

Week ending: August 31, 1977



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The discount rate was increased from 5.25 percent to 5.75 percent at most of the Federal Reserve Banks during the past week. The discount rate has been below the Federal funds rate since early May of this year, and member bank borrowings from the Federal Reserve Banks have risen sharply since then, from an average of \$73 million in April of this year to an average of \$1.08 billion in August.

Beginning with this issue, currency data will be presented on page 10 of this release and the chart of certificates of deposits will be moved to page 12. Currency held by the nonbank public and demand deposits are the two components of the money stock (M1). Movements in the money stock tend to be dominated by movements in demand deposits because demand deposits generally make up about three-fourths of the money stock and because currency growth generally fluctuates less than growth of demand deposits. The table below indicates that for the 12 months ending in July, growth rates of demand deposits (at annual rates) varied between a negative 3.1 percent to a positive 23.9 percent, while growth rates of currency varied between 4.6 percent and 16.9 percent.

GROWTH RATES OF THE MONEY STOCK
AND ITS COMPONENTS
(Annual Rates of Change)
Seasonally Adjusted

<u>Month</u>	<u>M1</u>	<u>Demand Deposits</u>	<u>Currency</u>
1976 August	6.1	5.4	8.0
September	1.6	-1.0	9.6
October	14.6	16.4	9.5
November	0.0	-2.1	6.2
December	8.0	9.2	4.6
1977 January	5.5	4.2	9.3
February	0.8	-3.1	10.9
March	5.5	5.8	6.0
April	21.2	23.9	14.0
May	0.8	-1.5	7.5
June	4.6	4.7	5.9
July	19.9	20.3	16.9

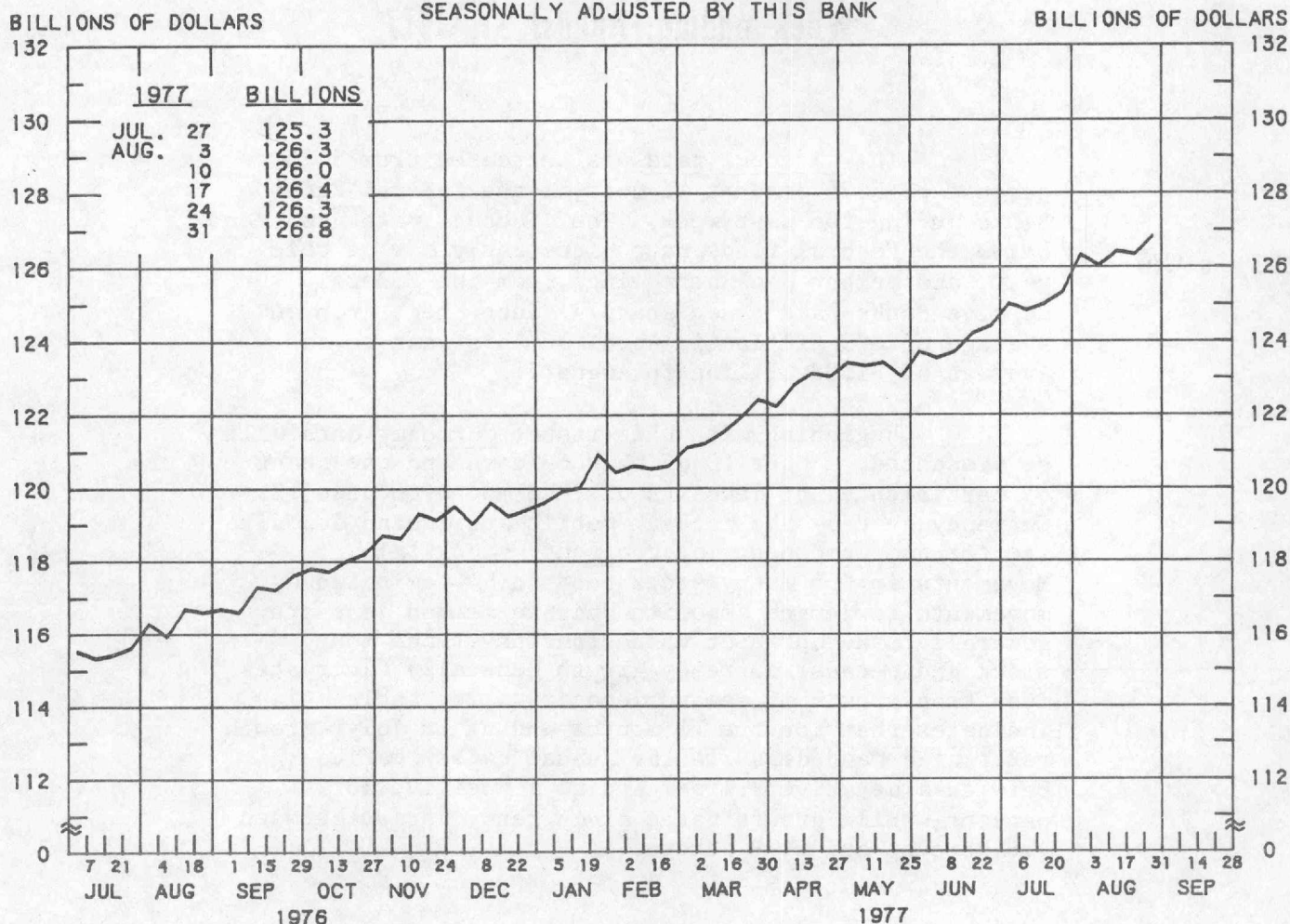
Prepared by Federal Reserve Bank of St. Louis

Released: September 2, 1977

MONETARY BASE

AVERAGES OF DAILY FIGURES

SEASONALLY ADJUSTED BY THIS BANK



LATEST DATA PLOTTED WEEK ENDING: AUGUST 31, 1977

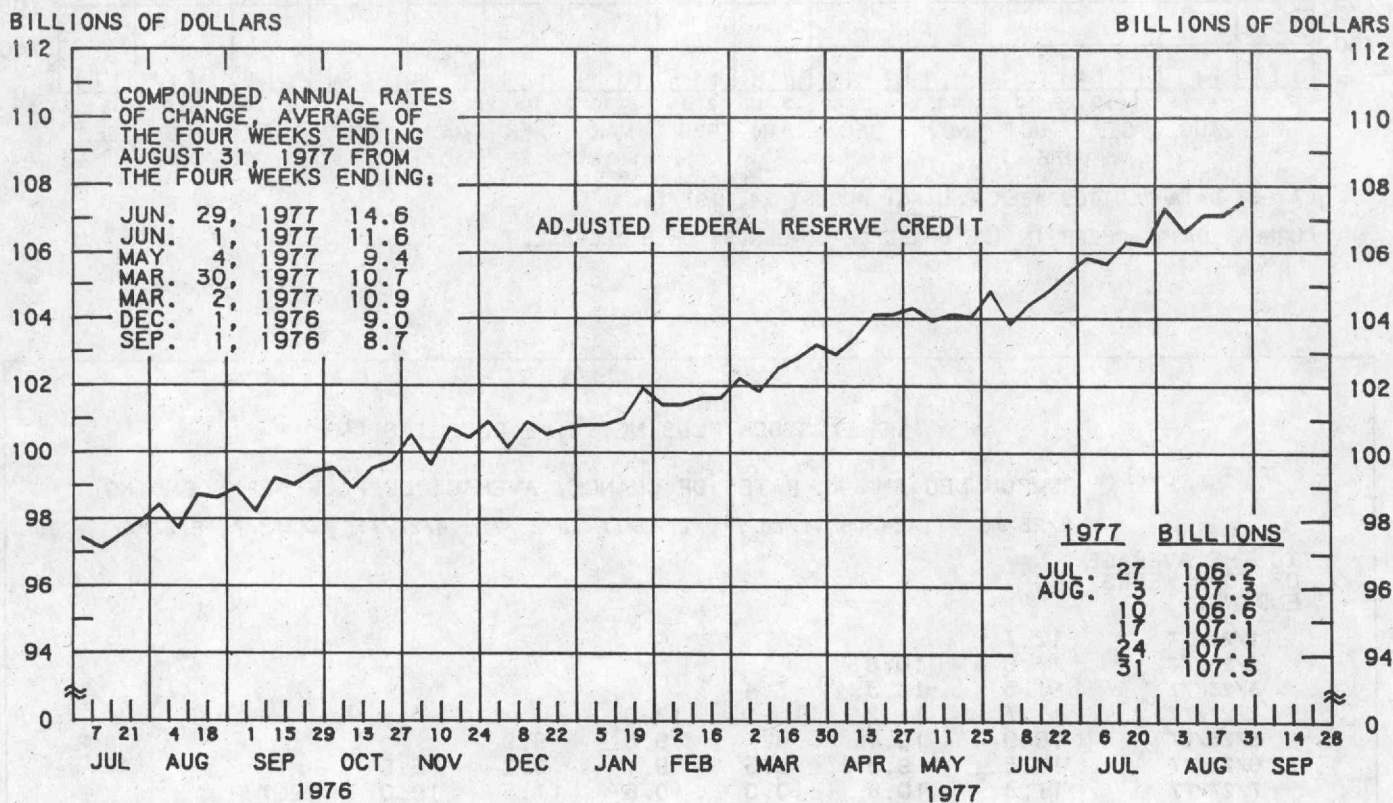
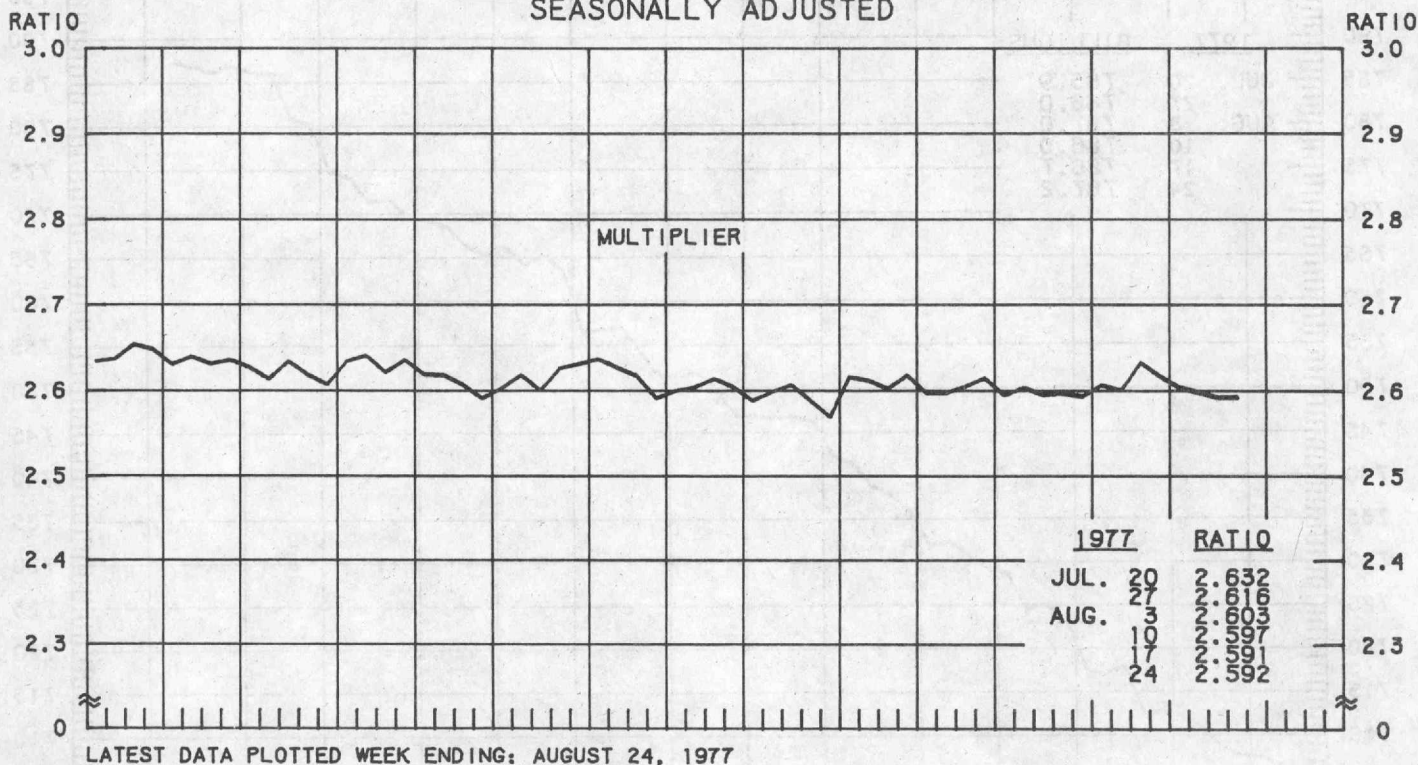
THE MONETARY BASE CONSISTS OF MEMBER BANK RESERVES AT THE FEDERAL RESERVE BANKS AND CURRENCY IN CIRCULATION (CURRENCY HELD BY THE PUBLIC AND IN THE VAULTS OF COMMERCIAL BANKS), ADJUSTED FOR RESERVE REQUIREMENT RATIO CHANGES AND SHIFTS IN THE SAME TYPE OF DEPOSITS BETWEEN BANKS WHERE DIFFERENT RESERVE 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:

	9/1/76	12/1/76	2/2/77	3/2/77	3/30/77	5/4/77	6/1/77	6/29/77
TO THE AVERAGE OF FOUR WEEKS ENDING:								
2/ 2/77	7.9							
3/ 2/77	7.3	5.5						
3/30/77	8.0	7.1	8.4					
5/ 4/77	8.5	8.1	9.6	12.0				
6/ 1/77	8.0	7.4	8.1	9.3	7.8			
6/29/77	7.8	7.2	7.8	8.6	7.4	4.8		
8/ 3/77	8.3	8.0	8.7	9.4	8.8	7.7	9.7	
8/31/77	8.5	8.3	9.0	9.7	9.2	8.4	10.1	11.7

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



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

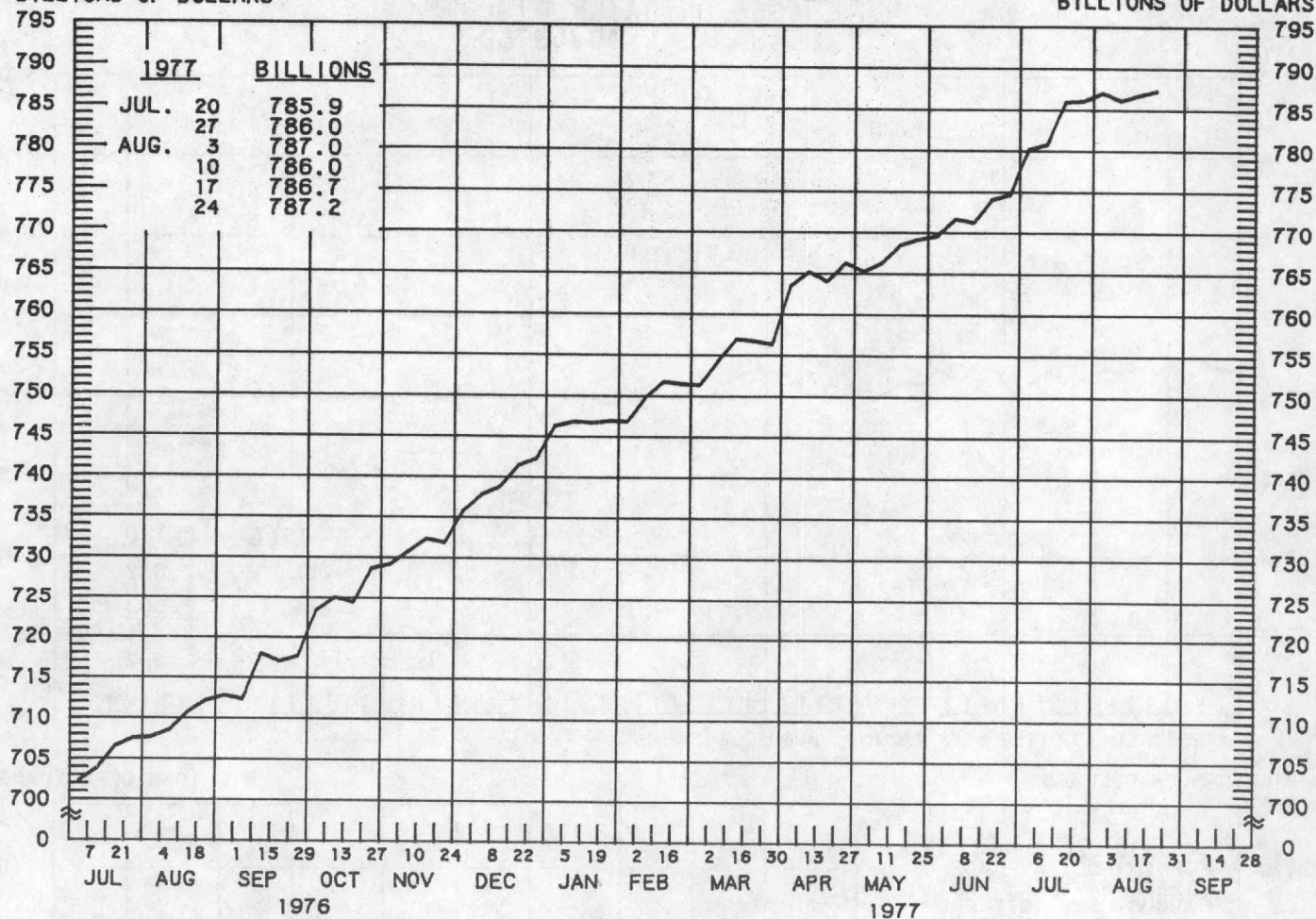
2/ FEDERAL RESERVE CREDIT CONSISTS OF FEDERAL RESERVE HOLDINGS OF SECURITIES, LOANS, FLOAT AND OTHER ASSETS. ADJUSTED FEDERAL RESERVE CREDIT IS COMPUTED BY SUBTRACTING TREASURY DEPOSITS AT FEDERAL RESERVE BANKS FROM THIS SERIES, AND ADJUSTING THE SERIES FOR RESERVE REQUIREMENT RATIO CHANGES AND SHIFTS 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: AUGUST 24, 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:

8/25/76 11/24/76 1/26/77 2/23/77 3/23/77 4/27/77 5/25/77 6/22/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

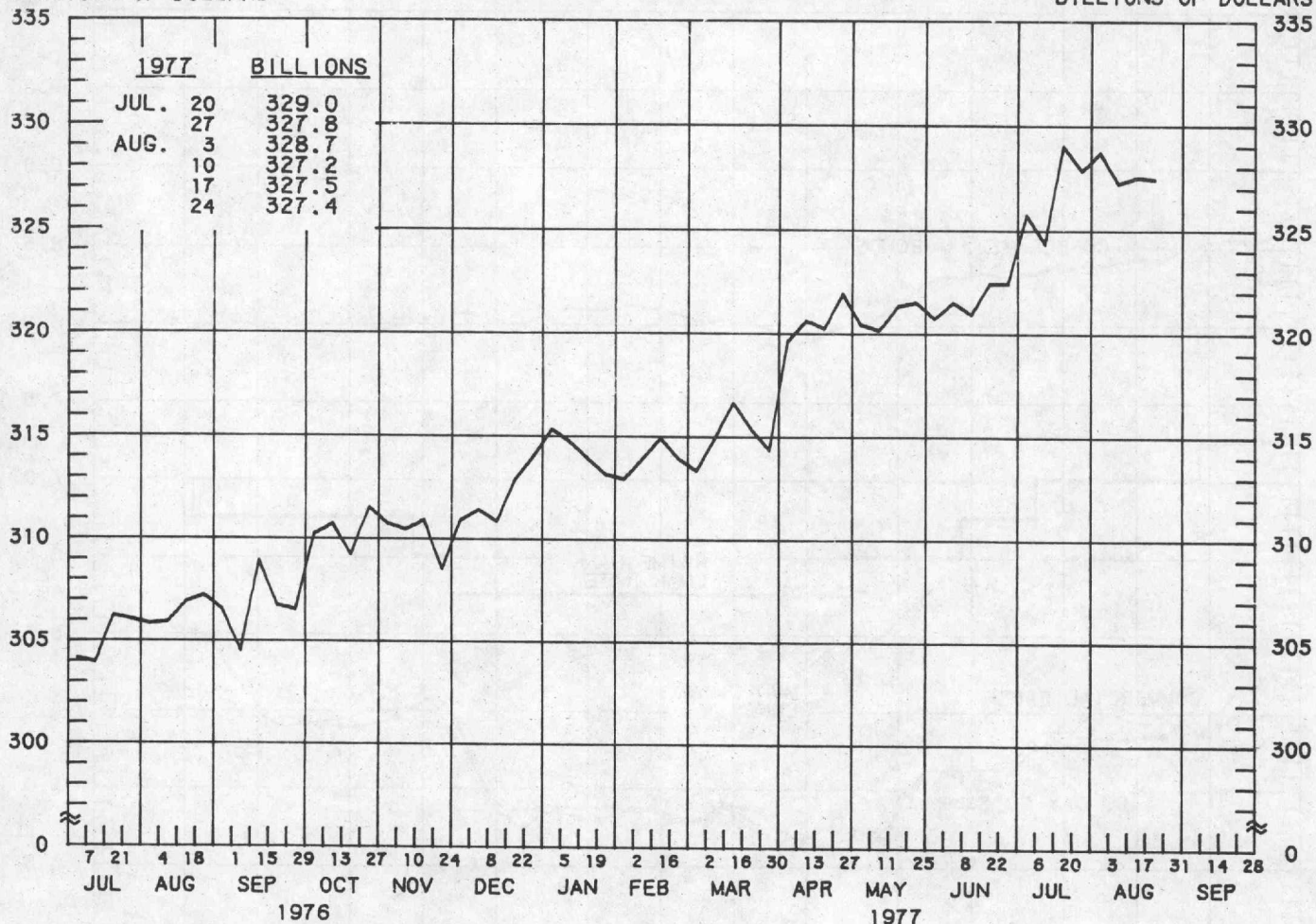
1/26/77	12.7							
2/23/77	11.6	10.8						
3/23/77	11.3	10.3	7.4					
4/27/77	11.7	11.2	10.1	12.0				
5/25/77	10.9	10.1	8.7	9.6	9.9			
6/22/77	10.6	9.8	8.5	9.1	9.2	6.0		
7/27/77	11.3	10.8	10.0	10.8	11.3	10.0	12.7	
8/24/77	10.8	10.3	9.5	10.1	10.3	9.1	10.6	11.8

MONEY STOCK (M1)

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: AUGUST 24, 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)

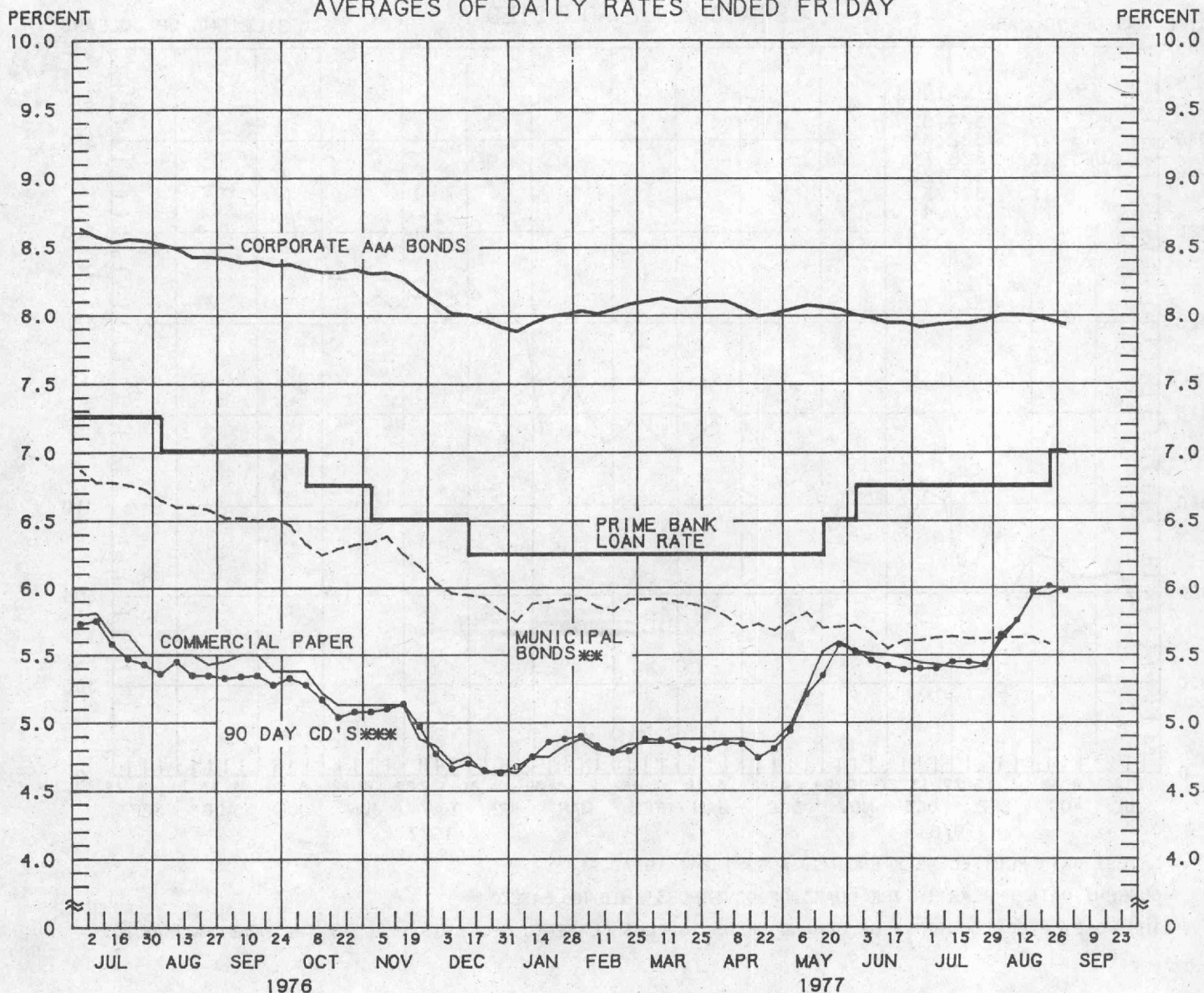
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

	8/25/76	11/24/76	1/26/77	2/23/77	3/23/77	4/27/77	5/25/77	6/22/77
1/26/77	6.1							
2/23/77	4.9	5.0						
3/23/77	4.9	4.9	1.5					
4/27/77	6.9	8.2	8.3	13.0				
5/25/77	6.3	7.0	6.5	9.1	11.1			
6/22/77	5.9	6.4	5.7	7.5	8.4	1.6		
7/27/77	7.2	8.1	8.0	9.9	11.1	7.8	11.1	
8/24/77	6.9	7.6	7.5	9.0	9.8	6.9	8.9	11.9

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: SEPTEMBER 2, 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	7.93	N.A.
9					
16					
23					
30					

* AVERAGES OF RATES AVAILABLE.

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

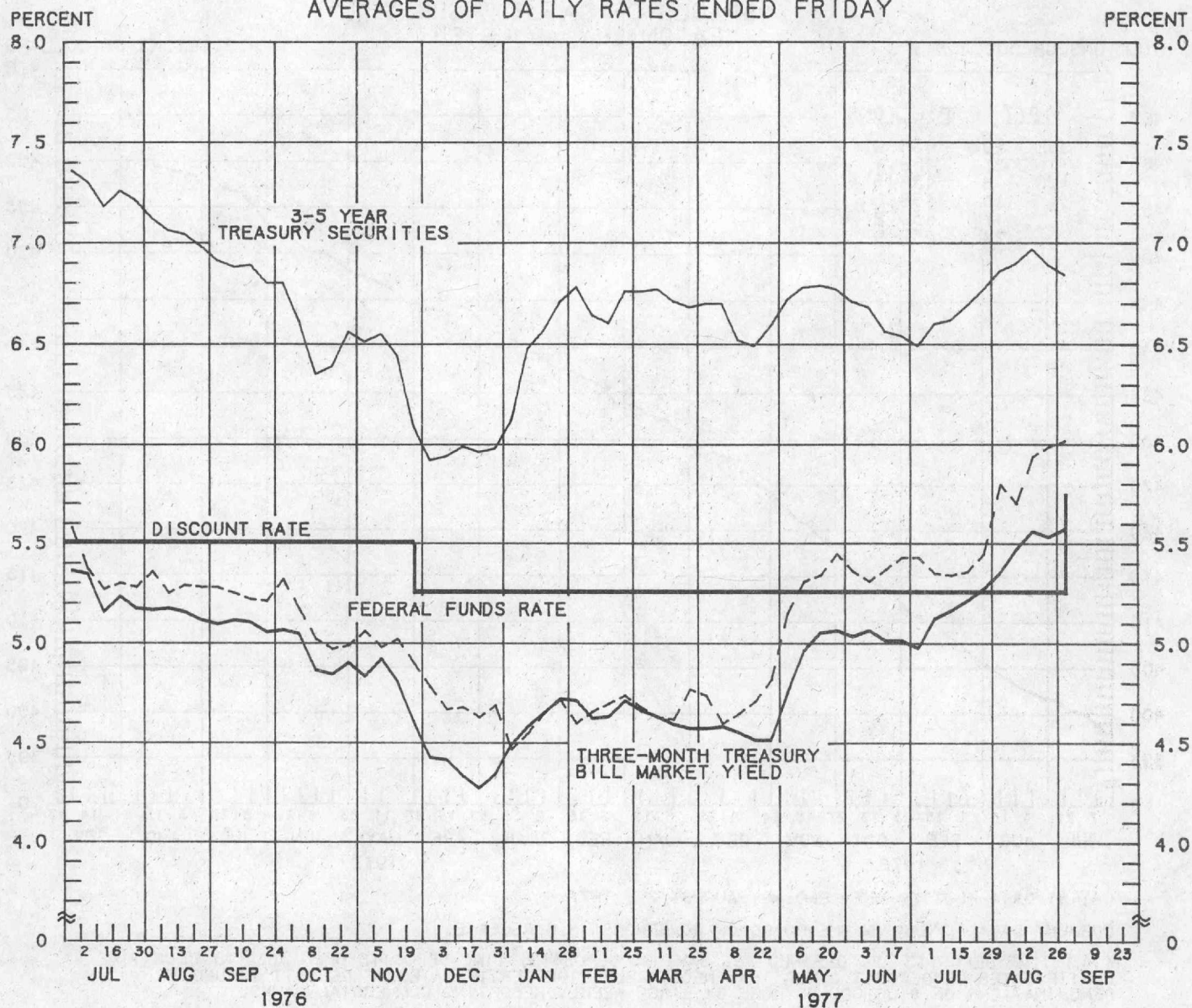
*** SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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 2, 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	5.57	5.98	6.84	7.40
9					
16					
23					
30					

* AVERAGES OF RATES AVAILABLE.

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

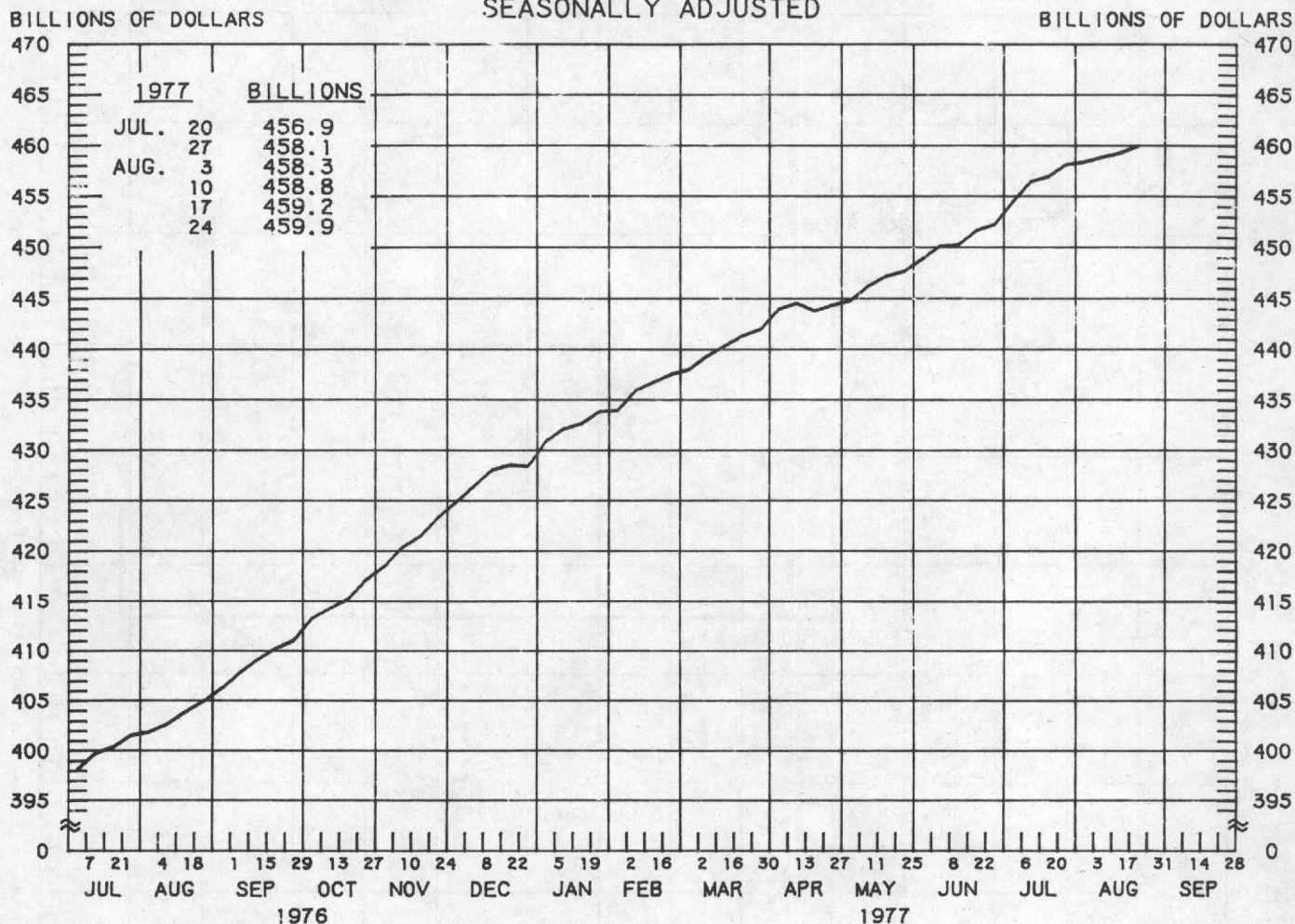
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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: AUGUST 24, 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:

8/25/76 11/24/76 1/26/77 2/23/77 3/23/77 4/27/77 5/25/77 6/22/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

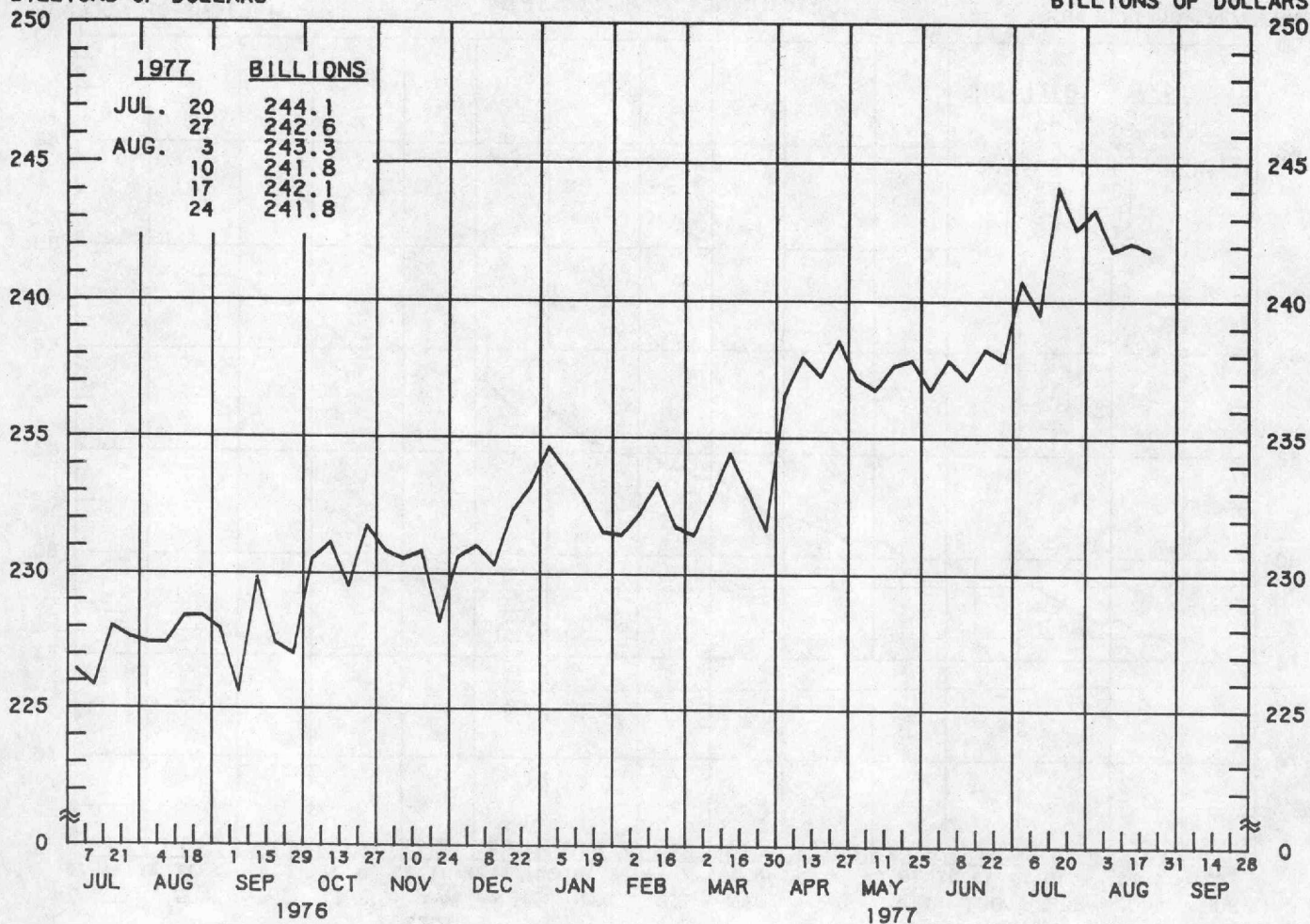
1/26/77	17.9						
2/23/77	16.9	15.1					
3/23/77	16.2	14.3	11.5				
4/27/77	15.4	13.5	11.3	11.2			
5/25/77	14.5	12.5	10.2	9.9	9.1		
6/22/77	14.2	12.4	10.5	10.3	9.9	9.3	
7/27/77	14.4	12.8	11.5	11.5	11.4	11.6	13.8
8/24/77	13.8	12.3	10.9	10.9	10.7	10.7	11.9
							12.0

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



DEMAND DEPOSIT COMPONENT OF MONEY STOCK

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

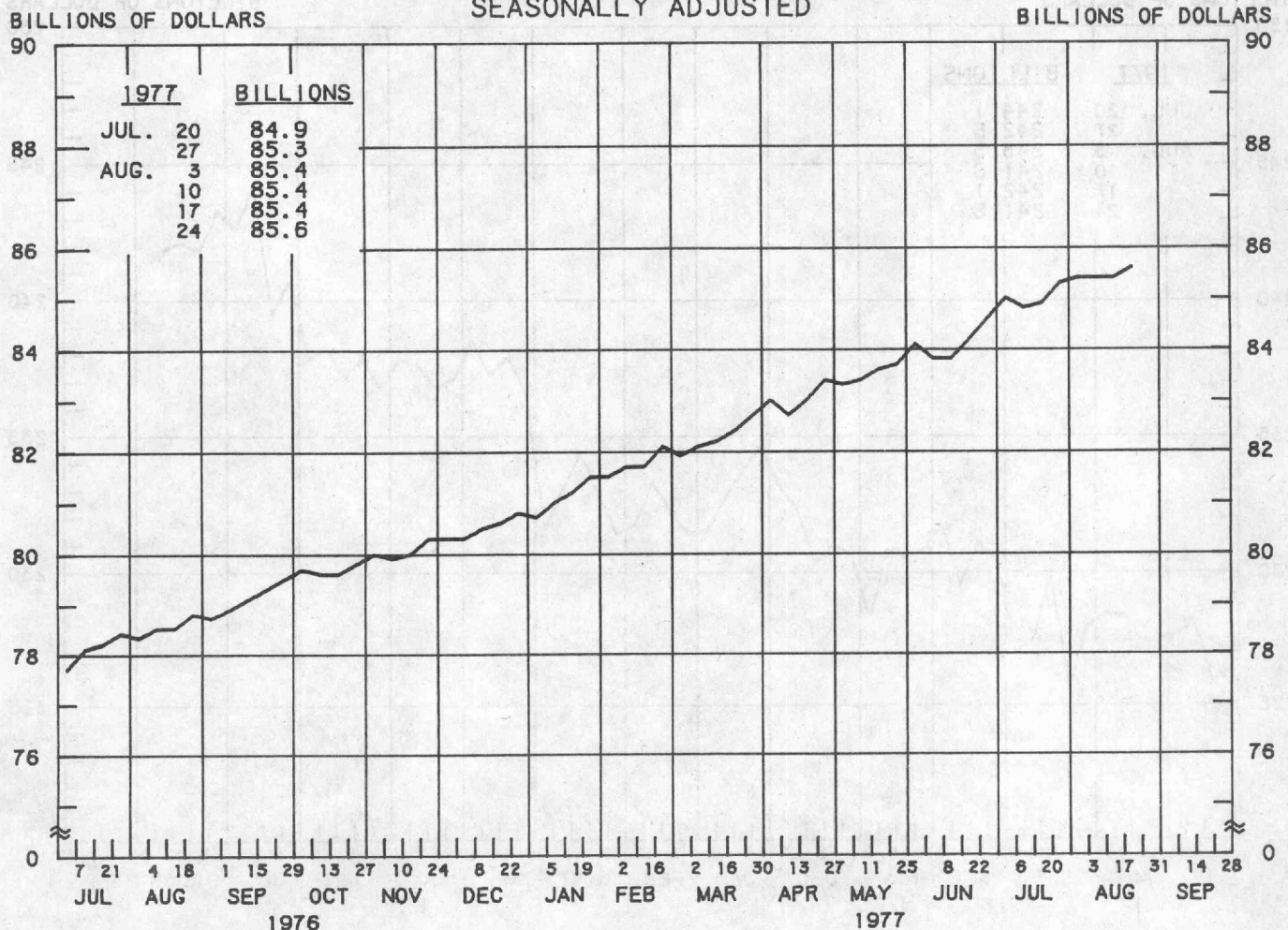
8/25/76 11/24/76 1/26/77 2/23/77 3/23/77 4/27/77 5/25/77 6/22/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

1/26/77	5.5							
2/23/77	3.8	3.7						
3/23/77	3.8	3.8	-0.6					
4/27/77	6.3	7.8	7.8	13.9				
5/25/77	5.5	6.4	5.6	9.1	11.4			
6/22/77	5.1	5.6	4.7	7.1	8.1	0.0		
7/27/77	6.6	7.6	7.5	9.9	11.3	7.3	11.2	
8/24/77	6.3	7.1	6.9	8.9	9.8	6.3	8.7	12.3

CURRENCY COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 24, 1977

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

CURRENCY

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

8/25/76 11/24/76 1/26/77 2/23/77 3/23/77 4/27/77 5/25/77 6/22/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

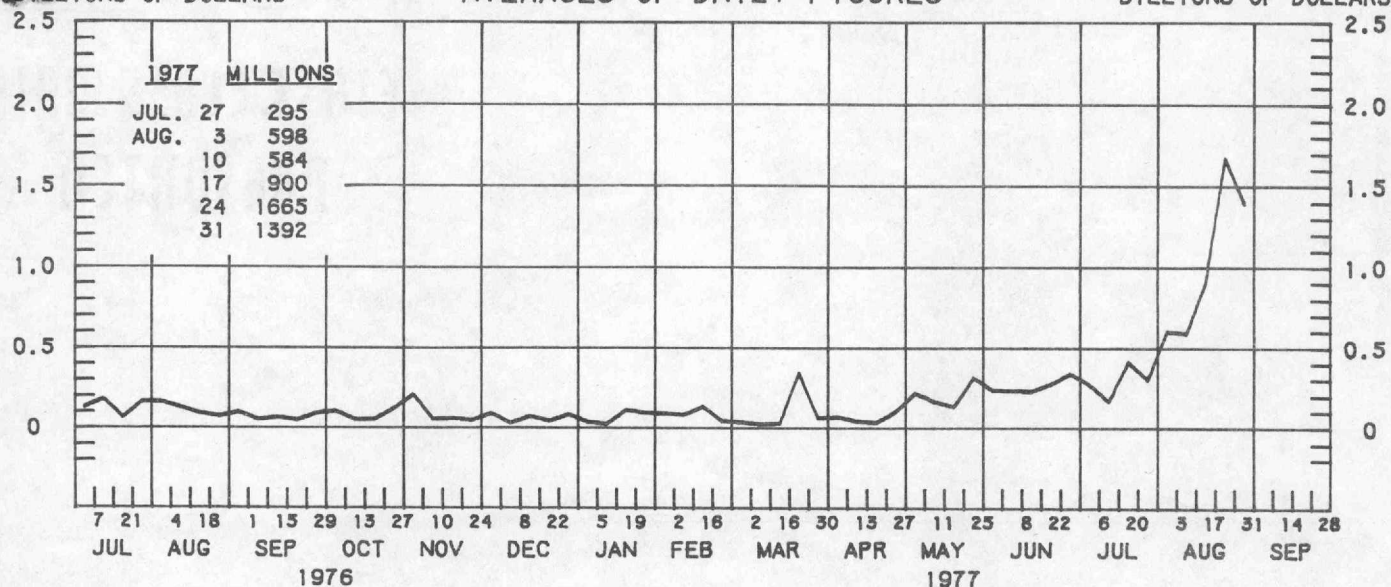
1/26/77	8.0							
2/23/77	8.6	8.8						
3/23/77	8.3	8.2	9.2					
4/27/77	8.6	8.8	9.7	8.8				
5/25/77	8.6	8.7	9.3	8.6	9.5			
6/22/77	8.5	8.6	9.1	8.5	9.1	8.1		
7/27/77	9.0	9.2	9.8	9.5	10.2	10.0	10.8	
8/24/77	8.9	9.1	9.6	9.3	9.8	9.5	9.9	10.8

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION

BILLIONS OF DOLLARS

AVERAGES OF DAILY FIGURES

BILLIONS OF DOLLARS

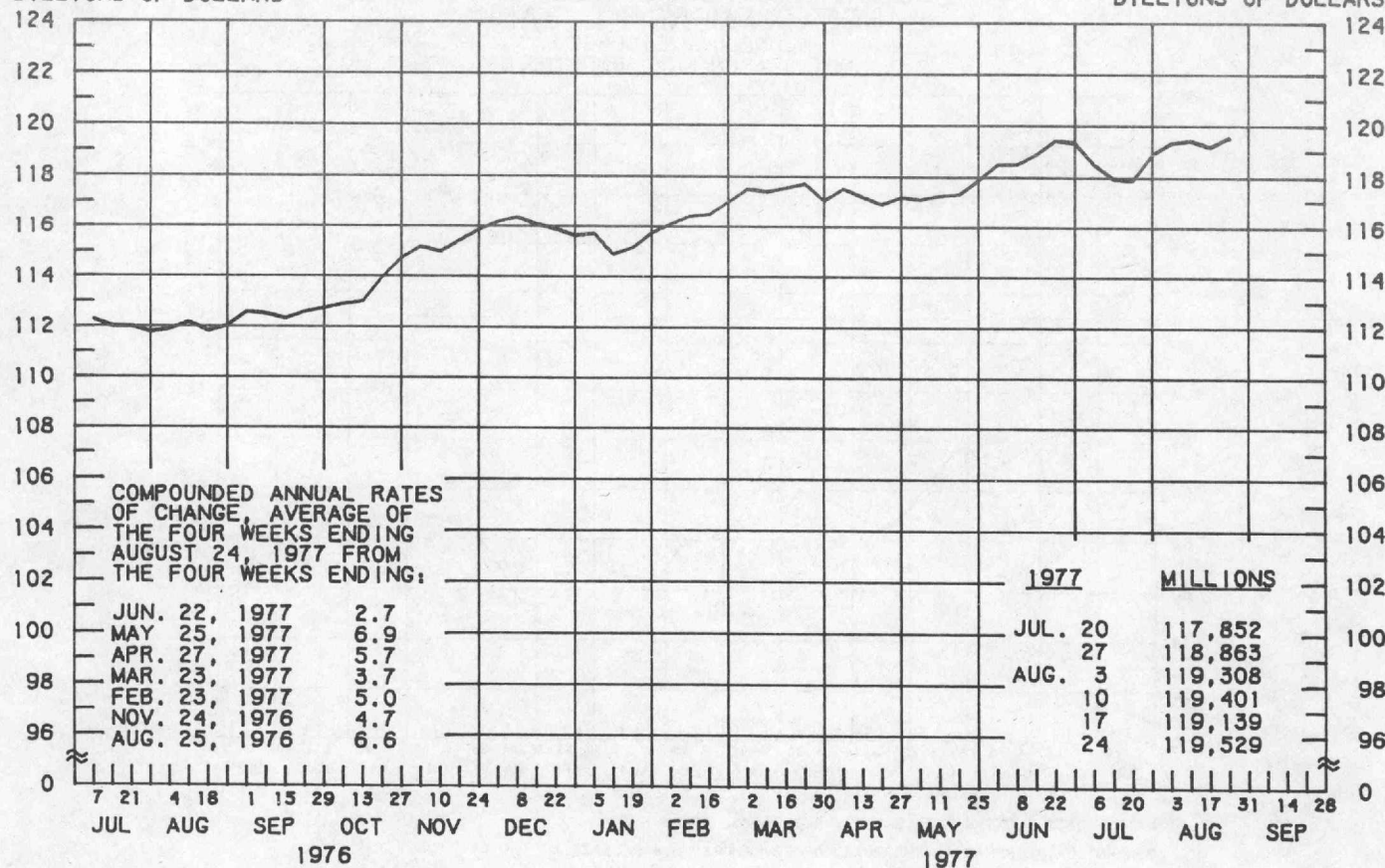


LATEST DATA PLOTTED WEEK ENDING: AUGUST 31, 1977

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

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS

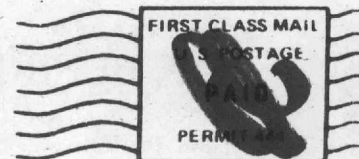


LATEST DATA PLOTTED WEEK ENDING: AUGUST 24, 1977

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

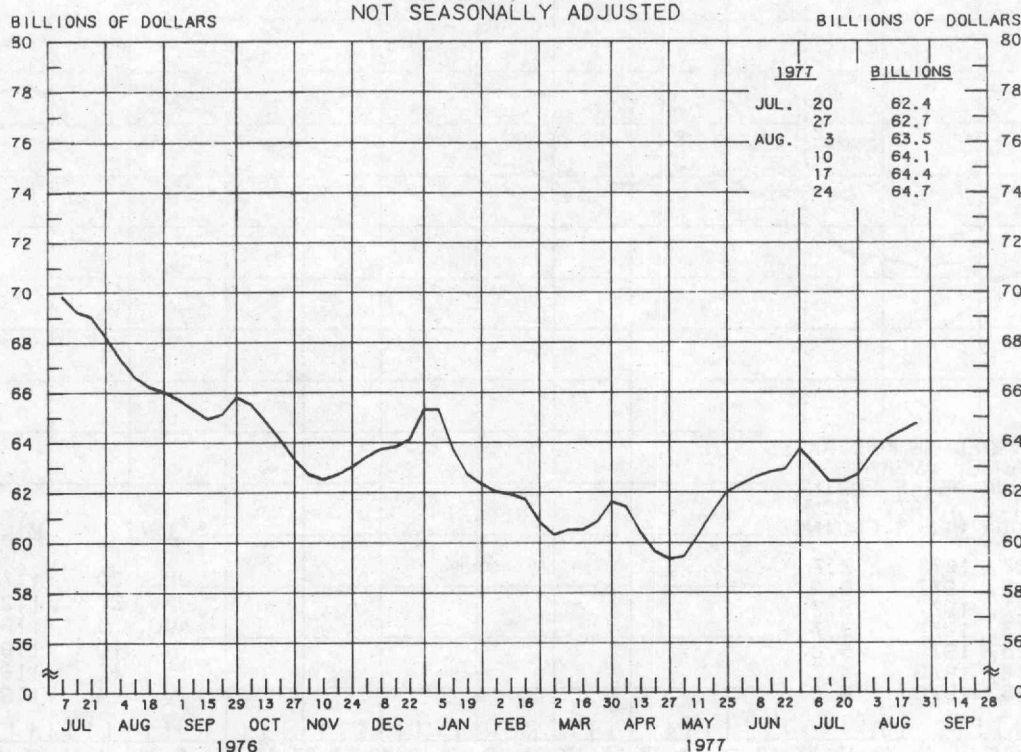
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P. O. BOX 442
ST. LOUIS, MISSOURI 63166

RETURN POSTAGE GUARANTEED



FIRST CLASS MAIL
PRESORTED

CERTIFICATES OF DEPOSIT
LARGE COMMERCIAL BANKS
WEDNESDAY FIGURES
NOT SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 24, 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