



Week ending: July 20, 1977

LIBRARY

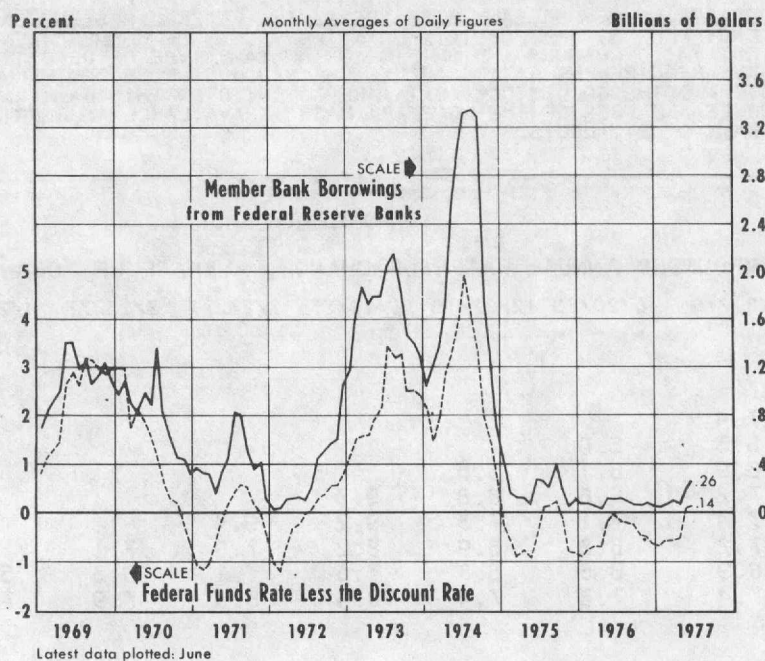
DEC 2 1975

The Federal Funds rate has steadied since early June after a rapid run-up in the previous two months, which carried the rate above the discount rate. Since early June, the Federal Funds rate averaged 12 basis points above the discount rate and member bank borrowings averaged \$264 million. Before the Federal Funds rate rose above the discount rate in early May, it had been below the discount rate for 19 consecutive months since October 1975.

Federal Funds are supplied by those member banks that have excess reserves and represent a major source of reserves for other member banks. A major alternative source of reserves for member banks is borrowings from the Federal Reserve Banks. Therefore, borrowings from the Federal Reserve Banks tend to be relatively low during the period when the discount rate is above the Federal Funds rate, and vice versa, as shown in the Chart below.

The amount of borrowings from the Federal Reserve Banks averaged \$90 million over the 19 month period since October 1975. During this period, the discount rate was above the Federal Funds rate. The rate differential averaged about one-half percentage point. In contrast, such borrowings averaged \$1.28 billion during the previous 19 month period. During this period, the discount rate was generally below the Federal Funds rate. The borrowings were not steady, however, generally because the rate differential was uneven. They ranged from \$60 million in May 1975, when the Federal Funds rate was about one percentage point below the discount rate, to \$3.35 billion in August 1974, when the Federal Funds rate was four percentage points above the discount rate.

Member Bank Borrowings and Short-Term Interest Rate Differential



Prepared by Federal Reserve Bank of St. Louis

Released: July 22, 1977

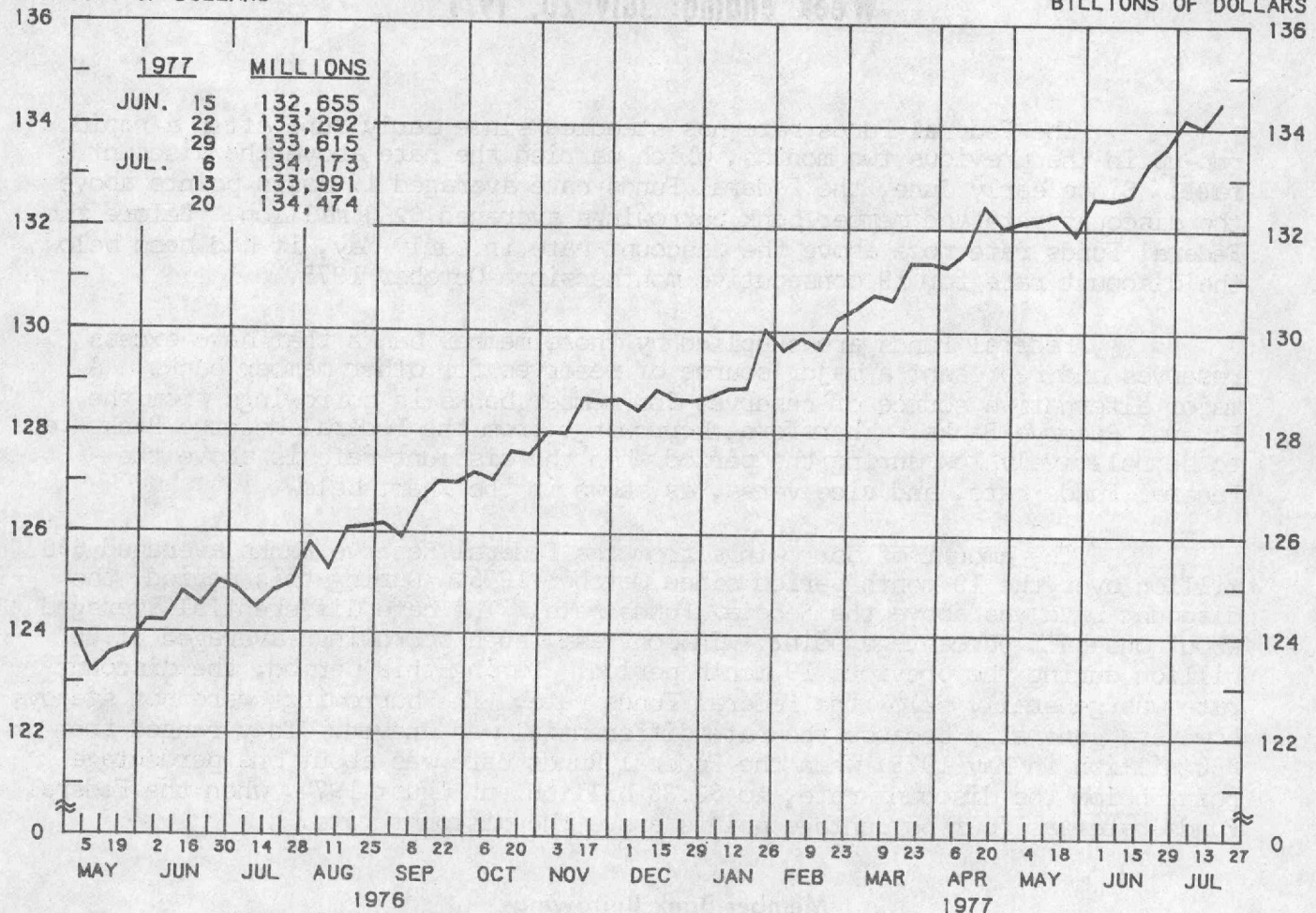
MONETARY BASE

AVERAGES OF DAILY FIGURES

SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JULY 20, 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

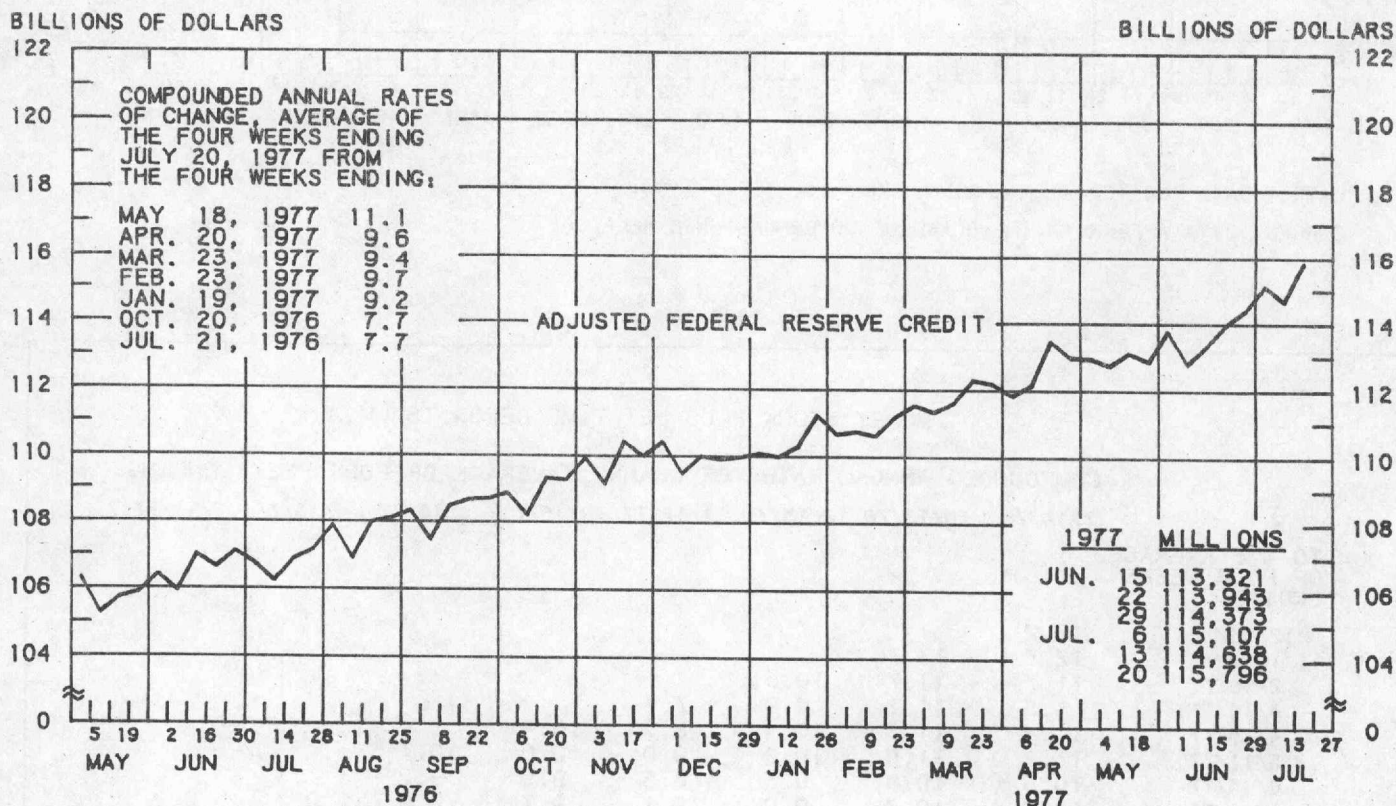
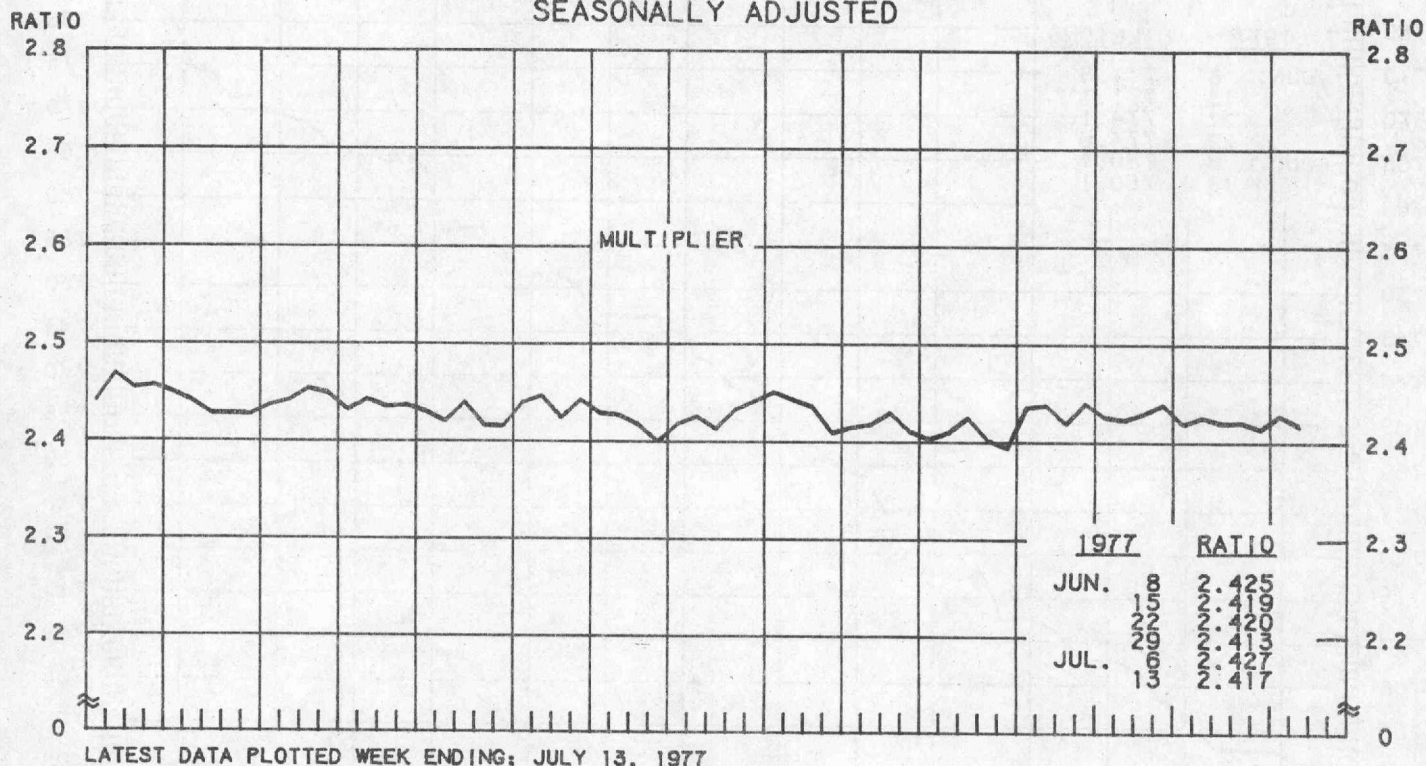
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

7/21/76 10/20/76 12/22/76 1/19/77 2/23/77 3/23/77 4/20/77 5/18/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

12/22/76	7.4							
1/19/77	6.5	5.0						
2/23/77	6.9	6.1	5.5					
3/23/77	7.2	6.8	6.8	9.3				
4/20/77	7.4	7.1	7.3	9.2	9.4			
5/18/77	7.2	6.8	6.9	8.2	7.9	7.1		
6/22/77	6.9	6.6	6.5	7.5	7.1	6.3	5.1	
7/20/77	7.4	7.3	7.4	8.4	8.3	7.9	7.6	8.7

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



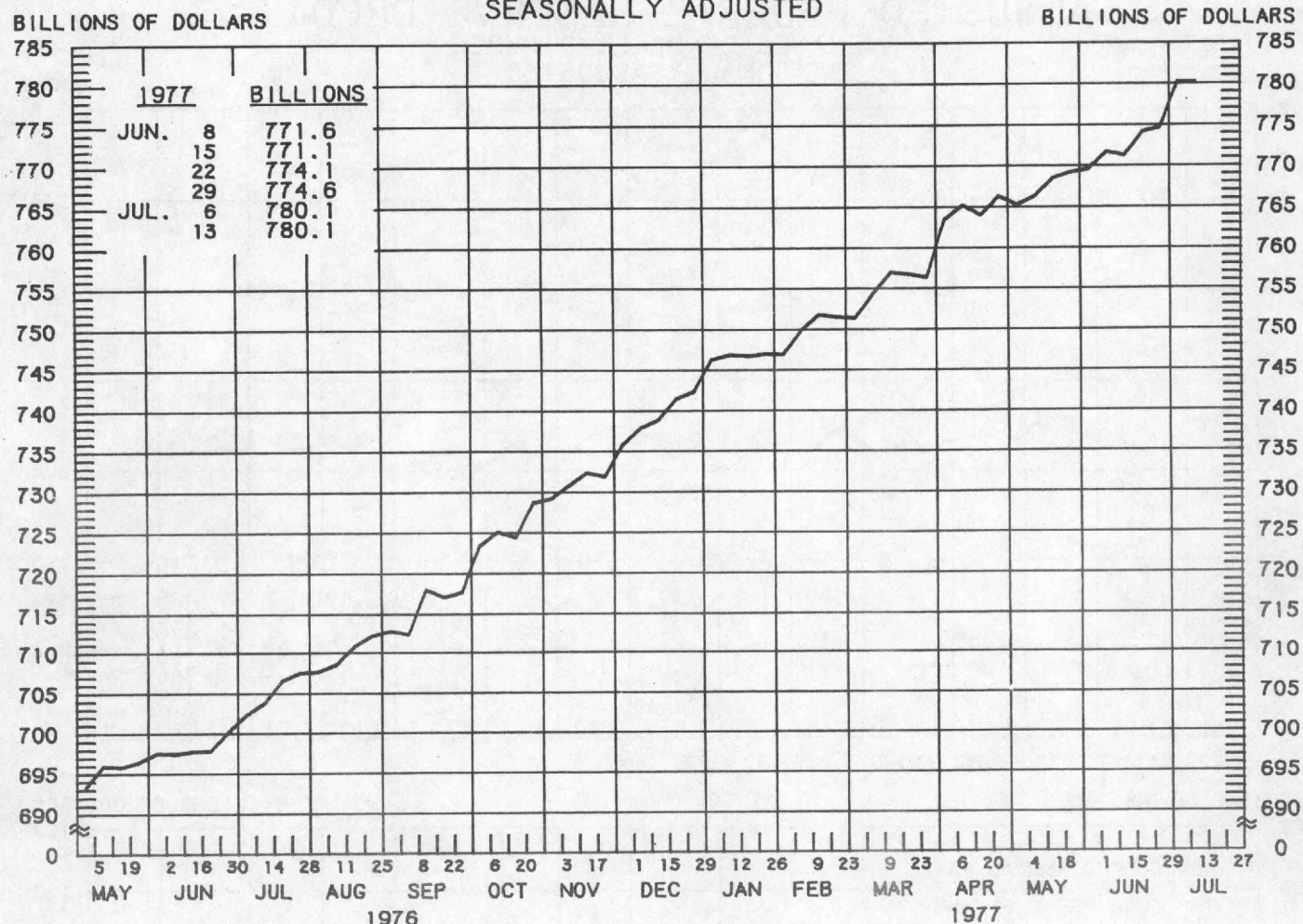
LATEST DATA PLOTTED WEEK ENDING: JULY 20, 1977

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: JULY 13, 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:

7/14/76 10/13/76 12/15/76 1/12/77 2/16/77 3/16/77 4/13/77 5/11/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

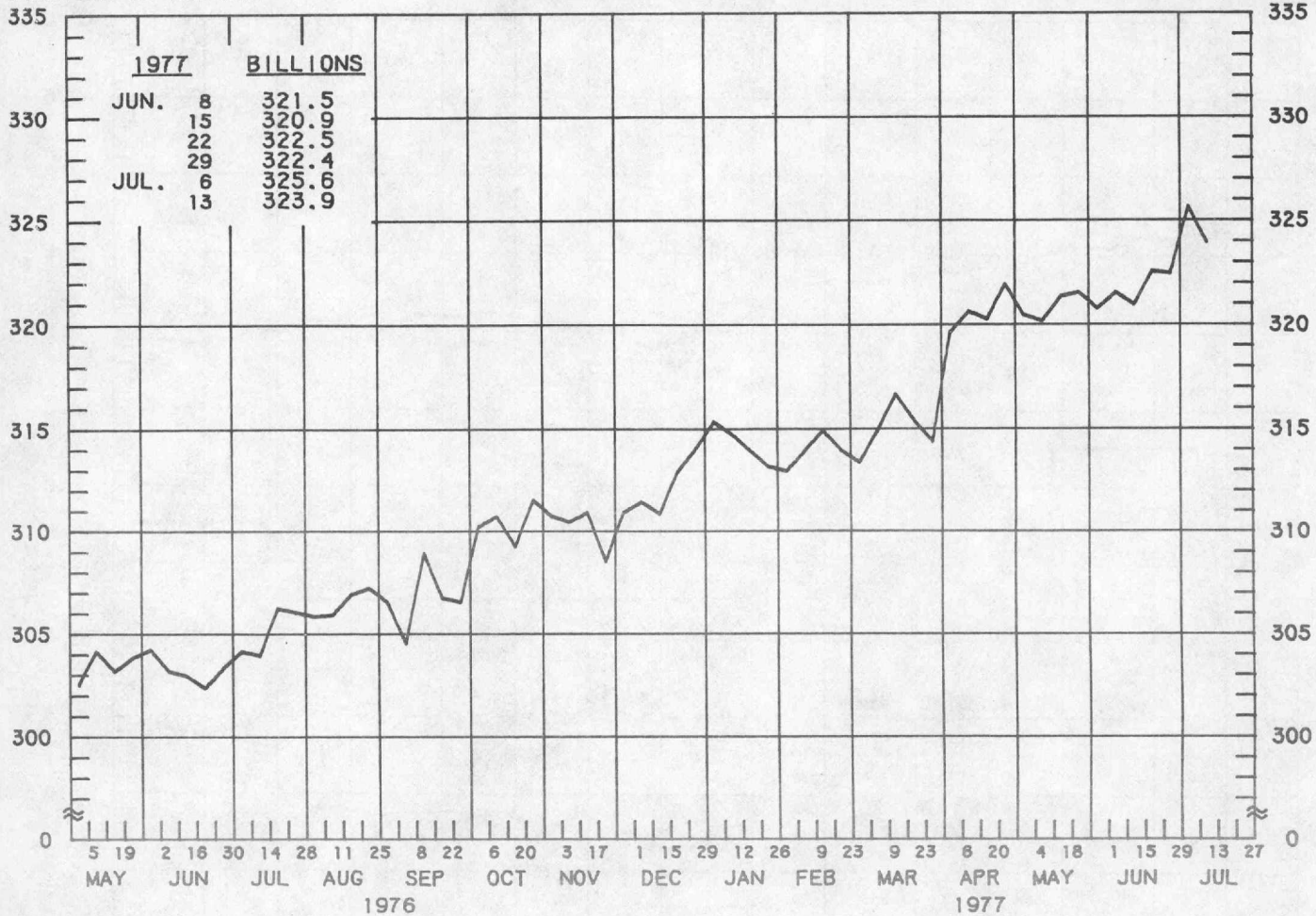
12/15/76	12.2							
1/12/77	12.7	13.7						
2/16/77	11.7	11.7	10.5					
3/16/77	11.3	11.1	9.9	7.4				
4/13/77	11.4	11.3	10.4	8.9	10.4			
5/11/77	11.2	11.0	10.2	9.0	10.0	10.7		
6/15/77	10.8	10.4	9.5	8.5	9.0	9.2	7.8	
7/13/77	10.9	10.6	9.9	9.1	9.7	9.9	9.2	9.2

MONEY STOCK (M1)

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JULY 13, 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:

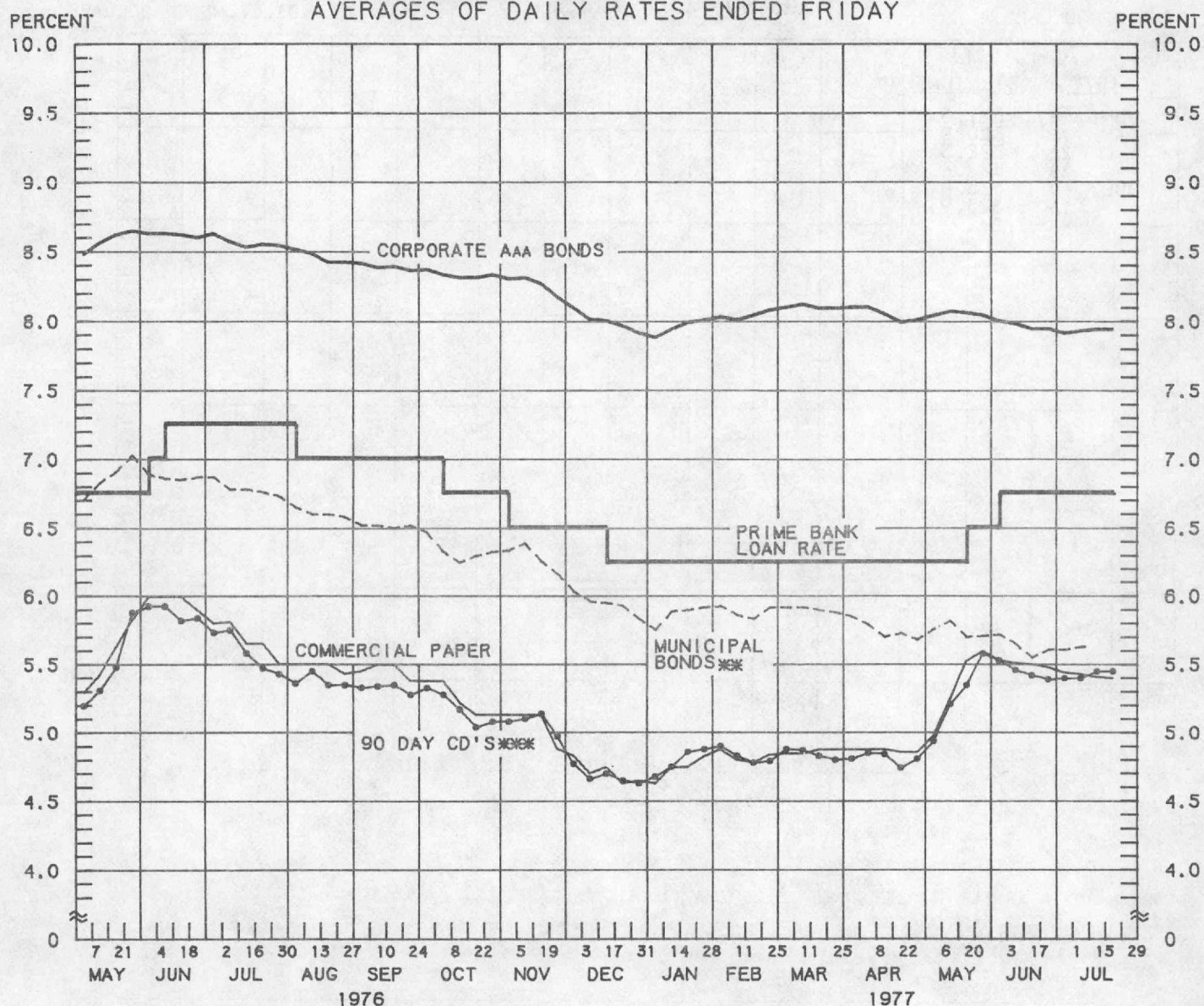
7/14/76 10/13/76 12/15/76 1/12/77 2/16/77 3/16/77 4/13/77 5/11/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

12/15/76	5.5						
1/12/77	7.2	7.6					
2/16/77	5.8	4.9	6.3				
3/16/77	5.6	4.8	5.7	0.9			
4/13/77	6.2	5.9	7.2	4.3	8.1		
5/11/77	6.9	7.0	8.4	6.5	10.0	13.1	
6/15/77	6.4	6.2	7.1	5.3	7.5	8.5	6.9
7/13/77	6.7	6.6	7.5	6.1	8.0	8.9	7.9
							5.3

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: JULY 22, 1977

1977	90 DAY CD'S ***	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS ***
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	5.51	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	N.A.
22 *	5.45	5.40	5.44	7.94	N.A.
29					

* AVERAGES OF RATES AVAILABLE.

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

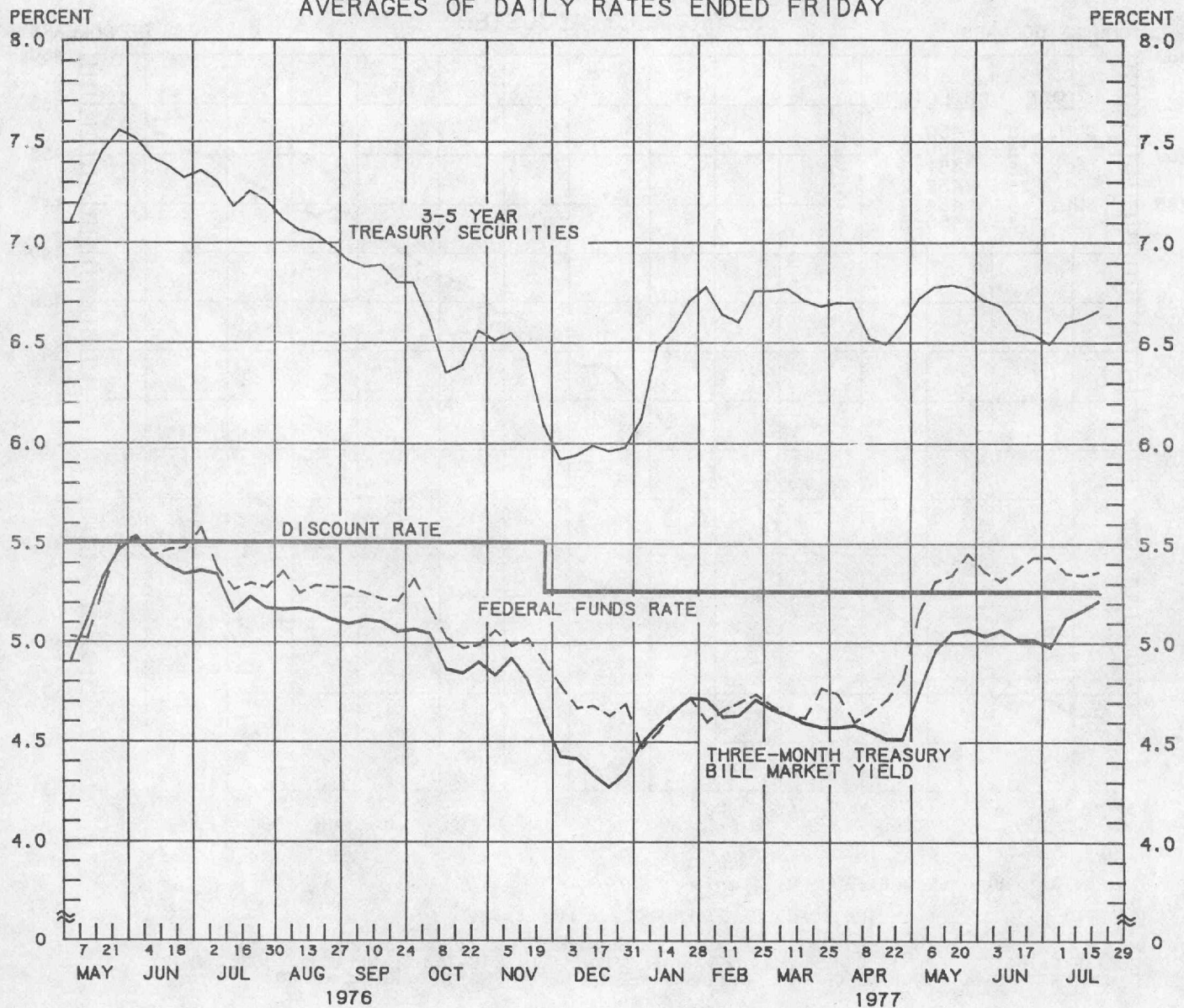
*** SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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: JULY 22, 1977

1977	FEDERAL FUNDS %	3-MONTH TREASURY BILLS	1-YEAR TREASURY BILL	3-5 YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
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	5.06	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	5.57	6.66	7.45
29					

* AVERAGES OF RATES AVAILABLE.

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

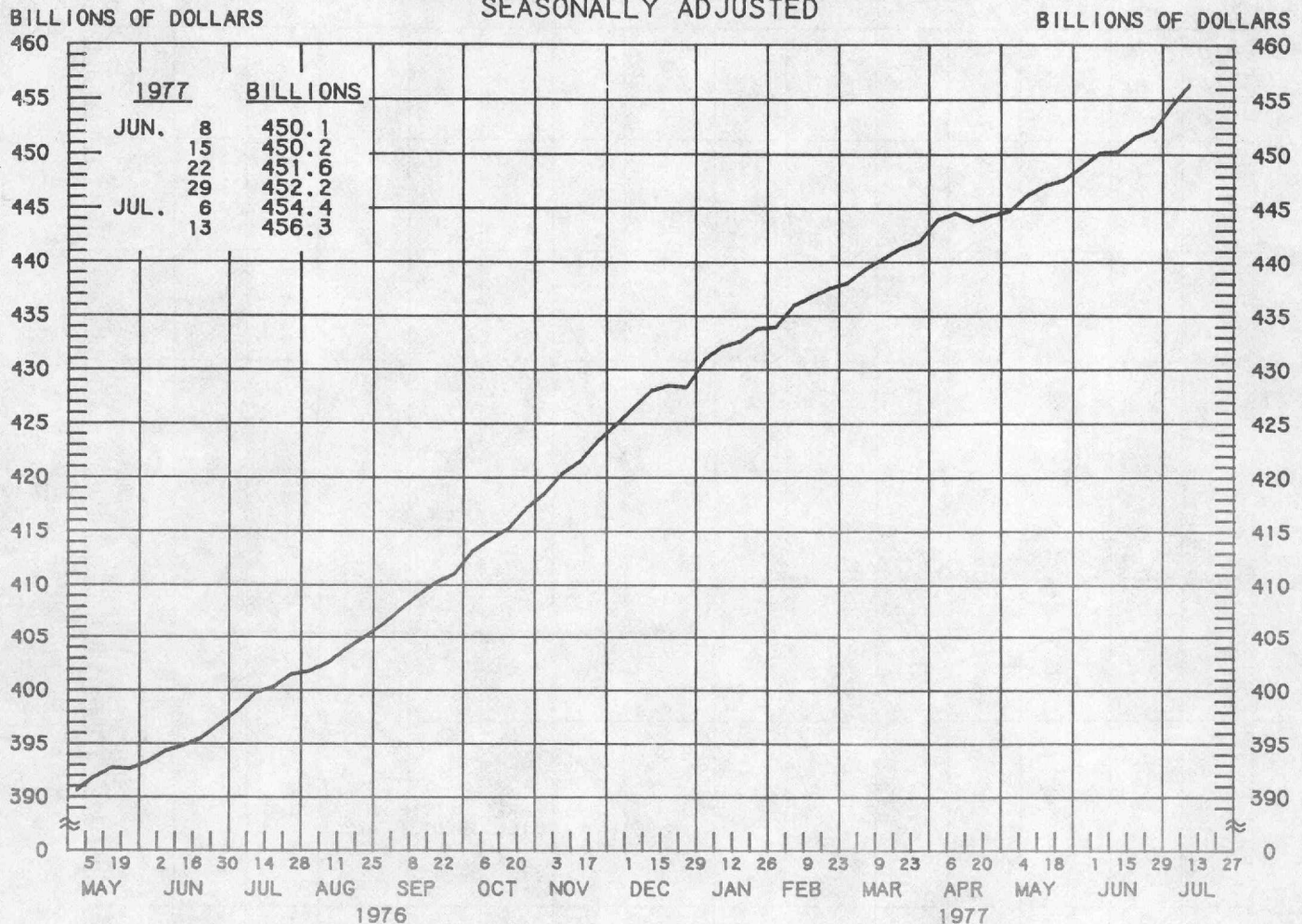
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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: JULY 13, 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:

7/14/76 10/13/76 12/15/76 1/12/77 2/16/77 3/16/77 4/13/77 5/11/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

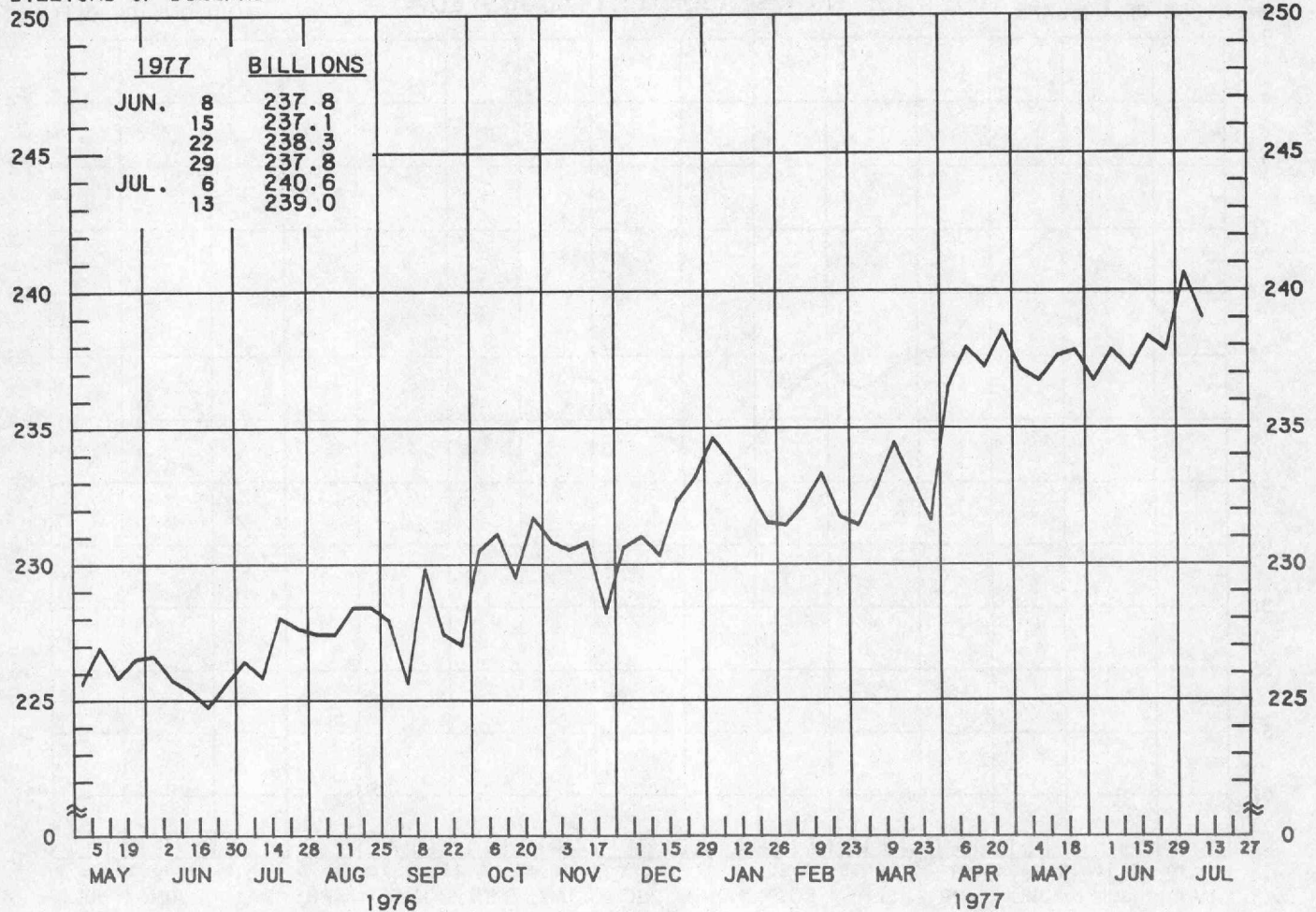
12/15/76	17.5							
1/12/77	17.0	18.5						
2/16/77	16.4	17.0	13.6					
3/16/77	15.8	16.0	13.0	12.4				
4/13/77	15.5	15.5	13.0	12.6	12.2			
5/11/77	14.5	14.1	11.5	10.8	9.9	9.1		
6/15/77	14.2	13.7	11.4	10.9	10.2	9.8	8.5	
7/13/77	14.1	13.6	11.7	11.3	10.9	10.7	10.0	12.1

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JULY 13, 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:

7/14/76 10/13/76 12/15/76 1/12/77 2/16/77 3/16/77 4/13/77 5/11/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

12/15/76	4.7							
1/12/77	7.1	8.1						
2/16/77	4.9	4.0	5.4					
3/16/77	4.6	3.8	4.6	-2.2				
4/13/77	5.5	5.1	6.5	2.2	7.8			
5/11/77	6.4	6.4	8.2	5.2	10.3	14.2		
6/15/77	5.7	5.5	6.5	4.0	7.2	8.5	6.6	
7/13/77	5.9	5.8	6.8	4.7	7.4	8.5	7.2	3.7

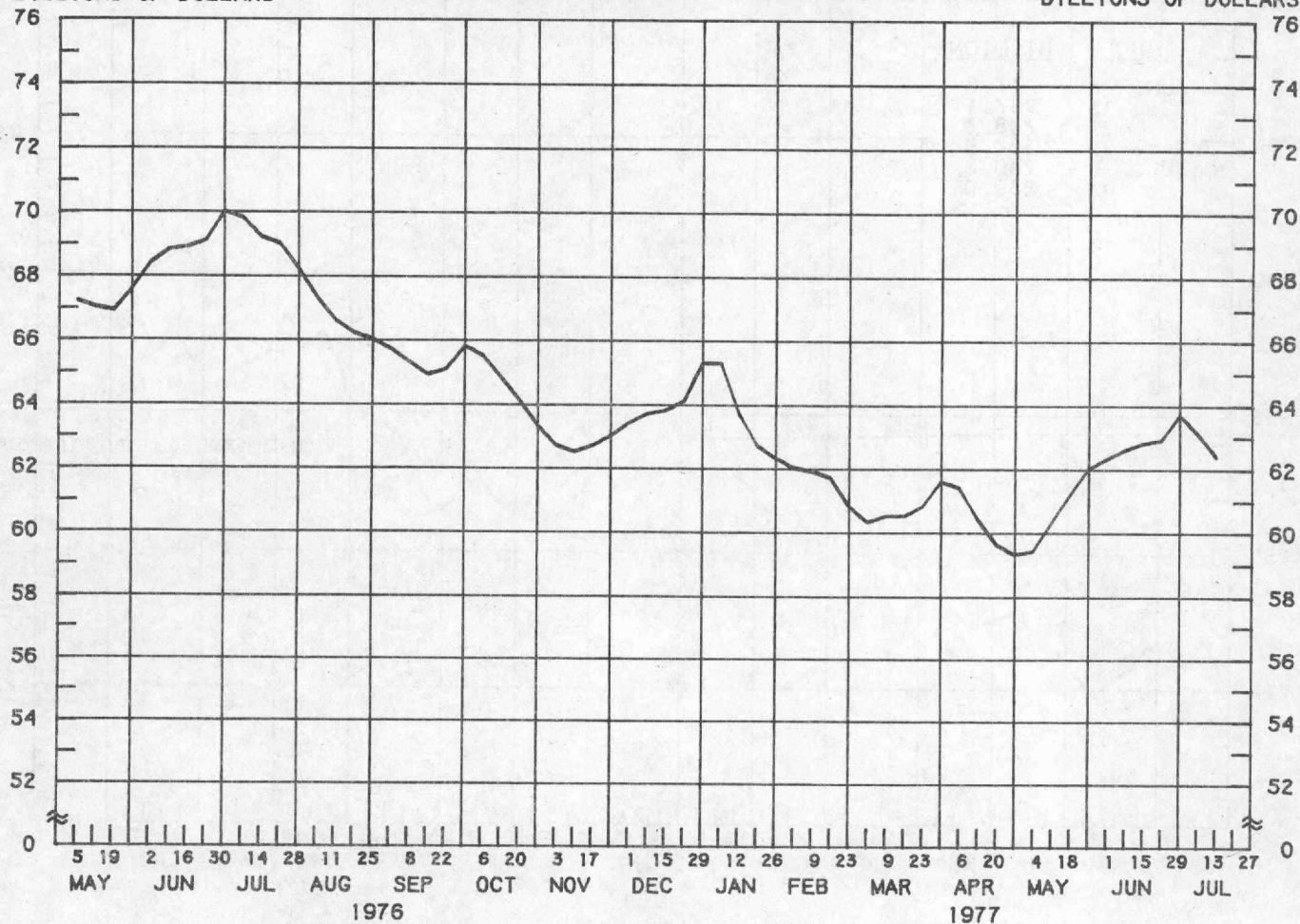
CERTIFICATES OF DEPOSIT LARGE COMMERCIAL BANKS

WEDNESDAY FIGURES

NOT SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: JULY 13, 1977

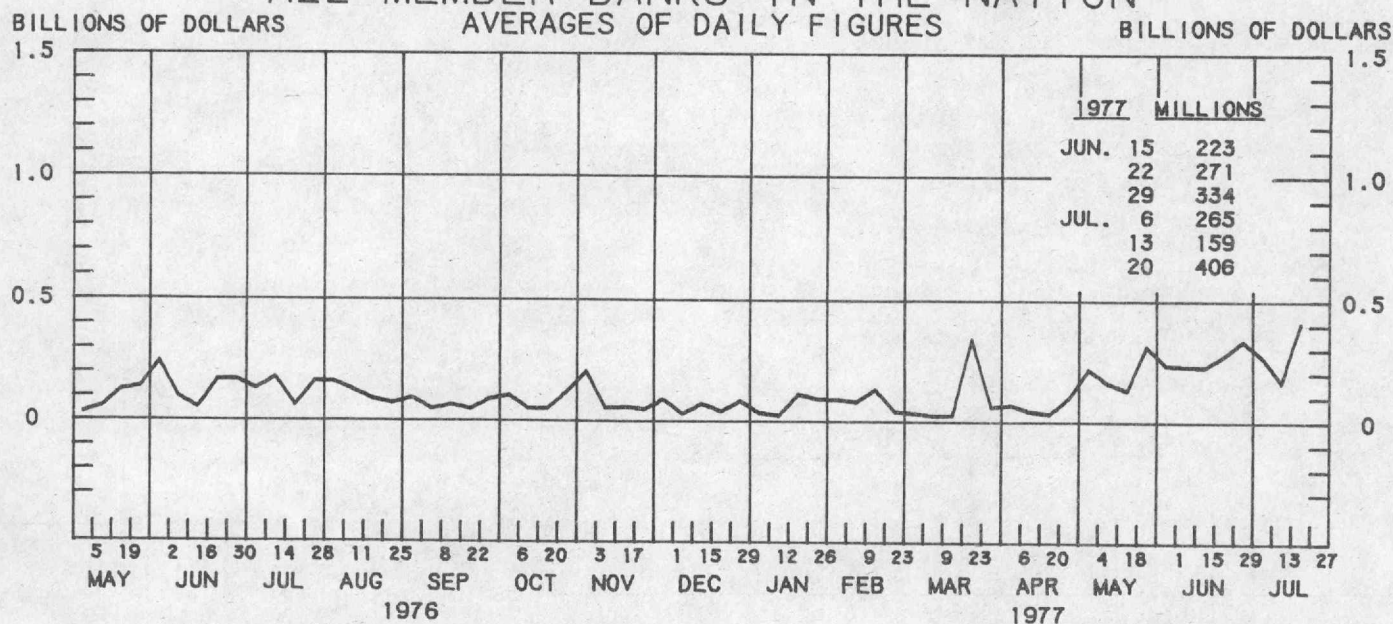
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

NEGOTIABLE TIME CERTIFICATES OF DEPOSIT ISSUED IN DENOMINATIONS OF \$100,000 OR MORE BY LARGE WEEKLY REPORTING COMMERCIAL BANKS.

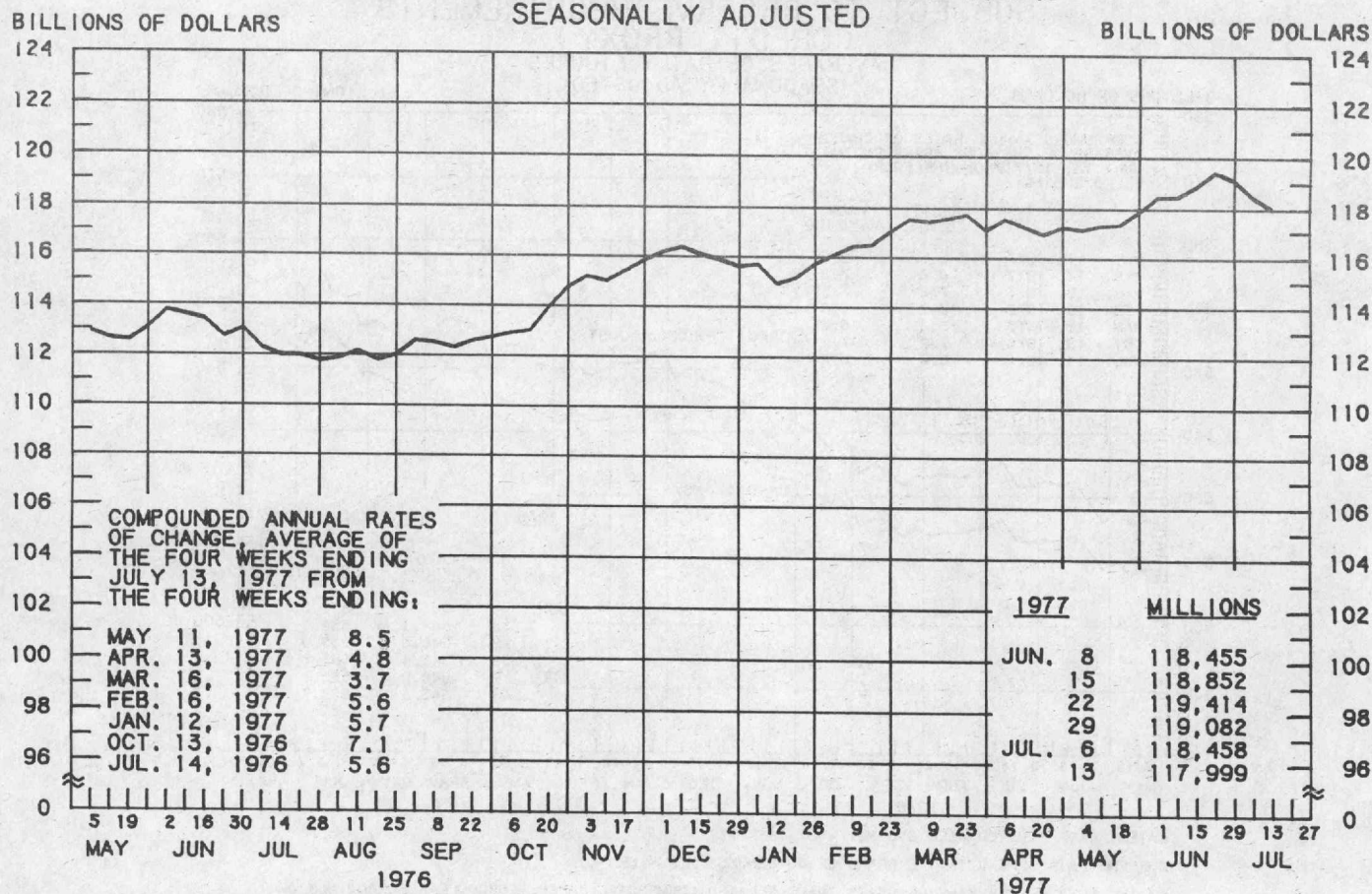
1977	CERTIFICATES OF DEPOSIT NOT SEAS. ADJ.	CERTIFICATES OF DEPOSIT SEAS. ADJ.
MAY 4	59.4	61.3
11	60.3	62.0
18	61.2	62.4
25	62.0	62.7
JUNE 1	62.3	62.9
8	62.6	63.2
15	62.8	63.7
22	62.9	64.0
29	63.7	64.8
JULY 6	63.1	64.0
13	62.4	62.8
20		
27		

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

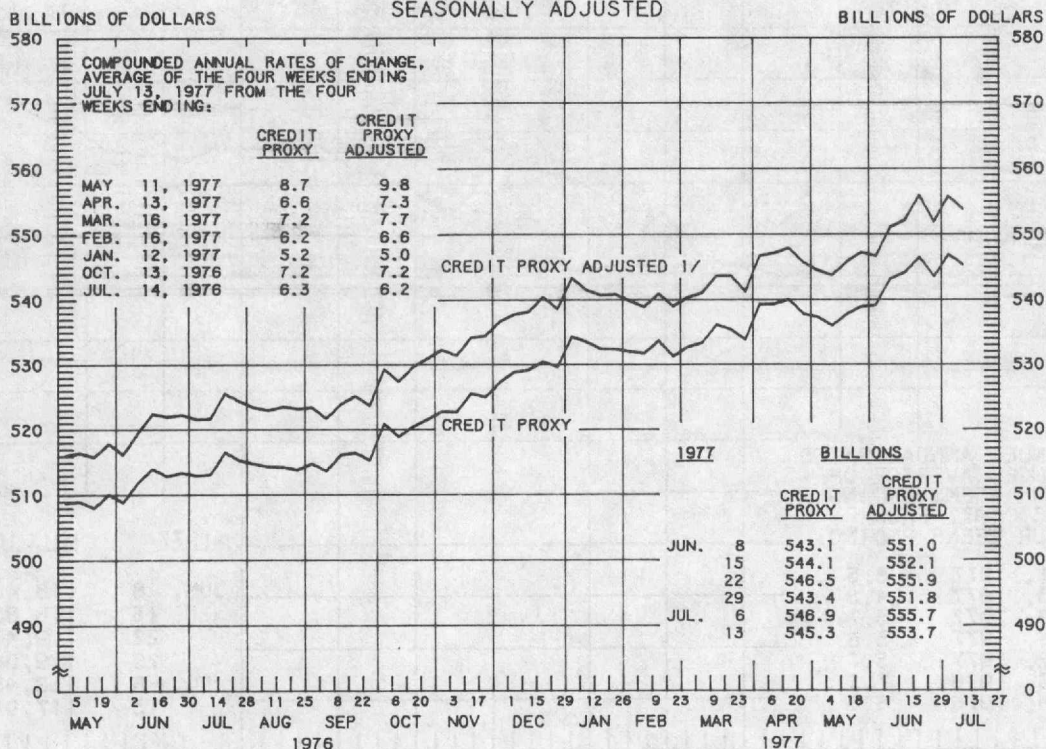
BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



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



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



LATEST DATA PLOTTED WEEK ENDING: JULY 13, 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