



Week ending: August 25, 1976

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Growth of the monetary base tends to parallel the growth of adjusted Federal Reserve credit. For example, in the most recent three months the monetary base has increased at a 7.7 percent annual rate, while adjusted Federal Reserve credit has increased at a 7.9 percent rate. Over the previous three months the base increased at a 7.5 percent rate, compared to a 7.8 percent growth rate of adjusted Federal Reserve credit.

The rates of expansion of both M1 and M2 have decreased in comparison with their growth from early February through early May. In the most recent three months M1 has increased at a 4 percent rate, much slower than the 9.5 percent rate of increase exhibited over the earlier three months. The growth rates of the components of M1, currency and demand deposits, have also dropped sharply. Since early May currency has increased at a 6.9 percent rate, compared to a 13.5 percent rate of increase over the previous three months. Likewise, demand deposits have grown at a 2.9 percent rate, in contrast with the 8.4 percent growth rate of the earlier period. In a similar manner M2 has slowed from a 12 percent rate of increase over the period from early February through early May to a rate of 9.2 percent in the most recent three months. The slowdown in the growth of M2 has not been as pronounced as that of M1 because net time deposits, the principal component of M2, have increased at about the same rate in the most recent three months as in the previous three months.

The rate of growth of net time deposits is affected by the spread between the maximum interest payable on these deposits (as established by the Board of Governors under provisions of Regulation Q) and interest rates paid on competitive market instruments, such as Treasury bills. Over the last six months rates on net time deposits have been attractive relative to market rates and, consequently, net time deposits have increased at a rapid 13.7 percent rate. In contrast, from early July through early October 1975, ceiling rates on net time deposits were below market rates, on balance, and net time deposits increased at the relatively slower rate of 8 percent.

Prepared by Federal Reserve Bank of St. Louis

Released: August 27, 1976

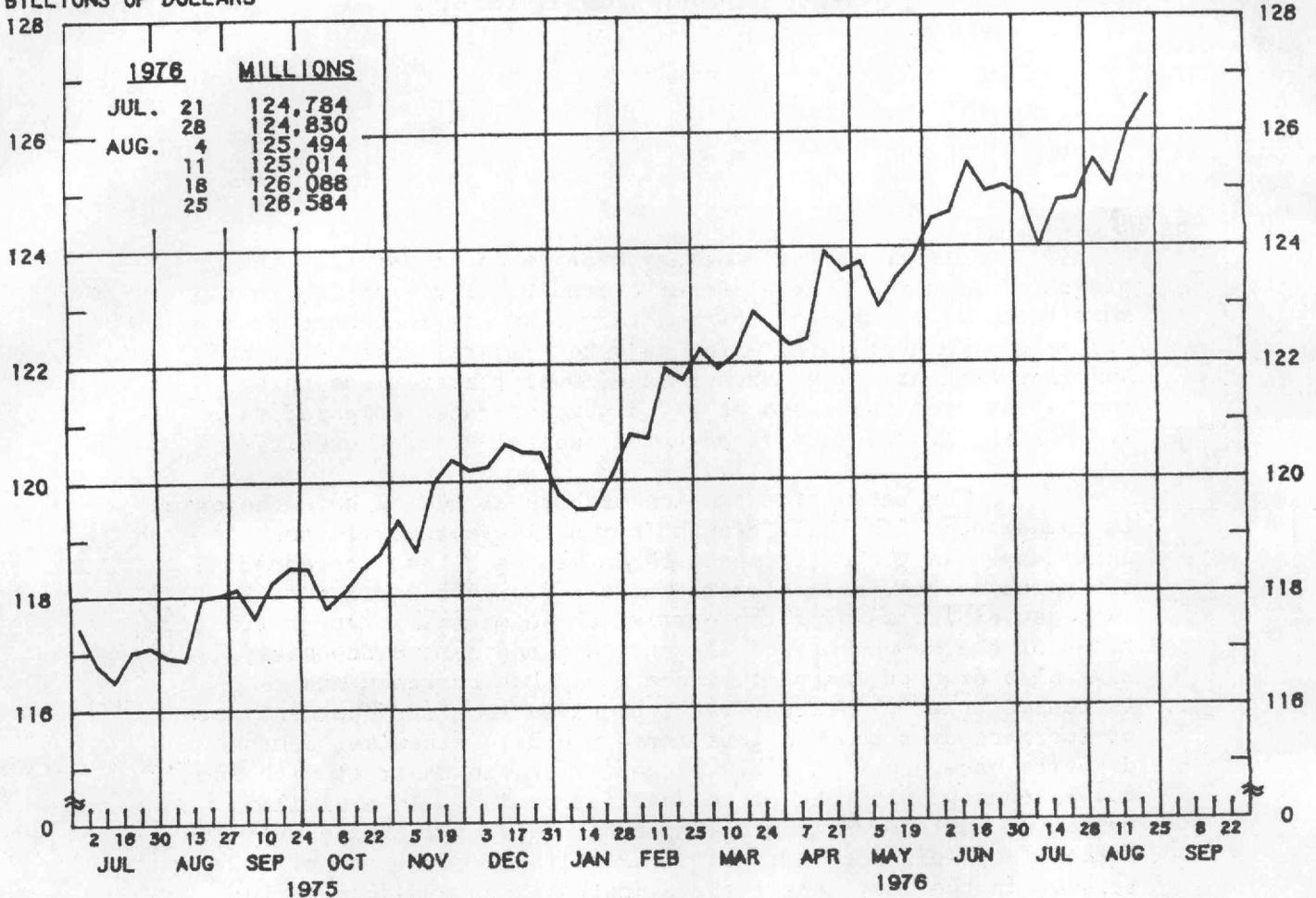
MONETARY BASE

AVERAGES OF DAILY FIGURES

SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: AUGUST 25, 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:

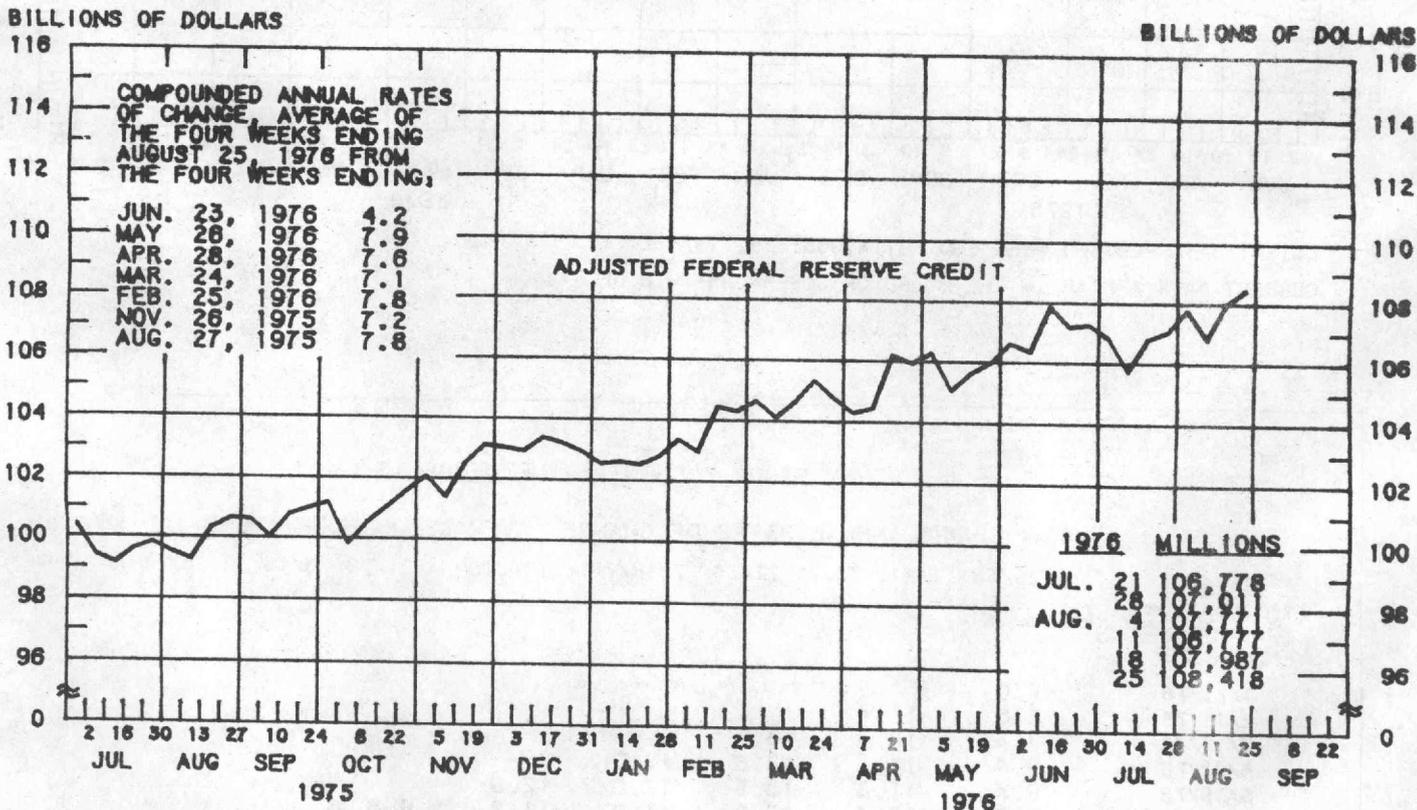
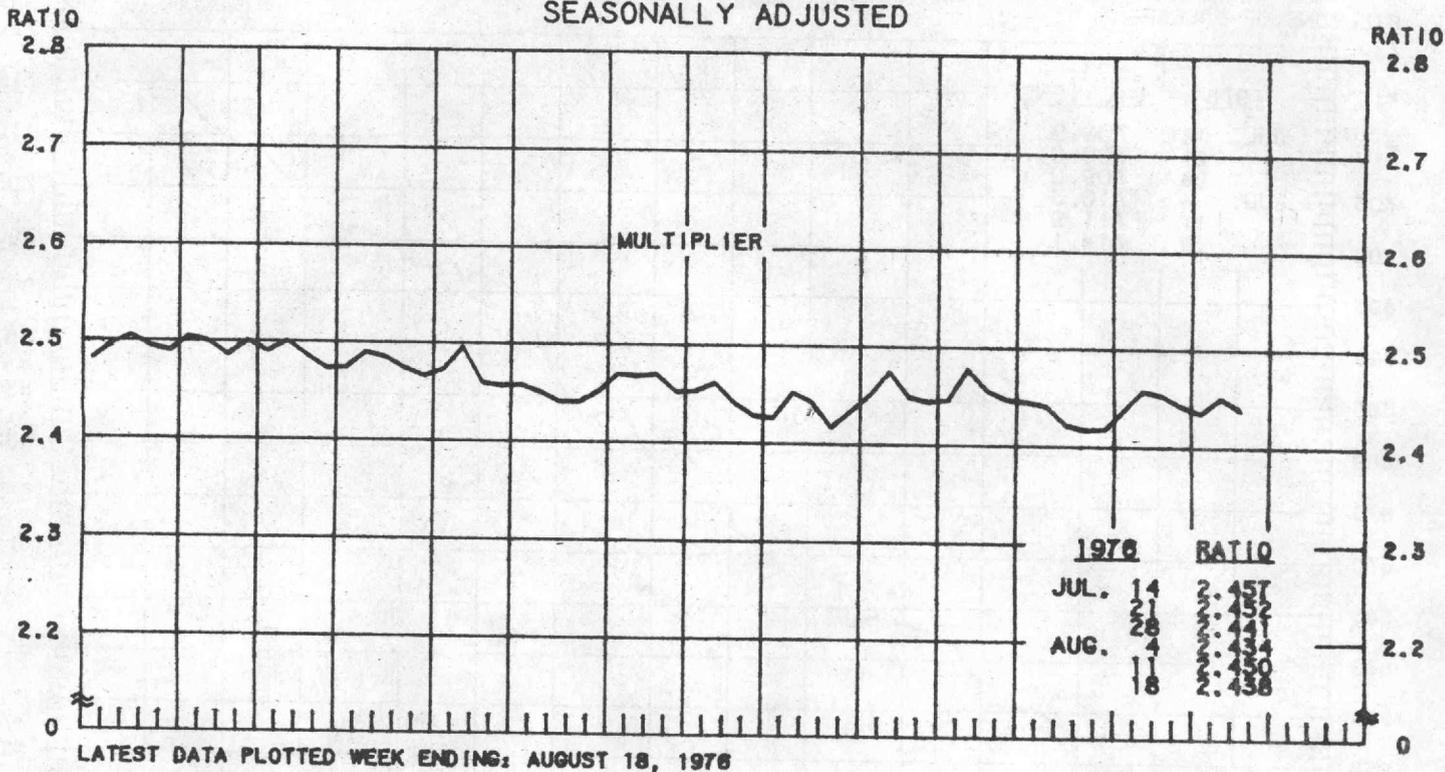
8/27/75 11/28/75 1/28/76 2/25/76 3/24/76 4/28/76 5/26/76 6/23/76

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

1/28/76	4.6								
2/25/76	6.6	5.7							
3/24/76	7.3	7.0	15.0						
4/28/76	7.2	6.9	11.7	8.8					
5/26/76	6.9	6.6	10.0	7.5	5.8				
6/23/76	7.7	7.7	11.0	9.3	8.7	10.0			
7/28/76	6.6	6.3	8.4	6.6	5.6	5.2	5.4		
8/25/76	7.1	7.0	9.0	7.6	6.9	7.0	7.7	4.4	

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

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



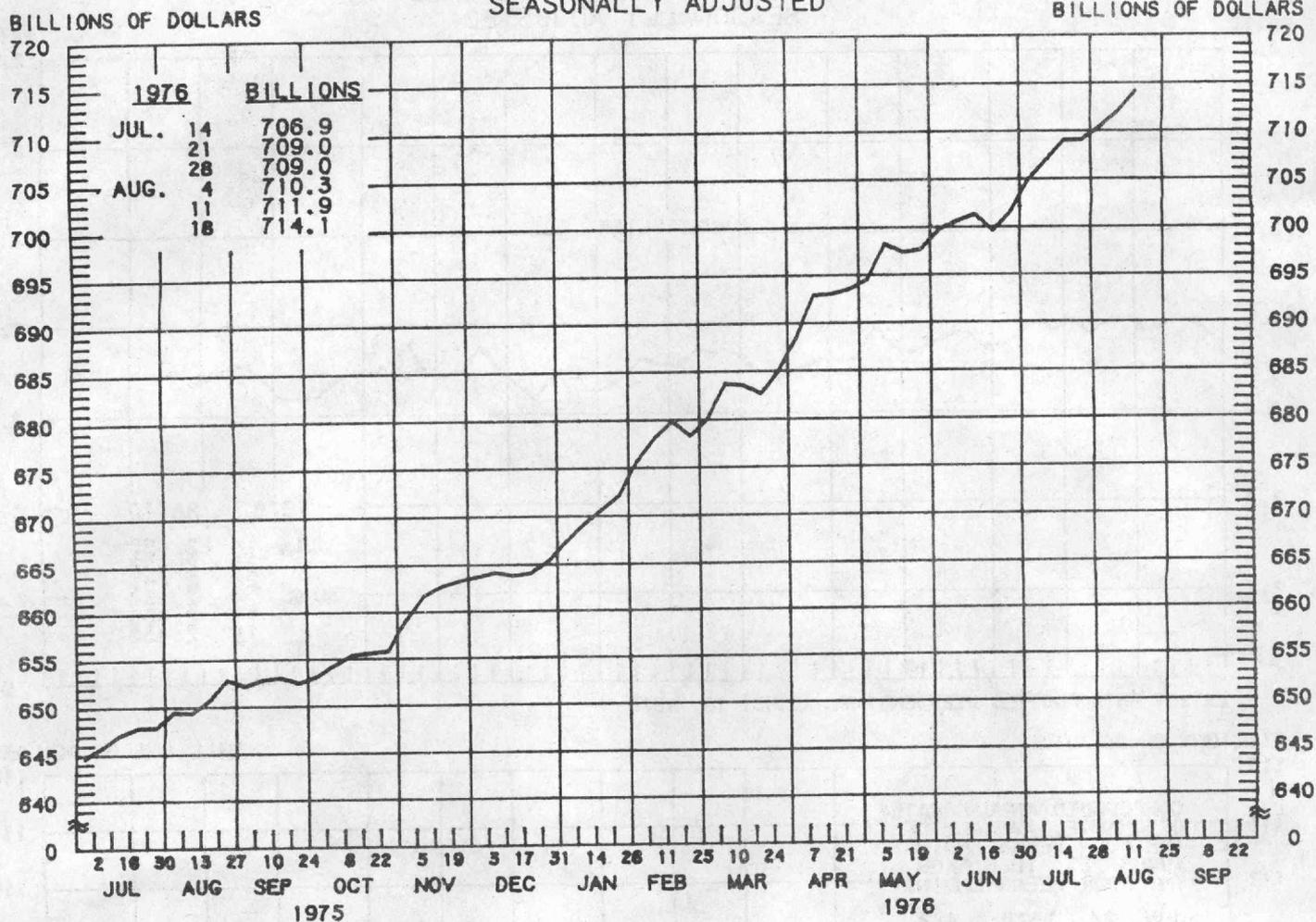
LATEST DATA PLOTTED WEEK ENDING: AUGUST 25, 1976

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



LATEST DATA PLOTTED WEEK ENDING: AUGUST 18, 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:
8/20/75 11/19/75 1/21/76 2/18/76 3/17/76 4/21/76 5/19/76 6/16/76

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

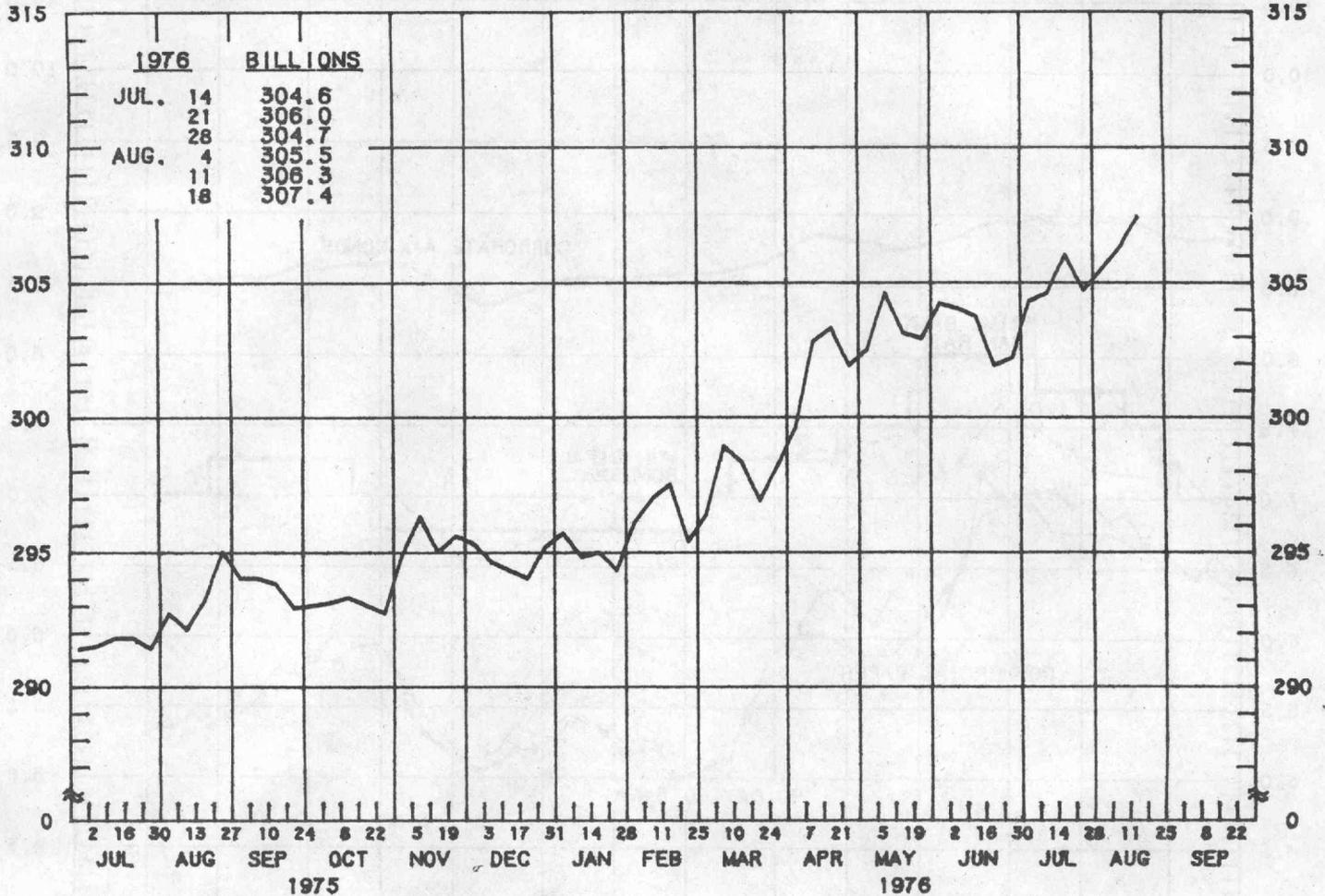
1/21/76	7.0							
2/18/76	8.5	10.4						
3/17/76	8.7	10.4	13.7					
4/21/76	9.4	11.1	13.6	12.0				
5/19/76	9.7	11.2	13.3	12.0	12.9			
6/16/76	9.5	10.7	12.2	11.0	11.2	9.8		
7/21/76	9.4	10.5	11.5	10.5	10.6	9.5	8.3	
8/18/76	9.5	10.5	11.5	10.6	10.7	9.8	9.2	9.9

MONEY STOCK (M1)

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: AUGUST 16, 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:

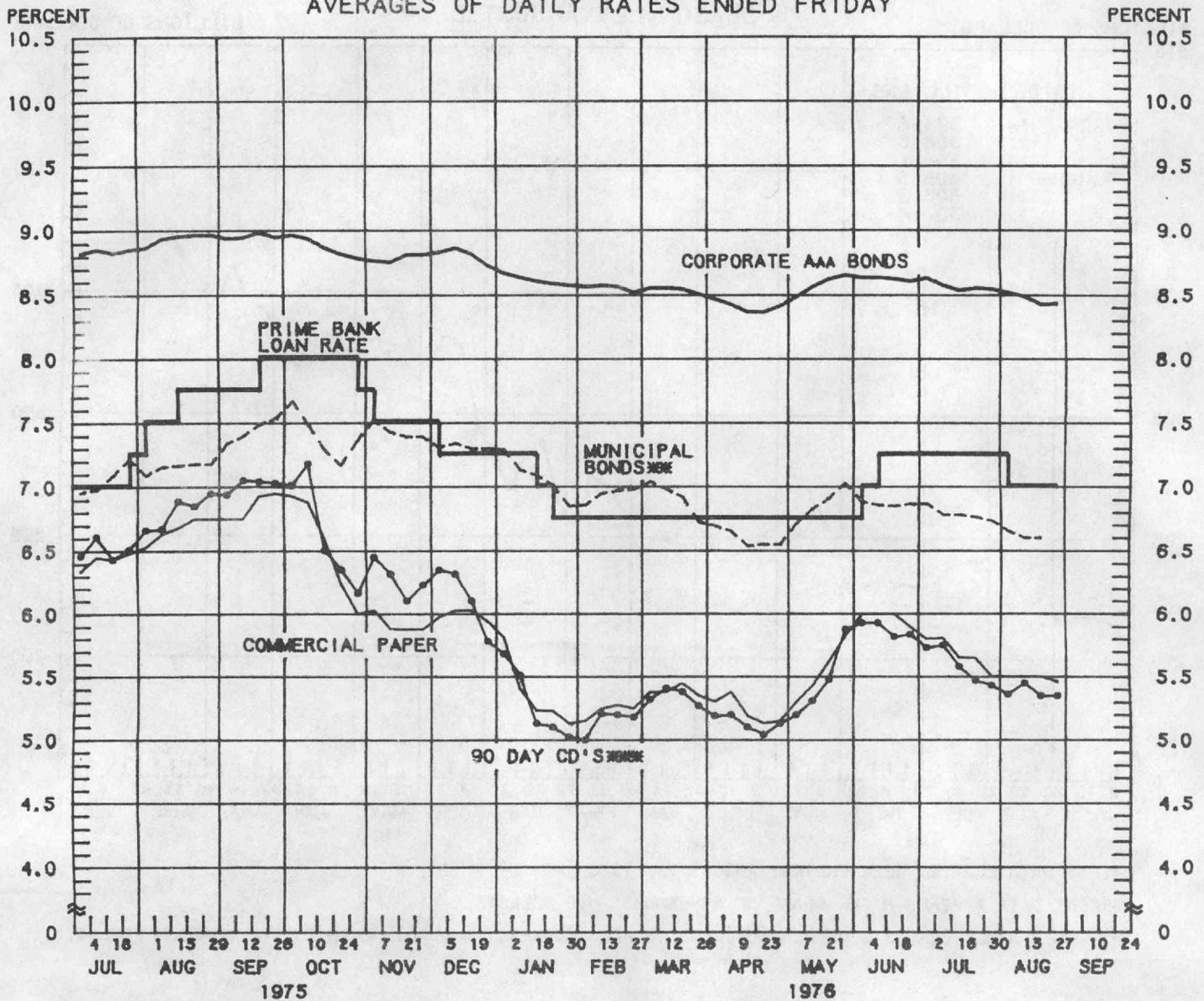
8/20/75 11/19/75 1/21/76 2/18/76 3/17/76 4/21/76 5/19/76 6/16/76

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

1/21/76	2.3								
2/18/76	2.6	2.1							
3/17/76	2.9	2.7	4.7						
4/21/76	4.4	5.1	8.1	9.7					
5/19/76	4.9	5.7	8.3	9.5	11.6				
6/16/76	4.7	5.4	7.3	7.9	8.9	6.0			
7/21/76	4.4	4.9	6.3	6.6	7.0	4.5	2.5		
8/16/76	4.7	5.1	6.4	6.7	7.1	5.2	4.0	4.5	

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: AUGUST 27, 1976

1976	90 DAY CD'S INDEX	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS INDEX
JULY 2	5.73	5.80	5.69	8.63	6.87
9	5.75	5.81	5.66	8.57	6.78
16	5.58	5.65	5.48	8.53	6.78
23	5.47	5.85	5.47	8.55	6.76
30	5.43	5.50	5.35	8.54	6.73
AUG. 6	5.36	5.50	5.34	8.51	6.65
13	5.45	5.50	5.34	8.48	6.60
20	5.35	5.50	5.33	8.42	6.60
27 *	5.35	5.46	5.31	8.43	N.A.
SEP. 3					
10					
17					
24					

* AVERAGES OF RATES AVAILABLE.

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

~~INDEX~~ SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS

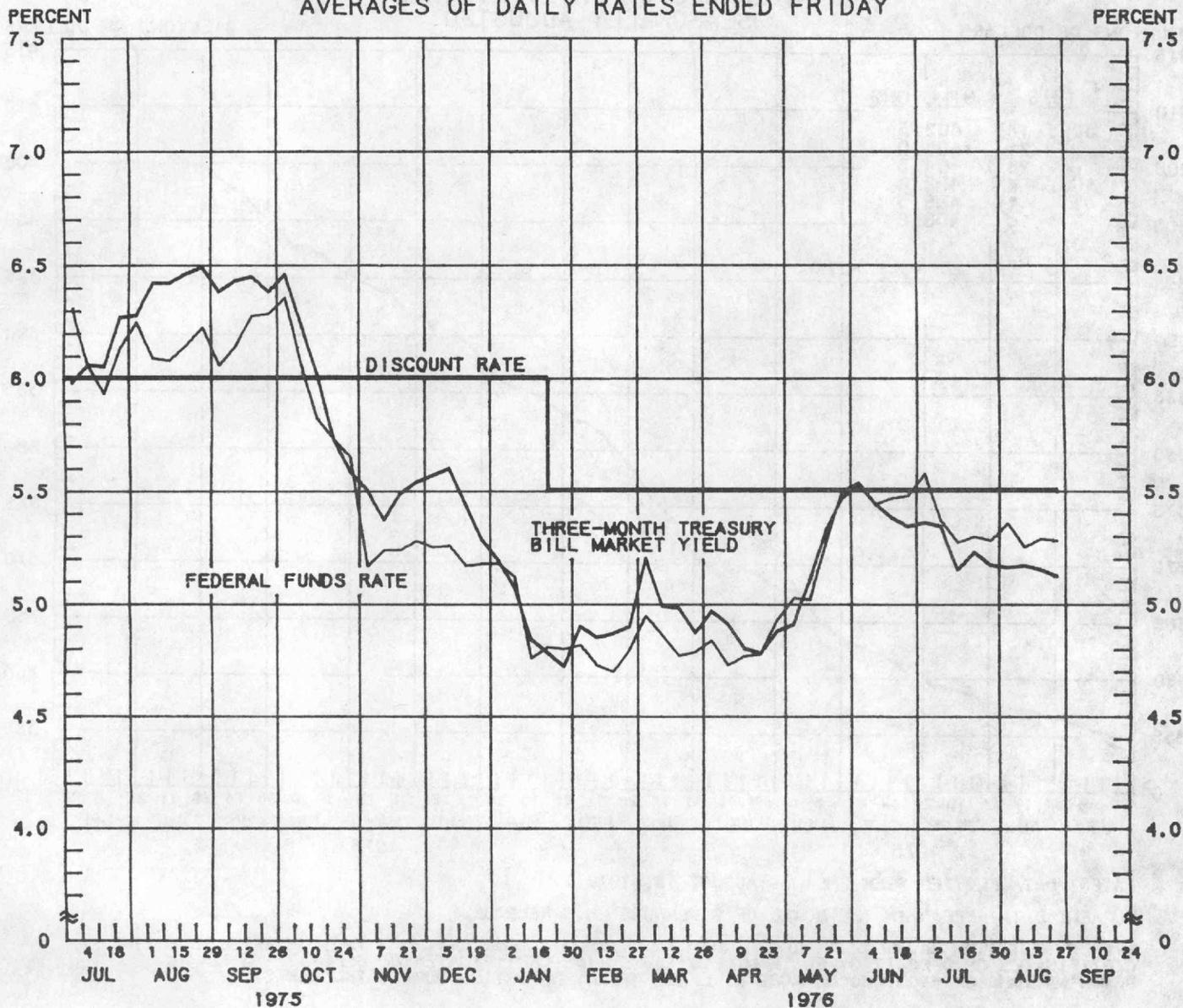
EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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: AUGUST 27, 1976

1976	FEDERAL FUNDS ***	3-MONTH TREASURY BILLS	1-YEAR TREASURY BILL	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES
JULY 2	5.58	5.36	6.08	7.36	7.84
9	5.37	5.34	5.90	7.30	7.81
16	5.27	5.15	5.72	7.18	7.79
23	5.30	5.23	5.84	7.26	7.84
30	5.28	5.17	5.74	7.21	7.84
AUG. 6	5.36	5.16	5.72	7.12	7.82
13	5.25	5.17	5.65	7.06	7.80
20	5.29	5.15	5.64	7.04	7.79
27 *	5.28	5.12	5.59	6.99	7.76
SEP. 3					
10					
17					
24					

* 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.

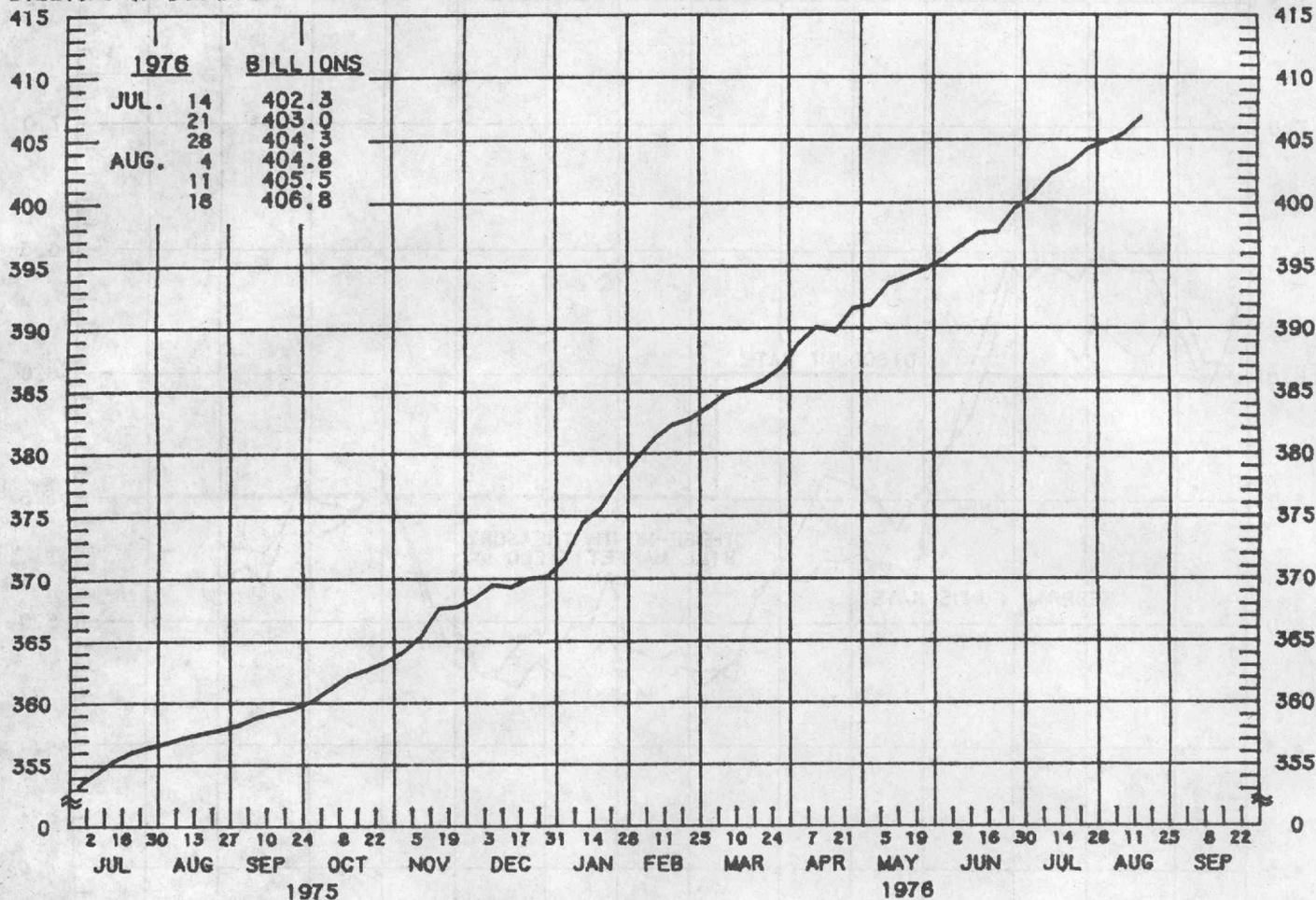
RATES ON LONG-TERM GOVERNMENT SECURITIES ARE COMPUTED BY THE FEDERAL RESERVE BANK OF ST. LOUIS.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

NET TIME DEPOSITS ALL COMMERCIAL BANKS AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: AUGUST 18, 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:

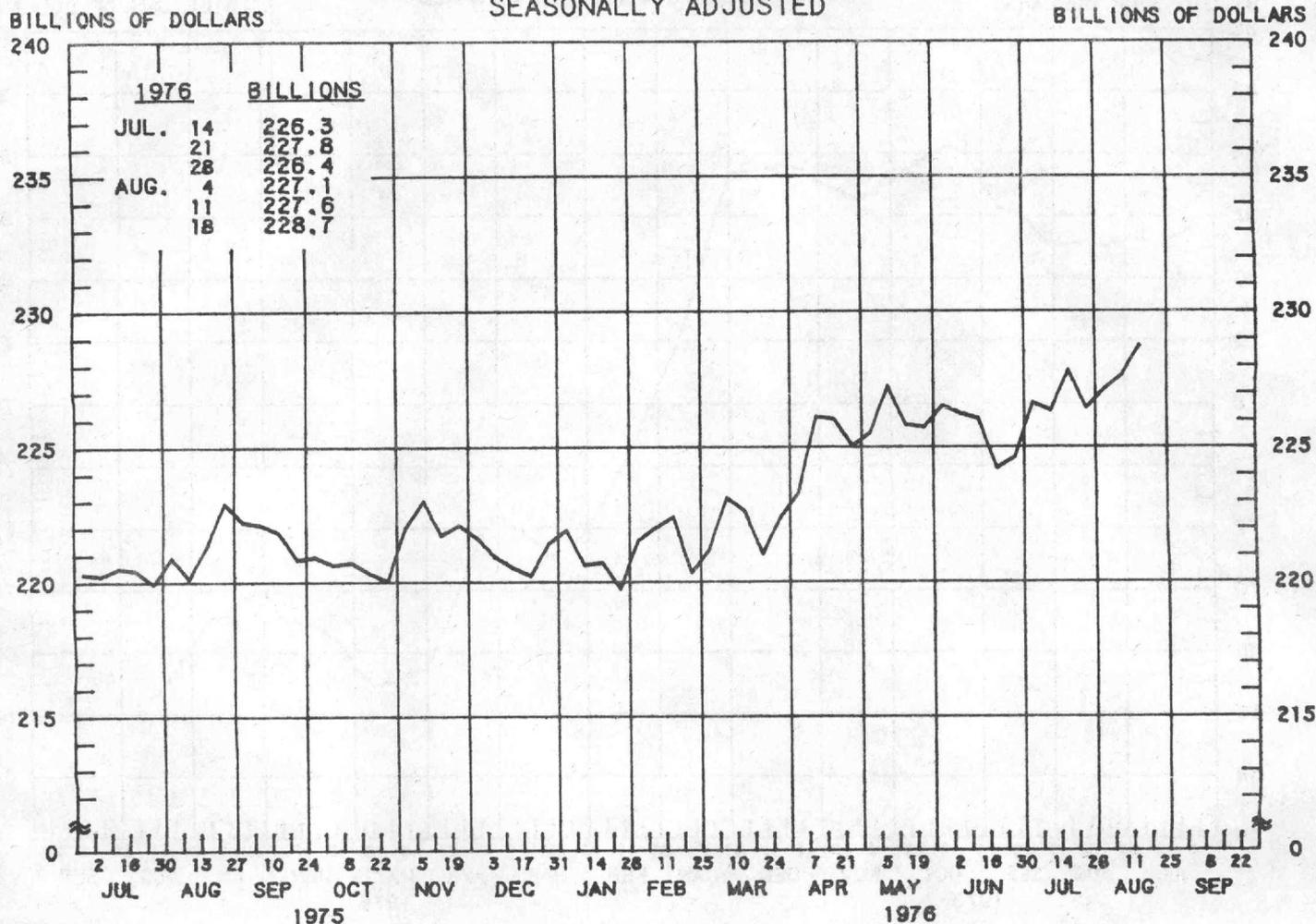
8/20/75 11/19/75 1/21/76 2/18/76 3/17/76 4/21/76 5/19/76 6/16/76

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

1/21/76	10.8								
2/18/76	13.4	17.6							
3/17/76	13.5	16.8	21.2						
4/21/76	13.6	16.1	18.3	14.0					
5/19/76	13.6	15.7	17.2	13.9	13.8				
6/16/76	13.4	15.2	16.1	13.4	13.1	12.7			
7/21/76	13.5	15.1	15.9	13.7	13.6	13.5	13.3		
8/18/76	13.6	15.0	15.6	13.7	13.6	13.6	13.5	14.3	

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



DEMAND DEPOSIT COMPONENT OF MONEY STOCK

COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:
8/20/75 11/19/75 1/21/76 2/18/76 3/17/76 4/21/76 5/19/76 6/16/76

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

1/21/76	0.6							
2/18/76	0.7	-0.5						
3/17/76	0.9	0.1	1.8					
4/21/76	2.6	3.0	6.1	8.4				
5/19/76	3.2	3.8	6.6	8.4	11.2			
6/16/76	3.0	3.5	5.6	6.6	8.0	4.7		
7/21/76	2.8	3.1	4.7	5.3	6.0	3.2	1.0	
8/18/76	3.1	3.5	5.0	5.6	6.2	4.1	2.9	3.6

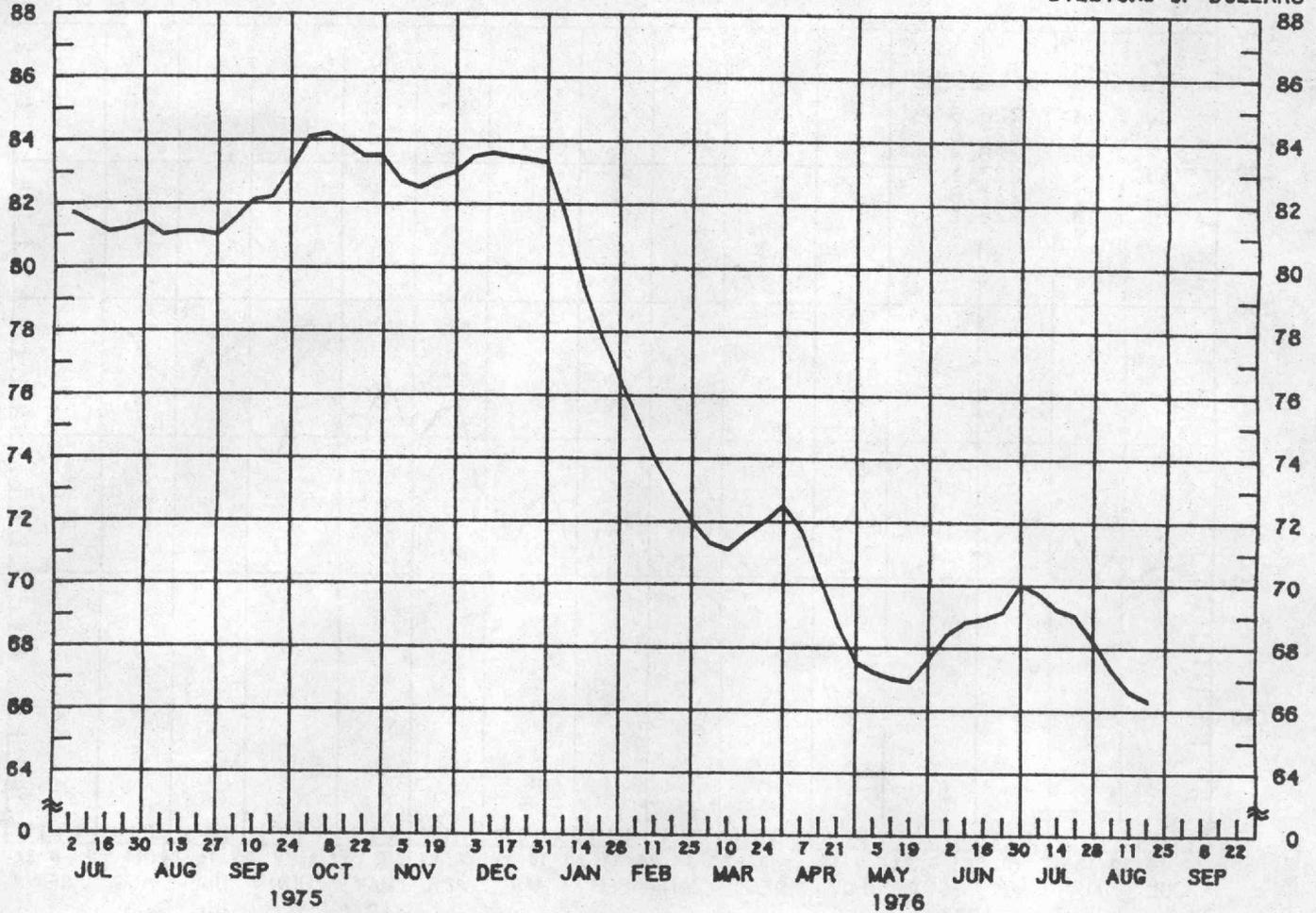
CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES

NOT SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: AUGUST 18, 1976

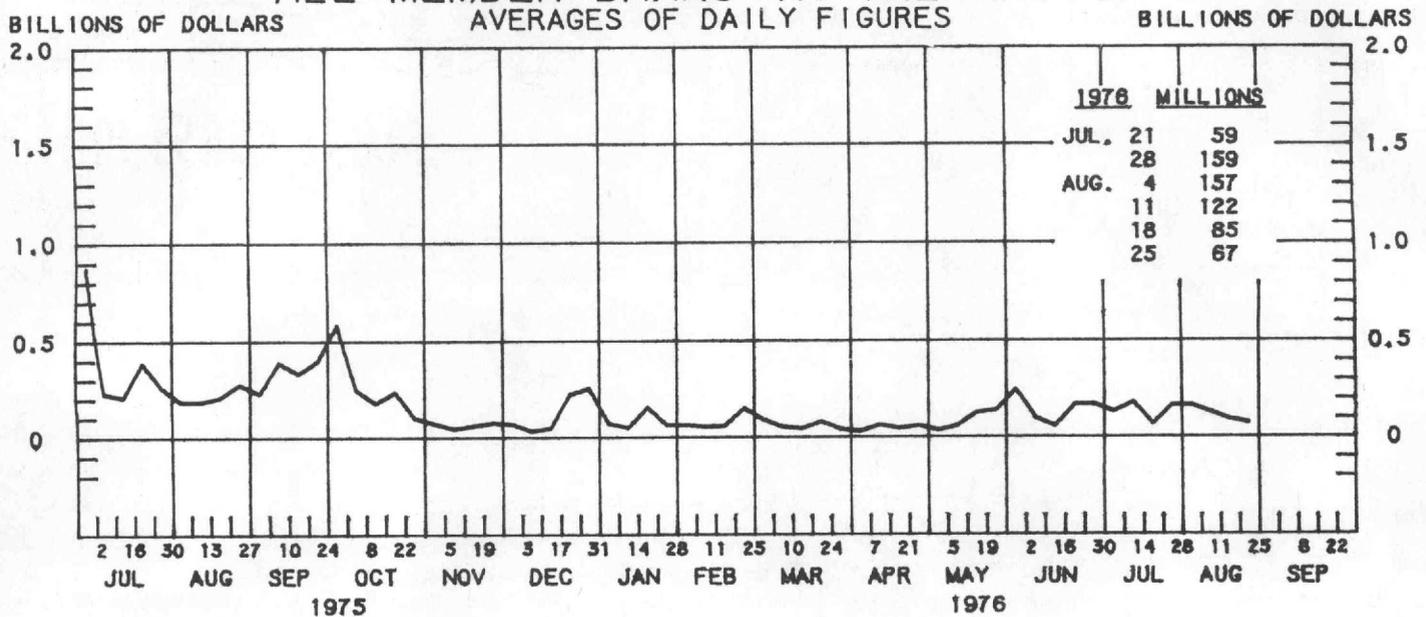
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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.
JULY 7	69.7	71.5
14	69.2	70.4
21	69.0	69.7
28	68.2	68.2
AUG. 4	67.3	66.5
11	66.6	65.4
18	66.3	64.4
25		
SEP. 1		
8		
15		
22		
29		

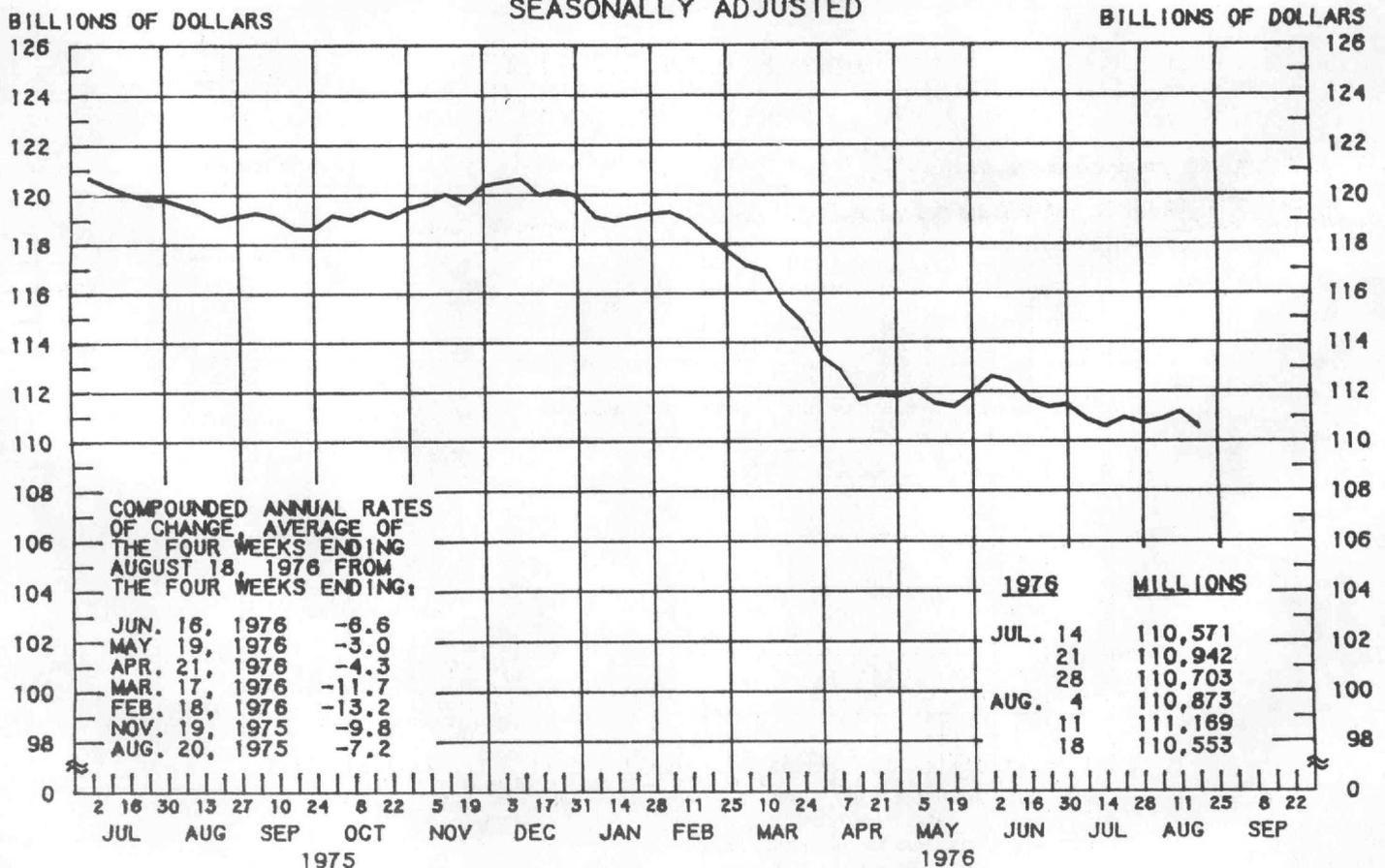
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



LATEST DATA PLOTTED WEEK ENDING: AUGUST 25, 1976

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

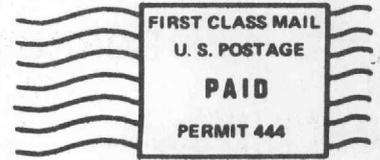


LATEST DATA PLOTTED WEEK ENDING: AUGUST 18, 1976

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

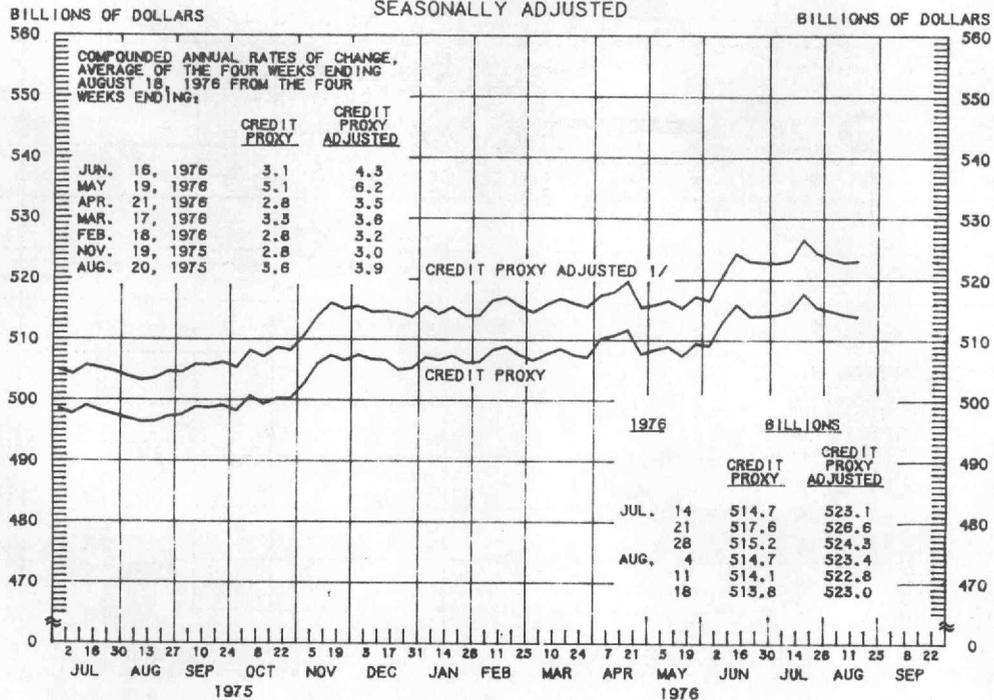
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 ST. LOUIS, MISSOURI 63166

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, AUGUST 18, 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