



Week ending: September 14, 1977

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DEC 26 1977

Growth of the money stock, defined as demand deposits plus currency (M1), has accelerated over the last six months relative to the previous six months. From the four weeks ending March 9, 1977 to the four weeks ending September 7, 1977, M1 rose at a 9.4 percent annual rate, compared to a 5.3 percent growth rate from the four weeks ending in early September 1976 to the four weeks ending in early March of this year. As indicated in the table below, this acceleration in M1 growth occurred primarily in the demand deposit component of the money stock.

A broader monetary aggregate, M2 (M1 plus net time deposits at commercial banks), has exhibited the opposite pattern of growth over the past year, growing less rapidly over the last six months relative to the previous six months. Differences in the pattern of growth among these monetary aggregates are largely due to the influence of changes in short-term interest rates on the growth of net time deposits at commercial banks. A rise in short-term market interest rates relative to the ceiling rates on time and savings deposits induces depositors to withdraw funds from such deposit accounts and put them in other forms of investment. The opposite reaction takes place when short-term rates decline. On balance, short-term interest rates have risen during the past six months, whereas short-term rates declined during most of the previous six months. The yield on three-month Treasury bills declined from an average of 5.14 percent in August 1976 to 4.67 percent in February 1977 and rose to 5.49 percent in August of this year.

Growth Rates of Selected Monetary Aggregates
(Annual Rates of Change)
Seasonally Adjusted

Period (Average of Four Weeks Ending)	M1	Demand Deposits	Net Time Deposits	M2
9/8/76 - 3/9/77	5.3 %	4.2 %	16.5 %	11.6 %
3/9/77 - 9/7/77	9.4	9.4	10.5	10.1

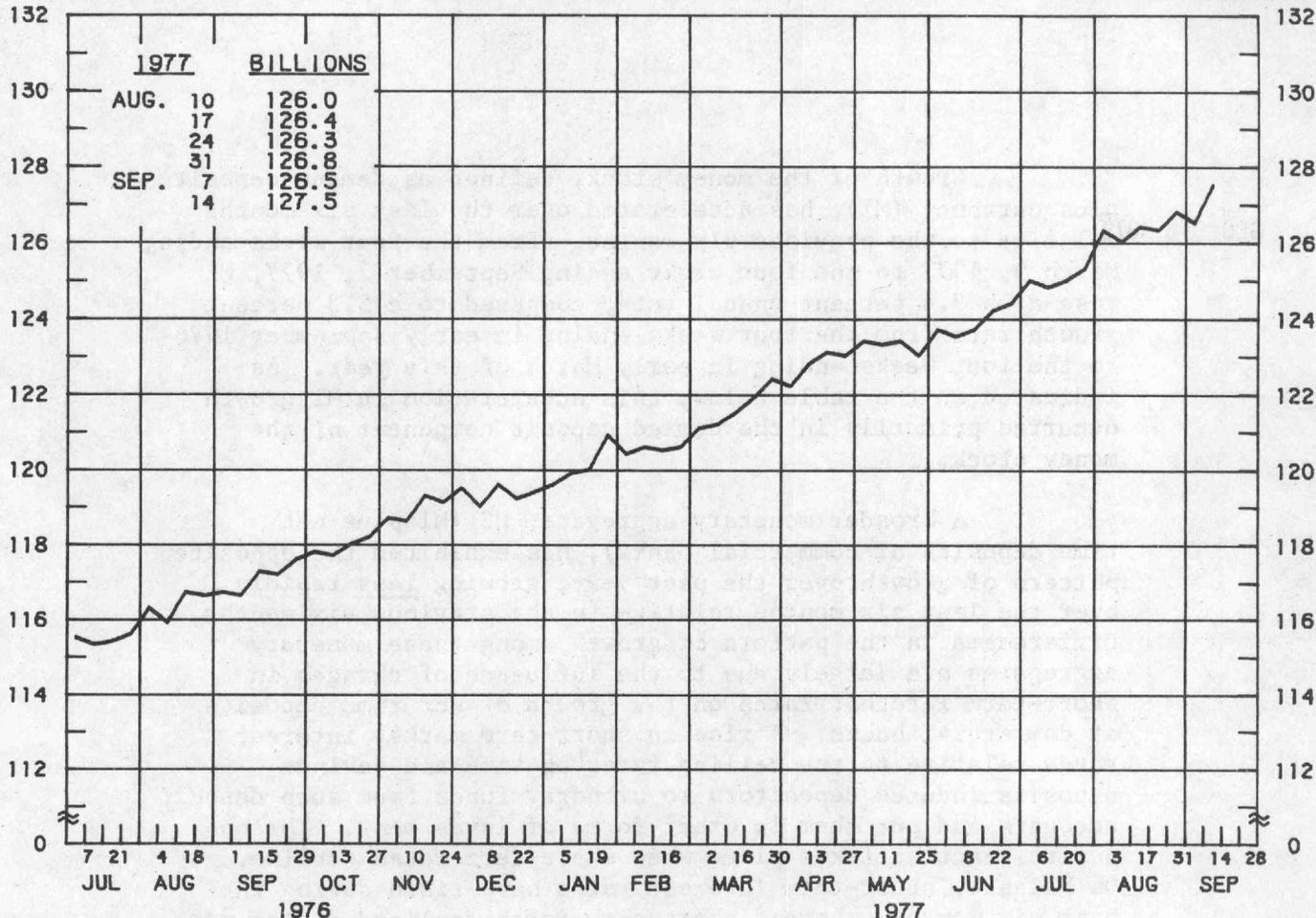
Prepared by Federal Reserve Bank of St. Louis
Released: September 16, 1977

MONETARY BASE

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 14, 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 MONETARY BASE IS AVAILABLE FROM THE FEDERAL RESERVE BANK OF ST. LOUIS.

MONETARY BASE

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

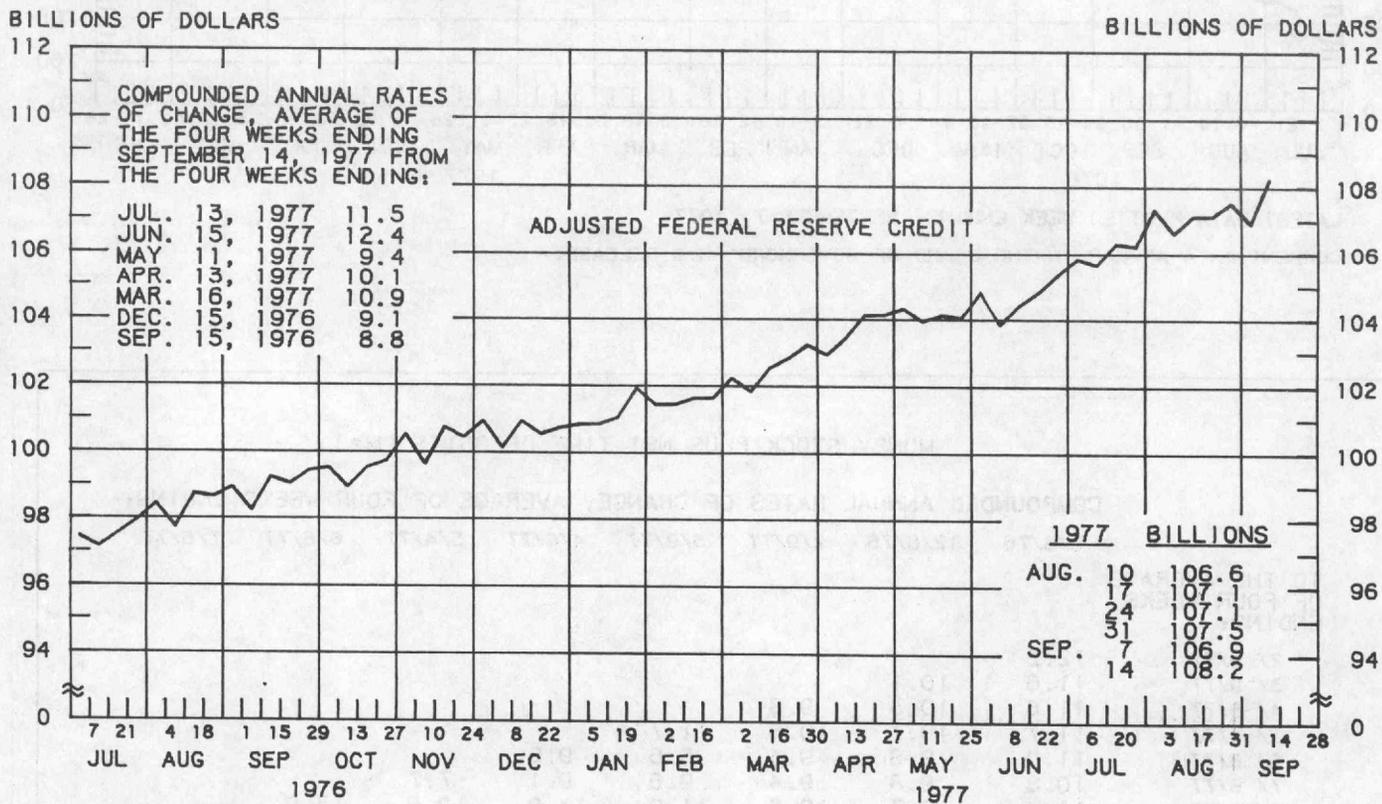
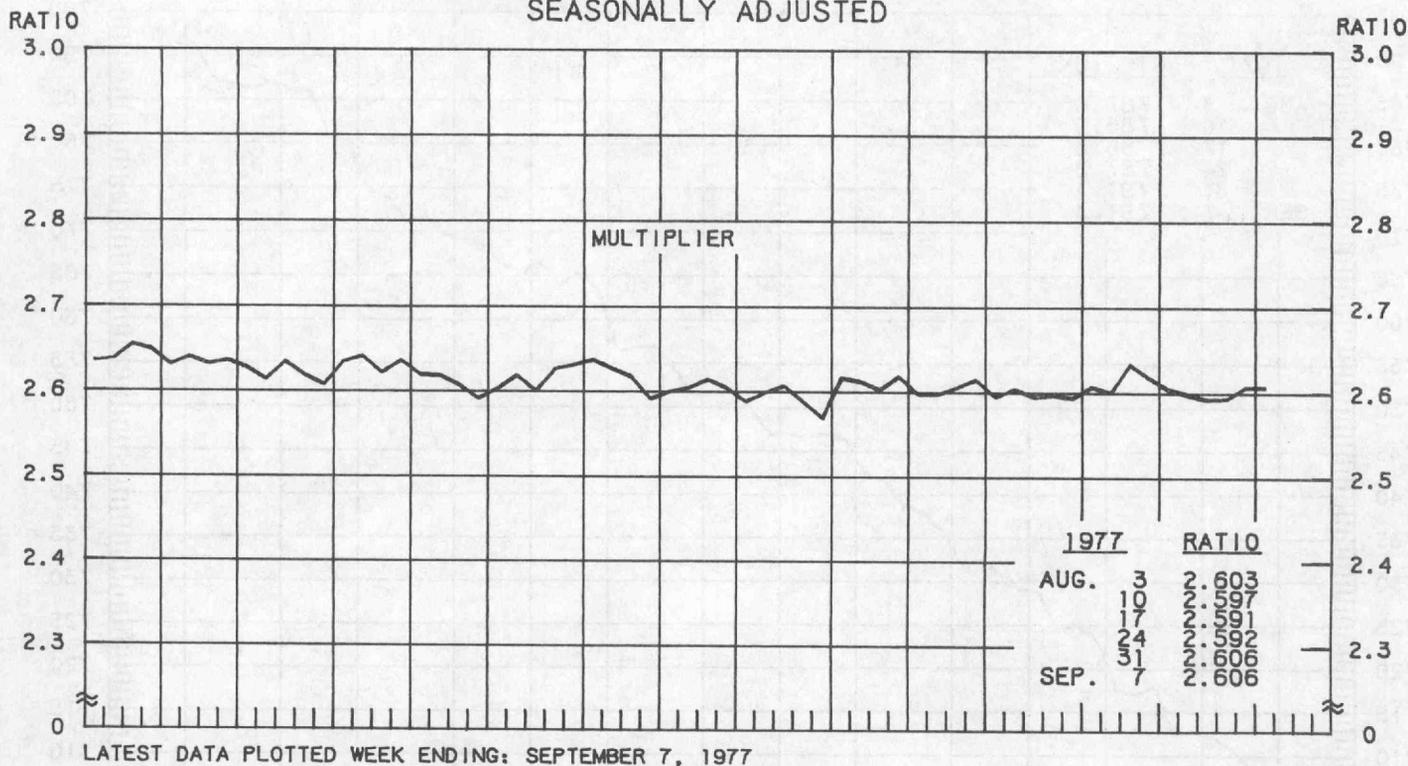
9/15/76 12/15/76 2/16/77 3/16/77 4/13/77 5/11/77 6/15/77 7/13/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

2/16/77	7.9							
3/16/77	7.5	6.2						
4/13/77	8.3	7.9	9.5					
5/11/77	8.5	8.3	9.7	11.8				
6/15/77	7.7	7.2	7.5	8.2	5.8			
7/13/77	8.1	7.8	8.4	9.1	7.7	6.7		
8/17/77	8.6	8.5	9.2	9.8	9.0	6.7	12.3	
9/14/77	8.6	8.5	9.1	9.6	8.9	8.7	11.1	10.6

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

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



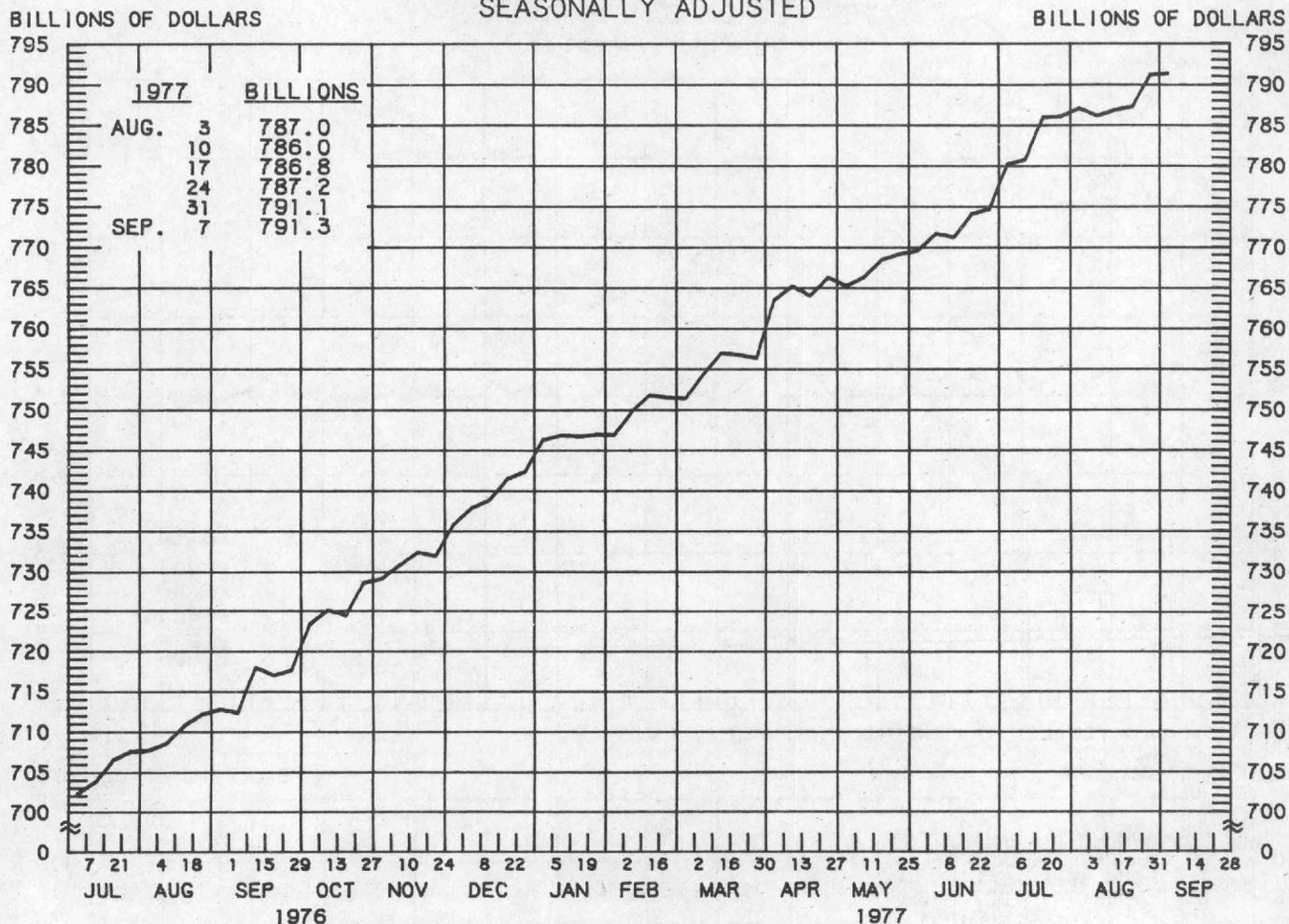
LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 14, 1977

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: SEPTEMBER 7, 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:

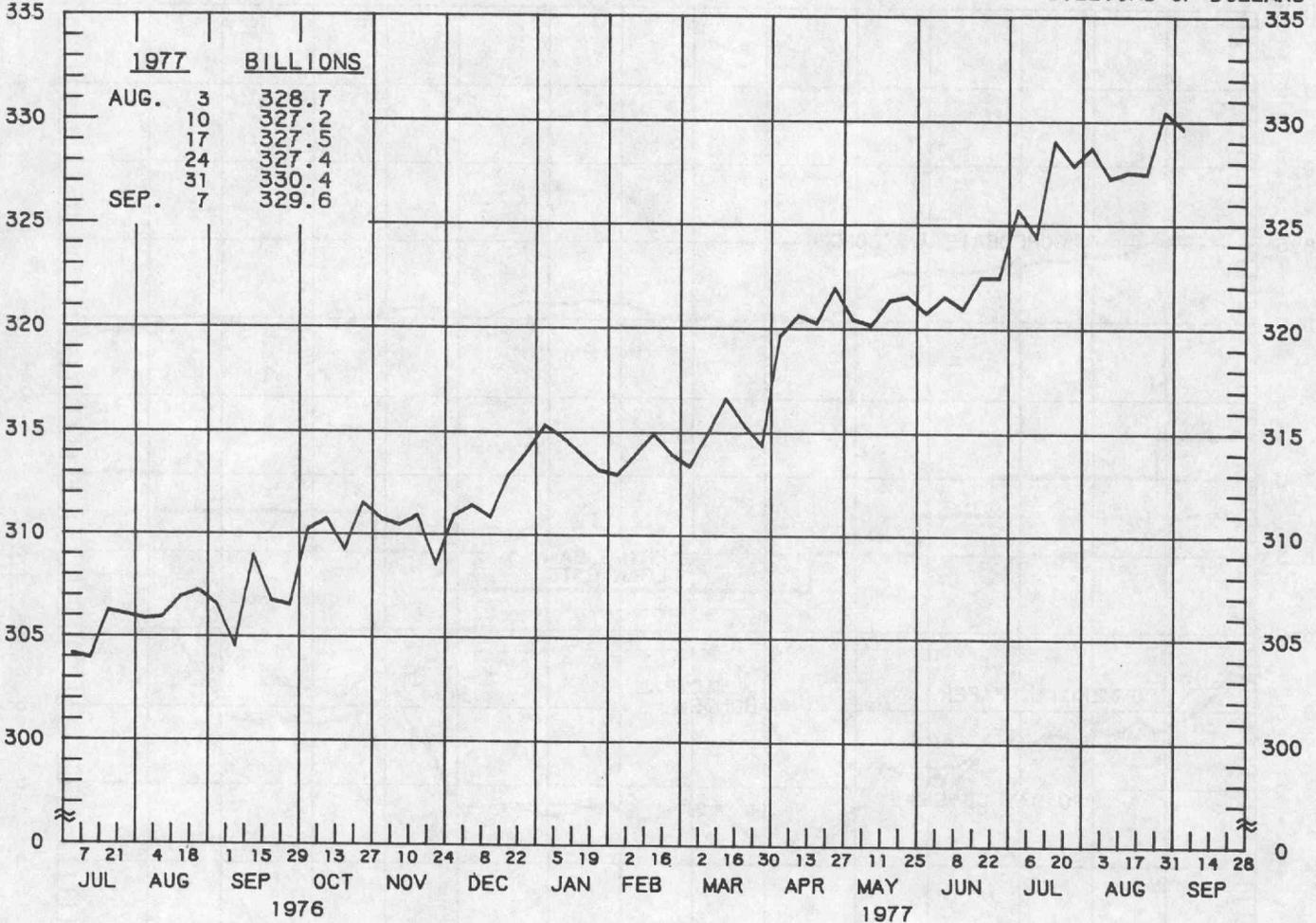
	9/8/76	12/8/76	2/9/77	3/9/77	4/6/77	5/4/77	6/8/77	7/6/77
TO THE AVERAGE OF FOUR WEEKS ENDING:								
2/ 9/77	12.2							
3/ 9/77	11.6	10.1						
4/ 6/77	11.6	10.3	9.8					
5/ 4/77	11.7	10.7	10.6	11.7				
6/ 8/77	11.0	9.8	9.4	9.6	9.0			
7/ 6/77	10.8	9.8	9.4	9.6	9.1	7.7		
8/10/77	11.4	10.7	10.6	11.0	11.0	10.6	13.0	
9/ 7/77	10.8	10.1	9.8	10.1	9.9	9.3	10.5	11.0

MONEY STOCK (M1)

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 7, 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:

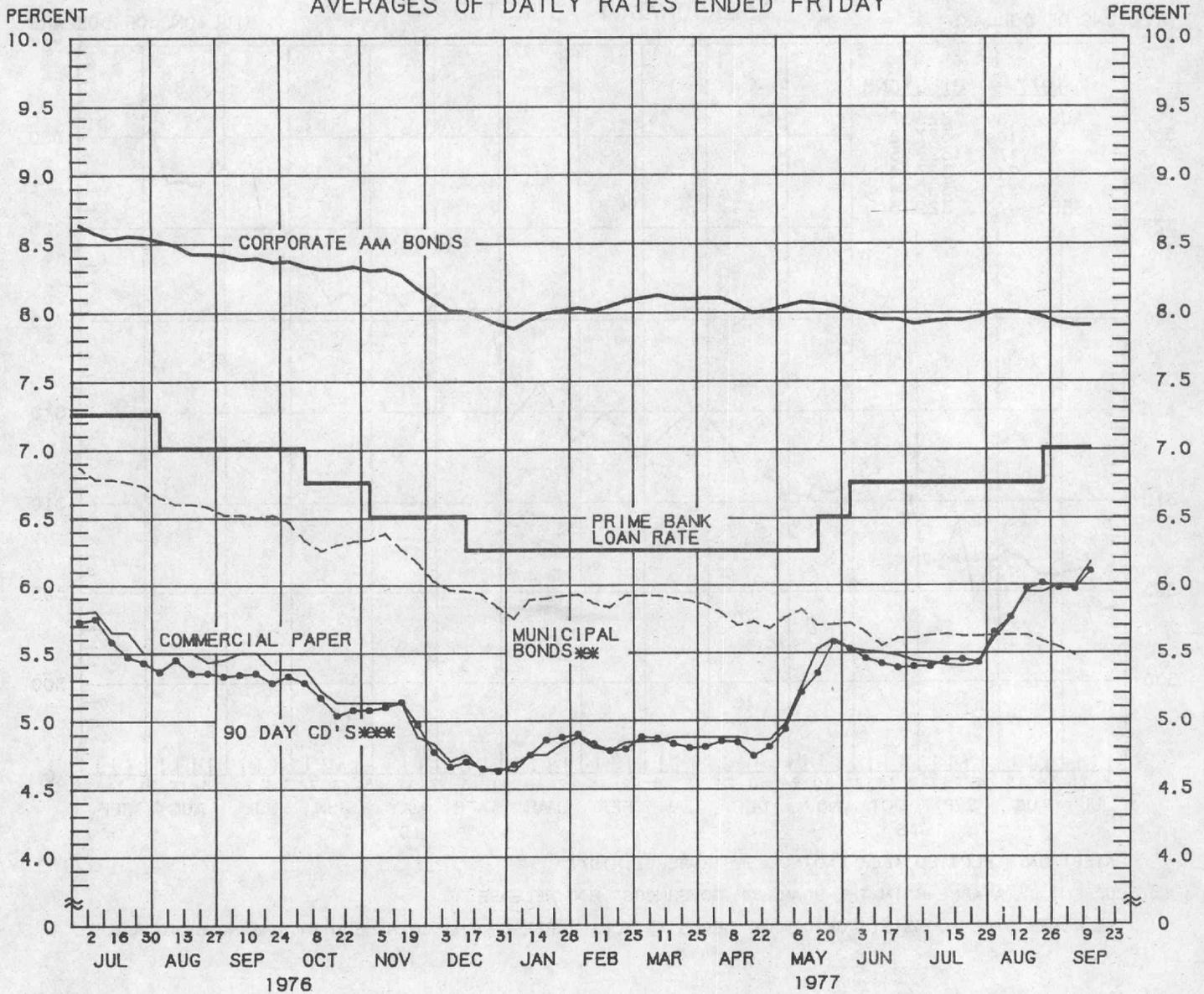
9/8/76 12/8/76 2/9/77 3/9/77 4/6/77 5/4/77 6/8/77 7/6/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

2/ 9/77	5.6								
3/ 9/77	5.3	5.1							
4/ 6/77	5.8	6.1	6.4						
5/ 4/77	7.3	8.5	10.5	14.2					
6/ 8/77	6.6	7.1	7.8	9.2	9.1				
7/ 6/77	6.6	7.1	7.6	8.6	8.3	3.8			
8/10/77	7.8	8.6	9.6	10.8	11.1	8.8	13.1		
9/ 7/77	7.3	7.9	8.6	9.4	9.4	7.3	9.5	10.8	

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: SEPTEMBER 16, 1977

1977	90 DAY CD'S ***	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS **
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	5.61	5.70	8.00	5.63
12	5.76	5.75	5.83	8.00	5.63
19	5.97	5.95	6.02	7.99	5.63
26	6.01	5.95	5.95	7.96	5.58
SEP. 2	5.98	6.00	5.93	7.92	5.54
9	5.97	5.99	5.98	7.90	5.48
16 *	6.10	6.17	6.20	7.90	N.A.
23					
30					

* 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

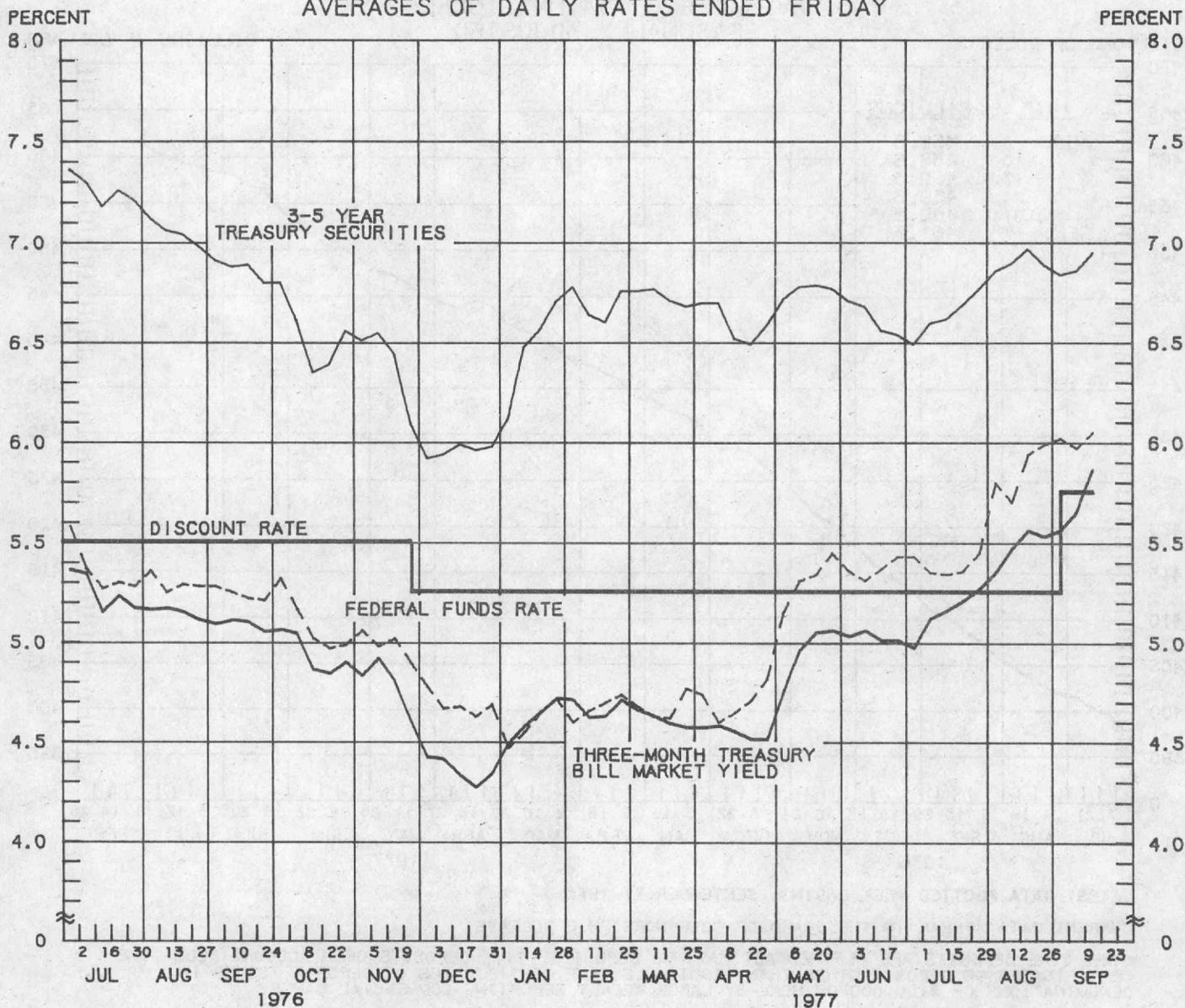
EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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: SEPTEMBER 16, 1977

1977	FEDERAL FUNDS **	3-MONTH TREASURY BILLS	1-YEAR TREASURY BILL	3-5 YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
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	5.35	5.83	6.86	7.53
12	5.70	5.47	5.94	6.90	7.54
19	5.94	5.56	6.07	6.97	7.52
26	5.99	5.53	6.02	6.89	7.45
SEP. 2	6.02	5.56	5.98	6.84	7.40
9	5.97	5.65	6.04	6.86	7.41
16 *	6.05	5.86	6.17	6.95	7.46
23					
30					

* AVERAGES OF RATES AVAILABLE.

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

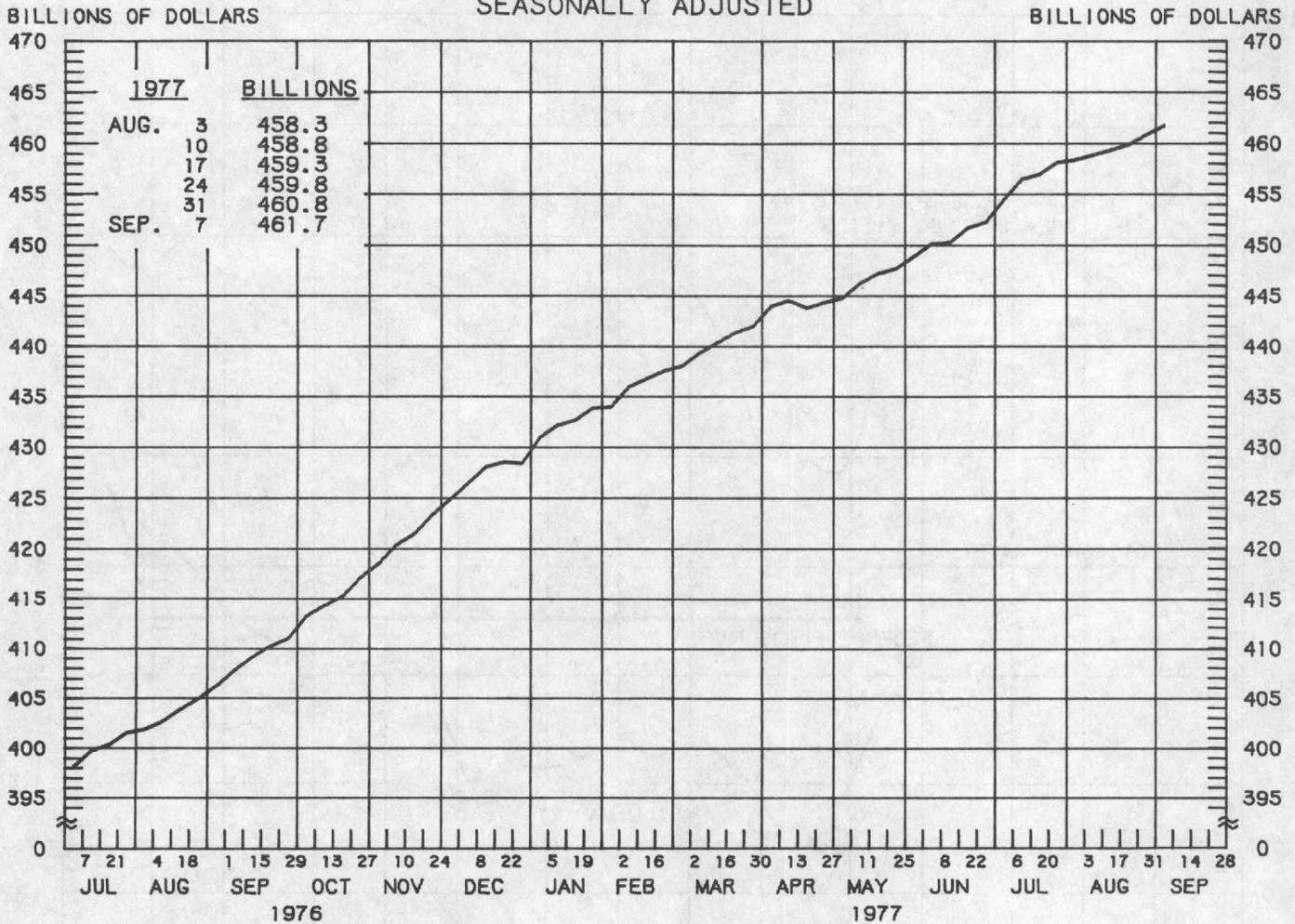
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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

TREASURY BILL YIELDS ON DISCOUNT BASIS.

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: SEPTEMBER 7, 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:

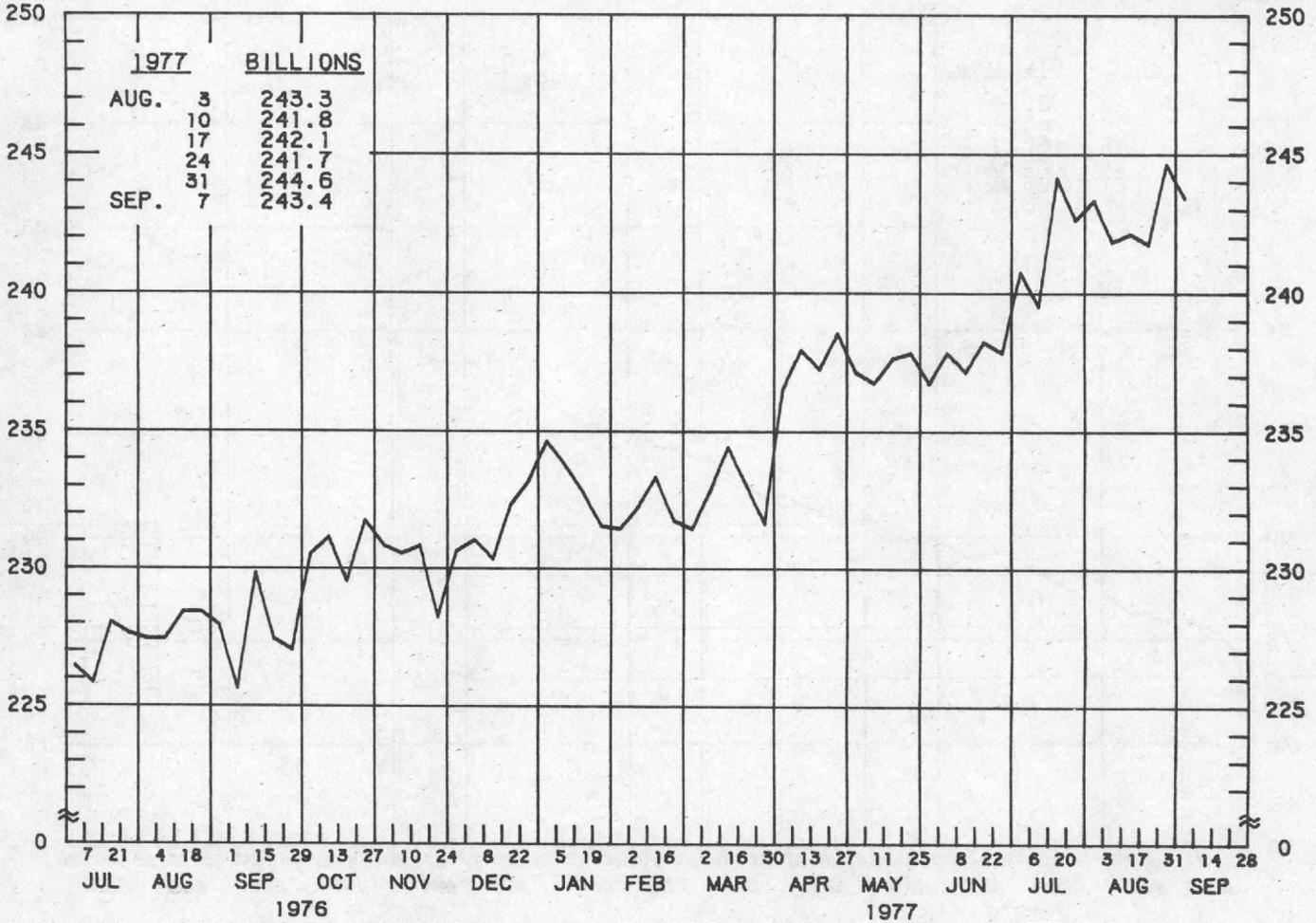
	9/8/76	12/8/76	2/9/77	3/9/77	4/6/77	5/4/77	6/8/77	7/6/77
TO THE AVERAGE OF FOUR WEEKS ENDING:								
2/ 9/77	17.3							
3/ 9/77	16.5	13.8						
4/ 6/77	16.0	13.5	12.3					
5/ 4/77	14.9	12.3	10.6	9.9				
6/ 8/77	14.3	11.8	10.4	9.9	8.8			
7/ 6/77	14.0	11.8	10.6	10.3	9.6	10.6		
8/10/77	14.0	12.1	11.3	11.2	10.9	11.9	13.0	
9/ 7/77	13.5	11.6	10.7	10.5	10.2	10.8	11.1	11.1

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 7, 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:

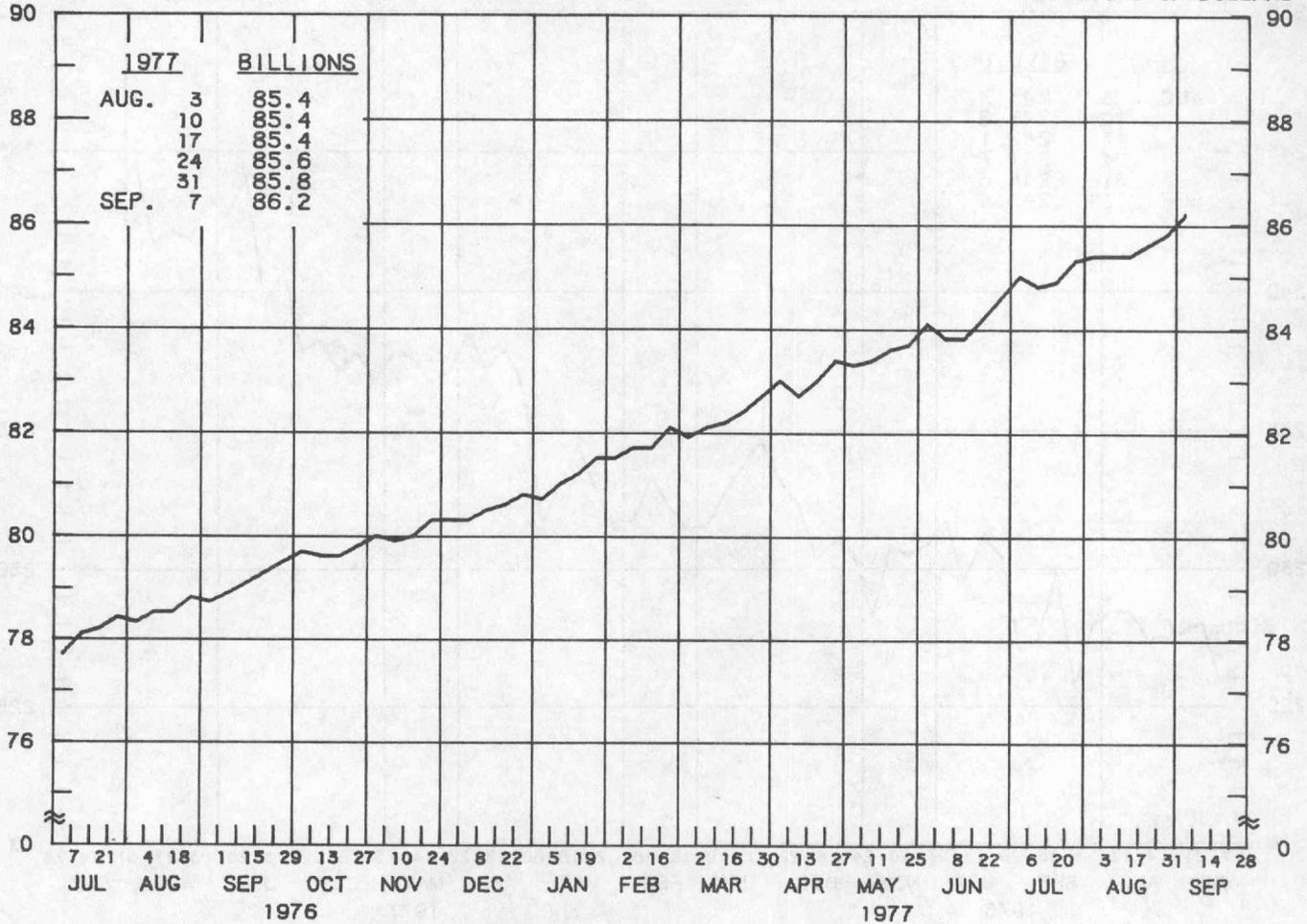
	9/8/76	12/8/76	2/9/77	3/9/77	4/6/77	5/4/77	6/8/77	7/6/77
TO THE AVERAGE OF FOUR WEEKS ENDING:								
2/ 9/77	4.6							
3/ 9/77	4.2	3.7						
4/ 6/77	4.8	5.0	5.4					
5/ 4/77	6.9	8.3	11.1	16.1				
6/ 8/77	5.8	6.4	7.4	9.3	9.2			
7/ 6/77	5.8	6.3	7.1	8.4	8.1	2.0		
8/10/77	7.4	8.4	9.7	11.2	11.7	8.5	14.1	
9/ 7/77	6.8	7.5	8.4	9.4	9.4	6.6	9.6	11.4

CURRENCY COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 7, 1977

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

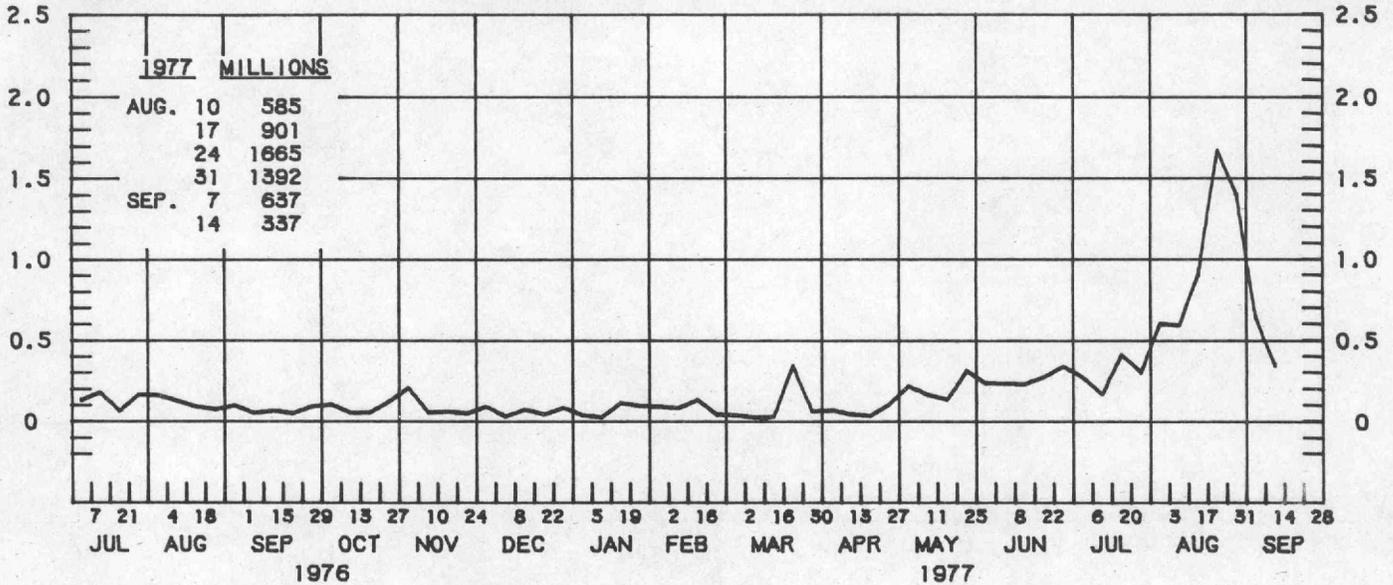
CURRENCY

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

	9/8/76	12/8/76	2/9/77	3/9/77	4/6/77	5/4/77	6/8/77	7/6/77
TO THE AVERAGE OF FOUR WEEKS ENDING:								
2/ 9/77	8.6							
3/ 9/77	8.6	9.3						
4/ 6/77	8.7	9.4	9.1					
5/ 4/77	8.7	9.2	8.8	9.0				
6/ 8/77	8.7	9.2	8.9	9.1	8.7			
7/ 6/77	8.8	9.3	9.0	9.2	9.0	9.4		
8/10/77	9.1	9.6	9.5	9.8	9.7	10.2	10.8	
9/ 7/77	9.0	9.4	9.3	9.5	9.4	9.7	9.9	10.0

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION

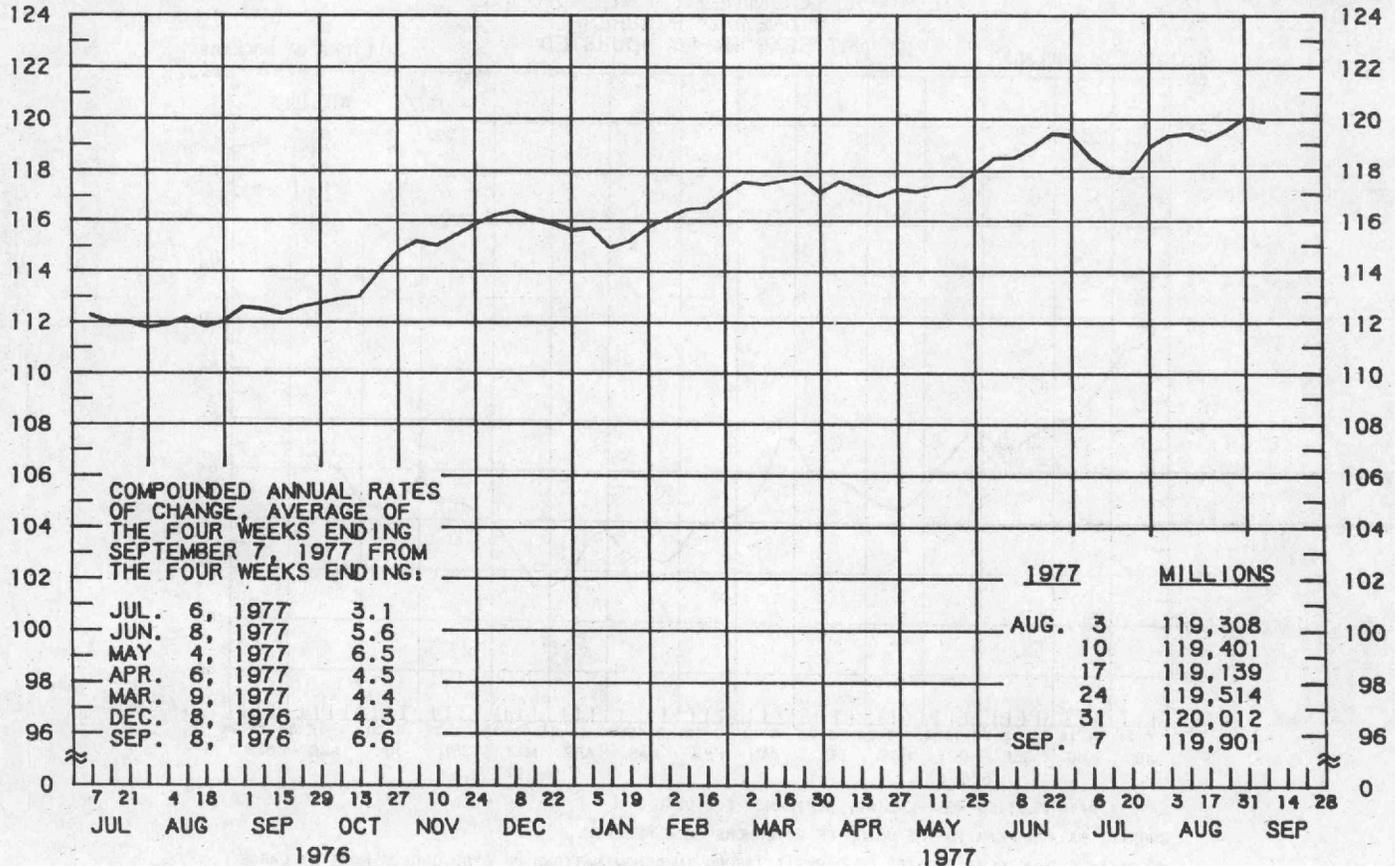
BILLIONS OF DOLLARS AVERAGES OF DAILY FIGURES BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 14, 1977

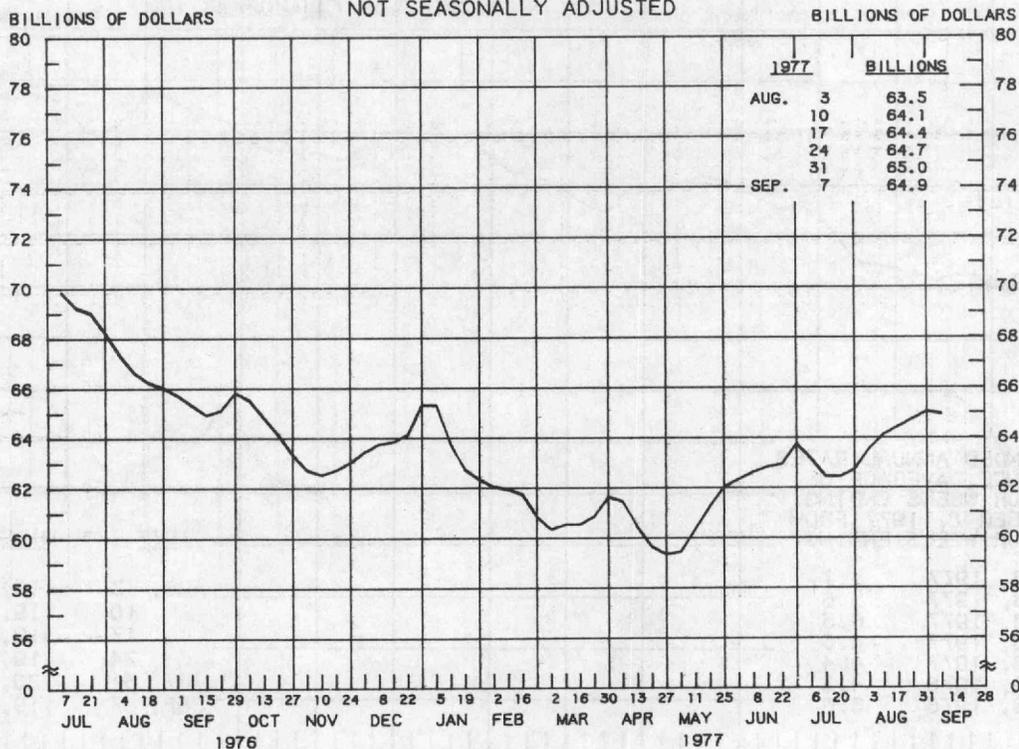
BUSINESS LOANS (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS SEASONALLY ADJUSTED

BILLIONS OF DOLLARS BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 7, 1977

CERTIFICATES OF DEPOSIT
LARGE COMMERCIAL BANKS
WEDNESDAY FIGURES
NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 7, 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.

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS