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DEC 26 1976

Week ending: November 24, 1976

This past week the Federal Reserve Board announced the lowering of the discount rate by the Federal Reserve Banks to 5.25 percent from the 5.50 percent rate that had prevailed since mid-January 1976. The discount rate is the interest rate member banks pay for reserves borrowed from Federal Reserve Banks to cover temporary reserve deficiencies. Reserve deficiencies occur when the reserves that member banks are required to hold exceed their actual reserves.

The discount rate is now at its lowest level since February 1973 when the discount rate was raised to 5.50 percent from 5 percent. From February 1973 to April 1974, the discount rate was steadily increased to 8 percent, where it remained until December 1974. Since then, it has been steadily decreased by the Federal Reserve Banks.

The prevailing discount rate is still 35 basis points higher than the interest rate on Federal funds, an alternative source of funds for commercial banks. The discount rate has generally been above the Federal funds rate since mid-October 1975. Consequently, member bank borrowings from the Federal Reserve Banks have been at a low level over this period.

The interest rates on most securities declined this past week -- continuing the general pattern which began in late June. The interest rate on 4-6 month commercial paper fell 25 basis points, the Federal funds rate fell 12 basis points, and the interest rate on 3-month Treasury bills fell 17 basis points. Long-term rates also declined -- the yield on Corporate AAA bonds fell 8 basis points and the yield on long-term Government securities fell 11 basis points.

Prepared by Federal Reserve Bank of St. Louis

Released: November 26, 1976

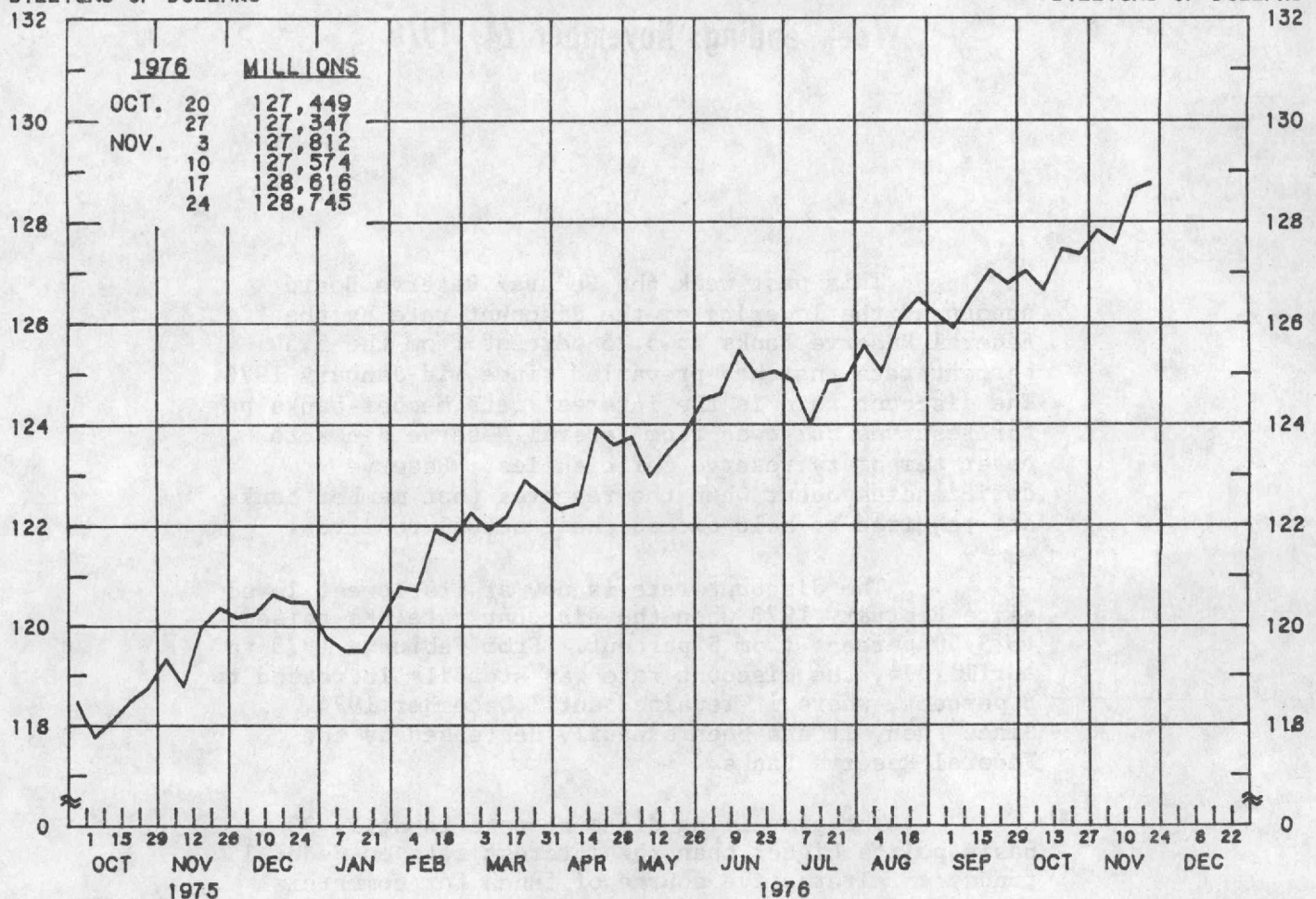
MONETARY BASE

AVERAGES OF DAILY FIGURES

SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 24, 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

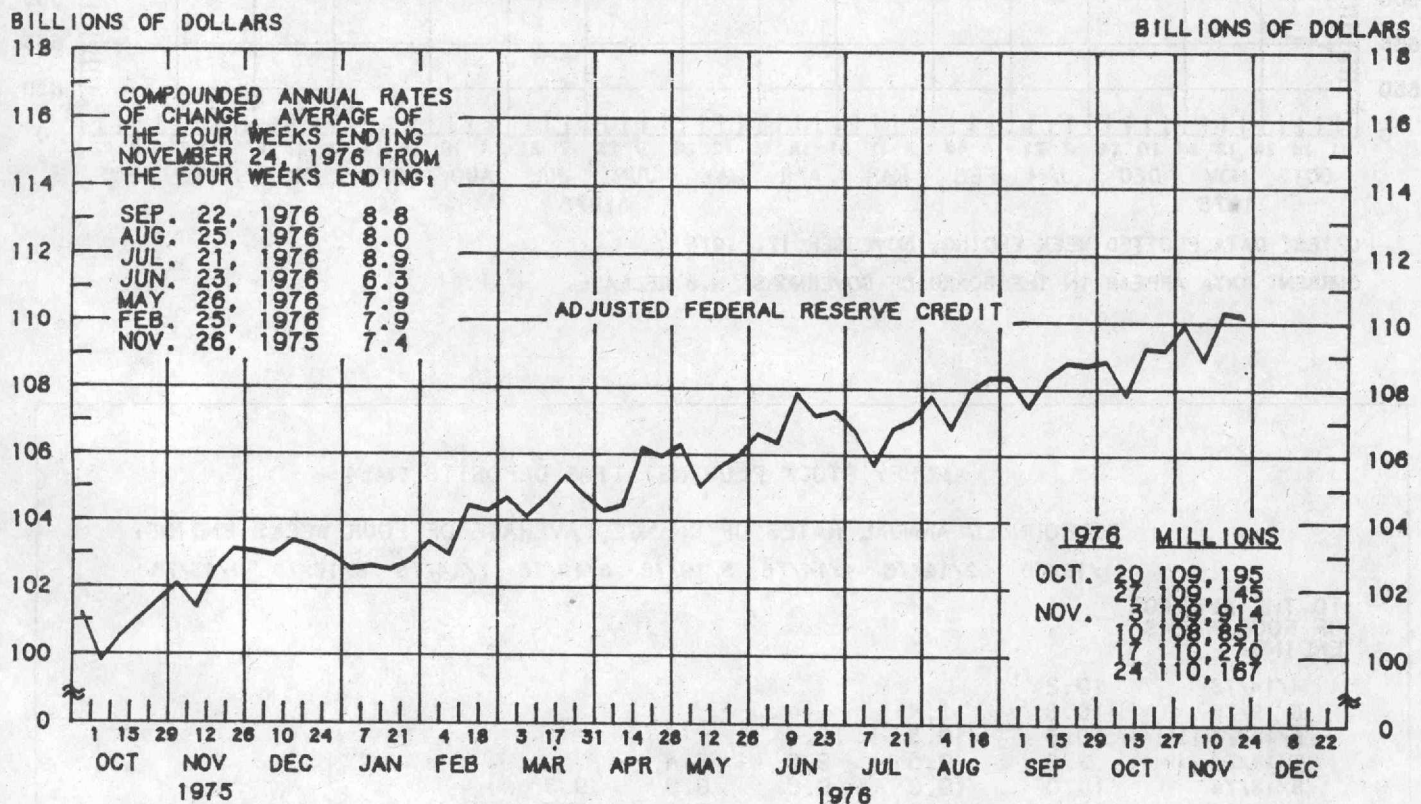
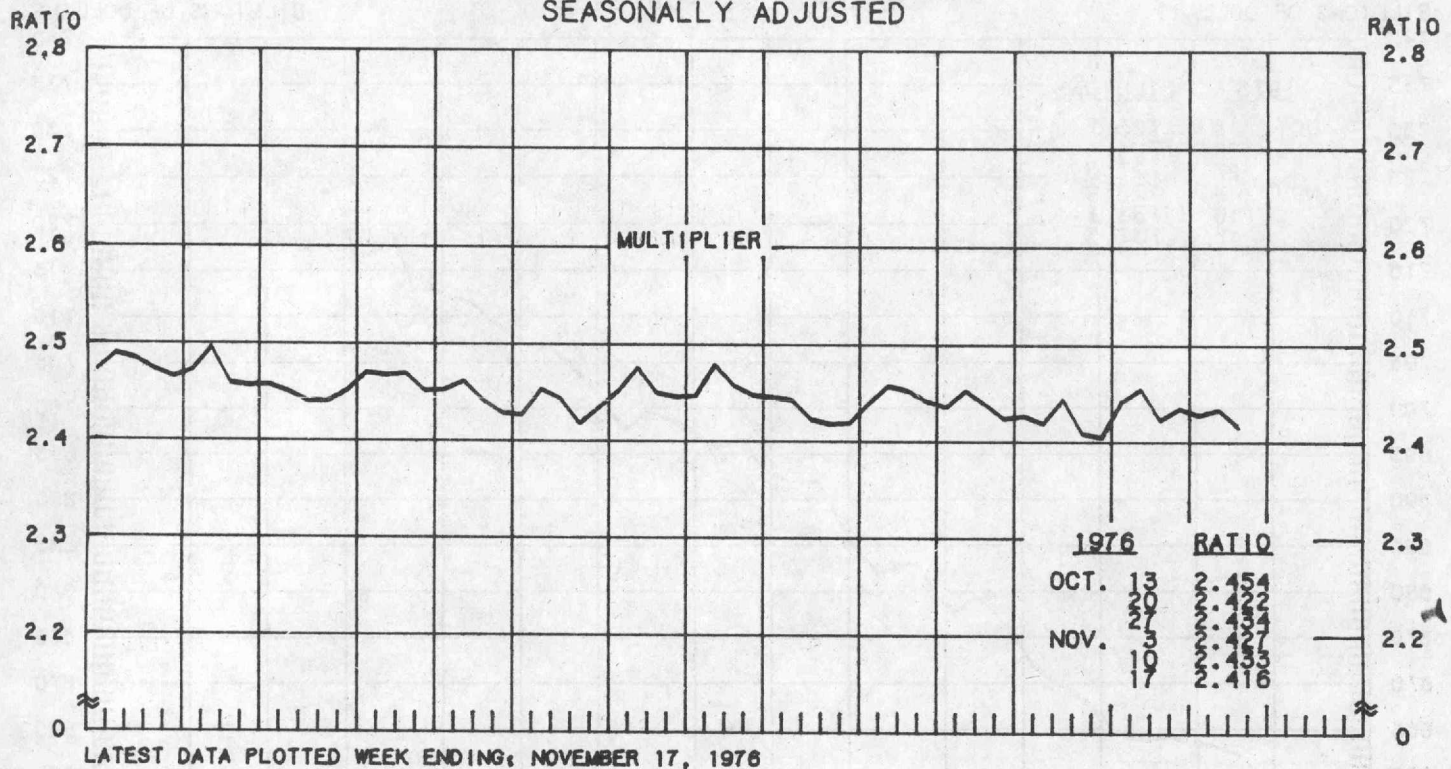
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

11/26/75 2/25/76 4/21/76 5/26/76 6/23/76 7/21/76 8/25/76 9/22/76

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

4/21/76	6.8							
5/26/76	6.6	7.5						
6/23/76	7.7	9.3	10.1					
7/21/76	6.6	7.1	6.3	6.4				
8/25/76	6.9	7.6	7.2	7.6	4.3			
9/22/76	6.9	7.5	7.1	7.4	5.0	8.2		
10/27/76	6.8	7.2	6.9	7.1	5.3	7.4	6.3	
11/24/76	7.2	7.7	7.5	7.7	6.4	8.3	7.9	8.4

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



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 24, 1976

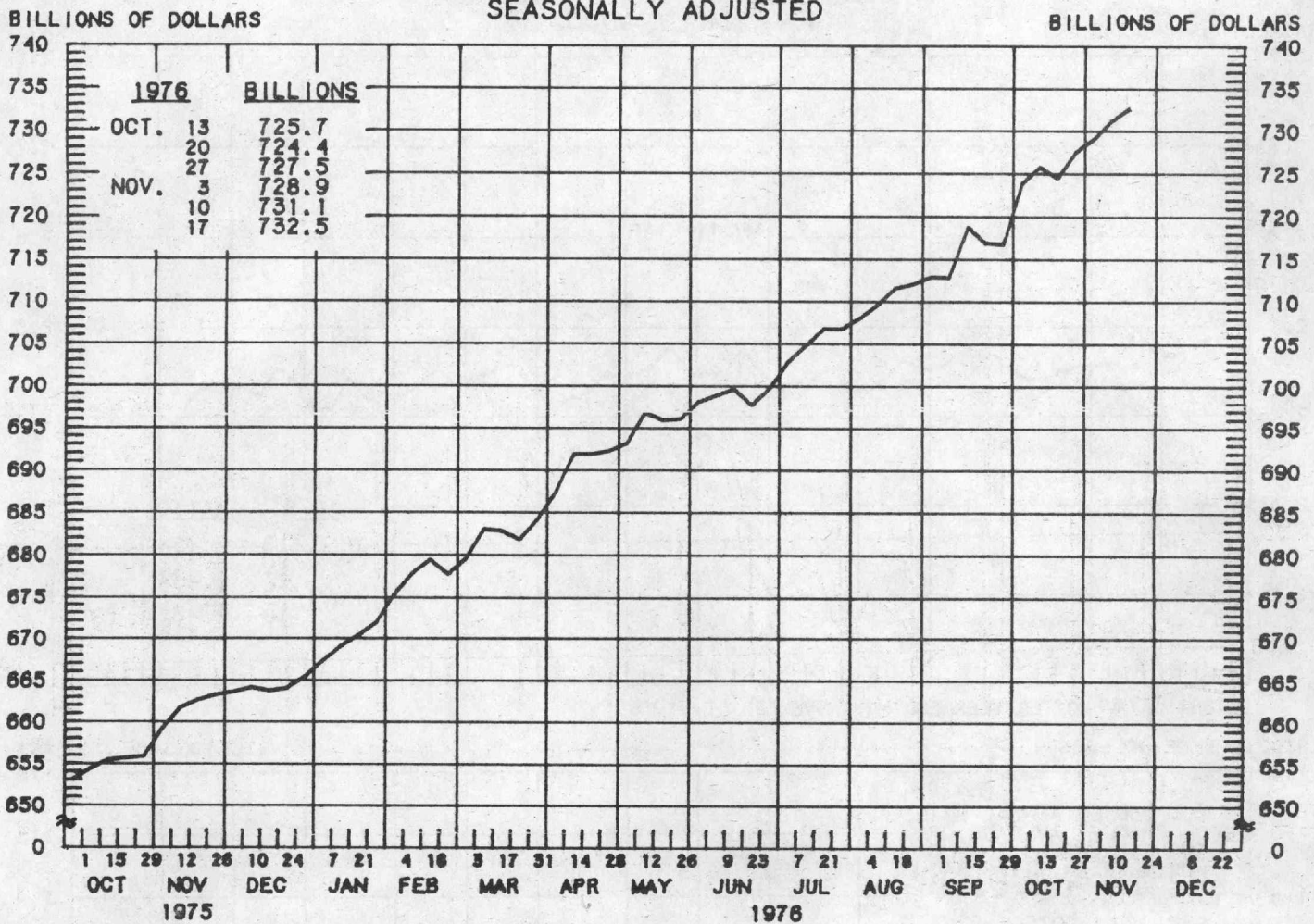
1/ RATIO OF MONEY STOCK (M1) / MONETARY BASE.

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.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

MONEY STOCK PLUS NET TIME DEPOSITS (M2)

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 17, 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:

11/19/75 2/18/76 4/14/76 5/19/76 6/16/76 7/14/76 8/18/76 9/15/76

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

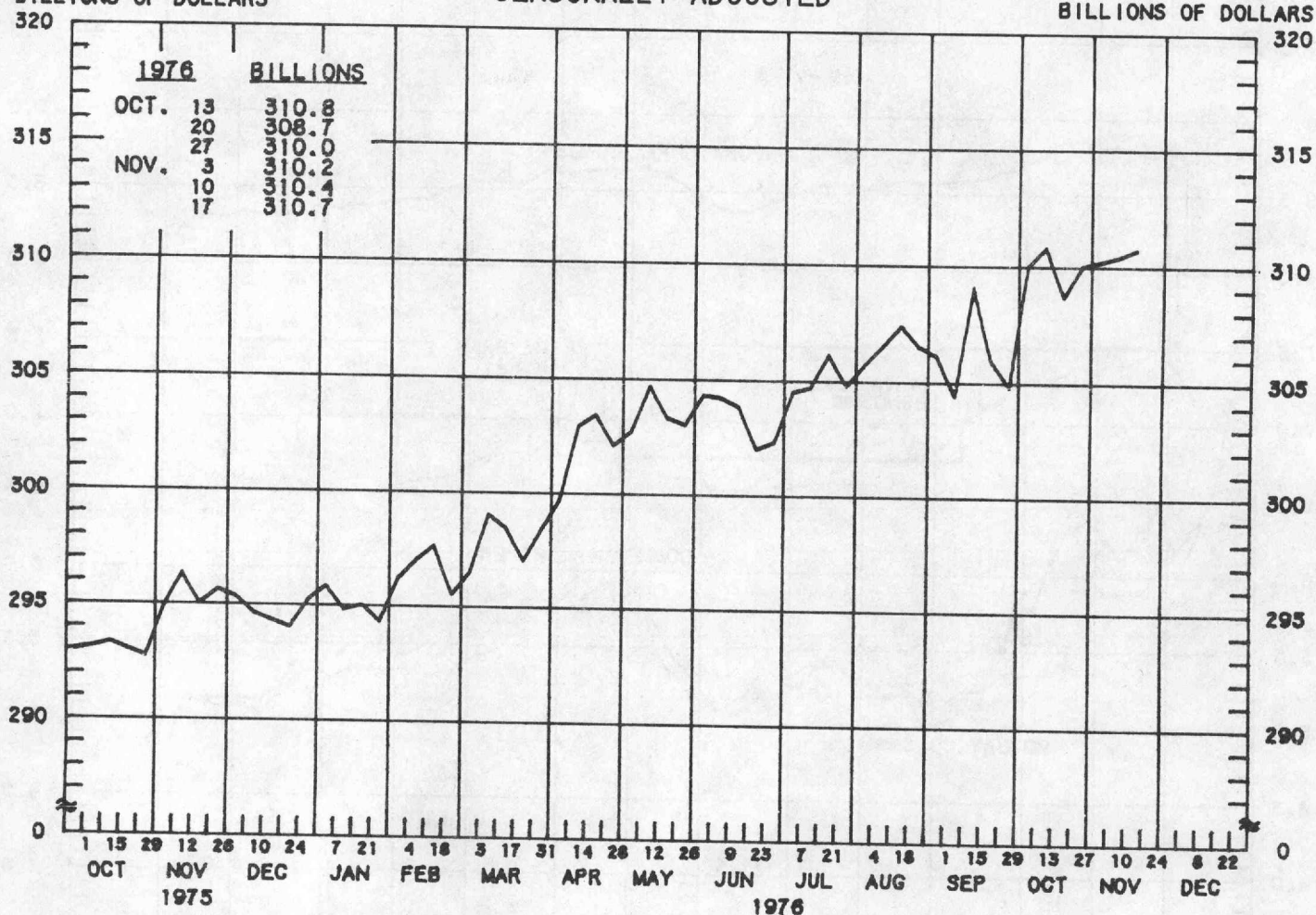
4/14/76	10.2							
5/19/76	10.8	11.4						
6/16/76	10.3	10.3	10.4					
7/14/76	9.8	9.5	9.0	6.4				
8/18/76	10.0	10.0	9.8	8.6	9.3			
9/15/76	10.0	10.0	9.8	8.9	9.5	11.1		
10/20/76	10.4	10.4	10.4	9.8	10.5	11.8	11.7	
11/17/76	10.6	10.8	10.9	10.5	11.1	12.3	12.4	13.6

MONEY STOCK (M1)

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 17, 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)

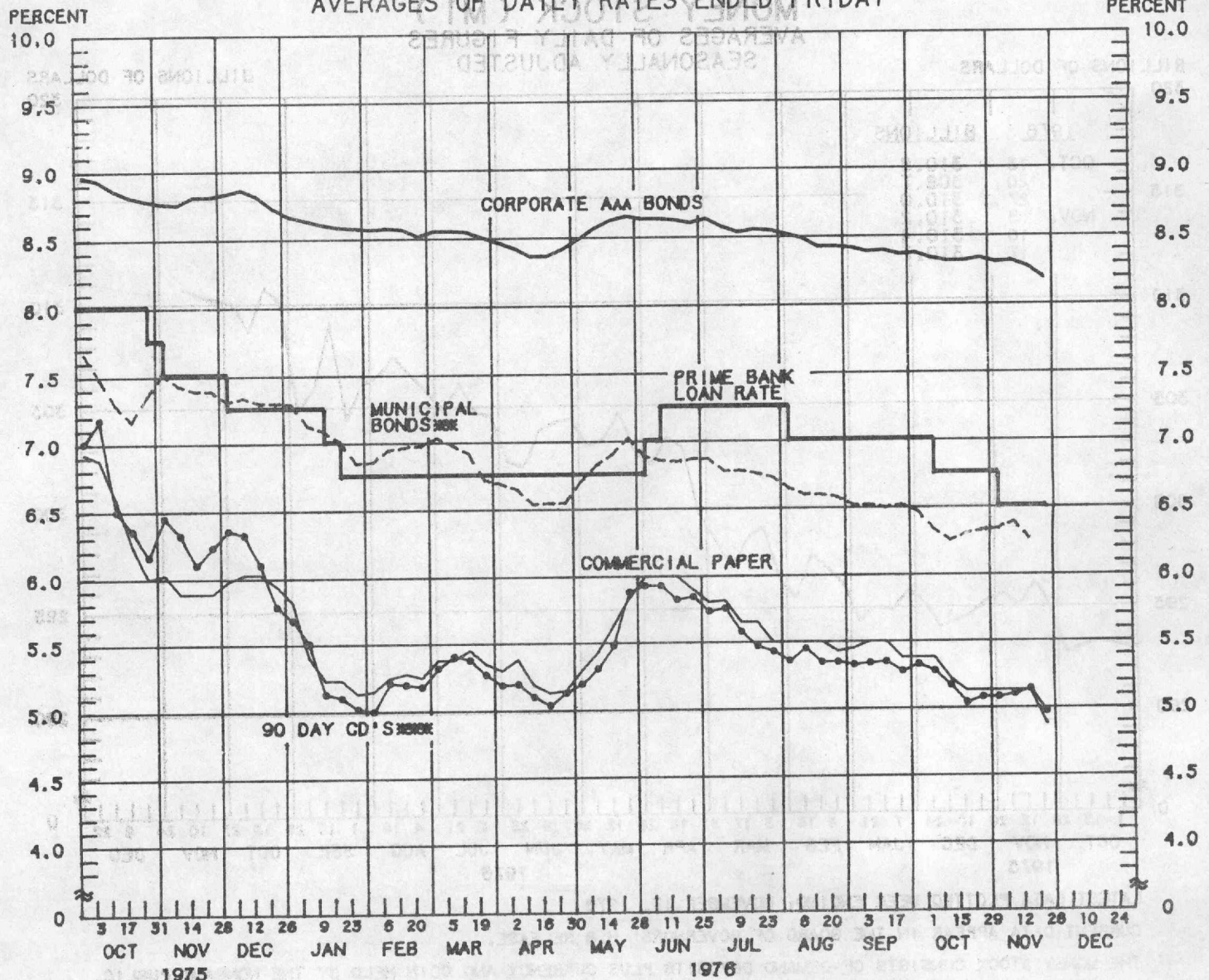
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

	11/19/75	2/18/76	4/14/76	5/19/76	6/16/76	7/14/76	8/18/76	9/15/76
4/14/76	4.1							
5/19/76	5.9	9.6						
6/16/76	5.4	7.9	8.6					
7/14/76	4.6	6.0	5.3	0.4				
8/18/76	5.2	6.7	6.5	3.9	4.5			
9/15/76	4.9	6.0	5.6	3.4	3.6	6.0		
10/20/76	5.1	6.2	5.9	4.3	4.6	6.5	4.8	
11/17/76	5.3	6.3	6.1	4.7	5.1	6.7	5.6	7.4

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: NOVEMBER 26, 1976

1976	90 DAY CD'S	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS
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	4.98	8.30	6.34
12	5.10	5.13	5.02	8.31	6.39
19	5.14	5.13	4.95	8.27	6.26
26 *	4.97	4.88	4.78	8.19	N.A.
DEC. 3					
10					
17					
24					
31					

* AVERAGES OF RATES AVAILABLE.

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

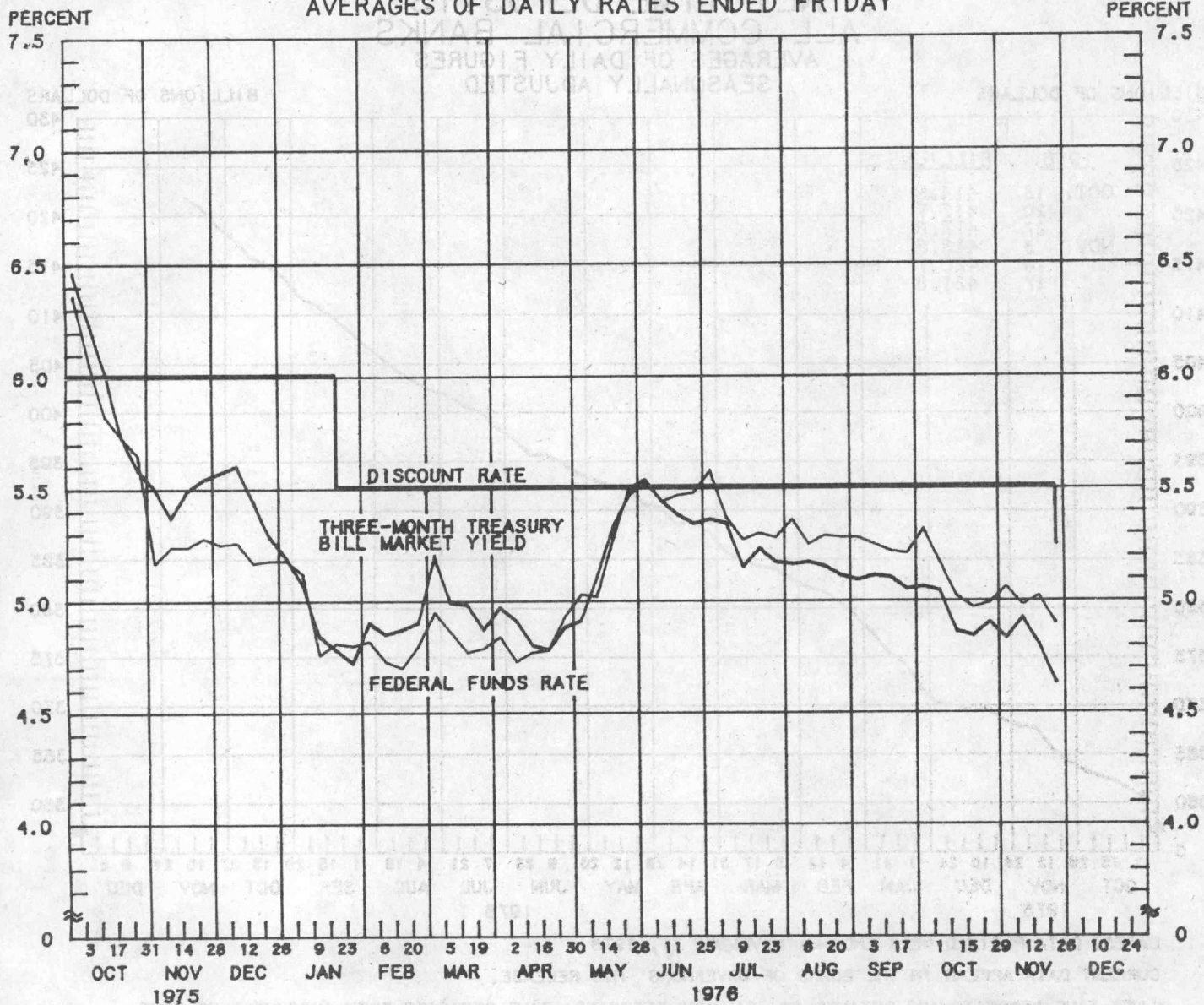
SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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 26, 1976

1976	FEDERAL FUNDS %	3-MONTH TREASURY BILLS	1-YEAR TREASURY BILL	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES
OCT. 1	5.32	5.06	5.48	6.80	7.83
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	4.83	5.12	6.51	7.57
12	4.98	4.92	5.19	6.55	7.57
19	5.02	4.80	5.05	6.44	7.58
26 *	4.90	4.63	4.83	6.14	7.47
DEC. 3					
10					
17					
24					
31					

* 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.

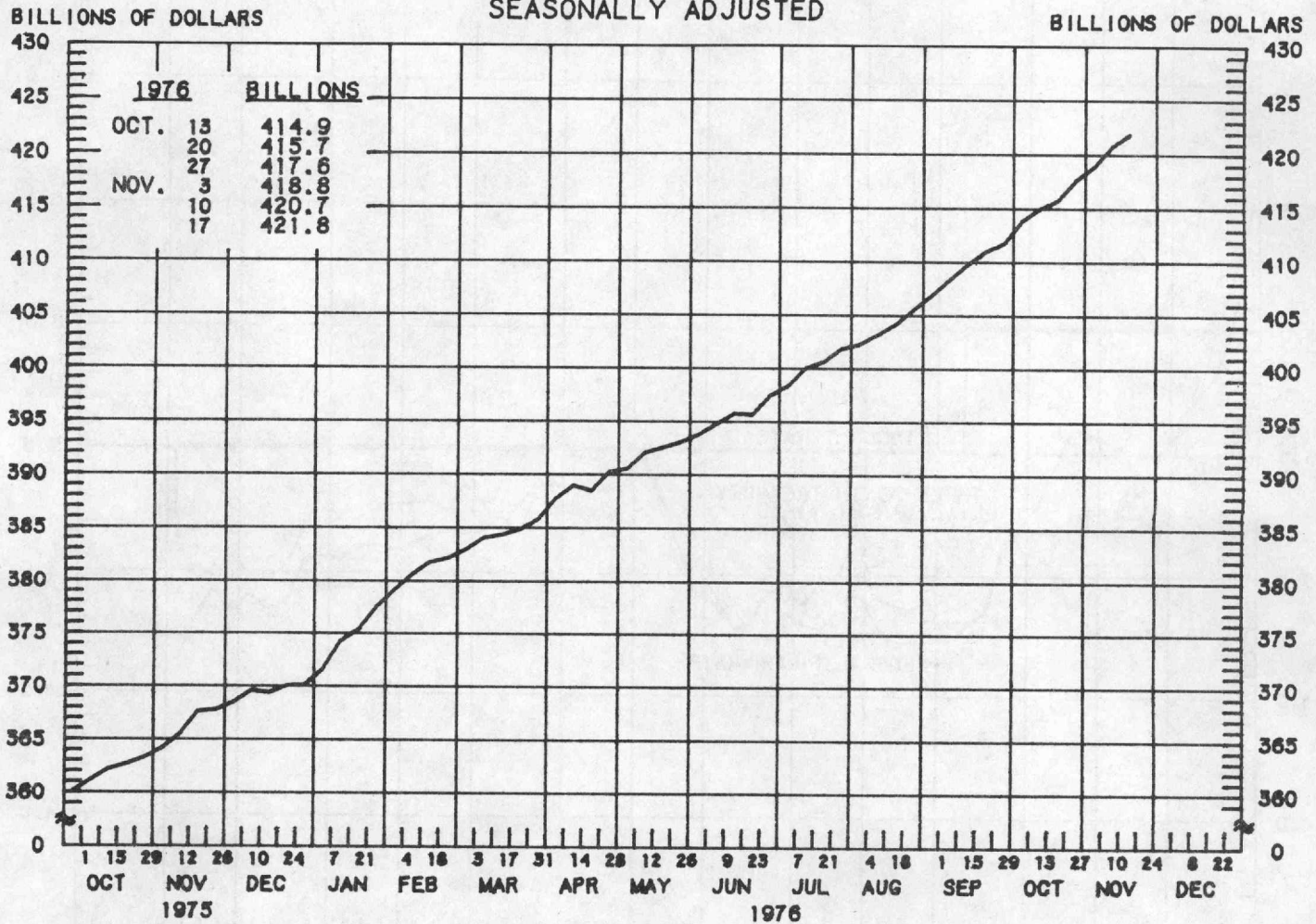
RATES ON LONG-TERM GOVERNMENT SECURITIES ARE COMPUTED BY THE FEDERAL RESERVE BANK OF ST. LOUIS.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

NET TIME DEPOSITS¹

ALL COMMERCIAL BANKS

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 17, 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:

11/19/75 2/18/76 4/14/76 5/19/76 6/18/76 7/14/76 8/18/76 9/15/76

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

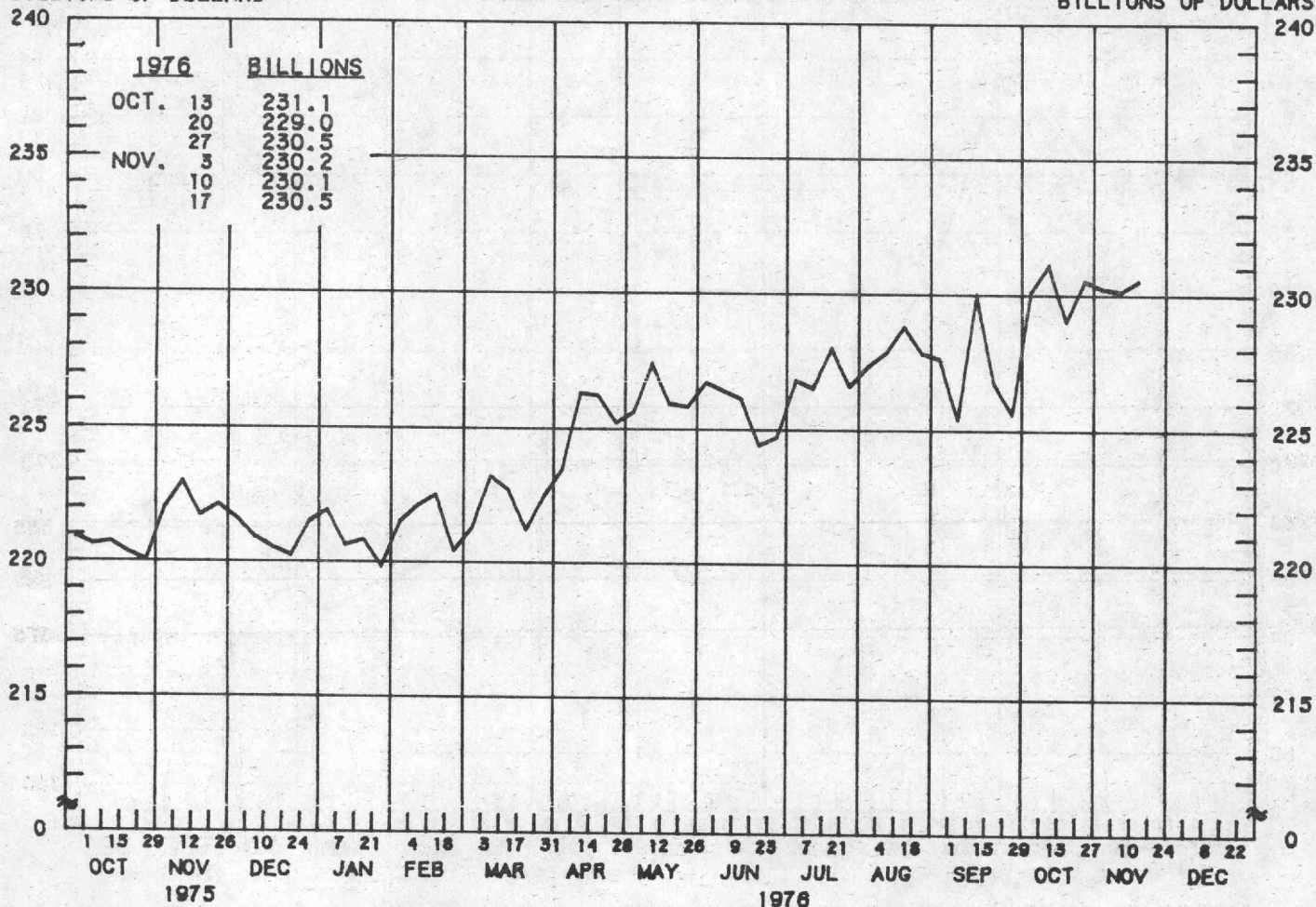
4/14/76	15.4						
5/19/76	14.9	12.8					
6/18/76	14.3	12.2	11.7				
7/14/76	14.0	12.2	11.9	11.3			
8/18/76	14.0	12.5	12.4	12.3	13.1		
9/15/76	14.2	13.1	13.2	13.3	14.2	15.1	
10/20/76	14.6	13.7	14.0	14.3	15.1	16.0	17.2
11/17/76	15.0	14.3	14.7	15.0	15.9	16.7	17.9
							18.4

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 17, 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:

11/19/75 2/18/76 4/14/76 5/19/76 6/16/76 7/14/76 8/18/76 9/15/76

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

4/14/76	1.9						
5/19/76	3.9	8.4					
6/16/76	3.6	6.8	7.7				
7/14/76	2.7	4.6	4.0	-1.1			
8/18/76	3.6	5.6	5.5	2.9	3.4		
9/15/76	3.3	4.9	4.6	2.3	2.5	5.5	
10/20/76	3.6	5.1	4.9	3.2	3.5	5.7	3.6
11/17/76	3.9	5.3	5.2	3.8	4.2	6.1	4.8
							6.8

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES
NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 17, 1976

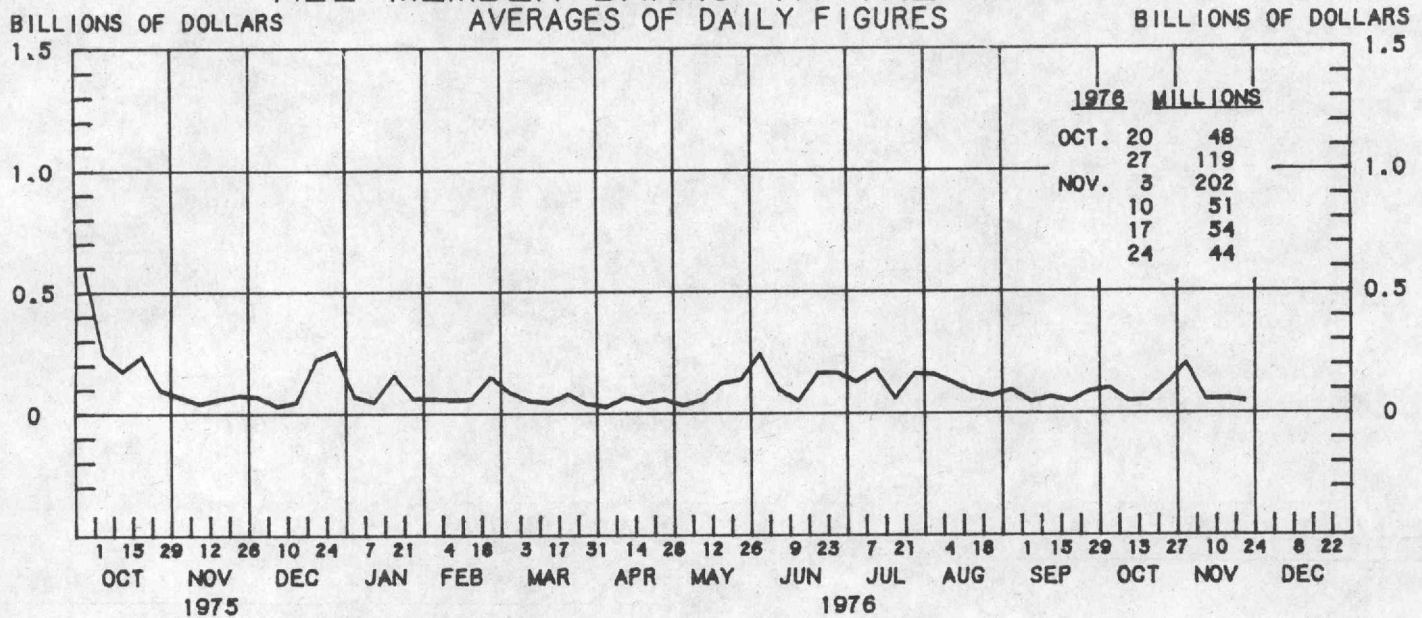
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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

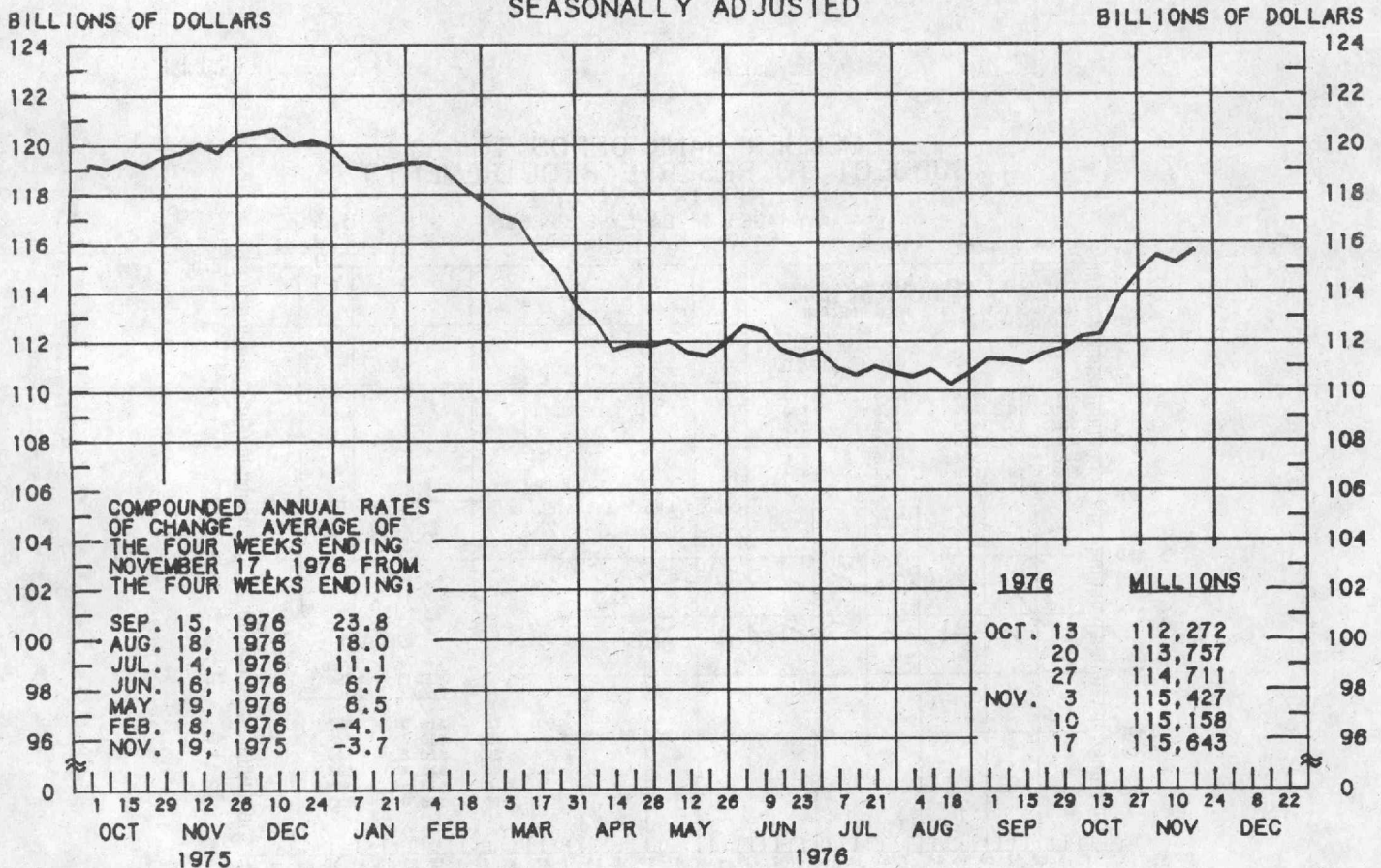
1976	CERTIFICATES OF DEPOSIT NOT SEAS. ADJ.	CERTIFICATES OF DEPOSIT SEAS. ADJ.
OCT. 6	65.5	62.7
13	64.8	62.4
20	64.1	62.0
27	63.3	61.4
NOV. 3	62.7	61.3
10	62.5	61.5
17	62.8	62.1
24		
DEC. 1		
8		
15		
22		
29		

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

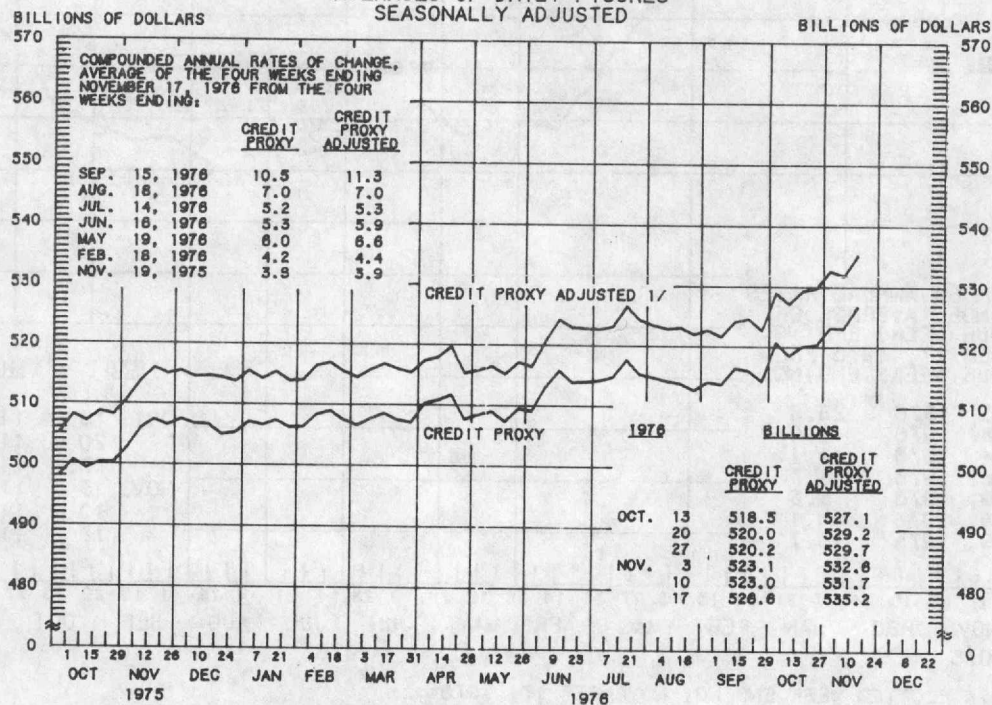
BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



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



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



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 17, 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