

Week ending: November 3, 1976



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DEC 26 1976

In the most recent week many commercial banks have lowered their prime rate from 6.75 percent to 6.50 percent. The prime rate is the interest rate charged by banks on short-term loans made to their large commercial customers with the highest credit rating. This 25 basis point decline in the prime rate comes only one month after the last decline, when the prime rate was lowered from 7 percent to 6.75 percent. Since this last change in the prime rate on October 1, 1976, the interest rate on prime 4-6 month commercial paper, an alternative source of short-term business credit, has also decreased by 25 basis points. While the prime rate has been declining, business loans at large commercial banks have been on the upswing. Business loans increased to \$114 billion last week, and have grown at a 9 percent annual rate over the last three months.

Over the last three months the monetary base, the prime determinant of the monetary aggregates (M1 and M2), has increased at an 8.3 percent annual rate, somewhat faster than the 4.6 percent rate recorded over the previous three months. In the most recent period, M1 has grown at a 6.7 percent rate, while M2 has grown at a 12 percent rate. Both M1 and M2 grew at slower rates over the previous three months; 4 and 8.6 percent, respectively.

The recent increase in the growth rate of M1 reflects increases in the growth rates of its two components: currency and demand deposits. The growth rate of demand deposits increased from 3.1 to 5.8 percent, while the growth rate of currency increased from 7.5 to 8.4 percent. An increase in the growth rate of net time deposits from 12.3 percent in the previous three months to 16.1 percent in the most recent three months, along with the somewhat smaller increase in the growth rate of M1, account for the higher growth rate of M2 in the most recent period.

THIS RELEASE WILL BE MAILED LATER  
THAN USUAL NEXT WEEK DUE TO A HOLIDAY  
ON THURSDAY, NOVEMBER 11, 1976.

Prepared by Federal Reserve Bank of St. Louis

Released: November 5, 1976

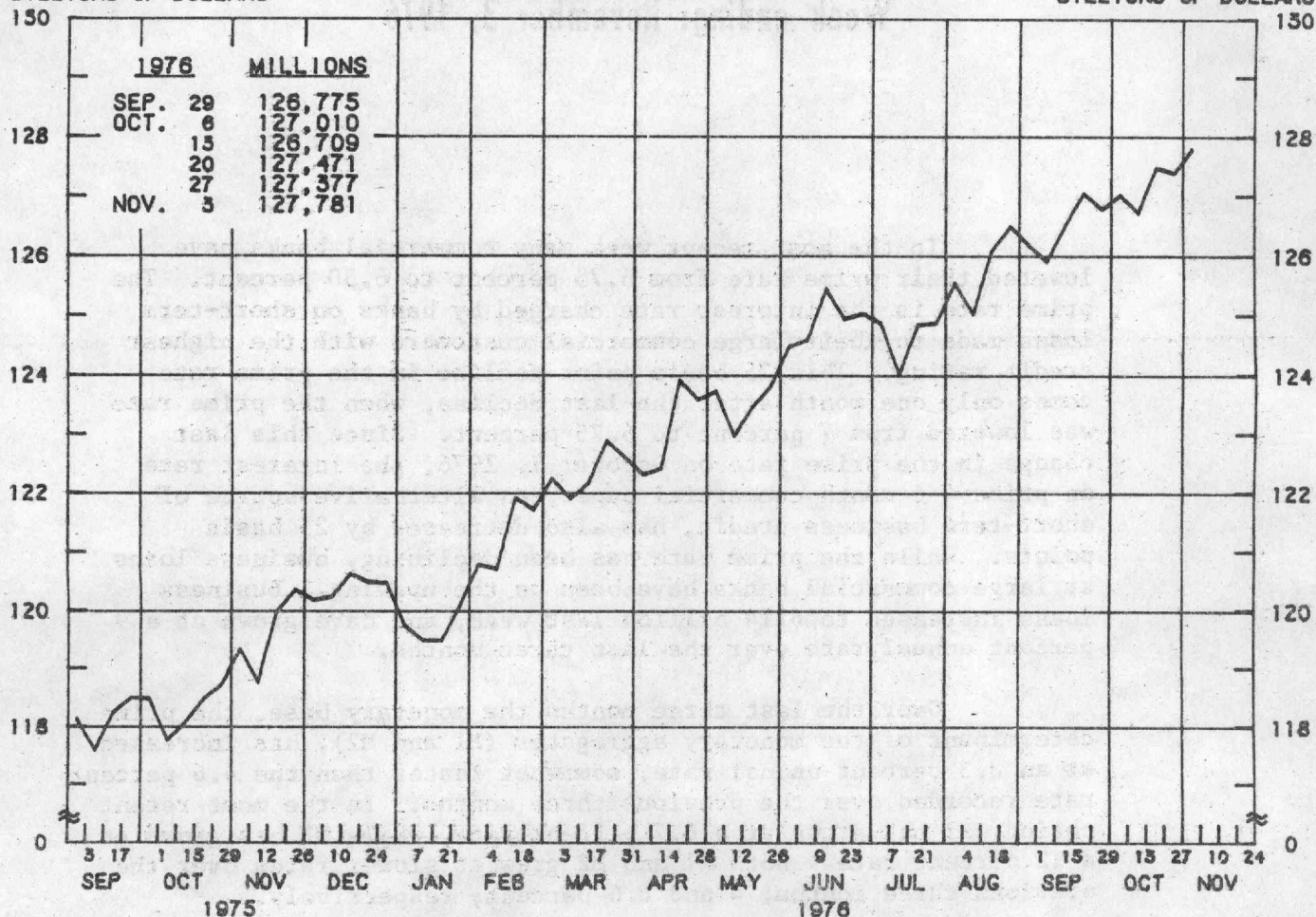
# MONETARY BASE

## AVERAGES OF DAILY FIGURES

### SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 3, 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:

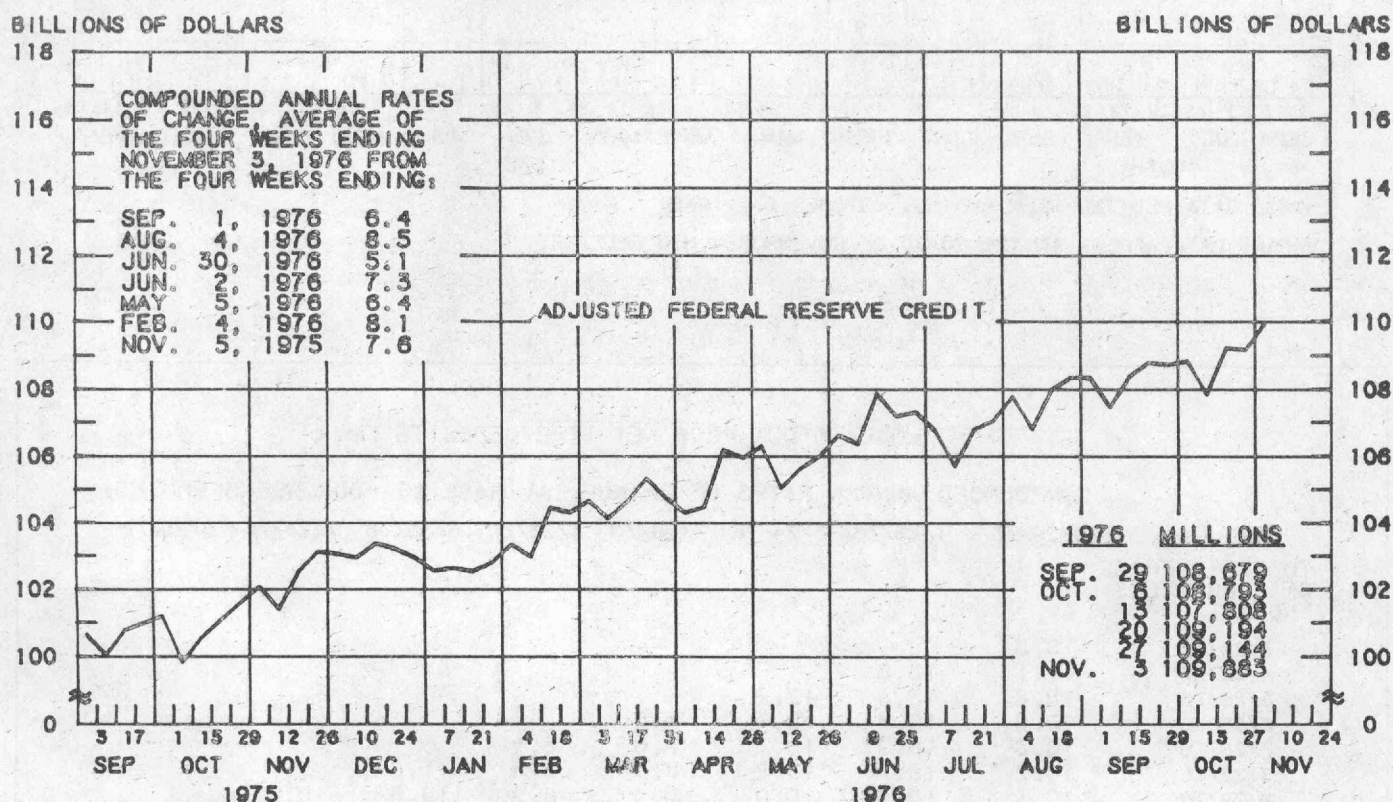
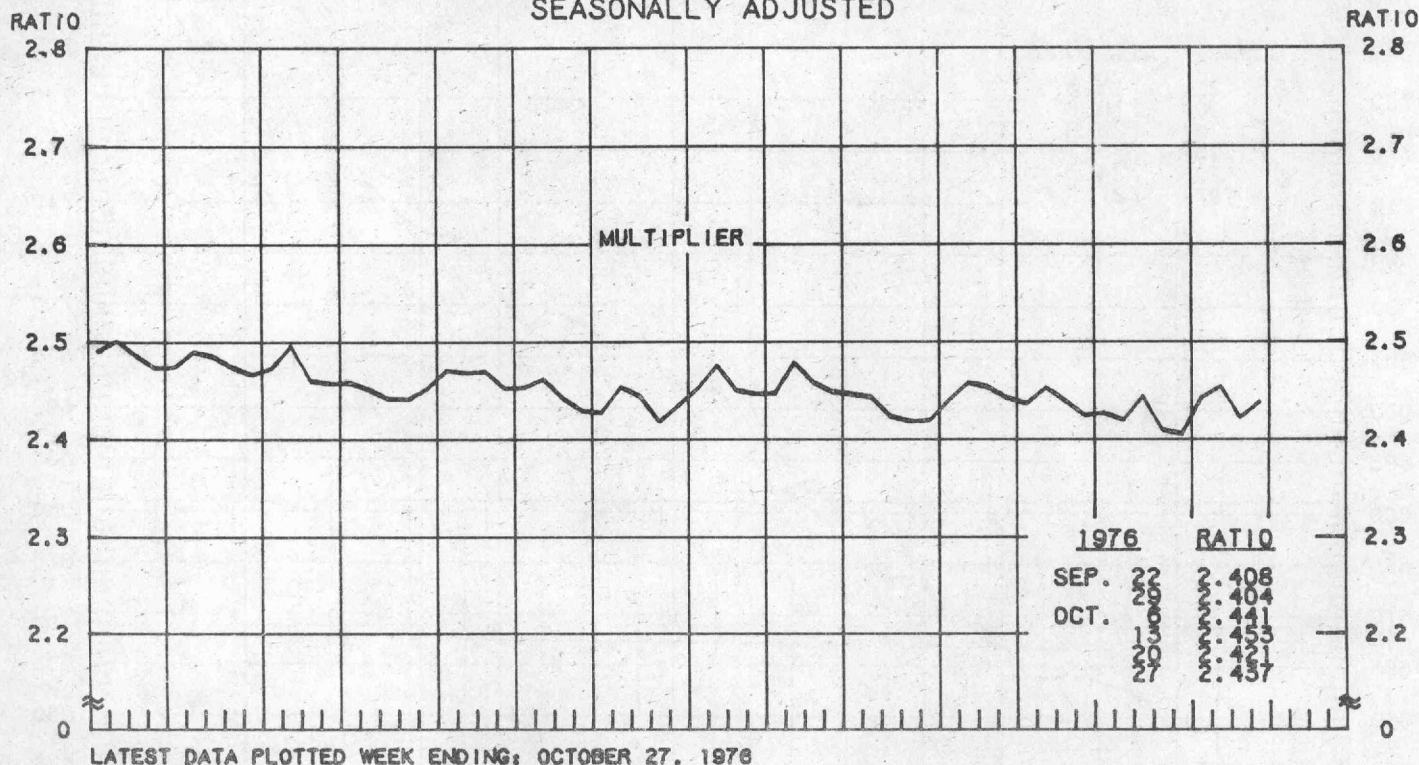
11/5/75    2/4/76    3/31/76    5/5/76    6/2/76    6/30/76    8/4/76    9/1/76

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

3/31/76	8.0							
5/ 5/76	8.2	12.0						
6/ 2/76	7.5	9.8	6.3					
6/30/76	8.3	10.7	8.8	8.7				
8/ 4/76	7.0	8.3	5.9	4.6	5.4			
9/ 1/76	7.5	8.8	7.0	6.4	7.5	4.4		
10/ 6/76	7.5	8.6	7.1	6.7	7.5	5.6	9.7	
11/ 3/76	7.3	8.3	6.9	6.5	7.1	5.5	8.3	6.6



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



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 3, 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: OCTOBER 27, 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:

10/29/75 1/28/76 3/24/76 4/28/76 5/26/76 6/30/76 7/28/76 8/25/76

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

3/24/76	10.3						
4/28/76	11.1	13.3					
5/26/76	10.8	12.3	12.2				
6/30/76	10.0	10.7	9.7	7.0			
7/28/76	10.3	10.9	10.3	8.6	8.4		
8/25/76	10.2	10.7	10.2	8.8	8.8	11.0	
9/29/76	10.1	10.5	10.0	8.9	8.9	10.3	9.4
10/27/76	10.7	11.3	11.0	10.3	10.5	12.1	12.0
							13.0

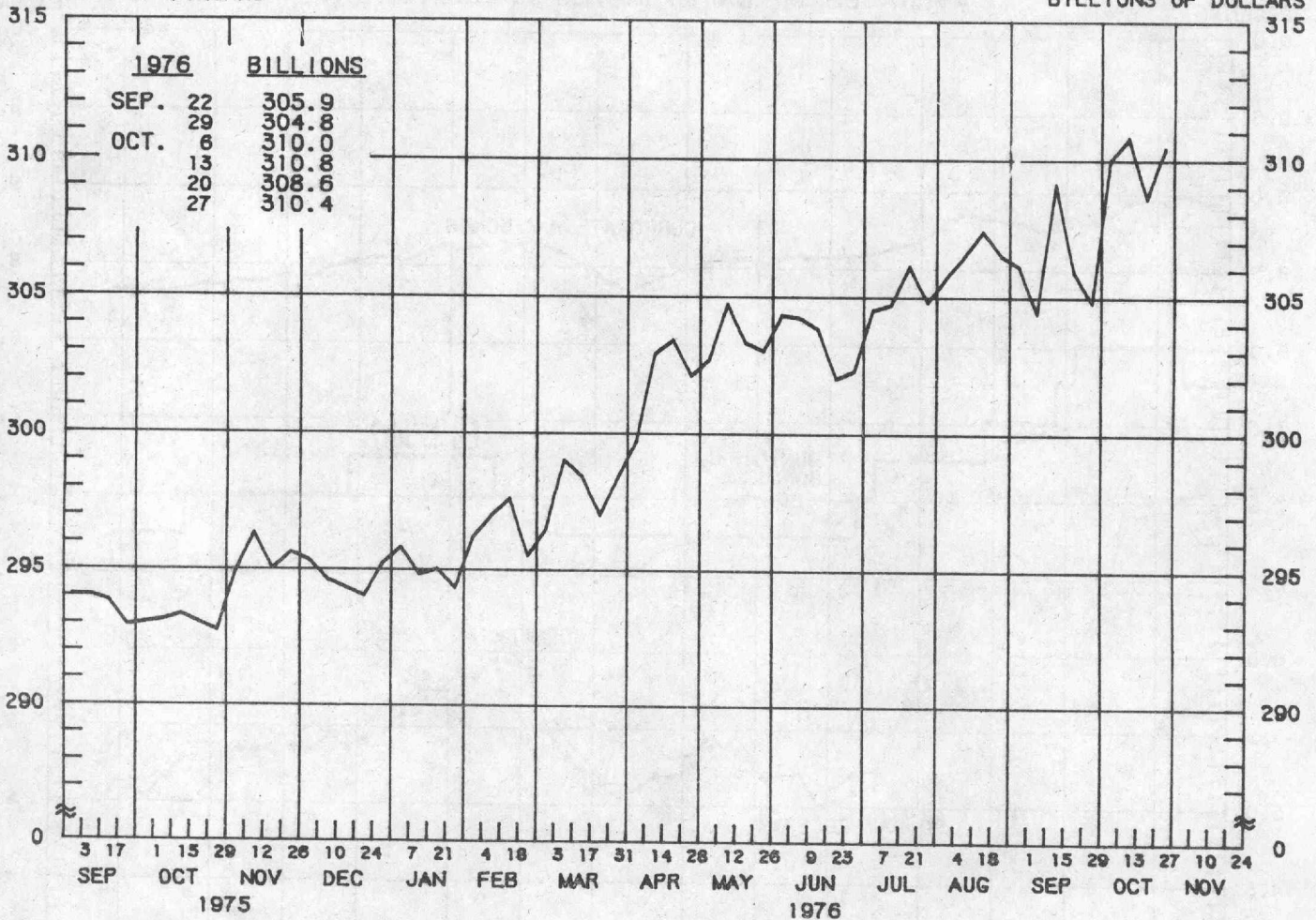


# MONEY STOCK (M1)

## AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 27, 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:

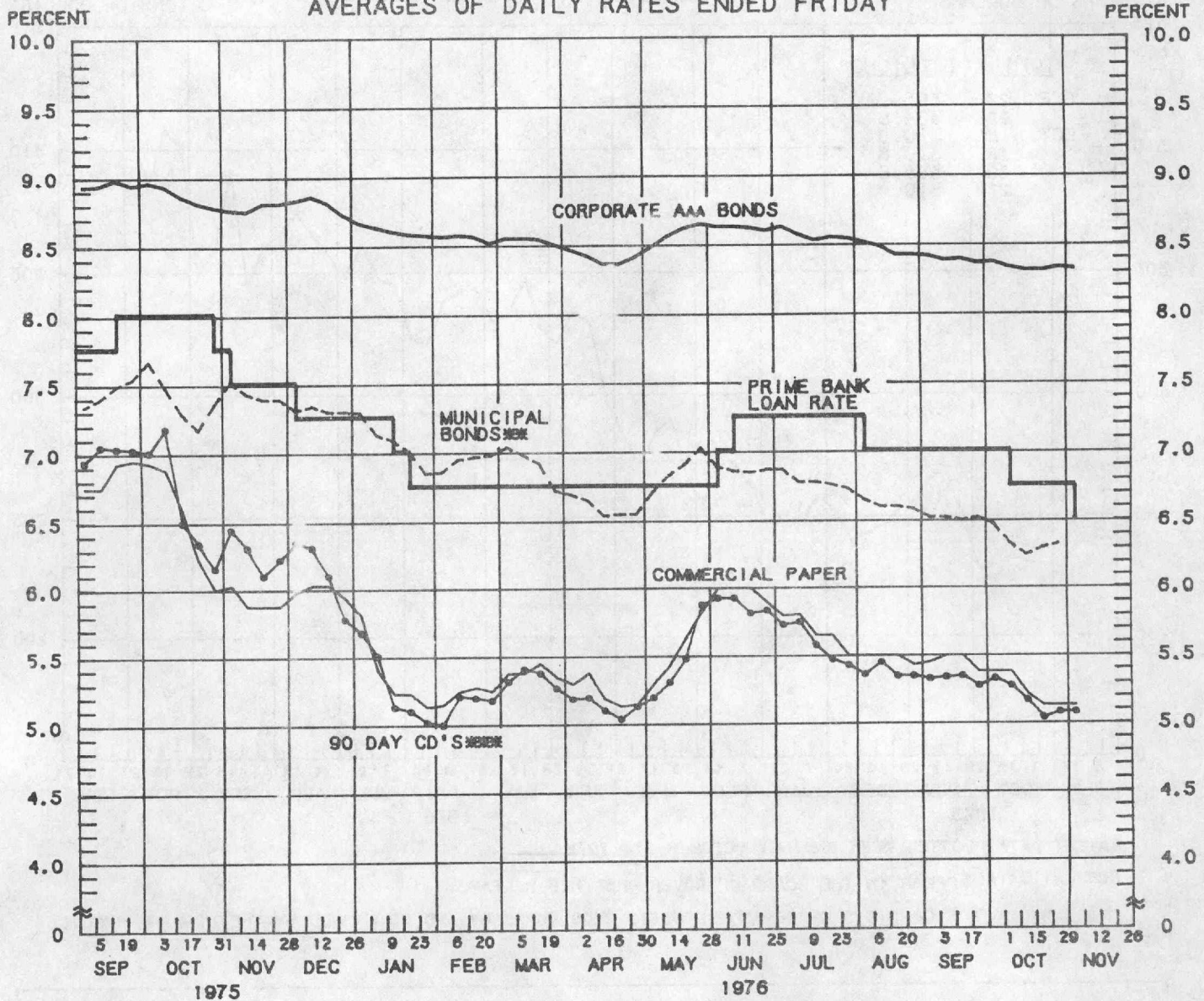
10/29/75    1/28/76    3/24/76    4/28/76    5/26/76    6/30/76    7/28/76    8/25/76

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

3/24/76	4.0						
4/28/76	6.2	9.8					
5/26/76	6.2	9.0	11.6				
6/30/76	5.2	6.6	6.9	2.1			
7/28/76	5.5	6.9	7.2	4.0	3.1		
8/25/76	5.6	6.9	7.1	4.6	4.2	7.5	
9/29/76	4.9	5.6	5.5	3.2	2.6	4.0	2.1
10/27/76	5.8	6.8	7.0	5.4	5.2	7.1	6.7
							6.8

# YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: NOVEMBER 5, 1976

1976	90 DAY CD'S	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS
SEP. 3	5.33	5.45	5.28	8.41	6.52
10	5.34	5.50	5.31	8.38	6.52
17	5.35	5.50	5.30	8.39	6.50
24	5.28	5.38	5.26	8.36	6.52
OCT. 1	5.33	5.38	5.25	8.37	6.47
8	5.28	5.38	5.22	8.33	6.33
15	5.17	5.22	5.05	8.31	6.25
22	5.04	5.13	4.93	8.31	6.30
29	5.08	5.13	5.01	8.33	6.33
NOV. 5 *	5.08	5.13	5.01	8.32	N.A.
12					
19					
26					

\* 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.

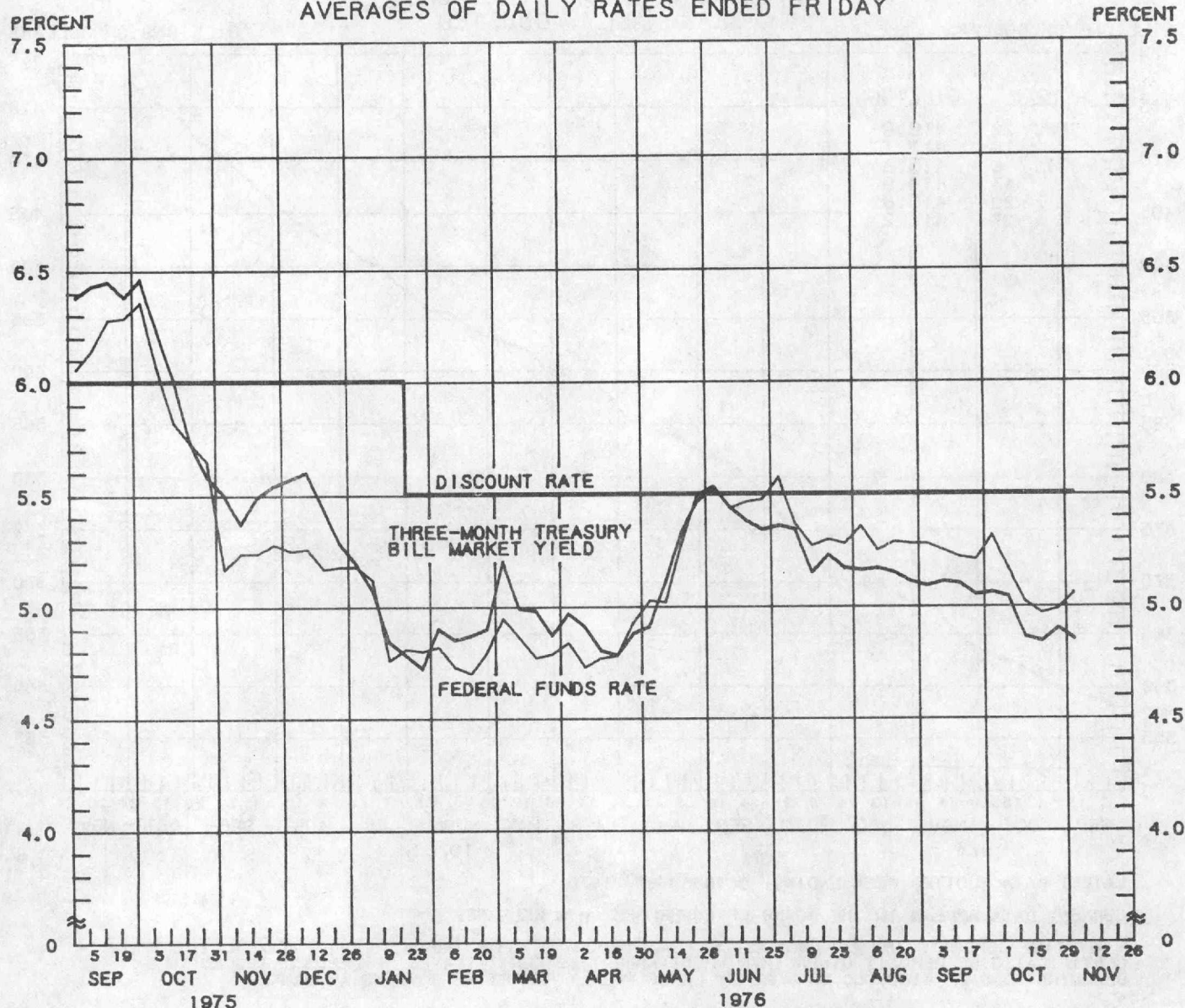
N.A. - NOT AVAILABLE

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: NOVEMBER 5, 1976

1976	FEDERAL FUNDS ***	3-MONTH TREASURY BILLS	1-YEAR TREASURY BILL	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES
SEP. 3	5.28	5.09	5.56	6.91	7.72
10	5.25	5.11	5.53	6.88	7.70
17	5.22	5.10	5.52	6.89	7.66
24	5.21	5.05	5.43	6.80	7.62
OCT. 1	5.32	5.06	5.48	6.80	7.63
8	5.17	5.04	5.31	6.61	7.56
15	5.02	4.86	5.09	6.35	7.50
22	4.97	4.84	5.11	6.39	7.55
29	4.99	4.90	5.19	6.56	7.59
NOV. 5 *	5.06	4.85	5.14	6.51	7.56
12					
19					
26					

\* AVERAGES OF RATES AVAILABLE.

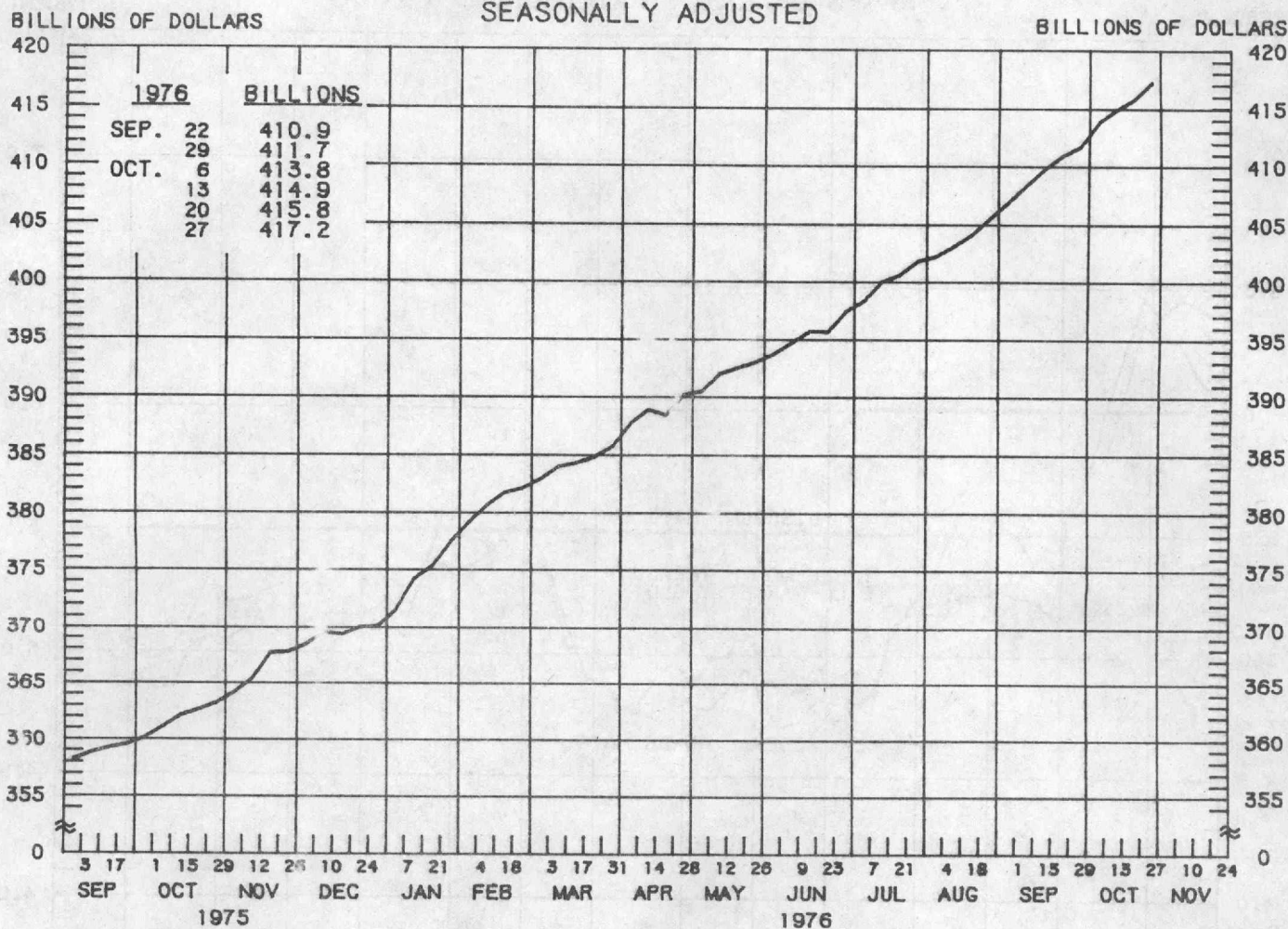
\*\*\* SEVEN-DAY AVERAGES FOR WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATE SHOWN.

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: OCTOBER 27, 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:

10/29/75    1/28/76    3/24/76    4/28/76    5/26/76    6/30/76    7/28/76    8/25/76

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

3/24/76	15.5						
4/28/76	15.2	16.0					
5/26/76	14.6	14.9	12.7				
6/30/76	14.1	14.0	12.0	11.0			
7/28/76	14.2	14.1	12.7	12.3	12.7		
8/25/76	14.0	13.8	12.6	12.2	12.5	13.5	
9/29/76	14.4	14.4	13.6	13.5	14.0	15.2	15.3
10/27/76	14.7	14.8	14.1	14.2	14.7	15.8	16.1
							17.9

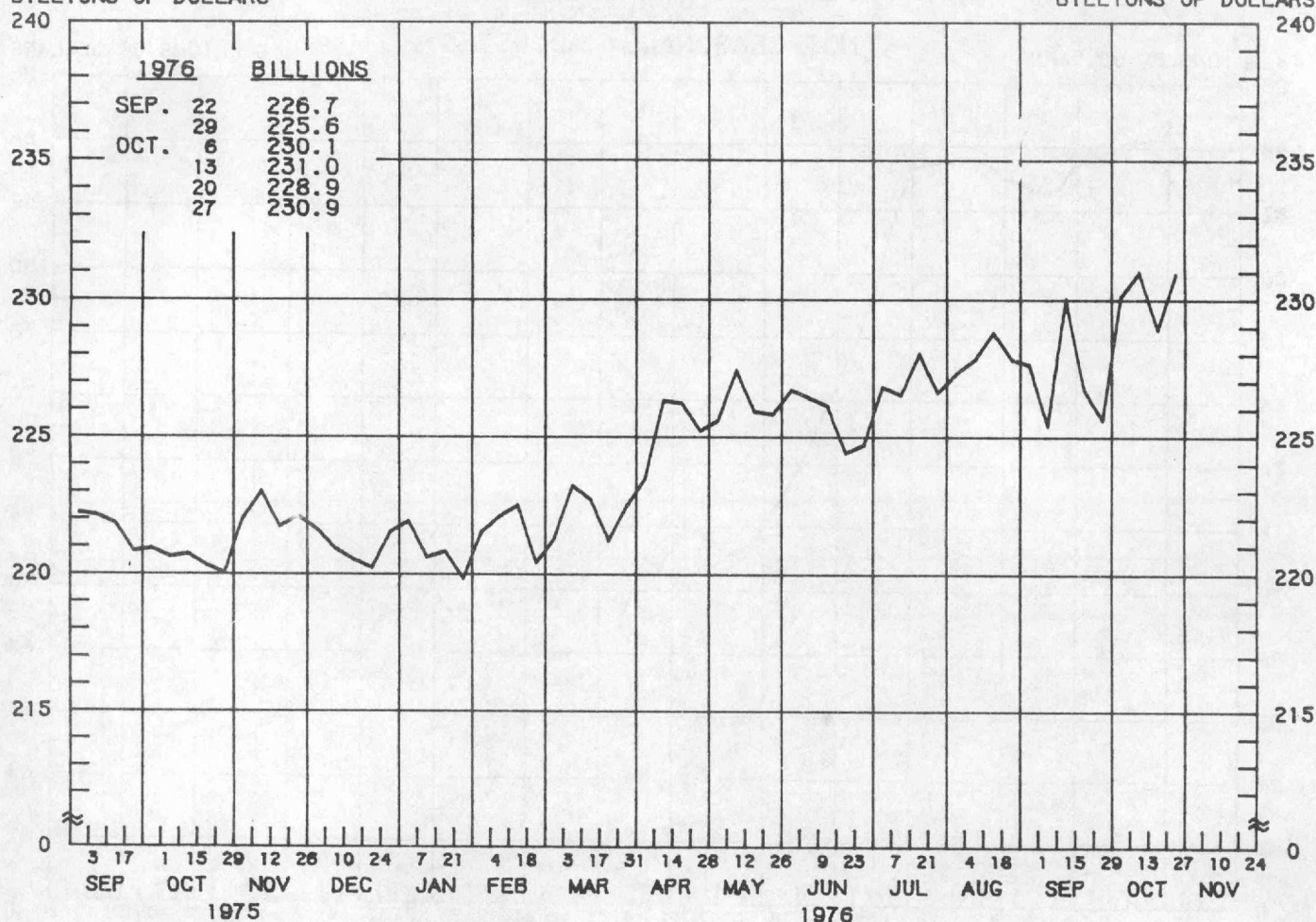


# DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 27, 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:

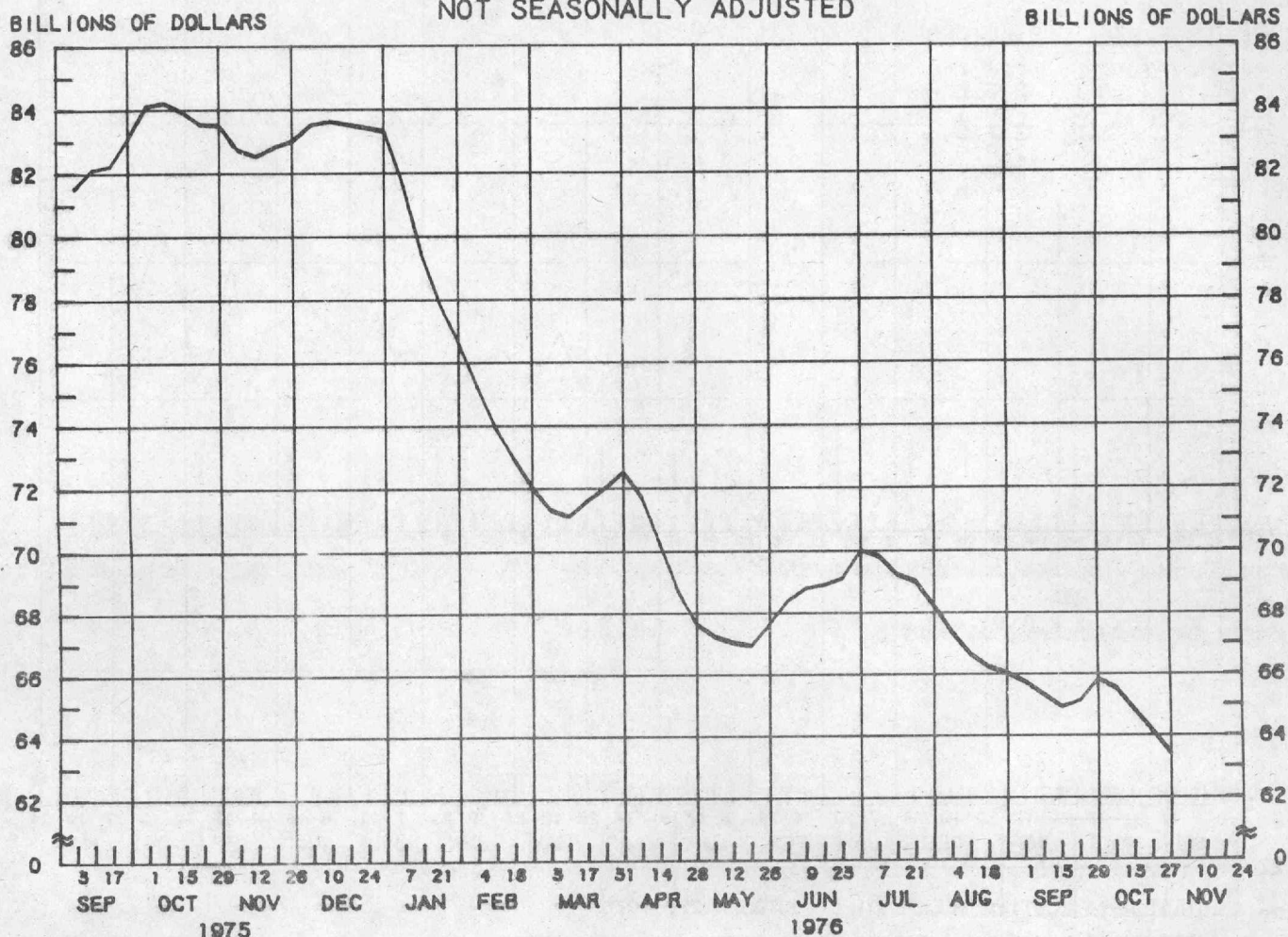
10/29/75 1/28/76 3/24/76 4/28/76 5/26/76 6/30/76 7/28/76 8/25/76

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

3/24/76	1.9						
4/28/76	4.5	8.4					
5/26/76	4.6	7.7	11.1				
6/30/76	3.4	5.0	5.6	0.3			
7/28/76	4.0	5.7	6.5	3.1	2.1		
8/25/76	4.1	5.6	6.3	3.6	3.0	7.4	
9/29/76	3.2	4.1	4.2	1.7	0.9	2.7	-0.3
10/27/76	4.4	5.7	6.2	4.4	4.2	6.7	5.8
							6.0

# CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES  
NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 27, 1976

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

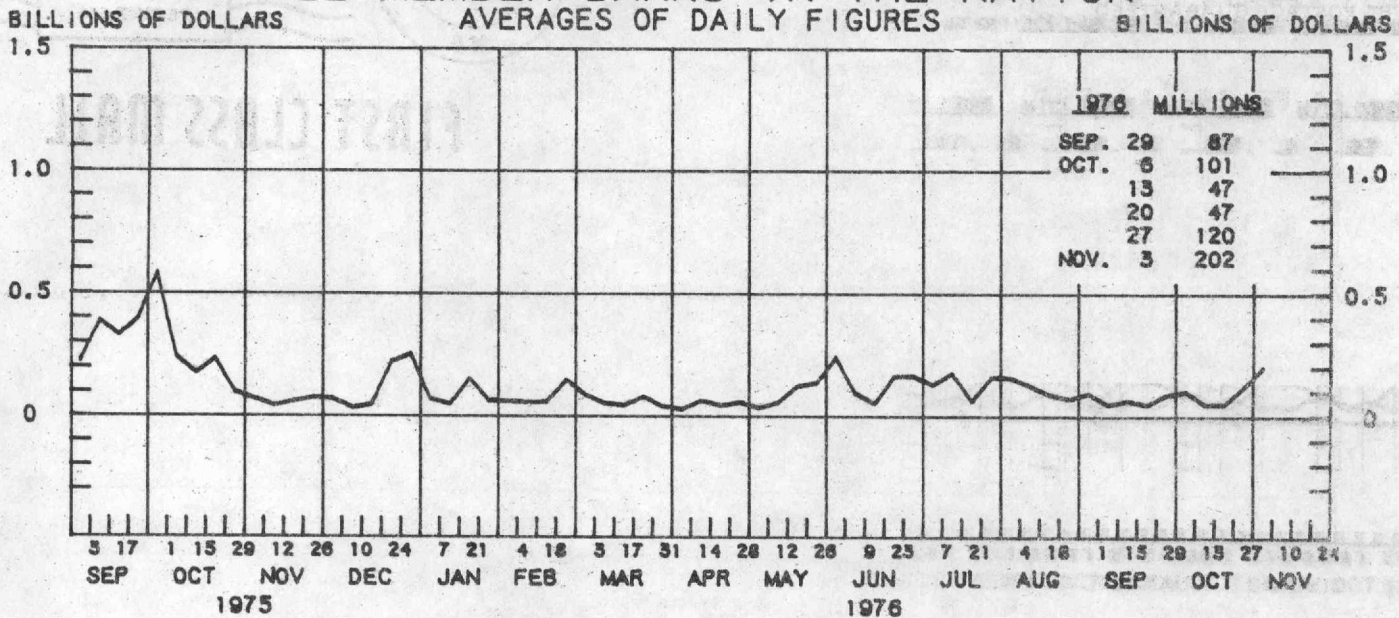
NEGOTIABLE TIME CERTIFICATES OF DEPOSIT ISSUED IN DENOMINATIONS OF \$100,000 OR MORE BY LARGE WEEKLY REPORTING COMMERCIAL BANKS.

1976	CERTIFICATES OF DEPOSIT NOT SEAS. ADJ.	CERTIFICATES OF DEPOSIT SEAS. ADJ.
SEP. 1	65.7	62.8
8	65.3	62.4
15	64.9	62.0
22	65.1	62.2
29	65.8	62.9
OCT. 6	65.5	62.7
13	64.8	62.4
20	64.1	62.0
27	63.4	61.4
NOV. 3		
10		
17		
24		

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

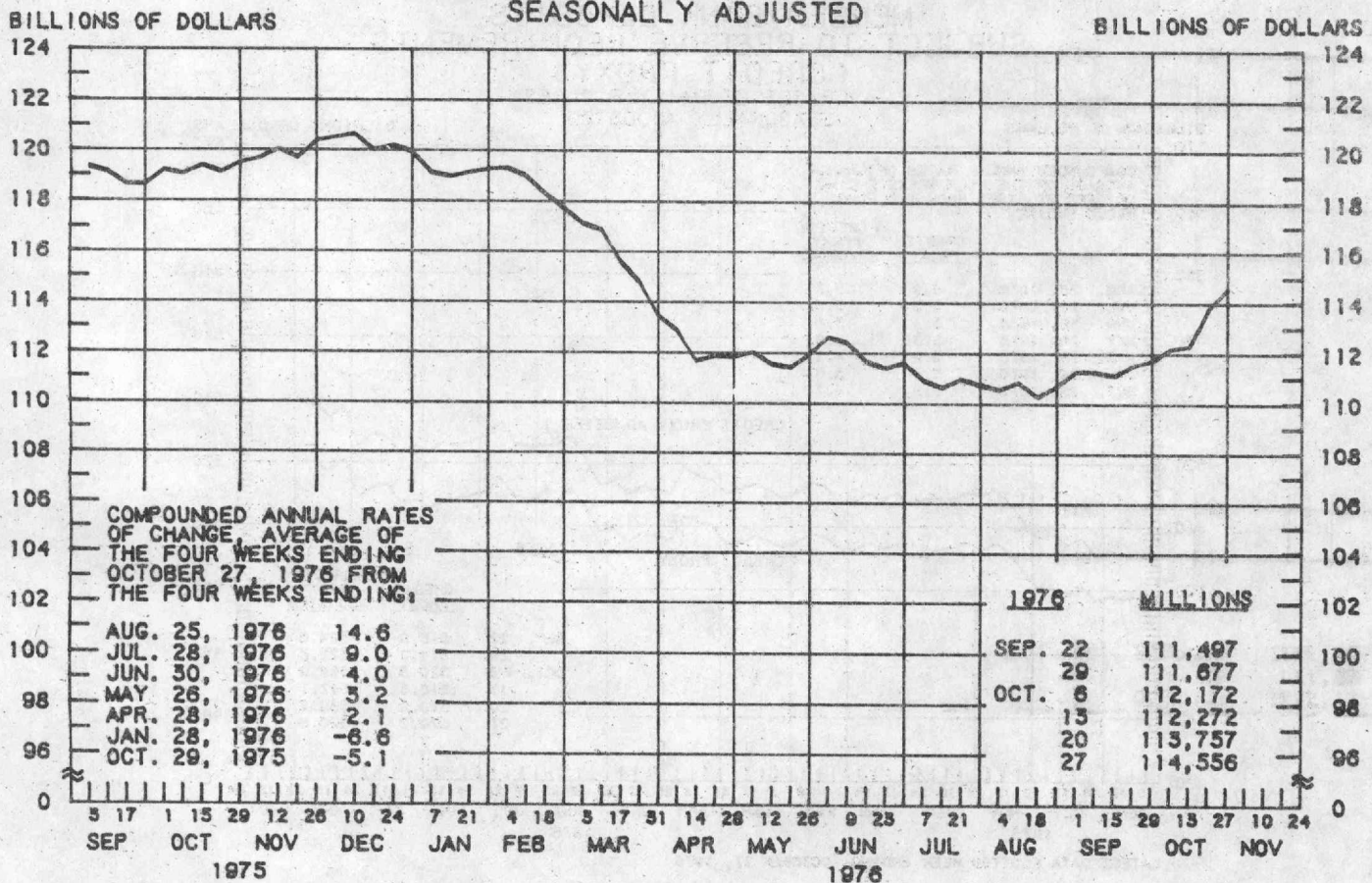


# BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 3, 1976

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

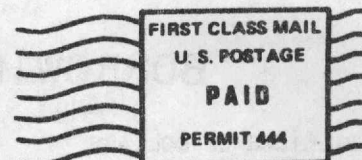


LATEST DATA PLOTTED WEEK ENDING: OCTOBER 27, 1976

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

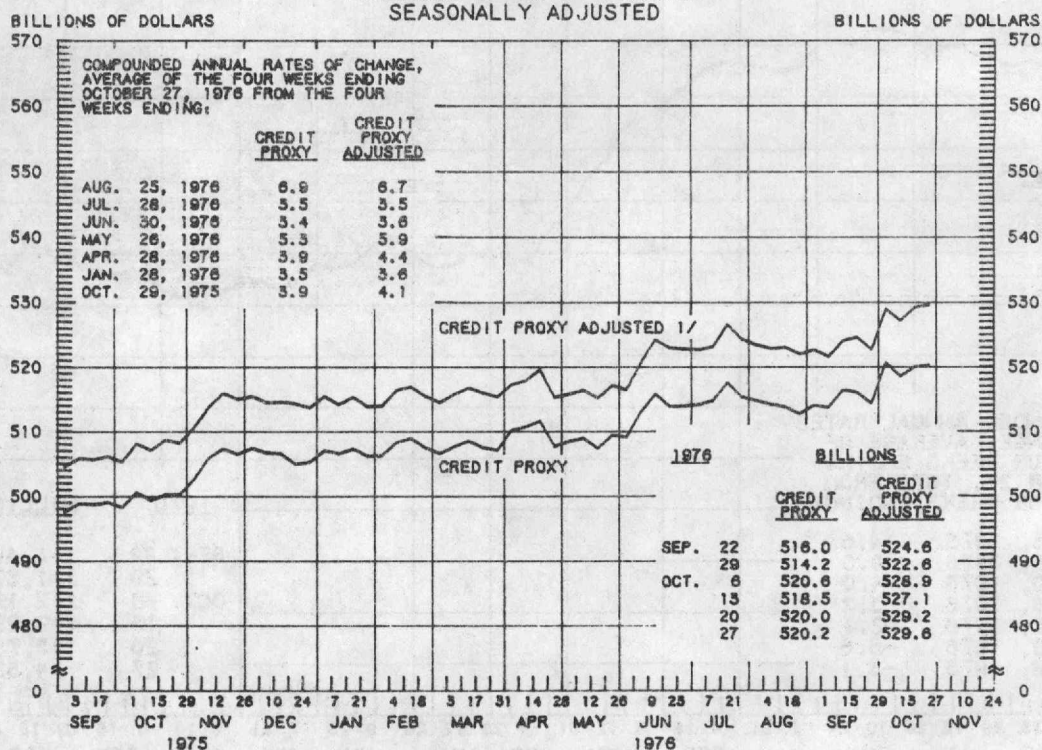
FEDERAL RESERVE BANK OF ST. LOUIS  
P. O. BOX 442  
ST. LOUIS, MISSOURI 63166

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: OCTOBER 27, 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