

Week ending: May 18, 1977



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After surging upward by a large amount in the week ended April 6, net demand deposits which are included in the major monetary aggregates have remained almost unchanged. In the week ended April 6, net demand deposits rose \$5 billion on a seasonally adjusted basis. In the most recent week for which data are available, the week ended May 11, net demand deposits averaged about the same as in the week ended April 6.

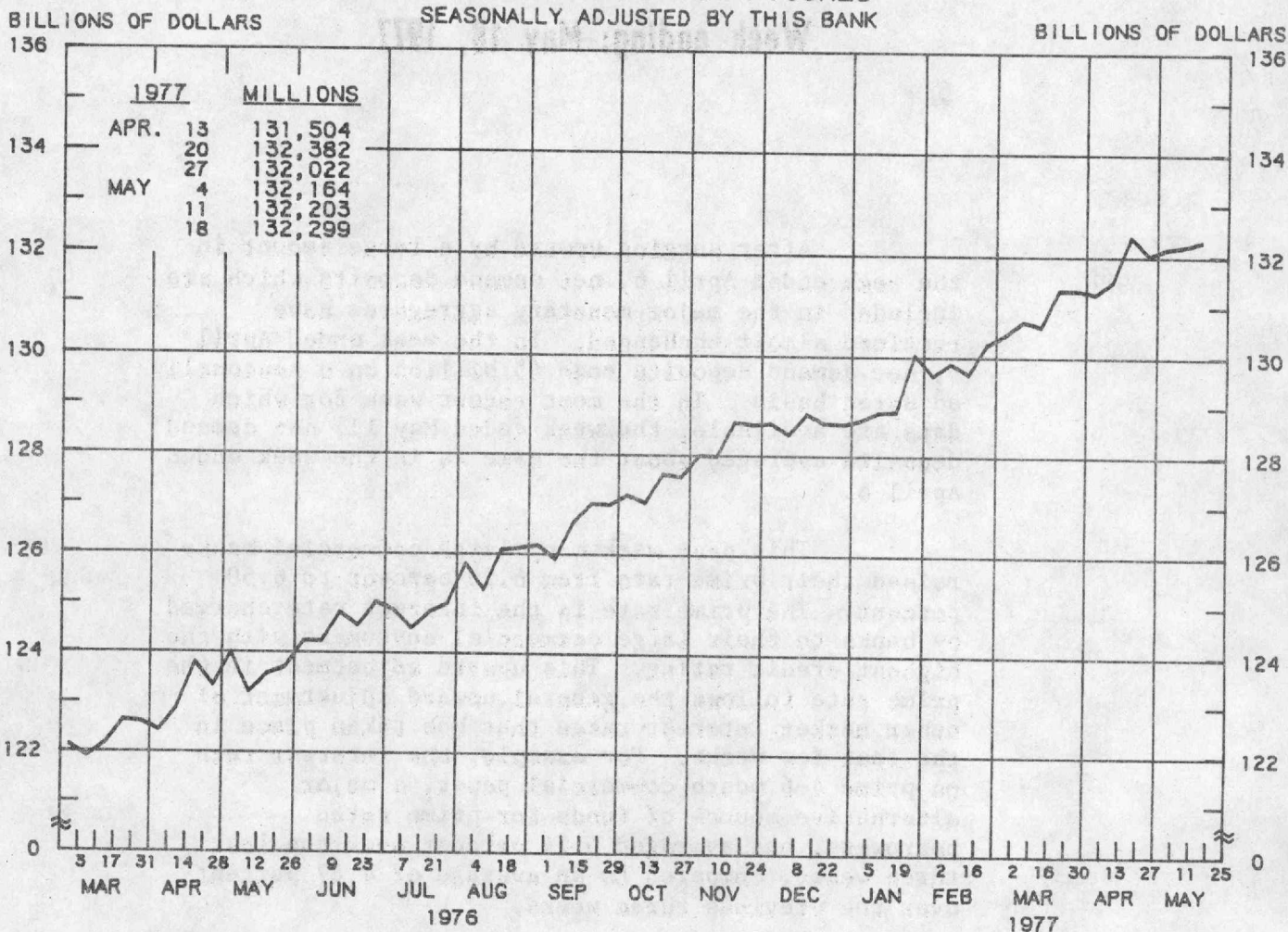
This past week many large commercial banks raised their prime rate from 6.25 percent to 6.50 percent. The prime rate is the interest rate charged by banks to their large commercial customers with the highest credit rating. This upward adjustment in the prime rate follows the general upward adjustment of other market interest rates that has taken place in the last few weeks. For example, the interest rate on prime 4-6 month commercial paper, a major alternative source of funds for prime rated borrowers, has averaged 5.24 percent over the last three weeks, compared to an average of 4.87 percent over the previous three weeks.

The Federal funds rate has risen quite sharply in recent weeks. From an average of slightly above 4.60 percent over the first half of April, the funds rate has risen to an average of 5.34 percent in the week ended last Wednesday. This increase in the funds rate has moved it from a level well below the discount rate to a level slightly above the current discount rate of 5.25 percent; the discount rate which has prevailed since late November of last year. Concurrent with this closing of the gap between the Federal funds rate and the discount rate, member bank borrowings from Federal Reserve Banks has started to increase. Member bank borrowings had remained at very minimal levels for an extended period of time (p. 11). For example, over the first half of last month when the Federal funds rate was about 60 basis points below the discount rate, member bank borrowings averaged about \$50 million or less. During the last three weeks member bank borrowings have averaged \$165 million.

Prepared by Federal Reserve Bank of St. Louis  
Released: May 20, 1977

# MONETARY BASE

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: MAY 18, 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:

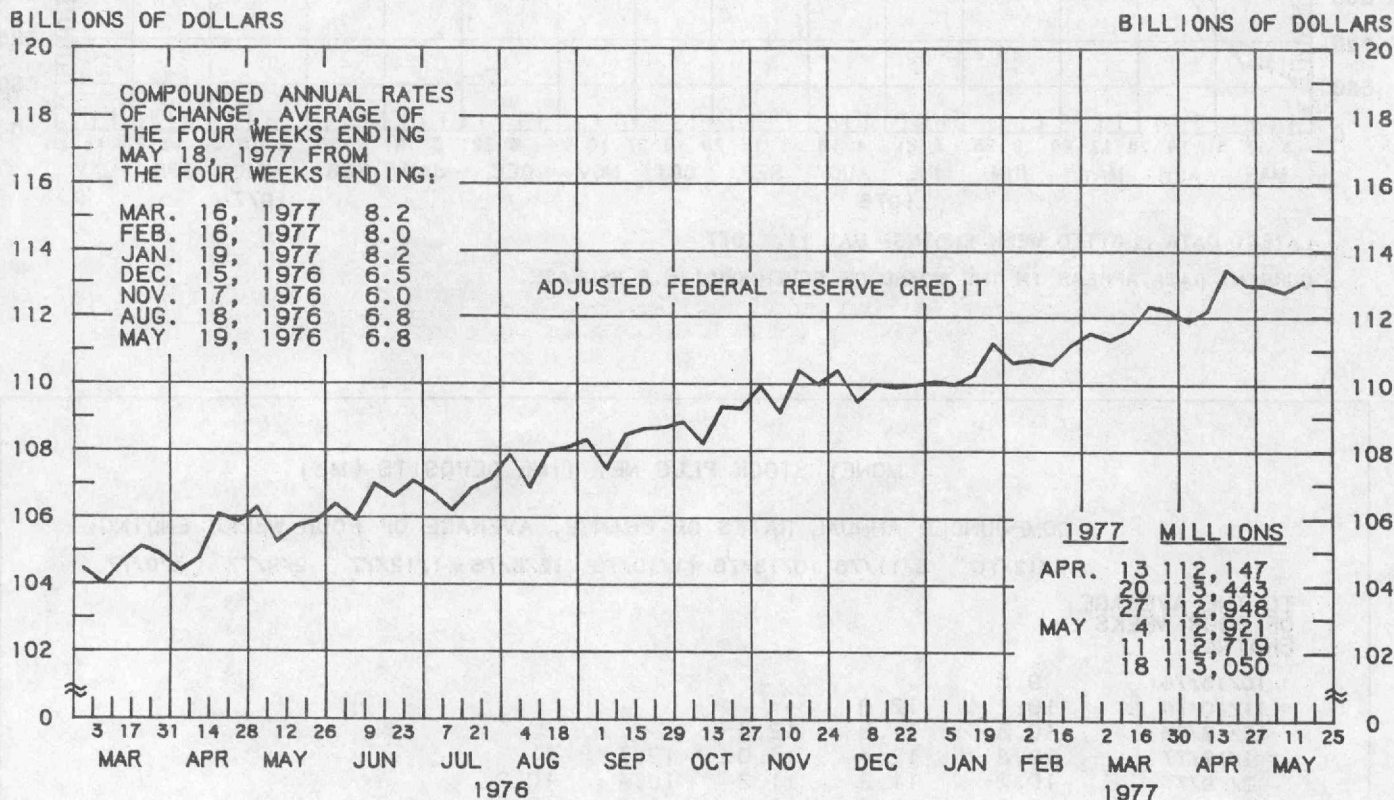
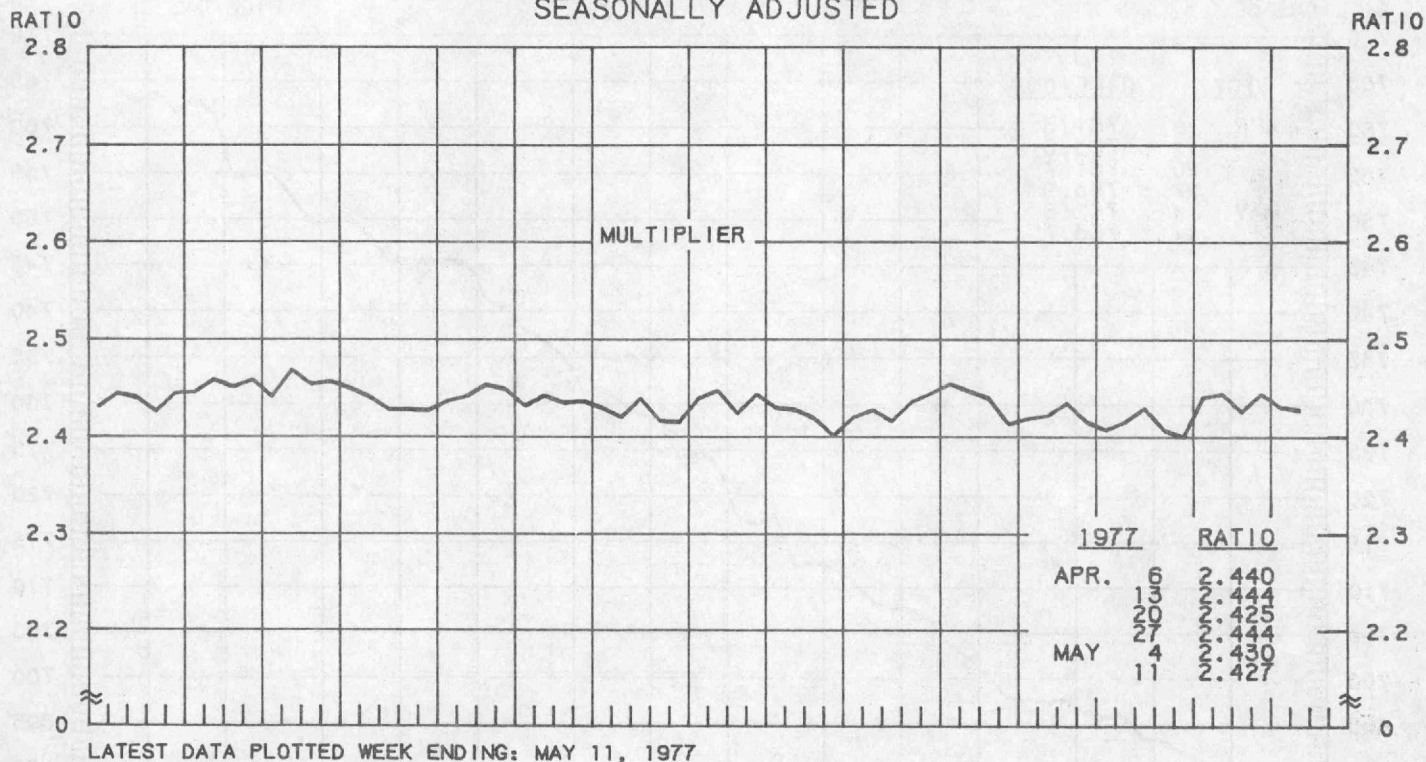
5/19/76    8/18/76    10/20/76    11/17/76    12/15/76    1/19/77    2/16/77    3/16/77

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

10/20/76	7.2							
11/17/76	7.4	8.2						
12/15/76	7.3	7.7	7.5					
1/19/77	6.4	6.2	5.0	3.4				
2/16/77	6.8	6.9	6.3	5.6	5.3			
3/16/77	6.9	7.0	6.5	6.0	6.0	9.0		
4/20/77	7.1	7.3	7.1	6.7	6.9	9.1	8.4	
5/18/77	7.0	7.1	6.9	6.6	6.6	8.3	7.6	7.6

# MULTIPLIER <sup>1/</sup> ADJUSTED FEDERAL RESERVE CREDIT <sup>2/</sup>

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED



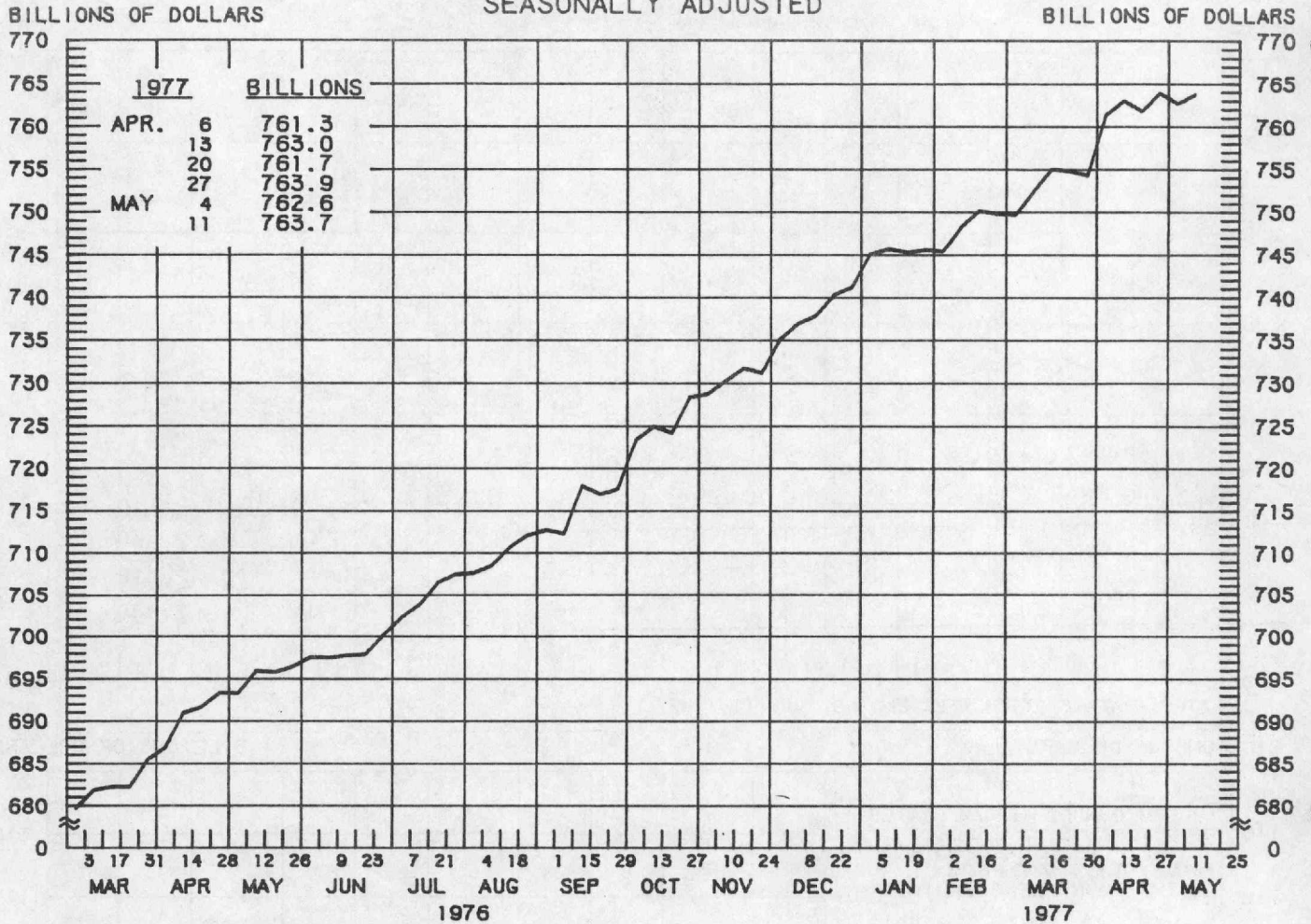
LATEST DATA PLOTTED WEEK ENDING: MAY 18, 1977

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: MAY 11, 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:

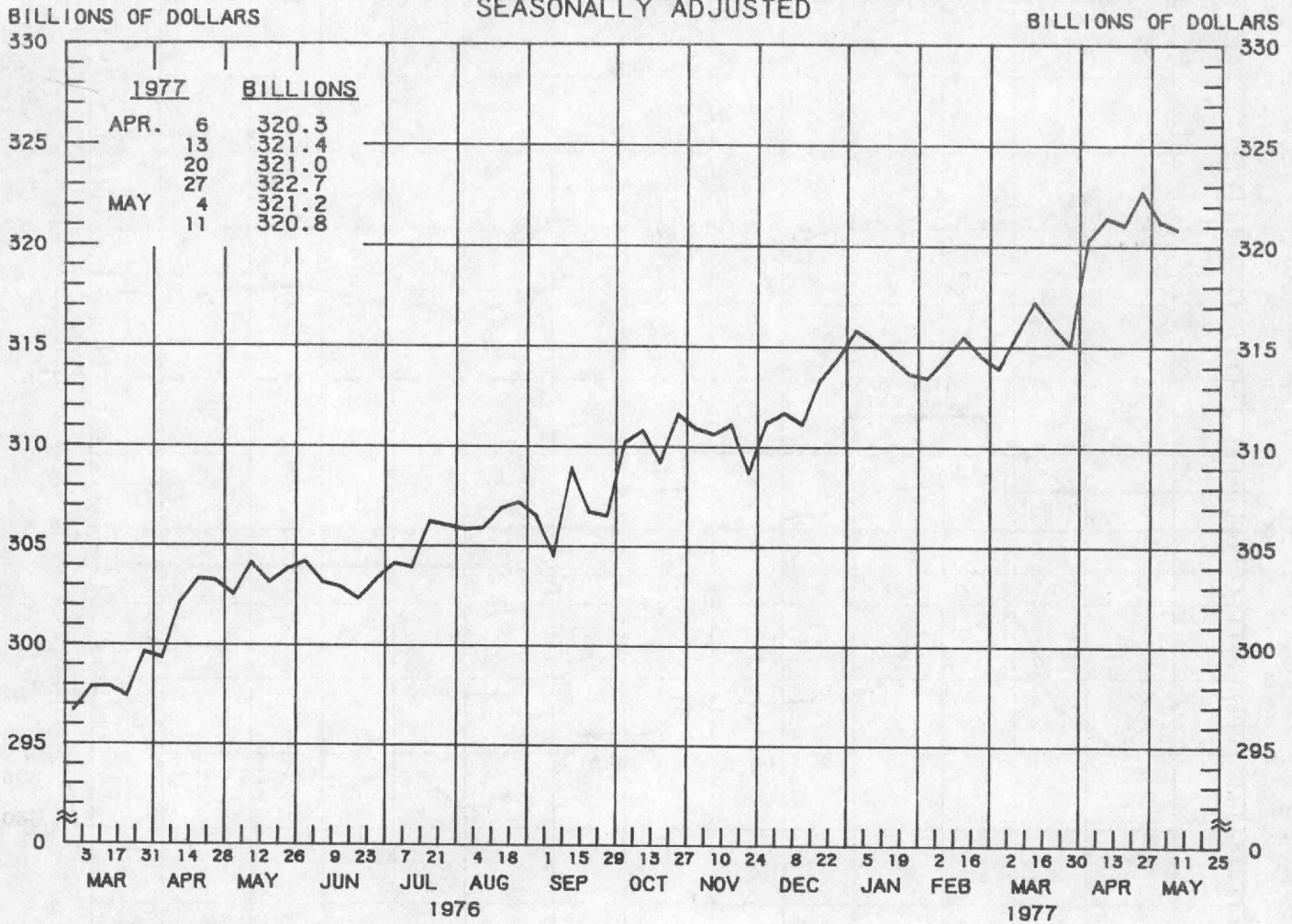
5/12/76 8/11/76 10/13/76 11/10/76 12/8/76 1/12/77 2/9/77 3/9/77

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

10/13/76	9.5							
11/10/76	10.1	12.0						
12/ 8/76	10.3	11.8	12.3					
1/12/77	10.8	12.3	13.0	12.7				
2/ 9/77	10.2	11.2	11.2	10.4	10.2			
3/ 9/77	10.0	10.8	10.6	9.9	9.5	6.7		
4/13/77	10.2	10.9	10.7	10.2	10.0	8.5	9.8	
5/11/77	10.0	10.6	10.4	9.9	9.7	8.5	9.4	10.0

# MONEY STOCK (M1)

## AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 11, 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:

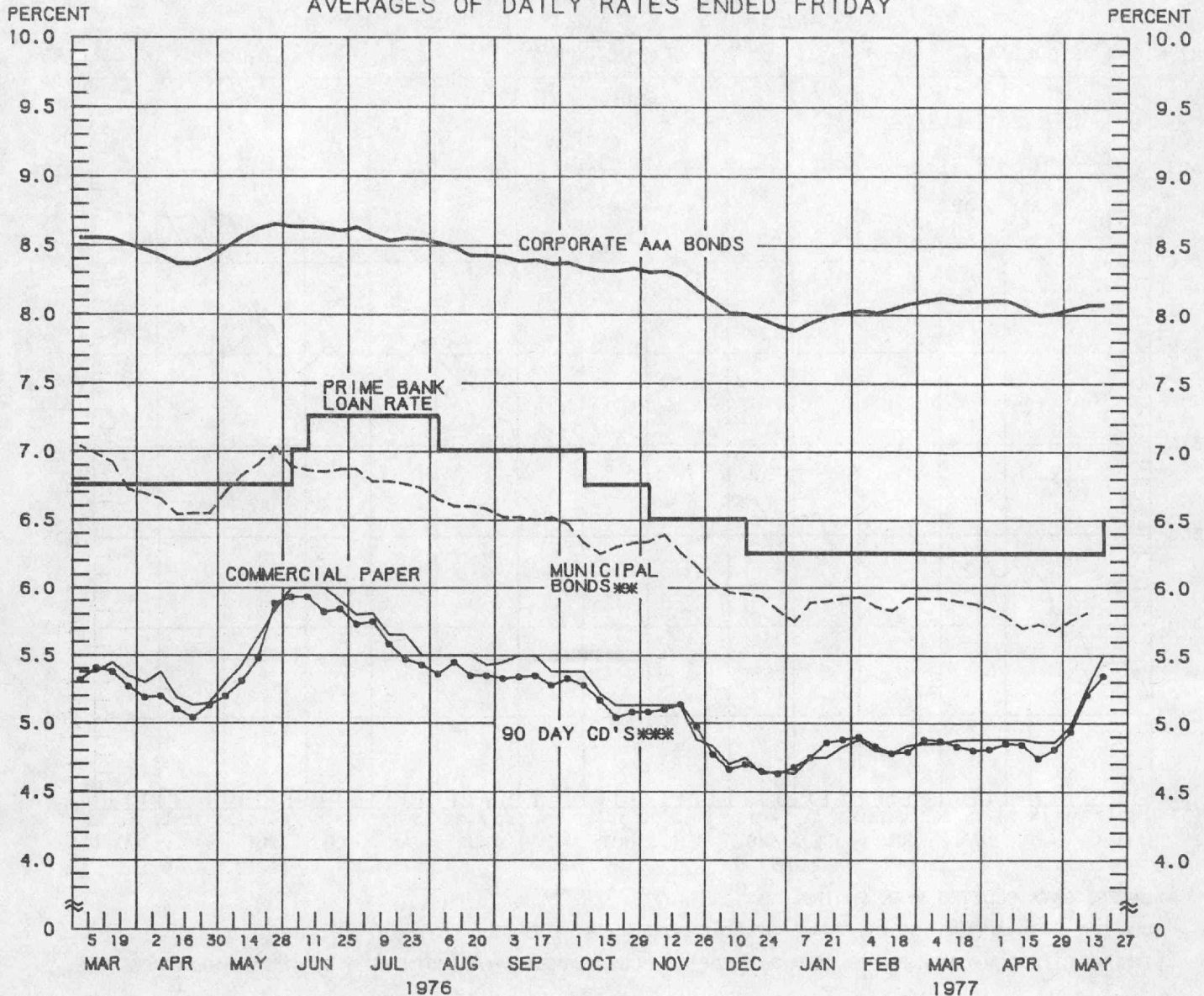
5/12/76    8/11/76    10/13/76    11/10/76    12/8/76    1/12/77    2/9/77    3/9/77

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

10/13/76	4.2							
11/10/76	4.9	6.2						
12/ 8/76	4.3	4.8	4.5					
1/12/77	5.6	6.9	8.1	7.9				
2/ 9/77	4.7	5.3	5.4	4.5	6.3			
3/ 9/77	4.6	5.1	5.1	4.3	5.5	0.4		
4/13/77	5.3	6.0	6.3	5.9	7.1	4.5	8.0	
5/11/77	6.0	6.8	7.3	7.1	8.3	6.7	9.8	12.5

# YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: MAY 20, 1977

1977	90 DAY CD'S ***	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS ***
MAR. 4	4.88	4.85	4.83	8.10	5.92
11	4.87	4.85	4.84	8.12	5.92
18	4.83	4.88	4.81	8.09	5.90
25	4.80	4.88	4.79	8.09	5.88
APR. 1	4.81	4.88	4.76	8.10	5.85
8	4.85	4.88	4.79	8.10	5.79
15	4.84	4.88	4.76	8.05	5.70
22	4.74	4.86	4.76	7.99	5.73
29	4.81	4.86	4.82	8.01	5.68
MAY 6	4.94	4.98	5.06	8.04	5.76
13	5.21	5.25	5.33	8.07	5.82
20 *	5.35	5.50	5.38	8.07	N.A.
27					

\* AVERAGES OF RATES AVAILABLE.

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

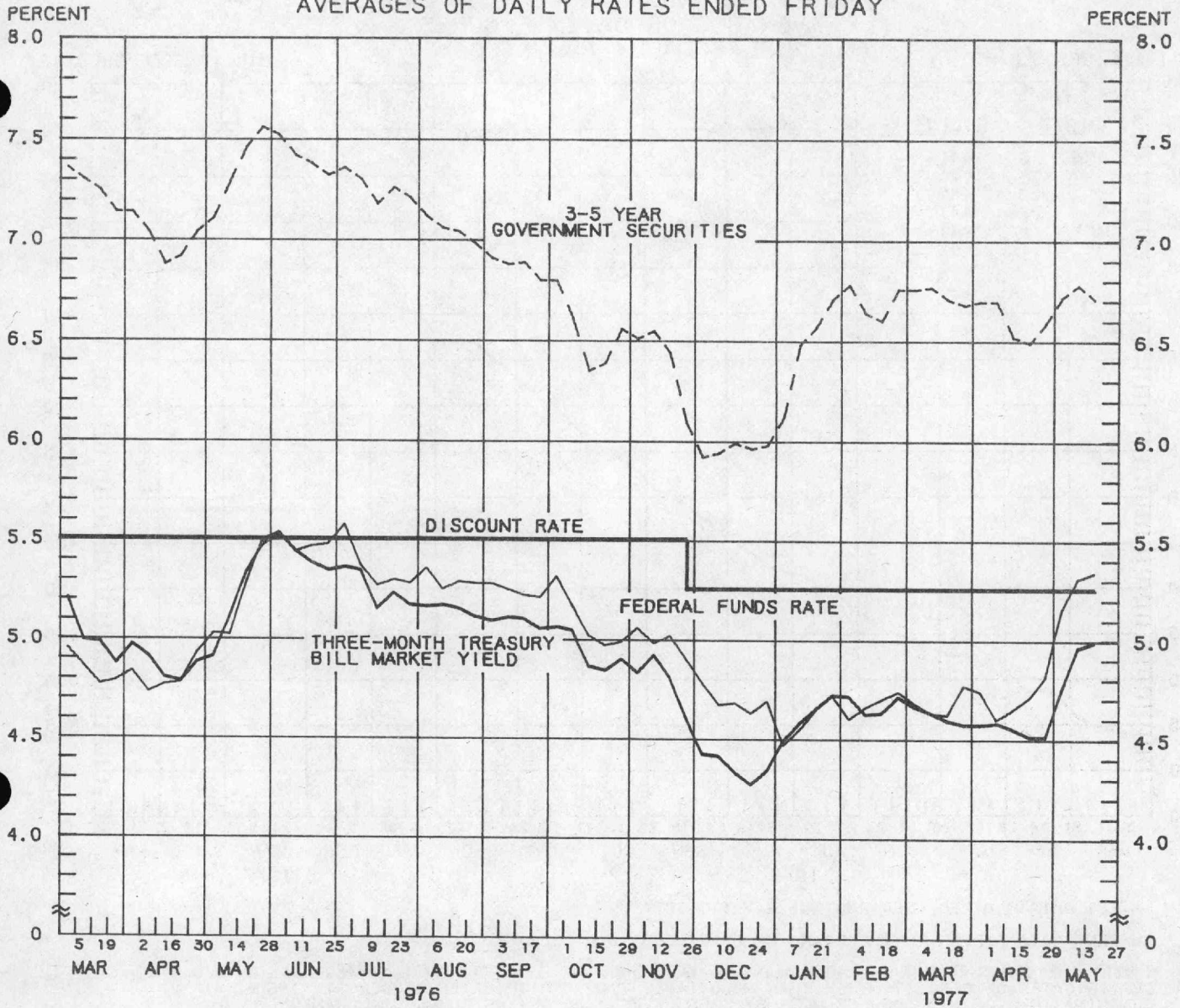
\*\*\* SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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: MAY 20, 1977

1977	FEDERAL FUNDS ***	3-MONTH TREASURY BILLS	1-YEAR TREASURY BILL	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES
MAR. 4	4.68	4.66	5.23	6.76	7.60
11	4.63	4.63	5.22	6.77	7.60
18	4.62	4.59	5.18	6.71	7.56
25	4.77	4.57	5.17	6.68	7.55
APR. 1	4.74	4.57	5.15	6.70	7.56
8	4.60	4.58	5.14	6.70	7.55
15	4.65	4.55	5.03	6.52	7.48
22	4.71	4.51	5.04	6.49	7.45
29	4.82	4.51	5.18	6.59	7.51
MAY 6	5.15	4.75	5.28	6.72	7.57
13	5.31	4.96	5.46	6.78	7.61
20 *	5.34	4.99	5.45	6.71	7.57
27					

\* AVERAGES OF RATES AVAILABLE.

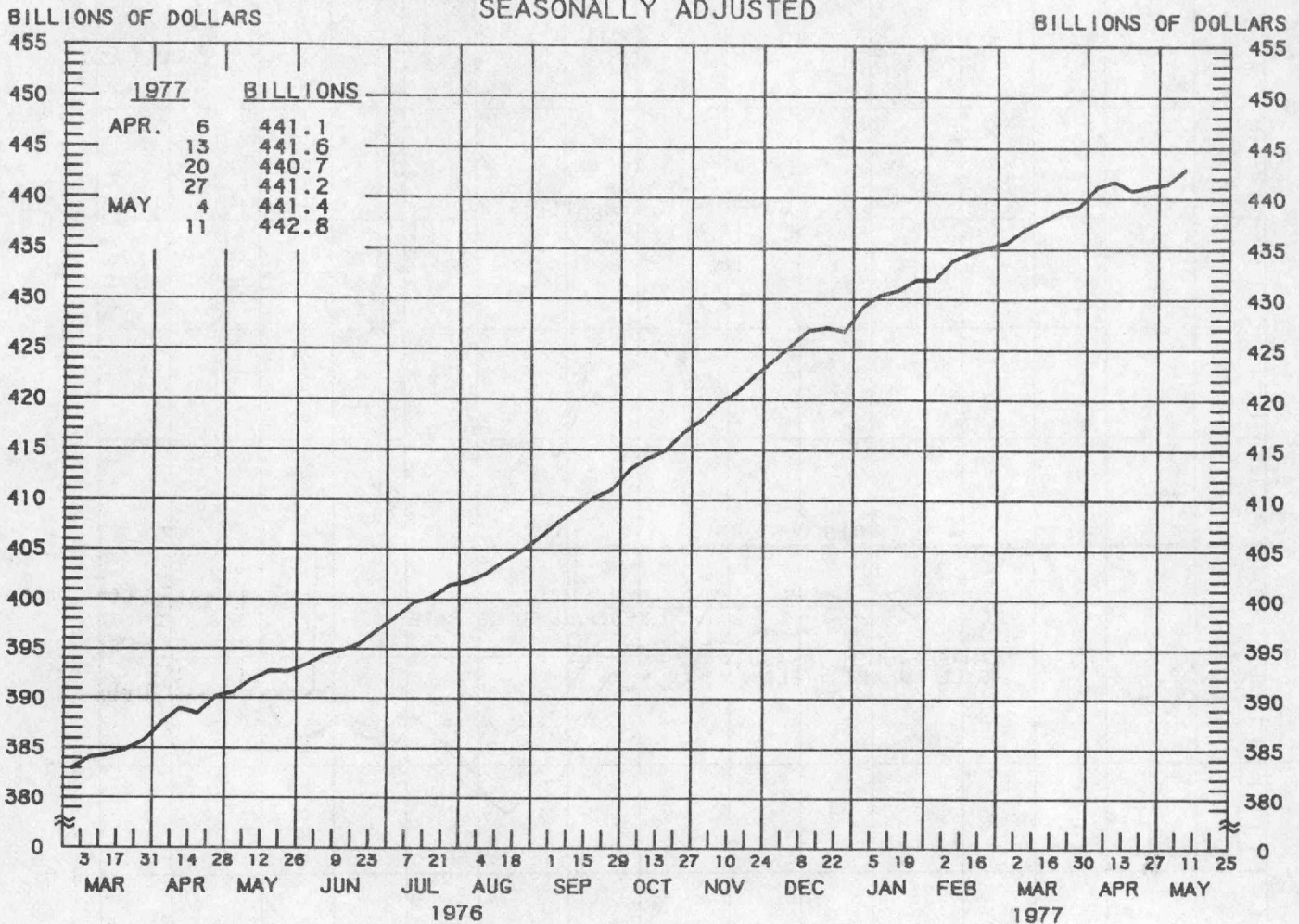
\*\*\* SEVEN-DAY AVERAGES FOR WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATE SHOWN.

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: MAY 11, 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:

5/12/76    8/11/76    10/13/76    11/10/76    12/8/76    1/12/77    2/9/77    3/9/77

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

10/13/76	13.8							
11/10/76	14.4	16.6						
12/ 8/76	15.1	17.3	18.7					
1/12/77	14.9	16.5	16.8	16.4				
2/ 9/77	14.6	15.8	15.6	15.0	12.9			
3/ 9/77	14.2	15.1	14.7	14.0	12.4	11.4		
4/13/77	13.9	14.6	14.1	13.4	12.1	11.4	11.2	
5/11/77	13.1	13.5	12.7	11.9	10.6	9.7	9.0	8.1

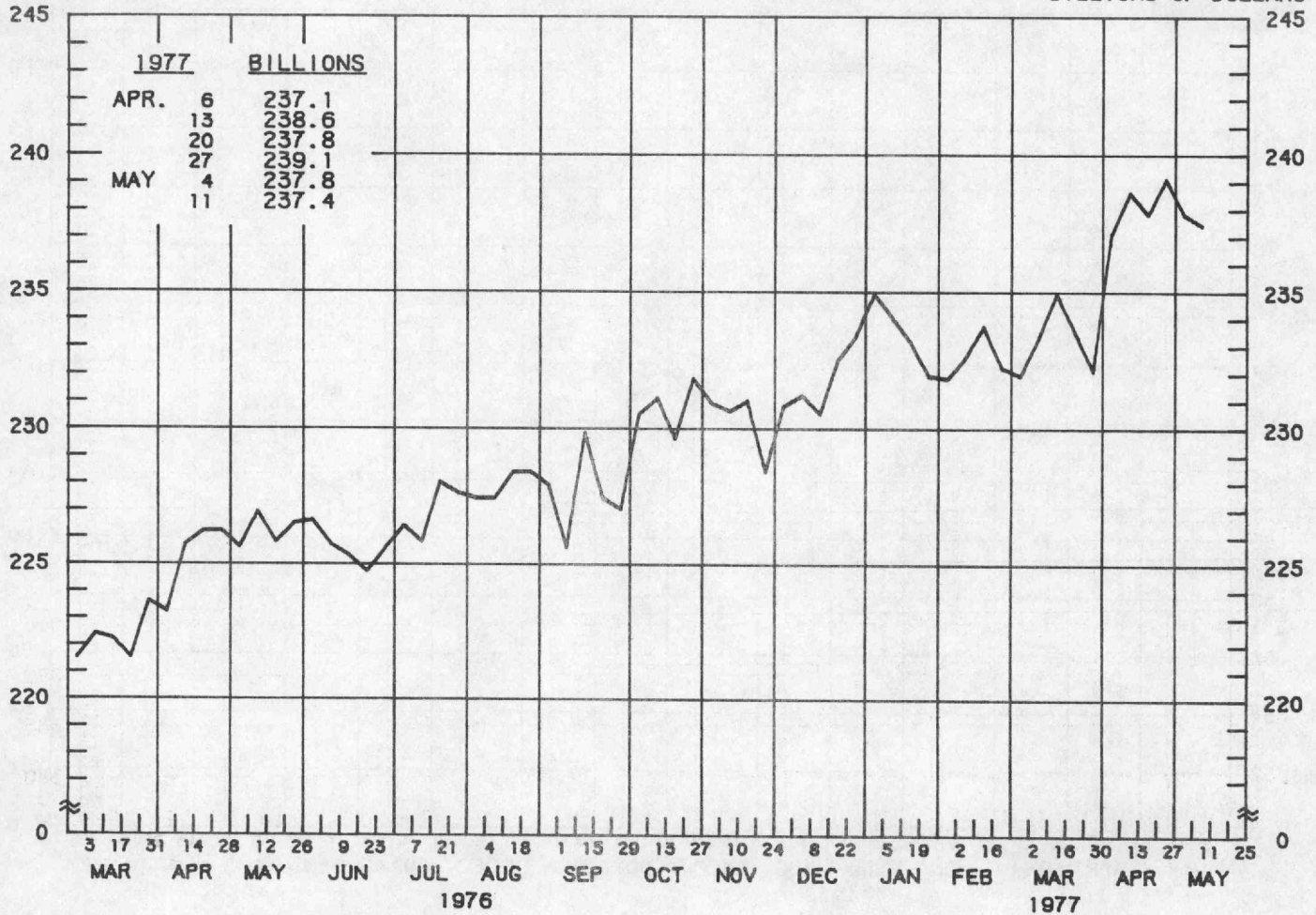


# DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES  
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MAY 11, 1977

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:

5/12/76    8/11/76    10/13/76    11/10/76    12/8/76    1/12/77    2/9/77    3/9/77

TO THE AVERAGE  
OF FOUR WEEKS  
ENDING:

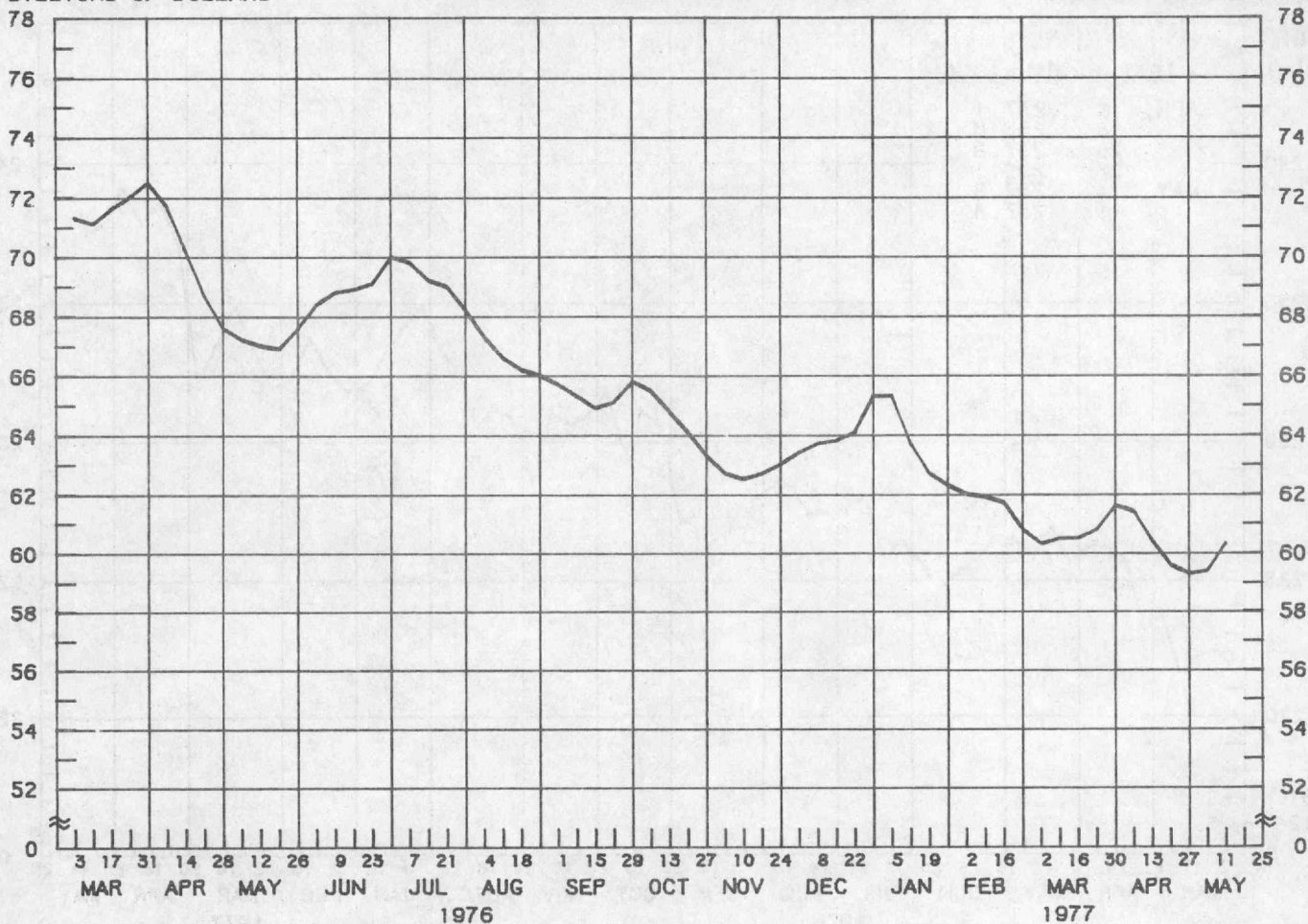
10/13/76	3.0							
11/10/76	4.0	5.6						
12/ 8/76	3.2	3.8	4.0					
1/12/77	5.0	6.5	8.5	7.8				
2/ 9/77	3.7	4.3	4.6	3.0	5.1			
3/ 9/77	3.5	4.0	4.2	2.8	4.2	-2.5		
4/13/77	4.4	5.1	5.6	4.8	6.3	2.8	7.4	
5/11/77	5.2	6.1	6.9	6.4	8.0	5.7	10.0	13.6

# CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES  
NOT SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MAY 11, 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.
MAR. 2	60.3	62.7
9	60.5	62.4
16	60.5	62.0
23	60.8	61.8
30	61.6	62.5
APR. 6	61.4	62.4
13	60.4	61.6
20	59.6	61.3
27	59.3	61.2
MAY 4	59.4	61.3
11	60.3	62.0
18		
25		

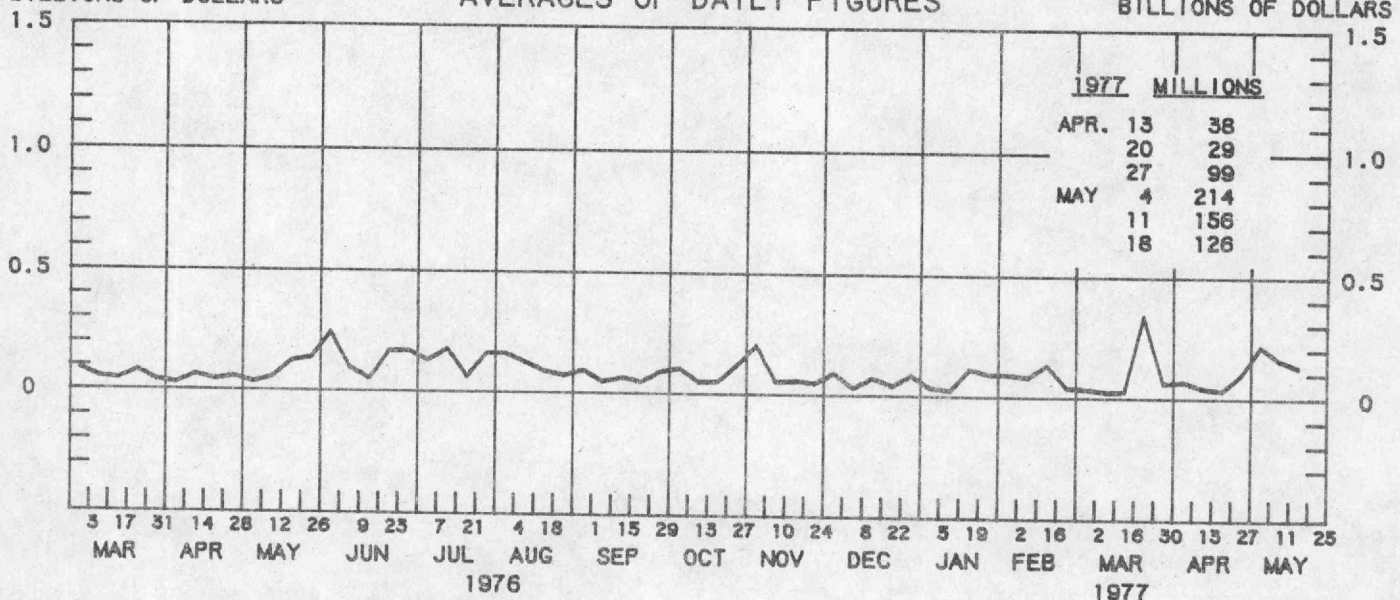
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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

BILLIONS OF DOLLARS

AVERAGES OF DAILY FIGURES

BILLIONS OF DOLLARS

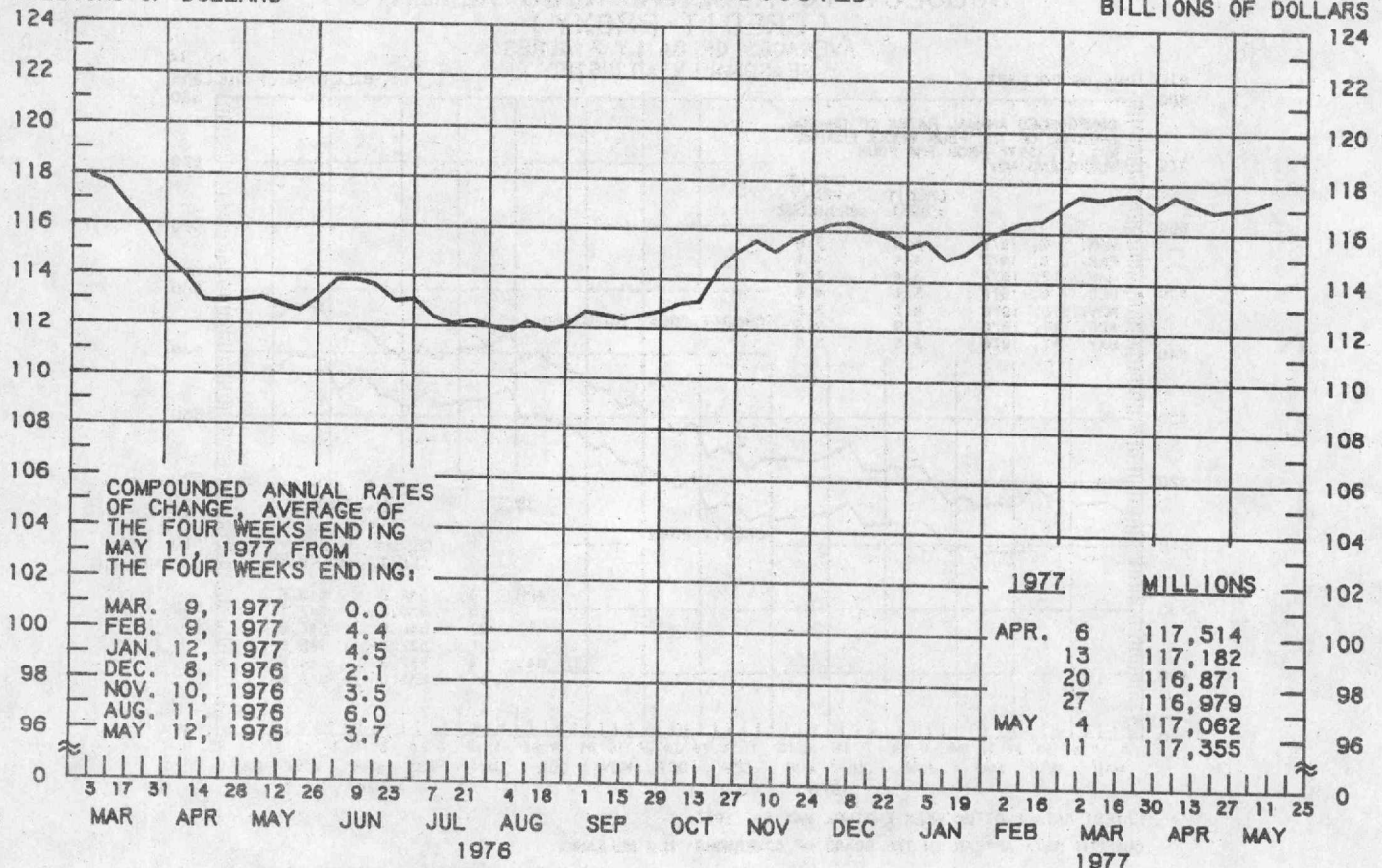


LATEST DATA PLOTTED WEEK ENDING: MAY 18, 1977

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

BILLIONS OF DOLLARS

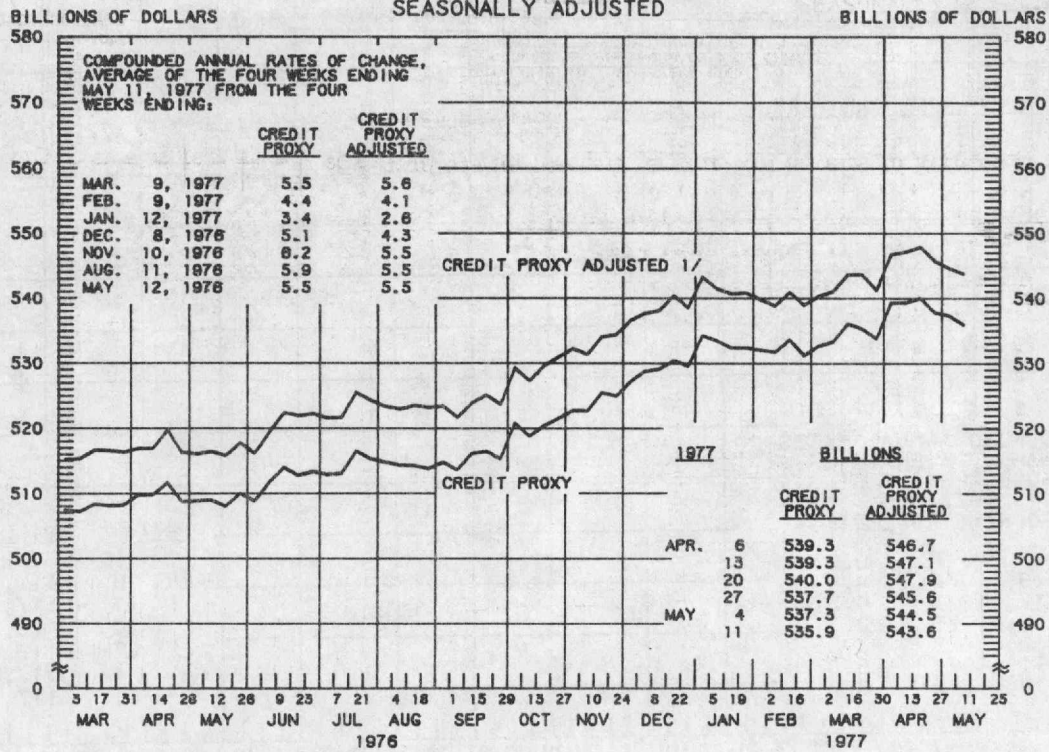
BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MAY 11, 1977

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, MAY 11, 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