



Week ending: September 7, 1977

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Borrowings by member banks at Federal Reserve Banks increased sharply in August, in response to a widening differential between the Federal funds rate and the Federal Reserve discount rate. The Federal funds rate has been above the discount rate since early May of this year. Daily average borrowings by member banks were \$94 million in the 12 months ending in April of this year, rose to an average of \$248 million in May through July, and averaged \$1.07 billion in August. The differential between the Federal funds rate and the discount rate was narrowed in the first week of September when the discount rate was increased from 5.25 percent to 5.75 percent.

Borrowings by member banks are generally small relative to the other monetary aggregates over which the Federal Reserve has direct control. For instance, during the past year borrowings by member banks averaged about two-tenths of one percent of adjusted Federal Reserve credit.* However, when there are sharp changes in member bank borrowings, changes in borrowings are often large relative to changes in adjusted Federal Reserve credit. The table below presents dollar changes in adjusted Federal Reserve credit and member bank borrowings from month to month since January. In most of the first eight months of this year changes in borrowings were small relative to changes in adjusted Federal Reserve credit. However, in August the increase in borrowings was larger than the change in adjusted Federal Reserve credit.

Changes in Federal Reserve Credit and Member Bank Borrowings
(Millions of Dollars)
Not Seasonally Adjusted

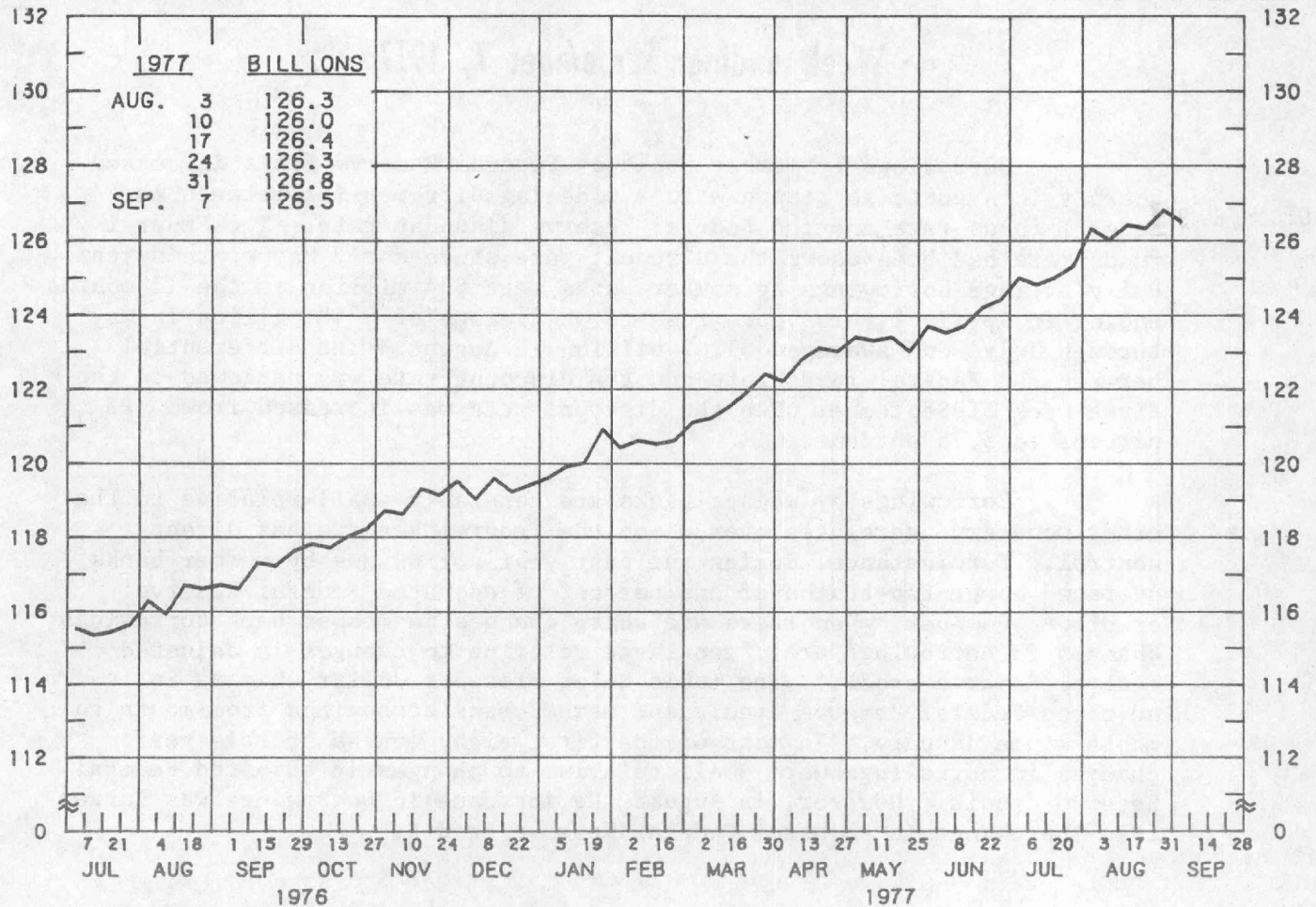
<u>Month</u>	<u>Adjusted Federal Reserve Credit *</u>	<u>Member Bank Borrowings</u>
January 1977	\$ - 137	\$ - 1
February 1977	- 2,631	18
March 1977	- 1,152	31
April 1977	1,768	- 37
May 1977	852	127
June 1977	744	61
July 1977	2,534	21
August 1977	- 36	788

* 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.

MONETARY BASE
 AVERAGES OF DAILY FIGURES
 SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



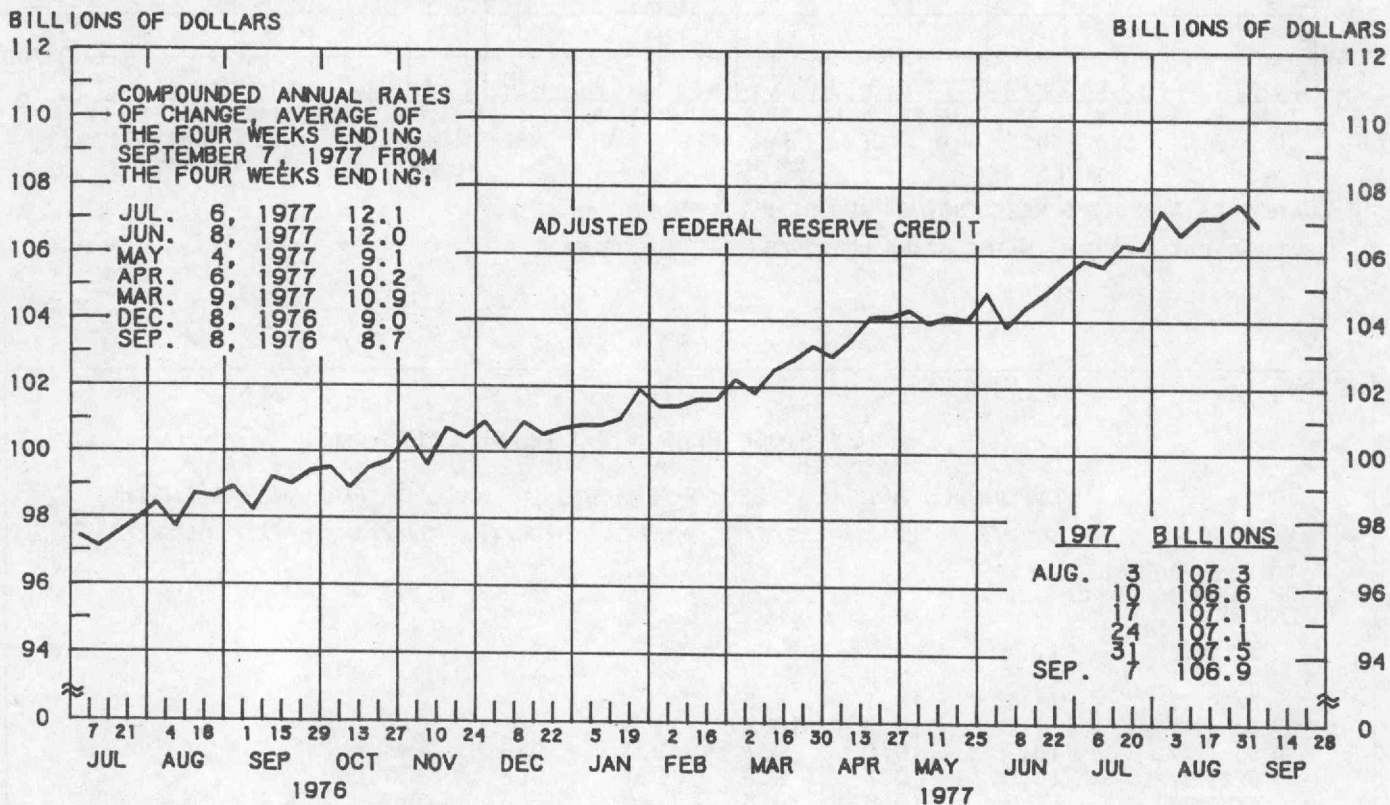
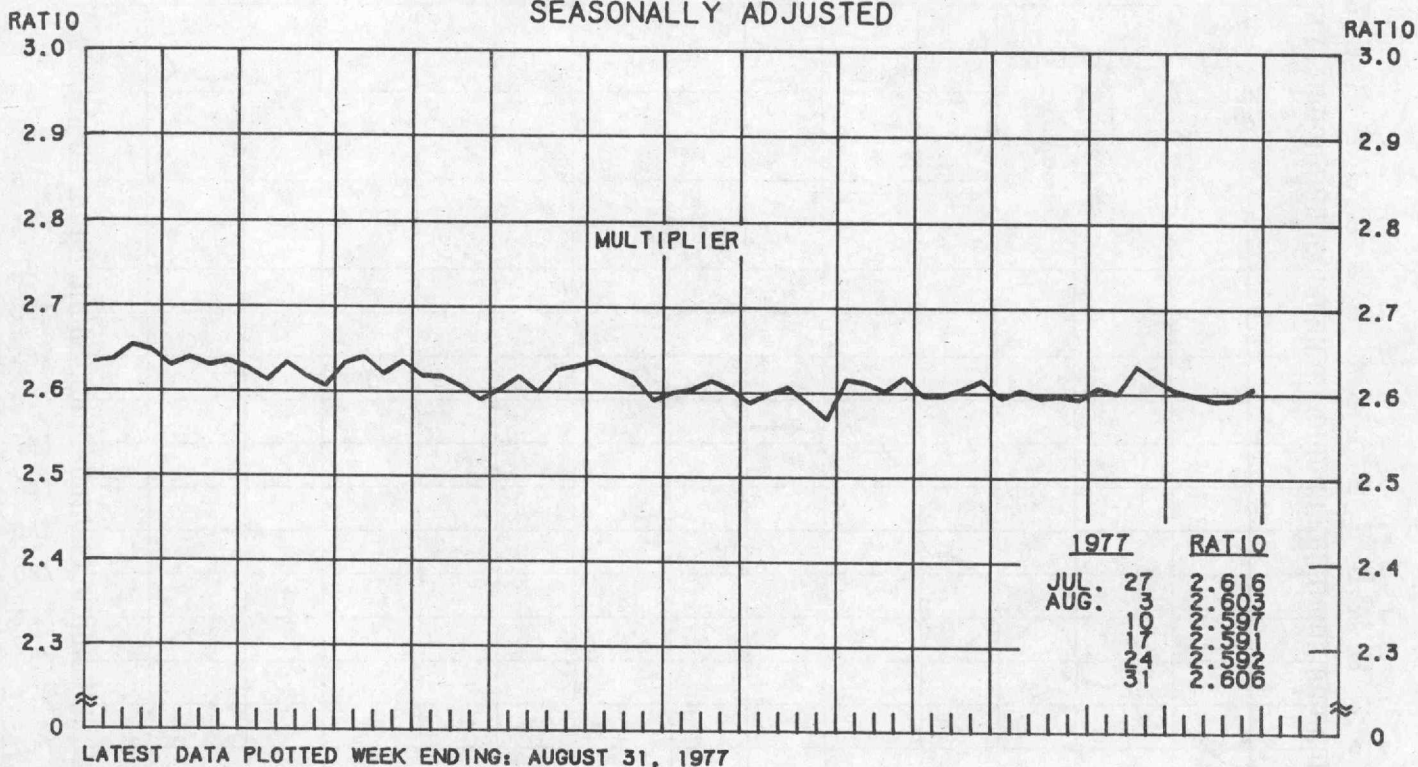
LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 7, 1977

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:									
	9/8/76	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	7.9								
3/ 9/77	7.3	5.8							
4/ 6/77	8.0	7.4	8.4						
5/ 4/77	8.5	8.3	9.7	12.4					
6/ 8/77	7.7	7.2	7.5	8.5	6.8				
7/ 6/77	7.9	7.5	8.0	8.9	7.8	5.8			
8/10/77	8.4	8.2	8.8	9.6	9.0	8.1	11.3		
9/ 7/77	8.4	8.2	8.8	9.5	8.9	8.2	10.4	10.7	

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

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 7, 1977

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

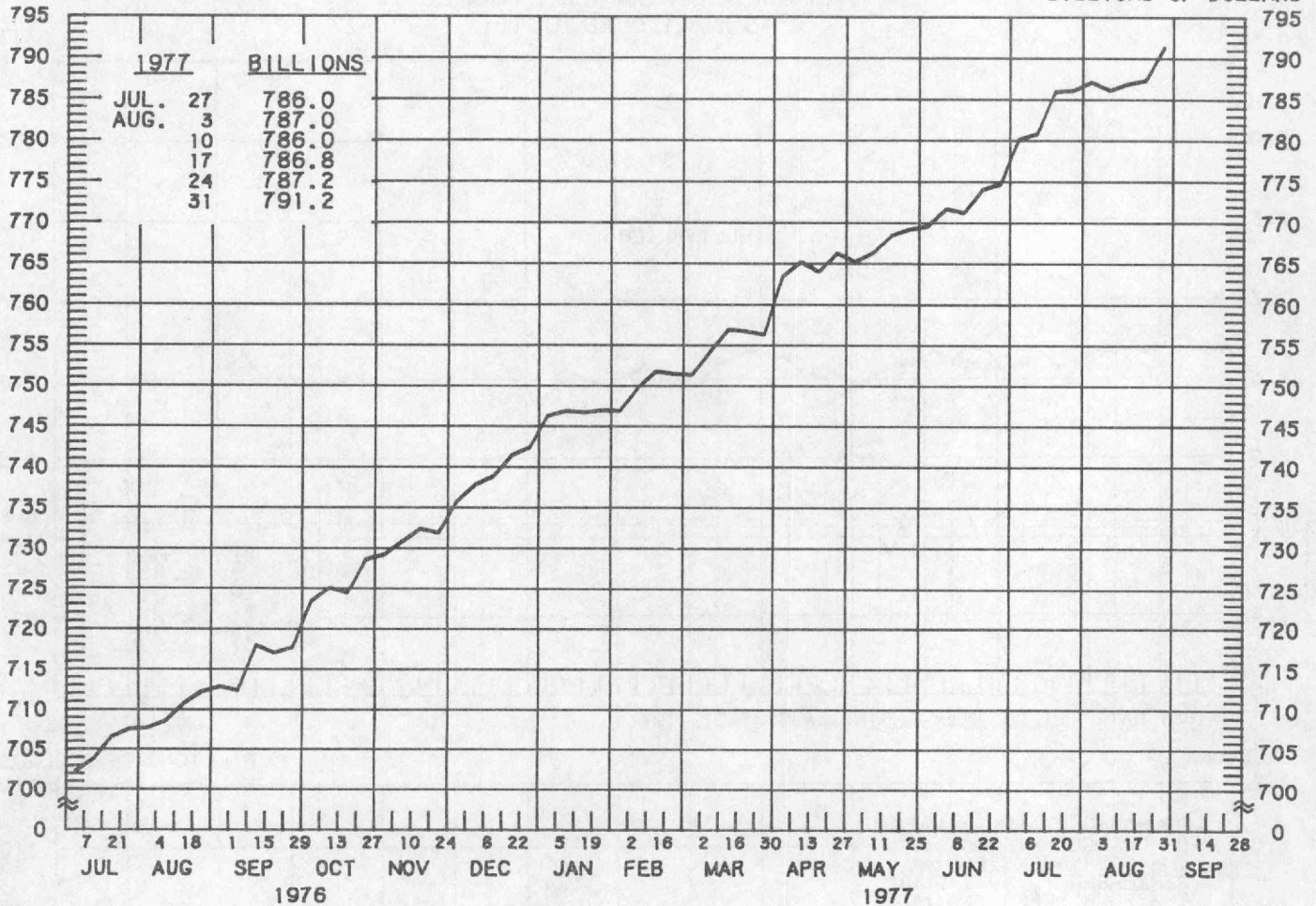
2/ FEDERAL RESERVE CREDIT CONSISTS OF FEDERAL RESERVE HOLDINGS OF SECURITIES, LOANS, FLOAT AND OTHER ASSETS. ADJUSTED FEDERAL RESERVE CREDIT IS COMPUTED BY SUBTRACTING TREASURY DEPOSITS AT FEDERAL RESERVE BANKS FROM THIS SERIES, AND ADJUSTING THE SERIES FOR RESERVE REQUIREMENT RATIO CHANGES AND SHIFTS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

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: AUGUST 31, 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:

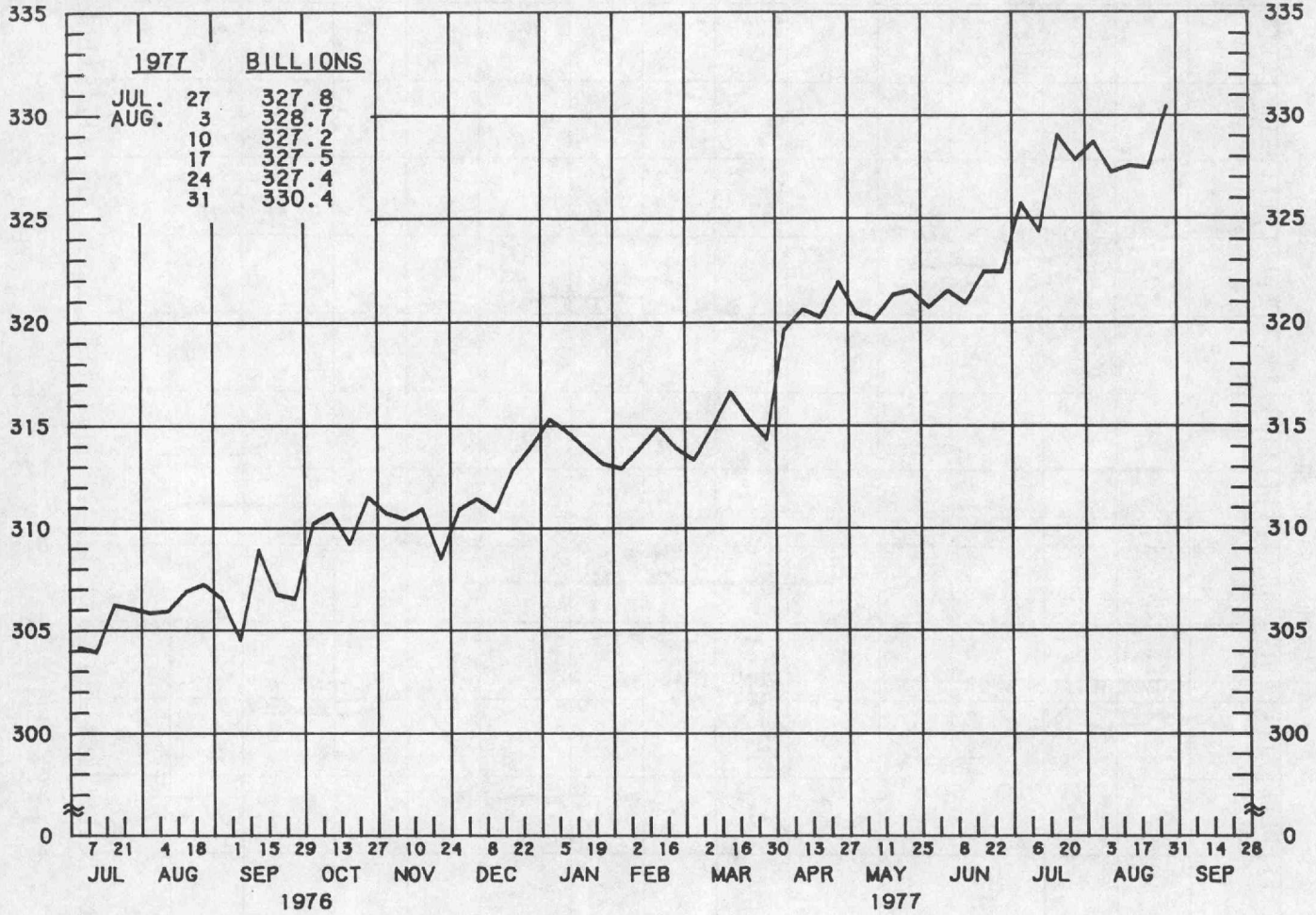
	9/1/76	12/1/76	2/2/77	3/2/77	3/30/77	5/4/77	6/1/77	6/29/77
TO THE AVERAGE OF FOUR WEEKS ENDING:								
2/ 2/77		12.3						
3/ 2/77		11.6	10.5					
3/30/77		11.2	10.1	8.3				
5/ 4/77		11.5	10.8	10.2	11.3			
6/ 1/77		10.9	10.0	9.1	9.5	9.8		
6/29/77		10.6	9.7	8.8	9.1	9.2	6.7	
8/ 3/77		11.3	10.8	10.5	11.0	11.4	10.8	13.1
8/31/77		10.8	10.2	9.7	10.0	10.2	9.4	10.5 11.7

MONEY STOCK (M1)

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: AUGUST 31, 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.

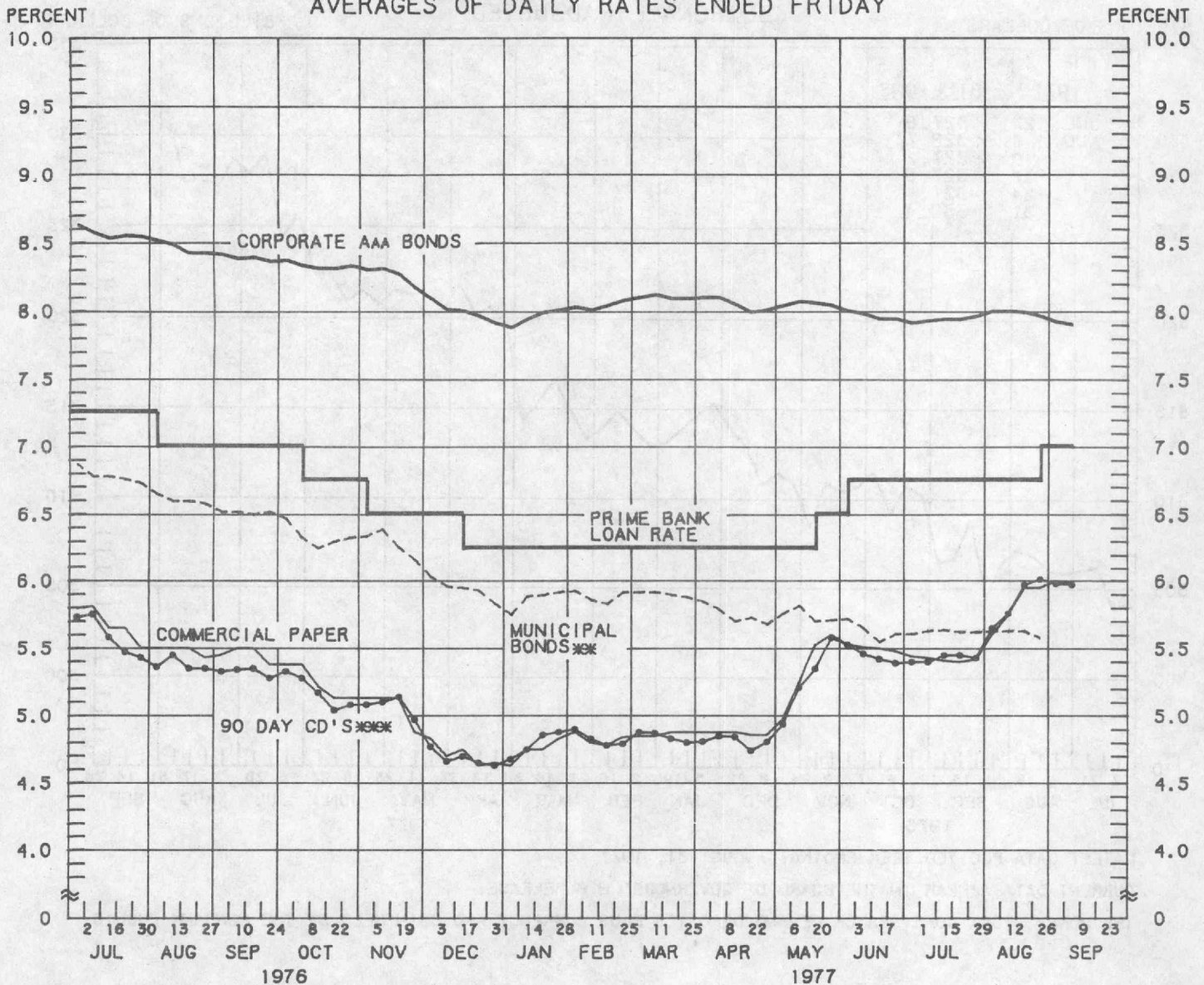
MONEY STOCK (M1)

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

	9/1/76	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	5.6							
3/ 2/77	4.9	5.0						
3/30/77	5.0	5.1	3.4					
5/ 4/77	7.0	8.3	9.4	13.2				
6/ 1/77	6.3	7.0	7.2	9.1	10.7			
6/29/77	6.0	6.6	6.5	7.8	8.5	2.0		
8/ 3/77	7.4	8.4	9.0	10.5	11.6	8.6	12.5	
8/31/77	7.0	7.8	8.1	9.2	9.9	7.1	9.3	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 9, 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	N.A.
9 *	5.97	5.98	5.95	7.90	N.A.
16					
23					
30					

* AVERAGES OF RATES AVAILABLE.

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

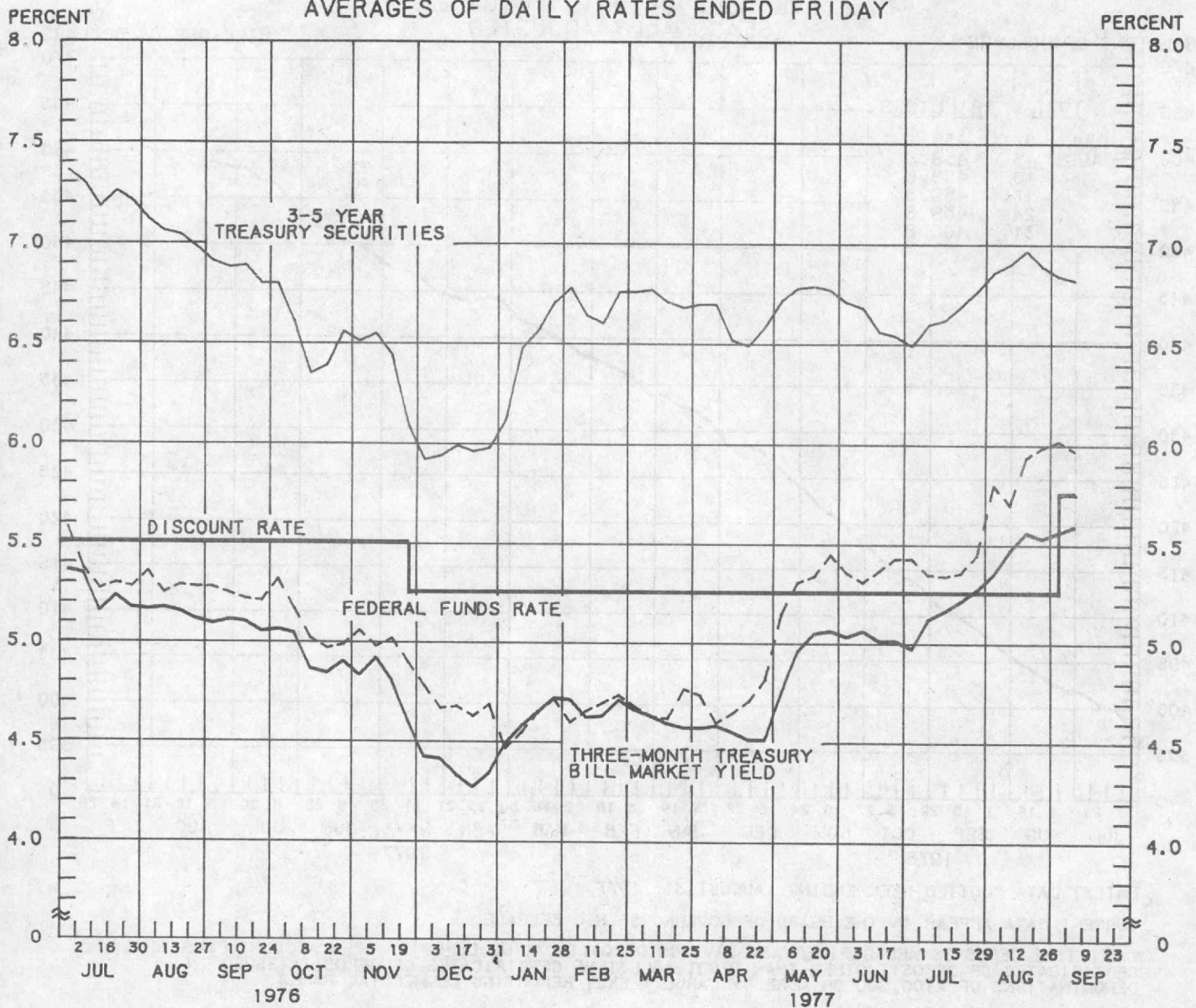
**** SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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 9, 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	5.59	5.98	6.82	7.39
16					
23					
30					

* AVERAGES OF RATES AVAILABLE.

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

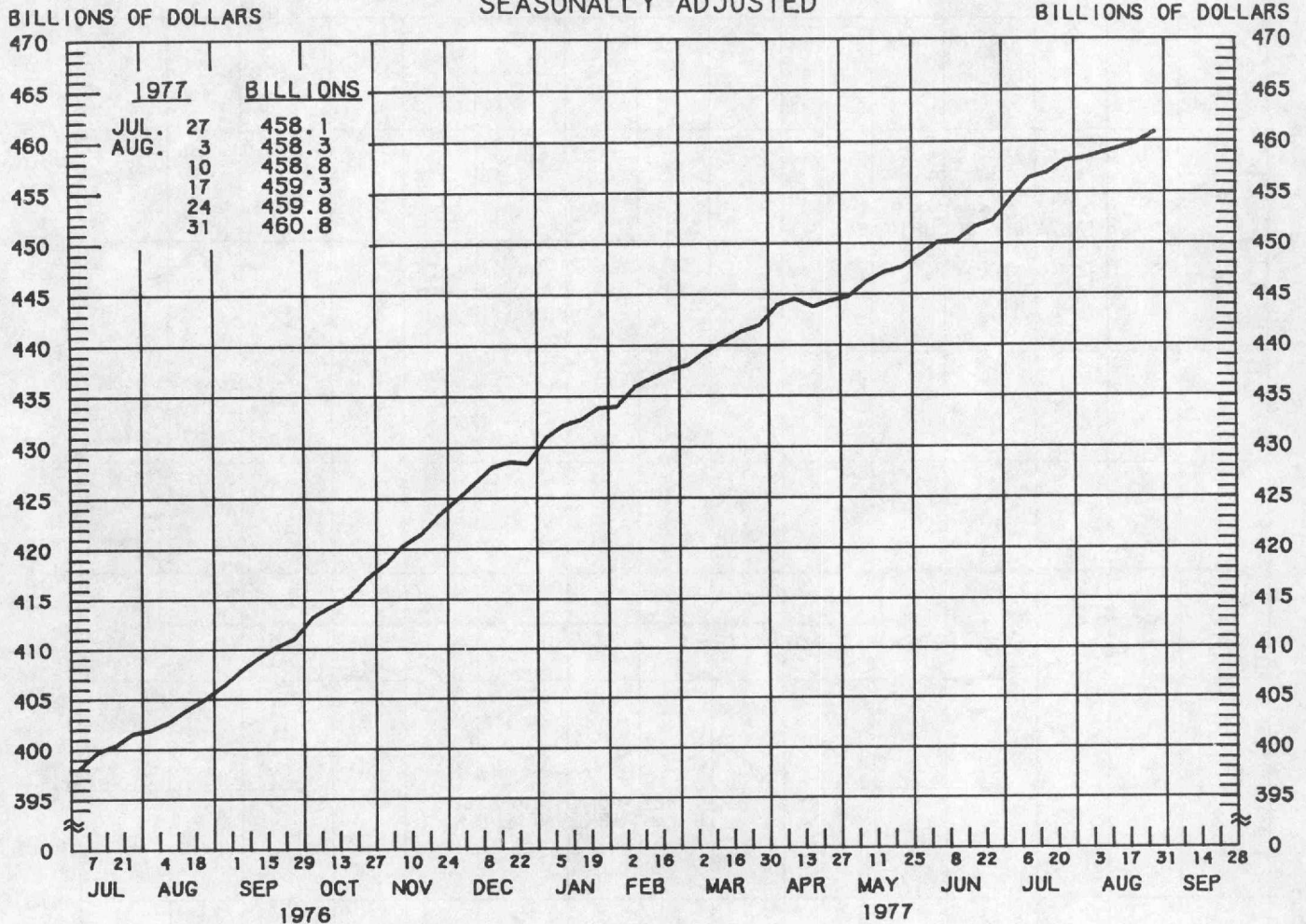
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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 31, 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:

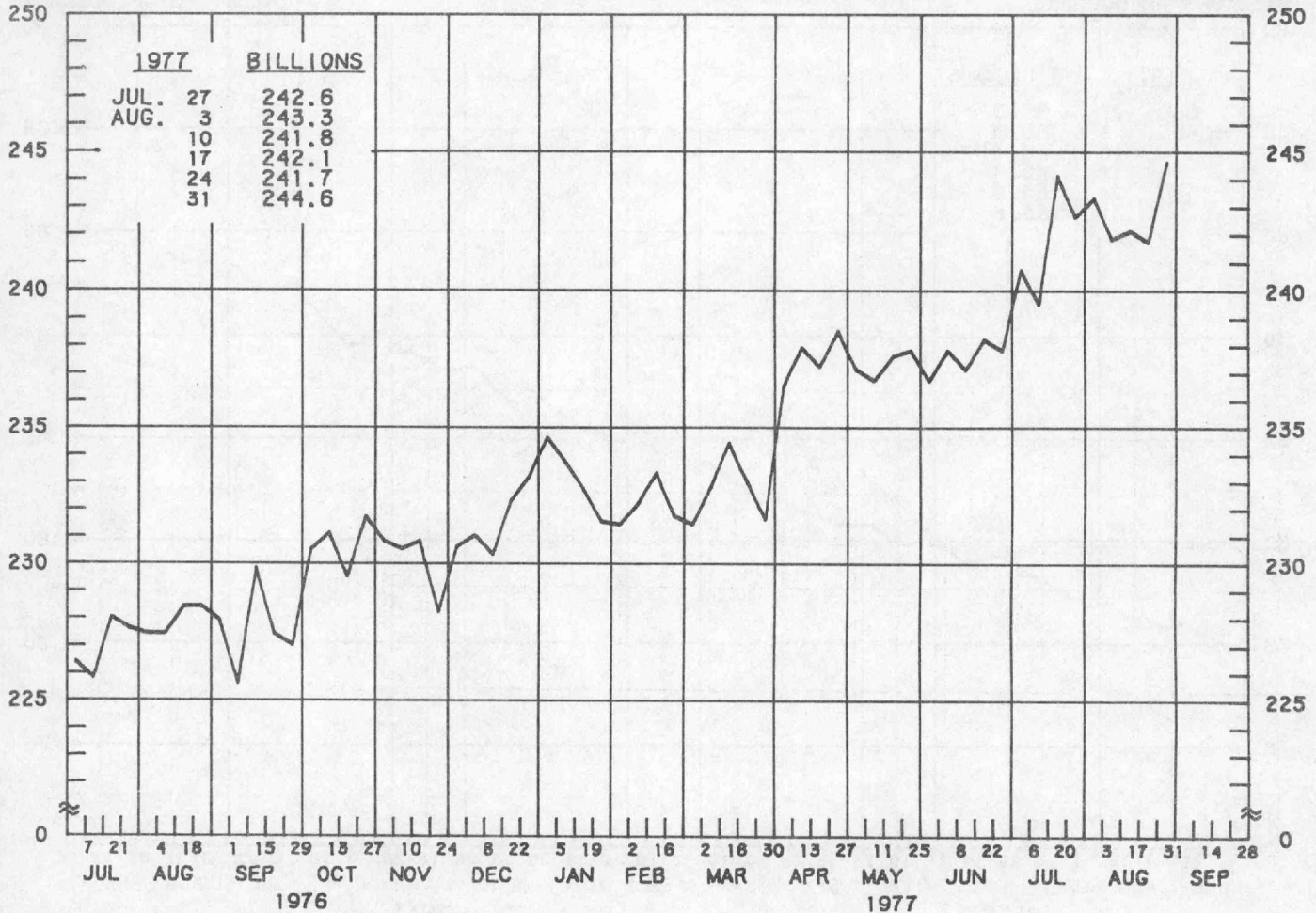
	9/1/76	12/1/76	2/2/77	3/2/77	3/30/77	5/4/77	6/1/77	6/29/77
TO THE AVERAGE OF FOUR WEEKS ENDING:								
2/ 2/77	17.6							
3/ 2/77	16.8	14.5						
3/30/77	16.1	13.8	12.0					
5/ 4/77	15.0	12.6	10.8	10.0				
6/ 1/77	14.4	12.1	10.4	9.9	9.1			
6/29/77	14.1	12.0	10.5	10.1	9.7	10.2		
8/ 3/77	14.3	12.5	11.5	11.4	11.3	12.3	13.6	
8/31/77	13.7	11.9	10.9	10.7	10.5	11.0	11.5	11.7

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: AUGUST 31, 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:

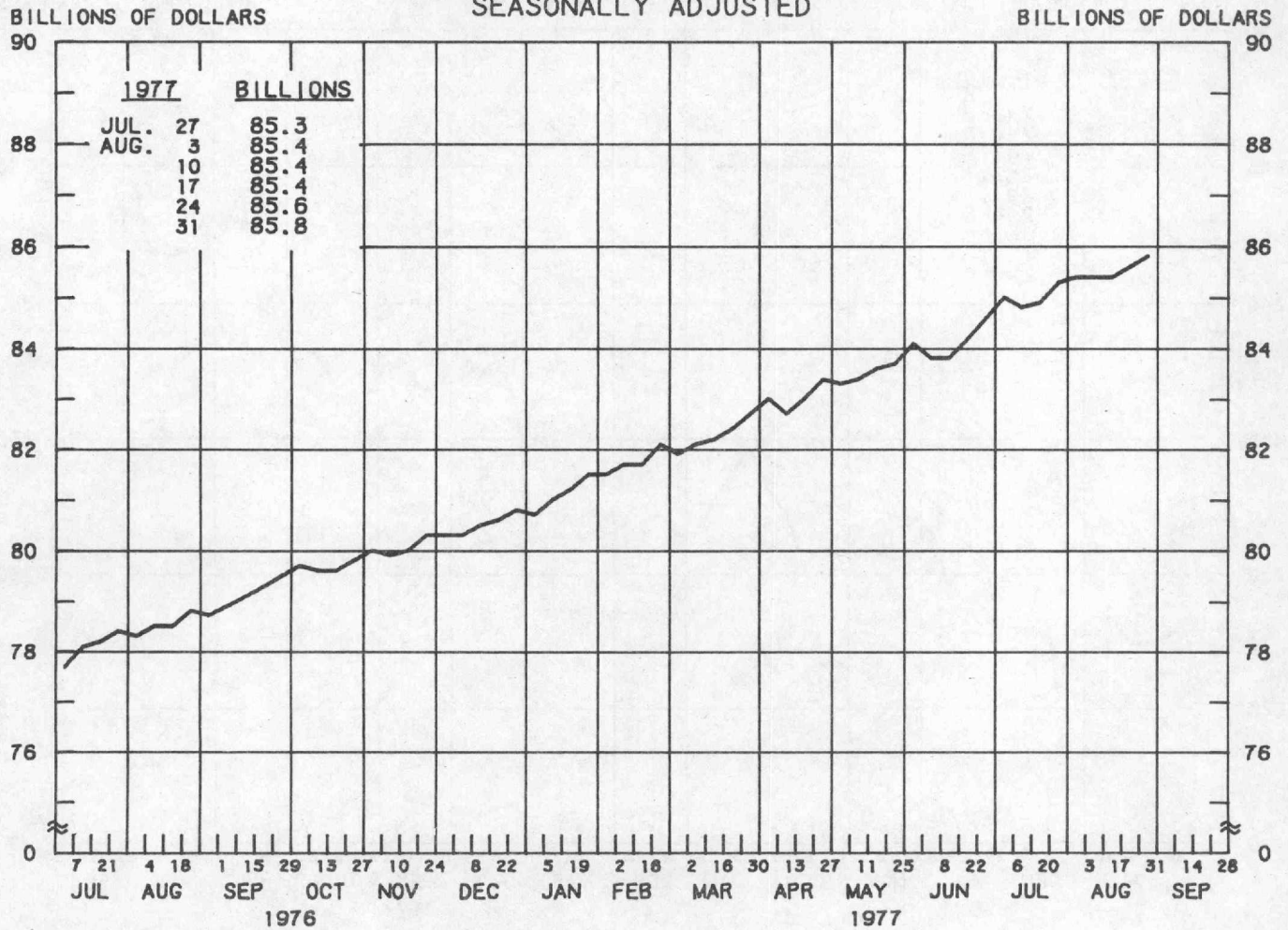
9/1/76 12/1/76 2/2/77 3/2/77 3/30/77 5/4/77 6/1/77 6/29/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

2/ 2/77	4.5							
3/ 2/77	3.7	3.9						
3/30/77	3.8	4.0	2.0					
5/ 4/77	6.4	8.1	9.6	14.5				
6/ 1/77	5.4	6.4	6.6	8.9	10.9			
6/29/77	5.2	5.9	5.9	7.4	8.3	0.0		
8/ 3/77	6.9	8.1	8.9	10.7	12.1	8.1	13.3	
8/31/77	6.4	7.4	7.8	9.2	10.0	6.4	9.4	12.5

CURRENCY COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 31, 1977

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

CURRENCY

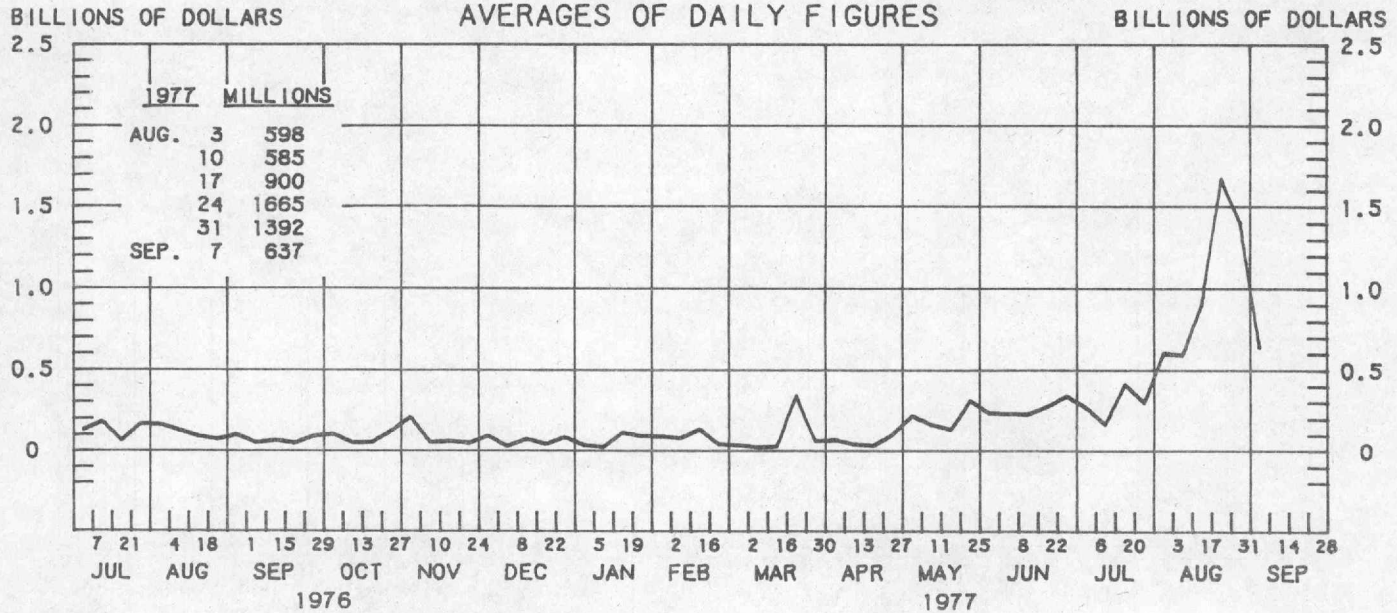
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

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:

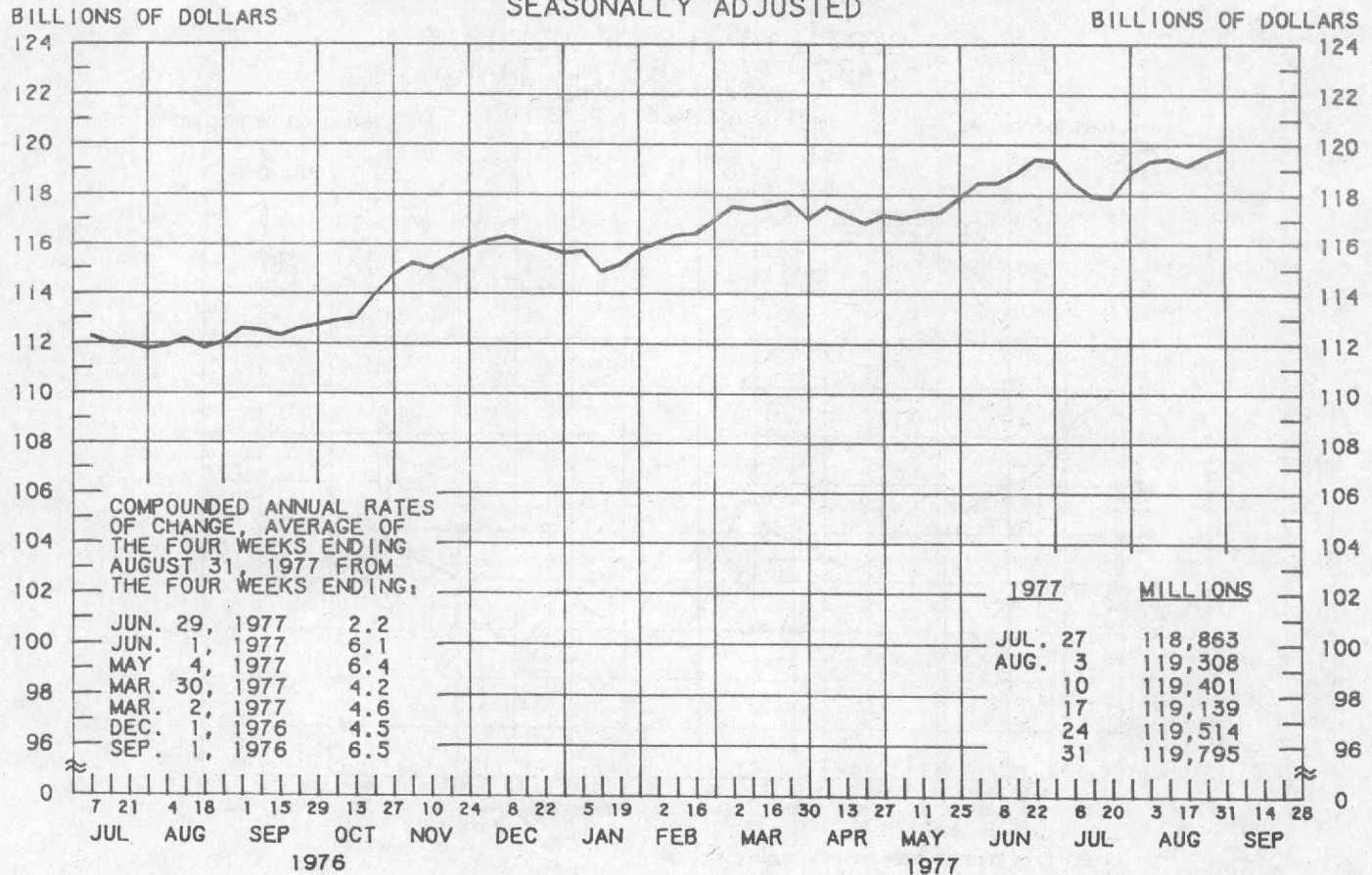
2/ 2/77	8.3								
3/ 2/77	8.6	9.3							
3/30/77	8.5	9.0	9.1						
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8/31/77	8.9	9.3	9.3	9.2	9.4	9.5	9.4	10.8	

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



LATEST DATA PLOTTED WEEK ENDING: SEPTEMBER 7, 1977

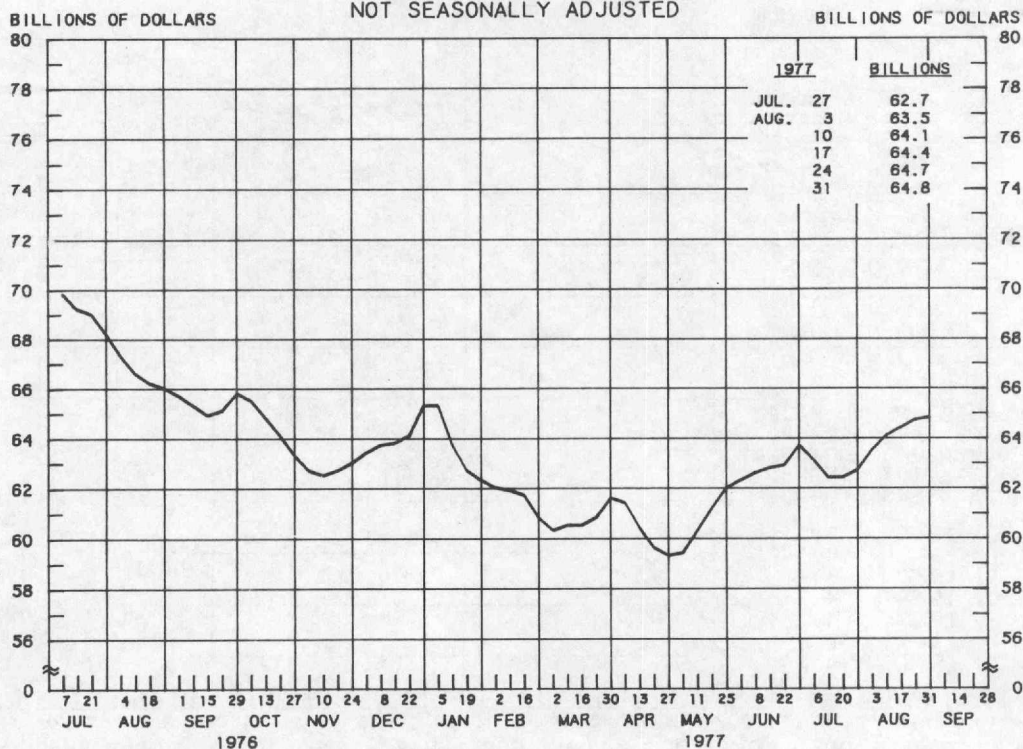
BUSINESS LOANS (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: AUGUST 31, 1977

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

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



LATEST DATA PLOTTED WEEK ENDING: AUGUST 31, 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