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DEC 26 1979

Week ending: August 3, 1977

The monetary base, the prime determinant of the money stock, has increased at a more rapid rate since the beginning of June than during the first five months of 1977. From the four weeks ended June 1, 1977, to the four weeks ended July 27, 1977, the monetary base increased at a 10.1 percent annual rate. During the first five months of 1977, the base increased at only a 6.9 percent annual rate. The recent increased growth of the base is attributable to an increased growth of adjusted Federal Reserve credit (page 3), the major component of the base. Adjusted Federal Reserve credit has increased at a 12.4 percent annual rate since the beginning of June, after increasing at a slower 7.2 percent rate during the first five months of the year. The major component of adjusted Federal Reserve credit is Federal Reserve holdings of securities, which is determined by the Federal Reserve's open market operations. By increasing its holdings of securities, the Federal Reserve increases bank reserves and currency in circulation (which comprise the monetary base).

Over extended periods, the growth rates of the base and the narrowly-defined money stock (M1) tend to be close. Over shorter time periods, the growth rates can vary because of changing portfolio decisions of the public and banks, but increases or decreases in the growth rate of the base still tend to change the growth rate of M1 in the same direction. The recent increase in the growth rate of the base has coincided with an increased growth rate of M1. M1 has increased at a 12.1 percent rate since early June, after increasing at a 6.1 percent rate during the first five months of the year.

Prepared by Federal Reserve Bank of St. Louis
Released: August 5, 1977

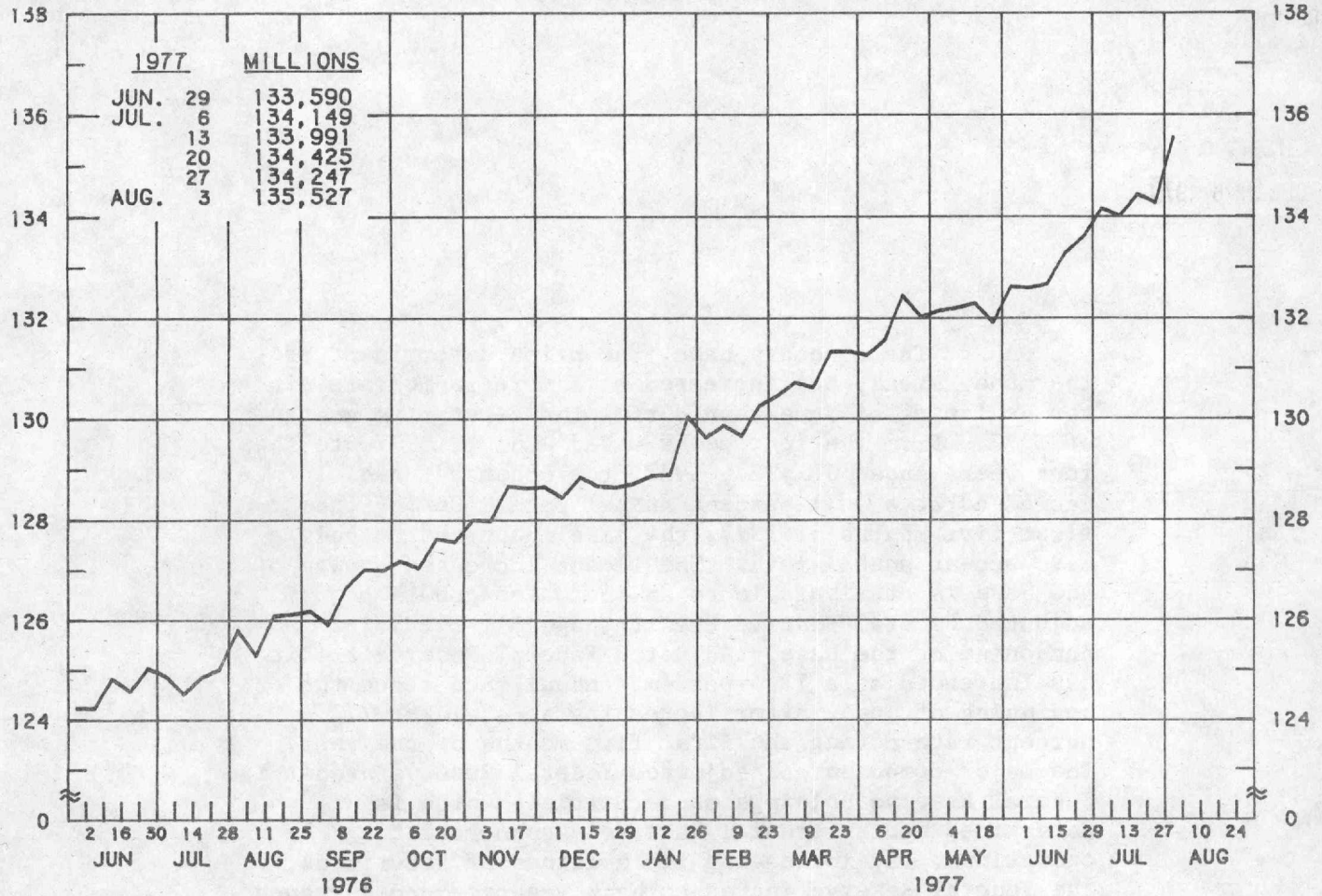
MONETARY BASE

AVERAGES OF DAILY FIGURES

SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: AUGUST 3, 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.

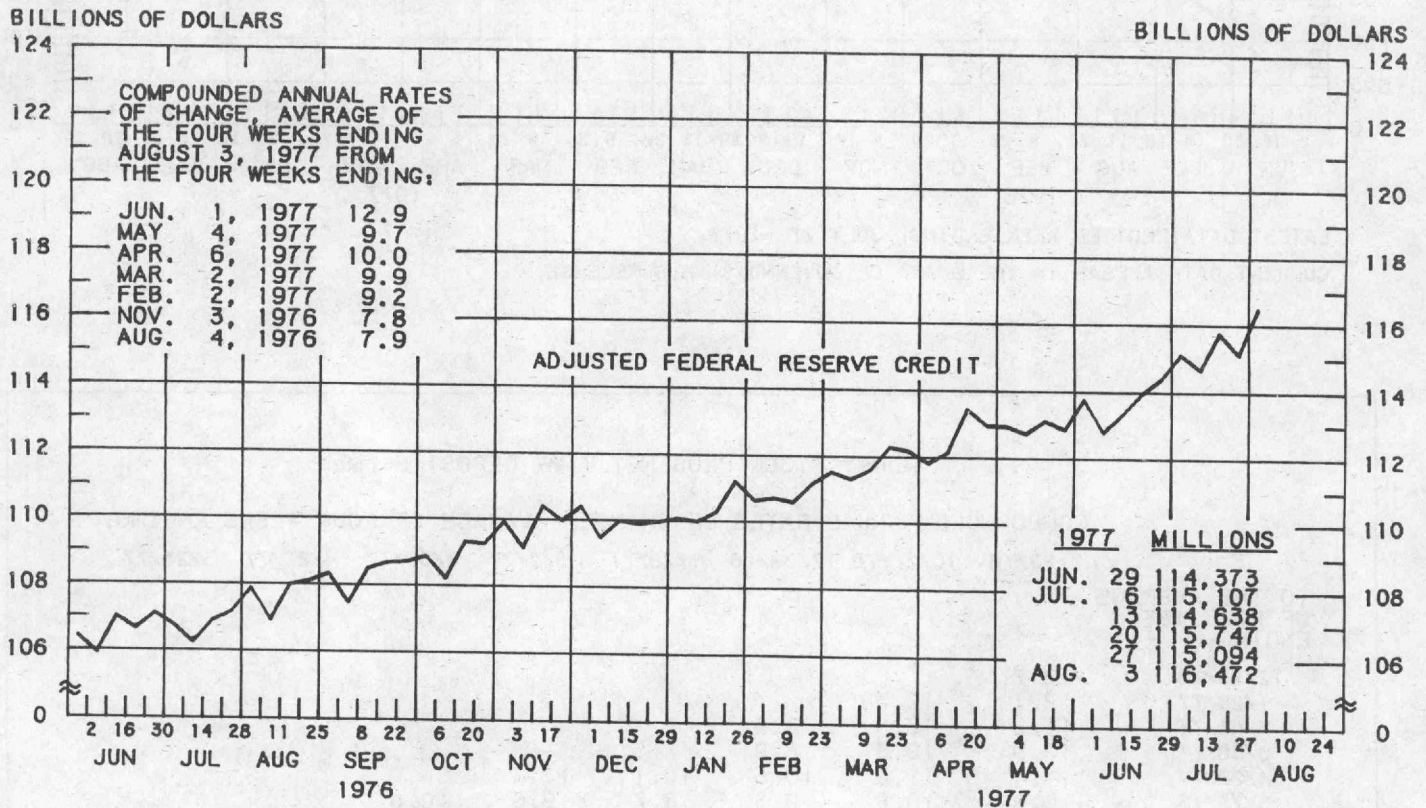
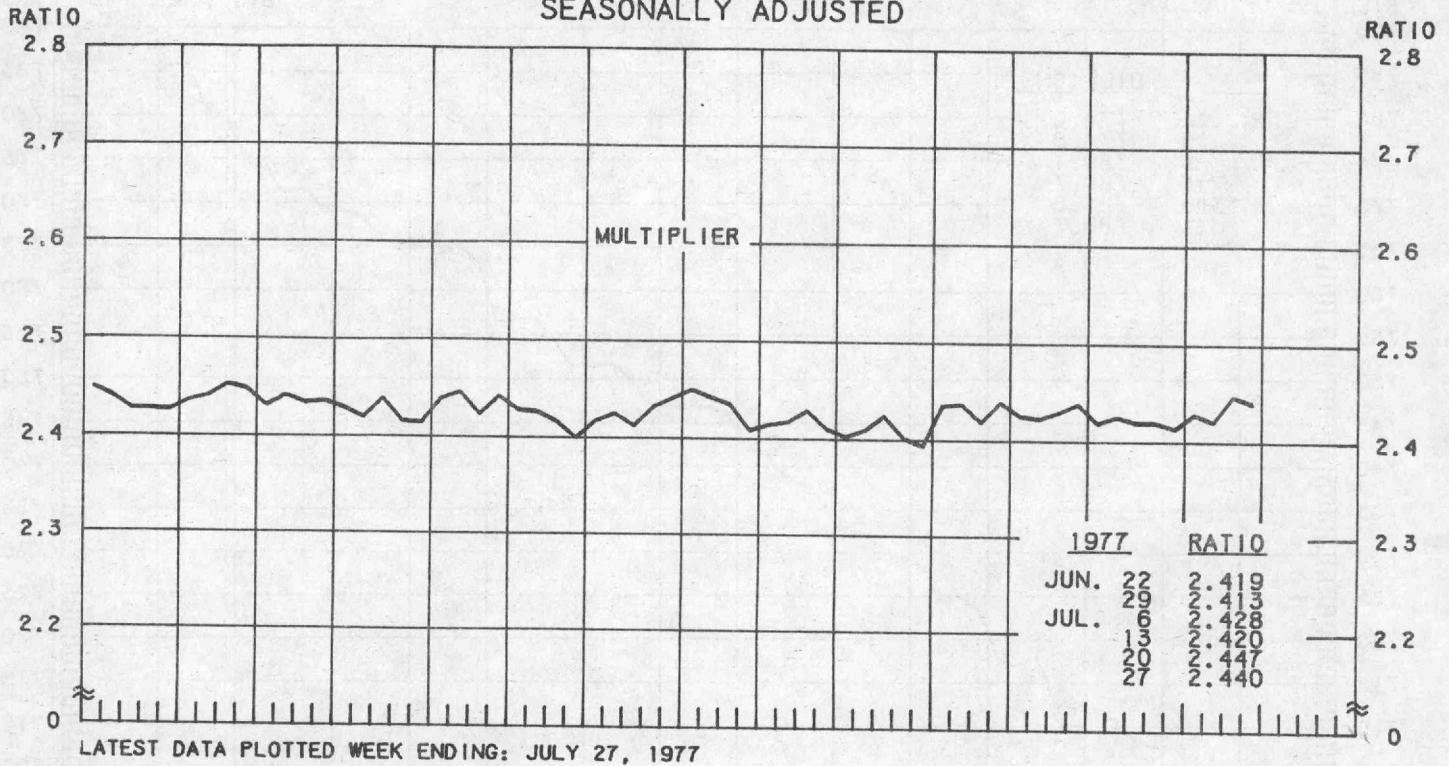
MONETARY BASE

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

	8/4/76	11/3/76	1/5/77	2/2/77	3/2/77	4/6/77	5/4/77	6/1/77
TO THE AVERAGE OF FOUR WEEKS ENDING:								
1/ 5/77	7.1							
2/ 2/77	7.0	5.8						
3/ 2/77	7.0	6.1	7.0					
4/ 6/77	7.3	6.8	7.7	8.2				
5/ 4/77	7.5	7.2	8.1	8.5	9.1			
6/ 1/77	7.0	6.5	6.9	7.0	6.9	5.6		
7/ 6/77	7.3	6.9	7.5	7.6	7.7	7.2	6.2	
8/ 3/77	7.6	7.4	8.0	8.2	8.4	8.2	7.8	10.5

MULTIPLIER ^{1/} ADJUSTED FEDERAL RESERVE CREDIT ^{2/}

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 3, 1977

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

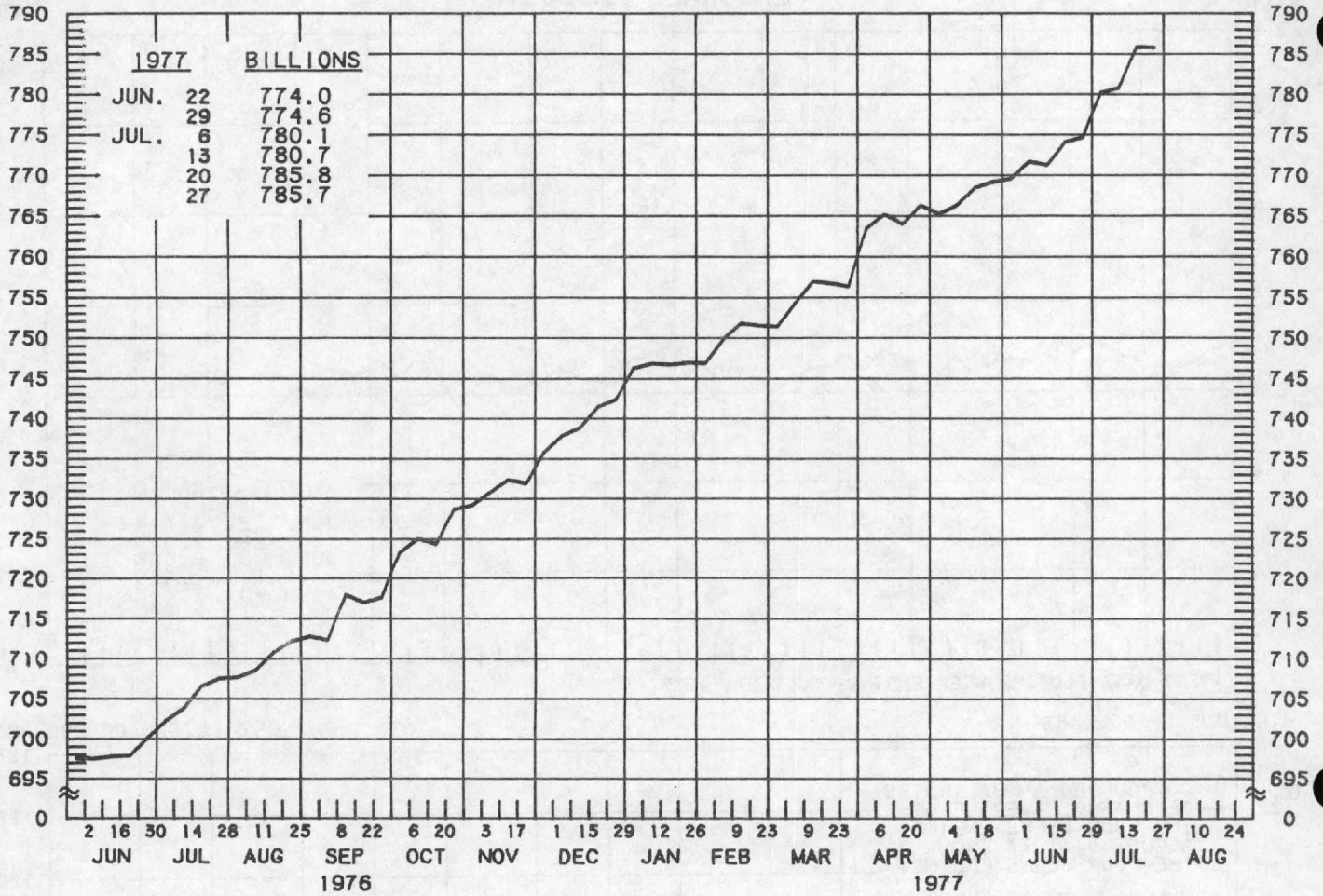
2/ FEDERAL RESERVE CREDIT CONSISTS OF FEDERAL RESERVE HOLDINGS OF SECURITIES, LOANS, FLOAT AND OTHER ASSETS. ADJUSTED FEDERAL RESERVE CREDIT IS COMPUTED BY SUBTRACTING TREASURY DEPOSITS AT FEDERAL RESERVE BANKS FROM THIS SERIES, AND ADJUSTING THE SERIES FOR RESERVE REQUIREMENT RATIO CHANGES AND SHIFTS 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

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JULY 27, 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:

7/28/76 10/27/76 12/29/76 1/26/77 3/2/77 3/30/77 4/27/77 5/25/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

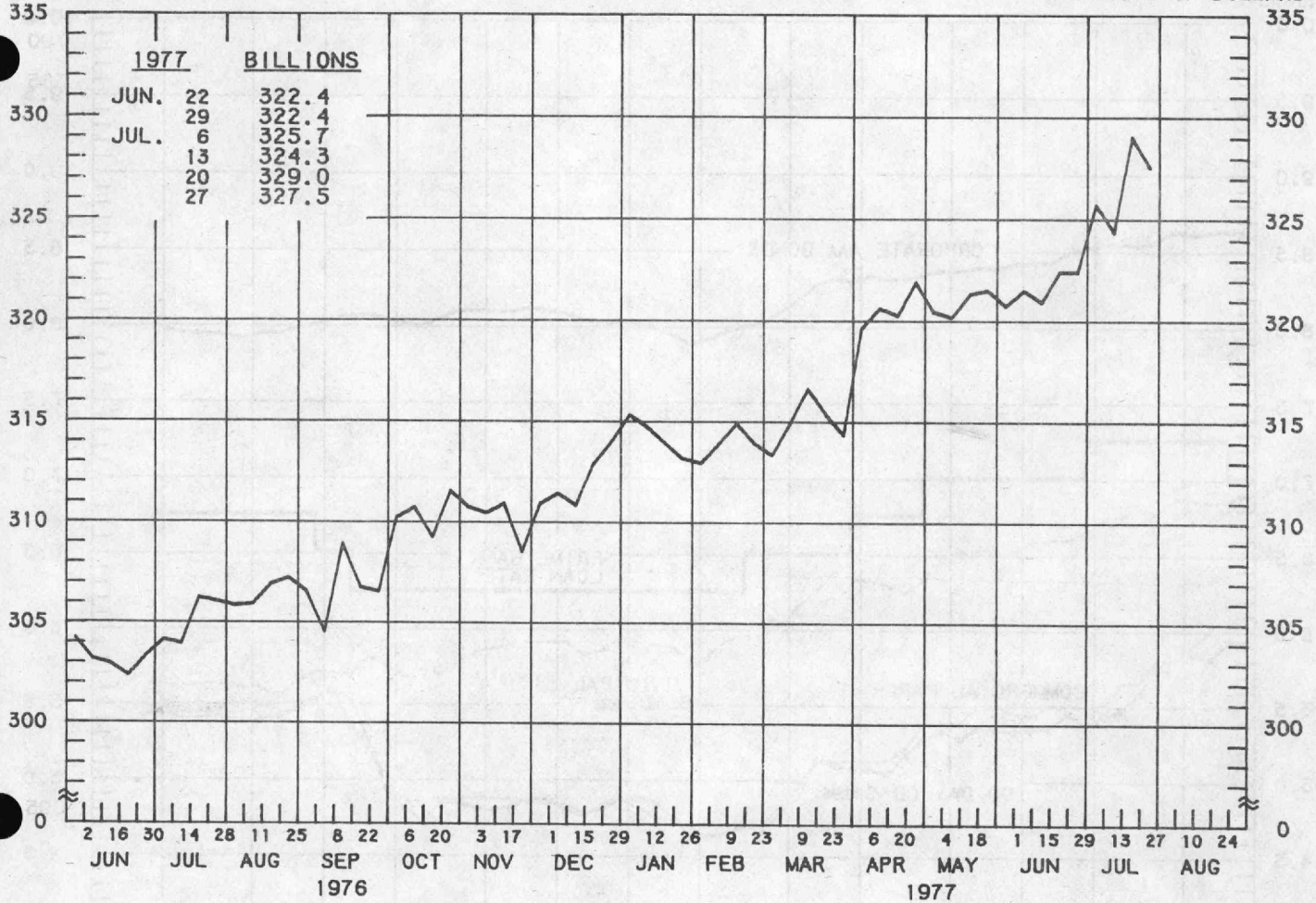
12/29/76	12.2							
1/26/77	12.1	12.3						
3/ 2/77	11.2	10.6	8.9					
3/30/77	10.9	10.3	8.9	7.5				
4/27/77	11.4	11.2	10.5	10.1	12.4			
5/25/77	10.8	10.2	9.3	8.7	9.6	10.0		
6/29/77	10.5	9.9	9.0	8.5	9.1	9.2	6.3	
7/27/77	11.1	10.8	10.3	10.0	10.9	11.4	10.0	12.6

MONEY STOCK (M1)

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JULY 27, 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:

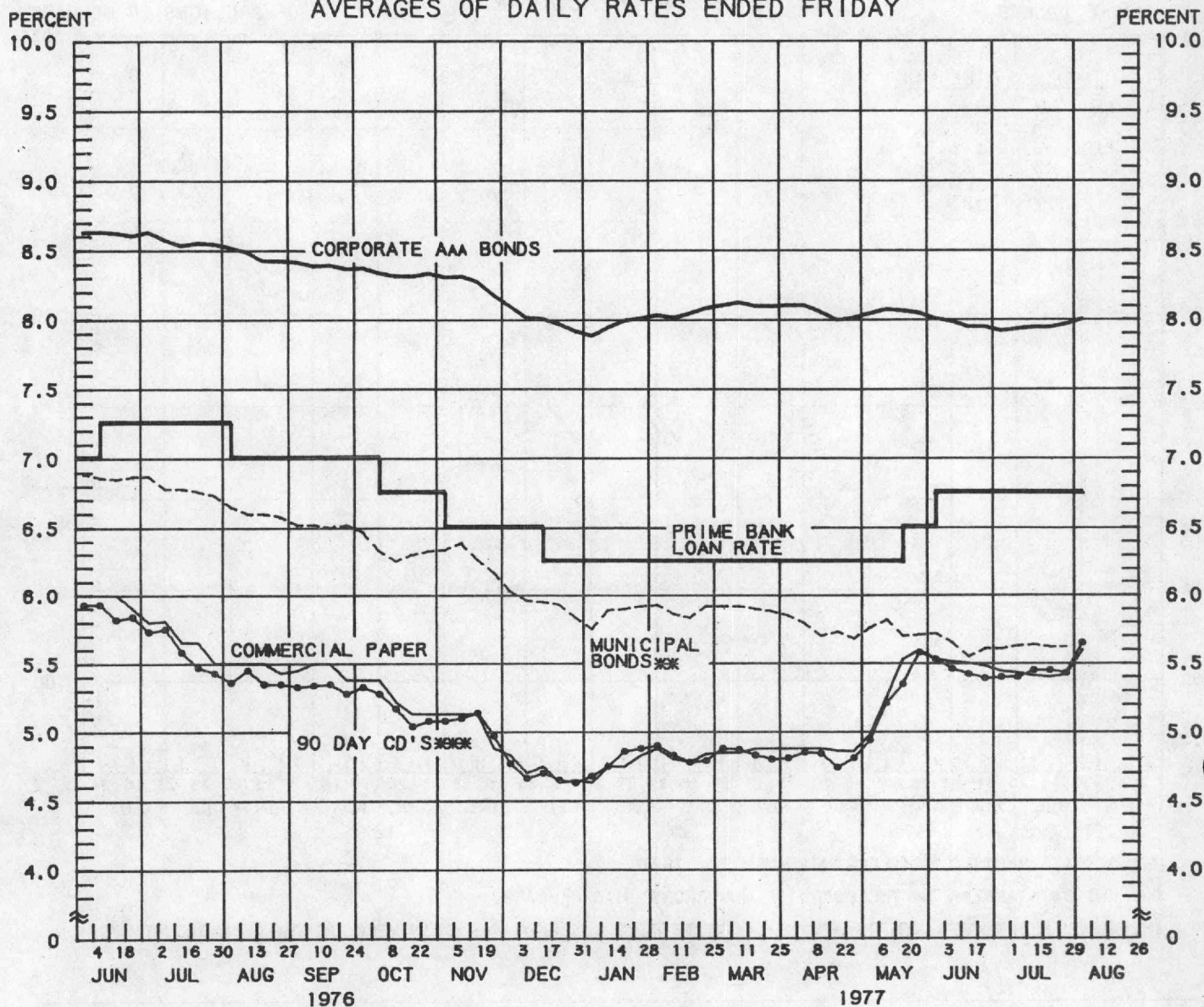
7/28/76 10/27/76 12/29/76 1/26/77 3/2/77 3/30/77 4/27/77 5/25/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

12/29/76	5.7							
1/26/77	6.1	5.1						
3/ 2/77	4.9	3.4	3.2					
3/30/77	5.0	3.8	3.9	1.9				
4/27/77	6.8	6.7	8.4	8.3	14.5			
5/25/77	6.3	5.9	6.9	6.5	9.7	11.9		
6/29/77	5.9	5.5	6.2	5.7	7.8	8.5	2.2	
7/27/77	7.0	7.0	8.1	8.0	10.2	11.4	7.7	10.9

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: AUGUST 5, 1977

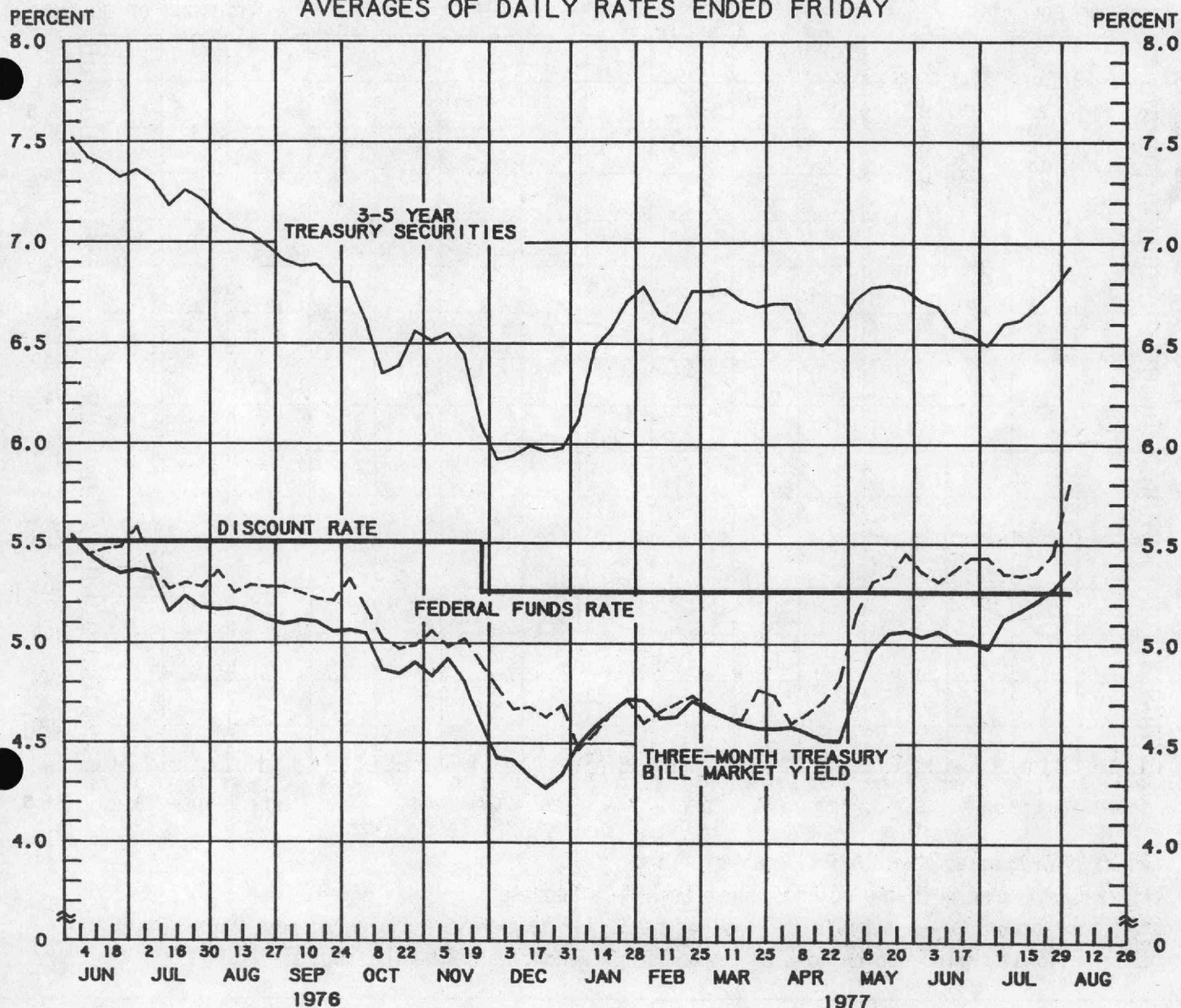
1977	90 DAY CD'S <small>***</small>	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS <small>***</small>
JUNE 3	5.53	5.53	5.42	8.00	5.72
10	5.46	5.51	5.42	7.98	5.65
17	5.42	5.50	5.41	7.94	5.55
24	5.39	5.48	5.39	7.94	5.61
JULY 1	5.40	5.44	5.35	7.91	5.61
8	5.40	5.43	5.38	7.93	5.63
15	5.45	5.41	5.41	7.94	5.64
22	5.45	5.40	5.44	7.94	5.62
29	5.43	5.42	5.49	7.96	5.62
AUG. 5 *	5.65	5.60	5.69	8.00	N.A.
12					
19					
26					

* 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 INTEREST RATES

AVERAGES OF DAILY RATES ENDED FRIDAY

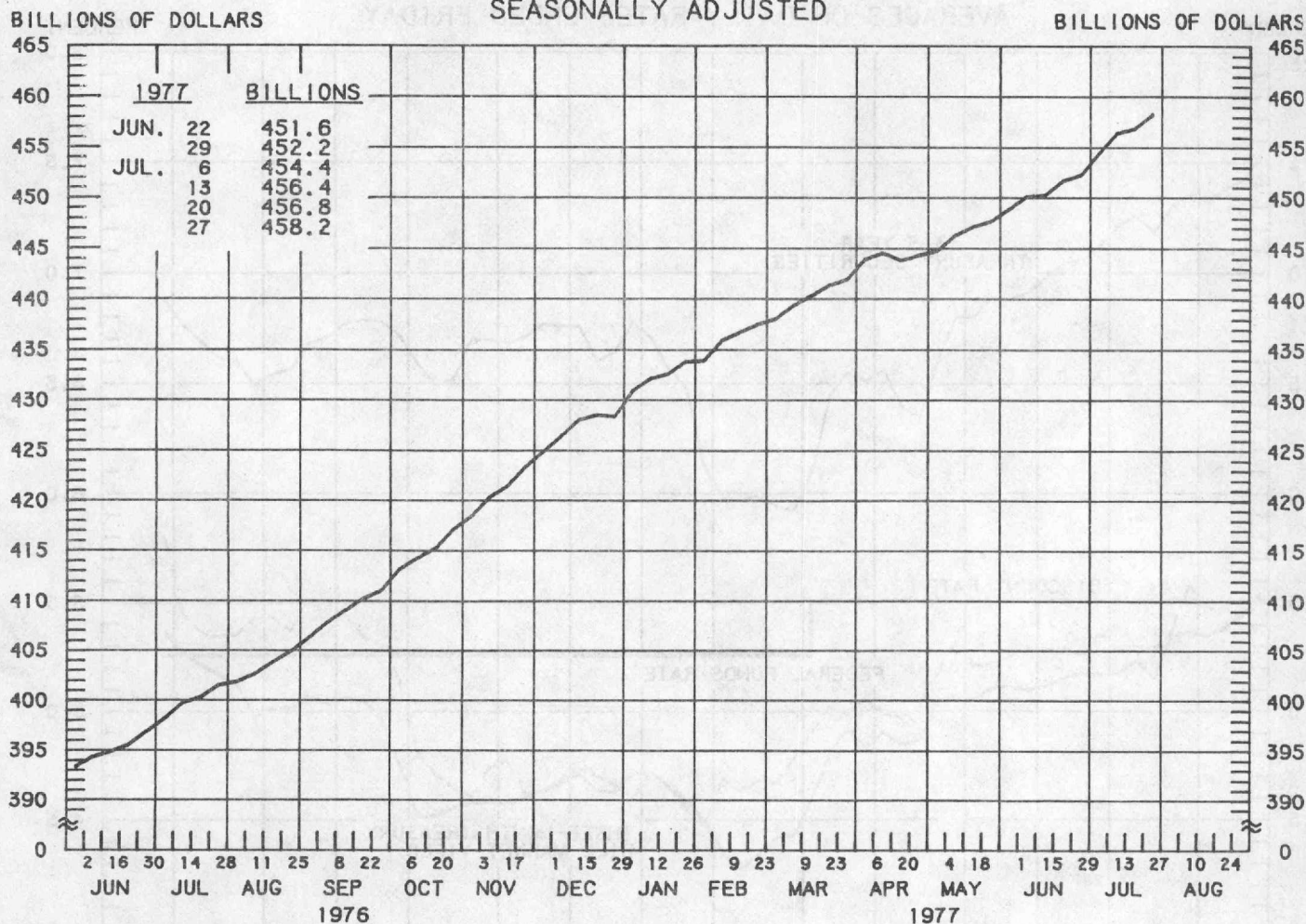


LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: AUGUST 5, 1977

1977	FEDERAL FUNDS ^{***}	3-MONTH TREASURY BILLS	1-YEAR TREASURY BILL	3-5 YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
JUNE 3	5.36	5.03	5.42	6.71	7.52
10	5.31	5.06	5.43	6.68	7.48
17	5.37	5.01	5.40	6.56	7.41
24	5.43	5.01	5.41	6.54	7.41
JULY 1	5.43	4.97	5.39	6.49	7.38
8	5.35	5.12	5.46	6.60	7.43
15	5.34	5.16	5.51	6.62	7.43
22	5.36	5.21	5.60	6.69	7.46
29	5.45	5.27	5.70	6.77	7.49
AUG. 5 [*]	5.80	5.36	5.82	6.88	7.53
12					
19					
26					

^{*} 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 TREASURY SECURITIES ARE COMPUTED BY THE FEDERAL RESERVE BANK OF ST. LOUIS.
 TREASURY BILL YIELDS ON DISCOUNT BASIS.

NET TIME DEPOSITS ALL COMMERCIAL BANKS AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: JULY 27, 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:

7/28/76 10/27/76 12/29/76 1/26/77 3/2/77 3/30/77 4/27/77 5/25/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

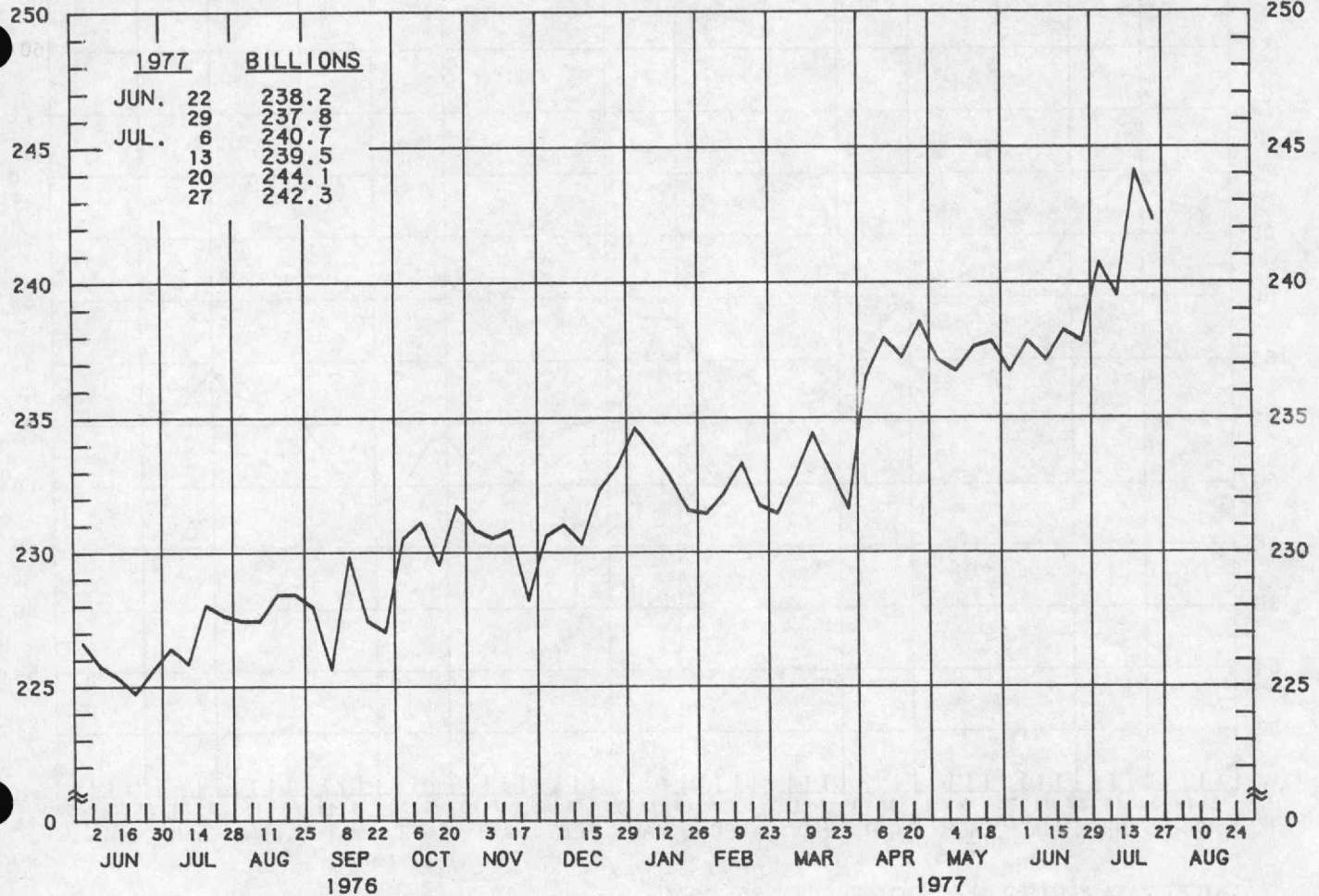
12/29/76	17.3							
1/26/77	16.9	18.0						
3/ 2/77	16.0	16.2	13.1					
3/30/77	15.5	15.3	12.6	11.6				
4/27/77	15.0	14.6	12.1	11.3	11.0			
5/25/77	14.2	13.5	11.1	10.2	9.7	8.7		
6/29/77	13.9	13.2	11.1	10.5	10.1	9.7	9.3	
7/27/77	14.2	13.6	11.9	11.5	11.4	11.4	11.6	13.8

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JULY 27, 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:

7/28/76 10/27/76 12/29/76 1/26/77 3/2/77 3/30/77 4/27/77 5/25/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

12/29/76	5.0								
1/26/77	5.4	4.2							
3/ 2/77	3.9	1.9	1.3						
3/30/77	4.0	2.4	2.3	-0.2					
4/27/77	6.2	6.0	7.9	7.8	15.8				
5/25/77	5.5	5.0	6.1	5.6	9.9	12.6			
6/29/77	5.1	4.5	5.2	4.7	7.4	8.3	0.5		
7/27/77	6.5	6.4	7.6	7.5	10.4	11.9	7.3	11.2	

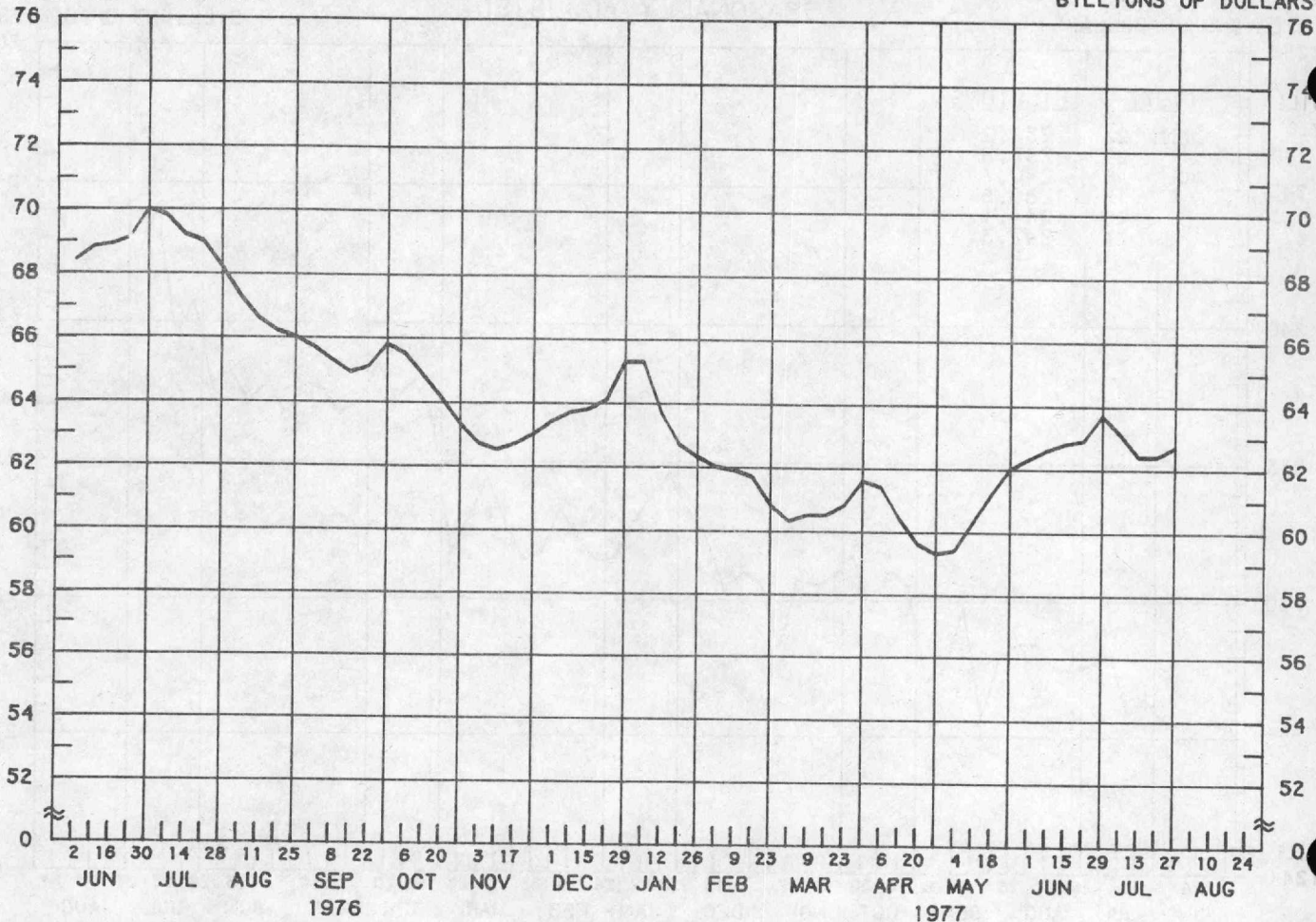
CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES

NOT SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JULY 27, 1977

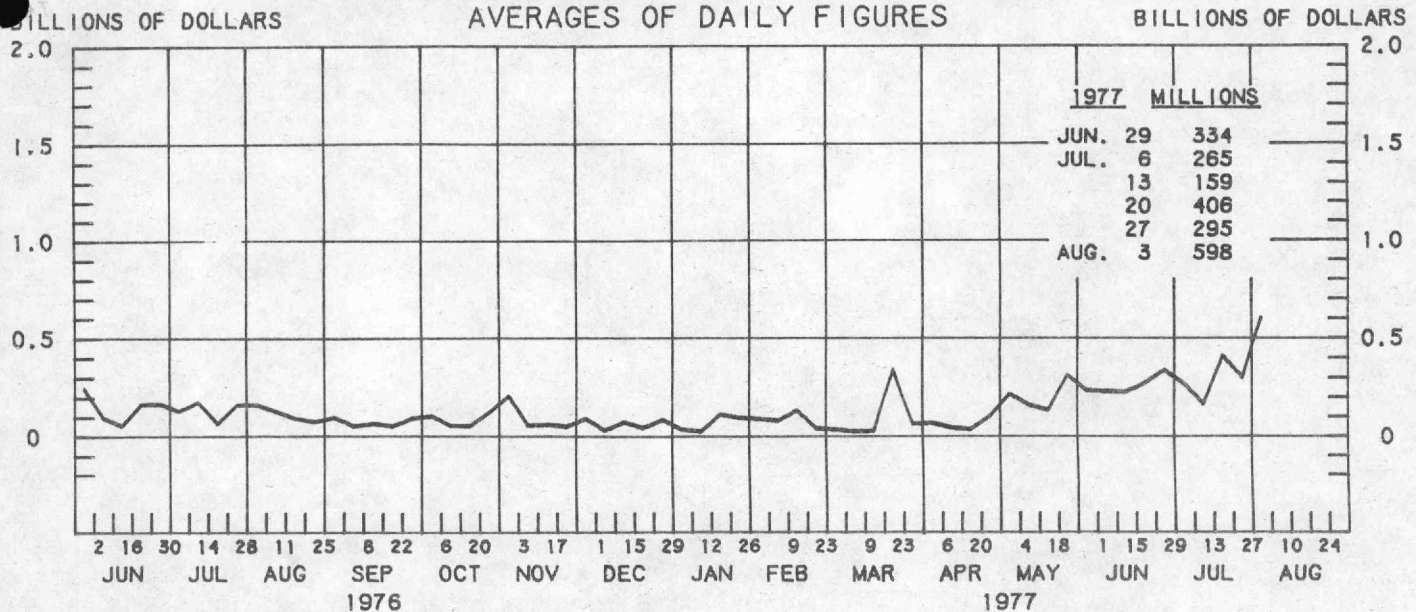
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

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.
JUNE 1	62.3	62.9
8	62.6	63.2
15	62.8	63.7
22	62.9	64.0
29	63.7	64.8
JULY 6	63.1	64.0
13	62.4	62.8
20	62.4	62.4
27	62.7	62.3
AUG. 3		
10		
17		
24		
31		

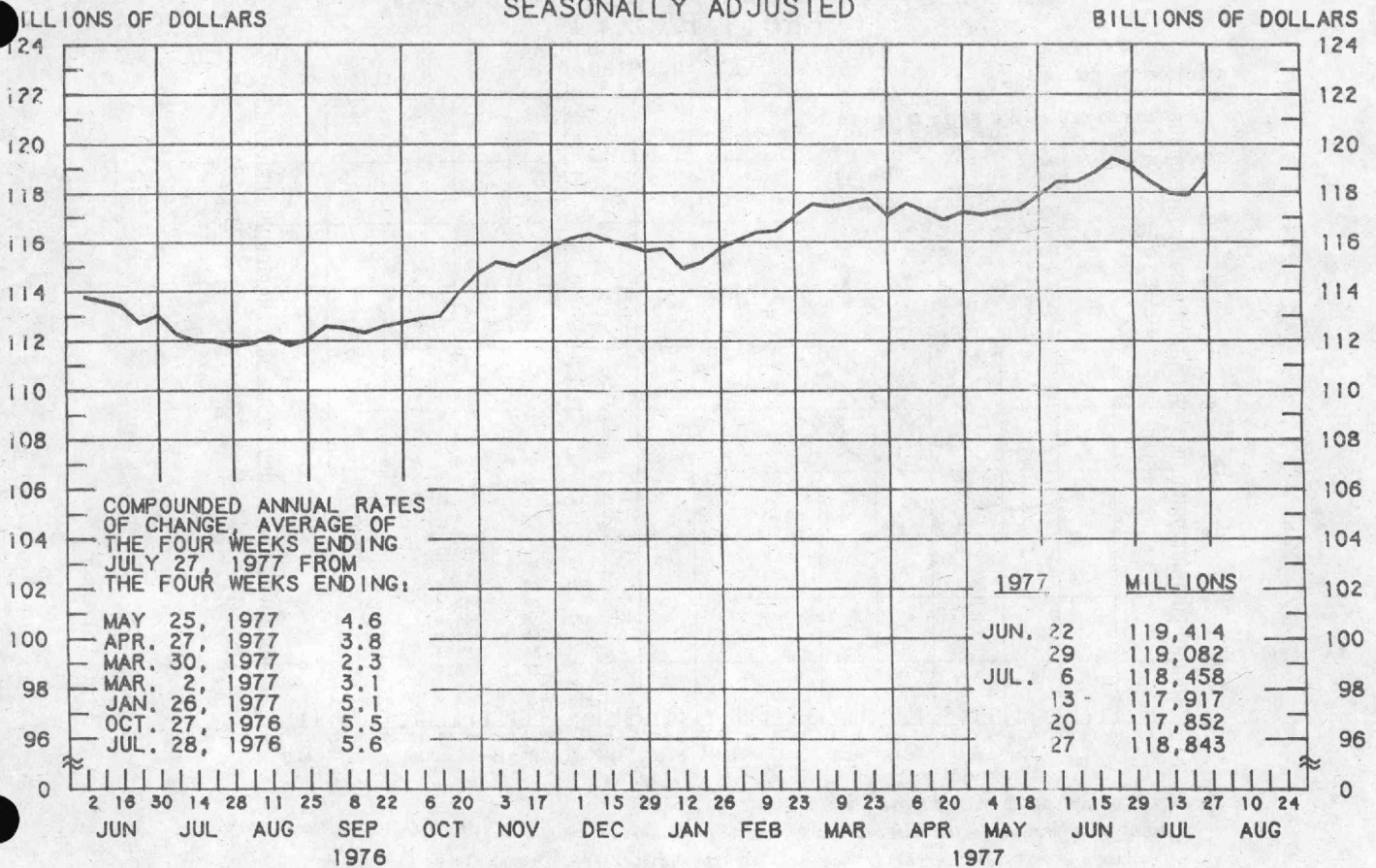
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



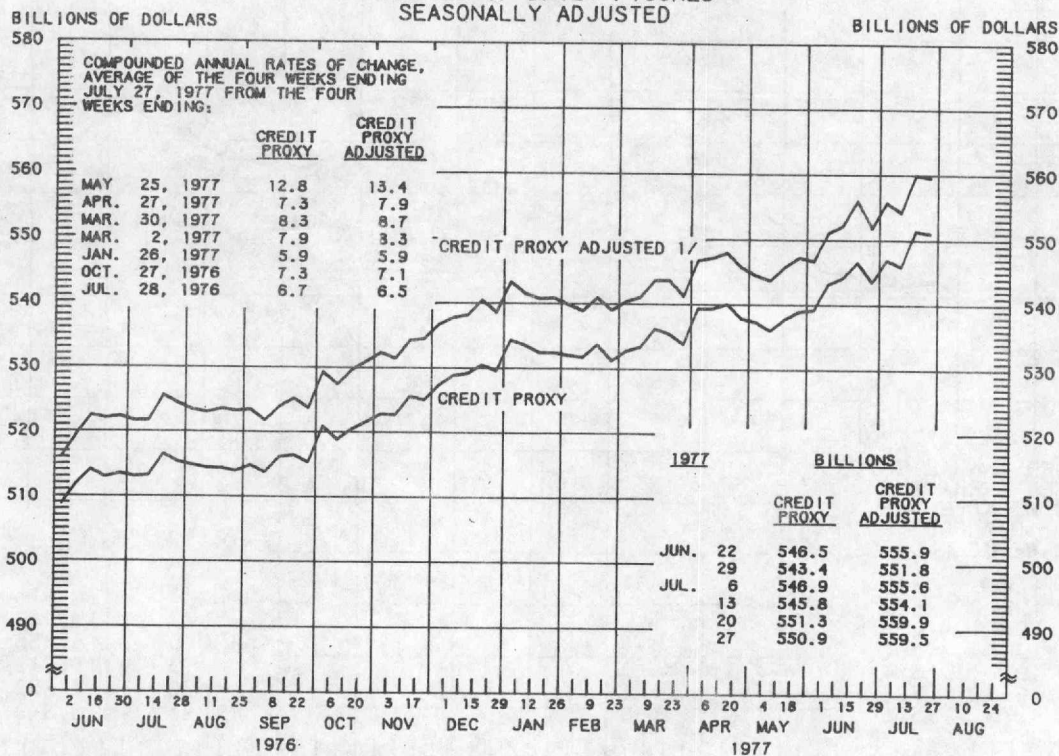
LATEST DATA PLOTTED WEEK ENDING: AUGUST 3, 1977

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



LATEST DATA PLOTTED WEEK ENDING: JULY 27, 1977

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



LATEST DATA PLOTTED WEEK ENDING: JULY 27, 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