

Week ending: July 7, 1976



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The data on business loans at weekly reporting large commercial banks that are reported in this release have been revised. The business loan series is based on weekly reports from a sample of large commercial banks. As a consequence of changes in New York State branch banking laws, beginning January 1, 1976, the financial data reported by three large New York City banks include data for banking units that have been converted from affiliated banks (not all of which were previously included in the weekly sample) to branches of the reporting banks. The nonseasonally adjusted business loan series was revised by the Board of Governors to treat these consolidations as if they had existed prior to January 1976 and, thus, facilitate historical comparison with the current data. The data were seasonally adjusted by this Bank. This revision has had little net effect on movements in the business loan series.

On a seasonally adjusted basis business loans have declined, on balance, over the last nineteen months. From early December 1974 through late December 1975, business loans decreased by about \$11 billion. Over the first three and one-half months of this year business loans declined by another \$8.3 billion. Relative to this large decline, they appear to have stabilized recently.

For certain companies, borrowing in the commercial paper market is an alternative to borrowing from commercial banks. Commercial paper is an unsecured short-term promissory note sold by companies to investors. Interest rates on prime commercial paper are generally lower than the prime lending rate at commercial banks, but only top-rated borrowers can sell commercial paper. Over the last five months the spread between the interest rate on prime four- to six-month commercial paper and the prime rate has narrowed from an average of about 170 basis points over the four weeks ended February 6 to an average of 135 basis points over the most recent four weeks. This narrowing in the spread has made borrowing from banks relatively more attractive, which is consistent with the observed stabilization of business loans at commercial banks recently.

Prepared by Federal Reserve Bank of St. Louis

Released: July 9, 1976

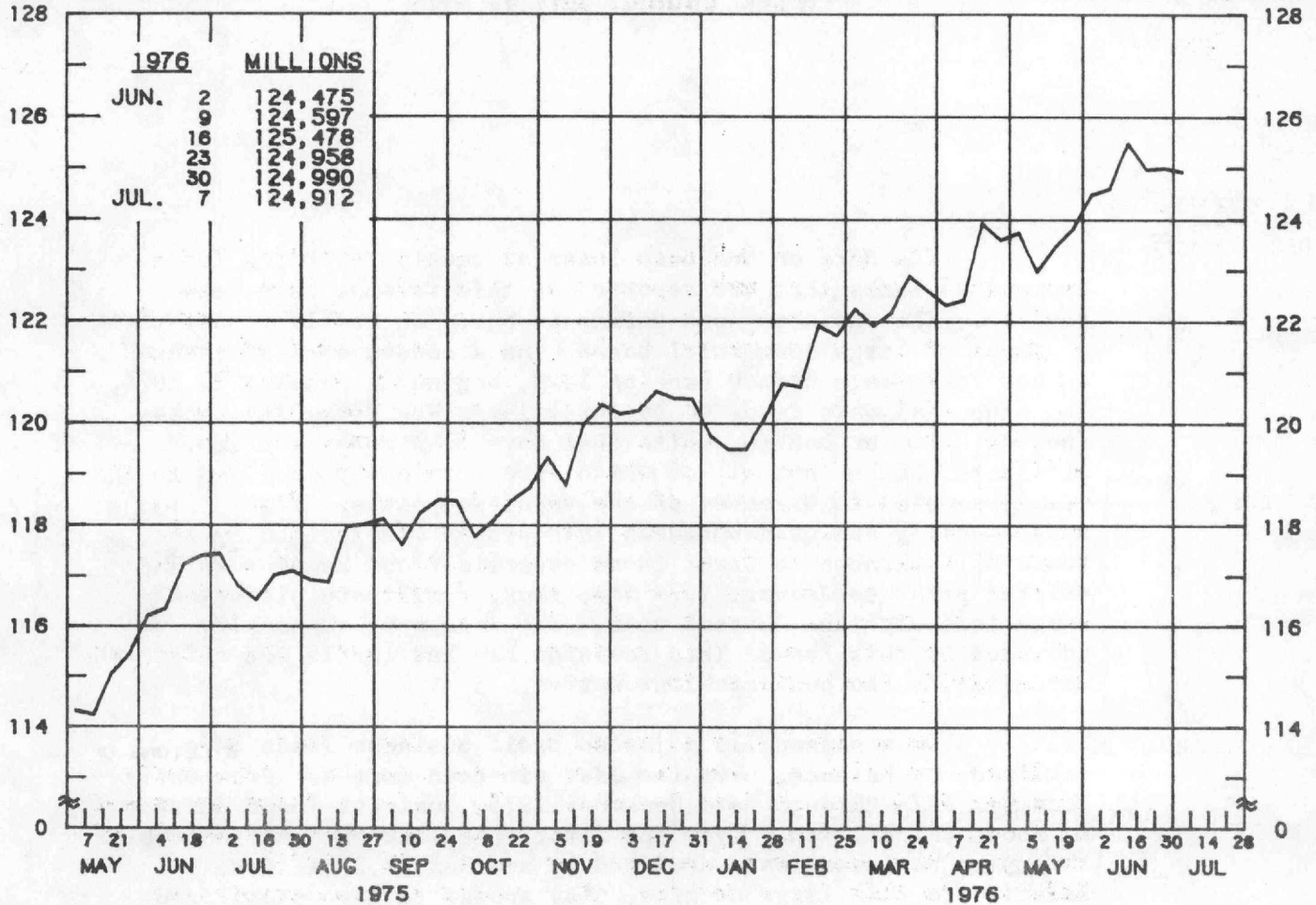
MONETARY BASE

AVERAGES OF DAILY FIGURES

SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JULY 7, 1976

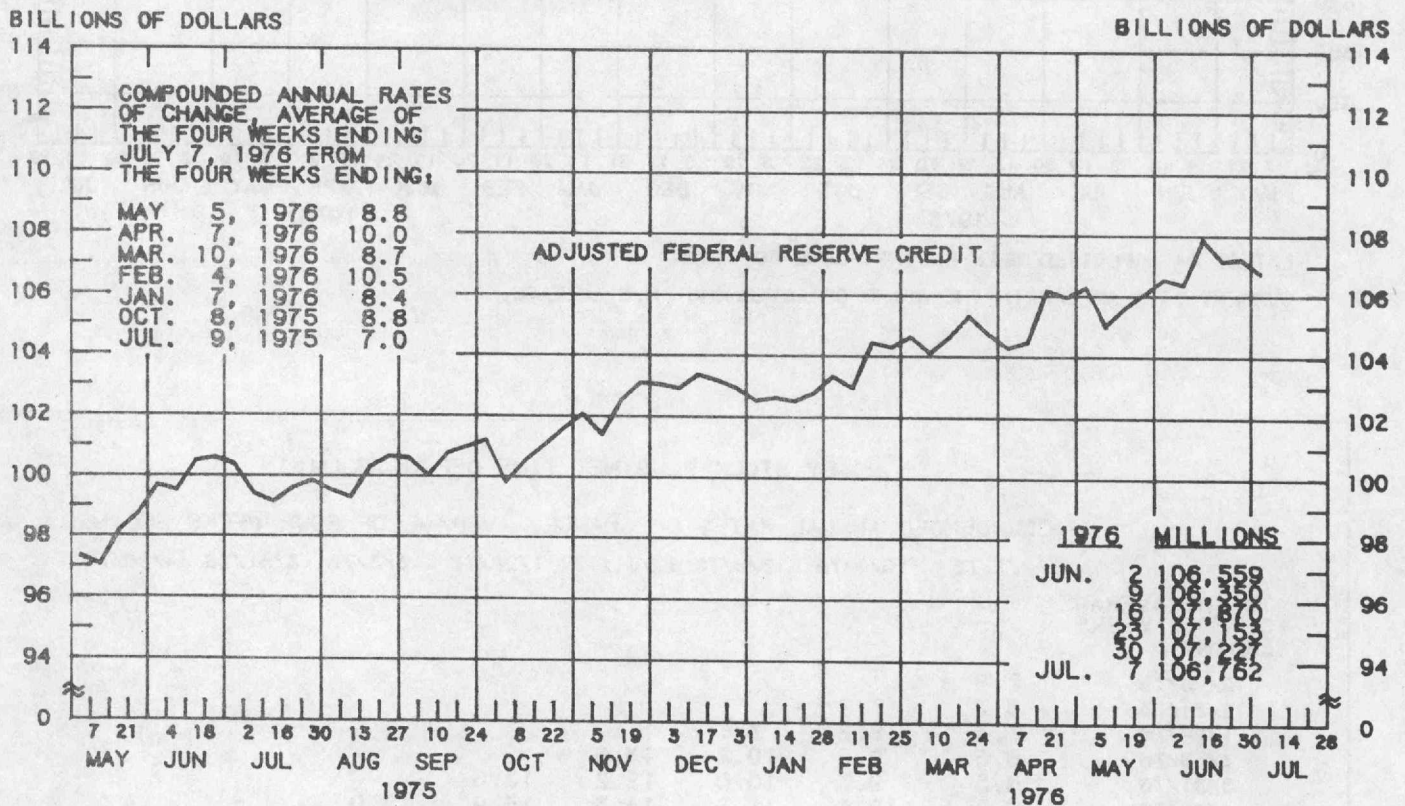
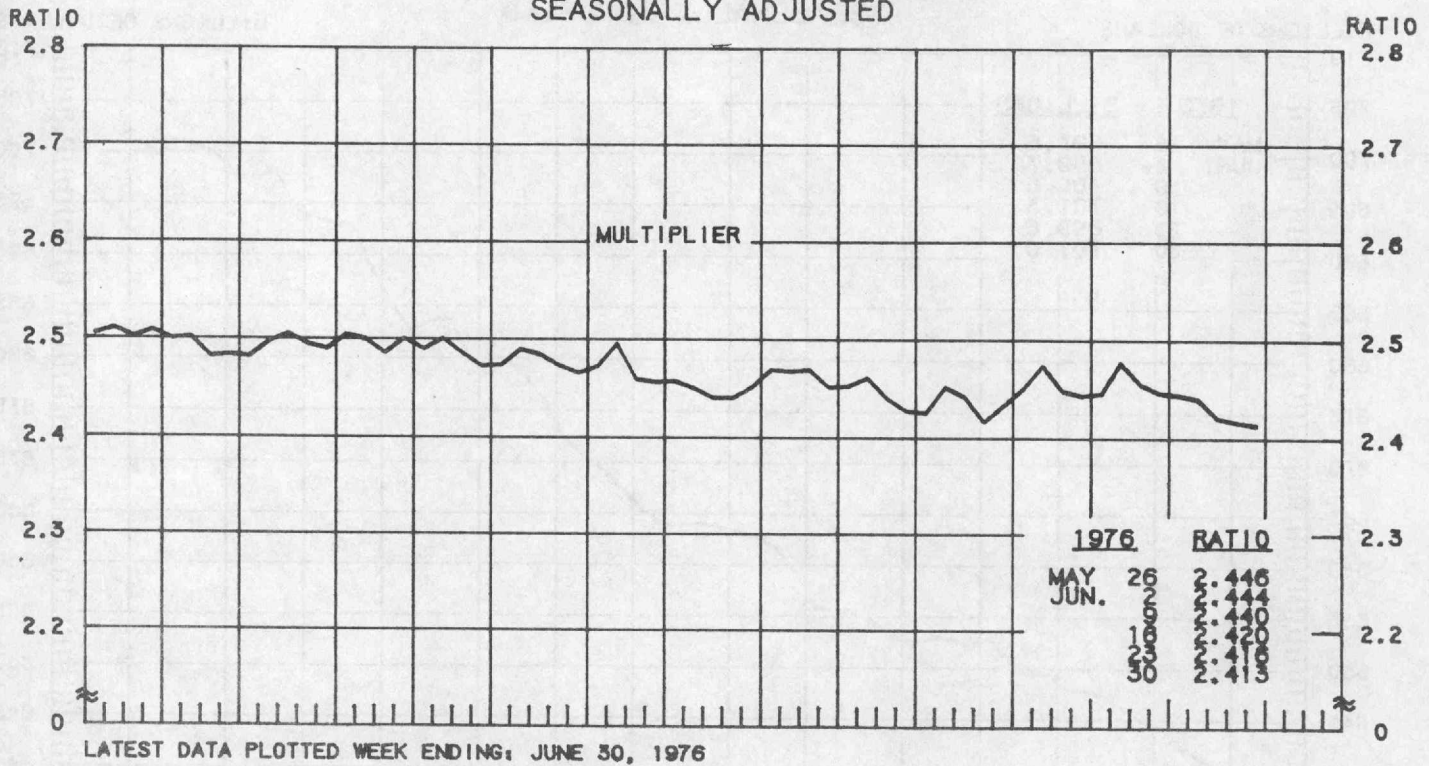
THE MONETARY BASE CONSISTS OF MEMBER BANK RESERVES AT THE FEDERAL RESERVE BANKS AND CURRENCY IN CIRCULATION (CURRENCY HELD BY THE PUBLIC AND IN THE VAULTS OF COMMERCIAL BANKS), ADJUSTED FOR RESERVE REQUIREMENT RATIO CHANGES AND SHIFTS IN THE SAME TYPE OF DEPOSITS BETWEEN BANKS WHERE DIFFERENT RESERVE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

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

	7/9/75	10/8/75	12/10/75	1/7/76	2/4/76	3/10/76	4/7/76	5/5/76
TO THE AVERAGE OF FOUR WEEKS ENDING:								
12/10/75	6.1							
1/ 7/76	5.4	7.3						
2/ 4/76	4.1	4.5	-1.2					
3/10/76	6.1	7.6	6.0	8.0				
4/ 7/76	6.0	7.3	6.0	7.4	12.8			
5/ 5/76	6.4	7.7	6.8	8.0	12.0	8.1		
6/ 9/76	6.4	7.4	6.6	7.5	10.3	7.3	7.8	
7/ 7/76	6.7	7.8	7.2	8.1	10.4	6.1	8.8	8.1

MULTIPLIER ^{1/} ADJUSTED FEDERAL RESERVE CREDIT ^{2/}

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JULY 7, 1976

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

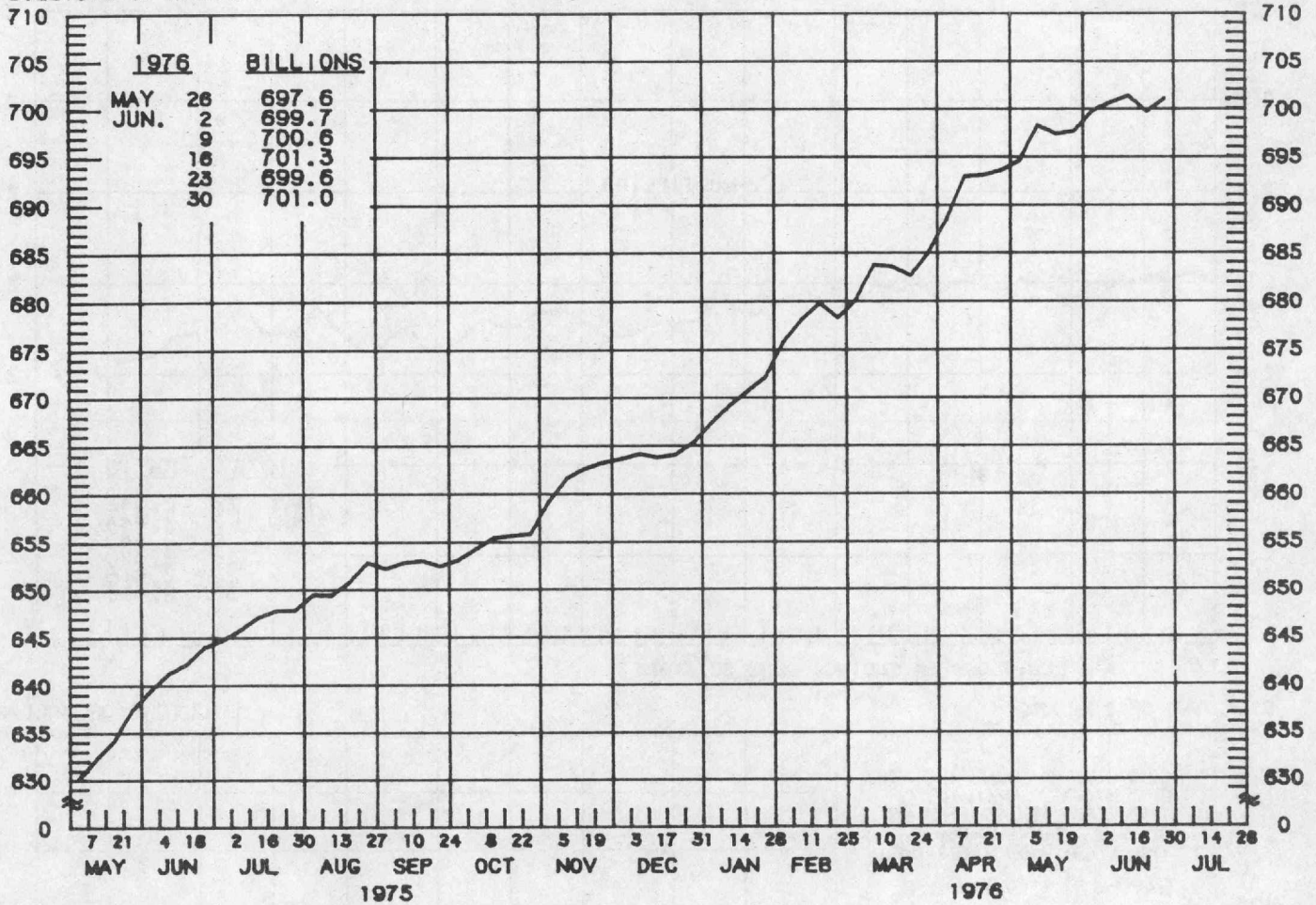
2/ FEDERAL RESERVE CREDIT CONSISTS OF FEDERAL RESERVE HOLDINGS OF SECURITIES, LOANS, FLOAT AND OTHER ASSETS. ADJUSTED FEDERAL RESERVE CREDIT IS COMPUTED BY SUBTRACTING TREASURY DEPOSITS AT FEDERAL RESERVE BANKS FROM THIS SERIES, AND ADJUSTING THE SERIES FOR RESERVE REQUIREMENT RATIO CHANGES AND SHIFTS 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 (M2)

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JUNE 30, 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:

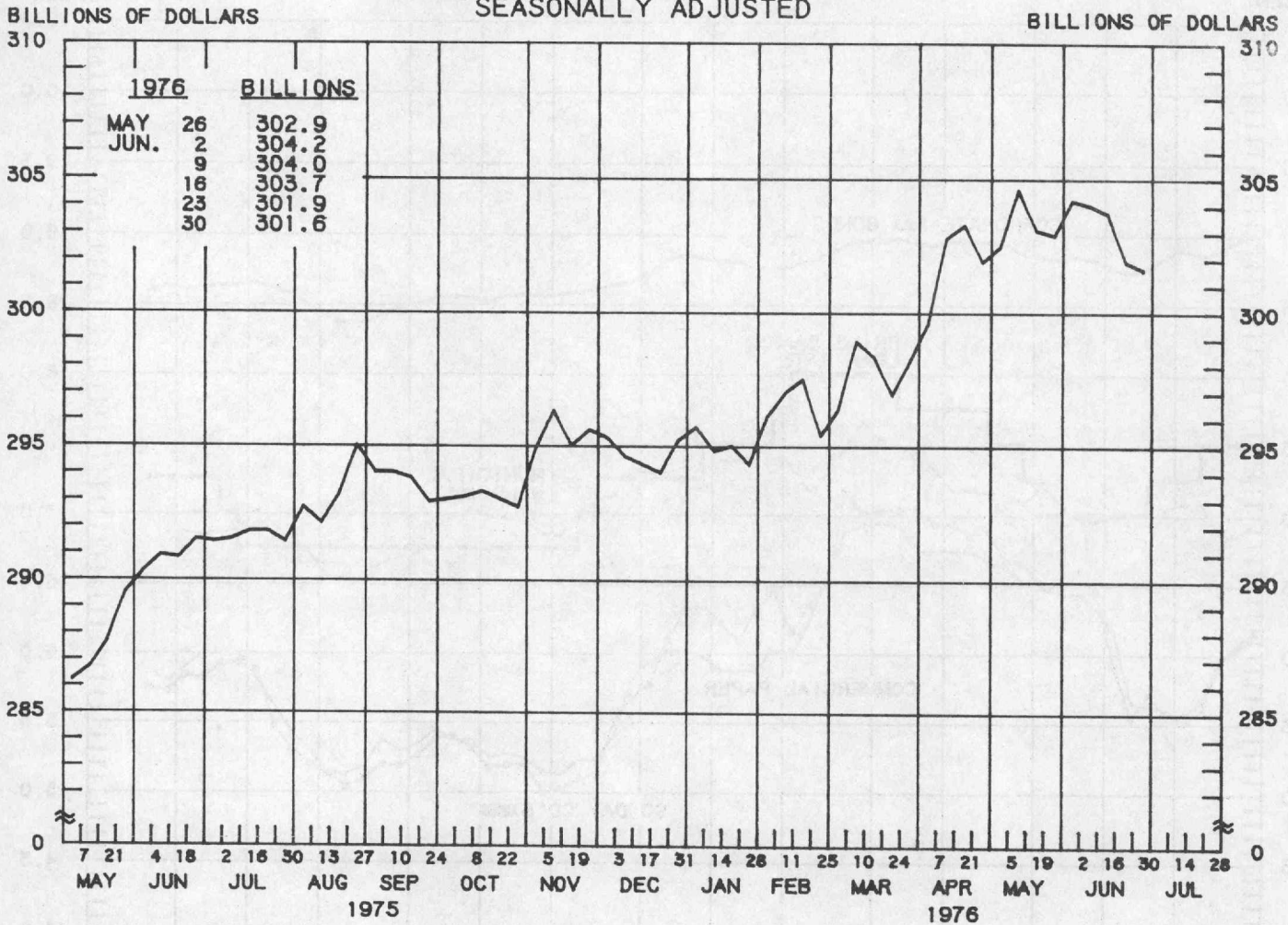
7/2/75 10/1/75 12/3/75 12/31/75 1/28/76 3/3/76 3/31/76 4/28/76

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

12/ 3/75	7.4							
12/31/75	6.7	7.2						
1/28/76	7.3	8.2	7.1					
3/ 3/76	8.5	9.8	10.2	13.6				
3/31/76	8.5	9.7	10.0	12.2	12.6			
4/28/76	9.3	10.6	11.3	13.3	13.9	13.0		
6/ 2/76	9.3	10.5	11.0	12.5	12.7	11.7	12.9	
6/30/76	9.0	9.9	10.1	11.2	11.2	10.0	10.3	7.4

MONEY STOCK (M1)

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JUNE 30, 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.

MONEY STOCK (M1)

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

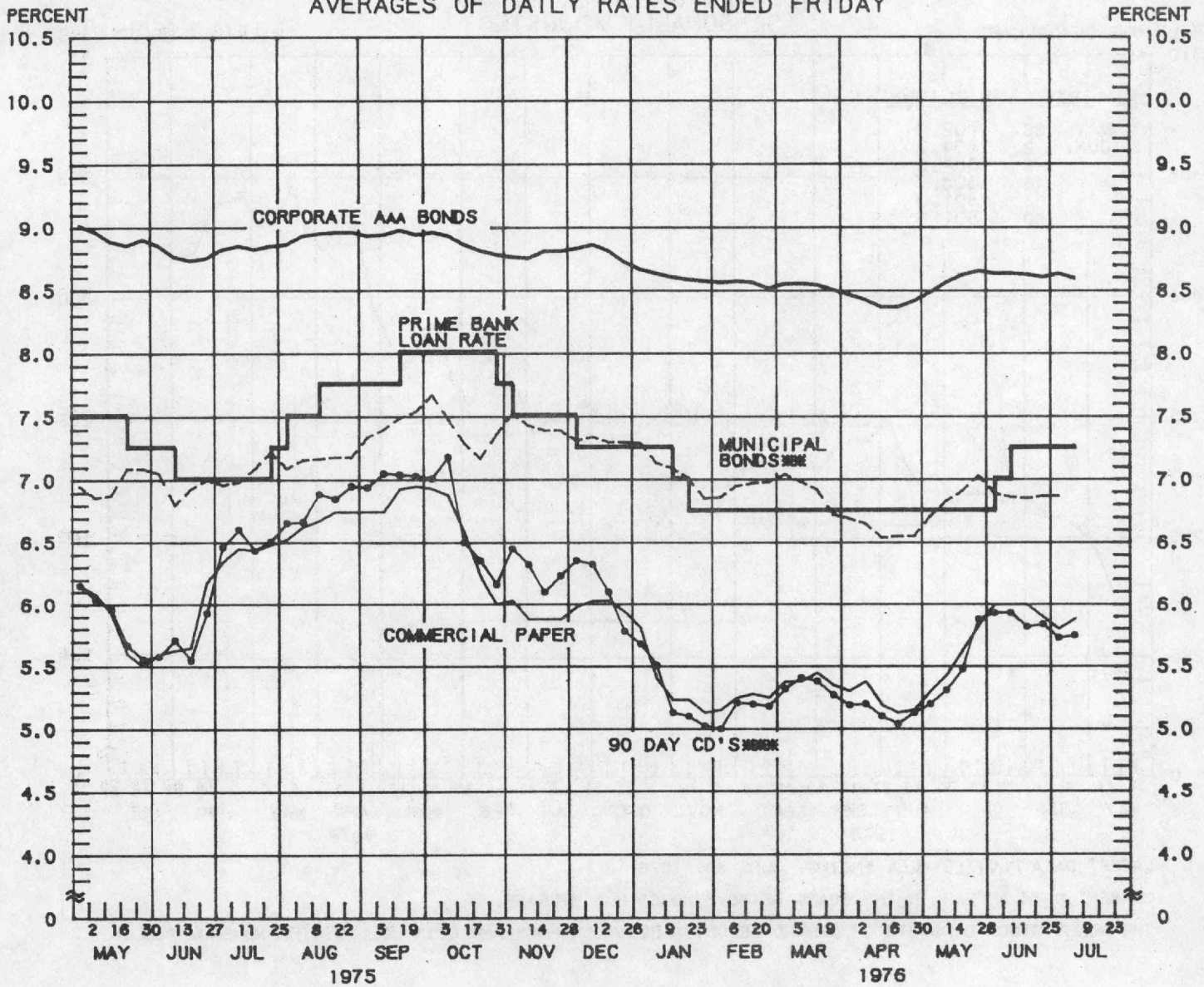
7/2/75 10/1/75 12/3/75 12/31/75 1/28/76 3/3/76 3/31/76 4/28/76

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

12/ 3/75	3.6							
12/31/75	2.3	1.5						
1/28/76	2.3	1.7	-1.3					
3/ 3/76	2.8	2.6	1.4	4.2				
3/31/76	3.2	3.2	2.6	5.0	6.2			
4/28/76	4.5	5.1	5.4	7.9	9.7	12.2		
6/ 2/76	4.7	5.3	5.6	7.5	8.8	9.9	11.4	
6/30/76	4.0	4.3	4.3	5.7	6.4	6.5	6.5	1.7

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JULY 9, 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	6.85
25	5.84	5.90	5.89	8.60	6.87
JULY 2	5.73	5.80	5.69	8.63	6.87
9 *	5.75	5.88	5.69	8.59	N.A.
16					
23					
30					

* AVERAGES OF RATES AVAILABLE.

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

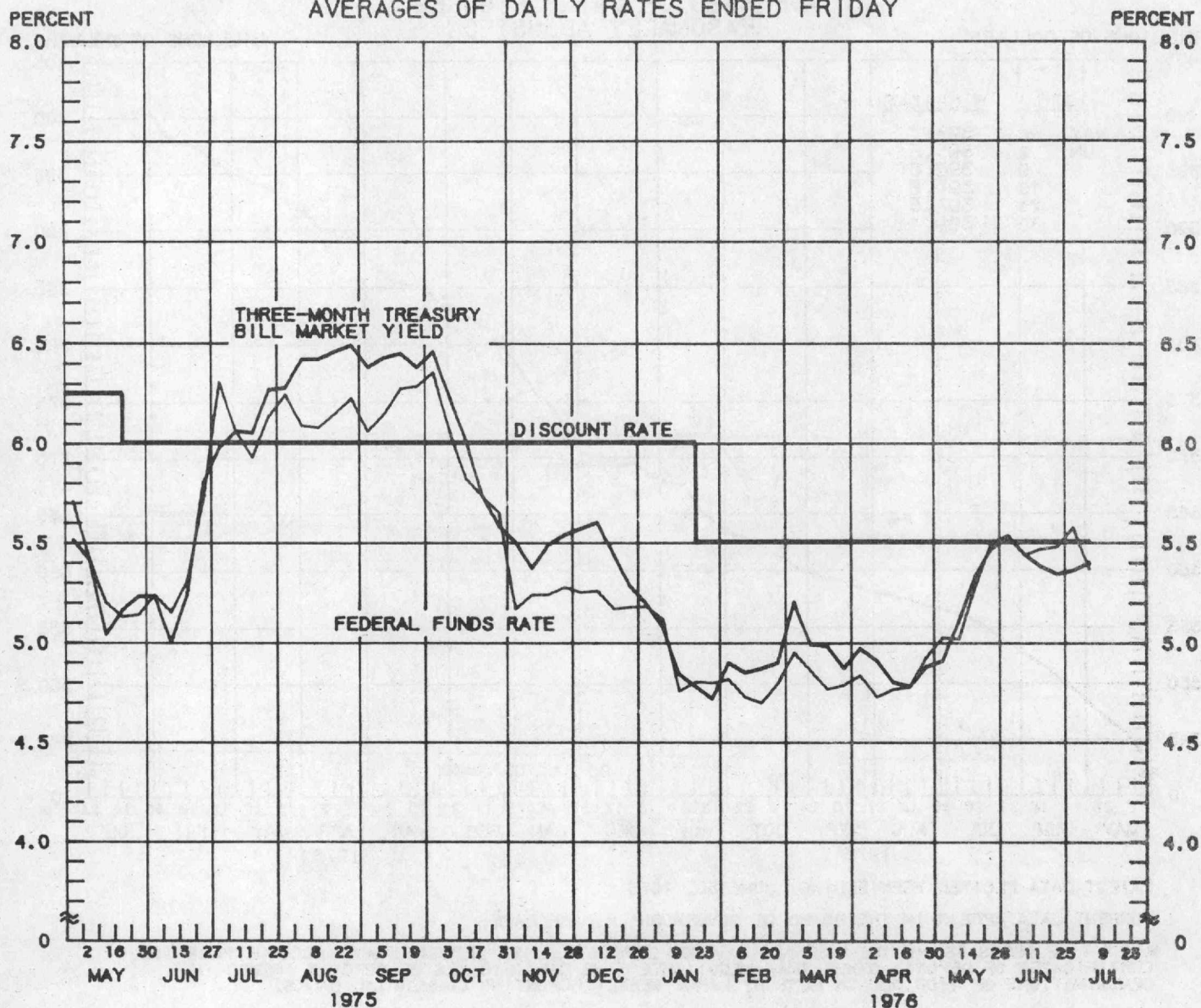
*** SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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: JULY 9, 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	5.38	6.07	7.38	7.86
25	5.48	5.34	6.06	7.32	7.84
JULY 2	5.58	5.36	6.08	7.36	7.84
9 *	5.37	5.40	5.99	7.32	7.82
16					
23					
30					

* AVERAGES OF RATES AVAILABLE.

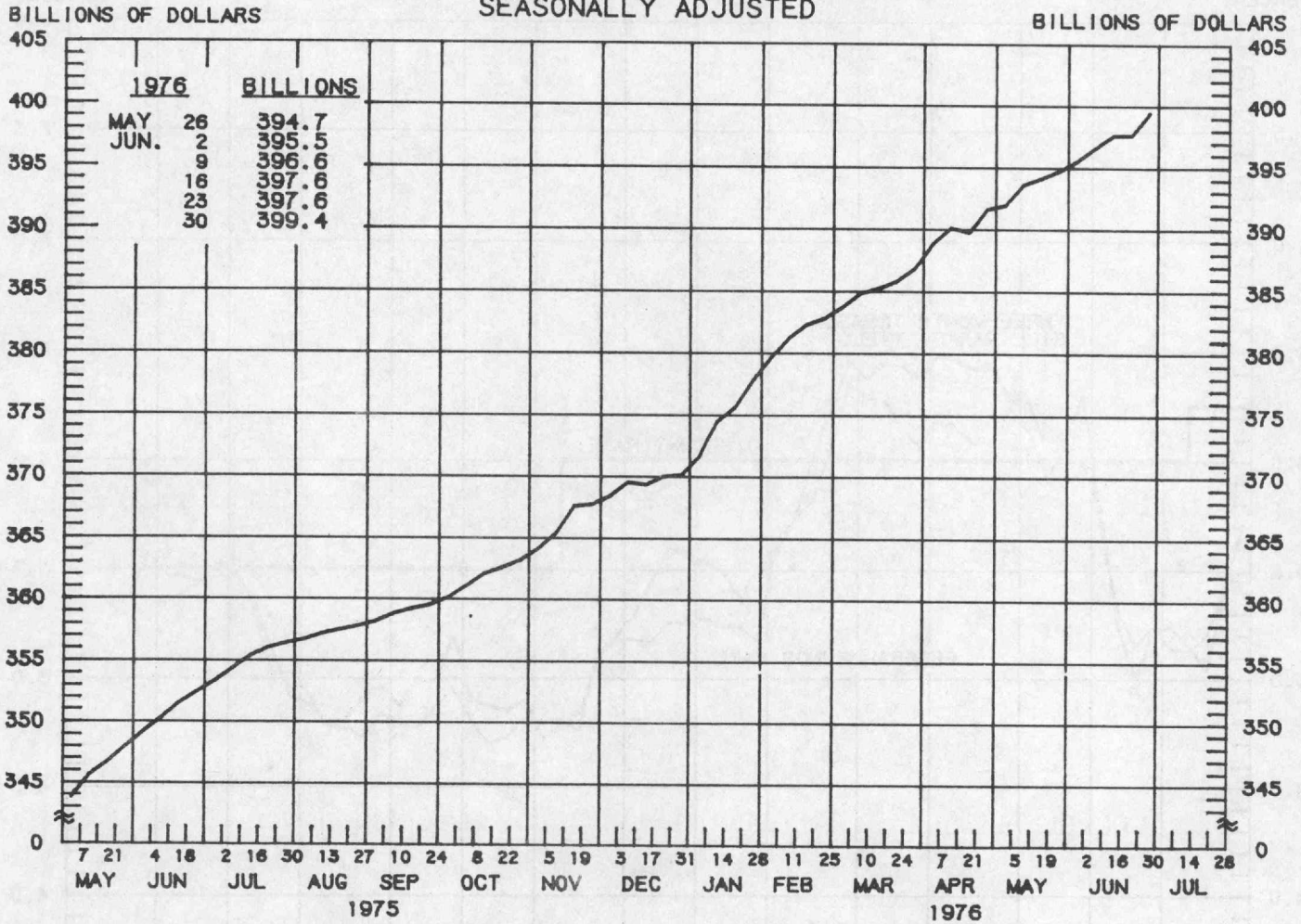
** SEVEN-DAY AVERAGES FOR WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATE SHOWN.

*** 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 30, 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:

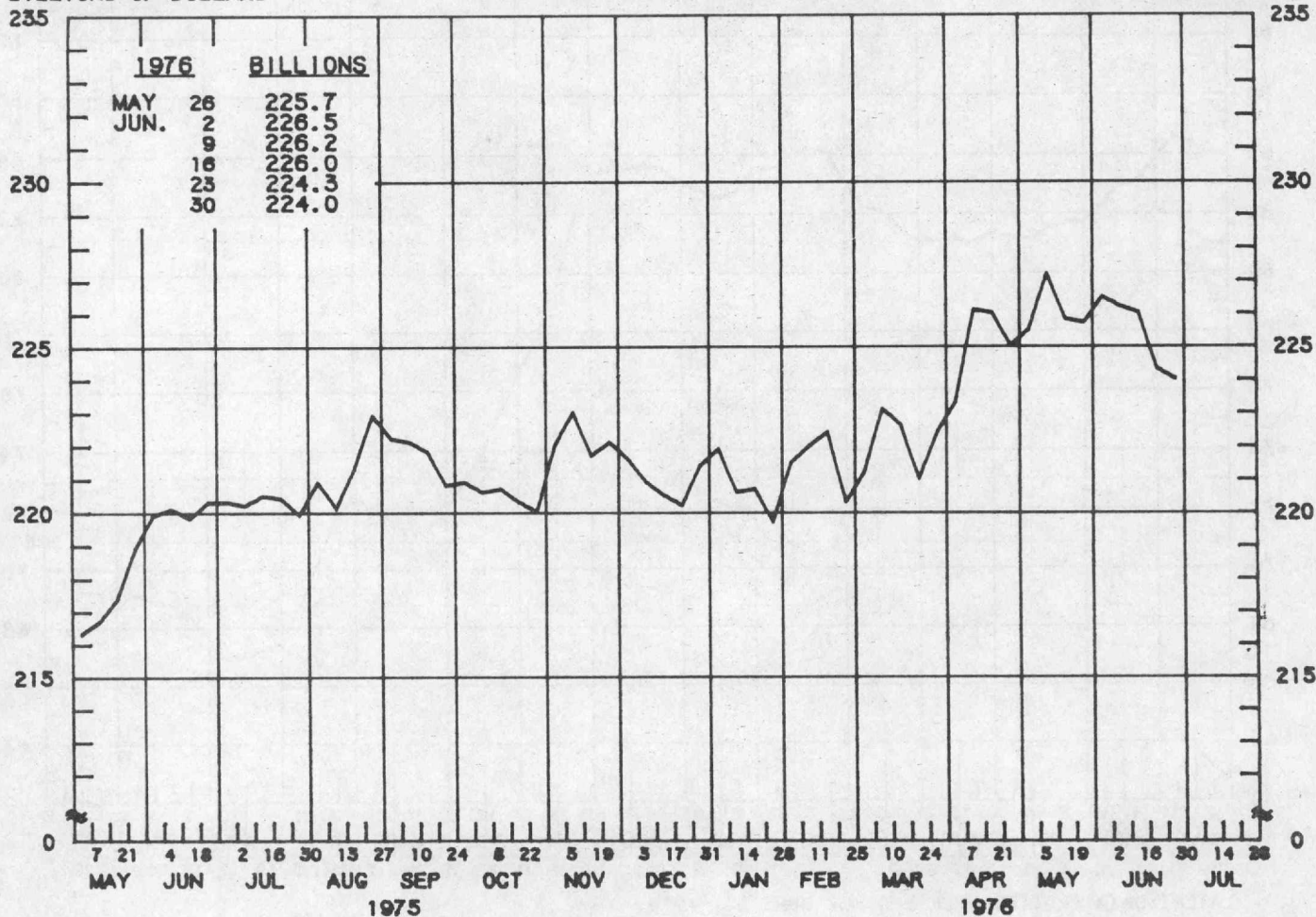
	7/2/75	10/1/75	12/3/75	12/31/75	1/28/76	3/3/76	3/31/76	4/28/76
TO THE AVERAGE OF FOUR WEEKS ENDING:								
12/ 3/75	10.7							
12/31/75	10.4	12.0						
1/28/76	11.7	13.8	14.2					
3/ 3/76	13.2	15.9	17.6	21.7				
3/31/76	13.1	15.2	16.1	18.5	17.8			
4/28/76	13.3	15.3	16.1	17.9	17.2	13.6		
6/ 2/76	13.2	14.8	15.4	16.6	15.9	13.2	13.9	
6/30/76	13.1	14.5	14.8	15.8	15.0	12.7	13.2	12.0

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JUNE 30, 1976

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

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

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

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

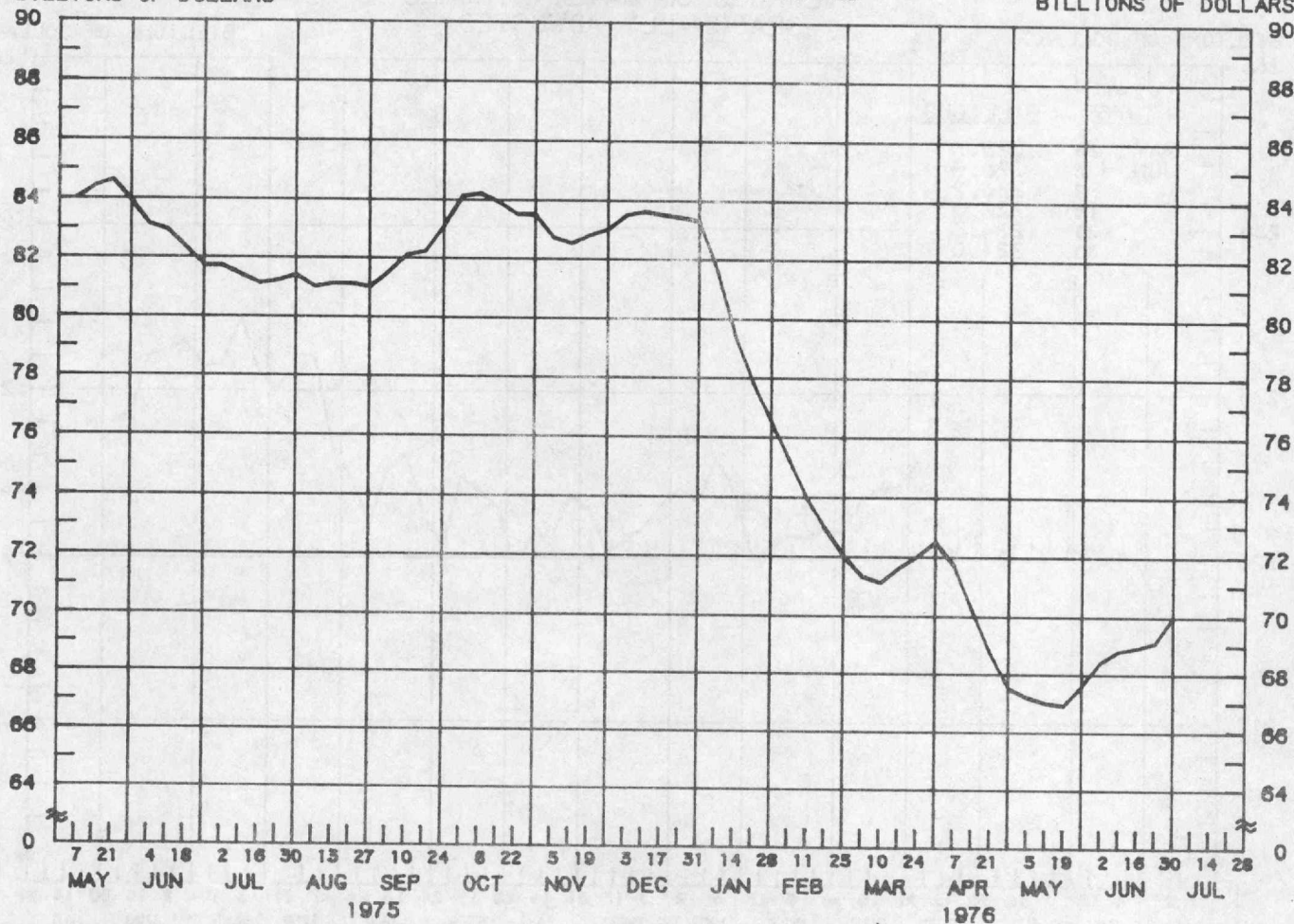
TO THE AVERAGE
OF FOUR WEEKS
ENDING:

12/ 3/75	2.2							
12/31/75	0.6	-1.1						
1/28/76	0.5	-1.0	-4.0					
3/ 3/76	0.9	0.1	-1.1	1.8				
3/31/76	1.3	0.8	0.3	2.7	4.3			
4/28/76	2.8	2.9	3.4	6.1	8.2	11.0		
6/ 2/76	3.1	3.3	3.8	6.0	7.5	9.0	10.9	
6/30/76	2.3	2.2	2.4	3.9	4.8	5.1	5.1	0.0

**CERTIFICATES OF DEPOSIT
LARGE COMMERCIAL BANKS
WEDNESDAY FIGURES
NOT SEASONALLY ADJUSTED**

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JUNE 30, 1976

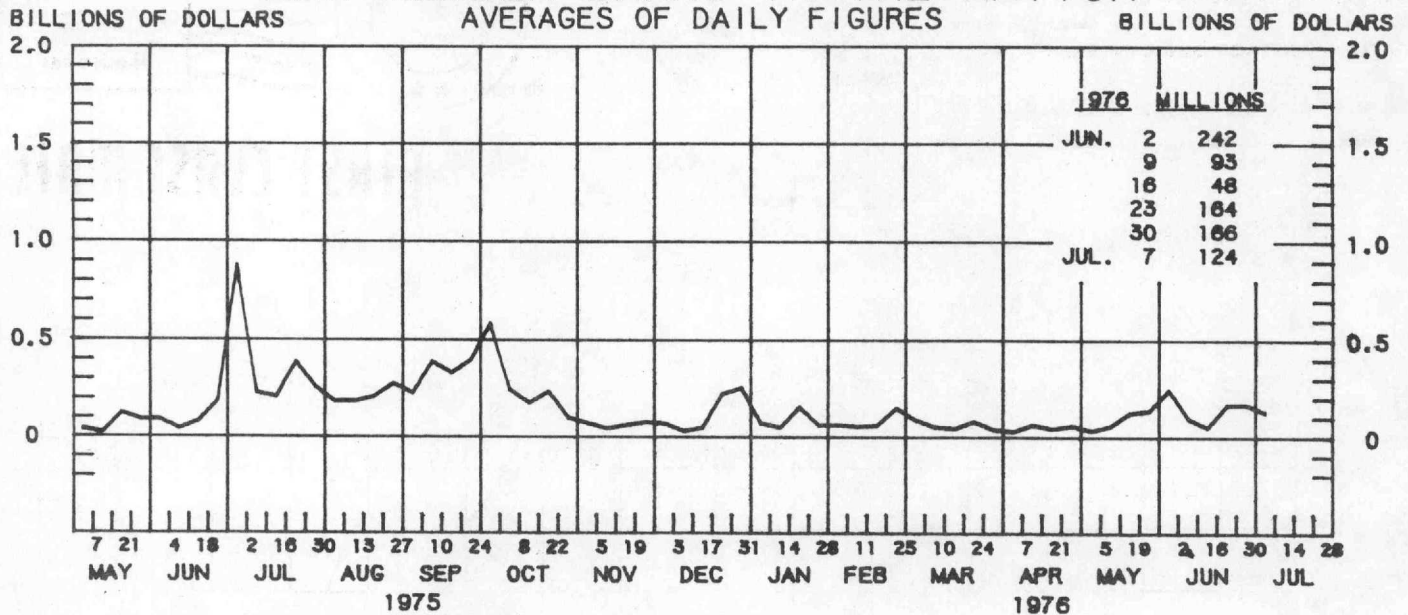
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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	68.8	69.7
16	68.9	70.4
23	69.1	71.1
30	70.0	72.1
JULY 7		
14		
21		
28		

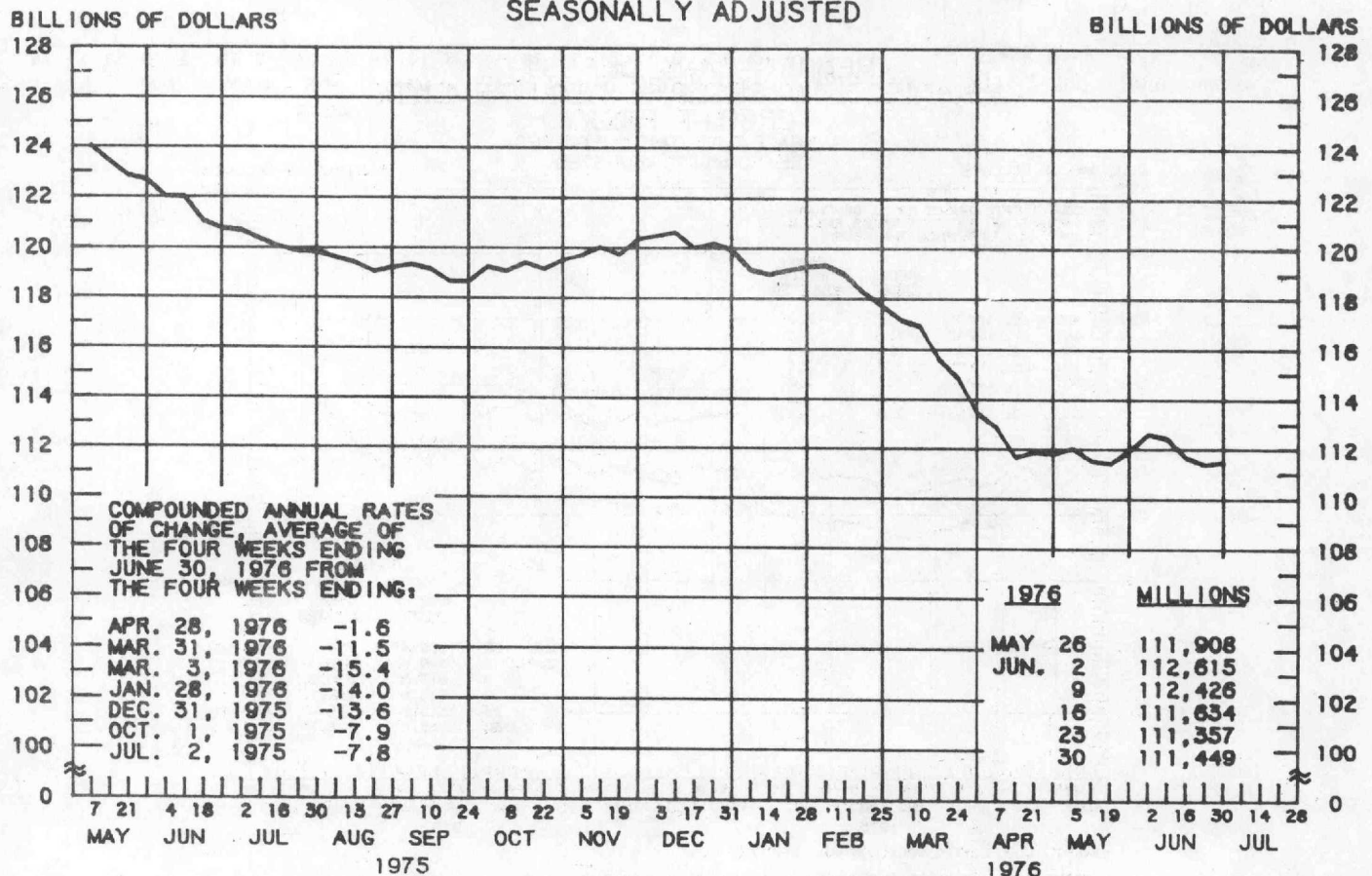
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



LATEST DATA PLOTTED WEEK ENDING: JULY 7, 1976

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



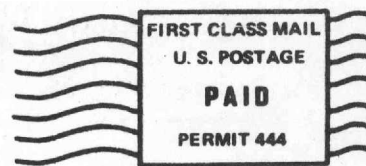
LATEST DATA PLOTTED WEEK ENDING: JUNE 30, 1976

* Data have been revised.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

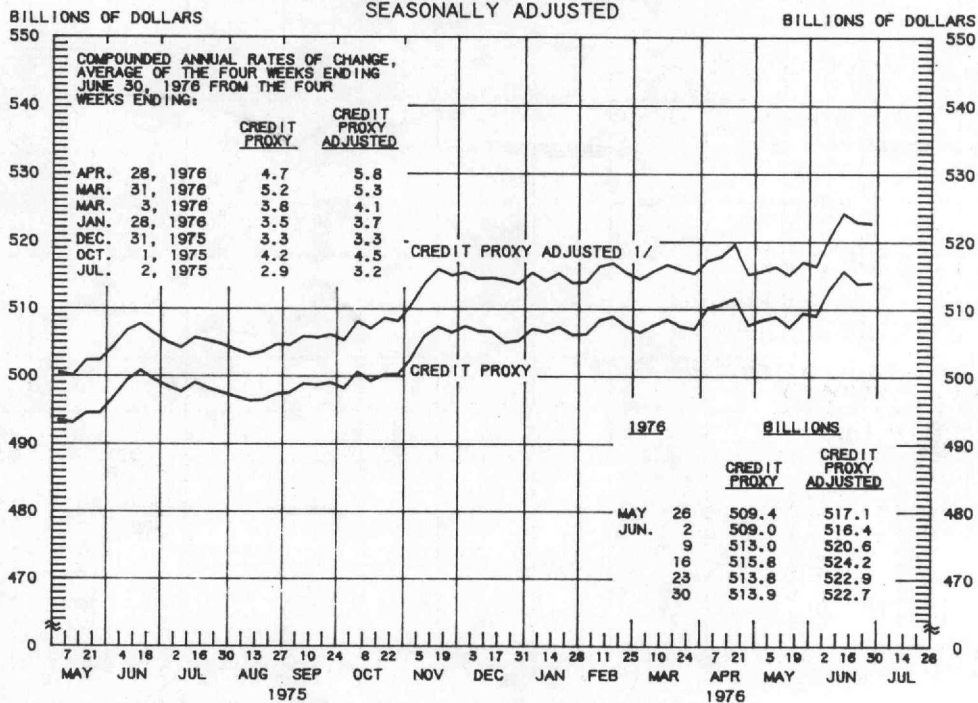
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RETURN POSTAGE GUARANTEED



FIRST CLASS MAIL

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



LATEST DATA PLOTTED WEEK ENDING: JUNE 30, 1976

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

1/ INCLUDES MEMBER BANK DEPOSITS, BANK-RELATED COMMERCIAL PAPER, EURO-DOLLAR BORROWINGS OF U.S. BANKS, AND CERTAIN OTHER NONDEPOSIT SOURCES.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS