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DEC 26 1979

Week ending: March 2, 1977

The growth in the monetary base slowed in the last three months compared to the previous nine months. The primary contributing factor for such a slowing in this growth rate (from a 7.8 percent annual rate in the previous nine months to a 4.9 percent annual rate in the most recent three months) was the deceleration in the growth rate of adjusted Federal Reserve credit (p. 3). The growth in Federal Reserve holdings of government securities was the dominant factor shaping the growth in the adjusted Federal Reserve credit.

The slower growth rate of the monetary base since late November has impacted primarily on the growth of demand deposits. The growth of this component of the money stock (M1) slowed to a 3.5 percent rate in the most recent three months, after increasing at a 4.8 percent rate in the previous nine months. The currency component of M1 grew at essentially the same rate during both periods. Hence, M1 growth slowed to a 5 percent rate over the last three months, compared to a 6 percent rate over the previous nine months.

Over the last three months, short-term interest rates have, on average, remained below the rate on passbook savings accounts. For example, the yield on 3-month Treasury bills averaged 4.55 percent over the last three months. Consequently, net time deposits have continued to grow at a rapid 14.2 percent rate over the last three months. Since both the currency and net time deposit components of the broader monetary aggregate (M2) have grown at about the same rates in the recent period as over the previous nine months, the growth of M2 has been only slightly reduced -- from 10.6 percent to 10.2 percent.

Prepared by Federal Reserve Bank of St. Louis
Released: March 4, 1977

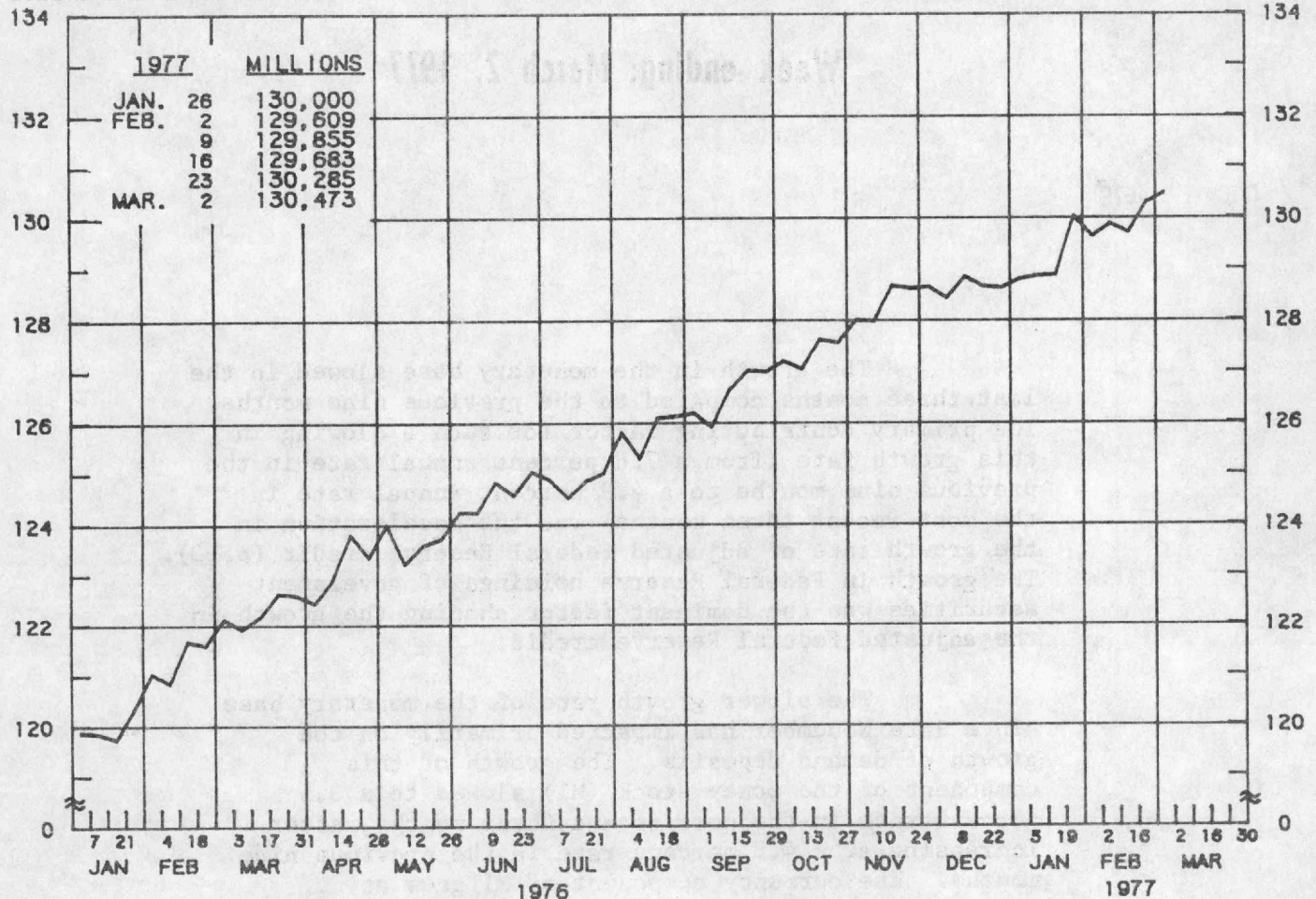
MONETARY BASE

AVERAGES OF DAILY FIGURES

SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MARCH 2, 1977

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

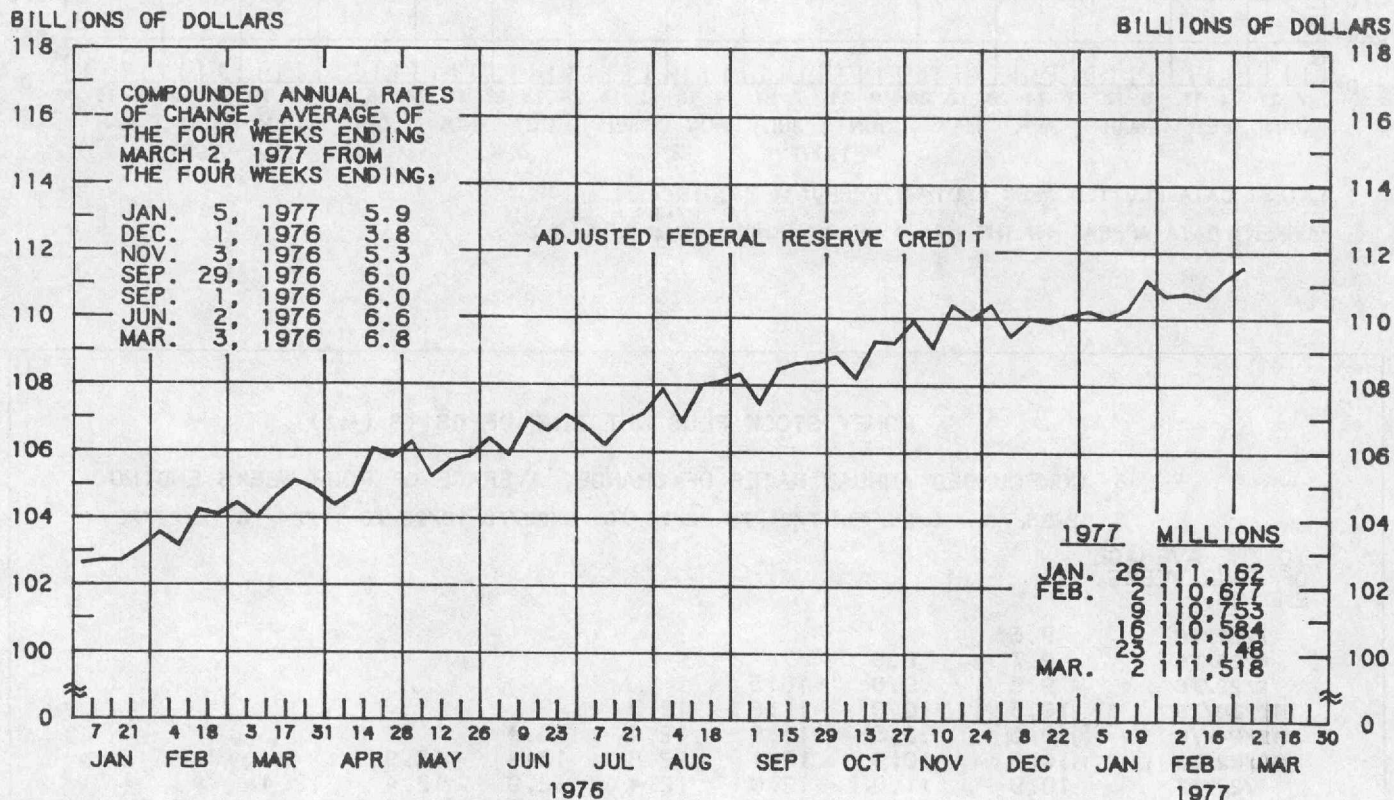
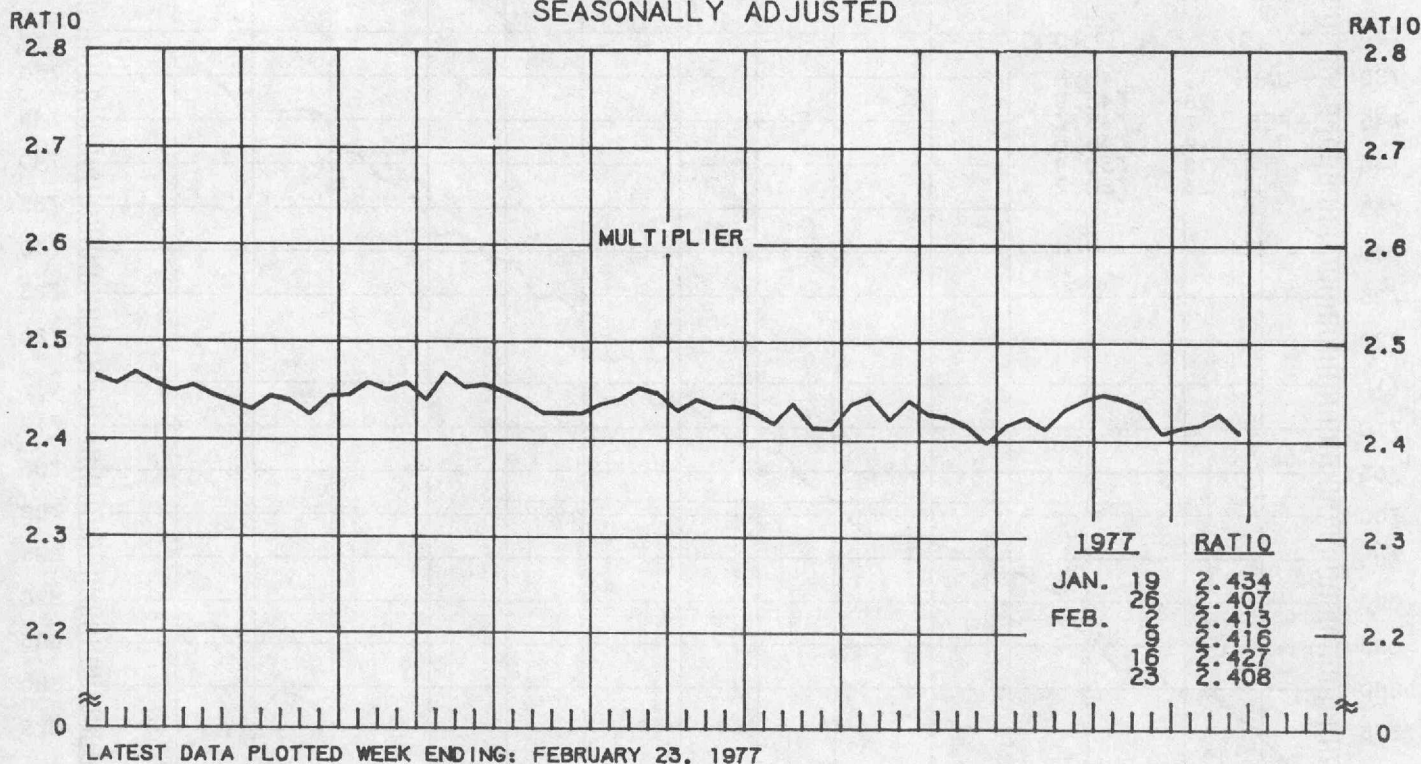
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

3/3/76 6/2/76 8/4/76 9/1/76 9/29/76 11/3/76 12/1/76 1/5/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

8/ 4/76	6.9							
9/ 1/76	7.3	7.4						
9/29/76	7.4	7.5	8.6					
11/ 3/76	7.4	7.5	8.3	7.7				
12/ 1/76	7.7	7.9	8.6	8.4	8.7			
1/ 5/77	7.0	6.9	7.1	6.6	6.3	5.4		
2/ 2/77	7.0	6.9	7.0	6.5	6.3	5.7	4.0	
3/ 2/77	7.0	7.0	7.1	6.7	6.5	6.2	5.1	7.0

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

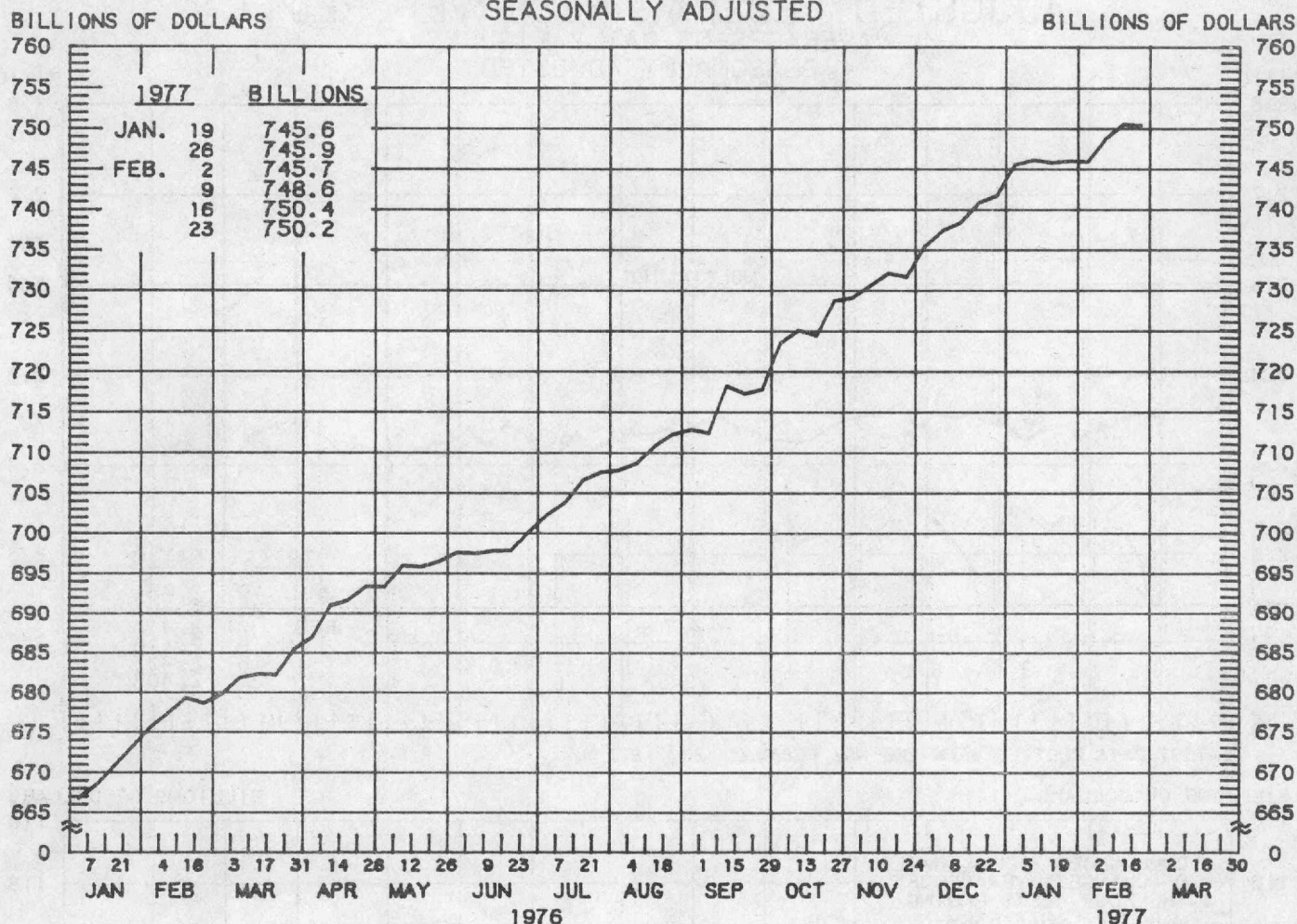


1/ RATIO OF MONEY STOCK (M1) / MONETARY BASE.

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: FEBRUARY 23, 1977

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:

2/25/76 5/26/76 7/21/76 8/25/76 9/22/76 10/20/76 11/24/76 12/22/76

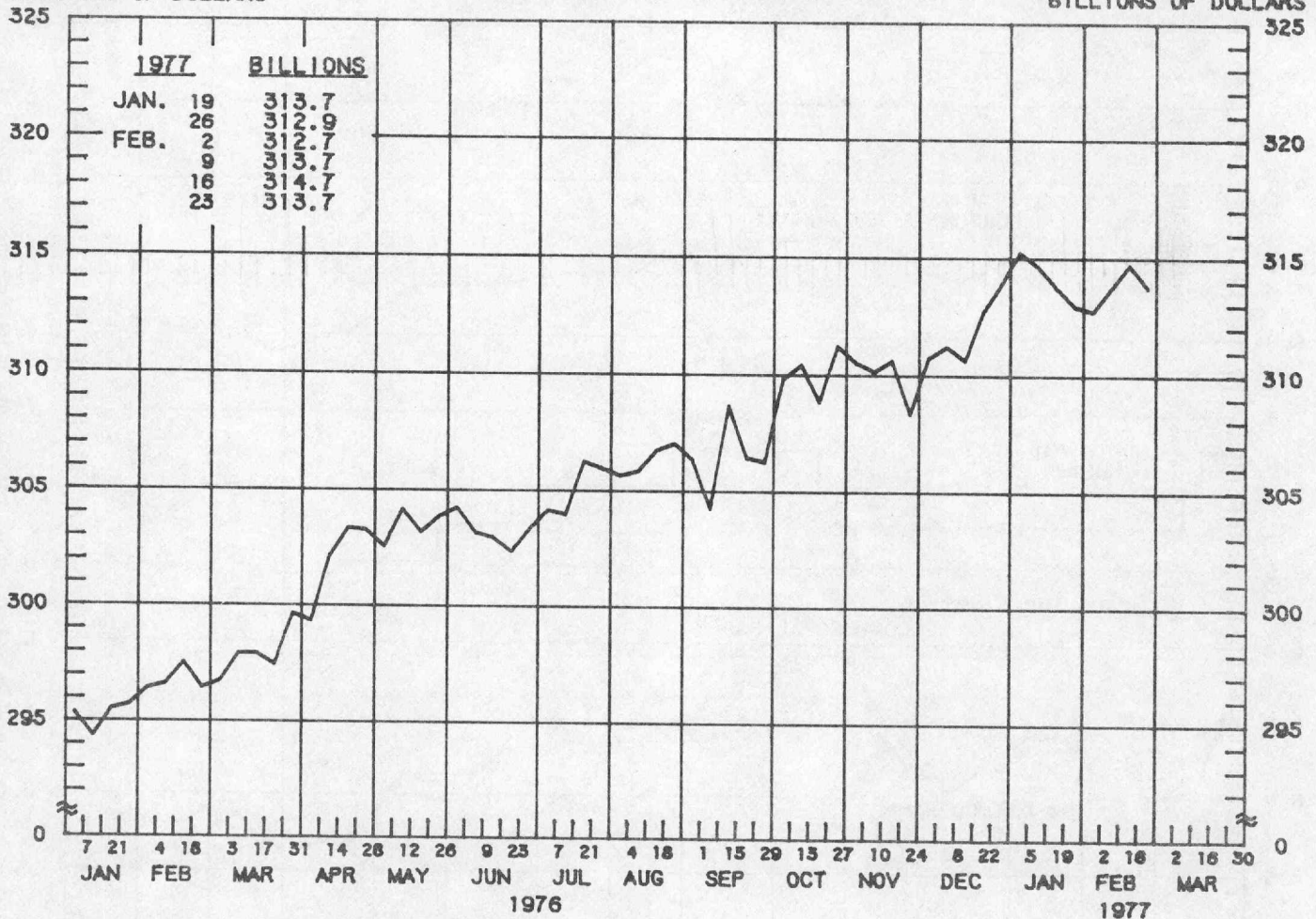
TO THE AVERAGE
OF FOUR WEEKS
ENDING:

7/21/76	9.6						
8/25/76	9.7	8.6					
9/22/76	9.8	9.0	10.3				
10/20/76	10.3	10.0	11.6	12.3			
11/24/76	10.6	10.5	11.8	12.4	13.4		
12/22/76	10.9	10.9	12.1	12.6	13.4	12.9	
1/26/77	10.9	11.0	12.0	12.4	12.9	12.4	12.4
2/23/77	10.5	10.4	11.1	11.3	11.5	10.8	10.2
							8.8

MONEY STOCK (M1) AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 23, 1977

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:

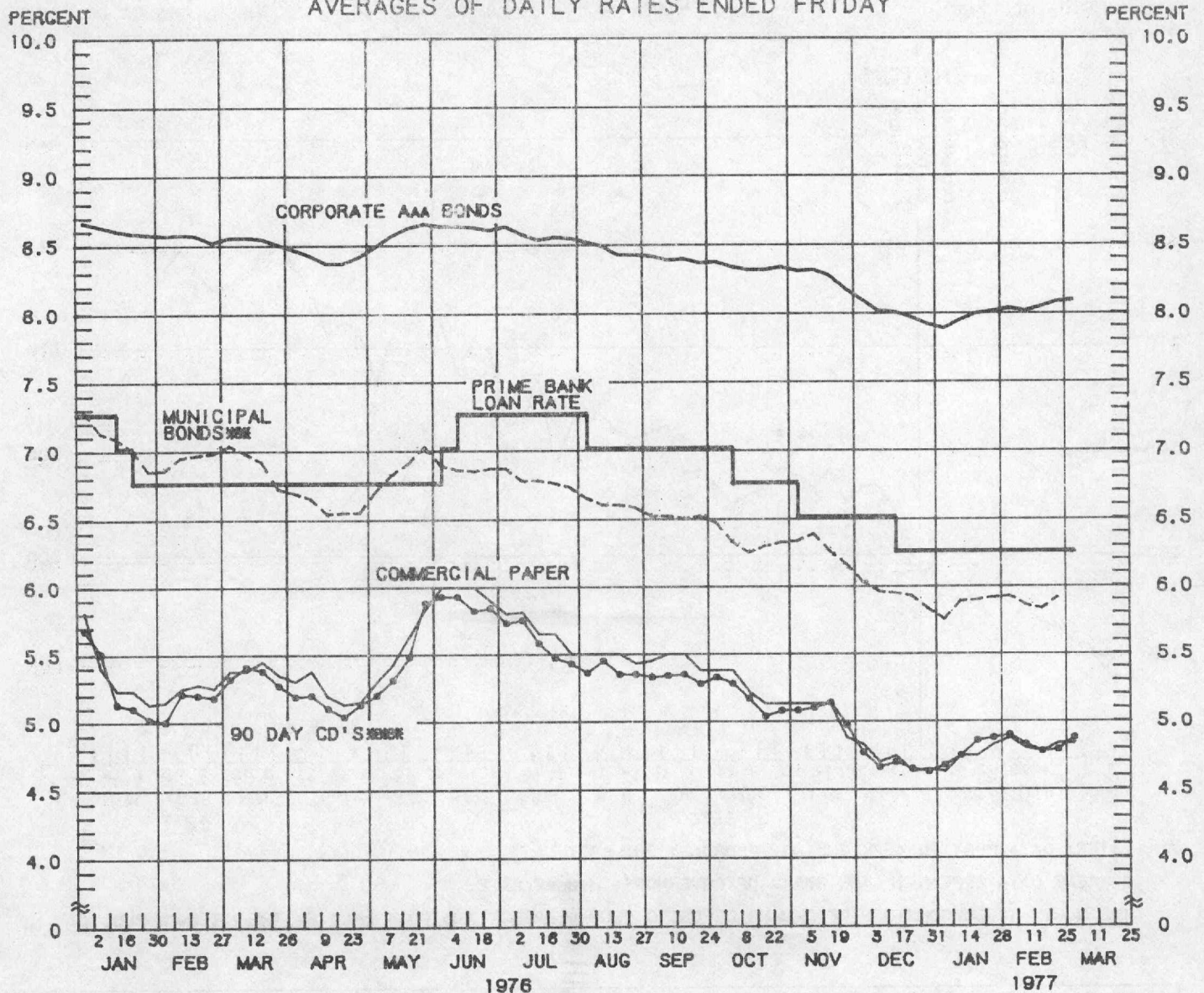
2/25/76 5/26/76 7/21/76 8/25/76 9/22/76 10/20/76 11/24/76 12/22/76

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

7/21/76	6.5						
8/25/76	6.6	3.9					
9/22/76	5.7	3.1	3.9				
10/20/76	6.3	4.5	5.9	5.4			
11/24/76	6.0	4.3	5.3	4.8	6.8		
12/22/76	6.0	4.6	5.4	5.1	6.6	4.8	
1/26/77	6.4	5.3	6.2	6.1	7.4	6.5	8.1
2/23/77	5.7	4.6	5.2	4.9	5.7	4.7	5.0
							4.5

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: MARCH 4, 1977

1977	90 DAY CD'S %	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS %
JAN. 7	4.68	4.63	4.70	7.88	5.75
14	4.75	4.75	4.80	7.94	5.89
21	4.86	4.75	4.84	7.99	5.90
28	4.88	4.83	4.87	8.01	5.92
FEB. 4	4.90	4.88	4.90	8.03	5.93
11	4.83	4.80	4.82	8.01	5.86
18	4.78	4.78	4.78	8.04	5.83
25	4.79	4.84	4.85	8.08	5.92
MAR. 4 *	4.88	4.84	4.84	8.09	N.A.
11					
18					
25					

* AVERAGES OF RATES AVAILABLE.

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

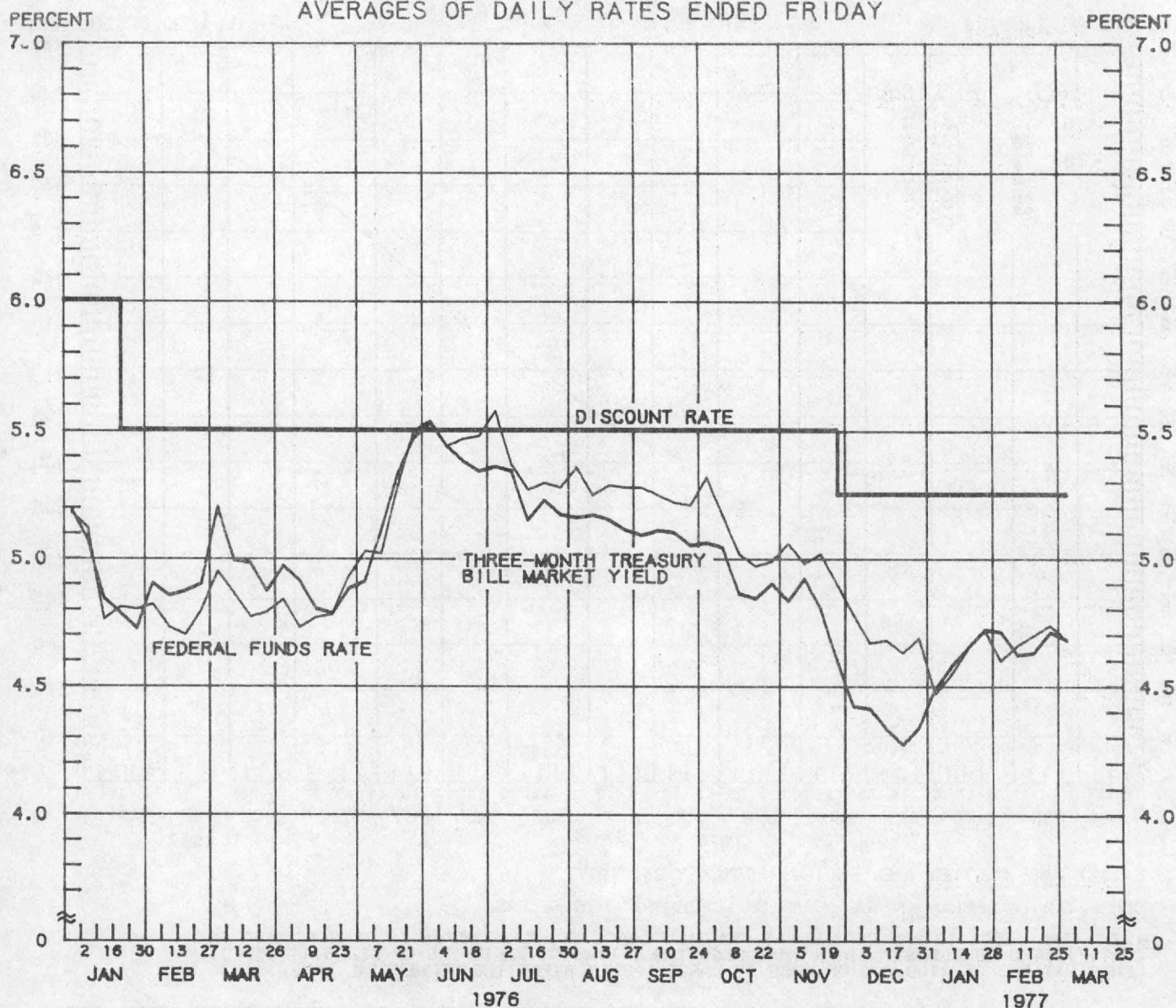
% SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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: MARCH 4, 1977

1977	FEDERAL FUNDS %	3-MONTH TREASURY BILLS	1-YEAR TREASURY BILL	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES
JAN. 7	4.47	4.49	4.76	6.12	7.14
14	4.55	4.58	4.93	6.48	7.35
21	4.65	4.65	5.08	6.57	7.40
28	4.72	4.72	5.18	6.71	7.49
FEB. 4	4.60	4.71	5.24	6.78	7.52
11	4.66	4.62	5.11	6.64	7.49
18	4.70	4.63	5.08	6.60	7.51
25	4.74	4.71	5.22	6.76	7.59
MAR. 4 *	4.68	4.68	5.24	6.76	7.60
11					
18					
25					

* AVERAGES OF RATES AVAILABLE.

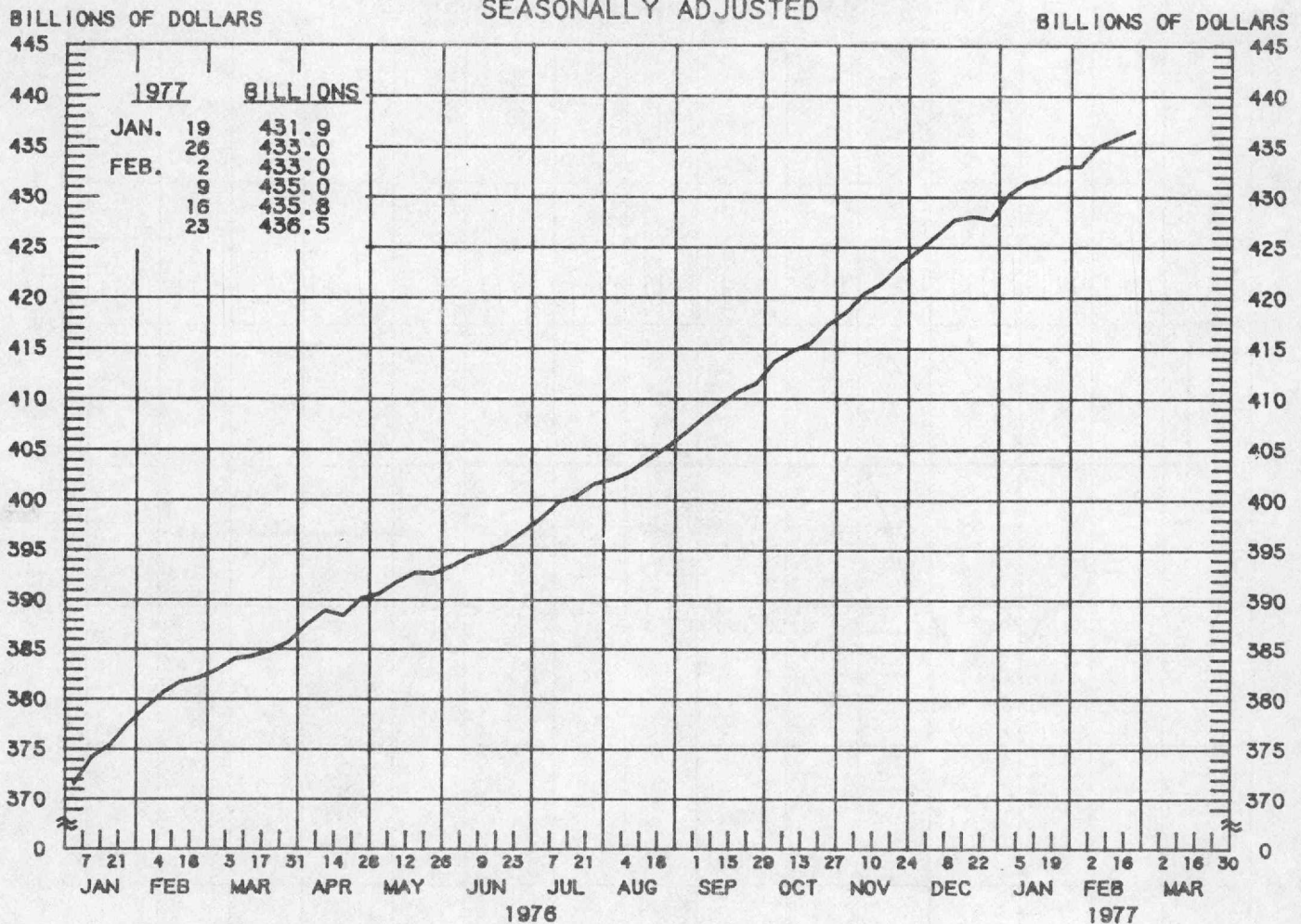
** SEVEN-DAY AVERAGES FOR WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATE SHOWN.

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: FEBRUARY 23, 1977

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:

2/25/76 5/26/76 7/21/76 8/25/76 9/22/76 10/20/76 11/24/76 12/22/76

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

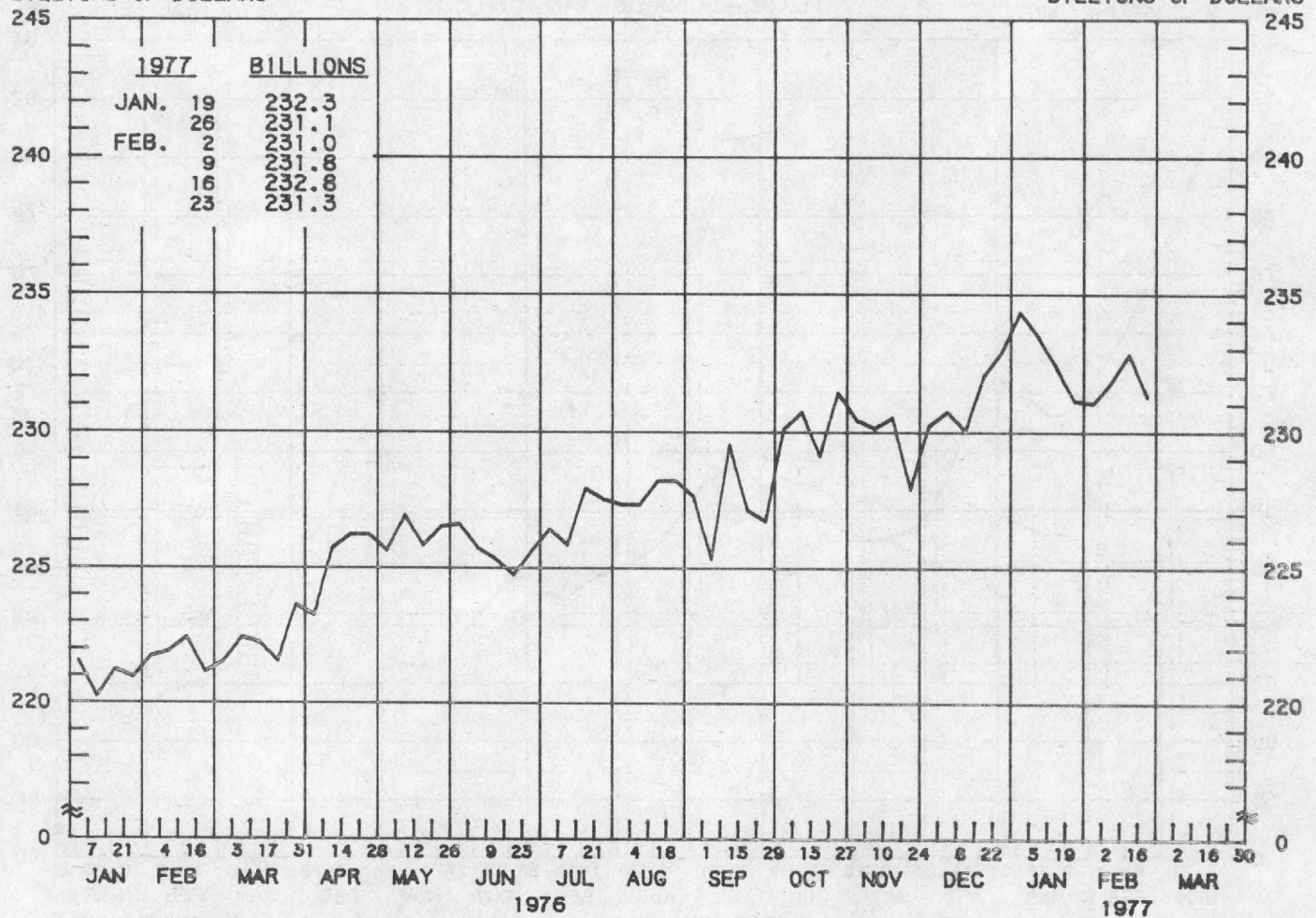
7/21/76	12.0						
8/25/76	12.2	12.4					
9/22/76	13.0	13.7	15.2				
10/20/76	13.5	14.4	15.9	17.8			
11/24/76	14.2	15.3	16.9	18.4	18.5		
12/22/76	14.7	15.8	17.3	18.6	18.7	19.2	
1/26/77	14.5	15.4	16.4	17.2	17.1	16.9	15.6
2/23/77	14.2	15.0	15.7	16.3	15.9	15.6	14.2 12.1

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



DEMAND DEPOSIT COMPONENT OF MONEY STOCK

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

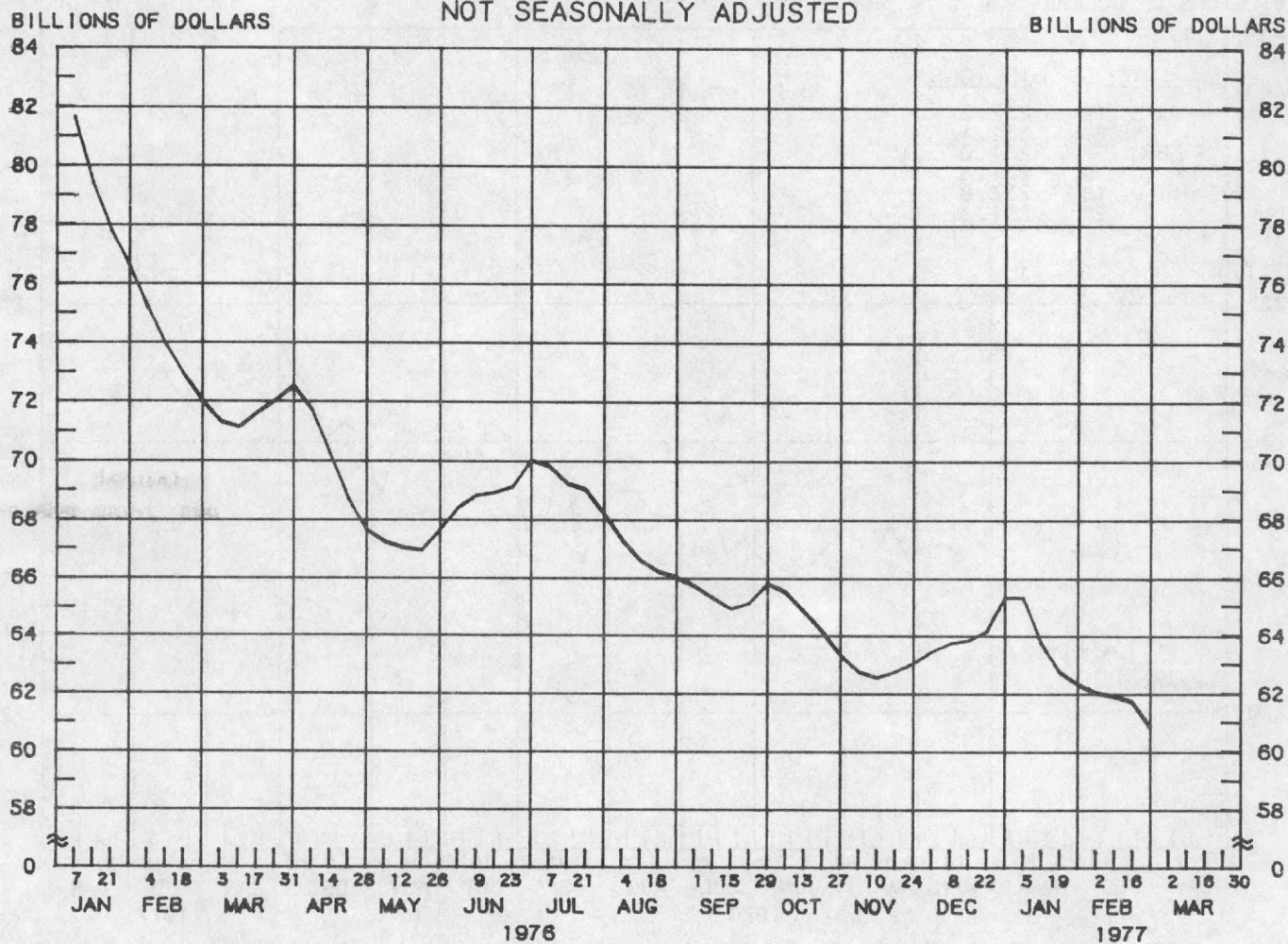
2/25/76 5/26/76 7/21/76 8/25/76 9/22/76 10/20/76 11/24/76 12/22/76

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

7/21/76	5.2							
8/25/76	5.5	2.9						
9/22/76	4.4	1.6	2.6					
10/20/76	5.1	3.3	5.0	4.1				
11/24/76	4.8	3.1	4.3	3.4	6.0			
12/22/76	4.9	3.5	4.5	3.9	5.9	3.8		
1/26/77	5.4	4.4	5.5	5.3	7.0	6.0	8.1	
2/23/77	4.5	3.3	4.0	3.5	4.5	3.2	3.5	2.5

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES
NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 23, 1977

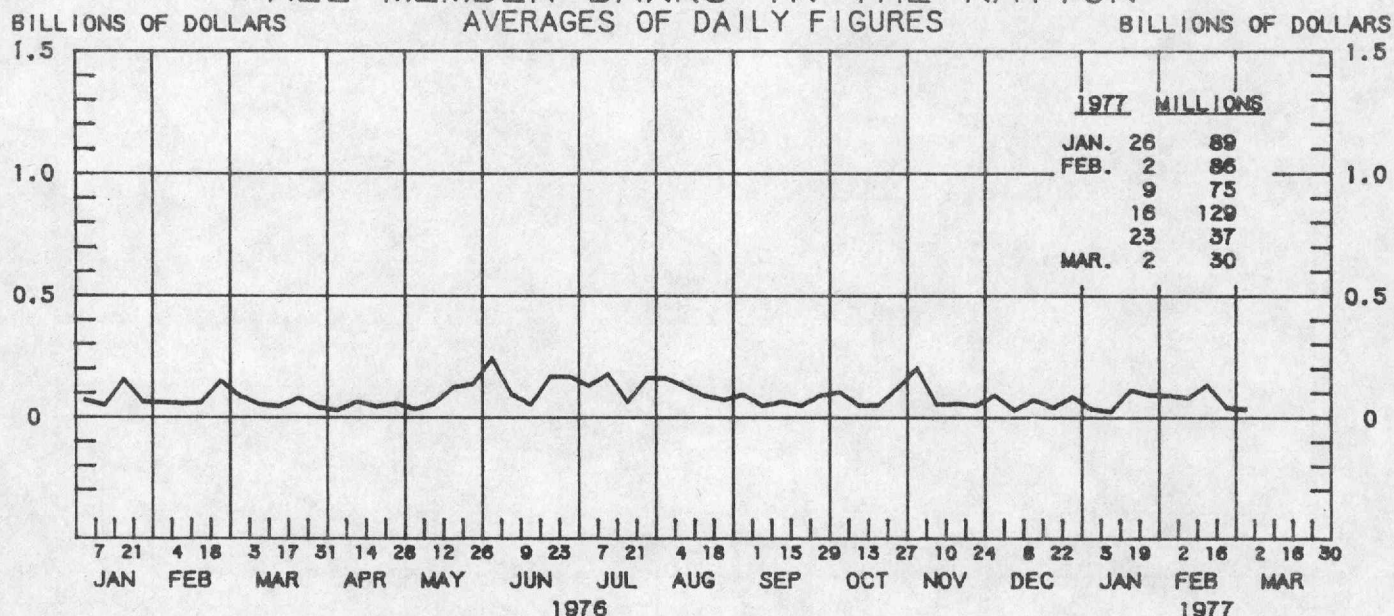
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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

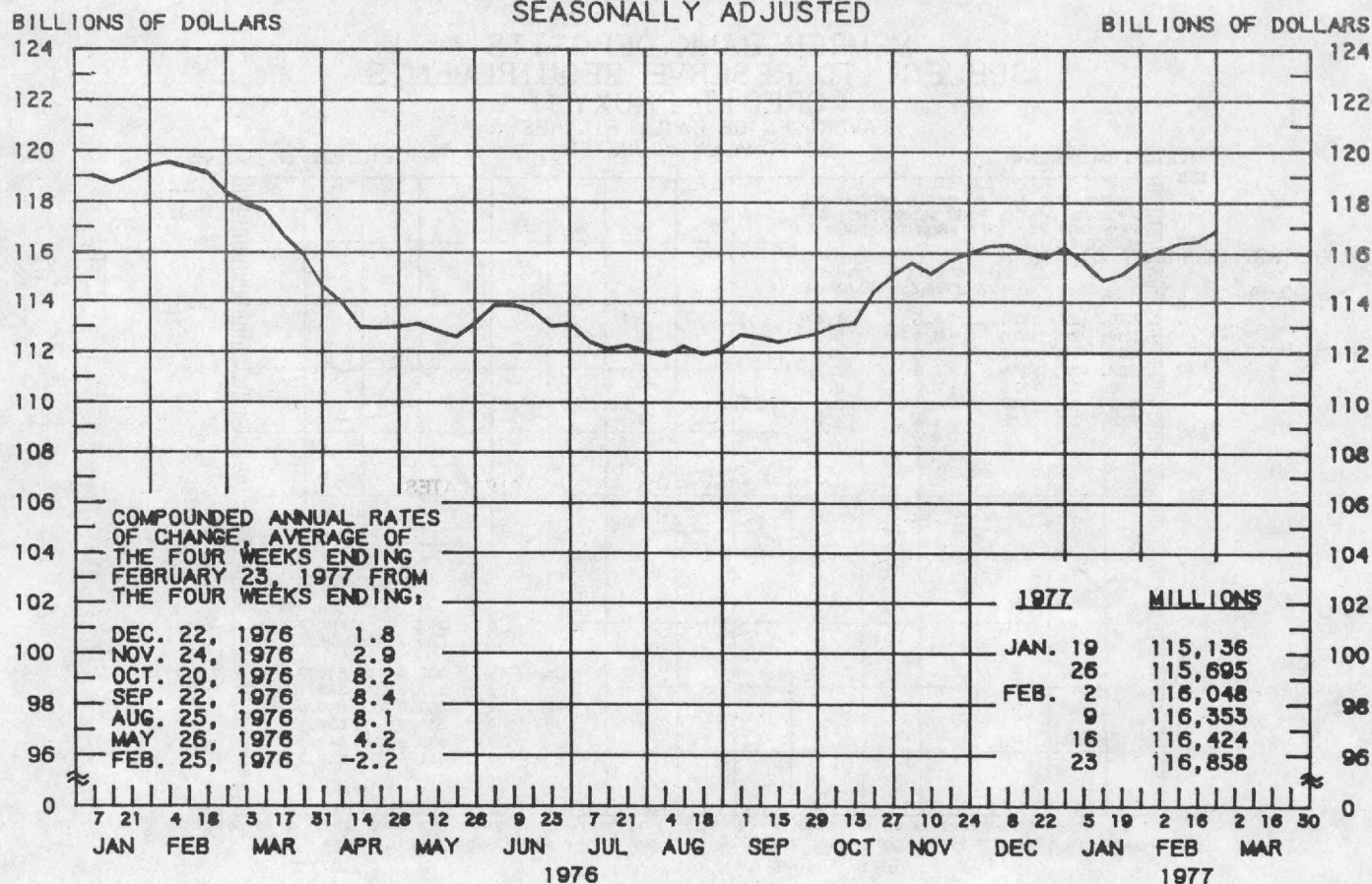
1977	CERTIFICATES OF DEPOSIT NOT SEAS. ADJ.	CERTIFICATES OF DEPOSIT SEAS. ADJ.
JAN. 5	65.3	64.7
12	63.7	63.3
19	62.7	62.4
26	62.3	62.5
FEB. 2	62.0	62.8
9	61.9	63.5
16	61.7	63.6
23	60.8	63.2
MAR. 2		
9		
16		
23		
30		

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION

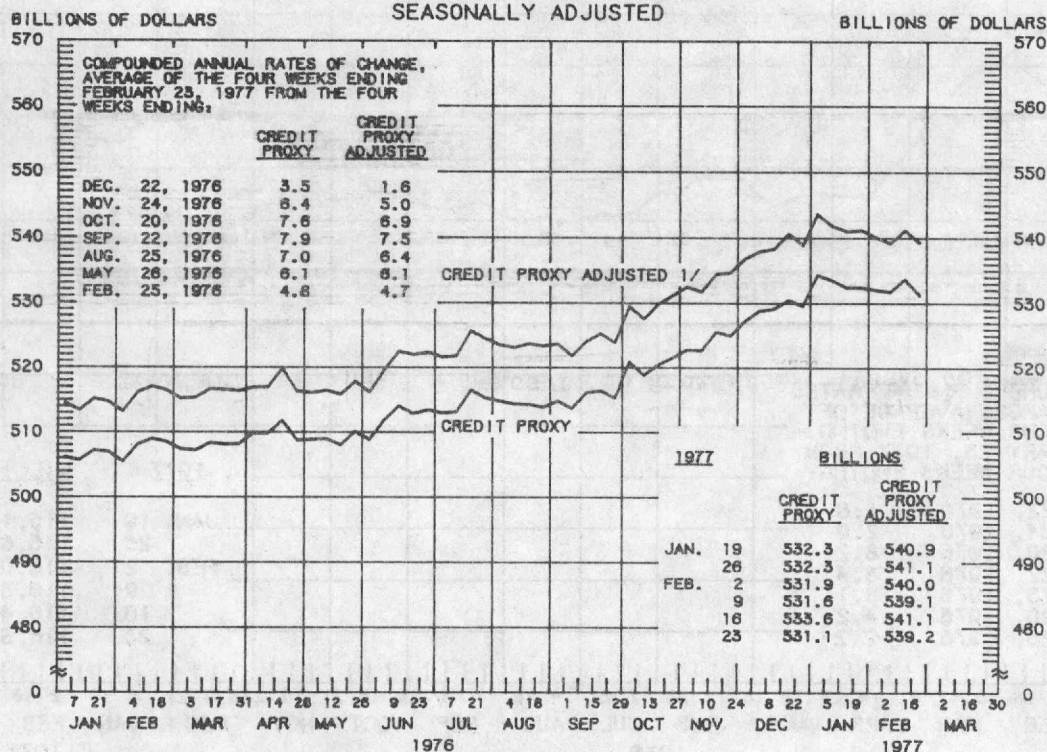


BUSINESS LOANS (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS SEASONALLY ADJUSTED



PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



LATEST DATA PLOTTED WEEK ENDING: FEBRUARY 23, 1977

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