



Week ending: October 19, 1977

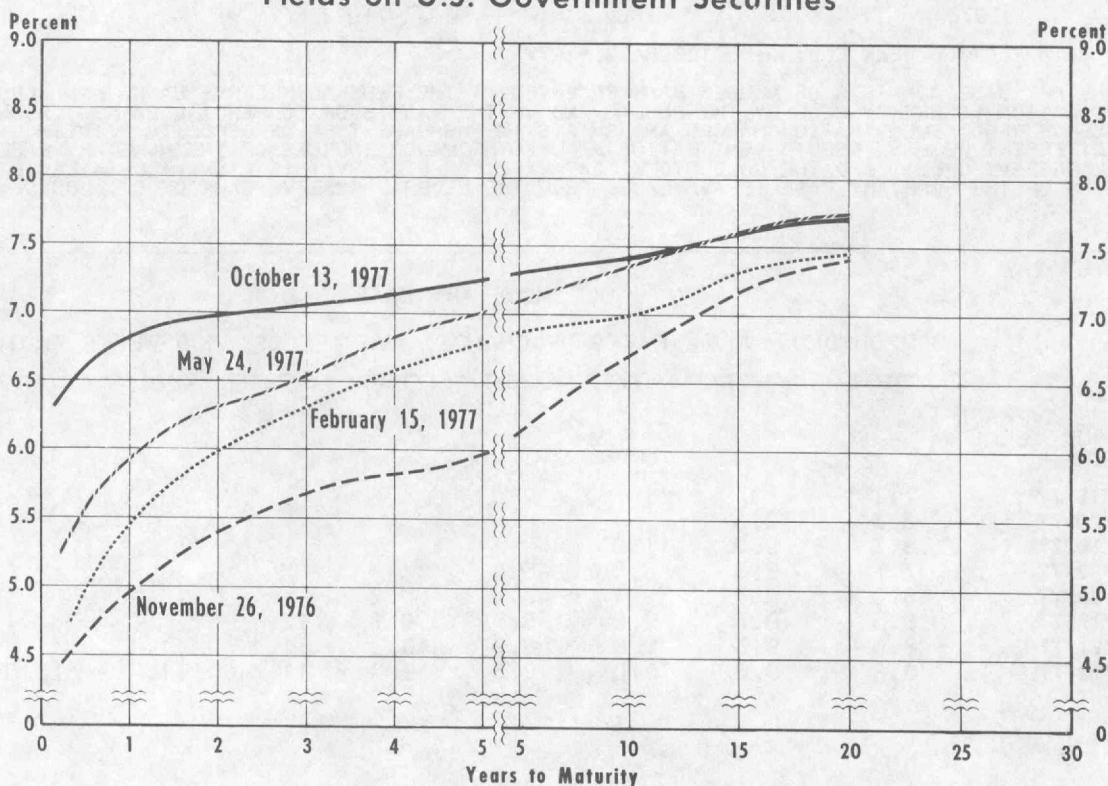
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DEC 26 1977

The prime bank loan rate was increased recently from 7.25 to 7.50 percent by most large banks. The previous rise in the prime rate, from 7 to 7.25 percent, occurred in mid-September. The prime rate is the interest rate charged by banks on short-term loans made to their large commercial customers with the highest credit rating.

The yield curve for U.S. Treasury securities has shifted upward across all maturities since late November of last year. The yield curve has flattened considerably since late May of this year. While yields on U.S. Treasury securities with maturities of ten years or more are currently about the same as they were in late May, yields on short-term Treasury securities have risen sharply. For example, the yield on 3-month Treasury bills in mid-October was about 130 basis points higher than in late May. The yields on intermediate-term securities have also increased, but not as much as short-term yields.

Demand for short-term credit by businesses has been increasing during most of this year. For example, from February to September business loans at all commercial banks rose at a 10.9 percent annual rate, compared to an 8.9 percent rate of increase in the previous six months. In addition, commercial paper outstanding of nonfinancial corporations 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.

Yields on U.S. Government Securities



Prepared by Federal Reserve Bank of St. Louis

Prepared by Federal Reserve Bank of St. Louis

Released: October 21, 1977

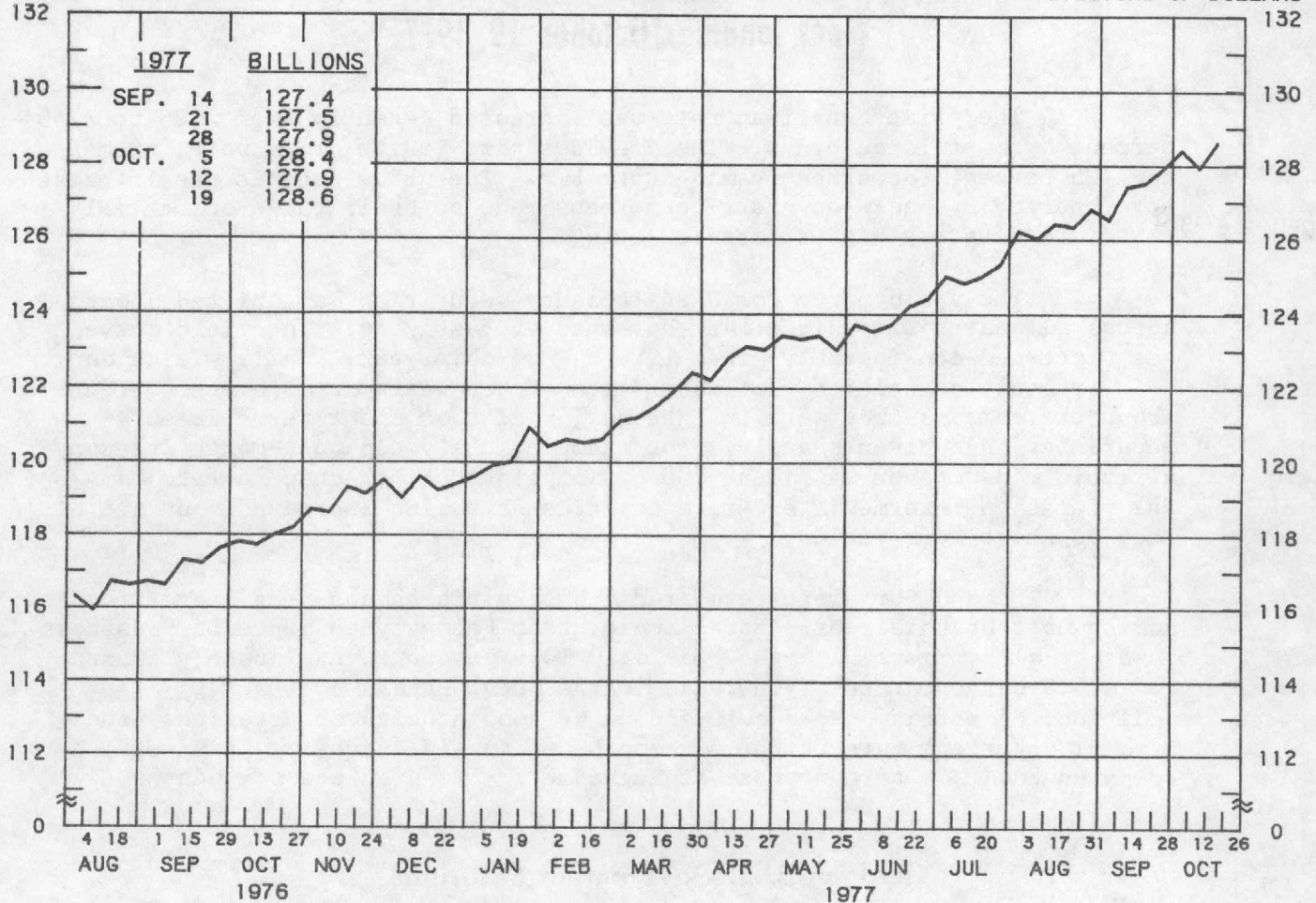
MONETARY BASE

AVERAGES OF DAILY FIGURES

SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 19, 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

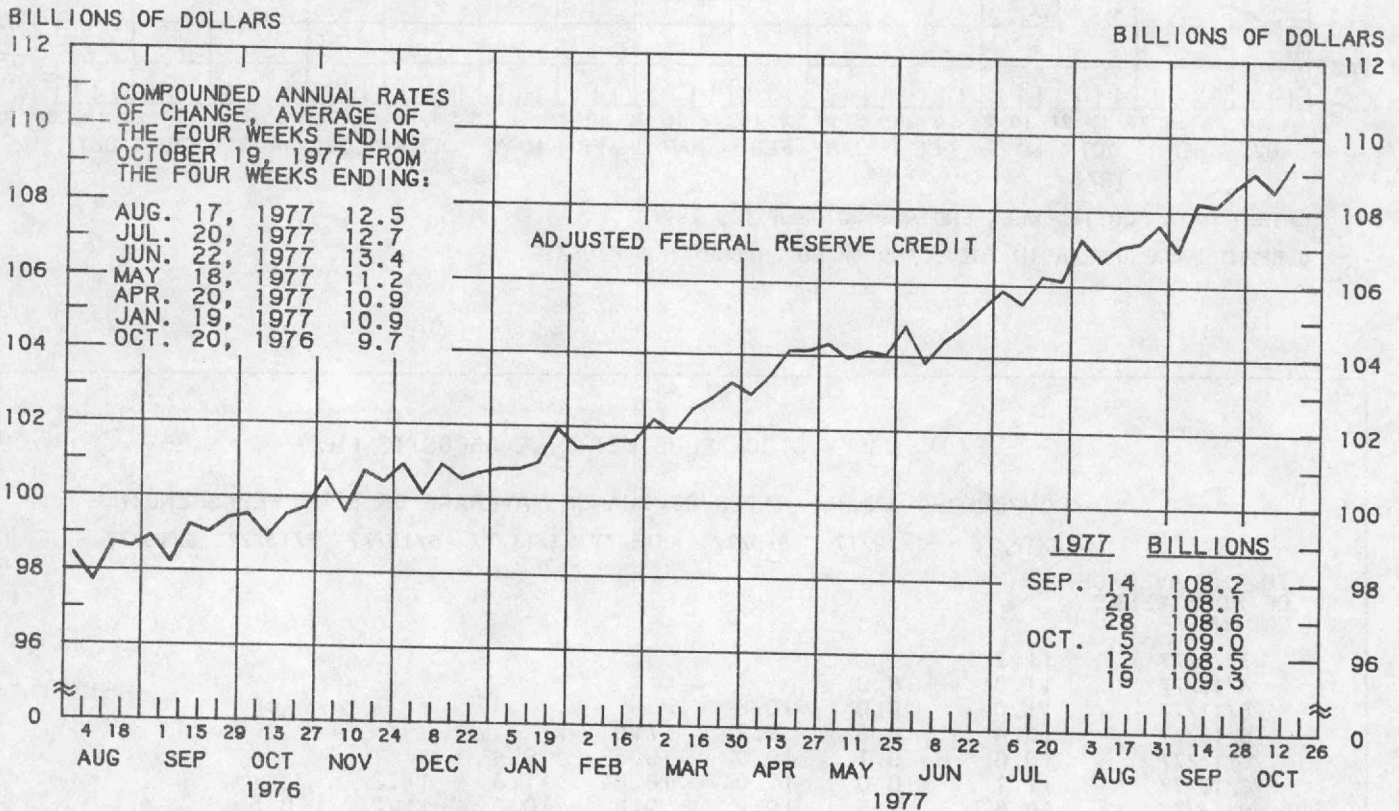
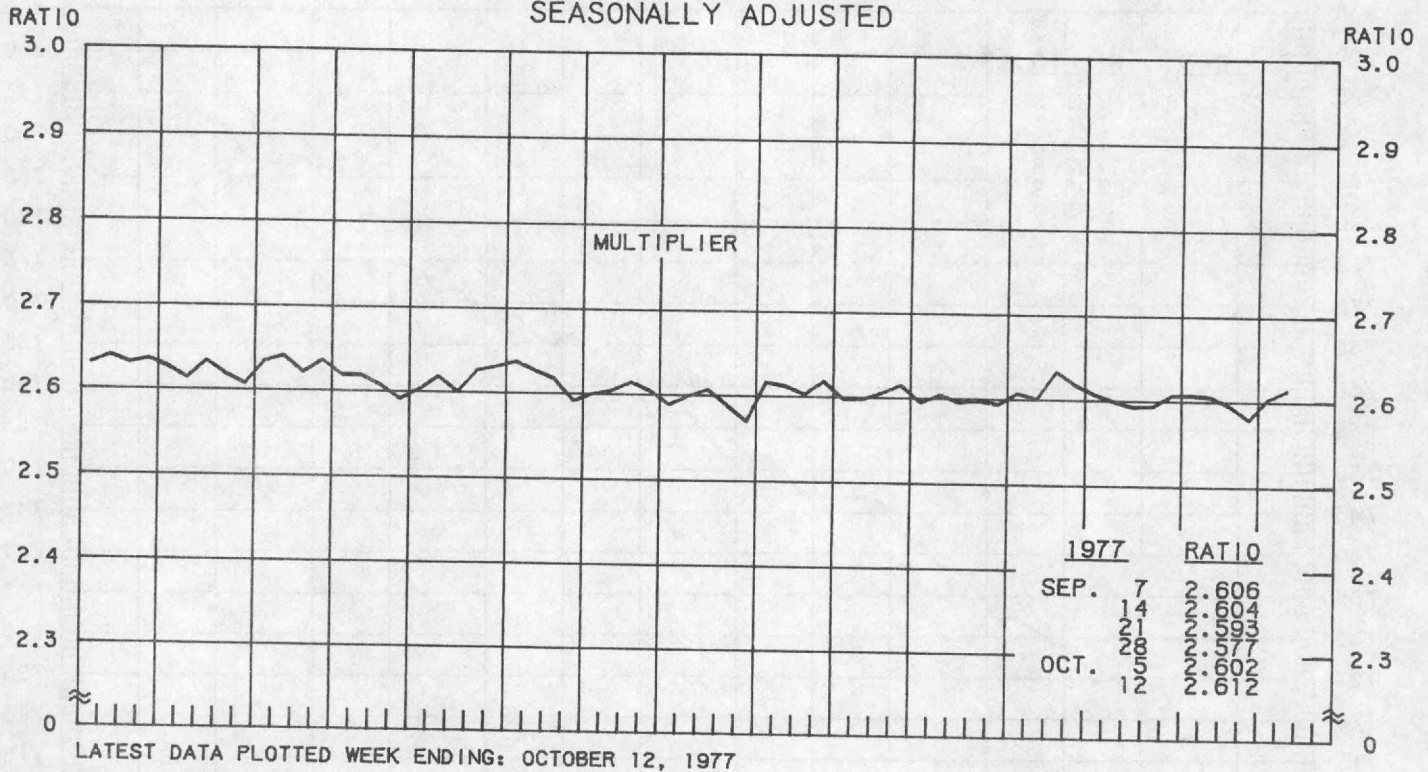
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

10/20/76 1/19/77 3/16/77 4/20/77 5/18/77 6/22/77 7/20/77 8/17/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

3/16/77	7.1							
4/20/77	8.3	10.0						
5/18/77	8.2	9.5	11.0					
6/22/77	7.7	8.3	8.5	5.8				
7/20/77	8.0	8.7	9.1	7.4	7.2			
8/17/77	8.5	9.3	9.8	8.7	9.1	12.1		
9/21/77	8.6	9.3	9.8	8.9	9.2	11.1	11.1	
10/19/77	8.8	9.6	10.0	9.3	9.6	11.3	11.4	10.5

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



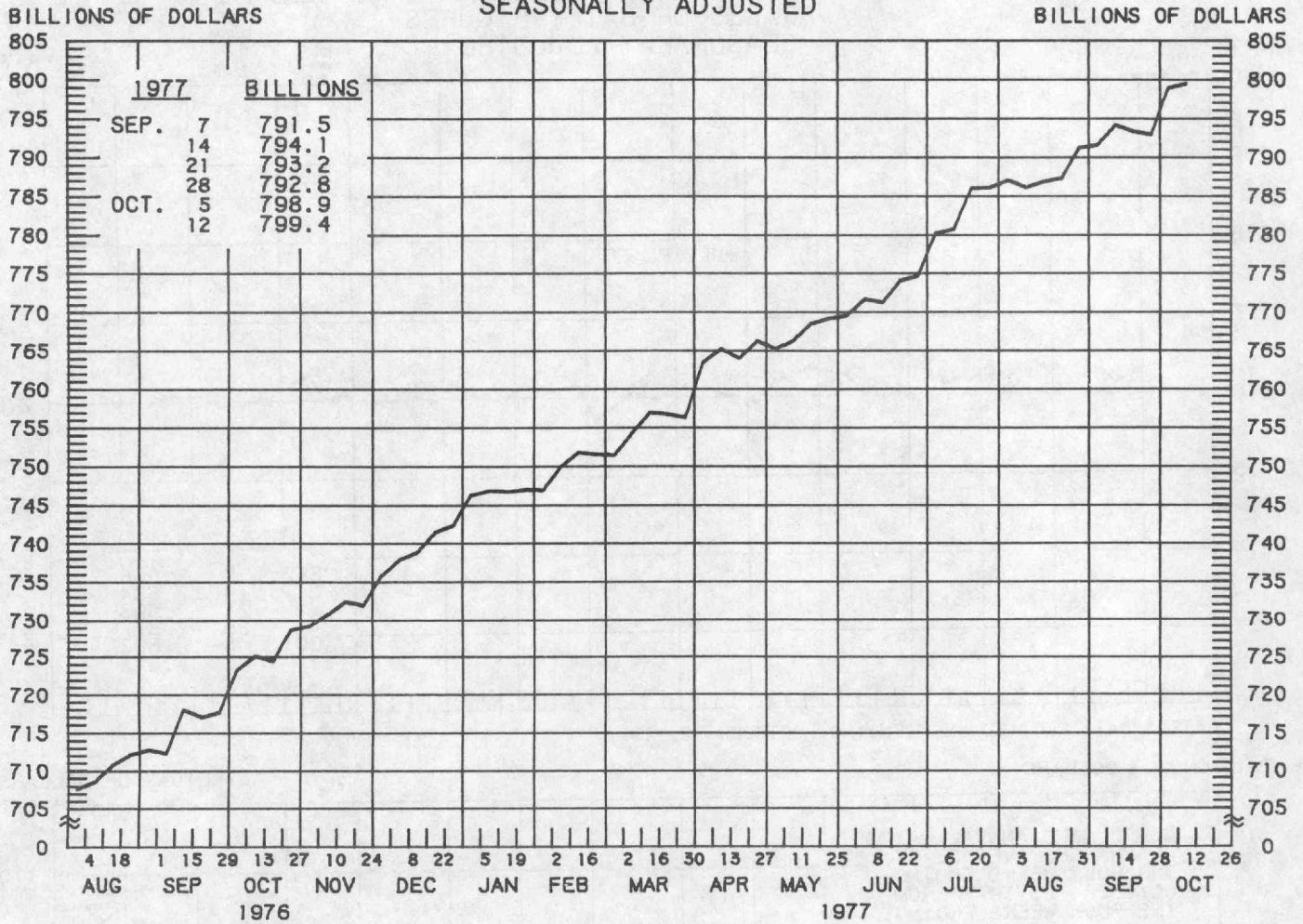
LATEST DATA PLOTTED WEEK ENDING: OCTOBER 19, 1977

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: OCTOBER 12, 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:

10/13/76 1/12/77 3/9/77 4/13/77 5/11/77 6/15/77 7/13/77 8/10/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

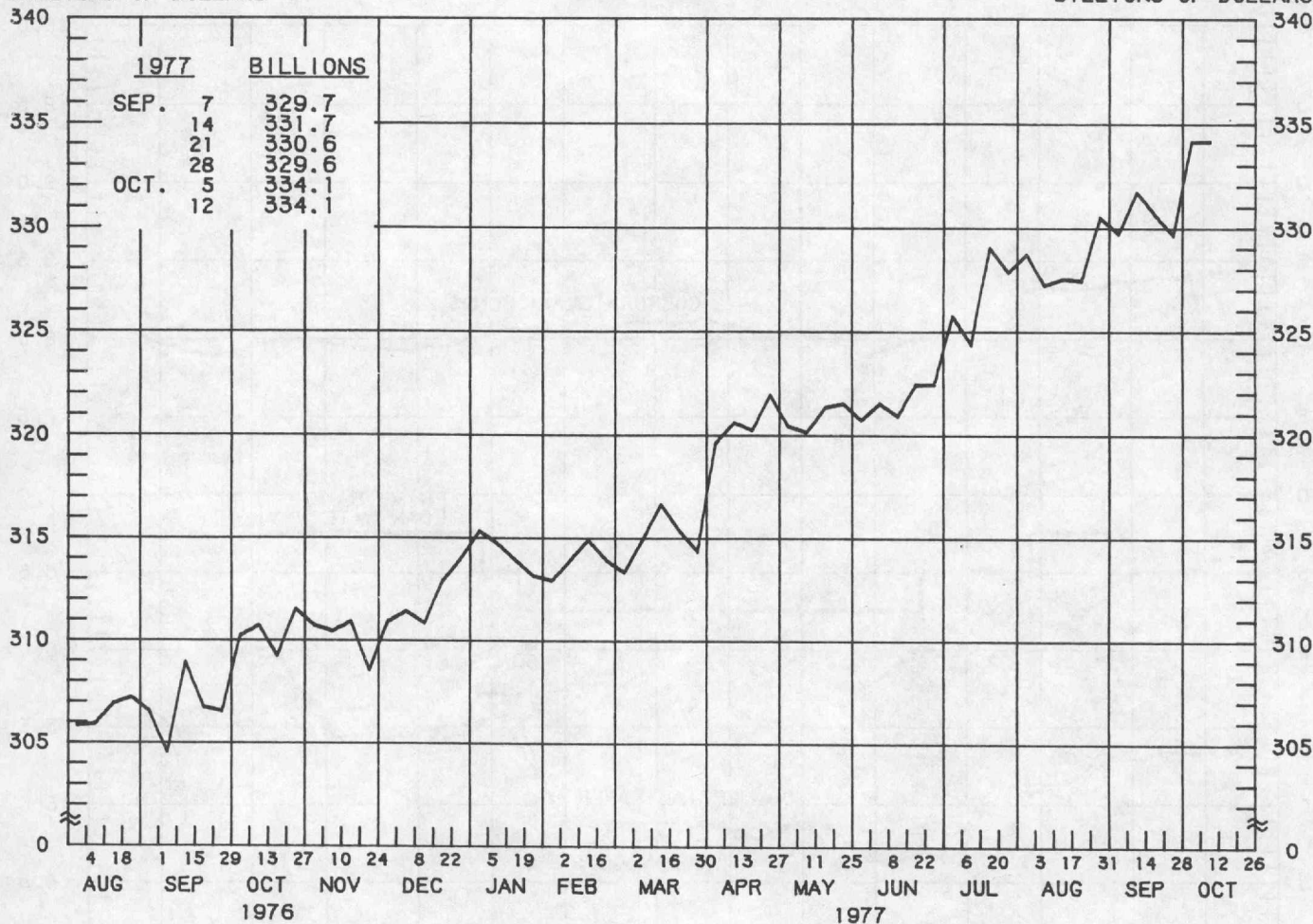
3/ 9/77	11.2							
4/13/77	11.3	8.9						
5/11/77	11.0	9.0	10.6					
6/15/77	10.4	8.5	9.2	7.8				
7/13/77	10.6	9.1	10.0	9.3	9.4			
8/10/77	11.1	10.0	11.0	10.8	11.3	14.2		
9/14/77	10.6	9.5	10.2	9.8	10.0	11.2	10.5	
10/12/77	10.5	9.4	10.0	9.6	9.7	10.6	10.0	7.5

MONEY STOCK (M1)

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 12, 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:

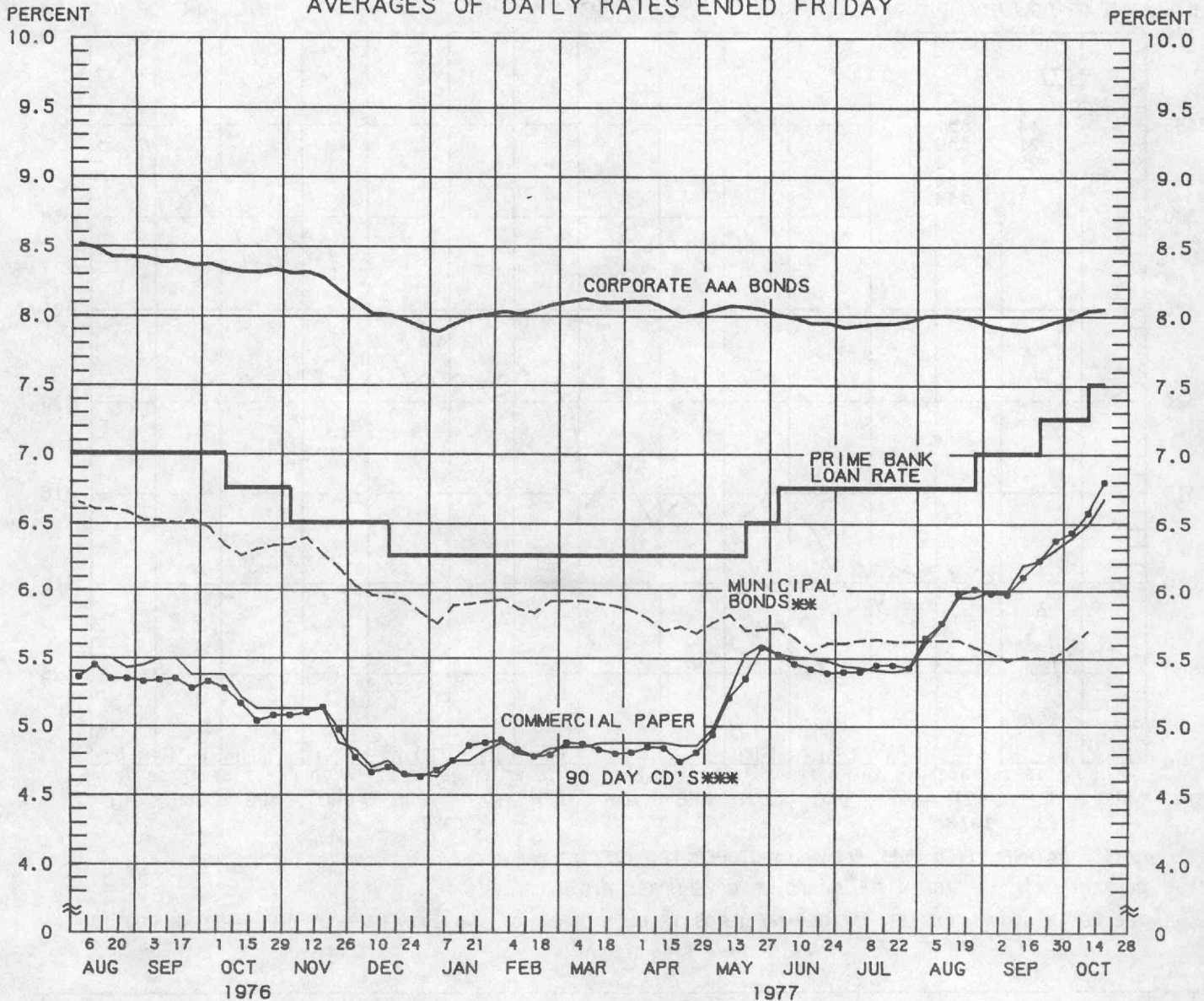
10/13/76 1/12/77 3/9/77 4/13/77 5/11/77 6/15/77 7/13/77 8/10/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

3/ 9/77	4.7							
4/13/77	5.9	4.3						
5/11/77	7.0	6.5	12.4					
6/15/77	6.2	5.3	8.4	6.9				
7/13/77	6.6	6.1	8.9	8.0	5.5			
8/10/77	7.8	7.8	10.8	10.7	9.7	15.0		
9/14/77	7.5	7.5	9.7	9.4	8.4	11.1	11.4	
10/12/77	7.6	7.7	9.7	9.4	8.6	10.7	10.8	7.1

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: OCTOBER 21, 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	5.51
OCT. 7	6.43	6.39	6.48	7.99	5.60
14	6.58	6.50	6.64	8.04	5.70
21 *	6.80	6.68	6.65	8.05	N.A.
28					

* AVERAGES OF RATES AVAILABLE.

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

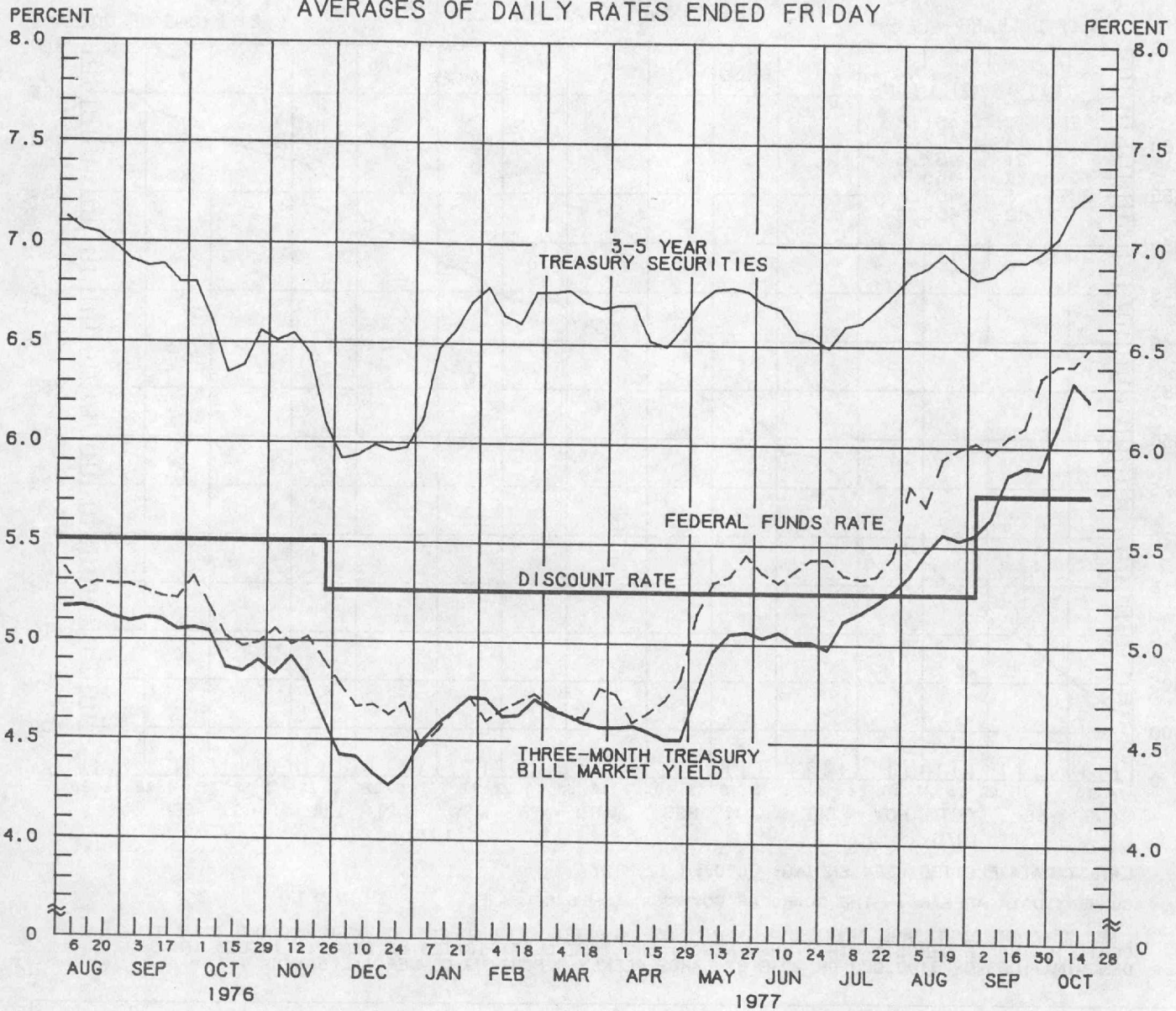
*** SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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: OCTOBER 21, 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	5.89	6.21	6.98	7.49
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	6.23	6.61	7.27	7.62
28					

* AVERAGES OF RATES AVAILABLE.

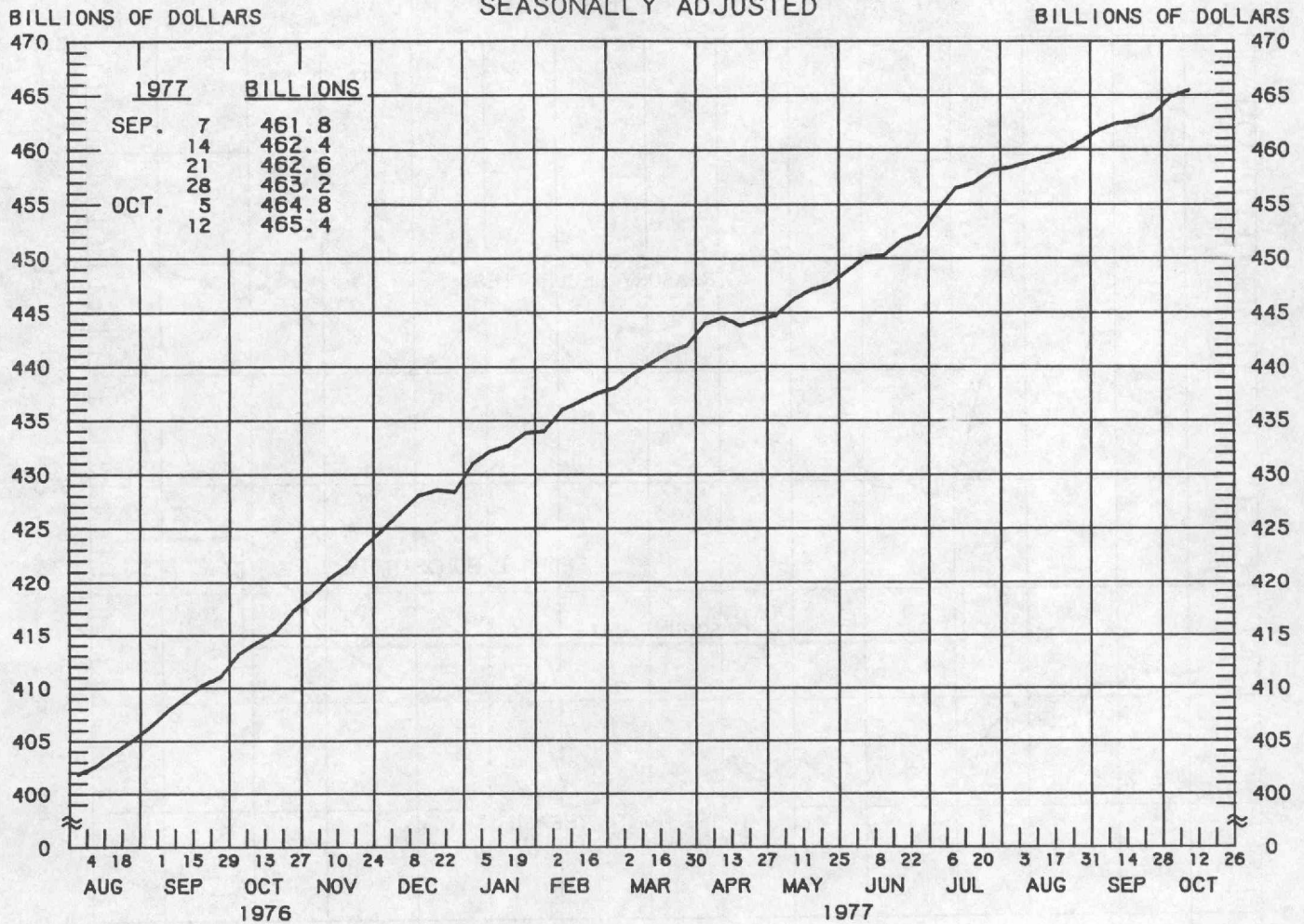
** SEVEN-DAY AVERAGES FOR WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATE SHOWN.

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.

NET TIME DEPOSITS ALL COMMERCIAL BANKS AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 12, 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:

10/13/76 1/12/77 3/9/77 4/13/77 5/11/77 6/15/77 7/13/77 8/10/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

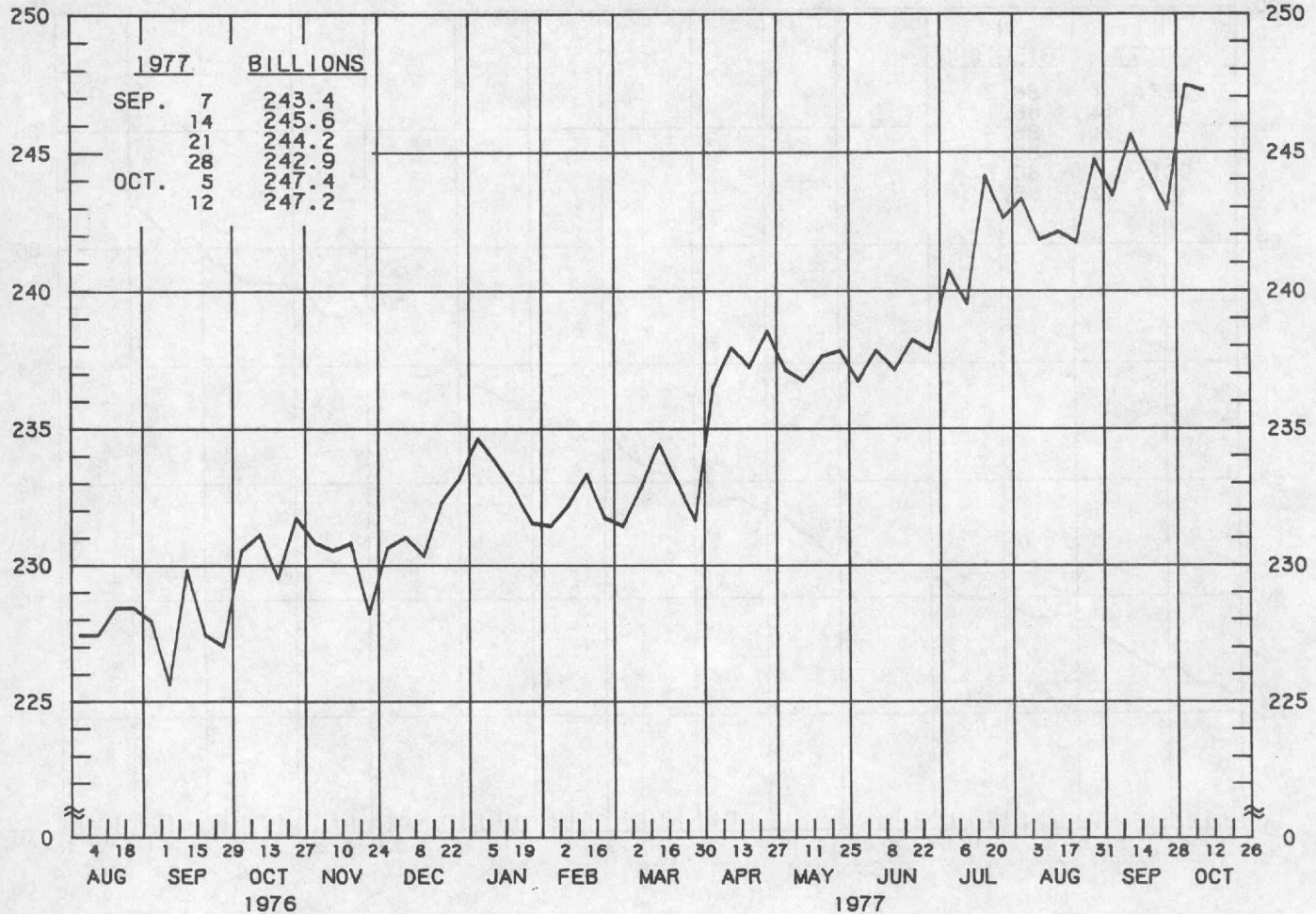
3/ 9/77	16.2							
4/13/77	15.5	12.6						
5/11/77	14.1	10.8	9.3					
6/15/77	13.7	10.9	9.9	8.5				
7/13/77	13.7	11.3	10.8	10.1	12.3			
8/10/77	13.6	11.6	11.2	10.8	12.5	13.4		
9/14/77	13.0	11.0	10.5	10.0	11.1	11.1	9.9	
10/12/77	12.6	10.7	10.2	9.8	10.6	10.4	9.4	7.8

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 12, 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:

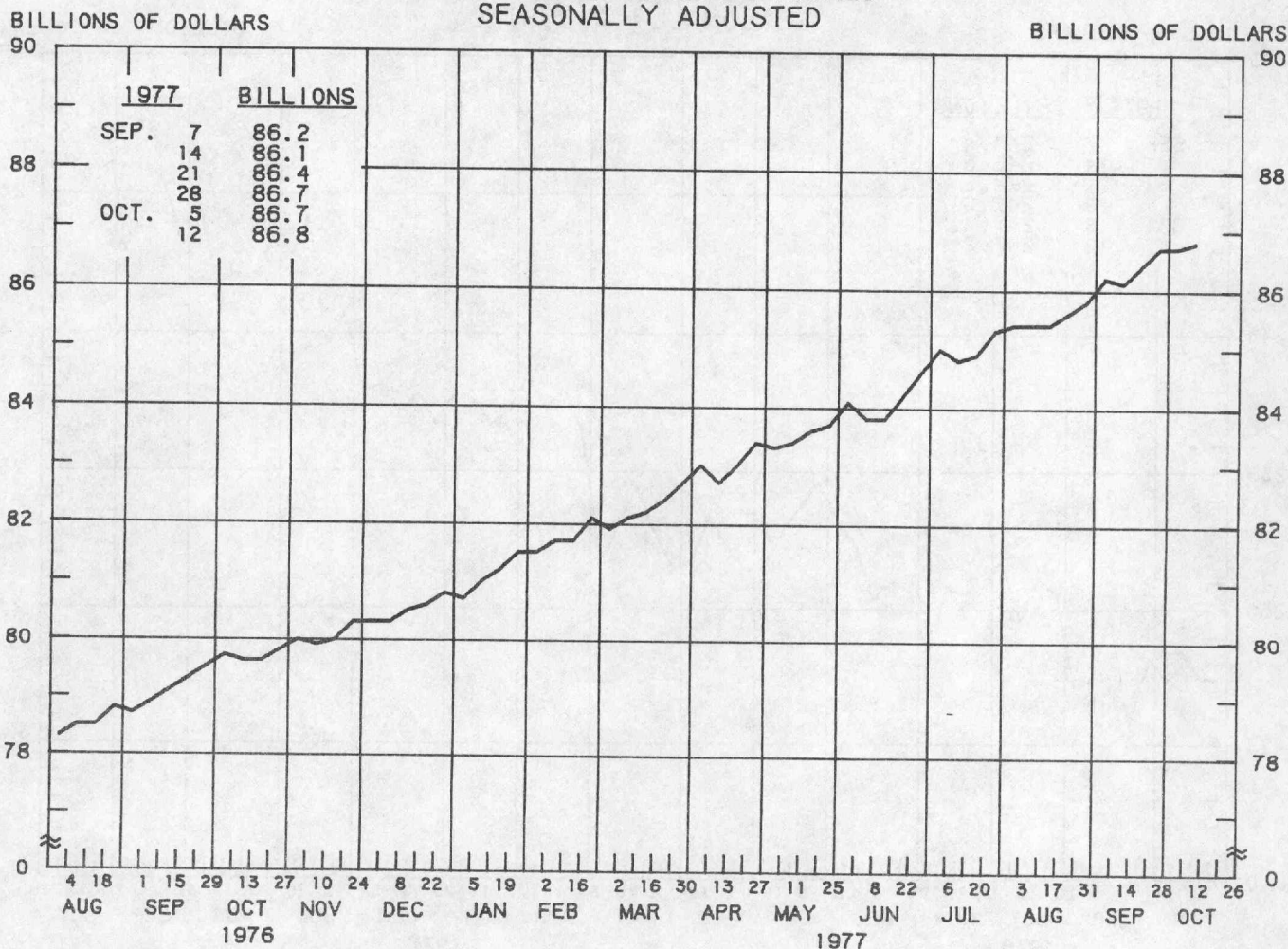
10/13/76 1/12/77 3/9/77 4/13/77 5/11/77 6/15/77 7/13/77 8/10/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

3/ 9/77	3.6							
4/13/77	5.1	2.2						
5/11/77	6.4	5.2	13.4					
6/15/77	5.5	4.0	8.4	6.6				
7/13/77	5.9	4.9	8.7	7.5	4.2			
8/10/77	7.4	7.2	11.2	11.1	9.8	16.4		
9/14/77	7.1	6.7	9.8	9.4	8.1	11.4	12.2	
10/12/77	7.2	6.9	9.6	9.2	8.1	10.7	11.0	5.8

CURRENCY COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



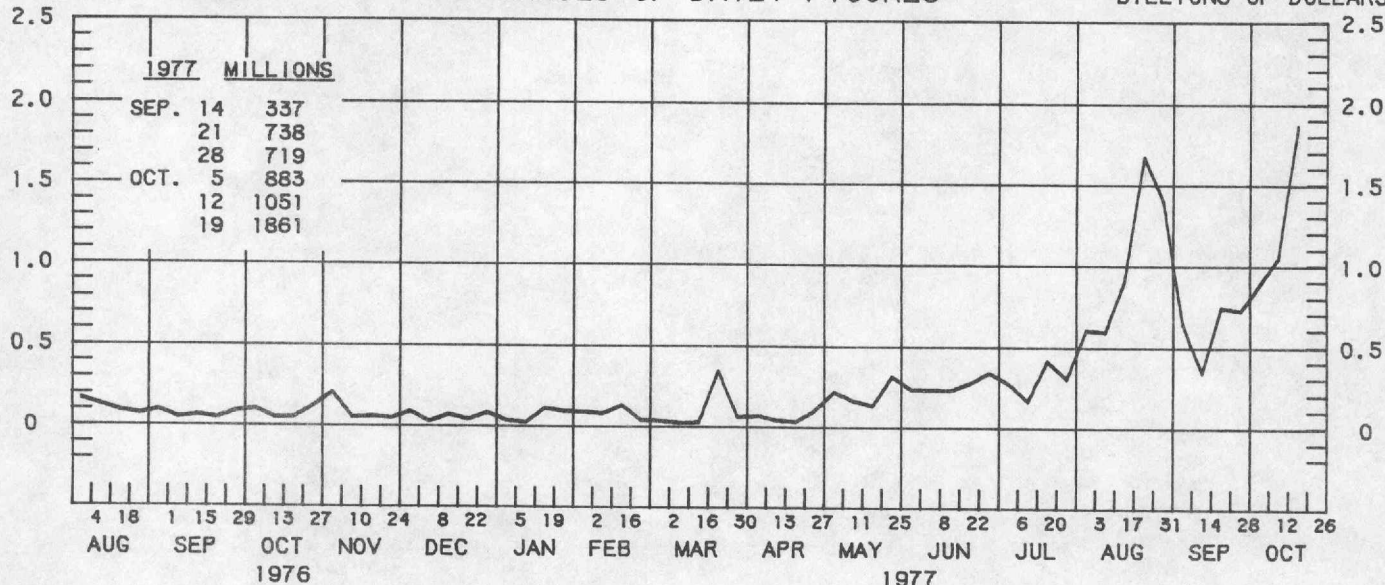
LATEST DATA PLOTTED WEEK ENDING: OCTOBER 12, 1977

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

CURRENCY									
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:									
	10/13/76	1/12/77	3/9/77	4/13/77	5/11/77	6/15/77	7/13/77	8/10/77	
TO THE AVERAGE OF FOUR WEEKS ENDING:									
3/ 9/77	8.0								
4/13/77	8.2	9.7							
5/11/77	8.4	9.8	9.5						
6/15/77	8.3	9.3	8.9	8.7					
7/13/77	8.8	9.9	9.8	10.0	10.1				
8/10/77	8.9	9.8	9.8	9.9	10.0	11.4			
9/14/77	8.7	9.5	9.4	9.4	9.3	9.9	8.5		
10/12/77	9.1	9.9	9.8	9.9	9.9	10.6	9.8	9.9	

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION

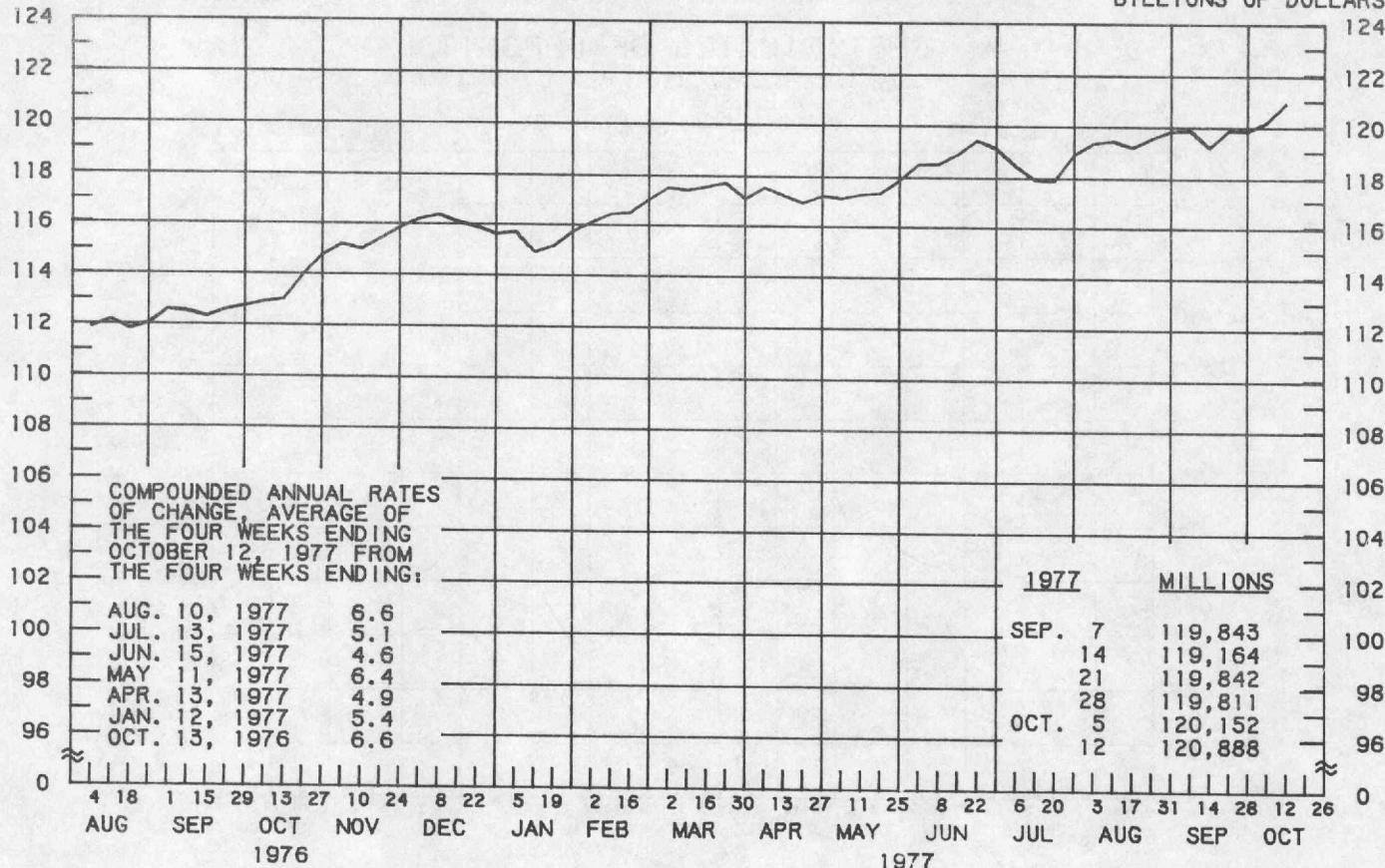
BILLIONS OF DOLLARS AVERAGES OF DAILY FIGURES BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 19, 1977

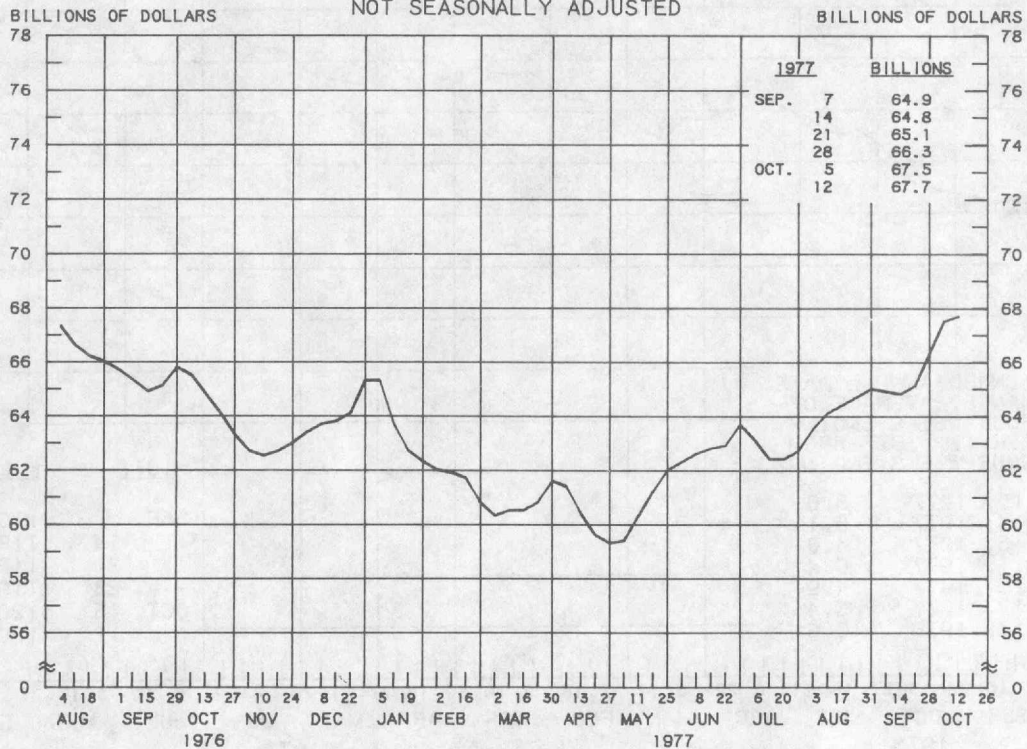
BUSINESS LOANS (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS SEASONALLY ADJUSTED

BILLIONS OF DOLLARS BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 12, 1977

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



LATEST DATA PLOTTED WEEK ENDING: OCTOBER 12, 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