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DEC 26 1979

Week ending: December 1, 1976

Even though business loans at large banks have generally been increasing since late August 1976, large banks have not aggressively sought funds to meet this increased loan demand through the issuance of large certificates of deposit (CDs). With interest rates on short-term marketable securities at levels close to the interest rates offered by banks on savings and time deposits (see U.S. Financial Data, November 10, 1976), net time deposits have continued to flow into banks at a rapid rate. As a result, banks have not been strapped for funds with which to make loans.

While net time deposits have increased at an 18.4 percent annual rate over the last three months, large CDs (seasonally adjusted) have declined at an 18.3 percent rate, continuing the general pattern exhibited during most of 1976. In dollar terms, net time deposits increased \$17.8 billion while large CDs decreased \$1.1 billion. Interest rates on large CDs have been declining since early June, and have declined 56 basis points during the last three months.

The interest rate on Federal funds has generally been declining since late June of this year, after sharply increasing from April through June. The Federal funds rate is currently 80 basis points lower than in late June -- decreasing from 5.58 percent to 4.78 percent. A large portion of this decline -- 24 of the 80 basis points -- has occurred in the last two weeks, after the Federal Reserve lowered the discount rate to 5.25 percent.

Prepared by Federal Reserve Bank of St. Louis

Released: December 3, 1976

MONETARY BASE

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 1, 1976

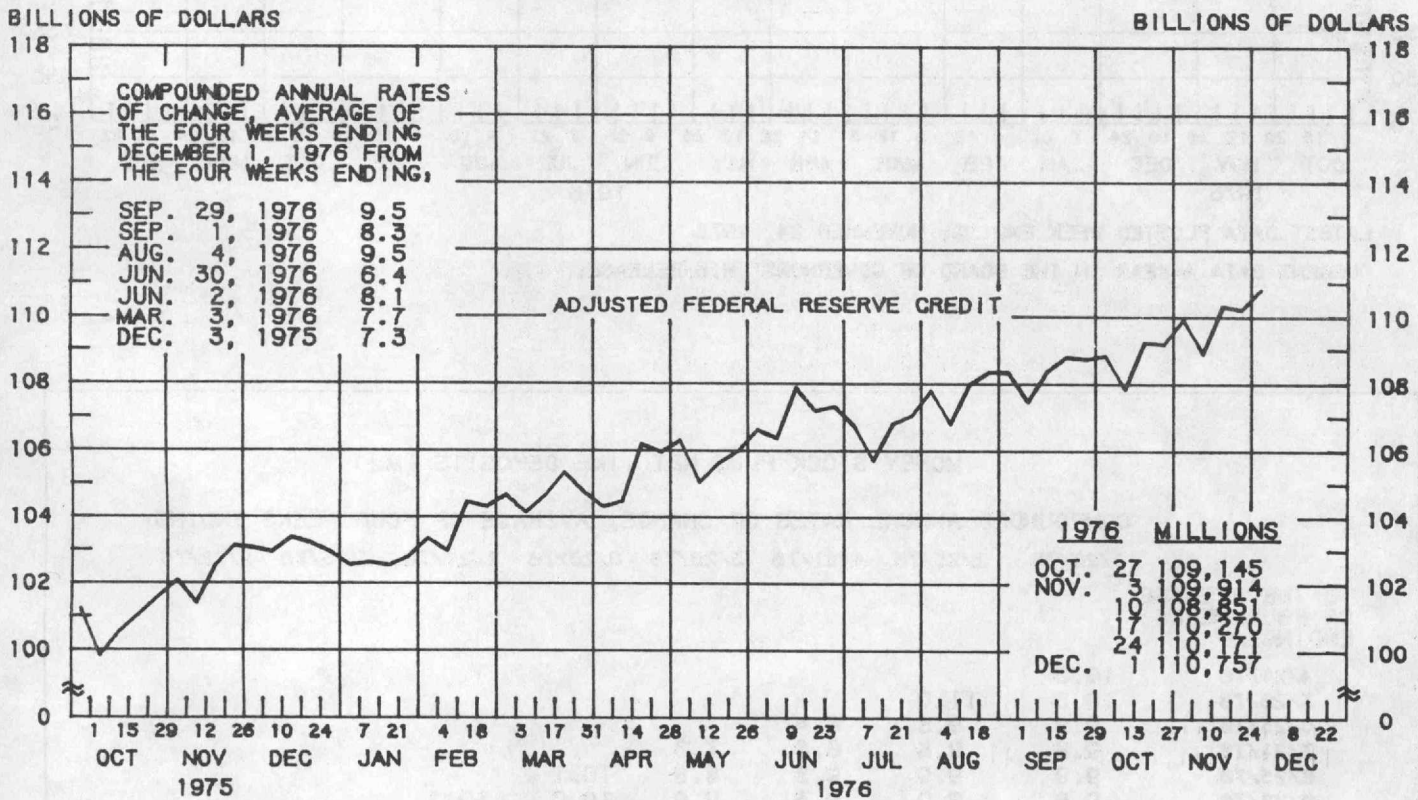
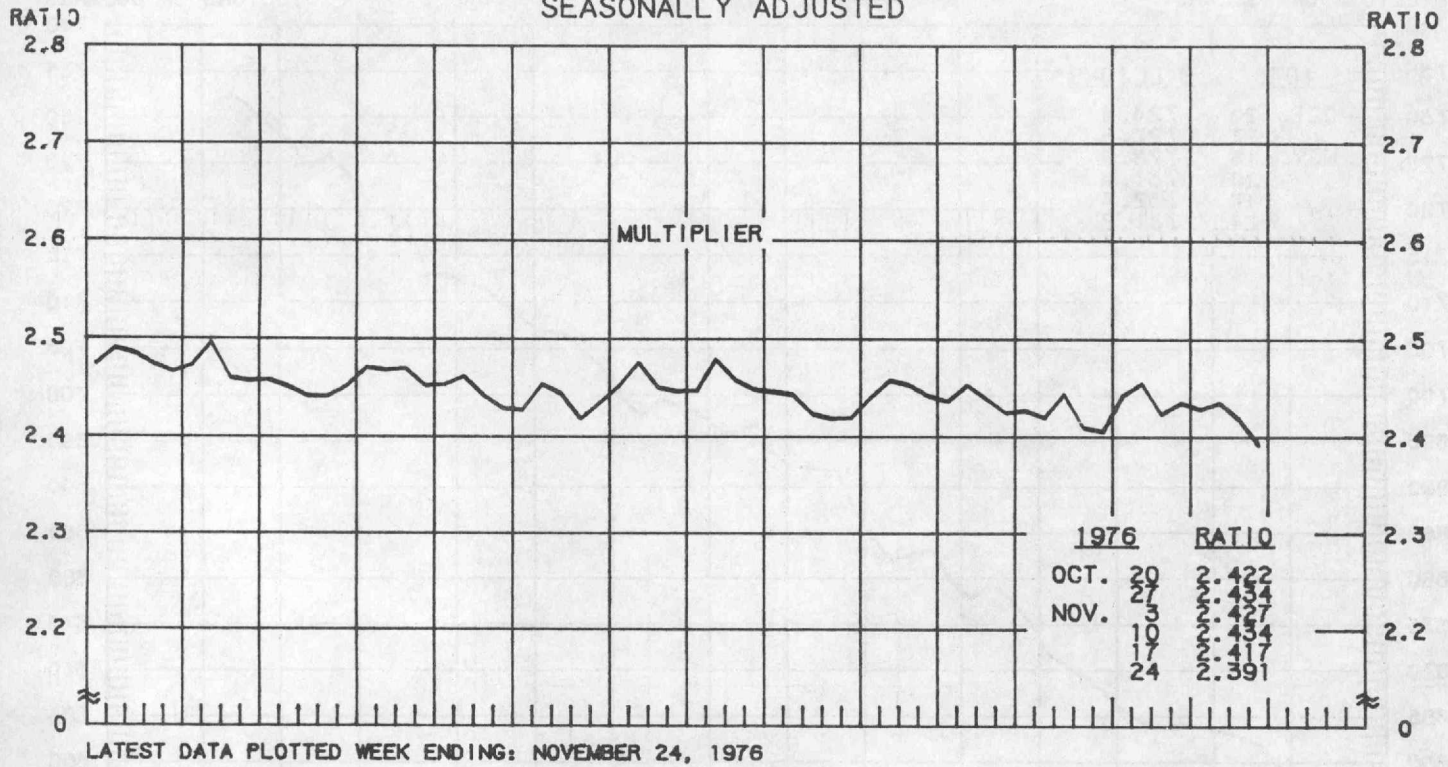
THE MONETARY BASE CONSISTS OF MEMBER BANK RESERVES AT THE FEDERAL RESERVE BANKS AND CURRENCY IN CIRCULATION (CURRENCY HELD BY THE PUBLIC AND IN THE VAULTS OF COMMERCIAL BANKS), ADJUSTED FOR RESERVE REQUIREMENT RATIO CHANGES AND SHIFTS IN THE SAME TYPE OF DEPOSITS BETWEEN BANKS WHERE DIFFERENT RESERVE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

	12/3/75	3/3/76	4/28/76	6/2/76	6/30/76	8/4/76	9/1/76	9/29/76
TO THE AVERAGE OF FOUR WEEKS ENDING:								
4/28/76	6.8							
6/ 2/76	6.6	6.9						
6/30/76	7.6	8.7	9.5					
8/ 4/76	6.3	6.3	5.4	5.4				
9/ 1/76	6.9	7.2	6.9	7.5	4.4			
9/29/76	6.8	7.1	6.9	7.3	5.1	9.4		
11/ 3/76	6.8	7.0	6.8	7.1	5.4	8.2	6.5	
12/ 1/76	7.2	7.5	7.5	7.9	6.7	9.2	8.2	9.0

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



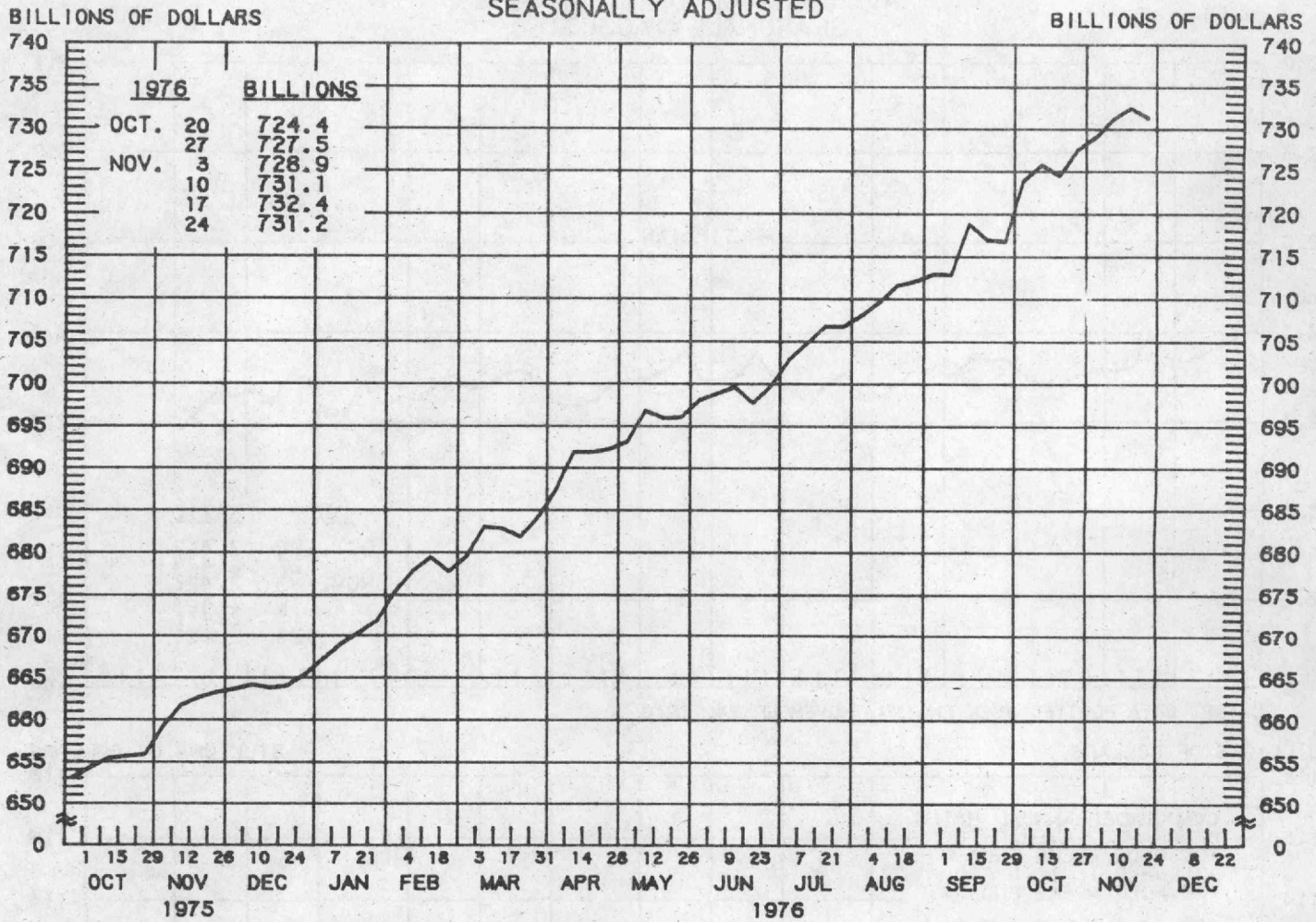
LATEST DATA PLOTTED WEEK ENDING: DECEMBER 1, 1976

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: NOVEMBER 24, 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:

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

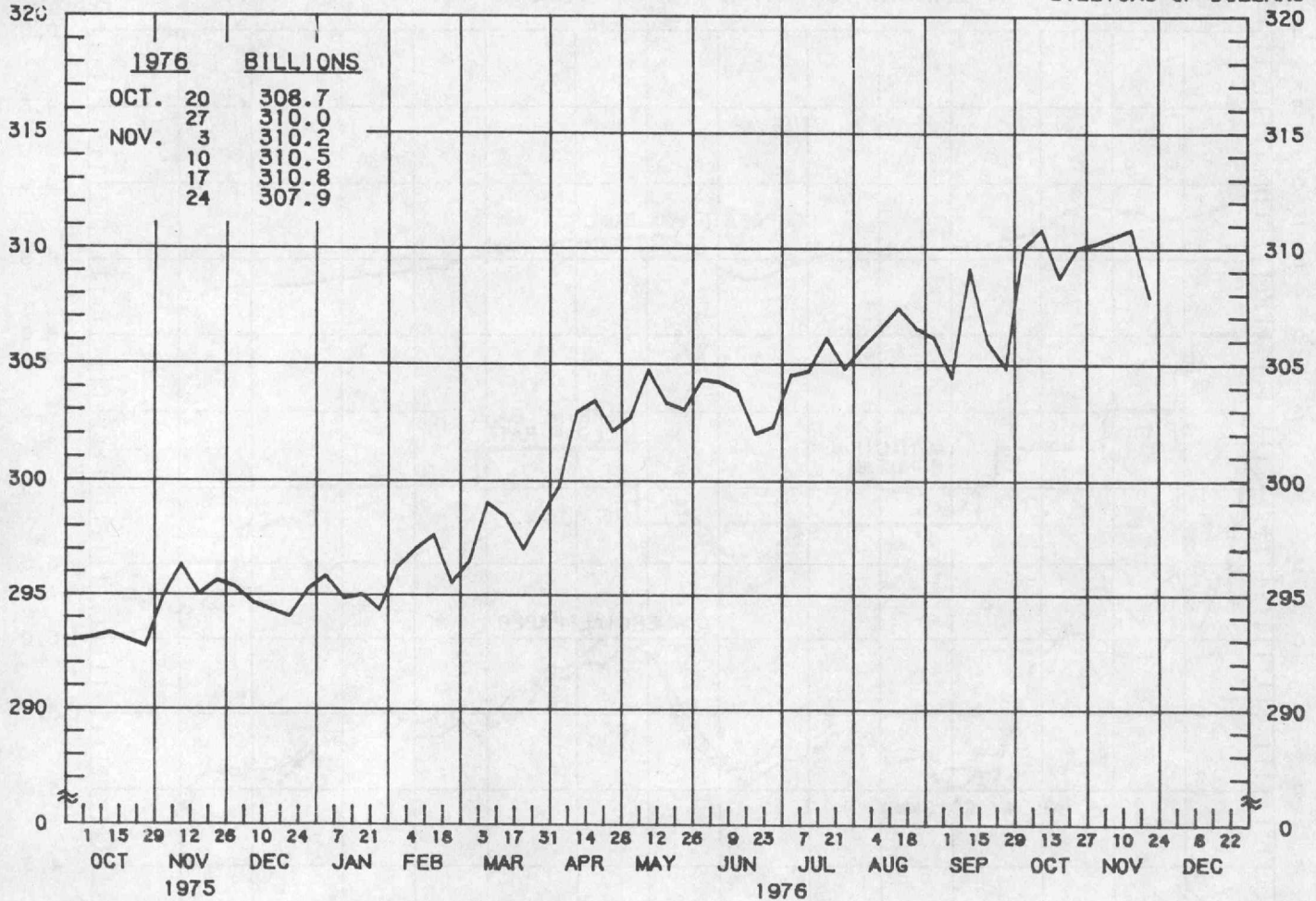
TO THE AVERAGE
OF FOUR WEEKS
ENDING:

4/21/76	10.5							
5/26/76	10.5	11.0						
6/23/76	9.9	9.8	8.4					
7/21/76	9.8	9.8	8.8	7.8				
8/25/76	9.9	9.9	9.2	8.8	10.1			
9/22/76	9.9	9.9	9.3	9.0	10.0	10.1		
10/27/76	10.5	10.7	10.5	10.5	11.5	12.1	13.0	
11/24/76	10.5	10.6	10.5	10.5	11.3	11.7	12.2	13.3

MONEY STOCK (M1)
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 24, 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:

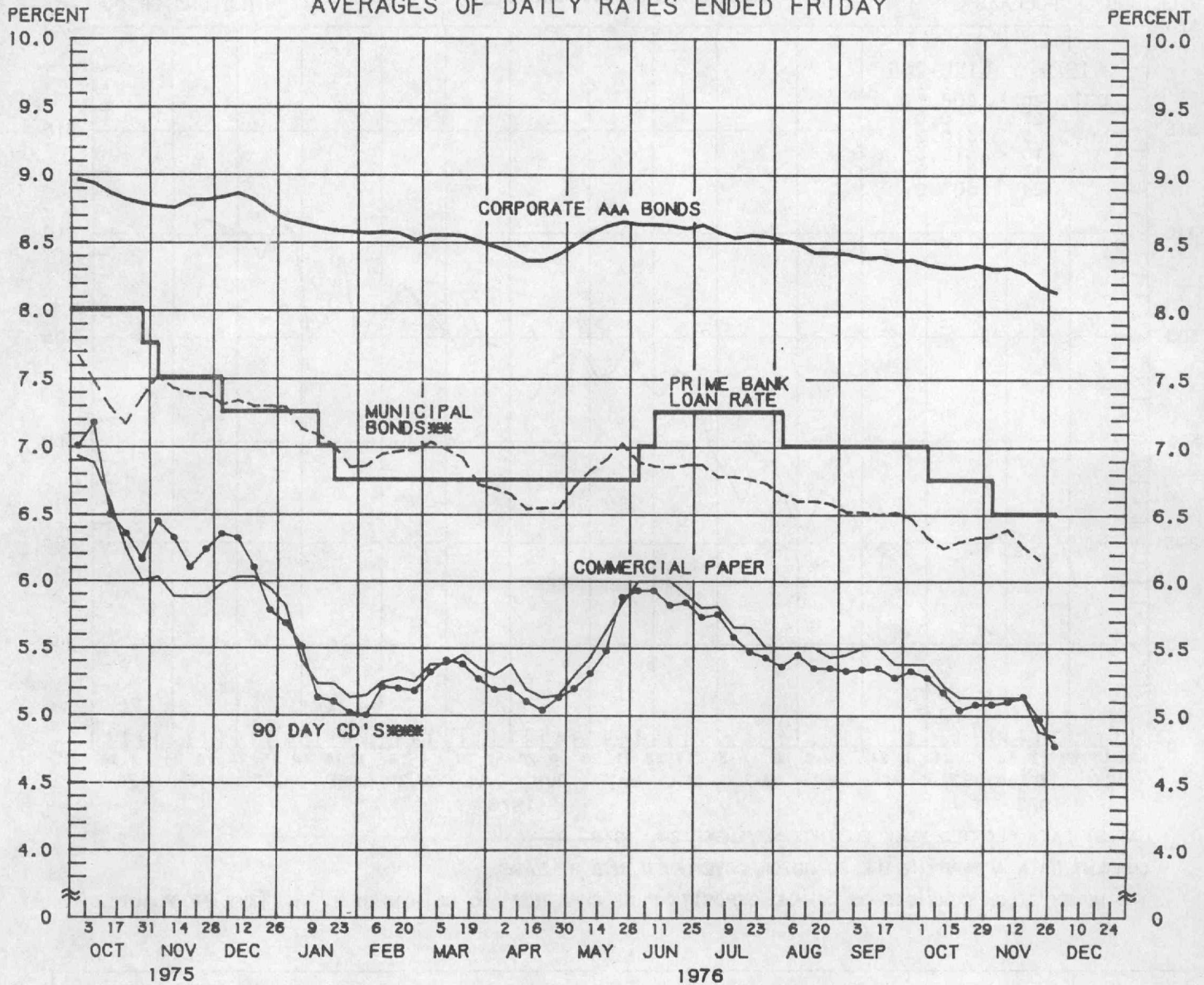
11/26/75 2/25/76 4/21/76 5/26/76 6/23/76 7/21/76 8/25/76 9/22/76

TO THE AVERAGE
 OF FOUR WEEKS
 ENDING:

4/21/76	4.8							
5/26/76	5.4	9.5						
6/23/76	4.8	7.4	4.9					
7/21/76	4.6	6.6	4.5	2.2				
8/25/76	5.0	6.8	5.3	4.2	5.6			
9/22/76	4.5	5.8	4.2	3.1	3.7	3.9		
10/27/76	5.3	6.7	5.7	5.1	6.1	6.9	6.6	
11/24/76	4.9	6.0	5.0	4.3	5.0	5.3	4.5	6.8

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: DECEMBER 3, 1976

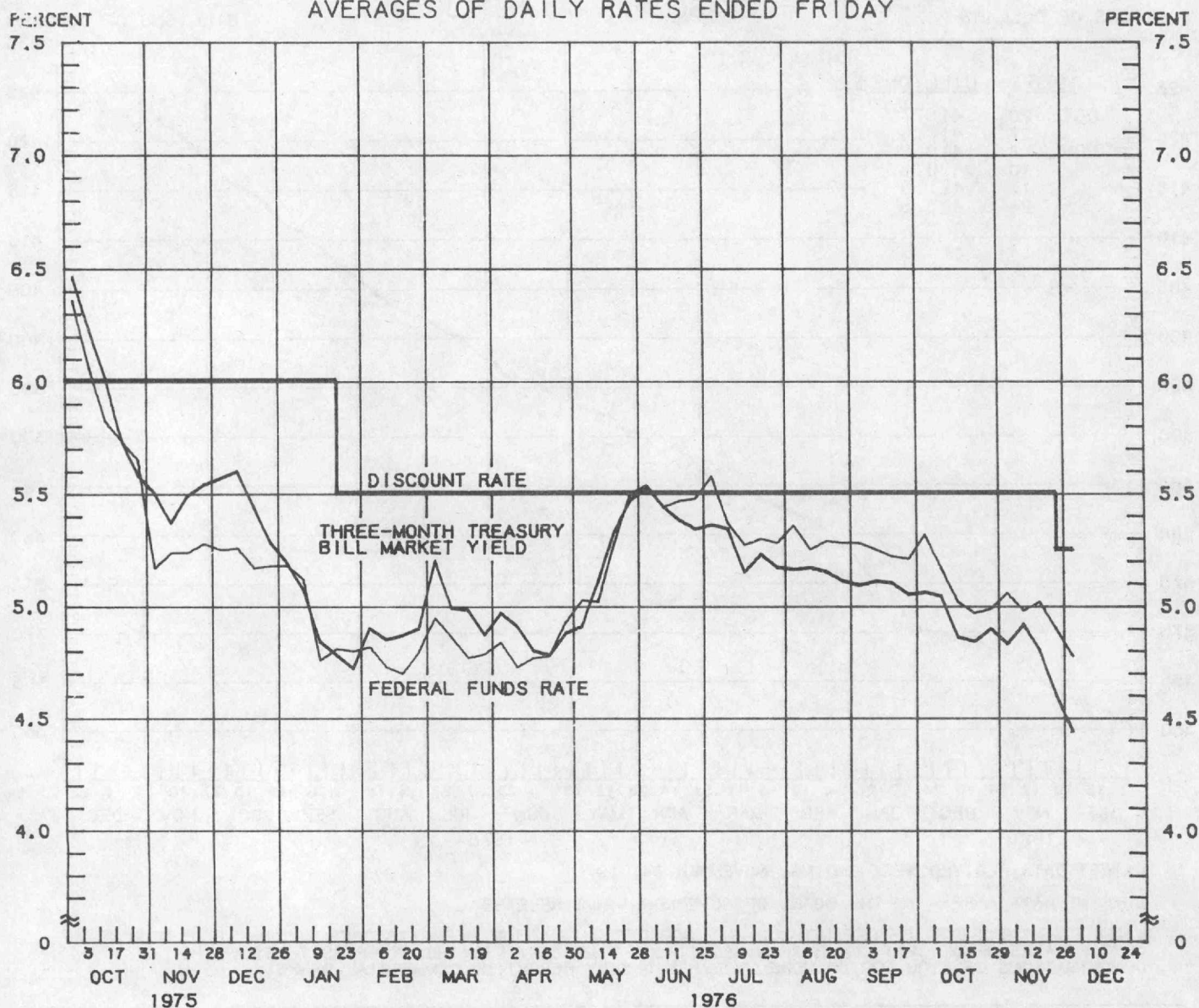
1976	90 DAY CD'S	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS
OCT. 1	5.33	5.38	5.25	8.37	6.47
8	5.28	5.38	5.22	8.33	6.33
15	5.17	5.22	5.05	8.31	6.25
22	5.04	5.13	4.93	8.31	6.30
NOV. 29	5.08	5.13	5.01	8.33	6.33
5	5.08	5.13	4.98	8.30	6.34
12	5.10	5.13	5.02	8.31	6.39
19	5.14	5.13	4.95	8.27	6.26
DEC. 26	4.97	4.88	4.77	8.17	6.16
3 *	4.77	4.84	4.66	8.13	N.A.
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: DECEMBER 3, 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	7.63
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	4.83	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	4.60	4.79	6.09	7.44
DEC. 3 *	4.78	4.44	4.68	5.93	7.34
10					
17					
24					
31					

* AVERAGES OF RATES AVAILABLE.

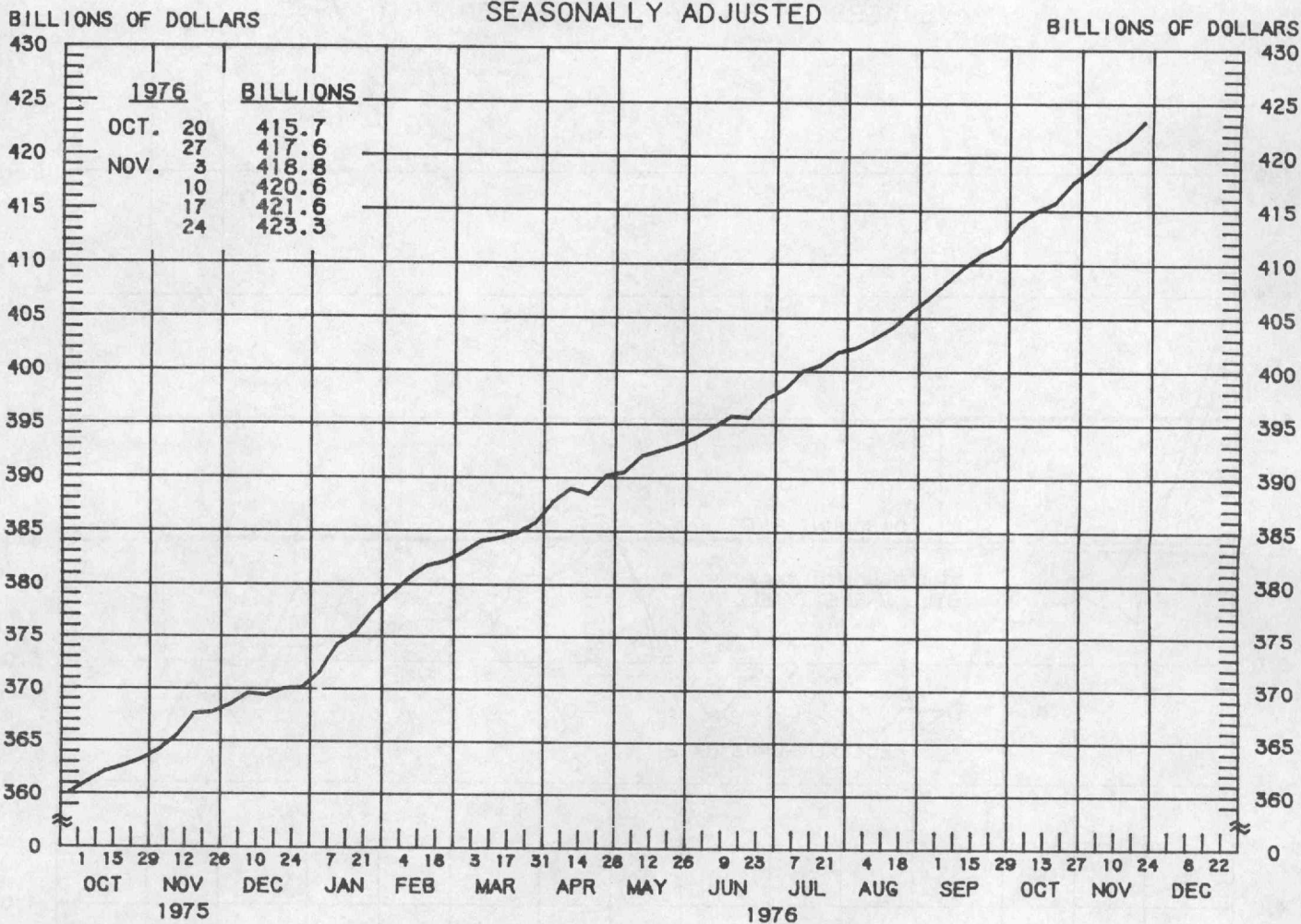
** SEVEN-DAY AVERAGES FOR WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATE SHOWN.

*** 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 DEPOSITS ALL COMMERCIAL BANKS AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 24, 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:

11/26/75 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:

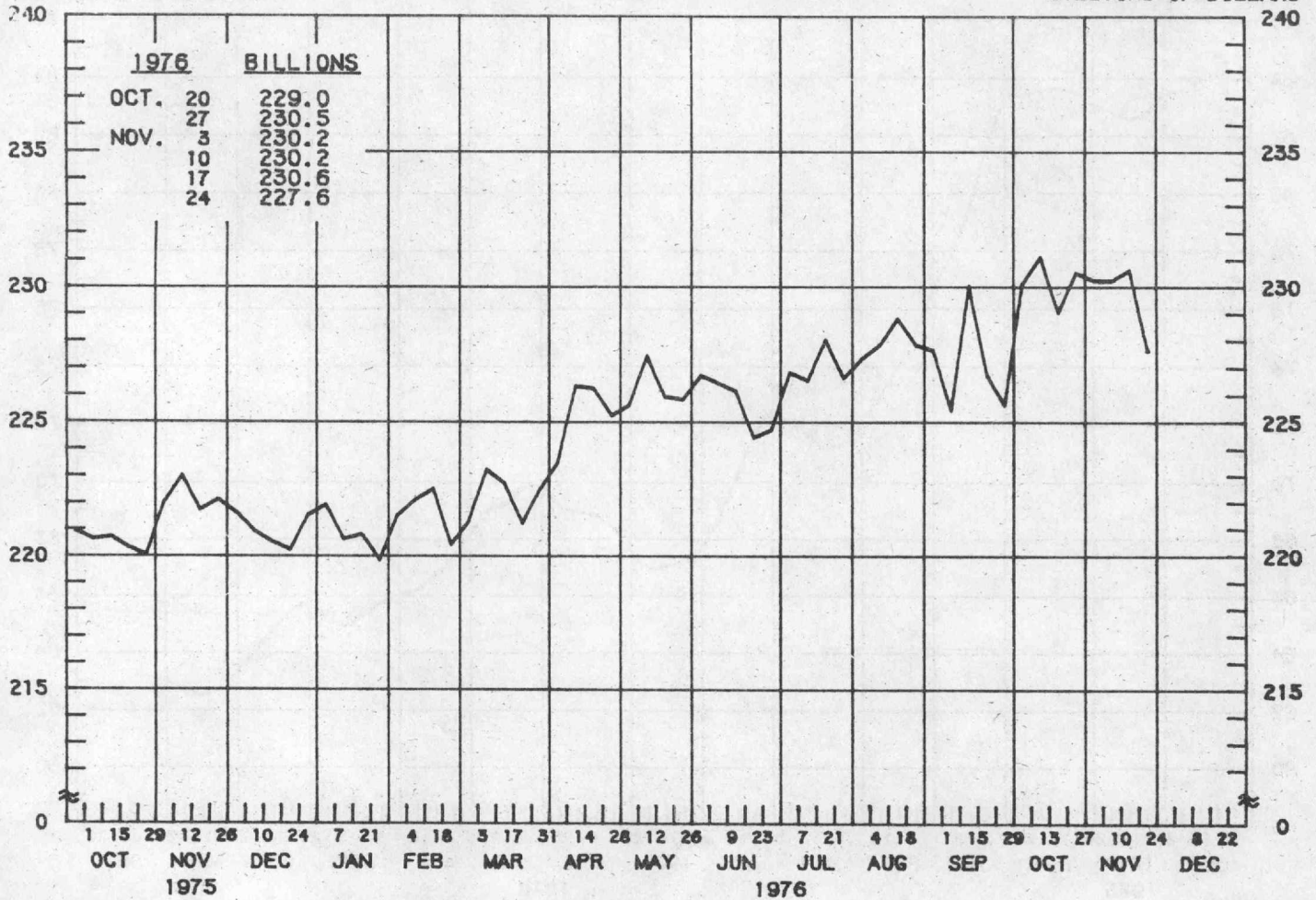
4/21/76	15.2							
5/26/76	14.6	12.2						
6/23/76	14.0	11.7	11.2					
7/21/76	14.1	12.3	12.3	12.4				
8/25/76	13.9	12.3	12.4	12.5	13.6			
9/22/76	14.3	13.1	13.4	13.8	15.0	15.0		
10/27/76	14.7	13.8	14.3	14.8	15.8	16.1	18.1	
11/24/76	15.0	14.3	14.9	15.4	16.4	16.8	18.4	18.5

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 24, 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:

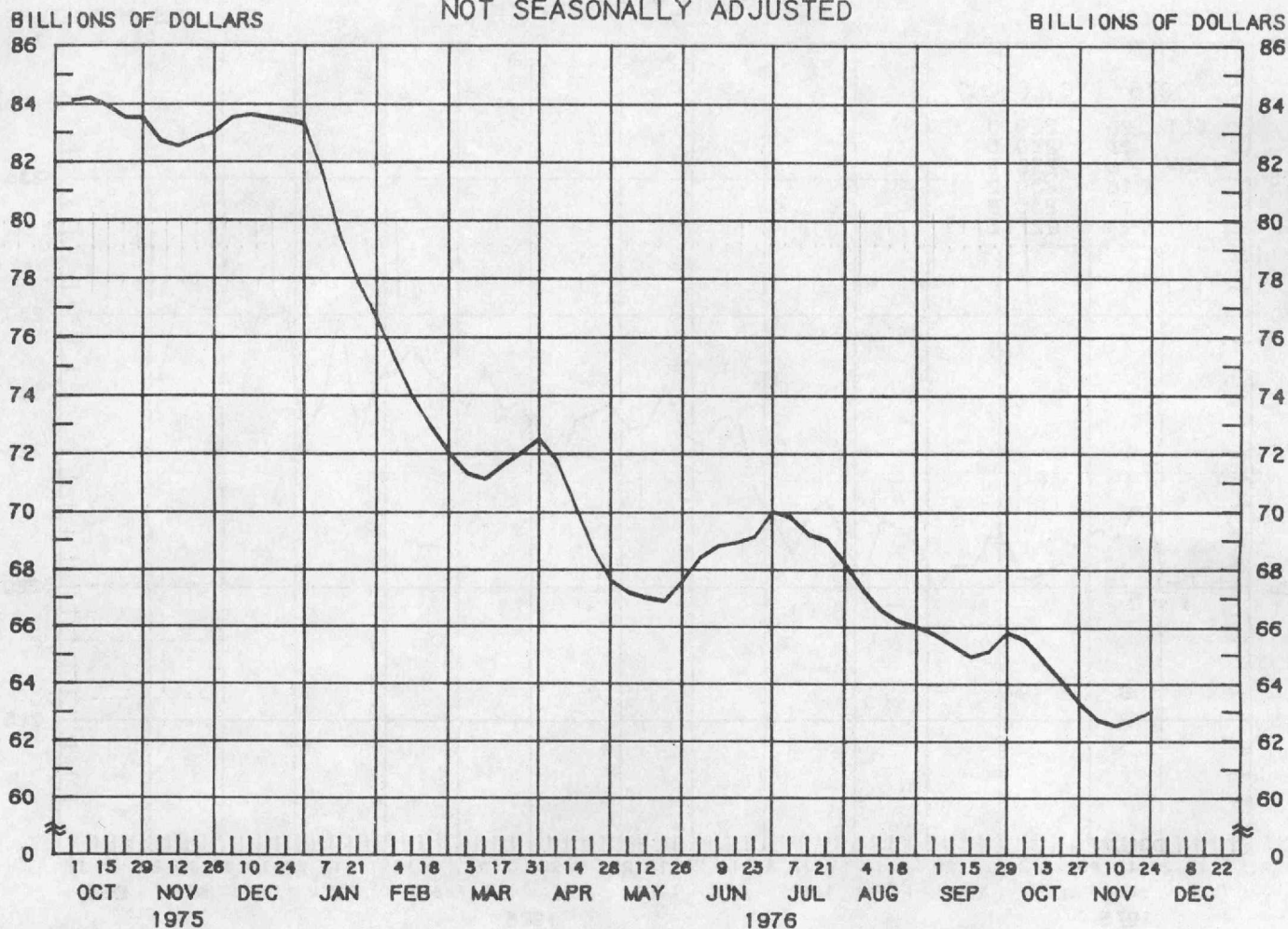
11/26/75 2/25/76 4/21/76 5/26/76 6/23/76 7/21/76 8/25/76 9/22/76

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

4/21/76	2.7							
5/26/76	3.6	8.6						
6/23/76	2.9	6.1	3.4					
7/21/76	3.0	5.6	3.4	0.9				
8/25/76	3.4	5.8	4.3	3.0	5.2			
9/22/76	2.8	4.6	3.0	1.6	2.7	2.3		
10/27/76	3.9	5.8	4.9	4.2	5.6	6.2	6.0	
11/24/76	3.4	4.9	3.8	3.1	4.0	4.1	3.2	6.0

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES
NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 24, 1976

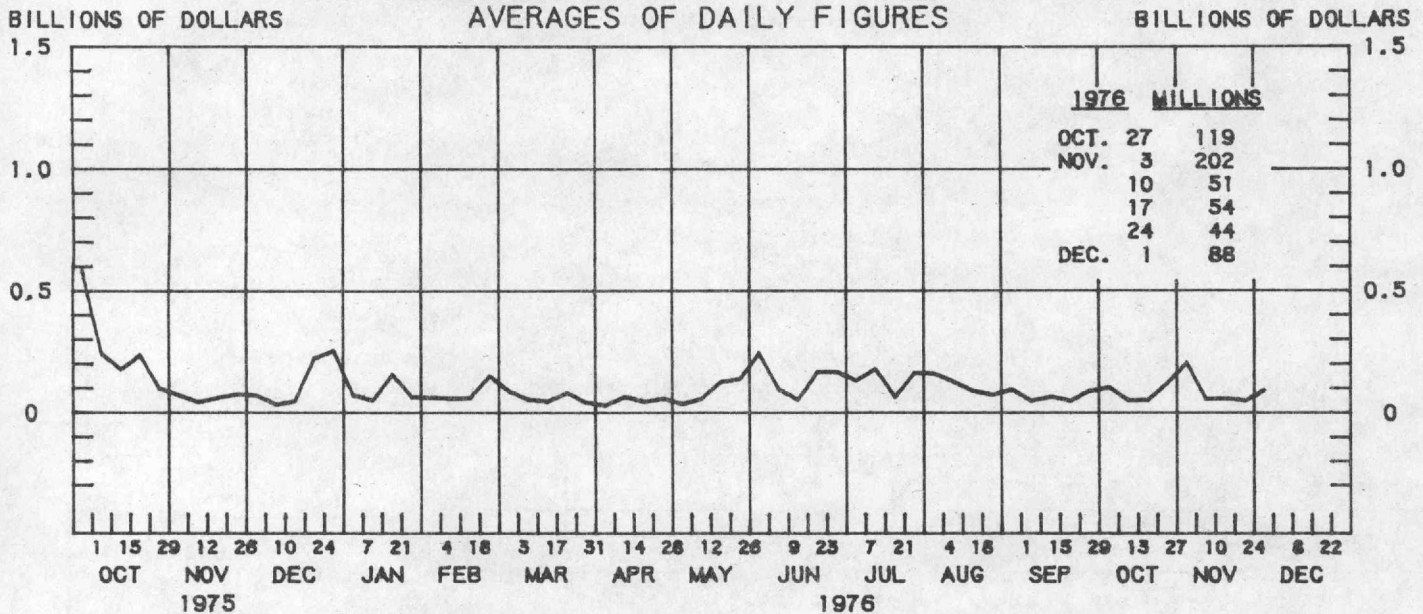
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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	62.7	62.0
24	63.0	62.4
DEC. 1		
8		
15		
22		
29		

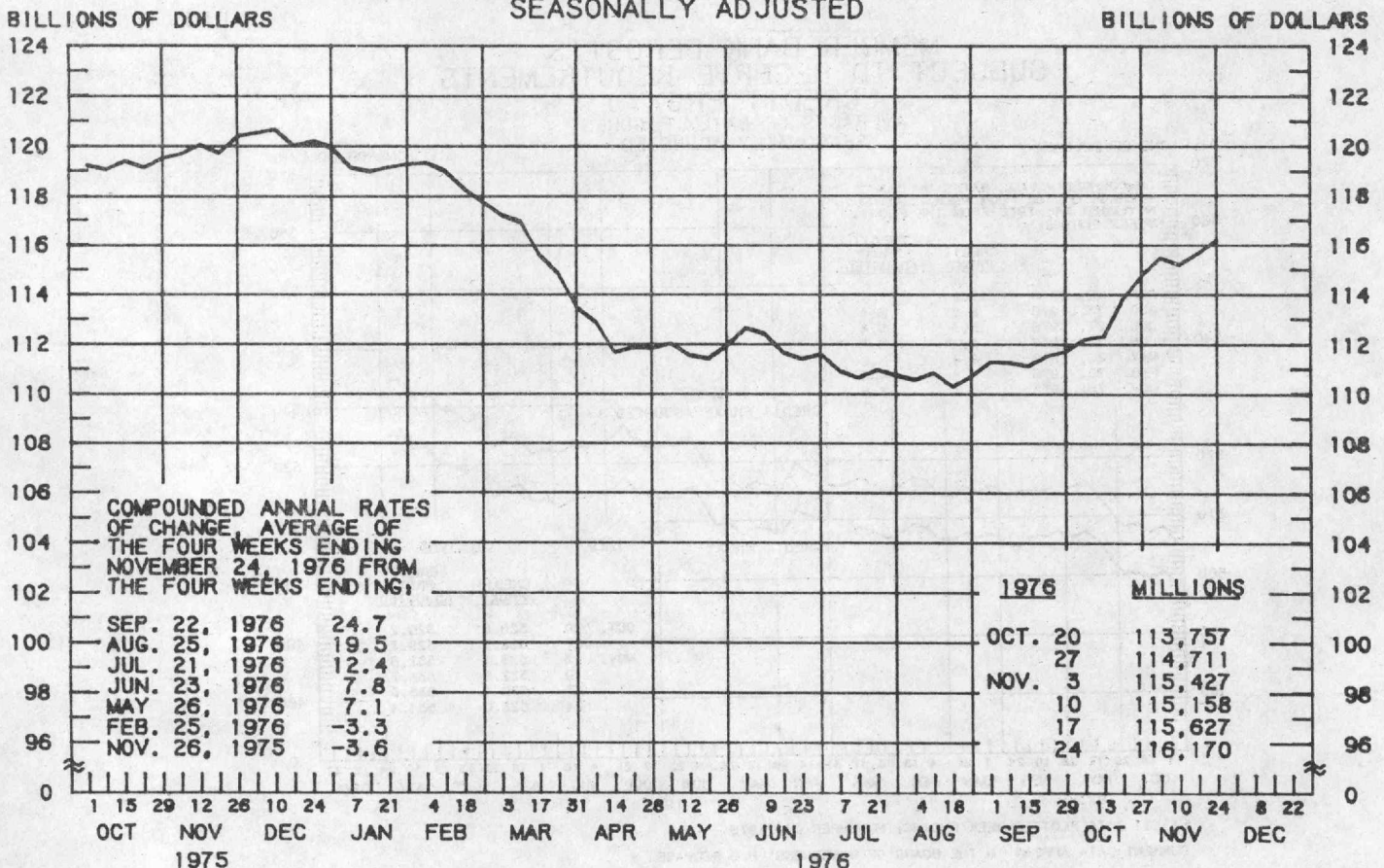
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 1, 1976

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

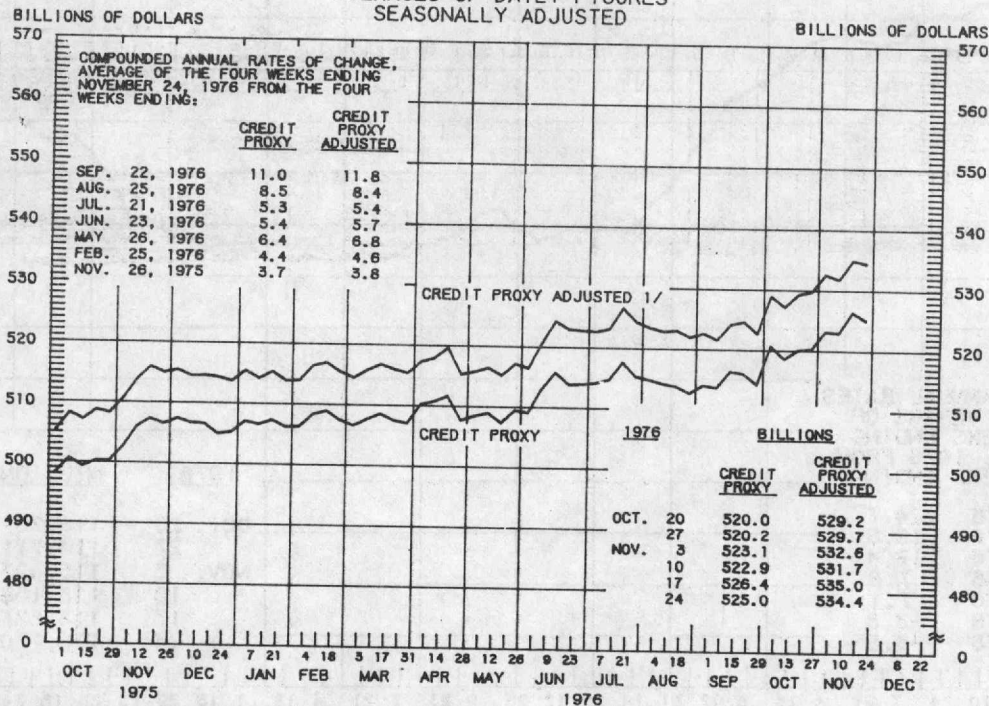


COMPOUNDED ANNUAL RATES
OF CHANGE, AVERAGE OF
THE FOUR WEEKS ENDING
NOVEMBER 24, 1976 FROM
THE FOUR WEEKS ENDING:

SEP. 22, 1976	24.7
AUG. 25, 1976	19.5
JUL. 21, 1976	12.4
JUN. 23, 1976	7.8
MAY 26, 1976	7.1
FEB. 25, 1976	-3.3
NOV. 26, 1975	-3.6

LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 24, 1976

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



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 24, 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