

Week ending: December 21, 1977



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Banks have expanded their loans at a rapid rate since early in the fall of last year. Total loans at all commercial banks rose at a 14.5 percent annual rate from September of last year through November of this year, compared to a 5.6 percent increase in the year ending in September 1976. The growth rate of total loans has risen steadily since summer of 1976. For example, total loans rose at a 17.4 percent rate over the last three months, compared to about a 15 percent rate over the previous six months and about a 12 percent rate from September 1976 to early this year.

Banks tend to increase their holdings of investments (securities) rapidly when loan demand is weak and increase them more slowly or reduce them when loan demand is strong. For example, commercial banks increased their holdings of investments at a 4.6 percent rate from September of last year to November of this year, compared to about a 10 percent increase during the previous year. Such behavior is especially evident in recent months. In the three months ending in November of this year commercial banks reduced their holdings of investments at a 4.7 percent annual rate, apparently to accommodate strong loan demand.

One category of loans at all commercial banks which has risen rapidly since last fall is business loans. From September of last year through November of this year business loans rose at about a 13 percent annual rate, compared to a slight decline in the year ending in September 1976. The expansion of business loans has followed a pattern similar to that of total loans discussed above. In the three months ending in November of this year, business loans rose at about a 15 percent rate, compared to about a 14 percent rate in the six months ending in August and an 11 percent rate in the six months ending in February.

Business loans at large commercial banks have not risen as rapidly as at all commercial banks since last fall, although they declined more sharply in the previous year. From September of last year through November of this year, business loans at weekly reporting banks rose at an 8.3 percent rate after declining 5.6 percent in the previous year. However, in the three months ending in November, business loans at weekly reporting banks rose at about a 14 percent rate, reflecting primarily large increases in October (see page 11 of this release).

Prepared by Federal Reserve Bank of St. Louis

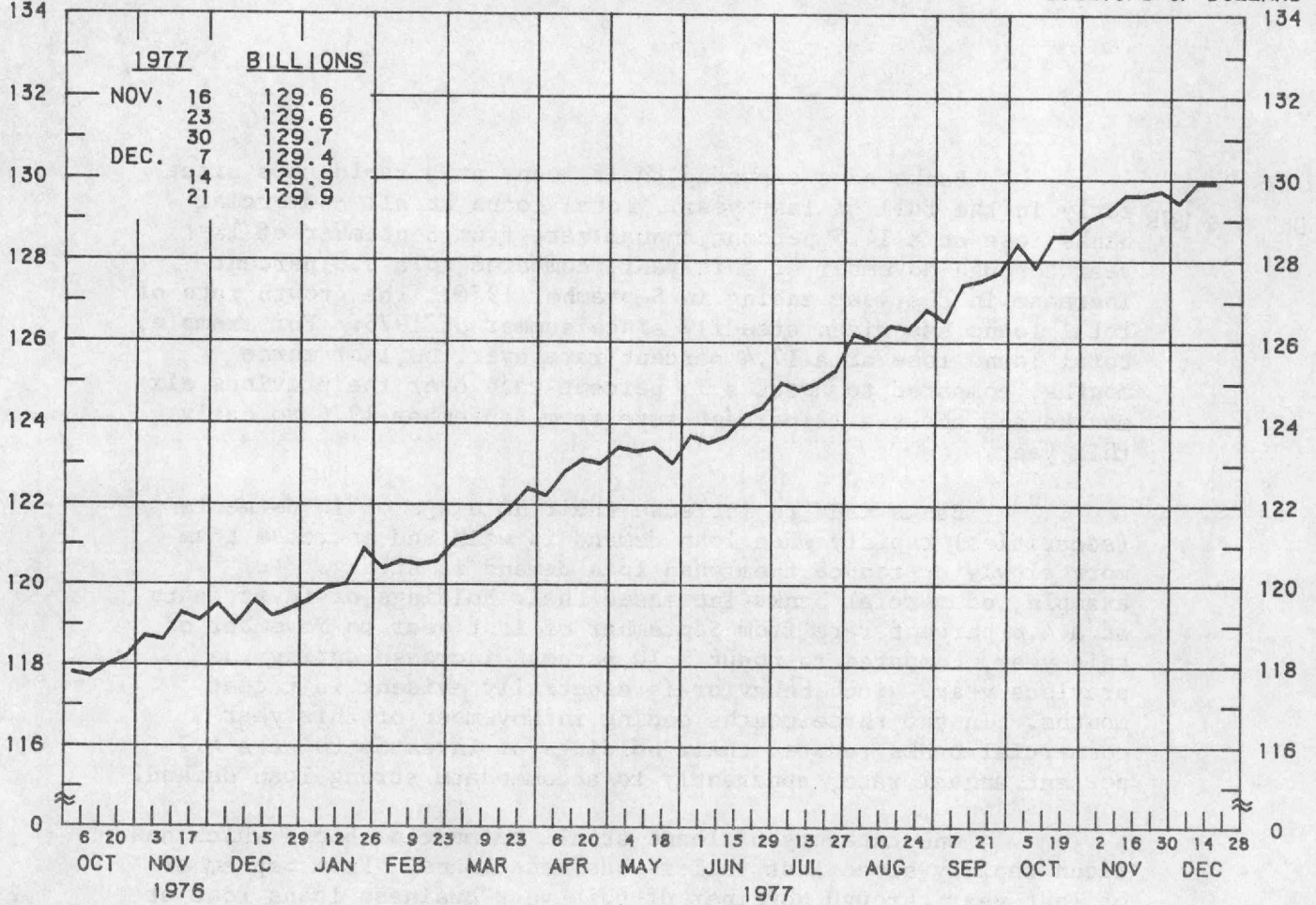
Released: December 23, 1977

MONETARY BASE

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 21, 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:

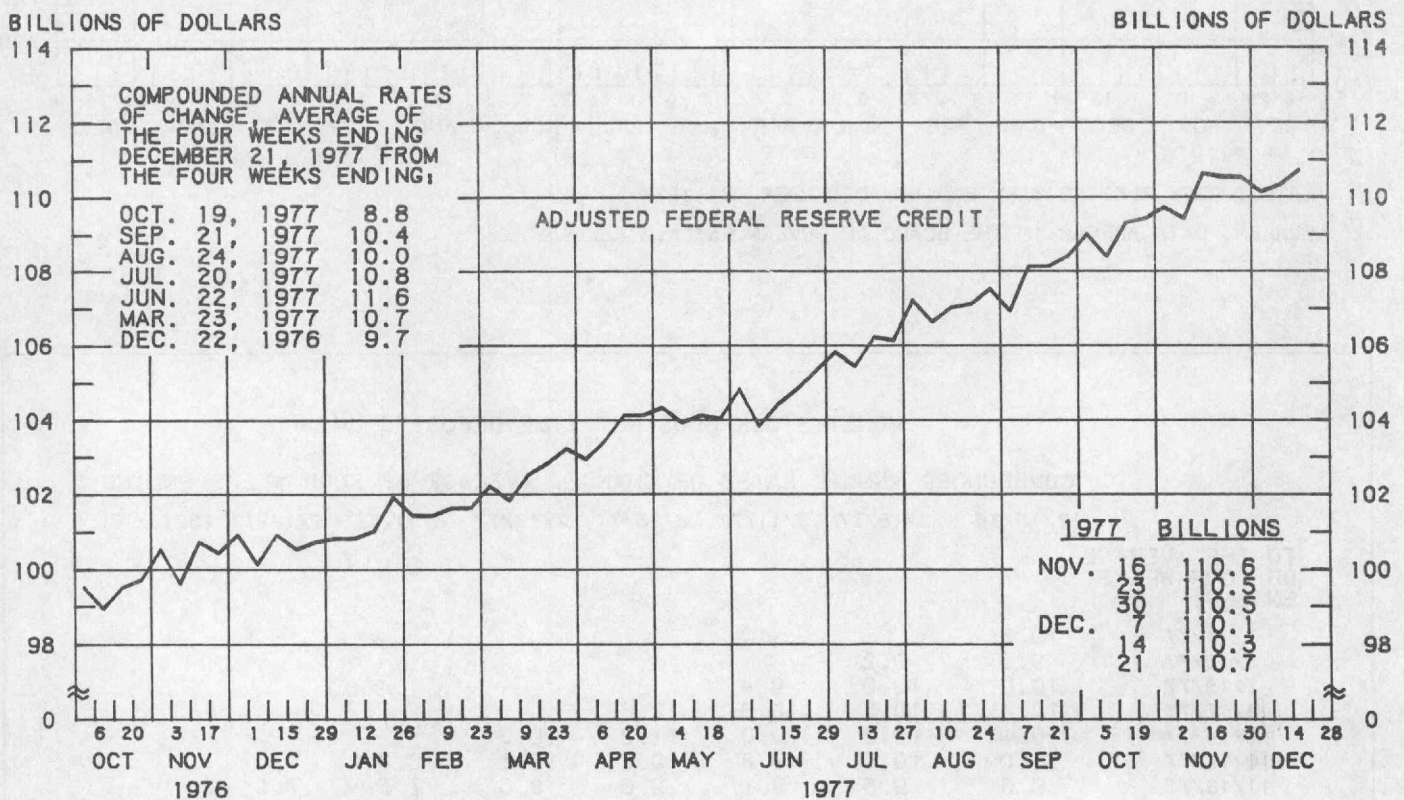
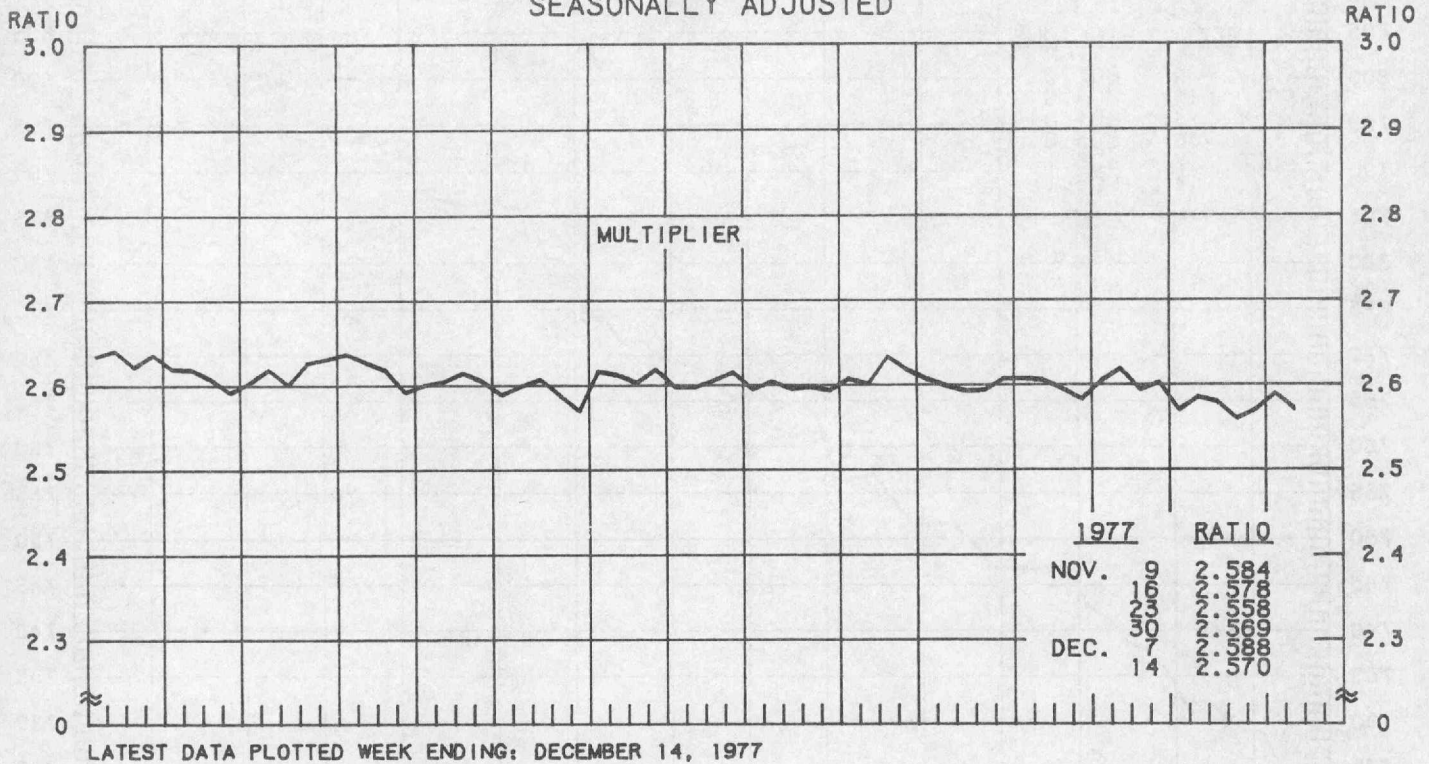
12/22/76 3/23/77 5/18/77 6/22/77 7/20/77 8/24/77 9/21/77 10/19/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

5/18/77	8.5								
6/22/77	7.7	8.1							
7/20/77	8.1	8.8	7.2						
8/24/77	8.7	9.6	9.0	11.7					
9/21/77	8.8	9.6	9.2	11.1	11.1				
10/19/77	9.0	9.8	9.4	11.0	11.0	10.2			
11/23/77	9.2	9.9	9.7	11.0	11.0	10.5	10.9		
12/21/77	8.7	9.2	8.9	9.8	9.5	8.7	8.4	7.4	

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

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

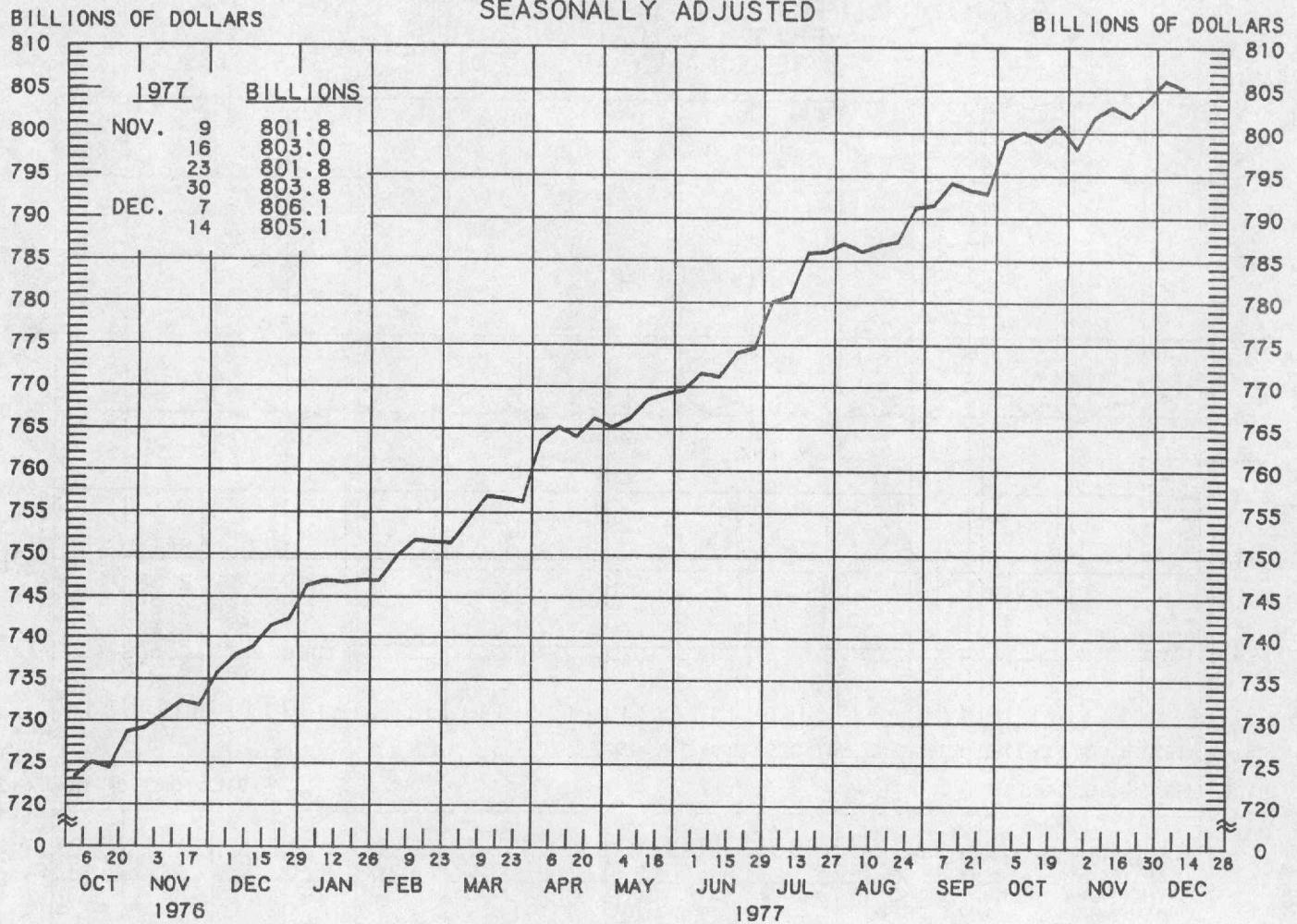


1/ RATIO OF MONEY STOCK (M1) / MONETARY BASE.

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



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 14, 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:

12/15/76 3/16/77 5/11/77 6/15/77 7/13/77 8/17/77 9/14/77 10/12/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

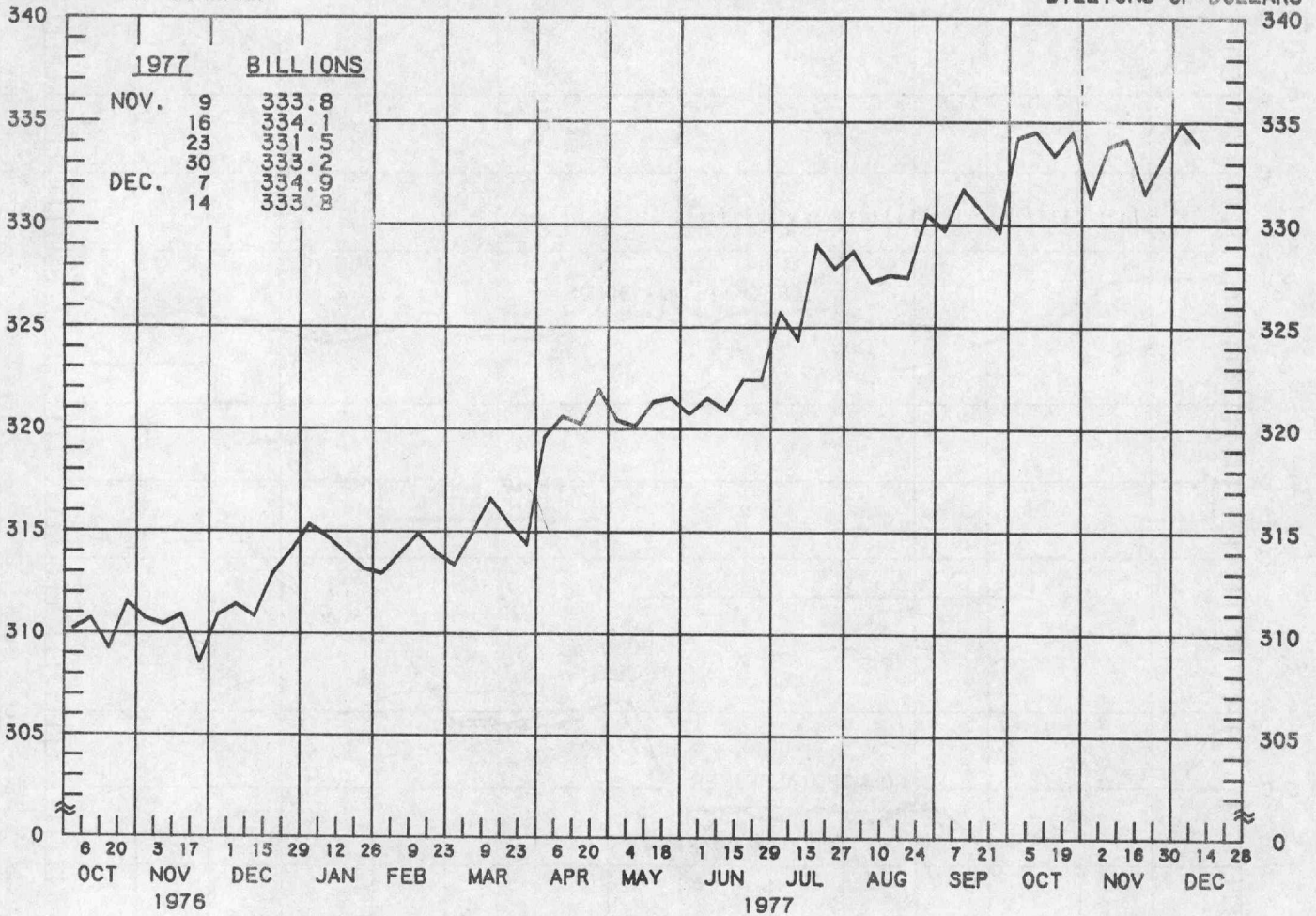
5/11/77	10.2							
6/15/77	9.5	9.2						
7/13/77	10.0	10.0	9.4					
8/17/77	10.4	10.7	10.6	12.8				
9/14/77	10.1	10.2	10.0	11.2	10.5			
10/12/77	10.0	10.0	9.8	10.7	10.1	8.4		
11/16/77	9.6	9.5	9.1	9.6	9.0	7.5	7.5	
12/14/77	9.3	9.1	8.6	9.0	8.3	7.0	6.8	5.9

MONEY STOCK (M1)

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 14, 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:

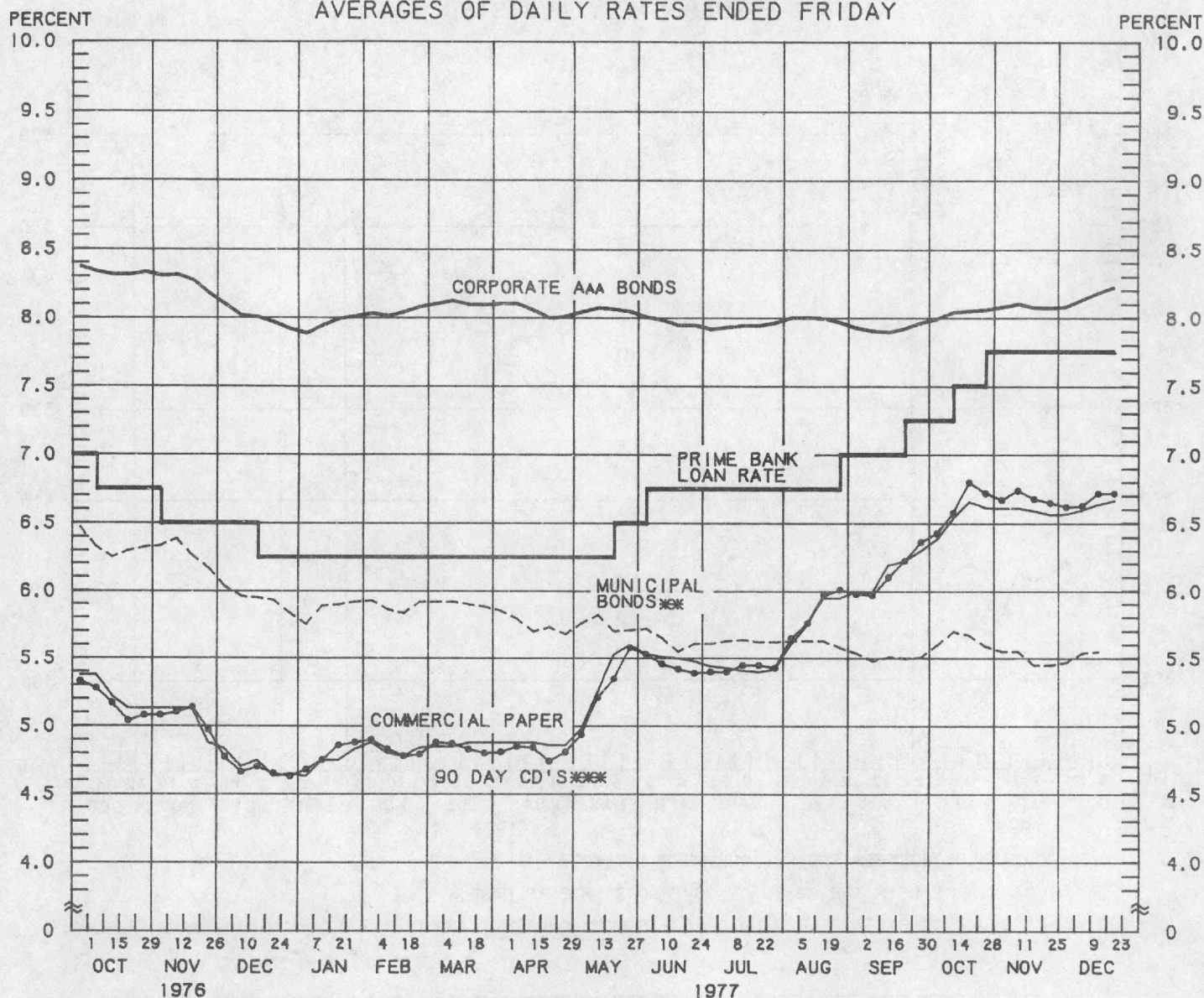
12/15/76 3/16/77 5/11/77 6/15/77 7/13/77 8/17/77 9/14/77 10/12/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

5/11/77	8.4								
6/15/77	7.1	8.5							
7/13/77	7.5	9.0	5.5						
8/17/77	8.4	10.1	8.5	12.5					
9/14/77	8.4	9.8	8.4	11.1	11.4				
10/12/77	8.6	9.8	8.7	10.8	10.9	9.1			
11/16/77	8.1	9.0	7.8	9.2	8.9	7.0	6.5		
12/14/77	7.4	8.0	6.7	7.7	7.2	5.3	4.4	2.1	

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: DECEMBER 23, 1977

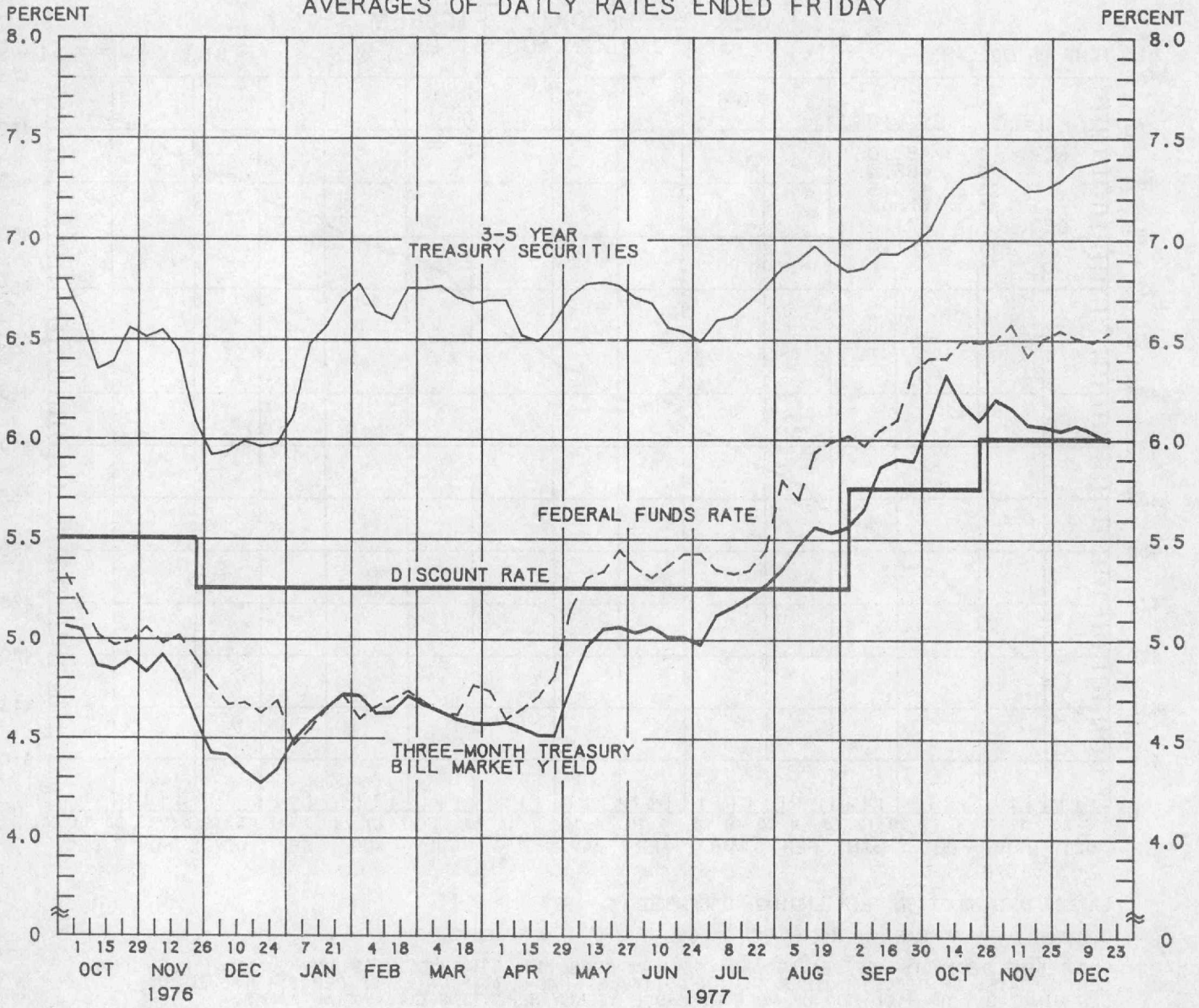
1977	90 DAY CD'S %	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS %
OCT. 7	6.43	6.39	6.48	7.99	5.60
14	6.58	6.54	6.64	8.04	5.70
21	6.80	6.66	6.62	8.05	5.67
28	6.72	6.61	6.53	8.06	5.59
NOV. 4	6.67	6.61	6.69	8.08	5.55
11	6.74	6.61	6.66	8.10	5.55
18	6.68	6.59	6.57	8.07	5.45
25	6.65	6.56	6.51	8.07	5.45
DEC. 2	6.62	6.57	6.46	8.08	5.47
9	6.63	6.60	6.55	8.13	5.54
16	6.72	6.64	6.57	8.18	5.55
23 *	6.72	6.67	6.62	8.22	N.A.
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: DECEMBER 23, 1977

1977	FEDERAL FUNDS **	3-MONTH TREASURY BILLS	1-YEAR TREASURY BILL	3-5 YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
OCT. 7	6.41	6.09	6.38	7.05	7.53
14	6.41	6.32	6.61	7.21	7.61
21	6.50	6.17	6.59	7.30	7.62
28	6.49	6.09	6.49	7.32	7.64
NOV. 4	6.50	6.20	6.60	7.36	7.70
11	6.58	6.15	6.55	7.30	7.71
18	6.42	6.07	6.49	7.24	7.67
25	6.51	6.06	6.48	7.25	7.65
DEC. 2	6.55	6.04	6.49	7.29	7.66
9	6.51	6.07	6.52	7.36	7.71
16	6.49	6.03	6.50	7.38	7.74
23 *	6.54	5.99	6.50	7.40	7.79
30					

* AVERAGES OF RATES AVAILABLE.

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

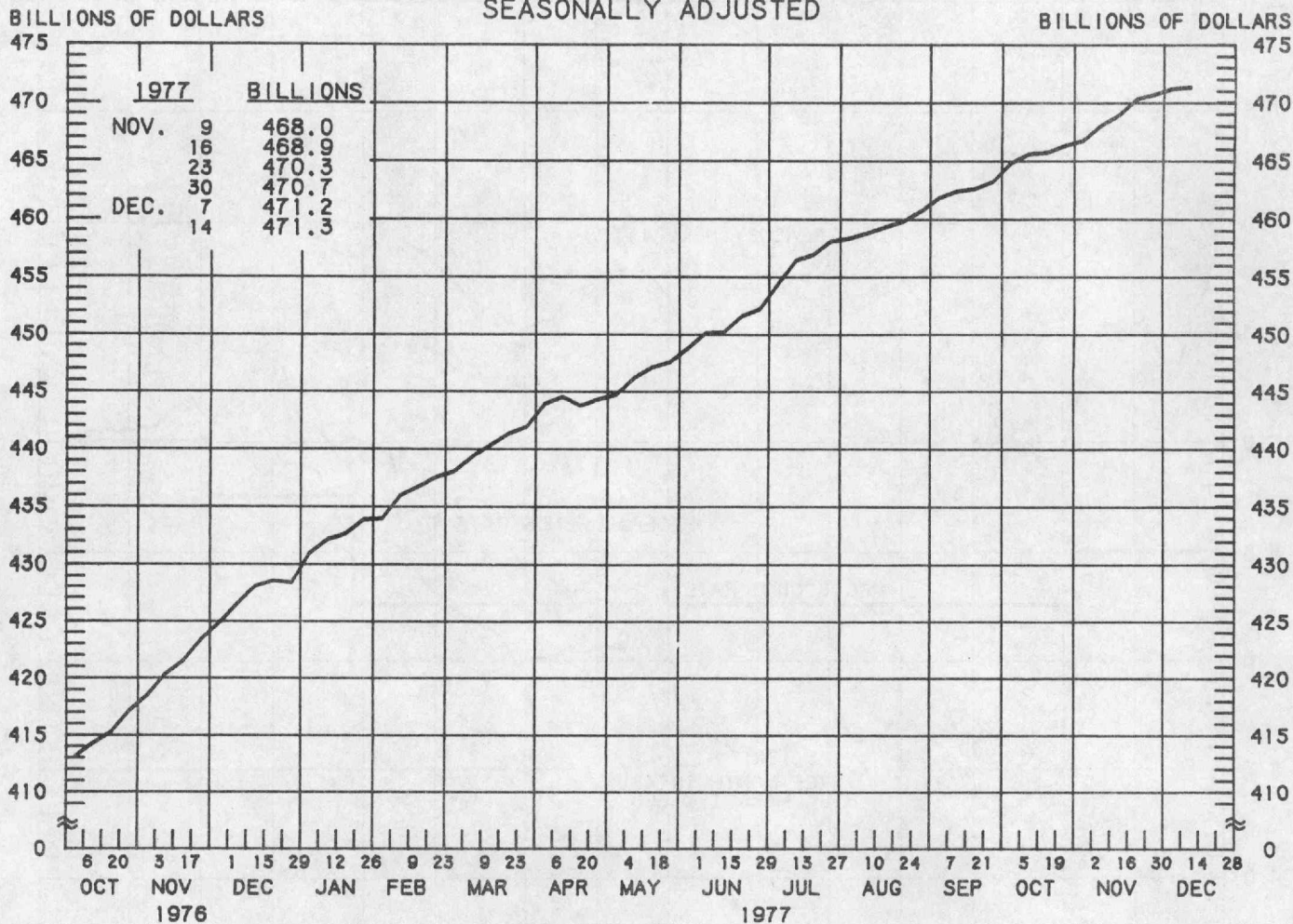
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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: DECEMBER 14, 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:

12/15/76 3/16/77 5/11/77 6/15/77 7/13/77 8/17/77 9/14/77 10/12/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

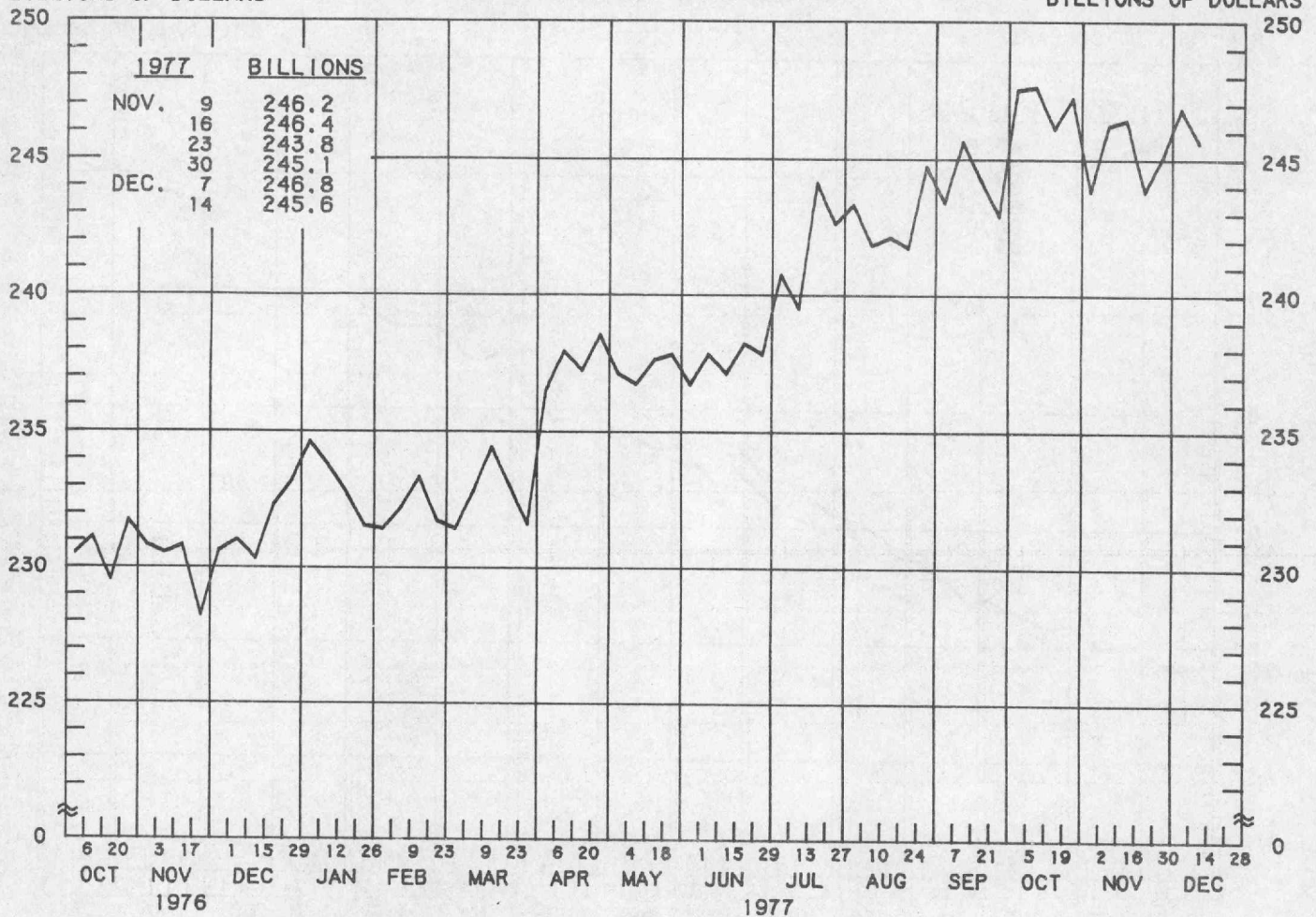
5/11/77	11.5								
6/15/77	11.4	9.8							
7/13/77	11.7	10.8	12.3						
8/17/77	11.7	11.0	12.1	12.7					
9/14/77	11.3	10.5	11.1	11.1	9.9				
10/12/77	11.0	10.2	10.6	10.5	9.5	8.1			
11/16/77	10.7	9.9	10.1	9.9	9.0	8.0	8.2		
12/14/77	10.6	9.9	10.1	9.9	9.2	8.4	8.7	8.8	

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 14, 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:

12/15/76 3/16/77 5/11/77 6/15/77 7/13/77 8/17/77 9/14/77 10/12/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

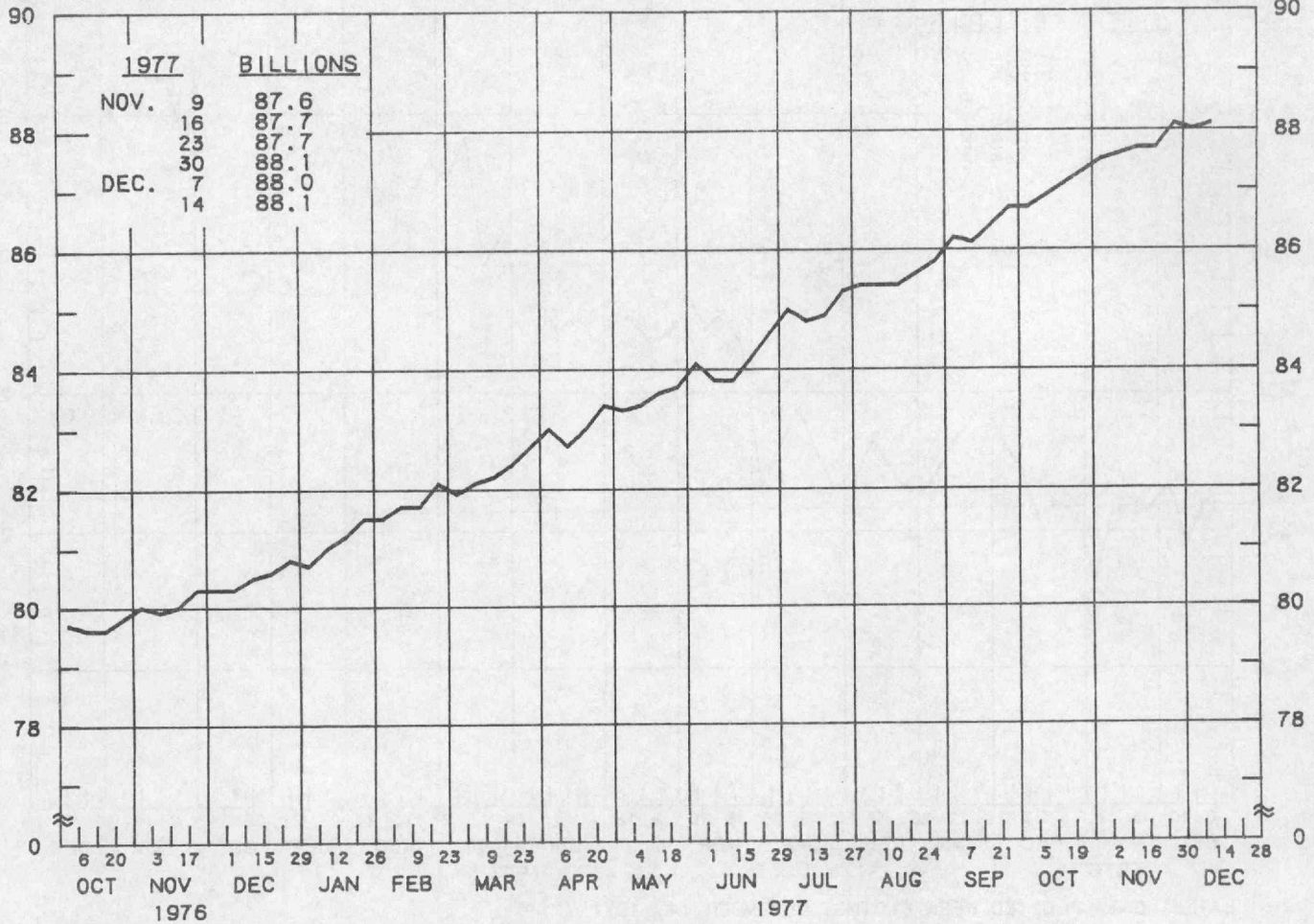
5/11/77	8.2							
6/15/77	6.5	8.5						
7/13/77	7.0	8.8	4.2					
8/17/77	8.2	10.4	8.2	13.1				
9/14/77	8.1	10.0	8.1	11.4	12.2			
10/12/77	8.3	9.9	8.4	10.9	11.3	8.6		
11/16/77	7.5	8.6	7.0	8.7	8.4	5.7	4.8	
12/14/77	6.7	7.3	5.6	6.8	6.2	3.6	2.3	-0.7

CURRENCY COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 14, 1977

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

CURRENCY

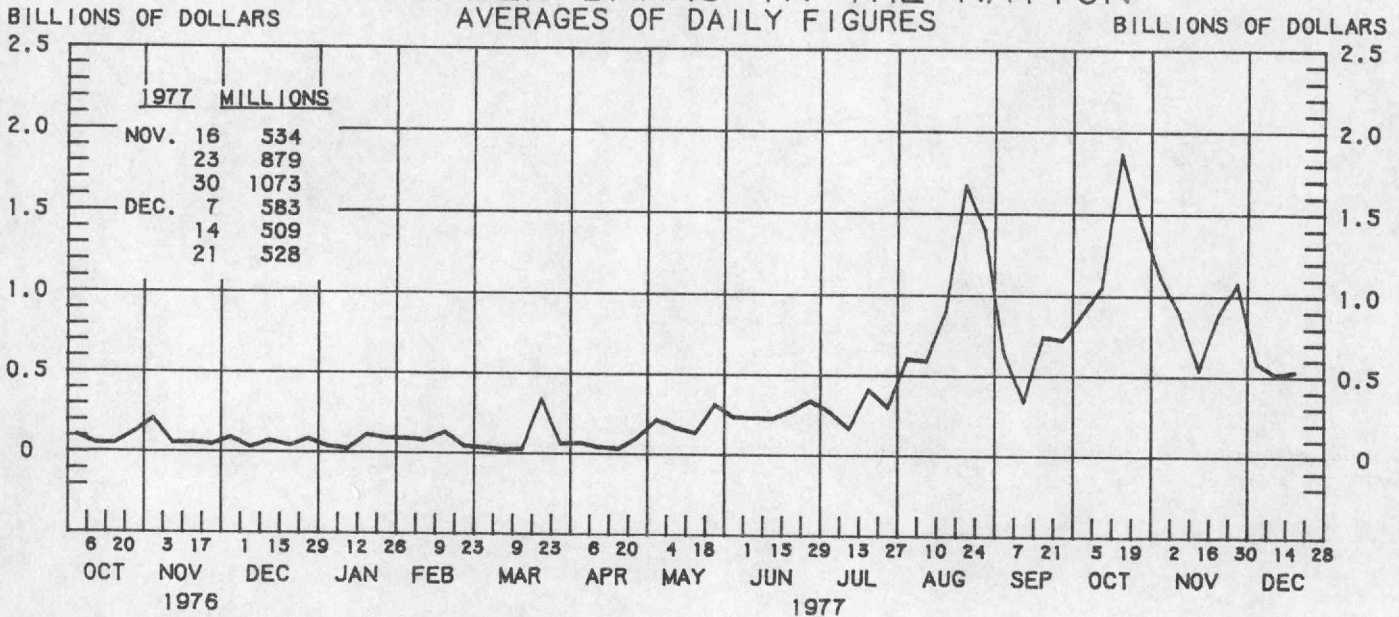
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

12/15/76 3/16/77 5/11/77 6/15/77 7/13/77 8/17/77 9/14/77 10/12/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

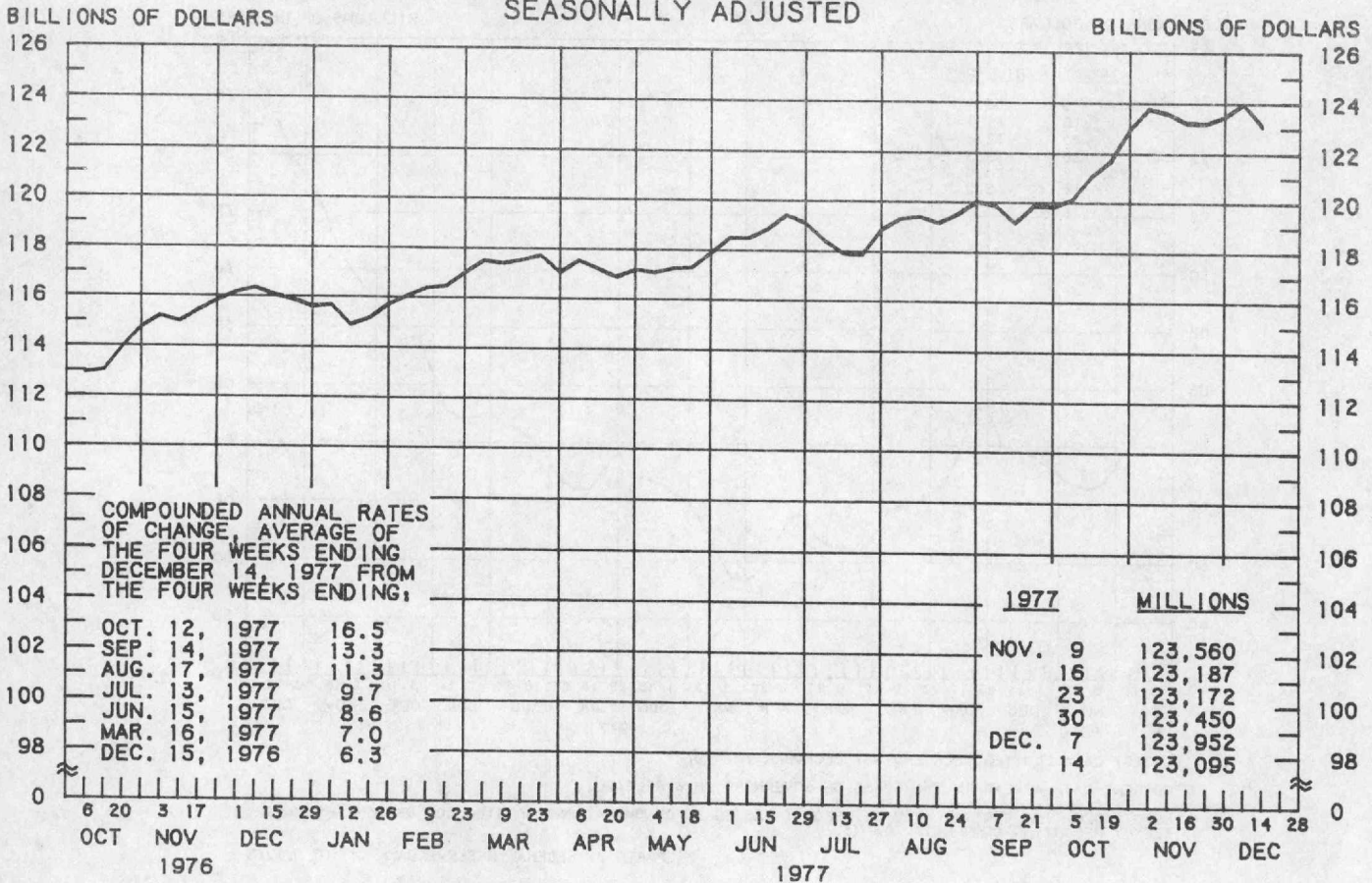
5/11/77	9.2							
6/15/77	8.9							
7/13/77	9.5	10.0	10.1					
8/17/77	9.4	9.8	9.7	10.8				
9/14/77	9.2	9.5	9.3	9.9	8.5			
10/12/77	9.6	9.9	9.9	10.6	9.8	10.3		
11/16/77	9.6	9.9	9.9	10.4	9.9	10.2	11.3	
12/14/77	9.5	9.7	9.6	10.0	9.5	9.6	10.1	9.0

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



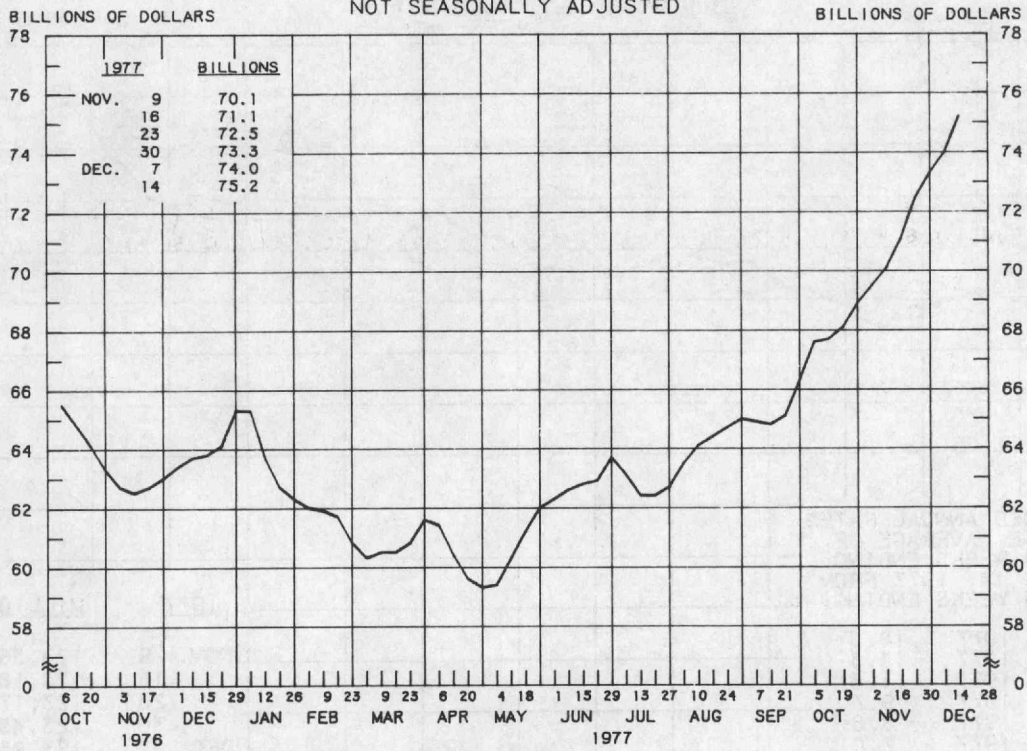
LATEST DATA PLOTTED WEEK ENDING: DECEMBER 21, 1977

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



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 14, 1977

CERTIFICATES OF DEPOSIT
LARGE COMMERCIAL BANKS
WEDNESDAY FIGURES
NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: DECEMBER 14, 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