

Week ending: June 8, 1977



LIBRARY

DEC 26 1979

The narrowly-defined money stock (M1) has increased at almost the same rate during the past year as it did during the previous year. M1 increased 5.9 percent from the week ended June 2, 1976, through the week ended June 1, 1977. This increase was slightly higher than the 5.3 percent increase in M1 which was recorded in the period from the week ended June 4, 1975, through the week ended June 2, 1976. Growth of the money stock has fluctuated substantially during the past year, but these fluctuations have tended to offset each other. The same has been true of the growth of the more broadly-defined money stock (M2). M2 increased 10 percent during the past year, after increasing 9.5 percent during the previous year.

The Federal funds rate and other short-term interest rates increased sharply during the past month. This rise in short-term rates has affected the pattern of bank borrowing to meet reserve requirements. Two of the major ways that member banks can cover temporary reserve deficiencies are by borrowing from the Federal Reserve Banks at the discount window and from other commercial banks in the Federal funds market. The discount rate, which has been 5.25 percent since late November 1976, is set by the Board of Directors of each Federal Reserve Bank, subject to the approval of the Board of Governors of the Federal Reserve System. An alternative to borrowing from a Federal Reserve Bank is borrowing Federal funds (balances of other commercial banks on deposit at Federal Reserve Banks) from other banks. Loans of Federal funds are made at the market-determined Federal funds rate, which has averaged 5.31 percent in the current week. With the Federal funds rate often above the Federal Reserve discount rate during the past few weeks, borrowing from Federal Reserve Banks has become more attractive to member banks. Loans to member banks have averaged \$201 million per day during the month of May, compared to an average of \$81 million per day during the first four months of the year.

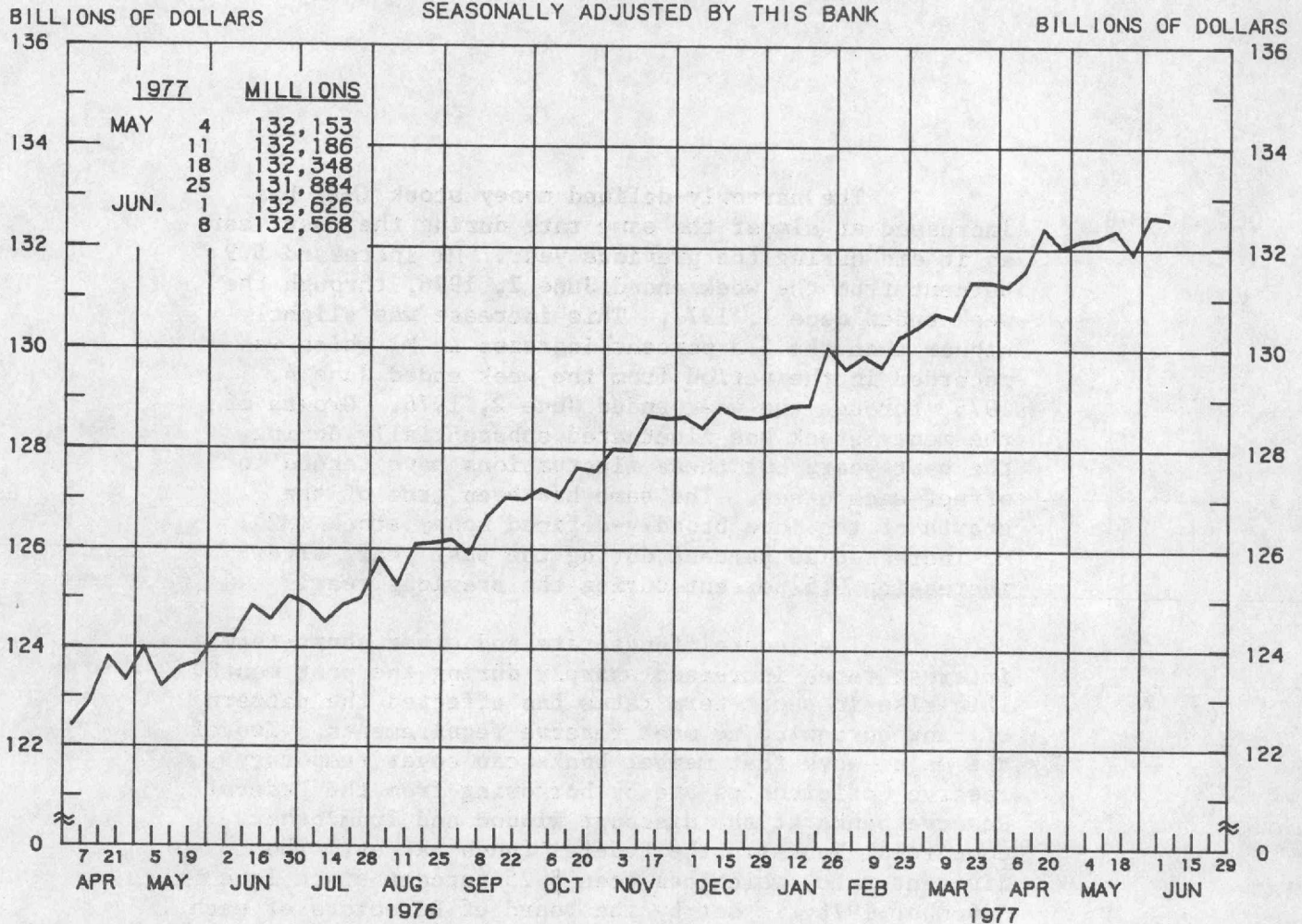
Prepared by Federal Reserve Bank of St. Louis

Released: June: 10, 1977

MONETARY BASE

AVERAGES OF DAILY FIGURES

SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: JUNE 8, 1977

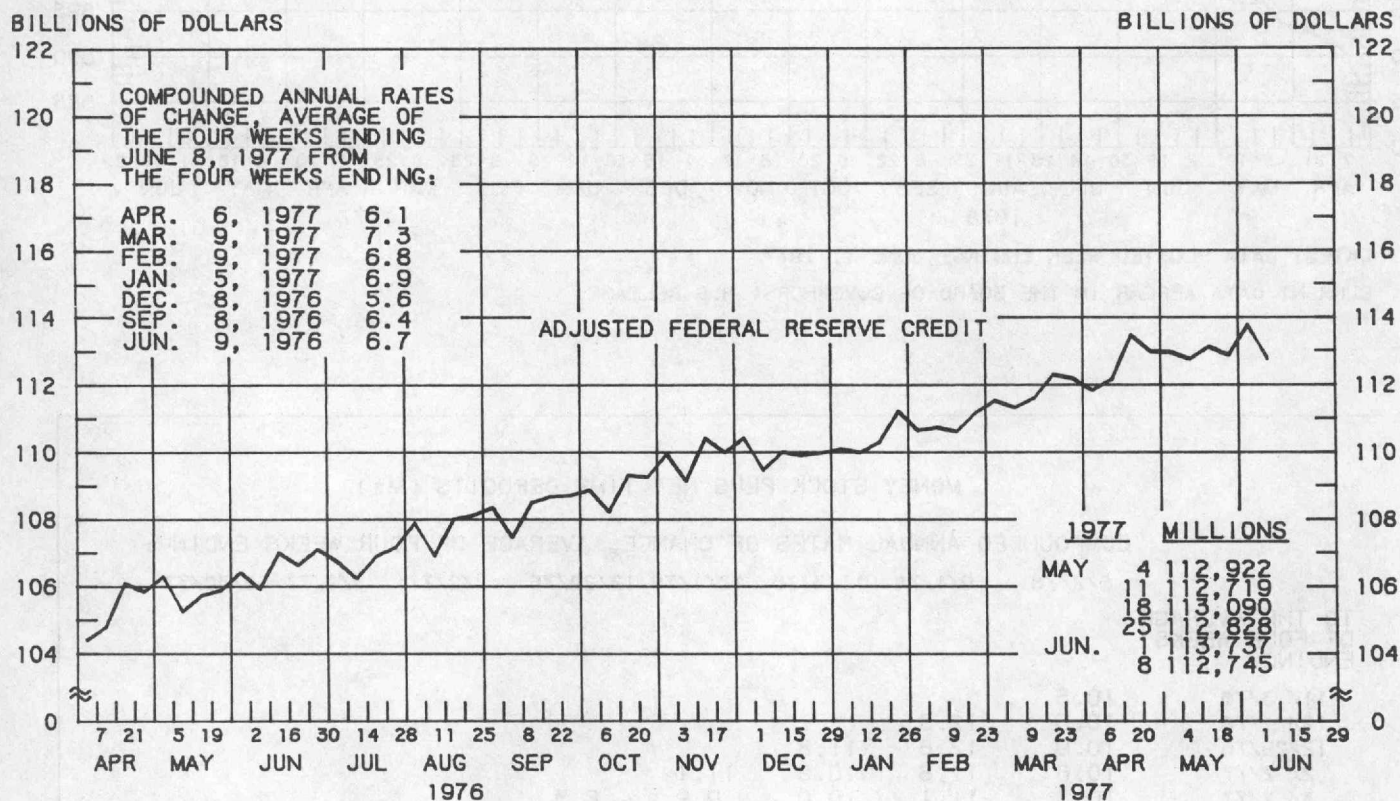
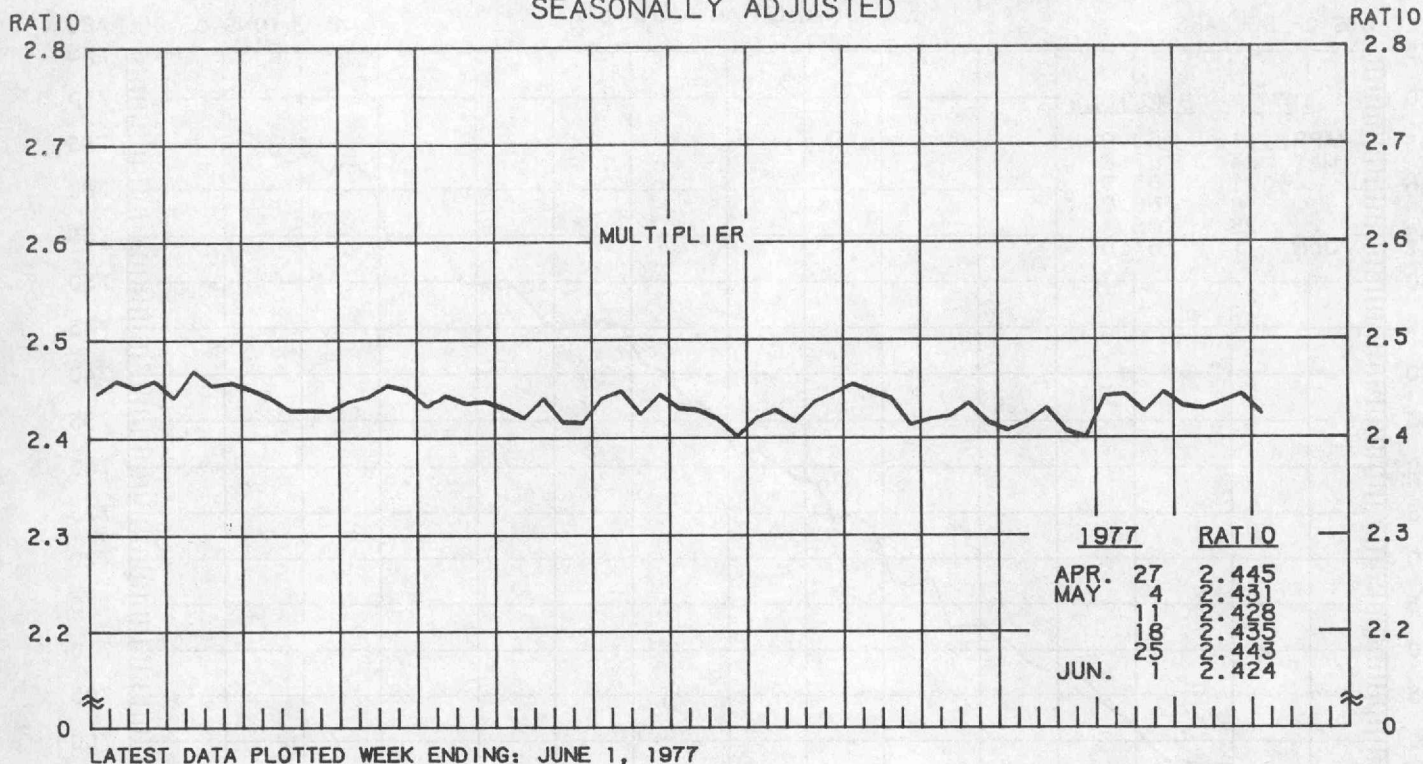
THE MONETARY BASE CONSISTS OF MEMBER BANK RESERVES AT THE FEDERAL RESERVE BANKS AND CURRENCY IN CIRCULATION (CURRENCY HELD BY THE PUBLIC AND IN THE VAULTS OF COMMERCIAL BANKS), ADJUSTED FOR RESERVE REQUIREMENT RATIO CHANGES AND SHIFTS IN THE SAME TYPE OF DEPOSITS BETWEEN BANKS WHERE DIFFERENT RESERVE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

	6/9/76	9/8/76	11/10/76	12/8/76	1/5/77	2/9/77	3/9/77	4/6/77
TO THE AVERAGE OF FOUR WEEKS ENDING:								
11/10/76	7.5							
12/ 8/76	7.6	8.2						
1/ 5/77	6.8	6.5	4.8					
2/ 9/77	6.9	6.7	5.8	4.7				
3/ 9/77	6.9	6.8	6.1	5.3	7.2			
4/ 6/77	7.1	7.1	6.6	6.2	7.7	7.9		
5/11/77	7.2	7.3	7.0	6.7	8.0	8.2	8.8	
6/ 8/77	6.8	6.7	6.3	6.0	6.8	6.7	6.6	5.6

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



LATEST DATA PLOTTED WEEK ENDING: JUNE 8, 1977

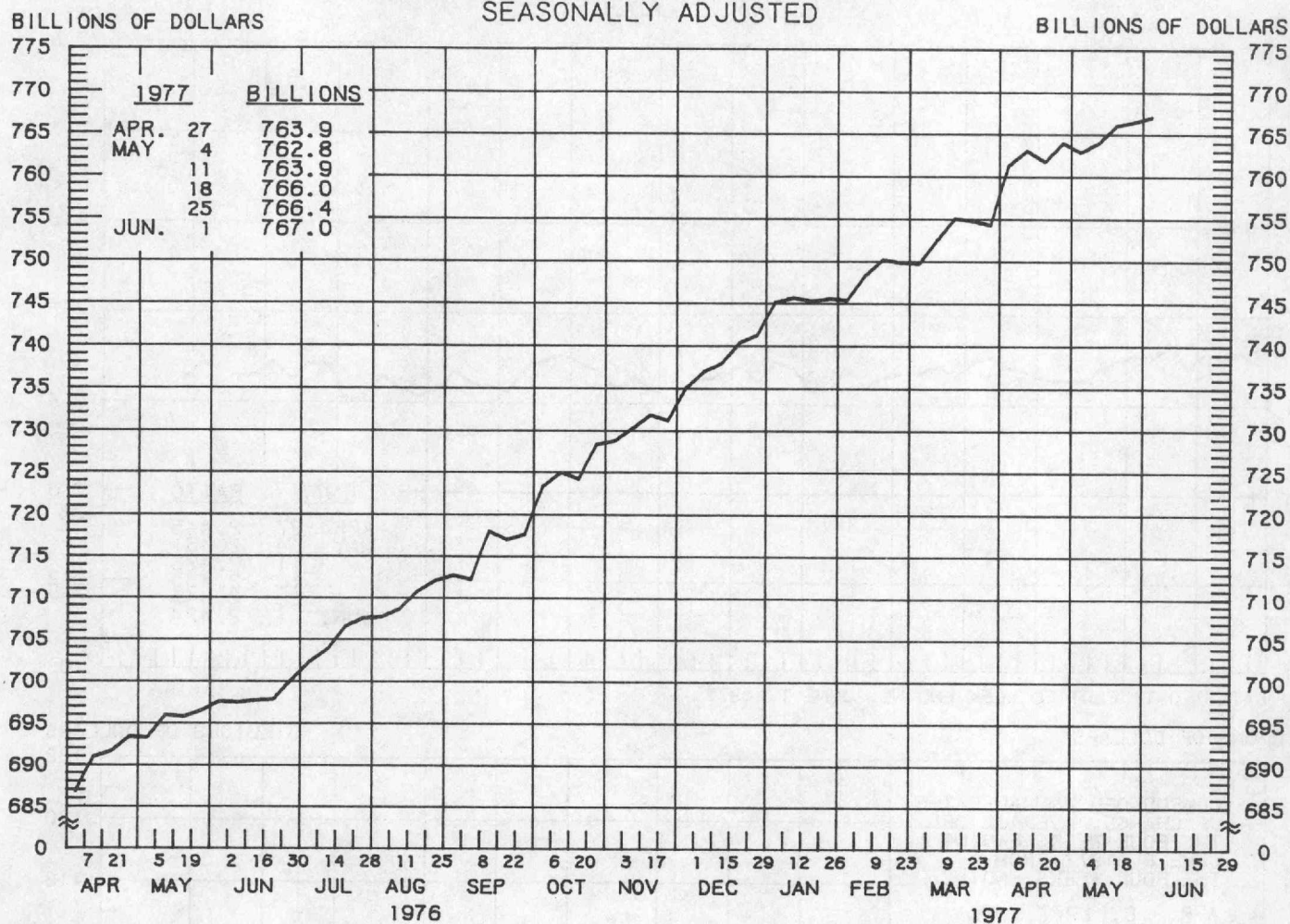
1/ RATIO OF MONEY STOCK (M1) / MONETARY BASE.

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.

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: JUNE 1, 1977

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

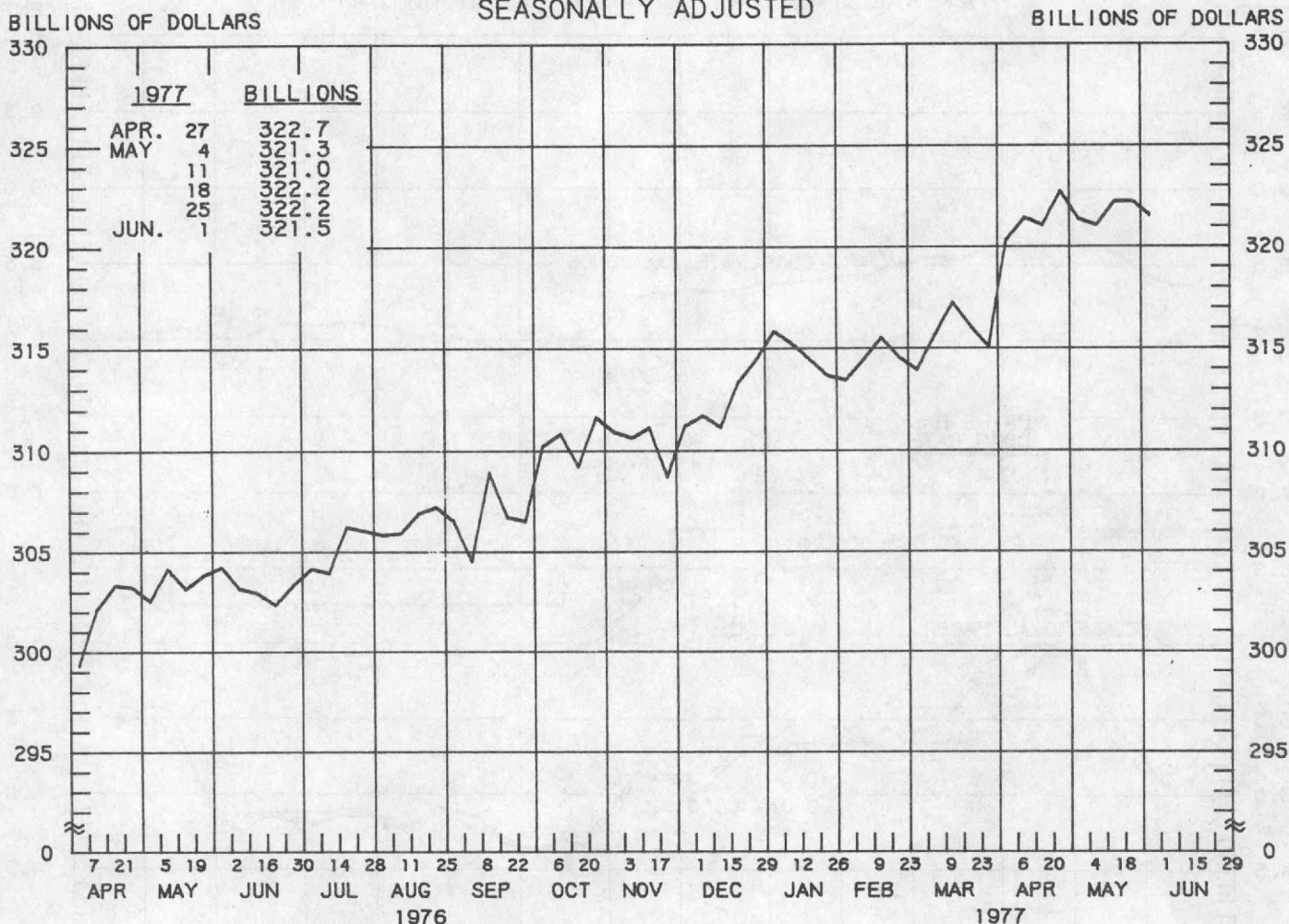
MONEY STOCK PLUS NET TIME DEPOSITS (M2)

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

	6/2/76	9/1/76	11/3/76	12/1/76	12/29/76	2/2/77	3/2/77	3/30/77
TO THE AVERAGE OF FOUR WEEKS ENDING:								
11/ 3/76	10.5							
12/ 1/76	10.5	12.3						
12/29/76	10.9	12.6	11.8					
2/ 2/77	10.6	11.8	10.8	11.1				
3/ 2/77	10.3	11.1	10.0	9.9	8.3			
3/30/77	10.1	10.7	9.7	9.5	8.4	7.8		
5/ 4/77	10.4	11.0	10.3	10.3	9.6	9.7	10.9	
6/ 1/77	10.0	10.4	9.6	9.4	8.7	8.6	9.0	9.3

MONEY STOCK (M1)

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JUNE 1, 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.

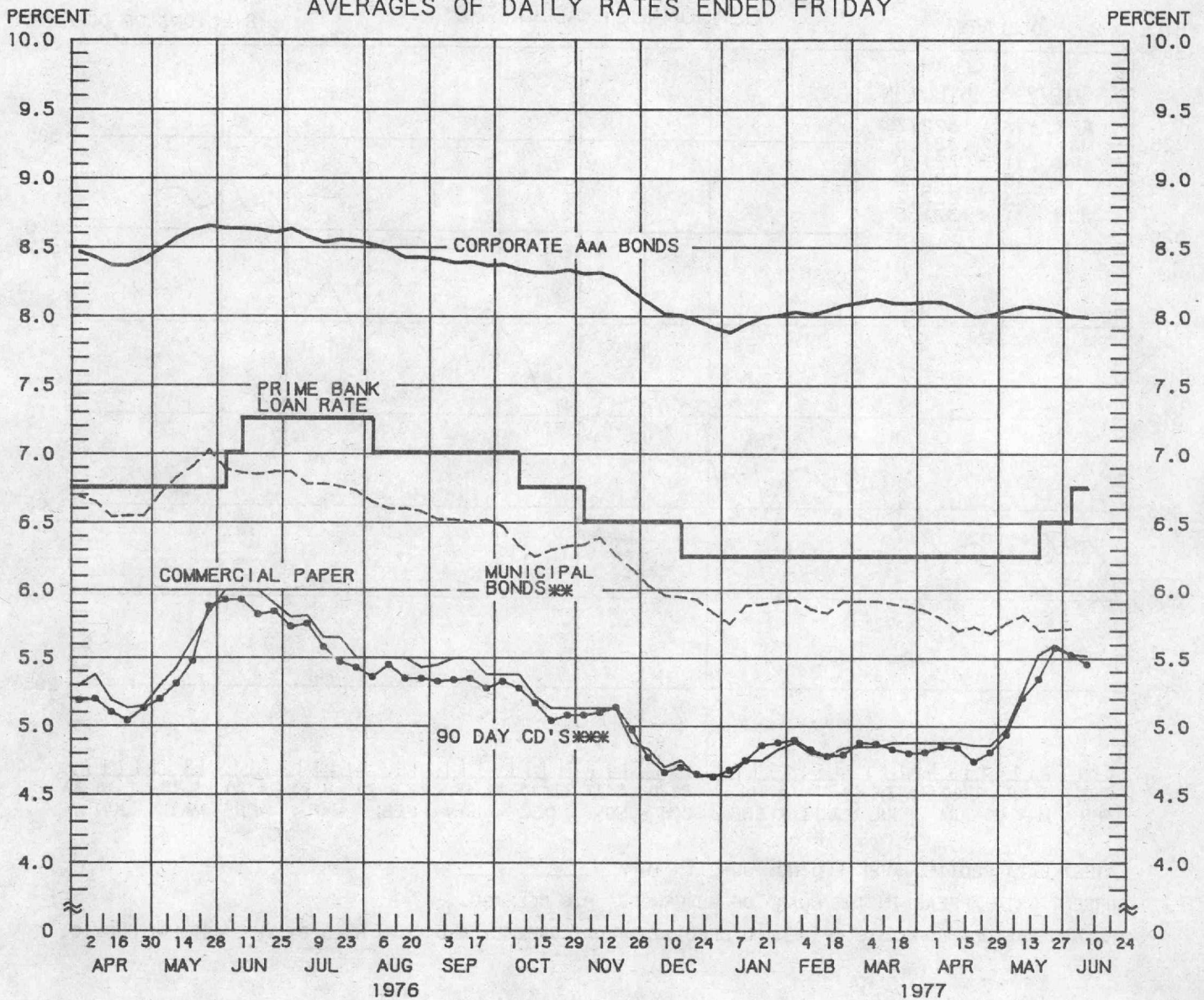
MONEY STOCK (M1)

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

	6/2/76	9/1/76	11/3/76	12/1/76	12/29/76	2/2/77	3/2/77	3/30/77
TO THE AVERAGE OF FOUR WEEKS ENDING:								
11/ 3/76	5.4							
12/ 1/76	4.4	5.1						
12/29/76	5.1	6.1	4.3					
2/ 2/77	5.1	6.0	4.7	7.3				
3/ 2/77	4.8	5.3	4.0	5.5	3.8			
3/30/77	4.9	5.4	4.4	5.6	4.4	3.8		
5/ 4/77	6.4	7.4	7.2	8.7	8.5	9.8	13.6	
6/ 1/77	5.9	6.6	6.3	7.4	7.0	7.5	9.3	10.9

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JUNE 10, 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	5.60	5.52	8.04	5.71
JUNE 3	5.53	5.53	5.42	8.00	5.72
10 *	5.46	5.52	5.43	7.99	N.A.
17					
24					

* AVERAGES OF RATES AVAILABLE.

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

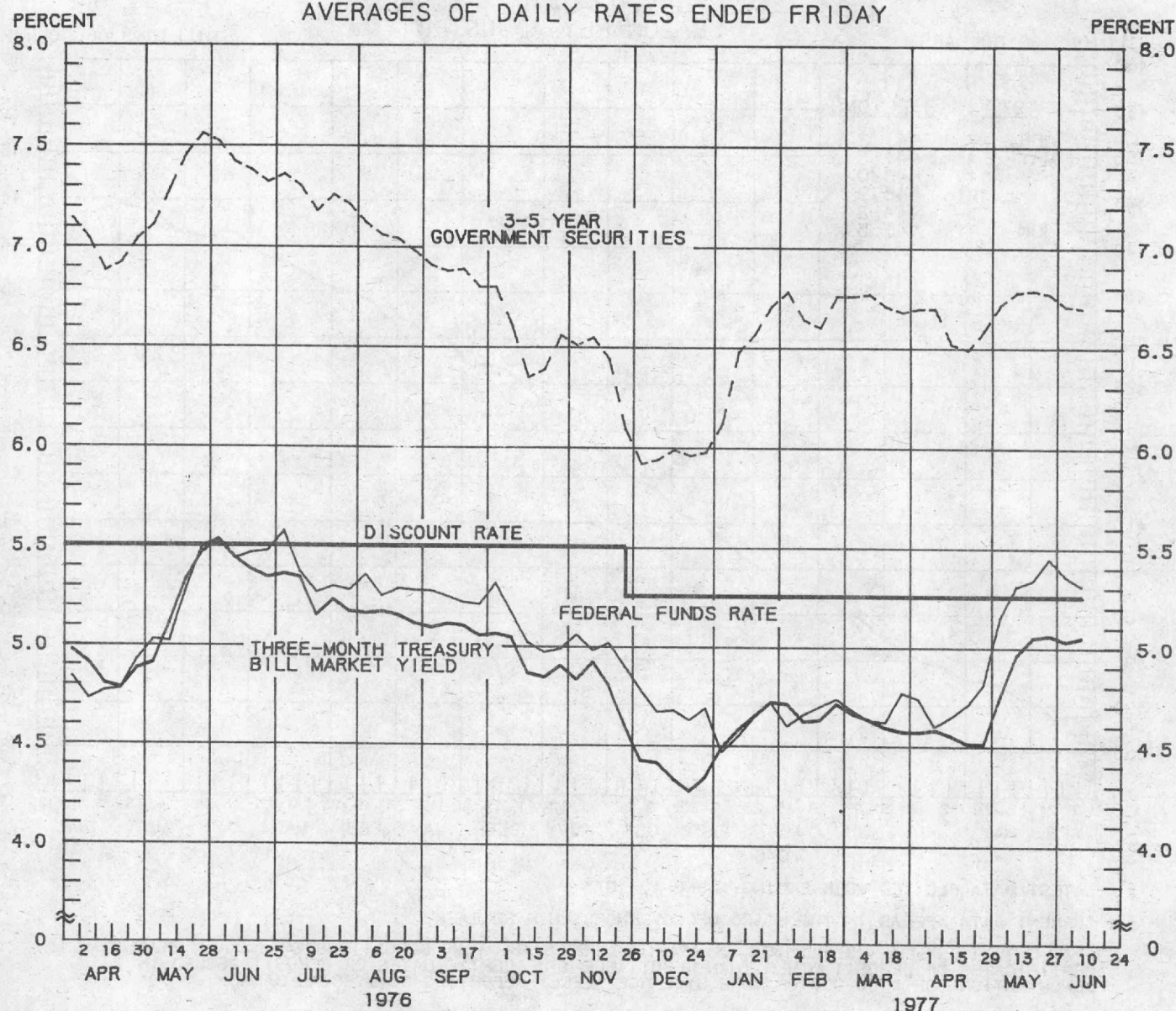
*** SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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: JUNE 10, 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	5.06	5.45	6.77	7.53
JUNE 3	5.36	5.03	5.42	6.71	7.52
10 *	5.31	5.05	5.43	6.70	7.49
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.

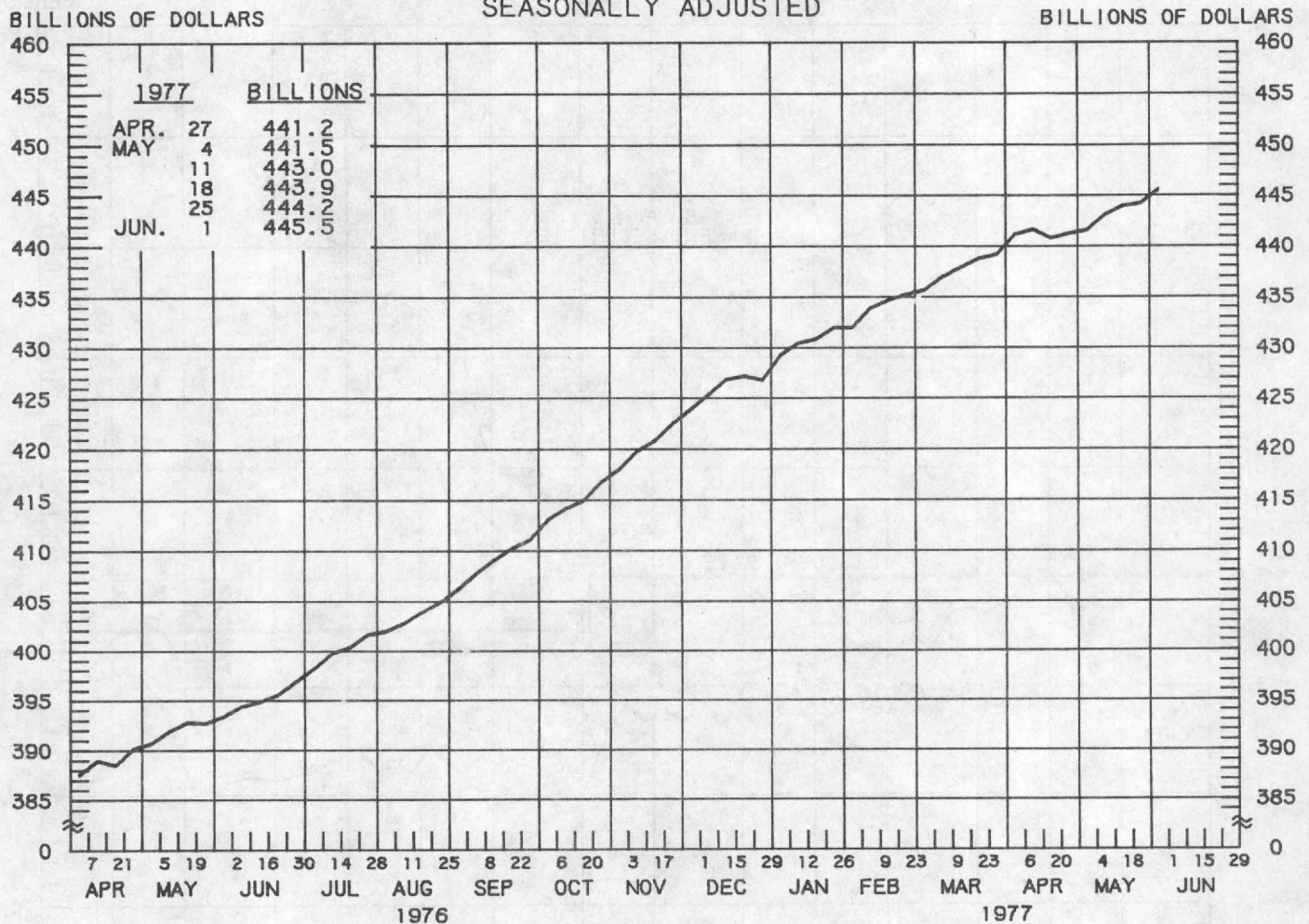
RATES ON LONG-TERM GOVERNMENT SECURITIES ARE COMPUTED BY THE FEDERAL RESERVE BANK OF ST. LOUIS.

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: JUNE 1, 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:

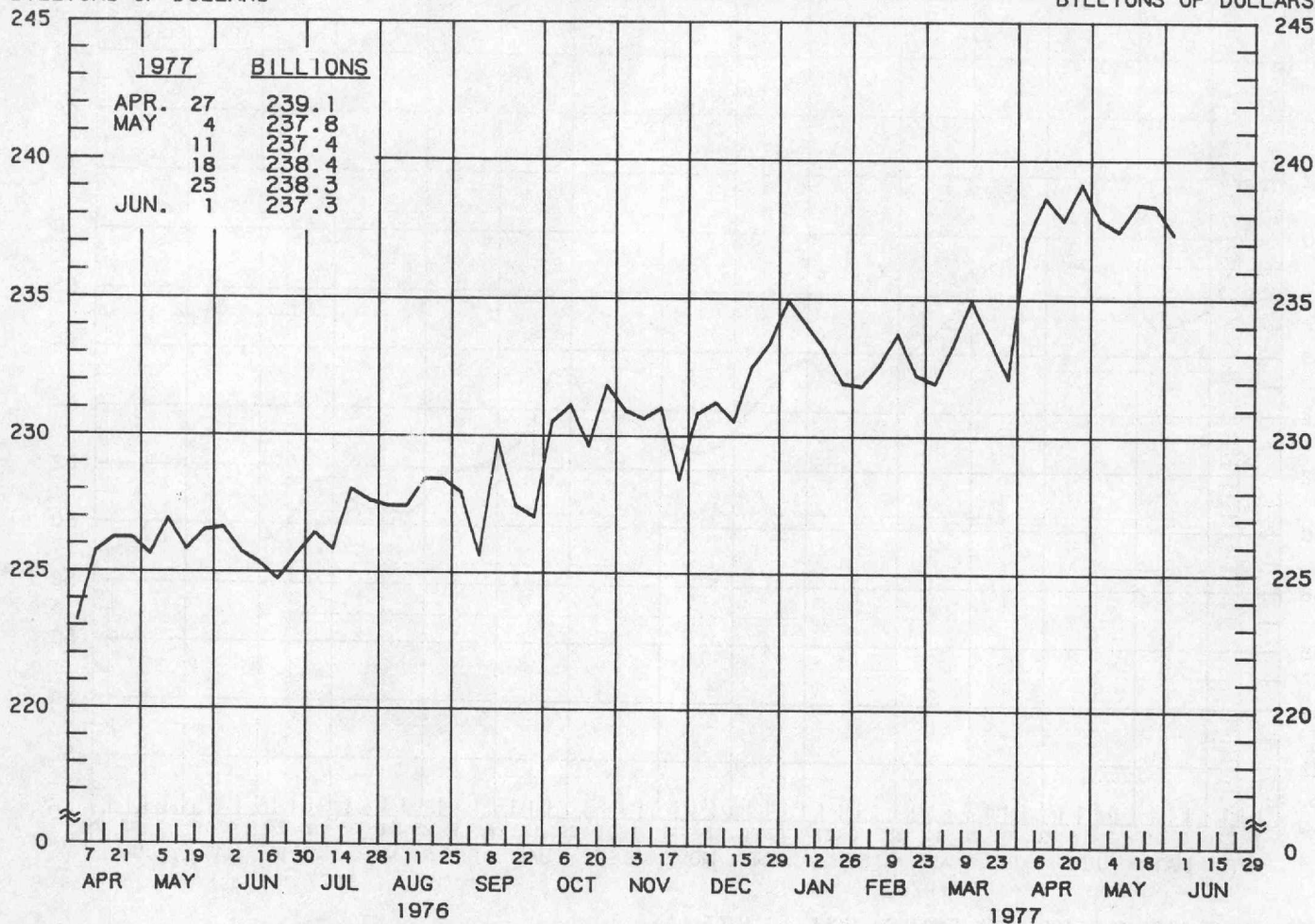
	6/2/76	9/1/76	11/3/76	12/1/76	12/29/76	2/2/77	3/2/77	3/30/77
TO THE AVERAGE OF FOUR WEEKS ENDING:								
11/ 3/76	14.6							
12/ 1/76	15.4	18.2						
12/29/76	15.4	17.7	17.8					
2/ 2/77	15.0	16.4	15.7	13.9				
3/ 2/77	14.6	15.6	14.6	13.0	11.8			
3/30/77	14.2	14.9	13.7	12.4	11.3	10.7		
5/ 4/77	13.5	13.9	12.6	11.3	10.4	9.6	9.0	
6/ 1/77	13.1	13.3	12.1	11.0	10.1	9.4	8.9	8.3

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JUNE 1, 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:

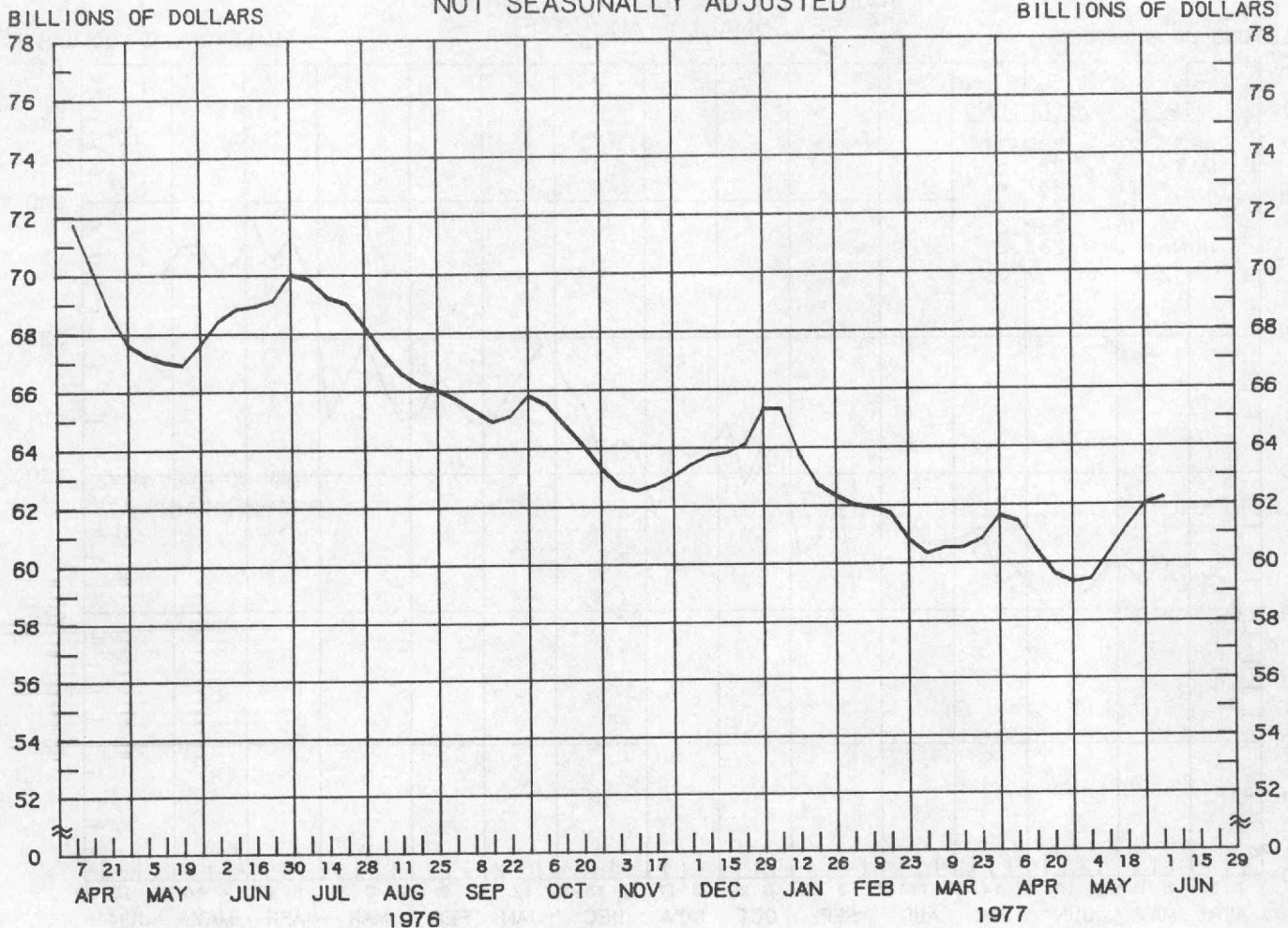
6/2/76 9/1/76 11/3/76 12/1/76 12/29/76 2/2/77 3/2/77 3/30/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

11/ 3/76	4.7						
12/ 1/76	3.3	3.9					
12/29/76	4.2	5.3	2.8				
2/ 2/77	4.1	4.9	3.2	6.4			
3/ 2/77	3.6	4.1	2.3	4.2	1.8		
3/30/77	3.7	4.2	2.8	4.4	2.8	2.3	
5/ 4/77	5.7	6.8	6.5	8.5	8.2	10.0	15.0
6/ 1/77	5.0	5.8	5.3	6.8	6.2	7.0	9.4
							11.4

CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES
NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JUNE 1, 1977

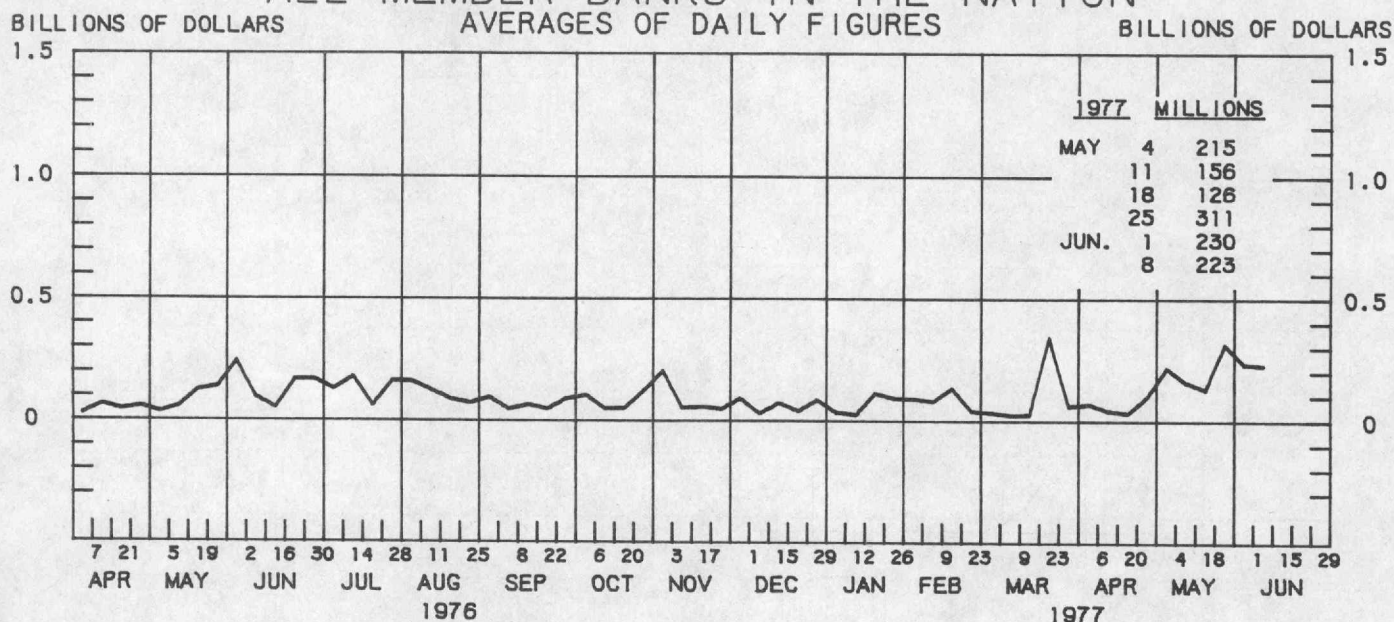
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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	62.4
25	62.0	62.7
JUNE 1	62.2	62.8
8		
15		
22		
29		

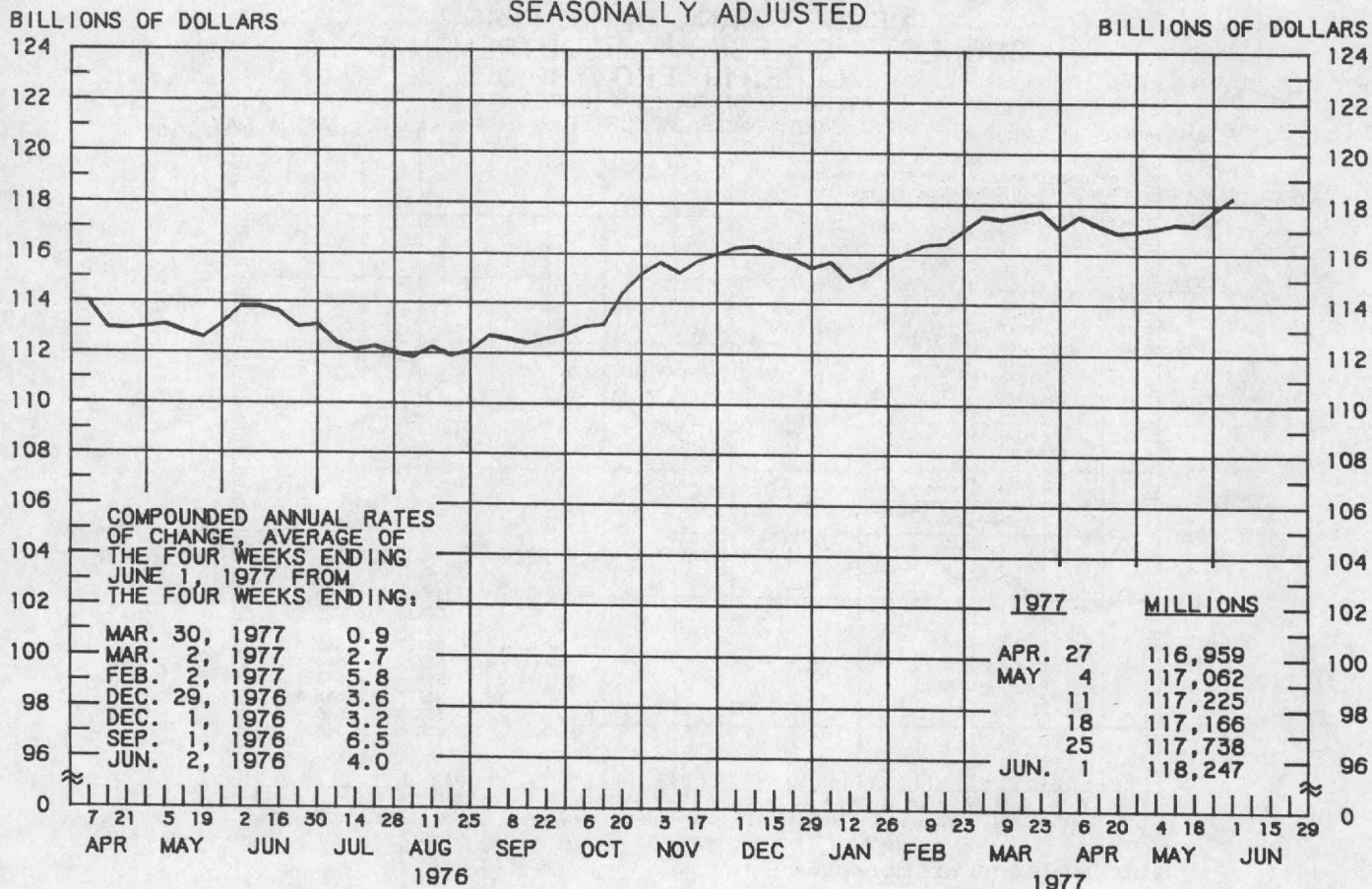
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



LATEST DATA PLOTTED WEEK ENDING: JUNE 8, 1977

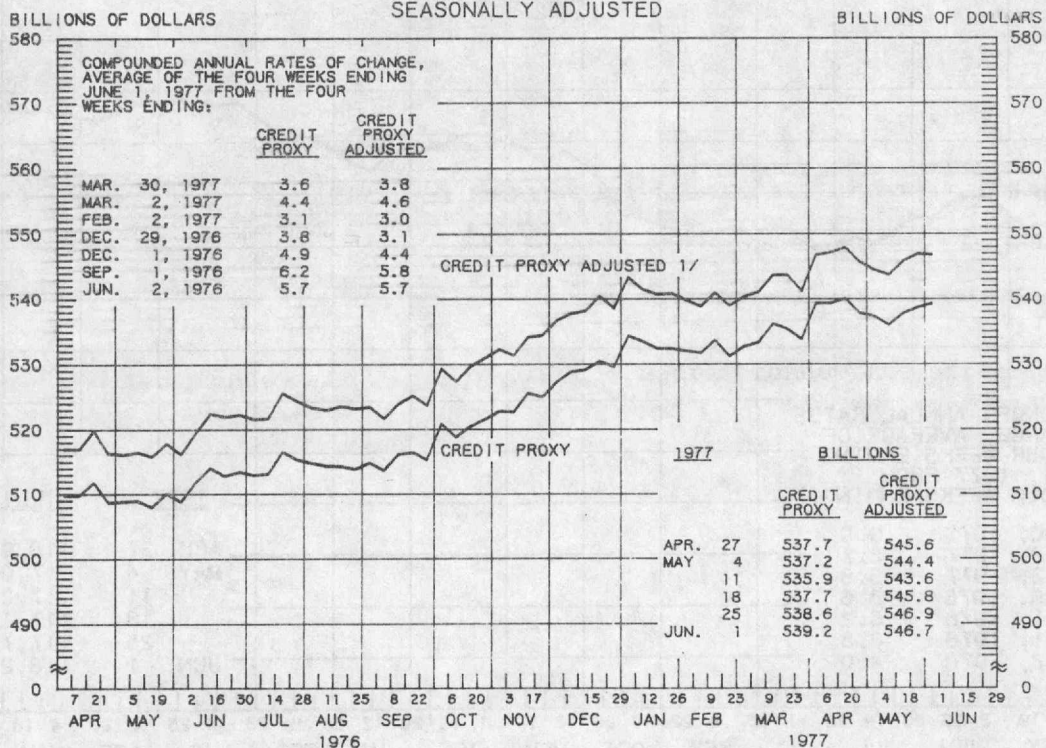
BUSINESS LOANS (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JUNE 1, 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: JUNE 1, 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