



LIBRARY

DEC 26 1979

Week ending: May 25, 1977

The rate of growth of net time deposits (page 8) has slowed noticeably during the past three months. After increasing at a 14.5 percent annual rate from late May 1976 through mid-February 1977, net time deposits have increased at a much slower 8.9 percent rate from mid-February through late May 1977. Most of this recent reduction in the growth rate of net time deposits has occurred since mid-April when short-term market interest rates increased.

Net time deposits at commercial banks consist of savings deposits, time deposits open account, plus time certificates of deposit other than negotiable certificates of deposit issued in denominations of \$100,000 or more. The growth of such deposits depends, in part, on the spread between the interest rates offered on these deposits and market rates of interest on securities. As market rates of interest on securities rise above time deposit rates, the growth of net time deposits slows.

During the latter part of 1976, time and savings deposit rates were about the same as, or higher than, the market interest rates on short-term Treasury securities. Growth of net time deposits was very rapid during this period. With short-term interest rates on Treasury securities rising in recent months, the rate of growth of net time deposits has declined.

Interest rates on most securities have increased since mid-April. Although short-term rates increased by the largest amount, intermediate- and long-term rates have also increased from their mid-April levels. Despite the recent increase in the prime bank loan rate, the spread between the prime rate and the interest rate on four- to six-month commercial paper is currently less than 100 basis points. Since June 1976, this spread has generally been more than 130 basis points.

Prepared by Federal Reserve Bank of St. Louis

Released: May 27, 1977

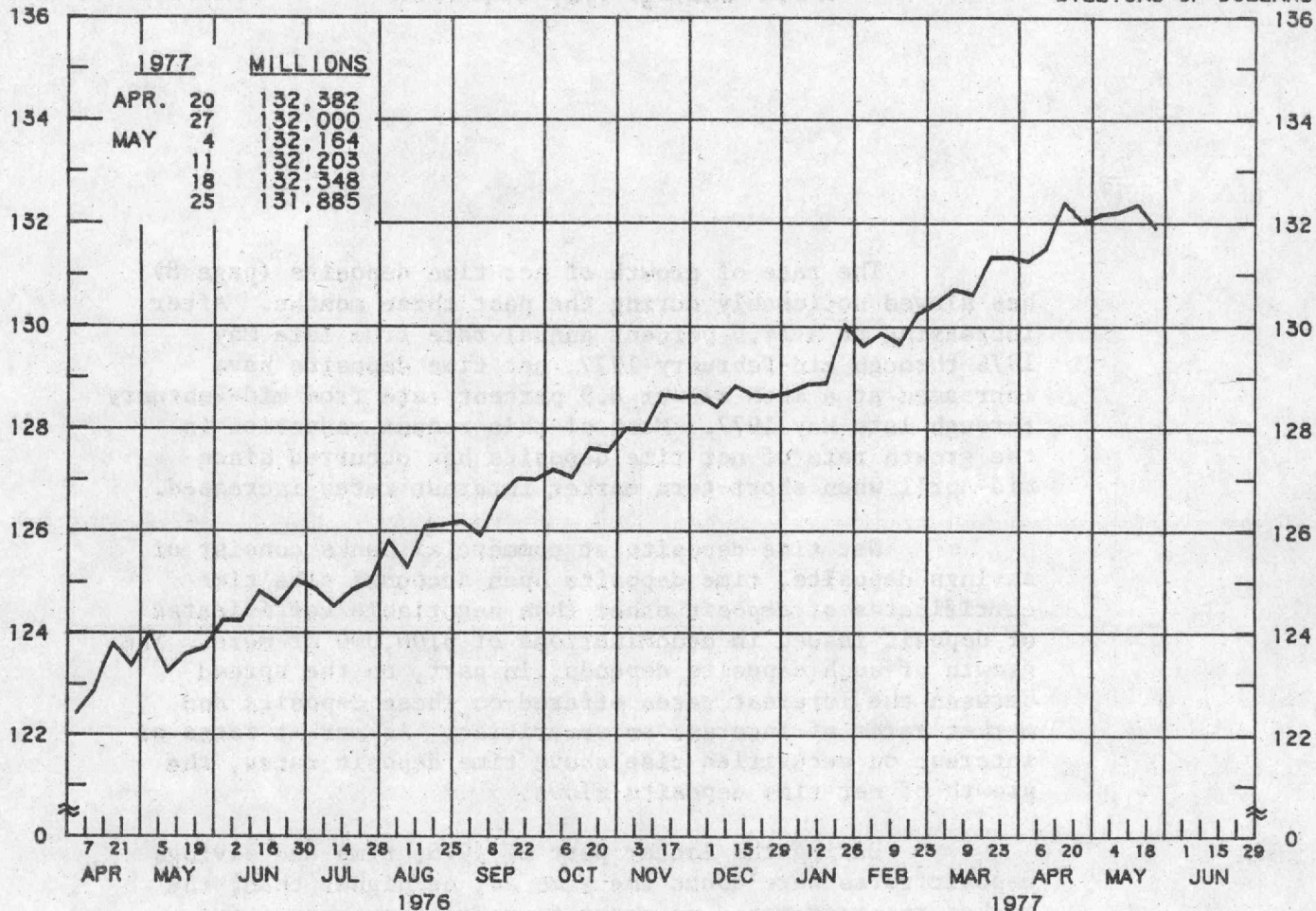
MONETARY BASE

AVERAGES OF DAILY FIGURES

SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MAY 25, 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

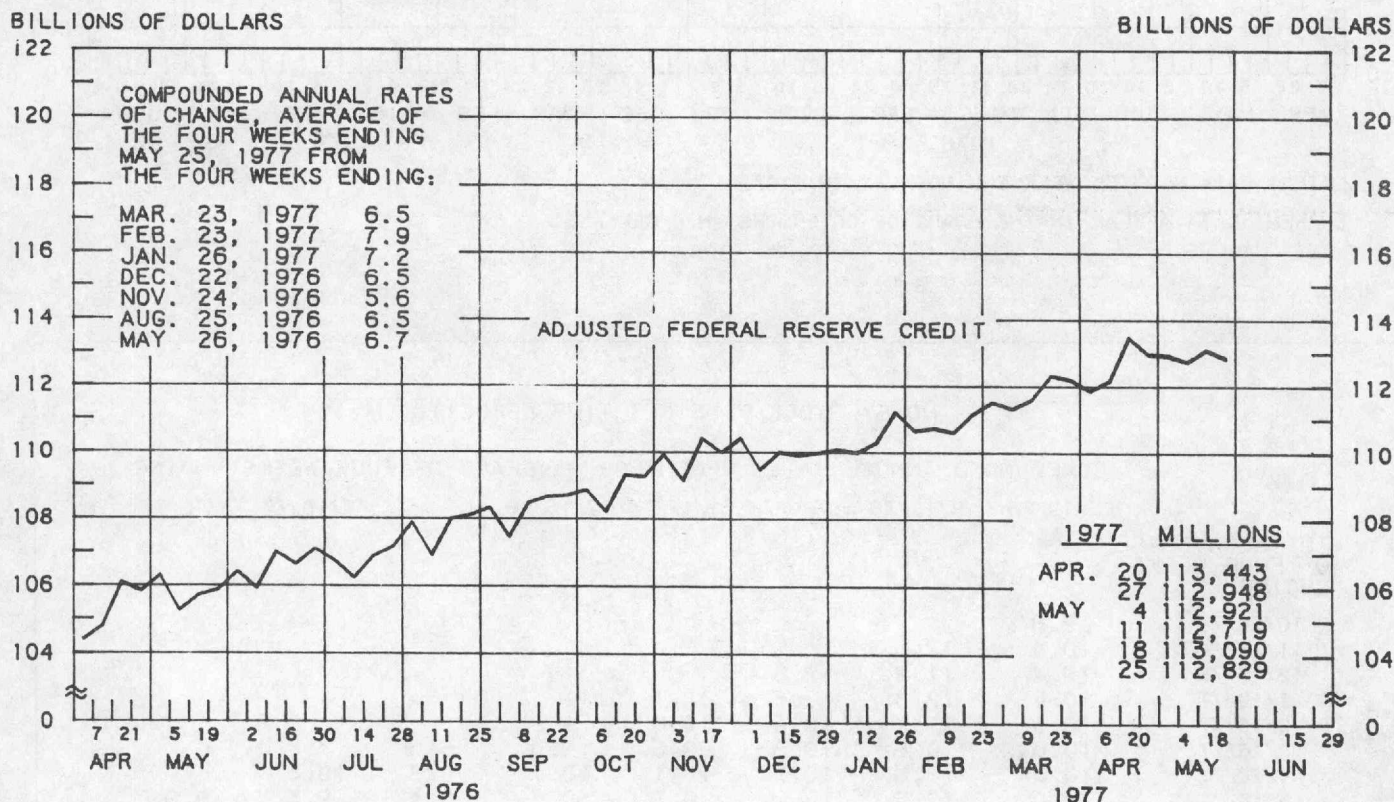
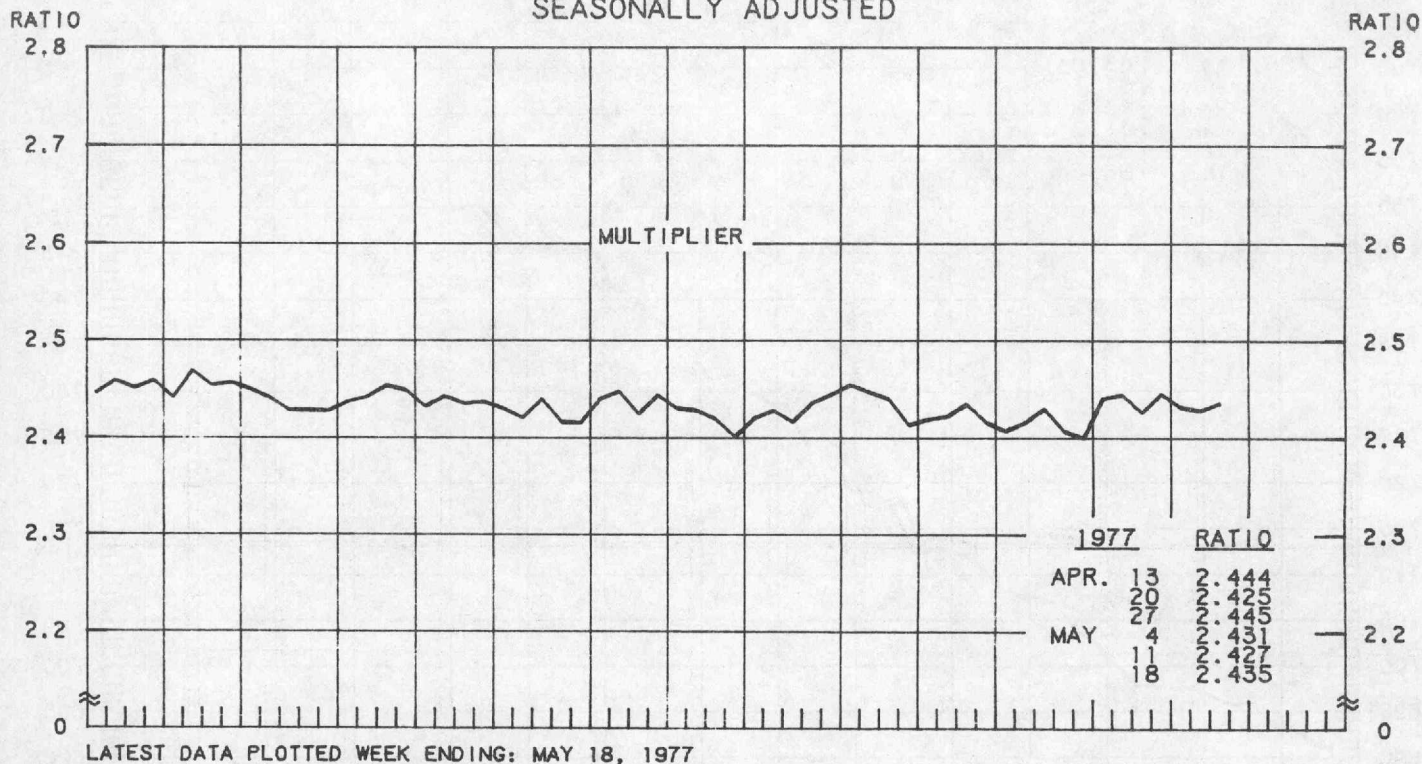
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

5/26/76 8/25/76 10/27/76 11/24/76 12/22/76 1/26/77 2/23/77 3/23/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

10/27/76	7.3						
11/24/76	7.7	8.1					
12/22/76	7.1	7.0	6.8				
1/26/77	6.7	6.3	5.7	3.8			
2/23/77	6.8	6.5	6.1	4.9	5.5		
3/23/77	7.0	6.9	6.8	6.0	6.8	8.6	
4/27/77	7.2	7.1	7.1	6.5	7.2	8.5	9.0
5/25/77	6.9	6.8	6.6	6.1	6.6	7.3	7.3
							6.3

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



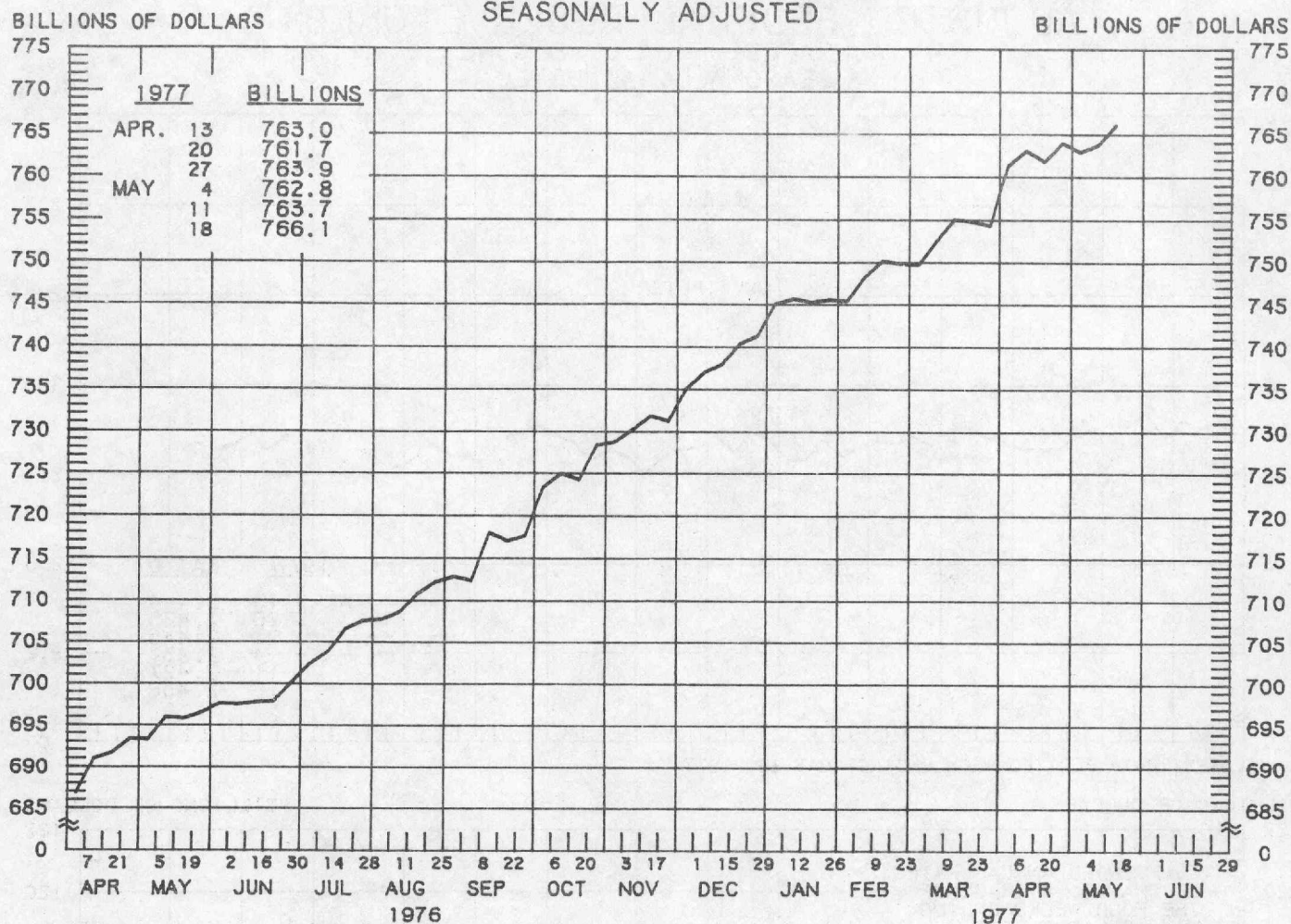
LATEST DATA PLOTTED WEEK ENDING: MAY 25, 1977

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 18, 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:

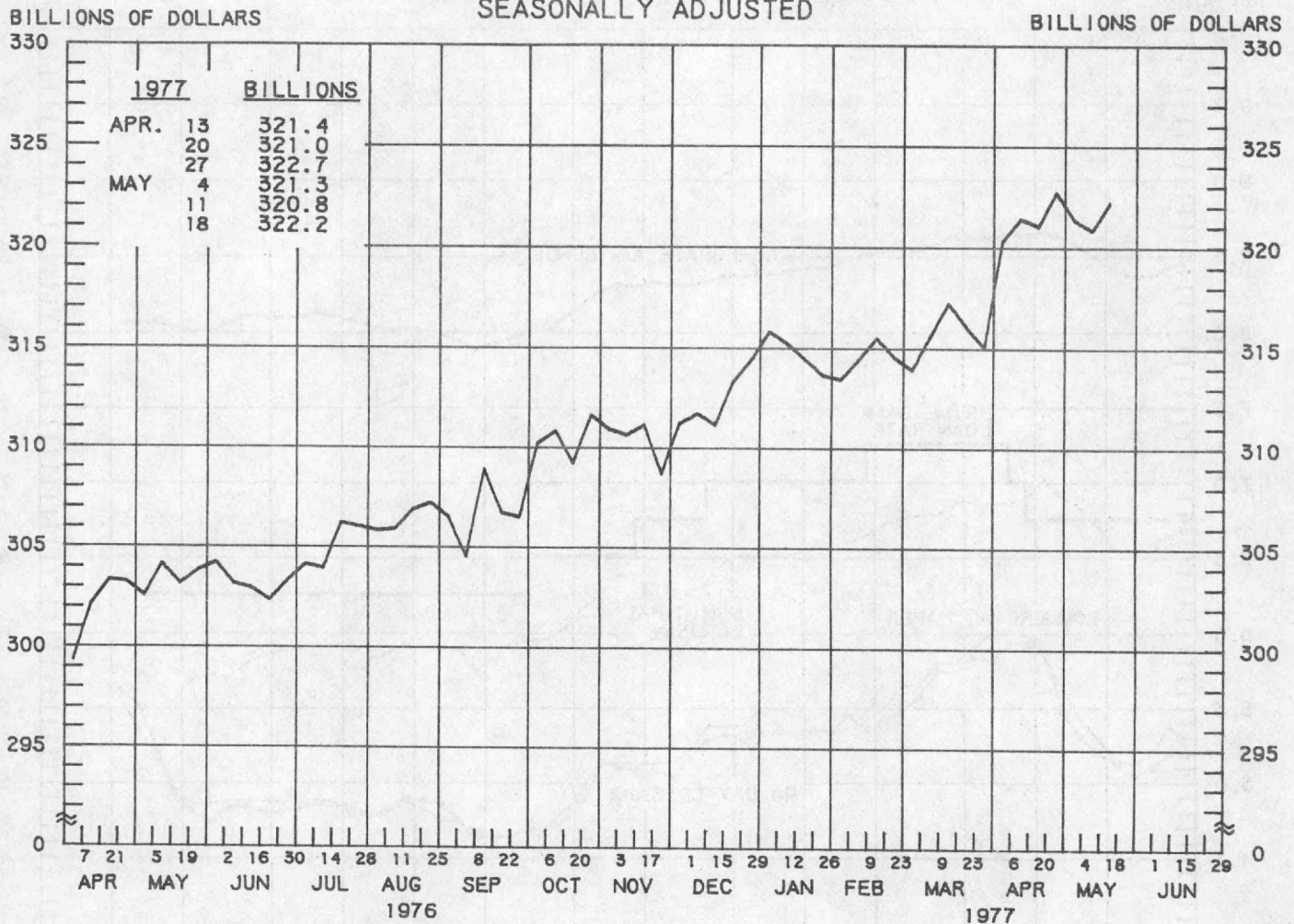
5/19/76 8/18/76 10/20/76 11/17/76 12/15/76 1/19/77 2/16/77 3/16/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

10/20/76	9.8							
11/17/76	10.4	12.5						
12/15/76	10.4	11.9	12.0					
1/19/77	10.8	12.3	12.6	12.1				
2/16/77	10.3	11.2	10.9	10.0	9.9			
3/16/77	10.0	10.8	10.3	9.5	9.3	6.6		
4/20/77	10.3	11.0	10.7	10.1	10.1	8.8	10.3	
5/18/77	10.0	10.6	10.2	9.7	9.5	8.4	9.3	9.9

MONEY STOCK (M1)

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 18, 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:

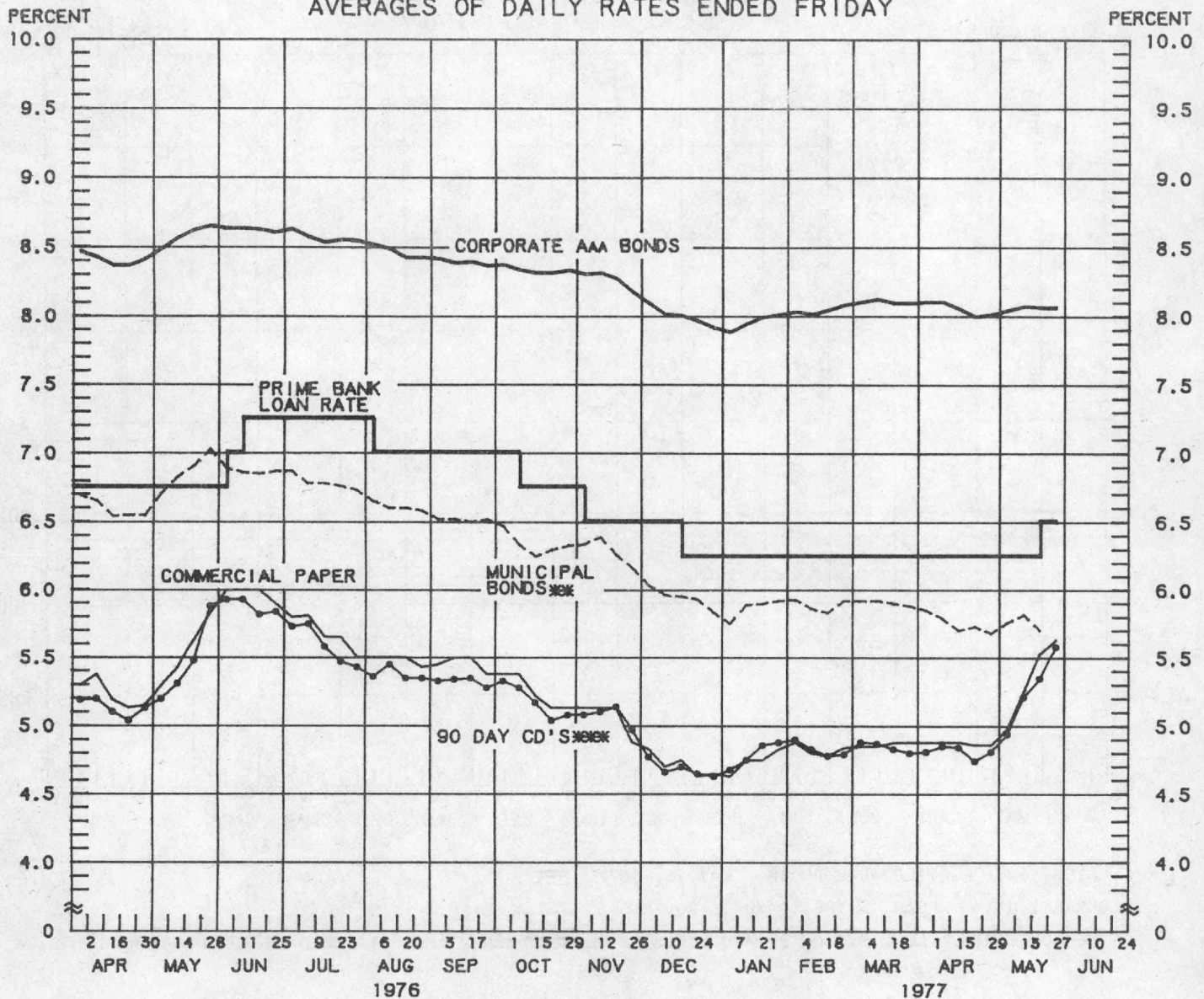
5/19/76 8/18/76 10/20/76 11/17/76 12/15/76 1/19/77 2/16/77 3/16/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

10/20/76	4.7							
11/17/76	5.3	6.6						
12/15/76	4.3	4.6	3.2					
1/19/77	5.8	6.9	7.7	7.5				
2/16/77	4.9	5.3	5.0	4.0	6.7			
3/16/77	4.8	5.2	5.0	4.2	6.1	0.6		
4/20/77	5.8	6.5	6.7	6.4	8.3	5.7	9.9	
5/18/77	6.1	6.8	7.2	7.0	8.7	6.8	10.0	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 27, 1977

1977	90 DAY CD'S %	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS %
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	5.53	5.43	8.06	5.70
27 *	5.58	5.63	5.55	8.06	N.A.
JUNE 3					
10					
17					
24					

* AVERAGES OF RATES AVAILABLE.

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

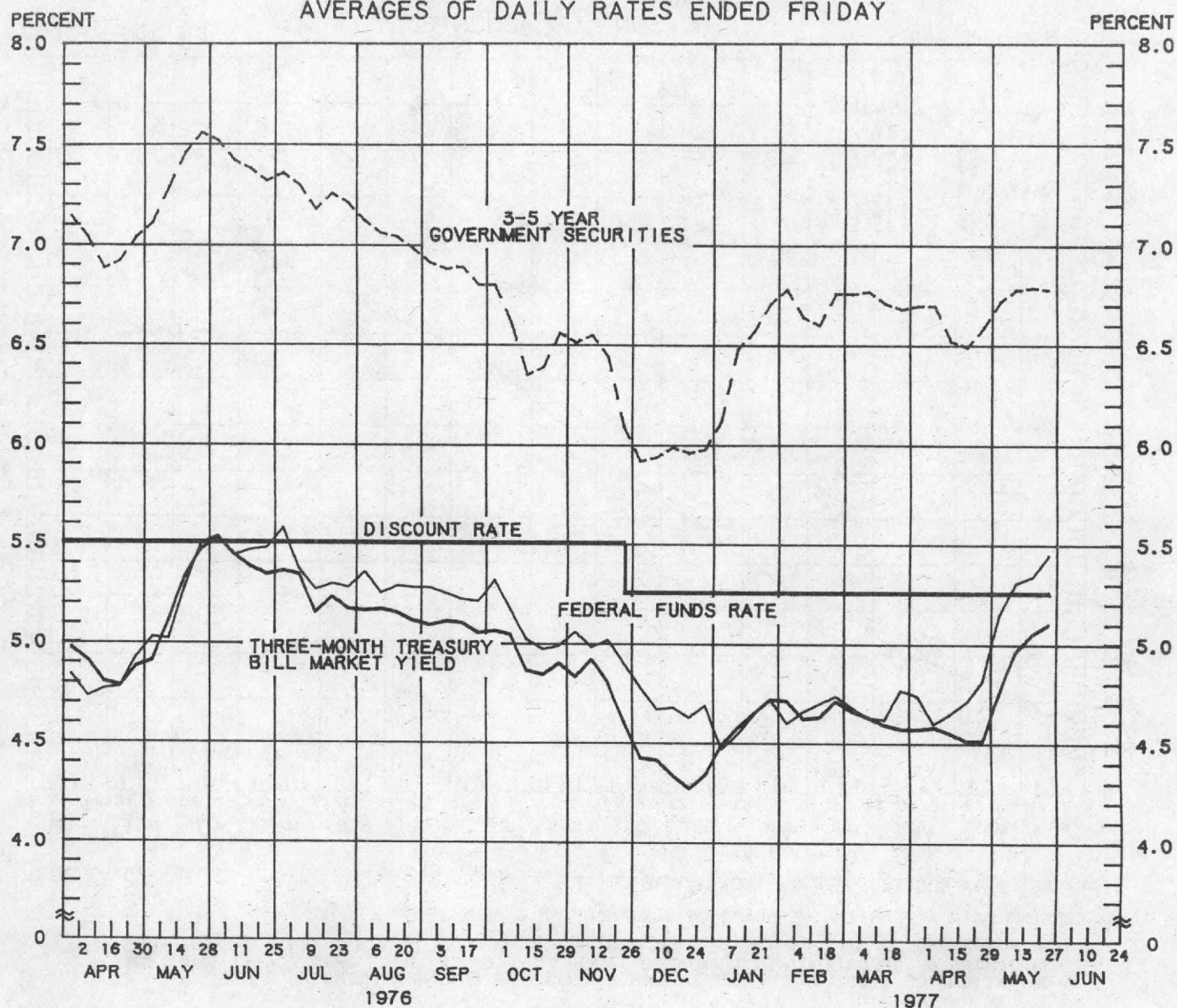
%% SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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 27, 1977

1977	FEDERAL FUNDS %	3-MONTH TREASURY BILLS	1-YEAR TREASURY BILL	3-5 YEAR GOVERNMENT SECURITIES	LONG-TERM GOVERNMENT SECURITIES
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	5.05	5.52	6.79	7.58
27 *	5.45	5.10	5.47	6.78	7.54
JUNE 3					
10					
17					
24					

* AVERAGES OF RATES AVAILABLE.

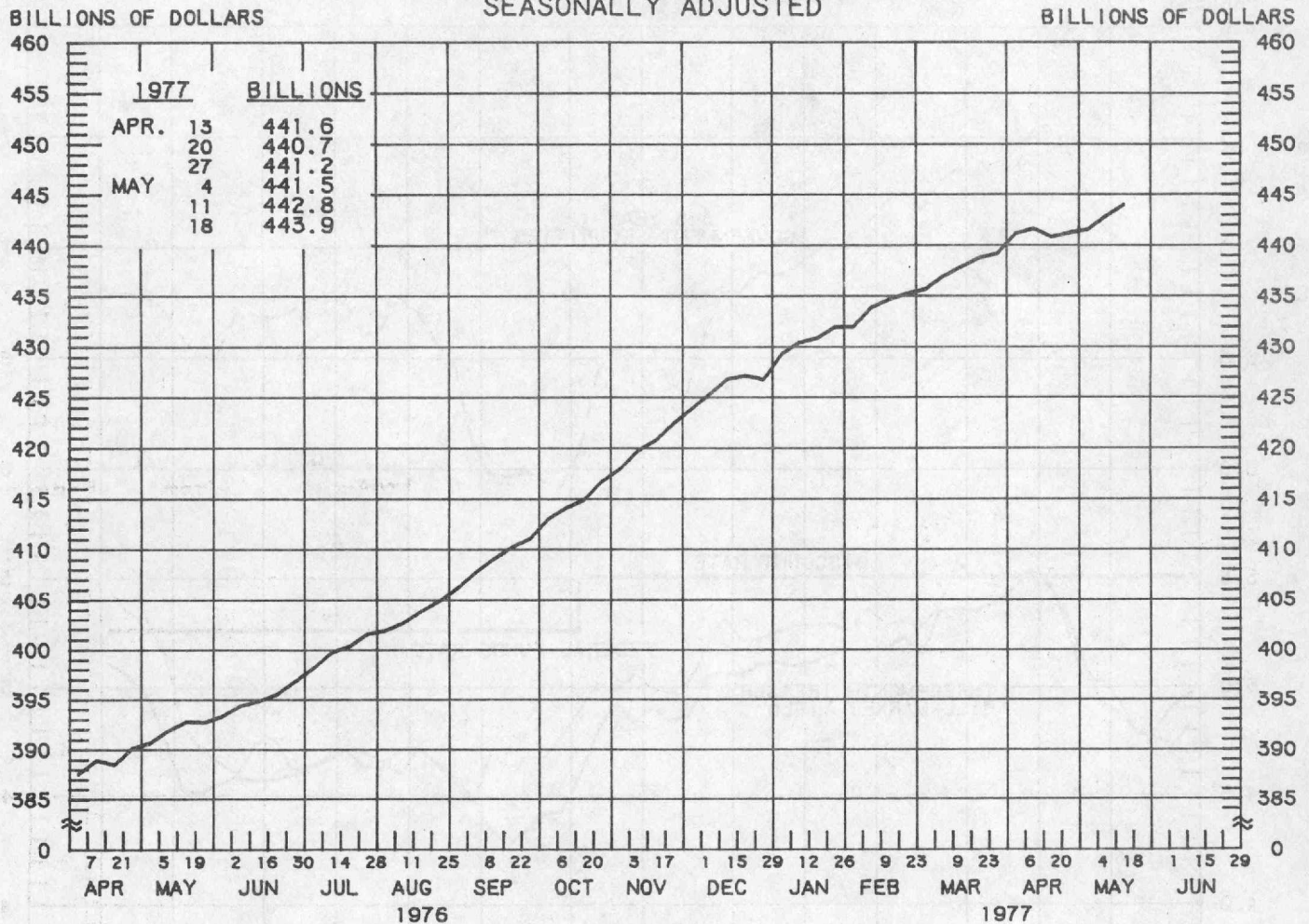
** SEVEN-DAY AVERAGES FOR WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATE SHOWN.

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 18, 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:

5/19/76 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	13.8						
11/17/76	14.5	17.3					
12/15/76	15.2	17.9	19.2				
1/19/77	14.8	16.5	16.4	15.4			
2/16/77	14.5	15.8	15.4	14.4	12.1		
3/16/77	14.1	15.1	14.4	13.4	11.6	11.3	
4/20/77	13.7	14.4	13.6	12.7	11.3	11.0	10.4
5/18/77	13.1	13.5	12.5	11.6	10.2	9.6	8.9 8.2

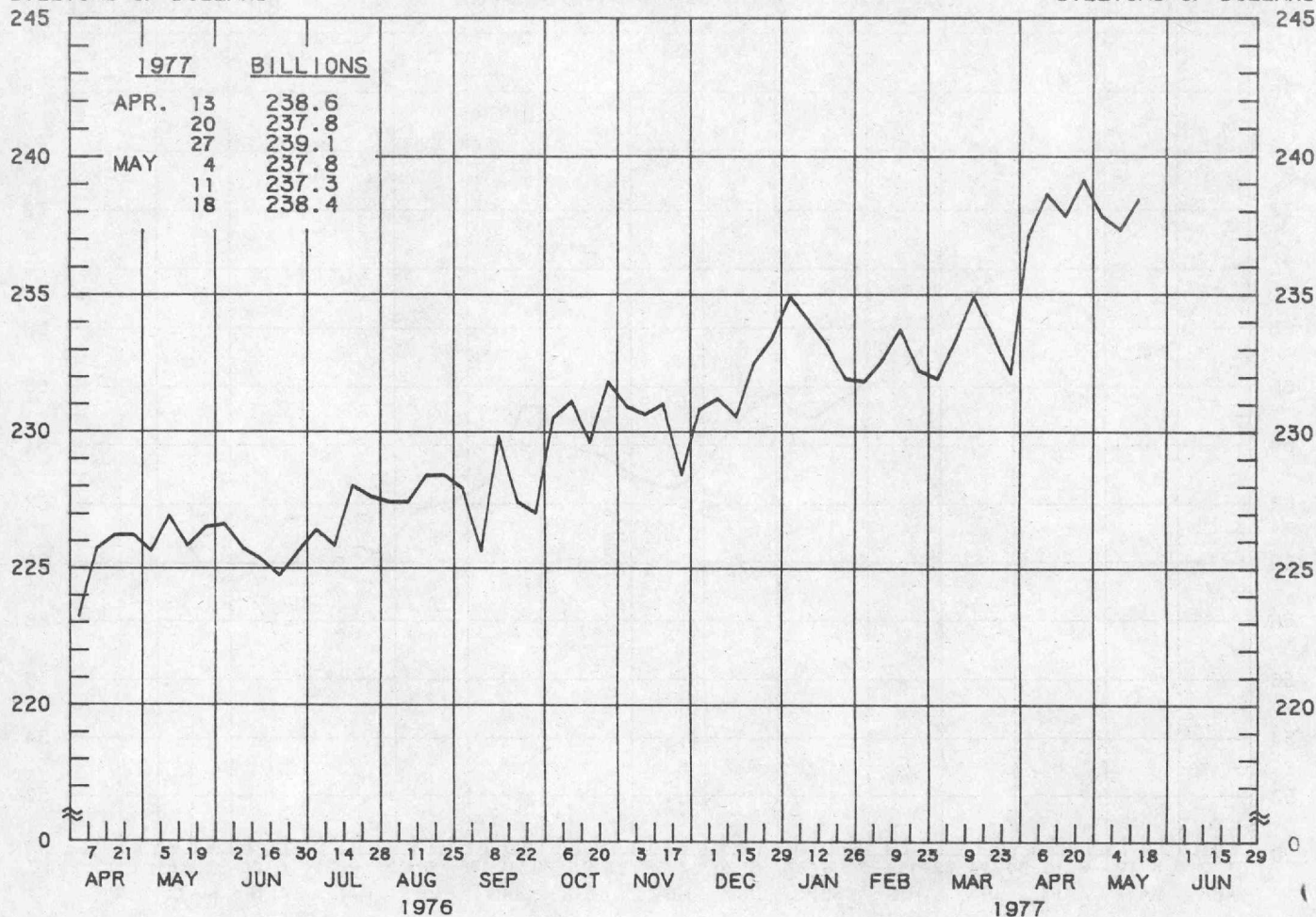
DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES

SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: MAY 18, 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:

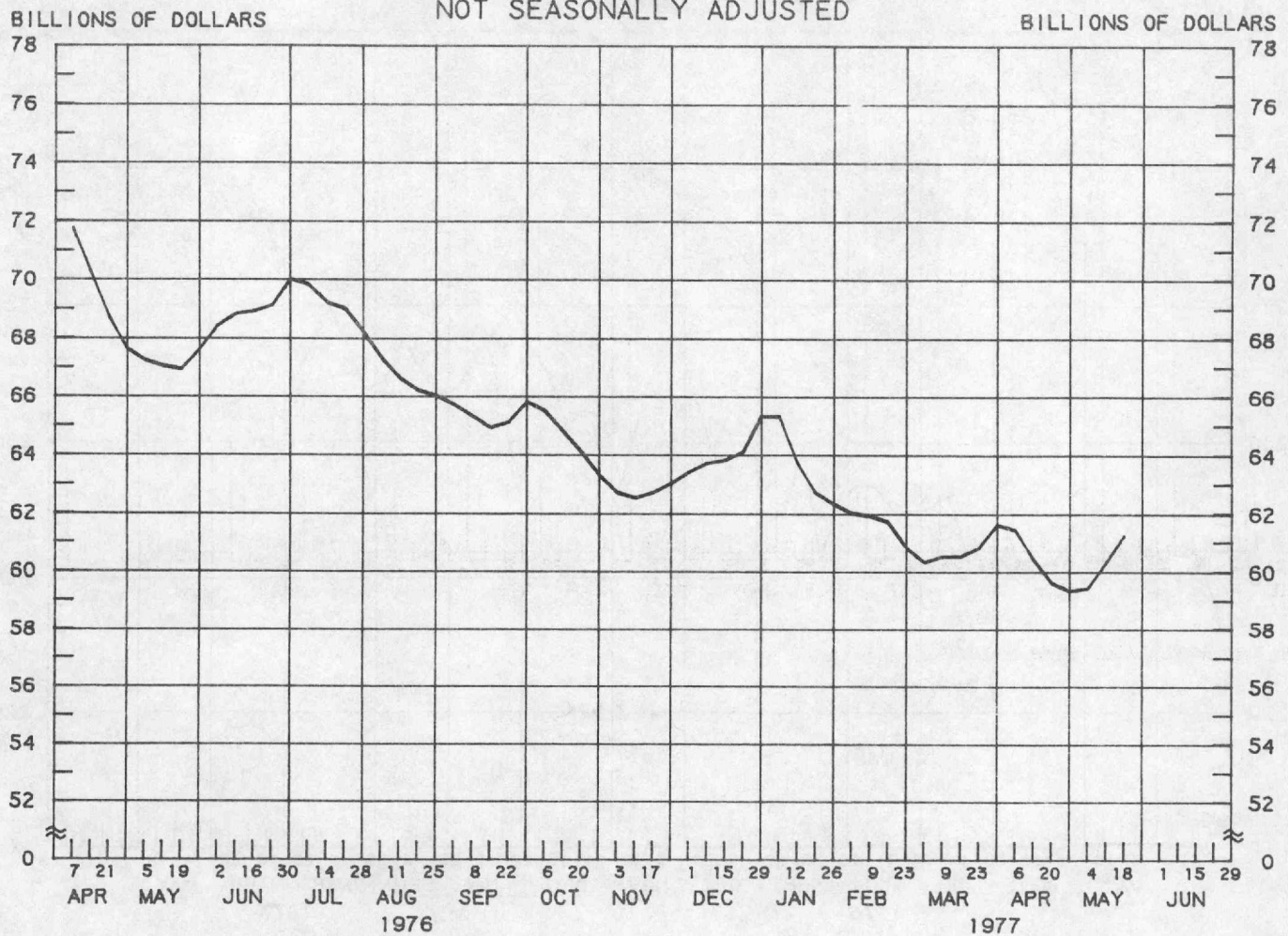
5/19/76 8/18/76 10/20/76 11/17/76 12/15/76 1/19/77 2/16/77 3/16/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

10/20/76	3.7							
11/17/76	4.5	6.1						
12/15/76	3.2	3.4	1.7					
1/19/77	5.2	6.6	7.7	7.2				
2/16/77	3.8	4.3	3.9	2.4	5.9			
3/16/77	3.8	4.1	3.8	2.7	5.1	-2.2		
4/20/77	4.9	5.7	6.0	5.5	8.0	4.3	10.1	
5/18/77	5.4	6.2	6.6	6.2	8.4	5.7	10.2	13.3

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES
NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: MAY 18, 1977

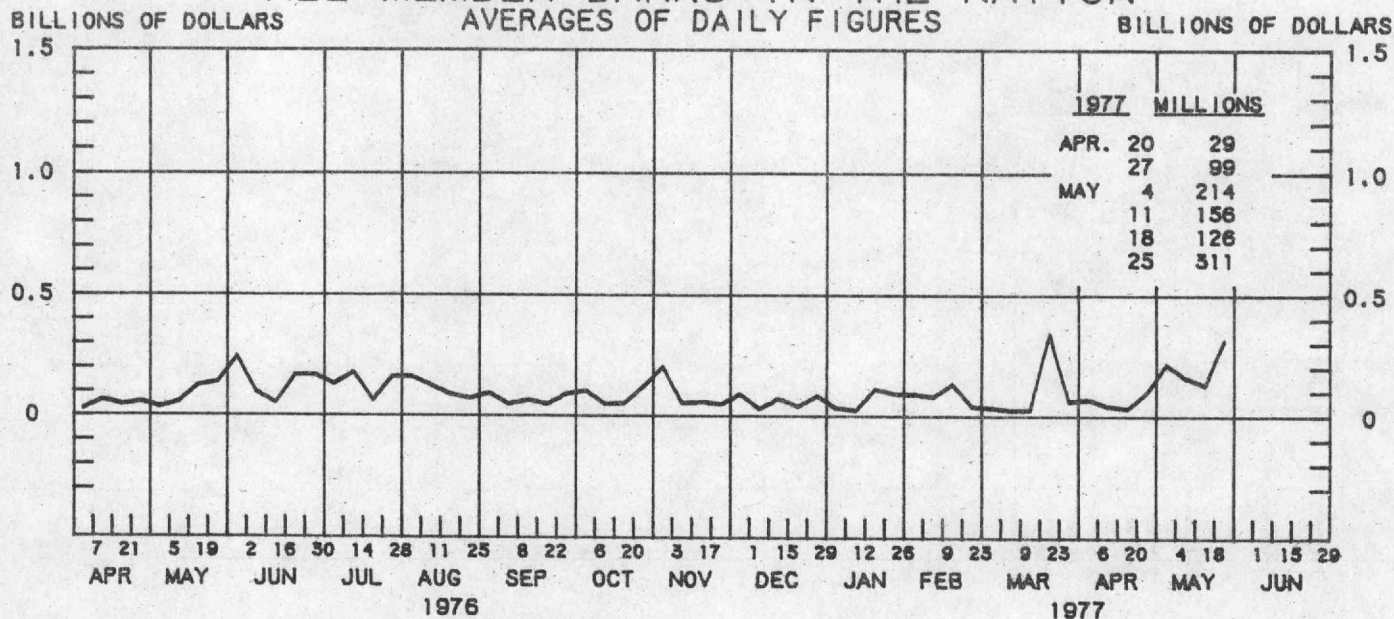
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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

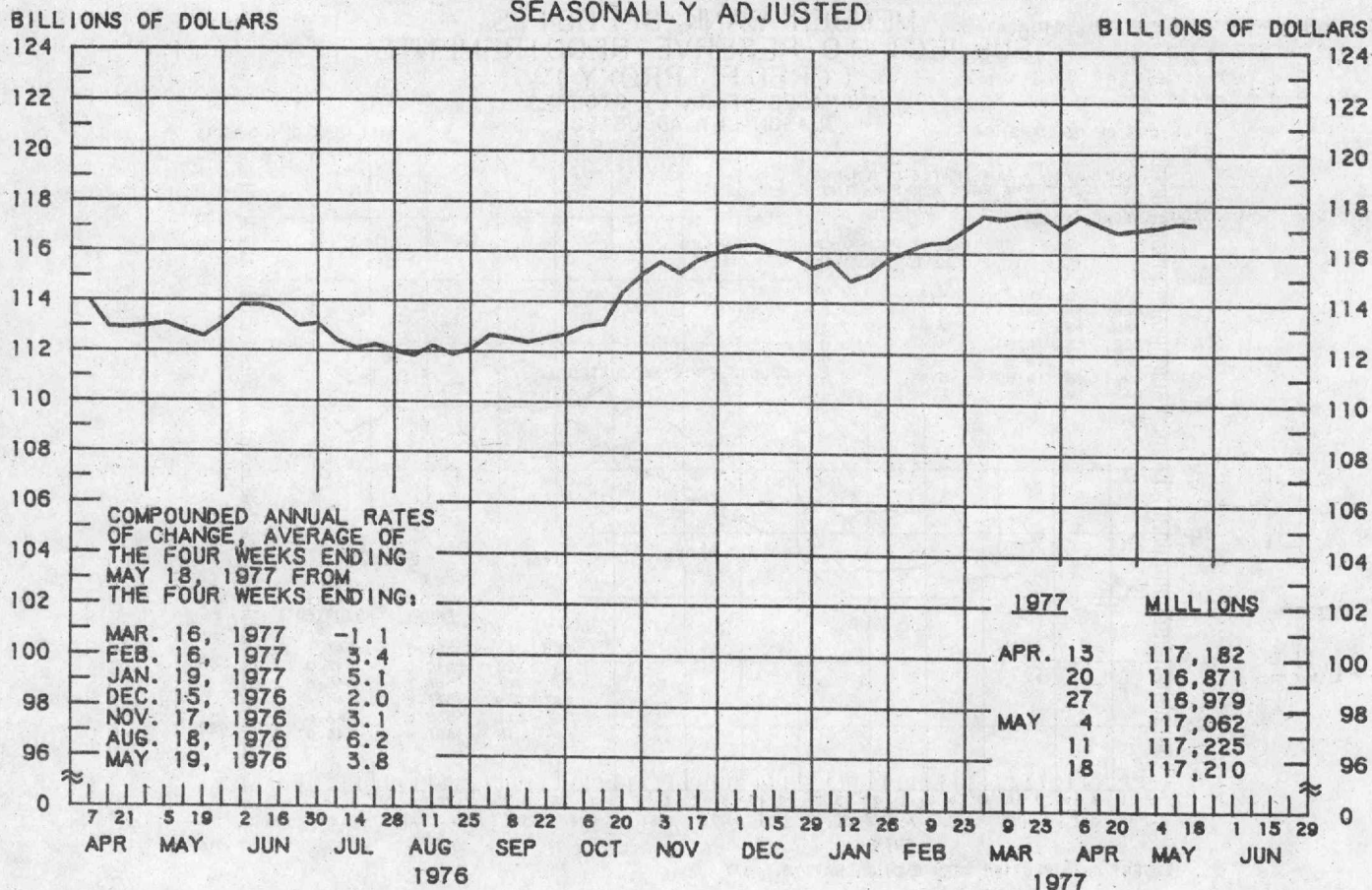
1977	CERTIFICATES OF DEPOSIT NOT SEAS. ADJ.	CERTIFICATES OF DEPOSIT SEAS. ADJ.
APR. 6	61.4	62.4
13	60.4	61.6
20	59.6	61.3
27	59.3	61.2
MAY 4	59.4	61.3
11	60.3	62.0
18	61.2	62.3
25		
JUNE 1		
8		
15		
22		
29		

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

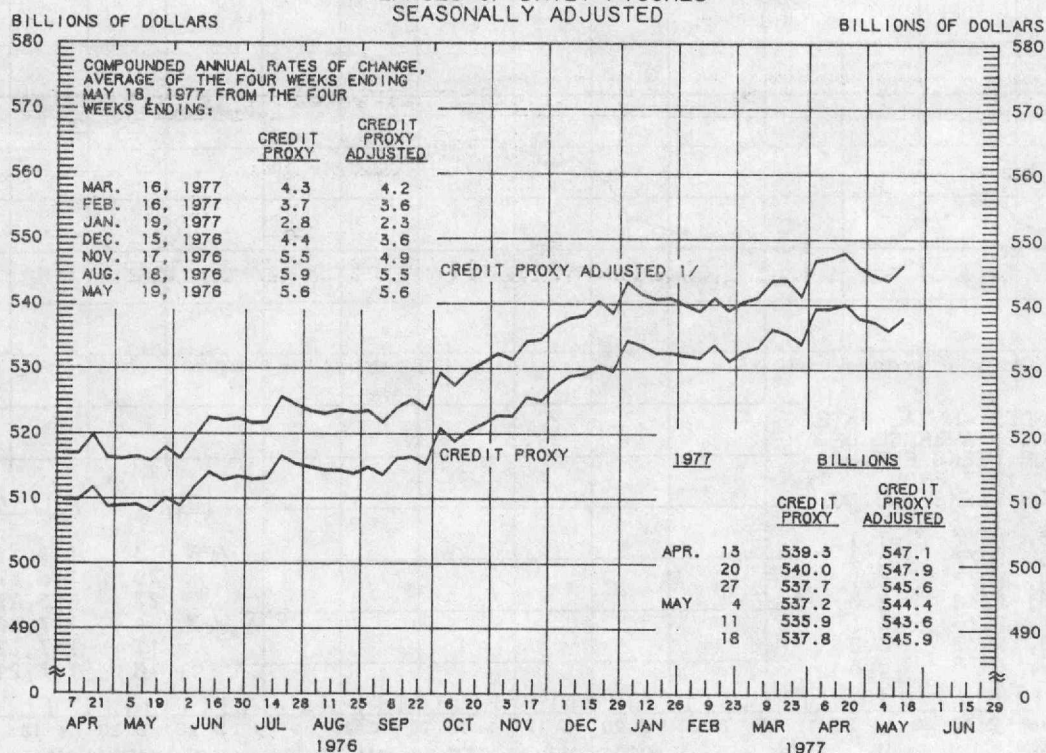
BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



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: MAY 18, 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