

U.S. FINANCIAL DATA



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DEC 26 1979

Week ending: November 16, 1977

Many large corporations have the option of borrowing from commercial banks or borrowing through the commercial paper market. Changes in the differential between the commercial bank prime rate and commercial paper rates indicate changes in the relative attractiveness of borrowing from commercial banks. In this context, the relevant measure of the cost of borrowing at commercial banks depends upon whether a bank loan has a fixed or floating interest rate. On a fixed-rate loan the interest rate remains unchanged while the loan is outstanding. For such loans the relevant comparison of interest rates is between the prevailing prime and commercial paper rates. For bank loans with fixed interest rates, the differential between the prime rate and the interest rate on 90 - 119 day commercial paper has narrowed in recent months. This differential averaged 1.56 percentage points from June of last year through April of this year, and has averaged 1.16 percentage points from May to the present.

On floating-rate loans from commercial banks, interest rates are changed while such loans are outstanding when there is a change in the prime rate. The effective costs of floating-rate loans can be determined only after such loans mature. A comparison of the costs of short-term floating rate loans to the costs of borrowing in the commercial paper market is presented in the chart on the back of this release. The commercial paper rate is the average rate on 90 - 119 day paper for the week ending each Friday. The floating prime rate plotted each week is the average prime rate during 90 calendar days following the Friday of that week. From June of last year through January of this year, the differential between the floating prime rate and the 90 - 119 day commercial paper rate averaged 1.41 percentage points, compared to a spread of 1.58 percentage points from February through the first three weeks of August this year.

Surveys of lending practices indicate that most of the business loans made by large banks have floating interest rates, whereas floating-rate loans are much less common at smaller banks.* Therefore, the effective cost of prime rate loans at most large commercial banks relative to the costs of borrowing through the commercial paper market has actually risen since early this year.

* See the quarterly G.14 release of the Board of Governors.

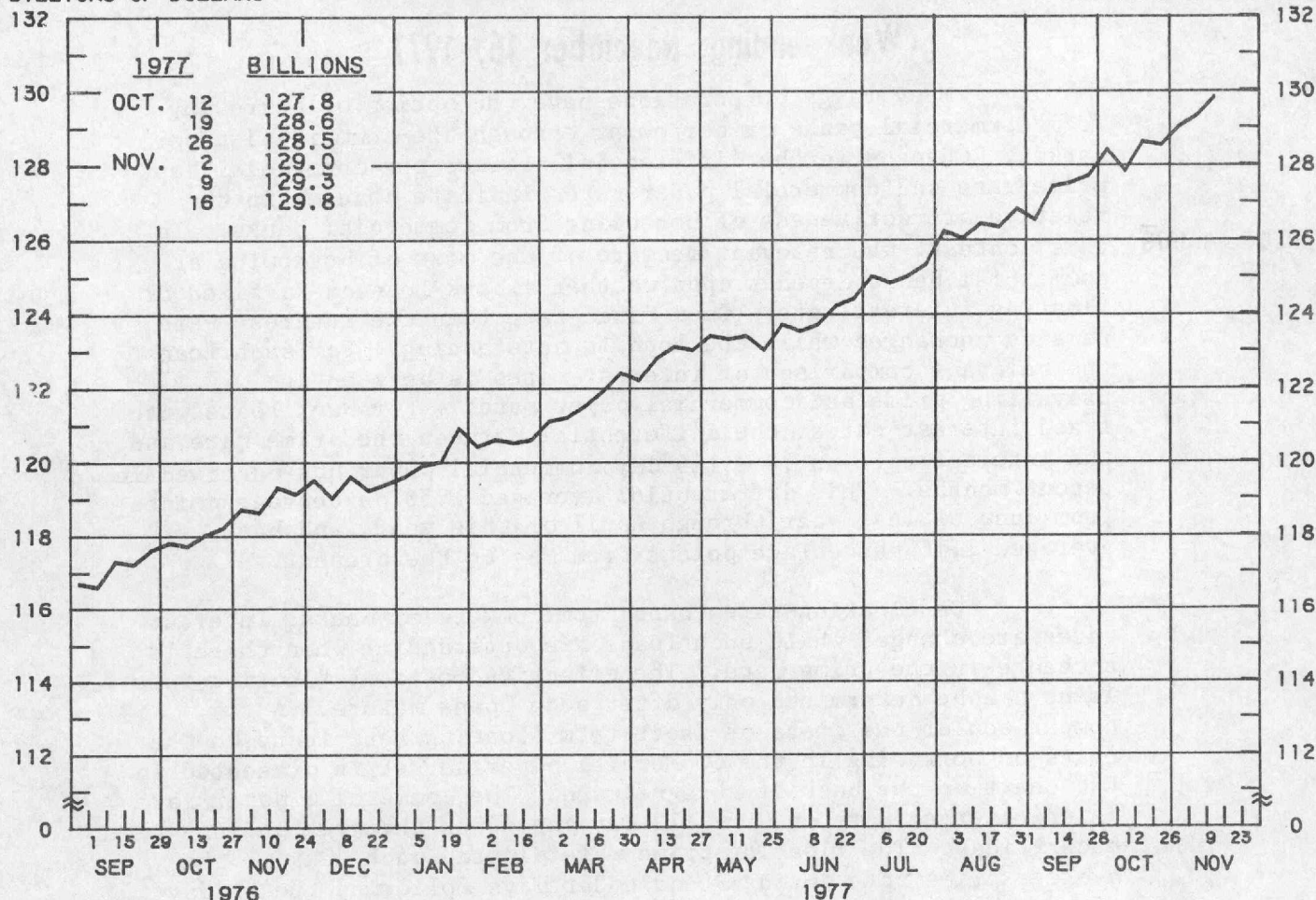
THIS RELEASE WILL BE MAILED LATER
THAN USUAL NEXT WEEK DUE TO A HOLIDAY ON
THURSDAY, NOVEMBER 24, 1977.

Prepared by Federal Reserve Bank of St. Louis
Released: November 18, 1977

MONETARY BASE
AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED BY THIS BANK

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 16, 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

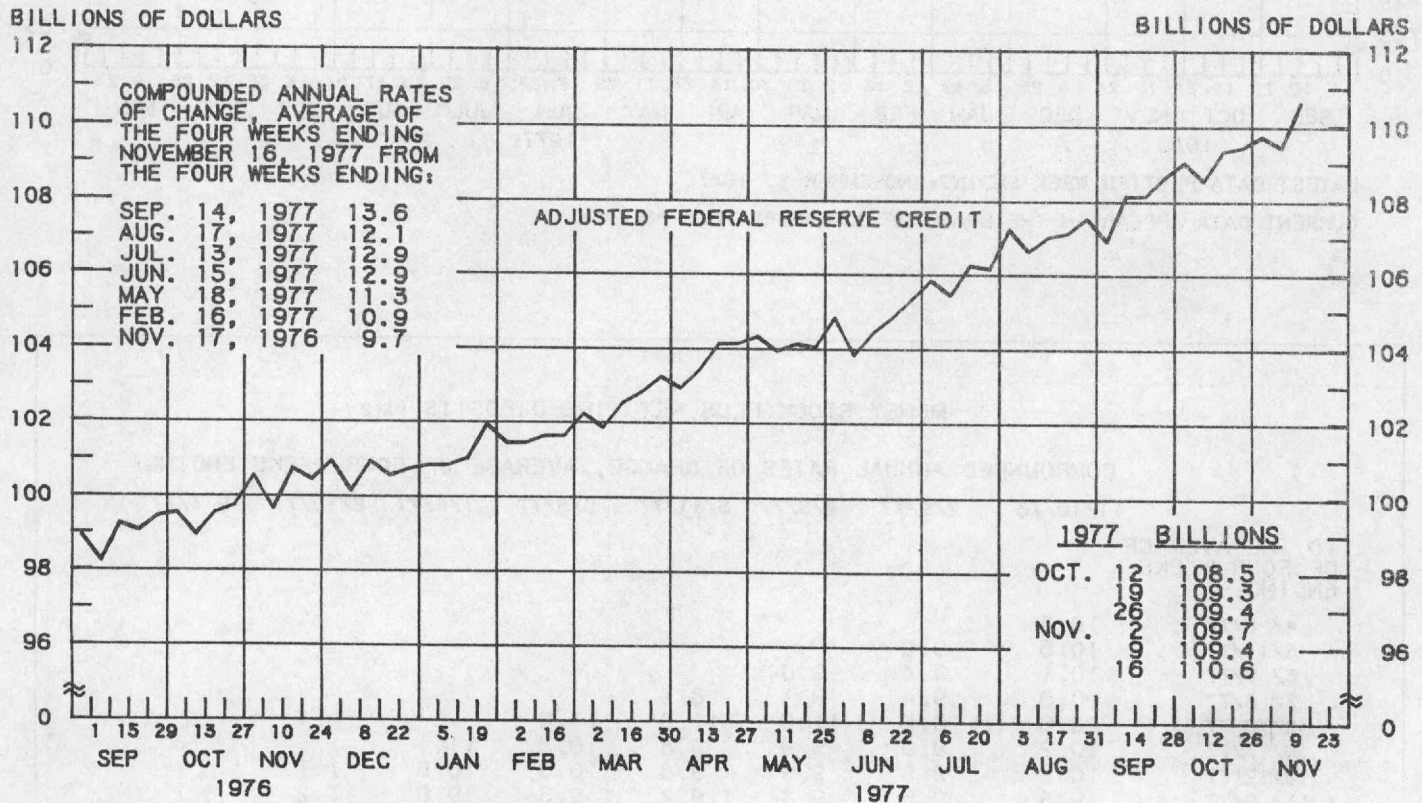
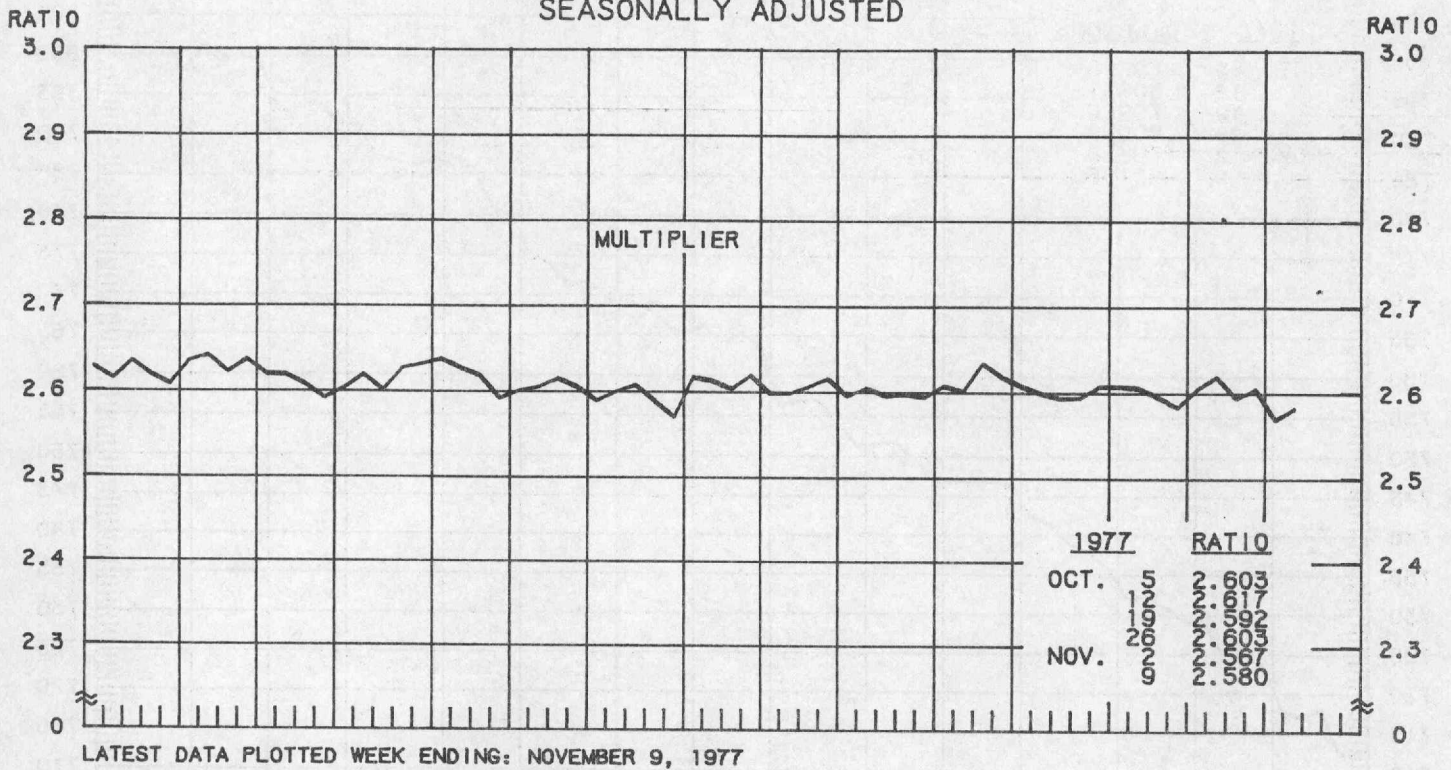
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

11/17/76 2/16/77 4/13/77 5/18/77 6/15/77 7/13/77 8/17/77 9/14/77

TO THE AVERAGE
 OF FOUR WEEKS
 ENDING:

4/13/77	7.7							
5/18/77	7.9	9.3						
6/15/77	7.1	7.5	5.8					
7/13/77	7.7	8.4	7.7	7.1				
8/17/77	8.3	9.2	9.0	9.1	12.3			
9/14/77	8.3	9.1	8.9	8.9	11.1	10.6		
10/19/77	8.6	9.4	9.3	9.4	11.1	10.8	10.0	
11/16/77	8.8	9.6	9.6	9.8	11.3	11.0	10.6	11.4

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



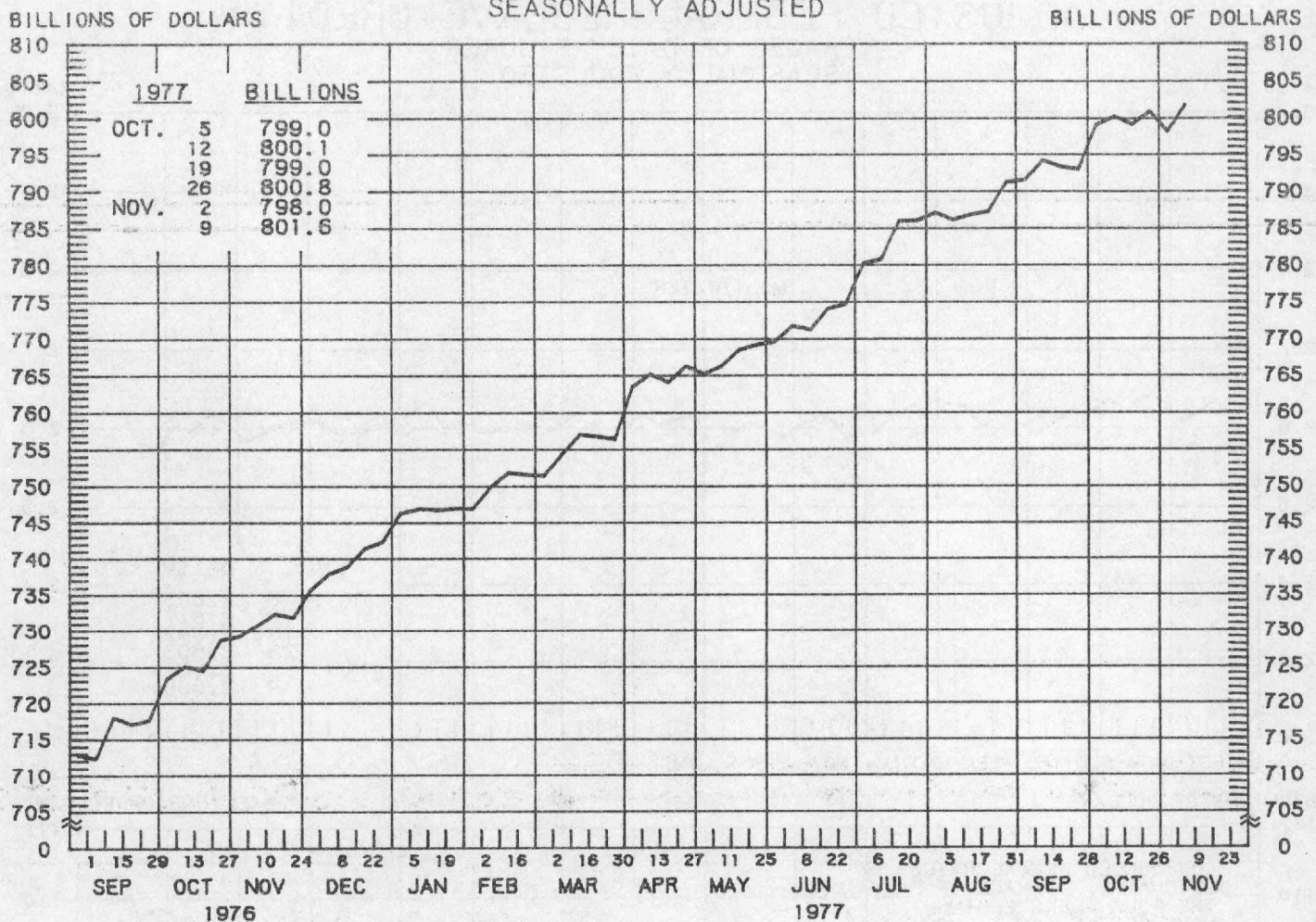
LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 16, 1977

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: NOVEMBER 9, 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:

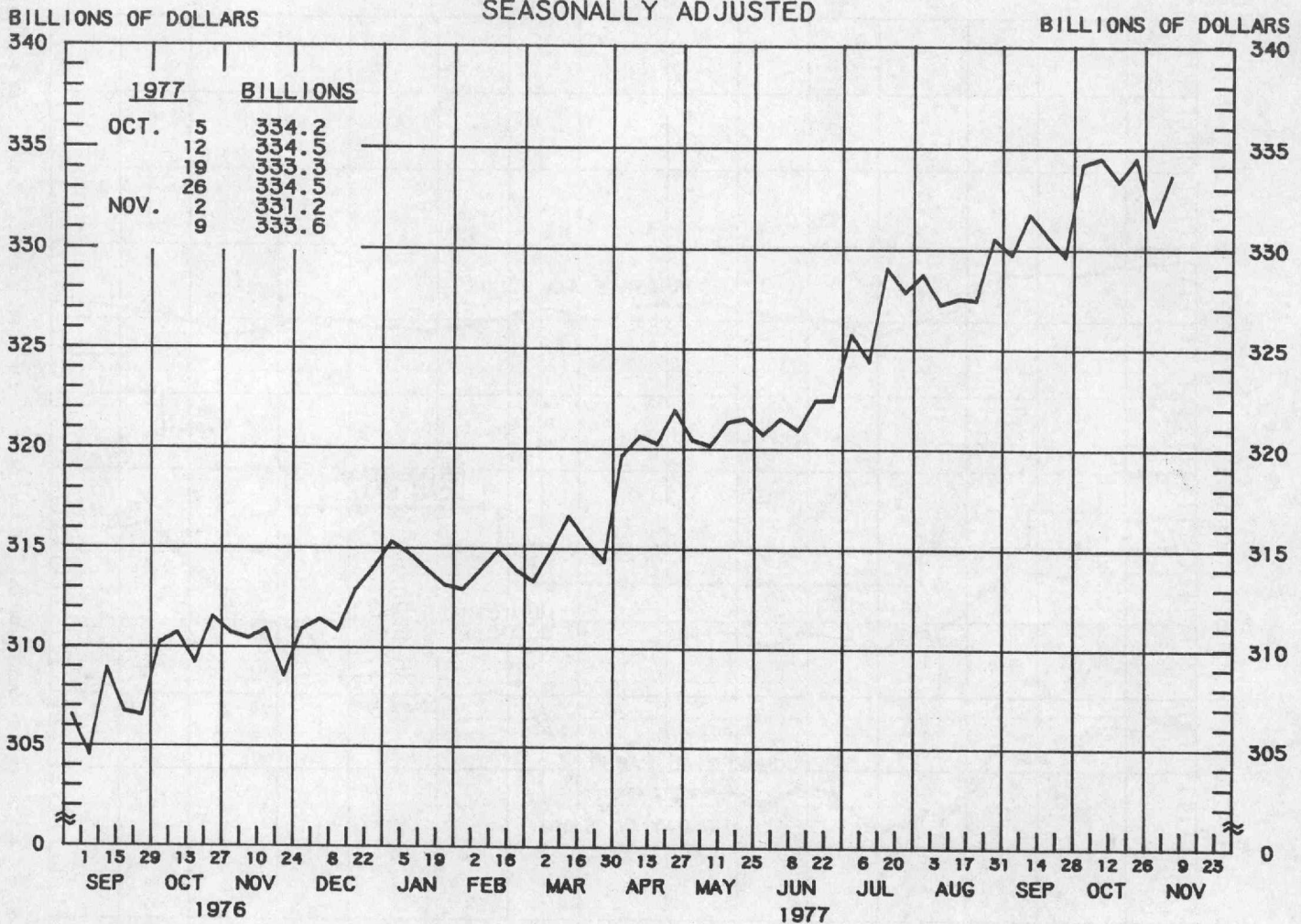
11/10/76 2/9/77 4/6/77 5/11/77 6/8/77 7/6/77 8/10/77 9/7/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

4/ 6/77	10.5							
5/11/77	10.5	9.9						
6/ 8/77	10.1	9.4	9.0					
7/ 6/77	10.0	9.4	9.1	8.4				
8/10/77	10.8	10.6	11.0	11.3	13.0			
9/ 7/77	10.2	9.9	9.9	9.8	10.5	11.1		
10/12/77	10.2	9.9	9.9	9.8	10.3	10.6	7.7	
11/ 9/77	9.8	9.5	9.4	9.2	9.5	9.6	7.2	8.1

MONEY STOCK (M1)

AVERAGES OF DAILY FIGURES SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 9, 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)

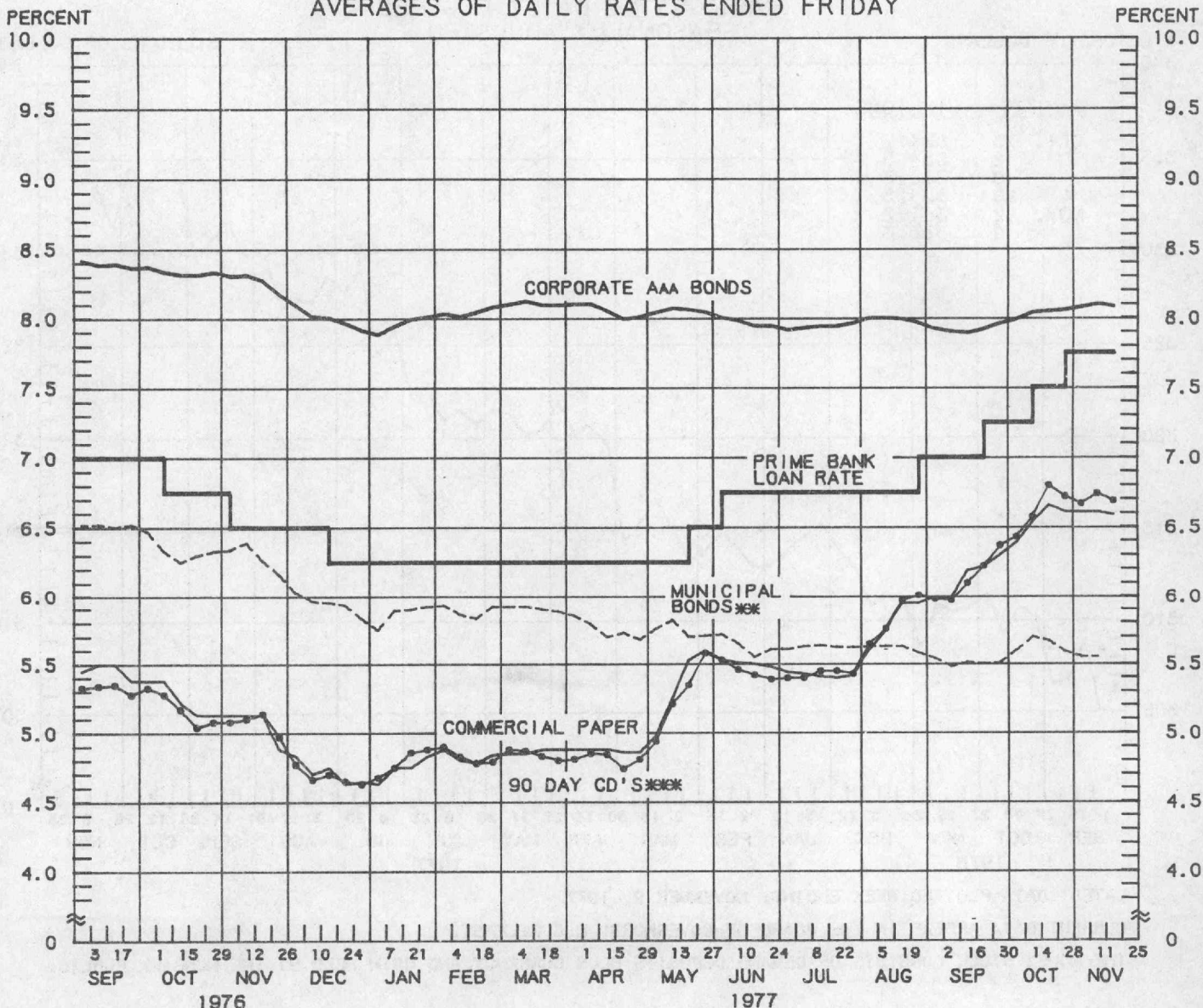
COMPOUNDED ANNUAL RATES OF CHANGE, AVERAGE OF FOUR WEEKS ENDING:

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

	11/10/76	2/9/77	4/6/77	5/11/77	6/8/77	7/6/77	8/10/77	9/7/77
4/ 6/77	4.9							
5/11/77	6.7	9.5						
6/ 8/77	6.1	7.8	9.1					
7/ 6/77	6.2	7.6	8.3	4.5				
8/10/77	7.7	9.6	11.1	9.7	13.1			
9/ 7/77	7.2	8.6	9.4	7.9	9.7	11.0		
10/12/77	7.6	9.0	9.8	8.7	10.1	11.1	7.2	
11/ 9/77	7.3	8.5	9.0	7.9	9.0	9.5	6.2	8.0

YIELDS ON SELECTED SECURITIES

AVERAGES OF DAILY RATES ENDED FRIDAY



LATEST DATA PLOTTED ARE AVERAGES OF RATES AVAILABLE FOR THE WEEK ENDING: NOVEMBER 18, 1977

1977	90 DAY CD'S %	PRIME COMMERCIAL PAPER 4-6 MONTH	PRIME BANKERS' ACCEPTANCES	CORPORATE AAA BONDS	MUNICIPAL BONDS %
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	6.54	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 *	6.69	6.59	6.58	8.08	N.A.
25					

* AVERAGES OF RATES AVAILABLE.

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

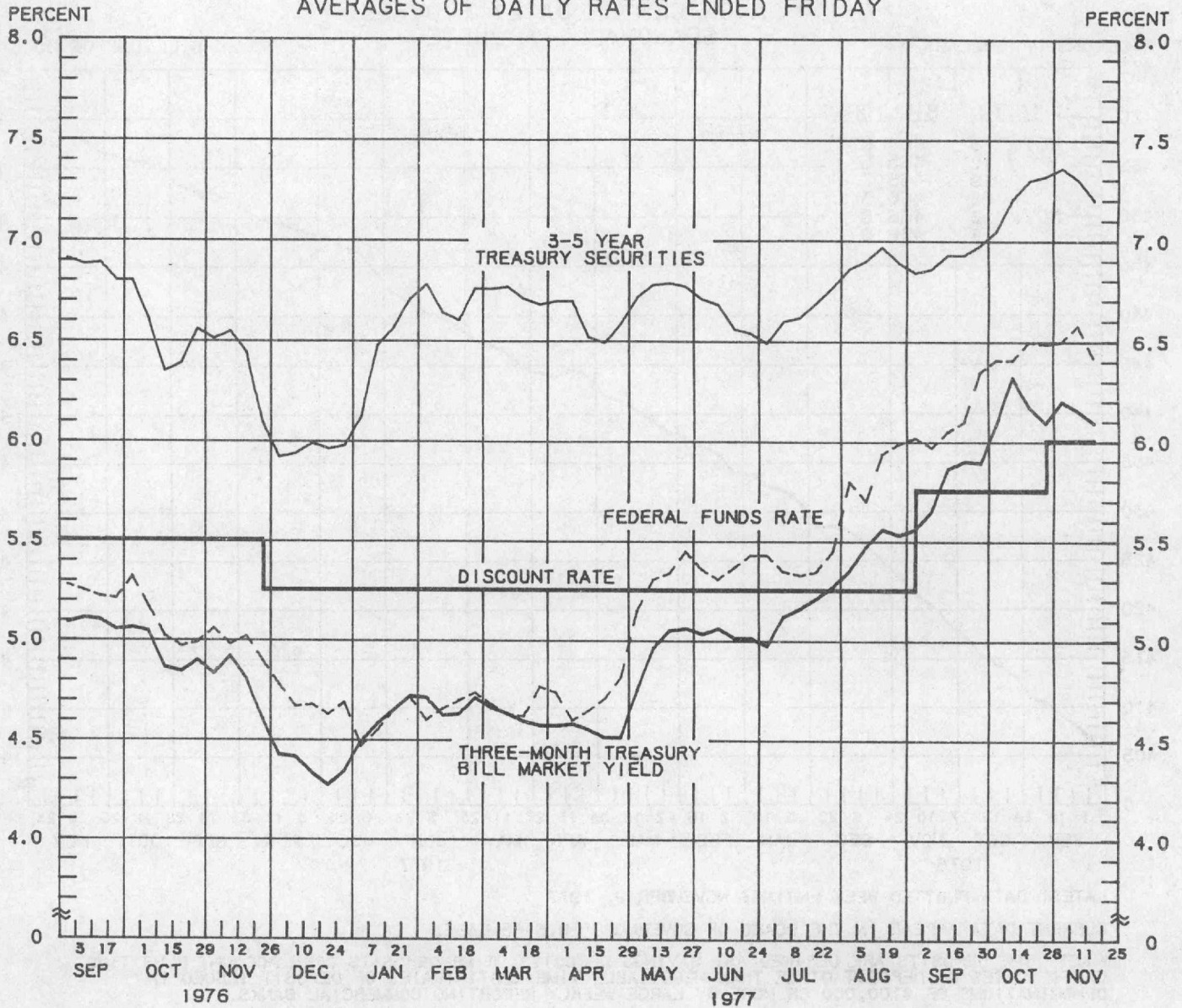
% SEVEN-DAY AVERAGES OF SECONDARY MARKET RATES FOR THE WEEK ENDING WEDNESDAY TWO DAYS EARLIER THAN DATES SHOWN. CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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: NOVEMBER 18, 1977

1977	FEDERAL FUNDS %**	3-MONTH TREASURY BILLS	1-YEAR TREASURY BILL	3-5 YEAR TREASURY SECURITIES	LONG-TERM TREASURY SECURITIES
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	6.17	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	6.09	6.50	7.20	7.67
25					

* AVERAGES OF RATES AVAILABLE.

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

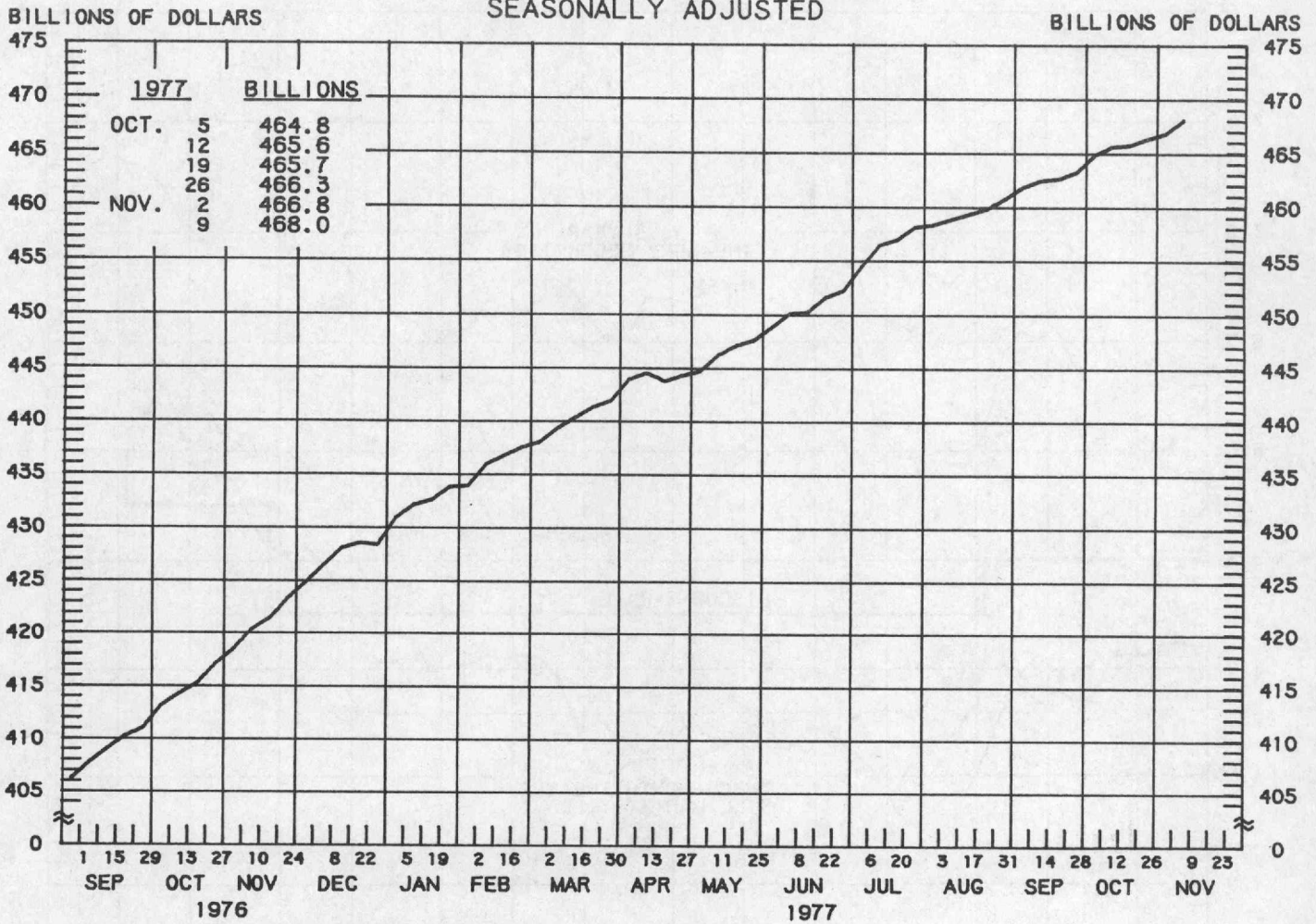
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.9 RELEASE.

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: NOVEMBER 9, 1977

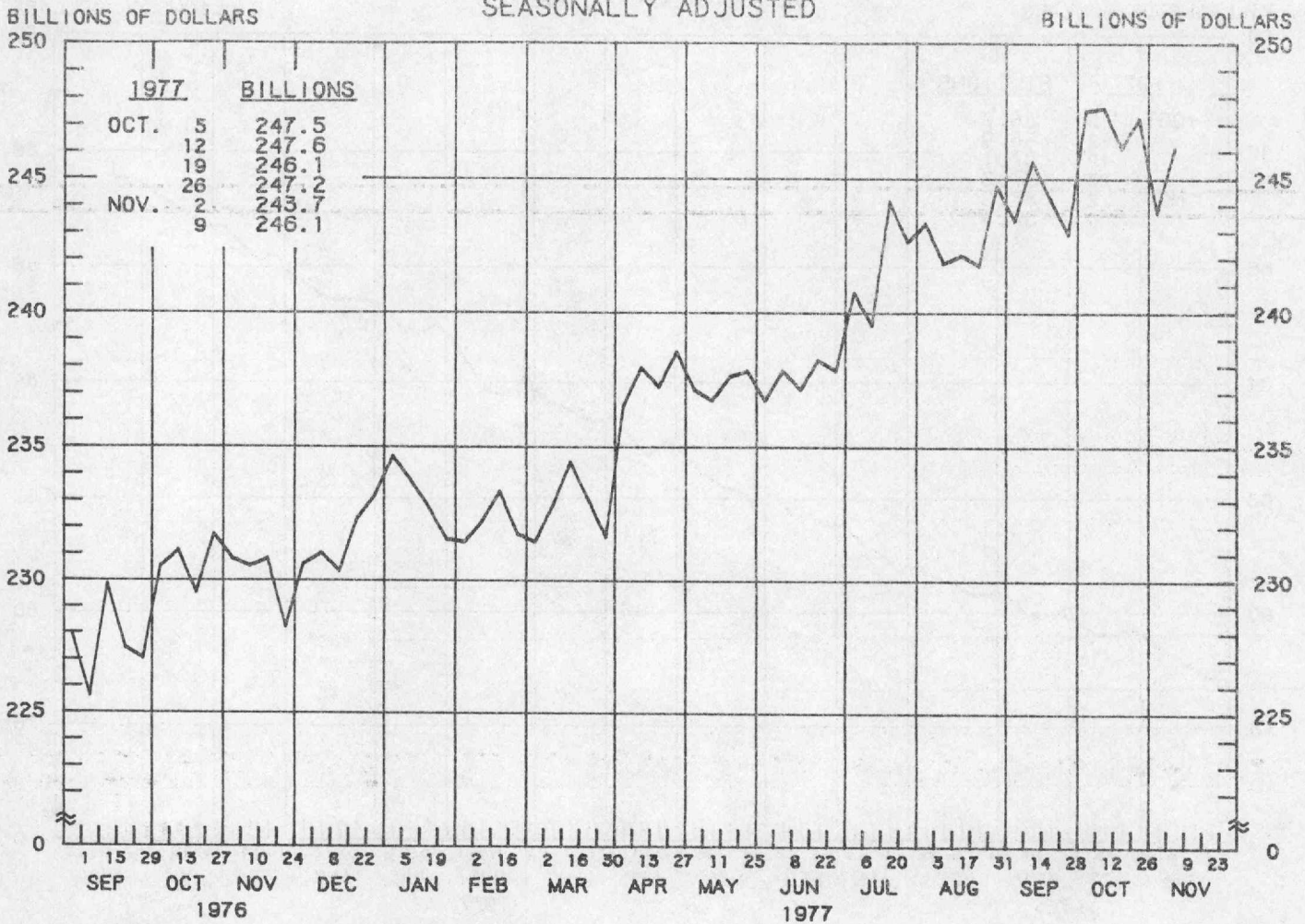
CURRENT DATA APPEAR IN THE BOARD OF GOVERNORS' H.6 RELEASE.

* 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:									
	11/10/76	2/9/77	4/6/77	5/11/77	6/8/77	7/6/77	8/10/77	9/7/77	
TO THE AVERAGE OF FOUR WEEKS ENDING:									
4/ 6/77	14.9								
5/11/77	13.3	10.1							
6/ 8/77	13.0	10.4	8.8						
7/ 6/77	12.8	10.6	9.6	11.3					
8/10/77	13.0	11.3	10.9	12.5	13.0				
9/ 7/77	12.5	10.7	10.2	11.2	11.1	11.1			
10/12/77	12.1	10.4	9.9	10.6	10.5	10.2	7.9		
11/ 9/77	11.7	10.1	9.6	10.1	9.9	9.6	7.8	8.2	

DEMAND DEPOSIT COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 9, 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:

11/10/76 2/9/77 4/6/77 5/11/77 6/8/77 7/6/77 8/10/77 9/7/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

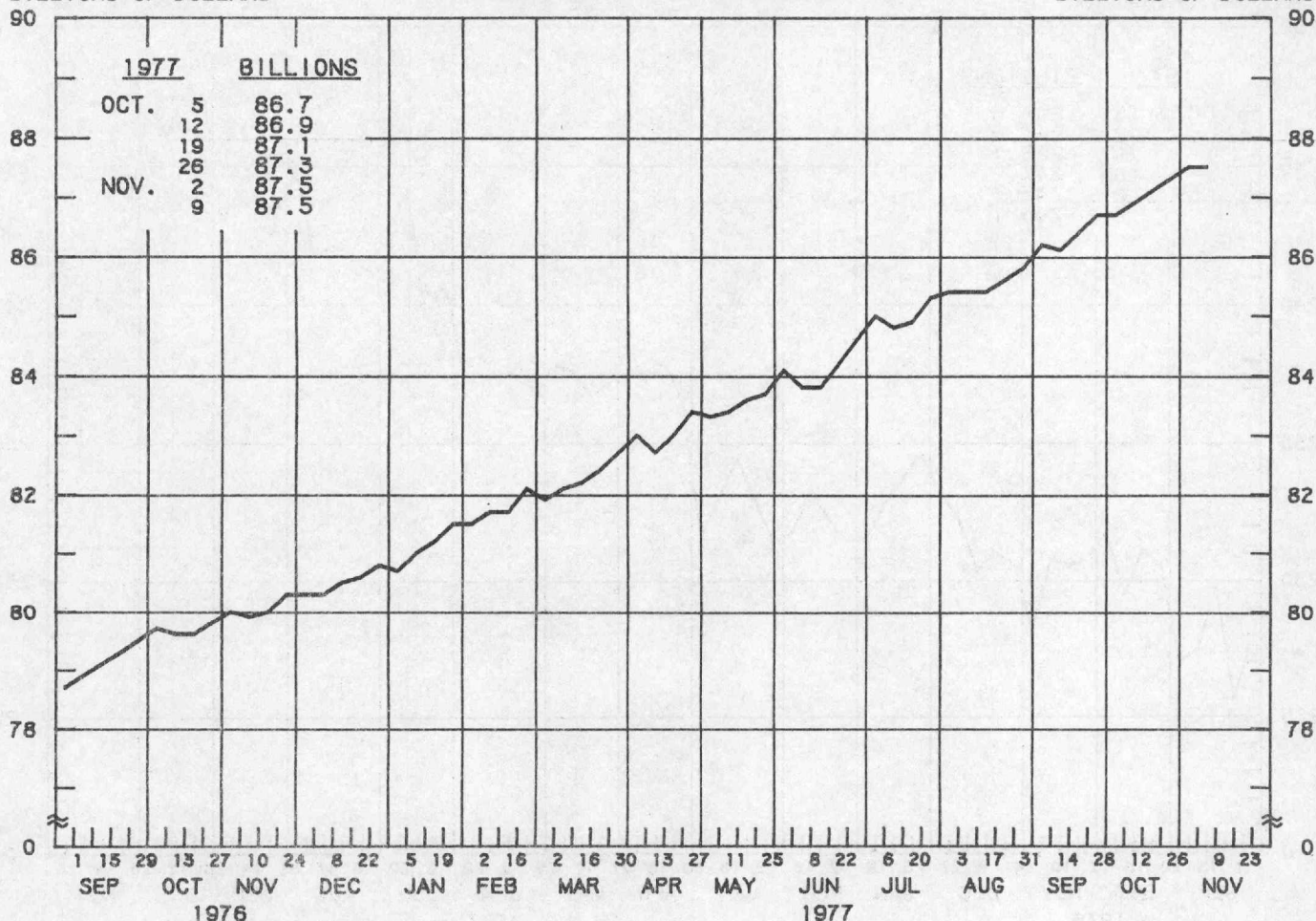
4/ 6/77	3.6							
5/11/77	6.0	9.6						
6/ 8/77	5.2	7.4	9.2					
7/ 6/77	5.3	7.1	8.1	3.1				
8/10/77	7.2	9.7	11.7	9.8	14.1			
9/ 7/77	6.5	8.4	9.4	7.4	9.6	11.4		
10/12/77	7.1	8.8	9.9	8.4	10.2	11.5	6.3	
11/ 9/77	6.6	8.0	8.7	7.2	8.5	9.1	4.7	6.8

CURRENCY COMPONENT OF MONEY STOCK

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED

BILLIONS OF DOLLARS

BILLIONS OF DOLLARS



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 9, 1977

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

CURRENCY

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

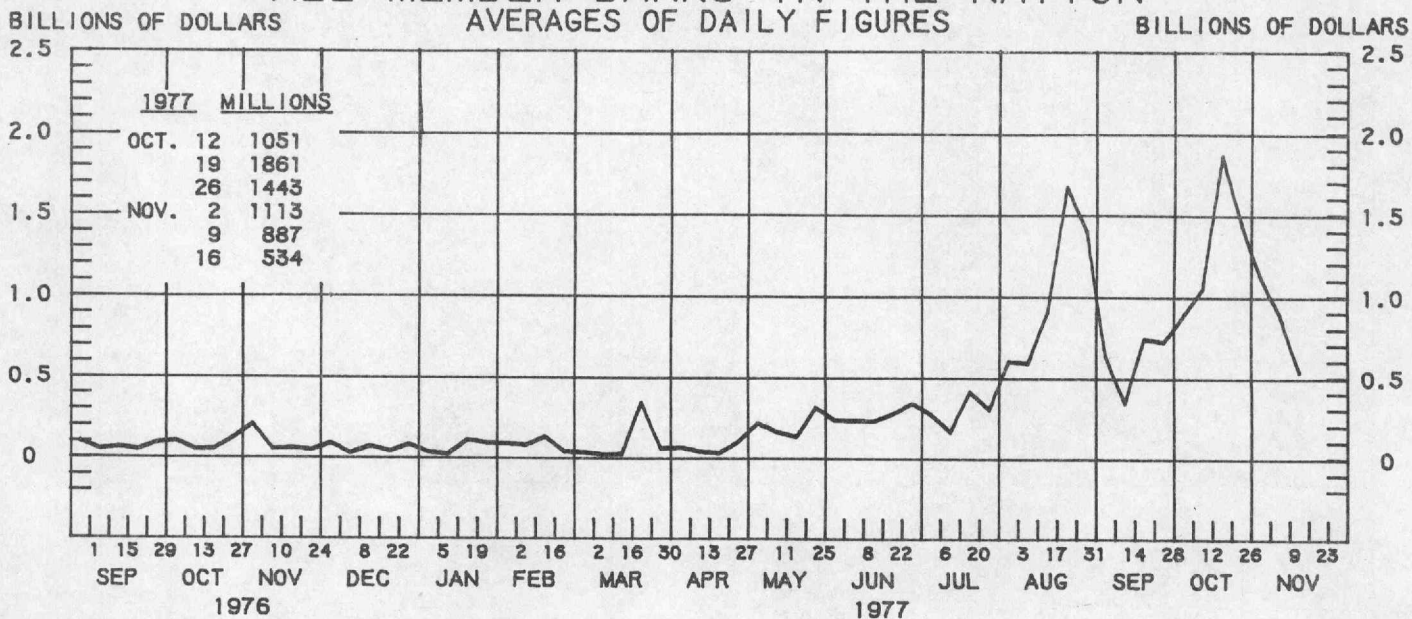
11/10/76 2/9/77 4/6/77 5/11/77 6/8/77 7/6/77 8/10/77 9/7/77

TO THE AVERAGE
OF FOUR WEEKS
ENDING:

4/ 6/77	8.9								
5/11/77	9.0	9.1							
6/ 8/77	8.8	8.9	8.7						
7/ 6/77	8.9	9.0	9.0	8.9					
8/10/77	9.3	9.5	9.7	10.0	10.8				
9/ 7/77	9.2	9.3	9.4	9.5	9.9	10.0			
10/12/77	9.4	9.6	9.8	9.9	10.3	10.5	9.9		
11/ 9/77	9.5	9.8	9.9	10.1	10.5	10.6	10.2	11.3	

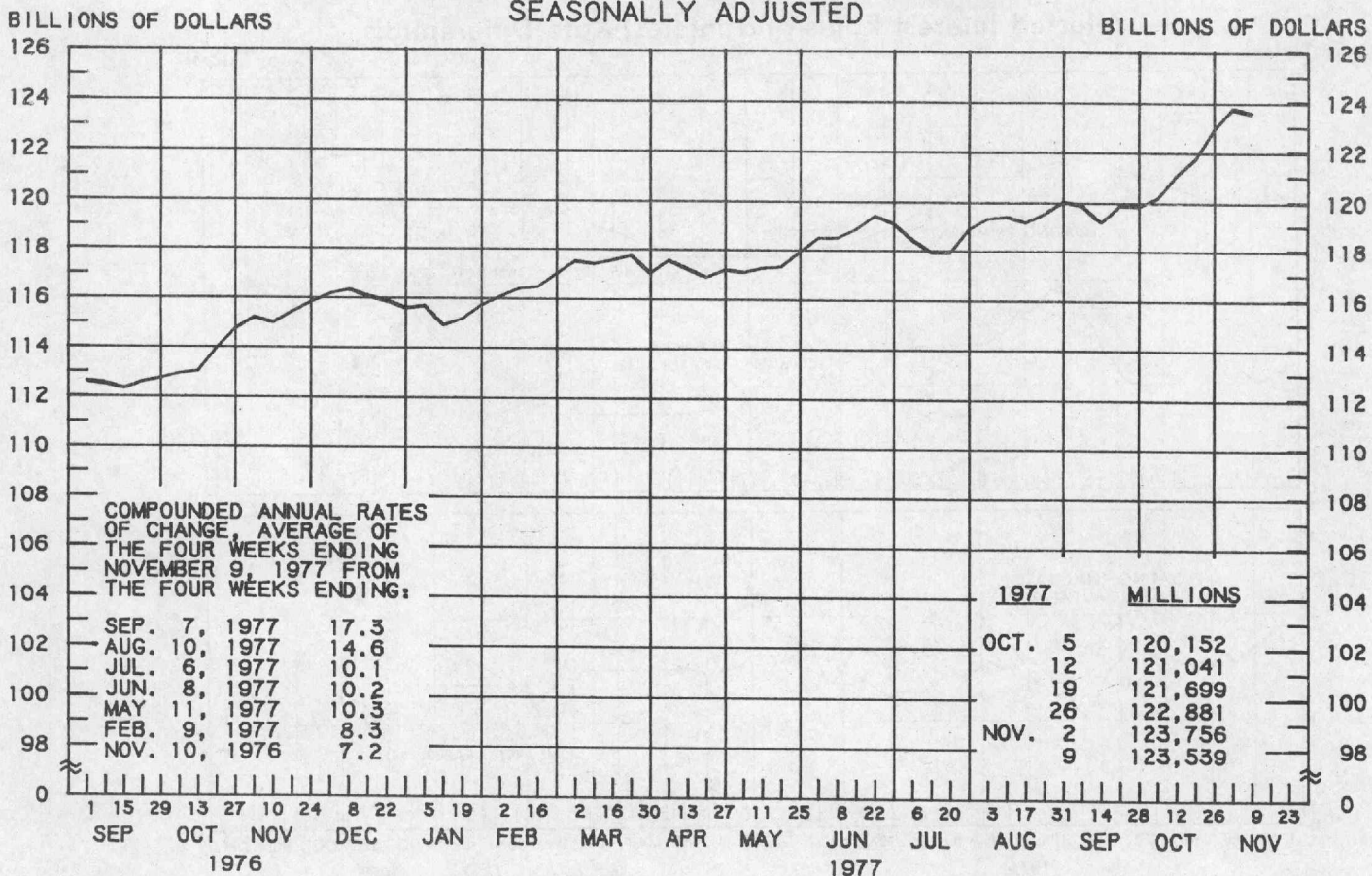
PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

BORROWINGS FROM FEDERAL RESERVE BANKS ALL MEMBER BANKS IN THE NATION



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 16, 1977

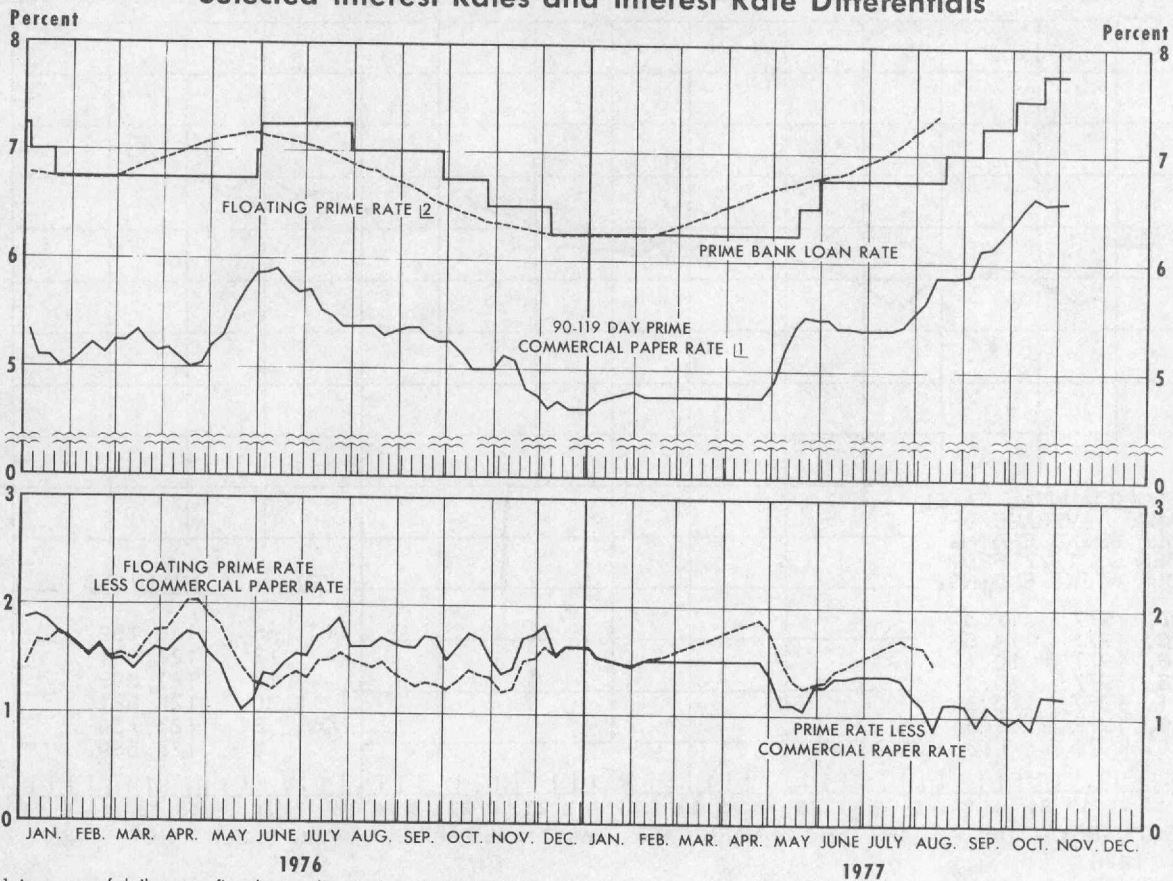
BUSINESS LOANS (COMMERCIAL AND INDUSTRIAL) WEEKLY REPORTING LARGE COMMERCIAL BANKS SEASONALLY ADJUSTED



LATEST DATA PLOTTED WEEK ENDING: NOVEMBER 9, 1977

PREPARED BY FEDERAL RESERVE BANK OF ST. LOUIS

Selected Interest Rates and Interest Rate Differentials



[1] Averages of daily rates, five days ending Friday; plotted on Wednesdays.
 [2] Average prime rate for ninety days following the Friday of each week.

Prepared by Federal Reserve Bank of St. Louis