

Week ending: September 28, 1977



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Business demand for short-term credit has been rising at a rapid rate in recent months. During the six months ending in August, business loans at all commercial banks rose at an 11.5 percent annual rate, compared to an 8.9 percent rate of increase in the previous six months and a 2 percent decline in the year ending in August 1976.* Business loans at weekly reporting large commercial banks have not expanded as rapidly as business loans at all commercial banks during the past six months. Business loans at weekly reporting banks rose at a 4.7 percent rate from the four weeks ending March 2, 1977 to the four weeks ending August 31, 1977, compared to an 8.5 percent rate in the previous six months.

Commercial paper outstanding of nonfinancial corporations, another component of business short-term credit, rose at a 31.9 percent rate in the six months ending in August of this year, compared to a 2.9 percent rate of increase in the previous six months and a 2.7 percent increase in the 12 months ending in August of last year.*

Growth of total loans at all commercial banks has been even more rapid than the growth of their business loans during the past year. Total loans rose at a 13.4 percent rate in the six months ending in August of this year and at an 11.6 percent rate in the previous six months. While increasing their loans at rapid rates during the past year, banks have reduced the rate at which they have been adding to their portfolios of investments, compared to the previous year when loan demand was not as strong. All commercial banks increased their investments 7.1 percent in the 12 months ending in August of this year, compared to a 10.7 percent increase in the previous year.*

This strong credit demand has contributed to upward pressure on interest rates in recent months. Short-term interest rates have risen sharply since April. For instance, the 4 - 6 month commercial paper rate rose from an average of 4.87 percent in April to 6.30 percent in the most recent week. The commercial bank prime rate has been increased four times since April from 6.25 percent to 7.25 percent.

* The data used for each month is computed by averaging the end-of-month data for the current month and the end-of-month data for the previous month.

Prepared by Federal Reserve Bank of St. Louis
Released: September 30, 1977

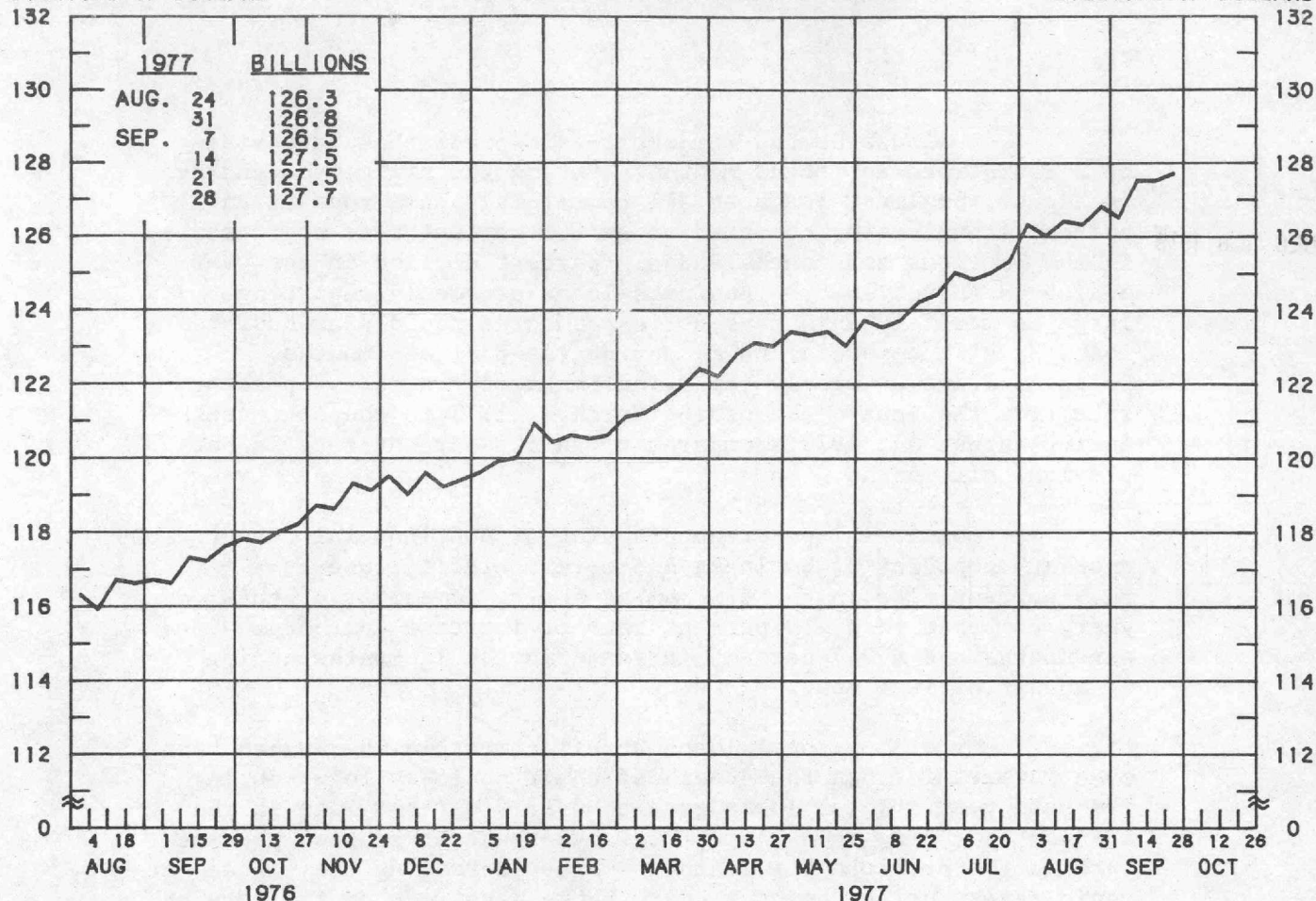
MONETARY BASE

AVERAGES OF DAILY FIGURES

SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 28, 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

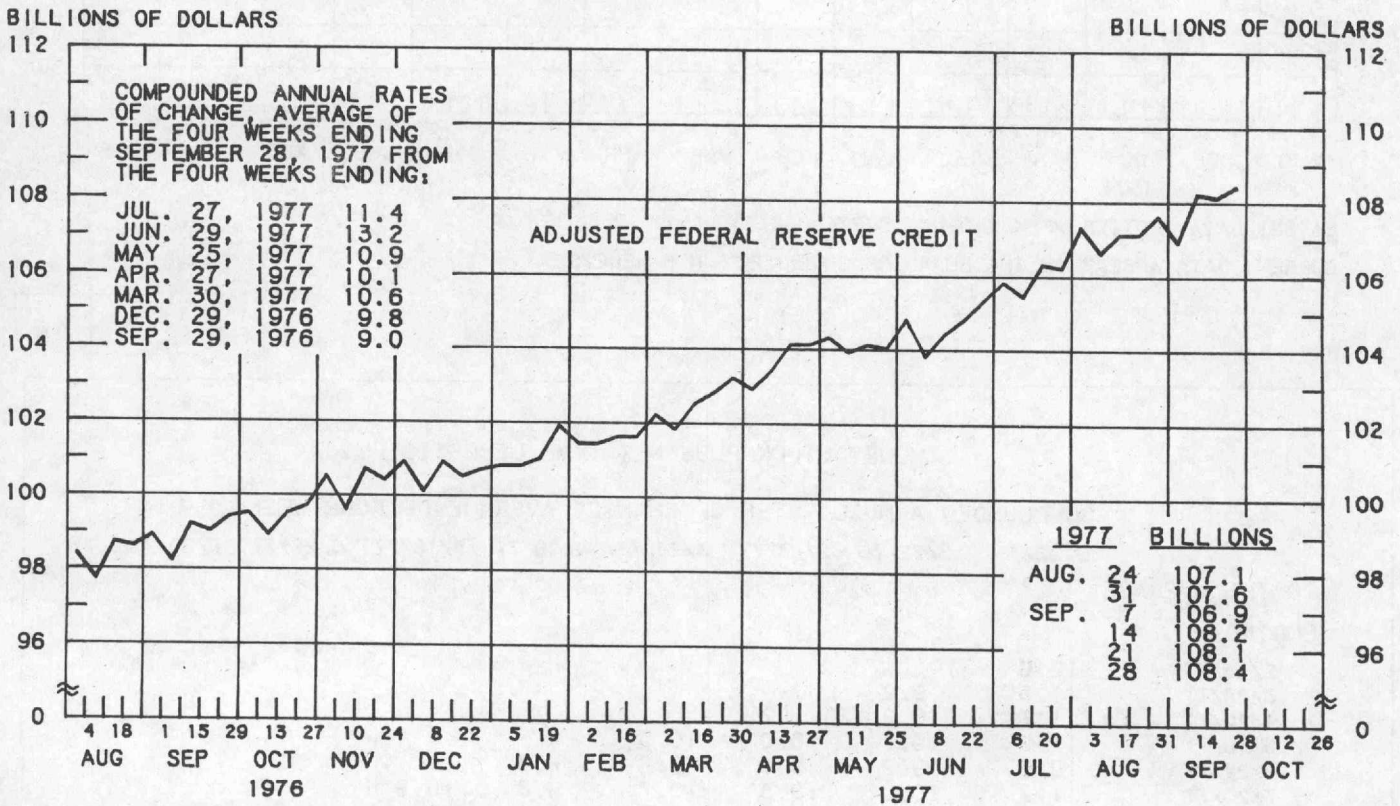
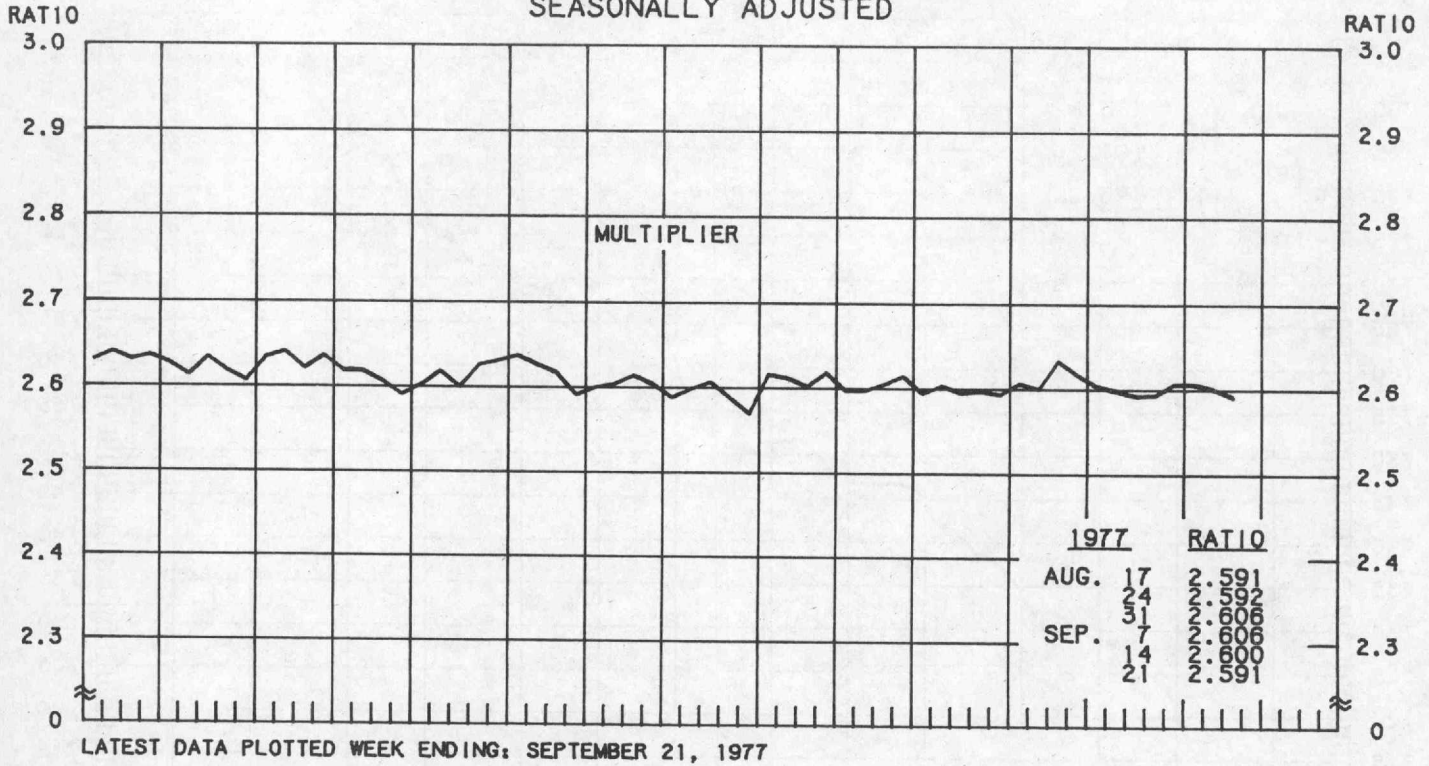
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

9/29/76 12/29/76 3/2/77 3/30/77 4/27/77 5/25/77 6/29/77 7/27/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

3/ 2/77	7.2						
3/30/77	8.0	8.6					
4/27/77	8.4	9.2	11.9				
5/25/77	8.1	8.5	9.7	8.3			
6/29/77	7.8	8.0	8.6	7.4	5.8		
7/27/77	8.1	8.4	9.1	8.3	7.4	8.2	
8/31/77	8.5	9.0	9.7	9.2	8.7	9.7	11.7
9/28/77	8.6	9.0	9.7	9.2	8.9	9.7	11.1

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



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

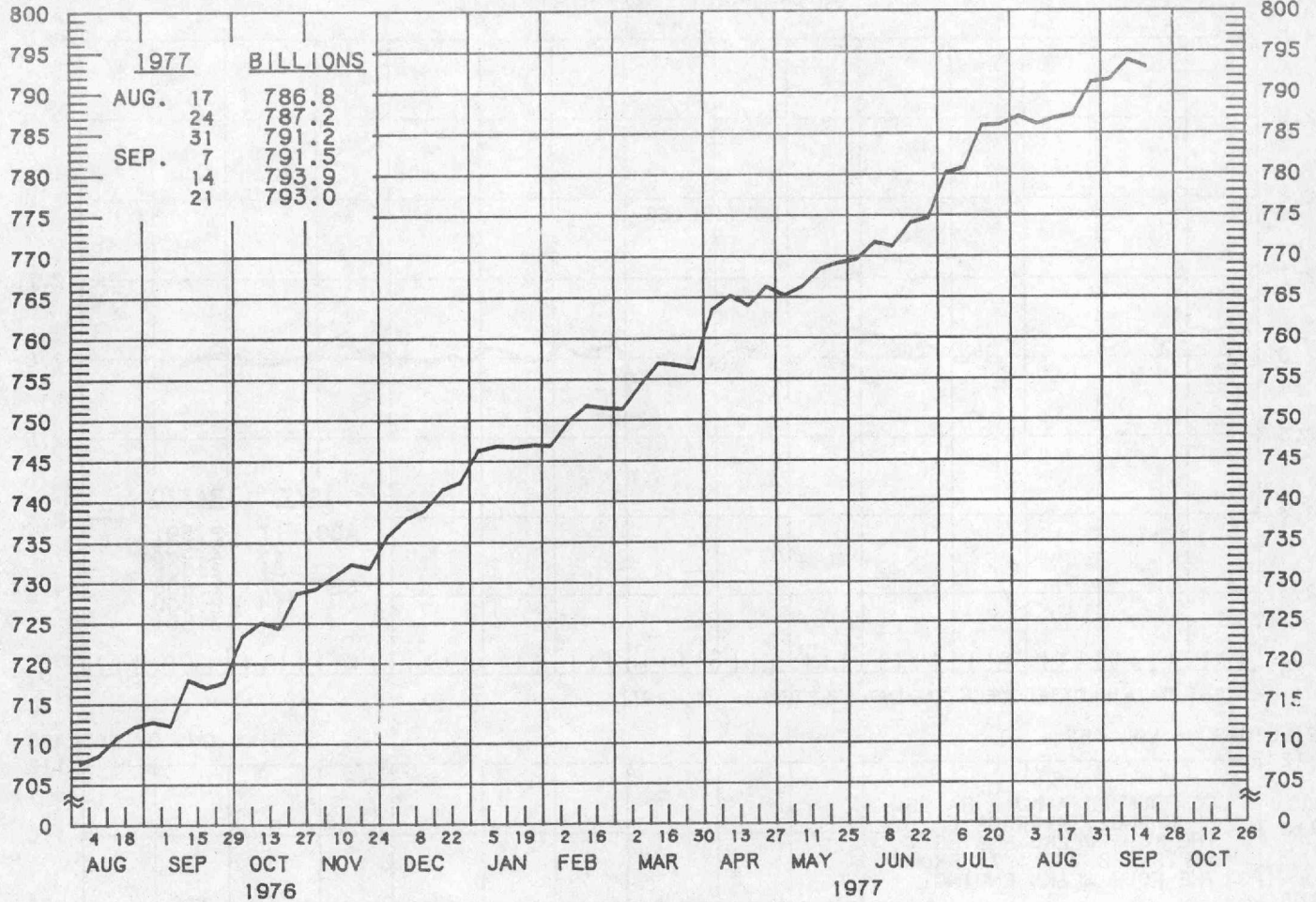
2/ FEDERAL RESERVE CREDIT CONSISTS OF FEDERAL RESERVE HOLDINGS OF SECURITIES, LOANS, FLOAT AND OTHER ASSETS. ADJUSTED FEDERAL RESERVE CREDIT IS COMPUTED BY SUBTRACTING TREASURY DEPOSITS AT FEDERAL RESERVE BANKS FROM THIS SERIES, AND ADJUSTING THE SERIES FOR RESERVE REQUIREMENT RATIO CHANGES AND SHIFTS 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: SEPTEMBER 21, 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:

9/22/76 12/22/76 2/23/77 3/23/77 4/20/77 5/18/77 6/22/77 7/20/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

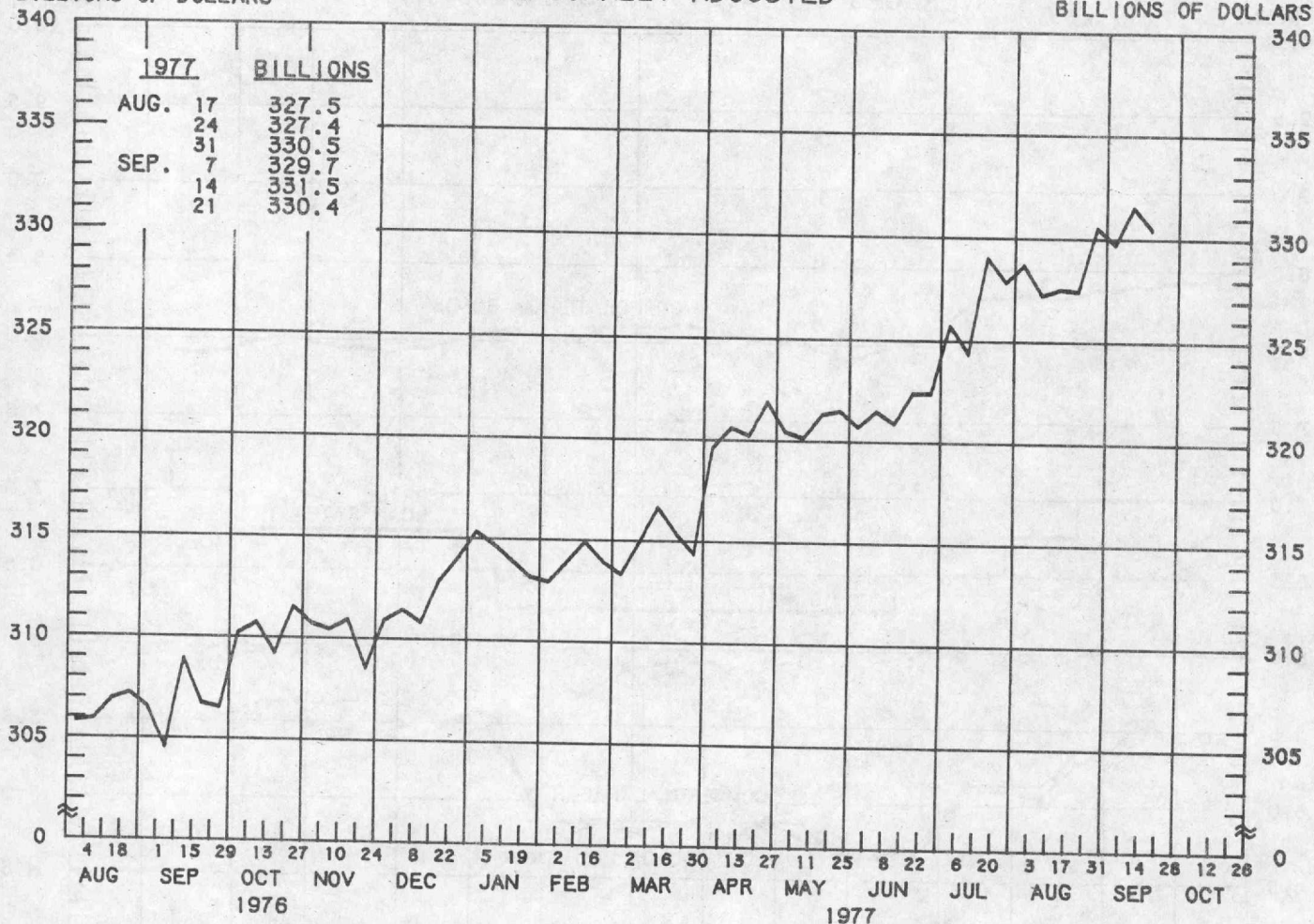
2/23/77	12.0							
3/23/77	11.5	9.2						
4/20/77	11.7	10.2	11.2					
5/18/77	11.2	9.7	10.0	10.5				
6/22/77	10.7	9.2	9.1	9.2	7.3			
7/20/77	11.2	10.0	10.3	10.7	9.8	10.9		
8/24/77	10.9	9.9	10.1	10.3	9.6	10.2	11.9	
9/21/77	10.8	9.9	10.0	10.2	9.6	10.1	11.2	9.3

MONEY STOCK (M1)

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 21, 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:

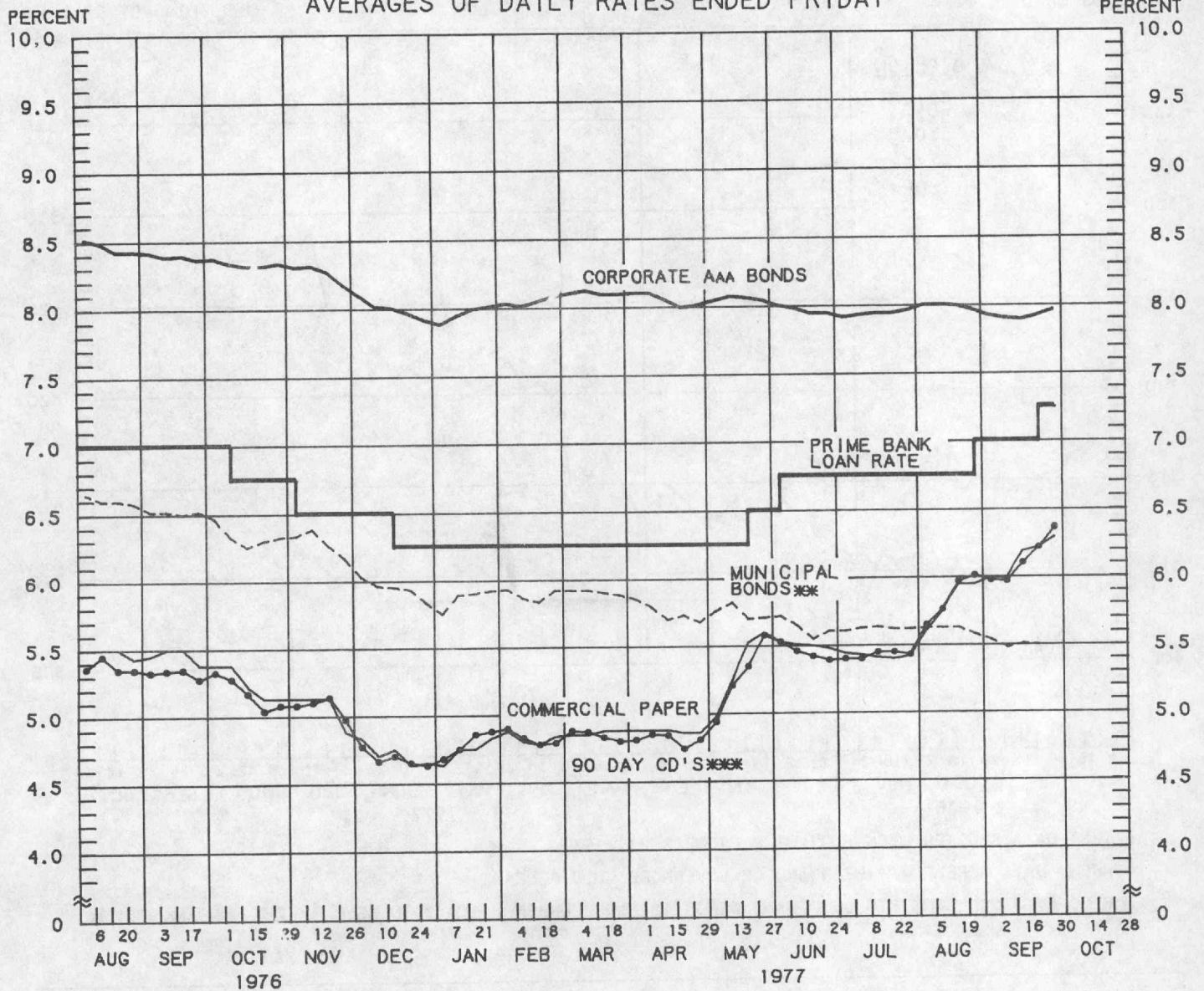
9/22/76 12/22/76 2/23/77 3/23/77 4/20/77 5/18/77 6/22/77 7/20/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

2/23/77	5.6								
3/23/77	5.5	4.6							
4/20/77	6.9	7.2	10.4						
5/18/77	7.2	7.6	10.0	12.8					
6/22/77	6.4	6.5	7.5	8.4	5.0				
7/20/77	7.4	7.9	9.3	10.4	8.7	8.4			
8/24/77	7.4	7.8	9.0	9.8	8.4	8.1	11.9		
9/21/77	7.8	8.2	9.3	10.1	9.0	8.9	11.8	9.4	

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: SEPTEMBER 30, 1977

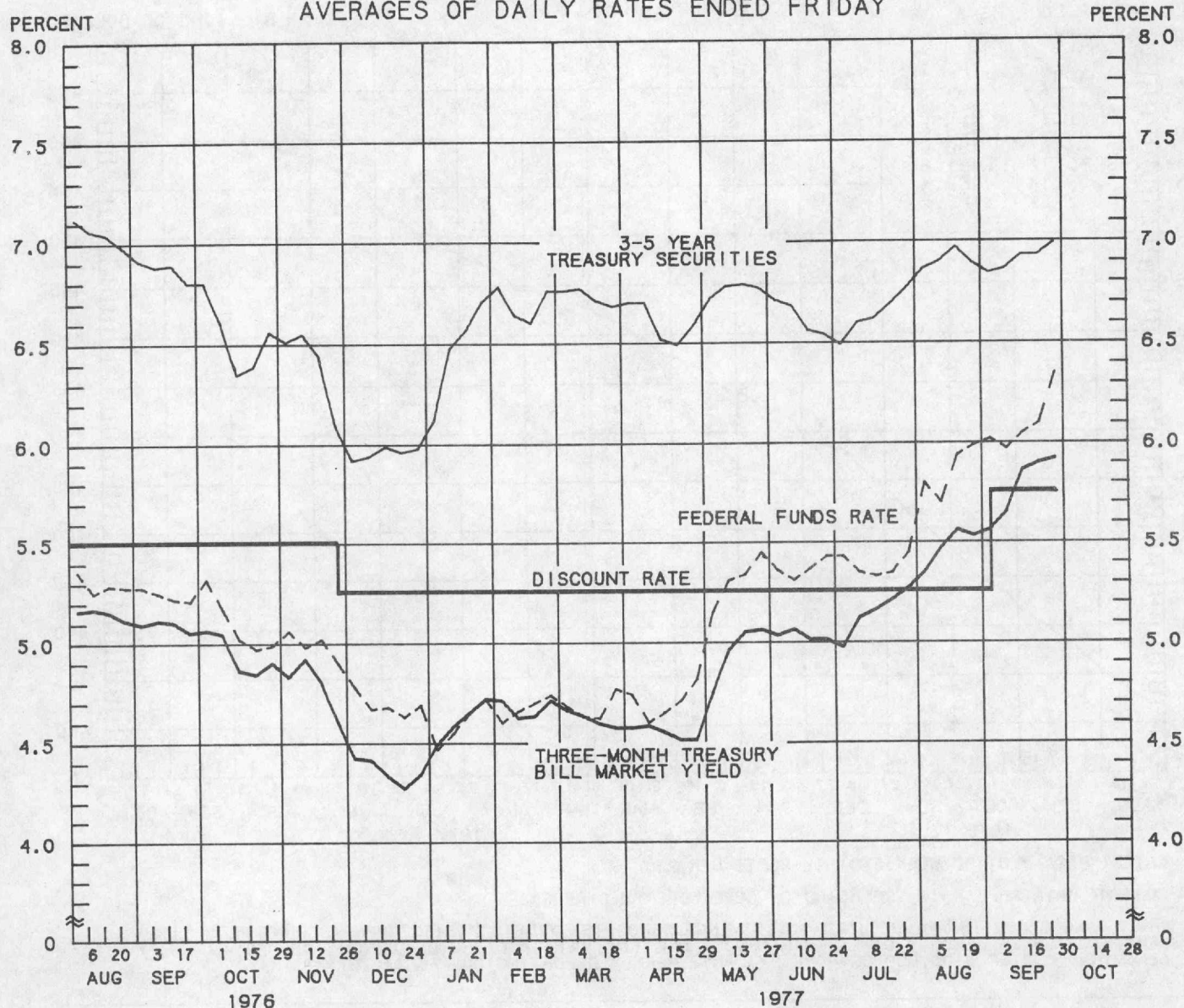
1977	90 DAY CD'S ***	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS **
AUG. 5	5.65	5.61	5.70	8.00	5.63
12	5.76	5.75	5.83	8.00	5.63
19	5.97	5.95	6.02	7.99	5.63
26	6.01	5.95	5.95	7.96	5.58
SEP. 2	5.98	6.00	5.93	7.92	5.54
9	5.97	5.99	5.98	7.90	5.48
16	6.10	6.19	6.19	7.89	5.51
23	6.22	6.22	6.22	7.92	5.50
30 *	6.37	6.30	6.30	7.96	N.A.
OCT. 7					
14					
21					
28					

* 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 30, 1977

1977	FEDERAL FUNDS **	3-MONTH TREASURY BILLS	1-YEAR TREASURY BILL	3-5 YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
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	6.14	6.93	7.45
23	6.10	5.90	6.15	6.93	7.47
30 *	6.35	5.92	6.21	6.99	7.49
OCT. 7					
14					
21					
28					

* AVERAGES OF RATES AVAILABLE.

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

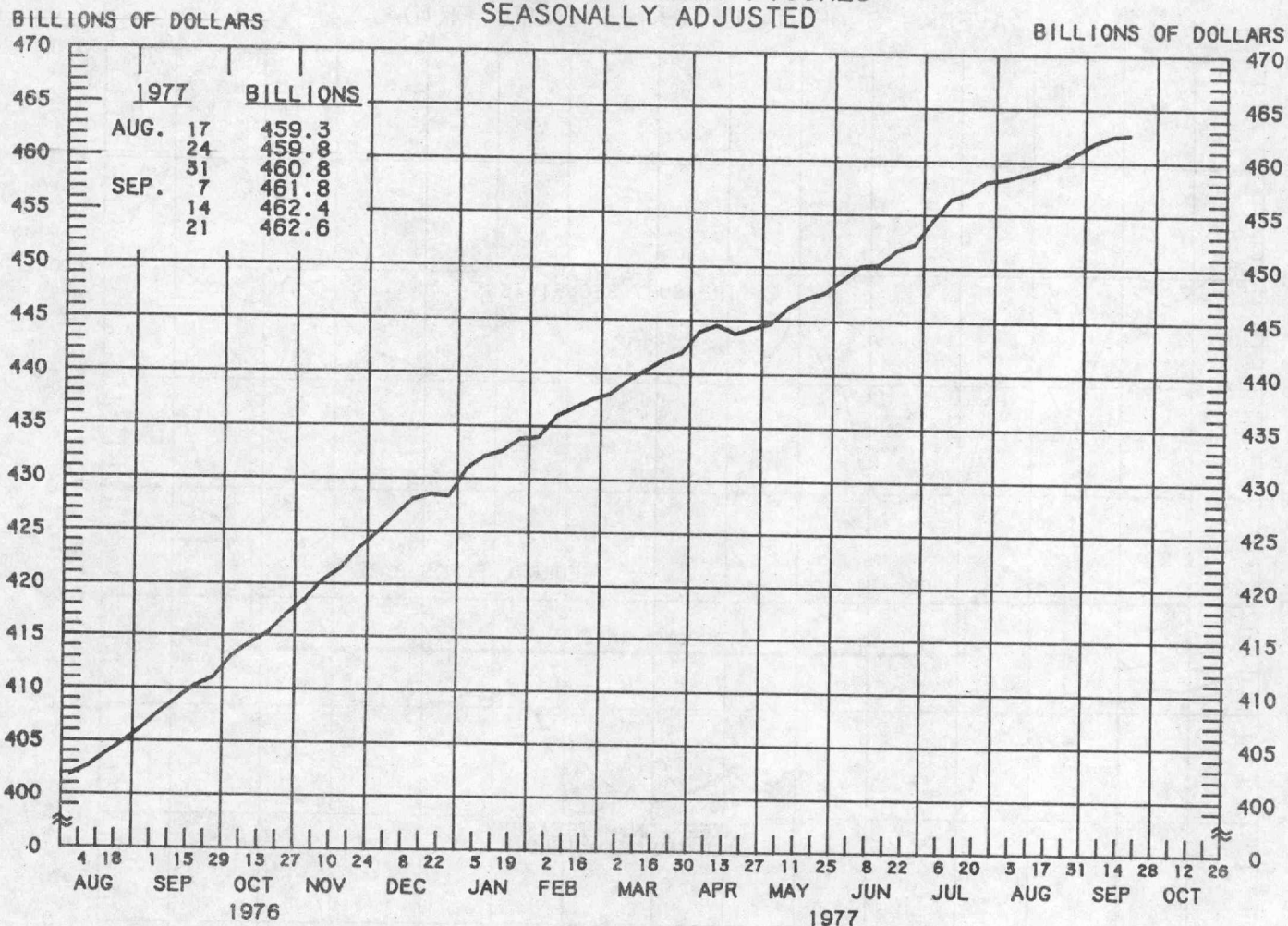
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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 21, 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:

9/22/76 12/22/76 2/23/77 3/23/77 4/20/77 5/18/77 6/22/77 7/20/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

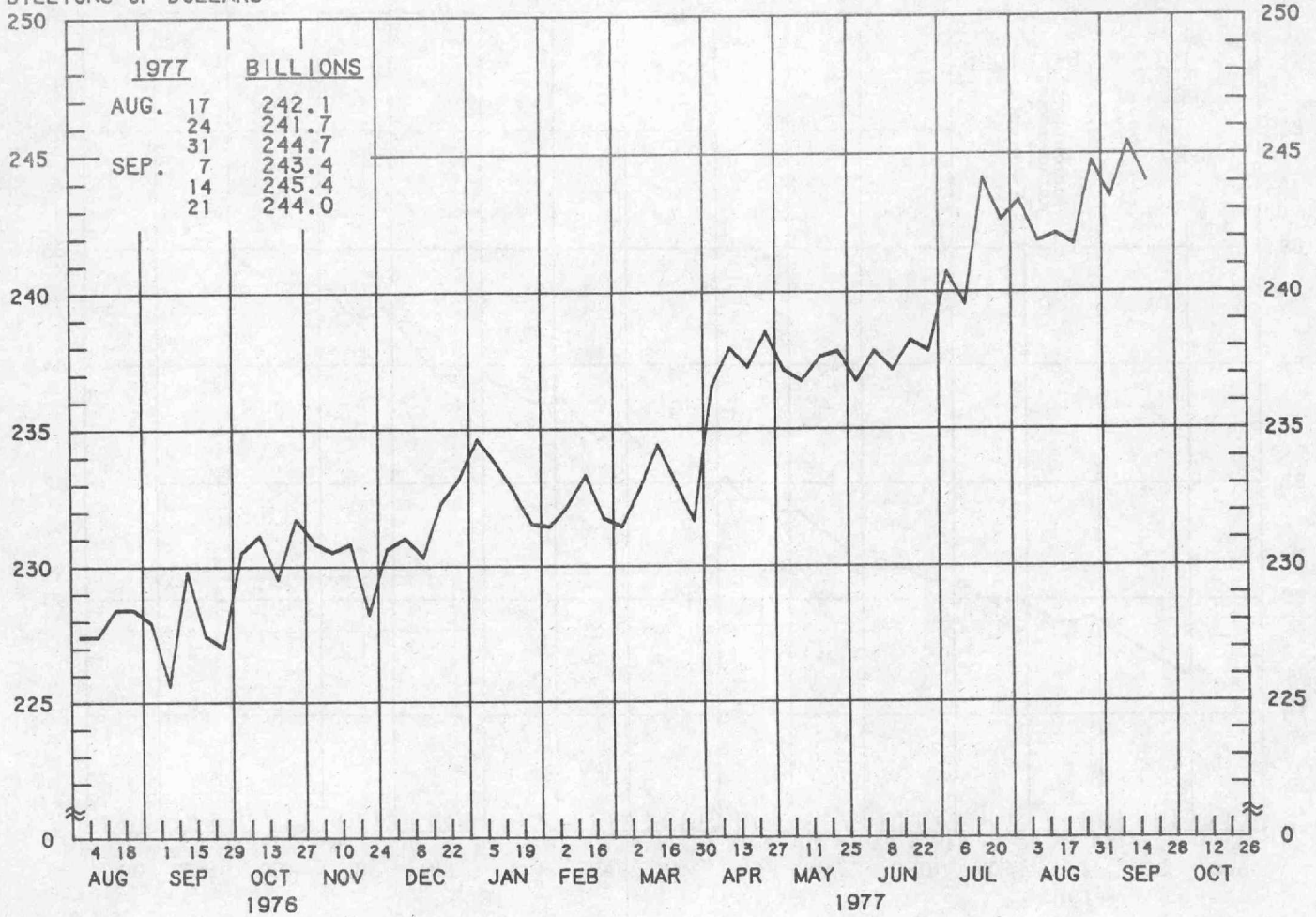
2/23/77	16.8							
3/23/77	16.0	12.5						
4/20/77	15.4	12.4	11.7					
5/18/77	14.3	11.2	9.9	9.1				
6/22/77	13.9	11.2	10.3	9.9	9.0			
7/20/77	14.0	11.7	11.1	11.0	10.8	12.8		
8/24/77	13.5	11.4	10.9	10.7	10.5	11.7	12.0	
9/21/77	13.1	11.1	10.5	10.4	10.1	10.9	10.8	9.1

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 21, 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:

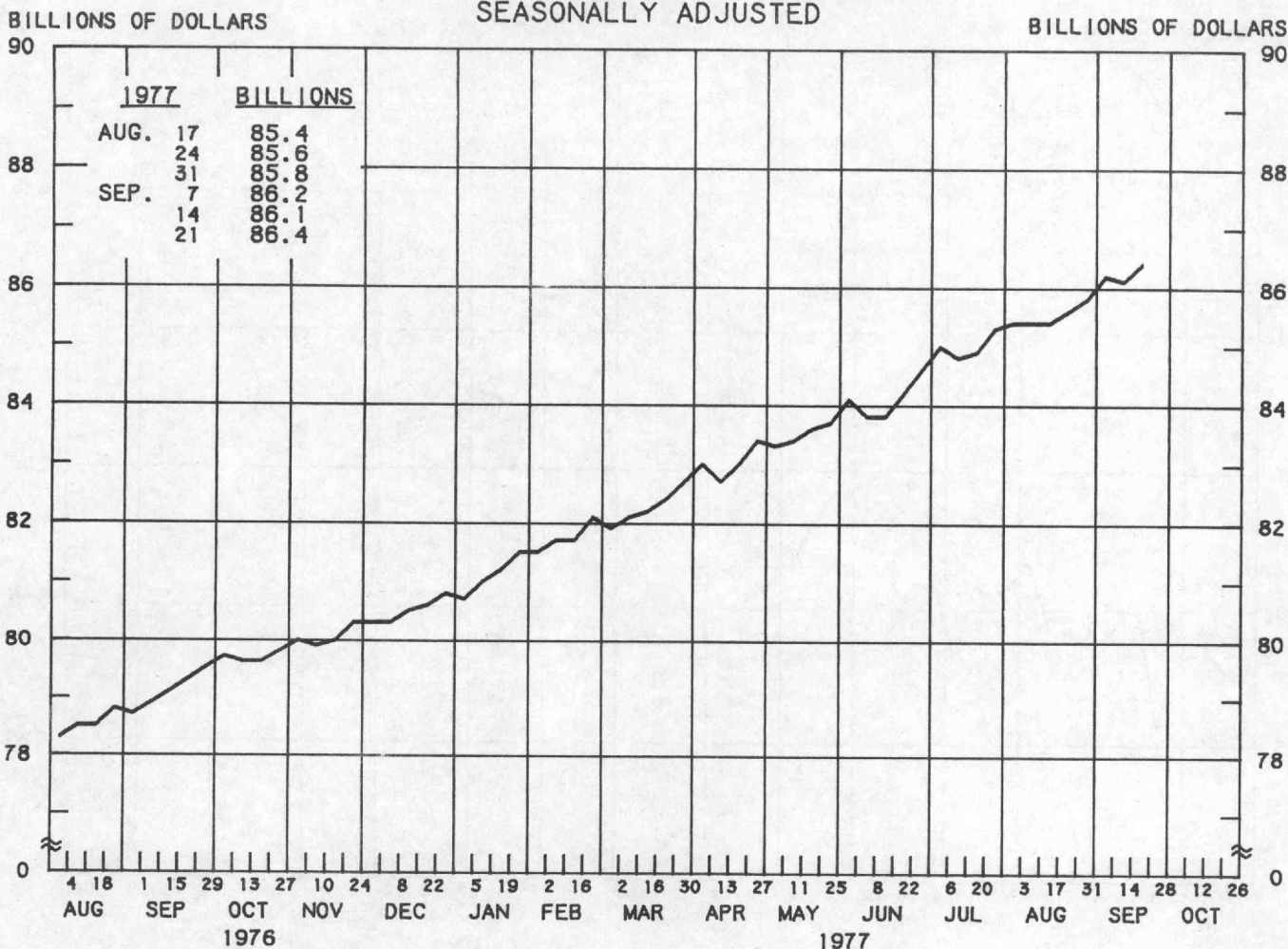
9/22/76 12/22/76 2/23/77 3/23/77 4/20/77 5/18/77 6/22/77 7/20/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

2/23/77	4.7								
3/23/77	4.6	3.2							
4/20/77	6.2	6.4	10.5						
5/18/77	6.7	7.0	10.3	13.6					
6/22/77	5.8	5.6	7.1	8.1	4.2				
7/20/77	6.8	7.2	9.1	10.3	8.2	7.5			
8/24/77	6.9	7.2	8.8	9.7	8.0	7.6	12.0		
9/21/77	7.3	7.7	9.3	10.1	8.8	8.6	12.1	9.7	

CURRENCY COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 21, 1977

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

CURRENCY

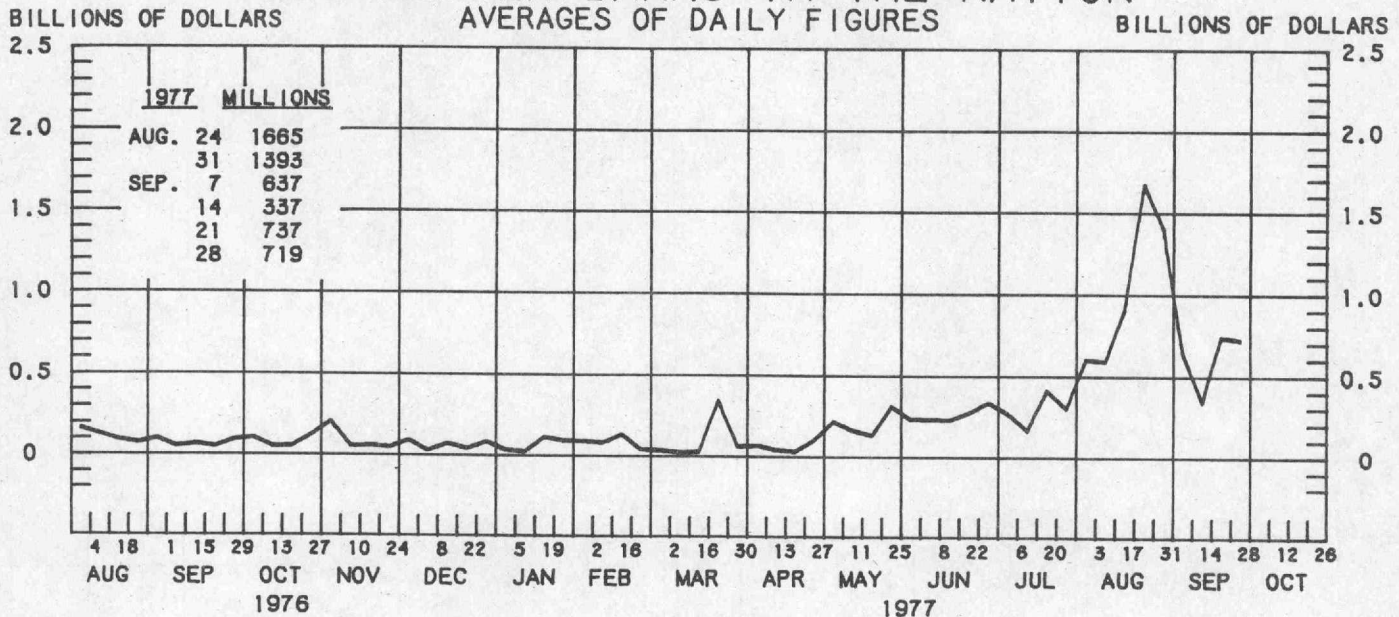
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

9/22/76 12/22/76 2/23/77 3/23/77 4/20/77 5/18/77 6/22/77 7/20/77

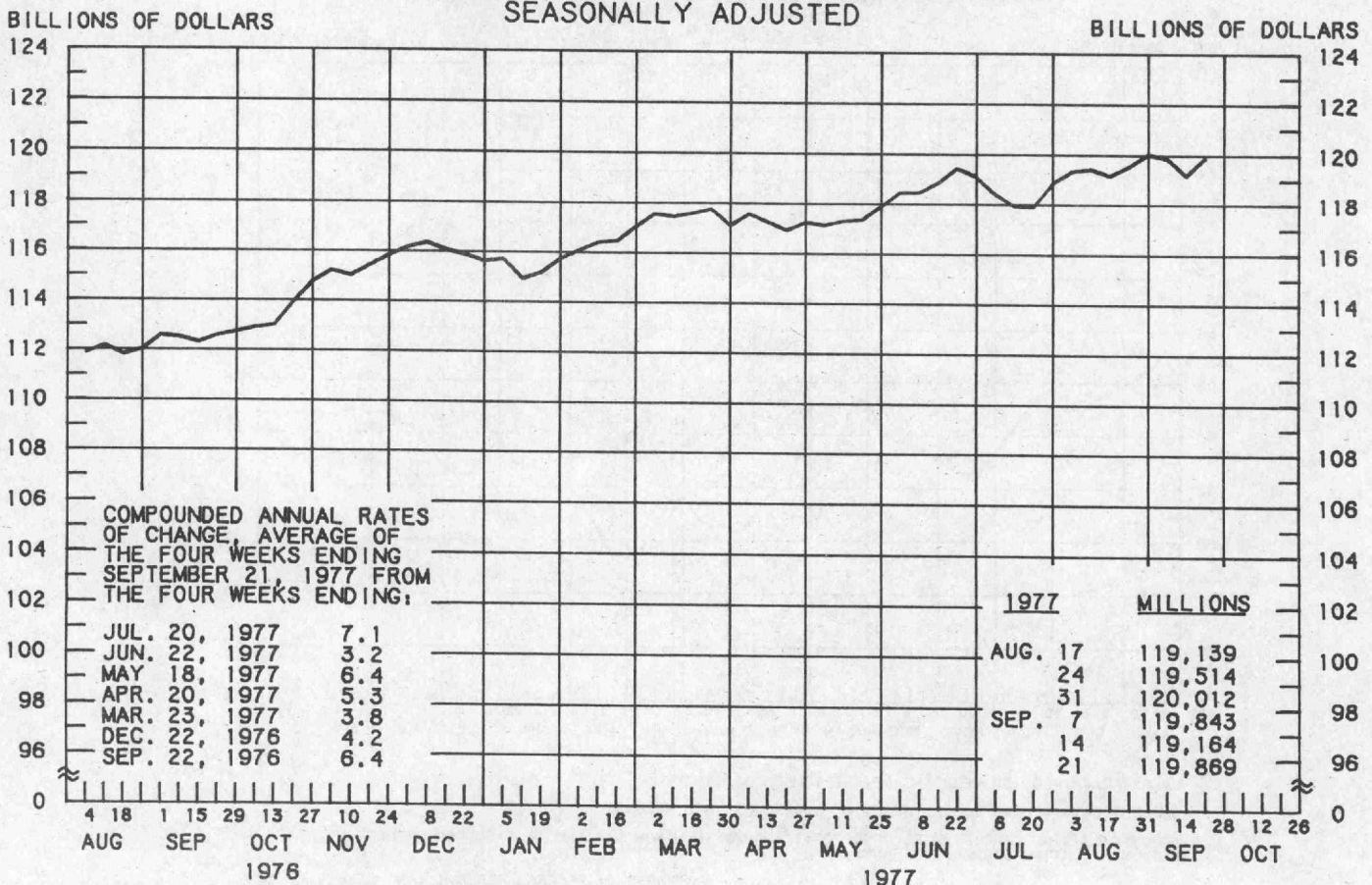
TO THE AVERAGE
OF FOUR WEEKS
ENDING:

2/23/77	8.6								
3/23/77	8.3	9.3							
4/20/77	8.7	9.8	9.1						
5/18/77	8.6	9.5	8.8	9.9					
6/22/77	8.5	9.2	8.5	9.1	7.9				
7/20/77	8.9	9.7	9.3	10.0	9.5	10.1			
8/24/77	8.9	9.6	9.3	9.8	9.3	9.7	10.8		
9/21/77	9.0	9.6	9.3	9.7	9.4	9.6	10.4	9.2	

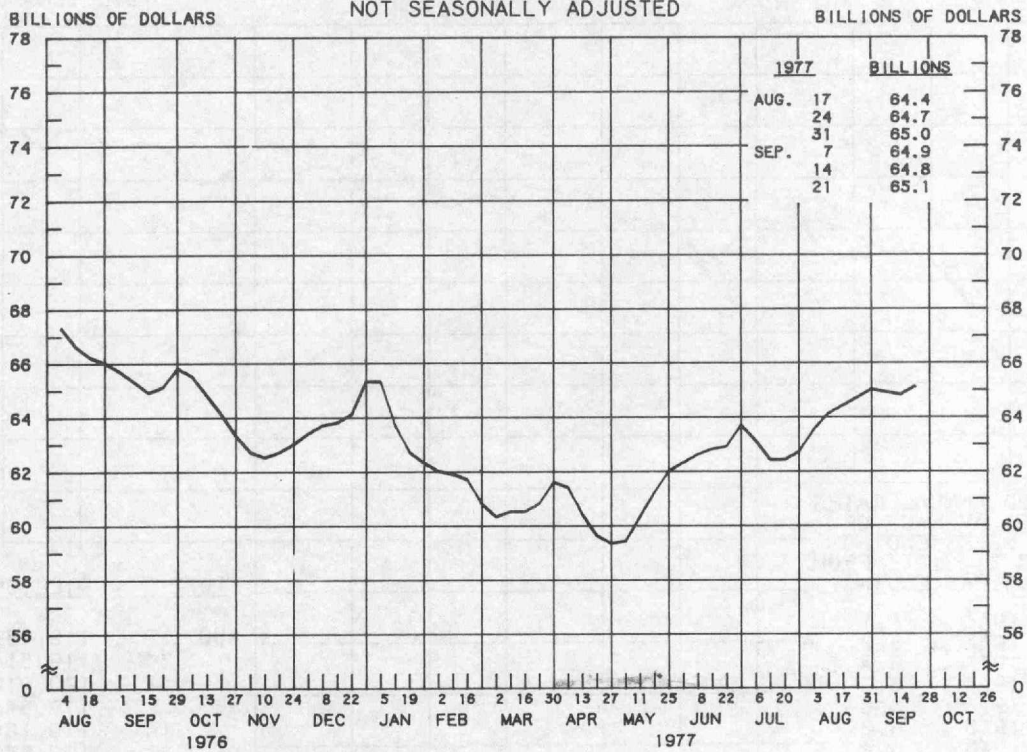
BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



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



**CERTIFICATES OF DEPOSIT
LARGE COMMERCIAL BANKS
WEDNESDAY FIGURES
NOT SEASONALLY ADJUSTED**



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 21, 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