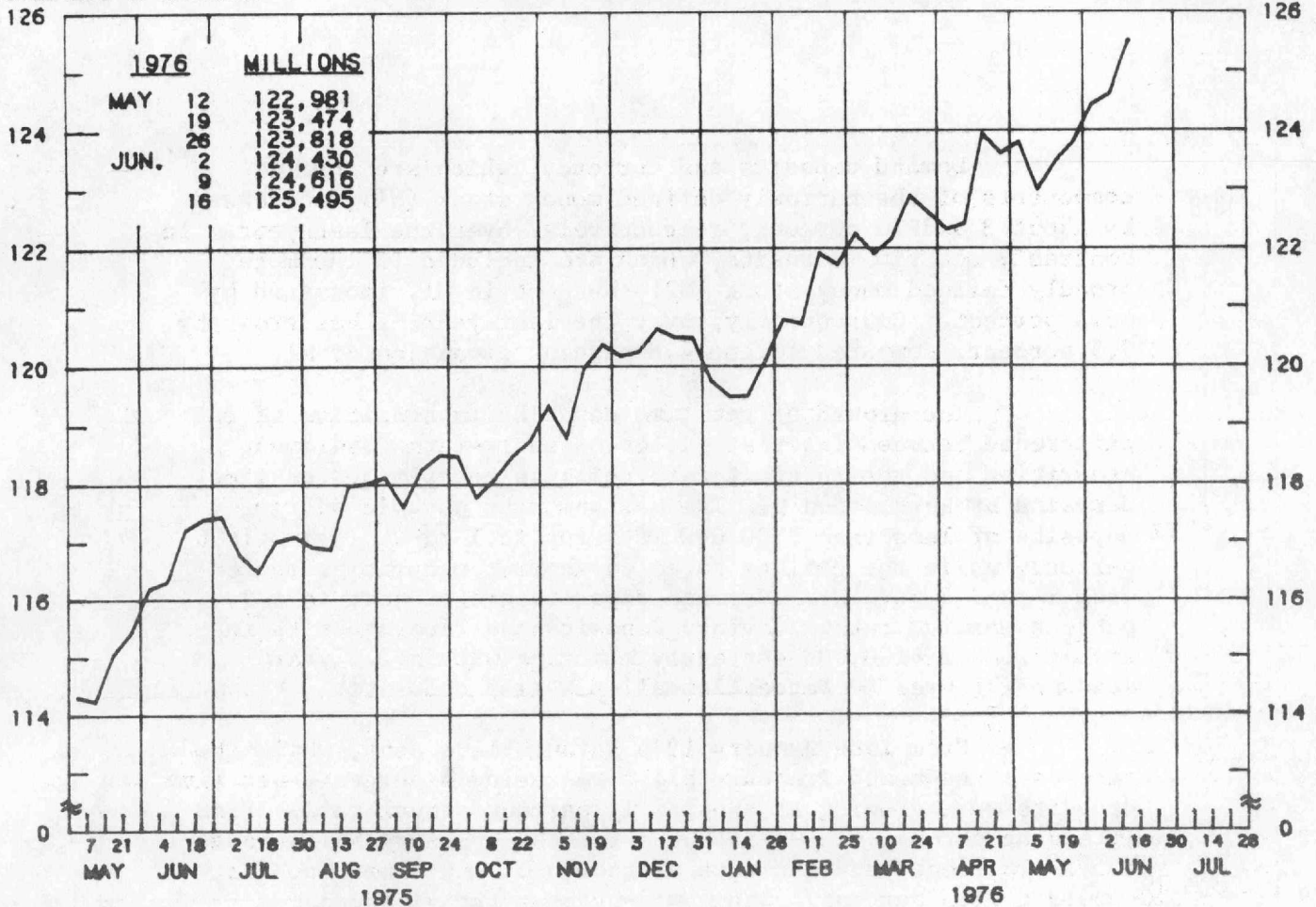
MONETARY BASE

AVERAGES OF DAILY FIGURES

SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JUNE 16, 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:

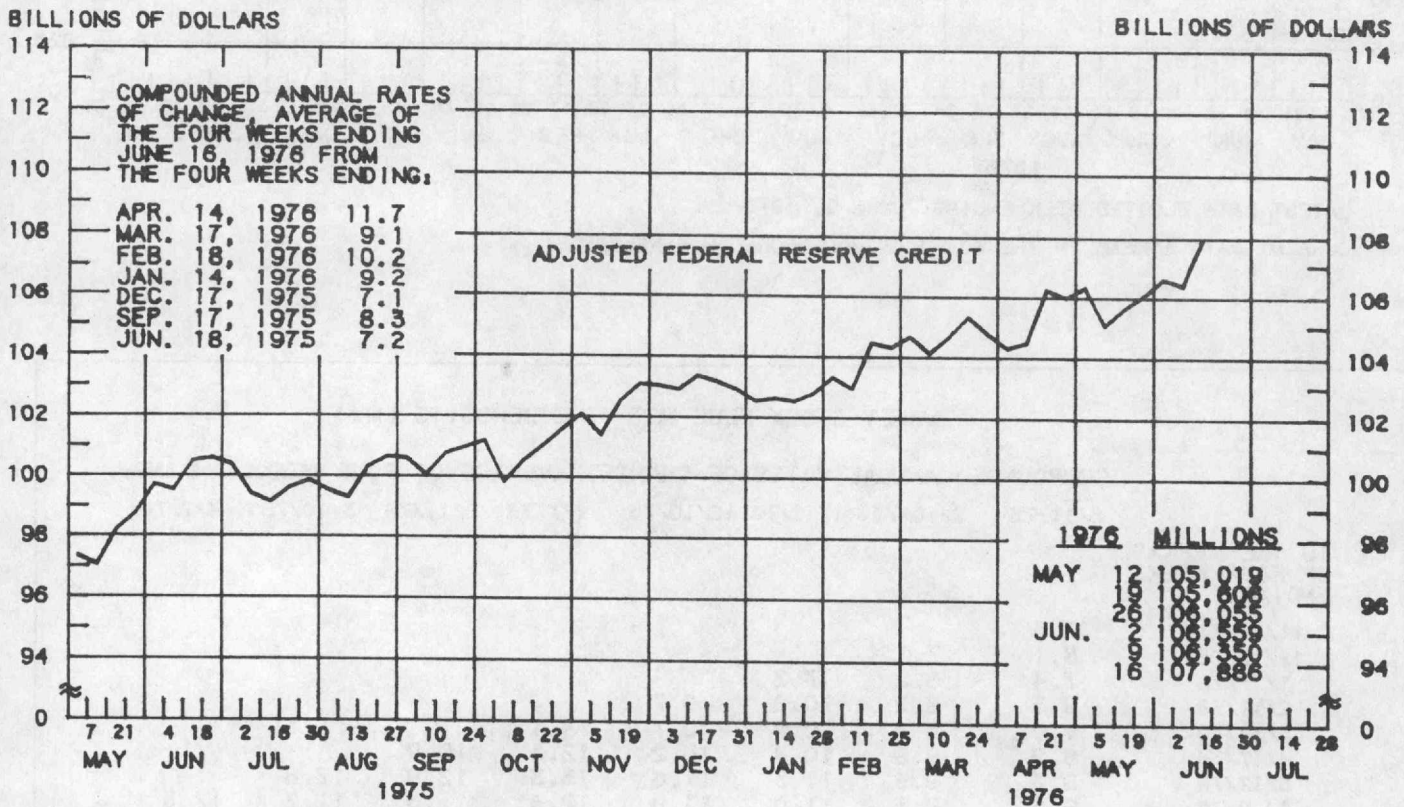
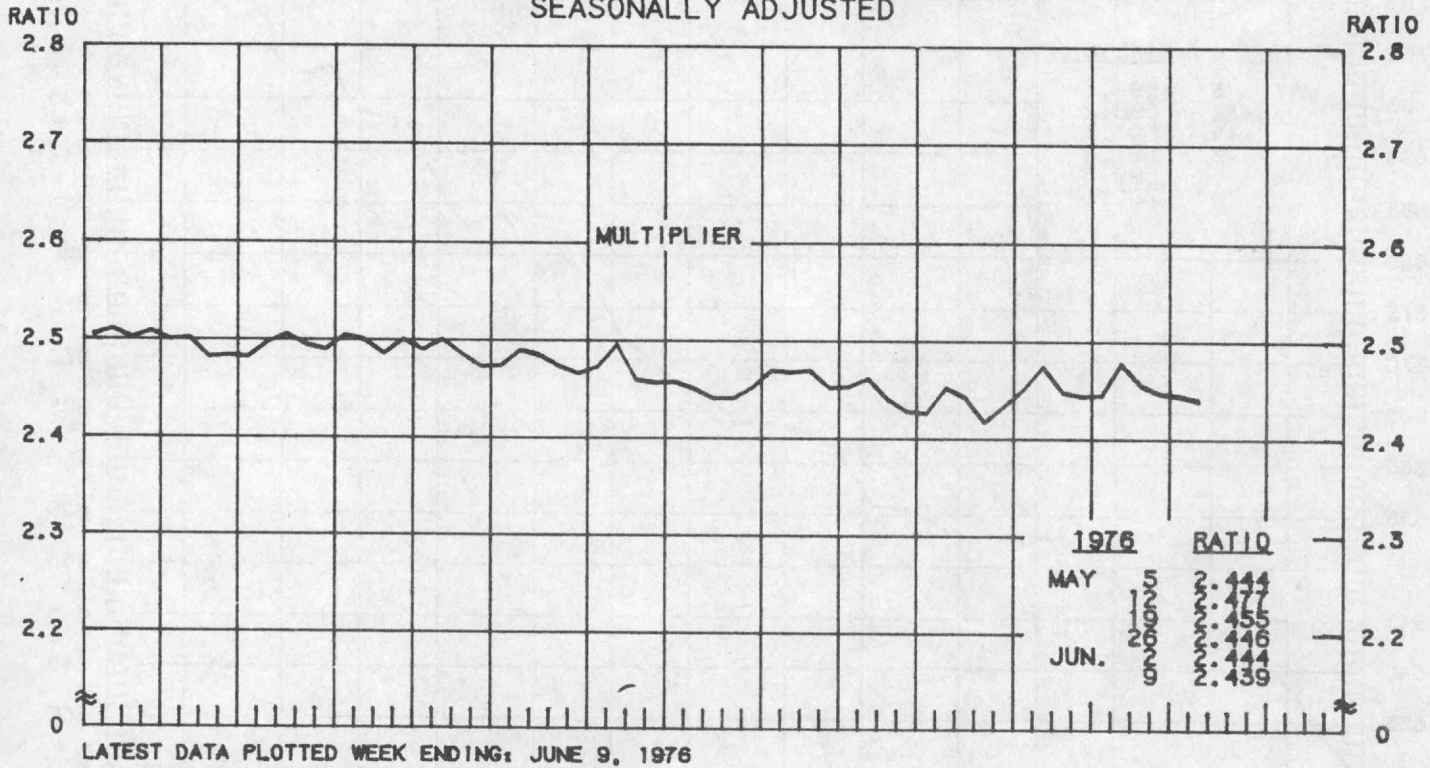
6/18/75 9/17/75 11/19/75 12/17/75 1/14/76 2/18/76 3/17/76 4/14/76

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

11/19/75	6.0								
12/17/75	7.1	8.2							
1/14/76	5.7	5.4	4.7						
2/18/76	5.9	5.9	5.7	2.5					
3/17/76	6.6	6.9	7.4	5.6	9.8				
4/14/76	6.5	6.8	7.1	5.7	8.8	9.4			
5/19/76	6.7	7.0	7.3	6.2	8.5	8.9	7.1		
6/16/76	7.1	7.5	8.0	7.2	9.2	9.7	8.8	10.0	

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MULTIPLIER ^{1/}
ADJUSTED FEDERAL RESERVE CREDIT ^{2/}
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JUNE 16, 1976

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

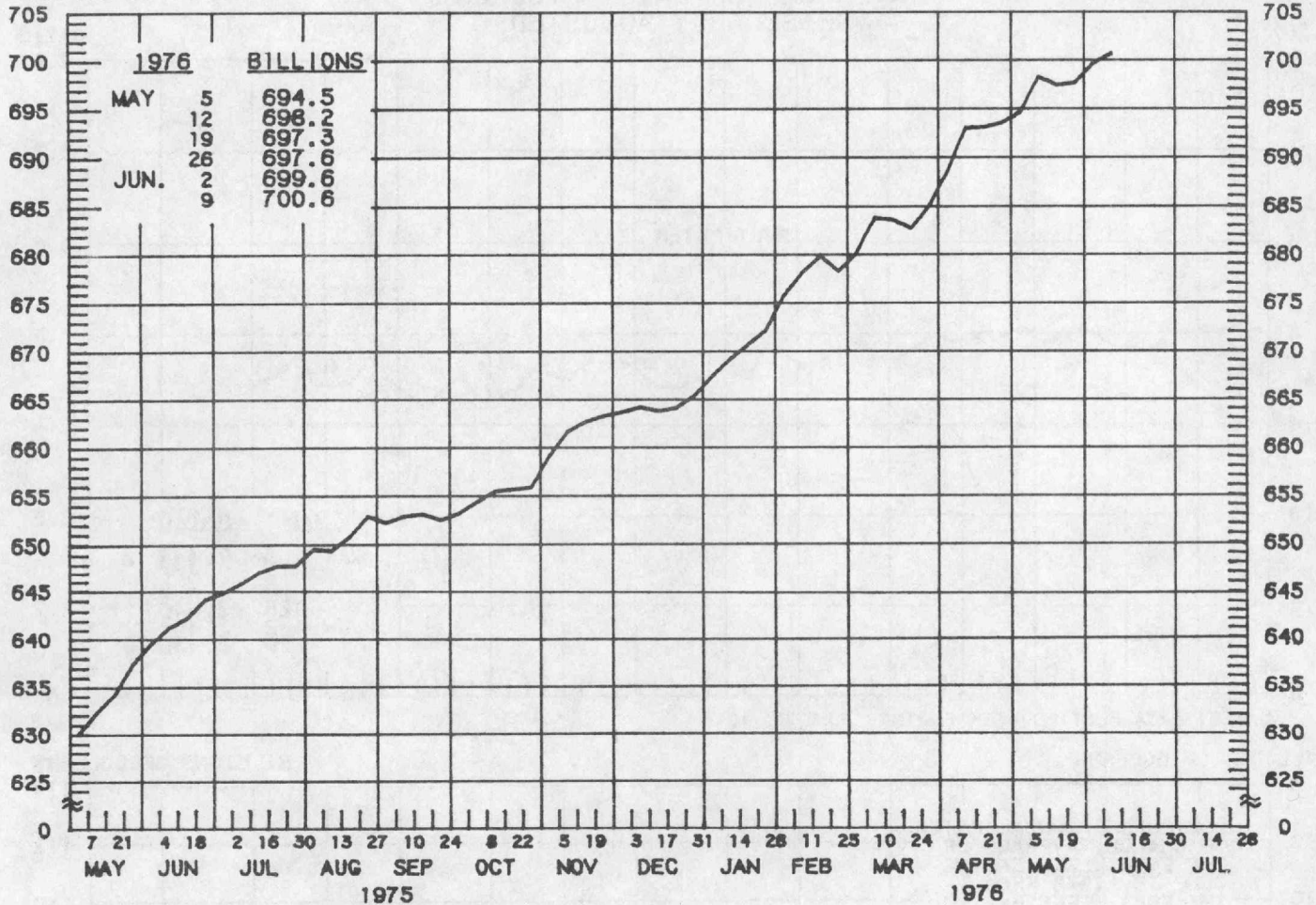
2/ FEDERAL RESERVE CREDIT CONSISTS OF FEDERAL RESERVE HOLDINGS OF SECURITIES, LOANS, FLOAT AND OTHER ASSETS. ADJUSTED FEDERAL RESERVE CREDIT IS COMPUTED BY SUBTRACTING TREASURY DEPOSITS AT FEDERAL RESERVE BANKS FROM THIS SERIES, AND ADJUSTING THE SERIES FOR RESERVE REQUIREMENT RATIO CHANGES AND SHIFTS 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: JUNE 9, 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:

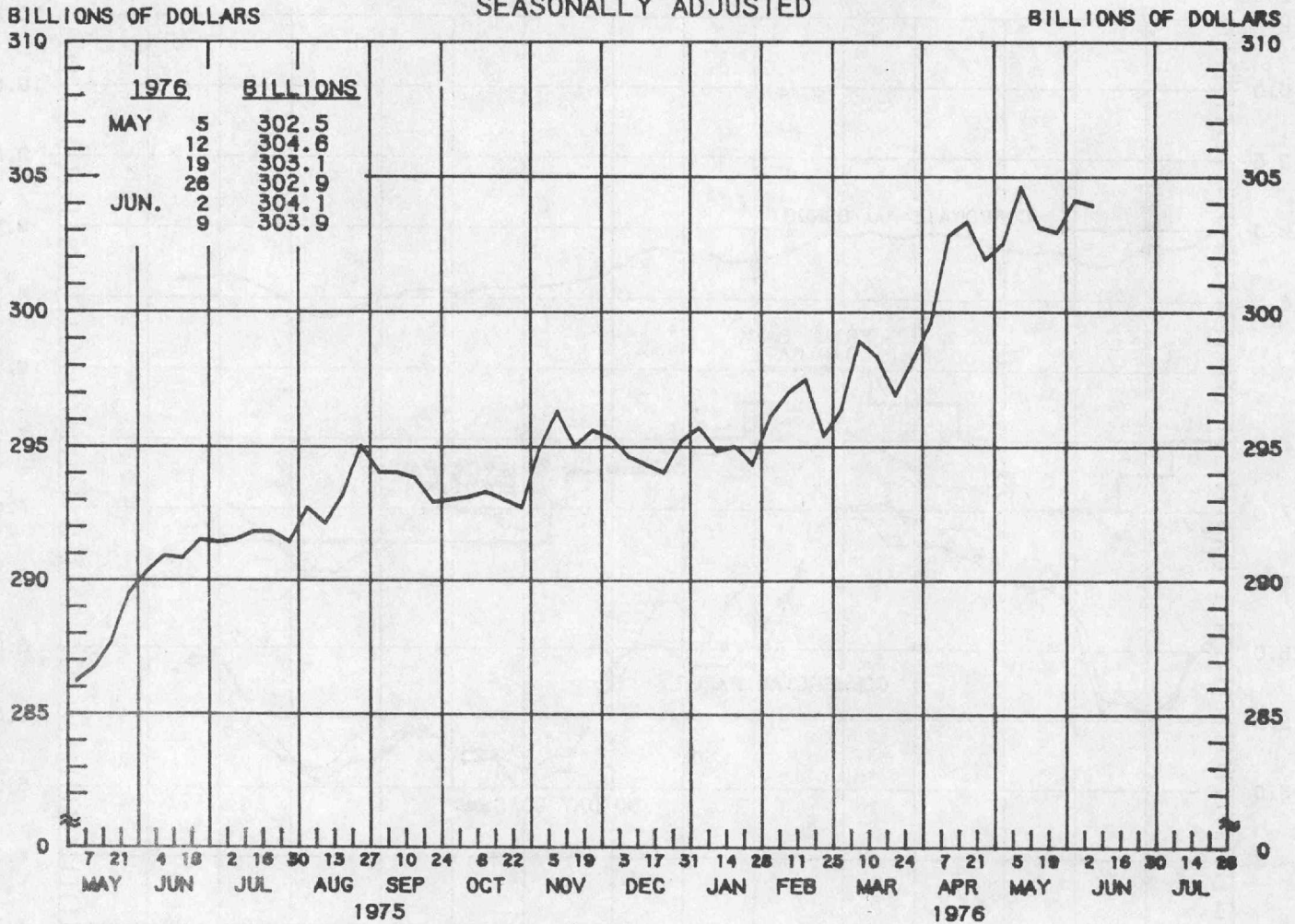
6/11/75 9/10/75 11/12/75 12/10/75 1/7/76 2/11/76 3/10/76 4/7/76

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

11/12/75	7.5							
12/10/75	8.1	7.1						
1/7/76	7.4	6.2	7.2					
2/11/76	8.5	8.2	10.2	9.7				
3/10/76	9.0	8.9	10.8	10.7	14.1			
4/7/76	8.9	8.9	10.4	10.2	12.5	10.9		
5/12/76	9.7	9.9	11.5	11.6	13.5	12.9	12.8	
6/9/76	9.5	9.7	11.0	11.0	12.4	11.6	11.2	12.3

MONEY STOCK

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JUNE 9, 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:

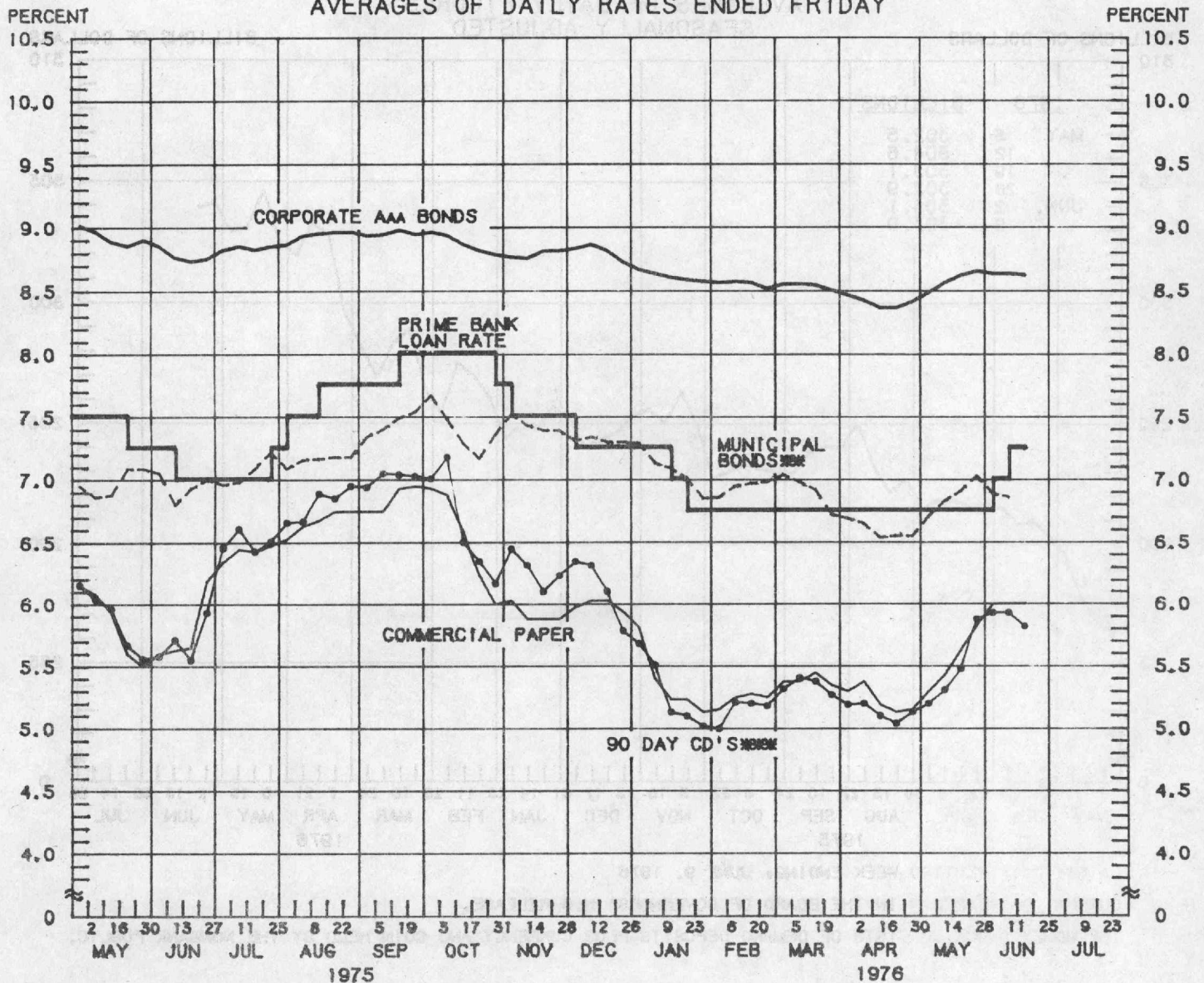
6/11/75 9/10/75 11/12/75 12/10/75 1/7/76 2/11/76 3/10/76 4/7/76

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

11/12/75	3.8							
12/10/75	3.8	1.4						
1/7/76	3.1	0.7	1.3					
2/11/76	3.1	1.2	1.9	1.0				
3/10/76	3.5	2.1	3.0	2.7	4.6			
4/7/76	3.6	2.5	3.5	3.4	4.6	6.1		
5/12/76	5.1	4.6	6.1	6.5	8.4	10.5	12.2	
6/9/76	4.8	4.3	5.5	5.8	7.1	8.4	8.9	10.5

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JUNE 18, 1976

1976	90 DAY CD'S	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS
MAY 7	5.20	5.30	5.21	8.48	6.71
14	5.31	5.43	5.39	8.56	6.83
21	5.48	5.63	5.67	8.62	6.91
28	5.88	5.83	5.87	8.65	7.03
JUNE 4	5.93	6.00	5.92	8.63	6.89
11	5.93	6.00	5.82	8.63	6.86
18 *	5.82	6.00	5.74	8.62	N.A.
JULY 25					
2					
9					
16					
23					
30					

* AVERAGES OF RATES AVAILABLE.

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

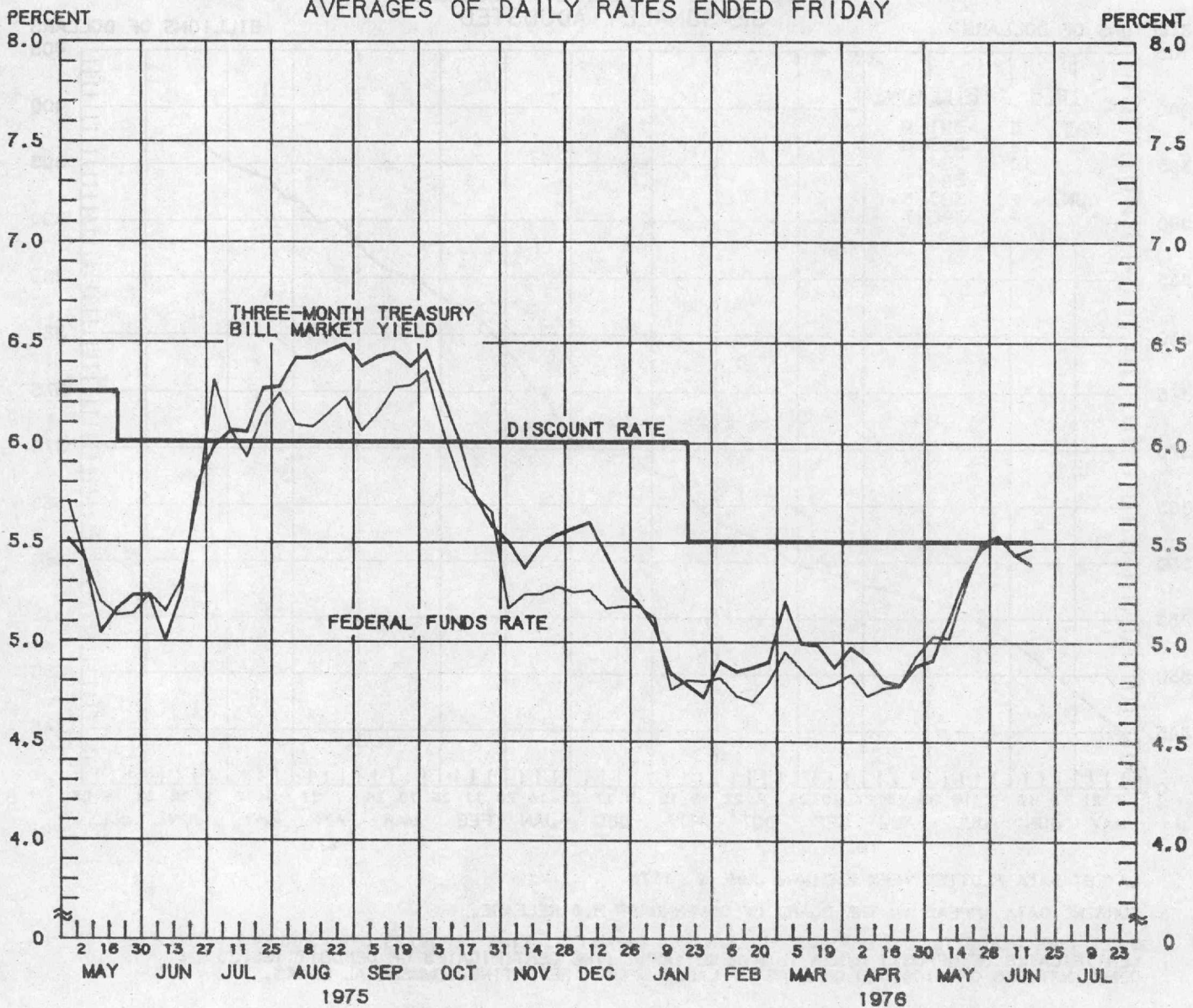
*** SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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: JUNE 18, 1976

1976	FEDERAL FUNDS %**	3-MONTH TREASURY BILLS	1-YEAR TREASURY BILL	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES
MAY 7	5.03	4.91	5.68	7.11	7.79
14	5.02	5.11	5.89	7.29	7.93
21	5.28	5.33	6.11	7.46	7.95
28	5.50	5.47	6.26	7.56	7.97
JUNE 4	5.54	5.53	6.27	7.52	7.89
11	5.44	5.44	6.11	7.42	7.86
18 *	5.47	5.39	6.07	7.36	7.86
25					
JULY 2					
9					
16					
23					
30					

* AVERAGES OF RATES AVAILABLE.

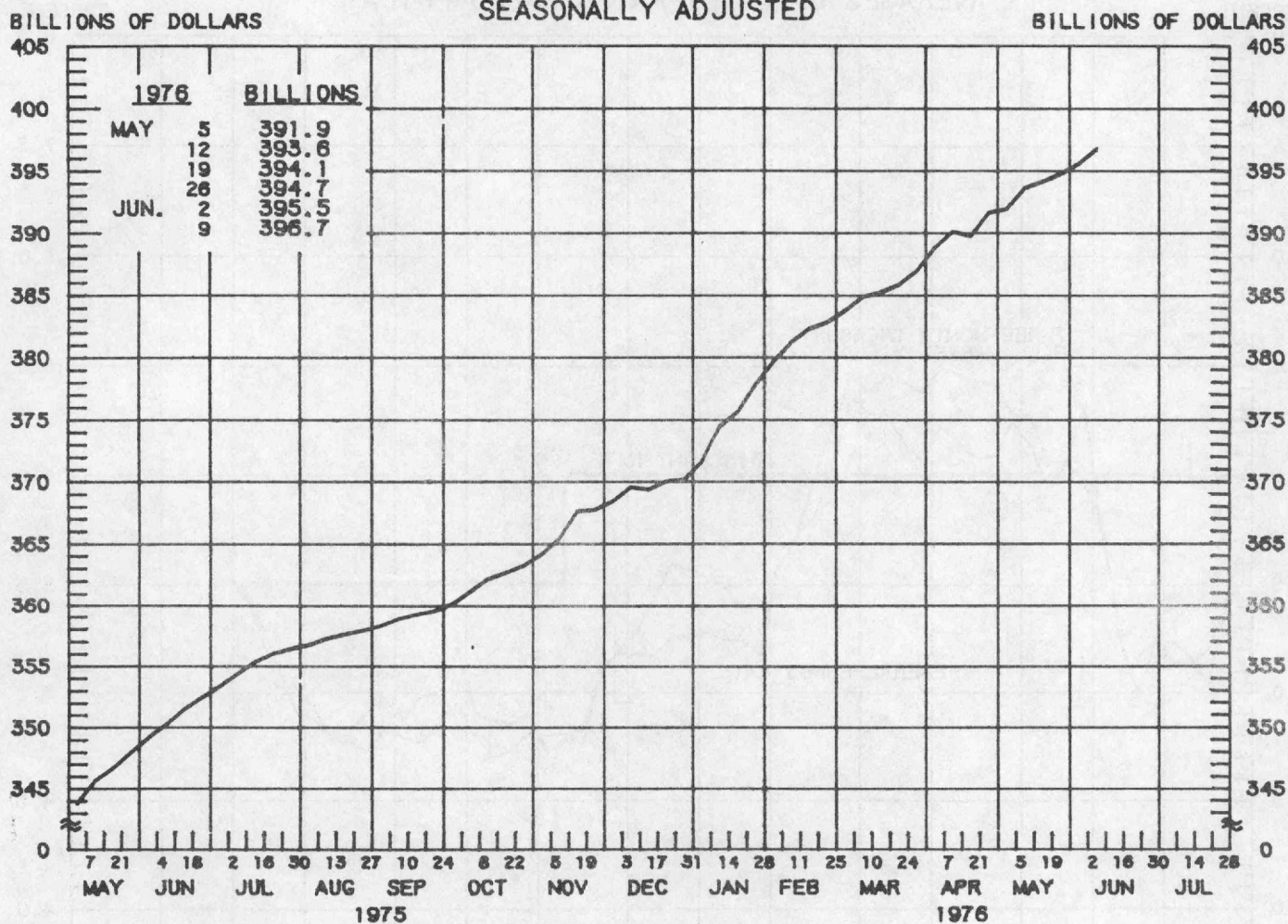
** SEVEN-DAY AVERAGES FOR WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATE SHOWN.

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

RATES ON LONG-TERM GOVERNMENT SECURITIES ARE COMPUTED BY THE FEDERAL RESERVE BANK OF ST. LOUIS.

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: JUNE 9, 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:

6/11/75 9/10/75 11/12/75 12/10/75 1/7/76 2/11/76 3/10/76 4/7/76

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

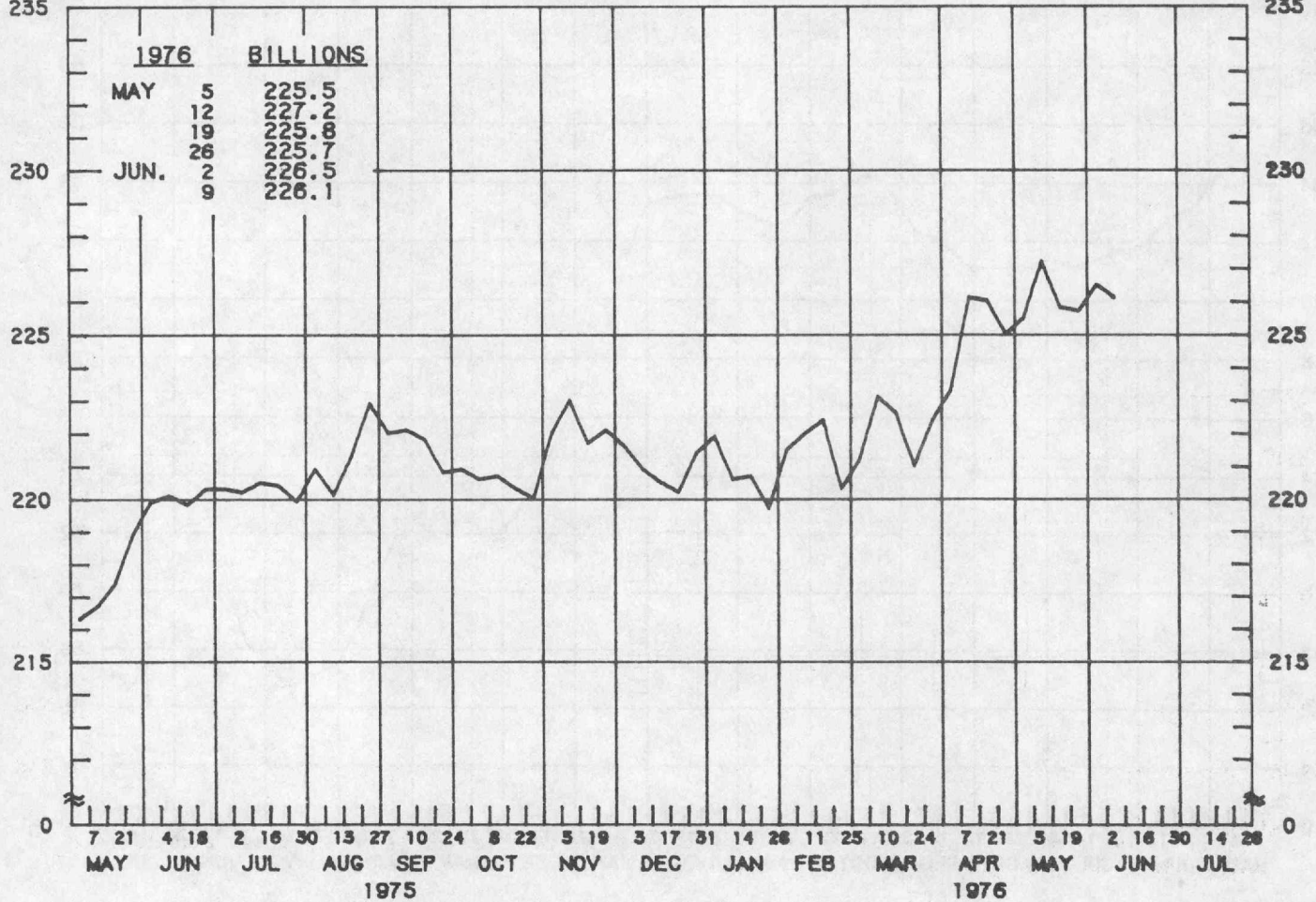
11/12/75	10.7							
12/10/75	11.7	11.9						
1/7/76	11.1	10.8	12.2					
2/11/76	13.1	14.1	17.3	17.3				
3/10/76	13.6	14.6	17.4	17.4	22.2			
4/7/76	13.4	14.2	16.3	16.1	18.9	14.8		
5/12/76	13.5	14.3	15.9	15.7	17.6	14.6	13.2	
6/9/76	13.4	14.1	15.5	15.2	16.7	14.1	13.0	13.6

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS
235

BILLIONS OF DOLLARS
235



LATEST DATA PLOTTED WEEK ENDING: JUNE 9, 1976

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

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

6/11/75 9/10/75 11/12/75 12/10/75 1/7/76 2/11/76 3/10/76 4/7/76

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

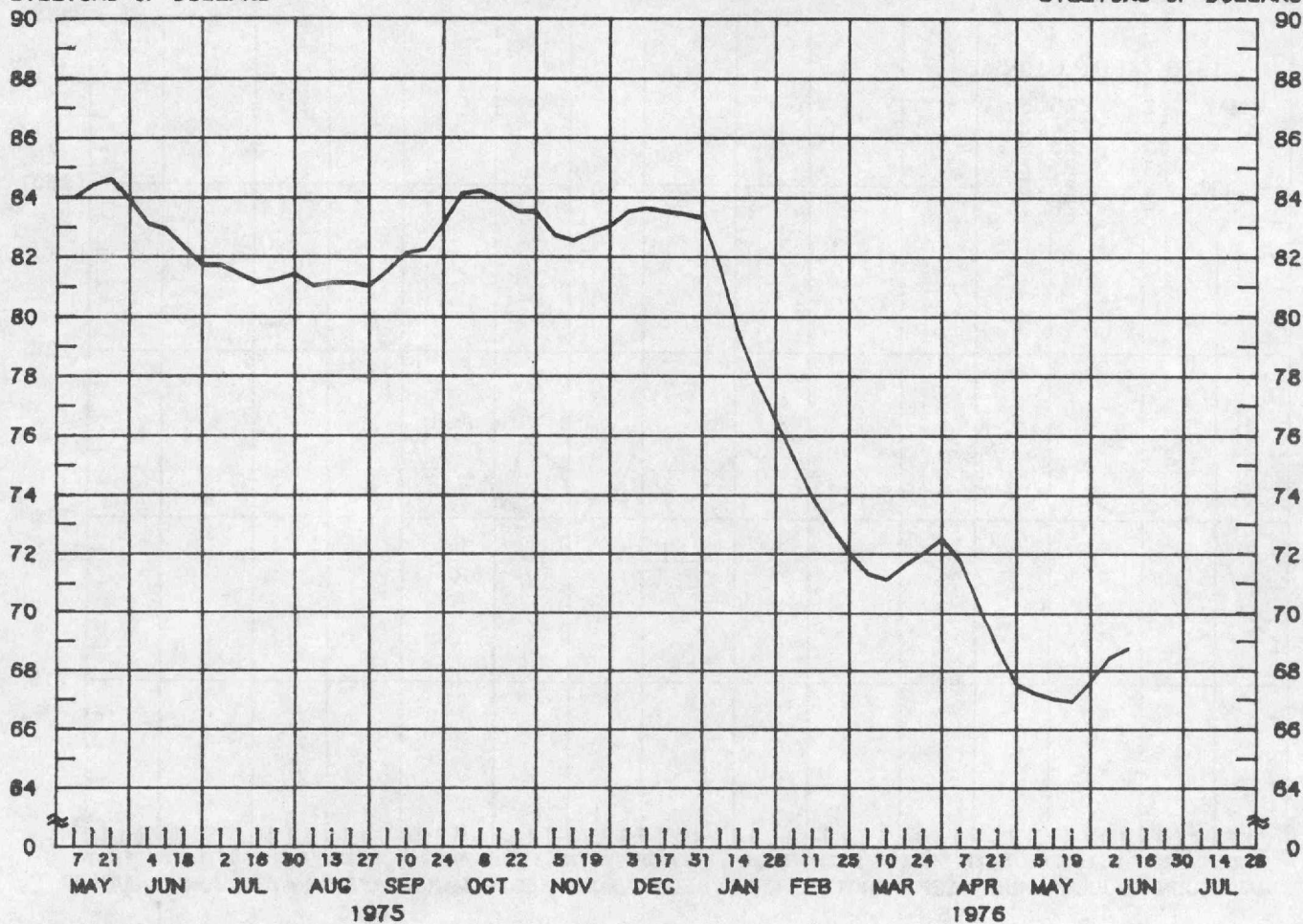
11/12/75	2.4								
12/10/75	2.3	-0.9							
1/7/76	1.5	-1.5	-0.9						
2/11/76	1.3	-1.2	-0.5	-1.6					
3/10/76	1.6	-0.3	0.7	0.4	2.1				
4/7/76	1.8	0.2	1.1	1.0	2.4	3.9			
5/12/76	3.4	2.6	4.2	4.6	6.5	9.2	11.2		
6/9/76	3.1	2.3	3.7	4.0	5.4	7.1	7.8	10.0	

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES
NOT SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JUNE 9, 1976

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

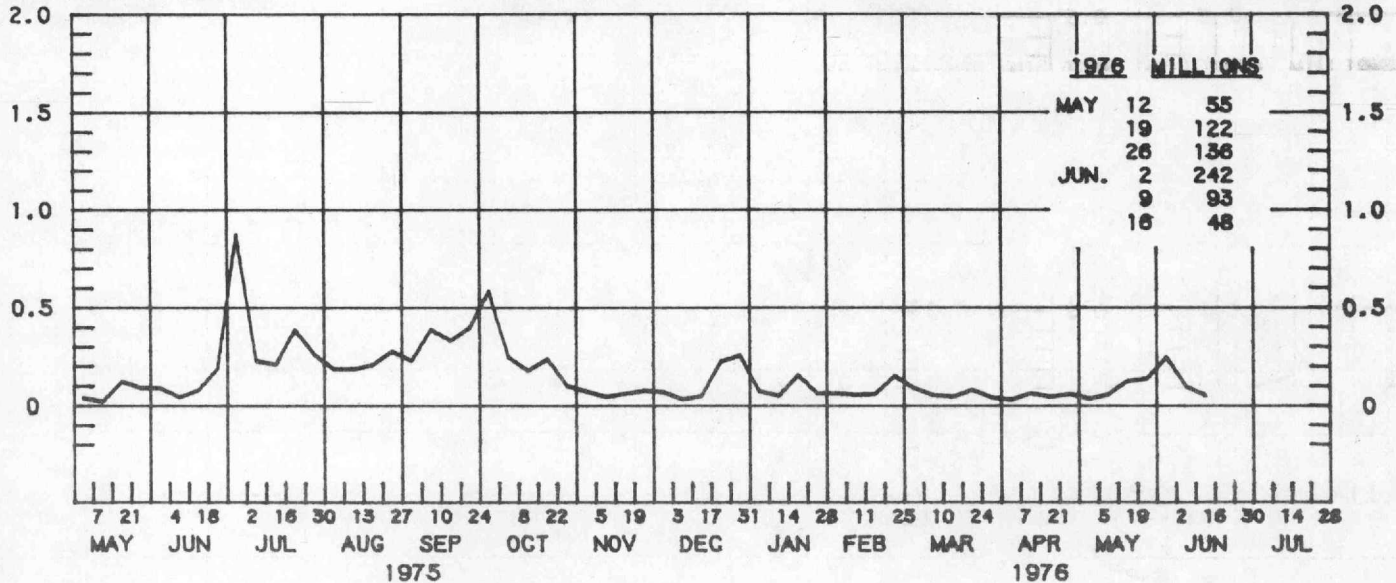
NEGOTIABLE TIME CERTIFICATES OF DEPOSIT ISSUED IN DENOMINATIONS OF \$100,000 OR MORE BY LARGE WEEKLY REPORTING COMMERCIAL BANKS.

1976	CERTIFICATES OF DEPOSIT NOT SEAS. ADJ.	CERTIFICATES OF DEPOSIT SEAS. ADJ.
MAY 5	67.2	69.1
12	67.0	68.2
19	66.9	67.6
26	67.6	68.0
JUNE 2	68.4	68.7
9	68.7	69.6
16		
23		
30		
JULY 7		
14		
21		
28		

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION

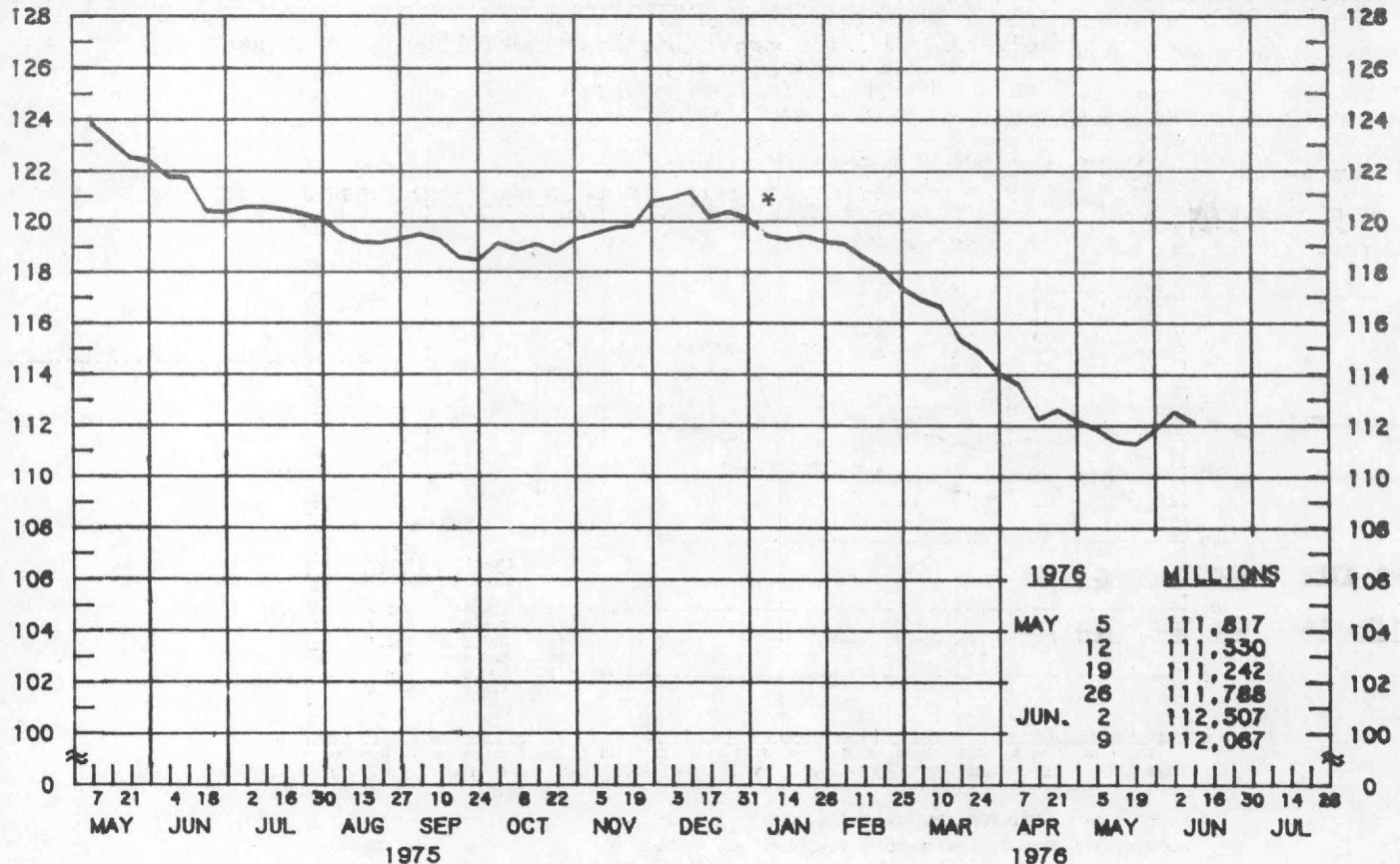
BILLIONS OF DOLLARS AVERAGES OF DAILY FIGURES BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JUNE 16, 1976

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

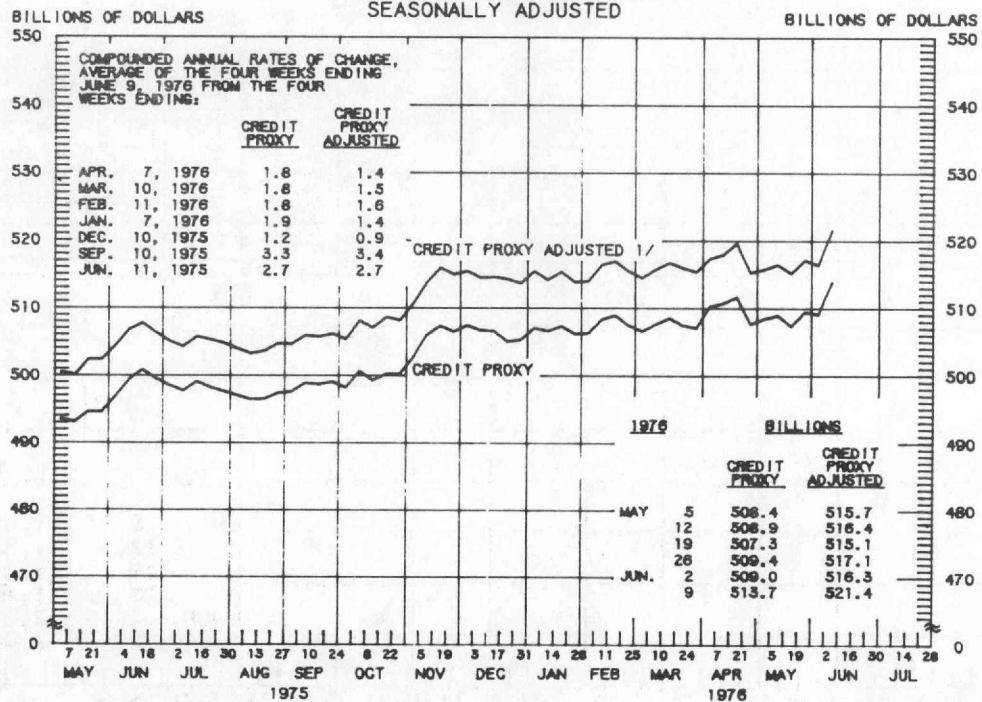
BILLIONS OF DOLLARS BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JUNE 9, 1976

* 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: JUNE 9, 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